FAB أبوظبي الأول للأوراق المالية SECURITIES

GCC Fixed Income

Top Picks Bonds | 2024

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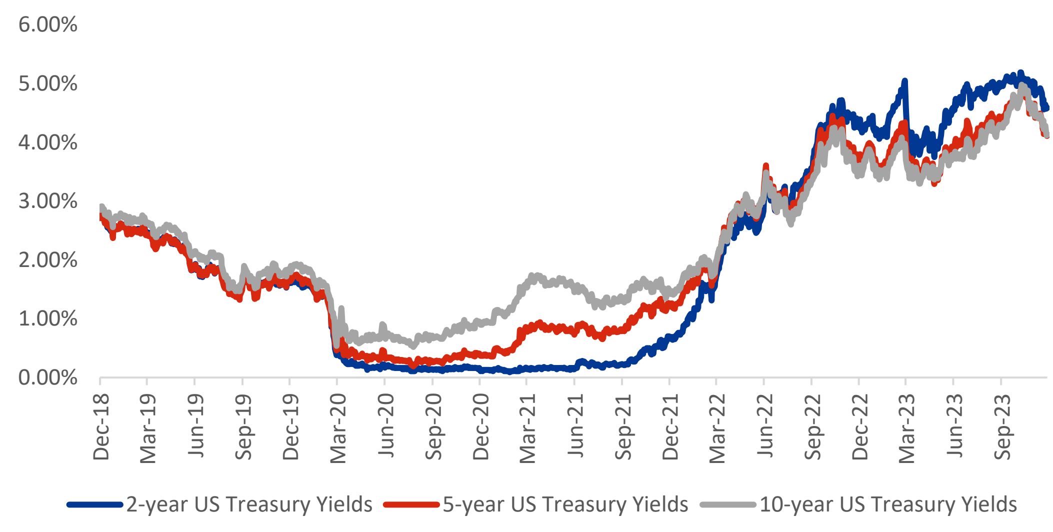
Fixed Income Market Outlook:

Remain Positive on Short-term Bonds

The US Federal Reserve implemented a significant interest rate hike since March 2022. After hiking the interest rates by seven times in 2022, the Federal Reserve further hiked four times in 2023. Fed raised the interest rates by 525 bps over the past two years. Over the upcoming years in 2024, it is expected that bond yields and interest rates to remain elevated due to persistent inflation, diminishing expectations of a recession, and an imbalance between the demand and supply for US Treasuries. The stubborn inflation is a result of past excessive quantitative easing, rising commodity prices, and higher labor wages, coupled with supply-side pressure by de-globalization makes it difficult to curb the high inflationary situation. Meanwhile, the growth in employment conditions is resilient due to the increased fiscal spending by the government coupled with the 'soft landing' in 2024 the job market is expected to be consistent. Hence, a recession is unlikely to arrive in 2024. In the upcoming year, the US government will be issuing new debts to finance its budget deficit however, the Fed is shrinking its balance sheet which leads to reduced supply. Meanwhile, China and Japan are also reducing their holdings which leads to an imbalance between the supply and demand for US treasuries. These factors lead to high pressure on bond prices and further push up the bond yields. Moreover, the short-term US Treasury yields have been at their highest levels since 2007, and investors remain optimistic about short-term bonds compared to long-term bonds. Considering the anticipation of higher inflation, along with a neutral rate and term premium, the 10-year Treasury yield is deemed likely to rise, potentially exceeding 5% levels. Given this, it is yet the time to buy long-term bonds now. We incline to buy short-term bonds over higher-tenured bonds and below, presenting our top picks across various maturities and sukuk.

Figure 1: 2-year, 5-year and 10-year US Treasury Yields



Source: Bloomberg

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Selection Criteria – The top picks across the tenure are selected based on the following criteria –

- Bond credit rating should be **investment-grade**
- **Higher yield to maturity**
- Only bonds issued in **United States Dollar** is considered
- Only bonds paying **fixed coupon** are selected compared to variable and floating coupon
- Bonds to be redeemed **at maturity** (excluding non-callable and sinkable bonds)
- The amount outstanding should be at least **USD 500 Mn**

While selecting **sukuk** only criteria related to investment grade rating is eased otherwise all the above criteria are followed. This criteria is only eased for selecting sovereigns such as Oman and Bahrain.

Figure 2: Top Bond Picks for Short-term

S No.	Issuer Name	Price	Amount Issued	Yield to Maturity	Modified Duration	Fitch Rating	Moody Rating	S&P Rating	Coupon	Maturity	Currency
1	ABU DHABI NATIONAL ENERG	99.21	750	5.87	0.39	AA-	Aa3	NR	3.88	6-May-24	USD
2	EMIRATES DEVELOPMENT BANK	99.50	750	5.65	0.23	AA-	NA	NA	3.52	6-Mar-24	USD
3	EMIRATES NBD BANK PJSC	96.44	500	5.78	1.13	A+	A2	NA	2.63	18-Feb-25	USD
4	EMIRATES TELECOM GROUP	98.70	500	6.1	0.49	NA	Aa3	AA-	3.50	18-Jun-24	USD
5	MASHREQBANK PSC	99.69	675	5.69	0.20	A	Baa1	A	4.25	26-Feb-24	USD
6	MDGH GMTN RSC LTD	98.96	850	5.98	0.35	AA	Aa2	AA	3.00	19-Apr-24	USD
7	SAUDI ARABIAN OIL CO	98.99	2,000	5.83	0.34	A+	A1	NA	2.88	16-Apr-24	USD
8	SAUDI INTERNATIONAL BOND	98.25	4,500	5.36	1.28	A+	A1	A+	4.00	17-Apr-25	USD
9	ABU DHABI GOVT INT'L	97.33	3,000	5.58	0.77	AA	Aa2u	AA	2.13	30-Sep-24	USD

Source: Bloomberg

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Figure 3: Top Bond Picks for Medium-term

S No	Issuer Name	Price	Amount Issued	Yield to Maturity	Modified Duration	Fitch Rating	Moody Rating	S&P Rating	Coupon	Maturity	Currency
1	ABU DHABI COMMERCIAL BNK	94.07	500	5.49	3.03	A+	NA	A	3.50	31-Mar-27	USD
2	ABU DHABI CRUDE OIL	92.83	837	5.07	5.10	AA	NA	AA	3.65	2-Nov-29	USD
3	ABU DHABI GOVT INT'L	96.36	2,700	4.75	2.26	AA	NA	AA	3.13	3-May-26	USD
4	ABU DHABI NATIONAL ENERG	98.25	1,000	5.12	2.31	AA-	Aa3	NR	4.38	22-Jun-26	USD
5	BANQUE SAUDI FRANSI	97.25	900	5.45	3.96	A-	NA	A-	4.75	31-May-28	USD
6	COMMERCIAL BANK OF DUBAI	98.32	500	5.75	3.84	A-	Baa1	NA	5.32	14-Jun-28	USD
7	EMIRATES DEVELOPMENT BAN	90.76	750	5.64	2.38	AA-	NA	NA	1.64	15-Jun-26	USD
8	EMIRATES NBD BANK PJSC	92.04	750	5.74	1.99	A+	A2	NA	1.64	13-Jan-26	USD
9	KUWAIT INTL BOND	96.73	4,500	4.59	3.02	AA-	NA	A+	3.50	20-Mar-27	USD
10	NATIONAL CENTRAL COOLING	88.85	500	5.76	3.57	BBB	Baa3	NA	2.50	21-Oct-27	USD
11	MDGH GMTN RSC LTD	94.24	650	4.99	4.74	AA	Aa2	AA	3.75	19-Apr-29	USD
12	SAUDI ARABIAN OIL CO	92.89	3000	5.03	4.75	A+	A1	NA	3.50	16-Apr-29	USD
13	SAUDI INTERNATIONAL BOND	95.80	5500	4.83	2.69	A+	A1	NA	3.25	26-Oct-26	USD
14	SAUDI TELECOM CO	94.42	1250	5.08	4.78	NA	A1	A	3.89	13-May-29	USD

Source: Bloomberg

Figure 4: Top Bond Picks for Long-term

S No	Issuer Name	Price	Amount Issued	Yield to Maturity	Modified Duration	Fitch Rating	Moody Rating	S&P Rating	Coupon	Maturity	Currency
1	MDGH GMTN RSC LTD	113.99	750	5.62	10.67	AA	Aa2	AA	6.88	1-Nov-41	USD
2	ABU DHABI GOVT INT'L	83.16	1,500	4.45	6.59	AA	NA	AA	1.70	2-Mar-31	USD
3	ABU DHABI NATIONAL ENERGY	111.83	1,500	5.23	8.86	AA-	Aa3	NR	6.50	27-Oct-36	USD
4	ALMARAI CO JSC	99.77	750	5.26	7.33	NA	Baa3	BBB-	5.23	25-Jul-33	USD
5	DP WORLD LTD UAE	106.85	1,750	6.1	8.68	BBB+	Baa2	NR	6.85	2-Jul-37	USD
6	MASDAR ABU DHABI	96.51	750	5.34	7.41	A+	A2	NA	4.88	25-Jul-33	USD
7	SAUDI ARABIAN OIL CO	85.46	3,000	5.68	10.66	A+	A1	NA	4.25	16-Apr-39	USD
8	SAUDI INTERNATIONAL BOND	104.06	2,500	4.93	6.96	A+	A1	NA	5.50	25-Oct-32	USD
9	UAE INT'L GOVT BOND	96.80	1,750	4.5	7.01	AA-	Aa2	NA	4.05	7-Jul-32	USD

Source: Bloomberg

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Figure 5: Top Bond Picks for Sukuk

S No	Issuer Name	Price	Amount Issued	Yield to Maturity	Modified Duration	Fitch Rating	Moody Rating	S&P Rating	Coupon	Maturity	Currency
1	ALDAR INVESTMENT PROPERTY	95.38	500	5.51	7.41	NA	Baa1	NA	4.88	24-May-33	USD
2	DAE SUKUK DIFC LTD	95.23	750	6.12	2.02	BBB-	Baa3	NA	3.75	15-Feb-26	USD
3	TABREED SUKUK SPC LTD	99.99	500	5.5	1.76	BBB	Baa3	NA	5.50	31-Oct-25	USD
4	DIFC SUKUK	98.23	700	6.34	0.88	NA	Baa3	NR	4.33	12-Nov-24	USD
5	EQUATE SUKUK SPC LTD	99.63	500	5.81	0.19	NA	Baa2	BBB	3.94	21-Feb-24	USD
6	SAUDI GOVT SUKUK	97.89	9,100	5.12	0.61	NA	A1	NA	1.64	26-Jul-24	SAR
7	SAUDI TELECOM CO	94.42	1,250	5.08	4.78	NA	A1	A	3.89	13-May-29	USD
8	ALMARAI CO JSC	99.77	750	5.26	7.33	NA	Baa3	BBB-	5.23	25-Jul-33	USD
9	BANQUE SAUDI FRANSI	97.25	900	5.45	3.96	A-	NA	A-	4.75	31-May-28	USD
10	OMAN SOVEREIGN SUKUK	99.53	2,000	5.43	0.46	BB+	Ba1	NA	4.40	1-Jun-24	USD
11	CBB INTL SUKUK SIX	98.69	850	6.33	1.20	B+	NA	B+	5.25	20-Mar-25	USD

Source: Bloomberg

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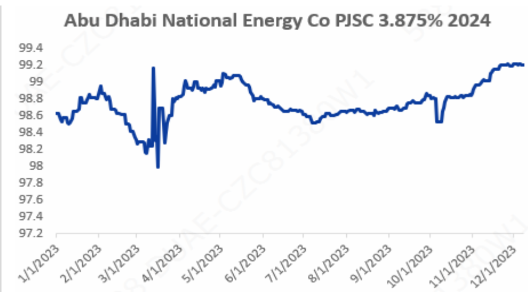
Short Term Bonds:

1 - Abu Dhabi National Energy Co PJSC 3.875% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.21	5.87%	3.875%	6-May-2024	AA-

Background:

Abu Dhabi National Energy Company PJSC ("TAQA"/"the Company") is one of the largest listed integrated utility companies in EMEA with total assets worth AED 192.7 Bn. TAQA is a subsidiary of Abu Dhabi Power Corporation (ADPC) and owns a 90% share in the Company. TAQA has significant investments in power and water generation, transmission and distribution assets, as well as upstream and midstream oil and gas operations. The Group's main operating segments are Transmission and Distribution (T&D), Generation, and Oil and Gas (O&G). The Company was established in 2005 and has operations in UAE and a global footprint in 22 countries around the world. TAQA has ~110,000 Km of water and electricity networks, 37.4 GW power generation capacity, 1,060 MIGD water desalination capacity, and 117 mboe/d oil production capacity.



Financial Ratios	
Net Debt (USD, mn)	13,787
Net Debt/EBITDA (x)	2.46
Total Debt to Total Equity (%)	68.44
EBITDA to Interest Expense (x)	6.54
Cash Ratio (x)	0.46

Abu Dhabi National Energy Co PJSC ("TAQAUH or The Group") 3.875% senior unsecured bond maturing in May 2024. The Bond is trading at USD 99.21 with a yield of 5.87% when held until maturity (redemption at par) with a modified duration of 0.39. Fitch affirmed TAQA's long term issuer default rating (IDR) at 'AA-' and Moody's affirmed rating of 'Aa3' for its long-term IDR with a stable outlook by both rating agencies.

TAQA's total revenue grew 5.4% YOY from AED 25.4 Bn to AED 26.8 Bn primarily due to higher pass-through of bulk supply tariffs and transmission use of system within the transmission and distribution segment. Revenue from the Generation segment declined 0.8% YOY from AED 6.5 Bn in 1H22 to AED 6.4 Bn in 1H23. This was due to the end of one of its tolling agreements in the USA which contributed AED 321 Mn of revenues and the decline was partially offset by higher revenue contributions from domestic and international fleet coupled with 1.2% improvement in commercial availability. Revenue from the Transmission and Distribution segment rose 17.6% YOY from AED 13.2 Bn in 1H22 to AED 15.6 Bn in 1H23, mainly due to pass-through bulk supply tariffs and higher revenue from transmission use of system charges. The Oil & Gas segment revenue declined 15.9% YOY from AED 5.7 Bn in 1H22 to AED 4.8 Bn in 1H23 mainly due to a decline in average realized gas prices and lower production. Gross profit declined 6.0% YOY from AED 7.1 Bn in 1H22 to AED 6.7 Bn in 1H23 driven by higher operating expenses across all segments. Adjusted EBITDA declined 7.1% from AED 11.3 Bn in 1H22 to AED 10.5 Bn in 1H23. This was due to a decline in contribution from the Oil and gas segment on the back of lower realized O&G prices and lower production. TAQA's Net income grew 219.0% YOY from AED 4.2 Bn in 1H22 to AED 13.5 Bn in 1H23, mainly driven by a one-off gain of AED 10.8 Bn recognized on the acquisition of a 5% shareholding in ADNOC Gas partially offset by an increase in deferred tax liability of AED 1.2 Bn

Bond Information	
ISIN	US00386SAM44
Ticker	TAQAUH
Coupon Type	FIXED
Market Issue	PRIV PLACEMENT
Payment Rank	Sr Unsecured
Price	99.2095
Amount Issued (USD, Mn)	750
Issue Date	6-May-2014
Z-Spread	46.75
Yield to Maturity	5.87
Modified Duration	0.39
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	Aa3
S&P Rating	NR
Coupon	3.875
Coupon Frequency	Semi-Annually
Maturity	6-May-2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.259
52 Week Low	97.913

associated with the introduction of UAE corporate tax from 1 January 2024. Adjusted net income declined 9% YOY AED 3.9 Bn due to lower contribution from the Oil & Gas segment. The Group is preparing to enter into the wastewater networks and treatment business through the planned acquisition of Sustainable Water Solutions Holding Company (SWS) for AED 1.7 Bn. SWS Holding will add approximately AED 16 Bn to TAQA's existing asset value (RAB of AED 77.5 Bn) and it is complementary to TAQA's existing portfolio. The Group generated AED 6.4 Bn in free cash flow in 1H23 as compared to AED 8.2 Bn in 1H22 mainly due to lower contribution from the Oil & Gas segment. TAQA completed a dual-tranche bond offering of USD 0.5 Bn with a tenure of 5 years and USD 1.0 Bn of 10 years in April 2023, which included its first-ever company-issued green bond. The unsecured notes were oversubscribed by more than 10 times with demand coming from international investors.

Fitch affirmed "AA- " rating on TAQA's long-term issuer default rating (IDR) with a stable outlook in June 2023. It is rated four notches higher than its standalone credit rating owing to its linkage with Abu Dhabi Government. Taqa's rating is tied to its dominant market position in its core market Abu Dhabi, as the sole water and power transmission and distribution company, and its strong position in the generation business. A more conservative financial policy, like TAQA maintaining FFO net leverage below 3.7x on a sustained basis, might lead to an upgrade in rating. The Government of Abu Dhabi (AA/Stable) is also the indirect majority shareholder of the Group. The Company completed the acquisition of Masdar (43% stake in FY2022) and SWG. A negative rating action on Abu Dhabi will fuel a possible downgraded rating. Another reason could be the aggressive financial policy, higher capex, or more debt-funded acquisitions, which would result in FFO net leverage rising above 4.5x on a sustained basis.

Moody affirmed "Aa3 " rating on TAQA's long-term IDR with a stable outlook in July 2021. TAQA's rating is supported by the low business risk profile of the company's power and water activities and its monopoly position in Abu Dhabi. The outlook will be downgrade in case of adverse changes in regulation and oversight by the government or a significant reduction in TAQA's indirect ownership by the government of Abu Dhabi. A significant increase in the contribution of unregulated businesses to the company's cash flows could also lead to a downgrade of TAQA's ratings.

Taqa capital structure comprises 37% of debt based on the financial position as of 30 June 2023 and remains dependent upon corporate bonds and RCF for external sources of funding. Net debt to EBITDA grew 2.6x in 1H23 from 2.5x in FY2022. The average debt maturity was 10.5 years while the average interest rate stood at 4.65% in 1H23. The Company enters into interest rate swaps to hedge its interest rates and c. 98% of bears fixed interest rate. Total available liquidity stood at AED 23.7 Bn which comprises AED 10.1 Bn in cash and cash equivalents and AED 13.6 Bn of available credit facilities. Liquidity level represented 12.3% of the total assets as of 1H23. The interest coverage ratio stood at 3.5x for TTM. The Company derives 78% of its adjusted EBITDA from regulated and contracted assets which makes the cashflows highly predictable. With capacity additions, strategic partnerships, M&A, and new regulatory control mechanisms (RC2) underway, the Company plans to capitalize on and deliver value to its stakeholders.

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2 - Emirates Development Bank PJSC 3.516% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.44	5.91%	3.516%	6-Mar-2024	AA-

Background:

Emirates Development Bank PJSC ("EDB" or "The Bank") was established on 30 September 2011 and officially commenced its operations in 2015 as a public joint stock company fully owned by the UAE federal government, following the merger between the Emirates Industrial Bank and the Emirates Real Estate bank. The bank operates two branches in Abu Dhabi and Dubai and developed a digital platform to provide its customers with financial and non-financial services. The bank provides financial services to MSMEs and corporate clients in the UAE, and it engages in five sectors including advanced technology, food security, healthcare, infrastructure, and manufacturing. The bank also supports SMEs and start-ups with its digital banking products and educational and mentoring programs. The bank launched the Wholesale and Institutional Banking segment in late 2021, as a part of its revitalized strategy. The segment focuses on providing specialized expertise in wholesale and institutional banking services to large corporations with an annual turnover exceeding AED 250 Mn. EDB operates into four operating segments including Home Finance, Business Finance, and Investments and Treasury business.

Emirates Development Bank PJSC 3.516% medium-term note maturing in March 2024. The Bond is trading at USD 99.44 with a yield of 5.91% when held until maturity (redemption at par) with a modified duration of 0.23. Fitch affirms a rating of 'AA-' for EDB's long-term issuer default rating (IDR) and 'F1+' for its short-term IDR. S&P affirms a long-term IDR of 'AA-' with a stable outlook.

EDB's net interest income grew by 59.6% to AED 170 Mn in 2022 from AED 107 Mn in 2021. The growth was primarily driven by an increase in loans and advances by 13.1% from AED 4,375 Mn in 2021 to AED 4,950 Mn in 2022. However, the bank's investment income declined by 15.4% from AED 16 in 2021 to AED 14 Mn in 2022, attributed to lower dividend earnings. NIMs rose from 1.5% in 2021 to 1.9% in 2022 due to higher interest rates. Fees and commission income witnessed a high growth of 72.9% to AED 24 Mn in 2022 to AED 14 Mn in 2021, attributed to an increase in other fees which stood at AED 4.7 Mn, followed by fees from guarantees at 2.8 Mn, and fees from Emirates Integrated Registries Company at 2.5 Mn in 2022. Thus, total operating income grew 42.4% to AED 288 Mn in 2022 from AED 202 Mn in 2021. The bank's operating expenses increased 46.4% from AED 105 Mn in 2021 to AED 154 Mn in 2022. The cost-to-income ratio increased from 52.2% in 2021 to 53.7% in 2022. The bank reported a net profit of AED 61 Mn representing an increase of 17.2% in 2022. The bank's deposits more than doubled from AED 875 Mn in 2021 to AED 2,393 Mn in 2022. The growth in deposits is majorly driven by funds from the Sheikh Zayed Housing Program which grew by 267.8% from AED 228 Mn in 2021 to AED 838 Mn in 2022 followed by a rise in corporate deposits by 232.1% from AED 312 Mn in 2021 to AED 1.036 Mn in 2022. Interest-earning assets also witnessed a growth of 13.4% from AED 12 Bn in 2021 to AED 13.6 Bn in 2022. EDB maintained a capital of AED 5.6 Bn in 2022 with an interest-earning assets total equity ratio of 0.41x in 2022 as compared to 0.46x in 2021.

Emirates Development Bank PJSC 3.516% 2024

Financial Ratios	
Loan to Deposit (%)	249
Liquidity Coverage (%)	N/A
Net Stable Funding Ratio (%)	N/A
Capital Adequacy Ratio (%)	N/A
Non-Performing Loan (%)	N/A

Bond Information	
ISIN	XS1956103805
Ticker	EMDEBK
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	99.4365
Amount Issued (USD, Mn)	750
Issue Date	6-Mar-2019
Z-Spread	48.01
Yield to Maturity	5.91
Modified Duration	0.23
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	N/A
S&P Rating	N/A
Coupon	3.516
Coupon Frequency	Semi-Annually
Maturity	6-Mar-2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.669
52 Week Low	97.811

Fitch affirmed a rating of ‘AA-‘ for EDB’s long-term IDR, and ‘F1’ for its short-term IDR with a stable outlook in April 2023. The EDB’s IDR is similar to UAE’s sovereign rating indicating high support from UAE authorities. Changes in EDB's IDR are subject to Fitch’s assessment of the creditworthiness of the UAE authorities and their tendency to support the bank. A downgrade in Fitch's assessment of the sovereign's creditworthiness would result in a corresponding downgrade of the bank's IDR. EDB's changes in policy role or a decrease in government control over the bank can also lead to EDB’s downgrade rating. The rating agency doesn’t expect any change in rating in the near term as the current rating factors in support of the sovereign.

S&P affirmed a rating of ‘AA-‘ for EDB with a stable outlook in May 2023, reflecting the bank's strong creditworthiness. The ‘AA-‘ credit rating indicates the bank's strong capacity to meet its financial commitments and demonstrates high confidence in its credit fundamentals and risk management principles. This rating update of S&P retrains EDB’s position as a key financial engine for the economic development and industrial advancement of the UAE.

The bank is not required to comply with any specific adequacy regulations, with the bank’s policy to maintain a strong capital base maintain stake holder’s confidence and sustain future development. The total non-performing loans of the bank marginally declined to AED 252 Mn in 2022 from AED 253 Mn in 2021 with the provision of AED 203 Mn held against these loans. This resulted in an improved NPL ratio of 3.7% in 2022 from 4.1% in 2021, while the loan loss coverage ratio reached 104.3% in 2022 from 98.6% in 2021.

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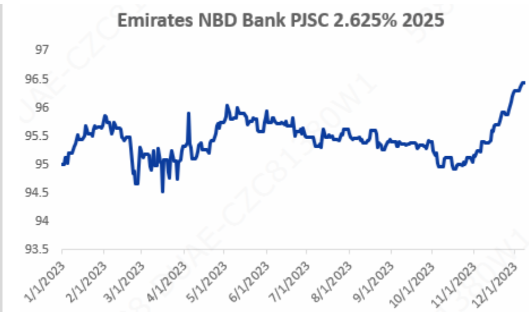
3 - Emirates NBD Bank PJSC 2.625% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 96.44	5.78%	2.625%	18-Feb-2025	A+

Background:

ENBD was formed in June 1963 as the National Bank of Dubai (NBD) and merged with Emirates Bank International in March 2007 to form Emirates NBD. The bank was officially listed on the Dubai Financial Market in October 2007. The bank operates in 13 countries and is the fourth largest bank in GCC with a market capitalization of AED 101 Bn. ENBD operates into five operating segments including Corporate and Institutional banking, Retail banking and Wealth Management, Global Markets, Treasury, Islamic banking, and Deniz Bank (Turkey-based bank acquired in 2019). The Government of Dubai owns a 56% stake in the Bank through the Investment Corporation of Dubai and the bank operates with a total of 854 branches and 4,173 ATMs / SDMs across the globe.



Financial Ratios	
Loan to Deposit (%)	90.67
Liquidity Coverage (%)	182.00
Net Stable Funding Ratio (%)	121.43
Capital Adequacy Ratio (%)	18.28
Non-Performing Loan (%)	5.98

Emirates NBD PJSC's ("ENBD or The Bank") 2.625% Senior Unsecured Euro Medium-term Note maturing in February 2025. The bond is trading at USD 96.44 with a yield of 5.78% when held until maturity (redemption at par) with a modified duration of 1.13. Fitch affirms the Bank's long-term issuer default rating (IDR) at 'A+' with a stable outlook. Recently Fitch also upgraded its viability rating from 'bbb-'to 'bb+'. While Moody's upgraded ENBD's long-term IDR to 'A2' with a stable outlook.

The bank's interest income from Islamic and non-Islamic grew 72.8% YOY from AED 23.3 Bn in 9M22 to AED 40.3 Bn in 9M23. The growth was driven by an expansion in loan book 9.2% YOY in 9M23 and growth in asset yield. While funded expenses more than doubled from SAR 7.8 Bn in 9M22 to SAR 18.0 Bn in 9M23 amid rise in benchmark interest rates. Thus, net funded income expanded 43.4% YOY to AED 22.3 Bn in 9M23. Net interest margin (NIM) expanded 90 bps YOY to 4.0% in 9M23, due to improvements in the loans and deposit mix supported by higher interest rates. In addition, net fees and commission income grew 14.9% YOY from AED 3.1 Bn in 9M22 to AED 3.5 Bn in 9M23. The growth is driven by the expansion of local and international retail card business at both ENBD and DenizBank coupled with higher revenue from investment banking and trade finance. The bank recorded a profit from trading securities of AED 330 Mn in 9M23 compared to a loss of AED 3 Mn in 9M22. The other operating income rose by 60.7% YOY from AED 4.1 Bn in 9M22 to AED 6.6 Bn in 9M23. The growth in other operating income is attributed to an increase in retail customers foreign exchange remittance volumes, supported by an addition in corporate hedging and an increase in hedging and swap income related to DenizBank. Thus, a favourable deposit mix benefiting from the rise in interest rates, coupled with strong growth across all business segments and products contributed a 44.2% YOY surge in total operating income. The operating income grew from AED 22.7 Bn in 9M22 to AED 32.7 Bn in 9M23. On the other hand, G&A expenses also rose 30.6% YOY from AED 6.4 Bn in 9M22 to AED 8.4 Bn in 9M23, due to an increase in investment in human capital and continuous investment in

Bond Information	
ISIN	XS2119472178
Ticker	EBIUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	96.4385
Amount Issued (USD, Mn)	500
Issue Date	18-Feb-2020
Z-Spread	84.13
Yield to Maturity	5.78
Modified Duration	1.13
Country of Incorp	AE
Fitch Rating	A+
Moody Rating	A2
S&P Rating	N/A
Coupon	2.625
Coupon Frequency	Semi-Annually
Maturity	18-Feb-2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	96.456
52 Week Low	94.405

technology solutions. The cost-to-income ratio declined to 25.5% in 9M23 from 28.2% in 9M22 below the guidance, reflecting controlled cost with continuous investment for future growth supported by higher income. Provision expense more than halved from AED 3.3 Bn in 9M22 to AED 1.5 Bn in 9M23. Adjustment for hyperinflation rose 31.3% YOY to AED 3.2 Bn in 9M23 dragging profit. Net The higher operating income and strong loan recoveries enabled ENBD to report a 92.3% YOY increase in net profit from AED 9.1 Bn in 9M22 to AED 17.5 Bn in 9M23. Deposits rose 13.4% YOY from AED 503 Bn in 9M22 to AED 570 Bn in 9M23. CASA accounted for 59.0% of total deposits 9M23 with an addition of AED 35 Bn during the period. The bank's gross loans grew 8.0% YOY as the retail loan rose 17.0% YOY due to strong demand for credit in the Manufacturing, Trade, Transport, Communication, and conglomerates segments. DenizBank's gross loan remained flat at AED 67 bn in 3Q23 as compared to AED 66 Bn in 3Q22 including the change in foreign exchange. Total assets rose from AED 742.0 Bn in 2022 to AED 835.6 Bn in 9M23.

Fitch affirms a rating of 'A+' for ENBD's long-term issuer default rating (IDR) and 'F1' for its short-term IDR with a stable outlook in October 2023. The rating agency also upgraded ENBD's Viability Rating (VR) to 'bbb-' from 'bb+'. The upgrade in VR is driven by reduced reliance on the Dubai government, improved asset quality, healthy profitability benefiting from higher interest rates, and a strong funding profile. ENBD's IDRs are driven by the potential support from the UAE authorities as reflected in its Government Support Rating (GSR). GSR signifies the authority's strong capability and record of supporting the banking system when necessary. Thus, the upgrade and downgrade of the bank's long-term IDR follows the change in GSR. ENBD's IDR is likely to be downgraded following the downgrade of its GSR, due to reduced sovereign support of the bank which would be reflected in a UAE sovereign downgrade. Additionally, factors such as increased exposure to high-risk markets, losses incurred by subsidiary banks, or lending growth surpassing internal capital generation could be detrimental to ENBD's credit position. On the other hand, an upgrade in GSR would result from an enhanced ability of UAE authorities to offer support, possibly through a UAE sovereign upgrade. However, Fitch doesn't expect any upgrade in rating in the near term due to the stable outlook on the sovereign rating.

Moody upgrades ENBD's long-term issuer default rating (IDR) of 'A2' and short-term ratings of 'P-1' with a stable outlook in November 2022. It also assigned a Baseline credit assessment of 'baa3' which reflects solid capitalization and steady profitability supported by the Bank's leading and growing franchise with strong from the Dubai Government. The factors which could lead to an upgrade in ratings would be a significant reduction in the problem loan ratio coupled with a sustained reduction in its credit concentration. The further improvement in profitability will enhance capital through increased profit retention. The factors that could lead to a downgrade in the rating include rising loans to related parties, significant deterioration in asset quality negatively impacting profitability, or rapid credit growth straining capital adequacy.

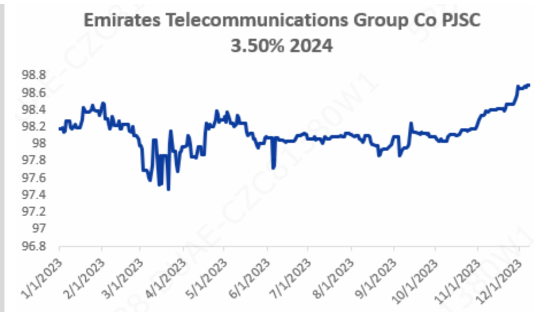
ENBD continues to maintain a strong liquidity position, with a liquidity coverage ratio of 190% and an advance-to-deposit ratio of 79.8% in 9M23. The bank's liquid assets stood at AED 80 Bn which consists of 11% total liability and 14% of deposits. The bank's non-performing loan ratio improved from 5.6% in 2Q23 to 5.5% in 3Q23 due to strong writebacks and recoveries. The coverage ratio remained flat at 145% in 3Q23 as compared to 147% in 2Q23 driven by increased S1 coverage due to the Turkish earthquake and higher rate environment overlay. The Bank's capital ratio increased to 19.7% in 3Q23 from 19.5% in 2Q23 due to an improvement in CET1 ratio by 0.3% QOQ to 16.9% in 3Q23 partially offset by a 4.9% YOY increase in risk-weighted assets.

4 - Emirates Telecommunications Group Co PJSC 3.50% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	S&P Rating
USD 98.70	6.10%	3.50%	18-Jun-2024	AA-

Background:

Emirates Telecommunications Group Co PJSC (“ETISALAT” or “The Company”) founded in 1979 is headquartered in Abu Dhabi and emerged as the UAE's pioneer telecommunications service provider over four decades ago. The Company along with its subsidiaries offers solutions and services, such as information and communication technology (ICT), mobile and Internet, data and connectivity services, and digital solutions. The blue-chip corporation delivers inventive solutions and services to 165 Mn subscribers spanning over 16 countries across the Middle East, Asia, and Africa. Recently, Etisalat is on an acquisition spree and increased its shareholding in Vodafone Plc to 14% in May 2023. In addition, it made a strategic move by acquiring a controlling stake of 50% along with one economic share in PPF Telecom's assets in Bulgaria, Hungary, Serbia, and Slovakia, known as "PPF Telecom" in 2Q23. Emirates Telecommunication Group Co is predominantly owned by the Emirates Investment Authority holds a majority of 60% stake.



Financial Ratios	
Net Debt (USD)	4,317
Net Debt/EBITDA (x)	1.27
Total Debt to Total Equity (%)	104.48
EBITDA to Interest Expense (x)	3.91
Cash Ratio (x)	0.52

Emirates Telecommunications Group Co PJSC 3.50% senior unsecured bond maturing in June 2024. The bond is trading at USD 98.70 with a yield of 6.10% when held until maturity (redemption at par) with a modified duration of 0.49. It enjoys a long-term issuer default rating of Aa3 and AA- by Moody’s and S&P, respectively with a stable outlook.

The total revenue rose 1.1% YOY to AED 26.6 Bn in 1H23 from AED 26.3 Bn in 1H22 mainly driven by a growth in revenue of UAE and others partially offset by a decline in revenue of Morocco, Egypt, and Pakistan. Excluding, the impact of currency revenue grew 9% YOY in 1H23. Etisalat’s aggregate subscriber base reached 165 Mn in 1H23 recording the highest number of subscribers in the Company’s history. This equated to an increase of 5.0 Mn new subscribers in the past year, primarily driven by robust subscriber acquisition in countries such as Egypt, Pakistan, the UAE, Chad, Burkina Faso, Afghanistan, Togo, and Benin. The subscriber base witnessed a QOQ growth of 1.2 Mn subscribers. EBITDA declined by 5.2% YOY to AED 12.8 Bn in 1H23 mainly attributed to a double-digit decline in EBITDA of Egypt, Pakistan, and others partially offset by an improvement in the profitability of UAE. The margins also fell from 51.1% in 1H22 to 47.9% in 1H23. Moreover, Etisalat’s international operations are impacted by Egypt’s national roaming agreement and the challenging macro environment backdrop. Etisalat’s net profit after federal royalty increased 0.8% YOY to AED 5.1 Bn in 1H23. The Company distributed 40 fils per share of interim dividend in 1H23. Total debt declined marginally from AED 48.0 Bn in FY2022 to AED 47.2 Bn in 1H23 due to scheduled repayments of bank borrowings. While net debt rose from AED 15.1 Bn in 2022 to AED 23.2 Bn in 1H23. Approximately 76% of the debt balance is due after one year. In terms of currency mix, 50% of total debt is in AED, 12% in USD, 19% in Euros, and the remaining 19% in other currencies. The majority of the debt is at the group level and in the form of bank borrowings.

Bond Information	
ISIN	XS1077883012
Ticker	ETISLT
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	98.6975
Amount Issued (USD, Mn)	500
Issue Date	18-Jun-2014
Z-Spread	72.86
Yield to Maturity	6.10
Modified Duration	0.49
Country of Incorp	AE
Fitch Rating	N/A
Moody Rating	Aa3
S&P Rating	AA-
Coupon	3.5
Coupon Frequency	Semi-Annually
Maturity	18-Jun-2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	98.876
52 Week Low	97.24

S&P assigned a long-term credit rating of “AA- “ on April 2023 and Moody’s rating of “Aa3”. Etisalat’s trade receivables consist of a large number of customers spread across diverse industries and geographical areas. Regular assessments of the creditworthiness of accounts receivable are conducted, and, when deemed necessary, customers typically provide collateral in the form of cash deposits.

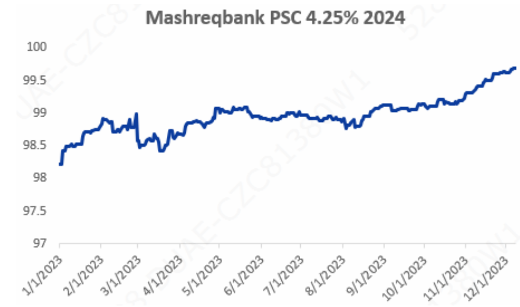
Etisalat net debt to EBITDA ratio declined from 0.58x in FY2022 to 0.91x on TTM basis in 1H23 due to an increase in debt balance and a marginal fall in EBITDA. The interest coverage ratio also fell from 9.05x in FY2022 to 6.5x on a TTM basis in 1H23. The Company reported 76% of the debt balance is due after one year. The cash balance declined from AED 32 Mn in FY2022 to AED 24 Mn in 1H23 mainly due to the payment of the final dividend and Federal Royalty of FY22. Etisalat’s net profit rose by 3.8% YOY with AED 4,709 with a stable margin of 18.5% in 1H23. The Company recorded an increase mainly due to higher income from associates, higher net finance income, lower depreciation and amortization charges, and lower federal royalty and tax expenses. In August 2023, Etisalat took a majority ownership stake in PPF Telecom which is expected to facilitate its international expansion into previously unexplored regions, particularly Central East Europe. Additionally, the Company diversified its revenue streams by making various investments in the digital sector including a USD 400 Mn investment in Careem by securing a 50.03% ownership, a USD 10 Mn investment in Bespin Global resulting in a 65% ownership stake, and a USD 24 Mn investment for a 63.3% stake in Beehive.

5 - Mashreqbank PSC 4.25% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.69	5.69%	4.25%	26-Feb-2024	A

Background:

Mashreqbank ("MASQ" or "The Bank") is a leading bank in the UAE and MENA region for more than fifty years since 1967. The Bank is headquartered in Dubai, UAE with its operations in Domestic Corporate, Domestic Retail, Treasury and Capital markets, international banking Islamic Banking, and Insurance segments. Mashreq grew to become one of the top financial institutions in the UAE with a significant presence in Europe, Asia, Africa, and the United States, as well as financial capitals across the world, due to its overseas presence. Mashreq Bank is the fifth largest bank in UAE with a solid market capitalization, strong liquidity, and funding positions. The Bank maintained strong loan growth during 1H2023 and FY2022 reflecting a strong franchise in both corporate and retail segments. Saif Al Ghurair Investment Group owns 39.6%, Abdulla Ahmed Al Ghurair Investment Co. 31.1% holding and Masar Investments Limited owns 12.7% are the leading shareholders of the bank.



Financial Ratios	
Loan to Deposit (%)	83.55
Liquidity Coverage (%)	141.77
Net Stable Funding Ratio (%)	111.32
Capital Adequacy Ratio (%)	16.02
Non-Performing Loan (%)	2.44

Mashreqbank PSC 4.25% senior unsecured bond maturing in February 2024. The bond is trading at USD 99.69 with a yield of 5.69% when held until maturity (redemption at par) with a modified duration of 0.20. MASQ enjoys an investment-grade rating of 'A' for long-term IDR and "F1" for short-term IDR with a stable outlook by Fitch. The Bank also received a long-term IDR rating of 'A' and "A1" for short-term IDR by S&P with a stable outlook. The UAE authorities have a high probability of systematic support to Mashreq Bank in the event of stress due to its robust net external asset position, strong fiscal metrics, and regular hydrocarbon income. Given the UAE's strong, prompt, and predictable record of supporting its domestic banks, Fitch expects the UAE authorities' willingness to assist the banking industry to continue high. This viewpoint is influenced by the sovereign's strong relationships and partial ownership of several banks.

Net interest income rose 82.0% YOY to AED 5.6 Bn in 9M23 as compared to AED 3.1 Mn in 9M22 mainly driven by growth in the loan portfolio and improvements in net margins. Net interest margin (NIM) expanded 128 bps YOY mainly due to a faster increase in yields as compared to the cost of funds. Total operating income grew 52.0% YOY to AED 7.9 Bn in 9M23 from AED 5.2 Bn in 9M22 driven by a rise in interest income and organic growth across all business activities amid rising interest rate environment. Wholesale banking accounted for 44% and Retail Banking accounted for 38% of the operating income as of 1H23. Non-interest income also grew 8.1% YOY to AED 2.3 Bn in 9M23. The Bank continues to benefit from significant growth in diversified income streams, with income from Islamic financing more than doubled from AED 453 Mn in 9M22 to AED 911 Mn in 9M23. Thus, net profit rose from AED 2.7 Bn in 9M22 to AED 5.8 Bn in 9M23 on account of increased operating income and reduced risk charge. Mashreq Bank maintained a strong funding profile in 9M23 with 16.7% growth in customer deposits from AED 113.8 Bn in FY2022 to AED 132.9 Bn in 9M23. The Bank's total assets grew 10.7% from AED 197.2 Bn in FY2022 to AED 218.3 Bn in 9M23.

Bond Information	
ISIN	XS1956021585
Ticker	MASQUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	99.692
Amount Issued (USD, Mn)	675
Issue Date	26-Feb-2019
Z-Spread	18.66
Yield to Maturity	5.69
Modified Duration	0.20
Country of Incorp	AE
Fitch Rating	A
Moody Rating	Baa1
S&P Rating	A
Coupon	4.25
Coupon Frequency	Semi-Annually
Maturity	26-Feb-2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.692
52 Week Low	98.091

Wholesale Banking accounts for 50.3% of total assets whereas Retail Segment share stood at 12.3% of the total assets as of 1H23. Loans and advances grew 9.9% year-to-date from AED 90.3 Bn in 2022 to AED 99.3 Bn due to an increase in lending's across all segments. On the 9M basis, the Bank recorded a reversal in impairment of AED 341 Mn as compared to impairment expense of AED 471 Mn in 9M22.

Fitch affirmed a rating of "A-" for Mashreq Bank's long-term IDR and "F1" for its short-term IDR with a stable outlook. Mashreq Bank's IDR is influenced by the potential backing from the UAE government authorities (rated at AA-/Stable). This support is indicated by Mashreq's Government Support Rating (GSR) of 'a,' which signifies the government's robust capacity and track record in aiding the banking sector when necessary. Fitch upgraded Mashreq's VR ratings to 'bbb-' from 'bb+' due to its strong improvements in its asset quality, profitability, and capitalization. Mashreq's long-term IDR would likely be downgraded following a downgrade of its GSR.

A GSR downgrade could occur due to either a reduced capability of the sovereign to assist the bank, potentially leading to a downgrade of the UAE sovereign rating, or a decreased inclination to to support banks. A sharp deterioration in asset quality or increased risk appetite such as loan growth affecting profitability and capital would trigger a downgrade of VR.

Moody's affirmed a rating of "Baa1" for Mashreq's long-term foreign currency IDR with a positive outlook and "P2" for short-term IDR with the expectation that improvement in asset quality, strong capitalization to support the Bank's credit profile, coverage levels, and net profitability over the upcoming 12-18 months. A downgrade in the rating can take place if the franchise weakens, the trend reverses or deterioration of asset quality resulting in lower profitability or a weakening of the bank's capital and liquidity position. The rating could be upgraded as the Bank demonstrates sustainable and improved financial performance as exhibited by the growth in profitability, improvement in asset quality and capital position.

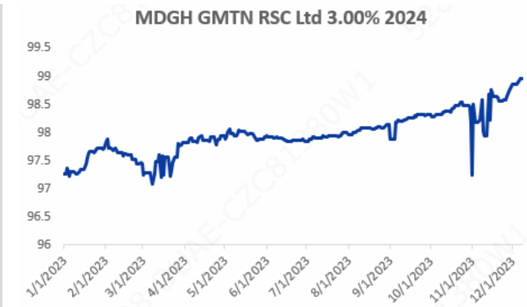
MASQ maintains a strong liquidity position, with a liquidity coverage ratio of 126.6% in September 2023, liquid assets to total assets of 32.3%, and a loan-to-deposit ratio of 74.7% in 3Q23. Mashreq is capitalized with a CET 1/tier 1 ratio of 15.00% and 16.3%, respectively in 3Q23 and a capital adequacy (Basel III) ratio of 18.6% in 3Q3. NPL ratio declined from 2.2% in FY2022 to 1.5% in 3Q23. The provision coverage ratio improved to 222.9% in 3Q23, providing a buffer for an increase in nonperforming loans in the future.

6 - MDGH GMTN RSC Ltd 3.00% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 98.96	5.98%	3.00%	19-Apr-2024	AA

Background:

Mamoura Diversified Global Holding PJSC ("MDGH" or "The Group") was established on 27 October 2002 as a public joint stock company fully owned by the Mubadala Investment Company PJSC (MIC), a sovereign fund 100% owned by the Abu Dhabi Government. The group engages in investing and managing investments in sectors and companies that contribute to the diversification strategy of the Emirate of Abu Dhabi. The group invests through four investment platforms including UAE Investments, Direct Investments, Disruptive Investments, and Real Estate and Infrastructure Investments.



Financial Ratios	
Net Debt (USD)	-18,758
Net Debt/EBITDA (x)	-6.84
Total Debt to Total Equity (%)	43.07
EBITDA to Interest Expense (x)	2.54
Cash Ratio (x)	5.63

MDGH GMTN RSC Ltd 3.00% global medium-term note program (GMTN) maturing in April 2024. The Bond is trading at USD 98.96 with a yield of 5.98% when held until maturity (redemption at par) with a modified duration of 0.35. Fitch affirms a rating of 'AA' for long-term issue default rating (IDR), and 'F1+' for its short-term IDR with a stable outlook. Moody affirmed a rating of 'Aa2' for long-term IDR and S&P affirmed a rating of 'AA' for long-term IDR.

MDGH revenue decreased 10.7% YOY to AED 25.9 Bn in 1H23 from AED 29.0 Bn in 1H22. The decline in revenue was primarily attributed to reduced revenue from semiconductor wafers and petrochemicals partially offset by higher revenue from aircraft maintenance and repairs and others. Lower decline in cost of sales as compared to revenue exacerbated the fall in gross profit which fell 21.6% YOY to AED 6.8 Bn in 1H23. Thus, gross margin also declined from 29.9% in 1H22 to 26.2% in 1H23. The group earned an investment income of AED 8.3 Bn in 1H23 compared to an investment loss of AED 14.2 Bn in 1H22 due to fair value gain on investments as compared to a loss partially offset by higher dividend income. Thus, the group reported an operating profit of AED 10.9 Bn with a margin of 42.0% in 1H23, compared to an operating loss of AED 3,558 Mn in 1H22. Further, the group's net finance income increased from AED 28 Mn in 1H22 to AED 640 Mn in 1H23, due to a 133.3% YOY increase in finance income to AED 3,499 Mn in 1H23 from AED 1,500 Mn in 1H22 partially offset by an increase in finance expense. The interest rate increased by 100 bps in 2022 attributed to a high increase in finance income and finance expenses. The profit was also impacted by a foreign exchange loss in 1H23 as compared to a profit in 1H22. MADGH reported a net profit from continuing operations stood at AED 11.5 Bn in 1H23, an improvement from a net loss of AED 340 Mn in 1H22. As of 1H23, the direct investment segment contributed 75.9% of total revenue followed by the UAE investment segment contribution of 22.9% of the group's total revenue in 1H23.

Bond Information	
ISIN	XS1596070547
Ticker	MUBAUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	98.963
Amount Issued (USD, Mn)	850
Issue Date	19-Apr-2017
Z-Spread	54.56
Yield to Maturity	5.98
Modified Duration	0.35
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2
S&P Rating	AA
Coupon	3
Coupon Frequency	Semi-Annually
Maturity	19-Apr-2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	98.963
52 Week Low	97.013

Other segments include Disruptive Investments, and Corporate contributed 1.0% and 0.2% to the group's total revenue respectively in 1H23. The group generated AED 3,941 Mn cash from operations in 1H23.

Fitch affirmed a rating of 'AA' for MDGH's long-term IDR, and 'F1' for its short-term IDR, with a stable outlook in November 2022. MDGH credit rating is equated with the credit rating of a sovereign. MDGH operations, investment, and funding strategies are controlled by the Abu Dhabi government through MIC. The Abu Dhabi government contributed 60.1% of MDGH's total assets, which amounted to AED 296.1 Bn in 2021. Any upgrade or downgrade in the MDGH rating will lead to a similar impact on the Abu Dhabi government rating. The rating change will also be reflected in MDGH GMTN (RSC) LTD's guaranteed program ratings and senior unsecured bonds' long- and short-term ratings as well as MDGH's US dollar multi-currency revolving credit facility's rating. A downgraded rating could result from significantly reduced strength-of-linkage or incentive-to-support factors.

Moody affirmed a rating of 'Aa2' for MDGH's long-term IDR with a stable outlook in October 2021. As an indirect stakeholder in the company, the MDGH rating is aligned with the Abu Dhabi government rating. Moody's classifies MDGH as a government-related issuer (GRI) and uses a top-down approach to assign MDGH's rating under the Government-related Issuers Methodology. MDGH ratings will follow any upgrade and downgrade in Abu Dhabi government ratings. The MDGH rating could also downgraded due to a change in government support such as policy mandates and changes in the funding mechanism.

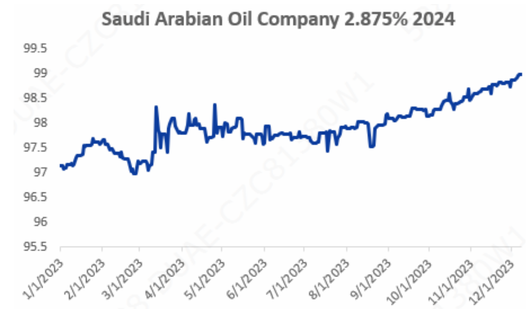
The group continues to maintain equity capital of AED 328 Bn in 1H23, with a gearing ratio of 22.8% in 1H23 from 20.9% in 2022. Net Debt to EBITDA ratio declined to 4.80x in 1H23 TTM from 13.02x in 2022, driven by lower EBITDA in 2022 compared to 1H23. Total liquidity reached c. AED 69 Bn in 1H23 which consists of AED 27 Bn cash and cash equivalent, AED 17 Bn of long-term deposit and AED 24 Bn undrawn credit facility. The liquidity level of the group declined to 13.4% of total assets in 1H23 from 15.5% in 2022, due to a decline in liquidity. With the disposal of Mubadala Health, the group acquired 45% of the stake in M42 valued at AED 8.3 Bn as of 1H23. The group acquired 15.6% of ordinary shares and AED 29.3 worth of Class C preference shares of Global Connect with a total acquisition value of AED 960 Mn in 1H23.

7 - Saudi Arabian Oil Company 2.875% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.00	5.83%	2.875%	16-Apr-2024	A+

Background:

Saudi Arabian Oil Company is an integrated energy and chemicals company. Aramco's operations are divided into two main segments: Upstream and Downstream. Upstream activities are predominantly centred in Saudi Arabia, while the Downstream sector operates on a global scale. The Upstream segment of the Company is responsible for the exploration, development, production, and sale of natural gas, condensate, crude oil, and natural gas liquids (NGLs). The activities of the downstream section include supply and trading, power generation, retail operations, base oils and lubricants, petrochemicals and refining, and distribution. The reserves of Aramco amounted to 258.8 Bn barrels of oil equivalent in FY2022, consisting of 200.8 Bn barrels of crude oil and condensate, 25.2 Bn barrels of NGL, and 201.9 trillion standard cubic feet of natural gas. The Company manages 535 reservoirs within 142 fields spread across the Kingdom and its territorial waters.



Financial Ratios	
Net Debt (USD)	-37,727
Net Debt/EBITDA (x)	-0.15
Total Debt to Total Equity (%)	16.38
EBITDA to Interest Expense (x)	89.89
Cash Ratio (x)	1.51

Saudi Arabian Oil Company's ("Aramco" or The Company) 2.875% senior unsecured maturing in April 2024. The bond is trading at USD 99.00 with a yield of 5.83% when held until maturity (redemption at par) with a modified duration of 0.34. Fitch upgrades Aramco's long-term IDR to 'A+' with a stable outlook. The rating is equalized with that of its majority shareholder, Saudi Arabia. The Company also received long-term foreign currency rating of 'A1' with a positive outlook from Moody's. Fitch assigned Aramco a high Standalone Credit Profile (SCP) rating of 'AA+'.

Total revenue declined 20.3% YOY to SAR 820.0 Bn from SAR 1,029.1 Bn in 1H22, mainly due to the lower realized crude oil prices partially offset by an increase in hydrocarbon production. The operating income dropped 27.8% to SAR 434.7 Bn in 1H23 compared to SAR 602.2 Bn in 1H22 owing to the ongoing economic uncertainty resulting in lower prices for hydrocarbons and continued pressure on refining and chemical margins. The Company's free cash flow declined 17.2% YOY to SAR 202.7 Bn in 1H23. The decline was primarily caused by lower net cash from operating activities, which was an outcome of lower earnings partially offset by favorable change in working capital. Aramco introduced a performance linked dividend starting from 3Q23. The Company plans to pay out performance-linked dividends over a period of six quarters beginning in Q32023, based on the Company's combined FY2022 and FY2023 full-year results. Aramco anticipates the performance-linked dividend will be computed using 70% of the Company's full year free cash flow generated in FY2022 and FY2023. It announced a performance linked dividend of SAR 37.0 Bn for 3Q23 based on the reported financials. The Company's progress on its Upstream oil and gas projects, such as Marjan, Berri, Dammam, and Zuluf crude oil increments, remains in line with its strategy to boost oil production capacity to 13.0 Mn barrels per day by 2027.

Bond Information	
ISIN	XS1982112812
Ticker	ARAMCO
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	98.9945
Amount Issued (USD, Mn)	2,000
Issue Date	16-Apr-2019
Z-Spread	38.86
Yield to Maturity	5.83
Modified Duration	0.34
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	N/A
Coupon	2.875
Coupon Frequency	Semi-Annually
Maturity	16-Apr-2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.008
52 Week Low	96.783

Fitch upgraded a long-term foreign and local currency IDR to 'A+' with a stable outlook in April 2023, reflecting the Company's strong business profile backed by a strong control and support from the government. The government is the majority shareholder of the Company, with a direct ownership of 90.19%. Aramco's significant investments in capex and capacity expansion, positions the Company for future growth. Additionally, the Company maintains low production costs and substantial reserves, offsetting potential energy transition risks. Aramco boasts an SCP rating of 'AA+' which is three notches above that of the Sovereign's foreign currency rating of 'A+'. The worsening of Saudi Aramco's relative position to local peers would likely lead to a downgrade of rating.

Aramco's gearing ratio declined to a negative 10.5% in 1H23 compared to a negative 7.9% in FY2022. The decline in gearing was primarily a result of an increased net cash position, which was predominantly due to positive operating cash inflows. This positive cash position was partially offset by capital expenditures and dividend payments made during the same period. The interest coverage ratio for the trailing twelve months was 109.15x, down from 129.41x in FY2022. This was primarily due to the decrease in operating income in the recent quarters as a result of lower crude oil prices. The Company's net debt to equity ratio declined from 7.4% in FY2022 to 9.5% in 1H23. In March 2023, Aramco paid the deferred consideration of SAR 59.0 Bn prepayment related to the SABIC acquisition's resulting in a gain of SAR 4.6 Bn. Subsequently in April 2023, the Company paid SAR 41.3 Bn of deferred consideration, and remaining in May 2023 with a final prepayment of SAR 16.7 Bn, fully settling the deferred consideration. Consequently, the Company saw a reduction in its overall debt. Aramco's net debt to EBITDA ratio for the trailing twelve months fell from a negative 0.10x in FY2022 to a negative 0.15x in 1H23. This was primarily due to decline in net debt partially offset by a decline in EBITDA.

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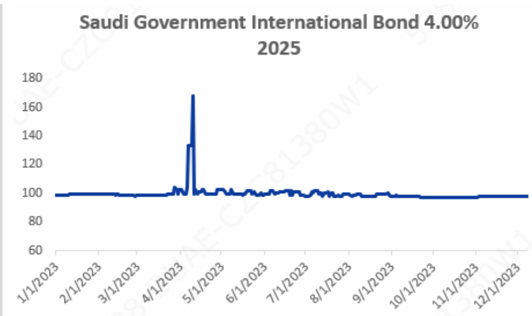
8 - Saudi Government International Bond 4.00% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 98.26	5.35%	4.00%	17-Apr-2025	A+

Country Overview:

Saudi Arabia is the largest and fastest-growing economy in the GCC region with a projected GDP of USD 1.07 Tn and a population of 32.8 Mn in 2023. According to the IMF, the country's economic growth is expected to decline significantly, dropping from 8.7% in 2022 to 0.8% in 2023 and further improve to 4.0% in 2024. The decline in growth is attributed to a low recovery in China, which led to global oil demand weakening in late 2022 and early 2023 resulting in voluntary cuts in oil production beyond OPEC+ agreements. However, the non-oil sector in Saudi Arabia remained robust since 2021, maintaining an average 4.8% growth in 2022. Despite an overall lower growth due to further reductions in oil production, the non-oil sector is expected to continue performing well, with growth remaining near 5% in 2023, driven by strong domestic demand, the implementation of effective macroeconomic policies, and strong reform momentum. The Saudi government aims to achieve Vision 2030 goals, with a focus on developing the non-oil sector through initiatives that encourage investment in economic diversification, reskilling Saudis, and increasing women's participation.



Key Macro Factors - 2023	
Nominal GDP (Bn, USD)	1,069
Real GDP (%)	0.8
Budget balance as of GDP (%)	-0.3
Debt to GDP (%)	24.1
Inflation (%)	2.5

Saudi Government International Bond 4.00% senior unsecured bond maturing in April 2025. The bond is trading at USD 98.26 with a yield of 5.35% when held until maturity (redemption at par) with a modified duration of 1.28. The Government of Saudi enjoys an investment-grade rating of 'A+' for long-term foreign currency IDR, and "F1" for short-term IDR by Fitch with a stable outlook. It also enjoys a sovereign rating foreign currency and local currency rating of 'A/A-1' for long-term IDR by S&P with a stable outlook.

Saudi Arabia is expected to maintain a strong net asset position in both fiscal and external accounts due to the accumulation of funds from past surplus years and reinvestment returns. In 2023, the country is expected to record a budget deficit of SAR 82 Bn (USD 21.9 Bn), which is approximately 2.0% of its GDP. This deficit is a result of an 8.4% increase in spending to SAR 1.3 Tn, primarily driven by substantial investments in infrastructure spending. Additionally, revenues decreased 7% to SAR 1.2 Tn, mainly due to significant voluntary oil production cuts and lower average oil prices in 2023 compared to the previous year. Saudi Arabia is further expected to record a fiscal deficit of 1.9% of GDP in 2024, 1.6% of GDP in 2025, and 2.3% of GDP in 2026, based on the ongoing expansionary fiscal policies. The revised spending figures are expected to provide significant support for non-oil economic activities in the medium term. Saudi Arabia's gross government debt/GDP declined to 23.8% in 2022 and is expected to rise to 24.1% in 2023. In 2022, government deposits at the Saudi Central Bank, encompassing both the government's current account and fiscal reserve, rose to SAR 463 Bn, equivalent to 11.1% of GDP. Saudi's low and sustainable gross government debt-to-GDP ratio indicates a more favourable fiscal position and financial stability.

Bond Information	
ISIN	XS1791937441
Ticker	KSA
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	98.263
Amount Issued (USD, Mn)	4,500
Issue Date	17-Apr-2018
Z-Spread	52.76
Yield to Maturity	5.35
Modified Duration	1.28
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	A+
Coupon	4
Coupon Frequency	Semi-Annually
Maturity	17-Apr-2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	167.66
52 Week Low	97.201

Fitch affirmed a rating of “A+” for Saudi’s long-term IDR and “F1” for its short-term IDR with a stable outlook reflecting its strong fiscal and external balance sheets, with government debt/GDP and sovereign net foreign assets, commitment to ongoing gradual progress with fiscal, economic and governance reforms. A deterioration of public finance position, substantial increases in contingent liabilities, and a major escalation of geopolitical tensions would likely lead to a downgrade of rating. The factors that could upgrade the rating include fiscal reforms that enhance budget resilience to oil price fluctuations and improved governance scores.

S&P affirmed a rating of A/A-1 for Saudi’s long-term foreign and local IDR and a stable outlook with the expectation that the government's reform initiatives will drive non-oil sector development, and support non-oil growth and fiscal revenues. The ratings could improve with advanced reforms, robust per capita economic growth, fiscal responsibility, and the development of domestic capital markets. A downgrade in the rating can take place if real GDP growth falls or significant fiscal weakening.

FAB SECURITIES أبوظبي الأول للأوراق المالية

9 - Abu Dhabi Government International Bond 2.125% 2024

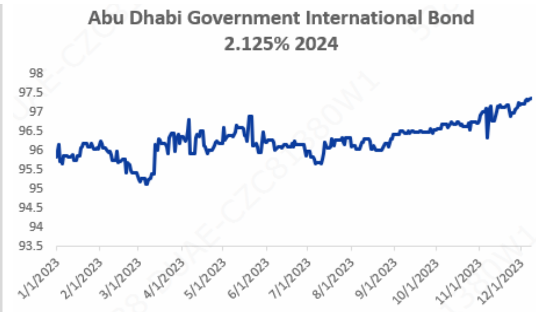
Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 97.36	5.54%	2.125%	30-Sep-2024	AA

Country Overview:

The UAE is a federation of seven emirates and is one of the world's most stable and prosperous economies. Over the past decade, the UAE experienced remarkable economic growth, solidifying its position as a global hub for international trade, finance, and investments. Abu Dhabi is expected to remain one of the strongest economies in the region in 2023, as its central location and competitive advantages continue to attract investors. IMF expects the UAE's economic growth to decline significantly from 7.9% in 2022 to 3.4% in 2023. The slower growth in real GDP is mainly attributable to the OPEC+ production cut announcements, followed by global oil demand weakening in late 2022 and early 2023. UAE is expected to experience an increase in real GDP to 4.0% in 2024 as OPEC+ further plans to extend the production cut to the end of 2024 to provide stability to oil prices. However, as per CBUAE, the non-oil sector in UAE has been growing faster since 2021, expected to maintain an upward growth of 4.5% in 2023.

Abu Dhabi Government International Bond 2.125% senior unsecured bond maturing in September 2024. The bond is trading at USD 97.36 with a yield of 5.54% when held until maturity (redemption at par) with a modified duration of 0.77. The Government of Abu Dhabi enjoys an investment-grade rating of 'AA' for long-term IDR and "F1" for short-term IDR by Fitch with a stable outlook. It also enjoys a sovereign rating of 'AA' for long-term IDR and a short-term IDR of 'A-1+' by S&P with a stable outlook.

Despite an overall lower growth due to further reductions in oil production, the positive momentum in the upcoming period is primarily driven by strong performance in the non-oil sectors, especially in tourism, construction, and real estate-related developments. According to the Statistical Centre of Abu Dhabi, the GDP growth rate rose to 3.9% in 1Q23 as compared to 1Q22, mainly driven by the robust performance of non-oil economic activities in Abu Dhabi. The non-oil GDP in Abu Dhabi rose to 6.1% to AED 146 Bn in 1Q23 as compared to AED 137.7 Bn in 1Q22 mainly propelled by construction, wholesale, and retail trade, transportation and storage, and financial and insurance services. Abu Dhabi is the capital of a major oil exporter with an industrial hub in the UAE. Abu Dhabi's manufacturing and industrial activities witnessed a 9.7% growth and contributed 8.2% to the UAE's GDP, reaching AED 90.8 Bn in FY2022. Abu Dhabi contributes about half of the UAE's industrial sector and plans to drive economic growth by enhancing the emirate's trade and international trade. Abu Dhabi further aims to grow the industrial sector's contribution to AED 172 Bn by 2031. The Government focuses to actively work on long-term developmental plans and strategies to focus on developing the non-oil sector through initiatives that encourage investment in economic diversification, enhancing infrastructure, and promoting innovation and sustainability.



Key Macro Factors - 2023	
Nominal GDP (Bn, USD)	509
Real GDP (%)	3.4
Budget balance as of GDP (%)	5.1
Debt to GDP (%)	29.4
Inflation (%)	3.1

Bond Information	
ISIN	XS2057865896
Ticker	ADGB
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	97.3615
Amount Issued (USD, Mn)	3,000
Issue Date	30-Sep-2019
Z-Spread	33.47
Yield to Maturity	5.54
Modified Duration	0.77
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2u
S&P Rating	AA
Coupon	2.125
Coupon Frequency	Semi-Annually
Maturity	30-Sep-2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	105.317
52 Week Low	94.502

UAE successfully upheld prudent fiscal discipline by conserving a substantial portion of the income derived from its hydrocarbon assets and overseeing its overall spending in accordance with its budgetary parameters. However, the fiscal surplus is expected to be around 5% of GDP in 2023, mainly driven by oil revenue and strong economic activity. In addition, the gross government debt-to-GDP ratio declined to 31.1% in 2022 and is further projected to decline to 29.4% and 28.7% in 2023 and 2024, which signifies the UAE Government is effectively managing its debt and the Government continues to repay maturing external debt in the medium term. UAE's low and sustainable gross Government debt-to-GDP ratio indicates a more favorable fiscal position and financial stability. The fiscal and external current accounts are projected to remain surplus in the medium term highly attributable to higher oil prices. According to Fitch, Abu Dhabi recorded a budget surplus of 14.7% of GDP in 2022 followed by a fiscal surplus of 7.8% of GDP in 2023 and 6.6% in 2024 mainly due to high oil revenues to offset the increased domestic spending. The Government held an estimated USD 1.1 Tn in assets in its sovereign wealth funds (ADIA & Mubadala) providing a huge additional fiscal cushion. Abu Dhabi's hydrocarbon revenue accounted for 81% of fiscal revenue since 2018-22. However, the lower revenue diversification and over-dependence on oil resulted in funding needs to range from 9% of GDP in 2020 to negative 11% in 2022. This results in low revenue diversification and constrain the rating of Abu Dhabi. UAE Banks remain hold healthy capitalization and remain liquid. The Banks' profitability improved due to higher interest rates, along with continued growth in overall credit, expanding at a slower rate. However, rising real estate prices and tighter financial conditions underscore the importance of continued close monitoring of financial stability.

Fitch affirmed a rating of 'AA' for Abu Dhabi's long-term IDR with a stable outlook supported by the Government's high GDP per capita, large net foreign assets, and strong fiscal and external metrics. A decline in external finances, such as substantial erosion of fiscal positions such as a sustained decline in oil prices or a materialization of contingent liabilities can contribute to the downgrading in ratings. On the other hand, the factors that support the upgrade of the ratings include a reduction in oil dependence, a strengthening in governance and the economic policy framework, and a reduction in geopolitical risk while maintaining strong fiscal and external balances.

S&P affirmed a rating of 'AA' for long-term IDR with a stable outlook. The ratings are based on the expectations that the Government's fiscal and external buffers continue for the next two years alongside further progress in institutional reforms. Furthermore, the ratings can be upgraded in the event of deterioration in fiscal deficits to cause the current liquid assets to drop below 100% of GDP. Moreover, the ratings could be downgraded based on the regional or domestic events that compromised the political and economic stability of Abu Dhabi.

FAB SECURITIES أبوظبي الأول للأوراق المالية

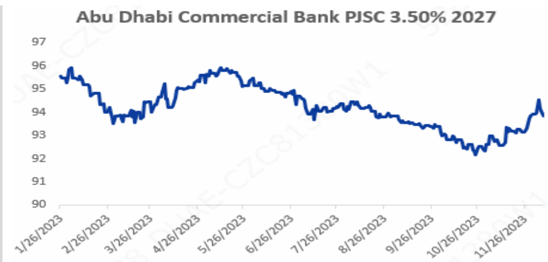
Medium Term Bonds:

1 - Abu Dhabi Commercial Bank PJSC 3.50% 2027

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 94.07	5.49%	3.50%	31-Mar-2027	A+

Background:

Abu Dhabi Commercial Bank ("ADCB" or "The Bank") was formed in 1985 as a public shareholding company with limited liability, following the mergers between Emirates Commercial Bank, Federal Commercial Bank, and Khaleej Commercial Bank. It is the third largest bank in UAE by assets with a market capitalization of AED 57 Bn as of 9M23. ADCB operates into five operating segments - Retail Banking Group, Private Banking & Wealth Management Group, Wholesale Banking Group, Treasury & Investments, and Property Management Group. ADCB operates a network of 48 branches and over 446 ATMs across the UAE. ADCB is a customer-centric bank with a wide portfolio of market-leading products and services provided to over 1.5 Mn customers in 1H23. Mubadala Investment Company, an Abu Dhabi sovereign wealth fund, holds a 60.2% stake in ADCB.



Financial Ratios	
Loan to Deposit (%)	87.48
Liquidity Coverage (%)	138.90
Net Stable Funding Ratio (%)	110.25
Capital Adequacy Ratio (%)	15.77
Non Performing Loan (%)	5.77

Abu Dhabi Commercial Bank's 3.50% senior unsecured Sukuk is maturing in March 2027. The Sukuk is trading at USD 94.07 with a yield of 5.49% when held until maturity (redemption at par) with a modified duration of 3.03. The Sukuk enjoys an investment-grade rating of 'A+' for long-term IDR and "F1" for short-term IDR by Fitch and 'A' for long-term IDR and "A1" for short-term IDR by S&P.

Net interest income rose 23% to AED 8.9 Bn in 9M23 from 7.2 Bn in 9M22 mainly driven by loan growth and a higher benchmark rate environment. Net interest margin (NIM) expanded 35 bps to 2.79% in 9M23 from 2.44% in 9M22. Risk-adjusted NIM in 9M23 increased to 2.05% from 1.88% in 2022 due to higher impairment charges reflecting the Bank's prudent approach to provisioning in the context of global economic uncertainty and rising interest rates. The Bank continues to benefit from significant growth in diversified income streams, with non-interest income increasing 22% to AED 3.2 Bn in 9M23 from AED 2.6 Bn in 9M22. The net fees and commission income increased 25% to AED 1.867 Bn primarily attributable to higher card-related fees (gross) up 30% and loan processing fees (gross) up 20%, net trading income rose 31% on account of higher FX, derivatives, and trading gains. In 9M23, the Bank concluded the sale of AED 4.82 Bn portfolio of non-performing loans in two tranches in one of the largest transactions of this nature in the UAE to date. Other operating income in 9M23 increased significantly on account of gains related to the sale of NPLs. The Operating income rose 23% to AED 12.2 Bn in 9M23 from AED 9.9 Bn in 9M22 with a major contribution from corporate and investment banking, which rose 24% YOY to AED 4.2 Bn, followed by an increase of 16% YOY in retail banking to AED 3.6 Bn. Net profit rose 24% to AED 5.75 Bn in 9M23 due to AED 302 Bn in 9M22, primarily driven by growth in Wholesale and Private Banking deposits. CASA deposits stood at AED 157 Bn in 9M23 compared to AED 159 Bn in 9M22,

Bond Information	
ISIN	XS2464055065
Ticker	ADCBUH
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	94.07
Amount Issued (USD, Mn)	500
Issue Date	31-Mar-22
Z-Spread	144.58
Yield to Maturity	5.49
Modified Duration	3.03
Country of Incorp	AE
Fitch Rating	A+
Moody Rating	NA
S&P Rating	A
Coupon	3.50
Coupon Frequency	Semi-Annually
Maturity	31-Mar-27
Maturity Type	AT MATURITY
Currency	USD
52 Week High	96.31
52 Week Low	92.14

accounting for 48% of total customer deposits while time deposits increased by 21% to AED 172 Bn in 9M23 contributing 52% of the total customer deposits. The Bank's balance sheet remains robust with total assets increasing 10% to AED 537 Bn in 9M23 from AED 486 Bn in 9M22. Net loans and advances to customers grew 13% to AED 284 Bn due to an increase in lending to diverse economic sectors including energy, financial institutions, personal, trading, and manufacturing. New retail credit rose to 43% higher YOY in 3Q23 mainly driven by record-high disbursements of new personal loans. In addition, robust demand for mortgages and auto loans has increased during the same period.

Fitch affirms a rating of "A+" for ADCB's long-term IDR and "F1" for its short-term IDR and a stable outlook reflecting potential support from both the United Arab Emirates (AA-/Stable) and Abu Dhabi (AA/Stable) authorities, due to de-risking of its loan book, strong funding and liquidity. The Bank's funding stability is strengthened by large government and public-sector deposits and diversified wholesale funding. As per Fitch, any material deterioration in ADCB's asset-quality metrics would likely lead to a downgrade of rating. Likewise, any material increases in credit concentrations or a severe deterioration in the operating environment would be negative for the Bank.

S&P affirms a rating of "A" for ADCB's long-term IDR and "A1" for short-term IDR and a stable outlook with the expectation that Strong capitalization will continue to support ADCB's credit profile and the de-risking of the lending portfolio will continue and that any unexpected increase in credit losses will be absorbed by the bank's strong pre-provision earnings over the next 12-24 months. A downgrade in the rating can take place if faster-than-expected credit growth or an increased risk appetite erodes the bank's solid capitalization.

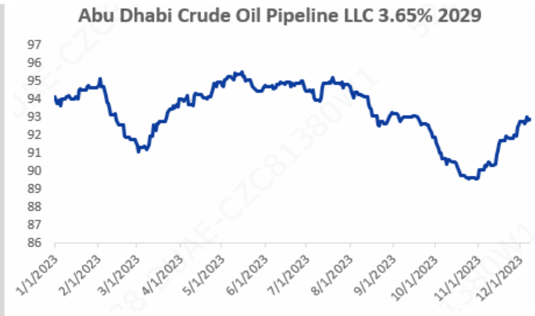
ADCB maintains a strong liquidity position, with a liquidity coverage ratio of 130.4% in 9M23 from 124.5% in 9M22, a liquidity ratio of 32%, and a loan-to-deposit ratio of 86.3% in 9M23 from 83.7% in 2022. The Bank remains well-capitalized with capital adequacy (Basel III) of 16.16% in 9M23 (15.77% in 2022) and CET1 ratios of 13.46% in 9M23 (12.96% in FY2022). NPL ratio grew 64 bps to 4.82% (5.36% including POCI) in 9M23 from 5.46% in 9M22. The provision coverage ratio improved to 91.4% (148% including collateral held) in 9M23 from 87.0% in 9M22 by providing a buffer for an increase in nonperforming loans in the future.

2 - Abu Dhabi Crude Oil Pipeline LLC 3.65% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 92.83	5.07%	3.65%	2-Nov-2029	AA

Background:

ADCOP was incorporated on 13 September 2017 as a limited liability company and 100% owned by ADNOC Infrastructure LLC, a subsidiary of Abu Dhabi National Oil Company ('ADNOC'). The company owns c. 406 km of pipeline that transports crude oil from the ADNOC onshore collection centre in Abu Dhabi to the Fujairah export terminal, which grants access to global shipping routes. ADCOP is engaged in acquiring, developing, and maintaining pipelines and other infrastructure assets in or outside the Emirate of Abu Dhabi. On 28 September 2017, the company signed an agreement with ADNOC onshore to use and operate ADCOP pipelines for 37 years with an expansion period of five years at the company's discretion. The pipeline holds a capacity to transport 1.5 Mn barrels of oil per day with an expected useful life of at least 40 years. As per the agreement ADCOP is entitled to receive USD 1 per barrel of crude oil transported through the pipeline multiplied by the actual number of barrels of crude oil transported through the Pipeline in a year or the minimum throughput quantity of 600 thousand barrels per day. The agreement also mandates ADNOC Onshore to pay a fixed payment of USD 219 Mn per year irrespective of fluctuations in the volume of crude oil transported, or the pipeline's availability and even in majeure events.



Financial Ratios	
Net Debt-to-Equity ratio (x)	1.89
Debt service coverage (x)	1.30

Abu Dhabi Crude Oil Pipeline LLC ("ADCOP" or "The Company") 3.65% Euro-Dollar first lien bond maturing in February 2029. The bond is trading at USD 92.83 with a yield of 5.07% when held until maturity (redemption at par) with a modified duration of 5.10. Fitch affirmed ADCOP's long term issuer default rating (IDR) at 'AA' with a stable outlook. While S&P assigned a rating of 'AA' for ADCOP's long-term IDR with a stable outlook.

ADCOP's total income declined 6.7% from USD 232 Mn in 2020 to USD 216 Mn in 2021. The decrease in total income is attributed to a drop in other income above the finance income which fell 19.1% from USD 69 Mn in 2020 to USD 56 Mn in 2021. However, the company's total expenses remained stable at USD 165 Mn in 2021. Thus, net profit declined 23.5% from USD 67 Mn in 2020 to USD 51 Mn in 2021. The Company's EBITDA decreased 6.9% from USD 231 Mn in 2020 to USD 216 Mn in 2021 it fell in line with fall in topline. However, the Company's net debt-to-equity ratio declined to 1.89x in 2021 from 2.01x in 2020. The Company reported a DSCR of 1.30x in 2021. ADCOP's pipeline throughput averaged 749,000 bpd with 100% availability in 2021, exceeding the minimum volume commitment. Additionally, the Company transferred USD 70 Mn in 2021 to a mandatory sinking fund started in 2018 which is held by ADNOC. The reserves in the sinking fund will be used to repay outstanding interest and principal amount of the Series A bond at its maturity. The fund helps the Company to mitigate the risk associated with refinancing the Series A bullet bonds.

Bond Information	
ISIN	XS1709529520
Ticker	ADNOUH
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	1st lien
Price	92.83
Amount Issued (USD, Mn)	837
Issue Date	2-Nov-17
Z-Spread	123.42
Yield to Maturity	5.07
Modified Duration	5.10
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	NA
S&P Rating	AA
Coupon	3.65
Coupon Frequency	Semi-Annually
Maturity	2-Nov-29
Maturity Type	AT MATURITY
Currency	USD
52 Week High	95.60
52 Week Low	89.41

Fitch affirmed a rating of 'AA' for ADCOP's long-term IDR with a stable outlook in September 2022. The rating is driven by ADCOP's 37-year use and operate (U&O) agreement with ADNOC onshore which underpins the long-term visibility of the cash flows. The company majorly relies on ADNOC due to its majority shareholding in ADNOC Onshore and its right to cover the cash calls on behalf of international shareholders. Further, ADNOC is committed to making termination payments to the project if ADNOC Onshore fails to make the payments within a specified timeframe. Additionally, ADCOP's operating & maintenance (O&M)costs are sustained by ADNOC Onshore and it is also responsible for supporting any necessary capex requirements of ADCOP under the U&O agreement. While ADCOP covers minor administrative costs and Fujairah lease costs of USD 12.51 Mn. However, the UAE's Ministry of Finance announced a federal corporate income tax, it is unclear if ADCOP will fall under this tax. Fitch believes, as per the U&O agreement any amount payable to government authorities will be paid by ADNOC which will be repaid by ADCOP on a 'pay-as-you-can' basis. The upgrade and downgrade of ADCOP's long-term IDR will be directly followed linked to ADNOC's credit quality.

S&P affirmed a rating of 'AA' for ADCOP's long-term IDR with a stable outlook in November 2017, reflecting expectation that ADNOC onshore will maintain and operate the pipeline to ensure smooth operations and make timely payments to ADCOP. The rating is driven by ADNOC's onshore creditworthiness, the sole operator and maintenance O&M provider for ADCOP's pipelines, and sole off-taker under a robust use and operations (U&O) contract. The rating agency could downgrade the ADCOP's long-term IDR if ADNOC Onshore's creditworthiness weakens or led by a weakness in the sovereign credit rating could also result in a downgrade in rating. The upgrade in rating will be driven by an increase or strengthening of the sovereign rating and an improvement in ADNOC Onshore's creditworthiness.

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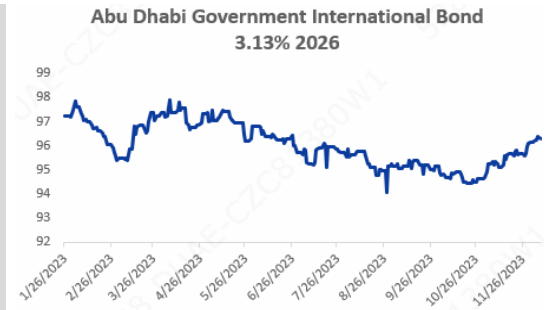
3 - Abu Dhabi Government International Bond 3.13% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 96.36	4.75%	3.13%	3-May-2026	AA

Country Overview:

The UAE is a federation of seven emirates and is one of the world's most stable and prosperous economies. Over the past decade, the UAE experienced remarkable economic growth, solidifying its position as a global hub for international trade, finance, and investments. Abu Dhabi is expected to remain one of the strongest economies in the region in 2023, as its central location and competitive advantages continue to attract investors. IMF expects the UAE's economic growth to decline significantly from 7.9% in 2022 to 3.4% in 2023. The slower growth in real GDP is mainly attributable to the OPEC+ production cut announcements, followed by global oil demand weakening in late 2022 and early 2023. UAE is expected to experience an increase in real GDP to 4.0% in 2024 as OPEC+ further plans to extend the production cut to the end of 2024 to provide stability to oil prices. However, as per CBUAE, the non-oil sector in UAE has been growing faster since 2021, expected to maintain an upward growth of 4.5% in 2023.



Key Macro Factors - 2023	
Nominal GDP (Bn, USD)	509
Real GDP (%)	3.4
Budget balance as of GDP (%)	5.1
Debt to GDP (%)	29.4
Inflation (%)	3.1

Abu Dhabi Government International Bond 3.13% senior unsecured bond maturing in March 2026. The bond is trading at USD 96.36 with a yield of 4.75% when held until maturity (redemption at par) with a modified duration of 2.26. The Government of Abu Dhabi enjoys an investment-grade rating of 'AA' for long-term IDR and "F1" for short-term IDR by Fitch with a stable outlook. It also enjoys a sovereign rating of 'AA' for long-term IDR and a short-term IDR of 'A-1+' by S&P with a stable outlook.

Despite an overall lower growth due to further reductions in oil production, the positive momentum in the upcoming period is primarily driven by strong performance in the non-oil sectors, especially in tourism, construction, and real estate-related developments. According to the Statistical Centre of Abu Dhabi, the GDP growth rate rose to 3.9% in 1Q23 as compared to 1Q22, mainly driven by the robust performance of non-oil economic activities in Abu Dhabi. The non-oil GDP in Abu Dhabi rose to 6.1% to AED 146 Bn in 1Q23 as compared to AED 137.7 Bn in 1Q22 mainly propelled by construction, wholesale, and retail trade, transportation and storage, and financial and insurance services. Abu Dhabi is the capital of a major oil exporter with an industrial hub in the UAE. Abu Dhabi's manufacturing and industrial activities witnessed a 9.7% growth and contributed 8.2% to the UAE's GDP, reaching AED 90.8 Bn in FY2022. Abu Dhabi contributes about half of the UAE's industrial sector and plans to drive economic growth by enhancing the emirate's trade and international trade. Abu Dhabi further aims to grow the industrial sector's contribution to AED 172 Bn by 2031. The Government focuses to actively work on long-term developmental plans and strategies to focus on developing the non-oil sector through initiatives that encourage investment in economic diversification, enhancing infrastructure, and promoting innovation and sustainability.

Bond Information	
ISIN	US29134WAB37
Ticker	ADGB
Coupon Type	FIXED
Market Issue	PRIV PLACEMENT
Payment Rank	Sr Unsecured
Price	96.36
Amount Issued (USD, Mn)	2,700
Issue Date	3-May-16
Z-Spread	46.43
Yield to Maturity	4.75
Modified Duration	2.26
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	NA
S&P Rating	AA
Coupon	3.13
Coupon Frequency	Semi-Annually
Maturity	3-May-26
Maturity Type	AT MATURITY
Currency	USD
52 Week High	97.91
52 Week Low	94.05

UAE successfully upheld prudent fiscal discipline by conserving a substantial portion of the income derived from its hydrocarbon assets and overseeing its overall spending in accordance with its budgetary parameters. However, the fiscal surplus is expected to be around 5% of GDP in 2023, mainly driven by oil revenue and strong economic activity. In addition, the gross government debt-to-GDP ratio declined to 31.1% in 2022 and is further projected to decline to 29.4% and 28.7% in 2023 and 2024, which signifies the UAE Government is effectively managing its debt and the Government continues to repay maturing external debt in the medium term. UAE's low and sustainable gross Government debt-to-GDP ratio indicates a more favorable fiscal position and financial stability. The fiscal and external current accounts are projected to remain surplus in the medium term highly attributable to higher oil prices. According to Fitch, Abu Dhabi recorded a budget surplus of 14.7% of GDP in 2022 followed by a fiscal surplus of 7.8% of GDP in 2023 and 6.6% in 2024 mainly due to high oil revenues to offset the increased domestic spending. The Government held an estimated USD 1.1 Tn in assets in its sovereign wealth funds (ADIA & Mubadala) providing a huge additional fiscal cushion. Abu Dhabi's hydrocarbon revenue accounted for 81% of fiscal revenue since 2018-22. However, the lower revenue diversification and over-dependence on oil resulted in funding needs to range from 9% of GDP in 2020 to negative 11% in 2022. This results in low revenue diversification and constrain the rating of Abu Dhabi. UAE Banks remain hold healthy capitalization and remain liquid. The Banks' profitability improved due to higher interest rates, along with continued growth in overall credit, expanding at a slower rate. However, rising real estate prices and tighter financial conditions underscore the importance of continued close monitoring of financial stability.

Fitch affirms a rating of 'AA' for Abu Dhabi's long-term IDR with a stable outlook supported by the Government's high GDP per capita, large net foreign assets, and strong fiscal and external metrics. A decline in external finances, such as substantial erosion of fiscal positions such as a sustained decline in oil prices or a materialization of contingent liabilities can contribute to the downgrading in ratings. On the other hand, the factors that support the upgrade of the ratings include a reduction in oil dependence, a strengthening in governance and the economic policy framework, and a reduction in geopolitical risk while maintaining strong fiscal and external balances.

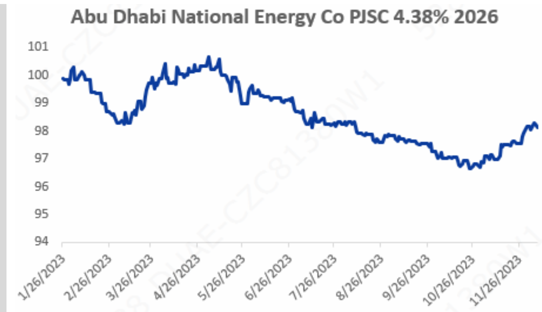
S&P affirms a rating of 'AA' for long-term IDR with a stable outlook. The ratings are based on the expectations that the Government's fiscal and external buffers continue for the next two years alongside further progress in institutional reforms. Furthermore, the ratings can be upgraded in the event of deterioration in fiscal deficits to cause the current liquid assets to drop below 100% of GDP. Moreover, the ratings could be downgraded based on the regional or domestic events that compromised the political and economic stability of Abu Dhabi.

4 - Abu Dhabi National Energy Co PJSC 4.38% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 98.25	5.12%	4.38%	22-Jun-2026	AA-

Background:

Abu Dhabi National Energy Company PJSC ('TAQA' or 'the Company') is one of the largest listed integrated utility companies in EMEA with total assets worth AED 192.7 Bn. TAQA is a subsidiary of Abu Dhabi Power Corporation (ADPC) and owns a 90% share in the Company. TAQA has significant investments in power and water generation, transmission and distribution assets, as well as upstream and midstream oil and gas operations. The Group's main operating segments are Transmission and Distribution (T&D), Generation, and Oil and Gas (O&G). The Company was established in 2005 and has operations in UAE and a global footprint in 22 countries around the world. TAQA has ~110,000 Km of water and electricity networks, 37.4 GW power generation capacity, 1,060 MIGD water desalination capacity, and 117 mboe/d oil production capacity.



Financial Ratios	
Net Debt (USD, Mn)	13,787
Net Debt/EBITDA (x)	2.46
Total Debt to Total Equity (%)	68.44
EBITDA to Interest Expense (x)	6.54
Cash Ratio (x)	0.46

Bond Information	
ISIN	XS1435072464
Ticker	TAQAUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	98.25
Amount Issued (USD, Mn)	1,000
Issue Date	22-Jun-16
Z-Spread	87.91
Yield to Maturity	5.12
Modified Duration	2.31
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	Aa3
S&P Rating	NR
Coupon	4.38
Coupon Frequency	Semi-Annually
Maturity	22-Jun-26
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.89
52 Week Low	96.57

Abu Dhabi National Energy Co PJSC ("TAQAUH or The Group") 4.38% senior unsecured bond maturing in June 2026. The Bond is trading at USD 98.25 with a yield of 5.12% when held until maturity (redemption at par) with a modified duration of 2.31. The Bond also enjoys an investment-grade rating of 'AA-' for long-term IDR by Fitch and 'Aa3' for long-term IDR by Moody's with a stable outlook by both rating agencies.

TAQA's total revenue grew 5.4% YOY from AED 25.4 Bn to AED 26.8 Bn primarily due to higher pass-through of bulk supply tariffs and transmission use of system within the transmission and distribution segment. Revenue from the Generation segment declined 0.8% YOY from AED 6.5 Bn in 1H22 to AED 6.4 Bn in 1H23. This was due to the end of one of its tolling agreements in the USA which contributed AED 321 Mn of revenues and the decline was partially offset by higher revenue contributions from domestic and international fleet coupled with 1.2% improvement in commercial availability. Revenue from the Transmission and Distribution segment rose 17.6% YOY from AED 13.2 Bn in 1H22 to AED 15.6 Bn in 1H23, mainly due to pass-through bulk supply tariffs and higher revenue from transmission use of system charges. The Oil & Gas segment revenue declined 15.9% YOY from AED 5.7 Bn in 1H22 to AED 4.8 Bn in 1H23 mainly due to a decline in average realized gas prices and lower production. Gross profit declined 6.0% YOY from AED 7.1 Bn in 1H22 to AED 6.7 Bn in 1H23 driven by higher operating expenses across all segments. Adjusted EBITDA declined 7.1% from AED 11.3 Bn in 1H22 to AED 10.5 Bn in 1H23. This was due to a decline in contribution from the Oil and gas segment on the back of lower realized O&G prices and lower production. TAQA's Net income grew 219.0% YOY from AED 4.2 Bn in 1H22 to AED 13.5 Bn in 1H23, mainly driven by a one-off gain of AED 10.8 Bn recognized on the acquisition of a 5% shareholding in ADNOC Gas partially offset by an increase in deferred tax liability of AED 1.2 Bn associated with the introduction of UAE corporate tax from 1 January 2024. Adjusted net income declined 9% YOY AED 3.9 Bn due to lower contribution from the Oil & Gas segment. The Group is preparing to enter into the wastewater networks and treatment business through the planned acquisition of Sustainable Water Solutions Holding Company (SWS) for AED 1.7 Bn. SWS Holding will add approximately AED 16 Bn to TAQA's existing asset value (RAB of AED 77.5 Bn) and it is complementary to TAQA's existing portfolio. The Group generated AED 6.4 Bn in free cash flow in 1H23 as compared to AED 8.2 Bn in 1H22 mainly due to lower contribution from the Oil & Gas segment. TAQA completed a dual-tranche bond offering of USD 0.5 Bn with a tenure of 5 years and USD 1.0 Bn of 10 years in April 2023, which included its first-ever company-issued green bond. The unsecured notes were oversubscribed by more than 10 times with demand coming from international investors.

Fitch affirmed the "AA- "rating on TAQA's long-term issuer default rating (IDR) with a stable outlook. It is rated four notches higher than its standalone credit rating owing to its linkage with the Abu Dhabi Government. Taqa's rating is tied to its dominant market position in its core market Abu Dhabi, as the sole water and power transmission and distribution company, and its strong position in the generation business. A more conservative financial policy, like TAQA maintaining FFO net leverage below 3.7x on a sustained basis, might lead to an upgrade in rating. The Government of Abu Dhabi (AA/Stable) is also the indirect majority shareholder of the Group. The Company completed the acquisition of Masdar (43% stake in FY2022) and SWG. A possible downgraded rating will be fueled by a negative rating action on Abu Dhabi. Another reason could be the aggressive financial policy, higher capex, or more debt-funded acquisitions, which would result in FFO net leverage rising above 4.5x on a sustained basis.

Moody affirmed "Aa3 "rating on TAQA's long-term IDR with a stable outlook. TAQA's rating is supported by the low business risk profile of the company's power and water activities and its monopoly position in Abu Dhabi. The outlook will be downgrade in case of adverse changes in regulation and oversight by the government or a significant reduction in TAQA's indirect ownership by the government of Abu Dhabi. A significant increase in the contribution of unregulated businesses to the company's cash flows could also lead to a downgrade of TAQA's ratings.

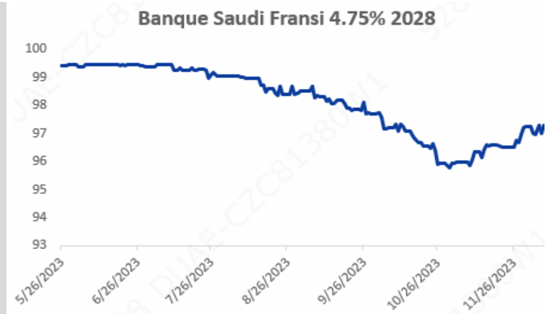
Taqa capital structure comprises 37% of debt based on the financial position as of 30 June 2023 and remains dependent upon corporate bonds and RCF for external sources of funding. Net debt to EBITDA grew 2.6x in 1H23 from 2.5x in FY2022. The average debt maturity was 10.5 years while the average interest rate stood at 4.65% in 1H23. The Company enters into interest rate swaps to hedge its interest rates and c. 98% of bears fixed interest rate. Total available liquidity stood at AED 23.7 Bn which comprises AED 10.1 Bn in cash and cash equivalents and AED 13.6 Bn of available credit facilities. Liquidity level represented 12.3% of the total assets as of 1H23. The interest coverage ratio stood at 3.5x for TTM. The Company derives 78% of its adjusted EBITDA from regulated and contracted assets which makes the cashflows highly predictable. With capacity additions, strategic partnerships, M&A, and new regulatory control mechanisms (RC2) underway, the Company plans to capitalize on and deliver value to its stakeholders.

5 - Banque Saudi Fransi 4.75% 2028

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 97.25	5.45%	4.75%	31-May-2028	A-

Background:

Banque Saudi Fransi ("BSF" or "The Bank") was established in June 1977 as a public joint stock company. The bank is engaged in personal banking, retail banking, treasury and investment banking (Private banking), and Islamic banking. It provides a range of conventional and Islamic banking products and services to retail and corporate clients in KSA, in addition to investment advisory services, asset management, global investment solutions, and Securities Brokerages. The bank operates one head office and three regional offices in KSA, the bank's network includes 84 full-fledged branches, 563 total ATM networks including cash acceptance machines, and 45,031 POS. The bank operates in four segments including Retail Banking, Corporate Banking, Treasury and Investment Banking, and Brokerage.



Financial Ratios	
Loan to Deposit (%)	104.07
Liquidity Coverage (%)	196.00
Net Stable Funding Ratio (%)	122.00
Capital Adequacy Ratio (%)	19.92
Non Performing Loan (%)	2.54

Banque Saudi Fransi's 4.75% senior unsecured bond is maturing in May 2028. The bond is trading at USD 97.25 with a yield of 5.45% when held until maturity (redemption at par) with a modified duration of 3.96. Fitch affirmed a rating of 'A-' for BSF's long-term IDR, and 'F2' for its short-term IDR. S&P upgrades a rating to 'A-' for BSF's long-term IDR and 'A-2' for short-term IDR.

BSF's net interest income grew by 28.4% YOY from SAR 4.7 Bn in 9M22 to SAR 6.0 Bn in 9M23, driven by a high increase in special commission income partially offset by more than doubled special commission expenses. Net interest margin (NIM) expanded by 64 bps YOY from 2.99% in 9M22 to 3.63% in 9M23 due to improved loan yield partially offset by the higher funding cost and hedging impact. Net fee and commission income grew by 4.2% YOY from SAR 650 Mn in 9M22 to SAR 677 Mn in 9M23, driven by higher trade finance and other fee income partially offset by lower brokerage income. Trading income witnessed a strong growth of 19.0% YOY from SAR 127 Mn in 9M22 to SAR 152 Mn in 9M23. Increased activity in the Treasury markets advisory business drove the growth in trading income. Non-interest income also grew by 3.5% YOY from SAR 1.1 Bn in 9M22 to SAR 1.2 Bn in 9M23. Thus, total operating income grew by 23.5% YOY from SAR 5.8 Bn in 9M22 to SAR 7.1 Bn in 9M23. On the other hand, total operating expenses grew by 12.7% YOY from SAR 1.9 Bn in 9M22 to SAR 2.2 Bn in 9M23, the growth was driven by a rise in employee cost and access accrual reversal in 1Q22. High growth in operating income while a modest increased cost, resulted in an improvement in the cost-to-income ratio which declined by 293 bps to 30.5% in 9M23 from 33.4% in 9M22. Impairment charges grew by 33.7% surging from SAR 0.9 Bn in 9M22 to SAR 1.1 Bn in 9M23 driven by higher commercial impairments partially offset by consumer and investment, and off-balance reversals. The bank continues to benefit from significant growth in diversified income streams, with net income growing by 27.0% YOY surging from SAR 2.7 Bn in 9M22 to SAR 3.4 Bn in 9M23. The bank maintains a robust balance sheet with a 7.9% increase in total assets from SAR 232 Bn in 9M23 to SAR 250 Bn in

Bond Information	
ISIN	XS2623560781
Ticker	BSFR
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	97.25
Amount Issued (USD, Mn)	900
Issue Date	31-May-23
Z-Spread	154.37
Yield to Maturity	5.45
Modified Duration	3.96
Country of Incorp	SA
Fitch Rating	A-
Moody Rating	NA
S&P Rating	A-
Coupon	4.75
Coupon Frequency	Semi-Annually
Maturity	31-May-28
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.52
52 Week Low	95.17

9M23. Total loans and advances grew by 10.2% from SAR 158 Bn in 9M22 to SAR 175 Bn in 9M23 of which commercial loans grew by 11.0% and customer loans grew by 7.0%. The growth in customer loans contributed primarily by an 11.0% increase in personal loans followed by a 10.0% increase in Auto loans and a 3.0% growth in mortgages. Customer deposits rose 5.4% YOY from SAR 158 Bn in 9M22 to SAR 166 Bn in 9M23. The growth by majorly driven by a 20.0% YOY increase in IBD, contributed by a 50% growth in Corporate partially offset by a 28% decline in Private Banking.

Fitch affirms a rating of 'A-' for BSF's long-term issuer default rating (IDR) with a stable outlook in May 2023. The bank's long-term IDRs are driven by potential support from the Saudi Arabian authorities indicated in its government support rating. Thus, downgrading and upgrading BSF's IDR are subject its changes in its GSR rating while the bank's national rating is subject to changes in its long-term local currency IDR and the bank's creditworthiness related to other Saudi Arabian issuers.

S&P upgraded BSF's long-term IDR rating to 'A-' from 'BBB' and its short-term IDR rating to 'A-2' with a stable outlook in March 2023. The upgrade in rating reflects the bank's strong capitalization and balanced below-average asset quality indicators. S&P believes that any further upgrade in BSF's rating would either be followed by an upgrade in KSA's rating or an improvement in the bank's asset quality while maintaining strong capitalization. Likewise, the downgrade in the bank's rating will also follow the downgrade in KSA's rating in addition S&P expects to downgrade the bank's rating in the next 24 months if the bank's capitalization weakens and if S&P's RAC ratio declines below 10.0%.

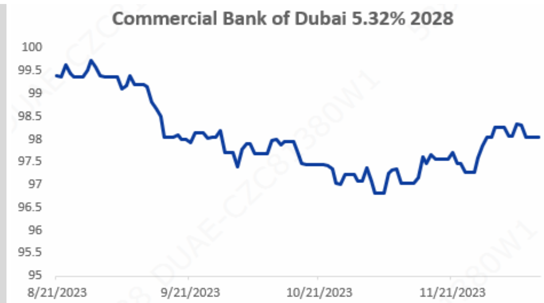
The bank continues to maintain strong liquidity with a liquidity coverage ratio of 171% and a stable funding ratio of 116% as of 9M23. The SAMA regulatory loan-to-deposit ratio reached 84.0% with a headline loan-to-deposit ratio of 105.0% as of 9M23. Non-performing loans reported a decline of 15.0% YOY due to a write-off in the commercial bank despite a 10.0% growth in gross loans. Thus, the bank's non-performing loan ratio (NPL Ratio) improved by 57 bps to 1.97% in 9M23. Non-performing loan coverage grew to 139.5% as of 9M23 from 119.9% in 4Q22, due to increased coverage on isolated exposures that migrated to NPL in the Commercial book during 2022. The bank's total capital declined by 1.0% to SAR 42.1 Bn in 9M23, the decline was driven by dividend payments and changes in fair value through other comprehensive income (FVOCI) and other reserves, which was more than offset the income generated during 9M23. Thus, the total capital adequacy ratio decreased by 71 bps from 19.92% in 2022 to 19.21% in 9M23 amid higher credit risk-weighted assets.

6 - Commercial Bank of Dubai 5.32% 2028

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 98.32	5.75%	5.32%	14-Jun-2028	A-

Background:

CBD was established in 1969 as a joint venture between Commerzbank, Chase Manhattan Bank, and Commercial Bank of Kuwait with a minority share owned by few businesses man in UAE. The Bank was converted into a public shareholding company when the Government of Dubai acquired a 20% stake in 1982. In addition, Al Futtaim Private Limited Company LLC own 10.5%, Orient Insurance PJSC 8.8%, Abdulwahid Al-Rustamani Collection Z.M.M 7.7%, Abdulla Hamad Alfuttaim 6.9% and Ghobash Trading & Investment Co LTD 6.4%. CBD with a market share of AED 3.8 Bn primarily provides commercial and retail banking services. CBD operates into these segments: Institutional banking, personal banking, corporate banking, and Treasury & other. The Bank operates with 14 branches across six emirates in UAE along with 118 ATMs.



Financial Ratios	
Loan to Deposit (%)	98.21
Liquidity Coverage (%)	N/A
Net Stable Funding Ratio (%)	N/A
Capital Adequacy Ratio (%)	16.04
Non Performing Loan (%)	7.63

Bond Information	
ISIN	XS2633553933
Ticker	CBDUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	98.32
Amount Issued (USD, Mn)	500
Issue Date	14-Jun-23
Z-Spread	184.45
Yield to Maturity	5.75
Modified Duration	3.84
Country of Incorp	AE
Fitch Rating	A-
Moody Rating	Baa1
S&P Rating	NA
Coupon	5.32
Coupon Frequency	Semi-Annually
Maturity	14-Jun-28
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.91
52 Week Low	96.82

Commercial Bank of Dubai ("CBD or The Bank") 5.32% senior unsecured medium-term bond maturing in June 2028. The bond is trading for USD 98.32 with a yield of 5.75% when held until maturity (redemption at par) with a modified duration of 3.84. The Bank enjoys a long-term issuer default rating (IDR) of 'A-' and a viability rating at 'bb+' by Fitch with a stable outlook. Moody's also assigned a long-term debt rating of 'Baa1' with a stable outlook.

CBD's net interest income grew 43.2% YOY to AED 2,654 Mn in 9M23 driven by an increase in loan book and expansion in NIMs owing to high interest rates. CBD's NIMs rose 90 bps YOY to 3.18% in 9M23 owing to an increase in benchmark rates. Fee and commission income rose 23.1% YOY to AED 721 Mn in 9M23 driven by an increase in syndication and transactions banking fees. Other non-funded income more than doubled from AED 34 Mn in 9M22 to AED 93 Mn in 9M23 owing to gains on the sale of investments. Thus, total operating income rose 36.6% YOY to AED 3,710 Mn in 9M23. As a result, the cost-to-income ratio declined 312 bps YOY to 23.7% in 9M23. Operating expenses rose 20.7% YOY to AED 881 Mn in 9M23 driven by an increase in inflationary impact, staff costs, and investments towards digital transformation. Impairments on loans and Islamic financing rose 11.6% YOY to AED 827 Mn in 9M23 due to higher impairments incurred in the wholesale banking segment. Resultantly, net profit rose 46.4% YOY to AED 1,936 Mn in 9M23. The Bank's CASA deposits as a percentage of total deposits stood at 49% in 9M23. CBD's net advances rose 4.7% YOY to AED 82.9 Bn in 9M23 whereas customer deposits grew 5.7% YOY to AED 86.4 Bn in 9M23 resulting in a loan to deposits ratio of 95.9% in 9M23. The Bank's held the highest exposure is the real estate (AED 18.3 Bn), followed by personal mortgage (AED 11.8 Bn), and trade (AED 12.2 Bn) sector. CBD's total assets grew 7.2% YOY to AED 126.0 Bn in 9M23 while total equity rose 11.7% to AED 15.0 Bn. Whereas, the Bank's investment portfolio stood strong at AED 13.4 Bn in 9M23 out of which 66.2% of investment is made in fixed-rate government securities.

Fitch Ratings affirmed CBD's long-term IDR at 'A-'with a stable outlook and Viability Rating (VR) at 'bb+'. CBD's IDRs are driven by potential support from the UAE authorities. The short-term IDR is rated at 'F2' which is the less favorable choice between two options linked to an 'A-' Long-Term IDR due to a significant portion of UAE banks' funding associated with the government. In case of any financial trouble at CBD, it is likely to happen during a period when the sovereign itself is undergoing some level of pressure. CBD VR reflects high exposure to real estate and residential mortgages, but the loan book is adequately secured with collaterals. Reduced support from the UAE government or a downgrade in the UAE's sovereign rating can lead to a negative rating. However, if the Bank increases its market share, the franchise expands its domestic reach and decreases its concentration of loans can lead to a positive rating.

The Bank's liquidity moderated as the loan-to-deposit ratio rose to 95.9% in 9M23 and advances to stable funding ratio stood at 87.23%. The Bank's NPL ratio stood at 6.49% in 3Q23 whereas the provision coverage stood healthy at 80.60%. CBD's provision coverage including stage 3 collateral stood at 120.84% in 3Q23. Moreover, CBD's capitalization stood healthy with a CAR of 16.80% and a CET 1 Ratio of 13.34% in 3Q23. The Eligible Liquid Assets Ratio (ELAR) stood at 19.30% in 3Q23.

7 - Emirates Development Bank PJSC 1.64% 2026

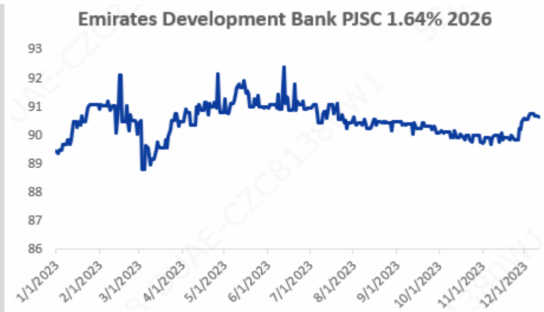
Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 90.76	5.64%	1.64%	15-Jun-2026	AA-

Background:

Emirates Development Bank PJSC ("EDB" or "The Bank") was established on 30 September 2011 and officially commenced its operations in 2015 as a public joint stock company fully owned by the UAE federal government, following the merger between the Emirates Industrial Bank and the Emirates Real Estate bank. The bank operates two branches in Abu Dhabi and Dubai and developed a digital platform to provide its customers with financial and non-financial services. The bank provides financial services to MSMEs and corporate clients in the UAE, and it engages in five sectors including advanced technology, food security, healthcare, infrastructure, and manufacturing. The bank also supports SMEs and start-ups with its digital banking products and educational and mentoring programs. The bank launched the Wholesale and Institutional Banking segment in late 2021, as a part of its revitalized strategy. The segment focuses on providing specialized expertise in wholesale and institutional banking services to large corporations with an annual turnover exceeding AED 250 Mn. EDB operates into four operating segments including Home Finance, Business Finance, and Investments and Treasury business.

Emirates Development Bank PJSC 1.64% senior unsecured bond maturing in June 2026. The Bond is trading at USD 90.76 with a yield of 5.64% when held until maturity (redemption at par) with a modified duration of 2.38. Fitch affirms a rating of 'AA-' for EDB's long-term issuer default rating (IDR) and 'F1+' for its short-term IDR. S&P affirms a long-term IDR of 'AA-'with a stable outlook.

EDB's net interest income grew by 59.6% to AED 170 Mn in 2022 from AED 107 Mn in 2021. The growth was primarily driven by an increase in loans and advances by 13.1% from AED 4,375 Mn in 2021 to AED 4,950 Mn in 2022. However, the bank's investment income declined by 15.4% from AED 16 in 2021 to AED 14 Mn in 2022, attributed to lower dividend earnings. NIMs rose from 1.5% in 2021 to 1.9% in 2022 due to higher interest rates. Fees and commission income witnessed a high growth of 72.9% to AED 24 Mn in 2022 to AED 14 Mn in 2021, attributed to an increase in other fees which stood at AED 4.7 Mn, followed by fees from guarantees at 2.8 Mn, and fees from Emirates Integrated Registries Company at 2.5 Mn in 2022. Thus, total operating income grew 42.4% to AED 288 Mn in 2022 from AED 202 Mn in 2021. The bank's operating expenses increased 46.4% from AED 105 Mn in 2021 to AED 154 Mn in 2022. The cost-to-income ratio increased from 52.2% in 2021 to 53.7% in 2022. The bank reported a net profit of AED 61 Mn representing an increase of 17.2% in 2022. The bank's deposits more than doubled from AED 875 Mn in 2021 to AED 2,393 Mn in 2022. The growth in deposits is majorly driven by funds from the Sheikh Zayed Housing Program which grew by 267.8% from AED 228 Mn in 2021 to AED 838 Mn in 2022 followed by a rise in corporate deposits by 232.1% from AED 312 Mn in 2021 to AED 1.036 Mn in 2022. Interest-earning assets also witnessed a growth of 13.4% from AED 12 Bn in 2021 to AED 13.6 Bn in 2022. EDB maintained a capital of AED 5.6 Bn in 2022 with an interest-earning assets total equity ratio of 0.41x in 2022 as compared to 0.46x in 2021.



Financial Ratios	
Loan to Deposit (%)	295.26
Liquidity Coverage (%)	N/A
Net Stable Funding Ratio (%)	N/A
Capital Adequacy Ratio (%)	N/A
Non Performing Loan (%)	N/A

Bond Information	
ISIN	XS2352309681
Ticker	EMDEBK
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	90.76
Amount Issued (USD, Mn)	750
Issue Date	15-Jun-21
Z-Spread	136.61
Yield to Maturity	5.64
Modified Duration	2.38
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	NA
S&P Rating	NA
Coupon	1.64
Coupon Frequency	Semi-Annually
Maturity	15-Jun-26
Maturity Type	AT MATURITY
Currency	USD
52 Week High	92.42
52 Week Low	88.80

Fitch affirms a rating of 'AA-' for EDB's long-term IDR, and 'F1' for its short-term IDR with a stable outlook in April 2023. The EDB's IDR is similar to UAE's sovereign rating indicating high support from UAE authorities. Changes in EDB's IDR are subject to Fitch's assessment of the creditworthiness of the UAE authorities and their tendency to support the bank. A downgrade in Fitch's assessment of the sovereign's creditworthiness would result in a corresponding downgrade of the bank's IDR. EDB's changes in policy role or a decrease in government control over the bank can also lead to EDB's downgrade rating. The rating agency doesn't expect any change in rating in the near term as the current rating factors in support of the sovereign.

S&P affirmed a rating of 'AA-' for EDB with a stable outlook in May 2023, reflecting the bank's strong creditworthiness. The 'AA-' credit rating indicates the bank's strong capacity to meet its financial commitments and demonstrates high confidence in its credit fundamentals and risk management principles. This rating update of S&P retrains EDB's position as a key financial engine for the economic development and industrial advancement of the UAE.

The bank is not required to comply with any specific adequacy regulations, with the bank's policy to maintain a strong capital base maintain stake holder's confidence and sustain future development. The total non-performing loans of the bank marginally declined to AED 252 Mn in 2022 from AED 253 Mn in 2021 with the provision of AED 203 Mn held against these loans. This resulted in an improved NPL ratio of 3.7% in 2022 from 4.1% in 2021, while the loan loss coverage ratio reached 104.3% in 2022 from 98.6% in 2021.

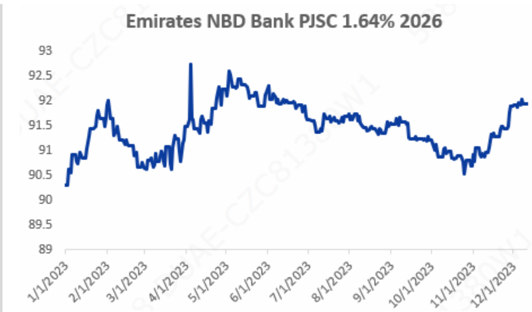
FAB SECURITIES أبوظبي الأول للأوراق المالية

8 - Emirates NBD Bank PJSC 1.64% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 92.04	5.74%	1.64%	13-Jan-2026	A+

Background:

ENBD was formed in June 1963 as the National Bank of Dubai (NBD) and merged with Emirates Bank International in March 2007 to form Emirates NBD. The bank was officially listed on the Dubai Financial Market in October 2007. The bank operates in 13 countries and is the fourth largest bank in GCC with a market capitalization of AED 101 Bn. ENBD operates into five operating segments including Corporate and Institutional banking, Retail banking and Wealth Management, Global Markets, Treasury, Islamic banking, and Deniz Bank (Turkey-based bank acquired in 2019). The Government of Dubai owns a 56% stake in the Bank through the Investment Corporation of Dubai and the bank operates with a total of 854 branches and 4,173 ATMs / SDMs across the globe.



Financial Ratios	
Loan to Deposit (%)	90.67
Liquidity Coverage (%)	182.00
Net Stable Funding Ratio (%)	121.43
Capital Adequacy Ratio (%)	18.28
Non Performing Loan (%)	5.98

Emirates NBD PJSC's ("ENBD or The Bank") 1.64% Senior Unsecured bond maturing in January 2026. The bond is trading at USD 92.04 with a yield of 5.74% when held until maturity (redemption at par) with a modified duration of 1.99. Fitch affirms the Bank's long-term issuer default rating (IDR) at 'A+' with a stable outlook. Recently Fitch also upgraded its viability rating from 'bbb-' to 'bb+'. While Moody's upgraded ENBD's long-term IDR to 'A2' with a stable outlook.

The bank's interest income from Islamic and non-Islamic grew 72.8% YOY from AED 23.3 Bn in 9M22 to AED 40.3 Bn in 9M23. The growth was driven by an expansion in loan book 9.2% YOY in 9M23 and growth in asset yield. While funded expense more than doubled from SAR 7.8 Bn in 9M22 to SAR 18.0 Bn in 9M23 amid rise in benchmark interest rates. Thus, net funded income expanded 43.4% YOY to AED 22.3 Bn in 9M23. Net interest margin (NIM) expanded 90 bps YOY to 4.0% in 9M23, due to improvements in the loans and deposit mix supported by higher interest rates. In addition, net fees and commission income grew 14.9% YOY from AED 3.1 Bn in 9M22 to AED 3.5 Bn in 9M23. The growth is driven by the expansion of local and international retail card business at both ENBD and DenizBank coupled with higher revenue from investment banking and trade finance. The bank recorded a profit from trading securities of AED 330 Mn in 9M23 compared to a loss of AED 3 Mn in 9M22. The other operating income rose by 60.7% YOY from AED 4.1 Bn in 9M22 to AED 6.6 Bn in 9M23. The growth in other operating income is attributed to an increase in retail customer's foreign exchange remittance volumes, supported by an addition in corporate hedging and an increase in hedging and swap income related to DenizBank. Thus, a favorable deposit mix benefiting from the rise in interest rates, coupled with strong growth across all business segments and products contributed a 44.2% YOY surge in total operating income. The operating income grew from AED 22.7 Bn in 9M22 to AED 32.7 Bn in 9M23. On the other hand, G&A expenses also rose 30.6% YOY from AED 6.4 Bn in 9M22 to AED 8.4 Bn in 9M23,

Bond Information	
ISIN	XS2280635256
Ticker	EBIUH
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	92.04
Amount Issued (USD, Mn)	750
Issue Date	13-Jan-21
Z-Spread	135.79
Yield to Maturity	5.74
Modified Duration	1.99
Country of Incorp	AE
Fitch Rating	A+
Moody Rating	A2
S&P Rating	NA
Coupon	1.64
Coupon Frequency	Semi-Annually
Maturity	13-Jan-26
Maturity Type	AT MATURITY
Currency	USD
52 Week High	92.95
52 Week Low	90.09

due to an increase in investment in human capital and continuous investment in technology solutions. The cost-to-income ratio declined to 25.5% in 9M23 from 28.2% in 9M22 below the guidance, reflecting controlled cost with continuous investment for future growth supported by higher income. Provision expense more than halved from AED 3.3 Bn in 9M22 to AED 1.5 Bn in 9M23. Adjustment for hyperinflation rose 31.3% YOY to AED 3.2 Bn in 9M23 dragging profit. Net The higher operating income and strong loan recoveries enabled ENBD to report a 92.3% YOY increase in net profit from AED 9.1 Bn in 9M22 to AED 17.5 Bn in 9M23. Deposits rose 13.4% YOY from AED 503 Bn in 9M22 to AED 570 Bn in 9M23. CASA accounted for 59.0% of total deposits 9M23 with an addition of AED 35 Bn during the period. The bank’s gross loans grew 8.0% YOY as the retail loan rose 17.0% YOY due to strong demand for credit in the Manufacturing, Trade, Transport, Communication, and conglomerates segments. DenizBank’s gross loan remained flat at AED 67 bn in 3Q23 as compared to AED 66 Bn in 3Q22 including the change in foreign exchange. Total assets rose from AED 742.0 Bn in 2022 to AED 835.6 Bn in 9M23.

Fitch affirms a rating of ‘A+’ for ENBD’s long-term issuer default rating (IDR) and ‘F1’ for its short-term IDR with a stable outlook in October 2023. The rating agency also upgraded ENBD’s Viability Rating (VR) to 'bbb-' from 'bb+'. The upgrade in VR is driven by reduced reliance on the Dubai government, improved asset quality, healthy profitability benefiting from higher interest rates, and a strong funding profile. ENBD’s IDRs are driven by the potential support from the UAE authorities as reflected in its Government Support Rating (GSR). GSR signifies the authority's strong capability and record of supporting the banking system when necessary. Thus, the upgrade and downgrade of the bank’s long-term IDR follows the change in GSR. ENBD’s IDR is likely to be downgraded following the downgrade of its GSR, due to reduced sovereign support of the bank which would be reflected in a UAE sovereign downgrade. Additionally, factors such as increased exposure to high-risk markets, losses incurred by subsidiary banks, or lending growth surpassing internal capital generation could be detrimental to ENBD's credit position. On the other hand, an upgrade in GSR would result from an enhanced ability of UAE authorities to offer support, possibly through a UAE sovereign upgrade. However, Fitch doesn’t expect any upgrade in rating in the near term due to the stable outlook on the sovereign rating.

Moody upgrades ENBD’s long-term issuer default rating (IDR) of ‘A2’ and short-term ratings of ‘P-1’ with a stable outlook in November 2022. It also assigned a Baseline credit assessment of ‘baa3’ which reflects solid capitalization and steady profitability supported by the Bank’s leading and growing franchise with strong from the Dubai Government. The factors that could lead to an upgrade in ratings would be a significant reduction in the problem loan ratio coupled with a sustained reduction in its credit concentration. The further improvement in profitability will enhance capital through increased profit retention. The factors that could lead to a downgrade in the rating include rising loans to related parties, significant deterioration in asset quality negatively impacting profitability, or rapid credit growth straining capital adequacy.

ENBD continues to maintain a strong liquidity position, with a liquidity coverage ratio of 190% and an advance-to-deposit ratio of 79.8% in 9M23. The bank's liquid assets stood at AED 80 Bn which consists of 11% total liability and 14% of deposits. The bank's non-performing loan ratio improved from 5.6% in 2Q23 to 5.5% in 3Q23 due to strong writebacks and recoveries. The coverage ratio remained flat at 145% in 3Q23 as compared to 147% in 2Q23 driven by increased S1 coverage due to the Turkish earthquake and higher rate environment overlay. The Bank’s capital ratio increased to 19.7% in 3Q23 from 19.5% in 2Q23 due to an improvement in CET1 ratio by 0.3% QOQ to 16.9% in 3Q23 partially offset by a 4.9% YOY increase in risk-weighted assets.

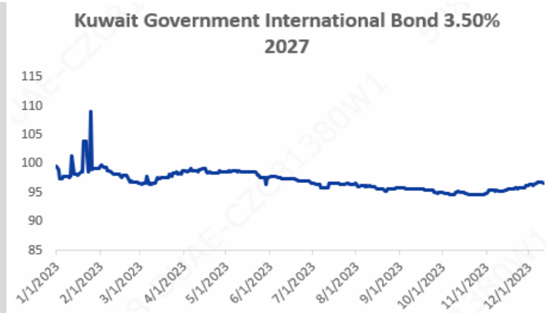
أبوظبي الأول للأوراق المالية
FAB SECURITIES

9 - Kuwait Government International Bond 3.50% 2027

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 96.73	4.59%	3.50%	20-Mar-2027	AA-

Country Overview:

Kuwait recorded strong economic growth in 2022 as real GDP rose 8.2% in 2022 owing to strong growth in oil production, higher energy prices and strong growth in non-oil GDP. However, this is expected to slow down in 2023 amid a decline in energy prices and oil production despite strong non-oil GDP growth in 2023. Thus, the IMF revised Kuwait's 2023 real GDP forecast to negative 0.6% in 2023. It expects the economy to bounce back to 3.6% in 2024 amid a gain in oil production and around 3% growth in the non-oil sector. Kuwait's gross government debt-to-GDP ratio stood at 2.9% in 2022. The debt-to-GDP ratio is expected to grow in the forecasted period amid passage of debt law, limited fiscal reform and lower energy prices. Kuwait saw improvements in its non-oil economic growth and fiscal resilience due to higher oil prices. IMF recommends establishing a medium-term fiscal plan with goals including non-oil primary balance, tackling current spending costs, and enabling the government to save oil revenue for economic downturns or allocate it to more productive investments.



Key Macro Factors - 2023	
Nominal GDP (Bn, USD)	160
Real GDP (%)	-0.6
Budget balance as of GDP (%)	14.0
Debt to GDP (%)	3.4
Inflation (%)	3.4

Kuwait Government International Bond 3.50% senior unsecured bond maturing in March 2027. The bond is trading at USD 96.73 with a yield of 4.59% when held until maturity (redemption at par) with a modified duration of 3.02. The Government of Kuwait enjoys an investment rating of 'AA-' for long-term IDR and 'F1+' for short-term IDR by Fitch and 'A+' for long-term IDR and 'A-1' for short-term IDR by S&P.

In the 2023 budget, Kuwait government proposes an expansionary fiscal policy, with a 17% increase in spending compared to 2022. The decision was made despite the prediction of lower revenues due to lower average oil prices and additional oil production cuts. Kuwait reported its first budget surplus in nine years, amounting to KWD 6.4 Bn (USD 20.76 Bn) in 2022/2023, compared to a deficit of KWD 4.34 Bn in 2021/2022. Moreover, Kuwait recorded a current surplus of KWD 7 Bn (26% of projected GDP) in 1H23, lower than the current surplus of KWD 9.3 Bn in 1H22. The decline was primarily attributed to reduced oil exports, down by 21% YOY, influenced by lower oil prices and production. The government's plan to create a new sovereign fund to develop the local economy, lead major projects, and attract investments from foreign investors and the private sector will contribute to economic growth. Kuwait continues to maintain robust fiscal and external balance sheets, with Fitch predicting that the country's net foreign assets, which are projected to average 505% of GDP in 2023-24, will remain high compared to other Fitch-rated sovereigns and more than ten times the 'AA' median. While Kuwait witnessed a substantial post-Covid fiscal improvement, but it contends with structural issues such as limited revenue diversification and a substantial portion of the budget allocated to wages and subsidies (comprising 80% of total spending). However, in the short-to-medium term, Kuwait's strong fiscal and external reserves and low public debt level (approximately 3.0% of GDP) mitigate these issues.

Bond Information	
ISIN	XS1582346968
Ticker	KUWIB
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	96.73
Amount Issued (USD, Mn)	4,500
Issue Date	20-Mar-17
Z-Spread	50.02
Yield to Maturity	4.59
Modified Duration	3.02
Country of Incorp	KW
Fitch Rating	AA-
Moody Rating	NA
S&P Rating	A+
Coupon	3.50
Coupon Frequency	Semi-Annually
Maturity	20-Mar-27
Maturity Type	AT MATURITY
Currency	USD
52 Week High	113.50
52 Week Low	94.52

Fitch affirmed a rating of “AA-” for Kuwait’s long-term IDR and a stable outlook on the back of strong fiscal and external balance sheets and low gross government debt to GDP. The rating is constrained by fiscal and structural challenges stemming from heavy oil dependence, a large public sector, and there's a potential for a downgrade due to concerns about General Reserve Fund (GRF) liquidity, significant fiscal and external deterioration, and inability to address structural challenges. On the contrary, the rating upgrade could occur from resilient fiscal reforms and a sustainable government funding strategy indicating Kuwait's capacity to address long-term fiscal challenges.

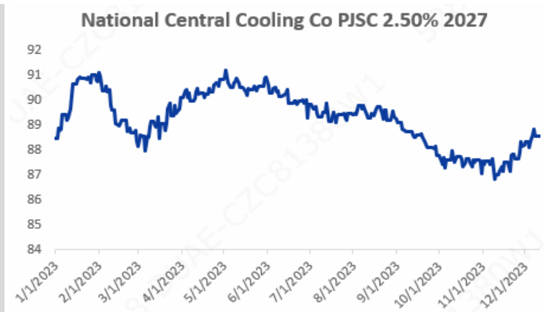
S&P affirmed a rating of ‘A+’ for long-term IDR and a stable outlook with the expectation that Kuwait will implement additional fiscal financing mechanisms on top of withdrawals from the government's main treasury buffer, the General Reserve Fund (GRF). The rating could be lowered if Kuwait fails to establish sustainable financing arrangements due to government-parliament tensions preventing fiscal reforms or hindering access to the Future Generations Fund for budget and debt requirements. Conversely, an upgrade may occur on the successful implementation of a comprehensive structural reform, focusing on improving fiscal financing, economic diversification, and reducing the non-oil deficit.

10 - National Central Cooling Co PJSC 2.50% 2027

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 88.85	5.76%	2.50%	21-Oct-2027	BBB

Background:

Tabreed ("The Company") is incorporated in UAE and operates as one of the world's largest district cooling companies. The company is the regional leader in sustainable district cooling and energy efficiency with its operations in UAE, Saudi Arabia, Oman, Bahrain, and India with plants under construction in Egypt. It is established in the Middle East as the first cooling plant in Sweihan, Abu Dhabi since 1998. Since then, Tabreed is expanding its operations with 89 operating plants since 30 June 2023. The Company has set high standards for cooling services and maintained a strong focus on quality, safety, and efficiency, throughout its growth. Tabreed's operations are across the GCC regions by currently delivering over 1.3 Mn refrigeration tons (RT) of cooling with +120 Thousand of RT as per Capacity Guidance over 2023-24. The GDF International and General Investments FZE own 40.00% and 38.21% stake in the company.



Financial Ratios	
Net Debt (USD, Mn)	1,507
Net Debt/EBITDA (x)	4.41
Total Debt to Total Equity (%)	96.02
EBITDA to Interest Expense (x)	5.18
Cash Ratio (x)	1.49

National Central Cooling Company PJSC's 2.50% senior unsecured bond maturing in October 2027. The bond is trading at USD 88.85 with a yield of 5.76% when held until maturity (redemption at par) with a modified duration of 3.57. The bond enjoys an investment-grade rating of 'BBB' for long-term IDR by Fitch and 'Baa3' for long-term IDR by Moody's.

Total revenue rose 9% YoY to AED 1,068 Mn in 1H23 from AED 976 Mn in 1H22, primarily attributable to the revenue generated from the core Chilled Water business. The Chilled Water business contributes 96% of the total revenue and grew by 8% to AED 1,026 Mn in 1H23 from AED 947 Mn in 1H22. Revenue from the value chain business, which contributes 4% of the total revenue, increased from AED 29 Mn in 1H22 to AED 41 Mn in 1H23. The Company derives 80% of its revenues from wholly government-owned and partially government-owned entities. Total capacity rose from 1.26 Mn RT in FY2022 to 1.29 Mn RT in 1H23 across the GCC, representing a CAGR of 4% since 2020. The capacity growth is mainly driven by the addition of three new plants in UAE and Saudi Arabia with a total capacity of 17.7k RT. The Company's EBITDA rose to AED 590 Mn in 1H23 from AED 589 Mn in 1H22 with an EBITDA margin of 55%. The Company represented a stable EBITDA in 1H23 which is mainly driven by several factors, including a resilient business model, acquisitions, high performance in chilled water services, adding new customers to its portfolio, and an ongoing emphasis on cost management and improving efficiency. Tabreed's net profit increased +61% YOY from AED 241 Mn in 1H22 to AED 386 Mn in 1H23. Profit margins rose from 25% to 36% in 1H23. The Company generated AED 709 Mn in cash from operations in 1H23 mainly due to an increase in profit partially offset by an increase in working capital. The company's resilient business model generates sustainable cashflows which have witnessed a growth of more than 47% annually since 2020. Total debt declined marginally from AED 7.30 Bn in FY2022 to AED 6.65 Bn in 1H23 due to scheduled repayments of bank borrowings. Approximately AED 4.4 Bn of debt balance is due in FY2025.

Bond Information	
ISIN	XS2242171291
Ticker	TABRED
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	88.85
Amount Issued (USD, Mn)	500
Issue Date	21-Oct-20
Z-Spread	181.08
Yield to Maturity	5.76
Modified Duration	3.57
Country of Incorp	AE
Fitch Rating	BBB
Moody Rating	Baa3
S&P Rating	NA
Coupon	2.50
Coupon Frequency	Semi-Annually
Maturity	21-Oct-27
Maturity Type	AT MATURITY
Currency	USD
52 Week High	91.31
52 Week Low	86.64

Fitch revises a rating of BBB for Tabreed’s long-term foreign-currency IDR and upgraded the outlook from negative to stable in 2022, reflecting strong deleveraging, supported by a strong business risk profile. The strong visibility of cash flow for the Company is due to its contractual agreements, which are primarily with government-related entities and long-term in nature. The strong local presence and partnerships could help its growth in the medium term. The Company plans to diversify geographically by entering into new attractive markets such as India and Egypt which are expected to generate 6% and 2% respectively of its FY2026 EBITDA from operations. An additional debt-funded acquisition leading to an increase in leverage would likely lead to a downgrade of rating in the absence of any credit-supportive measures from shareholders.

Moody’s affirmed “Baa3” for Tabreed’s long-term foreign-currency IDR and upgraded the outlook from negative to stable in 2022 with the expectation that the Company will generate sufficient cash flow to cover debt repayment (including financial leases) of AED 114 Mn, estimated dividends of AED 260 Mn and capital spending of AED 880 Mn. Tabreed's leverage is moderate within its rating category, considering the Company's strong predictable cash flow. If the Company plans to make another acquisition which will lead to an increase in financial leverage its credit profile would be re-evaluated.

Tabreed’s net debt to EBITDA ratio marginally declined from 4.49x to 4.43x in 1H23 due to the utility business model leading to steady increases in revenue and net income from existing customers with a marginal decline in debt. The interest coverage ratio stood at 3.15x from 3.09x in FY2022 on a TTM basis in 1H23. It has no debt due for repayment until 2025 and its current cash position provides headroom to meet upcoming repayments in 2025. Approximately AED 4.4 bn of debt balance is due in FY2025 followed by AED 2.0 Bn in FY2026-31. Tabreed looks to enter into a new market in Egypt and India and successfully signed two new projects including signing a concession of 30k RT for a new smart Medical City in Greater Cairo. The Company is also continuously seeking acquisition opportunities while remaining price-conscious. Tabreed also entered into a long-term concession with TATA Realty by commencing its first operations to expand its international portfolio.

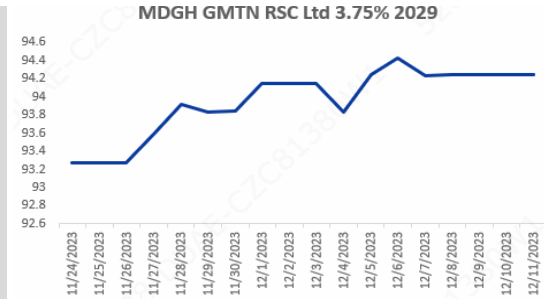
FAB أبوظبي الأول للأوراق المالية SECURITIES

11 - MDGH GMTN RSC Ltd 3.75% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 94.24	4.99%	3.75%	19-Apr-2029	AA

Background:

Mamoura Diversified Global Holding PJSC ("MDGH" or "The Group") was established on 27 October 2002 as a public joint stock company fully owned by the Mubadala Investment Company PJSC (MIC), a sovereign fund 100% owned by the Abu Dhabi Government. The group engages in investing and managing investments in sectors and companies that contribute to the diversification strategy of the Emirate of Abu Dhabi. The group invests through four investment platforms including UAE Investments, Direct Investments, Disruptive Investments, and Real Estate and Infrastructure Investments.



Financial Ratios	
Net Debt (USD, Mn)	-18,758
Net Debt/EBITDA (x)	-6.84
Total Debt to Total Equity (%)	43.07
EBITDA to Interest Expense (x)	2.54
Cash Ratio (x)	5.63

MDGH GMTN RSC Ltd 3.75% senior unsecured bond maturing in April 2029. The Bond is trading at USD 94.24 with a yield of 4.99% when held until maturity (redemption at par) with a modified duration of 4.74. Fitch affirms a rating of 'AA' for long-term issue default rating (IDR), and 'F1+' for short-term IDR from Fitch with a stable outlook. Moody affirmed a rating of 'Aa2' for long-term IDR and S&P affirmed a rating of 'AA' for long-term IDR.

MDGH revenue decreased 10.7% YOY to AED 25.9 Bn in 1H23 from AED 29.0 Bn in 1H22. The decline in revenue was primarily attributed to reduced revenue from semiconductor wafers and petrochemicals partially offset by higher revenue from aircraft maintenance and repairs and others. Lower decline in cost of sales as compared to revenue exacerbated the fall in gross profit which fell 21.6% YOY to AED 6.8 Bn in 1H23. Thus, gross margin also declined from 29.9% in 1H22 to 26.2% in 1H23. The group earned an investment income of AED 8.3 Bn in 1H23 compared to an investment loss of AED 14.2 Bn in 1H22 due to fair value gain on investments as compared to a loss partially offset by higher dividend income. Thus, the group reported an operating profit of AED 10.9 Bn with a margin of 42.0% in 1H23, compared to an operating loss of AED 3,558 Mn in 1H22. Further, the group's net finance income increased from AED 28 Mn in 1H22 to AED 640 Mn in 1H23, due to a 133.3% YOY increase in finance income to AED 3,499 Mn in 1H23 from AED 1,500 Mn in 1H22 partially offset by an increase in finance expense. The interest rate increased by 100 bps in 2022 attributed to a high increase in finance income and finance expenses. The profit was also impacted by a foreign exchange loss in 1H23 as compared to a profit in 1H22. MDGH reported a net profit from continuing operations stood at AED 11.5 Bn in 1H23, an improvement from a net loss of AED 340 Mn in 1H22. As of 1H23, the direct investment segment contributed 75.9% of total revenue followed by the UAE investment segment contribution of 22.9% of the group's total revenue in 1H23. Other segments include Disruptive Investments, and Corporate contributed 1.0%

Bond Information	
ISIN	XS1598828298
Ticker	MUBAUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	94.24
Amount Issued (USD, Mn)	650
Issue Date	19-Apr-17
Z-Spread	115.25
Yield to Maturity	4.99
Modified Duration	4.74
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2
S&P Rating	AA
Coupon	3.75
Coupon Frequency	Semi-Annually
Maturity	19-Apr-29
Maturity Type	AT MATURITY
Currency	USD
52 Week High	94.43
52 Week Low	93.17

and 0.2% to the group’s total revenue respectively in 1H23. The group generated AED 3,941 Mn cash from operations in 1H23.

Fitch affirmed a rating of ‘AA‘ for MDGH’s long-term IDR, and ‘F1’ for its short-term IDR, with a stable outlook in November 2022. MDGH credit rating is equated with the credit rating of a sovereign. MDGH operations, investment, and funding strategies are controlled by the Abu Dhabi government through MIC. The Abu Dhabi government contributed 60.1% of MDGH's total assets, which amounted to AED 296.1 Bn in 2021. Any upgrade or downgrade in the MDGH rating will lead to a similar impact on the Abu Dhabi government rating. The rating change will also be reflected in MDGH GMTN (RSC) LTD's guaranteed program ratings and senior unsecured bonds' long- and short-term ratings as well as MDGH's US dollar multi-currency revolving credit facility's rating. A downgraded rating could result from significantly reduced strength-of-linkage or incentive-to-support factors.

Moody affirmed a rating of ‘Aa2‘ for MDGH's long-term IDR with a stable outlook in October 2021. As an indirect stakeholder in the company, the MDGH rating is aligned with the Abu Dhabi government rating. Moody’s classifies MDGH as a government-related issuer (GRI) and uses a top-down approach to assign MDGH's rating under the Government-related Issuers Methodology. MDGH ratings will follow any upgrade and downgrade in Abu Dhabi government ratings. The MDGH rating could also downgraded due to a change in government support such as policy mandates and changes in the funding mechanism.

The group continues to maintain equity capital of AED 328 Bn in 1H23, with a gearing ratio of 22.8% in 1H23 from 20.9% in 2022. Net Debt to EBITDA ratio declined to 4.80x in 1H23 TTM from 13.02x in 2022, driven by lower EBITDA in 2022 compared to 1H23. Total liquidity reached c. AED 69 Bn in 1H23 which consists of AED 27 Bn cash and cash equivalent, AED 17 Bn of long-term deposit and AED 24 Bn undrawn credit facility. The liquidity level of the group declined to 13.4% of total assets in 1H23 from 15.5% in 2022, due to a decline in liquidity. With the disposal of Mubadala Health, the group acquired 45% of the stake in M42 valued at AED 8.3 Bn as of 1H23. The group acquired 15.6% of ordinary shares and AED 29.3 worth of Class C preference shares of Global Connect with a total acquisition value of AED 960 Mn in 1H23.

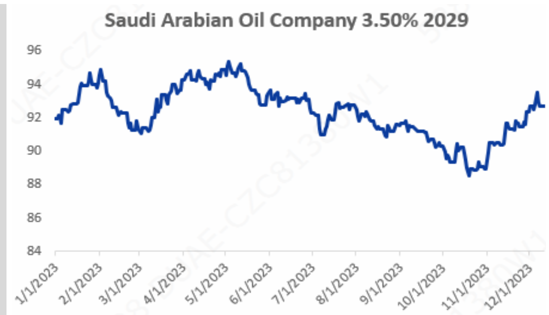
FAB أبوظبي الأول للأوراق المالية SECURITIES

12 - Saudi Arabian Oil Company 3.50% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 92.89	5.03%	3.50%	16-Apr-2029	A+

Background:

Saudi Arabian Oil Company is an integrated energy and chemicals company. Aramco's operations are divided into two main segments: Upstream and Downstream. Upstream activities are predominantly centred in Saudi Arabia, while the Downstream sector operates on a global scale. The Upstream segment of the Company is responsible for the exploration, development, production, and sale of natural gas, condensate, crude oil, and natural gas liquids (NGLs). The activities of the downstream section include supply and trading, power generation, retail operations, base oils and lubricants, petrochemicals and refining, and distribution. The reserves of Aramco amounted to 258.8 Bn barrels of oil equivalent in FY2022, consisting of 200.8 Bn barrels of crude oil and condensate, 25.2 Bn barrels of NGL, and 201.9 trillion standard cubic feet of natural gas. The Company manages 535 reservoirs within 142 fields spread across the Kingdom and its territorial waters.



Financial Ratios	
Net Debt (USD, Mn)	-37,727
Net Debt/EBITDA (x)	-0.15
Total Debt to Total Equity (%)	16.38
EBITDA to Interest Expense (x)	89.89
Cash Ratio (x)	1.51

Saudi Arabian Oil Company's ("Aramco" or The Company) 3.50% senior unsecured bond maturing in April 2029. The bond is trading at USD 92.89 with a yield of 5.03% when held until maturity (redemption at par) with a modified duration of 4.75. Aramco enjoys an investment grade local and foreign currency rating of 'A+' with a stable outlook. The rating is equalized with that of its majority shareholder, Saudi Arabia. The Company also received long-term foreign currency rating of 'A1' with a positive outlook from Moody's. Fitch assigned Aramco a high Standalone Credit Profile (SCP) rating of 'AA+'.

Total revenue declined 20.3% YOY to SAR 820.0 Bn from SAR 1,029.1 Bn in 1H22, mainly due to the lower realized crude oil prices partially offset by an increase in hydrocarbon production. The operating income dropped 27.8% to SAR 434.7 Bn in 1H23 compared to SAR 602.2 Bn in 1H22 owing to the ongoing economic uncertainty resulting in lower prices for hydrocarbons and continued pressure on refining and chemical margins. The Company's free cash flow declined 17.2% YOY to SAR 202.7 Bn in 1H23. The decline was primarily caused by lower net cash from operating activities, which was an outcome of lower earnings partially offset by favorable change in working capital. Aramco introduced a performance linked dividend starting from 3Q23. The Company plans to pay out performance-linked dividends over a period of six quarters beginning in Q32023, based on the Company's combined FY2022 and FY2023 full-year results. Aramco anticipates the performance-linked dividend will be computed using 70% of the Company's full year free cash flow generated in FY2022 and FY2023. It announced a performance linked dividend of SAR 37.0 Bn for 3Q23 based on the reported financials. The Company's progress on its Upstream oil and gas projects, such as Marjan, Berri, Dammam, and Zuluf crude oil increments, remains in line with its strategy to boost oil production capacity to 13.0 Mn barrels per day by 2027.

Bond Information	
ISIN	XS1982113208
Ticker	ARAMCO
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	92.89
Amount Issued (USD, Mn)	3,000
Issue Date	16-Apr-19
Z-Spread	119.57
Yield to Maturity	5.03
Modified Duration	4.75
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	NA
Coupon	3.50
Coupon Frequency	Semi-Annually
Maturity	16-Apr-29
Maturity Type	AT MATURITY
Currency	USD
52 Week High	95.63
52 Week Low	88.42

Fitch assigned a long-term foreign and local currency IDR of 'A+' with a stable outlook, reflecting the Company's strong business profile backed by a strong control and support from the government. The government is the majority shareholder of the Company, with a direct ownership of 90.19%. Aramco's significant investments in capex and capacity expansion, positions the Company for future growth. Additionally, the Company maintains low production costs and substantial reserves, offsetting potential energy transition risks. Aramco boasts an SCP rating of 'AA+' which is three notches above that of the Sovereign's foreign currency rating of 'A+'. The worsening of Saudi Aramco's relative position to local peers would likely lead to a downgrade of rating.

Aramco's gearing ratio declined to a negative 10.5% in 1H23 compared to a negative 7.9% in FY2022. The decline in gearing was primarily a result of an increased net cash position, which was predominantly due to positive operating cash inflows. This positive cash position was partially offset by capital expenditures and dividend payments made during the same period. The interest coverage ratio for the trailing twelve months was 109.15x, down from 129.41x in FY2022. This was primarily due to the decrease in operating income in the recent quarters as a result of lower crude oil prices. The Company's net debt to equity ratio declined from 7.4% in FY2022 to 9.5% in 1H23. In March 2023, Aramco paid the deferred consideration of SAR 59.0 Bn prepayment related to the SABIC acquisition's resulting in a gain of SAR 4.6 Bn. Subsequently in April 2023, the Company paid SAR 41.3 Bn of deferred consideration, and remaining in May 2023 with a final prepayment of SAR 16.7 Bn, fully settling the deferred consideration. Consequently, the Company saw a reduction in its overall debt. Aramco's net debt to EBITDA ratio for the trailing twelve months fell from a negative 0.10x in FY2022 to a negative 0.15x in 1H23. This was primarily due to decline in net debt partially offset by a decline in EBITDA.

13 - Saudi Government International Bond 3.25% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 95.80	4.83%	3.25%	26-Oct-2026	A+

Country Overview:

Saudi Arabia is the largest and fastest-growing economy in the GCC region with a projected GDP of USD 1.07 Tn and a population of 32.8 Mn in 2023. According to the IMF, the country's economic growth is expected to decline significantly, dropping from 8.7% in 2022 to 0.8% in 2023 and further improve to 4.0% in 2024. The decline in growth is attributed to a low recovery in China, which led to global oil demand weakening in late 2022 and early 2023 resulting in voluntary cuts in oil production beyond OPEC+ agreements. However, the non-oil sector in Saudi Arabia remained robust since 2021, maintaining an average 4.8% growth in 2022. Despite an overall lower growth due to further reductions in oil production, the non-oil sector is expected to continue performing well, with growth remaining near 5% in 2023, driven by strong domestic demand, the implementation of effective macroeconomic policies, and strong reform momentum. The Saudi government aims to achieve Vision 2030 goals, with a focus on developing the non-oil sector through initiatives that encourage investment in economic diversification, reskilling Saudis, and increasing women's participation

Key Macro Factors - 2023	
Nominal GDP (Bn, USD)	1,069
Real GDP (%)	0.8
Budget balance as of GDP (%)	-0.3
Debt to GDP (%)	24.1
Inflation (%)	2.5

Saudi Government International Bond 3.25% senior unsecured bond maturing in October 2026. The bond is trading at USD 95.80 with a yield of 4.83% when held until maturity (redemption at par) with a modified duration of 2.69. The Government of Saudi enjoys an investment-grade rating of ‘A+’ for long-term foreign currency IDR, and “F1” for short-term IDR by Fitch with a stable outlook. It also enjoys a sovereign rating foreign currency and local currency rating of ’A/A-1’ for long-term IDR by S&P with a stable outlook.

Saudi Arabia is expected to maintain a strong net asset position in both fiscal and external accounts due to the accumulation of funds from past surplus years and reinvestment returns. In 2023, the country is expected to record a budget deficit of SAR 82 Bn (USD 21.9 Bn), which is approximately 2.0% of its GDP. This deficit is a result of an 8.4% increase in spending to SAR 1.3 Tn, primarily driven by substantial investments in infrastructure spending. Additionally, revenues decreased 7% to SAR 1.2 Tn, mainly due to significant voluntary oil production cuts and lower average oil prices in 2023 compared to the previous year. Saudi Arabia is further expected to record a fiscal deficit of 1.9% of GDP in 2024, 1.6% of GDP in 2025, and 2.3% of GDP in 2026, based on the ongoing expansionary fiscal policies. The revised spending figures are expected to provide significant support for non-oil economic activities in the medium term. Saudi Arabia's gross government debt/GDP declined to 23.8% in 2022 and is expected to rise to 24.1% in 2023. In 2022, government deposits at the Saudi Central Bank, encompassing both the government's current account and fiscal reserve, rose to SAR 463 Bn, equivalent to 11.1% of GDP. Saudi’s low and sustainable gross government debt-to-GDP ratio indicates a more favourable fiscal position and financial stability.

Bond Information	
ISIN	XS1508675417
Ticker	KSA
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	95.80
Amount Issued (USD, Mn)	5,500
Issue Date	26-Oct-16
Z-Spread	68.37
Yield to Maturity	4.83
Modified Duration	2.69
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	NA
Coupon	3.25
Coupon Frequency	Semi-Annually
Maturity	26-Oct-26
Maturity Type	AT MATURITY
Currency	USD
52 Week High	97.63
52 Week Low	93.19

Fitch affirmed a rating of “A+” for Saudi’s long-term IDR and “F1” for its short-term IDR with a stable outlook reflecting its strong fiscal and external balance sheets, with government debt/GDP and sovereign net foreign assets, commitment to ongoing gradual progress with fiscal, economic and governance reforms. A deterioration of public finance position, substantial increases in contingent liabilities, and a major escalation of geopolitical tensions would likely lead to a downgrade of rating. The factors that could upgrade the rating include fiscal reforms that enhance budget resilience to oil price fluctuations and improved governance scores.

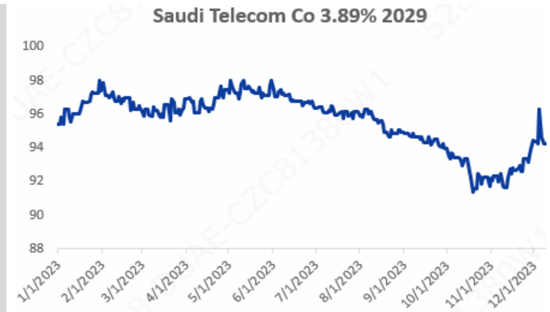
S&P affirmed a rating of A/A-1 for Saudi’s long-term foreign and local IDR and a stable outlook with the expectation that the government's reform initiatives will drive non-oil sector development, and support non-oil growth and fiscal revenues. The ratings could improve with advanced reforms, robust per capita economic growth, fiscal responsibility, and the development of domestic capital markets. A downgrade in the rating can take place if real GDP growth falls or significant fiscal weakening.

14 - Saudi Telecom Co 3.89% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	S&P Rating
USD 94.42	5.08%	3.89%	13-May-2029	A

Background:

Saudi Telecom Company ("STC" or "The group") was incorporated on 21 April 1998 as a Saudi joint stock company. The group was fully owned by the government of KSA however, the government sold 30% of its share to the Council of Ministers in September 2002. The KSA's Sovereign wealth fund, Public Investment Fund (PIF), owns the majority stake in the group amounting to 64%, post a secondary offering of 6% shares in the year 2021. In addition, PIF is liable to appoint the majority of the STC's board members. The Group commenced its operation as a telecommunication service provider in KSA. Going forward the Group invested in various sectors including digital infrastructure, cloud computing, cybersecurity, IoT, artificial intelligence, digital payments, digital media, and digital entertainment. The group comprises 14 subsidiaries across KSA, the MENA region, and Europe. It primarily operates in KSA and through its subsidiaries, associates, and joint ventures operates in various countries including Bahrain, Kuwait, and the British Virgin Islands. The group's total mobile subscribers base reached 25.6 Mn in 9M23.



Financial Ratios	
Net Debt (USD, Mn)	-3,305
Net Debt/EBITDA (x)	-0.10
Total Debt to Total Equity (%)	31.99
EBITDA to Interest Expense (x)	317.05
Cash Ratio (x)	0.62

Saudi Telecom Co 3.89% senior unsecured bond maturing in May 2029. The bond is trading at USD 94.42 with a yield of 5.08% when held until maturity (redemption at par) with a modified duration of 4.78. Moody's affirmed the rating of 'A1' for STC's long-term issuer default rating (IDR) and S&P upgraded the rating to 'A' for its long-term.

STC's total revenue grew by 9.1% YOY from SAR 50.1 Bn in 9M22 to SAR 54.6 Bn in 9M23. The growth is driven by a significant increase in emerging subsidiaries coupled with strong growth across all segments, partially offset by the rise in Eliminations and adjustments. In addition, total mobile subscribers grew 9.1% from 23.5 Mn in 9M22 to 25.6 Mn in 9M23 also contributed in revenue growth. However, the cost of revenue rose 18.6% YOY to SAR 25.7 Bn in 9M23. Thus, gross profit rose marginally by 1.8% YOY to SAR 28.9 Bn in 9M23 with a decline in gross margin to 52.6% in 9M23 from 56.7% in 9M22. Operating expenses rose 7.9% to SAR 17.5 Bn in 9M23 driven by the increase in G&A expenses coupled with growth in selling and marketing and D&A expenses. The growth in G&A is attributed to the group's heavy investments in infrastructure and expected expenses in preparation to launch the new segments. Thus, operating profit declined 6.4% YOY to SAR 11.3 Bn in 9M23 with a decline in operating profit margin to 20.8% in 9M23 from 24.2% in 9M22. The Group's EBITDA decreased by 2.4% YOY from SAR 19.6 Bn in 9M22 to SAR 19.1 Bn in 9M23. Finance income more than doubled from SAR 0.35 Bn in 9M22 to SAR 1.1 Bn in 9M23. However, finance costs also rose by 54.8% YOY to SAR 0.79 Bn in 9M23. Zakat expense increased 23.1% YOY to SAR 1 Bn in 9M23. The group's net profit grew by 17.1% YOY to SAR 11.2 Bn in 9M23 with improved net margins to 20.2% in 9M23 from 18.8% in 9M22.

Bond Information	
ISIN	XS1992985694
Ticker	STCAB
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	94.42
Amount Issued (USD, Mn)	1,250
Issue Date	13-May-19
Z-Spread	124.55
Yield to Maturity	5.08
Modified Duration	4.78
Country of Incorp	SA
Fitch Rating	NA
Moody Rating	A1
S&P Rating	A
Coupon	3.89
Coupon Frequency	Semi-Annually
Maturity	13-May-29
Maturity Type	AT MATURITY
Currency	USD
52 Week High	98.29
52 Week Low	91.24

Moody's affirmed a rating of 'A1' for STC's long-term IDR and upgraded the outlook to positive from stable in March 2023. Any upgrade and downgrade in STC's rating would be followed by an upgrade or downgrade in PIFs or Saudi government ratings. With a strong 'A' profile rating, STC is currently positioned as the highest-rated telecom operator across the globe on a standalone basis. The upgrade in the rating to the 'Aa' profile is lower as the Company is focused on providing and expanding its operations only in KSA. Any expansion in new geographies and countries with lower sovereign ratings compared to KSA could result in the group diluting the benefit of its strong and leading position in the regional market. On the other hand, the downgrade in the rating could result in a material deterioration in the company's financial profile as a result of increased competition.

S&P upgraded STC's long-term IDR to 'A' from 'A-' with a stable outlook followed by an upgrade in KSA ratings in March 2023. Any further upgrade or downgrade of IDR would be aligned with an upgrade or downgrade in KSA rating. The other factors that could influence the downgrade in rating include, debt-funded growth, aggressive financial policy, weakened operating performance, rising competition, and deteriorating country risk that could affect STC's operating environment.

The group continues to maintain a strong capital position with a negative net debt to equity ratio of 0.01x and a negative net debt-to-EBITDA ratio of 0.20x on TTM in 9M23. However, the group's interest coverage ratio declined to 14.7x on TTM during 9M23 from 21.7x in 2022. The group recently acquired a 9.9% stake in Telefonica for a total consideration of SAR 8.5 Bn (EUR 2.1 Bn) in September 2023. Further, STC's subsidiary TAWAL acquired United Group tower assets in Bulgaria, Croatia, and Slovenia in August 2023. The total transaction was valued at SAR 5 Bn (EUR 1.2 Bn) and it increased TAWAL's tower portfolio to 21,000 towers across five countries. STC sold its land in Khobar City for SAR 1.4 Bn on July 2023 and recorded a gain of SAR 1.3 Bn. The sale will help the group to diversify its investments and strengthen its balance sheet. The group announced the completion of the sale and purchase agreement (SPA) with 'Solutions' to sale its 49% of its entire stake at Control Center Co. (CCC) with an enterprise value of SAR 450 Mn in March 2023.

FAB أبوظبي الأول للأوراق المالية SECURITIES

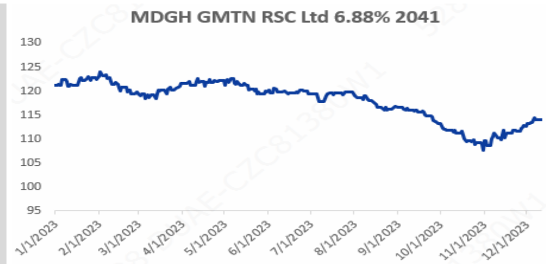
Long Term Bonds:

1 – MDGH GMTN RSC Ltd 6.88% 2041

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 113.99	5.62%	6.88%	1-Nov-2041	AA

Background:

Mamoura Diversified Global Holding PJSC ("MDGH" or "The Group") was established on 27 October 2002 as a public joint stock company fully owned by the Mubadala Investment Company PJSC (MIC), a sovereign fund 100% owned by the Abu Dhabi Government. The group engages in investing and managing investments in sectors and companies that contribute to the diversification strategy of the Emirate of Abu Dhabi. The group invests through four investment platforms including UAE Investments, Direct Investments, Disruptive Investments, and Real Estate and Infrastructure Investments.



Financial Ratios	
Net Debt (USD, Mn)	-18,758
Net Debt/EBITDA (x)	-6.84
Total Debt to Total Equity (%)	43.07
EBITDA to Interest Expense (x)	2.54
Cash Ratio (x)	5.63

MDGH GMTN RSC Ltd 6.88% senior unsecured bond maturing in November 2041. The Bond is trading at USD 113.99 with a yield of 5.62% when held until maturity (redemption at par) with a modified duration of 10.67. Fitch affirms a rating of 'AA' for long-term issue default rating (IDR), and 'F1+' for short-term IDR from Fitch with a stable outlook. Moody affirmed a rating of 'Aa2' for long-term IDR and S&P affirmed a rating of 'AA' for long-term IDR.

MDGH revenue decreased 10.7% YOY to AED 25.9 Bn in 1H23 from AED 29.0 Bn in 1H22. The decline in revenue was primarily attributed to reduced revenue from semiconductor wafers and petrochemicals partially offset by higher revenue from aircraft maintenance and repairs and others. Lower decline in cost of sales as compared to revenue exacerbated the fall in gross profit which fell 21.6% YOY to AED 6.8 Bn in 1H23. Thus, gross margin also declined from 29.9% in 1H22 to 26.2% in 1H23. The group earned an investment income of AED 8.3 Bn in 1H23 compared to an investment loss of AED 14.2 Bn in 1H22 due to fair value gain on investments as compared to a loss partially offset by higher dividend income. Thus, the group reported an operating profit of AED 10.9 Bn with a margin of 42.0% in 1H23, compared to an operating loss of AED 3,558 Mn in 1H22. Further, the group's net finance income increased from AED 28 Mn in 1H22 to AED 640 Mn in 1H23, due to a 133.3% YOY increase in finance income to AED 3,499 Mn in 1H23 from AED 1,500 Mn in 1H22 partially offset by an increase in finance expense. The interest rate increased by 100 bps in 2022 attributed to a high increase in finance income and finance expenses. The profit was also impacted by a foreign exchange loss in 1H23 as compared to a profit in 1H22. MDGH reported a net profit from continuing operations stood at AED 11.5 Bn in 1H23, an improvement from a net loss of AED 340 Mn in 1H22. As of 1H23, the direct investment segment contributed 75.9% of

Bond Information	
ISIN	XS0701227075
Ticker	MUBAUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	113.99
Amount Issued (USD, Mn)	750
Issue Date	1-Nov-11
Z-Spread	181.46
Yield to Maturity	5.62
Modified Duration	10.67
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2
S&P Rating	AA
Coupon	6.88
Coupon Frequency	Semi-Annually
Maturity	1-Nov-41
Maturity Type	AT MATURITY
Currency	USD
52 Week High	124.18
52 Week Low	107.40

total revenue followed by the UAE investment segment contribution of 22.9% of the group’s total revenue in 1H23. Other segments include Disruptive Investments, and Corporate contributed 1.0% and 0.2% to the group’s total revenue respectively in 1H23. The group generated AED 3,941 Mn cash from operations in 1H23.

Fitch affirmed a rating of ‘AA‘ for MDGH’s long-term IDR, and ‘F1’ for its short-term IDR, with a stable outlook in November 2022. MDGH credit rating is equated with the credit rating of a sovereign. MDGH operations, investment, and funding strategies are controlled by the Abu Dhabi government through MIC. The Abu Dhabi government contributed 60.1% of MDGH's total assets, which amounted to AED 296.1 Bn in 2021. Any upgrade or downgrade in the MDGH rating will lead to a similar impact on the Abu Dhabi government rating. The rating change will also be reflected in MDGH GMTN (RSC) LTD's guaranteed program ratings and senior unsecured bonds' long- and short-term ratings as well as MDGH's US dollar multi-currency revolving credit facility's rating. A downgraded rating could result from significantly reduced strength-of-linkage or incentive-to-support factors.

Moody affirmed a rating of ‘Aa2‘ for MDGH's long-term IDR with a stable outlook in October 2021. As an indirect stakeholder in the company, the MDGH rating is aligned with the Abu Dhabi government rating. Moody’s classifies MDGH as a government-related issuer (GRI) and uses a top-down approach to assign MDGH's rating under the Government-related Issuers Methodology. MDGH ratings will follow any upgrade and downgrade in Abu Dhabi government ratings. The MDGH rating could also downgraded due to a change in government support such as policy mandates and changes in the funding mechanism.

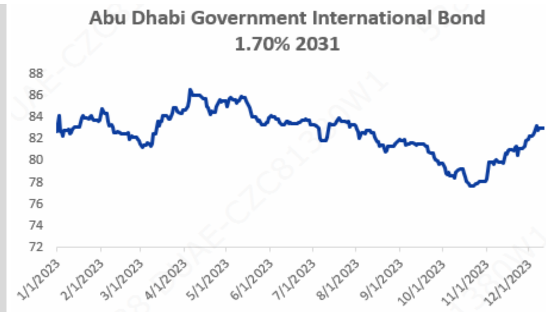
The group continues to maintain equity capital of AED 328 Bn in 1H23, with a gearing ratio of 22.8% in 1H23 from 20.9% in 2022. Net Debt to EBITDA ratio declined to 4.80x in 1H23 TTM from 13.02x in 2022, driven by lower EBITDA in 2022 compared to 1H23. Total liquidity reached c. AED 69 Bn in 1H23 which consists of AED 27 Bn cash and cash equivalent, AED 17 Bn of long-term deposit and AED 24 Bn undrawn credit facility. The liquidity level of the group declined to 13.4% of total assets in 1H23 from 15.5% in 2022, due to a decline in liquidity. With the disposal of Mubadala Health, the group acquired 45% of the stake in M42 valued at AED 8.3 Bn as of 1H23. The group acquired 15.6% of ordinary shares and AED 29.3 worth of Class C preference shares of Global Connect with a total acquisition value of AED 960 Mn in 1H23.

2 – Abu Dhabi Government International Bond 1.70% 2031

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 83.16	4.45%	1.70%	2-Mar-2031	AA

Country Overview:

The UAE is a federation of seven emirates and is one of the world's most stable and prosperous economies. Over the past decade, the UAE experienced remarkable economic growth, solidifying its position as a global hub for international trade, finance, and investments. Abu Dhabi is expected to remain one of the strongest economies in the region in 2023, as its central location and competitive advantages continue to attract investors. IMF expects the UAE's economic growth to decline significantly from 7.9% in 2022 to 3.4% in 2023. The slower growth in real GDP is mainly attributable to the OPEC+ production cut announcements, followed by global oil demand weakening in late 2022 and early 2023. UAE is expected to experience an increase in real GDP to 4.0% in 2024 as OPEC+ further plans to extend the production cut to the end of 2024 to provide stability to oil prices. However, as per CBUAE, the non-oil sector in UAE has been growing faster since 2021, expected to maintain an upward growth of 4.5% in 2023.



Key Macro Factors - 2023	
Nominal GDP (Bn, USD)	509
Real GDP (%)	3.4
Budget balance as of GDP (%)	5.1
Debt to GDP (%)	29.4
Inflation (%)	3.1

Abu Dhabi Government International Bond 1.70% senior unsecured bond maturing in March 2031. The bond is trading at USD 83.16 with a yield of 4.45% when held until maturity (redemption at par) with a modified duration of 6.59. The Government of Abu Dhabi enjoys an investment-grade rating of 'AA' for long-term IDR and "F1" for short-term IDR by Fitch with a stable outlook. It also enjoys a sovereign rating of 'AA' for long-term IDR and a short-term IDR of 'A-1+' by S&P with a stable outlook.

Despite an overall lower growth due to further reductions in oil production, the positive momentum in the upcoming period is primarily driven by strong performance in the non-oil sectors, especially in tourism, construction, and real estate-related developments. According to the Statistical Centre of Abu Dhabi, the GDP growth rate rose to 3.9% in 1Q23 as compared to 1Q22, mainly driven by the robust performance of non-oil economic activities in Abu Dhabi. The non-oil GDP in Abu Dhabi rose to 6.1% to AED 146 Bn in 1Q23 as compared to AED 137.7 Bn in 1Q22 mainly propelled by construction, wholesale, and retail trade, transportation and storage, and financial and insurance services. Abu Dhabi is the capital of a major oil exporter with an industrial hub in the UAE. Abu Dhabi's manufacturing and industrial activities witnessed a 9.7% growth and contributed 8.2% to the UAE's GDP, reaching AED 90.8 Bn in FY2022. Abu Dhabi contributes about half of the UAE's industrial sector and plans to drive economic growth by enhancing the emirate's trade and international trade. Abu Dhabi further aims to grow the industrial sector's contribution to AED 172 Bn by 2031. The Government focuses to actively work on long-term developmental plans and strategies to focus on developing the non-oil sector through initiatives that encourage investment in economic diversification, enhancing infrastructure, and promoting innovation and sustainability. UAE successfully upheld prudent fiscal discipline by conserving a substantial portion of the income derived from its hydrocarbon assets and overseeing its overall spending in accordance with its budgetary parameters. However, the fiscal surplus is expected to be around 5% in GDP in 2023, mainly driven by oil revenue and

Bond Information	
ISIN	XS2225210413
Ticker	ADGB
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	83.16
Amount Issued (USD, Mn)	1,500
Issue Date	2-Sep-20
Z-Spread	66.30
Yield to Maturity	4.45
Modified Duration	6.59
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	NA
S&P Rating	AA
Coupon	1.70
Coupon Frequency	Semi-Annually
Maturity	2-Mar-31
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.98
52 Week Low	77.44

strong economic activity. In addition, the gross government debt-to-GDP ratio declined to 31.1% in 2022 and is further projected to decline to 29.4% and 28.7% in 2023 and 2024, which signifies the UAE Government is effectively managing its debt and the Government continues to repay maturing external debt in the medium term. UAE's low and sustainable gross Government debt-to-GDP ratio indicates a more favorable fiscal position and financial stability. The fiscal and external current accounts are projected to remain surplus in the medium term highly attributable to higher oil prices. According to Fitch, Abu Dhabi recorded a budget surplus of 14.7% of GDP in 2022 followed by a fiscal surplus of 7.8% of GDP in 2023 and 6.6% in 2024 mainly due to high oil revenues to offset the increased domestic spending. The Government held an estimated USD 1.1 Tn in assets in its sovereign wealth funds (ADIA & Mubadala) providing a huge additional fiscal cushion. Abu Dhabi's hydrocarbon revenue accounted for 81% of fiscal revenue since 2018-22. However, the lower revenue diversification and over-dependence on oil resulted in funding needs to range from 9% of GDP in 2020 to negative 11% in 2022. This results in low revenue diversification and constrain the rating of Abu Dhabi. UAE Banks remain hold healthy capitalization and remain liquid. The Banks' profitability improved due to higher interest rates, along with continued growth in overall credit, expanding at a slower rate. However, rising real estate prices and tighter financial conditions underscore the importance of continued close monitoring of financial stability.

Fitch affirmed a rating of 'AA' for Abu Dhabi's long-term IDR with a stable outlook supported by the Government's high GDP per capita, large net foreign assets, and strong fiscal and external metrics. A decline in external finances, such as substantial erosion of fiscal positions such as a sustained decline in oil prices or a materialization of contingent liabilities can contribute to the downgrading in ratings. On the other hand, the factors that support the upgrade of the ratings include a reduction in oil dependence, a strengthening in governance and the economic policy framework, and a reduction in geopolitical risk while maintaining strong fiscal and external balances.

S&P affirmed a rating of 'AA' for long-term IDR with a stable outlook. The ratings are based on the expectations that the Government's fiscal and external buffers continue for the next two years alongside further progress in institutional reforms. Furthermore, the ratings can be upgraded in the event of deterioration in fiscal deficits to cause the current liquid assets to drop below 100% of GDP. Moreover, the ratings could be downgraded based on the regional or domestic events that compromised the political and economic stability of Abu Dhabi.

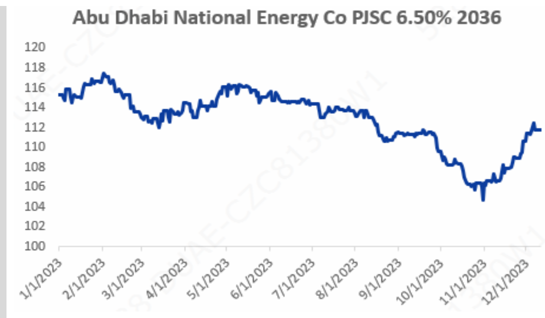
FAB SECURITIES أبوظبي الأول للأوراق المالية

3 – Abu Dhabi National Energy Co PJSC 6.50% 2036

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 111.83	5.23%	6.50%	27-Oct-2036	AA-

Background:

Abu Dhabi National Energy Company PJSC ('TAQA' or 'the Company') is one of the largest listed integrated utility companies in EMEA with total assets worth AED 192.7 Bn. TAQA is a subsidiary of Abu Dhabi Power Corporation (ADPC) and owns a 90% share in the Company. TAQA has significant investments in power and water generation, transmission and distribution assets, as well as upstream and midstream oil and gas operations. The Group's main operating segments are Transmission and Distribution (T&D), Generation, and Oil and Gas (O&G). The Company was established in 2005 and has operations in UAE and a global footprint in 22 countries around the world. TAQA has ~110,000 Km of water and electricity networks, 37.4 GW power generation capacity, 1,060 MIGD water desalination capacity, and 117 mboe/d oil production capacity.



Financial Ratios	
Net Debt (USD, Mn)	13,787
Net Debt/EBITDA (x)	2.46
Total Debt to Total Equity (%)	68.44
EBITDA to Interest Expense (x)	6.54
Cash Ratio (x)	0.46

Abu Dhabi National Energy Co PJSC ("TAQAUH or The Group") 6.5% senior unsecured bond maturing in October 2036. The Bond is trading at USD 111.83 with a yield of 5.23% when held until maturity (redemption at par) with a modified duration of 8.86. The Bond also enjoys an investment-grade rating of 'AA-' for long-term IDR by Fitch and 'Aa3' for long-term IDR by Moody's with a stable outlook by both rating agencies.

TAQA's total revenue grew 5.4% YOY from AED 25.4 Bn to AED 26.8 Bn primarily due to higher pass-through of bulk supply tariffs and transmission use of system within the transmission and distribution segment. Revenue from the Generation segment declined 0.8% YOY from AED 6.5 Bn in 1H22 to AED 6.4 Bn in 1H23. This was due to the end of one of its tolling agreements in the USA which contributed AED 321 Mn of revenues and the decline was partially offset by higher revenue contributions from domestic and international fleet coupled with 1.2% improvement in commercial availability. Revenue from the Transmission and Distribution segment rose 17.6% YOY from AED 13.2 Bn in 1H22 to AED 15.6 Bn in 1H23, mainly due to pass-through bulk supply tariffs and higher revenue from transmission use of system charges. The Oil & Gas segment revenue declined 15.9% YOY from AED 5.7 Bn in 1H22 to AED 4.8 Bn in 1H23 mainly due to a decline in average realized gas prices and lower production. Gross profit declined 6.0% YOY from AED 7.1 Bn in 1H22 to AED 6.7 Bn in 1H23 driven by higher operating expenses across all segments. Adjusted EBITDA declined 7.1% from AED 11.3 Bn in 1H22 to AED 10.5 Bn in 1H23. This was due to a decline in contribution from the Oil and gas segment on the back of lower realized O&G prices and lower production. TAQA's Net income grew 219.0% YOY from AED 4.2 Bn in 1H22 to AED 13.5 Bn in 1H23, mainly driven by a one-off gain of AED 10.8 Bn recognized on the acquisition of a 5% shareholding in ADNOC Gas partially offset by an increase in deferred tax liability of AED 1.2 Bn associated with the introduction of UAE corporate tax from 1 January 2024. Adjusted net income declined 9% YOY AED 3.9 Bn due to lower contribution from the Oil & Gas

Bond Information	
ISIN	US00386SAB88
Ticker	TAQAUH
Coupon Type	FIXED
Market Issue	PRIV PLACEMENT
Payment Rank	Sr Unsecured
Price	111.83
Amount Issued (USD, Mn)	1,500
Issue Date	27-Oct-06
Z-Spread	141.56
Yield to Maturity	5.23
Modified Duration	8.86
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	Aa3
S&P Rating	NR
Coupon	6.50
Coupon Frequency	Semi-Annually
Maturity	27-Oct-36
Maturity Type	AT MATURITY
Currency	USD
52 Week High	117.87
52 Week Low	104.73

segment. The Group is preparing to enter into the wastewater networks and treatment business through the planned acquisition of Sustainable Water Solutions Holding Company (SWS) for AED 1.7 Bn. SWS Holding will add approximately AED 16 Bn to TAQA's existing asset value (RAB of AED 77.5 Bn) and it is complementary to TAQA's existing portfolio. The Group generated AED 6.4 Bn in free cash flow in 1H23 as compared to AED 8.2 Bn in 1H22 mainly due to lower contribution from the Oil & Gas segment. TAQA completed a dual-tranche bond offering of USD 0.5 Bn with a tenure of 5 years and USD 1.0 Bn of 10 years in April 2023, which included its first-ever company-issued green bond. The unsecured notes were oversubscribed by more than 10 times with demand coming from international investors.

Fitch affirmed the "AA- "rating on TAQA's long-term issuer default rating (IDR) with a stable outlook. It is rated four notches higher than its standalone credit rating owing to its linkage with the Abu Dhabi Government. Taqa's rating is tied to its dominant market position in its core market Abu Dhabi, as the sole water and power transmission and distribution company, and its strong position in the generation business. A more conservative financial policy, like TAQA maintaining FFO net leverage below 3.7x on a sustained basis, might lead to an upgrade in rating. The Government of Abu Dhabi (AA/Stable) is also the indirect majority shareholder of the Group. The Company completed the acquisition of Masdar (43% stake in FY2022) and SWG. A possible downgraded rating will be fueled by a negative rating action on Abu Dhabi. Another reason could be the aggressive financial policy, higher capex, or more debt-funded acquisitions, which would result in FFO net leverage rising above 4.5x on a sustained basis.

Moody affirmed "Aa3 "rating on TAQA's long-term IDR with a stable outlook. TAQA's rating is supported by the low business risk profile of the company's power and water activities and its monopoly position in Abu Dhabi. The outlook will be downgrade in case of adverse changes in regulation and oversight by the government or a significant reduction in TAQA's indirect ownership by the government of Abu Dhabi. A significant increase in the contribution of unregulated businesses to the company's cash flows could also lead to a downgrade of TAQA's ratings.

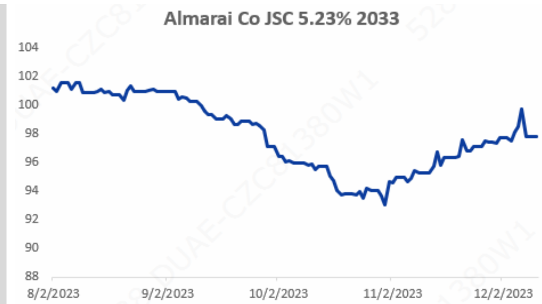
Taqa capital structure comprises 37% of debt based on the financial position as of 30 June 2023 and remains dependent upon corporate bonds and RCF for external sources of funding. Net debt to EBITDA grew 2.6x in 1H23 from 2.5x in FY2022. The average debt maturity was 10.5 years while the average interest rate stood at 4.65% in 1H23. The Company enters into interest rate swaps to hedge its interest rates and c. 98% of bears fixed interest rate. Total available liquidity stood at AED 23.7 Bn which comprises AED 10.1 Bn in cash and cash equivalents and AED 13.6 Bn of available credit facilities. Liquidity level represented 12.3% of the total assets as of 1H23. The interest coverage ratio stood at 3.5x for TTM. The Company derives 78% of its adjusted EBITDA from regulated and contracted assets which makes the cashflows highly predictable. With capacity additions, strategic partnerships, M&A, and new regulatory control mechanisms (RC2) underway, the Company plans to capitalize on and deliver value to its stakeholders.

4 – Almarai Co JSC 5.23% 2033

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	S&P Rating
USD 99.77	5.26%	5.23%	25-Jul-2033	BBB-

Background:

Almarai Co JSC ('Almarai' or 'The Group') was established in 1977 and was listed on the Tadawul market on 8 August 2005. Almarai is the world's largest vertically integrated dairy products company. The Group continues to maintain its market leader position in KSA, with a market share ranging from 55.0% in Bakery, 49.0% in dairy, 44.0% in Juice, 36.0% in Poultry, and 30.0% in food in 9M23. The Group also has a presence in Egypt, Jordan, and other GCC countries. It is engaged in the production and distribution of dairy products under the Almarai, Beyti, and Teeba brands. It also produces bakeries under the L'usine and 7 Days brands and poultry products under the Alyoum and AlBashayer brands. The Group's other activities include Arable, Horticulture, Infant Nutrition, Seafood products, and Food Services. Almarai's product portfolio consists of 622 products offered across seven brands.



Almarai Co JSC's 5.23% senior unsecured bond is maturing in July 2033. The bond is trading at USD 99.77 with a yield of 5.26% when held until maturity (redemption at par) with a modified duration of 7.33. Moody's affirmed a rating of 'Baa3' for Almarai's long-term issuer default rating (IDR) and S&P affirmed a rating of 'BBB-' for its long-term IDR and 'A-3' for its short-term IDR.

Almarai's revenue grew by 5.6% YOY from SAR 13.9 Bn in 9M22 to SAR 14.7 Bn in 9M23. The growth is driven by the poultry, dairy, and bakery segments partially offset by the devaluation of the Egyptian pound and a decline in alfalfa external sales due to weakened global demand. The poultry segment grew the most by 18.5% YOY followed by the bakery segment by 7.4% YOY and the dairy and juice segment by 4.8% YOY in 9M23. Cost grew at a moderate rate with a high increase in revenue, gross profit rose by 8.5% YOY from SAR 4.3 Bn in 9M22 to SAR 4.7 Bn in 9M23. Operating expenses marginally declined by 1.1% from SAR 2.5 Bn in 9M22 to SAR 2.4 Bn in 9M23, attributed to stabilized commodity cost and higher inventory coverage. Thus, operating profit rose by 22.2% from SAR 1.8 Bn in 9M22 to SAR 2.2 Bn in 9M23. While strong overhead cost control continued to improve the operating margin to 14.8% in 9M23 from 12.8% in 9M22. Finance cost increased by 29.7% YOY from SAR 0.30 Bn in 9M22 to SAR 0.39 Bn in 9M23 due to a higher SAIBOR rate partially offset by the existing fixed debt portfolio. The zakat almost doubled in 9M23 compared to 9M22 due to off-gain zakat settlement in FY2022. While income tax also grew at a significant rate of 79.0% YOY in 9M23. The Group acquired 48.0% of the remaining stake in IDJ in 1H23 increasing the Group shareholding in IDJ to 100%, resulting in a net profit growth of 19.5% from SAR 1.4 Bn in 9M22 to SAR 1.7 Bn in 9M23. Working capital increased with a significant rate of 36.9% from SAR 3.9 Bn in 9M22 to SAR 5.3 Bn in 9M23 due to an increase in inventory purchase. Further, the Group invested SAR 1.7 Bn in capital expenditure in 9M23 aligned with its capital expansion plan resulting in a decrease in Free cash flow to SAR 1.1 Bn in 9M23 from SAR 1.8 Bn in 9M22.

Financial Ratios	
Net Debt (USD, Mn)	2,529
Net Debt/EBITDA (x)	2.00
Total Debt to Total Equity (%)	72.89
EBITDA to Interest Expense (x)	9.62
Cash Ratio (x)	0.30

Bond Information	
ISIN	XS2641777235
Ticker	ALMARA
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	99.77
Amount Issued (USD, Mn)	750
Issue Date	25-Jul-23
Z-Spread	147.31
Yield to Maturity	5.26
Modified Duration	7.33
Country of Incorp	SA
Fitch Rating	NA
Moody Rating	Baa3
S&P Rating	BBB-
Coupon	5.23
Coupon Frequency	Semi-Annually
Maturity	25-Jul-33
Maturity Type	AT MATURITY
Currency	USD
52 Week High	102.00
52 Week Low	93.08

Moody's affirmed a rating of 'Baa3' for Almarai's long-term IDR with a stable outlook on February 2023. The rating was driven by the Group's track record of reducing leverage while increasing portfolio diversification and geographical presence. The rating agency also expects that the Group will continue to grow while managing its credit and liquidity profiles. The rating could be upgraded with Almarai's stable margins close to the mid-teens level. With financial leverage below 2.5x and Moody's adjusted retained cash flow (RCF)/net debt above 30% while maintaining strong margins and credit quality, robust liquidity, and free cash flow can further lead to an upgrade in Almarai's long-term IDR. However, if financial leverage increases more than 3.5x and Moody's adjusted retained cash flow (RCF)/net debt declines below 20.0% can lead to a downgrade in Almarai's long-term IDR. A deterioration in its profitability or liquidity, increased payouts to shareholders and large debt-funded acquisitions could also lead to a downgrade.

S&P affirmed a rating of 'BBB-' for Almarai's long-term IDR and 'A-3' for Almarai's short-term IDR with a stable outlook in March 2023. The rating agency expects to upgrade the Group's IDR in the next 12-24 months if Almarai increases its EBITDA and FCF coupled with high earnings growth in the Group's largest segment and expansion into new geographic markets. However, an increase in cost can result in a decline in the Group's EBITDA margins which would further impact FCF, and an increase in debt can lead to a downgrade in Almarai's long-term IDR. This could be driven by a loss of market share in key categories like dairy due to competitors' aggressive pricing, as well as an inability to control operating costs.

The Group's net debt-to-equity ratio increased to 56.7% in 9M23 from 53.3% in 2022. Net debt to EBITDA also grew to 56.7% in 9M23 from 53.3% in 2022. The Group issued its International Sukuk amounting to SAR 2.8 Bn on July 2023 leading to an increase in debt. The Group continues to maintain its interest coverage ratio at 5.2x TTM in 9M23 from 5.3x in 2022. The Group announced an investment plan of SAR 405 Mn to expand fresh bakery capacity and enter into a new frozen segment in KSA and other markets. The investment plan will be funded by Almarai's cash flow generation for an expected period of two years.

5 – DP World Ltd 6.85% 2037

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 106.85	6.10%	6.85%	02-Jul-2037	BBB+

Background:

DP World provides end-to-end supply chain solutions with a diverse team of more than 103 thousand employees from 75 countries. The Company started its operations as a local port operator in UAE during 1972 and after that steadily expanded its reach, emerging as a regional port operator by 1999. DP World was formed in September 2005, post the merger of Dubai Ports Authority and Dubai Ports International and then transformed into a global port operator, solidifying its foothold in the international trade. DP world further expanded into adjacent business and emerged as a global supply chain solutions provider in 2018 offering comprehensive end-to-end solutions that redefine the landscape of global trade. Currently, the company operates into four segments namely ports and terminals, logistics, marine services, and digital solutions. The Company handled 9% of the global container port throughput with 92 Mn TEU capacity.

Financial Ratios	
Net Debt (USD, Mn)	16,944
Net Debt/EBITDA (x)	3.51
Total Debt to Total Equity (%)	133.19
EBITDA to Interest Expense (x)	4.51
Cash Ratio (x)	0.49

DP World Ltd (DP World or the Company) 6.85% senior unsecured long term bond maturing in July 2037 is trading at a price of USD 106.85 with a yield of 6.10% when held until maturity (redemption at par) with a modified duration of 8.68. The bond enjoys an investment grade rating of 'BBB+' for long-term IDR by Fitch and 'Baa2' for long-term IDR by Moody's.

DP World's total revenue grew 13.9% YOY to USD 9.04 Bn in 1H23 driven by full six months consolidation of Imperial Logistics coupled with strong like-for-like (LfL) growth of Imperial logistics in Africa and Drydocks world in UAE. While LfL growth in revenue stood at 7.1% during 1H23. Logistics segment contributed 43.2% of revenue during 1H23 while 34.4% was of revenue was generated from ports and terminals. Whereas, Marine services business accounted for 22.4% of revenue during 1H23. DP World's consolidated throughput rose 0.4% YOY to 23 Mn TEU in 1H23. Adjusted EBITDA before separately disclosed items rose 7.0% YOY to USD 2.6 Bn in 1H23 with an EBITDA margin of 28.9% as compared to LfL margin of 30.8%. DP World's cash balance stood at USD 3.4 Bn during 1H23 while the company generated USD 2.0 Bn in cash from operating activities. Total debt stood at USD 19.2 bn in FY2022 as compared to USD 20.0 Bn in 1H23.

Fitch upgraded DP World's long-term IDR to 'BBB+' from 'BBB-' with a stable outlook in May 2023. While, the short-term IDR is upgraded to 'F2' from 'F3'. The upgrade reflects the Company's successful deleveraging as net debt to EBITDA ratio fell below 4.0x in 2022. The rating is also supported by the Company's stable cash flow generated from operations in addition to diverse business segments with stable origin and destination cargo which is comparatively less affected by cyclical downturns than transshipment port. The ratings is also based on the Company's acquisition strategy and un-covenanted debt structure while majority of the company's cash flow remains free of restrictions. In addition, increase in leverage ratio would likely lead to a downgrade if the net debt to EBITDA ratio sustains above 4.5x whereas ratings could be upgraded if net debt to EBITDA ratio sustains below 3.5x.

Bond Information	
ISIN	XS0308427581
Ticker	DPWDU
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	106.85
Amount Issued (USD, Mn)	1,750
Issue Date	2-Jul-07
Z-Spread	228.38
Yield to Maturity	6.1
Modified Duration	8.68
Country of Incorp	AE
Fitch Rating	BBB+
Moody Rating	Baa2
S&P Rating	NR
Coupon	6.85
Coupon Frequency	Semi-Annually
Maturity	2-Jul-37
Maturity Type	AT MATURITY
Currency	USD
52 Week High	130.05
52 Week Low	97.95

Moody’s upgraded DP World’s long term IDR rating to ‘Baa2’ from ‘Baa3’with a stable outlook. The upgrade in rating is attributable to reduction in net debt to EBITDA ratio below 4.0x in December 2022. The Company also repaid the debt issued by Port and Free Zone World FZE (PFZW) through proceeds from sale of assets in June and December 2022. The Company solid financial profile with strong liquidity and reduction in debt resulted in the current rating. Moody’s view a declined risk of interference by government of Dubai. The Company’s rating is also supported by diversified global port operations, operations of Jebel Ali Port and Free Zone in Dubai, strong profitability through economic cycle, and long-term growth expected through origin and destination cargo. DP World’s ratings can be downgraded if the Company’s does not adhere to maintaining its financial policy targets or undertakes high-risk development projects or acquisitions which will weaken the financials. Whereas, the rating could be upgraded if the company maintains net debt to EBITDA below 4.0x and ECF/debt remains above 15% along with cash interest coverage above 4.5%.

DP World’s net leverage (debt/adjusted EBITDA ratio) post IFRS 16 basis stood at 3.2x during 1H23. In addition, DP world repaid USD 1.2 Bn worth Sukuk on 31 May 2023 using proceeds from revolver facility. The Company’s interest coverage ratio post IFRS 16 stood at 5.1% in 1H23 as compared to 6.3% in 2022. The Company’s debt maturity profile includes long dated debts with bank loans maturity of USD 1.95 Bn in the next three years. It also has an outstanding USD 1.5 Bn of perpetual hybrid Sukuk due in 2025.

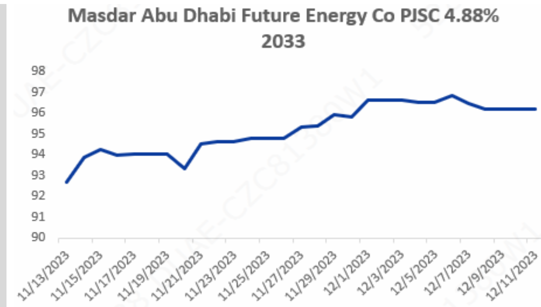
FAB أبوظبي الأول للأوراق المالية SECURITIES

6 – Masdar Abu Dhabi Future Energy Co PJSC 4.88% 2033

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 96.51	5.34%	4.88%	25-Jul-2033	A+

Background:

Abu Dhabi Future Energy Co. is one of the world's largest renewable energy companies in UAE since 2006 as a global leader in sustainable and climate action. The clean energy powerhouse is active in more than 40 countries across six continents and invested in or committed to invest in projects with a combined value of over USD 30 Bn, with a global energy capacity of more than 20 GW which offsets 30 Mn tonnes of CO2 emissions annually. Masdar's expertise in delivering renewable energy solutions and the establishment of a new green hydrogen unit, the Company is actively contributing to the UAE's transition to a sustainable-based economy. The Company consisted of two primary commercial businesses as of 30 November 2022, the Renewable Energy business (RE) and the Sustainable Real Estate business (SRE). After receiving approval from the Government of Abu Dhabi, the three companies plan to combine their efforts in renewable energy and green hydrogen into Masdar. The three companies which plan to consolidate their holding and own interest in the new company include, Abu Dhabi National Energy Company PJSC (TAQA) owning 43%, Abu Dhabi National Oil Company (ADNOC) 24% stake and Mubadala Investment Company (Mubadala) owns the remaining 33% stake in Masdar as of December 2022. In turn, Masdar transferred its SRE business to Mubadala as of FY2022. Masadar develops utility-scale power plants, community grid projects, energy storage, efficiency-focused systems, and technology demonstration projects.



Financial Ratios	
Total Debt (AED, Mn) in 2022	2,468
Net Debt-to-Equity (%)	10.5
Total Revenue(AED, Mn) in 2022	717
Net income from continuing operations (AED, Mn) in 2022	459.5

Abu Dhabi Future Energy Co PJSC ("Masdar or The Company") 4.88% senior unsecured green bond maturing in July 2033. The Bond is trading at USD 96.51 with a yield of 5.34% when held until maturity (redemption at par) with a modified duration of 7.41. Masdar enjoys an investment-grade rating of 'A+' for long-term IDR and "F1" for short-term IDR with a stable outlook by Fitch. The Company also received a long-term IDR rating of 'A2' for short-term IDR by Moody's with a stable outlook.

Masdar's total revenue declined 13.3% from AED 717 Mn in 2021 to AED 621 Mn in 2022 primarily due to a decrease in IFRIC 12 concession revenue recognized based on the construction status of the underlying projects, Nur Navoi Solar FE and Shamal Zarafshan Energy FE. Revenue from the Renewable Power Generation segment grew 16.2% from AED 415 Mn in 2021 to AED 483 Mn in 2022 due to higher revenue generated from the London Array offshore wind farm owning to higher merchant power prices in the UK. Revenue from Special Projects rose from AED 49 Mn in FY2021 to AED 58 Mn in FY2022 on the back of continued delivery of government-mandated and funded special projects. Concession revenue declined 74.6% from AED 288.3 Mn in FY2021 to AED 73.14 Mn in FY2022. Development Fee income & Financial Lease, and Rental income amounted to AED 3.4 Mn and AED 4.1 Mn in 2022 respectively. Gross profit rose 54.1% from AED 244.65 Mn in 2021 to AED 335.8 Mn in 2022. The increase in the gross profit margin is due to a higher proportion of overall revenue coming from London Array and a decline in service concession cost of the sale of construction. Net income from continuing operations rose to 154.3% from AED 180.71 Mn in FY2021 to AED 459.53 Mn in FY2022 mainly driven by the increase in gross profit, other income, and gain on derivatives. The company is poised to become a global renewable energy powerhouse with a mandate

Bond Information	
ISIN	XS2651619285
Ticker	MASDAR
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	96.51
Amount Issued (USD, Mn)	750
Issue Date	25-Jul-23
Z-Spread	155.69
Yield to Maturity	5.34
Modified Duration	7.41
Country of Incorp	AE
Fitch Rating	A+
Moody Rating	A2
S&P Rating	NA
Coupon	4.88
Coupon Frequency	Semi-Annually
Maturity	25-Jul-33
Maturity Type	AT MATURITY
Currency	USD
52 Week High	96.89
52 Week Low	92.34

to grow the business to c.100 GW gross renewable energy capacity by 2030 and 1,000 ktpa of green hydrogen production by 2030.

Fitch affirmed ‘A+’ ratings for Masdar’s long-term issuer default rating (IDR) with a stable outlook. Masdar’s green-labelled bond is issued under EURO USD 3 Bn medium-term note with ‘A+’ ratings by Fitch. The net proceeds from the senior unsecured bond issue will be used to finance eligible green projects as part of Masdar's green finance framework. The rating agency considers the Company received consistent support since its inception, leading to very low reliance on external debt despite the extent of its projects. State support for Masdar forms the initial-in-kind contribution of land, regular direct government grants as well as the equity injections in the Company. A downgrade of Masdar’s IDR results in a deterioration in Masdar’s leverage ratio to above 4x on a sustained basis. In addition, a revision of Fitch’s assessment of state support leads to an upgrade in the ratings.

Moody’s affirmed ‘A2’ ratings on USD 750 Mn of new senior unsecured notes due 2033 to be offered by Masdar. Moody’s rating for Masdar is supported by ongoing support from shareholders, diversification across technologies and geographies, including many highly rated jurisdictions, operating projects with long-term cash flow visibility, and a long track record as a developer and owner of renewable generation. Moody expects that Masdar will maintain prudent leverage at its subsidiaries, associates, and joint ventures, with no material increase in financial obligation. The outlook will be upgraded in case of high leverage of renewable projects. The ratings can be downgraded due to changes in ownership or government policy reducing the company's strategic importance to the Government of Abu Dhabi, there was a larger-than-anticipated increase in financial obligations at the Masdar corporate level, including downstream guarantees.

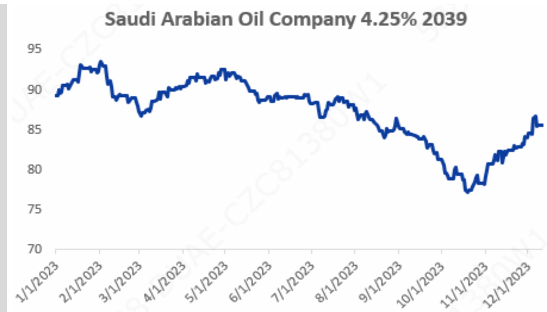
Masdar’s total debt rose 17.2% amounting to AED 2,105 Mn in FY2021 from AED 2,468 Mn in FY2022. Masdar’s net debt-to-equity ratio declined from 27.9% in FY2021 to negative 10.5% in FY2022. The Company’s global footprint continues to grow due to the several solar power projects in Europe, Africa, Central Asia, and the Middle East that have further consolidated Masdar’s position as one of the leading renewable energy companies in the world.

7 - Saudi Arabian Oil Company 4.25% 2039

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 85.46	5.68%	4.25%	16-Apr-2039	A+

Background:

Saudi Arabian Oil Company is an integrated energy and chemicals company. Aramco's operations are divided into two main segments: Upstream and Downstream. Upstream activities are predominantly centred in Saudi Arabia, while the Downstream sector operates on a global scale. The Upstream segment of the Company is responsible for the exploration, development, production, and sale of natural gas, condensate, crude oil, and natural gas liquids (NGLs). The activities of the downstream section include supply and trading, power generation, retail operations, base oils and lubricants, petrochemicals and refining, and distribution. The reserves of Aramco amounted to 258.8 Bn barrels of oil equivalent in FY2022, consisting of 200.8 Bn barrels of crude oil and condensate, 25.2 Bn barrels of NGL, and 201.9 trillion standard cubic feet of natural gas. The Company manages 535 reservoirs within 142 fields spread across the Kingdom and its territorial waters.



Financial Ratios	
Net Debt (USD, Mn)	-37,727
Net Debt/EBITDA (x)	-0.15
Total Debt to Total Equity (%)	16.38
EBITDA to Interest Expense (x)	89.89
Cash Ratio (x)	1.51

Bond Information	
ISIN	XS1982113463
Ticker	ARAMCO
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	85.46
Amount Issued (USD, Mn)	3,000
Issue Date	16-Apr-19
Z-Spread	186.96
Yield to Maturity	5.68
Modified Duration	10.66
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	NA
Coupon	4.25
Coupon Frequency	Semi-Annually
Maturity	16-Apr-39
Maturity Type	AT MATURITY
Currency	USD
52 Week High	94.05
52 Week Low	76.79

Saudi Arabian Oil Company's ("Aramco" or The Company) 4.25% senior unsecured maturing in April 2039. The bond is trading at USD 85.46 with a yield of 5.68% when held until maturity (redemption at par) with a modified duration of 10.66. Fitch upgrades Aramco's long-term IDR to 'A+' with a stable outlook. The rating is equalized with that of its majority shareholder, Saudi Arabia. The Company also received long-term foreign currency rating of 'A1' with a positive outlook from Moody's. Fitch assigned Aramco a high Standalone Credit Profile (SCP) rating of 'A+'.

Total revenue declined 20.3% YOY to SAR 820.0 Bn from SAR 1,029.1 Bn in 1H22, mainly due to the lower realized crude oil prices partially offset by an increase in hydrocarbon production. The operating income dropped 27.8% to SAR 434.7 Bn in 1H23 compared to SAR 602.2 Bn in 1H22 owing to the ongoing economic uncertainty resulting in lower prices for hydrocarbons and continued pressure on refining and chemical margins. The Company's free cash flow declined 17.2% YOY to SAR 202.7 Bn in 1H23. The decline was primarily caused by lower net cash from operating activities, which was an outcome of lower earnings partially offset by favorable change in working capital. Aramco introduced a performance linked dividend starting from 3Q23. The Company plans to pay out performance-linked dividends over a period of six quarters beginning in Q32023, based on the Company's combined FY2022 and FY2023 full-year results. Aramco anticipates the performance-linked dividend will be computed using 70% of the Company's full year free cash flow generated in FY2022 and FY2023. It announced a performance linked dividend of SAR 37.0 Bn for 3Q23 based on the reported financials. The Company's progress on its Upstream oil and gas projects, such as Marjan, Berri, Dammam, and Zuluf crude oil increments, remains in line with its strategy to boost oil production capacity to 13.0 Mn barrels per day by 2027.

Fitch upgraded a long-term foreign and local currency IDR to 'A+' with a stable outlook in April 2023, reflecting the company's strong business profile backed by a strong control and support from the government. The government is the majority shareholder of the Company, with a direct ownership of 90.19%. Aramco's significant investments in capex and capacity expansion, positions the Company for future growth. Additionally, the Company maintains low production costs and substantial reserves, offsetting potential energy transition risks. Aramco boasts an SCP rating of 'AA+' which is three notches above that of the Sovereign's foreign currency rating of 'A+'. The worsening of Saudi Aramco's relative position to local peers would likely lead to a downgrade of rating.

Aramco's gearing ratio declined to a negative 10.5% in 1H23 compared to a negative 7.9% in FY2022. The decline in gearing was primarily a result of an increased net cash position, which was predominantly due to positive operating cash inflows. This positive cash position was partially offset by capital expenditures and dividend payments made during the same period. The interest coverage ratio for the trailing twelve months was 109.15x, down from 129.41x in FY2022. This was primarily due to the decrease in operating income in the recent quarters as a result of lower crude oil prices. The Company's net debt to equity ratio declined from 7.4% in FY2022 to 9.5% in 1H23. In March 2023, Aramco paid the deferred consideration of SAR 59.0 Bn prepayment related to the SABIC acquisition's resulting in a gain of SAR 4.6 Bn. Subsequently in April 2023, the Company paid SAR 41.3 Bn of deferred consideration, and remaining in May 2023 with a final prepayment of SAR 16.7 Bn, fully settling the deferred consideration. Consequently, the Company saw a reduction in its overall debt. Aramco's net debt to EBITDA ratio for the trailing twelve months fell from a negative 0.10x in FY2022 to a negative 0.15x in 1H23. This was primarily due to decline in net debt partially offset by a decline in EBITDA.

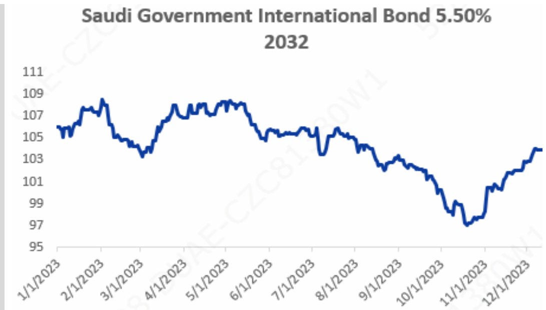
FAB أبوظبي الأول للأوراق المالية SECURITIES

8 – Saudi Government International Bond 5.50% 2032

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 104.06	4.93%	5.50%	25-Oct-2032	A+

Country Overview:

Saudi Arabia is the largest and fastest-growing economy in the GCC region with a projected GDP of USD 1.07 Tn and a population of 32.8 Mn in 2023. According to the IMF, the country's economic growth is expected to decline significantly, dropping from 8.7% in 2022 to 0.8% in 2023 and further improve to 4.0% in 2024. The decline in growth is attributed to a low recovery in China, which led to global oil demand weakening in late 2022 and early 2023 resulting in voluntary cuts in oil production beyond OPEC+ agreements. However, the non-oil sector in Saudi Arabia remained robust since 2021, maintaining an average 4.8% growth in 2022. Despite an overall lower growth due to further reductions in oil production, the non-oil sector is expected to continue performing well, with growth remaining near 5% in 2023, driven by strong domestic demand, the implementation of effective macroeconomic policies, and strong reform momentum. The Saudi government aims to achieve Vision 2030 goals, with a focus on developing the non-oil sector through initiatives that encourage investment in economic diversification, reskilling Saudis, and increasing women's participation.



Key Macro Factors - 2023	
Nominal GDP (Bn, USD)	1,069
Real GDP (%)	0.8
Budget balance as of GDP (%)	-0.3
Debt to GDP (%)	24.1
Inflation (%)	2.5

Saudi Government International Bond 5.50% senior unsecured bond maturing in October 2032. The bond is trading at USD 104.06 with a yield of 4.93% when held until maturity (redemption at par) with a modified duration of 6.96. The Government of Saudi enjoys an investment-grade rating of 'A+' for long-term foreign currency IDR, and "F1" for short-term IDR by Fitch with a stable outlook. It also enjoys a sovereign rating foreign currency and local currency rating of 'A/A-1' for long-term IDR by S&P with a stable outlook.

Saudi Arabia is expected to maintain a strong net asset position in both fiscal and external accounts due to the accumulation of funds from past surplus years and reinvestment returns. In 2023, the country is expected to record a budget deficit of SAR 82 Bn (USD 21.9 Bn), which is approximately 2.0% of its GDP. This deficit is a result of an 8.4% increase in spending to SAR 1.3 Tn, primarily driven by substantial investments in infrastructure spending. Additionally, revenues decreased 7% to SAR 1.2 Tn, mainly due to significant voluntary oil production cuts and lower average oil prices in 2023 compared to the previous year. Saudi Arabia is further expected to record a fiscal deficit of 1.9% of GDP in 2024, 1.6% of GDP in 2025, and 2.3% of GDP in 2026, based on the ongoing expansionary fiscal policies. The revised spending figures are expected to provide significant support for non-oil economic activities in the medium term. Saudi Arabia's gross government debt/GDP declined to 23.8% in 2022 and is expected to rise to 24.1% in 2023. In 2022, government deposits at the Saudi Central Bank, encompassing both the government's current account and fiscal reserve, rose to SAR 463 Bn, equivalent to 11.1% of GDP. Saudi's low and sustainable gross government debt-to-GDP ratio indicates a more favourable fiscal position and financial stability.

Bond Information	
ISIN	XS2548892020
Ticker	KSA
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	104.06
Amount Issued (USD, Mn)	2,500
Issue Date	25-Oct-22
Z-Spread	112.45
Yield to Maturity	4.93
Modified Duration	6.96
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	NA
Coupon	5.50
Coupon Frequency	Semi-Annually
Maturity	25-Oct-32
Maturity Type	AT MATURITY
Currency	USD
52 Week High	108.69
52 Week Low	96.81

Fitch affirmed a rating of "A+" for Saudi's long-term IDR and "F1" for its short-term IDR with a stable outlook reflecting its strong fiscal and external balance sheets, with government debt/GDP and sovereign net foreign assets, commitment to ongoing gradual progress with fiscal, economic and governance reforms. A deterioration of public finance position, substantial increases in contingent liabilities, and a major escalation of geopolitical tensions would likely lead to a downgrade of rating. The factors that could upgrade the rating include fiscal reforms that enhance budget resilience to oil price fluctuations and improved governance scores.

S&P affirmed a rating of A/A-1 for Saudi's long-term foreign and local IDR and a stable outlook with the expectation that the government's reform initiatives will drive non-oil sector development, and support non-oil growth and fiscal revenues. The ratings could improve with advanced reforms, robust per capita economic growth, fiscal responsibility, and the development of domestic capital markets. A downgrade in the rating can take place if real GDP growth falls or significant fiscal weakening.

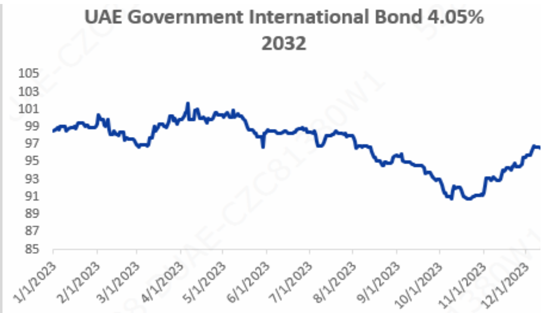
FAB أبوظبي الأول للأوراق المالية SECURITIES

9 - UAE Government International Bond 4.05% 2032

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 96.80	4.50%	4.05%	7-Jul-2032	AA-

Country Overview:

The UAE economy distinguishes itself as one of the rapidly advancing economies globally, driven by a strong rebound in tourism, buoyant real estate demand, high oil prices, and rising oil output helped deliver strong economic growth in 2022 and 2023. The UAE is a federation of seven emirates and is one of the world's most stable and prosperous economies. UAE is the center of the Middle Eastern trade flows with a significant commercial and tourist destination. According to the IMF, the UAE's economic growth is expected to decline significantly from 7.9% in 2022 to 3.4% in 2023. The slower growth in real GDP is mainly attributable to the OPEC+ production cut announcements, followed by global oil demand weakening in late 2022 and early 2023. UAE is expected to experience an increase in real GDP growth to 4.0% in 2024 as OPEC+ further plans to extend the production cut to the end of 2024 to provide stability to oil prices. However, as per CBUAE, the non-oil sector in UAE has been growing at a faster pace since 2021 and is expected to maintain an upward growth of 4.5% in 2023.



Key Macro Factors - 2023	
Nominal GDP (Bn, USD)	509
Real GDP (%)	3.4
Budget balance as of GDP (%)	5.1
Debt to GDP (%)	29.4
Inflation (%)	3.1

United Arab Emirates Government International Bond 4.05% senior unsecured bond is maturing in July 2032. The Sukuk is trading at USD 96.80 with a yield of 4.50% when held until maturity (redemption at par) with a modified duration of 7.01. The Government of UAE enjoys an investment grade rating of 'AA-' for long-term IDR and "F1" for short-term IDR by Fitch with a stable outlook. It also enjoys a sovereign rating of 'Aa2' for long-term IDR by Moody's with a stable outlook.

Despite an overall lower growth due to further reductions in oil production, the positive momentum in the upcoming period is primarily driven by strong performance in the non-oil sectors, especially in tourism, construction, and real estate-related developments. Abu Dhabi is the industrial hub in UAE contributing a growth rate of 9.7% YOY to AED 90.8 Bn and aims to double the contribution to AED 172 Bn by 2031. The Government aims to actively work on long-term developmental plans and strategies to focus on developing the non-oil sector through initiatives that encourage investment in economic diversification, enhancing infrastructure, and promoting innovation and sustainability.

The UAE effectively maintained prudent fiscal discipline by conserving a substantial portion of the income derived from its hydrocarbon assets and overseeing its overall spending in accordance with its budgetary parameters. However, the fiscal surplus is expected to be around 5% of GDP in 2023, mainly driven by oil revenue and strong economic activity. In addition, the gross government debt-to-GDP ratio declined to 31.1% in 2022 and is further projected to decline to 29.4% and 28.7% in 2023 and 2024, which signifies that the UAE Government is effectively managing its debt and the Government continues to repay maturing external debt in the medium term. UAE's low and sustainable gross Government debt-to-GDP ratio indicates a more favorable fiscal position and financial stability. The fiscal and external current accounts are projected to remain surplus in the medium term highly attributable to higher oil prices. The UAE

Bond Information	
ISIN	XS2492384818
Ticker	UAE
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	96.80
Amount Issued (USD, Mn)	1,750
Issue Date	7-Jul-22
Z-Spread	72.02
Yield to Maturity	4.5
Modified Duration	7.01
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	Aa2
S&P Rating	NA
Coupon	4.05
Coupon Frequency	Semi-Annually
Maturity	7-Jul-32
Maturity Type	AT MATURITY
Currency	USD
52 Week High	107.70
52 Week Low	90.54

government's overwhelming dependence on hydrocarbon led to a rise in funding needs. However, the introduction of corporate income tax (CIT), effective from 1 June 2023 will raise government revenue from 2025 based on a revenue-sharing model that is likely to be similar to the VAT. Meanwhile, the scope for spending is still limited at the federal level given the significant level of fiscal decentralization across the federal government and individual emirates, and the substantial spending by Abu Dhabi including for some major infrastructure projects like Etihad rail. The Government held an estimated USD 1.1 Tn in assets in its sovereign wealth funds (ADIA & Mubadala) providing a huge additional fiscal cushion. UAE Banks hold healthy capitalization and remain liquid. The Banks' profitability improved due to higher interest rates, along with continued growth in overall credit, expanding at a slower rate. However, rising real estate prices and tighter financial conditions underscore the importance of continued close monitoring of financial stability.

Fitch affirmed a rating of 'AA-' for UAE's long-term IDR with a stable outlook supported by the Government's public debt levels, strong net external asset position, and high GDP per capita. A deterioration in Abu Dhabi's sovereign credit profile, a decline in external finances, such as substantial erosion of fiscal positions such as a sustained decline in oil prices, or a materialization of contingent liabilities can contribute to the downgrading in ratings.

On the other hand, the factors that support the upgrade of the ratings include an increased confidence that Abu Dhabi will provide support in the event of need, a reduction in oil dependence, a strengthening in governance and the economic policy framework, and a reduction in geopolitical risk while maintaining strong fiscal and external balances.

Moody's affirmed a rating of 'Aa2' for long-term IDR with a stable outlook. The ratings are based on the momentum in the development of non-oil sectors that accelerates and strengthens the country's credit profile. The UAE's new investments are likely to boost the medium to long-term economic impact on some specific sectors. Furthermore, the ratings can be downgraded due to uncertain global and regional geopolitical developments global growth risk, and higher interest rates.

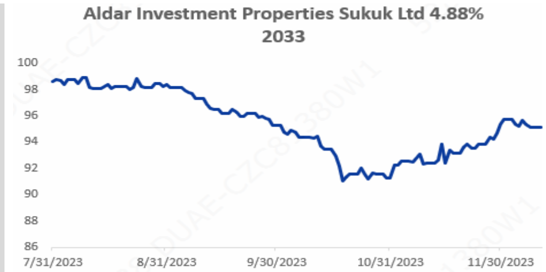
SUKUK:

1 - Aldar Investment Properties Sukuk Ltd 4.88% 2033

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Moody's Rating
USD 95.38	5.51%	4.88%	24-May-2033	Baa1

Background:

Aldar Properties ('Aldar' or 'The Group') was established in February 2005 as a public joint stock company primarily engaged in real estate development, investment, and management in the UAE. The group operates in two core segments including Aldar Development and Aldar Investment ('AI' or 'The Company'). Aldar Investment manages Aldar's property portfolio of AED 35 Bn investment grade and income-generating assets diversified across retail, residential, commercial, hospitality, and logistics segments. The company also manages Aldar Education, Aldar Estate, and Aldar Hospitality platforms of Aldar.



Financial Ratios	
Net Debt (USD, Mn)	-508
Net Debt/EBITDA (x)	-0.13
Total Debt to Total Equity (%)	32.25
EBITDA to Interest Expense (x)	6.78
Cash Ratio (x)	1.21

Aldar Investment Properties Sukuk Ltd 4.88% senior unsecured sukuk maturing in May 2033. The Sukuk is trading at USD 95.38 with a yield of 5.51% when held until maturity (redemption at par) with a modified duration of 7.41. Aldar Investment Properties affirmed a rating of 'Baa1' for its long-term issuer default rating (IDR) from Moody's with a stable outlook.

Aldar's revenue grew 21.0% YOY from AED 8.1 Bn in 9M22 to AED 10.0 Bn in 9M23. The growth is attributed to a strong cross-platform growth driven by continued execution of development revenue backlog, record development sales, and contribution from recurring income portfolio. Aldar Development's revenue rose 12.4% YOY from AED 5.2 Bn in 9M22 to AED 5.8 Bn in 9M23, driven by faster progress in construction activities, strong off-plan sales, and ongoing backlog revenue recognition. Aldar Development's sales more than doubled from AED 9.3 Bn in 9M22 to AED 19.4 Bn in 9M23, owing to the launch of 11 new projects as of 9M23 and strong demand from international buyers for Abu Dhabi properties. The sale of the property in UAE amounted to AED 17.0 Bn while the remaining AED 2.4 Bn came from Egypt as of 9M23. Revenue backlog reached AED 29.1 Bn in 9M23 as compared to AED 17.6 Bn in 2022. Revenue from Project Management Services increased 2.7% YOY to AED 921 Mn in 9M23 with a backlog of AED 28 Bn. However, revenue from Egypt declined 38.7% YOY from AED 924 Mn in 9M22 to AED 566 Mn in 9M23, due to EGP devaluation. Aldar investment's revenue rose 43.1% from AED 2.8 Bn in 9M22 to AED 4.0 Bn in 9M23. The revenue growth is mainly driven by higher occupancy, growing rental rates, and strong performance from acquisition in 2022. Aldar's four ADGM office tower's occupancy rate reached 99.0% as of 9M23 while, Aldar's Yas Mall occupancy rate also reached 99.0% and footfall increased by 33.0% YOY

Bond Information	
ISIN	XS2627338580
Ticker	ALDAR
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	95.38
Amount Issued (USD, Mn)	500
Issue Date	24-May-23
Z-Spread	172.22
Yield to Maturity	5.51
Modified Duration	7.41
Country of Incorp	AE
Fitch Rating	NA
Moody Rating	Baa1
S&P Rating	NA
Coupon	4.88
Coupon Frequency	Semi-Annually
Maturity	24-May-33
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.27
52 Week Low	90.63

in 9M23. Thus, the group's occupancy across the portfolio grew to 95.0% in 9M23 from 91.0% in 9M22. Aldar's principal investment more than doubled to AED 1.1 Bn in 9M23 owing to Aldar Estates' strategic merger with Eltizam and strong contributions from recent acquisitions. The Group's EBITDA grew 37.6% YOY from AED 2.5 Bn in 9M22 to AED 3.5 Bn in 9M23, with an EBITDA margin of 35.8% in 9M23. Aldar Development's EBITDA grew 38.0% YOY to AED 1.9 Bn and EBITDA margins improved to 31.9% in 9M23. The growth is attributed to an 82.4% YOY rise in the Property Dev and Sales segment's EBITDA partially offset by a decline in the EBITDA of Project Management and Egypt in 9M23. Aldar Investment's EBITDA rose 41.2% YOY to AED 1.9 Bn, and the EBITDA margin remained stable margin at 46.7% in 9M23. The growth is driven by a higher occupancy and leasing rate, and strong contribution from recent acquisitions. Finance income more than doubled to AED 347 Mn in 9M23 while finance cost also grew 58.1% YOY to AED 432 Mn in 9M23. The group's net profit increased 41.0% YOY to AED 3.0 Bn in 9M23 from AED 2.1 Bn in 9M22.

Moody's affirmed the 'Baa1' rating on Aldar Investment Properties' long-term IDR with a stable outlook. The rating reflects the company's strong market position in Abu Dhabi and its recurring income from investment properties. Moody's could upgrade Aldar's rating if the group continues to maintain its gross debt to assets below 30.0% and EBITDA to interest expense above 6.0x. While the credit rating agency is not expected to upgrade the rating due to the concentration of assets in Abu Dhabi. However, the credit rating agency could downgrade the rating if the operating environment deteriorates. Additionally, if Aldar's liquidity weakens or its credit quality deteriorates which includes the gross debt to total assets ratio above 40% or EBITDA to interest expense drops below 4.0x, it can lead to a downgrade in credit rating.

The group continues to maintain its debt-to-equity ratio at 0.30x as of 9M23. While the net debt-to-EBITDA ratio rose to 1.53x on a TTM basis in 9M23 from 1.03x in 2022. The group's interest coverage ratio also declined to 5.98x on a TTM basis in 9M23 from 7.03x in 2022. Aldar total available liquidity stood at AED 9.8 Bn, which comprises free cash of AED 3.9 Bn and an undrawn facility of AED 5.9 Bn as of 9M23. There is no debt due for repayment in 2023, while AED 0.5 Bn and AED 2.7 Bn of debt are due for repayment in 2024 and 2025, respectively. Aldar's debt-to-total equity and debt-to-total assets ratio stood at 30% and 15% in 9M23. Aldar Properties maintained an EBITDA-to-Interest ratio stood at 8.3x on a TTM basis in 9M23. Aldar Investment's total debt to gross investment value stood at 35% in 9M23 as compared to 35.9% in 2022. Aldar Estates expanded its portfolio with the acquisition of Fab properties in September 2023. The acquisition increased Aldar Estate's portfolio by 22,000 residential units to 157,000 units as of 9M23.

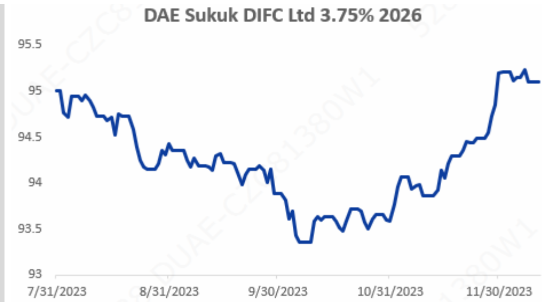
FAB SECURITIES أبوظبي الأول للأوراق المالية

2 - DAE Sukuk DIFC Ltd 3.75% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 95.23	6.12%	3.75%	15-Feb-2026	BBB-

Background:

Dubai Aerospace Enterprise ("DAE" or "The Company") is a global aviation service company headquartered in Dubai with over 35 years of experience. DAE serves over 170 airline customers in over 65 countries from its seven locations in Dubai, Dublin, Amman, Singapore, Miami, New York, and Seattle. The company primarily operates under two business segments, DAE Capital an award-winning aircraft lessor and financier with an owned, managed, committed, and mandated fleet of c.500 Airbus, ATR, and Boeing aircraft with a fleet value of c. USD 17 Bn. DAE Engineering provides regional MRO services to customers in Europe, the Middle East, Africa, and South Asia from the state-of-the-art facility in Amman, Jordan, accommodating up to 17 wide and narrow-body aircraft. DAE Engineering is authorized to work on 15 aircraft types and has regulatory approval from over 25 regulators globally. The engineering division consists of an 80% ownership stake in Joramco, a provider of commercial aircraft maintenance, repair, and overhaul (MRO) services. DAE is 100% indirectly owned by the Investment Corporation of Dubai ("ICD"), the principal investment arm of the Government of Dubai.



Financial Ratios	
Net Debt (USD, Mn)	7,779
Net Debt/EBITDA (x)	6.33
Total Debt to Total Equity (%)	261.74
EBITDA to Interest Expense (x)	2.99
Cash Ratio (x)	0.24

Dubai Aerospace Enterprise's 3.75% senior unsecured Sukuk matures in February 2026. The Sukuk is trading at USD 95.23 with a yield of 6.12% when held until maturity (redemption at par) with a modified duration of 2.02. The Sukuk enjoys an investment-grade rating of 'BBB-' for long-term IDR and "F1" for short-term IDR by Fitch and 'Baa3' for long-term IDR by Moody's.

Total revenue rose 15.8% YOY to USD 989.2 Mn in 9M23 from USD 853.9 Mn in 9M22. Lease revenue grew 11.6% from USD 758.7 Mn in 9M22 to USD 847.0 Mn in 9M23. The increase is primarily driven by the additional revenue generated by the aircraft acquired in the business combination in FY2022. The revenue of the engineering maintenance service segment increased by USD 23.3 Mn, or 31.5% YOY to USD 97.3 Mn in 9M23 from USD 74.0 Mn in 9M22 mainly attributable to an influx of heavy maintenance checks effectively managed through optimal utilization of maintenance facilities to maximize capacity. Finance leases and loan receivables income increased by USD 7.0 Mn to USD 12.8 Mn for the 9M23 from USD 5.8 Mn for the 9M22. Gain on disposal of aircraft declined from USD 87.0 Mn in 9M22 to USD 48.4 Mn in 9M23 due to a decline in profit realization per aircraft. DAE's total expenses before exceptional items rose from USD 554.6 Mn in 9M2022 to USD 573.1 Mn in 9M23 attributed to higher expenses across the board partially offset by reversal of allowance. Aircraft maintenance expense increased from USD 11.3 Mn in 9M22 to USD 20.8 Mn in 9M23 due to heavy maintenance costs related to aircraft returns and repossession. General and Administration expenses increased 22.1% YOY to USD 76.2 Mn in 9M23. This increase was primarily due to an increase in staff costs and professional fees. Adjusted EBITDA rose from USD 817.5 Mn in 9M22 to USD 877.5 Mn in 9M23. However, the margins declined from 96% in 9M22 to 89% in 9M23. DAE's total number of aircraft in the fleet increased to 495 in 9M23 from 440 in December 2022 out of which 326 are owned (December FY2022- 330), 103 managed (December FY2022- 104), and 66 committed aircraft (December FY2022- 6).

Bond Information	
ISIN	XS2262220143
Ticker	DUBAEE
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	95.23
Amount Issued (USD, Mn)	750
Issue Date	25-Nov-20
Z-Spread	175.73
Yield to Maturity	6.12
Modified Duration	2.02
Country of Incorp	AE
Fitch Rating	BBB-
Moody Rating	Baa3
S&P Rating	NA
Coupon	3.75
Coupon Frequency	Semi-Annually
Maturity	15-Feb-26
Maturity Type	AT MATURITY
Currency	USD
52 Week High	97.68
52 Week Low	93.19

The company's operating profit rose to USD 464.5 Mn in 9M23 from USD 386.3 Mn before exceptional expenses in 9M22 mainly attributed to higher lease and engineering revenue offset by a decline in gain on disposal of aircraft and higher operating expenses. DAE'S total assets declined from USD 12.7 Bn in FY22 to USD 12.4 Bn in 9M23. The company's liquidity rose to USD 3,842.3 Mn in 9M23 from USD 2,659.9 Mn in 9M22. DAE's net finance cost rose 38.4% YOY from USD 185.7 Mn in 9M22 to USD 257.0 Mn in 9M23. The net finance income more than doubled to USD 43.2 Mn in 9M23 from USD 21.0 Mn in 9M22 due to gains on financial instruments and higher deposit rates. The Company's finance expense also grew 45.2% YOY to USD 300.2 Mn in 9M23 mainly due to a higher average loan balance during the current period and an increase in the average cost of debt to 4.1% in 9M23. DAE's net cash from operating activities declined from USD 956.6 Mn in 9M22 to USD 928.9 Mn in 9M23 mainly due to higher maintenance reserve receipts in the prior period driven by the drawdown of letters of credit associated with aircraft previously leased to Russian customers. Net cash from investing activities declined to USD 102.8 Mn in 9M23 from USD 403.1 Mn in 9M22. The movement was primarily due to cash paid on the acquisition of aircraft held for lease and lower proceeds from the disposal of aircraft. Net cash from financing improved from negative USD 1,067.0 Mn in 9M22 to negative USD 902.8 Mn in 9M23. The movement was mainly due to lower repayment of debt partially offset by the share repurchase and higher interest paid during the period. The total loans and borrowings decreased to USD 7,733.4 Mn in 9M23 from USD 8,045.9 Mn in FY2022 primarily due to debt repayments.

Fitch revised the outlook on DAE's long-term IDR to Positive from Stable and affirmed the IDR at 'BBB-' on 16 June 2023. Fitch also affirmed DAE Funding LLC's senior unsecured debt rating and DAE Sukuk (DIFC) Limited's (DAE Sukuk) sukuk program at 'BBB-'. Fitch's revision of the positive outlook reflects the further strengthening and diversification of DAE's franchise in line with management projections to lead to an improved assessment of its business profile score. A downgrade in the rating can take place due to a material increase in secured debt levels, leverage sustainably above 3.0x, with a liquidity coverage ratio approaching 1.0x, and inability to maintain a fleet profile comprising of tier 1 aircraft which could lead to further negative rating action. Further, maintaining its gross debt to tangible equity ratio sustainably at or below 2.5x, the company's unsecured debt to total debt ratio comfortably above 70%, and its liquidity coverage ratio above 1.2x, assuming other financial profile metrics remain unchanged (or improve) will lead to a positive credit rating.

Moody's affirmed DAE's 'Baa3' issuer rating on 22 November 2022 based on the company's consistently strong liquidity position, low debt-to-equity ratio, and strengthened operating results as the recovery in the aviation sector progressed. The rating agency stable outlook will continue to be based on the expectation that demand for leased aircraft will rise as air carriers rebuild capacity to serve healthy air travel demand and help to improve DAE's profitability and cash flow metrics over the next 12-18 months. The rating can be downgraded due to the decline in the company's liquidity coverage, the reversal in air travel volumes, weakening prospects for DAE's financial performance, and weakening of the company's competitive positioning. DAE's ratings can be upgraded due to stronger and stable profitability, air travel volumes, and strong liquidity coverage of debt maturity.

DAE's net debt-to-equity ratio stood at 2.46x in 9M23 from 2.64x in FY2022. The company's total available liquidity rose from USD 2.7 Bn in FY2022 to USD 3.8 Bn in 9M23 with a liquidity coverage ratio of 268.9% in 9M23. DAE's cash and cash equivalents stood at USD 428.8 Mn as of 9M23 from USD 299.9 Mn as of FY2022. Out of total debt outstanding, USD 0.1 Bn is due in 2023 and remaining USD 1.5 Bn in 2024 and USD 1.4 Bn in 2025.

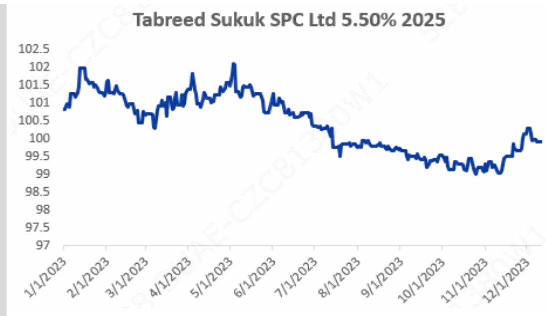
FAB أبوظبي الأول للأوراق المالية SECURITIES

3 - Tabreed Sukuk SPC Ltd 5.50% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.99	5.50%	5.50%	31-Oct-2025	BBB

Background:

Tabreed ("The Company") is incorporated in UAE and operates as one of the world's largest district cooling companies. The company is the regional leader in sustainable district cooling and energy efficiency with its operations in UAE, Saudi Arabia, Oman, Bahrain, and India with plants under construction in Egypt. It is established in the Middle East as the first cooling plant in Sweihan, Abu Dhabi since 1998. Since then, Tabreed is expanding its operations with 89 operating plants since 30 June 2023. The Company has set high standards for cooling services and maintained a strong focus on quality, safety, and efficiency, throughout its growth. Tabreed's operations are across the GCC regions by currently delivering over 1.3 Mn refrigeration tons (RT) of cooling with +120 Thousand of RT as per Capacity Guidance over 2023-24. The GDF International and General Investments FZE own 40.00% and 38.21% stake in the company.



Financial Ratios	
Net Debt (USD, Mn)	1,507
Net Debt/EBITDA (x)	4.41
Total Debt to Total Equity (%)	96.02
EBITDA to Interest Expense (x)	5.18
Cash Ratio (x)	1.49

National Central Cooling Company PJSC's 5.50% senior unsecured Sukuk maturing in October 2025. The Sukuk is trading at USD 99.99 with a yield of 5.50% when held until maturity (redemption at par) with a modified duration of 1.76. The Sukuk also enjoys an investment-grade rating of 'BBB' for long-term IDR by Fitch and 'Baa3' for long-term IDR by Moody's.

Total revenue rose 9% YoY to AED 1,068 Mn in 1H23 from AED 976 Mn in 1H22, primarily attributable to the revenue generated from the core Chilled Water business. The Chilled Water business contributes 96% of the total revenue and grew by 8% to AED 1,026 Mn in 1H23 from AED 947 Mn in 1H22. Revenue from the value chain business, which contributes 4% of the total revenue, increased from AED 29 Mn in 1H22 to AED 41 Mn in 1H23. The Company derives 80% of its revenues from wholly government-owned and partially government-owned entities. Total capacity rose from 1.26 Mn RT in FY2022 to 1.29 Mn RT in 1H23 across the GCC, representing a CAGR of 4% since 2020. The capacity growth is mainly driven by the addition of three new plants in UAE and Saudi Arabia with a total capacity of 17.7k RT. The Company's EBITDA rose to AED 590 Mn in 1H23 from AED 589 Mn in 1H22 with an EBITDA margin of 55%. The Company represented a stable EBITDA in 1H23 which is mainly driven by several factors, including a resilient business model, acquisitions, high performance in chilled water services, adding new customers to its portfolio, and an ongoing emphasis on cost management and improving efficiency. Tabreed's net profit increased +61% YOY from AED 241 Mn in 1H22 to AED 386 Mn in 1H23. Profit margins rose from 25% to 36% in 1H23. The Company generated AED 709 Mn in cash from operations in 1H23 mainly due to an increase in profit partially offset by an increase in working capital. The company's resilient business model generates sustainable cashflows which have witnessed a growth of more than 47% annually since 2020. Total debt declined marginally from AED 7.30 Bn in FY2022 to AED 6.65 Bn in 1H23 due to scheduled repayments of bank borrowings. Approximately AED 4.4 Bn of debt balance is due in FY2025. Fitch affirmed a rating of BBB for Tabreed's long

Bond Information	
ISIN	XS1843455103
Ticker	TABRED
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	99.99
Amount Issued (USD, Mn)	500
Issue Date	31-Oct-18
Z-Spread	101.39
Yield to Maturity	5.50
Modified Duration	1.76
Country of Incorp	AE
Fitch Rating	BBB
Moody Rating	Baa3
S&P Rating	NA
Coupon	5.50
Coupon Frequency	Semi-Annually
Maturity	31-Oct-25
Maturity Type	AT MATURITY
Currency	USD
52 Week High	102.46
52 Week Low	99.00

-term foreign-currency IDR and upgraded the outlook from negative to stable in 2022, reflecting strong deleveraging, supported by a strong business risk profile. The strong visibility of cash flow for the Company is due to its contractual agreements, which are primarily with government-related entities and long-term in nature. The strong local presence and partnerships could help its growth in the medium term. The Company plans to diversify geographically by entering into new attractive markets such as India and Egypt which are expected to generate 6% and 2% respectively of its FY2026 EBITDA from operations. An additional debt-funded acquisition leading to an increase in leverage would likely lead to a downgrade of rating in the absence of any credit-supportive measures from shareholders.

Moody's affirmed a rating of "Baa3" for Tabreed's long-term foreign-currency IDR and upgraded the outlook from negative to stable in 2022 with the expectation that the Company will generate sufficient cash flow to cover debt repayment (including financial leases) of AED 114 Mn, estimated dividends of AED 260 Mn and capital spending of AED 880 Mn. Tabreed's leverage is moderate within its rating category, considering the Company's strong predictable cash flow. If the Company plans to make another acquisition which will lead to an increase in financial leverage its credit profile would be re-evaluated.

Tabreed's net debt to EBITDA ratio marginally declined from 4.49x to 4.43x in 1H23 due to the utility business model leading to steady increases in revenue and net income from existing customers with a marginal decline in debt. The interest coverage ratio stood at 3.15x from 3.09x in FY2022 on a TTM basis in 1H23. It has no debt due for repayment until 2025 and its current cash position provides headroom to meet upcoming repayments in 2025. Approximately AED 4.4 bn of debt balance is due in FY2025 followed by AED 2.0 Bn in FY2026-31. Tabreed looks to enter into a new market in Egypt and India and successfully signed two new projects including signing a concession of 30k RT for a new smart Medical City in Greater Cairo. The Company is also continuously seeking acquisition opportunities while remaining price-conscious. Tabreed also entered into a long-term concession with TATA Realty by commencing its first operations to expand its international portfolio.

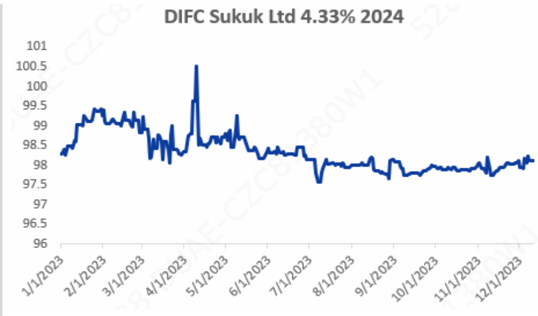
FAB SECURITIES أبوظبي الأول للأوراق المالية

4 - DIFC Sukuk Ltd 4.33% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Moody's Rating
USD 98.23	6.34%	4.33%	12-Nov-2024	Baa3

Background:

Dubai International Finance Centre Investment (DIFCI or 'The Company'), is a wholly-owned subsidiary of the Dubai International Finance Centre Authority (DIFCA). The Company oversees all the commercial activities associated with the financial-free zone including creating its infrastructure, and managing and leasing the plots of land developed within the free zone by DIFCI. Its office and retail properties are located in prime areas of Dubai with a strong tenant base, that includes a number of international financial institutions. The financial free zone is managed by the government of Dubai and it provides judicial, regulatory, and real estate infrastructure for financial services firms in Dubai. Further, DIFCI's centralized model offers services including, registration, licensing, property leasing, employee sponsorship, issue resolutions, expansion assistance, and client induction. Additionally, the Company also extends visa services, to support the General Directorate of Residency and Foreigners Affairs (GDRFA) and its ecosystem provides funding, expertise, and education to innovation and tech firms.



Financial Ratios (in 2022)	
Total Revenue (USD, Mn)	242
Net Debt to EBITDA (x)	5.4
Interest Coverage (x)	2.7
Total liquidity (USD, Mn)	419

DIFC Sukuk Ltd 4.33% senior unsecured sukuk is maturing in November 2024. The Sukuk is trading at USD 98.23 with a yield of 6.34% when held until maturity (redemption at par) with a modified duration of 0.88. Moody's assigned a rating of 'Baa3' for its long-term issuer default rating (IDR) with a stable outlook.

DIFCI's total revenue grew 16.7% from USD 207 Mn in 2021 to USD 242 Mn in 2022, the growth is mainly attributed to a 68.5% rise in revenue from contracts with customers. Income from investment properties grew by 4.7% from USD 168 Mn in 2021 to USD 176 Mn in 2022 also contributing to the growth in the Company's revenue. However, direct cost increased by 3.7% to USD 52 Mn in 2022, thus gross profit rose by 20.9% from USD 157 Mn in 2021 to USD 190 Mn in 2022. The gross profit margin also improved to 78.6% in 2022 from 75.9% in 2021. G&A expenses slightly declined by 1.9% to USD 24.9 Mn in 2022 from USD 25.4 Mn in 2021, due to a rise in Reversal of provision from USD 1.0 Mn in 2021 to USD 1.5 Mn in 2022. Thus, operating profit increased by 18.2% from USD 136 Mn in 2021 to USD 160 Mn in 2022 with an operating margin of 66.4% in 2022. The Company reported a net fair value gain of USD 202 Mn in 2022 from USD 29 Mn in 2021. Finance income also rose 65.4% from USD 9 Mn in 2021 to USD 16 Mn in 2022, while finance cost inched 0.6% to USD 60 Mn in 2022. Thus, the Company's net profit grew more than doubled to USD 317 Mn in 2022 from USD 113 Mn in 2021. As of 2022, investment properties contributed 72.6% of total revenue, and revenue from contracts with customers contributed 27.4% of the total revenue. The Company's capital structure consists of a USD 650 Mn sukuk and a USD 654 Mn loan from the government of Dubai. The repayment of the Sukuk and loan is due in November 2024 thus, the Company has no debt obligations until 2024. Moody's assigned a rating of 'Baa3' for DIFCI's long-term IDR with a stable outlook in November 2020. The rating was driven by a recurring rental income derived from investment properties and low senior leverage and interest coverage ratio, partially offset by a negative trend on rent and letting activity in Dubai's office and retail markets. The Company generates additional revenue through

Bond Information	
ISIN	XS1120403313
Ticker	DIFCAE
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	98.23
Amount Issued (USD, Mn)	700
Issue Date	12-Nov-14
Z-Spread	122.00
Yield to Maturity	6.34
Modified Duration	0.88
Country of Incorp	AE
Fitch Rating	NA
Moody Rating	Baa3
S&P Rating	NR
Coupon	4.33
Coupon Frequency	Semi-Annually
Maturity	12-Nov-24
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.58
52 Week Low	97.58

registration rights and fees paid by companies to operate in the DIFC, further supporting the rating. Moody's believes DIFCI receives strong support from the government of Dubai due to its important role in the government's economic diversification strategy. The rating agency expects no upgrade in DIFCI's rating in the near future due to the challenging operating environment. However, the rating could be upgraded if the macroeconomic backdrop improves sustainably and if there is a clear visibility of organic rental income growth. The Company maintains a strong Net-Debt to EBITDA ratio of 2.5x and a track record of disciplined capital spending could also lead to an upgrade in rating. On the other hand, a decline in revenue with adjusted net debt to EBITDA exceeding 4.5x and the adjusted fixed charge coverage dropping below 2.5x on a sustained basis or DIFCI failing to maintain adequate liquidity could result in a downgrade in credit rating.

The Company continues to maintain its equity capital with a stable net debt-to-equity ratio of 0.3x in 2022 from 0.4x in 2021. Net Debt to EBITDA ratio declined to 5.4x in 2022 from 6.6x in 2021. The interest coverage ratio increased to 2.7x om 2022 from 2.3x in 2021 driven by a significant increase in operating profit in 2022. Total liquidity also increased by 16.6% to USD 419 Mn in 2022 from USD 359 Mn in 2021.

5 - Equate Petrochemical Company 3.94% 2024

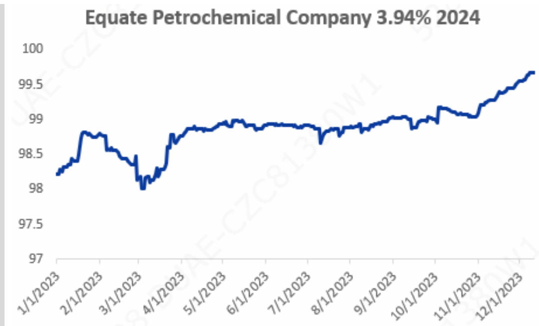
Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	S&P Rating
USD 99.63	5.81%	3.94%	21-Feb-2024	BBB

Background:

Equate Petrochemical Company ('EQUATE' or 'The Company') is a global producer of petrochemicals and the second largest producer of Ethylene Glycol in the world. The Kuwait Olefins Company K.S.C.C (TKOC) is a closed Kuwaiti shareholding company incorporated in the state of Kuwait on 10 October 2004 and is primarily engaged in the manufacturing and sale of Ethylene Glycol (EG). TKOC is owned by EQUATE's shareholders and is managed by EQUATE's management. In addition, the manufacturing plants of both EQUATE and TKOC are integrated, operated, and managed by EQUATE's management under various agreements. EQUATE owns and operates world-class petrochemical complexes in Kuwait, North America, and Europe through its subsidiary ME-Global. The Company started a new ethylene glycol production facility in Oyster Creek, Texas in FY2019. It is the first Kuwaiti petrochemical company to establish an industrial complex in the USA and the first in the Middle East to benefit from USA-based shale gas. EQUATE produces annually over 6 Mn tons of the highest quality grades of Ethylene, Polyethylene (PE), Ethylene Glycol (EG), Polypropylene (PP), Styrene Monomer (SM), Paraxylene (PX), Heavy Aromatics (HA) and Benzene (BZ), to serve global demand. The Company is 42.5% owned by DOW Chemical Company, 42.5% stake owned by Petrochemical Industries Company, 9% stake owned by Boubyan Petrochemical Company, and 6% stake by Kuwait Projects Company.

Equate Petrochemical Company 3.94% senior unsecured bond maturing in February 2024. The Sukuk is trading at USD 99.63 with a yield of 5.81% when held until maturity (redemption at par) with a modified duration of 0.19. The Sukuk enjoys an investment-grade rating of 'Baa2' for long-term IDR by Moody's and 'BBB' for long-term IDR by S&P.

Total Revenue witnessed a 32% decline YOY to USD 1,518 Mn in 1H23 from USD 2,238 Mn in 1H22. The decline is mainly driven by a 5% decrease in volume and a 20% reduction in prices for Ethylene Glycol (EG) in 1H23 from 1H22. Additionally, Polyethylene (PE) experienced a 19% volume decline, accompanied by a 22% drop in prices in 1H23. Furthermore, Polyethylene terephthalate witnessed a substantial 74% volume decrease, coupled with a 24% decline in prices during 1H23. In 1H23, EG generated 71% of the total revenue with PE contributing 19%, PET accounts for only 3% of the total revenue, and 7% is contributed from other sources in 1H23. Geographically, North Asia contributed a 36% share of total revenue, followed by the Indian Subcontinent at 17%, the Americas at 13%, Europe at 14%, and the rest of the world accounting for 20% of the total revenue. EBITDA declined 56% YOY to USD 377 Mn in 1H23 from USD 855 Mn in 1H22. The company's EBITDA margin declined from 38% in 1H22 to 25% in 1H23 due to a decline in both volume and pricing. The net income declined to USD 89 Mn in 1H23 from USD 537 Mn in 1H22. The company's net debt rose from USD 3,882 Mn in FY22 to USD 3,992 Mn in 1H23 with a scheduled debt maturity of USD 500 Mn in FY2024, USD 1,000 Mn in FY2025, and USD 1,250 Mn in FY2026. Moody's affirmed a rating of "Baa2" for EQUATE Petrochemical CO. K.S.C.C for long-term IDR and



Financial Ratios	
Net Debt (USD, Mn)	4,204
Net Debt/EBITDA (x)	4.50
Total Debt to Total Equity (%)	710.21
EBITDA to Interest Expense (x)	2.31
Cash Ratio (x)	0.31

Bond Information	
ISIN	XS1564437199
Ticker	EQPCKW
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	99.63
Amount Issued (USD, Mn)	500
Issue Date	21-Feb-17
Z-Spread	30.03
Yield to Maturity	5.81
Modified Duration	0.19
Country of Incorp	AE
Fitch Rating	NA
Moody Rating	Baa2
S&P Rating	BBB
Coupon	3.94
Coupon Frequency	Semi-Annually
Maturity	21-Feb-24
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.65
52 Week Low	98.01

upgraded the outlook from negative to stable in 2021 with the expectation of an improvement in the price environment for ethylene glycol (EG) and polyethylene (PE) following a trend of declining prices seen from late 2018 to mid-2020. Moody’s assumes that EQUATE will continue to maintain good liquidity in order to manage the volatility in product prices. A downgrade in the rating can take place due to the company’s weak liquidity profile, weaker operating performance, and high cashflows such as through capex or dividend payments. Moody’s can upgrade the ratings supported by increasing scale and reducing concentration risks. A positive revision in Moody's GRI assumption of extraordinary support from the government of Kuwait could lead to an upgrade.

S&P affirmed a rating of “BBB” for EQUATE’s long-term IDR and “A2” for short-term IDR with a revised positive outlook. The revision in the outlook is mainly due to expectations of the FFO to debt ratio to remain above 30% on a sustainable basis, even with full distribution of profits and factoring in a tighter pricing environment in 2022 due to oversupply in the sector. EQUATE and its sister company, The Kuwait Olefins Co. K.S.C (TKOC), guarantee the debt issued by EQUATE. It is mainly due to its unique setup to fully operate the integration of the two companies on one single chemical site in Kuwait. The company's continued cost advantage and absence of substantial capex are critical to considering a higher rating since price fluctuations inherently create some cash flow volatility.

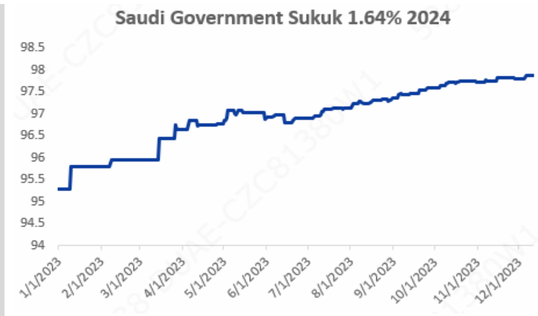
EQUATE net debt to EBITDA ratio rose from 3.19x in FY2022 to 5.40x on a TTM basis in 1H23 due to an increase in debt balance and a fall in EBITDA. The company’s Capex rose from USD 37 Mn in 1H22 to USD 142 Mn in 1H23 with a free cash flow of USD 158 Mn in 1H23. The cash balance declined from USD 468 Mn in FY2022 to USD 358 Mn in 1H23 mainly due to a decrease in the Cash flow from operating activities from USD 1,044 Mn in 1H22 to USD 300 Mn in 1H23 and higher Capex in 1H23, coupled with dividend payments of USD 144 Mn in 1H23 as compared to USD 1.4 Bn in 1H22. Equate gross debt amounted to USD 4.35 Bn in 1H23 out of which USD 650 Mn and USD 1 Bn is due for refinancing in 2024 and 2025, respectively.1H23. Loans and advances grew 9.2% from USD 11.5 Bn in 2022 to USD 12.6 Bn. Cash and other liquid assets, including short-term placements and securities purchased under agreement to sell grew 71.2% to USD 23.1 Bn, representing a stable level of liquidity and accounting for 52.2% of total assets compared to 41.4% as of 2022.

6 - Saudi Government Sukuk 1.64% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Moody's Rating
USD 97.89	5.12%	1.64%	26-Jul-2024	A1

Country Overview:

Saudi Arabia is the largest and fastest-growing economy in the GCC region with a projected GDP of USD 1.07 Tn and a population of 32.8 Mn in 2023. According to the IMF, the country's economic growth is expected to decline significantly, dropping from 8.7% in 2022 to 0.8% in 2023 and further improve to 4.0% in 2024. The decline in growth is attributed to a low recovery in China, which led to global oil demand weakening in late 2022 and early 2023 resulting in voluntary cuts in oil production beyond OPEC+ agreements. However, the non-oil sector in Saudi Arabia remained robust since 2021, maintaining an average 4.8% growth in 2022.



Key Macro Factors – 2023	
Nominal GDP (Bn, USD)	1,069
Real GDP (%)	0.8
Budget balance as of GDP (%)	-0.3
Debt to GDP (%)	24.1
Inflation (%)	2.5

Saudi Government Sukuk 1.64% unsecured sukuk maturing in July 2024. The Sukuk is trading at USD 97.89 with a yield of 5.12% when held until maturity (redemption at par) with a modified duration of 0.61. The Government of Saudi Sukuk enjoys an investment-grade rating of 'A1' for long-term foreign currency IDR, by Moody's.

Despite an overall lower growth due to further reductions in oil production, the non-oil sector is expected to continue performing well, with growth remaining near 5% in 2023, driven by strong domestic demand, the implementation of effective macroeconomic policies, and strong reform momentum. The Saudi government aims to achieve Vision 2030 goals, with a focus on developing the non-oil sector through initiatives that encourage investment in economic diversification, reskilling Saudis, and increasing women's participation.

Saudi Arabia is expected to maintain a strong net asset position in both fiscal and external accounts due to the accumulation of funds from past surplus years and reinvestment returns. In 2023, the country is expected to record a budget deficit of SAR 82 Bn (USD 21.9 Bn), which is approximately 2.0% of its GDP. This deficit is a result of an 8.4% increase in spending to SAR 1.3 Tn, primarily driven by substantial investments in infrastructure spending. Additionally, revenues decreased 7% to SAR 1.2 Tn, mainly due to significant voluntary oil production cuts and lower average oil prices in 2023 compared to the previous year. Saudi Arabia is further expected to record a fiscal deficit of 1.9% of GDP in 2024, 1.6% of GDP in 2025, and 2.3% of GDP in 2026, based on the ongoing expansionary fiscal policies. The revised spending figures are expected to provide significant support for non-oil economic activities in the medium term. Saudi Arabia's gross government debt/GDP declined to 23.8% in 2022 and is expected to rise to 24.1% in 2023. In 2022, government deposits at the Saudi Central Bank, encompassing both the government's current account and fiscal reserve, rose to SAR 463 Bn, equivalent ot 11.1% of GDP. Saudi's low and sustainable gross government debt-

Bond Information	
ISIN	SA153G0IIQ33
Ticker	KSASUK
Coupon Type	FIXED
Market Issue	DOMESTIC
Payment Rank	Unsecured
Price	97.89
Amount Issued (USD, Mn)	9,100
Issue Date	26-Jul-20
Z-Spread	NA
Yield to Maturity	5.12
Modified Duration	0.61
Country of Incorp	SA
Fitch Rating	NA
Moody Rating	A1
S&P Rating	NA
Coupon	1.64
Coupon Frequency	Semi-Annually
Maturity	26-Jul-24
Maturity Type	AT MATURITY
Currency	SAR
52 Week High	97.89
52 Week Low	95.29

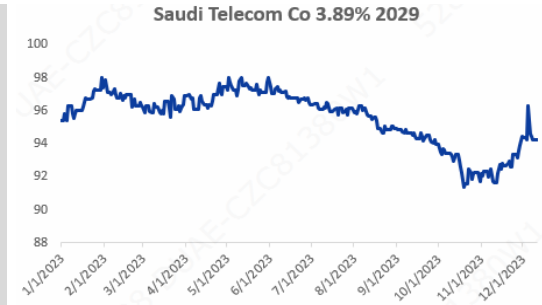
to-GDP ratio indicates a more favorable fiscal position and financial stability. Moody's affirmed Saudi Arabia's long-term issuer and senior unsecured sukuk rating in March 2023 to 'A1'. It also upgraded its outlook on the Government of KSA from stable to positive. Various reforms and investments in the non-oil sector reflect the change in outlook whereas Moody's expects the Country's fiscal reliance on hydrocarbons to reduce resulting in a decline in exposure to the oil price cycle. The government is investing in the economy supported by investments from the private sector which will further drive non-hydrocarbon growth in the kingdom. Moreover, the government's moderate debt burden with robust government financial assets supported by Saudi's position in the global oil market reflects the affirmation of the A1 rating. The ongoing diversification and structural reforms to reduce fiscal reliance on oil revenues positions making the country independent of oil price cycles can result in an upgraded rating. On the contrary, the inability to diversify into the non-oil sector and the escalation of geopolitical risks in the region could result in a downgrade in rating.

7 - Saudi Telecom Co 3.89% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Moody's Rating
USD 94.42	5.08%	3.89%	13-May-2029	A1

Background:

Saudi Telecom Company ("STC" or "The group") was incorporated on 21 April 1998 as a Saudi joint stock company. The group was fully owned by the government of KSA however, the government sold 30% of its share to the Council of Ministers in September 2002. The Public Investment Fund (PIF) owns the majority of the stake in the group amounting to 64%, post a secondary offering of 6% of the Company's shares took place during the year 2021. In addition, PIF is liable to appoint the majority of the STC's board members. The group commenced its operation as a telecommunication service provider in KSA, going forward it expanded its operations in various services including digital infrastructure, cloud computing, cybersecurity, IoT, artificial intelligence, digital payments, digital media, and digital entertainment. The group comprises 14 subsidiaries across KSA, the MENA region, and Europe. The group's total mobile subscribers reached 25.6 Mn as of 9M23.



Financial Ratios	
Net Debt (USD, Mn)	-3,305
Net Debt/EBITDA (x)	-0.10
Total Debt to Total Equity (%)	31.99
EBITDA to Interest Expense (x)	317.05
Cash Ratio (x)	0.62

Saudi Telecom Co 3.89% senior unsecured sukuk maturing in May 2029. The sukuk is trading at USD 94.42 with a yield of 5.08% when held until maturity (redemption at par) with a modified duration of 4.78. Moody's affirmed the rating of 'A1' for STC's long-term issuer default rating (IDR) and S&P upgraded the rating to 'A' for its long-term.

STC's total revenue grew by 9.1% YOY from SAR 50 Bn in 9M22 to SAR 55 Bn in 9M23. The growth is majorly contributed by a 9.56% YOY increase in residential segment revenues, followed by a 4.71% rise in revenues from the Commercial unit and a 3.78% increase in mobility segment revenues. In addition, total mobile subscribers grew by 9.1% from 23.46 Mn in 9M23 to 25.60 Mn in 9M23 also contributing to the growth in revenue. However, the cost of revenue also increased by 18.6% YOY to SAR 26 Bn in 9M23. Thus, gross profit grew marginally by 1.8% YOY to SAR 29 Bn in 9M23 with a decline in gross margin to 52.6% in 9M23 from 56.7% in 9M22. Operating expenses rose by 7.9% to SAR 18 Bn in 9M23 driven by the high increase in G&A expenses by 17.7% YOY to SAR 5 Bn in 9M23 from SAR 4 Bn in 9M22. The growth in G&A is attributed to the group's heavy investments in infrastructure and expected expenses in preparation for launching the new segments. Depreciation and amortization expenses grew 4.2% YOY to SAR 8 Bn in 9M23. Thus, operating profit declined 6.4% YOY to SAR 11 Bn in 1H23 with a decline in operating profit margin to 20.8% in 9M23 from 24.2% in 9M22. Finance income increased more than double from SAR 0.35 Bn in 9M22 to SAR 1.1 Bn in 9M23. However, finance costs also rose by 54.8% YOY to SAR 0.79 Bn in 9M23. Zakat expense increased 23.1% YOY to SAR 1 Bn in 9M23. The group's net profit grew by 17.1% YOY to SAR 11 Bn in 9M23 with improved net margins to 20.2% in 9M23 from 18.8% in 9M22. The growth in net profit is driven by a gain of SAR 1.2 Bn from the land sold in Khobar city. Moody's affirmed a rating of 'A1' for STC's long-term IDR and upgraded the outlook to positive from stable in March 2023, followed by an upgrade in the sovereign rating. Any upgrade and downgrade in STC's rating would be followed by an upgrade or

Bond Information	
ISIN	XS1992985694
Ticker	STCAB
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	94.42
Amount Issued (USD, Mn)	1,250
Issue Date	13-May-19
Z-Spread	124.55
Yield to Maturity	5.08
Modified Duration	4.78
Country of Incorp	SA
Fitch Rating	NA
Moody Rating	A1
S&P Rating	A
Coupon	3.89
Coupon Frequency	Semi-Annually
Maturity	13-May-29
Maturity Type	AT MATURITY
Currency	USD
52 Week High	98.29
52 Week Low	91.24

downgrade in PIFs or Saudi government ratings. With a strong ‘A’ profile rating, STC is currently positioned as the highest-rated telecom operator across the globe on a standalone basis. Upgrading the rating to the ‘Aa’ profile is lower as the group is focused on proving and expanding its operations only in KSA. Any expansion in new geographies and countries with lower sovereign ratings compared to KSA could result in the group diluting the benefit of its strong and leading position in the regional market. On the other hand, downgrading the rating could result from a material deterioration in the company's financial profile as a result of increased competition.

S&P upgrades STC’s long-term IDR to ‘A’ from ‘A-‘ with a stable outlook followed by an upgrade in KSA ratings in March 2023. Any further upgrade or downgrade of IDR would be aligned with an upgrade or downgrade in KSA rating. The other factors that could influence the downgrade in rating include, debt-funded growth, aggressive financial policy, weakened operating performance, rising competition, and deteriorating country risk that could affect STC’s operating environment.

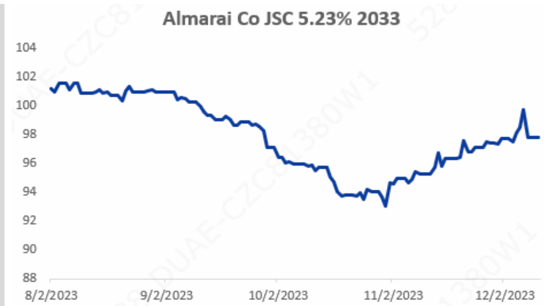
The group continues to maintain a strong capital position with a stable Debt to Equity ratio of 0.27x and debt-to-EBITDA ratio of 0.90x TTM as of 9M23. However, the group’s interest coverage ratio declined to 14.7x TTM as of 9M23 from 21.7x in 2022. STC sold its land in Khobar City for SAR 1.4 Bn on July 2023, with a gain of SAR 1,3 Bn. The sale will help the group to diversify its investments and strengthen its balance sheet. The group announced the completion of the sale and purchase agreement (SPA) with ‘Solutions’ to sale its 49% of its entire stake at Control Center Co. (CCC) with an enterprise value of SAR 450 Mn in March 2023.

8 - Almarai Co JSC 5.23% 2033

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Moody's Rating
USD 99.77	5.26%	5.23%	25-Jul-2033	Baa3

Background:

Almarai Co JSC ('Almarai' or 'The Group') was established in 1977 and was listed on the Tadawul market on 8 August 2005. Almarai is the world's largest vertically integrated dairy products company. The Group continues to maintain its market leader position in KSA, with a market share ranging from 55.0% in Bakery, 49.0% in dairy, 44.0% in Juice, 36.0% in Poultry, and 30.0% in food in 9M23. The Group also has a presence in Egypt, Jordan, and other GCC countries. It is engaged in the production and distribution of dairy products under the Almarai, Beyti, and Teeba brands. It also produces bakeries under the L'usine and 7 Days brands and poultry products under the Alyoum and AlBashayer brands. The Group's other activities include Arable, Horticulture, Infant Nutrition, Seafood products, and Food Services. Almarai's product portfolio consists of 622 products offered across seven brands.



Financial Ratios	
Net Debt (USD, Mn)	2,529
Net Debt/EBITDA (x)	2.00
Total Debt to Total Equity (%)	72.89
EBITDA to Interest Expense (x)	9.62
Cash Ratio (x)	0.30

Almarai Co JSC's 5.23% senior unsecured bond is maturing in July 2033. The bond is trading at USD 99.77 with a yield of 5.26% when held until maturity (redemption at par) with a modified duration of 7.33. Moody's affirmed a rating of 'Baa3' for Almarai's long-term issuer default rating (IDR) and S&P affirmed a rating of 'BBB-' for its long-term IDR and 'A-3' for its short-term IDR.

Almarai's revenue grew by 5.6% YOY from SAR 13.9 Bn in 9M22 to SAR 14.7 Bn in 9M23. The growth is driven by the poultry, dairy, and bakery segments partially offset by the devaluation of the Egyptian pound and a decline in alfalfa external sales due to weakened global demand. The poultry segment grew the most by 18.5% YOY followed by the bakery segment by 7.4% YOY and the dairy and juice segment by 4.8% YOY in 9M23. Cost grew at a moderate rate with a high increase in revenue, gross profit rose by 8.5% YOY from SAR 4.3 Bn in 9M22 to SAR 4.7 Bn in 9M23. Operating expenses marginally declined by 1.1% from SAR 2.5 Bn in 9M22 to SAR 2.4 Bn in 9M23, attributed to stabilized commodity cost and higher inventory coverage. Thus, operating profit rose by 22.2% from SAR 1.8 Bn in 9M22 to SAR 2.2 Bn in 9M23. While strong overhead cost control continued to improve the operating margin to 14.8% in 9M23 from 12.8% in 9M22. Finance cost increased by 29.7% YOY from SAR 0.30 Bn in 9M22 to SAR 0.39 Bn in 9M23 due to a higher SAIBOR rate partially offset by the existing fixed debt portfolio. The zakat almost doubled in 9M23 compared to 9M22 due to off-gain zakat settlement in FY2022. While income tax also grew at a significant rate of 79.0% YOY in 9M23. The Group acquired 48.0% of the remaining stake in IDJ in 1H23 increasing the Group shareholding in IDJ to 100%, resulting in a net profit growth of 19.5% from SAR 1.4 Bn in 9M22 to SAR 1.7 Bn in 9M23. Working capital increased with a significant rate of 36.9% from SAR 3.9 Bn in 9M22 to SAR 5.3 Bn in 9M23 due to an increase in inventory purchase. Further, the Group invested SAR 1.7 Bn in capital expenditure in 9M23 aligned with its capital expansion plan resulting in a decrease in Free cash flow to SAR 1.1 Bn in 9M23 from SAR 1.8 Bn in 9M22.

Bond Information	
ISIN	XS2641777235
Ticker	ALMARA
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	99.77
Amount Issued (USD, Mn)	750
Issue Date	25-Jul-23
Z-Spread	147.31
Yield to Maturity	5.26
Modified Duration	7.33
Country of Incorp	SA
Fitch Rating	NA
Moody Rating	Baa3
S&P Rating	BBB-
Coupon	5.23
Coupon Frequency	Semi-Annually
Maturity	25-Jul-33
Maturity Type	AT MATURITY
Currency	USD
52 Week High	102.00
52 Week Low	93.08

Moody's affirmed a rating of 'Baa3' for Almarai's long-term IDR with a stable outlook on February 2023. The rating was driven by the Group's track record of reducing leverage while increasing portfolio diversification and geographical presence. The rating agency also expects that the Group will continue to grow while managing its credit and liquidity profiles. The rating could be upgraded with Almarai's stable margins close to the mid-teens level. With financial leverage below 2.5x and Moody's adjusted retained cash flow (RCF)/net debt above 30% while maintaining strong margins and credit quality, robust liquidity, and free cash flow can further lead to an upgrade in Almarai's long-term IDR. However, if financial leverage increases more than 3.5x and Moody's adjusted retained cash flow (RCF)/net debt declines below 20.0% can lead to a downgrade in Almarai's long-term IDR. A deterioration in its profitability or liquidity, increased payouts to shareholders and large debt-funded acquisitions could also lead to a downgrade.

S&P affirmed a rating of 'BBB-' for Almarai's long-term IDR and 'A-3' for Almarai's short-term IDR with a stable outlook in March 2023. The rating agency expects to upgrade the Group's IDR in the next 12-24 months if Almarai increases its EBITDA and FCF coupled with high earnings growth in the Group's largest segment and expansion into new geographic markets. However, an increase in cost can result in a decline in the Group's EBITDA margins which would further impact FCF, and an increase in debt can lead to a downgrade in Almarai's long-term IDR. This could be driven by a loss of market share in key categories like dairy due to competitors' aggressive pricing, as well as an inability to control operating costs.

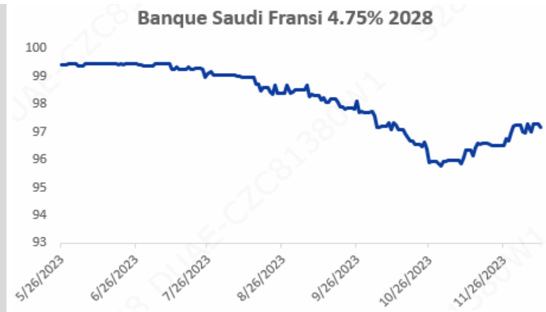
The Group's net debt-to-equity ratio increased to 56.7% in 9M23 from 53.3% in 2022. Net debt to EBITDA also grew to 56.7% in 9M23 from 53.3% in 2022. The Group issued its International Sukuk amounting to SAR 2.8 Bn on July 2023 leading to an increase in debt. The Group continues to maintain its interest coverage ratio at 5.2x TTM in 9M23 from 5.3x in 2022. The Group announced an investment plan of SAR 405 Mn to expand fresh bakery capacity and enter into a new frozen segment in KSA and other markets. The investment plan will be funded by Almarai's cash flow generation for an expected period of two years.

9 - Banque Saudi Fransi 4.75% 2028

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 97.25	5.45%	4.75%	31-May-2028	A-

Background:

Banque Saudi Fransi ("BSF" or "The Bank") was established in June 1977 as a public joint stock company. The bank is engaged in personal banking, retail banking, treasury and investment banking (Private banking), and Islamic banking. It provides a range of conventional and Islamic banking products and services to retail and corporate clients in KSA, in addition to investment advisory services, asset management, global investment solutions, and Securities Brokerages. The bank operates one head office and three regional offices in KSA, the bank's network includes 84 full-fledged branches, 563 total ATM networks including cash acceptance machines, and 45,031 POS. The bank operates in four segments including Retail Banking, Corporate Banking, Treasury and Investment Banking, and Brokerage.



Financial Ratios	
Loan to Deposit (%)	104.07
Liquidity Coverage (%)	196.00
Net Stable Funding Ratio (%)	122.00
Capital Adequacy Ratio (%)	19.92
Non-Performing Loan (%)	2.54

Banque Saudi Fransi's 4.75% senior unsecured sukuk is maturing in May 2028. The sukuk is trading at USD 97.25 with a yield of 5.45% when held until maturity (redemption at par) with a modified duration of 3.96. The bond received an investment-grade rating of 'A-' for long-term IDR, and 'F2' for short-term IDR from Fitch. Moody affirmed a rating of 'A2' for long-term IDR and 'P-1' for short-term IDR. S&P affirmed a rating of 'A-' for long-term IDR and 'A-2' for short-term IDR.

BSF's net interest income grew by 28.4% YOY from SAR 4.7 Bn in 9M22 to SAR 6.0 Bn in 9M23, driven by a high increase in special commission income partially offset by more than doubled special commission expenses. Net interest margin (NIM) expanded by 64 bps YOY from 2.99% in 9M22 to 3.63% in 9M23 due to improved loan yield partially offset by the higher funding cost and hedging impact. Net fee and commission income grew by 4.2% YOY from SAR 650 Mn in 9M22 to SAR 677 Mn in 9M23, driven by higher trade finance and other fee income partially offset by lower brokerage income. Trading income witnessed a strong growth of 19.0% YOY from SAR 127 Mn in 9M22 to SAR 152 Mn in 9M23. Increased activity in the Treasury markets advisory business drove the growth in trading income. Non-interest income also grew by 3.5% YOY from SAR 1.1 Bn in 9M22 to SAR 1.2 Bn in 9M23. Thus, total operating income grew by 23.5% YOY from SAR 5.8 Bn in 9M22 to SAR 7.1 Bn in 9M23. On the other hand, total operating expenses grew by 12.7% YOY from SAR 1.9 Bn in 9M22 to SAR 2.2 Bn in 9M23, the growth was driven by a rise in employee cost and access accrual reversal in 1Q22. High growth in operating income while a modest increased cost, resulted in an improvement in the cost-to-income ratio which declined by 293 bps to 30.5% in 9M23 from 33.4% in 9M22. Impairment charges grew by 33.7% surging from SAR 0.9 Bn in 9M22 to SAR 1.1 Bn in 9M23 driven by higher commercial impairments partially offset by consumer and investment, and off-balance reversals. The bank continues to benefit from significant growth in diversified income streams, with net income growing by 27.0% YOY surging from SAR 2.7 Bn in 9M22 to SAR 3.4 Bn in 9M23. The Bank maintains a robust balance

Bond Information	
ISIN	XS2623560781
Ticker	BSFR
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	97.25
Amount Issued (USD, Mn)	900
Issue Date	31-May-23
Z-Spread	154.37
Yield to Maturity	5.45
Modified Duration	3.96
Country of Incorp	SA
Fitch Rating	A-
Moody Rating	NA
S&P Rating	A-
Coupon	4.75
Coupon Frequency	Semi-Annually
Maturity	31-May-28
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.52
52 Week Low	95.17

sheet with a 7.9% increase in total assets from SAR 232 Bn in 9M23 to SAR 250 Bn in 9M23. Total loans and advances grew by 10.2% from SAR 158 Bn in 9M22 to SAR 175 Bn in 9M23 of which commercial loans grew by 11.0% and customer loans grew by 7.0%. The growth in customer loans contributed primarily by an 11.0% increase in personal loans followed by a 10.0% increase in Auto loans and a 3.0% growth in mortgages. Customer deposits rose 5.4% YOY from SAR 158 Bn in 9M22 to SAR 166 Bn in 9M23. The growth by majorly driven by a 20.0% YOY increase in IBD, contributed by a 50% growth in Corporate partially offset by a 28% decline in Private Banking.

S&P upgraded BSF's long-term IDR rating to 'A-' from 'BBB' and its short-term IDR rating to 'A-2' with a stable outlook on March 2023. The upgrade in rating reflects the bank's strong capitalization and balanced below-average asset quality indicators. S&P believes that any further upgrade in BSF's rating would either be followed by an upgrade in KSA's rating or an improvement in the bank's asset quality while maintaining strong capitalization. Likewise, the downgrade in the bank's rating will also follow the downgrade in KSA's rating in addition S&P expects to downgrade the bank's rating in the next 24 months if the bank's capitalization weakens and if S&P's RAC ratio declines below 10.0%.

Fitch affirmed a rating of 'A-' for BSF's long-term issuer default rating (IDR) with a stable outlook and a rating of 'bbb' for BSF's Viability Rating (VR). The bank's long-term IDRs are driven by potential support from the Saudi Arabian authorities indicated in its government support rating. Thus, downgrading and upgrading BSF's IDR are subject its changes in its GSR rating while the bank's national rating is subject to changes in its long-term local currency IDR and the bank's creditworthiness related to other Saudi Arabian issuers.

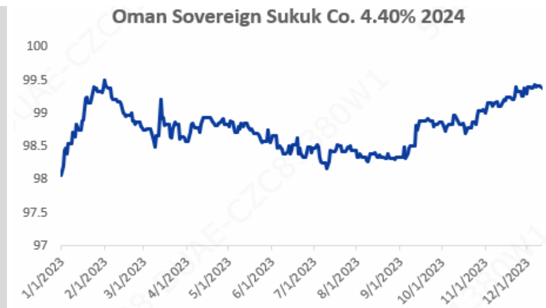
The bank continues to maintain strong liquidity with a liquidity coverage ratio of 171% and a stable funding ratio of 116% as of 9M23. The SAMA regulatory loan-to-deposit ratio reached 84.0% with a headline loan-to-deposit ratio of 105.0% as of 9M23. Non-performing loans reported a decline of 15.0% YOY due to a write-off in the commercial bank despite a 10.0% growth in gross loans. Thus, the bank's non-performing loan ratio (NPL Ratio) improved by 57 bps to 1.97% in 9M23. Non-performing loan coverage grew to 139.5% as of 9M23 from 119.9% in 4Q22, due to increased coverage on isolated exposures that migrated to NPL in the Commercial book during 2022. The bank's total capital declined by 1.0% to SAR 42.1 Bn in 9M23, the decline was driven by dividend payments and changes in fair value through other comprehensive income (FVOCI) and other reserves, which was more than offset the income generated during 9M23. Thus, the total capital adequacy ratio decreased by 71 bps from 19.92% in 2022 to 19.21% in 9M23 amid higher credit risk-weighted assets.

10 - Oman Sovereign Sukuk Co. 4.40% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.53	5.43%	4.40%	1-Jun-2024	BB+

Country Overview:

Oman's location at the crossroads of the Arabian Peninsula, East Africa, and South Asia and in proximity to larger regional markets is an attractive feature for potential foreign investors. In February 2023, the Export-Import Bank of the United States (EXIM) and the Omani government signed a memorandum of understanding to use USD 500 Mn in EXIM financing to establish projects in wireless communication equipment; 5G network, biotechnology, renewable energy, agriculture, water and wastewater treatment, mining and manufacturing sectors, among others. According to the IMF, Oman's economic growth is expected to slowdown from 4.3% in 2022 to 1.2% in 2023. The slower growth in real GDP is mainly attributable to the OPEC+ production cut announcements, followed by global oil demand weakening in late 2022 and early 2023.



Key Macro Factors - 2023	
Nominal GDP (Bn, USD)	108
Real GDP (%)	1.2
Budget balance as of GDP (%)	-3.1
Debt to GDP (%)	38.2
Inflation (%)	1.1

Oman Sovereign Sukuk Co. 4.40% senior unsecured sukuk is maturing in June 2024. The Sukuk is trading at USD 99.53 with a yield of 5.43% when held until maturity (redemption at par) with a modified duration of 0.46. The Government of Oman enjoys an investment grade rating of 'BB+' for long-term IDR and "F1" for short-term IDR by Fitch with a stable outlook. It also enjoys a sovereign rating of 'Ba2' for long-term IDR by Moody's with a stable outlook.

Oman is expected to experience an increase in real GDP growth to 2.7% in 2024 as OPEC+ plans to extend the production cut to the end of 2024 to provide stability to oil prices, supported by recovering agricultural and construction activities and a robust services sector. However, according to the National Centre for Statistics and Information (NCSI), the nominal GDP declined by 2.4% in 1H23 as compared to 1H22. Oman witnessed an increase in the non-hydrocarbon sector by 0.3%, supported by recovering agricultural and construction activities and a robust services sector. Despite the increase in the non-hydrocarbon sector, the contraction was mainly driven by a decrease in the output of the hydrocarbon sector by 7.8% in 1H23 The Omani oil average price at the end of August 2023 was at USD 79.8 per barrel, lower by 16.3% than that in August 2022. Oman's structural reform agenda under Vision 2040 is progressing, with numerous reforms under the implementation stage to foster the country's inclusive growth, enhance job creation, and bolster resilience.

Oman's prudent fiscal management and high oil prices helped turn fiscal and current account balances into surpluses in FY2022. However, fiscal and current account balances are projected to remain in surplus over the medium term albeit trending down along with oil prices. Nevertheless, the outlook is subject to high uncertainty, including oil price volatility, global economic and financial developments, and potential indirect spillovers from the ongoing conflict in Gaza. In addition, the gross government debt-to-GDP ratio declined to 40.0% in 2022 and is further projected to decline to 38.2% and

Bond Information	
ISIN	XS1620176831
Ticker	OMANGS
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	99.53
Amount Issued (USD, Mn)	2,000
Issue Date	1-Jun-17
Z-Spread	1.74
Yield to Maturity	5.43
Modified Duration	0.46
Country of Incorp	OM
Fitch Rating	BB+
Moody Rating	Ba1
S&P Rating	NA
Coupon	4.40
Coupon Frequency	Semi-Annually
Maturity	1-Jun-24
Maturity Type	AT MATURITY
Currency	USD
52 Week High	136.51
52 Week Low	96.75

34.0% in 2023 and 2024, which signifies that the Oman Government is effectively managing its debt and the Government continues to repay maturing external debt in the medium term. Oman's low and sustainable gross Government debt-to-GDP ratio indicates a more favorable fiscal position and financial stability. The fiscal and external current accounts are projected to remain surplus in the medium term highly attributable to higher oil prices. Oman continues to pre-pay its debt, using budget surplus from high oil prices. According to the Fitch ratings, Oman's debt is projected to decrease by 8% nominal value in FY2023. However, the Petroleum Reserve Fund has not been used for these repayments and was over USD 2.5 Bn in August 2023. Oman's debt management has smoothed its debt profile, reducing the risk of liquidity pressures. The Government held OMR 7.2 Bn of total assets of Islamic Banks and Windows at the end of August 2023. However, the total deposits held with Islamic banks and windows increased by 13% to OMR 5.4 Bn in 2023.

Fitch upgraded Oman's long-term foreign currency IDR in September 2023 to 'BB+' from 'B' with a stable outlook. The upgrade reflects the use of high oil revenues to pay down debt and spread its maturity, spending restraint reducing external risks, and an increase in Fitch's oil price forecast. Fitch expects Oman will uphold recent fiscal consolidation measures while the Country's effort to reduce the fiscal breakeven price below USD 70 per reduced risks from volatile oil prices supports the rating. The rating could be downgraded if there is an increase in debt/GDP or a weakening in Oman's external balance sheet. On the other hand, the continued decline in debt/GDP and strengthening of the government's balance sheet can result in an upgraded rating.

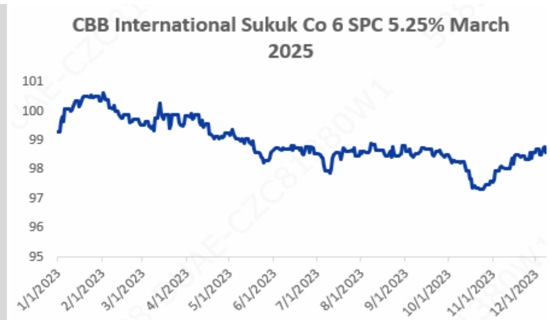
Moody's upgraded Oman's long-term IDR to 'Ba2' from 'Ba3' with a positive outlook in May 2023. The upgrade reflects the improvements in Oman's debt burden and debt affordability metrics during 2022, mainly as a result of the large oil and gas revenue windfall, which increases the sovereign's resilience to potential future shocks. The positive outlook captures the prospect that the improvements in the government's debt metrics will be sustained over the next few years, despite lower oil prices, through the maintenance of spending discipline and further implementation of fiscal and structural reforms. On the other hand, Moody's significant and durable reversal of the improvements in the sovereign's fiscal strength metrics achieved in 2022 would exert negative pressure on the rating. Oman's exposure to potential future declines in oil demand and prices, increasing the likelihood that government and broader public sector debt rises again significantly if oil prices decline in the medium term. Slower progress in fiscal reforms and diversification could trigger negative rating migration, especially if the global carbon transition accelerates.

11 - CBB International Sukuk Co 6 SPC 5.25% March 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 98.69	6.33%	5.25%	20-Mar-2025	B+

Country Overview:

Bahrain's continuous fiscal reform and high oil prices improved the country's external balance. Bahrain's real GDP grew 4.9% in 2022 driven by a strong growth of 6.2% in non-hydrocarbon GDP partially offset by a contraction of hydrocarbon GDP by 1.4%. Growth in the non-hydrocarbon sector is driven by manufacturing, hospitality services, public, and financial sector. Whereas the average inflation rose from negative 0.6% in 2021 to 3.6% in 2022. IMF expects Bahrain's real GDP to grow 2.7% in 2023 with a 3.3% growth in non-oil GDP and real GDP growth of 3.6% in 2024, driven by fiscal consolidation.



Key Macro Factors – 2023	
Nominal GDP (Bn, USD)	45
Real GDP (%)	2.7
Budget balance as of GDP (%)	-5.0
Debt to GDP (%)	121.2
Inflation (%)	1.0

CBB International Sukuk Co 6 SPC 5.25% sukuk maturing in March 2024 is trading at USD 98.69 with a yield of 6.33% when held until maturity (redemption at par) with a modified duration of 1.20. The government of Bahrain enjoys an investment-grade rating from Fitch and S&P. In July 2023 Fitch affirmed Bahrain's long-term foreign currency IDR of 'B+' with a stable outlook. In May 2023S&P reaffirmed a rating of 'B+' for long-term IDR with a positive outlook.

Strong economic recovery and higher oil prices supported a decline in the state budget deficit from 6.4% of GDP in 2021 to 1.2% in 2022 whereas overall fiscal deficit fell from 11% in 2021 to 6.1% in 2022. Furthermore, Bahrain's government debt reduced from 127.1% of GDP in 2021 to 117.6% in 2022. In addition, the current account recorded a strong surplus of 15.4% of GDP in 2022, up from 6.6% in 2021. However, oil price volatility, global uncertainty and a slowdown in global growth might affect Bahrain's economic outlook.

Fitch rating affirmed Bahrain's long-term foreign currency IDR 'B+' with a stable outlook in July 2023 due to support from partners in GCC along with a high GDP per capita and higher ranking in human development indicators. However, the Country's weak public finances, low FX reserves and high dependence on oil revenue weigh on the rating. A weakening of public debt dynamics and a decline in support from the GCC region which will affect the country's balance of payments and currency peg could lead to a downgrade in rating. On the contrary, the decline in the government debt/GDP in the medium-term and structural improvement of public finances with lower socio-political constraints on fiscal policy which can boost the non-oil revenue can contribute to the upgraded rating.

S&P affirmed its rating of 'B+' for Bahrain's long-term and short-term local and foreign currency sovereign credit rating with a positive outlook in May 2023. The rating is supported by Bahrain's continued financial sector stability and strong fiscal and debt

Bond Information	
ISIN	XS1675855073
Ticker	BHRAIN
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	98.69
Amount Issued (USD, Mn)	850
Issue Date	20-Sep-17
Z-Spread	146.99
Yield to Maturity	6.33
Modified Duration	1.20
Country of Incorp	BH
Fitch Rating	B+
Moody Rating	NA
S&P Rating	B+
Coupon	5.25
Coupon Frequency	Semi-Annually
Maturity	20-Mar-25
Maturity Type	AT MATURITY
Currency	USD
52 Week High	113.44
52 Week Low	97.16

positions in 2022 driven by higher oil prices coupled with budget consolidation measures. S&P expects Bahrain's government to continue fiscal reforms for reducing budget deficit and boost non-oil revenue. An improvement in rating could be considered if the rising current account surplus results in the strengthening of the Country's external position, reduction in net debt/GDP, and development in per capita economic growth. The rating would be downgraded in the event of rising net debt and debt-servicing burden of the government and a decline in FX reserves which limits the government's capability to service external debt.