GCC Fixed Income

Top Picks Bonds | 2024

Research Department:
Ahmad Bani Hani
+971 2 6161629
ahmad.banihani@Bankfab.com

Sales & Execution:
Trading Desk
+971 2 6161700/1
+971 2 6161777
Institutional Desk
+971 6161628
Sales and Marketing
+971 2 6161641

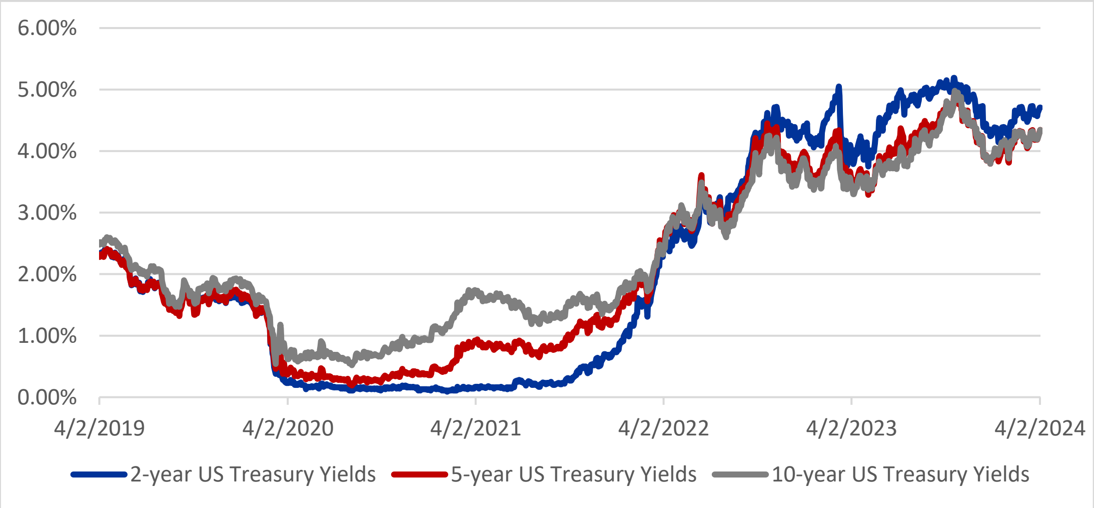
Customer Services:
+971 2 6161600

Fixed Income Market Outlook:

Remain Positive on Short-term Bonds

At the end of last year's policy meeting in December 2023, the Fed left the interest rates unchanged for the third time in a row and signaled it would cut interest rates three times in 2024. The yield on the 10-year treasury yield started the year at 3.88% but quickly moved to as high as 4.34% in February 2024 before falling to 4.20% in March 2024. Since the beginning of the year, the 10-year treasury ranged between 3.90% and 4.35%, while it peaked at 5% in October 2023. The volatility in yield is mainly due to the release of economic data which is sending investors mixed signals. The factors that drove the bond yields are the Central Bank's response to inflation, strength in the US economy, and the rise in the supply of US treasury securities that are coming into the market. The economic growth remains solid which indicates interest rates to remain high however a slowdown in inflation signaling a decline in elevated interest rates. The bond market in 2024 continues to exhibit topsy-turvy dynamics with yields on short-term bonds continuing to hover above that on long-term bonds. It happened after the Fed began raising interest rates in March 2022 and continued until July 2023, raising the interest rates by 525 bps over this period. Since December 2023, the Fed reiterated its stance to cut interest rates in the later part of 2024, which it reiterated in its March-24 policy meeting. The intended change in the Fed policy rate is expected to resonate across the bond market and short-term rates are expected to decline leading to a fall in short-term yield. 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. Recently the foreign holding of treasury security reached an all-time peak of USD 8.06 Tn in December 2023. The three largest holders of treasury securities Japan, China and the UK led the purchases. The rebound in demand from the largest international holders also led to a softening in the yield. The short-term US Treasury yields have been hovering near their highest levels since 2007, and investors remain optimistic about short-term bonds compared to long-term bonds.

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	MDGH GMTN RSC LTD	99.781	850	7.30	0.05	AA	Aa2	AA	3	4/19/2024	USD
2	ABU DHABI NATIONAL ENERGY	99.796	750	5.89	0.10	AA-	Aa3	NR	3.875	5/6/2024	USD
3	ABU DHABI GOVT INT'L	98.355	3,000	5.52	0.48	AA	Aa2u	AA	2.125	9/30/2024	USD
4	SAUDI ARABIAN OIL CO	99.783	2,000	7.99	0.04	A+	A1	N/A	2.875	4/16/2024	USD
5	SAUDI INTERNATIONAL BOND	98.645	4,500	5.35	0.99	A+	A1	A+	4	4/17/2025	USD
6	ABU DHABI NATIONAL ENERGY	98.9215	750	5.43	1.00	AA-	Aa3	N/A	4.375	4/23/2025	USD
7	SAUDI INTERNATIONAL BOND	96.702	2,500	5.13	1.48	A+	A1	N/A	2.9	10/22/2025	USD
8	ABU DHABI GOVT INT'L	97.274	3,000	5.22	1.00	AA	Aa2u	AA	2.5	4/16/2025	USD

Source: Bloomberg

Figure 3: Top Bond Picks for Medium-term

SNo	Issuer Name	Price	Amount Issued	Yield to Maturity	Modified Duration	Fitch Rating	Moody Rating	S&P Rating	Coupon	Maturity	Currency
1	EMIRATES NBD BANK PJSC	93.493	750	5.52	1.71	A+	A2	N/A	1.638	1/13/2026	USD
2	EMIRATES DEVELOPMENT BANK	92.4	750	5.34	2.11	AA-	N/A	N/A	1.639	6/15/2026	USD
3	BANQUE SAUDI FRANSI	98.637	900	5.12	3.67	A-	N/A	A-	4.75	5/31/2028	USD
4	Abu Dhabi Commercial Bank PJSC	101.7005	650	5.09	4.12	A+	N/A	A	5.5	1/12/2029	USD
5	ABU DHABI NATIONAL ENERGY	98.4245	1,000	5.13	2.07	AA-	Aa3	NR	4.375	6/22/2026	USD
6	Emirates NBD Bank PJSC	103.2675	750	5.06	3.85	A+	A2	N/A	5.875	10/11/2028	USD
7	SAUDI INTERNATIONAL BOND	95.941	5,500	4.95	2.39	A+	A1	N/A	3.25	10/26/2026	USD
8	SAUDI TELECOM CO	95.2645	1,250	4.95	4.49	N/A	A1	A	3.89	5/13/2029	USD
9	SAUDI ARABIAN OIL CO	93.489	3,000	4.98	4.46	A+	A1	N/A	3.5	4/16/2029	USD
10	MDGH GMTN RSC LTD	94.613	650	4.97	4.44	AA	Aa2	AA	3.75	4/19/2029	USD
11	MDGH GMTN RSC LTD	98.518	800	4.86	4.03	AA	Aa2	AA	4.5	11/7/2028	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	FIN DEPT GOVT SHARJAH	100.576	875	6.06	8.36	N/A	Ba1	BBB-	6.125	3/6/2036	USD
2	DP WORLD LTD UAE	95.087	1,300	6.01	12.90	BBB+	Baa2	N/A	5.625	9/25/2048	USD
3	SAUDI INTERNATIONAL BOND	98.579	4,750	5.85	13.91	A+	A1	N/A	5.75	1/16/2054	USD
4	SAUDI ARABIAN OIL CO	82.748	3,000	5.67	13.71	A+	A1	N/A	4.375	4/16/2049	USD
5	SAUDI ARABIAN OIL CO	87.4495	3,000	5.49	10.43	A+	A1	N/A	4.25	4/16/2039	USD
6	MDGH GMTN RSC LTD	116.4255	750	5.41	10.46	AA	Aa2	AA	6.875	11/1/2041	USD
7	ABU DHABI GOVT INT'L	84.2315	3,000	5.31	13.77	AA	N/A	AA	4.125	10/11/2047	USD
8	ABU DHABI NATIONAL ENERGY	113.037	1,500	5.08	8.60	AA-	Aa3	NR	6.5	10/27/2036	USD
9	SAUDI INTERNATIONAL BOND	99.466	4,000	5.07	7.58	A+	A1	N/A	5	1/16/2034	USD
10	ABU DHABI NATIONAL ENERGY	97.912	1,000	4.98	7.13	AA-	Aa3	N/A	4.696	4/24/2033	USD

Source: Bloomberg

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	97.959	500	5.16	7.16	N/A	Baa1	N/A	4.875	5/24/2033	USD
2	SAUDI ELECTRICITY SUKUK	98.7285	1,500	5.77	13.67	A	A1	N/A	5.684	4/11/2053	USD
3	ALDAR SUKUK LTD	98.9435	500	5.50	1.42	N/A	Baa1	N/A	4.75	9/29/2025	USD
4	SHARJAH SUKUK PROGRAM	104.013	900	5.56	7.45	N/A	Ba1	BBB-	6.092	3/19/2034	USD
5	EI SUKUK CO LTD	94.868	500	5.49	1.42	A+	N/A	N/A	1.827	9/23/2025	USD
6	DAE SUKUK DIFC LTD	96.8335	750	5.55	1.77	BBB-	Baa3	N/A	3.75	2/15/2026	USD
7	EMG SUKUK LTD	99.7665	750	5.60	0.21	N/A	Baa1	BBB	4.564	6/18/2024	USD
8	EMAAR SUKUK LTD	96.0635	750	5.37	2.30	N/A	Baa2	BBB	3.635	9/15/2026	USD
9	SIB SUKUK CO III LTD	96.621	500	5.74	1.17	N/A	N/A	A-	2.85	6/23/2025	USD
10	SNB SUKUK LTD	99.9665	850	5.14	4.27	A-	N/A	A-	5.129	2/27/2029	USD
11	DIB SUKUK LTD	97.773	750	5.56	0.85	A	A3	N/A	2.95	2/20/2025	USD

Source: Bloomberg

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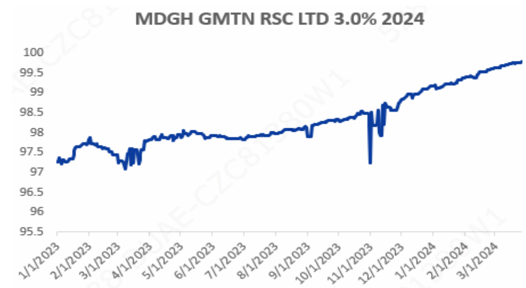
Short Term Bonds:

1 – MDGH GMTN RSC LTD 3.0% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.78	7.30%	3.0%	19-April-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, 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

MDGH GMTN RSC Ltd 3.00% senior unsecured bond maturing in April 2024. The Bond is trading at USD 99.78 with a yield of 7.30% when held until maturity (redemption at par) with a modified duration of 0.05. 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, which was partially offset by higher revenue from aircraft maintenance and repairs. 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

Bond Information	
ISIN	XS1596070547
Ticker	MUBAUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	99.781
Amount Issued (USD)	850,000,000
Issue Date	4/19/2017
Z-Spread	176.44
Yield to Maturity	7.30
Modified Duration	0.05
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2
S&P Rating	AA
Coupon	3
Coupon Frequency	2
Maturity	4/19/2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.785
52 Week Low	97.239

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.

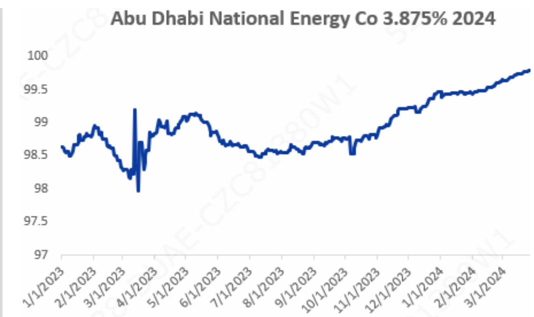
The group continues to maintain equity capital of AED 328 Bn in 1H23, with a gearing ratio of 22.8% in 1H23 from 20.9% in 2022. Net Debt to EBITDA ratio declined to 4.80x in 1H23 TTM from 13.02x in 2022, driven by lower EBITDA in 2022 compared to 1H23. Total liquidity reached c. AED 69 Bn in 1H23 which 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 National Energy Co 3.875% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.80	5.89%	3.875%	6-May-2024	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 194.0 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, 40.68 GW power generation capacity, 1,250 MIGD water desalination capacity, and 108 mboe/d oil production capacity. TAQA completed a landmark transaction with ADNOC and Mubadala and became a shareholder of Masdar to own a 43% stake. Masdar is a renewable energy company generating energy from renewable and green hydrogen.



Financial Ratios	
Net Debt (AED, Mn)	47,151
Net Debt/EBITDA (x)	2.4x
Total Debt to Total Equity (%)	68.9%
EBITDA to Interest Expense (x)	6.9x
Cash Ratio (x)	0.46x

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 99.80 with a yield of 5.89% when held until maturity (redemption at par) with a modified duration of 0.10. 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 3.3% to AED 51.7 Bn in 2023 primarily due to higher pass-through of bulk supply tariffs and improved regulatory terms with the new Regulatory Framework in the Transmission and Distribution business partially offset by a fall in oil & gas revenue. Revenue from the Generation segment declined from AED 13.8 Bn in 2022 to AED 12.7 Bn in 2023. This was due to the end of one of its tolling agreements in the USA which contributed AED 833 Mn of revenues whereas the Oil and Gas business revenue fell to AED 8.1 Bn in 2023 from AED 10.1 Bn in 2022 due to a decline in production and selling prices. The decline in total revenue is partially offset by higher revenue contribution from the Transmission and Distribution business which rose from AED 26.1 Bn in 2022 to AED 31.0 Bn in 2023, mainly due to pass-through bulk supply tariffs and improved terms associated with the Regulatory Control 2 framework. Gross profit declined 4.2% YOY to AED 12.5 Bn in 2023 driven by higher operating expenses partially offset by a decline in D&A and impairment charges. Adjusted EBITDA declined 5.5% to AED 19.6 Bn in 2023. This was due to a decline in contribution from the Oil and gas segment owing to lower realized O&G prices and lower production. TAQA’s net income more than doubled from AED 8.0 Bn in 2022 to AED 16.7 Bn in 2023, mainly driven by a rise in other income and gain on investment. The Group generated AED 20.1 Bn in free cash flow during 2023 compared to AED 21.9 Bn in 2022. The Company’s gross debt stood AED 61.2 Bn in 2023 marginally lower compared to the previous year at AED 61.6 Bn in 2022. Taqa announced higher targets for 2030 by increasing the gas power capacity to 150 GW by 2030 out of which 100 GW will be in the form of renewable capacity through Masdar. The Company plans to spend AED 75 Bn in capex by 2030 to

Bond Information	
ISIN	XS1017435352
Ticker	TAQAUH
Coupon Type	FIXED
Market Issue	GLOBAL
Payment Rank	Sr Unsecured
Price	99.796
Amount Issued (USD)	750,000,000
Issue Date	5/6/2014
Z-Spread	43.51
Yield to Maturity	5.89
Modified Duration	0.10
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	Aa3
S&P Rating	NR
Coupon	3.875
Coupon Frequency	2
Maturity	5/6/2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.796
52 Week Low	98.38

achieve its expansion goals. Out of the total capex, AED 40 Bn will be spent on UAE based transmission and distribution network and the remaining will be spent on the generation business. The Company also expanded its desalination capacity and entered into the UAE operations and maintenance segment within the Generation business.

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 downgraded 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.

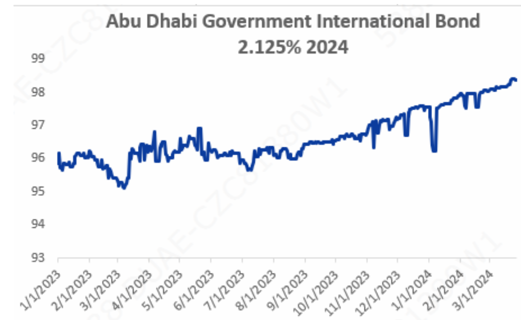
Taqa capital structure comprises 35% of debt as of 2023 compared to 40% in 2022 and remains dependent upon corporate bonds and RCF for external sources of funding. The Company enters into interest rate swaps to hedge its interest rates and c. 99% of bears fixed interest rate while the Group’s average cost of debt stood at 4.6% in 2023. Total available liquidity stood at AED 27.5 Bn in 2023 which comprises AED 13.9 Bn in cash and cash equivalents and AED 13.6 Bn of available credit facilities. Liquidity level represented 14.2% of the total assets as of 2023. The Company’s strong income contracted assets make the cashflows highly predictable. With capacity additions, strategic partnerships, M&A, and new regulatory control mechanisms (RC2), the Company plans to capitalize on and deliver value to its stakeholders.

3 – Abu Dhabi Government International Bond 2.125% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 98.36	5.52%	2.125%	30-Sep-2024	AA

Background:

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 2024, as its central location and competitive advantages continue to attract investors. IMF expects the UAE's economic growth at 4.0% in 2024 and 4.2% in 2025. 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 4.7% in 2024.



Key Macro Factors - 2024	
Nominal GDP (USD, Bn)	537
Real GDP (%)	4.0
Budget balance as of GDP (%)	4.4
Debt to GDP (%)	28.7
Inflation (%)	2.3

Abu Dhabi Government International Bond 2.125% senior unsecured bond maturing in September 2024. The bond trades at USD 98.36 with a yield of 5.52% when held until maturity (redemption at par) with a modified duration of 0.48. 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.

The positive momentum in the Abu Dhabi economy is primarily driven by the strong performance of the non-oil sectors, especially in tourism, construction, and real estate-related developments despite reductions and fluctuations in the oil and gas market. According to the Statistical Centre of Abu Dhabi, the GDP grew 1% YOY in 3Q23, mainly driven by the robust performance of non-oil economic activities. Similarly, Abu Dhabi's real GDP rose 2.8% YOY in 9M23 while non-oil activity registered a strong growth of 8.6% YOY. The non-oil activity contributed 52.8% to the overall economy. Abu Dhabi is the capital of a major oil exporter with an industrial hub in the UAE. Abu Dhabi's manufacturing activity contributed 9% to the UAE's GDP, reaching AED 26.3 Bn in 3Q23. On the other hand, construction activity recorded 14.3% YOY growth to AED 25 Bn in 3Q23 contributing 8.6% to the overall GDP. In addition, Finance and insurance activities grew 14.4% YOY to AED 18.7 Bn in 3Q23 accounting for 6.4% of UAE's GDP. 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. 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

Bond Information	
ISIN	XS2057865896
Ticker	ADGB
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	98.355
Amount Issued (USD)	3,000,000,000
Issue Date	9/30/2019
Z-Spread	21.86
Yield to Maturity	5.52
Modified Duration	0.48
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2u
S&P Rating	AA
Coupon	2.125
Coupon Frequency	2
Maturity	9/30/2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	105.317
52 Week Low	94.502

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 an expected 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.

4 - Saudi Arabian Oil Company 2.875% 2024

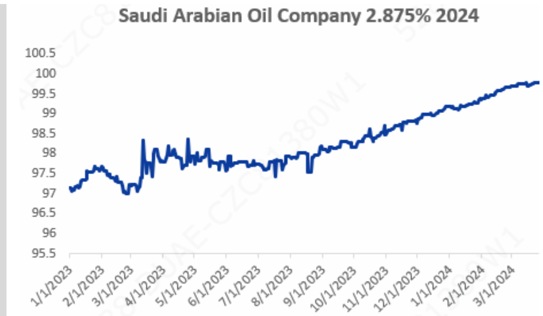
Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.78	7.99%	2.875%	16-Apr-2024	A+

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 centered 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 251.2 Bn barrels of oil equivalent in FY2023, consisting of 191.3 Bn barrels of crude oil and condensate, 26.0 Bn barrels of NGL, and 207.5 trillion standard cubic feet of natural gas. The Company manages 541 reservoirs within 144 fields spread across the Kingdom and its territorial waters

Saudi Arabian Oil Company's ("Aramco" or The Company) 2.875% senior unsecured maturing in April 2024. The bond is trading at USD 99.78 with a yield of 7.99% when held until maturity (redemption at par) with a modified duration of 0.04. Fitch assigned long-term IDR at 'A+' with a stable outlook. Fitch equalized Aramco rating with sovereign. The Company also received a 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 17.6% to SAR 1,653.3 Bn in 2023, mainly due to the lower realized crude oil prices and volumes sold coupled with a decline in chemicals refining margins. Other income related to sales declined 21.7% to SAR 259.4 Bn in 2023. Thus, revenue and other income related to sales fell to 18.1% to SAR 2,266.4 Bn in 2023. Royalties and other taxes declined 32.1% to SAR 231.8 Bn in 2023. The operating income dropped 12.0% to SAR 988.1 Bn in 2023 owing to OPEC+ production cuts and challenging economic conditions. The Company's finance income more than doubled to SAR 32.0 Bn in 2023 compared to SAR 14.9 Bn in 2022. Furthermore, Aramco's net profit declined 24.2% to SAR 452.8 Bn in 2023. The Company's operating free cash flow fell 31.9% to USD 101.2 Bn in 2023. The decline was primarily caused by a decrease in cash flow from operating activities by 23.0% to USD 143.4 Bn in 2023, which was an outcome of lower earnings partially offset by a favorable change in working capital. Aramco introduced a performance-linked dividend (PLD) starting from 3Q23 and anticipates PLD will be computed using 70% of the Company's full-year free cash flow generated in FY2022 and FY2023. The Company paid a PLD of USD 9.9 Bn each in 3Q23 and 4Q23. The Company paid USD 97.8 Bn dividend in 2023 including a base dividend of USD 78 Bn and PLD of USD 19.8 Bn in 2023. In addition, the Board also approved the distribution of USD 10.8 Bn PLD in 1Q24. The Company's progress on its Upstream oil and gas projects such as Marjan, Berri, Dammam, and Zuluf crude oil increments are expected to enhance its operational flexibility to capture value from strong global demand. However, Aramco's



Financial Ratios	
Net Debt (SAR, Mn)	-93,169
Net Debt/EBITDA (x)	-0.1x
Total Debt to Total Equity (%)	16.7%
EBITDA to Interest Expense (x)	117.9x
Cash Ratio (x)	0.64x

Bond Information	
ISIN	XS1982112812
Ticker	ARAMCO
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	99.783
Amount Issued (USD)	2,000,000,000
Issue Date	4/16/2019
Z-Spread	240.83
Yield to Maturity	7.99
Modified Duration	0.04
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	N/A
Coupon	2.875
Coupon Frequency	2
Maturity	4/16/2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.798
52 Week Low	97.436

strategy to boost oil production capacity to 13.0 Mn barrels per day by 2027 is affected due to the OPEC+ cuts.

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 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, position 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 stood at negative 6.3% in 2023 compared to a negative 7.9% in 2022. The increase in gearing was primarily a result of a decline in net cash position, due to lower operating cash inflows. This positive cash positions further declined due to capital expenditures and dividend payments made during the same period. The interest coverage ratio stood at 106.1x in 2023 compared to 128.8x in 2022. This was primarily due to the decrease in operating income in the recent quarters as a result of lower crude oil prices. Aramco's capex increased 12.2% to USD 42.2 Bn in 2023 and further expects to invest USD 48 – 58 Bn in 2024. Furthermore, lower infill drilling due to directives from the govt. authorities in Saudi will result in a decline in total investment by USD 40 Bn from 2024-2028. The Company's debt declined 26.2% to SAR 290.2 Bn in 2023.

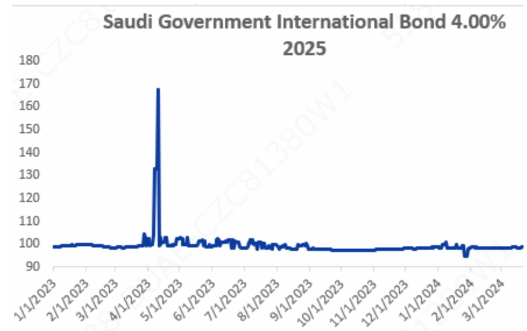
FAB أبوظبي الأول للأوراق المالية SECURITIES

5 - Saudi Government International Bond 4.00% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 98.65	5.35%	4.00%	17-Apr-2025	A+

Background:

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 grow to 2.7% in 2024 and further improve to 5.5% in 2025. According to GSTATS, the Real GDP recorded a decline of 4.3% in 4Q23 compared to 5.6% GDP growth in 4Q22. The decline is mainly due to the cut in oil production agreed with OPEC+ in June 2023. Oil activities decreased 16.2% YOY in 4Q23. However, the non-oil activities in Saudi Arabia remained strong and recorded a growth of 4.2% YOY in 4Q23. The government activities also recorded an increase of 3.1% YOY in 2023. According to IMF (World Economic Outlook - January 2024) expects the growth of the non-oil sector to remain strong during 2024, as the Saudi economy is expected to record 2.7% growth during 2024. 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 - 2024	
Nominal GDP (USD, Bn)	1,110
Real GDP (%)	2.7
Budget balance as of GDP (%)	-1.9
Debt to GDP (%)	25.9
Inflation (%)	2.2

Saudi Government International Bond 4.00% senior unsecured bond maturing in April 2025. The Sukuk trades at USD 98.65 with a yield of 5.35% when held until maturity (redemption at par) with a modified duration of 0.99. The Government of Saudi enjoys an investment-grade rating of ‘A+’ for long-term foreign currency IDR, by Fitch with a stable outlook. It also enjoys a sovereign rating of foreign currency and a 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. 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 in 2023, while the deficit for FY2024 is expected to be SAR 79 Bn which is approximately 1.9% 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. Saudi Arabia is further expected to record a fiscal deficit of 1.6% of GDP in 2025, and 2.3% GDP in 2026 based on the ongoing expansionary fiscal policies. Additionally, revenues decreased 7% to SAR 1.2 Tn, mainly due to voluntary oil production cuts and lower average oil prices in 2023 compared to the previous year. Total revenue for FY2024 is expected to be c. SAR 1.2 Tn, and is projected to reach SAR 1.3 Tn in FY2026. 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 24.8% in 2023 and 26.2% in 2025. Government deposits at the Saudi Central Bank is estimated to encompass both the government's current account and fiscal reserve to SAR 450 Bn, equivalent to 11.4% of GDP in FY2023. Saudi’s low and sustainable gross government debt-to-GDP ratio indicates a more favorable fiscal position and financial stability.

Bond Information	
ISIN	XS1791937441
Ticker	KSA
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	98.645
Amount Issued (USD)	4,500,000,000
Issue Date	4/17/2018
Z-Spread	35.87
Yield to Maturity	5.35
Modified Duration	0.99
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	A+
Coupon	4
Coupon Frequency	2
Maturity	4/17/2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	167.66
52 Week Low	94.663

Fitch issued a rating of “A+” for Saudi’s long-term IDR with a stable outlook reflecting its strong fiscal and external balance sheet, with government debt/GDP and sovereign net foreign assets, commitment to ongoing gradual progress with fiscal, economic and governance reforms. A deterioration in 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 for better economic diversification.

S&P issued a rating of A/A-1 for Saudi’s long-term foreign and short-term 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 is demonstrated by an erosion of the government’s net asset position.

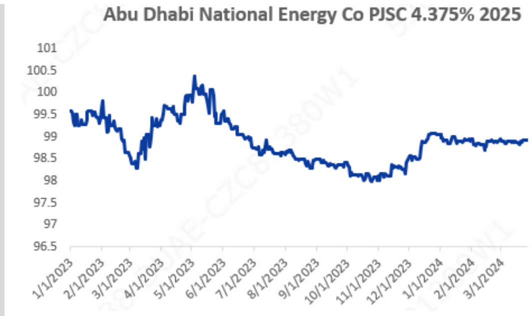
FAB SECURITIES أبوظبي الأول للأوراق المالية

6 - Abu Dhabi National Energy Co PJSC 4.375% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 98.92	5.43%	4.375%	23-Apr-2025	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 194.0 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, 40.68 GW power generation capacity, 1,250 MIGD water desalination capacity, and 108 mboe/d oil production capacity. TAQA completed a landmark transaction with ADNOC and Mubadala and became a shareholder of Masdar to own a 43% stake. Masdar is a renewable energy company generating energy from renewable and green hydrogen.



Financial Ratios

Net Debt (AED, Mn)	47,151
Net Debt/EBITDA (x)	2.4x
Total Debt to Total Equity (%)	68.9%
EBITDA to Interest Expense (x)	6.9x
Cash Ratio (x)	0.46x

Abu Dhabi National Energy Co PJSC ("TAQAUH or The Group") 4.375% senior unsecured bond maturing in April 2025. The Bond is trading at USD 98.92 with a yield of 5.43% when held until maturity (redemption at par) with a modified duration of 1.00. 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 3.3% to AED 51.7 Bn in 2023 primarily due to higher pass-through of bulk supply tariffs and improved regulatory terms with the new Regulatory Framework in the Transmission and Distribution business partially offset by a fall in oil & gas revenue. Revenue from the Generation segment declined from AED 13.8 Bn in 2022 to AED 12.7 Bn in 2023. This was due to the end of one of its tolling agreements in the USA which contributed AED 833 Mn of revenues whereas the Oil and Gas business revenue fell to AED 8.1 Bn in 2023 from AED 10.1 Bn in 2022 due to a decline in production and selling prices. The decline in total revenue is partially offset by higher revenue contribution from the Transmission and Distribution business which rose from AED 26.1 Bn in 2022 to AED 31.0 Bn in 2023, mainly due to pass-through bulk supply tariffs and improved terms associated with the Regulatory Control 2 framework. Gross profit declined 4.2% YOY to AED 12.5 Bn in 2023 driven by higher operating expenses partially offset by a decline in D&A and impairment charges. Adjusted EBITDA declined 5.5% to AED 19.6 Bn in 2023. This was due to a decline in contribution from the Oil and gas segment owing to lower realized O&G prices and lower production. TAQA's net income more than doubled from AED 8.0 Bn in 2022 to AED 16.7 Bn in 2023, mainly driven by a rise in other income and gain on investment. The Group generated AED 20.1 Bn in free cash flow during 2023 compared to AED 21.9 Bn in 2022. The Company's gross debt stood AED 61.2 Bn in 2023 marginally lower compared to the previous year at AED 61.6 Bn in 2022. Taqa announced higher targets for 2030 by increasing the gas power capacity to 150 GW by 2030 out of which 100 GW will be in the form of renewable capacity through Masdar. The Company plans to spend AED 75 Bn in capex by 2030 to

Bond Information

ISIN	XS1808737594
Ticker	TAQAUH
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	98.9215
Amount Issued (USD)	750,000,000
Issue Date	4/23/2018
Z-Spread	42.79
Yield to Maturity	5.43
Modified Duration	1.00
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	Aa3
S&P Rating	N/A
Coupon	4.375
Coupon Frequency	2
Maturity	4/23/2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.61
52 Week Low	97.972

achieve its expansion goals. Out of the total capex, AED 40 Bn will be spent on UAE based transmission and distribution network and the remaining will be spent on the generation business. The Company also expanded its desalination capacity and entered into the UAE operations and maintenance segment within the Generation business.

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 downgraded 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.

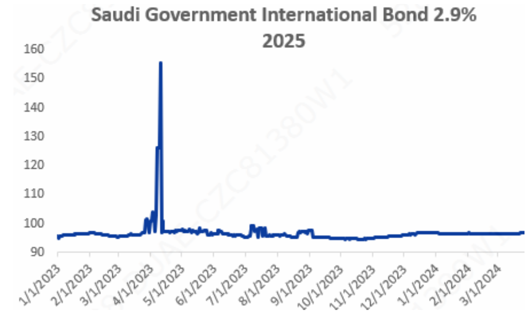
Taqa capital structure comprises 35% of debt as of 2023 compared to 40% in 2022 and remains dependent upon corporate bonds and RCF for external sources of funding. The Company enters into interest rate swaps to hedge its interest rates and c. 99% of bears fixed interest rate while the Group’s average cost of debt stood at 4.6% in 2023. Total available liquidity stood at AED 27.5 Bn in 2023 which comprises AED 13.9 Bn in cash and cash equivalents and AED 13.6 Bn of available credit facilities. Liquidity level represented 14.2% of the total assets as of 2023. The Company’s strong income contracted assets make the cashflows highly predictable. With capacity additions, strategic partnerships, M&A, and new regulatory control mechanisms (RC2), the Company plans to capitalize on and deliver value to its stakeholders.

7 - Saudi Government International Bond 2.9% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 96.70	5.13%	2.9%	22-Oct-2025	A+

Background:

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 grow to 2.7% in 2024 and further improve to 5.5% in 2025. According to GSTATS, the Real GDP recorded a decline of 4.3% in 4Q23 compared to 5.6% GDP growth in 4Q22. The decline is mainly due to the cut in oil production agreed with OPEC+ in June 2023. Oil activities decreased 16.2% YOY in 4Q23. However, the non-oil activities in Saudi Arabia remained strong and recorded a growth of 4.2% YOY in 4Q23. The government activities also recorded an increase of 3.1% YOY in 2023. According to the IMF (World Economic Outlook - January 2024), the growth of the non-oil sector is expected to remain strong during 2024, as the Saudi economy is expected to record 2.7% growth during 2024. 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 - 2024	
Nominal GDP (SAR, Bn)	1,110
Real GDP (%)	2.7
Budget balance as of GDP (%)	-1.9
Debt to GDP (%)	25.9
Inflation (%)	2.2

Saudi Government International Bond 2.9% senior unsecured bond maturing in October 2025. The Sukuk is trading at USD 96.70 with a yield of 5.13% when held until maturity (redemption at par) with a modified duration of 1.48. The Government of Saudi enjoys an investment-grade rating of 'A+' for long-term foreign currency IDR, by Fitch with a stable outlook. It also enjoys a sovereign rating of foreign currency and a 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. 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 in 2023, while the deficit for FY2024 is expected to be SAR 79 Bn which is approximately 1.9% 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. Saudi Arabia is further expected to record a fiscal deficit of 1.6% of GDP in 2025, and 2.3% of GDP in 2026, based on the ongoing expansionary fiscal policies. Additionally, revenues decreased 7% to SAR 1.2 Tn, mainly due to voluntary oil production cuts and lower average oil prices in 2023 compared to the previous year. Total revenue for FY2024 is expected to be c. SAR 1.2 Tn, and is projected to reach SAR 1.3 Tn in FY2026. 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 24.8% in 2023 and 26.2% in 2025. Government deposits at the Saudi Central Bank is estimated to encompass both the government's current account and fiscal reserve to SAR 450 Bn, equivalent to 11.4% of GDP in FY2023. Saudi's low and sustainable gross government debt-to-GDP ratio indicates a more favorable fiscal position and financial stability.

Bond Information	
ISIN	XS2159975619
Ticker	KSA
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	96.702
Amount Issued (USD)	2,500,000,000
Issue Date	4/22/2020
Z-Spread	40.35
Yield to Maturity	5.13
Modified Duration	1.48
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	N/A
Coupon	2.9
Coupon Frequency	2
Maturity	10/22/2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	155.524
52 Week Low	94.515

Fitch issued a rating of “A+” for Saudi’s long-term IDR with a stable outlook reflecting its strong fiscal and external balance sheet, with government debt/GDP and sovereign net foreign assets, commitment to ongoing gradual progress with fiscal, economic and governance reforms. A deterioration in 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 for better economic diversification.

S&P issued a rating of A/A-1 for Saudi’s long-term foreign and short-term 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 is demonstrated by an erosion of the government’s net asset position.

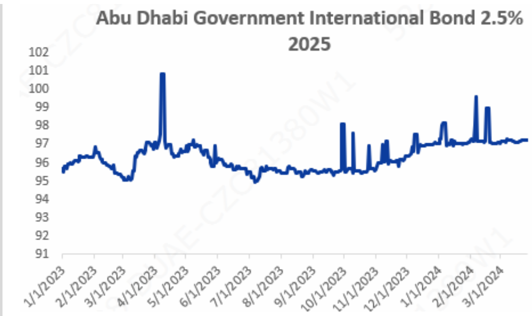
FAB SECURITIES أبوظبي الأول للأوراق المالية

8 - Abu Dhabi Government International Bond 2.5% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 97.27	5.22%	2.5%	16-Apr-2025	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 2024, as its central location and competitive advantages continue to attract investors. IMF expects the UAE's economic growth at 4.0% in 2024 and 4.2% in 2025. 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 4.7% in 2024.



Key Macro Factors - 2024	
Nominal GDP (Bn, USD)	537
Real GDP (%)	4.0
Budget balance as of GDP (%)	4.4
Debt to GDP (%)	28.7
Inflation (%)	2.3

Abu Dhabi Government International Bond 2.5% senior unsecured bond maturing in April 2025. The bond trades at USD 97.27 with a yield of 5.22% when held until maturity (redemption at par) with a modified duration of 1.00. 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.

The positive momentum in the Abu Dhabi economy is primarily driven by the strong performance of the non-oil sectors, especially in tourism, construction, and real estate-related developments despite reductions and fluctuations in the oil and gas market. According to the Statistical Centre of Abu Dhabi, the GDP grew 1% YOY in 3Q23, mainly driven by the robust performance of non-oil economic activities. Similarly, Abu Dhabi's real GDP rose 2.8% YOY in 9M23 while non-oil activity registered a strong growth of 8.6% YOY. The non-oil activity contributed 52.8% to the overall economy. Abu Dhabi is the capital of a major oil exporter with an industrial hub in the UAE. Abu Dhabi's manufacturing activity contributed 9% to the UAE's GDP, reaching AED 26.3 Bn in 3Q23. On the other hand, construction activity recorded 14.3% YOY growth to AED 25 Bn in 3Q23 contributing 8.6% to the overall GDP. In addition, Finance and insurance activities grew 14.4% YOY to AED 18.7 Bn in 3Q23 accounting for 6.4% of UAE's GDP. 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. 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% of GDP in 2023, mainly driven by oil revenue and strong economic activity.

Bond Information	
ISIN	XS2125308085
Ticker	ADGB
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	97.274
Amount Issued (USD)	3,000,000,000
Issue Date	4/16/2020
Z-Spread	22.98
Yield to Maturity	5.22
Modified Duration	1.00
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2u
S&P Rating	AA
Coupon	2.5
Coupon Frequency	2
Maturity	4/16/2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.869
52 Week Low	92.464

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 an expected 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.

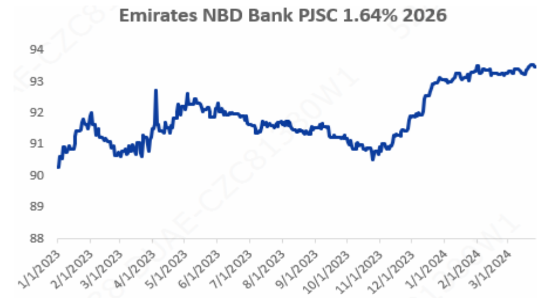
Medium Term Bonds:

1 - Emirates NBD Bank PJSC 1.64% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 93.49	5.52%	1.638%	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 (%)	76.14
Liquidity Coverage (%)	210.0
Net Stable Funding Ratio (%)	125.00
Capital Adequacy Ratio (%)	17.58
Non-Performing Loan (%)	4.58

Emirates NBD PJSC's ("ENBD or The Bank") 1.64% Senior Unsecured bond maturing in January 2026. The bond trades at USD 93.49 with a yield of 5.52% when held until maturity (redemption at par) with a modified duration of 1.71. 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 64.5% from AED 34.8 Bn in 2022 to AED 57.3 Bn in 2023. The growth was driven by a 5.5% expansion of gross loan book in 2023 and growth in asset yield. While funded expenses more than doubled from AED 11.6 Bn in 2022 to AED 27.2 Bn in 2023 amid a rise in benchmark interest rates. Thus, net funded income expanded 29.5% to AED 30.1 Bn in 2023. Net interest margin (NIM) expanded 52 bps to 3.95% in 2023, due to improvements in the loans and deposit mix supported by higher interest rates. In addition, net fees and commission income grew 19.4% from AED 4.1 Bn in 2022 to AED 4.9 Bn in 2023. The growth is driven by the expansion of local and international retail card business both at ENBD and DenizBank coupled with higher revenue from investment banking and trade finance. The bank recorded a profit from trading securities of AED 480 Mn in 2023 compared to AED 52 Mn in 2022. The other operating income rose 47.4% from AED 5.2 Bn in 2022 to AED 7.6 Bn in 2023 mainly attributed to an increase in retail foreign exchange remittance volumes, supported by an addition in corporate hedging and lower swap funding cost in Turkey. Thus, total operating income rose 32.4% from AED 32.5 Bn in 2022 to AED 43.0 Bn in 2023 benefitting from favorable deposit mix, healthy loan growth, higher interest and robust growth in non-funded income. On the other hand, G&A expenses rose 26.4% from AED 9.3 Bn in 2022 to AED 11.7 Bn in 2023, due to an

Bond Information	
ISIN	XS2280635256
Ticker	EBIUH
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	93.493
Amount Issued (USD)	750,000,000
Issue Date	1/13/2021
Z-Spread	86.92
Yield to Maturity	5.52
Modified Duration	1.71
Country of Incorp	AE
Fitch Rating	A+
Moody Rating	A2
S&P Rating	N/A
Coupon	1.638
Coupon Frequency	2
Maturity	1/13/2026
Maturity Type	AT MATURITY
Currency	USD
52 Week High	93.655
52 Week Low	90.508

increase in investment in human capital and continuous investment in technology solutions. The cost-to-income ratio declined from 28.5% in 2022 to 27.2% in 2023 below the guidance, reflecting controlled cost with continuous investment for future growth supported by higher income. Provision expense declined 33.5% from AED 5.2 Bn in 2022 to AED 3.4 Bn in 2023 due to strong recoveries with an NPL ratio of 4.6% in 2023. Adjustment for hyperinflation rose 36.6% YOY to AED 4.2 Bn in 2023 dragging profit. The higher operating income and strong loan recoveries enabled ENBD to report a 65.2% growth in net profit from AED 13.0 Bn in 2022 to AED 21.5 Bn in 2023. Deposits rose 16.2% from AED 503 Bn in 2022 to AED 585 Bn in 2023.

CASA accounted for c. 60% of total deposits 2023 with an addition of AED 30 Bn during the period. The bank's gross loans grew 5.5% YOY as the retail loan rose c. 19% due to strong demand for credit across all products, credit to corporate rose 19% amid healthy demand from Manufacturing, Trade, Transport, Communication and Conglomerates and DenizBank credit growth of 5% partially offset by decline in sovereign repayments. DenizBank's gross loan rose from AED 69 bn in 2023 compared to AED 74 Bn in 2023 including the change in foreign exchange. Total assets rose 16.3% from AED 742.0 Bn in 2022 to AED 862.8 Bn in 2023.

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 bank sovereign support, 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, which is 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 maintains a strong liquidity position, with a liquidity coverage ratio of 210% and an advance-to-deposit ratio of 76.1% in 2023. The bank's liquid assets stood at AED 96 Bn, comprising 13% total liabilities and 16% deposits. The bank's non-performing loan ratio improved from 5.5% in 3Q23 to 4.6% in 2023 due to strong writebacks, recoveries and write-offs. The coverage ratio improved from 145% in 3Q23 to 163% in 4Q23 owing to an increase in coverage across stages 1, 2 and 3 assets. The Bank's capital ratio declined from 19.7% in 3Q23 to 17.6% in 4Q23 mainly due to a significant increase in proposed dividends and a rise in risk-weighted assets (RWA). RWA rose due to strong loan growth in retail and corporate sectors in the UAE and an increase in loan and reserve requirements at DenizBank.

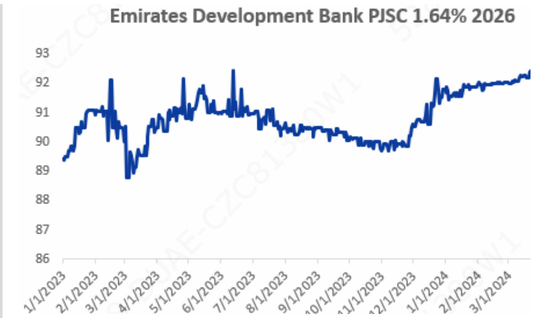
FAB SECURITIES أبوظبي الأول للأوراق المالية

2 - Emirates Development Bank PJSC 1.64% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 92.40	5.34%	1.639%	15-June-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



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

Emirates Development Bank PJSC 1.64% senior unsecured bond maturing in June 2026. The Bond trades at USD 92.40 with a yield of 5.34% when held until maturity (redemption at par) with a modified duration of 2.11. 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.

Bond Information	
ISIN	XS2352309681
Ticker	EMDEBK
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	92.4
Amount Issued (USD)	750,000,000
Issue Date	6/15/2021
Z-Spread	87.71
Yield to Maturity	5.34
Modified Duration	2.11
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	N/A
S&P Rating	N/A
Coupon	1.639
Coupon Frequency	2
Maturity	6/15/2026
Maturity Type	AT MATURITY
Currency	USD
52 Week High	92.671
52 Week Low	89.064

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.

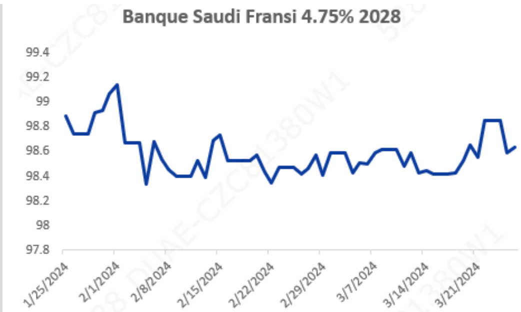
The bank is not required to comply with any specific adequacy regulations, and the bank’s policy is to maintain a strong capital base, maintain stakeholders' confidence, and sustain future development. The bank's total non-performing loans marginally declined to AED 252 Mn in 2022 from AED 253 Mn in 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.

3 - Banque Saudi Fransi 4.75% 2028

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 98.64	5.12%	4.75%	31-May-2028	A-

Country Overview:

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 (%)	84.1%
Liquidity Coverage (%)	196%
Net Stable Funding Ratio (%)	117%
Capital Adequacy Ratio (%)	19.54%
Non-Performing Loan (%)	1.06%

Banque Saudi Fransi's 4.75% senior unsecured bond is maturing in May 2028. The bond is trading at USD 98.64 with a yield of 5.12% when held until maturity (redemption at par) with a modified duration of 3.67. Fitch affirmed a rating of 'A-' for BSF's long-term IDR, and 'F2' for its short-term IDR. S&P upgraded the rating to 'A-' for BSF's long-term IDR and 'A-2' for short-term IDR.

BSF's net interest income grew 21.9% to SAR 7.8 Bn in 2023, driven by an increase in special commission income partially offset by a more than double increase in special commission expense. Net interest margin (NIM) expanded by 47 bps to 3.53% in 2023 due to an improvement in asset yield partially offset by the higher funding cost and hedging impact. Net fee and commission income grew 2.0% to SAR 915 Mn in 2023, driven by a rise in trade finance and other fee income partially offset by lower card fees and brokerage income. Trading income declined 43.5% to SAR 114 Mn in 2023 due to lower treasury activity and SAR 55 Mn one-off from credit valuation adjustment. Thus, the non-funded income fell 6.4% to SAR 1.5 Bn in 2023. Moreover, total operating income grew 16.3% to SAR 9.3 Bn in 2023. On the other hand, total operating expenses grew 13.9% to SAR 3.0 Bn in 2023 driven by a rise in employee-related cost and access accrual reversal in 2022, and non-recurring transformation-related expenses. High growth in operating income while a modest increase in cost, resulted in an improvement in the cost-to-income ratio which declined 70 bps to 32.4% in 2023. Impairment charges grew 17.3% to SAR 1.6 Bn in 2023 driven by higher commercial impairments partially offset by consumer & investment and off-balance reversals. The bank continues to benefit from significant growth in diversified income streams as the net income rose 18.1% to SAR 4.2 Bn in 2023. The bank maintains a robust balance sheet and recorded a 9.2% increase in total assets to SAR 253.4 Bn in 2023. Total loans and advances grew 12.8% to SAR 179.4 Bn in 2023 of which commercial loans grew 14% and customer loans grew 10% in 2023. The growth in customer loans contributed primarily by 24% increase in auto loans followed by a 15.0% increase in credit cards, 13% growth in personal loans

Bond Information	
ISIN	XS2623560781
Ticker	BSFR
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	98.637
Amount Issued (USD)	900,000,000
Issue Date	5/31/2023
Z-Spread	101.88
Yield to Maturity	5.12
Modified Duration	3.67
Country of Incorp	SA
Fitch Rating	A-
Moody Rating	N/A
S&P Rating	A-
Coupon	4.75
Coupon Frequency	2
Maturity	5/31/2028
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.412
52 Week Low	97.938

and a 3.0% growth in mortgages. Customer deposits rose 9.3% to SAR 172.2 Bn in 2023. The growth is majorly driven by a 49% increase in interest-bearing deposits (IBD), which is driven by 84% growth in corporate, partially offset by a 6% decline in retail.

Fitch affirmed 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, upgrade and downgrade in BSFR’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%.

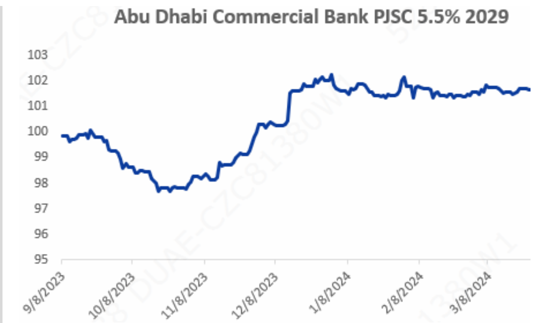
The bank continues to maintain strong liquidity with a liquidity coverage ratio of 196% and a stable funding ratio of 117% as of 2023. The SAMA regulatory loan-to-deposit ratio reached 84.1% with a headline loan-to-deposit ratio of 104.2% as of 2023. Non-performing loans declined 54% due to a write-off in the commercial book despite 11% growth in gross loans. Thus, the bank’s non-performing loan ratio (NPL Ratio) improved 148 bps to 1.06% in 2023. Non-performing loan coverage grew to 137.7% in 2023 from 119.9% in 4Q22, due to additional coverage on isolated exposures that migrated to NPL in the Commercial book during 2022. The bank’s total capital rose 2.0% to SAR 43.6 Bn in 2023, due to strong growth in net profit partially offset by dividend payments and changes in fair value through other comprehensive income (FVOCI) and other reserves. Thus, the total capital adequacy ratio decreased 38 bps to 19.54% in 2023 amid higher credit risk-weighted assets

4 - Abu Dhabi Commercial Bank PJSC 5.5% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 101.70	5.09%	5.5%	12-Jan-2029	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 (%)	83.2%
Liquidity Coverage (%)	158.1%
Net Stable Funding Ratio (%)	107.73%
Capital Adequacy Ratio (%)	16.22%
Non-Performing Loan (%)	3.73%

Abu Dhabi Commercial Bank's 5.50% senior unsecured Sukuk is maturing in January 2029. The Sukuk is trading at USD 101.70 with a yield of 5.09% when held until maturity (redemption at par) with a modified duration of 4.12. 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.

ADCB’s funded income grew significantly from AED 16.4 Bn in 2022 to AED 28.3 Bn in 2023 primarily due to growth in net loans and advances and expansion in asset yield supported by higher benchmark rates. Whereas, funded expenses also rose significantly from AED 6.2 Bn in 2022 to AED 15.9 Bn in 2023. Resultantly, net interest income grew 21% to AED 12.4 Bn in 2023. Net interest margin (NIM) expanded 17 bps to 2.58% in 2023 from 2.41% in 2022. The Bank’s non-interest income grew 8% to AED 4.5 Bn in 2023 mainly due to growth in fees and commission income and net trading income. The net fees and commission income grew 16% to AED 2.4 Bn primarily attributable to higher card-related fees (gross) up 24% and loan processing fees (gross) up 7% in 2023. Net trading income grew 75%, mainly driven by higher gains on derivatives, foreign exchange and trading gains. Other operating income in 2023 was lower 63% primarily due to the settlement of loans and lower gains from non-trading income. However, ADCB recorded a net gain of AED 490 Mn due to the divestment of 80% stake in the subsidiary Abu Dhabi Commercial Properties (ADCP). The Operating income grew 18% to AED 16.9 Bn in 2023 from AED 14.3 Bn in 2022. Operating expenses grew 12% to AED 5.5 Bn due to growth in staff expense and general and administration expenses partially offset by a decline in depreciation and amortization expenses. However, cost-to-income saw an improvement of 175 bps YOY to 32.3% in 2023. Impairments grew 25% to AED 3.5 Bn in 2023 owing to provisioning of corporate accounts. Net profit rose 28% to AED 8.2 Bn in 2023 from AED 6.4 Bn in 2022. ADCB’s balance sheet remains robust as total assets recorded a healthy growth of 14% to AED 567.1 Bn in 2023 mainly due to increase

Bond Information	
ISIN	XS2677030194
Ticker	ADCBUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	101.7005
Amount Issued (USD)	650,000,000
Issue Date	9/12/2023
Z-Spread	104.86
Yield to Maturity	5.09
Modified Duration	4.12
Country of Incorp	AE
Fitch Rating	A+
Moody Rating	#N/A N/A
S&P Rating	A
Coupon	5.5
Coupon Frequency	2
Maturity	1/12/2029
Maturity Type	AT MATURITY
Currency	USD
52 Week High	102.416
52 Week Low	97.38

in cash balance held with central bank, growth in investment securities and an increase in Bank's loan book Net advances grew 17% to AED 302.0 Bn in 2023 due to increase in lending to personal, mortgage, and auto loans. The Bank's investment securities rose 15% to AED 128.3 Bn in 2023 with 68.0% accounted at amortized cost and 32.0% at FVTOCI mark to market on a daily basis. Customer deposits rose 18% YOY to AED 362.9 Bn in 2023. CASA deposits grew from AED 157.5 Bn in 9M23 to AED 167.3 Bn in 2023 while CASA deposits account for 46.0% of total deposits in 2023. In addition, ADCB's total equity rose 16.0% to AED 71.3 Bn in 2023.

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 rating downgrade can occur if faster-than-expected credit growth or an increased risk appetite erodes the bank's solid capitalization.

ADCB asset quality also saw an improvement as NPLs declined from 4.8% in 9M23 to 3.7% in 2023. The provision coverage ratio also strengthened from 91.4% in 9M23 to 102.5% in 2023. While provision coverage including collateral also rose from 148% in 9M23 to 168% in 2023 providing strong buffer against bad loans in the future. ADCB's capitalization stood strong with a CET 1 ratio of 12.9% and CAR of 16.2% in 2023.

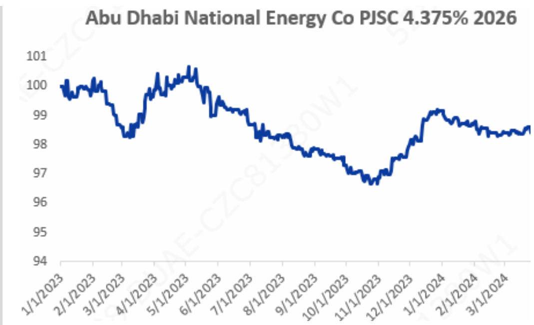
FAB SECURITIES أبوظبي الأول للأوراق المالية

5 - Abu Dhabi National Energy Co PJSC 4.375% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 98.42	5.13%	4.375%	22-June-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 194.0 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, 40.68 GW power generation capacity, 1,250 MIGD water desalination capacity, and 108 mboe/d oil production capacity. TAQA completed a landmark transaction with ADNOC and Mubadala and became a shareholder of Masdar to own a 43% stake. Masdar is a renewable energy company generating energy from renewable and green hydrogen.



Financial Ratios	
Net Debt (AED, Mn)	47,151
Net Debt/EBITDA (x)	2.4x
Total Debt to Total Equity (%)	68.9%
EBITDA to Interest Expense (x)	6.9x
Cash Ratio (x)	0.46x

Abu Dhabi National Energy Co PJSC ("TAQAUH or The Group") 4.375% senior unsecured bond maturing in June 2026. The Bond is trading at USD 98.42 with a yield of 5.13% when held until maturity (redemption at par) with a modified duration of 2.07. 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 3.3% to AED 51.7 Bn in 2023 primarily due to higher pass-through of bulk supply tariffs and improved regulatory terms with the new Regulatory Framework in the Transmission and Distribution business partially offset by a fall in oil & gas revenue. Revenue from the Generation segment declined from AED 13.8 Bn in 2022 to AED 12.7 Bn in 2023. This was due to the end of one of its tolling agreements in the USA which contributed AED 833 Mn of revenues whereas the Oil and Gas business revenue fell to AED 8.1 Bn in 2023 from AED 10.1 Bn in 2022 due to a decline in production and selling prices. The decline in total revenue is partially offset by higher revenue contribution from the Transmission and Distribution business which rose from AED 26.1 Bn in 2022 to AED 31.0 Bn in 2023, mainly due to pass-through bulk supply tariffs and improved terms associated with the Regulatory Control 2 framework. Gross profit declined 4.2% YOY to AED 12.5 Bn in 2023 driven by higher operating expenses partially offset by a decline in D&A and impairment charges. Adjusted EBITDA declined 5.5% to AED 19.6 Bn in 2023. This was due to a decline in contribution from the Oil and gas segment owing to lower realized O&G prices and lower production. TAQA's net income more than doubled from AED 8.0 Bn in 2022 to AED 16.7 Bn in 2023, mainly driven by a rise in other income and gain on investment. The Group generated AED 20.1 Bn in free cash flow during 2023 compared to AED 21.9 Bn in 2022. The Company's gross debt stood AED 61.2 Bn in 2023 marginally lower compared to the previous year at AED 61.6 Bn in 2022. Taqa announced higher targets for 2030 by increasing the gas power capacity to 150 GW by 2030 out of which 100 GW will be in the form of renewable capacity through Masdar. The Company plans to spend AED 75 Bn in capex by 2030 to

Bond Information	
ISIN	XS1435072464
Ticker	TAQAUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	98.4245
Amount Issued (USD)	1,000,000,000
Issue Date	6/22/2016
Z-Spread	65.53
Yield to Maturity	5.13
Modified Duration	2.07
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	Aa3
S&P Rating	NR
Coupon	4.375
Coupon Frequency	2
Maturity	6/22/2026
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.889
52 Week Low	96.571

achieve its expansion goals. Out of the total capex, AED 40 Bn will be spent on UAE based transmission and distribution network and the remaining will be spent on the generation business. The Company also expanded its desalination capacity and entered into the UAE operations and maintenance segment within the Generation business.

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 downgraded 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.

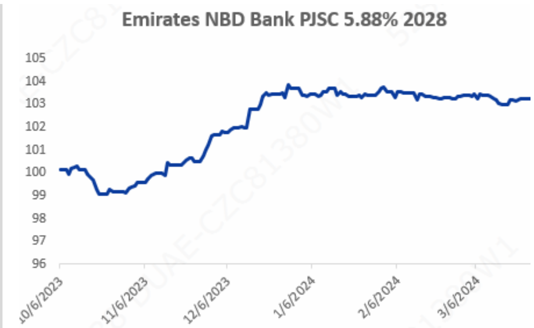
Taqa capital structure comprises 35% of debt as of 2023 compared to 40% in 2022 and remains dependent upon corporate bonds and RCF for external sources of funding. The Company enters into interest rate swaps to hedge its interest rates and c. 99% of bears fixed interest rate while the Group’s average cost of debt stood at 4.6% in 2023. Total available liquidity stood at AED 27.5 Bn in 2023 which comprises AED 13.9 Bn in cash and cash equivalents and AED 13.6 Bn of available credit facilities. Liquidity level represented 14.2% of the total assets as of 2023. The Company’s strong income contracted assets make the cashflows highly predictable. With capacity additions, strategic partnerships, M&A, and new regulatory control mechanisms (RC2), the Company plans to capitalize on and deliver value to its stakeholders.

6 - Emirates NBD Bank PJSC 5.88% 2028

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 103.27	5.06%	5.88%	11-Oct-2028	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 (%)	76.14
Liquidity Coverage (%)	210.00
Net Stable Funding Ratio (%)	121.43
Capital Adequacy Ratio (%)	17.58
Non-Performing Loan (%)	4.6

Emirates NBD PJSC's ("ENBD or The Bank") 5.88% Senior Unsecured bond maturing in October 2028. The bond trades at USD 103.27 with a yield of 5.06% when held until maturity (redemption at par) with a modified duration of 3.85. 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 64.5% from AED 34.8 Bn in 2022 to AED 57.3 Bn in 2023. The growth was driven by a 5.5% expansion of gross loan book in 2023 and growth in asset yield. While funded expenses more than doubled from AED 11.6 Bn in 2022 to AED 27.2 Bn in 2023 amid a rise in benchmark interest rates. Thus, net funded income expanded 29.5% to AED 30.1 Bn in 2023. Net interest margin (NIM) expanded 52 bps to 3.95% in 2023, due to improvements in the loans and deposit mix supported by higher interest rates. In addition, net fees and commission income grew 19.4% from AED 4.1 Bn in 2022 to AED 4.9 Bn in 2023. The growth is driven by the expansion of local and international retail card businesses 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 480 Mn in 2023 compared to AED 52 Mn in 2022. The other operating income rose 47.4% from AED 5.2 Bn in 2022 to AED 7.6 Bn in 2023 mainly attributed to an increase in retail foreign exchange remittance volumes, supported by an addition in corporate hedging and lower swap funding cost in Turkey. Thus, total operating income rose 32.4% from AED 32.5 Bn in 2022 to AED 43.0 Bn in 2023, benefitting from favorable deposit mix, healthy loan growth, higher interest and robust growth in non-funded income. On the other hand, G&A expenses rose 26.4% from AED 9.3 Bn in 2022 to AED 11.7 Bn in 2023, due to an increase in investment in human capital and continuous investment in technology solutions. The cost-to-income ratio declined from 28.5% in 2022 to 27.2% in 2023 below

Bond Information	
ISIN	XS2625209270
Ticker	EBIUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	103.2675
Amount Issued (USD)	750,000,000
Issue Date	10/11/2023
Z-Spread	98.93
Yield to Maturity	5.06
Modified Duration	3.85
Country of Incorp	AE
Fitch Rating	A+
Moody Rating	A2
S&P Rating	N/A
Coupon	5.875
Coupon Frequency	2
Maturity	10/11/2028
Maturity Type	AT MATURITY
Currency	USD
52 Week High	103.881
52 Week Low	99.054

the guidance, reflecting controlled cost with continuous investment for future growth supported by higher income. Provision expense declined 33.5% from AED 5.2 Bn in 2022 to AED 3.4 Bn in 2023 due to strong recoveries with an NPL ratio of 4.6% in 2023. Adjustment for hyperinflation rose 36.6% YOY to AED 4.2 Bn in 2023 dragging profit. The higher operating income and strong loan recoveries enabled ENBD to report a 65.2% growth in net profit from AED 13.0 Bn in 2022 to AED 21.5 Bn in 2023. Deposits rose 16.2% from AED 503 Bn in 2022 to AED 585 Bn in 2023. CASA accounted for c. 60% of total deposits 2023 with an addition of AED 30 Bn during the period. The bank's gross loans grew 5.5% YOY as the retail loan rose c. 19% due to strong demand for credit across all products, credit to corporate rose 19% amid healthy demand from Manufacturing, Trade, Transport, Communication and Conglomerates and DenizBank credit growth of 5% partially offset by decline in sovereign repayments. DenizBank's gross loan rose from AED 69 bn in 2023 compared to AED 74 Bn in 2023 including the change in foreign exchange. Total assets rose 16.3% from AED 742.0 Bn in 2022 to AED 862.8 Bn in 2023.

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.

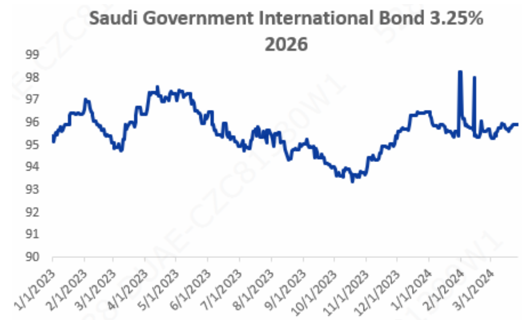
ENBD maintains a strong liquidity position, with a liquidity coverage ratio of 210% and an advance-to-deposit ratio of 76.1% in 2023. The bank's liquid assets stood at AED 96 Bn, comprising 13% total liabilities and 16% deposits. The bank's non-performing loan ratio improved from 5.5% in 3Q23 to 4.6% in 2023 due to strong writebacks, recoveries and write-offs. The coverage ratio improved from 145% in 3Q23 to 163% in 4Q23 owing to an increase in coverage across stages 1, 2 and 3 assets. The Bank's capital ratio declined from 19.7% in 3Q23 to 17.6% in 4Q23 mainly due to a significant increase in proposed dividends and a rise in risk-weighted assets (RWA). RWA rose due to strong loan growth in retail and corporate in UAE and an increase in loan and reserve requirements at DenizBank

7 - Saudi Government International Bond 3.25% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 95.94	4.95%	3.25%	26-Oct-2026	A+

Background:

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 grow to 2.7% in 2024 and further improve to 5.5% in 2025. According to GSTATS, the Real GDP recorded a decline of 4.3% in 4Q23 compared to 5.6% GDP growth in 4Q22. The decline is mainly due to the cut in oil production agreed with OPEC+ in June 2023. Oil activities decreased 16.2% YOY in 4Q23. However, the non-oil activities in Saudi Arabia remained strong and recorded a growth of 4.2% YOY in 4Q23. The government activities also recorded an increase of 3.1% YOY in 2023. According to the IMF (World Economic Outlook - January 2024), the growth of the non-oil sector is expected to remain strong during 2024, as the Saudi economy is expected to record 2.7% growth during 2024. 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 - 2024	
Nominal GDP (SAR, Bn)	1,110
Real GDP (%)	2.7
Budget balance as of GDP (%)	-1.9
Debt to GDP (%)	25.9
Inflation (%)	2.2

Saudi Government International Bond 3.25% senior unsecured bond maturing in October 2026. The Sukuk is trading at USD 95.94 with a yield of 4.95% when held until maturity (redemption at par) with a modified duration of 2.39. The Government of Saudi enjoys an investment-grade rating of ‘A+’ for long-term foreign currency IDR, by Fitch with a stable outlook. It also enjoys a sovereign rating of foreign currency and a 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. 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 in 2023, while the deficit for FY2024 is expected to be SAR 79 Bn which is approximately 1.9% 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. Saudi Arabia is further expected to record a fiscal deficit of 1.6% of GDP in 2025, and 2.3% of GDP in 2026, based on the ongoing expansionary fiscal policies. Additionally, revenues decreased 7% to SAR 1.2 Tn, mainly due to voluntary oil production cuts and lower average oil prices in 2023 compared to the previous year. Total revenue for FY2024 is expected to be c. SAR 1.2 Tn, and is projected to reach SAR 1.3 Tn in FY2026. 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 24.8% in 2023 and 26.2% in 2025. Government deposits at the Saudi Central Bank are estimated to encompass the government's current account and fiscal reserve to SAR 450 Bn, equivalent to 11.4% of GDP in FY2023. Saudi’s low and sustainable gross government debt-to-GDP ratio indicates a more favorable fiscal position and financial stability.

Bond Information	
ISIN	XS1508675417
Ticker	KSA
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	95.941
Amount Issued (USD)	5,500,000,000
Issue Date	10/26/2016
Z-Spread	58.68
Yield to Maturity	4.95
Modified Duration	2.39
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	N/A
Coupon	3.25
Coupon Frequency	2
Maturity	10/26/2026
Maturity Type	AT MATURITY
Currency	USD
52 Week High	98.273
52 Week Low	93.191

Fitch issued a rating of “A+” for Saudi’s long-term IDR with a stable outlook reflecting its strong fiscal and external balance sheet, with government debt/GDP and sovereign net foreign assets, commitment to ongoing gradual progress with fiscal, economic and governance reforms. A deterioration in 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 for better economic diversification.

S&P issued a rating of A/A-1 for Saudi’s long-term foreign and short-term 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 is demonstrated by an erosion of the government’s net asset position.

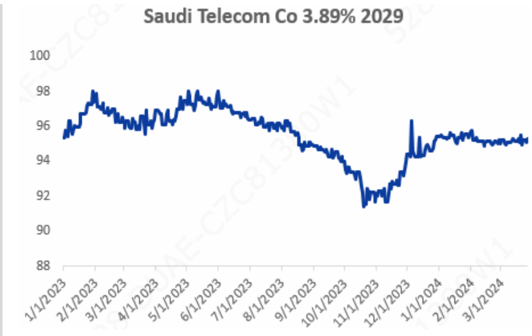
FAB أبوظبي الأول للأوراق المالية SECURITIES

8 - Saudi Telecom Co 3.89% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	S&P Rating
USD 95.26	4.95%	3.89%	13-May-2029	A

Background:

Saudi Telecom Company ("STC" or "The Company") was incorporated on 21 April 1998 as a Saudi joint stock company. The Public Investment Fund (PIF) owns the majority of the stake in the Company 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. STC's market share in terms of total revenue in KSA stands at around 73% with a market capitalization of SAR 202 Bn. STC is also one of the largest tower operators in the region with 21,000 towers under management in five countries in FY2023. The Company 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 Company comprises 14 subsidiaries across KSA, the MENA region, and Europe. The Company's total mobile subscribers in KSA reached 26.47 Mn as of FY2023. STC completed the acquisition of TAWAL tower assets in Bulgaria, Croatia, and Slovenia, constructed over 500 new towers, and implemented over 6,000 upgrades for 5G technology in FY2023. In addition, the Company also acquired an equity interest of 9.9% in Telefonica S.A. for SAR 8.5 Bn in September 2023.



Financial Ratios	
Net Debt (SAR, Mn)	-6,223
Net Debt/EBITDA (x)	-252.1x
Total Debt to Total Equity (x)	18.0%
EBITDA to Interest Expense (x)	19.4x
Cash Ratio (x)	0.59x

Saudi Telecom Co 3.89% senior unsecured bond maturing in May 2029. The bond is trading at USD 95.26 with a yield of 4.95% when held until maturity (redemption at par) with a modified duration of 4.49. Moody's affirmed the rating of 'A1', and Fitch assigned an 'A+' rating for STC's long-term issuer default rating (IDR). Also, S&P affirmed the rating to 'A' for its long-term.

STC's total revenue grew 7.27% to SAR 72.34 Bn in FY2023 and recorded the highest yearly revenue in the Company's history. The growth in the revenue is primarily attributable to a 5.1% YOY increase in the commercial business and a 1.4% rise in the revenue of the carriers and wholesale business segment in STC KSA. Meanwhile, all STC subsidiaries witnessed a combined revenue growth of 23.9% in FY2023. In addition, total mobile subscribers in KSA significantly grew 10.94% to 26.47 Mn in FY2023 from 23.86 Mn in FY2022 while total mobile subscribers in Kuwait remain unchanged at 2.3 Mn in FY2023 contributing to the growth in revenue of the Company. The cost of revenue recorded a higher growth in revenue and rose 15.0% YOY to SAR 34.5 Bn in FY2023. Thus, gross profit marginally declined 1.1% YOY to SAR 37.80 Bn in FY2023 with a slight decline in gross margin to 52.26% in FY2023 from 55.45% in FY2022. The decline is mainly due to the increase in high-cost products and services coupled with additional investment opportunities in start-ups during the previous year. Operating expenses marginally rose 5.8% to SAR 22.3 Bn in FY2023 driven by an increase in the G&A expenses by 16.1% YOY to SAR 7.2 Bn in FY2023 from SAR 6.2 Bn in FY2022. Depreciation and amortization expenses rose 4.9% YOY to SAR 10.0 Bn in FY2023. Thus, operating profit declined 5.9% YOY to SAR 14.2 Bn in FY2023 with a decline in operating profit margin to 19.6% in FY2023 from 22.4% in FY2022. The Company's EBITDA marginally declined 1.58% to SAR 24.68 Bn in FY2023 with an EBITDA margin of 34.12% in FY2023

Bond Information	
ISIN	XS1992985694
Ticker	STCAB
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	95.2645
Amount Issued (USD)	1,250,000,000
Issue Date	5/13/2019
Z-Spread	93.90
Yield to Maturity	4.95
Modified Duration	4.49
Country of Incorp	SA
Fitch Rating	N/A
Moody Rating	A1
S&P Rating	A
Coupon	3.89
Coupon Frequency	2
Maturity	5/13/2029
Maturity Type	AT MATURITY
Currency	USD
52 Week High	98.292
52 Week Low	91.241

primarily attributable to higher cost of revenues and G&A expenses. Finance income more than doubled from SAR 0.6 Bn in FY2022 to SAR 1.5 Bn in FY2023. However, finance costs also increased to SAR 1.3 Bn in FY2023 from SAR 0.69 Bn in FY2022. Zakat expense increased 27.0% YOY to SAR 1.4 Bn in FY2023. The Company's net profit grew 9.24% YOY to SAR 13.30 Bn in FY2023 with improved net margins to 18.38% in FY2023 from 18.05% in FY2022. The growth in net profit is primarily driven by a gain of SAR 1.94 Bn from the sale of the land in Khobar city and a reversal of provision.

Moody's affirmed a rating of 'A1' for STC's long-term IDR with a positive outlook as of February 2024. Any changes in the STC's rating are likely to impact the ratings of PIFs or Saudi government ratings due to the high default dependency between the two. With a strong 'A' profile rating, STC currently stands as the highest-rated telecom operator across the globe on a standalone basis. In the case of financial distress, STC is anticipated to receive substantial government support. Moody's assessment is focused on the Company's dominant 71% market share in the Saudi Telecom market, consistent credit metrics performance, strong revenue and profitability growth, and a robust liquidity position contribute to the positive rating. On the other hand, a potential downgrade could result from growing competition in the domestic telecom market and market saturation in the mobile segment. In addition, significant dividend payouts and fluctuations in receivables exert pressure on STC's free cash flow.

Fitch assigned STC's long-term IDR rating for the first time as 'A+' with a stable outlook in December 2023. The factors supporting stable outlook include the strength of the government support to STC. The STC's upward revision of the SCP is not expected unless there is an improvement in the geographic diversification and business mix within KSA. This is accompanied by maintaining net leverage below 1.0x. On the other hand, factors that could lead to a negative rating include erosion of market share due to intense pricing competition, the emergence of new market competitors, and adverse regulatory changes. Additionally, volatile FCF is mainly driven by working-capital fluctuations or low single-digit FCF margins by a decline in EBITDA margin, constant high capex and shareholder distributions, or significant underperformance in the core domestic market and at other key subsidiaries could also contribute to a negative rating.

STC's net debt-to-EBITDA declined from negative 0.61x in FY2022 to 0.25x in FY2023. Net debt also fell from negative SAR 15.3 Bn in FY2022 to SAR 6.2 Bn in FY2023. The interest coverage ratio declined from 21.7x in FY2022 to 11.2x as of FY2023. The Company has a long-term Murabaha debt of SAR 1.12 Bn which is the only debt maturing within the upcoming year by February 2025. STC maintains a strong capital position with a stable debt-to-equity ratio of 0.18x in FY2023. The Company intends to expand its strategic alliance by agreeing to acquire center3 and CMC network, a global service provider offering market-leading networking solutions across Africa and the Middle East in December 2023. This partnership will help to advance its connectivity services and digital expansion internationally.

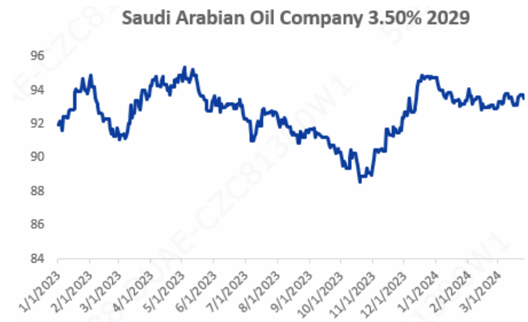
FAB SECURITIES
أبوظبي الأول للأوراق المالية

9 - Saudi Arabian Oil Company 3.50% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 93.49	4.98%	3.50%	16-Apr-2029	A+

Country Overview:

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 centered in Saudi Arabia, while the Downstream sector operates on a global scale. The Company's Upstream segment 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 251.2 Bn barrels of oil equivalent in FY2023, consisting of 191.3 Bn barrels of crude oil and condensate, 26.0 Bn barrels of NGL, and 207.5 trillion standard cubic feet of natural gas. The Company manages 541 reservoirs within 144 fields spread across the Kingdom and its territorial waters.



Financial Ratios	
Net Debt (SAR, Mn)	-93,169
Net Debt/EBITDA (x)	-0.1x
Total Debt to Total Equity (%)	16.7%
EBITDA to Interest Expense (x)	117.9x
Cash Ratio (x)	0.64x

Bond Information	
ISIN	XS1982113208
Ticker	ARAMCO
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	93.489
Amount Issued (USD)	3,000,000,000
Issue Date	4/16/2019
Z-Spread	96.42
Yield to Maturity	4.98
Modified Duration	4.46
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	N/A
Coupon	3.5
Coupon Frequency	2
Maturity	4/16/2029
Maturity Type	AT MATURITY
Currency	USD
52 Week High	95.626
52 Week Low	88.42

Saudi Arabian Oil Company's ("Aramco" or The Company) 3.50% senior unsecured maturing in April 2029. The bond trades at USD 93.49 with a yield of 4.98% when held until maturity (redemption at par) with a modified duration of 4.46. Fitch assigned long-term IDR at 'A+' with a stable outlook. Fitch equalized Aramco rating with sovereign. The Company also received a 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 17.6% to SAR 1,653.3 Bn in 2023, mainly due to the lower realized crude oil prices and volumes sold coupled with a decline in chemicals refining margins. Other income related to sales declined 21.7% to SAR 259.4 Bn in 2023. Thus, revenue and other income related to sales fell to 18.1% to SAR 2,266.4 Bn in 2023. Royalties and other taxes declined 32.1% to SAR 231.8 Bn in 2023. The operating income dropped 12.0% to SAR 988.1 Bn in 2023 owing to OPEC+ production cuts and challenging economic conditions. The Company's finance income more than doubled to SAR 32.0 Bn in 2023 compared to SAR 14.9 Bn in 2022. Furthermore, Aramco's net profit declined 24.2% to SAR 452.8 Bn in 2023. The Company's operating free cash flow fell 31.9% to USD 101.2 Bn in 2023. The decline was primarily caused by a decrease in cash flow from operating activities by 23.0% to USD 143.4 Bn in 2023, which was an outcome of lower earnings partially offset by a favorable change in working capital. Aramco introduced a performance-linked dividend (PLD) starting from 3Q23 and anticipates PLD will be computed using 70% of the Company's full-year free cash flow generated in FY2022 and FY2023. The Company paid a PLD of USD 9.9 Bn each in 3Q23 and 4Q23. The Company paid USD 97.8 Bn dividend in 2023 including a base dividend of USD 78 Bn and PLD of USD 19.8 Bn in 2023. In addition, the Board also approved the distribution of USD 10.8 Bn PLD in 1Q24. The Company's progress on its Upstream oil and gas projects such as Marjan, Berri, Dammam, and Zuluf crude oil increments are expected to enhance its operational flexibility to capture value from strong global demand. However, Aramco's

strategy to boost oil production capacity to 13.0 Mn barrels per day by 2027 is affected due to the OPEC+ cuts.

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 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, position 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.

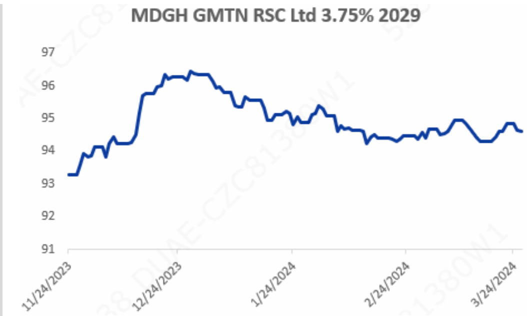
Aramco's gearing ratio stood at negative 6.3% in 2023 compared to a negative 7.9% in 2022. The increase in gearing was primarily a result of a decline in net cash position, due to lower operating cash inflows. This positive cash position further declined due to capital expenditures and dividend payments made during the same period. The interest coverage ratio stood at 106.1x in 2023 compared to 128.8x in 2022. This was primarily due to the decrease in operating income in the recent quarters as a result of lower crude oil prices. Aramco's capex increased 12.2% to USD 42.2 Bn in 2023 and further expects to invest USD 48 – 58 Bn in 2024. Furthermore, lower infill drilling due to directives from the govt. authorities in Saudi will result in a decline in total investment by USD 40 Bn from 2024-2028. The Company's debt declined 26.2% to SAR 290.2 Bn in 2023.

10 - MDGH GMTN RSC Ltd 3.75% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 94.61	4.97%	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)	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

MDGH GMTN RSC Ltd 3.75% senior unsecured bond maturing in April 2029. The Bond trades at USD 94.61 with a yield of 4.97% when held until maturity (redemption at par) with a modified duration of 4.44. 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, which was partially offset by higher revenue from aircraft maintenance and repairs. 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, which contributed 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

Bond Information	
ISIN	XS1598828298
Ticker	MUBAUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	94.613
Amount Issued (USD)	650,000,000
Issue Date	4/19/2017
Z-Spread	95.64
Yield to Maturity	4.97
Modified Duration	4.44
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2
S&P Rating	AA
Coupon	3.75
Coupon Frequency	2
Maturity	4/19/2029
Maturity Type	AT MATURITY
Currency	USD
52 Week High	96.535
52 Week Low	93.167

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. The Abu Dhabi government controls MDGH operations, investment, and funding strategies 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, senior unsecured bonds' long- and short-term ratings, and 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.

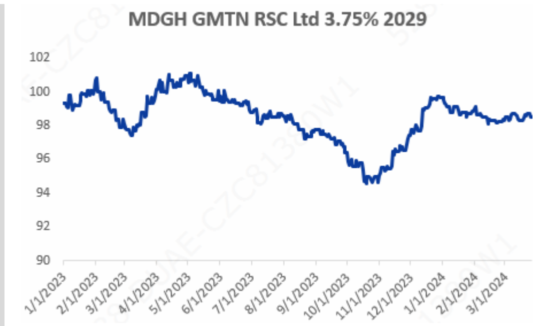
The group continues to maintain equity capital of AED 328 Bn in 1H23, with a gearing ratio of 22.8% in 1H23 from 20.9% in 2022. Net Debt to EBITDA ratio declined to 4.80x in 1H23 TTM from 13.02x in 2022, driven by lower EBITDA in 2022 compared to 1H23. Total liquidity reached c. AED 69 Bn in 1H23 which 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.

11 - MDGH GMTN RSC Ltd 4.50% 2028

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 98.52	4.86%	4.50%	07-Nov-2028	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)	13,787
Net Debt/EBITDA (x)	2.5x
Total Debt to Total Equity (%)	68.44
EBITDA to Interest Expense (x)	6.5x
Cash Ratio (x)	0.46x

MDGH GMTN RSC Ltd 4.50% senior unsecured bond maturing in November 2028. The Bond trades at USD 98.52 with a yield of 4.86% when held until maturity (redemption at par) with a modified duration of 4.03. 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, which contributed 22.9% of the group’s total revenue in 1H23. Other segments include Disruptive Investments, and Corporate contributed 1.0%

Bond Information	
ISIN	US55276VAG77
Ticker	MUBAUH
Coupon Type	FIXED
Market Issue	PRIV PLACEMENT
Payment Rank	Sr Unsecured
Price	98.518
Amount Issued (USD)	800,000,000
Issue Date	11/7/2018
Z-Spread	80.57
Yield to Maturity	4.86
Modified Duration	4.03
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2
S&P Rating	AA
Coupon	4.5
Coupon Frequency	2
Maturity	11/7/2028
Maturity Type	AT MATURITY
Currency	USD
52 Week High	101.328
52 Week Low	94.473

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. The Abu Dhabi government controls MDGH operations, investment, and funding strategies 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.

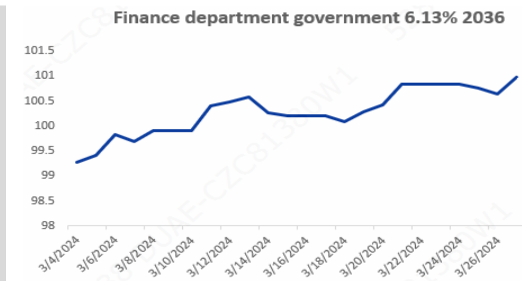
Long Term Bonds:

1 – Finance department government 6.13% 2036

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	S&P Rating
USD 100.58	6.06%	6.13%	06-Mar-2036	BBB-

Background:

Sharjah is the third largest emirate in UAE with a 5.2% growth in GDP to AED 136.9 Bn in 2022 mainly driven by the economic diversification strategy and comprises a population of c. 1.8 Mn as per Sharjah Census 2022. The majority of the population comprises of working expatriates. Wholesale & retail trade and repair of motor vehicles activity were the highest contributors to Sharjah's economy in 2022 contributing 24% followed by the manufacturing sector which accounted for c. 17% of Sharjah's GDP. The non-oil sector activity in Sharjah registered a 5.2% growth in 2022. Sharjah's economy is diversified and less dependent upon the hydrocarbon sector compared to other emirates in UAE. Cement, petrochemicals, glass, and household goods sector are the significant contributors the Sharjah's manufacturing sector. The Emirate of Sharjah has the largest desert region and eminent cultural presence which attracts a large number of tourists.



Key Macro Factors - 2024	
Nominal GDP (Bn, USD)	537
Real GDP (%)	4.0
Budget balance as of GDP (%)	4.4
Debt to GDP (%)	28.7
Inflation (%)	2.3

Finance Department Government 6.125% senior unsecured Sukuk matures in March 2036. The Sukuk is trading at USD 100.58 with a yield of 6.06% when held until maturity (redemption at par) with a modified duration of 8.36. The Sukuk enjoys an investment-grade rating of 'BBB-' for long-term IDR from S&P while Moody's assigned a non-investment-grade rating of 'Ba1' for long-term IDR.

According to the S&P's forecast, Sharjah's economy is expected to grow by an average of 2% in 2023-26. The economic growth will depend upon the diversified sectors spread across construction, real estate activities, wholesale & retail trade, financial services, and manufacturing. Sharjah's free zones contribute significantly to the economy as almost 5,000 companies operate between the two free zones of Hamriyah Free Zone Authority and Sharjah Airport International Free Zone. In addition, more than 12,000 small companies operate at Sharjah Media City (Shams) while the foreign companies in the free zones enjoy privileges such as 100% foreign ownership, and exemption from import duties and tax. Sharjah's fiscal performance is expected to gradually improve on the back of a decline in fiscal deficit driven by the measures undertaken by the government through expenditure control and new revenue-raising measures. In addition, the mandatory corporate tax in UAE from 2024 will further add to the government's revenue. The government of Sharjah approved the largest-ever budget of AED 40.832 Bn for 2024. The budget expenditure grew 16% compared to the previous year while the government aims to achieve financial sustainability and improve the standard of living by increasing the availability of critical resources like food, water, and energy. Sharjah's 2024 budget allocated 20% of its resources towards capital expenditure. The government expects a 5% growth in revenue generation during 2024 out of which 71% is estimated to be contributed from operating revenues, 11% from

Bond Information	
ISIN	XS2775892065
Ticker	SHJGOV
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	100.576
Amount Issued (USD)	875,000,000
Issue Date	3/6/2024
Z-Spread	214.31
Yield to Maturity	6.06
Modified Duration	8.36
Country of Incorp	AE
Fitch Rating	N/A
Moody Rating	Ba1
S&P Rating	BBB-
Coupon	6.125
Coupon Frequency	2
Maturity	3/6/2036
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.889
52 Week Low	99.228

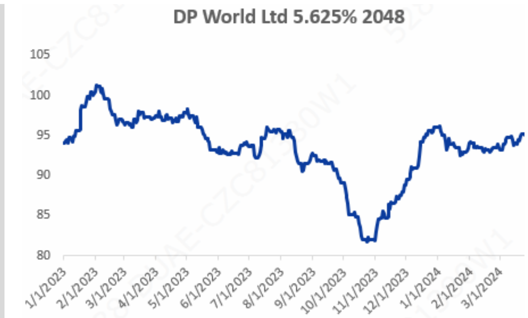
capital revenue, 9% from tax, 4% from customs, and 5% from oil and gas. According to the S&P forecast, Sharjah fiscal performance is expected to gradually strengthen during 2023-26. It expects the primary fiscal deficit to balance in line with the government's medium-term fiscal outlook. The deficit will narrow from 6.2% in 2022 to 5.8% in 2023 and further to 3.8% in 2026. The Government held liquid assets worth 5% of GDP in 2023 including minority shareholding of listed companies by Sharjah Asset Management, cash & cash equivalent held by the Sharjah Finance Department and assets of the Social Security Fund. The Government of Sharjah also supported banks by providing capital when required. Sharjah's total net public sector debt (including general government plus GRE debt minus government liquid assets), stood at 52% of GDP in 2023.

2 – DP World Ltd 5.625% 2048

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 95.09	6.01%	5.625%	25-Sep-2048	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 in 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 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 with a gross throughput capacity of 81.5 Mn TEU.



Financial Ratios	
Net Debt (USD, Mn)	20,192
Net Debt/EBITDA (x)	4.0x
Total Debt to Total Equity (%)	192.2%
EBITDA to Interest Expense (x)	3.7x
Cash Ratio (x)	0.49x

DP World Ltd (DP World or the Company) 5.625% senior unsecured long-term bond maturing in September 2048. The Bond trades at USD 95.09 with a yield of 6.01% when held until maturity (redemption at par) with a modified duration of 12.90. 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 6.6% YOY to USD 18.3 Bn in 2023 driven by full-year consolidation of Imperial Logistics coupled with strong like-for-like (LfL) growth of Logistics and Ports & Terminals business. While LfL growth in revenue at constant currency stood at 3.1% during 2023. The Logistics segment contributed 41.4% of revenue during 2023 while 36.3% was generated from ports and terminals. Whereas, the Marine services business accounted for 22.4% of revenue during 2023. DP World's consolidated throughput rose 3.1% and 0.7% on LfL basis to 47.5 Bn TEU in 2023. Adjusted EBITDA rose 1.9% to USD 5.1 Bn in 2023 with an adj. EBITDA margin of 28.0% in 2023 compared to LfL margin and decline of 28.9% and 1.3%, respectively. The Ports & Terminals adj. EBITDA margin grew 130 bps to 52.0% in 2023 while Logistics business adj EBITDA margin rose 80 bps to 18.3%. However, Marine Services ad. EBITDA margin declined 650 bps to 21.4% in 2023 owing to normalization of freight rates. The Company's profit for the year fell 17.7% to USD 1.5 Bn in 2023. DP World's cash and cash equivalents stood strong at USD 3.5 Bn during 2023 while the company generated USD 4.6 Bn in cash from operating activities. Total debt stood at USD 23.7 Bn in 2023 compared to USD 19.2 Bn in 2022 due to increase in term loan of USD 3.5 Bn. DP World incurred a capex of USD 2.1 Bn in 2023 out of which 48% is spent on Ports & Terminals business, 27% Logistics, 21% Marine and the balance on Digital and Corporate. Out of the total capex, 67% is spent on expansion plans, 20% of replacement, and 13% on maintenance.

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

Bond Information	
ISIN	XS1883879006
Ticker	DPWDU
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	95.087
Amount Issued (USD)	1,300,000,000
Issue Date	9/25/2018
Z-Spread	218.83
Yield to Maturity	6.01
Modified Duration	12.90
Country of Incorp	AE
Fitch Rating	BBB+
Moody Rating	Baa2
S&P Rating	N/A
Coupon	5.625
Coupon Frequency	2
Maturity	9/25/2048
Maturity Type	AT MATURITY
Currency	USD
52 Week High	98.636
52 Week Low	81.189

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 ports. The rating is also based on the Company’s acquisition strategy and un-covenanted debt structure while the majority of the company’s cash flow remains free of restrictions. In addition, an 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 the net debt to EBITDA ratio sustains below 3.5x.

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 a 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 the sale of assets in June and December 2022. The Company's solid financial profile, strong liquidity, and reduction in debt have resulted in the current rating. Moody’s view is a declined risk of interference by the government of Dubai. The Company’s rating is also supported by diversified global port operations, Jebel Ali Port and Free Zone operations in Dubai, strong economic cycle profitability, and long-term growth expected through origin and destination cargo. DP World’s ratings can be downgraded if the Company does not adhere to maintaining its financial policy targets or undertakes high-risk development projects or acquisitions, which will weaken its 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 leverage (net debt/EBITDA ratio) post IFRS 16 stood at 4.0x during 2023 compared to 3.2x in 2022. The Company’s net interest coverage ratio post IFRS 16 stood at 4.5x in 2023 compared to 6.3x in 2022. The Company’s debt maturity profile includes long-dated debt with a bank loan of USD 2.37 Bn maturing in the next three years. It also has an outstanding USD 1.5 Bn of perpetual hybrid Sukuk due in 2025.

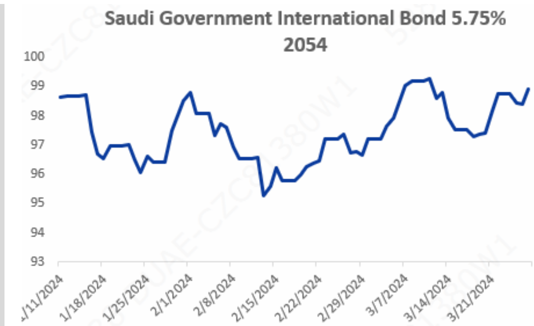
FAB SECURITIES أبوظبي الأول للأوراق المالية

3 – Saudi Government International Bond 5.75% 2054

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 98.58	5.85%	5.75%	16-Jan-2054	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 - 2024	
Nominal GDP (Bn, USD)	1,110
Real GDP (%)	2.7
Budget balance as of GDP (%)	-1.9
Debt to GDP (%)	25.9
Inflation (%)	2.2

Saudi Government International Bond 5.75% senior unsecured bond maturing in January 2054. The bond is trading at USD 98.58 with a yield of 5.85% when held until maturity (redemption at par) with a modified duration of 13.91. 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 favorable fiscal position and financial stability.

Bond Information	
ISIN	XS2747599509
Ticker	KSA
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	98.579
Amount Issued (USD)	4,750,000,000
Issue Date	1/16/2024
Z-Spread	209.72
Yield to Maturity	5.85
Modified Duration	13.91
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	N/A
Coupon	5.75
Coupon Frequency	2
Maturity	1/16/2054
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.505
52 Week Low	95.206

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.

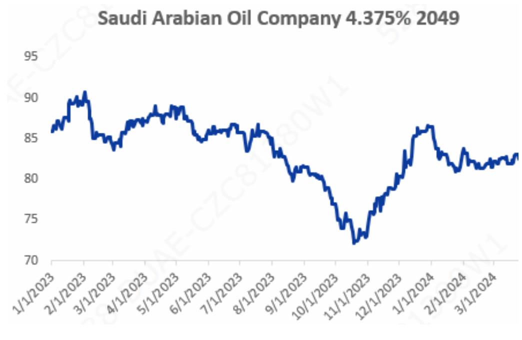
S&P affirmed a rating of A/A-1 for Saudi’s long-term foreign and local IDR and a stable outlook with the expectation that the government's reform initiatives will drive non-oil sector development, and support non-oil growth and fiscal revenues. The ratings could improve with advanced reforms, robust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

4 – Saudi Arabian Oil Company 4.375% 2049

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 82.75	5.67%	4.375%	16-Apr-2049	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 centered 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 251.2 Bn barrels of oil equivalent in FY2023, consisting of 191.3 Bn barrels of crude oil and condensate, 26.0 Bn barrels of NGL, and 207.5 trillion standard cubic feet of natural gas. The Company manages 541 reservoirs within 144 fields spread across the Kingdom and its territorial waters



Saudi Arabian Oil Company's ("Aramco" or The Company) 4.375% senior unsecured maturing in April 2049. The bond trades at USD 82.75 with a yield of 5.67% when held until maturity (redemption at par) with a modified duration of 13.71. Fitch assigned long-term IDR at 'A+' with a stable outlook. Fitch equalized Aramco rating with sovereign. The Company also received a 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 17.6% to SAR 1,653.3 Bn in 2023, mainly due to the lower realized crude oil prices and volumes sold coupled with a decline in chemicals refining margins. Other income related to sales declined 21.7% to SAR 259.4 Bn in 2023. Thus, revenue and other income related to sales fell to 18.1% to SAR 2,266.4 Bn in 2023. Royalties and other taxes declined 32.1% to SAR 231.8 Bn in 2023. The operating income dropped 12.0% to SAR 988.1 Bn in 2023 owing to OPEC+ production cuts and challenging economic conditions. The Company's finance income more than doubled to SAR 32.0 Bn in 2023 compared to SAR 14.9 Bn in 2022. Furthermore, Aramco's net profit declined 24.2% to SAR 452.8 Bn in 2023. The Company's operating free cash flow fell 31.9% to USD 101.2 Bn in 2023. The decline was primarily caused by a decrease in cash flow from operating activities by 23.0% to USD 143.4 Bn in 2023, which was an outcome of lower earnings partially offset by a favorable change in working capital. Aramco introduced a performance-linked dividend (PLD) starting from 3Q23 and anticipates PLD will be computed using 70% of the Company's full-year free cash flow generated in FY2022 and FY2023. The Company paid a PLD of USD 9.9 Bn each in 3Q23 and 4Q23. The Company paid USD 97.8 Bn dividend in 2023 including a base dividend of USD 78 Bn and PLD of USD 19.8 Bn in 2023. In addition, the Board also approved the distribution of USD 10.8 Bn PLD in 1Q24. The Company's progress on its Upstream oil and gas projects such as Marjan, Berri, Dammam, and Zuluf crude oil increments are expected to enhance its

Financial Ratios	
Net Debt (SAR, Mn)	-93,169
Net Debt/EBITDA (x)	-0.1x
Total Debt to Total Equity (%)	16.7%
EBITDA to Interest Expense (x)	117.9x
Cash Ratio (x)	0.64x

Bond Information	
ISIN	XS1982116136
Ticker	ARAMCO
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	82.748
Amount Issued (USD)	3,000,000,000
Issue Date	4/16/2019
Z-Spread	187.07
Yield to Maturity	5.67
Modified Duration	13.71
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	N/A
Coupon	4.375
Coupon Frequency	2
Maturity	4/16/2049
Maturity Type	AT MATURITY
Currency	USD
52 Week High	89.382
52 Week Low	71.595

operational flexibility to capture value from strong global demand. However, Aramco's strategy to boost oil production capacity to 13.0 Mn barrels per day by 2027 is affected due to the OPEC+ cuts.

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 strong control and support from the government. The government is the company's majority shareholder, with a direct ownership of 90.19%. Aramco's significant investments in capex and capacity expansion, position 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.

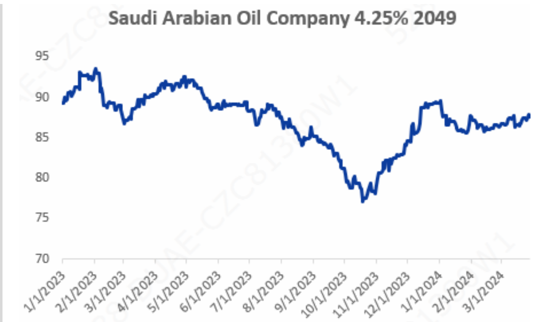
Aramco's gearing ratio stood at negative 6.3% in 2023 compared to a negative 7.9% in 2022. The increase in gearing was primarily a result of a decline in net cash position, due to lower operating cash inflows. This positive cash position further declined due to capital expenditures and dividend payments made during the same period. The interest coverage ratio stood at 106.1x in 2023 compared to 128.8x in 2022. This was primarily due to the decrease in operating income in the recent quarters as a result of lower crude oil prices. Aramco's capex increased 12.2% to USD 42.2 Bn in 2023 and further expects to invest USD 48 – 58 Bn in 2024. Furthermore, lower infill drilling due to directives from the govt. authorities in Saudi will result in a decline in total investment by USD 40 Bn from 2024-2028. The Company's debt declined 26.2% to SAR 290.2 Bn in 2023.

5 – Saudi Arabian Oil Company 4.25% 2039

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 87.45	5.49%	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 centered 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 251.2 Bn barrels of oil equivalent in FY2023, consisting of 191.3 Bn barrels of crude oil and condensate, 26.0 Bn barrels of NGL, and 207.5 trillion standard cubic feet of natural gas. The Company manages 541 reservoirs within 144 fields spread across the Kingdom and its territorial waters



Financial Ratios	
Net Debt (SAR, Mn)	-93,169
Net Debt/EBITDA (x)	-0.1x
Total Debt to Total Equity (%)	16.7%
EBITDA to Interest Expense (x)	117.9x
Cash Ratio (x)	0.64x

Bond Information	
ISIN	XS1982113463
Ticker	ARAMCO
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	87.4495
Amount Issued (USD)	3,000,000,000
Issue Date	4/16/2019
Z-Spread	158.03
Yield to Maturity	5.49
Modified Duration	10.43
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	N/A
Coupon	4.25
Coupon Frequency	2
Maturity	4/16/2039
Maturity Type	AT MATURITY
Currency	USD
52 Week High	92.681
52 Week Low	76.794

Saudi Arabian Oil Company's ("Aramco" or The Company) 4.25% senior unsecured maturing in April 2039. The bond is trading at USD 87.45 with a yield of 5.49% when held until maturity (redemption at par) with a modified duration of 10.43. Fitch assigned long-term IDR at 'A+' with a stable outlook. Fitch equalized Aramco rating with sovereign. The Company also received a 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 17.6% to SAR 1,653.3 Bn in 2023, mainly due to the lower realized crude oil prices and volumes sold coupled with a decline in chemicals refining margins. Other income related to sales declined 21.7% to SAR 259.4 Bn in 2023. Thus, revenue and other income related to sales fell to 18.1% to SAR 2,266.4 Bn in 2023. Royalties and other taxes declined 32.1% to SAR 231.8 Bn in 2023. The operating income dropped 12.0% to SAR 988.1 Bn in 2023 owing to OPEC+ production cuts and challenging economic conditions. The Company's finance income more than doubled to SAR 32.0 Bn in 2023 compared to SAR 14.9 Bn in 2022. Furthermore, Aramco's net profit declined 24.2% to SAR 452.8 Bn in 2023. The Company's operating free cash flow fell 31.9% to USD 101.2 Bn in 2023. The decline was primarily caused by a decrease in cash flow from operating activities by 23.0% to USD 143.4 Bn in 2023, which was an outcome of lower earnings partially offset by a favorable change in working capital. Aramco introduced a performance-linked dividend (PLD) starting from 3Q23 and anticipates PLD will be computed using 70% of the Company's full-year free cash flow generated in FY2022 and FY2023. The Company paid a PLD of USD 9.9 Bn each in 3Q23 and 4Q23. The Company paid USD 97.8 Bn dividend in 2023 including a base dividend of USD 78 Bn and PLD of USD 19.8 Bn in 2023. In addition, the Board also approved the distribution of USD 10.8 Bn PLD in 1Q24. The Company's progress on its Upstream oil and gas projects such as Marjan, Berri, Dammam, and Zuluf crude oil increments are expected to enhance its operational flexibility to capture value from strong global demand. However, Aramco's

strategy to boost oil production capacity to 13.0 Mn barrels per day by 2027 is affected due to the OPEC+ cuts.

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 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, position 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 stood at negative 6.3% in 2023 compared to a negative 7.9% in 2022. The increase in gearing was primarily a result of a decline in net cash position, due to lower operating cash inflows. This positive cash position further declined due to capital expenditures and dividend payments made during the same period. The interest coverage ratio stood at 106.1x in 2023 compared to 128.8x in 2022. This was primarily due to the decrease in operating income in the recent quarters as a result of lower crude oil prices. Aramco's capex increased 12.2% to USD 42.2 Bn in 2023 and further expects to invest USD 48 – 58 Bn in 2024. Furthermore, lower infill drilling due to directives from the govt. authorities in Saudi will result in a decline in total investment by USD 40 Bn from 2024-2028. The Company's debt declined 26.2% to SAR 290.2 Bn in 2023.

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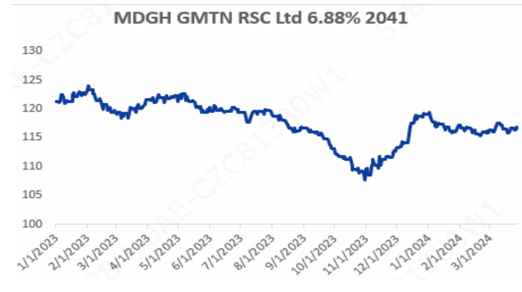
6 – MDGH GMTN RSC Ltd 6.88% 2041

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 116.43	5.41%	6.88%	01-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)	13,787
Net Debt/EBITDA (x)	2.5x
Total Debt to Total Equity (%)	68.44
EBITDA to Interest Expense (x)	6.5x
Cash Ratio (x)	0.46x

MDGH GMTN RSC Ltd 6.88% senior unsecured bond maturing in November 2041. The Bond trades at USD 116.43 with a yield of 5.41% when held until maturity (redemption at par) with a modified duration of 10.46. 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, which was partially offset by higher revenue from aircraft maintenance and repairs. 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, which contributed 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.

Bond Information	
ISIN	XS0701227075
Ticker	MUBAUH
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	116.4255
Amount Issued (USD)	750,000,000
Issue Date	11/1/2011
Z-Spread	151.29
Yield to Maturity	5.41
Modified Duration	10.46
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	Aa2
S&P Rating	AA
Coupon	6.875
Coupon Frequency	2
Maturity	11/1/2041
Maturity Type	AT MATURITY
Currency	USD
52 Week High	123.104
52 Week Low	107.403

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.

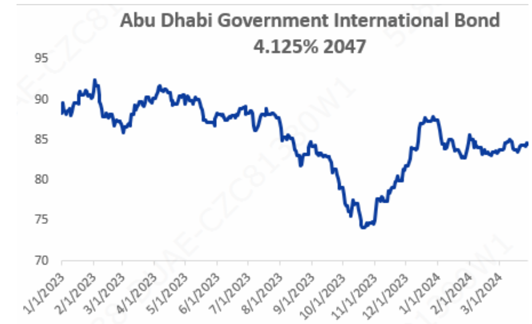
The group continues to maintain equity capital of AED 328 Bn in 1H23, with a gearing ratio of 22.8% in 1H23 from 20.9% in 2022. Net Debt to EBITDA ratio declined to 4.80x in 1H23 TTM from 13.02x in 2022, driven by lower EBITDA in 2022 compared to 1H23. Total liquidity reached c. AED 69 Bn in 1H23 which 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 - Abu Dhabi Government International Bond 4.125% 2047

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 84.23	5.31%	4.125%	11-Oct-2047	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 2024, as its central location and competitive advantages continue to attract investors. IMF expects the UAE's economic growth at 4.0% in 2024 and 4.2% in 2025. 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 4.7% in 2024



Key Macro Factors - 2024	
Nominal GDP (Bn, USD)	537
Real GDP (%)	4.0
Budget balance as of GDP (%)	4.4
Debt to GDP (%)	28.7
Inflation (%)	2.3

Abu Dhabi Government International Bond 4.125% senior unsecured bond maturing in October 2047. The bond trades at USD 84.23 with a yield of 5.31% when held until maturity (redemption at par) with a modified duration of 13.77. 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.

The positive momentum in the Abu Dhabi economy is primarily driven by the strong performance of the non-oil sectors, especially in tourism, construction, and real estate-related developments despite reductions and fluctuations in the oil and gas market. According to the Statistical Centre of Abu Dhabi, the GDP grew 1% YOY in 3Q23, mainly driven by the robust performance of non-oil economic activities. Similarly, Abu Dhabi's real GDP rose 2.8% YOY in 9M23 while non-oil activity registered a strong growth of 8.6% YOY. The non-oil activity contributed 52.8% to the overall economy. Abu Dhabi is the capital of a major oil exporter with an industrial hub in the UAE. Abu Dhabi's manufacturing activity contributed 9% to the UAE's GDP, reaching AED 26.3 Bn in 3Q23. On the other hand, construction activity recorded 14.3% YOY growth to AED 25 Bn in 3Q23 contributing 8.6% to the overall GDP. In addition, Finance and insurance activities grew 14.4% YOY to AED 18.7 Bn in 3Q23 accounting for 6.4% of UAE's GDP. 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. 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

Bond Information	
ISIN	XS1696899035
Ticker	ADGB
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	84.2315
Amount Issued (USD)	3,000,000,000
Issue Date	10/11/2017
Z-Spread	148.23
Yield to Maturity	5.31
Modified Duration	13.77
Country of Incorp	AE
Fitch Rating	AA
Moody Rating	N/A
S&P Rating	AA
Coupon	4.125
Coupon Frequency	2
Maturity	10/11/2047
Maturity Type	AT MATURITY
Currency	USD
52 Week High	93.293
52 Week Low	71.2

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 an expected 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.

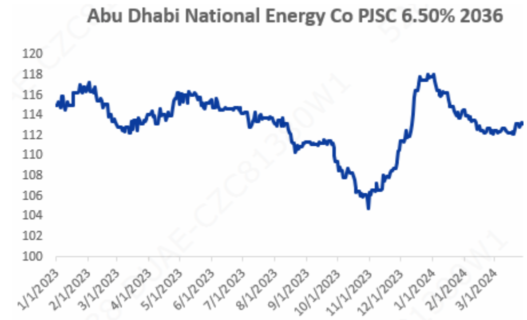
S&P affirmed a rating of 'AA' for long-term IDR with a stable outlook. The ratings are based on the expectations that the Government's fiscal and external buffers continue for the next two years alongside further progress in institutional reforms. Furthermore, the ratings can be upgraded in the event 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.

8 – Abu Dhabi National Energy Co PJSC 6.50% 2036

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 113.04	5.08%	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 194.0 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, 40.68 GW power generation capacity, 1,250 MIGD water desalination capacity, and 108 mboe/d oil production capacity. TAQA completed a landmark transaction with ADNOC and Mubadala and became a shareholder of Masdar to own a 43% stake. Masdar is a renewable energy company generating energy from renewable and green hydrogen.



Financial Ratios	
Net Debt (AED, Mn)	47,151
Net Debt/EBITDA (x)	2.4x
Total Debt to Total Equity (%)	68.9%
EBITDA to Interest Expense (x)	6.9x
Cash Ratio (x)	0.46x

Abu Dhabi National Energy Co PJSC ("TAQAUH or The Group") 6.50% senior unsecured bond maturing in October 2036. The Bond is trading at USD 113.04 with a yield of 5.08% when held until maturity (redemption at par) with a modified duration of 8.60. 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 3.3% to AED 51.7 Bn in 2023 primarily due to higher pass-through of bulk supply tariffs and improved regulatory terms with the new Regulatory Framework in the Transmission and Distribution business partially offset by a fall in oil & gas revenue. Revenue from the Generation segment declined from AED 13.8 Bn in 2022 to AED 12.7 Bn in 2023. This was due to the end of one of its tolling agreements in the USA which contributed AED 833 Mn of revenues whereas the Oil and Gas business revenue fell to AED 8.1 Bn in 2023 from AED 10.1 Bn in 2022 due to a decline in production and selling prices. The decline in total revenue is partially offset by higher revenue contribution from the Transmission and Distribution business which rose from AED 26.1 Bn in 2022 to AED 31.0 Bn in 2023, mainly due to pass-through bulk supply tariffs and improved terms associated with the Regulatory Control 2 framework. Gross profit declined 4.2% YOY to AED 12.5 Bn in 2023 driven by higher operating expenses partially offset by a decline in D&A and impairment charges. Adjusted EBITDA declined 5.5% to AED 19.6 Bn in 2023. This was due to a decline in contribution from the Oil and gas segment owing to lower realized O&G prices and lower production. TAQA's net income more than doubled from AED 8.0 Bn in 2022 to AED 16.7 Bn in 2023, mainly driven by a rise in other income and gain on investment. The Group generated AED 20.1 Bn in free cash flow during 2023 compared to AED 21.9 Bn in 2022. The Company's gross debt stood AED 61.2 Bn in 2023 marginally lower compared to the previous year at AED 61.6 Bn in 2022. Taqa announced higher targets for 2030 by increasing the gas power capacity to 150 GW by 2030 out of which 100 GW will be in the form of renewable

Bond Information	
ISIN	XS0272949016
Ticker	TAQAUH
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	113.037
Amount Issued (USD)	1,500,000,000
Issue Date	10/27/2006
Z-Spread	117.47
Yield to Maturity	5.08
Modified Duration	8.60
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	Aa3
S&P Rating	NR
Coupon	6.5
Coupon Frequency	2
Maturity	10/27/2036
Maturity Type	AT MATURITY
Currency	USD
52 Week High	118.26
52 Week Low	104.639

capacity through Masdar. The Company plans to spend AED 75 Bn in capex by 2030 to achieve its expansion goals. Out of the total capex, AED 40 Bn will be spent on UAE based transmission and distribution network and the remaining will be spent on the generation business. The Company also expanded its desalination capacity and entered into the UAE operations and maintenance segment within the Generation business.

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 downgraded 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 35% of debt as of 2023 compared to 40% in 2022 and remains dependent upon corporate bonds and RCF for external sources of funding. The Company enters into interest rate swaps to hedge its interest rates and c. 99% of bears fixed interest rate while the Group’s average cost of debt stood at 4.6% in 2023. Total available liquidity stood at AED 27.5 Bn in 2023, which comprises AED 13.9 Bn in cash and cash equivalents and AED 13.6 Bn in available credit facilities. Liquidity level represented 14.2% of the total assets as of 2023. The Company’s strong income contracted assets make the cashflows highly predictable. With capacity additions, strategic partnerships, M&A, and new regulatory control mechanisms (RC2), the Company plans to capitalize on and deliver value to its stakeholders.

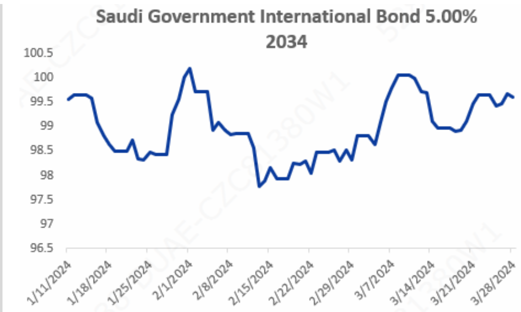
FAB SECURITIES
أبوظبي الأول للأوراق المالية

9 - Saudi Government International Bond 5.00% 2034

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 99.47	5.07%	5.00%	16-Jan-2034	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 grow to 2.7% in 2024 and further improve to 5.5% in 2025. According to GSTATS, the Real GDP recorded a decline of 4.3% in 4Q23 compared to 5.6% GDP growth in 4Q22. The decline is mainly due to the cut in oil production agreed with OPEC+ in June 2023. Oil activities decreased 16.2% YOY in 4Q23. However, the non-oil activities in Saudi Arabia remained strong and recorded a growth of 4.2% YOY in 4Q23. The government activities also recorded an increase of 3.1% YOY in 2023. According to the IMF (World Economic Outlook - January 2024), the growth of the non-oil sector is expected to remain strong during 2024, as the Saudi economy is expected to record 2.7% growth during 2024. 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 - 2024	
Nominal GDP (SAR, Bn)	1,110
Real GDP (%)	2.7
Budget balance as of GDP (%)	-1.9
Debt to GDP (%)	25.9
Inflation (%)	2.2

Saudi Government International Bond 5.00% senior unsecured bond maturing in January 2034. The Sukuk is trading at USD 99.47 with a yield of 5.07% when held until maturity (redemption at par) with a modified duration of 7.58. The Government of Saudi enjoys an investment-grade rating of 'A+' for long-term foreign currency IDR, by Fitch with a stable outlook. It also enjoys a sovereign rating of foreign currency and a 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. The country is expected to record a budget deficit of SAR 82 Bn (USD 21.9 Bn), approximately 2.0% of its GDP in 2023, while the deficit for FY2024 is expected to be SAR 79 Bn, approximately 1.9% 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. Saudi Arabia is further expected to record a fiscal deficit of 1.6% of GDP in 2025, and 2.3% of GDP in 2026, based on the ongoing expansionary fiscal policies. Additionally, revenues decreased 7% to SAR 1.2 Tn, mainly due to voluntary oil production cuts and lower average oil prices in 2023 compared to the previous year. Total revenue for FY2024 is expected to be c. SAR 1.2 Tn, and is projected to reach SAR 1.3 Tn in FY2026. 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 24.8% in 2023 and 26.2% in 2025. Government deposits at the Saudi Central Bank are estimated to encompass the government's current account and fiscal reserve to SAR 450 Bn, equivalent to 11.4% of GDP in FY2023. Saudi's low and sustainable gross government debt-to-GDP ratio indicates a more favorable fiscal position and financial stability.

Bond Information	
ISIN	XS2747599095
Ticker	KSA
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	99.466
Amount Issued (USD)	4,000,000,000
Issue Date	1/16/2024
Z-Spread	116.09
Yield to Maturity	5.07
Modified Duration	7.58
Country of Incorp	SA
Fitch Rating	A+
Moody Rating	A1
S&P Rating	#N/A N/A
Coupon	5
Coupon Frequency	2
Maturity	1/16/2034
Maturity Type	AT MATURITY
Currency	USD
52 Week High	153.19
52 Week Low	97.717

Fitch issued a rating of "A+" for Saudi's long-term IDR with a stable outlook reflecting its strong fiscal and external balance sheet, with government debt/GDP and sovereign net foreign assets, commitment to ongoing gradual progress with fiscal, economic and governance reforms. A deterioration in 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 for better economic diversification.

S&P issued a rating of A/A-1 for Saudi's long-term foreign and short-term 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 is demonstrated by an erosion of the government's net asset position.

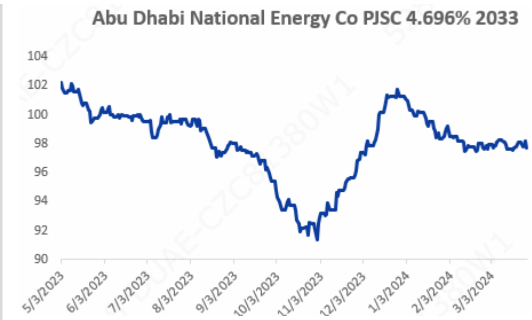
FAB SECURITIES أبوظبي الأول للأوراق المالية

10 - Abu Dhabi National Energy Co PJSC 4.696% 2033

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity	Fitch Rating
USD 97.91	4.98%	4.696%	24-Apr-2033	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 194.0 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, 40.68 GW power generation capacity, 1,250 MIGD water desalination capacity, and 108 mboe/d oil production capacity. TAQA completed a landmark transaction with ADNOC and Mubadala and became a shareholder of Masdar to own a 43% stake. Masdar is a renewable energy company generating energy from renewable and green hydrogen.



Financial Ratios	
Net Debt (AED, Mn)	47,151
Net Debt/EBITDA (x)	2.4x
Total Debt to Total Equity (%)	68.9%
EBITDA to Interest Expense (x)	6.9x
Cash Ratio (x)	0.46x

Bond Information	
ISIN	XS2600248335
Ticker	TAQAUH
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	97.912
Amount Issued (USD)	1,000,000,000
Issue Date	4/24/2023
Z-Spread	108.07
Yield to Maturity	4.98
Modified Duration	7.13
Country of Incorp	AE
Fitch Rating	AA-
Moody Rating	Aa3
S&P Rating	N/A
Coupon	4.696
Coupon Frequency	2
Maturity	4/24/2033
Maturity Type	AT MATURITY
Currency	USD
52 Week High	102.594
52 Week Low	91.404

Abu Dhabi National Energy Co PJSC ("TAQAUH or The Group") 4.696% senior unsecured bond maturing in April 2033. The Bond is trading at USD 97.91 with a yield of 4.98% when held until maturity (redemption at par) with a modified duration of 7.13. 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 3.3% to AED 51.7 Bn in 2023 primarily due to higher pass-through of bulk supply tariffs and improved regulatory terms with the new Regulatory Framework in the Transmission and Distribution business partially offset by a fall in oil & gas revenue. Revenue from the Generation segment declined from AED 13.8 Bn in 2022 to AED 12.7 Bn in 2023. This was due to the end of one of its tolling agreements in the USA which contributed AED 833 Mn of revenues whereas the Oil and Gas business revenue fell to AED 8.1 Bn in 2023 from AED 10.1 Bn in 2022 due to a decline in production and selling prices. The decline in total revenue is partially offset by higher revenue contribution from the Transmission and Distribution business which rose from AED 26.1 Bn in 2022 to AED 31.0 Bn in 2023, mainly due to pass-through bulk supply tariffs and improved terms associated with the Regulatory Control 2 framework. Gross profit declined 4.2% YOY to AED 12.5 Bn in 2023 driven by higher operating expenses partially offset by a decline in D&A and impairment charges. Adjusted EBITDA declined 5.5% to AED 19.6 Bn in 2023. This was due to a decline in contribution from the Oil and gas segment owing to lower realized O&G prices and lower production. TAQA's net income more than doubled from AED 8.0 Bn in 2022 to AED 16.7 Bn in 2023, mainly driven by a rise in other income and gain on investment. The Group generated AED 20.1 Bn in free cash flow during 2023 compared to AED 21.9 Bn in 2022. The Company's gross debt stood AED 61.2 Bn in 2023 marginally lower compared to the previous year at AED 61.6 Bn in 2022. Taqa announced higher targets for 2030 by increasing the gas power capacity to 150 GW by 2030 out of which 100 GW will be in the form of renewable capacity through Masdar. The Company plans to spend AED 75 Bn in capex by 2030 to achieve its expansion goals. Out of the total capex, AED 40 Bn will be spent on UAE based transmission and distribution network and the remaining will be spent on the generation business. The Company also expanded its desalination capacity and entered into the UAE operations and maintenance segment within the Generation business.

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 downgraded 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 35% of debt as of 2023 compared to 40% in 2022 and remains dependent upon corporate bonds and RCF for external sources of funding. The Company enters into interest rate swaps to hedge its interest rates and c. 99% of bears fixed interest rate while the Group’s average cost of debt stood at 4.6% in 2023. Total available liquidity stood at AED 27.5 Bn in 2023 which comprises AED 13.9 Bn in cash and cash equivalents and AED 13.6 Bn of available credit facilities. Liquidity level represented 14.2% of the total assets as of 2023. The Company’s strong income contracted assets make the cashflows highly predictable. With capacity additions, strategic partnerships, M&A, and new regulatory control mechanisms (RC2), the Company plans to capitalize on and deliver value to its stakeholders.

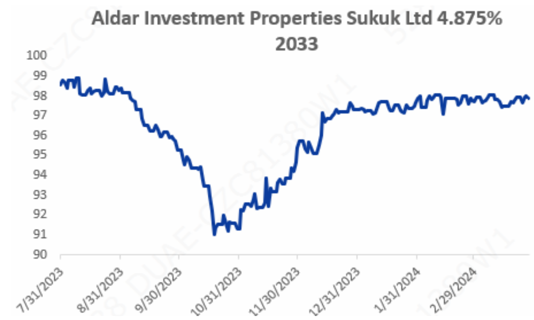
SUKUK:

1 - Aldar Investment Properties Sukuk Ltd 4.875% 2033

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Moody's Rating
USD 97.96	5.16%	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 a portfolio of more than AED 37 Bn 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. Aldar's landbank is strategically distributed across significant investment zones in Abu Dhabi, Dubai, and Ras Al Khaimah, with a total owned and controlled land area of 65 Mn Sqm. Moreover, in Abu Dhabi, the land area spans 63.0 Mn Sqm, with a gross floor area (GFA) of 9.6 Mn Sqm. Meanwhile, in Dubai, the land area encompasses 2.6 Mn Sqm. The company broadened its investment portfolio by procuring seven Logistics and Industrial Central acquisitions in Dubai amounting to AED 92 Mn in FY2023.



Financial Ratios	
Net Debt (AED, Mn)	9,179
Net Debt/EBITDA (x)	1.8x
Total Debt to Total Equity (%)	31.5%
EBITDA to Interest Expense (x)	8.2x
Cash Ratio (x)	0.16x

Aldar Investment Properties Sukuk Ltd 4.875% sukuk maturing in May 2033. The Sukuk is trading at USD 97.96 with a yield of 5.16% when held until maturity (redemption at par) with a modified duration of 7.16. Aldar Investment Properties affirmed a rating of 'Baa1' for its long-term issuer default rating (IDR) from Moody's with a stable outlook.

Aldar Properties revenue grew 26.4% to AED 14.2 Bn in FY2023. The growth is primarily attributed to a strong cross-platform growth driven by continued execution of development revenue backlog, record development sales, and recurring income portfolio contributions. Aldar Development's revenue rose 18.7% to AED 8.3 Bn in FY2023 supported by the growth in construction activities in UAE, Project Management & Services, Egypt, and the UK. The growth is primarily driven by the execution of strong off-plan sales, project completions, and revenue backlog recognition. Aldar Development's sales more than doubled from AED 14.4 Bn in FY2022 to AED 27.9 Bn in FY2023, owing to the launch of 14 new projects as of 2023 and robust demand from international buyers for Abu Dhabi properties. The sale of the property in UAE amounted to AED 24.3 Bn while the remaining AED 3.6 Bn came from Egypt in FY2023. Revenue backlog reached AED 36.8 Bn in FY2023 compared to AED 17.6 Bn in FY2022 providing healthy revenue visibility across the UAE, Egypt, and UK operations over the next 2-3 years. Revenue from Project Management Services increased 6.4% to AED 1.2 Bn in FY2023 with a backlog of AED 82 Bn with AED 32 Bn under construction. However, revenue from Egypt declined 16.4% from AED 1.4 Bn in FY2022 to AED 1.2 Mn in FY2023 primarily due to EGP devaluation. Aldar investment's revenue rose 39.2% from AED 4.2 Bn in FY2022 to AED 5.9 Bn in FY2023. The revenue growth is mainly driven by robust

Bond Information	
ISIN	XS2627338580
Ticker	ALDAR
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	97.959
Amount Issued (USD)	500,000,000
Issue Date	5/24/2023
Z-Spread	125.14
Yield to Maturity	5.16
Modified Duration	7.16
Country of Incorp	KY
Fitch Rating	N/A
Moody Rating	Baa1
S&P Rating	N/A
Coupon	4.875
Coupon Frequency	2
Maturity	5/24/2033
Maturity Type	AT MATURITY
Currency	USD
52 Week High	99.265
52 Week Low	90.629

contributions from the recent acquisitions made in 2022 and 2023 including strong performance across the core real estate portfolio. Aldar’s Commercial properties including four ADGM office towers' HQ and international tower occupancy rate reached 97% as of FY2023 while, Aldar’s Residential properties including Yas Mall, Saadiyat Island, and Jubail Island occupancy rate reached 94.0% in FY2023. Thus, the Aldar Properties occupancy across the portfolio grew to 93.0% in FY2023 due to proactive asset management. Aldar Estates revenue more than doubled to AED 1.7 Bn in FY2023 owing to the strategic merger with Eltizam Asset Management and FAB Properties and Basatin Landscaping acquisitions in FY2023. Moreover, Aldar’s Hospitality and Leisure division rose 34.8% to AED 1.1 Bn in FY2023 mainly due to strategic acquisitions and higher ADR on the existing portfolio. The Education segment witnessed revenue growth of 15.9% to AED 687 Mn in FY2023 driven by the acquisition of Kent College and Virginia British Academy which led to higher growth in enrollment. The Group’s EBITDA grew 38.8% to AED 5.1 Bn in FY2023, with an EBITDA margin of 36.0%. Aldar Development’s EBITDA grew 62.4% to AED 2.5 Bn and EBITDA margins improved to 29.9% in FY2023. The growth is mainly attributed to a substantial rise in the Property Development and Sales segment’s EBITDA grew from AED 794 Mn in FY2022 to AED 1,778 Mn in FY2023. The growth is partially offset by a decline in the EBITDA of Egypt in FY2023. Aldar Investment’s Adj. EBITDA rose 40.0% to AED 2.3 Bn, and the EBITDA margin remained stable margin at 39.0% in FY2023. The growth is driven by a higher occupancy and leasing rate, as well as strong contributions from recent acquisitions. Finance income more than doubled to AED 499 Mn in FY2023 while finance cost also grew 56.3% to AED 621 Mn in FY2023. The group’s net profit increased 40.5% to AED 4.4 Bn in FY2023 from AED 3.1 Bn in FY2022.

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, its recurring income from investment properties, and strong liquidity with limited development risk. 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 net debt-to-EBITDA ratio rose to 1.80x in FY2023 from 1.03x in FY2022. The Group’s interest coverage ratio declined to 6.04x in FY2023 from 7.03x in FY2022. Aldar total available liquidity stood at AED 10.4 Bn, which comprises free cash of AED 2.9 Bn and an undrawn facility of AED 7.5 Bn in FY2023. The Company’s AED 859.2 Mn debt is due for repayment in FY2024. Aldar’s debt-to-total equity and debt-to-total assets ratio stood at 32% and 17% in FY2023. Aldar Properties maintained an EBITDA-to-Interest ratio stood at 8.2x in FY2023. Aldar Investment's total debt to gross investment value stood at 33.6% in FY2023 compared to 35.9% in FY2022.

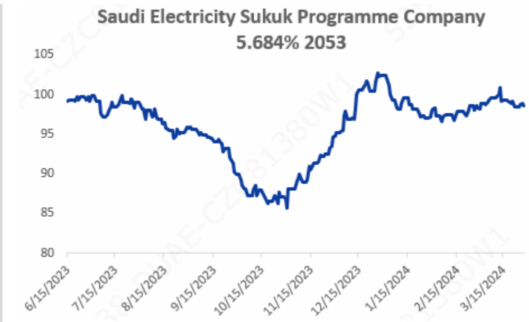
FAB أبوظبي الأول للأوراق المالية SECURITIES

2 – Saudi Electricity Sukuk Programme Company 5.684% 2053

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 98.73	5.77%	5.68%	11-April-2053	A

Background:

The Saudi Electricity Company is a vertically integrated electricity utility company involved in the generation, transmission, and distribution of electricity to over 11.0 Mn customers in Saudi Arabia. SEC's direct share of the total electricity generation capacity in Saudi Arabia stands at around 66% with SAR 82.17 Bn of market capitalization. The Saudi government indirectly owns 81.2% of SEC, including 74.3% directly through PIF and 6.9% through Saudi Arabian Oil Company (Saudi Aramco). SEC generation capacity stood at 55.3 Gigawatts (GW) and holds interest in joint ventures with an additional generation capacity of 18.5 GW, representing the vast majority of KSA's generation capacity. SEC's Transmission network regulated asset base (RAB) grew to SAR 132.2 Bn and further aims to grow its international connections with GCCIA, Egypt, Iraq, Jordan, and Greece.



Financial Ratios	
Net Debt (SAR, Mn)	109,332
Net Debt/EBITDA (x)	3.2x
Total Debt to Total Equity	41.8%
EBITDA to Interest Expense (x)	8.6x
Cash Ratio (x)	0.01x

Saudi Electricity Company ("SEC"/" the Company") 5.684% Sukuk maturing in April 2053. The Sukuk is trading at USD 98.73 with a yield of 5.77% when held until maturity (redemption at par) with a modified duration of 13.67. The Sukuk also enjoys an investment-grade rating of 'A1' from Moody's, 'A' by Fitch and S&P upgraded the rating to 'A'.

The Company's revenue grew 4.5% YOY to SAR 75.3 Bn in FY2023 mainly driven by the continued expansion of the subscriber base, growth in demand for electric power, increase in transmission system revenues, and rise in revenue from Dawiyat company supported by growing subscriber base for FTTH connections. SEC's Fiber optic network rose 4.5% YOY to reach a total length of 89,976 km in FY2023. SEC added new 346,000 customers and served a total of 11.0 Mn of customers in FY2023. In addition, Saudi Electricity Company's total owned capacity stood at 55.3 GW in FY2023 while the production capacity grew 2.1% YOY to 219 TWh in FY2023. Additionally, SEC installed 25 new transmission substations totaling 1,234 stations in FY2023 and updated 104,000 transformers, 196 substations, and 75,000 network devices in FY2023. SEC's Electricity sales surged 4.1% in FY2023 to SAR 64.9 Bn driven by higher consumption from the commercial and residential segments. However, the cost of revenues rose 14.3% to SAR 59.8 Bn in FY2023 mainly due to increased power purchased costs. Operations & Maintenance costs increased mainly due to an increase in input-driven costs including labor, material, and construction costs for customer contracts to build substations and transmission lines. Thus, EBITDA declined 9.4% YOY to SAR 33.9 Bn in FY2023 with an EBITDA margin of 45.0% in FY2023 primarily attributable to higher cost of revenues. Moreover, net finance cost significantly rose from SAR 2.68 Bn in FY2022 to SAR 3.65 Bn in FY2023 mainly due to higher interest rates. Thus, net profit declined 32.3% YOY to SAR 10.3 Bn in FY2023.

Bond Information	
ISIN	XS2608638602
Ticker	SECO
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	98.7285
Amount Issued (USD)	1,500,000,000
Issue Date	4/11/2023
Z-Spread	201.57
Yield to Maturity	5.77
Modified Duration	13.67
Country of Incorp	KY
Fitch Rating	A
Moody Rating	A1
S&P Rating	N/A
Coupon	5.684
Coupon Frequency	2
Maturity	4/11/2053
Maturity Type	AT MATURITY
Currency	USD
52 Week High	102.968
52 Week Low	85.519

Fitch affirms SEC ‘s long-term issuer default rating (IDR) and senior unsecured rating to 'A' with a stable outlook. Factors that could lead to a stable rating include a supportive and transparent regulatory framework, the majority of government ownership, and a significant market share in power generation in the KSA. Factors that could lead to a negative rating include a significant change in SEC’s ownership structure resulting in weakening links with the state under the GRE Criteria, the unpredictability of the new regulatory framework, prolonged tariff deficit, insufficient coverage by the gross profit of Opex and capex or dividends and FFO net leverage above 4x, which would undermine the SCP.

S&P upgraded SEC’s ratings to ‘A/A-1’ from ‘A/A-2’ with a stable outlook. The rating is based on the expectation that the government would provide timely and sufficient support to SEC in the event of financial distress. In the new regulatory framework, the SEC is compensated for shortfalls in annual revenue by unrestricted balancing funds. S&P expected the SEC would remain tightly controlled by the government and maintain its dominant industry position. The downgrading of the company is considered only when the support from the government is diminishing, and not fully compensating the company’s revenue through the balancing fund.

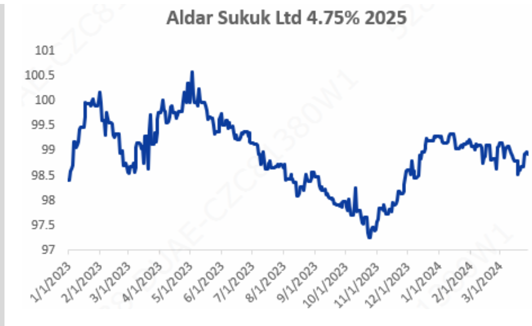
SEC’s net debt to EBITDA ratio increased to 3.2x in FY2023 from 2.6x in FY2022 due to an increase in debt balance and a marginal fall in EBITDA. The Company's net debt rose 13.1% YOY to SAR 109 Bn in FY2023. The interest coverage ratio also fell from 6.56x in FY2022 to 3.58x in FY2023. SEC’s Capex significantly rose 51.8% to SAR 41.6 Bn in FY2023 primarily attributable to growth in the infrastructure to support the growing demand for electric power. Thus, SEC’s cash and cash equivalents stood at SAR 0.62 Bn as of FY2023 from SAR 3.16 Bn in FY2022.

3 - Aldar Sukuk Ltd 4.75% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Moody's Rating
USD 98.94	5.50%	4.75%	29-Sep-2025	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 a portfolio of more than AED 37 Bn 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. Aldar's landbank is strategically distributed across significant investment zones in Abu Dhabi, Dubai, and Ras Al Khaimah, with a total owned and controlled land area of 65 Mn Sqm. Moreover, in Abu Dhabi, the land area spans 63.0 Mn Sqm, with a gross floor area (GFA) of 9.6 Mn Sqm. Meanwhile, in Dubai, the land area encompasses 2.6 Mn Sqm. The company broadened its investment portfolio by procuring seven Logistics and Industrial Central acquisitions in Dubai amounting to AED 92 Mn in FY2023.



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

Aldar Investment Properties Sukuk Ltd 4.75% sukuk maturing in September 2025. The Sukuk is trading at USD 98.94 with a yield of 5.50% when held until maturity (redemption at par) with a modified duration of 1.42. Aldar Investment Properties affirmed a rating of 'Baa1' for its long-term issuer default rating (IDR) from Moody's with a stable outlook.

Aldar Properties revenue grew 26.4% to AED 14.2 Bn in FY2023. The growth is primarily attributed to a strong cross-platform growth driven by continued execution of development revenue backlog, record development sales, and recurring income portfolio contributions. Aldar Development's revenue rose 18.7% to AED 8.3 Bn in FY2023 supported by the growth in construction activities in UAE, Project Management & Services, Egypt, and the UK. The growth is primarily driven by the execution of strong off-plan sales, project completions, and revenue backlog recognition. Aldar Development's sales more than doubled from AED 14.4 Bn in FY2022 to AED 27.9 Bn in FY2023, owing to the launch of 14 new projects as of 2023 and robust demand from international buyers for Abu Dhabi properties. The sale of the property in UAE amounted to AED 24.3 Bn while the remaining AED 3.6 Bn came from Egypt in FY2023. Revenue backlog reached AED 36.8 Bn in FY2023 compared to AED 17.6 Bn in FY2022 providing healthy revenue visibility across the UAE, Egypt, and UK operations over the next 2-3 years. Revenue from Project Management Services increased 6.4% to AED 1.2 Bn in FY2023 with a backlog of AED 82 Bn with AED 32 Bn under construction. However, revenue from Egypt declined 16.4% from AED 1.4 Bn in FY2022 to AED 1.2 Mn in FY2023 primarily due to EGP devaluation. Aldar investment's revenue rose 39.2% from AED 4.2 Bn in FY2022 to AED 5.9 Bn in FY2023. The revenue growth is mainly driven by robust contributions from the recent acquisitions made in 2022 and 2023, as well as strong performance across the core real estate portfolio. Aldar's Commercial properties including four ADGM office towers' HQ and international tower occupancy rate reached 97% as of FY2023 while, Aldar's Residential properties including Yas Mall, Saadiyat

Bond Information	
ISIN	XS1887479902
Ticker	ALDAR
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	98.9435
Amount Issued (USD)	500,000,000
Issue Date	10/1/2018
Z-Spread	72.60
Yield to Maturity	5.50
Modified Duration	1.42
Country of Incorp	KY
Fitch Rating	N/A
Moody Rating	Baa1
S&P Rating	N/A
Coupon	4.75
Coupon Frequency	2
Maturity	9/29/2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.588
52 Week Low	97.185

Island, and Jubail Island occupancy rate reached 94.0% in FY2023. Thus, the Aldar Properties occupancy across the portfolio grew to 93.0% in FY2023 due to proactive asset management. Aldar Estates revenue more than doubled to AED 1.7 Bn in FY2023 owing to the strategic merger with Eltizam Asset Management and acquisitions of FAB Properties and Basatin Landscaping in FY2023. Moreover, Aldar's Hospitality and Leisure division rose 34.8% to AED 1.1 Bn in FY2023 mainly due to strategic acquisitions and higher ADR on the existing portfolio. The Education segment witnessed revenue growth of 15.9% to AED 687 Mn in FY2023 driven by the acquisition of Kent College and Virginia British Academy which led to higher growth in enrollment. The Group's EBITDA grew 38.8% to AED 5.1 Bn in FY2023, with an EBITDA margin of 36.0%. Aldar Development's EBITDA grew 62.4% to AED 2.5 Bn and EBITDA margins improved to 29.9% in FY2023. The growth is mainly attributed to a substantial rise in the Property Development and Sales segment's EBITDA grew from AED 794 Mn in FY2022 to AED 1,778 Mn in FY2023. The growth is partially offset by a decline in Egypt's EBITDA in FY2023. Aldar Investment's Adj. EBITDA rose 40.0% to AED 2.3 Bn, and the EBITDA margin remained stable margin at 39.0% in FY2023. The growth is driven by a higher occupancy and leasing rate, as well as strong contributions from recent acquisitions. Finance income more than doubled to AED 499 Mn in FY2023 while finance cost also grew 56.3% to AED 621 Mn in FY2023. The group's net profit increased 40.5% to AED 4.4 Bn in FY2023 from AED 3.1 Bn in FY2022.

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, its recurring income from investment properties, and strong liquidity with limited development risk. 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 net debt-to-EBITDA ratio rose to 1.80x in FY2023 from 1.03x in FY2022. The Group's interest coverage ratio declined to 6.04x in FY2023 from 7.03x in FY2022. Aldar total available liquidity stood at AED 10.4 Bn, which comprises free cash of AED 2.9 Bn and an undrawn facility of AED 7.5 Bn in FY2023. The Company's AED 859.2 Mn debt is due for repayment in FY2024. Aldar's debt-to-total equity and debt-to-total assets ratio stood at 32% and 17% in FY2023. Aldar Properties maintained an EBITDA-to-Interest ratio stood at 8.2x in FY2023. Aldar Investment's total debt to gross investment value stood at 33.6% in FY2023 compared to 35.9% in FY2022.

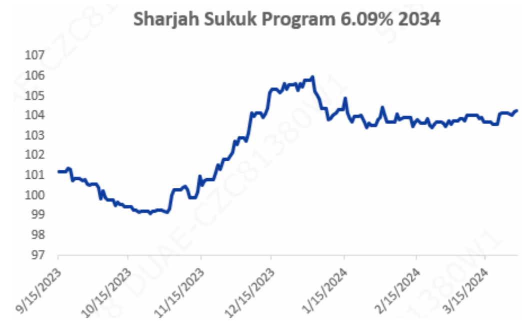
أبوظبي الأول للأوراق المالية
FAB SECURITIES

4 – Sharjah Sukuk Program 6.09% 2034

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	S&P Rating
USD 104.01	5.56%	6.09%	19-March-2034	BBB-

Country Overview:

Sharjah is the third largest emirate in UAE with a 5.2% growth in GDP to AED 136.9 Bn in 2022 mainly driven by the economic diversification strategy and comprises a population of c. 1.8 Mn as per Sharjah Census 2022. The majority of the population comprises of working expatriates. Wholesale & retail trade and repair of motor vehicles activity were the highest contributors to Sharjah's economy in 2022 contributing 24% followed by the manufacturing sector which accounted for c. 17% of Sharjah's GDP. The non-oil sector activity in Sharjah registered a 5.2% growth in 2022. Sharjah's economy is diversified and less dependent upon the hydrocarbon sector compared to other emirates in UAE. Cement, petrochemicals, glass, and household goods sector are the significant contributors the Sharjah's manufacturing sector. The Emirate of Sharjah has the largest desert region and eminent cultural presence, attracting many tourists.



Key Macro Factors - 2024	
Nominal GDP (Bn, USD)	537
Real GDP (%)	4.0
Budget balance as of GDP (%)	4.4
Debt to GDP (%)	28.7
Inflation (%)	2.3

Finance Department Government 6.09% Sukuk matures in March 2034. The Sukuk is trading at USD 104.01 with a yield of 5.56% when held until maturity (redemption at par) with a modified duration of 7.45. The Sukuk enjoys an investment-grade rating of 'BBB-' for long-term IDR from S&P while Moody's assigned a non-investment-grade rating of 'Ba1' for long-term IDR.

According to the S&P's forecast, Sharjah's economy is expected to grow by an average of 2% in 2023-26. The growth in the economy will be dependent upon the diversified sectors spread across construction, real estate activities, wholesale & retail trade, financial services, and manufacturing. Sharjah's free zones contribute significantly to the economy as almost 5,000 companies operate between the two free zones of Hamriyah Free Zone Authority and Sharjah Airport International Free Zone. In addition, more than 12,000 small companies operate at Sharjah Media City (Shams), while the foreign companies in the free zones enjoy privileges such as 100% foreign ownership, and exemption from import duties and tax. Sharjah's fiscal performance is expected to gradually improve on the back of a decline in fiscal deficit driven by the measures undertaken by the government through expenditure control and new revenue-raising measures. In addition, the mandatory corporate tax in UAE from 2024 will further add to the government's revenue. The government of Sharjah approved the largest-ever budget of AED 40.832 Bn for 2024. The budget expenditure grew 16% compared to the previous year while the government aims to achieve financial sustainability and improve the standard of living by increasing the availability of critical resources like food, water, and energy. Sharjah's 2024 budget allocated 20% of its resources towards capital expenditure. The government expects a 5% growth in revenue generation during 2024 out of which 71% is estimated to be contributed from operating revenues, 11% from capital revenue, 9% from tax, 4% from customs, and 5% from oil and gas. According to the S&P forecast, Sharjah fiscal performance is expected to gradually strengthen during 2023-26. It expects the primary fiscal deficit to balance in line with the government's

Bond Information	
ISIN	XS2680379695
Ticker	SHARSK
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	104.013
Amount Issued (USD)	900,000,000
Issue Date	9/19/2023
Z-Spread	165.21
Yield to Maturity	5.56
Modified Duration	7.45
Country of Incorp	KY
Fitch Rating	N/A
Moody Rating	Ba1
S&P Rating	BBB-
Coupon	6.092
Coupon Frequency	2
Maturity	3/19/2034
Maturity Type	AT MATURITY
Currency	USD
52 Week High	105.978
52 Week Low	98.747

medium-term fiscal outlook. The deficit will narrow from 6.2% in 2022 to 5.8% in 2023 and further to 3.8% in 2026. The Government held liquid assets worth 5% of GDP in 2023 including minority shareholding of listed companies by Sharjah Asset Management, cash & cash equivalent held by the Sharjah Finance Department and assets of the Social Security Fund. The Government of Sharjah also supported banks by providing capital when required. Sharjah's total net public sector debt (including general government plus GRE debt minus government liquid assets), stood at 52% of GDP in 2023.

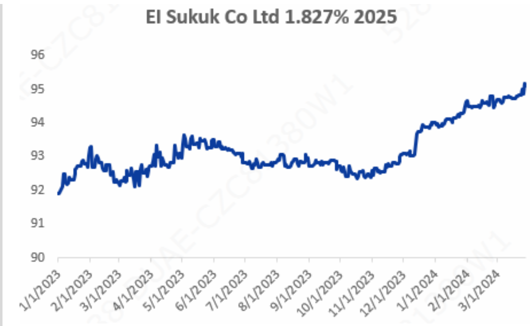
S&P affirmed a long-term IDR of ‘BBB-‘ with a stable outlook in November 2023. Sharjah’s IDR rating reflects the expectation of the government to introduce measures to stabilize its debt burden as a percentage of GDP during the upcoming period. A sharp rise in the general government debt burden will lead to a downgrade in Sharjah’s rating while a strong fiscal performance of the emirate will result in a decline in the general government debt will lead to an upgrade in IDR.

5 - EI Sukuk Co Ltd 1.827% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 94.87	5.49%	1.827%	23-Sep-2025	A+

Country Overview:

Emirates Islamic Bank ("EI" or "the Bank") was established as a conventional Bank with limited liability in Dubai on 3 October 1975. Later in 1995, it was registered as a Public Joint Company regulated by the Central Bank of UAE. The Bank transformed its activities in compliance with the Shariah law in October 2004. Emirates NBD Bank is the parent company of EI with an ownership of 99.9%. EI is the second largest Islamic Bank in UAE by asset size and branch network as of 2023. EI operates with 40 branches and 216 ATMs in the UAE. EI provides banking services in accordance with Shariah law under the segments of Corporate & Investment, Treasury, and Retail.



Financial Ratios	
Loan to Deposit (%)	87.7
Liquidity Coverage (%)	NA
Net Stable Funding Ratio (%)	NA
Capital Adequacy Ratio (%)	20.0
Non-Performing Loan (%)	6.3

Emirates Islamic Bank's 1.827% Sukuk is maturing in September 2025. The Sukuk is trading at USD 94.87 with a yield of 5.49% when held until maturity (redemption at par) with a modified duration of 1.42. Fitch assigned the long-term IDR of 'A+' in March 2024.

EI's net funded income rose 59.0% to AED 3.7 Bn in 2023 driven by a solid growth in funded income partially offset by a rise in funded expense. Funded income rose 73.1% to AED 4.7 Bn in 2023 while funded expense including profit attributable to sukuk holders more than doubled from AED 360 Mn in 2022 to AED 951 Mn in 2023. Thus, the net interest margin (NIM) improved 45 bps to 4.7% in 2023 due to strong growth in asset yield. Net fee and commission income increased 5.9% to AED 482 Mn in 2023 due to higher FX & derivative and other banking income while the Bank also witnessed a strong growth of 45.4% in other operating income to AED 569 Mn. Thus, the non-funded income increased 24.2% to AED 1.1 Bn in 2023. Moreover, total operating income increased 49.8% to AED 4.8 Bn in 2023. On the other hand, total operating expenses rose 15.1% to AED 1.8 Bn in 2023 resulting in a cost-to-income ratio of 37.2% in 2023 compared to 48.4% in 2022 due to a higher income base. Impairment charges more than doubled from AED 402 Mn in 2022 to AED 873 Mn in 2023. EI's net profit rose 70.9% to AED 2.1 Bn in 2023. The Bank maintains a robust balance sheet and recorded 17.5% increase in total assets to AED 87.8 Bn in 2023. Total loans and advances grew 11.1% to AED 53.8 Bn in 2023. Customer deposits rose 8.8% to AED 61.3 Bn in 2023.

Fitch affirmed EI's long-term IDR rating at 'A+' with a stable outlook in March 2024. EI's long-term rating is driven by strong support from its parent company ENBD owning 99.9% stake which reflects a solid Shareholder Support Rating (SSR). In addition, the Bank's strong profitability and healthy capitalization are reflected in its VR. EI's long-term IDR can be downgraded in case of a decline in ENBD's IDRs while a fall in asset quality and weak capitalization will lead to lower VR. Similarly, an upgrade in ENBD's IDRs will lead to an upgrade in EI's rating.

Bond Information	
ISIN	XS2230859469
Ticker	EIBUH
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	94.868
Amount Issued (USD)	500,000,000
Issue Date	9/23/2020
Z-Spread	69.92
Yield to Maturity	5.49
Modified Duration	1.42
Country of Incorp	KY
Fitch Rating	A+
Moody Rating	N/A
S&P Rating	N/A
Coupon	1.827
Coupon Frequency	2
Maturity	9/23/2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	95.001
52 Week Low	92.011

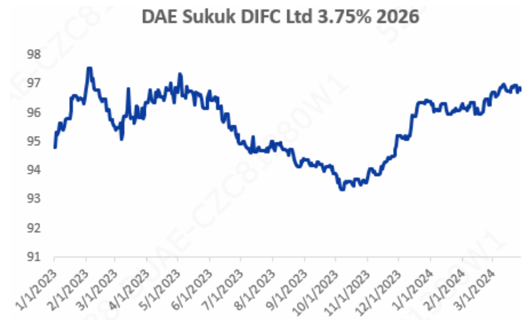
The bank continues to maintain healthy liquidity with a headline loan-to-deposit ratio of 87.7% in 2023. EI's NPL ratio improved from 7.0% in 2022 to 6.3% in 2023. Non-performing loan coverage stood at 131.7% in 2023 compared to 127.6% in 2022. The total capital adequacy ratio rose 104 bps to 20.0% in 2023 while Tier 1 ratio stood at 18.9% in 2023.

6 – DAE Sukuk DIFC Ltd 3.75% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 96.83	5.55%	3.75%	15-Feburary-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 is an industry-leading globally relevant aerospace business that enhances Dubai's strong position as an aviation and finance hub. 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 as of December 2023. 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. 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)	7,283
Net Debt/EBITDA (x)	6.4x
Total Debt to Total Equity	263.3%
EBITDA to Interest Expense (x)	2.9x
Cash Ratio (x)	0.17x

Dubai Aerospace Enterprise's 3.75% Sukuk matures in February 2026. The Sukuk is trading at USD 96.83 with a yield of 5.55% when held until maturity (redemption at par) with a modified duration of 1.77. The Sukuk enjoys an investment-grade rating of 'BBB-' for long-term IDR, and 'Baa3' for long-term IDR by Fitch and Moody's, respectively.

DAE's total revenue rose 15.6% to USD 1.3 Bn in FY2023 from USD 1.1 Bn in FY2022. Net Lease revenue grew 11.9% from USD 1,000 Mn in FY2022 to USD 1,119 Mn in FY2023. The increase is primarily driven by the additional revenue generated by the aircraft acquired in the business combination in FY2022 and new the aircraft acquired in FY2023. The revenue of the engineering maintenance service segment rose by USD 32.7 Mn, or 30.4% to USD 140.4 Mn in FY2023 from USD 107.7 Mn in FY2022 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 10.8 Mn to USD 18.0 Mn in FY2023 from USD 7.2 Mn in FY2022. Gain on disposal of aircraft significantly declined from USD 97.5 Mn in FY2022 to USD 59.6 Mn in FY2023 mainly due to lower realization on sale of aircraft. DAE's total expenses rose from USD 762.0 Mn in FY2022 to USD 779.8 Mn in FY2023 mainly attributed to higher expenses across the board partially offset by the reversal of loss allowance. Aircraft maintenance expenses declined to USD 20.9 Mn in FY2023 from USD 23.6 Mn in FY2022 primarily due to heavy maintenance costs related to aircraft returns and repossession. General and Administration expenses increased 23.3% to USD 120.6 Mn in FY2023. This increase was primarily due to an increase in staff costs and professional fees. Adjusted EBITDA rose to USD 1,144.0 Mn in FY2023 from USD 1,073.0

Bond Information	
ISIN	XS2262220143
Ticker	DUBAEE
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	96.8335
Amount Issued (USD)	750,000,000
Issue Date	11/25/2020
Z-Spread	94.54
Yield to Maturity	5.55
Modified Duration	1.77
Country of Incorp	AE
Fitch Rating	BBB-
Moody Rating	Baa3
S&P Rating	N/A
Coupon	3.75
Coupon Frequency	2
Maturity	2/15/2026
Maturity Type	AT MATURITY
Currency	USD
52 Week High	97.678
52 Week Low	93.194

Mn in FY2022. DAE’s total aircraft fleet increased to 493 in FY2023 from 440 in FY2022 out of which 318 are owned (December FY2022- 330), 106 managed (December FY2022- 104), and 69 committed aircraft (December FY2022- 06). The Company’s operating profit rose to USD 595.5 Mn in FY2023 from USD 502.7 Mn before exceptional expenses in FY2022 mainly attributed to increased lease and engineering revenue offset by a decline in gain on disposal of aircraft and higher operating expenses. DAE’s total assets declined to USD 12.3 Bn in FY2023 from USD 12.7 Bn in FY2022 mainly attributable to aircraft sales and depreciated charges during the period. The Company’s liquidity rose to USD 4.06 Bn in FY2023 from USD 2.66 Bn in FY2022. DAE's net finance cost rose 32.1% from USD 263.0 Mn in FY2022 to USD 347.5 Mn in FY2023. The net finance income more than doubled to USD 51.7 Mn in FY2023 from USD 27.8 Mn in FY2022 due to gains on financial instruments and higher deposit rates. The Company’s finance expense also grew 37.3% to USD 399.2 Mn in FY2023 mainly due to a higher average loan balance during the current year and an increase in the average cost of debt to 4.1% in FY2023. DAE’s net cash from operating activities declined from USD 1.28 Bn in FY2022 to USD 1.23 Bn in FY2023 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 rose from negative USD 857.1 Mn in FY2022 to USD 113.4 Mn in FY2023. The movement was primarily due to cash received on the insurance claim settlement received in respect of seven aircraft leased to a Russian airline compared to the cash paid on acquisition of subsidiary in the previous year. Net cash used in financing activity declined from USD 475.1 Mn in FY2022 to USD 1.34 Bn in FY2023. The movement was mainly due to share repurchases, bond repurchases, increased debt repayments, and cash interest paid during the period. The total loans and borrowings decreased to USD 7.6 Bn in FY2023 from USD 8.0 Bn 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's revision of the positive outlook reflects the further strengthening and diversification of DAE's franchise in line with management projections, leading 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 13 November 2023 based on the company's consistently strong liquidity position, low debt-to-equity ratio, well-managed fleet risks, aircraft acquisitions, and strengthened operating results as the recovery in the aviation sector progressed. The rating agency affirmed a stable outlook and 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 the weakening of the company's competitive positioning. DAE’s ratings can be upgraded due to stronger and stable profitability, air travel volumes, strong liquidity coverage of debt maturity, DAE’s debt-to-tangible net worth leverage ratio is maintained below 3.0x.

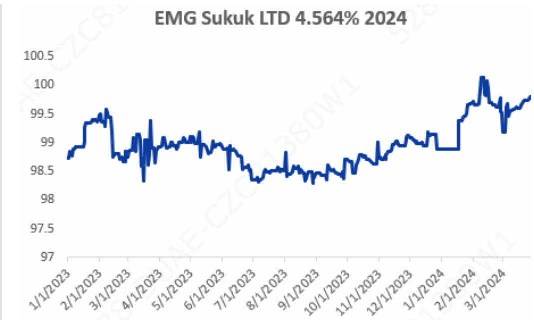
DAE’s net debt-to-equity ratio stood at 2.53x in FY2023 from 2.64x in FY2022. The company’s total available liquidity rose from USD 2.7 Bn in FY2022 to USD 4.1 Bn in FY2023 with a liquidity coverage ratio of 290.0% in FY2023. DAE’s cash and cash equivalents stood at USD 308.7 Mn in FY2023 from USD 299.9 Mn as of FY2022. Out of the total debt outstanding, USD 1.4 Bn is due in the next year 2024, the remaining USD 1.4 Bn in 2025, and USD 1.7 Bn in 2026.

7 – EMG Sukuk LTD 4.564% 2024

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	S&P Rating
USD 99.77	5.60%	4.564%	18-June-2024	BBB

Background:

Emaar Malls Management LLC ("EMM" or "The Company) is a wholly-owned subsidiary of Emaar Properties PJSC. Emaar malls and Emaar Properties merged operations in FY2021. The Company specializes in the ownership and development of premium shopping malls and retail assets. Emaar Mall Management property includes the Dubai Mall, a globally recognized destination that not only attracts a large number of visitors but also significantly contributes 80% of Emaar Properties' retail revenues. The regional mall under EMM's ownership boosts over 1,300 stores with leading retailers and global brands, with an occupancy of 97% as of 9M23. The Dubai Mall spans a total GLA of 4.9 Mn as of 9M23. EMM expanded its presence beyond the UAE, operating the Emaar Square Mall in Turkey, which offers a GLA of 1.6 Mn SQFT. Dubai Hill Mall was developed in a joint venture and opened for the public on 17 February 2022 with a GLA of c. 2.0 Mn SQFT. Furthermore, Emaar Malls manages other properties including Souk Al Bahar, characterized by Arabesque-style dining and entertainment in Downtown Dubai; Dubai Marina Mall, catering to residents and visitors of the Dubai Marina community; and Gold & Diamond Park, a specialized shopping destination for gold and jewellery enthusiasts, along with the Ranches Souk.



Financial Ratios	
Net Debt (USD, Mn)	NA
Net Debt/EBITDA (x)	NA
Total Debt to Total Equity	NA
EBITDA to Interest Expense (x)	NA
Cash Ratio (x)	NA

EMG Sukuk's 4.564% Sukuk matures in June 2024. The Sukuk is trading at USD 99.77 with a yield of 5.60% when held until maturity (redemption at par) with a modified duration of 0.21. Moody's upgraded the rating to 'Baa1', and S&P assigned a long-term issuer default rating (IDR) of 'BBB' rating for EMGs with a stable outlook.

EMM's total revenue declined 4.4% to AED 3.7 Bn in 9M23 from AED 3.9 Bn in 9M22. EMM contributes a total of 20% to the parent Company's revenue growth. The decline in the revenue is mainly due to the complete sale of the ownership in Namshi Holding LTD which was finalized in February 2023. The Company's gross leasable area rose from 6.8 Mn SQFT in 9M22 to 7.0 Mn SQFT in 9M23. Tenant sales rose c. 25% YOY in 9M23, accompanied by an improvement in the occupancy levels to 98% in 9M23 from 95% in 9M22. Additionally, EMM's base rent rose 29.4% to AED 2.5 Bn in 9M23, with turnover rent of AED 317 Mn in the same period. Moreover, the Company's operational performance enhancement led to significant EBITDA growth from AED 2.3 Bn in 9M22 to AED 3.9 Bn in 9M23 with an EBITDA margin of 107%. EMM's net profit grew to AED 3.4 Bn in 9M23 from AED 1.9 Bn in 9M22. EMM plans to develop a new mall named, Dubai Expo Mall. The mall will be located close to the Expo 2020 site and Al Maktoum International Airport. The mall will offer over 190 retail and F&B outlets with more than 1,000 parking spaces. The mall is close to Emaar South Masterplan over 5,000 residential units in the vicinity.

Moody's upgraded the rating for Emaar Malls to 'Baa1' from 'Baa2' for long-term IDR with a stable outlook on June 2023. The rating is upgraded due to the Company's recurring cash flows, high occupancy rates, increasing the existing asset base, and further acquisitions with a solid liquidity growth profile. Moody's expects a positive

Bond Information	
ISIN	XS1075401726
Ticker	EMAARM
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	99.7665
Amount Issued (USD)	750,000,000
Issue Date	6/18/2014
Z-Spread	15.37
Yield to Maturity	5.60
Modified Duration	0.21
Country of Incorp	KY
Fitch Rating	N/A
Moody Rating	Baa1
S&P Rating	BBB
Coupon	4.564
Coupon Frequency	2
Maturity	6/18/2024
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.133
52 Week Low	98.227

growth momentum in the real estate sector which will lead to a high revenue recognition as well as off-plan sales for existing developmental projects and new launches. A rating downgrade can occur if the net debt to EBITDA sustains towards 4.0x, and it fails to maintain its liquidity profile. The ratings could also be downgraded in case of a downgrade of Emaar Properties PJSC's ratings. Moody's can upgrade the ratings supported by high asset concentration to Dubai Mall and the absence of geographic diversification.

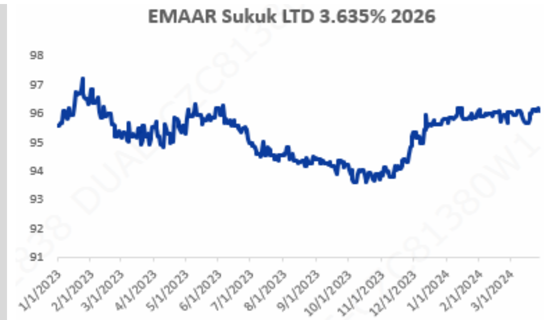
S&P Global upgraded the rating for Emaar Mall Management to BBB with a stable outlook following the upgrade of the parent Emaar Properties rating. S&P expects EMM to achieve revenue growth of 3%-4% with an improvement in the EBITDA margin to 84%-86% in 2023-2024. EMM maintains significant brand visibility and maintains a strong cash flow generation capacity. The rating agency expects the company to be debt-free post the USD 750 Mn sukuk maturity in June 2024.

8 – EMAAR Sukuk LTD 3.635% 2026

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	S&P Rating
USD 96.06	5.37%	3.635%	15-Sep-2026	BBB

Background:

Emaar Properties PJSC ("Emaar" or "The Company) is a global property developer and provider of premium lifestyles with a significant presence in the Middle East, North Africa, and Asia. Emaar is the largest real estate company in the world with a total landbank of over 1.7 Bn SQFT in the UAE and other key international markets. The Company delivered c. 108,000 residential units in Dubai since 2002. It has a strong recurring revenue-generating asset with c. 1.3 Bn SQM of leasing assets and 34 hotels and resorts with over 8,700 keys. Moreover, in 2023, 46% of the revenue is generated from shopping malls, retail, hospitality & leisure, and other international subsidiaries. Emaar is growing its operations in other emirates and has unveiled two major projects Palmiera at the Oasis in Dubai and Address Residences Al Marjan Island in Ras Al-Khaimah. Meanwhile, Emaar expanded its hotels both domestically and internationally and added 1,600 new hotel keys by opening Vida Creek Beach in Dubai and Address Jabal Al Omar Makkah.



Financial Ratios	
Net Debt (USD, Mn)	-2,459
Net Debt/EBITDA (x)	-0.2
Total Debt to Total Equity (%)	14.10
EBITDA to Interest Expense (x)	-15.4
Cash Ratio (x)	0.28

Emaar Sukuk's 3.635% Sukuk matures in September 2026. The Sukuk is trading at USD 96.06 with a yield of 5.37% when held until maturity (redemption at par) with a modified duration of 2.30. Moody's upgraded the rating to 'Baa2, and Fitch also upgraded the rating to 'BBB' for Emaar's long-term issuer default rating (IDR) with a stable outlook.

EMAAR Properties revenue grew 7.3% YOY to AED 26.7 Bn in FY2023 mainly driven by higher retail sales, a strong rise in tourism activity, and an increase in the real estate demand. The Company property sales grew 15.0% YOY to AED 40.3 Bn in FY2023 as a result revenue backlog rose to AED 71.8 Bn in FY2023. Property sales in UAE rose 21.0% YOY to AED 37.4 Bn in FY2023 while Emaar International Segment recorded property sales of AED 2.9 Bn FY2023. In addition, Emaar Properties recorded a total revenue of AED 14.4 Bn from its property development business in UAE with a revenue backlog of AED 62.1 Bn in FY2023. Emaar International recognized a revenue of AED 3.1 Bn with a revenue backlog of AED 9.7 Bn in FY2023. Egypt and India primarily drive growth of the international business. Moreover, revenue from Emaar's shopping mall, retail and commercial leasing recorded a revenue of AED 5.8 Bn in FY2023 mainly due to tenant sales growth of 21.0% with an average occupancy of 97%. Emaar hospitality, leisure, and entertainment segment recorded revenue growth of 20% to AED 3.4 Bn in FY2023 owing to the consistent growth in tourism activity coupled with strong domestic spending. Emaar's cost of revenue declined 19.9% YOY to AED 9.9 Bn in FY2023 as the Company recorded a reversal of cost accruals of AED 3.1 Bn during the period. Thus, gross profit grew from AED 12.6 Bn in FY2022 to AED 16.9 Bn in FY2023. Other operating income rose from AED 420 Mn in FY2022 to AED 553 Mn in FY2023 while other operating expenses grew 42.5% to AED 228 Mn in FY2023. Emaar's total EBITDA grew from AED 9.8 Bn in FY2022 to AED 16.0 Bn in FY2023. Depreciation on PPE grew 6.8% YOY to AED 616 Mn in FY2023 whereas depreciation on investment properties rose 12.8% YOY to

Bond Information	
ISIN	XS1488480333
Ticker	EMAAR
Coupon Type	FIXED
Market Issue	EURO MTN
Payment Rank	Sr Unsecured
Price	96.0635
Amount Issued (USD)	750,000,000
Issue Date	9/15/2016
Z-Spread	95.45
Yield to Maturity	5.37
Modified Duration	2.30
Country of Incorp	KY
Fitch Rating	N/A
Moody Rating	Baa2
S&P Rating	BBB
Coupon	3.635
Coupon Frequency	2
Maturity	9/15/2026
Maturity Type	AT MATURITY
Currency	USD
52 Week High	96.593
52 Week Low	93.368

AED 780 Mn in FY2023. Finance income rose significantly from AED 1.0 Bn in FY2022 to AED 1.6 Bn in FY2023 while finance cost rose 5.9% to AED 1.0 Bn in FY2023. Furthermore, the share of associates grew from AED 214 Mn in FY2022 to AED 237 Mn in FY2023. Other income rose significantly from AED 697 Mn in FY2022 to AED 2,508 Mn in FY2023 due to additional forfeiture income of AED 710 Mn, gain in the disposal of the sale of an interest in a subsidiary of AED 700 Mn and growth in other income. Additionally, share of profit attributable to non-controlling interest holders grew from AED 1.3 Bn in FY2022 to AED 3.2 Bn in FY2023 dragging profit.
Moody's upgraded the rating for Emaar Properties long-term IDR from 'Baa3' to 'Baa2' with a stable outlook in June 2023. The rating was upgraded owing to the healthy tourism demand, growth in the inflow of expatriates, and mainly due to the growing construction demand which led to high revenue recognition, as well as off-plan sales stemming from existing development projects and new launches. A downgrade in the rating can take place due to weak liquidity, higher-than-expected development activities, and a deteriorating recurring cash flow generation. Moody's could upgrade the ratings supported by an increase in cash flow generations from recurring revenues supported by a balanced real estate market with lower price volatility.

Fitch upgraded the rating for Emaar Properties PJSC's long-term IDR from 'BBB-' to 'BBB' with a stable outlook. Fitch upgraded the rating due to the Company's reduced cash flow leverage as well as enhanced operational performance. A downgrade in the rating could occur mainly due to volatility in the international property business, as a result, the company will increase its borrowings to finance international projects. Fitch can also downgrade the rating due to its consolidated EBITDA to consistently increase above 3.5x. Fitch could upgrade the rating mainly due to maintaining the developmental pre-sale rates of at least 60% with a significant proportion of rental which is derived from EBITDA rather than profits from other development activities, and a material decrease in geographic and asset concentration contributions to Emaar's EBITDA.

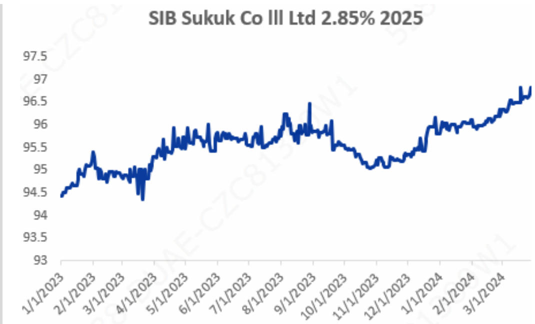
Emaar's cash and cash equivalent (excluding restricted cash) stood at AED 14.7 Bn in FY2023. The Company encompasses a negative net debt of AED 2.5 Bn in FY2023 from a net debt of AED 9.0 Bn negative in FY2022. The net debt-to-EBITDA ratio stood at negative 0.15x in FY2023. Emaar's debt-to-total equity and debt-to-total assets stood at 14.1% and 8.8% in FY2023.

9 – SIB Sukuk Co III Ltd 2.85% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	S&P Rating
USD 96.62	5.74%	2.85%	23-Jun-2025	A-

Background:

Sharjah Islamic Bank ("SIB" or "The Bank") is established as a public joint stock company by Emiri Decree issued by the ruler of Sharjah in 1975. The Bank is engaged in financing, banking, and investing activities and carries out Islamic Shari's principles across its 32 branches in UAE. The Bank transformed its activities in compliance with Islamic banking products from conventional banking practices in June 2002. It provides a range of conventional and Islamic banking products and services to retail and corporate clients in the UAE. Sharjah Asset Management LLC, Kuwait Finance House, and Sharjah Social Security Firm are key shareholders in the Bank holding 28.46%, 18.18% and 9.09% respectively in SIB.



Financial Ratios	
Loan to Deposit (%)	73.1
Liquidity Coverage (%)	NA
Net Stable Funding Ratio (%)	NA
Capital Adequacy Ratio (%)	5.6
Non-Performing Loan (%)	18.9

Sharjah Islamic Bank's 2.85% sukuk is maturing in June 2025. The sukuk trades at USD 96.62 with a yield of 5.74% when held until maturity (redemption at par) with a modified duration of 1.17. S&P affirmed the investment-grade rating of 'A-' for long-term IDR in October 2023. Fitch assigned a long-term IDR of 'BBB+' and a short-term IDR of 'F2' in April 2023.

SIB's net interest income including profit expense for sukuk grew 19.7% to AED 1.5 Bn in 2023 driven by a solid increase in income from financing and leasing partially offset by a more than double rise in funded expense. Net interest margin (NIM) expanded 21 bps to 2.2% in 2023 due to an improvement in asset yield and a decline in profit expense on Sukuk partially offset by the higher funding cost. Net fee and commission income grew 22.9% to AED 276 Mn in 2023. The Bank's investment income rose 12.1% to AED 75 Mn in 2023 while foreign exchange income recorded a solid growth from AED 23 Mn in 2022 to AED 64 Mn in 2023. Thus, the non-funded income increased 31.9% YOY to AED 522 Mn in 2023. Moreover, total operating income grew 22.7% to AED 2.0 Bn in 2023. On the other hand, total operating expenses grew 12.1% to AED 684 Mn in 2023 resulting in a 330-bps decline in the cost-to-income ratio to 34.7% in 2023. Impairment charges fell 29.7% to SAR 221 Mn in 2023. In addition, the Bank incurred a revaluation loss on properties of AED 218 Mn in 2023 compared to AED 34 Mn in 2022. SIB's net profit rose 30.8% to AED 852 Mn in 2023. The Bank maintains a robust balance sheet and recorded 11.4% increase in total assets to AED 65.9 Bn in 2023. Total loans and advances grew 7.7% to AED 33.0 Bn in 2023. Customer deposits rose 14.4% to AED 45.2 Bn in 2023 while the Bank's total equity grew 6.5% to AED 8.1 Bn.

S&P affirmed SIB's long-term IDR rating to 'A-' in October 2023. The Bank's long-term rating results from healthy capitalization and high support from the Government of Sharjah due to a strong relationship with the government.

Bond Information	
ISIN	XS2189296135
Ticker	SIB
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	96.621
Amount Issued (USD)	500,000,000
Issue Date	6/23/2020
Z-Spread	81.37
Yield to Maturity	5.74
Modified Duration	1.17
Country of Incorp	KY
Fitch Rating	N/A
Moody Rating	N/A
S&P Rating	A-
Coupon	2.85
Coupon Frequency	2
Maturity	6/23/2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	96.863
52 Week Low	94.403

Improvement in franchise and capitalization, RAC ratio exceeding 15% sustainably, and increased creditworthiness of the UAE of the UAE government can lead to an upgrade in SIB's long-term IDR. On the other hand, the Bank's rating could be downgraded if RAC ratio falls below 10% and a downgrade in rating of the Sharjah government.

Fitch assigned SIB a long-term IDR of 'BBB+' and short-term IDR of 'F2' in April 2023. The Bank's rating is mainly driven by the support from UAE authorities. The lower short-term rating is due to the high concentration of funding from the government. The downgrade of GSR and weakening of support from the government can lead to a downgrade in SIB's long-term IDR rating. Similarly, an upgrade in the Bank's GSR might lead to an upgrade in the Bank's long-term IDR.

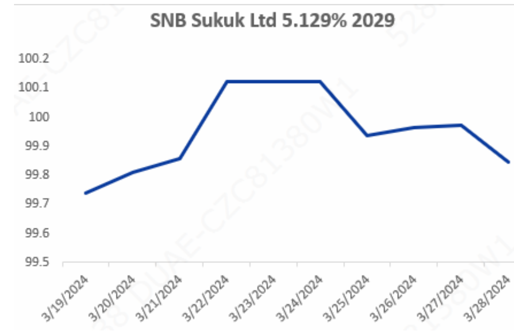
SIB's liquid assets declined 23.9% to AED 13.7 Bn in 2023 representing 20.8% of total assets which is enough for the bank to meet its short-term obligations. The Bank's ASFR ratio stood at 80.7% in 2023 compared to 77.2% in 2022 while the ELAR ratio declined 240 bps to 15.9% in 2023. The SAMA regulatory loan-to-deposit ratio eased to 73.1% in 2023 from 77.6% in 2022. The Bank's NPLs declined from 6.2% in 2022 to 5.6% in 2023. However, the coverage grew from 81.6% in 2022 to 93.8% in 2023. In addition, the total capital adequacy ratio stood at 18.9% in 2023, down from 19.8% in 2022.

10 – SNB Sukuk Ltd 5.129% 2029

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 99.97	5.14%	5.129%	27-Feb-2029	A-

Background:

Saudi National Bank ("SNB" or "The Bank") was established as a Saudi Joint Stock Company in May 1950. The Bank's main objective is to provide banking and investment management services. In addition, SNB also provides non-special commission-based banking products under the compliance of Shariah rules. The Bank operates a total of 470 branches, 96 QuickPay remittance centers, and 19 retail service centers in Saudi Arabia along with four international branches in Bahrain, UAE, Singapore, and Qatar. SNB completed its merger with SAMBA Financial Group in January 2022 forming Saudi Arabia's largest bank with an asset base extending to more than SAR 900 Bn. In addition, the Bank's total assets stood at more than SAR 1,000 Bn as of December 2023.



Financial Ratios	
Loan to Deposit (%)	83.9
Liquidity Coverage (%)	258.1
Net Stable Funding Ratio (%)	110.1
Capital Adequacy Ratio (%)	20.1
Non-Performing Loan (%)	1.21

Bond Information	
ISIN	XS2747631914
Ticker	SNBAB
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	99.9665
Amount Issued (USD)	850,000,000
Issue Date	2/27/2024
Z-Spread	110.23
Yield to Maturity	5.14
Modified Duration	4.27
Country of Incorp	KY
Fitch Rating	A-
Moody Rating	N/A
S&P Rating	A-
Coupon	5.129
Coupon Frequency	2
Maturity	2/27/2029
Maturity Type	AT MATURITY
Currency	USD
52 Week High	100.124
52 Week Low	99.537

Saudi National Bank's 5.129% sukuk is maturing in February 2029. The Sukuk is trading at USD 99.97 with a yield of 5.14% when held until maturity (redemption at par) with a modified duration of 4.27. Fitch assigned the long-term IDR of 'A' and a short-term IDR at F2 with a stable outlook in January 2024. S&P also affirmed the rating of 'A- ' for long-term IDR.

SNB's net funded income grew 2.8% to SAR 27.0 Bn in 2023 driven by a strong increase in funded income partially offset by a rise in funded expense. Funded income rose 45.0% to SAR 49.9 Bn in 2023 while funded expense more than doubled from SAR 8.1 Bn in 2022 to SAR 22.9 Bn in 2023. Thus, the net interest margin (NIM) moderated 13 bps to 3.0% in 2023 due to higher funding costs. Net fee and commission income grew 6.0% to SAR 3.9 Bn in 2023 while the Bank also witnessed a strong growth in exchange income and income from FVIS investments. Thus, the non-funded income increased 12.8% to SAR 7.6 Bn in 2023. Moreover, total operating income grew 4.8% to SAR 34.6 Bn in 2023. On the other hand, total operating expenses rose 5.9% to SAR 10.4 Bn in 2023 resulting in a cost-to-income ratio of 27.6% in 2023 compared to 27.1% in 2022. Impairment charges fell 45.3% to SAR 923 Mn in 2023. In addition, zakat expenses rose 4.5% to SAR 2.7 Bn in 2023. SNB's net profit rose 7.7% to SAR 20.0 Bn in 2023. The Bank maintains a robust balance sheet and recorded 9.7% increase in total assets to SAR 1,037.1 Bn in 2023. Total loans and advances grew 10.3% to SAR 601.5 Bn in 2023. Customer deposits rose 3.8% to AED 590.1 Bn in 2023. Meanwhile, the Bank's total equity grew 5.9% to SAR 176.6 Bn in 2023.

Fitch affirmed SNB's long-term IDR rating at 'A-' and short-term IDR at 'F2' with a stable outlook in January 2024. The Bank's long-term rating is a result of a strong government support rating (GSR) of 'a-' along with healthy asset quality, a strong funding mix, and healthy capitalization. A downgrade in SNB's VR and GSR can lead to a downgrade in SNB's long-term IDR. Similarly, an upgrade in VR and GSR rating driven by a better sovereign rating can lead to an upgrade in SNB's long-term IDR.

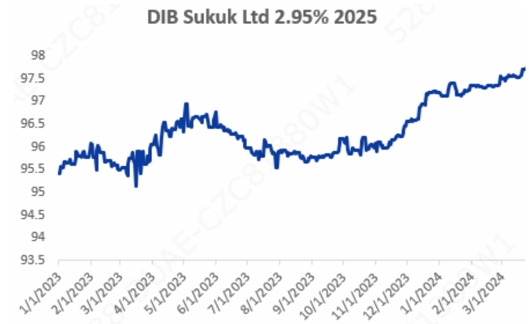
The bank continues to maintain strong liquidity with a liquidity coverage ratio of 258.1% and a stable funding ratio of 110.1% as of 2023. The Bank's SAMA-regulated loan-to-deposit ratio stood at 83.9% in 2023 compared to 82.6% in 2022. SNB's NPL ratio improved from 1.62% in 2022 to 1.21% in 2023. Non-performing loan coverage stood at 79.5% in 2023 compared to 82.7% in 2022. The total capital adequacy ratio rose 110 bps to 20.1% in 2023 while CET 1 ratio and Tier 1 ratio stood at 17.3% and 19.4% respectively in 2023.

11 – DIB Sukuk Ltd 2.95% 2025

Current Price	Yield to Maturity (%)	Coupon (%)	Maturity Date	Fitch Rating
USD 97.77	5.56%	2.95%	20-Feb-2025	A

Background:

Dubai Islamic Bank ("DIB" or "The Bank") is established as a public joint stock company in March 1975 and provided banking services based on Sharia principles. DIB provides retail, corporate, and investment banking activities by following Islamic Sharia principles. The Bank enjoys strong support from government authorities as the Government of Dubai owns a major stake of 27.97%. DIB's financing portfolio is strategically allocated to multiple sectors and the Bank also reduced its exposure to the real estate sector. DIB's more than 50% of the financing portfolio is allocated to the corporate sector. A strong improvement in the asset quality is further expected to support the Bank's profitability in the upcoming period.



Financial Ratios	
Loan to Deposit (%)	89.8
Liquidity Coverage (%)	189
Net Stable Funding Ratio (%)	106
Capital Adequacy Ratio (%)	17.3
Non-Performing Loan (%)	5.4

Dubai Islamic Bank's 2.95% sukuk is maturing in February 2025. The Sukuk is trading at USD 97.77 with a yield of 5.56% when held until maturity (redemption at par) with a modified duration of 0.85. Fitch affirmed the investment-grade rating of 'A' for long-term IDR in October 2023. Moody's affirmed the rating of A3 for long-term IDR in April 2023.

DIB's net funded income grew 8.0% to AED 8.8 Bn in 2023 driven by a strong increase in funded income partially offset by a rise in funded expense. Funded income rose 46.7% to AED 17.2 Bn in 2023 while funded expense more than doubled from AED 3.6 Bn in 2022 to AED 8.5 Bn in 2023. Thus, the net interest margin (NIM) expanded 3 bps to 3.1% in 2023 due to an improvement in asset yield and higher funding costs. Net fee and commission income grew 23.4% to AED 2.9 Bn in 2023 due to higher finance processing fees. Similarly, other non-funded income increased 47.2% to AED 1.1 Bn in 2023. Thus, the non-funded income increased 23.4% to AED 2.9 Bn in 2023. Moreover, total operating income grew 11.4% to AED 11.7 Bn in 2023. On the other hand, total operating expenses grew 15.7% to AED 3.2 Bn in 2023 resulting in a 100 bps rise in the cost-to-income ratio to 27.1% in 2023. Impairment charges fell 33.6% to AED 1.4 Bn in 2023. In addition, The Bank's share of profit attributable to non-controlling interest holders increased significantly from AED 77 Mn in 2022 to AED 212 Mn in 2023. DIB's net profit rose 24.2% to AED 6.8 Bn in 2023. The Bank maintains a robust balance sheet and recorded 9.0% increase in total assets to AED 314.3 Bn in 2023 out of which 85% of assets are high yielding profit bearing assets. Total loans and advances grew 7.2% to AED 199.5 Bn in 2023 strategically diversified in multiple sectors. Corporate loans accounted for 55% of total financing while 27% in deployed to the consumer sector, and 18% to real estate. Customer deposits rose 11.8% to AED 222.1 Bn in 2023. Meanwhile, the Bank's total equity grew 9.8% to AED 36.3 Bn in 2023.

Bond Information	
ISIN	XS2078677213
Ticker	DIBUH
Coupon Type	FIXED
Market Issue	EURO-DOLLAR
Payment Rank	Sr Unsecured
Price	97.773
Amount Issued (USD)	750,000,000
Issue Date	11/20/2019
Z-Spread	43.66
Yield to Maturity	5.56
Modified Duration	0.85
Country of Incorp	KY
Fitch Rating	A
Moody Rating	A3
S&P Rating	N/A
Coupon	2.95
Coupon Frequency	2
Maturity	2/20/2025
Maturity Type	AT MATURITY
Currency	USD
52 Week High	97.789
52 Week Low	95.254

Fitch affirmed DIB's long-term IDR rating at 'A' and a viability rating (VR) at 'bb+' with a stable outlook in October 2023. The Bank's long-term rating is as a result of support from the UAE government with a Government Support Rating (GSR) of 'a'. In addition, DIB's strong asset quality compared to its peers resulted in a healthy VR. Furthermore, the Bank's long-term IDR rating could get downgraded with the downgrade in GSR rating whereas a decline in asset quality will affect the Bank's VR. On the other hand, an upgrade in GSR will lead to an upgrade in DIB's long-term IDR rating.

Moody's affirmed DIB's long-term IDR at 'A3' and short-term IDR at 'A3/P-2' in April 2023. The Bank's long-term IDR is mainly driven by solid support from the government of UAE. Improvement in operating conditions, asset quality, strong capital and liquidity buffer, and decline in exposure to real estate will lead to an upgrade in the Bank's long-term IDR. On the other hand, a downgrade in sovereign rating and deterioration in the operating environment will result in downward pressure on the rating.

The bank continues to maintain strong liquidity with a liquidity coverage ratio of 189% and a stable funding ratio of 106% as of 2023. The Bank's headline loan-to-deposit ratio stood at 89.8% in 2023 compared to 93.7% in 2022. DIB's non-performing loans declined by AED 1.5 Bn to AED 11.5 Bn in 2023 while the NPL ratio improved 110 bps to 5.4% in 2023. Non-performing loan coverage also rose to 90% in 2023 compared to 78% in 2022. The total capital adequacy ratio decreased 30 bps to 17.3% in 2023 while the CET 1 ratio and Tier 1 ratio stood at 12.8% and 16.1% respectively in 2023.

FAB Securities Contacts

Research Analyst		
Ahmad Banihani	+971-2 -6161629	ahmad.banihani@Bankfab.com
Sales & Execution		
Trading Desk Abu Dhabi Head Office	+971-2 -6161777	
	+971-2 -6161700/1	
Institutional Desk	+971-4 -5658395	
Sales and Marketing	+971-2 -6161703	
Customer Service		
Abu Dhabi Office	+971-2 -6161600	Online Trading Link

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ISF ME Awards"

Best Research House
in UAE 2016 and 2020
by "IFA"

Best New Mobile Application
in UAE 2016
by "IFA"

Best Equity Finance Company
in UAE 2016
by "IFA"