

## IMPORTANT NOTICE

*In accessing the attached base prospectus supplement (the Supplement) you agree to be bound by the following terms and conditions.*

The information contained in the Supplement may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Base Prospectus (as defined in the Supplement) and is not intended for use, and should not be relied upon, by any person outside those countries. **Prior to relying on the information contained in the Supplement, you must ascertain from the Base Prospectus whether or not you are an intended addressee of, and eligible to view, the information contained therein.**

The Supplement and the Base Prospectus do not constitute, and may not be used in connection with, an offer to sell or the solicitation of an offer to buy securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities law of any such jurisdiction.

The Trust Certificates described in the Supplement and the Base Prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**). Subject to certain exceptions, the securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

For a more complete description of restrictions on offers and sales of the securities described in the Supplement and the Base Prospectus, see pages ii to iv, pages x to xiii and the section entitled "*Subscription and Sale*" in the Base Prospectus.

This Supplement may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities and Continuing Obligations Regulations, and any amendments thereto, issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the **Capital Market Authority**). The Capital Market Authority does not make any representations as to the accuracy or completeness of this Supplement, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Supplement. Prospective purchasers of Trust Certificates issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Trust Certificates. If a prospective purchaser does not understand the contents of this Supplement he or she should consult an authorised financial adviser.

**SUPPLEMENT DATED 7 OCTOBER 2021 TO THE BASE PROSPECTUS DATED 25  
FEBRUARY 2021**

**IDB TRUST SERVICES LIMITED**

*(a limited par value company incorporated in Jersey with registered number 89541)*

and

**ISDB TRUST SERVICES NO.2 SARL**

*(a private limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand-Duchy of Luxembourg with its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg and registered with the Luxembourg trade and companies register (Registre de commerce et des sociétés, Luxembourg) under number B247570)*

**U.S.\$25,000,000,000**

**Trust Certificate Issuance Programme**

with, *inter alia*, the benefit of a Guarantee (in respect of the payment obligations arising under the Portfolio of the relevant Series of Trust Certificates) provided by



**THE ISLAMIC DEVELOPMENT BANK**

*(an international organisation that derives its legal personality from public international law)*

This supplement (this **Supplement**) is supplemental to, and must be read in conjunction with, the base prospectus dated 25 February 2021 (the **Base Prospectus**) prepared by IDB Trust Services Limited, IsDB Trust Services No.2 SARL (each in its capacity as issuer and as trustee, each an **Issuer** and a **Trustee**, and together, the **Issuers** and the **Trustees**) and The Islamic Development Bank (the **IsDB**) with respect to the Trustees' U.S.\$25,000,000,000 trust certificate issuance programme (the **Programme**).

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin (**Euronext Dublin**) for Trust Certificates to be admitted to the official list (the **Official List**) and to trading on its regulated market (the **Market**). Application has also been made to the Dubai Financial Services Authority (**DFSA**) and to Nasdaq Dubai for the Trust Certificates to be admitted to the official list of securities maintained by the DFSA and to be admitted to trading on Nasdaq Dubai.

This Supplement has been approved by the Central Bank of Ireland (the **CBI**) as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CBI only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the CBI should not be considered as an endorsement of any Issuer or the IsDB or of the quality of the Trust Certificates that are the subject of this Supplement. Investors should make their own assessment as to the suitability of investing in the Trust Certificates.

This Supplement constitutes a supplement for the purposes of the Prospectus Regulation. Terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

Each of the Issuers and the IsDB accepts responsibility for the information contained in this Supplement and declares that the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Dealers, the Agents and the Delegate have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Agents and the Delegate or any of them as to the accuracy or completeness of the information contained in this Supplement or of any other information provided by either of the Trustees or the IsDB in connection with the Programme, the Trust Certificates or their distribution. None of the Dealers nor any of their respective affiliates accepts any responsibility for any acts or omissions of either of the Trustees, the IsDB or any other person (other than the relevant Dealer) in connection with this Supplement, the Base Prospectus, the Programme or the issue and offering of any Trust Certificates.

To the extent that there is any inconsistency between (a) any statements in this Supplement and (b) any statement in or incorporated by reference into the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted since the publication of the Base Prospectus.

For a description of certain restrictions on offers and sales of the Trust Certificates described in this Supplement and the Base Prospectus, see the section headed "*Subscription and Sale*" in the Base Prospectus.

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in the Base Prospectus shall be amended and/or supplemented in the manner described below.

1. The section entitled "*Documents Incorporated By Reference*" on page 29 of the Base Prospectus shall be amended as follows:

- (a) the following paragraph shall be inserted as a new paragraph "1.":

"the audited financial statements of IDB Trust Services Limited as at and for the year ended 31 December 2020 together with the audit report thereon and the notes thereto (available at <https://www.isdb.org/publications/idb-trust-services-limited-annual-financial-statements-2020>);"

- (b) the following paragraph shall be inserted as a new paragraph "4.":

"the audited financial statements of the IsDB–OCR as at and for the year ended 31 December 2020 together with the audit report thereon and the notes thereto (available at <https://www.isdb.org/publications/isdb-ocr-financial-statements-english-2020>);"

- (c) the remaining paragraph numbers shall be deemed to be amended accordingly; and

- (d) the sentence "Any information incorporated by reference in any of items (1) to (4) above does not form part of this Base Prospectus for the purpose of the Prospectus Regulation" shall be deemed to be updated to refer to items (1) to (6).

2. The following shall be inserted as a new subparagraph (iii) in Condition 8.4(a) in the section entitled "*Terms and Conditions of the Trust Certificates*" on page 55 of the Base Prospectus:

"where the Calculation Method in respect of the relevant Series of Trust Certificates is specified as being "SOFR Index", the Rate applicable to the Trust Certificates for each Return Accumulation Period will, subject as provided below, be the SOFR Index Reference Rate (as defined below) plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin, all as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement) on the Periodic Distribution Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards."

3. The following shall be inserted as new definitions in Condition 8.4(g) in the section entitled "*Terms and Conditions of the Trust Certificates*" on page 56 of the Base Prospectus:

**SOFR Averages** means the computation bearing the same name as published on the New York Federal Reserve's Website;

**SOFR Index** with respect to any U.S. Government Securities Business Day, means:

- (a) the SOFR Index value as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) as such index appears on the New York Federal Reserve's Website at 5.00 p.m. (New York City time) on such U.S. Government Securities Business Day (the **SOFR Determination Time**); or
- (b) if a SOFR Index value does not so appear as specified in (a) above at the SOFR Determination Time, then:

(1) if a Benchmark Event has not occurred, the SOFR Index Reference Rate shall be the SOFR Index Unavailable value; or

(2) if a Benchmark Event has occurred, then the SOFR Index Reference Rate shall be the rate determined pursuant to Condition 8.11 (Benchmark Replacement);

**SOFR Index<sub>End</sub>** means the SOFR Index value for the day which is "p" U.S. Government Securities Business Days preceding the Periodic Distribution Date relating to such Return Accumulation Period;

**SOFR Index Reference Rate** means:

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

where "d<sub>c</sub>" is the number of calendar days from (and including) SOFR Index<sub>Start</sub> to (but excluding) SOFR Index<sub>End</sub> (the number of calendar days in the relevant Observation Period);

**SOFR Index<sub>Start</sub>** is the SOFR Index value for the day which is "p" U.S. Government Securities Business Days preceding the first date of the relevant Return Accumulation Period;

**SOFR Index Unavailable** means if a SOFR Index<sub>Start</sub> or SOFR Index<sub>End</sub> is not published on the associated Periodic Distribution Determination Date and a Benchmark Event has not occurred, "SOFR Index Reference Rate" means, for the relevant Return Accumulation Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the New York Federal Reserve's Website at <https://www.newyorkfed.org/markets/treasury-repo-reference-ratesinformation>. 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 does not so appear for any day, "i" in the Observation Period, SOFR 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 New York Federal Reserve's Website.

4. Subparagraph (c) in the definition of 'p' in Condition 8.4(g) in the section entitled "*Terms and Conditions of the Trust Certificates*" on page 58 of the Base Prospectus shall be deleted in its entirety and replaced with the following subparagraph:

"where "Observation Shift" or "SOFR Index" is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms or Pricing Supplement (which shall not be less than five Business Days without the consent of the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement));"

5. The following shall be added to each of the rows entitled '*Observation Method*' and '*Observation Look-back Period*' in paragraph 15(vii) of the "*Form of Final Terms*" and the "*Form of Pricing Supplement*" on pages 84 and 95 respectively of the Base Prospectus:

"/ [SOFR Index]"

6. The following shall be inserted as a new section on page 135 of the Base Prospectus, under the section entitled "*Description of the IsDB*" preceding the sub-section entitled "*Types of Financing*":

## "RECENT DEVELOPMENTS

For the purpose of simplicity and except where otherwise indicated, in this Base Prospectus, the following exchange rates have been used for conversion from Islamic Dinars to US Dollars: in respect of the year ended and as at 31 December 2020, ID1 = U.S.\$ 1.44027, and in respect of the year ended and as at 31 December 2019, ID1 = U.S.\$1.38283.

## Selected Ratios

The following table sets out selected ratios in respect of the IsDB-OCR's financial performance as at and for the year ended 31 December 2020. The basis for calculation of ratios that are non-AAOIFI financial measures are set out in the notes below.

	<b>As at 31 December 2020</b>
	(%)
Debt/equity <sup>(1)</sup> .....	164.2
Assets / total liabilities <sup>(2)</sup> .....	159.5
Liquid assets / total liabilities <sup>(3)</sup> .....	48.8
Liquid assets / short-term liabilities <sup>(4)</sup> .....	1,146.1
Equity / total liabilities <sup>(5)</sup> .....	59.5
Top five exposures / total gross loans <sup>(6)</sup> .....	34.1
Equity / assets <sup>(7)</sup> .....	37.3

### Notes:

(1) Total debt of the IsDB-OCR divided by total members' equity of the IsDB-OCR. Total debt for these purposes comprises sukuk issued, Wakala (due to) and commodity murabaha liabilities.

(2) Total assets of the IsDB-OCR divided by its total liabilities.

(3) Liquid assets of the IsDB-OCR divided by its total liabilities. For these purposes, liquid assets comprise treasury assets which include cash and cash equivalents, commodity murabaha placements, sukuk investments and Murabaha financing.

(4) Liquid assets of the IsDB-OCR divided by its short-term liabilities. For these purposes, short-term liabilities include commodity murabaha liabilities and other liabilities.

(5) Total members' equity of the IsDB-OCR divided by the total liabilities of the IsDB-OCR.

(6) Total top five countries outstanding exposure of the IsDB-OCR on its sovereign and non-sovereign project assets and Murabaha financing divided by total gross loans. Total gross loans for these purposes includes project assets (gross) plus Murabaha financing (gross).

(7) Total members' equity of the IsDB-OCR divided by the total assets of the IsDB-OCR.

## Financial Condition and Performance as at and for the Year Ended 31 December 2020

As at 31 December 2020, the IsDB-OCR's total assets stood at ID 24.4 billion (U.S.\$35.1 billion) compared to ID 23.6 billion (U.S.\$32.6 billion) as at 31 December 2019, representing an increase of 3.4 per cent. The increase in total assets principally reflected growth in project and treasury assets during the year ended 31 December 2020.

As at 31 December 2020, the IsDB-OCR's total liabilities stood at ID 15.3 billion (U.S.\$22.0 billion) compared to ID 14.5 billion (U.S.\$20.1 billion) as at 31 December 2019, representing an increase of 5.5 per cent. The increase in total liabilities principally reflected an increase in sukuk issued during the year ended 31 December 2020.

As at 31 December 2020, the IsDB-OCR's total members' equity stood at ID 9.1 billion (U.S.\$13.1 billion) compared to ID 9.1 billion (U.S.\$12.6 billion) as at 31 December 2019.

The IsDB–OCR's total income for the year ended 31 December 2020 was ID 592.8 million (U.S.\$853.8 million), compared to ID 621.8 million (U.S.\$859.8 million) for the year ended 31 December 2019, representing a decrease of 4.7 per cent.

The IsDB–OCR's total operating expenses for the year ended 31 December 2020 were ID 169.1 million (U.S.\$243.5 million), compared to ID 156.5 million (U.S.\$216.4 million) for the year ended 31 December 2019, representing an increase of 8.1 per cent. This increase was principally the result of a 10.0 per cent. increase in administrative expenses during the year ended 31 December 2020.

The IsDB–OCR's net income for the year ended 31 December 2020 was ID 116.2 million (U.S.\$167.4 million), compared to ID 140.4 million (U.S.\$194.1 million) for the year ended 31 December 2019, representing a decrease of 17.2 per cent.

The decreases in the IsDB-OCR's total income and net income for the year were predominantly due to a decrease of 22.7 per cent. in income from treasury assets from ID 181.1 million (U.S.\$250.4 million) for the year ended 31 December 2019 to ID 140.0 million (U.S.\$201.6 million) for the year ended 31 December 2020.

### Provisions for Impairment on Financial Assets

The following table sets out the provisions made by the IsDB-OCR on its financial assets for the year ended 31 December 2020.

	<b>31 December 2020</b>	
	<i>(ID thousand)</i>	<i>(U.S.\$ thousand)</i>
Balance at the beginning of the year.....	371,733	535,396
Additional provision on adoption of new FAS 30 impairment rule .....	64,263	92,556
Charge for the year .....	29,769	42,875
Write offs/ reversals	(1,607)	(2,315)
<b>Balance at the end of the year.....</b>	<b>464,158</b>	<b>668,513</b>

The impairment charge increased marginally from ID 28.7 million for the year ended 31 December 2019 to ID 29.8 million for the year ended 31 December 2020. The increase in the impairment charge for the year ended 31 December 2020 was primarily attributable to changes in a number of Member Countries' risk ratings. The ID 29.8 million impairment charge for the year ended 31 December 2020 comprises FAS30 provisions made on account of growth in project assets and remaining overdue payments from Member Countries subject to special circumstances (for example, Syria, Palestine and Yemen). In this context, "special circumstances" means that the relevant Member Country is experiencing political or social unrest, which is hampering or contributing to such Member Country's inability to meet its obligations to the IsDB.

The IsDB-OCR's top five exposures represent 34.1 per cent. of its total outstanding exposures as at 31 December 2020.

### Major Initiatives and Activities in 2020

During the year ended 31 December 2020, the IsDB completed nine sukuk issuances under the Programme:

- a listed issuance of EUR 300 million in January 2020 with a tenor of seven years;

- an unlisted issuance of U.S.\$550 million in January 2020 with a tenor of five years;
- an unlisted issuance of CNY1 billion in February 2020 with a tenor of three years;
- a listed issuance of U.S.\$2 billion in February 2020 with a tenor of five years;
- a listed issuance of GBP 90 million in May 2020 with a tenor of nine years;
- a listed issuance of U.S.\$1.5 billion in June 2020 with a tenor of five years;
- an unlisted issuance of GBP 153 million in June 2020 with a tenor of three years;
- an unlisted issuance of U.S.\$100 million in July 2020 with a tenor of five years; and
- an unlisted issuance of EUR 450 million in September 2020 with a tenor of six years.

The IsDB Group approved 268 financing operations for a total of ID 4.8 billion (U.S.\$6.9 billion) during the year ended 31 December 2020, which was a decline from the ID 5.7 billion (U.S.\$7.9 billion) approved by the IsDB Group during the year ended 31 December 2019.

The IsDB Group has continued to participate in the development of the financial services industry through various activities, which included investments in the equity capital of Islamic financial institutions, the financing of Awqaf (endowments) real estate and other projects. The IsDB Group has also provided technical assistance to member countries in the fields of Islamic banking, Takaful, Islamic microfinance, corporate governance, Awqaf, Zakat as well as legal, regulatory and supervisory issues related to Islamic banking.

#### IsDB-OCR Financing Portfolio by Status of Member Countries

Region	1396H (1976) to 31 December 2020		
	(ID million)	(U.S.\$ million)	(%)
LDMC (25 Member Countries) <sup>(1)</sup> .....	10,205.1	14,698.1	27.7
Non-LDMC (32 Member Countries) <sup>(1)</sup> .....	25,971.1	37,405.4	70.4
Others <sup>(2)</sup> .....	698.3	1,005.7	1.9
<b>Total</b> .....	<b>36,874.5</b>	<b>53,109.2</b>	<b>100.0</b>

(1) Number as at 31 December 2020.

(2) Comprised of non-Member countries and regional projects.

As at 31 December 2020, 93.6 per cent. of all the IsDB-OCR's financing operations (being Murabaha financing, Istisna'a, restricted Mudaraba, Instalment sale, Ijarah and loans but excluding equity investments) were sovereign exposures, while the remainder are guaranteed by a relevant sovereign or banks acceptable to the IsDB.

#### Approvals of the IsDB-OCR

Total IsDB-OCR approvals for the year ended 31 December 2020 amounted to ID 1.1 billion (U.S.\$1.6 billion) for 32 operations.

#### *IsDB-OCR Net Approvals by Mode of Financing*

The table below sets out the IsDB-OCR net approvals for the period 2015 to 31 December 2020.



<b>Mode of Finance</b>	<b>2015 - 31 December 2020</b>	
	<b>(ID Million)</b>	<b>(U.S.\$ Million)</b>
Equity.....	278.9	401.7
Instalment Sale.....	4,116.4	5,928.7
Istisna'a.....	4,109.9	5,919.4
Leasing.....	1,631.9	2,350.4
Loan.....	652.5	939.8
Mudaraba.....	411.4	592.5
Technical Assistance.....	0.0	0.0
<b>Total.....</b>	<b>11,201.0</b>	<b>16,132.5</b>

#### *IsDB-OCR Total Approvals by Region*

With respect to the share of total approvals by the IsDB-OCR received by various regions for the year ended 31 December 2020:

- African and Latin American countries received the majority share amounting to 35.0 per cent. (ID 399.9 million or U.S.\$576.0 million) of approvals;
- MENA and European countries received 21.5 per cent. (ID 245.5 million or U.S.\$353.6 million) of approvals; and
- Asian countries received 42.0 per cent. (ID 479.2 million or U.S.\$690.2 million) of approvals.

#### *IsDB-OCR Total Approvals by Sector*

With respect to the share of total approvals by the IsDB-OCR received by various sectors for the year ended 31 December 2020:

- health and other social services accounted for the largest share of the total approvals by the IsDB-OCR, amounting to 29.1 per cent. or ID 332.0 million (U.S.\$478.2 million) of the total approvals of ID 1.1 billion (U.S.\$1.6 billion);
- transportation accounted for 27.1 per cent. of total approvals and amounted to ID 309.5 million (U.S.\$445.8 million);
- energy accounted for 17.4 per cent. of the total approvals and amounted to ID 198.9 million (U.S.\$286.5 million);
- agriculture accounted for 12.9 per cent. of the total approvals and amounted to ID 147.4 million (U.S.\$212.3 million);
- finance accounted for 8.7 per cent. of the total approvals and amounted to ID 99.7 million (U.S.\$143.6 million);
- water, sanitation and urban services accounted for 2.5 per cent. of the total approvals and amounted to ID 29.0 million (U.S.\$41.8 million); and
- education accounted for 2.2 per cent. of the total approvals and amounted to ID 25.4 million (U.S.\$36.6 million).

## IsDB-OCR Disbursements and Repayments

The total disbursements made by IsDB-OCR during the year ended 31 December 2020 were ID 1.8 billion (U.S.\$2.6 billion) compared to ID 2.0 billion (U.S.\$2.8 billion) during the year ended 31 December 2019. During the year ended 31 December 2020, the repayments totalled ID 1.3 billion (U.S.\$1.9 billion) compared to ID 1.3 billion (U.S.\$1.8 billion) during the year ended 31 December 2019. Between 1976 and 31 December 2020, IsDB-OCR disbursements totalled ID 23.9 billion (U.S.\$34.4 billion) while repayments totalled ID 13.1 billion (U.S.\$18.9 billion), resulting in net resource transfer of ID 10.8 billion (U.S.\$15.6 billion)."

7. The second to eighth paragraphs in the section entitled "*The President*" on page 145 of the Base Prospectus shall be deleted in their entirety and replaced with the following section:

"The Board of Governors have elected H.E. Dr. Muhammad Sulaiman Al Jasser as the President of the IsDB for a five-year term, such term having commenced on 9 August 2021.

H.E. Dr. Muhammad Sulaiman Al Jasser served as an advisor at the General Secretariat of the Saudi Council of Ministers and chairman of the General Authority for Competition from 2016 to 2021. He also served as the Minister of Economy and Planning and Governor and chairman of the board of the Saudi Arabian Monetary Agency (SAMA), the Saudi Central Bank. In addition, he was a member of several ministerial councils, boards, and committees, including the Council for Economic Affairs and Development, the Supreme Council for Civil Defense, the board of directors of the Saudi Food and Drug Authority, the board of directors of the Public Investment Fund, the Higher Committee for Hajj (Pilgrimage) Affairs and the Ministerial Environmental Committee, among many others.

8. The first and second paragraphs in the section entitled "*No Significant Change*" on page 197 of the Base Prospectus shall be deleted in their entirety and replaced with the following paragraphs:

"Since 31 December 2020 there has been no material adverse change in the prospects of the IsDB-OCR, nor any significant change in the financial performance or financial position of the IsDB-OCR.

Since 31 December 2020 there has been no material adverse change in the prospects of IDB Trust Services Limited, nor any significant change in the financial performance or financial position of IDB Trust Services Limited."