ABU DHABI COMMERCIAL BANK PJSC
(the "Issuer")

Issue of U.S.$200,000,000 Floating Rate Notes due February 2029 (the "Notes")

under its
U.S.$15,000,000,000 Global Medium Term Note Programme

Issue Price: 100 per cent. of the Aggregate Nominal Amount

Issue Date: 6 February 2024

This information package includes: (i) the base prospectus dated 7 July 2023 and the base prospectus supplement dated 9 August 2023, which together constitute a base prospectus (the "**Base Prospectus**"); (ii) the Final Terms dated 30 January 2024 relating to the Notes; and (iii) this document (together, the "**Information Package**").

The Notes will be issued by Abu Dhabi Commercial Bank PJSC.

Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") and to trading on Euronext Dublin's regulated market with effect from 6 February 2024.

Application will also be made by the Issuer (or on its behalf) for the Notes to be listed on the Taipei Exchange ("**TPEx**") in the Republic of China (the "**ROC**") for the listing and trading of the Notes on the TPEx. The Notes will be traded on the TPEx pursuant to the applicable rules of the TPEx. The effective date of listing of the Notes on the TPEx is on or about 6 February 2024.

TPEx is not responsible for the content of the Information Package and/or any supplement or amendment thereto and no representation is made by the TPEx to the accuracy or completeness of the Information Package and/or any supplement or amendment thereto. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Information Package and any supplement or amendment thereto. Admission to the listing and trading of the Notes on the TPEx shall not be taken as an indication of the merits of the Issuer or the Notes.

SELLING RESTRICTION

For the purposes of the Notes, the following ROC selling restriction shall be deemed inserted in the Base Prospectus:

"Each Dealer has represented and agreed that the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional institutional investors" as defined under Paragraph 2, of Article 4 of the Financial Consumer Protection Act of the Republic of China (the "**ROC**"), which currently includes: (i) overseas and domestic banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further described in greater detail in Paragraph 3 of Article 2 of the Organisation Act of the Financial Supervisory Commission of the ROC; (ii) overseas and domestic fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Futures Trading Act or the ROC Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial consumers; and (iii) other institutions recognised by the Financial Supervisory Commission of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to the aforementioned professional institutional investors."

ROC TAXATION

The following summary of certain taxation provisions under ROC law is based on the Issuer's understanding of current law and practice and that the Notes will be issued, offered, sold and re-sold, directly or indirectly, to professional institutional investors as defined under Paragraph 2 of Article 4 of the Financial Consumer Protection Act of the ROC only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes.

Interest on the Notes

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the Notes.
ROC corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NTD 120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax ("**AMT**") is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of the ROC prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026.

Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from ROC income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains from the sale of the Notes in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Income Basic Tax Act (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over five years to offset against capital gains of same category of income for the purposes of calculating their AMT.

ROC SETTLEMENT AND TRADING

Investors with a securities book-entry account with an ROC securities broker and a foreign currency deposit account with an ROC bank may request the approval of the Taiwan Depositary & Clearing Corporation (the "**TDCC**") for the settlement of the Notes through the account of TDCC with Euroclear or Clearstream and if such approval is granted by TDCC, the Notes may be so cleared and settled. In such circumstances, TDCC will allocate the respective book-entry interest of such investor in the Notes to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds.

In addition, an investor may apply to TDCC (by filling in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream to the TDCC account with Euroclear or Clearstream for trading in the domestic market or vice versa for trading in overseas markets.

For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.

RISKS ASSOCIATED WITH LIMITED LIQUIDITY OF THE NOTES

Application will be made for the listing of the Notes on the TPEx. No assurances can be given as to whether the Notes will be, or will remain, listed on the TPEx. If the Notes fail to, or cease to, be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the Notes.

Lead Manager
Crédit Agricole Corporate and Investment Bank, Taipei Branch

Liquidity Provider
SinoPac Securities Corporation

Managers
Crédit Agricole Corporate and Investment Bank, Taipei Branch
KGI Securities Co. Ltd
Mega International Commercial Bank Co., Ltd
President Securities Corporation
SinoPac Securities Corporation
Yuanta Securities Co., Ltd

Date: 30 January 2024

FINAL TERMS

EU MiFID II PRODUCT GOVERNANCE – There are no manufacturers for the purposes of Directive 2014/65/EU (as amended, "**EU MiFID II**"). Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should consider (i) the target market for the Notes to be eligible counterparties and professional clients only, each as defined in EU MiFID II and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients to be appropriate; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

UK MiFIR PRODUCT GOVERNANCE – There are no manufacturers for the purposes of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"). Any distributor should consider (i) the target market for the Notes to be eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in UK MiFIR and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients to be appropriate; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Final Terms dated 30 January 2024

ABU DHABI COMMERCIAL BANK PJSC

Legal Entity Identifier (LEI): 213800RWVKKIRX1AUH58

Issue of U.S.$200,000,000 Floating Rate Notes due February 2029
under the U.S.$15,000,000,000
Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 7 July 2023 and the supplement to the base prospectus dated 9 August 2023 which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129, as amended (the "**EU Prospectus Regulation**"). This document constitutes the applicable Final Terms of the Notes described herein for the purposes of Article 8(4) of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these applicable Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the website of Euronext Dublin (https://live.euronext.com/) and during normal business hours at Abu Dhabi Commercial Bank PJSC, ADCB Tower, Head Office, Sheikh Zayed Street, P.O. Box 939, Abu Dhabi, United Arab Emirates, and copies may be obtained from Abu Dhabi Commercial Bank PJSC, ADCB Tower, Head Office, Sheikh Zayed Street, P.O. Box 939, Abu Dhabi, United Arab Emirates.

1.	(a)	Series Number:	184
	(b)	Tranche Number:	1
	(c)	Date on which the Notes become fungible:	Not Applicable
2.	Specified Currency or Currencies:		U.S. dollars ("**U.S.$**")
3.	Aggregate Nominal Amount of Notes admitted to trading:		
	(a)	Series:	U.S.$200,000,000
	(b)	Tranche:	U.S.$200,000,000
4.	Issue Price:		100 per cent. of the Aggregate Nominal Amount
5.	(a)	Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(b)	Calculation Amount:	U.S.$1,000
6.	(a)	Issue Date:	6 February 2024
	(b)	Interest Commencement Date:	Issue Date
7.	Maturity Date:		Interest Payment Date falling in or nearest to February 2029
8.	Interest Basis:		Compounded Daily SOFR + 1.30 per cent. Floating Rate (further particulars below)
9.	Redemption/Payment Basis:		Redemption at par
10.	Change of Interest Basis or Redemption/Payment Basis:		Not Applicable
11.	Put/Call Options:		Not Applicable
12.	(a)	Status of the Notes:	Senior
	(b)	Date approval for issuance of the Notes obtained:	20 March 2023

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions:			Not Applicable
14.	Floating Rate Note Provisions:			Applicable
	(a)	Specified Period(s)/Specified Interest Payment Dates:		6 February, 6 May, 6 August and 6 November in each year from and including 6 May 2024 up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in (b) below
	(b)	Business Day Convention:		Modified Following Business Day Convention
	(c)	Additional Business Centre(s):		London, New York and Taipei
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:		Screen Rate Determination
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount:		Principal Paying Agent
	(f)	Screen Rate Determination:		Applicable
		(i)	Reference Rate:	SOFR
		(ii)	Index Determination:	Not Applicable
		(iii)	Interest Determination Date(s):	The fifth U.S. Government Securities Business Day immediately preceding the Interest Payment Date for each Interest Period (or immediately preceding such earlier date, if any, on which the Notes are due and payable).
		(iv)	Relevant Screen Page:	Reuters Screen SOFR Page
		(v)	Relevant Time:	Not Applicable
		(vi)	Relevant Financial Centre:	Not Applicable

	(vii)	Calculation Method:	Compounded Daily
	(viii)	Observation Method:	Observation Shift
	(ix)	Observation Lookback Period:	Five U.S. Government Securities Business Days
	(x)	D:	360
	(xi)	Effective Interest Payment Date:	Not Applicable
	(xii)	Rate Cut-off Date:	Not Applicable
(g)	ISDA Determination:		Not Applicable
(h)	Linear Interpolation:		Not Applicable
(i)	Margin(s):		+1.30 per cent. per annum
(j)	Minimum Rate of Interest:		0.00 per cent. per annum
(k)	Maximum Rate of Interest:		Not Applicable
(l)	Day Count Fraction:		Actual/360

15.	Reset Note Provisions:	Not Applicable
16.	Zero Coupon Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17.	Issuer Call:		Not Applicable
18.	Investor Put:		Not Applicable
19.	Change of Control Put:		Not Applicable
20.	Final Redemption Amount:		U.S.$1,000 per Calculation Amount
21.	(a)	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	U.S.$1,000 per Calculation Amount
	(b)	Notice period on redemption for tax reasons (if different from Condition	Not Applicable – in line with Conditions

	8.2 (*Redemption for tax reasons):*	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	Form of Notes:	Bearer Notes: Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes only upon an Exchange Event Reg. S Compliance Category 2; TEFRA D
23.	Additional Business Centre(s) relating to Payment Days:	London, New York and Taipei
24.	Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):	No
25.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	Not Applicable
26.	Details relating to Instalment Notes:	Not Applicable
27.	Redenomination applicable:	Redenomination not applicable
28.	RMB Settlement Centre(s):	Not Applicable
29.	RMB Currency Event:	Not Applicable
30.	Relevant Currency for Condition 7.9 (*RMB Currency Event*):	Not Applicable
31.	Relevant Spot Rate Screen Pages for Condition 7.9 (*RMB Currency Event*):	
	(i) Relevant Spot Rate Screen Page (Deliverable Basis):	Not Applicable

(ii)	Relevant Spot Rate Screen Page (Non-deliverable basis):	Not Applicable
32.	Party responsible for calculating the Spot Rate for Condition 7.9 (*RMB Currency Event*):	Not Applicable

Signed on behalf of the Issuer:

By: .... By: ....
Duly authorised *Duly authorised*

Robbert Muller
Group Treasurer

Udit Dewan
Senior Head
Liquidity Management & Funding

ADCB TREASURY & INVESTMENT 01

PART B
OTHER INFORMATION

1. **LISTING**

(a)	Listing and Admission to trading:	Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and to trading on Euronext Dublin's regulated market with effect from the Issue Date. Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Taipei Exchange ("**TPEx**") in the Republic of China (the "**ROC**") for the listing and trading of the Notes on the TPEx. The Notes will be traded on the TPEx pursuant to the applicable rules of the TPEx. The effective date of listing of the Notes on the TPEx is on or about the Issue Date. TPEx is not responsible for the content of this document and the Base Prospectus and any supplement or amendment thereto and no representation is made by the TPEx to the accuracy or completeness of this document and the Base Prospectus and any supplement or amendment thereto. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document, the Base Prospectus or any supplement or amendment thereto. Admission to listing and trading on the TPEx shall not be taken as an indication of the merits of the Issuer or the Notes
(b)	Estimate of total expenses related to admission to trading:	EUR1,000 in relation to the listing and trading of the Notes on Euronext Dublin New Taiwan Dollar ("**NTD**") 70,000 in relation to the listing and trading of the Notes on the TPEx

2. **RATINGS** The Notes to be issued are expected to be rated:

Ratings: Fitch Ratings Limited ("**Fitch**"): A+

S&P Global Ratings Europe Limited ("**Standard & Poor's**"): A

Fitch is not established in the European Economic Area (the "**EEA**") and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the "**EU CRA Regulation**"). The rating Fitch has given to the Notes is endorsed by Fitch Ratings Ireland Limited, which is established in the EEA and registered under the EU CRA Regulation. Standard & Poor's is established in the EEA and registered under the EU CRA Regulation. As such, each of Fitch Ratings Ireland Limited and Standard & Poor's is included in the list of credit rating agencies published by the ESMA on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation.

Fitch is established in the United Kingdom and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). Standard & Poor's is not established in United Kingdom and registered under the UK CRA Regulation. The rating Standard & Poor's has given to the Notes is endorsed by S&P Global Ratings UK Limited, which is established in the United Kingdom and registered under the UK CRA Regulation. As such, each of S&P Global Ratings UK Limited and Fitch is included in the list of registered credit rating agencies on the UK Financial Conduct Authority's Financial Services Register.

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

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

4. **YIELD (Fixed Rate Notes Only)**

Indication of yield:	Not Applicable

5. **OPERATIONAL INFORMATION**

(a)	ISIN Code:	XS2757010173
(b)	Common Code:	275701017
(c)	FISN:	ABU DHABI COM.B/VAR MTN 20290206
(d)	CFI Code:	DTVUFB
(e)	CUSIP:	Not Applicable
(f)	CINS:	Not Applicable
(g)	Any clearing system(s) other than DTC, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") and the relevant identification number(s):	Not Applicable
(h)	Delivery:	Delivery against payment
(i)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

6. **GREEN NOTES, REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**

Green Notes:	No
Reasons for the offer:	See "*Use of Proceeds*" in the Base Prospectus
Estimated net proceeds:	U.S.$199,800,000

7. **PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

Not Applicable

8. **PROHIBITION OF SALES TO UK RETAIL INVESTORS**

Not Applicable

9. BENCHMARKS

Details of benchmarks administrators and registration under the EU Benchmarks Regulation	SOFR is provided by the Federal Reserve Bank of New York. As at the date hereof, the Federal Reserve Bank of New York does not appear in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulatio**n"). As far as the Issuer is aware, as at the date hereof, SOFR does not fall within the scope of the EU Benchmark Regulation

10. THIRD PARTY INFORMATION

Not Applicable

SUPPLEMENT DATED 1 FEBRUARY 2024
TO THE BASE PROSPECTUS DATED 7 JULY 2023

ABU DHABI COMMERCIAL BANK PJSC

(*incorporated with limited liability in Abu Dhabi, United Arab Emirates*)

U.S.$15,000,000,000
Global Medium Term Note Programme

This base prospectus supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 7 July 2023, as supplemented by the supplemental base prospectus dated 9 August 2023 (the "**Base Prospectus**") prepared by Abu Dhabi Commercial Bank PJSC ("**ADCB**" or the "**Issuer**") in connection with the Issuer's Global Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.$15,000,000,000 in aggregate nominal amount of notes (the "**Notes**"). Terms defined in the Base Prospectus, unless the context otherwise requires, have the same meanings when used in this Supplement. This Supplement, together with the Base Prospectus, comprises a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**") and constitutes a supplement for the purposes of Article 23 of the EU Prospectus Regulation.

This Supplement has been approved by the Central Bank of Ireland as competent authority under the EU Prospectus Regulation. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Supplement. Investors should make their own assessment as to the suitability of investing in the Notes.

The purpose of this Supplement is to: (a) incorporate by reference into the Base Prospectus the audited consolidated financial statements of ADCB as at and for the year ended 31 December 2023, together with the notes to the consolidated financial statements and the auditors' report thereon; and (b) include a new "Significant or Material Change" statement.

IMPORTANT NOTICES

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

Information which is updated by reference to one section of the Base Prospectus may be repeated or referred to in other sections of the Base Prospectus. Accordingly, to the extent that there is any inconsistency between: (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement; and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

Copies of this Supplement, the Base Prospectus and the documents incorporated by reference in either can be: (i) viewed on the website of Euronext Dublin at https://live.euronext.com and the website of ADCB at http://www.adcb.com; and (ii) obtained on written request and without charge from the registered office of the Issuer at Abu Dhabi Commercial Bank PJSC, ADCB Tower, Head Office, Sheikh Zayed Street, P.O. Box 939, Abu Dhabi, United Arab Emirates.

This Supplement and the Base Prospectus do not constitute an offer to sell or the solicitation of an offer to buy any Notes by or on behalf of the Issuer or any Dealer in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. For a more complete description of restrictions on offers and sales of the Notes described in this Supplement and the Base Prospectus, see "*Subscription and Sale and Transfer and Selling Restrictions*" in the Base Prospectus.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities laws and the Notes may not be offered, sold or delivered within the United States or to, or for the account or the benefit of, U.S. persons (as defined under Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and the offer or sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

AMENDMENTS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in or incorporated by reference into, the Base Prospectus is supplemented by the information set out as follows:

DOCUMENTS INCORPORATED BY REFERENCE

A copy of the audited consolidated financial statements of ADCB as at and for the year ended 31 December 2023, together with the notes to the consolidated financial statements and the auditors' report thereon (the "**2023 Financial Statements**") has been filed with the Central Bank of Ireland and by virtue of this Supplement, the 2023 Financial Statements are hereby incorporated into, and form part of, the Base Prospectus. For ease of reference, the table below sets out the relevant page references for the 2023 Financial Statements:

2023 Financial Statements

A copy is also available at https://www.adcb.com/en/multimedia/pdfs/2023/december/FinancialStatements-FY-2023.pdf.

SIGNIFICANT OR MATERIAL CHANGE

The paragraph under the heading "*Significant or Material Change*" on page 227 of the Base Prospectus shall be updated to read as follows:

"There has been no significant change in the financial position or financial performance of the Group since 31 December 2023. There has been no material adverse change in the prospects of the Group since 31 December 2023."

SUPPLEMENT DATED 9 AUGUST 2023
TO THE BASE PROSPECTUS DATED 7 JULY 2023

بنك أبوظبي التجاري
ADCB

ABU DHABI COMMERCIAL BANK PJSC

(*incorporated with limited liability in Abu Dhabi, United Arab Emirates*)

U.S.$15,000,000,000
Global Medium Term Note Programme

This base prospectus supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 7 July 2023 (the "**Base Prospectus**") prepared by Abu Dhabi Commercial Bank PJSC ("**ADCB**" or the "**Issuer**") in connection with the Issuer's Global Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.$15,000,000,000 in aggregate nominal amount of notes (the "**Notes**"). Terms defined in the Base Prospectus, unless the context otherwise requires, have the same meanings when used in this Supplement. This Supplement, together with the Base Prospectus, comprises a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**") and constitutes a supplement for the purposes of Article 23 of the EU Prospectus Regulation.

This Supplement has been approved by the Central Bank of Ireland as competent authority under the EU Prospectus Regulation. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Supplement. Investors should make their own assessment as to the suitability of investing in the Notes.

The purpose of this Supplement is to: (a) incorporate by reference into the Base Prospectus the unaudited condensed consolidated interim financial statements of ADCB as at and for the six months ended 30 June 2023, together with the review report thereon; and (b) include a new "Significant or Material Change" statement.

IMPORTANT NOTICES

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

Information which is updated by reference to one section of the Base Prospectus may be repeated or referred to in other sections of the Base Prospectus. Accordingly, to the extent that there is any inconsistency between: (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement; and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

Copies of this Supplement, the Base Prospectus and the documents incorporated by reference in either can be: (i) viewed on the website of Euronext Dublin at https://live.euronext.com and the website of ADCB at http://www.adcb.com; and (ii) obtained on written request and without charge from the registered office of the Issuer at Abu Dhabi Commercial Bank PJSC, ADCB Tower, Head Office, Sheikh Zayed Street, P.O. Box 939, Abu Dhabi, United Arab Emirates.

This Supplement and the Base Prospectus do not constitute an offer to sell or the solicitation of an offer to buy any Notes by or on behalf of the Issuer or any Dealer in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. For a more complete description of restrictions on offers and sales of the Notes described in this Supplement and the Base Prospectus, see "*Subscription and Sale and Transfer and Selling Restrictions*" in the Base Prospectus.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities laws and the Notes may not be offered, sold or delivered within the United States or to, or for the account or the benefit of, U.S. persons (as defined under Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and the offer or sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

AMENDMENTS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in or incorporated by reference into, the Base Prospectus is supplemented by the information set out as follows:

DOCUMENTS INCORPORATED BY REFERENCE

A copy of the unaudited condensed consolidated interim financial statements of ADCB as at and for the six months ended 30 June 2023, together with the review report thereon (the "**H1 2023 Interim Financial Statements**") has been filed with the Central Bank of Ireland and by virtue of this Supplement, the H1 2023 Interim Financial Statements are hereby incorporated into, and form part of, the Base Prospectus. For ease of reference, the table below sets out the relevant page references for the H1 2023 Interim Financial Statements:

H1 2023 Interim Financial Statements	
Report on Review of Condensed Consolidated Interim Financial Information	Page 3
Condensed Consolidated Interim Statement of Financial Position	Page 5
Condensed Consolidated Interim Income Statement (unaudited)	Page 6
Condensed Consolidated Interim Statement of Comprehensive Income (unaudited)	Page 7
Condensed Consolidated Interim Statement of Changes in Equity (unaudited)	Page 8
Condensed Consolidated Interim Statement of Cash Flows (unaudited)	Pages 9 and 10
Notes to the Condensed Consolidated Interim Financial Statements	Pages 11 to 46

A copy is also available at https://www.adcb.com/en/multimedia/pdfs/2023/july/FinancialStatements-Q2-2023.pdf.

SIGNIFICANT OR MATERIAL CHANGE

The paragraph under the heading "*Significant or Material Change*" on page 227 of the Base Prospectus shall be deleted and replaced with the following:

"There has been no significant change in the financial position or financial performance of the Group since 30 June 2023. There has been no material adverse change in the prospects of the Group since 31 December 2022."

Base Prospectus dated 7 July 2023

ABU DHABI COMMERCIAL BANK PJSC

(*incorporated with limited liability in Abu Dhabi, United Arab Emirates*)

U.S.$15,000,000,000
Global Medium Term Note Programme

Under this U.S.$15,000,000,000 Global Medium Term Note Programme (the "**Programme**"), Abu Dhabi Commercial Bank PJSC ("**ADCB**", the "**Bank**" or the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively "**Bearer Notes**" and "**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$15,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to any increase as described herein.

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

An investment in Notes issued under the Programme involves certain risks, see "*Risk Factors*" on page 8.

This Base Prospectus has been approved by the Central Bank of Ireland, which is the Irish competent authority under Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). The Central Bank of Ireland only approves the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Notes. Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for Notes issued under the Programme within twelve months after the date hereof to be admitted to the official list (the "**Official List**") and to trading on the regulated market of Euronext Dublin. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU, as amended ("**EU MiFID II**"). Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of EU MiFID II and/or which are to be offered to the public in any member state of the European Economic Area (the "**EEA**"). This Base Prospectus is valid for a period of 12 months from the date of approval. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies after the end of its 12-month validity period.

References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been (i) admitted to the Official List and to trading on the regulated market of Euronext Dublin; or (ii) have been admitted to trading on such further stock exchanges or markets as may be specified in the applicable Final Terms (as defined below).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes will be set out in a final terms document (the "**Final Terms**") which, with respect to Notes to be listed, will be delivered to the relevant stock exchange or market as may be specified in the applicable Final Terms.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

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

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes (the "**Conditions**") herein, in which event a new Base Prospectus, in the case of listed Notes only, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Notes.

The rating of certain Series of Notes to be issued under the Programme and the credit rating agency issuing such rating may be specified in the applicable Final Terms. ADCB has been assigned long term ratings of A with a "stable outlook" by S&P Global Ratings Europe Limited ("**Standard & Poor's**") and A+ with a "stable outlook" by Fitch Ratings Limited ("**Fitch**"). The Emirate of Abu Dhabi has been assigned a rating of AA by Fitch, Aa2 by Moody's Investors Service Ltd ("**Moody's**") and AA by Standard & Poor's, each with a stable outlook. The United Arab Emirates (the "**UAE**") has been assigned a credit rating of AA- with a stable outlook by Fitch and a credit rating of Aa2 with a stable outlook by Moody's Investors Service Singapore Pte. Ltd.

Moody's Investors Service Singapore Pte. Ltd. is not established in the EEA or in the United Kingdom (the "**UK**") but the rating it has assigned is endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the "**EU CRA Regulation**"). Standard & Poor's is established in the EEA and registered under the EU CRA Regulation. The ratings Standard & Poor's has assigned are endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under Regulation (EC) No. 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and have not been withdrawn. Each of Moody's and Fitch is established in the UK and registered under the UK CRA Regulation. Each of Moody's and Fitch appear on the latest update of the list of registered credit rating agencies on the UK Financial Conduct Authority's (the "**FCA**") Financial Services Register. The rating Moody's has assigned is endorsed by Moody's Deutschland GmbH, which is established in the EEA and registered under the EU CRA Regulation. The rating Fitch has assigned is endorsed by Fitch Ratings Ireland Limited, which is established in the EEA and registered under the EU CRA Regulation. As such, each of Moody's Deutschland GmbH, Standard & Poor's and Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Arranger

BofA Securities

Dealers

Abu Dhabi Commercial Bank	**Barclays**	**BNP PARIBAS**
BofA Securities	**Citigroup**	**Deutsche Bank**
ING	**J.P. Morgan**	**Mizuho**
Morgan Stanley		**Standard Chartered Bank**

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the EU Prospectus Regulation.

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

This Base Prospectus is to be read in conjunction with any amendments or supplements hereto and with any documents incorporated herein by reference (see "*Documents Incorporated by Reference*") and, in relation to any Tranche of Notes, should be read in conjunction with the applicable Final Terms.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Merrill Lynch International as arranger (the "**Arranger**") or the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme, the Notes or their distribution. None of the Arranger or the Dealers accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme, the Notes or their distribution.

The only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the relevant subscription agreement as the relevant Dealer or the Managers, as the case may be.

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

Neither this Base Prospectus, nor any other information supplied in connection with the Programme or any Notes: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Base Prospectus. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Notes issued under the Programme have not been, and will not, be registered under the Securities Act or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act.

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

All applicable provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"), and all secondary legislation made pursuant to it, must be complied with. Accordingly, no offer or sale of, and no communication of any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in respect of any Notes is being made hereby except in circumstances where the prohibition on financial promotion set out at Section 21(1) of the FSMA does not apply whether by reason of the application of the exemptions to such prohibition set out in the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005 (the "**Promotions Order**") or otherwise. In the United Kingdom, this Base Prospectus is only being distributed and made available to, and is only directed at, persons who have professional experience in matters relating to investments falling within Article 19(5) of the Promotions Order or high net worth entities and other persons to whom it may lawfully be communicated falling within Article 49(2)(a) to (d) of the Promotions Order (each such person being referred to as a "**relevant person**") and any other person into whose possession this Base Prospectus comes must not and should not take any action in respect of matters set out herein in respect to the Notes or otherwise. In the United Kingdom, any person other than a relevant person should not rely on this Base Prospectus.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA, the UK, Japan, the UAE (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar (excluding the Qatar Financial Centre), Singapore, Hong Kong, Malaysia, the State of Kuwait, the People's Republic of China (the "**PRC**") (which, for the purposes of this Base Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan) and Switzerland. See "*Subscription and Sale and Transfer and Selling Restrictions*".

None of the Issuer, the Arranger or any Dealer has authorised, nor does it authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer, the Arranger or any Dealer to publish or supplement a prospectus for such offer.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained or incorporated by reference in this Base Prospectus. Any representation to the contrary is unlawful.

None of the Arranger, the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

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

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

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be 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, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

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

Registered Notes may be offered or sold within the United States only to persons who are QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Prospective purchasers are hereby notified that sellers of Registered Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

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

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

ADCB is a corporation organised under the laws of the UAE. All or a substantial portion of the assets of ADCB are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the UAE upon ADCB or to enforce judgments against it obtained in United States courts, including judgments predicated upon civil liability provisions of the United States securities laws or the securities laws of any state or territory within the United States.

The Notes are governed by English law and disputes in respect of them may be settled by arbitration under the Arbitration Rules of the London Court of International Arbitration (the "**LCIA Rules**") in London, England. In addition, actions in respect of the Notes may be brought in the English courts.

In the absence of any bilateral treaty for the reciprocal enforcement of foreign judgments, the Abu Dhabi courts are unlikely to enforce an English judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the Notes. Investors may have difficulties in enforcing any English judgments or arbitration awards against the Issuer in the courts of Abu Dhabi, see "*Risk Factors – Risks relating to enforcement – Investors may experience difficulties in enforcing arbitration awards and foreign judgments in the UAE*".

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Notes 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 ("**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or the 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 securities 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 securities, 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 Notes 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 contents of this Base Prospectus. No offer of securities 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 THE KINGDOM OF SAUDI ARABIA

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

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of the Notes should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of this Base Prospectus he or she should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

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

PROHIBITION OF SALES TO UK RETAIL INVESTORS

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

EU MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The applicable Final Terms in respect of any Series of Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of any Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

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

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

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE

The applicable Final Terms in respect of any Series of Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (as modified or amended from time to time, the "**SFA**").

The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for the purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for the purposes of section 309B(1)(c) of the SFA.

STABILISATION

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

GREEN NOTES

The Final Terms relating to a specific Tranche of Notes may provide that it is the Issuer's intention to allocate an amount, which at the Issue Date of the relevant Notes is equal to the net proceeds of the issue of such Notes, to fund loans that that promote climate-friendly and other environmental purposes ("**Eligible Green Loans**" and any such Tranche of Notes being referred to as the "**Green Notes**") in accordance with the Issuer's Green Bond Framework (as amended, supplemented, restated and/or otherwise updated on the Issuer's website from time to time, the "**Green Bond Framework**"). A prospective investor should have regard to the information set out in the section "*Use of Proceeds*" and the relevant Final Terms and seek advice from their independent financial adviser or other professional adviser regarding their purchase of any Green Notes before deciding to invest and must determine for themselves the relevance of such information, together with any other investigation such investor deems necessary for the purpose of assessing the suitability of an investment in such Notes in light of its investment criteria, guidelines, requirements or expectations.

No assurance is given by the Issuer, the Dealers or any other person that such use of proceeds will satisfy, in whole or in part, any present or future investment expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required, or intend, 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 or sustainability impact of any project or uses, the subject of or related to, the Green Bond Framework. The Dealers have not undertaken, nor are they responsible for, any assessment of the Eligible Green Loans, or any related projects or the application, impact or monitoring of the use of the proceeds (or any amount equivalent thereto) of any Green Notes. None of the Dealers makes any representation as to the suitability or contents of the Green Bond Framework, any second party opinion delivered in respect thereof or any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green Notes, all of which are not, nor shall be deemed to be, incorporated in and/or form part of the Base Prospectus.

No assurance or representation is or can be given by the Issuer, the Arranger, the Dealers or any other person that Eligible Green Loans will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "**EU Taxonomy**") or Regulation (EU) 2020/852 as it forms part of domestic law of the United Kingdom 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 Green Loans. Each prospective investor should have regard to the factors described in the Green Bond Framework and the relevant information contained in this Base Prospectus and the relevant Final Terms and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Notes before deciding to invest. None of the Arranger or any of the Dealers shall be responsible for (i) the suitability of any Green Notes to fulfil environmental, social and/or sustainability criteria required by prospective investors, (ii) whether the equivalent amount will be used to finance and/or refinance Eligible Green Loans, (iii) any assessment of the Eligible Green Loans, or (iv) the ongoing monitoring of the use of proceeds in respect of any such Green Notes.

None of the Arranger or any of the Dealers makes any representation as to the suitability of any Green Notes, 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, social, environmental or sustainability criteria required by any prospective investors. The Arranger and any of the Dealers have not undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Green Loans financed or refinanced with the proceeds of the issuance of the Green Notes, any verification of whether the Eligible Green Loans meet such criteria, the monitoring of the use of proceeds of any Green Notes (or amounts equal thereto) or the allocation of the proceeds by the Issuer to particular Eligible Green Loans. Investors should refer to the Green Bond Framework which the Issuer may publish from time to time, any second party opinion delivered in respect thereof, and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green Notes for further information. Any such framework and/or second party opinion and/or public reporting will not be incorporated by reference in this Base Prospectus and none of the Arranger or any of the Dealers makes any representation as to the suitability or contents thereof.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of ADCB's Financial Information

This Base Prospectus contains:

- the unaudited condensed consolidated interim financial statements as at and for the three months ended 31 March 2023 (with comparative data as at 31 December 2022 and for the three months ended 31 March 2022 (as applicable)) (the "**Interim Financial Statements**");

- the audited consolidated financial statements as at and for the year ended 31 December 2022 (with comparative data as at and for the year ended 31 December 2021) (the "**2022 Financial Statements**"); and

- the audited consolidated financial statements as at and for the year ended 31 December 2021 (with comparative data as at and for the year ended 31 December 2020) (the "**2021 Financial Statements**").

In this Base Prospectus, the 2022 Financial Statements and the 2021 Financial Statements are together referred to as the "**Annual Financial Statements**". The Annual Financial Statements and the Interim Financial Statements are together referred to as the "**Financial Statements**".

ADCB prepared the Interim Financial Statements in accordance with International Accounting Standard ("**IAS**") 34 "*Interim Financial Reporting*". The accounting policies used in the preparation of the Interim Financial Statements are consistent with those used in the preparation of the 2022 Financial Statements. The Interim Financial Statements have been reviewed by KPMG Lower Gulf Limited ("**KPMG**") in accordance with the International Standard on Review Engagements (ISRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", as stated in their review report relating to the Interim Financial Statements which is incorporated by reference into this Base Prospectus. With respect to the Interim Financial Statements, KPMG has reported that they have applied limited procedures in accordance with ISRE 2410. However, their review report dated 17 April 2023 which is incorporated by reference into this Base Prospectus, states that they did not audit and they do not express any audit opinion on the Interim Financial Statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

ADCB prepared the Annual Financial Statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The 2022 Financial Statements have been audited by KPMG and the 2021 Financial Statements have been audited by Ernst & Young Middle East (Abu Dhabi Branch) ("**EY**"). The financial information and related computations included in this Base Prospectus corresponding to the year ended 31 December 2021 have been extracted or derived from the 2022 Financial Statements (where such 2021 financial information is presented for comparative purposes) and the internal accounting records of the Group.

The Group's financial year ends on 31 December and references in this Base Prospectus to 2022 and 2021 are to the 12-month period ending on 31 December in such year.

The Financial Statements incorporated by reference in this Base Prospectus should be read in conjunction with the respective notes thereto. Prospective investors are advised to consult their professional advisors for an understanding of: (i) the differences between IFRS and U.S. generally accepted accounting principles ("**U.S. GAAP**") or any other systems of generally accepted accounting principles in the jurisdictions of such prospective investors and how those differences might affect the financial information included or incorporated by reference in this Base Prospectus; and (ii) the impact that future additions to, or amendments of, IFRS may have on the Group's results of operations or financial condition, as well as on the comparability of the prior periods.

In addition, this Base Prospectus includes certain non-IFRS financial measures and ratios (see "*Non-IFRS financial measures*" below).

All financial information regarding the Group in this Base Prospectus as at, or that relates to the three-month periods ended 31 March 2023 and 31 March 2022 is unaudited and has been extracted or derived from the Interim Financial Statements or from the Group's unaudited consolidated management accounts based on accounting records, as applicable, or is based on calculations of figures from these sources.

Certain numerical figures set out in this Base Prospectus, including financial and operating data have been rounded and some of these and other figures are also presented in AED millions or billions rather than in AED thousands (as presented in the Financial Statements). 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.

The financial information included in this Base Prospectus is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations which would apply if the Notes were being registered with the U.S. Securities and Exchange Commission (the "**SEC**").

Non-IFRS financial measures

This Base Prospectus contains references to certain non-IFRS financial measures, including capital adequacy and certain other ratios (see "*Alternative Performance Measures*" below and "*Selected Consolidated Financial Data – Selected Ratios*").

The non-IFRS financial measures contained in this Base Prospectus should not be considered in isolation and are not measures of financial performance or liquidity under IFRS. These non-IFRS financial measures should not be considered as an alternative to revenues, profit or loss for the period or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating, investing or financing activities or any other measure of liquidity derived in accordance with IFRS. Non-IFRS financial measures do not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of actual results of operations. In addition, the non-IFRS financial measures included in this Base Prospectus may not be comparable to other similarly titled financial measures used by other companies. The Group believes that net interest margin and other non-IFRS financial measures presented in this Base Prospectus are useful indicators of financial performance that are widely used by investors to monitor the results of banks generally. Because of the discretion that the Group and other companies have in defining these measures and calculating the reported amounts, care should be taken in comparing these various measures with similar measures used by other companies.

The non-IFRS financial measures contained in this Base Prospectus have not been prepared in accordance with IFRS, U.S. GAAP, SEC requirements or the accounting standards of any other jurisdiction and may not be comparable to similar measures of other companies.

Certain Defined Terms

In this Base Prospectus, unless otherwise defined, the following words have the following meanings:

- "**Abu Dhabi**" means the Emirate of Abu Dhabi;
- "**Central Bank**" means the Central Bank of the UAE;
- "**Emirate**" means one or more of the seven emirates of the UAE;
- "**Government**" means the Government of Abu Dhabi;
- "**Group**" means ADCB and its subsidiaries taken as a whole; and
- "**Member State**" means a Member State of the EEA.

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; all references to "**dirham**" and "**AED**" refer to UAE dirham being the legal currency for the time being of the UAE; 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 Community, as amended; all references to "**CNY**", "**Renminbi**" and "**RMB**" are to the lawful currency of the PRC (which, for the purposes of this Base Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan); all references to "**AUD**" and "**A$**" refer to Australian dollars, the lawful currency of the Commonwealth of Australia; all references to "**JPY**" refer to Japanese yen, the lawful currency of Japan; all references to "**GBP**" refer to the British Pound, the lawful currency of the United Kingdom; all references to "**CHF**" refer to Swiss Francs, the lawful currency of Switzerland; and all references to "**INR**" refer to Indian Rupee, the lawful currency of the Republic of India.

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

FORWARD-LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward-looking statements. Forward-looking statements include statements concerning the Group's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this document, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*" and "*Description of the Group*" and other sections of this Base Prospectus. ADCB has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although the Group believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as at the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those which the Group has identified in this Base Prospectus, or if any of the Group's underlying assumptions prove to be incomplete or inaccurate, the Group's actual results of operation may vary from those expected, estimated or predicted.

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

PRESENTATION OF STATISTICAL INFORMATION AND OTHER DATA

Certain statistical information in this Base Prospectus has been derived from a number of publicly available sources. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the relevant sources, 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.

Certain information under the headings "*Risk Factors*", "*Description of the Group*", "*The United Arab Emirates Banking Sector and Regulations*" and "*Book-entry Clearance Systems*" has been extracted from information provided by:

- the International Monetary Fund (the "**IMF**"), the Organisation of the Petroleum Exporting Countries ("**OPEC**"), the Central Bank and the Abu Dhabi Statistics Centre (the "**Statistics Centre**"), in the case of "*Risk Factors*";
- the UAE, Abu Dhabi and Dubai governments and the Central Bank, in the case of "*Description of the Group*";
- the Central Bank and the United Nations Department of Economic and Social Affairs, Statistics Division in the case of "*The United Arab Emirates Banking Sector and Regulations*"; and
- the clearing systems referred to therein, in the case of "*Book-entry Clearance Systems*".

Use of Benchmarks

Amounts payable under the Notes may be calculated by reference to:

- the Euro Interbank Offered Rate ("**EURIBOR**"), which is provided by the European Money Markets Institute;
- the Kuwait Interbank Offered Rate ("**KIBOR**"), which is provided by the Central Bank of Kuwait;
- the Shanghai Interbank Offered Rate ("**SHIBOR**"), which is provided by National Interbank Funding Centre;
- the Hong Kong Interbank Offered Rate ("**HIBOR**"), which is provided by Hong Kong Association of Banks;
- the Kuala Lumpur Interbank Offered Rate ("**KLIBOR**"), which is provided by Bank Negara Malaysia;
- the Turkish Lira Interbank Offered Rate ("**TRLIBOR**" or "**TRYLIBOR**"), which is provided by the Banks Association of Turkey;
- the Singapore Interbank Offered Rate ("**SIBOR**"), which is provided by the ABS Benchmarks Administration Co Pte Ltd;
- the Emirates Interbank Offered Rate ("**EIBOR**"), which is provided by the Central Bank;
- the Tokyo Interbank Offered Rate ("**TIBOR**"), which is provided by the Japanese Bankers Association;
- the Australia Bank Bill Swap ("**BBSW**"), which is provided by ASX Benchmarks Limited;
- the Saudi Arabia Interbank Offered Rate ("**SAIBOR**"), which is provided by Refinitiv Benchmark Services (UK) Limited;

- the Canadian Dollar Offered Rate ("**CDOR**"), which is provided by Thomson Reuters;
- the Stockholm Interbank Offered Rate ("**STIBOR**"), which is provided by the Swedish Bankers' Association;
- the Bahrain Dinar Interbank Offered Rate ("**BHIBOR**"), which is provided by the Bahrain Association of Banks;
- the Copenhagen Interbank Offered Rate ("**CIBOR**"), which is provided by Nasdaq;
- the New Zealand Dollar Bank Bill ("**BKBM**"), which is provided by the New Zealand Financial Markets Association;
- the Norwegian Interbank Offered Rate ("**NIOR**"), which is provided by the Oslo Stock Exchange;
- the Taipei Interbank Offered Rate ("**TAIBOR**"), which is provided by the Taipei Interbank Money Centre;
- the Johannesburg Interbank Average Rate ("**JIBAR**"), which is provided by the Johannesburg Stock Exchange;
- the CNH Hong Kong Interbank Offered Rate ("**CNH HIBOR**"), which is provided by the Hong Kong Association of Banks;
- the ICE Swap Rate denominated in U.S. dollars, GBP or Euro (the "**ICE Swap Rate**"), which is provided by ICE Benchmark Administration Limited;
- the Sterling Overnight Index Average ("**SONIA**") or SONIA Compounded Index, each which is provided by the Bank of England;
- the Secured Overnight Financing Rate ("**SOFR**") or SOFR Compounded Index, each which is provided by the Federal Reserve Bank of New York; and
- the Euro Short-Term Rate ("**€STR**"), which is provided by the European Central Bank,

each such provider (or, as the case may be, any successor provider) are together referred to as the "**Administrators**".

As at the date of this Base Prospectus, European Money Markets Institute, ASX Benchmarks Limited and ABS Benchmarks Administration Co Pte Ltd appear on the register ("**EU Benchmarks Register**") of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**"). As at the date of this Base Prospectus, Administrators (other than the European Money Markets Institute, ASX Benchmarks Limited and ABS Benchmarks Administration Co Pte Ltd) do not appear in the EU Benchmarks Register. As far as the Issuer is aware: (a) EIBOR, SONIA, SONIA Compounded Index, SOFR, SOFR Compounded Index and €STR do not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that Regulation; and (b) the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that the remaining Administrators not appearing on the EU Benchmarks Register are not currently required to obtain authorisation or registration in the EU (or, if located outside the EU, recognition, endorsement or equivalence). The registration status of any Administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, ADCB does not intend to update this Base Prospectus or any Final Terms to reflect any change in the registration status of an Administrator.

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DESCRIPTION OF THE PROGRAMME

This description must be read as an introduction to this Base Prospectus. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference herein, by any investor. This description 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 Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Base Prospectus, a series prospectus or a supplement to this Base Prospectus may be published. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this description.

Issuer	Abu Dhabi Commercial Bank PJSC
LEI	213800RWVKKIRX1AUH58
Description	Global Medium Term Note Programme
Arranger	Merrill Lynch International
Dealers	Abu Dhabi Commercial Bank PJSC Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Deutsche Bank AG, London Branch ING Bank N.V. J.P. Morgan Securities plc Merrill Lynch International Mizuho International plc Morgan Stanley & Co. International plc Standard Chartered Bank ADCB may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.
Certain restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable as at the date of this Base Prospectus. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see "*Subscription and Sale and Transfer and Selling Restrictions*").
Issuing and Principal Paying Agent	Deutsche Bank AG, London Branch

Euro Registrar and Paying Agent	Deutsche Bank Luxembourg S.A.
U.S. Registrar and Paying Agent	Deutsche Bank Trust Company Americas
Programme Size	Up to U.S.$15,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. ADCB may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Redenomination	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5 (*Redenomination*).
Maturities	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series or the latest version of ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant final terms, each as published by ISDA (or any successor) on its website (http://www.isda.org), on the date of issue of the first Tranche of the Notes of such Series; or (ii) on the basis of the relevant Reference Rate as adjusted for any applicable margin; or

	(iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.
	The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
Other provisions in relation to Floating Rate Notes	Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Reset Notes	Reset Notes will bear interest:
	(i) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Reset Date (or, if there is more than one Reset Period, the first Reset Date occurring after the Interest Commencement Date), at the rate per annum equal to the Initial Rate of Interest; and
	(ii) in respect of the Reset Period (or, if there is more than one Reset Period, each successive Reset Period thereafter), at such rate per annum as is equal to the relevant Subsequent Reset Rate, as determined by the Principal Paying Agent on the relevant Reset Determination Date in accordance with Condition 6.3(a),
	payable, in each case, in arrear on the Interest Payment Date(s) (as specified in the applicable Final Terms).
Interest Period and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series.
	Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the applicable Final Terms.
Zero Coupon Notes	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders (including, where specified as being applicable in the applicable Final Terms following the occurrence of a Change of Control Event as described below) upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified in the applicable Final Terms prior to such stated maturity, and at a price or prices specified in the applicable Final Terms and on such other terms as may be agreed between the Issuer and the relevant Dealer.
	The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

	Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Certain restrictions*" above.
Change of Control	If so specified in the applicable Final Terms, on the occurrence of a Change of Control Event the holders of Senior Notes shall have the right as described in Condition 8.4 (*Redemption and Purchase – Redemption at the option of the Noteholders* (*Investor Put and Change of Control Put*)) to require the Issuer to redeem their Senior Notes. A "**Change of Control Event**" will occur if at any time the Government ceases to own, directly or indirectly, more than 50 per cent. of the issued share capital of ADCB or otherwise ceases to control, ADCB. For the purposes of Condition 8.4 (*Redemption and Purchase – Redemption at the option of the Noteholders* (*Investor Put and Change of Control Put*)), the Government will be deemed to control ADCB if (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) it has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of ADCB or otherwise controls, or has the power to control, the affairs and policies of ADCB.
Denomination of Notes	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain restrictions*" above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the EEA or offered to the public either in a Member State of the EEA or in the UK in circumstances which would otherwise require the publication of a prospectus under either the EU Prospectus Regulation or the UK Prospectus Regulation will be Euro 100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency). The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$200,000 (or the approximate equivalent thereof in any other currency).
Taxation	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Relevant Tax Jurisdiction as provided in Condition 9 (*Taxation*). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge	The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).
Cross-Default	The terms of the Senior Notes will contain a cross-default provision as further described in Condition 11 (*Events of Default*).
Status of the Senior Notes	The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and will

	rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.
Status and Subordination of the Subordinated Notes	The Subordinated Notes will constitute direct, unsecured, conditional and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves, as described in Condition 3.2 (*Status – Status of the Subordinated Notes*).
Rating	ADCB has been rated A (stable outlook) by Standard & Poor's and A+ (stable outlook) by Fitch. Standard & Poor's is established in the EEA and registered under the EU CRA Regulation. Fitch is established in the UK and registered under the UK CRA Regulation. Each Series of Notes may be unrated or rated by all or one or two only of the credit rating agencies. Where a Series of Notes is rated, such rating 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 from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation.
Approval, Listing and Admission to trading	Application has been made to Euronext Dublin for Notes to be admitted to the Official List and to trading on its regulated market. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Clearing Systems	Euroclear and/or Clearstream, Luxembourg and/or DTC or, in relation to any Tranche of Notes, any other clearing system.

Governing Law	The Notes, the Deed of Covenant, the Agency Agreement, and any non-contractual obligations arising out of or in connection with therewith, will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the UK, Japan, the UAE (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar (excluding the Qatar Financial Centre), Singapore, Hong Kong, Malaysia, the State of Kuwait, the PRC (which, for the purposes of this Base Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan), Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "*Subscription and Sale and Transfer and Selling Restrictions*").
United States Selling Restrictions	Regulation S, Category 2. Rule 144A and TEFRA C/TEFRA D/TEFRA not applicable, as specified in the applicable Final Terms.
ERISA	Notes (or an interest therein) may generally be purchased by Benefit Plan Investors and certain other plans that are subject to Similar Law, unless otherwise provided in the applicable Final Terms. See "*Certain ERISA Considerations*".
Use of Proceeds	An amount equal to the net proceeds from each issue of Notes will be used for the general financing purposes of the Issuer, for any other purpose specified in the relevant Final Terms, or in respect of any Notes which are issued as Green Notes, to finance and/or refinance Eligible Green Loans in accordance with the Issuer's Green Bond Framework. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

RISK FACTORS

Any investment in the Notes is subject to a number of risks and uncertainties. Prospective investors should consider carefully the risks and uncertainties associated with ADCB's business and any investment in the Notes, together with all of the information that is included in this Base Prospectus, and should form their own view before making an investment decision with respect to the Notes. In particular, prospective investors should evaluate the risks and uncertainties referred to or described below, which may have a material adverse effect on ADCB's business, results of operations and financial condition. Should one or more of the following events or circumstances occur at the same time or separately, the value of the Notes could decline and an investor might lose part or all of its investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer's inability to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons. Additional risks not presently known to the Issuer or that the Issuer currently deems immaterial may also impair the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes.

FACTORS THAT MAY AFFECT THE GROUP'S ABILITY TO FULFIL ITS OBLIGATIONS IN RESPECT OF NOTES ISSUED UNDER THE PROGRAMME

Risks relating to the Group's business

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

The Group 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 and equity 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 economies of Egypt and of the Gulf Co-operation Council ("**GCC**") states, including the UAE. In particular, the spread of the novel coronavirus disease ("**COVID-19**") has caused, and continues to cause, significant uncertainty and volatility in financial markets globally and regionally (see "*– The Group's business, results of operations and financial condition may be adversely affected by the impact of COVID-19*" below).

The global economy has been materially affected by volatile oil prices. Between July 2014 and January 2016, international crude oil prices declined dramatically (falling by approximately 75 per cent. from a monthly average OPEC Reference Basket price per barrel of U.S.$105.61 in July 2014, to a monthly average price of U.S.$26.50 in January 2016). Although there was a partial correction in global crude oil prices between 2017 and 2019, 2020 saw significant volatility, with the monthly average price of the OPEC Reference Basket falling from U.S.$65.10 per barrel in January 2020 to U.S.$17.66 per barrel in April 2020, before recovering to an average price of U.S.$41.47 per barrel for the year ended 31 December 2020. The volatility in the price of oil and a reduction in its demand has also been exacerbated by the impact of COVID-19 and disagreements between members of OPEC and Russia. The Russia-Ukraine conflict that erupted in February 2022 led to comprehensive sanctions imposed on Russian companies and institutions in the energy and banking industry. A ban on imports of Russian oil and gas by, among others, the United States and the European Union (the "**EU**") caused oil prices to surge above U.S.$100.00 for the first time since 2013 to U.S.$110.97 per barrel as at 1 May 2022 (see "*– The Group may experience material losses due to customer and counterparty defaults arising from adverse changes in credit and recoverability that are inherent in the Group's business*" below for further information regarding the Russia-Ukraine crisis). Increased oil prices, particularly when coupled with rising inflation (as discussed further below) may have a negative impact on the Issuer's corporate and retail customers. This, in turn, may have an adverse effect on the Issuer's business, financial condition, results of operations and prospects. See "*– Risks relating to the UAE and MENA – The UAE's economy is highly dependent upon its oil revenue*" below for more information regarding the impact that the price of oil has on the UAE economy.

The volatile oil price environment referred to above, has stimulated a federal government-led policy of rationalisation of fiscal spending which, in turn, has led to an ongoing transformation within 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. Further, with effect from 1 January 2018, the federal government introduced a value-added tax ("**VAT**") regime in the UAE at a rate of 5 per cent. as part of a broader GCC-wide agreement. 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. Bahrain joined the GCC VAT regime on 1 January 2019 and increased the rate to 10 per cent. effective from 1 January 2022. Oman implemented VAT on 16 April 2021. Qatar is expected to introduce VAT in 2023 at a rate of 5 per cent. In addition, on 9 December 2022, the UAE Ministry of Finance issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "**Corporate Tax Law**") to enact a Federal corporate tax regime in the UAE, that is effective for taxable persons for financial years beginning on or after 1 June 2023 and will apply to the Issuer from 1 January 2024 (see "*– Risks relating to the UAE and MENA – Tax changes in the UAE may have an adverse effect on the Group*" below).

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 the Republic of 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, this ongoing transformative process may have a material adverse effect on the Issuer's loan portfolio and its credit risk profile generally.

The measures taken by the federal government in the UAE 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). The legacy consumer banking group segment, which includes retail customers, accounted for 20.8 per cent. of the Group's net profit for the year ended 31 December 2022. 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, the impact on the Issuer's business, results of operations and financial condition could be 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). If the provisions of the Abu Dhabi Public Debt Laws were 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.

Furthermore, many of the world's economies are experiencing high levels of inflation. In 2022, inflation averaged at 7.3 per cent. in advanced economies and 9.9 percent in emerging market and developing economies (*source:* International Monetary Fund World Economic Outlook 2023) and for 2023, inflation is projected at 4.6 per cent. in advanced economies and 8.1 percent in emerging market and developing economies (*source:* International Monetary Fund World Economic Outlook 2023). While the expectation is for inflation to decline generally, as with the growth outlook, considerable uncertainty surrounds inflation projections. Various factors have contributed to shaping inflation outlook, including the Russia-Ukraine conflict, which caused increases to energy prices (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, 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 have a materially adverse effect on the Issuer.

As a result of market conditions prevailing as at the date of this Base Prospectus, companies to which the Group directly extends 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 the Group. The Group's gross impairment charge for loans and advances to customers totalled AED 3.3 billion for the year ended 31 December 2022. If current market conditions continue to deteriorate, the Group may incur further impairment charges and experience increases in defaults by its debtors which would have a material adverse effect on the Group's business, results of operations and financial condition.

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. On 6 July 2020, the Central Bank introduced the overnight deposit facility to enable conventional banks operating in the UAE to deposit their surplus liquidity at the Central Bank on an overnight basis. Accordingly, the general stance of the Central Bank's monetary policy would be signalled through the interest rate of the overnight deposit facility, which became the main policy rate of the Central Bank (the "**UAE Base Rate**"). The Central Bank expects overnight money market rates to hover around the UAE Base Rate under normal market conditions. The UAE Base Rate is anchored to the U.S. Federal Reserve's interest on excess reserves. Between 16 March 2022 and 4 May 2023, and in response to high levels of inflation, the United States Federal Reserve Board increased U.S. overnight interest rates by an aggregate of 500 basis points. Each increase to the U.S. overnight interest rates was followed by a corresponding increase to the UAE Base Rate by the Central Bank. The U.S. Federal Reserve has indicated that it expects continued increases in interest rates in 2023 and 2024. It is probable that the UAE Base Rate will continue to track U.S. interest rate raises with additional base rate increases.

The business, results of operations and financial condition of the Group may be materially adversely affected by a continuation of the 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.

The Group may experience material losses due to customer and counterparty defaults arising from adverse changes in credit and recoverability that are inherent in the Group's business

As a result of adverse economic and political developments in recent years, adverse changes in consumer confidence levels, consumer spending, liquidity levels, bankruptcy rates and commercial and residential real estate prices, among other factors, have historically impacted the Group's customers and counterparties and, in certain cases, adversely affected their ability to repay their loans or other obligations to the Group. This, in turn, along with increased market volatility and decreased pricing transparency has, historically, adversely affected the Group's credit risk profile.

As at the date of this Base Prospectus, the global macro-economic climate remains volatile (see "– *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). International prices for hydrocarbon related products and investor confidence in international debt and equity markets remain volatile. In particular, in February 2022 an armed conflict commenced between Russia and Ukraine, which is currently ongoing. The conflict is resulting in a flux of refugees to neighbouring countries, as well as causing significant damage to Ukraine's physical infrastructure. The United States, the United Kingdom, the EU, Japan, Canada and other countries have implemented extensive and unprecedented sanctions (including disconnection from the SWIFT system) against certain Russian entities, persons and sectors, including Russian financial, oil and defence companies as a result of the conflict. In addition, the EU has banned the import of Russian oil and transactions with the Central Bank of Russia. As a result of the Russia-Ukraine conflict, the economic sanctions imposed on Russia and any retaliatory measures that Russia could adopt in response to the sanctions, energy and commodity prices – including wheat and other grains – have surged, adding to inflationary pressures experienced globally due to supply chain disruptions caused by the COVID-19 pandemic, and there have been significant disruptions to regional economies and global financial markets. While not directly impacting the UAE's territory, the conflict between Russia and Ukraine could negatively affect the Issuer's corporate and individual customers. This, in turn, may have an adverse effect on the Issuer's business, financial condition, results of operations and prospects. In addition, increases in interest rates, necessitated by the inflationary effects of the war in Ukraine (as well as interruptions to the global supply chain, caused by measures taken by various governments to control the spread of COVID-19) may put pressure on incomes and business costs, which could increase counterparty defaults and non-performing loans and could in turn potentially adversely affect the Group's profitability and prospects (see "– *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).

As at 31 December 2022, the Group's loans and advances to customers (net of provisions) amounted to AED 258.5 billion, as compared to AED 244.3 billion as at 31 December 2021. The Group's gross impairment charge for loans and advances to customers totalled AED 3.3 billion for the year ended 31 December 2022.

As at 31 December 2022, the borrowers in respect of 82.8 per cent. of the Group's total gross loans and advances to customers were located in the UAE (31 December 2021: 90.3 per cent.). This level of geographic concentration causes the Group's credit risk profile to be particularly susceptible to adverse economic conditions at a regional level. In particular, factors such as house prices, levels of employment, interest rates and the amount of consumers' disposable income in the UAE can each have a material impact on its business (see "– *The Group's loan and investment portfolios and deposit base are concentrated by geography, sector and client*" below).

This challenging economic environment 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 could re-price its loan portfolio and restructure the loans that may come under stress, impairments may need to be recognised and future defaults may occur. The occurrence of these events and any failure by the Group to maintain the quality of its assets through effective risk management policies to mitigate against credit risk could materially adversely affect the Group's business, results of operations and financial condition.

The Group's business, results of operations and financial condition may be adversely affected by the impact of COVID-19

The COVID-19 pandemic has negatively impacted the global economy, increased inflationary pressures, 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. In 2021, the global economy began reopening and robust economic activity supported a continued recovery through 2022. However, the emergence of COVID-19 variants and related surges in COVID-19 cases, particularly in China, have contributed to certain setbacks to reopening and could trigger the reinstatement of restrictions, including mandatory business shut-downs, travel restrictions, reduced business operations and social distancing requirements. Many medical and public health experts believe that COVID-19 could perpetually reoccur, such as seasonally in winter, and even if generally ceasing to be fatal for most people, such reoccurrence could increase the possibility of increased restrictions on business operations or global economic disruption.

In the UAE, the Group was the beneficiary of a number of financial stimulus and economic support packages aimed at helping against the negative impact of COVID-19. These support packages have expired or will expire in the short term. For example, effective from 15 March 2020, the Central Bank implemented a Targeted Economic Support Scheme (the "**TESS**") which included a range of measures aimed at mitigating the economic effects of COVID-19. Such measures included allowing banks operating in the UAE access to loans and advances extended by the Central Bank at zero cost against collateral by the banks, to be used to grant temporary relief to private sector corporate and SME customers and retail clients. In addition (subject to the terms of the TESS), banks were allowed to tap into their capital conservation buffer up to a maximum of 60 per cent. without supervisory consequences and the domestic systemically important banks (the "**DSIBs**"), which includes the Issuer, were allowed to use 100 per cent. of their D-SIB buffer without supervisory consequences. The requirement to maintain a minimum LCR (as defined below) was also reduced from 100 per cent. to 70 per cent. and the reserve requirement for banks to maintain 14 per cent. of customer deposits with the Central Bank was reduced to 7 per cent. The measures introduced by TESS expired on 30 June 2022 and the reserve requirement reverted from 7 per cent. to 11 per cent. in April 2023. As at the date of this Base Prospectus, the Central Bank has not indicated when the reserve requirement will revert back to the pre-COVID level of 14 per cent.

In view of the expected volatility resulting from COVID-19, the Central Bank issued a requirement for banks to apply a prudential filter to expected credit losses ("**ECL**") provisions, which is aimed at minimising the effect of IFRS 9 provisions on regulatory capital. The filter allows for any increase in provisioning compared to the position as at 31 December 2019 to be partially added back to a bank's regulatory capital, which has the effect of improving such bank's capital position and providing improved consistency. IFRS 9 provisions are intended to be gradually phased-in during the five-year period ending on 31 December 2024.

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

The Group's loan portfolio is concentrated in the UAE. The current challenging macro-economic environment which has been further impacted by the negative effects of COVID-19 and volatility in oil prices, together with the ongoing process of rationalisation of federal government expenditure in the UAE economy, has had a material adverse effect on certain areas of this geographically concentrated portfolio and continues to impact the Group (see "– *The Group may experience material losses due to customer and counterparty defaults arising from adverse changes in credit and recoverability that are inherent in the Group's business*" and "– *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). The Group's investment portfolio has exposure to the United States, Europe and the GCC (see "*Description of the Group – Treasury & Investments Group*").

As at 31 December 2022, the borrowers in respect of 82.8 per cent. of the Group's gross loans and advances to customers were located in the UAE (31 December 2021: 90.3 per cent.) and the borrowers in respect of the remaining 17.2 per cent. were located outside of the UAE (31 December 2021: 9.7 per cent.). Of the Group's gross loans and advances to customers as at 31 December 2022, real estate investment and hospitality accounted for 25.8 per cent. (of which 23.2 per cent. was concentrated in the construction and contracting sectors), personal loans accounted for 20.6 per cent., government and public sector entities accounted for 22.8 per cent. and financial institutions (including investment companies) accounted for 7.8 per cent.

The UAE real estate market is volatile. For example, according to the Central Bank, residential real estate sale prices increased at a rate of 18.3 per cent. in Dubai on a year on year basis in the fourth quarter of 2022 (following a year on year increase of 9.1 per cent. in Dubai on a year on year basis in the fourth quarter of 2021). In the same quarter, the average price per square meter of residential real estate in Abu Dhabi rose by 1.7 per cent. on a year on year basis (*sources*: Central Bank Quarterly Economic Review Q4 2022 and Central Bank Quarterly Economic Review Q4 2021). Given the concentration of the Group's gross loans and advances to customers as at 31 December 2022 within the real estate investment and hospitality sector (which includes the construction and contracting sectors), any deterioration in the Abu Dhabi real estate market could have a material adverse effect on the Group.

The quality of the Group's loan portfolio exposure to these sectors depends on, among other things, customer creditworthiness. This, in turn, is significantly affected by macro-economic business conditions. Various factors may contribute to a deterioration in the quality of the Group's loan portfolio, and in particular events or circumstances which are beyond the Group's control, such as deteriorating macro-economic conditions or the declaration of bankruptcy of a customer or a group of customers to which the Group's exposures are significant.

The Group's twenty largest loans and advances to customers constituted 27.2 per cent. of the Group's total gross loan portfolio as at 31 December 2022 (31 December 2021: 28.2 per cent.).

In addition, as at 31 December 2022, the ten and twenty largest depositors accounted for 24.6 per cent. and 32.5 per cent., respectively, of the Group's total customer deposits.

The Group's investment securities portfolio has significant exposure to GCC-based issuers, with the investments primarily in sovereign and quasi-sovereign senior unsecured fixed income securities issued by UAE and GCC issuers. As at 31 December 2022, 60.0 per cent. of the investment securities portfolio comprised exposure to UAE and GCC-based issuers (70.0 per cent. as at 31 December 2021). The majority of the Group's local liquidity is invested in government bonds and other government-related public sector entities in the UAE and systemically important financial institutions in the UAE and the GCC. The Group's investment securities portfolio outside the UAE and GCC was 40.0 per cent. of its total investment securities portfolio as at 31 December 2022 (31 December 2021: 30.0 per cent.).

As a result of the concentration of the Group's loan and investment portfolios and deposit base in the UAE and the GCC, any deterioration in general economic conditions in the UAE or in the GCC, 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 and financial condition.

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 most of the Group's customer base and retail loan portfolio, in addition to certain of its small to medium-sized enterprises corporate ("**SMEs**") (being entities with annual revenue of AED 150.0 million or less) and mid-corporate (being entities with annual revenue of between AED 150.0 million and AED 500.0 million) loan portfolios, is comprised of individuals who are (or, as the case may be, entities which are owned by) UAE-based expatriates. The Group 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 and 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 loan portfolio, which could have a material adverse effect on its business, results of operations and financial condition (see "*Risks relating to the Group's operations*" below).

If the Group is unable to effectively monitor and control the level of its non-performing loans with debtors in financial distress, or its allowances for loan impairment are insufficient to cover loan losses, the Group's business, results of operations and financial condition could be materially adversely affected

As at 31 December 2022, the Group had AED 15.6 billion of gross impaired loans and advances to customers (including loans and advances to customers at fair value through profit or loss) (Stage 3 excluding POCI, as defined below) and carried total impairment allowances (excluding POCI) including fair value adjustments (for Stage 1 and Stage 2 accounts) of AED 14.5 billion to cover potential loan losses (31 December 2021: AED 14.9 billion of gross impaired loans and advances to customers (including loans and advances to customers at fair value through profit or loss) (Stage 3 excluding POCI) and total impairment allowances (excluding POCI) including fair value adjustments (for Stage 1 and Stage 2 accounts) of AED 13.9 billion). Additionally, as at 31 December 2022, the Group's gross purchased or originated credit-impaired ("**POCI**") loans and advances to customers were AED 2.4 billion as compared to AED 4.1 billion as at 31 December 2021. In accordance with IFRS, the Group is required to reflect the impairment calculated (which is based on its best estimates of recoveries and judgments leading to calculation of probable losses) as an upfront charge to the income statement. This is required to be written back to the income statement as and when interest or principal (as applicable) on the debt is received. However, there is no guarantee that impairment allowances recognised by the Group will be sufficient to cover its actual credit portfolio losses. As at 31 December 2022, impairment allowances including fair value adjustments (for Stage 1 and Stage 2 accounts) on loans and advances provide coverage for 93 per cent. of the Group's impaired loans (31 December 2021: 93.4 per cent.).

The estimated fair value of collateral and other security enhancements held against various credit risk exposures for the year ended 31 December 2022 was AED 227.2 billion (31 December 2021: AED 242.5 billion). Where the estimated fair value of collateral held exceeds the outstanding loan, any excess is paid back to the customers and is not available for offset against other loans (see "– *Security interests or loan guarantees provided in favour of the Group may not be sufficient to cover any losses and may not be legally enforceable*" below).

The Group regularly reviews and monitors compliance with lending limits to individual financial institutions and country limits (see "*Risk Management – Management of Risks – Credit risk*"). Further, the Group's risk group is responsible for the formulation of credit policies and processes in line with growth, risk management and strategic objectives as promulgated by the Board and the Board risk and credit committee (see "*Management*").

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

A substantial increase in new impairment allowances or losses greater than the level of previously recorded impairment allowances for doubtful loans and advances to customers would adversely affect the Group's results of operations and financial condition

In connection with lending activities, the Group periodically establishes impairment allowances for loan losses, which are recorded in its income statement. The Group's overall level of impairment allowances is based upon its assessment of ECL, the volume and type of lending being conducted, collateral held, industry standards, past due loans, macro-economic conditions and other factors related to the recoverability of various loans. Although the Group endeavours to establish an appropriate level of impairment allowances based on its best estimate of the above factors, it may have to significantly increase its impairment allowances for loan losses in the future as a result of increases in non-performing assets, deteriorating economic conditions leading to increases in defaults and bankruptcies, or for other reasons.

Any significant increase in impairment allowances for loan losses or a significant change in the Group's estimate of the risk of loss inherent in its portfolio of non-impaired loans and advances to customers, as well as the occurrence of loan losses in excess of the impairment allowances allocated with respect thereto, would have a material adverse effect on its business, results of operations and financial condition.

The Group has a portfolio of restructured and/or rescheduled loans and there is no guarantee that future restructurings will not be required

As a consequence of adverse market conditions, the Group has historically focused on restructuring or rescheduling its loans with debtors in financial distress. Rescheduled loans represent loans whose terms have been rescheduled resulting in certain loan repayment concessions (such as re-scheduling principal payments until later periods and/or to set interest payments at a relatively low level for a certain time frame followed by larger interest payments in later periods) but where the new terms do not result in a present value loss to the Group. Restructured loans represent loans which have been renewed entirely or materially altered (to a greater degree than loans which have simply been rescheduled) and causes a loss to a bank as a result of reduced profit rate and/or principal amount. Restructured loans are not delinquent but an impairment is recognised where necessary, in accordance with IFRS 9 and is written back to the income statement as and when interest or principal (as appropriate) on the debt is received.

However, there is no guarantee that such reschedulings or restructurings will be successful in mitigating the Group's credit risk. Additionally, due to the 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), the Group is required to make certain assumptions when assessing the financial condition and creditworthiness of its debtors. See "– *The UAE's federal level credit bureau is still developing and any incomplete, unreliable or inaccurate information about the Group's debtors' and account holders' financial standing, credit history and ability to repay could impair the Group's ability to assess and monitor credit quality*" below and "– *Some of the Group's debtors are unable or unwilling to provide the quality and quantity of financial data sought by the Group, which may lead to material losses*" below.

If the Group fails to successfully reschedule or restructure loans or any assumptions made in order to effect such reschedulings or restructurings fail to materialise or a debtor counterparty defaults on the terms of the rescheduled or restructured loan, such loans may need to be rescheduled or restructured again or they may become impaired loans as a result of which the Group may need to make further impairment charges and its business, results of operations and financial condition could be materially adversely affected.

The Group has credit exposure to the NMC Health Group and its associates companies, some of which are suspected of irregular financial activities and have been put into administration

NMC Health PLC (together with its subsidiaries, the "**NMC Health Group**") is a UAE-based healthcare firm and one of the Group's debtors. A review into the NMC Health Group in early 2020 uncovered undisclosed liabilities of approximately U.S.$4 billion and suspected irregular activities. Trading in NMC Health PLC's shares on the London Stock Exchange was suspended on 27 February 2020 and NMC Health PLC made a voluntary delisting of its shares from the London Stock Exchange on 27 April 2020.

As one of the largest creditors of the NMC Health Group, ADCB led an application for the appointment of joint administrators to take control of the NMC Health Group, which was approved on 9 April 2020 and following which joint administrators took control of the NMC Health Group's business. A coordinating committee of significant debtholders, chaired by ADCB, has been formed to act as the primary contact between the NMC Health Group and its creditors and to help with the restructuring of its debts. Discussions between the NMC Health Group and its lenders aimed at ensuring the continuity of its operations and the rapid recovery of its business have been ongoing and a three-year business plan has been adopted, with ADCB arranging and participating in a financing facility to ensure operational continuity and to allow for the restructuring. The restructuring plan of the NMC Health Group was approved by eligible creditors on

1 September 2021 and signed in March 2022. The restructuring plan resulted in ADCB receiving transferable exit instruments issued by a new holding company for the NMC Health Group. Participants in the exit instruments will receive interest payments for the facility, which will ultimately be repaid from the proceeds generated from a sale of the underlying business at a later stage. The issuance of the exit instruments followed the completion of the NMC Health Group's debt restructuring process and its successful exit from administration. The exit instruments are structured to be redeemed upon the sale of the NMC Health Group business. A failure to monetise the business of the NMC Health Group for a value equal to the face amount of the exit instruments will impact the amount the Group is able to recover through the exit instruments.

Although the combined liabilities owed by the NMC Health Group to the Group represent 0.72 per cent. of the Group's total assets as at 31 March 2023, an inability to recover the debts owed to it may have an impact on the Group's financial condition.

The goodwill arising from the Combination is subject to impairment testing, which may have an adverse effect on the Group's financial position and results of operations

The consideration transferred by the Issuer in respect of the merger between the Issuer and Union National Bank P.J.S.C. ("**UNB**") (the "**Merger**") and the subsequent acquisition by the combined entity of Al Hilal Bank P.J.S.C. ("**AHB**") (the "**Acquisition**" and together with the Merger, the "**Combination**") was greater than the fair value of the net assets acquired. At the time of the Combination, certain cost savings, growth opportunities, synergies and other benefits were expected to be realised by the Issuer. The value of these benefits has been recorded as goodwill in the Group's financial statements as it represents the excess of the consideration transferred, over the fair value of the net assets acquired. The goodwill arising from the Combination has been allocated to the Group's operating segments that were expected to benefit from the synergies of the Combination and is subject to impairment testing in accordance with applicable accounting standards. Should the value of the benefits that were expected to occur as a result of the Combination fail to materialise, or be less than expected, the value of the Group's goodwill will be impaired, which will be recognised directly in the Group's consolidated income statement. Any such impairment will have an adverse effect on the Group's financial position and results of operations.

The UAE's federal level credit bureau is still developing and any incomplete, unreliable or inaccurate information about the Group's debtors' and account holders' financial standing, credit history and ability to repay could impair the Group's ability to assess and monitor credit quality

Substantially all of the Group's debtors are located in the UAE. Typically, there is little public information or financial data available regarding debtors' credit and payment histories in this region, primarily due to borrowers' limited credit histories and the fact that the federal level credit bureau, Al Etihad Credit Bureau, only became operational during 2014. Furthermore, statistical and other data on the Group's debtors may also be less complete than those available in jurisdictions with more mature financial markets.

As at the date of this Base Prospectus, data available from Al Etihad Credit Bureau is only used as a decision-making aid and has not fully remedied the challenges of obtaining fulsome debtor credit histories. Accordingly, the Group is unable to rely solely on credit scores provided by the Al Etihad Credit Bureau when making a credit assessment and is required to make certain assumptions when assessing the financial condition and creditworthiness of its debtors. In the absence of meaningful statistical data on its existing and potential debtors, there can be no assurance as to the Group's ability to accurately assess the credit quality of its loan portfolios.

Furthermore, international banks that lend to UAE companies are not required to disclose information to the Central Bank or Al Etihad Credit Bureau. As such, there can be no assurance that Al Etihad Credit Bureau has complete information in respect of a UAE company's borrowings, which may impair the Group's ability to make credit based decisions.

Accordingly, the Group's failure to accurately assess the financial condition and creditworthiness of its debtors may result in increased defaults on the Group's loan portfolio, or defaults in excess of its expectations as well as increased losses upon default, any of which, which could have a material adverse effect on its business, results of operations and financial condition.

Some of the Group's debtors are unable or unwilling to provide the quality and quantity of financial data sought by the Group, which may lead to material losses

Although the Group requires regular disclosure of its debtors' financial information, some debtors, especially high net worth individuals ("**HNWIs**") (including the controlled/affiliated entities of these individuals) and SMEs, do not, or are unable to, provide the quality and quantity of information sought by the Group. Furthermore, such financial data may not always present a complete and comparable picture of each such debtor's financial condition. For example, the financial statements of the Group's debtors (including HNWIs) are not (unless publicly listed) required to be presented in accordance with IFRS or audited in accordance with International Standards on Auditing.

Unavailability of adequate quantity or quality of financial data in respect of its debtors may result in the Group's failure to accurately assess the financial condition and creditworthiness of its debtors, leading to increased defaults on the Group's loan portfolio, or defaults in excess of its expectations as well as increased losses upon default, any of which could have a material adverse effect on the Group's business, results of operations and financial condition.

Security interests or loan guarantees provided in favour of the Group may not be sufficient to cover any losses and may not be legally enforceable

The practice of pledging assets (such as share portfolios in margin lending and real estate assets) to obtain a bank loan is subject to certain limitations and administrative restrictions under UAE law. In particular, such security may not be enforced without a court order. As a result, security over certain pledged assets may not be enforced in UAE courts. Accordingly, the Group may have difficulty foreclosing on collateral (including any real estate collateral) or enforcing guarantees or other third-party credit support arrangements when debtors default on their loans and would likely face further such difficulties if any of the Group's key clients or shareholders were to default on their loans.

In addition, even if such security interests are enforceable in UAE courts, the time and costs associated with enforcing security interests in the UAE may make it uneconomical for the Group to pursue such enforcement proceedings, adversely affecting the Group's ability to recover its loan losses. As at 31 December 2022, the Group had a loans and advances to customers portfolio (net of provisions) totalling AED 258.5 billion (31 December 2021: AED 244.3 billion).

The Group typically requires additional collateral in the form of cash and/or other assets in situations where the Group may not be able to exercise rights over pledged shares or where it enters into guarantees or other third-party credit support arrangements for loans made to individuals and corporations. Any decline in the value or liquidity of such collateral (as a result of, for example, the market value of real estate assets which have been pledged as collateral) may prevent the Group from foreclosing on such collateral for its full value or at all in the event that a borrower becomes insolvent and enters bankruptcy, and could thereby adversely affect the Group's ability to recover the full amounts advanced to the borrower.

Further, Presidential Resolution No. 3/4/7135 Concerning Cheques dated 23 October 2012 granted immunity to UAE nationals in respect of Article 401 of Federal Law No. 3 of 1987 (the "**Penal Code**"). As a result, UAE nationals are not subject to criminal prosecution under the Penal Code for issuing bounced cheques. While similar provisions in respect of non-UAE nationals have not been enacted as at the date of this Base Prospectus, the UAE Insolvency Law (Federal Law No. 9 of 2016) (the "**Insolvency Law**") introduced provisions enabling a UAE court to grant a stay in respect of criminal proceedings relating to bounced cheques of a debtor, where such debtor enters into a bankruptcy procedure under the auspices of the Insolvency Law and irrespective of that debtor's nationality. Additionally, pursuant to Dubai Law No. 1 of 2017 concerning the Penal Order, the Dubai public prosecutor has the ability to issue 'penal orders' which downgrade certain offences to misdemeanours. The Dubai public prosecutor has issued such a 'penal order', downgrading to a misdemeanour the offence of issuance of a bounced cheque for amounts up to AED 200,000. As a result of these provisions, and in the event that similar immunity from criminal prosecution under the Penal Code is granted to non-UAE nationals, the Group may face difficulties in enforcing loan repayments for loans guaranteed by way of post-dated cheques.

The occurrence of any of the foregoing could have a material adverse effect on the Group's business, results of operations and financial condition.

Risks relating to the Group's liquidity

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 as they become 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 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 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 (the "**Basel III Reforms**"). As part of this gradual introduction of Basel III in the UAE, the Central Bank informed certain banks in the UAE, including the Group, that they are subject to the Basel III liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**"), which they are obliged to report to the Central Bank. The LCR is a metric introduced by the Basel Committee on Banking Supervision as part of the Basel III Reforms 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 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. As per the Basel III Reforms, the Central Bank required 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) from 1 January 2019 onwards. As at 31 December 2022, the Group held a portfolio of HQLAs valued at AED 102.7 billion and had an LCR ratio of 138.9 per cent. (31 December 2021: HQLAs valued at AED 86.7 billion and LCR ratio of 124.1 per cent.). As at 31 March 2023, the Group's LCR ratio was 133.0 per cent. and it held a portfolio of HQLAs valued at AED 93.3 billion.

Accordingly, and in line with Central Bank direction, the Group monitors its liquidity position through LCR compliance and reporting. The associated requirement to maintain a significant buffer of HQLAs may adversely affect the Group's core businesses of consumer and corporate & investment banking, particularly given the inherent cost of maintaining a HQLA portfolio of sufficient size and quality to cover regulatory outflow assumptions embedded in LCR. If the Group were to choose to mitigate against these additional costs by introducing selective deposit fees or minimum lending rates, this may result in a loss of customer deposits, a key source of the Group's funding, net new money outflows and/or a declining market share in its domestic loan portfolio. By virtue of the inherent costs associated with LCR compliance and maintaining a sufficient portfolio of HQLAs, the Group may be at a competitive disadvantage to its peer UAE-based financial institutions who do not monitor liquidity through LCR, which may have a material adverse effect on its business, results of operations and financial condition. If the Group defaults on any contractual or contingent payment obligation, such default would have a material adverse effect on its business, results of operations and financial condition.

In respect of compliance with the NSFR, there are certain sources of "Available Stable Funding" which are treated more favourably than others. Examples of these include customer deposits (with a residual maturity of more than one year) and retail deposits with a residual maturity of less than one year and exclude, for example, short term wholesale funding (with residual maturity of less than six months) and funding from derivative liabilities. As more banks adhere to such ratios, their adherence may inadvertently distort the market in the UAE which may have a material adverse effect on the business, results of operations and financial condition of the Group.

In addition, as a result of on-going implementation of Basel III standards in the UAE, the regulatory required Tier 1 common capital ratio (the "**CET 1 ratio**") (including countercyclical buffer) increased to 9.3 per cent. in 2018, again to 10 per cent. in 2019, with further increases expected in the future. Furthermore, due to the Group's status as a D-SIB, it is required to adhere to even higher capital ratios set by the Central Bank. As a D-SIB, the Group is required to have a CET 1 ratio of 10 per cent. The Group's

CET 1 ratio was 12.93 per cent. as at 31 March 2023, 12.96 per cent. as at 31 December 2022 and 12.94 per cent. as at 31 December 2021. Whilst the Central Bank has currently provided a prudential filter aimed at reducing the effect of IFRS 9 provisions on regulatory capital (see "*– Risks relating to the Group's business – The Group's business, results of operations and financial condition may be adversely affected by the impact of COVID-19*") above, the Central Bank may further increase its CET 1 ratio requirement for D-SIBs in the future. The Central Bank may also require the Issuer to hold additional capital to cover risks that the Central Bank deems are not covered or are insufficiently covered by the Basel III Pillar 1 capital requirements, due to the results of a stress test or for other reasons. As a result, the Group may need to obtain additional capital in the future. Such capital, whether in the form of financing or additional capital contributions from its shareholders, may not be available on commercially favourable terms, or at all. Moreover, should the Group's capital ratios fall close to regulatory minimum levels, the Group's own internal minimum levels or the levels required to maintain its ratings at the desired level, the Group may need to adjust its business practices, including reducing the risk and leverage of certain activities. If the Group is unable to maintain satisfactory capital adequacy ratios, its credit ratings may be lowered and its cost of funding may therefore increase. Additionally, the Group may find that any fair value assessments of its assets undertaken in connection with the purchase price accounting processes applicable to the Combination may have a detrimental impact on its capital adequacy levels.

The Group relies on short-term demand and time deposits as a major source of funding but primarily has medium- and long-term assets, which results in asset-liability maturity gaps that could have a materially adverse effect on the Group

In common with other banks in the UAE, many of the Group's liabilities are short-term demand and time deposits, whereas its assets are generally medium to long-term (such as loans and mortgages). This results in mismatches between the maturities of the Group's assets and liabilities. Mismatches could also arise if the Group is incapable of obtaining new deposits or alternative financing sources for its existing or future loan portfolio.

Although the Group has accessed wholesale funding markets (through bilateral or syndicated loans and international bond markets) since 2005 in order to diversify and extend the maturity profile of its funding sources, such borrowings have not eliminated asset-liability maturity gaps. As at 31 December 2022, 75.5 per cent. of the Group's funding (which comprises total liabilities and equity) had remaining maturities of one year or less or were payable on demand (31 December 2021: 73.1 per cent.).

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 and financial condition.

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 to a number of its customers and counterparties (including those in the construction and contracting sectors) 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 and advances 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 impairment allowances. As at 31 December 2022, the Group had AED 110.7 billion in such contingent liabilities and commitments (31 December 2021: AED 98.3 billion).

The Group may be materially adversely affected by a loss of business from key clients that represent a significant portion of 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, and members of the ruling family of Abu Dhabi and other HNWIs (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 and financial condition.

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 (see "*– Risks relating to the Group's Business – 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) over which it has no control and the effect of such shifts on the Group may be difficult to predict. Challenging economic conditions since mid-2014 have resulted in larger budget deficits across the GCC economies, coupled with reduced fiscal budgets and public spending.

The Group's failure to adequately foresee and assess such shifts may have an adverse effect on its business, results of operations and financial condition.

Risks relating to the Market in which the Group operates

Changes in interest rate levels may adversely affect the Group's net interest income 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 things, 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 and on the average interest 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 in interbank reference rates could also affect the value of certain assets that are subject to changes in applicable interest rates. As at 31 December 2022, the Group's borrowings (with the effect of hedging) were largely set at floating rates based on interbank reference rate, such as 3-month LIBOR/EIBOR, plus a specified margin. The Group's interest rate sensitivity position as at 31 December 2022 and 2021 was based on maturity dates and contractual re-pricing arrangements.

Interest rates are sensitive to many factors beyond the Group's control, including the policies of central banks, such as the Central Bank and the U.S. Federal Reserve, political factors and domestic and international economic conditions. See "*– Risks relating to the Group's Business – 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 for information regarding recent volatile market conditions and monetary policies adopted by the Central Bank and the U.S. Federal Reserve in an attempt to stabilise economies against the negative impact of COVID-19 and rising inflation.

As at 31 December 2022, 92.9 per cent. of the Group's total wholesale borrowings were denominated in U.S. dollars (31 December 2021: 90.4 per cent.). If interbank 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 may increase significantly as a result of the higher interest rates payable on the Group's existing time deposits and a propensity amongst customers to convert their lower interest bearing current and savings account deposits to time deposits. The Group's marginal cost of funding may increase as a result of a variety of factors, including further deterioration of conditions in the financial markets or loss of confidence by and between financial institutions. If the Group fails to pass on such increase in funding cost to its customers in a timely manner or at all due to market, competitive or other conditions, it could have a material adverse effect on its business, results of operations and financial condition.

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

The Group holds investment securities, and a decrease in realised and unrealised fair value investment gains together with fair value losses on such investment securities has had a material adverse impact on the Group as a result of global macro-economic volatility. Instability in the international debt and equity capital markets could have a material adverse impact on the Group's investment portfolios and its financial condition and results of operations. As at each reporting period, the Group records: (i) realised gains or losses on the sale of any investment securities; (ii) unrealised fair value gains or losses in respect of any investment securities that are classified at fair value through other comprehensive income as at the end of the period on a mark to market basis; and (iii) impairment where there is a sustained decrease in fair value of any investment securities. As at 31 March 2023, the Group carried a negative revaluation reserve of AED 1.55 billion other comprehensive income, mainly due to a negative market to market value of bonds, after considering the hedge impact to the extent hedged. This negative revaluation reserve negatively impacted the Group's CET 1 ratio by 0.42 per cent.

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. The Group's net realised gains/(losses) on investment securities (comprising securities/other financial assets carried at fair value through profit or loss and fair value through other comprehensive income) totalled AED 37.6 million for the year ended 31 December 2022 and AED 278.3 million for the year ended 31 December 2021.

The Group 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.

Risks relating to the Group's operations

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, operational risk, compliance risk and regulatory risk (see "*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 and financial condition, as well as its general reputation in the market.

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, which could be significantly greater than such historical measures indicate. Other risk management practices, including "know your customer" ("**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. Where risk management decisions are based, in whole or in part, upon information that is made available to the Group by either clients or public sources, the Group is reliant on the adequacy of this information. To the extent there is a deficiency in the information, risk management decisions of the Group may be adversely affected.

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) (see "*– Risks relating to the Group's Business – 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*", "*– Risks relating to the Group's Business – The UAE's federal level credit bureau is still developing and any incomplete, unreliable or inaccurate information about the Group's debtors' and account holders' financial standing, credit history and ability to repay could impair the Group's ability to assess and monitor credit quality*" and "*– Risks* *relating to the Group's Business – Some of the Group's debtors are unable or unwilling to provide the quality and quantity of financial data sought by the Group, which may lead to material losses*" above). 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 adequately control, or protect the Group against, all credit, liquidity, market, operational, regulatory 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.

The Group is susceptible to, amongst other things, failure of internal processes or systems, unauthorised transactions by employees and operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems, and fraud by employees or outsiders (see "*– If the Group is unable to anticipate and develop or provide new digital services for its customers and/or keep pace with the digitisation of the banking market, the Group's business, results of operations and financial condition could be materially adversely affected*" below). The Group's risk management and internal control capabilities are also limited by the information tools and technologies available to it. Any material deficiency in the Group's risk management or other internal control policies or procedures may expose it to significant credit, liquidity, market, operational, compliance or regulatory risk, which may in turn have a material adverse effect on the Group's business, results of operations and financial condition.

If the Group is unable to retain key members of its executive management and/or remove underperforming staff and/or recruit and retain 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 and retain qualified and experienced banking and management personnel. The Group is likely to face challenges in recruiting qualified personnel to manage its business. In common with other banks in the UAE, the Group experiences a shortage of qualified employees residing in the UAE, which requires it to recruit from outside the UAE. In addition, even after hiring its employees, the Group has faced challenges in retaining such employees due to the continued recruitment efforts of its competitors.

For the years ended 31 December 2022 and 2021, the Group experienced employee attrition rates of approximately 9.3 per cent. and 11.1 per cent., respectively. Additionally, if the Group continues to grow, it will need to continue to increase its number of employees.

The Group may have to incur costs to replace senior executive officers or other key employees who leave, and the Group's ability to execute its business strategy could be impaired if it is unable to replace such persons in a timely manner.

The Group is guided in its human resources decisions by the UAE federal government's minimum threshold for Emirati employees, as set out in the UAE federal policy on Emiratisation, promulgated by UAE Cabinet Decree number 3/10/267 of 2015, dated 25 October 2015 (the "**Emiratisation Circular**") (see "*Description of the Group – Human Resources – Emiratisation*"). If the Group is not able to meet or exceed the minimum threshold for Emirati employees set out in the Emiratisation Circular, it may be subject to legal penalties, calculated in accordance with the Emiratisation Circular. Due to UAE federal labour laws, the Group may face difficulties that could delay or prevent dismissal of a UAE national employee if it finds such an employee's performance to be unsatisfactory.

While the Group believes that it has effective staff recruitment, training and incentive programmes in place, its failure to recruit, train and/or retain necessary personnel, its inability to dismiss certain employees 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 and financial condition.

If the Group is unable to anticipate and develop or provide new digital services for its customers and/or keep pace with the digitisation of the banking market, the Group's business, results of operations and financial condition could be materially adversely affected

The banking markets in which the Group operates have been characterised in recent times by rapid technological change, evolving industry standards, changing customer service preferences and dynamics and new product and service innovations. The Group's future success will depend in part on its ability to anticipate such advances and to develop or provide new product and service offerings to meet dynamic customer requirements in the digital age. The Group may fail to anticipate or respond to technological advances on a timely basis, or, if it does respond, the services or technologies that it develops may not be successful in the marketplace as compared to its principal competitors.

The digitisation of many of the Group's core business processes is a key strategic focus for the Group. In line with this organisation-wide strategic focus on digitisation, the Group has dedicated significant resources to the development of its digital offering and will continue to make such investment as it strives to remain competitive (see "*Description of the Group – Strategy" and "Description of the Group – Digitisation*" for further details on the Group's digitisation initiatives). However, such investment and resource commitment may not provide the Group with the competitive advantage, cost savings or anticipated performance improvements the Group expects. Additionally, cybersecurity risks for financial institutions have significantly increased because of the proliferation of new technologies and the use of the Internet and telecommunications technologies to conduct financial transactions (see "*– The Group relies on third-party service and system providers in the operation of its business and is subject to potential cyber-attack*" below).

Failure by the Group to anticipate and effectively respond to changes in the markets in which the Group operates and develop new or enhanced technologies or processes that are competitive in the market could materially adversely affect the Group's business, results of operations and financial condition.

The Group relies on third-party service and system providers in the operation of its business and is subject to potential cyber-attack

The Group relies on the services and expertise of third-party service and system providers in the operation of its business. As a result of such outsourcing arrangements, the Group faces the risk that such third-party service and system providers become insolvent, enter into default or fail to perform their contractual obligations in a timely manner or at all or fail to perform at an adequate and acceptable level. Any such failure could lead to interruptions in the Group's operations or result in vulnerability of its information technology systems, exposing the Group to operational failures, additional costs, reputational damage or cyber-attacks.

The threat to the security of the Group's information and customer data from cyber-attacks is real and continues to grow at pace. Activists, rogue states and cyber criminals are among those targeting computer systems around the world. Risks to technology and cybersecurity change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security. Failure to adequately manage cybersecurity risk and continually review and update current processes in response to new threats could disrupt its business, result in the disclosure of confidential information, create significant financial and/or legal exposure and damage the Group's reputation and/or brands, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to the risk of global climate change

The risks associated with climate change include both physical and economic risks. These risks are subject to rapidly increasing international societal, regulatory and political focus. For the Group, a global shift that results in a transition towards a low carbon economy could have a significant impact on the Group's business. In addition, physical risks from climate change arise from a number of factors and relate to specific weather events and longer-term shifts in the climate. The nature and timing of extreme weather events are uncertain but they are increasing in frequency and their impact on the global economy is predicted to be more acute in the future.

The potential economic impact of global change includes, but is not limited to, lower GDP growth, higher unemployment and significant changes in asset prices and profitability of industries. As the international and regional economies in which the Group operate transition to low carbon economies, financial institutions such as the Group may face significant and rapid developments in stakeholder expectations, policy, law and regulation which could impact the lending activities the Group undertakes, as well as the risks associated with its lending portfolios, and the value of the Group's financial assets. Furthermore, the Group may face greater scrutiny of the type of business it conducts, adverse media coverage and reputational damage, which may in turn impact customer demand for the Group's products, returns on certain business activities and the value of certain assets and trading positions, which may result in impairment charges.

If the Group does not adequately embed risks associated with climate change into its risk assessment framework to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or fails to adapt its strategy and business model to the changing regulatory requirements and market expectations on a timely basis, there may be a material and adverse impact on the Group's business, results of operation and financial condition.

Regulatory risks relating to the Group's business

The Group is a highly regulated entity and changes in 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 a material adverse effect on the Group's business, results of operations and financial condition

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 "*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 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 certain 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 Central Bank) and concentration limits on total credit and other risk exposures.

The Central Bank has recently issued a high volume of new regulations and standards, some of which are already in effect and others which will become effective in the near future. In particular, new regulations and standards have been proposed that cover consumer protection, data privacy, outsourcing, credit risk management and the operation of the Group's Islamic window. As part of the process of introducing internal controls and action plans to comply with the Central Bank's regulations and standards, such actions may have an adverse effect on the Group's business, results of operations and financial condition.

On 23 February 2017, the Central Bank published the "Regulations re Capital Adequacy" (the "**February 2017 Regulations**") 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 Reforms, whilst implementing the measures contained in the May 2016 consultation document published by the Central Bank, entitled "Capital Adequacy Regulation" (the "**Consultation Document**"). The February 2017 Regulations are supported by the accompanying standards entitled "Standards for Capital Adequacy of Banks in the UAE" which were published by the Central Bank on 12 November 2020 by virtue of Notice No. CBUAE/BSD/N/2020/4980 (the "**Accompanying Standards**") and most recently updated in December 2022. The Accompanying Standards elaborate on the supervisory expectations of the Central Bank with respect to the relevant Basel III capital adequacy requirements and how they will be applied by the Central Bank to banks in the UAE. For example, banks which are classified as D-SIBs by the Central Bank (such as ADCB) will be required to hold additional capital buffers as notified to them by the 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 Central Bank.

Moreover, the Central Bank requires that a periodic distribution on an additional tier 1 instrument should be cancelled if the relevant UAE bank does not have sufficient "Distributable Items" on the relevant date for payment of (i) such periodic distribution and (ii) certain other payment obligations. However, if the Central Bank's ultimate implementation of any additional counter-cyclical or systemically important buffers is not in accordance with the provisions set out in the February 2017 Regulations and the Accompanying Standards, the regulatory burden on UAE financial institutions such as ADCB may further increase which could adversely impact the Group's business. In addition, if further counter-cyclical or systemically important buffers are implemented by the Central Bank, it is possible that UAE financial institutions, including ADCB, will be required to increase the levels of Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (together, "**Regulatory Capital**") that they hold on their balance sheets.

As at 31 March 2023 the Group's total capital adequacy ratio was 15.67 per cent. (31 March 2022: 15.77 per cent.) and included AED 6.0 billion Tier 1 capital notes (which, as at 31 December 2018, were AED 4.0 billion for ADCB and increased to AED 6.0 billion following the completion of the Combination) issued by the Group to the Government's Department of Finance (the "**Tier 1 Notes**") and U.S.$750 million Tier 2 subordinated note (the "**Tier 2 Note**"). The Tier 2 Note has a remaining maturity of less than five years and is being amortised at the rate of 20 per cent. per annum until its maturity in 2023. Further, the Tier 2 Note is subject to grandfathering deduction as per Central Bank guidelines. As at 31 March 2023, the Group's total Tier 2 capital was AED 4.1 billion. The Group continuously evaluates its debt profile and may consider opportunities that arise from time to time to refinance and/or repay existing debt (including its subordinated debt). Any redemption of the Group's existing subordinated debt would have a material and adverse effect on the Group's capital base.

In addition, Article 116 of Federal Law No. 14 of 2018 (which entered into force with effect from 23 September 2018), as amended by Federal Decree Law No. 25 of 2020 (the "**HSA Law**") indicates that the Central Bank shall establish a resolution framework for financial institutions, pursuant to which, in the case of a deficiency in an institution's financial position, the Central Bank may take certain actions for the protection of the concerned institution and its depositors. These may include (without limitation) requesting a court to liquidate or declare bankrupt such institution, or prepare a plan for transfer of its assets and liabilities, in accordance with established laws. The timing and content for any such framework are uncertain. The exercise (or perceived likelihood of exercise) of any such action by the Central Bank or any suggestion of such exercise could materially adversely affect the value of the Notes and could lead to holders losing some or all of their investment in the Notes.

The Central Bank has recently issued a high volume of new regulations and standards, some of which are already in effect and others which will become effective in the near future. In particular, new regulations and standards have been proposed that cover consumer protection, data privacy, outsourcing, credit risk management, model risk management and the operation of the Group's Islamic window. As part of the process of introducing internal controls and action plans to comply with the Central Bank's regulations and standards, such actions may have an adverse effect on the Group's business, results of operations and financial condition.

Such regulations may limit the Group's ability to increase its loan 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 and financial condition. 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, future changes in regulation, fiscal or other policies cannot be predicted and are beyond its control.

A description of the legal and regulatory environment applicable to banks generally in the UAE is set out below under "*The United Arab Emirates Banking Sector and Regulations*".

If the Group fails to comply with applicable anti-money laundering, counter-terrorism financing, sanctions and other related regulations, it could face substantial fines and 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**"), counter-terrorism financing laws, sanctions, and other regulations in the jurisdictions in which it operates. The Group complies with the economic sanctions, rules and requirements of the United Arab Emirates, the United Nations Security Council, the Office of Foreign Assets Control ("**OFAC**"), the European Union and the United Kingdom, and of such other states or regions as the Issuer may consider relevant, and applicable 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/AML policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities. The Group has adopted KYC/AML policies and procedures and reviews them regularly in light of any relevant regulatory and market developments.

In June 2022, the Financial Action Task Force, a global monitor for AML and counter-terrorism financing regulation, identified the UAE as a "jurisdiction under increased monitoring", commonly referred to as the "grey list". In January 2023, the Central Bank released new guidance on AML and counter-terrorism financing for financial institutions containing new obligations for banks to conduct customer due diligence through digital identification systems. To the extent the Group fails or is perceived to fail to fully comply with new guidance from the Central Bank or any other applicable laws and regulations, the relevant government agencies to which it reports have the power and authority to impose fines and other penalties on the Group. In addition, the Group's business and reputation could suffer if customers use the Group for money laundering or illegal purposes.

A negative change in any of the Group's credit ratings could limit its ability to raise funding and may increase its borrowing costs

The Group has been assigned a long-term credit rating of A (with a stable outlook) by Standard & Poor's and a long term credit rating of A+ (with a stable outlook) by Fitch. These ratings, which are intended to measure the Group'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 (including as a result of the Combination). A downgrade of the Group'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 materially adversely affect its business, financial condition and results of operations. Moreover, actual or anticipated changes in the Group's credit rating may affect the market value of the Notes.

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

The interests of the Group's controlling shareholder, and its ability to appoint a majority of the board of directors of the Group, may conflict with the commercial interests of the Group, which may also conflict with the interests of the Noteholders

As at the date of this Base Prospectus, the Government holds 60.2 per cent. of the Group's share capital, through Mubadala Investment Company's ("**MIC**") wholly-owned subsidiary, One Hundred and Fourteenth Investment Company – Sole Proprietorship LLC ("**114 LLC**"). As a result, the Government has the ability to block actions or resolutions proposed at the Group's annual or extraordinary general meetings. Accordingly, the Government could cause the Group to pursue transactions, make dividend payments or other distributions or payments to shareholders or undertake other actions to implement the policy of the Government rather than to foster the commercial interests of the Group.

Additionally, as at the date of this Base Prospectus, each member of the Group's board of directors (the "**Board**") is elected by the Group's shareholders. MIC, through 114 LLC, as the majority shareholder, has the right to appoint a proportionate number of members of the Board to its shareholding in the Group. As at the date of this Base Prospectus, the Chairman of the Board is one of the directors appointed by MIC and MIC has appointed five other members of the Board. The Board, in turn, appoints the Group Chief Executive Officer ("**GCEO**") and specifies his powers and authority in controlling and monitoring the Group's business on a day-to-day basis, recommending strategy to the Board, leading senior management and implementing the Board's strategic and operational decisions. Although the Group's corporate governance policies have been designed on the basis of international best practice, Central Bank regulations on corporate governance and the Basel Committee's guidelines on corporate governance, including specific, core principles designed to ensure (amongst other things) accountability in the relationships between the Board and the shareholders, MIC is able to exert significant influence in the composition of the Board and, through the Board's ability to specify the powers of the GCEO, the day-to-day management of the Group's business.

In addition, many of the Group's largest customers are Government-related entities whose businesses depend, in large part, on Government spending and policy. Although it is the Group's policy that transactions with parties related to, or affiliated with, its controlling shareholder are priced at market rates, are otherwise undertaken on an arm's-length basis and are subject to the same loan or account approval procedures and limits as applied by the Group to transactions with parties not related to or affiliated with the Government, there can be no assurance that any and all such credit or credit support will be extended to related parties on the above basis and terms. In some cases, the Group may enter into transactions with such entities with a view to long-term, mutually beneficial relationships, even if the Group may not achieve short-term profit maximisation from such transactions. Moreover, although the Group has not experienced pressure from its controlling shareholder to date to conduct transactions upon more favourable terms with Government-owned or controlled legal entities or to deviate from its credit and lending policies and procedures, there is no guarantee that the Group may not come under pressure to pursue certain non-core activities, engage in activities with a lower profit margin than it would otherwise pursue or to provide financing to certain companies or entities on favourable or non-market terms. Such activities could have a material adverse effect on the Group's business, results or operations and financial condition.

Currency risk

The Group is exposed to foreign currency risk through transactions in foreign currencies and due to its net investments in foreign operations through its subsidiaries (mainly in Egyptian pounds and Kazakhstani tenge).

The Group's above transactional exposures give rise to foreign currency gains and losses which are recognised in the consolidated statement of income or in other comprehensive income based on the nature of the transaction. The Group currently monitors the level that net foreign currency exposure is kept by buying and selling foreign currencies at spot rates or by hedging, including hedges for its net investment in foreign operations as and when appropriate. See "*Risk Management – Management of Risks – Market Risk – Currency risk*" for further information.

Risks relating to the UAE and MENA

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) dominates Abu Dhabi's economy and contributed approximately 40.8 per cent. in 2019 and 41.7 per cent. in 2018 to Abu Dhabi's nominal GDP (according to preliminary estimates published by the Statistics Centre), reflecting the lower oil price environment since mid-2014 onwards. However, the Government continues to implement strategies intended to increase the number of and type of industry sectors contributing to the economy.

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 2021, 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 2022) while, according to preliminary data produced by the Federal Competitiveness and Statistics Centre (the "**FCSA**"), the mining and quarrying sector (which includes crude oil and natural gas) constituted approximately 27.7 per cent. of the UAE's constant GDP in 2021, as compared to 28.7 per cent. in 2020.

According to the OPEC website, the price of the OPEC Reference Basket has fluctuated significantly in recent years. See further "*– Risks relating to the Group's Business – 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. In addition to a fall in the demand for oil as a result of the spread of COVID-19, factors such as the inability of OPEC and its allies to efficiently reach an agreement on oil production levels had a significant impact on the price of oil in 2021. OPEC officials proposed a plan to the OPEC countries and other non-OPEC countries, including Russia (collectively, "**OPEC plus**"), to reduce global oil production by 1.5 per cent. In January 2021, OPEC and Russia agreed to a slight easing of the oil production cuts by 500,000 barrels per day and in May 2021, the OPEC Reference Basket reached a monthly average of U.S.$66.91. However, rising tensions between Russia and NATO in connection with Ukraine at the beginning of 2022 and culminating in the Russia-Ukraine crisis that erupted in February 2022 and which is still ongoing, caused oil prices to surge above U.S.$100.00 for the first time since 2013 to U.S.$110.97 per barrel as at 1 May 2022. Although oil prices have since declined and reached a monthly average of U.S.$79.68 per barrel for 31 December 2022, increases to oil prices, due to the ongoing Russia-Ukraine crisis or for any other reason and particularly when coupled with high inflation, may have a negative impact on the Issuer's corporate and individual customers. This, in turn, may have an adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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 on global economic activity and the demand for oil and gas;
- economic and political developments in oil producing regions, particularly in the Middle East and in Eastern Europe;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil products, especially in the case of an accelerated energy transition scenario;
- 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, for example net zero targets;
- prices and availability of alternative fuels, global economic and political conditions, prices and availability of new technologies using alternative fuels;
- other actions taken by major crude oil producing or consuming countries; and
- global weather and environmental conditions.

If the prevailing low international prices for hydrocarbon products are sustained 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 adversely affect the Issuer's and/or the Group's ability to perform its obligations in respect of any Notes.

The Group is subject to risks associated with 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 the Group 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 and financial condition.

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 is effective for accounting periods beginning on or after 1 June 2023 and will apply to the Issuer from 1 January 2024 (see "*– Tax changes in the UAE may have an adverse effect on the Group*" below)) or exchange controls could have a material adverse effect on the Group's business, financial condition and results of operations and thereby affect the Issuer's and/or the Group's ability to perform its obligations in respect of any Notes.

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 and North Africa ("**MENA**") region may result from a number of factors, including government or military regime change, civil unrest or terrorism. In particular, in June 2017, a number of MENA countries including the UAE, Saudi Arabia, Bahrain and the Egypt severed diplomatic relations with the State of Qatar, citing Qatar's alleged support for terrorism and accusing Qatar of creating instability in the region. The termination of diplomatic relations included the withdrawal of ambassadors and imposing trade and travel bans. However, in January 2021, Saudi Arabia, Bahrain, Egypt and the UAE announced the ending of the blockade of Qatar including the restoration of diplomatic relations and the reopening of land and sea borders.

In addition, in January 2020, the United States carried out a military strike which killed a senior Iranian military commander. As a result of this military strike, Iran launched missiles at a U.S. base in Iraq. More recently, in August 2020, the UAE and Bahrain announced the normalisation of relations with Israel but these have since been strained due to an increase in tensions and violence between Israel and Palestine since April 2021, which has led to fears of a full-scale war and resulted in further volatility in the region.

There has also been an escalation of tension between Iran and a number of western governments since 2019 following the United States' withdrawal from the Joint Comprehensive Plan of Action, including the attack on a number of oil tankers in the Strait of Hormuz, the seizure of foreign-flagged oil tankers, missile strikes by Iran on United States military bases in Iraq and the decision of Iran to resume uranium enrichment activities. In addition, in January 2020, the United States carried out a military strike which killed Qassem Soleimani, a senior Iranian military commander. As a result of this military strike, Iran launched missiles at U.S. bases in Iraq.

On 17 January 2022, the Houthis, a militant Yemeni movement, claimed responsibility for what the UAE described as a drone and missile attack on Abu Dhabi at the facilities of Abu Dhabi National Oil Corporation, a state-owned oil company. In the following weeks, UAE forces intercepted three more hostile drones that entered UAE airspace, one of which was claimed by an Iraqi militia group.

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 a material adverse effect on the Group's business, results of operations and financial condition, and thereby adversely affect the Issuer's and/or the Group's ability to perform its obligations in respect of any Notes.

The Group is subject to the risks associated with the economy of Egypt

As at 31 December 2022, the Group's total funded exposure to customers in Egypt was U.S.$ 8.28bn (31 December 2021: U.S.$ 5.54bn), with Egyptian government and government-related entities representing 45 per cent. of this exposure. As at 31 December 2022, the Group's offshore exposure (through Abu Dhabi Commercial Bank PJSC) represented 59 per cent. of the Group's total Egyptian exposure, with onshore exposure (through ADCB-E) representing 41 per cent. The Group's exposure to Egypt mainly includes amounts due from banks, loans and advances to customers, investment securities and structured funding arrangements and other assets.

In addition, through its consolidation of ADCB-E, the Group is impacted by exchange rate movements in the Egyptian pound (see further "*Regulatory risks relating to the Group's business – Currency Risk*" above).

As a result of the Group's exposure in Egypt and to the Egyptian government and its related entities, the continued deterioration in general economic conditions in Egypt or any worsening of the financial stability of the Egyptian government and its related entities may have a material adverse effect on the Group's business, results of operations and financial condition.

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

The Group was incorporated in 1985 by Resolution No. 90 of the Abu Dhabi Executive Council. The Government has held, indirectly, at least 58.1 per cent. of the Group's share capital, and has maintained significant deposits with the Group, throughout the Group's history. During the period between 2008 and 2009, the Government (through its purchase of the Group's Tier 1 Notes) provided a total of AED 4.0 billion in Tier 1 capital notes to the Group (which stood at AED 6.0 billion as at 31 March 2023). In 2009, the UAE federal government also provided AED 6.6 billion in Tier 2 capital to the Group which was repaid on 2 June 2013. Despite the Government's and the UAE federal government's past investments in and deposits with the Group 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 and financial condition.

The Notes will not be guaranteed by the Government

The Government, through MIC's wholly-owned subsidiary, 114 LLC is a majority shareholder in the Group. Like any other shareholder, the Government has no legal obligation to provide additional funding for any of the Group's future operations. The Government is not providing a guarantee of any of the Group's obligations in respect of Notes to be issued under the Programme, nor is the Government under any obligation to purchase any of the Group's liabilities or guarantee any of the Group's obligations, and the Noteholders therefore do not benefit from any legally enforceable claim against the Government.

The increasingly competitive environment in the UAE banking industry may adversely affect the Group's business, results of operations and financial condition

The Group faces high levels of 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 31 December 2022, there were a total of 61 commercial banks registered in the UAE (consisting of 22 locally incorporated commercial banks and 39 foreign commercial banks) (*source*: Central Bank Monetary Banking & Financial Markets Developments Report Q4 2022). The Group's main domestic competitors in terms of size of banking franchise and product and customer segments are Emirates NBD Bank PJSC ("**Emirates NBD**"), First Abu Dhabi Bank PJSC ("**First Abu Dhabi Bank**"), Standard Chartered Bank, HSBC Bank plc/HSBC Bank Middle East Limited ("**HSBC**"), Mashreqbank psc ("**Mashreqbank**"), Dubai Islamic Bank PJSC ("**Dubai Islamic Bank**") and Abu Dhabi Islamic Bank PSJC ("**Abu Dhabi Islamic Bank**"). In the UAE market, as at 31 December 2022 and according to the 2022 Financial Statements and the publicly available financial statements of the Group's main domestic competitors as at and for the year ended 31 December 2022, the Group had the third largest market share in terms of total loans behind Emirates NBD and First Abu Dhabi Bank and also had the third largest market share in terms of total customer deposits behind, Emirates NBD and First Abu Dhabi Bank. There can be no assurance that the Group 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 61 commercial banks licensed to operate inside the UAE as at 31 December 2022 (22 locally incorporated commercial banks and 39 foreign commercial banks) (*source:* Central Bank Monetary Banking & Financial Markets Developments Report Q4 2022), serving a population estimated to be in the region of approximately 9.44 million people as of mid-2022 (*source:* Statistical Yearbook 2022 edition, United Nations Department of Economic and Social Affairs, Statistics Division)]. There has traditionally been little impetus for consolidation. However, the merger between National Bank of Abu Dhabi and First Gulf Bank, which was completed on 30 March 2017, has stimulated further moves towards greater consolidation amongst UAE banks such as the Combination and the acquisition of Noor Bank P.J.S.C. by Dubai Islamic Bank P.J.S.C, which was completed in January 2020 (*source*: Reuters). While any further consolidation could increase the level of concentration in the domestic banking sector, it could 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 system development. (see "*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 and financial condition.

Furthermore, the banking market in the UAE has generally been a relatively protected market with high regulatory and other barriers to entry for foreign financial institutions. However, should some of these barriers be removed or eased in the future, either voluntarily or as a result of the UAE's obligations to the WTO, the GCC or any other similar entities, it is likely to lead to a more competitive environment for the Group and other domestic financial institutions. In the event of increased competition and/or limited new business opportunities, the Group may face difficulties due to shrinking interest margins which could have an adverse effect on the Group's business, results of operations, financial condition and prospects.

Tax changes in the UAE may have an adverse effect on the Group

As at the date of this Base Prospectus, the Group is not currently subject to corporation tax on its earnings within the UAE. However, on 9 December 2022, the UAE Ministry of Finance issued the Corporate Tax Law to enact a Federal corporate tax regime in the UAE, that will apply to taxable persons for financial years beginning on or after 1 June 2023. For the Issuer, corporate tax will apply from 1 January 2024. Under the Corporate Tax Law, corporate tax will apply on the net profits of a business. A 9 per cent. corporate tax rate will apply to taxable income above AED 375,000, while a rate of 0 per cent. will apply to taxable income not exceeding AED 375,000. However, there are a number of aspects of the Corporate Tax Law and the application of corporate tax pursuant to the law that remain to be clarified by way of a cabinet decision and that are critical for entities, such as the Issuer, to determine their tax status and the amount of tax due under the Corporate Tax Law. The Issuer shall continue to monitor the status of the aforementioned clarifications to determine its corporate tax status.

Investors should also be aware that with effect from 1 January 2018, the UAE federal government implemented a VAT regime within the UAE at a rate of 5 per cent. as part of a broader GCC-wide agreement. 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. Bahrain joined the GCC VAT regime on 1 January 2019 and increased the rate to 10 per cent. effective from 1 January 2022. Oman implemented VAT on 16 April 2021. Qatar is expected to introduce VAT in 2023 at a rate of 5 per cent. See further "*– Risks relating to the Group's Business – 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.

The implementation of changes to corporation tax (or any analogous tax regimes) may have a material adverse effect on the Group's business, results of operations and financial condition, which in turn could affect the Issuer's ability to perform its obligations in respect of any Notes.

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 the Group 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: the Kingdom of Saudi Arabia; the Sultanate of Oman; the Kingdom of Bahrain; and the State of Qatar. In response to the volatility of oil prices internationally throughout 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 devaluation against the U.S. dollar immediately post-removal of the peg.

Given the levels of exposure among regional financial institutions to other pegged currencies, it is also likely that such currency de-valuation(s) would adversely impact the banking systems in the UAE and across the wider GCC. As at 31 December 2022, the Group's U.S. dollar, and other currencies pegged to the U.S. dollar, net long spot delta was approximately U.S.$6.9 billion. Any de-peg of these currencies will have an impact on the Group's financial condition. As at 31 December 2022, a +/- 5 per cent. sensitivity to these funding pegged currencies is estimated to have an impact of U.S.$1.06 billion gain or loss on the Group's income statement. In addition, as at 31 December 2022, the Group's net U.S. dollar, pegged and non-pegged, trading spot delta was approximately short U.S.$0.60 billion which is within the Board's approved limit of long U.S.$2 billion.

While the 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 and financial condition, and thereby affect the Issuer's ability to perform its obligations in respect of any Notes.

Risks relating to enforcement

Investors may experience difficulties in enforcing arbitration awards and foreign judgments in the UAE

The payments under the Notes are dependent upon the Issuer making payments to investors in the manner contemplated under the Notes. If the Issuer fails to do so, it may be necessary for an investor to bring an action against the Issuer to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming.

The Notes, the Programme Agreement, the Deed of Covenant and the Agency Agreement are governed by English law and the parties to such documents have agreed to refer any unresolved dispute in relation to such documents to arbitration under the LCIA Rules, with an arbitral tribunal with its seat in London (or, subject to the exercise of an option to litigate given to certain parties (other than the Issuer), the courts of England are stated to have jurisdiction to settle any disputes).

Where an English judgment has been obtained, there is no assurance that the Issuer has, or would at the relevant time have, assets in the UK against which such a judgment could be enforced. The Issuer is incorporated in and has its operations and the majority of its assets located in the UAE. Under current UAE law, the UAE courts (including the courts of Abu Dhabi) are unlikely to enforce an English court judgment without first re-examining the merits of the claim, to which they may simply apply UAE law; thus ignoring the choice by the parties of English law as the governing law of the transaction. In the unlikely event that the parties' choice was respected, it is important to note that in the UAE, foreign law is required to be established as a question of fact. Therefore, the interpretation of English law by a court in the UAE may not accord with that of an English court.

In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or which is contrary to any mandatory law of, or applicable in, the UAE.

The UAE is a civil law jurisdiction and 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 than would be expected in other jurisdictions. 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. Any arbitration award rendered in London should therefore be enforceable in the UAE in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the UAE courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement and would be contrary to the public policy of the UAE.

There is no established track record as to how the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention). 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 independent of the federal system, and 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 (as described above), there are other cases where the enforcement of foreign arbitral awards have been refused.

Federal Law No. 42 of 2022 Promulgating the Civil Procedure Code ("**Law of Civil Procedure**) governs the enforcement of foreign arbitral awards in the UAE. The Law of Civil Procedure confirms that arbitral awards issued in a foreign state may be enforced in the UAE and that any conditions for enforcement of foreign arbitral awards set out therein shall not prejudice the provisions of treaties and agreements entered into by the UAE with other states, such as the New York Convention. However, there is no established track record as to how the overlapping provisions of the New York Convention and the Law of Civil Procedure will be interpreted and applied by the UAE courts in practice. In addition, there remains a risk that, notwithstanding the Law of Civil Procedure and the terms of any applicable treaties or agreements between the UAE and other states, the UAE courts may in practice still consider and apply the grounds set out in Federal Law No. 6 of 2018 (the "**UAE Arbitration Law**") to the enforcement of any non-UAE arbitral award. As the UAE Arbitration Law and the Law of Civil Procedure are both relatively untested, it is unclear how they will be applied by the UAE courts in practice. Accordingly, there is a risk that a non-UAE arbitral award will be refused enforcement by the UAE courts.

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

Risks related to the structure of a particular issue of Notes

The Notes may be subject to optional redemption by the Issuer

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

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

The Notes may be redeemed prior to their final maturity date for tax reasons

If the Issuer becomes obliged to pay any additional amounts in respect of the Notes as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, the Issuer may redeem all but not some only of the outstanding Notes of such Tranche in accordance with Condition 8 (*Redemption and Purchase*).

In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security with a similar rate of return, which may have an adverse effect on the position of such investor. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the Early Redemption Amount. Potential investors should consider re-investment risk in light of other investments available at that time.

Partly-paid Notes are subject to additional risks

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Certain benchmark rates may be discontinued or reformed in the future, which may adversely affect the trading market for, value of and return on, Notes based on such benchmarks

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

The EU Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and became applicable from 1 January 2018. The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non EU-based, not deemed equivalent or recognised or endorsed). Regulation (EU) No 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") amongst other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK-supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the UK Benchmarks Register (or, if non UK-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 Notes linked to or referencing EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark.

More broadly, any of the international, national or other proposals for reform, 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 the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmarks or (iii) lead to the disappearance of the benchmark.

As an example of such benchmark reforms, 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 €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 subsequently 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 elimination of EURIBOR or any other benchmark, the transition of an existing benchmark to an alternative benchmark or a risk-free overnight rate or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 6.6 (*Benchmark Replacement – Independent Adviser*)) and Condition 6.7 (*Benchmark Replacement – SOFR*), or result in adverse consequences to holders of any Notes linked to such benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

Investors should be aware that, if a benchmark were to be discontinued or otherwise become unavailable, the rate of interest on Floating Rate Notes and Reset Notes which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes set out in the Conditions. Depending on the manner in which the rate of interest is to be determined under the Conditions, this may: (i) in the case of Floating Rate Notes, if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations which, depending on market circumstances, may not be available at the relevant time; or (ii) in the case of Floating Rate Notes, if Screen Rate Determination applies, and in the case of Reset Notes, result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant benchmark was available. Furthermore, if the Issuer determines it is not able to follow the prescribed steps set out in the Conditions, the relevant fallback provisions may not operate as intended at the relevant time.

The Conditions may require the exercise of discretion by the Issuer, its designee or an independent adviser, as the case may be, and the making of potentially subjective judgments (including as to the occurrence or not of any events which may trigger amendments to the Conditions) and/or the amendment of the Conditions without the consent of Noteholders. The interests of the Issuer or those of its designee or the independent adviser, as applicable, in making such determinations or amendments may be adverse to the interests of the Noteholders.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under Notes linked to a benchmark or could have a material adverse effect on the market value or liquidity of, and the amount payable under such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates (including overnight rates) which are possible reference rates for the Notes

The use of risk-free rates – including those such as SONIA, the Secured Overnight Financing Rate ("**SOFR**") and €STR, as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

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 Notes that reference risk-free rates issued under the Programme. The Issuer may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index and €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under the Programme. 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 Notes 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 Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the Conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. For example, on 2 March 2020, the Federal Reserve Bank of New York, as administrator of SOFR, began publishing the SOFR Compounded Index and on 3 August 2020, the Bank of England, as the administrator of SONIA, began publishing the SONIA Compounded Index. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

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

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 and, in the case of SOFR, secured, 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 interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes referencing interbank offered rates, if Notes referencing backwards-looking rates become due and payable under Condition 11 (*Events of Default*) or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

Investors should consider these matters when making their investment decision with respect to any Notes.

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

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

Inverse Floating Rate Notes are subject to increased volatility

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes are subject to additional risk

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing rates on the Notes.

Notes issued at a substantial discount or premium are subject to increased volatility

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

Notes issued as Green Notes in the relevant Final Terms with a specific use of proceeds, may not meet investor expectations or requirements or be suitable for an investor's investment criteria

The Final Terms relating to a specific Tranche of Notes may provide that it is the Issuer's intention to allocate an amount, which at the Issue Date of the relevant Notes is equal to the net proceeds of the issue of such Notes (the "**equivalent amount**"), to fund Eligible Green Loans in accordance with the Issuer's Green Bond Framework. A prospective investor should have regard to the information set out in the section "*Use of Proceeds*" and the relevant Final Terms and determine for itself the relevance of such information together with any other investigation it deems necessary for the purpose of assessing the suitability of an investment in such Notes.

The Issuer will exercise its judgement and sole discretion in determining the businesses and projects that will be financed and/or refinanced by the equivalent amount. If the use of the proceeds of Green Notes is a factor in any potential investor's decision to invest in Green Notes, that investor should carefully consider the disclosure in "*Use of Proceeds*" and consult with its legal or other advisers and make any other investigation such investor deems necessary before making an investment in Green Notes, including but not limited to, reviewing the prevailing Green Bond Framework. In particular, no assurance is given by the Issuer, the Arranger, the Dealers, the Agents or any other person that the use of the equivalent amount to finance and/or refinance any Eligible Green Loans (as defined in "*Use of Proceeds*" below) 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 particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Green Bond Framework.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor any market consensus as to what constitutes, a "green", "social" or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as "green" 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.

No assurance or representation is or can be given (whether by the Issuer, the Dealers, the Agents or any other person) to investors that: (a) any projects funded by or related to any Eligible Green Loans will meet any or all investor expectations regarding such "green" or other equivalently labelled performance objectives; (b) any adverse environmental, social and/or other impacts will not occur during the implementation of any projects funded by or related to any Eligible Green Loans; or (c) the Green Bond Framework will be aligned with the EU Taxonomy or any other sustainability framework or guidelines.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of the Green Notes and in particular with any of the businesses and projects funded with the equivalent amount to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should it be deemed to be, a recommendation by the Issuer, the Dealers, the Agents or any other person to buy, sell or hold Green Notes. Any such opinion or certification is only current as at the date that opinion was initially issued. The criteria and/or considerations that formed the basis of the second party opinion and any other such opinion or certification may change at any time and the second party opinion may be amended, updated, supplemented, replaced and/or withdrawn. The Issuer's Green Finance Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from to time and any subsequent version(s) may differ from any description given in this Base Prospectus. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in Green Notes. The providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight.

If Green Notes are at any time listed or admitted to trading on any dedicated "green", “social”, "environmental", "sustainable" or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Arranger, the Dealers, 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 Green Notes. 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 Issuer, the Arranger, the Dealers, the Agents or any other person that any such listing or admission to trading will be obtained in respect of any Green Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Notes concerned.

While it is the Issuer's intention to apply the equivalent amount to finance and/or refinance Eligible Green Loans and obtain and publish the relevant reports, assessments, certifications and opinions in, or substantially in, the manner described in "*Use of Proceeds*" and in the Green Bond Framework (including, not limited to, the selection of projects and allocation timeframe), there will be no contractual obligation to any potential investors of Green Notes to allocate the equivalent amount to finance and/or refinance any Eligible Green Loans or to provide the reports as described in the Green Bond Framework, and there can be no assurance (whether by the Issuer, the Arranger, the Dealers, the Agents or any other person) that the Issuer will be able to do this. Nor can there be any assurance that any projects related to Eligible Green

Loans will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment, social or sustainability or similar) as originally expected or anticipated by the Issuer.

An Eligible Green Loan which initially satisfies the Green Eligibility Criteria set out in the Green Bond Framework may not always satisfy that eligibility criteria during the life of the loan, due to changes to the Green Bond Framework and/or circumstances of the use of the loan or any related project or any other reasons. The reallocation of such proceeds to new Eligible Green Loans may not be possible or may be delayed. No representation or assurance is given or made by the Issuer, the Arranger, the Dealers, or the Agents or any other person that the equivalent amount used for financing or refinancing of Eligible Green Loans will always satisfy the eligibility criteria. Any such event as described in the last sentence of the preceding paragraph or failure by the Issuer to apply the equivalent amount for any Eligible Green Loans or to obtain and publish any such reports, assessments, certifications and opinions, will not give rise to any claim in contract of a holder of Green Notes against the Issuer, the Arranger, any Dealer, the Agents or any other person. The withdrawal of any such report, assessments, certifications or opinion, or any report, assessment, opinion or certification attesting that the Issuer 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 any Green Notes 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 the Green Notes 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 amount equal to the net proceeds of the issue of any Green Notes which, from time to time, are not allocated as funding for Eligible Green Loans are intended by the Issuer to be invested in in accordance with its liquidity policy and for other capital management until additional Eligible Green Loans are available. While the Issuer intends to track and segregate an amount equal to the net proceeds of the issue of any Green Notes by earmarking, there can be no assurance that the Green Notes or any proceeds therefrom will not be used to absorb any and all losses of the Issuer, regardless of whether or not such losses stem from green, sustainable or other assets, in the same way as the Issuer's other instruments not classified as Green Notes which may be called upon to cover all losses on the balance sheet.

Risks relating to Notes denominated in Renminbi

Notes denominated in Renminbi ("**RMB Notes**") may be issued under the Programme. A description of risks which may be relevant to an investor in RMB Notes is set out below:

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of RMB Notes

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although, the People's Bank of China ("**PboC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programmes and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under RMB Notes.

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

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

While PboC has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the "**Renminbi Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement, and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PboC on Renminbi business-participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PboC, although the PboC has gradually allowed participating banks to access the PRC's onshore interbank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PboC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

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

Investment in RMB Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. PboC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to the RMB Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline.

Investment in the RMB Notes is subject to currency risk

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the RMB Notes as a result of a RMB Currency Event (as defined in the Conditions), the Issuer shall be entitled, on giving notice as soon as practicable to the investors in accordance with the Conditions stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed in relation thereto, to settle any such payment in the Relevant Currency (as specified in the applicable Final Terms) converted using the Spot Rate for the relevant Rate Calculation Date (as defined in the Conditions) of any such interest or principal, as the case may be.

Payments with respect to the RMB Notes may be made only in the manner designated in the RMB Notes

Investors may be required to provide certification and other information (including Renminbi account information) in order to receive payments in Renminbi in accordance with Renminbi clearing and settlement systems for participating banks in the RMB Settlement Centre(s). Except in the limited circumstances stipulated in Condition 7.9 (*RMB Currency Event*) (as set out in the RMB provisions below), all payments to investors in respect of the RMB Notes will be made solely (i) for so long as the RMB Notes are represented by global certificates held with the common depositary, for Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") or any alternative clearing system, by transfer to a Renminbi bank account maintained in the RMB Settlement Centre(s), if so specified in the applicable Final Terms, in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures or those of such alternative clearing system or (ii) for so long as the RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in the RMB Settlement Centre(s), if so specified in the applicable Final Terms, in accordance with prevailing rules and regulations. Other than as described in the Conditions, the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Gains on the transfer of the RMB Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of RMB Notes by non-PRC resident enterprise or individual holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of RMB Notes but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident individual holder from the transfer of RMB Notes.

However, uncertainty remains as to whether the gain realised from the transfer of RMB Notes by non-PRC resident enterprise or individual holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, holders who are residents of Hong Kong, including enterprise holders and individual holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual resident holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of RMB Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual holders of RMB Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in RMB Notes may be materially and adversely affected.

Risks related to Notes generally

The Issuer's payment obligations under the Subordinated Notes are conditional and expressed to rank junior to unsubordinated creditors of the Issuer

The rights of holders of the Subordinated Notes against the Issuer are subordinated to the claims of Senior Creditors, and payments in respect of the Subordinated Notes are conditional upon the Issuer being solvent at the time of such payment and no payment shall be payable by the Issuer in respect of the Subordinated Notes, except to the extent that the Issuer could make such payment and any other payment required to be made to all Senior Creditors and creditors in respect of indebtedness which ranks or is expressed to rank *pari passu* with the Subordinated Notes and still be solvent immediately thereafter. If the Issuer does not have sufficient funds to make such payments on senior and *pari passu* obligations, the Subordinated Noteholders could lose all or some of their investment.

The Notes are subject to modification by a majority of Noteholders without the consent of all Noteholders

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests. These provisions permit defined majorities to bind all Noteholders (including Noteholders who did not attend or vote at the relevant meeting as well as Noteholders who did attend the relevant meeting, but voted in a manner contrary to the majority).

Subject to and in accordance with Condition 6.6 (*Benchmark Replacement – Independent Adviser*) and Condition 6.7 (*Benchmark Replacement – SOFR*) certain changes may be made to the interest calculation of Floating Rate Notes, without the consent of the Noteholders. Accordingly, there is a risk that the Conditions may be modified, waived or amended in circumstances where a Noteholder does not agree to such modification, waiver or amendment, which may adversely impact the rights of such Noteholder.

The Issuer's waiver of immunity may not be effective under UAE law

The Issuer has waived its rights in relation to sovereign immunity; however, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Notes, the Agency Agreement and the Programme Agreement are valid and binding under the laws of the UAE and applicable in Abu Dhabi.

A change of law may adversely affect the Notes

The Conditions are based on English law 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 law or administrative practice after the date of this Base Prospectus.

Certain bearer notes, the denomination of which involves integral multiples, may be illiquid and difficult to trade

If an issue of Bearer Notes is in denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Bearer Note in respect of such holding (should such Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

Investors in the Notes must rely on DTC, Euroclear and Clearstream, Luxembourg procedures

Notes issued under the Programme will be represented on issue by one or more Global Notes or Global Note Certificates that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for the Depository Trust Company ("**DTC**"). Except in the circumstances described in each Global Note or Global Note Certificate, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note or Global Note Certificate held through it. While the Notes are represented by a Global Note or Global Note Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants and the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant clearing system and its participants in relation to payments under the Notes. The Issuer shall have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note or Global Note Certificate.

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

The Issuer may, without the consent of the Noteholders, issue additional Notes. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, may be treated as a separate series for U.S. federal income tax purposes

The Issuer may, without the consent of the holders of the Notes of the relevant Series, issue additional Tranches of Notes which may be consolidated and form a single Series with one or more Tranches previously issued. Notwithstanding the foregoing, such additional Tranches may be treated as a separate series for U.S. federal income tax purposes. In such a case, the Notes of any such additional Tranche may be considered to have been issued with "original issue discount" for U.S. federal income tax purposes and this may reduce the market value of the Notes of such Tranche to certain classes of investor.

A secondary market may not develop for any Notes

The Notes may have no established trading market when issued. A market may not develop for such Notes and, if a market does develop, such market may not be liquid. The liquidity of any market for the Notes will depend on a number of factors, including, but not limited to:

- the method of calculating the principal and interest in respect of the Notes;
- the time remaining to the maturity of the Notes;
- the outstanding amount of the Notes;
- the redemption features of the Notes; and
- the level, direction and volatility of market interest rates generally.

As a result, investors may not be able to sell their Notes easily or at prices that will provide a yield comparable to similar investments that have a developed secondary market. Such risks are heightened for any Notes that: (i) are especially sensitive to interest rate risks, currency risk or other market risks; (ii) have been designed for specific investment objectives or strategies; or (iii) have been structured to meet the investment requirements of certain limited categories of investors, as such types of Notes generally would have a more limited secondary market and increased price volatility than conventional debt securities. The relative illiquidity of Notes may have a severely adverse effect on such Notes' market value.

Notes may be subject to exchange rate risks and exchange controls

The Issuer has no control over factors that generally affect exchange rate 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 such exchange rate volatility with a variety of currencies may continue in the future.

The Issuer will pay principal and any interest due on any Notes in the currency specified in the applicable Final Terms (the "**Specified Currency**"). If an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency, it may therefore bear certain exchange rate risks. These include: (i) 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 (ii) 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. Any 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 Notes; (ii) the Investor's Currency-equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate as well as the availability of a specified foreign currency at the time of any payment of principal or interest on a Note. As a result, investors may receive less interest or principal than expected, or no interest or principal. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note would not be available at such Note's maturity.

Credit ratings may not reflect all risks

As at the date of this Base Prospectus, ADCB's long term credit rating is A+ with a "stable outlook" by Fitch and A with a "stable outlook" by Standard & Poor's. Standard & Poor's is established in the EEA and registered under the EU CRA Regulation. Fitch is established in the UK and registered under the UK CRA Regulation.

One or more independent credit rating agencies may also assign credit ratings to ADCB or any Notes. Any ratings of either ADCB or the Notes 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 any Notes. 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.

Nevertheless, real or anticipated changes in ADCB's credit ratings or the ratings of the Notes generally will affect the market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

In general, EEA regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation. The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

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

Implied Government support may not be reflected in applicable credit ratings

The Government, through MIC's wholly-owned subsidiary, 114 LLC, is ADCB's majority shareholder, holding a 60.2 per cent. stake as at the date of this Base Prospectus. The methodology applied by one or more credit rating agencies in assigning credit ratings to ADCB and/or any Notes from time to time may take into account support which might be expected to be provided to ADCB as a result of such ownership. However, there can be no assurance that any future credit ratings assigned to ADCB and/or any Notes will in fact reflect such implied support nor that any credit ratings which do reflect such support will continue to do so after they are first assigned. In addition, in applying their respective ratings methodologies to Notes issued under the Programme, applicable credit rating agencies may form a different view as to the likelihood of support being provided by the Government in respect of Senior Notes as compared to Subordinated Notes, and the corresponding credit ratings may be affected accordingly. Furthermore, even if applicable credit ratings do reflect such support, there can be no assurance that any such support will be provided. See "*– The Notes will not be guaranteed by the Government*".

DOCUMENTS INCORPORATED BY REFERENCE

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

- unaudited condensed consolidated interim financial statements of ADCB as at and for the three months ended 31 March 2023 and the review report thereon (an electronic copy of which is available at https://www.adcb.com/en/multimedia/pdfs/2023/april/FinancialStatements-Q1-2023.pdf):

- audited consolidated financial statements of ADCB as at and for the year ended 31 December 2022 (together with the notes to the consolidated financial statements and the auditors' report thereon) (an electronic copy of which is available at https://www.adcb.com/en/multimedia/pdfs/2023/january/FinancialStatements-Q4-2022.pdf):

- audited consolidated financial statements of ADCB as at and for the year ended 31 December 2021 (together with the notes to the consolidated financial statements and the auditors' report thereon) (an electronic copy of which is available at https://www.adcb.com/en/multimedia/pdfs/2022/january/FinancialStatements-Q4-full-year-2021.pdf):

- the Terms and Conditions of the Notes contained in the Base Prospectus dated 1 July 2021 (the "**2021 Terms and Conditions**"), pages 63 to 117 (inclusive) (an electronic copy of which is available at https://www.adcb.com/en/multimedia/pdfs/2021/july/project-prometheus.pdf); and

- the Terms and Conditions of the Notes contained in the Base Prospectus dated 30 August 2022 (the "**2022 Terms and Conditions**"), pages 68 to 126 (inclusive) (an electronic copy of which is available at https://www.adcb.com/en/multimedia/pdfs/2022/august/adcb-gmtn-programme-base-prospectus-approved.pdf,

in each case prepared by the Issuer in connection with the Programme.

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the registered office of ADCB and from the specified office of the Paying Agent for the time being in London and have been published on the website of Euronext Dublin (https://live.euronext.com/) or the website of ADCB (http://www.adcb.com) (as indicated above).

Any parts of the documents referred to above which are not expressly incorporated by reference in this Base Prospectus as provided above are either not relevant for investors or are covered elsewhere in this Base Prospectus.

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

If at any time the Issuer shall be required to prepare a supplement to the Base Prospectus pursuant to Article 23 of the EU Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin, shall constitute a Base Prospectus supplement as required by the EU 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.

ALTERNATIVE PERFORMANCE MEASURES

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

APM	Definition/method of calculation	Reconciliations with Consolidated Financial Statements/accounting records
Twenty largest loans and advances to customers as a percentage of gross loans and advances to customers	This figure is calculated to determine whether the Group has any material concentration risk as at each financial reporting period. The figure is calculated by taking the Group's twenty largest loans and advances to customers as the numerator and total gross loans and advances to customers as the denominator, in each case, as at the relevant reporting date.	**Twenty largest loans and advances to customers** This figure has been derived from the Group's internal accounting records. **Loans and advances to customers, gross** Refers to the same concept/figure as "*Gross loans and advances to customers (including loans and advances to customers at fair value through profit or loss)*" as set out in Note 11 to the 2022 Financial Statements.
Return on average equity	Financial measure expressing the profit for the period/year attributable to equity holders of the Bank after deducting the coupon on Tier 1 capital notes divided by average shareholders' equity and average shareholders' equity calculated as the sum of the opening and closing balances of shareholders' equity (after deducting capital notes and non-controlling interests) in a given reporting period divided by two.	**Net adjusted profit for the period/year attributable to equity holders of the Bank** Refers to the same concept/figure as "*Profit for the period/year attributable to equity holders of the Bank*" minus "*Capital notes coupons paid*" as set out in the Consolidated Income Statement and Consolidated Statement of Changes in Equity in the Annual Financial Statements and Interim Financial Statements. **Shareholders' equity** Refers to the same concept/figure as "*Total equity*" less "*capital notes*" and "*non-controlling interests*" as set out in the Consolidated Statement of Financial Position in the Annual Financial Statements and the Interim Financial Statements.
Return on average tangible equity	Financial measure expressing the profit for the period/year attributable to equity holders of the Bank after deducting the coupon on Tier 1 capital notes divided by average shareholders' equity and average shareholders' equity calculated as the sum of the opening and closing balances of shareholders' equity (after deducting capital notes, non-controlling interests and net intangible assets) in a given reporting period divided by two.	**Net adjusted profit for the period/year attributable to equity holders of the Bank** See above. **Shareholders' equity** Refers to the same concept/figure as "*Total equity*" less "*capital notes*", "*non-controlling interests*" and "*intangible assets, net*" as set out in the Consolidated Statement of Financial Position in the Annual Financial Statements and Interim Financial Statements.
Cost to income ratio	Financial measure to express operating efficiency and is computed as operating expenses divided by operating income.	**Operating expenses** As set out in the Consolidated Income Statement in the Annual Financial Statements or as set out in the Condensed Consolidated Interim Income Statement in the Interim Financial Statements. **Operating income** As set out in the Consolidated Income Statement in the Annual Financial Statements or as set out in the Condensed Consolidated Interim Income Statement in the Interim Financial Statements.
Net interest margin	Financial measure to express the margin between lending and borrowing. This is expressed as net interest income and net	**Net interest income and net income from Islamic financing and investing products**

APM	Definition/method of calculation	Reconciliations with Consolidated Financial Statements/accounting records
	income from Islamic financing and investing products as a percentage of total average interest and profit-earning assets, with average interest and profit earning assets calculated as average daily balances in a given reporting period.	As set out in the Consolidated Income Statement in the Annual Financial Statements or as set out in the Condensed Consolidated Interim Income Statement in the Interim Financial Statements. **Interest and profit earning assets** Daily average balances of deposits and balances due from banks, investment securities, net less equity instruments and mutual funds, loans and advances to customers, net plus certificates of deposits with the Central Bank extracted from Group's internal accounting records for the respective reporting periods.
Yield	Financial measure to express interest income and income from Islamic financing and investing products divided by average interest and profit-earning assets for a given period, with average interest and profit earning assets calculated as average daily balances in a given reporting period.	**Interest income** As set out in the Consolidated Income Statement in the Annual Financial Statements or as set out in the Condensed Consolidated Interim Income Statement in the Interim Financial Statements. **Income from Islamic financing and investing products** As set out in the Consolidated Income Statement in the Annual Financial Statements or as set out in the Condensed Consolidated Interim Income Statement in the Interim Financial Statements. **Interest and profit earning assets** Same as above.
Cost of funds	Financial measure to express the interest expense and distribution on Islamic deposits and profit paid to sukuk holders divided by the average interest-bearing and profit sharing liabilities, with average interest-bearing and profit-sharing liabilities calculated as average daily balances in a given reporting period.	**Interest expense** As set out in the Consolidated Income Statement in the Annual Financial Statements or as set out in the Condensed Consolidated Interim Income Statement in the Interim Financial Statements. **Distribution on Islamic deposits and profit paid to sukuk holders** As set out in the Consolidated Income Statement in the Annual Financial Statements or as set out in the Condensed Consolidated Interim Income Statement in the Interim Financial Statements. **Interest-bearing and profit-sharing liabilities** Daily average balance of due to banks, deposits from customers, euro commercial paper and borrowings extracted from the Group's internal accounting records for the respective reporting periods.
Cost of risk	Financial measure to express total impairment charge, net of recoveries, on loans and advances to customers, loans and advances to banks and investment securities as a percentage of average outstanding net loans and advances to customers (excluding loans and advances to customers at fair value through profit or loss), loans and advances to banks and investment securities (calculated as the sum of the opening and closing balance in a given reporting period divided by two).	**Impairment charge** Refers to the same concept/figure as "*Impairment allowance*" as set out in Note 43.3 of the 2022 Financial Statements and Note 10 of the Interim Financial Statements, excluding the net (release)/charge on commitments and contingent liabilities. **Loans and advances to banks, net** Refers to the same concept/figure as "*Loans and advances to banks*" as set out in Note 7 to the 2022 Financial Statements and Note 5 to the Interim Financial Statements less allowance for impairment on loans and advances to banks extracted from the Group's

APM	Definition/method of calculation	Reconciliations with Consolidated Financial Statements/accounting records
		internal accounting records for the respective reporting periods. **Loans and advances to customers, net** Refers to the same concept/figure as "*Loans and advances to customers at amortised cost, net*" as set out in Note 11 to the 2022 Financial Statements and Note 9 to the Interim Financial Statements. **Investment securities, net** As set out in the Consolidated Statement of Financial Position in the 2022 Financial Statements and the Interim Financial Statements.
Non-performing loan (Stage 3 loans) ratio	Financial measure to express loan asset quality. This is expressed as gross non-performing loans (Stage 3 loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks) as a percentage of gross loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks.	**Non-performing loans, gross** Refers to the same concept/figure as gross non-performing/Stage 3 (limiting to the extent of loans and advances to banks and customers only) as set out in Note 7, Note 11 and Note 43.2 to the 2022 Financial Statements and Note 9 to the Interim Financial Statements. This also includes loans and advances to customers at fair value through profit or loss. **Loans and advances to customers, gross** Refers to the same concept/figure as "*Gross loans and advances to customers at amortised cost and Loans and advances to customers at fair value through profit or loss*" as set out in Note 11 to the 2022 Financial Statements or as set out in Note 9 to the Interim Financial Statements. **Loans and advances to banks, gross** Refers to the same concept/figure as "*Loans and advances to banks*" as set out in Note 7 to the 2022 Financial Statements or Note 5 to the Interim Financial Statements
Non-performing loans including POCI ratio	Financial measure to express loan asset quality. This is expressed as non-performing loans (Stage 3 loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks) including POCI (Purchased or Originated Credit-Impaired) as a percentage of gross loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks.	**Gross non-performing loans including POCI** Refers to the same concept/figure as gross non-performing/Stage 3 and POCI (limiting to the extent of loans and advances to banks and customers only, extracted from the internal accounting records of the Group) as set out in Note 7, Note 11 and Note 43.2 to the 2022 Financial Statements and Note 9 to the Interim Financial Statements. This also includes loans and advances to customers at fair value through profit or loss. **Loans and advances to customers, gross** Same as above. **Loans and advances to banks, gross** Same as above.
Loan to deposit ratio	The loan to deposit ratio is a simple liquidity measure and is expressed as net loans and advances to customers divided by customer deposits.	**Loans and advances to customers, net** Refers to the same concept/figure as "*Loans and advances to customers, net*" as set out in the Consolidated Statement of Financial Position in the Annual Financial Statements or the Interim Financial Statements. **Deposits from customers** Refers to the same concept/figure as "*Deposits from customers*" as set out in the Consolidated Statement of Financial Position in the Annual

APM	Definition/method of calculation	Reconciliations with Consolidated Financial Statements/accounting records
		Financial Statements or the Interim Financial Statements.
Coverage ratio	Financial measure which provides an indication of the Group's level of impairment allowances including fair valuation adjustments recognised (on Stage 1 and Stage 2 loans and advances to customers and banks) as a result of the Combination related to loans and advances to customers and banks as a percentage of gross non-performing (Stage 3) loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks.	**Impairment allowance** Refers to the same concept/figure as Impairment allowance on "*Financial instruments carried at amortised cost*" (limiting it to the extent pertaining to loans and advances to banks and customers (excluding POCI)) as set out in Note 43.3 to the 2022 Financial Statements. Refers to the same concept/figure as "*Impairment allowances*" (limiting it to the extent pertaining to loans and advances to banks and customers (excluding POCI) extracted from the internal accounting records of the Group) as set out in Note 10 of the Interim Financial Statements. **Fair value adjustments** Refers to the fair value adjustments on Stage 1 and 2 loans and advances to banks and customers resulting from the Combination, extracted from the internal accounting records of the Group. **Non-performing loans, gross** Same as above.
Liquidity ratio	Financial ratio which quantifies the Group's liquidity. This is expressed as total liquid assets (being assets held by the Group that can be converted into cash at relatively short notice) divided by total assets.	**Liquid assets** Liquid assets include cash and balances with central banks, net as set out in Note 6, deposits and balances due from banks, net, (excluding loans and advances to banks, net) as set out in Note 7, financial assets at fair value through profit or loss (excluding structured funding arrangements) as set out in Note 8 and total quoted investment securities as set out in Note 10, in each case of the 2022 Financial Statements. Liquid assets include cash and balances with central banks, net as set out in Note 4, deposits and balances due from banks, net, (excluding loans and advances to banks, net) as set out in Note 5, financial assets at fair value through profit or loss (excluding structured funding arrangements) as set out in Note 6 and total quoted investment securities as set out in Note 8, in each case of the Interim Financial Statements. **Total assets** Refers to the same concept/figure as "*Total assets*" as set out in the Consolidated Statement of Financial Position in the Annual Financial Statements or the Interim Financial Statements.
CET 1 ratio	Calculated in accordance with the requirements of the Central Bank and the capital adequacy regulations issued by the Central Bank through the circular "Guidance re Capital Adequacy of Banks in the UAE" issued in December 2022. CET 1 ratio is defined as CET 1 capital divided by risk-weighted assets at a given date. Risk-weighted assets are calculated under the standardised approach for Pillar 1 reporting and represent the sum of credit risk, market risk and operational risk-weighted assets.	As set out in Note 50 to the 2022 Financial Statements and Note 31 to the Interim Financial Statements.

APM	Definition/method of calculation	Reconciliations with Consolidated Financial Statements/accounting records
Tier 1 ratio	Calculated in accordance with the requirements of the Central Bank and the capital adequacy regulations issued by the Central Bank through the circular "Guidance re Capital Adequacy of Banks in the UAE" issued in December 2022. Tier 1 ratio is defined as Tier 1 capital divided by risk-weighted assets at a given date. Risk-weighted assets are calculated under the standardised approach for Pillar 1 reporting and represent the sum of credit risk, market risk and operational risk-weighted assets.	As set out in Note 50 to the 2022 Financial Statements and Note 31 to the Interim Financial Statements.
Total capital adequacy ratio	Calculated in accordance with the requirements of the Central Bank and the capital adequacy regulations issued by the Central Bank through the circular "Guidance re Capital Adequacy of Banks in the UAE" issued in December 2022. Total capital adequacy ratio is defined as total regulatory capital divided by risk-weighted assets at a given date. Risk-weighted assets are calculated under the standardised approach for Pillar 1 reporting and represent the sum of credit risk, market risk and operational risk-weighted assets.	As set out in Note 50 to the 2022 Financial Statements and Note 31 to the Interim Financial Statements.
Liquidity coverage ratio	Liquidity coverage ratio is designed to measure a bank's ability to manage a sustained cash outflow of customer funds in an acute stress event over a 30-day period. It is calculated as the ratio of high-quality liquid assets and dividing this by a bank's projected total net cash outflows over the immediately following 30-day stressed period. It is determined by the Basel III standards and has been implemented in the UAE through Central Bank Circular No. 33/2015. Approved banks are required to comply with the requirements from 1 January 2016 in a phased manner.	This ratio has been derived from the Group's internal accounting records and is calculated in accordance with Basel III regulations and Central Bank guidelines.
Net Stable Funding Ratio (NSFR)	Net Stable Funding Ratio (NSFR) is a regulatory ratio that aims to ensure that the banks have stable funding profile in relation to the composition of their assets and off-balance sheet activities over a one year horizon. It is calculated as the ratio of Available Stable Funding divided by Required Stable Funding. It is determined by the Basel III standards and has been implemented in the UAE through Central Bank Circular No. 33/2015.	This ratio has been derived from the Group's internal accounting records and is calculated in accordance with Basel III regulations and Central Bank guidelines.

FORM OF THE NOTES

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

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent global note (a "**Permanent Bearer Global Note**") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased such Bearer Note for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

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

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

Each Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) an Event of Default (as defined in Condition 11 (*Events of Default*)) has occurred and is continuing and the Notes become due and payable; or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 1 year and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE

LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED."

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

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

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Transfers of Registered Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may also be offered and sold in private transactions to persons who are QIBs. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**").

Registered Global Notes will either be: (i) deposited with a custodian for, and registered in the name of a nominee of, DTC; or (ii) deposited with a Common Depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.4 (*Payments – Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, 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 7.4 (*Payments – Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) an Event of Default has occurred and is continuing and the Notes become due and payable; (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the United States Securities Exchange Act of 1934, as amended, (the "**Exchange Act**"); or (iii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur no later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

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

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (a "**Deed of Covenant**") dated 7 July 2023 and made by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

APPLICABLE FINAL TERMS

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

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

[**EU MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the]/[each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU , as amended ("**EU MiFID II**")]/[EU MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][3]

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

1 Include only where "Prohibition of Sales to EEA Investors" in Part B is specified as "Applicable". Delete legend where "Prohibition of Sales to EEA Investors" in Part B is specified as "Not Applicable".

2 Include only where "Prohibition of Sales to UK Investors" in Part B is specified as "Applicable". Delete legend where "Prohibition of Sales to UK Investors" in Part B is specified as "Not Applicable".

3 Include where one/more of the Managers considers themselves a manufacturer for EU MiFID II purposes.

(by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][4]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 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**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

Final Terms dated [•]

ABU DHABI COMMERCIAL BANK PJSC

Legal Entity Identifier (LEI): 213800RWVKKIRX1AUH58

Issue of [•] [•]
under the U.S.$15,000,000,000
Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the base prospectus dated 7 July 2023 [and the supplement to the base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129, as amended (the "**EU Prospectus Regulation**"). [This document constitutes the applicable Final Terms of the Notes described herein for the purposes of Article 8(4) of the EU Prospectus Regulation and must be read in conjunction with the Base Prospectus][5]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these applicable Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the website of Euronext Dublin (https://live.euronext.com/) and during normal business hours at Abu Dhabi Commercial Bank PJSC, ADCB Tower, Head Office, Sheikh Zayed Street, P.O. Box 939, Abu Dhabi, United Arab Emirates, and copies may be obtained from Abu Dhabi Commercial Bank PJSC, ADCB Tower, Head Office, Sheikh Zayed Street, P.O. Box 939, Abu Dhabi, United Arab Emirates.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") contained in the Agency Agreement dated [1 July 2021/30 August 2022] [and the supplement to the base prospectus dated [•]] which are incorporated by reference into the base prospectus dated 7 July 2023. [This document constitutes the applicable Final Terms of the Notes described herein for the purposes of Article 8(4) of Regulation (EU) 2017/1129, as amended (the "**EU Prospectus Regulation**") and must be read in conjunction with the base prospectus dated 7 July 2023 [and the supplement to the base prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the EU Prospectus Regulation][6] (the "**Base Prospectus**"), save in respect of the Conditions. The Base Prospectus is available for viewing on the website of Euronext Dublin (https://live.euronext.com/) and during normal business hours at Abu Dhabi Commercial Bank PJSC, ADCB Tower, Head Office, Sheikh Zayed Street, P.O. Box 939, Abu Dhabi, United Arab Emirates, and copies may be obtained from Abu Dhabi Commercial Bank PJSC, ADCB Tower, Head Office, Sheikh Zayed Street, P.O. Box 939, Abu Dhabi, United Arab Emirates.]

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4 Include where one/more of the Managers considers themselves a manufacturer for UK MiFIR purposes.

5 Delete where the Notes are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the EU Prospectus Regulation.

6 Delete where the Notes are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the EU Prospectus Regulation.

1.	(a)	Series Number:	[•]
	(b)	Tranche Number:	[•]
	(c)	Date on which the Notes become fungible:	[Not Applicable]/[•]
2.		Specified Currency or Currencies:	[•]
3.		Aggregate Nominal Amount of Notes admitted to trading:	[•]
	(a)	Series:	[•]
	(b)	Tranche:	[•]
4.		Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
5.	(a)	Specified Denominations (in the case of Registered Notes this means the minimum integral amount in which transfers can be made):	[•][and integral multiples of [•] in excess thereof]
	(b)	Calculation Amount:	[•]
6.	(a)	Issue Date:	[•]
	(b)	Interest Commencement Date:	[•]/[Issue Date]/[Not Applicable]
7.		Maturity Date:	[•][7]
8.		Interest Basis:	[[•] per cent. Fixed Rate] [[•] +/– [•] per cent. Floating Rate] [Zero Coupon] [Reset Notes]
9.		Redemption/Payment Basis:	[Redemption at par] [Partly Paid] [Instalment]
10.		Change of Interest Basis or Redemption/Payment Basis:	[Applicable]/[Not Applicable]
11.		Put/Call Options:	[Investor Put] [Change of Control Put] [Issuer Call]
12.	(a)	Status of the Notes:	[Senior]/[Subordinated]
	(b)	[Date [Board] approval for issuance of Notes obtained]:	[•]

7 *Note that for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates and the amount of interest to be paid on such Interest Payment Dates are subject to modification in accordance with a Business Day Convention, it will be necessary to use the following wording: "Interest Payment Date falling in or nearest to[specify month].*"

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions:		[Applicable]/[Not Applicable]
	(a)	Rate(s) of Interest:	[•] per cent. per annum [payable [annually]/[semi-annually]/[quarterly]/[[•] in arrear]]
	(b)	Interest Payment Date(s):	[[•] in each year up to and including the Maturity Date]/[•] [8] [, subject to adjustment in accordance with the Business Day Convention set out in (g) below]
	(c)	Fixed Coupon Amount(s):	[[•] per Calculation Amount]/[Not Applicable] [9]
	(d)	Broken Amount(s):	[[•] per Calculation Amount, payable on the Interest Payment Date falling [in]/[on] [•]]/[Not Applicable]
	(e)	Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)][10]/[Actual/Actual (ISDA)] [with the Calculation Period being [subject to adjustment in accordance with the Business Day Convention set out in (g) below]/[not subject to adjustment in accordance with any Business Day Convention]]
	(f)	Determination Date(s):	[[•] in each year]/[Not Applicable]
	(g)	Business Day Convention:	[Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]
14.	Floating Rate Note Provisions:		[Applicable]/[Not Applicable]
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[•]
	(b)	Business Day Convention:	[Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[Not Applicable]

8 For Renminbi Notes where the Interest Payment Dates and the amount of interest to be paid on such Interest Payment Dates are subject to modification, specify a Business Day Convention in paragraph 13(g) (which is expected to be the Modified Following Business Day Convention) and add the words", subject to adjustment in accordance with the Business Day Convention. For these purposes, "Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in the RMB Settlement Centre(s) and [•]" after "Maturity Date" in this sub-paragraph 13(b).

9 For Renminbi Notes where the Interest Payment Dates and the amount of interest to be paid on such Interest Payment Dates are subject to modification in accordance with a Business Day Convention, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards." (Applicable to Notes in definitive form).

10 Applicable for Renminbi Notes.

(c)	Additional Business Centre(s):	[•]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination]/[ISDA Determination]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount:	[Principal Paying Agent]/[*an institution other than the Principal Paying Agent*] shall be the Calculation Agent
(f)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	(i) Reference Rate:	[[EURIBOR]/[KIBOR]/[SHIBOR]/ [HIBOR]/[KLIBOR]/[TRLIBOR]/[TRYLIBOR]/ [SIBOR]/[EIBOR]/[TIBOR]/[BBSW]/[SAIBOR]/ [CDOR**]**/[STIBOR]/[BHIBOR]/[CIBOR]/[BKBM]/[NIOR]/[TAIBOR]/[JIBAR]/[CNH HIBOR]/[USD]/[GBP]/[EUR]/[ICE Swap Rate]/[SONIA]/[SONIA Compounded Index]/[SOFR]/[SOFR Compounded Index]/[€STR]][11]
	(ii) Index Determination:	[Applicable]/[Not Applicable] (*Applicable for SONIA Compounded Index or SOFR Compounded Index*)
	(iii) Interest Determination Date(s):	[•]/[The date falling [•] Business Days prior to the first day of each Interest Period]/[First day of each Interest Period]/[The [•][*first, second, third etc*.] Business Day immediately preceding the Interest Payment Date for each Interest Period (or immediately preceding such earlier date, if any, on which the Notes are due and payable).][*provide details*]/[The Interest Payment Date at the end of each Interest Period; **provided that** the Interest Determination Date with respect to the last Interest Period prior to the Maturity Date or the date fixed for redemption will be the Rate Cut-off Date – *Include this wording for Payment Delay only*][12]
	Insert only if Index Determination is ***not*** *applicable:*	
	(iv) Relevant Screen Page:	[•]/[Bloomberg Page SONIO/N Index]/[New York Federal Reserve's Website]/[ECB's Website]/[Not Applicable]
	(v) Relevant Time:	[•]/[Not Applicable][13]

11 DB to not act as Calculation Agent for TRLIBOR or TRYLIBOR referencing Notes.

12 To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR.

13 Select "Not Applicable" for SOFR, SONIA or €STR.

(vi)	Relevant Financial Centre:	[•]/[Not Applicable] [14]

Insert only if any of SOFR, SONIA or €STR is the Reference Rate and Index Determination is ***not*** *applicable:*

(vii)	Calculation Method:	[Compounded Daily]/[Weighted Average]
(viii)	Observation Method:	[Lag]/[Lock-out]/[Observation Shift]/[Payment Delay]
(ix)	Observation Look-back Period:	[•]/[Not Applicable][15]
(x)	D:	[365]/[360]/[•]/[Not Applicable]
(xi)	Effective Interest Payment Date:	[The date falling [•] Business Days following each Interest Payment Date, **provided that** the Effective Interest Payment Date with respect to the last Interest Period will be the Maturity Date or, if the Issuer elects to redeem the Notes before the Maturity Date, the date fixed for redemption (*include for Payment Delay only*)] [16] /[Not Applicable]
(xii)	Rate Cut-off Date:	[The date falling [•] Business Days prior to the Maturity Date or the date fixed for redemption, as applicable – *used for Payment Delay only*][17]/[Not Applicable]

Insert only if Index Determination is applicable:

(xiii)	Relevant Decimal Place:	[•] [5] *(unless otherwise specified in the Final Terms, it should be the fifth decimal place*)
(xiv)	Relevant Number:	[•] [5] (*unless otherwise specified in the Final Terms, the Relevant Number shall be 5*)

14 Select "Not Applicable" for SOFR, SONIA or €STR.

15 The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date and a minimum of 5 Business Days, unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest). "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable".

16 Effective Interest Payment Dates should be at least 5 Business Days after the Interest Payment Dates, unless otherwise agreed with the Principal Paying Agent.

17 The Rate Cut-off Date should be at least 5 Business Days before the Maturity Date or the date fixed for redemption, unless otherwise agreed with the Principal Paying Agent.

(g)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
(i)	ISDA Definitions:	[2006 ISDA Definitions / 2021 ISDA Definitions]
(ii)	Floating Rate Option:	[•] (*The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions*)
(iii)	Designated Maturity:	[•]/[Not Applicable] (*Designated Maturity* will *not be relevant where the Floating Rate Option is a risk free rate*)
(iv)	Reset Date:	[•]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(b)] above and as specified in the ISDA Definitions]
(v)	Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
(vi)	Compounding Method:	[Compounding with [Lookback]/[Lookback]: [[•] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [[•] Observation Period Shift Business Days] Observation Period Shift Additional Business Days: [•]/[Not Applicable]] [Compounding with Lockout Lockout: [•] Lockout Period Business Days] Lockout Period Business Days: [•]/[Applicable Business Days][•]]
(vii)	Averaging:	[Applicable/Not Applicable][•] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
(viii)	[Averaging Method	[Averaging with Lookback Lookback: [•] Applicable Business Days] [Averaging with Observation Period Shift

			Observation Period Shift: [•] Observation Period Shift Business Days
			Observation Period Shift Additional Business Days: [•]/[Not Applicable]]
			[Averaging with Lockout
			Lockout: [•] Lockout Period Business Days
			Lockout Period Business Days: [•]/[Applicable Business Days]]
	(ix)	Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	(x)	Index Method:	Compounded Index Method with Observation Period Shift
			Observation Period Shift: [•] Observation Period Shift Business Days
			Observation Period Shift Additional Business Days: [•] /[Not Applicable]
(h)	Linear Interpolation:		[Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first]/[last] Interest Period shall be calculated using Linear Interpolation]
(i)	Margin(s):		[+/-][•] per cent. per annum
(j)	Minimum Rate of Interest:		[•] per cent. per annum
(k)	Maximum Rate of Interest:		[•] per cent. per annum
(l)	Day Count Fraction:		[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

15. Reset Note Provisions: [Applicable]/[Not Applicable]

(a)	Initial Rate of Interest:	[•] per cent. per annum payable in arrear on each Interest Payment Date
(b)	Interest Payment Date(s):	[•] [and [•]] in each year [up to and including the Maturity Date]
(c)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)]

	(d)	Determination Date(s):	[[•] in each year]/[Not Applicable]
	(e)	Reset Date(s):	[•]
	(f)	Subsequent Reset Reference Rate(s) and Relevant Financial Centre:	Subsequent Reset Reference Rate: [Mid Swaps]/[Reference Bond]/[•][18]
	(g)	Reset Margin:	[•]
	(h)	Subsequent Reset Rate Screen Page:	[•]
	(i)	Mid-Swap Floating Leg Benchmark Rate:	[EURIBOR]/[KIBOR]/[SHIBOR]/ [HIBOR]/[KLIBOR]/[TRLIBOR]/[TRYLIBOR]/ [SIBOR]/[EIBOR]/[TIBOR]/[BBSW]/[SAIBOR]/ [CDOR]/[STIBOR]/[BHIBOR]/[CIBOR]/[BKBM]/[NIOR]/[TAIBOR]/[JIBAR]/[CNH HIBOR]/[USD]/[GBP]/[EUR]/[ICE Swap Rate]/[SONIA]/[SOFR]/[€STR]
	(j)	Mid Swap Maturity:	[•]
	(k)	Reset Determination Date:	[•]
	(l)	Subsequent Reset Rate Time:	[•]
16.	Zero Coupon Note Provisions:		[Applicable]/[Not Applicable]
	(a)	Accrual Yield:	[•] per cent. per annum
	(b)	Reference Price:	[•]
	(c)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 8.5(c) (*Early Redemption Amounts*) and 8.10 (*Late Payment on Zero Coupon Notes*) apply]/[•][19]

PROVISIONS RELATING TO REDEMPTION

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

18 N.B. Any information inserted in respect of Notes listed on a Regulated Market will need to comply with the provisions of the EU Prospectus Regulation.

19 N.B. Any information inserted in respect of Notes listed on a Regulated Market will need to comply with the provisions of the EU Prospectus Regulation.

	(d)	Notice period:	[•]/[Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) applies]
18.	Investor Put:		[Applicable]/[Not Applicable]
	(a)	Optional Redemption Date(s):	[•]
	(b)	Optional Redemption Amount:	[[•] per Calculation Amount]
	(c)	Notice period:	[•]/[Condition 8.4(a) (*Redemption at the option of the Noteholders (Investor Put and Change of Control Put)*) applies]
19.	Change of Control Put:		[Applicable]/[Not Applicable]
	(a)	Change of Control Redemption Amount:	[[•] per Calculation Amount]
20.	Final Redemption Amount:		[[•] per Calculation Amount]
21.	(a)	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[[•] per Calculation Amount]
	(b)	Notice period on redemption for tax reasons (if different from Condition 8.2 (*Redemption for tax reasons*):	[Not less than [•] nor more than [•] days]/[Not Applicable – in line with Conditions]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes:

[Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes only upon an Exchange Event]

[Temporary Bearer Global Note exchangeable for definitive Notes on and after the Exchange Date]

[Permanent Bearer Global Note exchangeable for definitive Notes only upon an Exchange Event]]

[Registered Notes:

[Regulations S Global Note registered in the name of a nominee for [DTC]/[a common depositary for Euroclear and Clearstream, Luxembourg]]

[Rule 144A Global Note registered in the name of a nominee for [DTC]/[a common depositary for Euroclear and Clearstream, Luxembourg]]]

[Reg. S Compliance Category 2; [TEFRA C]/[TEFRA D]/[TEFRA not applicable]]

23.	Additional Business Centre(s) relating to Payment Days:	[•]/[Not Applicable]
24.	Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature):	[Yes]/[No]
25.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	[•]/[Not Applicable]
26.	Details relating to Instalment Notes:	[Applicable]/[Not Applicable]
	(a) Instalment Amount(s):	[•]/[Not Applicable]
	(b) Instalment Date(s):	[•]/[Not Applicable]
27.	Redenomination applicable:	Redenomination [not] applicable
28.	RMB Settlement Centre(s):	[•]/[Not Applicable]
29.	RMB Currency Event:	[Applicable]/[Not Applicable]
30.	Relevant Currency for Condition 7.9 (*RMB Currency Event*):	[•]/[Not Applicable]
31.	Relevant Spot Rate Screen Pages for Condition 7.9 (*RMB Currency Event*):	
	(i) Relevant Spot Rate Screen Page (Deliverable Basis):	[•]/[Not Applicable]
	(ii) Relevant Spot Rate Screen Page (Non-deliverable basis):	[•]/[Not Applicable]
32.	Party responsible for calculating the Spot Rate for Condition 7.9 (*RMB Currency Event*):	[[•] (the "**Calculation Agent**")]/[Not Applicable]

Signed on behalf of the Issuer:

By:	By: ....
Duly authorised	*Duly authorised*

PART B – OTHER INFORMATION

1. **LISTING**

(a)	Listing and Admission to trading:	[Application [has been]/[is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List and to trading on the Euronext Dublin's regulated market with effect from [•]]/ [Not Applicable]
(b)	Estimate of total expenses related to admission to trading:	[•]/[Not Applicable]

2. **RATINGS**

[The Notes to be issued have not been rated]/[The Notes to be issued [have been/are expected to be] rated:]

Ratings:

[Fitch Ratings Limited ("**Fitch**"): [•]]

[S&P Global Ratings Europe Limited ("**Standard & Poor's**"): [•]]

[Fitch is not established in the EEA and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the "**EU CRA Regulation**"). The rating Fitch has given to the Notes is endorsed by Fitch Ratings Ireland Limited, which is established in the EEA and registered under the EU CRA Regulation. Standard & Poor's is established in the EEA and registered under the EU CRA Regulation. As such, each of Fitch Ratings Ireland Limited and Standard & Poor's is included in the list of credit rating agencies published by the ESMA on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the EU CRA Regulation.]

[Fitch is established in the United Kingdom and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). The rating Standard & Poor's has given to the Notes is endorsed by S&P Global Ratings UK Limited, which is established in the United Kingdom and registered under the UK CRA Regulation. As such, each of S&P Global Ratings UK Limited and Fitch is included in the list of registered credit rating agencies on the UK Financial Conduct Authority's Financial Services Register. Standard & Poor's is not established in United Kingdom and registered under the UK CRA Regulation.]

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

[Save for any fees payable to the [Managers]/[Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers]/[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 Issuer or its affiliates in the ordinary course of business for which they may receive fees.]

4. **YIELD (Fixed Rate Notes Only)**

Indication of yield:	[•]/[Not Applicable]

5. **OPERATIONAL INFORMATION**

(a)	ISIN Code:	[•]
(b)	Common Code:	[•]
(c)	FISN:	[[*Include code*], 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]
(d)	CFI Code:	[[*Include code*], 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]
(e)	CUSIP:	[•]/[Not Applicable]
(f)	CINS:	[•]/[Not Applicable]
(g)	Any clearing system(s) other than DTC, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[•]/[Not Applicable]
(h)	Delivery:	Delivery [against]/[free of] payment
(i)	Names and addresses of additional Paying Agent(s) (if any):	[•]/[Not Applicable]

6. **[GREEN NOTES,]REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**

[Green Notes:	[Yes]/[No]]
Reasons for the offer:	[See "*Use of Proceeds*" in the Base Prospectus]/[•]
Estimated net proceeds:	[•]

7. **PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

[Applicable]/[Not Applicable]

8. **PROHIBITION OF SALES TO UK RETAIL INVESTORS**

[Applicable]/[Not Applicable]

9. **BENCHMARKS**

Details of benchmarks administrators and registration under the EU Benchmarks Regulation	[[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU Benchmarks Regulation. [As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]]/[Not Applicable]

10. **THIRD PARTY INFORMATION**

[[•] has been extracted from [•]. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]]/[Not Applicable]

TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a Series (as defined below) of Notes issued by Abu Dhabi Commercial Bank PJSC ("**ADCB**" or the "**Issuer**") pursuant to the Agency Agreement (as defined below).

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

(a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency (each as specified in the applicable Final Terms);

(b) any Global Note;

(c) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form ("**Registered Notes**") issued in exchange for a Global Note in registered form.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 7 July 2023 and made between ADCB as an issuer, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent) and the other paying agents named therein, (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and as exchange agent (the "**Exchange Agent**", which expression shall include any successor exchange agent), Deutsche Bank Luxembourg S.A. as euro registrar (the "**Euro Registrar**", which expression shall include any successor euro registrar) and as a transfer agent and Deutsche Bank Trust Company Americas as U.S. registrar (the "**U.S. Registrar**", which expression shall include any successor U.S. registrar, and, together with the Euro Registrar, the "**Registrars**") and as a transfer agent (together with Deutsche Bank Luxembourg S.A., the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the applicable Final Terms attached to or endorsed on this Note which completes these Terms and Conditions (the "**Conditions**").

References to the "**applicable Final Terms**" are to Part A of the applicable Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

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

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

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of a deed of covenant (the "**Deed of Covenant**") dated 7 July 2023 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and made by the Issuer and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the specified office of each of the Paying Agents, the Registrar and Transfer Agents (such Agents and the Registrar being together referred to as the "**Agents**" each an "**Agent**") and copies may be obtained from the registered office of the Issuer, ADCB Tower, Head Office, Sheikh Zayed Street, P.O. Box 939, Abu Dhabi, the United Arab Emirates. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

1. Form, Denomination and Title

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

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

This Note may be an Instalment Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note will either be unsubordinated in the manner described under Condition 3.1 below (a "**Senior Note**") or subordinated in the manner described under Condition 3.2 below (a "**Subordinated Note**") depending upon the status specified in the applicable Final Terms.

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

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

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

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

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

References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. Transfers of Registered Notes

2.1 Transfers of interests in Registered Global Notes

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

2.2 Transfers of Registered Notes in definitive form

Subject as provided in paragraphs 2.5, 2.6 and 2.7 below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer: (i) the holder or holders must: (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and (ii) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency

Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver, or procure the delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor. A Registered Note may not be transferred unless the nominal amount of Registered Notes transferred and (where not all of the Registered Notes held by a transferor are being transferred) the nominal amount of the balance of Registered Notes not transferred are Specified Denominations.

2.3 **Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 8 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 **Costs of registration**

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

2.5 **Transfers of interests in Regulation S Global Notes**

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

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

In the case of (i) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period: (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC; and (ii) such certification requirements will no longer apply to such transfers.

2.6 **Transfers of interests in Legended Notes**

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

(i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

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

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

2.7 **Exchanges and transfers of Registered Notes generally**

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

2.8 **Definitions**

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

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

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

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

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

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

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

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

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

3. **Status**

3.1 **Status of the Senior Notes**

The Senior Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3.2 **Status of the Subordinated Notes**

The Subordinated Notes and any relative Receipts and Coupons are direct, unsecured, conditional (as described below) and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves.

The payment obligations of the Issuer in respect of the Subordinated Notes (whether on account of principal, interest or otherwise) will be subordinated to the claims of all Senior Creditors in the manner described below, but will rank at least *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which rank or by their terms are expressed to rank *pari passu* with the payment obligations under the Subordinated Notes and will rank in priority to all claims of holders of all undated or perpetual subordinated obligations of the Issuer and to all claims of holders of all classes of share capital of the Issuer. The rights of the holders of Subordinated Notes against the Issuer are subordinated in right of payment to the claims of all Senior Creditors of the Issuer and payments in respect of the Subordinated Notes (whether on account of principal, interest or otherwise) by the Issuer are conditional upon the Issuer being solvent at the time of such payment and no payment shall be payable by the Issuer in respect of the Subordinated Notes, except to the extent that the Issuer could make such payment and any other payment required to be made to all Senior Creditors and creditors in respect of indebtedness which ranks or is expressed to rank *pari passu* with the Subordinated Notes and still be solvent immediately thereafter. For this purpose, the Issuer shall be solvent if: (i) it is able to pay its debts as they fall due; and (ii) its assets exceed its liabilities.

In this Condition 3.2, "**Senior Creditors**" shall mean unsubordinated creditors of the Issuer (including depositors).

Each holder of a Subordinated Note unconditionally and irrevocably waives 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 such Note. No collateral is or will be given for the payment obligations under the Subordinated Notes and any collateral that may have been or may in the future be given in connection with other indebtedness of the Issuer shall not secure the payment obligations under the Subordinated Notes.

4. **Negative Pledge**

This Condition 4 only applies to Senior Notes.

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer shall not, and the Issuer 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 any uncalled capital) to secure any Indebtedness or Sukuk Obligation or guarantee of Indebtedness or any Sukuk Obligation, other than a Permitted Security Interest, without: (a) at the same time or prior thereto securing the Notes equally and rateably therewith; or (b) providing such other security for the Notes as may be approved by Extraordinary Resolution (as defined in the Agency Agreement).

In these Conditions:

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

(i) any obligation to purchase such Indebtedness;

(ii) 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;

(iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(iv) any other agreement to be responsible for such Indebtedness;

"**Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, certificates, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over the-counter or other securities market;

"**Non-recourse Project Financing**" means any 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 Issuer or any of its Subsidiaries in connection therewith is limited solely to the assets of the project; (ii) the Persons providing such financing expressly agree 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 Issuer or any of its Subsidiaries in respect of any default by any Person under the financing;

"**Permitted Security Interest**" means:

(i) any Security Interest created or outstanding with the approval of an Extraordinary Resolution;

(ii) any Security Interest arising by operation of law, **provided that** such Security Interest is discharged within 30 days of arising; and

(iii) any Security Interest granted to secure a Non-recourse Project Financing or to secure any Indebtedness or Sukuk Obligation incurred in connection with a Securitisation;

"**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;

"**Securitisation**" means any securitisation (Islamic or otherwise) of existing or future assets and/or revenues, **provided that:** (i) any Security Interest given by the Issuer or any of its Subsidiaries in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each Person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues securitised as the principal source of repayment for the moneys advanced or payment of any other liability; and (iii) there is no other recourse to the Issuer or any of its Subsidiaries in respect of any default by any Person under the securitisation;

"**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;

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

(i) whose affairs and policies the first Person controls or has 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

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

"**Sukuk Obligation**" means any undertaking or other obligation to pay any money given in connection with the issue of trust certificates or other securities issued in connection with any Islamic financing whether or not in return for consideration of any kind, which trust certificates or other securities for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

5. Redenomination

5.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

(a) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, **provided that**, if the Issuer determines, with the agreement of the Principal Paying Agent, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer: (i) in the case of Relevant Notes in the denomination of euro 100,000 and/or such higher amounts as the Principal Paying Agent may determine and notify to the Noteholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Noteholders in euro in accordance with Condition 7 (*Payments*); and (ii) in the case of Notes which are not Relevant Notes, in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (**provided that** such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

   (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes; and

(ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

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

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will complete the provisions relating to interest.

5.2 **Definitions**

In the Conditions, the following expressions have the following meanings:

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

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to Condition 5.1 (*Redenomination*) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union;

"**Relevant Notes**" means all Notes where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the EEA; and

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

6. **Interest**

6.1 **Interest on Fixed Rate Notes**

Each Fixed Rate Note (other than where the Specified Currency is Renminbi and the applicable Final Terms specifies a Business Day Convention to be applicable) bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. In the case of a Fixed Rate Note where the relevant Final Terms specifies a Business Day Convention to be applicable, each Interest Payment Date will be adjusted in accordance with the relevant Business Day Convention.

Where the Specified Currency of a Fixed Rate Note is Renminbi and the applicable Final Terms specifies a Business Day Convention to be applicable (each an "**Adjusted Renminbi Fixed Rate Note**"), that Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. For this purpose, "**Interest Payment Date**" means the Interest Payment Date(s) specified as such in the applicable Final Terms as adjusted in accordance with the applicable Business Day Convention. The amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such Interest Payment Date will be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of that Adjusted Renminbi Fixed Rate Note by the applicable Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards. Each such calculation will be made by the Calculation Agent. For this purpose, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

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

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

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

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

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

"**Day Count Fraction**" means, in respect of the calculation of an amount 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 relevant Final Terms and:

(a) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);

(b) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms, means:

   (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of: (A) the number of days in such Determination Period; and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) where the Calculation Period is longer than one Determination Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of: (x) the number of days in such Determination Period; and (y) the actual number of Determination Dates that would occur in one calendar year; and

(B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year;

(c) if "**30/360**" is specified in the applicable Final Terms, means the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(d) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, means the actual number of days in the Calculation Period divided by 365.

In the Conditions:

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

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

6.2 **Interest on Floating Rate Notes**

(a) ***Interest Payment Dates***

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

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

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

Such interest will be payable in respect of each "**Interest Period**" (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

In these Conditions, if a "**Business Day Convention**" is specified in the applicable Final Terms and: (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur; or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date: (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis*; or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day; and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is both:

(a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and

(b) either: (i) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or (ii) in relation to any sum payable in euro, a day on which the real time gross settlement system operated by the Eurosystem or any successor system ("**T2**") is open; or (iii) in the case of Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the applicable RMB Settlement Centre(s).

(b) ***Rate of Interest***

The rate of interest (the "**Rate of Interest**") payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent under an interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity, if applicable, is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is the date specified in the applicable Final Terms;

(B) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions and the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Final Terms and:

(1) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;

(2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or

(3) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(C) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions and the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Final Terms and:

(1) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;

(2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift

Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or

(3) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(D) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions and the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms;

(E) references in the ISDA Definitions to:

(1) "**Confirmation**" shall be references to the relevant Final Terms;

(2) "**Calculation Period**" shall be references to the relevant Interest Period;

(3) "**Termination Date**" shall be references to the Maturity Date;

(4) "**Effective Date**" shall be references to the Interest Commencement Date; and

(F) if the Final Terms specify "2021 ISDA Definitions" as being applicable:

(1) "**Administrator/Benchmark Event**" shall be disapplied; and

(2) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

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

(1) "**2006 ISDA Definitions**" means in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

(2) "**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org);

(3) "**Floating Rate**", "**Calculation Agent**", "**Compounding Period**", "**Overnight Floating Rate Option**", "**Overnight Rate Compounding Method**", "**Compounding with Lookback**", "**Compounding with Observation Period Shift**", "**Compounding with Lockout**", "**Averaging with Lookback**", "**Averaging with Observation Period Shift**", "**Averaging with Lockout**" and "**Compounded Index Method with Observation Period Shift**" have the meanings given to those terms in the ISDA Definitions. The definition of "**Fallback Observation Day**" in the ISDA Definitions shall be deemed to be deleted in its entirety and replaced with the following: "**Fallback Observation Day**" means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, unless otherwise agreed, the day that is five Business Days preceding the related Payment Date; and

"**ISDA Definitions**" means the 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the applicable Final Terms.

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

(G) Unless otherwise defined capitalised terms used in this sub-paragraph (i) shall have the meaning ascribed to them in the ISDA Definitions.

(ii) *Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR or €STR*

(x) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being a Reference Rate other than SONIA, SOFR or €STR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page at the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(y) If the Relevant Screen Page is not available or, if sub-paragraph (x)(A) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Time, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, and provided further that such failure is not due to the occurrence of a Benchmark Event (as defined in Condition 6.6 (*Benchmark Replacement – Independent Adviser*) below), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period).

If the Rate of Interest cannot be determined because of the occurrence of a Benchmark Event, the Rate of Interest shall be calculated in accordance with the terms of Condition 6.6 (*Benchmark Replacement – Independent Adviser*) below.

Unless defined otherwise, for the purposes of this Condition 6.2(b):

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the applicable Final Terms;

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

"**Margin**" has the meaning specified in the applicable Final Terms;

"**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:

- the Euro-Zone interbank offered rate ("**EURIBOR**");
- the Kuwait Interbank Offered Rate ("**KIBOR**");
- the Shanghai Interbank Offered Rate ("**SHIBOR**");
- the Hong Kong Interbank Offered Rate ("**HIBOR**");
- the Kuala Lumpur Interbank Offered Rate ("**KLIBOR**");
- the Turkish Lira Interbank Offered Rate ("**TRLIBOR**" or "**TRYLIBOR**");
- the Singapore Interbank Offered Rate ("**SIBOR**");
- the Emirates Interbank Offered Rate ("**EIBOR**");
- the Tokyo Interbank Offered Rate ("**TIBOR**");
- the Australia Bank Bill Swap ("**BBSW**");
- the Saudi Arabia Interbank Offered Rate ("**SAIBOR**");
- the Canadian Dollar Offered Rate ("**CDOR**");
- the Stockholm Interbank Offered Rate ("**STIBOR**");
- the Bahrain Dinar Interbank Offered Rate ("**BHIBOR**");

- the Copenhagen Interbank Offered Rate ("**CIBOR**");
- the New Zealand Dollar Bank Bill ("**BKBM**");
- the Norwegian Interbank Offered Rate ("**NIOR**");
- the Taipei Interbank Offered Rate ("**TAIBOR**");
- the Johannesburg Interbank Average Rate ("**JIBAR**");
- the CNH Hong Kong Interbank Offered Rate ("**CNH HIBOR**");
- the ICE Swap Rate denominated in U.S. dollars, GBP or Euro ("**ICE Swap Rate**");
- the Sterling Overnight Index Average ("**SONIA**");
- the SONIA Compounded Index;
- the Secured Overnight Financing Rate ("**SOFR**");
- the SOFR Compounded Index; and
- the Euro Short-Term Rate ("**€STR**").

"**Relevant Financial Centre**" means the financial centre specified as such in the applicable Final Terms;

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms; and

"**Relevant Time**" means the time specified as such in the applicable Final Terms.

(iii) *Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR or €STR*

(A) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being SONIA, SOFR or €STR:

(1) where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being "**Compounded Daily**", the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 6.6 (*Benchmark Replacement – Independent Adviser*) or Condition 6.7 (*Benchmark Replacement – SOFR*), as applicable, and Condition 6.2(c) (*Minimum Rate of Interest and/or Maximum Rate of Interest*) and 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 Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards; and

(2) where the Calculation Method in respect of the relevant Series of Notes is specified in the applicable Final Terms as being "**Weighted Average**", the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 6.6

(*Benchmark Replacement – Independent Adviser*), or Condition 6.7 (*Benchmark Replacement – SOFR*), as applicable, and Condition 6.2(c) (*Minimum Rate of Interest and/or Maximum Rate of Interest*) and subject as provided below) be the Weighted Average Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.

(B) Where "**SONIA**" is specified as the Reference Rate in the applicable Final Terms, subject to Condition 6.6 (*Benchmark Replacement – Independent Adviser*), if, in respect of any Business Day, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:

(1) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or

(2) if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, (i) the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors); or (ii) if this is more recent, the latest determined rate under paragraph (1) above,

and, in each case, "**SONIA**" shall be interpreted accordingly.

Notwithstanding the paragraph above, and without prejudice to Condition 6.6 (*Benchmark Replacement – Independent Adviser*), in the event of the Bank of England publishing guidance as to (i) how the SONIA rate is to be determined or (ii) any rate that is to replace the SONIA rate, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written instructions from the Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA rate, for purposes of the Notes, for so long as the SONIA rate is not available or has not been published by the authorised distributors.

To the extent that any amendments or modifications to the Conditions or the Agency Agreement are required in order for the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine the SONIA rate, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of

Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Agency Agreement.

(C) Where "**SOFR**" is specified as the Reference Rate in the applicable Final Terms, subject to Condition 6.6 (*Benchmark Replacement – Independent Adviser*), if, in respect of any Business Day, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SOFR rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page ("**SOFR**" shall be interpreted accordingly).

(D) Where "**€STR**" is specified as the Reference Rate in the applicable Final Terms, subject to Condition 6.6 (*Benchmark Replacement – Independent Adviser*), if, in respect of any Business Day, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the €STR rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published on the Relevant Screen Page ("**€STR**" shall be interpreted accordingly).

(E) If "**Payment Delay**" is specified in the applicable Final Terms as being applicable, all references in these Conditions to interest on the Notes being payable on an Interest Payment Date shall be read as references to interest on the Notes being payable on an Effective Interest Payment Date instead.

(F) In the event that the Rate of Interest for the relevant Interest Period cannot be determined in accordance with the foregoing provisions, subject to Condition 6.6 (*Benchmark Replacement – Independent Adviser*) and Condition 6.7 (*Benchmark Replacement – SOFR*), as applicable, the Rate of Interest for such Interest Period shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

(G) If the relevant Series of Notes become due and payable in accordance with Condition 11 (*Events of Default*) and Condition 8 (R*edemption and Purchase*), the last Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

(H) For the purposes of this Condition 6.2(b)(iii):

"**€STR**" means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such Business Day as provided by the

European Central Bank, as administrator of such rate (or any successor administrator of such rate), on 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 (the "**ECB's Website**") in each case, on or before 9:00 a.m., (Central European Time) on the Business Day immediately following such Business Day;

"**Applicable Period**" means,

(1) where "**Lag**", "**Lock-out**" or "**Payment Delay**" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; and

(2) where "**Observation Shift**" is specified as the Observation Method in the applicable Final Terms, the Observation Period relating to such Interest Period;

"**Business Day**" or "**BD**", means,

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

(2) where "SOFR" is specified as the Reference Rate in the applicable Final Terms, any day which is a U.S. Government Securities Business Day and is not a legal holiday in New York and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed; and

(3) where "€STR" is specified as the Reference Rate in the applicable Final Terms, a day on which T2 is open for settlements of payments in euro;

"**Compounded Daily Reference Rate**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

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

"**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_o**" means, for the relevant Applicable Period, the number of Business Days in such Applicable Period;

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

"**i**" means, for the relevant Applicable Period, a series of whole numbers from one to d_0, each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period;

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

"$\mathbf{n_i}$", 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 Federal Reserve'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 Look-back Period**" has the meaning given in the applicable Final Terms;

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

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

(1) where "Lag" is specified as the Observation Method in the applicable 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 five Business Days without the consent of the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms));

(2) where "Lock-out" or "Payment Delay" is specified as the Observation Method in the applicable Final Terms, zero; and

(3) where "Observation Shift" 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 five Business Days without the consent of the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms));

"**r**" means:

(1) 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;

(2) 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;

(3) 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;

(4) 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 Interest Period (such last Reference Day coinciding with the Interest Determination Date);

(5) 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 Interest Period (such last Reference Day coinciding with the Interest Determination Date);

(6) 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 Interest Period (such last Reference Day coinciding with the Interest Determination Date);

(7) 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 Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the SONIA rate in respect of the Rate Cut-off Date;

(8) where in the applicable 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 Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the SOFR in respect of the Rate Cut-off Date; and

(9) where in the applicable 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 Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the €STR in respect of the Rate Cut-off Date;

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

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

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

"**SOFR**" means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Federal Reserve'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;

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

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

(1) where "Lag" is specified as the Observation Method in the applicable 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

(2) 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 Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, **provided however that** for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day.

(iv) *Index Determination*

If (i) Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and (ii) Index Determination is specified in the relevant Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

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

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), where:

"**Compounded Index**" means either (i) the SONIA Compounded Index where the "SONIA Compounded Index" is specified as the Reference Rate in the relevant Final Terms or (ii) the SOFR Compounded Index where the "SOFR Compounded Index" is specified as the Reference Rate in the relevant Final Terms;

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

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

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

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

"**Index Days**" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

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

"**Relevant Decimal Place**" shall, unless otherwise specified in the relevant Final Terms, be the fifth decimal place, rounded up or down, if necessary (with 0.000005 being rounded upwards);

"**Relevant Number**" is as specified in the relevant Final Terms but, unless otherwise specified shall be five;

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

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

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

If, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall calculate the rate of interest for that Interest Period in accordance with Condition 6.2(b)(iii) (*Screen Rate Determination for Floating Rate Notes referencing SOFR, SONIA or €STR*) as if Index Determination was specified in the relevant Final Terms as being not applicable. For these purposes, (i) the Calculation Method shall be deemed to be Compounded Daily, (ii) the Observation Method shall be deemed to be Observation Shift, (iii) the Observation Look-back Period shall be deemed to be the Relevant Number and (iv) "D" shall be deemed to be the Numerator. If a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 6.6 (*Benchmark Replacement – Independent Adviser*) shall apply *mutatis mutandis* in respect of this Condition 6.2(b)(iv) or if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, the provision of Condition 6.7 (*Benchmark Replacement – SOFR*) shall apply *mutatis mutandis* in respect of this Condition 6.2(b)(iv), as applicable.

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

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

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

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

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

The Principal Paying Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will (other than for Adjusted Renminbi Fixed Rate Notes) calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

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

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of: (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366; and (B) the actual number of days in that portion of the Interest Period falling in a non- leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

Where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D}_1$" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D}_2$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) If "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y}_1$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y}_2$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M}_1$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M}_2$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D}_1$" is the first calendar day, expressed as a number, of the Interest Period, unless: (i) that day is the last day of February; or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless: (i) that day is the last day of February but not the Maturity Date; or (ii) such number would be 31, in which case D_2 will be 30.

(e) ***Linear Interpolation***

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period **provided that**, if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines.

"**Applicable Maturity**" means: (i) in relation to Screen Rate Determination, the period of time designated in the Reference Rate; and (ii) in relation to ISDA Determination, the Designated Maturity.

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

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the second London Business Day after the Interest Determination Date) and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

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

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 or Condition 7.9 (*RMB Currency Event*), whether by the Principal Paying Agent or, if applicable and in the case of Condition 7.9 (*RMB Currency Event*), the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error or proven error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable and in the case of Condition 7.9 (*RMB Currency Event*), the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 **Interest on Reset Notes**

(a) ***Rates of Interest***

Each Reset Note bears interest:

(i) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Reset Date (or, if there is more than one Reset Period, the first Reset Date occurring after the Interest Commencement Date), at the rate per annum equal to the Initial Rate of Interest; and

(ii) in respect of the Reset Period (or, if there is more than one Reset Period, each successive Reset Period thereafter), at such rate per annum as is equal to the relevant Subsequent Reset Rate, as determined by the Principal Paying Agent on the relevant Reset Determination Date in accordance with this Condition 6.3(a).

payable, in each case, in arrear on the Interest Payment Date(s) (as specified in the applicable Final Terms).

As used in these Conditions:

"**Initial Rate of Interest**" has the meaning specified in the applicable Final Terms.

"**Mid-Swap Floating Leg Benchmark Rate**" means (i) the Reference Rate as specified in the applicable Final Terms or (ii) if no such Reference Rate is specified, EURIBOR if the Specified Currency is euro.

"**Mid Swap Maturity**" has the meaning specified in the applicable Final Terms.

"**Mid Swap Rate**" means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg, payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Principal Paying Agent), of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction: (a) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date; (b) is in an amount that is representative reference rate for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and (c) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid Swap Maturity as specified in the applicable Final Terms (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Principal Paying Agent).

"**Reference Bond**" means for any Reset Period a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer on the advice of an investment bank of international repute as having an actual or interpolated maturity comparable with the relevant Reset Period that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period.

"**Reference Bond Price**" means, with respect to any Reset Determination Date: (A) if at least five Reference Government Bond Dealer Quotations are received, the arithmetic average of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest (or in the event of equality, one of the highest) and lowest (or in the event of equality, one of the lowest) of such Reference Government Bond Dealer Quotations; or (B) if the Principal Paying Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

"**Reference Government Bond Dealer**" means each of five banks (selected by the Issuer on the advice of an investment bank of international repute), or their affiliates, which are: (A) primary government securities dealers, and their respective successors; or (B) market makers in pricing corporate bond issues.

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and the relevant Reset Determination Date, the arithmetic average, as determined by the Principal Paying Agent, of the bid and offered prices for the relevant Reference Bond (expressed in each case as a percentage of its nominal amount) at or around the Subsequent Reset Rate Time on the Reset Determination Date quoted in writing to the Principal Paying Agent by such Reference Government Bond Dealer.

"**Reset Date(s)**" means the date(s) specified in the applicable Final Terms.

"**Reset Determination Date**" means for each Reset Period the date as specified in the applicable Final Terms falling on or before the commencement of such Reset Period on which the rate of interest applying during such Reset Period will be determined.

"**Reset Margin**" means the margin specified in the applicable Final Terms.

"**Reset Period**" means the period from (and including) the first Reset Date to (but excluding) the Maturity Date if there is only one Reset Period or, if there is more than one Reset Period, each period from (and including) one Reset Date (or the first Reset Date) to (but excluding) the next Reset Date up to (but excluding) the Maturity Date.

"**Subsequent Reset Rate**" for any Reset Period means the sum of: (i) the applicable Subsequent Reset Reference Rate; and (ii) the applicable Reset Margin (rounded down to four decimal places, with 0.000005 being rounded down).

"**Subsequent Reset Rate Screen Page**" has the meaning specified in the applicable Final Terms;

"**Subsequent Reset Rate Time**" has the meaning specified in the applicable Final Terms.

"**Subsequent Reset Reference Rate**" means either:

(A) if "**Mid Swaps**" is specified in the applicable Final Terms, the Mid Swap Rate displayed on the Subsequent Reset Rate Screen Page at or around the Subsequent Reset Rate Time on the relevant Reset Determination Date for such Reset Period; or

(B) if "**Reference Bond**" is specified in the applicable Final Terms, the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the relevant Reference Bond, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the relevant Reference Bond Price.

The Principal Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Reset Notes for the relevant period by applying the Initial Rate of Interest or the applicable Subsequent Reset Rate (as the case may be) to:

(A) in the case of Reset Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Reset Notes represented by such Global Note; or

(B) in the case of Reset Notes in definitive form, the Calculation Amount;

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

"**Day Count Fraction**" and related definitions have the meanings given in Condition 6.1 (*Interest on Fixed Rate Notes*).

(b) ***Subsequent Reset Rate Screen Page***

If the Subsequent Reset Rate Screen Page is not available or the Mid Swap Rate does not appear on the Subsequent Reset Rate Screen Page and provided that a Benchmark Event has not occurred, the Subsequent Reset Rate shall be determined as at the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the Subsequent Reset Rate shall be the Initial Rate of Interest.

If a Benchmark Event has occurred, the Subsequent Reset Rate shall be calculated in accordance with the terms of Condition 6.6 (*Benchmark Replacement – Independent Adviser*).

For the purposes of this Condition 6.3(b):

"**Relevant Financial Centre**" means the financial centre specified as such in the applicable Final Terms or if none is so specified: (i) in the case of a determination of EURIBOR, Brussels; (ii) in the case of a determination of SIBOR, Singapore; (iii) in the case of a determination of TIBOR, Tokyo; (iv) in the case of a determination of HIBOR, Hong Kong; or (v) in the case of a determination of the Bank of England Base Rate, London.

(c) ***Notification of Subsequent Reset Rate and Interest Amounts***

The Principal Paying Agent will cause the Subsequent Reset Rate and each Interest Amount for each Reset Period to be notified to the Issuer and any stock exchange on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount as notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment). Any such amendment will be promptly notified to any stock exchange on which the relevant Reset Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(d) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.3 by the Principal Paying Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Paying Agents and all Noteholders and (in the absence of wilful default and bad faith) no liability to the Issuer or the Noteholders or any other person shall attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.4 **Interest on Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes.

6.5 **Accrual of interest**

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

(i) the date on which all amounts due in respect of such Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

6.6 **Benchmark Replacement – Independent Adviser**

Notwithstanding the provisions above in this Condition 6 and other than in the case of a U.S. dollar-denominated Floating Rate Notes for which the Reference Rate or the Mid-Swap Floating Leg Benchmark Rate is specified in the relevant Final Terms as being "SOFR" or "SOFR Compounded Index", if the Issuer determines that a Benchmark Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Floating Leg Benchmark Rate or a Reference Rate (as applicable), then the following provisions shall apply:

(a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate no later than 10 Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6.6 if a further Benchmark Event occurs). The Issuer shall inform the Principal Paying Agent of the Successor Rate or the Alternative Reference Rate (as applicable) at least 5 Business Days prior to such Reset Determination Date or Interest Determination Date (as applicable);

(b) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date in accordance with sub-paragraph (a) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6.6 if a further Benchmark Event occurs); ***provided, however, that*** if this sub-paragraph (b) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Reference Rate and inform the Principal Paying Agent of such Successor Rate or Alternative Reference Rate (as applicable) at least 5 Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) in accordance with this sub-paragraph (b), the Rate of Interest applicable to such Reset Period or Interest Period (as applicable) shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Reset Period or Interest Period (as applicable) (which may be the Initial Rate of Interest) (though substituting, where a different Reset Margin or Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period for which the Rate of Interest was determined, the Reset Margin or Margin or Maximum or Minimum Rate of Interest relating to the relevant Reset Period or Interest Period, in place of the Reset Margin or Margin or Maximum or Minimum Rate of Interest relating to that last preceding Reset Period or Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph (b) shall apply to the relevant Reset Period or Interest Period (as applicable) only and any subsequent Reset Periods or Interest Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6.6;

(c) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate (as applicable) shall be the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6.6 if a further Benchmark Event occurs);

(d) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer (acting in good faith and in a commercially reasonable manner) determines that (i) an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable); and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable). The Issuer shall inform the Principal Paying Agent of the Adjustment Spread and (if applicable) the quantum of, or the formula or methodology for determining, such Adjustment Spread, at least 5 Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine and inform the Principal Paying Agent of, at least 5 Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable), the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

(e) if the Independent Adviser or the Issuer (as the case may be) determines a Successor Rate or an Alternative Reference Rate or, in each case, any Adjustment Spread, in accordance with the above provisions, the Independent Adviser or the Issuer may also specify changes to the Day Count Fraction, Subsequent Reset Rate Screen Page, Relevant Screen Page, Business Day Convention, Business Day, Reset Determination Date, Interest Determination Date, Interest Payment Dates and/or the definition of Mid-Swap Floating Leg Benchmark Rate or Reference Rate or Adjustment Spread applicable to the Notes (and in each case, related provisions and definitions), and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to such Successor Rate or Alternative Reference Rate (as applicable), which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 6.6 if a further Benchmark Event occurs);

(f) An Independent Adviser appointed pursuant to this Condition 6.6 shall act in good faith and (in the absence of fraud) shall have no liability whatsoever to the Issuer, the Principal Paying Agent or Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 6.6. No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes pursuant to sub-paragraph (e) above, including for the execution of any documents, amendments or other steps by the Issuer or the Principal Paying Agent (if required);

(g) the Issuer shall, following the determination of any Successor Rate, Alternative Reference Rate, Adjustment Spread or any of the changes determined pursuant to sub-paragraph (e) above, notify the Principal Paying Agent thereof at least 5 Business Days prior to the relevant Reset Determination Date or Interest Determination Date (as applicable). In accordance with Condition 15 (*Notices*), notice shall be provided to the Noteholders promptly thereafter; and

(h) notwithstanding any other provision of this Condition 6.6, if following the determination of any Successor Rate, Alternative Reference Rate, Adjustment Spread or any other changes pursuant to sub-paragraph (e) above, in the Principal Paying Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 6.6, the Principal Paying Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Agent in writing as to which alternative course of action to adopt. If the Principal Paying Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Principal Paying Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so. In addition, nothing in this Condition 6.6 shall impose more onerous obligations on the Principal Paying Agent or expose it to any additional duties or liabilities, or decrease its rights and protections if in the reasonable opinion of the Principal Paying Agent they have this effect, unless the Principal Paying Agent provides its consent.

As used in these Conditions:

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable and acting in good faith and in a commercially reasonable manner), determines is required to be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), as a result of the replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable and acting in good faith and in a commercially reasonable manner) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate or Alternative Reference Rate (as applicable);

"**Alternative Reference Rate**" means the rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable and acting in good faith and in a commercially reasonable manner) determines has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Reset Period or Interest Period (as applicable) or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable);

"**Benchmark Event**" means:

(i) the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(ii) a public statement by the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable)) it has ceased publishing such Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

(iii) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has been or will, by the Specified Future Date, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate that means that Mid-Swap Floating Leg Benchmark Rate or Reference Rate will, by the Specified Future Date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or

(v) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that, in the view of such supervisor, (i) such Mid-Swap Floating Leg Benchmark Rate or Reference Rate is or will, by the Specified Future Date, be no longer representative of an underlying market or (ii) the methodology to calculate such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has materially changed; or

(vi) it has or will, by a specified date within the following six months, become unlawful for the Principal Paying Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (including, without limitation, under Regulation (EU) 2016/1011, if applicable),

notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraph (ii), (iii), (iv), or (v) above and the 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;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"**Relevant Nominating Body**" means, in respect of a reference rate:

(i) the central bank, reserve bank, monetary authority or any similar institution 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, reserve bank, monetary authority or any similar institution 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,

(D) the International Swaps and Derivatives Association, Inc. or any part thereof, or

(E) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) which is formally recommended by any Relevant Nominating Body.

6.7 ***Benchmark Replacement – SOFR***

If the Issuer determines 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 Notes 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 Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this Condition 6.7, 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 Issuer; and

(iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

Where:

"**Benchmark**" means, initially, SOFR, as such term is defined in Condition 6.2(b)(iii) (*Screen Rate Determination for Floating Rate Notes referencing SONIA, SOFR or €STR*); **provided that** if the Issuer determines 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 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 Issuer as of the Benchmark Replacement Date:

(a) the sum of: (A) the alternate rate of interest 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;

(b) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or

(c) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

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

(a) 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;

(b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

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

"**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 such component); 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 (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

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

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**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 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the 2006 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 Issuer 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;

"**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 6.7 will be notified promptly by the Issuer to the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Paying Agents and, in accordance with Condition 15 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest of the same, the Issuer shall deliver to the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest a certificate signed by two authorised signatories of the Issuer:

(i) 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 Condition 6.7; and

(ii) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

In connection with the foregoing, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) will be entitled to conclusively rely on any determinations made by the Issuer and will have no liability for such actions taken at the direction of the Issuer. Neither of the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) nor the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest shall have any liability for any determination made by or on behalf of the Issuer in connection with a Benchmark Transition Event or a Benchmark Replacement.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions of Condition 6.7, the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

7. Payments

7.1 Method of payment

Subject as provided below:

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

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in the RMB Settlement Centre(s).

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*).

7.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph.

Payment of the final instalment will be made in the manner provided in Condition 7.1 (*Method of Payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

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

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

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

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

7.3 **Payments in respect of Bearer Global Notes**

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

7.4 **Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if: (i) a holder does not have a Designated Account; or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment (in the case of a Specified Currency other than Renminbi) will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account and, in the case of a payment in Renminbi, means the Renminbi account maintained by or on behalf of the Noteholder with a bank in the RMB Settlement Centre(s), details of which appear on the Register at the close of business on the fifth business day before the due date for payment) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro or Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro and (in the case of payment in Renminbi) a bank in the RMB Settlement Centre(s).

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register appearing in the Register at the close of business on the fifth day (in the case of Renminbi) and at the close of business (in the relevant clearing system) on the day prior (in the case of a Specified Currency other than Renminbi) (whether or not such day is a business day) to the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Payments of interest and payments of principal (other than the final instalment) in Renminbi shall be made by transfer to the registered account of the Noteholder with a Designated Bank. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

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

7.5 **General provisions applicable to payments**

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

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

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

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

7.6 **Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 10 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) in the case of Notes in definitive form only, the relevant place of presentation;

(ii) each Additional Business Centre specified in the applicable Final Terms;

(iii) either: (A) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or (B) in relation to any sum payable in euro, a day on which T2 is open; or (C) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in the RMB Settlement Centre(s); and

(iv) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

7.7 Interpretation of principal and interest

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

(a) any additional amounts which may be payable with respect to principal under Condition 9 (*Taxation*);

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5 (*Early Redemption Amounts*)); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes. Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 (*Taxation*).

7.8 RMB account

All payments in respect of any Note, Receipt or Coupon in RMB will be made solely by credit to a RMB account maintained by the payee at a bank in the applicable RMB Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in the applicable RMB Settlement Centre(s)).

7.9 RMB Currency Event

If "**RMB Currency Event**" is specified as being applicable in the applicable Final Terms and a RMB Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any principal or interest in respect of any Note, Receipt or Coupon, the Issuer's obligation to make a payment in RMB under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency (as specified in the applicable Final Terms) converted using the Spot Rate for the relevant Rate Calculation Date.

Upon the occurrence of a RMB Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 15 (*Notices*) stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition:

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the applicable RMB Settlement Centre(s);

"**Rate Calculation Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the applicable RMB Settlement Centre(s), London and the principal financial centre of the country of the Relevant Currency;

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

"**Relevant Currency**" has the meaning given in the applicable Final Terms;

"**Renminbi**" or "**RMB**" means the lawful currency for the time being of the People's Republic of China (the "**PRC**"), which, for these purposes, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;

"**RMB Currency Events**" means, with respect to any Notes where the Relevant Currency is Renminbi, any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

"**RMB Illiquidity**" means the general RMB exchange market in the applicable RMB Settlement Centre(s) becomes illiquid as a result of which the Issuer cannot obtain sufficient RMB in order to make a payment under the Notes, as determined by the Issuer in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in the applicable RMB Settlement Centre(s);

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

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

"**RMB Settlement Centre(s)**" means the financial centre(s) specified as such in the applicable Final Terms in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the applicable Final Terms, the RMB Settlement Centre shall be deemed to be Hong Kong; and

"**Spot Rate**" means the spot RMB/Relevant Currency exchange rate for the purchase of the Relevant Currency with Renminbi in the over-the-counter Renminbi exchange market in the applicable RMB Settlement Centre(s) for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (local time at the applicable RMB Settlement Centre(s)) on the Rate Calculation Date, on a deliverable basis by reference to the Relevant Spot Rate Screen Page (Deliverable Basis) (as specified in the applicable Final Terms), or if no such rate is available, on a non-deliverable basis by reference to the Relevant Spot Rate Screen Page (Non-deliverable Basis) (as specified in the applicable Final Terms). If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in the applicable RMB Settlement Centre(s) or elsewhere and the RMB/Relevant Currency exchange rate in the PRC domestic foreign exchange market.

8. Redemption and Purchase

8.1 Redemption at maturity

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

8.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 15 (*Notices*), the Noteholders or such other period(s) as may be specified in the applicable Final Terms (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 **Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15 (*Notices*); and

(b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 (*Notices*) at least five days prior to the Selection Date.

8.4 **Redemption at the option of the Noteholders (Investor Put and Change of Control Put)**

This Condition 8.4 only applies to Senior Notes.

(a) If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 (Notices) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem or, at the Issuer's option, purchase (or procure the purchase of), subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed or, as the case may be, purchased under this Condition in any multiple of their lowest Specified Denomination. An Investor Put can only be exercised in accordance with this Condition 8.4, as supplemented by the applicable Final Terms.

(b) If Change of Control Put is specified in the applicable Final Terms and if a Change of Control Event occurs, the Issuer will, upon the holder of any Notes giving notice within the Change of Control Put Period to the Issuer in accordance with Condition 15 (*Notices*) (unless prior to the giving of the relevant Change of Control Notice (as defined below) the Issuer has given notice of redemption under Condition 8.2 (*Redemption for tax reasons*) or 8.3 (*Redemption at the option of the Issuer (Issuer Call)*), redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Change of Control Put Date at the Change of Control Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Change of Control Put Date.

Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice (a "**Change of Control Notice**") to the Noteholders in accordance with Condition 15 (*Notices*) to that effect.

If 75 per cent. or more in nominal amount of the Notes of a Series outstanding as of the date of the relevant Change of Control Event have been redeemed or, as the case may be, purchased, pursuant to this Condition 8.4(b), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 15 (*Notices*) (such notice to be given within 30 days of the Change of Control Put Date), redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of the remaining outstanding Notes of that Series at the Change of Control Redemption Amount together (if applicable) with interest accrued to (but excluding) the date fixed for redemption or purchase, as the case may be.

For the purpose of this Condition:

"**Business Day**" means a day on which commercial banks and foreign exchange markets in London are open for general business;

a "**Change of Control Event**" will occur if at any time the Government ceases to own, directly or indirectly, more than 50 per cent. of the issued share capital of the Issuer or otherwise ceases to control, the Issuer. For the purposes of this Condition, the Government will be deemed to control the Issuer if (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) it has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of the Issuer or otherwise controls, or has the power to control, the affairs and policies of the Issuer;

"**Change of Control Redemption Amount**" shall mean, in relation to each Note to be redeemed or purchased pursuant to the Change of Control Put Option, an amount equal to the nominal amount of such Note or such other amount as may be specified in the applicable Final Terms;

"**Change of Control Put Date**" means the first Business Day following the expiration of the Change of Control Put Period **provided that** the Change of Control Notice is given within 30 days of the Change of Control Event occurring, otherwise it means the date falling 14 days after the date on which the relevant Noteholders exercise its right to require the redemption of the relevant Notes in accordance with this Condition 8.4;

"**Change of Control Put Period**" means, in relation to any Change of Control Event, the period from and including the date on which that Change of Control Event occurs (whether or not the Issuer has given a Change of Control Notice in respect of such event) to and including the date falling 60 days after the date on which the Change of Control Notice is given, **provided that** if no Change of Control Notice is given, the Change of Control Put Period shall not terminate; and

"**Government**" means the Government of Abu Dhabi.

To exercise the right to require redemption of this Note pursuant to Condition 8.4(a) or 8.4(b) above the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, DTC or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time and if this Note is represented by a Global Note, at the same time present or procure the presentation of the Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC given by a holder of any Note pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.4 and instead to declare such Note forthwith due and payable pursuant to Condition 11 (*Events of Default*).

8.5 **Early Redemption Amounts**

For the purpose of Condition 8.2 (*Redemption for tax reasons*) above and Condition 11 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360 day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360.

8.6 **Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.5.

8.7 **Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of Conditions 8.1 (*Redemption at maturity*) to 8.5 (*Early Redemption Amounts*) inclusive above and as supplemented by the applicable Final Terms.

8.8 **Purchases**

The Issuer or any Subsidiary of the Issuer may, at any time purchase Notes (**provided that**, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

8.9 **Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.8 (*Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

8.10 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8.1 (*Redemption at maturity*), 8.2 (*Redemption for tax reasons*), 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) or 8.4 (*Redemption at the option of the Noteholders (Investor Put and Change of Control Put)*) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5(c) (*Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

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

9. **Taxation**

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

(a) presented for payment in a Relevant Tax Jurisdiction; or

(b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Relevant Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.6 (*Payment Day*)).

As used herein:

(i) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15 (*Notices*); and

(ii) "**Relevant Tax Jurisdiction**" means the United Arab Emirates or any Emirate therein or any political subdivision or any authority thereof or therein having power to tax.

Notwithstanding anything to the contrary in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by Sections 1471 to 1474 inclusive of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"), any treaty, law, regulation or other official guidance implementing FATCA, or any agreement (or related guidance) between the Issuer, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA and none of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any such withholding or deduction imposed on or with respect to any Note.

10. **Prescription**

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 (*Presentation of definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 7.2.

11. **Events of Default**

11.1 **Event of Default for Senior Notes**

This Condition 11.1 only applies to Senior Notes.

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

(a) ***Non Payment***

Default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) ***Breach of Obligations***

The Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) ***Cross Default***

(i) any Relevant Indebtedness of the Issuer or any of the Issuer's Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Relevant Indebtedness becomes due and payable prior to its stated maturity by reason of default (however described); or

(iii) the Issuer or any of the Issuer's Principal Subsidiaries fails to pay when due any amount payable by it under any guarantee of any Relevant Indebtedness,

provided that the events mentioned in this paragraph (c) shall not constitute an Event of Default unless the aggregate amount of all such Relevant 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 Judgments***

One or more final non-appealable judgments or orders for the payment of any sum which amount shall not be less than U.S.$50,000,000 is rendered against the Issuer or any of the Issuer's Principal Subsidiaries and continues unsatisfied and unstayed for a period of 30 days after the service of any Noteholder on the Issuer of notice requiring the same to be remedied/paid; or

(e) ***Liquidation and Other Events***

(i) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of the Issuer's Principal Subsidiaries, save in connection with a Permitted Reorganisation; or

(ii) the Issuer or any of the Issuer's Principal Subsidiaries ceases or threatens to cease to carry on the whole or a Substantial Part of its business, save in connection with a Permitted Reorganisation, or the Issuer or any of the Issuer's Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(iii) (A) proceedings are initiated against the Issuer or any of the Issuer's Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official (and such proceedings are not being actively contested in good faith by the Issuer or the relevant Principal Subsidiary, as the case may be), or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of the Issuer's Principal Subsidiaries or, as the case may be, in relation to the whole or a Substantial Part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a Substantial Part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a Substantial Part of the undertaking or assets of any of them; and (B) in any case (other than the appointment of an administrator) is not discharged within 45 days; or

(iv) the Issuer or any of the Issuer's Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or, save in connection with a Permitted Reorganisation, any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(v) any event occurs which under the laws of the United Arab Emirates or any Emirate therein or any other jurisdiction has an analogous effect to any of the events referred to in paragraphs (i) to (iii) inclusive above;

(f) ***Illegality***

At any time it is or becomes unlawful for the Issuer to perform or comply with any or all of its obligations under or in respect of the Notes or any of the material obligations of the Issuer thereunder are not or cease to be legal, valid, binding or enforceable; or

(g) ***Nationalisation etc.***

By or under the authority of any government: (i) the management of the Issuer or any of the Issuer's Principal Subsidiaries is wholly or partially displaced or the authority of the Issuer or any of the Issuer's Principal Subsidiaries in the conduct of its business is wholly or partially curtailed; or (ii) all or a majority of the issued share capital of the Issuer or any of the Issuer's Principal Subsidiaries or the whole or any part (the book value of which is

20 per cent. or more of the book value of the whole) of its revenues or assets is seized, nationalised, expropriated or compulsorily acquired,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition:

"**Principal Subsidiary**" means a Subsidiary of the Issuer the book value of the assets of which exceeds ten per cent. of the book value of the consolidated assets of the Issuer and its Subsidiaries, taken as a whole, or the revenues of which exceed ten per cent. of the consolidated revenues of the Issuer and its Subsidiaries, taken as a whole and, for these purposes:

(i) the book value of the assets and the revenues of each Subsidiary which is, or might be, a Principal Subsidiary shall be determined by reference to its then most recently audited annual financial statements (consolidated if the same are prepared) or, if none, its then most recent annual management accounts; and

(ii) the book value of the consolidated assets and the consolidated revenues of the Issuer and its Subsidiaries, taken as a whole, shall be determined by reference to the Issuer's then most recently audited consolidated annual financial statements; all as more fully set out in the Agency Agreement. A report by two Directors of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or through any particular period a Principal Subsidiary shall (in the absence of manifest or proven error) be conclusive and binding on the parties;

"**Permitted Reorganisation**" means:

(A) any disposal by any Subsidiary of the Issuer of the whole or a substantial part of its business, undertaking or assets to the Issuer or any Relevant Subsidiary of the Issuer;

(B) any amalgamation, consolidation or merger of a Subsidiary with any other Subsidiary or any other Relevant Subsidiary of the Issuer; or

(C) any amalgamation, consolidation, restructuring, merger or reorganisation on terms previously approved by an Extraordinary Resolution;

"**Subsidiary**" means in relation to any Person (the first Person) at any particular time, any other Person (the second Person) whose affairs and policies the first Person controls or has 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.

"**Relevant Subsidiary**" means any Subsidiary which is, directly or indirectly, wholly owned by the Issuer or which is so wholly owned except for any nominal third-party shareholding required by law;

"**Substantial Part**" means 15 per cent. of the assets of the Issuer and its consolidated Subsidiaries, taken as a whole; and

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

(i) amounts raised by acceptance under any acceptance credit facility;

(ii) amounts raised under any note purchase facility;

(iii) 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;

(iv) 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 30 days; and

(v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement or Islamic financing) having the commercial effect of a borrowing.

11.2 **Events of Default for Subordinated Notes**

This Condition 11.2 only applies to Subordinated Notes.

(a) ***Non Payment***

If default is made in the payment of any principal or interest due under the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest, any Noteholder may institute proceedings in the United Arab Emirates or any Emirate therein (but not elsewhere) for the dissolution and liquidation of the Issuer.

(b) ***Liquidation and other events***

If any one or more of the following events shall occur and be continuing:

(i) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, save in connection with a Permitted Reorganisation; or

(ii) (A) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official (and such proceedings are not being actively contested in good faith by the Issuer), or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or an encumbrancer takes possession of the whole or a Substantial Part of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a Substantial Part of the undertaking or assets of the Issuer; and (B) in any case (other than the appointment of an administrator) is not discharged within 45 days; or

(iii) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or, save in connection with a Permitted Reorganisation, any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(iv) any event occurs which under the laws of the United Arab Emirates or any Emirate therein or any other jurisdiction has an analogous effect to any of the events referred to in paragraphs (i) to (iii) inclusive above,

then the holder of any Note may give written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, that such Note is due and payable, whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment without presentation, demand, protest or other notice of any kind.

(c) ***Breach of Obligations***

To the extent permitted by applicable law and by these Conditions, a Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes, the Receipts or the Coupons, but the institution of such proceedings shall not have the effect that the Issuer shall be obliged to pay any sum or sums sooner than would otherwise have been payable by it.

(d) ***Other Remedies***

No remedy against the Issuer, other than the institution of the proceedings referred to in paragraph (a) or (c) above and the proving or claiming in any dissolution and liquidation of the Issuer, shall be available to the Noteholders, the Receiptholders or the Couponholders whether for the recovering of amounts owing in respect of the Notes, the Receipts or the Coupons or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Notes, the Receipts or the Coupons.

12. **Replacement of Notes, Receipts, Coupons and Talons**

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

13. **Agents**

The names of the initial Agents and their initial specified offices are set out below.

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

(a) there will at all times be a Principal Paying Agent and a Registrar;

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

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

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.5 (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15 (*Notices*).

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

14. **Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

15. **Notices**

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

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

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or being sent through mail by the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes **provided that**, in the case of Notes admitted to listing and/or trading on any stock exchange, the requirements of such stock exchange or listing authority have been complied with. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be.

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

16. **Meetings of Noteholders and Modification**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes, altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than three-quarters in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

17. Further Issues

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

18. Contracts (Rights of Third Parties) Act 1999

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

19. Governing Law and Submission to Jurisdiction

19.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons 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.

19.2 Arbitration

Subject to Condition 19.3 (*Court of law*) below, any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes, the Receipts and/or the Coupons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules (the "**Rules**") of the London Court of International Arbitration ("**LCIA**"), which Rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 19.2. For these purposes:

(a) the seat of arbitration shall be London, England;

(b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. Without prejudice to Article 8 of the LCIA Rules, in the event that one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and

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

On receipt by the Issuer of a Request for Arbitration as defined in the Rules initiated by a Noteholder, Receiptholder or Couponholder (as the case may be), the Issuer shall send a copy of the Request for Arbitration to all Noteholders, Receiptholders or Couponholders, as applicable, (the "**Notification**") within 30 days of receipt. The arbitral proceedings shall be suspended until the earlier of the completion of the Notification process or 30 days following the receipt by the Issuer of a Request for Arbitration.

Any Noteholder, Receiptholder or Couponholder (as applicable) may, on receipt of such Notification, request to be joined with any other Noteholder, Receiptholder or Couponholder (as applicable) to that arbitration, by filing a written notice (a "**Joinder Notice**") with the relevant Noteholder, Receiptholder or Couponholder (as applicable) and the Issuer prior to disclosure of documents in that arbitration. Each Noteholder, Receiptholder or Couponholder hereby agrees to accept the joinder of any other Noteholder, Receiptholder or Couponholder (as applicable) where the interests of the Noteholders, Receiptholders or Couponholders (as applicable) are materially similar. Failure to file a Joinder Notice does not preclude any Noteholder, Receiptholder or Couponholder (as applicable) from bringing any action (whether arising from similar facts to those relevant to the arbitration in respect of which the Notification is provided or otherwise) in the future.

Any multi-party arbitration resulting from the joinder of any other Noteholder(s), Receiptholder(s) or Couponholder(s) (as applicable) will be formally settled in single arbitral proceedings.

In multi-party arbitration proceedings, the arbitral tribunal shall have all powers necessary to establish any supplementary procedural rules required or desirable in view of the multi-party nature of the proceedings.

In the event of arbitration proceedings where the interests of Noteholders, Receiptholders or Couponholders (as applicable) are sufficiently similar to permit those parties to be represented by a single counsel without generally accepted principles regarding conflicts of interest being infringed, such parties are obliged to act together and through one counsel only. In the event that there is some question as to whether the interests of some or all of the Noteholders, Receiptholders or Couponholders (as applicable) concerned are sufficiently similar to invoke the terms of this provision requiring joint representation, then that may be determined as a preliminary issue by the arbitral tribunal.

19.3 Court of law

Notwithstanding Condition 19.2 (*Arbitration*) above, any Noteholder, Receiptholder or Couponholder may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

(a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If any Noteholder, Receiptholder or Couponholder gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 19.4 (*Submission to jurisdiction*) and any arbitration commenced under Condition 19.2

(*Arbitration*) above in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own costs in relation thereto.

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

(i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before 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.

19.4 **Submission to jurisdiction**

In the event that a notice pursuant to Condition 19.3 (*Court of law*) is issued, the following provisions shall apply:

(a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts;

(b) the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and

(c) this Condition 19.4 is for the benefit of the Noteholders, the Receiptholders and the Couponholders only. As a result, and notwithstanding paragraph (a) above, any Noteholder, Receiptholder or Couponholder may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, any Noteholder, Receiptholder or Couponholder may take concurrent Proceedings in any number of jurisdictions.

19.5 **Appointment of Process Agent**

The Issuer appoints Nexa Law, at its registered office at Nexa Law, WeWork, 10 York Road, London SE1 7ND as its agent for service of process, and undertakes that, in the event of Nexa Law ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings or Disputes and notify the Noteholders, the Receiptholders and the Couponholders of such appointment in accordance with Condition 15 (*Notices*). Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

19.6 **Enforcement**

The Issuer agrees that an arbitral award or judgment or order of an English or other court, in connection with a dispute arising out of or in connection with these Conditions, shall be binding on it and may be enforced against it in the courts of any competent jurisdiction. For the purposes of the foregoing, in respect of any proceedings arising out of or connected with the enforcement and/or execution of any award or judgment made against the Issuer, the Issuer hereby expressly submits to the jurisdiction of any court in which any such proceedings are brought.

19.7 **Waiver of immunity**

ADCB hereby irrevocably and unconditionally waives with respect to the Notes, the Receipts and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, judgment or award made or given in connection with any Proceedings or Disputes.

19.8 **Other documents**

Each of the Agency Agreement and the Deed of Covenant contain governing law, arbitration, submission, process agent appointment, enforcement and waiver of immunity terms that are substantially similar to those set out above.

USE OF PROCEEDS

Save in respect of Green Notes, an amount equal to the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, or for any other purpose specified in the relevant Final Terms.

In relation to each Tranche of Green Notes, an amount equal to such net proceeds (the "**equivalent amount**") will be applied by the Issuer to finance and/or refinance, in whole or in part, loans that meet the Green Eligibility Criteria detailed in the Green Bond Framework (as defined below) ("**Eligible Green Loans**"). Eligible Green Loans may fund (a) renewable energy projects (including the equipment, development, manufacturing, construction, operation and maintenance of renewable energy generation sources); (b) green buildings (including the development, construction and refurbishment of buildings that meet minimum external green building certification levels); (c) sustainable water & wastewater treatment projects (including the establishment, acquisition, capacity expansion and upgrades of facilities and technologies to treat, distribute and conserve water); (d) clean transportation (including the production, establishment, acquisition, expansion, upgrades, maintenance and operation of low carbon vehicles and related infrastructure); (e) energy efficiency projects (including the establishment, acquisition, expansion and upgrade of transmission lines and energy storage facilities or technologies and/or the associated infrastructure); (f) pollution prevention and control projects (including the establishment, acquisition, expansion, upgrades of waste); and (g) the environmentally sustainable management of living natural resources and land (including sustainable agricultural practices that are certified to an independent standard), in each case as further described in the "*Use of Proceeds*" section of the Green Bond Framework published on the Issuer's website (at https://www.adcb.com/en/about-us/sustainability/) (as amended, supplemented, restated and/or otherwise updated on such website from time to time, the "**Green Bond Framework**"). The Issuer will seek to allocate all equivalent amounts from a Tranche of Green Notes within three years following the Issue Date.

The Green Bond Framework is intended to be aligned with the ICMA Green Bond Principles (the "**ICMA Green Bond Principles**") published by the International Capital Market Association from time to time, which as at the date of this Base Prospectus are the ICMA Green Bond Principles 2021 (https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf).

The Issuer has appointed ISS-ESG to assess the Green Bond Framework and its alignment with the ICMA Green Bond Principles, and to issue a second party opinion in respect thereof. Such opinion has been published on the Issuer's website referred to above (https:\\www.adcb.com\\en\\multimedia\\pdfs\\2022\\august\\iss-second-party-opinion-spo.pdf).

If a loan to which all or part of the equivalent amount has been applied ceases for any reason to be an Eligible Green Loan, the Issuer shall endeavour to substitute such loan for a replacement Eligible Green Loan as soon as practicable once an appropriate replacement Eligible Green Loan has been identified.

The Issuer intends to publish on its website referred to above, reports relating to the allocation of the equivalent amount to such financing and/or refinancing of Eligible Green Loans and on the associated environmental impacts of Eligible Green Loans, in each case on an annual basis until such time as the equivalent amount has been so allocated in full or the relevant Green Notes have matured. The Issuer's annual allocation reporting will also be subject to external verification by an independent party.

None of the Green Bond Framework or the ICMA Green Bond Principles or any of the above reports, verification assessments or the contents of any of the above websites are incorporated in or form part of the Base Prospectus. See also "*Risk factors – Factors which are material for the purpose of assessing the market risks associated with notes issued under the Programme – Risks related to the structure of a particular issue of Notes – Notes issued as Green Notes in the relevant Final Terms with a specific use of proceeds, may not meet investor expectations or requirements or be suitable for an investor's investment criteria*".

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial information of the Group as at and for the years ended 31 December 2022 and 2021 has been extracted from the 2022 Annual Financial Statements. The financial information as at and for the three months ended 31 March 2023 and 2022 has been extracted from the Interim Financial Statements. The Annual Financial Statements and the Interim Financial Statements have been incorporated by reference in, and form a part of, this Base Prospectus. The following selected consolidated financial information should be read in conjunction with the information in the Annual Financial Statements and the Interim Financial Statements and in each case, the notes thereto.

CONSOLIDATED INCOME STATEMENT DATA

	Three months ended 31 March (*unaudited*)		Year ended 31 December	
	2023	**2022**	**2022**	**2021**
	(AED thousands)			
Interest income	5,387,121	2,228,089	13,974,754	9,089,776
Interest expense	(3,064,486)	(542,126)	(5,799,745)	(2,011,812)
Net interest income	**2,322,635**	**1,685,963**	**8,175,009**	**7,077,964**
Income from Islamic financing and investing products	709,575	522,640	2,442,088	2,031,372
Distribution on Islamic deposits and profit paid to sukuk holders	(180,884)	(62,197)	(423,342)	(245,806)
Net income from Islamic financing and investing products	**528,691**	**460,443**	**2,018,746**	**1,785,566**
Total net interest income and income from Islamic financing and investing products	**2,851,326**	**2,146,406**	**10,193,755**	**8,863,530**
Net fees and commission income	532,595	487,043	2,110,413	1,899,288
Net trading income	455,444	116,694	912,786	675,765
Net gains from investment properties	-	-	19,142	11,470
Other operating income	72,645	185,533	1,108,192	809,138
Operating income	**3,912,010**	**2,935,676**	**14,344,288**	**12,259,191**
Operating expenses	(1,231,187)	(1,117,536)	(4,888,303)	(4,257,240)
Operating profit before impairment charge	**2,680,823**	**1,818,140**	**9,455,985**	**8,001,951**
Impairment charge	(747,932)	(294,278)	(2,778,913)	(2,646,188)
Profit after impairment charge	**1,932,891**	**1,523,862**	**6,677,072**	**5,355,763**
Share in profit of associates	835	2,029	(8,463)	7,663
Profit before taxation	**1,933,726**	**1,525,891**	**6,668,609**	**5,363,426**
Overseas income tax charge	(55,397)	(28,738)	135,073	(99,605)
Profit for the period/year from continuing operations	**1,878,329**	**1,497,153**	**6,533,536**	**5,263,821**
Loss from discontinued operations	-	(13,671)	(99,816)	(16,422)
Profit for the period/year	**1,878,329**	**1,483,482**	**6,433,720**	**5,247,399**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

	As at 31 March (*unaudited*)	As at 31 December	
	2023	**2022**	**2021**
		(AED thousands)	
Assets			
Cash and balances with central banks, net	26,412,740	39,429,308	33,746,202
Deposits and balances due from banks, net	38,550,939	35,339,202	26,670,143
Financial assets at fair value through profit or loss	8,732,740	4,642,263	1,706,767
Derivative financial instruments	13,783,826	15,182,538	6,488,021
Investment securities	117,956,864	112,010,683	96,513,292
Loans and advances to customers, net	263,533,448	258,492,870	244,282,293
Investment in associates	253,360	252,525	262,609
Investment properties	1,689,562	1,691,890	1,674,954
Other assets, net	21,506,598	21,711,189	19,354,460
Property and equipment, net	1,890,993	1,937,503	2,064,270
Intangible assets, net	7,112,371	7,152,194	7,294,685
Assets held for sale	-	-	220,673
Total assets	**501,423,441**	**497,842,165**	**440,278,369**
Liabilities			
Due to banks	7,835,982	9,719,193	7,205,333
Derivative financial instruments	14,271,516	16,225,385	6,563,379
Deposits from customers	310,587,188	308,930,699	265,052,325

	As at 31 March (*unaudited*)	As at 31 December	
	2023	2022	2021
		(AED thousands)	
Euro commercial paper	9,136,293	5,994,279	6,199,157
Borrowings	70,687,237	69,875,733	72,499,337
Other liabilities	27,138,285	25,670,739	23,384,164
Liabilities related to assets held for sale	-	-	4,648
Total liabilities	**439,656,501**	**436,416,028**	**380,908,343**
Equity			
Share capital	7,319,947	6,957,379	6,957,379
Share premium	17,878,882	17,878,882	17,878,882
Other reserves	9,642,362	7,546,743	9,283,381
Retained earnings	20,918,846	23,035,375	19,240,158
Capital notes	6,000,000	6,000,000	6,000,000
Equity attributable to equity holders of the Bank	61,760,037	**61,418,379**	**59,359,800**
Non-controlling interests	6,903	7,758	10,226
Total equity	61,766,940	**61,426,137**	**59,370,026**
Total liabilities and equity	**501,423,441**	**497,842,165**	**440,278,369**

SELECTED CONSOLIDATED CASH FLOW DATA

	Three months ended 31 March (*unaudited*)		Year ended 31 December	
	2023	2022	2022	2021
		(AED thousands)		
Net cash (used in) /from operating activities	(2,969,806)	(1,122,817)	32,407,168	3,595,695
Net cash used in investing activities	(6,519,584)	(3,783,337)	(24,230,558)	(10,901,243)
Net cash from/ (used in) financing activities	2,626,775	7,164,099	(307,696)	7,071,106
Net (decrease) / increase in cash and cash equivalents	(7,486,324)	1,937,849	**6,622,414**	**(236,151)**
Cash and cash equivalents at the beginning of the period/year	39,058,114	32,435,700	32,435,700	32,671,851
Cash and cash equivalents at the end of the period / year	31,571,790	34,373,549	**39,058,114**	**32,435,700**

SELECTED RATIOS

	[As at and for the three months ended 31 March (*unaudited*)]		As at and for the year ended 31 December	
	2023	2022	2022	2021
		%		
Performance measures				
Return on average equity(1)	12.44	10.84	11.50	9.75
Return on average tangible equity(2)	14.27	12.59	13.26	11.35
Cost to income ratio(3)	31.47	38.07	34.08	34.73
Financial ratios				
Net interest margin(4)	2.69	2.28	2.51	2.43
Yield(5)	5.76	2.92	4.05	3.05
Cost of funds(6)	3.37	0.71	1.68	0.69
Cost of risk(7)	0.75	0.30	0.76	0.77
Asset quality ratios				
Non-performing loan (Stage 3 loans) ratio (8)	5.42	5.71	5.25	5.41
Non-performing loan ratio including POCI(8a)	6.06	7.10	6.07	6.87
Loan to deposit ratio(9)	84.85	93.85	83.67	92.16
Coverage ratio(10)	92.36	86.87	93.04	93.39
Liquidity ratio(11)	31.50	30.88	32.36	30.99
Basel III ratios				
CET 1 ratio(14)(15)	12.93	13.03	12.96	12.94
Tier 1 ratio(12)(15)	14.55	14.83	14.64	14.75
Total capital adequacy ratio(13)(15)	15.67	16.02	15.77	15.97
Liquidity coverage ratio(16)	132.95	126.05	138.9	124.1
Net Stable Funding Ratio (NSFR)(17)	108.15	107.72	110.23	110.0

(1) Return on average equity is net adjusted profit for the period/year attributable to equity holders of the Bank after deducting coupon on Tier 1 capital notes divided by average shareholders' equity and average shareholders' equity calculated as the sum of the opening and closing balances of shareholders' equity (after deducting capital notes and non-controlling interest) in a given reporting period divided by two.

(2) Return on average tangible equity is net adjusted profit for the period/year attributable to equity holders of the Bank after deducting the coupon on Tier 1 capital notes divided by average shareholders' equity and average shareholders' equity calculated as the sum of the opening and closing balances of shareholders' equity (after deducting capital notes, non-controlling interest and net intangible assets) in a given reporting period divided by two.

(3) Cost to income ratio is operating expenses divided by operating income.

(4) Net interest margin is net interest income and net income from Islamic financing and investing products as a percentage of total average interest and profit-earning assets, with average interest and profit-earning assets calculated as daily average balances of deposits and balances due from banks, net, investment securities, net less equity instruments and mutual funds, loans and advances to customers, net plus certificates of deposits with the Central Bank extracted from Group's internal accounting records for the respective reporting periods.

(5) Yield is interest income and income from Islamic financing and investing products divided by average interest and profit-earning assets for a given period, with average interest and profit-earning assets calculated as daily average balances of deposits and balances due from banks, net, investment securities, net less equity instruments and mutual funds, loans and advances to customers, net plus certificates of deposits with the Central Bank extracted from the Group's internal accounting records for the respective reporting periods.

(6) Cost of funds is interest expense and distribution on Islamic deposits and profit paid to sukuk holders divided by the average interest-bearing and profit-sharing liabilities, with average interest-bearing and profit-sharing liabilities calculated as daily average balances of due to banks, deposits from customers, euro commercial paper and borrowings extracted from the Group's internal accounting records for the respective reporting periods.

(7) Cost of risk is total impairment charge, net of recoveries, on loans and advances to customers, loans and advances to banks and investment securities as a percentage of average (calculated as the sum of the opening and closing balance in a giving reporting period divided by two) outstanding net loans and advances to customers (excluding loans and advances to customers at fair value through profit or loss), loans and advances to banks and investment securities, net extracted from the Group's internal accounting records for respective reporting periods.

(8) Non-performing loan (Stage 3 loans) ratio is gross non-performing loans (Stage 3 loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks) as a percentage of gross loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks.

(8a) Non-performing loan ratio including POCI is gross non-performing loans (Stage 3 loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks) including POCI, as a percentage of gross loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks. "**POCI**" is defined as Purchased or originated credit-impaired financial assets.

(9) Loan to deposit ratio is net loans and advances to customers divided by customer deposits.

(10) The coverage ratio is expressed as the sum of impairment allowances on loans and advances to customers (excluding POCI), loans and advances to banks and fair value adjustments on Stage 1 and 2 loans and advances to customers and banks resulting from the Combination, as a percentage of gross non-performing loans (Stage 3 loans and advances to customers (including loans and advances to customers at fair value through profit or loss) and banks).

(11) Liquidity ratio is total liquid assets (being assets held by the Group that can be converted into cash at relatively short notice) divided by total assets. Liquid assets include cash and balances with central banks, net, deposits and balances due from banks, net, (excluding loans and advances to banks, net), financial assets at fair value through profit or loss (excluding structured funding arrangements) and quoted investment securities.

(12) Tier 1 ratio is defined as total Tier 1 capital divided by risk-weighted assets at a given date. Risk-weighted assets are calculated under the standardised approach for Pillar 1 reporting and represent the sum of credit risk, market risk and operational risk-weighted assets.

(13) Total capital adequacy ratio is defined as total regulatory capital divided by risk-weighted assets at a given date. Risk-weighted assets are calculated under the standardised approach for Pillar 1 reporting and represent the sum of credit risk, market risk and operational risk-weighted assets.

(14) CET 1 ratio is defined as CET 1 capital divided by risk-weighted assets at a given date. Risk-weighted assets are calculated under the standardised approach for Pillar 1 reporting and represent the sum of credit risk, market risk and operational risk-weighted assets.

(15) Calculated in accordance with the requirements of the Central Bank and the capital adequacy regulations issued by the Central Bank through the circular "Guidance re Capital Adequacy of Banks in the UAE" issued in December 2022.

(16) Liquidity coverage ratio (LCR) is designed to measure a bank's ability to manage a sustained cash outflow of customer funds in an acute stress event over a 30-day period. It is calculated as the ratio of HQLAs divided by a bank's projected total net cash outflows over the immediately following 30-day stressed period. It is determined by the Basel III standards and has been implemented in the UAE through Central Bank Circular No. 33/2015. Approved banks are required to comply with the requirements from 1 January 2016 in a phased manner.

(17) Net Stable Funding Ratio (NSFR) is a regulatory ratio that aims to ensure that the banks have stable funding profile in relation to the composition of their assets and off-balance sheet activities over a one year horizon. It is calculated as the ratio of Available Stable Funding divided by Required Stable Funding. It is determined by the Basel III standards and has been implemented in the UAE through Central Bank Circular No. 33/2015.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is one of the leading commercial banks in the UAE, offering a wide range of retail, commercial, investment and Islamic banking, brokerage and asset management products and services. According to the publicly available financial statements of the Group and its main domestic competitors, as at and for the year ended 31 December 2022 the Group was the third largest bank in the UAE market in terms of net loans and advances to customers AED 258.5 billion, the second largest bank in Abu Dhabi in terms of total assets (AED 497.8 billion) and the second largest bank in the Abu Dhabi market in terms of net loans and advances to customers AED 258.5 billion.

As at 31 December 2022, the Group had customer deposits of AED 308.9 billion and total assets were AED 497.8 billion, representing an estimated 14.3 per cent. of the UAE market in terms of total assets according to Central Bank statistical records for December 2022. As at 31 December 2022, the Group served more than 1.4 million retail customers and more than 40,700 active corporate customers, primarily in its domestic UAE market.

The Group has grown rapidly to become one of the largest full-service commercial banks in the UAE. Since its incorporation, the Government has at all times held, indirectly, a controlling interest of at least 60.2 per cent. of the share capital of the Group. As at the date of this Base Prospectus, the Government held 60.2 per cent. of the Group's share capital through Mubadala Investment Company's wholly-owned subsidiary, 114 LLC.

In March 2022, the Group's consumer banking group (the "**Legacy Consumer Banking Group**") was split into two business groups: (i) the Retail Banking Group (the "**RBG**"); and (ii) the Private Banking and Wealth Management Group (the "**PBG**"). These two groups became segments for financial reporting purposes from 1 April 2022. As at the date of this Base Prospectus, the Group has five principal areas of business, which also constitute segments for financial reporting purposes:

- ***Retail Banking Group***: the RBG provides a broad range of conventional and *Shari'a*-compliant retail banking products and services to individual customers located primarily in the UAE. The products and services offered include current and deposit accounts, personal and vehicle loans/finances, mortgage lending/financing, brokerage, credit and other card services, third-party insurance and investment products, which include a range of *Shari'a*-compliant Islamic products and services provided through ADCB Islamic Banking and AHB. For the year ended 31 December 2022, AED 924.1 million or 14.4 per cent. of the Group's net profit for the year was attributable to the RBG.

- ***Private Banking and Wealth Management Group***: the PBG offers a bespoke and highly personalised, end-to-end banking service for its client base. A dedicated relationship manager manages all of a particular client's banking requirements. This includes current accounts and savings accounts, as well as an innovative investment service offering and wealth planning capabilities. The group has investment capabilities across all major asset classes and markets, through its open architecture investment platform. This covers discretionary asset management, investment advisory, product structuring and client investment execution requirements, as well as a local brokerage service. The group also provides a personalised and bespoke lending offering to meet its clients' often diverse and specialised borrowing requirements. A wealth of lending expertise ensures that all borrowing requirements are managed within the group in an efficient and seamless manner, with a specific expertise and specialism for all UAE real estate requirements. For the year ended 31 December 2022, AED 411.6 million or 6.4 per cent. of the Group's net profit for the year was attributable to the PBG.

- ***Corporate & Investment Banking Group***: the Corporate & Investment Banking Group (the "**CIBG**") provides a broad range of corporate & investment banking products and services to large strategic clients (including government or government related entities and regional blue chip corporates), financial institutions, mid-corporates and local branches of multinational corporations and SMEs. The products and services offered include corporate lending, cash management, trade finance, Islamic finance, debt and equity securities underwriting and distribution, corporate advisory and structuring services. The corporate & investment banking group also oversees and monitors some of the Bank's international relationships. For the year ended 31 December 2022, a net profit of AED 1,793.6 million or 27.9 per cent. of the Group's net profit for the year was attributable the CIBG;

- ***Treasury & Investments Group***: the treasury & investments group provides commercial and proprietary treasury operations offering a range of treasury services on a conventional and Islamic basis and manages the Group's investment portfolio. For the year ended 31 December 2022, AED 3,158.8 million or 49.1 per cent. of the Group's net profit for the year was attributable to the treasury & investments group; and

- ***Property Management***: the property management division comprises the real estate management and engineering service operations of the Group's subsidiaries, Abu Dhabi Commercial Properties ("**ADCP**") and Abu Dhabi Commercial Engineering Services ("**ADCES**"), in addition to certain real estate assets in Abu Dhabi owned by the Group (see "– *Property Management*" below). For the year ended 31 December 2022, AED 145.5 million or 2.3 per cent. of the Group's net profit for the year was attributable to the property management group. As at the date of this Base Prospectus, the Group is exploring the possibility of divesting its interest in ADCP.

As at 31 December 2022, the Group had 121 branches including two service centres and four uBank centres. In addition, as at 31 December 2022, the Group had 521 automated teller machines ("**ATMs**") in the UAE, with the majority in Abu Dhabi and Dubai and 154 ATMs in Egypt. The Group's 121 branches consist of: 50 ADCB branches, four uBank centres, 13 AHB branches, two service centres in the UAE; 49 ADCB Egypt ("**ADCB-E**") branches in Egypt; and three branches in Kazakhstan. The Group also offers services to individuals and corporate customers through its internet banking, phone and SMS banking systems, the ADCB mobile application and through one of the largest point of sale networks in the UAE. In addition, the Group provides a range of *Shari'a*-compliant Islamic products and services under its "ADCB Islamic Banking" brand and through AHB.

The Issuer is the parent company of the Group and holds interests in a number of subsidiaries, further information in respect of which is set out in Note 49 (*Subsidiaries*) to the 2022 Financial Statements.

STRENGTHS

The Group believes that its businesses have the following strengths:

Supportive Principal Shareholder

As at the date of this Base Prospectus, the Government owns 60.2 per cent. of the issued and outstanding ordinary shares of the Group through Mubadala Investment Company's wholly-owned subsidiary, 114 LLC. The Government was instrumental in the founding of the Group through a three-way merger of local Abu Dhabi banks in 1985, and it has continued to support the Group since that date. In particular, many Government-controlled entities regularly engage the Group in new business opportunities and have remained long standing clients of the Group. Furthermore, in common with other regional governments, the Government provided financial support to its local banks, including the Group, during the 2008 global financial crisis which helped the Group to maintain liquidity and achieve a high capital adequacy ratio, well above the Central Bank guidelines.

According to the Statistics Centre and based on mid-year estimates, Abu Dhabi's nominal GDP per capita was approximately U.S.$95,560 in 2019, which makes it one of the highest in the Gulf region. The Government has a long-term sovereign credit rating of AA (with a stable outlook) and short-term credit rating of A-1+ (with a stable outlook) from Standard & Poor's. The financial strength of the Emirate of Abu Dhabi flows into the Group through its Government majority shareholding, which is the largest of any bank in the UAE. In addition to this, the sticky nature of the government deposits held by the Group provide it a competitive advantage over its peers which lack such support.

The majority ownership of the Group and financial and other support provided by the Government has helped to stabilise the Group's performance in turbulent economic periods and to enhance customer and market confidence in the Group. Although there can be no assurance that the Government will continue to support the Group, management believes that the Group's relationship with the Government is unlikely to change in the foreseeable future. See "*Risk Factors – Risks relating to the UAE and MENA – The Notes will not be guaranteed by the Government*".

Solid Capital Base and Liquidity Profile

As at 31 March 2023, the Group had a total capital adequacy ratio of 15.67 per cent., consisting of a Tier 1 ratio of 14.55 per cent. and a Tier 2 ratio of 1.12 per cent. (compared to a total capital adequacy ratio of 15.77 per cent. as at 31 December 2022, consisting of a Tier 1 ratio of 14.64 per cent. and a Tier 2 ratio of 1.13 per cent.), calculated in each case in accordance with Central Bank guidelines. Pursuant to the February 2017 Regulations, the Group has been required by the Central Bank to maintain a minimum total capital adequacy ratio of 13.5 per cent. since 1 January 2019. Included within this Central Bank prescribed minimum total capital adequacy ratio, the Group, as a domestically systemic important bank ("**D-SIB**"), has been required to maintain a Common Equity Tier 1 buffer of 0.50 per cent. with effect from 1 January 2019. As at 31 March 2023, the Group had cash and cash equivalents of AED 31.6 billion (AED 39.1 billion as at 31 December 2022 and AED 32.4 billion as at 31 December 2021).

The Group is fully compliant with Central Bank's Regulations regarding liquidity at banks. The Group has maintained a strong liquidity position with an LCR ratio of 133.0 per cent. as at 31 March 2023, 138.9 per cent. as at 31 December 2022 and 124.1 per cent. as at 31 December 2021, compared to a minimum ratio of 100 per cent. prescribed by the Central Bank.

As at 31 March 2023, the Group's liquidity ratio was 31.5 per cent., as compared to 32.36 per cent. as at 31 December 2022 and 30.99 per cent as at 31 December 2021. As part of its LCR reporting to the Central Bank, the Group is required to maintain a portfolio of HQLAs which is sufficient to survive a significant stress scenario, lasting for a period of up to 30 days. As at 31 March 2023, the Group held a portfolio of HQLAs valued at AED 93.3 billion as compared to AED 102.7 billion as at 31 December 2022. The Group believes that its maintenance of an LCR ratio in excess of Central Bank requirements will assist it in absorbing any unanticipated systemic shocks to the UAE or regional economies or banking sectors (see "*Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – Risks relating to the Group's liquidity – The Group's cash flow from its operations may not be sufficient at all times to meet its contractual and contingent payment obligations*", "*Risk Factors – Regulatory risks relating to the Group's business – The Group is a highly regulated entity and changes in 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 a material adverse effect on the Group's business, results of operations and financial condition*" in the "*Risk Factors*" section above).

Strong Domestic Franchise with a Well-known and Trusted Brand

In the UAE, the Group is one of the leading commercial banks with a broad portfolio of consumer, corporate and institutional wholesale products, an extensive distribution network and well-established relationships with its client base. With more than 1.4 million retail customers and over 40,700 active corporate and institutional customers, the Group has one of the largest commercial banking customer bases in Abu Dhabi and the UAE and maintains one of the largest domestic banking distribution networks. This distribution network offers significant opportunities to attract additional clients and expand the Group's range of products and services to existing clients. As at 31 December 2022, the Group had 50 ADCB branches, four uBank centres, 13 AHB branches and two service centres in the UAE; 49 ADCB-E branches in Egypt; and three branches in Kazakhstan, as well as 521 ATMs throughout the UAE and 154 ATMs in Egypt, with a suite of alternative distribution channels, including internet banking, mobile banking channels and SMS alerts. Through ADCB Islamic Banking and the Group's AHB branch network and digital services, the Group is able to provide *Shari'a*-compliant products and services to customers through a dedicated Islamic brand. The Group has also set up contact centres to assist customers and to address customer queries as a part of its culture of service excellence with the aim of providing seamless service to its customers. As at 31 December 2022, the Group had total customer deposits of AED 308.9 billion, which represented an estimated market share of 13.4 per cent. of total UAE customer deposits and a loans and advances to customers portfolio (net of impairment allowances) of AED 258.5 billion which represented an estimated 14.7 per cent. of the total loans and advances, net of impairment allowances of all UAE banks, according to the UAE Monthly Banking Indicators published by the Central Bank (*source*: Central Bank Banking Indicators December 2022).

Management believes that the Group's strong position in consumer and corporate & investment banking enables the Group to benefit from economies of scale and provides a strong platform for sustained profitability in the UAE banking market. In addition, management believes that the Group's market position and strong brand recognition throughout the UAE reflect the Group's focus on high-quality customer service, creation of innovative products and services, its established track record in both consumer and corporate & investment banking, its targeted marketing to consumer, SME, large corporate and strategic client groups and its involvement in the UAE's most prominent infrastructure and other development projects.

Experienced Executive Management Team with Proven Track Record in the Banking Industry

The Group's strategy (see "– *Strategy*" below) 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. The Group's executive management team has extensive experience in the financial services sector in the UAE and internationally (see "*Management – Board of Directors – Executive Management*"). The heads of the Group's corporate & investment banking, retail, private, treasury and investment, finance and risk groups have extensive experience in the finance and banking sector, from global institutions such as Citibank, Standard Chartered Bank, Rabobank and the Australia and New Zealand Banking Group Limited.

Expertise in Designing Banking Products to Meet Customers' Needs

The Group currently offers a range of banking products and services to its clients and has the ability to tailor each product to fit the banking needs of individual clients, especially its strategic, large corporate and HNWI clients. The Group's corporate & investment banking group provides customised cash management, trade finance (including structured trade finance) and investment banking solutions to its strategic, large corporate and SME clients. The Group also offers individualised banking services for HNWIs. Since 2005, the Group has focused on affluent retail clients and HNWI clients through its Privilege Club, Excellency, ADCB Private and other programmes. The Group also offers "TouchPoints", a rewards programme whereby customers earn points redeemable for goods and services for virtually all transactions carried out with the Group.

The Issuer believes that the availability of custom-tailored products and services helps to market the Group's other products and services effectively and to differentiate the Group's products from those of its competitors.

STRATEGY

The Group is in the middle of its current five-year strategy, which was introduced in 2021, after taking into account the multitude of changes that are impacting the banking environment. These changes range from rising interest rates, rising operating costs, increasing regulation, the need for more capital and liquidity, as well as the retention and attraction of talent.

The key objective for the Group is to create superior benefits for its shareholders in the long-term through sustained profitable market share growth. This strategy is built on the following pillars:

- ***Growth***: a key pillar in the Group's strategy is to grow profitably in segments of choice through a multi-dimensional approach. The strategy envisages significant growth in lending, both from the existing portfolio and the acquisition of new customers. The Group expects to achieve this by: (i) tapping into new segments with high growth potential; (ii) upgrading products and propositions; and (iii) deepening presence in non-oil sectors. This is to be sustained by an even stronger growth in current and savings deposits by offering enhanced cash management solutions and enhanced digital propositions. This strategy will also lead to an increased focus on non-interest income across the Group. The Group will also seek to leverage strong growth from its AHB and ADCB-E subsidiaries;

- ***Efficiency***: reinventing the Group's operating model to achieve efficiency-related cost savings through optimising distribution, re-designing processes, right sizing/delayering the organisation, and further optimising procurement. It is expected that these efficiency measures will continue to deliver sustainable benefits to further rationalise the Group's operating cost base;

- ***Risk Appetite & Demeanour***: calibration of risk appetite and demeanour so that it is complimentary to the envisaged asset growth and is expected to play the dual role of enabler as well as ensuring an appropriate risk-reward ratio. Management hopes to realise this strategy through setting its target risk adjusted return on risk, data modelling and predictive risk analytics and ensuring profitable growth and the management of the cost of risk;

- ***Funding & Liquidity***: one of the Group's key strategic levers is to ensure adequate funding and liquidity and develop a sustainable cost of funds advantage, through the sustained growth of the Group's current and savings portfolio. It is expected that this will not only lend stability to the Group, but also lower the cost of funds in the long term. At the same time, the Group seeks to optimise the cost of liquidity through various measures such as minimising the net cash flows and optimising the yields on high-quality liquid assets;

- ***Capital***: the Group seeks to efficiently manage capital by setting a target return on risk adjusted capital on all incremental lending, while maintaining adequate capital buffers to ensure growth and managing contingencies;

- ***Digitisation, Artificial Intelligence & Advanced Analytics***: the digitisation of many of the Group's core business processes is a key strategic focus for the Group. In the context of ever-evolving and rapidly changing customer demands and industry boundaries, in which traditional and non-financial competitors are embracing digital solutions to offer banking services through non-traditional distribution channels, the Group's digital and data analytics strategy aims to improve return on equity through a combination of customer acquisition, reductions in processing costs and reductions in impairment charges. A key strategic initiative is to implement a comprehensive digital and advanced analytics roadmap across ADCB focusing on customer acquisition, engagement and experience. See "– *Digitisation*" below for further details on the Group's digitisation initiatives;

- ***Setting up and empowering its executive team and organisation***: as a key enabler of its core strategic pillars, the Group recognises the contribution of its staff members to its long-term profitability and success. To this end, the Group seeks to retain its key staff members, to periodically review their compensation and incentives and reward them in accordance with their performance. The Group also remains focused on attracting talent to key new roles within the organisation through a competitive compensation structure and investment in its people. The Group has implemented a new variable pay scheme to ensure full alignment between the Group's strategic targets and top management incentives;

- ***Effective governance***: a robust and dedicated governance structure has been established to support the execution of the Group's strategy and the monitoring of its performance against strategy targets. The structure comprises a dedicated cross-functional team including the executive management. This is supplemented with regular progress updates to the Board of Directors; and

- ***Differentiate through ESG***: as part of the Group's approach to building a sustainable business that serves the interests of all stakeholders, the Group has integrated a comprehensive ESG framework into its five-year business strategy (see "– *Group Sustainability Policy*" below). In August 2021, ADCB received an upgrade in its MSCI ESG rating to 'AA' from 'A', partly driven by ADCB's digital initiatives to support small businesses as well as robust customer data protection and information security practices. By maintaining an ESG lens in all of its value creation activities, the Group hopes to continue to support the UAE's ambitions for sustainability, contributing to the UAE Net-Zero by 2050 Strategic Initiative announced in November 2021.

In striving to implement its strategic pillars, the Group views innovation and agility as integral characteristics of its corporate culture, made essential by short product life cycles, evolving customer demands and the prevailing competitive landscape. The Group aims to foster the ability to create custom-quality products in short production runs, on-demand, at low cost, with high reliability, and with a low cycle time. The Group's staff in dedicated performance units currently receive training on agile working practices and "smart" risk taking, with these practices intended to be extended to the wider Group over time.

HISTORY

ADCB is a public joint stock company and was incorporated on 2 May 1985 following the merger of Khalij Commercial Bank, Emirates Commercial Bank and Federal Commercial Bank. This merger was effected pursuant to a resolution of the Abu Dhabi Executive Council. ADCB is registered in accordance with the Federal Law No. 2 of 2015 (as amended) (the "**Commercial Companies Law**") under registration number 4 and is licensed to operate as a commercial bank in the UAE by the Central Bank. ADCB's telephone number is +971 (0)2 621 0090.

On 29 January 2019, the board of directors of each of ADCB and UNB voted unanimously to recommend the Combination to their respective shareholders. On 21 March 2019, the shareholders of both ADCB and UNB approved the Combination. The Merger was pursuant to Article 283(1) of the Commercial Companies Law and an agreement dated 29 January 2019 between ADCB and UNB setting out the terms and conditions of, and the parties' rights and obligations in connection with, the implementation of the Merger.

Upon the Merger becoming effective, UNB was dissolved pursuant to the provisions of Article 291 of the Commercial Companies Law. Immediately thereafter, ADCB acquired the entire issued share capital of AHB from its sole shareholder, the Abu Dhabi Investment Council, for consideration of AED 1.0 billion by issuing unsecured mandatory convertible bonds convertible into 117,647,058 post-merger ADCB shares. AHB is now a wholly-owned subsidiary of the Group accounted for in the 2022 Financial Statements and the Interim Financial Statements and operates as an Islamic bank within the Group.

As at 31 March 2023, ADCB's issued share capital was AED 7,319.9 million (31 December 2022: AED 6,957.4 million)

RETAIL BANKING GROUP

The RBG provides a comprehensive range of conventional and *Shari'a*-compliant products and services across all segments of retail clients. Focused on catering for client needs, these products and services include deposit and transactional accounts, personal and auto loans/finances, mortgages, credit cards, third-party insurance and investment products. The service delivery is supported by a strong, multi-channel infrastructure. As at 31 December 2022, the Group's infrastructure in the UAE included 50 branches and four uBank centres, 521 ATMs, 196 of which have cash and cheque deposit facilities, two customer contact centres (open 24 hours and 7 days a week), online banking services and mobile banking applications. In Egypt, the Group's infrastructure included 49 branches and 154 ATMs as at 31 December 2022.

ADCB was the first bank in the UAE to launch a bank-wide loyalty programme, "TouchPoints", that rewards customers for their interaction with ADCB. Customers earn loyalty points for subscription to products and services, maintenance and continuity of their relationship, transacting with ADCB or utilising a product or service offered by ADCB. These loyalty points can be redeemed by the customer for airline miles and at point of sales of various leading retail merchants (including electronics, jewellery, supermarkets and lifestyle benefits).

For the year ended 31 December 2022, AED 924.2 million or 14.4 per cent. of the Group's net profit for the year was attributable to the RBG. Operating profit before impairment allowances attributable to the RBG for the year ended 31 December 2022 decreased to AED 1.4 billion from AED 1.6 billion for the year ended 31 December 2021. Impairment allowances attributable to the RBG for the year ended 31 December 2022 decreased to AED 447.3 million from AED 758 million for the year ended 31 December 2021. The RBG contributed 29.3 per cent. (AED 4.2 billion) to the Group's total operating income of AED 14.3 billion for the year ended 31 December 2022 (as compared to 33.7 per cent. (AED 4.1 billion) to the Group's total operating income of AED 12.26 billion for the year ended 31 December 2021).

Retail banking business

The RBG offers five sets of propositions, namely "SimplyLife", "Aspire", "Privilege Club" and "Excellency", which cater to the "lower mass", "mass", "emerging affluent" and "mass affluent" customer segments, respectively, and "Emirati", which caters exclusively to UAE Nationals.

The "mass" customer segment includes customers who credit AED 5,000 or more in monthly salary transfers to their account with the Group or those who maintain a 'total relationship balance' with the Group of AED 20,000 or more. The "emerging affluent" customer segment caters for customers with a 'total relationship balance' with the Group of AED 200,000 or more (or monthly salary credits of AED 20,000 or more or a mortgage relationship of AED 1.0 million and above) and the "mass affluent" customer segment includes customers maintaining a 'total relationship balance' with the Group of AED 500,000 or more.

The SimplyLife business is being transformed, moving from a conventional product service to a digitally-driven mobile offering, with a new robust platform offering, various lending services including micro credit. "Aspire" consists of basic transaction accounts offering deposits, loans and credit cards along with access to online and mobile banking services. The "Privilege Club" and "Emirati" propositions, in addition to the services and products offered under "Aspire", provide access to a dedicated customer service officer and banking area, dedicated telephone number, wealth management products and lifestyle benefits. "Excellency" provides access to relationship managers (each of whom has been certified by the Chartered Institute for Securities and Investment), dedicated "Excellency" centres, a dedicated telephone number, wealth management solutions (including an investment platform offering a broad array of third party funds and strategies) and special lifestyle benefits. As at 31 December 2022, the RBG had over 1,000,000 "Aspire" clients, over 71,000 "Privilege Club" clients, over 95,000 "Emirati" clients, over 15,000 "Excellency" clients and over 160,000 "SimplyLife" clients. The retail clients of the Group's Islamic banking business (see "– *Islamic Banking Business*" below) are included within the "Aspire", "Privilege Club", "Excellency", "Emirati" and "SimplyLife" client numbers provided above.

The Group's merchant acquiring services business involves the installation of point of sale machines at a number of participating merchants' premises. Each credit or debit card transaction that a merchant undertakes with a customer on the point of sale machine is then processed by the Group, on behalf of the merchant, for which the Group earns a processing fee. The Group offers merchant acquiring services through various channels including point of sale, mobile point of sale and e-commerce. The Group has acquired more than 10,000 merchants as at 31 December 2022.

Products and Services

The principal products and services offered by RBG include:

- *Deposit and transactional accounts*: RBG customers are offered interest and non-interest bearing current accounts (which can be opened in a variety of currencies), savings accounts, term deposit accounts and call accounts of different maturities and yields. Customers can access their accounts by using their debit cards at the Group's network of ATMs, as well as through SMS, telephone, WhatsApp, internet and mobile banking channels;

- *Personal loans*: RBG customers are offered personal loans, which are extended for a number of general reasons and are denominated in UAE dirham;

- *Auto loans*: RBG customers are offered auto loans which are extended for the purchase of cars and are generally denominated in UAE dirham.

- *Mortgages*: RBG provides mortgages for the purchase of completed properties and off plan properties with fixed and variable interest rate options;

- *Credit cards*: RBG customers are offered Visa and MasterCard brands credit cards, including an ADCB 365 Cashback Credit Card with cashback on everyday spends 365 days of the year, along with many lifestyle benefits, as well as co-branded credit cards with LuLu Hypermarkets, the largest supermarket chain in the UAE, with Etihad Airways, the national airline of the UAE and with Accor, a leading hotel group;

- *Third party bancassurance products*: RBG also offers insurance solutions and services through partnerships with international and local providers including Zurich International Life, American Life Insurance Company (Metlife) and Oman Insurance Company; and

- *Open architecture investment product suite*: RBG offers both its own and third party investment products to its customers. Customers may subscribe to a range of investment instruments/solutions including ADCB managed funds, select from a curated list of mutual funds, fixed income securities and systematic investment plans.

Equivalents of the products set out above are available from Islamic Banking in line with the *Shari'a* compliant requirements.

Sales, Service and Distribution Channels

In order to both maintain long-term customer relationships and further expand its customer base, the Group maintains an extensive network of retail branches (including four uBank centres) in the UAE and a dedicated relationship management channel for select segment customers. The Group also services its clients through a network of alternative distribution channels, including ATMs, cheque and cash deposit machines, contact centres, Internet banking, phone banking, the Group's mobile banking application, SMS banking, WhatsApp and the "uBank" digital banking service.

Alternative distribution channels

The Group also maintains the following alternative distribution channels:

- *ADCB's internet banking system*: ADCB customers can conduct certain banking transactions such as account transfers, bill payments, opening of fixed deposits, booking credit card loans, viewing transaction history, tracking investment portfolios and conducting enquiries. ADCB FacePass, a new facial recognition feature facilitated by the Ministry of Interior was implemented for certain transactions to enhance digital banking security and convenience. As at 31 December 2022, over 570,000 customers had registered with the Issuer's internet banking system;

- *ADCB's mobile banking application*: ADCB customers can conduct certain banking transactions such as account transfers, bill payments, opening of fixed deposits, booking credit card loans, viewing transaction history, tracking investment portfolios and conducting enquiries through the Issuer's mobile banking application. ADCB FacePass, a new facial recognition feature facilitated by the Ministry of Interior was implemented for certain transactions to enhance digital banking security and convenience. As at 31 December 2022, over 1,100,000 customers had downloaded the ADCB mobile banking application;

- *ADCB Hayyak*: Launched in February 2019, ADCB Hayyak facilitates the digital on-boarding of new customers to ADCB. ADCB FacePass, a new facial recognition feature facilitated by the Ministry of Interior was implemented to enhance customer identification and verification. As of 31 December 2022, over 550,000 customers have been on-boarded through ADCB Hayyak;

- *ADCB SMS Banking*: allows ADCB customers to request information on transactions conducted on their accounts and to receive transaction alerts via SMS and/or email;

- *ADCB on WhatsApp:* the service, launched in November 2021, enables ADCB customers to request information on transactions conducted on their accounts, make bill payments and manage certain service requests via WhatsApp;

- *521 ATMs*: located throughout the UAE;

- *Contact centres*: call centres designed to assist customers with questions concerning consumer banking products and services. ADCB's contact centres are ISO 9001 certified; and

- *uBank*: ADCB operates four fully digital banking centres known as the "uBank" service with two locations in Abu Dhabi and two locations in Dubai. The "uBank" service uses biometric technology for authentication, interactive digital walls and surface tables along with video conferencing facilities through which customers can access financial guidance and support. Through the "uBank" service, customers have the ability to instantly open accounts and collect cheques from the kiosk. In addition, customers are able to conduct a number of routine banking transactions, including issuance and replacement of credit and debit cards, through a video assisted kiosk at the "uBank". The "uBank" service also has on-site service ambassadors to guide customers with transactions through the digital centre as required.

Competition for RBG

The retail banking market in the UAE is highly fragmented and includes a range of local and international banks. The primary competitors to the Group's conventional retail banking business are Emirates NBD, Mashreqbank, First Abu Dhabi Bank and HSBC. The Group attempts to distinguish itself from these local and international banks by striving to provide a full range of products and services, superior customer services, a customer centred approach, effective distribution channels and the "TouchPoints" rewards programme. In Islamic retail banking, the Group's principal competitors include Dubai Islamic Bank and Abu Dhabi Islamic Bank. Similarly, the Group attempts to distinguish itself from these local Islamic banks by drawing on its full service experience in order to provide a more extensive range of Islamic banking products and services than those offered by such local banks.

Awards

The RBG has been recognised as a leading provider of retail banking products and services in the UAE. At the Asian Banker Global Excellence in Retail Financial Services Awards 2023, ADCB was awarded the "*Best Retail Bank in the Middle East*" and the "*Best Retail Bank in UAE*". At the Asian Banker Middle East & Africa 2022 Excellence in Retail Financial Services Awards, ADCB's mobile banking application was awarded the "*Best Mobile Banking Service in the UAE*". At the Digital Banker Middle East and Africa Retail Banking Innovation Awards in 2022, the Group was awarded: (i) "*Best eKYC*" for its Mobile and Internet Banking platforms; (ii) "*Best Digital Transformation Program*" for its IPO Portal. At the Islamic Retail Banking Awards from Cambridge IFA in 2022, the Group won the award for the "*Best Islamic Retail Banking Window in the UAE*" for two consecutive years. At the MENA Banking Excellence Awards, ADCB Islamic Banking was awarded the "*Excellence in Employee Engagement*" for engagement initiatives with the distribution teams.

Egyptian Banking Business

The Group operates a retail banking business in Egypt through its subsidiary, ADCB-E. In Egypt, retail banking provides a wide range of conventional products and services across different retail client segments. These products and services are focused on covering the financial needs of its customers and include both lending and borrowing products, as well as a variety of payments, services and facilities. The service delivery is backed with a strong, multi-channel infrastructure. As at 31 December 2022, the ADCB-E network consisted of 49 branches and 154 ATMs. In addition, ADCB-E offers online banking services and mobile banking applications, which are supported by a customer contact centre that is open 24 hours a day.

Islamic Banking Business

The Islamic banking business is managed under the "ADCB Islamic Banking" brand, which offers *Shari'a*-compliant products and services to retail, corporate and treasury customers. The Group's suite of products and services available in *Shari'a*-compliant form are similar to its conventional offerings, including accounts (Millionaire Destiny Savings Account and Emirati Millionaire Savings Account), deposits, financing products (murabaha auto finance, murabaha personal finance and ijarah home finance), Islamic covered cards and third party investment products. This business forms a part of the Group's Islamic banking platform in conjunction with the Group's wholly-owned Islamic banking subsidiary, AHB. As at 31 December 2022, the Group's Islamic banking business had approximately 320,000 retail clients and approximately 3,800 corporate clients.

The Group's Islamic banking business experienced growth during 2022, with income from Islamic financing increasing by 20.2 per cent. to AED 2.4 billion in the year ended 31 December 2022 from AED 2.03 billion in the year ended 31 December 2021.

Al Hilal Bank

Following the Acquisition, the Group also offers *Shari'a*-compliant products and services to retail customers through its wholly-owned subsidiary AHB, which operates as a separate Islamic bank within the Group.

As at 31 December 2022, AHB had approximately 278,000 retail customers and maintained 13 branches in the UAE, two service centres and 69 ATMs. AHB's subsidiary, Al Hilal Bank Kazakhstan maintained three branches as at 31 December 2022.

Following the acquisition, the Group activated a digital strategy to turn AHB into a leading digital Islamic retail bank. In February 2022, AHB rebranded and launched a new cloud-based digital platform that offers financial solutions and a wide range of other services through an ecosystem of partnerships. Within eleven months of public launch, the app had acquired over 360,000 registered users on its marketplace representing total balances of AED 325 million and saw a conversion rate of 37 per cent. of these users into banking customers. In 2022, the app recorded high daily engagement rates with over 12,000 transactions conducted daily and an average of 20 minutes spent on the app per user each day. Customer feedback has been positive, particularly for the family value proposition that provides a highly differentiated experience, including gamified financial education for children. AHB is continuously enhancing the banking and e-commerce product and service offering on the app.

In April 2023, ADCB and Al Hilal Bank partnered with The Bank of London and the Middle East to offer digital UK banking to customers in the UAE through the newly launched ADCB-Nomo and Al Hilal-Nomo banking apps. The new partnership gives UAE residents easy access to UK banking opportunities. Customers will be able to open offshore UK current accounts from the UAE with access to multicurrency banking, mortgage and savings accounts.

PRIVATE BANKING AND WEALTH MANAGEMENT GROUP

The PBG offers a bespoke and highly personalised, end-to-end banking service for its discerning client base. The sophisticated product offering is bespoke and tailored to the client. Services range from innovative investment ideas, based on investment capabilities across all asset classes, to brokerage services wealth planning capabilities and an exceptional, tailored lending proposition, addressing client borrowing requirements. A dedicated relationship manager will deal with all of their clients' banking requirements and acts as a "one stop" contact point, ensuring business is transacted quickly and efficiently within a first-class service framework. For the year ended 31 December 2022, AED 411.6 million or 6.4 per cent. of the Group's net profit for the year was attributable to the PBG. Operating profit before impairment allowances attributable to the PBG for the year ended 31 December 2022 increased to AED 1.5 billion from AED 735.9 million for the year ended 31 December 2021. Impairment allowances attributable to the PBG for the year ended 31 December 2022 increased to AED 1.1 billion from AED 41.1 million for the year ended 31 December 2021. The PBG contributed 12 per cent. (or AED 1.7 billion) to the Group's total operating income of AED 14.3 billion for the year ended 31 December 2022 (as compared to 7.8 per cent. (or AED 960.4 million) to the Group's total operating income of AED 12.3 billion for the year ended 31 December 2021).

Wealth Management Investments

The group offers an open architecture platform which provides clients with access to a global set of mutual funds. The business product offering combines traditional long-only equity fund management with more bespoke discretionary portfolio management and investment advisory solutions, along with execution and custody services covering equity, fixed income, mutual funds and structured products. Additionally, the business also manages a range of Luxembourg domiciled Undertakings for Collective Investments in Transferable Securities mutual funds offering exposure to MENA equity markets.

The PBG offering is typically only extended on an invitation only basis, based on the client profile. The minimum eligibility criteria is the maintenance of a total relationship balance of at least U.S.$1 million.

In 2018, ADCB established a wholly owned asset management subsidiary, ADCB Asset Management Limited, in the Abu Dhabi Global Market ("**ADGM**") financial free zone. ADCB Asset Management Limited holds a category 3C license issued by the Financial Services Regulatory Authority with financial services permissions to conduct regulated activities including managing assets, arranging and advising on investments, arranging custody and arranging credit.

Bespoke Lending

As well as a full suite of retail lending products, the group provides more bespoke lending based on individual client needs. This covers a wide range of collateralised lending, with a specific focus on real estate loan structuring to meet client's diverse requirements.

ADCB Securities

Founded in 2005, ADCB Securities is ADCB's brokerage house which offers its customers access to trade through the UAE's stock exchanges. ADCB Securities is regulated by the UAE Securities and Commodities Authority for trading in the Abu Dhabi Securities Exchange, the Dubai Financial Market and NASDAQ Dubai.

Competition

The private banking market in the UAE is fragmented and includes a number of local peer banks and a proliferation of international bank representative offices. Examples of local competitors include Emirates NBD and First Abu Dhabi Bank. The Group distinguishes itself from both local and international banks by having a "one contact point" relationship manager, looking after all client's investment, brokerage and borrowing needs. This approach is combined with the ability to leverage and showcase a full range of innovative products and services, combined with a superior service culture, where the client is at the centre of everything the group does. The Bank's branch network, end-to end banking product offering, combined with regular local relationship management presence and 'on the ground', local market expertise, differentiate the group from international competitors.

CORPORATE & INVESTMENT BANKING GROUP

The corporate & investment banking group provides corporate lending, trade finance, working capital finance, liquidity management, transactional banking and capital markets and advisory services to SMEs, local, regional and multinational corporate entities, government and government-related entities and financial institutions. CIBG was previously referred to as the wholesale banking group and was renamed CIBG in June 2023 to better reflect the scope of banking services the group provides to clients across the region.

CIBG is organised into four distinct client-focused divisions: (i) the commercial banking division, which focuses on SMEs and mid-sized corporates; (ii) corporate & investment banking Abu Dhabi and Al Ain, which provides comprehensive banking solutions to large scale corporates, government-related commercial entities, and government clients based in the Emirate of Abu Dhabi; (iii) corporate & investment banking Dubai and Northern Emirates, which focuses on corporate and government clients operating in the Emirates outside of Abu Dhabi; and (iv) corporate & investment banking international, which provides services to multi-national corporates requiring banking solutions in the UAE, international and regional financial institutions, and corporate and government clients based throughout the MENA region.

CIBG's product-focused divisions include the: (i) transactional banking division, which offers both cash management and trade finance solutions (including sophisticated automated platforms) to provide end-to-end optimisation of a corporate's working capital cycle; (ii) investment banking division, which focuses on conventional and Islamic debt capital markets instruments including debt underwriting and distribution services, structured asset and acquisition financing, debt restructuring, corporate advisory and structuring services, equity capital markets solutions, funding services, evaluation of mergers and acquisitions and joint venture opportunities; and (iii) financial markets solutions division, which offers investments and risk management solutions such as foreign exchange, commodity and interest rate hedging.

As at 31 December 2022, CIBG had more than 40,700 active customers, the majority of which were based in the UAE.

For the year ended 31 December 2022, net profit of AED 1.8 billion or 27.9 per cent. (31 December 2021: net profit of AED 913.4 million or 17.4 per cent.) of the Group's net profit for the year was attributable to CIBG. Operating profit before impairment allowances attributable to CIBG for the year ended 31 December 2022 increased to AED 3.3 billion from AED 2.8 billion for the year ended 31 December 2021. Impairment allowances attributable to CIBG for the year ended 31 December 2022 decreased to AED 1.3 billion from AED 1.8 billion for the year ended 31 December 2021. CIBG contributed 31.7 per cent. (or AED 4.5 billion) to the Group's total operating income of AED 14.3 billion for the year ended 31 December 2022 (as compared to 31.4 per cent. (or AED 3.9 billion) to the Group's total operating income of AED 12.3 billion for the year ended 31 December 2021).

Client-Focused Divisions

Commercial banking division

The commercial banking division provides SME customers (entities with annual revenue of less than AED 250.0 million) with a wide range of products and services including cash management, trade finance, business/commercial financing and deposit services. In order to control the costs of and risks associated with the services it provides to its SME clients, the division provides clients with relatively standardised packages of services rather than separate solutions for each individual client. The Group added over AED 2.5 billion net new funded SME loan accounts (including long- and short-term loans and overdrafts) among new and existing customers in the year ended 31 December 2022. As at 31 December 2022, the Group had approximately 34,100 SME customers. At the beginning of 2023 the mid-corporate segment was transitioned to be part of the commercial banking division, bringing all granular business under the same division. The structure of the mid-corporate coverage units remains unchanged with a dedicated relationship team in each geography specifically focusing on entities with annual revenue of between AED 250.0 million and AED 600.0 million.

Abu Dhabi & Al Ain and Dubai & Northern Emirates

Each of the Dubai and the Northern Emirates and the Abu Dhabi and Al Ain divisions offers a full range of banking products and services to large corporates (companies with annual revenues over AED 600.0 million), multi-national businesses, government-related commercial entities and governments and their departments across their respective geographic locations.

Corporate & Investment Banking International

The corporate & investment banking international division was established to provide coordination of overseas activities following the closure of the Group's representative offices (see "– *International Expansion*" below). The division focuses on corporate & investment banking clients who have global operations or which are based outside of the UAE, including multi-national corporates requiring local banking services. The remit of the former GCC business has been expanded to offer facilities to clients with linkages to India, other GCC countries and clients in the wider MENA region requiring the services of a UAE-based bank. The unit also services a small portfolio of major Egyptian government and corporate clients, who also have relationships with ADCB-E. Corporate & investment banking international is responsible for managing the Group's relationships with over 1,000 financial institutions (including non-bank financial institutions) located around the globe. These financial institutions comprise banks, finance and investment companies, asset managers, broker dealers, commodity houses and insurance companies. The division provides a range of trade finance, treasury, financing and other products and solutions to these financial institutions. The division is also responsible for maintaining nostro (where the Group holds an account with other financial institutions) and vostro (where other financial institutions hold an account with the Group) client relationships. In addition, the division remains responsible for the allocation of exposure to other relevant areas of the Group, including the treasury and investments group.

Product-Focused Divisions

Transaction banking division

The transaction banking division provides corporate banking services to support the corporate & investment banking group's client-focused divisions. The division offers cash management, trade services and trade finance products as well as liability products such as call accounts, fixed deposits and money market related deposits. The division's principal products and services include:

- *Cash management*: managing cash accounts, cash management solutions for large or government clients, including through the use of a sophisticated electronic platform enabling integration of internal and external information management between the Group and the client through secure information technology architecture, and payment and collection products for its corporate and financial institution clients. It also provides escrow services and is closely involved in the management of deposit products;

- *Trade finance*: providing trade finance products and services such as export/import letters of credit, payment guarantees, bills and collections. Trade services can be offered on a proprietary electronic platform which automates activity; and

- *Liability products*: providing and managing liability products, including deposits.

The Group is focused on significantly enhancing its transaction banking capabilities, including its trade finance and cash management capabilities. With respect to trade finance, the Group has: (i) aligned its corporate & investment banking group coverage teams (both internally and with the credit group); (ii) built capacity for structured transactions, including the development of an Islamic trade finance delivery channel; (iii) launched an advanced internet-based trade finance platform to automate the Group's trade finance offerings and enhance its capabilities; and (iv) reviewed and streamlined documentation practices.

With respect to cash management, the Group: (i) has increased the number of clients (including government clients) using the Group's cash management capabilities; (ii) has launched programmes to strengthen deposit retention, drive the acquisition of deposits and cross-sell existing products; (iii) is providing yield enhancing, principal protected investments through the treasury & investments group; (iv) is exploring opportunities for providing transaction management services to niche customer groups such as universities, law and accounting firms and insurance companies; (v) is focusing on acquiring *Shari'a*-compliant deposits;

(vi) has developed a sophisticated electronic system to deliver end-to-end cash management; and (vii) is offering streamlined processing and payment options.

Investment banking division

The investment banking division primarily provides corporate advisory, origination, structuring, underwriting and syndication services to corporations, financial institutions, governments and government-controlled entities.

The division offers its products and services primarily to clients in the UAE, especially in Abu Dhabi and Dubai, as well as to clients in other GCC countries. The division does not focus on any particular industries or sectors and has provided products and services to a diverse range of large corporates across the region. The division also works with international banks as an arranger or lead manager in international debt offerings by GCC issuers with the aim of positioning itself as the preferred local partner of such international banks rather than directly competing with them.

The division's principal investment banking products and services include:

- *Asset-based finance*: offering asset-based finance (infrastructure and project financing) to local or multinational corporates;

- *Debt capital markets*: structuring and arranging conventional bonds (including convertible bonds) on a syndicated or stand-alone basis. The division also offers structured and standardised Islamic finance, including *Shari'a*-compliant financing and sukuk issuances for its institutional clients, and intends to grow its Islamic debt capital markets business significantly in the future;

- *Equity capital markets*: structuring and arranging equity placements, offerings and sales on a public or private placement basis;

- *Structured financing and debt restructuring*: offering structured asset finance, acquisition finance (including leveraged finance) and debt restructuring for local and multinational corporates; and

- *Corporate advisory and structuring*: providing corporate advisory and structuring services to clients to facilitate complex structured financing transactions. In addition, the division assists with investment management, transaction negotiation, performing due diligence and asset valuations for sellers.

The division also manages the Group's strategic investments and certain of the Group's proprietary investments. In addition, the investment banking division seeks and evaluates strategic opportunities for the Group, such as mergers and acquisitions and joint ventures, and performs valuations of assets for investment purposes.

Financial markets solutions division

The financial markets solutions ("**FMS**") division primarily provides foreign exchange and risk management solutions such as interest rate swaps and other hedging structures, as well as offering suitable treasury investment products to selected CIBG clients. The division was transferred to CIBG from the treasury and investments group pursuant to an internal reorganisation effective from 1 January 2023. The FMS business is relationship driven and FMS products, such as derivatives and currency exchange, are closely linked to other CIBG solutions such as lending and cash management.

Risk, Support and Enablement

As part of driving efficiency, CIBG has further refined the organisational structure by clearly differentiating front and middle office operations. The enlarged risk, support and enablement team includes administrative and support staff assisting the coverage teams which have been reorganised into a dedicated support service operation. The support services teams manage day-to-day client communications, queries and internal and external service requests, allowing relationship managers to focus on client relationships and revenue generation, while experienced senior bankers concentrate on building new business leads. The other divisions under risk, support and enablement include (i) the credit support services team which supports relationship managers through analysis of initial business risk and credit analysis, portfolio monitoring, document exception management, quality controls and assurance over front office activities, as well as preparing submissions to be forwarded to the Group's credit department; (ii) the governance, policy and control team responsible for corporate & investment banking product governance, risk management and liaison with Group risk functions including operational risk, compliance and internal audit; and (iii) the newly established delivery management team responsible for project managing all of CIBG's digital and process efficiency initiatives to ensure delivery of a strong digital proposition for corporate clients.

Portfolio Management

The portfolio management division was created in early 2021 to manage and monitor the entire CIBG corporate & investment banking business. This includes a business performance and analysis team responsible for coordinating and sourcing data to assess performance at portfolio level and providing management information system reports to corporate & investment banking sales teams to facilitate efficient sales activity and support strategic decision-making. The division is responsible for managing the balance sheet of the corporate & investment banking group, including monitoring liquidity requirements and funding ratios, as well as exploring opportunities to optimize the capital consumption and sector exposure in the lending business.

International Expansion

In 2021 and 2022 the Group discontinued its on the ground operations in Kuwait, Qatar and India, and has since been focusing on growing cross border exposure in Egypt, Saudi Arabia and furthering business opportunities in Kazakhstan, Oman and the wider GCC. Regional expansion and facilitating cross border financing and trade activities within the MENA region continues to be a focus for CIBG going forward.

Competition for Corporate & Investment Banking Group

The primary competitors to the Group's corporate & investment banking business include Emirates NBD, First Abu Dhabi Bank and Mashreqbank. The Group also competes with certain international banks such as HSBC, Standard Chartered Bank, Barclays and BNP Paribas. In debt capital markets and securities underwriting and distribution, the Group typically works with international investment banks such as Bank of America, Goldman Sachs, Citibank, Morgan Stanley and UBS as co-lead or joint managers, rather than competing with them.

Certain aspects of the Group's corporate & investment banking business, including access to deposits and trade finance, have become increasingly competitive due to tight domestic liquidity conditions for term deposits and a renewed focus on non-funded lending by local banks. Foreign bank participation in public sector financing has had a significant downward effect on margins in this area.

In Islamic corporate & investment banking, the Group's principal competitors include Abu Dhabi Islamic Bank PJSC, Dubai Islamic Bank PJSC and Islamic subsidiaries of local and international banks.

Awards

In 2022, the Group was named: (i) "Best Trade Finance Provider in UAE" by Global Finance; and (ii) "UAE Domestic Trade Finance Bank of the Year" by Asian Banking and Finance's Wholesale Banking Awards 2022.

TREASURY & INVESTMENTS GROUP

The treasury & investments group manages the Group's commercial and proprietary financial markets operations and investment securities portfolios.

For the year ended 31 December 2022, the Group's treasury & investments group generated an operating income of AED 3.5 billion representing 24.7 per cent. of the Group's total operating income and a net profit of AED 3.2 billion representing 49.1 per cent. of the Group's total net profit. Operating profit before impairment allowances attributable to the treasury & investments group for the year ended 31 December 2022 increased to AED 3.2 billion from AED 2.7 billion for the year ended 31 December 2021. The impairment allowances attributable to the treasury & investments group for the year ended 31 December 2022 were a release of AED 14.1 million compared to charge of AED 35.4 million for the year ended 31 December 2021. The treasury & investments group contributed 24.7 per cent. (or AED 3.5 billion) to the Group's total operating income of AED 14.3 billion for the year ended 31 December 2022 (as compared to

24.4 per cent. (or AED 3.0 billion) to the Group's total operating income of AED 12.3 billion for the year ended 31 December 2021).

Treasury Division

The treasury division ("**Treasury**") offers a range of treasury services on a conventional and Islamic basis to domestic and foreign corporates, sovereign wealth funds, central banks, public sector and government entities, as well as to HNWI clients, international investors and financial institutions.

Treasury is responsible for managing the Group's cash flow and liquidity as well as the Group's foreign exchange, investments and interest rate risks within delegated limits. The Group's LCR and NSFR exposure is monitored on a daily basis whilst internal liquidity and funding metrics are monitored periodically within the Group's Assets and Liabilities Committee (the "**ALCO**") and the Board.

Treasury uses derivative financial instruments for balance sheet hedging purposes in order to manage the Group's exposure to fluctuations in currency and interest rates. Treasury at times also manages risk taken as a result of client transactions or initiates positions with the expectation of profiting from market movements. As at 31 December 2022, the total positive fair values and notional values of the total derivative financial instruments was AED 15.2 billion and AED 773.2 billion, respectively.

Treasury manages liquidity, interest rate and foreign exchange risks by running stress scenarios involving changes to market parameters including customer behaviour through Moody's RiskFoundation ALM Software. The software allows the Group to assess liquidity under different market conditions and be proactive in its balance sheet management strategies.

Treasury has diversified its funding via active short-term liquidity management through repo trading and collateral swaps. This activity is executed via the tripartite and bilateral repo markets.

Investments Division

The Group's investments division manages the Group's liquid assets portfolio as part of its compliance with the regulatory requirements of the Central Bank. Its investment strategy targets investments that: (i) do not compromise the Group's short to medium term liquidity positions; (ii) are in line with Central Bank and Basel III guidelines for HQLAs; and (iii) satisfy the Group's low risk appetite but generate attractive returns on capital. The investments are evaluated regularly and recorded on a mark-to-market, mark-to-model or amortised cost basis on the Group's statement of financial position.

As part of its LCR liquidity reporting and compliance, the Group's investments division invests in various short-term or medium-term, highly marketable assets in line with Basel III guidelines for HQLAs (such as certificates of deposit, M-bills held with the Central Bank, Treasury bonds and sukuk issued by the UAE Government and investment grade bonds). As at 31 March 2023, the Group held a portfolio of HQLAs valued at AED 93.3 billion as compared to AED 102.7 billion as at 31 December 2022. See "*Risk Factors – Risk Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – Risks relating to the Group's liquidity – 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 – Recent Trends in Banking – Liquidity*" for more information.

The Group's investments are primarily in highly liquid sovereign, quasi-sovereign and government-related senior unsecured fixed income securities issued by UAE, GCC and global issuers. The majority of the Group's local liquidity is invested in government bonds and other government-related public sector entities in the UAE and systemically important financial institutions in the UAE and the GCC.

As at 31 December 2022, 99.1 per cent. of the Group's investment portfolio was invested in quoted and unquoted fixed income securities. The remaining 0.9 per cent. was invested in quoted and unquoted equity and private equity funds.

As at 31 December 2022, the investments division had: (i) U.S. Treasury and U.S. agency securities of AED 7.3 billion; (ii) a portfolio of AED 13.1 billion of investments in government bonds of Canada, France, Japan and Italy; and (iii) a portfolio of AED 16.9 billion of investments in senior fixed income securities issued by sovereigns and quasi sovereigns in the PRC, South Korea, Taiwan, Hong Kong, Indonesia, India, Malaysia, Egypt, Israel and Chile and AED 1.0 billion of investments in supranational bonds. The carrying value of the total investment securities portfolio managed by the Group's investments division grew from AED 96.5 billion as at 31 December 2021 to AED 112.0 billion as at 31 December 2022.

The table below sets forth the Group's investment securities on the dates indicated.

	As at 31 December	
	2022	2021
	(AED millions)	
Investment securities	112,011	96,513

The Group's investment securities portfolio outside the UAE and GCC was 40 per cent. of its total portfolio as at 31 December 2022. Asset allocation has primarily been to highly liquid senior unsecured bonds of systemically important institutions with liquidity being the key investment criteria. The geographical distribution of the Group's investment securities portfolio as at 31 December 2022 was AED 41.2 billion (36.8 per cent.) in the UAE, AED 26 billion (23.2 per cent.) in other GCC countries and AED 44.8 billion (40.0 per cent.) in the rest of the world (including Asia, Europe, the United States and other locations).

As at 31 December 2022, the Group had bond investments carried at fair value through other comprehensive income portfolio of AED 54.9 billion. The external credit rating profile, by reference to Standard & Poor's rating scale (or, where a Standard & Poor's rating was unavailable, a comparable Fitch or Moody's rating), of the Group's bond investments as at 31 December 2022 was: (i) AED 19.9 billion (or 36.3 per cent.) rated between 'AAA' and 'AA-'; (ii) AED 20.2 billion (or 36.9 per cent.) rated between 'A+' and 'A-'; (iii) AED 7.2 billion (or 13.1 per cent.) rated between 'BBB+' and 'BBB-'; (iv) AED 6.5 billion (or 11.9 per cent.) rated between 'BB+' and 'B-'; and (v) AED 1.0 billion (or 1.8 per cent.) being UAE sovereign bonds.

As at 31 December 2022, the Group had gross bond investments carried at amortised cost portfolio of AED 56.2 billion. The external credit rating profile, by reference to Standard & Poor's rating scale (or, where a Standard & Poor's rating was unavailable, a comparable Fitch or Moody's rating), of the Group's bond investments carried at amortised cost as at 31 December 2022 was: (i) AED 29.9 billion (or 53.2 per cent.) rated between 'AAA' and 'AA-'; (ii) AED 17.43 billion (or 31.0 per cent.) rated between 'A+' and 'A-'; (iii) AED 6.7 billion (or 11.9 per cent.) rated between 'BBB+' and 'BBB-'; (iv) AED 1.9 billion (or 3.4 per cent.) rated between 'BB+' and 'B-'; and (v) AED 0.3 billion (or 0.5 per cent.) being UAE sovereign bonds.

For more information about the risks associated with these investments, see "*Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – Risks relating to the Group's Business – 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*".

Competition for Treasury Operations

The management of the Group believes that the Group has market leading expertise in derivative products and structured treasury solutions as compared to other local banks. In addition to competing with the local UAE banks, the Group competes with a number of international banks in this business, including HSBC, Standard Chartered Bank, Citibank and Deutsche Bank. These banks have a wealth of experience in international treasury operations and market knowledge in this area and may pose a threat to the Group's franchise in the UAE market. However, management believes that the Group's strong relationships with mid-sized corporates, top-tier local corporates, public enterprises, SMEs and domestic financial institutions, combined with its treasury products expertise, will help sustain or enhance its market position in the foreseeable future.

PROPERTY MANAGEMENT

The property management group mainly comprises the real estate management operations of:

- ***Abu Dhabi Commercial Properties LLC***: which is a wholly-owned subsidiary whose principal activities consist of providing real estate property management and advisory services, including facilities management; and

- ***Abu Dhabi Commercial Engineering Services LLC***: which is a wholly-owned subsidiary whose principal activities consist of providing project management and development services.

In addition to the above, notable real estate assets in Abu Dhabi owned by the Group include: (i) the Group's head office building, situated in the central business district area of Abu Dhabi City; (ii) the Group's office building, situated at Al Nahyan Camp in Abu Dhabi City; (iii) a mixed use building named "AD1" at Abu Dhabi National Exhibition Centre, part of the Capital Centre District; (iv) an apartment building consisting of 58 apartments and 15 standalone villas in the Bawabat Al Sharq Development, Bani Yas, Abu Dhabi, (v) former UNB head office building in Abu Dhabi City, (vi) Al Hilal Bank's head office building at Al Bahar Towers and (vii) four vacant plots on Al Reem Island.

In addition, the Group owns a number of buildings across the UAE associated with its business operations as part of its branch network, corporate space and storage facilities.

For the year ended 31 December 2022, the Group's property management group generated net profit of AED 145.5 million, representing 2.3 per cent. of the Group's total profit for the year. Operating profit attributable to the property management group for the year ended 31 December 2022 decreased to AED 145.5 million from AED 156.6 million for the year ended 31 December 2021. The property management group contributed 2.3 per cent. (or AED 330.5 million) to the Group's total operating income of AED 14.3 billion for the year ended 31 December 2022 (as compared to 2.5 per cent. (or AED 311.6 million) to the Group's total operating income of AED 12.3 billion for the year ended 31 December 2021).

As at the date of this Base Prospectus, the Group is exploring the possibility of divesting its interest in ADCP.

DIGITISATION

The Group is committed to adopting the latest banking and technological innovations in order to provide its customers with a convenient banking experience. In line with this strategic focus on digitisation, the Group has dedicated significant resources to the development of its digital offering and has instructed external consultants to advise on the implementation of its digitisation initiatives. The Group plans to continue to invest in digitisation as it strives to remain competitive and to provide its customers with access to banking services remotely and digitally (see "*Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – Risks relating to the Group's operations – If the Group is unable to anticipate and develop or provide new digital services for its customers and/or keep pace with the digitisation of the banking market, the Group's business, results of operations and financial condition could be materially adversely affected*").

As at the date of this Base Prospectus, the Group's existing digitisation initiatives include the following:

- *uBank*: The Group operates four fully digital banking centres, known as the "uBank", across locations in Abu Dhabi and Dubai. The "uBank" service uses biometric technology for authentication and interactive digital walls and surface tables along with video conferencing facilities through which customers can access financial guidance and support (see "*Retail Banking Group – Sales, Service and Distribution Channels – Alternative distribution channels*" above);

- *The Group's customer applications*: The Group's dedicated customer applications enable the Group's customers to conduct certain basic transactions through their personal devices, such as account transfers, bill payments, enquiries, cash management and securities brokerage services, in addition to viewing location-based offers and searching residential and commercial properties for rentals. As at 31 December 2022, the Group had more than 10 customer applications including an instant account opening application; a digital wealth application; a mobile banking application; "money buddy" – a personal finance management application; a location-based offers application; a cash management mobile application for corporate clients; an ADCP tenant application; and an ADCB Securities LLC application;

- *The Group's website:* The Group's website is designed to be easily navigable by the Group's customers, prospective customers, and stakeholders and to allow them to readily access information about the Group and its products. The website is responsive across different platforms, including desktop, mobile and tablet;

- *The Group's internet banking system*: The Group's internet banking system provides the Group's customers with the ability to conduct certain banking transactions online, such as account transfers, bill payments, opening of fixed deposits, booking credit card loans, viewing transaction history and conducting enquiries. As at 31 December 2022, over one million customers had registered with the Group's mobile banking channel;

- *Trade Finance services*: The Group's Trade Finance services were digitised through an improved workflow and portal. At the 2022 ABF Wholesale Banking Awards, ADCB won the UAE Domestic Trade Finance Bank of the Year award;

- *Virtual Accounts*: The Group has optimised the accounts receivables process for corporate customers through enhanced technology, enabling customers to consolidate bank accounts and centralise transactions;

- *SMS alerts*: The Group's customers can request information on transactions conducted through the Group's mobile banking application and receive transaction alerts via SMS;

- *Digital Wealth*: The Group's Digital Wealth Management system offers comprehensive wealth eco-system for retail and private banking clients. In 2022, ADCB won the "Leading Wealth Tech Adopter of Middle East 2022" award at the Middle East WealthTech Awards;

- *Lifestyle App:* The Group's lifestyle platform, SimplyLife, focuses on the mass market customer and provides access to digital financial products and services, offers options for financial spending and creates value with discounts and returns through a single app; and

- *Digital Onboarding:* The Group's digital onboarding app, Hayyak, provides an end to end automated digital solution to self-onboard individual customers with the ability to open accounts, credit cards and personal loans. Hayyak won "Best Customer Onboarding app" at the Asian Banker Awards 2021.

GROUP BUSINESS SERVICES

The Group Business Services ("**GBS**") division comprises a number of key support functions which operate across the Group network. The GBS has grown to comprise of over 2,500 staff as at 31 December 2022. Headed by the Group Chief Operations Officer, GBS is organised by the following three core functions.

Itmam Services L.L.C. ("Itmam")

Itmam is a wholly-owned subsidiary of the Group which provides banking operational and processing services (such as account and wealth services, lending, credit card operations, payments, customer contact services, trade finance, wealth management, treasury, syndication, IPO operations and ATM services) to all parts of the Group. Itmam forms part of the GBS organisational structure and is governed by its own board of directors. Its Chairman is the Chief Operations Officer of ADCB. Itmam's structure includes a general manager and six key operational service divisions: (i) Consumer Operations; (ii) Wholesale Operations; (iii) Customer Contact services; (iv) Treasury and Syndication Operations; (v) Corporate Services and (vi) Shared Services & Operations Management, which includes "Tamooha", the Group's award-winning operations centre, staffed entirely by UAE national females in Al Ain.

In May 2019, subsequent to the announcement of the Acquisition, the operations at AHB were outsourced to Itmam to leverage the existing scale, efficiency, control and best practices at Itmam.

The Corporate Services team in Itmam also plays a pivotal role in providing a safe environment to ADCB's customers and employees, implementing safety measures and controls across all ADCB branches and office premises to manage the COVID-19 pandemic.

Itmam continues to invest in transforming its operations towards 'Digital First'. Itmam has spearheaded a number of digital transformation initiatives. Recent successes include the WhatsApp banking service and the automation of payment enquiries. There are sizeable initiatives towards contact centre transformation and lending automation that are work in progress.

Group Service and Customer Experience Management

The group service and customer experience management division supports the bank-wide "service excellence initiative", innovation initiatives, service optimisation strategies and a number of key change projects across the Group.

Technology Services

The technology services division architects, designs, develops and supports the Group's business systems landscape and IT Infrastructure. This division manages the Group's servers, data centres and the network supporting the Group's branch networks and offices connectivity across the UAE and internationally. Providing support for the Group applications running in production, the division assists the business groups in planning their requirements, architecting and designing IT solutions, managing business projects, conducting software testing, managing the ADCB hardware and software framework and is responsible for governance, risk mitigation, contracts, licensing and service changes.

In 2020, the technology services division focused on the delivery of the milestones for the Merger including the legal merger, the brand merger and branch network merger, customer data migration and the final phase of IT systems archival and decommission to achieve merger synergies. This included the centralisation of governance and contracting functions as well as the organisational restructuring of IT to be able to run two banks' IT landscapes by one IT team until the final consolidation and shutdown of similar systems could be completed. In parallel, the technology services division delivered on the digital programme, as well as on improvements in the customer channels and in the operational productivity with a target to reduce cost. The IT department also scaled-up work-from-home infrastructure and capabilities allowing the Bank to function seamlessly during the COVID-19 pandemic lockdowns.

The technology services division also enables a convenient and efficient service to the Group's customers, offering a range of mobile and electronic banking services for Retail & Brokerage, Islamic, Corporate and Private Customers. This includes Internet banking, the Group mobile banking services, telephone banking, customer on-boarding, SMS banking, corporate cash management, trade finance as well as API-based B2B services for partners.

The Group's disaster recovery procedures and facilities ensure that critical systems and data are fully operational and provide essential services to its customers. The Group carries out daily and other periodic data backups which are stored at a location outside of Abu Dhabi. In cases of emergency, the Group can switch over selected critical systems to the disaster recovery site within four hours. The Group's data centre is located outside the city limits of Abu Dhabi in a facility providing technical facilities certified as Tier IV in accordance with the Uptime Institute (which publishes a standard guiding design and investment for data centres globally).

GROUP SUSTAINABILITY POLICY

In June 2022, the Group published its Group Sustainability Policy (the "**Policy**"), the purpose of which was to define ADCB's sustainability commitments in line with the Group's strategy. The Policy establishes a common set of standards across the Group with a focus on the following ESG areas: (i) Climate; (ii) Customers and Communities; (iii) Employees; and (iv) Governance. Under the Climate pillar of the Policy, the Group has committed AED 35 billion to green financing by 2030 to support customers in their decarbonisation journey, to develop innovative financial products and services to help corporate and retail customers reduce their emissions and tackle climate change, and to work towards disclosure of the financed emissions of its most carbon intense portfolios on a scope three basis. The Group has further committed to integrate environmental and social risk management due diligence into its lending business, with a Board approved policy detailing its approach to identifying, assessing and mitigating risks.

HUMAN RESOURCES

Employees

The Group had 8,464 employees as of 31 December 2022 compared to 7,987 as of 31 December 2021. In addition to the total number of employees reported as of 31 December 2022, the number of outsourced staff as of 31 December 2022 was 891, compared to 649 as of 31 December 2021.

Investment in people remains a key focus in order to prepare employees to effectively adapt and manage challenges.

Learning and Performance

To continuously improve organisational and cultural health within the Group, ADCB trains and develops its new and existing employees so that the Group and all of its business functions are supported by the skills required for operational success. The Group has created a tailored learning approach for each of its business lines that seeks to ensure staff have the abilities required to achieve the Group's strategic goals.

The Group's training and development related activities are delivered through a blended learning approach incorporating both in-class tailored programmes and virtual classrooms or online learning modules, which are designed to support the business needs across all units. These programmes are run internally by Group employees or, where external facilitation is required, in partnership with some of the world's leading corporate education providers.

The Ambition University ("**AU**") is the Group's corporate university which aligns and integrates employees' development with the Group's strategic initiatives both at an organisational and business level. The AU undertakes business-driven training designed to add value to the Group's business, shareholders and customers.

Reward at ADCB

ADCB's approach to reward ensures that it can attract, retain and motivate employees capable of leading, managing and delivering quality service in a competitive environment, which supports ADCB's strategic pillar of setting up and empowering its executive team and organisation. Furthermore, ADCB's reward philosophy is underpinned by practices and policies that promote effective risk management, which is aligned to its strategic pillar of effective governance in line with a predefined risk appetite.

ADCB designs and structures remuneration and benefits packages so that they reflect responsibilities and deliverables of jobs at all levels, are fair and equitable, and incorporate clear and measurable rewards linked to ADCB's business function and individual performance. Rewards are based only on the results of a rigorous performance-based appraisal system with a robust decision-making, review and approvals process.

ADCB's reward structure comprises "Fixed Pay", "Variable Pay" and "Benefits". The nature and level of the different benefits available for employees are dependent on the level of their job and include leave air-fare, paid annual leave, private medical insurance, life insurance coverage, children's education allowance, end of service gratuity (for expatriate employees) and pension (for UAE and GCC national employees).

Employees may receive Variable Pay based on their performance over the years. Since it is performance-based, the amount received, if any, may change each year. Performance criteria is set and individual award amounts are dependent on individual, business function and bank-wide performance. Variable Pay distinguishes between different functions of ADCB to ensure alignment to the relevant market. Importantly, ADCB has designed its Variable Pay framework to align employee interests with the long-term interests of ADCB's shareholders and, in some instances, is delivered through share awards. Any Variable Pay award above specified thresholds will be deferred and awards are subject to thresholds, caps, claw-back rules and malus clause.

In addition, ADCB has a number of short-term sales incentive plans in place to ensure that sales employees are incentivised and rewarded for achieving sales and revenue targets. Furthermore, a number of non-financial recognition schemes are in place for employees who deliver exceptional customer service and demonstrate the Group's values.

ADCB's reward and benefits structures are continually benchmarked and reviewed and ADCB participates in the major compensation surveys in the region annually. Furthermore, ADCB initiates an independent review of the reward structure regularly to allow for comparisons with the external market, both regionally and internationally.

Emiratisation

In 1999, as part of a policy of "Emiratisation", UAE banks were instructed by the UAE federal government to increase the number of UAE nationals on their payroll by at least 4 per cent. per annum. This policy was replaced by the Emiratisation Circular, which replaced the old quota system with a more robust points system. The Emiratisation Circular 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.

In line with this approach, the Group has made a commitment to employ and train UAE nationals. The Group's Emiratisation strategy supports the Group's position as a nationalisation leader across the UAE.

From 31 December 2020 to 31 December 2022, the number of Emirati employees in the Group has increased by 29 per cent. As of 31 December 2022, the Group had 1,910 UAE National employees within the Group. In addition, as a standard practice, the Group gives priority in recruitment and succession planning to UAE Nationals. This is further reflected through the Group's efforts, including its participation in career fairs and supporting year-round Emiratisation national initiatives. The Group plans to maintain the same drive and commitment to this initiative in the years ahead. In 2022, as with previous years, ADCB contributed to the Emiratization national agenda by recruiting 252 UAE nationals.

The Group's Emiratisation strategy, implemented through recruitment and employee selection as well as training programmes, enjoys the support and commitment of business heads and management across all business areas.

Developing UAE Nationals in the Group is given special and dedicated attention. In 2018, the Group successfully launched the ADCB Emirati Academy, providing a robust, fully customised, learning framework that supports development at all levels within the organisation. Therefore, the Group increased the financial dexterity of Emirati employees, focusing on enhancing their competencies and confidence as individual subject matter experts and team contributors.

As an organisation, the Group is focused on empowering Emirati women in the banking industry. The Group supports this employment initiative through the Tamooha programme. The Tamooha programme continues to grow, attracting more Emirati women who are seeing the Group as an employer of choice. Since it began in 2014, this programme has attracted and continues to attract Emirati women, facilitating job opportunities and career development, providing an environment that suits social norms, family responsibilities and overcomes regional barriers such as geographical remoteness. This award-winning inclusivity initiative for Emirati women celebrated its seventh anniversary in 2021. In 2016, this initiative was recognised at the Gulf Employee Experience Awards, and in 2017, "Tamooha" won the "Best Initiative" award at the Global Women in Leadership Economic Forum.

In line with the Government's Strategy and Abu Dhabi Economic Vision 2030 to increase the participation of UAE Nationals in the workforce, the Group is also supporting young Emirati talent, enabling them to become a driving force of the UAE's economic development. In 2019, the Group committed to on-board a group of talented young Emiratis under its new "Train for Work" project. In response to this initiative, the Group received a recognition award from Mubadala in partnership with the Abu Dhabi Human Resources Authority and the Zayed Higher Organization for People of Determination. In 2020, ADCB invested in a new initiative called "The Bankers Programme" as a comprehensive plan developed in collaboration with ADGM Academy and Academy partner, The London Institute of Banking & Finance. New Emirati trainees were on-boarded through this programme which has been designed to develop and enhance the participant's knowledge and understanding of banking and finance, and to equip them with the skills required from a modern banker. In 2021, the Group continued to invest in onboarding new Emiratis to The Bankers Programme. This programme takes an international perspective, looking at banking and finance products, services and processes from different angles in order to build strong business acumen and develop analytical skills early on.

In 2021, the Group commenced a new initiative: "The Retail Sales Specialist Programme", which was implemented in 2022. This initiative was developed in collaboration with ADGM & London Institute of Banking & Finance. It focuses on creating employment for UAE nationals in the retail banking industry, specifically within the sales sector. The overall objective of the programme is to train fresh graduates to be specialised in sales and supporting them in being assigned a sales role, in order to create confident and skilled specialist bankers capable of delivering a superior service, thereby helping to build the Group's portfolio and develop opportunities through personal banking solutions.

The Group aims to continuously support the national initiatives of Emiratisation and invest efforts on this matter in the upcoming years.

LITIGATION

There were a number of ordinary course legal proceedings pending against the Group as at 31 March 2023, the value of which was not material in the context of the Group's balance sheet. Based on the advice of the

Group's legal advisers, executive management believes that no significant liability is likely to arise from these proceedings. Pending legal proceedings are reviewed on an ongoing basis and provisions are made at the end of each fiscal quarter, where appropriate.

INSURANCE

The Group maintains various insurance policies and coverage. These include standard property insurance coverage for its assets (premises and contents), bankers' blanket bond coverage, general liability insurance, crime insurance coverage, cyber-crime and cybersecurity coverage, staff private medical and life insurance coverage and professional indemnity insurance coverage. The Group also maintains a limited terrorism insurance cover (based on commercial viability) for its assets in the UAE. The Group's assets are generally insured on a reinstatement cost basis. The Group's aim is to maintain market standard insurance coverage.

MANAGEMENT

BOARD OF DIRECTORS

ADCB's Board of Directors (the "**Board**") is the principal decision-making forum within ADCB. It has overall responsibility for the management and strategy of ADCB and is accountable for creating and delivering sustainable shareholder value through its guidance of ADCB's business. In particular, it sets the goals, strategies and policies of ADCB. The Board monitors the performance of ADCB's businesses and guides and supervises ADCB's executive management.

The Board has adopted a Corporate Governance Framework, which is based on international best practice, the Central Bank Corporate Governance Regulation & Standards, the Securities and Commodities Authority Corporate Governance Guide and the Basel Committee's Guidelines on Corporate Governance. The core principles of ADCB's Corporate Governance Framework comprise: (i) responsibility and the clear division and delegation of authority; (ii) accountability in the relationships between ADCB's senior management and the Board and between the Board and the shareholders and other stakeholders; (iii) transparency and disclosure to enable stakeholders to assess the Group's financial performance and condition; and (iv) fairness in the treatment of all stakeholders.

The Board members are appointed or elected by ADCB's shareholders. All directors of the Board are non-executive directors. The roles of the Chairman and the GCEO are separate and distinct, and there is clear division between their respective roles and responsibilities. The Chairman's main responsibility is to lead the Board with a view to ensuring the effective engagement and contribution of all directors, so that the Board may fully discharge its legal and regulatory responsibilities. The Board appoints the GCEO and specifies his powers and authority. The day-to-day management of ADCB has been delegated by the Board to the GCEO, who is assisted by the management executive committee ("**MEC**"). The GCEO, assisted by the MEC, is responsible for controlling and monitoring ADCB's business on a day-to-day basis, recommending strategy to the Board, leading senior management and implementing the Board's strategic and operational decisions.

All directors are required to seek reappointment or re-election by the shareholders every three years. In the event that a vacancy arises, the Board is permitted to elect any individual nominated to fill a vacancy, but any director so appointed must seek confirmation by the shareholders at the next annual general assembly. The Bank's major shareholder, One Hundred and Fourteenth Investment Company Sole Proprietorship LLC, a wholly-owned Mubadala subsidiary, has the right to elect a percentage of the Board that is proportionate to its holding of ADCB's share capital.

Any candidate for appointment as a director must first be considered and recommended by the Board Nomination, Compensation, Human Resources and Governance Committee ("**NCHRG Committee**"), in accordance with ADCB's Director Selection Policy, which includes appropriate criteria for the selection, appointment and re-election of directors, in accordance with applicable regulations. All candidates must be pre-approved by the Central Bank. Amongst other things, the NCHRG Committee will consider whether the skills held by the candidate director are suitable. Where necessary, the NCHRG Committee will also consider whether the candidate director meets ADCB's and local regulators' criteria for independence. Decisions of the Board are, with limited exceptions, made by majority votes of those present (in person or by proxy) at the Board meeting.

The Board is committed to supporting gender diversity. As a result, 18 per cent. of Board members are female, which is above the local regulatory requirement.

Detailed below are the names, positions and brief biographical information of each member of the Board as at the date of this Base Prospectus.

Position	Name, background and other positions
Chairman of the Board Independent, Non-Executive Director	**H.E Khaldoon Khalifa Al Mubarak** H.E. Khaldoon Khalifa Al Mubarak is the Managing Director & Group Chief Executive Officer of Mubadala Investment Company PJSC, responsible for aligning Mubadala with Abu Dhabi's economic diversification efforts. Beginning his career at the Abu Dhabi National Oil Company, H.E. Al Mubarak held a number of positions

Position	Name, background and other positions
	at Tawazun Economic Council, formerly known as UAE Offsets Group, before assuming his current portfolio of responsibilities. H.E. Khaldoon Khalifa Al Mubarak holds a number of UAE Government and Abu Dhabi Government responsibilities, including: a Member of the Abu Dhabi Executive Council since 2006; a Founding Member of Abu Dhabi's Supreme Council for Financial and Economic Affairs; the Presidential Special Envoy to China since 2018; and the Founding Chairman of the Abu Dhabi Executive Affairs Authority, which has provided strategic policy advice to the Chairman of the Abu Dhabi Executive Council since 2006. He has a Bachelor's degree in Economics & Finance from Tufts University, USA. *<u>External Appointments as at 31 December 2022</u>* – Abu Dhabi Executive Affairs Authority, Chairman (2006), UAE – Emirates Nuclear Energy Corporation, Chairman (2009), UAE – Emirates Global Aluminium PJSC, Chairman (2014), UAE – City Football Group Limited, Chairman (2008), UK – Abu Dhabi Executive Council, Member (2006), UAE – UAE Supreme Council for Financial & Economic Affairs, Member (2020), UAE – Abu Dhabi National Oil Company, Member (2021), UAE – G42 Holding Limited, Member (2020), UAE – Abu Dhabi Investment Council Company PJSC, Chairman (2022), UAE
Vice-Chairman of the Board Independent, Non-Executive Director *Chairman of NCHRG Committee*	**H.E Hussain J Al Nowais** H.E. Hussain Jasim Naser Al Nowais joined the ADCB Board in 2019. He is the Founding Member and Chairman of AlNowais Investments. His H.E. Hussain J Al Nowais holds a Bachelor's degree in BSc Business Finance from Lewis & Clark College, USA. *<u>External Appointments as at 31 December 2022</u>* – AMEA Power LLC, Chairman (2016), UAE – AlNowais Investments LLC, Chairman (2016), UAE – Rotana Hotels and Real Estate Investment, Member (2006), UAE
Independent, Non-Executive Director *Chairman of BRC* *Member of BEC* *Member of NCHRG Committee*	**Mr. Carlos Obeid** Carlos Obeid was appointed to the Board of Directors of ADCB in 2019. Carlos Obeid is the Group Chief Financial Officer of Mubadala Investment Company PJSC and is responsible for managing the organisation's Business Finance including Treasury and Investor Relations, Financial Planning and Business Performance, and Financial Governance and Reporting. Before joining Mubadala, Carlos Obeid worked with the UAE Offset Program Bureau, where he led a wide range of initiatives including privatisation, utilities and financial services. Carlos holds a Bachelor's degree in Electrical Engineering from American University of Beirut and a Master's degree in Business Administration from INSEAD. *External Appointments as of 31 December 2022:* – Mubadala Infrastructure Partners Limited, Chairman (2008), UAE

Position	Name, background and other positions
	– Cleveland Clinic Abu Dhabi LLC, Non-Executive Director (2010), UAE – Global Foundries Inc, Non-Executive Director (2012), USA – Mubadala Capital, Non-Executive Director (2021), UAE
Independent, Non-Executive Director	**Sheikh Zayed Bin Suroor Al Nahyan** Sheikh Zayed was appointed as a Director of ADCB in 2021, having gained experience working at National Bank of Abu Dhabi and Morgan Stanley. Sheikh Zayed holds a Bachelor's degree in Business Management from the University of Sussex, UK and a Master's degree in Computer Science from University College London, UK. *External Appointments as of 31 December 2022:* – Al Ain Ahlia Insurance Company PJSC, Board Member (2022)
Independent, Non-Executive Director *Chairman of BEC* *Member of NCHRG Committee*	**Saeed Mohamed Hamad Almazrouei** Saeed Mohamed Hamad Almazrouei was appointed to the ADCB Board of Directors in 2019. Saeed Mohamed Hamad Almazrouei is the Deputy Platform CEO, Direct Investments, at Mubadala Investment Company PJSC. In this role, he oversees platform wide activities, supports the delivery of the platform's investment strategy, manages the platform's capital allocation, ensures the successful implementation of capital deployment and monetization of transactions and assesses value, risks and expected returns. Before his current position, Saeed Mohamed Hamad Almazrouei was Deputy Chief Financial Officer at Mubadala Investment Company PJSC, where he oversaw the group-wide finance function and delivery of the company's growth strategy, supporting various acquisitive transactions and asset monetization. He was also responsible for all Treasury activities including Mubadala's bond issuances and project financing. He holds a Bachelor's degree in Finance from Suffolk University, USA, a Master's degree in International Securities Investment and Banking from University of Reading, UK and a Masters in National Security and Strategic Studies from National Defence College, UAE. *External Appointments as of 31 December 2022:* – Abu Dhabi Investment Council Company PJSC, Non-Executive Director (2022), UAE – Edge Group, Non-Executive Director (2022) – Nova Chemicals Corporation, Non-Executive Director (2021) – Abu Dhabi Retirement Pension & Benefits Fund – (Operating Company), Non-Executive Director (2019), UAE – CEPSA - Compañía Española de Petróleos S.A., Non-Executive Director, Non-Executive Director (2019), Spain – OMV AG, Non-Executive Director (2021), Austria – International Petroleum Investment Company PJSC, Non-Executive Director, UAE – Yas Holding LLC, Non-Executive Director (2021), UAE
	Mr. Khaled Haji Al Khoori

Position	Name, background and other positions
Independent, Non-Executive Director *Member of BEC* *Member of BRC*	Khaled H. Al Khoori was elected by ADCB shareholders to join the Bank's Board of Directors in April 2012. Since January 2006, he has been the Chairman of Orient House for Development and Construction LLC. Khaled holds a Bachelor's and Master's degree in Civil Engineering from Northeastern University, USA. *External Appointments as of 31 December 2022:* - Abu Dhabi National Hotels PJSC, Non-Executive Director (2009), UAE
Non-Executive Director *Member of BAC*	**Mr. Khalid Deemas Alsuwaidi** Khalid Deemas Alsuwaidi was elected to the Board of Directors in March 2009. He has more than 16 years of banking experience, having held senior management positions at National Bank of Abu Dhabi and First Gulf Bank and is the Group CEO of Das Holdings. Khalid Deemas holds a Bachelor's degree in Computer Information Systems from Bethune Cookman College, USA and a Master's in Business Administration (minor in Management Information Systems and Strategic Planning) from Widener University, USA. *External Appointments as of 31 December 2022:* – Abu Dhabi National Takaful Company PSC, Vice-Chairman (2008), UAE – Manazel Group, Non-Executive Director (2009), UAE
Independent, Non-Executive Director *Chairlady of BAC* *Member of BEC* *Member of BRC*	**Mrs. Aysha Ahmed Al Hallami** Aysha Al Hallami was appointed to the Board of Directors in April 2013. In June 2021, Aysha moved to the Abu Dhabi Investment Authority's newly created Core Portfolio Department to help develop its comprehensive strategy. Aysha holds a Bachelor's degree in Business Sciences, Finance from Zayed University, UAE and a Master's degree in Finance & Banking from Cass Business School, City University, UK. She is also a CFA holder and has a degree in Private Equity and Venture Capital from Harvard Business School, USA. Aysha Al Hallami does not hold any external directorships as of 31 December 2022.
Independent, Non-Executive Director *Member of BAC*	**Sheikh Sultan Bin Suroor Al Dhaheri** Sheikh Sultan bin Suroor Al Dhaheri has more than 10 years' experience in business and marketing and strong commercial knowledge. He was elected to the Board of Directors of ADCB in March 2009 until his resignation in March 2019. Sheikh Sultan bin Suroor Al Dhaheri was elected again to the Board of Directors in 2022. Sheikh Sultan bin Suroor Al Dhaheri does not hold any eternal directorships as of 31 December 2022.
Independent, Non-Executive Director *Member of BAC* *Member of BEC*	**H.E. Amr Al Menhali** H.E. Amr Al Menhali was appointed to the ADCB Board of Directors in 2022. H.E. Amr Al Menhali has a proven executive management track record with over 22 years of experience across a number of leadership positions in the financial sector such as the CEO of Al Hilal Bank (previously) and Waha capital. A seasoned banker with strong

Position	Name, background and other positions
	leadership skills across all facets of the business and with extensive expertise in strategy, finance, risk, investment, credit and corporate governance. He has led several strategic transformation projects, developing high-performance businesses to achieve sustainable growth. He is currently part of the senior management team in the Crown Prince Court, serving as the executive director of the financial affairs, overseeing the entire financial activities and strategic initiatives. Previously he had held various board membership in several regional and international publicly listed companies across various sector such as finance, oil & gas, real estate and healthcare (UAE Banks Federation, GFH Financial Group, NESR (NASDAQ listed), SDX Energy (AIM listed), Deem Finance and Abu Dhabi Finance. In addition, he also served as Chairman of Waha Investment PJSC, Waha Land LLC and Anglo Arabian Healthcare LLC). He has completed a General Management programme from Harvard Business School and holds a Bachelor's degree in Business Administration with Honours. *External Appointments as of 31 December 2022:* – Abu Dhabi Housing Authority, Board Member, UAE – Investment Committee in Sandooq Al Watan, Member, (UAE)
Independent, Non-Executive Director *Member of NCHRG* *Member of BRC*	**Fatima Al Nuaimi** Fatima Al Nuaimi was appointed to join the ADCB Board of Directors in 2022. Fatima Al Nuaimi joined Mubadala in 2011 and is the Co-Head of Mubadala Capital Solutions, where she oversees the permanent capital strategy, Abu Dhabi Catalyst Partners and separately managed accounts. She has over eleven years of experience in funds and direct private equity investments. Some of the recent deals she led include investment in Cegid, France's leading software provider acquisition of KMAC enterprises, the second largest Taco Bell franchisee in North America; Mubadala's $2.5 billion partnership with Silverlake including both an investment in the Silverlake General Partner and an anchor commitment to a new Long-Term Capital Fund. Fatima graduated Magna cum laude from the Higher Colleges of Technology with a Bachelor's in Business Administration. She is also a CFA and CAIA charter holder. *External Appointments as of 31 December 2022:* – K-MAC Enterprises, Board Member, USA

The business address of each member of the Board is P.O. Box 939, 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 ADCB 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.

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 ADCB and his private interests and/or other duties.

The directors of ADCB have outside interests in entities other than ADCB, including employment and/or directorships with third parties (as set out underneath their names in the table above). Given the wide scope of ADCB's operations, such entities have banking and/or other commercial relationships with ADCB. Some

Board members also have personal banking relationships with ADCB. As the directors are involved in ADCB's decision-making process and have knowledge of ADCB's products and services, including the commercial terms thereof, a potential conflict of interest may arise. However, ADCB has established a Directors' conflict of interest policy and a related party transactions policy, together with a procedure whereby the relevant director is excluded from voting at Board meetings on issues which relate to the relevant employer's and/or other connected entity's dealings with ADCB.

Under the Commercial Companies Law, all directors are liable to ADCB, its shareholders and third parties for any acts of fraud, abuse of powers, violation of laws, violation of its articles of association or for mismanagement.

The table below sets out the number of shares held by each director as at 31 March 2023:

Director	**31 March 2023**
H.E. Khaldoon Khalifa Al Mubarak	440,854
H.E Hussain J Al Nowais	0
Mr. Carlos Obeid	0
Mr. Saeed Mohamed Almazrouei	0
Mr. Khaled Haji Al Khoori	1,694,136
Sheikh Zayed Bin Suroor Al Nahyan	1,819,630
Mr. Khalid Deemas Al Suwaidi	14,915
Mrs. Aysha Al Hallami	0
Sheikh Sultan Bin Suroor Al Dhaheri (1)	4,503,313
H.E. Amr Al Menhali (1)	0
Mrs. Fatima Al Nuaimi (1)	0

(1) Board member appointed or elected at the AGM on 14 March 2022.

Board Committees

In line with the Central Bank's Corporate Governance Regulation and Standards, two new Board committees were created in 2022 to replace the Board Risk & Executive Committee. These two Board committees are named the Board Risk Committee (the "**BRC**") and the Board Executive Committee (the "**BEC**").

As such, the Board has established four Board committees: (i) the Board Audit Committee; (ii) the Board NCHRG Committee; (iii) the BRC; and (iv) the BEC, each of which plays an important role in governing ADCB's operations and in establishing and co-ordinating the policies of ADCB.

Board Audit Committee

The Board Audit Committee (the "**BAC**") currently consists of four non-executive directors.

The primary responsibilities and functions of the BAC are to provide assistance to the Board to fulfil its duties and to ensure and oversee:

- the integrity of ADCB's financial statements;
- the qualifications, independence, performance and remuneration of the Group's external auditors;
- the independence and performance of ADCB's internal audit department, internal Shari'ah audit department and internal compliance department;
- the Group's internal control framework taking into account the Group's risk profile;
- Compliance with applicable legal and regulatory requirements, including consumer protection and internal policies; and
- ADCB's internal controls, including controls over financial reporting and disclosure.

The BAC plays a predominantly advisory role, reporting its recommendations to the Board for final approval. However, in certain limited circumstances, decisions may be taken by BAC, which are binding on the Board (for example, it may approve the terms of engagement of the external auditor without Board approval).

The BAC is scheduled to meet at least nine times in 2023 and provides regular reports to the Board.

Board Nomination, Compensation, Human Resources and Governance Committee

The NCHRG Committee currently consists of four non-executive directors.

The NCHRG Committee is responsible for:

- ensuring the appropriate composition and skillset of the Board and the Board committees;
- ensuring the appropriate diversity of the Board;
- ensuring independent directors remain independent on a continuous basis;
- selection and appointment of directors, including induction of new directors;
- orientation and training sessions for new and existing directors;
- succession planning for directors and executive management;
- selection and appointment of executive management;
- assessing the performance of the Board, Board committees, individual directors and executive management, and overseeing the implementation of recommendations arising from performance reviews;
- remuneration policies for executive management and the Board, and ADCB's remuneration and incentive plans;
- developing ADCB's corporate governance framework, policies and procedures;
- compliance with regulatory requirements relating to corporate governance;
- disclosure, transparency and publication of corporate governance information; and
- ensuring the implementation of ADCB's corporate culture and values.

In determining the composition of the Board, the NCHRG Committee considers the knowledge, skills and experience which are anticipated to be required by the Board. No director may participate in any decision regarding his/her own appointment or remuneration. The NCHRG Committee is authorised to take certain appointment and remuneration decisions which may bind the Board. In all other cases, recommendations are made to the Board for final approval.

The NCHRG Committee is scheduled to meet at least four times in 2023 and provides regular reports to the Board.

Board Risk Committee

The BRC currently consists of four non-executive directors.

The BRC is responsible for:

- the Group's risk appetite and strategy;
- the development and implementation of the Group's risk governance framework;
- the alignment of the Group's strategic objectives with its risk profile;
- overseeing the risks in the Group's asset portfolios;
- the development of risk measurement models, management tools and monitoring the effectiveness of such tools;
- the development and implementation of risk management strategies and limits;

- compliance with regulatory requirements relating to risk management;
- the Group's public reporting on risk management matters; and
- overseeing the independence and effectiveness of the Risk Management departments throughout the Group.

The BRC is scheduled to meet at least six time in 2023 and provides regular reports to the Board.

Board Executive Committee

The BEC currently consists of five non-executive directors.

The BEC is responsible for:

- the development and execution of the Group's business plan as per the strategy approved by the Board;
- the ESG strategy and implementation;
- the material aspects of the business of the Group;
- reviewing and approving credit commitments;
- guidance and proposals for acquisitions, disposals and joint ventures and other value creation opportunities, including establishment, closure or exit of any international operations; and
- the annual budget for the Group including budgets for each business line and operating division.

The BEC provides oversight with respect to the development and implementation of the Group's business and strategic plans and the risks associated with such plans.

The Board has delegated certain credit and lending authorities to management, at a level that the BEC considers to be reasonable and prudent.

The BEC is scheduled to meet twelve times in 2023 and provides regular reports to the Board.

EXECUTIVE MANAGEMENT

As at the date of this Base Prospectus, the executive management of ADCB includes:

Position	Name
Group Chief Executive Officer	Mr. Ala'a Eraiqat
Group Chief Financial Officer	Mr. Deepak Khullar
Group Chief Risk Officer	Mr. Paul Keating
Group Chief Operations Officer	Mr. Mohammed Al Jayyash
Group Chief Credit Officer	Mr. Tilak Silva
Group Treasurer	Mr. Robbert Muller
Group Chief Internal Auditor	Mr. Abdirizak Mohamed
Group Head – Corporate & Investment Banking Group	Mr. Ludovic Nobili
Group Head – Retail Banking Group	Mr. Deepak Rochlani
Group Head – Human Resources	Mr. Ali Darwish
Group General Counsel	Mrs. Jane Livingston
Group Chief Compliance Officer	Mrs. Rasha Mortada

Detailed below are the names, ages, positions and brief biographical information of each member of ADCB's executive management as at the date of this Base Prospectus.

Position	Name, background and other positions
Group Chief Executive Officer	**Mr. Ala'a Eraiqat** Mr. Eraiqat joined ADCB in January 2004 and held various senior posts before assuming the role as Group Chief Executive Officer in February 2009. He has been a banker

Position	Name, background and other positions
	since 1991 and previously held senior positions at Citibank and Standard Chartered Bank, among others. His responsibilities extend to being the Chairman of the Board of Directors of Al Hilal Bank and chairing the following subsidiaries and committees of ADCB, among others: Abu Dhabi Commercial Properties (ADCP), Abu Dhabi Commercial Engineering Services (ADCE), the ADCB Management Executive Committee, and the ADCB Management Credit Committee. Ala'a Eraiqat, as the Group Chief Executive Officer, is responsible for leading and guiding ADCB and its subsidiaries in promoting the long-term organisational development, while ensuring effective implementation of strategic, business growth and operational plans to achieve ADCB's targets and ensure that the mission and values are met pursuant to the shareholder's objectives and target expectations. *External Appointments as of 31 December 2022:* - Board Member – Abu Dhabi Chamber of Commerce and Industry (ADCCI) - Board Member – Abu Dhabi National Hotels PJSC (ADNH) - Board Member – Emirates Institute of Banking and Financial Studies (EIBFS)
Group Chief Financial Officer	**Mr. Deepak Khullar** Mr. Khullar was appointed ADCB's Group Chief Financial Officer in 2008. In this role, Mr. Khullar oversees the Group Finance function (Financial Planning, Business Performance, Governance and Reporting), Investor Relations, Taxation, Economics, Group Strategy, Strategic Sourcing and Procurement and ADCB's overall ESG strategy and delivery. He previously spent 15 years with Standard Chartered Bank in the Middle East and in Korea in a variety of senior positions. Prior to that, he worked with Ernst & Young and PricewaterhouseCoopers in their assurance, advisory and technical services and training practices in the Middle East and India. He is an alumnus of the University of Delhi and a Fellow of the Institute of Chartered Accountants of India, and a Fellow Member of the Association of Corporate Treasurers UK (FCT). Deepak Khullar was appointed as a Board Director of Al Hilal Bank in 2019 and also chairs the Al Hilal Bank Board Risk Committee.
Group Chief Risk Officer	**Mr. Paul Keating** Mr. Keating was appointed as ADCB's Group Chief Risk Officer in 2018. He previously worked for the Australia and New Zealand Banking Group Limited ("**ANZ**") for over 30 years, where he served in various capacities across the world. His last role with ANZ was as Chief Risk Officer and Head of Credit for ANZ's Pacific division, with responsibility for 11 countries. Mr. Keating is responsible for Operational Risk, Market Risk, Fraud Risk, Data Management, Credit Policy, Islamic Internal Control and Information Security. He attends

Position	Name, background and other positions
	various management and Board sub-committees to provide an enterprise-wide risk management perspective. Bachelor of Commerce and Administration (Victoria University, New Zealand) Post Graduate Diploma in Banking Management (Massey University, New Zealand) *External Appointments as of 31 December 2022:* - Member – UAE Banking Federation Risk Committee
Group Chief Operations Officer	**Mr. Mohammed Al Jayyash** Mr. Al Jayyash was appointed as ADCB's Acting Group Chief Operations Officer in 2019 and was appointed as Group Chief Operations Officer in 2020. He has held senior operational management positions at ADCB, including Group Chief Service Officer and Branch Operations Manager. He holds Board seats with several ADCB subsidiary companies, and is the Chairman of ITMAM Services LLC and Vice-Chairman of Abu Dhabi Commercial Engineering Services LLC and Abu Dhabi Commercial Properties LLC. Mr. Al Jayyash has over 15 years of experience in improving customer experience, ensuring regulatory compliance and delivering capabilities for growth. Bachelor's Degree in Business Administration (Al Ghurair University, UAE) Post Graduate Certificate in Management (Ashridge Executive Education HULT, United Kingdom) Banking Diploma (Emirates Institute for Banking and Financial Studies, UAE) *External Appointments as of 31 December 2022:* - Chairman – Emirates Digital Wallet
Group Chief Credit Officer	**Mr. Tilak Silva** Mr. Silva was appointed as ADCB's Group Chief Credit Officer in 2018. He has been with ADCB for over 42 years, focusing on credit underwriting, remedial risk and restructuring. Prior to joining ADCB, Mr. Silva worked for Hatton National Bank in Sri Lanka, undertaking different roles within the bank's credit group.
Group Treasurer	**Mr. Robbert Muller** Mr. Robbert Muller joined ADCB in 2023 as Group Treasurer. Mr. Muller has over 25 years of banking experience, having previously worked for Rabobank, where he assumed several positions across Netherlands (HQ), USA, and Hong Kong. His last position at Rabobank was Head of Group Treasury where he oversaw the Treasury function across 12 locations globally and took on important steering roles in several management committees at a Group level.
Group Chief Internal Auditor	**Mr. Abdirizak Mohamed** Mr. Mohamed has been ADCB's Group Chief Internal Auditor since 2006, responsible for covering ADCB and all of its subsidiaries, having previously worked at the NASDAQ Stock Market, NASD (FINRA) and OFHEO (FHFA). He has more than 30 years of financial industry experience with

Position	Name, background and other positions
	leading global and local institutions that spans capital markets management, accounting policy/applications, examinations and auditing, risk management, regulatory oversight, and corporate governance. He is the former Chairman and current member of the UAE Banking Federation Audit Committee, and over the years served/continues to serve as an independent Audit Committee member of various Abu Dhabi-based companies. Mr. Mohamed is a Certified Public Accountant and holds a Master's degree from the George Washington University in Washington, DC and a Bachelor's degree from the University of Washington in Seattle, WA.
Group Head – Corporate & Investment Banking Group	**Mr. Ludovic Nobili** Mr. Nobili was appointed as Group Head of Corporate & Investment Banking Group at ADCB in 2020. Prior to that, he managed ADCB's investment banking activities. He joined ADCB in 2008 from Citigroup in London. He is a senior investment banker with over 20 years' experience. In 2000, Mr. Nobili started his investment banking career in the securitisation team of Credit Agricole Indosuez, London, after which he moved to Citigroup, where he focused on corporate securitisation. During his time in Europe, Mr. Nobili was instrumental in originating and structuring complex and high profile transactions. In his current role, Mr. Nobili is responsible for Cash Management, Trade Finance, Corporate Finance and Investment Banking across the Group. He also leads ADCB's principal finance initiatives. Ludovic is an alumnus of Université Paris-Sorbonne.
Group Head – Retail Banking Group	**Mr Deepak Rochlani** Mr. Rochlani joined ADCB in 2004. He has over 25 years' experience in Retail Banking and Financial Services. Mr. Rochlani overlooks the retail banking franchise which includes product management and the distribution network including branches, sales and relationship management. He is spearheading the digital transformation of the retail bank. Prior to that, he held several positions in product & marketing management at GE Capital and IDBI Bank in India. He holds a Bachelor's degree in Engineering from University of Bombay, India and holds a post graduated diploma in Business Administration and is a certified financial analyst from ICFAI business school, India.
Group Head – Human Resources	**Mr. Ali Darwish** Mr. Darwish joined ADCB in 2010 and leads the Human Resources Group. He has a wealth of experience in the banking industry that extends for more than 20 years working for leading financial institutions in the UAE.
Group General Counsel	**Mrs. Jane Livingston** Mrs. Livingston is an English qualified solicitor who practiced law in the City of London prior to moving to Abu Dhabi in 2007. She has more than 20 years of legal experience covering a broad range of banking, finance, corporate and commercial matters.

Position	Name, background and other positions
	She holds a Bachelor's degree in Law from University of Essex, United Kingdom.
Group Chief Compliance Officer	**Mrs. Rasha Mortada**
	Mrs. Mortada was appointed as ADCB's Group Chief Compliance Officer in 2021, having been with ADCB since 2006. She has over 25 years of experience in the banking industry with leading global and local institutions, with over 18 years of experience in the compliance field covering Regulatory Compliance, Financial Crime, and Conduct Compliance across all business lines. Prior to joining ADCB, Rasha worked for Citibank UAE, undertaking different roles within Compliance.
	Mrs Mortada is a Certified Anti-Money Laundering Specialist (CAMS).
	She holds a Bachelor's degree in Banking and Finance from Lebanese American University, Beirut, an International Diploma in Compliance from the International Compliance Association and a Fintech certification from Harvard University, USA.

The business address of each member of the executive management is P.O. Box 939, Abu Dhabi, United Arab Emirates.

No member of the executive management of ADCB has any actual or potential conflict of interest between his duties to ADCB and his private interests and/or other duties.

Executive Management Committees

Day-to-day management is co-ordinated by the MEC, which oversees all other management committees and working groups. The MEC has delegated certain responsibilities to its reporting committees.

Management Executive Committee

The Board reviews and approves the MEC's terms of reference. The Management Executive Committee ("**MEC**") reports directly to the Board.

The MEC is the highest management level authority overseeing matters relating to corporate organisation, strategy recommendations, finance and operations. Unless otherwise stated in this Base Prospectus, all management committees report to the MEC, which has full authority to review and reorganise the composition and terms of reference of the management committees and working groups.

The MEC is composed of members of ADCB's executive management., whose appointments are approved by the NCHRG Committee and meets on a weekly basis.

The responsibilities of the MEC include the following:

- establishing the organisational structure for management and management committees;
- implementing strategy set by the Board and recommending strategy and policy decisions;
- recommending ADCB's annual budget and funding plan;
- approving key performance indicators for each business line;
- approving expenditures, up to certain delegated limits set by the Board;
- approving the establishment or sale of branches, agencies, joint ventures and subsidiaries and appointments of directors to subsidiaries;

- approving debt-funding issues, hedging and investments, up to certain delegated limits set by the Board;
- approving recovery settlements and write-offs, up to certain limits set by the Board; and
- approving ADCB's policies, excluding those falling within the Board's responsibility.

Management Risk Committee

The Management Risk Committee (the "**MRC**") is responsible for risk management in general, ADCB's risk appetite, risk policies and portfolio updates, and makes recommendations to the Board and/or the BRC, as appropriate, on risk strategy matters.

The MRC reports directly to the MEC and the MEC reviews and approves the MRC's terms of reference.

Management Credit Committee

The Management Credit Committee (the "**MCC**") is responsible for appraising credit decisions within the limits that have been sub-delegated from the MEC, and guides the Board and/or the BEC, as appropriate, on credit exposures.

The MCC reports directly to the MEC and the MEC reviews and approves the MCC's terms of reference.

Assets and Liabilities Committee

The ALCO is responsible for reviewing and monitoring all major investments and strategic commitments and developing policies relating to the management of all assets and liabilities (such as balance sheet structuring, funding, pricing, hedging, investing and the setting and monitoring of liquidity ratios).

The ALCO seeks to manage assets and liabilities in order to enhance profitability and protect ADCB from any adverse consequences that may result from extreme changes in market conditions and other financial risks.

The ALCO's primary functions include: (i) managing ADCB's wholesale debt lending and deposit liabilities; (ii) the formulation and implementation of market risk and liquidity risk policies and strategies for addressing market and liquidity risks; (iii) monitoring whether market risks and liquidity risks are identified, assessed, monitored, mitigated and controlled; (iv) the formulation and implementation of balance sheet structure policies and strategies for addressing issues relating to balance sheet structure; and (v) the purchase of assets within ADCB's treasury investment portfolio.

In carrying out these key functions, the ALCO:

- reviews ADCB's financial performance, economic reports and forecasts;
- reviews ADCB's balance sheet structure and evaluates the risk exposure and assesses its potential impact on the income statement;
- reviews interest rate trends, yields, cost of funds and margins;
- makes recommendations on strategic directions leading to changes in balance sheet composition to achieve a desired structure including: (i) asset allocation strategies; (ii) buying and selling of assets; (iii) changing liability structure and mix; (iv) balance sheet growth, structure and maturity; and (v) hedging;
- formulates policy guidelines on limits of exposure to liquidity and market risk (such as value-at-risk ("**VaR**"), liquidity ratios, large depositors, sources of funds, investment and other assets);
- reviews base lending rate or reference rate and its guidelines;
- reviews transfer pricing between business units and sets the overall direction and approval criteria for purchase and sale of investments; and

- classifies investments into held-for-trading, available-for-sale and held to maturity.

The ALCO reports directly to the MEC and the MEC reviews and approves the ALCO's terms of reference.

Management Recoveries Committee

The Management Recoveries Committee is responsible for reviewing and approving settlements relating to certain impaired loans and advances to customers within the limits that have been set by the MEC. A matter is forwarded to the Management Recoveries Committee after the remedial risk department has attempted to recover the amount outstanding from the borrower and has either been unable to recover such amount or has provisionally agreed with the borrower to restructure the loan (see "*Risk Management – Collection Procedures*").

Capital Expenditure Committee

The Capital Expenditure Committee (the "**CEC**") is ADCB's key governance forum for managing its capital investment portfolio. The primary function of the CEC is to consider, review and approve capital expenditure projects within the limits that have been sub-delegated from the MEC. The projects almost exclusively relate to new technology systems, system upgrades and real estate (specifically relating to improvements and acquisitions required to conduct ADCB's business and to execute its long term plans, for example, in respect of branches).

The CEC reports directly to the MEC and the MEC reviews and approves the CEC's terms of reference.

Financial Performance Management Committee

The Financial Performance Management Committee (the "**FPMC**") is responsible for regularly reviewing and assessing the financial performance of ADCB's business lines against budget and strategic targets and identifying opportunities for revenue generation, cost control and optimisation of cost centres. In addition, the FPMC helps in shaping budget targets for the forthcoming year and has input into the medium term strategy process. The FPMC monitors and assesses the financial performance of ADCB's business lines within the bounds of ADCB's budget and strategy.

The FPMC reports directly to the MEC and the MEC reviews and approves the FPMC's terms of reference.

Model Risk Management Committee

The Model Risk Management Committee ("**MRMC**") is responsible for:

- optimising the ability of models to support decision-making throughout the Bank;
- providing value-added decisions related to each step of the model life-cycle, ensuring that these decisions are transparent, justified and documented; and
- supporting the MCC in discharging its responsibilities with respect to model development, monitoring and validation.

The scope of the MRMC also covers all models used in risk, capital management and for stress testing, but excludes any models used within the business area for business development.

The MRMC reports directly to the MRC and the MRC reviews and approves the MRMC's terms of reference.

Group Sustainability Committee

The SC is responsible for recommending and implementing the Board and/or BEC approved Group sustainability strategy.

The SC reports directly to the MEC and the MEC reviews and approves the SC's terms of reference.

Management Compliance Committee

The Management Compliance Committee ("**MCC**") is responsible for (a) maintaining oversight on all regulatory matters, including those relating to Anti-Money Laundering and Combatting the Financing of Terrorism and Targeted Financial Sanctions examinations and regulatory matters covering all applicable regulators, (b) driving a compliance culture throughout ADCB, expediting closure of all due requirements, and ensuring clear visibility, ownership and accountability and (c) ensuring timely implementation of regulatory requirements and establishing a robust governance structure covering the regulatory landscape.

The MCC reports directly to the MEC and the MEC reviews and approves the MCC's terms of reference.

Working Groups

In addition to the foregoing standing management committees, from time to time the MEC establishes working groups tasked to handle specific issues or areas of focus.

OTHER MANAGEMENT FUNCTIONS

Audit Arrangements

The external auditor is appointed annually by ADCB's shareholders. At the 14 March 2022 annual general meeting and, in line with applicable regulations and ADCB's External Auditor Selection Policy, KPMG was appointed as the external auditor of ADCB from the period commencing 1 January 2022 to 31 December 2022. KPMG replaced EY as ADCB's external auditor, who audited the Bank for the period commencing on 1 January 2020 and ending on 31 December 2021.

In addition, the BAC will make recommendations on the rotation of the external audit firm, or of the partner of the firm in charge of ADCB's audit, to facilitate the independence of the external auditor, in line with applicable regulations and ADCB's External Auditor Selection Policy.

The scope of an audit is agreed between the BAC and the external auditor. The external audit partner attends meetings of the BAC at which the financial statements are discussed and approved and as otherwise required. The BAC also periodically meets separately with ADCB's internal auditors and the external auditor in the absence of management.

Under the Abu Dhabi Statutory Auditor Appointment Rules, KPMG, as the current auditors of ADCB, will be due for rotation in 2026.

Internal Controls

ADCB's internal controls over financial reporting comprise processes designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable accounting principles. ADCB's internal controls include policies and procedures that: (i) are designed to support the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of ADCB; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles, and that receipts and expenditures of ADCB are being made only in accordance with authorisations of management and directors of ADCB; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of ADCB's assets.

Disclosure Standards

ADCB's corporate governance principles require ADCB to maintain high standards of disclosure and transparency. In line with this, ADCB has created a website in order to provide information to stakeholders. ADCB's web address is www.adcb.com. Information on ADCB's website does not form part of, and is not incorporated by reference into, this Base Prospectus.

Compensation

In the year ended 31 December 2022, the total remuneration and Board of Directors' fees and expenses paid to the Board and executive management amounted to AED 139.0 million (for 26 persons), as compared with AED 88.0 million (for 22 persons) for the year ended 31 December 2021.

RISK MANAGEMENT

INTRODUCTION

Efficient and timely management of the risks inherent in the Group's business activities is critical to its financial soundness and profitability. Risk management involves identifying, measuring, monitoring and managing risks on a regular basis. The objective of risk management is to protect the Group's asset values and income streams in order to protect the interests of its shareholders and external fund providers, increase shareholder value and achieve a return on equity that is commensurate with the risks assumed. The risk management framework is integral to the operations and culture of the Group. The Group seeks to proactively manage risks within the Group's defined risk framework.

Ultimate responsibility for setting out risk appetite and effective management of risk rests with the Board. This is managed through the BRC, BEC and the BAC, which are responsible for effectively communicating that risk taking authority and policies from the Board to the appropriate business units.

The MEC has primary responsibility for implementing, overseeing and taking ownership for the enforcement of risk management strategy and internal control directives laid down by the Board and Board Committees. The management level committees also actively manage risk, particularly the ALCO, the CC, the MRC, the MRMC, and the MCC,.

In January 2018, the Group reorganised its internal risk management function by separating the credit and risk functions into two separate groups with distinct responsibilities and reporting lines (with the credit group reporting to the Group's Group Chief Credit Officer ("**GCCO**") and the risk group reporting to the Group's GCRO). The GCRO reports independently to the BRC in respect of risk related matters and to the GCEO for administrative matters. The GCCO reports to the GCEO with full access to the BEC. This reorganisation was effected in order to align the Group's credit and risk functions with international best practice. In February 2021, the Group further reorganised its internal risk management function by separating the risk and compliance functions into two separate groups, with the Group's Chief Compliance Officer reporting directly to the GCEO with full access to the BAC.

The Group's risk management function is headed by the GCRO. The risk management function is independent of the origination, trading and sales functions to avoid compromising risk-reward decisions and to facilitate transparency of decision-making, in accordance with prescribed risk standards and policies. It exercises control over credit policy management; operational risk management; fraud risk management; treasury, market and liquidity risk management; internal *Shari'a* control; data management; and information security management.

In addition, the Group's GCCO oversees consumer risk management, credit approvals, credit operations and remedial account management.

In 2019, the Group appointed a Head of Data Management. The role is designed to help develop and embed the Group's principles for governing the management of its data. This role is particularly significant with the growth of the Group's digital internal and external channels, as well as its increased use of data analytics to serve customers better. In addition, the Head of Data Management is responsible for managing compliance with the UAE Federal Data Protection law, which brings in new regulations around general data protection to mirror the GDPR requirements introduced by the EU in May 2018.

The BAC provides assistance to the Board in the performances of the Board's duties and is responsible for overseeing the preparation of the Group's financial statements; the independence and performance of the Group's external and internal auditors; compliance with legal and regulatory requirements and internal policies; and internal control over financial reporting.

The internal audit group ("**IAG**") applies a systematic and disciplined approach to evaluating and improving the effectiveness of the Group's risk management, control and governance processes. The IAG reports directly to the BAC. The IAG consists of a team of auditors whose tasks are, among other things, to evaluate the quality of the Group's lending portfolio, the sufficiency of the Group's controls in operational processes and the integrity of the Group's information systems and databases. Through their audits, the IAG is also responsible for monitoring whether transactions undertaken by the Group are conducted in accordance with the Group's internal procedures, with a view to minimising the risk of fraudulent, improper or illegal practices (see further "*– Decision-making – Execution – Internal audit group*" below).

DECISION-MAKING

The Group's governance structure is headed by the Board, which has overall responsibility for risk management. The Group has a number of Board committees and executive management committees which, together with their other responsibilities, oversee and monitor the day-to-day risk management of the Group. These committees are responsible for the overall approval and implementation of the Group's risk management policies, while the formulation, monitoring and reporting of such policies and any exceptions thereto or any required corrective action, are the primary responsibility of the risk group that is headed by the GCRO.

The Group aims to reinforce a strong risk management culture through a comprehensive set of processes that are designed to effectively identify, measure, monitor, report, mitigate and control risk exposures.

Risk governance at the Group is based on the following four control environment layers:

- involvement of the Board and sub-committees under the Board such as the BRC and BEC;
- executive management level committees for risk management such as the MCC, MRMC and the MRC;
- dedicated risk management groups, which are the credit group and the risk group, that independently evaluate the control systems within the Group; and
- independent assurance provided by internal and external audit to provide important feedback on the effectiveness of these processes.

The Board evaluates risk in co-ordination with ADCB's Board committees and executive management committees. For further information regarding ADCB's Board committees and executive management committees, see "*Management – Board of Directors – Board Committees*" and "*Management – Board of Directors – Executive Management – Executive Management Committees*".

Execution

Execution of the Group's risk management system is co-ordinated by the credit group and the risk group which are headed by the GCCO and the GCRO, respectively. The risk group has the following sub-groups: credit policy management; operational risk management; fraud risk management; treasury, market and liquidity risk management; internal *Shari'a* control; data management; and information security management. The credit group has the following sub-groups: consumer risk management; credit; remedial risk management; and credit operations. The IAG also oversees and reviews the Group's risk management practices and the integrity of its information systems and databases. These groups operate under the supervision of the Board and its committees, the GCEO, the GCRO, the GCCO and the MEC.

Group Chief Risk Officer

The GCRO is responsible for overall implementation of the risk objectives of the Group. His responsibilities are to:

- identify and plug gaps in the Group's risk infrastructure/framework and formulate plans to address the same;
- establish and nurture the independence of the risk function;
- guide and influence provisioning policies, risk strategy and credit/risk process changes;
- introduce process, policy and approach changes to energise risk awareness amongst front office business personnel and decision makers;
- continually align the risk organisation in line with market best practices;
- manage the Group's portfolio and associated risks to international best practice;
- establish a comprehensible risk culture encompassing all areas of risk; and

- manage the Group's data management and internal *Shari'a* control function.

The GCRO position was created in order to centralise the Group's risk management processes and reports to the BRC and, in respect of administrative matters, the GCEO. The Group segregates the risk and credit functions at the executive management. The GCRO is responsible for reviewing the Group's policies and procedures for managing exposure to credit, market and liquidity risk, operational, fraud, data privacy/data management and information security risks; and where relevant, applicability of the same for the Islamic business.

Treasury division

Alongside its profit-generating and treasury management activities, the treasury division is responsible for (i) the day-to-day management of interest rate, liquidity and currency risk, (ii) monitoring the percentage of the Group's assets maintained in liquid assets and (iii) diversifying the Group's funding sources. The treasury division reviews any liquidity gaps, the Group's funding policies, the availability of contingent liquidity and projected future cash flows associated with significant investments/divestures and discusses these with the ALCO. The division reports directly to the GCEO and works closely with the treasury, market and liquidity risk management department.

Credit group

The credit group is responsible for reviewing corporate credit, as well as HNWI applications and oversees the Group's corporate and private accounts credit portfolio. The credit group monitors the loans it has extended to corporate and private accounts borrowers in order to calculate potential losses and make provisions accordingly, classifies loans as impaired loans and advances to customers, refers certain impaired loans and advances to customers to the remedial risk department and generally controls the Group's exposure to credit risk. In addition, the credit group periodically reviews the Group's data collection procedures, restructuring methodologies, information management and credit evaluation practices. The GCCO oversees the credit administration unit, documentation unit, Special Assets Restructuring Department, Remedial Risk Department and the Consumer Risk Department.

Legal department

Alongside its day-to-day activities of providing legal assistance and advice to the Group, the Group General Counsel and her team are responsible for managing the Group's legal risk by reviewing, monitoring and interpreting applicable legal and regulatory issues in the UAE and other relevant overseas jurisdictions.

Special assets restructuring department ("SARD")

Credit files showing signs of deterioration, facing financial issues with multiple banks or otherwise raising complex issues are transferred by the MCC or Credit Department with a view to rescheduling or restructuring. However, if this is unsuccessful, the file is transferred to the remedial risk department for the initiation of legal action.

Remedial risk department ("RRD")

The remedial risk department attempts to recover outstanding loans after such loans are classified as impaired and referred to the remedial risk department by the credit department. If the remedial risk department's attempts to conclude an amicable settlement are unsuccessful within a reasonable timeframe, legal action is initiated to recover the outstanding amount.

Consumer risk management department

The consumer risk management department is responsible for overseeing the approval and verification of consumer credit, merchant authorisation, collections, risk mitigation, repossession and foreclosure management and fraud. The consumer risk management department is also responsible for reviewing key performance and key risk indicators, changes in the economic environment, feedback on fraud and collections, customer service issues and competition.

Treasury, Market and Liquidity Risk Management Department

The treasury, market and liquidity risk management department is responsible for identifying, measuring, monitoring and controlling risks associated with on and off balance-sheet positions held by the Group. The department aims to reduce income performance volatility and to make the Group's market risk profile transparent to executive management, the Board and the Group's regulators. The function is also responsible for identifying, measuring, monitoring and controlling risks associated with investments, funding and liquidity positions of the Bank.

Credit policy department

The credit policy department is responsible for formulating the credit strategy and policy in terms of risk measurement and aggregation techniques, prudential requirements (including all credit and capital models), risk assessment and review, reporting requirements, risk grading and product and documentation guidelines. The department is also responsible for portfolio monitoring and maintenance of risk systems support. This department is the central co-ordination point for regulatory risk changes, liaison with external risk stakeholders such as rating agencies, for spearheading Basel III implementation and similar initiatives and for acting as the business partner in the implementation of risk systems.

Operational risk department

The operational risk department is responsible for the identification, measurement, monitoring, control and reporting of operational risks throughout the Group. This is the group support function responsible for establishing and implementing the operational risk framework throughout the Group, recording loss data, conducting risk self-assessment workshops, identifying and tracking key risk indicators and developing action plans to plug identified operational risk gaps. In addition, Business Continuity Management and planning sits within this department.

Fraud risk department

The fraud risk department is responsible for the identification, measurement, monitoring, control and reporting of fraud risks throughout the Group.

The centralised fraud risk management function is responsible for defining the Group's fraud risk management policy and managing the risk of fraud across the Group.

Information and physical security governance department

Information security risk arises from information leakage, loss or theft. The information and physical security governance department proactively identifies top organisational information and cyber security risks by continuously evaluating threats and by benchmarking information security controls against leading industry standards. The Group uses a combination of internal processes and third-party technological protections to identify, monitor and prevent traditional and emerging cyber-threats to its information and physical security. In particular, the Group employs comprehensive monitoring at multiple levels within the organisation to detect any potential cyber-attacks and has an established process to respond to cyber security incidents and threats. Additionally, the Group has implemented dedicated internal programmes to improve cybersecurity awareness levels within the organisation. The Group maintains an information risk heat map which plots the sufficiency of the Group's existing protection mechanisms against continuously evolving cyber threats. The information and physical security governance department uses knowledge from a variety of sources, such as published research, security forums, threat intelligence and regional events, to keep these mechanisms current and up-to-date with a view to ensuring that the Group is able to quickly and proactively respond to potential cyber security risks (see "*Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme –The Group relies on third-party service and system providers in the operation of its business and is subject to potential cyber-attack*").

The Group's comprehensive security risk management programme covers classification of assets, identification of vulnerabilities and assessment of the risks of all internal assets and key third parties, which enables management to prioritise and mitigate information security risks. All critical systems and applications undergo regular security testing (including external third-party testing) to monitor effectiveness.

Data management

The data management department is responsible for establishing data as an enterprise asset that is complete, accurate and appropriately accessible through a set of defined business processes, disciplines and practices to help unlock business value. The centralised function is responsible for defining the Group's Data Strategy and Plans, Data Management, Master Data Management, Data Governance, Data Quality Controls, Data Compliance Advisory, Regulatory Responses & Reporting, and all Leadership, Change Management, and Data Policies related to Data Management.

Internal audit group

The IAG was established to provide an independent, objective assurance and consulting function. The IAG applies a systematic and disciplined approach to evaluating and improving the effectiveness of the Group's risk management, control and governance processes. The IAG reports directly to the BAC. The IAG consisted of a team of 58 auditors as of 31 December 2022 whose tasks include evaluating the quality of the Group's lending portfolio, the controls in operational processes and the integrity of the Group's information systems and databases. The IAG is also responsible for auditing whether or not transactions undertaken by the Group are conducted in accordance with the Group's internal procedures, with a view to minimising the risk of fraudulent, improper or illegal practices.

In carrying out their audit activities and responsibilities, internal auditors have unrestricted access to all of the Group's records (whether manual or electronic), assets, physical properties and personnel. The IAG performs its function in accordance with a risk-based audit methodology. Although all of the Group's units are subject to audit, the frequency of internal audits carried out with respect to each of the Group's units depends on the perceived risk of that unit and its related control risk evaluation. All audits are conducted in accordance with the annual audit plan, which is approved by the BAC.

Internal Shari'a Control Department

The Internal *Shari'a* Control Department (the "**ISCD**") is an independent control department. Organisationally, it is not part of any business division or reporting to it. The ISCD supports the ISSC in its duties. At the Issuer, the ISCD assumes the following functions: (a) an ISSC secretariat function; (b) a *Shari'a* consultations function; (c) *Shari'a* research and development; (d) *Shari'a* compliance; and (e) *Shari'a* training. The ISSC supervises the work of this department from a technical perspective. The Head of ISCD reports to the Board or to a Board Committee for all matters. All functions of ISCD are managed internally.

CREDIT APPROVAL PROCEDURES

Overview

The Group requires credit approvals in compliance with Board-approved credit procedures for both consumer, corporate and institutional loans. The UAE's central credit bureaus (such as the Central Bank Risk Bureau and the Al Etihad Credit Bureau ("**AECB**")) provide support for the customer due diligence process. However, ultimate credit assessment and sanctioning is independently managed by each UAE bank (see "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Al Etihad Credit Bureau*"). The Group's credit approval procedures are closely monitored by the Board through the BEC and by executive management through the MCC. The Group's credit group and consumer credit risk group are responsible for the development and implementation of the Group's credit approval procedures in conjunction with the BEC and the MCC as well as the development of the Group's central credit information database.

The Group applies different credit limits and approval criteria depending on the types of loans, customers and industry sectors. The approvals are made at various levels of the organisation, ranging from the Board, the BEC under the Board supervision, the MCC to a credit officer for consumer risk management of retail loans, in each case within the Group's established credit limits.

Corporate, Institutional and HNWI loan approval procedures

For corporate, institutional and HNWI loans, the Board is responsible for approving all credit commitments which are classified as 'large exposures' for the purposes of the Central Bank Notice No. 32/2013 on large exposures (the "**Large Exposure Notice**"). The BEC, which is appointed by the Board, is responsible for approving credit commitments on behalf of the Group over and above the management committee delegation and up to an aggregate percentage of the Group's capital per single borrower or group of related borrowers as specified by the Central Bank (see "The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Large Exposures") and, in all other cases, making recommendations to the Board for approval. The BEC is comprised of five non-executive directors and several invitees from the executive management team including the GCEO, the CFO, the GCRO, the GCCO, the GCOO, the GCIA, the heads of credit, retail banking, corporate & investment banking, treasury, special assets restructuring and the Group General Counsel, among others. The MCC has a delegation to approve corporate and institutional loans that are linked to the customer internal rating and factors in the prudential limits established by the Group for each customer rating. These ratings are internal ratings for customers given by the Group to each customer based on the Group's credit policy. The MCC is comprised of the GCEO, the GCRO, the GCCO, and the heads of private banking and wealth management, corporate & investment banking and treasury as voting members. In addition, MCC also has non-voting members that include, but are not limited to the CFO and Group General Counsel. All decisions at the MCC require the GCEO's vote and at least one vote from the credit group or the risk group. The GCCO has the right of escalation of any matter in this committee to the level of the BEC should he feel the need to do so.

Corporate, institutional and HNWI credit commitments that fall under the mandate of the MCC are addressed by the credit group's "functional delegated lending authorities" approved by the MEC. Certain cases can be escalated to the MCC/the BEC based on the recommendation of the GCEO, the GCRO or the GCCO. The GCEO, the GCRO or the GCCO may also further sub-delegate "specific delegated lending authorities" that are generally limited to short-term commitments (i.e., a maximum of one year). All such sub-delegations are notified to both MCC and BEC.

In addition to categorising corporate, institutional and HNWI credit commitments by value, the Group also divides its corporate, institutional and HNWI credit commitments into the following main product categories: loans, trade finance, contract guarantees (such as performance bonds), financial commitments (such as financial guarantees and undrawn commitments), market variation (foreign exchange contracts, options and derivatives), settlement (foreign exchange and other delivery), syndication and others. The Group applies specific standards of review for each category of credit commitment, which enables the Group to examine both the credit risk of the borrower as well as the Group's overall lending exposure per product category. The credit department also operates pursuant to product specific policy manuals, including but not limited to manuals for the Group's asset-based finance, commercial vehicle financing and real estate and property development finance. Analysing applications by product category also allows the Group to respond to market developments. This approach allows the credit department to apply different credit approval procedures of the Group to different clients as required.

New corporate, institutional and HNWI borrowers are sourced through the Group's sales channels including its relationship managers at corporate, institutional and HNWI client divisions such as the business banking division, financial institutions division and strategic clients and government banking divisions as well as through the Group's local branch network and private banking. Once a new customer has been identified, the relationship manager prepares a due diligence report on the client as part of the approval process. This due diligence report is based on the Group's review of all relevant information and generally includes: (i) borrower information (including its legal constitution, ownership structure, organisational structure and financial strength); (ii) management (including a list of directors, key officers and their qualifications and affiliations); (iii) industry sector and market information; (iv) relationship with the Group and other banks; (v) financial analysis of the borrower; (vi) sources of repayment; and (vii) appropriateness of certain covenants to be included in loan documents. The Group also reviews the borrower's payment history with the Group or other banks, competitive strengths, levels / location / value / type of collateral and other factors to reach its credit decision. This due diligence report is then validated independently by the credit group, which prepares a brief assessment of the reports, summarising its salient features and recommendation for approval at the appropriate delegated lending authority.

The credit division also uses a risk grading and security categorisation system to assess and monitor the credit quality of credit applicants as well as existing borrowers. In accordance with the Group's rating matrices, corporate & investment banking and HNWI clients are assigned credit grades based on various qualitative and quantitative factors including financial strength of the borrower, industry risk factors, management quality, operational efficiency and company standing. These credit grades are used by the Group to decide the maximum lending amount per customer group and to set minimum pricing thresholds. The risk grading system attempts to grade a borrower based solely on the borrower's characteristics, and therefore does not take into consideration any security provided by the borrower unless financials are not provided by the borrower, in which case a finance structure is graded through a real estate scorecard or share scorecard that takes into account the security being provided. In addition to facilitating loan approval decision-making, credit scores are also used by the Group to set credit facility limits for specific clients. The credit quality of the client and the guarantor, the fair value of security interests and other relevant factors are all considered prior to setting the terms of the facility agreement (including the payment period, processing fee and interest rate).

The division monitors compliance with conditions, covenants and other trigger mechanisms on an ongoing basis during the year and, in the event of non-compliance, is responsible for timely intervention in advance of a facility's annual review. The credit division reviews the credit limits of its corporate and institutional customers at least once each year.

Consumer credit approval procedures

The Group has developed a comprehensive consumer credit policy and procedures manual, which establishes the retail banking group's overall risk management framework. The manual establishes operating policies and procedures relating to credit approval and verification, merchant authorisation, collections, risk mitigation, repossession and foreclosure management and fraud. The policy acts as a guideline for the formulation of individual product credit policy and procedures manuals. Additional policies and procedures manuals have been established with respect to the use of vendors, agents, dealers, brokers and other third parties or intermediaries that directly or indirectly impact credit risk, such as appraisers, realtors, brokers, servicing agents and collection agencies.

For consumer loans, the Board has delegated its authority to the consumer risk management division. This division applies a tiered hierarchy of delegated approval authorities based on the value of the credit commitment sought. Such authorities are set out in authority matrices which are required to be approved by appropriate internal committees.

New consumer borrowers are sourced through the Group's sales channels, including direct sales agents and the Group's retail branch network. The consumer risk management division makes credit decisions based on product lending programmes for consumer customers. Acceptance of new retail clients typically depends on the size and type of loans as well as the type of customers. Credits extended to consumer customers are reviewed every 30 days as part of a general portfolio review.

COLLECTION PROCEDURES

Retail banking collection procedures

If a retail banking group loan is in arrears, it is processed in accordance with standard operating procedures whereby the loan is considered to be in default one day after it has become delinquent. The account is recorded as an impaired loan after 90 days past due in line with Central Bank recommendations and guidelines.

The collections unit, which reports directly to the head of consumer risk management, may also, in certain cases, approach a delinquent borrower in order to settle an outstanding loan or assess how an outstanding loan may be restructured. The collection unit is responsible for pursuing all avenues available to collect the outstanding amount from a debtor and/or its guarantor by, among other methods, filing a claim with the court and starting a court proceeding to foreclose on relevant collateral.

Corporate & investment banking collection procedures

If a corporate & investment banking group loan is in arrears, the credit department is responsible for taking the initial steps to determine if the default can be remedied. If: (i) the loan remains in default for more than 90 days (and is thereby recorded as an impaired loan as per Central Bank recommendations and guidelines); or (ii) negative information about the debtor surfaces, which makes collection of the outstanding loan unlikely, then the credit department refers the loan to the remedial risk department.

Initially, the remedial risk department contacts the borrower to discuss repayment of the amount of the loan outstanding. If the borrower is unable to repay the amount outstanding under the original terms of the loan, the remedial risk department may attempt to reschedule interest and principal payments or otherwise restructure the loan in conjunction with the debtor and its advisers. As part of such restructuring, the remedial risk department may request additional collateral, increase applicable interest rates or accelerate payment schedules. Restructuring plans negotiated by the remedial risk department with the borrower are required to be approved by the Management Recoveries Committee, which is comprised of members of the Group's executive management and chaired by the Group General Counsel. The Management Recoveries Committee can review and approve settlements relating to impaired loans and advances to customers where the principal waiver does not exceed AED 25.0 million. Any amount in excess of this threshold is required to be approved by the MCC, the BEC or the Board itself, based upon threshold amounts. If the foregoing measures do not result in payment, the remedial risk department is responsible for pursuing all other avenues available to collect the outstanding amount from the debtor and/or its guarantor by, among other methods, filing a claim with the court and starting a court proceeding to foreclose on relevant collateral. Under UAE federal law, however, creditors are prevented from foreclosing on a UAE national's primary residence.

MANAGEMENT OF RISKS

In common with other financial institutions, the Group faces a range of risks in its business and operations including: (i) credit risk; (ii) funding and liquidity risk; (iii) market risk (including currency risk, interest rate risk, equity price risk and commodity price risk); (iv) legal risk; (v) reputational risk; and (vi) operational risk (see "*Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme*").

Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers and other banks (including related commitments to lend such as loan or credit card facilities), investments in debt securities and derivatives that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

The Group's credit committees (MCC and MRC) are responsible for managing the Group's credit risk by:

- Monitoring the Group's credit risk practices, including its systems of internal control, to determine adequate allowances in accordance with the Group's stated policies and procedures, IFRS and relevant supervisory guidance.
- Identifying, assessing and measuring credit risk across the Group, from an individual instrument to a portfolio level.
- Creating credit policies to protect the Group against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to monitor exposures against internal risk limits.
- Limiting concentrations of exposure by type of asset, counterparties, industry, credit rating and geographic location.
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.
- Developing and maintaining the Group's risk grading to categorise exposures according to the degree of risk of default. Risk grades are subject to regular reviews.
- Developing and maintaining the Group's processes for measuring ECL including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECL.
- Monitoring and maintaining the Group's policies and procedures in relation to the maintenance of validation of models used to assess and measure ECL.
- Establishing a sound credit risk accounting assessment and measurement process that provides it with a strong basis for common systems, tools and data to assess credit risk and to account for ECL; and providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

- Managing the credit exposure relating to its trading activities by entering into master netting agreements and collateral arrangements with counterparties in appropriate circumstances and limiting the duration of exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

The Group wide credit policies and standards are approved by the BRC. These govern all delegated lending authorities and include policies, standards, metrics, strategies and procedures specific to each of the different business segments and are decided based on the macroeconomic conditions, the risk appetite of the Group, market data and internal skill sets and capabilities. They are regularly reviewed and modified for current developments and relevancy and with a view to protect the Group's interest in changing operating conditions. In addition to Group wide policies, there are underwriting standards set for each portfolio segment. The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

Please see Note 43 (*Credit risk management*) to the 2022 Financial Statements for further information.

Organisational framework for credit risk management

The risk management structure of the Group is clearly established with well-defined roles and responsibilities. The committees responsible for managing credit risk are the MCC and the MRC. The Group's risk management practices and strategies are an integral part of business planning and the budgeting process. All risk management areas are centralised under the credit group and the risk group.

The BEC is responsible for sanctioning high value credits and is responsible for the approval of credit policies and processes in line with growth, risk management and strategic objectives established by the Board. In addition, the Group manages the credit exposure by obtaining security where appropriate and limiting the duration of exposure. Credit risk in respect of derivative financial instruments is limited to those with positive fair values.

Regular audits of business units and the Group's credit processes are undertaken by the IAG.

Please see Note 42 (*Risk management*) to the 2022 Financial Statements for further information.

Credit risk measurement and mitigation policies

Loans and advances to customers are the main source of credit risk to the Group, although the Group is also exposed to other forms of credit risk through various other financial assets, including derivative instruments, debt investments, loans to banks, loan commitments and debt securities. The Group's risk management policies and processes are designed to identify and analyse risk, to set appropriate risk appetite, limits and controls and to monitor the risks and adherence to limits by means of reliable and timely data. The Group assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparties.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where it is believed to be appropriate.

Collateral

The Group holds collateral against various credit exposures in the form of mortgage interests over property, other registered security interests over assets, fixed deposits and guarantees. Estimates of fair value of the collateral (including shares) are updated on a regular basis. Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. The principal collateral types for loans and advances to customers are:

- cash and marketable securities;
- mortgages over residential and commercial properties;
- charges over business assets such as premises, inventory and accounts receivable;
- charges over financial instruments such as debt securities and equities; and

- guarantees.

The estimated fair value of collateral and other security enhancements held against various credit exposures as at 31 December 2022 was AED 227,175,417 thousand compared to AED 242,520,106 thousand as at 31 December 2021.

Collateral held as security against impaired loans primarily relates to commercial and residential properties and securities. Where the estimated fair value of collateral held exceeds the outstanding loan, any excess on realisation is paid back to the customers and is not available for offset against other loans.

For further information regarding the Group's credit risk, see "*Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – 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*".

Portfolio monitoring and identifying credit risk loans

Credit risk management is actively involved in identifying and monitoring credit risk in the loan portfolio. It monitors the portfolio through system generated information and periodic reviews giving consideration to industry/general economic trends, market feedback and media reports.

Within the retail portfolios comprising homogeneous assets, statistical techniques are deployed to monitor potential weaknesses within a particular portfolio. Retail accounts are classified according to specified categories of arrears status (based on days past due), which reflects the level of contractual payments which are overdue on a loan.

The probability of default increases with the number of contractual payments missed, thus raising the associated impairment requirement. In the event where a decision is taken to write off a loan, the account is moved to the legal recovery function. However, in certain cases, an account may be charged-off directly from a performing status, such as in the case of insolvency or death.

In respect of the corporate & investment banking group portfolio, the Group more frequently participates in debt restructuring agreements as part of the business support process. Debt restructuring agreements may include actions to facilitate recovery of the principal and interest outstanding and may include rate negotiation and relaxing payment schedules, among others.

The Group adopts an approach to its credit risk management function that it believes is conservative. Early identification of potentially problematic exposures and the allocation of a specific impairment allowance (and/or collateral) against such loans and advances to customers (recorded in the Group's income statement) helps to mitigate the risk of incurring future losses.

The Group's management believes that the systems in place to implement the Group's loan loss impairment allowances are robust, in line with industry best practice and IFRS 9 requirements, and reflect the Group's prudent approach to credit risk management generally.

Exposure to credit risk by internal risk grades

The Group uses an internal grading system which employs ten grades that categorise the Group's corporate, institutional and HNWI customers based on various qualitative and quantitative factors such as borrower financial strength, industry risk factors, management quality, operational efficiency, company standing, liquidity, capital structure, peer group analysis and other factors. Some of these grades are further sub-classified with a plus or a minus sign. Lower grades are indicative of a lower likelihood of default. Credit grades between 1 to 7 are assigned to performing customers or accounts, while credit grades between 8 to 10 are assigned to non-performing or defaulting customers.

Credit ratings are used by the Group to decide the maximum lending amount per customer group and also to set minimum pricing thresholds. Retail customers or individual borrowers are not assigned a credit rating under this structure. However, RBG uses behaviour scoring for its customers.

The Group's internal credit grade is not intended to replicate external credit grades but, since factors used to grade a borrower may be similar, a borrower rated poorly by an external rating agency is typically assigned a worse internal credit grade.

The Group has also implemented a 8 grade LGD (loss given default) rating scale in 2021 to categorise the Group's corporate, institutional and HNWI customers based on collateral value, collateral type, date of collateral valuation.

ADCB's PD (probability of default) and LGD (loss given default) rating models are fully integrated with the credit approval process.

Please see Note 43.3 (*Expected Credit Losses*) to the 2022 Financial Statements for further information.

Funding and Liquidity Risk

Funding risk is the risk that the Group will be unable to achieve its business plans due to its capital position, liquidity position or structural position. Funding risk arises when the Group cannot obtain the funds needed to meet current and future cash flow and collateral requirements at the expected terms and when required. To reduce this risk, the Group's funding sources are well diversified in both tenor and client base. 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. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

For further information regarding the Group's liquidity risk, see "*Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – Risks relating to the Group's liquidity*".

Liquidity risk management process

The ALCO sets and monitors liquidity ratios and regularly revises and calibrates the Group's liquidity management policies to enable the Group to meet its obligations as they fall due.

The Group's liquidity management process, as carried out within the Group, is monitored by both the Group's treasury and investments group as well as the Group's independent market risk control function, includes:

- monitoring of the liquidity position on a daily, weekly and monthly basis. This entails forecasting of future cash inflows/outflows and seeking to ensure that the Group can meet the required outflows;
- regularly monitoring compliance with the liquidity ratios, such as the LCR and NSFR, stipulated by the Central Bank in accordance with the Basel III framework and internally approved management triggers for liquidity risk;
- conducting regular enterprise-wide liquidity stress tests which estimate liquidity requirements under idiosyncratic and systemic stress conditions. The enterprise-wide stress tests incorporate diverse liquidity triggers including currency de-peg, failure of a major local bank and credit rating downgrades, in addition to regular stress cash flow analysis; and
- monitoring the concentration of the Group's top 10 depositors / largest single deposit.

In accordance with the Central Bank's introduction of the Basel III framework in the UAE and related Central Bank guidelines, the Group manages its liquidity position through compliance with the LCR. As part of the requirements to report its liquidity position to the Central Bank in compliance with the LCR, the Group manages its internal liquidity through periodic internal 60-day LCR stress tests which are more conservative than the Basel III requirements. Additionally, the Group's treasury division invests in various short-term and/or medium-term, highly marketable assets in line with Basel III guidelines for HQLAs (such as monetary bills issued by the Central Bank and investment grade bonds).

As part of its LCR compliance, as at 31 December 2022, the Group held a portfolio of HQLAs valued at AED 102.7 billion and had an LCR ratio of 138.9 per cent., as compared with a portfolio of HQLAs valued at AED 86.6 billion and an LCR ratio of 124.1 per cent. as at 31 December 2021. As at 31 March 2023, the Group's LCR ratio was 133.0 per cent. and it held a portfolio of HQLAs valued at AED 93.3 billion. See "*Risk Factors –Factors that may affect the Group's ability to fulfil its obligations in respect of Notes* *issued under the Programme – Risks relating to the Group's liquidity – 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 – Recent Trends in Banking – Liquidity*" for more information. The ALCO and the Board monitor compliance with these ratios internally on an ongoing basis.

The Group monitors the concentration of funding sources through a number of different metrics, including:

- euro commercial paper to total liabilities and equity;
- wholesale funds to total liabilities and equity;
- money market deposits to total liabilities and equity;
- core deposits to customer deposits; and
- offshore funds to total liabilities and equity.

Tools for liquidity management

The Group, through its treasury department, is responsible for obtaining access to diverse sources of funding, ranging from local customer deposits from both its retail and corporate customers, to long term funding such as debt securities and subordinated liabilities.

While the Group's debt securities and subordinated debt are typically issued with maturities of greater than one year, deposits from banks and customers generally have shorter maturities which increases the liquidity risk of the Group and creates an asset-liability mismatch. The Group's treasury department manages this risk by:

- diversification of funding sources and balancing between long term and short term funding sources through borrowing under its unsecured notes issuance programmes;
- monitoring the stickiness of its liability portfolio and rewarding business units for sticky deposits through the fund transfer pricing process; and
- investing in various short-term or medium-term but highly marketable assets, in line with Basel III guidelines for HQLAs, such as monetary bills issued by the Central Bank and investment grade bonds that can be repurchased at short notices.

Further, the Group also has the following facilities from the Central Bank to manage its liquidity risk during critical times:

- the Marginal Lending Facility (the "**MLF**"), under which the Group can borrow from the Central Bank by posting eligible collateral with a spread of 50 basis points above the base rate. The Group periodically tests the MLF with the Central Bank for its operational readiness (see "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Standing Credit & Liquidity Insurance Facilities*");
- the Contingent Liquidity Insurance Facility (the "**CLIF**") which is similar to the MLF, but is on a contingent basis and at the Central Bank's discretion in response to a market-wide or idiosyncratic stress event. The spread on this facility is on a case-by-case basis and is dependent on the severe of the stress event; and
- the Intraday Liquidity Facility, which gives the Group access to AED funding against eligible collateral on an intraday basis, to ensure that payments are settled on a real-time basis.

The contractual maturities of assets and liabilities are determined on the basis of the remaining period at the end of the reporting period date to the contractual maturity date and do not take into account the effective maturities as indicated by the Group's deposit retention history and the availability of liquid funds. The maturity profile of the Group's assets and liabilities is monitored by management in order to maintain adequate liquidity.

Market Risk

The Group's activities expose 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 (not relating to changes in the obligor's/issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is broadly classified into three categories:

- interest rate risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates;

- currency risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates; and

- 'other price risk', which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Group separates its exposure to market risk between its trading portfolio and its banking book.

Market risk arising from trading portfolio

Trading portfolios are held by the treasury division, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis. Realised and unrealised gains and losses on these positions are generally reported in the Group's consolidated income statement.

The Group's trading activities expose it to the financial risk of changes in interest rates and foreign currency exchange rates. The Group enters into a variety of derivative financial instruments to manage its exposure to such interest rate and foreign exchange risks.

Market risk arising from banking book

Market risk from banking book arises from execution of the Group's core business strategies, products and services to its customers which create interest rate risk positions and open currency positions that the Group endeavours to manage through strategic positions designed to mitigate the inherent risk caused by holding such positions.

Banking book includes all positions that are not held for trading including, but not limited to, the Group's investments in instruments carried at fair value through comprehensive income and held at amortised cost, loans held at amortised cost, derivatives used for hedging purposes and other assets held for longer term investment.

These exposures can result from a variety of factors including but not limited to re-pricing gaps in assets, liabilities and off-balance sheet instruments and changes in the level and shape of market interest rate curves.

Risk identification and classification

The MCC identifies and classifies market risk for the Group and puts in place risk management policies and procedures. All business segments are responsible for comprehensive identification and verification of market risks within their business units. Regular meetings are held between treasury, market and liquidity risk management and the heads of risk-taking businesses to discuss and decide on risk exposures in the context of the market environment.

Management of market risk

The Board has set risk limits based on the Value-at Risk (VaR), stressed-VaR (SVaR), Greeks, sensitivity/stress analysis and foreign exchange open position limits which are closely monitored by the risk management division and reported regularly to the executive management and discussed by the ALCO.

Market risk is identified, measured, monitored, and controlled by an independent risk control function. with Treasury, market and liquidity risk management aims to reduce volatility in operating performance and make the Group's market risk profile transparent to the executive management, the Board and the Group's regulators.

Market risk management is overseen by the MCC / BRC and performs the following primary functions:

- establishment of a comprehensive mark-to-market valuation policy framework;
- establishment of a comprehensive market risk policy framework;
- independent measurement, monitoring and control of market risk;
- setting and monitoring of limits; and
- hedge effectiveness methodology.

The following are the various matrices, both statistical and non-statistical, including sensitivity analysis tools, used to measure market risk. Refer to Note 46 of the 2022 Financial Statements for further details.

Statistical risk measures

The Group measures the risk of loss arising from future potential adverse movements in market rates, prices and volatilities using VaR methodology. The VaR that the Group measures is an estimate, using a confidence level of 99 per cent. of the potential loss that is not expected to be exceeded if the current market positions were to be held unchanged for one day. This confidence level suggests that potential daily losses in excess of the VaR measure are likely to be experienced once every hundred days. The Board has set limits for the acceptable level of risks in managing the trading book.

The Group uses simulation models to assess the possible changes in the market value of the trading book based on historical data. VaR models are usually designed to measure the market risk in a normal market environment and therefore the use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that the future movements will follow a statistical distribution.

The VaR represents the risk of portfolios at the close of a business day and intra-day risk levels may vary from those reported at the end of the day. The actual trading results, however, may differ from the VaR calculations and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions.

To overcome the VaR limitations mentioned above, the Group runs both stressed VaR and expected shortfall on a daily basis to monitor the tail risk outside the confidence limit. Stressed VaR is the VaR run through a stressed year, rather than the previous year (as is used in VaR).

The table below shows the Group's VaR as at 31 December for each of the years indicated:

Daily value at risk (VaR at 99% – 1 day)	**2022**	**2021**
	(*AED thousands*)	
Overall risk	(32,460)	(25,934)
Average VaR	(44,386)	(41,672)

Non-statistical risk measures

Non-statistical risk measures, other than stress/sensitivity testing, include independent market valuations to test that the Group's valuations are correct, and risk greeks to confirm that trading is within the risk appetite thresholds. These measures provide granular information of the Group's market risk exposures.

Independent market valuations/greeks are validated by the market risk function in order to test whether market valuations/greeks are measured correctly. The Group uses first order risk greeks to monitor and control market risk on a daily basis. The interest rate delta and vega and the foreign exchange delta and vega are computed daily and monitored against a limit. The Board has set limits for the delta and the vega within acceptable levels of risk in managing the trading book.

Sensitivity analysis

To overcome the VaR limitations mentioned under "– *Statistical risk measures*" above, the Group also carries out daily stress tests/sensitivity analysis of its portfolio to simulate conditions outside normal confidence intervals in order to analyse potential risk that may arise from extreme market events that are rare but plausible. The results of the stress tests are reported regularly to the ALCO for their review.

For further information regarding the Group's market risk, see "*Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – Risks relating to the Market in which the Group operates*".

Interest rate risk – trading book

The Group uses financial simulation modelling tools to periodically measure and monitor interest rate sensitivity. The results are analysed and monitored by the ALCO.

The following table depicts the sensitivity of fair valuations in the trading portfolio to hypothetical and instantaneous changes in the level of interest rates – with other market risks held constant – which would have an impact on the Group's consolidated income statement:

Relative instantaneous rate move shift for all tenors	**2022**		**2021**	
	(*thousands*)			
	+0.25%	*-0.25%*	*+0.25%*	*-0.25%*
AED	11,512	(9,719)	3,988	(3,006)
U.S.$	(4,754)	4,358	1,117	(323)

Interest rate risk – non-trading book

The following table demonstrates the sensitivity of fair valuations in the non-trading book to hypothetical and instantaneous changes in the level of interest rates - with other market risk factors held constant – which would have an impact on the Group's consolidated income statement.

The sensitivity on the consolidated income statement is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and financial liabilities, including the effect of hedging instruments.

	2022		**2021**	
	(AED thousands)			
	+0.25%	*-0.25%*	*+0.25%*	*-0.25%*
Sensitivity of net interest income	127,530	(124,805)	116,431	*(100,819)*

Currency risk

The following table depicts the sensitivity of fair valuations in the trading portfolio and banking book to hypothetical, instantaneous changes in the level of foreign currency exchange rates – with other market risks held constant (including the USD-AED currency pair which is pegged) – which would have an impact on the Group's consolidated income statement:

Price shock in percentage	**2022**		**2021**	
	(*thousands*)			
	+5%	-5%	+5%	-5%
U.S.$ – AUD	69	(13)	(33)	33
EUR – U.S.$	31	(31)	(7,415)	10,937
GBP – U.S.$	(35)	64	1,480	1,634
U.S.$ – JPY	(328)	635	1,637	4,880
U.S.$ – INR	4,765	(4,311)	5,422	(1,808)
U.S.$ – EGP	14,466	(12,642)	75,685	(68,476)
U.S.$ – SAR	56,591	(67,106)	6,464	(32,027)

Legal Risk

Legal risk is the risk of losses occurring due to: (i) non-compliance with laws or regulations; or (ii) legal or regulatory action that invalidates contractual protections. The Group seeks to mitigate this risk through the use of experienced internal and external lawyers to review documentation and provide legal advice in relation to such documentation when appropriate. There is also an independent compliance department established that is responsible for monitoring compliance with UAE banking laws and compliance with laws and regulations in all other jurisdictions under which the Group and its subsidiaries operate.

Reputational Risk

Reputational risk is the risk of loss occurring due to a decrease in the value of the ADCB brand. The Group's brand and reputation could be adversely affected by a number of factors, including, but not limited to, substandard work product, higher transactional costs than competitors, major adverse credit events, negative publicity in local and international press, legal disputes or lower than expected financial results. The Group seeks to mitigate this risk through internal risk management policies and procedures and active use of the media and advertising.

Operational Risk

The Group defines operational risk as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". Operational risks can expose the Group to potentially large losses. While the Group cannot eliminate all operational risks, it has developed a comprehensive process of identifying, assessing, controlling/mitigating, monitoring and reporting operational risk.

The ultimate responsibility for bank-wide operational risk profile, as well as compliance with laws and regulations, rests with the Board, although this responsibility has been delegated to the executive management. Ongoing management of operational risk is co-ordinated by the Operational Risk Management Department and reviewed and controlled by the MEC and the MRC, as applicable, for policy purposes.

The Group's operational risk governance framework is built on a number of elements which enable the Group to effectively manage and measure its operational risk profile and to calculate the amount of operational risk capital that the Group needs to hold to absorb potential losses.

The Group's internal audit function provides further independent review of the Group's operational risk management processes, systems and controls and reports to the Board and executive management.

GROUP COMPLIANCE

Overview

The compliance department is in charge of identifying, assessing, monitoring, and reporting on the Group's compliance risk, including those relating to combating money laundering, terrorist financing and other financial crimes, and ensuring overall adherence to applicable laws, regulations, standards and all other conduct and compliance policies. The department applies a risk-based approach and operates a compliance programme founded on the following pillars: governance, policies and procedures, systems and controls, training, monitoring and assurance, and reporting. The Group Chief Compliance Officer has direct access to the BAC and reports to the GCEO.

The compliance department is responsible for maintaining oversight on regulatory implementations, creating regulatory awareness, assessing risks inherent in the business and enabling compliance with applicable rules and regulations.

CAPITAL MANAGEMENT

The Central Bank is the Group's principal regulator and sets and monitors its capital requirements. The Group's objective is to have an adequate capital base to enable it to pursue its strategic initiatives and to support the growth of its business.

The Group's senior management, employing techniques based on the guidelines developed by the Basel Committee and the Central Bank, monitors capital adequacy and the use of regulatory capital. Returns are filed with the Central Bank on a quarterly basis. For further information on the capital adequacy regime in the UAE and the requirements applicable to the Group, see "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Capital Adequacy*" below.

Details of the Group's capital base and risk-weighted assets reported in accordance with guidelines issued by the Central Bank (after deducting proposed dividends from retained earnings) as at 31 March 2023, 31 December 2022 and 31 December 2021 are set out in the table below:

	As at 31 March (*unaudited*)	**As at 31 December**	
	2023	**2022**	**2021**
	(AED millions, except for percentage)		
Capital Base			
Tier 1 capital (before deductions)	63,002.48	62,644.19	58,947.22
Deductions and adjustments from Tier 1 capital	(9,032.70)	(8,960.71)	(7,264.13)
Less: Proposed dividend	-	(1,252.33)	(2,574.23)
Total Tier 1 capital	53,969.78	52,431.14	49,108.86
Tier 2 capital	4,144.44	4,073.29	4,087.81
Total regulatory capital	58,114.22	56,504.43	53,196.67
Risk-weighted assets			
Credit risk	331,555.10	322,725.32	301,076.49
Market risk	16,978.54	13,983.51	9,406.23
Operational risk	22,334.61	21,529.96	22,542.86
Total risk-weighted assets	370,868.25	358,238.79	333,025.57
Capital Adequacy Ratio	15.67%	15.77%	15.97%

The Group also calculates its capital ratio with respect to the Basel III reports in accordance with Basel III's standardised approach. Please refer to Note 31 (*Capital adequacy ratio*) to the Interim Financial Statements and Note 50 (Capital adequacy ratio) to the 2022 Financial Statements for these ratios.

In accordance with the Commercial Companies Law, the Group transfers 10 per cent. of its annual profits to its statutory and legal reserve and will continue to do so until such time as the reserve equals 50 per cent. of the issued share capital of ADCB. As at 31 December 2022, the value of the statutory and legal reserve was equal to 50 per cent. of the issued share capital of ADCB and, accordingly, ADCB resolved to discontinue further transfers to the statutory reserves. These reserves are not available for distribution.

Please see Note 31 (*Capital adequacy ratio*) to the Interim Financial Statements and Note 50 (*Capital adequacy ratio*) to the 2022 Financial Statements for further information.

THE UNITED ARAB EMIRATES BANKING SECTOR AND REGULATIONS

SUMMARY

As at 31 December 2022, there were a total of 61 commercial banks registered in the UAE (consisting of 22 locally incorporated commercial banks and 39 foreign commercial banks) (*source*: Central Bank Monetary Banking & Financial Markets Developments Report Q4 2022). 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, following the consummation of the merger of NBAD and FGB on 30 March 2017, which created First Abu Dhabi Bank, one of the largest banks in the Middle East and North Africa region by assets, it is anticipated that this may act as a catalyst for further consolidation amongst locally incorporated banks. This has already been observed in the Combination in 2019 and the acquisition of Noor Bank P.J.S.C by Dubai Islamic Bank P.J.S.C in 2020.

The UAE's membership of the WTO will likely require greater economic liberalisation, but it is unclear to what extent this will encourage foreign banks to further expand their presence in the market. In the long-term, however, it is likely to lead to increased competition, which should spur consolidation, both within the UAE and across the region generally.

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 7.25 per cent. of real GDP in 2021 *(source:* FCSC National Account information for 2020-2021).

As a banking regulator, the 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 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 the banks to the Central Bank.

Historically, the 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 MLF allows non-Islamic UAE banks to use certain tradeable assets and/or foreign exchange as collateral to access 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 pandemic, effective from 15 March 2020, the Central Bank implemented the TESS, which included a range of measures aimed at mitigating the economic effects of COVID-19 on the UAE economy (see further *"Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – The Group's business, results of operations and financial condition may be adversely affected by the impact of COVID-19*"). 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:

Further measures to support the UAE economy in response to COVID-19

- decreasing the 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 IFRS9 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 61 commercial banks registered in the UAE (consisting of 22 locally incorporated commercial banks and 39 foreign commercial banks) (*source*: Central Bank Monetary Banking & Financial Markets Developments Report Q4 2022), serving a population estimated to be in the region of approximately 9.44 million people as of mid-2022 (*source:* Statistical Yearbook 2022 edition, United Nations Department of Economic and Social Affairs, Statistics Division). 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 of NBAD and FGB, consummated on 30 March 2017, the Combination, which became effective on 1 May 2019, 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 information technology system development.

Going forward, the advent of WTO liberalisation should allow greater competition from foreign banks, both from new entrants to the market and from existing players expanding their operations, which may eventually result in more mergers, with the possibility of creating banks with pan-Gulf franchises.

Domestic Focus

The UAE-incorporated banks are predominantly focused on the domestic 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. As the market has been tested only to a limited extent under adverse conditions, it is difficult to predict the future likelihood of asset quality problems.

Expansion of retail operations has required heavy investment in distribution channels, particularly ATM networks, kiosks and telephone and internet banking services. As a consequence, information technology 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. At the same time, existing foreign banks were limited to a maximum of eight branches, which restricted their ability to develop any retail potential. However, three banks of GCC state origin, the National Bank of Kuwait, SAMBA and Doha Bank, were awarded licences by the Central Bank following an agreement to permit market access to banks of GCC state origin in line with continuing efforts in regional integration.

During 2002, the Government of Dubai issued a decree establishing the DIFC. The DIFC, located in the Emirate of Dubai, is a free trade zone and financial services centre focusing on private banking, asset management, investment banking, re-insurance activities, Islamic finance, securities trading and back office operations. The DIFC has its own civil and commercial laws and has been granted authority to self-legislate in civil and commercial cases. The opening of the DIFC has enabled international banks to establish a presence and compete in the wholesale banking market and this has seen new entities entering the market place.

In 2013, the Government sought to replicate the success of the DIFC by announcing its intention to establish the ADGM in Abu Dhabi, as an international financial free zone with its own legal framework (closely based on English common law). The ADGM became operational in mid-2015 and, as at the date of this Base Prospectus, it remains unclear to what extent this will impact the competitive and regulatory landscape in the domestic banking sector.

Federal Law No. 14 of 2018 (which entered into force with effect from 23 September 2018) (the **"2018 Federal Law")** amended the minimum permissible shareholding by UAE nationals in UAE banks to 60 per cent.

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 the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – Risks relating to the UAE and MENA – 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. The mining and quarrying sector, which includes crude oil and natural gas, accounted for approximately 27.7 per cent. of the UAE's constant GDP in 2021, down from 79 per cent. of GDP in 1980 (source: Federal Government of the UAE).

Islamic Banking

Shari'a (Islamic) law forbids the charging of interest on any financial transaction. A number of banks have developed in the Islamic world to serve customers who wish to observe this principle. 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. 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), Al Hilal Bank PJSC, Tamweel and Amlak Finance. In addition, conventional financial institutions often offer *Shari'a*-compliant products. In addition, the majority of local and international conventional financial institutions that operate in the UAE also 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 Central Bank. The 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 Central Bank powers to, among other things:

- 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, including electronic payment systems, digital currency and stored value facilities.

Historically, income from overseas investments has been used to fund fiscal deficits, obviating the need for the Central Bank to issue UAE federal government debt. However, the 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 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 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 the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – Risks relating to the UAE and MENA – 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 the Group to U.S. dollar foreign exchange movements against the UAE dirham or other such currencies*".

The Central Bank is also responsible for regulating financial institutions in relation to AML 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 Central Bank to receive and investigate reports submitted by financial institutions and corporate entities regarding suspected illicit financial activity. In June 2022, the Financial Action Task Force, a global monitor for AML and counter-terrorism financing regulation, identified the UAE as a "jurisdiction under increased monitoring", commonly referred to as the "grey list". In January 2023, the Central Bank released new guidance on AML and counter-terrorism financing for financial institutions containing new obligations for banks to conduct customer due diligence through digital identification systems.

Although the 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 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.

Capital Markets

The capital markets in the UAE are regulated by a number of entities, including the UAE Securities and Commodities Authority (the "**SCA**"), which licenses intermediaries to trade on the Dubai Financial Market and the ADX. The SCA is a federal government organisation but has financial, legal and administrative independence. The other significant stock exchange in the UAE is Nasdaq Dubai which commenced operations in September 2005 and, as an entity based in the DIFC, is separately regulated.

Dubai Financial Market

The Dubai Financial Market, which is now, along with Nasdaq Dubai, owned by Borse Dubai Limited, was established by the Government of Dubai in 2000 as an independent entity and operates as a market for the listing and trading of shares, bonds and investment units issued by companies, investment funds and other local or foreign financial institutions that conform to its listing requirements.

The Dubai Financial Market was upgraded to the MSCI Emerging Markets Index with effect from 1 June 2014 which has led to an increase in interest and investment from international institutional investors in Dubai.

Nasdaq Dubai

Nasdaq Dubai (formerly known as the Dubai International Financial Exchange or DIFX) commenced operations in September 2005. On 22 December 2009, Dubai Financial Market announced that it had made an offer to Borse Dubai Limited and the Nasdaq OMX Group to acquire Nasdaq Dubai. The offer was valued at U.S.$121 million and comprised U.S.$102 million in cash and 40 million Dubai Financial Market shares. The merger was approved by Borse Dubai Limited and the Nasdaq OMX Group and was completed on 11 July 2010.

Nasdaq Dubai's standards are comparable to those of leading international exchanges in New York, London and Hong Kong. Nasdaq Dubai allows regional and international issuer's access to regional and international investors through primary or dual listings. Investors can access Nasdaq Dubai through a unique mix of regional and international brokers.

Abu Dhabi Securities Exchange

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

ADX is classified as an 'Emerging Market' by each of MSCI index (Morgan Stanley Capital International), S&P Dow Jones, FTSE, S&P and Russell Investments. ADX has the authority to establish centres and branches outside the emirate of Abu Dhabi. To date it has done so in the emirates of Fujairah, Ras al Khaimah and Sharjah.

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 31 December 2022 (*source*: Central Bank Monetary Banking & Financial Markets Developments Report Q4 2022), are required to be public shareholding companies with a minimum share capital of AED 40.0 million and must be majority owned by UAE nationals. Licensed foreign banks, of which there were 39 as at 31 December 2022 (*source*: Central Bank Monetary Banking & Financial Markets Developments Report Q4 2022), need to demonstrate that at least AED 40.0 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. The high oil prices and strong economic conditions experienced in the UAE between 2004 and 2008 allowed UAE banks to expand significantly.

However, much of this growth focused on the real estate sector and equity financing which, in the context of the 2008 global financial crisis, represented a significant risk to the UAE banking system. Equity prices declined generally in the UAE from 2008 to 2011 in response to the global 2008 financial crisis but rebounded between 2012 and 2019, with the ADX's General Index increasing from 2,630.9 at 31 December 2012 to 8,488.4 at 31 December 2021 (*source*: Bloomberg), and the Dubai Financial Market index increasing from 1,662.5 at 31 December 2012 to 3,195.9 at 31 December 2021 (*source:* Dubai Financial Market Integrated Report 2021; and Dubai Financial Market Yearly Bulletins).

Liquidity

The 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. Banks must also adhere to a maximum loan-to-deposit ratio of 100 per cent. set by the Central Bank. In this context, loans comprise loans and advances to customers and interbank assets maturing after three months.

UAE banks are mostly funded through on demand or time-based customer deposits made by private individuals or private sector companies. According to data made available by the Central Bank, together, demand and time deposits constituted approximately 86.1 per cent. of total resident and non-resident deposits (excluding government deposits, commercial prepayments and borrowings under repurchase agreements) while resident and non-resident government deposits (including GRE deposits) and non-banking financial institutions constituted approximately 29.2 per cent. and 3.9 per cent., respectively, of total deposits of the UAE banking sector (excluding interbank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements) as at 31 December 2022 (*source*: Central Bank Banking & Monetary Statistics February 2023). As at 31 December 2022, non-resident sources constituted approximately 9.6 per cent. of total deposits within the UAE banking sector (excluding interbank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements) as at the same date (*source*: Central Bank Banking & Monetary Statistics February 2023).

In response to the global 2008 financial crisis, the Central Bank announced a number of measures aimed at ensuring that adequate liquidity is available to banks operating in the UAE. In September 2008, the Central Bank established an AED 50.0 billion liquidity facility which banks could draw upon subject to posting eligible debt securities as collateral. The liquidity facility was available only for the purpose of funding existing commitments. New lending was required to be based on growth in the customer deposit base. The Central Bank also established a CD repo facility under which banks can use CDs as collateral for dirham or U.S. dollar funding from the Central Bank.

In addition to these measures, the UAE federal government also provided AED 50.0 billion in deposits to UAE banks (as part of a larger AED 70.0 billion package) which, at the option of the banks, can be converted into Tier 2 capital in order to enhance capital adequacy ratios. A number of banks in the UAE exercised this option and converted the UAE federal government deposits made with them into Tier 2 capital.

During 2008, Government-owned institutions assisted certain Abu Dhabi banks in strengthening their capital base through the subscription of mandatory convertible securities and, in February 2009, the Government (acting through the Department of Finance) subscribed for, in aggregate, a sum of AED 16.0 billion in subordinated Tier 1 capital notes issued by the five largest Abu Dhabi banks: NBAD, ADCB, FGB, UNB and Abu Dhabi Islamic Bank PJSC.

In line with Basel III requirements, the Central Bank has issued the Central Bank Notice No. 33/2015 on liquidity requirements (which was issued by the 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 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); with the results being communicated to the board of directors and the 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 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.

	Ratio	Applicability Period
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-day 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 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 the Group's ability to fulfil its obligations in respect of Notes issued under the Programme – Risks relating to the Group's liquidity – the Group's cash flow from its operations may not be sufficient at all times to meet its contractual and contingent payment obligations"* and *"Risk Management – Management of Risks – Funding and Liquidity Risk"* 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 ASF factor depends on the terms of funding and the perceived stability of the funding sources. The assigned RSF 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.

Standing Credit & Liquidity Insurance Facilities

On 15 April 2014, the Central Bank introduced an Interim Marginal Lending Facility which allowed non-Islamic UAE banks to use certain assets as collateral to access 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 MLF and Contingent Liquidity Insurance Facility (together referred to as the "**Standing Credit & Liquidity Insurance Facilities**"). The MLF performs the same function as the former Interim Marginal Lending Facility, whereas the Contingent Liquidity Insurance Facility allows access to Central Bank term liquidity at the discretion of the Central Bank.

The Central Bank accepts a range of tradeable securities and foreign exchange as eligible collateral for the purposes of accessing the Standing Credit & Liquidity Insurance Facilities, including securities issued by sovereigns (originating in the UAE and outside the UAE) and securities issued by corporates, financial institutions 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 Standing Credit & Liquidity Insurance Facilities. Banks accessing the Standing Credit & Liquidity Insurance Facilities must borrow a minimum of AED 10.0 million.

Position of Depositors

There is no formal deposit protection scheme in the UAE. While no bank has, so far, been permitted to fail, during the 1980s and early 1990s, a number were restructured by the relevant government authorities. In October 2008, in response to the global financial crisis, the UAE federal government announced that it intended to guarantee the deposits of all UAE banks and foreign banks with core operations in the UAE. Following therefrom, in May 2009 the UAE's National Federal Council approved a draft law guaranteeing federal deposits. However, until such time as the law is passed, there is no guaranteed government support.

Prudential Regulations

The 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 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 Central Bank Circular Number 27/2009. Since 1993, the Central Bank had imposed a 10 per cent. minimum total capital ratio on all UAE banks. In a circular dated 30 August 2009, the 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 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 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 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.

The Central Bank adopted a policy of a gradual, phased introduction of the Basel III Reforms. As part of this gradual introduction of Basel III in the UAE, and pursuant to the February 2017 Regulations and the Accompanying Standards (as defined below), ADCB is required by the Central Bank to maintain a minimum total capital adequacy ratio of 13.5 per cent., effective from 1 January 2019. Included within this Central Bank prescribed minimum total capital adequacy ratio, ADCB, as a D-SIB, is required from 1 January 2019 to maintain a Common Equity Tier 1 buffer of 0.5 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 are risk-weighted at zero per cent. and claims on GCC government non-commercial public sector entities are risk-weighted at 50 per cent. Under the 2018 Federal Law, the Central Bank may determine reserve requirements for UAE banks. All dividends paid by UAE banks have to be authorised in advance by the 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 the Basel III Reforms, 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**") that requires contractual or legislative terms providing for, at the option of the relevant authority, the writing-off of the principal amount of Tier 1 and Tier 2 capital instruments or the conversion of such Tier 1 and Tier 2 capital instruments into ordinary shares upon the occurrence of the earlier of: (a) a decision that a write-off, without which the relevant bank would become non-viable, is necessary; and (b) the decision to make a public sector injection of capital, without which the relevant bank would become non-viable, in each case 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 confirm that the Non-Viability Requirement is a pre-requisite for any capital instruments issued by UAE banks to achieve Regulatory Capital classification from the 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 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, 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 Central Bank on 12 November 2020 by virtue of Notice No. CBUAE/BSD/N/2020/4980 and most recently updated on 1 December 2022 (the "**Accompanying Standards**"). The Accompanying Standards elaborate on the supervisory expectations of the Central Bank with respect to the relevant Basel III capital adequacy requirements. Banks which are classified as DSIBs by the Central Bank will be required to hold additional capital buffers as notified to it by the 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 Central Bank (see *"Risk Factors – Factors that may affect the Group's ability to fulfil its obligations in respect of Notes issued under the Programme — Regulatory risks relating to the Group's business – The Group is a highly regulated entity and changes in 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 a material adverse effect on the Group's business, results of operations and financial condition*").

Reserve Requirements

Reserve requirements are used by the 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 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 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), as amended by Notice No. CBUAE/BSD/N/2020/1799 dated 8 April 2020 and Resolution No. 31/2/2020 Amending Circular No. 31/2013 (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. For example, the regulations require that the amount of any personal consumer loan shall not exceed 20 times the salary or total income of the borrower with the repayment period not exceeding 48 months. Additionally, the Mortgage Regulations specify that the amount of mortgage loans for non-UAE nationals should not exceed 80 per cent. of the property value for a first purchase of a home (with a value of less than or equal to AED 5.0 million), 70 per cent. of the property value for a first purchase of a home (with a value greater than AED 5.0 million) and 60 per cent. of the property value (irrespective of the value of the property) for second and subsequent homes. For UAE nationals, the corresponding limits are set at 85 per cent. in respect of a first purchase of a home with a value less than or equal to AED 5.0 million, 75 per cent. for a first home with a value greater than AED 5.0 million and 65 per cent. of the property value for a second or subsequent purchase (irrespective of the value of the property).

Large Exposures

The 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 11 November 2013, the Central Bank published the Large Exposure Notice amending certain of the large exposure limits. The Large Exposure Notice introduced new limits of 100 per cent. of the bank's capital base for all lending to UAE local governments and their non-commercial entities, together with a 25 per cent. limit to any single such non-commercial entity. Exposures above these limits are subject to approval by the Central Bank. Set out below is a table showing a summary of the limits introduced by the Large Exposure Notice (defined as a percentage of the bank's capital base calculated under Basel II):

	Cap as percentage of capital base	
	Individual	**Aggregate**
UAE federal government	Not applicable	Not applicable
UAE local governments and their non-Commercial entities	No cap for UAE local government; 25% for each non-commercial entity	100%
Commercial entities of UAE federal government and UAE local government	25%	100%
A single borrower or a group of related borrowers	25%	Not applicable
Shareholders who own 5 per cent. or more of the bank's capital and their related entities	20%	50%
Domestic interbank exposures (over one year)	30%	Not applicable
Overseas interbank exposures	30%	Not applicable
Exposure to bank's subsidiaries and affiliates	10%	25%
Board members	5%	25%
Bank's employees	Maximum 20 months' salary	3%

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).

On 27 March 2020, the IASB issued a guidance note, advising that both the assessment of a significant increase in credit risk and the measurement of ECLs are required to be based on reasonable and supportable information that is available to an entity without undue cost or effort. In assessing forecast conditions, consideration should be given both to the effects of COVID-19 and the significant government support measures being undertaken.

Banks in the UAE generally do not write off non-performing loans from their books until all legal avenues of recovery have been exhausted. This factor tends to inflate the level of impaired loans and advances to customers and/or financings carried on the balance sheets of UAE banks when compared to banks operating in other economies.

As noted in "*The United Arab Emirates Banking Sector and Regulations – COVID-19*" and as part of the 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.

UAE Model Standards and Guidelines

On 23 December 2022, the Central Bank published the Model Standards and Guidelines which contain mandatory modelling practices to be implemented by banks operating in the UAE. The Model Standards and Guidelines aim to improve the quality of models used, increase model homogeneity across the UAE and mitigate model risk. All UAE banks were required to submit a gap assessment of their current model management practices against the standard and the guidance in the Model Standards and Guidelines, together with a remediation plan, to the Central Bank by 21 June 2023. The introduction of the Model Standards and Guidelines demonstrates a notable increase in the emphasis placed by the Central Bank on ensuring the accuracy and reliability of models used by banks.

Al Etihad Credit Bureau

AECB is a federal government company specialised in providing UAE-based credit reports and other financial information. AECB commenced operations in 2014 upon receiving formal approval from the UAE Cabinet of its regulations and its charges for producing credit reports. AECB has approached all UAE-based banks to sign data sharing agreements to enable the provision of customer credit information, with the majority having entered into such agreements and/or made successful initial data submissions to AECB by the time AECB commenced operations. ADCB has entered into a data and credit information supply agreement with AECB.

The implementation of regulations for the sharing of credit report data and the commercial operation of the UAE's first credit bureau is expected to reduce the risk involved in the origination of customer lending and banking business generally.

***Shari'a* Compliance**

The HSA Law requires financial institutions licensed by the 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

In addition, banks in the UAE are subject to the Corporate Governance Regulations and the Corporate Governance Standards which were issued by the Central Bank in 2019 with a view to ensuring banks have a comprehensive approach to corporate governance.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**" each a "**Clearing System**") in effect as at the date of this Base Prospectus. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-Entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "**banking organisation**" within the meaning of the New York Banking Law, a "**clearing corporation**" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at www.dtcc.com.

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

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

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct

Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

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

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

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

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

Euroclear and Clearstream, Luxembourg

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

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

Book-Entry Ownership of and Payments in respect of DTC Notes

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

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

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

Transfers of Notes Represented by Registered Global Notes

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

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

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

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

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

The following summary of certain United States and United Arab Emirates tax consequences of ownership of Notes is based upon laws, regulations, decrees, rulings, income tax conventions, administrative practice and judicial decisions in effect at the date of this Base Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Notes. Prospective holders should note that the Issuer is not obliged to update this section for any subsequent changes or modification to the applicable taxes. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of Notes. Each prospective holder is urged to consult its own tax adviser as to the particular tax consequences to such holder of the acquisition, ownership and disposition of Notes, including the applicability and effect of any other tax laws or tax treaties, and of pending or proposed changes in applicable tax laws as at the date of this Base Prospectus, and of any actual changes in applicable tax laws after such date.

United States Federal Income Taxation

The following summary discusses the principal U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes. Except as specifically noted below, this discussion applies only to:

- Notes purchased on original issuance at the offer price;
- Notes held as capital assets; and
- U.S. Holders (as defined below).

This discussion assumes that the Notes will be treated as debt for U.S. federal income tax purposes.

No rulings have been or will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to the classification of the Notes in general or with respect to any particular Notes.

This discussion does not describe all of the tax consequences that may be relevant in light of a Noteholder's particular circumstances or to Noteholders subject to special rules, such as:

- financial institutions;
- insurance companies;
- dealers in securities or foreign currencies;
- traders in securities or foreign currencies electing to mark their positions to market;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt organisations;
- persons subject to the alternative minimum tax;
- persons holding Notes as part of a hedging transaction, "straddle," conversion transaction or other integrated transaction;
- former citizens or residents of the United States;
- U.S. Holders whose functional currency is not the U.S. dollar;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognised on an applicable financial statement; or
- entities or arrangements classified as partnerships for U.S. federal income tax purposes.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "**Code**"), administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, as of the day hereof, changes to any of which subsequent to the date of this Base Prospectus may affect the tax consequences described below. Persons considering the purchase of the Notes should consult the relevant Final Terms for any additional discussion regarding U.S. federal income taxation and should consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations (including the application of the alternative minimum tax, the estate tax, gift tax and the Medicare tax on net investment income) as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

The tax treatment of certain Notes, such as Index Linked Notes, Dual Currency Notes and Notes that are not principal protected, will be specified in the relevant Final Terms. Moreover, this summary does not discuss Bearer Notes. In general, U.S. federal income tax law imposes significant limitations on U.S. Holders of Bearer Notes. U.S. Holders should consult their tax advisors regarding the U.S. federal income and other tax consequences of the acquisition, ownership and disposition of Bearer Notes.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of such entities or arrangements holding Notes should consult with their tax advisers regarding the tax consequences of an investment in the Notes.

Payments of Stated Interest

Interest paid on a Note will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes, **provided that** the interest is a "qualified stated interest" (as defined below).

Interest income (including original issue discount, as discussed below) earned by a U.S. Holder with respect to a Note will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the U.S. Holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to original issue discount notes and foreign currency notes are described under "*– Original Issue Discount*", "*– Contingent Payment Debt Instruments*" and "*– Foreign Currency Notes*".

Original Issue Discount

A Note that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued with original issue discount for U.S. federal income tax purposes (and will be referred to as an "original issue discount Note") unless the Note satisfies a *de minimis* threshold (as described below) or is a short-term Note (as defined below). The "issue price" of a Note generally will be the first price at which a substantial amount of the Notes are sold to the public (which does not include sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). The "stated redemption price at maturity" of a Note generally will equal the sum of all payments required to be made under the Note other than payments of "qualified stated interest".

"Qualified stated interest" is stated interest unconditionally payable (other than in debt instruments of the Issuer) at least annually during the entire term of the Note and equal to the outstanding principal balance of the Note multiplied by a single fixed rate of interest. In addition, qualified stated interest includes, among other things, stated interest on a "variable rate debt instrument" that is unconditionally payable (other than in debt instruments of the issuer) at least annually at a single qualified floating rate of interest or at a rate that is determined at a single fixed formula that is based on objective financial or economic information. A rate is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Note is denominated.

If the difference between a Note's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., 1/4 of 1 per cent. of the stated redemption price at maturity (or, in the case of a Note that provides for payment of any amount other than qualified stated interest prior to maturity, the weighted average maturity of the Note) multiplied by the number of complete years to maturity, the Note will not be considered to have original issue discount. U.S. Holders of Notes with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Note.

A U.S. Holder of original discount Notes will be required to include any qualified stated interest payments in income in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes. U.S. Holders of original issue discount Notes that mature more than one year from their date of issuance will be required to include original issue discount in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received.

A U.S. Holder may make an election to include in gross income all interest that accrues on any Note (including stated interest, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of interest, and may revoke such election only with the permission of the IRS (a "**constant yield election**").

A Note that matures one year or less from its date of issuance (a "**short-term Note**") will be treated as being issued at a discount and none of the interest paid on the Note will be treated as qualified stated interest. In general, a cash method U.S. Holder of a short-term Note is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. U.S. Holders who so elect and certain other U.S. Holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any gain realised on the sale, exchange, or retirement of the short-term Note will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Notes in an amount not exceeding the accrued discount (which includes interest that is payable but that has not been included in gross income) until the accrued discount is included in income. A U.S. Holder's tax basis in a short-term Note is increased by the amount included in such holder's income on such a Note.

The Issuer may have an unconditional option to redeem, or U.S. Holders may have an unconditional option to require the Issuer to redeem, a Note prior to its stated maturity date. Under applicable regulations, if the Issuer has an unconditional option to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if, by utilising any date on which the Note may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Note as the stated redemption price at maturity, the yield on the Note would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require the Issuer to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Note would be higher than its yield to maturity. If this option is not in fact exercised, the Note would be treated solely for purposes of calculating original issue discount as if it were redeemed, and a new Note were issued, on the presumed exercise date for an amount equal to the Note's adjusted issue price on that date. The adjusted issue price of an original issue discount Note is defined as the sum of the issue price of the Note and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest.

Market Discount

If a U.S. Holder purchases a Note (other than a short-term Note) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Note, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. Holder will be required to treat any principal payment (or, in the case of an original issue discount Note, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Note, including disposition in certain non-recognition transactions, as foreign source ordinary income to the extent of the market discount accrued on the Note at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. Holder pursuant to an election by the U.S. Holder to include market discount in income as it accrues, or pursuant to a constant yield election by the U.S. Holder (as described under "– *Original Issue Discount*"). In addition, the U.S. Holder may be required to defer, until the maturity of the Note or its earlier disposition (including certain non-taxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Note.

If a U.S. Holder makes a constant yield election (as described under "– *Original Issue Discount*") for a Note with market discount, such election will result in a deemed election for all market discount bonds acquired by the U.S. Holder on or after the first day of the first taxable year to which such election applies. This election may only be revoked with the consent of the IRS.

Acquisition Premium and Amortisable Bond Premium

A U.S. Holder who purchases a Note for an amount that is greater than the Note's adjusted issue price but less than or equal to the sum of all amounts payable on the Note after the purchase date other than payments of qualified stated interest will be considered to have purchased the Note at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the U.S. Holder must include in its gross income with respect to the Note for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. Holder purchases a Note for an amount that is greater than the sum of the remaining payments (other than qualified stated interest), or on the earlier call date, in the case of a Note that is redeemable at the Issuer's option, the U.S. Holder will be considered to have purchased the Note with amortisable bond premium equal in amount to the excess of the purchase price over the amount payable at maturity. The U.S. Holder may elect to amortize this premium as an offset to qualified stated interest, using a constant yield method, over the remaining term of the Note (where the Note is not optionally redeemable prior to its maturity date). If the Note may be optionally redeemed prior to maturity after the U.S. Holder has acquired it, the amount of amortisable bond premium is determined by substituting the call date for the maturity date and the call price for the amount payable at maturity only if the substitution results in a smaller amount of premium attributable to the period before the redemption date. A U.S. Holder who elects to amortize bond premium must reduce his tax basis in the Note by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under "– *Original Issue Discount*") for a Note with amortisable bond premium, such election will result in a deemed election to amortize bond premium for all of the U.S. Holder's debt instruments with amortisable bond premium.

Sale, Exchange, Retirement or the Taxable Disposition of the Notes

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. Holder will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange, retirement or other taxable disposition and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal the acquisition cost of the Note increased by the amount of OID and market discount included in the U.S. Holder's gross income and decreased by any bond premium or acquisition premium previously amortised and the amount of any payment received from the Issuer other than a payment of qualified stated interest. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. Holder's foreign tax credit limitation. For these purposes, the amount realised does not include any amount attributable to accrued but unpaid interest on the Note. Amounts attributable to accrued but unpaid interest are treated as interest as described under "– *Contingent Payment Debt Instruments*".

Except as described below, gain or loss realized on the sale, exchange, retirement or other taxable disposition of a Note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition the Note has been held for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term Note, to the extent of any accrued discount not previously included in the U.S. Holder's taxable income. See "– *Original Issue Discount*" and "– *Market Discount*". In addition, other exceptions to this general rule apply in the case of foreign currency Notes, and contingent payment debt instruments. See "– *Foreign Currency Notes*" and "– *Contingent Payment Debt Instruments*". The deductibility of capital losses is subject to limitations.

Benchmark Modification

If an interest rate deemed to be a "benchmark" (including LIBOR and EURIBOR) is discontinued, the rate of interest on Floating Rate Notes and Reset Notes which reference such benchmark will be determined based on fallback provisions applicable to such Notes set out in the Conditions. If any such fallback provisions go into effect, it might be treated for U.S. federal income tax purposes as a deemed disposition of the Notes by a U.S. Holder in exchange for new Notes. As a result of this deemed disposition, a U.S. Holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the fair market value at that time of the U.S. Holder's Notes, and the U.S. Holder's tax basis in those Notes. It could also impact the accrual of income on the Notes after the deemed disposition.

The IRS and the U.S. Treasury have proposed regulations, upon which taxpayers generally may rely until the promulgation of final regulations, that, in certain circumstances, could reduce the likelihood that a discontinuation and redetermination of a benchmark would result in a "deemed exchange" of the affected Notes. Moreover, the IRS has issued guidance that sets forth certain safe harbours pursuant to which replacing a rate based on an IBOR with an alternative method or index would not result in a deemed exchange. However, there can be no assurance that these regulations, in either their current form or as finalised, or this guidance, will provide any relief from the tax consequences described above if a discontinuation and redetermination of a benchmark is effected.

U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a discontinuation and redetermination of a benchmark with respect to the Notes.

Contingent Payment Debt Instruments

If the terms of the Notes provide for certain contingencies that affect the timing and amount of payments (including certain Floating Rate Notes with a variable rate or rates that do not qualify as "variable rate debt instruments" for purposes of the original issue discount rules) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Notes qualifies as qualified stated interest. Rather, a U.S. Holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Note and the Note's "projected payment schedule" as described below. The comparable yield is determined by the Issuer at the time of issuance of the Notes and equals the greater of: (i) annual yield an issuer would pay, as of the issue date, on a fixed-rate, nonconvertible debt instrument with no contingent payments, but with terms and conditions otherwise comparable to the contingent payment debt instrument; and (ii) the applicable federal rate. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Notes. Solely for the purpose of determining the amount of interest income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, the Issuer will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield.

Neither the comparable yield nor the projected payment schedule constitutes a representation by the Issuer regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. Holder will be required to use the comparable yield and the projected payment schedule established by us in determining interest accruals and adjustments in respect of contingent payment debt instrument, unless the U.S. Holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. Holder, regardless of the U.S. Holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. Holder will be required to recognise interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year. As such, a U.S. Holder may be required to include interest in income each year in excess of any stated interest payments actually received in that year, if any:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a Noteholder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:
    - the amount of all previous interest inclusions under the contingent payment debt instrument over
    - the total amount of the U.S. Holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

A net negative adjustment will not be subject to the two per cent. floor limitation imposed on miscellaneous deductions when miscellaneous deductions become available again to individual U.S. Holders for tax years beginning on or after 1 January 2026. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realized on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange, retirement or other taxable disposition of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realized on the sale, exchange, retirement or other taxable disposition and the U.S. Holder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Note that is a contingent payment debt instrument generally will be the acquisition cost of the Note, increased by the interest previously accrued by the U.S. Holder on the Note under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Note. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations.

A U.S. Holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument including in satisfaction of a conversion right or a call right equal to the fair market value of the property, determined at the time of retirement. The U.S. Holder's holding period for the property will commence on the day immediately following its receipt.

Special rules apply to contingent payment debt instruments that are denominated, or provide for payments, in a currency other than the U.S. dollar ("**Foreign Currency Contingent Debt Instruments**"). Very generally, these instruments are accounted for like a contingent debt instrument, as described above, but in the currency of the Foreign Currency Contingent Debt Instruments. The relevant amounts must then be translated into U.S. dollar equivalents. The rules applicable to Foreign Currency Contingent Debt

Instruments are complex and U.S. Holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of such instruments.

Foreign Currency Notes

The following discussion summarizes the principal U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Notes that are denominated in a specified currency other than the U.S. dollar or the payments of interest or principal on which are payable in a currency other than the U.S. dollar ("**foreign currency Notes**"). However, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of non-functional currency contingent payment debt instruments are not discussed herein and, if applicable, will be discussed in the applicable Final Terms issued in connection with the issuance of such Notes and instruments.

The rules applicable to foreign currency Notes could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Note to be recharacterized as ordinary income or loss. The rules applicable to foreign currency Notes are complex and may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Notes.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Note will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency. A cash method U.S. Holder who receives a payment of qualified stated interest in U.S. dollars pursuant to an option available under such Note will be required to include the amount of this payment in income upon receipt.

An accrual method U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortisable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Note during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. Holder will recognise ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of ordinary income or loss recognised will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a U.S. Holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue original issue discount or market discount.

An accrual method U.S. Holder may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortisable bond premium on a foreign currency Note are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realized with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above.

If an election to amortize bond premium is made, amortisable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as on the sale, exchange or retirement of the foreign currency Note. Any exchange gain or loss will be ordinary income or loss as described below.

If the election is not made, any loss realized on the sale, exchange or retirement of a foreign currency Note with amortisable bond premium by a U.S. Holder who has not elected to amortize the premium will be a capital loss to the extent of the bond premium.

A U.S. Holder's tax basis in a foreign currency Note, and the amount of any subsequent adjustment to the U.S. Holder's tax basis (including an increase in basis for any previously accrued original issue discount or market discount and a decrease in basis by any amortised premium and cash payments on the Note other than qualified stated interest), will be based on the U.S. dollar value amount of the foreign currency purchase price of the foreign currency Note, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A U.S. Holder who purchases a foreign currency Note with previously owned foreign currency will recognise ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency Note on the date of purchase.

Gain or loss realized upon the sale, exchange, retirement or other taxable disposition of a foreign currency Note that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between: (i) the U.S. dollar value of the foreign currency principal amount of the Note, determined on the date the payment is received or the Note is disposed of; and (ii) the U.S. dollar value of the foreign currency principal amount of the Note, determined on the date the U.S. Holder acquired the Note (adjusted, in each case, for any amortised bond premium that has been taken into account prior to the sale of the sale, exchange, retirement or other taxable disposition). Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Notes described above. The foreign currency gain or loss will be recognised only to the extent of the total gain or loss realized by the U.S. Holder on the sale, exchange, retirement or other taxable disposition of the foreign currency Note. The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. Holder or the "qualified business unit" of the U.S. Holder on whose books the Note is properly reflected. Any gain or loss realized by these U.S. Holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, in the case of short-term Note, to the extent of any discount not previously included in the U.S. Holder's income.

U.S. Holders should consult their own tax advisor with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such Note accrue and with respect to the payment and receipt of amounts in a currency other than U.S. dollars.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Notes (including any accrued OID) and the proceeds from a sale or other disposition of the Notes. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle them to a refund, **provided that** the required information is timely furnished to the IRS.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.$50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other U.S. Holders. In the event the acquisition, ownership or disposition of Notes constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Notes.

U.S. Holders should consult their tax advisors about any additional reporting obligations that may apply as a result of the acquisition, ownership or disposition of the Notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a U.S. Holder's particular situation. U.S. Holders should consult their own tax advisors with respect to the tax consequences to them of the ownership and disposition of the Notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, 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**", a term not defined as at the date of this Base Prospectus) to persons that fail to meet certain certification, reporting or related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of 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 Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, 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 Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register (the "**grandfathering date**") generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under "*Terms and Conditions of the Notes – Further Issues*") that have the same CUSIP or ISIN as the previously issued Notes and are not otherwise distinguishable from previously issued Notes are issued after the expiration of the grandfathering date and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering date, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts or indemnify any person as a result of any FATCA withholding.

United Arab Emirates

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

There is currently in force in Abu Dhabi legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Abu Dhabi taxation in respect of payments of interest or principal on debt securities (including the Notes). However, further to the announcement of CIT on 31 January 2022, the UAE Ministry of Finance announced the introduction of a corporate income tax on business profits which applies to taxable persons for financial years beginning on or after 1 June 2023 and will apply to the Issuer from 1 January 2024. The UAE Ministry of Finance has also announced that no withholding will apply in relation to this tax. See further "*Risk Factors - Risks relating to the UAE and MENA - Tax changes in the UAE may have an adverse effect on the Group*".

The Constitution of the UAE specifically reserves to the UAE federal government the right to raise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future.

The proposed financial transactions tax ("**FTT**")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (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 the Notes are advised to seek their own professional advice in relation to the FTT.

CERTAIN ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and Section 4975 of the Code prohibit certain transactions involving: (a)(i) "employee benefit plans" within the meaning of Section 3(3) of ERISA and subject to Title I of ERISA ("**ERISA Plans**"); (ii) "plans" within the meaning of Section 4975(e)(1) of the Code and subject to Section 4975 of the Code, including individual retirement accounts or Keogh plans (together with ERISA Plans, "**Plans**"); or (iii) any persons or entities whose underlying assets include, or are deemed to include under the U.S. Department of Labor ("**DOL**") regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Assets Regulation**"), or otherwise for purposes of Title I of ERISA or Section 4975 of the Code, "plan assets" by reason of a Plan's investment in the person or entity (together with Plans, the "**Benefit Plan Investor**"); and (b) persons or entities that have certain specified relationships to such Plans, including the Plan's fiduciaries and other service providers ("parties in interest" within the meaning of Section 3(14) of ERISA and "disqualified persons" within the meaning of Section 4975(e)(2) of the Code collectively, "**Parties in Interest**"). A violation of these "prohibited transaction" rules may result in the imposition of an excise tax, the rescission of the transaction or other liabilities under Section 406 of ERISA and/or Section 4975 of the Code for such persons, unless relief is available under an applicable statutory or administrative exemption. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may apply depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. Included among these exemptions are the statutory exemption of Section 408(b)(17) of ERISA (relating to purchases and sales of securities and related lending transactions, **provided that** neither the issuer of the securities nor its affiliate has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction (in other words, not a fiduciary) and **provided further that** the Plan pays no more than, and receives no less than, "adequate consideration" in connection with the transaction) and the administrative exemptions of Prohibited Transaction Class Exemption ("**PTCE**") 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an "in-house asset manager"). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

In contemplating an investment of a portion of an ERISA Plan's assets in the Notes, the fiduciary of such ERISA Plan responsible for making such investment should carefully consider, taking into account the facts and circumstances of the ERISA Plan, whether such investment is consistent with its fiduciary responsibilities. The fiduciary of the ERISA Plan should consider, among other issues, whether: (1) the fiduciary has the authority to make the investment under the appropriate governing instrument of the ERISA Plan; (2) the investment is in accordance with the ERISA Plan's funding objectives; and (3) such investment is appropriate for the ERISA Plan under the general fiduciary standards of investment prudence and diversification, taking into account the overall investment policy of the ERISA Plan, the composition of the ERISA Plan's investment portfolio and the ERISA Plan's need for sufficient liquidity to pay benefits when due. When evaluating the prudence of an investment in the Notes, the ERISA Plan's fiduciary should consider the DOL's regulation on investment duties, which can be found at 29 C.F.R. § 2550.404a-1.

"Governmental plans" within the meaning of Section 3(32) of ERISA, "church plans" within the meaning of Section 3(33) of ERISA that have made no election under Section 410(d) of the Code and non-U.S. plans described in Section 4(b)(4) of ERISA, while not subject to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, may be subject to a U.S. federal, state, local or non-U.S. law or regulation that contains one or more provisions that are similar to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code ("**Similar Law**"). Fiduciaries of such plans should consult with their counsel before they purchase any of the Notes or any interest therein.

Section 406 of ERISA or Section 4975 of the Code may arise if any of the Notes are acquired by a Plan with respect to which any of the Issuer, the Arranger, the Dealers, the Agents, the Registrar or their respective affiliates (each a "**Transaction Party**" and together the "**Transaction Parties**") is a Party in Interest. Accordingly, unless otherwise stated in the Final Terms, each purchaser and transferee of a Note (or an interest therein) will be deemed to represent and agree that either: (I) it is not, and shall not at any time hold such Note (or an interest therein) for or on behalf of, (A) a Benefit Plan Investor or (B) a governmental, church or non-U.S. plan that is subject to any Similar Law; or (II) its acquisition, holding or disposition of such Note (or an interest therein), will not constitute or result in (X) a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, (Y) in the case of a governmental, church or non-U.S. plan, a violation of any applicable Similar Law. Any purported purchase or transfer of such a Note that does not comply with the foregoing shall be null and void *ab initio*.

Moreover, each purchaser and subsequent transferee of a Note (or an interest therein) that is a Benefit Plan Investor will be deemed to have represented by its investment that: (1) none of the Transaction Parties has through the Base Prospectus provided any investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor, or any fiduciary or other person investing on behalf of the Benefit Plan Investor or who otherwise has discretion or authority over the investment and management of "plan assets", in connection with the decision to purchase or acquire the Note (or an interest therein); and (2) the information provided in the Base Prospectus will not by itself make a Transaction Party a fiduciary to the Benefit Plan Investor.

If the Final Terms prohibit the purchase by Benefit Plan Investors, or governmental, church or non-U.S. plans that are subject to any Similar Law, through its purchase of such Note (or an interest therein), the purchaser thereof will be deemed to have represented and warranted that it is not and will not be for as long as it holds the Note (or an interest therein) a Benefit Plan Investor or a governmental, church or non-U.S. plan that is subject to any Similar Law. Any purported purchase or transfer of such a Note that does not comply with the foregoing shall be null and void *ab initio*.

This Base Prospectus is not directed to any particular purchaser, nor does it address the needs of any particular purchaser. None of the Transaction Parties shall provide any advice or recommendation with respect to the management of any purchase of Notes or the advisability of acquiring, holding, disposing or exchanging of any Notes.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated programme agreement (the "**Programme Agreement**") dated 7 July 2023, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with any update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement provides that the obligation of any Dealer to subscribe for Notes is subject to certain conditions and that, in certain circumstances, a Dealer shall be entitled to be released and discharged from its obligations under the Programme Agreement prior to the issue of the relevant Notes. Investors will have no rights against the Issuer, the Dealer or the Managers in respect of any expense incurred or loss suffered in these circumstances.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically, such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilisation or other transactions. Such transactions, if commenced, may be discontinued at any time. Under United Kingdom laws and regulations, stabilisation activities may only be carried on by the Stabilisation Manager named in the relevant subscription agreement (or persons acting on its behalf) and only for a limited period following the Issue Date of the relevant Tranche of Notes.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes who are in the United States or who are U.S. persons are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A; or (b) it is outside the United States and is not a U.S. person;

(ii) that it, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of the Notes;

(iii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and, accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iv) that, unless it holds an interest in a Regulation S Global Note and is a non-U.S. person located outside the United States, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so prior to the expiration of the applicable required holding period pursuant to Rule 144A only: (a) to the Issuer or any affiliate thereof; (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs in a transaction meeting the requirements of Rule 144A; (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act; (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(v) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iv) above, if then applicable;

(vi) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(vii) unless otherwise stated in the Final Terms, that either: (I) it is not using the assets of, and shall not at any time hold such Note (or an interest therein) for or on behalf of, (A) a Benefit Plan Investor or (B) a governmental, church or non-U.S. plan that is subject to any Similar Law; or (II) its acquisition, holding or disposition of such Note (or an interest therein), will not constitute or result in (X) a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, (Y) in the case of a governmental, church or non-U.S. plan, a non-exempt violation of any applicable Similar Law; Any purported purchase or transfer of such a Note that does not comply with the foregoing shall be null and void *ab initio*;

(viii) if it is a Benefit Plan Investor, that: (1) none of the Transaction Parties has through the Base Prospectus provided any investment advice within the meaning of Section 3(21) of ERISA to the Benefit Plan Investor or any fiduciary or other person investing the assets of the Benefit Plan Investor in connection with the decision to purchase or acquire the Note; and (2) the information provided in the Base Prospectus will not make a Transaction Party a fiduciary to the Benefit Plan Investor;

(ix) to the extent Benefit Plan Investors or governmental, church or non-U.S. plans that are subject to any Similar Law are prohibited from purchasing a Note (or an interest therein) under the Final Terms, that it is not, and for so long as it holds such Note (or an interest therein) it will not be, a Benefit Plan Investor or a governmental, church or non-U.S. plan that is subject to any Similar Law. Any purported purchase or transfer of such a Note that does not comply with the foregoing shall be null and void *ab initio*;

(x) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN NOR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS, AND, ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER: (A) REPRESENTS THAT: IT IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) ("**QIB**") PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS IN A MINIMUM PRINCIPAL AMOUNT OF U.S.$200,000 (OR THE EQUIVALENT AMOUNT IN A FOREIGN CURRENCY); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND OTHER THAN: (1) TO THE ISSUER OR ANY AFFILIATE THEREOF; (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QIB WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT; (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION

PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE); OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALES OF THE SECURITY. EACH TRANSFEROR OF THIS SECURITY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT TO ITS TRANSFEREE.

[[*Include if the Notes are treated as "debt" for U.S. federal income tax purposes*] THIS SECURITY (OR ANY INTEREST HEREIN) MAY BE PURCHASED BY OR OTHERWISE ACQUIRED BY: (1) AN "**EMPLOYEE BENEFIT PLAN**" WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), AND SUBJECT TO TITLE I OF ERISA; (2) A "**PLAN**" WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"); (3) ANY PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA BY REASON OF THE FOREGOING (A) OR (B) EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH PERSON OR ENTITY OR OTHERWISE FOR PURPOSES OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (ANY OF THE FOREGOING (1), (2) AND (3), A "**BENEFIT PLAN INVESTOR**"); OR (4) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO A U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT CONTAINS ONE OR MORE PROVISIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"). EACH PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED FOR SO LONG AS IT HOLDS THIS SECURITY OR INTEREST THEREIN THAT EITHER: (I) IT IS NOT (A) A BENEFIT PLAN INVESTOR OR (B) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS SUBJECT TO A SIMILAR LAW; OR (II) THE PURCHASE, HOLDING OR SUBSEQUENT DISPOSITION OF THIS SECURITY (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN (X) A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, (Y) IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY APPLICABLE SIMILAR LAW. ANY PURPORTED PURCHASE OR TRANSFER OF A SECURITY OR INTEREST THEREIN THAT DOES NOT COMPLY WITH THE FOREGOING SHALL BE NULL AND VOID *AB INITIO*.

MOREOVER, EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THE NOTE THAT IS A BENEFIT PLAN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED BY ITS INVESTMENT IN THE NOTE THAT: (1) NONE OF THE ISSUER, THE ARRANGER, THE DEALERS, THE AGENTS, THE REGISTRAR OR ANY OF THEIR RESPECTIVE AFFILIATES (EACH A "**TRANSACTION PARTY**") HAS THROUGH THE BASE PROSPECTUS PROVIDED ANY INVESTMENT ADVICE WITHIN THE MEANING OF SECTION 3(21) OF ERISA TO THE BENEFIT PLAN INVESTOR OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR IN CONNECTION WITH THE DECISION TO PURCHASE OR ACQUIRE THE NOTE; AND (2) THE INFORMATION PROVIDED IN THE BASE PROSPECTUS WILL NOT MAKE A TRANSACTION PARTY A FIDUCIARY TO THE BENEFIT PLAN INVESTOR.]

[[*Include if the Notes are treated as "equity" for U.S. federal income tax purposes*] THIS SECURITY (OR AN INTEREST HEREIN) MAY NOT BE PURCHASED BY OR OTHERWISE ACQUIRED BY AN "EMPLOYEE BENEFIT PLAN" WITHIN THE MEANING OF AND SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), ANY PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE UNDER THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) OR OTHERWISE FOR

PURPOSES OF ERISA OR THE CODE, "PLAN ASSETS" BY REASON OF A PLAN'S INVESTMENT IN SUCH PERSON OR ENTITY (ANY OF THE FOREGOING, A "**BENEFIT PLAN INVESTOR**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS NOT A BENEFIT PLAN INVESTOR THAT IS SUBJECT TO A U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT CONTAINS ONE OR MORE PROVISIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE. ANY PURPORTED PURCHASE OR TRANSFER OF A SECURITY (OR AN INTEREST THEREIN) THAT DOES NOT COMPLY WITH THE FOREGOING SHALL BE NULL AND VOID *AB INITIO*.]

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(xi) that the Notes in registered form which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to by the Issuer:

"UNLESS THIS GLOBAL SECURITY IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, ("**DTC**"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED SECURITY ISSUED IN EXCHANGE FOR THIS GLOBAL SECURITY OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL SECURITY, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.";

(xii) if it holds an interest in a Regulation S Global Note, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only: (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act; or (ii) to a QIB in compliance with Rule 144A; and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN NOR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE

OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT."; and

(xiii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.$200,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$200,000 (or its foreign currency equivalent) of Registered Notes.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed that it will not offer, sell or, in the case of Bearer Notes, deliver such Notes: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons other than in offshore transactions pursuant to Regulation S or pursuant to Rule 144A, and such Dealer will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Notes comprising any Tranche, an offer or sale of such Notes 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 Rule 144A.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Dealers may also arrange for the resale of Registered Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$200,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

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

In respect of Bearer Notes where TEFRA D is specified in the applicable Final Terms the relevant Dealer will be required to represent and agree that:

(a) except to the extent permitted under U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) (or any substantially identical successor U.S. Treasury Regulations section including, without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"): (i) it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person; and (ii) it has not delivered and it will not deliver within the United States or its possessions definitive Bearer Notes that are sold during the restricted period;

(b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6) (or any substantially identical successor U.S. Treasury Regulations section including, without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010);

(d) with respect to each affiliate that acquires Bearer Notes from it for the purpose of offering or selling such Notes during the restricted period, it repeats and confirms the representations and agreements contained in sub-paragraphs (a), (b) and (c) on such affiliate's behalf; and

(e) it will obtain from any distributor (within the meaning of U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(4)(ii)) (or any substantially identical successor U.S. Treasury Regulations section including, without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) that purchases any Bearer Notes from it pursuant to a written contract with such Dealer (other than a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of sub-paragraphs (a), (b), (c) and (d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and U.S. Treasury regulations promulgated thereunder, including the D Rules.

In respect of Bearer Notes where TEFRA C is specified in the applicable Final Terms, the relevant Dealer will be required to represent and agree that:

(a) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions in connection with the original issuance of the Bearer Notes; and

(b) in connection with the original issuance of the Bearer Notes it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of the Bearer Notes.

Prohibition of Sales to EEA Retail Investors

Unless the applicable Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

    (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**EU MiFID II**"); or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or

(iii) not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Public Offer Selling Restriction Under the EU Prospectus Regulation

If the applicable Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA (each, a "**Member State**"), each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) ***Qualified investors***: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) ***Fewer than 150 offerees***: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) ***Other exempt offers***: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) inclusive above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the applicable Final Terms in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) ***Qualified investors***: at any time to any person or legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) ***Fewer than 150 offerees***: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) ***Other exempt offers***: at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) inclusive above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other UK regulatory restrictions

Each Dealer has represented and agreed that:

(i) in relation to any Notes which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold, and that it will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering or sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

(i) an "**Exempt Offer**" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 27 December 2017, as amended by Capital Market Authority 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 Capital Market Authority and following a notification to the Capital Market Authority under Article 10 of the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of the KSA Regulations. Each Dealer has represented and agreed that any offer of Notes made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of *Notes* shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Kingdom of Bahrain

Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes in the Kingdom of Bahrain except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(i) 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;

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(iii) 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).

State of Qatar (excluding the Qatar Financial Centre)

Each Dealer has represented and agreed that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Notes in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar; and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar. This Base Prospectus (i) has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in the State of Qatar (including the Qatar Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

(i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (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.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person where the transfer arises from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Hong Kong

Each Dealer has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than: (i) to "**professional investors**" within the meaning of the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) 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 (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" within the meaning of the SFO and any rules made under the SFO.

Malaysia

Each Dealer has represented and agreed that:

(i) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**"); and

(ii) accordingly, the Notes have not been and will not be offered or sold, and no invitation to subscribe for or purchase the Notes 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), Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3) of the CMSA 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 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 the Notes. 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 the Notes as aforesaid without the necessary approvals being in place.

State of Kuwait

Each Dealer has represented and agreed the following:

No Notes have been licensed for offering in the State of Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The Notes have not been and will not be offered, sold, promoted or advertised by it in the State of Kuwait other than in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto as amended governing the issue, offering and sale of securities. No private or public offering of the Notes is being made in the State of Kuwait, and no agreement relating to the sale of the Notes will be concluded in the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Notes in the State of Kuwait.

The PRC

Each of the Dealers has represented and agreed that the Notes may not be offered or sold directly or indirectly in the People's Republic of China (the "**PRC**") (which, for the sole purpose herein, does not include Hong Kong, Macau or Taiwan). This Base Prospectus, the Notes and any material or information contained or incorporated by reference herein relating to the Notes have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC. Neither this Base Prospectus nor any material or information contained or incorporated by reference herein relating to the Notes constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC.

The Notes may only be invested by PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the People's Bank of China, the State of Administration of Foreign Exchange, CSRC, the China Banking and Insurance Regulatory Commission and other regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or overseas investment regulations.

Each Dealer has represented and agreed that it has not made, and will not make, any offers, promotions, solicitations for sales of or for, as the case may be, any Notes in the PRC, except where permitted by the CSRC, the PBoC and other competent authorities or where the activity otherwise is permitted under the PRC law.

Switzerland

Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the Swiss Financial Services Act dated 15 June 2018 ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Accordingly, each Dealer has represented and agreed that: (i) the Notes may not be publicly offered, sold or advertised by it, directly or indirectly, in or from Switzerland within the meaning of the FinSA; and will not be admitted to trading on a trading venue (exchange or multilateral trading facility) in Switzerland; and (ii) neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available by it in Switzerland.

General

Each Dealer has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor. Each new Dealer so appointed will be required to represent and agree to the selling restrictions as part of its appointment.

None of the Issuer or the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the relevant subscription agreement.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes thereunder was duly authorised by a resolution of ADCB's shareholders at the General Assembly Meeting on 20 March 2023.

Listing and admission to trading

Application has been made to Euronext Dublin for Notes to be admitted to the Official List and to trading on its regulated market.

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the regulated market of Euronext Dublin will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche.

The approval of the Programme in respect of Notes is expected to be granted on or about 7 July 2023. Prior to the official listing and admission to trading, however, dealings will be permitted. Unlisted Notes may be issued pursuant to the Programme.

Documents Available

For the period of 12 months following the date of this Base Prospectus, physical copies of the following documents will be available for inspection from the registered office of the Issuer and from the specified office of the Principal Paying Agent for the time being in London:

(i) the Articles of Association (with an English translation thereof) of ADCB (as the same may be updated from time to time);

(ii) the unaudited condensed consolidated interim financial statements of ADCB in respect of the three months ended 31 March 2023, together with the review report prepared in connection therewith;

(iii) the audited consolidated financial statements (in English) of ADCB in respect of the financial years ended 31 December 2022 and 31 December 2021, in each case together with the auditors' reports prepared in connection therewith;

(iv) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons; and

(v) a copy of this Base Prospectus.

In addition, copies of the documents listed above will be available at https://www.adcb.com/about/investorrelations/investor-relations.aspx. For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on such website does not form part of this Base Prospectus.

The English language translations of the Articles of Association of ADCB are accurate and direct translations of the original foreign language documents. In the event of a discrepancy between the English language translation and the foreign language version, the foreign language version will prevail.

This Base Prospectus and the Final Terms for Notes that are listed on the Official List and admitted to trading on the regulated market of Euronext Dublin will be published on the website of Euronext Dublin (https://live.euronext.com/).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code, the International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg may be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy L-1885 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial position or financial performance of the Group since 31 March 2023. There has been no material adverse change in the prospects of the Group since 31 December 2022.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the Issuer and/or the Group's financial position or profitability.

Independent Auditors

The consolidated financial statements of the Issuer in respect of the financial years ended 31 December 2022 and incorporated by reference in this Base Prospectus have been audited by KPMG, the current auditors of the Issuer. KPMG also reviewed the condensed consolidated interim financial statements of the Issuer for the three months ended 31 March 2023. The address of KPMG is 15th Floor, Falcon Tower, Al Nasr Street, Abu Dhabi, United Arab Emirates, P.O. Box 7613

KPMG was appointed as the external auditors of ADCB from the period commencing 1 January 2022 at ADCB's 2022 annual general meeting. There is no professional body of auditors in the UAE and, accordingly, the auditors of the Issuer are not a member of any professional body in the UAE. However, the auditors of the Issuer are registered under the Register of Practicing Accountants at the UAE Ministry of Economy and Planning as required by the UAE Federal Law No. 22 for the year 1995.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its respective affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and its affiliates routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Validity of this Base Prospectus

For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies after the end of its 12-month validity period.

ADCB's Website

ADCB's website is https://www.adcb.com/about/index.aspx. Unless specifically incorporated by reference into this Base Prospectus, the information contained on this website is not incorporated by reference into, or otherwise included in, this Base Prospectus.

ISSUER

Abu Dhabi Commercial Bank PJSC
P.O. Box 939
Abu Dhabi
United Arab Emirates

ISSUING AND PRINCIPAL PAYING AGENT AND EXCHANGE AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

EURO REGISTRAR, PAYING AGENT AND TRANSFER AGENT

Deutsche Bank Luxembourg S.A.
2 boulevard Konrad Adenauer
L-1115 Luxembourg

U.S. REGISTRAR, PAYING AGENT AND TRANSFER AGENT

Deutsche Bank Trust Company Americas
1 Columbus Circle, 17th Floor,
New York, 10019
United States of America

LEGAL ADVISERS

To ADCB as to English law and UAE law

Clifford Chance LLP
9th Floor, Al Sila Tower
Abu Dhabi Global Market Square
P.O. Box 26492
Abu Dhabi
United Arab Emirates

To ADCB as to United States law

Clifford Chance LLP
10 Upper Bank Street
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E14 5JJ
United Kingdom

To the Dealers as to English and UAE law

Simmons & Simmons Middle East LLP
Level
17, ICD Brookfield Place Dubai International
Financial Centre London
PO Box 506688
Dubai, United Arab Emirates

To the Dealers as to United States law

Simmons & Simmons LLP
CityPoint
1 Ropemaker Street
London EC2Y 9SS
United Kingdom

AUDITORS

For the financial years ended 31 December 2021

Ernst & Young Middle East (Abu Dhabi Br.)
P.O. Box 136
27th Floor, Nation Tower 2
Abu Dhabi Corniche, Abu Dhabi
United Arab Emirates

For the period from 1 January 2022

KPMG Lower Gulf Limited
15th Floor
Falcon Tower
Al Nasr Street
Abu Dhabi
P.O. Box 7613
United Arab Emirates

DEALERS

Abu Dhabi Commercial Bank PJSC
P.O. Box 939
Abu Dhabi
United Arab Emirates

Barclays Bank PLC
1 Churchill Place
London E14 5HP
United Kingdom

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Mizuho International plc
30 Old Bailey
London EC4M 7AU
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Standard Chartered Bank
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P.O. Box 999
Dubai
United Arab Emirates

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
England

LISTING AGENT

Walkers Listing Services Limited
5th Floor, The Exchange
George's Dock, IFSC
Dublin 1, D01 W3P9
Ireland