IMPORTANT NOTICE

This attached document is only being made available to persons who are either (1) QIBs that are also QPs (each as defined below) or (2) non-U.S. Persons (as defined below) on an offshore basis outside the United States.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the base prospectus attached to this electronic transmission (the "**Base Prospectus**") and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Base Prospectus. The attached Base Prospectus is being made available on our website as required by Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from KSA Sukuk Limited (the "**Trustee**") and the Kingdom of Saudi Arabia (the "**Kingdom**" or "**Saudi Arabia**") as a result of such access.

Any securities described in the Base Prospectus which do not constitute "alternative finance investment bonds" ("**AFIBs**") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended, will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000 (the "**FSMA**")) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority. Accordingly, the Base Prospectus is not being made available to, and must not be passed on to, the general public in the United Kingdom.

In the making the Base Prospectus available in the United Kingdom through our website it is only being addressed to, or directed at the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (ii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order (all such persons together being referred to as "**Relevant Persons**").

Confirmation of Your Representation: In order to be eligible to access, and by accessing, the Base Prospectus, you are deemed to have agreed with Bank of China Limited, London Branch, Citigroup Global Markets Limited, HSBC Bank plc, J.P. Morgan Securities plc, Mizuho International plc and MUFG Securities EMEA plc (together, the "**Arrangers**") and BNP Paribas, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs International, ICBC International Securities Limited, Merrill Lynch International, Morgan Stanley & Co. International plc, SMBC Nikko Capital Markets Limited, Société Générale and Standard Chartered Bank (together with the Arrangers, the "**Dealers**"), the Trustee, the Kingdom and HSBC Corporate Trustee Company (UK) Limited (the "**Delegate**") that: (i) you have understood and agreed to the terms set out herein; (ii) you and any customer you represent are either: (a) not a U.S. person (within the meaning of Regulation S ("**Regulation S**") of the United States Securities Act 1933, as amended (the "**Securities Act**")) and are outside the United States and any purchase of securities will be in an offshore transaction in reliance on Regulation S, and are not acting for the account or benefit of any U.S. person, and that the electronic mail address you have given to us is not located in the United States, its territories and possessions any state of the United States or the District of Columbia; or (b) Qualified Institutional Buyers ("**QIBs**") within the meaning of Rule 144A under the Securities Act that are also Qualified Purchasers ("**QP**s") within the meaning of section 2(a)(51) of the U.S. Investment Company Act of 1940 (the "**Investment Company Act**"); (iii) in respect of the making available of the Base Prospectus in the United Kingdom, you are (or the person you represent is) a Relevant Person; (iv) you consent to the making available of the Base Prospectus electronically on our website; (v) you will not transmit the Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Trustee, the Kingdom, the Delegate, the Arrangers and the Dealers; and (vi) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to any decision to subscribe for or purchase any Trust Certificates.

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

RESTRICTIONS: NOTHING IN THE MAKING AVAILABLE OF THE BASE PROSPECTUS ON OUR WEBSITE CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE TRUST CERTIFICATES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE TRUST CERTIFICATES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. IN ADDITION, NEITHER THE TRUST NOR THE TRUSTEE HAS BEEN OR WILL BE REGISTERED UNDER THE INVESTMENT COMPANY ACT. ACCORDINGLY, THE TRUST CERTIFICATES MAY BE OFFERED AND SOLD ONLY: (I) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S; AND (II) WITHIN THE UNITED STATES TO QIBS THAT ARE ALSO QPS. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT ANY SELLER OF THE TRUST CERTIFICATES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS, SEE "SUBSCRIPTION AND SALE" AND "TRANSFER RESTRICTIONS".

THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THE BASE PROSPECTUS CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED, AND WILL NOT BE ABLE, TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Trust Certificates in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Base Prospectus has been made available in an electronic form. You are reminded that documents made available via this medium may be altered or changed during the process of electronic transmission and consequently none of the Trustee, the Kingdom, the Delegate, the Arrangers or the Dealers, any person who controls any of the Trustee, the Kingdom, the Delegate, the Arrangers or the Dealers, any director, officer, employee or agent of or public official representing any of them, or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus made

available in electronic format and the hard copy version available to you on request from any of the Arrangers or any of the Dealers.

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

The Trustee is a "covered fund" for the purposes of the "Volcker Rule" contained in Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Any acquisition of the Trust Certificates may be considered an acquisition of an "ownership interest" (as that term is used in the Volcker Rule) in a "covered fund". Accordingly, entities that may be "banking entities" for the purposes of the Volcker Rule, which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates, may be restricted from holding the Trust Certificates. **Any prospective investor in the Trust Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule. For further information, see "Important Notices", "Risk Factors" and "*Transfer Restrictions*".**

KSA Sukuk Limited

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

Trust Certificate Issuance Programme

Under this Trust Certificate Issuance Programme (the "**Programme**"), KSA Sukuk Limited (in its capacity as issuer and trustee, the "**Trustee**") may elect, subject to compliance with all relevant laws, regulations and directives, from time to time to issue trust certificates (the "**Trust Certificates**") denominated in any currency agreed between the Trustee, the Kingdom of Saudi Arabia (the "**Kingdom**" or "**Saudi Arabia**") and the relevant Dealer(s) (as defined below).

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

THE TRUST CERTIFICATES WILL BE LIMITED RECOURSE OBLIGATIONS OF THE TRUSTEE. AN INVESTMENT IN TRUST CERTIFICATES ISSUED UNDER THE PROGRAMME INVOLVES CERTAIN RISKS. SEE "RISK FACTORS".

Each Tranche (as defined herein) of Trust Certificates issued under the Programme will be constituted by: (i) an amended and restated master declaration of trust dated 7 September 2018, as supplemented by a supplemental master declaration of trust dated 25 October 2019, a second supplemental master declaration of trust dated 17 February 2021, a third supplemental master declaration of trust dated 18 October 2022 and a fourth supplemental declaration of trust dated 11 January 2024 (as so supplemented, the "**Master Declaration of Trust**") entered into between the Trustee, the Kingdom acting through the Ministry of Finance and HSBC Corporate Trustee Company (UK) Limited as delegate of the Trustee (the "**Delegate**", which expression shall include any co-Delegate or any successor); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**"). Trust Certificates of each Series (as defined herein) confer on the holders thereof from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**") over the Trust Assets (as defined herein) of the relevant Series, which will include, inter alia, the rights, title, interest and benefit of the Trustee in, to and under: (i) the relevant Murabaha Assets and Mudaraba Assets (each as defined herein); and (ii) the Transaction Documents (as defined herein).

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

Applications have been made to the FCA for the Trust Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Trust Certificates to be admitted to trading on the London Stock Exchange's main market.

The London Stock Exchange's main market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). References in this Base Prospectus to Trust Certificates being "**listed**" (and all related references) shall mean that such Trust Certificates have been admitted to the Official List and have been admitted to trading on the London Stock Exchange's main market.

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

The requirement to publish a prospectus under the UK Prospectus Regulation only applies to Trust Certificates which are to be admitted to trading on a regulated market in the UK and/or offered to the public in the UK other than in circumstances where an exemption is available under Section 86 of the Financial Services and Markets Act 200 (the "**FSMA**").

The aggregate principal amount of Trust Certificates, profit (if any) payable in respect of Trust Certificates, the issue price of Trust Certificates and certain other information which is applicable to each Tranche (as defined herein) of Trust Certificates will be set out in the final terms specific to each Tranche (the "**Final Terms**"). Payments of amounts due under Trust Certificates issued under the Programme will be made without deduction for, or on account of, taxes imposed by the Kingdom, or the Cayman Islands, to the extent described in Condition 13 (Taxation) under "*Terms and Conditions of the Trust Certificates*".

The Kingdom has been assigned a sovereign credit rating of A+ (stable outlook) by Fitch Ratings Limited ("**Fitch**") and 'A1' (positive outlook) by Moody's France S.A.S. ("**Moody's**"). Fitch is established in the UK and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Moody's is established in the European Economic Area (the "**EEA**") and

is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). Fitch is not established in the EEA and has not applied for registration under the CRA Regulation. The rating issued by Fitch has been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation. Fitch Ratings Ireland Limited is established in the EEA and is registered under the CRA Regulation. As such, each of Fitch Ratings Ireland Limited and Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk in accordance with the CRA Regulation. The rating issued by Moody's has been endorsed by Moody's Investors Service Ltd. in accordance with the UK CRA Regulation. Moody's Investors Service Ltd. is established in the UK and is registered in accordance with the UK CRA Regulation. Certain tranches of Trust Certificates (each, a "**Tranche**") to be issued under the Programme may be rated or unrated and, if rated, the credit rating agency issuing such rating will be specified in the Final Terms. Where a Tranche is rated, such rating will not necessarily be equivalent to the ratings assigned to the Kingdom. A rating is not a recommendation to buy, sell or hold the Trust Certificates, does not address the likelihood or timing of payment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisations.

Profit (if any) payable in respect of Trust Certificates may be calculated by reference to EURIBOR. As at the date of this Base Prospectus, the administrator of EURIBOR (European Money Markets Institute) is included in the FCA's register of administrators under Article 36 of Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**").

The Trust Certificates have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Trust Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, neither the Trust (as defined herein) nor the Trustee has been or will be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), in reliance on the exemption provided by Section 3(c)(7) thereof. Accordingly, the Trust Certificates may be offered and sold only (A) outside the United States to Non-U.S. persons in offshore transactions in reliance on Regulation S and (B) within the United States to persons who are "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") that are also "qualified purchasers" ("**QPs**") as defined in Section 2(a)(51) of the Investment Company Act. Prospective purchasers are hereby notified that sellers of the Trust Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Trust Certificates and distribution of this Base Prospectus, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The transaction structure relating to the Trust Certificates (as described in this Base Prospectus) has been approved by the Shari'a Supervisory Board of Citi Islamic Investment Bank, the Executive Shariah Committee of HSBC Saudi Arabia, the Sharia Supervisory Board of Morgan Stanley and the Global Shariah Supervisory Committee of Standard Chartered Bank as compliant with *Shari'ah* principles as applicable to, and interpreted by, them. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Trust Certificates and should consult their own *Shari'ah* advisers as to whether the proposed transaction described in such approvals, including the tradability of the Trust Certificates on any secondary market, is in compliance with *Shari'ah* principles (including, without limitation, their individual standards of compliance relating thereto) (see "*Risk Factors – There may be differing views with respect to Shari'ah* compliance").

This Base Prospectus should be read and construed together with any amendment or supplement hereto. In relation to a Tranche of Trust Certificates, this Base Prospectus should be read and construed together with the Final Terms.

Arrangers and Dealers

Bank of China	**Citigroup**	**HSBC**
J.P. Morgan	**Mizuho**	**MUFG**

Dealers

BNP PARIBAS	**BofA Securities**	**Crédit Agricole CIB**
Deutsche Bank	**Goldman Sachs International**	**ICBC**
Morgan Stanley	**SMBC Nikko**	**Société Générale Corporate & Investment Banking**

Standard Chartered Bank

The date of this Base Prospectus is 11 January 2024

RESPONSIBILITY STATEMENT

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

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

Where information has been sourced from a third party (other than a state agency or Government department, in respect of which the Trustee and the Kingdom accept responsibility), the Trustee and the Kingdom confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

Each Tranche (as defined herein) of Trust Certificates will be issued on the terms set out herein under "*Terms and Conditions of the Trust Certificates*" (the "**Conditions**"), as completed by the Final Terms. This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Trust Certificates which is the subject of Final Terms, must be read and construed together with the Final Terms.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the FCA.

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

The Delegate, the Arrangers, the Dealers and the Agents (as defined in the Conditions) have not (and none of their respective affiliates have) independently verified the information contained herein. Accordingly, none of the Delegate, the Arrangers, the Dealers, the Agents or any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus and none of the Arrangers, the Dealers or the Agents (nor any of their respective affiliates) accepts any responsibility for any acts or omissions of the Trustee, the Kingdom or any other person in connection with this Base Prospectus or the issue and offering of any Trust Certificates under the Programme.

Neither this Base Prospectus nor any Final Terms are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Trustee, the Kingdom, the Delegate, the Arrangers or any of the Dealers that any recipient of this Base Prospectus or any Final Terms should purchase the Trust Certificates. Each potential purchaser of Trust Certificates should determine for itself the relevance of the information contained in this Base Prospectus and any Final Terms and its purchase of Trust Certificates should be based upon such investigation as it deems necessary.

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

None of the Delegate, the Arrangers or the Dealers undertakes to review the financial condition or affairs of the Trustee or the Kingdom during the life of the arrangements contemplated by this Base Prospectus and any Final Terms nor to advise any investor or potential investor in the Trust Certificates of any information coming to the attention of any of the Delegate, the Arrangers or the Dealers.

None of the Trustee, the Kingdom, the Arrangers, the Dealers or any of their respective affiliates makes any representation to potential investors as to the *Shari'ah* compliance of any Trust Certificates and/or any trading thereof (including, without limitation, any future trading of the Trust Certificates on the secondary market) and none of the Trustee, the Kingdom, the Arrangers, the Dealers or any of their respective affiliates shall be liable to any Certificateholder or any other person in respect thereof. Potential investors are reminded that, as with any *Shari'ah* views, differences in opinion are possible and different *Shari'ah* standards may be applied by different *Shari'ah* boards (see "*Risk Factors–There may be differing views with respect to Shari'ah compliance*").

IMPORTANT NOTICES

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Trust Certificate shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or, if applicable, the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial, economic, political or otherwise), general affairs or prospects of the Trustee or the Kingdom since the date hereof or, if applicable, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Trust Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Trust Certificates may be restricted by law in certain jurisdictions. The Trustee, the Kingdom, the Delegate, the Dealers, the Arrangers, the Agents and their affiliates do not represent that this Base Prospectus may be lawfully distributed, or that any Trust Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, the Kingdom, the Delegate, the Dealers, the Arrangers, the Agents or any of their affiliates which is intended to permit a public offering of any Trust Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Trust Certificates may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering materials may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Trustee, the Kingdom, the Delegate, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Trust Certificates and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Trust Certificates, see "*Subscription and Sale*". In particular, the Trust Certificates have not been and will not be registered under the Securities Act and may be subject to U.S. tax law requirements. In addition, neither the Trust (as defined herein) nor the Trustee has been or will be registered under the Investment Company Act.

The Trustee is offering the Trust Certificates in reliance on an exemption from registration under the U.S. Securities Act for an offer and sale of securities that do not involve a public offering. The Trustee has not been and will not be registered under the Investment Company Act, in reliance on the exemption provided by Section 3(c)(7) thereof. The Trust Certificates are subject to restrictions on transferability and resale, which are described under "Subscription and Sale" and "Transfer Restrictions." By possessing this Base Prospectus or purchasing any Trust Certificate, you will be deemed to have represented and agreed to all of the provisions contained in that section of this Base Prospectus. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

The Trustee is considered to be a "covered fund" for the purposes of the "Volcker Rule" contained in Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Volcker Rule**"), which became effective on 1 April 2014, generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from: (i) engaging in proprietary trading; (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund"; and (iii) entering into certain relationships with such funds. "Ownership interest" under the Volcker Rule is defined broadly to include any participation or other interest that entitles the holder of such interest to, amongst other things: (i) vote to remove management or otherwise, other than as a creditor exercising remedies upon an event of default; (ii) share in the income, gains, profits or excess spread of the covered fund; or (iii) receive underlying assets of the covered fund. The acquisition of the Trust Certificates may be considered an acquisition of an "ownership interest" (as that term is used in the Volcker Rule) in a "covered fund". Accordingly, entities that may be banking entities for the purposes of the Volcker Rule may be restricted from holding the Trust Certificates.

Any prospective investor in the Trust Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule. See "*Risk Factors—Risks Related to the Trust Certificates—The Trustee is a "covered fund" for purposes of the Volcker Rule, which could negatively affect the liquidity and the value of the Trust Certificates*" and "*Transfer Restrictions*."

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Trust Certificates is intended to provide the basis of any credit or other evaluation. Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Trust Certificates and should not be considered as a recommendation by the Trustee, the Kingdom, the Delegate, the Arrangers, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Trust Certificates. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and the Kingdom.

None of the Dealers, the Agents or the Arrangers or any of their affiliates or the Trustee, the Kingdom, or the Delegate makes any representation to any investor in the Trust Certificates regarding the legality of its investment under any applicable laws. Any investor in the Trust Certificates should be able to bear the economic risk of an investment in the Trust Certificates for an indefinite period of time. Each investor should consult with its own advisers as to the legal, *Shari'ah*, tax, business, financial and related aspects of the purchase of any Trust Certificates.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Trust Certificates or possess this Base Prospectus. Any consents or approvals that are needed in order to purchase any Trust Certificates must be obtained prior to the deadline specified for any such consent or approval. The Trustee, the Kingdom, the Delegate, the Arrangers, the Dealers, the Agents and their affiliates are not responsible for compliance with these legal requirements.

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

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

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Trust Certificates and the impact the Trust Certificates will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Trust Certificates, including Trust Certificates with principal or profit payable in one or more currencies, or where the currency for principal or profit payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Trust Certificates and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

NOTICE TO U.S. INVESTORS

This Base Prospectus may be submitted on a confidential basis in the United States to a limited number of QIBs that are also QPs (within the meaning of the Investment Company Act) for informational use solely in connection with the consideration of the purchase of certain Trust Certificates which may be issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Trust Certificates may be offered or sold within the United States only to QIBs that are also QPs (within the meaning of the Investment Company Act) in transactions exempt from registration under the Securities Act in reliance on Rule 144A under the Securities Act or another applicable exemption from registration under the Securities Act. The Trust Certificates have not been and will not be registered under the U.S. Securities Act and the Trust Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, registration requirements of the U.S. Securities Act. Neither the Trust nor the Trustee has been or will be registered under the Investment Company Act, in reliance on the exemption provided by Section 3(c)(7). Any U.S. purchaser of Trust Certificates is hereby notified that the offer and sale of any Trust Certificates to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Trust Certificates represented by a Restricted Global Trust Certificate or any Trust Certificates issued in registered form in exchange or substitution therefor (together "**Legended Trust Certificates**") will be deemed, by its acceptance or purchase of any such Legended Trust Certificates, to have made certain representations and agreements intended to restrict the resale or other transfer of such Trust Certificates as set out in "*Subscription and Sale*" and "*Transfer Restrictions*".

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

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM

This Base Prospectus has been prepared on the basis that any Trust Certificates with a minimum denomination of less than EUR 100,000 (or equivalent in another currency) will (i) only be admitted to trading on a regulated market (as defined in UK MiFIR), or a specific segment of a regulated market, to which only qualified investors (as defined in the UK Prospectus Regulation) can have access (in which case they shall not be offered or sold to non-qualified investors) or (ii) only be offered to the public pursuant to an exemption under Section 86 of the FSMA.

Accordingly any person making or intending to make an offer in the UK of Trust Certificates which are the subject of an offering contemplated in this Base Prospectus as completed by the Final Terms in relation to the offer of those Trust Certificates may only do so in circumstances in which no obligation arises for the Trustee, the Kingdom or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or to supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Final Terms in respect of any Trust Certificates may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Trust Certificates and which channels for distribution of the Trust Certificates are appropriate. Any person subsequently offering, selling or recommending the Trust Certificates (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET

The Final Terms in respect of any Trust Certificates may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Trust Certificates and which channels for distribution of the Trust Certificates are appropriate. Any person subsequently

offering, selling or recommending the Trust Certificates (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

The Final Terms in respect of any Trust Certificates may include a legend entitled "Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore" which will state the product classification of the Trust Certificates pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**"). The Trustee will make a determination in relation to each issue about the classification of the Trust Certificates being offered for purposes of section 309B(1)(a) of the SFA. Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

Unless otherwise stated in the applicable Final Terms, all Trust Certificates shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO UNITED KINGDOM RESIDENTS

Any Trust Certificates to be issued under the Programme which do not constitute "*alternative finance investment bonds*" ("**AFIBs**") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended, will represent interests in a collective investment scheme (as defined in the FSMA) which has not been authorised, recognised or otherwise approved by the FCA. Accordingly, this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any Final Terms and any other marketing materials relating to the Trust Certificates is being addressed to, or directed at: (A) if the distribution of the Trust Certificates (whether or not such Trust Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (ii) persons falling within any of the categories of persons described in Article 49(2)(a) to (d) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Trust Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "**Promotion of CISs Order**"); (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order and (iii) any other person to whom it may otherwise lawfully be promoted. Persons of

any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any Final Terms or any other marketing materials in relation to the Trust Certificates.

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

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

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia (the "**CMA**") Resolution No. 3-123-2017 dated 9/4/1439H corresponding to 27 December 2017G as amended by the Board of the Capital Markets Authority Resolution No. 8-5-2023 dated 25/06/1444H corresponding to 18 January 2023G (the "**Rules on the Offer of Securities and Continuing Obligations**"). Any offer of Trust Certificates to any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") must be made in compliance with Article 6 of the Rules on the Offer of Securities and Continuing Obligations.

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

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

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

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

NOTICE TO RESIDENTS OF THE STATE OF QATAR

This Base Prospectus does not and is not intended to constitute an offer, sale or delivery of Trust Certificates or other debt financing instruments under the laws of the State of Qatar and has not been and will not be reviewed or approved by or registered with the Qatar Financial Markets Authority or the Qatar Central Bank. The Trust Certificates are not and will not be traded on the Qatar Exchange.

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

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

NOTICE TO RESIDENTS OF MALAYSIA

The Trust Certificates may not be offered for subscription or purchase and no invitation to subscribe for or purchase the Trust Certificates in Malaysia may be made, directly or indirectly, and this Base Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia.

The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Kingdom and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

PRESENTATION OF STATISTICAL AND OTHER INFORMATION

Presentation of Statistical Information

Statistical data appearing in this Base Prospectus has, unless otherwise stated, been obtained from, among others, the General Authority for Statistics ("**GASTAT**"), the Saudi Central Bank ("**SAMA**"), the Ministry of Finance, the Ministry of Economy and Planning, The Saudi Arabian Oil Company ("**Saudi Aramco**"), the Ministry of Energy, the Ministry of Industry and Mineral Resources, the CMA, the Saudi Tourism Authority, the Ministry of Tourism, the Communications, Space and Technology Commission (the "**CST**"), the Saudi Arabia Railways, the Saudi Ports Authority, the Ministry of Transport and Logistics Services, the General Authority of Civil Aviation ("**GACA**"), the General Organization for Social Insurance (the "**GOSI**") and the Saudi Fund for Development (the "**SFD**"). Some statistical information has also been derived from information publicly made available by third parties, including the United Nations (the "**UN**"), the World Bank, the World Trade Organisation (the "**WTO**"), the Organization of the Petroleum Exporting Countries ("**OPEC**"), the International Monetary Fund (the "**IMF**") and other third parties. Where such third-party information has been so sourced the source is stated where it appears in this Base Prospectus. The Trustee and the Kingdom confirm that such information has been accurately reproduced. Similar statistics may be obtainable from other sources, but the underlying assumptions, methodology and, consequently, the resulting data may vary from source to source.

Although every effort has been made to include in this Base Prospectus the most reliable and the most consistently presented data, no assurance can be given that such data was compiled or prepared on a basis consistent with international standards.

Annual information presented in this Base Prospectus is based upon 1 January to 31 December periods, unless otherwise indicated. Notwithstanding the foregoing, for the purposes of the Government's budget (the details of which are set forth in "*Public Finance*"), the Government's fiscal year commences on 31

December and ends on 30 December in the following year. References in this Base Prospectus to a specific "**fiscal year**" are to the 12-month period commencing on 31 December of the preceding calendar year and ending on 30 December of the specified year.

Certain Defined Terms and Conventions

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

- "**Saudi Arabia**" or to the "**Kingdom**" are to the Kingdom of Saudi Arabia;
- the "**Government**" are to the government of Saudi Arabia;
- "**bpd**" are to barrels per day;
- "**c-km**" are to circuit kilometres;
- "**GW**" are to gigawatts;
- "**GWh**" are to gigawatt hours;
- "**kg**" are to kilograms;
- "**km**" are to kilometres;
- "**MW**" are to megawatts;
- "**mtpy**" are to million tonnes per year;
- "**scf**" are to square cubic feet;
- "**scfd**" are to square cubic feet per day;
- "**TEUs**" are to twenty-foot equivalent units;
- "**tonnes**" are to metric tonnes; and
- "**TWh**" are to terawatt hours.

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

Currencies and Exchange Rates

All references in this Base Prospectus to:

- "**Saudi riyals**", "**riyals**" and "**SAR**" refer to Saudi riyals, the legal currency of Saudi Arabia for the time being;
- "**U.S. dollars**", "**dollars**", "**U.S.$**" and "**$**" refer to United States dollars, the legal currency of the United States for the time being;

- "**pounds sterling**", "**pounds**", "**GBP**" and "**£**" refer to pounds sterling, the legal currency of the UK for the time being; and

- "**euro**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

According to SAMA, the Saudi riyal has been pegged to the U.S. dollar at a fixed exchange rate of SAR 3.75 = U.S.$1.00 and, unless otherwise indicated, U.S. dollar amounts in this Base Prospectus have been converted from Saudi riyal at this exchange rate.

Websites and Web Links

The websites and/or web links referred to in this Base Prospectus are included for information purposes only and the content of such websites or web links is not incorporated into, and does not form part of, this Base Prospectus.

Presentation of Certain Other Information

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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

FORWARD-LOOKING STATEMENTS

Certain statements included in this Base Prospectus may constitute "forward looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the United States Exchange Act of 1934, as amended (the "**Exchange Act**"). However, this Base Prospectus is not entitled to the benefit of the safe harbour created thereby. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or in relation to discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements are statements that are not historical facts, including statements about the beliefs and expectations of the Trustee and the Kingdom. These statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. Although the Government believes that beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct. Forward looking statements include, but are not limited to: (i) plans with respect to the implementation of economic policy; (ii) expectations about the behaviour of the economy if certain economic policies are implemented; (iii) the outlook for gross domestic product ("**GDP**"), inflation, exchange rates, interest rates, commodity prices, foreign investment, balance of payments, trade and fiscal balances; and (iv) estimates of external debt repayment and debt service.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. The information contained in this Base Prospectus identifies important factors that could cause such differences, including, but not limited to:

External factors, such as:

- the impact of changes in the price of oil;
- ongoing political and security concerns in the Middle East;
- the impact of the COVID-19 pandemic;
- global financial conditions;
- present and future exchange rates; and
- economic conditions in the economies of key trading partners of Saudi Arabia;

Domestic factors, such as:

- revenues from crude oil exports;
- the impact of the Government's fiscal consolidation measures;
- the diversification of the Saudi economy;
- the sovereign credit rating assigned to Saudi Arabia;
- changes to estimates of hydrocarbon reserves;
- levels of unemployment;
- foreign currency reserves; and
- the maintenance of the Saudi riyal-U.S. dollar currency peg.

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

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The payments under the Trust Certificates are dependent upon the Kingdom making payments to the Trustee in the manner contemplated under the Transaction Documents. If the Kingdom fails to do so, it may be necessary to bring an action against the Kingdom to enforce its obligations under the Transaction Documents and/or to claim damages, as appropriate.

The Kingdom is a sovereign state and a substantial portion of the assets of the Kingdom are therefore located outside the United States and the UK. As a result, it may not be possible for investors to effect service of process within the United States and/or the UK upon the Kingdom or to enforce against it in the United States courts or courts located in the UK judgments obtained in United States courts or courts located in the UK, respectively, including judgments predicated upon the civil liability provisions of the securities laws of the United States or the securities laws of any state or territory within the United States.

A substantial part of the Kingdom's assets are located in Saudi Arabia. In the absence of a treaty for the reciprocal enforcement of foreign judgments, the courts of Saudi Arabia are unlikely to enforce a United

States or English judgment without re-examining the merits of the claim and may not consequently observe the choice by the parties of English law as the governing law of the Trust Certificates. In addition, the courts of Saudi Arabia may decline to enforce a foreign judgment if certain criteria are not met, including, but not limited to, compliance with public policy of Saudi Arabia. Investors may have difficulties in enforcing any United States or English judgments or arbitral awards against the Kingdom in the courts of Saudi Arabia.

The Trust Certificates are governed by English law and disputes in respect of the Trust Certificates may be settled under the Arbitration Rules (the "**Rules**") of the London Court of International Arbitration ("**LCIA**") in London, England. Saudi Arabia is a signatory to the New York Convention on Recognition and Enforcement of Arbitral Awards (1958) and as such, any arbitral award could be enforceable in Saudi Arabia but subject to filing a legal action for recognition and enforcement of foreign arbitral awards with the Enforcement Departments of the General Courts which can take considerable time. Enforcement in Saudi Arabia of a foreign arbitral award is not certain. For example, there are a number of circumstances in which recognition of an arbitral award under the New York Convention may be declined, including where the award is contrary to the public policy of the receiving state. As a consequence, any arbitral award deemed by a court in Saudi Arabia as contrary to the public policy of Saudi Arabia (being *Shari'ah*) may not be enforceable in Saudi Arabia.

See "Risk Factors— Risks relating to enforcement in Saudi Arabia - Investors may experience difficulty in enforcing foreign judgments in Saudi Arabia" and "Risk Factors— Risks relating to enforcement in Saudi Arabia—Certificateholders may only be able to enforce the Trust Certificates through arbitration before the LCIA, and LCIA awards relating to disputes under the Trust Certificates and certain of the Transaction Documents may not be enforceable in Saudi Arabia".

STABILISATION

In connection with the issue of any Tranche of Trust Certificates, the Dealer or Dealers (if any) named as the stabilisation manager(s) in the applicable Final Terms (the "**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) may effect transactions with a view to supporting the market price of the Trust Certificates at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the Issue Date and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Trust Certificates and 60 days after the date of the allotment of the relevant Tranche of Trust Certificates. Any stabilisation action must be conducted by the Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Trust Certificates, the Final Terms that relate thereto.

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

Words and expressions defined in "*Form of the Trust Certificates*" and "*Terms and Conditions of the Trust Certificates*" shall have the same meanings in this overview.

Issuer, Trustee, Seller and Primary Rab-ul-Maal	KSA Sukuk Limited, an exempted company with limited liability incorporated in accordance with the laws of, and formed and registered in, the Cayman Islands. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below).
Legal Entity Identifier (LEI) of the Trustee	635400XBJFPNCGN9CK71
Ownership of the Trustee	The authorised share capital of the Trustee is U.S.$50,000 consisting of 50,000 shares with a nominal value of U.S.$1 each, of which 1 share is fully paid up and issued. The Trustee's entire issued share capital is held by the Kingdom.
Administration of the Trustee	The affairs of the Trustee are managed by Walkers Corporate Limited (the "**Trustee Administrator**"), who provide, amongst other things, certain administrative services for and on behalf of the Trustee.
Purchaser and Infrastructure Mudareb	The Kingdom of Saudi Arabia acting through the Ministry of Finance.
Infrastructure Rab-ul-Maal and Primary Mudareb	Onshore Saudi Arabian Sukuk Company, a limited liability company owned by a single shareholder, incorporated in the Kingdom of Saudi Arabia with commercial registration number 1010468791 (the "**Onshore Investment Vehicle**").
Description	Trust Certificate Issuance Programme.
Programme Amount	The Programme is unlimited in amount.
Risk Factors	There are risks relating to the Trust Certificates, which investors should ensure they fully understand. These include the fact that the Trust Certificates may not be suitable investments for all investors, and risks relating to the Trustee, the Kingdom and the market. See "*Risk Factors*".
Arrangers	Bank of China Limited, London Branch, Citigroup Global Markets Limited, HSBC Bank plc, J.P. Morgan Securities plc, Mizuho International plc and MUFG Securities EMEA plc.

Dealers	The Arrangers, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs International, ICBC International Securities Limited, Merrill Lynch International, Morgan Stanley & Co. International plc, SMBC Nikko Capital Markets Limited, Société Générale, Standard Chartered Bank and any other Dealer appointed from time to time by the Trustee and the Kingdom either generally in respect of the Programme or in relation to a particular Tranche of Trust Certificates.
Delegate	HSBC Corporate Trustee Company (UK) Limited Pursuant to the Master Declaration of Trust, the Trustee shall delegate to the Delegate certain of the present and future duties, powers, trusts, authorities and discretions vested in the Trustee by certain provisions of the Master Declaration of Trust. In particular, the Delegate shall be entitled to (and, in certain circumstances, shall, subject to being indemnified and/or secured and/or pre-funded to its satisfaction, be obliged to) take enforcement action in the name of the Trustee against the Kingdom following a Dissolution Event.
Principal Paying Agent	HSBC Bank plc
Regulation S Registrar, Rule Regulation S Transfer Agent, Euroclear/Clearstream Rule 144A Registrar and Euroclear/Clearstream Rule 144A Transfer Agent.....	HSBC Bank plc
Rule 144A Paying Agent, DTC Rule 144A Registrar and DTC Rule 144A Transfer Agent.....	HSBC Bank USA, National Association
Currencies	Trust Certificates may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, as agreed between the Trustee, the Kingdom and the relevant Dealer(s).
Final Terms	Trust Certificates issued under the Programme may be issued pursuant to this Base Prospectus and the Final Terms. The terms and conditions applicable to any particular Tranche of Trust Certificates will be the terms and conditions set out herein (the "**Conditions**"), as completed by the Final Terms.
Listing and Trading.....	Application has been made to the London Stock Exchange for Trust Certificates to be admitted to the Official List and to trading on the main market of the London Stock Exchange. Trust Certificates may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Trustee, the Kingdom and the relevant Dealer(s) in

	relation to the relevant Series. Trust Certificates which are neither listed nor admitted to trading on any market may also be issued. The Final Terms will state whether or not the relevant Trust Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Clearing Systems	Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Depository Trust Company ("**DTC**"), unless otherwise agreed, and such other clearing system(s) as may be agreed between the Trustee, the Kingdom, the Principal Paying Agent and the relevant Dealer(s).
Issuance in Series.....	Trust Certificates will be issued in series (each, a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the issue price and the date of the first payment of profit) to the Trust Certificates of each Series being intended to be interchangeable with all other Trust Certificates of that Series. Each Series may comprise one or more Tranches issued on the same or different issue dates. The specific terms of each Tranche (which will comprise, where necessary, the relevant terms and conditions and, save in respect of the issue date, issue price, date of the first payment of profit and principal amount of the Tranche), will be identical to the terms of other Tranches of the same Series and will be completed in the Final Terms.
Status of the Trust Certificates	The Trust Certificates will evidence an undivided ownership interest of the Certificateholders in the Trust Assets of the relevant Series and the entitlement of each Certificateholder to principal and profit under the Trust Certificates, will be direct, unsubordinated, unsecured and limited recourse obligations of the Trustee and will rank pari passu, without preference or priority, with the entitlement of the holders of all other Trust Certificates of the relevant Series issued under the Programme. The payment obligations of the Kingdom (in any capacity) under the Transaction Documents in respect of each Series of Trust Certificates are and will be the direct, unconditional and (subject to Condition 6 (*Negative Pledge*)), unsecured obligations of the Kingdom and rank and will rank pari passu without preference among themselves, with all other unsecured External Indebtedness (as defined in the Conditions) of the Kingdom, from time to time outstanding, *provided*, *further,* that the Kingdom shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums under the Transaction Documents in respect of each Series of Trust Certificates, and vice versa. The full faith and credit of the Kingdom is pledged for the due and punctual payment of amounts due by the Kingdom and the performance of all other obligations of the Kingdom under the

	Transaction Documents in respect of each Series of Trust Certificates.
Limited Recourse.....	The proceeds of the Trust Assets are the sole source of payments on the Trust Certificates. Accordingly, Certificateholders, by subscribing for or acquiring the Trust Certificates, acknowledge that they will have no recourse to any assets of the Trustee (other than the Trust Assets) (including, in particular, other assets comprised in other trusts, if any), the Onshore Investment Vehicle (to the extent that it fulfils all of its obligations under the Transaction Documents), the Kingdom (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents, or any of their respective affiliates, shareholders, directors, officers or corporate service providers in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted, following which all obligations of the Trustee, the Kingdom, the Onshore Investment Vehicle, the Delegate, the Agents and their respective affiliates, directors and agents shall be extinguished.
Trust Assets.....	The Trust Assets of the relevant Series will be all of the Trustee's rights, title, interest and benefit, present and future, in, to and under: (i) the relevant Murabaha Assets and the Mudaraba Assets; (ii) the Transaction Documents (other than: (A) in relation to any representations given to the Trustee and/or the Delegate by the Kingdom pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents; and (B) the covenant given to the Trustee and/or the Delegate pursuant to Clause 17.1 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust); (iii) all monies standing to the credit of the relevant Transaction Account from time to time; and (iv) all proceeds of the foregoing listed in (i) to (iii) above (other than the ordinary share capital of the Trustee and any transaction or corporate benefit fee received by the Trustee) (the "**Trust Assets**"), and such Trust Assets will be held by the Trustee upon trust absolutely for the Certificateholders pro rata according to the principal amount of Trust Certificates held by each Certificateholder for the relevant Series.
Issue Price	Trust Certificates may be issued on a fully paid basis and at an issue price as specified in the Final Terms. The price and amount of Trust Certificates to be issued under the Programme will be determined by the Trustee, the Kingdom and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities.....	The Trust Certificates may have any maturity as agreed between the Trustee, the Kingdom and the relevant Dealer(s), subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Forms of Trust Certificates	Trust Certificates may only be issued in registered form. Each Tranche of Trust Certificates will be represented by either: (i) Individual Trust Certificates; or (ii) one or more Unrestricted Global Trust Certificates in the case of Trust Certificates sold outside the United States in reliance on Regulation S and/or one or more Restricted Global Trust Certificates in the case of Trust Certificates sold to QIBs, that are also QPs, in reliance on Rule 144A, in each case as specified in the Final Terms. Each Trust Certificate represented by an Unrestricted Global Trust Certificate will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg registered in the name of Cede & Co., as nominee for DTC, if such Unrestricted Global Trust Certificate will be held for the benefit of Euroclear and/or Clearstream, Luxembourg through DTC and/or any other relevant clearing system and the relevant Unrestricted Global Trust Certificate will be deposited on or about the issue date with the common depositary or such other nominee or custodian. Each Trust Certificate represented by a Restricted Global Trust Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the Final Terms), as nominee for DTC, and the relevant Restricted Global Trust Certificate will be deposited on or about the issue date with the DTC Custodian. Beneficial interests in Trust Certificates represented by a Restricted Global Trust Certificate may only be held through DTC at any time.
Scheduled Dissolution	Subject to any purchase and cancellation or early dissolution, the Trust Certificates will be redeemed at par on such dates and in such manner as may be specified in the Final Terms.
Optional Dissolution.....	Trust Certificates may be redeemed before their stated maturity at the option of the Kingdom (either in whole or in part) and/or the Certificateholders to the extent (if at all) specified in the Final Terms.
Early Dissolution for Tax Reasons	Where: (i) the Trustee has or will become obliged to pay any additional amounts in respect of the Trust Certificates; or (ii) the Kingdom has or will become obliged to pay any additional amounts under the Transaction Documents, in each case as a result of a change in the laws of the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, and where such obligation cannot be avoided by the Trustee or the Kingdom, as applicable, taking reasonable measures available to it, the Trustee may redeem the Trust Certificates in whole but not in part at an amount equal to the relevant Early Dissolution Amount (Tax) together with any due but unpaid Periodic Distribution Amounts on the Tax Dissolution Date in accordance with Condition 11.2 (*Early Dissolution for Tax Reasons*).

Periodic Distribution Amounts	Certificateholders are entitled to receive Periodic Distribution Amounts calculated in accordance with the Conditions on the basis specified in the Final Terms.
Denominations	The Trust Certificates will be issued in such denominations as may be agreed between the Trustee, the Kingdom and the relevant Dealer(s) and as specified in the Final Terms (the "**Specified Denomination**"), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The minimum denomination of each Trust Certificate shall not be less than EUR 100,000 (or, if the Trust Certificates are denominated in a currency other than Euros, the equivalent amount in such currency as at the date of the issue of the Trust Certificates) unless the Trust Certificates will (i) only be admitted to trading on a regulated market (as defined in UK MiFIR), or a specific segment of a regulated market, to which only qualified investors (as defined in the UK Prospectus Regulation) can have access (in which case they shall not be offered or sold to non-qualified investors) or (ii) only be offered to the public pursuant to an exemption under Section 86 of the FSMA. Trust Certificates (including Trust Certificates denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Trustee in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of at least £100,000 (or its equivalent in another currency). See "*Subscription and Sale*".
Negative Pledge.....	The Trust Certificates will have the benefit of a negative pledge given by the Kingdom, as described in Condition 6 (*Negative Pledge*).
Cross Acceleration.....	The Trust Certificates will have the benefit of a cross-acceleration clause in relation to the Kingdom, as described in Condition 14 (*Dissolution Events*).
Trustee Covenants.....	The Trustee has agreed to certain restrictive covenants as set out in Condition 8.1 (*Trustee Covenants*).
Onshore Investment Vehicle Covenants.....	The Onshore Investment Vehicle has agreed to certain restrictive covenants in the Primary Mudaraba Agreement as set out in Condition 8.2 (*Onshore Investment Vehicle Covenants*).
Meetings of Certificateholders	The Conditions contain a "collective action" clause, which permits defined majorities to bind all Certificateholders, as described in Condition 19 (*Meetings of Certificateholders; Written Resolutions; Electronic Consents*). If the Trustee, or the Kingdom, as the case may be, issues future securities, which contain collective action clauses in substantially the same form as the collective action clause in the Conditions, Trust Certificates would be capable of aggregation for voting purposes with any such future securities, thereby allowing "cross-

	series" modifications to the terms and conditions of all affected series of Trust Certificates (even, in some circumstances, where majorities in certain Series did not vote in favour of the modifications being voted on). See "*Risk Factors—Risks relating to the Trust Certificates and the Market Generally— The Conditions contain provisions which may permit the amendment or modification of the Trust Certificates without the consent of the Certificateholders*".
Taxation.....	All payments in respect of the Trust Certificates will be made without deduction for or on account of withholding taxes imposed by the Cayman Islands and Saudi Arabia in accordance with Condition 13 (*Taxation*). In the event that any such deduction is made, the Trustee will, save in certain limited circumstances provided in Condition 13 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted. See ''*Taxation*'' for a description of certain tax considerations applicable to the Trust Certificates.
ERISA Considerations.....	Plans and other entities subject to ERISA or Section 4975 of the Code and, unless certain conditions apply, plans subject to similar laws may not acquire Trust Certificates (or any interest in a Trust Certificate). See "*ERISA Considerations*".
Credit Ratings.....	The credit rating of certain Series of Trust Certificates to be issued under the Programme may be specified in the Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning credit rating agency. Trust Certificates issued under the Programme may be rated or unrated. Where a Tranche is rated, the applicable rating(s) will be specified in the Final Terms.
Selling Restrictions and Transfer Restrictions.....	For a description of certain restrictions on offers, sales and deliveries of Trust Certificates and on the distribution of offering material in the United States of America, the EEA, the United Kingdom, Saudi Arabia, the State of Qatar (including the Qatar Financial Centre), the Kingdom of Bahrain, the United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre), the Abu Dhabi Global Market, the Dubai International Financial Centre, the Cayman Islands, Japan, Hong Kong, Republic of Korea ("**Korea**"), Singapore, Malaysia, State of Kuwait ("**Kuwait**"), Switzerland, Indonesia, Brunei, Republic of Italy ("**Italy**") and such other restrictions as may be required in connection with the offering and sale of the Trust Certificates. See "*Subscription and Sale*". There are restrictions on the transfer of Trust Certificates sold pursuant to Regulation S and Rule 144A. See "*Transfer Restrictions*".

Transaction Documents	The Transaction Documents are the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Primary Mudaraba Agreement, the Infrastructure Mudaraba Agreement, the Master Murabaha Agreement, each Murabaha Transaction and each Declaration of Sharing of Assets.
Governing Law	The Trust Certificates of each Series and any non-contractual obligations arising out of or in connection with the Trust Certificates of each Series will be governed by, and construed in accordance with, English law. The Master Declaration of Trust, each Supplemental Declaration of Trust, the Dealer Agreement, the Agency Agreement, the Master Murabaha Agreement, each Murabaha Transaction and each Declaration of Sharing of Assets and any non-contractual obligations arising out of or in connection with the same will be governed by, and construed in accordance with, English law. The Primary Mudaraba Agreement and the Infrastructure Mudaraba Agreement and any non-contractual obligations arising out of or in connection with the same, will be governed by, and construed in accordance with, the laws of the Kingdom.
Waiver of Immunity.....	In respect of the Trust Certificates and the Transaction Documents governed by English law, as applicable, each of the Trustee and the Kingdom has waived irrevocably, to the fullest extent permitted by law: (i) any immunity from suit, attachment or execution to which it might otherwise be entitled by virtue of the Kingdom's sovereign status under the State Immunity Act 1978 of the United Kingdom and/or the Kingdom's ownership of the Trustee or otherwise in any Dispute which may be instituted pursuant to Condition 25.2 (*Agreement to arbitrate*) in any arbitration having its seat in London, England; and (ii) any immunity from attachment or execution to which it might otherwise be entitled by virtue of the Kingdom's sovereign status in any other jurisdiction and/or, in respect of the Trustee only, the Kingdom's ownership thereof, in an action to enforce an arbitral award properly obtained in England and Wales as referred to in (i) above. In respect of the Transaction Documents governed by the laws of the Kingdom, each of the Trustee, the Onshore Investment Vehicle and the Kingdom has waived irrevocably, to the fullest extent permitted by law, any immunity from suit, attachment or execution to which it might be entitled by virtue of the Kingdom's sovereign status in any jurisdiction and/or in respect of the Trustee and the Onshore Investment Vehicle only, the Kingdom's ownership thereof. Each of the Trustee's, the Onshore Investment Vehicle's and the Kingdom's waivers of sovereign immunity constitutes a limited and specific waiver and, notwithstanding anything to the contrary in the Conditions, such waiver of immunity does not constitute a waiver of immunity in respect of (i) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic

Relations signed in 1961; (ii) “consular premises” as defined in the Vienna Convention on Consular Relations signed in 1963; (iii) any other property or assets used solely or mainly for governmental or public purposes in the Kingdom or elsewhere; (iv) military property or military assets or property or assets of the Trustee, the Onshore Investment Vehicle or the Kingdom related thereto; (v) rights or immunities or property held by individuals or by entities, agencies, or instrumentalities distinct from the Trustee, the Onshore Investment Vehicle or the Kingdom itself (regardless of their relationship to the Trustee, the Onshore Investment Vehicle or the Kingdom); or (vi) other procedural or substantive rights enjoyed by the Trustee, the Onshore Investment Vehicle or the Kingdom by virtue of the Kingdom’s sovereign status and/or, in respect of the Trustee and the Onshore Investment Vehicle only, the Kingdom’s ownership thereof, besides immunity from suit, attachment, and execution.

RISK FACTORS

The purchase of Trust Certificates involves risks and is suitable only for, and should be made only by, investors that are fully familiar with Saudi Arabia in general and that have such other knowledge and experience in financial and business matters as may enable them to evaluate the risks and the merits of an investment in the Trust Certificates. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth herein and, in particular, the risk factors set forth below. Prospective purchasers of Trust Certificates should make such inquiries as they think appropriate regarding the Trust Certificates and Saudi Arabia without relying on Saudi Arabia or the Dealers.

Each of the Trustee and the Kingdom believes that the following factors may affect the ability of the Trustee to fulfil its obligations under the Trust Certificates. There are a wide range of factors which individually or together could result in the Trustee becoming unable to make all payments due or otherwise fulfil such obligations. It is not possible to identify all such factors, as the Trustee and the Kingdom may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Trustee and the Kingdom's control. In addition, factors which the Trustee and the Kingdom believe are material for the purpose of assessing the market risks associated with the Trust Certificates are also described below.

Each of the Trustee and the Kingdom believes that the factors described below represent the principal risks inherent in investing in the Trust Certificates, but the inability of the Trustee to pay any amounts on or in connection with the Trust Certificates may occur for other reasons and neither the Trustee nor the Kingdom represent that the statements below regarding the risks of holding the Trust Certificates are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE KINGDOM'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE TRANSACTION DOCUMENTS

Saudi Arabia's economy and the Government are substantially dependent upon the oil sector and adversely affected by low oil prices

The hydrocarbon industry is the single largest contributor to Saudi Arabia's economy, and oil revenues account for a majority of the Government's total revenues and export earnings. The oil sector accounted for 39.6 per cent. and 37.3 per cent. of Saudi Arabia's real GDP and 38.9 per cent. and 28.5 per cent. of Saudi Arabia's nominal GDP in the years ended 31 December 2022 and 2021, respectively. The contribution of the oil sector to Government revenues in the fiscal year 2022 was 67.6 per cent., compared to 58.2 per cent., 52.8 per cent. and 64.1 per cent. in the fiscal years 2021, 2020 and 2019, respectively. Oil exports accounted for 79.5 per cent. and 73.2 per cent. of Saudi Arabia's total exports by value in the years ended 31 December 2022 and 2021, respectively. See "*Economy of Saudi Arabia*" *and "Balance of Payments and Foreign Trade".*

As oil is Saudi Arabia's most important export, any change in oil prices affects various macroeconomic and other indicators, including, but not limited to, GDP, Government revenues, balance of payments and foreign trade. International oil prices have fluctuated significantly over the past two decades and may be volatile in the future. More recently, oil prices have continued to be volatile, with the basket price for 2019 reaching U.S.$64.04 and the average price for 2020 reaching U.S.$41.50, with a high of U.S.$65.10 and a low of U.S.$17.66. In 2022 and 2023, oil prices recovered, with the basket price reaching U.S.$100.08 in January 2022, before falling to U.S.$77.98 in December 2023. The monthly price per barrel of Arabian Light Crude Oil (which is produced by Saudi Arabia and constitutes part of the OPEC Reference Basket) has also moved in line with these trends.

On 6 March 2020, OPEC members and certain non-OPEC oil producing countries participating in the Declaration of Cooperation, in particular Russia, failed to reach an agreement to extend the voluntary crude oil production adjustments which were due to expire on 31 March 2020 (see "*Economy of Saudi Arabia—Oil*

and Gas—Production—Oil production"). Subsequently, the Kingdom adjusted its crude oil export prices and increased its crude oil sale allocations for April 2020. The Government also instructed Saudi Aramco to evaluate its requirements and increase its maximum sustained daily production capacity from 12 million barrels to 13 million barrels. These events, combined with the decrease in demand caused by the COVID-19 pandemic, caused a sharp drop in oil prices in 2020. As a result, the OPEC reference basket price reached U.S.$34.71 per barrel on 9 March 2020 and fell further to U.S.$16.85 per barrel by 1 April 2020, compared to a monthly average of U.S.$66.48 per barrel in December 2019.

Subsequently, OPEC and non-OPEC oil producing countries agreed in a Declaration of Cooperation to reduce their overall oil production in stages between 1 May 2020 and 30 April 2022. During the initial two-month period beginning 1 May 2020, production was to be reduced by a total of 9.70 million barrels a day, followed by a six-month period starting 1 July 2020 where production was to be reduced by a total of 7.68 million barrels a day and followed by a subsequent 16-month period between 1 January 2021 and 30 April 2022 where production was to be reduced by a total of 5.76 million barrels a day. On 7 June 2020, the OPEC member states and non-OPEC states agreed to extend the existing production adjustments of 9.70 million barrels a day to 31 July 2020. On 15 July 2020, the production adjustment was reduced to 7.68 million barrels a day beginning 1 August 2020 to 31 December 2020. On 3 December 2020, the participating countries amended their earlier agreement and in light of improved oil market fundamentals and the outlook for 2021, agreed to increase production by 500,000 barrels a day beginning January 2021, bringing the total production reduction to 7.20 million barrels a day. On 7 January 2021, the Kingdom pledged an additional unilateral voluntary reduction of 1.0 million barrels a day from 1 February 2021 to 31 March 2021. On 18 July 2021, OPEC+ announced that production would be increased, beginning in August 2021, by nine monthly increments of 0.40 million bpd followed by five monthly increments of 0.43 million bpd. OPEC+ further agreed to extend the duration of the Declaration of Cooperation to December 2022, including an option to pause increases for up to three months and to endeavour to end production adjustments by the end of September 2022, subject to market conditions. On 3 August 2022, OPEC+ announced that production would be increased 0.10 million bpd in September 2022 but that the baseline increases agreed in the 18 July 2021 meeting would remain unaffected. On 5 September 2022, OPEC+ announced that, due to the recent decline in oil prices, the 0.10 million bpd increase in production for September 2022 would be rolled back on October 2022, such that production levels in October 2022 would match those of August 2022. On 5 October 2022, OPEC+ extended the duration of the Declaration of Cooperation until 31 December 2023 and adjusted downward the overall oil production by two million bpd from the August 2022 required production levels, starting in November 2022. On 4 December 2022, OPEC+ re-affirmed its oil output targets as agreed at the 5 October 2022 meeting.

The targets were reviewed at the 3 April 2023 Joint Ministerial Monitoring Committee Meeting, and OPEC+ reaffirmed their commitment to the Declaration of Cooperation. The 3 April 2023 meeting also noted the Kingdom's voluntary production adjustment announcements on 2 April 2023, wherein the Kingdom pledged an additional reduction of 500,000 barrels a day from May 2023, extended to 1,000,000 barrels a day from July 2023, until the end of 2024, as well as the pledged voluntary adjustment announcements of the additional OPEC+ members through the same period, with those being Iraq by 211,000 barrels a day, the United Arab Emirates by 144,000 barrels a day, Kuwait by 128,000 barrels a day, Kazakhstan by 78,000 barrels a day, Algeria by 48,000 barrels a day, Oman by 40,000 barrels a day and Gabon by 8,000 barrels a day. In June 2023, OPEC+ extended oil production reductions of 3.66 million bpd until the end of 2023. In November 2023, additional voluntary production reductions beginning in January 2024 until the end of March 2024 were announced by several OPEC+ members, including Saudi Arabia (1 million bpd), Iraq (223,000 bpd), the UAE (163,000 bpd), Kuwait (135,000 bpd), Kazakhstan (82,000 bpd), Algeria (51,000 bpd) and Oman (42,000 bpd). Saudi Arabia and Russia have encouraged all OPEC+ members to join the group's agreement on output cuts. There can however be no assurance that the agreement will continue to be implemented by all relevant parties or that it will achieve its stated goals or what effect it will have on global oil prices in the short to medium term. For example, oil prices increased in tandem with the global economic recovery in 2021, with the OPEC Reference Basket price reaching U.S.$74.38 in December 2021. However, oil prices remained volatile in 2022 and 2023, particularly as a result of the Russian-Ukraine conflict and as a result of a decline in participation in the crude oil markets, causing sharper price fluctuations. The OPEC Reference Basket price reached

U.S.$108.55 in July 2022, before declining to U.S.$97.50 in September 2022 and to U.S.$77.98 in December 2023. There can be no guarantee that oil prices will not remain volatile or decrease in the future.

In general, international prices for crude oil are also affected by the economic and political developments in oil producing regions, particularly the Middle East; prices and availability of new technologies; and global climate and other relevant conditions *(see "—Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon-based products and could cause Saudi Arabia to incur costs or invest additional capital.").*

There can be no assurance that these factors, in combination with others, will not result in a prolonged or further decline in oil prices, which may have an adverse effect on Saudi Arabia's GDP growth, Government revenues, balance of payments and foreign trade. Low oil prices and low demand for oil may have a material adverse effect on the Kingdom's economy and may ultimately cause an increase in the budget deficit and a decrease in liquidity and funding in the financial sector. The price of oil fluctuates daily, and while prices have increased in 2021 and 2022 and remained in line with 2022 levels, so far in 2023, they may decrease in the future due to factors such as the uncertainty surrounding production output levels or lower demand for oil.

In addition to the negative impact of low oil prices on Government reserves and revenues (see "—*Saudi Arabia has reduced its currency reserves and incurred substantial indebtedness to finance its budget* deficit"), lower oil prices have negatively impacted Saudi Arabia's current account position in the past, which could make it more vulnerable to adverse changes in global markets. Based on preliminary figures for 2022, Saudi Arabia's current account surplus was SAR 575.6 billion (U.S.$153.5 billion), representing 13.9 per cent. of nominal GDP in the year ended 31 December 2022, compared to a current account surplus of SAR 166.2 billion (U.S.$44.3 billion), representing 5.1 per cent. of nominal GDP, in the year ended 31 December 2021, compared to a current account deficit of SAR 85.5 billion (U.S.$22.8 billion), representing 3.1 per cent. of nominal GDP, in the year ended 31 December 2020 and a current account surplus of SAR 143.3 billion (U.S.$38.2 billion), representing 4.8 per cent. of nominal GDP, in the year ended 31 December 2019. See "*Balance* of Payments and Foreign Trade".

Furthermore, if Saudi Arabia increases its oil production in the future, there can be no assurance that Saudi Arabia's export earnings will also increase, to the extent that such increase in production is offset by any decline in international oil prices due to conditions in the global oil market. Conversely, if Saudi Arabia decreases its oil production in the future, this could result in a decline in Saudi Arabia's export earnings to the extent that such lower production is not offset by any increase in international oil prices due to conditions in the global oil market.

The Kingdom's oil production infrastructure may be exposed to acts of sabotage and terrorism. For example, on 14 September 2019, the Abqaiq processing facility and the Khurais oil field in Saudi Arabia were damaged in a major act of sabotage. The act of sabotage had resulted in the temporary interruption of Saudi Arabia's production by an estimated 5.7 million barrels of crude oil per day, 2.0 billion cubic feet of associated gas, 1.3 billion cubic feet of dry gas, 500 million cubic feet of ethane and 0.5 million barrels of gas liquids. A significant portion of production was restored within two days of the act of sabotage, and the Ministry of Energy confirmed that the Kingdom met its full obligations to its customers by withdrawing from its crude oil stocks and adjusting the mix of some oils. The Ministry of Energy also confirmed that the Kingdom's production capacity returned to 12 million barrels per day by the end of November 2019, with the production of dry gas, ethane and gas liquids returning to pre-incident levels by the end of September 2019. Furthermore, on 23 November 2020, an explosion took place as a result of a terrorist attack by a projectile, causing a fire in a fuel tank at a Saudi Aramco petroleum products distribution terminal in the north of Jeddah, and on 25 March 2022, oil facilities in Jeddah and Jizan were the subject of airborne attacks that were claimed by the Al-Houthi militia. While there were no casualties as a result of the attacks, there can be no assurance what impact such acts of sabotage (or any prolonged period of reduced or interrupted production following any such incident relating to critical oil and gas infrastructure) may have on global oil and gas prices or demand and any corresponding impact on the Kingdom's hydrocarbon exports, Government revenues and the Kingdom's economy as a whole. See "—*Saudi Arabia is located in a region that has been subject to ongoing political and security concerns*".

Potential investors should also note that many of Saudi Arabia's other economic sectors are in part dependent on the oil sector, and the above analysis does not take into account the indirect impact that a prolonged or further decline in oil prices may have on Saudi Arabia's economy. Sectors such as education, healthcare and housing, may, indirectly, be adversely affected by lower levels of economic activity that may result from lower Government revenues from the oil sector.

Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon-based products and could cause Saudi Arabia to incur costs or invest additional capital.

Climate change concerns manifested in public sentiment, government policies, laws and regulations, international agreements and treaties, lawsuits against energy companies, company net-zero ambition and other commitments, investor pressure, fossil fuel divestment campaigns and other actions may reduce global demand for hydrocarbons and hydrocarbon-based products and propel a shift toward lower carbon intensity fossil fuels, such as gas, or alternative energy sources. In particular, increasing pressure on governments, businesses, organizations and individuals to reduce greenhouse gas emissions has led to a variety of actions that aim to reduce the use of fossil fuels, including international agreements to reduce emissions. For example, the Paris Agreement became effective in November 2016, and many countries that have ratified the Paris Agreement are adopting domestic measures to meet their goals, which include reducing their use of fossil fuels and increasing their use of alternative energy sources. In November 2023, as part of the UAE Consensus, nearly 200 countries committed to transition away from fossil fuels, targeting net zero carbon emissions by 2050. The landscape of greenhouse gas emissions-related laws and regulations has been in a state of constant reassessment and it is difficult to predict with certainty the ultimate impact greenhouse gas-related laws, regulations and international agreements will have on the Kingdom's hydrocarbon industry. A reduction in demand for hydrocarbons and hydrocarbon-based products could have a material adverse effect on the Kingdom's revenues. In addition, the Kingdom may incur substantial costs and capital expenditures to achieve its carbon reduction ambitions under international treaties or its stated aims and the Saudi Green Initiative (the "**SGI**") (see "*Overview of Saudi Arabia – Environment*").

The Kingdom has announced its aim as part of the SGI to reach net-zero emissions by 2060 through the circular carbon economy approach. The Kingdom may incur substantial costs and capital expenditures to achieve its net-zero ambitions and any existing or future international obligations. If the Kingdom does not meet its announced targets, or if the Kingdom's efforts do not meet increasing societal or stakeholder expectations and standards, this could have reputational and additional impacts on the Kingdom.

The worldwide economic effects of the resurgence of COVID-19 or other infectious diseases may continue to adversely affect Saudi Arabia's economy.

Restrictions implemented both domestically within Saudi Arabia and globally to combat the spread of COVID-19, as well as uncertainty regarding future developments relating to the aftermath of the pandemic, have had and may continue to have an adverse effect on Saudi Arabia's economy. As in other countries, certain sectors such as tourism, transportation, hospitality, recreation and entertainment were particularly affected by the pandemic.

Saudi Arabia cannot predict the impact that the resurgence of COVID-19 or the outbreak of other infectious diseases may have on the macroeconomic environment, producing volatility, uncertainty and disruption in global financial markets, the severity and duration of which will depend on future developments. Such developments are inherently uncertain and cannot be accurately predicted. Any such developments could have a material adverse effect on the Kingdom's economy and on the ability of the Kingdom to perform its obligations with respect to the Trust Certificates.

Saudi Arabia has reduced its currency reserves and incurred substantial indebtedness to finance its budget deficit

As a result of the decrease in Government revenues occasioned by the generally lower oil price environment between mid-2014 and early 2022, the Government recorded fiscal deficits since then through 2021. Saudi

Arabia's actual budget deficit as a percentage of nominal GDP was 5.9 per cent. in 2018, 4.5 per cent. in 2019, 11.2 per cent. in 2020 and decreased to 2.3 per cent. in 2021. Saudi Arabia's budget deficit for the fiscal year 2021 declined to SAR 73.4 billion (U.S.$19.6 billion) compared to SAR 293.9 billion (U.S.$78.4 billion) in the fiscal year 2020. While Saudi Arabia achieved a budget surplus of SAR 104.0 billion (U.S.$27.7 billion) for the fiscal year 2022, based on current estimates Saudi Arabia achieved a budget deficit of SAR 82.0 billion (U.S.$21.9 billion) for the fiscal year 2023. There can be no assurance that the Kingdom will realise a budget surplus in the future, or that any projected budget surplus will not be lower than anticipated, particularly in light of the significant uncertainty due to the global geopolitical and macroeconomic environment (including the impact of higher global inflation and the on-going Russia/Ukraine conflict) and the related impact on the oil price environment. See "*— Saudi Arabia's economy and the Government are substantially dependent upon the oil sector and adversely affected by low oil prices,*" "*— The worldwide economic effects of the resurgence of COVID-19 or other infectious diseases may continue to adversely affect Saudi Arabia's economy*" and "*Public Finance*".

In order to finance these budget deficits, the Government has utilised a portion of its currency reserves and incurred additional indebtedness, and may continue to do so in the future, to the extent necessary. The Government's reserve assets amounted to SAR 1,724.4 billion (U.S.$459.8 billion) as at 31 December 2022 compared to SAR 1,707.6 billion (U.S.$455.4 billion) as at 31 December 2021, SAR 1,701.2 billion (U.S.$453.7 billion) as at 31 December 2020, SAR 1,873.4 billion (U.S.$499.6 billion) as at 31 December 2019 and SAR 1,862.2 billion (U.S.$496.6 billion) as at 31 December 2018. This decrease in the Government's reserve assets compared to historic levels is primarily as a result of the oil price environment as well as an increase in financial outflows resulting from higher investment activity by public institutions, and more recently, fiscal pressures as a result of the COVID-19 pandemic.

In July 2015, Saudi Arabia resumed issuing SAR denominated bonds to government agencies and local banks in the domestic market for the first time since 2007. As at 31 December 2021, Saudi Arabia's total outstanding direct indebtedness amounted to SAR 938.0 billion (U.S.$250.1 billion), comprising SAR 558.7 billion (U.S.$149.0 billion) of domestic indebtedness and SAR 379.3 billion (U.S.$101.1 billion) of external indebtedness. As at 31 December 2022, Saudi Arabia's total outstanding direct indebtedness amounted to SAR 990.1 billion (U.S.$264 billion), comprising SAR 615 billion (U.S.$164 billion) of domestic indebtedness and SAR 375.1 billion (U.S.$100 billion) of external indebtedness. As at 30 September 2023, Saudi Arabia's total outstanding direct indebtedness amounted to SAR 994.3 billion (U.S.$265.1 billion), comprising SAR 628.6 billion (U.S.$167.6 billion) of domestic indebtedness and SAR 365.6 billion (U.S.$97.5 billion) of external indebtedness.

Any further decline in SAMA's foreign exchange reserves and/or any further borrowing by the Government to finance its deficit could have a tightening effect on liquidity and credit expansion unless Government spending is adjusted to offset the impact. Additionally, increased debt levels may increase the Government's cost of borrowing and increase its budgetary expenditures. See "*Monetary and Financial System—Reserve Assets*".

There can be no assurance that the Government's fiscal consolidation measures will be successful or that the fiscal consolidation will not have an adverse economic or social impact

In 2016, the Government commenced various economic, fiscal, and structural reforms with the objective of consolidating and strengthening Saudi Arabia's public finances (see "*Public Finance*"). The measures sought to rationalise public expenditure and increase non-oil revenues including, among other things, a reduction in fuel, water and energy subsidies, enhanced approval requirements for certain new projects, the implementation of tax on undeveloped land in urban areas, the privatisation of Government entities and services, a reduction in the growth of current expenditure through additional controls in respect of new hires in the public sector and the introduction of value added tax which was later increased to 15 per cent. However, there can be no assurance that the Government's on-going fiscal consolidation measures will be successful, that their implementation will be delayed, or that such measures will be sufficient to offset any unanticipated increases in Government spending beyond the budgeted expenditure. For example, the actual budget deficit in the fiscal

year 2020 increased by 121.6 per cent. to SAR 293.9 billion (U.S.$78.4 billion) from SAR 132.6 billion (U.S.$35.4 billion) in the fiscal year 2019, primarily due to the direct and indirect impact of the Covid-19 pandemic. While the Government has estimated that it will achieve a budget deficit of SAR 82.0 billion (U.S.$21.9 billion) for the fiscal year 2023, given the recovery in oil prices, there can be no assurance that this expectation will be met. To the extent that the Government is unable to achieve the intended reduction in its overall expenditure, or its expenditure exceeds budgeted amounts, this could increase the demands on the general resources and finances of the Government and, in combination with the reduction in Government revenue from the oil sector, could result in austerity measures or otherwise adversely affect Saudi Arabia's public finances and economic condition, including its fiscal consolidation measures.

A number of current and planned major projects in Saudi Arabia rely on contracts awarded by various Government departments, as well as direct capital expenditure by the Government. The Government's public investment in key sectors such as transportation, construction, health, education, housing and tourism has increased significantly in recent years, and investment in these areas supports the Government's development goals and economic diversification efforts. To the extent that fiscal consolidation impacts public sector investment in respect of major projects in key sectors of the economy, this could also have a material adverse effect on Saudi Arabia's GDP growth and economic condition.

There can be no assurance that the Government's efforts to diversify Saudi Arabia's economy will be successful

While the oil sector contributes to a significant portion of Saudi Arabia's economy (see "*—Saudi Arabia's economy and the Government are substantially dependent upon the oil sector and adversely affected by low oil prices*" above), in recent years the Government has invested heavily in diversifying Saudi Arabia's economy to reduce its reliance on oil revenues (see "*Economy of Saudi Arabia—Economic Policy—Diversification of the economy*"). In light of the continuing volatile oil price environment and the effects of the COVID-19 pandemic, the objective of economic diversification in Saudi Arabia has taken on greater significance for the Government, and the Government has in recent years announced various measures aimed at, among other things, achieving increased diversification of Saudi Arabia's economy, including the National Transformation Programme ("**NTP**") (see "*Overview of Saudi Arabia—Strategy of Saudi Arabia—Vision 2030*").

Saudi Arabia's non-oil sector contributed 56.5 per cent. to Saudi Arabia's total nominal GDP in the year ended 31 December 2022, compared to 65.6 per cent. and 73.5 per cent. in the years ended 31 December 2021 and 2020, respectively. The contribution of the non-oil sector to Government revenues in the fiscal year 2022 was 32.4 per cent. compared to 41.8 per cent., 47.2 per cent. and 35.9 per cent. in the fiscal years 2021, 2020 and 2019, respectively. Non-oil exports accounted for 17.2 per cent., 26.8 per cent., and 31.3 per cent. of Saudi Arabia's total exports by value in the years ended 31 December 2022, 2021 and 2020, respectively. There can be no assurance that the non-oil sector's contribution to Saudi Arabia's economy will increase in the future or that the non-oil sector will grow at a sufficient rate to achieve effective and adequate diversification of the economy. In addition, some of the increases in the relative contribution of the non-oil sector to Government revenues and total exports can be partially attributed to the decline in global oil prices from mid-2014 to 2019 and the consequent significant decrease in Government revenues and export earnings attributable to the oil sector. Additionally, increases in non-oil revenues have been partially due to structural reforms enacted under the Government's fiscal consolidation measures, including adjustments of visa and municipality fees, the implementation of expat levies and the application of excise taxes on certain potentially harmful products, including tobacco, tobacco derivatives, soft drinks, energy drinks, sweetened beverages, electronic smoking appliances and liquids used in those devices. Such measures may be subject to change in the future, and there can be no assurance that they will have the intended effects on Government revenues or Saudi Arabia's economy more generally, or that such measures will continue to result in increases to non-oil revenues.

Furthermore, there can be no assurance that the Government will be able to successfully implement Vision 2030 or the NTP in their current form, or that their implementation will be in line with the timelines originally set out. Any amendment to the scope or timing of the implementation of the objectives of Vision 2030 or the

NTP, in whole or in part, may result in the Government being unable to achieve the diversification of the economy and its sources of revenue to the required extent. See "*Overview of Saudi Arabia—Strategy of Saudi Arabia—Vision 2030*". Additionally, to the extent that a prolonged decline in oil prices has an adverse impact on Government revenues, this may in turn adversely impact the Government's ability to invest in the diversification of Saudi Arabia's economy. A failure to diversify Saudi Arabia's economy may result in its economy remaining susceptible to the risks associated with the oil sector (see "*—Saudi Arabia's economy and the Government are substantially dependent upon the oil sector and adversely affected by low oil prices*").

The Government's efforts to diversify Saudi Arabia's economy and effect structural changes may have undesirable effects

Through Vision 2030, the Government is seeking to implement far-reaching reforms of Saudi Arabia's economy and society. Some of the measures envisaged include the greater participation of Saudi citizens in the private sector, a decrease in certain subsidies historically available to the fuel and energy sectors, as well as the imposition of new taxes and administrative fees (see "*—Strategy of Saudi Arabia—Vision 2030*"). The implementation of these and other similar measures may be a lengthy and complex process, and there can be no assurance that these measures will not have unexpected or undesirable consequences in Saudi Arabia. The implementation of these and other similar measures, in whole or in part, may have a disruptive effect and consequently may have an adverse effect on Saudi Arabia's economic and financial condition. Furthermore, there can be no assurance that the anticipated benefits of these reforms will be realized.

Saudi Arabia is located in a region that has been subject to ongoing political and security concerns, and Saudi Arabia has experienced terrorist attacks and other disturbances in the past

Saudi Arabia is located in a region that is strategically important and parts of this region have been subject to political and security concerns, especially in recent years. Several countries in the region are currently subject to armed conflicts and/or social and political unrest, including conflicts or disturbances in Yemen, Syria, Libya Iraq and Palestine, as well as the multinational conflict with 'Da'esh' (also referred to as the "Islamic State"). In some instances, the recent and ongoing conflicts are a continuation of the significant political and military upheaval experienced by certain regional countries from 2011 onwards, commonly referred to as the 'Arab Spring', which gave rise to several instances of regime change and increased political uncertainty across the region. Furthermore, in March 2015, a coalition of countries, led by Saudi Arabia and supported by the international community, commenced military action against the Al-Houthi militia in Yemen. Although the coalition scaled back its military operations in Yemen in March 2016 and a ceasefire was declared in April 2016, the conflict in Yemen is not yet fully resolved. Saudi Arabia welcomed the announcement of the ceasefire and affirmed its support for the announcement by the Yemeni governmental coalition to support legitimacy in Yemen and accept the truce. The goal of the truce has been confirmed, which is to reach a permanent and comprehensive ceasefire in Yemen and start the political reconciliation process between the Yemeni government and the Houthis. Saudi Arabia was targeted on several occasions by ballistic missiles and drone attacks launched by the Al-Houthi militia in Yemen since 2017 and continuing through 2022. While the majority of these attacks were successfully intercepted by Saudi Arabia's defence systems, some attacks have led to damage to property and civilian injuries. There can be no assurance that the conflict in Yemen will not continue or re-escalate. Additionally, on 14 September 2019, the Abqaiq processing facility and the Khurais oil field in Saudi Arabia were damaged in a major act of sabotage which resulted in the temporary interruption of Saudi Arabia's oil and gas production. The Al- Houthi militia claimed responsibility for the act of sabotage, although this claim has not been verified and has been disputed. Furthermore, on 23 November 2020, an explosion took place as a result of a terrorist attack by a projectile, causing a fire in a fuel tank at a Saudi Aramco petroleum products distribution terminal in the north of Jeddah, and on 25 March 2022, oil facilities in Jeddah and Jizan were the subject of airborne attacks that were claimed by the Al-Houthi militia. In April 2023, Saudi and Omani delegations held peace talks with Al-Houthi officials, and in September 2023, further peace talks were held between Saudi Arabia and an Al-Houthi delegation. However, there can be no guarantee as to the outcome of these talks and their impact on the geopolitical situation in the region, including any potential future re-escalation of tensions. See "*— Saudi Arabia's economy and the Government are substantially dependent upon the oil sector and adversely affected by low oil prices*".

Although diplomatic relations between Saudi Arabia and Iran have been restored in 2023 and the Kingdom of Saudi Arabia and Iran look forward to strengthening bilateral relations in various fields, tensions previously existed between the two countries. In addition, on 8 May 2018, the United States announced its withdrawal from the comprehensive agreement between the U.N. Security Council's five permanent members plus Germany and Iran that was reached on July 2015, reinstating U.S. nuclear sanctions on the Iranian regime. The United States also announced that it would not renew exceptional waivers for importing Iranian oil for several oil-importing countries, effective from May 2019, and on 3 January 2020, the United States carried out a military strike which killed a senior Iranian military commander. As a result of this military strike, Iran launched missile attacks on U.S. forces based in Iraq. Any continuation or escalation of international or regional tensions regarding Iran, including further attacks on, or seizures of, oil tankers which disrupt international trade, including any impairment of trade flow through the Strait of Hormuz, or any military conflict, could have a destabilising impact on the Gulf region, including with respect to Saudi Arabia and its ability to export oil.

These geopolitical events may contribute to instability in the Middle East and surrounding regions (that may or may not directly involve Saudi Arabia) and may have a material adverse effect on Saudi Arabia's attractiveness for foreign investment and capital, its ability to engage in international trade and, subsequently, its economy and financial condition. Furthermore, such geopolitical events may also contribute to increased defence spending, which could in turn have an adverse impact on Saudi Arabia's fiscal position or the budget available for other projects.

There can be no assurance that extremists or terrorist groups will not attempt to target Saudi Arabia or commit or attempt to commit violent activities in the future. Any occurrences or escalation of terrorist incidents or other disturbances in Saudi Arabia could have an adverse impact on Saudi Arabia's economic and financial condition.

Global financial conditions have had, and similar events in the future may have, an impact on Saudi Arabia's economic and financial condition

Saudi Arabia's economy may be adversely affected by worsening global economic conditions and external shocks, including financial market volatility, global monetary policies (and expectations thereof), trade disruptions, continued uncertainties with respect to geopolitical developments, such as the on-going Russia-Ukraine conflict, protectionist trade policies or threats thereof and global pandemics, such as COVID-19. Additionally, an inward global shift in trade policies, including towards protectionism (particularly among the Kingdom's key trading partners), could result in lower global growth due to reduced trade, migration and cross-border investment flows, and could in turn slow non-oil growth in the Kingdom. In addition, a slower than anticipated recovery from the impact of COVID-19 on the global economy, a continuation or escalation of the Russia-Ukraine conflict or a future global economic downturn could impact global demand for oil and oil prices. See "*—Saudi Arabia's economy and the Government are substantially dependent upon the oil sector and adversely affected by low oil prices*" above. No assurance can be given that a further global economic downturn or financial crisis will not occur and, to the extent that further instability in the global financial markets occurs, it is likely that this would have an adverse effect on the Saudi Arabian financial sector and economy.

Saudi Arabia's sovereign credit rating may be downgraded in the future

Saudi Arabia has been assigned the following credit ratings: A1 (positive) by Moody's and A+ (stable) by Fitch. The credit ratings assigned to Saudi Arabia by Moody's and Fitch are a result of changes by each of these credit ratings agencies from, in the case of Moody's, Aa3 to the current A1 in May 2016 and, in the case of Fitch, from AA− to A+ in March 2017, to A in September 2019 and to A+ in April 2023. Furthermore, in February 2016, S&P, which rates Saudi Arabia on an unsolicited basis, cut Saudi Arabia's foreign and local currency credit ratings from A+ (negative) to A- (stable). For the downgraded ratings mentioned above, the relevant ratings agency cited a fall in oil prices having led to a material deterioration in Saudi Arabia's credit profile and the expectation of an increased Government budget deficit as among the reasons for the downgrade.

In September 2019, Fitch downgraded Saudi Arabia's rating to A (stable), citing a revised assessment of the vulnerability of Saudi Arabia's economic infrastructure to regional military threats and continued deterioration in Saudi Arabia's fiscal and external balance sheets. In May 2020, Moody's affirmed Saudi Arabia's A1 rating, while revising its outlook from stable to negative and in November 2020, Fitch affirmed Saudi Arabia's A rating while revising its outlook from stable to negative as a result of fluctuations in oil demand and price, triggered in part, by the COVID-19 pandemic and its effect on various macroeconomic indicators, including Government revenues and Government debt. In July 2021, Fitch revised Saudi Arabia's outlook from negative to stable, citing significantly higher oil prices and continued government commitment to fiscal consolidation. In November 2021, Moody's revised Saudi Arabia's outlook from negative to stable, citing the increased likelihood that the government will reverse most of the 2020 increase in its debt burden while also preserving its fiscal buffers. In March 2022, S&P affirmed Saudi Arabia's A− credit rating while revising its outlook to positive citing the economic recovery following the pandemic and higher oil prices. In April 2022, Fitch affirmed Saudi Arabia's A rating while revising its outlook from stable to positive, citing improvements in the sovereign balance sheet given higher oil revenue and the Kingdom's commitment to fiscal consolidation. In March 2023, Moody's affirmed Saudi Arabia's A1 rating while revising its outlook from stable to positive while S&P also revised the Kingdom's rating to A and revised its outlook from positive to stable. Both Moody's and S&P cited improvements to Saudi Arabia's economy and its fiscal stance and debt management as reasons for their credit rating revisions. In April 2023, Fitch upgraded the Kingdom's credit rating from A to A+ (stable), citing the Kingdom's efforts to diversify its economy away from a reliance on oil sales and its reserves. In September 2023, S&P affirmed Saudi Arabia's rating as A and affirmed its outlook as stable.

Ratings are an important factor in establishing the financial strength of debt issuers and are intended to measure an issuer's ability to repay its obligations based upon criteria established by the rating agencies. Any downgrade in Saudi Arabia's sovereign credit rating or in the credit ratings of instruments issued, insured or guaranteed by related institutions or agencies, could negatively affect the price of the Trust Certificates and could have a material adverse effect on Saudi Arabia's cost of borrowing and its ability to access debt capital markets or other sources of liquidity. In October 2019, following the downgrade of Saudi Arabia's sovereign credit rating, Fitch also downgraded the credit ratings for SEC, SABIC and Saudi Aramco. In November 2020, Fitch revised Saudi Aramco's outlook to negative from stable while affirming its rating at 'A'. The revision to negative was driven by a similar action on the sovereign. In July 2021, Fitch revised Saudi Aramco's outlook to stable from negative while affirming its rating at 'A'. The revision to stable was driven by a similar action on the sovereign. In April 2022, Fitch revised Saudi Aramco's outlook to positive from stable while affirming its rating at 'A'. The revision to positive was driven by a similar action on the sovereign. In April 2023, Fitch revised Saudi Aramco's outlook to stable while upgrading its rating to 'A+', driven by a similar action on the sovereign. To the extent that major Government-related institutions or agencies are subject to downgrades in the future, this may adversely affect the finances of the Government to the extent that the Government provides explicit or implicit guarantees or credit support for the indebtedness of those entities, or to the extent that such entities contribute to Government revenues.

The rating issued by Fitch has been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation. Each of Fitch Ratings Ireland Limited and Moody's is established in the EEA and is registered under the CRA Regulation. Each of these agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold the Trust Certificates. Credit ratings are subject to revisions or withdrawal at any time by the assigning rating agency. Saudi Arabia cannot be certain that a credit rating will remain for any given period of time or that a credit rating will not be downgraded or withdrawn entirely by the relevant rating agency if, in its judgement, circumstances in the future so warrant. A suspension, downgrade or withdrawal at any time of the credit rating assigned to Saudi Arabia may adversely affect the market price of the Trust Certificates.

Saudi Arabia faces certain demographic pressures

The total unemployment rate in Saudi Arabia for Saudi nationals as at 31 December 2022 was 8.0 per cent., comprising an unemployment rate of 4.2 per cent. among Saudi males and 15.4 per cent. among Saudi females, compared to an unemployment rate of 11.0 per cent., comprising an unemployment rate of 5.2 per cent. among Saudi males and 22.5 per cent. among Saudi females as at 31 December 2021. Saudi nationals in the age group from 25 to 39 years constituted 51.8 per cent. of the total Saudi labour force as at 31 December 2020 (see "*Overview of Saudi Arabia—Employment*"). The Saudi population increased at a rate of 2.2 per cent. in 2022, while the non-Saudi population increased at a rate of 7.9 per cent. over the same period. Over 60 per cent. of the population in Saudi Arabia is younger than 35 years old, and over half of the population is younger than 30 years. (see "*Overview of Saudi Arabia—Population and Demographics*").

In light of Saudi Arabia's growing population, one of the key issues that the Government is seeking to address is the accommodation of Saudi nationals in the job market, in particular in the private sector. The Government has, over the past few years, increased expenditure on education and training, and has introduced various initiatives to educate and motivate young Saudi nationals to join the workforce. While this has resulted in an increasing number of Saudi university graduates entering the job market, there can be no assurance that Saudi Arabia's economy will be able to provide sufficient skilled labour opportunities for Saudi nationals holding higher education degrees. As a result, Saudi Arabia may face increased unemployment rates for Saudi nationals, which could negatively affect Saudi Arabia's economy.

As a further consequence of its growing population, constraints have arisen in the availability of housing in Saudi Arabia, and the situation has been exacerbated by the high prices of housing in Saudi Arabia's major cities. There can be no assurance that a sufficient number of housing projects will become available over the next few years, or that the Government's fiscal consolidation measures will not have a negative impact on the Government's ability to implement new housing projects (see "*—There can be no assurance that the Government's fiscal consolidation measures will be successful or that the fiscal consolidation will not have an adverse economic or social impact*"). Failure by the Government to address constraints in the availability of housing at affordable prices could have a material adverse effect on Saudi Arabia's social, economic and financial condition.

Investing in securities involving emerging markets such as Saudi Arabia generally involves a higher degree of risk

Investing in securities involving emerging markets, such as Saudi Arabia, generally involves a higher degree of risk than investments in securities of issuers from more developed countries. Generally, investments in emerging markets are only suitable for sophisticated investors who fully appreciate, and are familiar with, the significance of the risks involved in investing in emerging markets.

Saudi Arabia's economy is susceptible to future adverse effects similar to those suffered by other emerging market countries. In addition, as a result of "contagion", Saudi Arabia could be adversely affected by negative economic or financial developments in other emerging market countries, which could in turn adversely affect the trading price of the Trust Certificates. Key factors affecting the environment include the timing and size of increases in interest rates in the United States, an economic slowdown in China, geopolitical tensions in the Middle East and in the Korean peninsula and other similar significant global events.

Accordingly, there can be no assurance that the market for securities bearing emerging market risk, such as the Trust Certificates, will not be affected negatively by events elsewhere, especially in other emerging markets.

Information on hydrocarbon reserves is based on estimates that have not been reviewed by an independent consultant for the purposes of this offering

The information on oil, gas and other reserves contained in this Base Prospectus is based on figures published by the Ministry of Energy as at 31 December 2021 and as at 31 December 2022, an annual review of reserves

compiled by Saudi Aramco as at 31 December 2021 and 31 December 2022, figures published by SAMA and the 2021 and 2022 Annual Statistical Bulletin published by OPEC. Neither the Government nor the Dealers have engaged an independent consultant or any other person to conduct a review of Saudi Arabia's hydrocarbon reserves in connection with this offering. Potential investors should also note that the methodology used to calculate the reserves figures in each of the sources mentioned above may differ from the methodology used by other hydrocarbon producers and may also differ from the standards of reserves measurement prescribed by the U.S. Securities and Exchange Commission.

Reserves valuation is a subjective process of estimating underground accumulations of crude oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate depends on the quality and reliability of available data, engineering and geological interpretations and subjective judgement. Additionally, estimates may be revised based on subsequent results of drilling, testing and production. The proportion of reserves that can ultimately be produced, the rate of production and the costs of developing the fields are difficult to estimate and, therefore, the reserve estimates may differ materially from the ultimately recoverable quantities of crude oil and natural gas.

Reliability of statistical information

Statistics contained in this Base Prospectus, including those in relation to GDP, balance of payments, revenues and expenditure, indebtedness of the Government and oil reserves and production figures have been obtained from, among others, GASTAT, SAMA, the Ministry of Finance and Saudi Aramco. Such statistics, and the component data on which they are based, may not have been compiled in the same manner as data provided by similar sources in other jurisdictions. Similar statistics may be obtainable from other sources, although the underlying assumptions, methodology and consequently the resulting data may vary from source to source. In addition, standards of accuracy of statistical data may vary from ministry to ministry or authority to authority or from period to period due to the application of different methodologies. In this Base Prospectus, data is presented, as applicable, as having been provided by the relevant ministry or authority to which the data is attributed, and no attempt has been made to reconcile such data to data compiled by other ministries or by other organisations, such as the IMF or the World Bank. There may also be material variances between preliminary or estimated statistical data set forth in this Base Prospectus and actual results, and between the statistical data set forth in this Base Prospectus and corresponding data previously published, or published in the future, by or on behalf of Saudi Arabia.

No assurance can be given that any such statistical information, where it differs from that provided by other sources, is more accurate or reliable. Where specified, certain statistical information has been estimated based on information currently available and should not be relied upon as definitive or final. Such information may be subject to future adjustment. In addition, in certain cases, the information is not available for recent periods and, accordingly, has not been updated. The information for past periods should not be viewed as indicative of current circumstances, future periods or periods not presented.

A slowdown in the economies of Saudi Arabia's key trading partners could adversely affect Saudi Arabia's economy

Saudi Arabia has strong trading relationships with many countries, particularly major oil-importing economies such as China, the United States, Japan, South Korea, India and a number of states of the European Union (see "*Balance* of Payments and Foreign Trade—*Foreign Trade*"). To the extent that there is a slowdown in the economies of any of these countries, this may have a negative impact on Saudi Arabia's foreign trade and balance of payments, which could have a material adverse effect on Saudi Arabia's economic and financial condition.

In particular, China was Saudi Arabia's biggest trading partner in terms of imports and exports in the year ended 31 December 2022, accounting for SAR 149.3 billion (U.S.$39.8 billion), or 21.0 per cent., of Saudi Arabia's total imports and SAR 249.9 billion (U.S.$66.6 billion), or 16.2 per cent., of Saudi Arabia's total exports in that year, while the United States was Saudi Arabia's second biggest trading partner in terms of imports and its fifth biggest trading partner in terms of exports in the year ended 31 December 2022, accounting

for SAR 65.0 billion (U.S.$17.3 billion), or 9.1 per cent., of Saudi Arabia's total imports and SAR 87.1 billion (U.S.$23.2 billion), or 5.6 per cent., of Saudi Arabia's total exports in that year. (see "*Overview of Saudi Arabia—Foreign Relations and International Organisations*").

Any sustained market and economic downturn or geopolitical uncertainties in the United States, China or any of Saudi Arabia's other key trading partners may exacerbate the risks relating to Saudi Arabia's trade with those countries. If an economic downturn occurs or continues in the United States, China or any of Saudi Arabia's other key trading partners, this may have a negative impact on Saudi Arabia's foreign trade and balance of payments, which could have a material adverse effect on Saudi Arabia's economic and financial condition.

There can be no assurance that the Government will not reconsider Saudi Arabia's exchange rate policy

The Saudi riyal has been pegged to the U.S. dollar since 1986 and it continues to be the policy of the Government and SAMA to maintain the currency peg at its existing level (see "*Monetary and Financial System*"). There can be no assurance that future unanticipated events, including an increase in the rate of decline of the Government's reserve assets, will not lead the Government to reconsider its exchange rate policy.

Any change to the existing exchange rate policy that results in a significant depreciation of the Saudi riyal against the U.S. dollar or other major currencies could lead to an increase in the cost of Saudi Arabia's imports, which could offset any increase in export revenues. Saudi Arabia relies on imports for the majority of its food and other consumer items, and any consequential increase in the price of food, medicine or other household items could contribute to higher inflation and have a material adverse effect on Saudi Arabia's social, economic and financial condition.

Furthermore, any change to the current exchange rate policy could increase the burden of servicing Saudi Arabia's external debt and also result in damage to investor confidence, resulting in outflows of capital and market volatility, each of which could have a material adverse effect on Saudi Arabia's economic and financial condition.

The legal system in Saudi Arabia continues to develop and this, and certain aspects of the laws of Saudi Arabia may create an uncertain environment for investment and business activity

The courts and adjudicatory bodies in Saudi Arabia have a wide discretion as to how laws and regulations are applied to a particular set of circumstances. There is no doctrine of binding precedent in the courts of Saudi Arabia, decisions of the Saudi Arabian courts and adjudicatory bodies are not routinely published and there is no comprehensive up-to-date reporting of judicial decisions. In some circumstances, it may not be possible to obtain the legal remedies provided under the laws and regulations of Saudi Arabia in a timely manner. As a result of these and other factors, the outcome of any legal disputes in Saudi Arabia may be uncertain.

In Saudi Arabia, contractual provisions, including those governed by foreign laws, for the charging and payment of interest (or commission) have been enforced by adjudicatory bodies. However, a court or adjudicatory body in Saudi Arabia applying a strict interpretation of the *Shari'ah* may not enforce such contractual provisions and the future consistency of Saudi courts or adjudicatory bodies regarding the payment of interest (which may include payments on the Trust Certificates) cannot be predicted.

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

Risks related to the Trust Certificates generally

The Trust Certificates are limited recourse obligations

The Trust Certificates to be issued under the Programme are not debt obligations of the Trustee. Instead, the Trust Certificates represent an ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of each Series is limited to the Trust Assets of that Series and proceeds of such Trust Assets are the sole source of payments on the relevant Trust Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders of the relevant Series will be against the Trustee, the Onshore Investment Vehicle and the Kingdom to perform their respective obligations under the Transaction Documents. Certificateholders will otherwise have no recourse to any assets of the Trustee, the Onshore Investment Vehicle or the Kingdom in respect of any shortfall in the expected amounts due under the relevant Trust Assets. Reflecting the limited recourse nature of the Trust Certificates, Certificateholders will also not be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding-up or receivership of the Trustee as a consequence of such shortfall or otherwise.

The Kingdom is obliged to make certain payments under the Transaction Documents directly to the Trustee, and the Delegate will have direct recourse against the Kingdom to recover such payments pursuant to the Transaction Documents. In the absence of default by the Delegate, investors have no direct recourse to the Kingdom and there is no assurance that the proceeds of the realisation of, or enforcement with respect to, the Trust Assets will be sufficient to make all payments due in respect of the relevant Trust Certificates.

After enforcing or realising the Trust Assets of a Series and distributing the proceeds of such Trust Assets in accordance with Condition 7.8 (*Application of Proceeds from the Trust Assets*), the obligations of the Trustee in respect of the Trust Certificates of the relevant Series shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of such Trust Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents and the sole right of the Trustee, the Delegate and the Certificateholders against the Kingdom shall be to enforce the obligation of the Kingdom to perform its obligations under the Transaction Documents.

The Trust Certificates may be subject to early redemption

If the amount payable on the Trust Certificates is required to be increased to include additional amounts in certain circumstances and/or the Kingdom is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax, the Kingdom may, in accordance with Condition 11.2 (*Early Dissolution for Tax Reasons*), elect to instruct the Trustee to redeem all, but not some only, of the Trust Certificates upon giving notice in accordance with the Conditions.

If so specified in the Final Terms, a Series may, in accordance with Condition 11.3 (*Dissolution at the option of the Kingdom*) be redeemed early, in whole, or if so specified in the Final Terms, in part, at the option of the Kingdom.

The ability to exercise an early redemption option is likely to limit the market value of the Trust Certificates. During any period when the Kingdom may elect to instruct the Trustee to redeem the Trust Certificates, the market value of the Trust Certificates generally will not rise substantially above the Dissolution Amount payable. The Kingdom may be expected to elect to instruct the Trustee to redeem the Trust Certificates when the Kingdom is able to raise funds at a cost of financing which is lower than the profit rate (including such additional amounts as are referred to above) on the Trust Certificates. At those times, an investor generally

would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Trust Certificates and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Conditions contain provisions which may permit the amendment or modification of the Trust Certificates without the consent of the Certificateholders

The Conditions contain provisions regarding amendments, modifications and waivers, commonly referred to as "collective action" clauses. Such clauses permit defined majorities to bind all Certificateholders, including Certificateholders who did not vote, or as the case may be, did not sign the Written Resolution or give their consent electronically, and including those Certificateholders who voted in a manner contrary to the majority. The relevant provisions also permit, in relation to Reserved Matters, multiple Series of Trust Certificates to be aggregated for voting purposes (provided that each such Series also contains the collective action clauses in the terms and conditions of the relevant Trust Certificates).

The Trustee and the Kingdom expect that all Series of Trust Certificates issued under the Programme will include such collective action clauses, thereby giving the Trustee and the Kingdom the ability to request modifications or actions in respect of Reserved Matters across multiple Series of Trust Certificates. This means that a defined majority of the holders of such Series of Trust Certificates (when taken in the aggregate only, in some circumstances, and/or individually) would be able to bind all Certificateholders in all the relevant aggregated Series.

There is a risk therefore that the terms and conditions of a Series of Trust Certificates may be amended, modified or waived in circumstances whereby the Certificateholders voting in favour of an amendment, modification or waiver may be Certificateholders of a different Series of Trust Certificates and as such, less than 75 per cent. of the Certificateholders of the relevant Series (such as the Trust Certificates) would have voted in favour of such amendment, modification or waiver. In addition, there is a risk that the provisions allowing for aggregation across multiple Series of Trust Certificates may make the Trust Certificates less attractive to purchasers in the secondary market on the occurrence of a Dissolution Event or in a distress situation. Furthermore, any such amendment, modification or waiver in relation to any Trust Certificates may adversely affect their trading price.

In the future, the Trustee and/or the Kingdom may issue securities which contain collective action clauses in the same form as the collective action clauses in the Conditions. If this occurs, then this could mean that any Series of Trust Certificates issued under the Programme would be capable of aggregation with any such future securities.

The Conditions restrict the ability of an individual holder to redeem the Trust Certificates on a Dissolution Event, and permit a majority of holders to rescind a Dissolution Notice given by the Delegate

The Trust Certificates provide that the Delegate, upon receiving notice thereof under the Declaration of Trust or otherwise becoming aware of a Dissolution Event and subject to it being indemnified and/or secured and/or prefunded to its satisfaction, will promptly give notice of the occurrence of such Dissolution Event to the Certificateholders in accordance with Condition 23 (*Notices*), with a request to such holders to indicate to the Trustee and the Delegate if they wish the Trust Certificates to be redeemed and the Trust to be dissolved (each a "**Dissolution Request**").

Following the issuance of such notice, the Delegate in its sole discretion may, and if so requested in writing by the holders of at least 25 per cent. of the then aggregate principal amount of the Trust Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Trust Certificates shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Dissolution Notice**") to the Trustee, the Kingdom and the holders of the Trust Certificates in accordance with Condition 23 (*Notices*) that the Trust Certificates are immediately due and payable at the Dissolution Amount together with any due but unpaid Periodic Distribution Amounts, on the date of such notice (the "**Dissolution Event Dissolution Date**"), whereupon they shall become so due and payable.

However, the Conditions also contain a provision permitting the holders of at least 50 per cent. in aggregate principal amount of the outstanding Trust Certificates to notify the Delegate to the effect that the Dissolution Event giving rise to the Dissolution Request is or are cured and that such holders wish the relevant Dissolution Notice to be withdrawn. The Trustee shall give notice thereof to the Trustee, the Kingdom and the holders of the Trust Certificates in accordance with Condition 23 (*Notices*) that the relevant Dissolution Notice has been withdrawn and shall have no further effect.

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

The Conditions are governed by English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus nor whether any such change could adversely affect the ability of the Trustee to make payments under the Trust Certificates.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Trust Certificates and may be adversely affected if Individual Trust Certificates are subsequently issued

The Conditions of the Trust Certificates do not permit the sale or transfer of Trust Certificates in such circumstances as would result in amounts being held by a holder which are lower than the minimum Specified Denomination (as defined in the Conditions). However, in the event that a holder holds a principal amount of less than the minimum Specified Denomination, such holder would need to purchase an additional amount of Trust Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Trust Certificates. Certificateholders should be aware that Trust Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

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

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

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

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

While the Trust Certificates are represented by Global Trust Certificates, the Trustee will discharge its payment obligations under the Trust Certificates by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Trust Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Trust Certificates. The Trustee has no responsibility or

liability for the records relating to, or payments made in respect of, beneficial interests in any Global Trust Certificate.

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

Transferability of the Trust Certificates may be limited under applicable securities laws

The Trust Certificates have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction. Trust Certificates issued under the Programme may not be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, a U.S. person other than to persons that are QIBs that are also QPs. In addition, the Trustee has not been and will not be registered as an "investment company" under the United States Investment Company Act, as amended.

Each purchaser of Trust Certificates will be deemed, by its acceptance of such Trust Certificates, to have made certain representations and agreements intended by the Trustee to restrict transfers of Trust Certificates as described under "*Subscription and Sale*" and "*Transfer Restrictions*". It is the obligation of each purchaser of Trust Certificates to ensure that its offers and sales of Trust Certificates comply with all applicable securities laws. No sale, assignment, participation, pledge or transfer of the Trust Certificates may be effected if, among other things, it would require the Trustee or any of its officers or directors to register under, or otherwise be subject to the provisions of, the Investment Company Act or any other similar legislation or regulatory action.

In addition, if at any time the Trustee determines that any owner of Trust Certificates, or any account on behalf of which an owner of Trust Certificates purchased its Trust Certificates, is a person that is required to be a QIB that is also a QP, but is not, the Trustee may compel that such owner's Trust Certificates be sold or transferred to a person designated by or acceptable to the Trustee.

The U.S. Internal Revenue Service may treat the Trust Certificates as an interest in the Trust for federal income tax purposes, which may result in the Trust and U.S. investors being subject to significant penalties and other adverse tax consequences

The Trustee intends to treat the Trust Certificates under the rules applicable to debt instruments for U.S. tax purposes. Under such treatment, U.S. investors will not be required to take account of income and expenses incurred at the level of the Trust. However, the U.S. Internal Revenue Service ("**IRS**") could seek to characterise the Trust Certificates as interests in a trust for U.S. federal income tax purposes. In that event, if the Trust is determined to be a grantor trust, the Trustee and U.S. investors would be subject to certain information reporting applicable to foreign trusts and U.S. investors would be required to take account of income and expenses incurred at the level of the Trust. U.S. investors that fail to comply with the applicable information reporting requirements in a timely manner could be subject to significant penalties. The Trustee does not expect that it will provide information that would allow either itself or U.S. investors to comply with foreign trust reporting obligations if they were determined to be applicable.

If the Trust Certificates are treated as interests in the Trust and the Trust is not treated as a grantor trust, it is possible that the U.S. investors could be treated as holding interests in a passive foreign investment company ("**PFIC**") which could have materially adverse tax consequences to U.S. investors. U.S. investors should consult their own tax advisers as to the potential application of the foreign trust reporting rules, the possibility that the Trust Certificates will be classified as equity interest in a PFIC, and the consequences of owning an equity interest in a PFIC and the tax consequences generally with respect to an investment in the Trust Certificates. See the discussion under "*United States Federal Income Taxation*".

Future regulation, reform or discontinuance of "benchmarks" may adversely affect the value of Trust Certificates which reference such "benchmarks"

Interest rates and indices, such as EURIBOR, which are deemed to be "benchmarks", are the subject of international and national regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value or liquidity of, and return on, any Floating Rate Trust Certificates which are linked to or reference a "benchmark".

Regulatory reforms, such as Regulation (EU) No 2016/1011 (the "**EU Benchmarks Regulation**") or the UK Benchmarks Regulation, could have a material impact on any Trust Certificates linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of any such regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant "benchmark".

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

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

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation reforms, as applicable, in making any investment decision with respect to any Trust Certificates linked to or referencing a "benchmark".

Investors should be aware that in the case of Floating Rate Trust Certificates, the Conditions provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate such as EURIBOR or any other relevant reference rate, ceases to exist or be published or another Benchmark Event occurs. These fallback arrangements include the possibility that the Profit Rate could be determined by reference to a Successor Rate or an Alternative Rate and that an Adjustment Spread may be applied to such Successor Rate or Alternative Rate as a result of the replacement of the relevant benchmark or screen rate (as applicable) originally specified with the Successor Rate or the Alternative Rate (as the case may be), together with the making of certain Benchmark Amendments to the Conditions of such Trust Certificates, all as determined in the sole discretion of an Independent Adviser (acting in good faith and in a commercially reasonable manner). Any Adjustment Spread that is applied may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) may still result in any Trust Certificates linked to or referencing a benchmark performing differently (which may include payment of a lower Profit Rate) than such Trust Certificates would have performed if the relevant benchmark were to continue to apply in its current form.

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

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

The Profit Rate on Floating Rate Trust Certificates may be determined by reference to a Successor Rate, Alternative Rate or Benchmark Replacement, as applicable, even if the Original Reference Rate continues to be published

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

Risks related to the market generally

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

Trust Certificates issued under the Programme will (unless they are to be consolidated into a single Series with any Trust Certificates previously issued) be new securities which may not be widely distributed and for which there is currently no active trading market. Trust Certificates may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid, and the Trust Certificates may trade at a discount to their initial offering price depending on prevailing interest rates, market for similar securities, general economic conditions and the Kingdom's financial condition. Therefore, investors may not be able to sell their Trust Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for the Trust Certificates that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Trust Certificates generally would have a more limited secondary market and more price volatility than conventional securities. Illiquidity may have a severely adverse effect on the market value of the Trust Certificates. In addition, liquidity may be limited if the Trustee makes large allocations to a limited number of investors.

Credit ratings assigned to the Kingdom or any Trust Certificates may not reflect all the risks associated with an investment in those Trust Certificates

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

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

not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of an updated list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, in general, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third-country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK-registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country credit ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

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

Shari'ah requirements in relation to interest

In accordance with applicable *Shari'ah* principles, each of the Trustee and the Delegate will waive any entitlement it may have to interest awarded in connection with a dispute under the Transaction Documents and accordingly Certificateholders will not be entitled to receive any such interest. For the avoidance of doubt, no such waiver constitutes a waiver of rights in respect of all or any part of the Deferred Sale Prices payable under the Master Murabaha Agreement or any Murabaha Transaction, any payments under the Primary Mudaraba Agreement or Infrastructure Mudaraba Agreement, Periodic Distribution Amounts payable under the Trust Certificates or profit or principal of any kind howsoever described payable by the Kingdom (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or the Conditions.

There may be differing views with respect to Shari'ah compliance

The Shari'a Supervisory Board of Citi Islamic Investment Bank, the Executive Shariah Committee of HSBC Saudi Arabia, the Sharia Supervisory Board of Morgan Stanley and the Global Shariah Supervisory Committee of Standard Chartered Bank, have each confirmed that, in their view, the Transaction Documents are compliant with *Shari'ah* principles as applicable to, and interpreted by, them. However, there can be no assurance that other *Shari'ah* boards or *Shari'ah* scholars will agree with the views of the scholars of the aforementioned Shari'ah committees or deem any issue or trading of any Trust Certificates (including, without limitation, any future trading of the Trust Certificates on the secondary market) to be *Shari'ah* compliant.

None of the Trustee, the Kingdom, the Delegate, the Arrangers, the Dealers, the Agents or any of their respective affiliates makes any representation as to the *Shari'ah* compliance of any Certificates and/or any trading thereof (including, without limitation, any future trading of the Trust Certificates on the secondary market), the Transaction Documents or the above pronouncements and potential investors are reminded that, as with any *Shari'ah* views, differences in opinion are possible and different *Shari'ah* standards may be applied by different *Shari'ah* boards. In addition, none of the Delegate, the Arrangers, the Dealers, the Agents or any of their respective affiliates will have any responsibility for monitoring or ensuring compliance with any *Shari'ah* principles of debt trading nor shall it be liable to any Certificateholder or any other person in respect thereof.

Potential investors should not rely on the above pronouncements in deciding whether to make an investment in the Trust Certificates and should obtain their own independent *Shari'ah* advice as to whether the Transaction Documents, the Trust Certificates and the issue and trading of Trust Certificates comply with *Shari'ah* principles (including, without limitation, their individual standards of compliance relating thereto), and should also make their own determination as to the future tradability (including, without limitation, in compliance with the *Shari'ah* principles of debt trading) of the Trust Certificates on any secondary market. Questions as to the *Shari'ah* compliance of the Transaction Documents or the *Shari'ah* permissibility of the issue and the trading of the Trust Certificates may limit the liquidity and adversely affect the market value of the Trust Certificates.

In addition, the Trust Certificates and the Transaction Documents (excluding the Primary Mudaraba Agreement and Infrastructure Mudaraba Agreement) are governed by English law and in the event of any dispute, the interpretation or determination of the obligations of the parties thereto would be the subject of arbitration in London under the Rules by reference to English law and not *Shari'ah* principles. Furthermore, a Saudi court would not be bound by any pronouncement by any *Shari'ah* board or *Shari'ah* scholar and would make its own determination as to compliance with *Shari'ah* principles.

Risks relating to enforcement in Saudi Arabia

Investors may experience difficulty in enforcing foreign judgments in Saudi Arabia

The Kingdom is a sovereign state and a substantial portion of the assets of the Kingdom are therefore located outside the United States and the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United States and/or the United Kingdom upon the Kingdom or to enforce against it in the United States courts or courts located in the United Kingdom judgments obtained in United States courts or courts located in the United Kingdom, respectively, including judgments predicated upon the civil liability provisions of the securities laws of the United States or the securities laws of any state or territory within the United States.

A substantial part of the Kingdom's assets are located in Saudi Arabia. In the absence of a treaty for the reciprocal enforcement of foreign judgments, a court or adjudicatory body in Saudi Arabia is unlikely to enforce a United States or English judgment without re-examining the merits of the claim. Investors may have difficulties in enforcing any United States or English judgments against the Kingdom in the courts of Saudi Arabia.

In addition, the courts of Saudi Arabia may decline to enforce a foreign judgment if certain criteria are not met, including, but not limited to, compliance with the public policy of Saudi Arabia. Furthermore, a court or adjudicatory body in Saudi Arabia may not observe the choice by the parties of English law as the governing law of the Trust Certificates and may elect to apply the laws of the Kingdom instead. The laws of the Kingdom do not recognise the concept of a trust and accordingly the Saudi courts may re-characterise the trust established pursuant to the Declaration of Trust as an agency relationship or any similar concept that is recognised under Saudi Arabian law. As such, there can be no assurance that the obligations of the Trustee under the Declaration of Trust to act on behalf of the Certificateholders in accordance with their instructions, or that the power of attorney provided to the Delegate, would be enforceable or recognised under the laws of the Kingdom in the same manner as under English law.

Pursuant to the Law of Enforcement before the Board of Grievances issued by Royal Decree No. M/15 dated 27/01/1443H (corresponding to 4 September 2021) (the "**Administrative Enforcement Law**"), a circuit court of the Board of Grievances may issue an enforcement order against a government entity after notifying the government entity of the enforcement and the lapse of a warning period. Neither the Administrative Enforcement Law nor any other law or regulation provide for seizure of State-owned assets. The Administrative Enforcement Law came into effect on 20 August 2023.

Certificateholders may only be able to enforce the Trust Certificates through arbitration before the LCIA, and LCIA awards relating to disputes under the Trust Certificates and certain of the Transaction Documents may not be enforceable in Saudi Arabia

Ultimately the payments under the Trust Certificates are dependent upon the Kingdom making payments to the Trustee in the manner contemplated under the Transaction Documents. If the Kingdom fails to do so, it may be necessary to bring an action against it to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming.

The Trust Certificates and the Transaction Documents (excluding the Primary Mudaraba Agreement and Infrastructure Mudaraba Agreement) are governed by English law and the parties to such documents have agreed to refer any unresolved dispute in relation to such documents to arbitration under the Rules of the LCIA. Certificateholders will therefore only have recourse to LCIA arbitration in order to enforce their contractual rights under the Trust Certificates, and will not have the right to bring proceedings relating to the Trust Certificates before the English courts.

Saudi Arabia is a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**"). Any foreign arbitral award, including an LCIA award, should therefore be enforceable in Saudi Arabia in accordance with the terms of the New York Convention, subject to filing a legal action for recognition and enforcement of foreign arbitral awards with the Enforcement Departments of the General Courts. Under the New York Convention, Saudi Arabia has an obligation to recognise and enforce foreign arbitral awards unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Saudi courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of Saudi Arabia. There can therefore be no assurance that the Saudi courts will enforce a foreign arbitral award in accordance with the terms of the New York Convention (or any other multilateral or bilateral enforcement convention).

There can be no assurance as to whether the waivers of immunity provided by the Trustee, the Onshore Investment Vehicle and the Kingdom will be valid and binding under the laws of the Kingdom

Each of the Trustee, the Onshore Investment Vehicle and the Kingdom has waived its rights in relation to sovereign immunity in respect of the Transaction Documents. However, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Transaction Documents are valid and binding under the laws of the Kingdom.

The Delegate may request the Certificateholders to provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances, including without limitation the giving of a notice pursuant to Condition 14 (*Dissolution Events*) of the Conditions and the taking of action to enforce or realise any relevant Trust Assets or steps against the Trustee or the Kingdom under the relevant Transaction Documents pursuant to Condition 15 (*Enforcement and Exercise of Rights*) of the Conditions, the Delegate may (at its sole discretion) request the holders of the relevant Trust Certificates to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of the holders of such Trust Certificates. The Delegate shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

FACTORS THAT MAY AFFECT THE TRUSTEE'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER TRUST CERTIFICATES ISSUED UNDER THE PROGRAMME

The Trustee has no operating history and will depend on receipt of payments from the Kingdom to make payments to Certificateholders

The Trustee was incorporated under the laws of the Cayman Islands on 14 February 2017 as an exempted company with limited liability. The Trustee will not engage in any business activity other than the issuance of Trust Certificates under the Programme, the acquisition of the Trust Assets as described herein, acting in the capacity of Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the Transaction Documents.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Trust Certificates, including its right to receive payments under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Trust Certificates of each Series will primarily be dependent upon receipt by the Trustee of all amounts due from the Kingdom under the relevant Transaction Documents. Therefore, the Trustee is subject to all the risks to which the Kingdom is subject, to the extent that such risks could limit the Kingdom's ability to satisfy in full, and on a timely basis, its obligations under the Transaction Documents. See *"Factors that may Affect the Kingdom's Ability to Fulfil its Obligations under the Transaction Documents*".

The Onshore Investment Vehicle has no operating history and will depend on the receipt of payments from the Kingdom to make payments to the Trustee

The Onshore Investment Vehicle was incorporated under the laws of the Kingdom on 9 March 2017 as a limited liability company owned by a single shareholder. The Onshore Investment Vehicle will not engage in any business activity other than in its capacity as Primary Mudareb in connection with the investment, from time to time, of Mudaraba Investment Amounts in accordance with the terms of the Primary Mudaraba Agreement and in its capacity as Infrastructure Rab-ul-Maal in connection with the investment, from time to time, of Infrastructure Investment Amounts in accordance with the terms of the Infrastructure Mudaraba Agreement, together with any other activities incidental or related to the foregoing as required under the Transaction Documents.

The Onshore Investment Vehicle will have no material assets and will hold its interest in the relevant Investment Portfolios in which the Infrastructure Investment Amounts are invested from time to time as a mudareb for the Trustee. There is no guarantee of any return from such Investment Portfolios.

The Trustee is a "covered fund" for purposes of the Volcker Rule, which could negatively affect the liquidity and the value of the Trust Certificates

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing regulations (the "Volcker Rule"), relevant "banking entities" (as defined under the Volcker Rule) are generally prohibited from, among other things, acquiring or retaining any equity, partnership, or other "ownership interest" in, or in "sponsoring", any "covered funds" (each as defined under the Volcker Rule). An "ownership interest" in a covered fund is broadly defined. In addition, in certain circumstances, the Volcker Rule restricts banking entities from entering into certain credit-related transactions with covered funds.

The term "covered funds" includes any issuer which would be required to register as an investment company under the Investment Company Act but for section 3(c)(1) or 3(c)(7) of that Act. As the Trustee is exempt from registration under the Investment Company Act in reliance on the exemption provided by section 3(c)(7) thereof, the Trustee will be a "covered fund" and acquisition of the Trust Certificates may be considered an acquisition of an "ownership interest" in a "covered fund" (as those terms are used in the Volcker Rule).

In the absence of an available exemption to the Volcker Rule, it is expected that the provisions of the Volcker Rule will severely limit the ability of U.S. banking entities (including controlled affiliates of U.S. banking

institutions outside the United States) to hold an ownership interest in the Trustee. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in ownership interests (for purposes of the Volcker Rule) of the Trustee should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment.

Each investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Trustee, the Kingdom, the Delegate, the Arrangers, the Dealers or the Agents makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Trust Certificates, now or at any time in the future.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (or information set out at the pages specified therein) which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the FCA shall be incorporated in, and form part of, this Base Prospectus:

(a) the Terms and Conditions of the Trust Certificates contained in the Base Prospectus dated 4 April 2017 (the "**April 2017 Terms and Conditions**"), pages 29 to 75 (inclusive) (at http://www.ise.ie/debt_documents/Base%20Prospectus_7418c363-8ae7-4d0a-9c55-c5c6dcbee14f.PDF) prepared by the Trustee and the Kingdom in connection with the Programme;

(b) the Terms and Conditions of the Trust Certificates contained in the Base Prospectus dated 7 September 2018 (the "**September 2018 Terms and Conditions**"), pages 38 to 99 (inclusive) (at https://www.rns-pdf.londonstockexchange.com/rns/3917A_1-2018-9-11.pdf?_ga=2.91063705.2088253220.1568233532-410966336.1542116573) prepared by the Trustee and the Kingdom in connection with the Programme;

(c) the Terms and Conditions of the Trust Certificates contained in the Base Prospectus dated 25 October 2019 (the "**October 2019 Terms and Conditions**"), pages 38 to 99 (inclusive) (at https://www.rns-pdf.londonstockexchange.com/rns/1803R_1-2019-10-25.pdf) prepared by the Trustee and the Kingdom in connection with the Programme;

(d) the Terms and Conditions of the Trust Certificates contained in the Base Prospectus dated 17 February 2021 (the "**February 2021 Terms and Conditions**"), pages 39 to 99 (inclusive) (at https://www.rns-pdf.londonstockexchange.com/rns/6475P_1-2021-2-18.pdf) prepared by the Trustee and the Kingdom in connection with the Programme; and

(e) the Terms and Conditions of the Trust Certificates contained in the Base Prospectus dated 18 October 2022 (the "**October 2022 Terms and Conditions**"), pages 40 to 100 (inclusive) (at https://www.ndmc.gov.sa/en/IssuancePrograms/Documents/UKO2-2005471666-v1-KSA-Sukuk-Update-2022-Base-prospectus-FINAL.pdf) prepared by the Trustee and the Kingdom in connection with the Programme.

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

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus. Where reference is made to a website in this Base Prospectus, the contents of that website shall not form part of this Base Prospectus.

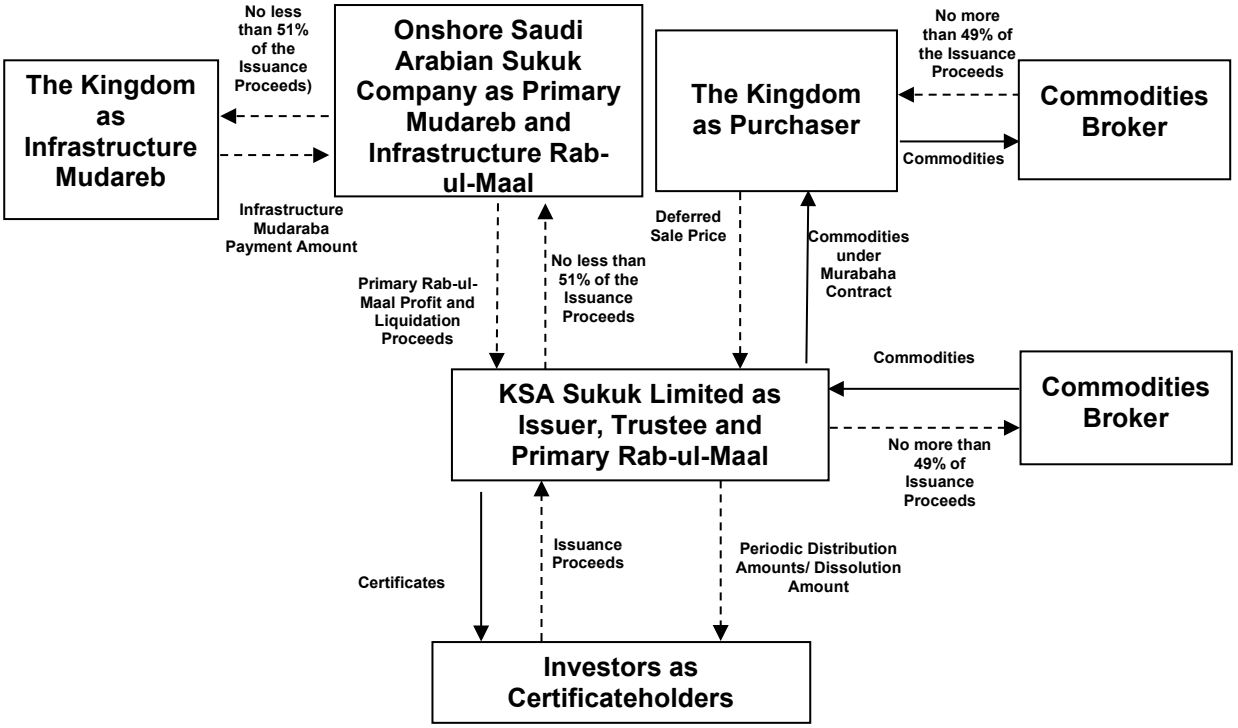
Following the publication of this Base Prospectus a supplement may be prepared by the Trustee and the Kingdom in accordance with Article 23 of the UK Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Trustee and the Kingdom will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Trust Certificates, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Trust Certificates.

STRUCTURE DIAGRAM AND CASHFLOWS

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

Structure Diagram



On the issue date of each Tranche (the "**Issue Date**"), the proceeds from the issuance of each Tranche of Trust Certificates will be applied by the Trustee on behalf of the Certificateholders, as follows:

(i) an amount equal to no more than 49 per cent. of the proceeds from the issuance of each Tranche of Trust Certificates (such percentage to be set out in the Final Terms for each Tranche of Trust Certificates) (the "**Murabaha Investment Amount**") will be used by the Trustee to purchase certain *Shari'ah*-compliant commodities (the "**Commodities**") through a commodity broker (the "**Commodity Broker**"), and the Trustee (in its capacity as seller, the "**Seller**") will sell such Commodities to the Kingdom (in its capacity as purchaser, the "**Purchaser**") on a deferred payment basis pursuant to an amended and restated master murabaha agreement (the "**Master Murabaha Agreement**") (the rights of the Seller pursuant to the terms of the Master Murabaha Agreement comprising the "**Murabaha Assets**"); and

(ii) an amount equal to no less than 51 per cent. of the proceeds from the issuance of each Tranche of Trust Certificates (such percentage to be set out in the Final Terms for each Tranche of Trust Certificates) (the "**Mudaraba Investment Amount**") will be provided by the Trustee, in its capacity as rab-ul-maal (the "**Primary Rab-ul-Maal**"), to the Onshore Investment Vehicle, acting as a mudareb (the "**Primary Mudareb**"). The Primary Mudareb shall apply the Mudaraba Investment Amount in a mudaraba (the "**Primary Mudaraba**") to be constituted by a mudaraba agreement (the "**Primary Mudaraba Agreement**") between the Primary Rab-ul-Maal and the Primary Mudareb under which the Mudaraba Investment Amount will be invested in a further mudaraba to be managed by the

Kingdom, as further described below. The rights of the Trustee pursuant to the terms of the Primary Mudaraba Agreement being the mudaraba assets (the "**Mudaraba Assets**").

Murabaha Transactions

In respect of each Tranche of Trust Certificates, the Seller and the Purchaser shall enter into murabaha transactions on the terms set out in the Master Murabaha Agreement. The nature of these transactions will vary depending on whether the Final Terms specify that Fixed Periodic Distribution Provisions or Floating Periodic Distribution Provisions are applicable to the relevant Tranche of Trust Certificates.

Fixed Periodic Distribution Provisions are applicable

In respect of any Tranche of Trust Certificates where Fixed Periodic Distribution Provisions are specified as being applicable in the Final Terms, the Seller will use the Murabaha Investment Amount to purchase the Commodities through the Commodity Broker and will sell such Commodities to the Purchaser on a deferred payment basis pursuant to an initial murabaha transaction (the "**Initial Murabaha Transaction**") and certain subsequent murabaha transactions (each a "**Subsequent Murabaha Transaction**").

The Initial Murabaha Transaction will be entered into on the relevant Issue Date. The purchase price (the "**Purchase Price**") in respect of the Initial Murabaha Transaction shall be an amount equal to the percentage of the Murabaha Investment Amount set out in the Final Terms for each Tranche of Trust Certificates. The deferred sale price (the "**Deferred Sale Price**") under the Initial Murabaha Transaction will be equal to the aggregate principal amount of that Tranche of Trust Certificates, less the Purchase Price of the first Subsequent Murabaha Transaction and will be due on the scheduled dissolution date of that Tranche of Trust Certificates (or any other dissolution date, if earlier). The Deferred Sale Price under the Initial Murabaha Transaction, together with the Purchase Price payable under the last Subsequent Murabaha Transaction in respect of the relevant Tranche of Trust Certificates, will be utilised to fund the Dissolution Amount under that Series of Trust Certificates.

The first Subsequent Murabaha Transaction will be entered into on the relevant Issue Date, while each Subsequent Murabaha Transaction will be entered into on the expiry date (the "**Expiry Date**") of the immediately preceding Subsequent Murabaha Transaction, other than an Expiry Date that is also the scheduled dissolution date of that Tranche of Trust Certificates. The Purchase Price in respect of the first Subsequent Murabaha Transaction shall be an amount equal to the percentage of the Murabaha Investment Amount set out in the Final Terms for each Tranche of Trust Certificates.

The Deferred Sale Price under the first Subsequent Murabaha Transaction will be the sum of the Purchase Price in respect of that Subsequent Murabaha Transaction and a profit amount (the "**Murabaha Profit**") equal to the aggregate amount of all Periodic Distribution Amounts due under that Tranche of Trust Certificates for the period from the relevant Issue Date to (and including) the Expiry Date of the first Subsequent Murabaha Transaction, which will be the earlier of: (i) the Periodic Distribution Date falling on the specified anniversary of the Issue Date set out in the Final Terms for each Tranche of Trust Certificates; or (ii) the scheduled dissolution date of that Tranche of Trust Certificates.

The Deferred Sale Price under each Subsequent Murabaha Transaction will be payable by the Purchaser in scheduled instalments (each a "**Deferred Sale Price Instalment Amount**"), which will be due on each Periodic Distribution Date during the term of the Subsequent Murabaha Transaction (each such instalment payment date, an "**Instalment Payment Date**").

The Deferred Sale Price Instalment Amount due on each Instalment Payment Date other than the Expiry Date will be an amount equal to the Periodic Distribution Amount due in respect of the relevant Tranche of Trust Certificates on the relevant Periodic Distribution Date and will be paid into the transaction account maintained and operated by the Principal Paying Agent in respect of each Series (the "**Transaction Account**") and utilised to fund the Periodic Distribution Amount due on such Periodic Distribution Date in respect of the relevant Series of Trust Certificates.

On the Expiry Date of each Subsequent Murabaha Transaction, the Deferred Sale Price Instalment Amount due shall be an amount equal to the original Purchase Price of that Subsequent Murabaha Transaction together with the Periodic Distribution Amount due in respect of the relevant Tranche of Trust Certificates on the Periodic Distribution Date which is the Expiry Date.

The payment of the original Purchase Price will provide the Trustee with the Purchase Price to allow the Trustee to invest in a further Subsequent Murabaha Transaction with the Kingdom on such date, or, to the extent that the relevant Expiry Date is the scheduled dissolution date of that Series of Trust Certificates, fund (together with the Deferred Sale Price payable under the Initial Murabaha Transaction in respect of the relevant Tranche of Trust Certificates) the Dissolution Amount in respect of the relevant Series of Trust Certificates.

Each further Subsequent Murabaha Transaction will be entered into on the terms above. The Deferred Sale Price under each Subsequent Murabaha Transaction will be the sum of the Purchase Price in respect of that Subsequent Murabaha Transaction and the applicable Murabaha Profit. Such Murabaha Profit will be equal to the aggregate amount of all Periodic Distribution Amounts due under that Tranche of Trust Certificates for the period from (but excluding) the Expiry Date of the immediately preceding Subsequent Murabaha Transaction to (and including) the Expiry Date of the relevant Subsequent Murabaha Transaction, which will be the earlier of: (i) the Periodic Distribution Date falling on the specified anniversary, to be set out in the Final Terms for each Tranche of Trust Certificates, of the Expiry Date of the immediately preceding Subsequent Murabaha Transaction; or (ii) the scheduled dissolution date of that Tranche of Trust Certificates.

On a Dissolution Date, the Deferred Sale Prices due under the Initial Murabaha Transaction(s) and the then outstanding Subsequent Murabaha Transaction(s) (as applicable) will become immediately due and payable. An amount equal to the Dissolution Amount and any due but unpaid Periodic Distribution Amounts payable under that Series of Trust Certificates will be paid into the Transaction Account.

Floating Periodic Distribution Provisions are applicable

In respect of any Tranche of Trust Certificates where Floating Periodic Distribution Provisions are specified as being applicable in the Final Terms, the Seller will use the Murabaha Investment Amount to purchase the Commodities through the Commodity Broker and will sell such Commodities to the Purchaser on a deferred payment basis pursuant to an Initial Murabaha Transaction and certain Subsequent Murabaha Transactions.

The Initial Murabaha Transaction will be entered into on the relevant Issue Date. The Purchase Price in respect of the Initial Murabaha Transaction shall be an amount equal to the percentage of the Murabaha Investment Amount set out in the Final Terms for each Tranche of Trust Certificates. The Deferred Sale Price under the Initial Murabaha Transaction will be equal to the aggregate principal amount of that Tranche of Trust Certificates, less the Purchase Price of the first Subsequent Murabaha Transaction and will be due on the scheduled dissolution date of that Tranche of Trust Certificates (or any other dissolution date, if earlier). The Deferred Sale Price under the Initial Murabaha Transaction, together with the Purchase Price payable under the last Subsequent Murabaha Transaction in respect of the relevant Tranche of Trust Certificates, will be utilised to fund the Dissolution Amount under that Series of Trust Certificates.

The first Subsequent Murabaha Transaction will be entered into on the relevant Issue Date, while a Subsequent Murabaha Transaction will be entered into on each Periodic Distribution Date other than the Periodic Distribution Date that is also the scheduled dissolution date of that Tranche of Trust Certificates. The Purchase Price in respect of the first Subsequent Murabaha Transaction shall be an amount equal to the percentage of the Murabaha Investment Amount set out in the Final Terms for each Tranche of Trust Certificates. The Deferred Sale Price under the first Subsequent Murabaha Transaction will be the sum of the Purchase Price and the Murabaha Profit, which in respect of the first Subsequent Murabaha Transaction, will be an amount equal to the first Periodic Distribution Amount due under that Tranche of Trust Certificates.

The Deferred Sale Price under the first Subsequent Murabaha Transaction will be due on the first Periodic Distribution Date. The Murabaha Profit will be paid into the Transaction Account and will be used by the Trustee to fund the Periodic Distribution Amount due on the first Periodic Distribution Date in respect of the

relevant Series of Trust Certificates. The remaining portion of the Deferred Sale Price (which will be equal to the original Purchase Price) will provide the Trustee with the Purchase Price to allow the Trustee to invest in a further Subsequent Murabaha Transaction with the Kingdom. In respect of each Subsequent Murabaha Transaction, the Murabaha Profit from the Subsequent Murabaha Transaction will be equal to the Periodic Distribution Amount due in respect of the relevant Tranche of Trust Certificates on the following Periodic Distribution Date. In respect of the last Subsequent Murabaha Transaction, the Purchase Price portion of the Deferred Sale Price will fund, together with the Deferred Sale Price payable under the Initial Murabaha Transaction in respect of the relevant Tranche of Trust Certificates, the Dissolution Amount in respect of that Series of Trust Certificates.

On a Dissolution Date, the Deferred Sale Prices due under the Initial Murabaha Transaction(s) and the then outstanding Subsequent Murabaha Transaction(s) (as applicable) will become immediately due and payable. An amount equal to the Dissolution Amount and any due but unpaid Periodic Distribution Amounts payable under that Series of Trust Certificates will be paid into the Transaction Account.

Mudaraba Transactions

In respect of each Tranche of Trust Certificates, the Primary Mudareb, will, on the relevant Issue Date, apply an amount equal to the Mudaraba Investment Amount (the "**Infrastructure Investment Amount**") as the capital of a further mudaraba (the "**Infrastructure Mudaraba**") constituted by a mudaraba agreement (the "**Infrastructure Mudaraba Agreement**") entered into between the Primary Mudareb acting as the infrastructure rab-ul-maal (the "**Infrastructure Rab-ul-Maal**") and the Kingdom, acting in its capacity as mudareb (the "**Infrastructure Mudareb**"), pursuant to which the Infrastructure Mudareb shall invest the Infrastructure Investment Amount on behalf of the Infrastructure Rab-ul-Maal in various infrastructure projects being undertaken by the Kingdom (the "**Investment Portfolio**").

In respect of each Infrastructure Mudaraba, the Infrastructure Mudareb will be provided with the authority by the Infrastructure Rab-ul-Maal to: (a) choose the infrastructure projects into which it will invest the relevant Infrastructure Investment Amount; and (b) undertake a valuation. The Infrastructure Mudareb will have the discretion, at any time, to substitute any part of the Investment Portfolio for interests in other infrastructure projects being undertaken by the Kingdom. The Infrastructure Mudareb shall also have the right, but not the obligation, to purchase any part of, or all of, the Investment Portfolio. The purchase price (the "**Infrastructure Project Purchase Price**") payable by the Infrastructure Mudareb for the relevant infrastructure projects included in the Investment Portfolio (or part thereof) shall be equal to the value of such infrastructure projects as determined on the most recent constructive liquidation of the Investment Portfolio, plus a profit amount equal to the Infrastructure Project Profit Percentage of such value, as set out in the Final Terms. The Infrastructure Project Purchase Price shall be reinvested in infrastructure projects being undertaken by the Kingdom in accordance with the terms of the Infrastructure Mudaraba Agreement.

Any income from the relevant Investment Portfolio, less total costs (consisting of direct costs and allocated costs of such activities) shall be the income from the Infrastructure Mudaraba (the "**Infrastructure Mudaraba Income**").

The Infrastructure Mudareb shall be entitled to retain 10 per cent. of any Infrastructure Mudaraba Income (the "**Infrastructure Mudareb Profit**") and the Infrastructure Rab-ul-Maal shall be entitled to receive 90 per cent. of any Infrastructure Mudaraba Income (the "**Infrastructure Rab-ul-Maal Profit**"). The Infrastructure Rab-ul-Maal Profit shall be credited to a notional account to be maintained by the Infrastructure Mudareb for and on behalf of the Infrastructure Rab-ul-Maal in respect of each Tranche of Certificates (the "**Collection Account**").

The Infrastructure Mudareb shall calculate the Infrastructure Mudaraba Income received during any Periodic Distribution Period on the basis of a constructive liquidation of the Investment Portfolio on an annual basis. The Infrastructure Mudareb shall be authorised by the Infrastructure Rab-ul-Maal to use or invest the monies (if any) standing to the credit of the relevant Collection Account in other infrastructure projects being

undertaken by the Kingdom for and on behalf of the Infrastructure Rab-ul-Maal and such acquired interests shall constitute part of the relevant Investment Portfolio.

In relation to each Series, on each Periodic Distribution Date and/or Dissolution Date (as applicable), to the extent that the monies already standing to the credit of the relevant Transaction Account (as a result of payments of the relevant Deferred Sale Price(s) under the Master Murabaha Agreement or otherwise) are insufficient to fund in full all amounts payable by the Trustee under the Trust Certificates of the relevant Series on the relevant Periodic Distribution Date and/or Dissolution Date (as applicable) (such shortfall, the "**Required Amount**", and together with an amount equal to any Taxes payable by the Primary Mudareb under, or in connection with, the Primary Mudaraba in respect of the Required Amount, the "**Mudaraba Shortfall Amount**"), the Infrastructure Mudareb shall use any monies standing to the credit of the Collection Accounts of the relevant Series to make payment to (or to the order of) the Infrastructure Rab-ul-Maal of an amount (the "**Infrastructure Mudaraba Payment Amount**") that is calculated as follows:

$$\frac{\text{Mudaraba Shortfall Amount}}{9} \times 10$$

Any Infrastructure Mudaraba Payment Amount received by the Infrastructure Rab-ul-Maal under the Infrastructure Mudaraba shall constitute the income of the corresponding Primary Mudaraba (the "**Primary Mudaraba Income**") and shall be paid to the Primary Mudareb. The Primary Mudareb shall be entitled to retain 10 per cent. of any Primary Mudaraba Income (the "**Primary Mudareb Profit**") and the Primary Rab-ul-Maal shall be entitled to receive 90 per cent. of any Primary Mudaraba Income (the "**Primary Rab-ul-Maal Profit**"). Any Primary Rab-ul-Maal Profit received by the Primary Mudareb from time to time (if any and only to the extent so required, and to the extent such amounts are available, for the purpose described as follows) will be paid (or such payment will be procured) by the Primary Mudareb directly into the Transaction Account in order to enable the Trustee to make payment of the relevant Required Amount.

On a Dissolution Date, the Infrastructure Mudareb shall liquidate the Investment Portfolio(s) relating to the relevant Series of Trust Certificates at its liquidation value based on book value (as determined by the Infrastructure Mudareb (acting reasonably)) and the proceeds of such liquidation shall be credited to the relevant Collection Account(s). Following the redemption of the relevant Series of Trust Certificates and after the date on which all amounts owing to the Certificateholders under that Series of Trust Certificates have been paid in full, the balance of the monies (if any) standing to the credit of the relevant Collection Account(s) will be retained by the Infrastructure Mudareb as an incentive fee for its own account.

On a Dissolution Date, following the redemption of the Trust Certificates in full and after the date on which all amounts owing to the Certificateholders under that Series of Trust Certificates have been paid in full and only after liquidation of the Infrastructure Mudaraba(s) relating to the relevant Series of Trust Certificates pursuant to the terms of the Infrastructure Mudaraba Agreement, the Primary Mudareb shall liquidate the Primary Mudaraba(s) relating to such Series of Trust Certificates and the proceeds of such liquidation shall be applied, to the extent required (without double counting), towards payment of the amount then due and payable to the relevant Transaction Account in respect of such Series in order to enable the Trustee to make payment of the relevant Required Amount (if any). The balance of any proceeds of liquidation of the relevant Primary Mudaraba(s) will be retained by the Primary Mudareb as an incentive fee for its own account.

Further Issuances

The Trustee may from time to time, without the consent of the Certificateholders, create and issue further Trust Certificates ranking pari passu in all respects (or in all respects save for the date and amount of the first payment of the Periodic Distribution Amount(s)), and so that the same shall be consolidated and form a single series, with the existing Trust Certificates of such Series.

Any further Trust Certificates which are to be created and issued so as to form a single series with the Trust Certificates of a particular Series shall be constituted by a Supplemental Declaration of Trust to the Master Declaration of Trust. On the date upon which any further Trust Certificates are so created and issued, the

Trustee will execute a Declaration of Sharing of Assets for and on behalf of the holders of the existing Trust Certificates and the holders of such further Trust Certificates so created and issued, declaring that the relevant Trust Assets in respect of the relevant Series as in existence immediately prior to the creation and issue of such further Trust Certificates are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Trust Certificates and the holders of such further Trust Certificates as tenants in common pro rata according to the principal amount of Trust Certificates held by each Certificateholder, in accordance with the Master Declaration of Trust.

TERMS AND CONDITIONS OF THE TRUST CERTIFICATES

The following is the text of the terms and conditions of the Trust Certificates which, as completed by the Final Terms and save for the text in italics, will be incorporated by reference into each Global Trust Certificate and endorsed upon each Individual Trust Certificate issued pursuant to the Programme. The terms and conditions applicable to any Trust Certificate in global form will differ from those terms and conditions which would apply to the Trust Certificate were it in definitive form to the extent described under "Forms of the Trust Certificates" above.

1. INTRODUCTION

1.1 Programme

KSA Sukuk Limited (in its capacity as issuer and trustee, the "**Trustee**") has established a Trust Certificate Issuance Programme (the "**Programme**") for the issuance of trust certificates (the "**Trust Certificates**").

1.2 Final Terms

Trust Certificates issued under the Programme are issued in series (each a "**Series**"), the Trust Certificates of each Series being interchangeable with all other Trust Certificates of that Series. Each Series may comprise one or more tranches (each a "**Tranche**") of Trust Certificates issued on the same or different issue dates and on terms otherwise identical (or identical other than in respect of the first payment of profit and issue price). Each Tranche is the subject of final terms (which final terms in respect of any individual Tranche of Trust Certificates shall be referred to herein as, "**Final Terms**"). The terms and conditions applicable to a particular Tranche of Trust Certificates are these terms and conditions together with the Final Terms (together, the "**Conditions**"). In the event of any inconsistency between these terms and conditions and the Final Terms, the Final Terms shall prevail. The Trust Certificates may only be issued in registered form.

1.3 Master Declaration of Trust

Each of the Trust Certificates of a Series will represent an undivided ownership interest in the Trust Assets, which are held by the Trustee on trust for, inter alia, the benefit of the Certificateholders pursuant to: (i) an amended and restated master declaration of trust dated 7 September 2018, as supplemented by a supplemental master declaration of trust dated 25 October 2019, a second supplemental master declaration of trust dated 17 February 2021, a third supplemental master declaration of trust dated 18 October 2022 and a fourth supplemental master declaration of trust dated 11 January 2024 (as so supplemented, the "**Master Declaration of Trust**") and made between the Trustee, the Kingdom of Saudi Arabia (the "**Kingdom**"), acting through the Ministry of Finance and HSBC Corporate Trustee Company (UK) Limited (the "**Delegate**" which expression shall include any co-Delegate or any successor); (ii) a supplemental declaration of trust entered into on the relevant Issue Date (as defined below) in respect of the relevant Tranche (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**"); and (iii) to the extent applicable, a declaration of sharing of assets entered into on the relevant issue date of any further Trust Certificates that are created and issued pursuant to the provisions described in Condition 22 (*Further Issues*) (the "**Declaration of Sharing of Assets**"), further details of which are set out in the Final Terms.

1.4 Agency Agreement

The Trust Certificates are the subject of an amended and restated agency agreement dated 7 September 2018, as supplemented by a supplemental agency agreement 25 October 2019, a second supplemental agency agreement dated 17 February 2021 and a third supplemental agency agreement dated 17 November 2021 and as further amended or supplemented from time to time (the "**Agency**

Agreement") between the Trustee, the Kingdom acting through the Ministry of Finance, the Delegate, HSBC Bank plc as Principal Paying Agent (the "**Principal Paying Agent**", which expression includes any successor Principal Paying Agent appointed from time to time in connection with the Trust Certificates), HSBC Bank plc as Regulation S transfer agent (the "**Regulation S Transfer Agent**", which expression includes any successor Regulation S transfer agent appointed from time to time in connection with the Trust Certificates), as Regulation S registrar (the "**Regulation S Registrar**", which expression includes any successor Regulation S registrar appointed from time to time in connection with the Trust Certificates), as Euroclear/Clearstream Rule 144A transfer agent in the case of Trust Certificates cleared through Euroclear or Clearstream, Luxembourg or any other applicable clearing system (the "**Euroclear/Clearstream Rule 144A Transfer Agent**", which expression includes any successor Euroclear/Clearstream Rule 144A transfer agent appointed from time to time in connection with the Trust Certificates), as Euroclear/Clearstream Rule 144A registrar in the case of Trust Certificates cleared through Euroclear or Clearstream, Luxembourg or any other applicable clearing system (the "**Euroclear/Clearstream Rule 144A Registrar**", which expression includes any successor Euroclear/Clearstream Rule 144A registrar appointed from time to time in connection with the Trust Certificates), HSBC Bank USA, National Association as Rule 144A paying agent (the "**Rule 144A Paying Agent**", which expression includes any successor Rule 144A paying agent appointed from time to time in connection with the Trust Certificates), as Rule 144A transfer agent in the case of Trust Certificates settled through DTC (the "**DTC Rule 144A Transfer Agent**", which expression includes any successor Rule 144A transfer agent appointed from time to time in connection with the Trust Certificates, and together with the Euroclear/Clearstream Rule 144A Transfer Agent, the "**Rule 144A Transfer Agents**") and as Rule 144A registrar in the case of Trust Certificates settled through DTC (the "**DTC Rule 144A Registrar**", which expression includes any successor Rule 144A registrar appointed from time to time in connection with the Trust Certificates, and together with the Euroclear/Clearstream Rule 144A Registrar, the "**Rule 144A Registrars**") and the paying agents named therein (together with the Principal Paying Agent and the Rule 144A Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Trust Certificates). The Rule 144A Transfer Agents and the Regulation S Transfer Agent are together referred to as the "**Transfer Agents**". The Rule 144 Registrars and the Regulation S Registrar are together referred to as the "Registrars". References herein to the "**Agents**" are to the Registrars, the Principal Paying Agent, the Transfer Agents, the other Paying Agents and any Calculation Agent (as defined below), and any reference to an "**Agent**" is to each one of them.

1.5 The Trust Certificates

All subsequent references in these Conditions to "**Trust Certificates**" are to the Trust Certificates, which are the subject of the Final Terms. Copies of the Final Terms are available for inspection during normal business hours at the specified office of the Principal Paying Agent, the initial specified office of which is set out in the Agency Agreement.

1.6 Overviews

Certain provisions of these Conditions are overviews of the Declaration of Trust, the Agency Agreement and the other Transaction Documents (as defined below) and are subject to their detailed provisions. The holders of the Trust Certificates (the "**Certificateholders**"), are bound by, and are deemed to have notice of all the provisions of the Declaration of Trust, the Agency Agreement and each of the other Transaction Documents. Copies of the Declaration of Trust, Agency Agreement and each of the other Transaction Documents are available for inspection or collection by Certificateholders during normal business hours at the Specified Offices of the Trustee and the Paying Agents, or, if applicable, the Registrars, the initial Specified Offices of which are set out in the Agency Agreement or may be provided by email to a Certificateholder following their prior written request to any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent).

1.7 Authorisation

Each initial Certificateholder, by its acquisition and holding of its interest in a Trust Certificate, shall be deemed, in respect of each Series, to authorise and direct the Trustee, on behalf of the Certificateholders: (i) to apply the sums paid by it in respect of its Trust Certificates in accordance with the Conditions; and (ii) to enter into each Transaction Document to which it is a party, subject to the provisions of the Declaration of Trust and these Conditions.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

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

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

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

"**Appointee**" means any Receiver, attorney, manager, agent, delegate, nominee, custodian or other person appointed or engaged by the Delegate to discharge any of its functions or to advise in relation thereto;

"**Business Day**" means:

(a) in relation to any sum payable in euros, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

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

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

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided* that:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day;

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

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

"**Calculation Agent**" means the Principal Paying Agent or such other Person specified in the Final Terms as the party responsible for calculating the Profit Rate(s) and Periodic Distribution Amount(s);

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

"**Cancellation Certificates**" means the aggregate principal amount of Trust Certificates to be cancelled in accordance with Condition 11.9 (*Cancellation*);

"**Cancellation Date**" means the date on which Trust Certificates are cancelled in accordance with Condition 11.9 (*Cancellation*);

"**Certificateholder Call Option Certificates**" means the aggregate principal amount of Trust Certificates to be redeemed in accordance with Condition 11.4 (*Partial redemption*);

"**Certificateholder Put Option Certificates**" means the aggregate principal amount of Trust Certificates specified as such in a Put Option Notice;

"**Clearstream, Luxembourg**" means Clearstream Banking S.A.;

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended;

"**Collection Account**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Commodities**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Commodity Broker**" means the broker appointed for the buying or selling of the Commodities;

"**control**" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the Final Terms and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of: (A) the actual number of days in such Regular Period; and (B) the number of Regular Periods in any year; and

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

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

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

Day Count Fraction =

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

where:

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

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

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

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

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

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

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

Day Count Fraction =

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

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

Day Count Fraction =

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Scheduled Dissolution Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, that in each such case, the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Declaration of Sharing of Assets**" means, a declaration of sharing of assets, substantially in the form set out in the Master Declaration of Trust;

"**Deferred Sale Price**" means, in relation to a Murabaha Transaction, the deferred sale price that is payable by the Purchaser to the order of the Seller under that Murabaha Transaction, which shall be the aggregate of the relevant Purchase Price and the relevant Murabaha Profit;

"**Deferred Sale Price Instalment**" means, in relation to a Murabaha Transaction, the portion of the Deferred Sale Price that is payable by the Purchaser to the order of the Seller on a relevant Deferred Sale Price Payment Date, as determined pursuant to Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*);

"**Deferred Sale Price Payment Date**" means, in relation to a Murabaha Transaction, the date(s) on which the Deferred Sale Price, or, if applicable, a Deferred Sale Price Instalment, is due, as determined pursuant to Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**Dissolution Amount**" means, as appropriate, the Final Dissolution Amount, the Early Dissolution Amount (Tax), the Optional Dissolution Amount (Call), the Optional Dissolution Amount (Put), the Early Dissolution Amount or such other amount in the nature of a redemption amount as may be specified in the Final Terms;

"**Dissolution Date**" means as appropriate: (a) the Scheduled Dissolution Date; (b) the Dissolution Event Dissolution Date; (c) any Tax Dissolution Date; (d) any Optional Dissolution Date (Call) on which all the Trust Certificates are (or have been) redeemed in accordance with the provisions of Condition 11.3 (*Dissolution at the option of the Kingdom*); (e) any Optional Dissolution Date (Put) on which all the Trust Certificates are (or have been) redeemed in accordance with the provisions of Condition 11.5 (*Dissolution at the option of Certificateholders*); (f) such other date as specified in the Final Terms for the redemption of Trust Certificates and dissolution of the Trust in whole or in part prior to the Scheduled Dissolution Date; or (g) the date on which all Trust Certificates are cancelled following the purchase of such Trust Certificates by the Kingdom or any public sector instrumentality of the Kingdom pursuant to Condition 11.8 (*Purchase*);

"**Dissolution Event**" has the meaning given in Condition 14 (*Dissolution Events*);

"**Dissolution Event Dissolution Date**" has the meaning given in Condition 14 (*Dissolution Events*);

"**Dissolution Notice**" has the meaning given in Condition 14 (*Dissolution Events*);

"**Dissolution Request**" has the meaning given in Condition 14 (*Dissolution Events*);

"**DTC**" means The Depository Trust Company;

"**Early Dissolution Amount**" has the meaning given in Condition 11.7 (*Early Dissolution Amounts*);

"**Early Dissolution Amount (Tax)**" has the meaning given in the Final Terms;

"**EURIBOR**" means Euro-zone inter-bank offered rate;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Expiry Date**" means the date of the Final Deferred Sale Price Instalment under a Murabaha Transaction, as determined pursuant to Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**External Indebtedness**" means all obligations, and Guarantees in respect of obligations, for money borrowed or raised, including *Shari'ah* compliant financing, which is denominated or payable, or which at the option of the relevant creditor or holder thereof may be payable, in a currency other than the lawful currency of the Kingdom;

"**Final Deferred Sale Price Instalment**" means the portion of the Deferred Sale Price that is payable by the Purchaser to the order of the Seller on the Expiry Date of the relevant Murabaha Transaction, as determined pursuant to Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*);

"**Final Dissolution Amount**" means, in respect of any Trust Certificate, its principal amount or such other amount as may be specified in the Final Terms;

"**First Periodic Distribution Date**" has the meaning given in the Final Terms;

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

"**Fixed Rate Trust Certificates**" means those Trust Certificates where Fixed Rate Trust Certificate Provisions are specified in the Final Terms as being applicable;

"**Floating Rate Trust Certificates**" means those Trust Certificates where Floating Rate Trust Certificate Provisions are specified in the Final Terms as being applicable;

"**Guarantee**" means, in relation to any indebtedness of any Person, any obligation of another Person to pay such indebtedness including (without limitation): (a) any obligation to purchase such indebtedness; (b) any obligation to lend money, to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness; (c) any indemnity against the consequences of a default in the payment of such indebtedness; and (d) any other agreement to be responsible for such indebtedness or other like obligation;

"**IMT Pre-payment Amount**" has the meaning given in Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**Infrastructure Investment Amount**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Infrastructure Mudaraba**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Infrastructure Mudaraba Agreement**" means an amended and restated mudaraba agreement dated 7 September 2018 entered into between the Onshore Investment Vehicle (as rab-ul-maal) and the Kingdom (as mudareb);

"**Infrastructure Mudaraba Income**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Infrastructure Mudaraba Payment Amount**" means an amount calculated as follows:

$$\frac{\text{Mudaraba Shortfall Amount}}{9} \times 10$$

"**Infrastructure Mudareb**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Infrastructure Mudareb Profit**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Infrastructure Project Purchase Price**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Infrastructure Project Profit Percentage**" has the meaning given in the Final Terms;

"**Infrastructure Rab-ul-Maal**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Infrastructure Rab-ul-Maal Profit**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Initial Murabaha Transaction**" means a murabaha transaction having terms as determined pursuant to Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**Initial Purchase Price**" has the meaning given in the Final Terms;

"**Investment Company Act**" means the U.S. Investment Company Act of 1940, as amended;

"**Investment Portfolio**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

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

"**Kingdom Event**" means any of the following events:

(a) *Non-payment*: the Kingdom (acting in any capacity) fails to pay any amount in the nature of principal (required in order to allow the Trustee (or the Principal Paying Agent on its behalf) to make payment of any Dissolution Amount (in full or in part) when due under the Trust Certificates) or profit (required in order to allow the Trustee (or the Principal Paying Agent on its behalf) to make payment of any Periodic Distribution Amount (in full or in part) when due under the Trust Certificates) payable by it pursuant to the Infrastructure Mudaraba Agreement, the Master Murabaha Agreement or any Murabaha Transaction, on the due date for payment thereof and such failure continues for a period of 30 days; or

(b) *Breach of other obligations:* the Kingdom defaults in the performance or observance of, or compliance with any of its other obligations or undertakings under the Infrastructure Mudaraba Agreement, Master Murabaha Agreement or any Murabaha Transaction, and either such default is not capable of remedy or such default (if capable of remedy) continues unremedied for 60 days after written notice to remedy such default, addressed to the Kingdom by the Delegate, has been delivered to the Kingdom; or

(c) *Cross-acceleration:* (i) any other Public External Indebtedness of the Kingdom becomes due and payable prior to its stated maturity by reason of default; (ii) any such Public External Indebtedness is not paid at maturity thereof; or (iii) any Guarantee given by the Kingdom of Public External Indebtedness of any other Person is not honoured when due and called upon, and, in the case of either sub-paragraph (ii) or (iii) above, such failure continues beyond any applicable grace period, provided that the amount of Public External Indebtedness referred to in sub-paragraph (i) above and/or (ii) and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, as applicable, either alone or when aggregated with all other Public External Indebtedness in respect of which such an event shall have occurred and be continuing shall be more than U.S.$150,000,000 (or its equivalent in any other currency or currencies); or

(d) *Moratorium*: the Kingdom shall have declared a general moratorium on the payment of principal of, or interest (however described) on, all or any part of its Public External Indebtedness; or

(e) *Unlawfulness*: for any reason whatsoever, the obligations under the Transaction Documents become unlawful or are declared by a court of competent jurisdiction to be no longer binding on, or no longer enforceable against, the Kingdom; or

(f) *Validity*: the Kingdom or any of its political sub-divisions on behalf of the Kingdom contest the validity of the Kingdom's obligations under the Transaction Documents in respect of the relevant Series of Trust Certificates;

"**Liability**" means any loss, damage, cost, fee, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof;

"**London Stock Exchange**" means London Stock Exchange plc or any successor or successors thereof;

"**Local Time**" means the time in the city in which the Principal Paying Agent has its Specified Office;

"**Master Murabaha Agreement**" means the master murabaha agreement dated 4 April 2017 entered into between the Trustee as seller and the Kingdom acting through the Ministry of Finance as purchaser;

"**Margin**" has the meaning given in the Final Terms;

"**Maximum Dissolution Amount**" has the meaning given in the Final Terms;

"**Minimum Dissolution Amount**" has the meaning given in the Final Terms;

"**minimum Specified Denomination**" means the minimum denomination of each Trust Certificate, which, unless otherwise specified in the applicable Final Terms, shall not be less than EUR 100,000 (or, if the Trust Certificates are denominated in a currency other than Euros, the equivalent amount in such currency as at the date of the issue of the Trust Certificates);

"**Mudaraba Assets**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Mudaraba Investment Amount**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Mudaraba Shortfall Amount**" means the sum of: (i) the relevant Required Amount; and (ii) the Primary Mudaraba Tax Payment Amount;

"**Murabaha Assets**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Murabaha Investment Amount**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Murabaha Pre-payment Amount**" has the meaning given in Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**Murabaha Profit**" means the profit mark-up generated by a Murabaha Transaction, as determined pursuant to Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**Murabaha Transaction**" means a contract created between the Seller and the Purchaser pursuant to the terms of the Master Murabaha Agreement, which includes an Initial Murabaha Transaction and any Subsequent Murabaha Transaction;

"**Onshore Investment Vehicle**" means Onshore Saudi Arabian Sukuk Company, a limited liability company owned by a single shareholder, incorporated in the Kingdom of Saudi Arabia with commercial registration number 1010468791;

"**Optional Dissolution Amount (Call)**" means, in respect of any Trust Certificate, its principal amount or such other amount as may be specified in the Final Terms;

"**Optional Dissolution Amount (Put)**" means, in respect of any Trust Certificate, its principal amount or such other amount as may be specified in the Final Terms;

"**Optional Dissolution Date (Call)**" has the meaning given in the Final Terms;

"**Optional Dissolution Date (Put)**" has the meaning given in the Final Terms;

"**Periodic Distribution Amount**" means, in relation to a Trust Certificate and a Periodic Distribution Period, the amount of profit payable in respect of that Trust Certificate for that Periodic Distribution Period, as determined by the Calculation Agent in accordance with the Conditions;

"**Periodic Distribution Date**" means the First Periodic Distribution Date and any date or dates specified as such in, or determined in accordance with the provisions of, the Final Terms and, if a Business Day Convention is specified in the Final Terms:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

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

"**Periodic Distribution Period**" means each period beginning on (and including) the Profit Commencement Date or any Periodic Distribution Date and ending on (but excluding) the next Periodic Distribution Date;

"**Permitted Security Interest**" means:

(a) any Security Interest upon property or assets incurred for the purpose of financing the acquisition or construction, improvement or repair of such property or asset or any renewal or extension of any such Security Interest, which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing;

(b) any Security Interest existing on any property or asset at the time of its acquisition and any renewal or extension of any such Security Interest which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing;

(c) any Security Interest in existence on the date on which the agreement is reached to issue the first Tranche of Trust Certificates;

(d) any Security Interest arising in the ordinary course of banking transactions and securing the Public External Indebtedness of the Kingdom maturing not more than one year after the date on which it is originally incurred;

(e) any Security Interest arising by operation of law or which arose pursuant to any order of attachment, distraint or similar legal process arising in connection with court proceedings so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;

(f) any Security Interest incurred for the purpose of financing all or part of the costs of the acquisition, construction, development, improvement, repair or expansion of any project (including costs such as escalation, interest during construction and financing and refinancing costs); *provided*, that the property over which such Security Interest is granted consists solely of the property, assets or revenues of such project (including, without limitation, royalties and other similar payments accruing to the Kingdom generated by the relevant project); and

(g) any Security Interest arising in connection with the incurrence of Public External Indebtedness as part of a Securitisation or any renewal or extension thereof.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or any other juridical entity, including, without limitation, a public sector instrumentality, whether or not having separate legal personality;

"**Primary Mudaraba**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Primary Mudaraba Agreement**" means the mudaraba agreement dated 4 April 2017 entered into between the Trustee (as rab-ul-maal) and the Onshore Investment Vehicle (as mudareb);

"**Primary Mudaraba Income**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Primary Mudaraba Tax Payment Amount**" means, in respect of any Required Amount, an amount equal to any Taxes payable by the Primary Mudareb under, or in connection with, the Primary Mudaraba in respect of such Required Amount;

"**Primary Mudareb**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Primary Mudareb Profit**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Primary Rab-ul-Maal**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Primary Rab-ul-Maal Profit**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

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

(a) in relation to euros, it means the principal financial centre of such member state of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected by the Kingdom;

"**Profit Commencement Date**" means the Issue Date of the Trust Certificates or such other date as may be specified as the profit commencement date in the Final Terms;

"**Profit Determination Date**" has the meaning given in the Final Terms;

"**Profit Rate**" means the rate or rates (expressed as a percentage per annum) of profit payable in respect of the Trust Certificates specified in the Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the Final Terms;

"**Public External Indebtedness**" means External Indebtedness that is in the form of, or represented by, any bond, debenture, trust certificate, note or other similar instrument and as of the date of its issue is, or is capable of being, quoted, listed or ordinarily purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market;

"**public sector instrumentality**" means any department, ministry or agency of a state or any corporation, trust, financial institution or other entity controlled by such state;

"**Purchase Price**" means the applicable purchase price for the Commodities under the relevant Murabaha Transaction as determined pursuant to Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**Purchaser**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Put Option Notice**" means a notice in the form available from the Specified Office of the Paying Agents, which must be delivered to a Paying Agent by any Certificateholder wanting to exercise a right to redeem a Trust Certificate at the option of the Certificateholder, and as set out at Schedule 3 (*Form of Put Option Notice*) of the Agency Agreement;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Certificateholder upon deposit of an Individual Trust Certificate with such Paying Agent by any Certificateholder wanting to exercise a right to redeem a Trust Certificate at the option of the Certificateholder, substantially in the form set out at Schedule 4 (*Form of Put Option Receipt*) of the Agency Agreement;

"**QIBs**" means "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act;

"**QP**" means a "qualified purchaser" within the meaning of Section 2(a)(51) of the Investment Company Act;

"**Record Date**" means the fifteenth Relevant Banking Day before the due date for payment;

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

"**Reference Rate**" means EURIBOR;

"**Regular Period**" means:

(a) in the case of Trust Certificates where profit is scheduled to be paid only by means of regular payments, each period from and including the Profit Commencement Date to but excluding the First Periodic Distribution Date and each successive period from and including one Periodic Distribution Date to but excluding the next Periodic Distribution Date;

(b) in the case of Trust Certificates where, apart from the first Periodic Distribution Period, profit is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Periodic Distribution Date falls; and

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

"**Relevant Banking Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the place of the Specified Office of the relevant Registrar;

"**Relevant Date**" means, in relation to any payment, whichever is the later of: (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Certificateholders in accordance with Condition 23 (*Notices*);

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

"**Relevant Fraction**" means the fraction calculated in accordance with the following formula:

Relevant Fraction = 1 – (A ÷ B)

where:

"A" is an amount equal to the aggregate principal amount of the Certificateholder Put Option Certificates, Certificateholder Call Option Certificates or Cancellation Certificates (as applicable); and

"B" is an amount equal to the aggregate principal amount of the Trust Certificates outstanding on the last Business Day prior to the relevant Optional Dissolution Date (Put), Optional Dissolution Date (Call) or Cancellation Date (as applicable);

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

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

"**Required Amount**" has the meaning given in Condition 7.4 (*Mudaraba Transactions*);

"**Scheduled Dissolution Date**" has the meaning given in the Final Terms;

"**Screen Rate Determination**" is a method that may be used to determine the Profit Rate, as set out in Condition 10.3 (*Screen Rate Determination*);

"**Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**Securitisation**" means any securitisation (*Shari'ah* compliant or otherwise) of existing or future assets and/or revenues, *provided* that (a) any Security Interest given by the Kingdom in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (b) each Person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment

of any other liability; and (c) there is no other recourse to the Kingdom in respect of any default by any Person under the securitisation.

"**Security Interest**" means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance securing any obligation of any Person or any other type of arrangement having a similar effect over any assets or revenues of any Person;

"**Seller**" has the meaning given in Condition 7.1 (*Summary of the Trust*);

"**Settlement Date**" means, in relation to a Murabaha Transaction, the date for the payment of the Purchase Price by or on behalf of the Seller to the relevant Supplier, as determined pursuant to Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**Shortfall Amount**" has the meaning given in Condition 7.8 (*Application of Proceeds from the Trust Assets*);

"**SMT Pre-payment Amount**" has the meaning given in Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**Specified Anniversary**" has the meaning given in the Final Terms;

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

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

"**Specified Office**" has the meaning given in the Agency Agreement;

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

"**Subsequent Murabaha Transaction**" means a murabaha transaction having terms as determined pursuant to Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) or Condition 7.3 (*Murabaha Transactions – Floating Rate Trust Certificates*);

"**Subsequent Purchase Price**" has the meaning given in the Final Terms;

"**Supplier**" means, in relation to a Murabaha Transaction, the vendor(s) of the Commodities;

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor or replacement for that system;

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

"**Tax Dissolution Date**" has the meaning given in Condition 11.2 (*Early Dissolution for Tax Reasons*);

"**Tax Event**" has the meaning given in Condition 11.2 (*Early Dissolution for Tax Reasons*);

"**Taxes**" means any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of the Kingdom of Saudi Arabia or any political subdivision or authority thereof or therein having the power to tax;

"**Transaction Account**" means, in relation to each Series, the account specified as such in the Final Terms;

"**Transaction Documents**" means, in relation to each Series, the Primary Mudaraba Agreement, the Infrastructure Mudaraba Agreement, the Master Murabaha Agreement and each Murabaha Transaction entered into pursuant thereto, the Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the Declaration of Sharing of Assets (to the extent applicable), the Agency Agreement and the Final Terms, each as may be amended, restated and/or supplemented from time to time;

"**Transaction Payments**" has the meaning given in Condition 7.8 (*Application of Proceeds from the Trust Assets*);

"**Trust**" means, in respect of a Series, the trust created by the Trustee over the Trust Assets pursuant to the Declaration of Trust;

"**Trust Assets**" means, in relation to each Series, all of the Trustee's rights, title, interest and benefit, present and future, in, to and under:

(a) the relevant Murabaha Assets and the Mudaraba Assets;

(b) the Transaction Documents (other than: (A) in relation to any representations given to the Trustee and/or the Delegate by the Kingdom pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents; and (B) the covenant given to the Trustee pursuant to Clause 17 (*Remuneration and Indemnification of the Trustee and the Delegate*) of the Master Declaration of Trust);

(c) all monies standing to the credit of the relevant Transaction Account from time to time; and

(d) all proceeds of the foregoing listed in (a) to (c) above (other than the ordinary share capital of the Trustee and any transaction or corporate benefit fee received by the Trustee); and

"**Trustee Administrator**" means Walkers Corporate Limited.

2.2 Interpretation

In these Conditions:

(a) any reference to principal shall be deemed to include the Dissolution Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions;

(b) any reference to profit shall be deemed to include the Periodic Distribution Amount and any additional amounts in respect of profit, which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of profit payable pursuant to these Conditions;

(c) references to Trust Certificates being "outstanding" shall be construed in accordance with the definition set out in the Declaration of Trust;

(d) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the Final Terms, but the Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Trust Certificates; and

(e) any reference to the Declaration of Trust, Agency Agreement or other Transaction Document shall be construed as a reference to the Declaration of Trust, Agency Agreement or Transaction Document, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Trust Certificates.

3. FORM, DENOMINATION AND TITLE

3.1 Trust Certificates

Trust Certificates are issued in the Specified Currency and the Specified Denomination and may be held in holdings equal to the Specified Denomination, which shall not be less than the minimum Specified Denomination. The holder of each Trust Certificate shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Trust Certificate relating thereto (other than the endorsed form of transfer) or any previous loss or theft of such Trust Certificate), and no Person shall be liable for so treating such holder. Title to Trust Certificates will pass by registration of transfers in the register, which the Trustee shall procure to be kept by the Registrars, in accordance with the provisions of the Agency Agreement. All Individual Trust Certificates (as defined in the Agency Agreement) will be numbered serially with an identity number which will be recorded in the register.

4. TRANSFERS OF TRUST CERTIFICATES

4.1 Transfers of Trust Certificates

A Trust Certificate may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part only (*provided*, that such part and the remainder not transferred is not less than the Specified Denomination) upon the surrender of the Trust Certificate to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the relevant Registrar. In the case of a transfer of part only of a Trust Certificate, a new Trust Certificate will be issued to the transferee and a new Trust Certificate in respect of the balance not transferred will be issued to the transferor.

4.2 Issue of new Trust Certificates

Each new Trust Certificate to be issued upon the transfer of a Trust Certificate will, within ten Relevant Banking Days of the day on which such Trust Certificate was presented for transfer, be available for collection by each relevant holder at the Specified Office of the relevant Registrar or, at the option of the holder requesting such transfer, be mailed (by uninsured post at the risk of the holder(s) entitled thereto) to such address(es), as may be specified by such holder. For these purposes, a form of transfer received by the relevant Registrar or the Principal Paying Agent after the Record Date in respect of any payment due in respect of Trust Certificates shall be deemed not to be effectively received by the relevant Registrar or the Principal Paying Agent until the day following the due date for such payment.

4.3 Charges for transfer or exchange

The issue of new Trust Certificates on transfer will be effected without charge by or on behalf of the Trustee, the Kingdom, the Principal Paying Agent or the relevant Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity and/or security, as the Trustee, the Kingdom, the Principal Paying Agent or the relevant Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

4.4 Closed Periods

Certificateholders may not require transfers of a Trust Certificate to be registered during the period of 15 days ending on the due date for any redemption of or payment of principal or profit in respect of the Trust Certificates.

4.5 Forced Transfer

If at any time the Trustee or the Kingdom determines that any beneficial owner of Trust Certificates, or any account for which such owner purchased Trust Certificates, who is required to be a QIB that is also a QP, is not a QIB that is also a QP, the Trustee or the Kingdom, as the case may be, may (a) compel such beneficial owner to sell its Trust Certificates to a Person who is (i) a QIB that is also a QP and that is, in each case, otherwise qualified to purchase such Trust Certificates in a transaction exempt from registration under the Securities Act or (ii) not a U.S. Person within the meaning of Regulation S under the Securities Act or (b) compel the beneficial owner to sell such Trust Certificates to the Trustee, the Kingdom or an affiliate thereof at a price equal to the lesser of (x) the purchase price paid by the beneficial owner for such Trust Certificates, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof. The Trustee and the Kingdom have the right to refuse to honour the transfer of interests in a Restricted Global Trust Certificate or any Restricted Trust Certificates (each as defined in the Agency Agreement) to a U.S. Person who is not a QIB and a QP.

5. STATUS

5.1 Status

The Trust Certificates will represent an undivided ownership interest of the Certificateholders in the Trust Assets of the relevant Series and the entitlement of each Certificateholder to principal and profit under the Trust Certificates, will be direct, unsubordinated, unsecured and limited recourse obligations of the Trustee and will rank pari passu, without preference or priority, with the entitlement of the holders of all other Trust Certificates of the relevant Series issued under the Programme.

The payment obligations of the Kingdom (in any capacity) under the Transaction Documents in respect of each Series of Trust Certificates are and will be the direct, unconditional and (subject to Condition 6 (*Negative Pledge*)) unsecured obligations of the Kingdom and rank and will rank pari passu, without preference among themselves, with all other unsecured External Indebtedness of the Kingdom, from time to time outstanding, provided, further, that the Kingdom shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and, in particular, shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying sums due under the Transaction Documents in respect of each Series of Trust Certificates, and vice versa.

The full faith and credit of the Kingdom is pledged for the due and punctual payment of amounts due by the Kingdom, and the performance of all other obligations of the Kingdom, under the Transaction Documents in respect of each Series of Trust Certificates.

5.2 Limited Recourse

The proceeds of the Trust Assets are the sole source of payments on the Trust Certificates. Accordingly, Certificateholders, by subscribing for or acquiring the Trust Certificates, acknowledge that they will have no recourse to any assets of the Trustee (other than the Trust Assets) (including, in particular, other assets comprised in other trusts, if any), the Onshore Investment Vehicle (to the extent that it fulfils all of its obligations under the Transaction Documents), the Kingdom (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents, or any of their respective affiliates, shareholders, directors, officers or corporate service providers in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted, following which all obligations of the Trustee, the Kingdom, the Onshore Investment Vehicle, the Delegate, the Agents and their respective affiliates, directors and agents shall be extinguished.

The Kingdom is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders). The Trustee and/or the Delegate (acting in the

name and on behalf of the Trustee) will have direct recourse against the Kingdom to recover payments due to the Trustee from the Kingdom pursuant to the Transaction Documents.

The proceeds of the realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Trust Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Trust Certificates, subject to Condition 15 (*Enforcement and Exercise of Rights*), no holder of Trust Certificates will have any claim against the Trustee, the Onshore Investment Vehicle (to the extent that it fulfils all of its obligations under the Transaction Documents), the Kingdom (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents, or any of their respective affiliates, shareholders, directors, officers or corporate service providers or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished.

In particular, no holder of Trust Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of the Trustee, the Onshore Investment Vehicle, the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

The Certificateholders are not secured creditors of the Trustee, the Onshore Investment Vehicle and/or the Kingdom or any of their subsidiaries and/or affiliates by reason of their respective undivided ownership in, or of the rights, title, interests, benefits and entitlements in, to and under the Trust Assets.

5.3 Agreement of Certificateholders

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

(a) no payment of any amount whatsoever shall be made by or on behalf of the Trustee except to the extent funds are available therefor from the Trust Assets;

(b) no recourse shall be had for the payment of any amount owing under the Trust Certificates or under any Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Conditions or any Transaction Document, as applicable, against the Trustee, the Onshore Investment Vehicle (to the extent that it fulfils all of its obligations under the relevant Transaction Documents), the Kingdom (to the extent that it fulfils all of its obligations under the relevant Transaction Documents), the Delegate or any Agent or any other respective Affiliates to the extent the relevant Trust Assets have been exhausted following which all obligations of the Trustee, the Kingdom, the Onshore Investment Vehicle, the Delegate, the Agents and their respective affiliates, directors and agents shall be extinguished;

(c) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents have been paid in full (including, for the avoidance of doubt, under all Series which have been issued under the Programme), it will not institute against, or join with any other person in instituting against, the Trustee, any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law;

(d) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee arising under or in connection with these Conditions or the Declaration of Trust by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer or director of the Trustee in their capacity as such and any and all personal Liability of every such shareholder, officer or director in their capacity as such for any breaches by the Trustee of any

such duty, obligation or undertaking is hereby expressly waived and excluded to the extent permitted by law. The obligations of the Trustee under the Conditions and the Declaration of Trust are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents or directors of the Trustee save in the case of their gross negligence, wilful default or fraud; and

(e) it shall not be entitled to claim or exercise any right of set-off or counterclaim in respect of any sums due under the Conditions or any part thereof with respect to any Liability owed by it to the Trustee or claim any lien or other rights over any property held by it on behalf of the Trustee.

6. NEGATIVE PLEDGE

So long as any Trust Certificate remains outstanding (as defined in the Agency Agreement), the Kingdom will not create, incur, assume or permit to arise or subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future assets or revenues to secure any Public External Indebtedness of the Kingdom or any Guarantee by the Kingdom of Public External Indebtedness of any other Person unless, at the same time or prior thereto, the obligations of the Kingdom under the Infrastructure Mudaraba Agreement, Master Murabaha Agreement and each Murabaha Transaction: (a) are (in the absolute discretion of the Delegate) secured equally and rateably therewith; or (b) have the benefit of such other arrangements as may be approved by an Extraordinary Resolution of the Certificateholders.

For the avoidance of doubt, any right or obligation granted directly or indirectly to holders of sukuk representing the credit of the Kingdom or in respect of any other *Shari'ah* compliant financing, offering of certificates or other similar instruments (including, but not limited to, a *Shari'ah* compliant sale and Ijara (lease) financing) or by any other mechanism provided for and implemented in accordance with the applicable laws and regulations having an analogous effect (and howsoever documented) shall not of itself comprise a Security Interest or guarantee or indemnity for the purposes of this Condition 6 (*Negative Pledge*).

7. TRUST

7.1 Summary of the Trust

The proceeds from the issuance of each Tranche of Trust Certificates will be applied by the Trustee on behalf of the Certificateholders, as follows:

(a) an amount equal to no more than 49 per cent. of the proceeds from the issuance of each Tranche of Trust Certificates (such percentage to be set out in the Final Terms for each Tranche of Trust Certificates) (the "**Murabaha Investment Amount**") will be used by the Trustee to purchase certain *Shari'ah*-compliant commodities (the "**Commodities**") through a Commodity Broker. The Trustee (in its capacity as seller, the "**Seller**") will then sell such Commodities to the Kingdom (in its capacity as purchaser, the "**Purchaser**") on a deferred payment basis pursuant to the Master Murabaha Agreement (the rights of the Seller pursuant to the terms of the Master Murabaha Agreement comprising the "**Murabaha Assets**"); and

(b) an amount equal to no less than 51 per cent. of the proceeds from the issuance of each Tranche of Trust Certificates (such percentage to be set out in the Final Terms for each Tranche of Trust Certificates) (the "Mudaraba Investment Amount") will be provided by the Trustee, in its capacity as rab-ul-maal (the "Primary Rab-ul-Maal"), to the Onshore Investment Vehicle, acting as a mudareb (the "Primary Mudareb"). The Primary Mudareb shall apply the Mudaraba Investment Amount in a mudaraba to be constituted by a mudaraba agreement (the "Primary Mudaraba Agreement") between the Primary Rab-ul-Maal and the Primary Mudareb under which the Mudaraba Investment Amount will be invested in a further mudaraba to be managed

by the Kingdom (the "Infrastructure Mudareb"). The rights of the Trustee pursuant to the terms of the Primary Mudaraba Agreement being the mudaraba assets (the "Mudaraba Assets").

7.2 Murabaha Transactions – Fixed Rate Trust Certificates

(a) This Condition 7.2 (*Murabaha Transactions – Fixed Rate Trust Certificates*) is applicable only if the Fixed Rate Trust Certificate provisions are specified in the Final Terms as being applicable.

(b) On the relevant Issue Date, the Seller and the Purchaser shall enter into an Initial Murabaha Transaction on the terms set out in the Master Murabaha Agreement.

(c) The terms of the Initial Murabaha Transaction shall provide, without limitation, that:

(i) the Purchase Price shall be equal to the Initial Purchase Price;

(ii) the Settlement Date shall be the relevant Issue Date;

(iii) the Expiry Date shall be the relevant Scheduled Dissolution Date;

(iv) the Deferred Sale Price Payment Date shall be the Expiry Date;

(v) the Deferred Sale Price shall be an amount which is the aggregate of the Purchase Price and the Murabaha Profit;

(vi) the Murabaha Profit shall be an amount equal to the aggregate principal amount of the relevant Tranche of Trust Certificates on the Issue Date, less the Murabaha Investment Amount; and

(vii) on a Dissolution Date, the outstanding Deferred Sale Price under the Initial Murabaha Transaction shall become immediately due and payable in full and shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on such Dissolution Date.

(d) On the relevant Issue Date and thereafter on the Expiry Date of the immediately preceding Subsequent Murabaha Transaction, the Seller and the Purchaser shall enter into a Subsequent Murabaha Transaction on the terms set out in the Master Murabaha Agreement.

(e) The terms of the first Subsequent Murabaha Transaction shall provide, without limitation, that:

(i) the Purchase Price shall be equal to the Subsequent Purchase Price;

(ii) the Settlement Date shall be the relevant Issue Date;

(iii) the Expiry Date shall be the earlier of: (i) the Periodic Distribution Date falling on the Specified Anniversary of the Issue Date; or (ii) the Scheduled Dissolution Date;

(iv) the Deferred Sale Price shall be payable in instalments with a Deferred Sale Price Payment Date on each Periodic Distribution Date from (but excluding), the Settlement Date to (and including) the Expiry Date;

(v) the Deferred Sale Price shall be the aggregate of the Purchase Price and the Murabaha Profit;

(vi) the Murabaha Profit shall be an amount equal to the aggregate of the Periodic Distribution Amounts due under the relevant Tranche of Trust Certificates for the period from the relevant Issue Date to (and including) the Expiry Date;

(vii) the Deferred Sale Price Instalment due on each Deferred Sale Price Payment Date (other than the Final Deferred Sale Price Instalment) shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on such date and shall be equal to the Periodic Distribution Amount due on the relevant Deferred Sale Price Payment Date;

(viii) the Final Deferred Sale Price Instalment shall be equal to the then outstanding Deferred Sale Price and shall be paid into the Transaction Account on the Expiry Date by not later than 10.00 a.m. (Local Time); and

(ix) on a Dissolution Date, the outstanding Deferred Sale Price under the Subsequent Murabaha Transaction shall become immediately due and payable in full and shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on such Dissolution Date.

(f) The terms of each further Subsequent Murabaha Transaction shall provide, without limitation, that:

(i) the Purchase Price shall be equal to the Final Deferred Sale Price Instalment of the immediately preceding Subsequent Murabaha Transaction, less the amount of the Periodic Distribution Amount due on the Expiry Date of such immediately preceding Subsequent Murabaha Transaction;

(ii) the Settlement Date shall be the Expiry Date of the immediately preceding Subsequent Murabaha Transaction;

(iii) the Expiry Date shall be the earlier of: (i) the Periodic Distribution Date falling on the Specified Anniversary of the Expiry Date of the immediately preceding Subsequent Murabaha Transaction; or (ii) the Scheduled Dissolution Date;

(iv) the Deferred Sale Price shall be payable in instalments with a Deferred Sale Price Payment Date on each Periodic Distribution Date from (but excluding) the Settlement Date to (and including) the Expiry Date;

(v) the Deferred Sale Price shall be the aggregate of the Purchase Price and the Murabaha Profit;

(vi) the Murabaha Profit shall be an amount equal to the aggregate of the Periodic Distribution Amounts due under the relevant Tranche of Trust Certificates for the period from (but excluding) the Settlement Date, to (and including) the Expiry Date;

(vii) the Deferred Sale Price Instalment due on each Deferred Sale Price Payment Date (other than the Final Deferred Sale Price Instalment) shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on such date and shall be equal to the Periodic Distribution Amount due on the relevant Periodic Distribution Date;

(viii) the Final Deferred Sale Price Instalment shall be equal to the then outstanding Deferred Sale Price which shall be paid into the Transaction Account on the Expiry Date by not later than 10.00 a.m. (Local Time); and

(ix) on a Dissolution Date, the outstanding Deferred Sale Price under the Subsequent Murabaha Transaction shall become immediately due and payable in full and shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on such Dissolution Date.

(g) If the Put Option is specified as applicable in the Final Terms and some, but not all, of the Certificateholders elect to redeem their Trust Certificates on any Optional Dissolution Date (Put) specified in the Final Terms in accordance with Condition 11.5 (*Dissolution at the option of Certificateholders*), it will trigger an early partial pre-payment of the Deferred Sale Price due under the Initial Murabaha Transaction (any such pre-payment amount, the "IMT Pre-payment Amount") and the then outstanding Subsequent Murabaha Transaction (any such pre-payment amount, the "SMT Pre-payment Amount" and, together with the IMT Pre-payment Amount, the "Murabaha Pre-payment Amount"), such that each Deferred Sale Price after the relevant pre-payment will be equal to the value of each such Deferred Sale Price on the last Business Day prior to the Optional Dissolution Date (Put) multiplied by the Relevant Fraction. In respect of the relevant Murabaha Pre-payment Amount, such Murabaha pre-payment Amount shall equal the aggregate principal amount of the relevant Certificateholder Put Option Certificates being redeemed on the relevant Optional Dissolution Date (Put), together with any Periodic Distribution Amounts due but unpaid on the Certificateholder Put Option Certificates, and shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on the relevant Optional Dissolution Date (Put).

(h) If the Call Option is specified as applicable in the Final Terms and some, but not all, of the Trust Certificates are to be redeemed on the Optional Dissolution Date (Call) specified in the Final Terms in accordance with Condition 11.4 (*Partial redemption*), it will trigger an early partial pre-payment of the Deferred Sale Price due under each of the Initial Murabaha Transaction and the then outstanding Subsequent Murabaha Transaction, such that each Deferred Sale Price after the relevant pre-payment will be equal to the value of each such Deferred Sale Price on the last Business Day prior to the Optional Dissolution Date (Call) multiplied by the Relevant Fraction. In respect of the relevant Murabaha Pre-payment Amount, such Murabaha Pre-payment Amount shall equal the aggregate principal amount of the relevant Certificateholder Call Option Certificates being redeemed on the relevant Optional Dissolution Date (Call), together with any Periodic Distribution Amounts due but unpaid on the Certificateholder Call Option Certificates, and shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on the relevant Optional Dissolution Date (Call).

(i) If any Trust Certificates of a Series are cancelled in accordance with Condition 11.8 (*Purchase*), on the Cancellation Date, it will trigger a reduction in the Deferred Sale Price due under each of the Initial Murabaha Transaction and the then outstanding Subsequent Murabaha Transaction to amounts that are, respectively, equal to the values of each such Deferred Sale Price on the last Business Day prior to the Cancellation Date multiplied by the Relevant Fraction.

7.3 Murabaha Transactions – Floating Rate Trust Certificates

This Condition 7.3 *(Murabaha Transactions – Floating Rate Trust Certificates*)

is applicable only if the Floating Rate Trust Certificate provisions are specified in the Final Terms as being applicable.

(j) On the relevant Issue Date, the Seller and the Purchaser shall enter into an Initial Murabaha Transaction on the terms set out in the Master Murabaha Agreement.

(k) The terms of the Initial Murabaha Transaction shall provide, without limitation, that:

(i) the Purchase Price shall be equal to the Initial Purchase Price;

(ii) the Settlement Date shall be the relevant Issue Date;

(iii) the Expiry Date shall be the relevant Scheduled Dissolution Date;

(iv) the Deferred Sale Price Payment Date shall be the Expiry Date;

(v) the Deferred Sale Price shall be an amount which is the aggregate of the Purchase Price and the Murabaha Profit;

(vi) the Murabaha Profit shall be an amount equal to the aggregate principal amount of the relevant Tranche of Trust Certificates on the Issue Date, less the Murabaha Investment Amount; and

(vii) on a Dissolution Date, the outstanding Deferred Sale Price under the Initial Murabaha Transaction shall become immediately due and payable in full and shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on such Dissolution Date.

(l) On the relevant Issue Date and thereafter on each Periodic Distribution Date, the Seller and the Purchaser shall enter into a Subsequent Murabaha Transaction on the terms set out in the Master Murabaha Agreement.

(m) The terms of the Subsequent Murabaha Transaction shall provide, without limitation, that:

(i) the Purchase Price shall be equal to: (i) the Subsequent Purchase Price (in the case of the first Subsequent Murabaha Transaction); or (ii) the Final Deferred Sale Price Instalment of the immediately preceding Subsequent Murabaha Transaction, less the amount of the Murabaha Profit due on the immediately preceding Subsequent Murabaha Transaction (in the case of any Subsequent Murabaha thereafter);

(ii) the Settlement Date shall be the relevant Issue Date or the Expiry Date of the immediately preceding Subsequent Murabaha Transaction (as applicable);

(iii) the Expiry Date shall be the immediately following Periodic Distribution Date;

(iv) the Deferred Sale Price Payment Date shall be the Expiry Date;

(v) the Deferred Sale Price shall be the aggregate of the Purchase Price and the Murabaha Profit;

(vi) The Murabaha Profit shall be an amount equal to the aggregate Periodic Distribution Amount due under the relevant Tranche of Trust Certificates on the Expiry Date; and

(vii) on a Dissolution Date, the outstanding Deferred Sale Price under the Subsequent Murabaha Transaction shall become immediately due and payable in full and shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on such Dissolution Date.

(n) On the Expiry Date of each Subsequent Murabaha Transaction, the Murabaha Profit shall constitute Murabaha Income and be paid into the Transaction Account by not later than 10.00 a.m. (Local Time). The proportion of the Deferred Sale Price equal to the Purchase Price of the Subsequent Murabaha Transaction will be reinvested in a Subsequent Murabaha Transaction on the terms set out above.

(o) If the Put Option is specified as applicable in the Final Terms and some, but not all, of the Certificateholders elect to redeem their Trust Certificates on any Optional Dissolution Date (Put) specified in the Final Terms in accordance with Condition 11.5 (*Dissolution at the option of Certificateholders*), it will trigger an early partial pre-payment of the Deferred Sale Price due under each of the Initial Murabaha Transaction (any such pre-payment amount, the "IMT Pre-payment Amount") and the then outstanding Subsequent Murabaha Transaction (any such pre-payment amount, the "SMT Pre-payment Amount" and, together with the IMT Pre-payment Amount, the "Murabaha Pre-payment Amount"), such that each Deferred Sale Price after the relevant pre-payment will be equal to the value of each such Deferred Sale Price on the last Business Day prior to the Optional Dissolution Date (Put) multiplied by the Relevant Fraction. In respect of the relevant Murabaha Pre-payment Amount, such Murabaha Pre-payment Amount shall equal the aggregate principal amount of the relevant Certificateholder Put Option Certificates being redeemed on the relevant Optional Dissolution Date (Put), together with any Periodic Distribution Amounts due but unpaid on the Certificateholder Put Option Certificates, and shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on the Optional Dissolution Date (Put).

(p) If the Call Option is specified as applicable in the Final Terms and some, but not all, of the Trust Certificates are to be redeemed on the Optional Dissolution Date (Call) specified in the Final Terms in accordance with Condition 11.4 (*Partial redemption*), it will trigger an early partial pre-payment of the Deferred Sale Price due under each of the Initial Murabaha Transaction and the then outstanding Subsequent Murabaha Transaction, such that each Deferred Sale Price after the relevant pre-payment will be equal to the value of each such Deferred Sale Price on the last Business Day prior to the Optional Dissolution Date (Call) multiplied by the Relevant Fraction. In respect of the relevant Murabaha Pre-payment Amount, such Murabaha Pre-payment Amount shall equal the aggregate principal amount of the relevant Certificateholder Call Option Certificates being redeemed on the relevant Optional Dissolution Date (Call), together with any Periodic Distribution Amounts due but unpaid on the Certificateholder Call Option Certificates, and shall be paid into the Transaction Account by not later than 10.00 a.m. (Local Time) on the relevant Optional Dissolution Date (Call).

(q) If any Trust Certificates of a Series are cancelled in accordance with Condition 11.8 (*Purchase*), on the Cancellation Date, it will trigger a reduction in the Deferred Sale Price due under each of the Initial Murabaha Transaction and the then outstanding Subsequent Murabaha Transaction to amounts that are, respectively, equal to the values of each such Deferred Sale Price on the last Business Day prior to the Cancellation Date multiplied by the Relevant Fraction.

7.4 Mudaraba Transactions

On the Issue Date of each Tranche, the Primary Mudareb acting in its capacity as infrastructure rab-ul-maal (the "**Infrastructure Rab-ul-Maal**"), will, on the relevant Issue Date, apply an amount equal to the Mudaraba Investment Amount (the "**Infrastructure Investment Amount**") as the capital of a further mudaraba (the "**Infrastructure Mudaraba**") constituted by the Infrastructure Mudaraba Agreement, pursuant to which the Kingdom, acting in its capacity as mudareb (the "**Infrastructure Mudareb**"), shall invest the Infrastructure Investment Amount on behalf of the Infrastructure Rab-ul-Maal in various infrastructure projects being undertaken by the Kingdom (the "**Investment Portfolio**").

In respect of each Infrastructure Mudaraba, the Infrastructure Mudareb will be provided with the authority by the Infrastructure Rab-ul-Maal to choose the infrastructure projects into which it will invest the Infrastructure Investment Amount. The Infrastructure Mudareb will have the discretion, at any time, to substitute any part of, or all of, the Investment Portfolio with interests in other infrastructure projects being undertaken by the Kingdom. The Infrastructure Mudareb shall also have

the right, but not the obligation, to purchase any part of, or all of, the Investment Portfolio. The purchase price (the "**Infrastructure Project Purchase Price**") by the Infrastructure Mudareb for such infrastructure projects shall be equal to the value of such infrastructure projects as determined on the most recent constructive liquidation of the Investment Portfolio, plus a profit amount equal to the Infrastructure Project Profit Percentage of such value. The Infrastructure Project Purchase Price shall be reinvested in infrastructure projects being undertaken by the Kingdom in accordance with the terms of the Infrastructure Mudaraba Agreement.

Any income from the relevant Investment Portfolio, less total costs (consisting of direct costs and allocated costs of such activities) shall be the income from the Infrastructure Mudaraba (the "**Infrastructure Mudaraba Income**").

The Infrastructure Mudareb shall be entitled to retain 10 per cent. of any Infrastructure Mudaraba Income (the "**Infrastructure Mudareb Profit**") and the Infrastructure Rab-ul-Maal shall be entitled to receive 90 per cent. of any Infrastructure Mudaraba Income (the "**Infrastructure Rab-ul-Maal Profit**"). The Infrastructure Rab-ul-Maal Profit shall be credited to a notional account to be maintained by the Infrastructure Mudareb for and on behalf of the Infrastructure Rab-ul-Maal (the "**Collection Account**").

The Infrastructure Mudareb shall be authorised by the Infrastructure Rab-ul-Maal to use or invest the Infrastructure Rab-ul-Maal Profit (if any) standing to the credit of the relevant Collection Account in other infrastructure projects being undertaken by the Kingdom for and on behalf of the Infrastructure Rab-ul-Maal and such acquired interests shall constitute part of the relevant Investment Portfolio.

In relation to each Series, on each Periodic Distribution Date and/or Dissolution Date (as applicable), to the extent that the monies already standing to the credit of the relevant Transaction Account (as a result of payments of the relevant Deferred Sale Price(s) under the Master Murabaha Agreement or otherwise) are insufficient to fund in full all amounts payable by the Trustee under the Trust Certificates of the relevant Series on the relevant Periodic Distribution Date and/or Dissolution Date (as applicable) (such shortfall, the "**Required Amount**"), the Infrastructure Mudareb shall, if so directed by the Principal Paying Agent, apply, on such Periodic Distribution Date and/or Dissolution Date (as applicable), the amounts standing to the credit of the Collection Accounts of the relevant Series (in each case, only to the extent that such funds are available in such Collection Accounts) to pay to (or to the order of) the Infrastructure Rab-ul-Maal the relevant Infrastructure Mudaraba Payment Amount.

Any Infrastructure Mudaraba Payment Amount received by the Infrastructure Rab-ul-Maal under the Infrastructure Mudaraba shall constitute the income of the corresponding Primary Mudaraba (the "**Primary Mudaraba Income**"). The Primary Mudareb shall be entitled to retain 10 per cent. of any Primary Mudaraba Income (the "**Primary Mudareb Profit**") and the Primary Rab-ul-Maal shall be entitled to receive 90 per cent. of any Primary Mudaraba Income (the "**Primary Rab-ul-Maal Profit**"). Any Primary Rab-ul-Maal Profit received by the Primary Mudareb from time to time (if any and only to the extent so required, and to the extent such amounts are available, for the purpose described as follows) will be paid (or such payment will be procured) by the Primary Mudareb directly into the Transaction Account in order to enable the Trustee to make payment of the relevant Required Amount.

On a Dissolution Date, the Infrastructure Mudareb shall liquidate the Investment Portfolio(s) relating to the relevant Series of Trust Certificates at its liquidation value based on book value (as determined by the Infrastructure Mudareb (acting reasonably)) and the proceeds of such liquidation shall be credited to the relevant Collection Account(s). Following the redemption of the relevant Series of Trust Certificates and after the date on which all amounts owing to the Certificateholders under that Series of Trust Certificates have been paid in full, the balance of the monies (if any) standing to the credit of

the relevant Collection Account(s) will be retained by the Infrastructure Mudareb as an incentive fee for its own account.

On a Dissolution Date, following the redemption of the Trust Certificates in full and after the date on which all amounts owing to the Certificateholders under that Series of Trust Certificates have been paid in full and only after liquidation of the Infrastructure Mudaraba(s) relating to the relevant Series of Trust Certificates pursuant to the terms of the Infrastructure Mudaraba Agreement, the Primary Mudareb shall liquidate the Primary Mudaraba(s) relating to such Series of Trust Certificates and the proceeds of such liquidation shall be applied, to the extent required (without double counting), towards payment of the amount then due and payable to the relevant Transaction Account in respect of such Series in order to enable the Trustee to make payment of the relevant Required Amount (if any). The balance of any proceeds of liquidation of the relevant Primary Mudaraba(s) will be retained by the Primary Mudareb as an incentive fee for its own account.

7.5 The impact on the Infrastructure Mudaraba on the exercise of a Put Option

When the Put Option is specified as applicable in the Final Terms and the Certificateholders elect to redeem some, but not all, of the Trust Certificates of the Series on any Optional Dissolution Date (Put) specified in the Final Terms in accordance with Condition 11.5 (*Dissolution at the option of Certificateholders*), on the relevant Optional Dissolution Date (Put), there will be a partial liquidation of any Infrastructure Mudaraba entered into in respect of the relevant Series of Trust Certificates.

The Investment Portfolio corresponding to each such Infrastructure Mudaraba shall be reduced to an amount that is equal to the value of such Investment Portfolio on the Business Day prior to the Optional Dissolution Date (Put), multiplied by the Relevant Fraction. The Infrastructure Mudareb shall transfer the proceeds of the partial liquidation of such Infrastructure Mudaraba into the relevant Collection Account.

Following the redemption of the relevant Certificateholder Put Option Certificates, and after the date on which all amounts owing to the holders of the Certificateholder Put Option Certificates have been paid in full, the proceeds of the partial liquidation of such Infrastructure Mudaraba standing to the credit of the relevant Collection Account(s) will be retained by the Infrastructure Mudareb as an incentive fee for its own account.

7.6 The impact on the Infrastructure Mudaraba on the exercise of a Call Option

When the Call Option is specified as applicable in the Final Terms, and some, but not all, of the Trust Certificates of the Series are to be redeemed on the Optional Dissolution Date (Call) specified in the Final Terms in accordance with Condition 11.4 (*Partial redemption*), on the relevant Optional Dissolution Date (Call), there will be a partial liquidation of any Infrastructure Mudaraba entered into in respect of the relevant Series of Trust Certificates.

The Investment Portfolio corresponding to each such Infrastructure Mudaraba shall be reduced to an amount that is equal to the value of such Investment Portfolio on the Business Day prior to the Optional Dissolution Date (Call), multiplied by the Relevant Fraction. The Infrastructure Mudareb shall transfer the proceeds of the partial liquidation of such Infrastructure Mudaraba into the relevant Collection Account.

Following the redemption of the relevant Certificateholder Call Option Certificates, and after the date on which all amounts owing to the holders of the Certificateholder Call Option Certificates have been paid in full, the proceeds of the partial liquidation of such Infrastructure Mudaraba standing to the credit of the relevant Collection Account(s) will be retained by the Infrastructure Mudareb as an incentive fee for its own account.

7.7 The impact on the Infrastructure Mudaraba on the cancellation of Trust Certificates

When some, but not all, of the Trust Certificates of the Series have been cancelled in accordance with Condition 11.8 (*Purchase*), on the relevant Cancellation Date, there will be a partial liquidation of any Infrastructure Mudaraba entered into in respect of the relevant Series of Trust Certificates.

The Investment Portfolio corresponding to each such Infrastructure Mudaraba shall be reduced to an amount that is equal to the value of such Investment Portfolio on the Business Day prior to the Cancellation Date, multiplied by the Relevant Fraction. The Infrastructure Mudareb shall transfer the proceeds of the partial liquidation of such Infrastructure Mudaraba into the relevant Collection Account.

Following the cancellation of the relevant Cancellation Certificates, and after the date on which all amounts owing to the holders of the Cancellation Certificates have been paid in full, the proceeds of the partial liquidation of such Infrastructure Mudaraba standing to the credit of the relevant Collection Account(s) will be retained by the Infrastructure Mudareb as an incentive fee for its own account.

7.8 Application of Proceeds from the Trust Assets

(a) On each Periodic Distribution Date and on the Scheduled Dissolution Date or any earlier Dissolution Date, the monies standing to the credit of the Transaction Account shall be applied by the Principal Paying Agent in the following order of priority:

(i) firstly, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate and to any Appointee appointed in respect of the Trust by the Delegate in accordance with the Declaration of Trust;

(ii) secondly, only if such payment is due on a Periodic Distribution Date (to the extent not previously paid) to pay, pro rata and pari passu, (i) the Agents in respect of all amounts owing to them under the Transaction Documents in their capacities as Principal Paying Agent, Rule 144A Paying Agent, Regulation S Registrar, Rule 144A Registrar, Regulation S Transfer Agent, Rule 144A Transfer Agent, Calculation Agent and, to the extent applicable, Commodities Broker and (ii) to the Trustee in respect of any costs, expenses or liabilities of the Trustee which the Trustee needs to pay in order to ensure its own corporate existence or to maintain the listing of the Trust Certificates;

(iii) thirdly, for application in or towards payment pari passu and rateably of all Periodic Distribution Amounts due and unpaid;

(iv) fourthly, only if such payment is made on the Optional Dissolution Date (Put) or Optional Dissolution Date (Call), for application in or towards payment pari passu and rateably of the relevant Optional Dissolution Amount (Put) and Optional Dissolution Amount (Call) (as applicable);

(v) fifthly, only if such payment is made on the Scheduled Dissolution Date or other Dissolution Date, for application in or towards payment pari passu and rateably of the relevant Dissolution Amount; and

(vi) sixthly, only after all amounts required to be paid in respect of the Trust Certificates as set out above have been paid and discharged in full, any residual amount, to the Kingdom.

(b) The Kingdom has undertaken as sole, original and independent obligations, in the Master Declaration of Trust, to the Trustee and the Delegate, that if, on any Periodic Distribution Date, the Scheduled Dissolution Date or any earlier Dissolution Date, and after payment of all amounts due and payable on such Periodic Distribution Date, Scheduled Dissolution Date or earlier Dissolution Date (as applicable) under the Master Murabaha Agreement, any Murabaha Transaction and the Primary Mudaraba Agreement (the "Transaction Payments") have been received into the Transaction Account:

(i) the monies standing to the credit of the Transaction Account (after payment in full of the relevant Transaction Payments) are insufficient to enable the Trustee (or the Principal Paying Agent on its behalf) to pay in full on such Periodic Distribution Date, Scheduled Dissolution Date or earlier Dissolution Date (as applicable) the amounts due and payable to the Certificateholders pursuant to Conditions 7.8(a)(iii) to 7.8(a)(v) inclusive (such shortfall, the "**Shortfall Amount**"); and

(ii) provided only that such Shortfall Amount arises as a result of a deduction being required to be made from the Transaction Account on such Periodic Distribution Date, Scheduled Dissolution Date or earlier Dissolution Date (as applicable) due to the Kingdom's failure to otherwise pay the relevant amounts referred to in Conditions 7.8(a)(i) and 7.8(a)(ii), which the Kingdom has undertaken to pay under the Transaction Documents,

then the Kingdom will: (A) forthwith pay to the Transaction Account an amount equal to the Shortfall Amount; and (B) upon demand by the Delegate or the Trustee, indemnify the Trustee and the Delegate (on behalf of itself (where applicable) and the Certificateholders) against all properly incurred Liabilities to which it may be subject or which it may incur in respect of any non-payment of any amounts due under Conditions 7.8(a)(i) and 7.8(a)(ii).

8. TRUSTEE AND ONSHORE INVESTMENT VEHICLE COVENANTS

8.1 Trustee Covenants

The Trustee covenants that, for so long as any Trust Certificate is outstanding, it will not (without the prior written consent of the Delegate):

(a) incur any indebtedness in respect of borrowed money whatsoever (whether structured in accordance with the principles of the *Shari'ah* or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) or any other certificates except, in all cases, as contemplated in the Transaction Documents;

(b) grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);

(c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets except pursuant to the Transaction Documents;

(d) use the proceeds of the issue of the Trust Certificates for any purpose other than as stated in the Transaction Documents;

(e) subject to Condition 19 (*Meetings of Certificateholders; Written Resolutions; Electronic Consents*), amend or agree to any amendment of any Transaction Document (other than in accordance with the terms thereof);

(f) except as provided in the Declaration of Trust, act as trustee in respect of any trust other than a trust corresponding to any other Series issued under the Programme;

(g) have any subsidiaries or employees;

(h) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders other than pursuant to the Transaction Documents;

(i) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

(j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:

(i) as provided for or permitted in the Transaction Documents;

(ii) the ownership, management and disposal of Trust Assets as provided in the Transaction Documents; and

(iii) such other matters which are incidental thereto.

8.2 Onshore Investment Vehicle Covenants

The Onshore Investment Vehicle has covenanted in the Primary Mudaraba Agreement that, for so long as any Trust Certificate is outstanding, it will not (without the prior written consent of the Delegate):

(a) incur any indebtedness in respect of borrowed money whatsoever (whether structured in accordance with the principles of the *Shari'ah* or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) or any other certificates except, in all cases, as contemplated in the Transaction Documents;

(b) grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);

(c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of its assets and investments (including any interests it holds for itself or on behalf of the Primary Rab-ul-Maal in any Infrastructure Mudaraba) except pursuant to the Transaction Documents;

(d) have any subsidiaries or employees (other than as required for the purposes of compliance with the laws of the Kingdom of Saudi Arabia or for the practical operation of the Onshore Investment Vehicle);

(e) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders other than pursuant to the Transaction Documents;

(f) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

(g) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:

(i) as provided for or permitted in the Transaction Documents; and

(ii) such other matters which are incidental thereto, including any matters related to the practical operation of the Onshore Investment Vehicle.

9. FIXED RATE TRUST CERTIFICATE PROVISIONS

9.1 Application

This Condition 9 (*Fixed Rate Trust Certificate Provisions*) is applicable to the Trust Certificates only if the Fixed Rate Trust Certificate provisions are specified in the Final Terms as being applicable.

9.2 Accrual of Periodic Distribution Amount

Subject to there being monies standing to the credit of the Transaction Account as provided for in Condition 7.8 (*Application of Proceeds from the Trust Assets*) and subject to Condition 12 (*Payment*), the Trust Certificates bear profit on their outstanding principal amount from, and including, the Profit Commencement Date at the Profit Rate payable in arrear on each Periodic Distribution Date in each year. Each Trust Certificate will cease to bear profit from the applicable Dissolution Date.

9.3 Fixed Amount

The amount of profit payable in respect of each Trust Certificate for any Periodic Distribution Period shall be the relevant Fixed Amount and, if the Trust Certificates are in more than one Specified Denomination, shall be the relevant Fixed Amount in respect of the relevant Specified Denomination.

9.4 Calculation of Periodic Distribution Amount

If profit is required to be calculated for a period ending other than on an Periodic Distribution Date, such profit shall be calculated by applying the Profit Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Trust Certificate divided by the Calculation Amount. For this purpose, a "**sub-unit**" means, in the case of any currency other than U.S. Dollars, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of U.S. Dollars, means one cent.

10. FLOATING RATE TRUST CERTIFICATE PROVISIONS

10.1 Application

This Condition 10 (*Floating Rate Trust Certificate Provisions*) is applicable to the Trust Certificates only if the Floating Rate Trust Certificate provisions are specified in the Final Terms as being applicable.

10.2 Accrual of Periodic Distribution Amount

Subject to there being monies standing to the credit of the Transaction Account as provided for in Condition 7.8 (*Application of Proceeds from the Trust Assets*) and subject to Condition 12 (*Payment*), the Trust Certificates bear profit on their outstanding principal amount from, and including, the Profit Commencement Date at the Profit Rate, which shall be determined in the manner specified in the Final Terms, payable in arrear on each Periodic Distribution Date in each year. Each Trust Certificate will cease to bear profit from the applicable Dissolution Date.

10.3 Screen Rate Determination

The Profit Rate applicable to the Trust Certificates for each Periodic Distribution Period will be determined by the Calculation Agent on the following basis:

(a) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Profit Determination Date;

(b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Profit Determination Date;

(c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

  (i) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Profit Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

  (ii) determine the arithmetic mean of such quotations; and

(d) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Periodic Distribution Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Periodic Distribution Period and in an amount that is representative for a single transaction in that market at that time,

and the Profit Rate for such Periodic Distribution Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided* that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Periodic Distribution Period, the Profit Rate applicable to the Trust

Certificates during such Periodic Distribution Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Trust Certificates in respect of a preceding Periodic Distribution Period.

10.4 Maximum or Minimum Profit Rate

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

10.5 Calculation of Periodic Distribution Amount

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

10.6 Calculation of other amounts

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

10.7 Publication

The Calculation Agent will cause each Profit Rate and Periodic Distribution Amount determined by it, together with the relevant Periodic Distribution Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Trustee, the Kingdom, the Delegate and each Agent as soon as practicable after such determination but (in the case of each Profit Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the first day of the relevant Periodic Distribution Period. Notice thereof shall also promptly be given to the Certificateholders in accordance with Condition 23 (*Notices*). The Calculation Agent will be entitled to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Periodic Distribution Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Periodic Distribution Amount but instead may publish only the Calculation Amount and the Periodic Distribution Amount in respect of a Trust Certificate having the minimum Specified Denomination.

10.8 Binding Determinations

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 10.8 (*Binding Determinations*) by the Calculation Agent will (in the absence of manifest error) be binding on the Trustee, the Kingdom, the Delegate, the Agents and the Certificateholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

10.9 Benchmark Discontinuation – Independent Adviser

(a) Independent Adviser

Notwithstanding the provisions of Conditions 10.3, if a Benchmark Event occurs in relation to an Original Reference Rate when any Profit Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Kingdom shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 10.9(b) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 10.9(d)). In making such determination, the Independent Adviser appointed pursuant to this Condition 10.9 shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Kingdom, the Delegate, the Paying Agents and the Certificateholders, for any determination made by it, pursuant to this Condition 10.9.

If (i) the Kingdom is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 10.9(a) prior to the relevant Profit Determination Date, the Profit Rate applicable to the next succeeding Periodic Distribution Period shall be equal to the Profit Rate last determined in relation to the Trust Certificates in respect of the immediately preceding Periodic Distribution Period. If there has not been a first Periodic Distribution Date, the Profit Rate shall be the initial Profit Rate. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Profit Rate or Minimum Profit Rate relating to the relevant Periodic Distribution Period shall be substituted in place of the Margin or Maximum Profit Rate or Minimum Profit Rate relating to that last preceding Periodic Distribution Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Periodic Distribution Period only and any subsequent Periodic Distribution Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 10.9(a).

(b) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

(i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Profit Rate (or the relevant component part thereof) for all future payments of profit on the Trust Certificates (subject to the operation of this Condition 10.9); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Profit Rate (or the relevant component part thereof) for all future payments of profit on the Trust certificates (subject to the operation of this Condition 10.9).

(c) Adjustment Spread

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

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

(d) Benchmark Adjustments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 10.9 and the Independent Adviser, determines (i) that amendments to these Conditions and/or the Agency Agreement and/or any other Transaction Documents are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Kingdom shall, subject to giving notice thereof in accordance with Condition 10.9(e), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Master Declaration of Trust and/or the Agency Agreement and/or any other Transaction Documents to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 10.9, neither the Delegate, the Calculation Agent nor any Paying Agent shall be obliged to concur with the Kingdom, the Trustee or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 10.9 which would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Delegate, the Calculation Agent or the relevant Paying Agent (as applicable) in the Master Declaration of Trust and/or the Agency Agreement and/or these Conditions and/or any other Transaction Documents.

In connection with any such variation in accordance with this Condition 10.9(d), the Kingdom shall comply with the rules of any stock exchange or other relevant authority on which the Trust Certificates are for the time being listed or admitted to trading.

(e) Notices, etc

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 10.9 will be notified promptly by the Kingdom to the Delegate, Calculation Agent and the Paying Agents and, in accordance with Condition 23, the Certificateholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

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

(f) Survival of the Original Reference Rate

Without prejudice to the obligations of the Kingdom under Condition 10.9(a), (b), (c) and (d), the Original Reference Rate and the fallback provisions provided for in Condition 10.3 will continue to apply unless and until a Benchmark Event has occurred.

(g) Definitions

As used in this Condition 10.9:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the

Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

(ii) or (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate;

(iii) or (if the Independent Adviser determines that no such spread is customarily applied), the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(iv) or (if the Independent Adviser determines that no such spread is recognised or acknowledged), the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Certificateholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 10.9(b) is customarily applied in international debt capital markets transactions for the purposes of determining profit rates (or the relevant component part thereof) in the same Specified Currency as the Trust Certificates;

"**Benchmark Amendments**" has the meaning given to it in Condition 10.9(d);

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued or is no longer representative or will, by a specified date, no longer be representative; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, by a specified date, be prohibited from being used either generally, or in respect of the Trust Certificates; or

(v) it has become unlawful for any Paying Agent, the Calculation Agent, the Trustee, the Kingdom or other party to calculate any payments due to be made to any Certificateholder using the Original Reference Rate;

provided that in the case of sub-paragraphs (ii), (iii) and (iv), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate or on which the Original Reference Rate is no longer representative, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement but the obligations of the Kingdom in respect of the appointment of an Independent Adviser and determination by the Independent Adviser of a Successor Rate, Alternative Rate, an Adjustment Spread and any Benchmark Amendments in accordance with this Condition 10.9 when any Profit Rate (or any component part thereof) will remain to be determined by reference to the Original Reference Rate on or after the occurrence of the Benchmark Event will apply from the date following such public statement that it becomes reasonably practicable for such determination to be made;

"**Independent Adviser**" means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Kingdom under Condition 10.9(a);

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

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

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

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

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

11. DISSOLUTION AND PURCHASE

11.1 Scheduled Dissolution

Unless previously redeemed, or purchased and cancelled, the Trust Certificates will be redeemed at their Final Dissolution Amount on the Scheduled Dissolution Date, subject as provided in Condition 12 (*Payment*).

11.2 Early Dissolution for Tax Reasons

The Trust Certificates may be redeemed by the Trustee in whole, but not in part at any time (such date, the "**Tax Dissolution Date**") on giving not less than 30 nor more than 60 days' notice to the Certificateholders in accordance with Condition 23 (*Notices*) (which notice shall be irrevocable), at the Early Dissolution Amount (Tax) together with any due but unpaid Periodic Distribution Amount, if a Tax Event occurs where "**Tax Event**" means:

(a) the determination by the Trustee that: (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, any political subdivision or authority thereof or therein having the power to tax or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the relevant Issue Date; and (2) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(b) the receipt by the Trustee of notice from the Kingdom that: (1) the Kingdom has or will become obliged to pay an additional amount under the Transaction Documents as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands, any political subdivision or authority thereof or therein having the power to tax or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the relevant Issue Date; and (2) such obligation cannot be avoided by the Kingdom taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which (in the case of (a) above) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Trust Certificates were then due or (in the case of (b) above) the Kingdom would be obliged to pay such additional amounts if a payment to the Trustee under the Transaction Documents was then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Trustee shall deliver to the Delegate (i) a certificate signed by one director of the Trustee (in the case of (a) above) or an authorised signatory of the Kingdom (in the case of (b) above) stating that the Trustee is entitled to effect such dissolution and redemption and setting forth a statement of facts showing that the conditions precedent in (a) or (b) above have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Trustee or the Kingdom, as the case may be, has or will become obliged to pay such additional amounts as a result of such change or amendment. The Delegate shall be entitled to accept (without further investigation) any such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Certificateholders.

Upon the expiry of any such notice as is referred to in this Condition 11.2 (*Early Dissolution for Tax Reasons*), the Trustee shall be bound to redeem the Trust Certificates at the Early Dissolution Amount (Tax) together with any due but unpaid Periodic Distribution Amount and, upon payment in full of such amounts to the Certificateholders, the Trust will be dissolved, the Trust Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

11.3 Dissolution at the option of the Kingdom

If the Call Option is specified in the Final Terms as being applicable then the Kingdom may, in its sole discretion, require the Trustee to redeem the Trust Certificates in whole or, if so specified in the Final Terms, in part, on any Optional Dissolution Date (Call) at the relevant Optional Dissolution Amount (Call), together with any due but unpaid Periodic Distribution Amounts, upon giving not less than 30 nor more than 60 days' notice to the Trustee and the Certificateholders (which notice shall be irrevocable and shall oblige the Trustee to redeem the Trust Certificates or, as the case may be, the Trust Certificates specified in such notice, on the relevant Optional Dissolution Date (Call) at the Optional Dissolution Amount (Call) together with any due but unpaid Periodic Distribution Amounts (if any) to such date).

11.4 Partial redemption

If the Trust Certificates are to be redeemed in part only on any date in accordance with Condition 11.3 (*Dissolution at the option of the Kingdom*). The Trust Certificates shall be redeemed (so far as may be

practicable) pro rata to their principal amounts, subject always to compliance with all applicable laws and the requirements of any listing authority, stock exchange or quotation system on which the relevant Trust Certificates may be listed, traded or quoted.

In the case of the redemption of part only of a Trust Certificate, a new Trust Certificate in respect of the unredeemed balance shall be issued in accordance with Condition 4 (*Transfers of Trust Certificates*) which shall apply as in the case of a transfer of Trust Certificates as if such new Trust Certificate were in respect of the untransferred balance.

11.5 Dissolution at the option of Certificateholders

If the Put Option is specified in the Final Terms as being applicable, the Trustee shall, at the option of the holder of any Trust Certificate redeem such Trust Certificate on the Optional Dissolution Date (Put) specified in the relevant Put Option Notice at the relevant Optional Dissolution Amount (Put) together with Periodic Distribution Amount (if any) accrued to such date. In order to exercise the option contained in this Condition 11.5, the holder of a Trust Certificate must, not less than 30 nor more than 60 days before the relevant Optional Dissolution Date (Put), deposit at the Specified Offices of the relevant Registrar such Trust Certificate and a duly completed Put Option Notice in the form obtainable from the relevant Registrar specifying the aggregate outstanding principal amount in respect of which such option is exercised. The Registrar with which a Trust Certificate is so deposited shall deliver a duly completed Put Option Receipt to the depositing holder. No Trust Certificate, once deposited with a duly completed Put Option Notice in accordance with this Condition 11.5, may be withdrawn; *provided* that if, prior to the relevant Optional Dissolution Date (Put), any such Trust Certificate becomes immediately due and payable or, upon due presentation of any such Trust Certificate on the relevant Optional Dissolution Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Registrar shall mail notification thereof to the depositing holder at such address as may have been given by such holder in the relevant Put Option Notice and shall hold such Trust Certificate at its Specified Office for collection by the depositing holder against surrender of the relevant Put Option Receipt. For so long as any outstanding Trust Certificate is held by a Registrar in accordance with this Condition 11.5, the depositor of such Trust Certificate, and not such Registrar, shall be deemed to be the holder of such Trust Certificate for all purposes.

The Trustee shall redeem the Trust Certificates in respect of which Put Option Receipts have been issued on the Optional Dissolution Date (Put), unless previously redeemed. Payment in respect of any Trust Certificate so delivered will be made:

(a) if the Trust Certificate is in definitive form and held outside Euroclear, Clearstream, Luxembourg and DTC and if the holder duly specified a bank account in the Put Option Notice to which payment is to be made, on the Optional Dissolution Date (Put) by transfer to that bank account and in every other case on or after the Optional Dissolution Date (Put), in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt and, where appropriate, entry in the Register, at the Specified Office of the Registrar; or

(b) if the Trust Certificate is represented by a Global Trust Certificate (as defined in the Agency Agreement) or is in definitive form and held through Euroclear or Clearstream, Luxembourg or DTC, in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or DTC, as applicable.

The holder of a Trust Certificate may not exercise such Put Option in respect of any Trust Certificate which is the subject of an exercise by the Trustee of its Call Option.

In the case of the redemption of part only of a Trust Certificate, a new Trust Certificate in respect of the unredeemed balance shall be issued in accordance with Condition 4 (*Transfers of Trust*

Certificates) which shall apply in the case of a transfer of Trust Certificates as if such new Trust Certificate were in respect of the untransferred balance.

11.6 No other redemption

The Trustee shall not be entitled to redeem the Trust Certificates otherwise than as provided in Conditions 11.1 (*Scheduled Dissolution*) to 11.5 (*Dissolution at the option of Certificateholders*) above.

11.7 Early Dissolution Amounts

For the purpose of Condition 14 (*Dissolution Events*), each Trust Certificate will be redeemed at the amount specified as the Early Dissolution Amount in the Final Terms or, if no such amount is so specified in the Final Terms, at the Final Dissolution Amount thereof (the "**Early Dissolution Amount**").

11.8 Purchase

The Kingdom and any public sector instrumentality of the Kingdom may at any time purchase Trust Certificates in the open market or otherwise and at any price. Such Trust Certificates may be held, resold (*provided* that such resale is outside the United States (as defined in Regulation S under the Securities Act) or, in the case of any Trust Certificates resold pursuant to Rule 144 under the Securities Act, is only made to a Person reasonably believed to be a QIB that is also a QP) or, at the discretion of the holder thereof, surrendered for cancellation and, upon surrender thereof, all such Trust Certificates will be cancelled forthwith. Any Trust Certificates so purchased, while held by, or on behalf of, any Person (including but not limited to the Kingdom) for the benefit of the Kingdom or any public sector instrumentality of the Kingdom, in each case as beneficial owner, shall not entitle the holder to vote at any meeting of Certificateholders and shall not be deemed to be outstanding for the purposes of meetings of Certificateholders or for the purposes of any Written Resolution or for the purposes of calculating quorums at meetings of the Certificateholders or for the purposes of Condition 19 (*Meetings of Certificateholders; Written Resolutions; Electronic Consents*).

11.9 Cancellation

All Trust Certificates surrendered for cancellation in accordance with Condition 11.8 (*Purchase*) above will be cancelled and may not be reissued or resold, and the obligations of the Trustee in respect of any such Trust Certificates shall be discharged. For so long as the Trust Certificates are admitted to trading on the Regulated Market of the London Stock Exchange, and the rules of such exchange so require, the Trustee shall promptly inform such exchange of the cancellation of any Trust Certificates under this Condition 11.9.

12. PAYMENT

12.1 Dissolution Amount

Payments of the Dissolution Amount (together with accrued Periodic Distribution Amounts) due in respect of Trust Certificates shall be made in the currency in which such amount is due against presentation, and save in the case of partial payment of the Dissolution Amount, surrender of the relevant Trust Certificates at the Specified Office of the relevant Registrar. If the due date for payment of the Dissolution Amount of any Trust Certificate is not a business day (as defined below), then the Certificateholder will not be entitled to payment until the next business day, and from such day and thereafter will be entitled to payment by transfer to a designated account on any day which is a Relevant Banking Day, business day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of profit or otherwise shall be due in respect of such

postponed payment unless there is a subsequent failure to pay in accordance with these Conditions, in which event profit shall continue to accrue as provided in these Conditions.

12.2 Principal and profit

Payments of principal and profit shall be made to a designated account denominated in the relevant currency on the relevant due date for payment by transfer to such account. If the due date for any such payment is not a business day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located, then the Certificateholder will not be entitled to payment thereof until the first day thereafter which is a business day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of profit or otherwise shall be due in respect of such postponed payment.

12.3 Payments subject to fiscal laws

All payments of principal and profit in respect of the Trust Certificates are subject in all cases to: (a) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*); and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

In this Condition 12 (*Payment*), "**business day**" means:

(a) any day which is in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) in the case of surrender of a Trust Certificate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the place in which the Trust Certificate is surrendered.

13. TAXATION

All payments of principal and profit in respect of the Trust Certificates by, or on behalf of, the Trustee shall be made free and clear of, and without withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Cayman Islands or the Kingdom or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Trustee shall pay such additional amounts as will result in receipt by the holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Trust Certificate presented for payment:

(a) by or on behalf of a holder, that would not have been payable or due but for the holder being liable for such taxes, duties, assessments or governmental charges in respect of such Trust Certificate by reason of its having some connection with the Cayman Islands or the Kingdom, or any political subdivision or any authority thereof or therein having power to tax, other than the mere acquisition or holding of any Trust Certificate or the enforcement or receipt of payment under or in respect of any Trust Certificate;

(b) more than 30 days after the Relevant Date, except to the extent that the holder of such Trust Certificate would have been entitled to such additional amounts on presenting such Trust Certificate for payment on the last day of such period of 30 days;

(c) where such withholding or deduction is required pursuant to Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto; or

(d) any combination of items (a) through (c) above.

14. DISSOLUTION EVENTS

If any one or more of the following events (each a "**Dissolution Event**") occurs and is continuing with respect to a Series of Trust Certificates:

(a) the Trustee fails to pay the Dissolution Amount or any Periodic Distribution Amount in respect of any of the Trust Certificates of such Series when due and payable and such failure continues for a period of 30 days; or

(b) the Trustee defaults in the performance or observance of, or compliance with any of its other obligations or undertakings in respect of the Trust Certificates of such Series, and either such default is not capable of remedy or such default (if capable of remedy) continues unremedied for 60 days after written notice to remedy such default, addressed to the Trustee by the Delegate, has been delivered to the Trustee (with a copy to the Kingdom); or

(c) a Kingdom Event occurs; or

(d) for any reason whatsoever, the obligations of the Trustee under the Trust Certificates of such Series, or the obligations of the Onshore Investment Vehicle under the Transaction Documents, become unlawful or are declared by a court of competent jurisdiction to be no longer binding on, or no longer enforceable against, the Trustee or the Onshore Investment Vehicle (as applicable); or

(e) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee or the Onshore Investment Vehicle; or

(f) the Trustee or the Onshore Investment Vehicle ceases to be wholly-owned (directly or indirectly) by the Kingdom; or

(g) the Trustee contests the validity of such Series of the Trust Certificates,

provided that, in the case of paragraph (b) above, the Delegate shall have certified in writing to the Trustee that in its opinion such event is materially prejudicial to the interests of the Certificateholders of such Series, the Delegate shall (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) promptly, upon becoming aware thereof, give notice in writing of the occurrence of such Dissolution Event to the Certificateholders of such Series in accordance with Condition 23 (*Notices*) with a request to such holders to indicate if they wish the Trust Certificates to be redeemed and the Trust to be dissolved.

If so requested in writing by the holders of at least 25 per cent. of the then aggregate principal amount of the outstanding Trust Certificates of such Series, or if so directed by an Extraordinary Resolution of the Certificateholders (each a "**Dissolution Request**"), the Delegate shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice ("**Dissolution Notice**") to the Trustee, the Kingdom and the Certificateholders that the Trust Certificates are

immediately due and payable, whereupon the Trust Certificates shall be immediately redeemed at the Early Dissolution Amount, together with any due but unpaid Periodic Distribution Amounts on the date of such notice (the "**Dissolution Event Dissolution Date**").

Upon payment in full of the amounts due in respect of the relevant Series, the Trust for such Series will be dissolved, the Trust Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

If the Delegate receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the relevant Series of outstanding Trust Certificates to the effect that the Dissolution Event or Dissolution Events giving rise to the Dissolution Request is, or are, cured following any such Dissolution Request and that such Certificateholders wish the relevant Dissolution Request to be withdrawn, the Delegate shall give notice thereof to the Trustee and the Certificateholders, whereupon the relevant Dissolution Notice shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations that may have arisen before the Delegate gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Dissolution Event or any right of the Delegate or any Certificateholder in relation thereto.

15. ENFORCEMENT AND EXERCISE OF RIGHTS

15.1 Enforcement

Subject to Condition 15.2 (*Delegate not obliged to take Action*), upon the occurrence of a Dissolution Event and the giving of a Dissolution Notice to the Trustee and the Kingdom by the Delegate, to the extent that the amounts payable in respect of the Trust Certificates have not been paid in full pursuant to Condition 14 (*Dissolution Events*), the Delegate shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), enforce the provisions of the Transaction Documents against the Kingdom; and/or take such other steps as the Delegate may consider necessary in its absolute discretion to protect the interests of the Certificateholders.

15.2 Delegate not obliged to take Action

The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets for the Series of Trust Certificates or take any action against the Trustee and/or the Kingdom under the Trust Certificates or any Transaction Document of that Series unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least 25 per cent. of the then aggregate principal amount of the Trust Certificates outstanding of such Series and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing.

15.3 Direct Enforcement by Certificateholder

No Certificateholder shall be entitled to proceed directly against the Trustee or the Kingdom under the Trust Certificates or any Transaction Document unless (a) the Delegate, having become bound so to proceed pursuant to Conditions 15.2 (*Delegate not obliged to take Action*), fails to do so within 30 days of becoming so bound and such failure is continuing and (b) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders who propose to proceed directly against any of the Trustee, the Onshore Investment Vehicle or the Kingdom as the case may be) holds at least 25 per cent. of the then aggregate principal amount of the Trust Certificates outstanding of the Series. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and the Kingdom shall be to enforce their respective obligations under the Trust Certificates and the Transaction Documents.

15.4 Limited Recourse

The foregoing paragraphs in this Condition are subject to this paragraph. After enforcing or realising the Trust Assets and distributing the proceeds of the Trust Assets in accordance with Condition 7.8 (*Application of Proceeds from the Trust Assets*), the obligations of the Trustee in respect of the Trust Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (to the extent that the Trust Assets have been exhausted), the Kingdom (to the extent that it fulfils all of its obligations under the Transaction Documents), the Onshore Investment Vehicle (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate or any other person to recover any further sums in respect of the Trust Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee nor shall any of them have any claim in respect of the Trust Assets of any other trust established by the Trustee. Under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents and the sole right of the Trustee, the Delegate and the Certificateholders against the Kingdom shall be to enforce the obligations of the Kingdom under the Transaction Documents.

16. PRESCRIPTION

Claims against the Trustee for principal in respect of Trust Certificates shall be prescribed and become void unless made within ten years of the appropriate Relevant Date. Claims against the Trustee for Periodic Distribution Amounts in respect of Trust Certificates shall become void unless made within five years of the appropriate Relevant Date.

Any money paid by the Trustee to the Principal Paying Agent for payment due under any Trust Certificate that remains unclaimed at the end of two years after the due date for payment of such Trust Certificate will be repaid to the Trustee, and the holder of such Trust Certificate shall thereafter look only to the Trustee for payment.

17. REPLACEMENT OF TRUST CERTIFICATES

If any Trust Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the relevant Registrar, subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Trustee and the Kingdom may reasonably require. Mutilated or defaced Trust Certificates must be surrendered before replacements will be issued.

18. AGENTS

18.1 Obligations of Agents

In acting under the Agency Agreement and in connection with the Trust Certificates, the Paying Agents, the Calculation Agent, the Transfer Agents and the Registrars act solely as agents of the Trustee and (to the extent provided therein) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders, and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

18.2 Maintenance of Agents

The initial Principal Paying Agent, Transfer Agents and Registrars and their initial Specified Offices are listed in the Agency Agreement. The initial Calculation Agent (if any) is specified in the Final

Terms. The Trustee and the Kingdom reserve the right at any time to vary or terminate the appointment of any Paying Agent (including the Principal Paying Agent), the Registrars, the Transfer Agents or the Calculation Agent and to appoint any successor Principal Paying Agent, Paying Agent, Registrar, Transfer Agent or Calculation Agent; *provided* that:

(a) the Trustee shall at all times maintain a Principal Paying Agent;

(b) the Trustee shall at all times maintain a Registrar;

(c) if a Calculation Agent is specified in the Final Terms, the Trustee shall at all times maintain a Calculation Agent; and

(d) if and for so long as the Trust Certificates are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Trustee shall maintain a Paying Agent (which may be the Principal Paying Agent) and a Registrar each with a Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in the Paying Agents, the Registrars, the Transfer Agents, the Calculation Agent or in their Specified Offices shall promptly be given to the Certificateholders in accordance with Condition 23 (*Notices*).

19. MEETINGS OF CERTIFICATEHOLDERS; WRITTEN RESOLUTIONS; ELECTRONIC CONSENTS

19.1 Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions

(a) The Trustee, the Kingdom or the Delegate may convene a meeting of the Certificateholders at any time in respect of the Trust Certificates in accordance with the provisions of the Declaration of Trust and the Conditions. Whenever it is about to convene any such meeting, the Trustee, the Kingdom and the Delegate will notify in writing, in the case of the Trustee, the Kingdom and the Delegate, or in the case of the Kingdom, the Trustee and the Delegate, or in the case of the Delegate, the Trustee and the Kingdom of the proposed day, time and place thereof (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform) and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place as the Delegate may appoint or approve in writing after consultation with the Kingdom and, in each case, notice shall be given to the Certificateholders of the time, place and purpose of the meeting not less than 21 and not more than 45 calendar days before the meeting pursuant to Condition 23 (*Notices*).

(b) The Trustee, the Kingdom or (subject to its being indemnified and/or secured and/or prefunded to its satisfaction by the Certificateholders) the Delegate, as the case may be, will convene a meeting of Certificateholders if the holders of at least 10 per cent. in principal amount of the outstanding Trust Certificates (as defined in the Declaration of Trust and described in Condition 19.9 (*Trust Certificates controlled by the Trustee or the Kingdom*)) have delivered a written request to the Trustee, the Kingdom or the Delegate, as the case may be, setting out the purpose of the meeting. The Delegate will promptly determine the time and place of the meeting after consultation with the Kingdom. The Trustee, the Kingdom or the Delegate, as the case may be, will notify the Certificateholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 calendar days after the date on which such notification is given.

(c) The notice of the meeting will set out the procedures governing the conduct of any meeting in accordance with the Declaration of Trust and the Conditions. If the Declaration of Trust or the Conditions do not specify such procedures, or additional procedures are required, the Kingdom and the Delegate will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Trustee or the Kingdom, as the case may be, proposes any modification to the terms and conditions of, or action with respect to, two or more series of securities issued by it.

(d) The notice convening any meeting shall be in the English language and will specify, *inter alia*:

(i) the date, time and location of the meeting (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform);

(ii) the agenda and the nature of the business to be transacted at the meeting thereby convened and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;

(iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;

(iv) the documentation required to be produced by a Certificateholder in order to be entitled to participate at the meeting or to appoint a proxy to act on behalf of the Certificateholders at the meeting;

(v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Trust Certificates are traded and/or held by Certificateholders;

(vi) whether Condition 19.2 (*Modification of this Series of Trust Certificates only*), Condition 19.3 (*Multiple Series Aggregation—Single limb voting*), or Condition 19.4 (*Multiple Series Aggregation—Two limb voting*) shall apply and, if relevant, in relation to which other series of securities it applies;

(vii) if the proposed modification or action relates to two or more series of securities issued by it and contemplates such series of securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group of securities;

(viii) such information as is required to be provided by the Trustee, or the Kingdom, as the case may be, in accordance with Condition 19.6 (*Information*);

(ix) the identity of the Aggregation Agent (as described in Condition 20 (*Aggregation Agent; Aggregation Procedures*) and the Calculation Agent, if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 19.7 (*Claims Valuation*); and

(x) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of securities.

A copy of the notice shall be sent to the Delegate (unless the meeting is convened by the Delegate), to the Trustee (unless the meeting is convened by the Trustee) and to the Kingdom (unless the meeting is convened by the Kingdom).

(e) In addition, the Declaration of Trust contains provisions relating to Written Resolutions and Electronic Consents. All information to be provided pursuant to paragraph (d) of this Condition 19.1 shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents.

(f) A **"record date**" in relation to any proposed modification or action means the date fixed by the Trustee, the Kingdom or the Delegate, as the case may be, for determining the Certificateholders and, in the case of a multiple series aggregation, the holders of securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.

(g) An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

(h) A "**Written Resolution**" means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(i) Any reference to "**securities**" means any trust certificates (including the Trust Certificates), notes, bonds, debentures or other securities issued directly or indirectly by the Trustee or the Kingdom (which for these purposes shall be deemed to include any sukuk representing the credit of the Kingdom or any other similar instruments) in one or more series with an original stated maturity of more than one year.

(j) "**Securities Capable of Aggregation**" means those securities which include or incorporate by reference this Condition 19 and Condition 20 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the securities which include such provisions to be capable of being aggregated for voting purposes with other series of securities.

19.2 Modification of this Series of Trust Certificates only

(a) Any modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

(b) A "**Single Series Extraordinary Resolution**" means a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the procedures set out in the Declaration of Trust or as prescribed by the Kingdom and the Delegate pursuant to paragraph (c) of Condition 19.1 (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*) by a majority of:

(i) in the case of a Reserved Matter, at least 75 per cent. of the Certificateholders present in person or represented by proxy; or

(ii) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the Certificateholders present in person or represented by proxy.

(c) A "**Single Series Written Resolution**" means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Trust Certificates; or

(ii) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the outstanding Trust Certificates.

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

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

19.3 Multiple Series Aggregation—Single limb voting

(a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, *provided* that the Uniformly Applicable condition is satisfied.

(b) A "**Multiple Series Single Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, and, in respect of the Trust Certificates, considered at meetings duly convened and held in accordance with the procedures set out in the Declaration of Trust or as prescribed by the Kingdom and the Delegate pursuant to Condition 19.1 (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate).

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

(d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution duly approved shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.

(e) The "**Uniformly Applicable**" condition will be satisfied if:

(i) the holders of all affected series of Securities Capable of Aggregation are invited to exchange, convert, or substitute their securities, on the same terms, for (A) the same new instrument or other consideration or (B) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or

(ii) the amendments proposed to the terms and conditions of each affected series of Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the different currency of issuance).

(f) It is understood that a proposal under paragraph (a) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest or profit (as the case may be) due but unpaid and the same amount of consideration per amount of past due interest or profit (as the case may be), respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest or profit (as the case may be) due but unpaid and the same amount of consideration per amount of past due interest or profit (as the case may be) respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation electing the same option from such menu of instruments).

(g) Any modification or action proposed under paragraph (a) above may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 19.3 may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

19.4 Multiple Series Aggregation—Two limb voting

(a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation, may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(b) A "**Multiple Series Two Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, and in respect of the Trust Certificates, considered at meetings duly convened and held in accordance with the procedures set out in the Declaration of Trust and the Conditions or as prescribed by the Kingdom and the Delegate pursuant to paragraph (c) of Condition 19.1 (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:

(i) at least 66⅔ per cent. of the aggregate principal amount of the outstanding securities of affected series of Securities Capable of Aggregation (taken in aggregate); and

(ii) more than 50 per cent. of the aggregate principal amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).

(c) A "Multiple Series Two Limb Written Resolution" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the

applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(i) at least 66⅔ per cent. of the aggregate principal amount of the outstanding securities of all the affected series of Securities Capable of Aggregation (taken in aggregate); and

(ii) more than 50 per cent. of the aggregate principal amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of Securities Capable of Aggregation.

(d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.

(e) Any modification or action proposed under paragraph (a) above may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 19.4 may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

19.5 Reserved Matters

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

(a) to change the date, or the method of determining the date, for payment of principal, profit or any other amount in respect of the Trust Certificates, to reduce or cancel the amount of principal, profit or any other amount payable on any date in respect of the Trust Certificates or to change the method of calculating the amount of principal, profit or any other amount payable in respect of the Trust Certificates on any date;

(b) to change the currency in which any amount due in respect of the Trust Certificates is payable or the place in which any payment is to be made;

(c) to change the majority required to pass an Extraordinary Resolution, a Written Resolution, an Electronic Consent or any other resolution of Certificateholders or the number or percentage of votes required to be cast, or the number or percentage of Trust Certificates required to be held, in connection with the taking of any decision or action by or on behalf of the Certificateholders or any of them;

(d) to change this definition, or the definition of "Extraordinary Resolution", "Single Series Extraordinary Resolution", "Multiple Series Single Limb Extraordinary Resolution", "Multiple Series Two Limb Extraordinary Resolution", "Written Resolution", "Single Series Written Resolution", "Multiple Series Single Limb Written Resolution" or "Multiple Series Two Limb Written Resolution";

(e) to change the definition of "securities" or "Securities Capable of Aggregation";

(f) to change the definition of "Uniformly Applicable";

(g) to change the definition of "outstanding" or to modify the provisions of Condition 19.9 (*Trust Certificates controlled by the Trustee or the Kingdom*);

(h) to change the legal ranking of the Trust Certificates;

(i) to change any provision (including any relevant definition) of the Trust Certificates describing circumstances in which Trust Certificates may be declared due and payable prior to their Scheduled Dissolution Date, set out in Condition 14 (*Dissolution Events*);

(j) to change the law governing the Trust Certificates, the courts to the jurisdiction of which the Trustee, the Onshore Investment Vehicle or the Kingdom has submitted in the Trust Certificates or Transaction Documents, any of the arrangements specified in the Trust Certificates or the Transaction Documents to enable proceedings to be taken or the Trustee's, the Onshore Investment Vehicle's or the Kingdom's waivers of immunity, in respect of actions or proceedings brought by any Certificateholder, set out in Condition 25 (*Governing Law and Jurisdiction*);

(k) to impose any condition on or otherwise change the Trustee's obligation to make payments of Dissolution Amount, Periodic Distribution Amount or any other amount in respect of the Trust Certificates, including by way of the addition of a call option;

(l) to impose any condition on or otherwise change the Kingdom's obligation to make payments in the nature of principal (corresponding to the relevant Dissolution Amount payable by the Trustee under the Trust Certificates) or profit (corresponding to the relevant Periodic Distribution Amount payable by the Trustee under the Trust Certificates) payable under the Transaction Documents, including by way of the addition of a call option;

(m) to modify the provisions of this Condition 19.5;

(n) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Trust Certificates or the Transaction Documents or to change the terms of any such guarantee or security;

(o) to exchange or substitute all the Trust Certificates for, or convert all the Trust Certificates into, other obligations or securities of the Trustee or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Trust Certificates for, or the conversion of the Trust Certificates into, any other obligations or securities of the Trustee or any other person, which would result in the Conditions as so modified being less favourable to the Certificateholders which are subject to the Conditions as so modified than:

(i) the provisions of the other obligations or securities of the Trustee or any other person resulting from the relevant exchange or substitution or conversion; or

(ii) if more than one series of other obligations or securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of securities having the largest aggregate principal amount; or

(p) to approve the substitution of any person for the Kingdom (or any previous substitute) as principal obligor under the Transaction Documents.

19.6 Information

Prior to or on the date that the Trustee or the Kingdom, as the case may be, proposes any Extraordinary Resolution, Written Resolution or Electronic Consent pursuant to Condition 19.2 (*Modification of this Series of Trust Certificates only*), Condition 19.3 (*Multiple Series Aggregation—Single limb voting*), or Condition 19.4 (*Multiple Series Aggregation—Two limb voting*), the Trustee shall publish in accordance with Condition 23 (*Notices*) (with a copy to the Principal Paying Agent) the following information:

(a) a description of the Trustee's and the Kingdom's economic and financial circumstances which are, in the Trustee's and the Kingdom's opinion, relevant to the request for any potential modification or action and a description of the Trustee's and the Kingdom's existing debts;

(b) if the Trustee or the Kingdom shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement and where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;

(c) a description of the Trustee's and the Kingdom's proposed treatment of external securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other securities and its other major creditor groups; and

(d) if any proposed modification or action contemplates securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Certificateholders in paragraph (d)(vii) of Condition 19.1 (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*).

19.7 Claims Valuation

For the purpose of calculating the nominal value of the Trust Certificates and any affected series of Securities Capable of Aggregation which are to be aggregated with the Trust Certificates in accordance with Condition 19.3 (*Multiple Series Aggregation—Single limb voting*) and Condition 19.4 (*Multiple Series Aggregation—Two limb voting*), the Trustee or the Kingdom, as the case may be, may appoint a calculation agent. The Trustee and the Kingdom shall, with the approval of the Aggregation Agent and any appointed calculation agent, promulgate the methodology in accordance with which the par value of the Trust Certificates and such affected series of securities will be calculated. In any such case where a calculation agent is appointed, the same person will be appointed as the calculation agent for the Trust Certificates and each other affected series of securities for these purposes, and the same methodology will be promulgated for each affected series of securities.

19.8 Modification/Waiver

The Master Declaration of Trust provides that the Delegate may, without the consent of the Certificateholders, consent to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Declaration of Trust or any other Transaction Document, or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or an event which, with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event shall not be treated as such if, in the sole opinion of the Delegate: (i) such modification is of a formal, minor or technical nature; (ii) such modification is made to correct a manifest error; or (iii) such modification, waiver, authorisation or determination is not, in the sole

opinion of the Delegate, materially prejudicial to the interests of the Certificateholders and is in respect of a matter other than a Reserved Matter.

19.9 Trust Certificates controlled by the Trustee or the Kingdom

For the purposes of: (i) determining the right to attend and vote at any meeting of Certificateholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution; (ii) Condition 19 (*Meetings of Certificateholders; Written Resolutions; Electronic Consents*); and (iii) Condition 14 (*Dissolution Events*), any Trust Certificates which are for the time being held by, or on behalf of, any Person (including but not limited to the Trustee and the Kingdom) for the benefit of the Trustee or the Kingdom or any public sector instrumentality of the Kingdom, in each case as beneficial owner, shall be disregarded and be deemed not to remain outstanding.

A Trust Certificate will also be deemed to be not outstanding if the Trust Certificate has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Trust Certificate has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Trustee has previously satisfied its obligations to make all payments due in respect of the Trust Certificate in accordance with its terms.

In advance of any meeting of Certificateholders, or in connection with any Written Resolution or Electronic Consent, the Trustee or the Kingdom, as the case may be, shall provide to the Delegate a copy of the certificate prepared pursuant to Condition 20.5 (*Certificate*), which includes information on the total number of Trust Certificates which are for the time being held by, or on behalf of, any Person (including but not limited to the Trustee and the Kingdom) for the benefit of the Trustee or the Kingdom or any public sector instrumentality of the Kingdom, in each case as beneficial owner, and, as such, such Trust Certificates shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Certificateholders or the right to sign, or authorise the signature of, any Written Resolution or vote in respect of any Electronic Consent. The Delegate shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

19.10 Publication

The Trustee or the Kingdom, as the case may be, shall publish all Extraordinary Resolutions, Written Resolutions and Electronic Consents which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 23 (*Notices*).

19.11 Exchange and Conversion

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

19.12 Electronic Consents

For so long as any Trust Certificates and (in relation to paragraphs (b)(ii) and (b)(iii) below) all affected series of Securities Capable of Aggregation are in the form of a Global Trust Certificate or (in relation to the other affected series of Securities Capable of Aggregation) in a similar global form held on behalf of one or more of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (the

"**relevant clearing system(s)**"), then the approval of a resolution proposed by the Delegate, the Trustee, or the Kingdom, as the case may be, given by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures:

(a) by or on behalf of all Certificateholders who for the time being are entitled to receive notice of a meeting of Certificateholders; or

(b) (where such holders have been given at least 21 days' notice of such resolution) by or on behalf of:

(i) in respect of a proposal pursuant to Condition 19.2 (*Modification of this Series of Trust Certificates only*), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding Trust Certificates in the case of a Reserved Matter or more than 50 per cent. of the aggregate principal amount of the outstanding Trust Certificates, in the case of a matter other than a Reserved Matter;

(ii) in respect of a proposal Condition 19.3 (*Multiple Series Aggregation—Single limb voting*), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate); or

(iii) in respect of a proposal pursuant to Condition 19.4 (*Multiple Series Aggregation—Two limb voting*), (x) the persons holding at least 66⅔ per cent. of the aggregate principal amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate); and (y) the persons holding more than 50 per cent. of the aggregate principal amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually),

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

The notice given to Certificateholders shall specify, in sufficient detail to enable Certificateholders (in the case of a proposal pursuant to Condition 19.2 (*Modification of this Series of Trust Certificates only*) or holders of each affected series of Securities Capable of Aggregation (in the case of a proposal pursuant to Condition 19.3 (*Multiple Series Aggregation—Single limb voting*) or Condition 19.4 (*Multiple Series Aggregation—Two limb voting*) to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Consent Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

If, on the Relevant Consent Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the required proportion for approval, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Alternatively, the Proposer may give a further notice to Certificateholders (in the case of a proposal pursuant to Condition 19.2 (*Modification of this Series of Trust Certificates only*)) or holders of each affected series of Securities Capable of Aggregation (in the case of a proposal pursuant to Condition 19.3 (*Multiple Series Aggregation—Single limb voting*)) or Condition 19.4 (*Multiple Series Aggregation—Two limb voting*) that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee and the Delegate (unless the Trustee or the Delegate is the Proposer) and the Kingdom (unless the Kingdom is the Proposer). Such notice must inform

Certificateholders (in the case of a proposal pursuant to Condition 19.2 (*Modification of this Series of Trust Certificates only*)) or holders of each affected series of Securities Capable of Aggregation (in the case of a proposal pursuant to Condition 19.3 (*Multiple Series Aggregation—Single limb voting*)) or Condition 19.4 (*Multiple Series Aggregation—Two limb voting*) that insufficient consents were received in relation to the original resolution and the information specified in the previous paragraph. For the purpose of such further notice, references to Relevant Consent Date shall be construed accordingly.

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

For so long as any Trust Certificates are held in the form of a Global Trust Certificate held on behalf of the relevant clearing system(s), for the purposes of determining whether a Written Resolution has been validly passed, the Trustee, the Delegate or the Kingdom, as the case may be, shall be entitled to rely on the consent or instructions given in writing directly to the Trustee, the Delegate or the Kingdom (a) by accountholders in the relevant clearing system(s) with entitlements to any Global Trust Certificate and/or (b) where the accountholders hold any such entitlement on behalf of another person, by the person identified by that accountholder as the person for whom such entitlement is held.

For the purpose of establishing the entitlement to give any such consent, the Trustee, the Delegate and the Kingdom, shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the relevant clearing system(s) and, in the case of (b) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (i) shall be conclusive and binding for all purposes and (ii) may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal amount of the Trust Certificates is clearly identified together with the amount of such holding. The Trustee, the Delegate and the Kingdom shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

All information to be provided pursuant to paragraph (d) of Condition 19.1 (*Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions*) and Condition 19.6 (*Information*) shall also be provided, *mutatis mutandis*, in respect of Electronic Consents.

20. AGGREGATION AGENT; AGGREGATION PROCEDURES

20.1 Appointment

The Trustee or the Kingdom, as the case may be, will appoint an agent (such agent the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Trust Certificates and, in the case of a multiple series aggregation, by the required principal amount of outstanding securities of each affected series of Securities Capable of Aggregation. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates and in respect of the terms and conditions or bond documentation in respect of each other affected series of Securities Capable of Aggregation. The Aggregation Agent shall be independent of the Trustee and the Kingdom.

20.2 Extraordinary Resolutions

If an Extraordinary Resolution has been proposed at a duly convened meeting of Certificateholders to modify any provision of, or action in respect of, these Conditions and other affected series of Securities

Capable of Aggregation, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate principal amount of the outstanding Trust Certificates and each other affected series of Securities Capable of Aggregation, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

20.3 Written Resolutions

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

20.4 Electronic Consents

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

20.5 Certificate

For the purposes of Condition 20.2 (*Extraordinary Resolutions*) and Condition 20.3 (*Written Resolutions*) and Condition 20.4 (*Electronic Consents*), the Trustee and the Kingdom will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 19.2 (*Modification of this Series of Trust Certificates only*), Condition 19.3 (*Multiple Series Aggregation—Single limb voting*), or Condition 19.4 (*Multiple Series Aggregation—Two limb voting*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution and, with respect to an Electronic Consent, the date arranged for voting on the Electronic Consent.

The certificate shall:

(a) list the total principal amount of Trust Certificates and, in the case of a multiple series aggregation, the total principal amount of each other affected series of Securities Capable of Aggregation outstanding on the record date; and

(b) clearly indicate the Trust Certificates and, in the case of a multiple series aggregation, the securities of each other affected series of Securities Capable of Aggregation which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 19.9 (*Trust Certificates controlled by the Trustee or the Kingdom*) on the record date identifying the holders of the relevant Trust Certificates and, in the case of a multiple series aggregation, securities of each other affected series of Securities Capable of Aggregation.

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

20.6 Notification

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 20 to be notified to the Trustee, the Kingdom and the Delegate, as soon as practicable after such determination. Notice thereof shall also promptly be given to the Certificateholders in accordance with Condition 23 (*Notices*).

20.7 Binding nature of determinations; no liability

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 20 by the Aggregation Agent will (in the absence of manifest error) be binding on the Trustee, the Kingdom, the Delegate and the Certificateholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

21. INDEMNIFICATION AND LIABILITY OF THE DELEGATE AND THE TRUSTEE

21.1 Indemnification

The Declaration of Trust contains provisions for the indemnification of each of the Delegate and the Trustee in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction as well as provisions entitling the Delegate to be paid its costs and expenses in priority to the claims of the Certificateholders.

21.2 Liability

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Trustee or the Kingdom under the Trust Certificates or Transaction Documents and shall not under any circumstances have any Liability or be obliged to account to the Certificateholders in respect of any payments which should have been made by the Trustee or the Kingdom but are not so made and shall not in any circumstances have any Liability arising from or in relation to the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust.

21.3 Certain Exemptions

Each of the Trustee and the Delegate is exempted from: (i) any Liability in respect of any loss or theft of the Trust Assets or any cash; (ii) any obligation to insure the Trust Assets or any cash; and (iii) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of wilful default, gross negligence or fraud by the Trustee or the Delegate, as the case may be.

21.4 Business Transactions

The Declaration of Trust also contains provisions pursuant to which the Delegate is entitled, inter alia: (a) to enter into business transactions with the Kingdom, or any public sector instrumentality of the Kingdom, and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to the Kingdom and/or any public sector instrumentality of the Kingdom; (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Certificateholders; and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

22. FURTHER ISSUES

In respect of any Series, the Trustee may from time to time, without the consent of the Certificateholders, create and issue further Trust Certificates having the same terms and conditions as the Trust Certificates of such Series or terms and conditions which are the same in all respects (or in all respects except for the amount and the first payment of Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue) so as to form a single Series with the Trust Certificates of such Series, *provided* that, unless the further Trust Certificates are fungible with the Trust Certificates for U.S. federal income tax purposes, such further Trust Certificates will be issued with a separate CUSIP and ISIN. Any further trust certificates which are to form a single Series with the outstanding Trust Certificates previously constituted by the Declaration of Trust shall be constituted by a Supplemental Declaration of Trust and a Declaration of Sharing of Assets in accordance with the Declaration of Trust. References in these Conditions to the Trust Certificates include (unless the context requires otherwise) any other trust certificates issued pursuant to this Condition and forming a single series with the Trust Certificates.

23. NOTICES

23.1 Notices to Certificateholders while Trust Certificates are held in Global Form

So long as any Trust Certificates are evidenced by a Global Trust Certificate and such Global Trust Certificate is held by or on behalf of DTC, Euroclear or Clearstream, Luxembourg, notices to Certificateholders may be given by delivery of such notice to the relevant clearing systems for communication by them to entitled account holders; *provided* that, so long as the Trust Certificates are listed on any stock exchange, notice will also be published or otherwise given in accordance with the rules of such stock exchange.

23.2 Notices to holders of Individual Trust Certificates

Notices to holders of Individual Trust Certificates will be deemed to be validly given if sent by first class mail (or the equivalent) or (if posted to an overseas address) by airmail to the Certificateholders of those Trust Certificates at their respective addresses as recorded in the Register for those Trust Certificates, and will be deemed to have been validly given on the fourth day after the date of mailing as provided above or, if posted from a country other than that of the addressee, on the fifth day after the date of such mailing.

24. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions): (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.); (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up); (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount; and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency (with 0.005 being rounded upwards).

25. GOVERNING LAW AND JURISDICTION

25.1 Governing law

The Declaration of Trust and the Trust Certificates and any non-contractual obligations arising out of, or in connection with, the Declaration of Trust and the Trust Certificates (including the remaining

provisions of this Condition 25), are and shall be governed by, and construed in accordance with, English law.

25.2 Agreement to arbitrate

Any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Declaration of Trust and/or Trust Certificates (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration ("**LCIA**") (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 25. In relation to any such arbitration:

(a) the arbitral tribunal shall consist of three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions;

(b) the claimant(s) and the respondent(s) shall each nominate one arbitrator within 15 days from receipt by the Registrar of the LCIA of the Response to the Request for arbitration as defined in the Rules, and the chairman of the arbitral tribunal shall be nominated by the two party-nominated arbitrators within 15 days of the last of their appointments. If the chairman of the arbitral tribunal is not so nominated, he shall be chosen by the LCIA;

(c) the seat of arbitration shall be London, England;

(d) the language of the arbitration shall be English;

(e) the claimant(s) and the respondent(s) undertake to waive any right of application to determine a preliminary point of law under section 45 of the Arbitration Act 1996 of the United Kingdom; and

(f) without prejudice to the powers of the arbitrators provided under the Rules, statute or otherwise, the arbitrators shall have the power at any time, following the written request (with reasons) of any party at any time, and after due consideration of any written and/or oral response(s) to such request made within such time periods as the arbitral tribunal shall determine, to make an award in favour of the claimant(s) (or the respondent(s) if a counterclaim) in respect of any claims (or counterclaims), if it appears to the arbitral tribunal that there is no reasonably arguable defence to those claims (or counterclaims), either at all or except as to the amount of any damages or other sum to be awarded.

25.3 Waiver of immunity

The Trustee hereby waives (and the Kingdom has, under the Transaction Documents governed by English law to which it is a party, waived), irrevocably, to the fullest extent permitted by law:

(a) any immunity from suit, attachment or execution to which it might otherwise be entitled by virtue of the Kingdom's sovereign status under the State Immunity Act 1978 of the United Kingdom and/or the Kingdom's ownership of the Trustee or otherwise in any Dispute which may be instituted pursuant to Condition 25.2 (*Agreement to arbitrate*) in any arbitration having its seat in London, England; and

(b) any immunity from attachment or execution to which it might otherwise be entitled by virtue of the Kingdom's sovereign status in any other jurisdiction and/or, in respect of the Trustee only, the Kingdom's ownership thereof, in an action to enforce an arbitral award properly obtained in England and Wales as referred to in paragraph (a) above.

In respect of the Transaction Documents governed by the laws of the Kingdom, each of the Trustee, the Onshore Investment Vehicle and the Kingdom has waived irrevocably, to the fullest extent permitted by law any immunity from suit, attachment or execution to which it might be entitled by virtue of the Kingdom's sovereign status in any jurisdiction and/or, in respect of the Trustee and the Onshore Investment Vehicle only, the Kingdom's ownership thereof.

Notwithstanding anything to the contrary in the Conditions, such waiver of immunity shall not be deemed or interpreted to include any waiver of immunity in respect of (i) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961; (ii) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963; (iii) any other property or assets used solely or mainly for governmental or public purposes in the Kingdom or elsewhere; (iv) military property or military assets or property or assets of the Trustee, the Onshore Investment Vehicle or the Kingdom related thereto; (v) rights or immunities or property held by individuals or by entities, agencies, or instrumentalities distinct from the Trustee, the Onshore Investment Vehicle or the Kingdom itself (regardless of their relationship to the Trustee, the Onshore Investment Vehicle or the Kingdom); or (vi) other procedural or substantive rights enjoyed by the Trustee, the Onshore Investment Vehicle or the Kingdom by virtue of the Kingdom's sovereign status and/or, in respect of the Trustee and the Onshore Investment Vehicle only, the Kingdom's ownership thereof, besides immunity from suit, attachment, and execution. Without prejudice to the generality of the above, none of the provisions of this Condition 25.3 (*Waiver of immunity*) shall apply to actions brought under the United States federal securities law or any securities laws of any state thereof.

25.4 Waiver of Interest

Each of the Trustee, the Kingdom and the Delegate has agreed in the Master Declaration of Trust that if any arbitral proceedings are brought by or on behalf of a party under the Master Declaration of Trust and these Conditions, each party agrees that it will:

(a) not claim any interest under, or in connection with, such proceedings; and

(b) to the fullest extent permitted by law, waive all and any entitlement it may have to interest awarded in its favour by any arbitral tribunal as a result of such proceedings.

For the avoidance of doubt, nothing in this Condition 25.4 shall be construed as a waiver of rights in respect of all, or any part of, the Deferred Sale Prices payable under the Master Murabaha Agreement and any Murabaha Transaction, any payments under the Primary Mudaraba Agreement or Infrastructure Mudaraba Agreement, Periodic Distribution Amounts payable under the Trust Certificates or profit or principal of any kind howsoever described payable by the Kingdom (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or the Conditions, howsoever such amounts may be described or re-characterised by any arbitral tribunal.

26. RIGHTS OF THIRD PARTIES

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

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Trust Certificates issued under the Programme and which (1) have a denomination of EUR 100,000 (or its equivalent in any other currency), and/or (2) are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the UK Prospectus Regulation) have access. The text referring to the UK Prospectus Regulation only relates to the Trust Certificates in respect of which a prospectus is required to be prepared under the UK Prospectus Regulation and should otherwise be disregarded.

EITHER

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

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

OR

[**MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Trust Certificates has led to the conclusion that: (i) the target market for the Trust Certificates is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); ***EITHER*** [and (ii) all channels for distribution of the Trust Certificates are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Trust Certificates to retail clients are appropriate – investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Trust Certificates (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for

undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]].

[**UK MIFIR PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Trust Certificates has led to the conclusion that: (i) the target market for the Trust Certificates is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); ***EITHER*** [and (ii) all channels for distribution of the Trust Certificates are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Trust Certificates to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Trust Certificates (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]

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

Final Terms dated [●]

KSA SUKUK LIMITED

Legal Entity Identifier (LEI): 635400XBJFPNCGN9CK71

Issue of [Aggregate Principal Amount of Tranche] [Title of Trust Certificates]
under the
Trust Certificate Issuance Programme

PART A—CONTRACTUAL TERMS

[The Trust Certificates will only be admitted to trading on a specific segment of the London Stock Exchange plc's main market, to which only qualified investors (as defined in the UK Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.][2]

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

2 Legend to be included for Trust Certificates with a minimum denomination of less than EUR 100,000 (or equivalent in another currency) which will only be admitted to trading on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the UK Prospectus Regulation) have access.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 11 January 2024 [and the supplement[s] to the Base Prospectus dated [*insert date of supplements*]] [which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**"). This document constitutes the Final Terms relating to the issue of Trust Certificates described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all the relevant information.]

[Terms used herein shall be deemed to be defined as such for the purposes of the [April 2017 Terms and Conditions]/[September 2018 Terms and Conditions]/[October 2019 Terms and Conditions]/[February 2021 Terms and Conditions]/[October 2022 Terms and Conditions], which are incorporated by reference in the Base Prospectus dated 11 January 2024 (and as defined therein). This document constitutes the Final Terms of the Trust Certificates described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 11 January 2024 [and the supplements to it dated [date] [and [date]]] which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation (the "**Base Prospectus**"), including the [April 2017 Terms and Conditions]/[September 2018 Terms and Conditions]/[October 2019 Terms and Conditions]/[February 2021 Terms and Conditions]/[October 2022 Terms and Conditions], which are incorporated by reference in the Base Prospectus (and as defined therein). Full information on the Trustee and the offer of the Trust Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus, in order to obtain all the relevant information.]

The Base Prospectus [as so supplemented] has been published on the website of the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

1.	[(i)	Series Number:	[●]]
	[(ii)	Tranche Number:	[●]]
	[(iii)	Date on which the Trust Certificates become fungible:	[Not Applicable/The Trust Certificates shall be consolidated and form a single series with the existing tranche(s) of the Series on [the Issue Date] / [*Insert date*].]
2.	Specified Currency or Currencies:		[●]]
3.	Aggregate Principal Amount:		
	[(i)	Series:	[●]]
	[(ii)	Tranche:	[●]]
4.	Issue Price:		[●] per cent. of the Aggregate Principal Amount [plus accrued Periodic Distribution Amounts from [●]]
	(i)	Specified Denominations:	[●]
	(ii)	Calculation Amount:	[●]
5.	(i)	Issue Date:	[●]
	(ii)	Profit Commencement Date:	[●]/[Issue Date]/[Not Applicable]

6.	Scheduled Dissolution Date:	[Fixed Rate Trust Certificates – Specify date / Floating Rate Trust Certificates – Periodic Distribution Date falling in or nearest to [specify month and year].]
7.	Profit Basis:	[[●] per cent. Fixed Rate] [[●] EURIBOR [+/-] [●] per cent. Floating Rate]
8.	Dissolution Basis:	[Subject to any purchase and cancellation or early redemption, the Trust Certificates will be redeemed on the Scheduled Dissolution Date at 100 per cent. of their principal amount.]
9.	Put/Call Options:	[Investor Put] [Kingdom Call] [Not Applicable]
10.	[Date approval for issuance of Trust Certificates obtained:	[●]]

PROVISIONS RELATING TO PROFIT (IF ANY) PAYABLE

11.	Fixed Rate Trust Certificate Provisions		[Applicable]/[Not Applicable]
	(i)	Profit Rate[(s)]:	[●] per cent. *per annum* [payable [annually]/[semi-annually]/[quarterly]/ [monthly] in arrear]
	(ii)	Periodic Distribution Date(s):	[●][[, [●], [●]] and [●] in each year]
	[(iii)	First Periodic Distribution Date:	[●]
	(iv)	Fixed Amount(s) for Trust Certificates in definitive form (and in relation to Trust Certificates in global form see Conditions):	[●] per Calculation Amount
	(v)	Broken Amount(s) for Trust Certificates in definitive form (and in relation to Trust Certificates in global form see Conditions):	[[●] per Calculation Amount, payable on the Periodic Distribution Date falling [in]/[on] [●]/[Not Applicable]
	(vi)	Day Count Fraction:	[360/360]/[Actual/Actual (ICMA)]
	[(vii)	Determination Dates	[[●] in each year]/[Not Applicable]]
12.	Floating Rate Trust Certificate Provisions		[Applicable]/[Not Applicable]
	(i)	Periodic Distribution Period(s):	[●]
	(ii)	Specified Period:	[●]

(iii)	Specified Periodic Distribution Dates:	[●]
[(iv)	First Periodic Distribution Date:	[●]
(v)	Business Day Convention:	[Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/ [Preceding Business Day Convention]/ [No Adjustment]
(vi)	Additional Business Centre(s):	[●]/[Not Applicable]
(vii)	Party responsible for calculating the Profit Rate(s) and Periodic Distribution Amount(s) (if not the Principal Paying Agent):	[[●] shall be the Calculation Agent]
(viii)	Screen Rate Determination:	
•	Reference Rate:	EURIBOR
•	Profit Determination Date(s):	[●]/[Second day on which T2 is open prior to the start of each Periodic Distribution Period] [As per Condition 10.3]
•	Relevant Screen Page:	[●]/[Not Applicable]
•	Relevant Time:	[●]
•	Relevant Financial Centre:	[●]
(ix)	Margin(s):	[+/-] [●] per cent. per annum
(x)	Minimum Profit Rate:	[●] per cent. per annum
(xi)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365] [Actual/360] [30/360] [30E/360] [30E/360 (ISDA)]

PROVISIONS RELATING TO DISSOLUTION

13.	Call Option	[Applicable]/[Not Applicable]

			(if not applicable, delete the remaining sub-paragraphs of this paragraph) *(this paragraph and sub-paragraphs may be repeated for issues with more than one call option)*
	(i)	Optional Dissolution Date(s):	[●] / [Any Periodic Distribution Date from and including [●] to but excluding [●]]
	(ii)	Optional Dissolution Amount(s) of each Trust Certificate:	[●] per Calculation Amount *(N.B. The Optional Dissolution Amount cannot be greater than the Calculation Amount)*
	(iii)	If redeemable in part:	[Applicable]/[Not Applicable] *(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(a)	Minimum Redemption Amount	[●] per Calculation Amount
	(b)	Maximum Redemption Amount	[●] per Calculation Amount
14.	Put Option		[Applicable]/[Not Applicable] *(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Dissolution Date(s):	[●]
	(ii)	Optional Dissolution Amount(s) of each Trust Certificate:	[●] per Calculation Amount *(N.B. The Optional Dissolution Amount cannot be greater than the Calculation Amount)*
15.	Early Dissolution Amount (Tax) of each Trust Certificate		[100 per cent. of their principal amount] / [●] per Calculation Amount *(N.B. The Early Dissolution Amount (Tax) cannot be greater than the Calculation Amount)*
16.	Final Dissolution Amount of each Trust Certificate		[100 per cent. of their principal amount] / [●] per Calculation Amount *(N.B. The Final Dissolution Amount cannot be greater than the Calculation Amount)*
17.	Early Dissolution Amount of each Trust Certificate payable on a Dissolution Event		[100 per cent. of their principal amount] / [●] per Calculation Amount *(N.B. The Early Dissolution Amount cannot be greater than the Calculation Amount)*

GENERAL PROVISIONS APPLICABLE TO THE TRUST CERTIFICATES

18.	Form of Trust Certificates:	[Individual Trust Certificates] [Unrestricted Global Trust Certificate exchangeable for unrestricted Individual Trust Certificates [on [●] days' notice]/[at any time]/[in the limited circumstances described in the Unrestricted Global Trust Certificate]] *(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Trust Certificates includes language substantially to the following effect: "€200,000 and integral multiples of €1,000 in excess thereof")* [Restricted Global Trust Certificate exchangeable for Restricted Individual Trust Certificates [on [●] days' notice]/[at any time]/[in the limited circumstances described in the Restricted Global Trust Certificate]] (*N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Trust Certificates includes language substantially to the following effect: "€200,000 and integral multiples of €1,000 in excess thereof"*) [Unrestricted Global Trust Certificate registered in the name of a nominee for [DTC]/[a common depositary for Euroclear and Clearstream, Luxembourg] [Restricted Global Trust Certificate registered in the name of a nominee for [DTC]]
19.	Additional Financial Centre(s):	[●]/[Not Applicable]

PROVISIONS IN RESPECT OF THE TRUST ASSETS

20.	Details of Transaction Account:	[●] Transaction Account No: [●] with [●] for Series No.: [1/2/3 etc.]
21.	Supplemental Declaration of Trust:	Supplemental Declaration of Trust dated [●] between the Trustee, the Kingdom and the Delegate
22.	Declaration of Sharing of Assets:	[Declaration of Sharing of Assets dated [●] executed by the Trustee]/[Not Applicable]
23.	Distribution of Proceeds:	An amount equal to [●] per cent. of the proceeds from the issuance will be applied as the

		Murabaha Investment Amount. An amount equal to [●] per cent. of the proceeds from the issuance will be applied as the Mudaraba Investment Amount *(N.B. The percentage applied as the Murabaha Investment Amount shall not be more than 49 per cent. of the proceeds and the percentage applied as Mudaraba Investment Amount shall not be less than 51 per cent. of the proceeds)*
24.	Initial Purchase Price:	An amount equal to [●] per cent. of the Murabaha Investment Amount *(N.B. The percentage applied as the Initial Purchase Price and Subsequent Purchase Price must equal 100 per cent. of the Murabaha Investment Amount)*
25.	Subsequent Purchase Price:	An amount equal to [●] per cent. of the Murabaha Investment Amount *(N.B. The percentage applied as the Initial Purchase Price and Subsequent Purchase Price must equal 100 per cent. of the Murabaha Investment Amount)*
26.	Specified Anniversary:	The [●] anniversary.
27.	Infrastructure Project Profit Percentage	[●]

Signed on behalf of
KSA SUKUK LIMITED

By:
.....
Duly Authorised

Signed on behalf of
KSA SUKUK LIMITED

By:
.....
Duly Authorised

Signed on behalf of
THE KINGDOM OF SAUDI ARABIA acting through THE MINISTRY OF FINANCE

By:
.....
Duly Authorised

PART B—OTHER INFORMATION

1. LISTING

(i)	Listing and Admission to trading:	[Application has been made by the Trustee (or on its behalf) for the Trust Certificates to be admitted to trading on [the London Stock Exchange plc's main market and to be listed on the Official List of the United Kingdom Financial Conduct Authority] / [●] with effect from [●].] / [Not applicable.]
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. [RATINGS

Ratings:	The Trust Certificates to be issued have been rated: [Moody's: [●]] [Fitch: [●]] [[Other]: [●]] [*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*]

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

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

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

		[See ["Use of Proceeds"] in the Base Prospectus/Give details]]
(i)	Reasons for the offer:	(*See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from what is disclosed in the Base Prospectus, give details.*)
(ii)	Estimated net proceeds:	**[ ]**

5. [YIELD

	Indication of yield:	[Not Applicable] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. *(N.B. Fixed Rate Trust Certificates only)*]

6. OPERATIONAL INFORMATION

CUSIP:	[●] [Not Applicable]
ISIN:	[●]
Common Code:	[●]
CFI:	[[See/[[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
FISN:	[[See/[[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant addresses and identification numbers):	[Not Applicable/give name(s), address(es) and number(s)]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]
Name and address of Calculation Agent (if any), if different from Principal Paying Agent:	[●]

7. DISTRIBUTION

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/●]
(iii)	Date of Subscription Agreement:	[●]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable/●]
(v)	If non-syndicated, name of relevant Dealer:	[Not Applicable/●]
(vi)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2]; [Rule 144A]

(vii)	Singapore Sales to Institutional Investors and Accredited Investors only	[Applicable/Not Applicable]

8. THIRD PARTY INFORMATION

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

9. RELEVANT BENCHMARK

[[●] is provided by [●]. As at the date hereof, [●] [[appears]/[does not appear]] in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018]/[EUWA] (the "**UK Benchmarks Regulation**").] [[As far as the Trustee and the Kingdom are aware, as at the date hereof, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation/registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence)] OR [[●] does not fall within the scope of the UK Benchmarks Regulation]]/[Not Applicable]

FORM OF THE TRUST CERTIFICATES

The Trust Certificates will be in registered form, without coupons attached. Trust Certificates will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act.

Trust Certificates

Each Tranche of Trust Certificates will be represented by either:

(a) one or more unrestricted global trust certificates ("**Unrestricted Global Trust Certificate(s)**") in the case of Trust Certificates sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Unrestricted Trust Certificates**") and/or one or more restricted global trust certificates ("**Restricted Global Trust Certificate(s)**") in the case of Trust Certificates sold to QIBs that are also QPs in reliance on Rule 144A ("**Restricted Trust Certificates**"); or

(b) individual trust certificates in registered form ("**Individual Trust Certificates**"),

in each case as specified in the Final Terms, and references in this Base Prospectus to "**Global Trust Certificates**" shall be construed as a reference to Unrestricted Global Trust Certificates and/or Restricted Global Trust Certificates.

Each Trust Certificate represented by an Unrestricted Global Trust Certificate will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg registered in the name of Cede & Co. as nominee for DTC if such Unrestricted Global Trust Certificate will be held for the benefit of Euroclear and/or Clearstream, Luxembourg through DTC and/or any other relevant clearing system and the relevant Unrestricted Global Trust Certificate will be deposited on or about the issue date with the common depositary or such other nominee or custodian.

Each Trust Certificate represented by a Restricted Global Trust Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the Final Terms) as nominee for DTC and the relevant Restricted Global Trust Certificate will be deposited on or about the issue date with the custodian for DTC (the "**DTC Custodian**"). Beneficial interests in Trust Certificates represented by a Restricted Global Trust Certificate may only be held through DTC at any time.

If the Final Terms specifies the form of Trust Certificates as being "Individual Trust Certificates", then the Trust Certificates will at all times be represented by Individual Trust Certificates issued to each Certificateholder in respect of their respective holdings.

Global Trust Certificate exchangeable for Individual Trust Certificates

If the Final Terms specifies the form of Trust Certificates as being "Global Trust Certificate exchangeable for Individual Trust Certificates", then the Trust Certificates will initially be represented by one or more Global Trust Certificates each of which will be exchangeable in whole, but not in part, for Individual Trust Certificates:

(a) on the expiry of such period of notice as may be specified in the Final Terms; or

(b) at any time, if so specified in the Final Terms; or

(c) if the Final Terms specifies "in the limited circumstances described in the Global Trust Certificate", then:

(i) in the case of any Global Trust Certificate held by or on behalf of DTC, if DTC notifies the Trustee that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Global Trust Certificate or DTC ceases to be a "clearing agency" registered under the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**") or if at any time DTC is no longer eligible to act as such, and the relevant Trustee is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC;

(ii) in the case of any Unrestricted Global Trust Certificate held by or on behalf of Euroclear, Clearstream, Luxembourg or any other relevant clearing system, if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; and

(iii) in any case, if any of the circumstances described in Condition 14 (*Dissolution Events*) occurs.

The options described in paragraphs (a) and (b) above should not be expressed to be applicable under the heading "*Form of Trust Certificates*" in the Final Terms if the relevant Trust Certificates are in denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount. Furthermore, Trust Certificates should not be issued which have such denominations if such Trust Certificates are to be represented on issue by one or more Global Trust Certificates exchangeable for Individual Trust Certificates.

Whenever a Global Trust Certificate is to be exchanged for Individual Trust Certificates, each person having an interest in a Global Trust Certificate must provide the relevant Registrar (through the relevant clearing system) with such information as the Trustee and the relevant Registrar may require to complete and deliver Individual Trust Certificates (including the name and address of each person in which the Trust Certificates represented by the Individual Trust Certificates are to be registered and the principal amount of each such person's holding). In addition, whenever a Restricted Global Trust Certificate is to be exchanged for Individual Trust Certificates, each person having an interest in the Restricted Global Trust Certificate must provide the relevant Registrar (through the relevant clearing system) with a certificate given by or on behalf of the holder of each beneficial interest in the Restricted Global Trust Certificate stating either (i) that such holder is not transferring its interest at the time of such exchange or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Trust Certificates and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB and a QP and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A. Individual Trust Certificates issued in exchange for interests in the Restricted Global Trust Certificate will bear the legends and be subject to the transfer restrictions set out under "*Transfer Restrictions*".

Any such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Trust Certificates scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the relevant Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Trust Certificates

The terms and conditions applicable to any Individual Trust Certificate will be endorsed on that Trust Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Trust Certificates*" and the provisions of the Final Terms which complete those terms and conditions.

Each Global Trust Certificate contains provisions that apply to the Trust Certificates that they represent, some of which modify the Conditions. The following is a summary of those provisions:

Payments

Payments in respect of a Global Trust Certificate will be made against presentation and (in the case of payment of principal in full with all profit accrued thereon) surrender of the Global Trust Certificate to or to the order of any Principal Paying Agent or Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Trustee in respect of the Trust Certificates. On each occasion on which a payment of principal or profit is made in respect of the Global Trust Certificate, the Trustee shall procure that the payment is noted in a schedule thereto.

Payment Record Date

Each payment in respect of a Global Trust Certificate will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Trust Certificate is being held is open for business.

Exercise of put option

In order to exercise the option contained in Condition 11.5 (*Dissolution at the option of Certificateholders*), the holder of a Global Trust Certificate must, within the period specified in the Conditions for the deposit of the relevant Trust Certificate and put notice, give written notice of such exercise to any Paying Agent or Registrar specifying the principal amount of Trust Certificates in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option

In connection with an exercise of the option contained in Condition 11.3 (*Dissolution at the option of the Kingdom*) in relation to only some of the Trust Certificates, a Global Trust Certificate may be redeemed in part in the principal amount specified by the Trustee in accordance with the Conditions and the Trust Certificates to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices

Notwithstanding Condition 23 (*Notices*), while all the Trust Certificates are represented by a Global Trust Certificate and the relevant Trust Certificate or Trust Certificates is/are deposited with a common depositary, a custodian or nominee for Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any other relevant clearing system, notices to Certificateholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Certificateholders in accordance with Condition 23 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any other relevant clearing system.

Clearing System Accountholders

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any other relevant clearing system as being entitled to an interest in a Global Trust Certificate (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Trustee to the holder of a Global Trust Certificate and in relation to all other rights arising under the Global Trust Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Trust Certificate will be determined by the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC and any other relevant clearing system from time to time.

For so long as the relevant Trust Certificates are represented by a Global Trust Certificate, Accountholders shall have no claim directly against the Trustee in respect of payments due under the Trust Certificates and such obligations of the Trustee will be discharged by payment to the holder of the Global Trust Certificate.

General

No Certificateholder shall be entitled to proceed directly against, or provide instructions to the Delegate to proceed against, the Trustee, the Onshore Investment Vehicle or the Kingdom under any Transaction Document to which either of them is party unless the Delegate, having become bound so to proceed, fails so to do within 30 days and such failure is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee, the Onshore Investment Vehicle and the Kingdom shall be to enforce their respective obligations under the Transaction Documents.

The Trustee and the Kingdom may agree with any Dealer that relevant Trust Certificates may be issued in a form not contemplated by the Terms and Conditions, in which event a new Base Prospectus or a supplement to the Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Trust Certificates.

USE OF PROCEEDS

The proceeds from each issuance of Trust Certificates will be used by the Trustee to enter into Murabaha Transactions with the Kingdom and the Primary Mudaraba with the Onshore Investment Vehicle. The Kingdom will sell the commodities purchased pursuant to the Murabaha Transactions to a third party broker and will use the proceeds from the sale for its general domestic budgetary purposes. The Kingdom will utilise the proportion of the proceeds provided as the Infrastructure Investment Amount to finance infrastructure projects in the Kingdom.

DESCRIPTION OF THE TRUSTEE

General

KSA Sukuk Limited, a Cayman Islands exempted company with limited liability, was incorporated on 14 February 2017 under the Companies Law (as amended) of the Cayman Islands with company registration number 319577. The Trustee has been established as a special purpose vehicle for the sole purpose of issuing Trust Certificates under the Programme and entering into the transactions contemplated by the Transaction Documents.

The registered office of the Trustee is at c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands and its telephone number is +1 345 814 7600.

The authorised share capital of the Trustee is U.S.$50,000 consisting of 50,000 ordinary shares of U.S.$1.00 each, of which 1 share has been issued. All of the issued shares are fully paid and are held by the Kingdom.

Business of the Trustee

The Trustee has no prior operating history or prior business and will not have any substantial liabilities other than in connection with the issue of the Trust Certificates.

The objects for which the Trustee is established are set out in clause 3 of its Amended and Restated Memorandum of Association as authorised on 4 July 2018. The objects are expressed to be unrestricted and therefore would include the issue of the Trust Certificates, execution of Transaction Documents to which it is a party and any other agreement necessary for the performance of its obligations under the transactions contemplated thereby and undertaking activities pursuant to or that are not inconsistent with the terms and conditions of the Trust Certificates. The Trustee has no employees and is not expected to have any employees in the future.

Financial Statements

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

Directors of the Trustee

The Directors of the Trustee are as follows:

Name	Principal Occupation
Abdullah Alhathloul	Chief Operating Officer, National Debt Management Centre, the Kingdom
Abdullah Binzaraah	Head of the Decision Support Office, the Ministry of Finance

The business address of each Director is c/o Ministry of Finance of the Kingdom of Saudi Arabia, King Abdulaziz Road, Riyadh 11177, Kingdom of Saudi Arabia.

There are no potential conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Trustee, save for the fact that the Directors are also the General Managers of the Onshore Investment Vehicle, and Abdullah Binzaraah is Head of the Decision Support Office at the Ministry of Finance, and Abdullah Alhathloul is Chief Operating Officer at the National Debt Management Centre, the Kingdom.

The Administrator

Walkers Corporate Limited acts as the administrator of the Trustee (in such capacity, the "**Trustee Administrator**"). The office of the Trustee Administrator will serve as the general business office of the Trustee. Through the office, and pursuant to the standard terms of engagement of the Trustee Administrator, the Trustee Administrator will perform in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time certain clerical, administrative and other services. In consideration of the foregoing, the Trustee Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses. The terms of engagement of the Trustee Administrator provide that either the Trustee or the Trustee Administrator may terminate the engagement of the Trustee Administrator upon the occurrence of certain stated events, including any breach by the other party of its obligations under such terms. In addition, the terms of engagement of the Trustee Administrator provide that either party shall be entitled to terminate such engagement by giving at least three months' notice in writing to the other party. The Trustee Administrator will be subject to the overview of the Trustee's Board of Directors.

The Trustee Administrator's principal office is at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

DESCRIPTION OF THE ONSHORE INVESTMENT VEHICLE

General

Onshore Saudi Arabian Sukuk Company, a limited liability company owned by a single shareholder, incorporated in the Kingdom of Saudi Arabia pursuant to the Companies Regulations promulgated by Royal Decree No. M/3 dated 28/01/1437H (corresponding to 10 November 2015), as amended (the "**Companies Law**"), and registered with the Commercial Register of Riyadh under commercial registration certificate No. 1010468791 dated 10/6/1438H (corresponding to 9 March 2017).

The Onshore Investment Vehicle was incorporated by the Ministry of Finance pursuant to the authorisations set out in Royal Decree No. M/29 dated 23/03/1438H (corresponding to 22 December 2016) and the Council of Ministers decision No. 196 dated 23/03/1438H (corresponding to 22 December 2016). The Onshore Investment Vehicle has been established for the purpose of supporting the borrowing activities of the Kingdom.

The registered office of the Onshore Investment Vehicle is at King Abdulaziz Road, Riyadh 11177, Kingdom of Saudi Arabia.

The authorised share capital of the Onshore Investment Vehicle is SAR 10,000 consisting of 1,000 ordinary shares of SAR 10.0 each. All of the issued shares are held by the Kingdom.

Business of the Onshore Investment Vehicle

The Onshore Investment Vehicle has no prior operating history or prior business and will not have any substantial liabilities other than in connection with the Transaction Documents entered into in connection with the Programme.

The purpose and activities for which the Onshore Investment Vehicle is established are set out in clause 2 of its Articles of Association. The Onshore Investment Vehicle was incorporated to support all forms of debt transactions entered into, or programmes established, by the Kingdom, whether inside or outside the Kingdom of Saudi Arabia and subject to applicable Saudi Arabian laws and to obtaining the relevant approvals of the competent Government authorities, the Onshore Investment Vehicle has the full power and authority to carry out any activity to serve its purpose, which may include taking ownership or disposing of any type of rights and assets and entering into any contractual arrangements in connection with the purpose for which the Onshore Investment Vehicle is established and therefore would include the execution of Transaction Documents to which it is a party and any other agreement necessary for the performance of its obligations under the transactions contemplated thereby.

General Managers of the Onshore Investment Vehicle

The General Managers of the Onshore Investment Vehicle are as follows:

Name	Principal Occupation
Abdullah Alhathloul	Chief Operating Officer, National Debt Management Centre, the Kingdom
Abdullah Binzaraah	Head of the Decision Support Office, the Ministry of Finance

The business address of the General Managers is c/o Ministry of Finance of the Kingdom of Saudi Arabia, King Abdulaziz Road, Riyadh 11177, Kingdom of Saudi Arabia.

There are no potential conflicts of interest between the private interests or other duties of the General Managers listed above and their duties to the Onshore Investment Vehicle, save for the fact that the General Managers

are also the Directors of KSA Sukuk Limited, and Abdullah Binzaraah is Head of the Decision Support Office at the Ministry of Finance, and Abdullah Alhathloul is Chief Operating Officer at the National Debt Management Centre, the Kingdom.

OVERVIEW OF SAUDI ARABIA

Geography and Area

Saudi Arabia comprises a land area of approximately 2,150,000 square km and is located in the Arabian Peninsula, a peninsula of south-west Asia situated north-east of Africa. Saudi Arabia has coastlines on the Red Sea to the west and the Arabian Gulf to the east. It is bordered in the north and north-east by Jordan and Iraq, in the east by Kuwait, Qatar and the United Arab Emirates, in the south-east by Oman, in the south by Yemen, and is connected to Bahrain by the King Fahd Causeway. Saudi Arabia is the largest country in the Cooperation Council for the Arab States of the Gulf (also known as the Gulf Cooperation Council, or the "**GCC**").

Source: General Commission for Survey, Kingdom of Saudi Arabia

The capital city of Saudi Arabia is Riyadh. Saudi Arabia has undergone rapid urbanisation in recent decades, and over 80 per cent. of the population of Saudi Arabia currently lives in cities, with approximately half the population of Saudi Arabia being concentrated in the six largest cities of Riyadh, Jeddah, Makkah, Medina, Ta'if and Dammam. Makkah, the birthplace of the Prophet Muhammad (peace be upon him ("**PBUH**")), is home to the Grand Mosque (*al-masjid al-haram)*, which surrounds Islam's holiest site (*al-ka`bah*), which is the direction of Muslim prayer. Medina, the burial place of the Prophet Muhammad (PBUH), is home to the Prophet's Mosque (*al-masjid an-nabawi*) and is Islam's second-holiest city after Makkah.

Saudi Arabia has a desert climate with high daytime temperatures and a sharp temperature drop at night. Annual rainfall is very low. The southwest province of Asir is mountainous, and contains Mount Sawda, which, at just over 3,000 metres, is the highest point in Saudi Arabia. In the west of Saudi Arabia, a geological

exposure known as the Arabian-Nubian Shield contains various precious and basic metals such as gold, silver, copper, zinc, lead, tin, aluminium and iron and, mainly in the east of Saudi Arabia, extensive sedimentary formations contain various industrial minerals. Saudi Arabia's deeper sedimentary formations in the eastern part of the country contain most of its proven and recoverable oil reserves.

Population and Demographics

The population of Saudi Arabia according to the 2022 Saudi Census is 32.2 million. Saudi Arabia has a young population, with over 60 per cent. of the population being under the age of 35 and over 50 per cent. under the age of 30 in 2022. The following table sets forth Saudi Arabia's population estimates as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
Male	19,678,595	18,569,547	19,278,827	18,344,583	18,580,917
Female	12,496,629	12,214,836	12,273,683	11,719,216	11,615,364
Total population	**32,175,224**	**30,784,383**	**31,552,510**	**30,063,799**	**30,196,281**
Population growth / (decrease) (annual %)	**4.5**	**(2.4)**	**5.0**	**(0.4)**	**(2.5)**

Source: Saudi Census

The non-Saudi portion of Saudi Arabia's total population comprises expatriates from neighbouring states as well as significant numbers of expatriates from Asia (mostly from India, Pakistan, Bangladesh, Indonesia, and the Philippines), Europe, the Americas and other countries around the world. The official language of Saudi Arabia is Arabic, although English is widely spoken.

Government and Political System

Saudi Arabia is a monarchy with a political system rooted in the traditions and culture of Islam. The Custodian of the Two Holy Mosques, the King of Saudi Arabia (the "**King**"), is the head of state and presides over meetings of the Council of Ministers which the King attends. Royal Decree No. A/90 dated 1 March 1992 (the "**Basic Law of Governance**") provides that the Holy Quran and Sunnah (the teachings of the Prophet Muhammad (PBUH)) form the primary sources of law in Saudi Arabia. The Basic Law of Governance specifies that the King must be chosen from among the sons of the founding King, the Late King Abdulaziz bin Abdul Rahman Al Saud ("**King Abdulaziz**"), and their male descendants. In 2006, the Allegiance Council (*hay'at al-bay'ah*) was established, comprising: (a) the surviving sons of King Abdulaziz; (b) one son of each deceased/incapacitated son of King Abdulaziz; and (c) one son of the incumbent King and one son of the incumbent Crown Prince, both appointed by the incumbent King, to determine which member of the royal family will be the next King and the next Crown Prince. The current King, Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud, acceded to the throne on 23 January 2015. The current Crown Prince is His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud (the "**Crown Prince**"), who also holds positions that include Prime Minister, Chairman of the Council for Economic and Development Affairs and Chairman of the Council for Political and Security Affairs.

Saudi Arabia is divided into 13 provinces, each of which has a governor and a provincial council. The provincial councils are empowered to determine the development needs of their respective provinces, make recommendations and request appropriations in the annual budget. Saudi Arabia's 13 provinces comprise Riyadh, Makkah, Medina, the Eastern Province, Asir, Al-Baha, Tabuk, Al-Qassim, Ha'il, Al-Jouf, the Northern Borders, Jizan and Najran. These provinces are further divided into 118 governorates, which are in turn sub-divided into municipalities. Pursuant to the Law of Regulation of Municipalities and Rural Areas, issued by Royal Decree No. 5/M in 1977, the term of each municipal council is two years and half of the members of any municipal council must be chosen by elections, while the other half are appointed by the Minister of Municipal and Rural Affairs. In 2015, women were allowed to stand for election to, and vote for the members of, the municipal councils.

Council of Ministers (majlis al-wuzara)

The Crown Prince is the Prime Minister of the Council of Ministers (*majlis al-wuzara*). The King presides over meetings of the Council of Ministers which the King attends. The Council of Ministers was established by Royal Decree in 1953, and currently comprises the Prime Minister, 25 Ministers with portfolios and eleven Ministers of State. The Council of Ministers is selected by the King and is responsible for, among other things, executive and administrative matters such as foreign and domestic policy, defence, finance, health and education. The King and executive officials at the national, provincial and local levels also hold regular meetings, which are open to members of the public and where members of the public may discuss issues and raise grievances.

In 1974, in accordance with the Law of the Council of Ministers, the Bureau of Experts (formerly known as the Department of Experts) was established to assist the Council of Ministers. The Bureau of Experts is responsible for, among other things, reviewing and studying cases referred to it by the Council of Ministers and its sub-committees, drafting new laws, proposing amendments to existing laws and drafting forms for High Orders, Royal Decrees and Council of Ministers Resolutions, which are then presented to the Council of Ministers for approval.

Shura Council (majlis al-shura)

In 1992, in conjunction with the promulgation of the Basic Law of Governance, the Law of Provinces (addressing the designation and administration of Saudi Arabia's provinces) and the Law of the Shura Council (*majlis al-shura*) were introduced. The Shura Council comprises 150 members, of which at least 20 per cent. must be female. The Chairman, Vice Chairman and General Secretary of the Shura Council are appointed or removed by the King. The Shura Council has the authority to draft, review and debate legislation, which is then presented to the Council of Ministers for approval. Legislation approved by the Council of Ministers only acquires the force of law once the King has issued his approval by way of a Royal Decree. However, the Council of Ministers or the relevant government ministry or authority may be delegated the power to enact further executive regulations that govern the implementation of such legislation.

Council for Political and Security Affairs and Council for Economic and Development Affairs

In January 2015, a Royal Order was issued consolidating 12 existing Government councils and commissions under two new councils: (i) the Council for Political and Security Affairs (the "**CPSA**"); and (ii) the Council for Economic and Development Affairs (the "**CEDA**"). The formation of the CPSA and the CEDA is intended to promote greater efficiency and productivity in the various branches of the Government and enhance coordination between Government entities, thereby leading to swift decision-making and execution of proposals.

Council for Political and Security Affairs

The CPSA was established in January 2015 and its mandate is to oversee all aspects of Saudi Arabia's political and security affairs, both internally and externally. The CPSA is chaired by the Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud and its members previously included: the Chairman, the Minister of Interior, the Minister of the National Guard, the Minister of Defence, the Minister of Islamic Affairs, Call and Guidance, the Minister of Media, the Minister of Foreign Affairs, the Minister of Finance, Ministers of State, the Head of the Presidency of National Security, the Counsel of the National Security Centre and the Chief of General Intelligence.

On 27 December 2018, a Royal Order was issued to reform the CPSA. As a result, the CPSA now includes the following members: HRH the Crown Prince (Chairman), the Minister of Interior, the Minister of Media, the Minister of Foreign Affairs, five state ministers, the Head of the Presidency of National Security, the Counsel of the National Security Centre and the Chief of General Intelligence.

Council for Economic and Development Affairs

The CEDA is intended to consolidate a number of relevant governmental institutions in one central organisation to provide a uniform direction for Saudi Arabia's economic growth and development. The CEDA is chaired by the Crown Prince, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud and its members previously included: the Chairman, the Minister of Justice, the Minister of Finance, the Minister of Energy, the Minister of Industry and Mineral Resources, the Minister of Human Resources and Social Development, the Minister of Municipal, Rural Affairs and Housing, the Minister of Hajj and Umrah, the Minister of Economy and Planning, the Minister of Commerce, the Minister of Transportation, the Minister of Communication and Information Technology, the Minister of Health, the Minister of Civil Service, the Minister of Media, the Minister of Environment, Water & Agriculture, the Minister of Education and Ministers of State. The CEDA is responsible for, among other matters, the implementation and monitoring of Vision 2030 (see "*—Strategy of Saudi Arabia—Vision 2030*").

On 27 December 2018, a Royal Order was issued to reform the CEDA. As a result, the CEDA now includes the following members: HRH the Crown Prince (Chairman), the Minister of Culture, the Minister of Justice, the Minister of Health, the Minister of Commerce, the Minister of Municipal, Rural Affairs and Housing, the Minister of Environment, Water & Agriculture, the Minister of Energy, the Minister of Industry and Mineral Resources, the Minister of Human Resources and Social Development, the Minister of Hajj and Umrah, the Minister of Finance, the Minister of Economy and Planning, the Minister of Transportation, the Minister of Communication and Information Technology, the Minister of Media, the Minister of Education, the Head of Bureau of Experts, the Minister of Tourism, the Secretary of the Finance Committee of the Royal Court and three state ministers.

Restructuring of the Government

As part of the Government's continuing efforts to effect structural reforms in Saudi Arabia's economy and society as envisaged by Vision 2030, and in furtherance of the Government's stated aims of streamlining the functioning of the public sector and aligning its operations more closely with the Government's strategic aims and objectives (see "*—Strategy of Saudi Arabia—Vision 2030*"), the King, through a number of Royal Orders issued in May 2016, implemented numerous changes in the structure of the Government and the allocation of roles and responsibilities between the various Governmental ministries and departments. Some of the significant reforms included:

- the creation of the Ministry of Environment, Water & Agriculture (the "**MEWA**"), which effectively replaced the former Ministry of Water and Electricity, as well as the Ministry of Agriculture;
- the creation of the Ministry of Commerce and Investment (now called the Ministry of Commerce), which effectively replaced the former Ministry of Commerce and Industry;
- the combination of the former Ministry of Labour and Ministry of Social Affairs into a single Ministry of Labour and Social Development;
- the creation of two bodies, the General Authority for Culture and the General Authority for Entertainment, which are respectively responsible for promoting the cultural and entertainment-related goals set out in Vision 2030; and
- the renaming of the Ministry of Hajj to the Ministry of Hajj and Umrah, while the former Ministry of Islamic Affairs, Endowments, Call and Guidance has been renamed the Ministry of Islamic Affairs, Call and Guidance.

In addition to the changes described above, a number of other Government institutions, including those related to education and sporting activities, have been created or restructured.

In April 2017, the National Security Centre was established pursuant to Royal Decree. The National Security Centre is headed by the Counsel of National Security and reports directly to the Royal Court.

In July 2017, a restructuring of the Ministry of the Interior, through a number of Royal Orders, was announced. The restructuring resulted in the establishment of a government body named the Presidency of National Security that reports directly to the President of the Council of Ministers and to which all departments relevant to national security have been transferred.

In June 2018, pursuant to a number of Royal Orders, the Ministry of Culture, which is responsible for the Kingdom's cultural activities, was established and the name of the former Ministry of Culture and Information was amended to the Ministry of Media. These Royal Orders also established the Royal Commission for Makkah City and Holy Sites and the Council of Royal Reserves.

In August 2019, pursuant to a number of Royal Orders, the Ministry of Industry and Mineral Resources was established and the name of the former Ministry of Energy, Industry and Mineral Resources was amended to the Ministry of Energy. The Ministry of Energy is responsible for all matters relating to energy, while the Ministry of Industry and Mineral Resources is responsible for the industrial development of Saudi Arabia, including the development of the National Industrial Clusters Development Programme as contemplated by Vision 2030. These Royal Orders also established the Saudi Data and Artificial Intelligence Authority, the National Centre for Artificial Intelligence and the National Data Management Office.

In February 2020, pursuant to a number of Royal Orders, three new ministries were established: the Ministry of Investment was established, which replaced the Saudi Arabia General Investment Authority, the Ministry of Sports was established, which replaced the General Sport Authority and the Ministry of Tourism was established, which replaced the Commission for Tourism and National Heritage. These Royal Orders also combined the Ministry of Civil Service with the Ministry of Labour and Social Development into a single Ministry of Human Resources and Social Development.

In January 2021, pursuant to a Royal Order, the Ministry of Housing was combined with the Ministry of Municipal and Rural Affairs into a single Ministry of Municipal, Rural Affairs and Housing.

Legal and Judicial System

Saudi law is derived from the Basic Law of Governance and legislation enacted in various forms, the most common of which are Royal Orders, Royal Decrees, High Orders, Council of Ministers resolutions, ministerial resolutions and ministerial circulars having the force of law.

Saudi Arabia follows a civil law system. Saudi Arabia's judicial system comprises the general courts, which have general jurisdiction over most civil and criminal cases, and specialised courts covering certain specific areas of law, including a system of administrative courts known as the Board of Grievances, Commercial Courts, Personal Status Courts, Penal Courts and a Specialised Penal Court. There are also various adjudicatory or quasi-judicial committees with special jurisdiction over such matters as banking transactions, securities regulation, intellectual property, labour disputes, tax, electricity industry disputes and medical malpractice.

In 2007, the Government announced a restructuring of the judicial system, including the establishment of courts of appeal and a supreme court, as well as the merger of most special adjudicatory committees into the general courts, though exceptions were made for certain adjudicatory committees. The committees that are exempted from the 2007 reforms include the Banking Disputes Committee and the Committee for the Enforcement of the Banking Control Law, both of which operate under the aegis of SAMA; the Committee for Resolution of Insurance Disputes and Violations, which operates under the aegis of the Insurance Authority; the Committee for the Resolution of Securities Disputes, which operates under the aegis of the CMA; and the Committee for Resolution of Custom Duties Disputes. The 2007 reforms also proposed the transfer of jurisdiction over commercial disputes from the Board of Grievances to the commercial courts which have started to hear disputes of a commercial nature as of 22 September 2017 pursuant to the Circular of the Supreme Court of Justice no. T/967 dated 01/01/1439H (corresponding to 22 September 2017). As part of the

ongoing restructuring of the judicial system, personal status courts, courts of appeal and a supreme court have already been established.

The enforcement of judgments and arbitral awards (including foreign judgments and arbitral awards) against government entities (such as the Ministry of Finance) is subject to the Administrative Enforcement Law. Pursuant to the Administrative Enforcement Law, a circuit court of the Board of Grievances may issue an enforcement order against a government entity after notifying the government entity of the enforcement and the lapse of a warning period. The Administrative Enforcement Law came into effect on 20 August 2023. See "*Risk Factors—Risks relating to enforcement in Saudi Arabia—Investors may experience difficulty in enforcing foreign judgments in Saudi Arabia"* and *"Risk Factors—Risks relating to enforcement in Saudi Arabia— Certificateholders may only be able to enforce the Trust Certificates through arbitration before the LCIA, and LCIA awards relating to disputes under the Trust Certificates and certain of the Transaction Documents may not be enforceable in Saudi Arabia*". Pursuant to the Insolvency Law issued by Royal Decree No. M/50 dated 28/5/1439H (corresponding to 13 February 2018), which came into effect in August 2018, as amended, supplemented or restated from time to time, the Board of Grievances' exclusive jurisdiction to supervise insolvency and bankruptcy proceedings relating to commercial entities was transferred to the Commercial Courts.

In June 2017, a Royal Order was issued changing the name of the Bureau of Investigation and Public Prosecution to the Public Prosecution and establishing it as an independent government body that reports directly to the King, headed by a general prosecutor.

On 4 November 2017, the Supreme Anti-Corruption Committee was formed by Royal Order No. A/38 to investigate certain corruption allegations. On 30 January 2019, the Supreme Anti-Corruption Committee announced that it had concluded its tasks and indicated that 381 individuals had been summoned in connection with the investigation, some of whom were summoned only to testify. A comprehensive review of each detainee's case was conducted under the supervision of the public prosecutor. After the due processing of each case, the detainees that were not indicted on charges related to corruption were released. Settlements were reached with 87 individuals after confession to the charges against them and their subsequent agreement to settlements. The public prosecutor refused to settle the cases of 56 individuals due to existing criminal charges against them. Finally, eight individuals refused to settle despite the existence of evidence against them and they were referred to the public prosecutor for further due process in accordance with relevant laws. As a result of the aforementioned measures, it is estimated that more than SAR 400 billion (U.S.$106.7 billion) was retrieved for the state treasury in the form of real estate, commercial entities, cash and other assets.

In June 2023, the Kingdom published the Saudi Civil Transactions Law, which took effect on 17 December 2023. The Saudi Civil Transactions Law codified the principles and rules governing civil transactions and forms part of the ongoing Vision 2030 legal reforms aiming to attract increased investment and further enhance business and consumer trust in the Kingdom's economy. The Saudi Civil Transactions Law provides a comprehensive set of rules applicable to contracts, including with respect to contract formation and termination and sets out the effects of contracts and certain defects that can lead to the voidance of such contracts, such as deceit, duress and exploitation.

Foreign Relations and International Organisations

Saudi Arabia's Position in the International Community

As the only Arab nation member of the Group of Twenty (also known as the G-20), an international forum for the governments of 20 major economies, and a founding member of several major international organisations, including the UN and OPEC, Saudi Arabia plays an important role in the global economy and international trade and diplomatic relations. Furthermore, as a founding member of the GCC, the Muslim World League, the Organisation of Islamic Cooperation (the "**OIC**") and the Islamic Development Bank (each of which is headquartered in Saudi Arabia) as well as the Arab League, Saudi Arabia has also assumed a leadership position among both Arab countries and the broader Muslim world. As the world's second largest oil producer (accounting for 14.5 per cent. of the world's total oil production) and one of the world's largest oil exporters

(accounting for 4.9 per cent. of the world's total oil exports by volume) in the year ended 31 December 2022, according to OPEC's 2023 Annual Statistical Bulletin, Saudi Arabia occupies a central position in OPEC and the world oil markets.

Saudi Arabia is also a member of the IMF, the African Development Bank Group, the Asian Infrastructure Investment Bank and the European Bank for Restructuring and Development (the "**EBRD**"). The EBRD's mandate has recently been expanded to invest and promote private initiatives in certain Arab countries in the Middle East and North Africa region.

Saudi Arabia joined the World Bank Group in 1957 and is one of the larger shareholders of the World Bank among its 189 member countries. In recognition of its contributions to the global economy and international development, Saudi Arabia achieved the status of a 'single-country constituency' on the World Bank's Executive Board (the "**Board**") in 1986. Saudi Arabia is represented at World Bank meetings by its executive director and engages in direct consultations and negotiations with other executive offices with the aim of achieving the World Bank's primary objective of reducing global poverty. From time to time, Saudi Arabia's executive director has served as the chair of the Board's standing committees, and several of the past Saudi executive directors have served as dean of the Board.

Saudi Arabia acceded as a member of the WTO in November 2005, as a result of which the Government has implemented various structural reforms in order to create a more liberal trade regime and business-friendly environment. In addition to the WTO, Saudi Arabia is party to a number of multilateral business and trade related agreements, including the Convention Establishing the Multilateral Investment Guarantee Agency; the Inter-Arab Investment Guarantee Corporation; the UN Guiding Principles on Business and Human Rights; and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Saudi Arabia is also party to a number of trade and economic agreements aimed at promoting trade and economic development, including the Arab Economic Unity Agreement; the Arab League Investment Agreement; the League of Arab States Investment and the Agreement on Promotion, Protection and Guarantee of Investments among the Member States of the OIC.

Saudi Arabia plays a key role in the international fight against terrorism. Saudi Arabia is a member and an active participant in a number of international organisations and treaties pertaining to anti-money laundering ("**AML**") and combatting the financing of terrorism ("**CFT**"). For details, see "*Monetary and Financial System—Regulation—Anti-Money Laundering and Combatting the Financing of Terrorism*". In December 2015, the Government announced the establishment of an intergovernmental military alliance of 34 countries based at a joint command centre in Riyadh, the primary objective of which is to combat terrorist organisations, including *Da'esh*, in line with UN and OIC initiatives on counter-terrorism.

Saudi Arabia is also a member of the International Chamber of Commerce, the World Intellectual Property Organisation, the Greater Arab Free Trade Area, the International Organisation of Securities Commissions and the Organisation for the Prohibition of Chemical Weapons.

Saudi Arabia has entered into bilateral economic, trade and technical cooperation agreements with 36 countries, which aim to develop economic, trade and technical cooperation and to enable the free inflow of goods, capital, and services and the free movement of individuals and investment between the contracting countries. Saudi Arabia has also entered into Avoidance of Double Taxation Agreements with 55 countries.

In addition, Saudi Arabia contributes significant amounts of development aid to other countries and institutions, including through the Saudi Fund for Development (the "**SFD**"). The SFD extends loans and credit support for the development of a range of projects in many developing countries, particularly in Asia and Africa, with a particular focus on the social infrastructure, agriculture, energy and industry sectors.

Relations with Gulf Cooperation Council and other Arab countries

The GCC was established on 25 May 1981, comprising Saudi Arabia, Bahrain, Kuwait, Oman, Qatar and the UAE, with the aim of promoting cooperation between the member countries and achieving coordination and

integration across a range of diverse fields. The Secretariat General of the GCC is located in Riyadh, Saudi Arabia. An agreement to achieve economic unification between the countries of the GCC was signed on 11 November 1981 which led, on 1 January 2008, to the creation of a common market in the GCC region. In January 2016 the common market was further integrated, providing for full equality among GCC citizens in government and private sector employment, social insurance and retirement coverage, real estate ownership, capital movement, access to education, health and other social services in all member states. In the year ended 31 December 2022, the GCC countries, as a whole, accounted for SAR 77.7 billion (U.S.$20.7 billion), or 10.9 per cent., of Saudi Arabia's total imports and SAR 135.3 billion (U.S.$36.1 billion), or 8.8 per cent., of Saudi Arabia's total exports.

In December 2008, Saudi Arabia, Bahrain, Qatar and Kuwait approved a monetary union agreement (the "**Monetary Union Agreement**") and a statute relating to the new Gulf Monetary Council (the "**Monetary Council Statute**"), which set forth the legal and institutional framework for a proposed monetary union of the relevant member states. The Monetary Union Agreement was ratified and came into force on 27 February 2010, while the Monetary Council Statute became effective on 27 March 2010. The Gulf Monetary Council, which was established in Riyadh, held its inaugural meeting on 30 March 2010. The primary strategic aim of the Gulf Monetary Council is to improve the efficiency of financial services, lower transaction costs and increase transparency in the prices of goods and services, and an essential part of this strategy is the establishment of a GCC central bank followed by a common currency for the countries that have acceded to the Monetary Union Agreement. See "*Monetary and Financial System—GCC Monetary Union*".

In addition to the creation of a common market and a closer economic and social union, the member states of the GCC cooperate on the development of a shared security strategy (see "*Risk* Factors—*Saudi Arabia is located in a region that has been subject to ongoing political and security concerns*").

Saudi Arabia also maintains strong diplomatic and economic relationships with the other Arab countries outside the GCC. In the year ended 31 December 2022, Arab League countries outside the GCC (comprising Jordan, Iraq, Yemen, Lebanon, Egypt, Syria, Morocco and Sudan) accounted for SAR 38.2 billion (U.S.$10.2 billion), or 5.4 per cent., of Saudi Arabia's total imports and SAR 114.9 billion (U.S.$30.6 billion), or 7.5 per cent., of Saudi Arabia's total exports. A number of Arab countries, particularly Tunisia, Egypt, Sudan and Yemen, have also been major beneficiaries of the SFD.

On 5 June 2017, three GCC countries – Saudi Arabia, the UAE and Bahrain – as well as Egypt and Yemen – severed diplomatic ties with Qatar, cut trade and transport links and imposed sanctions on Qatar. In January 2021, Saudi Arabia, the UAE, Bahrain and Egypt restored full diplomatic relations with Qatar and re-opened trade and transport links.

Relations with other countries and the European Union

Outside the GCC, Saudi Arabia has strong trading and diplomatic relationships with many countries, particularly major economies such as the United States, China, Japan, South Korea, India and a number of states of the European Union including the United Kingdom, Germany and France.

United States

Saudi Arabia and the United States have enjoyed a strong relationship for over 80 years. U.S. businesses have been involved in Saudi Arabia's oil industry since 1933, when Standard Oil of California ("**Socal**"), the predecessor company to Chevron Corporation, won an exploration concession in eastern Saudi Arabia, which was undertaken by its wholly-owned subsidiary, the California Arabian Standard Oil Company ("**CASOC**"). The predecessor companies to Texaco, Exxon and Mobil each subsequently acquired stakes in CASOC, which was renamed as the Arabian American Oil Company ("**Aramco**") in 1948. Although Saudi Arabia completed its buyout of Aramco by 1980, U.S. energy companies continued to maintain extensive business interests in Saudi Arabia and, over time, the relationship between Saudi Arabia and the United States has expanded to a deep commercial alliance extending beyond the hydrocarbons industry to most other sectors of Saudi Arabia's economy, and at present a large number of major U.S. companies, including, among others, General Electric,

Honeywell, Bechtel, 3M, Microsoft, The Dow Chemical Company and Alcoa Inc., have a presence, or are conducting business, in Saudi Arabia across a diverse range of economic sectors. The U.S. Export-Import Bank plays an active role in support of U.S. businesses' investments in Saudi Arabia.

In addition to economic ties, Saudi Arabia and the United States have had a long tradition of sharing common concerns for regional and global security, oil exports and imports and sustainable development. Saudi Arabia has been a key ally of the United States in the Middle East region for the past several decades. Saudi Arabia and the United States are also strong partners in respect of issues of national security and counterterrorism and the defence forces of the two countries regularly participate in joint exercises to advance shared interests in regional security.

In the year ended 31 December 2022, the United States was Saudi Arabia's second biggest trading partner in terms of imports and its fifth biggest trading partner in terms of exports, accounting for SAR 65.0 billion (U.S.$17.3 billion), or 9.1 per cent., of Saudi Arabia's total imports and SAR 87.1 billion (U.S.$23.2 billion), or 5.6 per cent., of Saudi Arabia's total exports for that year. Saudi Arabia is also the largest U.S. export market in the Middle East.

The courts of the United States may hear certain civil claims against a foreign state for injuries, death or damages as a result of tortious or other acts (inside or outside the U.S.). The U.S. federal courts have exclusive jurisdiction over certain claims against foreign states. Where such exclusive jurisdiction does not exist a foreign state may "remove" any suit brought against it in state courts to the U.S. federal courts.

China

Since the establishment of formal diplomatic relations between Saudi Arabia and China in 1990, economic and political ties between the two countries have developed rapidly. In the year ended 31 December 2022, China was Saudi Arabia's biggest trading partner in terms of imports and exports, accounting for SAR 149.3 billion (U.S.$39.8 billion), or 21.0 per cent., of Saudi Arabia's total imports and SAR 249.9 billion (U.S.$66.6 billion), or 16.2 per cent., of Saudi Arabia's total exports for that year. China's demand for energy has increased significantly over the past two decades as a consequence of its rapid economic growth, resulting in China becoming the world's leading importer of crude oil. As one of the world's leading oil exporters, Saudi Arabia is China's leading source of oil. Saudi Arabia has also become an increasingly important market for Chinese consumer goods, including electronics, textiles and food.

The economic ties between Saudi Arabia and China include significant investments by Saudi Arabia in Chinese oil refineries and, equally, the involvement of Chinese companies in the development of Saudi Arabia's own refineries and natural gas fields. Saudi Arabia has made a number of key investments in China, including through its state-owned companies Saudi Aramco and Saudi Basic Industries Corporation ("**SABIC**") (see "*Economy of Saudi Arabia*"). In January 2016, Saudi Aramco and China Petrochemicals Corporation ("**Sinopec**") also announced their entry into a framework agreement for strategic cooperation to further explore business opportunities in Saudi Arabia's oil and gas industry. Chinese companies have participated in various large-scale projects in Saudi Arabia's health, transportation and construction sectors, including the Haramain High-Speed Rail network connecting Makkah and Medina to King Abdulaziz International Airport and the King Abdullah Economic City. There is also an increasing number of Saudi students and professionals obtaining higher education and/or professional training in China.

Japan

In the year ended 31 December 2022, Japan was Saudi Arabia's sixth biggest trading partner in terms of imports and its third biggest trading partner in terms of exports, accounting for SAR 25.2 billion (U.S.$6.7 billion), or 3.5 per cent., of Saudi Arabia's total imports and SAR 152.9 billion (U.S.$40.8 billion), or 9.9 per cent., of Saudi Arabia's total exports. Saudi Arabia is the second largest export market for Japanese goods in the Gulf region and the leading market in terms of exports from the Gulf to Japan. Japanese companies, including leading industrial conglomerates like Sumitomo Corporation, have also made significant investments in Saudi Arabia's energy and refining sector. The Japan Bank for International Cooperation plays an important

role in support of Japanese businesses and investments in Saudi Arabia, including in the energy and petrochemicals sectors.

Saudi Arabia and Japan also collaborate in the areas of sustainable energy transition, civil nuclear cooperation, security and combatting terrorism. Given the close economic relationship between the two countries, Japan provides Saudi Arabia with technical expertise and cooperation, and regularly provides training for Saudi professionals in sectors such as communications, broadcasting, mining, and manufacturing. A number of Saudi students are currently studying in Japan under the Government's scholarship programme.

South Korea

Diplomatic relations between Saudi Arabia and South Korea were officially established in 1962, since which time the two countries have worked closely to develop their political, cultural and economic relations. A number of leading South Korean companies are represented in Saudi Arabia and are engaged in major projects in sectors such as petrochemicals, desalinisation, power plants, industrial manufacturing and trading. In the year ended 31 December 2022, South Korea was Saudi Arabia's eighth biggest trading partner in terms of imports and its fourth biggest trading partner in terms of exports, accounting for SAR 19.8 billion (U.S.$5.3 billion), or 2.8 per cent., of Saudi Arabia's total imports and SAR 142.2 billion (U.S.$37.9 billion), or 9.2 per cent., of Saudi Arabia's total exports. Saudi Arabia is also South Korea's largest oil supplier, making up almost one-third of South Korea's total oil imports.

The Export-Import Bank of Korea and the Korea Export Insurance Corporation play an important part in the development of projects, and in supporting South Korean companies' investments, in Saudi Arabia. Saudi Arabia and South Korea are party to a number of bilateral agreements and committees, including the Saudi-Korea Joint Committee, which aims to promote economic cooperation between the two countries. Bilateral cooperation between Saudi Arabia and South Korea in the education sector includes exchange of students and cooperation between the universities of both countries.

India

In the year ended 31 December 2022, India was Saudi Arabia's fourth biggest trading partner in terms of imports and its second biggest trading partner in terms of exports, accounting for SAR 39.5 billion (U.S.$10.5 billion), or 5.5 per cent., of Saudi Arabia's total imports and SAR 157.2 billion (U.S.$41.9 billion), or 10.2 per cent., of Saudi Arabia's total exports. Saudi Arabia is one of India's largest suppliers of crude oil and is also home to approximately three million Indian expatriates, constituting the largest expatriate community in Saudi Arabia. Saudi Arabia and India entered into a strategic energy partnership in 2006, providing for a reliable and stable volume of crude oil supplies to India through long-term contracts. Major Indian exports to Saudi Arabia include agricultural products, electronic equipment, iron and steel, organic chemicals and consumer goods. A number of Indian companies have established a presence in Saudi Arabia in various sectors, including management and consultancy services, financial services, pharmaceuticals and software development.

Germany

Saudi Arabia is a major export market for Germany, principally in relation to cars and spare parts, pharmaceutical products, and engineering and technological services. In the year ended 31 December 2022, Germany was Saudi Arabia's fifth biggest trading partner in terms of imports, accounting for SAR 30.0 billion (U.S.$8.0 billion), or 4.2 per cent., of Saudi Arabia's total imports. In the same year, Germany also accounted for SAR 7.8 billion (U.S.$2.1 billion), or 0.5 per cent., of total exports from Saudi Arabia. The German-Saudi Arabian Liaison Office for Economic Affairs ("**GESALO**"), which was established in 1978, is the official representative of German industry and commerce in Saudi Arabia and works closely with the Government and the Ministry of Investment ("**MISA**") (formerly known as the Saudi Arabian General Investment Authority) to further enhance economic ties between the two countries. Major German companies, including, among others, Linde, Siemens and BASF, have set up production facilities in Saudi Arabia and are active across diverse economic sectors in Saudi Arabia.

France

Diplomatic relations between Saudi Arabia and France were officially established in 1926, and the two countries enjoy a strong relationship based on economic relations and shared strategic interests. In the year ended 31 December 2022, France was Saudi Arabia's eleventh biggest trading partner in terms of imports, accounting for SAR 16.7 billion (U.S.$4.5 billion), or 2.3 per cent., of Saudi Arabia's total imports. In the same year, France also accounted for SAR 28.4 billion (U.S.$7.6 billion), or 1.8 per cent., of exports from Saudi Arabia.

United Kingdom

Diplomatic ties between the territory that now constitutes Saudi Arabia and the United Kingdom pre-date the formal inception of Saudi Arabia, including cooperation between the United Kingdom and King Abdulaziz in respect of the Treaty of Jeddah in 1927, which recognised Saudi Arabia's territory. Since then, Saudi Arabia and the United Kingdom have maintained a broad alliance based on shared strategic interests, particularly in defence, security and trade, and a shared commitment to security and stability in the Middle East.

In the year ended 31 December 2022, the United Kingdom was Saudi Arabia's thirteenth biggest trading partner in terms of imports, accounting for SAR 15.6 billion (U.S.$4.2 billion), or 2.2 per cent., of Saudi Arabia's total imports. In the same year, the United Kingdom also accounted for SAR 10.5 billion (U.S.$2.8 billion), or 0.7 per cent., of exports from Saudi Arabia. A large number of British expatriates reside in Saudi Arabia and major British companies that conduct business in Saudi Arabia include Shell, GlaxoSmithKline, BAE Systems, Rolls Royce and Marks & Spencer. The British Government has also supported the United Kingdom's involvement in large-scale projects in Saudi Arabia through its export credit agency, UK Export Finance.

A significant number of Saudi students obtain education and vocational training in the United Kingdom, and the Government has established a number of scholarship programmes with the aim of increasing the number of Saudi students in the United Kingdom. The British Council, which has offices and teaching centres in Riyadh, Jeddah and Al-Khobar, promotes education, art, and social initiatives in Saudi Arabia.

European Union

The EU is an important trading partner for Saudi Arabia. Saudi Arabia's petroleum exports are purchased by most of the EU states, and a number of EU petroleum companies are investors in Saudi Arabia's economy. Saudi Arabia is also an important market for the import of EU industrial goods in areas such as machinery, chemicals, transportation and automotive. In the year ended 31 December 2022, EU countries accounted for SAR 136.2 billion (U.S.$36.3 billion), or 19.1 per cent., of Saudi Arabia's total imports and SAR 178.0 billion (U.S.$47.5 billion), or 11.5 per cent., of Saudi Arabia's total exports.

Saudi Arabia's diplomatic and economic relationship with the EU is also framed within its membership of the GCC. The EU established bilateral relations with GCC countries through a cooperation agreement in 1988, which provides for annual joint councils/ministerial meetings between EU and GCC foreign ministers, and for joint cooperation committees at senior official level.

Employment

As at 31 December 2022, the total number of Saudi employed persons reached 3.7 million, of which 2.3 million, or 61 per cent., were male and 1.4 million, or 39 per cent., were female. Saudi nationals in the age group from 25 to 39 years constituted 50 per cent. of the Saudi labour force as at 31 December 2022.

The following table sets forth selected statistics relating to the labour force in Saudi Arabia as at 31 December 2022, 2021, 2020 and 2019, respectively.

	As at 31 December											
	2022			2021			2020			2019		
	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
Total employed persons ...	3,770,631	10,987,727	**14,758,358**	3,450,057	9,595,181	**13,045,238**	3,252,198	10,066,500	**13,318,698**	3,170,272	10,220,703	**13,390,975**
Male	*2,300,070*	*9,672,933*	***11,973,003***	*2,180,320*	*8,481,117*	***10,661,437***	*2,079,331*	*8,753,985*	***10,833,316***	*2,054,858*	*8,792,516*	***10,847,374***
Female	*1,470,561*	*1,314,794*	***2,785,355***	*1,269,737*	*1,114,064*	***2,383,801***	*1,172,867*	*1,312,515*	***2,485,382***	*1,115,414*	*1,428,187*	***2,543,601***
Total civil service employees	1,189,216	44,065	**1,233,281**	1,209,245	46,317	**1,255,562**	1,224,661	48,874	**1,273,535**	1,216,502	46,868	**1,263370**
Male	*688,985*	*23,147*	***712,132***	*710,470*	*24,257*	***734,727***	*722,090*	*25,931*	***748,021***	*720,375*	*24,647*	***735,022***
Female	*500,231*	*20,918*	***521,149***	*498,775*	*22,060*	***520,835***	*502,571*	*22,943*	***525,514***	*496,127*	*24,647*	***730,967***
Total unemployment rate (%)	8.0	1.5	**4.8**	11.0	2.9	**6.9**	12.6	2.6	7.4	12.0	0.4	**5.7**
Male	*4.2*	*0.9*	***2.3***	*5.2*	*2.0*	***3.3***	*7.1*	*1.7*	*4.0*	*4.9*	*0.3*	***2.2***
Female	*15.4*	*5.9*	***12.9***	*22.5*	*9.0*	***18.7***	*24.4*	*9.1*	*20.2*	*30.8*	*1.3*	***21.3***

Source: GASTAT
Notes:
Excluding employees in the security and military sectors.

The overall unemployment rate in Saudi Arabia (with respect to all nationalities) as at 31 December 2022 decreased to 4.8 per cent., comprising an unemployment rate of 2.3 per cent. among males and 12.9 per cent. among females. The overall unemployment rate for Saudi nationals as at 31 December 2022 was 8.0 per cent., comprising an unemployment rate of 4.2 per cent. among Saudi males and 15.4 per cent. among Saudi females.

Vision 2030 also places great emphasis on providing Saudi citizens with the necessary training and skills required for becoming an effective part of the workforce, in particular increasing the participation of Saudi citizens in the private sector, and initiatives have been launched to further these aims, including initiatives to increase women's participation in the labour market and to enable integration of people with disabilities in the labour market.

Saudisation

In light of the Government's objective to better accommodate Saudi nationals in the work force, and in particular to encourage them to join the private sector, the Government has supported a number of initiatives to achieve these results, and towards this end the Ministry of Human Resources and Social Development has implemented the Saudi nationalisation scheme, or "*Saudisation*". Saudisation is intended to promote the employment of Saudi nationals in the private sector, which has traditionally been dominated by expatriate workers from Asia, Europe and other Arab countries. Current Saudisation requirements vary significantly depending on the relevant sector and the size of the employer. For example, entities engaging in wholesale and retail activities are required to maintain a Saudisation level of eight to 25 per cent., depending on the size of the employer, whereas entities engaging in construction activities are required to maintain a Saudisation level of five to 100 per cent., depending on the size of the employer.

In June 2011, the former Ministry of Labour (now the Ministry of Human Resources and Social Development) introduced the *nitaqat* scheme, which as currently structured categorises private businesses into five categories, depending, amongst other criteria on their objects and total number of employees. Under the *nitaqat* scheme, businesses receive incentives or penalties depending on the category that they belong to, particularly in relation to visa applications, transfers and renewals. The Ministry of Human Resources and Social Development has also introduced the *hafiz* programme for supporting Saudi job-seekers, which provides various employment channels to enable the private sector to hire qualified Saudi nationals. In 2015, the Labour Law was amended to enable the Ministry of Human Resources and Social Development to further encourage compliance by employers with the applicable Saudisation requirements. Furthermore, the Government imposed expatriate levies in July 2017 and increased work visa fee requirements for expatriates, all of which is expected to further incentivise employment of Saudi nationals.

Education

The education system in Saudi Arabia is under the jurisdiction of the Ministry of Education. The mission of the Ministry of Education is to make education accessible to all while raising the quality of its processes and outputs, developing an educational environment that stimulates creativity and innovation to meet the requirements of development, improving the education system governance, developing the skills and capabilities of its employees and providing learners with the necessary values and skills to become good citizens.

The Government's budgeted expenditure on education for the fiscal year 2023 is SAR 189 billion (U.S.$50.4 billion). In the fiscal year 2022, estimated actual expenditure on education was SAR 195 billion (U.S.$52.0 billion), compared to a budgeted expenditure of SAR 185 billion (U.S.$49.3 billion).

Healthcare

Saudi Arabia has a national healthcare system in which the Government provides free healthcare services to its citizens through a number of Government agencies. There is also a growing role and increased participation from the private sector in the provision of healthcare services, and the participation of the private sector in the healthcare system is one of the key features of Vision 2030 and the NTP (see "*—Strategy of Saudi Arabia*" below).

The Government's budgeted expenditure on health and social development for the fiscal year 2023 is SAR 189 billion (U.S.$50.4 billion). In the fiscal year 2022, estimated actual expenditure on health and social developments was SAR 198 billion (U.S.$52.8 billion), compared to a budgeted expenditure of SAR 138 billion (U.S.$36.8 billion).

Environment

Saudi Arabia's sustained period of rapid economic growth over the past few decades has been accompanied by high rates of population growth and increasing pressure on the country's natural resources. The potentially adverse environmental impact of unregulated economic growth has been recognised in the Government's recent Development Plans, which have emphasised the importance of achieving sustainable development through the conservation and prudent management of its natural resources. The eighth, ninth and tenth Development Plans have focused on protecting the environment and developing suitable systems consistent with sustainable development.

Given the relative size and importance of the hydrocarbon sector in Saudi Arabia's economy and its potential impact on the environment, Saudi Aramco, as the principal entity responsible for managing Saudi Arabia's oil and gas assets, places a high priority on its sustainable development policies as well as on environmental performance enhancements across Saudi Arabia's entire hydrocarbon sector. For additional information in relation to Saudi Aramco's environmental policies, see "*Economy of Saudi Arabia—Oil and Gas—Environment*".

As part of the recent restructuring of the Government, the MEWA was created (succeeding the former Ministry of Agriculture as well as the Ministry of Water and Electricity) with responsibility for, among other matters, protecting and improving the quality of the environment. Environmental protection in Saudi Arabia is regulated under the General Environmental Law (the "**Environmental Law**"), enacted by Royal Decree No. M/165 dated 10 July 2020 and its implementing regulations. The Environmental Law operates as a general regulatory framework for the development and enforcement of domestic environmental rules and regulations.

In October 2021, the Kingdom committed to reaching net zero carbon emissions by 2060. The Kingdom also joined the global methane pledge, which aims to reduce methane emissions globally by 30 per cent. over the coming decade compared to emission levels in 2020.

In 2021, the Kingdom launched the SGI, a national initiative focused on combating climate change, improving quality of life, and protecting the environment for future generations. The SGI supports Saudi Arabia's ambition to reach net zero emissions by 2060 through a Circular Carbon Economy ("**CCE**") approach, while also accelerating the country's transition to a green economy. Three overarching targets guide the SGI's work – emissions reduction, afforestation, and land and sea protection. Since the SGI's inauguration, 80 initiatives corresponding to the three targets have been activated, representing an investment of more than SAR 697.5 billion (U.S.$186 billion) and helping to drive sustainable growth.

The Kingdom's environmental strategy involves all actors in the economy and comprises an innovative CCE program. The CCE approach contributes to achieving the Kingdom's climate goals in a manner that enables economic diversification while taking into consideration the dynamic baseline state in the Kingdom's nationally determined contributions ("**NDCs**"), preserving the Kingdom's role in promoting the security and stability of global energy markets and taking into account the maturity and availability of necessary technologies to avoid and prevent GHG emissions.

The Kingdom's climate strategy is essential given both the Kingdom's geographic positioning, which makes its citizens vulnerable to shifting climate patterns due to global warming, and the need to diversify the economy to build longer term resilience for the nation.

The Kingdom is developing and implementing holistic and harmonized programs, policies, initiatives, and collaboration platforms to address climate change challenges at the national, regional and global level. Examples include the SGI, the Middle East Green Initiative, the Circular Carbon Economy National Program, the National Renewable Energy Program and the Saudi Energy Efficiency Program. The Kingdom is also a participant in international environmental initiatives, including the Global Methane Initiative, Mission Innovation, Clean Energy Ministerial and the Net Zero Producers Forum. These initiatives span diverse economic sectors and are carried out by a wide array of both public and private sector entities.

As per its updated NDC, the Kingdom aims to reduce its net annual CO_2 emissions by 278 million tons annually by 2030. This target represents an increase from the reduction target of 130 million tons of CO_2 annually previously published in the Kingdom's intended NDC, demonstrating the Kingdom's commitment to its environmental strategy.

Strategy of Saudi Arabia

Vision 2030

In April 2016, the Government announced its new strategy, known as "Vision 2030", which sets forth a comprehensive agenda of socio-economic reforms with the aim of achieving fundamental economic, social and structural changes in Saudi Arabia by the year 2030. Vision 2030 is based upon three fundamental existing strengths of Saudi Arabia: (i) its importance in the Arab and Islamic world; (ii) its leading investment capabilities; and (iii) its unique strategic geographical location with the ability to connect the three continents of Asia, Europe and Africa.

The key objectives of Vision 2030 include the diversification of Saudi Arabia's economy and decreased reliance upon oil-related revenues through, among other measures, the transformation of Saudi Aramco from an oil-producing company into a global industrial conglomerate and the transformation of the Public Investment Fund (the "**PIF**") into a sovereign wealth fund. The PIF intends to continue to assist the private sector with the establishment of capital-intensive projects. In addition, Vision 2030 aims to reform Government services to increase transparency and accountability, as well as to expand the variety and scope of digital services offered by the Government in order to improve efficiency and reduce bureaucracy.

Vision 2030 focuses on three broad themes, each of which aims to capitalise on Saudi Arabia's existing strengths in its society, culture, heritage and economy. The three themes highlighted in Vision 2030 are Societal Development, Economic Reform and Effective Governance.

The Council of Ministers has delegated to the CEDA the overall responsibility for establishing and monitoring the measures required for the effective implementation of Vision 2030, and the CEDA has in turn established an integrated governance model to implement detailed programmes to attain the desired results. For details on the several initiatives that have already been launched, or are anticipated to be launched in connection with the implementation of Vision 2030, see "*—Implementation of Vision 2030*" below. One of the key executive programmes that was launched in June 2016 in connection with the implementation of Vision 2030 is the NTP, which sets forth the objectives and detailed methodology, including clearly identified goals and targets that are sought to be achieved in connection with the implementation of Vision 2030. For details on the NTP, see "*—National Transformation Programme*" below.

The Fiscal Sustainability Programme (previously named the Fiscal Balance Programme), launched in December 2016 in connection with the implementation of Vision 2030, is another key executive programme and sets forth objectives and measures aimed at achieving a balanced budget by 2020.

In April 2017, CEDA, in connection with the implementation of Vision 2030, initially launched ten new executive programmes, which, in addition to the NTP and the Fiscal Sustainability Programme, are known as the Vision 2030 realisation programmes. (see "*—Implementation of Vision 2030*" below).

In 2021, the Kingdom unveiled a number of investment initiatives aimed at supporting the economy and further enabling the objectives of Vision 2030. Under these initiatives, approximately SAR 12,000.0 billion is expected to be injected into the national economy through investment activity by 2030, including SAR 5,000.0 billion by Saudi private sector businesses through the Shareek programme (a partnership of the Government with the private sector aimed at increasing domestic investments and supporting economic growth) and SAR 150.0 billion in annual contributions by the PIF through the Public Investment Fund Programme, with the remaining SAR 4.0 trillion expected to be generated by investments facilitated by the National Investment Strategy launched in October 2021. Additionally, the Government expects that the national economy will receive approximately SAR 10.0 trillion through government spending and a further SAR 5.0 trillion from private consumption spending over the same period. This represents a total expected injection of approximately SAR 27.0 trillion (U.S.$7.2 trillion) by 2030.

Societal Development

This theme focuses on individual and societal development and aims to promote national unity and values. The various measures and objectives envisaged under this theme include the following:

- A significant increase in Saudi Arabia's capacity to accommodate Umrah visitors, as well as the restoration and international registration of a number of national, Arab, Islamic and ancient cultural sites, which is intended to increase their visibility and accessibility to visitors.

- The development of cultural and entertainment activities within Saudi Arabia, with dedicated venues being established for this purpose.

- Recognition of the importance of youth development and the critical role that the family unit plays in such development. To this end, measures will be implemented which will seek to encourage parents to be actively engaged in school activities and the education of their children.

- An increase in the capability, efficiency and productivity of healthcare services in Saudi Arabia by promoting competition and transparency among providers. To achieve this goal, the Government intends to introduce corporatisation into the healthcare sector by transferring the responsibility for healthcare provision to a network of public companies that will compete both with each other and with the private sector.

Economic Reform

This theme focuses on an ambitious programme of economic reform. The various measures envisaged under this theme include the following:

- Recognising the need for high quality education that is responsive to the needs of Saudi Arabia's economy. To this end, the Government has launched the National Labour Gateway (*taqat*) and intends to establish sector councils to determine the skills and knowledge required by each socio-economic sector, with the aim of equipping Saudi citizens with the skill-set required to become an effective part of the workforce, in particular the private sector, and thereby lowering Saudi Arabia's unemployment rate and encouraging women's participation in the workforce.

- While acknowledging that the oil and gas industry is an essential pillar of Saudi Arabia's economy, emphasising the need for economic diversification. This is expected to be achieved through various measures, including privatisation initiatives, the development of Saudi Arabia's investment vehicles and an emphasis on the manufacturing sector (including manufacturing of military equipment to meet a substantial portion of its defence needs).

- Establishing an authority for small and medium size enterprises to encourage young entrepreneurs and introduce business-friendly regulations, easier access to funding and to encourage a greater share of national procurement and Government bids.

- Targeting a significant increase in the contribution of the mining sector to Saudi Arabia's economy, through a number of measures, including implementation of structural reforms that will stimulate private sector investment in the mining industry.

- Envisaging the diversification of Saudi Arabia's sources of energy and implementing a legal and regulatory framework to encourage the private sector to invest in the renewable energy sector.

- Emphasising the development of the retail sector by attracting both domestic and international investors, as well as by easing restrictions on ownership and foreign investment and through encouraging financing of small retail enterprises to stimulate growth, thereby expanding the opportunities for e-commerce and the creation of additional employment opportunities in the retail sector. See "*Economy of Saudi Arabia—Economic Policy—Foreign Investment*".

- Promoting Saudi Arabia as a logistical hub by strengthening interconnectivity and economic integration of infrastructure, both domestically and internationally, and developing Saudi Arabia's telecommunications and information technology infrastructure.

Effective Governance

This theme focuses on building an effective, transparent and accountable Government, and the need for the Government to adopt world-class standards of transparency, efficiency and accountability. The various measures envisaged under this theme include the following:

- the regular review and publication of the Government's goals, plans and performance, with the aim of increasing transparency and enabling monitoring of progress through performance and project management programmes.

- the expansion of "smart" Government services such as interactive and online Government portals, with the aim of achieving global leadership in e-government.

- offering training programmes for Government employees and provision of ongoing professional development and training with the aim of increasing productivity.

- increasing the efficiency of Government spending. To this end, a comprehensive review of financial regulations across Government agencies is currently being undertaken.

Implementation of Vision 2030

The Government has already launched a number of programmes that seek generally to achieve the aims and objectives of Vision 2030, which include the following:

- *The Fiscal Sustainability Programme:* This programme involves reviewing Saudi Arabia's existing capital expenditure, including the approval mechanisms relating to such expenditure, and its measurable economic impact. This programme envisages that further measures will be introduced with the aim of achieving economic diversification and fiscal consolidation. The Fiscal Sustainability Programme is a key component to developing a more effective government by enabling additional scrutiny of government finances as well as contributing to key socio-economic objectives of Vision 2030, including facilitating additional investments in Vision 2030 programmes and reforms to the social welfare system. For further details, see "*Public Finance—Fiscal Consolidation Measures and the Introduction of the Fiscal Sustainability Programme*"

- *The National Transformation Programme:* This programme was launched by the Government in June 2016 and establishes strategic objectives that are based on Vision 2030 and addresses various challenges involved in the implementation of Vision 2030 in accordance with the specified methodology and targets. As a result of the launch of the Vision 2030 realisation programmes, the Government is re-examining the scope of the NTP in order to eliminate overlaps between the NTP and other programmes and ensure that the NTP continues to meet the overall objectives of Vision 2030. For further details in respect of NTP, see "*—National Transformation Programme*" below.

- *Day of Al Rahman Programme*: This programme aims to increase the number of people performing Hajj and Umrah including through the development of further infrastructure to support increased participation in Hajj and Umrah.

- *Quality of Life Programme*: This programme aims to increase participation in cultural, environmental and sporting activities. The programme also focuses on developing the tourism sector in the Kingdom as well as contributing to strengthening the Kingdom's position as a global tourist destination, achieving tangible accomplishments.

- *National Industrial Development Logistics Programme (the "**NIDLP**")*: This programme aims to position Saudi Arabia as a logistics hub that benefits from its location at the intersection of three continents through improving infrastructure and developing logistics services. The delivery plan for the NIDLP was approved on 15 July 2017 and the programme was officially launched on 28 January 2019. During the inauguration ceremony, 37 agreements and memorandums of understanding were signed with an estimated value of SAR 205.0 billion (U.S.$54.7 billion), in addition to 29 other agreements being announced. These were in addition to 25 agreements signed in October 2018, with an estimated value of SAR 210.0 billion (U.S.$56.0 billion), of which agreements with an estimated value of SAR 165.0 billion (U.S.$44.0 billion) are under the NIDLP. The NIDLP's objective is to develop the industry, mining, energy and logistics sectors in Saudi Arabia, which in turn is expected to support job generation, increase non-oil exports, reduce imports, raise the contribution of these sectors to the Kingdom's gross domestic product and attract foreign investments.

- *The Housing Programme*: This programme aims to facilitate increased private home ownership through the development of the residential and construction sectors.

- *Public Investment Fund Programme*: This programme strengthens the Public Investment Fund, which is the engine behind economic diversity in the KSA. It also develops high focused strategic sectors by growing and maximizing the impact of the Fund's investments and seeks to make PIF among the

largest sovereign wealth funds in the world. Moreover, the Program establishes strong economic partnerships that help deepen the KSA's impact and role both regionally and globally (see "*Public Finance—Public Investment Fund*").

- *Financial Sector Development Programme*: This programme aims to increase the size, depth, and development of Saudi Arabia's capital markets, improve operators' and users' experiences as well as the status of Saudi Arabian capital markets regionally, with the aim of making Saudi Arabia's capital markets the primary market in the Middle East and one of the most respected markets internationally. The programme aims to help create an advanced market that attracts local and foreign investors, which enables it to take on a pivotal role in developing the national economy and diversifying sources of income.

- *Privatisation Programme*: This programme aims to identify sectors suitable for privatisation and to implement a comprehensive privatisation programme.

- *Human Capability Development Programme:* This programme aims to ensure that citizens have the required capabilities to compete globally by instilling values and developing basic and future skills, as well as enhancing knowledge to meet the requirements of the future local and global labour markets.

- *Health Sector Transformation Programme:* This programme aims to restructure the health sector in the Kingdom to be a comprehensive, effective and integrated health system that is based on the health of the individual and society and depends on the principle of value-based care.

In addition to the programmes outlined above, each of which have already been initiated and are at various stages of implementation, the Government is proposing to launch additional programmes that are intended to assist in achieving the aims of Vision 2030. These programmes include the Saudi Aramco Strategic Transformation Programme, a programme that envisages the transformation of Saudi Aramco from an oil-producing company into a global industrial conglomerate (see "*Economy of Saudi Arabia—Oil and Gas—Saudi Aramco*").

National Transformation Programme

The NTP was launched in June 2016 across 24 governmental bodies operating in the economic and development sectors. At the time of its launch, the NTP included 16 ministries (including all the ministries represented in the "**CEDA**") as well as other governmental organisations closely connected with the overall objectives of Vision 2030 (such as the Ministry of Tourism, the Royal Commission for Jubail and Yanbu (the "**RCJY**"), MISA and the King Abdulaziz City for Science and Technology, among others).

The NTP seeks to identify both the strategic objectives, as well as the challenges, involved in the implementation of Vision 2030, followed by the launch of specific initiatives and the attainment of well-defined goals to be achieved by each Government entity covered by the NTP. In its first phase from 2016 to 2020, the programme contributed to important accomplishments including, but not limited to, improving the regulatory framework and judicial and other services provided to citizens, developing the Kingdom's infrastructure including the construction of sea water desalination plants and their associated networks, improving the ease of doing business in the Kingdom, expanding digital transformation and technical solutions, improving labour market regulation, empowering women and increasing their participation in the workforce and further developing the non-profit sector and the tourism sector. In its next phase from 2021 to 2025, the programme is responsible for 34 objectives across seven dedicated themes that include achieving government operational excellence, ensuring sustainability of vital resources, social empowerment and the development of the non-profit sector, labour market accessibility and attractiveness, the empowerment of the private sector, digital transformation and the development of economic partnerships.

One of the key features of the NTP is maximising the private sector's participation in attaining the goals of the NTP, thereby reducing the costs to be borne by the Government and enhancing the financial and developmental returns from the NTP.

The CEDA has established procedures and processes for the transparent and effective implementation of the initiatives contained in the NTP, including comprehensive and ongoing performance measurement mechanisms to enable the supporting agencies, such as the establishment of the National Centre for Performance Measurement and the Delivery Unit, to evaluate performance and recommend adjustments and corrective action where required.

Media, Culture and Entertainment

In 2019, the Saudi Tourism Authority announced the launch of "Saudi Seasons," which comprises 11 tourism seasons that cover all regions of the Kingdom, designed to provide a comprehensive cultural and historical experience for visitors including cultural, sports, entertainment and business events, in addition to assisting in qualitative hospitality services.

The progressive opening of the entertainment sector has spurred an ambitious construction pipeline of movie theatres, theme parks, live mega events, and sports-related infrastructure. The PIF has been investing heavily in entertainment companies in recent years. Some of the companies that PIF has invested in include Activision Blizzard, Electronic Arts, Take-Two Interactive Software and Live Nation. Moreover, the tremendous success of Saudi Seasons – an annual series of festivals across cities offering pop concerts, car races, pop-up restaurants, auto shows, and other entertainment programs – indicates the pent-up demand in this sector. The General Entertainment Authority has pledged to invest up to $64 billion by 2028 to develop Saudi Arabia's domestic entertainment sector.

As for culture, the city of Al Ula, home to Saudi Arabia's first UNESCO World Heritage Site, is located in the northwestern region of the country and features historical and cultural assets such as Mada'in Saleh, the second largest Nabatean heritage site after Jordan's Petra. The Saudi government is transforming the city into a cultural, eco-tourism destination that is expected to offer various recreational activities including sightseeing, hiking, camping and other desert-friendly sports and festivals. Closer to Riyadh, the historic city of Diriyah showcases Saudi Arabia's 300-plus years of culture and history by delivering one-of-a-kind, inspiring heritage experiences, educational and cultural opportunities, world-class residential living, and outstanding lifestyle offerings to include shopping, entertainment, and dining experiences. At the heart of the development is the At-Turaif UNESCO World Heritage Site, an iconic mud-brick city, and the home of the First House of the Al Saud family and capital of the First Saudi State, preserved and restored for future generations. Diriyah will offer 20 luxury hotels, over one hundred cafes and restaurants, eight museums and galleries, a golf course, and a racetrack.

Saudi Arabia is making billions of dollars in investments in sports teams, infrastructure, and events at home and abroad, from football to golf to Formula 1 to video games. The Kingdom's sports strategy, implemented primarily by the PIF, is a key pillar of the Vision 2030 program to diversify the economy and transform the country's social structure.

In 2016, in line with Vision 2030, the General Entertainment Authority was established with the aim to organise and develop the entertainment sector in Saudi Arabia, to encourage local tourism and to contribute to economic diversity. The entertainment sector has achieved impressive growth over the past six years: the General Entertainment Authority issued a total of 11,400 licenses and permits for the entertainment sector that drew over 120 million attendees through the end of 2022. In addition, this sector saw the creation of more than 100,000 jobs, and more than 1,000 companies are working in this sector.

In 2017, the Government announced its intention to develop an entertainment city in Al-Qiddiya south of Riyadh, covering an area of 367 square kilometres. Construction of Al Qiddiya began in 2019. Its developer, Qiddiya Investment Company, unveiled the designs for the park in August 2019 and opened the Qiddiya Experience Centre in 2023.

In April 2018, the Ministry of Media granted the first licence to operate cinemas in Saudi Arabia to the Development and Investment Entertainment Company ("**DIEC**"), a company wholly-owned by the PIF. AMC Theatres Company entered into an agreement with DIEC to operate cinemas in Saudi Arabia with a plan to

build up to 100 cinemas in 25 cities in Saudi Arabia by 2030 and the inaugural edition of the Red Sea International Film Festival featured 138 films and shorts from 67 countries in 34 languages. Saudi Arabia has established a Media City in Riyadh in order to create a multiservice media ecosystem to support and enable content and talent creation.

In April 2018, the General Entertainment Authority entered into agreements with Cirque du Soleil, Field Entertainment Company, National Geographic and IMG Company to increase investments in the entertainment sector and promote tourism in Saudi Arabia.

In 2023, the Municipal Affairs and Housing Ministry launched the Furas platform to offer hundreds of sites across Saudi Arabia for investment by event organisers and entertainment project owners. Entertainment events can be held via the temporary rental of sites across the Kingdom, including gardens, arenas, beaches, plots of land and facilities.

In November 2023, the Kingdom of Saudi Arabia secured its bid to host the World Expo 2030 in Riyadh with the theme: "The Era of Change: Together for a Foresighted Tomorrow." The Expo will be held from October 2030 through March 2031 in a planned site north of Riyadh near King Khalid International Airport.

The Government has also announced plans to develop new economic and cultural cities in Saudi Arabia (see "*Economy of Saudi Arabia—Wholesale and Retail Trade, Restaurants and Hotels—Hotels and Tourism—Tourism Generally*").

ECONOMY OF SAUDI ARABIA

Overview

According to the World Bank, Saudi Arabia was the seventeenth largest economy in the world and the largest economy in the GCC region in terms of GDP (based on current prices) in the year ended 31 December 2022. Saudi Arabia's economy accounted for 30.6 per cent. of the combined nominal GDP of the GCC countries in the year ended 31 December 2020.

Based on preliminary figures for 2022, Saudi Arabia's real GDP (based on constant 2010 prices) was SAR 2,984.6 billion (U.S.$795.9 billion) in the year ended 31 December 2022, representing an increase of 8.7 per cent. in real terms as compared to real GDP of SAR 2,746.2 billion (U.S.$732.3 billion) in the year ended 31 December 2021, and an increase of 4.3 per cent. in real terms as compared to real GDP of SAR 2,632.4 billion (U.S.$702.0 billion) in the year ended 31 December 2020. Saudi Arabia's nominal GDP was SAR 4,157.1 billion (U.S.$1,108.6 billion) in the year ended 31 December 2022, representing an increase of 26.8 per cent. in nominal terms as compared to nominal GDP of SAR 3,278.1 billion (U.S.$874.2 billion) in the year ended 31 December 2021, which represented an increase of 19.1 per cent. in nominal terms as compared to nominal GDP of SAR 2,753.5 billion (U.S.$734.3 billion) in the year ended 31 December 2020. The IMF estimated in October 2023 that the Kingdom's real GDP would grow by approximately 0.8 per cent. in 2023 due to continued growth in the non-oil sectors.

According to data published by the World Federation of Exchanges, the Saudi Stock Exchange (Tadawul) Company (the "**Tadawul**") was the largest stock exchange in the MENA region in terms of market capitalisation of listed companies, and was also one of the most diversified as at 31 December 2021.

According to OPEC's 2023 Annual Statistical Bulletin, Saudi Arabia possessed the world's second largest proven oil reserves (accounting for 17.1 per cent. of the world's total oil reserves) as at 31 December 2022, and was the world's second largest oil producer (accounting for 14.5 per cent. of the world's total oil production) and one of the world's largest oil exporters (accounting for 4.9 per cent. of the world's total oil exports by volume) in the year ended 31 December 2022. At Saudi Arabia's production levels of 10.6 million bpd on average in the year ended 31 December 2022, and without taking into consideration the discovery of additional reserves or developments in the oil production process, Saudi Arabia's oil reserves of 267.2 billion barrels are projected to last for approximately another 70 years. Since oil was first discovered in Saudi Arabia in 1938, Saudi Arabia's economy has expanded rapidly, principally due to the revenues generated from the export of crude oil and related products. While the oil industry has historically dominated, and continues to be the largest part of, Saudi Arabia's economy, for the past several years Saudi Arabia has also been concentrating on the diversification of its economy. These efforts have gained special importance in light of the onset of low oil prices in mid-2014.

Based on preliminary figures for 2022 and 2021, the non-oil sector of the economy contributed 56.5 per cent. and 65.6 per cent. to Saudi Arabia's nominal GDP, respectively, and grew by 5.3 per cent. and 9.2 per cent. in nominal terms in the years ended 31 December 2022 and 2021, respectively. Furthermore, the prioritisation by the Government of the non-oil private sector, which is a key element of the Government's economic diversification policy, has contributed and is expected to continue to contribute to growth in the non-oil private sector of Saudi Arabia.

The following table sets forth selected economic indicators for Saudi Arabia as at, and for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at, and for the year ended 31 December				
	2022[3]	2021[3]	2020	2019	2018
	(SAR billions, unless otherwise indicated)				
Population (millions)[1]	32.18	30.78	31.55	30.06	30.20
GDP at current prices	4,157.1	3,278.1	2,753.5	3,144.6	3,174.7
GDP at constant prices (2010=100)	2,984.6	2,746.2	2,632.4	2,751.8	2,729.1
Oil sector GDP at current prices	1,617.9	928.7	612.5	958.3	1,086.3
Oil sector GDP at constant prices (2010=100)	1,177.6	1,021.2	1,018.9	1,091.4	1,128.4

	As at, and for the year ended 31 December				
	2022[3]	2021[3]	2020	2019	2018
	(SAR billions, unless otherwise indicated)				
Inflation rate (%)	2.7	3.1	3.4	-2.1	2.5
Aggregate money supply (M3)	2,495.0	2,308	2,149.3	1,985.1	1,853.6
Total Government revenues[2]	1,268	965.5	781.8	926.8	905.6
Oil sector revenues[2]	857	562,2	413.0	594.4	611.2
Total Government expenditures[2]	1,164.0	1,015.0	1,075.7	1,059.4	1,079.5
Budget surplus / (deficit)[2]	104.0	(73,5)	(293.9)	(132.6)	(173.9)
Ratio of budget surplus / (deficit) to nominal GDP (%)	2.5	(2.3)	(11.2)	(4.5)	(5.9)
Current account surplus / (deficit)	575.6	166.2	(85.5)	143.4	270.0
Ratio of current account surplus / (deficit) to nominal GDP (%)	13.9	6.7	2.8	4.8	8.8
Closing price of Tadawul All-Share Index	10,487.5	11,281.7	8,689.5	8,389.2	7,826.7
Ratio of public debt to nominal GDP (%)	25.9	30.0	32.5	22.8	19.1
Per capita GDP at current prices (U.S.$)	34,454	28,396	23,271	27,893	28,036
Per capita GDP at constant prices (U.S.$) (2010=100)	24,740	23,874	22,247	24,409	24,101

Source: SAMA, GASTAT

Notes:

(1) Population estimates are as at 1 July in each respective year.

(2) Government budget data is in respect of the 12-month period ended on 31 December of each respective year..

(3) Preliminary figures.

The hydrocarbon industry is the single largest contributor to Saudi Arabia's economy. Saudi Aramco, the state-owned oil company of Saudi Arabia, is the principal producer of oil and natural gas in Saudi Arabia. Saudi Arabia's proven crude oil reserves stood at 267.2 billion barrels as at 31 December 2022. The oil sector accounted for 39.4 per cent. and 39.0 per cent. of Saudi Arabia's real GDP and 38.7 per cent. and 29.7 per cent. of Saudi Arabia's nominal GDP in the years ended 31 December 2022 and 2021, respectively, and oil revenues accounted for 67.6 per cent. and 32.4 per cent. of total Government revenues in the fiscal years 2022 and 2021, respectively. Oil exports accounted for 79.5 per cent. and 73.2 per cent. of Saudi Arabia's total exports by value in the years ended 31 December 2022 and 2021, respectively.

The following table sets forth the yearly average OPEC Reference Basket price (a weighted average of prices per barrel for petroleum blends produced by the OPEC countries) and the monthly spot price per barrel of Arabian Light Crude Oil (which is one of the types of crude oil produced by Saudi Aramco and its subsidiaries (the "**Saudi Aramco Group**") and constitutes part of the OPEC Reference Basket) in each of the years indicated.

	Year ended 31 December				
	2022	2021	2020	2019	2018
	(U.S.$ per barrel)				
OPEC Reference Basket price	100.08	69.89	41.47	64.04	69.78
Arabian Light Crude Oil price	101.64	70.65	41.91	64.96	70.59

Source: OPEC, GASTAT, Ministry of Energy

As illustrated by the data above, international oil prices have fluctuated significantly over the past decade. World oil prices have witnessed significant fluctuations since mid-2014, with the OPEC Reference Basket price declining from a monthly average of U.S.$107.89 per barrel in June 2014 to a monthly average of U.S.$100.08 in 2022. The decline in global oil prices from mid-2014 can be attributed to a number of factors, including, but not limited to, a decline in demand for oil and natural gas due to a worsening of regional and/or global economic conditions due to a variety of factors, the increase in oil production by other producers (including by reason of improvements in oil extraction technologies) and competition from alternative energy sources.

Until mid-2014, rising oil prices and production resulted in large external and fiscal surpluses for over a decade and, as a result, Saudi Arabia's public debt steadily decreased during that period. However, following the decline in global oil prices from the second half of 2014, the Government has recorded higher levels of public

debt and decreased reserves, although the Government has sought to implement a number of fiscal measures to control expenditures and diversify the economy. See "*Indebtedness*".

In November 2016, OPEC and certain non-OPEC oil producing countries undertook oil production management measures in an effort to accelerate the stabilisation of the global oil market under the Declaration of Cooperation which, along with growth in global oil demand, a decline in supply from Venezuela and the continued effects of U.S. sanctions imposed on Iran, led to a partial recovery in global oil prices, with the monthly average OPEC Reference Basket price reaching U.S.$49.60 per barrel by August 2017.

On 6 March 2020, OPEC members and certain non-OPEC oil producing countries participating in the Declaration of Cooperation, in particular Russia, failed to reach an agreement to extend the voluntary crude oil production adjustments that were due to expire on 31 March 2020. The Kingdom then adjusted its crude oil export prices and increased its crude oil sale allocations for April 2020. These events, combined with the decrease in crude oil demand caused by the COVID-19 pandemic, caused a sharp drop in oil prices. The OPEC reference basket price reached U.S.$34.71 per barrel on 9 March 2020 and had further fallen to U.S.$16.85 per barrel by 1 April 2020, compared to a monthly average of U.S.$66.48 per barrel in December 2019.

Subsequently, in April 2020, the OPEC and non-OPEC oil producing countries participating in the Declaration of Cooperation reached the largest oil production adjustment agreement on record, which was later extended in June 2020. This agreement helped stabilise global oil prices with the monthly average OPEC Reference Basket price reaching U.S.$45.19 per barrel by August 2020. On 3 December 2020, the participating countries amended their earlier agreement and in light of oil market fundamentals and current outlook for 2021, agreed to increase production by 500,000 barrels a day beginning January 2021, thereby, bringing the total production adjustment to 7.2 million barrels a day. On 7 January 2021, the Kingdom pledged an additional unilateral voluntary reduction of 1.0 million barrels a day from 1 February 2021 to 31 March 2021. The announcement contributed to an increase in oil prices with the OPEC reference basket price rising to U.S.$54.39 as at 8 January 2021, reaching its highest level since February 2019. On 18 July 2021, OPEC+ announced that production will be increased, beginning in August 2021, by nine monthly increments of 0.4 million bpd followed by five monthly increments of 0.43 million bpd. OPEC+ further agreed to extend the duration of the Declaration of Cooperation to December 2022 including an option to pause increases for up to three months and to endeavour to end production adjustments by the end of September 2022, subject to market conditions. On 3 August 2022, OPEC+ announced that production would be increased 0.1 million bpd in September 2022 but that the baseline increases agreed to in the 18 July 2021 meeting would remain unaffected. On 5 September 2022, OPEC+ announced that, due to the recent decline in oil prices, the 0.1 million bpd increase in production for September 2022 would be rolled back to October 2022, such that production levels in October 2022 would match those of August 2022. On 5 October 2022, OPEC+ extended the duration of the Declaration of Cooperation until 31 December 2023 and adjusted downward the overall oil production by two million bpd from the August 2022 required production levels, starting in November 2022. On 4 December 2022, OPEC+ re-affirmed its oil output targets as agreed at the 5 October 2022 meeting.

The targets were reviewed at the 3 April 2023 Joint Ministerial Monitoring Committee Meeting, and OPEC+ reaffirmed their commitment to the Declaration of Cooperation. This meeting also noted the Kingdom's voluntary production adjustment announcements on 2 April 2023, in which the Kingdom pledged an additional reduction of 500,000 barrels a day from May 2023, extended to 1,000,000 barrels a day from July 2023, until the end of 2024, as well as the pledged voluntary adjustment announcements of the additional OPEC+ members through the same period, with those being Iraq by 211,000 barrels a day, the United Arab Emirates by 144,000 barrels a day, Kuwait by 128,000 barrels a day, Kazakhstan by 78,000 barrels a day, Algeria by 48,000 barrels a day, Oman by 40,000 barrels a day and Gabon by 8,000 barrels a day. In June 2023, OPEC+ extended oil production reductions of 3.66 million bpd until the end of 2023. In November 2023, additional voluntary production reductions beginning in January 2024 until the end of March 2024 were announced by several OPEC+ members, including Saudi Arabia (1 million bpd), Iraq (223,000 bdp), the UAE (163,000 bpd), Kuwait (135,000 bpd), Kazakhstan (82,000 bpd), Algeria (51,000 bpd) and Oman (42,000 bdp). There can however be no assurance that the agreement will continue to be implemented by all relevant parties or that it will achieve its stated goals or what effect it will have on global oil prices in the short to medium term.

Oil prices increased in tandem with the global economic recovery in 2021, with the OPEC Reference Basket price reaching U.S.$74.38 in December 2021. Oil prices have remained volatile in 2022 and 2023, particularly as a result of the Russian-Ukraine conflict and a decline in participation in the crude oil markets, causing sharper price fluctuations. The OPEC Reference Basket price reached U.S.$108.55 in July 2022, before declining to U.S.$77.98 in December 2023. There can be no guarantee that oil prices will not remain volatile or decrease in the future. See "*—Oil and Gas—Production—Oil production*" for more details.

Recent Developments

2024 Government Budget

In December 2023, Saudi Arabia announced its budget statement for fiscal year 2024 (the "**2024 Budget**"). The 2024 Budget estimates total Government revenues for fiscal year 2024 to be SAR 1,172.0 billion (U.S.$312.5 billion), an increase of 3.7 per cent. compared to the budgeted revenues for fiscal year 2023 of SAR 1,130.0 billion (U.S.$301.3 billion). The principal drivers of the higher revenues in fiscal year 2024 are expected to be growth in non-oil revenues reflecting the growth of non-oil economic activities as well as the continued development of tax management and collection procedures. The 2024 Budget estimates total Government expenditures for fiscal year 2024 at SAR 1,251.0 billion (U.S.$333.6 billion), an increase of 12.3 per cent. compared to budgeted expenditures for fiscal year 2023 of SAR 1,114.0 billion (U.S.$297.1 billion). The principal drivers of the higher expenditures in fiscal year 2024 are expected to be the acceleration of the implementation of several development projects and programs. The 2024 Budget estimates a deficit for fiscal year 2024 at SAR 79.0 billion (U.S.$21.1 billion), compared to the budgeted surplus for fiscal year 2023 of SAR 16.0 billion (U.S.$4.27 billion). The Government expects that budget deficits will continue over the medium term as a result of the Government adopting expansionary spending policies in support of economic growth.

Quarterly Budget Performance Report

In November 2023, the Ministry of Finance published the Budget Performance Report for the Third Quarter of 2023 (the "**Q1 Budget Performance Report**"). The Q1 Budget Performance Report notes a third quarter deficit of SAR 35.8 billion (U.S.$9.5 million) for the Kingdom as expenditures increased for use of goods and services. Driven by higher non-oil revenues for the quarter, total revenues increased during the period to SAR 854.3 billion (U.S.$227.8 billion) compared to SAR 950.2 billion (U.S.$253.4 billion) as at the third quarter of 2022. Total expenditures for the period increased by 2.3 per cent. to SAR 294.3 billion (U.S.$78.5 billion) compared to SAR 287.7 billion (U.S.$76.7 billion) as at the third quarter of 2022. Public debt slightly increased to SAR 994.3 billion (U.S.$265.1 billion) as at the end of the third quarter of 2023 compared to SAR 971.8 billion (U.S.$259.1 billion) as at the end of the third quarter of 2022.

Response to COVID-19

Like most other countries, the COVID-19 pandemic has affected and continues to affect the Kingdom. According to the Ministry of Health, as of 20 September 2023, the Kingdom had confirmed approximately 841,469 cases of COVID-19.

Furthermore, the global economy is still experiencing a slowdown in part due to the COVID-19 pandemic and the economic downturns it caused as a result of lockdowns, in addition to the geopolitical challenges and the subsequent disruptions in supply chains, the increase in global inflation rates and tightening monetary policies. The Government has focused on mitigating the domestic economy from the severity of the economic and social effects resulting from the global crises by implementing a series of economic and fiscal reform packages. These reforms balanced the requirements of increased spending with the need to preserve fiscal stability and sustainability in order to support economic recovery.

The Kingdom implemented a number of temporary precautionary and preventative measures to contain the COVID-19 outbreak, including suspending all international flights, closing all non-essential businesses, prohibiting attendance by employees at most government workplaces, requiring citizens to remain at home

and practice social distancing, imposing curfews in several cities, and banning citizens, residents and visitors from performing the Umrah. The Kingdom also implemented strict coronavirus preventative measures in relation to the Hajj pilgrimage in 2020. In June 2020, the stay-at-home orders were lifted, and economic and commercial activities were allowed to resume with preventive protocols in place. In September 2020, the Kingdom announced arrangements to allow the performance of Umrah, with necessary preventative health measures, in a phased manner beginning 4 October 2020. In November 2020, as part of the phased re-opening, the Kingdom allowed international pilgrims to arrive in the Kingdom as well as a return to 100 per cent. operational capacity.

As a measure to support the efforts of the Government in combating the coronavirus COVID-19 outbreak and mitigating its expected financial and economic impacts on the private sector in the Kingdom, on 20 March 2020, the Ministry of Finance announced a financial stimulus package of approximately SAR 70.0 billion (U.S.$18.7 billion) to provide liquidity in the private sector. These measures included (1) postponement of the payment of value-added tax, excise tax, income tax, and Zakat; (2) authorising the Minister of Finance to approve lending and other forms of financing; and (3) postponement of collection of customs duties on imports, against the submission of a bank guarantee as well as certain government service fees and municipal fees due on the private sector. On 12 May 2020, the Minister of Finance announced additional measures of approximately SAR 100.0 billion (U.S.$26.7 billion), including cancellation or postponement of certain operational and capital expenditures for certain government agencies as well as the reduction of provisions for certain Vision Realisation Programmes and major projects for the fiscal year 2020. Customs duties were increased at rates ranging from 0.5 per cent. to 15 per cent. for various products beginning on 10 June 2020. In addition, the cost-of-living allowance was discontinued from June 2020 and, as of July 2020, value added tax was increased from 5 per cent. to 15 per cent. As of October 2020, value added tax on real estate transactions was replaced with a real estate transaction tax of 5 per cent.

On 14 March 2020, SAMA announced the introduction of a private sector financing support programme with a total value of approximately SAR 50.0 billion (U.S.$13.3 billion). The programme aimed at supporting and enabling the private sector to promote economic growth, specifically to mitigate economic impacts on the SME sector, including through a deferred payments programme for SMEs through March 2023. In addition, on 29 March 2020, SAMA announced certain precautionary measures to be undertaken with the support of the banking sector to limit the impact of the coronavirus COVID-19 outbreak on the private sector and allow businesses to meet their obligations and maintain current employment levels, including fee exemptions for restructuring and interest rate reassessment transactions. On 24 April 2020, SAMA launched a loan guarantee programme to assist SMEs (*Kafalah*) pursuant to which SAMA guaranteed 95 per cent. of total finance granted to micro, small and medium sized enterprises. This programme aimed to provide additional support and enhance the credit worthiness of micro, small and medium sized enterprises. On 1 June 2020, SAMA announced an additional private sector financing support package of SAR 50.0 billion (U.S.$13.3 billion). The programme aimed at increasing liquidity in the banking sector, including through modifying or restructuring funds without any additional fees, supporting plans to maintain employment levels in the private sector as well as exemptions from payment of certain fees for electronic banking.

Additionally, given the role played by the PIF in diversifying and promoting economic growth and maximising the return on assets of the Kingdom, an amount of SAR 150.0 billion (U.S.$40.0 billion) was transferred from SAMA's foreign exchange reserves to the PIF during March and April 2020 to enhance the PIF's investment capacity as it implements its investment plans.

On 3 April 2020, a Royal Order was issued allocating SAR 9 billion (U.S.$2.4 billion) to provide income support to Saudi employees working in the private sector. This income support scheme was extended to January 2021 covering 50 per cent. of Saudi employees working in certain sectors that were affected by the pandemic.

On 21 April 2020, the Saudi Industrial Development Fund (the "**SIDF**") announced three new initiatives, in addition to a previous initiative related to medium and large plants of approximately SAR 4.0 billion (U.S.$1.0 billion), aimed at supporting national efforts of mitigating the financial and economic impact of the coronavirus

COVID-19 outbreak on the private sector. The initiatives included deferment and restructuring of debt repayments of medium-sized enterprises that fell due in 2020; a new financing product for pharmaceutical and medical supplies producers and revolving lines of credit to finance operating expenses of SIDF's qualified SME clients.

Finally, several departments of the Government announced measures aimed at mitigating the financial and economic impact of the coronavirus COVID-19 outbreak by increasing, removing or postponing their fees or fines, including the Ministry of Energy, the Royal Commission for Jubail and Yanbu and the Agricultural Development Fund.

On 10 December 2020, the Saudi Food and Drug Authority approved the registration of a COVID-19 vaccine produced by Pfizer-BioNTech in the Kingdom and on 18 January 2021, approved the registration of two additional vaccines produced by AstraZeneca and Moderna, for use in the Kingdom. The Kingdom launched an immunisation campaign to distribute the vaccine on a free and optional basis, and as of 20 September 2023, over 27 million first doses, over 25 million second doses, and over 16 million booster doses had been administered.

Economic Policy

The Government plays a key role in Saudi Arabia's economic policy through the CEDA (see "*Overview of Saudi Arabia—Government and Political System*"), which has overall responsibility for Saudi Arabia's economic development and has broad oversight of each of the relevant Government ministries. The CEDA oversees the Ministry of Economy and Planning in the formulation of economic and social development plans that set long-term economic goals, and the Ministry of Finance in the supervision and implementation of Saudi Arabia's fiscal policies. SAMA, the central bank of Saudi Arabia, oversees and implements Saudi Arabia's monetary policy.

Development plans

The Government has implemented a series of five-year Development Plans, the first commencing in 1970, each with the objective of investing and developing Saudi Arabia's available human and natural economic resources and utilising them in order to achieve several socio-economic objectives. These objectives were represented in raising the standard of living of Saudi Arabia's citizens, completion of its basic infrastructure, diversification of Saudi Arabia's economic base and sources of national income, development of human capacities and encouragement of the private sector to assume an effective role in development efforts.

Each successive Development Plan has driven Saudi Arabia's economic growth and the establishment of a wide base of physical and institutional infrastructure in Saudi Arabia, which, along with increased economic activity, has contributed to an increase in standards of educational, health and social services in Saudi Arabia. The Government's Development Plans have also enabled rapid industrial development in Saudi Arabia, focusing on three main "pillars": the oil, petrochemical and mining industries, the management and development of which is, respectively, largely undertaken by three national corporations: Saudi Aramco, SABIC and the Saudi Arabian Mining Company ("**Ma'aden**"). Each of these industries produces high quality and globally competitive products that have made considerable contributions to Saudi Arabia's national production and exports.

Diversification of the economy

In order to lessen its reliance on the oil sector, Saudi Arabia has increasingly diversified its economy in recent years and, currently, Saudi Arabia produces and exports a variety of industrial products, such as specialised petrochemical and plastic products and construction materials. The Government has also encouraged private sector growth, which is intended not only to promote diversification in Saudi Arabia's economy but also to provide more employment opportunities for the increasing Saudi population. The further diversification of the economy of Saudi Arabia, an increase in Government revenues from the non-oil sector, and an increase in the number of Saudi nationals employed in the private sector, are key objectives of Vision 2030.

The Government anticipates that growth in the non-oil sector, in particular the non-oil private sector, will enhance Government revenue as a result of increased activity in the relevant economic sectors. Additionally, the Government expects that increasing the proportion of Saudi nationals employed in the private sector will reduce Government expenditure through, among other things, a decrease in public sector salaries and wages and a reduction in the number of Saudi nationals subscribing to social welfare programmes. See "*Overview of Saudi Arabia—Strategy of Saudi Arabia—Vision 2030*".

The Government initiated the process of diversification of the economy and strengthening the private sector by undertaking regulatory reform aimed at improving Saudi Arabia's business climate and creating an environment that supports business creation. In April 2000, the Government established SAGIA (now called the Ministry of Investment), which is responsible for managing the investment environment in Saudi Arabia. SAGIA aims to encourage economic liberalisation and achieve economic growth by creating a pro-business environment, providing services to investors and fostering investment opportunities in key sectors of the economy. The Government also established a number of development funds in order to facilitate the development of the private sector and achieve the Government's development objectives. These include: the SIDF, which provides financing for private industrial projects; the Real Estate Development Fund (the "**REDF**"), which provides financing for the development of housing in Saudi Arabia; the Agricultural Development Fund (the "**ADF**"), which provides financing for various agricultural activities to facilitate the development of Saudi Arabia's agricultural sector; and the Saudi Fund for Development ("**SFD**"), which provides interest free loans to low-income Saudi nationals. In November 2017, the Government established the National Development Fund ("**NDF**") pursuant to the Council of Ministers' Resolution No. 132 dated 21 November 2017. The NDF is responsible for regulating the development funds in Saudi Arabia which include, among others, the SIDF, REDF, ADF and SFD.

In 1975, the Government established the RCJY, an autonomous organisation of the Government with responsibility to govern, develop, and manage the purpose-built industrial cities of Jubail (on the east coast near Dammam) and Yanbu (on the west coast near Medina). These industrial cities were established in strategic sites to cater to Saudi Arabia's hydrocarbon industries and energy-intensive basic industries, and to ensure efficient utilisation of Saudi Arabia's natural resources. The basic industries that were established have resulted in the development of a series of national secondary and downstream industries, which are linked with products of basic industries (such as methane, propane, butane, gasoline, fuel oil and high-density polyethylene). The RCJY was expanded to build the new industrial city of Ras Al Khair, 60 km north of Jubail, which aims to exploit the mineral deposits of phosphate and bauxite recently found within Saudi Arabia, as well as the Jazan City for Basic and Downstream Industries located on the coast of the Red Sea, which aims to develop heavy manufacturing, petrochemicals and mining industries as well as the manufacturing of ships and vessels.

Since the establishment of the RCJY, the Government has established a number of other initiatives and agencies aimed at expanding Saudi Arabia's manufacturing sector. In 2001, the Saudi Industrial Property Authority ("**MODON**") was established under the supervision of the former Ministry of Commerce and Industry (now replaced by the Ministry of Commerce, or "**MOC**"), with the aim of developing industrial cities across Saudi Arabia, mainly focused on light manufacturing. MODON has established industrial cities in various regions of Saudi Arabia.

In 2007, the National Industrial Clusters Development Programme was jointly established by the former Ministry of Commerce and Industry (now called the Ministry of Commerce) and the Ministry of Petroleum and Mineral Resources (now the Ministry of Industry and Mineral Resources) to create four new industrial clusters, and the Ministry of Industry and Mineral Resources is now responsible for the management of the National Industrial Clusters Development Programme.

The Economic Cities Authority (now called the Economic Cities and Special Zones Authority) was established under the supervision of SAGIA to initially oversee the construction and regulation of four major new economic cities across the country, including the flagship King Abdullah Economic City on the west coast near the city of Jeddah, as well as Knowledge Economic City, Jazan City for Basic and Downstream Industries and Prince Abdulaziz Bin Mosaed Economic City, although the responsibility to oversee the construction and

regulation of Jazan City for Basic and Downstream Industries has subsequently been transferred to the RCJY. Each Economic City is being developed around one or more globally competitive industries and is designed to attract similar businesses and projects to the region. In 2020, the Economic Cities Authority Statute was amended to include the establishment and regulation of Special Economic Zones, a key feature of Vision 2030.

For additional details on the industrial cities developed by the RCJY, the National Industrial Clusters Development Programme and the other initiatives described herein, see "*—Strategy of Saudi Arabia*".

Vision 2030 and the NTP envisage a number of initiatives aimed at attaining diversification of the economy, including, among others, the further development of the metals and mining sector, the retail sector, the tourism sector, the petrochemical industry, and ancillary industries associated therewith.

The non-oil private sector plays an increasingly important role in the economy of Saudi Arabia, particularly as foreign investment in Saudi Arabia gradually increases. The real GDP (based on constant 2010 prices) of the non-oil private sector recorded a growth rate of 5.3 per cent. The sector grew in real terms by 7.4 per cent. in the year ended 31 December 2021, while they decreased by 5.3 per cent. and increased by 4.1 per cent. in the years ended 31 December 2020 and 31 December 2019, respectively. The non-oil private sector accounted for 27.8 per cent. and 30.2 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2022 and 2021, respectively, and 28.8 per cent. and 26.9 per cent. in the years ended 31 December 2020 and 2019, respectively.

Privatisation

With a view to promoting the participation of the private sector in the economy and attracting foreign investment, the Government has, over the years, successfully privatised certain key assets in a diverse range of sectors which has contributed to the liberalisation of the economy and increasing private sector participation in GDP, thus contributing to Vision 2030 goals. Government privatisation has taken the form of, both, private placement or listing of state-owned entities on the Tadawul as well as inclusion of the private sector through public-private partnerships ("**PPP**").

Successful privatisations and PPP's that have already taken place include, among others:

- *Manufacturing:* In 1984, the initial public offering of a 30 per cent. stake in SABIC, Saudi Arabia's leading chemicals company;

- *Telecommunications:* In 2001, the enactment of the Telecommunications Act, which led to the SAR 15.3 billion (U.S.$4.1 billion) initial public offering in 2003 of a 30 per cent. stake in STC, a Saudi telecommunications provider, thereby opening up the Saudi telecommunications market to private investment;

- *Mining:* In 2008, the SAR 9.25 billion (U.S.$2.5 billion) initial public offering of a 50 per cent. stake in Ma'aden, a Saudi mining and metals company;

- *Aviation:* In 2012, the SAR 1.3 billion (U.S.$350 million) secondary public offering of Saudi Airlines Catering Co. and, in 2015, the SAR 2.8 billion (U.S.$750 million) initial public offering of Saudi Ground Services, respectively the catering and ground services businesses of Saudi Arabian Airlines ("**Saudia**"), Saudi Arabia's national airline;

- *Airports:* In 2013, the PPP of Prince Muhammad bin Abdulaziz Airport in Medina, through the grant of a long-term public-private partnership contract to a Turkish led consortium and, in 2006, the grant of a concession to a private consortium to expand and modernise the Hajj terminal at King Abdulaziz International Airport in Jeddah, which became fully operational in 2010;

- *Financial institutions:* In 2014, the SAR 22.5 billion (U.S.$6.0 billion) initial public offering of a 25 per cent. stake in the National Commercial Bank, Saudi Arabia's largest banking institution in terms of assets;

- *Shipping:* The privatisation of The National Shipping Company of Saudi Arabia ("**Bahri**"), which is currently one of the largest shipping companies in the world, through a listing of shares on the Tadawul;

- *Electricity and Water:* The liberalisation of the electricity and water sector through, among other measures, the creation of the National Water Company ("**NWC**"), Water and Electricity L.L.C. ("**WEC**") and the independent power project ("**IPP**") and independent water and power project ("**IWPP**") projects involving the participation of domestic and foreign private participants, including the setting up of the Shuaibah and Shuqaiq water and electricity generation plants (for more detail, see—*Electricity, Gas and Water* below). This was followed in 2018 and continued to date with the award of seven IWPP projects which increased potable water production by 3.8 million cubic meters per day with the Saudi Water Partnerships Company ("**SWPC**") as the off taker. The water sector has expanded to include other types of water projects such as independent sewage treatment plants ("**ISTP**"), with a production capacity of 1.7 million cubic meters per day. The water sector independent water transmission pipeline ("**IWTP**") projects have been awarded a total length of 150 kilometres of pipeline;

- *Oil and Gas:* On 11 December 2019, Saudi Aramco completed an initial public offering and listing on the Tadawul of SAR 96.0 billion (U.S.$25.6 billion) through a sale of a 1.725 per cent. stake held by the Kingdom in Saudi Aramco. The initial public offering highlights the Kingdom's commitment to achieving the goals of Vision 2030 by diversifying sources of income and further enhancing the position of the domestic financial market. The proceeds of the offering, net of expenses incurred, were transferred to the PIF;

- *Transportation/Healthcare:* In January 2020, Dr. Soliman Fakeeh Hospital completed the acquisition of, and began a strategic partnership with Saudia Airlines in relation to, Saudia Medical Services. The transaction represents the first privatisation of a healthcare facility in the Kingdom with a value of SAR 496 million;

- *Flour Milling:* In April 2021, the Saudi Grains Organisation announced the completion of the fourth phase of the privatisation of the flour milling sector through the divestment of the Second Milling Company and the Fourth Milling Company to private investors, which followed the divestment of the First Milling Company and the Third Milling Company in 2020 with a value of SAR 5,774 million;

- *Education:* In 2020, the Ministry of Education signed a PPP contract to finance, design, build and maintain 60 schools in Makkah and Jeddah, and 60 schools in Al Madina in 2022;

- *Municipal and Rural Affairs and Housing*: In 2022, a Joint Development Agreement was awarded for the development of commercial mixed use projects on 70,000 square meters on the Al Khobar waterfront;

- *Health:* In 2023, the Ministry of Health awarded several contracts, including the 24-bed Ansar Hospital in Al Madina and a radiology contract serving 1.23 million patients in seven hospitals in the Riyadh region. This is in addition to the dialysis contract signed in 2019 serving over 7,000 patients through 63 centres;

- *Transportation:* from 2019 – 2022 contracts for the expansion and operation of ports on both the west and east coasts in addition to the dry port in Riyadh were awarded with a total capacity of 21 million containers annually; and

- *Public Transportation:* the liberalization of the intercity bus contracts, after a monopoly of more than 40 years, to three contracts serving 76 routes, 200 cities and 6 million passengers annually.

The privatisation of Government assets and services continues to form a key part of the Vision 2030 and the Government's strategy for realising economic development, enhancing the performance of Government entities and companies and improving the standard of services. It is also aimed at improving the financial efficiency of Government entities and companies, reducing administrative burdens, increasing economic growth and enlarging the private ownership base in Saudi Arabia as well as attracting foreign investment.

In March 2017, the Government established the National Centre for Privatisation & PPP ("**NCP**") to support its privatisation and PPP programme, provide assistance in formulating regulations, develop the privatisation and PPP frameworks and prepare government assets and services identified for privatisation. It is also responsible for developing the privatisation pipeline and ensuring an efficient privatisation process.

In August 2017, the Government identified ten sectors considered for privatisation which was expanded in September 2020 to cover 13 sectors and later reached a total of 16 sectors, namely:

- the environment, water and agriculture sector, which involves MEWA, the Saline Water Conversion Corporation, The Saudi Irrigation Authority, The General Food Security Authority, the National Centre for Waste Management, the Saudi Wildlife Authority, the National Centre for the Development of Vegetation Cover and Combating Desertification, the National Centre of Meteorology and Environmental Protection, NWC, National Centre for Wildlife Development and National Centre for Environmental Compliance;

- the transport and logistics sector, which involves the Ministry of Transportation, GACA, the Transport General Authority, the Saudi Post, the General Organization of Ports, the Roads General Authority and the General Organization of Saudi Arabian Airlines;

- the industry and mineral resources sector, which involves the Ministry of Industry and Mineral Resources, the Royal Commission for Jubail and Yanbu, the Saudi Industrial Cities and Technology Zones Authority and the National Industrial Development Centre;

- the labour and social development sector, which involves the Ministry of Human Resources and Social Development;

- the municipalities and housing sector, which involves the Ministry of Municipal and Rural Affairs and Housing;

- the education sector, which involves the Ministry of Education, the General Organization for Technical and Vocational Training and public universities;

- the health sector, which involves the Ministry of Health and the Saudi Health Council;

- the Hajj and Umrah sector, which involves the Ministry of Hajj and Umrah;

- the telecommunications and information technology sector, which involves the Ministry of Communications and Information Technology;

- the media sector, which involves the Ministry of Communication, the Saudi Broadcasting Authority, the General Commission for Audio visual Media and the Saudi Press Agency;

- the sports sector, which involves the Ministry of Sport;

- the public transport sector, which involves the Transport General Authority and the Ministry of Municipal, Rural Affairs and Housing;

- the interior sector, which involves the Ministry of Interior;
- the Zakat sector, which involves the Zakat, Tax and the Customs Authority;
- the state properties sector, which involves the State Properties General Authority; and
- the defence sector, which involves the Ministry of Defence.

The board of directors of the National Centre for Privatisation & PPP has the power to include, remove or make any amendments to the list of sectors considered for Private Sector Participation.

In 2018, the Government approved the official launch of the Privatisation Programme, identifying 30 initiatives from the Delivery Plan 2020 as key initiatives for the programme.

In March 2021, the Kingdom published the Private Sector Participation Law, promulgated by Council of Ministers' Resolution No. 436 dated 3/8/1442H (corresponding to 16 March 2021) and Royal Decree No. M/63 dated 5/8/1442H (corresponding to 18 March 2021), which came into effect 120 days after its publication. The law aims to provide a transparent and flexible regulatory framework for the procurement and documentation of public private partnership projects and existing asset divestment in the Kingdom. On 23/4/1443H (corresponding to 28 November 2021), the implementing regulations of the Private Sector Participation Law were issued by the board of directors of the National Centre for Privatisation & PPP pursuant to resolution 9/2021-G. The implementing regulations of the Private Sector Participation Law replace the Privatization Projects Manual and the Rules of Conduct of the Supervisory Committees of Privatization Targeted Sectors and compose a major component of the private sector participation regulatory framework.

In 2023, the NCP launched its projects pipeline, including around 200 projects in 16 sectors for divestment or PPP. Currently, the NCP is working with the sectors to review an additional 300 projects for inclusion in the projects pipeline. Since the establishment of the NCP, 47 PPP and privatization contracts have been signed in various sectors, including transportation, water, logistics, education, healthcare and tourism.

Foreign Investment

Since Saudi Arabia's accession to the WTO in December 2005, the Government has made significant progress towards developing and maintaining policies that favour an open legal and business environment to facilitate foreign capital investment. The Government is aiming to increase and encourage foreign investment by focusing on several key sectors, including transport, healthcare, building materials, tourism, mining, automobile manufacturing and industrial equipment, among others. For example, the Regional Headquarters programme was established as a joint initiative between the Ministry of Investment and the Royal Commission for Riyadh City in order to encourage global companies' regional headquarters to relocate to Saudi Arabia.

The major sectors attracting foreign direct investment ("**FDI**") into Saudi Arabia have been the construction and contracting, real estate and petrochemicals sectors. Saudi Arabia's total inward FDI stock was U.S.$268.9 billion as at 31 December 2022. In the year ended 31 December 2022, Saudi Arabia's inward FDI flows were U.S.$7.9 billion. The following table sets forth Saudi Arabia's inward FDI stock and inward FDI flows for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As of 31 December				
	2022	2021	2020	2019	2018
			(U.S.$ billions)		
Inward FDI stock	268.9	261.1	241.8	236.4	231.8
Inward FDI flows	7.9	19.3	5.4	4.6	4.2

Source: United Nations Conference on Trade and Development

The Saudi Arabian Foreign Investment Law requires all foreign investment in Saudi Arabia to be licensed by MISA. A foreign investor wishing to invest in Saudi Arabia must obtain a foreign investment licence from

MISA, which will take the form of an industrial licence, a service licence or a trading licence. Minimum investment thresholds for foreign investors are published by MISA from time to time, and currently include the following thresholds: (a) SAR 30 million for each real estate development project; (b) SAR 30 million for 100 per cent. foreign-owned trade projects; and (c) SAR 26.7 million for trade projects in which Saudi shareholders own at least 25 per cent. of the share capital.

In June 2016, MISA announced new regulations permitting 100 per cent. foreign ownership in the wholesale and retail sector for businesses that produce and retail their own products. The new rules, which were approved by the Council of Ministers in June 2016, create an exception to the statutory cap on foreign ownership across several industry segments in Saudi Arabia, and are intended to encourage new entrants to Saudi wholesale and retail market, as well as to create additional training and technology transfer opportunities (see "*Economy of Saudi Arabia*").

In a significant move aimed at attracting foreign investment and further strengthening Saudi Arabia's capital markets, in June 2015, the CMA published regulations allowing Qualified Foreign Investors ("**QFIs**") to directly invest in shares listed on the Tadawul in accordance with the applicable regulations. Furthermore, in August 2016, the CMA approved certain revisions to the existing regulations relating to participation by QFIs, which became effective in September 2016. Additionally, in June 2019, the CMA's Instructions for the Foreign Strategic Investors' Ownership in Listed Companies came into effect whereby restrictions on foreign ownership in listed companies were relaxed, including allowing non-financial sector foreign investors to invest in the Saudi capital market as well as the removal of maximum or minimum limits on the ownership percentages of foreign investors in listed companies. These revisions are intended to further encourage participation by foreign investors by expanding the definition of a 'qualified foreign institution' and relaxing certain ownership thresholds and limits. It is anticipated that the opening of the Tadawul to foreign investors will support increased participation by institutional investors and thereby reduce market volatility as well as encourage Saudi companies listed on the Tadawul to adopt international best practices and benefit from the input of sophisticated foreign institutions. In March 2018, FTSE Russell announced that Tadawul would be classified as a "Secondary Emerging Market" in the FTSE Global Equity Index Series from its previous status of "Unclassified". The Tadawul was included in MSCI's Emerging Market Index in two phases in May 2019 and August 2019 and its status upgraded to "Emerging Market" status from its previous status of "Standalone Market". See "*Monetary and Financial System—Regulation—Capital Markets*".

In March 2020, the Government approved listing of government assets planned for privatization through a direct or indirect initial public offering on the Tadawul.

In 2021, the Kingdom launched the National Investment Strategy, which aims to raise net foreign direct investment flows to SAR 388.0 billion (U.S.$103.5 billion) annually, and increase domestic investments to SAR 1.7 trillion (U.S.$0.5 trillion) annually by 2030. The strategy includes several initiatives such as establishing special economic zones with competitive regulations and incentives that attract investments in priority sectors, a programme to transfer strategic supply chains to the Kingdom and to acquire market share in supply chain components, diversifying funding options which includes developing new financing solutions for the private sector to promote capital formation, as well as the enhancement of investment opportunities in the Kingdom (see "*Overview of Saudi Arabia—Strategy of Saudi Arabia—Vision 2030*").

Vision 2030 envisages several measures aimed at attracting foreign investment and enhancing the confidence of foreign investors in Saudi Arabia's economy, including the streamlining of the visa regime applicable to business visitors, and the NTP has assigned to MISA specific targets relating to increase in foreign investment in Saudi Arabia. MISA, in coordination with a number of other Government institutions and ministries, has also launched the 'National Investment Plan', which aims to contribute to the diversification of the economy and increase productivity by attracting foreign investment in specified sectors with well-established investment opportunities.

Gross Domestic Product

Based on preliminary figures, Saudi Arabia's real GDP (based on constant 2010 prices) was SAR 2,984.6 billion (U.S.$795.9 billion) in the year ended 31 December 2022, representing an increase of 8.7 per cent. in real terms as compared to real GDP of SAR 2,746.2 billion (U.S.$732.3 billion) for the year ended 31 December 2021. The increase in real GDP (based on constant 2010 prices) was primarily attributable to a high increase in non-oil activities and government services activities.

The IMF, in its World Economic Outlook (October 2023), estimated an expansion in the Kingdom's real GDP of 0.8 per cent. in 2023.

Saudi Arabia's nominal GDP was SAR 4,157.1 billion (U.S.$1,108.6 billion) in the year ended 31 December 2022, representing an increase of 26.8 per cent. in nominal terms as compared to nominal GDP of SAR 3,278.9 billion (U.S.$874.4 billion) in the year ended 31 December 2021.

Real GDP by Economic Activity

The following tables sets forth the contribution by economic activity to Saudi Arabia's real GDP, at constant 2010 prices, for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December								
	2022[1]			2021			2020		
	Amount	Contribution(%)	Growth (%)	Amount	Contribution(%)	Growth (%)	Amount	Contribution(%)	Growth (%)
	(SAR millions, except percentages)								
Mining and quarrying	1,081,052	36.2	15.8	933,239	34.0	(1.2)	944,572	35.9	(6.0)
Oil and gas (excluding oil refining)	*1,071,143*	*35.9*	*16.1*	*922,754*	*33.6*	*(1.2)*	*933,885*	*35.5*	*(6.1)*
Other mining and quarrying	*9,909*	*0.3*	*(5.5)*	*10,485*	*0.4*	*(1.9)*	*10,687*	*0.4*	*0.4*
Government services	395,365	13.2	4.6	377,808	13.8	1.1	373,518	14.2	(0.6)
Manufacturing	346,404	11.6	8.1	320,525	11.7	8.2	296,325	11.3	(8.5)
Oil refining	*99,514*	*3.3*	*8.3*	*91,862*	*3.3*	*16.6*	*78,780*	*3.0*	*(13.3)*
Other manufacturing	*246,890*	*8.3*	*8.0*	*228,663*	*8.3*	*5.1*	*217,545*	*8.3*	*(6.6)*
Wholesale and retail trade, restaurants and hotels	281,604	9.4	5.7	266,523	9.7	16.3	229,125	8.7	(8.8)
Finance, insurance, real estate and business services	302,429	10.1	6.0	285,221	10.4	8.4	263,080	10.0	3.2
Transport, storage and communication	156,466	5.2	1.9	153,591	5.6	3.5	148,421	5.6	(6.3)
Construction	123,294	4.1	8.7	113,425	4.1	1.2	112,077	4.3	1.9
Agriculture, forestry and fishing	78,044	2.6	4.1	74,982	2.7	2.5	73,173	2.8	(1.7)
Community, social and personal services	91,339	3.1	2.8	88,867	3.2	18.9	74,730	2.8	(7.0)
Electricity, gas and water	31,709	1.1	1.4	31,267	1.1	4.0	30,063	1.1	(2.9)
Sub-total (excluding net taxes on products)	2,887,707	96.8	9.2	2,645,447	96.3	3.9	2,545,083	96.7	(4.5)
Net taxes on products	96,929	3.2	(3.8)	100,795	3.7	15.5	87,280	3.3	0.3
Total real GDP	**2,984,636**	**100.0**	**8.7**	**2,746,242**	**100.0**	**4.3**	**2,632,363**	**100.0**	**(4.3))**

	Year ended 31 December					
	2019			2018		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)					
Mining and quarrying	1,004,865	36.5	(3.3)	1,038,842	38.1	2.9
Oil and gas (excluding oil refining)	*994,220*	*36.1*	*(3.4)*	*1,028,907*	*37.7*	*2.9*
Other mining and quarrying	*10,664*	*0.4*	*7.2*	*9,935*	0.4	*2.0*
Government services	375,746	13.7	1.7	369,345	13.5	3.9
Manufacturing	323,900	11.8	0.4	322,738	11.8	(2.9)
Oil refining	*90,871*	*3.3*	*(2.7)*	*93,397*	3.4	*(3.2)*
Other manufacturing	*233,030*	*8.5*	*1.6*	*229,342*	8.4	*(2.7)*
Wholesale and retail trade, restaurants and hotels	251,130	9.1	7.6	233,297	8.5	(2.3)
Finance, insurance, real estate and business services	254,982	9.3	3.5	246,302	9.0	(1.2)
Transport, storage and communication	158,485	5.8	5.7	149,989	5.5	(1.6)
Construction	109,956	4.0	3.0	106,747	3.9	(8.4)
Agriculture, forestry and fishing	74,407	2.7	2.2	72,779	2.7	2.3
Community, social and personal services	80,346	2.9	2.0	78,767	2.9	0.8
Electricity, gas and water	30,954	1.1	3.5	29,911	1.1	(10.0)
Sub-total (excluding net taxes on products)	2,664,772	96.8	0.6	2,648,714	97.1	0.4
Net taxes on products	87,059	3.2	8.3	80,403	2.9	328.8
Total real GDP	**2,751,831**	**100.0**	**0.8**	**2,729,117**	**100.0**	**2.8**

Source: GASTAT

Note:

(1) Preliminary figures and subject to change.

Real GDP by Oil and Non-Oil Sector

The following table sets forth the relative contributions of the oil sector and the private and Government non-oil sector to Saudi Arabia's real GDP, at constant 2010 prices for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December								
	2022[1]			2021			2020		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)								
Oil Sector	1,177,563	39.5	15.3	1,021,191	37.2	0.2	1,018,920	38.7	(6.6)
Non-oil sector	1,710,144	57.3	5.3	1,624,256	59.1	6.4	1,526,164	58.0	(3.0)
Private sector	*1,233,546*	*41.3*	5.6	*1,167,938*	*42.5*	8.4	*1,077,788*	*40.9*	*(3.7)*
Government sector	*476,598*	*16.0*	*4.4*	*456,318*	*16.6*	*1.8*	*448,376*	*17.0*	*(1.2)*
Sub-total (excluding net taxes on products)	2,887,707	96.8	9.2	2,645,447	96.3	3.9	2,545,083	96.7	(4.5)
Net taxes on products	96,929	3.2	(3.8)	100,795	3.7	15.5	87,280	3.3	0.3
Total real GDP	**2,984,636**	**100.0**	**8.7**	**2,746,242**	**100.0**	4.3	**2,632,363**	**100.0**	**(4.3)**

	Year ended 31 December					
	2019			2018		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)					
Oil Sector	1,091,430	39.7	(3.3)	1,128,412	41.3	2.3
Non-oil sector	1,573,342	57.2	3.5	1,520,303	55.7	(0.9)
Private sector	*1,119,399*	40.7	4.0	1,076,694	39.5	(2.3)
Government sector	*453,943*	16.5	2.3	443,609	16.3	2.8
Sub-total (excluding net taxes on products)	2,664,772	96.8	0.6	2,648,714	97.1	0.4
Net taxes on products	87,059	3.2	8.3	80,403	2.9	328.8
Total real GDP	**2,751,831**	**100.0**	**0.8**	**2,729,117**	**100.0**	**2.8**

Source: GASTAT
Note:
(1) Preliminary figures.

In recent years, the Government has invested heavily in diversifying Saudi Arabia's economy to reduce its reliance on oil revenues. Based on preliminary figures for 2022, the non-oil sector grew by 5.3 per cent. in real terms in the year ended 31 December 2022 to reach SAR 1,710.1 billion (U.S.$456.0 billion), following a growth of 6.4 per cent., decline of 3.0 per cent., growth of 3.5 per cent., and decline of 0.9 per cent. in the years ended 31 December 2021, 2020, 2019 and 2018, respectively. Based on preliminary figures for 2022, within the non-oil sector, the private sector grew in real terms by 5.6 per cent. to SAR 1,233.5 billion (U.S.$328.9 billion) in the year ended 31 December 2022, and grew by 8.4 per cent. to reach SAR 1,167.9 billion (U.S.$311.4 billion) in the year ended 31 December 2021, following a decline of 3.7 per cent. and growth of 4.0 per cent. and decline of 2.3 per cent. in the years ended 31 December 2020, 2019, and 2018, respectively.

The growth in the non-oil sector in the year ended 31 December 2022 was primarily attributable to a high increase in non-oil related activities.

The growth in the non-oil sector in the year ended 31 December 2021 was primarily attributable to economic recovery following the COVID-19 pandemic and the higher oil price environment.

The key drivers of contraction in the non-oil sector in the year ended 31 December 2020 were other manufacturing, which contracted by 6.6 per cent., wholesale and retail trade, restaurants and hotels, which contracted by 8.8 per cent., and transport, storage and communication, which contracted by 6.3 per cent.

Nominal GDP by Economic Activity

The following table sets forth the contribution by economic activity to Saudi Arabia's nominal GDP for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018 respectively.

	Year ended 31 December								
	2022[1]			2021			2020		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)								
Mining and quarrying	1,371,837	33.0	71.2	801,275	24.4	49.6	535,614	19.5	(37.4)
Oil and gas (excluding oil refining)	1,357,279	32.6	72.4	787,083	24.0	50.7	522,226	19.0	(38.0)
Other mining and quarrying	14,559	0.4	2.6	14,192	0.4	6.0	13,388	0.5	1.6
Government services	603,159	14.5	4.4	577,633	17.6	0.1	576,972	21.0	(1.2)
Manufacturing	600,120	14.4	38.6	432,943	13.2	24.4	347,986	12.6	(11.4)
Oil refining	251,150	6.0	89.1	132,845	4.1	62.1	81,974	3.0	(23.9)
Other manufacturing	348,970	8.4	16.3	300,097	9.2	12.8	266,012	9.7	(6.7)
Wholesale and retail trade, restaurants and hotels	348,345	8.4	9.2	319,015	9.7	14.9	277,761	10.1	(9.3)
Finance, insurance, real estate and business services	416,562	10.0	9.6	379,982	11.6	4.9	362,224	13.2	1.2
Transport, storage and communication	180,693	4.3	6.0	170,493	5.2	3.8	164,223	6.0	(7.3)
Construction	192,201	4.6	13.1	169,898	5.2	5.9	160,449	5.8	3.5
Agriculture, forestry and fishing	99,976	2.4	14.0	87,694	2.7	7.6	81,511	3.0	1.3
Community, social and personal services	108,380	2.6	11.3	97,366	3.0	12.3	86,728	3.1	(12.4)
Electricity, gas and water	44,806	1.1	2.0	43,933	1.3	2.7	42,779	1.6	(4.9)
Sub-total (excluding net taxes on products)	3,966,079	95.4	28.8	3,080,231	94.0	16.8	2,636,247	95.7	(13.6)
Net taxes on products	191,064	4.6	-3.4	197,855	6.0	68.7	117,270	4.3	27.5
Total nominal GDP	4,157,143								
		100.0	**26.8**	**3,278,085**	**100.0**	**19.1**	**2,753,517**	**100.0**	**(12.4)**

Source: GASTAT
Note:
(1) Preliminary figures.

	Year ended 31 December					
	2019			2018		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)					
Mining and quarrying	855,259	27.2	(12.0)	972,050	30.6	48.3
Oil and gas (excluding oil refining)	*842,079*	*26.8*	*(12.3)*	*959,813*	*30.2*	*49.0*
Other mining and quarrying	*13,180*	*0.4*	*7.7*	*12,237*	*0.4*	*6.2*
Government services	583,758	18.6	4.4	559,358	17.6	13.9
Manufacturing	392,735	12.5	(1.7)	399,044	12.5	12.0
Oil refining	*107,710*	*3.4*	*(9.0)*	*118,345*	*3.7*	*41.8*
Other manufacturing	*285,026*	*9.1*	*1.5*	*280,699*	*8.8*	*2.8*
Wholesale and retail trade, restaurants and hotels	306,297	9.7	7.8	284,178	8.9	(0.7)
Finance, insurance, real estate and business services	357,941	11.4	3.3	346,388	10.9	1.4
Transport, storage and communication	177,128	5.6	6.2	166,779	5.3	0.6
Construction	155,048	4.9	7.1	144,792	4.7	(5.7)
Agriculture, forestry and fishing	80,488	2.6	2.2	78,784	2.5	2.5
Community, social and personal services	99,034	3.1	4.7	94,614	3.0	4.0
Electricity, gas and water	44,986	1.4	2.3	43,965	1.4	11.1
Sub-total (excluding net taxes on products)	3,052,673	97.1	(1.2)	3,089,952	97.3	16.3
Net taxes on products	91,944	2.9	8.5	84,737	2.7	262.5
Total nominal GDP	**3,144,618**	**100.0**	**(0.9)**	**3,174,689**	**100.0%**	**18.4**

Source: GASTAT

Based on preliminary figures for 2022, the contribution to Saudi Arabia's nominal GDP of oil and gas activities (excluding oil refining) increased to SAR 1,357.3 billion (U.S.$361.9 billion) or 32.6 per cent. of total nominal GDP in the year ended 31 December 2022 from SAR 787.1 billion (U.S.$209.9 billion), or 24.0 per cent. of total nominal GDP in the year ended 31 December 2021.

Saudi Arabia's nominal GDP was SAR 4,157.1 billion (U.S.$1,108.6 billion) in the year ended 31 December 2022, representing an increase of 26.8 per cent. in nominal terms as compared to nominal GDP of SAR 3,278.9 billion (U.S.$874.4 billion) in the year ended 31 December 2021.

Nominal GDP by Oil and Non-Oil Sector

The following tables set forth the relative contributions of the oil sector and the private and Government non-oil sector to Saudi Arabia's nominal GDP for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December								
	2022			2021			2020		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)								
Oil Sector	1,617,919	38.9	74.2	928,651	28.3	51.6	612,500	22.2	(36.1)
Non-oil sector	2,348,160	56.5	9.1	2,151,580	65.6	6.3	2,023,747	73.5	(3.4)
Private sector	1,647,449	39.6	11.0	1,483,637	45.3	9.1	1,360,399	49.4	(4.2)
Government sector	700,711	16.9	4.9	667,943	20.4	0.7	663,347	24.1	(1.7)
Sub-total (excluding net taxes on products)	3,966,079	95.4	28.8	3,080,231	94.0	16.8	2,636,247	95.7	(13.6)
Net taxes on Products	191,064	4.6	-3.4	197,855	6.0	68.7	117,270	4.3	27.5
Total nominal GDP	**4,157,143**	**100**	**26.8**	**3,278,085**	**100.0**	**19.1**	**2,753,517**	**100.0**	**(12.4)**

	Year ended 31 December					
	2019			2018		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)					
Oil Sector	958,288	30.5	(11.8)	1,086,261	34.2	47.7
Non-oil sector	2,094,385	66.6	4.5	2,003,691	63.1	4.2
Private sector	1,419,403	45.1	4.5	1,358,188	42.8	0.9
Government sector	674,982	21.5	4.6	645,504	20.3	12.0
Sub-total (excluding net taxes on products)	3,052,673	97.1	(1.2)	3,089,952	97.3	16.3
Net taxes on products	91,944	2.9	8.5	84,737	2.7	262.5
Total nominal GDP	**3,144,618**	**100.0**	**(0.9)**	**3,174,689**	**100.0**	**18.4**

Source: GASTAT

The increase in the percentage contribution of the non-oil sector to Saudi Arabia's economy during these periods was due to the prioritisation by the Government of the non-oil private sector, which is a key element of the Government's economic diversification policy, increases in revenues from the non-oil sector in the fiscal year 2019 primarily due to structural reforms enacted under the fiscal consolidation measures such as the implementation of value added tax, adjustments of visa and municipality fees, the implementation of expat levies and the application of excise taxes on certain potentially harmful products including tobacco, tobacco derivatives, soft drinks and energy drinks, as well as the decline in global oil prices from mid-2014 to 2019 and the consequent significant decrease in Government revenues and export earnings attributable to the oil sector.

The percentage contribution of the non-oil private sector to Saudi Arabia's total nominal GDP was 39.6 per cent., 45.3 per cent., 49.4 per cent., 45.1 per cent. and 42.8 per cent. in the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively, while the percentage contribution of the non-oil Government sector to Saudi Arabia's total nominal GDP was 16.9 per cent., 20.4 per cent, 24.1 per cent., 21.5 per cent. and 20.3 per cent. in the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

Implicit Price Deflator

The implicit price deflator, or GDP deflator, is a measure of price inflation or deflation in the goods and services produced by Saudi Arabia's economy in a particular year, with reference to 2010 as a base year. The following table sets forth details of Saudi Arabia's GDP deflator for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December				
	2022[1]	2021[1]	2020	2019	2018
Oil sector GDP deflator	137.4	90.9	60.1	87.8	96.3
Non-oil sector GDP deflator	137.3	132.5	132.6	133.1	131.8
Overall GDP deflator	139.3	119.4	104.6	114.3	116.3

Source: GASTAT

Note:
(1) Preliminary figures.

Per capita GDP

The following table sets forth Saudi Arabia's GDP per capita for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively (based on the estimated population of Saudi Arabia as at 31 July in each year):

	Year ended 31 December				
	2022[1][2]	2021[2]	2020	2019	2018
Population[1]	32,175,224	30,784,383	31,552,510	30,063,799	30,196,281
Per capita real GDP:					
GDP at constant prices *(SAR millions)*	2,985,097	2,761,092	2,632,363	2,751,831	2,729,117
Per capita GDP at constant prices *(SAR)*	92,776	89,529	83,428	91,533	90,379
Per capita GDP at constant prices *(U.S.$)*	24,740	23,874	22,247	24,409	24,101
Per capita nominal GDP:					
GDP at current prices *(SAR millions)*	4,157,143	3,278,085	2,753,517	3,144,618	3,174,689
Per capita GDP at current prices *(SAR)*	129,203	106,485	87,268	104,598	105,135
Per capita GDP at current prices *(U.S.$)*	34,454	28,396	23,271	27,893	28,036

Source: GASTAT
Notes:
(1) Population estimates are as at 31 July in each respective year.
(2) Preliminary figures.

Oil and Gas

The hydrocarbon industry is the single largest contributor to Saudi Arabia's economy. According to OPEC's 2023 Annual Statistical Bulletin, Saudi Arabia possessed the world's second largest proven oil reserves (accounting for 17.1 per cent. of the world's total oil reserves) as at 31 December 2022, and was the world's second largest oil producer (accounting for 14.5 per cent. of the world's total oil production) and one of the world's largest oil exporters (accounting for 4.9 per cent. of the world's total oil exports by volume) in the year ended 31 December 2022.

Saudi Arabia's GDP attributable to oil and gas activities (excluding oil refining) is accounted for in the Government's accounts under mining and quarrying activities, while Saudi Arabia's GDP attributable to oil refining activities is accounted for under manufacturing activities.

Based on preliminary figures for 2022, the contribution to Saudi Arabia's nominal GDP of oil and gas activities (excluding oil refining) increased to SAR 1,357.3 billion (U.S.$361.9 billion) or 32.6 per cent. of total nominal GDP in the year ended 31 December 2022 from SAR 787.1 billion (U.S.$209.9 billion), or 24.0 per cent. of total nominal GDP in the year ended 31 December 2021. Oil and gas activities (excluding oil refining) increased by 16.1 per cent. in real terms in the year ended 31 December 2022, compared to a decline of 1.2 per cent. in real terms in the year ended 31 December 2021, a decline of 6.1 per cent. in the year ended 31 December 2020, a decline of 3.4 per cent. in the year ended 31 December 2019 and a growth of 2.9 per cent. in real terms in the year ended 31 December 2018.

Saudi Aramco

Saudi Aramco is the principal producer of oil and natural gas in Saudi Arabia. The Government has granted a concession to Saudi Aramco – the right to explore, drill, prospect, appraise, develop, extract, recover and produce Hydrocarbons in the territorial lands and maritime zones of the Kingdom and areas where the Kingdom has rights to natural resources pursuant to international treaties, excluding (a) the boundaries of the Holy Mosques in Makkah Al-Mukarramah and Madinah Al-Munawwarah, (b) the partitioned territory and its adjoining offshore areas in accordance with agreements between the Kingdom and Kuwait and (c) the common zone in the Red Sea in accordance with an agreement between the Kingdom and the Republic of Sudan. The Saudi Aramco Group's activities primarily include exploration and production of oil and gas; oil and gas processing and refining and production of petrochemicals; transportation of crude oil and refined products; refined products distribution and sales; and services (including storage, finance, insurance and aviation).

On 29 May 1933, the Government granted a concession to Socal giving it the right to explore for oil within the Kingdom's borders. Later that year, Socal incorporated CASOC as a subsidiary to manage the concession. Texaco acquired a 50 per cent. interest in CASOC in 1936. CASOC's first commercial success came in 1938 at a drill site in Dammam, which quickly began producing more than 1,500 barrels of crude oil per day. In 1944, CASOC was renamed the Arabian American Oil Company. In 1948, Standard Oil Company of New Jersey, which later became Exxon, purchased 30 per cent. of the Arabian American Oil Company, and Socony-Vacuum Oil Company, which later became Mobil, purchased 10 per cent. to help provide market outlets and capital for the Kingdom's hydrocarbon reserves. In 1952, the Arabian American Oil Company's headquarters moved from New York to Dhahran, and in 1973, the Government acquired an initial 25 per cent. participating interest in the concession, which increased to 60 per cent. in the following year. The Arabian American Oil Company continued to grow and had become the world's leading oil producer in terms of volume produced in a single year by 1976. Between 1980 and 1981, the Government increased its participation interest in the company's crude oil concession rights, production and facilities to 100 per cent. During the 1980s, the Arabian American Oil Company increased its production volumes and expanded its infrastructure with the construction of the East-West pipeline, a 1,200-kilometre pipeline dedicated to transporting crude oil from Dhahran to Yanbu' on the Red Sea. In the 1980s and 1990s, the company established refining and marketing joint ventures in strategic markets around the globe in order to further expand its market and product offerings.

In 1988, Saudi Aramco, was established as a company with limited liability by virtue of Royal Decree No. M/8 dated 4/4/1409H (corresponding to 13 November 1988), to assume the privileges and rights of the Arabian American Oil Company.

On 1 January 2018, Saudi Aramco was converted into a joint stock company by virtue of Council of Ministers' Resolution No. 180 dated 1/4/1439H (corresponding to 19 December 2017) and registered in the city of Dhahran under commercial registration No. 2052101150 dated 11/07/1439H (corresponding to 28 March 2018).

Saudi Aramco's board of directors, which has responsibility for Saudi Aramco's business affairs and provides management with guidance in determining Saudi Aramco's long-term strategy, includes senior Government officials, senior figures in the international oil, gas, and finance industries, and senior members of Saudi Aramco's senior management.

On 1 April 2019, Saudi Aramco established a global medium term note programme, On 16 April 2019, Saudi Aramco issued five tranches of U.S. dollar denominated senior unsecured notes comprising U.S.$1.0 billion 2.750 per cent. due 2022, U.S.$2.0 billion 2.875 per cent. due 2024, U.S.$3.0 billion 3.500 per cent. due 2029, U.S.$3.0 billion 4.250 per cent. due 2039 and U.S.$3.0 billion 4.375 per cent. due 2049.

Saudi Aramco initiated trial production in the Jafurah and South Ghawar fields to evaluate production potential. Saudi Aramco also plans to further evaluate and develop unconventional gas reserves in other areas. In November 2021, Saudi Aramco commenced development of the Jafurah unconventional gas field, the largest non-associated gas field in the Kingdom. It is expected to reach a sustainable gas rate of two billion standard cubic feet per day of natural gas by 2030.

On 11 December 2019, Saudi Aramco completed an initial public offering and listing on the Tadawul of SAR 110.4 billion (U.S.$29.4 billion) through a sale of a 1.73 per cent. stake held by the Kingdom in Saudi Aramco. The initial public offering highlights the Kingdom's commitment to achieving the goals of Vision 2030 by diversifying sources of income and further enhancing the position of the domestic financial market.

In addition, the Fadhili gas plant commenced operations in 2019 and contributed an additional 1.5 bscfd. to Saudi Aramco's gas processing capacity in 2019 and reached its full capacity of 2.5 bscfd. in 2020.

In June 2020, the Saudi Aramco Group acquired PIF's 70 per cent. stake in SABIC for a total consideration of SAR 259.1 billion (U.S.$69.1 billion).

For the year ended 31 December 2021, Saudi Aramco declared dividends of U.S.$75.0 billion and for the year ended 31 December 2022, Saudi Aramco declared dividends of U.S.$75.0 billion.

For the year ended 31 December 2021, Saudi Aramco's net income was U.S.$110.0 billion, which represented an increase of 124 per cent. compared to net income of U.S. $49.0 billion for the year ended 31 December 2021, primarily due to higher crude oil prices, stronger refining and chemicals margins and the consolidation of SABIC's full-year results. Saudi Aramco also announced that its capital expenditures reached U.S.$31.9 billion for the year ended 31 December 2021, representing an increase of 18 per cent. compared with 2020. In March 2023, Saudi Aramco announced that for the year ended 31 December 2022, its net income was U.S.$161.1 billion, which represented an increase of 46.5 per cent. compared to net income of U.S.$110 billion for the year ended 31 December 2021, primarily due to higher crude oil prices and volumes sold as well as higher refining margins. Saudi Aramco also announced that its capital expenditures were U.S.$37.6 billion for the year ended 31 December 2022, representing an increase of 18 per cent. compared with the same period in 2021. It expects its capital expenditure for 2023 to be approximately U.S.$45 billion to U.S.$55 billion.

Reserves

As at 31 December, 2022, based on the initial 40-year period and 20-year extension of the concession, Saudi Aramco's reserves stood at 258.8 billion barrels of oil equivalent ("**boe**"), including 200.8 billion barrels of crude oil and condensate, 25.2 billion barrels of natural gas liquids ("**NGLs**") and 201.9 trillion standard cubic feet ("**tscf**") of natural gas. In addition, as at December 31, 2022, Saudi Aramco had a gross refining capacity of 7.1 million barrels of oil per day ("**mmbpd**") and net refining capacity of 4.1 mmbpd.

The remainder of Saudi Arabia's reserves are accounted for by:

- Saudi Arabia's 50 per cent. interest in the hydrocarbon resources of the 'Offshore Partitioned Zone' between Saudi Arabia and Kuwait. Aramco Gulf Operations Company Ltd. ("**AGOC**"), a wholly-owned subsidiary of Saudi Aramco, conducts operations in the Offshore Partitioned Zone on behalf of Saudi Arabia. AGOC's operations are conducted through Khafji Joint Operations, a 50:50 joint-venture management structure with Kuwait Gulf Oil Company ("**KGOC**") pursuant to a joint operations agreement; and

- Saudi Arabia's 50 per cent. interest in the hydrocarbon resources of the 'Onshore Partitioned Zone' between Saudi Arabia and Kuwait. Saudi Arabian Chevron Inc. ("**Saudi Chevron**") is party to a concession agreement with Saudi Arabia to conduct operations in the Onshore Partitioned Zone on behalf of Saudi Arabia. Saudi Chevron operations are conducted through Wafra Joint Operations Company, a 50:50 joint-venture management structure with KGOC, pursuant to a joint operations agreement.

The following table sets forth details of Saudi Arabia's proven oil and gas reserves, including reserves in the fields operated by Saudi Aramco, for each of the years ended 31 December 2022, 2021, 2019 and 2018, respectively.

	Year ended 31 December				
	2022	2021	2020	2019	2018
	(Billion barrels)				
Total crude oil and condensate reserves	**267.2**	**267.2**	**267.1**	**267.1**	**267.0**
Saudi Aramco Group	261.6	261.6	261.6	261.5	261.5
Others	5.6	5.6	5.5	5.5	5.5
	(Trillion scf)				
Total gas reserves	**335**	**329.0**	**326.1**	**324.9**	**320.5**
Saudi Aramco Group	329.2	323.3	320.3	319.1	269.9
Others	5.8	5.7	5.8	5.8	50.6

Source: Ministry of Energy

Exploration

Saudi Aramco's initial discoveries following the signing of an exploration concession agreement between Saudi Arabia and Socal in 1933 were at Dammam (1938), and Abqaiq (December 1940). These were followed by the discovery of what is believed to be the world's largest oil field, Ghawar, which was discovered in five areas individually: 'Ain Dar (1948), Haradh (1949), 'Uthmaniyah (1951), Shedgum (1952) and Hawiyah (1953). The Ghawar field is 246 km long and 36 km wide. Ghawar's main reservoir is the Arab-D reservoir, from which nearly all the field's oil production comes under development. The northern-most region of the Ghawar field lies approximately 100 kilometers west of Dhahran. The field comprises six main area (Fazran, Ain Dar, Shedgum, Uthmaniyah, Hawiyah and Haradh) and extends southwards over more than 200 kilometres as one long continuous anticline. It is approximately 36 kilometres across at its widest point (where the Ain Dar and Shedgum areas run in parallel and are 26 kilometres and 10 kilometres wide, respectively). In 1951, Saudi Aramco discovered the Safaniya field, which is believed to be the world's largest offshore oil field. As of 31 December 2022, the Kingdom's reserves in the fields that Saudi Aramco operates consisted of 338.4 billion boe as compared to 337.3 billion boe as of 31 December 2021, including 261.6 billion barrels of crude oil and condensate and 36.1 billion barrels of NGL and 246.7 tscf.

Production

Oil production

In the year ended 31 December 2022, Saudi Arabia's total crude oil production was 3,866 million barrels, compared to 3,331 million barrels, 3,372 million barrels, 3,580 million barrels, 3,766 million barrels and 3,635 million barrels in the years ended 31 December 2021, 2020, 2019, 2018 and 2017, respectively. In the year ended 31 December 2022, Saudi Arabia's daily average of crude oil production was 10.6 million bpd, compared to 9.1 million bpd, 9.2 million bpd, 9.8 million bpd, 10.3 million bpd and 10.0 million bpd in the years ended 31 December 2021, 2020, 2019, 2018 and 2017, respectively. The decrease in Saudi Arabia's total crude oil production during the period prior to 2022 was principally due to slower demand as a result of COVID-19. During this period, Saudi Arabia participated in voluntary production management with other OPEC and certain non-OPEC oil producing countries in an effort to accelerate the stabilisation of the global oil market under the Declaration of Cooperation made by OPEC and certain non-OPEC oil producing countries in November 2016.

On 7 December 2018, OPEC members and certain other non-OPEC states, including Russia, agreed to reduce crude oil production by 1.2 million barrels a day from October 2018 production levels for an initial period of six months effective as of January 2019, reaffirming the continued commitment of the participating producing countries in the Declaration of Cooperation reached on 10 December 2016 to maintain a stable market. The contributions from OPEC members and the voluntary contributions from non-OPEC participating countries to the production cut corresponded to 800,000 barrels a day and 400,000 barrels a day, respectively. On 2 July 2019, the OPEC member states and non-OPEC states agreed to extend the decision taken on voluntary production adjustments for an additional period of nine months from 1 July 2019 to 31 March 2020.

On 4 December 2019, the OPEC member states and certain non-OPEC states agreed to reduce crude oil production by an additional 500,000 barrels a day through the end of March 2020 amounting to a total reduction of 1.7 million barrels a day, effective as of 1 January 2020. The additional contributions from OPEC members and the additional voluntary contributions from non-OPEC participating countries to the production cut corresponded to 340,000 barrels a day and 160,000 barrels a day, respectively. In addition to these cuts, the Kingdom pledged a voluntary reduction of 400,000 barrels a day.

On 6 March 2020, OPEC members and certain non-OPEC oil producing countries participating in the Declaration of Cooperation, in particular Russia, failed to reach an agreement to extend the voluntary crude oil production adjustments due to expire on 31 March 2020. The Kingdom then adjusted its crude oil export prices and increased its crude oil sale allocations for April 2020. On 11 March 2020, the Government also instructed Saudi Aramco to evaluate its requirements and increase its maximum sustained daily production

capacity from 12 million barrels to 13 million barrels. Saudi Aramco is currently evaluating the timing of and costs associated with implementing the Government's directive.

Subsequently, in April 2020, the OPEC and non-OPEC oil producing countries participating in the Declaration of Cooperation reached the largest oil production adjustment agreement on record, which was later extended in June 2020. This agreement helped stabilise global oil prices, with the monthly average OPEC Reference Basket price reaching U.S.$45.19 per barrel by August 2020. On 3 December 2020, the participating countries amended their earlier agreement and in light of oil market fundamentals and the outlook for 2021, agreed to increase production by 500,000 barrels a day beginning January 2021, bringing the total production adjustment to 7.2 million barrels a day. On 7 January 2021, the Kingdom pledged an additional unilateral voluntary reduction of 1.0 million barrels a day from 1 February 2021 to 31 March 2021. The announcement contributed to an increase in oil prices with the OPEC reference basket price rising to U.S.$54.39 as at 8 January 2021, its highest level since February 2019. On 18 July 2021, OPEC+ announced that production would be increased, beginning in August 2021, by nine monthly increments of 0.4 million bpd, followed by five monthly increments of 0.43 million bpd. OPEC+ further agreed to extend the duration of the Declaration of Cooperation to December 2022, including an option to pause increases for up to three months and to endeavour to end production adjustments by the end of September 2022, subject to market conditions. On 3 August 2022, OPEC+ announced that production would be increased by 0.1 million bpd in September 2022, but that the baseline increases agreed in the 18 July 2021 meeting would remain unaffected. On 5 September 2022, OPEC+ announced that, due to the recent decline in oil prices, the 0.1 million bpd increase in production for September 2022 would be rolled back to October 2022, such that production levels in October 2022 would match those of August 2022. However, on 5 October 2022, OPEC+ adjusted downward overall oil production by two million bpd from the August 2022 production levels, effective November 2022 and further agreed to extend the Declaration of the Cooperation until 31 December 2023. On 4 December 2022, OPEC+ re-affirmed its oil output targets as agreed at the 5 October meeting.

The targets were reviewed at the 3 April 2023 Joint Ministerial Monitoring Committee Meeting and OPEC+ reaffirmed their commitment to the Declaration of Cooperation. The 3 April 2023 meeting also noted the voluntary production adjustment announcements on 2 April 2023 of the Kingdom, who pledged an additional reduction of 500,000 barrels a day from May 2023, extended to 1,000,000 barrels a day from July 2023, until the end of 2024, as well as those during the same period of the additional OPEC+ members, those being Iraq by 211,000 barrels a day, the United Arab Emirates by 144,000 barrels a day, Kuwait by 128,000 barrels a day, Kazakhstan by 78,000 barrels a day, Algeria by 48,000 barrels a day, Oman by 40,000 barrels a day and Gabon by 8,000 barrels a day. In addition to the announced voluntary adjustment by Russia of 500,000 barrels a day until the end of 2023, this brings the total additional voluntary production adjustments to 1.66 million barrels a day. In June 2023, OPEC+ extended oil production reductions of 3.66 million bpd until the end of 2023. In November 2023, additional voluntary production reductions beginning in January 2024 until the end of March 2024 were announced by several OPEC+ members, including Saudi Arabia (1 million bpd), Iraq (223,000 bdp), the UAE (163,000 bpd), Kuwait (135,000 bpd), Kazakhstan (82,000 bpd), Algeria (51,000 bpd) and Oman (42,000 bdp).

The following table sets forth details of Saudi Arabia's oil production, along with the Saudi Aramco Group's contribution thereto, for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December				
	2022	**2021**	**2020[1]**	**2019[1]**	**2018[1]**
	(Million barrels)				
Total crude oil production	**3,865.4**	**3,330.5**	**3,372.0**	**3,585.0**	**3,765.0**
Saudi Aramco Group[2]	3,810.6	3,283.5	3,348.9	3,585.0	3,765.0
Others[3]	54.75	47.0	23.1	—	—
	(Million bpd)				
Average crude oil production	**10.59**	**9.12**	**9.21**	**9.8**	**10.32**
Saudi Aramco Group[2]	10.44	8.99	9.15	9.8	10.32
Others[3]	0.15	0.13	0.06	—	—

Source: Ministry of Energy, Saudi Aramco
Notes:
(1) Production from Partitioned Zone (by Saudi Chevron & AGOC) was suspended from May 2015 until July 2020.
(2) Does not include AGOC.
(3) Includes AGOC and SA Chevron.

In the year ended 31 December 2022, the Saudi Aramco Group's daily average hydrocarbon production was 13.6 million barrels of oil equivalent per day, including 11.5 million bpd of total liquids (including crude oil, natural gas liquids and condensate) compared to 12.3 million barrels of oil equivalent per day, including 10.4 million bpd of total liquids (including crude oil, natural gas liquids and condensate) in the year ended 31 December 2021.

According to OPEC's 2023 Annual Statistical Bulletin, Saudi Arabia was the world's second largest oil producer and possessed approximately 17 per cent. of the world's proven petroleum reserves as at 31 December 2022. The Saudi Aramco Group supplies more crude oil than any other company.

The Saudi Aramco Group produces seven grades of crude oil: Arabian Super Light, Arabian Extra Light, Arabian Light, Arabian Medium, Arabian Heavy, Khafji and Hout.

The following is a summary of the Saudi Aramco Group's principal oil production sites:

- *Abqaiq:* The Abqaiq production site is the Saudi Aramco Group's largest oil processing facility and the largest crude oil stabilisation plant in the world, with the capacity to produce 7.0 mmbpd. All crude oil from Ghawar is pumped to the Abqaiq plant for further processing and stabilisation.

- *Khurais:* The Khurais has the capacity to produce up to 1.45 million bpd of Arabian Light crude oil through its central processing facility, the largest single production site in Saudi Arabia. The Khurais production site, which includes the development of the Abu Jifan and Mazalij fields, began crude oil production in June 2009.

- *Khursaniyah:* The Khursaniyah production site includes facilities to process and stabilise crude oil as well as a gas plant.

- *Shaybah:* The Shaybah crude oil expansion programme, completed in 2009, increased Shaybah's capacity from 500,000 bpd to 750,000 bpd. Its production capacity was further increased to 1,000,000 bpd in 2016.

Gas production

The Saudi Aramco Group also produces natural gas for Saudi Arabia. In the year ended 31 December 2022, the Saudi Aramco Group produced 10.6 billion scfd of natural gas and ethane gas, compared to 10.1 billion scfd in the year ended 31 December 2021. The Saudi Aramco Group's methane and ethane production is currently marketed domestically, while its propane, butane and natural gasoline are marketed both domestically and exported. Saudi Arabia's natural gas production is currently sufficient to meet Saudi Arabia's domestic consumption requirements.

The following table sets forth details of the Saudi Aramco Group's gas production for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
Natural gas and ethane gas production (billion scfd)	10.6	10.1	9.1	9.1	9.0

Source: Saudi Aramco

Refining and Marketing

Saudi Arabia's total production of refined products increased by 8.7 per cent. to 1,010.6 million barrels in the year ended 31 December 2022, compared to 930 million barrels in the year ended 31 December 2021 (representing daily production of 2.8 million bpd). Diesel production increased by 8.4 per cent., fuel oil production increased by 14.0 per cent., gasoline production increased by 16.0 per cent., jet fuel production increased by 21.8 per cent., naphtha production declined by 49.4 per cent., other (asphalt and coke) production increased by 25.5 per cent., and LPG production increased by 17.1 per cent., in each case in the year ended 31 December 2022 as compared to the year ended 31 December 2021.

The following table sets forth Saudi Arabia's production of refined products for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
	(Million barrels)				
Diesel	441.3	407.0	360.4	385.8	391.6
Fuel oil	175.6	154.1	126.1	154.5	166.2
Premium gasoline	230.2	198.6	166.4	200.1	193.1
Jet fuel (kerosene)	56	46	53.2	84.7	95.8
Naphtha	32.1	63.4	44.8	51.2	60.1
LPG	16.6	14.2	12.9	9.7	17.1
Others	58.8	46.9	38.1	57.1	98.4
Total	**1,010.6**	**930.0**	**801.7**	**943.6**	**1,022.4**

Source: Ministry of Energy

Saudi Arabia's total domestic consumption of refined products, including LPG, natural gas and crude direct use has increased by 9.6 per cent. to 866.3 million barrels in the year ended 31 December 2022 (representing daily domestic consumption of 2.4 million bpd), compared to 790.4 million barrels in the year ended 31 December 2021 (representing daily domestic consumption of 2.2 million bpd). The following table sets forth Saudi Arabia's domestic consumption of refined products, natural gas and crude oil for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
	(Million barrels)				
Total domestic consumption of refined products, natural gas and crude oil	**866.3**	**790.4**	**782.8**	**828.1**	**819.6**

Source: Ministry of Energy

As at 31 December 2022, the aggregate worldwide gross refining capacity of Saudi Aramco Group's refineries and the businesses in which Saudi Aramco held an equity interest was 7.1 million bpd (4.1 million bpd net), and a net chemicals production capacity of 56.31 million tons per year (excluding SABIC Agri-Nutrients).

Wholly-Owned Refining Operations

In 2022, the Saudi Aramco Group distributed 26 per cent. (2021: 27 per cent.) of its crude oil production within Saudi Arabia to wholly-owned and affiliated refineries. Saudi Aramco's equity share of refined products through its wholly-owned refineries located within the Kingdom are primarily distributed wholesale to domestic fuel retailers and industrial customers through Saudi Aramco's pipelines distribution and terminals system. The Saudi Aramco Group has five wholly-owned and four domestic-affiliated refineries in the Kingdom, which help to meet domestic refined product demand. Through long-term supply agreements, Saudi Aramco has the right to supply all crude processed at these refineries.

The Saudi Aramco Group's wholly-owned international refining operations consist of Motiva Enterprises LLC ("**Motiva**"), a Houston-headquartered refining, distribution and marketing subsidiary of Saudi Aramco. Motiva currently owns and operates one refinery in the United States located in Port Arthur, Texas. The Port Arthur refinery is the largest single site crude oil refinery in North America with a production capacity of 635,000 bpd. In October 2019, Motiva completed a transaction to purchase a 100 per cent. equity interest in Flint Hills Resources Port Arthur, LLC (now Motiva Chemicals LLC), a chemical plant in Port Arthur, Texas.

Saudi Aramco Shell Refinery Company ("**SASREF**"), which has a design capacity of approximately 305,000 bpd, is a joint venture between Saudi Aramco (50 per cent.) and Shell Saudi Arabia Refining Limited (50 per cent.), located in Jubail Industrial City. In 2019, Saudi Aramco acquired Shell's 50 per cent. interest in SASREF and subsequently renamed it as Saudi Aramco Jubail Refinery Company.

Domestic Joint Venture Operations

The Saudi Aramco Group is also a joint venture partner in four domestic refineries that are currently in operation:

- Saudi Aramco Mobil Refinery Company ("**SAMREF**"), which has a design capacity of approximately 400,000 bpd, is a joint venture between Saudi Aramco (50 per cent.) and Mobil Yanbu Refining Company Inc. (50 per cent.), a wholly-owned subsidiary of Exxon Mobil Corporation.

- Rabigh Refining and Petrochemical Company ("**PetroRabigh**") is a public company in which Saudi Aramco holds an equity interest of 37.5 per cent., with Sumitomo Chemical Co., Ltd holding 37.5 per cent., with the remainder of the shares publicly traded on the Tadawul. The PetroRabigh complex is located in Rabigh on the Red Sea coast of Western Saudi Arabia, and it has a gross refining capacity to process approximately 400,000 bpd of crude oil of which the Saudi Aramco Group's share is 150,000 bpd of crude oil.

- Saudi Aramco Total Refining and Petrochemical Company ("**SATORP**"), is a full conversion refinery which has a design capacity of approximately 440,000 bpd, is a joint venture between Saudi Aramco (62.5 per cent.) and TOTAL Refining & Chemicals Saudi Arabia S.A. (37.5 per cent.) located in Jubail Industrial City.

- Yanbu Aramco Sinopec Refining Company ("**YASREF**") is a joint venture between Saudi Aramco (62.5 per cent.) and China Petrochemical Corporation (Sinopec) (37.5 per cent.), located in Yanbu Industrial City, and is a full-conversion 430,000 bpd refinery.

In addition to the above operational facilities, the Sadara Chemical Company ("**Sadara**") is a joint venture between a subsidiary of Saudi Aramco (65 per cent.) and DowDuPont (35 per cent.) that was established in October 2011. Sadara is the world's largest integrated chemicals complex built in a single phase. Sadara began producing chemicals in 2017. Sadara's product markets include the pharmaceutical, automotive and consumer goods industries.

International Joint Venture Operations

Outside Saudi Arabia, Saudi Aramco holds direct and indirect equity interests in various refining and marketing enterprises, each of which are described below.

- S-OIL Corporation is a South Korean oil refining and marketing company in which a subsidiary of Saudi Aramco holds a 61.6 per cent. stake. S-OIL Corporation owns and operates the Onsan Refinery in Ulsan, South Korea, which has a capacity of 669,000 bpd. S-OIL has a network of approximately 2,100 retail service stations to serve end customers. S-OIL is a publicly traded corporation listed on the Korean stock exchange.

- Idemitsu Kosan ("**Idemitsu**") is Japanese corporation in which a subsidiary of Saudi Aramco holds a 7.65 per cent. stake, a merger between Idemitsu and Showa Shell Sekiyu K.K. Idemitsu owns and operates many retail service stations in Japan and has equity stakes in six refineries in Japan that produce refined products, propylene, benzene and mixed xylene. Idemitsu has a gross refining capacity of 945,000 bpd of crude oil, of which the Saudi Aramco Group's equity share is 73,000 bpd.

- Fujian Refining and Petrochemical Company Ltd. ("**FREP**") is a joint venture between a subsidiary of Saudi Aramco (25.0 per cent.), ExxonMobil China Petrochemical Co. Ltd. (25.0 per cent.) and Fujian Petrochemical Co. Ltd (50.0 per cent.) located in Quanzhou, China. FREP owns and operates an integrated refinery designed to process a mix of Arabian crude oils with a total refining capacity of approximately 280,000 barrels per day.

- Sinopec SenMei Petroleum Company Ltd. ("**SSPC**") is a marketing joint venture between a subsidiary of Saudi Aramco (22.5 per cent.), ExxonMobil China Petrochemical Co. Ltd. (22.5 per cent.) and Sinopec (55.0 per cent.). SSPC sells wholesale and retail motor gasoline and diesel to customers in Fujian Province through over 1,000 retail sites and 17 distribution terminals, seven of which are owned by the joint venture.

- In April 2016, Saudi Aramco launched Arlanxeo Holding B.V. ("**Arlanxeo**"), a joint venture between a subsidiary of Saudi Aramco (50.0 per cent.) and Lanxess (50.0 per cent.), a German specialty chemicals company. The joint venture was established to develop, produce, market, sell, and distribute performance polymers used by global tire and auto parts manufacturers, and in the construction and life science industries. On 31 December 2018, Saudi Aramco completed a transaction to purchase Lanxess' ownership in Arlanxeo.

- Pengerang Refining Company Sdn Bhd and Pengerang Petrochemical Sdn Bhd (collectively known as "**PRefChem**") is an integrated refinery and petrochemicals development project located in Johor, Malaysia, and adjacent to the regional trading hub of Singapore. The Saudi Aramco Group and Petroliam Nasional Berhad, the national oil company of Malaysia are involved in the joint development of PRefChem. PRefChem has the capacity to process 300 MBD of crude oil.

- Hyundai Oilbank is a private oil refining company in South Korea, established in 1964. The Daesan Complex, where Hyundai Oilbank's major facilities are located, is a fully integrated refining plant with a processing capacity of 650,000 bpd of crude oil. The business portfolio of Hyundai Oilbank and its subsidiaries includes oil refining, base oil, petrochemicals and a network of service stations. In December 2019, the Saudi Aramco group completed the acquisition of 17 per cent. equity interest in Hyundai Oilbank from Hyundai Heavy Industries Holding.

In addition to the above projects, Saudi Aramco reviews opportunities for downstream expansion on an on-going basis.

Supply and Distribution

The following table sets forth Saudi Arabia's exports of crude oil and refined products for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December									
	2022		2021		2020		2019		2018	
	Crude Oil	Refined Products	Crude Oil	Refined Products	Crude Oil	Refined Products	Crude Oil	Refined Products	Crude Oil	Refined Products
	(Million barrels)									
Total	**2,688.7**	**536.0**	**2,273.0**	**490.3**	**2,690.6**	**372.2**	**2,543.4**	**474.6**	**2,690.6**	**719.5**

Source: Ministry of Energy

Exports

Saudi Arabia's crude oil exports by volume increased by 18.3 per cent. to 2,688.7 million barrels in the year ended 31 December 2022, compared to 2,273.0 million barrels in the year ended 31 December 2021. Saudi Arabia's exports of refined products by volume increased by 31.7 per cent. to 490.3 million barrels in the year ended 31 December 2021, compared to 372.2 million barrels in the year ended 31 December 2020.

Pipelines and Terminals

The Saudi Aramco Group operates a nationwide distribution network of pipelines, bulk plants, air refuelling sites, and terminals that deliver crude oil, natural gas liquids ("**NGLs**"), natural gas and refined products throughout Saudi Arabia. In addition, the Saudi Aramco Group operates four crude terminals with a total storage capacity of 66.4 million barrels as at 31 December 2020, which contributes to its operational flexibility and supports supply reliability.

In April 2021, the Saudi Aramco Group entered into a U.S. $12.4 billion sale and leaseback transaction for its stabilised crude oil pipeline network with a consortium led by EIG Global Energy Partners. Under the agreement, the Saudi Aramco Group formed a new subsidiary, Aramco Oil Pipelines, which leases usage rights in its stabilised crude oil pipeline network and leases them back to the Saudi Aramco Group for a 25-year period. The subsidiary will receive a tariff payable by the Saudi Aramco Group for the stabilised crude oil that will flow through the network, backed by minimum volume commitments. The Saudi Aramco Group holds a 51 per cent. majority stake in the subsidiary and sold a 49 per cent. stake to investors led by EIG. The sale and leaseback transaction closed in June 2021.

In December 2021, the Saudi Aramco Group entered into a U.S. $15.5 billion sale and leaseback transaction for its gas pipeline network with a consortium led by BlackRock Real Assets and Hassana Investment Company, the investment management arm of GOSI. Under the agreement, the Saudi Aramco Group formed a new subsidiary, Aramco Gas Pipelines Company, which leases usage rights in its gas pipelines network and leases them back to the Saudi Aramco Group for a 20-year period. The subsidiary will receive a tariff payable by the Saudi Aramco Group for the gas products that will flow through the network, backed by minimum commitments on throughput. The Saudi Aramco Group holds a 51 per cent. majority stake in the subsidiary and sold a 49 per cent. stake to investors led by BlackRock and Hassana. The sale and leaseback transaction closed in February 2022.

Shipping

The Saudi Arabian oil transportation market is closely linked to Saudi Aramco's oil production and exports. The Saudi Aramco Group's sales are primarily made on a free-on-board basis, pursuant to which the buyer assumes all costs and liabilities once the goods are shipped. A smaller portion of the Saudi Aramco Group's sales are made on a free in pipe basis, pursuant to which the buyer assumes all costs and liabilities once the product passes into the buyer's receiving pipeline system.

Environment

Given the relative size and importance of the hydrocarbon sector in Saudi Arabia's economy and its potential impact on the environment, Saudi Aramco, as the principal entity responsible for managing Saudi Arabia's oil & gas resource base, places a high priority on its sustainable development policies as well as on environmental performance enhancements.

The environmental protection department manages Saudi Aramco's environmental compliance programmes. The department also works with the Saudi Aramco Group's upstream and downstream businesses to create the company's environmental preparedness programmes. Saudi Aramco aims to be a global leader in protecting the environment. To achieve this vision, Saudi Aramco focuses on the following key objectives:

- *Compliance*: Saudi Aramco seeks to comply with all applicable environmental laws, regulations and corporate policies. Where there are no established national regulations in the Kingdom, Saudi Aramco

has developed environmental standards aligned with many industry best practices and compatible with the Kingdom's environmental protection objectives.

- *Performance*: Saudi Aramco seeks to enhance environmental performance through optimising its operations to conserve resources and minimise the environmental footprint of its operations.

- *Stewardship*: Saudi Aramco assumes a proactive role in enhancing environmental protection in Saudi Arabia, through pursuing initiatives to raise environmental awareness in the country and by championing environmental stewardship initiatives to conserve biodiversity and natural habitats.

Saudi Aramco has developed a comprehensive set of environmental standards aligned with Saudi Arabia's regulations, regional protocols and best industry practices and has integrated environmental protection throughout its operations. Saudi Aramco aims to ensure that its facilities are designed, constructed, and operated in compliance with these standards. Saudi Aramco applies these standards from the early stages of a project's site selection and engineering designs through its operational life cycle. Environmental scrutiny in the form of monitoring programmes, scheduled compliance and performance assessments and environmental studies forms part of a broader process aimed at identifying environmental gaps, as well as performance enhancement opportunities. Each subsidiary of Saudi Aramco is responsible for establishing its own environmental compliance framework and monitoring on-going compliance.

Another aspect of Saudi Aramco's environmental strategy is the Environmental Master Plan (the "**EMP**"), which provides a framework for achieving Saudi Aramco's environmental objectives. The EMP includes environmental capital projects aimed at achieving various environmental objectives, such as reducing emissions of air pollutants, maximising wastewater reuse and enhancing the quality of transportation fuels.

Royalty and income tax rates

In March 2017, a Royal Order was issued to reduce the income tax rates applicable to taxpayers operating in the oil and hydrocarbon sectors whose capital investments exceed certain threshold amounts. As applied to Saudi Aramco, this reduces the income tax rate from 85 per cent. to 50 per cent. The revised tax rates became retroactively effective as of 1 January 2017. Furthermore, the income tax rates were further reduced as of 1 January 2020 for a period of five years from 50 per cent. to 30 per cent. for downstream businesses of taxpayers operating in the oil and hydrocarbons production business. If such taxpayers fail to separate their downstream businesses from the oil and hydrocarbons production business within five years of 1 January 2020, they will be subject to 85 per cent. income tax from the lapse of such period.

In addition, in June 2020, a Royal Decree was issued amending the Income Tax Regulations to exempt the shares owned, directly or indirectly, by persons working in the production of oil and hydrocarbons in companies listed on the Tadawul, from the application of income tax.

From 1 January 2017, royalties are payable based on production value. Crude oil and condensate production value is based each month on Saudi Aramco's official selling prices for each destination market. The effective royalty rate is determined based on a baseline marginal rate of 20 per cent. applied to Brent prices up to U.S.$70 per barrel, increasing to 40 per cent. applied to Brent prices above U.S.$70 per barrel and 50 per cent. applied to Brent prices above U.S.$100 per barrel. With effect from 1 January 2020, the baseline marginal rate was amended to 15 per cent. applied to Brent prices up to U.S.$70 per barrel, increasing to 45 per cent. applied to Brent prices above U.S.$70 per barrel and 80 per cent. applied to Brent prices above U.S.$100 per barrel. In February 2018, the Ministry of Energy exempted Saudi Aramco from royalties on condensate production for five years from 1 January 2018.

Petrochemicals, Chemicals and Plastics

The development of Saudi Arabia's petrochemicals, chemicals and plastics industry has been an important element of the Government's economic diversification programme. Petrochemicals are a fast-growing and increasingly important industry for Saudi Arabia, accounting for 13.1 per cent. of Saudi Arabia's total exports

and 64.2 per cent. of non-oil exports in the year ended 31 December 2022. The expansion of Saudi Arabia's petrochemicals industry has been driven by competitive domestic energy costs, a ready supply of raw materials and the Government's support of industrial diversification through foreign investment. With increased investment and technological know-how, the petrochemicals industry in Saudi Arabia has undergone significant diversification from basic to more sophisticated products. Through a number of financial incentives and other supportive policies, the Government encourages industrial joint ventures and licensing technology, and has enabled the industry to move away from import substitution to actual growth in domestically manufactured products. In the meantime, Saudi Arabia's accession to the WTO in 2005 and its geographic position facilitates Saudi Arabia's access to the international markets, such as China, India, South Korea and the European Union, for the export of products produced by the petrochemicals industry. Each of the RCJY and the National Industrial Clusters Development Programme have contributed significantly to the development of the petrochemicals, chemicals and plastics sector and have helped the sector evolve from the production of basic products, such as industrial gasses and urea, to high-end, value add products, such as chlor-alkali, glycols and specialty plastics that are used in the manufacture of a wide variety of consumer products such as automobiles, home appliances and solar panels.

Since the vast majority of Saudi Arabia's basic petrochemicals are derived from natural gas and ethane feedstock, the Government's commitment to expanding Saudi Arabia's natural gas infrastructure has enhanced its competitive advantage in the global petrochemical markets. The Saudi petrochemicals sector is dominated by SABIC, which was the world's fifth largest chemicals company in 2020, according to ICIS Chemical Business, which compiles market data for the global chemical, energy and fertiliser industries. The private sector also contributes to Saudi Arabia's petrochemicals sector, both in partnership with SABIC and, more recently, on its own. Joint venture partnerships, such as the Saudi Acrylic Polymers Company ("**SAPCO**") and Sahara Petrochemicals Company, between Saudi companies and U.S., European, and Asian counterparts are playing an increasing role in the growth of the upstream and downstream petrochemicals industry in Saudi Arabia.

The Government continues to be supportive of the expansion of the petrochemicals, chemicals and plastics industry. One key project is the Sadara Chemical Company in Jubail, a joint venture between a subsidiary of Saudi Aramco (65 per cent.) and DowDuPont (35 per cent.), established in 2011. Sadara is the world's largest integrated chemicals complex built in a single phase. With its feedstock of 85.0 million standard cubic feet per day of ethane and 53,000 barrels per day of naphtha, it has the capacity to produce more than 3.0 million tonnes of diversified commodity chemicals and plastics per year. Sadara began producing chemicals in 2017. (see "*—Oil and Gas—Refining and Marketing*" above). In February 2023, the Ministry of Industry and Mineral Resources launched the new version of the Senaei Platform, which includes more than 30 services and will be provided electronically to investors in the industrial sector.

Saudi Basic Industries Corporation

SABIC was established by the Government in 1976 in order to utilise the hydrocarbon gases associated with its oil production as the principal feedstock for the production of petrochemicals. In 2020, SABIC was ranked as the world's third largest diversified chemicals company by revenue and the third largest by market capitalisation, according to Forbes 2020 Global World's Largest Public Companies ranking list. In June 2020, the Saudi Aramco Group acquired the PIF's 70 per cent. Stake in SABIC for a total consideration of SAR 259.1 billion (U.S.$69.1 billion), with the remaining 30 per cent. held by certain institutions (among which are the GOSI and the PPA, each of which is controlled by the Government) and private investors. SABIC's shares are listed on the Tadawul.

In the year ended 31 December 2022, SABIC's total production was 61.4 million tonnes, 47.9 million tonnes, or 78.0 per cent., of which was produced by its petrochemicals division, compared to a total production of 58.2 million tonnes in the year ended 31 December 2021, 45.9 million tonnes, or 78.9per cent., of which was produced by its petrochemicals division.

SABIC had total assets of U.S.$83.5 billion as at 31 December 2022, compared to total assets of U.S.$84.9 billion as at 31 December 2021. SABIC's net income was U.S.$4.41 billion and its sales were U.S.$52.9 billion in the year ended 31 December 2022, compared to net income of U.S.$6.15 million and sales of U.S.$46.6 billion in the year ended 31 December 2021.

SABIC operates in more than 50 countries across the world and has 65 world-class manufacturing and compounding plants in locations across the Middle East, Asia, Europe and the Americas, with a global workforce of more than 31,000 individuals. SABIC's principal corporate offices and headquarters are in Riyadh, with major industrial operations in Jubail Industrial City and Yanbu Industrial City. SABIC has direct and indirect interests in more than 35 manufacturing subsidiaries, affiliates and associated companies, which range from full ownership to significant partial participation.

On 22 January 2017, SABIC and Shell Chemicals Arabia L.L.C. ("**Shell**"), SABIC's partner in Saudi Petrochemical Company ("**Sadaf**"), entered into an agreement, pursuant to which SABIC agreed to acquire Shell's 50 per cent. stake in Sadaf for a total consideration of U.S.$820 million. SABIC completed the acquisition of Shell's shares on 16 August 2017.

On 25 January 2018, SABIC, through its wholly-owned subsidiary SABIC International Holdings BV, entered into an agreement to acquire approximately 83 million shares (representing a 24.99 per cent. stake) of Clariant AG, a global specialty chemicals public company listed on the SIX Swiss Exchange.

SABIC has developed "SABIC 2025", a corporate strategy that focuses on increasing SABIC's market share and competitiveness; transforming SABIC towards a more global, integrated, differentiated and market-facing organisation; forming strong partnerships to enhance worldwide strength and reach; investing in innovation; and advancing Saudi Arabia's industrialisation and economic diversification.

A strong focus on technology and innovation has contributed to SABIC's position as one of the world's largest diversified chemical companies. SABIC has technology and innovation facilities in the Middle East, the USA, Europe, Southeast Asia and North East Asia. As of 31 December 2022, SABIC's total patents and patent applications exceeded 9,000.

SABIC's business is grouped into four key strategic business units, as follows:

- ***Petrochemicals***: Petrochemicals is SABIC's largest business, manufacturing a wide range of chemicals, polymers and other materials that are ultimately used in industries from automotive to healthcare, from construction to household goods. Its products include olefins, oxygenates, aromatics, glycols, ethanolamines, linear alpha olefins, polyethylene, polypropylene, polyethylene terephthalate, polyvinyl chloride, polystyrene, and polycarbonate and its blends.

- ***Specialties***: The specialties business unit produces a wide range of products, including engineering thermoplastic resins and compounds, composites, ethylene oxide derivatives and additive manufacturing solutions.

- ***Agri-Nutrients***: The agri-nutrients business unit produces key agri-nutrients, which include: (i) urea, which is the most popular and economical of all nitrogen-based fertilisers used worldwide, and is also a raw material for industrial products, including melamine; and (ii) ammonia, which is the chief raw ingredient in the production of urea and other fertiliser products, and which is important as a raw material in a number of industrial applications, such as the manufacture of synthetic materials.

- ***Metals***: SABIC's metals business unit is represented by Saudi Iron and Steel Company ("**Hadeed**"), which is wholly-owned by SABIC. Hadeed is one of the world's largest fully integrated steel producers, manufacturing a range of high-quality steel products.

Mining and Quarrying

Saudi Arabia is a source of precious and basic minerals such as gold, silver, copper, zinc, chromium, manganese, tungsten, lead, tin, aluminium and iron. Development of the mining sector occupies a prominent position in the Government's programme of diversification away from hydrocarbons and is an area of focus for Vision 2030 with specific targets having been assigned to the Ministry of Industry and Mineral Resources in this regard.

Based on preliminary figures, mining and quarrying activities (excluding oil and gas activities) accounted for SAR 13.7 billion (U.S.$3.65 billion), or 33.0 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to SAR 8.0 billion (U.S.$2.1 billion), or 24.4 per cent. in the year ended 31 December 2021, and SAR 5.3 billion (U.S.$1.4 billion) or 19.5 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2020. Mining and quarrying activities (excluding oil and gas activities) increased by 15.8 per cent. in real terms in the year ended 31 December 2022, following a decrease of 1.2 per cent., a decrease of 6.0 per cent., a decrease of 3.3 per cent. and an increase of 2.9 per cent. in the years ended 31 December 2021, 2020, 2019 and 2018, respectively.

The Ministry of Industry and Mineral Resources supervises mining activities in Saudi Arabia. It encourages investments in the mining sector, provides services and consultations to support mining, and issues mining licences and concessions.

Saudi Arabian Mining Company (Ma'aden)

Ma'aden was established by the Government in 1997 for the purpose of facilitating the exploration and development of Saudi Arabia's mineral resources. Ma'aden is now the leading mining and metals company in Saudi Arabia, with a diverse portfolio of mineral assets in operation and at various stages of development. Ma'aden was ranked number ten among global mining and metals companies in terms of market capitalisation in 2023, according to an annual review of the mining industry published by PricewaterhouseCoopers. Ma'aden has significant phosphate fertiliser operations that continue to grow, it operates a vertically integrated aluminium complex that is amongst the largest in the world, and has gold, copper and other mineral operations. Ma'aden conducts its business through a number of subsidiaries and joint ventures, including joint ventures with SABIC, Sahara Petrochemicals Company, The Mosaic Company, a leading U.S. based fertiliser company, Alcoa Corporation, a leading U.S. based aluminium company, and Barrick Gold Corporation, one of the largest gold mining companies in the world.

Ma'aden has developed "Ma'aden 2025", a strategy that focuses on operational, capital and commercial excellence, organic growth and global opportunities with the goal of making Ma'aden one of the top sustainable mining companies with global presence.

The PIF owns 67.18 per cent. of Ma'aden's shares, with the remaining shares held by certain institutions and private investors. Ma'aden's shares are listed on the Tadawul. Ma'aden had total assets of SAR 111.6 billion (U.S.$29.8 billion), sales of SAR 40.3 billion (U.S.$10.7 billion) and net income attributable to shareholders of SAR 9.3 billion (U.S.$2.5 billion) in the year ended 31 December 2022, compared to total assets of SAR 103.3 billion (U.S.$ 27.5 billion), sales of SAR 26.8 billion (U.S.$7.1 billion) and net income attributable to shareholders of SAR 1.3 billion (U.S.$0.4 billion) in the year ended 31 December 2021.

Ma'aden is organised into three main strategic business units: (i) phosphate and industrial minerals (which contributed 66.3 per cent. to total revenues in 2022 and 52.6 per cent. in 2021); (ii) aluminium (which contributed 28.0 per cent. to total revenues in 2021 and 36.9 per cent. in 2021); and (iii) precious and base metals (which contributed 5.6 per cent. to total revenues in 2022 and 8.6 per cent. in 2021).

Government Services

Based on preliminary figures, government services activities accounted for SAR 603.2 billion (U.S.$160.9 billion), or 14.5 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to

SAR 577.6 billion (U.S.$154.0 billion), or 17.6 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2021, and SAR 577.0 billion (U.S.$153.9 billion) or 21.0 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2020. Government services activities demonstrated growth of 4.6 per cent., 1.1 per cent., decline of 0.6 per cent., growth of 1.7 per cent. and 3.9 per cent. in real terms in the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

The growth in government services activities during the periods under review was due primarily to both an increase in the number of Government employees and an increase in development expenditure incurred by the Government in accordance with the implementation of the NTP and Vision 2030.

Finance, Insurance, Real Estate and Business Services

Based on preliminary figures, finance, insurance, real estate and business services activities accounted for SAR 416.6 billion (U.S.$111.1 billion), or 10.0 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to SAR 380.0 billion (U.S.$101.3 billion), or 11.6 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2021 and SAR 362.2 billion (U.S.$96.6 billion) or 13.2 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2020. Finance, insurance, real estate and business services activities demonstrated growth of 6.0 per cent., growth of 8.4 per cent., growth of 3.2 per cent, growth of 3.5 per cent. and decline of 1.2 per cent. in real terms in the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

Banking and Finance

The banking sector is the largest segment of the Saudi financial system, with the total assets of commercial banking institutions in Saudi Arabia being equivalent to 87.1 per cent. of nominal GDP for the year ended 31 December 2022 and 100.6 per cent. of nominal GDP for the year ended 31 December 2021. Banks in Saudi Arabia are well capitalised, profitable and liquid, and the external exposure of the banking sector is also limited in terms of both external lending and borrowing. According to SAMA's website, as of December 2023 there were 36 commercial banks licensed to operate in Saudi Arabia, of which 14 were incorporated in Saudi Arabia (three of which are digital banks that have been recently licensed by SAMA but have not yet commenced operations), and the remaining 22 being foreign banks.

See "*Monetary and Financial System*" for further discussion of Saudi Arabia's banking sector.

Insurance

Prior to 2023, the insurance sector in Saudi Arabia was regulated and supervised by SAMA. In August 2023, the Council of Ministers approved the establishment of the Insurance Authority to regulate and supervise the insurance sector in Saudi Arabia. The Insurance Authority commenced its operations in November 2023 and is responsible for licensing insurance and reinsurance businesses, as well as the insurance and reinsurance intermediaries, ensuring fair competition and proper market conduct in the insurance market; protecting; and maintaining a stable and financially-sound insurance sector. As at 21 December 2023, the insurance sector comprised 210 licensed entities.

In the year ended 31 December 2022, Saudi Arabia's insurance market grew, with Gross Written Premiums ("**GWPs**") reaching SAR 53.4 billion (U.S.$14.2 billion) from SAR 42.0 billion (U.S.$11.2 billion) in the year ended 31 December 2021, representing an increase of 21.2 per cent. The total assets held in the insurance market also grew by 15.6 percent compared to the prior year period to reach SAR 80.5 billion (U.S.$21.5 billion). Insurance companies recorded a net profit of SAR 0.07 billion (U.S.$0.02 billion) for the year ended 31 December 2022, compared to net loss of SAR 0.05 billion (U.S.$0.01 billion) for the year ended 31 December 2021.

Prior to 2023, SAMA introduced a number of regulatory reforms that have developed the insurance market. These included implementation of a risk-based supervision framework for all insurance companies, the issuance of regulation to allow foreign insurance companies to enter the Kingdom's insurance market through

establishment of branch operations and strengthening of the supervisory framework to monitor technical provisions set aside by the insurance companies.

Furthermore, in 2020, the insurance sector witnessed additional reform as the sector completed phase two of the implementation of IFRS 17 of a four-phase road map laid out by SAMA. In addition, the insurance sector witnessed an increase in consolidation activities with two mergers completed to date, with an additional four companies having entered into preliminary memorandums of understanding to assess the feasibility of two further mergers.

Real Estate

In recent decades, growth in Saudi Arabia's housing market has been driven by rapid population growth, a young demographic profile, an accelerating rate of urbanisation, rising per capita income, upgrading requirements of existing houses, as well as favourable financing facilities extended by the Government-funded REDF, a fund sponsored by the Government and established to provide loans to individuals and institutions in connection with real estate projects. The loans provided by REDF are interest-free and are generally repayable over 25 years. The REDF also provides interest-free loans to investors in order to encourage them to build residential units for the purpose of investment.

Saudi Arabia currently faces a shortage in the housing sector, particularly in the low-to-mid income levels. The reasons for the constraints in the housing market include the high cost of land in certain urban areas (in Riyadh, for example, land can constitute as much as 50 per cent. of the cost of a housing unit) as well as challenges faced by potential buyers, particularly private-sector workers who are viewed as higher-risk borrowers, in obtaining mortgages.

A number of laws and other measures have been enacted in the past several years to support the housing market. In 2012, the Council of Ministers issued five laws which collectively comprise the real estate financing laws in Saudi Arabia: (i) the Real Estate Financing Law; (ii) the Financial Leasing Law; (iii) the Supervision of Finance Companies Law; (iv) the Administrative Enforcement Law; and (v) the Registered Real Estate Mortgage Law. The Real Estate Financing Law requires a real estate financing company to obtain a special licence from SAMA permitting it to engage only in real estate financing activities. According to the Supervision of Finance Companies Law, a real estate financing company may not engage in other types of financing activities. These laws were introduced to positively impact the home financing market in Saudi Arabia (particularly among the middle-income market segment), increasing access to, and the availability of, home financing options.

In 2015, the Council of Ministers approved a tax on vacant land in various municipalities across Saudi Arabia. This tax, along with a tax on high-end properties, is intended to discourage investment in land solely for capital appreciation purposes and to discourage speculative buying of land. It is intended that the law will encourage expenditure on low- and middle-income housing and increase residential development. At a rate of 2.5 per cent., the 'white land' tax will be applied in stages. The first stage has been implemented and applies to undeveloped land plots of over 10,000 square metres, located within areas specified by the Ministry of Municipal and Rural Affairs and Housing. The Ministry of Municipal and Rural Affairs and Housing (formerly the Ministry of Housing) has identified the taxable areas within the cities of Riyadh, Jeddah, Dammam, Makkah, Madinah, Asir, Jazan, Taif, Tabuk and Ahsa.

In February 2016, SAMA increased the limit on real estate financing provided by real estate financing companies from 70 per cent. to 85 per cent. of the value of a home (effectively reducing the minimum required down-payment on a home from 30 per cent. to 15 per cent.), and in January 2018, SAMA correspondingly increased the limit on real estate financing provided by banks, on the basis that the previous requirement had resulted in a market slowdown and was prohibitive to many low to middle income Saudi nationals. In January 2017, SAMA further increased the limit on real estate financing provided by real estate financing companies from 85 per cent. to 90 per cent. of the value of a home (effectively reducing the minimum required down-payment on a home from 15 per cent. to 10 per cent.).

In 2017, the PIF established the Saudi Real Estate Refinancing Company ("**SRC**"). The SRC aims to facilitate the trading of real estate finance contracts with the goal of providing liquidity, stability and growth in the real estate refinancing market.

The provision of affordable housing to Saudi citizens is one of the stated goals of Vision 2030 and the NTP and, in addition to those described above, several measures have been introduced to help achieve this goal, such as the Sakani programme, which allocates residential products to citizens across the Kingdom, the Ejar programme, which streamlines the process of leasing property in the Kingdom and the Etmam initiative, which aims to increase housing supply in the Kingdom.

Wholesale and Retail Trade, Restaurants and Hotels

Based on preliminary figures, wholesale and retail trade, restaurants and hotels activities accounted for SAR 348.3 billion (U.S.$92.9 billion) or 8.4 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to SAR 319.0 billion (U.S.$85.1 billion) or 9.7 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2021. Wholesale and retail trade, restaurants and hotels activities demonstrated a growth of 5.7 per cent. and 16.3 per cent.in real terms in the years ended 31 December 2022 and 2021, respectively.

With the exception of a temporary decline experienced during the COVID-19 pandemic, the wholesale and retail trade, restaurant and hotel sector in Saudi Arabia has seen strong growth in recent years, principally as a result of rising household income and population growth, as well as a demographic shift towards higher disposable incomes and a greater propensity to consume. The wholesale and retail trade sector is one of Saudi Arabia's largest employers, with more than two million workers, or around one in every five people working in Saudi Arabia, being employed in the sector. Although the majority of the jobs in the retail sector have historically been filled by foreign workers, Saudi citizens' participation in this sector has increased in recent years, in response to Government initiatives to encourage Saudisation. The Government has announced various regulatory developments with the intention of encouraging growth in Saudi Arabia's retail sector. In September 2015, MISA announced new regulations permitting 100 per cent. foreign ownership in the wholesale and retail sector for businesses that produce and retail their own products. The rules, which were approved by the Council of Ministers in June 2016, create an exception to the statutory cap on foreign ownership across several industry segments in Saudi Arabia, and are intended to encourage new entrants to the Saudi wholesale and retail market, while also creating additional training and technology transfer opportunities.

Hotels and Tourism

The tourism sector is a key element of the Government's plans to diversify Saudi Arabia's economy and features prominently in Vision 2030 and the NTP. The hospitality sector is a major generator of jobs and Government revenue and enables Saudi Arabia to leverage its potential as the Islamic world's most important religious tourism destination. One of the objectives of Vision 2030 is to attract significantly more tourists to Saudi Arabia each year and the Government has implemented a number of initiatives aimed at encouraging local and global tourism in Saudi Arabia (see "*Overview of Saudi Arabia—Media, Culture and Entertainment*").

Hajj and Umrah Visits

Saudi Arabia has been a destination for visitors for centuries, with millions of people visiting each year from around the world. The presence of Islam's two holiest cities, Makkah and Medina, ensures a significant number of visitors, with millions of Muslims visiting Saudi Arabia annually for the Hajj and Umrah.

The Ministry of Hajj and Umrah is responsible for the provision and maintenance of facilities for pilgrims and other visitors to Makkah and Medina. It is also responsible for their transportation and the coordination of Hajj and Umrah visas. In addition, a major expansion of the Grand Mosque is currently on-going and is expected to nearly double its capacity to a total of 2.5 million worshippers during the peak Hajj season. To meet the growing demand for Hajj and Umrah visits, the Government invested considerably in developing new

transportation infrastructure, including the Haramain High-Speed Rail network connecting Makkah and Medina to the King Abdulaziz International Airport, and the expansion of the Prince Mohammed bin Abdulaziz Airport in Medina. The Ministry of Hajj and Umrah launched the Umrah weekly indicators at the beginning of Hijri year 1440 (corresponding to September 2018), an initiative aligned with one of the main aims of Vision 2030, which aspires to attract over 30 million Umrah pilgrims annually. The number of Umrah performers during 2022 reached 24.7 million, 8.4 million of which were external Umrah performers.

In June 2018, pursuant to a Royal Order, the Royal Commission for Makkah City and Holy Sites was established, which oversees the development of Makkah and the holy sites.

Tourism Generally

The MoT aims to promote tourism in Saudi Arabia. Business tourism in Saudi Arabia is rapidly increasing due to strong economic growth and the Government's focus on developing various sectors of the economy. Currently, this growth is concentrated in Riyadh, Jeddah and the Eastern Province (particularly Dammam and Al-Khobar), and the Government is investing heavily in improving transport infrastructure in these areas to attract more business and domestic tourists (see "*—Transport, Storage and Communication*" below). A number of measures have been taken to enhance tourism including:

- In April 2018, the MoT announced that it had completed, in cooperation with the Ministry of Interior and the Ministry of Foreign Affairs, regulations for issuing tourist visas which have been submitted to the relevant government authorities for approval. These regulations were developed to further Vision 2030's strategic objective to enable the development of the tourism sector in Saudi Arabia. In September 2019, the MoT announced the first phase of the new tourist visa programme pursuant to which citizens of 49 countries, including the United States and the UK, will be able to obtain an electronic visa to the Kingdom online or a visa upon arrival in the Kingdom.

- In 2017, the Government announced the Red Sea Project, a project aiming to attract tourism to Saudi Arabia by developing marine-oriented resorts across 34,000 square kilometres of the Red Sea coastline, covering 50 islands. The project area operates under an independent legal and regulatory framework, including unique visitor visa requirements aimed at encouraging international tourism. Enabling works commenced in 2019 to provide the essential infrastructure for the project, including temporary roads, bridge, jetties, utilities, workforce accommodation and a management village to support the development of the luxury tourism destination. The Red Sea Project is expected to be completed in 2030 and will include luxury hotels, a yachting marina, entertainment facilities, an airport and the necessary supporting logistics and utilities infrastructure. The development of coastal village, the residential area that will house staff and management of the Red Sea Project also commenced in 2019. In July 2020, the Red Sea Development Company awarded a contract for development of the Red Sea International Airport, which commenced operations in 2023.

- In 2017, the Government announced plans to develop Neom, a transnational city and economic zone planned to cover 26,500 square kilometres located in Tabuk by the North-Western border of Saudi Arabia. Neom is intended to be a global model for living and innovation and is expected to contribute to diversifying Saudi Arabia's economy and further supporting the non-oil sector. Neom is planned to operate under an independent legal and regulatory framework, including its own tax and labour laws and an autonomous judicial system. The Neom project is divided into two phases. Plans for phase one, which is expected to run from 2019 to 2025, include establishing the main pillars for the project, defining its general strategy, establishing the institutions and city council responsible for the development of the project, identifying the lead investors, preparing the initial master plan for the project and launching development works of the basic infrastructure for the city. Plans for phase two, which is expected to run from 2025 onwards, include focusing on the sustainable growth of Neom's key sectors. In June 2019, Neom Bay Airport was opened and received its first commercial flights. In January 2021, the Government announced plans to develop The Line, a 170-kilometre-long linear city within the Neom area that is intended to have up to one million citizens with no conventional cars and

no carbon emissions. As of October 2023, construction of utilities, roads, and a hospital in Neom was underway. In December 2023, the Board of Directors of NEOM announced the development of Utamo, a new destination in Neom that will offer diverse experiences in arts and entertainment and will serve as a venue for events, concerts, exhibitions and artistic activities.

- In 2019, the Ministry of Tourism launched the National Tourism Strategy to increase growth in investment in the Saudi tourism sector. In the period from 2019 to 2021, domestic tourism in Saudi Arabia increased by 33.6 per cent., with domestic tourists' spending increasing by 32.2 per cent.

- In March 2020, the National Events Center was created to further develop the events industry in the entertainment, sports, tourism and culture sectors, as well as to improve the regulatory environment for practicing business in the field of events. Initiatives of the National Events Center include the Enjz and Matloob online platforms to better facilitate hosting, organizing and investing in events throughout the Kingdom.

- In July 2020, the Royal Commission for Riyadh City launched a plan amounting to SAR 3.0 billion (U.S.$800.0 billion) to double the size of the population of Riyadh and transform it into an economic, social and cultural hub in the Middle East. The plan includes the creation of a "mega industrial zone" focusing on advanced technology such as renewables, automation, biotechnology and aquaponics. As of December 2023, the Royal Commission for Riyadh City had over twenty development programmes and projects underway, including the development of parks, historic districts and roads.

- In April 2021, the Royal Commission for AlUla released the "Journey Through Time Masterplan" to protect, preserve and sustainably rejuvenate AlUla. Five unique districts, each with an architectural philosophy and character inspired by AlUla's past civilisations, will form the Journey Through Time Masterplan: AlUla Old Town, Dadan, Jabal Ikmah, the Nabataean Horizon and Hegra Historical City. Each district will reflect unique facets of AlUla's cultural and natural identity through residential and visitor-centric experiences.

Manufacturing

Saudi Arabia's GDP attributable to manufacturing activities is divided into oil refining and other manufacturing activities. For a description of Saudi Arabia's oil refining sector, see "*—Oil and Gas—Refining and Marketing*". Based on preliminary figures, manufacturing activities (excluding oil refining) accounted for SAR 600.1 billion (U.S.$160.0 billion) or 14.4 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to SAR 432.9 billion (U.S.$115.4 billion) or 13.2 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2021. Manufacturing activities (excluding oil refining) grew by 8.1 per cent. and 8.2 per cent. in real terms in the years ended 31 December 2022 and 2021, respectively.

Saudi Arabia's manufacturing base has traditionally been dominated by segments dependent on the oil sector. The development of Saudi Arabia's petrochemicals and plastics industry is one of the important elements in the Government's economic diversification programme, and forms a significant portion of Saudi Arabia's manufactured products (see "*—Petrochemicals, Chemicals and Plastics*" above). Diversifying Saudi Arabia's economy and growing its manufacturing sector has been a priority of the Government, which has invested considerable efforts and resources into the manufacturing industry in recent decades. As a result of the Government's emphasis on Saudi Arabia's industrial development in the non-oil sector, petrochemicals and construction material exports represented 71.4 per cent. and 70.6 per cent. of Saudi Arabia's total non-oil exports as at 31 December 2022 and 31 December 2021, respectively. Continuous GDP growth and improved business environment is driving the development of a number of different manufacturing sub-sectors, such as automobiles, light machinery, construction materials and pharmaceuticals.

Royal Commission for Jubail and Yanbu: In 1975, the RCJY was established for the development of the industrial cities of Jubail and Yanbu. The industrial city of Ras Al Khair and Jazan City for Basic and Downstream Industries have also since been included within the ambit of the RCJY. The industrial cities of

Jubail and Yanbu have developed into a major hub of Saudi Arabia's petrochemicals and other energy-intensive industries, such as the construction industry, and are a significant contributor to Saudi Arabia's GDP.

National Industrial Clusters Development Programme: Originally established in 2007, the "Industrial Clusters" programme is now under the supervision of the Ministry of Industry and Mineral Resources. The programme aims to develop four export-oriented industries in Saudi Arabia: Automotive, Minerals and Metal Processing, Plastics and Packaging, and Pharmaceuticals and Biotech. As part of the Industrial Clusters programme, various industrial initiatives have either been completed or are in different stages of being established. By way of example, Isuzu, a Japanese automotive manufacturing company, opened its first manufacturing plant in Saudi Arabia in 2012, located in the industrial city of Dammam. Similarly, in 2009, Ma'aden entered into an agreement with U.S. aluminium manufacturer Alcoa Inc. to construct an aluminium production complex at Ras Al Khair, intended primarily for the export of aluminium products.

*Saudi Arabian Military Industry Company ("**SAMI**")*: SAMI is a military industry company established by the PIF in May 2017 with the objective of creating a sustainable platform for the provision of world-class military equipment and services to Saudi Arabia and its allies. SAMI aims to become among the top 25 military industry companies in the world by 2030. SAMI is expected to increase Saudi Arabia's exports and attract foreign investment to Saudi Arabia's military industries sector.

Construction

Based on preliminary figures, construction activities accounted for SAR 192.2 billion (U.S.$51.3 billion), or 4.6 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to SAR 169.9 billion (U.S.$45.3 billion), or 5.2 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2021. Construction activities demonstrated growth of 8.7 per cent. in real terms in the year ended 31 December 2022, compared to growth of 1.2 per cent. in real terms in the year ended 31 December 2021 and growth of 1.9 per cent. in the year ended 31 December 2020, a growth of 3.0 per cent., and a decline of 8.4 per cent. in real terms in the years ended 31 December 2019 and 2018, respectively. The growth in 2022 was primarily attributable to government spending on infrastructure projects and an increase in private sector investment.

Transport, Storage and Communication

Based on preliminary figures, transport, storage and communication activities accounted for SAR 180.7 billion (U.S.$48.2 billion), or 4.3 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to SAR 170.5 billion (U.S.$45.5 billion), or 5.2 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2021. Transport, storage and communication activities demonstrated growth of 1.9 per cent. in real terms in the year ended 31 December 2022, compared to growth of 3.5 per cent. in real terms in the year ended 31 December 2021, a decline of 6.3 per cent. in real terms in the year ended 31 December 2020, growth of 5.7 per cent. and a decline of 1.6 per cent.. in real terms in the years ended 31 December 2019 and 2018, respectively. Saudi Arabia has a modern transportation network of roads, railroads, air, marine and public transport. The country is also linked by a sophisticated communications network that serves as a basis for its economic growth and development.

Airports and Aviation Industry

The GACA oversees all aviation matters in Saudi Arabia and operates each of Saudi Arabia's airports. Saudi Arabia has twelve international airports, including King Khalid International in Riyadh, King Fahd International in Dammam, King Abdulaziz International Airport in Jeddah, Prince Muhammad bin Abdulaziz Airport in Medina, Neom Bay Airport in Neom, Red Sea International Airport in Hanak and Taif International Airport in Taif. Saudi Arabia also has three regional airports and 14 domestic airports, as well as a number of military airports and dedicated freight airports serving Saudi Aramco's operations. In 2019, the Phase 1 expansion of the King Abdulaziz International Airport in Jeddah was completed, and a soft operational launch of its operations was conducted. The long-term expansion plans envision that the new airport will eventually serve up to 80 million passengers by 2035.

King Abdulaziz International Airport is also the operational base of Saudi Arabia's national airline, Saudia, which was established in 1945 and is wholly-owned by the Government. A second national airline, Riyadh Air, operating primarily from King Khalid International Airport in Riyadh, is being established as a wholly-owned subsidiary of the PIF.

Railways

Saudi Arabia's railway network is managed by Saudi Arabia Railways (the "**SAR**"), while the supervision of the railways network in Saudi Arabia falls under the Public Transport Authority.

The SAR provides freight services on two main lines connecting Riyadh with Dammam, and SAR passenger trains also operate between Riyadh and Dammam.

As part of its railway expansion programme to bring connectivity across the Kingdom, SAR has developed the following projects: (i) extensions to the North Train Network, formerly known as the North and South Railway; (ii) the Haramain High Speed Rail; and (iii) the Saudi Landbridge Project.

- The North Railway, which spans over 2,750 km that pass through the Al-Jouf, Hail and Al-Qassim regions and terminates in Riyadh, underwent extensions to Al-Jalamid to transport phosphate, Al-Zubayrah to transport bauxite, and to Ras Al Khair on the Arabian Gulf. These extensions are operated by the SAR.

- The Haramain High Speed Rail, operating at up to 300 kph on an electrified line that links Makkah and Medina, connects with the rail network at Jeddah, King Abdul Aziz International Airport and Abdullah Economic City in Rabigh.

- The Saudi Landbridge Project, a 945 km freight line from Riyadh to Jeddah and a 115 km line from Dammam to Jubail, will connect the Arabian Gulf with the Red Sea. The network will also provide a high-speed connection to King Abdullah Economic City.

The Haramain High Speed Rail and the North Railway Project are fully operational. Studies in respect of the proposed Saudi Landbridge Project are currently being undertaken by SAR.

Ports

Saudi Arabia's ports are regulated by the Saudi Ports Authority (with the exception of King Abdullah Port, which is regulated by the Economic Cities and Special Zones Authority). According to figures published by the Saudi Ports Authority, 95 per cent. of Saudi Arabia's imports and exports pass through its ports, of which 55 per cent. is for export. As one of the world's largest exporters of primary products, Saudi Arabia has an extensive network of ports on its Red Sea and Arabian Gulf coasts. However, with the exception of Jeddah Islamic Port and King Abdullah Port on the Red Sea coast and King Abdullah Port on the Arabian Gulf coast, most of these ports primarily serve either industrial or bulk cargo purposes.

The following table sets forth details of Saudi Arabia's trade volume handled through its seaports (excluding King Abdullah Port) for each of the years ended 31 December 2020, 2019 and 2018.

	Year ended 31 December		
	2020	**2019**	**2018**
		(Thousand tonnes)	
Volume of imports through seaports	101,096	105,461	105,838
Volume of exports through seaports[(1)]	217,411	212,501	224,950
Total	**318,507**	**317,962**	**330,788**

Source: Saudi Ports Authority
Notes:
(1) Excluding crude oil exports.

More than half of Saudi Arabia's sea traffic passes through Jeddah Islamic Port, one of the busiest ports in the Middle East and a key entry point for Muslim pilgrims. The Government has also established the King Fahd Industrial Port in Yanbu in order to ease the load at Jeddah Islamic Port and improve the efficiency of Saudi Arabia's petrochemical exports. Other major ports are located in Dammam, Jizan and Jubail. The seaport at King Abdullah Economic City on the west coast of Saudi Arabia, which began operations in 2014, currently has the capacity to handle more than 3.0 million TEUs annually. This was the first port in Saudi Arabia financed through private investment, which amounted to approximately SAR 30 billion (U.S.$8.0 billion). In addition, the second terminal at the King Abdullah Port in Dammam, which was developed through a joint venture between the PIF and PSA International (formerly Ports of Singapore Authority), commenced commercial operation in April 2015 with an initial designed capacity of 0.9 million TEUs annually.

In June 2021, the Ministry of Transport launched the National Strategy for Transport and Logistics Services, which aims to transform the Kingdom of Saudi Arabia into a global centre for transportation and logistics services. Through its updated strategy to comply with the objectives of the National Strategy for Transport and Logistics Services and Saudi Vision 2030, the Saudi Ports Authority aims to raise the logistic services performance index and increase the capacity of containers handled in the ports.

Telecommunications

The telecommunications, space and technology sectors in Saudi Arabia are regulated by the Communications, Space and Technology Commission (the "**CST**") The Telecommunications Act, enacted in 2001, and the bylaws, issued in 2002, provide the basis for the regulatory framework in the telecommunications sector. The CST issues telecommunications licences in Saudi Arabia and is responsible for enforcing and resolving disputes in accordance with the Telecommunications Act.

The following table sets forth selected statistics relating to the telecommunications sector in Saudi Arabia each of the years ended 31 December 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December			
	2021[1]	2020	2019	2018
	(Millions of subscribers, except percentages)			
Total mobile subscriptions	53.55	46.4	45.1	49.7
Mobile penetration rate (%)[2]	153%	135.5	135.1	152.6
Fixed broadband subscriptions	2.2	2.2	2.0	1.9
Fixed broadband penetration rate (%)[3]	36.4	35.6	33.3	33.7

Source: CITC
Notes:
(1) Preliminary figures.
(2) Mobile penetration rates represent the number of subscriptions as a percentage of the total population.
(3) Fixed broadband penetration rates represent the number of subscriptions as a percentage of the total number of households.

The incumbent telecommunications provider in Saudi Arabia is STC. The PIF owns 70 per cent. of STC's shares, with the remaining 30 per cent. held by certain institutions (among which are the GOSI and the PPA, each of which are controlled by the Government) and private investors. STC's shares are listed on the Tadawul. STC dominates the fixed-line voice services market and also offers mobile services. There are two other companies operating mobile services: Etihad Etisalat Company ("**Mobily**"), which entered the market in 2005, and MTC Saudi Arabia ("**Zain**"), which entered the market in 2008. Additionally, there are four virtual network operators operating in Saudi Arabia, namely Virgin Mobile,Lebera KSA, Salam Mobile and Red Bull Mobile. The CST launched 5G in the Kingdom, and has built over 5,400 5G towers in over 30 cities in the Kingdom and is in the process of expanding the network.

Community, Social and Personal Services

Based on preliminary figures, community, social and personal services activities accounted for SAR 108.4 billion (U.S.$28.9 billion), or 2.6 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to SAR 97.4 billion (U.S.$26.0 billion), or 3.0 per cent., of Saudi Arabia's nominal GDP in

the year ended 31 December 2021. Community, social and personal services activities demonstrated growth of 2.8 per cent. in real terms in the year ended 31 December 2022, compared to a growth of 18.9 per cent. in real terms in the year ended 31 December 2021, a decline of 7.0 per cent., a growth of 2.0 per cent. and a growth of 0.8 per cent. in real terms in the years ended 31 December 2020, 2019 and 2018, respectively.

Saudi Arabia offers a wide range of social welfare programmes. The GOSI provides social protection and insurance coverage in the Kingdom of Saudi Arabia. It covers Saudi civil and military employees, private sector workers and optionally covers the self-employed.

The programmes administered by GOSI support workers or their families in cases of disability, retirement or death. A plan to cover employees who suffer occupational hazards was instituted in 1982 and has since helped millions of workers. In 2014, the GOSI introduced an unemployment insurance program which provides income support for up to 12 months of unemployment. Another major programme, administered by the Ministry of Human Resources and Social Development, provides social security pensions, benefits and relief assistance to the disabled, the elderly, orphans and widows without income. Saudi Arabia also offers facilities, operated and supervised by the Ministry of Health, to treat and rehabilitate the mentally and physically disabled, while a second type of facility, operated and supervised by the Ministry of Human Resources and Social Development, focuses on the social rehabilitation of the handicapped.

Agriculture, Forestry and Fishing

Based on preliminary figures, agriculture, forestry and fishing activities accounted for SAR 100.0 billion (U.S.$26.7 billion) or 2.4 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to SAR 87.7 billion (U.S.$23.4 billion) or 2.7 per cent. of Saudi Arabia's nominal GDP in year ended 31 December 2021. Agriculture, forestry and fishing activities grew by 4.1 per cent. in real terms in the year ended 31 December 2022, compared to growth of 2.5 per cent. in real terms in the year ended 31 December 2021, while it declined by 1.7 per cent., and grew by 2.2 per cent. and 2.3 per cent. in real terms in the years ended 31 December 2020, 2019 and 2018, respectively.

The MEWA is primarily responsible for the Government's agricultural policies. The development of agriculture in Saudi Arabia is constrained by the limited water supply (see "*—Electricity, Gas and Water*" below) and the fact that less than 1 per cent. of the total area of Saudi Arabia is suitable for cultivation. Accordingly, Saudi Arabia is dependent on imports for the vast majority of its food requirements, which is facilitated by its membership of the WTO. Although Saudi Arabia has regions where the climate favours agriculture, the Government has introduced reforms to its agricultural sector in order to reduce water consumption and improve efficiency and sustainability. This has included a shift from domestic production of water-intensive crops, such as wheat and feed grain, to imports of the same.

Electricity, Gas and Water

Based on preliminary figures, electricity, gas and water activities accounted for SAR 44.8 billion (U.S.$11.9 billion) or 1.1 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2022, compared to SAR 43.9 billion (U.S.$11.7 billion) or 1.3 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2021. Electricity, gas and water activities grew by 1.4 per cent. in real terms in the year ended 31 December 2022, grew by 4.0 per cent. in real terms in the year ended 31 December 2021, and declined by 2.9 per cent., grew by 3.5 per cent., and declined by 10.0 per cent. in the years ended 31 December 2020, 2019 and 2018, respectively.

Electricity

The electricity sector in Saudi Arabia is legislated by the Ministry of Energy and regulated by the Water and Electricity Regulatory Authority ("**WERA**").

The Government indirectly owns 81.2 per cent. of SEC's shares through the PIF, which owns 74.3 per cent. of SEC's shares, and Saudi Aramco, which owns 6.9 per cent. of SEC's shares. SEC's shares are listed on the Tadawul.

SEC is the sole off taker in respect of all of the traded generation capacity in Saudi Arabia as at 31 December 2020, other than certain capacity by certain large industrial entities such as Saudi Aramco, the Power and Water Utility Company for Jubail and Yanbu ("**MARAFIQ**"), Ma'aden and Saudi Petrochemical Company ("**Sadaf**"), which supply any excess power generated into the SEC grid under interconnection agreements. SEC has a significant role within Saudi Arabia's economy in terms of enhancing the financial and environmental sustainability, focusing on consumer centricity, and enhancing reliability and resilience of the grid.

In November 2020, the Minister of Energy, Chairman of the Ministerial Committee for Restructuring the Electricity Sector ("**Committee for Restructuring**"), and the Chairman of the Board of WERA announced the approval of a set of structural, regulatory and financial reforms for the Kingdom's electricity sector by virtue of a Royal Decree. The reforms are intended to further the goals set out in Vision 2030 and in particular, aim to increase the reliability of the Kingdom's electricity transmission network and to facilitate the production of electricity from renewable energy sources, bringing it in line with the Kingdom's optimal energy mix for electricity production.

As part of the reforms, SEC signed an agreement with the Government to reclassify SEC's net Government liabilities into an equity-like, non-dilutive financial instrument, as well as the cancellation of electricity fees payable by SEC to the Government. The reforms also include the introduction and adoption of a new mechanism to determine SEC's revenue model. Pursuant to the new model, WERA will determine SEC's revenue with the aim of ensuring SEC can efficiently cover its costs of providing services, while maintaining returns on invested capital. These measures are expected to enhance SEC's financial and operational sustainability.

As a policy objective, the Government has been promoting greater competition in the power generation sector. As part of the Fiscal Sustainability Programme, the Government has previously announced reforms to energy and water prices, and these reforms are scheduled to be implemented as part of the Vision 2030 objectives.

Water

Given that Saudi Arabia does not have an abundant natural water supply, the Government has made substantial investments in seawater desalination, water distribution, sewerage and wastewater treatment. The water sector in Saudi Arabia is regulated by ECRA.

Saudi Aramco operates the Qurayyah Seawater Treatment Plant, which has a design capacity of 14 million bpd. Saudi Aramco is also a joint venture partner in MARAFIQ, a major utility company.

Reforms in the Power and Water Sector

As part of its privatisation programme and with a view to increasing the involvement of the private sector in the power and water sector, the Government has been promoting greater competition in the electricity industry by introducing IPP and IWPP models.

The Government's privatisation initiative with respect to the electricity industry has been implemented through SEC and the WEC, a company established by the Government in 2003 with the objective of facilitating the formation of IWPPs by acting as an off taker to the IWPPs.

The WEC currently participates in two IWPP projects, the Shuaibah IWPP, which commenced commercial operations on 13 January 2010, and the Shuqaiq IWPP, which commenced commercial operations on 1 May 2011. The WEC is currently the sole off-taker of all water and electricity produced by the Shuaibah IWPP and

the Shuqaiq IWPP under 20-year power and water purchase agreements, while separate arrangements have been made with purchasers for the IWPPs' water output.

In May 2017, the Council of Ministers approved the expansion of the role of WEC to include the ability to purchase and sell water under long term purchase agreements. The Ministry of Finance will provide the financial support to allow WEC to enter into such long-term purchase agreements. While previously WEC was owned jointly by SEC and SWCC, the ownership of WEC has now been transferred to the Government.

The Government has also declared the development of alternative sources of energy, such as solar energy, a priority. For more details, see "*Overview of Saudi Arabia—Strategy of Saudi Arabia—Vision 2030*". Furthermore, with respect to the recent reform of the subsidies regime applicable to the energy sector, see "*Public Finance—2024 Government Budget*".

BALANCE OF PAYMENTS AND FOREIGN TRADE

Balance of Payments

The following table sets forth Saudi Arabia's balance of payments for the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December				
	2022[(1)]	**2021[(1)]**	**2020[(1)]**	**2019[(1)]**	**2018[(1)]**
			(SAR millions)		
1. Current account (A+B+C+D)	**575,571**	**166,213**	**(85,553)**	**143,362**	**269,894**
A. Goods	882,347	511,738	179,791	455,010	632,811
B. Services	(178,590)	(236,167)	(177,300)	(204,064)	(237,834)
—Transport	(68,465)	(53,010)	*(48,212)*	*(48,502)*	*(42,023)*
—Travel	34,837	(31,345)	*(18,028)*	*4,844*	*(10,729)*
—Construction	(30,733)	(24,796)	*(24,193)*	*(26,450)*	*(24,028)*
—Insurance and pensions services	(10,351)	(6,372)	*(5,627)*	*(6,425)*	*(5,891)*
—Financial services	(5,054)	(6,495)	*(408)*	*(4,716)*	*(8,386)*
—Telecommunications	(2,948)	1,000	*(12)*	*(527)*	*(2,080)*
—Other business services	(55,337)	(75,271)	*(16,633)*	*(37,061)*	*(38,980)*
—Government goods and services	(40,537)	(39,876)	*(64,186)*	*(85,227)*	*(105,717)*
C. Primary income	40,807	57,034	52,306	29,623	28,916
—Compensation of employees	(921)	(2,351)	*167*	*(2,163)*	*(2,163)*
—Investment income	41,728	59,385	*52,139*	*31,786*	*31,079*
—Direct investment	27,100	6,114	*1,976*	*4,240*	*(3,310)*
—Portfolio investment	9,549	40,321	*33,844*	*10,764*	*23,675*
—Other investment	5,078	12,950	*16,318*	*16,783*	*10,714*
D. Secondary income	(168,993)	(166,393)	(140,351)	(137,208)	(153,998)
2. Capital account	**(14,691)**	**(4,942)**	**(6,917)**	**(6,499)**	**(8,733)**
3. Financial account (A+B+C+D)	**531,608**	**155,914**	**(90,190)**	**135,612**	**258,025**
A. Direct investment	46,331	17,154	(1,831)	33,692	56,270
B. Portfolio investments	139,836	144,501	88,838	(43,196)	45,157
C. Other investments	328,640	(12,171)	(4,995)	133,915	155,977
D. Reserve assets	16,801	6,430	(172,202)	11,202	621
—Monetary gold	–	–			
—Special drawing rights	(3,476)	49,273	*72*	*1,104*	*1,021*
—Reserve position in the IMF	91	962	*4,227*	*3,240*	*414*
—Currency and deposits	22,646	(51,383)	*(91,753)*	*11,428*	*40,535*
—Securities	(2,460)	7,578	*(84,747)*	*(4,571)*	*(41,348)*
Net errors and omissions	**(29,272)**	**(5,358)**	**2,281**	**(1,251)**	**(3,136)**

Source: SAMA
Notes:

(1) Preliminary figures.

Saudi Arabia's balance of payments reflects the importance of its oil exports to its current account balance. Oil exports accounted for 79.3 per cent., 73.2 per cent., 68.7 per cent., 76.6 per cent. and 78.7 per cent. of Saudi Arabia's earnings from the export of goods as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively. The value of Saudi Arabia's oil exports can be volatile as they depend on prevailing oil prices. In the year ended 31 December 2022, Saudi Arabia's oil exports increased by 61.7 per cent. mainly as a result of the rise in oil prices during the year, compared to an increase of 69.4 per cent. in the year ended 31 December 2021, a decrease of 40.5 per cent. in the year ended 31 December 2020, a decrease of 13.4 per cent. in the year ended 31 December 2019 and an increase of 36.0 per cent. in the year ended 31 December 2018. See "*Economy of Saudi Arabia—Overview*" and "*Risk* Factors—*Saudi Arabia's economy and the Government are substantially dependent upon the oil sector and adversely affected by low oil prices*".

Based on preliminary figures, Saudi Arabia's net international investment position stood at SAR 2,650.3 billion (U.S.$706.7 billion), SAR 2,325.3 billion (U.S.$620.1 billion), SAR 2,247.1 billion (U.S.$599.2 billion), SAR 2,516.3 billion (U.S.$671.0 billion) and SAR 2,466.1 billion (U.S.$657.6 billion) as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively, representing 63.8 per cent., 71.4 per cent., 85.2 per cent., 83.5 per cent. and 80.5 per cent., respectively, of Saudi Arabia's total nominal GDP in the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

Current Account

Based on preliminary figures, Saudi Arabia's current account recorded a surplus of SAR 575.6 billion (U.S.$153.5 billion) as at 31 December 2022 compared to a surplus of SAR 166.2 billion (U.S.$44.3 billion) as at 31 December 2021 and a deficit of SAR 85.5 billion (U.S.$22.8 billion) as at 31 December 2020. This change was principally attributable to an increase in oil exports during the period.

Based on preliminary figures, the deficit in the balance of services decreased by 24.4 per cent., to SAR 178.6 billion (U.S.$47.6 billion) as at 31 December 2022, compared to SAR 236.2 billion (U.S.$63.0 billion) as at 31 December 2021.

Remittances of expatriate workers to other countries constitute one of the most important items of the current account of Saudi Arabia's balance of payments. The following table sets forth the development of remittances of workers and their ratio to nominal GDP for the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December				
	2022[(1)]	**2021[(1)]**	**2020[(1)]**	**2019[(1)]**	**2018[(1)]**
	(SAR millions, except percentages)				
Total remittances	145,563	149,300	128,768	113,573	123,637
Annual change (%)	(2.5)	15.9	13.4	(8.1)	(6.7)
Private sector GDP at current prices	1,647,449	1,483,637	1,360,399	1,419,403	1,358,188
Remittances / private sector GDP	0.09	0.10	0.09	0.08	0.09

Source: SAMA, GASTAT
Notes:
(1) Preliminary figures.

Based on preliminary figures, total remittances by expatriate workers decreased by 2.5 per cent. in the year ended 31 December 2022, compared to an increase of 15.9 per cent. in the year ended 31 December 2021, an increase of 13.4 per cent. in the year ended 31 December 2020, and a decrease of 8.1 per cent. and 6.7 per cent. in the years ended 31 December 2019 and 2018, respectively.

Capital Account

Based on preliminary figures, Saudi Arabia's capital account recorded an outflow of SAR 14.7 billion (U.S.$3.9 billion) as at 31 December 2022 compared to outflows of SAR 4.9 billion (U.S.$1.3 billion) as at 31 December 2021, and compared to outflows of SAR 6.9 billion (U.S.$1.8 billion), SAR 6.5 billion (U.S.$1.7 billion) and SAR 8.7 billion (U.S.$2.3 billion) as at 31 December 2020, 2019 and 2018, respectively.

Financial Account

Based on preliminary figures, Saudi Arabia's financial account increased by SAR 375.7 billion (U.S.$100.2 billion) to SAR 531.6 billion (U.S.$141.8 billion) as at 31 December 2022 compared to the previous year. This increase was primarily attributable to increases in direct investment and other investments. Based on preliminary figures, Saudi Arabia's financial account increased by SAR 155.9 billion (U.S.$41.6 billion) as at 31 December 2021 compared to a decrease of SAR 90.2 billion (U.S.$24.1 billion) as at 31 December 2020, and increases of SAR 135.6 billion (U.S.$36.2 billion), SAR 258.0 billion (U.S.$68.8 billion) and SAR 28.0 billion (U.S.$7.5 billion) as at 31 December 2019, 2018 and 2017, respectively. This increase was primarily attributable to an increase of reserve assets by SAR 6.4 billion (U.S.$1.7 billion) as at 31 December 2021 compared to a decrease of SAR 172.2 billion (U.S.$45.9 billion) as at 31 December 2020 and an increase of SAR 11.2 billion (U.S.$3.0 billion) as at 31 December 2019.

Based on preliminary figures, direct investment increased to SAR 46.3 billion (U.S.$12.3 billion) as at 31 December 2022, compared to SAR 17.2 billion (U.S.$4.6 billion) as at 31 December 2021. This increase was primarily attributable to an increase in the Kingdom's net acquisition of financial assets. Net direct investment

decreased by SAR 1.8 billion (U.S.$0.5 billion) as at 31 December 2020,and increased by SAR 33.7 billion (U.S.$9.0 billion) and SAR 56.3 billion (U.S.$15.0 billion) as at 31 December 2019 and 2018, respectively.

Based on preliminary figures, portfolio investments decreased to SAR 139.8 billion (U.S.$37.3 billion) as at 31 December 2022, compared to an increase of SAR 144.5 billion (U.S.$38.5 billion) as at 31 December 2021, an increase of SAR 88.8 billion (U.S.$23.7 billion), a decrease of SAR 43.2 billion (U.S.$11.5 billion), and an increase of SAR 45.2 billion (U.S.$12.1 billion) as at 31 December 2020, 2019 and 2018, respectively. This increase was primarily attributable to equity and investment fund shares amounting to SAR 208.1 billion (U.S.$55.5 billion) as at 31 December 2021 compared to SAR 217.6 billion (U.S.$58.0 billion) as at 31 December 2020 and equity and investment fund shares amounting to SAR 123.7 billion (U.S.$33.0 billion) as at 31 December 2019.

Based on preliminary figures, other investments increased to SAR 328.6 billion (U.S.$87.6 billion) as at 31 December 2022 compared to a negative carry of other investments of SAR 12.2 billion (U.S.$3.2 billion) as at 31 December 2021, a decrease of SAR 5.0 billion (U.S.$1.3 billion) as at 31 December 2020, and increases of SAR 133.9 billion (U.S.$35.7 billion) and SAR 156.0 billion (U.S.$41.6 billion) as at 31 December 2019 and 2018, respectively.

Foreign Trade

The total volume of Saudi Arabia's foreign trade was SAR 2,254.0 billion (U.S.$601.1 billion) in the year ended 31 December 2022, an increase of 40.1 per cent. compared to SAR 1,608.9 billion (U.S.$429.0 billion) in the year ended 31 December 2021, which was an increase of 37.6 per cent. from SAR 1,169.4 billion (U.S.$311.8 billion) in the year ended 31 December 2020, which was a decrease of 24.8 per cent. from SAR 1,555.4 billion (U.S.$414.8 billion) in the year ended 31 December 2019.

Saudi Arabia's trade surplus was SAR 829.9 billion (U.S.$221.3 billion) in the year ended 31 December 2022, an increase of 79.4 per cent. compared to SAR 462.5 billion (U.S.$123.3 billion) in the year ended 31 December 2021, which was an increase of 217.1 per cent. compared to SAR 134.5 billion (U.S.$35.9 billion) in the year ended 31 December 2020, which was a decrease of 66.9 per cent. from SAR 406.7 billion (U.S.$108.5 billion) in the year ended 31 December 2019. The ratio of Saudi Arabia's total volume of foreign trade to its nominal GDP stood at 20.0 per cent. in the year ended 31 December 2022, compared to 34.2 per cent. in the year ended 31 December 2021 and 44.5 per cent. in the year ended 31 December 2020.

The increase in the total volume of foreign trade in the year ended 31 December 2022 was principally due to an increase in the value of Saudi Arabia's total exports by 48.9 per cent., to SAR 1,541.9 billion (U.S.$411.2 billion) in the year ended 31 December 2022 from SAR 1,035.7 billion (U.S.$276.2 billion) in the year ended 31 December 2021.

The following table sets forth Saudi Arabia's total trade volume and trade balance for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
			(SAR millions)		
Total exports	1,541,941	1,035,672	651,952	981,012	1,103,900
Total imports	712,038	573,185	517,491	574,361	513,993
Total trade volume	**2,253,979**	**1,608,857**	**1,169,443**	**1,555,373**	**1,617,893**
Trade balance	**829,903**	**462,486**	**134,461**	**406,651**	**589,908**

Source: GASTAT

The total volume of foreign trade in the year ended 31 December 2022 was SAR 2,254.0 billion (U.S.$601.1 billion), comprising SAR 712.0 billion (U.S.$189.9 billion) of merchandise imports and SAR 1,541.9 billion (U.S.$411.2 billion) of merchandise exports. The trade balance as at 31 December 2022 was SAR 829.9 billion (U.S.$221.3 billion).

Exports

The total value of Saudi Arabia's exports was SAR 1,541.9 billion (U.S.$ 411.5 billion), or 37.1 per cent. of total nominal GDP, in the year ended 31 December 2022, an increase of 48.9 per cent. from SAR 1,035.7 billion (U.S.$279.4 billion), or 33.1 per cent. of total nominal GDP, in the year ended 31 December 2021, which was an increase of 58.9 per cent. from SAR 652.0 billion (U.S.$173.8 billion), or 24.8 per cent. of total nominal GDP, in the year ended 31 December 2020.

The following table sets forth a breakdown of Saudi Arabia's exports by value for each of the years ended 31 December 2022, 2021, 2020, 2019 and, 2018, respectively.

	Year ended 31 December									
	2022		2021		2020		2019		2018	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
Crude oil	969,542	62.9	603,826	58.3	376,434	57.7	625,863	63.8	704,505	63.8
Refined products	256,735	16.7	154,298	14.9	71,165	10.9	125,965	12.8	163,938	14.9
Total oil exports	**1,226,277**	**79.5**	**758,124**	**73.2**	**447,599**	**68.7**	**751,828**	**76.6**	**868,442**	**78.7**
Petrochemicals	202,609	13.1	175,184	16.9	120,602	18.5	142,385	14.5	155,122	14.1
Construction material	22,822	1.5	20,890	2.0	16,200	2.5	17,518	1.8	20,632	1.9
Agricultural, animal and food products	18,129	1.2	15,605	1.5	13,710	2.1	13,883	1.4	13,789	1.2
Other goods[(1)]	72,104	4.7	65,869	6.4	53,841	8.3	55,398	5.6	45,915	4.2
Total non-oil exports	**315,664**	**17.2**	**277.548**	**26.8**	**204,353**	**31.3**	**229,184**	**23.4**	**235,458**	**21.3**
Total exports	**1,541,941**	**100.0**	**1,035,672**	**100.0**	**651,952**	**100.0**	**981,014**	**100.0**	**1,103,900**	**100.0**

Source: GASTAT
Notes:
(1) Including re-exports.

The value of Saudi Arabia's total oil exports (comprising crude oil and refined products) in the year ended 31 December 2022 amounted to SAR 1,226.3 billion (U.S.$327.0 billion), an increase of 61.8 per cent. compared to SAR 758.1 billion (U.S.$202.2 billion) in the year ended 31 December 2021, which was an increase of 69.4 per cent. compared to SAR 447.6 billion (U.S.$119.4 billion) in the year ended 31 December 2020. The increase in 2022 was mainly as a result of the increase in oil price during the year. (see "*Economy of Saudi Arabia—Overview*" and "*Risk Factors—Saudi Arabia's economy and the Government are substantially dependent upon the oil sector and adversely affected by low oil prices*").

Saudi Arabia's crude oil exports by volume increased by 18.3 per cent. to 2,688.7 million barrels in the year ended 31 December 2022, compared to 2,273.0 million barrels in the year ended 31 December 2021, and its exports of refined products by volume decreased by 15.6 per cent. to 490.3 million barrels, compared to 581.1 million barrels in the year ended 31 December 2021.

The majority of Saudi Arabia's exports of crude oil and refined products in the year ended 31 December 2021 were to countries in Asia and the Far East, which accounted for 77.0 per cent. of crude oil exports and 35.1 per cent. of refined products exports by volume. In the year ended 31 December 2021, countries in North America accounted for 86.3 per cent. of crude oil exports and 13.7 per cent. of refined products exports, countries in Europe accounted for 7.9 per cent. of crude oil exports and 17.3 per cent. of refined products exports, countries in the Middle East accounted for 4.2 per cent. of crude oil exports and 15.0 per cent. of refined products exports, and African countries accounted for 2.7 per cent. of crude oil exports and 25.6 per cent. of refined products exports.

In 2022, Saudi Arabia's total non-oil exports, including re-exports, increased by 13.7 per cent. to record a historical high of approximately SAR 315.7 billion (U.S.$ 84.2 billion), compared to SAR 277.5 billion (U.S.$74.0 billion) in 2021. This was principally driven by growth in the industrial sector, particularly in petrochemical exports, which grew by 34.5 per cent. to reach SAR 113.1 billion (U.S. $30.2 billion) in 2022, compared to SAR 84.1 billion (U.S. $22.4 billion) in 2021.

The following table sets forth a breakdown of Saudi Arabia's exports by destination for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December									
	2022		2021		2020		2019		2018	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
China	249,926	16.2	190,911	18.4	120,016	18.4	179,669	18.3	146,703	13.2
Japan	152,890	9.9	102,598	9.9	62,307	9.6	100,365	10.2	123,646	11.2
India	157,187	10.1	99,966	9.7	60,208	9.2	100,703	10.3	98,689	8.9
South Korea	142,159	9.2	87,342	8.4	54,379	8.3	78,155	8.0	97,592	8.8
United Arab Emirates	66,783	4.3	56,481	5.5	44,439	6.8	50,609	5.2	62,073	5.6
United States	87,117	5.6	53,517	5.2	31,024	4.8	49,024	5.0	95,622	8.7
Singapore	37,337	2.4	26,426	2.6	20,171	3.1	32,736	3.3	43,593	3.9
Bahrain	37,015	2.4	26,341	2.5	17,417	2.7	27,177	2.8	27,595	2.5
Taiwan	39,126	2.5	26,337	2.6	15,577	2.4	26,363	2.7	27,881	2.5
Netherlands	24,469	1.5	16,204	1.6	17,183	2.6	27,479	2.8	35,504	3.2
Total Top 10	1,021,250	66.2	686,123	66.5	442,631	67.9	672,279	68.6	758,898	68.7
Total GCC countries	135,341	8.8	96,744	9.3	72,139	11.1	89,283	9.1	102,403	9.3
Total EU countries	177,979	11.5	108,439	10.5	71,350	10.9	115,880	11.8	138,974	12.6
Total Exports	**1,541,941**	**100.0**	**1,035,672**	**100.0**	**651,952**	**100.0**	**981,012**	**100.0**	**1,103,900**	**100.0**

Source: GASTAT

China represented the largest share of Saudi Arabia's exports in the year ended 31 December 2022, accounting for SAR 249.9 billion (U.S.$66.6 billion), or 16.2 per cent., of Saudi Arabia's total exports, an increase of 30.9 per cent. compared to SAR 190.9 billion (U.S.$50.9 billion) in the year ended 31 December 2021.

In line with Saudi Arabia's continued efforts to expand its economic base and diversify non-oil exports, Saudi Arabia has adopted a number of structural and institutional reforms, including the establishment of the Saudi Export Programme ("**SEP**"). The SEP, which was formed by the SFD, aims to provide necessary funding for exporters and importers of Saudi origin goods. The SEP provides finance and credit facilities necessary for the development of Saudi Arabia's non-oil exports to diversify the sources of national income.

Imports

The total value of Saudi Arabia's imports was SAR 712.0 (U.S. $189.9 billion), or 17.1 per cent. of nominal GDP, in the year ended 31 December 2022, an increase of 24.2 per cent. compared to SAR 573.2 billion (U.S.$152.9 billion), or 18.3 per cent. of total nominal GDP, in the year ended 31 December 2021, which was an increase of 10.8 per cent. compared to SAR 517.5 billion (U.S.$138.0 billion), or 19.7 per cent. of total nominal GDP, in the year ended 31 December 2020.

The following table sets forth a breakdown of Saudi Arabia's imports by value for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December									
	2022		2021		2020		2019		2018	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
Machines, appliances and electrical equipment	138,267	19.4	114,500	20.0	109,094	21.1	120,291	20.9	111,167	21.6
Transport equipment	102,996	14.5	86,201	15.0	83,009	16.0	118,264	20.6	84,652	16.5
Foodstuffs, agricultural and animal products	112,048	15.7	29,005	5.1	85,716	16.6	81,369	14.2	80,248	15.6
Chemical products	71,099	10.0	60,590	10.6	53,404	10.3	53,854	9.4	51,716	10.1
Metals and metal products	67,029	9.4	53,735	9.4	49,600	9.6	48,896	8.5	43,988	8.6
Textiles and clothing	23,942	3.4	21,060	3.7	20,018	3.9	22,732	4.0	18,115	3.5
Plastics and Rubber products	26,689	3.7	21,805	3.8	19,462	3.8	20,568	3.6	17,487	3.4
Other goods	169,969	23.9	186,289	32.5	97,188	18.8	108,387	18.8	106,620	20.7
Total imports	**712,038**	**100.0**	**573,185**	**100.0**	**517,491**	**100.0**	**574,361**	**100.0**	**513,993**	**100.0**

Source: GASTAT

Imports of machines, appliances and electrical equipment represented the largest component of Saudi Arabia's imports in the year ended 31 December 2022, accounting for SAR 138.3 billion (U.S.$36.9 billion), or 19.4 per cent. of total imports, an increase of 20.7 per cent. compared to SAR 114.5 billion (U.S.$30.5 billion) in the year ended 31 December 2021. Foodstuffs, agricultural and animal products represented the second largest component of Saudi Arabia's imports in the year ended 31 December 2022, accounting for SAR 112.0 billion (U.S.$ 29.9 billion), or 15.7 per cent. of total imports, an increase of 286.2 per cent. compared to SAR 29.0 billion (U.S.$7.7 billion) in the year ended 31 December 2021. Transport equipment represented the third largest component of Saudi Arabia's imports in the year ended 31 December 2022, accounting for SAR 103.0 billion (U.S.$27.5 billion), or 14.5 per cent. of total imports, an increase of 24.1 per cent. compared to SAR 86.2 billion (U.S.$15.0 billion) in the year ended 31 December 2021.

The following table sets forth a breakdown of Saudi Arabia's imports by origin for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December									
	2022		2021		2020		2019		2018	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
China	149,252	20.9	113,381	19.8	101,562	19.6	105,571	18.4	81,821	15.9
United States	65,002	9.1	60,549	10.6	55,145	10.7	71,024	12.4	70,642	13.7
United Arab Emirates	45,103	6.3	46,770	8.2	34,287	6.6	39,806	6.9	43,441	8.5
Germany	30,000	4.2	28,093	4.9	26,869	5.2	27,649	4.8	28,306	5.5
Japan	25,195	3.5	22,732	4.0	21,767	4.2	25,367	4.4	20,590	4.0
India	39,509	5.5	30,277	5.3	24,530	4.7	24,850	4.3	21,322	4.1
France	16,714	2.3	15,988	2.8	17,371	3.4	20,375	3.5	19,777	3.8
Italy	19,431	2.7	17,244	3.0	15,926	3.1	16,544	2.9	16,088	3.1
South Korea	19,767	2.7	12,899	2.3	14,725	2.8	15,505	2.7	16,195	3.1
United Kingdom	15,570	2.1	13,764	2.4	11,923	2.3	12,014	2.1	11,868	2.3
Total Top 10	**435,807**	61.2	**361,703**	63.1	**324,104**	**62.6**	**358,705**	**62.5**	**330,050**	**64.2**
Total GCC countries	**77,704**	**10.9**	**65,735**	**11.5**	***49,171***	***9.5***	***55,365***	***9.6***	***56,924***	***11.0***
Total EU countries	**136,151**	**19.1**	**133,944**	**23.4**	***125,792***	***24.3***	***115,608***	***20.1***	***112,366***	***21.9***
Total Imports	**712,038**	**100.0**	**573,185**	**100.0**	***517,491***	***100.0***	***574,361***	***100.0***	***513,993***	***100.0***

Source: GASTAT

China represented the largest share of Saudi Arabia's imports for the year ended 31 December 2022, accounting for SAR 149.3 billion (U.S.$39.8 billion), or 20.9 per cent. of total imports, an increase of 31.7 per cent. compared to SAR 113.4 billion (U.S.$30.3 billion), or 19.8 per cent. of total imports, for the year ended 31 December 2021. Imports from the United States represented the second largest share of Saudi Arabia's imports for the year ended 31 December 2022, accounting for SAR 65.0 billion (U.S.$17.3 billion), or 9.1 per cent. of total imports, an increase of 7.3 per cent. compared to SAR 60.6 billion (U.S.$16.2 billion), or 10.6 per cent. of total imports, for the year ended 31 December 2021. Imports from Saudi Arabia's top 10 countries by origin accounted for 61.2 per cent. of total imports, while imports from the other GCC countries and EU countries accounted for 10.9 per cent. and 19.1 per cent., respectively, of Saudi Arabia's total imports.

Saudi Fund for Development

The SFD was established in 1974 with the primary objective of participating in the financing of development projects in developing countries through the provision of soft loans and providing technical assistance. In addition, the SFD provides technical assistance and supports Saudi Arabia's non-crude oil exports by providing export financing and guarantees through the SEP.

As at 31 December 2022, the SFD has contributed to the financing of numerous development projects and programmes in African countries representing a total cumulative value of SAR 40.1 billion (U.S.$10.7 billion), followed by Asian countries where the SFD has contributed to the financing of development projects and programmes representing a total cumulative value of SAR 27.8 billion (U.S.$7.4 billion). The SFD focuses on the social infrastructure, agriculture, energy and industry sectors. Since the SFD's establishment, it has financed 227 development projects and programmes in the transport and communication sector, 224 in the

social infrastructure sector, 97 in the agricultural sector, 76 in the energy sector, 16 in the industry and mining sector, two in the international organizations sector and 54 in other sectors, as of December 2023.

MONETARY AND FINANCIAL SYSTEM

Saudi Central Bank (SAMA)

Saudi Arabia's monetary, banking, insurance, payment and financial system is generally regulated and supervised by SAMA, Saudi Arabia's central bank, which was established on 20 April 1952. SAMA's functions include issuing Saudi Arabia's national currency, the Saudi riyal, regulating commercial banks, exchange dealers, the insurance sector and non-bank finance companies, the payment settlement system, and credit information companies, managing Saudi Arabia's foreign exchange reserves, promoting price and exchange rate stability, ensuring the growth and soundness of Saudi Arabia's financial system and managing, operating and supervising its infrastructure, including a number of cross-bank electronic financial systems.

In November 2020, the Saudi Central Bank Law was passed by virtue of a Royal Decree. Pursuant to the new legislation, SAMA's name was changed to the Saudi Central Bank, while confirming the acronym "SAMA", due to its historic significance and relevance locally and globally. The banknotes and coins of all denominations bearing the name of the Saudi Arabian Monetary Authority will remain in circulation and keep their status as legal tender. In addition, the Saudi Central Bank reports to the King (the head of the State). The law also identifies the central bank's objectives including maintaining monetary stability, promoting trust and supporting financial sector stability, and supporting economic growth.

SAMA is supervised by a Board of Directors that is headed by a Governor, who is appointed by Royal Order. SAMA's Board also comprises five other members from the private sector, who are also appointed by Royal Order to serve for a term of seven years. The other members of the Board of Directors are jointly nominated by the Governor and the Minister of Finances, and thereafter appointed by Royal Order.

According to the Saudi Central Bank Law, SAMA is responsible for setting the monetary policy and choosing its instruments and procedures. The Law also explains the relationship of SAMA with the government as well as relevant international entities. Moreover, it updates the governance framework of the Bank's operations and decisions. Also, SAMA's role and responsibility has been confirmed in certain emerging areas, such as financial technology (FinTech).

Moreover, legislative reforms were made through the enactment of the Payment Law (2021) and the Law of Systemically Important Financial Institutions (2020), known as the "resolution law". The Payment Law enables SAMA to exercise its supervisory oversight of the payments sector in accordance with the international best practices and compliance standards and will support the financial sector's contribution to provide payment services through the utilization of financial technologies and expansion of the base of participants in the private sector. The resolution law aims to enable SAMA to take action in order to maintain the safety and stability of the financial sector, protect depositors' funds, clients' assets and insurance policy holders, as well as to ensure the continuation of the necessary activities of financial institutions in order to eliminate or reduce government support and without exposing taxpayers to loss.

SAMA has an active international affairs function and is representing Saudi Arabia within various international cooperation fora. For instance, SAMA is participating to the Finance Track works of the G20 and its various working groups, the IMF and the World Bank. It is also a member of the Financial Stability Board (FSB), the Bank of International Settlements (BIS), the Basel Committee for Banking Supervision (BCBS), the Islamic Financial Service Board (IFSB) and the Financial Action Task Force (FATF), among others.

The following table sets forth SAMA's balance sheet data as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022[1]	2021	2020	2019	2018
			(SAR millions)		
Assets:					
Foreign currencies and gold	251,188	261,314	256,945	261,467	243,449
Cash in vault	28,739	33,816	23,276	42,987	32,584

	As at 31 December				
	2022[1]	2021	2020	2019	2018
			(SAR millions)		
Deposits with banks abroad	324,420	291,418	311,671	399,832	405,572
Investments in foreign securities	1,130,417	1,132,711	1,124,051	1,203,576	1,204,035
Other assets	199,024	129,449	130,852	4,945	14,224
Total assets	**1,933,787**	**1,848,707**	**1,846,795**	**1,912,807**	**1,899,864**
Liabilities:					
Currency issued	251,188	261,314	256,944	261,467	243,449
Deposits of Government, Quasi Government and institutions	637,534	575,309	574,018	626,170	679,218
Regulatory deposits for financial institutions	135,862	128,335	118,539	105,470	99,943
Foreign institutions' deposits in local currency	5,349	6,897	8,349	12,249	17,190
SAMA bills and repurchase agreements[2]	68,295	92,182	189,541	124,007	116,326
Other liabilities	835,560	784,671	699,404	783,444	743,738
Total liabilities	**1,933,787**	**1,848,707**	**1,846,795**	**1,912,807**	**1,899,864**

Source: SAMA
Notes:
(1) Preliminary figures.
(2) Representing monetary policy instruments.

Based on preliminary figures, the Kingdom's commercial banks' total assets, excluding overseas branches, was SAR 3,620.9 billion (U.S.$965.6 billion) as at 31 December 2022, compared to SAR 3,277.8 billion (U.S.$874.1 billion) as at 31 December 2021 and SAR 2,979.6 billion (U.S.$794.6 billion) as at 31 December 2020.

In recent years, SAMA has introduced various initiatives, many of which have already been implemented, that have positively contributed to the economic and financial stability of Saudi Arabia. These initiatives include the implementation of Basel III requirements, development of a formal macro-prudential policy framework, establishment of a deposit protection fund, implementation of regulations relating to finance companies, and adoption of International Financial Reporting Standards. Significant progress has also been made in areas such as AML and CFT. See "*—Regulation*" below.

Saudi Arabia has been subject to a number of reviews of its financial system in recent years. These include the Financial Sector Assessment Programme (FSAP) conducted by a joint IMF-World Bank Team most recently in 2017, in addition to a Regulatory Consistency Assessment Programme on Capital Adequacy and Liquidity Coverage Ratio, Net Stable Funding Ratio, and Large Exposures conducted by a Team of the Basel Committee on Banking Supervision in 2015 and 2018 respectively, and a Peer Review conducted by the Financial Stability Board ("**FSB**") in 2015. Each of these reviews indicated that Saudi Arabia has either fully or largely compliant with international regulations. SAMA was awarded the Initiative of the Year Award for 2016-2017 in the "risk and compliance management category at central banks level" by the Central Banking Awards Committee in February 2017 and the best risk manager award at the level of central banks worldwide for the year 2018-2019. In addition, SAMA was awarded by the Central Banking Awards Committee the Initiative of the Year Award 2020 for its business continuity programme.

In June 2023, SAMA issued its Financial Stability Report 2023, which highlights key local and global economic developments and associated risks as well as the latest Saudi financial sector developments. According to the report, the Saudi economy grew in 2022, despite global economic challenges. The growth was supported by the financial sector, which saw an increase in bank assets and credit. The Saudi banking sector remained well capitalized in 2022, with prudential liquidity ratios well above regulatory requirements.

SAMA has fully implemented the Basel III standards dealing with capital and risk weighted assets, liquidity and leverage ratios.

SAMA is particularly focused on enhancing the maturity of the financial sector in the Kingdom of Saudi Arabia, including development of the digital economy through introduction of various strategic initiatives. SAMA is aware of the complexity involving the financial and payment systems and is conscious of increasing threats to cyber security threats regionally and globally and aims to manage cyber threats strategically and

tactically. In this regard, SAMA has sought to address cyber threats through assessment of cyber security and resilience of financial institutions and through and collection of a range of cyber security testing scenarios in accordance with the evolving cyber threat landscape. In line with the outcomes of these assessments, SAMA developed a sector wide cyber security strategy to elevate the cyber security maturity of the financial sector. In 2019, SAMA published the Financial Entities Ethical Red Teaming Framework, in an effort to address the changing cyber threat landscape and introduced an intelligence based ethical hacking concept for financial institutions and systemic financial infrastructure. More recently, in 2021, SAMA published the Information Technology Governance Framework, which aims to ensure the effective and efficient use of Information technology to enable member organisations to achieve its goals and objectives, which aims to enable member organisations formulating optimal value from information technology by maintaining a balance between realising benefits and optimising risk levels and resource use.

Payments Systems

SAMA plays a major role in the development of the payment systems landscape in the Kingdom, which has evolved from its broad mandate to maintain the safety and soundness of the Saudi banking and monetary system and to strengthen its credibility.

SAMA has led the development of payment systems in the country with the full participation of the banking sector. SAMA's role in the payment, clearing and settlement systems over the last three decades has been essential to ensure effective execution of a rational and consistent national strategy for payment systems. Key operational payments systems that constitute the national payments systems landscape within the Kingdom including the Saudi Arabian Riyal Interbank Express (a real time gross settlement system), mada (an electronic payment system for card scheme payments) and the SADAD (a bill-presentment and payments platform).

In February 2020, SAMA announced a project to introduce infrastructure for a new instant payments service which launched as the instant payment system (IPS) – SARIE in the first quarter of 2021 to offer convenient real time payment transactions, and accommodate non-card cashless payments in the Kingdom, through the intelligent use of unique proxy identifiers. In addition, in March 2020, SAMA launched a national standard for quick response-based payments delivered alongside the exponentially growing card payment point of sale architecture in the merchant payments space.

SAMA believes the Kingdom's legislative, regulatory and supervisory infrastructure for payments is well positioned to support an increasingly less cash-reliant society in line with Vision 2030, which recognises the need for safe, accessible, effective and efficient payment services for consumers and businesses alike.

Under the Financial Sector Development Programme, one of the Vision 2030 realisation programmes, as part of an effort to enable financial technology toward developing the digital economy, SAMA licensed 30 fintech companies engaged in the fields of payments, e-wallets, micro finance and insurance brokerage by the end of 2022.

Monetary Policy

Fixed Exchange Rate Policy

The Saudi riyal has been pegged to the U.S. dollar at a rate of SAR 3.75 per U.S. dollar since June 1986. The exchange rate policy is a strategic choice that has supported economic growth in Saudi Arabia for over three decades. Saudi Arabia's monetary policy aims to maintain the stability of the Saudi riyal and ensure adequate liquidity levels to support economic activity. This policy is consistent with Saudi Arabia's current and capital accounts and fits in with the regional framework of U.S. dollar-pegged exchange rates.

The spot and forward markets remained stable in 2022. The exchange rate of the Saudi riyal against the U.S. dollar averaged 3.7547 in 2022. In addition, the one-year forward U.S.$/SAR exchange rate averaged approximately 40 bps in 2022.

Given that fixed exchange rate and capital flows are not restricted in Saudi Arabia, SAMA has limited flexibility to use interest rates. Thus, only limited discrepancy exists between interest rates in Saudi Arabia and the United States. However, SAMA utilises a number of other policy instruments for liquidity management in the domestic financial system, including cash reserve ratios, open market operations, deposit placements and loan-to-deposit ratios to influence market conditions.

SAMA remains committed to the fixed exchange policy and will continue to support it in order to maintain the stability of the Saudi riyal to serve the interests of Saudi Arabia's economy.

Inflation

In the year ended 31 December 2022, Saudi Arabia had an inflation rate of 2.5 per cent. compared to an inflation rate of 3.1 per cent. in the year ending 31 December 2021, an inflation rate of 3.4 per cent. in the year ending 31 December 2020, a deflation rate of 2.1 per cent. in the year ending 31 December 2019 and an inflation rate of 2.4 per cent. in the year ending 31 December 2018. The following table sets forth the consumer price index (the "**CPI Index**") and the percentage change, year-on-year, of consumer prices in Saudi Arabia for each of the periods indicated.

	Year ended 31 December				
	2022[2]	**2021**	**2020**	**2019**	**2018**
CPI Index[1]	107.0	104.4	101.3	97.9	100.0
CPI Index Inflation (%).	2.5	3.1	3.4	(2.1)	2.5

Source: SAMA, GASTAT
Notes:
(1) CPI index based on 2018=100
(2) Preliminary figures

The CPI Index in Saudi Arabia comprises 12 groups as set forth in the table below.

The following table sets forth details of the Saudi Arabia CPI Index for the year ended 31 December 2021 and the rate of inflation in Saudi Arabia for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

			Year ended 31 December				
	Weight	**Index**	**2022**	**2021**	**2020**	**2019**	**2018**
	(%)	**2018=100**			**Inflation (%)**		
CPI group:							
Housing, water, electricity and gas	25.5	88.6	4.6	(2.4)	(0.6)	(8.6)	(1.2)
Food and beverages	18.8	117.3	4.0	5.6	9.0	2.1	6.5
Transport	13.1	112.9	4.1	10.9	3.8	(1.4)	10.7
Furnishings, household equipment and maintenance	6.7	108.2	0.7	4.2	4.6	0.6	1.5
Communication	5.6	117.2	1.2	7.7	4.8	(1.3)	1.2
Restaurants and hotels	5.6	112.5	6.8	9.2	4.3	3.2	7.5
Clothing and footwear	4.2	103.4	(1.3)	2.3	2.9	1.4	(7.0)
Miscellaneous goods and services	12.6	106.4	0.0	1.4	4.0	0.4	0.3
Education	2.9	95.5	3.6	4.7	2.0	2.5	0.4
Recreation and culture	3.1	103.2	1.9	2.3	1.8	(1.7)	1.1
Health	1.4	102.9	1.2	(0.1)	01.1	0.1	3.8
Tobacco[1]	0.6	114.9	0.1	0.1	7.0	1	25.0
Total	**100.0**	**105.4**	**2.5**	**3.1**	**3.4**	**(2.1)**	**2.5**

Source: SAMA, GASTAT
Notes:
(1) Excise tax was imposed on tobacco in 2017.

In 2020, the base year for the CPI Index was updated to 2018 from 2013. In the year ended 31 December 2022, the CPI Index increased by 2.5 per cent. compared to 31 December 2021. The main contributor to the increase was an increase by 6.8 per cent. in restaurants and hotels and an increase of 4.6 per cent. in housing, water,

electricity, gas and other fuels. In the year ended 31 December 2021, the CPI Index increased by 3.1 per cent. The main contributor to the increase was an increase by 5.4 per cent. in food and beverages, and a 10.3 per cent. increase in transport.

Interest Rates

The three-month average Saudi Arabia Inter-Bank Offer Rate ("**SAIBOR**") declined from 1.1923 per cent. in 2020 to 0.8100 per cent. in 2021 and then increased to 3.1254 in 2022. The increase in SAIBOR was mainly due to the increase in policy rates in line with global developments.

In 2022, SAMA gradually increased the reverse repo rate from 0.50 to 4.50 per cent., and rep rate from 1.00 to 5.00 per cent., in line with global developments and to preserve monetary stability given evolving global developments. The following table sets forth the monthly average of SAIBOR, as well as repo rate and reverse repo rate in 2022, 2021, 2020, 2019 and 2018, respectively.

	2022	2021	2020	2019	2018
SAIBOR (three-month average).....	3.1254	0.8100	1.1923	2.6318	2.4510
Repo rate.....	5.000	1.0000	1.0000	2.2500	3.0000
Reverse repo rate.....	4.500	0.5000	0.5000	1.7500	2.5000

Source: SAMA

To maintain the quality and soundness of the Saudi Arabian interest rate benchmark and to be in line with the interest rate benchmark developments internationally, an industry-led technical working group has been established under the direction of SAMA to review the integrity and robustness of the current Saudi Arabian benchmark methodology and identify areas for enhancement.

The working group took into consideration the idiosyncratic factors of the Saudi market and developed a new benchmark calculation methodology. The enhanced methodology uses a waterfall-based approach that prioritises actual transactions in the underlying market over that of related markets and the expert judgment calculations. The enhanced methodology is expected to result in a more dynamic benchmark that reflects liquidity conditions in the wholesale market.

Money Supply

The following table sets forth an analysis of Saudi Arabia's money supply as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	2021	2020	2019	2018
			(SAR millions)		
Currency outside banks	199,966	204,366	206,284	189,160	180,132
Demand deposits	1,328,160	1,360,108	1,282,591	1,099,151	1,040,665
M1[(1)]	1,528,126	1,564,474	1,488,875	1,288,311	1,220,797
Time and savings deposits	654,764	495,334	473,967	501,667	443,022
M2[(2)]	2,182,890	2,059,809	1,962,842	1,789,978	1,663,820
Other quasi-monetary deposits.....	312,482	249,011	186,425	195,161	189,826
M3[(3)]	2,495,372	2,308,820	2,149,267	1,985,139	1,853,645

Source: SAMA
Notes:
(1) Currency outside banks plus demand deposits.
(2) M1 plus time and savings deposits.
(3) M2 plus other quasi-monetary deposits.

As at 31 December 2022, M2 and M3 experienced a slight increase compared to 31 December 2021. M3, the broadest measure for domestic liquidity in Saudi Arabia (which comprises currency outside banks and aggregate bank deposits), increased to SAR 2,495 billion (U.S.$665 billion) compared to SAR 2,308 billion

(U.S.$615 billion) as at 31 December 2021. This increase was mainly attributable to an increase in time and savings deposits, which were SAR 655 billion (U.S.$175 billion) as at 31 December 2022.

In the year ended 31 December 2021, M1, M2 and M3 experienced an increase. M3, the broadest measure for domestic liquidity in Saudi Arabia (which comprises currency outside banks and aggregate bank deposits), increased to SAR 2,308.8 billion (U.S.$615.7 billion) as at 31 December 2021, compared to SAR 2,149.3 billion (U.S.$573.1 billion) as at 31 December 2020.

In the year ended 31 December 2020, M1, M2 and M3 increased. M3, the broadest measure for domestic liquidity in Saudi Arabia (which comprises currency outside banks and aggregate bank deposits), increased to SAR 2,149.3 billion (U.S.$573.1 billion) as at 31 December 2020, compared to SAR 1,985.1 billion (U.S.$529.4 billion) as at 31 December 2019. This was mainly attributable to an increase of 16.7 per cent. in demand deposits which reached SAR 1,282.6 billion (U.S.$342.0 billion) as at 31 December 2020.

Monetary Survey

The following table sets forth details of the monetary survey, which is the consolidated balance sheet for Saudi Arabia's banking system (inclusive of "**SAMA**"), as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
			(SAR millions)		
Assets:					
Foreign assets (net)	1,736,098	1,672,954	1,752,315	1,923,100	1,956,765
—SAMA foreign assets	1,651,738	*1,643,109*	*1,684,317*	*1,852,626*	*1,835,866*
—Commercial banks' foreign assets	84,360	*29,846*	*67,998*	*70,475*	*120,899*
Bank claims on private sector	2,289,581	2,034,085	1,762,440	1,546,519	1,445,252
Bank claims on public sector	510,298	480,750	438,370	383,672	305,154
Bank claims on non-financial public sector Enterprises	127,862	95,073	79,158	61,646	53,765
Total assets	**4,663,838**	**4,282,862**	**4,032,283**	**3,914,938**	**3,760,936**
Liabilities:					
Currency outside banks	199,966	204,366	206,284	189,160	180,132
Demand deposits	1,328,160	1,360,108	1,282,591	1,099,151	1,040,665
Time and savings deposits	654,764	495,334	473,967	501,667	443,022
Other quasi-money deposits[(1)]	312,482	249,011	186,425	195,161	189,826
Government deposits[(2)]	594,092	537,715	585,029	622,945	681,492
Other items (net)	1,574,374	1,436,327	1,297,987	1,306,853	1,225,799
Total liabilities	**4,663,838**	**4,282,862**	**4,032,283**	**3,914,938**	**3,760,936**

Source: SAMA

Notes:

(1) Comprises residents' foreign currency deposits, marginal deposits for letters of credit, outstanding remittances, and banks repo transactions with the private sector.

(2) Including letters of credit and documents for collection.

The total assets of Saudi Arabia's banking system (including "SAMA") increased by 8.9 per cent. to SAR 4,663.8 billion (U.S.$1,243.7 billion) as at 31 December 2022, compared to SAR 4,282.9 billion (U.S.$1,142.1 billion) as at 31 December 2021, which was a 6.2 per cent. increase compared to SAR 4,032.2 billion (U.S.$1,075.3 billion) as at 31 December 2020.

Government deposits increased by 10.5 per cent. to SAR 594.1 billion (U.S.$158.4 billion) as at 31 December 2022, compared to SAR 537.7 billion (U.S.$143.4 billion) as at 31 December 2021 and SAR 585.2 billion (U.S.$156.1 billion) as at 31 December 2020.

Reserve Assets

The following table sets forth a breakdown of the Government's reserve assets, as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	2021	2020	2019	2018
			(SAR millions)		
Monetary gold	1,624	1,624	1,624	1,624	1,624
Special drawing rights	77,306	80,783	31,510	31,438	30,333
IMF reserve position	14,710	14,619	13,657	9,430	6,190
Foreign currency and deposits abroad	516,695	494,049	545,432	637,185	625,757
Investment in foreign securities	1,114,105	1,116,565	1,108,987	1,193,734	1,198,305
Total reserve assets	**1,724,440**	**1,707,639**	**1,701,209**	**1,873,411**	**1,862,209**

Source: SAMA

SAMA's reserve assets are managed with the objective of capital preservation and are invested internationally in a diversified portfolio of different asset classes denominated in major currencies, with a focus on quality, liquidity and risk-adjusted returns. The majority of SAMA's reserve assets are in the form of foreign securities issued or guaranteed by other highly-rated sovereigns with maturities of less than five years.

As at 31 December 2022, the Government's reserve assets amounted to SAR 1,724.4 billion (U.S.$459.9 billion), an increase of 1.0 per cent. compared to SAR 1,707.6 billion (U.S.$455.4 billion) as at 31 December 2021. This increase in reserve assets was primarily attributable to an increase in oil prices, resulting in a net inflow of foreign currency during the period.

The Banking Sector

Overview

The Saudi Arabian banking sector is the largest segment of the Saudi financial system, with the total assets of commercial banking institutions in Saudi Arabia being equivalent to 87.1 per cent. of nominal GDP and 207.5 per cent. of non-oil nominal GDP for the year ended 31 December 2022 and 100.6 per cent. of nominal GDP and 209.9 per cent. of non-oil nominal GDP for the year ended 31 December 2021. As at 31 December 2022, the aggregate credit extended by the banks in Saudi Arabia was equal to 56.5 per cent. of Saudi Arabia's nominal GDP and 100 per cent. of Saudi Arabia's non-oil nominal GDP for the year ended 31 December 2022, compared to 63 per cent. of Saudi Arabia's nominal GDP and 96 per cent. of Saudi Arabia's non-oil nominal GDP for the year ended 31 December 2021. Key strengths of the Saudi Arabian banking sector include, among other things, a low-cost customer deposit base, conservative loan loss reserves, strong liquidity and capitalisation and robust regulatory oversight.

Total profits of the banking sector in Saudi Arabia for the year ended 31 December 2022 were SAR 69.3 billion (U.S.$18.5 billion), an increase of 28.6 per cent. compared to total profits of SAR 53.9 billion (U.S.$14.4 billion) for the year ended 31 December 2021.

According to SAMA's website, as of December 2023 there were 36 commercial banks licensed in Saudi Arabia, of which 14 were incorporated in Saudi Arabia, with three being digital banks that have been recently licensed by SAMA but have not yet commenced operations. Of the remaining 22 licensed foreign banks, six are branches or subsidiaries of banks based in other GCC countries (namely Emirates NBD, National Bank of Bahrain, National Bank of Kuwait, Bank Muscat, Qatar National Bank and First Abu Dhabi Bank), ten are international banks (namely Deutsche Bank, BNP Paribas, J.P. Morgan Chase, N.A., National Bank of Pakistan, T.C. Ziraat Bankası A.Ş., Industrial and Commercial Bank of China, MUFG Bank, Ltd., Credit Suisse Bank, Standard Chartered Bank and National Bank of Iraq) and six have been licensed but are yet to commence operations under their licences (namely Trade Bank of Iraq, Bank of China Limited, Banque Misr, National Bank of Egypt, Sohar International Bank, and Bank of Jordan).

The following table sets forth the annual aggregate balance sheet of commercial banking institutions in Saudi Arabia as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
			(SAR millions)		
Assets:					
Bank reserves	202,416	205,569	288,177	239,375	222,856
SAMA bills	13,988	19,581	21,804	17,672	9,923
Foreign assets	286,890	255,572	250,064	243,629	231,832
Claims on the public sector	638,160	575,822	517,527	445,318	358,919
Claims on the private sector	2,289,581	2,034,085	1,762,440	1,546,519	1,445,252
Claims on non-monetary financial institutions	973	368	1,419	1,398	1,041
Fixed assets	40,521	32,572	35,094	34,155	27,703
Claims on banks	27,521	33,083	21,646	29,730	59,042
Other assets	120,899	121,193	81,453	73,331	41,577
Total assets	**3,620,949**	**3,277,846**	**2,979,625**	**2,631,128**	**2,398,147**
Liabilities:					
Bank deposits	2,295,406	2,104,454	1,942,984	1,795,979	1,673,513
Foreign liabilities	202,530	225,727	182,066	173,155	110,933
Capital and reserves	437,728	473,400	415,799	393,291	351,587
Profits (Cumulative)	69,272	53,875	38,071	50,315	48,148
Other liabilities[(1)]	520,436	426,956	438,777	268,704	262,113
Total liabilities	**3,620,949**	**3,277,846**	**2,979,625**	**2,631,128**	**2,398,147**

Source: SAMA
Notes:
(1) Includes inter-bank liabilities and bank repo transactions with the private sector.

Bank Credit

As at 31 December 2022, total commercial banks' claims on the private and public sector and non-monetary financial institutions amounted to SAR 2,928.7 billion (U.S.$781.0 billion), an increase of 12.2 per cent. from SAR 2,610.3 billion (U.S.$696.1 billion) as 31 December 2021, which represented an increase of 14.4 per cent. from SAR 2,281.4 billion (U.S.$608.4 billion) as at 31 December 2020.

As at 31 December 2022, commercial banks' claims on the private sector represented 63.2 per cent. of total assets of commercial banks, compared to 62.1 per cent., 59.1 per cent., 58.8 per cent. and 60.2 per cent. as at 31 December 2021, 2020, 2019 and 2018, respectively. This has been driven by strong economic growth and increased investment within Saudi Arabia in various sectors such as electricity, water and health services, building and construction, commerce and Government projects in oil and gas, infrastructure and education. Government stimulus to Saudi Arabia's economy has significantly contributed to growth in corporate assets. The following table sets forth a breakdown of bank claims on the private and public sectors and non-monetary financial institutions as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
			(SAR millions)		
Bank Credit	2,221,209	1,964,147	1,703,432	1,490,833	1,388,940
Loans, advances and overdrafts	*2,205,600*	*1,948,981*	*1,690,316*	*1,477,980*	*1,375,628*
Bills Discounted	*15,610*	*15,166*	*13,117*	*12,853*	*13,312*
Investments in private securities	68,371	69,938	59,008	55,686	56,312
Claims on the private sector	**2,289,581**	**2,034,085**	**1,762,440**	**1,546,519**	**1,445,252**
Bank credit to public institutions	127,862	95,073	79,158	61,646	53,765
Government bonds	510,298	480,750	438,370	383,672	305,154
Claims on the public sector	**638,160**	**575,822**	**517,527**	**445,318**	**358,919**
Claims on non-monetary financial institutions	**973**	**368**	**1,419**	**1,398**	**1,041**
Total	**2,928,714**	**2,610,275**	**2,281,386**	**1,993,235**	**1,805,212**

Source: SAMA

The following table sets forth a breakdown of bank credit classified by economic activity as at 31 December 2022 and 2021, respectively.

	Year ended 31 December	
	2022	2021
	(SAR millions)	
Agriculture, Forestry and Fishing	11,523	11,747
Mining and Quarrying	36,986	30,218
Manufacturing	171,392	172,994
Electricity, Gas and Water Supplies	110,898	92,904
Construction	109,005	98,080
Wholesale and Retail Trade	168,507	158,157
Transportation and Storage	42,999	46,514
Accommodation and Food Service Activities	37,698	32,425
Information and Communication	20,402	18,500
Financial and Insurance Activities	90,015	74,863
Real Estate Activities	209,586	160,411
Professional, Scientific and Technical Activities	3,827	3,461
Administrative and Support Service Activities	26,339	23,475
Education	4,741	4,547
Human Health and Social Work Activities	18,025	15,476
Personal Loans	1,165,410	1,023,012
Other Activities	121,718	92,434
Total	**2,349,071**	**2,059,220**

Source: SAMA

The following table sets forth a breakdown of bank credit classified by economic activity as at 31 December 2020, 2019 and 2018, respectively.

	As at 31 December		
	2020	2019	2018
	(SAR millions)		
Agriculture and Fishing	16,363	14,653	14,780
Manufacturing and Processing	156,110	156,754	172,858
Mining and Quarrying	24,932	19,707	19,354
Electricity, Water, Gas & Health Services	66,456	61,049	52,171
Building and Construction	92,468	92,850	97,326
Commerce	300,141	287,923	282,344
Transport and Communications	47,315	51,237	43,282
Finance	46,108	41,465	37,313
Services	94,996	81,217	78,860
Miscellaneous	858,544	683,977	590,652
Government & Quasi Govt.(1)	79,158	61,646	53,765
Total(2)	**1,782,590**	**1,552,479**	**1,442,705**

Source: SAMA

Notes:

(1) Loans and advances to public sector enterprises.

(2) Does not include banks' investments in private securities, but includes loans extended to government agencies. Therefore, the total of banks' credit by economic activity is different from banks' claims on the private sector.

The following table sets forth a breakdown of consumer and credit card loans as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	2021	2020	2019	2018
			(SAR millions)		
Renovation and home improvement	13,436	19,060	23,872	25,648	28,055
Vehicle and private transport means	11,026	14,047	14,469	15,625	16,789
Furniture and durable goods	8,680	12,214	12,012	12,462	12,499
Education	6,347	5,168	4,168	3,239	3,522
Healthcare	564	637	550	559	703
Tourism and travel	814	646	572	455	484
Others	410,686	376,625	309,605	275,450	259,234
Total Consumer Loans	**451,554**	**428,297**	**365,248**	**333,439**	**321,287**
Total Credit Card Loans	**23,067**	**19,494**	**18,373**	**19,054**	**15,332**

Source: SAMA

As at 31 December 2022, consumer and credit card loans reached SAR 474.6 billion (U.S.$126.6 billion), which represented 21.4 per cent. of total bank credit, compared to SAR 447.8 billion (U.S.$119.4 billion) as at 31 December 2021, which represented 21.7 per cent. of total banks credit, and SAR 383.6 billion (U.S.$102.3 billion) as at 31 December 2020, which represented 21.5 per cent. of total banks credit. The expansion in consumer credit was primarily due to growth in labour forces as well as growth in overall economic activity.

Bank Deposits

As at 31 December 2022, total bank deposits stood at SAR 2,295.4 billion (U.S.$612.1 billion), an increase of 9.1 per cent. compared to SAR 2,104.5 billion (U.S.$561.2 billion) as at 31 December 2021 and SAR 1,943.0 billion (U.S.$518.1 billion) as at 31 December 2020. The following table sets forth a breakdown of the total bank deposits of the commercial banks of Saudi Arabia as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
			(SAR millions)		
Demand deposits	1,328,160	1,360,108	1,282,591	1,099,151	1,040,665
Time and savings deposits	654,764	495,334	473,967	501,667	443,022
Other quasi-monetary deposits	312,482	249,011	186,425	195,161	189,826
- Foreign currency deposits	*257,553*	*200,449*	*144,064*	*155,039*	*149,976*
- For L/Cs	*39,932*	*28,669*	*25,973*	*24,191*	*25,409*
- Repo transactions	*0*	*0*	*1*	*0*	*0*
- Outstanding remittances	*14,996*	*19,893*	*16,387*	*15,931*	*14,440*
Total bank deposits	**2,295,406**	**2,104,454**	**1,942,984**	**1,795,979**	**1,673,513**
Domestic currency deposits	2,037,853	1,904,405	1,798,920	1,640,940	1,523,537
Foreign currency deposits	257,553	200,449	144,064	155,039	149,976
Total bank deposits	**2,295,406**	**2,104,454**	**1,942,984**	**1,795,979**	**1,673,513**

Source: SAMA

Bank deposits in Saudi banks are mostly demand deposits, which represented 57.9 per cent. of total bank deposits as at 31 December 2022, compared to 64.6 per cent. and 66.0 per cent. of total bank deposits as at 31 December 2021 and 2020.

Demand deposits decreased to SAR 1,328.2 billion (U.S.$354.2 billion) as at 31 December 2022, from SAR 1,360.1 billion (U.S.$362.7 billion) as at 31 December 2021 and SAR 1,282.6 billion (U.S.$342.0 billion) as at 31 December 2020. During the year ended 31 December 2022, the private sector's demand deposits decreased by 3.1 per cent., resulting in a 2.3 per cent. decrease in overall demand deposits during the same period.

As at 31 December 2022, the share of time and saving deposits and other quasi-money deposits (such as residents' foreign currency deposits, marginal deposits for letters of credit, outstanding remittances and banks' repo transactions with private parties) amounted to 42.1 per cent. of the total banks' deposits, compared to 35.4 per cent. and 34.0 per cent. of the total banks' deposits as at 31 December 2021 and 2020, respectively. As at 31 December 2022, deposits in foreign currency amounted to SAR 257.6 billion (U.S.$68.7 billion), which is equivalent to 11.2 per cent. of the total banks' deposits as at the same date, compared to SAR 200.4 billion (U.S.$53.5 billion), which is equivalent to 9.5 per cent. of the total banks' deposits as at 31 December 2021, indicating relatively low foreign exchange risk on Saudi banks' balance sheets.

Regulatory Capital and Asset Quality

As at 31 December 2022, the banks in Saudi Arabia, on a combined basis, had a capital adequacy ratio under Basel III (standardised approach) of 19.9 per cent. and non-performing loans ("**NPLs**") at only 1.8 per cent. of

the aggregate portfolios of all the banks in Saudi Arabia, compared to a capital adequacy ratio under Basel III (standardised approach) of 19.9 per cent. and NPLs at 1.9 per cent. of the aggregate portfolios of all the banks in Saudi Arabia as at 31 December 2021.

The following table sets forth certain financial soundness indicators of Saudi Arabia's banking sector, as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
			(Percentages)		
Regulatory capital to risk-weighted assets	19.9	19.9	20.3	19.3	20.3
Regulatory Tier 1 capital to risk-weighted assets	18.4	18.2	18.7	18.0	18.5
Non-performing loans net of provisions to capital	2.7	2.5	2.5	1.6	1.1
Non-performing loans to total gross loans	1.8	1.9	2.2	1.9	2.0
Return on assets	2.1	1.8	1.5	2.1	2.1
Return on equity	12.5	10.8	8.6	12.1	13.8
Interest margin to gross income	77.9	76.8	76.5	77.7	75.7
Non-interest expenses to gross income	34.0	36.1	36.2	35.9	36.3

Source: SAMA

SAMA adopts various macro-prudential measures to ensure financial stability and minimise systemic risk within Saudi Arabia's banking sector. SAMA aims to ensure that banks are capable of managing their liquidity mismatch of assets and liabilities, and that they are well positioned to meet cash flow obligations in a timely manner to promote the stability of the banking sector. Consequently, the asset portfolios of Saudi Arabia's banking sector largely contain high-quality liquid assets, such as Government bonds, SAMA bills, and reserves with SAMA, supplementing the risk-based capital requirements in maintaining the stability of the Saudi financial system and economy.

SAMA relies on a counter-cyclical provisioning policy to ensure greater resilience of Saudi Arabia's banking sector during stress periods. SAMA requires banks to increase their capital reserves and provisions for NPLs during upturns so that they are able to utilise them during downturns, in order to minimise the impact of adverse conditions. In 2016, SAMA formalised and published its methodology for calculating its countercyclical capital buffer. Based on this methodology, SAMA implemented a zero per cent. buffer rate for 2016.

SAMA also periodically performs stress testing in respect of the banking sector to evaluate its resilience against hypothetical macroeconomic shocks. The stress test currently implemented by SAMA is based on three different shock scenarios: 'baseline', 'moderate' and 'severe'. The stress tests conducted by SAMA in 2016 demonstrated the Saudi bank's resilience to adverse macroeconomic shocks, including under the "severe" shock scenario. SAMA also requires individual banks to perform and report the outcomes of their own stress tests on a semi-annual basis. These outcomes are reviewed regularly and are used in SAMA's stress tests to ensure consistency and resilience on both a macro- and micro-prudential level.

The deposit protection fund recently established by SAMA is intended to promote confidence and minimise contagion and liquidity risk in the banking sector. Under the rules of the deposit protection fund, which took effect on 1 January 2016, Saudi banks will pay quarterly premiums on eligible deposits, which will be covered up to SAR 200,000 of the deposited amount.

Non-Bank Finance Sector

Saudi Arabia's non-bank finance sector has experienced strong growth in recent years and continues to support Saudi Arabia's economic growth by providing an alternative channel of credit to the private sector. Non-banking credit institutions ("**NBCIs**") in Saudi Arabia comprise specialised credit institutions ("**SCIs**") and finance companies. NBCIs are distinguished from commercial banks in that NBCIs do not accept deposits from private customers and businesses and are financed by funds from the Government (in the case of "**SCIs**") and private investors (in the case of finance companies). SCIs provide credit to various sectors, individuals, and institutions such as small and medium enterprises, real estate, industry, and agriculture. Finance companies

also support capital-intensive activities by extending loans to both individuals and corporates engaged in real estate and leasing operations.

Specialised credit institutions

The Government has established five SCIs to complement bank lending and provide medium-to long-term loans to SMEs and the industrial, real estate and agricultural sectors. The SCIs are held by Government ministries and are not supervised by SAMA or the CMA. The NDF is responsible for regulating the development funds in Saudi Arabia which include the following SCIs:

- the ADF, which was established in 1962 to provide short- and medium-term credit to support agricultural investments and related projects;
- the SDB, previously known as the Saudi Credit and Saving Bank, which was established in 1971 to provide interest-free loans to low-income Saudi nationals to meet various personal expenses;
- the SIDF, which was established in 1974 to provide loans to Saudi business entities to establish industrial projects; and
- the REDF, which was established in 1974 to finance real estate projects undertaken by individuals for personal housing or for commercial purposes.

While the PIF had historically been considered an SCI and had been a significant source of loans for strategically important projects, the PIF underwent a restructuring in 2016 with regard to its future role in Saudi Arabia's economy and the Government expects that the PIF will not act as a source of lending to the same extent as it has historically. See "*Public Finance—Public Investment Fund"* below.

In addition, a royal order approval has been obtained for the capital restructuring and consolidation of supervised entities under the National Development Fund (**"NDF"**), which brings the total assets of the NDF to over SAR 496.0 billion.

Finance companies

Saudi Arabia's finance companies' segment remains relatively small as compared to the Saudi financial system as a whole, although SAMA has recently introduced policy adjustments that are intended to ease finance companies' operations and help increase their market share, while also ensuring that finance companies follow prudent practices. One of the major amendments was permitting finance companies to engage in more than one form of financing activity, including real estate financing. SAMA also introduced the first three licensed debt-based crowdfunding companies to the sector in 2022, and two additional financial technology (FinTech) companies were licensed to engage in microfinance activity. Debt-based crowdfunding activity is a FinTech solution that is expected to enable new means of funding and create a new dynamic in the sector by enabling individuals and non-financial institutions to participate in financing. These changes could be the catalyst for a more diversified portfolio structure for the finance companies sector.

In 2022, finance companies' assets increased by 6.5 per cent. to reach SAR 57 billion (U.S.$15.2 billion) of outstanding balance, which represents 1.38 per cent. of nominal GDP. The total finance portfolio rose by 10.8 per cent. to SAR 75.45 billion (U.S.$20.1 billion). The observed growth is largely attributable to the growth in non-real estate lending by non-real estate finance companies. The sector's credit growth in 2022 slowed down compared to the previous year, achieving an 11 per cent. year-over year growth rate — 5 per cent. below the three-year average — to reach SAR 75 billion in total credit. This deceleration follows trends seen in the banking sector, where there is a slowdown in real estate lending.

Regulation

SAMA acts as the regulator for local and foreign banking businesses operating in Saudi Arabia. SAMA is regulated by Royal Decree No. 36 dated 11/4/1142H (corresponding to 26 November 2020), which outlines SAMA's role and regulates its relationship with local and foreign banks conducting banking businesses in Saudi Arabia and sets forth the governing and supervisory role of SAMA over banking activities in Saudi Arabia. Royal Decree No. M/5 dated 22/2/1386H (corresponding to 11 June 1966) (the "**Banking Control Law**") sets forth statutory requirements to conduct banking business in Saudi Arabia and various provisions governing banking activities.

The aim of the Banking Control Law is to protect banks, customers' deposits and shareholders, and to secure adequate capital and liquidity levels. The Banking Control Law prohibits banks from undertaking certain activities that might cause damage to their shareholders and customers. In addition, the law prohibits individuals and companies from using the word "bank" or its synonyms in their names or conducting any banking activities without obtaining a licence from SAMA. The Banking Control Law sets forth the framework within which banks must operate in Saudi Arabia and is supplemented from time to time by circulars, directives and guidelines issued by SAMA.

Management of Liquidity, Credit, Concentration and Other Risks

SAMA has introduced regulations to ensure that banks do not have disproportionate concentrations of risk in any one sector or client and that sufficient liquidity and capitalisation is maintained to support bank activities.

Under the Banking Control Law, a bank's deposit liabilities must not exceed 15 times its reserves and paid-up share capital or invested capital. The current percentage specified by SAMA for a statutory deposit is 7 per cent. of total customers' demand deposits and 4 per cent. of balances due to banks and other financial institutions (excluding balances due to SAMA and non-resident foreign currency deposits), savings, time deposits and margins of letters of credit and guarantee (excluding all types of repo deposits).

In addition to the statutory deposit, each bank in Saudi Arabia is also required to maintain a liquid reserve of at least 20 per cent. of its total deposit liabilities. The liquid reserve must comprise cash, gold or assets, which can be converted into cash within a period not exceeding 30 days as well as SAMA Bills and Government bonds, in order to comply with the requirements of the Banking Control Law.

In February 2016, SAMA relaxed the loan-to-deposit ratio applicable to banks in Saudi Arabia from 85 per cent. to 90 per cent., in anticipation of the change in the deposit base, the denominator component of the loan-to-deposit ratio.

The Banking Control Law set a maximum limit on the amount of financial exposure that a bank may be subject to in respect of any one person. This was supplemented by the SAMA Rules on Large Exposures of Banks issued on 1 July 2015. Under the new rules, a bank may not grant a loan, extend a credit facility, give a guarantee or incur any other financial liability in respect of any one person in an aggregate amount exceeding:

- in the case of banks, 25 per cent. of its total eligible capital;
- in the case of companies, 15 per cent. of its total eligible capital; and
- in the case of individuals, 5 per cent. of his or her total eligible capital.

Furthermore, 25 per cent. of net profits, after deduction of zakat, are required to be transferred to statutory reserves until the reserve balance equals the paid-up capital.

In 2004, SAMA issued regulations regarding the classification of assets as well as provisioning criteria. The following table sets forth the classifications and the reserves required for prudential regulation purposes.

Classification	Defined as	Reserve Required
Current	No problems	1 per cent. of outstandings
IA (Special mention)	Potential weakness	1 per cent. of outstandings
II (Substandard)	Inadequate capacity to pay and/or profit or principal overdue by more than 90 days	25 per cent. of outstandings
III (Doubtful)	Full collection questionable and/or overdue by more than 180 days	50 per cent. of outstandings
IV (Loss)	Uncollectible and/or overdue by more than 360 days	100 per cent. of outstandings

In 1989, SAMA introduced accounting and disclosure standards for commercial banks in Saudi Arabia, which largely comply with International Financial Reporting Standards ("**IFRS**"). All banks in Saudi Arabia are now compliant with IFRS and the Accounting Standards for Financial Institutions issued by SAMA. The banks also prepare their financial statements to comply with the Banking Control Law and the Companies Law.

Reporting Requirements

Banks are required to submit monthly statements to SAMA of the consolidated financial position of their domestic and foreign branches. Banks must also submit quarterly, semi-annual and annual prudential returns to SAMA. These returns are comprehensive and deal with matters such as the maturity schedule of credit facilities, risk concentrations, large exposures, foreign exchange exposure, analysis of specific loan loss reserves and a calculation of the relevant banks' risk asset-based capital adequacy, liquidity and leverage ratios.

Banks are required to submit their audited annual financial statements to SAMA within three months of each financial year-end. Annual financial statements must be audited and signed by at least two external auditors.

Anti-Money Laundering and Combatting the Financing of Terrorism

Saudi Arabia is a signatory to, and has implemented measures required by, the International Convention for the Suppression of the Financing of Terrorism and various other international conventions and agreements relating to AML and CFT. In June 2019, Saudi Arabia was granted full membership to the Financial Action Task Force ("**FATF**"), after joining as an observer member in 2015. Saudi Arabia is also a member of the GCC and the Middle East and North African Financial Action Task Force and the Egmont Group. Saudi Arabia has ratified the UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention); the UN Convention against Transactional Organised Crime (Palermo Convention); the UN Convention for Suppression of Terrorist Financing; and the Arab Convention for Combating Money Laundering and Terrorist Financing.

Saudi Arabia has comprehensive laws and rules in respect of 'know-your-customer' ("**KYC**"), AML and CFT requirements for the banking sector. In May 2002, SAMA issued rules governing the opening of bank accounts in Saudi Arabia. These rules contain comprehensive requirements governing customer identification, the opening and maintenance of bank accounts, the transmission of funds and the deposit of cash and also contain detailed rules controlling the operation of bank accounts for charitable and welfare organisations. SAMA has issued a number of revisions to the account opening rules, most recently in February 2012, which have introduced additional account opening requirements and provide guidelines on dealing with non-resident individuals, entities and multi-lateral organisations.

In August 2003, Saudi Arabia issued the Anti-Money Laundering Law, which provides a statutory basis for money laundering and terrorist financing offences, establishing a Financial Intelligence Unit (the "**FIU**"), requiring all financial institutions and non-financial institutions to report any suspicious transactions to the FIU, and enabling a greater international exchange of financial information in cases of suspected money laundering and terrorist financing among law enforcement agencies and regulators.

In November 2005, SAMA issued a circular (SAMA No. 35185/MAT/539, dated 20/10/1426H, (corresponding to 22 November 2005)) requiring all banks and financial institutions operating in Saudi Arabia to strictly comply with the provisions of the Anti-Money Laundering Law. The Capital Market Institutions

Regulations issued by the Board of the CMA pursuant to its resolution number 1-83-2005, dated 21/05/1426H (corresponding to 28 June 2005), as amended by the Board of the CMA pursuant to its resolution number 2-75-2020 dated 22/12/1441H (corresponding to 12 August 2020), also require investment banks to comply with the Anti-Money Laundering Law.

In April 2012, the Government updated its then existing Anti-Money Laundering Law and Implementing Rules (pursuant to Royal Decree No. M/31 dated 10/05/1433H (corresponding to 2 April 2012) and, in April 2013, SAMA issued a circular requiring all Saudi banks and financial institutions operating in Saudi Arabia to strictly comply with the updated Anti-Money Laundering Law and implementing rules.

In October 2017, the then existing Anti-Money Laundering Law and implementing regulations were cancelled in their entirety and replaced with a new set of Anti-Money Laundering Law and implementing regulations. The new Anti-Money Laundering Law was issued pursuant to Royal Decree No. M/20 dated 25 October 2017.

In addition to the laws and rules mentioned above, the following laws and rules have been implemented to address AML and CFT: the Terrorism Crimes and Terrorism Financing Law implemented through Royal Decree No. M/16 dated 27 December 2013 (which was cancelled in its entirety and replaced with the new Combating Terrorism Crimes and Terrorism Financing Law issued pursuant to Royal Decree No. M/21 dated 1 November 2017); the Anti Money-Laundering and Counter Terrorism Financing Rules for Financing Companies and Insurance Companies issued by SAMA in February 2012; the Implementing Rules of Combating Terrorism Crimes and Terrorism Financing Law issued by SAMA in November 2017; and the Anti-Money Laundering and Counter-Terrorism Financing Rules issued by the CMA pursuant to resolution number 1-39-2008 dated 1 January 2008, as amended in October 2011, December 2013 and March 2018.

One of the most important initiatives taken by Saudi Arabia with respect to AML was the Council of Ministers' resolution No. (15) issued in May 1999, which provides for the implementation of the "40 Anti-Money Laundering Recommendations" of FATF (the "**Recommendations**") and the formation of a permanent AML committee entrusted with the functions of establishing the measures needed to implement the Recommendations, reviewing all issues related to AML in Saudi Arabia. The permanent committee is chaired by the Governor of SAMA and consists of the representatives of the Ministry of Interior, the Ministry of Finance, Ministry of Human Resources and Social Development, Ministry of Foreign Affairs, Ministry of Justice, Ministry of Commerce, Ministry of Islamic Affairs, Call and Guidance, the Saudi Customs Authority, the CMA, the General Intelligence Presidency and the Bureau of Investigation and Public Prosecution. The Committee meets on a monthly basis or more frequently, as may be required. In July 2017, the Government formed the Presidency of State Security and transferred to it from the Ministry of Interior the powers and authorities relating to the combating of terrorism and terrorism financing.

Capital Adequacy

SAMA has successfully implemented Basel Committee on Banking Supervision rules and standards in their entirety, on a timely basis and in a prudent and conservative manner. As a result of such implementation, Saudi Arabia's banking sector has reported among the strongest capital adequacy ratios, leverage ratios and liquidity ratios in the GCC and the MENA region.

Basel III Framework

In response to the global financial crisis, which commenced in 2007, the Basel Committee enhanced its capital measurement and capital standards by issuing a new capital framework (the "**Basel III Framework**"). The Basel III Framework focuses on strengthening the quality of regulatory capital, raising the minimum capital requirements, enhancing risk coverage and reducing cyclicality of regulatory capital. It introduces new leverage and liquidity ratio requirements and capital buffers to promote the build-up of capital. These enhancements have been implemented by means of a staggered approach through to 2019.

The Basel III Framework requires banks' exposures to be backed by a high-quality capital base. To this end, the predominant form of Tier 1 capital must be common shares and retained earnings. The Basel Committee

principles adopted by SAMA ensure that banks hold high quality Tier 1 capital that represents "pure capital" which is highly "loss absorbent".

Upon completion of the implementation of Basel III standards related to capital, the minimum requirements for regulatory capital are:

- Common Equity Tier 1 must be at least 4.5 per cent. of risk-weighted assets at all times;
- Tier 1 Capital must be at least 6.0 per cent. of risk-weighted assets at all times; and
- Total Capital (Tier 1 Capital plus Tier 2 Capital) must be at least 8.0 per cent. of risk-weighted assets at all times.

SAMA has already required banks to report on a Basel III compliant basis with effect from 1 January 2013, based on the Basel III guidelines issued in December 2012 and enhancements issued in July 2014. SAMA continues to issue circulars relating to the on-going development and implementation of the Basel Committee's proposed reforms and guidance for adoption in Saudi Arabia.

SAMA has also issued its final guidance document regarding Liquidity Coverage Ratio and disclosure of leverage ratio in January 2014 which came into force in January 2015.

In October 2014, the Basel Committee issued its second standard for long-term liquidity, the Net Stable Funding Ratio (the "**NSFR**"). This standard is a significant component of the Basel III accord. It requires banks to maintain a stable financing portfolio related to their on- and off-balance sheet activities, thereby preventing potential volatility in banks' traditional financing sources that would impact their liquidity position and, eventually, increase the risk of their failure. The NSFR became a minimum standard effective on 1 January 2018.

On 30 September 2015, the Basel Committee published the results of its Basel Regulatory Consistency Assessment Programme in respect of Saudi Arabia. This exercise entailed an extensive review of local standards in Saudi Arabia and their comparison against Basel regulations. Saudi Arabia achieved a 'compliant' report in respect of regulatory capital and a 'largely compliant' report in respect of liquidity coverage ratio. This formal attestation reflects high standards of Basel compliance in Saudi Arabia as compared to other countries.

Capital Markets

Capital Market Authority

The CMA is the sole regulator and supervisor of Saudi Arabia's capital markets. In 1984, a Ministerial Committee comprising the Ministry of Finance and National Economy, the Ministry of Commerce (as they were then known) and SAMA was formed to regulate and develop stock market activities. SAMA regulated and monitored stock market activities until the CMA was officially established by the Capital Market Law, which was issued in July 2003. The CMA is a Government entity that enjoys financial and administrative autonomy and reports directly to the President of the Council of Ministers.

The CMA's responsibilities include: (i) the regulation and development of the capital markets in Saudi Arabia; (ii) the regulation and monitoring of the issuance of, and dealings in, securities, and the activities of the parties subject to the CMA's supervision; (iii) the regulation of disclosure of information regarding securities and their issuers and setting of disclosure requirements with respect thereto; (iv) the licensing and regulation of special purpose entities permitted to be established pursuant to the law and CMA regulations; and (v) the protection of investors and the public from unsound and unfair market practices; and (vi) seeking to achieve fairness, efficiency and transparency in the capital markets of Saudi Arabia. In addition, pursuant to the Capital Market Law, the CMA has formed the Committee for the Resolution of Securities Disputes, and the Council of Ministers has, also pursuant to the Capital Market Law, formed the Appeal Committee for the Resolution

of Securities Disputes. Both of these committees are quasi-judicial bodies authorised to adjudicate disputes and violations in respect of the Capital Market Law or the rules and regulations of the CMA and/or the Tadawul.

In addition to exercising regulatory powers over listed companies, credit ratings agencies and Tadawul, the CMA has issued various categories of licences to various entities engaged in securities dealings, advisory, custodial and other functions falling within the regulatory scope of the CMA.

In 2014, the CMA developed a strategic plan (the "**CMA Strategic Plan**") covering the period 2015-2019, which was aligned with the objectives of the Government's tenth Development Plan. The CMA Strategic Plan, which was approved by the CEDA, aims to further strengthen the capital markets of Saudi Arabia through the implementation of several discreet objectives and initiatives. During the course of 2015 and 2016, the CMA implemented several important initiatives that formed a part of the CMA Strategic Plan, including: (i) finalisation of the rules for QFIs' investment in shares listed on the Tadawul; (ii) improvement of the disclosure regime applicable to capital market institutions; (iii) development of policies and standards for prosecuting violations of the Capital Market Law and the regulations issued thereunder; and (iv) issuance of the Real Estate Investment Traded Funds Instructions, which regulate the offering of real estate investment traded funds that invest in developed real estate for the purpose of generating periodic income.

The CMA Strategic Plan also aims to raise the governance level and to improve disclosure requirements in the capital markets. As part of the plan, in 2017, IFRS standards have become the financial reporting framework for all listed companies in Saudi Arabia.

In accordance with the CMA's objective of developing market leading international best practices and with a view to collaborating with other similar institutions internationally, the CMA is an active participant in the International Organisation of Securities Commissions which is recognised as the leader in setting the standards for the securities and capital markets sectors globally. In addition, the CMA is also a participant in the Ministerial Committee of the Chairpersons of GCC Capital Markets Regulators as well as the Union of Arab Securities Authorities.

The following table sets forth the completed public securities offerings and private placements overseen by the CMA, by number and value for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December									
	2022		2021		2020		2019		2018	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
					(SAR millions)					
Equity initial public offerings	37	39,955	12	17,422	4	5,248	5	114,216	3	1,096
Equity public rights issues	13	11,752	12	2,435	10	6,017	1	100	4	3,654
Equity private placements	57	15,792	82	11,590	47	30,961	38	9,127	29	14,375
Debt private placements[1] [2]	34	43,393	40	37,418	40	29,915	39	9,131	30	14,475
Total[2]	**141**	**110,892**	**146**	**68,865**	**101**	**72,141**	**83**	**132,574**	**66**	**33,600**

Source: CMA
Notes:
(1) Does not include issuances by the Government of Saudi Arabia.
(2) 2021 and 2022 debt private placements figures are approximate, so the 2021 and 2022 totals, by consequence, are as well.

The CMA has also been focused on the growth of the investment funds sector and has taken initiatives to expand this sector. In the year ended 31 December 2022, total assets of investment funds reached SAR 478.2 billion (U.S.$127.5 billion), a decrease of 8.7 per cent. compared to the previous year. This decrease was as a result of money market and debt investment funds redemptions. However, there was a notable increase in the

number of subscribers to investment funds, experiencing a growth of 26.2 per cent. compared to the previous year, totalling 677,195 subscribers. The following table sets forth the key indicators of the investment funds sector as at 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	As at 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
Number of operating funds	941	751	691	607	542
Number of subscribers	677,195	536,514	364,195	334,226	336,506
Total assets (SAR billions).....	478.2	523.7	442.0	349.4	290.1

Source: CMA

Tadawul

On 19 March 2007, the Council of Ministers approved the formation of the Tadawul. According to data published by the World Federation of Exchanges as at 31 December 2018, the Tadawul is the largest stock exchange in the MENA region in terms of market capitalisation, and is also one of the most diversified, with its listed companies covering a range of sectors, including petrochemicals, retail, financial services, construction and telecommunications, providing potential investors with investment opportunities in a wide variety of sectors.

The following table sets forth various stock market indicators in respect of the Tadawul for each of the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively.

	Year ended 31 December				
	2022	**2021**	**2020**	**2019**	**2018**
Number of shares traded (millions).....	45,110	67,535	79,323	33,055	38,050
Value of shares traded (SAR billions).....	1,708	2,236	2,087	880	871
Market capitalisation (SAR billions)	9,878	10,009	9,102	9,025	1,859
Number of executed transactions (thousands).....	87,900	91,866	76,686	28,396	25,010
Tadawul All-Share Index.....	10,478	11,281	8,689	8,389	7,827

Source: Tadawul

According to data published by Tadawul, as at 31 December 2022, 223 companies were listed on the Tadawul with a total market capitalisation of SAR 9,878.10 billion (U.S.$2,634.16 billion), a decrease of 1.3 per cent. compared to SAR 10,009.15 billion (U.S.$2664.8 billion) as at 31 December 2021, which was an increase of 9.9 per cent. compared to a total market capitalisation of SAR 9,102.0 billion (U.S.$ 2,427.2 billion) as at 31 December 2020. As at 31 December 2022, the Tadawul All-Share Index stood at 10,478 points, a decrease of 7.1 per cent. from 11,281 points as at 31 December 2021, which was an increase of 29.8 per cent. from 8,689 as at 31 December 2020.

In March 2018, FTSE Russell announced that Tadawul would be classified as a "Secondary Emerging Market" in the FTSE Global Equity Index Series from its previous status of "Unclassified". In June 2018, MSCI announced that Tadawul would be upgraded to "Emerging Market" status from its previous status of "Standalone Market". The Tadawul was included in MSCI's Emerging Market Index in two phases in May 2019 and August 2019.

In December 2019, Saudi Aramco completed an initial public offering and listing on the Tadawul of SAR 114.0 billion (U.S.$29.4 billion) through a sale of a 1.725 per cent. stake held by the Kingdom in Saudi Aramco, which was the largest initial public offering in history at the time.

In December 2021, the Saudi Tadawul Group Holding Company completed an initial public offering and listing on the Tadawul through sale of a 30 per cent. stake held by its sole shareholder, the PIF. The offer price was set at SAR 105 per share, and the total offer size was SAR 3.8 billion (U.S.$1.01 billion).

Regime relating to Qualified Foreign Investors

With a view to increasing institutional investment in the capital markets of Saudi Arabia, and to benefit from the expertise of specialised foreign investors, in June 2015 the CMA allowed QFIs to directly invest in listed shares on the Tadawul in accordance with the rules and regulations published by the CMA (the "**QFI Framework**"). The QFI Framework, for the first time, allows foreign institutions that qualify as QFIs to obtain full legal ownership of shares listed on the Tadawul thereby making available to QFIs all the rights and privileges of being a shareholder of companies listed on the Tadawul. Prior to the enactment of the QFI Framework, non-resident foreign investors could participate in the capital markets of Saudi Arabia only indirectly through swap agreements or through investment funds (methods that continue to remain available to foreign investors who do not qualify as QFIs).

Under the original QFI Framework, only QFIs (which were defined as financial institutions with U.S.$5.0 billion or more of assets under management that have been in operation for five or more years) were eligible to invest, subject to certain exceptions approved by the CMA. The original QFI Framework was designed for institutional portfolio investments, with certain restrictions intended to safeguard the stability of the Tadawul and the securities listed thereon. Under the original QFI Framework, a single QFI was permitted to own up to 5 per cent. of the shares of a company listed on the Tadawul, and up to 20 per cent. of the shares of a listed company was permitted to be held by QFIs in the aggregate. Furthermore, foreign investors (resident or non-resident, including "**QFIs**") were permitted to own up to 49 per cent. of the shares of any company listed on the Tadawul. All transaction by QFIs are required to be pre-funded.

In August 2016, the CMA approved certain revisions to the original QFI Framework, which became effective on 4 September 2016. Under the amended QFI Framework, the assets under management required for an institution to qualify as a QFI has been reduced to U.S.$1.0 billion, and individual QFIs are now permitted to own up to 10 per cent. of the shares of a company listed on the Tadawul or of an issuer's listed convertible debt instruments. Furthermore, QFIs are now collectively permitted to own up to 49 per cent. of the shares of a company listed on the Tadawul or of an issuer's listed convertible debt instruments, *provided* that foreign investors (resident or non-resident, including QFIs) do not collectively exceed 49 per cent. ownership. The definition of foreign financial institutions has also been expanded to include governments and government-related entities. Certain other ownership thresholds and limits have also been relaxed under the amended QFI Framework, and a QFI may now engage a non-Saudi portfolio manager to manage its investment. The scope of the amended QFI Framework now applies to all types of listed securities rather than being limited to shares.

In September 2020, the CMA approved Instructions on Issuing Depositary Receipts Out of the Kingdom, which sets out the regulatory framework for the issuance of depositary receipts outside the Kingdom for shares issued in the Kingdom and listed or intended to be listed on the Tadawul.

Parallel Market

In December 2016, the CMA Board approved the Parallel Market Listing Rules pursuant to its Resolution number 3-151-2016, which established a second stock market managed by Tadawul under the name of "Parallel Market" (also known as "**Nomu**"). This allows smaller companies to list their shares and raise the capital they need for expansion. The establishment of the Parallel Market is part of the CMA's programme to achieve the goals of Vision 2030 in respect of promoting the role of the stock exchange in providing sources of funding and enhancing its stability and its contribution to the national economy.

In December 2017, the CMA Board issued the Offer of Securities Rules and Continuing Obligations ("**ROSCOs**") and the Listing Rules (the "**ROSCOs Listing Rules**") pursuant to its Resolution number 3-123-2017 which replaced the Offer of Securities Regulations, then existing listing rules, and the Parallel Market

Listing Rules. Similar to the Parallel Market Listing Rules, the ROSCOs Listing Rules provide for less onerous requirements for the registration and listing of joint stock companies' shares on the Parallel Market compared to the requirements imposed for the listing of securities under on the main Tadawul market (the "**Main Market**"). While the aggregate market value of shares to be listed on the Main Market must be at least SAR 300.0 million (U.S.$80.0 million), under the Parallel Market Listing Rules, a joint stock company can list its shares in the Parallel Market provided the aggregate market value of such shares is not less than SAR 10.0 million (U.S.$2.7 million). Similarly, while the minimum free float of shares for the Main Market listing is set at 30.0 per cent., under the Parallel Market Listing Rules the minimum free float is set at only 20.0 per cent.

In the year ended 31 December 2022, sixteen companies were listed on the Parallel Market. The total value of shares listed on the Parallel Market reached SAR 13.48 billion (U.S.$3.59 billion) as at 31 December 2022.

GCC Monetary Union

In December 2008, Saudi Arabia, Bahrain, Qatar and Kuwait approved the Monetary Union Agreement and the Monetary Council Statute, which set forth the legal and institutional framework for a proposed monetary union of the relevant member states. The Monetary Union Agreement was ratified and came into force on 27 February 2010, while the Monetary Council Statute became effective on 27 March 2010. The Gulf Monetary Council, which was established in Riyadh, held its inaugural meeting on 30 March 2010. The primary strategic aim of the Gulf Monetary Council is to provide the foundation, and act as a precursor institution, for the establishment of a GCC central bank. The Gulf Monetary Council set itself the primary task of consulting with GCC member countries in order to draft the legal and organisational framework that will underpin the GCC central bank. Preparation for the development and implementation of a proposed GCC single currency will be the responsibility of the GCC central bank. The goal of the Monetary Union Agreement is to improve the efficiency of financial services, decrease transaction costs and increase transparency in the prices of goods and services. No timeline for the implementation of a GCC single currency has yet been set.

PUBLIC FINANCE

General

The Government's primary source of budget revenues has historically been oil-related revenues, although the Government has aimed to diversify Saudi Arabia's economy in recent years. The table below sets forth the amount and portion of budget revenues accounted for by the oil and non-oil sectors since fiscal year 2018:

	Fiscal year ended 30 December				
	2022	**2021**	**2020**	**2019**	**2018**
Total Revenues (SAR billions)	**1,268.2**	**965.5**	**781.8**	**926.8**	**905.6**
Oil revenues:					
Total oil revenues (SAR billions)	857.3	562.2	413.0	594.4	611.2
Growth/(decline) from previous period (%)	52	36	(30.5)	(2.75)	40.2
Contribution to total revenues (%)	68	58	52.8	64.1	67.5
Non-oil revenues:					
Total non-oil revenues (SAR billions)	410.9	403.3	368.8	332.4	294.4
Growth/(decline) from previous period (%)	2	9	10.9	12.9	15.2
Contribution to total revenues (%)	32	41.8	47.2	35.9	32.5

Source: Ministry of Finance

The significant increase in the contribution of the non-oil sector to Government revenues from the fiscal year 2018 onwards can be partially attributable to the significant decline in global oil prices from mid-2014 and subsequent production cuts agreed with OPEC and certain non-OPEC states and the consequential decrease in Government revenues and export earnings attributable to the oil sector during these periods, coupled with increased non-oil revenues due to improvements in economic activity and government initiatives focused on increasing non-oil revenues which include structural reforms enacted under the fiscal consolidation measures such as the implementation of value added tax, adjustments of visa and municipality fees, the implementation of expat levies and the application of excise taxes on certain potentially harmful products including tobacco, tobacco derivatives, soft drinks, energy drinks, sweetened beverages, electronic smoking appliances and liquids used in those devices. The increase in revenues in the fiscal year 2022 was primarily driven by the economic recovery following the COVID-19 pandemic, the higher oil price environment, and the higher VAT rate implemented since July 2020.

Budget Policy and Process

The budget plays a central role in Saudi Arabia's economy and is a key tool in achieving the Government's economic development goals. Fiscal policy is considered to be the core of Saudi Arabia's general economic policy, which aims to fully utilise Saudi Arabia's economic resources to raise the standard of living in Saudi Arabia and to achieve sustainable development through cooperation between the private and public sectors. Government expenditure is considered by the Government to be a primary stimulant of economic activity, and consequently a facilitator of economic growth in Saudi Arabia. The Government believes that it has various options open to it to limit its budget deficit during periods of commodity price volatility, including the imposition of additional charges for services and the development of additional revenue sources. In addition, the Government has flexibility in determining its capital expenditures and may review and reschedule items, if necessary, in order to reduce the amount of expenditures contained in future budgets.

The Government's budgetary policy focuses on investment programmes that enhance sustainable and strong economic development, diversification of the economy and sources of Government revenues and employment opportunities for Saudi nationals, specifically, infrastructure, education, health, security, social services, municipal services, water and water treatment services, roads and highways, science and technology projects and e-government.

The Government prepares budgets on an annual basis, taking into account its key priority areas during each budget process. The Government's fiscal year commences on 31 December and ends on 30 December in the following year. Each year, the Ministry of Finance supervises the preparation of ministerial and agency budgets

for the following year. After review by the Ministry of Finance, the consolidated budget proposal is submitted first to the CEDA and then to the Financing Committee and then to the Council of Ministers for approval and, if approved, a Royal Decree implementing the budget is issued.

Subsidies relating to the oil sector are proposed by the Ministry of Energy and reviewed by the Council of Ministers in consultation with the Ministry of Finance, thereafter being approved by the Council of Ministers. Subsidies relating to other sectors are proposed to the Financing Committee, of which the Ministry of Finance is a part, with the recommendations of such committee thereafter being approved by the Council of Ministers.

Fiscal Consolidation Measures and the Introduction of the Fiscal Sustainability Programme

In order to protect its historically strong fiscal position, Saudi Arabia commenced wide-ranging fiscal consolidation measures in mid-2015. The fiscal consolidation measures implemented by the Government include: (i) a phased energy and water pricing reform programme, which included a reduction in fuel, water and energy subsidies, with prices of gasoline increasing by up to 66 per cent.; (ii) enhanced approval requirements for certain new projects; (iii) a 2.5 per cent. tax on undeveloped land in urban areas; (iv) a reduction in the growth of current expenditure through additional controls in respect of new hires in the public sector, as well as in respect of overtime and travel expenses; (v) targeted expenditure reduction of at least 5.0 per cent. of the remaining costs of all Government contracts; and (vi) more efficient methods of revenue collection. The Government expects that its on-going subsidy reforms will result in substantial savings for the Government and an increase in Government revenues over a five-year period.

In September 2016, the Government announced certain fiscal balance measures applicable to public sector employees (excluding certain military and security personnel), including: (i) suspending the annual salary increase for the fiscal year 2016; (ii) reducing or cancelling certain benefits and allowances; and (iii) reducing the base salaries and certain other benefits of Government ministers and members of the Shura Council. However, in April 2017, the Government reinstated the benefits and allowances that were reduced or cancelled in September 2016 and in June 2017, the Government provided that it would retrospectively make payments of all such benefits and allowances that were not paid during the period between September 2016 and April 2017.

At its inception, the fiscal sustainability programme was focussed on (i) rationalising Government expenditures through expanding efficiency and savings measures to fourteen Government ministries and entities; (ii) revising electricity, fuel and water prices based on international market prices; (iii) broadening the Government's non-oil revenue base through the implementation of a 50.0 per cent. to 100.0 per cent. excise tax on certain potentially harmful products, implementing value added tax and an increase in the annual expat levy; and (iv) the roll out of direct cash transfers to eligible Saudi households to offset rising utilities costs.

The fiscal sustainability programme (previously named the fiscal balance programme) is currently focused on: (i) the adoption of conservative estimates that are not related to oil market expectations for estimating oil revenues, (ii) supporting the sustainability of non-oil revenues, (iii) linking the Kingdom's expenditures ceilings to structural revenues, (iv) focusing on avoiding risks by building fiscal buffers through setting upper and lower limits on reserves and debt ceiling as a percentage of GDP, and (v) establishing mechanisms and rules to deploy surpluses in case they are realised.

The fiscal sustainability programme has four strategic pillars: (i) laying the foundation for financial accountability in all government entities by allocating a budget consistent with the strategic priorities of these entities, and establishing a system promoting accountability and full ownership of financial targets across all entities, (ii) fiscal and macroeconomic planning directing the fiscal policy towards achieving fiscal and economic sustainability and enabling efficient decision-making process for budget management while providing an integrated picture of debts and reserves, (iii) maximising government revenues by creating a portfolio of revenue initiatives necessary to achieve the fiscal balance objectives and (iv) improving government spending efficiency through optimal utilisation of state resources.

Prior to the significant decline in global oil prices in mid-2014, rising oil prices and production resulted in large fiscal Government surpluses for over a decade (see "*Economy of Saudi Arabia—Overview*"). However, the sustained decline in global oil prices since mid-2014 resulted in the Government recording a budget deficit in the fiscal year 2018 equivalent to 5.5 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2018 and to an equivalent of 4.5 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2019. The decrease in the budget deficit in the fiscal year 2018 and 2019 can principally be attributed to the Government's implementation of various fiscal control measures as well as the partial recovery in global oil prices. Given these budget deficits, in its budget for the fiscal year 2020, the Government has continued to focus on comprehensive economic, fiscal, and structural reforms in order to strengthen public finances and enhance sustainability over the medium- and long-term. However, the Kingdom's budget deficit reached SAR 293.9 billion (U.S.$78.4 billion) in the fiscal year 2020, an increase of 121.6 per cent. compared to the deficit of SAR 132.6 billion (U.S.$35.4 billion) in the fiscal year 2019, primarily due to the impact of the COVID-19 pandemic and the low oil price environment during the year. The Kingdom's budget deficit declined to SAR 73.4 billion (U.S.$19.6 billion) for the fiscal year 2021. For the fiscal year 2022, Saudi Arabia achieved a budget surplus of SAR 104.0 billion (U.S.$27.7 billion). Based on current estimates, Saudi Arabia achieved a budget deficit of SAR 82.0 billion (U.S.$21.9 billion) for the fiscal year 2023. See "*Risk Factors—There can be no assurance that the Government's fiscal consolidation measures will be successful or that the fiscal consolidation will not have an adverse economic or social impact*").

In 2016, the Government announced its intention to implement the following economic, fiscal, and structural reforms in order to strengthen Saudi Arabia's public finances, enhance sustainability over the medium- and long-term and continue to adopt necessary development projects and services for economic growth:

- enhancing fiscal management by establishing a macro fiscal policy unit in the Ministry of Finance responsible for setting a budget ceiling by adopting a medium-term expenditure framework and ensuring an adherence to this ceiling;

- optimising the Government's budget policies and procedures, preparation and implementation and applying budget disclosure and planning standards in accordance with international best practice;

- optimising the Government's capital spending, including a review of Government projects, their scope and priorities to ensure their efficient implementation and that they remain consistent with Saudi Arabia's development priorities, orientations and needs and with financial and funding requirements;

- optimising the Government's operating expenditures, including the rationalisation of Government agencies' expenses, the utilisation of IT for the delivery of Government services, and the development and strengthening of control and governance mechanisms;

- reducing the growth of recurring expenditures, in particular wages, salaries and allowances;

- adopting wide structural reforms in order to reduce Saudi Arabia's dependence on oil, including: (i) privatising a range of sectors and economic activities; (ii) addressing legislative, regulatory and bureaucratic restrictions in the private sector; (iii) improving Government performance, including, among other things, implementing training programmes for Government employees, expanding "smart" Government services and increasing the efficiency of Government spending; (iv) improving Government transparency and accountability; (v) enhancing the investment environment by contributing to the creation of new jobs in the private sector; (vi) providing partnership opportunities between the public, private and non-profit sectors; and (vii) improving the economy's competitiveness and integration with the global economy;

- optimising the Government's procurement processes in accordance with international best practice and optimising the Government's methodology and tools for the management of state assets;

- developing objectives and fiscal targets consistent with international best standards for transparency, control and corporate governance, taking into account economic and development objectives and trends in the short-, medium- and long-terms;

- investing in development projects and programmes that improve the quality of life of Saudi Arabia's citizens, such as education, health, security, social and municipal services, water and sanitation, electricity, roads, electronic transactions and scientific research;

- reviewing Government support, including revision of energy, water, and electricity prices gradually over the next five years, in order to achieve efficiency in energy use, conserve natural resources, prevent wasteful use, and minimise negative effects on low- and middle-income citizens and the competitiveness of the business sector;

- reviewing current levels of fees and fines, introducing new fees, and implementing value added tax, with value added tax expected to become one of the main sources of non-oil revenues in the Kingdom; and

- establishing a public debt management unit in the Ministry of Finance, which will be responsible for developing and overseeing the Government's public debt and financing strategy and strengthening Saudi Arabia's ability to borrow domestically and internationally.

The Government has also implemented a number of measures focused on the reduction of the growth of recurring expenditures. The Government has introduced new revenue measures, including municipal and rural fees and increased the value of certain existing fees, including fees relating to expatriate visas and traffic violation fines.

During the year 2016, the Government also established a number of Government agencies and bodies to assist the Government with the implementation of reforms, including:

- a macro fiscal policy unit within the Ministry of Finance with the responsibility to, among other things, set a budget ceiling and ensure an adherence to this ceiling;

- an agency within the Ministry of Finance with the responsibility of optimising the Government's budget policies and procedures and to prepare, implement and apply budget disclosure and planning standards in accordance with international best practice;

- an expenditures Efficiency and Governmental Projects Authority (the "**EXPRO**"), currently under the supervision of the Minister of Finance, to support Government entities in identifying opportunities for optimisation of efficiency with respect to capital expenditures relating to projects implemented under Vision 2030 as well as operational expenditures. The EXPRO is also responsible for the development of mechanisms and policies required for the enhancement of spending efficiency across Government entities and supervising the implementation thereof. The EXPRO was transformed into an independent centre in 2018 pursuant to a Council of Ministers resolution;

- a unit with the mandate of increasing non-oil revenues under the supervision of the Ministry of Finance (the "**NOR Unit**"), with the responsibility to, among other things, develop new non-oil revenue sources through cooperation with Government and non-Government entities. The NOR Unit was transformed into an independent centre in 2018 pursuant to a Council of Ministers resolution;

- a national centre for privatisation to develop policies, strategies, programmes, regulations, plans, tools and organisational frameworks relating to privatisation projects and public-private partnerships for various sectors, including public utilities, health, education, transport and municipal services;

- a national energy efficiency services company, to provide audit, management, supervision and implementation project services to raise energy efficiency in the private and public sectors; and

- a debt management office within the Ministry of Finance with the responsibility to develop and oversee the Government's public debt and financing strategy. For additional details regarding the Debt Management Office, see "*Indebtedness—Public Debt Management*".

Since the launch of the fiscal sustainability programme, the Government has introduced a series of measures to further its stated objective, including the following:

- On 12 December 2017, the Government announced the implementation of the Citizen Account Programme, a national cash transfer programme which aims to increase the efficiency of government benefits distribution to low- and medium-income households to ease the impact of economic reforms including energy price reforms and the introduction of value added tax. Since the programme's inception, the Government has made over SAR 175.0 billion in disbursements under the programme as of October 2023.

- As of January 2018, the Government implemented a value added tax (see "*—Tax and Zakat*" below) and excise taxes on certain potentially harmful products including tobacco, tobacco derivatives, soft drinks, energy drinks, sweetened beverages, electronic smoking appliances and liquids used in those devices. Value added tax was further increased from 5.0 per cent. to 15 per cent. as of July 2020. Value added tax is expected to become one of the main sources of non-oil revenues in Saudi Arabia.

- Energy price reforms under the fiscal sustainability programme include the lifting of subsidies on petrol and electricity. Among other measures, domestic gasoline prices are targeted to reach parity with international market prices gradually between 2018 and 2025, with domestic diesel prices to be gradually raised to 90.0 per cent. of international market prices over the same period. Residential and commercial electricity prices and industrial electricity prices will be raised gradually to reach parity with international market prices from 2018 to 2025 and from 2019 to 2025, respectively. On 1 January 2018, the Government raised petrol prices from SAR 0.75 per litre to SAR 1.37 per litre for Octane 91-grade gasoline (an increase of 83.0 per cent.), and from SAR 0.90 per litre to SAR 2.04 per litre for Octane 95-grade gasoline (an increase of 127.0 per cent.). In addition, oil prices are now adjusted on a monthly basis.

- In January 2018, the Government implemented levy of fees on expatriates which increased the non-oil revenue of the Kingdom.

- In January 2020, the Small and Medium Enterprises General Authority began the process of refunding certain government fees to small and medium enterprises as part of a government fee recovery initiative. The fee exemption will be in effect for a period of three years or until the maximum amount of refund allotted to the particular firms is reached.

- The Government also implemented measures to increase the efficiency of government capital spending programmes, and to further develop the process of preparing and implementing the budget.

In 2020, the Government implemented a number of measures to support the efforts in combating the COVID-19 outbreak and mitigating its expected financial and economic impacts on the private sector. See "*Economy of Saudi Arabia—Recent Developments*" for further detail.

2024 Government Budget

Saudi Arabia announced the 2024 Budget on 6 December 2023. The Government has indicated that the focus of the 2024 Budget will be to increase strategic spending for key sectors and regions in order to accelerate the implementation of projects to diversify the economic base and to promote sustainability, as well as to maximize economic, social and environmental returns and gains in order to raise the quality of services provided through social services, while maintaining fiscal sustainability in the medium and the long term.

The below summarises key points from the 2024 Budget.

Revenues. The 2024 Budget estimates total Government revenues for fiscal year 2024 to be SAR 1,172.0 billion (U.S.$312.5 billion), an increase of 3.7 per cent. compared to the budgeted revenues for fiscal year 2023 of SAR 1,130.0 billion (U.S.$301.3 billion). The principal drivers of the higher revenues in fiscal year 2024 are expected to be growth in non-oil revenues reflecting the growth of non-oil economic activities as well as the continued development of tax management and collection procedures. The Government estimates revenues to increase to SAR 1,227.0 billion (U.S.$327.2 billion) in 2025, and to increase over the medium term to SAR 1,259.0 billion (U.S.$335.7 billion) in 2026.

Expenditures. The 2024 Budget estimates total Government expenditures for fiscal year 2024 at SAR 1,251.0 billion (U.S.$333.6 billion), an increase of 12.3 per cent. compared to budgeted expenditures for fiscal year 2023 of SAR 1,114.0 billion (U.S.$297.1 billion). The principal drivers of the higher expenditures in fiscal year 2024 are expected to be the acceleration of the implementation of several development projects and programs. The Government estimates expenditures to increase in fiscal year 2025 to SAR 1,300.0 billion (U.S.$346.7 billion), and estimates total expenditures to increase over the medium term to reach SAR 1,368.0 billion (U.S. $364.8 billion) in 2026.

Deficit. The deficit for fiscal year 2024 is estimated at SAR 79.0 billion (U.S.$21.1 billion), compared to the budgeted surplus for fiscal year 2023 of SAR 16.0 billion (U.S.$4.27 billion), as a result of the factors discussed above. The Government expects that budget deficits will continue over the medium term as a result of the Government adopting expansionary spending policies in support of economic growth.

Key assumptions and risks. The 2024 Budget estimates preliminary real GDP growth of 0.03 per cent. in fiscal year 2023, with an increase to real GDP growth of approximately 4.4 per cent. in fiscal year 2024, driven by the assumption of continued growth and expansion of non-oil activities. This compares to IMF projections of growth of 0.8 per cent. and 4.0 per cent. in real GDP for Saudi Arabia in fiscal years 2023 and 2024, respectively (based on October 2023 IMF projections). The 2024 Budget does not disclose oil price assumptions for fiscal year 2024.

In parallel, the Government intends to use fiscal policies to increase spending directed to major development programs and projects along with regional and sectoral strategies to drive sustainable economic growth. The Government intends to improve the quality of public services and develop infrastructure in various regions of the Kingdom, in order to contribute towards improving quality of life under Vision 2030. The Government also aims to empower the private sector, stimulate the investment environment, and enhance social support and subsidies systems, while continuing to enhance spending efficiency with the aim of achieving fiscal sustainability.

Government Revenues and Expenditures

The following table sets forth the actual revenues, expenditure and overall surplus/deficit of the Government for the fiscal years ended 31 December 2022, 2021 and 2020, respectively, together with 2023 estimates and the Government budgeted figures for the fiscal year ended 31 December 2024.

	Fiscal year ended 31 December				
	2024[1]	**2023[2]**	**2022**	**2021**	**2020**
	Budget	**Estimates**	**Actual**	**Actual**	**Actual**
	(SAR millions, except percentages)				
Revenue:					
Oil revenues[3][4]	-	752,000	857,000	562,191	413,049
Non-oil revenues[4]	-	441,000	411,000	403,295	368,785
Total Revenues	**1,172,000**	**1,193,000**	**1,268,000**	**965,486**	**781,834**
Expenditure:					
Capital expenditures	189,000	203,000	143,000	117,217	155,088
Current expenditures	1,062,000	1,072,000	1,021,000	921,716	920,646
Total expenditures	**1,251,000**	**1,275,000**	**1,164,000**	**1,038,933**	**1,075,734**
Surplus/(deficit)	**(79,000)**	**(82,000)**	**104,000**	**(73,447)**	**(293,900)**
Nominal GDP	4,261,000	4,136,000	4,157,000	3,278,000	2,754,000
Ratio of surplus/(deficit) to nominal GDP (%)	**(1.9)**	**(2.0)**	**2.5**	**(2.2)**	**(10.7)**

Source: SAMA, Ministry of Finance
Notes:
(1) Based on budget estimates.
(2) Preliminary figures.
(3) As of fiscal year 2020, oil revenues are included under Taxes on goods and services and other revenue.
(4) The estimated breakdown between oil and non-oil revenues is not calculated in the 2024 Budget.

The Government recorded a budget deficit of SAR 293.9 billion (U.S.$78.4 billion) for the fiscal year 2020, equivalent to 10.7 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2020, primarily due to the impact of the COVID-19 pandemic and the continued low oil price environment during the year. Saudi Arabia's deficit for the year 2021 decreased to SAR 73.4 billion (U.S.$19.6 billion), primarily due to economic recovery and higher oil prices compared to the previous year. Saudi Arabia achieved a budget surplus for the year 2022 of SAR 104.0 billion (U.S.$27.7 billion), primarily due to increases in oil revenues. For fiscal year 2023, the Ministry of Finance estimates the Government's budget will record a deficit of approximately SAR 82.0 billion (U.S.$21.9 billion), primarily as a result of accelerating the implementation of social and economic projects and programs. In the 2024 Budget, The Ministry of Finance estimates that the Kingdom's budget deficit will decrease to SAR 79.0 billion (U.S.$21.1 billion) in fiscal year 2024.

Government Revenues

The following table sets forth a breakdown of the Government's revenues by category for the fiscal years ended 31 December 2022, 2021 and 2020, respectively, together with 2023 estimates and the budgeted revenues for the fiscal year ended 31 December 2024.

	Fiscal year ended 31 December									
	2024		2023		2022		2021		2020	
	Budget		Estimates		Actual		Actual		Actual	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(SAR millions, except percentages)									
Total oil revenue[1][2]	–	–	**752,000**	**63.0**	**857,272**	**67.6**	**562,191**	**58.2**	**413,049**	**52.8**
Total non-oil revenue[2]	–	–	**441,000**	**37.0**	**410,891**	**32.4**	**403,295**	**41.8**	**368,785**	**47.2**
Taxes on income, profits and capital gains	31,000	2.6	36,000	3.0	24,481	1.9	17,847	1.8	18,109	2.3
Taxes on goods and services	279,000	23.8	264,000	22.1	251,455	19.8	251,364	26.0	163,346	20.9
Taxes on international trade and transactions	21,000	1.7	20,000	1.7	18,749	1.5	18,719	1.9	17,779	2.3
Other taxes	30,000	2.6	32,000	2.7	28,409	2.2	29,174	3.0	27,149	3.5
Other revenue	812,000	69.3	841,000	70.5	945,000	74.5	648,000	67.1	142,402	18.2
Total revenue	**1,172,000**	**100.0**	**1,193,000**	**100.0**	**1,268,000**	**100.0**	**965,486**	**100.0**	**781,834**	**100.0**

Source: Ministry of Finance
Notes:
(1) As of fiscal year 2020, oil revenues are included under other revenue.
(2) The estimated breakdown between oil and non-oil revenues is not calculated in the 2024 Budget.

The Government's total revenues during the fiscal year 2022 were SAR 1,268.0 billion (U.S.$338.1 billion), representing an increase of 31.3 per cent. as compared to total revenues of SAR 965.5 billion (U.S.$257.5 billion) during the fiscal year 2021, which was an increase of 23.5 per cent. as compared to total revenues of SAR 781.8 billion (U.S.$208.5 billion) during the fiscal year 2020. Based on preliminary estimates, the Government's total revenues during fiscal year 2023 were SAR 1,193.0 billion (U.S.$318.1 billion), representing a decrease of 5.9 per cent. as compared to total revenues of SAR 1,268.0 billion (U.S.$338.1 billion) in fiscal year 2022. The Government's estimated total revenues during the fiscal year 2023 were 5.6 per cent. higher than budgeted revenues of SAR1,130.0 billion (U.S.$301.3 billion) for the fiscal year.

The Government's revenues are categorised as oil revenues and non-oil revenues. Oil revenues accounted for 67.6 per cent. of the Government's total revenues during the fiscal year 2022, compared to 58.2 per cent. and 52.8 per cent. of the Government's total revenues in the fiscal years 2021 and 2020, respectively. Based on preliminary estimates, oil revenues accounted for 63.0 per cent. of the Government's total revenues during the fiscal year 2023, compared to 67.6 per cent. of the Government's total revenues in the fiscal year 2022.

The Government's total oil revenues for the fiscal year 2022 were SAR 857.3 billion (U.S.$228.6 billion), representing an increase of 52.5 per cent. as compared to total oil revenues of SAR 562.2 billion (U.S.$149.9

billion) for the fiscal year 2021. Based on preliminary estimates, the Government's total oil revenues for the fiscal year 2023 were SAR 752.0 billion (U.S.$200.5 billion), representing a decrease of 12.3 per cent. as compared to total oil revenues of SAR 857.3 billion (U.S.$228.6 billion) in the fiscal year 2022. This decrease was principally due to a decline in oil prices compared to the fiscal year 2022.

Based on preliminary estimates, the Government's total other revenues, which include oil revenues and profits from government investments, sales of goods and services, and penalties and fines, were SAR 841.0 billion (U.S.$224.3 billion) in the fiscal year 2023, a decrease of 11.0 per cent. as compared to total other revenues of SAR 945.1 billion (U.S.$252.0 billion) in the fiscal year 2022. This decrease was principally due to the expected decline of oil revenues.

The Government's non-oil revenues for the fiscal year 2022 were SAR 410.9 billion (U.S.$109.6 billion), representing an increase of 1.9 per cent. compared to non-oil revenues of SAR 403.3 billion (U.S.$107.5 billion) for the fiscal year 2021, and accounting for 32.4 per cent. of the Government's total revenue in the fiscal year 2022. Based on preliminary estimates, the Government's non-oil revenues for the fiscal year 2023 were SAR 441.0 billion (U.S.$117.6 billion), representing an increase of 7.3 per cent. as compared to non-oil revenues of SAR 410.9 billion (U.S.$109.6 billion) for the fiscal year 2022, and accounting for 37.0 per cent. of the Government's total revenues in the fiscal year 2023.

Government Expenditures

The following table sets forth a breakdown of actual Government expenditures by category for the fiscal years ended 31 December 2022, 2021 and 2020, respectively, together with 2023 estimates and the budgeted figures for the fiscal year ended 31 December 2024.

	Fiscal year ended 31 December									
	2024		2023		2022		2021		2020	
	Budget		Estimates		Actual		Actual		Actual	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(SAR millions, except percentages)									
Military and security	381,000	30.5	358,000	28.1	343,000	29.4	308,377	29.7	319,182	29.7
Education	195,000	15.6	202,000	15.8	202,000	17.4	191,908	18.5	205,029	19.1
Health and social development	214,000	17.1	250,000	19.6	227,000	19.5	197,200	19.0	190,372	17.7
Economic resources and public programmes	84,000	6.7	80,000	6.3	77,000	6.6	71,068	6.8	61,463	5.7
Infrastructure and transportation	38,000	3.0	37,000	2.9	41,000	3.5	50,993	4.9	59,685	5.5
Public administration	43,000	3.4	45,000	3.5	41,000	3.5	34,165	3.3	36,218	3.4
Municipal services	81,000	6.4	87,000	6.8	75,000	6.4	38,563	3.7	47,347	4.4
General items	216,000	17.3	216,000	16.9	159,000	13.7	146,659	14.1	156,439	14.5
Total expenditure	**1,251,000**	**100.0**	**1,275,000**	**100.0**	**1,164,000**	**100.0**	**1,038,933**	**100.0**	**1,075,734**	**100.0**

Source: Ministry of Finance

The Government's total expenditures during the fiscal year 2022 were SAR 1,164.0 billion (U.S.$310.4 billion), an increase of 12.0 per cent. as compared to total expenditures of SAR 1,038.9 billion (U.S.$277.0 billion) during the fiscal year 2021, which was a decrease of 3.4 per cent. as compared to total expenditures of SAR 1,075.7 billion (U.S.$286.9 billion) during the fiscal year 2020.

Based on preliminary estimates, the Government's total expenditures during the fiscal year 2023 were SAR 1,275.0 billion (U.S.$340.0 billion), an increase of 9.5 per cent. as compared to total expenditures of SAR 1,164.0 billion (U.S.$310.4 billion) during the fiscal year 2022. The Government's total expenditures during the fiscal year 2023 were 14.5 per cent. higher than budgeted expenditure of SAR 1,114.0 billion (U.S.$297.1 billion) for the fiscal year.

The Government's budgeted expenditures for the fiscal year 2024 are projected to reach SAR 1,251.0 billion (U.S.$333.6 billion), representing a decrease of 1.9 per cent. compared to the estimated expenditures of SAR 1,275.0 billion (U.S.$340.0 billion) in the fiscal year 2023. In the 2024 Budget, the Government projects a deficit of SAR 79.0 billion (U.S.$21.1 billion) in fiscal year 2024, as compared to the estimated deficit of SAR 82.0 billion (U.S.$21.9 billion) in the fiscal year 2023.

The Government's expenditures are categorised as capital expenditures and current expenditures. The Government's capital expenditures comprised 12.3 per cent., 11.5 per cent. and 14.4 per cent. of total expenditures in the fiscal years 2022, 2021 and 2020, respectively. Based on preliminary figures, the Government's capital expenditures comprised 15.9 per cent. of total expenditures in the fiscal year 2023.

The Government's current expenditures comprised 87.7 per cent., 90.8 per cent. and 85.6 per cent. of total expenditures in the fiscal years 2022, 2021 and 2020, respectively. Based on preliminary figures, the Government's current expenditures comprised 84.1 per cent. of total expenditures in the fiscal year 2023.

The Government's budgeted expenditures for the fiscal year 2024 continue to prioritise regional and sectoral developmental strategies, in order to contribute to achieving purposeful and sustainable economic and social returns to diversify the economic base in the medium and long term. The Government's budgeted expenditures for the fiscal year 2024 also will continue to support social expenditure through periodic reviews and improvements to social support and subsidies systems, as well as continuing efforts to raise the quality of services, develop government facilities and infrastructure in various regions of the Kingdom, contribute to the quality of life for citizens and residents and stimulate growth in the private sector and investment environment in the Kingdom.

2023 Government Budget

Saudi Arabia announced its budget statement on 7 December 2022 for fiscal year 2023 (the "**2023 Budget**"). The Government has indicated that the focus of the 2023 Budget will be to support the continuation of fiscal sustainability and the completion of the process of economic and structural reforms aimed at strengthening the Kingdom's fiscal position, in addition to enhancing the economy's flexibility and its ability to keep pace with accelerating global changes. The Government also seeks to continue implementing programs, projects, and strategies that support growth, expand the economic base, and achieve comprehensive development at an accelerated pace.

The below summarises key points from the 2023 Budget.

Revenues. The 2023 Budget estimated total Government revenues for fiscal year 2022 to be SAR 1,234.0 billion (U.S.$329.1 billion), an increase of 18.0 per cent. compared to the budgeted revenues for fiscal year 2022 of SAR 1,045 billion (U.S.$278.7 billion). The principal drivers of the higher revenues in fiscal year 2022 are expected to be the developments in the oil market, where the average price of Brent crude oil reached around $90.8 per barrel as of October 2023. The Government estimated revenues to decrease to SAR 1,146 billion (U.S.$305.6 billion) in 2024, and to increase over the medium term to SAR 1,205 billion (U.S.$321.3 billion) in 2025.

Expenditures. The 2023 Budget estimated total Government expenditure for fiscal year 2022 at SAR 1,132.0 billion (U.S.$301.9 billion), an increase of 18.5 per cent. compared to budgeted expenditures for fiscal year 2022 of SAR 955.0 billion (U.S.$254.7 billion). The higher than budgeted Government expenditure in fiscal year 2022 was mainly driven by the Government's response to the economic conditions and geopolitical challenges, including high global inflationary pressures and the impact of supply chains on the domestic economy. The Government estimated expenditures to increase in fiscal year 2024 to SAR 1,251 billion (U.S.$333.6 billion), and estimated total expenditures to increase over the medium term to reach SAR 1,134 billion (U.S. $302.4 billion) in 2025.

Surplus. The 2023 Budget estimated a surplus for fiscal year 2022 at SAR 102.0 billion (U.S.$27.2 billion), compared to the budgeted surplus for fiscal year 2022 of SAR 90.0 billion (U.S.$24.0 billion), as a result of the factors discussed above.

Key assumptions and risks. The 2023 Budget estimated preliminary real GDP growth of 8.5 per cent. in fiscal year 2022, with a decrease to real GDP growth of approximately 3.1 per cent. in fiscal year 2023, driven by the assumption of an increase in non-oil activities reflecting private investment and consumption. This compares to IMF projections of growths of 7.6 per cent. and 3.7 per cent. in real GDP for Saudi Arabia in

fiscal years 2022 and 2023, respectively (based on October 2022 IMF projections). The 2023 budget does not disclose oil price assumptions for fiscal year 2023.

In parallel, the Government's continued efforts to diversify the economy through the implementation of programmes to realise Vision 2030, improve business climate in the Kingdom and encourage domestic and foreign investments in various sectors including, telecommunications, digital transformation, tourism, entertainment, infrastructure and logistic services are expected to contribute to continued fiscal sustainability in 2023. Additionally, projections for the fiscal year 2023 assume a greater role of development funds and mega projects, and enhanced partnership with the private sector under the umbrella of Vision 2030 programmes, such as investment strategy and privatization programmes.

Government Revenues and Expenditures

The following table sets forth the actual revenues, expenditure and overall surplus/deficit of the Government for the fiscal years ended 31 December 2021, 2020 and 2019, respectively, together with 2022 estimates and the Government budgeted figures for the fiscal year ended 31 December 2023.

	Fiscal year ended 31 December				
	2023[1]	**2022[2]**	**2021**	**2020**	**2019**
	Budget	**Estimates**	**Actual**	**Actual**	**Actual**
	(SAR millions, except percentages)				
Revenue:					
Oil revenues[3][4]	-	842,000	562,191	413,049	594,424
Non-oil revenues[4]	-	392,000	403,295	368,785	332,422
Total Revenues	**1,130,000**	**1,234,000**	**965,486**	**781,834**	**926,846**
Expenditure:					
Capital expenditures	157,000	151,000	117,217	155,088	169,449
Current expenditures	957,000	981,000	921,716	920,646	889,995
Total expenditures	**1,114,000**	**1,132,000**	**1,038,933**	**1,075,734**	**1,059,445**
Surplus/(deficit)	**16,000**	**102,000**	**(73,447)**	**(293,900)**	**(132,599)**
Nominal GDP	3,869,000	3,957,000	3,278,000	2,754,000	3,145,000
Ratio of surplus/(deficit) to nominal GDP (%)	**0.4**	**2.6**	**(2.2)**	**(10.7)**	**(4.2)**

Source: SAMA, Ministry of Finance
Notes:
(1) Preliminary figures.
(2) Based on budget estimates.
(3) As of fiscal year 2020, oil revenues are included under Taxes on goods and services and other revenue.
(4) The estimated breakdown between oil and non-oil revenues is not calculated in the 2023 Budget.

The Government recorded a budget deficit of SAR 132.6 billion (U.S.$35.4 billion) for the fiscal year 2019, equivalent to 4.2 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2019. The Government's actual deficit increased to SAR 293.9 billion (U.S.$78.4 billion) for the fiscal year 2020, equivalent to 10.7 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2020, primarily due to the impact of the COVID-19 pandemic and the continued low oil price environment during the year. Saudi Arabia's deficit for the year 2021 decreased to SAR 73.4 billion (U.S.$19.6 billion), primarily due to economic recovery and higher oil prices compared to the previous year. The 2023 Budget estimated that Saudi Arabia achieved a budget surplus for the year 2022 of SAR 102.0 billion (U.S.$27.2 billion), primarily due to increases in oil revenues. In the 2023 Budget, the Ministry of Finance estimated that the Kingdom would achieve a budget surplus of SAR 16.0 billion (U.S.$4.27 billion) in fiscal year 2023.

Government Revenues

The following table sets forth a breakdown of the Government's revenues by category for the fiscal years ended 31 December 2021, 2020 and 2019, respectively, together with 2022 estimates and the budgeted revenues for the fiscal year ended 31 December 2023.

	Fiscal year ended 31 December									
	2023		2022		2021		2020		2019	
	Budget		Estimates		Actual		Actual		Actual	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(SAR millions, except percentages)									
Total oil revenue[1][2]	–	–	**842,000**	**67.6**	**562,191**	**58.2**	**413,049**	**52.8**	**594,424**	**64.1**
Total non-oil revenue[2]	–	–	392,000	**31.8**	**403,295**	**41.8**	**368,785**	**47.2**	332,**422**	**35.9**
Taxes on income, profits and capital gains	22,000	1.9	22,000	1.7	17,847	1.8	18,109	2.3	17,204	1.9
Taxes on goods and services	254,000	22.5	245,000	19.9	251,364	26.0	163,346	20.9	155,415	16.8
Taxes on international trade and transactions	18,000	1.6	18,000	1.5	18,719	1.9	17,779	2.3	17,376	1.9
Other taxes	28,000	2.5	30,000	2.4	29,174	3.0	27,149	3.5	30,104	3.2
Other revenue	808,000	71.5	919,000	74.5	648,000	67.1	142,402	18.2	112,323	12.1
Total revenue	**1,130,000**	**100.0**	**1,234,000**	**100.0**	**965,486**	**100.0**	**781,834**	**100.0**	**926,846**	**100.0**

Source: Ministry of Finance
Notes:
(1) As of fiscal year 2020, oil revenues are included under other revenue.
(2) The estimated breakdown between oil and non-oil revenues is not calculated in the 2023 Budget.

The Government's total revenues during the fiscal year 2021 were SAR 965.5 billion (U.S.$257.5 billion), representing an increase of 23.5 per cent. as compared to total revenues of SAR 781.8 billion (U.S.$208.5 billion), during the fiscal year 2020, which was a decrease of 15.6 per cent. as compared to total revenues of SAR 926.8 billion (U.S.$247.2 billion), during the fiscal year 2019. The 2023 Budget estimated that the Government's total revenues during the fiscal year 2022 were SAR 1,234.0 billion (U.S.$329.1 billion), representing an increase of 27.8 per cent. as compared to total revenues of SAR 965.5 billion (U.S.$257.5 billion) in fiscal year 2021. The Government's estimated total revenues during the fiscal year 2022 were 18.1 per cent. higher than budgeted revenues of SAR 1,045.0 billion (U.S.$278.7 billion) for the fiscal year 2022.

The Government's revenues are categorised as oil revenues and non-oil revenues. Oil revenues accounted for 58.2 per cent. of the Government's total revenues during the fiscal year 2021, compared to 52.8 per cent. and 64.1 per cent. of the Government's total revenues in the fiscal years 2020 and 2019, respectively. Oil revenues accounted for 68.2 per cent. of the Government's estimated total revenues during the fiscal year 2022, compared to 58.2 per cent. of the Government's total revenues in the fiscal year 2021.

The Government's total oil revenues for the fiscal year 2021 were SAR 562.2 billion (U.S.$149.9 billion), representing an increase of 36.1 per cent. as compared to total oil revenues of SAR 413.0 billion (U.S.$110.1 billion) for the fiscal year 2020. The Government's estimated total oil revenues for the fiscal year 2022 were SAR 842.0 billion (U.S.$224.5 billion), representing an increase of 49.8 per cent. as compared to total oil revenues of SAR 562.2 billion (U.S.$149.9 billion) in the fiscal year 2021. This increase was principally due to an increase in oil production and prices.

The 2023 Budget estimated that the Government's total other revenues, which include oil revenues and profits from government investments, sales of goods and services, and penalties and fines, were SAR 919.0 billion (U.S.$245.1 billion) in the fiscal year 2022, an increase of 41.8 per cent. as compared to total other revenues of SAR 648.0 billion (U.S.$172.8 billion) for the fiscal year 2021. This increase was principally due to the increase in oil revenues for fiscal year 2022 of 68.2 per cent. as compared to the fiscal year 2021.

The Government's non-oil revenues for the fiscal year 2021 were SAR 403.3 billion (U.S.$107.5 billion), representing an increase of 9.4 per cent. compared to non-oil revenues of SAR 368.8 billion (U.S.$98.3 billion) for the fiscal year 2020, and accounting for 41.8 per cent. of the Government's total revenues in the same period. The 2023 Budget estimated that the Government's non-oil revenues for the fiscal year 2022 were SAR 392.0 billion (U.S.$104.5 billion), representing a decrease of 2.8 per cent. as compared to non-oil revenues of SAR 403.3 billion (U.S.$107.5 billion) for the fiscal year 2021, and accounting for 31.8 per cent. of the Government's estimated total revenues in the fiscal year 2022.

Government Expenditures

The following table sets forth a breakdown of actual Government expenditures by category for the fiscal years ended 31 December 2021, 2020 and 2019, respectively, together with 2022 estimates and the budgeted figures for the fiscal year ended 31 December 2023.

	Fiscal year ended 31 December									
	2023		2022		2021		2020		2019	
	Budget		Estimate		Actual		Actual		Actual	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(SAR millions, except percentages)									
Military and security	364,000	32.7	355,000	31.4	308,377	29.7	319,182	29.7	321,280	30.3
Education	189,000	17.0	195,000	17.2	191,908	18.5	205,029	19.1	202,050	19.1
Health and social development	189,000	17.0	198,000	17.5	197,200	19.0	190,372	17.7	190,325	18.0
Economic resources and public programmes	72,000	6.5	75,000	6.6	71,068	6.8	61,463	5.7	93,527	8.8
Infrastructure and transportation	34,000	3.1	47,000	4.2	50,993	4.9	59,685	5.5	58,595	5.5
Public administration	37,000	3.3	36,000	3.2	34,165	3.3	36,218	3.4	30,929	2.9
Municipal services	63,000	5.7	61,000	5.4	38,563	3.7	47,347	4.4	49,898	4.7
General items	165,000	14.8	166,000	14.7	146,659	14.1	156,439	14.5	112,840	10.7
Total expenditure	**1,114,000**	**100.0**	**1,132,000**	**100.0**	**1,038,933**	**100.0**	**1,075,734**	**100.0**	**1,059,445**	**100.0**

Source: Ministry of Finance

The Government's total expenditures during the fiscal year 2020 were SAR 1,075.7 billion (U.S.$286.9 billion), an increase of 1.5 per cent. as compared to total expenditures of SAR 1,059.4 billion (U.S.$282.5 billion) during the fiscal year 2019, which was a decrease of 1.9 per cent. as compared to total expenditures of SAR 1,079.5 billion (U.S.$282.5 billion) during the fiscal year 2018.

The 2023 Budget estimated that the Government's total expenditures during the fiscal year 2022 were SAR 1,164.0 billion (U.S.$310.4 billion), an increase of 12.0 per cent. as compared to total expenditure of SAR 1,038.9 billion (U.S.$277.0 billion) during the fiscal year 2021. The Government's estimated total expenditures during the fiscal year 2022 were 21.9 per cent. higher than budgeted expenditure of SAR 955.0 billion (U.S.$254.7 billion) for the fiscal year.

The Government's budgeted expenditures for the fiscal year 2023 are projected to reach SAR 1,114.0 billion (U.S.$297.1 billion), representing a decrease of 4.3 per cent. compared to the expenditures of SAR 1,164.0 billion (U.S.$310.4 billion) in the fiscal year 2022. In the 2023 Budget, the Government projected a surplus of SAR 16.0 billion (U.S.$4.3 billion) in 2023, as compared to an estimated surplus of SAR 102 billion (U.S.$27.2 billion) in the fiscal year 2022.

The Government's expenditures are categorised as capital expenditures and current expenditures. The Government's capital expenditures comprised 11.3 per cent., 14.4 per cent. and 16.0 per cent. of total expenditures in the fiscal years 2021, 2020 and 2019, respectively. Based on estimated figures, the Government's capital expenditures comprised 13.3 per cent. of total expenditures in the fiscal year 2022.

The Government's current expenditures comprised 88.7 per cent., 85.6 per cent. and 84.0 per cent. of total expenditures in the fiscal years 2021, 2020 and 2019, respectively. Based on estimated figures, the Government's current expenditures comprised 86.7 per cent. of total expenditures in the fiscal year 2022.

The Government's budgeted expenditures for the fiscal year 2023 continue to prioritise efforts to implement reforms that support developing the management of the Kingdom's public finance, concurrently with achieving fiscal discipline and enhancing spending efficiency. The Government's budgeted expenditures for the fiscal year 2023 also include strategic spending to support structural change of a developmental nature, which contributes to achieving important economic and social returns in the medium- and long-term. This spending mainly aims to achieve sectoral development to diversify the economic base, and regional development to improve quality of life in the Kingdom's regions. The spending also aims to localize and develop military industries to achieve the objectives of the Kingdom's Vision 2030, while preserving the gains previously achieved on the fiscal side.

Public Investment Fund

The PIF was established by Royal Decree No. M/24 in 1971. Historically, the PIF's role was to provide loans to select projects and companies, providing financial support to initiatives of strategic importance to the national economy in which the Government was participating as an equity holder or otherwise. Over time, the PIF's role expanded to invest in companies, or establish new companies, within or outside of Saudi Arabia, either alone or in partnership with third parties from the public or private sector on behalf of the Government.

The PIF provided such financial support through loans or guarantees and, in certain instances, through allocations of public funds to specific projects. A number of key economic sectors in Saudi Arabia have received funding from the PIF in the past, including strategic projects owned by the private sector. In addition to holding major equity stakes in several listed and unlisted companies, the PIF also holds a portfolio of debt capital markets instruments.

The PIF has played an important role in the development of some of Saudi Arabia's largest listed and non-listed companies across a number of key sectors, including the following:

- *Financial services*: National Commercial Bank, Riyadh Bank, Samba Financial Group, Tadawul and Sanabil Investments;

- *Petrochemicals, utilities and mining*: International Company for Water and Power Projects ("**Acwa Power**"), The National Energy Services Company ("**Tarshid**") Super –Esco, Saudi Electricity Company, Power and Water Utility Company for Jubail and Yanbu ("**Marafiq**"), Industrialization & Energy Services Company ("**Taqa**") and Ma'aden, National Gas and Industrialisation Company ("**GASCO**");

- *Food and agriculture:* Savola Group, Saudi Fisheries, Almarai, National Agricultural Development Company ("**NADEC**"), and Saudi Agriculture and Livestock Investment Company ("**SALIC**"); and

- *Information technology, communications and telecommunications ("**ICT**")*: STC, Saudi Technology Development and Investment Company ("**Taqnia**"), Al-ELM Information Security Company ("**ELM**"), Saudi Information Technology Company ("**SITE**") and Saudi Electronic Info Exchange Company ("**Tabadul**").

The PIF funds its activities through retained earnings from investments, capital injections from the Government, Government assets transferred to the PIF and loan and debt instruments. For the year ended 31 December 2022, the PIF's dividends received from associates and joint ventures amounted to SAR 4.7 billion (U.S$1.3 billion) on a consolidated basis. For the years ended 31 December 2022 and 31 December 2021, the PIF's total dividends received (comprising: (i) dividends received from subsidiaries; (ii) dividends received from associates, and (iii) dividends received from equities) amounted to SAR 28.6 billion (U.S.$7.6 billion) and SAR 18.1 billion (U.S.$4.8 billion), respectively, each on an unconsolidated and unaudited basis.

Until 23 March 2015, the PIF was operated as a part of the Ministry of Finance with the authority to carry out the functions for which it was established. In March 2015, the PIF was affiliated with the CEDA pursuant to the Council of Ministers' Resolution 270 providing that the PIF would report to the CEDA and that the Chairman of the CEDA (H.R.H. The Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud would fulfil the role of the Chairman of the PIF). The PIF is expected to play a key role in supporting Vision 2030 objectives. The objectives of the PIF are to (a) grow the assets of the PIF, (b) unlock new sectors through the PIF, (c) localise cutting-edge technology and knowledge through the PIF and (d) build strategic economic partnerships through the PIF. The PIF intends to continue to assist the private sector with the establishment of capital-intensive projects. See "*Overview of Saudi Arabia—Strategy of Saudi Arabia—Vision 2030*".

On 24 April 2017, CEDA identified twelve executive programmes which aim to achieve the strategic goals of Vision 2030, including the initiatives and programmes that the PIF plans to launch between 2018 and 2020 (see "*Overview of Saudi Arabia—Strategy of Saudi Arabia—Vision 2030—Implementation of Vision 2030*").

In September 2018, the PIF entered into a loan agreement with a syndicate of commercial banks in relation to a U.S.$.11.0 billion and the proceeds were used for investments by the PIF. In addition, in October 2019, the PIF raised U.S.$.10 billion bridge facility in relation to the sale of SABIC to Aramco, which was repaid in August 2020.

In 2020, the Government transferred U.S.$40 billion to the PIF. In addition, on 13 February 2022, HRH The Crown Prince announced the transfer of 4 per cent. of Saudi Aramco's shares to the PIF. On 16 April 2023, HRH The Crown Prince announced a further transfer of 4 per cent. of Saudi Aramco's shares to Sanabil, a portfolio company of the PIF. The transfers were structured as private transactions between the Government and the PIF.

The scale of the PIF's current and projected asset base, and its limited level of financial leverage, provides the PIF with a considerable scope to incur indebtedness while remaining at a conservative level of leverage.

In January 2021, the Kingdom announced a five-year strategy for the PIF, including its Vision Realisation Program 2021-2025. As part of the continued implementation of Vision 2030, the PIF, among other initiatives, plans to (a) invest a minimum of U.S.$40.0 billion annually in domestic projects and investments, (b) contribute U.S.$320.0 billion to non-oil GDP cumulatively through its portfolio companies, (c) increase assets under management to over U.S.$1.07 trillion and (d) create 1.8 million direct, indirect, and induced jobs, by the end of 2025.

In March 2021, the PIF entered into a US$15 billion multi-currency revolving credit facility with a syndicate of international banks (the "**2021 RCF**"). The 2021 RCF was put in place as a liquidity tool and was renewed in March 2022 and March 2023. As at 30 June 2023, the 2021 RCF had not been drawn.

The PIF's capital structure also includes a US$17 billion international term-loan entered into with a syndicate of international banks on 7 November 2022 (the "**2022 Term Loan**").

The majority of the PIF's equity funding is SAR-denominated. The Fund's long-term funding strategy aims to re-balance this capital structure through diversifying its funding sources, including issuing debt (while retaining a conservative leverage ratio and strong credit metrics).

Over the next five years, PIF plans to focus on 13 sectors as part of its core domestic strategy: healthcare, utilities and renewables, telecommunications, media and technology, food and agriculture, automotive, transport and logistics, real estate, aerospace and defence, construction and building components and services, entertainment, leisure and sports, financial services, metals and mining and consumer goods and retail.

Tax and Zakat

The Government's revenues attributable to taxes on income, profits and capital gains in the fiscal year 2022 were recorded SAR 24.5 billion (U.S.$ 6.5 billion), an increase of 37.2 per cent. compared to SAR 17.8 billion (U.S.$4.8 billion) in the fiscal year 2021. The Government's revenues attributable to taxes on goods and services in the fiscal year 2022 were reached SAR 251.5 billion (U.S.$ 67.1 billion), compared to SAR 251.4 billion (U.S.$67.0 billion) in the fiscal year 2021. The Government's revenues attributable to taxes on international trade and transactions in the fiscal year 2022 were SAR 18.7 billion (U.S.$ 5.0 billion), a slightly increase of 0.2 per cent. compared to SAR 18.7 billion (U.S.$ 5.0 billion) in the fiscal year 2021.

In Saudi Arabia, corporate income tax is levied at a flat rate of 20.0 per cent. upon resident companies in respect of any share held by a foreign partner or shareholder, and non-residents carrying on business in Saudi Arabia through a permanent establishment. In addition, non-Saudi resident individuals, such as professionals, carrying out business activities in the Kingdom are subject to income tax at a rate of 20.0 per cent.

Income tax in Saudi Arabia is based on Income Tax Law issued by Royal Decree No. M/1, dated 15/1/1425H (corresponding to 6 March 2004), and its implementing regulations issued as per the Minister of Finance Decision No. 1535 dated 28 July 2004.

Nationals of Saudi Arabia and the other GCC countries, and companies that are wholly-owned by such individuals, are subject to zakat instead of income tax. Companies owned jointly by Saudi/GCC and non-Saudi/non-GCC nationals pay tax on the portion of income attributable to the non-Saudi/non-GCC nationals and zakat on the portion of income attributable to Saudi/GCC nationals. In general, zakat is levied at a fixed rate of 2.5 per cent. Guidance on zakat in Saudi Arabia is based on the provisions of Royal Decrees and Ministerial Resolutions that are in force.

On 1 January 2018, the Government began implementing value added tax at a basic rate of 5.0 per cent. Value added tax was further increased from 5.0 per cent. to 15 per cent. as of July 2020. Value added tax is expected to become one of the main sources of non-oil revenues in Saudi Arabia. In addition, the Kingdom has been implementing excise tax since June 2016. The Government does not currently have any plans to introduce income taxes on nationals of Saudi Arabia and the other GCC countries.

INDEBTEDNESS

Overview

The Ministry of Finance manages Saudi Arabia's external and domestic indebtedness for and on behalf of the Government.

As at 30 September 2023, Saudi Arabia's total outstanding direct indebtedness amounted to SAR 994.3 billion (U.S.$265.1 billion), comprising SAR 628.6 billion (U.S.$167.6 billion) of domestic indebtedness and SAR 365.6 billion (U.S.$97.5 billion) of external indebtedness. As at 31 December 2021, Saudi Arabia's total outstanding direct indebtedness amounted to SAR 938.0 billion (U.S.$250.1 billion), comprising SAR 558.7 billion (U.S.$149.0 billion) of domestic indebtedness and SAR 379.3 billion (U.S.$101.1 billion) of external indebtedness compared to total outstanding direct indebtedness of SAR 853.5 billion (U.S.$227.6 billion) as at 31 December 2020, comprising SAR 502.7 billion (U.S.$134.1 billion) of domestic indebtedness and SAR 350.9 billion (U.S.$93.6 billion) of external indebtedness and total outstanding direct indebtedness of SAR 677.9 billion (U.S.$180.8 billion) as at 31 December 2019, comprising SAR 372.8 billion (U.S.$99.4 billion) of domestic indebtedness and SAR 305.2 billion (U.S.$81.4 billion) of external indebtedness.

Until mid-2014, rising oil prices and production resulted in large external and fiscal surpluses for over a decade and, as a result, Saudi Arabia's indebtedness steadily decreased during that period. Accumulated fiscal surpluses enabled the Government to reduce its indebtedness by 93.5 per cent. from SAR 685.2 billion (U.S.$182.7 billion) in 2002 to SAR 44.3 billion (U.S.$11.8 billion) in the year ended 31 December 2014. As a consequence, Saudi Arabia's debt-to-GDP ratio decreased from 96.4 per cent. of nominal GDP in 2003 to 1.6 per cent. of nominal GDP in the year ended 31 December 2014, one of the lowest of any country in the world, according to the 2015 Financial Stability Report published by SAMA.

However, since mid-2014, the global oil market environment has changed substantially, with a significant decline in oil prices. Given the significant contribution of the oil sector to Saudi Arabia's economy, this resulted in substantially lower export and Government revenues. As a result, in the fiscal year 2014, the Government recorded an actual budget deficit of 3.5 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2014. In the fiscal year 2015, this increased to an actual budget deficit equivalent to 15.8 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2015. In the fiscal year 2016, the Government's actual deficit decreased to 12.9 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2016, excluding an expenditure amount of SAR 105.0 billion (U.S.$28.0 billion) during the fiscal year relating to settling due payments from prior years. In the fiscal years 2017, 2018 and 2019, the Government's actual deficit further decreased to 9.2 per cent., 5.9 per cent. and 4.5 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2017, 2018 and 2019, respectively. The decrease in the budget deficit can principally be attributed to the Government's implementation of various fiscal control measures. The budget deficit for the fiscal year 2020 substantially increased to 11.2 per cent. of Saudi Arabia's nominal GDP for the year ended 31 December 2020 due to the impact of the COVID-19 pandemic and the lower oil price environment. Saudi Arabia's deficit for the year 2021 decreased to SAR 73.4 billion (U.S.$19.8 billion), primarily due to economic recovery and higher oil prices compared to the previous year. Saudi Arabia achieved a budget surplus for the year 2022 of SAR 104.0 billion (U.S.$27.7 billion), primarily due to increases in oil revenues. For fiscal year 2023, the Ministry of Finance estimates the Government's budget will record a deficit of approximately SAR 82.0 billion (U.S.$21.9 billion), primarily as a result of accelerating the implementation of social and economic projects and programs.

In July 2015, Saudi Arabia resumed issuing SAR denominated bonds to government agencies and local banks in the domestic market for the first time since 2005, issuing SAR 98.0 billion (U.S.$26.1 billion) of local bonds in the domestic market in the year ended 31 December 2015 and a further SAR 97.0 billion (U.S.$25.9 billion) of local bonds in the domestic market in the year ended 31 December 2016. In July 2017, Saudi Arabia (acting through the Ministry of Finance) established a Saudi-Riyal denominated sukuk programme (the "**Local Sukuk Programme**") to allow Saudi Arabia to issue local sukuk in the domestic market and subsequently issued

sukuk in an aggregate amount of SAR 467.9 billion (U.S.$124.8 billion) outstanding amount as at 31 December 2023 under the Local Sukuk Programme.

Saudi Arabia has also raised external indebtedness. In May 2016, Saudi Arabia borrowed U.S.$10.0 billion under a five-year term loan facility extended by a syndicate of commercial banks which was further increased to U.S.$16.0 billion in March 2018. The loan settled in March 2023. In December 2023, Saudi Arabia finalized an arrangement to secure a U.S.$11.0 billion syndicated loan to accelerate development and infrastructure projects.

On 10 October 2016, Saudi Arabia (acting through the Ministry of Finance) established the Global Medium Term Note Programme (the "**GMTN Programme**"), and in October 2016 issued notes in an aggregate amount of U.S.$17.5 billion. Saudi Arabia conducted further issuances of notes under the GMTN Programme in aggregate amounts of U.S.$12.5 billion in October 2017, U.S.$11.0 billion in April 2018, U.S.$7.5 billion in January 2019, EUR 3.0 billion in July 2019, U.S.$5.0 billion in February 2020, U.S.$7.0 billion in April 2020, U.S.$ 5.0 billion in February 2021, EUR 1.5 billion in March 2021, and U.S.$1.3 billion in November 2021.

On 4 April 2017, Saudi Arabia (acting through the Ministry of Finance) established the Trust Certificate Issuance Programme and on 20 April 2017 issued Trust Certificates in an aggregate amount of U.S.$9.0 billion. Saudi Arabia conducted further issuances of certificates under the Trust Certificate Issuance Programme in an aggregate amount of U.S.$2.0 billion in September 2018, U.S.$2.5 billion in October 2019 and U.S.$2.0 billion in November 2021. See " *—External Indebtedness*" below.

In October 2020, Saudi Arabia (acting through the Ministry of Finance) entered into an export credit agency loan for a total amount of U.S.$258.0 million, to be amortized over seven years, of which U.S.$189.1 million is outstanding as of June 2022.

In January 2021, Saudi Arabia (acting through the Ministry of Finance) entered into a long-term financing agreement for a total amount of U.S.$3.0 billion, to be amortized over ten years with Korea Trade Insurance Corporation, of which U.S.$ 2.9 billion is outstanding as of June 2022.

The Government plans to continue raising further indebtedness in the domestic and international markets, mainly to refinance debt maturities. The Government is progressing several initiatives and reforms to achieve fiscal sustainability and build a framework that organises fiscal policy in the medium and long terms, as an extension of the Fiscal Sustainability Programme. Pursuant to these initiatives, the Government projected the debt to GDP ratio to be equal to or less than 25.4 per cent. by financial year 2024.

The following table sets forth Saudi Arabia's total outstanding direct indebtedness (external and domestic) as at, and for, the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively, in addition to 30 September 2023.

	As at nine months ended 30 September	As at 31 December				
	2023	2022	2021	2020	2019	2018
	(SAR billions, except percentages)					
Borrowed during period	129.3[3]	125.4[2]	157.9[1]	220.0	120.0	120.0
Repaid during period	125.1[3]	73.3[2]	73.4[1]	44.4	2.0	3.3
Indebtedness outstanding at end of period	**994.3**	**990.1**	938.0	**853.5**	**677.9**	**560.0**
Change (%)	0.4	5.6	9.9	25.9	21.1	26.3
GDP at current prices	4,136	4,157	3,278	2,754	3,145	3,175
Ratio of public debt to nominal GDP (%)	24.0[5]	23.8[4]	28.6	31.0	21.7	17.6

Source: Ministry of Finance, GASTAT

Notes:

(1) Includes SAR 33 billion related to a switch transaction executed in 2021.
(2) Includes SAR 26 billion related to a switch transaction executed in 2022.
(3) Includes SAR 35.96 billion related to a switch transaction executed in 2023.
(4) As per the Budget Statement for the fiscal year 2023.
(5) As per the Pre-Budget Statement for the fiscal year 2024.

External Indebtedness

As at 30 September 2023, Saudi Arabia's total external indebtedness amounted to SAR 365.6 billion (U.S.$97.5 billion). As at 31 December 2021, Saudi Arabia's total external indebtedness amounted to SAR 379.3 billion (U.S.$101.1 billion), compared to SAR 350.9 billion (U.S.$93.6 billion) as at 31 December 2020, total external indebtedness of SAR 305.2 billion (U.S.$81.4 billion) as at 31 December 2019 and total external indebtedness of SAR 255.0 billion (U.S.$68.0 billion) as at 31 December 2018. The following table sets forth a breakdown of Saudi Arabia's outstanding direct external borrowing (excluding debt of Government-related entities) as at 30 September 2023:

	Maturity	Principal amount	
		(SAR millions)	(U.S.$ millions)
Global medium term notes (Series 2)	2026	19,546	5,212
Global medium term notes (Series 3)	2046	24,375	6,500
Global medium term notes (Series 5)	2028	18,750	5,000
Global medium term notes (Series 6)	2047	16,875	4,500
Global medium term notes (Series 7)	2025	15,940	4,250
Global medium term notes (Series 8)	2030	11,250	3,000
Global medium term notes (Series 9)	2049	13,125	3,500
Global medium term notes (Series 10)	2029	15,000	4,000
Global medium term notes (Series 11)	2050	13,125	3,500
Global medium term notes (Series 12)	2027	4,687	1,250
Global medium term notes (Series 13)	2039	8,441	2,251
Global medium term notes (Series 14)	2027	4,688	1,250
Global medium term notes (Series 15)	2032	3,750	1,000
Global medium term notes (Series 16)	2055	10,313	2,750
Global medium term notes (Series 17)	2025	9,004	2,401
Global medium term notes (Series 18)	2030	5,625	1,500
Global medium term notes (Series 19)	2060	11,250	3,000
Global medium term notes (Series 20)	2061	8,438	2,250
Global medium term notes (Series 21)	2033	10,313	2,750
Global medium term notes (Series 22)	2024	4,513	1,203
Global medium term notes (Series 23)	2030	2,257	601.7
Global medium term notes (Series 24)	2051	4,688	1,250
Global medium term notes (Series 25)	2032	9,375	2,500
Global medium term notes (Series 26)	2028	12,187.5	3,250
Global medium term notes (Series 27)	2034	13,125	3,500
Global medium term notes (Series 28)	2053	12,187.5	3,250
Trust certificate issuance certificates (series 2)	2027	16,875	4,500
Trust certificate issuance certificates (series 3)	2029	7,500	2,000
Trust certificate issuance certificates (series 4)	2029	9,375	2,500
Trust certificate issuance certificates (series 5)	2031	7,500	2,000
Trust certificate issuance certificates (series 6)	2028	9,375	2,500
Trust certificate issuance certificates (series 7)	2029	11,250	3,000
Trust certificate issuance certificates (series 8)	2033	11,250	3,000
Export credit agency loan	2027	510	136
Long term financing agreement	2032	10,255	2,735
Total external indebtedness		**366,718**	**97,790**

Source: Ministry of Finance

In May 2016, Saudi Arabia entered into a facility agreement with a syndicate of commercial banks in relation to a U.S.$10.0 billion term loan facility. The facility was increased to U.S.$16.0 billion in March 2018 and its maturity was extended to 2023. The stated maturity of this loan facility is five years and the loan is repayable in full on maturity.

On 10 October 2016, Saudi Arabia (acting through the Ministry of Finance) established the GMTN Programme and on 26 October 2016 issued an aggregate amount of U.S.$17.5 billion notes under the GMTN Programme,

comprising U.S.$5.5 billion fixed-rate notes with a five-year tenor and carrying a coupon of 2.375 per cent. (payable semi-annually in arrear), which matured in October 2021, U.S.$5.5 billion fixed-rate notes with a ten-year tenor and carrying a coupon of 3.25 per cent. (payable semi-annually in arrear) and U.S.$6.5 billion fixed-rate notes with a 30-year tenor and carrying a coupon of 4.5 per cent. (payable semi-annually in arrear).

On 4 October 2017, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate amount of U.S.$12.5 billion notes under the GMTN Programme, comprising U.S.$3.0 billion fixed-rate notes with a 5.5-year tenor and carrying a coupon of 2.875 per cent. (payable semi-annually in arrear), U.S.$5.0 billion fixed-rate notes with a 10.5-year tenor and carrying a coupon of 3.625 per cent. (payable semi-annually in arrear) and U.S.$4.5 billion fixed-rate notes with a 30-year tenor and carrying a coupon of 4.625 per cent. (payable semi-annually in arrear), in each case admitted to the official list and admitted to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**").

On 17 April 2018, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of U.S.$11.0 billion notes under the GMTN Programme, comprising U.S.$4.5 billion fixed-rate notes with a seven-year tenor and carrying a coupon of 4.0 per cent. (payable semi-annually in arrear), U.S.$3.0 billion fixed-rate notes with a 12-year tenor and carrying a coupon of 4.5 per cent. (payable semi-annually in arrear) and U.S.$3.5 billion fixed-rate notes with a 31-year tenor and carrying a coupon of 5.0 per cent. (payable semi-annually in arrear), in each case admitted to the official list and admitted to trading on the regulated market of Euronext Dublin.

On 16 January 2019, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of U.S.$7.5 billion notes under the GMTN Programme, comprising U.S.$4.0 billion fixed-rate notes with a 10.25-year tenor and carrying a coupon of 4.375 per cent. (payable semi-annually in arrear), U.S.$3.5 billion fixed-rate notes with a 31-year tenor and carrying a coupon of 5.25 per cent. (payable semi-annually in arrear), in each case admitted to the official list and admitted to trading on the regulated market of Euronext Dublin.

On 9 July 2019, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of EUR3.0 billion notes under the GMTN Programme, comprising EUR1.0 billion fixed-rate notes with an eight-year tenor and carrying a coupon of 0.750 per cent. (payable annually in arrear), EUR2.0 billion fixed-rate notes with a 20-year tenor and carrying a coupon of 2.0 per cent. (payable annually in arrear), in each case admitted to the Official List and admitted to trading on the main market of the London Stock Exchange.

On 3 February 2020, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of U.S.$5.0 billion notes under the GMTN Programme, comprising U.S.$1.25 billion fixed-rate notes with a seven-year tenor and carrying a coupon of 2.500 per cent. (payable semi-annually in arrear), U.S.$1.0 billion fixed-rate notes with a 12-year tenor and carrying a coupon of 2.750 per cent. (payable semi-annually in arrear) and U.S.$2.75 billion fixed-rate notes with a 35-year tenor and carrying a coupon of 3.750 per cent. (payable semi-annually in arrear), in each case admitted to the Official List and admitted to trading on the main market of the London Stock Exchange.

On 22 April 2020, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of U.S.$7.0 billion notes under the GMTN Programme, comprising U.S.$2.5 billion fixed-rate notes with a 5.5-year tenor and carrying a coupon of 2.900 per cent. (payable semi-annually in arrear), U.S.$1.5 billion fixed-rate notes with a 10.5-year tenor and carrying a coupon of 3.25 per cent. (payable semi-annually in arrear) and U.S.$3.0 billion fixed-rate notes with a 40-year tenor and carrying a coupon of 4.500 per cent. (payable semi-annually in arrear), in each case admitted to the Official List and admitted to trading on the main market of the London Stock Exchange.

On 2 February 2021, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of U.S.$5.0 billion notes under the GMTN Programme, comprising U.S.$2.25 billion fixed-rate notes with a 40-year tenor and carrying a coupon of 3.450 per cent. (payable semi-annually in arrear) and U.S.$2.75 billion fixed-rate notes with a 12-year tenor and carrying a coupon of 2.250 per cent. (payable annually in arrear), in each case admitted to the Official List and admitted to trading on the main market of the London Stock Exchange.

On 3 March 2021, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of EUR1.5 billion notes under the GMTN Programme, comprising EUR1.0 billion fixed-rate notes with an 3-year tenor and carrying a coupon of 0.000 per cent. (payable annually in arrear), and EUR500 million fixed-rate notes with a 9-year tenor and carrying a coupon of 0.625 per cent. (payable annually in arrear), in each case admitted to the Official List and admitted to trading on the main market of the London Stock Exchange.

On 17 November 2021, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of U.S.$1.3 billion notes under the GMTN Programme, comprising U.S.$1.3 billion fixed-rate notes with an 30-year tenor and carrying a coupon of 3.25 per cent. (payable semi-annually in arrear), admitted to the Official List and admitted to trading on the main market of the London Stock Exchange.

In January 2023, Saudi Arabia (acting through the Ministry of Finance) issued U.S. dollar-denominated notes in an aggregate amount SAR 37.5 billion (U.S.$10.0 billion) (in three tranches maturing in January 2028, July 2033 and January 2053 and carrying a coupon of 4.75 per cent., 4.88 per cent. and 5.00 per cent., respectively), under the Global Medium Term Note Programme.

On 4 April 2017, Saudi Arabia (acting through the Ministry of Finance) established the Trust Certificate Issuance Programme and on 20 April 2017, issued an aggregate of U.S.$9.0 billion of trust certificates, comprising U.S.$4.5 billion fixed-rate trust certificates with a five-year tenor and carrying a coupon of 2.894 per cent. (payable semi-annually in arrear) and U.S.$4.5 billion fixed-rate trust certificates with a ten-year tenor and carrying a coupon of 3.628 per cent. (payable semi-annually in arrear), in each case admitted to the official list and admitted to trading on the regulated market of Euronext Dublin.

On 19 September 2018, Saudi Arabia (acting through the Ministry of Finance) issued U.S.$2.0 billion of fixed-rate trust certificates under the Trust Certificate Issuance Programme with a 10.25-year tenor and carrying a coupon of 4.303 per cent. (payable semi-annually in arrear), admitted to the Official List and admitted to trading on the main market of the London Stock Exchange.

On 29 October 2019, Saudi Arabia (acting through the Ministry of Finance) issued U.S.$2.5 billion of fixed-rate trust certificates under the Trust Certificate Issuance Programme with a ten-year tenor and carrying a coupon of 2.969 per cent. (payable semi-annually in arrear), admitted to the Official List and admitted to trading on the main market of the London Stock Exchange.

On 17 November 2021, Saudi Arabia (acting through the Ministry of Finance) issued U.S.$2.0 billion of fixed-rate trust certificates under the Trust Certificate Issuance Programme with a 9.5-year tenor and carrying a coupon of 2.25 per cent. (payable semi-annually in arrear), admitted to the Official List and admitted to trading on the main market of the London Stock Exchange.

In October 2022, Saudi Arabia (acting through the Ministry of Finance) conducted a buyback in an aggregate amount of SAR 4.7 billion (U.S. $1.2 billion) of notes under the GMTN Programme maturing in 2023, April 2025, October 2025 and 2026. In addition, Saudi Arabia issued U.S. dollar-denominated certificates in an aggregate amount of SAR 9.38 billion (U.S.$2.5 billion) (in one tranche maturing in 2028 and carrying a coupon of 5.27 per cent.), under the Trust Certificate Issuance Programme and issued U.S. dollar-denominated notes in an aggregate amount of SAR 9.38 billion (U.S.$2.5 billion) (in one tranche maturing in 2032 and carrying a coupon of 5.50 per cent.), under the Global Medium Term Note Programme.

In May 2023, Saudi Arabia (acting through the Ministry of Finance) issued U.S-dollar denominated certificates in an aggregate amount of SAR 22.5 billion (U.S.$6.0 billion) (in two tranches maturing in 2029 and 2033 and carrying a coupon of 4.27 per cent. and 4.51 per cent., respectively) under its Sukuk Trust Certificate Programme.

In October 2023, Saudi Arabia (acting through the National Debt Management Center), finalized an arrangement to secure U.S.$11 billion in a 10-year syndicated term loan facility.

Domestic Indebtedness

As at 30 September 2023, Saudi Arabia's total domestic indebtedness amounted to SAR 628.6 billion (U.S.$ 167.6 billion). As at 31 December 2022, Saudi Arabia's total domestic indebtedness amounted to SAR 615.0 billion (U.S.$164.0 billion), compared to SAR 558.7 billion (U.S.$149.0 billion) as at 31 December 2021, SAR 502.6 billion (U.S.$134.1 billion) as at 31 December 2020, SAR 372.8 billion (U.S.$99.4 billion) as at 31 December 2019, and SAR 305.0 billion (U.S.$81.3 billion) as at 31 December 2018.

In July 2017, Saudi Arabia (acting through the Ministry of Finance) established the Local Sukuk Programme to allow Saudi Arabia to issue local sukuk in the domestic market. As of December 2023, the aggregate amount outstanding under the Local Sukuk Programme amounted to SAR 467.9 billion (U.S.$124.8 billion), compared to SAR 615.0 billion (U.S.$164.0 billion) as at 31 December 2022.

The following table sets forth a breakdown of Saudi Arabia's outstanding direct domestic borrowing (in primary local markets excluding switch transactions) by creditor type, as at, and for, the years ended 31 December 2022, 2021, 2020, 2019 and 2018, respectively, in addition to 30 September 2023.

	As at the nine months ended 30 September	As at, and for the year ended, 31 December				
	2023	2022	2021	2020	2019	2018
			(SAR millions)			
Government Institutions	6,426	17,169	22,837	41,770	9,317	9,115
Local Banks	17,552	51,195	50,135	42,256	54,206	39,600
Foreign Investors	672	200	80	81	50	–
Individuals	4	4	31	4	8	–
Investment Companies and Mutual Funds	674	444	2,264	602	1,905	35
Companies	255	329	624	326	4,352	–
Total Issuances	**25,583**	**69,341**	**75,971**	**85,039**	**69,838**	**48,750**

Source: National Debt Management Center
Note:
Figures are rounded.

The Ministry of Finance signs a number of financing agreements with several local banks amounting to SAR 25 billion (U.S.$ 6.67 billion) to execute various infrastructure projects scheduled to start in 2023 and 2024 to expedite the implementation of these projects. The National Debt Management Center arranged for those financings in accordance with the Ministry of Finance aim towards enabling and supporting strategic infrastructure projects in line with the Kingdom's 2030 Vision. As at 30 September 2023, the utilization amount is SAR 8.8 billion (U.S.$ 2.3 million).

Guarantees and other Contingent Liabilities

As at 30 September 2023, the Government had provided the following guarantees in respect of the indebtedness of Government-owned entities:

- guarantees by the Ministry of Finance in respect of the 7-year SAR 1.0 billion (U.S.$266.5 million) sukuk and the 10-year SAR 3.0 billion (U.S.$799.6 million) sukuk, sharing the same issuance date in March 2021, a 10-year SAR 2 billion (U.S.$533.1 million) sukuk issued in December 2021, an 8-year SAR 4 billion (U.S.$1.07 billion) sukuk issued in April 2022, a 10-year SAR 3 billion (U.S.$799.6 million) sukuk issued in September 2022 and a 10-year SAR 3.5 billion (U.S.$933.3 million) sukuk issued in May 2023 by the Saudi Real Estate Refinancing Company, in addition to a 5-year SAR 2 billion (U.S.$533.1 million) and a 7-year SAR 1.5 billion (U.S.$400 million) sukuk issued in November 2023 by Saudi Real Estate Refinancing and;

- guarantees by the Ministry of Finance in respect of the 10-year SAR 15.2 billion (U.S.$4.1 billion) sukuk issued by GACA in October 2013, respectively; and

- a guarantee in respect of Saudia's operating costs in connection with the Prince Mohammed bin Abdulaziz Airport in Medina, which is counter-guaranteed by receivables from Saudia.

Credit rating

Saudi Arabia has been assigned credit ratings by Moody's and Fitch. S&P also assigns a credit rating to Saudi Arabia on an unsolicited basis. The following table sets forth the credit rating assigned to Saudi Arabia by each of these rating agencies:

	Moody's	Fitch	S&P (unsolicited)
Long-term foreign currency	A1	A+	A
Outlook.....	Positive	Stable	Stable

The credit rating assigned to Saudi Arabia by Moody's is a result of a downgrade from Aa3 to the A1 in May 2016. Furthermore, in February 2016, S&P, which rates Saudi Arabia on an unsolicited basis, cut Saudi Arabia's foreign and local currency credit ratings by two levels from A+/A-1 (Negative) to A−/A-2 (Stable). For each of these rating downgrades, the relevant ratings agency cited a fall in oil prices having led to a material deterioration in Saudi Arabia's credit profile and the expectation of an increased Government budget deficit. In May 2020, Moody's affirmed Saudi Arabia's A1 rating, while revising its outlook from stable to negative and in November 2020, Fitch affirmed Saudi Arabia's A rating while revising its outlook from stable to negative as a result of fluctuations in oil demand and price, triggered in part, by the COVID-19 pandemic and its effect on various macroeconomic indicators, including Government revenues and Government debt. In June 2021, Moody's updated its credit rating for Saudi Arabia, affirming its A1 rating and changing the negative outlook to a stable outlook, citing that it expects the Saudi economy to return to positive growth in 2021, the fiscal deficit to shrink and the level of debt to reduce in the medium term. In July 2021, Fitch affirmed Saudi Arabia's A rating while revising its outlook from negative to stable, citing prospects of a smaller budget deficit owing to improvements in the oil price environment and the Government's continued commitment to fiscal consolidation and economic reform. In November 2021, Moody's revised Saudi Arabia's outlook from negative to stable, citing the increased likelihood that the government will reverse most of the 2020 increase in its debt burden while also preserving its fiscal buffers. In March 2022, S&P affirmed Saudi Arabia's A− credit rating while revising its outlook to positive citing the economic recovery following the pandemic and higher oil prices. In April 2022, Fitch affirmed Saudi Arabia's A rating while revising its outlook from stable to positive, citing improvements in the sovereign balance sheet given higher oil revenues and the Kingdom's commitment to fiscal consolidation. In March 2023, Moody's affirmed Saudi Arabia's A1 rating while revising its outlook from stable to positive while S&P also revised the Kingdom's rating to A and revised its outlook from positive to stable. Both Moody's and S&P cited improvements to Saudi Arabia's economy and its fiscal stance and debt management as reasons for their credit rating revisions. In April 2023, Fitch upgraded the Kingdom's credit rating from A to A+ (stable), citing the Kingdom's efforts to diversify its economy away from a reliance on oil sales and its reserves. In September 2023, S&P affirmed Saudi Arabia's rating as A and affirmed its outlook as stable.

Public Debt Management

In 2016, Saudi Arabia established the Debt Management Office (the "**DMO**") within the Ministry of Finance, which is responsible for, among other things, managing all aspects of borrowing by the Government, including new issuances and risk management. In addition, the DMO is responsible for managing the Government's relationship with the bond rating agencies. Pursuant to a Ministers Resolution in October 2019, the DMO was converted into an independent centre and renamed the National Debt Management Centre.

Debt Record

During the last 20 years prior to the date of this Base Prospectus, Saudi Arabia has paid all principal and interest payments in respect of its outstanding borrowings when they fell due and has not entered into any restructuring arrangements with its creditors to defer the repayment of its borrowings.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions).

Master Murabaha Agreement

The Master Murabaha Agreement was entered into on 7 September 2018 by the Trustee (as the Seller) and the Kingdom acting through the Ministry of Finance (as the Purchaser). Pursuant to the terms of the Master Murabaha Agreement, the Seller will, in respect of each Tranche of Trust Certificates to be issued and at the written request of the Purchaser (in the form of an irrevocable purchase order with promise to purchase), use no more than 49 per cent. of the proceeds from the issuance of such Tranche (such percentage to be set out in the Final Terms for each Tranche of Trust Certificates) to purchase, on the relevant Issue Date, commodities (which may comprise one, or a combination, of copper, platinum, palladium, zinc, lead, aluminium, aluminium alloy, iridium, nickel or rhodium) (the "**Commodities**"). The purchase order with promise to purchase will contain a promise from the Purchaser to purchase the Commodities for the Deferred Sale Price after the Commodities have been purchased by, or on behalf of, the Seller from the relevant Supplier.

The Seller may appoint a Commodities Broker to act as its independent agent on, or prior to, a proposed Settlement Date, for the sole purpose of purchasing from a supplier, the Commodities that the Seller will on-sell to the Purchaser pursuant to the relevant Murabaha Transaction.

Immediately upon completion of the purchase of the relevant Commodities and gaining title thereto and (actual or constructive) possession thereof by the Seller, the Seller shall, pursuant to the Master Murabaha Agreement, confirm to the Purchaser, by delivering a form of confirmation of terms, that the Commodities have been purchased and confirm the terms that will apply to the Murabaha Transaction.

The Purchaser will then offer to purchase such Commodities from the Seller on deferred payment terms by delivering a notice of offer to purchase to the Seller, pursuant to which the Purchaser will irrevocably undertake to purchase the relevant Commodities from the Seller on the terms set out in the confirmation of terms. A Murabaha Transaction will be created between the Seller and the Purchaser upon the Seller signing the relevant notice of acceptance of offer, with ownership of, and all risks in and to, the relevant Commodities together with all rights and obligations relating thereto passing to the Purchaser. The Purchaser may keep or on-sell any Commodities which are the subject of a Murabaha Transaction to a third party (other than the original supplier).

The Purchaser will agree in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement (including payments under each Murabaha Transaction) will be made without any deductions or withholding for or on account of any tax unless required by law and without set-off or counterclaim and, in the event that there is any deduction, withholding, set off or counterclaim, the Purchaser shall pay all additional amounts as will result in the receipt by the Seller of such net amounts as would have been received by it if no withholding, deduction, set-off or counterclaim had been made.

Upon the creation of a Murabaha Transaction, the Purchaser will be irrevocably and unconditionally obliged to pay to the Seller the relevant Deferred Sale Price in respect of the relevant Commodities on each Deferred Sale Price Payment Date.

The Master Murabaha Agreement, and all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English law.

Primary Mudaraba Agreement

The Primary Mudaraba Agreement was entered into on 7 September 2018 by the Trustee (in its capacity as the Primary Rab-ul-Maal) and the Onshore Investment Vehicle (in its capacity as the Primary Mudareb).

Pursuant to the terms of the Primary Mudaraba Agreement, the Primary Rab-ul-Maal will provide the Mudaraba Investment Amount to the Primary Mudareb to be applied as the capital of the Primary Mudaraba constituted in respect of the relevant Tranche of Trust Certificates and invested in a further mudaraba (the Infrastructure Mudaraba) to be managed by the Kingdom.

The Primary Mudareb shall perform its duties under the Primary Mudaraba Agreement in accordance with all applicable laws and regulations, with the degree of skill and care that it would exercise in respect of its own assets.

On a Dissolution Date, following the redemption of the Trust Certificates in full and after the date on which all amounts owing to the Certificateholders under that Series of Trust Certificates have been paid in full and only after liquidation of the Infrastructure Mudaraba(s) relating to the relevant Series of Trust Certificates pursuant to the terms of the Infrastructure Mudaraba Agreement, the Primary Mudareb shall liquidate the Primary Mudaraba(s) relating to such Series of Trust Certificates and the proceeds of such liquidation shall be applied, to the extent required (without double counting), towards payment of the amount then due and payable to the relevant Transaction Account in respect of such Series pursuant to Clause 4.3 (*Payment of Primary Rab-ul-Maal Profit*) of the Primary Mudaraba Agreement. The balance of any proceeds of liquidation of the relevant Primary Mudaraba(s) will be retained by the Primary Mudareb as an incentive fee for its own account.

The Primary Mudaraba Agreement and all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, the laws of the Kingdom.

Infrastructure Mudaraba Agreement

The Infrastructure Mudaraba Agreement was entered into on 7 September 2018 by the Onshore Investment Vehicle (in its capacity as the Infrastructure Rab-ul-Maal) and the Kingdom (in its capacity as the Infrastructure Mudareb).

Pursuant to the terms of the Infrastructure Mudaraba Agreement, the Infrastructure Rab-ul-Maal will provide the Infrastructure Investment Amount to the Infrastructure Mudareb to be applied as the capital of the Infrastructure Mudaraba constituted in respect of the relevant Tranche of Trust Certificates and the Infrastructure Mudareb shall invest the Infrastructure Investment Amount on behalf of the Infrastructure Rab-ul-Maal in various infrastructure projects being undertaken by the Kingdom.

In respect of each Infrastructure Mudaraba, the Mudareb will be provided with the authority by the Rab-ul-Maal to choose the infrastructure projects into which it will invest the Infrastructure Investment Amount and undertake a valuation (if required). The Infrastructure Mudareb will have the discretion, at any time, to substitute any part of the Investment Portfolio for interests in other infrastructure projects being undertaken by the Kingdom.

The Infrastructure Mudareb shall perform its duties under the Infrastructure Mudaraba Agreement in accordance with all applicable laws and regulations, with the degree of skill and care that it would exercise in respect of its own assets. Pursuant to the Infrastructure Mudaraba Agreement, the Infrastructure Mudareb will be required to provide certain information in respect of the Investment Portfolio to the Infrastructure Rab-ul-Maal, copied to the Trustee, on the Issue Date and on an annual basis thereafter, as further set out in the Infrastructure Mudaraba Agreement.

The Infrastructure Mudareb shall use reasonable efforts to ensure that the value of the Investment Portfolio in respect of each Tranche should not be less than 33 per cent. of the value of the Trust Assets. For the avoidance of doubt, a breach of this obligation does not constitute a Dissolution Event pursuant to Condition 14 (*Dissolution Events*).

The Infrastructure Mudareb shall have the right, but not the obligation, to purchase any part of, or all of, the Investment Portfolio. The purchase price (the "**Infrastructure Project Purchase Price**") payable by the Infrastructure Mudareb for the relevant infrastructure projects included in the Investment Portfolio (or part

thereof) shall be equal to the value of such infrastructure projects as determined on the most recent constructive liquidation of the Investment Portfolio, plus a profit amount equal to the Infrastructure Project Profit Percentage of such value. The Infrastructure Project Purchase Price shall be reinvested in infrastructure projects being undertaken by the Kingdom in accordance with the terms of the Infrastructure Mudaraba Agreement.

The Infrastructure Rab-ul-Maal shall acknowledge that under no circumstances shall it have any right to take possession of the Investment Portfolio or cause the sale or other disposition of any of the Investment Portfolio. The sole right of the Infrastructure Rab-ul-Maal against the Infrastructure Mudareb shall be to enforce the obligations of the Infrastructure Mudareb under the Infrastructure Mudaraba Agreement.

On a Dissolution Date, by not later than 10.00 a.m. (Local Time), the Infrastructure Mudareb shall liquidate the Investment Portfolio(s) relating to the relevant Series of Trust Certificates at their respective liquidation value(s) based on book value (as determined by the Infrastructure Mudareb (acting reasonably)) and the proceeds of such liquidation shall be credited to the relevant Collection Account(s). Following the redemption of the Trust Certificates and after the date on which all amounts owing to the Certificateholders under that Series of Trust Certificates have been paid in full, the balance of the monies (if any) standing to the credit of the relevant Collection Accounts will be retained by the Infrastructure Mudareb as an incentive fee for its own account.

The Infrastructure Mudaraba Agreement and all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, the laws of the Kingdom.

Declaration of Trust

The Master Declaration of Trust was executed as a deed on 7 September 2018 by the Trustee, the Kingdom acting through the Ministry of Finance and the Delegate, as supplemented by a supplemental master declaration of trust 25 October 2019, a second supplemental master declaration of trust dated 17 February 2021, a third supplemental master declaration of trust dated 18 October 2022 and a fourth supplemental master declaration of trust dated 11 January 2024. A Supplemental Declaration of Trust between the same parties will be entered into on the Issue Date of each Tranche. The Master Declaration of Trust (as so supplemented) and the relevant Supplemental Declaration of Trust (together, the "**Declaration of Trust**") shall together constitute the Trust declared by the Trustee in relation to such Series.

The Kingdom has undertaken as sole, original and independent obligations, in the Master Declaration of Trust, to the Trustee and the Delegate, that if, on any Periodic Distribution Date, the Scheduled Dissolution Date or any earlier Dissolution Date, and after payment of all amounts due and payable on such Periodic Distribution Date, Scheduled Dissolution Date or earlier Dissolution Date (as applicable) under the Master Murabaha Agreement, any Murabaha Transaction and the Primary Mudaraba Agreement (the "**Transaction Payments**") have been received into the Transaction Account: (i) the monies standing to the credit of the Transaction Account (after payment in full of the relevant Transaction Payments) are insufficient to enable the Trustee (or the Principal Paying Agent on its behalf) to pay in full on such Periodic Distribution Date, Scheduled Dissolution Date or earlier Dissolution Date (as applicable) the amounts due and payable to the Certificateholders pursuant to Conditions 7.8(a)(iii) to 7.8(a)(v) inclusive (such shortfall, the "**Shortfall Amount**"); and (b) provided only that such Shortfall Amount arises as a result of a deduction being required to be made from the Transaction Account on such Periodic Distribution Date, Scheduled Dissolution Date or earlier Dissolution Date (as applicable) due to the Kingdom's failure to otherwise pay the relevant amounts referred to in Conditions 7.8(a)(i) and 7.8(a)(ii), which the Kingdom has undertaken to pay under the Transaction Documents, then the Kingdom will: (i) forthwith pay to the Transaction Account an amount equal to the Shortfall Amount; and (ii) upon demand by the Delegate or the Trustee, indemnify the Trustee and the Delegate (on behalf of itself (where applicable) and the Certificateholders) against all properly incurred Liabilities to which it may be subject or which it may incur in respect of any non-payment of any amounts due under Conditions 7.8(a)(i) and 7.8(a)(ii).

The Kingdom has undertaken, in the Master Declaration of Trust, that if the Onshore Investment Vehicle becomes subject to any obligation to pay zakat to the Zakat, Tax and Customs Authority ("**ZATCA**") (formerly the General Authority for Zakat and Tax), it will pay to the ZATCA an amount equal to such zakat obligation in satisfaction of the Onshore Investment Vehicle's obligation to make such a payment.

The Trust Assets in respect of each Series comprise all of the Trustee's rights, title, interest and benefit, present and future, in, to and under: (i) the relevant Murabaha Assets and the Mudaraba Assets; (ii) the Transaction Documents (other than (i) in relation to any representations given to the Trustee and/or the Delegate by the Kingdom pursuant to the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents and (ii) the covenant given to the Trustee and/or the Delegate pursuant to Clause 17.1 of the Master Declaration of Trust); (iii) all moneys, from time to time, standing to the credit of the Transaction Account; and (iv) all proceeds of the foregoing (other than the ordinary share capital of the Trustee and any transaction or corporate benefit fee received by the Trustee).

Each Declaration of Trust will specify that, on or after the relevant Scheduled Dissolution Date or, as the case may be, Dissolution Date of a Series, the rights of recourse in respect of the relevant Trust Certificates shall be limited to the amounts from time to time available and comprising the Trust Assets of that Series, subject to the priority of payments set out in the Declaration of Trust, the relevant Trust Certificates and the Conditions. To the extent that the Trust Assets have been exhausted in accordance with the Transaction Documents, the Certificateholders will have no claim or recourse against the Trustee, the Onshore Investment Vehicle (to the extent that it fulfils all of its obligations under the Transaction Documents) or the Kingdom (to the extent that it fulfils all of its obligations under the Transaction Documents) in respect of any amount which is or remains unsatisfied and any unsatisfied amounts will be extinguished.

Pursuant to the Declaration of Trust, the Trustee will, in relation to each Series, inter alia:

(a) hold the relevant Trust Assets on trust absolutely for the relevant Certificateholders pro rata according to the principal amount of Trust Certificates held by each Certificateholder; and

(b) act as trustee in respect of the relevant Trust Assets, distribute the income from the relevant Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust and the other Transaction Documents.

In the Master Declaration of Trust, the Trustee by way of security for the performance of all covenants, obligations and duties of the Trustee to the Certificateholders will irrevocably and unconditionally appoint the Delegate to be its attorney and in its name and on its behalf to execute, deliver and perfect all documents and to exercise all the present and future duties, powers, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to make any determinations to be made under each Declaration of Trust) vested in the Trustee by each Declaration of Trust that the Delegate may consider to be necessary or desirable to perform the present and future duties, powers, authorities and discretions vested in the Trustee by the relevant provisions of each Declaration of Trust and any of the other Transaction Documents (provided that no obligations, duties, liabilities or covenants of the Trustee pursuant to the Master Declaration of Trust or any other Transaction Document will be imposed on the Delegate by virtue of such delegation).

The appointment of such delegate by the Trustee is intended to be in the interests of the Certificateholders and will not affect the Trustee's continuing role and obligations as trustee.

The Master Declaration of Trust specifies, inter alia, that in relation to each Series:

(A) following the distribution of the proceeds of the Trust Assets in respect of the relevant Series to the Certificateholders in accordance with the Conditions and the relevant Declaration of Trust the obligations of the Trustee in respect of the Trust Certificates shall be satisfied and the right of the Certificateholders to receive any further sums shall be extinguished and the Trustee, the Kingdom (to the extent that it fulfils all of its obligations under the Transaction Documents), the Onshore

Investment Vehicle (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents or their respective affiliates, directors and agents shall not be liable for any further sums and, accordingly, the relevant Certificateholders may not take any action against the Trustee, the Kingdom, Onshore Investment Vehicle, the Delegate, the Agents or their respective affiliates, directors and agents or any other person to recover any such sum or asset in respect of the relevant Trust Certificates or the relevant Trust Assets;

(B) no Certificateholder shall be entitled to proceed directly against the Trustee, the Kingdom, and/or the Onshore Investment Vehicle, or provide instructions (not otherwise permitted by the Master Declaration of Trust) to proceed against the Trustee, the Kingdom, and/or the Onshore Investment Vehicle, under any Transaction Document unless (i) the Delegate having become bound so to proceed, fails to do so within 30 days of becoming so bound and such failure is continuing and (ii) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders of the relevant Series who propose to proceed directly against the Trustee, the Kingdom, and/or the Onshore Investment Vehicle, as the case may be) holds at least 25 per cent. of the then aggregate principal amount of the Trust Certificates of the relevant Series. Under no circumstances shall the Delegate or any Certificateholders have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than pursuant to the Transaction Documents), and the sole right of the Delegate and the Certificateholders against the Trustee, the Kingdom and/or the Onshore Investment Vehicle, shall be to enforce their respective obligations under the Trust Certificates and the Transaction Documents (to which each is a party);

(C) the Delegate shall not be bound in any circumstances to take any action to enforce or realise the relevant Trust Assets or take any action against the Trustee, the Kingdom, and/or the Onshore Investment Vehicle, under any Transaction Document unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least 25 per cent. of the then aggregate principal amount of the Trust Certificates of the relevant Series outstanding and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing provided that the Delegate shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders; and

(D) after enforcing or realising the relevant Trust Assets of a Series and distributing the proceeds of the relevant Trust Assets in accordance with the terms of the relevant Declaration of Trust, the obligations of the Trustee and the Delegate in respect of the Series shall be satisfied and no Certificateholder may take any further steps against the Trustee, the Kingdom (to the extent that it fulfils all of its obligations under the Transaction Documents), the Onshore Investment Vehicle (to the extent that it fulfils all of its obligations under the Transaction Documents), or the Delegate to recover any further sums in respect of the relevant Series and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Trust Certificates of the relevant Series shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

(E) the Trustee may from time to time, without the consent of the Certificateholders, create and issue further Trust Certificates ranking pari passu in all respects (or in all respects save for the date and amount of the first payment of the Periodic Distribution Amount with respect thereto), and so that the same shall be consolidated and form a single series, with the Trust Certificates of such Series, and that any further Trust Certificates which are to be created and issued so as to form a single series with the Trust Certificates of a particular Series shall be constituted by a Supplemental Declaration of Trust to the Master Declaration of Trust; and

(F) on the date upon which any further Trust Certificates are created and issued pursuant to the provisions described in paragraph (E) above, the Trustee will execute a Declaration of Sharing of Assets for and on behalf of the holders of the existing Trust Certificates and the holders of such further trust certificates so created and issued, declaring that the relevant Trust Assets in respect of the relevant

Series as in existence immediately prior to the creation and issue of the further Trust Certificates are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Trust Certificates and the holders of such further Trust Certificates as tenants in common pro rata according to the principal amount of Trust Certificates held by each Certificateholder, in accordance with the Master Declaration of Trust.

The Master Declaration of Trust, together with each Supplemental Declaration of Trust, and all non-contractual obligations arising out of or in connection therewith, shall be governed by, and construed in accordance with, English law.

Agency Agreement

Pursuant to the Agency Agreement entered into on 7 September 2018, as supplemented by a supplemental agency agreement on 25 October 2019, a second supplemental agency agreement dated 17 February 2021 and a third supplemental agency agreement dated 17 November 2021 between the Trustee, the Kingdom acting through the Ministry of Finance, the Delegate, the Paying Agents, the Registrars and the Transfer Agents, provision will be made for, inter alia, payment of all sums due in respect of the Trust Certificates. The Agency Agreement, and all non-contractual obligations arising out of or in connection with it, shall be governed by, and construed in accordance with, English law.

TAXATION

The following is a general description of certain Saudi Arabian, Cayman Islands, United States and EU tax considerations relating to the Trust Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Trust Certificates, nor does it address the considerations that are dependent on individual circumstances, whether in those countries or elsewhere. Prospective investors in the Trust Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Trust Certificates and receiving payment of amounts under the Trust Certificates and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Prospective purchasers should note that neither the Trustee nor the Kingdom is obliged to update this section for any subsequent changes or modification to the applicable taxes.

Kingdom of Saudi Arabia Taxation

Income Tax

According to Saudi Arabian tax law, a resident company with foreign ownership (on its foreign partner's (shareholder's) share) and a non-resident who does business in Saudi Arabia through a Permanent Establishment (as defined below) are subject to corporate income tax in Saudi Arabia at a rate of 20 per cent. Companies which are wholly-owned by Saudi nationals are subject to zakat instead of corporate income tax. Companies owned jointly by Saudi/GCC and non-Saudi/non-GCC nationals pay corporate income tax on the portion of income attributable to the non-Saudi/non-GCC nationals and zakat on the portion of income attributable to Saudi/GCC nationals. Shares held directly by GCC nationals or via other GCC companies (where the shareholding structure does not fall outside of the GCC) in a Saudi company are subject to zakat and not income tax. In determining the tax/zakat profile, the Saudi Tax Authorities apply a "look-through" approach to determine whether the up-stream shareholding structure at any point exists outside of the GCC (as defined below). The "look-through" approach however is not applied to a non-GCC entity in the shareholding structure.

Zakat

The guidance on zakat in Saudi Arabia is based on the provisions of Royal Decrees, Executive Regulations, Ministerial Resolutions, Fatwas and the ZATCA (formerly the General Authority of Zakat and Tax) circulars that are in force. In Saudi Arabia, zakat is assessed on (i) Saudi and GCC nationals; (ii) Saudi companies wholly-owned by such individuals; (iii) the portion of income of an unlisted company, jointly owned by Saudi/GCC and non-Saudi/GCC nationals, held by the Saudi/GCC nationals; and (iv) Saudi companies listed on an exchange in the Kingdom, except in respect of shares held by a non-Saudi/GCC national who was a founding shareholder or their successors or assigns, in each case engaged in business activity in the Kingdom. There are certain rules that apply to the method of calculating the zakat liability. In general, zakat is levied at a fixed rate of 2.5 per cent. on the higher of the adjusted zakatable profits or the zakat base which, in general, comprises equity, loans and provisions reduced by deductible investments and fixed assets.

Withholding Tax

The Saudi Arabian tax law provides for actual withholding tax ("**WHT**") at different rates on certain types of payments made to non-Resident parties (including those located in the GCC) by a Saudi Resident or a Permanent Establishment of a non-Resident in Saudi Arabia, from a source of income in Saudi Arabia (e.g. rents, royalties, services and management fees). WHT is imposed on payments against services and not on sale of goods. Services are defined to mean anything done for consideration other than the purchase and sale of goods and other property. Interest or loan charges and profits paid to non-Residents generally attract 5 per cent. WHT in Saudi Arabia, unless such WHT is reduced or eliminated pursuant to the terms of an applicable double tax treaty.

Tax implications in connection with the underlying transactions

Murabaha Arrangement

As the Trustee is not a Saudi resident, the payment of Murabaha Profit by the Kingdom to the Trustee will be subject to 5 per cent. WHT.

The Kingdom will bear withholding tax and be responsible for settling the tax with the ZATCA on payments of the Murabaha Profit. If there is any such deduction or withholding on account of any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of the Kingdom or any political subdivision or authority thereof or therein having the power to tax, the Murabaha Agreement provides that the Kingdom shall pay such additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been required.

Mudaraba Arrangements

The payment of Infrastructure Rab-ul-Maal Profit by the Kingdom (in its capacity as the Infrastructure Mudareb) to the Onshore Investment Vehicle (in its capacity as Infrastructure Rab-ul-Maal) under the Infrastructure Mudaraba Agreement will not be subject to WHT. The Onshore Investment Vehicle will be subject to zakat, levied at a fixed rate of 2.5 per cent. on the higher of the adjusted zakatable profits (which would include any Primary Mudareb Profit retained by the Mudareb) or its zakat base (which would include its share capital). However, the Kingdom has undertaken, in the Master Declaration of Trust, that if the Onshore Investment Vehicle becomes subject to any obligation to pay zakat to the ZATCA it will pay to the ZATCA an amount equal to such zakat obligation in satisfaction of the Onshore Investment Vehicle's obligation to make such a payment.

As the Trustee is not a Resident, any Primary Rab-ul-Maal Profit paid by the Onshore Investment Vehicle (in its capacity as Primary Mudareb) to the Trustee (in its capacity as Primary Rab-ul-Maal) will be subject to 5 per cent. WHT. The Onshore Investment Vehicle (in its capacity as Primary Mudareb) will be responsible for withholding and settling the tax with the ZATCA on payments of Primary Rab-ul-Maal Profit.

Certain tax and zakat implications for Certificateholders

GCC Certificateholders who are Resident in Saudi Arabia

Certificateholders, who are GCC Persons (as defined below) and Resident (as defined below) in Saudi Arabia are not subject to any Saudi Arabian corporate income tax, whether by WHT or direct assessment in respect of any profit payment received or gain realised in respect of the Trust Certificates. However, such resident GCC persons who are Certificateholders will be subject to zakat in respect of any profit payments received under the Trust Certificates. Additionally, the ZATCA does not allow an investment in the Trust Certificates to be deducted from the zakat base of such a Certificateholder, as stipulated under the Executive Regulation for the Collection of Zakat that applies to fiscal years from and after 1-1-2019.

Non-GCC Certificateholders who are Resident in Saudi Arabia

Certificateholders who are non-GCC Persons but are Resident in Saudi Arabia will be subject to Saudi Arabian corporate income tax at the rate of 20 per cent. on any profit payments received or gain realised under the Trust Certificates but they will not be subject to any zakat.

Certificateholders who are not Resident in Saudi Arabia

Certificateholders, either natural persons or legal entities, who are not Resident in Saudi Arabia (whether such Certificateholders are Saudi Arabian nationals or non-Saudi Arabian nationals (including Certificateholders resident in the GCC)) and, except in certain limited circumstances, who do not have a Permanent Establishment

in Saudi Arabia for tax purposes will be subject to Saudi Arabian WHT. As the payment of profit on the Trust Certificates will be made through the Paying Agents (as defined in the Conditions) and the relevant clearing systems (as defined in the Conditions), some Certificateholders may not be able to prove to their local tax authorities that WHT has been applied to profit payments, and therefore may not be able to obtain the benefit of any applicable double tax treaty relief or credit for tax withheld.

Notwithstanding the above, pursuant to Condition 13 (Taxation) of the Trust Certificates, to the extent that any WHT is deducted, the Trustee will generally be obliged to pay such additional amounts as will result in receipt by the Certificateholders, after such withholding or deduction, of such amounts as would have been received by them had no such withholding or deduction been required.

Natural persons having the nationality of a GCC country other than Saudi Arabia who are not Resident but have a Permanent Establishment in Saudi Arabia and legal entities established under the laws of a GCC country other than Saudi Arabia with a Permanent Establishment in Saudi Arabia are, except in certain limited circumstances, subject to Saudi Arabian corporate income tax at the rate of 20 per cent. in respect of any profit payments received under the Trust Certificates but will not be subject to zakat.

A Certificateholder, whether such a Certificateholder is Resident in Saudi Arabia or not Resident in Saudi Arabia and whether such a Certificateholder has or does not have a Permanent Establishment in Saudi Arabia, will, unless different treatment applies pursuant to an applicable double tax treaty, be subject to capital gains tax at the rate of 20 per cent. on any gain realised on the disposal or repurchase (including on transfer of Trust Certificates to heirs on death) of its holding of Trust Certificates if such Trust Certificates were not traded on the Tadawul in accordance with the Capital Market Law of Saudi Arabia and its implementing regulations.

Indirect and Transfer Taxes

There are no indirect or transfer taxes relating to the transfer of Trust Certificates currently applicable in Saudi Arabia.

General

For the purposes of this summary:

"**GCC**" means the Kingdom of Bahrain, Kuwait, the Sultanate of Oman, the State of Qatar, the Kingdom of Saudi Arabia and the United Arab Emirates.

A "**GCC Person**" means (a) a natural person having the nationality of any of the countries within the GCC and (b) any legal entity owned by GCC nationals and established under the laws of a country in the GCC. A GCC Person will include a company owned by both Saudi/GCC and non-Saudi/(non-GCC) nationals, to the extent it is ultimately owned by Saudi/GCC nationals.

Subject to the exceptions stipulated in the Income Tax Regulations, a "**Permanent Establishment**" of a non-Resident in Saudi Arabia represents a permanent place for the non-Resident's activity where he conducts the activity either fully or partly, which also includes any activity conducted by the non-Resident through an agent. A non-Resident carrying out an activity in Saudi Arabia through a licensed branch is considered to have a Permanent Establishment in Saudi Arabia.

A "**Resident**" is defined as follows:

- A natural person is considered Resident in Saudi Arabia for a taxable year if he meets either of the two following conditions: (i) he has a permanent place of abode in Saudi Arabia and is physically present in Saudi Arabia for a total of not less than 30 days in the taxable year; or (ii) he is physically present in Saudi Arabia for a period of not less than 183 days in the taxable year; and

- A company is considered Resident in Saudi Arabia during a taxable year if it meets either of the following conditions: (i) it is formed in accordance with the Saudi Companies Law; or (ii) its place of central control and management is located in Saudi Arabia.

Certificateholders will not be deemed to be Resident, domiciled or carrying on business in Saudi Arabia solely by reason of holding any Trust Certificates.

Cayman Islands

Under existing Cayman Islands laws payments on Trust Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of Trust Certificates nor will gains derived from the disposal of Trust Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

The Trustee has obtained an undertaking from the Governor in Cabinet of the Cayman Islands, pursuant to the Tax Concessions Law (as amended) of the Cayman Islands, that for a period of 20 years from the date of grant of that undertaking no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which includes the Trust Certificates) of the Trustee or by way of the withholding in whole or part of any relevant payment. However, an instrument transferring title to any Trust Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

No capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Trust Certificates. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is approximately U.S.$854 (this may be increased from time to time by the Cayman Islands Government). The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

United States Federal Income Taxation

The following is a summary of certain U.S. federal income tax considerations relevant to U.S. Holders and Non-U.S. Holders (each as defined below) acquiring, holding and disposing of the Trust Certificates. This summary addresses only the U.S. federal income tax considerations for initial purchasers of Trust Certificates at their "issue price" (as defined below) that will hold the Trust Certificate as capital assets (generally, property held for investment).

The Trust intends to treat the Trust Certificates under the rules applicable to debt instruments for U.S. tax purposes. Under such treatment, U.S. Holders will not be required to take account of income and expenses incurred at the level of the Trust. The following discussion assumes that such treatment would be respected. Prospective investors should note, however, that the classification of an instrument as debt is highly factual. No rulings have been or will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to the classification of the Trust Certificates in general or with respect to any particular Trust Certificates.

The IRS may therefore seek to characterise the Trust Certificates as interests in the Trust for U.S. federal income tax purposes. In that event, if the Trust is treated as a grantor trust, the Trustee and U.S. Holders would be subject to certain information reporting applicable to foreign trusts and U.S. investors would be required to take account of income and expenses incurred at the level of the Trust. U.S. Holders that fail to comply with the applicable information reporting requirements in a timely manner could be subject to significant penalties, including a penalty of up to 35 per cent. of the amount paid for a Trust Certificate and 35 per cent. of distributions received from the Trustee. Moreover, a U.S. Holder that fails to file the appropriate information return within 90 days after the date on which the IRS mails notice of such failure to the holder may be liable for a penalty (in addition to the penalty described in the preceding sentence) of U.S.$10,000 for each 30-day

period (or fraction thereof) during which such failure continues after the expiration of such 90-day period. A U.S. Holder could also be liable for penalties equal to 5 per cent. of the gross value of the portion of the trust owned by a U.S. Holder at the close of the year, if the Trust failed to file a U.S. annual information return and provide each U.S. Holder with a foreign grantor trust owner statement. Similar penalties would be applicable to the Trustee for failure to comply. The Trustee does not expect that it will provide information that would allow either itself or U.S. Holders to comply with foreign trust reporting obligations if they were determined to be applicable. If the Trust Certificates are treated as interests in a trust and the Trust is not treated as a grantor trust, it is possible that the U.S. Holders could be treated as holding interests in a passive foreign investment company ("**PFIC**") which could have materially adverse tax consequences to U.S. Holders. Treatment of the Trust Certificates as interests in a trust may cause the timing, amount, and character of the U.S. Holder's income to be different from those described below and may subject the U.S. Holder to certain transfer reporting requirements. If the Trust is treated as a "foreign financial institution" for purposes of the Foreign Account Tax Compliance Act ("**FATCA**") and the Trust Certificates are not treated as debt instruments that are subject to grandfathering under FATCA, the payments under the Trust Certificate may be subject to withholding under FATCA. The rules governing FATCA have not yet been fully developed in this regard, and the future application of FATCA to the Trust and the Trust Certificates is uncertain.

U.S. Holders should consult their own tax advisers as to the potential application of the foreign trust reporting rules, the possibility that the Trust Certificates will be classified as equity interests in a PFIC, and the consequences of owning an equity interest in a PFIC and the tax consequences generally with respect to an investment in the Trust Certificates

This discussion does not describe all of the tax consequences that may be relevant in light of a Certificateholder's particular circumstances or to Certificateholders subject to special rules, such as:

- financial institutions;
- insurance companies;
- dealers in securities or foreign currencies;
- traders in securities or foreign currencies electing to mark their positions to market;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt organisations;
- U.S. expatriates and former long-term residents of the United States;
- persons holding Trust Certificates as part of a hedging transaction, "straddle", conversion transaction or other integrated transaction;
- U.S. Holders whose functional currency is not the U.S. dollar; or
- entities classified as partnerships for U.S. federal income tax purposes.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended ("**Code**"), administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, changes to any of which subsequent to the date of this Base Prospectus may affect the tax consequences described below. This summary does not address any U.S. federal tax consequences other than U.S. federal income tax consequences, such as the estate tax, gift tax, alternative minimum tax consequences, special tax accounting rules under Section 451(b) of the Code, or the Medicare tax on net investment income. Moreover, this summary deals only with Trust Certificates with a term of 30 years or less. Persons considering the purchase of a

particular Tranche of Trust Certificates should consult the relevant supplement to the Base Prospectus (if any) issued in connection with that Tranche of Trust Certificates for any discussion regarding U.S. federal income taxation and should consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

To the extent applicable, the tax treatment of certain Trust Certificates such as Trust Certificates that are not principal protected will be specified in the relevant supplement to the Base Prospectus issued in connection with those Trust Certificates.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Trust Certificate that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organised in or under the laws of the United States or of any political subdivision thereof;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) if such trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The term "**Non-U.S. Holder**" means a beneficial owner of Trust Certificates that is not a United States holder.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Trust Certificates, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of partnerships holding Trust Certificates should consult with their tax advisors regarding the U.S. federal tax consequences of an investment in the Trust Certificates.

Payments of Periodic Distribution Amounts

Periodic Distribution Amounts (including any Saudi taxes withheld and additional amounts paid with respect thereto) paid on a Trust Certificate will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes, to the extent that such Periodic Distribution Amount is "qualified stated interest" (as defined below).

"Qualified stated interest" is stated interest (or its equivalent) that is unconditionally payable, or constructively received under Section 451 of the Code, in cash or property (other than in debt instruments of the issuer) at least annually during the entire term of the Trust Certificate and equal to the outstanding principal balance of the Trust Certificate multiplied by a single fixed rate of interest. In addition, interest on a Floating Rate Trust Certificate that is unconditionally payable, or will be constructively received under Section 451 of the Code, in cash or property (other than debt instruments issued by the Trustee) at least annually will constitute "qualified stated interest" if the Trust Certificate is a "variable rate debt instrument" ("**VRDI**") under the rules described below and the interest is payable at a single "qualified floating rate" or single "objective rate" (each as defined below). If the Trust Certificate is a VRDI but the interest is payable other than at a single qualified floating rate or at a single objective rate, special rules apply to determine the portion of such interest that constitutes "qualified stated interest." See "*Original Issue Discount—Floating Rate Trust Certificates that are VRDIs*" below. Interest income earned by a U.S. Holder with respect to a Trust Certificate will generally constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the U.S. Holder's foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisors about the application of such rules to them in their particular circumstances. Special rules governing the treatment of interest paid with respect to short-term Trust

Certificates, original issue discount Trust Certificates, contingent payment debt instruments and foreign currency Trust Certificates are described under "*Short-Term Trust Certificates*", "*Original Issue Discount*", "*Contingent Payment Debt Instruments*" and "*Foreign Currency Trust Certificates*".

Definition of Variable Rate Debt Instrument. A Trust Certificate is a VRDI if all of the four following conditions are met. First, the "issue price" of the Trust Certificate (as described below) must not exceed the total noncontingent principal payments by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total noncontingent principal payments and the number of complete years to maturity from the issue date (or, in the case of a Trust Certificate that provides for payment of any amount other than qualified stated interest before maturity, its weighted average maturity) and (ii) 15 per cent. of the total noncontingent principal payments. Second, the Trust Certificate must generally provide for stated interest (or its equivalent) (compounded or paid at least annually) at (a) one or more qualified floating rates, (b) a single fixed rate and one or more qualified floating rates, (c) a single objective rate or (d) a single fixed rate and a single objective rate that is a "qualified inverse floating rate" (as defined below). Third, the Trust Certificate must provide that a qualified floating rate or objective rate in effect at any time during the term of the Trust Certificate is set at the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day. Fourth, the Trust Certificate may not provide for any principal payments that are contingent except as provided in the first requirement set forth above.

Subject to certain exceptions, a variable rate of interest on a Trust Certificate is a "qualified floating rate" if variations in the value of the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Trust Certificate is denominated. A variable rate will be considered a qualified floating rate if the variable rate equals (i) the product of an otherwise qualified floating rate and a fixed multiple (i.e., a spread multiplier) that is greater than 0.65, but not more than 1.35 or (ii) an otherwise qualified floating rate (or the product described in clause (i)) plus or minus a fixed rate (i.e., a spread). If the variable rate equals the product of an otherwise qualified floating rate and a single spread multiplier greater than 1.35 or less than or equal to 0.65, however, such rate will generally constitute an objective rate, described more fully below. A variable rate will not be considered a qualified floating rate if the variable rate is subject to a cap, floor, governor (i.e., a restriction on the amount of increase or decrease in the stated interest rate) or similar restriction that is reasonably expected as of the issue date to cause the yield on the Trust Certificate to be significantly more or less than the expected yield determined without the restriction (other than a cap, floor or governor that is fixed throughout the term of the Trust Certificate).

Subject to certain exceptions, an "objective rate" is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based on objective financial or economic information that is neither within the Trustee's control (or the control of a related party) nor unique to the Trustee's circumstances (or the circumstances of a related party). Notwithstanding the first sentence of this paragraph, a rate on a Trust Certificate is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Trust Certificate's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Trust Certificate's term. An objective rate is a "qualified inverse floating rate" if (a) the rate is equal to a fixed rate minus a qualified floating rate and (b) the variations in the rate can reasonably be expected to reflect inversely contemporaneous variations in the cost of newly borrowed funds (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate).

Unless otherwise provided in the relevant supplement to the Base Prospectus (if any) issued in connection with a particular Tranche of Trust Certificates, it is expected, and this discussion assumes, that a Floating Rate Trust Certificate will qualify as a VRDI. If a Floating Rate Trust Certificate does not qualify as a VRDI, then the Floating Rate Trust Certificate will generally be treated as a contingent payment debt instrument, as discussed below under *"Contingent Payment Debt Instruments"*.

Original Issue Discount

Except in the case of a short-term Trust Certificate, a Trust Certificate that has an "issue price" that is less than its "stated redemption price at maturity" will be considered to have been issued with original issue discount ("**OID**") for U.S. federal income tax purposes (and will be referred to as an "**original issue discount Trust Certificate**") unless the Trust Certificate satisfies a de minimis threshold (as described below). The "issue price" of a Trust Certificate generally will be the first price at which a substantial amount of the Trust Certificates are sold to the public (which does not include sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). The "stated redemption price at maturity" of a Trust Certificate generally will equal the sum of all payments required to be made under the Trust Certificate other than payments of qualified stated interest.

If the difference between a Trust Certificate's stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., 1/4 of 1 per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity (or, in the case of a Trust Certificate that provides for payment of any amount other than qualified stated interest prior to maturity, the weighted average maturity of the Trust Certificate), the Trust Certificate will not be considered to have OID. U.S. Holders of Trust Certificates with a *de minimis* amount of OID will include this OID in income, as capital gain, on a pro rata basis as principal payments are made on the Trust Certificate.

A U.S. Holder of original issue discount Trust Certificates will be required to include any qualified stated interest payments in income in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

A U.S. Holder may make an election to include in gross income all interest that accrues on any Trust Certificate (including qualified stated interest, OID, *de minimis* OID, and unstated interest, as adjusted by any amortisable bond premium) in accordance with a constant yield method based on the compounding of interest, and may revoke such election only with the permission of the IRS (a "**constant yield election**").

We may have an unconditional option to redeem, or U.S. Holders may have an unconditional option to require us to redeem, a Trust Certificate prior to its stated maturity date. Under applicable regulations, if we have an unconditional option to redeem a Trust Certificate prior to its stated maturity date, this option will be presumed to be exercised if, by utilising any date on which the Trust Certificate may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Trust Certificate as the stated redemption price at maturity, the yield on the Trust Certificate would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require us to redeem a Trust Certificate prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Trust Certificate would be higher than its yield to maturity. If this option is not in fact exercised, the Trust Certificate would be treated, solely for purposes of calculating OID, as if it were redeemed, and a new Trust Certificate were issued, on the presumed exercise date for an amount equal to the Trust Certificate's adjusted issue price on that date. The adjusted issue price of an original issue discount Trust Certificate is defined as the sum of the issue price of the Trust Certificate and the aggregate amount of previously accrued OID, less any prior payments other than payments of qualified stated interest.

Fixed Rate Trust Certificates. In the case of a Fixed Rate Trust Certificate that is an original issue discount Trust Certificate, U.S. Holders of such Trust Certificate will be required to include OID in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received.

Floating Rate Trust Certificates that are VRDIs. In the case of a Floating Rate Trust Certificate that is a VRDI and that provides for interest at a single variable rate, the amount of qualified stated interest and the amount of OID, if any, includible in income during a taxable year are determined under the rules applicable to Fixed Rate Trust Certificates (described above) by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or a qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified

inverse floating rate), the rate that reflects the yield that is reasonably expected for the Trust Certificate. Qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid or accrued during an accrual period exceeds (or is less than) the interest assumed to be paid or accrued during the accrual period.

If a Trust Certificate that is a VRDI does not provide for interest at a single variable rate as described above, the amount of interest and OID accruals are determined by constructing an equivalent fixed rate debt instrument, as follows:

- *First*, in the case of an instrument that provides for stated interest at one or more qualified floating rates or at a qualified inverse floating rate and, in addition, at a fixed rate (other than a fixed rate that is treated as, together with a variable rate, a single qualified floating rate or objective rate), replace the fixed rate with a qualified floating rate (or qualified inverse floating rate) such that the fair market value of the instrument, so modified, as of the issue date would be approximately the same as the fair market value of the unmodified instrument.

- *Second*, determine the fixed rate substitute for each variable rate provided by the Trust Certificate. The fixed rate substitute for each qualified floating rate provided by the Trust Certificate is the value of that qualified floating rate on the issue date. If the Trust Certificate provides for two or more qualified floating rates with different intervals between interest adjustment dates, the fixed rate substitutes are based on intervals that are equal in length. The fixed rate substitute for an objective rate that is a qualified inverse floating rate is the value of the qualified inverse floating rate on the issue date. The fixed rate substitute for an objective rate (other than a qualified inverse floating rate) is a fixed rate that reflects the yield that is reasonably expected for the Trust Certificate.

- *Third*, construct an equivalent fixed rate debt instrument that has terms that are identical to those provided under the Trust Certificate, except that the equivalent fixed rate debt instrument provides for the fixed rate substitutes determined in the second step, in lieu of the qualified floating rates or objective rate provided by the Trust Certificate.

- *Fourth*, determine the amount of qualified stated interest and OID for the equivalent fixed rate debt instrument under the rules (described above) for Fixed Rate Trust Certificates. These amounts are taken into account as if the U.S. Holder held the equivalent fixed rate debt instrument. See "*Payments of Periodic Distribution Amounts*" and "*Original Issue Discount—Fixed Rate Trust Certificates*" above.

- *Fifth*, make appropriate adjustments for the actual values of the variable rates. In this step, qualified stated interest or, in certain circumstances, OID allocable to an accrual period is increased (or decreased) if the interest actually accrued or paid during the accrual period exceeds (or is less than) the interest assumed to be accrued or paid during the accrual period under the equivalent fixed rate debt instrument.

Amortisable Bond Premium

If a U.S. Holder purchases a Trust Certificate for an amount in excess of the sum of the remaining amounts payable on the Trust Certificate (other than qualified stated interest), the U.S. Holder will be considered to have purchased the Trust Certificate with amortisable bond premium equal in amount to such excess and will not be required to include any OID in gross income. The U.S. Holder may elect to amortise this premium as an offset to qualified stated interest, using a constant yield method, over the remaining term of the Trust Certificate. Special rules may apply in the case of a Trust Certificate that is subject to optional redemption. A U.S. Holder who elects to amortise bond premium must reduce its tax basis in the Trust Certificate by the amount of the premium amortised in any year. An election to amortise bond premium applies to all taxable debt obligations then owned and thereafter acquired by the U.S. Holder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under "*Original Issue Discount*") for a Trust Certificate with amortisable bond premium, such election will result in a deemed election to amortise bond premium for all of the U.S. Holder's debt instruments with amortisable bond premium.

Sale, Exchange, Retirement or the Taxable Disposition of the Trust Certificates

Upon the sale, exchange, retirement or other taxable disposition of a Trust Certificate, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange, retirement or other taxable disposition and the U.S. Holder's adjusted tax basis in the Trust Certificate. A U.S. Holder's adjusted tax basis in a Trust Certificate generally will equal the acquisition cost of the Trust Certificate increased by the amount of OID included in the Holder's gross income and decreased by any payment received from the Trustee other than a payment of qualified stated interest and any amortisable bond premium taken into account. For these purposes, the amount realised does not include any amount attributable to accrued interest on the Trust Certificate. Amounts attributable to accrued interest (including OID) are treated as interest as described under "*Payments of Periodic Distribution Amounts*" and "*Original Issue Discount*". Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. Holder's foreign tax credit limitation and, as a result, the use of foreign tax credits relating to any non-US income tax imposed upon gains in respect of the Trust Certificates may be limited. Moreover, under recently finalized Treasury Regulations, any Saudi taxes imposed on disposition gains may not be creditable for U.S. federal income tax purposes. However, recent notices from the IRS (the "**Notices**") indicate that the Treasury and the IRS are considering proposing amendments to these regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of such regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). Saudi taxes on disposition gains that are not creditable may reduce the amount realised or be deductible. U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences to them if Saudi taxes are imposed on disposition gains, including their ability to credit or deduct such taxes and the determination of the amount realized in their particular circumstances.

Except as described below, gain or loss realised on the sale, exchange, retirement or other taxable disposition of a Trust Certificate will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition the U.S. Holder has held the Trust Certificate for more than one year. Exceptions to this general rule apply, in the case of a short-term Trust Certificate, to the extent of any accrued discount not previously included in the U.S. Holder's taxable income. See "*Original Issue Discount*". In addition, other exceptions to this general rule apply in the case of short-term Trust Certificates, foreign currency Trust Certificates, and contingent payment debt instruments. See "*Short-Term Trust Certificates*", "*Foreign Currency Trust Certificates*" and "*Contingent Payment Debt Instruments*". The deductibility of capital losses is subject to limitations.

Short-Term Trust Certificates

A Trust Certificate that matures one year or less from its date of issuance (a "**short-term Trust Certificate**") will be treated as being issued at a discount and none of the interest paid on the Trust Certificate will be treated as qualified stated interest. In general, a cash method U.S. Holder of a short-term Trust Certificate is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so, with the consequence that the reporting of such income is deferred until it is received. U.S. Holders who so elect and certain other U.S. Holders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any gain realised on the sale, exchange, or retirement of the short-term Trust Certificate will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Trust Certificates in an amount not exceeding the accrued

discount (which includes interest that is payable but that has not been included in gross income) interest income with respect to such short-term Trust Certificate until the accrued discount is included in income. A U.S. Holder's tax basis in a short-term Trust Certificate is increased by the amount included in such holder's income on such a Trust Certificate.

Contingent Payment Debt Instruments

If the terms of the Trust Certificates provide for certain contingencies that affect the timing and amount of payments (including certain Floating Rate Trust Certificates that do not qualify as VRDIs) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Trust Certificates qualifies as qualified stated interest. Rather, a U.S. Holder must accrue interest for U.S. federal income tax purposes based on a "comparable yield" and account for differences between actual payments on the Trust Certificate and the Trust Certificate's "projected payment schedule" as described below. The comparable yield is determined by us at the time of issuance of the Trust Certificates and, in general, equals the annual yield an issuer would pay, as of the issue date, on a fixed-rate, nonconvertible debt instrument with no contingent payments, but with terms and conditions otherwise comparable to the contingent payment debt instrument. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Trust Certificates. Solely for the purpose of determining the amount of interest income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, we will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield.

Neither the comparable yield nor the projected payment schedule would constitute a representation regarding the actual amount, if any, that the contingent payment debt instrument will pay.

For U.S. federal income tax purposes, a U.S. Holder will be required to use the comparable yield and the projected payment schedule established by us in determining interest accruals and adjustments in respect of a contingent payment debt instrument, unless the U.S. Holder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. Holder, regardless of its method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment debt instrument (as set forth below). As such, a U.S. Holder may be required to include interest in income each year in excess of any stated interest payments actually received in that year, if any.

A U.S. Holder will be required to recognise interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a U.S. Holder would otherwise be required to include in income in the taxable year;

- to the extent of any excess, will give rise to an ordinary loss equal to the extent of the U.S. Holder's interest income on the contingent debt obligation during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments; and

- to the extent of any excess after the application of the previous two bullet points, will be carried forward as a negative adjustment to offset future interest income with respect to the contingent debt obligation or to reduce the amount realised on a sale, exchange or retirement of the contingent debt obligation.

Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange, retirement or other taxable disposition of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Trust Certificate that is a contingent payment debt instrument generally will be the acquisition cost of the Trust Certificate, increased by the interest previously accrued by the U.S. Holder on the Trust Certificate under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Trust Certificate. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a U.S. Holder recognises loss above certain thresholds, the U.S. Holder may be required to file a disclosure statement with the IRS (as described under "*Other Reporting Requirements*").

Special rules will apply if one or more contingent payments on a contingent debt obligation become fixed. For purposes of the preceding sentence, a payment (including an amount payable at maturity) will be treated as fixed if (and when) all remaining contingencies with respect to it are remote or incidental within the meaning of the contingent debt regulations. A U.S. Holder's tax basis in the contingent debt obligation and the character of any gain or loss on the sale of the contingent debt obligation would also be affected. U.S. Holders are urged to consult their tax advisers concerning the application of these special rules.

Foreign Currency Trust Certificates

The following discussion summarises the principal U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Trust Certificates that are denominated in a specified currency other than the U.S. dollar or the payments of interest or principal on which are payable in a currency other than the U.S. dollar ("**foreign currency Trust Certificates**"). However, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of currency-linked Trust Certificates and non-functional currency contingent payment debt instruments are not discussed herein and, if applicable, will be discussed in a supplement to the Base Prospectus issued in connection with the issuance of such Trust Certificates and instruments.

The rules applicable to foreign currency Trust Certificates could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Trust Certificate to be recharacterised as ordinary income or loss. The rules applicable to foreign currency Trust Certificates are complex and may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Trust Certificates.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Trust Certificate will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency.

An accrual method U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including OID, but reduced by amortisable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency Trust Certificate

during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. Holder may recognise ordinary income or loss with respect to accrued interest income on the date the income is actually received. The amount of any ordinary income or loss recognised will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a U.S. Holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue OID.

An accrual method U.S. Holder may elect to translate interest income (including OID) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

OID and amortisable bond premium on a foreign currency Trust Certificate are to be determined in the relevant foreign currency.

If an election to amortise bond premium is made, amortisable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. In that event, amortisable bond premium will be computed in foreign currency. A U.S. Holder making the election to amortise bond premium may recognise exchange gain or loss each period equal to the difference between the U.S. dollar value of bond premium with respect to such period determined on the date the interest attributable to such period is received and the U.S. dollar value of such amortised bond premium determined on the date of the acquisition of the Trust Certificates. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realised on the sale, exchange or retirement of a foreign currency Trust Certificate with amortisable bond premium by a U.S. Holder who has not elected to amortise the premium will be a capital loss to the extent of the bond premium (subject to the treatment of foreign currency gain or loss below).

A U.S. Holder's adjusted tax basis in a foreign currency Trust Certificate will generally equal the "U.S. dollar cost" (as defined herein) of the Trust Certificate to such holder increased by any previously accrued OID and decreased by any amortised premium and cash payments on the Trust Certificate other than qualified stated interest. The "U.S. dollar cost" of a Trust Certificate purchased with foreign currency will generally be the U.S. dollar value of the purchase price based on the spot rate of exchange on the date of purchase (or based on the spot rate of exchange on the settlement date of the purchase, in the case of Trust Certificates traded on an established securities market that are purchased by a cash basis U.S. Holder or an electing accrual basis U.S. Holder). If a U.S. Holder receives foreign currency on a sale, exchange, retirement, or other taxable disposition of a Trust Certificate, the amount realised generally will be based on the U.S. dollar value of such foreign currency translated at the spot rate on the date of taxable disposition. In the case of a Trust Certificate that is considered to be traded on an established securities market, a cash basis U.S. Holder and, if it so elects, an accrual basis U.S. Holder, will determine the U.S. dollar value of such foreign currency by translating such amount at the spot rate on the settlement date of the disposition. The special election available to accrual basis U.S. Holders in regard to the purchase and disposition of Trust Certificates traded on an established securities market must be applied consistently to all debt instruments held by the U.S. Holder and cannot be changed without the consent of the IRS. An accrual basis U.S. Holder that does not make the special settlement date election will recognise exchange gain or loss to the extent that there are exchange rate fluctuations between the disposition date and the settlement date.

Gain or loss realised upon the sale, exchange, retirement or other taxable disposition of a foreign currency Trust Certificate that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange

rates will equal the difference between (i) the U.S. dollar value of the foreign currency purchase price of the Trust Certificate, determined on the date the Trust Certificate is disposed of, and (ii) the U.S. dollar value of the foreign currency purchase price of the Trust Certificate, determined on the date the U.S. Holder acquired the Trust Certificate (adjusted, in each case, for any amortised bond premium that has been taken into account prior to the date of the sale, exchange or retirement). Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency Trust Certificates described above. The foreign currency gain or loss will be recognised only to the extent of the total gain or loss realised by the U.S. Holder on the sale, exchange, retirement or other taxable disposition of the foreign currency Trust Certificate. The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. Holder or the "qualified business unit" of the U.S. Holder on whose books the Trust Certificate is properly reflected. Any gain or loss realised by these U.S. Holders in excess of the foreign currency gain or loss will be capital gain or loss except that any gain will be treated as ordinary income, in the case of short term Trust Certificate, to the extent of any discount not previously included in the U.S. Holder's income. U.S. Holders should consult their tax advisors with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such Trust Certificate accrue.

Non-U.S. Holders

Subject to the discussion below under "*Backup Withholding and Information Reporting*", a Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Trust Certificates and gain from the sale, redemption or other disposition of the Trust Certificates unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the U.S.; or (ii) in the case of any gain realised on the sale or exchange of a Trust Certificate by an individual Non-U.S. Holder, that Holder is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Trust Certificates (including any accrued OID) and the proceeds from a sale or other disposition of the Trust Certificates. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding.

Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle them to a refund, *provided* that the required information is timely furnished to the IRS.

Other Reporting Requirements

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS by attaching Form 8886 to their tax returns and retaining a copy of all documents and records relating to the transaction. The scope and application of these rules is not entirely clear and whether an investment in a Trust Certificate constitutes a "reportable transaction" for any holder depends on the holder's particular circumstances. For example, a U.S. Holder may be required to treat a foreign currency exchange loss from the Trust Certificates as a reportable transaction if the loss exceeds certain thresholds. In the event the acquisition, ownership or disposition of Trust Certificates constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Trust Certificates and should be aware that we (or other participants

in the transaction) may determine that the investor list maintenance requirement applies to the transaction and comply accordingly with this requirement.

Certain U.S. Holders are required to report information relating to certain specified foreign financial assets, including an interest in the Trust Certificate, subject to certain exceptions (including an exception for Trust Certificate held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of the Trust Certificate.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a Certificateholder's particular situation. Certificateholders should consult their tax advisors with respect to the tax consequences to them of the ownership and disposition of the Trust Certificates, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), impose certain restrictions on (i) employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, (ii) plans (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts and Keogh plans, (iii) any entity whose underlying assets could be deemed to include "**plan assets**" pursuant to the U.S. Department of Labor "plan assets" regulation, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Assets Regulation**") by reason of any such employee benefit plan's or plan's investment in such entity (each of the foregoing, a "**Plan**") and (iv) persons who have certain specified relationships to a Plan or its assets ("**parties in interest**" under Section 3(14) of ERISA and "**disqualified persons**" under the Section 4975 of the Code; collectively, "**Parties in Interest**"). ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions between a Plan and its Parties in Interest. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving "plan assets" and Parties in Interest, unless a statutory or administrative exemption is available. Parties in Interest that participate in a non-exempt prohibited transaction may be subject to penalties imposed under ERISA and/or excise taxes may be imposed pursuant to Section 4975 of the Code.

Certain employee benefit plans, including governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the prohibited transaction rules of Section 406 of ERISA or Section 4975 of the Code but may be subject to substantially similar rules under other applicable federal, state, local or non-U.S. laws or regulations.

Under the Plan Assets Regulation, if a Plan invests in an "*equity interest*" of an entity that is neither a "*publicly offered security*" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided economic interest in each of the entity's underlying assets, unless it is established that the entity is an "*operating company*" or that equity participation in the entity by "*benefit plan investors*" (i.e., Plans) is not "*significant*". The Plan Assets Regulation generally defines equity participation in an entity by "*benefit plan investors*" as "*significant*" if 25 per cent. or more of the total value of any class of equity interest in the entity is held by "benefit plan investors".

For the purposes of determining whether participation by "*benefit plan investors*" is "*significant*", Trust Certificates held by an investor (other than a "*benefit plan investor*") that has discretionary authority or control over the assets of the Trustee or provides investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates (as defined in the Plan Assets Regulation) of such an investor, are excluded from such calculation and will not be treated as outstanding. If the assets of the Trustee were deemed to be the assets of a Plan, the Trustee would be subject to certain fiduciary obligations under ERISA and certain transactions that the Trustee might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded.

Plans may not purchase or hold a Trust Certificate (or any interest therein). Accordingly, each initial purchaser of the Trust Certificates (or any interest therein) and each subsequent transferee will be deemed to have acknowledged, represented and agreed, by its purchase or holding of a Trust Certificate (or any interest therein), that (A) it is not, and is not acting on behalf of (and for so long as it holds Trust Certificates (or any interest therein) will not be and will not be acting on behalf of), (i) a Plan or (ii) a governmental, church or non-U.S. plan unless, under this subsection (ii), its acquisition, holding and disposition of the Trust Certificates (or any interest therein) will not constitute or result in a violation of any federal, state, local or non-U.S. laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Similar Law**") or subject the Trustee or any transactions thereby to any

such Similar Law and (B) it and any person causing it to acquire any of the Trust Certificates agrees to indemnify and hold harmless the Trustee, the Kingdom, the Delegates, the Arrangers, the Dealers and their respective affiliates from any cost, damage or loss incurred by them as a result of it being or being deemed to be a Plan or a plan subject to any Similar Law. Each fiduciary of a plan subject to Similar Law should consult with its legal or other advisors concerning the potential consequences to the plan under any applicable Similar Law of an investment in the Trust Certificates (or any interest therein).

ERISA Transfer Restrictions

Each purchaser and transferee of the Trust Certificates (or any interest therein) will be deemed to have acknowledged, represented and agreed that (a) it is not, and is not acting on behalf of (and for so long as it holds Trust Certificates (or any interest therein) will not be and will not be acting on behalf of): (i) a Plan or (ii) a governmental, church or non-U.S. plan unless, under this subsection (ii), its acquisition, holding and disposition of the Trust Certificates (or any interest therein) will not constitute or result in a violation of any Similar Law or subject the Trustee or any transactions thereby to any such Similar Law and (b) it will not sell or otherwise transfer any such Trust Certificates or any interest therein to any person unless the same foregoing representations and warranties apply to that person.

SUBSCRIPTION AND SALE

Trust Certificates may be offered from time to time by the Trustee to any one or more of the Arrangers and any **Dealers**. The arrangements under which Trust Certificates may from time to time be offered by the Trustee to, and purchased by, the Dealers are set out in the amended and restated dealer agreement dated 11 January 2024 (the "**Dealer Agreement**") and made between the Trustee, the Kingdom, the Arrangers and the Dealers. The Trustee, the Kingdom and the Dealers will agree the form and terms and conditions of the relevant Trust Certificates, the price at which such Trust Certificates will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Trustee and the Kingdom in respect of such purchase. The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Dealer Agreement prior to the closing of the issue of any Trust Certificates, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the relevant Issue Date. In this situation, the issuance of the relevant Trust Certificates may not be completed. Investors will have no rights against the Trustee, the Kingdom or the Dealers in respect of any expense incurred or loss suffered in these circumstances. Each of the Trustee and the Kingdom has agreed to indemnify the Dealers against certain liabilities in connection with the offer and the sale of the Trust Certificates. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Trust Certificates.

Certain of the Dealers and their respective affiliates may, from time to time, engage in transactions with, and perform services for, the Kingdom in the ordinary course of their respective businesses. Certain of the Dealers or their respective affiliates are also lenders under the U.S.$16.0 billion term loan facility entered into by the Kingdom in March 2018. The Trustee will use the proceeds from the Trust Certificates issued under the Programme to enter into Murabaha Transactions and, through the Onshore Investment Vehicle, an Infrastructure Mudaraba, with the Kingdom. The Kingdom may apply all or part of any monies received from the Trustee in repayment of all or part of any credit facilities that may have been, or may in the future be, extended to the Kingdom by the Dealers or their affiliates.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Trust Certificates or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Trustee, the Kingdom and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Trust Certificates or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out below) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

Selling restrictions may be supplemented or modified with the agreement of the Trustee and the Kingdom. Any such supplement or modification may be set out in the Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Trust Certificates) or in a supplement to this Base Prospectus.

No representation is made that any action has been or will be taken in any jurisdiction which would, or is intended to, permit a public offering of any Trust Certificates, or possession or distribution of this Base

Prospectus or any other offering materials or Final Terms in any country or jurisdiction where action for that purpose is required.

United States

The Trust Certificates have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Neither the Trust nor the Trustee has been or will be registered under the Investment Company Act, in reliance on the exemption provided by Section 3(c)(7). An investment in the Trust Certificate is thus not subject to the protections of the Investment Company Act.

Until 40 days after the commencement of the offering of any Tranche of Trust Certificates, an offer or sale of such Trust Certificates within the United States by any dealer (whether or not participating in the offering of such Tranche of Trust Certificates) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the resale of Trust Certificates to QIBs that are also QPs pursuant to Rule 144A and each such purchaser of Trust Certificates is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

The Trust Certificates (and any interest therein) may not be sold to or held by or on behalf of: (i) an employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA; (ii) a plan (as defined in Section 4975(e)(1) of the Code) that is subject to Section 4975 of the Code; (iii) an entity whose underlying assets could be deemed to include "*plan assets*" (within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA) by reason of any such employee benefit plan's or plan's investment in such entity; or (iv) a governmental plan (as defined in Section 3(32) of ERISA), a church plan (as defined in Section 3(33) of ERISA), or a non-U.S. plan (as described in Section 4(b)(4) of ERISA) unless, under this subsection (iv), its acquisition, holding and disposition of the Trust Certificates (or any interest therein) will not constitute or result in a violation of any Similar Law or subject the Trustee or any transactions thereby to any such Similar Law.

This Base Prospectus has been prepared by the Trustee for use in connection with the offer and sale of the Trust Certificates outside the United States and for the resale of the Trust Certificates in the United States. The Trustee and the Dealers reserve the right to reject any offer to purchase the Trust Certificates, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States, other than any QIB who is also a QP to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate.

European Economic Area

Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the EEA (each, a "**Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Trust Certificates to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and the Kingdom for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Trust Certificates referred to in (a) to (c) above shall require the Trustee or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

(i) the expression "**an offer of Trust Certificates to the public**" in relation to any Trust Certificates in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Trust Certificates; and

(ii) the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended).

United Kingdom

Public Offer Selling Restriction under the UK Prospectus Regulation

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Trust Certificates to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and the Kingdom for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Trust Certificates referred to in (a) to (c) above shall require the Trustee or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

(i) the expression "**an offer of Trust Certificates to the public**" in relation to any Trust Certificates means the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Trust Certificates; and

(ii) the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Trust Certificates which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Trust Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Trust Certificates would otherwise constitute a contravention of section 19 of the FSMA by the Trustee or the Kingdom;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Trust Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Trustee or the Kingdom; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Trust Certificates in, from or otherwise involving the United Kingdom.

Saudi Arabia

Any investor in Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Trust Certificates pursuant to an offering should note that the offer of Trust Certificates is an exempt offer under Article 6 of the Rules on the Offer of Securities and Continuing Obligations, made through capital market institutions licensed by the CMA to carry on the securities activity of arranging.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Trust Certificates to a Saudi Investor will be made in compliance with Article 6 of the Rules on the Offer of Securities and Continuing Obligations.

Although HSBC Bank plc is appointed as Arranger and Dealer pursuant to the Dealer Agreement, HSBC Saudi Arabia, which is a Capital Market Institution licensed by the CMA, will be the relevant legal entity for all regulated activities in the Kingdom relating to the issuance of any Trust Certificates under the Programme, including offering and related applications to the CMA.

Further, although Crédit Agricole Corporate and Investment Bank is appointed as Dealer pursuant to the Dealer Agreement, Credit Agricole CIB Arabia Financial Company, which is a Capital Market Institution licensed by the CMA, will be the relevant legal entity for all regulated activities in the Kingdom relating to the issuance of any Trust Certificates under the Programme, including offering and related applications to the CMA.

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Trust Certificates in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar; and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Trust Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more excluding that person's principal place of residence;

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000;

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or

(d) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Abu Dhabi Global Market

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Trust Certificates to be issued under the Programme to any person in the Abu Dhabi Global Market unless such offer is:

(a) an "Exempt Offer" in accordance with Rule 4.3 of the Market Rules (MKT) of the Financial Services Regulatory Authority (the "**FSRA**"); and

(b) made only to persons who meet the Professional Client criteria set out in the Conduct of Business Rulebook of the FSRA.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Trust Certificates to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation or offer, whether directly or indirectly, to subscribe for the Trust Certificates has been or will be made to the public in the Cayman Islands.

Japan

The Trust Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended, the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold Trust Certificates and will not, directly or indirectly, offer or sell any Trust Certificates in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws and regulations of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Trust Certificates other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Trust Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Trust Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Korea

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that Trust Certificates have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea) except as otherwise permitted under applicable Korean laws and regulations.

Furthermore, a holder of Trust Certificates will be prohibited from offering, delivering or selling any Trust Certificates, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of Trust Certificates except:

(a) Trust Certificates may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of professional investors as specified in the Financial Investment Services and Capital Markets Act, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, provided that such professional investors are registered as "qualified institutional buyers" ("**Korean QIBs**") with the Korea Financial Investment Association (the "**KOFIA**") in

advance and complies with the requirement for monthly reports to the KOFIA of their holding of Korean QIB Bonds, and provided further that:

(i) the Trust Certificates are denominated, and the principal and profit payments thereunder are made, in a currency other than Korean Won,

(ii) the amount of the Trust Certificates acquired by such Korean QIBs in the primary market is limited to less than 20 per cent. of the aggregate issue amount of the Trust Certificates,

(iii) the Trust Certificates are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Trust Certificates in a major overseas securities market,

(iv) the one-year restriction on offering, delivering or selling of the Trust Certificates to a Korean resident other than a Korean QIB is expressly stated in the Trust Certificates, the Dealer Agreement and the Base Prospectus, and

(v) the Trustee and the relevant Dealers shall individually or collectively keep the evidence of fulfilment of conditions (a) through (d) above after having taken necessary actions therefore; or

(b) as otherwise permitted under applicable Korean laws and regulations.

Each Dealer undertakes, and each further Dealer appointed under the Programme will be required to undertake, to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells Trust Certificates confirms that it is purchasing such Trust Certificates as principal and agrees with such Dealer that it will comply with the restrictions described above.

Singapore

Unless the Final Terms in respect of any Trust Certificates specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "**MAS**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Trust Certificates or caused such Trust Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Trust Certificates or cause the Trust Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Trust Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms in respect of any Trust Certificates specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Trust Certificates or caused such Trust Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Trust Certificates or cause the Trust Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Trust Certificates, whether directly or indirectly, to any

person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise specified in the applicable Final Terms in respect of any Trust Certificates, all Trust Certificates issued or to be issued under the Programme shall be 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Malaysia

This Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia (the "**CMSA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, the Trust Certificates have not been and will not be offered or sold, and no invitation to subscribe for or purchase any Trust Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Schedule 6 or Section 229(1)(b) and Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Trust Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Trust Certificates as aforesaid without the necessary approvals being in place.

Kuwait

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Trust Certificates will be offered, marketed and/or sold by it in Kuwait, except through a licensed person duly authorised to undertake such activity pursuant to Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and Regulating Securities Activities and its executive bylaws (each as amended) (the "**CML Rules**") and unless all necessary approvals from the Kuwait Capital Markets Authority pursuant to the CML Rules, together with the various resolutions, regulations, guidance principles and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing, and sale, of the Trust Certificates. For the avoidance of doubt, no Trust Certificates shall be offered, marketed and/or sold in Kuwait except on a private placement basis to Professional Clients (as defined in Module 1 of the executive bylaws of Law No. 7 of 2010 (each as amended)).

Switzerland

The Trust Certificates have not been licensed for offering to non-qualified investors with the Swiss Financial Market Supervisory Authority FINMA (the "**FINMA"**) as a foreign collective investment scheme pursuant to article 120(1) of the Swiss Federal Act on Collective Investment Schemes (the **CISA**) and no representative or paying agent in Switzerland has been appointed pursuant to article 120(2)(d) of the CISA.

The Trust Certificates may only be offered, directly or indirectly, in Switzerland and this Base Prospectus and any other offering documents relating to the Trust Certificates may only be made available in or from Switzerland to:

(a) professional clients as defined in article 4(3) of the Swiss Federal Act on Financial Services (the "**FinSA"**), excluding high-net worth individuals and their private investment structures (without professional treasury operations); and

(b) clients, that (i) are provided permanent portfolio management or permanent investment advice services by a financial intermediary in accordance with Article 4 paragraph 3 letter of the FinSA or a foreign financial intermediary that is subject to equivalent prudential supervision and (ii) have not declared that they do not wish to be treated as qualified investors.

The Trust Certificates are not subject to the approval of, or supervision by, the FINMA and investors in the Trust Certificates will not benefit from protection under the CISA or supervision by the FINMA.

Indonesia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates have not been offered or sold and will not be offered or sold in Indonesia or to Indonesian nationals, corporations or to Indonesian citizens, wherever they are domiciled or to Indonesian residents, including by way of invitation, offering or advertisement, and neither this Base Prospectus nor any other offering materials relating to the Trust Certificates have been distributed, or will be distributed, in Indonesia or to Indonesian nationals, corporations or residents in a manner which constitutes a public offering of the Trust Certificates under the laws or regulations of the Republic of Indonesia.

Brunei

This Base Prospectus has not been and will not be registered, delivered to, licensed or permitted by the Autoriti Monetari Brunei Darussalam with the Authority designated under the Brunei Darussalam Securities Markets Order (the "**SMO**") nor has it been registered with the Registrar of Companies, Registrar of International Business Companies. As such the Trust Certificates may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of Trust Certificates be circulated or distributed, whether directly or indirectly, to any person in Brunei other than: (a) to an accredited investor under Section 20 of the SMO; (b) an expert investor under Section 20 of the SMO; or (c) an institutional investor under Section 20 of the SMO, and in accordance with the conditions specified in Section 117 of the SMO.

This Base Prospectus is for informational purposes only and does not constitute an invitation or offer to the public. It must not be distributed or redistributed to and may not be relied upon or used by any person in Brunei other than the person to whom it is directly communicated: (i) in accordance with the conditions of section 21(3) of the International Business Companies Order 2000; or (ii) whose business or part of whose business is in the buying and selling of shares within the meaning of section 308(4) of the Companies Act (Cap. 39).

Any offers, acceptances, subscription, sales and allotments of the Trust Certificates shall be made outside Brunei. Nothing in this Base Prospectus shall constitute legal, tax, accounting or investment advice. The recipient should independently evaluate any specific investment with consultation with professional advisors in law, tax, accounting and investments.

Italy

The offering of the Trust Certificates has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that no Trust Certificates may be offered, sold or delivered, nor may

copies of this Base Prospectus or of any other document relating to the Trust Certificates be distributed in Italy, except:

(a) to qualified investors (*investitori qualificati*) as defined pursuant to Article 2 of the Prospectus Regulation and any application provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Italian CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Trust Certificates or distribution of copies of this Base Prospectus or any other document relating to the Trust Certificates in Italy under (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

TRANSFER RESTRICTIONS

The Trust Certificates are being sold in the United States only to QIBs within the meaning of and in reliance on Rule 144A that are also QPs within the meaning of Section 2(a)(51) of the Investment Company Act. Because of the following restrictions, purchasers of Trust Certificates sold in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Trust Certificates.

Regulation S Trust Certificates

Each purchaser of Unrestricted Trust Certificates outside the United States pursuant to Regulation S and each subsequent purchaser of such Trust Certificates in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Trust Certificates, will be deemed to have represented, agreed and acknowledged that:

(a) within the meaning of Regulation S, it is, or at the time Trust Certificates are purchased will be, the beneficial owner of such Trust Certificates, it is not a U.S. person and it is located outside the United States;

(b) it understands that such Trust Certificates have not been and will not be registered under the Securities Act and the Trustee has not registered and does not intend to register as an investment company under the Investment Company Act and accordingly that, prior to the expiration of the distribution compliance period (as defined in Regulation S), it will not offer, sell, pledge or otherwise transfer such Trust Certificates except:

(i) to non-U.S. persons (within the meaning of Regulation S) in offshore transactions in accordance with Rule 903 or Rule 904 of Regulation S;

(ii) to the Trustee or an affiliate thereof;

(iii) in the case of Unrestricted Trust Certificates only, in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB that is also a QP purchasing for its own account or the account of a QIB that is also a QP, or

(iv) pursuant to an effective registration statement under the Securities Act,

in each case in accordance with any applicable securities laws of any State of the United States;

(c) it understands that the Trustee, the Kingdom, the Delegate, the Agents, the Arrangers, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Trust Certificates is no longer accurate, it shall promptly notify the Trustee, the Kingdom and the Dealer(s);

(d) (i) it is not, and is not acting on behalf of (and for so long as it holds Trust Certificates (or any interest therein) will not be and will not be acting on behalf of): (a) a Plan, or (b) a governmental, church or non-U.S. plan unless, under this subsection (b), its acquisition, holding and disposition of the Trust Certificates (or any interest therein) will not constitute or result in a violation of any Similar Law or subject the Trustee or any transactions thereby to any such Similar Law and (ii) it will not sell or otherwise transfer any such Trust Certificates or any interest therein to any person unless the same foregoing representations and warranties apply to that person; and

(e) the purchaser understands that the Unrestricted Global Trust Certificate and any unrestricted Individual Trust Certificate (a "**Unrestricted Individual Trust Certificate**") will bear a legend to the following effect, unless the Trustee determines otherwise in accordance with applicable law:

On or prior to the fortieth day after the relevant issue date, Trust Certificates represented by an interest in an Unrestricted Global Trust Certificate may be transferred to a person who wishes to hold such Trust Certificates in the form of an interest in a Restricted Global Trust Certificate only upon receipt by the relevant Registrar of a written certification from the transferor to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB that is also a QP, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. After such fortieth day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Global Trust Certificate, as described above under "*Form of the Trust Certificates*".

> THE TRUST CERTIFICATES IN RESPECT OF WHICH THIS UNRESTRICTED GLOBAL TRUST CERTIFICATE IS ISSUED (THE "**TRUST CERTIFICATES**") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.
>
> BY ACCEPTING THIS TRUST CERTIFICATE (OR ANY INTEREST HEREIN) EACH BENEFICIAL OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFICIAL OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO HAVE ACKNOWLEDGED, REPRESENTED AND AGREED THAT, (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS TRUST CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF), (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO TITLE I OF ERISA, (II) A PLAN (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**CODE**")) THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (III) ANY ENTITY WHOSE UNDERLYING ASSETS COULD BE DEEMED TO INCLUDE "PLAN ASSETS" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA) BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY (EACH, A "**BENEFIT PLAN INVESTOR**"), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN UNLESS, UNDER THIS SUBSECTION (IV), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS TRUST CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") OR SUBJECT THE TRUSTEE OR ANY TRANSACTIONS THEREBY TO ANY SUCH SIMILAR LAW AND (B) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS TRUST CERTIFICATE OR ANY INTEREST HEREIN TO ANY PERSON UNLESS THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES APPLY TO THAT PERSON. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS TRUST CERTIFICATE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE, THE KINGDOM NOR THE DELEGATE WILL RECOGNISE ANY SUCH ACQUISITION OR TRANSFER.

Trust Certificates represented by an interest in a Restricted Global Trust Certificate may also be transferred to a person who wishes to hold such Trust Certificates in the form of an interest in an Unrestricted Global Trust Certificate, but only upon receipt by the relevant Registrar of a written certification from the transferor to the

effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the Securities Act.

Any interest in a Trust Certificate represented by an Unrestricted Global Trust Certificate that is transferred to a person who takes delivery in the form of an interest in a Trust Certificate represented by a Restricted Global Trust Certificate will, upon transfer, cease to be an interest in a Trust Certificate represented by an Unrestricted Global Trust Certificate and become an interest in a Trust Certificate represented by a Restricted Global Trust Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Trust Certificates represented by a Restricted Global Trust Certificate.

Rule 144A Trust Certificates

Each prospective purchaser of Trust Certificates in reliance on Rule 144A (a "**144A Offeree**"), by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged as follows:

(i) such 144A Offeree acknowledges that this Base Prospectus is personal to such 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Trust Certificates. Distribution of this Base Prospectus, or disclosure of any of its contents to any person other than such 144A Offeree and those persons, if any, retained to advise such 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Trustee and the Kingdom, is prohibited.

(ii) such 144A Offeree agrees to make no photocopies of this Base Prospectus or any documents referred to herein.

Each purchaser of Restricted Trust Certificates in reliance on Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged as follows (terms used in the following paragraphs that are defined in Rule 144A have the respective meanings given to them in Rule 144A):

(i) the purchaser is (a) a QIB that is also a QP, (b) acquiring the Trust Certificates for its own account or for the account of one or more QIBs each of which is also a QP, (c) not formed for the purpose of investing in the Trust Certificates or the Trustee and (d) is aware, and each beneficial owner of such Trust Certificates has been advised that the sale of the Trust Certificates to it is being made in reliance on Rule 144A;

(ii) the purchaser understands that (1) the Trust Certificates have not been and will not be registered under the Securities Act and the Trustee has not registered and does not intend to register as an investment company under the Investment Company Act and accordingly the Trust Certificates may not be offered, sold, pledged or otherwise transferred except (a) within the United States, in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB that is also a QP purchasing for its own account or for the account of one or more QIBs, each of which is also a QP, (b) outside the United States, to non-U.S. persons (within the meaning of Regulation S) in offshore transactions in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (d) pursuant to an effective registration statement under the Securities Act or (e) to the Trustee or any of their respective affiliates, in each case in accordance with any applicable securities laws of any State of the United States; and (2) it will, and each subsequent holder of the Restricted Trust Certificates is required to, notify any purchaser of the Restricted Trust Certificates from it of the resale restrictions applicable to the Restricted Trust Certificates;

(iii) the purchaser (i) is not, and is not acting on behalf of (and for so long as it holds Trust Certificates (or any interest therein) will not be and will not be acting on behalf of): (a) a Plan, or (b) a governmental, church or non-U.S. plan unless, under this subsection (b), its acquisition, holding and disposition of the Trust Certificates (or any interest therein) will not constitute or result in a violation of any Similar

Law or subject the Trustee or any transactions thereby to any such Similar Law and (ii) it will not sell or otherwise transfer any such Trust Certificates or any interest therein to any person unless the same foregoing representations and warranties apply to that person;

(iv) the purchaser understands that the Restricted Global Trust Certificate and any restricted Individual Trust Certificate (a "**Restricted Individual Trust Certificate**") will bear a legend to the following effect, unless the Trustee determines otherwise in accordance with applicable law:

THE TRUST CERTIFICATES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE TRUST CERTIFICATES REPRESENTED HEREBY AGREES FOR THE BENEFIT OF THE TRUSTEE THAT THE TRUST CERTIFICATES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, THAT IS ALSO A QUALIFIED PURCHASER (AS DEFINED IN SECTION 2(a)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (4) TO THE TRUSTEE OR ITS AFFILIATES, OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NEITHER THE TRUST NOR THE TRUSTEE HAS BEEN, OR WILL BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT.

BY ACCEPTING THIS TRUST CERTIFICATE (OR ANY INTEREST HEREIN) EACH BENEFICIAL OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFICIAL OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO HAVE ACKNOWLEDGED, REPRESENTED AND AGREED THAT, (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS TRUST CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT BE AND WILL NOT BE ACTING ON BEHALF OF), (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO TITLE I OF ERISA, (II) A PLAN (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**CODE**")) THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (III) ANY ENTITY WHOSE UNDERLYING ASSETS COULD BE DEEMED TO INCLUDE "PLAN ASSETS" (WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA) BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY (EACH, A "**BENEFIT PLAN INVESTOR**"), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN UNLESS, UNDER THIS SUBSECTION (IV), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS TRUST CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**") OR SUBJECT THE TRUSTEE OR ANY

TRANSACTIONS THEREBY TO ANY SUCH SIMILAR LAW AND (B) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS TRUST CERTIFICATE OR ANY INTEREST HEREIN TO ANY PERSON UNLESS THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES APPLY TO THAT PERSON. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS TRUST CERTIFICATE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE, THE KINGDOM NOR THE DELEGATE WILL RECOGNISE ANY SUCH ACQUISITION OR TRANSFER.

(v) if it is acquiring any Trust Certificates for the account of one or more QIBs, that are also QPs, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;

(vi) the Trustee is a "covered fund" as defined in the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the Investment Company Act, but for the exemption provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Trustee relies on Section 3(c)(7) of the Investment Company Act for their exemption from registration thereunder (which limits sales of the Trust Certificates to "qualified purchasers" as such term is defined in the Investment Company Act), they are considered to be covered funds, hence banking entities that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining an "ownership interest" in the Trustee as a covered fund, absent any applicable exclusion or exemption. Under the Volcker Rule, "ownership interest" is defined broadly to include any participation or other interest that entitles the holder of such interest to, amongst other things: (a) vote to remove management or otherwise (other than as a creditor exercising remedies upon an event of default), (b) share in the income, gains, profits or excess spread of the covered fund or (c) receive underlying assets of the covered fund; and

(vii) the purchaser understands that the Trustee, the Kingdom, the Delegate, the Agents, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Trust Certificates is no longer accurate, it shall promptly notify the Trustee, the Kingdom and the Dealer(s).

Upon the transfer, exchange or replacement of a Restricted Global Trust Certificate or a Restricted Individual Trust Certificate, or upon specific request for removal of the legend, the Trustee will deliver only a Restricted Global Trust Certificate or one or more Restricted Individual Trust Certificates that bear such legend or will refuse to remove such legend, unless there is delivered to the Trustee and the relevant Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Trustee that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Any interest in a Restricted Global Trust Certificate that is transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Trust Certificate will, upon transfer, cease to be an interest in a Restricted Global Trust Certificate and become an interest in an Unrestricted Global Trust Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in an Unrestricted Global Trust Certificate. Prospective purchasers that are QIBs that are also QPs are hereby notified that sellers of the Restricted Trust Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

CLEARING AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and/or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing Systems. Neither the Trustee, the Kingdom, the Delegate nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Trust Certificates held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

The information in this section concerning the Clearing Systems has been obtained from sources that the Trustee and the Kingdom believe to be reliable, but neither the Trustee, the Kingdom, the Delegate, the Agents nor the Dealers take any responsibility for the accuracy thereof. Each of the Trustee and the Kingdom confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

DTC Book-Entry System

Trust Certificates whether as part of the initial distribution of the Trust Certificates or in the secondary market, are eligible to be held in book-entry form in DTC.

DTC has advised the Trustee that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants ("**Direct Participants**") include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

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

Purchases of DTC Trust Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Trust Certificates on DTC's records. The ownership interest of each actual purchaser of each DTC Trust Certificate ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the

transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Trust Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Trust Certificates, except in the event that use of the book-entry system for the DTC Trust Certificates is discontinued.

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

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

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

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Trust Certificates. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Trust Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and profit payments on the DTC Trust Certificates will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in registered in "street name", and will be the responsibility of such Participant and not of DTC or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and profit to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Trust Certificates for Individual Trust Certificates, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Restricted Global Trust Certificate, will be legended as set forth under "*Transfer Restrictions*".

Book-entry Ownership of and Payments in respect of DTC Trust Certificates

The Trustee may apply to DTC in order to have each Tranche of Trust Certificates represented by the Restricted Global Trust Certificate, and if applicable, the Unrestricted Global Trust Certificate, accepted in its book-entry settlement system. Upon the issue of any Global Trust Certificates, DTC or its custodian will credit, on its internal book-entry system, the respective principal amounts of the individual beneficial interests represented by such Global Trust Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer.

Ownership of beneficial interests in a Global Trust Certificate will be limited to Direct Participants or Indirect Participants. Ownership of beneficial interests in a Global Trust Certificate will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

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

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

Euroclear and Clearstream, Luxembourg

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

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Investors may hold their interests in Global Trust Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders or indirectly through organisation which are accountholders therein.

Transfers of Trust Certificates Represented by Global Trust Certificates

Transfers of any interests in Trust Certificates represented by a Global Trust Certificate will be effected in accordance with the customary rules and operating procedures of Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be. The laws of some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Trust Certificates represented by a Global Trust Certificate to such persons may depend upon the ability to exchange such Trust Certificates for Individual Trust Certificates. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Trust Certificates represented by a Global Trust Certificate held by DTC to pledge such Trust Certificates to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Trust Certificates may depend upon the ability to exchange such Trust Certificates for Trust Certificates in definitive form. The ability of any holder of Trust Certificates represented by a Global Trust Certificate held by DTC to resell, pledge or otherwise transfer such Trust Certificates may be impaired if the

proposed transferee of such Trust Certificates is not eligible to hold such Trust Certificates through a direct or indirect participant in the DTC system.

Transfers at any time by a holder of a book-entry interest in a Restricted Global Trust Certificate to a transferee who takes delivery of such book-entry interest through an Unrestricted Global Trust Certificate for the same Series of Trust Certificates will only be made upon delivery to the relevant Registrar of a certificate setting forth compliance with the provisions of Regulation S. Prior to the expiration of the distribution compliance period (as defined in Regulation S), ownership of book-entry interests in an Unrestricted Global Trust Certificate will be limited to persons that have accounts with Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, or persons who hold such book-entry interest through Euroclear, Clearstream, Luxembourg and/or DTC, as the case may be, and any sale or transfer of such book-entry interest to a US person (within the meaning of Regulation S) shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Transfers at any time by a holder of a book-entry interest in an Unrestricted Global Trust Certificate to a transferee who takes delivery of such book-entry interest through a Restricted Global Trust Certificate for the same Series of Trust Certificates will only be made upon receipt by the relevant Registrar or the relevant Transfer Agent of a written certificate from the transferor of such book-entry interest to the effect that such transfer is being made to a person whom such transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A that is also a QP within the meaning of section 2(a)(51) of the Investment Company Act, in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any state of the United States.

Subject to compliance with the transfer restrictions applicable to the Trust Certificates described under "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrars, and/or the Paying Agents, as the case may be, and any custodian with whom the relevant Global Trust Certificates have been deposited.

On or after the relevant issue date for any Series, transfers of Trust Certificates of such Series between accountholders in Euroclear or Clearstream, Luxembourg and transfers of Trust Certificates of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

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

Euroclear, Clearstream, Luxembourg and DTC have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Trust Certificates among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Trustee, the Kingdom, the Delegate, the Agents or any Dealer(s) will be responsible for any performance by Euroclear, Clearstream, Luxembourg and DTC or its respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of

beneficial interests in the Trust Certificates represented by Global Trust Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Trust Certificates thereunder have been duly authorised by a resolution of the Board of Directors of the Trustee dated 22 December 2023. The Trustee has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the issue of Trust Certificates under the Programme and the execution and performance of the Transaction Documents. The entry by the Kingdom into the Transaction Documents in relation to the establishment of the Programme was duly authorised by the Royal Decree No. M/29 dated 23/3/1438H (corresponding to 22 December 2016) and the Council of Ministers Resolution No. 196 dated 23/3/1438H (corresponding to 22 December 2016).

Listing

Application has been made to the London Stock Exchange for Trust Certificates issued under the Programme to be admitted to the Official List and to trading on the London Stock Exchange's main market. The admission of Trust Certificates issued under the Programme to trading on the main market of the London Stock Exchange is expected to be granted on or around 16 January 2024 for a period of 12 months from the date of approval of this Base Prospectus. Any Series of Trust Certificates intended to be admitted to trading on the main market of the London Stock Exchange will be so admitted to trading upon submission to the London Stock Exchange of the relevant Final Terms and any other information required by the London Stock Exchange. Prior to admission to trading, dealings in the Trust Certificates of the relevant Series will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. Unlisted Trust Certificates may be issued pursuant to the Programme. The application for listing of Trust Certificates of any Series issued under the Programme relates to all Trust Certificates of that Series issued or proposed to be issued.

Litigation

The Trustee is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee is aware) during the 12 months preceding the date of this Base Prospectus which may have or have had in the recent past a significant effect on the Trustee's financial position or which are material in the context of the issue of the Trust Certificates.

The Kingdom is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Kingdom is aware) during the 12 months preceding the date of this Base Prospectus which may have or have had in the recent past a significant effect on the Kingdom's financial position or which are material in the context of the issue of the Trust Certificates.

Significant Change

There has been no significant change in the financial performance or financial position of the Trustee and no material adverse change in the prospects of the Trustee, in each case, since the date of its incorporation.

Since 30 December 2022, there has been no significant adverse change in the information set out under the following headings in this Base Prospectus: "The Economy of Saudi Arabia", "Monetary and Financial System", "Public Finance", "Balance of Payments and Foreign Trade" and "Indebtedness".

Documents on Display

For a period of 12 months from the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection at https://www.ndmc.gov.sa/en/IssuancePrograms/Pages/TrusT_Certificate_Issuance_Programme.aspx

(a) the Articles of Association and Memorandum of Association of the Trustee;

(b) the press release relating to the budget of the Kingdom for the current fiscal year;

(c) the Master Declaration of Trust, the Agency Agreement, the Master Murabaha Agreement, the Primary Mudaraba Agreement and the Infrastructure Mudaraba Agreement;

(d) each Supplemental Declaration of Trust and, to the extent applicable, Declaration of Sharing of Assets, in relation to Trust Certificates which are admitted to listing, trading and/or quotation by any listing authority; and

(e) this Base Prospectus.

Any future supplements and any Final Terms to this Base Prospectus (save that Final Terms relating to an unlisted Trust Certificate will only be available for inspection by a Holder of such Trust Certificate and such Holder must produce evidence satisfactory to the Principal Paying Agent as to the identity of such Holder) will be available on the website of the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Shari'ah Advisory Board

The transaction structure relating to Trust Certificates to be issued under the Programme (as described in this Base Prospectus) has been approved by the Shari'a Supervisory Board of Citi Islamic Investment Bank, the Executive Shariah Committee of HSBC Saudi Arabia, the Sharia Supervisory Board of Morgan Stanley and the Global Shariah Supervisory Committee of Standard Chartered Bank as compliant with *Shari'ah* principles as applicable to, and interpreted by, them. Prospective Certificateholders should not rely on the approval referred to above in deciding whether to make an investment in Trust Certificates and should consult their own *Shari'ah* advisers as to whether the proposed transaction described in the approval referred to above (including, without limitation, any trading of the Trust Certificates) is in compliance with *Shari'ah* principles (see "*Risk Factors – There may be differing views with respect to Shari'ah compliance*").

Clearing Systems

It is expected that the Trust Certificates will be accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records) and/or DTC. The appropriate common code, ISIN and, if applicable, FISN and/or CFI for each Tranche of Trust Certificates allocated by Euroclear and Clearstream, Luxembourg will be specified in the Final Terms. In addition, the Trustee may make an application for any Trust Certificates in registered form to be accepted for trading in book-entry form by DTC. The CUSIP number for each Tranche of such Trust Certificates, together with the relevant ISIN and (if applicable) common code, will be specified in the Final Terms. If the Trust Certificates are to clear through an additional or alternative clearing system the appropriate information will be specified in the Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is Depositary Trust Company, 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Trust Certificates to be issued under the Programme will be determined by the Trustee, the Kingdom and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Dealers transacting with the Kingdom

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Kingdom in the ordinary course of business for which they may receive fees. They have received, or may in the future receive,

customary fees and commission for these transactions. Certain of the Dealers or their respective affiliates are also lenders under the U.S.$16.0 billion term loan facility entered into by the Kingdom in March 2018.

The Trustee will use the proceeds from the Trust Certificates issued under the Programme to enter into Murabaha Transactions with the Kingdom and the Primary Mudaraba with the Onshore Investment Vehicle. The Kingdom may apply all or part of any monies that are ultimately received in connection with the issuance of Trust Certificates in repayment of all or part of any credit facilities that may have been, or may in the future be, extended to the Kingdom by the Dealers or their affiliates.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Kingdom or its agencies. Certain of the Dealers or their affiliates have a lending relationship with the Kingdom and/or its agencies, and of those that do, they may hedge their credit exposure to the Kingdom and/or its agencies consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Trust Certificates issued under the Programme. Any such short positions could adversely affect future trading prices of Trust Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph, the term "affiliates" shall also include parent companies.

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