



UNITED ARAB EMIRATES
MINISTRY OF FINANCE

Public Debt... Efficiency and Sustainable Financing

Federal Government Public Debt Report
in the United Arab Emirates

2022-2025

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Introduction

The UAE Federal Government has reinforced its public debt management capabilities through a strategy centered on financial sustainability and prudent risk mitigation. It has introduced domestic debt instruments, including Dirham-denominated Government Treasury Bonds and Islamic Treasury Sukuk, which have contributed to stimulating the local market and expanding the investor base. Since the inception of issuances in May 2022 and until 31 December 2025, the Ministry of Finance has implemented a series of regular and transparent issuances, supporting the provision of sustainable financing for infrastructure and economic development projects. The implementation of hedging strategies against interest rate and exchange rate fluctuations has enhanced cash flow stability. During this period, the UAE maintained strong credit ratings from Moody's and Fitch along with S&P which was added in 2025, reinforcing investor confidence and further establishing the country's position as a reliable and attractive financial hub.



Public Debt Management: A Pillar of Financial Stability and Sustainable Economic Growth

The United Arab Emirates continues to advance its economic model under the visionary leadership of His Highness Sheikh Mohamed bin Zayed Al Nahyan, President of the UAE, and His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister of the UAE, and Ruler of Dubai. This model is grounded in long-term strategic vision and sustainable financial planning. Over the past decades, the UAE has established a resilient and forward-looking financial system that has enabled the nation to achieve pioneering development milestones and successfully adapt to global economic transformations. These achievements are aligned with the strategic objectives of the “We the UAE 2031” vision and the “UAE Centennial 2071” plan.

In this context, public debt management serves as a strategic instrument to strike a balance between efficient public spending and sustainable financial resources. It plays a critical role in fostering an attractive, transparent, and diversified sovereign debt market, thereby reinforcing the stability of the financial system and equipping policymakers with greater flexibility in navigating economic challenges.

Amid the accelerating economic and technological shifts witnessed globally, the UAE continues to pursue a proactive approach that combines fiscal responsibility with economic ambition. Effective public debt management strengthens the country’s ability to maintain high sovereign credit ratings, diversify funding sources, and support sustainable growth.

The progress achieved across local and international debt markets reflects a clear strategic vision and a collaborative institutional framework across government entities. Risk management and hedging strategies are also central to this model, enabling the UAE to meet its financing needs without compromising service quality or financial stability, thereby laying the foundation for a more prosperous future for generations to come.



H.H. Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum
First Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance

An Integrated Debt Ecosystem: Driving Market Efficiency and Fiscal Balance

The United Arab Emirates prioritizes efficient public debt management as a cornerstone of its sophisticated financial ecosystem. This commitment is integral to a comprehensive national vision focused on robust financial governance and proactive long-term planning. In line with this direction, the Ministry of Finance is dedicated to developing sovereign debt instruments that adhere to global best practices. This underscores our nation's unwavering commitment to sustainable financial stability, thereby supporting its overarching development agenda.

Since issuing the first federal dirham-denominated bonds, the Ministry has made significant strides in establishing a domestic debt market characterized by transparency, credibility, and strong investment appeal. This market offers long-term financing tools that support the country's economic diversification efforts, improve market efficiency, and expand the investor base both locally and internationally.

The federal debt strategy is designed to strike an optimal balance between reducing borrowing costs and managing financial risks dynamically and prudently. It emphasizes the diversification of instruments, the distribution of maturities, and the implementation of effective hedging strategies, ensuring stable and sustainable funding flows amid an increasingly changing global financial landscape.

This model is built on an integrated risk management framework and close collaboration with regulatory authorities and credit rating agencies, reinforcing global confidence in the fiscal efficiency and institutional strength of the UAE. Looking ahead, we remain committed to broadening the investor base and further strengthening the UAE's position as a reliable and attractive destination in global capital markets, eventually supporting national aspirations and ensuring economic stability.



His Excellency Mohamed bin Hadi Al Hussaini

Minister of State for Financial Affairs

Strengthening Financial Stability and Driving National Development through Public Debt Programs

The Federal Debt Management Office (FDMO) plays a key role in promoting the country's financial stability and maintaining the sustainability of government financing. It ensures that financial obligations are met, national development plans are implemented, and resources are directed toward strategically prioritized infrastructure projects.

Public debt programs are primarily designed to develop the local debt market by building and developing the yield curve for the UAE dirham. This enhances the effectiveness of fiscal and monetary policies while providing a reference tool for pricing domestic financial products, including mortgages. The programs also contribute to a wider range of government debt instruments, appealing to both local and international investors, which in turn broadens the investor base and enhances market depth. Moreover, the programs support the sovereign wealth fund by strengthening and diversifying its portfolio, ensuring that it is managed more efficiently and sustainably in line with its long-term strategies.

Through the public debt program, the FDMO provides a transparent and structured institutional framework for managing government liabilities in accordance with international best practices. This framework enhances fiscal discipline and strengthens investor confidence. Together with the resilience of the national economy and the stability of fiscal and monetary policies, these efforts contribute to improving the UAE's sovereign credit rating, reinforcing confidence in the national economy, enhancing competitiveness at regional and global levels, and consolidating the UAE's position as a leading financial and investment hub.

The FDMO contributes to strengthening the effectiveness of strategic financial planning through the development of a comprehensive database and in-depth analyses of government liabilities and cash flows. These efforts provide a solid foundation for informed financial decision-making, supporting sustainable economic growth, and enabling the UAE to adapt effectively to global developments.



Federal Debt Management

Enhancing Fiscal Sustainability

As part of its ongoing efforts to enhance fiscal and strengthen the UAE's position in international financial markets. The Federal Debt Management Office was officially established under Federal Decree-Law No. (9) of 2018 concerning public debt, as a specialized government division within the Ministry of Finance.

The office is responsible for:



Maintaining sustainable levels of sovereign debt



Securing sovereign funding at the lowest possible cost and risk, thereby ensuring the stability of the country's public finances



The Federal Debt Management Office also serves as the main governmental entity for coordinating with international credit rating agencies to obtain and maintain the sovereign credit rating, which supports the UAE's standing in global financial markets

The Federal Debt Management Office contributes to:



Sustainable economic development by reducing costs



Managing challenges with the highest levels of efficiency and effectiveness, maintaining the stability of the UAE's financial sector



Securing the federal government's financing needs

Among the office's main objectives are:



Supporting the Central Bank of the United Arab Emirates in Enhancing Liquidity Management in the Banking Sector



Providing a Federal Mechanism to Finance Infrastructure Projects, Government Financial Guarantees, and Contingent Liabilities



Providing an Additional Financing Arm for the Federal Government to Achieve a Diversified Funding Strategy



Supporting and Developing a Highly Efficient Financial Market in the UAE

Managing Challenges – An Innovative Approach to Ensuring Public Debt Sustainability

The Federal Debt Management Office follows an advanced strategic approach to address challenges related to debt and investment systems by adopting a **medium-term debt management strategy**.



This advanced policy covers various challenges and key risks associated with public debt through the following solutions:



Funding and Liquidity Risks

The challenges of refinancing are managed by handling the debt maturity profile and asset portfolios to ensure adequate liquidity is available at the right time.



Credit Risks

Credit risks are mitigated by ensuring that all counterparties have approved credit ratings.



Market Risks

The strategy includes effective measures to reduce the impact of market fluctuations, including changes in interest rates, currencies, and commodity prices, through the application of risk management strategies that balance assets and liabilities at the lowest possible cost.



Operational Risks

The office works on creating a comprehensive framework for managing operational risks, which includes proactive plans to address potential challenges, in addition to developing a sustainable operational strategy to ensure business continuity efficiently.

This strategy reflects the Federal Debt Management Office's commitment to enhancing the financial sustainability of the United Arab Emirates through advanced practices that align with international best standards in public debt management.

Risk Management Framework

Global Standards Strategy

Through FDMO, the Ministry of Finance employs a sophisticated, internationally aligned risk management framework to support fiscal sustainability, maintain investor confidence, and enhance market stability. This includes hedging domestic public debt issuances with a Global Multi-Asset Fixed Income Portfolio of matching maturities, ensuring duration and cash flow alignment.

Credit Risk

- Active monitoring of counterparties' credit quality using international ratings.
- Exposure limits tailored to risk ratings – Customized advanced investment policy - Counterparty risk mitigated through diversification and collateralized structures.

Market Risk

- Currency and interest rate risks mitigated through duration-matched hedging using U.S. Treasury instruments and currency pegging.
- Strategic hedges stabilize cash flows and reduce volatility in debt servicing costs.
- Regular stress testing ensures alignment with global market shifts.



Liquidity Risk

- Liquidity buffer composed of high-quality liquid assets (HQLA), including U.S. Treasuries.
- Cash flow forecasting aligned with bond maturities; hedged portfolios support refinancing needs.
- Strategy ensures 6–12 months of obligations can be met without new borrowing.

Operational Risk

- Integrated framework covering internal controls, compliance, and continuity planning.
- Governance structure ensures proactive mitigation of legal, reputational, and systemic risks.
- Clear escalation and review protocols embedded across front, middle, and back offices.

Risk Management Framework

Global Standards Strategy



Governance and Oversight

- Limits and risk policies approved by the Public Debt Law
- Quarterly monitoring reports for credit and market exposures
- Dynamic updates to risk strategies aligned with macroeconomic and market developments



Outcome and Global Alignment

- Demonstrates FDMO's commitment to best-in-class sovereign risk practices
- Enhances UAE's credibility in global markets via structured public debt management
- Reinforces sovereign credit rating stability (Moody's Aa2 / Fitch AA- / S&P AA)
- Strategic mitigation of UAE's public debt portfolio reflects FDMO's shift to proactive and precision-based risk management



The Pioneering Model of the United Arab Emirates' Economy

An Overview of the Pioneering Model of the United Arab Emirates' Economy

The United Arab Emirates continues to solidify its position as one of the most competitive and advanced economies in the world by crafting innovative strategies aimed at supporting growth and economic diversification. This enhances the outcomes of key economic development indicators, which highlight the stability of the financial system and the strength and resilience of the national economy. Some of the prominent examples include:



Leading Sovereign Wealth Funds

Sovereign wealth funds play a crucial role in ensuring stability in the financial sector of the United Arab Emirates. The UAE's sovereign wealth funds, including the Emirates Investment Authority, have been ranked among the best sovereign wealth funds in the region by the Sovereign Wealth Fund Institute.



Steady GDP Growth

The real GDP of the United Arab Emirates continues to experience steady growth. According to the World Bank, estimates suggest that the UAE's economy will accelerate with the rise in oil prices and production, along with the strong performance of the non-oil sector, which are key contributors to its economic progress.



High Debt Servicing Capacity

The financial reserves of the United Arab Emirates continue to grow significantly, according to the Central Bank of the UAE, reflecting the strong banking system and high financial solvency of the country. This ensures its ability to overcome sudden shifts in the financial and economic landscape.



A Five-Year Federal Budget

The federal budget for the 2022-2026 five-year plan has been approved, with a total of AED 290 billion, making it the largest in the history of the United Arab Emirates. The budget aims to prioritize plans for the social development sector, enhance government services, implement federal projects and initiatives, and promote economic development.



A Competitive and Diversified Economy

The United Arab Emirates has made significant progress in reducing its reliance on oil and transitioning towards a competitive economy based on knowledge and innovation. This is due to the government's continuous and sustained efforts in economic diversification, with non-oil sectors contributing more than 75% of the GDP.



A Global Investment Hub

The United Arab Emirates ranks highly both globally and regionally, thanks to its investor-friendly regulations that aim to protect investors, provide new investment opportunities, and ensure business stability.

The Federal Government's Public Debt Strategy

The UAE government has adopted the Federal Government's Public Debt Strategy to develop local debt markets, enhance financial sustainability, and strengthen the UAE's position in global financial markets. This strategy is part of the country's efforts to promote financial stability and support sustainable economic growth. The strategy includes several key objectives, including:

Developing a Local Currency Bond Market

The strategy aims to create an efficient and transparent local debt market by building and developing the yield curve for the UAE dirham. This will contribute to enhancing financial sustainability, providing a reference tool for pricing financial products, and improving liquidity in local financial markets.

Enhancing the UAE's Presence in International Markets

This is achieved by issuing sovereign debt instruments that attract international investors.

Providing Sustainable Funding Sources for Development and Infrastructure Projects

Through the establishment of a federal mechanism for financing these projects, the government aims to foster sustainable development and achieve fiscal balance.

Enhancing Liquidity in the Banking Sector

Public debt issuances contribute to supporting the Central Bank of the UAE's liquidity management policy, which helps stabilize the banking sector and boost confidence in the financial system.



The Federal Government's Public Debt Strategy includes issuance plans for public debt programs, which cover both domestic and external debt issuances

External Debt

The program includes international bonds in US dollars. The aim of the program is to solidify the UAE's position in international financial markets, attract international investors, and enhance the investment portfolio of the sovereign wealth fund.

Domestic Debt

The program includes government treasury bonds and Islamic treasury sukuk in the local currency. The primary goal of domestic public debt programs is to build and develop the yield curve for the dirham and to develop the local currency debt market.

An Overview of the Treasury Bonds and Islamic Treasury Sukuk Program

Treasury Bonds (“bonds”) and Islamic Treasury Sukuk (“sukuk”) are domestic public debt instruments issued by the federal government of the United Arab Emirates and offered for subscription in the local markets in UAE dirhams. The issuance of these instruments is part of a fiscal policy aimed at developing the yield curve denominated in dirhams, allowing this curve to serve as a benchmark for financing operations within the country. This includes interest rates on long-term mortgages and capital projects. The yield curve is an analytical tool that shows the interest rates due on debt instruments according to their different maturities, reflecting the return on investment available to investors in exchange for lending their money over varying time periods.

The issuance of domestic bonds and sukuk contributes to diversifying funding sources, reducing reliance on external capital markets, and expanding the investor base in dirham-denominated debt instruments. This helps mitigate the risks associated with extending debt maturities and fluctuations in exchange rates, while also providing local investors with investment opportunities in government securities. It opens up new funding channels for the private sector, banks, and financial institutions within the local market.

Bonds and sukuk are fixed-income investment instruments. Investors subscribe to them by lending a specified amount of money to the federal government (as the issuer) for a defined period, according to the terms outlined in the issuance documents. Investors (“bond and sukuk holders”) receive regular interest or profit payments (coupons), while the government is committed to repaying the nominal value due on the maturity date.

Process Stages

01

Issuance

The federal government issues bonds and sukuk, and investors subscribe and purchase them at the nominal price.

02

Interest/Profit Payments










The government makes regular and fixed payments to investors in the form of interest or profits.

03

Final Repayment

Upon maturity, the government is obligated to repay the nominal value of the bond or sukuk, along with the due interest or profits.

Objectives of the Treasury Bonds and Islamic Treasury Sukuk Program

-  **Developing the UAE Dirham-Denominated Yield Curve**
This yield curve serves as a benchmark and reference indicator for financing operations within the federal government.
-  **Expanding the Investor Base for Local Currency Bonds**
By offering these instruments, the program broadens the pool of investors in dirham-denominated bonds.
-  **Supporting the Government's Ability to Meet Future Financing Requirements in Local Currency**
The program enhances the government's capacity to address future funding needs in dirhams.
-  **Reducing Exposure to Debt Extension Risks and Foreign Exchange Fluctuations**
The program minimizes risks associated with currency volatility and the extension of debt maturities.
-  **Creating an Active Market for Trading Federal Bonds**
This contributes to improving pricing efficiency and capital allocation.
-  **Providing Local Investors, the Opportunity to Invest in UAE Dirham Denominated Securities**
This opens up investment opportunities for domestic investors in government securities.
-  **Establishing an Active Market for Trading Federal Securities**
This supports the development of the capital market.
-  **Diversifying Funding Sources and Reducing Dependence on Foreign Capital Markets**
The program helps to reduce reliance on international markets for financing.
-  **Offering Alternative Financing Opportunities for the Private Sector, Banks, and Financial Institutions in the Country**
The program creates new funding avenues within the local market for private sector entities and financial institutions.

International Best Practices

The Ministry has established principles and standards for implementing the domestic public debt strategy in accordance with the best international standards to ensure the application of global best practices in the program. Key practices include:



Price Discovery Process through Auction

Using an auction mechanism to determine the price.



Issuer's Agent – Central Bank of the UAE

The UAE Central Bank acts as the issuance agent.



Uniform Pricing

Ensuring consistency in pricing.



Issuance Frequency

Bonds are issued every six to eight weeks.



Limit on Primary Dealer's Share

No primary dealer can exceed 45% of successful bids.



Transparency in Auction Dates and Issuance Values

Auction dates and issuance values are displayed on the official website to ensure full transparency.



Third Party Electronic Auction System

The auction and bidding processes are conducted via the Bloomberg electronic system.



Strict Code of Conduct for Primary Dealers

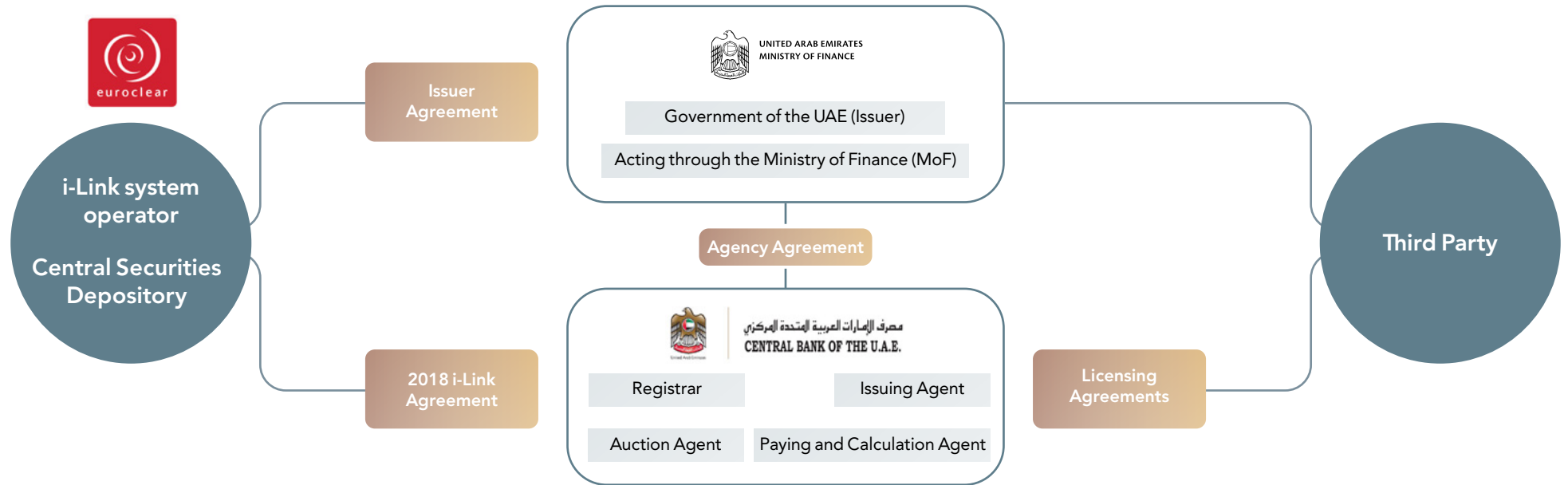
A set of stringent rules is applied to primary dealers.



Depository/Custody Services via Euroclear i-Link Platform

Depository and custody services are handled through the Euroclear i-Link platform.

Partners in the Bonds and Sukuk Programs



PRIMARY MARKET

SECONDARY MARKET

PRIMARY DEALERS	ELIGIBLE INVESTORS	
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Domestic Public Debt

Achieved Results of the Bonds and Sukuk Programs

As of 31 December 2025

T-Bonds		T-Sukuk
11 May 2022	 Date of the First Auction	11 May 2023
8 auctions	 Number of Auctions Held	23 auctions
AED 11.2 billion	 Total Amount Issued	AED 27.0 billion
8 times	 Average Bid-to-Issue Ratio	5.6 times
15-20 basis points	 Average Cost vs. U.S. Treasury Bonds	0-10 basis points
AED 2.1 billion	 Outstanding Balance (As of 31 December 2025)	AED 24.8 billion

The bond and sukuk issuance plan, which is updated regularly, can be accessed on the Federal Debt Management Office page on the Ministry of Finance's website. Additionally, the results of the bond and sukuk auctions are published periodically at the link below:

[Click here >](#)

Launch of the Fractional Treasury Bonds and Sukuk Initiative

Benefits and Outcomes of the Fractional Treasury Bonds and Islamic Treasury Sukuk Initiative

The Fractional Treasury Bonds and Islamic Treasury Sukuk Initiative Benefits:

The Fractional T-Sukuk and T-Bonds initiative was launched on 3rd November 2025 and represents a strategic step toward broadening investor participation and promoting a savings culture. It is characterized by:



Secure:

Fully backed by the UAE Government



Flexible:

Seamless digital buy and sell transactions



Accessible:

Available through local banking app - Abu Dhabi Islamic Bank, Emirates ENBD and Emirates Islamic bank



Transparent:

Clear display of fees and expected returns



Affordable:

Minimum investment of AED 4,000



Diversified:

Ideal for balanced and long-term financial planning

The Fractional Treasury Bonds and Islamic Treasury Sukuk Initiative Outcomes:

Retail investments under the initiative reached approximately **AED 7.10 million**, with participation from **310 investors**.



External Public Debt

Issuance Date		
Oct 19, 2021		
Total Value (USD)		
\$4.0 billion		
Tranches		
10Y: \$1B	20Y: \$1B	40Y: \$2B
Yield (%)		
10Y: 2.231	20Y: 3.078	40Y: 3.250
Order Book (USD)	Oversubscription	Listing
\$22.5 billion	5.6x	London Stock Exchange & Nasdaq Dubai
Investor Type Allocation		
10Y: 35% Banks 33% Funds 20% Pensions/CBs 12% Insurers	20Y: 66% Insurers 21% Funds 13% Pensions/CBs	40Y: 59% Insurers 23% Funds 16% Pensions/CBs
Investor Geography Allocation		
10Y: 39% MENA 21% US 20% Asia 12% UK	20Y: 43% US 26% MENA 18% UK 9% EU	40Y: 71% Asia 10% UK others

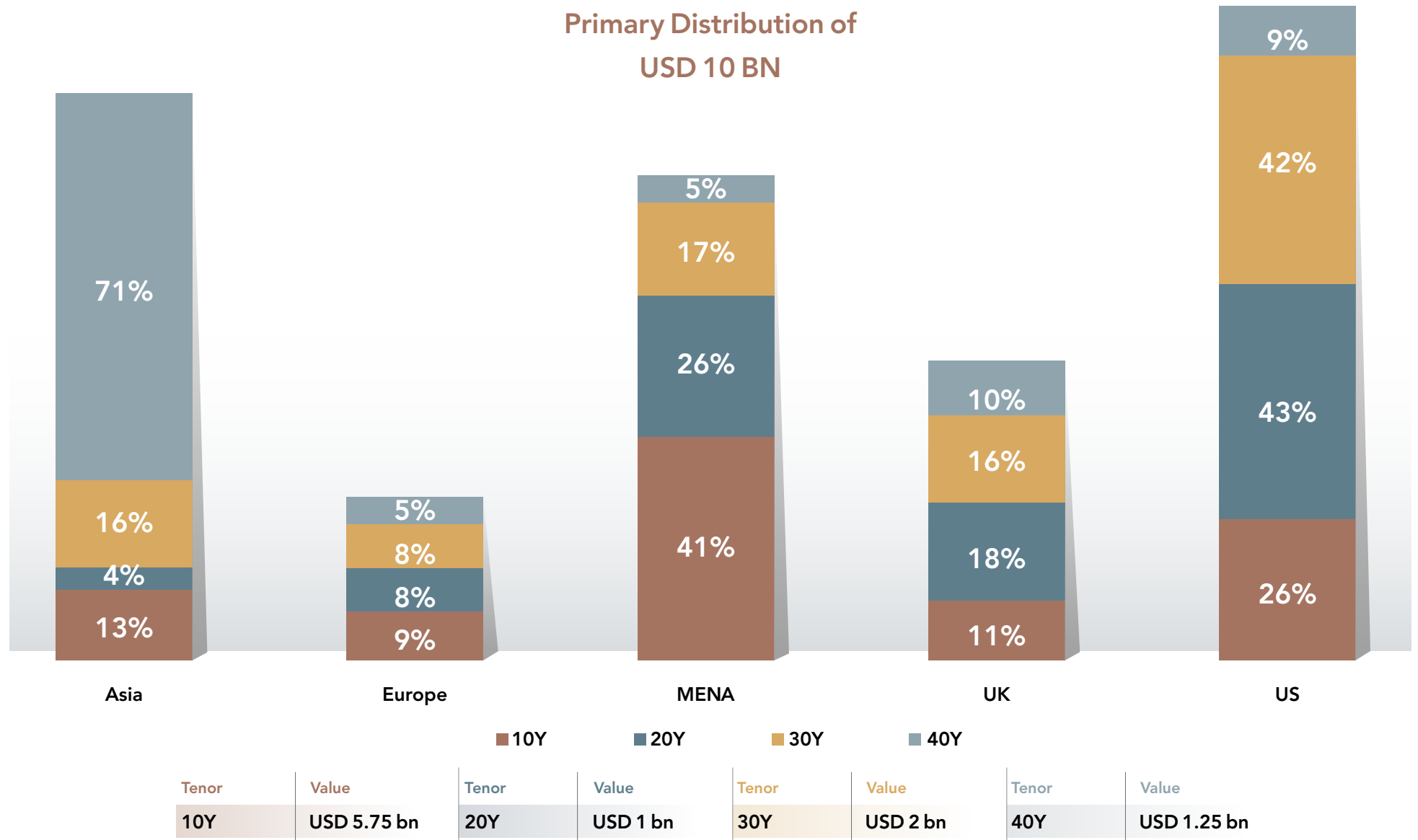
Issuance Date	
Jul 7, 2022	
Total Value (USD)	
\$3.0 billion	
Tranches	
10Y: \$1.75B	30Y: \$1.25B
Yield (%)	
10Y: 4.050	30Y: 4.951
Order Book (USD)	Oversubscription
\$15.0 billion	5x
Listing	
London Stock Exchange & Nasdaq Dubai	
Investor Type Allocation	
10Y: 50% Funds 36% Banks 12% Pensions/CBs	30Y: 61% Funds 23% Insurers 5% Banks
Investor Geography Allocation	
10Y: 41% MENA 26% US 21% Asia	30Y: 42% US 17% UK 17% MENA 16% Asia

External Public Debt

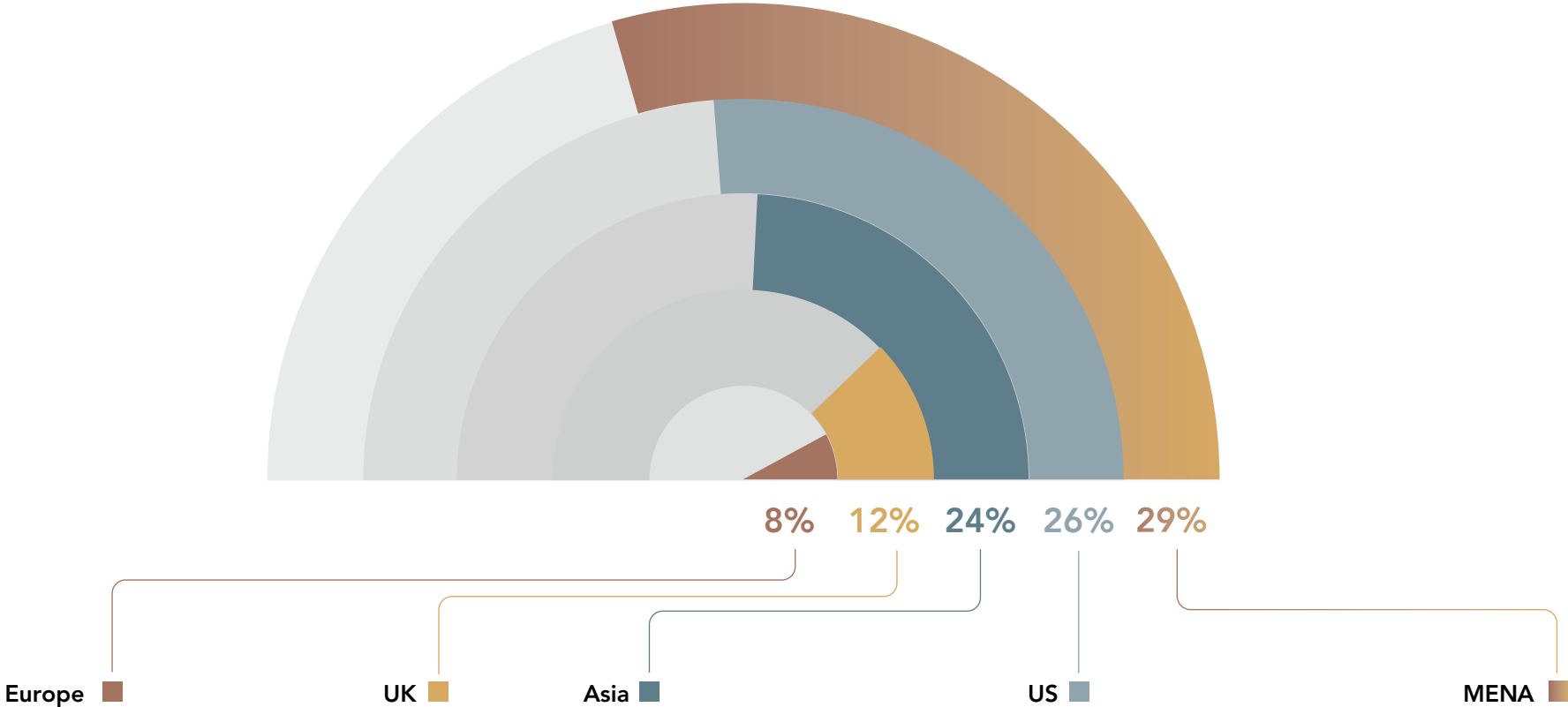
Issuance Date Sep 25, 2023		
Total Value (USD) \$1.5 billion		
Tranches		
10Y: \$1.5B		
Yield (%)		
10Y: 4.917		
Order Book (USD)	Oversubscription	Listing
\$7.4 billion	5x	London Stock Exchange & Nasdaq Dubai
Investor Type Allocation		
10Y: 61% Banks 32% Funds 4% Pensions/CBs 3% Insurers		
Investor Geography Allocation		
10Y: 45% MENA 21% US 14% EU 11% Asia 9% UK		

Issuance Date Jul 2, 2024		
Total Value (USD) \$1.5 billion		
Tranches		
10Y: \$1.5B		
Yield (%)		
10Y: 4.857		
Order Book (USD)	Oversubscription	Listing
\$6.5 billion	4x	London Stock Exchange & Nasdaq Dubai
Investor Type Allocation		
10Y: 56% Other 40% Banks 4% CBs/SWFs 2% Funds 1% Pensions/insurers		
Investor Geography Allocation		
10Y: 38% MENA 34% US 18% UK 7% EU 3% Asia		

External Public Debt



Primary Geography Distribution of
Total USD 10 BN



Credit Rating

The Current Credit Ratings from Moody's , Fitch and S&P

The government of the United Arab Emirates has maintained its credit rating from Moody's Investors Service, Fitch Ratings and S&P Global Ratings as follows:

01

The credit rating of AA- from Fitch Ratings, with a stable future outlook

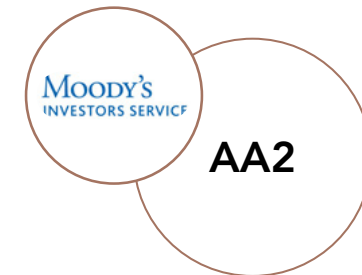
The credit rating from Fitch Ratings



02

The credit rating of AA2 from Moody's Investors Service, with a stable future outlook

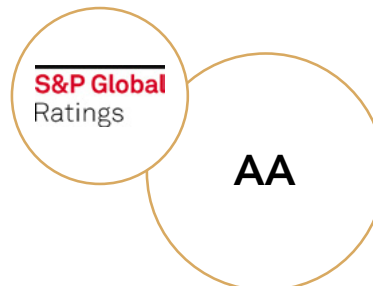
The credit rating from Moody's Investors Service



03

The credit rating of AA from S&P Global with a stable future outlook

The credit rating from S&P Global Ratings



New Investment Mandate Portfolio Allocation & Performance Highlights

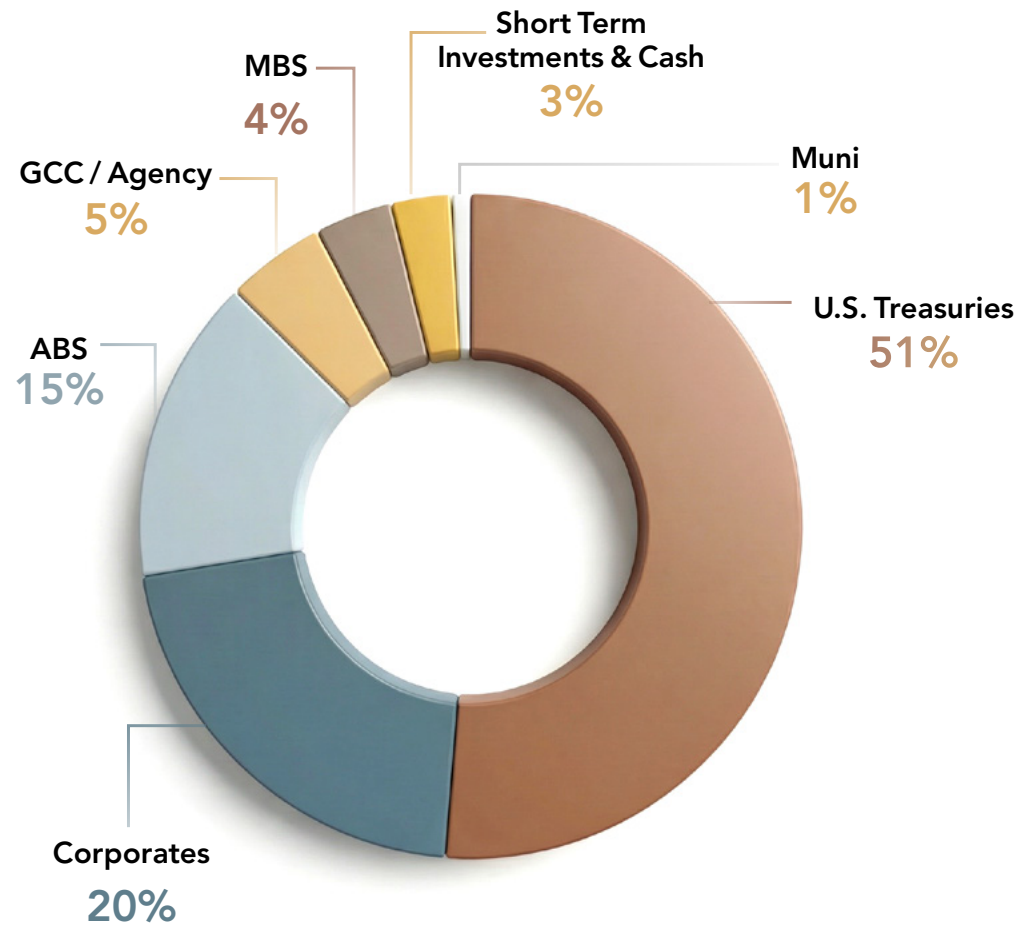
Key Highlights

New investment mandate implemented from May 2025 in coordination with EIA / MetLife.

As of 31 December 2025, the investment portfolio mark to market value was **USD 6.8 billion**.

Portfolio split was **51% US Treasuries** and **49% spread enhanced product**, with all allocations implemented in strict adherence to investment policy guidelines and overall portfolio credit quality (eg Moody's Aa2) maintained.

The portfolio **outperforming the policy benchmark by +35 bps** and **exceeding the US Treasury market yield by +30 bps**.



Thank You.

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