

PRICING SHEET RELATING TO THE 2035 NOTES

**THE KINGDOM OF SAUDI ARABIA
ACTING THROUGH THE MINISTRY OF FINANCE**

GLOBAL MEDIUM TERM NOTE PROGRAMME

U.S.\$4,000,000,000 5.625 per cent. Notes due 2035

Pricing Sheet

Issuer:	The Kingdom of Saudi Arabia, acting through the Ministry of Finance
Issuer LEI:	635400FMICXSM3SI3H65
Security:	U.S.\$4,000,000,000 5.625 per cent. Notes due 2035
Issuer ratings:	Aa3 (Stable) (Moody's) / A+ (Stable) (Fitch)
Expected issue ratings:	Aa3 (Moody's) / A+ (Fitch)
Format:	Rule 144A/Regulation S under Global Medium Term Note Programme
Ranking:	Senior Unsecured
Form:	Registered
Trade Date:	6 January 2025
Settlement Date:	13 January 2025
Maturity Date:	13 January 2035
Size:	U.S.\$4,000,000,000
Coupon/Frequency:	5.625 per cent. per annum fixed rate payable semi-annually in arrear on 13 January and 13 July in each year, commencing on 13 July 2025, up to and including the Maturity Date
Day Count Convention:	30/360
Re-offer price:	99.179 per cent.
Re-offer yield:	5.734 per cent.
Benchmark bond:	UST 4.250% due Nov-2034
Benchmark yield:	4.634 per cent.
Re-offer spread over Benchmark:	110 basis points
Redemption:	100 per cent.
Use of proceeds:	General domestic budgetary purposes
ERISA Considerations:	Plans and other entities subject to ERISA or Section 4975 of the Code may acquire Notes (or any interest in a Note).
Listing:	Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London

	Stock Exchange plc's main market with effect from (or around) the Settlement Date
Clearing Systems:	Euroclear Bank SA/NV, Clearstream Banking, S.A. and The Depository Trust Company.
Minimum Denominations:	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
CUSIP:	Rule 144A: 80413TBL2
ISIN:	Rule 144A: US80413TBL26 Regulation S: XS2974969482
Governing Law:	English Law
Stabilisation:	ICMA / FCA stabilisation applies
Joint Global Coordinators and Joint Bookrunners:	Citigroup Global Markets Limited, Goldman Sachs International and J.P. Morgan Securities plc
Passive Joint Lead Managers and Bookrunners:	BNP Paribas, First Abu Dhabi Bank P.J.S.C, HSBC Bank plc, Mashreqbank psc, SNB Capital Company and Standard Chartered Bank

IMPORTANT NOTICE

BY ACCEPTING, VIEWING OR READING THIS DOCUMENT, THE RECIPIENT AGREES TO BE BOUND BY THE FOLLOWING OBLIGATIONS AND LIMITATIONS.

Disclaimer

This material is strictly confidential and is for your information only and is not intended to be used by anyone other than you. The information contained in this pricing sheet (this "**Pricing Sheet**") does not purport to be a complete description of the Notes or the offering thereof referred to herein. This document is an indicative summary of the terms and conditions of the transaction described herein. Please refer to the offering circular dated 6 January 2025 prepared in connection with the Global Medium Term Note Programme of the Kingdom of Saudi Arabia, acting through the Ministry of Finance, including the documents incorporated by reference therein (together, the "**Offering Circular**"), for a complete description. Except as set forth below, this Pricing Sheet is qualified in its entirety by reference to the Offering Circular, which is hereby incorporated by reference. The information in this Pricing Sheet supplements the Offering Circular and updates and supersedes the information in the Offering Circular to the extent it is inconsistent with the information in the Offering Circular. Terms used and not defined herein have the meanings assigned in the Offering Circular. Investors should not subscribe for any Notes except on the basis of information contained in the Offering Circular and the applicable Pricing Supplement.

The Joint Global Coordinators and Joint Bookrunners and the Passive Joint Lead Managers and Bookrunner (together, the "**Managers**") make no representation, warranty or undertaking and accept no responsibility as to the accuracy or completeness of any information contained in this document. The value of any investment may fluctuate as a result of market changes. The information in this document is not intended to predict actual results and no assurances are given with respect thereto.

The Managers are not responsible for providing or arranging for the provision of any general financial, strategic or specialist advice, including legal, regulatory, accounting, model auditing or taxation advice or services or any other services in relation to the transaction and/or any related securities described herein. The Managers are acting solely in the capacity of arms' length contractual counterparty and not as adviser, agent or fiduciary to any person. The Managers accept no liability whatsoever to the fullest extent permitted by law for any losses (including any

consequential losses) arising from the use of this document or reliance on the information contained herein. Any person considering an investment in securities should consult their own independent advisers.

The distribution of this Pricing Sheet and the offering in certain jurisdictions may be restricted by law and therefore persons into whose possession this Pricing Sheet comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions could result in a violation of the laws of such jurisdiction.

This document does not constitute or form a part of any offer or solicitation to purchase or subscribe for the Notes in the United States or any other jurisdiction. The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any other jurisdiction and, subject to certain exceptions, may not be offered or sold within the United States. The Managers are only offering the Notes (1) to "qualified institutional buyers" as defined in Rule 144A under the Securities Act and (2) in offshore transactions outside the United States in compliance with Regulation S under the Securities Act (“**Regulation S**”). Any sales of the Notes may only be made in accordance with applicable selling restrictions. This communication is being distributed in the United States solely to "qualified institutional buyers", as defined in Rule 144A under the Securities Act, and outside the United States in compliance with Regulation S. Investors are hereby notified that the sellers of the Notes may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A of the Securities Act or another available exemption from registration. No public offering of the Notes will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited.

NO ACTION HAS BEEN MADE OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF ANY SECURITIES DESCRIBED HEREIN IN ANY JURISDICTION IN WHICH ACTION FOR THAT PURPOSE IS REQUIRED. NO OFFERS, SALES, REALES OR DELIVERY OF ANY SECURITIES DESCRIBED HEREIN OR DISTRIBUTION OF ANY OFFERING MATERIAL RELATING TO SUCH SECURITIES MAY BE MADE IN OR FROM ANY JURISDICTION EXCEPT IN CIRCUMSTANCES WHICH WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS AND WHICH WILL NOT IMPOSE ANY OBLIGATION ON THE MANAGERS OR ANY OF THEIR AFFILIATES.

Certain of the Managers and any of their respective affiliates may not underwrite, subscribe, agree to purchase or procure purchasers to purchase the Notes that are offered or sold in the United States. Notwithstanding anything to the contrary in the Dealer Agreement or the Subscription Agreement, such Managers and any of their respective affiliates shall not be obliged to, and shall not, underwrite, subscribe, agree to purchase or procure purchasers to purchase the Notes that may be offered and sold by other Managers in the United States. Such Managers shall offer and sell the Notes constituting part of their respective allotments solely outside the United States in accordance with Regulation S under the Securities Act.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE MANAGERS AND ANY OF THEIR AFFILIATES MAY TAKE UP NOTES AND MAY RETAIN, PURCHASE OR SELL SUCH NOTES AND ANY OTHER SECURITIES OF THE ISSUER OR RELATED INVESTMENTS AND MAY OFFER OR SELL SUCH SECURITIES OR OTHER INVESTMENTS OTHERWISE THAN IN CONNECTION WITH THE OFFERING OF THE NOTES. THE MANAGERS DO NOT INTEND TO DISCLOSE THE EXTENT OF ANY SUCH INVESTMENT OR TRANSACTIONS OTHERWISE THAN IN ACCORDANCE WITH ANY LEGAL OR REGULATORY OBLIGATION TO DO SO. IN ADDITION, EACH OF THE MANAGERS AND THEIR RESPECTIVE SUBSIDIARIES AND AFFILIATES MAY PERFORM SERVICES FOR, OR SOLICIT BUSINESS FROM, THE ISSUER OR ITS

AFFILIATES, MAY MAKE MARKETS IN THE SECURITIES OF SUCH PERSONS AND/OR HAVE A POSITION OR EFFECT TRANSACTIONS IN SUCH SECURITIES.

BNP Paribas is authorised and regulated by the European Central Bank (“**ECB**”) and the *Autorité de contrôle prudentiel et de résolution* (“**ACPR**”) and the *Autorité des marchés financiers* (AMF), and is authorised as a credit institution by the ECB and as an investment services provider by the ACPR in France. BNP Paribas is registered in France No. B662042449. Registered Office: 16, boulevard des Italiens, Paris, 75009, France. Citigroup Global Markets Limited is authorised by the United Kingdom Prudential Regulation Authority (the “**PRA**”) and regulated by the PRA and the United Kingdom Financial Conduct Authority (the “**FCA**”). Citigroup Global Markets Limited is registered in England No. 01763297. Registered Office: Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom. First Abu Dhabi Bank PJSC is authorised and regulated by the Central Bank of the United Arab Emirates (the “**CBUAE**”) and regulated by the Securities and Commodities Authority of the United Arab Emirates. First Abu Dhabi Bank P.J.S.C is registered in the United Arab Emirates under commercial registration No. CN-1001897. Registered Office: FAB Building, Khalifa Business Park – Al Qurm District, P.O. Box 6316, Abu Dhabi, the United Arab Emirates. Goldman Sachs International is authorised by the PRA and regulated by the FCA and the PRA. Goldman Sachs International is registered in England No. 2263951. Registered Office: Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, United Kingdom. HSBC Bank plc is authorised and supervised by the PRA and regulated by the FCA and the PRA. HSBC Bank plc is registered in England No. 14259. Registered Office: 8 Canada Square, London E14 5HQ, United Kingdom. J.P. Morgan Securities plc is authorised by the PRA and regulated by the FCA and the PRA. J.P. Morgan Securities plc is registered in England No. 02711006. Registered Office: 25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom. Mashreqbank psc is authorised and regulated by the CBUAE. SNB Capital Company is licensed by the Capital Market Authority of the Kingdom of Saudi Arabia. SNB Capital Company is registered in the Kingdom of Saudi Arabia No. CR1010231474. Registered office: King Saud Road, SNB Regional Building P.O. Box 22216, 11495 Riyadh, Kingdom of Saudi Arabia. Standard Chartered Bank is authorised and supervised by the PRA and regulated by the FCA and the PRA. Standard Chartered Bank is registered in England No. ZC000018. Registered Office: 1 Basinghall Avenue, London, EC2V 5DD, United Kingdom.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. This material shall not constitute an underwriting commitment, an offer of financing, an offer to sell, or the solicitation of an offer to buy any securities described herein in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction and shall be subject to the satisfaction of all appropriate conditions precedent.

Each Manager, its affiliates and the individuals associated therewith may (in various capacities) have positions or deal in products, investments, transactions or securities (or related derivatives) identical or similar to those described herein. This Pricing Sheet has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Managers or any person who controls any of them, nor any member, director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from any of the Managers. Distribution of this Pricing Sheet to any persons other than the person receiving this electronic transmission and its respective agents, and any persons retained to advise the person receiving this electronic transmission, is unauthorized. Any photocopying, disclosure or alteration of the contents of this Pricing Sheet or any portion thereof by electronic mail or any other means to any person other than the person receiving this electronic transmission is prohibited. By accepting delivery of this Pricing Sheet, the recipient agrees to the foregoing.

This Pricing Sheet is only being distributed to and is only directed at: (A) persons in member states of the European Economic Area who are "qualified investors" within the meaning of Article 2(1)(e) of Regulation (EU) 2017/1129 (“**Qualified Investors**”); (B) in the United Kingdom, persons who are "qualified investors" within the meaning of Article 2(1)(e) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) and/or high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order; and (C) such other persons as to whom this Pricing Sheet may be lawfully distributed and directed under applicable laws (all such persons in (A) to (C) above together being referred to as “**relevant persons**”). This Pricing Sheet is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any person who is not a relevant person should not act or rely on this Pricing Sheet or any of its contents. Any investment or investment activity to which this Pricing Sheet relates is available only to relevant persons and will be engaged in only with relevant persons.

This document does not constitute an invitation or offer to underwrite, subscribe for or otherwise acquire or dispose of any securities nor is it intended to be an inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom.

UK MiFIR professionals/ECPs-only – Manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels).

Singapore SFA Product Classification: The Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of The Securities And Futures Act 2001 of Singapore, as modified or amended from time to time), that the Notes are ‘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 MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Notes are or are intended to be disposed of only to persons outside Hong Kong or only 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.

The Notes shall be offered in the Kingdom of Saudi Arabia as an exempt offer under the Rules on the Offers of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia.

Credit ratings referred to in this communication should not be taken as recommendations by a rating agency to buy, sell or hold Notes. They may be revised, suspended, changed or withdrawn at any time by the relevant rating agency.

Additional Information

Pricing of the U.S.\$5,000,000,000 5.125 per cent. Notes due 2028 (Regulation S ISIN: XS2974923497 / Rule 144A ISIN: US80413TBJ79) (the “**2028 Notes**”) and the U.S.\$3,000,000,000 5.375 per cent. Notes due 2031 (Regulation S ISIN: XS2974968161 / Rule 144A ISIN: US80413TBK43) (the “**2031 Notes**”) occurred on 6 January 2025, as a result of which the Issuer expects to issue U.S.\$12,000,000,000 in aggregate principal amount of notes (including the Notes) under the Issuer’s Global Medium Term Note Programme on the Settlement Date. The issue price in respect of the 2028 Notes and the 2031 Notes is 99.854 per cent. and 99.671 per cent.,

respectively. Interest in respect of the 2028 Notes and the 2031 Notes will be payable on 13 January and 13 July of each year, commencing on 13 July 2025 up to and including the relevant maturity date.

ERISA Considerations

For the purposes of the Notes, (i) the row titled “ERISA Considerations” of the section “*Overview of the Programme*”, (ii) the section “ERISA Considerations”, (iii) the penultimate paragraph under sub-section “*Subscription and Sale–United States*”, (iv) the second and third paragraphs (excluding the final sentence) below item (c) under sub-section “*Transfer Restrictions–Regulation S Notes*” and (v) the final paragraph of item (iii) under sub-section “*Transfer Restrictions–Rule 144A Notes*”, are each hereby deleted from the Offering Circular.

ANY DISCLAIMERS OR OTHER NOTICES THAT MAY APPEAR BELOW ARE NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMERS OR OTHER NOTICES WERE AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT VIA BLOOMBERG OR ANOTHER E-MAIL SYSTEM.

IMPORTANT NOTICE

The attached document is only being made available to persons who are either (1) QIBs (as defined below) or (2) on an offshore basis outside the United States.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering circular (the “**Offering Circular**”) attached to this electronic transmission and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, 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 the Kingdom of Saudi Arabia (the “**Kingdom**” or “**Saudi Arabia**” or “**Issuer**”) as a result of such access.

Confirmation of Your Representation: In order to be eligible to access, and by accessing, the Offering Circular, 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 Agricultural Bank of China Limited Hong Kong Branch, BNP Paribas, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia) Corporation Limited, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, ICBC International Securities Limited, Merrill Lynch International, Morgan Stanley & Co. International plc, SMBC Bank International plc, Société Générale, and Standard Chartered Bank (together with the Arrangers, the “**Dealers**”), and the Issuer that: (i) you have understood and agreed to the terms set out herein, (ii) you and any customer you represent are either: (a) a person who is outside the United States, its territories and possessions and the electronic mail address you have given to us is not so located, or (b) a person that is a “Qualified Institutional Buyer” (a “**QIB**”) within the meaning of Rule 144A under the United States Securities Act of 1933, as amended (the “**Securities Act**”), (iii) either you and any customer you represent are QIBs or are outside the United States and any purchase of securities will only be in an offshore transaction (within the meaning of Regulation S of the Securities Act), (iv) you consent to the making available of the Offering Circular electronically on our website, (v) you will not transmit the Offering Circular (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 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 Notes.

You are reminded that the Offering Circular has been made available to you on the basis that you are a person into whose possession the Offering Circular 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 distribute the Offering Circular, 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 OFFERING CIRCULAR ON OUR WEBSITE CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION.

THE NOTES 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 NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES 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.

THE OFFERING CIRCULAR 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 OFFERING CIRCULAR 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 OFFERING CIRCULAR 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 Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Offering Circular is not being made available to, and must not be passed on to, the general public in the United Kingdom. The communication of the Offering Circular is only being made to those 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”) or falling within any of the categories of persons described in Article 49 of the Financial Promotion Order, or to other persons to whom the Offering Circular may otherwise be distributed without contravention of the Financial Promotion Order. This communication is being directed only at persons having professional experience in matters relating to investments and any investment or investment activity to which this communication relates will be engaged in only with such persons. No other person should rely on it.

The Offering Circular 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 Dealers, any person who controls any of the Dealers, the Issuer, 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 Offering Circular made available in electronic format and the hard copy version available on request from any of the Arrangers and Dealers.

The distribution of the Offering Circular in certain jurisdictions may be restricted by law. Persons into whose possession the Offering Circular comes are required by the Dealers and the Issuer to inform themselves about, and to observe, any such restrictions.



THE KINGDOM OF SAUDI ARABIA

acting through the Ministry of Finance Global Medium Term Note Programme

Under this Global Medium Term Note Programme (the “**Programme**”), the Kingdom of Saudi Arabia (the “**Issuer**”, the “**Kingdom**” or “**Saudi Arabia**”), acting through the Ministry of Finance, may elect, subject to compliance with all relevant laws, regulations and directives, from time to time to issue notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below).

Notes may be issued in bearer or registered form (respectively, “**Bearer Notes**” and “**Registered Notes**”). The Notes 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 Issuer (each a “**Dealer**” and together, the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “**relevant Dealer(s)**” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

AN INVESTMENT IN NOTES ISSUED UNDER THE PROGRAMME INVOLVES CERTAIN RISKS. SEE “*Risk Factors*”.

Application may be made to the Financial Conduct Authority (the “**FCA**”) for Notes issued under the Programme 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 Notes to be admitted to trading on the London Stock Exchange’s main market. For the purposes of any such application, the Issuer is an exempt issuer pursuant to Article 1(2) of 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**”). Accordingly, this Offering Circular has not been reviewed or approved by the FCA and has not been approved as a base prospectus by any other competent authority under the UK Prospectus Regulation. Notes admitted to the Official List and admitted to trading on the London Stock Exchange’s main market will not be subject to the prospectus requirements of the UK Prospectus Regulation, but will be issued in accordance with the listing rules of the London Stock Exchange.

References in this Offering Circular to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange’s main market and have been admitted to the Official List. The London Stock Exchange’s main market is a UK regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA (“**UK MiFIR**”). The Issuer may also issue Notes which are neither listed nor admitted to trading on any market.

The aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined herein) of Notes will be set out in the pricing supplement specific to each Tranche (the “**Pricing Supplement**”). Payments of interest on Notes issued under the Programme will be made without deduction for, or on account of, taxes imposed by the Kingdom to the extent described in Condition 13 (*Taxation*) under “*Terms and Conditions of the Notes*”.

The Issuer has been assigned a sovereign credit rating of A+ (stable outlook) by Fitch Ratings Limited (“**Fitch**”) and ‘Aa3’ (stable outlook) by Moody’s France S.A.S. (“**Moody’s**”). Fitch is established in the United Kingdom (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 Notes (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 Pricing Supplement. Where a Tranche is rated, such rating will not necessarily be equivalent to the ratings assigned to the Issuer. A rating is not a recommendation to buy, sell or hold the Notes, does not address the likelihood or timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisations.

Amounts (if any) payable in respect of Floating Rate Notes may be calculated by reference to SOFR or EURIBOR as specified in the applicable Pricing Supplement. As at the date of this Offering Circular, (i) 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**”) and (ii) the administrator of SOFR (the Federal Reserve Bank of New York (the “**FRBNY**”) is

not included in the UK Benchmarks Register. As far as the Issuer is aware, FRBNY is not required to obtain authorisation or registration by virtue of Article 2 of the UK Benchmarks Regulation.

The Notes 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, and Notes in bearer form may be subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person except in certain transactions permitted by U.S. tax regulations. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States except in certain transactions exempt from the registration requirements of the Securities Act. The Notes may be offered and sold (A) in bearer form or registered form outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”) and (B) in registered form within the United States to persons who are “qualified institutional buyers” (“**QIBs**”) in reliance on Rule 144A under the Securities Act (“**Rule 144A**”). Prospective purchasers who are QIBs are hereby notified that sellers of the Notes 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 Notes and distribution of this Offering Circular, see “*Subscription and Sale*” and “*Transfer Restrictions*”.

This Offering Circular should be read and construed together with any amendment or supplement hereto. In relation to a Tranche of Notes, this Offering Circular should be read and construed together with the Pricing Supplement.

Arrangers and Dealers

**Bank of China
J.P. Morgan**

**Citigroup
Mizuho**

**HSBC
MUFG**

Dealers

**Agricultural Bank of
China**

Bank of Communications

BNP PARIBAS

BofA Securities

China Construction Bank

Crédit Agricole CIB

**Goldman Sachs
International**

ICBC

Morgan Stanley

SMBC

**Société Générale
Corporate & Investment Banking**

Standard Chartered Bank

The date of this Offering Circular is 6 January 2025

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer, the information contained in this Offering Circular is in accordance with the facts and this Offering Circular 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 Issuer accepts responsibility), the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by 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 Offering Circular is stated where such information appears in this Offering Circular.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” (the “**Conditions**”), as completed by the Pricing Supplement. This Offering Circular 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 Notes which is the subject of Pricing Supplement, must be read and construed together with the Pricing Supplement.

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 Offering Circular refers does not form part of this Offering Circular.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme or any information supplied by the Issuer 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 Issuer, any Arranger (as defined herein) or any Dealer.

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, neither the Arrangers, the Dealers nor 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 Offering Circular 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 Kingdom or any other person in connection with this Offering Circular or the issue and offering of any Notes under the Programme.

Neither this Offering Circular nor any Pricing Supplement are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Offering Circular or any Pricing Supplement should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and any Pricing Supplement and its purchase of Notes should be based upon such investigation as it deems necessary.

Neither the Arrangers nor the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular and any Pricing Supplement nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arrangers or any of the Dealers.

IMPORTANT NOTICES

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or, if applicable, the date upon which this Offering Circular 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 Issuer since the date hereof or, if applicable, the date upon which this Offering Circular 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 Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers, the Arrangers, the Agents and their affiliates do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers, the Arrangers, the Agents or any of their affiliates which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular 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 Offering Circular or any Pricing Supplement comes are required by the Issuer, 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 Notes and on the distribution of this Offering Circular or any Pricing Supplement and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, the Notes have not been and will not be registered under the Securities Act and may be subject to U.S. tax law requirements. Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes is intended to provide the basis of any credit or other evaluation. Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Arrangers, the Dealers or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

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

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

Notes issued as Green Bonds – None of the Arrangers, the Dealers nor any of their respective affiliates accepts any responsibility for any environmental assessment of any Notes issued as Green Bonds or

makes any representation or warranty or gives any assurance as to whether such Notes will meet any investor expectations or requirements regarding such "green" or similar labels. None of the Arrangers, the Dealers nor any of their respective affiliates have undertaken, nor are they responsible for, any assessment of the Eligible Green Projects (as defined in "*Use of Proceeds – Green Bonds*"), any verification of whether the Eligible Green Projects meet any eligibility criteria set out in the Green Financing Framework (as defined in "*Use of Proceeds – Green Bonds*") nor are they responsible for the use of proceeds (or amounts equal thereto) for any Notes issued as Green Bonds, nor the impact or monitoring of such use of proceeds or the allocation of the proceeds to particular Eligible Green Projects. The Green Financing Framework, the Second Party Opinion (as defined in "*Use of Proceeds – Green Bonds*") and any public reporting by or on behalf of the Issuer in respect of the application of proceeds will be published as described in "*Use of Proceeds – Green Bonds*" but none of the Green Financing Framework, the Second Party Opinion or any such reports or the contents of any of the websites referred to in this Offering Circular are incorporated in or form part of this Offering Circular or shall in any circumstances be deemed to be incorporated or form part of this Offering Circular. None of the Arranger, Dealers nor any of their respective affiliates make any representation as to the suitability or content of any such materials.

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular 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 Notes and the impact the Notes 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 Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes 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 Notes are legal investments for it; (ii) the Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

NOTICE TO U.S. INVESTORS

This Offering Circular may be submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of certain Notes 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.

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

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A under the Securities Act or any other applicable exemption from registration under the Securities Act. Any U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes 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 Notes represented by a Restricted Global Certificate or any Notes issued in registered form in exchange or substitution therefor (together “**Legended Notes**”) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription and Sale*” and “*Transfer Restrictions*”.

NEITHER THE PROGRAMME NOR THE NOTES 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 NOTES OR THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. 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 Offering Circular has been prepared on the basis that any Notes with a minimum denomination of less than EUR 100,000 (or equivalent in another currency) will only be offered to the public pursuant to an exemption under section 86 of the Financial Services and Markets Act 2000 (the “**FSMA**”), in the case of Notes offered in the UK or Article 1(4) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”), in the case of Notes offered in the EEA.

Accordingly any person making or intending to make an offer in the UK of Notes which are the subject of an offering contemplated in this Offering Circular as completed by the Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

Any person making or intending to make an offer in an EEA Member State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by the Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

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

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the 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 Pricing Supplement in respect of any Notes 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 Notes 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 Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a) of the SFA. Any such legend included on the relevant Pricing Supplement will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

Unless otherwise stated in the applicable Pricing Supplement, all Notes 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

The distribution in the UK of this Offering Circular, any Pricing Supplement and any other marketing materials relating to the Notes if effected by a person who is not an authorised person under the FSMA is being addressed to, or directed at, 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, as amended (the “**Financial Promotion Order**”); (ii) persons falling within any of the categories of persons described in Article 49(2)(a) – (d) of the Financial Promotion Order (all such persons together being referred to as “**relevant persons**”); and (iii) any other person to whom it may otherwise lawfully be promoted. Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this Offering Circular may come are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe such restrictions.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Offering Circular 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 2017) as amended by the Resolution of the Board of the Capital Market Authority Number 3-114-2024 dated 4/4/1446H corresponding to 7 October 2024 the (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 document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor. Any offer of Notes 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.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Notes issued in connection with this Offering Circular and related offering documents may only be offered in registered form and must only be marketed to existing accountholders and accredited investors as defined by the Central Bank of Bahrain in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the Central Bank of Bahrain may determine.

This Offering Circular 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), as amended. This Offering Circular and any related offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain. Accordingly, no Notes may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Notes, 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.

A copy of the Offering Circular has been submitted and filed with the Central Bank of Bahrain. The Central Bank of Bahrain has not reviewed, approved or registered this Offering Circular or any related offering documents and it has not in any way considered the merits of the Notes to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the Central Bank of Bahrain assumes no responsibility for the accuracy and completeness of the statements and information contained in this Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Offering Circular. No offer of securities will be made to the public in the Kingdom of Bahrain and this Offering Circular must be read by the addressee only and must not be issued, passed to, or made available to the public generally. To the best of the knowledge of the Issuer, (having taken all reasonable care to ensure that

such is the case) the information contained in the Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any offering will comply with Legislative Decree No. (4) of 2001 with respect to the Prevention and Prohibition of the Laundering of Money, as amended and the Ministerial Orders issued thereunder, including, but not limited to, Ministerial Order No. (7) of 2001 with respect to Institution's Obligations Concerning the Prohibition and Combating of Money Laundering and Anti-Money Laundering and Combating of Financial Crime Module contained in the Central Bank of Bahrain Rulebook, Volume 6.

Filing of the Offering Circular with the Central Bank of Bahrain does not imply that any Bahraini legal or regulatory requirements have been complied with.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

This Offering Circular does not and is not intended to constitute an offer, sale or delivery of Notes 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 Notes are not and will not be traded on the Qatar Exchange.

NOTICE TO RESIDENTS OF MALAYSIA

The Notes may not be offered for subscription or purchase and no invitation to subscribe for or purchase the Notes in Malaysia may be made, directly or indirectly, and this Offering Circular or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories of persons specified under Part 1 of Schedule 6 (or Section 229(1)(b)), Part 1 of Schedule 7 (or Section 230(1)(b)) and Schedule 8 (or Section 257(3)), read together with Schedule 9 (or Section 257(3)) of the Capital Market and Services Act 2007 of Malaysia, as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time.

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

PRESENTATION OF STATISTICAL AND OTHER INFORMATION

Presentation of Statistical Information

Statistical data appearing in this Offering Circular 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 Organisation 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 Organisation 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 Offering Circular. The Issuer confirms 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 Offering Circular 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 Offering Circular 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 Offering Circular 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 Offering Circular will have the meaning attributed thereto in “*Terms and Conditions of the Notes*” or any other section of this Offering Circular. In addition, all references in this Offering Circular to:

- “**bpd**” are to barrels per day;
- “**c-km**” are to circuit kilometres;
- the “**Government**” are to the government of Saudi Arabia;
- “**GW**” are to gigawatts;
- “**GWh**” are to gigawatt hours;
- “**kg**” are to kilograms;
- “**km**” are to kilometres;
- “**mtpy**” are to million tonnes per year;

- “**MW**” are to megawatts;
- “**Saudi Arabia**” or to the “**Kingdom**” are to the Kingdom of Saudi Arabia;
- “**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 Offering Circular 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 Offering Circular 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 Offering Circular have been converted from Saudi riyal at this exchange rate.

Websites and Web Links

The websites and/or web links referred to in this Offering Circular 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 Offering Circular.

Presentation of Certain Other Information

The language of this Offering Circular 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 Offering Circular, 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 Offering Circular 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 Offering Circular 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 Issuer’s beliefs and expectations. 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 Offering Circular 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;
- 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 Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular 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 Issuer is a sovereign state and a substantial portion of the assets of the Issuer 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 Issuer 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 Issuer's assets is 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 Notes. 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 Issuer in the courts of Saudi Arabia.

The Notes are governed by English law and disputes in respect of the Notes 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—Noteholders may only be able to enforce the Notes through arbitration before the LCIA, and LCIA awards relating to disputes under the Notes and certain of the Transaction Documents may not be enforceable in Saudi Arabia*".

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) in the applicable Pricing Supplement (the "**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes 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 Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

TABLE OF CONTENTS

	Page
Overview of the Programme	15
Risk Factors	23
Documents Incorporated by Reference.....	47
Terms and Conditions of the Notes.....	49
Form of Pricing Supplement.....	100
Form of the Notes	111
Use of Proceeds.....	119
Overview of Saudi Arabia	121
Economy of Saudi Arabia.....	143
Balance of Payments and Foreign Trade	190
Monetary and Financial System.....	197
Public Finance.....	221
Indebtedness.....	237
Taxation	246
Subscription and Sale.....	261
Transfer Restrictions	272
Clearing and Settlement.....	277
General Information.....	282

[THIS PAGE INTENTIONALLY LEFT BLANK]

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 Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the Pricing Supplement that relate thereto.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this overview.

Issuer	The Kingdom of Saudi Arabia acting through the Ministry of Finance.
Legal Entity Identifier (LEI) of the Issuer	635400FMICXSM3SI3H65.
Description	Global Medium Term Note Programme.
Programme Amount	The programme is unlimited in amount.
Risk Factors	<p>There are risks relating to the Notes, which investors should ensure they fully understand. These include the fact that the Notes may not be suitable investments for all investors, and risks relating to the Issuer and the market.</p> <p>See “<i>Risk Factors</i>”.</p>
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, and Agriculture Bank of China Limited Hong Kong Branch, Bank of Communications Co., Ltd. Hong Kong Branch, BNP Paribas, China Construction Bank (Asia) Corporation Limited, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, ICBC International Securities Limited, Merrill Lynch International, Morgan Stanley & Co. International plc, SMBC Bank International plc, Société Générale, and Standard Chartered Bank, and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent, Regulation S Registrar, Euroclear/Clearstream Rule 144A Registrar, Regulation S Transfer Agent 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

Use of Proceeds

The Issuer intends to use the proceeds from each issuance of Notes for its general domestic budgetary purposes.

Where it is stated in the applicable Pricing Supplement that the proceeds from the issuance of the Notes are intended to be used for “green” purposes as described in the “*Use of Proceeds*” below and the Notes are to be “Green Bonds”, such proceeds will be used as specified in the applicable Pricing Supplement and as further described in the “*Use of Proceeds*”.

Currencies

Notes 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 Issuer and the relevant Dealer(s).

Pricing Supplement

Notes issued under the Programme may be issued pursuant to this Offering Circular and the Pricing Supplement. The terms and conditions applicable to any particular Tranche of Notes will be the terms and conditions set out herein (the “**Conditions**”), as completed by the Pricing Supplement.

Listing and Trading

Application has been made for Notes issued under the Programme to be listed on the London Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer(s) in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Clearing Systems

Euroclear 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 Issuer, the Fiscal Agent and the relevant Dealer(s).

Issuance in Series

Notes 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 interest) to the Notes of each Series being intended to be interchangeable with all other Notes 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 interest and nominal amount of the Tranche), will be identical to the terms of other Tranches of the same Series and will be completed in the Pricing Supplement.

Status of the Notes

The Notes are the direct, unconditional and (subject to Condition 6 (*Negative Pledge*)), unsecured obligations of the Issuer and rank and will rank *pari passu* without preference among themselves, with all other unsecured External Indebtedness (as defined in the Conditions) of the Issuer, from time to time outstanding, *provided, furthermore*, that the Issuer 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 Notes, and vice versa.

The full faith and credit of the Issuer is pledged for the due and punctual payment of principal of, and interest on, the Notes and for the performance of all other obligations of the Issuer in respect of the Notes and the Deed of Covenant.

Issue Price

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the Pricing Supplement. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities

The Notes may have any maturity as agreed between the Issuer 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 Notes

Notes may be issued in bearer form or in registered form. Bearer Notes may not be exchanged for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Bearer Notes

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Bearer Global Note or a Permanent Bearer Global Note, in each case as specified in the Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Bearer Notes will only be delivered outside the United

States and its possessions. Each Temporary Bearer Global Note will be exchangeable for a Permanent Bearer Global Note or, if so specified in the Pricing Supplement, for Definitive Notes upon certification of non-U.S. beneficial ownership as required by United States Treasury regulations (the “**U.S. Treasury Regulations**”). If the TEFRA D Rules (as defined below) are specified in the Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Bearer Global Note or receipt of any payment of interest in respect of a Temporary Bearer Global Note. Each Permanent Bearer Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Registered Notes

Each Tranche of Registered Notes will be represented by either:

- (i) Individual Note Certificates; or
- (ii) one or more Unrestricted Global Certificates in the case of Registered Notes sold outside the United States in reliance on Regulation S and/or one or more Restricted Global Certificates in the case of Registered Notes sold to QIBs in reliance on Rule 144A,

in each case as specified in the Pricing Supplement.

Each Note represented by an Unrestricted Global Certificate will be registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg, registered in the name of Cede & Co., as nominee for DTC, if such Unrestricted Global 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 Certificate will be deposited on or about the issue date with the common depository or such other nominee or custodian.

Each Note represented by a Restricted Global Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the Pricing Supplement), as nominee for DTC, and the relevant Restricted Global Certificate will be deposited on or about the issue date with the DTC Custodian. Beneficial interests in Notes represented by a Restricted Global Certificate may only be held through DTC at any time.

Redemption

Subject to any purchase and cancellation or early redemption, the Notes will be redeemed at par on such dates and in such manner as may be specified in the Pricing Supplement.

Optional Redemption

Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders of the Notes (the “**Noteholders**”) to the extent (if at all) specified in the Pricing Supplement.

Interest

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series as specified in the Pricing Supplement.

Denominations

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the Pricing Supplement (the “**Specified Denomination**”), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The minimum denomination of each Note shall be not less than EUR 100,000 (or, if the Notes are denominated in a currency other than Euros, the equivalent amount in such currency as at the date of the issue of the Notes) unless the Notes will only be offered to the public pursuant to an exemption under section 86 of the FSMA, in the case of Notes offered in the UK or Article 1(4) of the Prospectus Regulation, in the case of Notes offered in the EEA.

Notes (including Notes 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 Issuer in the UK 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 Notes will have the benefit of a negative pledge, as described in Condition 6 (*Negative Pledge*).

Cross Acceleration

The Notes will have the benefit of a cross-acceleration clause, as described in Condition 14.3 (*Cross-acceleration of the Issuer*).

Meetings of Noteholders

The Conditions contain a “collective action” clause, which permits defined majorities to bind all Noteholders, as described in Condition 18 (*Meetings of Noteholders; Written Resolutions; Electronic Consents*).

If the Issuer issues future debt securities, which contain collective action clauses in substantially the same form as

the collective action clause in the Conditions, Notes would be capable of aggregation for voting purposes with any such future debt securities, thereby allowing “cross-series” modifications to the terms and conditions of all affected series of Notes (even, in some circumstances, where majorities in certain Series did not vote in favour of the modifications being voted on).

See “*Risk Factors—Risks related to the Notes generally—The Conditions contain provisions which may permit the amendment or modification of the Notes without the consent of all Noteholders*”.

Taxation

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by Saudi Arabia in accordance with Condition 13 (*Taxation*). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 13 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

Enforcement of Notes in Global Form

In the case of Global Notes and Global Certificates, individual investors’ rights against the Issuer will be governed by a deed of covenant dated 7 September 2018 (as amended and/or supplemented from time to time) (the “**Deed of Covenant**”), a copy of which will be available for inspection at the specified office of the Fiscal Agent.

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 Notes (or any interest in a Note). See “*ERISA Considerations*”.

Ratings

The rating of certain Series of Notes to be issued under the Programme may be specified in the Pricing Supplement.

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 rating agency.

Notes issued under the Programme may be rated or unrated. Where a Tranche is rated, the applicable rating(s) will be specified in the Pricing Supplement.

Selling Restrictions and Transfer Restrictions

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the EEA, the UK, the Kingdom, 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, 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 Notes. See “*Subscription and Sale*”.

There are restrictions on the transfer of Notes sold pursuant to Regulation S and Rule 144A. See “*Transfer Restrictions*” below.

In the case of Bearer Notes, the Pricing Supplement will specify whether United States Treasury Regulations §1.163-5(c)(2)(i)(C) or any successor rules in substantially the same form as the rules in such regulations for purposes of Section 4701 of the Internal Revenue Code of 1986, as amended (the “**TEFRA C Rules**”) or United States Treasury Regulations §1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form as the rules in such regulations for purposes of Section 4701 of the Internal Revenue Code of 1986, as amended (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Governing Law

English law.

Waiver of Immunity

Saudi Arabia 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 its sovereign status under the State Immunity Act 1978 of the United Kingdom or otherwise in any Dispute which may be instituted pursuant to Condition 23.2 (*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 its sovereign status in any other jurisdiction in an action to enforce an arbitral award properly obtained in England and Wales as referred to in (i) above.

Saudi Arabia’s waiver 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 Saudi Arabia or elsewhere; (iv) military property or military assets or property or assets of Saudi Arabia related thereto; (v) rights or immunities or property held by individuals or by entities, agencies, or instrumentalities distinct from Saudi Arabia itself (regardless of their relationship to Saudi Arabia); or (vi) other procedural or substantive rights enjoyed by Saudi Arabia by virtue of its sovereign status besides immunity from suit, attachment, and execution.

RISK FACTORS

The purchase of Notes 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 Notes. 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 Notes should make such inquiries as they think appropriate regarding the Notes and Saudi Arabia without relying on Saudi Arabia or the Dealers.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. There are a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due or otherwise fulfil such obligations. It is not possible to identify all such factors, as the Issuer 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 Issuer's control. In addition, factors which the Issuer believes are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

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 one of the largest contributors 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 2023. The oil sector accounted for 31.6 per cent. and 39.4 per cent. of Saudi Arabia's real GDP, and 32 and 38.7 per cent. of Saudi Arabia's nominal GDP in the years ended 31 December 2023, and 2022, 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 77.3 per cent., 79.5 per cent. and 73.2 per cent. of Saudi Arabia's total exports by value in the years ended 31 December 2023, 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 during the period. In subsequent years, oil prices recovered, with the basket price reaching U.S.\$74.38 in December 2021 and U.S.\$100.08 in January 2022, before falling to U.S.\$77.98 in December 2023. In 2024, oil prices have further fallen with the basket price reaching U.S.\$71.59 in October 2024 and U.S.\$74.64 in December 2024. 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. (see “*Economy of Saudi Arabia—Overview*” and “*Economy of Saudi Arabia—Oil and Gas—Production—Oil production*”).

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 for 2024 have remained in line with lower 2023 prices, 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, Saudi Arabia’s current account recorded a surplus of SAR 131.7 billion (U.S.\$35.1 billion), representing 3.3 per cent. of nominal GDP in the year ended 31 December 2023, compared to a current account surplus of SAR 563.8 billion (U.S.\$150.4 billion), representing 13.6 per cent. of nominal GDP, in the year ended 31 December 2022, compared to a current account surplus of SAR 152.0 billion (U.S.\$40.5 billion), representing 4.6 per cent. of nominal GDP, in the year ended 31 December 2021, and compared to a current account deficit of SAR 95.8 billion (U.S.\$25.5 billion), representing 3.5 per cent. of nominal GDP, in the year ended 31 December 2020. 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, organisations 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.

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 2.3 per cent. in 2021. While Saudi Arabia achieved a budget surplus of SAR 104.0 billion (U.S.\$27.7 billion) in the fiscal year 2022, Saudi Arabia's budget recorded a deficit of SAR 81.0 billion (U.S.\$21.6 billion) for the fiscal year 2023. Based on current estimates, Saudi Arabia is estimated to have a budget deficit of SAR 79.0 billion (U.S.\$21.0 billion) for the fiscal year 2024. There can be no assurance that any projected budget deficit may not be higher than anticipated, particularly in light of the significant uncertainty due to the global

geopolitical and macroeconomic environment (including the impact of global monetary policy and the ongoing conflicts in Russia-Ukraine and the Middle East) 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*” 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 1,638.4 billion (U.S.\$436.9 billion) as at 31 December 2023, compared to SAR 1,724.4 billion (U.S.\$459.8 billion) as at 31 December 2022, SAR 1,707.6 billion (U.S.\$455.4 billion) as at 31 December 2021, and SAR 1,701.2 billion (U.S.\$453.7 billion) as at 31 December 2020.

As at the end of the third quarter of 2024, the Government’s reserve assets amounted to SAR 1,713.6 billion (U.S.\$457.0 billion) compared to SAR 1,648.1 billion (U.S.\$439.5 billion) as at the end of the third quarter of 2023. 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.

Saudi Arabia’s indebtedness has increased in recent years, with Saudi Arabia’s total outstanding direct indebtedness increasing from 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 2021, to SAR 1,157.6 billion (U.S.\$308.7 billion), (comprising SAR 688.7 billion (U.S.\$183.7 billion) of domestic indebtedness and SAR 468.9 billion (U.S.\$125.0 billion) of external indebtedness) as at 30 September 2024.

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 ongoing 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. The Government has estimated that it will have a budget deficit of SAR 79.0 billion (U.S.\$21.0 billion) for the fiscal year 2024, although, there can be no assurance that this estimate will be met. To the extent that the Government is unable to achieve its fiscal targets, this could increase the demands on the general resources and finances of the Government and, if this is combined with a reduction in Government revenue from the oil sector, this 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 63 per cent. to Saudi Arabia's total nominal GDP in the year ended 31 December 2023, compared to 56 per cent. in the year ended 31 December 2022, and 66 per cent. and 73 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 2023 was 37.8 per cent. compared to 32.4 per cent., 41.8 per cent., and 47.2 per cent. in the fiscal years 2022, 2021, and 2020, respectively. Non-oil exports accounted for 22.7 per cent., 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 2023, 2022, and 2021, 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 realised.

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 were 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 ongoing Russia-Ukraine conflict, the conflict in Israel, Lebanon and Gaza, the unrest in Syria, 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 such as G20 countries, Gulf Cooperation Council countries, European Union countries, and other significant 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 particular, any slowdown or disruption to the global economy, or other geopolitical events, such as the continuation or escalation of the Russia-Ukraine or Middle East conflicts, 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: Aa3 (stable) by Moody's and A+ (stable) by Fitch. 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, later upgrading its outlook to positive in September 2024. In November 2024, Moody's upgraded the Issuer's to Aa3 with a stable outlook from A1, citing the Issuer's efforts to diversify its economy away from reliance on oil sales and its reserves. 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 Notes 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. 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 Notes. 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 Notes.

Saudi Arabia faces certain demographic pressures

The total unemployment rate in Saudi Arabia for Saudi nationals as at 31 December 2023, was 8.4 per cent., comprising an unemployment rate of 4.7 per cent. among Saudi males and 15.7 per cent. among Saudi females, compared to an unemployment rate of 9.6 per cent., comprising an unemployment rate of 4.7 per cent. among Saudi males and 19.0 per cent. among Saudi females as at 31 December 2022. Saudi nationals in the age group from 25 to 54 years constituted 63.2 per cent. of the total Saudi labour force as at 31 December 2023, (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.

The worldwide economic effects of a global pandemic (including the resurgence of COVID-19 or other infectious diseases) may adversely affect Saudi Arabia's economy.

Restrictions implemented both domestically within Saudi Arabia and globally to combat the spread of COVID-19 have had 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 (including any resurgence of COVID-19) 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 Notes.

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 Notes. 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 Notes, 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 Offering Circular is based on figures published by the Ministry of Energy as at 31 December 2023, and as at 31 December 2022, an annual review of reserves compiled by Saudi Aramco as at 31 December 2023, and 31 December 2022, figures published by SAMA and the 2023 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 Offering Circular, 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 Offering Circular, 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 Offering Circular and actual results, and between the statistical data set forth in this Offering Circular 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 import and exports in the year ended 31 December 2023, accounting for SAR 199.3 billion (U.S.\$53.2 billion), or 16.6 per cent. of total exports in that year and SAR 162.5 billion (U.S. 43.1 billion) or 20.9 per cent. of total imports, while the United States was Saudi Arabia's second biggest trading partner in terms of imports and its sixth trading partner in terms of exports, accounting for SAR 70.6 billion (U.S.\$18.9 billion), or 9.0 per cent. of Saudi Arabia's total imports and SAR 58.5 billion (U.S.\$15.6 billion), or 4.8 per cent. of Saudi Arabia's total exports for 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 Notes) cannot be predicted. Moreover, the *Shari'ah* prohibition on interest-bearing loans has been reinforced through its codification in the recently enacted Civil Transactions Law, issued pursuant to Royal Decree No. M/191 dated 29/11/1444H (corresponding to 18 June 2023), which came into force in December 2023 (the “**Civil Transactions Law**”).

The Civil Transactions Law aims to codify various areas of law, including contracts, obligations, torts, agency and property. The Civil Transactions Law is part of ongoing legal reforms that seek to attract increased investment and enhance business and consumer trust by bringing clarity and predictability to the law on civil and commercial transactions, and by providing clearer guidance to judges and other legal professionals. The Civil Transactions Law remains largely untested in practice and the interpretation of many of its provisions remain uncertain. There can be no assurance that the Civil Transactions Law and similar acts of legislation will have their intended effect or will be applied by courts consistently or predictably.

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

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for investors. Set out below is a description of the most common such features.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes subject to optional redemption by the Issuer. If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

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

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

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value of and return on any such Notes.

Risks related to the Notes generally

The Conditions contain provisions which may permit the amendment or modification of the Notes without the consent of all Noteholders

The Conditions contain provisions regarding amendments, modifications and waivers, commonly referred to as “collective action” clauses. Such clauses permit defined majorities to bind all Noteholders, including Noteholders who did not vote, or as the case may be, did not sign the Written Resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority. The relevant provisions also permit, in relation to Reserved Matters, multiple Series of Notes 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 Notes).

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

There is a risk therefore that the terms and conditions of a Series of Notes may be amended, modified or waived in circumstances whereby the Noteholders voting in favour of an amendment, modification or waiver may be Noteholders of a different Series of Notes, and as such, less than 75 per cent. of the Noteholders of the relevant Series (such as the Notes) 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 Notes may make the Notes less attractive to purchasers in the secondary market on the occurrence of an Event of Default or in a distress situation. Furthermore, any such amendment, modification or waiver in relation to any Notes may adversely affect their trading price.

In the future, the Issuer may issue debt 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 Notes issued under the Programme would be capable of aggregation with any such future debt securities.

The Conditions restrict the ability of an individual holder to declare an event of default, and permit a majority of holders to rescind a declaration of such a default

The Notes contain a provision which, if an Event of Default occurs, permits the holders of at least 25 per cent. in aggregate nominal amount of the outstanding Notes to declare all the Notes to be

immediately due and payable by providing notice in writing to the Issuer, whereupon the Notes shall become immediately due and payable, at their nominal amount with accrued interest, without further action or formality.

The Conditions also contain a provision permitting the holders of at least 50 per cent. in aggregate nominal amount of the outstanding Notes to notify the Issuer to the effect that the Event of Default or Events of Default giving rise to any above-mentioned declaration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn. The Issuer shall give notice thereof to the Noteholders, whereupon the relevant declaration shall be withdrawn and shall have no further effect. The value of the Notes 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 Offering Circular. 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 Offering Circular nor whether any such change could adversely affect the ability of the Issuer to make payments under the Notes.

There can be no assurance in respect of Note issued as Green Bonds, and the intended use of an amount equal to the net proceeds from the issuance of such Notes will meet investor expectations or be suitable for an investor's investment criteria

Prospective investors in any Notes where it is stated in “Reasons for the Offer” in the applicable Pricing Supplement that the proceeds from the issuance of the Notes are intended to be used for “green” purposes as described in “Use of Proceeds” below and the Notes are to be “Green Bonds” (“Green Bonds”), should have regard to the information in “Use of Proceeds” regarding the intended use of an amount equal to the net proceeds from the issuance of such Notes.

No assurance is given by the Issuer, any Arranger, any Dealer or any other person that the use of such proceeds for any Eligible Green Projects (as defined in “Use of Proceeds”) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any projects or uses, the subject of or related to, any Eligible Green Projects. None of the Arrangers or the Dealers shall be responsible for the ongoing monitoring of the use of proceeds in respect of any Green Bonds.

Prospective investors should consult with their legal and other advisers before making an investment in any Green Bonds and must determine for themselves the relevance of the information set out in this Offering Circular and the applicable Pricing Supplement for the purpose of any investment in any Green Bonds together with any other investigation such investor deems necessary.

It should be noted that the definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes or may be classified as, a “green” or equivalently-labelled project or investment that may finance such project is evolving. No assurance can be given that a clear definition, consensus or label will develop over time or that, if it does, any Green Bonds will comply with such definition, market consensus or label. In addition, no assurance can be given by the Issuer, any Arranger, any Dealer or any other person to investors that any Green Bonds will comply with any future standards or requirements regarding any “green” or other equivalently-labelled performance objectives, including Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the “EU Sustainable Finance Taxonomy”) and the supplemental delegated regulations related thereto or Regulation (EU) 2020/852 as it forms part of domestic law by virtue of the EUWA. Further, Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional

disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the “**EU Green Bond Regulation**”) was published in the Official Journal of the EU on 30 November 2023. The EU Green Bond Regulation, which entered into force on 20 December 2023 (with most provisions applying as of 21 December 2024), introduces a voluntary label (the “**European Green Bond Standard**”) for issuers of “green” use of proceeds bonds where the proceeds will be invested in economic activities aligned with the EU Sustainable Finance Taxonomy. Notes issued as Green Bonds, and the intended use of an amount equal to the net proceeds from the issuance of such Notes, and any related reporting, assessments, opinions and/or certifications, will not be issued and such proceeds will not be used or such reports, assessments, opinions and/or certifications provided with a view to complying with such European Green Bond Standard and are not intended or expected to comply with the European Green Bond Standard. Notes issued as Green Bonds will be issued with the intention to comply with applicable criteria and processes set out in the Green Financing Framework (as defined in “*Use of Proceeds*”) only. Alignment with the EU Sustainable Finance Taxonomy or any other sustainability framework is not certain and no assurance is or can be given (whether by the Issuer, the Arrangers, the Dealers or any other person) to any investor that (a) any Eligible Green Projects or uses the subject of, or related to, any such Eligible Green Projects, will meet any or all of such investor’s expectations regarding such “green” or other equivalently-labelled performance objectives or investment criteria (including any requirements of the European Green Bond Standard), or (b) that any adverse environmental, social and/or other impacts will not occur during the implementation of any Eligible Green Projects or uses the subject of, or related to, any Eligible Green Projects.

No assurance or representation is given by the Issuer, any Arranger, any Dealer or any other person as to the suitability or reliability for any purpose whatsoever of any opinion, report or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green Bonds and/or the fulfilment by any Eligible Green Projects of any environmental and/or other criteria. No such opinion, report or certification is incorporated in or forms part of this Offering Circular, nor shall it in any circumstances be deemed to be incorporated in and/or to form part of this Offering Circular.

Any such opinion, report or certification is not, nor should it be deemed to be, a recommendation by the Issuer, any Arranger, any Dealer, or any other person to buy, sell or hold any Green Bonds. Any such opinion, report or certification is only current as at the date that opinion, report or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, report or certification and/or the information contained therein and/or the provider of such opinion, report or certification for the purpose of any investment in any Green Bonds. Currently, the providers of such opinions, reports and certifications are not subject to any specific regulatory or other regime or oversight. Investors in any Green Bonds shall have no recourse against the Issuer, the Arrangers, the Dealers or the provider of any such opinion, report or certification for the contents of any such opinion, report or certification.

In the event that any Green Bonds are listed or admitted to trading on any dedicated “green”, “environmental” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, any Arranger, any Dealer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Arrangers, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any Green Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Bonds.

While it is the intention of the Issuer to allocate in respect of any Green Bonds an amount equal to the net proceeds of any Notes so specified for Eligible Green Projects in, or substantially in, the manner summarised in this Offering Circular, there can be no assurance that such proceeds will be so allocated, including that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule in order to allow for such proceeds to be totally or partially allocated for such Eligible Green Projects. There can also not be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer or in relation to the publication of any reports, opinions, verifications or assessments as described in “*Use of Proceeds*”. No such failure by the Issuer or any such event will constitute an Event of Default under the Notes or otherwise result in the Notes being redeemed prior to their scheduled dissolution date or give rise to any other claim of a holder of any Green Bonds against the Issuer, the Arrangers or the Dealers.

Any such failure or event and/or withdrawal of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green Bond or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters in respect of which such opinion or certification is opining or certifying and/or any such Green Bonds no longer being listed or admitted to trading on any stock exchange or securities market as mentioned above may have a material adverse effect on the value of such Green Bonds and also potentially the value of any other Green Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

The Green Financing Framework may be amended at any time without the consent of Noteholders and none of the Issuer, the Arrangers or the Dealers assumes any obligation or responsibility to release any update or revision to the Green Financing Framework and/or information to reflect events or circumstances after the date of publication of the Green Financing Framework.

There is no direct contractual link between any Green Bonds and any targets of the Issuer. Therefore, payments of interest, principal or other amounts payable in respect of any Green Bonds and rights to accelerate payment under the Green Bonds will not be impacted by the performance of any Eligible Green Projects funded out of the proceeds from the issuance of such Green Bonds (or amounts equal thereto) or by any other projects or expenditures of the Issuer.

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

The Conditions of the Notes do not permit the sale or transfer of Notes 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 Notes such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Notes. Noteholders should be aware that Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

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

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

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

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

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

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

Transferability of the Notes may be limited under applicable securities laws

The Notes 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. Notes issued under the Programme may not be offered, sold or otherwise transferred in the United States other than to persons that are QIBs. Each purchaser of Notes will be deemed, by its acceptance of such Notes, to have made certain representations and agreements intended by the Issuer to restrict transfers of Notes as described under “*Subscription and Sale*” and “*Transfer Restrictions*”. It is the obligation of each purchaser of Notes to ensure that its offers and sales of Notes comply with all applicable securities laws.

In addition, if at any time the Issuer determines that any owner of Notes, or any account on behalf of which an owner of Notes purchased its Notes, is a person that is required to be a QIB, the Issuer may compel that such owner’s Notes be sold or transferred to a person designated by or acceptable to the Issuer.

Future regulation, reform or discontinuance of “benchmarks” may adversely affect the value of Notes 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 Notes 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 Notes 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. On 4 December 2023, the group issued its final statement, announcing completion of its mandate.

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 Notes linked to or referencing a “benchmark”.

Investors should be aware that in the case of Floating Rate Notes, the Conditions provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate such as EURIBOR, or SOFR index or any other relevant reference rate, ceases to exist or be published or another Benchmark Event or SOFR Benchmark Transition Event, as applicable, occurs. In the case of Notes other than Floating Rate Notes where the Reference Rate is specified in the applicable Pricing Supplement as being SOFR Index, these fallback arrangements include the possibility that the Rate of Interest 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 Notes, 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 Notes linked to or referencing a benchmark performing differently (which may include payment of a lower Rate of Interest) than such Notes would have performed if the relevant benchmark were to continue to apply in its current form. In the case of Floating Rate Notes where the Reference Rate is specified in the applicable Pricing Supplement as being SOFR Index, see “*The SOFR Index Benchmark Replacement is uncertain and any replacement is likely to be a relatively new market index*”, below.

In certain circumstances, the ultimate fallback for the purposes of calculating the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes 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 Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

The SOFR Index Benchmark Replacement is uncertain and any replacement is likely to be a relatively new market index

If the Reference Rate is specified as SOFR Index in the applicable Pricing Supplement and the Issuer determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Issuer will determine a Benchmark Replacement in accordance with the benchmark transition provisions described in Condition 8.11. After such an event, interest on the relevant Notes will no longer be determined by reference to the Benchmark, but instead will be determined by reference to the applicable Benchmark Replacement.

The determination of a Benchmark Replacement, the calculation of the interest rate on the relevant Notes by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of such Notes in connection with a SOFR Benchmark Transition Event, could adversely affect the value of such Notes, the return on such Notes and the price at which such Notes can be sold. Any Benchmark Replacement will likely be a relatively new market index that may be altered or discontinued.

The Rate of Interest on Floating Rate Notes 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 Rate of Interest on Floating Rate Notes 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 Rate of Interest on the Notes 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 Notes may be adversely affected.

The composition and characteristics of SOFR are not the same as those of USD LIBOR, and SOFR is not expected to be a comparable replacement for USD LIBOR

In June 2017, the FRBNY Alternative Reference Rates Committee (the “**ARRC**”) announced SOFR as its recommended alternative to USD LIBOR. However, the composition and characteristics of SOFR are not the same as those of USD LIBOR. SOFR is a broad Treasury repo financing rate that represents overnight secured funding transactions and is not the economic equivalent of USD LIBOR. While SOFR is a secured rate, USD LIBOR is an unsecured rate. And, while SOFR is currently only an overnight rate, USD LIBOR is a forward-looking rate that represents interbank funding for a specified term. As a result, there can be no assurance that SOFR will perform in the same way as USD LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. For these reasons, SOFR is not expected to be a comparable replacement for USD LIBOR.

SOFR and the SOFR Index each have a very limited history, and the future performance of SOFR cannot be predicted based on historical performance

The publication of SOFR began in April 2018 and the SOFR Index began on 2 March 2020, and, therefore, each has a limited history. In addition, the future performance of SOFR cannot be predicted

based on the limited historical performance. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR, such as correlations, may change in the future. While as at the date of this Offering Circular some pre-publication historical data have been released by the FRBNY, such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR is impossible to predict and therefore no future performance of SOFR may be inferred from any of the historical actual or historical performance data. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR. Changes in the levels of SOFR will affect Compounded SOFR and the SOFR Index, and, therefore, the return on any related Notes and the trading price of such Notes, but it is impossible to predict whether such levels will rise or fall. There can be no assurance that Compounded SOFR or SOFR will be positive.

SOFR may be more volatile than other benchmark or market rates

Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in other benchmark or market rates, such as USD LIBOR, during corresponding periods, and SOFR may bear little or no relation to the historical actual or historical indicative data. In addition, although changes in Compounded SOFR generally are not expected to be as volatile as changes in daily levels of SOFR, the return on and value of Floating Rate Notes linked to such rates may fluctuate more than floating rate securities that are linked to other rates.

The secondary trading market for securities linked to SOFR may be limited

Market terms for securities that are linked to SOFR, including, but not limited to, the spread over the reference rate reflected in the interest rate provisions, may evolve over time, and as a result, trading prices of such Floating Rate Notes may be lower than those of later-issued securities that are based on SOFR. Investors in such Floating Rate Notes may not be able to sell them at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

SOFR Index is a relatively new market index rate

The interest payable on any Floating Rate Notes for which the Reference Rate is specified as SOFR Index in the applicable Pricing Supplement will be based on Compounded SOFR, which is calculated using the SOFR Index published by the FRBNY according to the specific formula described under Condition 8.4, not the SOFR rate published on or in respect of a particular date during any Interest Period or an arithmetic average of SOFR rates during such period. Since SOFR Index is a relatively new market rate, the relevant Notes may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. For this and other reasons, the interest rate on any such Notes during any Interest Period will not necessarily be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Furthermore, if the SOFR rate in respect of a particular date during an Interest Period is negative, its contribution to the SOFR Index will be less than one, resulting in a reduction to Compounded SOFR used to calculate the interest payable on the relevant Notes on the Interest Payment Date for such Interest Period.

Limited market precedent exists for securities that use SOFR as the interest rate and the method for calculating an interest rate based upon SOFR in those precedents varies. Investors should be aware that the market continues to develop in relation to risk free rates – such as SOFR – as reference rates in the capital markets for floating rate notes, and their adoption as alternatives to the relevant interbank offered rates. In August 2019 and May 2020, the ARRC released model interest rate conventions for SOFR-linked securities (including for the calculation of Compounded SOFR); however, there currently is no uniform market convention with respect to the calculation of Compounded SOFR or SOFR generally. In addition, the FRBNY only began publishing the SOFR Index on 2 March 2020. Accordingly, the use of the SOFR Index or the specific formula for the Compounded SOFR rate used in any relevant Notes

may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method, that would likely adversely affect the market value of any such Notes.

The Rate of Interest on Floating Rate Notes determined by reference to Compounded SOFR will only be capable of being determined near the end of the relevant Interest Period and immediately prior to the related Interest Payment Date

Interest on Floating Rate Notes which references Compounded SOFR applicable to a particular Interest Period (including in the case of Floating Rate Notes for which the Reference Rate is specified as SOFR Index in the applicable Pricing Supplement) will be determined on the Interest Determination Date for such Interest Period.

Because each such date is near the end of such Interest Period, the amount of interest payable with respect to a particular Interest Period will not be known until shortly prior to the related Interest Payment Date and it may be difficult for investors to reliably estimate the amount of interest that will be payable on each such Interest Payment Date. Furthermore, if any Notes become due and payable under Condition 14, or are otherwise redeemed early on a date which is not an Interest Payment Date, the Rate of Interest payable shall be determined on the date the Notes became due and payable and shall not be reset thereafter. In addition, some investors may be unwilling or unable to trade the relevant Notes without changes to their information technology systems, all of which could adversely impact the liquidity and trading price of any such Notes.

SOFR and the SOFR Index may be modified or discontinued

SOFR is a relatively new rate, and the FRBNY (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, the SOFR Index is published by the FRBNY based on data received by it from other sources, and the Issuer has no control over its methods of calculation, publication schedule, rate revision practices or availability of the SOFR Index at any time. There can be no guarantee, particularly given its relatively recent introduction, that SOFR or the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in any relevant Notes.

If the manner in which SOFR or the SOFR Index is calculated is changed, that change may result in a reduction in the amount of interest payable on any relevant Notes, which may adversely affect the trading prices of such Notes. In addition, the FRBNY may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SOFR or the published SOFR Index in its sole discretion and without notice, and has no obligation to consider the interests of holders of the relevant Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing the SOFR Index or other SOFR data. The interest rate for any Interest Period will not be adjusted for any modifications or amendments to SOFR or the SOFR Index, as applicable, that the FRBNY may publish after the Rate of Interest for that Interest Period has been determined.

Risks related to the market generally

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

Notes issued under the Programme will (unless they are to be consolidated into a single Series with any Notes previously issued) be new securities which may not be widely distributed and for which there is currently no active trading market. Notes 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 Notes may trade at a discount to their initial offering price depending on prevailing interest rates, market for similar

securities, general economic conditions and the Issuer's financial condition. Therefore, investors may not be able to sell their Notes 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 Notes 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 Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

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 Notes.

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 Notes 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 UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes 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 Offering Circular.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to

determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Risks relating to enforcement in Saudi Arabia

Investors may experience difficulty in enforcing foreign judgments in Saudi Arabia

The Issuer is a sovereign state and a substantial portion of the assets of the Issuer 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 Issuer 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 Issuer'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 Issuer 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 Notes and may elect to apply the laws of Saudi Arabia instead.

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.

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

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

The Notes and the Deed of Covenant (each as defined in "*Terms and Conditions of the Notes*") are and the Agency Agreement (as defined in "*Terms and Conditions of the Notes*") and the Dealer Agreement (as defined in "*Subscription and Sale*") will be governed by English law and the parties to such documents have agreed or will agree, as applicable, to refer any unresolved dispute in relation to such documents to arbitration under the Rules of the LCIA. Noteholders will therefore only have recourse to LCIA arbitration in order to enforce their contractual rights under the Notes, and will not have the right to bring proceedings relating to the Notes 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 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 waiver of immunity provided by Saudi Arabia will be valid and binding under the laws of Saudi Arabia

The Issuer has waived its rights in relation to sovereign immunity in respect of Notes issued under the Programme. However, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Notes, the Agency Agreement, the Deed of Covenant and the Dealer Agreement are valid and binding under the laws of Saudi Arabia. If the waiver is not valid and binding, there is a risk that investors may not be able to enforce any claim, award or judgment against the Issuer in Saudi Arabia.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the Terms and Conditions of the Notes contained in the Offering Circular dated 8 January 2024 (the “**2024 Terms and Conditions**”), pages 54 to 103 (inclusive), prepared by the Government in connection with the Programme (at: [https://www.ndmc.gov.sa/IssuancePrograms/Documents/KSA%20GMTN%20Programme%20-%20Final%20Offering%20Circular%20\(8%20Jan%202024\)%20\(1\).pdf](https://www.ndmc.gov.sa/IssuancePrograms/Documents/KSA%20GMTN%20Programme%20-%20Final%20Offering%20Circular%20(8%20Jan%202024)%20(1).pdf));
- (b) the Terms and Conditions of the Notes contained in the Offering Circular dated 18 October 2022 (the “2022 Terms and Conditions”), pages 40 to 86 (inclusive), prepared by the Government in connection with the Programme (at: https://www.rns-pdf.londonstockexchange.com/rns/1649N_5-2023-1-18.pdf);
- (c) the Terms and Conditions of the Notes contained in the Offering Circular dated 26 January 2021 (the “**2021 Terms and Conditions**”), pages 37 to 75 (inclusive), prepared by the Government in connection with the Programme (at: https://www.rns-pdf.londonstockexchange.com/rns/9336N_3-2021-2-3.pdf);
- (d) the Terms and Conditions of the Notes contained in the Base Prospectus dated 25 October 2019 (the “**October 2019 Terms and Conditions**”), pages 35 to 73 (inclusive), prepared by the Government in connection with the Programme (at https://www.rns-pdf.londonstockexchange.com/rns/1813R_1-2019-10-25.pdf);
- (e) the Terms and Conditions of the Notes contained in the Base Prospectus dated 1 July 2019 (the “**July 2019 Terms and Conditions**”), pages 37 to 75 (inclusive), prepared by the Government in connection with the Programme (at: http://www.rns-pdf.londonstockexchange.com/rns/0636E_1-2019-7-1.pdf);
- (f) the Terms and Conditions of the Notes contained in the Base Prospectus dated 7 September 2018 (the “**2018 Terms and Conditions**”), pages 35 to 73 (inclusive), prepared by the Government in connection with the Programme (available at: https://www.ise.ie/debt_documents/Base%20Prospectus_3dce68a3-fc3e-463e-a2cd-b3411dfd0592.PDF);
- (g) the Terms and Conditions of the Notes contained in the Base Prospectus dated 22 September 2017 (the “**2017 Terms and Conditions**”), pages 22 to 58 (inclusive), prepared by the Government in connection with the Programme (at: https://www.ise.ie/debt_documents/Final%20document%2082266_56a15314-ffb3-417d-ac60-92ef0450edcc.pdf); and
- (f) the Terms and Conditions of the Notes contained in the Base Prospectus dated 10 October 2016 (the “**2016 Terms and Conditions**”), pages 20 to 56 (inclusive) prepared by the Government in connection with the Programme (at: https://www.ise.ie/debt_documents/Base%20Prospectus_2281860f-284e-43b0-8a2c-156ba25ee47f.PDF).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

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 Offering Circular. Where reference is made to a website in this Offering Circular, the contents of that website shall not form part of this Offering Circular.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer. 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 Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes which, as completed by the Pricing Supplement and save for the text in italics, will be incorporated by reference into each Global Note and Global Certificate and endorsed upon each Definitive Note or Individual Note Certificate issued pursuant to the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Form of the Notes” above.

1. INTRODUCTION

1.1 Programme

The Kingdom of Saudi Arabia, acting through The Ministry of Finance (the “**Issuer**”) has established a Global Medium Term Note Programme (the “**Programme**”) for the issuance of notes (the “**Notes**”).

1.2 Pricing Supplement

Notes issued under the Programme are issued in series (each a “**Series**”), the Notes of each Series being interchangeable with all other Notes of that Series. Each Series may comprise one or more tranches (each a “**Tranche**”) of Notes issued on the same or different issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest). Each Tranche is the subject of pricing supplement (which pricing supplement in respect of any individual Tranche of Notes shall be referred to herein as, “**Pricing Supplement**”). The terms and conditions applicable to a particular Tranche of Notes are these terms and conditions together with the applicable Pricing Supplement (together, the “**Conditions**”). In the event of any inconsistency between these terms and conditions and the Pricing Supplement, the Pricing Supplement shall prevail. The Notes may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), as specified in the applicable Pricing Supplement.

1.3 Agency Agreement

The Notes are the subject of an amended and restated issue and paying agency agreement dated 7 September 2018, as supplemented by a supplemental issue and paying agency agreement dated 9 July 2019, a supplemental issue and paying agency agreement dated 25 October 2019, a third supplemental issue and paying agency agreement dated 26 January 2021, a fourth supplemental issue and paying agency agreement dated 18 October 2022, a fifth supplemental issue and paying agency agreement dated 11 January 2024 and a sixth supplemental issue and paying agency agreement to be dated on or about 9 January 2025 and as further amended or supplemented from time to time (the “**Agency Agreement**”) between the Issuer, HSBC Bank plc as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor Fiscal Agent appointed from time to time in connection with the Notes), as Rule 144A transfer agent in the case of Notes 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 Notes), as Rule 144A registrar in the case of Notes 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 Notes), 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 Notes), and 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 Notes), 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 Notes), as Rule 144A transfer agent in the case of Notes settled through DTC (the “**DTC Rule 144A Transfer Agent**”, which expression includes any successor DTC Rule 144A transfer agent appointed from time to time in connection with the Notes, and together with the Euroclear/Clearstream Rule 144A Transfer Agent, the “**Rule 144A Transfer Agents**” and each a “**Rule 144A Transfer Agent**”) and as Rule 144A registrar in the case of Notes settled through DTC (the “**DTC Rule 144A Registrar**”, which expression includes any successor DTC Rule 144A registrar appointed from time to time in connection with the Notes, and together with the Euroclear/Clearstream Rule 144A Registrar, the “**Rule 144A Registrars**” and each a “**Rule 144A Registrar**”) and the paying agents named therein (together with the Fiscal 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 Notes). The Rule 144A Transfer Agents and the Regulation S Transfer Agent are together referred to as the “**Transfer Agents.**” The Rule 144A Registrars and the Regulation S Registrar are together known as the “**The Registrars.**” References herein to the “**Agents**” are to the Registrars, the Fiscal Agent, the Transfer Agents and the Paying Agents, and any reference to an “**Agent**” is to each one of them.

1.4 **Deed of Covenant**

The Notes are subject to, and the Registered Notes are constituted by, a deed of covenant dated 7 September 2018 (as amended and/or supplemented from time to time, the “**Deed of Covenant**”) entered into by the Issuer for the benefit of the Noteholders and, if applicable, the Couponholders. The original of the Deed of Covenant is held by the Fiscal Agent.

1.5 **The Notes**

All subsequent references in these Conditions to “**Notes**” are to the Notes, which are the subject of the Pricing Supplement. Copies of the Pricing Supplement are available for inspection during normal business hours at the specified office of the Fiscal 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 Agency Agreement or the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”, which expression shall, where appropriate, be deemed to include holders of Bearer Notes or Registered Notes, and the holders of related interest coupons, if any (the “**Couponholders**” and the “**Coupons**” respectively), are bound by, and are deemed to have notice of all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection or collection by Noteholders during normal business hours at the Specified Offices of 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 Noteholder 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).

2. **Definitions And Interpretation**

2.1 **Definitions**

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

“**Accrual Yield**” has the meaning given in the Pricing Supplement;

“**Additional Business Centre(s)**” means the city or cities specified in the Pricing Supplement;

“**Additional Financial Centre(s)**” means the city or cities specified in the Pricing Supplement;

“**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 Pricing Supplement and, if so specified in the Pricing Supplement, 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 Pricing Supplement 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 Fiscal Agent or such other Person specified in the Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s);

“**Calculation Amount**” has the meaning given in the Pricing Supplement;

“**Clearstream, Luxembourg**” means Clearstream Banking S.A.;

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

“**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;

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note;

“**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 Pricing Supplement 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:

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

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30;

“**D2**” 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 D1 is greater than 29, in which case D2 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:

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

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” 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 D2 will be 30; and

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

- (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:

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

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” 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 D1 will be 30; and

“D2” 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 Maturity Date or (ii) such number would be 31, in which case D2 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;

“DTC” means The Depository Trust Company;

“**Early Redemption Amount**” has the meaning given to it in Condition 10.6 (*Early redemption amounts*);

“**EURIBOR**” means Euro-zone inter-bank offered rate;

“**Euroclear**” means Euroclear Bank SA/NV;

“**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 Issuer;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the Pricing Supplement;

“First Interest Payment Date” has the meaning given in the Pricing Supplement;

“Fixed Coupon Amount” has the meaning given in the Pricing Supplement;

“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;

“Interest Amount” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period, as determined by the Calculation Agent;

“Interest Commencement Date” means the Issue Date of the Notes or such other date as may be specified as the interest commencement date in the Pricing Supplement;

“Interest Determination Date” has the meaning given in the Pricing Supplement;

“Interest Payment Date” means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the Pricing Supplement and, if a Business Day Convention is specified in the Pricing Supplement:

- (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 Pricing Supplement 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 Interest Commencement Date (in the case of the First Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“ISDA Definitions” means the 2021 ISDA Interest Rate Derivatives Definitions;

“Issue Date” has the meaning given in the Pricing Supplement;

“Margin” has the meaning given in the Pricing Supplement;

“Maturity Date” has the meaning given in the Pricing Supplement;

“Maximum Redemption Amount” has the meaning given in the Pricing Supplement;

“Minimum Redemption Amount” has the meaning given in the Pricing Supplement;

“minimum Specified Denomination” means the minimum denomination of each Note, which, unless otherwise specified in the applicable Pricing Supplement, shall not be less than EUR

100,000 (or, if the Notes are denominated in a currency other than Euros, the equivalent amount in such currency as at the date of the issue of the Notes);

“Optional Redemption Amount (Call)” means, in respect of any Note, its principal amount or such other amount as may be specified in the Pricing Supplement;

“Optional Redemption Amount (Put)” means, in respect of any Note, its principal amount or such other amount as may be specified in the Pricing Supplement;

“Optional Redemption Date (Call)” has the meaning given in the Pricing Supplement;

“Optional Redemption Date (Put)” has the meaning given in the Pricing Supplement;

“Payment Business Day” means:

- (a) if the currency of payment is euros, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euros, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“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 agreement is reached to issue the first Tranche of the Notes;
- (d) any Security Interest arising in the ordinary course of banking transactions and securing the Public External Indebtedness of the Issuer 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 of Saudi Arabia 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;

“**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 Issuer;

“**Public External Indebtedness**” means External Indebtedness that is in the form of, or represented by, any bond, debenture, 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;

“**Put Option Notice**” means a notice in the form available from the Specified Office of the Paying Agents, or in the case of Registered Notes, the Registrars, which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder, and as set out at Schedule 10 (*Form of Put Option Notice*) of the Agency Agreement;

“**Put Option Receipt**” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder, substantially in the form set out at Schedule 11 (*Form of Put Option Receipt*) of the Agency Agreement;

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

“**Rate of Interest**” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the Pricing Supplement;

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

“**Redemption Amount**” means, as appropriate, the Final Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in the Pricing Supplement;

“**Reference Banks**” means the four major banks selected by the Issuer (in consultation with the Calculation Agent) in the market that is most closely connected with the Reference Rate;

“**Reference Price**” has the meaning given in the Pricing Supplement;

“**Reference Rate**” means either EURIBOR or SOFR Index, as set out in the Pricing Supplement;

“**Regular Period**” means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the First Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest 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 Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest 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 Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest 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 presentation of the relevant Note or, as the case may be, Coupon or, in connection with the transfer of Registered Notes only, 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 Fiscal 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 Noteholders in accordance with Condition 21 (*Notices*);

“**Relevant Financial Centre**” has the meaning given in the Pricing Supplement;

“**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

Pricing Supplement, 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 Pricing Supplement;

“**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 Issuer 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 Issuer 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;

“**Specified Currency**” has the meaning given in the Pricing Supplement;

“**Specified Denomination(s)**” has the meaning given in the Pricing Supplement;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the Pricing Supplement;

“**Talon**” means a talon for further Coupons;

“**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; and

“**Zero Coupon Note**” means a Note specified as such in the Pricing Supplement.

2.2 Interpretation

In these Conditions:

- (a) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (b) if Talons are specified in the Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (c) if Talons are not specified in the Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (d) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13

(*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

- (e) any reference to interest shall be deemed to include any additional amounts in respect of interest, which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (f) references to Notes being “**outstanding**” shall be construed in accordance with the Agency Agreement;
- (g) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the Pricing Supplement, but the Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (h) any reference to the Agency Agreement or the Deed of Covenant shall be construed as a reference to the Agency Agreement or the Deed of Covenant, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. Form, Denomination And Title

3.1 Notes in Bearer Form

Bearer Notes are issued in the Specified Currency and the Specified Denomination(s) with Coupons (and, if specified in the Pricing Supplement, Talons) attached at the time of issue and may be held in holdings equal to the Specified Denomination, which shall not be less than the minimum Specified Denomination. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa. Except as set out below, title to Bearer Notes and Coupons will pass by delivery. The holder of any Bearer Note or Coupon 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 thereon or any notice of any previous loss or theft thereof), and no Person shall be liable for so treating such holder. All Definitive Notes (as defined in the Agency Agreement) will be serially numbered, with Coupons, if any, attached.

3.2 Notes in Registered Form

Registered Notes 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 Registered Note 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 Registered Note relating thereto (other than the endorsed form of transfer) or any previous loss or theft of such Registered Note), and no Person shall be liable for so treating such holder. Title to Registered Notes will pass upon registration of transfers in the register, which the Issuer shall procure to be kept by the Registrars, in accordance with the provisions of the Agency Agreement. All Individual Note 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 Registered Notes

4.1 Transfers of Registered Notes

A Registered Note 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 Registered Note 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 Registered Note, a new Registered Note will be issued to the transferee and a new Registered Note in respect of the balance not transferred will be issued to the transferor.

4.2 Issue of new Registered Notes

Each new Registered Note to be issued upon the transfer of a Registered Note will, within ten Relevant Banking Days of the day on which such Note 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 Fiscal Agent after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the relevant Registrar or the Fiscal Agent until the day following the due date for such payment.

4.3 Charges for transfer or exchange

The issue of new Registered Notes on transfer will be effected without charge by or on behalf of the Issuer, the Fiscal 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 Issuer, the Fiscal 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

Holders of Registered Notes may not require transfers of a Note to be registered during the period of 15 days ending on the due date for any redemption of or payment of principal or interest in respect of the Registered Notes.

4.5 Forced Transfer

If at any time the Issuer determines that any beneficial owner of Notes, or any account for which such owner purchased Notes, who is required to be a QIB as defined in Rule 144A is not a QIB, the Issuer may (a) compel such beneficial owner to sell its Notes to a person who is (i) a U.S. Person who is a QIB and that is, in each case, otherwise qualified to purchase such Notes in a transaction exempt from registration under the Securities Act or (ii) a person who is outside the United States, its territories and possessions or (b) compel the beneficial owner to sell such Notes to the Issuer or an affiliate thereof at a price equal to the lesser of (x) the purchase price paid by the beneficial owner for such Notes, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof. The Issuer has the right to refuse to honour the transfer of interests in a Restricted Global Certificate or any Restricted Notes (each as defined in the Agency Agreement) to a person who is not a QIB.

5. Status

- (a) The Notes are the direct, unconditional and (subject to Condition 6 (*Negative Pledge*)), unsecured obligations of the Issuer, and rank and will rank *pari passu*, without preference among themselves, with all other unsecured External Indebtedness of the Issuer, from time to time outstanding; *provided*, furthermore, that the Issuer 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 on the Notes, and vice versa.
- (b) The full faith and credit of the Issuer is pledged for the due and punctual payment of principal of, and interest on, the Notes and for the performance of all other obligations of the Issuer in respect of the Notes and the Deed of Covenant.

6. Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer 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 Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other Person unless, at the same time or prior thereto, the obligations of the Issuer under the Notes and the Deed of Covenant are secured equally and rateably therewith or have the benefit of such other arrangements as may be approved by an Extraordinary Resolution of the Noteholders.

For the avoidance of doubt, any right or obligation granted directly or indirectly to holders of sukuk representing the credit of the Kingdom of Saudi Arabia 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. Fixed Rate Note Provisions

7.1 Application

This Condition 7 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note provisions are specified in the Pricing Supplement as being applicable.

7.2 Accrual of interest

The Notes bear interest on their outstanding principal amount from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date in each year, subject as provided in Condition 11 (*Payments—Bearer Notes*) and Condition 12 (*Payments—Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7.2 (after as well as before judgment) until whichever is the earlier of: (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

7.3 **Fixed Coupon Amount**

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

7.4 **Calculation of interest amount**

If interest is required to be calculated for a period ending other than on an Interest Payment Date, such interest shall be calculated by applying the Rate of Interest 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 Note 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.

8. **Floating Rate Note Provisions**

8.1 **Application**

This Condition 8 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note provisions are specified in the Pricing Supplement as being applicable.

8.2 **Accrual of interest**

The Notes bear interest on their outstanding principal amount from, and including, the Interest Commencement Date at the Rate of Interest, which shall be determined in the manner specified in the Pricing Supplement, payable in arrear on each Interest Payment Date in each year, subject as provided in Condition 11 (*Payments—Bearer Notes*) and Condition 12 (*Payments—Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 8.2 (after as well as before judgment) until whichever is the earlier of: (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (b) the day which is seven (7) days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

8.3 **Screen Rate Determination**

If the Reference Rate specified in the Pricing Supplement is not SOFR Index, the Rate of Interest applicable to the Notes for each Interest 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 Interest 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 Interest 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 Interest 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 Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest 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 Interest Period, the Rate of Interest applicable to the Notes during such Interest 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 Notes in respect of a preceding Interest Period.

8.4 Screen Rate Determination for SOFR Index Floating Rate Notes

Where the Reference Rate specified in the Pricing Supplement is SOFR Index, the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be the Compounded SOFR rate on the Interest Determination Date in question plus or minus (as indicated in the Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

In this Condition 8.4:

“**Compounded SOFR**” means, with respect to an Interest Period, the percentage rate as determined by the Calculation Agent in accordance with the following formula (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards):

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

where:

“**d_c**” is the number of calendar days in the relevant Observation Period;

“**SOFR Index_{Start}**” is the SOFR Index value for the first day of the relevant Observation Period;

“**SOFR Index_{End}**” is the SOFR Index value for the last day of the relevant Observation Period;

“**Federal Reserve Bank of New York’s Website**” means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source;

“Interest Determination Date” means the last day of the relevant Observation Period;

Observation Period means, in respect of an Interest Period, the period from (and including) the day that falls p U.S. Government Securities Business Days preceding the first day of such Interest Period to (but excluding) the day that falls p U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

“ p ” means two or such other number as is specified in the applicable Pricing Supplement;

“SOFR” means the daily secured overnight financing rate as published on the Federal Reserve Bank of New York’s Website;

“SOFR Index value” means, in respect of any U.S. Government Securities Business Day:

- (a) the SOFR Index value published on such U.S. Government Securities Business Day as such value appears on the Federal Reserve Bank of New York’s Website at the Specified Time; or
- (b) if a SOFR Index value does not so appear at the Specified Time on such day, then:
 - (i) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date (each as defined in Condition 8.11) have not occurred with respect to SOFR, then Compounded SOFR for the relevant Interest Period shall be the rate determined pursuant to the provisions below; or
 - (ii) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to Condition 8.11;

“Specified Time” means 3:00 p.m., New York City time or such other time as is specified in the applicable Pricing Supplement; and

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which, due to a recommendation of the Securities Industry and Financial Markets Association (or its successor), the fixed income departments of its members are closed for the entire day for purposes of trading in U.S. government securities.

If, on any Interest Determination Date, a SOFR Index value is not published on the Federal Reserve Bank of New York’s Website as provided above at the Specified Time on the relevant U.S. Government Securities Business Day for the determination of the SOFR Index_{Start} or the SOFR Index_{End} and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date (each as defined in Condition 8.11) have not occurred with respect to SOFR, **Compounded SOFR** means, for the relevant Interest Period for which such SOFR Index value is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and the definitions required for such formula, published at <https://www.newyorkfed.org/markets/treasury-repo-reference-rates-information> (or any successor source). For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to “calculation period” shall be replaced with “Observation Period” and the words “that is, 30-, 90- or 180- calendar days” shall be removed. If the daily SOFR (“**SOFR_i**”) does not so appear for any day “ i ” in the Observation Period, SOFR _{i} for such day “ i ” shall be SOFR published in respect of the first preceding U.S.

Government Securities Business Day for which SOFR was published on the Federal Reserve Bank of New York's Website.

8.5 Maximum or Minimum Rate of Interest

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

8.6 Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, determine the Rate of Interest for such Interest Period and calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest 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 Note 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.

8.7 Calculation of other amounts

If the Pricing Supplement 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 Pricing Supplement.

8.8 Publication

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 21 (*Notices*). The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

8.9 Binding Determinations

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8.9 (*Binding Determinations*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders, 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.

8.10 **Benchmark Discontinuation – Independent Adviser**

(a) *Independent Adviser*

Notwithstanding the provisions of Condition 8.3, and except where the Reference Rate specified in the Pricing Supplement is SOFR Index, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer 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 8.10(b)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 8.10(d)). In making such determination, the Independent Adviser appointed pursuant to this Condition 8.10 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 Issuer, the Paying Agents, the Noteholders, for any determination made by it, pursuant to this Condition 8.10.

If (i) the Issuer 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 8.10(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. 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 Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 8.10(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 Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 8.10); 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 Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 8.10).

(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 8.10 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 Issuer shall, subject to giving notice thereof in accordance with Condition 8.10(e), without any requirement for the consent or approval of Noteholders, vary these Conditions 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 8.10, neither the Calculation Agent nor any Paying Agent shall be obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 8.10 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 Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions and/or any other Transaction Documents.

In connection with any such variation in accordance with this Condition 8.10(d), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes 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 8.10 will be notified promptly by the Issuer to the Calculation Agent and the Paying Agents and, in accordance with Condition 21, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Each of 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 Issuer, the Calculation Agent, the Paying Agents and the Noteholders.

(f) ***Survival of the Original Reference Rate***

Without prejudice to the obligations of the Issuer under Condition 8.10(a), (b), (c) and (d), the Original Reference Rate and the fallback provisions provided for in Condition 8.3 will continue to apply unless and until a Benchmark Event has occurred.

(g) ***Definitions***

As used in this Condition 8.10:

“**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 Noteholders 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 8.10(b) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

“**Benchmark Amendments**” has the meaning given to it in Condition 8.10(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 Notes; or
- (v) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder 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 Issuer 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 8.10 when any Rate of Interest (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 Issuer under Condition 8.10(a);

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes (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.

8.11 **Benchmark Discontinuation – ARRC SOFR**

(a) ***ARRC SOFR***

This Condition 8.11 applies only if the Reference Rate specified in Pricing Supplement is SOFR Index.

(b) ***SOFR Benchmark Replacement***

If the Issuer determines on or prior to the relevant Reference Time that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then current Benchmark, the Benchmark Replacement will replace the then current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(c) ***SOFR Benchmark Replacement Conforming Changes***

In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time.

If the Issuer exercises its right to make any Benchmark Replacement Conforming Changes, the Issuer, the Calculation Agent and the Paying Agents shall, subject to giving notice thereof in accordance with Condition 8.11(e), without any requirement for the consent or approval of Noteholders, agree to the necessary modifications to these Conditions and/or the Agency Agreement to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice.

In connection with any Benchmark Replacement Conforming Changes in accordance with this Condition 8.11(c), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(d) ***Determinations, Decisions and Elections***

Any determination, decision or election that may be made by the Issuer pursuant to this Condition 8.11, including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (including with respect to any Benchmark Replacement Conforming Change), will be conclusive and binding on all parties absent manifest error and subject as provided in this Condition 8.11, may be made in the Issuer’s sole discretion and, subject as provided in this Condition 8.11, shall become effective without consent from the Noteholders or any other party.

(e) **Notice**

Any Benchmark Replacement, and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 8.11 will be notified promptly by the Issuer to the Paying Agents and, in accordance with Condition 21, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement and the Benchmark Replacement Conforming Changes, if any.

(f) **Definitions**

As used in this Condition 8.11:

“**Benchmark**” means, initially, Compounded SOFR; provided that if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then current Benchmark, then “Benchmark” means the applicable Benchmark Replacement;

“**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Issuer as of the SOFR Benchmark Replacement Date:

- (i) the sum of: (A) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then current Benchmark (including any daily published component used in the calculation thereof) and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate reference rate that has been selected by the Issuer as the replacement for the then current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted rate of interest as a replacement for the then current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar denominated floating rate notes (and other securities with similar payment terms) at such time and (B) the Benchmark Replacement Adjustment;

“**Benchmark Replacement Adjustment**” means the first alternative set forth in the order below that can be determined by the Issuer as of the SOFR Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such

spread adjustment, for the replacement of the then current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate notes (and other securities with similar payment terms) at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Interest Period”, timing and frequency of determining rates and making payments of interest and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

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

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Reference Time”, with respect to any determination of the Benchmark, means (1) if the Benchmark is Compounded SOFR, the Specified Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes;

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

“SOFR Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of sub-paragraph (i) or (ii) of the definition of “SOFR Benchmark Transition Event”, the later of (A) the date of the public statement or publication of information referenced therein and (B) the date on which the administrator of the Benchmark (or such component) permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of sub-paragraph (iii) of the definition of “SOFR Benchmark Transition Event”, the date of the public statement or publication of information referenced therein.

If the event giving rise to the SOFR Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the SOFR

Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“**SOFR Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then current Benchmark (including the daily published component used in the calculation thereof):

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

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

9. Zero Coupon Note Provisions

9.1 Application

This Condition 9 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note provisions are specified in the Pricing Supplement as being applicable.

9.2 Late payment on Zero Coupon Notes

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of: (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and (ii) the day which is seven days after the Fiscal Agent has notified the

Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10. Redemption And Purchase

10.1 Scheduled Redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments—Bearer Notes*) and Condition 12 (*Payments—Registered Notes*).

10.2 Redemption at the option of the Issuer

If the Call Option is specified in the Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

10.3 Partial redemption

If the Notes are to be redeemed in part only on any date in accordance with Condition 10.2 (*Redemption at the option of the Issuer*):

- (a) in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10.2 (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes to be redeemed.

If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified; and

- (b) in the case of Registered Notes, the Notes 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 Notes may be listed, traded or quoted.

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

10.4 Redemption at the option of Noteholders

If the Put Option is specified in the Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10.4, the holder of a Note must, not less than 30 nor more than 60 days before

the relevant Optional Redemption Date (Put), deposit at the Specified Offices of any Paying Agent (in the case of Bearer Notes) or the relevant Registrar (in the case of Registered Notes) such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent or Registrar specifying the aggregate outstanding principal amount in respect of which such option is exercised. The Paying Agent or Registrar with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing holder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10.4, may be withdrawn; *provided* that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent or Registrar, as the case may be, 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 Note at its Specified Office for collection by the depositing holder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent or Registrar, as the case may be, in accordance with this Condition 10.4, the depositor of such Note, and not such Paying Agent, shall be deemed to be the holder of such Note for all purposes.

The Issuer shall redeem the Notes in respect of which Put Option Receipts have been issued on the Optional Redemption Date (Put), unless previously redeemed. Payment in respect of any Note so delivered will be made:

- (a) if the Note 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 Redemption Date (Put) by transfer to that bank account and in every other case on or after the Optional Redemption 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 any Paying Agent; or
- (b) if the Note is represented by a Global Note or Global Certificate (each 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 Note may not exercise such Put Option in respect of any Note which is the subject of an exercise by the Issuer of its Call Option.

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

As long as Bearer Notes issued in accordance with TEFRA D are represented by a Temporary Bearer Global Note, the option under this Condition 10.4 shall not be available unless the certification required under TEFRA D with respect to non-U.S. beneficial ownership has been received by the Issuer or any Paying Agent.

10.5 **No other redemption**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 10.1 (*Scheduled Redemption*) to 10.4 (*Redemption at the option of Noteholders*) above.

10.6 Early redemption amounts

For the purpose of Condition 14 (*Events of Default*), each Note will be redeemed at an amount (the “**Early Redemption Amount**”), calculated as follows:

- (a) in the case of a Note (other than a Zero Coupon Note), at the amount specified as the Early Redemption Amount in the applicable Pricing Supplement or, if no such amount is so specified in the applicable Pricing Supplement, at the Final Redemption Amount thereof; or
- (b) in the case of a Zero Coupon Note, at an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition or, if none is so specified, a Day Count Fraction of 30E/360.

10.7 Purchase

The Issuer and any public sector instrumentality of the Kingdom of Saudi Arabia may at any time purchase Notes (*provided* that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise and at any price. Such Notes 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 Notes resold pursuant to Rule 144 under the Securities Act, is only made to a Person reasonably believed to be a QIB) or, at the discretion of the holder thereof, surrendered for cancellation and, upon surrender thereof, all such Notes will be cancelled forthwith. Any Notes so purchased, while held by, or on behalf of, any Person (including but not limited to the Issuer) for the benefit of the Issuer or any public sector instrumentality of the Kingdom of Saudi Arabia, in each case as beneficial owner, shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of meetings of Noteholders or for the purposes of any Written Resolution or for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 18 (*Meetings of Noteholders; Written Resolutions; Electronic Consents*).

10.8 Cancellation

All Notes surrendered for cancellation in accordance with Condition 10.7 (Purchase) above will be cancelled and may not be reissued or resold, and the obligations of the Issuer in respect of any such Notes shall be discharged. For so long as the Notes are listed on any stock exchange, and the rules of such exchange so require, the Issuer shall promptly inform such exchange of the cancellation of any Notes under this Condition 10.8.

11. Payments—Bearer Notes

This Condition 11 (*Payments—Bearer Notes*) applies in relation to Bearer Notes only.

11.1 Principal

Payments of principal shall be made only against presentation and (*provided* that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in that currency (or, if that currency is euros, any other account to which euros may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

11.2 Interest

Payments of interest shall, subject to Condition 11.8 (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (*provided* that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 11.1 (*Principal*).

11.3 Payments in New York City

If payments of principal or interest will be made in U.S. dollars, then such payment may be made at the Specified Office of a Paying Agent in New York City only if: (a) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the principal and interest on the Bearer Notes in U.S. Dollars; (b) payment of the full amount of such principal and interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and (c) payment is permitted by applicable United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

11.4 Payments subject to fiscal laws

All payments of principal and interest in respect the Bearer Notes 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 Noteholders or Couponholders in respect of such payments.

11.5 Deductions for unmatured Coupons

If the Pricing Supplement specifies that the Fixed Rate Note provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

- (a) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided* that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (b) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
- (i) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided* that where this sub-paragraph (i) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (ii) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided* that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 11.1 (*Principal*) above against presentation and (*provided* that payment is made in full) surrender of the relevant missing Coupons.

11.6 **Unmatured Coupons void**

If the Pricing Supplement specifies that this Condition 11.6 is applicable or that the Floating Rate Note provisions are applicable, on the due date for final redemption of any Bearer Note or early redemption in whole of such Bearer Note pursuant to Condition 10.2 (*Redemption at the option of the Issuer*), Condition 10.4 (*Redemption at the option of Noteholders*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

11.7 **Payments on business days**

If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

11.8 **Payments other than in respect of matured Coupons**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 11.3 (Payments in New York City) above).

11.9 **Partial payments**

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

11.10 Exchange of Talons

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Bearer Note shall become void and no Coupon will be delivered in respect of such Talon.

12. Payments—Registered Notes

This Condition 12 (*Payments—Registered Notes*) applies in relation to Registered Notes only.

12.1 Redemption Amount

Payments of the Redemption Amount (together with accrued interest) due in respect of Registered Notes shall be made in the currency in which such amount is due against presentation, and save in the case of partial payment of the Redemption Amount, surrender of the relevant Registered Notes at the Specified Office of the relevant Registrar. If the due date for payment of the Redemption Amount of any Registered Note is not a business day (as defined below), then the Noteholder 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 interest 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 interest shall continue to accrue as provided in these Conditions.

12.2 Principal and interest

Payments of principal and interest 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 Noteholder 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 interest or otherwise shall be due in respect of such postponed payment unless there is subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue as provided in these Conditions.

12.3 Payments subject to fiscal laws

All payments of principal and interest in respect of the Registered Notes 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 Registered Noteholders in respect of such payments.

In this Condition 12 (*Payments—Registered Notes*), “**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 Registered Note, 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 Registered Note is surrendered.

13. Taxation

All payments of principal and interest in respect of the Notes and the Coupons by, or on behalf of, the Issuer 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 Kingdom of Saudi Arabia 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 Issuer 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 Note or Coupon 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 Note or Coupon by reason of its having some connection with the Kingdom of Saudi Arabia, or any political subdivision or any authority thereof or therein having power to tax, other than the mere acquisition or holding of any Note or Coupon or the enforcement or receipt of payment under or in respect of any Note or Coupon;
- (b) more than 30 days after the Relevant Date, except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon 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. Events of Default

If any one or more of the following events (each an “**Event of Default**”) occurs and is continuing with respect to a Series of Notes:

14.1 Non-payment

the Issuer fails to pay any amount of principal, premium, if any, or interest in respect of any of the Notes of such Series when due and payable and such failure continues for a period of 30 days; or

14.2 **Breach of other obligations**

the Issuer defaults in the performance or observance of, or compliance with any of its other obligations or undertakings in respect of the Notes 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 Issuer by any Noteholder or Couponholder of such Series, has been delivered to the Issuer and to the Specified Office of the Fiscal Agent; or

14.3 **Cross-acceleration of the Issuer**

- (a) any other Public External Indebtedness of the Issuer becomes due and payable prior to its stated maturity by reason of default;
- (b) any such Public External Indebtedness is not paid at maturity thereof; or
- (c) any Guarantee given by the Issuer of Public External Indebtedness of any other Person is not honoured when due and called upon,

and, in the case of either sub-paragraph (b) or (c) above, such failure continues beyond any applicable grace period, *provided* that the amount of Public External Indebtedness referred to in sub-paragraph (a) above and/or (b) and/or the amount payable under any Guarantee referred to in sub-paragraph (c) 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

14.4 **Moratorium**

the Issuer shall have declared a general moratorium on the payment of principal of, or interest on, all or any part of its Public External Indebtedness; or

14.5 **Unlawfulness**

for any reason whatsoever, the obligations under the Notes of such Series or the Agency Agreement become unlawful or are declared by a court of competent jurisdiction to be no longer binding on, or no longer enforceable against, the Issuer; or

14.6 **Validity**

the Issuer or any of its political sub-divisions on behalf of the Issuer contest the validity of such Series of the Notes, then the holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes of such Series may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), declare all the Notes of such Series to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Redemption Amount, together (if applicable) with accrued interest to the date of payment without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer.

If the Issuer receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the relevant Series of outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above-mentioned declaration of acceleration is or are cured following any such declaration and that such Noteholders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Noteholders (with a copy to the Fiscal

Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations that may have arisen before the Issuer gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

15. Prescription

Claims against the Issuer for principal in respect of Notes shall be prescribed and become void unless made within ten years of the appropriate Relevant Date. Claims against the Issuer for interest or Coupons in respect of Notes shall become void unless made within five years of the appropriate Relevant Date.

Any money paid by the Issuer to the Fiscal Agent for payment due under any Note that remains unclaimed at the end of two years after the due date for payment of such Note will be repaid to the Issuer, and the holder of such Note shall thereafter look only to the Issuer for payment.

16. Replacement Of Notes And Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system) (in the case of Bearer Notes or Coupons) or the relevant Registrar (in the case of Registered Notes), 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 Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

17. Agents

17.1 Obligations of Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents, the Calculation Agent, the Transfer Agents and the Registrars act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders, 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.

17.2 Maintenance of Agents

The initial Fiscal 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 Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent), the Registrars, the Transfer Agents or the Calculation Agent and to appoint any successor Fiscal Agent, Paying Agent, Registrar, Transfer Agent or Calculation Agent; *provided that*:

- (a) the Issuer shall at all times maintain a Fiscal Agent;

- (b) the Issuer shall at all times maintain, in the case of Registered Notes, a Registrar;
- (c) if a Calculation Agent is specified in the Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent;
- (d) if and for so long as the Notes 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 Issuer shall maintain a Paying Agent (which may be the Fiscal Agent) and a Registrar (for Registered Notes) each with a Specified Office in the place required by such competent authority, stock exchange and/or quotation system; and
- (e) in the circumstances described in Condition 11.3 (*Payments in New York City*), a Paying Agent with a Specified Office in New York City.

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 Noteholders in accordance with Condition 21 (*Notices*).

18. Meetings of Noteholders; Written Resolutions; Electronic Consents

18.1 Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions

- (a) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the provisions of the Agency Agreement. The Issuer will determine the time and place 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) and will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 calendar days before the meeting.
- (b) The Issuer will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Agency Agreement and described in Condition 18.9 (*Notes controlled by the Issuer*)) have delivered a written request to the Issuer (with a copy to the Fiscal Agent) setting out the purpose of the meeting. The Issuer will notify the Noteholders (with a copy to the Fiscal Agent) 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 Issuer will set the procedures governing the conduct of any meeting in accordance with the Agency Agreement. If the Agency Agreement does not include such procedures, or additional procedures are required, the Issuer will prescribe 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 Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt 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 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 Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
 - (v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
 - (vi) whether Condition 18.2 (*Modification of this Series of Notes only*), Condition 18.3 (*Multiple Series Aggregation—Single limb voting*), or Condition 18.4 (*Multiple Series Aggregation—Two Limb Voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;
 - (vii) if the proposed modification or action relates to two or more series of debt securities issued by it and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
 - (viii) such information as is required to be provided by the Issuer in accordance with Condition 18.6 (*Information*);
 - (ix) the identity of the Aggregation Agent (as described in Condition 19 (*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 18.7 (*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 debt securities.
- (e) In addition, the Agency Agreement contains provisions relating to Written Resolutions and Electronic Consents. All information to be provided pursuant to this Condition 18.1 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 Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt 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 “**debt securities**” means any notes (including the Notes), bonds, debentures or other debt securities (which for these purposes shall be deemed to include any sukuk representing the credit of the Kingdom of Saudi Arabia or any other similar instruments) issued directly or indirectly by the Issuer in one or more series with an original stated maturity of more than one year.
- (j) “**Debt Securities Capable of Aggregation**” means those debt securities which include or incorporate by reference this Condition 18 and Condition 19 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

18.2 **Modification of this Series of Notes only**

- (a) Any modification of any provision of, or any action in respect of, these Conditions, the Agency Agreement and/or the Deed of Covenant in respect of the Notes 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 Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Condition 18.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) by a majority of:
 - (i) in the case of a Reserved Matter, at least 75 per cent. of the Noteholders 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 Noteholders 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 Notes; 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 Notes.

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 Noteholders.

- (d) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, 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, and on all Couponholders.

18.3 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 Debt 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 Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Condition 18.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; 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 debt securities of all affected series of Debt 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 Debt 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 debt securities of all affected series of Debt 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 Noteholders or one or more holders of each affected series of debt securities.
- (d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt 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, and on all Couponholders and couponholders of each other affected series of Debt Securities Capable of Aggregation.
- (e) The “**Uniformly Applicable**” condition will be satisfied if:
 - (i) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt 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 Debt 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 Debt 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 accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt 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 Debt 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 accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt 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 Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 18.3 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

18.4 **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 Debt 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 Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Condition 18.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:
 - (i) at least 66 $\frac{2}{3}$ per cent. of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt 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 Debt 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 66 $\frac{2}{3}$ per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

- (ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).
- (d) 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 Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.
- (e) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt 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, and on all Couponholders and couponholders of each other affected series of Debt Securities Capable of Aggregation.
- (f) Any modification or action proposed under paragraph (a) above may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 18.4 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

18.5 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, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;
- (b) to change the currency in which any amount due in respect of the Notes 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 Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders 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 “debt securities” or “Debt 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 18.9 (*Notes controlled by the Issuer*);
- (h) to change the legal ranking of the Notes;
- (i) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 14 (*Events of Default*);
- (j) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer’s waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 23 (*Governing Law and Jurisdiction*);
- (k) to impose any condition on or otherwise change the Issuer’s obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;
- (l) to modify the provisions of this Condition 18.5;
- (m) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security;
- (n) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:
 - (i) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
 - (ii) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount; or
- (o) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes and the Deed of Covenant.

18.6 Information

Prior to or on the date that the Issuer proposes any Extraordinary Resolution, Written Resolution or Electronic Consent pursuant to Condition 18.2 (*Modification of this Series of Notes only*), Condition 18.3 (*Multiple Series Aggregation—Single limb voting*), or Condition 18.4 (*Multiple Series Aggregation—Two Limb Voting*), the Issuer shall publish in accordance with Condition 19.8 (*Manner of publication*) (with a copy to the Fiscal Agent) the following information:

- (a) a description of the Issuer’s economic and financial circumstances which are, in the Issuer’s opinion, relevant to the request for any potential modification or action and a description of the Issuer’s existing debts;

- (b) if the Issuer 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 Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (d) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in paragraph (d)(vii) of Condition 18.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*).

18.7 Claims Valuation

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 18.3 (*Multiple Series Aggregation—Single limb voting*) and Condition 18.4 (*Multiple Series Aggregation—Two Limb Voting*), the Issuer may appoint a Calculation Agent. The Issuer 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 Notes and such affected series of debt 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 Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

18.8 Manifest error, etc.

The Notes, these Conditions and the provisions of the Agency Agreement may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

18.9 Notes controlled by the Issuer

For the purposes of: (i) determining the right to attend and vote at any meeting of Noteholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution; (ii) Condition 18 (*Meetings of Noteholders; Written Resolutions; Electronic Consents*); and (iii) Condition 14 (*Events of Default*), any Notes which are for the time being held by, or on behalf of, any Person (including but not limited to the Issuer) for the benefit of the Issuer or any public sector instrumentality of the Kingdom of Saudi Arabia, in each case as beneficial owner, shall be disregarded and be deemed not to remain outstanding.

A Note will also be deemed to be not outstanding if the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Note has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligations to make all payments due in respect of the Note in accordance with its terms.

In advance of any meeting of Noteholders, or in connection with any Written Resolution or Electronic Consent, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to Condition 19.5 (*Certificate*), which includes information on the total number of Notes which are for the time being held by, or on behalf of, any Person (including but not limited to the Issuer) for the benefit of the Issuer or any public sector instrumentality of the Kingdom of Saudi Arabia, in each case as beneficial owner, and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution or vote in respect of any Electronic Consent. The Fiscal Agent 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.

18.10 **Publication**

The Issuer 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 19.8 (*Manner of publication*).

18.11 **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 Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders and Couponholders.

18.12 **Written Resolutions and Electronic Consents**

A Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders.

For so long as any Notes are in the form of a Global Note or Global Certificate 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 Issuer 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 Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders; 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 18.2 (*Modification of this Series of Notes only*), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding Notes in the case of a Reserved Matter or more than 50 per cent. of the aggregate principal amount of the outstanding Notes, in the case of a matter other than a Reserved Matter;
 - (ii) in respect of a proposal Condition 18.3 (*Multiple Series Aggregation—Single limb voting*), the persons holding at least 75 per cent. of the aggregate principal

amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); or

- (iii) in respect of a proposal pursuant to Condition 18.4 (*Multiple Series Aggregation—Two Limb Voting*), (x) the persons holding at least 66⅔ per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt 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 debt securities in each affected series of Debt 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 Noteholders shall specify, in sufficient detail to enable Noteholders (in the case of a proposal pursuant to Condition 18.2 (*Modification of this Series of Notes only*) or holders of each affected Series of Debt Securities capable of Aggregation (in the case of a proposal pursuant to Condition 18.3 (*Multiple Series Aggregation—Single limb voting*) or Condition 18.4 (*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 Noteholders (in the case of a proposal pursuant to Condition 18.2 (*Modification of this Series of Notes only*) or holders of each affected Series of Debt Securities capable of Aggregation (in the case of a proposal pursuant to Condition 18.3 (*Multiple Series Aggregation—Single limb voting*) or Condition 18.4 (*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 Issuer (unless the Issuer is the Proposer). Such notice must inform Noteholders (in the case of a proposal pursuant to Condition 18.2 (*Modification of this Series of Notes only*)) or holders of each affected Series of Debt Securities capable of Aggregation (in the case of a proposal pursuant to Condition 18.3 (*Multiple Series Aggregation—Single limb voting*) or Condition 18.4 (*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 Issuer which is not then the subject of a meeting that has been validly convened above, unless that meeting is or shall be cancelled or dissolved.

Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the relevant clearing system(s) with entitlements to any Global Note or Global Certificate and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from

or written instruction 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 or instruction, the Issuer 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 or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer 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 18.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents.

A Written Resolution and/or Electronic Consent (i) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Noteholders and Couponholders, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

19. Aggregation Agent; Aggregation Procedures

19.1 Appointment

The Issuer will appoint an Aggregation Agent to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. 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 Agency Agreement in respect of the Notes and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

19.2 Extraordinary Resolutions

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, 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 Notes and, where relevant, each other affected series of debt securities, 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.

19.3 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 debt securities, 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 Notes and, where relevant, each other affected series of debt securities, 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.

19.4 **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 debt securities, 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 Notes and, where relevant, each other affected series of debt securities, 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.

19.5 **Certificate**

For the purposes of Condition 19.2 (*Extraordinary Resolutions*) and Condition 19.3 (*Written Resolutions*) and Condition 19.4 (*Electronic Consents*), the Issuer 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 18.2 (*Modification of this Series of Notes only*), Condition 18.3 (*Multiple Series Aggregation—Single limb voting*), or Condition 18.4 (*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 Notes and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and
- (b) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 18.9 (*Notes controlled by the Issuer*) on the record date identifying the Noteholders and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

19.6 **Notification**

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 19 to be notified to the Fiscal Agent, the Calculation Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

19.7 **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 19 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent and the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

19.8 **Manner of publication**

The Issuer will publish all notices and other matters required to be published pursuant to the Agency Agreement including any matters required to be published pursuant to Condition 14 (*Events of Default*), Condition 17 (*Agents*), Condition 18 (*Meetings of Noteholders; Written Resolutions; Electronic Consents*) and this Condition 19:

- (a) through Euroclear, Clearstream, Luxembourg, DTC and/or any other clearing system in which the Notes are held;
- (b) in such other places and in such other manner as may be required by applicable law or regulation; and
- (c) in such other places and in such other manner as may be customary.

20. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the amount and the first payment of interest) so as to form a single Series with the Notes, *provided* that, if the Notes were or the further notes are issued under Rule 144A under the Securities Act, unless the further notes are fungible with the Notes for U.S. federal income tax purposes, such further notes will be issued with a separate CUSIP and ISIN. The Agency Agreement contains provisions for convening a single meeting of the Noteholders of a particular Series and the holders of Notes of other Series. Notwithstanding the foregoing, in the case of Bearer Notes that are issued under the TEFRA D Rules and are initially represented by interests in a Temporary Bearer Global Note exchangeable for Permanent Bearer Global Note or Definitive Notes, consolidation of further notes to form a single Series with the Notes will occur only upon certification of non-U.S. beneficial ownership and exchange of interests in the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, and such further notes shall have a separate CUSIP and/or ISIN, as applicable while they are in Temporary Bearer Global Note form.

21. **Notices**

21.1 **Notices to Noteholders while Notes are held in Global Form**

So long as any Notes are evidenced by a Global Note or Global Certificate and such Global Note or Global Certificate is held by or on behalf of DTC, Euroclear or Clearstream, Luxembourg, notices to Holders 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 Notes are listed on any stock exchange, notice will also be published or otherwise given in accordance with the rules of such stock exchange.

21.2 Notices to Holders of Individual Note Certificates

Notices to Holders of Individual Note 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 Noteholders of those Notes at their respective addresses as recorded in the Register for those Notes, 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.

21.3 Notices to Holders of Definitive Notes

Notices to Holders of Definitive Notes shall be given by publication in a leading English-language daily newspaper published in London, *provided* that, so long as the Notes are listed on any stock exchange, notice will also be published or otherwise given in accordance with the rules of such stock exchange. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Definitive Notes in bearer form in accordance with this Condition 21.

22. 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).

23. Governing Law and Jurisdiction

23.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of, or in connection with, the Agency Agreement, the Deed of Covenant, the Notes (including the remaining provisions of this Condition 23) and the Coupons, are and shall be governed by, and construed in accordance with, English law.

23.2 Agreement to Arbitrate

Any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes and/or the Coupons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a “**Dispute**”) shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration (the “**LCIA**”) (the “**Rules**”), which Rules (as amended from time to time) are incorporated by reference into this Condition 23. 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.

23.3 Waiver of immunity

The Kingdom of Saudi Arabia hereby waives 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 its sovereign status under the State Immunity Act 1978 of the United Kingdom or otherwise in any Dispute which may be instituted pursuant to Condition 23.2 (*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 its sovereign status in any other jurisdiction in an action to enforce an arbitral award properly obtained in England and Wales as referred to in paragraph (a) above.

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 of Saudi Arabia or elsewhere; (iv) military property or military assets or property or assets of the Kingdom of Saudi Arabia related thereto; (v) rights or immunities or property held by individuals or by entities, agencies, or instrumentalities distinct from the Kingdom of Saudi Arabia itself (regardless of their relationship to the Kingdom of Saudi Arabia); or (vi) other procedural or substantive rights enjoyed by the Kingdom of Saudi Arabia by virtue of its sovereign status besides immunity from suit, attachment, and execution. Without prejudice to the generality of the above, none of the provisions of this Condition 23.3 (*Waiver of immunity*) shall apply to actions brought under the United States federal securities law or any securities laws of any state thereof.

24. Rights Of Third Parties

No person shall have any right to enforce any term or condition of the Notes 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 PRICING SUPPLEMENT

Set out below is the form of *Pricing Supplement* which will be completed for each Tranche of *Notes* issued under the Programme and which have a denomination of EUR 100,000 (or its equivalent in any other currency) or *more*.

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 Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)/MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”) and professional clients only, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the 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 Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)/MiFID II]; **EITHER** [and (ii) all channels for distribution of the Notes 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 Notes 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 Notes (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 Notes (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 ECPS TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is 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 Notes 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 Notes 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 the COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the 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 Issuer has determined the classification of the Notes 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

¹ Legend to be included on front of the Pricing Supplement if the Notes (i) are being sold into Singapore; and (ii) do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.

**THE KINGDOM OF SAUDI ARABIA,
ACTING THROUGH THE MINISTRY OF FINANCE**

Legal Entity Identifier (LEI): 635400FMICXSM3SI3H65

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the
Global Medium Term Note Programme**

PART 1– CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 6 January 2025 [and the supplement[s] to the Offering Circular dated *[insert date of supplements]*] ([together,] the “**Offering Circular**”). This document constitutes the Pricing Supplement relating to the issue of Notes described herein and must be read in conjunction with the Offering Circular [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 [2016 Terms and Conditions]/[2017 Terms and Conditions]/[2018 Terms and Conditions]/[July 2019 Terms and Conditions]/[October 2019 Terms and Conditions]/[2021 Terms and Conditions]/[2022 Terms and Conditions]/[2024 Terms and Conditions], which are incorporated by reference in the Offering Circular dated 6 January 2025 (and as defined therein). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular dated 6 January 2025 [and the supplements] to it dated [date] [and [date]] ([together,] the “**Offering Circular**”), including the [2016 Terms and Conditions]/[2017 Terms and Conditions]/[2018 Terms and Conditions]/[July 2019 Terms and Conditions]/[October 2019 Terms and Conditions]/[2021 Terms and Conditions]/[2022 Terms and Conditions]/[2024 Terms and Conditions], which are incorporated by reference in the Offering Circular (and as defined therein). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular, in order to obtain all the relevant information.]

The Offering Circular 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 Notes become fungible: [Not Applicable/The Notes 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 Nominal Amount:

- (i) Series: [●]
- (ii) Tranche: [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
- (i) Specified Denominations: [●]
- (ii) Calculation Amount: [●]
5. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●]/[Issue Date]/[Not Applicable]
6. Maturity Date: [●]
7. Interest Basis: [[●] per cent. Fixed Rate]
- [[●] EURIBOR [+/-] [●] per cent. Floating Rate]
- [SOFR Index +/- [] per cent. Floating Rate]
- [Zero Coupon]
8. Redemption/Payment Basis: [[*For Fixed Rate Notes and Floating Rate Notes*]
- Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.][[*For Zero Coupon Notes*]
- [●]
9. Change of Interest or Redemption/ Payment Basis: [Applicable]/[Not Applicable]
10. Put/Call Options: [Investor Put]
- [Issuer Call]
- [Not Applicable]
11. [Date approval for issuance of Notes obtained: [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. Fixed Rate Note Provisions [Applicable]/[Not Applicable]

- (i) Rate[(s)] of Interest: [●] per cent. *per annum* [payable [annually]/[semi-annually]/[quarterly]/[monthly] in arrear]]
- (ii) Interest Payment Date(s): [●], [●], [●] and [●] in each year]
- (iii) [First Interest Payment Date: [Issue Date]/[●]]
- (iv) Fixed Amount[(s)] for Notes in definitive form (and in relation to Notes in global form see Conditions): [●] per Calculation Amount
- (v) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in]/[on] [●]/[Not Applicable]]
- (vi) Day Count Fraction: [360/360]/[Actual/Actual (ICMA)]
- (vii) [Determination Dates [●] in each year]/[Not Applicable]]
- 13.** Floating Rate Note Provisions [Applicable]/[Not Applicable]
- (i) Interest Period(s): [●]
- (ii) Specified Period: [●]
- (iii) Specified Interest Payment Dates: [●]
- (iv) [First Interest Payment Date: [Issue 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 Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [[●] shall be the Calculation Agent]
- (viii) Screen Rate Determination:
- Reference Rate: [EURIBOR]/[SOFR Index]

- Interest Determination Date(s): [●]/[Second day on which T2 is open prior to the start of each Interest Period]
[As per Condition 8.3]
- Relevant Screen Page: [●]/[Not Applicable]
- Relevant Time: [●]
- Relevant Financial Centre: [●]
- p: [As per Conditions]/[Not Applicable]/[●]

(NB: If the Reference Rate is SOFR Index, a minimum of 5 U.S. Government Securities Business Days should be specified unless otherwise agreed in writing with the Principal Paying Agent or the Calculation Agent, as applicable.)

- (ix) Margin(s): [+/-] [●] per cent. per annum
- (x) Minimum Rate of Interest: [●] 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)]

14. Zero Coupon Note Provisions [Applicable]/[Not Applicable]

- (i) Accrual Yield: [●] per cent. per annum
- (ii) Reference Price: [●]
- (iii) Day Count Fraction in relation to Early Redemption Amount: [Actual/365]
[Actual/360]
[30/360] [30E/360]

PROVISIONS RELATING TO REDEMPTION

15. 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 Redemption Date(s): [●]/[Any date from and including [●] to but excluding [●]]
- (ii) Optional Redemption Amount(s) of each Note: [●] per 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
- 16. Put Option** [Applicable]/[Not Applicable]
(if not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note: [●] per Calculation Amount
- 17. Final Redemption Amount of each Note** [100 per cent. of their nominal amount]/[●] per Calculation Amount
- 18. Early Redemption Amount of each Note payable on an event of default** [100 per cent. of their nominal amount]/[●] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 19. Form of Notes:** **[Bearer Notes:]**
- [Temporary Bearer Global Note exchangeable for a
Permanent Bearer Global Note which is exchangeable for Definitive Notes [on [●] days' notice]/[at any time]/[in the limited circumstances specified in the Permanent Bearer Global Note]]
- [Temporary Bearer Global Note exchangeable for Definitive Notes on [●] days' notice]
- [Permanent Bearer Global Note exchangeable for Definitive Notes [on [●] days' notice]/[at

any time]/[in the limited circumstances specified in the Permanent Bearer Global Note]]

[Registered Notes:] [Individual Note Certificates]

[Unrestricted Global Certificate exchangeable for unrestricted Individual Note Certificates [on [●] days' notice]/[at any time]/[in the limited circumstances described in the Unrestricted Global Certificate]

[Restricted Global Certificate exchangeable for Restricted Individual Note Certificates [on [●] days' notice]/[at any time]/[in the limited circumstances described in the Restricted Global Certificate]

[Unrestricted Global Certificate registered in the name of a nominee for [DTC]/[a common depository for Euroclear and Clearstream, Luxembourg]

[Restricted Global Certificate registered in the name of a nominee for [DTC]]

20. Additional Financial Centre(s): [●]/[Not Applicable]

21. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes]/[No]

Signed on behalf of

THE KINGDOM OF SAUDI ARABIA
acting through THE MINISTRY OF FINANCE

By:
Duly Authorised

PART 2—OTHER INFORMATION

1. LISTING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the main market of the London Stock

Exchange plc 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 Notes to be issued have been rated:

[Moody's: [●]]

[Fitch: [●]]

[[Other]: [●]]

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

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: [See [*“Use of Proceeds”*] in the Offering Circular/ The Notes are Green Bonds as described, and as this term is defined, in the Offering Circular and the proceeds from the issue of the Notes are intended to be used for “green” purposes as described in the “Use of Proceeds” section of the Offering Circular/*Give details*]]

(See [“Use of Proceeds”*] wording in Offering Circular – if reasons for offer different from what is disclosed in the Offering Circular, 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 Notes only)]

6. U.S. SELLING RESTRICTIONS

[TEFRA C]/[TEFRA D]/[TEFRA rules not applicable]

7. 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 number(s): [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 Fiscal Agent: [●]

8. 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]; [TEFRA C/TEFRA D/TEFRA not applicable]
- (vii) Singapore Sales to Institutional Investors and Accredited Investors only [Applicable/Not Applicable]

9. THIRD PARTY INFORMATION

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

10. 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 Financial Conduct 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 Issuer is 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 NOTES

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

Bearer Notes

Each Tranche of Bearer Notes will initially be issued in the form of a temporary bearer global note (a “**Temporary Bearer Global Note**”) or, if so specified in the applicable Pricing Supplement, a permanent bearer global note (a “**Permanent Bearer Global Note**”) and, together with a Temporary Bearer Global Note, each a “**Bearer Global Note**”) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg. Any Notes issued in compliance with the TEFRA D Rules (as defined below) must be initially represented by a Temporary Bearer Global Note.

Bearer Notes will only be delivered outside the United States and its possessions. While any Bearer Note issued in accordance with §1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form as the rules in such regulations for purposes of Section 4701 of the Internal Revenue Code of 1986, as amended (the “**TEFRA D Rules**”) is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note outside the United States and its possessions and only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent. Any reference in this section to the relevant clearing system(s) shall mean the clearing and/or settlement systems specified in the applicable Pricing Supplement.

In the case of each Tranche of Bearer Notes, the Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) or any successor rules in substantially the same form as the rules in such regulations for purposes of Section 4701 of the Internal Revenue Code of 1986, as amended (the “**TEFRA C Rules**”) or TEFRA D Rules are applicable in relation to the Notes, or if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Bearer Global Note exchangeable for Permanent Bearer Global Note

If the Pricing Supplement specifies the form of Notes as being “Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note”, then the Notes will initially be in the form of a Temporary Bearer Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Bearer Global Note, without interest coupons, not earlier than 40 days after the issue date (the “**Exchange Date**”) of the relevant Tranche of Notes upon certification as to non-U.S. beneficial ownership. The holder will not be entitled to collect any payments under the Temporary Bearer Global Note after the Exchange Date unless exchange for interests in the Permanent Bearer Global Note is improperly withheld or refused after such holder duly makes an exchange request. In addition, as discussed above, payments in respect of the Temporary Bearer Global Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Bearer Global Note is to be exchanged for an interest in a Permanent Bearer Global Note, the Issuer shall procure prior to such exchange (in the case of first exchange) the delivery of a Permanent Bearer Global Note, duly authenticated to the bearer of the Temporary Bearer Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Notes represented by the Permanent Bearer Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) presentation and surrender of the Temporary Bearer Global Note to or to the order of the Fiscal Agent; and
- (b) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The principal amount of Notes represented by the Permanent Bearer Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Bearer Global Note exceed the initial principal amount of Notes represented by the Temporary Bearer Global Note.

If:

- (a) the Permanent Bearer Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Bearer Global Note has requested exchange of an interest in the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note; or
- (b) the Temporary Bearer Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Temporary Bearer Global Note has occurred and the bearer has satisfied the conditions of payment (including the conditions described above) and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Bearer Global Note in accordance with the terms of the Temporary Bearer Global Note on the due date for payment,

then the Temporary Bearer Global Note (including the obligation to deliver a Permanent Bearer Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Bearer Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Bearer Global Note or others may have under a deed of covenant dated 7 September 2018 (the “**Deed of Covenant**”) executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Bearer Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Bearer Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Temporary Bearer Global Note exchangeable for Definitive Notes

If the Pricing Supplement specifies the form of Notes as being “Temporary Bearer Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Bearer Global Note which will be exchangeable, in whole but not in part, for

Bearer Notes in definitive form (“**Definitive Notes**”) not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the Pricing Supplement specify the form of Notes as being “Temporary Bearer Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Bearer Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Bearer Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Temporary Bearer Global Note to the bearer of the Temporary Bearer Global Note against the surrender of the Temporary Bearer Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Permanent Bearer Global Note exchangeable for Definitive Notes

If the Pricing Supplement specify the form of Notes as being “Permanent Bearer Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Bearer Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the Pricing Supplement;
- (b) at any time, if so specified in the Pricing Supplement; or
- (c) if the Pricing Supplement specifies “in the limited circumstances described in the Permanent Bearer Global Note”, then if either of the following events occurs:
 - (i) Euroclear or 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 or does in fact do so; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

The options described in paragraphs (a) and (b) above should not be expressed to be applicable under the heading “*Form of Notes*” in the Pricing Supplement if the relevant Notes are in denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount. Furthermore, Notes should not be issued which have such denominations if such Notes are to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Notes.

Whenever the Permanent Bearer Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Bearer Global Note to the bearer of the Permanent Bearer Global Note against the surrender of the Permanent Bearer Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Bearer Global Note for Definitive Notes; or

- (b) the Permanent Bearer Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Bearer Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer thereof in accordance with the terms of the Permanent Bearer Global Note on the due date for payment,

then the Permanent Bearer Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Bearer Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Bearer Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Bearer Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Bearer Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

If the Pricing Supplement specifies the form of Notes as being “Permanent Bearer Global Note exchangeable for Definitive Notes”, such Permanent Bearer Global Note and any Definitive Notes issued upon exchange may only be issued in the Specified Denomination.

Registered Notes

Each Tranche of Notes in registered form (“**Registered Notes**”) will be represented by either:

- (a) one or more unrestricted global certificates (“**Unrestricted Global Certificate(s)**”) in the case of Registered Notes sold outside the United States in reliance on Regulation S (“**Unrestricted Registered Notes**”) and/or one or more restricted global note certificates (“**Restricted Global Certificate(s)**”) in the case of Registered Notes sold to QIBs in reliance on Rule 144A (“**Restricted Registered Notes**”); or
- (b) individual note certificates in registered form (“**Individual Note Certificates**”),

in each case as specified in the Pricing Supplement, and references in this Offering Circular to “**Global Certificates**” shall be construed as a reference to Unrestricted Global Certificates and/or Restricted Global Certificates.

Each Note represented by an Unrestricted Global 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 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 Certificate will be deposited on or about the issue date with the common depositary or such other nominee or custodian.

Each Note represented by a Restricted Global Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the Pricing Supplement) as nominee for DTC and the relevant Restricted Global Certificate will be deposited on or about the issue date with the custodian for DTC (the “**DTC Custodian**”). Beneficial interests in Notes represented by a Restricted Global Certificate may only be held through DTC at any time.

If the Pricing Supplement specifies the form of Notes as being “Individual Note Certificates”, then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Certificate exchangeable for Individual Note Certificates

If the Pricing Supplement specifies the form of Notes as being “Global Certificate exchangeable for Individual Note Certificates”, then the Notes will initially be represented by one or more Global Certificates each of which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the Pricing Supplement;
- (b) at any time, if so specified in the Pricing Supplement; or
- (c) if the Pricing Supplement specifies “in the limited circumstances described in the Global Certificate”, then:
 - (i) in the case of any Global Certificate held by or on behalf of DTC, if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Global 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 Issuer 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 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 (*Events of Default*) occurs.

The options described in paragraphs (a) and (b) above should not be expressed to be applicable under the heading “*Form of Notes*” in the Pricing Supplement if the relevant Notes are in denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount. Furthermore, Notes should not be issued which have such denominations if such Notes are to be represented on issue by one or more Global Certificates exchangeable for Individual Note Certificates.

Whenever a Global Certificate is to be exchanged for Individual Note Certificates, each person having an interest in a Global Note Certificate must provide the relevant Registrar (through the relevant clearing system) with such information as the Issuer and the relevant Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person’s holding). In addition, whenever a Restricted Global Certificate is to be exchanged for Individual Note Certificates, each person having an interest in the Restricted Global 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 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 Notes and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A. Individual Note Certificates issued in exchange for interests in the Restricted Global 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 Notes 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.

If:

- (a) Individual Note Certificates have not been issued and delivered by 5.00 p.m. (London time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Certificate; or
- (b) any of the Notes evidenced by the Global Certificate has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Certificate on the due date for payment in accordance with the terms of the Global Certificate,

then the Global Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such date (in the case of (b) above) and the holder will have no further rights thereunder (but without prejudice to the rights which the holder or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interests in the Notes will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Certificate became void, they had been the registered holders of Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system (as the case may be).

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” and the provisions of the Pricing Supplement which complete those terms and conditions.

Each Global Note contains provisions that apply to the Notes that they represent, some of which modify the Conditions. The following is a summary of those provisions:

Payments

Subject to the restrictions described under “—*Bearer Notes*”, payments in respect of a Global Note or Global Certificate will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Certificate to or to the order of any Fiscal Agent or Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note or Global Certificate, the Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day

In the case of a Global Note or Global Certificate, this shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre, or, if the currency of payment is not euro, any

day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date

Each payment in respect of a Global 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 Registered Note is being held is open for business.

Exercise of put option

In order to exercise the option contained in Condition 10.4 (*Redemption at the option of Noteholders*), the bearer of a Permanent Bearer Global Note or the holder of a Global Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to any Paying Agent or Registrar specifying the principal amount of Notes 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 10.2 (*Redemption at the option of the Issuer*) in relation to only some of the Notes, a Permanent Bearer Global Note or Global Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes 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 21 (*Notices*), while all the Notes are represented by a Permanent Bearer Global Note (or by a Permanent Bearer Global Note and/or a Temporary Bearer Global Note) or a Global Certificate and the relevant Note or Notes is/are deposited with a common depository, a custodian or nominee for Euroclear and/or Clearstream, Luxembourg and/or DTC and/or any other relevant clearing system, notices to Noteholders 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 Noteholders in accordance with Condition 21 (*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 Note or a Global 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 Issuer to the bearer of such Global Note or the holder of a Global Certificate and in relation to all other rights arising under the Global Note or Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global 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 Notes are represented by a Global Note or Global Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such

obligations of the Issuer will be discharged by payment to the bearer of the Global Note or the holder of the Global Certificate.

Legend concerning U.S. persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Bearer Notes in global form, the Bearer Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended.”

The sections referred to in such legend provide that a U.S. person who holds a Bearer Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of DTC, Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Bearer Global Note or a Permanent Bearer Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Bearer Global Note or Permanent Bearer Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of DTC, Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

USE OF PROCEEDS

The Issuer intends to use the proceeds from each issuance of Notes for its general domestic budgetary purposes.

Green Bonds

Where it is stated in “*Reasons for the Offer*” in Part 2 of the applicable Pricing Supplement that the proceeds from the issuance of the Notes are intended to be used for “green” purposes as described in this “*Use of Proceeds*” section and the Notes are to be “Green Bonds”, an amount equal to the net proceeds from such issue of Notes (the “**Green Bonds**”), is intended to be allocated by the Issuer to finance new, or re-finance existing, projects or expenditures in the Kingdom, in part or in full, which qualify under the eligible green project categories (the “**Eligible Green Project Categories**”) as set out in the Green Financing Framework (as defined below) (the “**Eligible Green Projects**”) in effect at the time of issuance of the Green Bonds.

The “**Green Financing Framework**” is the Kingdom of Saudi Arabia Green Financing Framework March 2024 published on the Issuer’s website at https://ndmc.gov.sa/en/investorsrelations/Pages/Green_Framework.aspx, including as amended, supplemented, replaced or otherwise updated from time to time.

The Green Financing Framework has been established by the Issuer in accordance with the Green Bond Principles 2021 (with June 2022 Appendix 1) published by the International Capital Market Association (the “**ICMA Green Bond Principles**”).

The Eligible Green Projects Categories as of the date of this Offering Circular are environmentally sustainable management of living natural resources and land use, energy efficiency, renewable energy, clean transportation, pollution prevention and control, sustainable water and wastewater management, climate change adaptation and terrestrial and aquatic biodiversity.

Eligible expenditures can include investments expenditures, operating expenditures, tax expenditures (including taxes foregone), and subsidies, insofar as any expenditure contributes to the Issuer’s climate change mitigation and adaptation policies. Existing projects/expenditures are projects which have been undertaken up to 36 months before the issuance of the relevant Green Bonds.

The Issuer asserts in the Green Financing Framework that for each issuance of Green Bonds it will not use the proceeds for: alcohol, weapons, tobacco, gaming, palm oil industries, child labour or forced labour.

The Issuer has established a Sustainable Financing Committee to oversee the Issuer’s Green Bond issuances. It has also established a Projects and Monitoring Committee as a sub-committee to report to the Sustainable Financing Committee. The Sustainable Financing Committee is responsible for overseeing the implementation of the Green Financing Framework, validating the final list of Eligible Green Projects and validating the allocation of the relevant proceeds and impact reporting as described herein.

The Ministry of Finance will oversee the allocation and tracking of expenditures on Eligible Green Projects up to an amount equal to the net proceeds of any Green Bonds issued. For each issuance of Green Bonds, the proceeds from the Green Bonds are intended to be allocated to eligible budgetary programmes in the General Budget of the Issuer within two budget years following the issuance of such Green Bonds. The total expenditures required for the eligible programmes will equal or exceed such proceeds. Pending such allocation, the Issuer will temporarily hold an amount equal to such proceeds in line with its treasury policy. In the event where some expenditures are withdrawn from the portfolio

of eligible expenditures under the Green Financing Framework, the Issuer will reallocate on a best effort basis the proceeds to other Eligible Green Projects, as soon as reasonably practicable.

The Issuer intends to make an annual allocation report publicly available within one year of any issuance of Green Bonds, which details the allocation of the net proceeds from any outstanding issuance. Such report is intended to include details of the total amount allocated to Eligible Green projects, the total amount allocated per Eligible Green Project Category, the total amount allocated per region, the breakdown of expenditure by the type of expenditure, the breakdown of refinancing versus new financing and the amount remaining unallocated. It is also intended to provide impact reporting on the expected environmental impacts of the Eligible Green Projects, as further described in the Green Financing Framework. Such impact reporting is intended to be made available at least on a biennial basis, subject to the availability of the relevant data.

The Issuer has obtained a second-party opinion from Moody's Investors Service (the "**Second Party Opinion**"), to confirm the Green Financing Framework's alignment with the ICMA Green Bond Principles. The Second Party Opinion is available for viewing on the Issuer's website at https://ndmc.gov.sa/en/investorsrelations/Pages/Green_Framework.aspx. The Issuer also intends that the annual allocation report and impact reporting will be subject to verification by an external reviewer as described in the Green Financing Framework and that the report of such external reviewer will be published by the Issuer.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion. The Second Party Opinion is not a recommendation to buy, sell or hold any Green Bonds.

None of the Green Financing Framework, the Second Party Opinion or any of the above reports or the contents of any of the above websites are incorporated in or form part of this Offering Circular or shall in any circumstances be deemed to be incorporated in or to form part of this Offering Circular.

Prospective investors in any Green Bonds should also refer to "*Risk Factors – There can be no assurance in respect of Note issued as Green Bonds, and the intended use of an amount equal to the net proceeds from the issuance of such Notes will meet investor expectations or be suitable for an investor's investment criteria*".

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 Authority for Survey and Geospatial Information, 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 as of 31 December 2023, is 33.7 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 and 2019, respectively.

	As at 31 December			
	2022	2021	2020	2019
Male.....	19,678,595	18,569,547	19,278,827	18,344,583
Female	12,496,629	12,214,836	12,273,683	11,719,216
Total population	32,175,224	30,784,383	31,552,510	30,063,799
Population growth / (decrease) (annual %).....	4.5	(2.4)	5.0	(0.4)

Source: Saudi Census, last updated 2022

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 Municipal Councils, issued by Royal Decree No. M/61 dated 31 July 2014, the term of each municipal council is four financial years, with the possibility of an extension in exceptional cases for up to two additional years, subject to the approval of the Council of Ministers. 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, 23 Ministers with portfolios and 7 Ministers of State, two of whom with a portfolio. 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 further amended by Royal Decree No. A/61 dated 27 September 2022. 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 and Logistics, the Minister of Communication and Information Technology, the Minister of Media, the Minister of Education, the Minister of Tourism, the Minister of Sport, the Minister of Interior, the Minister of the National Guard, the Minister of Defence, the Minister of Foreign Affairs, the Minister of State for Foreign Affairs, the Minister of Islamic Affairs, Call and Guidance, the Minister of Investment, and eight 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—Noteholders may only be able to enforce the Notes through arbitration before the LCIA, and LCIA awards relating to disputes under the Notes 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.

The Kingdom has witnessed rapid development at all levels in pursuit of the goals of Vision 2030, launched by the Custodian of the Two Holy Mosques and announced by His Royal Highness the Crown Prince in 2016. Since the inception of Vision 2030, the legal and judicial sector has experienced significant transformation through important amendments to existing regulations and the introduction of new regulations, aligning with the global trend toward digital transformation in legal transactions. 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 Civil Transactions Law, which took effect in December 2023. The 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 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 11 per cent. of the world's total oil production) and one of the world's largest oil exporters (accounting for 6.7 per cent. of the world's total oil exports by volume) in the year ended 31 December 2023, according to OPEC's 2024 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 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.

The COVID-19 pandemic underscored the need for technological adaptation, prompting the Ministry of Justice to activate litigation through contemporary technology. This move was crucial to maintaining the continuity of judicial processes during the pandemic and reflected the Kingdom's commitment to ensuring the right to litigation, as guaranteed under Article 47 of the Basic Law of Governance. The shift to litigation through contemporary technology, including written or video-based communication, has led to faster case resolutions and marked a transformative shift in Saudi Arabia's judicial landscape.

Additionally, the Kingdom has introduced new legislations such as the Civil Transactions Law, the Evidence Law (Royal Decree No. M/43 dated 26/5/1443H corresponding to 30 December 2021), the Personal Status Law (Royal Decree No. M/73 dated 6/8/1443H corresponding to 9 March 2022), the Law of Judicial Fees (Royal Decree No. M/16 dated 30/1/1443H corresponding to 7 September 2021), and the Law of Enforcement by the Board of Grievances (Royal Decree No. M/15 dated 27/1/1443H corresponding to 4 September 2021). These legislative developments are aimed at enhancing judicial efficiency and transparency.

Since the launch of Vision 2030, the Kingdom has made significant strides in improving its global standing in judicial, legislative, and legal indicators. According to the 2019 Global Competitiveness Report by the World Economic Forum (Davos), the Kingdom ranked 16th globally in the “Judicial Independence” index, 17th in the “Efficiency of the Legal Framework for Dispute Resolution,” 18th in the “Efficiency of the Legal Framework for Challenging Regulations,” and 11th in the “Alignment of the Legal Framework for Digital Business” index.

Through these reforms, the Kingdom is positioning itself as a global leader in judicial efficiency and legal transparency, with the ultimate aim of fostering a robust and competitive legal framework in line with Vision 2030.

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 2023, Arab League countries outside the GCC (comprising Jordan, Iraq, Yemen, Lebanon, Egypt, Syria, Morocco and Sudan) accounted for SAR 32.1 billion (U.S.\$8.6 billion), or 4.1 per cent., of Saudi Arabia's total imports and SAR 71.1 billion (U.S.\$18.9 billion), or 5.9 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.

In late 2023, Israel declared war on Hamas, following conflict in and around the Gaza strip. This and other actions have led to armed conflict between Israel and Iran and Israel and Hezbollah in Lebanon, the situation remains volatile and uncertain. There has also been an escalation of attacks on shipping in the Red Sea and Gulf region by the Al-Houthi militia resulting in US and other international allies conducting retaliatory strikes on Al-Houthi bases. These events and the unrest in Syria, could increase the risk of instability in the broader region, and the situation remains highly volatile and uncertain.

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, the United Kingdom, and a number of states of the European Union including 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 2023, the United States was Saudi Arabia's second biggest trading partner in terms of imports and its sixth trading partner in terms of exports, accounting for SAR 70.6 billion (U.S.\$18.9 billion), or 9.0 per cent. of Saudi Arabia's total imports and SAR 58.5 billion (U.S.\$15.6 billion), or 4.8 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 2023, China was Saudi Arabia's biggest trading partner in terms of imports and exports, accounting for SAR 162.6 billion (U.S.\$43.3 billion), or 21.0 per cent., of Saudi Arabia's total imports and SAR 199.3 billion (U.S.\$ 53.3 billion), or 16.6 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.

Additionally, the Kingdom has implemented the teaching of Chinese in schools and universities across the country. This initiative is part of a broader effort to equip future generations with the linguistic and cultural skills necessary to engage with China, enhancing Saudi Arabia's global competitiveness and fostering closer ties with one of the world's leading economies.

Japan

In the year ended 31 December 2023, Japan was Saudi Arabia's sixth biggest trading partner in terms of imports and its second biggest trading partner in terms of exports, accounting for SAR 30.7 billion (U.S.\$8.2 billion), or 4.0 per cent., of Saudi Arabia's total imports and SAR 121.8 billion (U.S.\$32.5 billion), or 10.1 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 2023, 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 22.6 billion (U.S.\$6.0 billion), or 2.9 per cent., of Saudi Arabia's total imports and SAR 107.2 billion (U.S.\$28.6 billion), or 8.9 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 2023, India was Saudi Arabia's fourth biggest trading partner in terms of imports and its third biggest trading partner in terms of exports, accounting for SAR 43.6 billion (U.S.\$11.6 billion), or 5.6 per cent., of Saudi Arabia's total imports and SAR 113.4 billion (U.S.\$30.2 billion), or 9.4 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 2023, Germany was Saudi Arabia's fifth biggest trading partner in terms of imports, accounting for SAR 34.2 billion (U.S.\$9.1 billion), or 4.4 per cent., of Saudi Arabia's total imports. In the same year, Germany also accounted for SAR 2.9 billion (U.S.\$0.8 billion), or 0.2 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 2023, France was Saudi Arabia's twelfth biggest trading partner in terms of imports, accounting for SAR 16.6 billion (U.S.\$4.4 billion), or 2.1 per cent., of Saudi Arabia's total imports. In the same year, France also accounted for SAR 23.7 billion (U.S.\$6.3 billion), or 2.0 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 2023, the United Kingdom was Saudi Arabia's eleventh biggest trading partner in terms of imports, accounting for SAR 17.0 billion (U.S.\$4.5 billion), or 2.2 per cent., of Saudi Arabia's total imports. In the same year, the United Kingdom also accounted for SAR 8.1 billion (U.S.\$2.1 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 2023, EU countries accounted for SAR 151,476 billion (U.S.\$40.3 billion), or 19.5 per cent., of Saudi Arabia's total imports and SAR 144,123 billion (U.S.\$38.4 billion), or 12.0 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 2023, the total number of Saudi employed persons reached 15.8 million, of which 12.8 million, or 81.1 per cent., were male and 3.1 million, or 19.6 per cent., were female. Saudi nationals in the age group from 25 to 39 years constituted 64.5 per cent. of the Saudi labour force as at 31 December 2023.

The following table sets forth selected statistics relating to the labour force in Saudi Arabia as at 31 December 2023, 2022, 2021, and 2020, respectively.

	As at 31 December											
	2023			2022			2021			2020		
	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
Total employed persons	3,915,247	11,972,257	15,887,504	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
Male	2,333,023	10,482,543	12,815,566	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
Female	1,582,224	1,489,714	3,071,938	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
Total civil service employees	1,176,817	41,441	1,218,258	1,189,216	44,065	1,233,281	1,209,245	46,317	1,255,562	1,224,661	48,874	1,273,535
Male	671,411	21,786	693,197	688,985	23,147	712,132	710,470	24,257	734,727	722,090	25,931	748,021
Female	505,406	19,655	525,061	500,231	20,918	521,149	498,775	22,060	520,835	502,571	22,943	525,514
Total unemployment rate (%)	8.4	1.4	4.0	9.6	1.8	4.9	11.8	2.4	6.1	12.6	2.6	7.4
Male	4.7	1.0	2.1	4.7	1.4	2.4	6.3	1.9	3.3	7.1	1.7	4.0
Female	15.7	5.8	12.8	19.0	6.3	15.5	22.4	7.1	17.6	24.4	9.1	20.2

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 2023, decreased to 4.0 per cent., comprising an unemployment rate of 2.1 per cent. among males and 12.8 per cent. among females. The overall unemployment rate in Saudi Arabia for Saudi nationals as at 31 December 2023, was 8.4 per cent., comprising an unemployment rate of 4.7 per cent. among Saudi males and 15.7 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 2024 is SAR 195 billion (U.S.\$51.9 billion). In the fiscal year 2023, estimated actual expenditure on education was SAR 202 billion (U.S.\$ 53.7 billion), compared to a budgeted expenditure of SAR 189 billion (U.S.\$50.3 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 2024 is SAR 214 billion (U.S.\$57.1 billion). In the fiscal year 2023, estimated actual expenditure on health and social developments was SAR 250 billion (U.S.\$66.6 billion), compared to a budgeted expenditure of SAR 189 billion (U.S.\$50.3 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 a result of the ongoing restructuring efforts under Vision 2030, 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.

In 2021, the Kingdom also announced the launch of the Middle East Green Initiative ("**MGI**"), a regional initiative focused on mitigating the impact climate change by fostering collaboration in the region to meet the global climate objectives. Three overarching targets guide MGI's strategic environmental goals – environmental supervision, knowledge transfer and innovative future solutions to climate solutions. Led by the Kingdom, MGI is supported internationally by many countries including, the United States, China, Russia, the UK, France, Italy, Sweden, Greece, Brazil, Pakistan, India, Kuwait, Jordan, Algeria, Morocco, Tunisia, Oman, the UAE and South Africa. In October 2024, the first session of the Ministerial Council of MGI was held in Jeddah, during which the Council set aims to plan 50 billion trees across the Middle East, representing 5 per cent. of the global afforestation goal. Additionally, the Council expressed support for efforts across the region to reduce carbon emissions by 670 million tonnes.

In September 2024, ROSHN Group, a national real estate company owned by the PIF, launched the ROSHN Green Initiative Centre, a flagship programme aligned with the SGI by cultivating trees and plants to enhance ROSHN communities and the areas surrounding them. In addition, ROSHN Group has entered into four sustainability-focused agreements with organisations in the Kingdom that will contribute to the ROSHN Group's green initiatives and wider efforts.

The Kingdom's environmental strategy involves all actors in the economy and comprises an innovative CCE programme. 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 harmonised programmes, 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 programme 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 CO₂ emissions by 278 million tons annually by 2030. This target represents an increase from the reduction target of 130 million tons of CO₂ 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*”.

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*".
- *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 "NIDL"):* 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 NIDL 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 NIDL. The NIDL'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 programme 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—National Transformation Programme*").

The National Transformation Programme or NTP

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 programmes – 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 programme 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 more than 1,673 licenses for various entertainment activities during the first quarter of 2024, signalling an increase of 28 per cent. from the same period last year. The entertainment events the authority licensed during the first quarter of this

year covered various regions in the Kingdom, with the city of Riyadh witnessing 216 entertainment events, Makkah 101 events, the Eastern Province 76 events, the Qassim region 37 events, followed by Asir and Jazan which hosted region 23 and 16 events, respectively. The total number of visitors to the events in all regions of the Kingdom reached more than 11 million.

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.

In December 2024, the Fédération Internationale de Football Association (FIFA) declared the Kingdom of Saudi Arabia as the host for the FIFA World Cup 2034™. The Kingdom of Saudi Arabia subsequently announced the establishment of a Higher Commission for Hosting the 2034 World Cup, with HRH Prince Mohammed bin Salman bin Abdulaziz Al Saud set to chair its Board of Directors. Hosting the FIFA World Cup 2034™ is expected to enhance the transformation of Saudi sports and help the Kingdom to implement the Quality of Life Program, which is one of the key programmes of the Saudi Vision 2030.

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 nineteenth 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 2023. Saudi Arabia's economy accounted for 50.5 per cent. of the combined annual GDP of the GCC countries in the year ended 31 December 2023.

Based on preliminary figures for 2023, Saudi Arabia's real GDP (based on constant 2018 prices) was SAR 3,468.7 billion (U.S.\$923.2 billion) in the year ended 31 December 2023, a decrease of 0.8 per cent. in real terms as compared to real GDP of SAR 3,495.1 billion (U.S.\$932 billion) in the year ended 31 December 2022, in turn representing an increase of 7.5 per cent. in real terms as compared to real GDP of SAR 3,251.6 billion (U.S.\$867.1 billion) in the year ended 31 December 2021, and an increase of 5.1 per cent. in real terms as compared to real GDP of SAR 3,094.5 billion (U.S.\$825.2 billion) in the year ended 31 December 2020. Saudi Arabia's nominal GDP was SAR 4,003.4 billion (U.S.\$1,067.6 billion) in the year ended 31 December 2023, representing a decrease of 3.7 per cent. in nominal terms as compared to real GDP of SAR 4,157.1 billion (U.S.\$1,108.6 billion) in the year ended 31 December 2022, in turn 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 2024 that the Kingdom's real GDP would grow by approximately 4.6 per cent. in 2025 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 2023.

According to OPEC's 2024 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 2023 and was the world's second largest oil producer (accounting for 10.2 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 2023. At Saudi Arabia's production levels of 9.6 million bpd on average in the year ended 31 December 2023, 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 2023 and 2022, the non-oil sector of the economy contributed 63 per cent. and 56 per cent. to Saudi Arabia's nominal GDP, respectively, and grew by 7.3 per cent. and 9.1 per cent. in nominal terms in the years ended 31 December 2023, and 2022, 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 2023, 2022, 2021, 2020 and 2019, respectively.

	As at, and for the year ended 31 December				
	2023 ⁽³⁾	2022 ⁽³⁾	2021	2020	2019
	(SAR billions, unless otherwise indicated)				
Population (millions) ⁽¹⁾	33.70	32.18	30.78	31.55	30.06
GDP at current prices	4,003.4	4,157.1	3,278.1	2,753.5	3,144.6
GDP at constant prices (2018=100).....	3,468.7	3,495.1	3,251.6	3,094.6	3,209.5
Oil sector GDP at current prices.....	1,265.5	1,617.9	928.7	612.5	958.3
Oil sector GDP at constant prices (2018=100)	1,036.9	1,139.0	991.6	979.1	1,051.0
Inflation rate (%)	2.3	2.5	3.1	3.4	-2.1
Aggregate money supply (M3).....	2,685.3	2,495.4	2,308.8	2,149.3	1,985.1
Total Government revenues ⁽²⁾	1,193,000	1,268	965.5	781.8	926.8
Oil sector revenues ⁽²⁾	752,000	857	562.2	413.0	594.4
Total Government expenditures ⁽²⁾	1,293,000	1,164.0	1,015.0	1,075.7	1,059.4
Budget surplus / (deficit) ⁽²⁾	81.0	104.0	(73.5)	(293.9)	(132.6)
Ratio of budget surplus / (deficit) to nominal GDP (%)	(2.0)	2.5	(2.3)	(11.2)	(4.5)
Current account surplus / (deficit)	131.7	563.8	152.0	(95.8)	144.2
Ratio of current account surplus / (deficit) to nominal GDP (%).....	3.3	13.6	4.6	(3.5)	4.6
Closing price of Tadawul All-Share Index	11,967.39	10,487.5	11,281.7	8,689.5	8,389.2
Ratio of public debt to nominal GDP (%)	26.2	25.9	30.0	32.5	22.8
Per capita GDP at current prices (U.S.\$)	31,676	34,454	28,396	23,271	27,893
Per capita GDP at constant prices (U.S.\$) (2010=100)	27,445	28,967	28,167	26,154	28,469

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 one of the largest contributors 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 2023. The oil sector accounted for 31.6 per cent. and 39.4 per cent. of Saudi Arabia's real GDP, and 32 and 39 per cent. of Saudi Arabia's nominal GDP in the years ended 31 December 2023, and 2022, respectively, and oil revenues accounted for 67.6 per cent. and 58.2 per cent. of total Government revenues in the fiscal years 2022 and 2021, respectively. Oil exports accounted for 77.3 per cent., 79.5 per cent. and 73.2 per cent. of Saudi Arabia's total exports by value in the years ended 31 December 2023, 2022, and 2021, respectively.

The oil sector accounted for 28.6 per cent. of Saudi Arabia's real GDP for the first nine months of 2024, whereas oil revenues accounted for 45 per cent. of Saudi Arabia's real GDP for the first nine months of 2024.

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" or "Saudi Aramco") and constitutes part of the OPEC Reference Basket) in each of the years indicated.

	Year ended 31 December				
	2024	2023	2022	2021	2020
	(U.S.\$ per barrel)				
OPEC Reference Basket price.....	74.59	82.95	100.08	69.89	41.47
Arabian Light Crude Oil price.....	74.22	81.44	101.64	70.65	41.91

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.\$80.7 in 2024. 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*”.

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 9.7 million barrels a day, followed by a six-month period starting 1 July 2020 where production was to be reduced by a total of 7.7 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 5.8 million barrels a day. On 7 June 2020, the OPEC member states and non-OPEC states agreed to extend the existing production adjustments of 9.7 million barrels a day to 31 July 2020. On 15 July 2020, the production adjustment was reduced to 7.7 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 7.2 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. 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 0.4 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 0.1 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, to U.S.\$77.98 in December 2023, and then experiencing a further decline to \$73.59 in September 2024. There can be no guarantee that oil prices will not remain volatile or decrease in the future. (*See "Risk Factors — Saudi Arabia's economy and the Government are substantially dependent upon the oil sector and adversely affected by low oil prices"*).

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 bpd), the UAE (163,000 bpd), Kuwait (135,000 bpd), Kazakhstan (82,000 bpd), Algeria (51,000 bpd) and Oman (42,000 bpd). 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

2025 Government Budget

On 26 November 2024, Saudi Arabia announced its budget statement for fiscal year 2025 (the “**2025 Budget**”). The 2025 Budget estimates total Government revenues for fiscal year 2025 to be SAR 1,184 billion (U.S.\$315.4 billion), an increase of 1.0 per cent. compared to the budgeted revenues for fiscal

year 2024 of 1,172.0 billion (U.S.\$312.5 billion). The principal drivers of the higher revenues in fiscal year 2025 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 2025 Budget estimates total Government expenditures for fiscal year 2025 at SAR 1,285 billion (U.S.\$ 342.3 billion), an increase of 2.7 per cent. compared to budgeted expenditures for fiscal year 2024 of SAR 1,251.0 billion (U.S.\$333.6 billion). The principal drivers of the higher expenditures in fiscal year 2025 are expected to be the acceleration of the implementation of several development projects and programmes. The 2025 Budget estimates a deficit for fiscal year 2025 at SAR 101 billion (U.S.\$26 billion), compared to the budgeted deficit for fiscal year 2024 of SAR 79.0 billion (U.S.\$21.1 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 2024, the Ministry of Finance published the Budget Performance Report for the Third Quarter of 2024 (the “**Q3 Budget Performance Report**”). The Q3 Budget Performance Report notes a third quarter deficit of SAR 30.23 billion (U.S.\$8.06 billion) for the Kingdom as expenditures increased for compensation of employees, use of goods and services and financing expenses. Driven by higher oil and non-oil revenues for the quarter, total revenues increased during the period to SAR 309.2 billion (U.S.\$82.5 billion) compared to SAR 258.5 billion (U.S.\$68.9 billion) as at the third quarter of 2023. Total expenditures for the period increased by 15.3 per cent. to SAR 339.4 billion (U.S.\$90.5 billion) compared to SAR 294.3 billion (U.S.\$78.5 billion) as at the third quarter of 2023.

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 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. In November 2023, the Board of Directors of the Royal Commission for Riyadh City announced the establishment of the Centre for Riyadh Special Economic Zones to enhance business competitiveness for Riyadh, contributing to the diversification goals 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 2018 prices) of the non-oil private sector recorded a growth rate of 5.3 per cent. The sector grew in real terms by 4.3 per cent. in the year ended 31 December 2023, while they increased by 5.7 per cent. and increased by 8.2 per cent. in the years ended 31 December 2022, and 31 December 2021, respectively. The non-oil private sector accounted for 45 per cent. and 40 per cent. of Saudi Arabia’s nominal GDP for the year ended 31 December 2023, and 2022, respectively, and 45 per cent. and 49 per cent. in the years ended 31 December 2021, and 2020, respectively. In the first nine months of 2024 the non-oil private sector grew in real terms by 12.7 per cent., accounting for 47 per cent. of the Kingdom’s nominal GDP for the same period.

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 Organisation of Ports, the Roads General Authority and the General Organisation 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 Organisation 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.\$238.8 billion as at 31 December 2023. In the year ended 31 December 2023, Saudi Arabia’s inward FDI flows were U.S.\$ 2.6 billion. The following table sets forth Saudi Arabia’s inward FDI stock and inward FDI flows for each of the years ended 31 December 2023, 2022, and 2021, respectively.

	As of 31 December		
	2023	2022	2021
	(U.S.\$ billions)		
Inward FDI stock	238.8	210.6	181.3
Inward FDI flows	2.6	5.6	4.0

Source: GASTAT

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.

On 13 February 2025, the Foreign Investment Law will be replaced by the newly promulgated Investment Law issued by Royal Decree No. M/19 dated 16/01/1446H (corresponding to 22 July 2024). The Investment Law replaces the licensing requirement for foreign investors with a filing and registration requirement (with exempt activities appearing on the list of excluded activities to be issued and updated, from time to time, by the competent authority and published by MISA).

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 2018 prices) was SAR 3,468,675 billion (U.S.\$ 92.3 billion) in the year ended 31 December 2023, representing a decrease of 0.8 per cent. in real terms as compared to real GDP of SAR 3,495,059 billion (U.S.\$ 930.9 billion) for the year ended 31 December 2022. The decrease in real GDP (based on constant 2018 prices) was primarily attributable to a decrease in oil activities.

Based on preliminary figures, Saudi Arabia's nominal GDP for the nine months ended 30 September 2024, was SAR 3,045.3 billion (U.S.\$812 billion), representing an increase of 2 per cent. in nominal terms as compared to nominal GDP of SAR 2,986.8 billion (U.S.\$796.5 billion) for the nine months ended 30 September 2023.

The IMF, in its World Economic Outlook (October 2024), estimated an expansion in the Kingdom's real GDP of 4.6 per cent. in 2025.

Saudi Arabia's nominal GDP was SAR 4,003.4 billion (U.S.\$ 1,067.6 billion) in the year ended 31 December 2023, representing a decrease of 3.7 per cent. in nominal terms as compared to nominal GDP of SAR 4,157.1 billion (U.S.\$ 1,108.6 billion) in the year ended 31 December 2022.

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 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December								
	2023 ⁽¹⁾			2022			2021		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)								
Mining and quarrying	917,828	26.46	(9.2)	1,010,862	28.9	8.3	933,239	34.0	(1.2)
Oil and gas (excluding oil refining) ..	905,657	26.11	(9.4)	999,213	28.6	8.28	922,754	33.6	(1.2)
Other mining and quarrying	12,888	0.37	5.6	12,196	0.4	16.3	10,485	0.4	(1.9)
Government services	611,257	17.62	2.1	598,699	17.1	58.5	377,808	13.8	1.1
Manufacturing	413,867	11.93	(3.5)	428,689	12.2	33.8	320,525	11.7	8.2
Oil refining ..	116,825	3.37	(7.4)	126,096	3.6	37.2	91,862	3.3	16.6
Other manufacturing	301,658	8.7	(0.7)	303,646	8.7	32.8	228,663	8.3	5.1
Wholesale and retail trade, restaurants and hotels	359,512	10.36	7.0	336,022	9.6	26.0	266,523	9.7	16.3
Finance, insurance, real estate and business services	439,940	12.68	3.9	423,567	12.1	48.5	285,221	10.4	8.4
Transport, storage and communication	183,997	5.3	7.3	171,483	4.9	11.7	153,591	5.6	3.5
Construction	175,187	5.05	4.3	167,922	4.98	48.0	113,425	4.1	1.2
Agriculture, forestry and fishing	87,631	2.53	4.1	84,153	2.4	12.2	74,982	2.7	2.5
Community, social and personal services	126,518	2.65	10.8	114,190	3.3	28.5	88,867	3.2	18.9
Electricity, gas and water	47,466	1.37	2.6	46,2489	1.3	47.9	31,267	1.1	4.0
Sub-total (excluding net taxes on products)	3,351,648	96.6	(1.4)	3,399,115	97.3	28.5	2,645,447	96.3	3.9
Net taxes on products	114,827	3.31	12.6	102,013	2.9	1.2	100,795	3.7	15.5
Total real GDP	3,468,675	100.0	(0.8)	3,495,059	100.0	27.3	2,746,242	100.0	4.3

Year ended 31 December						
2020			2019			
	Amount	Contribution		Amount	Contribution	
		(%)	Growth (%)		(%)	Growth (%)
(SAR millions, except percentages)						
Mining and quarrying	535,614	19.5	(37.4)	855,259	27.2	(12.0)
<i>Oil and gas (excluding oil refining).....</i>	<i>522,226</i>	<i>19.0</i>	<i>(38.0)</i>	<i>842,079</i>	<i>26.8</i>	<i>(12.3)</i>
<i>Other mining and quarrying</i>	<i>13,388</i>	<i>0.5</i>	<i>1.6</i>	<i>13,180</i>	<i>0.4</i>	<i>7.7</i>
Government services	576,972	21.0	(1.2)	583,758	18.6	4.4
Manufacturing	347,986	12.6	(11.4)	392,735	12.5	(1.7)
<i>Oil refining</i>	<i>81,974</i>	<i>3.0</i>	<i>(23.9)</i>	<i>107,710</i>	<i>3.4</i>	<i>(9.0)</i>
<i>Other manufacturing</i>	<i>266,012</i>	<i>9.7</i>	<i>(6.7)</i>	<i>285,026</i>	<i>9.1</i>	<i>1.5</i>
Wholesale and retail trade, restaurants and hotels	277,761	10.1	(9.3)	306,297	9.7	7.8
Finance, insurance, real estate and business services..	362,224	13.2	1.2	357,941	11.4	3.3
Transport, storage and communication	164,223	6.0	(7.3)	177,128	5.6	6.2
Construction	160,449	5.8	3.5	155,048	4.9	7.1
Agriculture, forestry and fishing	81,511	3.0	1.3	80,488	2.6	2.2
Community, social and personal services..	86,728	3.1	(12.4)	99,034	3.1	4.7
Electricity, gas and water	42,779	1.6	(4.9)	44,986	1.4	2.3
Sub-total (excluding net taxes on products)	2,636,247	95.7	(13.6)	3,052,673	97.1	(1.2)
Net taxes on products	117,270	4.3	27.5	91,944	2.9	8.5
Total real GDP	2,753,517	100.0	(12.4)	3,144,618	100.0	(0.9)

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 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December								
	2023 ⁽¹⁾			2022			2021		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)								
Oil Sector	1,036,908	30	(9)	1,139,042	33	14.9	991,596	30	1.3
Non-oil sector	2,337,229	67	3.8	2,251,161	64	5.3	2,137,764	66	6.0
Private sector	1,624,657	47	4.3	1,558,030	45	5.7	1,474,500	45	8.2
Government sector	712,593	21	2.8	693,468	20	4.5	663,582	20	1.7
Sub-total (excluding net taxes on products)	3,351,648	97	(1.4)	3,399,115	97	8.2	3,141,096	97	4.6
Net taxes on products	114,827	3	12.6	102,013	3	(3.9)	106,100	3	15.5
Total real GDP	3,468,675	100	(0.8)	3,495,059	100.0	7.5	3,251,642	100.0	5.1

	Year ended 31 December					
	2020			2019		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)					
Oil Sector	1,018,920	38.7	(6.6)	1,091,430	39.7	(3.3)
Non-oil sector.....	1,526,164	58.0	(3.0)	1,573,342	57.2	3.5
Private sector	1,077,788	40.9	(3.7)	1,119,399	40.7	4.0
Government sector	448,376	17.0	(1.2)	453,943	16.5	2.3
Sub-total (excluding net taxes on products).	2,545,083	96.7	(4.5)	2,664,772	96.8	0.6
Net taxes on products	87,280	3.3	0.3	87,059	3.2	8.3
Total real GDP	2,632,363	100.0	(4.3)	2,751,831	100.0	0.8

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 2023, the non-oil sector grew by 3.8 per cent. in real terms in the year ended 31 December 2023, following a growth of 5.3 per cent. in real terms in the year ended 31 December 2022, to reach SAR 3,495.1 billion (U.S.\$932 billion), and after a growth of 6 per cent., decline of 2.7 per cent., growth of 3.4 per cent., and decline of 0.7 per cent. in the years ended 31 December 2021, 2020, 2019 and 2018, respectively. Based on preliminary figures for 2023, within the non-oil sector, the private sector grew in real terms by 4.3 per cent. to SAR 1,624.7 billion (U.S.\$433.3 billion) in the year ended 31 December 2023, further to a growth of 5.7 per cent. to SAR 1,558 billion (U.S.\$415.5 billion) in the year ended 31 December 2022, and of 8.2 per cent. to reach SAR 1,474.5 billion (U.S.\$393.2 billion) in the year ended 31 December 2021, following a decline of 3.7 per cent. and growth of 4.0 per cent. in the years ended 31 December 2020 and 2019, respectively.

In the first nine months of 2024, based on preliminary figures, the non-oil sector grew by 0.2 per cent. in real terms, due to increase in non-oil sector activities by 4.2 per cent. during the same period.

The growth in the non-oil sector in the year ended 31 December 2023 and 31 December 2022, was primarily attributable to a high increase in non-oil related activities.

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 2023, 2022, 2021, 2020 and 2019 respectively.

	Year ended 31 December								
	2023 ⁽¹⁾			2022			2021		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
(SAR millions, except percentages)									
Mining and quarrying	1,031,778	26%	(24.8)%	1,371,837	33.0	71.2	801,275	24.4	49.6
<i>Oil and gas (excluding oil refining)</i>	1,016,091	25%	(25.1)%	1,357,279	32.6	72.4	787,083	24.0	50.7
<i>Other mining and quarrying</i> ..	15,688	0.4%	7.8%	14,559	0.4	2.6	14,192	0.4	6.0
Government services	628,533	16%	4.2%	603,159	14.5	4.4	577,633	17.6	0.1
Manufacturing	592,033	15%	(1.3)%	600,120	14.4	38.6	432,943	13.2	24.4
<i>Oil refining</i>	239,150	6%	(4.8)%	251,150	6.0	89.1	132,845	4.1	62.1
<i>Other manufacturing</i> .	352,884	9%	1.1%	348,970	8.4	16.3	300,097	9.2	12.8
Wholesale and retail trade, restaurants and hotels	386,497	10%	11.0%	348,345	8.4	9.2	319,015	9.7	14.9
Finance, insurance, real estate and business services	461,657	12%	10.8%	416,562	10.0	9.6	379,982	11.6	4.9
Transport, storage and communication .	199,257	5%	10.3%	180,693	4.3	6.0	170,493	5.2	3.8
Construction	210,135	5%	9.3%	192,201	4.6	13.1	169,898	5.2	5.9
Agriculture, forestry and fishing	108,691	3%	8.7%	99,976	2.4	14.0	87,694	2.7	7.6
Community, social and personal services	120,488	3%	11.2%	108,380	2.6	11.3	97,366	3.0	12.3
Electricity, gas and water.....	46,614	1%	4.0%	44,806	1.1	2.0	43,933	1.3	2.7
Sub-total (excluding net taxes on products)	3,785,684	95%	(4.5)%	3,966,079	95.4	28.8	3,080,231	94.0	16.8
Net taxes on products.....	217,752	5%	14.0%	191,064	4.6	-3.4	197,855	6.0	68.7
Total nominal GDP	4,003,436	100%	(3.7)%	4,157,143	100.0	26.8	3,278,085	100.0	19.1

Source: GASTAT

Note:

(1) Preliminary figures.

	Year ended 31 December					
	2020			2019		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
(SAR millions, except percentages)						
Mining and quarrying...	535,614	19.5	(37.4)	855,259	27.2	(12.0)
<i>Oil and gas (excluding oil refining)</i> .	522,226	19.0	(38.0)	842,079	26.8	(12.3)
<i>Other mining and quarrying</i>	13,388	0.5	1.6	13,180	0.4	7.7

	Year ended 31 December					
	2020			2019		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)					
Government services	576,972	21.0	(1.2)	583,758	18.6	4.4
Manufacturing	347,986	12.6	(11.4)	392,735	12.5	(1.7)
<i>Oil refining</i>	81,974	3.0	(23.9)	107,710	3.4	(9.0)
<i>Other manufacturing</i>	266,012	9.7	(6.7)	285,026	9.1	1.5
Wholesale and retail trade, restaurants and hotels	277,761	10.1	(9.3)	306,297	9.7	7.8
Finance, insurance, real estate and business services	362,224	13.2	1.2	357,941	11.4	3.3
Transport, storage and communication	164,223	6.0	(7.3)	177,128	5.6	6.2
Construction	160,449	5.8	3.5	155,048	4.9	7.1
Agriculture, forestry and fishing	81,511	3.0	1.3	80,488	2.6	2.2
Community, social and personal services	86,728	3.1	(12.4)	99,034	3.1	4.7
Electricity, gas and water	42,779	1.6	(4.9)	44,986	1.4	2.3
Sub-total (excluding net taxes on products)	2,636,247	95.7	(13.6)	3,052,673	97.1	(1.2)
Net taxes on products ...	117,270	4.3	27.5	91,944	2.9	8.5
Total nominal GDP	535,614	19.5	(37.4)	3,144,618	100.0	(0.9)

Source: GASTAT

Based on preliminary figures for 2023, the contribution to Saudi Arabia's nominal GDP of oil and gas activities (excluding oil refining) increased to SAR 1,016.1 billion (U.S.\$ 270.9 billion) or 25 per cent. of total nominal GDP in the year ended 31 December 2023, from 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.

Saudi Arabia's nominal GDP was SAR 4,003.4 billion (U.S.\$ 1,067.6 billion) in the year ended 31 December 2023, representing a decrease of 3.7 per cent. in nominal terms as compared to nominal GDP of SAR 4,157.1 billion (U.S.\$1,108.6 billion) in the year ended 31 December 2022.

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 2023, 2022, 2021, 2020, and 2019, respectively.

	Year ended 31 December								
	2023			2022			2021		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)								
Oil Sector	1,265,525	31.6	(21.8)	1,617,919	38.9	74.2	928,651	28.3	51.6
Non-oil sector	2,520,159	62.9	7.3	2,348,160	56.5	9.1	2,151,580	65.6	6.3
<i>Private sector</i>	1,783,913	18.4	8.3	1,647,449	39.6	11.0	1,483,637	45.3	9.1

	Year ended 31 December								
	2023			2022			2021		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)								
<i>Government sector</i>	736,246	44.6	5.1	700,711	16.9	4.9	667,943	20.4	0.7
Sub-total (excluding net taxes on products)	3,785,684	94.6	(4.5)	3,966,079	95.4	28.8	3,080,231	94.0	16.8
Net taxes on Products	217,752	5.4	14.0	191,064	4.6	-3.4	197,855	6.0	68.7
Total nominal GDP	4,003,436	100.0	(3.7)	4,157,143	100	26.8	3,278,085	100.0	19.1

	Year ended 31 December					
	2020			2019		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	(SAR millions, except percentages)					
Oil Sector	612,500	22.2	(36.1)	958,288	30.5	(11.8)
Non-oil sector	2,023,747	73.5	(3.4)	2,094,385	66.6	4.5
<i>Private sector</i>	1,360,399	49.4	(4.2)	1,419,403	45.1	4.5
<i>Government sector</i> ..	663,347	24.1	(1.7)	674,982	21.5	4.6
Sub-total (excluding net taxes on products)	2,636,247	95.7	(13.6)	3,052,673	97.1	(1.2)
Net taxes on products	117,270	4.3	27.5	91,944	2.9	8.5
Total nominal GDP	2,753,517	100.0	(12.4)	3,144,618	100.0	(0.9)

Source: GASTAT

The increase in the non-oil sector's contribution to Kingdom's economy continues to be a central focus of the Government's economic diversification strategy, driven by Vision 2030. Key reforms implemented in recent years include the introduction of a 15% VAT, excise taxes on products like tobacco and soft drinks, and adjustments to expat levies and visa fees, all of which have significantly boosted non-oil revenues. These efforts, alongside the development of sectors like tourism, entertainment, technology, and renewable energy, are reducing the Kingdom's dependence on oil. The Public Investment Fund (PIF) plays a crucial role in driving investments and supporting diversification through mega-projects like NEOM and public-private partnerships. Despite fluctuations in global oil prices, Saudi Arabia's strategic focus on privatization, fiscal consolidation, and expanding non-oil sectors is ensuring long-term economic stability and growth.

The percentage contribution of the non-oil private sector to Saudi Arabia's total nominal GDP was 44.6 per cent., 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 2023, 2022, 2021, 2020 and 2019, respectively, while the percentage contribution of the non-oil Government sector to Saudi Arabia's total nominal GDP was 18.4 per cent., 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 2023, 2022, 2021, 2020 and 2019, respectively.

For the first nine months of 2024, the percentage the non-oil private sector to Saudi Arabia's total nominal GDP was of SAR 1,417.9 billion (U.S.\$ 378.1 billion), or 46.6 per cent., while the percentage contribution of the non-oil Government sector to Saudi Arabia's total nominal GDP was 18.6 per cent.

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 2023, 2022, 2021, 2020, and 2019, respectively.

	Year ended 31 December				
	2023 ⁽¹⁾	2022 ⁽¹⁾	2021	2020	2019
Oil sector GDP deflator	122.0	142.0	93.7	62.6	91.2
Non-oil sector GDP deflator.....	107.8	104.3	100.6	100.4	101.1
Overall GDP deflator	115.4	118.9	100.8	89.0	98.0

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 2023, 2022, 2021, 2020, and 2019, respectively (based on the estimated population of Saudi Arabia as at 31 July in each year):

	Year ended 31 December				
	2023 ⁽¹⁾⁽²⁾	2022 ⁽²⁾	2021	2020	2019
Population ⁽¹⁾	33,702,731	32,175,224	30,784,383	31,552,510	30,063,799
Per capita real GDP:					
GDP at constant prices (<i>SAR millions</i>).....	3,468,675	3,495,059	3,251,642	3,094,588	3,209,539
Per capita GDP at constant prices (<i>SAR</i>).....	102,920	108,626	105,626	98,077	106,758
Per capita GDP at constant prices (<i>U.S.\$</i>).....	27,445	28,967	28,167	26,154	28,469
Per capita nominal GDP:					
GDP at current prices (<i>SAR millions</i>).....	4,003,436	4,157,143	3,278,085	2,753,517	3,144,618
Per capita GDP at current prices (<i>SAR</i>).....	118,787	129,203	106,485	87,268	104,598
Per capita GDP at current prices (<i>U.S.\$</i>).....	31,676	34,454	28,396	23,271	27,893

Source: GASTAT, WHO

Notes:

(1) Population estimates are as at 31 July in each respective year.

(2) Preliminary figures.

Oil and Gas

The hydrocarbon industry is one of the largest contributors to Saudi Arabia's economy. According to OPEC's 2024 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 2023, and was the world's second largest oil producer (accounting for 10.2 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 2023.

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 2023, the contribution to Saudi Arabia's nominal GDP of oil and gas activities (excluding oil refining) increased to SAR 1,016.1 billion (U.S.\$ 283 billion) or 25 per cent. of total nominal GDP in the year ended 31 December 2023, from 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. Oil and gas activities (excluding oil refining) decreased by 9.4 per cent. in real terms in the year ended 31 December

2023, compared to an increase of 16.1 per cent. in real terms in the year 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, and a decline of 3.4 per cent. in the year ended 31 December 2019.

For the first nine months of 2024, the contribution to Saudi Arabia's nominal GDP of oil and gas activities (excluding oil refining) was of SAR 704.1 billion (U.S.\$ 187.8 billion), or 23 per cent. of total nominal GDP for the period.

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). On 7 March 2024, His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince, Prime Minister, Chairman of the Council of Economic and Development Affairs and Chairman of the Board of Directors of the PIF, announced the completion of the transfer of 8 per cent. of Saudi Aramco's total issued shares from the ownership of the Kingdom to the PIF's fully owned companies. Following the transfer, the total ownership of the Kingdom amounts to 82.186% of the Saudi Aramco's shares.

Saudi Aramco paid dividends of U.S.\$75.0 billion in the years ended 31 December 2021, and 2022 and U.S.\$97.8 billion in the year ended 31 December 2023.

Saudi Aramco's net income was U.S.\$121.3 billion for the year ended 31 December 2023, a decrease of 24.7 per cent. compared to U.S.\$161.1 billion for the year ended 31 December 2022. This decrease was primarily due to ongoing inflationary pressures and global economic uncertainty. Saudi Aramco's net income for the year ended 31 December 2022, increased by 46.5 per cent. compared to U.S.\$110.0 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's capital expenditures amounted to U.S.\$42.2 billion, U.S.\$37.6 billion and U.S.\$31.9 billion for the years ended 31 December 2023, 2022, and 2021, respectively. The increase in capital expenditures reflects increased drilling and development activities related to crude oil increments, and ongoing progress of multiple gas projects aimed at expanding gas production.

Reserves

As at 31 December 2023, based on the initial 40-year period and 20-year extension of the concession, Saudi Aramco's reserves stood at 251.2 billion barrels of oil equivalent ("**boe**"), including 191.3 billion barrels of crude oil and condensate, 26.0 billion barrels of NGLs and 207.5 trillion standard cubic feet ("**tscf**") of natural gas. In addition, as at 31 December 2023, Saudi Aramco had a gross refining capacity of 7.9 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 2023, 2022, 2021 and 2019, respectively.

	Year ended 31 December				
	2023	2022	2021	2020	2019
	(Billion barrels)				
Total crude oil and condensate reserves	267.2	267.2	267.2	267.1	267.1
Saudi Aramco Group.....	261.7	261.6	261.6	261.6	261.5
Others.....	5.6	5.6	5.6	5.5	5.5
	(Trillion scf)				
Total gas reserves	340.8	335	329.0	326.1	324.9
Saudi Aramco Group.....	335	329.2	323.3	320.3	319.1
Others.....	5.8	5.8	5.7	5.8	5.8

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 2023, the Kingdom’s reserves in the fields that Saudi Aramco operates consisted of 251.2 billion boe as compared to 258.8 billion boe as of 31 December 2022, including 191.3 billion barrels of crude oil and condensate and 26.0 billion barrels of NGL and 207.5 tscf.

Production

Oil production

In the year ended 31 December 2023, Saudi Arabia's total crude oil production was 3,506 million barrels, compared to 3,866 million barrels, 3,331 million barrels, 3,372 million barrels, and 3,580 million barrels, in the years ended 31 December 2022, 2021, 2020, and 2019, respectively. In the year ended 31 December 2023, Saudi Arabia's daily average of crude oil production was 9.6 million bpd, compared to 12.0 million bpd, and 10.6 million bpd, and 9.2 million bpd in the years ended 31 December 2022, 2021, and 2020. 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 bpd), the UAE (163,000 bpd), Kuwait (135,000 bpd), Kazakhstan (82,000 bpd), Algeria (51,000 bpd) and Oman (42,000 bpd).

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 2023, 2022, and 2021, respectively.

	Year ended 31 December				
	2023	2022	2021 ⁽¹⁾	2020 ⁽¹⁾	2019 ⁽¹⁾
	(Million barrels)				
Total crude oil production	3,506.3	3,865.4	3,330.5	3,372.0	3,585.0
Saudi Aramco Group ⁽²⁾	3,446.4	3,810.6	3,283.5	3,348.9	3,585.0
Others ⁽³⁾	59.9	54.75	47.0	23.1	—
	(Million bpd)				
Average crude oil production	9.61	10.59	9.12	9.21	9.8
Saudi Aramco Group ⁽²⁾	9.44	10.44	8.99	9.15	9.8
Others ⁽³⁾	0.16	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 2023, the Saudi Aramco Group's daily average hydrocarbon production was 12.8 million barrels of oil equivalent per day, including 10.7 million bpd of total liquids (including

crude oil, natural gas liquids and condensate) compared to 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) in the year ended 31 December 2022.

According to OPEC’s 2024 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 2023. 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 2023, the Saudi Aramco Group average gas production was 10.7 billion scfd of natural gas and ethane gas, compared to 10.6 billion scfd in the year ended 31 December 2022, and 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 average gas production for each of the years ended 31 December 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December				
	2023	2022	2021	2020	2019
Natural gas and ethane gas production (billion scfd)	10.7	10.6	10.1	9.1	9.1

Source: Saudi Aramco

Refining and Marketing

Saudi Arabia’s total production of refined products decreased by 9.18 per cent. to 917.8 million barrels in the year ended 31 December 2023, compared to 1,010.6 million barrels in the year ended 31 December 2022, (representing daily production of 2.76 million bpd). Diesel production decreased by 9.63 per cent., fuel oil production decreased by 8.60 per cent., gasoline production decreased by 2.56

per cent., jet fuel production increased by 2.68 per cent., naphtha production declined by 88.16 per cent., other (asphalt and coke) production increased by per cent., and LPG production decreased by 45.18 per cent., in each case in the year ended 31 December 2023, as compared to the year ended 31 December 2022.

The following table sets forth Saudi Arabia's production of refined products for each of the years ended 31 December 2023, 2022, 2021, 2020, and 2019, respectively.

	Year ended 31 December				
	2023	2022	2021	2020	2019
	(Million barrels)				
Diesel	398.8	441.3	407.0	360.4	385.8
Fuel oil	160.5	175.6	154.1	126.1	154.5
Premium gasoline	224.3	230.2	198.6	166.4	200.1
Jet fuel (kerosene)	57.5	56	46	53.2	84.7
Naphtha	3.8	32.1	63.4	44.8	51.2
LPG	9.1	16.6	14.2	12.9	9.7
Others	63.8	58.8	46.9	38.1	57.1
Total	917.8	1,010.6	930.0	801.7	943.6

Source: Ministry of Energy

Saudi Arabia's total domestic consumption of crude oil decreased by 2.90 per cent. to 172.6 million barrels during 2023 (representing daily domestic consumption of 0.47 million barrels per day), compared to 177.7 million barrels in 2022 (representing daily domestic consumption of 0.49 million barrels per day).

Saudi Arabia's total domestic consumption of natural gas increased by 1.37 per cent. to 9.43 billion cubic feet per day during 2023, compared to 9.30 billion cubic feet per day during 2022.

Saudi Arabia's total domestic consumption of refined products, including LPG, increased by 4.75 per cent. to 721.3 million barrels in the year ended 31 December 2023, (representing daily domestic consumption of 2.0 million bpd), compared to 688.6 million barrels in the year ended 31 December 2022, (representing daily domestic consumption of 1.9 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 2023, 2022, 2021, 2020 and 2019, respectively.

	Unit	Year ended 31 December				
		2023	2022	2021	2020	2019
Domestic consumption of refined products	Thousands of Barrels per day (MBD)	1,976.2	1,886.6	1,728.3	1,716.8	1,843.6
Domestic consumption of natural gas	Million Standards Cubic Feet per day (MMSCFD)	942.7	930.0	900.2	892.6	887.3
Domestic consumption of crude oil	Thousands of Barrels per day (Mbd)	472.8	486.9	437.2	422.0	425.2

Source: Ministry of Energy

As at 31 December 2023, the aggregate worldwide gross refining capacity of Saudi Aramco Group's refineries and the businesses in which Saudi Aramco held an equity interest was 7.9 million bpd (4.1 million bpd net), and a net chemicals production capacity of 59.6 million tons per year (excluding SABIC Agri-Nutrients).

Wholly-Owned Refining Operations

In 2023, the Saudi Aramco Group distributed 26 per cent. (2022: 26 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 7.8 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 Petroliaam 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 ongoing 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 2023, 2022, 2021, 2020, and 2019, respectively.

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Crude Oil	Refined Products	Crude Oil	Refined Products	Crude Oil	Refined Products	Crude Oil	Refined Products	Crude Oil	Refined Products
	(Million barrels)									
Total	2,415.5	464.35	2,687.7	536.0	2,273.0	490.3	2,430.4	372.2	2,568.9	474.6

Source: Ministry of Energy

Exports

Saudi Arabia’s crude oil exports by volume decreased by 10.13 per cent. to 881.7 million barrels in 2023, compared to 981 million barrels in 2022, and increased by 18.24 per cent. to 981 million barrels in 2022, compared to 829.6 million barrels in 2021.

Pipelines and Terminals

Saudi Aramco 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 61 million barrels as at 31 December 2023, 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 ongoing 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 2023, SABIC’s total production was 53.5 million tonnes, compared to 61.4 million tonnes for the year ended 31 December 2022, and 58.2 million tonnes for the year ended 31 December 2021. SABIC’s petrochemicals division accounted for 45.3 million tonnes, or 84.7 per cent., of its total production for the year ended 31 December 2023, 47.9 million tonnes, or 78.0 per cent., of its total production for the year ended 31 December 2022, and 45.9 million tonnes, or 78.9 per cent., of its total production for the year ended 31 December 2021.

SABIC had total assets of U.S.\$78.5 billion as at 31 December 2023, compared to U.S.\$83.5 billion as at 31 December 2022, and U.S.\$84.9 billion as at 31 December 2021. SABIC’s net income from continuing operations and sales were U.S.\$0.35 billion and U.S.\$37.7 billion, respectively, for the year ended 31 December 2023, compared to U.S.\$4.21 billion and U.S.\$48.8 billion for the year ended 31 December 2022, and U.S.\$6.15 billion and U.S.\$46.6 billion for 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 Northeast Asia. As of 31 December 2023, SABIC’s total patents and patent applications exceeded 11,000.

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 15.6, or 0.39 per cent., of Saudi Arabia’s nominal GDP in the year ended 31 December 2023, compared to SAR 14.6 billion (U.S.\$3.89 billion), or 0.4 per cent., of Saudi Arabia’s nominal GDP in the year ended 31 December 2022, and to SAR 14.2 billion (U.S.\$3.79 billion), or 0.4 per cent. in the year ended 31 December 2021, and SAR 13.4 billion (U.S.\$3.57 billion) or 0.5 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 5.7 per cent. in real terms in the year ended 31 December 2023, after a decrease of 5.5 per cent. in real terms in the year ended 31 December 2022, and following

a decrease of 2.1 per cent., a decrease of 0.4 per cent., and an increase of 7.3 per cent. in the years ended 31 December 2021, 2020, and 2019, 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.

As at 30 September 2024, 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 111.9 billion (U.S.\$29.8 billion), sales of SAR 29.3 billion (U.S.\$ 7.8 billion) and net income attributable to shareholders of SAR 1.6 billion (U.S.\$0.4 billion) in the year ended 31 December 2023, compared to 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, and 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 5.3 billion (U.S.\$1.41 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 59.5 per cent. to total revenues in 2023, 66.3 per cent. in 2022 and 52.6 per cent. in 2021); (ii) aluminium (which contributed 30.1 to total revenues in 2023, 28.0 per cent. in 2022 and 36.9 per cent. in 2021); and (iii) precious and base metals (which contributed 10.2 per cent. to total revenues in 2023, 5.6 per cent. in 2022 and 8.6 per cent. in 2021).

Government Services

Based on preliminary figures, government services activities accounted for SAR 628.5, or 15.7 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2023, compared to 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, and 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., growth of 1.1 per cent., decline of 0.6 per cent., growth of 1.7 per cent. and of 3.9 per cent. in real terms in the years ended 31 December 2023, 2022, 2021, 2020, and 2019, 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 461.7, or 11.5 per cent., of Saudi Arabia's nominal GDP in the year ended 31 December 2023, compared to 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 3.9 per cent., growth 6.0 per cent., growth of 8.4 per cent., growth of 3.2 per cent., and growth of 3.5 per cent. in real terms in the years ended 31 December 2023, 2022, 2021, 2020, and 2019, 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 98.8 per cent., of nominal GDP for the year ended 31 December 2023, and 87.1 per cent. of nominal GDP for the year ended 31 December 2022. 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 brokers, ensuring fair competition and proper market conduct in the insurance market; protecting; and maintaining a stable and financially-sound insurance sector. As at 24 October 2024, the insurance sector comprised 218 licensed entities.

In the year ended 31 December 2023, Saudi Arabia's insurance market grew, with Gross Written Premiums ("GWPs") reaching SAR 65.5 billion (U.S.\$17.4) as opposed to SAR 53.4 billion (U.S.\$14.2 billion) in 31 December 2022, 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 21.1 per cent. compared to the prior year period to reach SAR 77.4 billion (U.S.\$20.6 billion). Insurance companies recorded a net profit of SAR 3.2 billion (U.S.\$0.85 billion) in 31 December 2023, compared to a net profit of SAR 244 million (U.S.\$64.5 million) for the year ended 31 December 2022.

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 386.5, or 9.7 per cent., of Saudi Arabia’s nominal GDP in the year ended 31 December 2023, compared to 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 decrease of 9.3 per cent. and growth 5.7 per cent. in real terms in the years ended 31 December 2023, and 2022, 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 ongoing 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 2023 reached 26.9 million, 8.7 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 June 2024, the Neom Board of Directors introduced the development of Magna, a luxury lifestyle coastal destination situated on the Gulf of Aqaba coastline comprised of twelve tourist destinations that will span 120 kilometres and offer luxury sustainable tourism. In line with Saudi Vision 2030, the focus of Magna’s development will be to offer cutting-edge technology, world-class architecture, and ultra-modern amenities that merge with nature. As at 30 September 2024, Equinox Hotels, Zannier Hotels, Hyatt Hotels and other hotel and tourist companies have announced partnerships with Neom. In October 2024, the Neom Board of Directors unveiled Sindalah, a luxury island destination and the first physical showcase of Neom.

- 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 Ikamah, 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 SAR 352.8 billion (U.S.\$ 94.1 billion) or 1 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2023, compared to 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) decreased by 3.5 per cent. in real terms in the year ended 31 December 2023, yet grew by 33.8 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 210.1 billion (U.S.\$ 56.0 billion) or 5.2 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2023, compared to 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 4.3 per cent. in real terms in the year ended 31 December 2023, as opposed to a growth of 48.0 per cent. in real terms in the year ended 31 December 2022, then compared to growth of 1.2 per

cent. in real terms in the year ended 31 December 2021. The growth in 2023 and 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 199.3 billion (U.S.\$ 53.1 billion) or 4.9 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2023, compared to 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, then 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 7.3 per cent. in real terms in the year ended 31 December 2023, compared to 11.7 per cent. in real terms in the year ended 31 December 2022, in turn 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, and growth of 5.7 per cent. in real terms in the year ended 31 December 2019. 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; (iii) the Saudi Landbridge Project; and (iv) the East Railway.

- 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.
- The East Railway, which operates on a railway with network total length of approximately 1,775 kilometres, extending from King Abdul Aziz Port in Dammam and the City of Dammam itself (on the Kingdom's east coast) to Riyadh, passing by Abqaiq, Hofuf, Haradh, Al-Tawdhihiyah and Al-Kharj. In addition, some auxiliary lines branch from the main lines to connect some industrial and agricultural areas and military sites with export ports and residential areas.

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 2023, 2022, and 2021.

	Year ended 31 December		
	2023	2022	2021
	(Thousand tonnes)		
Volume of imports through seaports	83,190	79,599	65,247
Volume of exports through seaports ⁽¹⁾	60,255	60,484	55,226
Total	143,455	140,083	120,473

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 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 120.5 billion (U.S.\$32.13 billion) or 3.0 per cent. of Saudi Arabia’s nominal GDP in the year ended 31 December 2023, compared to 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, in turn 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 2.7 per cent. in real terms in the year ended 31 December 2023, compared to a growth of 28.5 per cent. in real terms in the year ended 31 December 2022, and a growth of 18.9 in real terms in the year ended 31 December 2021.

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 programme 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 108.7 billion (U.S.\$29 billion) or 2.7 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2023, compared to 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, in turn 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 2023, compared to growth of 12.2 per cent. in real terms in the year ended 31 December 2022, while it increased by 2.5 per cent. in the year ended 31 December 2021.

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 46.6 billion (U.S.\$12.4 billion) or 1.2 per cent. of Saudi Arabia's nominal GDP in the year ended 31 December 2023, compared to 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, in turn 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 2.6 per cent. in real terms in the year ended 31 December 2023, grew by 47.9 per cent. in real terms in the year ended 31 December 2022, and by 4.0 per cent. in the year ended 31 December 2021.

Electricity

The electricity sector in Saudi Arabia is legislated by the Ministry of Energy and regulated by the Saudi Electricity Regulatory Authority ("**SERA**").

As of 30 September 2024, 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 2024, 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 SERA 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, the Saudi Electricity Company ("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.

In July 2022, the Committee for Restructuring acquired the single electricity buyer/wholesaler Saudi Power Purchase Company ("SPPC"), which was previously separated from the national utility and was therein transferred to the state and awarded an at par credit rating with government of the Kingdom. This process further cemented the Energy sector's relationships on an independent arms' length basis, enhancing the financial sustainability of the sector participants.

Arms' length commercial principles govern the wholesale purchase and sale of electricity as well as the corresponding fuel supply. The principal buyer spin-off is a stepping stone towards an electricity sector that is safe, secure, reliable, environmentally sustainable, and customer centric.

Moreover, this transformation in the sector is underpinned by a commitment to transparent tendering and contract management processes, which not only reduce the cost of service but also create a conducive environment in which the private sector is able to participate. By mitigating conflicts of interest among stakeholders such as the SEC, IPPs, and other power generation companies, this spin-off effectively enables private investments in generation to execute on the ambition plans.

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 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December				
	2023 ⁽¹⁾	2022 ⁽²⁾	2021	2020	2019
	<i>(SAR millions)</i>				
1. Current account (A+B+C+D)	127,764	568,195	156,443	(95,802)	144,192
A. Goods	475,904	882,347	511,738	179,791	455,010
B. Services	(178,119)	(178,590)	(238,041)	(177,300)	(204,190)
—Transport.....	(75,408)	(68,465)	(53,010)	(48,212)	(48,502)
—Travel.....	48,017	34,837	(31,345)	(18,028)	4,844
—Construction.....	(36,018)	(30,733)	(24,796)	(24,193)	(26,450)
—Insurance and pensions services	(14,982)	(10,351)	(6,372)	(5,627)	(6,425)
—Financial services	(1,692)	(5,054)	(6,495)	(408)	(4,716)
—Telecommunications.....	(2,815)	(2,948)	1,000	(12)	(527)
—Other business services	(67,846)	(55,337)	(75,271)	(16,633)	(37,061)
—Government goods and services.....	(27,377)	(40,537)	(39,876)	(64,186)	(85,227)
C. Primary income	21,883	36,032	48,358	42,058	30,580
—Compensation of employees	(946)	(921)	(2,326)	167	(2,163)
—Investment income ⁽³⁾	22,829	36,953	50,684	41,890	32,743
—Direct investment.....	9,463	20,058	1,832	(8,273)	3,827
—Portfolio investment	10,006	11,813	35,902	33,845	11,743
—Other investment	3,361	5,082	12,950	16,318	17,173
D. Secondary income	(191,904)	(171,593)	(165,612)	(140,351)	(137,208)
2. Capital account	(24,798)	(14,691)	(14,408)	(6,917)	(6,499)
3. Financial account (A+B+C+D)	75,556	477,589	134,862	(90,887)	148,288
A. Direct investment	14,071	(4,100)	5,857	14,211	43,026
B. Portfolio investments.....	158,810	133,200	139,209	88,838	(47,381)
C. Other investments	(11,290)	331,687	(16,634)	(21,735)	141,441
D. Reserve assets.....	(86,035)	16,801	6,430	(172,202)	11,202
—Monetary gold.....	—	—	—	—	—
—Special drawing rights.....	1,117	(3,476)	49,273	72	1,104
—Reserve position in the IMF	(854)	91	962	4,227	3,240
—Currency and deposits.....	42,059	22,646	(51,383)	(91,753)	11,428
—Securities.....	(128,357)	(2,460)	7,578	(84,747)	(4,571)
Net errors and omissions	(27,411)	(75,915)	(7,173)	11,832	(10,595)

Source: SAMA

Notes:

(1) Estimated figures.

(2) Preliminary figures.

(3) Investment income is comprised of direct income, portfolio income and other investments.

Saudi Arabia's balance of payments reflects the importance of its oil exports to its current account balance. Oil exports accounted for 77.3 per cent., 79.5 per cent., 73.2 per cent., 68.7 per cent. and 76.6 per cent. of Saudi Arabia's earnings from the export of goods as at 31 December 2023, 2022, 2021, 2020, and 2019, 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 2023, the value of Saudi Arabia's oil exports decreased by 24.3 per cent. mainly as a result of a decrease in oil prices and production, compared to

an increase of 61.8 per cent. in the year ended 31 December 2022, 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, and a decrease of 13.4 per cent. in the year ended 31 December 2019. 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 2,869.6 billion (U.S.\$765.2 billion), SAR 2,916.5 billion (U.S.\$777.7 billion), SAR 2,638.6 billion (U.S.\$703.6 billion), SAR 2,627.7 billion (U.S.\$700.7 billion), and SAR 2,908.8 billion (U.S.\$775.7 billion) as at 31 December 2023, 2022, 2021, 2020 and 2019, respectively, representing 71.7 per cent., 70.2 per cent., 80.5 per cent., 95.4 per cent., and 92.5 per cent., respectively, of Saudi Arabia’s total nominal GDP in the years ended 31 December 2023, 2022, 2021, 2020, and 2019, respectively.

Current Account

Based on preliminary figures, Saudi Arabia’s current account recorded a surplus of SAR 131.7 billion (U.S.\$35.1 billion) as at 31 December 2023, compared to a surplus of SAR 563.8 billion (U.S.\$150.1 billion) as at 31 December 2022, and a surplus of SAR 152.0 billion (U.S.\$40.5 billion) as at 31 December 2021. The increase in surplus in 2022 and 2023 is primarily attributable to an increase in non-oil exports during the period.

Based on preliminary figures, the deficit in the balance of services decreased by 0.2 per cent., to SAR 178.1 billion (U.S.\$47.6 billion) as at 31 December 2023, compared to SAR 178.6 billion (U.S.\$47.6 billion) as at 31 December 2022.

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 2023, 2022, 2021, 2020, and 2019, respectively.

	Year ended 31 December				
	2023	2022	2021	2020	2019
		<i>(SAR millions, except percentages)</i>			
Total remittances.....	142,710	145,563	149,300	128,768	113,573
Annual change (%)	(2.0)	(2.5)	15.9	13.4	(8.1)
Private sector GDP at current prices.....	1,783,913	1,647,449	1,483,637	1,360,399	1,419,403
Remittances / private sector GDP.....	0.08	0.09	0.10	0.09	0.08

Source: SAMA, GASTAT

Notes:

(1) Preliminary figures.

Based on preliminary figures, total remittances by expatriate workers decreased by 2.0 per cent. in the year ended 31 December 2023, compared to a decrease by 2.5 per cent. in the year ended 31 December 2022, 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. in the year ended 31 December 2019.

Capital Account

Based on preliminary figures, Saudi Arabia’s capital account recorded an outflow of SAR 24.8 billion (U.S.\$ 6.6 billion) as at 31 December 2023, compared to an outflow of SAR 14.7 billion (U.S.\$3.9 billion) as at 31 December 2022, SAR 14.4 billion (U.S.\$3.8 billion) as at 31 December 2021, SAR 6.9

billion (U.S.\$1.8 billion) as at 31 December 2020 and SAR 6.5 billion (U.S.\$1.7 billion) as at 31 December 2019.

Financial Account

Based on preliminary figures, Saudi Arabia's financial account decreased by SAR 402.2 billion (U.S.\$107.3 billion) to SAR 75.6 billion (U.S.\$20.1 billion) as at 31 December 2023, compared to SAR 477.6 billion (U.S.\$127.4 billion) as at 31 December 2022. This decrease was primarily attributable to decreases in net acquisition of financial assets and other reserve assets. Saudi Arabia's financial account increased by SAR 342.7 billion (U.S.\$91.4 billion) to SAR 477.6 billion (U.S.\$127.4 billion) as at 31 December 2022, compared to SAR 134.9 billion (U.S.\$36.0 billion) as at 31 December 2021. This increase was primarily attributable to increases in other investments. Saudi Arabia's financial account increased by SAR 225.7 billion (U.S.\$60.2 billion) to SAR 134.9 billion (U.S.\$36.0 billion) as at 31 December 2021, compared to negative SAR 90.9 billion (negative U.S.\$24.2 billion) as at 31 December 2020. This increase was primarily attributable to an increase in portfolio investment and reserve assets.

Based on preliminary figures, direct investment increased to SAR 14.1 billion (U.S.\$3.7 billion) as at 31 December 2023, compared to negative SAR 4.1 billion (negative U.S.\$1.9 billion) as at 31 December 2022. This increase was primarily attributable to an increase in the Kingdom's net acquisition of financial assets. Direct investment decreased from SAR 43.0 billion (U.S.\$11.5 billion) as at 31 December 2019, to SAR 14.2 billion (U.S.\$3.8 billion) as at 31 December 2020. Direct investment decreased further to SAR 5.9 billion (U.S.\$1.6 billion) as at 31 December 2021, and negative SAR 4.1 billion (negative U.S.\$1.9 billion) as at 31 December 2022.

Based on preliminary figures, portfolio investments increased to SAR 158.8 billion (U.S.\$42.3 billion) as at 31 December 2023, compared to SAR 133.2 billion (U.S.\$35.5 billion) as at 31 December 2022, SAR 139.2 billion (U.S.\$37.1 billion) as at 31 December 2021, SAR 88.8 billion (U.S.\$23.7 billion) as at 31 December 2020 and negative SAR 47.4 billion (negative U.S.\$12.6 billion) as at 31 December 2019.

Based on preliminary figures, other investments decreased to negative SAR 11.3 billion (negative U.S.\$3.0 billion), compared to SAR 331.7 billion (U.S.\$88.4 billion) as at 31 December 2022, negative SAR 16.6 billion (negative U.S.\$4.4 billion) as at 31 December 2021, negative SAR 21.7 billion (negative U.S.\$5.8 billion) as at 31 December 2020, and SAR 141.4 billion (U.S.\$37.7 billion) as at 31 December 2019.

Foreign Trade

The total volume of Saudi Arabia's foreign trade was SAR 1,976.1 billion (U.S.\$526 billion) in the year ended 31 December 2023, a decrease of 12.3 per cent., compared to SAR 2,254.0 billion (U.S.\$601.1 billion) in the year ended 31 December 2022. 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 424.1 billion (U.S.\$113.1 billion) in the year ended 31 December 2023, a decrease of 48.9 per cent. compared to SAR 829.9 billion (U.S.\$221.3 billion) in the year ended 31 December 2022. In the year ended 31 December 2022, Saudi Arabia's trade surplus was SAR 829.9 billion (U.S.\$221.3 billion), 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 decrease in the total volume of foreign trade in the year ended 31 December 2023, was principally due to a decrease in the value of Saudi Arabia's total exports by 22.2 per cent. from SAR 1,541.9 billion (U.S.\$411.2 billion) in the year ended 31 December 2022, to SAR 1,200.1 billion (U.S.\$320.0 billion) in the year ended 31 December 2023.

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 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December				
	2023	2022	2021	2020	2019
			(SAR millions)		
Total exports	1,200,069	1,541,941	1,035,672	651,952	981,012
Total imports	776,024	712,038	573,185	517,491	574,361
Total trade volume	1,976,093	2,253,979	1,608,857	1,169,443	1,555,373
Trade balance	424,045	829,903	462,486	134,461	406,651

Source: GASTAT

The total volume of foreign trade in the year ended 31 December 2023, was SAR 1,976.1 billion (U.S.\$527.0 billion), comprising SAR 776.0 billion (U.S.\$207.0 billion) of merchandise imports and SAR 1,200.1 (U.S.\$320.0 billion) of merchandise exports. The trade balance as at 31 December 2023, was SAR 424.0 billion (U.S.\$113.1 billion).

Exports

The total value of Saudi Arabia's exports was SAR 1,391.1 billion (U.S.\$351.8) or 34.7 per cent. of total nominal GDP, in the year ended 31 December 2023, compared to 1,672.1 billion (U.S.\$ 445.9 billion), or 40.2 per cent. of total nominal GDP, in the year ended 31 December 2022, an increase of 56 per cent. from SAR 1,074.4 billion (U.S.\$286.5 billion), or 33 per cent. of total nominal GDP, in the year ended 31 December 2021, which was an increase of 57 per cent. from SAR 685.7 billion (U.S.\$182.9 billion), or 25 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 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
Crude oil	749,844	62.5	969,542	62.9	603,826	58.3	376,434	57.7	625,863	63.8
Refined products	177,853	14.8	256,735	16.7	154,298	14.9	71,165	10.9	125,965	12.8
Total oil exports	927,697	77.3	1,226,277	79.5	758,124	73.2	447,599	68.7	751,828	76.6
Petrochemicals	148,707	12.4	202,609	13.1	175,184	16.9	120,602	18.5	142,385	14.5
Construction material	26,771	2.2	22,822	1.5	20,890	2.0	16,200	2.5	17,518	1.8

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
Agricultural, animal and food products	19,344	1.6	18,129	1.2	15,605	1.5	13,710	2.1	13,883	1.4
Other goods ⁽¹⁾	77,551	6.5	72,104	4.7	65,869	6.4	53,841	8.3	55,398	5.6
Total non-oil exports	272,372	22.7	315,664	17.2	277,548	26.8	204,353	31.3	229,184	23.4
Total exports	1,200,069	100.0	1,541,941	100.0	1,035,672	100.0	651,952	100.0	981,014	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 2023, amounted to SAR 927,697 billion (U.S.\$247.1 billion), a decrease from the year ended 31 December 2022, in which total oil exports amounted to SAR 1,226.3 billion (U.S.\$327.0 billion), which was 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, and a further 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 decrease in 2023 was mainly as a result of the decrease 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*").

In 2023, Saudi Arabia's total non-oil exports, including re-exports, decreased by 13.7 per cent. to SAR 272.4 billion (U.S.\$72.6 billion), compared to SAR 315.7 billion (U.S.\$84.2 billion) in 2022. This was principally driven by a decrease in export of mineral products, products of the chemical and allied industries, and plastics. 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 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
China	199,331	16.6	249,926	16.2	190,911	18.4	120,016	18.4	179,669	18.3
Japan	121,831	10.2	152,890	9.9	102,598	9.9	62,307	9.6	100,365	10.2
India.....	113,354	9.4	157,187	10.1	99,966	9.7	60,208	9.2	100,703	10.3
South Korea	107,208	8.9	142,159	9.2	87,342	8.4	54,379	8.3	78,155	8.0
United Arab Emirates.....	62,316	5.2	66,783	4.3	56,481	5.5	44,439	6.8	50,609	5.2
United States.....	58,495	4.9	87,117	5.6	53,517	5.2	31,024	4.8	49,024	5.0
Singapore.....	28,794	2.4	37,337	2.4	26,426	2.6	20,171	3.1	32,736	3.3
Bahrain	32,971	2.7	37,015	2.4	26,341	2.5	17,417	2.7	27,177	2.8
Taiwan.....	30,968	2.6	39,126	2.5	26,337	2.6	15,577	2.4	26,363	2.7
Netherlands	16,248	1.4	24,469	1.5	16,204	1.6	17,183	2.6	27,479	2.8

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
Total Top 10	784,070	65.3	1,021,250	66.2	686,123	66.5	442,631	67.9	672,279	68.6
Total GCC countries	130,281	10.9	135,341	8.8	96,744	9.3	72,139	11.1	89,283	9.1
Total EU countries.	144,123	12.0	177,979	11.5	108,439	10.5	71,350	10.9	115,880	11.8
Total Exports	1,200,069	100.0	1,541,941	100.0	1,035,672	100.0	651,952	100.0	981,012	100.0

Source: GASTAT

China represented the largest share of Saudi Arabia's exports in the year ended 31 December 2023, accounting for SAR 199.3 billion (U.S.\$53.2 billion), or 16.6 per cent. of total exports, a decrease of 20.2 per cent. compared to SAR 249.9 billion (U.S.\$66.6 billion) in the year ended 31 December 2022. Saudi Arabia's total exports in the year ended 31 December 2022, increased by 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 1,096.1 (U.S.\$292.3 billion), or 27 per cent. of nominal GDP, in the year ended 31 December 2023, as opposed to SAR 968.3 (U.S.\$258.2 billion), or 23 per cent. of nominal GDP, in the year ended 31 December 2022, which saw an increase of 21.2 per cent. compared to SAR 798.8 billion (U.S.\$213 billion), or 24 per cent. of total nominal GDP, in the year ended 31 December 2021, which was an increase of 17 per cent. compared to SAR 683.2 billion (U.S.\$182.2 billion), or 25 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 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
Machines, appliances and electrical equipment	171,923	22.2	138,267	19.4	114,500	20.0	109,094	21.1	120,291	20.9
Transport equipment	118,665	15.3	102,996	14.5	86,201	15.0	83,009	16.0	118,264	20.6
Foodstuffs, agricultural and animal products	105,681	13.6	112,048	15.7	29,005	5.1	85,716	16.6	81,369	14.2

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
Chemical products	71,052	9.2	71,099	10.0	60,590	10.6	53,404	10.3	53,854	9.4
Metals and metal products	69,027	8.9	67,029	9.4	53,735	9.4	49,600	9.6	48,896	8.5
Textiles and clothing	24,001	3.1	23,942	3.4	21,060	3.7	20,018	3.9	22,732	4.0
Plastics and Rubber products	26,548	3.4	26,689	3.7	21,805	3.8	19,462	3.8	20,568	3.6
Other goods	189,127	24.4	169,969	23.9	186,289	32.5	97,188	18.8	108,387	18.8
Total imports	776,024	100.0	712,038	100.0	573,185	100.0	517,491	100.0	574,361	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 2023, accounting for SAR 171.9 billion (U.S.\$45.8 billion), or 22.2 per cent. of total imports, a decrease of 24.3 per cent. compared to SAR 138.3 billion (U.S.\$36.9 billion) in the year ended 31 December 2022. Transport equipment represented the second largest component of Saudi Arabia's imports in the year ended 31 December 2023, accounting for SAR 118.7 billion (U.S.\$31.6 billion), or 15.3 per cent. of total imports, an increase of 15.2 per cent. compared to SAR 103 billion (U.S.\$27.5 billion) in the year ended 31 December 2022. Foodstuffs, agricultural and animal products represented the third largest component of Saudi Arabia's imports in the year ended 31 December 2023, accounting for SAR 105.7 billion (U.S.\$28.2 billion), or 13.6 per cent. of total imports, decreased of 5.7 per cent. compared to SAR 112 billion (U.S.\$29.9 billion) in the year ended 31 December 2022.

The following table sets forth a breakdown of Saudi Arabia's imports by origin for each of the years ended 31 December 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
China	162,550	20.9	149,252	20.9	113,381	19.8	101,562	19.6	105,571	18.4
United States	70,584	9.1	65,002	9.1	60,549	10.6	55,145	10.7	71,024	12.4
United Arab Emirates	50,053	6.4	45,103	6.3	46,770	8.2	34,287	6.6	39,806	6.9
Germany	34,219	4.4	30,000	4.2	28,093	4.9	26,869	5.2	27,649	4.8
Japan	30,693	4.0	25,195	3.5	22,732	4.0	21,767	4.2	25,367	4.4
India	43,570	5.6	39,509	5.5	30,277	5.3	24,530	4.7	24,850	4.3
France	16,611	2.1	16,714	2.3	15,988	2.8	17,371	3.4	20,375	3.5
Italy	22,030	2.8	19,431	2.7	17,244	3.0	15,926	3.1	16,544	2.9
South Korea	22,619	2.9	19,767	2.7	12,899	2.3	14,725	2.8	15,505	2.7
United Kingdom	17,026	2.2	15,570	2.1	13,764	2.4	11,923	2.3	12,014	2.1
Total Top 10	480,849	62.0	435,807	61.2	361,703	63.1	324,104	62.6	358,705	62.5
Total GCC countries	78,158	10.1	77,704	10.9	65,735	11.5	49,171	9.5	55,365	9.6

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	(SAR millions, except percentages)									
<i>Total EU countries</i>	151,476	19.5	136,151	19.1	133,944	23.4	125,792	24.3	115,608	20.1
<i>Total Imports</i>	776,024	100.0	712,038	100.0	573,185	100.0	517,491	100.0	574,361	100.0

Source: GASTAT

China represented the largest share of Saudi Arabia's imports for the year ended 31 December 2023, accounting for SAR 162.6 billion (U.S.\$43.3 billion), or 20.9 per cent. of total imports, an increase of 8.9 per cent. compared to SAR 149.3 billion (U.S.\$39.8 billion), or 20.9 per cent. of total imports, for the year ended 31 December 2022. Imports from the United States represented the second largest share of Saudi Arabia's imports for the year ended 31 December 2023, accounting for SAR 70.6 billion (U.S.\$18.8 billion), or 9.1 per cent. of total imports, an increase of 8.6 per cent. compared to SAR 65.0 billion (U.S.\$17.3 billion), or 9.1 per cent. of total imports, for the year ended 31 December 2022. Imports from Saudi Arabia's top 10 countries by origin accounted for 62.0 per cent. of total imports, while imports from the other GCC countries and EU countries accounted for 10.1 per cent. and 19.5 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 2023, the SFD has directed most of its assistance towards Africa, Asia and the Pacific due to their low level of economic and social development, and their urgent need to develop the basic infrastructure necessary to provide services and develop human capacities; thus, contributing to achieving sustainable development. As such, SFD has financed 433 development projects and programmes in 47 African countries with a total of SAR 43,057.56 million and contributed to the financing of 271 development projects and programmes in 31 Asia and the Pacific countries with a total of SAR 29,192.86 million. It also financed 14 development projects and programmes in 4 European countries with a total of SAR 1,136.17 million. In addition, SFD financed 21 development projects in Latin America and the Caribbean with a total amount of SAR 3,564.72 million, benefiting 11 countries. It should be noted that SFD signed 2 financing agreements with the International Development Association (IDA) for a total of SAR 904.94 million.

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 utilisation 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 forums. 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 2023, 2022, 2021, 2020 and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
	(SAR millions)				
Assets:					
Foreign currencies and gold	256,427	251,188	261,314	256,945	261,467
Cash in vault	21,672	28,739	33,816	23,276	42,987
Deposits with banks abroad	361,745	324,420	291,418	311,671	399,832
Investments in foreign securities.....	1,001,214	1,130,417	1,132,711	1,124,051	1,203,576
Other assets	167,174	199,024	129,449	130,852	4,945
Total assets	1,808,231	1,933,787	1,848,707	1,846,795	1,912,807
Liabilities:					
Currency issued.....	256,427	251,188	261,314	256,944	261,467
Deposits of Government, Quasi Government and institutions	484,938	637,534	575,309	574,018	626,170
Regulatory deposits for financial institutions.....	142,042	135,862	128,335	118,539	105,470
Foreign institutions' deposits in local currency	6,271	5,349	6,897	8,349	12,249
SAMA bills and repurchase agreements ⁽¹⁾	70,305	68,295	92,182	189,541	124,007
Other liabilities.....	848,249	835,560	784,671	699,404	783,444
Total liabilities	1,808,231	1,933,787	1,848,707	1,846,795	1,912,807

Source: SAMA

Notes:

(1) Representing monetary policy instruments

As at 31 December 2023, the Kingdom's commercial banks' total assets, excluding overseas branches, was SAR 3,957.0 billion (U.S.\$788.5 billion) compared to SAR 3,620.9 billion (U.S.\$965.6 billion) as at 31 December 2022, and SAR 3,277.8 billion (U.S.\$874.1 billion) as at 31 December 2021.

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 capitalised 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 216 fintech companies engaged in the fields of payments, e-wallets, micro finance and insurance brokerage by the end of 2023.

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 exchange of the Saudi riyal against the US dollar in the spot and forward markets remained stable in 2024. The exchange rate of USD/SAR averaged 3.7519 in 2024 (as of November) and at the same level compared to 2023. In addition, the one-year forward USD/SAR exchange rate averaged approximately 92 pips in 2024 (YTD) compared to 83 pips in 2023.

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 2023, Saudi Arabia had an inflation rate of 2.3 per cent. compared to an inflation rate of 2.5 per cent. for the year ending 31 December 2022, which in turn had an inflation rate of 3.1 per cent. compared to the year ending 31 December 2021, and an inflation rate of 3.4 per cent. in the year ending 31 December 2020, yet a deflation rate of 2.1 per cent. in the year ending 31 December 2019. 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				
	2023	2022	2021	2020	2019
CPI Index ⁽¹⁾	109.5	107.0	104.4	101.3	97.9
CPI Index Inflation (%).....	2.3	2.5	3.1	3.4	(2.1)

Source: SAMA, GASTAT

Notes:

(1) CPI index based on 2018=100

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 2023, 2022, 2021, 2020, and 2019, respectively.

	Year ended 31 December						
	Weight	Index	2023	2022	2021	2020	2019
	(%)		Inflation (%)				
CPI group:							
Housing, water, electricity and gas....	25.5	88.6	7.9	4.6	(2.4)	(0.6)	(8.6)
Food and beverages.....	18.8	117.3	1.4	4.0	5.6	9.0	2.1
Transport.....	13.1	112.9	1.0	4.1	10.9	3.8	(1.4)
Furnishings, household equipment and maintenance.....	6.7	108.2	(2.1)	0.7	4.2	4.6	0.6
Communication.....	5.6	111.2	(1.2)	1.2	7.7	4.8	(1.3)
Restaurants and hotels.....	5.6	112.5	4.1	6.8	9.2	4.3	3.2
Clothing and footwear.....	4.2	103.7	(3.1)	(1.3)	2.3	2.9	1.4
Miscellaneous goods and services.....	12.6	106.4	(0.5)	0.0	1.4	4.0	0.4
Education.....	2.9	95.5	2.2	3.6	4.7	2.0	2.5
Recreation and culture.....	3.1	103.2	1.5	1.9	2.3	1.8	(1.7)
Health.....	1.4	102.9	0.4	1.2	(0.1)	01.1	0.1
Tobacco ⁽¹⁾	0.6	114.9	0.1	0.1	0.1	7.0	1
Total.....	100.0	104.4	2.3	2.5	3.1	3.4	(2.1)

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 2023, the CPI Index increased by 2.3 per cent. compared to 31 December 2022. The main contributor to the increase was an increase by 7.9 per cent. in housing, water, electricity and gas. In the year ended 31 December 2022, the CPI Index increased by 2.5 per cent. The main contributor to the increase was an increase by 5.4 per cent. in education, as well as a 5.1 per cent. increase in restaurants and hotels.

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, increased to 3.1254 in 2022 and then further increased to 5.9304 in 2023. The increase in SAIBOR was mainly due to the increase in policy rates in line with global financial conditions, including rate increases by the U.S. Federal Reserve.

In 2022, SAMA gradually increased the reverse repo rate from 0.50 to 4.50 per cent., and repo rate from 1.00 to 5.00 per cent., in line with global developments and to preserve monetary stability given evolving global developments. In 2023, SAMA further increased the reverse repo rate to 5.50 per cent. and the repo rate to 6.00 per cent. The following table sets forth the monthly average of SAIBOR, as well as repo rate and reverse repo rate in 2023, 2022, 2021, 2020 and 2019, respectively.

	2023	2022	2021	2020	2019
SAIBOR (three-month average).....	5.9304	3.1254	0.8100	1.1923	2.6318
Repo rate.....	6.000	5.000	1.0000	1.0000	2.2500
Reverse repo rate.....	5.500	4.500	0.5000	0.5000	1.7500

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 2023, 2022, 2021, 2020 and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
	(SAR millions)				
Currency outside banks	211,885	199,966	204,366	206,284	189,160
Demand deposits	1,312,330	1,328,160	1,360,108	1,282,591	1,099,151
M1 ⁽¹⁾	1,524,215	1,528,126	1,564,474	1,488,875	1,288,311
Time and savings deposits	864,069	654,764	495,334	473,967	501,667
M2 ⁽²⁾	2,388,385	2,182,890	2,059,809	1,962,842	1,789,978
Other quasi-monetary deposits	297,059	312,482	249,011	186,425	195,161
M3 ⁽³⁾	2,685,343	2,495,372	2,308,820	2,149,267	1,985,139

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 2023, M2 and M3 increased compared to 31 December 2022. M3, the broadest measure for domestic liquidity in Saudi Arabia (which comprises currency outside banks and aggregate bank deposits), increased to SAR 2,685.3 billion (U.S.\$716.1 billion) compared to SAR 2,495.4 billion (U.S.\$665 billion) as at 31 December 2022. This increase was mainly attributable to an increase in time and savings deposits, which were SAR 864.1 billion (U.S.\$230.4 billion) as at 31 December 2023.

In the year ended 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 2023, 2022, 2021, 2020 and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
	(SAR millions)				
Assets:					
Foreign assets (net)	1,607,054	1,736,098	1,672,954	1,752,315	1,923,100
—SAMA foreign assets	1,564,177	1,651,738	1,643,109	1,684,317	1,852,626
—Commercial banks' foreign assets	42,878	84,360	29,846	67,998	70,475
Bank claims on private sector	2,518,786	2,289,581	2,034,085	1,762,440	1,546,519
Bank claims on public sector	540,315	510,298	480,750	438,370	383,672
Bank claims on non-financial public sector Enterprises	146,703	127,862	95,073	79,158	61,646
Total assets	4,812,859	4,663,838	4,282,862	4,032,283	3,914,938
Liabilities:					
Currency outside banks	211,885	199,966	204,366	206,284	189,160
Demand deposits.	1,312,330	1,328,160	1,360,108	1,282,591	1,099,151
Time and savings deposits	864,069	654,764	495,334	473,967	501,667
Other quasi-money deposits ⁽¹⁾	297,059	312,482	249,011	186,425	195,161
Government deposits ⁽²⁾	451,858	594,092	537,715	585,029	622,945
Other items (net)	1,675,685	1,574,374	1,436,327	1,297,987	1,306,853
Total liabilities	4,812,859	4,663,838	4,282,862	4,032,283	3,914,938

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 3.2 per cent. to SAR 4,812.9 billion (U.S.\$1,283.4 billion) as at 31 December 2023, compared to SAR 4,663.8 billion (U.S.\$1,243.7 billion) as at 31 December 2022, which was an 8.9 per cent. increase compared to SAR 4,282.9 billion (U.S.\$1,142.1 billion) as at 31 December 2021, and 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 2023, 2022, 2021, 2020 and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
	(SAR millions)				
Monetary gold	1,624	1,624	1,624	1,624	1,624
Special drawing rights	78,424	77,306	80,783	31,510	31,438
IMF reserve position	13,856	14,710	14,619	13,657	9,430
Foreign currency and deposits abroad...	558,754	516,695	494,049	545,432	637,185
Investment in foreign securities	985,747	1,114,105	1,116,565	1,108,987	1,193,734
Total reserve assets	1,638,405	1,724,440	1,707,639	1,701,209	1,873,411

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 2023, the Government's reserve assets amounted to SAR 1,638.4 billion (U.S.\$436.9 billion) a decrease of 5.0 per cent. compared to SAR 1,724.4 billion (U.S.\$459.9 billion) as at 31 December 2022, which represents 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 decrease in reserve assets was primarily attributable to a decrease in oil prices, resulting in a reduced 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 98.8 per cent. of nominal GDP and 208.1 per cent. of non-oil nominal GDP for the year ended 31 December 2023, and 87.1 per cent. of nominal GDP and 206.4 per cent. of non-oil nominal GDP for the year ended 31 December 2022. 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 133.9 per cent. of Saudi Arabia's non-oil nominal GDP for the year ended 31 December 2022, compared to 62.8 per cent. of Saudi Arabia's nominal GDP and 130.1 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 2023, were SAR 77.4 billion (U.S.\$20.6 billion), an increase of 11.7 per cent. compared to total profits of SAR 69.3 billion (U.S.\$18.5 billion) for the year ended 31 December 2022.

As of 31 December 2023, there were 36 commercial banks licensed in Saudi Arabia according to the SAMA website. Out of all licensed commercial banks, 14 were incorporated in Saudi Arabia and 3 out of these 14 banks were digital banks which SAMA have licensed recently. All of the remaining 22 licensed commercial banks were foreign and incorporated in different jurisdictions with their branches in Saudi Arabia. Out of 22 foreign banks, 7 were incorporated in other GCC countries and the names of these banks are Emirates NBD, National Bank of Bahrain, National Bank of Kuwait, Bank Muscat, Qatar National Bank, First Abu Dhabi Bank and Sohar International Bank. The remaining 15 foreign banks were incorporated in various international jurisdictions and the names of these banks are 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., Trade Bank of Iraq, Standard

Chartered Bank, UBS AG Bank (Previously Credit Suisse), Bank of China Limited, Banque Misr, National Bank of Iraq, National Bank of Egypt and Bank of Jordan. Out of all the licensed foreign banks, five banks have yet to commence their operations.

The following table sets forth the annual aggregate balance sheet of commercial banking institutions in Saudi Arabia as at 31 December 2023, 2022, 2021, 2020 and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
	(SAR millions)				
Assets:					
Bank reserves	205,666	202,416	205,569	288,177	239,375
SAMA bills	19,840	13,988	19,581	21,804	17,672
Foreign assets	317,581	286,890	255,572	250,064	243,629
Claims on the public sector	687,018	638,160	575,822	517,527	445,318
Claims on the private sector	2,518,786	2,289,581	2,034,085	1,762,440	1,546,519
Claims on non-monetary financial institutions	1,226	973	368	1,419	1,398
Fixed assets	48,085	40,521	32,572	35,094	34,155
Claims on banks	37,889	27,521	33,083	21,646	29,730
Other assets	120,935	120,899	121,193	81,453	73,331
Total assets	3,957,024	3,620,949	3,277,846	2,979,625	2,631,128
Liabilities:					
Bank deposits	2,473,458	2,295,406	2,104,454	1,942,984	1,795,979
Foreign liabilities	274,703	202,530	225,727	182,066	173,155
Capital and reserves	463,570	437,728	473,400	415,799	393,291
Profits (Cumulative)	77,397	69,272	53,875	38,071	50,315
Other liabilities ⁽¹⁾	563,035	520,436	426,956	438,777	268,704
Total liabilities	3,957,024	3,620,949	3,277,846	2,979,625	2,631,128

Source: SAMA

Notes:

(1) Includes inter-bank liabilities and bank repo transactions with the private sector.

Bank Credit

As at 31 December 2023, total commercial banks' claims on the private and public sector and non-monetary financial institutions amounted to SAR 3,207.0 billion (U.S.\$855.2 billion), an increase of 9.5 per cent. from SAR 2,928.7 billion (U.S.\$781.0 billion) as at 31 December 2022, which represented an increase of 12.2 per cent. from SAR 2,610.3 billion (U.S.\$696.1 billion) as 31 December 2021.

As at 31 December 2023, commercial banks' claims on the private sector represented 63.7 per cent. of total assets of commercial banks, compared to 63.2 per cent., 62.1 per cent., 59.1 per cent. and 58.8 per cent. as at 31 December 2022, 2021, 2020 and 2019, 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 2023, 2022, 2021, 2020 and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
	(SAR millions)				
Bank Credit	2,436,995	2,221,209	1,964,147	1,703,432	1,490,833

	As at 31 December				
	2023	2022	2021	2020	2019
	(SAR millions)				
<i>Loans, advances and overdrafts</i>	2,418,230	2,205,600	1,948,981	1,690,316	1,477,980
<i>Bills Discounted</i>	18,765	15,610	15,166	13,117	12,853
Investments in private securities	81,791	68,371	69,938	59,008	55,686
Claims on the private sector	2,518,786	2,289,581	2,034,085	1,762,440	1,546,519
Bank credit to public institutions.....	146,703	127,862	95,073	79,158	61,646
Government bonds	540,315	510,298	480,750	438,370	383,672
Claims on the public sector	687,018	638,160	575,822	517,527	445,318
Claims on non-monetary financial institutions	1,226	973	368	1,419	1,398
Total	3,207,030	2,928,714	2,610,275	2,281,386	1,993,235

Source: SAMA

The following table sets forth a breakdown of bank credit classified by economic activity for the year ended 31 December 2023, 2022, and 2021, respectively.

	Year ended 31 December		
	2023	2022	2021
	(SAR millions)		
Agriculture, Forestry and Fishing	10,900	11,523	11,747
Mining and Quarrying	40,444	36,986	30,218
Manufacturing	172,164	171,392	172,994
Electricity, Gas and Water Supplies	141,700	110,898	92,904
Construction	120,575	109,005	98,080
Wholesale and Retail Trade	179,259	168,507	158,157
Transportation and Storage	46,555	42,999	46,514
Accommodation and Food Service Activities	40,596	37,698	32,425
Information and Communication	23,618	20,402	18,500
Financial and Insurance Activities	104,358	90,015	74,863
Real Estate Activities	250,613	209,586	160,411
Professional, Scientific and Technical Activities	5,769	3,827	3,461
Administrative and Support Service Activities	32,843	26,339	23,475
Education	6,282	4,741	4,547
Human Health and Social Work Activities	20,534	18,025	15,476
Personal Loans	1,243,492	1,165,410	1,023,012
Other Activities	143,996	121,718	92,434

	Year ended 31 December		
	2023	2022	2021
	(SAR millions)		
Total	2,583,698	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 and 2019, respectively.

	As at 31 December	
	2020	2019
	(SAR millions)	
Agriculture and Fishing.....	16,363	14,653
Manufacturing and Processing	156,110	156,754
Mining and Quarrying.....	24,932	19,707
Electricity, Water, Gas & Health Services	66,456	61,049
Building and Construction	92,468	92,850
Commerce	300,141	287,923
Transport and Communications	47,315	51,237
Finance.....	46,108	41,465
Services.....	94,996	81,217
Miscellaneous.....	858,544	683,977
Government & Quasi Govt. ⁽¹⁾	79,158	61,646
Total⁽²⁾	1,782,590	1,552,479

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 2023, 2022, 2021, 2020 and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
	(SAR millions)				
Renovation and home improvement.....	10,792	13,436	19,060	23,872	25,648
Vehicle and private transport means	11,311	11,026	14,047	14,469	15,625
Furniture and durable goods.....	7,889	8,680	12,214	12,012	12,462
Education	7,462	6,347	5,168	4,168	3,239
Healthcare	510	564	637	550	559
Tourism and travel	918	814	646	572	455
Others.....	402,947	410,686	376,625	309,605	275,450
Total Consumer Loans	441,830	451,554	428,297	365,248	333,439
Total Credit Card Loans	27,066	23,067	19,494	18,373	19,054

Source: SAMA

As at 31 December 2023, consumer and credit card loans reached SAR 468.9 billion (U.S.\$125.0 billion), which represented 18.1 per cent. of total bank credit, compared to SAR 474.6 billion (U.S.\$126.6 billion) as at 31 December 2022, which represented 20.2 per cent. of total bank credit, and

SAR 447.8 billion (U.S.\$119.4 billion) as at 31 December 2021, which represented 21.7 per cent. of total bank 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 2023, total bank deposits stood at SAR 2,473.5 billion (U.S.\$659.6 billion), an increase of 7.8 per cent. compared to SAR 2,295.4 billion (U.S.\$612.1 billion) as at 31 December 2022, and SAR 2,104.5 billion (U.S.\$561.2 billion) as at 31 December 2021. The following table sets forth a breakdown of the total bank deposits of the commercial banks of Saudi Arabia as at 31 December 2023, 2022, 2021, 2020 and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
	(SAR millions)				
Demand deposits	1,312,330	1,328,160	1,360,108	1,282,591	1,099,151
Time and savings deposits.....	864,069	654,764	495,334	473,967	501,667
Other quasi-monetary deposits.....	297,059	312,482	249,011	186,425	195,161
- Foreign currency deposits	243,548	257,553	200,449	144,064	155,039
- For L/Cs.....	37,826	39,932	28,669	25,973	24,191
- Repo transactions	0	0	0	1	0
- Outstanding remittances	15,684	14,996	19,893	16,387	15,931
Total bank deposits	2,473,458	2,295,406	2,104,454	1,942,984	1,795,979
Domestic currency deposits.....	2,230,910	2,037,853	1,904,405	1,798,920	1,640,940
Foreign currency deposits	243,548	257,553	200,449	144,064	155,039
Total bank deposits	2,473,458	2,295,406	2,104,454	1,942,984	1,795,979

Source: SAMA

Bank deposits in Saudi banks are mostly demand deposits, which represented 53.1 per cent. of total bank deposits as at 31 December 2023, compared to 57.9 per cent. and 64.6 per cent. of total bank deposits as at 31 December 2022, and 2021.

Demand deposits decreased to SAR 1,312.3 billion (U.S.\$350.0 billion) as at 31 December 2023, from SAR 1,328.2 billion (U.S.\$354.2 billion) as at 31 December 2022, and SAR 1,360.1 billion (U.S.\$362.7 billion) as at 31 December 2021. During the year ended 31 December 2023, the private sector's demand deposits decreased by 2.1 per cent., resulting in a 1.2 per cent. decrease in overall demand deposits during the same period driven by higher interest rates on time and savings deposits.

As at 31 December 2023, 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 46.9 per cent. of the total banks' deposits, compared to 42.1 per cent. and 35.4 per cent. of the total banks' deposits as at 31 December 2022, and 2021, respectively. As at 31 December 2023, deposits in foreign currency amounted to SAR 242.5 billion (U.S.\$64.7 billion), which is equivalent to 9.8 per cent. of the total banks' deposits as at the same date, compared 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 31 December 2022, indicating relatively low foreign exchange risk on Saudi banks' balance sheets.

Regulatory Capital and Asset Quality

As at 31 December 2023, the banks in Saudi Arabia, on a combined basis, had a capital adequacy ratio under Basel III (standardised approach) of 20.1 per cent. and non-performing loans (“NPLs”) at 1.5 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 1.8 per cent. of the aggregate portfolios of all the banks in Saudi Arabia as at 31 December 2022.

The following table sets forth certain financial soundness indicators of Saudi Arabia’s banking sector, as at 31 December 2023, 2022, 2021, 2020 and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
	(Percentages)				
Regulatory capital to risk-weighted assets	20.1	19.9	19.9	20.3	19.3
Regulatory Tier 1 capital to risk-weighted assets..	18.6	18.4	18.2	18.7	18.0
Non-performing loans net of provisions to capital	2.2	2.7	2.5	2.5	1.6
Non-performing loans to total gross loans.....	1.5	1.8	1.9	2.2	1.9
Return on assets.....	2.2	2.1	1.8	1.5	2.1
Return on equity	12.8	12.5	10.8	8.6	12.1
Interest margin to gross income	78.8	77.9	76.8	76.5	77.7
Non-interest expenses to gross income	32.9	34.0	36.1	36.2	35.9

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 was obtained for the capital restructuring and consolidation of supervised entities under the NDF in 2017. As of 31 December 2023, the total assets under management by the NDF was over SAR 495.0 billion (U.S.\$132 billion).

Finance companies

Saudi Arabia's finance companies' sector 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. In 2023, SAMA has issued Buy Now Pay Later ("BNPL") regulations and introduced the first (6) licensed BNPL companies. In addition, there are currently (11) authorised companies offering Debt-based Crowdfunding solutions and (6) licensed companies offering Consumer Microfinance solutions. The three main business models and financing activities (Debt Crowdfunding, Consumer Microfinance, and BNPL) are FinTech solutions that are 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 2023, finance companies' assets increased by 12.6 per cent., compared to the previous year to reach SAR 64.2 billion (U.S.\$17.1 billion), which represents 1.6 per cent. of nominal GDP. The total finance portfolio rose by 12.3 per cent. compared to the previous year to reach SAR 84.7 billion (U.S.\$22.6 billion).

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.

Regulatory Oversight of the Banking Sector

Under the Saudi Central Bank Law and Banking Control Law, SAMA is the competent authority for the regulation and supervision of the Saudi banking sector. Licensed banks are supervised and subject to the regulatory oversight by SAMA through the implementation of rules and regulations that are in line with the Basel Committee on Banking Supervision (BCBS) and international standards.

Basel III Framework

The Basel III Framework was implemented since 2012, which focused on strengthening the level and quality of regulatory capital requirements, including implementation of the relevant capital buffers to ensure resiliency of the banking sector. Domestic systematically important banks are further subject to higher capital requirements. As part of the Basel framework, the regulatory leverage ratio requirements were introduced as an additional measure to reinforce the risk-based capital requirements. Liquidity regulations were also implemented as part of the Basel III framework, which include the liquidity coverage ratio (“**LCR**”) and net stable funding ratio (NSFR) requirements to ensure banks have sufficient liquidity buffers to meet short-term liquidity needs as well as to ensure funding resilience over a longer time horizon.

The implementation of the Basel III framework includes the Pillar 2 supervisory review process, which is an integral part of the framework to ensure that banks have robust risk management framework and processes in place in addition to maintaining adequate capital to support all the risks in banks’ businesses.

SAMA implemented the Basel III Final Reforms effective January 2023, in line with internationally agreed timeline, which focused on improving the risk coverage, sensitivity and credibility of risk weighted assets (RWA) covering credit, market and operational risk for purposes of calculation of minimum capital adequacy requirements. The implementation of the Basel III Final Reforms also included an update to the leverage ratio to reduce excess leverage in the banking system and complement the risk-weighted capital requirements.

Banks are also required to meet the large exposure requirements, which aimed to limit excessive concentration to a single and connected counterparties, where the limits are based on the regulatory capital held by banks.

Banks are subject to Basel Pillar 3 disclosure requirements to ensure that market participants are provided with sufficient information to assess bank’s key material risks and capital adequacy.

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 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
	(SAR millions)									
Equity initial public offerings	36	12,265.4	37	39,955	12	17,422	4	5,248	5	114,216
Equity public rights issues	6	2,885.0	13	11,752	12	2,435	10	6,017	1	100
Equity private placements	39	3,983	57	15,792	82	11,590	47	30,961	38	9,127

	Year ended 31 December									
	2023		2022		2021		2020		2019	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
	(SAR millions)									
Debt private placements ^{(1) (2)(3)}	40	29,850	34	43,393	40	37,418	40	29,915	39	9,131
Debt public offerings	1	100	1	10,000	-	-	-	-	-	-
Total⁽²⁾	121	48,983	141	110,892	146	68,865	101	72,141	83	132,574

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.
- (3) Debt private placements includes sukuk offerings in 2023.

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 2024, total assets of investment funds reached SAR 558.2 billion (U.S.\$148.6 billion) compared SAR 558.2 billion (U.S.\$148.6 billion) and SAR 478.2 billion (U.S.\$127.5 billion) in the years ended 31 December 2023, and 2022, respectively. 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 73.2 per cent. compared to the previous year, totalling 1,172,865 subscribers. The following table sets forth the key indicators of the investment funds sector as at 31 December 2023, 2022, 2021, 2020, and 2019, respectively.

	As at 31 December				
	2023	2022	2021	2020	2019
Number of operating funds.....	1,285	939	751	691	607
Number of subscribers	1,172,865	677,195	536,514	364,195	334,226
Total assets (SAR billions).....	558.2	478.2	523.7	442.0	349.4

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 2023, 2022, 2021, 2020 and 2019, respectively.

	Year ended 31 December				
	2023	2022	2021	2020	2019
Number of shares traded (millions).....	83,031	83,693	67,535	79,323	33,055
Value of shares traded (SAR billions).....	1,333	1,708	2,236	2,087	880
Market capitalisation (SAR billions) ⁽¹⁾	11,259	9,878	10,009	9,102	9,025
Number of executed transactions (thousands).....	94,015	87,899	91,866	76,686	28,396

	Year ended 31 December				
	2023	2022	2021	2020	2019
Tadawul All-Share Index ⁽¹⁾	11,967	10,478	11,281	8,689	8,389

Notes:

⁽¹⁾ Presented as at 31 December 2023.

According to data published by Tadawul, as at 31 December 2023, 231 companies were listed on the Tadawul with a total market capitalisation of SAR 11,259.3 billion (U.S.\$3,002.5 billion), an increase of 14.0 per cent. compared to SAR 9,878.1 billion (U.S.\$2,634.2 billion) as at 31 December 2022, which was a decrease of 1.3 per cent. compared to a total market capitalisation of SAR 10,009.2 billion (U.S.\$2,664.8 billion) as at 31 December 2021. As at 31 December 2023, the Tadawul All-Share Index stood at 11,967 points, an increase of 14.2 per cent. from 10,478 points as at 31 December 2022, which was a decrease of 7.1 per cent. from 11,281 points as at 31 December 2021.

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 2023, 79 companies were listed on the Parallel Market. The total value of shares traded on the Parallel Market reached SAR 8.1 billion (U.S.\$2.2 billion) in the year ended 31 December 2023.

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 2019:

	Fiscal year ended 31 December				
	2023	2022	2021	2020	2019
Total Revenues (SAR billions)	1,212	1,268.2	965.5	781.8	926.8
Oil revenues:					
Total oil revenues (SAR billions)	755.0	857.3	562.2	413.0	594.4
Growth/(decline) from previous period (%).....	(12)	52	36	(30.5)	(2.75)
Contribution to total revenues (%).....	62.3	68	58	52.8	64.1
Non-oil revenues:					
Total non-oil revenues (SAR billions)	458.0	410.9	403.3	368.8	332.4
Growth/(decline) from previous period (%).....	11	2	9	10.9	12.9
Contribution to total revenues (%).....	37.8	32	41.8	47.2	35.9

Source: Ministry of Finance

The significant increase in the contribution of the non-oil sector to Government revenues from the fiscal year 2019 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 ongoing 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 is expected to have budget deficit of SAR 79.0 billion (U.S.\$21.0 billion) for the fiscal year 2024. 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.

2025 Government Budget

Saudi Arabia announced the 2025 Budget on 26 November 2024. The Government has indicated that the focus of the 2025 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 2025 Budget.

Revenues. The 2025 Budget estimates total Government revenues for fiscal year 2025 to be SAR 1,184.0 billion (U.S.\$315 billion), an increase of 1.0 per cent. compared to the budgeted revenues for fiscal year 2024 of SAR 1,172 billion (U.S.\$312 billion). The principal drivers of the higher revenues in fiscal year 2025 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 1,198 billion (U.S.\$319.1 billion) in 2026, and to increase over the medium term to SAR 1,289 billion (U.S.\$343.4 billion) in 2027.

Expenditures. The 2025 Budget estimates total Government expenditures for fiscal year 2025 at SAR 1,285.0 billion (U.S.\$342.3 billion), an increase of 2.7 per cent. compared to budgeted expenditures for fiscal year 2024 of SAR 1,251 billion (U.S.\$333.2 billion). The principal drivers of the higher expenditures in fiscal year 2025 are expected to be the acceleration of the implementation of several development projects and programmes. The Government estimates expenditures to increase in fiscal year 2026 to SAR 1,328 billion (U.S.\$353.7 billion) and estimates total expenditures to increase over the medium term to reach SAR 1,429.0 billion (U.S.\$260.6 billion) in 2027.

Deficit. The deficit for fiscal year 2025 is estimated at SAR 101 billion (U.S.\$26.9 billion), compared to the budgeted deficit for fiscal year 2024 of SAR 79.0 billion (U.S.\$21.1 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 2025 Budget estimates preliminary real GDP growth of 0.8 per cent. in fiscal year 2024, with an increase to real GDP growth of approximately 4.6 per cent. in fiscal year 2025, driven by the assumption of continued growth and expansion of non-oil activities. This compares to IMF projections of growth of 1.5 per cent. and 4.6 per cent. in real GDP for Saudi Arabia in fiscal years 2024 and 2025, respectively (based on October 2024 IMF projections). The 2025 Budget does not disclose oil price assumptions for fiscal year 2025.

In parallel, the Government intends to use fiscal policies to increase spending directed to major development programmes 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 2023, 2022, and 2021, respectively, together with 2024 estimates and the Government budgeted figures for the fiscal year ended 31 December 2025.

	Fiscal year ended 31 December				
	2025⁽¹⁾	2024⁽²⁾	2023	2022	2021
	Budget	Estimates	Actual	Actual	Actual
	(SAR millions, except percentages)				
Revenue:					
Oil revenues ⁽³⁾	-	-	752,000	857,000	562,191
Non-oil revenues ⁽³⁾	-	-	441,000	411,000	403,295
Total Revenues	1,184,000	1,237,000	1,193,000	1,268,000	965,486
Expenditure:					
Capital expenditures	184,000	198,000	203,000	143,000	117,217
Current expenditures	1,101,000	1,148,000	1,072,000	1,021,000	921,716
Total expenditures	1,285,000	1,345,000	1,293,000	1,164,000	1,038,933
Surplus/(deficit)	(101,000)	(115,000)	(81,000)	104,000	(73,447)
Nominal GDP	4,352,000	4,091,000	4,003,000	4,157,000	3,278,000
Ratio of surplus/(deficit) to nominal GDP (%)	(2.3)	(2.8)	(1.9)	2.5	(2.2)

Source: SAMA, Ministry of Finance

Notes:

- (1) Based on budget estimates.
- (2) Preliminary figures.
- (3) The estimated breakdown between oil and non-oil revenues is not calculated in the 2024 and 2025 Budgets.

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. While Saudi Arabia achieved a budget deficit of SAR 81.0 billion (U.S.\$21.6 billion) for the fiscal year 2023, based on current estimates, Saudi Arabia had a budget deficit of SAR 115 billion (U.S.\$30.7 billion) for the 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 2023, 2022, and 2021, respectively, together with 2024 estimates and the budgeted revenues for the fiscal year ended 31 December 2025.

	Fiscal year ended 31 December									
	2025		2024		2023		2022		2021	
	Budget		Estimates		Actual		Actual		Actual	
	% of		% of		% of		% of		% of	
	Amount	total	Amount	total	Amount	total	Amount	total	Amount	total
(SAR millions, except percentages)										
Total oil revenue⁽¹⁾	-	-	-	-	-	-	857,272	67.6	562,191	58.2
Total non-oil revenue⁽¹⁾	-	-	-	-	-	-	410,891	32.4	403,295	41.8
Taxes on income, profits and capital gains.....	31,000	2.6	30,000	2.4	39,000	3.2	24,481	1.9	17,847	1.8
Taxes on goods and services.....	290,000	24.5	280,000	22.6	262,000	21.6	251,455	19.8	251,364	26.0
Taxes on international trade and transactions.....	23,000	1.9	22,000	1.8	22,000	1.8	18,749	1.5	18,719	1.9
Other taxes.....	36,000	3.0	34,000	2.7	33,000	2.7	28,409	2.2	29,174	3.0
Other revenue.....	804,000	67.9	863,000	69.8	856,000	70.6	945,000	74.5	648,000	67.1
Total revenue	1,184,000	100.0	1,237,000	100.0	1,212,000	100.0	1,268,000	100.0	965,486	100.0

Source: Ministry of Finance

Notes:

(1) The estimated and actual breakdowns between oil and non-oil revenues is not calculated in the 2024 and 2025 Budgets.

The Government's total revenues during the fiscal year 2024 were estimated to be SAR 1,237 billion (U.S.\$329.9 billion), whereas total revenues during the fiscal year 2023 were SAR 1,212 billion (U.S.\$ 323.2 billion), in turn representing an increase of 25.5 per cent. as compared to total revenues of SAR 965.5 billion (U.S.\$257.5 billion) during the fiscal year 2022. The Government's estimated total revenues during the fiscal year 2024 were 4.9 per cent. higher than budgeted revenues of SAR 1,172 billion (U.S.\$301.3 billion) for the fiscal year.

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 863 billion (U.S.\$ 230 billion) in the fiscal year 2024, an increase of 0.9 per cent. as compared to total other revenues of SAR 856 billion (U.S.\$ 228 billion) in the fiscal year 2023. This decrease was principally due to an increase in oil revenues due to the collection of performance-linked dividends.

Government Expenditures

The following table sets forth a breakdown of actual Government expenditures by category for the fiscal years ended 31 December 2023, 2022, and 2021, respectively, together with 2024 estimates and the budgeted figures for the fiscal year ended 31 December 2025.

	Fiscal year ended 31 December									
	2025		2024		2023		2022		2021	
	Budget		Estimates		Actual		Actual		Actual	
	% of		% of		% of		% of		% of	
	Amount	total	Amount	total	Amount	total	Amount	total	Amount	total
(SAR millions, except percentages)										
Military and security.....	393,000	30.5	387,000	28.8	368,000	28.5	343,000	29.4	308,377	29.7
Education.....	201,000	15.6	201,000	14.9	210,000	16.2	202,000	17.4	191,908	18.5
Health and social development.....	260,000	20.2	260,000	19.3	256,000	19.8	227,000	19.5	197,200	19.0
Economic resources and public programmes.....	87,000	6.8	88,000	6.5	85,000	6.6	77,000	6.6	71,068	6.8

	Fiscal year ended 31 December									
	2025		2024		2023		2022		2021	
	Budget		Estimates		Actual		Actual		Actual	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(SAR millions, except percentages)									
Infrastructure and transportation	42,000	3.2	40,000	3.0	40,000	3.1	41,000	3.5	50,993	4.9
Public administration	44,000	3.4	53,000	3.9	48,000	3.7	41,000	3.5	34,165	3.3
Municipal services	65,000	5.1	115,000	8.6	77,000	6.0	75,000	6.4	38,563	3.7
General items	192,000	14.9	202,000	15.0	208,000	16.1	159,000	13.7	146,659	14.1
Total expenditure	1,285,000	100.0	1,345,000	100.0	1,293,000	100.0	1,164,000	100.0	1,038,933	100.0

Source: Ministry of Finance

The Government's total expenditures during the fiscal year 2023 were SAR 1,293 billion (U.S.\$344.8 billion), an increase of 11.1 per cent. as compared to total expenditures of SAR 1,164 billion (U.S.\$310.4 billion) during the fiscal year 2022, which was an increase of 12.0 per cent. as compared to total expenditures of SAR 1,038.9 billion (U.S.\$310.4 billion) during the fiscal year 2021.

Based on preliminary estimates, the Government's total expenditures during the fiscal year 2024 were SAR 1,345 billion (U.S.\$358.7 billion), an increase of 4.0 per cent. as compared to total expenditures of SAR 1,293 billion (U.S.\$344.8 billion) during the fiscal year 2023. The Government's total expenditures during the fiscal year 2024 were 7.5 per cent. higher than budgeted expenditure of SAR 1,251 billion (U.S.\$333.6 billion) for the fiscal year.

The Government's budgeted expenditures for the fiscal year 2025 are projected to reach SAR 1,285 billion (U.S.\$342.7 billion), representing a decrease of 4.5 per cent. compared to the estimated expenditures of SAR 1,345 billion (U.S.\$358.7 billion) in the fiscal year 2024. In the 2025 Budget, the Government projects a deficit of SAR 101 billion (U.S.\$21.1 billion) in fiscal year 2025, as compared to the estimated deficit of SAR 115.0 billion (U.S.\$30.7 billion) in the fiscal year 2024.

The Government's expenditures are categorised as capital expenditures and current expenditures. The Government's capital expenditures comprised 14.4 per cent., 12.3 per cent., and 11.5 per cent. of total expenditures in the fiscal years 2023, 2022, and 2021, respectively. Based on preliminary figures, the Government's capital expenditures comprised 14.7 per cent. of total expenditures in the fiscal year 2024.

The Government's current expenditures comprised 85.6 per cent., 87.7 per cent., 90.8 per cent. and 85.6 per cent. of total expenditures in the fiscal years 2023, 2022, and 2021, respectively. Based on preliminary figures, the Government's current expenditures comprised 85.4 per cent. of total expenditures in the fiscal year 2024.

The Government's budgeted expenditures for the fiscal year 2025 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 2025 will also 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.

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 programmes. 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 programmes 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. While Saudi Arabia achieved a budget deficit of SAR 81.0 billion (U.S.\$21.6 billion) for the fiscal year 2023, based on current estimates, Saudi Arabia had a budget deficit of SAR 79.0 billion (U.S.\$21.0 billion) for the 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	Actual	Actual	Actual	Actual	Actual
	(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

Fiscal year ended 31 December										
	2024		2023		2022		2021		2020	
	Budget		Estimates		Actual		Actual		Actual	
	% of	Amount	% of	Amount	% of	Amount	% of	Amount	% of	Amount
	total	total	total	total	total	total	total	total	total	total
(SAR millions, except percentages)										
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 2023 were estimated to be SAR 1,193.0 billion (U.S.\$317.8 billion), whereas total revenues during the fiscal year 2022 were SAR 1,268.0 billion (U.S.\$338.1 billion), in turn 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. Based on preliminary estimates, the Government's total revenues during fiscal year 2024 were SAR 1,172.0 billion (U.S.\$312.2 billion), representing a decrease of 1.8 per cent. as compared to total revenues of SAR 1,193.0 billion (U.S.\$317.8 billion) in fiscal year 2023. 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 63.0 per cent. of the Government's total revenues during the fiscal year 2023, compared to 67.6 per cent. and 58.2 per cent. of the Government's total revenues in the fiscal years 2022 and 2021, respectively. Based on preliminary estimates, oil revenues accounted for 62.3 per cent. of the Government's total revenues during the first nine months of 2024, compared to 61.3 per cent. of the Government's total revenues in the first nine months of 2023.

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.

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**"), Saudi Electronic Info Exchange Company ("**Tabadul**"), and Telecommunication Towers Company Limited ("**Tawal**").

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 2023, the PIF's dividends received from associates and joint ventures amounted to SAR 5.3 billion (U.S.\$1.4 billion) on a consolidated basis compared to SAR 4.7 billion (U.S.\$1.3 billion) on a consolidated basis received during the year prior. For the years ended 31 December 2023, 2022, and 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 44.5 billion (U.S.\$11.8 billion), 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 programme 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. One of such investments in further of the Kingdom's strategy for the PIF being its investments renewable energy companies. In February 2023, the PIF completed its acquisition of a 30 per cent. stake in the Saudi Tabreed District Cooling Company, a leading provider of sustainable district cooling schemes for some of the largest projects in the Kingdom.

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 year ended 31 December 2023, were recorded SAR 39 billion (U.S.\$10.4 billion), an increase of 37.2 per cent. Compared to the year ended 31 December 2022, where revenues recorded reached SAR 24.5 billion (U.S.\$ 6.5 billion), an increase of 37.6 per cent. compared to SAR 17.8 billion (U.S.\$4.8 billion) in the fiscal year 2021. For the year ended 31 December 2023, the Government's revenues attributable to taxes on goods and services reached SAR 262.0 billion (U.S.\$69.9 billion) compared to SAR 251.5 billion (U.S.\$ 67.1 billion) during the year ended 31 December 2022, and SAR 251.4 billion (U.S.\$67.0 billion) in the year ended 31 December 2021. The Government's revenues attributable to taxes on international trade and transactions in the year ended 31 December 2023, reached SAR 22.0 billion (U.S.\$5.9 billion) compared SAR 18.7 billion (U.S.\$ 5.0 billion) for the year ended 31 December 2022, which was a slight increase of 0.2 per cent. when compared to SAR 18.7 billion (U.S.\$ 5.0 billion) in the year ended 31 December 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 of 30 September 2024, Saudi Arabia's total outstanding direct indebtedness amounted to SAR 1,157.6 billion (U.S.\$308.7 billion), comprising SAR 688.7 billion (U.S.\$183.7 billion) of domestic indebtedness and SAR 468.9 billion (U.S.\$125.0 billion) of external indebtedness. As of 31 December 2023, Saudi Arabia's total outstanding direct indebtedness amounted to SAR 1,050.3 billion (U.S.\$280.1 billion), comprising SAR 644.4 billion (U.S.\$171.8 billion) of domestic indebtedness and SAR 405.9 billion (U.S.\$ 108.2 billion) of external indebtedness, compared to total outstanding direct indebtedness of SAR 375.1 billion (U.S.\$100 billion) as at 31 December 2022, comprising SAR 615 billion (U.S.\$164 billion) of domestic indebtedness and SAR 375.1 billion (U.S.\$ 100 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. The Kingdom achieved a budget surplus of SAR 104.0 billion (U.S.\$27.7 billion) for the year ended 31 December 2022, primarily due to increases in oil revenues. For the year ended 31 December 2023, the Kingdom recorded a deficit of SAR 81.0 billion (U.S.\$21.6 billion) due to an increase in total expenditures, stemming from the advancement in the implementation of projects designed to support economic diversification and enhance growth rates. For year ended 31 December 2024, the Ministry of Finance estimates that 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 programmes. The Ministry of Finance estimates that the Government's budget deficit will continue at similar levels over the medium-term as the Government continues to implement expansionary spending policies intended to support economic growth.

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. In December 2023, Saudi Arabia finalised 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 July 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.\$103.13 million is outstanding as of December 2024.

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.\$2.10 billion is outstanding as of December 2024.

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 31 December 2023, 2022, 2021, 2020, and 2019, respectively, in addition to 30 September 2024.

	As at nine months ended 30 September	As at 31 December				
	2024	2023	2022	2021	2020	2019
		(SAR billions, except percentages)				
Borrowed during period	185.1 ⁽⁴⁾	189.2 ⁽³⁾	125.4 ⁽²⁾	157.9 ⁽¹⁾	220.0	120.0
Repaid during period.....	77.7 ⁽⁴⁾	128.7 ⁽²⁾	73.3 ⁽²⁾	73.4 ⁽¹⁾	44.4	2.0

Indebtedness outstanding at end of period	1,157.6	1,050.3	990.1	938.0	853.5	677.9
Change (%)	10.2	6.1	5.6	9.9	25.9	21.1
GDP at current prices	4,091	4,003	4,157	3,278	2,754	3,145
Ratio of public debt to nominal GDP (%)	28.3	26.2	23.8 ⁽⁴⁾	28.6	31.0	21.6

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) Includes SAR 64 billion related to a switch transaction executed in 2024.

External Indebtedness

As at 30 September 2024, Saudi Arabia's total external indebtedness amounted to SAR 468.9 billion (U.S.\$125.0 billion). As at 31 December 2023, Saudi Arabia's total external indebtedness amounted to SAR 405.9 billion (U.S.\$108.2 billion), compared to SAR 375.1 billion (U.S.\$100 billion) as at 31 December 2022, total external indebtedness of SAR 379.3 billion (U.S.\$101.1 billion) as at 31 December 2021, and total external indebtedness of SAR 350.9 billion (U.S.\$93.6 billion) as at 31 December 2020. 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 2024:

	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	4,220	1,125
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 23)	2030	2,257	601.2
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)	2033	13,125	3,500
Global medium term notes (Series 28)	2053	12,187.5	3,250
Global medium term notes (Series 29)	2030	12,187.5	3,250
Global medium term notes (Series 30)	2034	15,000	4,000
Global medium term notes (Series 31)	2054	17,812.5	4,750
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

	Maturity	Principal amount	
		(SAR millions)	(U.S.\$ millions)
Trust certificate issuance certificates (series 7)	2029	11,250	3,000
Trust certificate issuance certificates (series 8)	2033	11,250	3,000
Trust certificate issuance certificates (series 9)	2027	4,687.5	1,250
Trust certificate issuance certificates (series 10)	2030	5,625.0	1,500
Trust certificate issuance certificates (series 11)	2034	8,437.5	2,250
Export credit agency loan	2027	451.2	136
Long term financing agreement	2032	8,434.7	2,735
Export credit agency loan	2035	4,061.3	1,083
Long term financing agreement	2033	41,250	11,000
Total external indebtedness		468,920.20	125,044.30

Source: Ministry of Finance

On 10 October 2016, Saudi Arabia (acting through the Ministry of Finance) established the GMTN Programme. Since the establishment of the GMTN Programme, the Kingdom has issued on 26 October 2016 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 a 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 a 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 GMTN 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 profit rate 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 profit rate 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 profit rate 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 profit rate 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 profit rate of 5.50 per cent.), under the GMTN Programme.

On 25 October 2022, 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 6-year tenor and carrying a profit rate of 5.27 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 18 January 2023, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of U.S.\$10 billion of fixed-rate notes under the GMTN Programme, comprising U.S.\$ 3.25 billion fixed-rate notes maturing on 18 January 2028 and carrying a coupon of 4.75 per cent. (payable semi-annually in arrear), U.S.\$ 3.5 billion of fixed-rate notes maturing on 18 July 2033 and carrying a coupon of 4.875 per cent. (payable semi-annually in arrear), and U.S.\$3.25 billion of fixed-rate notes maturing on 18 January 2053 with a coupon of 5.00 per cent.(payable semi-annually in arrear).

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 December 2023, the Ministry of Finance secured USD 11 billion syndicated loan with a ten-year term loan, by 14 international financial institutions across Asia, Middle East, Europe, and the U.S. This transaction is part of the Saudi government Medium-Term Debt Strategy to diversify the Kingdom's funding sources to meet the Kingdom's financing needs at a fair cost in the medium to long term with an acceptable degree of risk. In accordance with the approved annual borrowing plan, this transaction seeks to take advantage of market opportunities to implement alternative government financing activities that would enhance economic growth, such as financing development and infrastructure projects related to Saudi Vision 2030.

In December 2023, the Ministry of Finance secured EUR 1 billion through the Italian Export Credit Agency (SACE). This financing comes as part of the framework to strengthen the commercial and investment relations between the two countries, and to capitalize on available financing channels for government projects in alignment with Saudi Vision 2030. This is the third financing of its kind for the Kingdom after the first two provided by financial institutions through two other export credit agencies.

On 16 January 2024, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of U.S.\$12.0 billion of fixed-rate notes under the GMTN Programme, comprising U.S.\$3.25 billion fixed-rate notes maturing on 16 January 2030 with a coupon of 4.75 per cent., U.S.\$4.0 billion fixed-rate

notes maturing on 16 January 2034 with a coupon of 5.00 per cent. and U.S.\$4.75 billion fixed-rate notes maturing on 16 January 2054 with a coupon of 5.75 per cent.

On 4 June 2024, Saudi Arabia (acting through the Ministry of Finance) issued an aggregate of U.S.\$5.0 billion of fixed-rate trust certificates under the Trust Certificate Issuance Programme, comprising U.S.\$1.25 billion of fixed-rate trust certificates maturing on 4 June 2027 with a profit rate of 5.25 per cent., U.S.\$1.5 billion of fixed-rate trust certificates maturing on 4 June 2030 with a profit rate of 5.25 per cent. and U.S.\$2.25 billion of fixed-rate trust certificates maturing on 4 June 2034 with a profit rate of 5.25 per cent.

In October 2024, the Ministry of Finance secured SAR 23.3 billion syndicated loan with several local and international banks. This follows the Ministry of Finance's announcement on 31 July 2024 regarding its intention to take several measures to support Binladin Group with the aim of stabilizing its financial structure through a number of arrangements to settle bank dues, in coordination between the Ministry of Finance and the Group. This comes as a continuation of the government support to the construction sector, which boosts the completion of vital projects and creates attractive investment opportunities in the sector in alignment with Saudi Vision 2030.

Domestic Indebtedness

As at 30 September 2024, Saudi Arabia's total domestic indebtedness amounted to SAR 688.7 billion (U.S.\$183.7 billion). As at 31 December 2023, Saudi Arabia's total domestic indebtedness amounted to SAR 644.4 billion (U.S.\$171.8 billion), compared to SAR 615 billion (U.S.\$164 billion) as at 31 December 2022, SAR 558.7 billion (U.S.\$149.0 billion) as at 31 December 2021, and SAR 502.6 billion (U.S.\$134.0 billion) as at 31 December 2020.

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 2023, 2022, 2021, 2020, and 2019, respectively, in addition to 30 September 2024.

	As at the nine months ended 30 September	As at, and for the year ended, 31 December				
	2024	2023	2022	2021	2020	2019
		(SAR millions)				
Government Institutions	3,024	9,181	17,169	22,837	41,770	9,317
Local Banks	37,631	32,472	51,195	50,135	42,256	54,206
Foreign Investors	2,816	2,406	200	80	81	50
Individuals	18	17	4	31	4	8
Investment Companies and Mutual Funds	1,007	711	444	2,264	602	1,905
Companies	3,517	824	329	624	326	4,352
Total Issuances	48,013	45,611	69,341	75,971	85,039	69,838

Source: National Debt Management Center

Note:

Figures are rounded.

In September 2022, the Ministry of Finance signed a number of financing agreements with several local banks amounting to SAR 25 billion (U.S.\$ 6.67 billion) to expediate the implementation of various infrastructure projects which were scheduled to start in 2023 and 2024. The National Debt Management Center arranged for those financings in accordance with the Ministry of Finance's aim towards enabling and supporting strategic infrastructure projects in line with the Kingdom's 2030 Vision. As at 30 September 2024, the utilisation amount was SAR 15.48 billion (U.S.\$4.13 million).

Guarantees and other Contingent Liabilities

As at 30 September 2024, 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
- 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 as of 31 December 2024:

	<u>Moody's</u>	<u>Fitch</u>	<u>S&P (unsolicited)</u>
Long-term foreign currency	Aa3	A+	A
Outlook	Stable	Stable	Positive

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 the Kingdom's rating as A and affirmed its outlook as stable, later upgrading its outlook to positive in September 2024. In November 2024, Moody's upgraded the Kingdom's rating to Aa3 with a stable outlook from A1, citing the Kingdom's efforts to diversify its economy away from reliance on oil sales and its reserves.

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 Offering Circular, 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.

TAXATION

The following is a general description of certain Saudi Arabian, United States and EU tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, nor does it address the considerations that are dependent on individual circumstances, whether in those countries or elsewhere. Prospective investors in the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes 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 Offering Circular and is subject to any change in law that may take effect after such date. Prospective purchasers should note that the Issuer is not 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 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.

Certain tax and zakat implications for Noteholders

GCC Noteholders who are Resident in Saudi Arabia

Noteholders, 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 Notes. However, such resident GCC persons who are Noteholders will be subject to zakat in respect of any interest payments received under the Notes. Additionally, the ZATCA does not allow an investment in the Notes to be deducted from the zakat base of such a Noteholder, as stipulated under the Executive Regulation for the Collection of Zakat that applies to fiscal years from and after 1-1-2019.

Non-GCC Noteholders who are Resident in Saudi Arabia

Noteholders 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 interest payments received or gain realised under the Notes but they will not be subject to any zakat.

Noteholders who are not Resident in Saudi Arabia

Noteholders, either natural persons or legal entities, who are not Resident in Saudi Arabia (whether such Noteholders are Saudi Arabian nationals or non-Saudi Arabian nationals (including Noteholders 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 interest on the Notes will be made through the Paying Agents (as defined in the Conditions) and the relevant clearing systems (as defined in the Conditions), some Noteholders may not be able to prove to their local tax authorities that WHT has been applied to interest 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 Notes, to the extent that any WHT is deducted, the Issuer will generally be obliged to pay such additional amounts as will result in receipt by the Noteholders, 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 interest payments received under the Notes but will not be subject to zakat.

A Noteholder, whether such a Noteholder is Resident in Saudi Arabia or not Resident in Saudi Arabia and whether such a Noteholder 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 Notes to heirs on death) of its holding of Notes if such Notes 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 Notes 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.

Noteholders will not be deemed to be Resident, domiciled or carrying on business in Saudi Arabia solely by reason of holding any Notes.

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 Notes. This summary addresses only the U.S. federal income tax considerations for initial purchasers of Notes at their “issue price” (as defined below) that will hold the Notes as capital assets (generally, property held for investment).

This discussion assumes that the Notes will be treated as debt for U.S. federal income tax purposes. 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 Notes in general or with respect to any particular Notes.

This discussion does not describe all of the tax consequences that may be relevant in light of a Noteholder’s particular circumstances or to Noteholders subject to special rules, such as:

- financial institutions;
- insurance companies;
- dealers in securities or foreign currencies;

- traders in securities or foreign currencies electing to mark their positions to market;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt organisations;
- U.S. expatriates and former long-term residents of the United States;
- persons holding Notes 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 Offering Circular 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, or the 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 Notes with a term of 30 years or less. Persons considering the purchase of a particular Tranche of Notes should consult the relevant supplement to the Offering Circular (if any) issued in connection with that Tranche of Notes 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 Notes such as Notes that are not principal protected will be specified in the relevant supplement to the Offering Circular issued in connection with those Notes. This summary does not discuss Bearer Notes. In general, U.S. federal income tax law imposes significant limitations on U.S. Holders of Bearer Notes, including the limitations provided in Sections 165(j) and 1287(a) of the Code. U.S. Holders should consult their tax advisors regarding the U.S. federal income and other tax consequences of the acquisition, ownership and disposition of Bearer Notes.

As used herein, the term “**U.S. Holder**” means a beneficial owner of a Note that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organised in or under the laws of the United States 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 Notes that is not a United States holder.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of partnerships holding Notes should consult with their tax advisors regarding the U.S. federal tax consequences of an investment in the Notes.

Payments of Stated Interest

Interest paid on a Note (including any Saudi taxes withheld and additional amounts paid with respect thereto) will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes, *provided* that the interest is "qualified stated interest" (as defined below).

"Qualified stated interest" is stated interest 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 Note and equal to the outstanding principal balance of the Note multiplied by a single fixed rate of interest. In addition, interest on a Floating Rate Note 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 Issuer) at least annually will constitute "qualified stated interest" if the Note 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 Note 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 Notes that are VRDIs*" below. Interest income earned by a U.S. Holder with respect to a Note 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 Notes, original issue discount Notes, contingent payment debt instruments and foreign currency Notes are described under "*—Short-Term Notes*", "*—Original Issue Discount*", "*Contingent Payment Debt Instruments*" and "*—Foreign Currency Notes*".

Definition of Variable Rate Debt Instrument. A Note is a VRDI if all of the four following conditions are met. First, the "issue price" of the Note (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 Note 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 Note 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 Note must provide that a qualified floating rate or objective rate in effect at any time during the term of the Note 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 Note 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 Note 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 Note 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 Note 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 Note).

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 Issuer’s control (or the control of a related party) nor unique to the Issuer’s circumstances (or the circumstances of a related party). Notwithstanding the first sentence of this paragraph, a rate on a Note is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note’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 Offering Circular (if any) issued in connection with a particular Tranche of Notes, it is expected, and this discussion assumes, that a Floating Rate Note will qualify as a VRDI. If a Floating Rate Note does not qualify as a VRDI, then the Floating Rate Note 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 Note, a Note that has an “issue price” that is less than its “stated redemption price at maturity” will be considered to have been issued with original issue discount (“OID”) for U.S. federal income tax purposes (and will be referred to as an “**original issue discount Note**”) unless the Note satisfies a *de minimis* threshold (as described below).” The “issue price” of a Note generally will be the first price at which a substantial amount of the Notes are sold to the public (which does not include sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). The “stated redemption price at maturity” of a Note generally will equal the sum of all payments required to be made under the Note other than payments of qualified stated interest.

If the difference between a Note’s stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., 1/4 of 1 per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity (or, in the case of a Note that provides for payment of any amount other than qualified stated interest prior to maturity, the weighted average maturity of the Note), the Note will not be considered to have OID. U.S. Holders of Notes 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 Note.

A U.S. Holder of original issue discount Notes will be required to include any qualified stated interest payments in income in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

A U.S. Holder may make an election to include in gross income all interest that accrues on any Note (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 Note prior to its stated maturity date. Under applicable regulations, if we have an unconditional option to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if, by utilising any date on which the Note may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Note as the stated redemption price at maturity, the yield on the Note would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require us to redeem a Note prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Note would be higher than its yield to maturity. If this option is not in fact exercised, the Note would be treated, solely for purposes of calculating OID, as if it were redeemed, and a new Note were issued, on the presumed exercise date for an amount equal to the Note’s adjusted issue price on that date. The adjusted issue price of an original issue discount Note is defined as the sum of the issue price of the Note and the aggregate amount of previously accrued OID, less any prior payments other than payments of qualified stated interest.

Fixed Rate Notes. In the case of a Fixed Rate Note that is an original issue discount Note, U.S. Holders of such Note 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 Notes that are VRDIs. In the case of a Floating Rate Note 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 Notes (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 Note. 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 Note 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 Note. The fixed rate substitute for each qualified floating rate provided by the Note is the value of that qualified floating rate on the issue date. If the Note 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 Note.

- *Third*, construct an equivalent fixed rate debt instrument that has terms that are identical to those provided under the Note, 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 Note.
- *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 Notes. These amounts are taken into account as if the U.S. Holder held the equivalent fixed rate debt instrument. See “—*Payments of Stated Interest*” and “—*Fixed Rate Notes*” 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 Note for an amount in excess of the sum of the remaining amounts payable on the Note (other than qualified stated interest), the U.S. Holder will be considered to have purchased the Note 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 Note. Special rules may apply in the case of a Note that is subject to optional redemption. A U.S. Holder who elects to amortise bond premium must reduce its tax basis in the Note 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 Note 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 Notes

Upon the sale, exchange, retirement or other taxable disposition of a Note, 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 Note. A U.S. Holder’s adjusted tax basis in a Note generally will equal the acquisition cost of the Note increased by the amount of OID included in the Holder’s gross income and decreased by any payment received from the Issuer 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 Note. Amounts attributable to accrued interest (including OID) are treated as interest as described under “—*Payments of Stated Interest*” 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 Notes may be limited. Moreover, under recently finalised 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 realised in their particular circumstances.

Except as described below, gain or loss realised on the sale, exchange, retirement or other taxable disposition of a Note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition the U.S. Holder has held the Note for more than one year. Exceptions to this general rule apply, in the case of a short-term Note, to the extent of any accrued discount not previously included in the U.S. Holder's taxable income. See "*Original Issue Discount*". In addition, other exceptions to this general rule apply in the case of short-term Notes, foreign currency Notes, and contingent payment debt instruments. See "*Short-Term Notes*", "*Foreign Currency Notes*" and "*Contingent Payment Debt Instruments*". The deductibility of capital losses is subject to limitations.

Short-Term Notes

A Note that matures one year or less from its date of issuance (a "**short-term Note**") will be treated as being issued at a discount and none of the interest paid on the Note will be treated as qualified stated interest. In general, a cash method U.S. Holder of a short-term Note is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so, 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 Note will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. Holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term Notes in an amount not exceeding the accrued discount (which includes interest that is payable but that has not been included in gross income) interest income with respect to such short-term Note until the accrued discount is included in income. A U.S. Holder's tax basis in a short-term Note is increased by the amount included in such holder's income on such a Note.

Contingent Payment Debt Instruments

If the terms of the Notes provide for certain contingencies that affect the timing and amount of payments (including certain Floating Rate Notes 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 Notes 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 Note and the Note's "projected payment schedule" as described below. The comparable yield is determined by us at the time of issuance of the Notes 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 Notes. Solely for the purpose of determining the amount of interest income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, 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 Note that is a contingent payment debt instrument generally will be the acquisition cost of the Note, increased by the interest previously accrued by the U.S. Holder on the Note under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Note. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. 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 Notes

The following discussion summarises the principal U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Notes that are denominated in a specified currency other than the U.S. dollar or the payments of interest or principal on which are payable in a currency other than the U.S. dollar ("**foreign currency Notes**"). However, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of currency-linked Notes and non-functional currency contingent payment debt instruments are not discussed herein and, if applicable, will be discussed in a supplement to the Offering Circular issued in connection with the issuance of such Notes and instruments.

The rules applicable to foreign currency Notes could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Note to be recharacterised as ordinary income or loss. The rules applicable to foreign currency Notes are complex and may depend on the U.S. Holder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a U.S. Holder should make any of these elections may depend on the U.S. Holder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Notes.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Note will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency.

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 Note during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. Holder 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 Note 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 Notes. 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 Note 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 Note will generally equal the "U.S. dollar cost" (as defined herein) of the Note to such holder increased by any previously accrued OID and decreased by any amortised premium and cash payments on the Note other than qualified stated interest. The "U.S. dollar cost" of a Note 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 Notes 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 Note, 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 Note 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 Notes 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 Note that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar value of the foreign currency purchase price of the Note, determined on the date the Note is disposed of, and (ii) the U.S. dollar value of the foreign currency purchase price of the Note, determined on the date the U.S. Holder acquired the Note (adjusted, in each case, for any amortised bond premium that has been taken into account prior to the 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 Notes 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 Note. The source of the foreign currency gain or loss will be determined by reference to the residence of the U.S. Holder or the "qualified business unit" of the U.S. Holder on whose books the Note is properly reflected. Any gain or loss realised by these U.S. Holder 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 Note, 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 Note 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 Notes and gain from the sale, redemption or other disposition of the Notes 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 realized on the sale or exchange of a Note 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 Notes (including any accrued OID) and the proceeds from a sale or other disposition of the Notes. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding.

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 Note 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 Notes as a reportable transaction if the loss exceeds certain thresholds. In the event the acquisition, ownership or disposition of Notes constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisors regarding the application of these rules to the acquisition, ownership or disposition of Notes 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 Notes, subject to certain exceptions (including an exception for Notes 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 Notes.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a Noteholder’s particular situation. Noteholders should consult their tax advisors with respect to the tax consequences to them of the ownership and disposition of the Notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

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*”, Notes held by an investor (other than a “*benefit plan investor*”) that has discretionary authority or control over the assets 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 were deemed to be the assets of a Plan, the Kingdom would be subject to certain fiduciary obligations under ERISA and certain transactions that the Kingdom 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 Notes (or any interest therein). Accordingly, each initial purchaser of the Notes (or any interest therein) and each subsequent transferee will be deemed to have acknowledged, represented and agreed, by its purchase or holding of Notes (or any interest therein), that (A) it is not, and is not acting on behalf of (and for so long as it holds Notes (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 Notes (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 Kingdom or any transactions thereby to any such Similar Law and (B) it and any person causing it to acquire any of the Notes agrees to indemnify and hold harmless the Kingdom, 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 Notes (or any interest therein).

ERISA Transfer Restrictions

Each purchaser and transferee of the Notes (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 Notes (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 Notes (or any interest therein) will not constitute or result in a violation of any Similar Law or subject the Kingdom or any transactions thereby to any such Similar Law and (b) it will not sell or otherwise transfer any such Notes or any interest therein to any person unless the same foregoing representations and warranties apply to that person.

SUBSCRIPTION AND SALE

Notes may be offered from time to time by the Issuer to any one or more of the Arrangers and any Dealer. The arrangements under which Notes may from time to time be offered by the Issuer to, and purchased by, the Dealers are set out in the amended and restated dealer agreement to be dated on or about 9 January 2025 (the “**Dealer Agreement**”) and to be made between the Issuer, the Arrangers and the Dealers. The Issuer and the Dealers will agree the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealers will be entitled in certain circumstances to terminate any agreement that they make to subscribe Notes prior to the closing of the issue of any Notes 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 Notes may not be completed. Investors will have no rights against the Kingdom or the Dealers in respect of any expense incurred or loss suffered in these circumstances. The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and the sale of the Notes. The Dealer Agreement will make provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Certain of the Dealers and their respective affiliates may, from time to time, engage in transactions with, and perform services for, the Issuer in the ordinary course of their respective businesses. The Issuer may apply all or part of the proceeds of any of Notes issued under the Programme in repayment of all or part of any credit facilities that may have been, or may in the future be, extended to the Issuer by the Dealers or their affiliates.

General

Each Dealer will represent and agree, 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 Notes or possesses, distributes or publishes this Offering Circular or any Pricing Supplement or any related offering material, in all cases at its own expense. Other persons into whose hands this Offering Circular or any Pricing Supplement comes are required by the Issuer 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 Notes or possess, distribute or publish this Offering Circular or any Pricing Supplement or any related offering material, in all cases at their own expense.

The Dealer Agreement will provide 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 Issuer. Any such supplement or modification may be set out in the Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Offering Circular.

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 Notes, or possession or distribution of this Offering Circular or any other offering materials or Pricing Supplement in any country or jurisdiction where action for that purpose is required.

United States

The Notes 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 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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

Notes in bearer form may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder.

In respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement each Dealer will represent and agree and each additional Dealer appointed under the Programme will be required to represent, undertake and agree, that:

- (a) except to the extent permitted under the TEFRA D Rules, (i) it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and it will not deliver within the United States or its possessions Definitive Notes that are sold during the restricted period;
- (b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulations §1.163-5(c)(2)(i)(D)(6) (or any substantially identical successor regulations issued for the purposes of Section 4701 of the Code);
- (d) with respect to each affiliate that acquires Bearer Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer either (i) repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subparagraphs (a), (b) and (c); and
- (e) it will obtain from any distributor (within the meaning of U.S. Treasury Regulations §1.163-5(c)(2)(i)(D)(4)(ii)) (or any substantially identical successor United States Treasury regulation issued for the purposes of Section 4701 of the Code) that purchases any Bearer Notes from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subclauses (a), (b), (c) and (d) of this paragraph insofar as they relate to the TEFRA D Rules, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations thereunder, including the TEFRA D Rules.

In addition, to the extent that the Pricing Supplement or the subscription agreement relating to one or more Tranches of Bearer Notes specifies that the applicable TEFRA exemption is TEFRA C, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, such Notes within the United States or its possessions in connection with their original issuance. Furthermore, in connection with the original issuance of such Notes, it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions, or otherwise involve its U.S. office in the offer or sale of such Notes. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder, including TEFRA C.

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Bearer Notes in global form, the Bearer Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended.”

Until 40 days after the commencement of the offering of any Tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) 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 Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

The Notes (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 Notes (or any interest therein) will not constitute or result in a violation of any Similar Law or subject the Kingdom or any transactions thereby to any such Similar Law.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States, other than any QIB 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 will represent and agree, 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 Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) 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 Issuer 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 Notes referred to in (a) to (c) above shall require the Issuer 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 Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- (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 will represent and agree, 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 Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) 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 Issuer 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 Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- (i) the expression “**an offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- (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 will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (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 Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; 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 Notes 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 Notes pursuant to an offering should note that the offer of Notes 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 will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Notes 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 will be 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 Notes under the Programme, including offering and related applications to the CMA.

Further, although Crédit Agricole Corporate and Investment Bank will be appointed as Dealer pursuant to the Dealer Agreement, Crédit 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 Notes under the Programme, including offering and related applications to the CMA.

State of Qatar (including the Qatar Financial Centre)

Each Dealer will represent and agree, 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 Notes in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar; and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Kingdom of Bahrain

Each Dealer will represent and agree, 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 Notes 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 who has a minimum net worth (either singly or jointly with their spouse) of U.S.\$1,000,000, 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 will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes 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 will represent and agree, 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 Notes 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 will represent and agree, 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 Notes 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.

Japan

The Notes 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 will represent and agree, 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 Notes and will not, directly or indirectly, offer or sell any Notes 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 will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that 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 Notes, 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 Notes which are or are intended to be disposed of only to persons outside Hong Kong or only 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.

Korea

Each Dealer will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes 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 Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of Notes except:

- (a) in the case where the Notes are issued as bonds other than equity-linked bonds, such as convertible bonds, bonds with warrants and exchangeable bonds (but with respect to exchangeable bonds, only those which are exchangeable into shares, convertible bonds or bonds with warrants), Notes 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 Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Korean Won,
 - (ii) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to less than 20 per cent. of the aggregate issue amount of the Notes,
 - (iii) the Notes 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 Notes in a major overseas securities market,
 - (iv) the one-year restriction on offering, delivering or selling of the Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant subscription agreement and the offering circular, and
 - (v) the Issuer and the relevant Dealers shall individually or collectively keep the evidence of fulfilment of conditions (i) through (iv) 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 Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Singapore

Unless the Pricing Supplement in respect of any Notes specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer will acknowledge, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the “**MAS**”). Accordingly, each Dealer will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the 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 Pricing Supplement in respect of any Notes specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer will acknowledge, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for

subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the 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 Pricing Supplement in respect to any Notes, all Notes 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 Offering Circular 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 will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that, the Notes have not been and will not be offered or sold, and no invitation to subscribe for or purchase any Notes has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Part 1 of Schedule 6 or (or Section 229(1)(b)), Part 1 of Schedule 7 (or Section 230(1)(b)) and Schedule 8 (or Section 257(3)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission 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 Notes. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Notes as aforesaid without the necessary approvals being in place.

Kuwait

Each Dealer will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes 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 Notes. For the avoidance of doubt, no Notes 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

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes. Each Dealer will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may not be publicly offered, directly or indirectly,

in Switzerland within the meaning of the Swiss Financial Services Act (the “**FinSA**”) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Indonesia

Each Dealer will represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes 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 the Offering Circular nor any other offering materials relating to the Notes 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 Notes under the laws or regulations of the Republic of Indonesia.

Brunei

This Offering Circular 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 Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of Notes 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 Offering Circular 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 Notes shall be made outside Brunei. Nothing in this Offering Circular 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 Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer will represent and agree and each further Dealer appointed under the Programme will be required to represent and agree that no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to the Notes 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 Notes or distribution of copies of this Offering Circular or any other document relating to the Notes 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 Notes are being sold in the United States only to qualified institutional buyers within the meaning of and in reliance on Rule 144A. Because of the following restrictions, purchasers of Notes 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 Notes.

The Issuer is a foreign government as defined in Rule 405 under the Securities Act and is eligible to register securities on Schedule B of the Securities Act. Therefore, the Issuer is not subject to the information provision requirements of Rule 144A(d)(4)(i) under the Securities Act.

Regulation S Notes

Each purchaser of Bearer Notes or Unrestricted Registered Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Offering Circular and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (a) Within the meaning of Regulation S, it is, or at the time Notes are purchased will be, the beneficial owner of such Notes, it is located outside the United States (within the meaning of Regulation S).
- (b) it understands that such Notes have not been and will not be registered under the Securities Act and 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 Notes except:
 - (i) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or
 - (ii) to the Issuer or any affiliate thereof; or
 - (iii) in the case of Unrestricted Registered Notes only, in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB; 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; and
- (c) it understands that the Issuer, 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 Notes is no longer accurate, it shall promptly notify the Issuer and the Dealer(s).

On or prior to the fortieth day after the relevant issue date, Notes represented by an interest in an Unrestricted Global Certificate may be transferred to a person who wishes to hold such Notes in the form of an interest in a Restricted Global 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, 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 Certificate, as described above under "*Form of the Notes*".

THE NOTES IN RESPECT OF WHICH THIS GLOBAL NOTE IS ISSUED (THE "**NOTE**") 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 NOTE (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 NOTE (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 NOTE (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 KINGDOM OR ANY TRANSACTIONS THEREBY TO ANY SUCH SIMILAR LAW AND (B) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE 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 NOTE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND THE KINGDOM WILL NOT RECOGNISE ANY SUCH ACQUISITION OR TRANSFER. Notes represented by an interest in a Restricted Global Certificate may also be transferred to a person who wishes to hold such Notes in the form of an interest in an Unrestricted Global 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 Note represented by an Unrestricted Global Certificate that is transferred to a person who takes delivery in the form of an interest in a Note represented by a Restricted Global Certificate will, upon transfer, cease to be an interest in a Note represented by an Unrestricted Global Certificate and become an interest in a Note represented by a Restricted Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Notes represented by a Restricted Global Certificate.

Rule 144A Notes

Each prospective purchaser of Notes in reliance on Rule 144A (a “**144A Offeree**”), by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged as follows:

- (i) such 144A Offeree acknowledges that this Offering Circular 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 Notes. Distribution of this Offering Circular, 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 Issuer, is prohibited.
- (ii) such 144A Offeree agrees to make no photocopies of this Offering Circular or any documents referred to herein.

Each purchaser of Restricted Registered Notes in reliance on Rule 144A, by accepting delivery of this Offering Circular, 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, (b) acquiring the Notes for its own account or for the account of one or more QIBs, (c) not formed for the purpose of investing in the Notes or the Issuer and (d) is aware, and each beneficial owner of such Notes has been advised that the sale of the Notes to it is being made in reliance on Rule 144A;
- (ii) the purchaser understands that (1) the Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs, (b) in an offshore transaction 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 Issuer 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 Registered Notes is required to, notify any purchaser of the Restricted Registered Notes from it of the resale restrictions applicable to the Restricted Registered Notes;
- (iii) the purchaser understands that the Restricted Global Certificate and any restricted Individual Note Certificate (a “**Restricted Individual Note Certificate**”) will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

THE NOTES 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 NOTES REPRESENTED HEREBY, REPRESENTS THAT IT IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”)) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS, AND, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES 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 TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER 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) 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 ISSUER 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, AND ANY OTHER JURISDICTION, AND AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND

BY ACCEPTING THIS NOTE (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 NOTE (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 NOTE (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 KINGDOM OR ANY TRANSACTIONS THEREBY TO ANY SUCH SIMILAR LAW AND (B) IT WILL NOT SELL OR OTHERWISE TRANSFER THIS NOTE 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 NOTE, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND THE KINGDOM WILL NOT RECOGNISE ANY SUCH ACQUISITION OR TRANSFER;

- (iv) if it is acquiring any Notes for the account of one or more QIBs, 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; and

- (v) the purchaser understands that the Issuer, 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 Notes is no longer accurate, it shall promptly notify the Issuer and the Dealer(s).

Upon the transfer, exchange or replacement of a Restricted Global Certificate or a Restricted Individual Note Certificate, or upon specific request for removal of the legend, the Issuer will deliver only a Restricted Global Certificate or one or more Restricted Individual Note Certificates that bear such legend or will refuse to remove such legend, unless there is delivered to the Issuer and the relevant Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Issuer 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 Certificate that is transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Certificate will, upon transfer, cease to be an interest in a Restricted Global Certificate and become an interest in an Unrestricted Global Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in an Unrestricted Global Certificate. Prospective purchasers that are QIBs are hereby notified that sellers of the Restricted Registered Notes 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 Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuers nor any Agent or Dealer takes any responsibility for the accuracy thereof. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

DTC Book-Entry System

Registered Notes whether as part of the initial distribution of the Notes or in the secondary market, are eligible to be held in book-entry form in DTC.

DTC has advised the Issuer 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 Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“**DTC Notes**”) as described below, and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the U.S. Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“**Owners**”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest with respect to the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (“**Beneficial Owner**”) is in turn to be recorded on the Direct 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 Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to 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 bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Notes for Individual Note Certificates, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Restricted Global Note Certificate, will be legended as set forth under "*Transfer Restrictions*".

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer may apply to DTC in order to have each Tranche of Notes represented by the Restricted Global Certificate, and if applicable, the Unrestricted Global Certificate, accepted in its book-entry settlement system. Upon the issue of any Global Registered Notes, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global Registered Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer.

Ownership of beneficial interests in a Global Registered Note will be limited to Direct Participants or Indirect Participants. Ownership of beneficial interests in a Global Registered Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Global Registered Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the 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 Registered Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Paying Agents, the Registrars or the Issuer. Payments of principal, premium, if any, and interest, if any, on Notes to DTC are the responsibility of the Issuer.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Investors may hold their interests in Global Certificates directly through Euroclear or Clearstream, Luxembourg if they are accountholders or indirectly through organisation which are accountholders therein.

Transfers of Notes Represented by Global Registered Notes

Transfers of any interests in Notes represented by a Global Registered Note 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 Notes represented by a Global Registered Note to such persons may depend upon the ability to exchange such Notes for Individual Note 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 Notes represented by a Global Registered Note held by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability

of any holder of Notes represented by a Global Registered Note held by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Transfers at any time by a holder of a book-entry interest in a Restricted Global Certificate to a transferee who takes delivery of such book-entry interest through an Unrestricted Global Certificate for the same Series of Notes 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 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 Certificate to a transferee who takes delivery of such book-entry interest through a Restricted Global Note Certificate for the same Series of Notes 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 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 Registered Notes 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 Registered Notes have been deposited.

On or after the relevant issue date for any Series, transfers of Notes of such Series between accountholders in Euroclear or Clearstream, Luxembourg and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in 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 Registered Notes 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 Registered Notes 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 Issuer, 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 Notes represented by Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

GENERAL INFORMATION

Authorisation

The establishment of the Programme by the Issuer was authorised by a resolution of the Council of Ministers of the Kingdom of Saudi Arabia on 2 May 2016.

Listing

Application may be made to the London Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to trading on the main market of the London Stock Exchange. Any Series of Notes 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 Pricing Supplement and any other information required by the London Stock Exchange. Prior to admission to trading, dealings in the Notes 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. Notes which are neither listed nor admitted to trading on any market may also be issued. The application for listing of Notes of any Series issued under the Programme relates to all Notes of that Series issued or proposed to be issued.

Litigation

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), in the 12 months preceding the date of this Offering Circular which may have or have had in the recent past a significant effect on the Issuer's financial position or which are material in the context of the issue of the Notes.

Significant Change

Since 30 December 2023, there has been no significant adverse change in the information set out under the following headings in this Offering Circular: "*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 Offering Circular, copies of the following documents will, when published, be available for inspection at the specified office of the Fiscal Agent:

- (a) the press release relating to the budget for the current fiscal year;
- (b) the Agency Agreement;
- (c) the Deed of Covenant;
- (d) this Offering Circular; and
- (e) any future supplements and any Pricing Supplement to this Offering Circular (save that any Pricing Supplement relating to an unlisted Note will only be available for inspection by a Holder of such Note and such Holder must produce evidence satisfactory to the Fiscal Agent as to the identity of such Holder).

Clearing Systems

It is expected that the Notes 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 Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the Pricing Supplement. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP number for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the Pricing Supplement.

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 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer 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 Issuer in March 2018. The Issuer may also apply all or part of the proceeds of any of Notes issued under the Programme in repayment of all or part of any credit facilities that may have been, or may in the future be, extended to the Issuer 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 Issuer or its agencies. The Dealers and/or their affiliates may receive allocations of the Notes (subject to customary closing conditions), which could affect future trading of the Notes. Certain of the Dealers or their affiliates have a lending relationship with the Issuer and/or its agencies, and of those that do, they may hedge their credit exposure to the Issuer 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 Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph, the term "affiliates" shall also include parent companies.

Tax legend for Bearer Notes

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Bearer Notes in global form, the Bearer Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended.”

ISSUER

The Kingdom of Saudi Arabia
acting through the Ministry of Finance
King Abdulaziz Road
Riyadh 11177
Kingdom of Saudi Arabia
Telephone Number: +966 11 405 0000

ARRANGERS AND DEALERS

Bank of China Limited, London Branch

1 Lothbury
London EC2R 7DB
United Kingdom

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

Mizuho International plc

30 Old Bailey
London EC4M 7AU
United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

MUFG Securities EMEA plc

Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

DEALERS

Agricultural Bank of China Limited Hong Kong Branch

25/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

BNP Paribas

16, boulevard des Italiens
75009 Paris
France

Crédit Agricole Corporate and Investment Bank

12 place des Etats-Unis
CS 70052 92 547 Montrouge Cedex
France

Bank of Communications Co., Ltd. Hong Kong Branch

3/F, 20 Pedder Street
Central
Hong Kong

China Construction Bank (Asia) Corporation Limited

28/F, CCB Tower
3 Connaught Road Central
Hong Kong

Goldman Sachs International

Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

ICBC International Securities Limited

37/F, ICBC Tower
3 Garden Road
Central
Hong Kong

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ
United Kingdom

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

SMBC Bank International plc

100 Liverpool Street
London EC2M 2AT
United Kingdom

Société Générale

29, boulevard Haussmann
75009 Paris
France

Standard Chartered Bank

7th Floor, Building One
Gate Precinct
Dubai International Financial Centre
P.O. Box 999
Dubai
United Arab Emirates

**LEGAL ADVISERS
TO THE ISSUER**

as to English and United States law

Allen Overy Shearman Sterling LLP

One Bishops Square
London E1 6AD
United Kingdom

as to Saudi law

Allen Overy Shearman Sterling Law Firm

Tadawul Tower-Building 1.17, Office W1,
9th Floor, KAFD, Al Aqeeq Dist.,
Riyadh, 13519,
Kingdom of Saudi Arabia

**LEGAL ADVISERS
TO THE ARRANGERS AND DEALERS**

as to English law

Linklaters LLP

Level 12 ICD Brookfield Place
Mustaqbal Street
Dubai International Financial Centre
P.O. Box 506516
Dubai
United Arab Emirates

as to Saudi law

Linklaters Law Firm

Tadawul Tower
Level 9
King Abdullah Financial District
Riyadh 13519
Kingdom of Saudi Arabia

as to United States law

Linklaters LLP

One Silk Street
London EC2Y 8HQ
United Kingdom