

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

**Annual Report and Audited Financial Statements
For the year ended 31 December 2022**

IDB TRUST SERVICES LIMITED
(Incorporated as a limited liability par value company in Jersey)
Financial Statements
For the year ended 31 December 2022

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IDB TRUST SERVICES LIMITED
(Incorporated as a limited liability par value company in Jersey)
For the year ended 31 December 2022
Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2022.

Incorporation

IDB Trust Services Limited (the "Trustee") was incorporated in Jersey on 17 February 2005 as a limited liability par value company pursuant to the Companies (Jersey) Law 1991, with registered number 89541. The registered office of the Trustee is 44 Esplanade, St Helier, Jersey JE4 9WG, Channel Islands.

All of the issued shares of the Trustee are held by, or on behalf of, Intertrust Corporate Trustee (Jersey) Limited as share trustee, under the terms of a declaration of trust dated 16 February 2005 establishing a charitable trust.

Going Concern

The Trustee is reliant on the continued support of the Islamic Development Bank ("IDB"), in IDB's capacity as the Wakeel (Agent) to service the Sukuk Assets, in respect of the Trustee's ongoing activities. IDB have committed to provide all necessary support and accordingly the Directors have prepared the financial statements on a going concern basis.

Principal Activities

The principal objectives of the Trustee are set out in its Memorandum of Association, and these permit the Trustee to act as trustee generally and to issue Trust Certificates in respect of any such Trust, to borrow or raise money and to grant security over its assets for the performance of its obligations or the payment of money. The Trustee was established to raise capital by the issue of Trust Certificates and to use the net proceeds of such issuance to purchase Sukuk Assets in accordance with a Purchase Agreement.

Results

The statement of comprehensive income for the year is set out on page 10. The Directors recommended no dividend for the year ended 31 December 2022 (31 December 2021: GBP 738 (USD 998)).

Subsequent Events

Details of subsequent events are set out in note 9 to the financial statements.

Directors

The Directors in office during the year ended 31 December 2022 and when the financial statements were approved are shown on page 5 & 9.

Independent Auditor

BDO Limited have expressed their willingness to continue in office.

Secretary

The Secretary of the Trustee throughout the year, and subsequently, was Intertrust SPV Services Limited.

By order of the Board

For: 
.....
Intertrust SPV Services Limited

Jul 4, 2023
.....
Date

IDB TRUST SERVICES LIMITED
(Incorporated as a limited liability par value company in Jersey)
For the year ended 31 December 2022
Statement of Directors' Responsibilities

The Companies (Jersey) Law 1991, as amended (the "Law") requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trustee as at the end of the financial year and of the profit or loss of the Trustee for that year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trustee will continue in business.

The Directors are responsible for keeping accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Trustee at that time, and to enable them to ensure that any financial statements prepared comply with the Law. They are also responsible for safeguarding the assets of the Trustee and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements throughout the year and subsequently.

Statement of information to be made available to the auditor

The Directors have taken all steps that they ought to have taken to make themselves aware of the information needed by the Trustee's auditor for the purpose of their audit and to ensure that the auditor is aware of that information. The Directors are not aware of any relevant information of which the auditor is unaware.

GENERAL INFORMATION

DIRECTORS

Ryan Mendez
Ellen Chislett (appointment date 28/10/2021)
Cheryl Heslop (resignation date 28/10/2021)

SECRETARY

Intertrust SPV Services Limited
44 Esplanade,
St Helier
Jersey, JE4 9WG
Channel Islands

REGISTERED OFFICE

44 Esplanade, St Helier
Jersey, JE4 9WG
Channel Islands

INDEPENDENT AUDITORS

BDO Limited
Windward House
La Route de la Liberation
St Helier
Jersey JE1 1BG
Channel Islands

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IDB TRUST SERVICES LIMITED

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its results for the year then ended;
- have been properly prepared in accordance with IFRSs as issued by the International Accounting Standards Board; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements of IDB Trust Services Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Notes 1 to 10 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be



materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies (Jersey) Law 1991. We made enquiries of the Directors to obtain further understanding of risks of non-compliance.



We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of Board meetings throughout the year; and
- obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Manik Ahmed Memon'.

Manik Ahmed Memon
For and on behalf of BDO Limited
Chartered Accountants
Jersey, Channel Islands
04 July 2023

(Incorporated as a limited liability par value company in Jersey)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

(All amounts expressed in United States Dollars unless otherwise stated)

	Notes	31 December 2022	31 December 2021 (Restated)	1 January 2021 (Restated)
ASSETS				
Non-Current Assets				
Amount due from Islamic Development Bank – Ordinary Capital Resources (IDB-OCR)-non-current portion	2(c)	10,589,708,957	14,845,603,086	17,139,821,800
Current Assets				
Amount due from Islamic Development Bank – Ordinary Capital Resources (IDB-OCR)-current portion	2(c)	3,996,600,317	2,499,847,410	3,320,153,032
Accrued net income on amount due from IDB-OCR	2(c)	74,591,113	75,734,300	87,777,725
Total Assets		14,660,900,387	17,421,184,796	20,547,752,557
LIABILITIES AND SHAREHOLDER'S EQUITY				
Shareholder's Equity				
Share Capital	3	4	4	4
Non-Current Liabilities				
Trust Certificates-non-current portion	4	10,589,708,953	14,845,603,082	17,139,821,796
Current Liabilities				
Trust Certificates – Current portion	4	3,996,600,317	2,499,847,410	3,320,153,032
Accrued returns on Trust Certificate		74,591,113	75,734,300	87,777,725
Total Liabilities and Shareholder's Equity		14,660,900,387	17,421,184,796	20,547,752,557



.....
Alternate Director



.....
Alternate Director

Jul 4, 2023

The financial statements were approved and authorized for issue on by the Alternate Directors of the Trustee.

The attached notes from 1 through 9 form an integral part of these financial statements.

Protected **IDB TRUST SERVICES LIMITED**

(Incorporated as a limited liability par value company in Jersey)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

(All amounts expressed in United States Dollars unless otherwise stated)

	Notes	31 December 2022	31 December 2021
Revenue			
Net income on amount due from IDB-OCR	2 (e)	282,428,956	338,046,434
Expenses			
Amortisation of transaction costs on issue of Trust Certificates		(1,331,035)	(1,615,612)
Return on Trust Certificates		(280,291,519)	(335,621,213)
Professional fees		(806,402)	(809,609)
Profit for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-
Dividends paid			-
Retained Earnings		-	-

The attached notes from 1 through 9 form an integral part of these financial statements.

(Incorporated as a limited liability par value company in Jersey)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

(All amounts expressed in United States Dollars unless otherwise stated)

	Notes	31 December 2022	31 December 2021
MATERIAL NON-CASH TRANSACTIONS			
Issue of Trust Certificates, the gross proceeds of which were credited directly to IDB-OCR	4	-	475,000,000
Translation impact on Trust Certificates	4	(260,351,949)	(269,714,760)
Transaction costs, payments of which were made by IDB-OCR	4	(120,308)	(425,188)
Redemption of Trust Certificates, payment of which was done directly by IDB-OCR	4	(2,500,000,000)	(3,321,000,000)
Net income received and credited directly to account from IDB-OCR		282,428,956	338,046,434
Payments made on behalf of the Trust by IDB-OCR		(281,434,706)	(347,664,637)
Amortisation of transaction costs	4	(1,331,035)	(1,615,612)

Note:

The Trustee does not have any cash funds as all cash transactions are undertaken by IDB-OCR.

The attached notes from 1 through 9 for an integral part of these financial statements.

Protected **IDB TRUST SERVICES LIMITED**
(Incorporated as a limited liability par value company in Jersey)
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022
(All amounts expressed in United States Dollars unless otherwise stated)

	Notes	Capital	Comprehensive Income	Total Equity
Balance at 1 January 2021	3	4	-	4
Profit for the year		-	-	-
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	-	-
Dividends paid		-	-	-
Balance at 31 December 2021	3	4	-	4
Profit for the year		-	-	-
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	-	-
Dividend paid		-	(998)	(998)
Recoverable from the shareholder		-	998	998
		-	-	-
Balance at 31 December 2022	3	4	-	4

The attached notes from 1 through 9 form an integral part of these financial statements.

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

(All amounts expressed in United States Dollars unless otherwise stated)

1. INCORPORATION AND ACTIVITIES

IDB Trust Services Limited (the "Trustee") was incorporated in Jersey on 8 Muharram 1426H (17 February 2005) as a limited liability par value company pursuant to the Companies (Jersey) Law 1991, with registration number 89541. The registered office of the Trustee is 44 Esplanade, St Helier, Jersey JE4 9WG, Channel Islands.

The Trustee's authorized share capital is £10,000 (USD 20,000), made up of 10,000 ordinary shares of £1.00 each, of which two ordinary shares of £1.00 (USD 2) each have been issued and are fully paid up.

All of the issued shares of the Trustee are held by, or on behalf of, Intertrust Corporate Trustee (Jersey) Limited as share trustee, under the terms of a declaration of trust dated 7 Muharram 1426H (16 February 2005) establishing a charitable trust.

The principal objects of the Trustee, as set out in the Memorandum of Association, are to act as trustee generally and to issue trust certificates in respect of any such trust, to borrow or raise money and to grant security over its assets for the performance of its obligations or the payment of money.

The Trustee was established to raise funds by the issue of Trust Certificates and to use the net proceeds of such issuance to purchase the Sukuk Assets in accordance with a Trustee Purchase Agreement.

On 25 February 2021, an amended and restated Master Purchase Agreement was entered into between the Trustee and Islamic Development Bank – Ordinary Capital Resources (IDB-OCR), whereby the Trustee may issue, from time to time, up to USD 25 billion of Trust Certificates, in series. This replaced the original Master Purchase Agreement dated 28 July 2009, the 1st amendment to the Master Purchase Agreement dated 27 September 2010, the 2nd amendment to the Master Purchase Agreement dated 8 June 2012, the 3rd amendment to Master Purchase Agreement dated 24 December 2013, the 4th amendment to the Master Purchase Agreement dated 7 October 2015, the 5th amendment to the Master Purchase Agreement dated 7 June 2018 and 6th amendment to the Master Purchase Agreement dated 19 September 2019 allowing the issuance of up to USD 1.5 billion, USD 3.5 billion, USD 6.5 billion, USD 10 billion, USD 25 billion, USD 25 billion and USD 25 billion of Trust Certificates respectively.

As part of the Agreement referred to above, IDB-OCR must, in respect of each series, create a separate and independent portfolio of assets comprising of:

- At least 51% tangible assets, comprised of Leased Assets (Ijara), Disbursing Istisna'a Assets, Shares, Sukuk and/or Restricted Mudaraba Assets; and
- No more than 49% intangible assets, comprised of Istisna'a Receivables, Loans(Qard) Receivables, Commodity Murabaha Receivable and/or Murabaha Receivables.

2. SIGNIFICANT ACCOUNTING POLICIES**a) Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standard Board (IASB).

The financial statements are presented in United States Dollars (USD), which is the Trustee's functional and presentation currency as most of the Trust Certificates are denominated in USD.

The financial statements are prepared on the going concern basis under the historical cost convention.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented.

(i) Standards, amendments and interpretations that have been adopted by the Trustee:

There were no new standards adopted by the Trustee during the financial period ended 31 December 2022.

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

(All amounts expressed in United States Dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**a) Basis of preparation (continued)****(ii) Standards, amendments and interpretations that became effective for financial periods of the Trustee beginning on or after 1 January 2022 which had no effect on the financial statements of the Trustee.**

- Amendment to IFRS 3 Business Combination.
- Amendment to IAS 37 Provision, Contingent Liabilities and Contingent Assets
- Amendment to IAS 1 Presentation of Financial Statements
- Amendment to IFRS 1 First Time Adoption of International Financial Reporting Standards (IFRS).

(iii) New or revised IFRS standards and Interpretations which will become effective for financial periods of the Trustee beginning on or after 1 January 2023.

Standards issued but not yet effective up to the date of issuance of the financial statements are listed below. The listing is of standards and interpretations issued and the Trustee intends to adopt the standards that are applicable when they become effective.

- Amendment to IAS 16 Property, Plant and Equipment-Effective date 1 January 2024.
- Amendment to IAS 12- Deferred tax – Effective date 1 January 2023.
- Amendment to IAS 1- Presentation of Financial Statements – Effective date 1 January 2024.
- Amendment to IFRS 17- Insurance Contracts – Effective date 1 January 2023.
- Amendment to IAS 8 – Accounting Policies, changes in accounting estimates and errors – Effective date 1 January 2023.

b) Going concern

The Trustee is reliant on the continued support of the Islamic Development Bank ("IDB"), in IDB's capacity as the Wakeel (Agent) to service the Sukuk assets, in respect of the Trustee's ongoing activities. IDB have committed to provide all necessary support and accordingly the Directors have prepared the financial statements on a going concern basis.

c) Loans and receivables (Amount due from Islamic Development Bank – Ordinary Capital Resources)

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

The Trustee was established to raise funds by the issue of Trust Certificates and to use the net proceeds of such issuance to purchase the Sukuk Assets in accordance with a Master Purchase Agreement. Legal title of the Sukuk Assets passed from IDB-OCR to the Trustee. However, since IDB-OCR continues to guarantee any shortfall in the return to the Trust Certificate holders, the assets did not satisfy the derecognition criteria of IFRS 9 (as carried over from IAS 39) as the associated risks and rewards have not been transferred. Consequently, the Sukuk Assets continue to be recognized in the financial statements of IDB-OCR.

Accordingly, the Trustee has not recognized the transferred assets, or the associated derivative instruments, in its statement of financial position. The Trustee has recorded these assets as an amount due from IDB-OCR. This amount due is deemed to have the characteristics and terms that mirror the Trust Certificates. The Trustee also recognizes income based on the deemed terms of the amount due from IDB-OCR.

d) Loans and borrowings (Trust Certificates issued)

All loans and borrowings (Trust Certificates issued) are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

e) Revenue recognition

Income is recognized on the amount due from IDB-OCR using the effective interest method on the amount of Trust certificates issued by the Trustee, and including amortization of transaction costs and related professional fees.

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

(All amounts expressed in United States Dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**f) Amortisation of Transaction costs**

Transaction costs incurred on the issuance of Trust Certificates and additional transaction costs incurred over the Trust Certificates period are capitalized. The transaction costs are then amortised over the period of the Trust Certificates on a straight-line basis. The amortization of transaction costs is charged to the statement of comprehensive income.

The unamortized transaction costs in respect of Trust Certificates redeemed earlier than the maturity dates are charged to the statement of comprehensive income when the Trust Certificates are redeemed.

g) Translation of currencies

Transactions in currencies are recorded at the exchange rates prevailing at the dates of the respective transactions. Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the statement of financial position date. Foreign currency exchange gains and losses, if any, are credited or charged to the statement of comprehensive income. The Trustee operates in US Dollars, Saudi Riyals, British Pounds and Euros.

h) Impairment and non-collectability of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying amount. Impairment losses are recognized in the statement of comprehensive income.

i) Cash and cash equivalents

The financial statements of the Trustee do not include any cash funds as all cash transactions are undertaken by IDB-OCR. The cash flow statement therefore comprises of non-cash transactions only.

j) Taxation

The Trustee is liable to pay Jersey income tax at 0%.

k) Expenses

All expenses have been accounted for on the accruals basis.

3. SHARE CAPITAL**Authorised:**

10,000 ordinary shares of £ 1.00 each

Allotted, called up and fully paid

2 ordinary shares of £ 1.00 each

	2022 USD	2021 USD
	20,000	20,000
	4	4

4. TRUST CERTIFICATES

	31 December 2022 USD	31 December 2021 USD (Restated)	1 January 2021 USD (Restated)
Gross value of Trust Certificates in issue at the beginning of the year	17,348,953,396	20,464,668,156	16,728,249,041
Gross value of Trust Certificates issued	-	475,000,000	5,541,816,003
Translation impact on Trust Certificates	(260,351,949)	(269,714,760)	255,153,797
Gross value of Trust Certificates redeemed during the year	(2,500,000,000)	(3,321,000,000)	(2,060,550,685)
Gross value of Trust Certificates in issue at the end of the year	14,588,601,447	17,348,953,396	20,464,668,156
Gross value of transaction costs at the beginning of the year	6,948,470	9,260,341	9,430,643
Gross value of transaction costs incurred during the year	120,308	425,188	2,280,820
Gross value of transaction costs written off due to redemption of Trust the year	(1,215,080)	(2,737,059)	(2,451,122)
Gross value of transaction costs at the end of the year	5,853,698	6,948,470	9,260,341
Amortised transaction costs at the beginning of the year	3,445,570	4,567,017	5,611,147
Amortisation for the year	1,331,035	1,615,612	1,406,992
Amortisation written off on redemption during the year	(1,215,080)	(2,737,059)	(2,451,122)
Amortisation at the end of the year	3,561,525	3,445,570	4,567,017
Net value of transaction costs	2,292,173	3,502,900	4,693,324
Net value of Trust Certificates	14,586,309,274	17,345,450,496	20,459,974,832
	31 December 2022 USD	31 December 2021 USD (Restated)	1 January 2021 USD (Restated)
Net value of Trust Certificates			
Current portion	3,996,600,317	2,499,847,410	3,320,153,032
Non-current portion	10,589,708,953	14,845,603,082	17,139,821,796
Total	14,586,309,270	17,345,450,492	20,459,974,828

The Trust Certificates issued by the Trustee and referred to below are either listed on the London Stock Exchange, NASDAQ Dubai, Bursa Malaysia Securities Berhad or not listed.

IDB-OCR continues to recognize the Sukuk Assets and records the amounts due to the Trustee and ultimately to the holders of Trust Certificates as a liability in its financial statements. Accordingly, the Trustee has not recognized these assets in these financial statements. The amount paid to IDB-OCR against purchase of these assets is recorded as a receivable from IDB-OCR.

Each Trust Certificate of a particular Series represents an undivided beneficial ownership interest in the Sukuk Assets for such Series. Recourse against the Trustee in respect of its obligations under the Trust Certificates will be limited to the extent that funds for that purpose are available from the relevant Sukuk Assets.

- a) The Trustee issued Trust Certificates on 29 February 2016 (20 Jumada I 1437H) for EUR 300 million (USD 326 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts EUR 123 million (USD 134 million), Sukuk investments EUR 111 million (USD 121 million) and Istisna'a (conditional sale of item to be manufactured) contracts EUR 66 million (USD 72 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 24,795 (USD 26,536). The Trust Certificates are listed on the London Stock Exchange.

The Trust Certificates will mature on 1 March 2023 (9 Shaban 1444H) and confer on Certificate Holders the right to receive annual distributions commencing 1 March 2017 at the fixed rate of 0.255 per cent per annum, payable annually in arrears. During the year ended 31 December 2022, the Trustee distributed EUR 765,000 (USD 818,711) (31 December 2021: EUR 765,000 (USD 869,652)) to the Certificate Holders and recognized returns amounting to EUR 765,000 (USD 818,711) (31 December 2021 EUR 765,000 (USD 869,652)).

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

(All amounts expressed in United States Dollars unless otherwise stated)

4. TRUST CERTIFICATES (continued)

- b) The Trustee issued Trust Certificates on 24 February 2017 (27 Jumada I 1438H) for EUR 300 million (USD 316.8 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts (EUR 62 million) (USD 65.5 million), Ijara (lease) contracts (EUR 120 million) (USD 126.7 million) and Istisna'a (conditional sale of item to be manufactured) contracts (EUR 118 million) (USD 124.6 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 43,809 (USD 46,885). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 24 February 2024 (14 Shaban 1445H) and confer on Certificate Holders the right to receive annual distributions commencing 24 February 2018 at the fixed rate of 0.374 per cent per annum payable annually in arrears. During the year ended 31 December 2022, the Trustee distributed EUR 1,122,000 (USD 1,200,776) (31 December 2021: EUR 1,122,000 (USD 1,275,490)) to the Certificate Holders and recognized returns amounting to EUR 1,121,000 (USD 1,200,776) (31 December 2021: EUR 1,121,538 (USD 1,274,965)).

- c) The Trustee issued Trust Certificates on 27 February 2017 (30th Jumada I 1438H) for EUR 150 million (USD 158.8 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (EUR 55 million) (USD 58.2 million) and Istisna'a (conditional sale of item to be manufactured) contracts (EUR 95 million) (USD 100.6 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 43,809 (USD 46,885). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 27 February 2024 (17 Shaban 1445H) and confer on Certificate Holders the right to receive annual distributions commencing 26 February 2018 at the fixed rate of 0.35 per cent per annum, payable annually in arrears. During the year ended 31 December 2022, the Trustee distributed EUR 525,000 (USD 561,860) (31 December 2021: EUR 525,000 (USD 596,820)) to the Certificate Holders and recognized returns amounting to EUR 525,000 (USD 561,860) (31 December 2021: EUR 524,772 (USD 596,561)).

- d) The Trustee issued Trust Certificates on 12 April 2017 (15 Rajab 1438H) for USD 1,250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts (USD 24 million), Ijara (lease) contracts (USD 440 million) and Istisna'a (conditional sale of item to be manufactured) contracts (USD 67 million) and Equity Investment (USD 719 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 566,722. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates matured on 12 April 2022 (11 Ramadan 1443H) and confer on Certificate Holders the right to receive semi-annual distributions commencing 12 October 2017 at the fixed rate of 2.393 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 14,956,250 (31 December 2021: USD 29,912,500) to the Certificate Holders and recognized returns amounting to USD 14,956,250 (31 December 2021: USD 29,912,500).

- e) The Trustee issued Trust Certificates on 26 September 2017 (6 Muharram 1439H) for USD 1,250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (USD 815 million), Istisna'a (conditional sale of item to be manufactured) and Installment Sales contracts (USD 326 million), Istisna'a contracts (USD 77 Million) and Installment Sales contracts (USD 35 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 648,358. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates matured on 26 September 2022 (29 Safar 1444H) and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 March 2018 at the fixed rate of 2.261 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 14,131,250 (31 December 2021: USD 28,262,500) to the Certificate Holders and recognized returns amounting to USD 14,131,250 (31 December 2021: USD 28,262,500).

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4. TRUST CERTIFICATES (continued)

- f) The Trustee issued Trust Certificates on 15 March 2018 for USD 1,250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (USD 360 million), Istisna'a (conditional sale of item to be manufactured) contracts (USD 707 Million), Installment Sales contracts (USD 101 Million) and Loans (USD 90 Million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 747,022. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates will mature on 15 March 2023 and confer on Certificate Holders the right to receive semi-annual distributions commencing 15 September 2018 at the fixed rate of 3.1 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 38,750,000 (31 December 2021: USD 38,750,000) to the Certificate Holders and recognized returns amounting to USD 38,750,000 (31 December 2021: USD 38,750,000).

- g) The Trustee issued Trust Certificates on 19 July 2018 for USD 100 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts USD 20 million, Istisna'a (conditional sale of item to be manufactured) contracts USD 34 million, and Sukuk Investments USD 50 million from IDB-OCR.

The Trust Certificates were issued in denominations of USD 100,000 with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 108,200. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 19 July 2023 and confer on Certificate Holders the right to receive semi-annual distributions commencing 19 January 2019 at the floating rate of 6M USD LIBOR plus 0.2 per cent per annum payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 485,700 (31 December 2021: USD 493,750) to the Certificate Holders and recognized returns amounting to USD 1,901,669 (31 December 2021: USD 410,308).

- h) The Trustee issued Trust Certificates on 26 September 2018 for USD 1,300 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts USD 11 million, Istisna'a (conditional sale of item to be manufactured) contracts USD 1,052 million, and Loans USD 241 million from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof, up to and including USD 399,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 395,893. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates will mature on 26 September 2023 and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 March 2019 at the fixed rate of 3.389 per cent per annum, payable semi-annually in arrears). During the year ended 31 December 2022, the Trustee distributed USD 44,057,000 (31 December 2021: USD 44,057,000) to the Certificate Holders and recognized returns amounting to USD 44,057,000 (31 December 2021: USD 44,057,000).

- i) The Trustee issued Trust Certificates on 7 November 2018 for EUR 650 million (USD 743 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts EUR 486 million (USD 554 million), Installment Sales contracts -EUR 40 million (USD 46 million and Loans EUR 125 million (USD 143 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 291,871 (USD 312,362). The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai.

The Trust Certificates mature on 7 November 2023 and confer on Certificate Holders the right to receive annual distributions commencing 7 November 2019 at the fixed rate of 0.554 per cent per annum, payable annually in arrears. During the year ended 31 December 2022, the Trustee distributed EUR 3,601,000 (USD 3,853,826) (31 December 2021: EUR 3,601,000 (USD 3,853,826)) to the Certificate Holders and recognized returns amounting to EUR 3,601,000 (USD 4,093,617) (31 December 2021: EUR 3,601,000 (USD 4,093,617)).

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(All amounts expressed in United States Dollars unless otherwise stated)

4. TRUST CERTIFICATES (continued)

- j) The Trustee issued Trust Certificates on 16 January 2019 for EUR 50 million (USD 56 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (EUR 18 million) (USD 20 million) and completed Loans (EUR 33 million) (USD 36 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 41,742 (USD 39,004). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 16 January 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 16 January 2020 at the fixed rate of 0.3850 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed EUR 192,500 (USD 206,015) (31 December 2021: EUR 192,500 (USD 218,834)) to the Certificate Holders and recognized returns amounting to EUR 192,500 (USD 206,015) (31 December 2021: EUR 192,477 (USD 218,803)).

- k) The Trustee issued Trust Certificates on 25 April 2019 for USD 1,500 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts USD 554 million, Sukuk Investments USD 287 million, Installment sales contract USD 519 million and completed Ijarah USD 164 million from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 703,978. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 25 April 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 25 October 2019 at the fixed rate of 2.843 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 42,645,000 (31 December 2021: USD 42,645,000) to the Certificate Holders and recognized returns amounting to USD 42,645,000 (31 December 2021: USD 42,645,000).

- l) The Trustee issued Trust Certificates on 02 October 2019 for USD 1,500 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts USD 426 million, Sukuk Investments USD 161 million, Ijarah contracts USD 431 million, Completed Restricted Mudaraba (USD 209 million), Installment sales contracts USD 228 and Loans USD 57 million from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 490,802. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 02 October 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 May 2019 at the fixed rate of 1.957 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 29,370,000 (31 December 2021: USD 29,370,000) to the Certificate Holders and recognized returns amounting to USD 29,370,000 (31 December 2021: USD 29,370,000).

- m) The Trustee issued Trust Certificates on 04 December 2019 for EUR 1,000 million (USD 1,070 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (EUR 468 million) (USD 500 million) and Ijarah contracts (EUR 533 million) (USD 570 million).

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 354,247 (USD 382,546). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 04 December 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 04 December 2020 at the fixed rate of 0.037 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed EUR 370,000 (USD 395,978) (31 December 2021: 370,000 (USD 420,616)) to the Certificate Holders and recognized returns amounting to EUR 370,000 (USD 395,978) (31 December 2021: EUR 370,000 (USD 420,616)).

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4. TRUST CERTIFICATES (continued)

- n) The Trustee issued Trust Certificates on 10 December 2019 for USD 100 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 7 million), Sukuk Investments (USD 35 million) and Loans (USD 60 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 100,000 (with integral multiples of USD 1,000 in excess thereof) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 43,938. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 10 December 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 10 June 2020 at the Floating rate of 3M Libor Plus 0.43 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 1,898,495 (31 December 2021: USD 594,063) to the Certificate Holders and recognized returns amounting to USD 2,161,791 (31 December 2021: USD 592,823).

- o) The Trustee issued Trust Certificates on 10 December 2019 for USD 100 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 10 million), Sukuk Investments (USD 30 million) and Loans (USD 61 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 53,938. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 10 December 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 10 June 2020 at the floating rate of 3M Libor Plus 0.43 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 1,898,495 (31 December 2021: USD 594,063) to the Certificate Holders and recognized returns amounting to USD 2,162,468 (31 December 2021: USD 594,823).

- p) The Trustee issued Trust Certificates on 11 December 2019 for USD 250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Istisna'a (conditional sale of item to be manufactured) contracts (USD 122 million), Sukuk Investments (USD 60 million) and Loans (USD 82 million) from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 65,188. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 11 December 2024 and confer on Certificate Holders the right to receive semi-annual distributions commencing 11 June 2020 at the fixed rate of 2 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 5,000,000 (31 December 2021: USD 5,000,000) to the Certificate Holders and recognized returns amounting to USD 5,000,000 (31 December 2021: USD 5,000,000).

- q) The Trustee issued Trust Certificates on 16 January 2020 for EUR 300 million (USD 367 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed Loans EUR 64 million (USD 78 million) and disbursing Istisna'a projects EUR 240 million (USD 293 million) from IDB-OCR.

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 49,906 (USD 56,839). The Trust Certificates are listed on Euronext Dublin.

The Trust Certificates will mature on 16 January 2027 and confer on Certificate Holders the right to receive annual distributions commencing 16 January 2021 at the fixed rate of 0.315 per cent per annum, payable annually in arrears. During the year ended 31 December 2022, the Trustee distributed EUR 945,000 (USD 1,011,348) (31 December 2021: EUR 945,000 (USD 1,074,276)) to the Certificate Holders and recognized returns amounting to EUR 944,887 (USD 1,011,227) (31 December 2021: EUR 944,887 (USD 1,074,147)).

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4. TRUST CERTIFICATES (continued)

- r) The Trustee issued Trust Certificates on 21 January 2020 for USD 550 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed istisna'a/installment sale projects (USD 166 million), disbursing istisna'a USD 80 million, disbursing Ijarah/installment sales projects USD 256 million and Sukuk Investments USD 50 million.

The Trust Certificates were issued in denominations of USD 100,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 48,664. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 21 January 2025 and confer on Certificate Holders the right to receive semi-annual distributions commencing 21 July 2020 at the floating rate of 6M USD LIBOR plus 0.37 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 2,712,500 (31 December 2021: USD 3,679,500) to the Certificate Holders and recognized returns amounting to USD 11,629,959 (31 December 2021: USD 3,206,889).

- s) The Trustee issued Trust Certificates on 10 February 2020 for CNY 1,000 million (USD 153 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed loans CNY 80 million (USD 12 Million), completed istisna'a CNY 580 million (USD 89 million) and Sukuk Investments CNY 350 million (USD 54 million).

The Trust Certificates were issued in denominations of CNY 1,000,000 (with integral multiples of CNY 1,000,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to CNY 242,538 (USD 35,165). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates mature on 10 February 2023 and confer on Certificate Holders the right to receive annual distributions commencing 10 February 2021 at the fixed rate of 2.85 per cent per annum, payable annually in arrears. During the year ended 31 December 2022, the Trustee distributed CNY 28,500,000 (USD 4,132,215) (31 December 2021: CNY 28,500,000 (USD 4,486,755)) to the Certificate Holders and recognized returns amounting to CNY 28,500,000 (USD 4,132,215) (31 December 2021: CNY 28,491,253 (USD 4,485,378)).

- t) The Trustee issued Trust Certificates on 26 February 2020 for USD 2,000 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed istisna'a USD 452 million, completed installment sales USD 102 million, completed loans USD 37 million, completed ijarah (USD 198 million), disbursing istisna'a projects USD 542 million, Sukuk Investments (USD 556 million) and disbursing installment sales USD 119 Million from IDB-OCR

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 370,296. The Trust Certificates are listed on Euronext Dublin, DIFC and Bursa Malaysia.

The Trust Certificates will mature on 26 February 2025 and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 August 2020 at the fixed rate of 1.809 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 36,180,000 (31 December 2021: USD 36,180,000) to the Certificate Holders and recognized returns amounting to USD 36,180,000 (31 December 2021: USD 36,249,742).

- u) The Trustee issued Trust Certificates on 28 May 2020 for GBP 90 million (USD 123 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed loans GBP 28 million (USD 38 million), completed ijarah GBP 15 million (USD 20 million) and disbursing istisna'a projects GBP 48 million (USD 66 Million) from IDB-OCR

The Trust Certificates were issued in denominations of GBP 100,000 (with integral multiples of GBP 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to GBP 57,887 (USD 80,026). The Trust Certificates are listed on Euronext Dublin

The Trust Certificates will mature on 28 May 2029 and confer on Certificate Holders the right to receive semi-annual distributions commencing 28 November 2020 at the fixed rate of 0.964 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed GBP 867,60000 (USD 1,049,536) (31 December 2021: GBP 867,60000 (USD 1,173,785)) to the Certificate Holders and recognized returns amounting to GBP 867,600 (USD 1,049,536) (31 December 2021: to GBP 867,600 (USD 1,173,785)).

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4. TRUST CERTIFICATES (continued)

- v) The Trustee issued Trust Certificates on 25 June 2020 for USD 1,500 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sale and Istisna'a projects USD 65 Million, completed loans USD 38 million, murabaha contracts USD 357 million, disbursing projects USD 323 million, Sukuk Investments USD 560 Million and completed ijarah projects USD 158 million from IDB-OCR

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 751,874. The Trust Certificates are listed on Euronext Dublin, DIFC and Bursa Malaysia.

The Trust Certificates mature on 25 June 2025 and confer on Certificate Holders the right to receive semi-annual distributions commencing 25 December 2020 at the fixed rate of 0.908 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 13,620,000 (31 December 2021: USD 13,620,000) to the Certificate Holders and recognized returns amounting to USD 13,620,000 (31 December 2021: USD 13,620,000).

- w) The Trustee issued Trust Certificates on 26 June 2020 for GBP 153 million (USD 209 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed loans GBP 11 million (USD 16 million), murabaha contracts GBP 89 million (USD 122 million), disbursing projects GBP 28 million (USD 39 million) and Sukuk Investments GBP 25 million (USD 36 million).

The Trust Certificates were issued in denominations of GBP 100,000 (with integral multiples of GBP 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to GBP 46,172 (USD 55,855). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 26 June 2023 and confer on Certificate Holders the right to receive semi-annual distributions commencing 26 December 2020 at the fixed rate of 0.40 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed GBP 612,000 (USD 740,336) (31 December 2021: GBP 612,000 (USD 827,981) to the Certificate Holders and recognized returns amounting to GBP 612,000 (USD 740,336) (31 December 2021: GBP 612,000 (USD 827,981).

- x) The Trustee issued Trust Certificates on 16 July 2020 for USD 100 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sale and Istisna'a projects USD 43 million, Sukuk Investments USD 40 million and disbursing projects USD 18 million from IDB-OCR

The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 156,459. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 16 July 2025 and confer on Certificate Holders the right to receive semi-annual distributions commencing 16 January 2021 at the fixed rate of 0.8815 per cent per annum, payable semi-annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 881,500 (31 December 2021: USD 881,500) to the Certificate Holders and recognized returns amounting to USD 881,500 (31 December 2021: USD 881,500).

- y) The Trustee issued Trust Certificates on 30 September 2020 for EUR 450 million (USD 549 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sale & Istisna'a projects EUR 152 million (USD 15 million), completed loans EUR 14 million (USD 17 million), murabaha contracts EUR 117 million (USD 143 million), disbursing projects EUR 246 million (USD 300 million) and completed ijarah & rest mudarabah projects EUR 61 million (USD 74 Million) from IDB-OCR

The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 55,315 (USD 59,199). The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 30 September 2026 and confer on Certificate Holders the right to receive annual distributions commencing 30 September 2021 at the fixed rate of 0.10 per cent per annum, payable annually in arrears. During the year ended 31 December 2022, the Trustee distributed EUR 450,000 (USD 481,595), (31 December 2021: USD 450,000 (USD 511,560)) to the Certificate Holders and recognized returns amounting to EUR 450,000 (USD 481,595) (31 December 2021: EUR 450,000 (USD 511,560).

- z) The Trustee issued Trust Certificates on 27 April 2021 for USD 400 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sales and istisnaa projects USD 18.3 million, Sukuk investments USD 85 million, completed loans USD 28.4 million, disbursing projects USD 200.8 million and completed ijarah projects and rest murabaha USD 72.9 million from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 with a price of 100% of the aggregate principal amount of

4. TRUST CERTIFICATES (continued)

the Trust Certificates. Total transaction costs incurred to date amounted to USD 251,658. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 27 April 2024 and conferred on Certificate Holders the right to receive quarterly distributions commencing 27 July 2021 at the floating rate of 3M SOFR + 0.25 per cent per annum, payable quarterly in arrears. During the year ended 31 December 2022, the Trustee distributed USD 4,673,320 (31 December 2021: USD 534,020) to the Certificate Holders and recognized returns amounting to USD 7,454,303 (31 December 2021: USD 750,216)

- aa) The Trustee issued Trust Certificates on 16 August 2021 for USD 75 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed installment sales and istisnaa projects USD 15 million, completed loans USD 8.1 million and disbursing projects USD 53.3 million from IDB-OCR.

The Trust Certificates were issued in denominations of USD 200,000 with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 53,831. The Trust Certificates are not listed on any Stock Exchange.

The Trust Certificates will mature on 16 August 2024 and conferred on Certificate Holders the right to receive annual distributions commencing 16 August 2022 at the fixed rate of 0.789 per cent per annum, payable annually in arrears. During the year ended 31 December 2022, the Trustee distributed USD 591,750 (31 December 2021: NIL) to the Certificate Holders and recognized returns amounting to USD 958,475 (31 December 2021: USD 2,916).

5. FINANCIAL RISK MANAGEMENT

The Trustee has issued financial instruments in the form of Trust Certificates. The Trustee has used the proceeds of the Trust Certificates issuance to purchase a portfolio of Sukuk Assets and has the benefit of a liquidity facility available from IDB-OCR in order to ensure that sufficient returns are generated to meet its liabilities to Trust Certificate Holders. It is intended that all financial instruments will be held until maturity and that the Trustee will not trade in financial instruments.

a) Sensitivity analysis

IFRS 7 requires disclosure of 'a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date'. Whilst the financial instruments are separately exposed to investment return risk and market price risk, the profit or loss and equity of the Trustee is not exposed to any significant investment return risk or market price risk. Therefore, in the Directors' opinion, no sensitivity analysis is required to be disclosed.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Trustee, the maximum credit risk exposure to the Trustee is the carrying value as disclosed in the statement of financial position. The Trustee's credit risk is concentrated in the amount due from IDB-OCR.

The Trustee is subject to the risk of default in payment by the obligors under each of the Ijara contracts, Sukuk Investments, Murabaha contracts, Instalment sales and Istisna'a contracts comprised in the Sukuk Assets. This risk is addressed in respect of the Trust Certificates by IDB-OCR, primarily pursuant to a combination of a Liquidity Facility and Purchase Undertaking Deed. IDB-OCR has agreed to make advances to the Trustee pursuant to the Liquidity Facility Agreement to allow timely payment of amounts due to Trust Certificate Holders. Furthermore, the exercise price payable by IDB-OCR in respect of any Sukuk Assets under the Purchase Undertaking Deed will be based on (a) the aggregate nominal amount of the relevant series of Trust Certificates and (b) the amount of payable but unpaid periodic distribution amounts on such date.

The Trustee is of the opinion that no credit loss is likely to occur.

Expected Credit Risk for financial assets measured at amortized cost

The IDB applies a three-stage approach to measuring expected credit losses (ECLs) for financial assets measured at amortized cost.

Determining the stage for impairment

The Bank's staging model relies on a relative assessment of credit risk, because it reflects the significance increase in credit risk (SICR) since initial recognition of an asset. The staging assessment is made at the contract level rather than counterparty level, since the quantum of change in credit risk may be different for different contracts belonging to the same obligor. Also, different contracts of the same counterparty may have different credit risk at initial recognition.

5 FINANCIAL RISK MANAGEMENT (Continued)

Determining the stage for impairment (Continued)

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. The Bank considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition and has not suffered a significant downgrade.

Stage 2 includes financial assets that experience an SICR. When determining whether the risk of default has increased significantly since initial recognition, the Bank considers both quantitative and qualitative information and analysis based on the Bank's historical experience and expert credit risk assessment, including forward looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Bank presumes that the credit risk on its sovereign and non-sovereign exposures has increased significantly since initial recognition when contractual payments are more than 90 days past due for sovereign financings and more than 30 days past due for non-sovereign financings on a material repayment amount. When a stage 2 instrument shows a significant enhancement in credit quality at the assessment date, it can move back to stage 1.

Where there is objective evidence that an identified financial asset is impaired, specific provisions for impairment are recognized in the income statement, and under FAS 30, the asset is classified in Stage 3. The Bank presumes that assets are credit-impaired when contractual payments are more than 180 days past due for sovereign financings and more than 90 days past due for non-sovereign financings on a material repayment amount. Besides, the Bank may consider an asset as impaired if the Bank assesses that the obligor is unlikely to pay its credit obligations in full, without recourse by the Bank to actions such as realizing security.

A financial asset is no longer considered impaired when all past due amounts have been recovered, and it is determined that the outstanding amounts with future expected income are fully collectable in accordance with the original contractual terms or revised terms of the financial instrument with all criteria for the impaired classification having been remedied. The financial asset will be transferred back to stage 2 after a cure period.

The Bank regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Measurement of Expected Credit Losses (ECLs)

ECL represents the average credit losses weighted by the probabilities of default (PD), whereby credit losses are defined as the present value of all cash shortfalls. The ECL is calculated for both Stage 1 and Stage 2 instruments by multiplying three main components, being the probability of default (PD), loss given default (LGD) and the exposure at default (EAD), and discounting the resulting provision using the instrument's effective profit rate (EPR).

These ECL parameters are generally derived from internally developed models and other historical data. They are adjusted to reflect forward-looking information as described below.

PD represents the likelihood of a counterpart defaulting on its financial obligation over different time horizon (e.g., 1 year or lifetime). The estimates the PDs using internal rating tools tailored to the various categories of counterparties and exposures. These internal rating models are based on internally and externally compiled data comprising both quantitative and qualitative factors. They produce a relative credit risk grading, which in turn are associated with a likelihood of default (PD) over a one-year horizon, that is calibrated to reflect the Bank's long run average default rate estimates (through-the-cycle (TTC) PD). The Bank uses a specific model based on country and industry parametrization to convert its TTC PDs into point-in time (PIT) PDs and derives a PIT PD term structure.

LGD is the magnitude of the potential loss in the event of a default. This is generally estimated as value lost plus costs net of recovery (if any) as percentage of outstanding amount. The Bank uses internal LGD estimation models that consider the structure, collateral, and seniority of the claim and the counterparty rating and jurisdiction. LGD estimates are calibrated to reflect the recovery experience of the Bank as well as the Multilateral Development Banks' consortium data.

EAD represents the expected exposure in the event of a default. The Bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortization. The EAD of a financial instrument is its gross carrying amount. For contract under disbursement and financial commitments such as guarantees, letter of credit., the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract.

FAS 30 requires ECLs to be forward-looking. The Bank uses a statistical model that links its counterparties' future performance to the current and future state of the macroeconomic environment. The model links macroeconomic scenarios to counterparty's default risk. Macroeconomic factors taken into consideration include, but are not limited to, gross domestic product, equity market prices, unemployment rates, and commodity prices and these require an evaluation of both the current and forecast direction of the macro-economic cycle. The Bank estimates its ECLs by calculating the weighted average ECL of its exposures across three (3) set of forward-looking macroeconomic scenarios.

5. FINANCIAL RISK MANAGEMENT (continued)

c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Trustee does not trade in currencies and is therefore not exposed to currency trading risk.

In addition, IDB-OCR bears any exchange loss arising from the underlying Sukuk Assets, such as the GBP, CNY and Euro denominated Sukuks, and the Trustee is not exposed to any currency risk related to those assets.

d) Liquidity risk

Liquidity risk is the risk that the Trustee will not be able to meet its commitments associated with the financial liabilities when they fall due. The Trustee is not exposed to such a risk as IDB-OCR guarantees any shortfall in the scheduled installments.

e) Investment return risk

The income received from IDB-OCR will be matched by the distribution amounts payable to the holders of the Trust Certificates. The Directors therefore believe that there is no investment return risk.

f) Maturity of financial assets and liabilities

The maturity profile of the Trustee's financial assets and financial liabilities is as follows:

	31-December-2022		31-December-2021		1-January-2021	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
	USD	USD	USD	USD	USD	USD
			(Restated)	(Restated)	(Restated)	(Restated)
In three months	1,716,003,975	1,716,003,975	-	-	1,499,617,385	1,499,617,385
In three to twelve months	2,280,596,342	2,280,596,342	2,499,847,409	2,499,847,409	1,820,535,647	1,820,535,646
In more than one year but less than two years	5,529,506,007	5,529,506,003	4,093,873,118	4,093,873,118	2,499,608,588	2,499,608,588
In two to five years	4,951,390,521	4,951,390,521	10,630,027,503	10,630,027,503	14,517,174,267	14,517,174,267
In more than five years	108,812,429	108,812,429	121,702,467	121,702,462	123,038,945	123,038,942
Total	14,586,309,274	14,586,309,270	17,345,450,496	17,345,450,492	20,459,974,832	20,459,974,828

g) Capital Risk Management

The Trustee's objectives when managing capital is to safeguard the Trustee's ability to continue as a going concern. IDB- OCR has committed to provide all necessary support to the Trustee.

6. RELATED PARTIES

The shares in IDB Trust Services Limited are owned by Intertrust Corporate Services, as trustee of the IDB Trust Services Charitable Trust. Ryan Mendez and Ellen Chislett are directors of Intertrust SPV Services Limited and Cheryl Heslop was a director of Intertrust SPV Services Limited for the year 2021, which receives fees for the provision of company secretarial and other administrative services. Administration expenses represent fees paid to Intertrust SPV Services Limited of USD 38,961 (2021: USD 145,017).

7. ULTIMATE CONTROLLING PARTY

The Trustee is wholly-owned by Intertrust Corporate Services, as Trustee of the IDB Trust Services Charitable Trust. The Directors of the Trustee consider Intertrust Corporate Services, as trustee of the IDB Trust Services Charitable Trust, to be the ultimate controlling party of the Trustee.

8. BENCHMARK TRANSITION

Since 2018, the IDB initiated the Libor transition programme which continues to date. A major milestone was achieved during 2021 when the Libor transition programme was empowered by H.E. The President by approving a detailed governance structure for this project and by allocation of substantial resources. A cross functional team is tasked with the development of new replacement methodology based on risk-free rate ('RFR') products and transition from legacy Libor contracts.

The Bank's exposure to Libor transition is limited in one (1) currency i.e., USD whereas for EUR, the exposure is against EURIBOR which is not subject to cessation.

8. BENCHMARK TRANSITION (Continued)

In the year 2021, various key milestones were overcome involving i) formulation of detailed implementation roadmap and action plan with the help of an external consultant, ii) formulation and incorporation of enhanced 'fallback' clause for all prospective contracts, iii) obtaining clearance from Shariah Technical Committee on use of CME Term SOFR (Chicago Mercantile Exchange 'CME' is an American global markets company. It is the world's largest financial derivatives exchange. CME Group estimates the Term SOFR Reference Rates benchmark as a daily set of forward-looking profit rates for 1-month, 3-month, 6-month and 12-month tenors) as preferred replacement rate to USD Libor, iv) revision in the Sovereign Pricing policy based on new benchmark rates, v) resource mobilization based on SOFR curve and maintaining the cost pass through mechanism to minimize the ALM (Asset and Liability Management) risks, and vi) initiation of system upgradation project to enable the use of new pricing policy and reference rates.

Profit Rate Risk Management

The Bank is exposed to the Profit Rate risk, and it is actively managed by the Asset and Liability Management Committee (ALCO). Given that the exposures in bank's statement of financial position are recorded mostly at amortized costs, the Bank has a minimum exposure to revaluation risk. The Bank's ALM Framework imposes the principles of matched funding and natural hedging; any residual profit rate risk in banking book is managed via hedging activities and by application of hedge accounting principles.

The bank has historically used USD Libor, US Mid-Swap and EURIBOR benchmark rates as reference rates for pricing financial exposures (both assets and liabilities). The EURIBOR is not expected to be discontinued and hence the bank can continue using it in future, since EURIBOR has already transitioned to the new principles of transaction-based methodology from earlier quotation-based methodology. As of now, the Bank's management has taken a decision to replace the USD Libor and USD Mid-Swap rates with the CME Term SOFR and USD OIS Mid-Swap rates in respective tenors.

The Bank's decision to select the CME Term SOFR as a replacement rate to USD Libor is based on its functional similarities to the sun-settled Libor rate. In fact, given it is also a forward-looking term rate and hence its selection as replacement rate it is expected to result in minimal implication. Additionally, the revised Sovereign Pricing policy has been formulated in such a way that the transition from Libor is not expected to create any impact in terms of changes in economic value at the individual contract level. The revised Sovereign Pricing policy will be effective following its approval from BED.

Risks arising from the benchmark reform

The following are the key risks for the Bank that arose from the benchmark transition.

1. **Shariah risk:** Given that the Bank must abide by the Shariah principles, the clearance on use of a new benchmark rate for pricing the financial exposures was one of the major milestones in the Bank's transition programme. However, this risk has been addressed by obtaining the clearance from IsDB's Shariah Technical Committee on use of CME Term SOFR as replacement benchmark.
2. **Legal risk:** There is a possibility of not reaching an agreement with the counterparts on revised pricing particularly on the legacy contracts. This could be a result of having ineffective fallback clauses in the signed legal agreements. This risk has been addressed by appointing external Law firm to develop the 'Fallback' clause which has been added to all new contracts. Another Law firm is in process of onboarding to address the conversion of Legacy contracts.
3. **IT and system risks:** It is expected that the booking of new contracts and conversion of legacy contracts from old benchmark to new will require certain enhancements in system functionalities and processes. This risk is addressed by performing the testing on existing systems, by identifying gaps and by upgrading the Bank's core banking systems to the latest versions that offer the needed functionality required for utilizing the new reference rates.

Progress towards adoption of alternative benchmark rates

All newly transacted contracts that referenced a benchmark rate for pricing are already executed with the improved fallback clause. All the sovereign financing contracts will adopt the new pricing policy which is based on alternative benchmark rates.

The bank's main risk policies such as ALM Framework, Exposure Management Framework and Liquidity Policy will remain effective without requiring any change due to benchmark reform.

During 2021, the Bank has issued USD 400 million Sukuk which is linked to SOFR. The Bank is in the process of formulating the strategy for transition on its outstanding legacy contracts in accordance with the June 2023 timeline for complete decommissioning of Libor rates.

8. BENCHMARK TRANSITION (continued)

Profit rate benchmark transition for non-derivative financial contracts

For EUR denominated contracts, the Bank has historically used EURIBOR as benchmark rate. Therefore, no impact is expected for the Bank because the EURIBOR is not expected to be discontinued since it has already been transformed back in 2019 by the regulator.

For the legacy contracts in Treasury portfolio, the strategy is to wait for the Issuer to propose the alternate pricing to all the issue participants. This is because IsDB is only a participant investor amongst many other investors and hence cannot determine and negotiate an alternate rate on its own. In the absence of any such alternate rate from the issuer, it is not possible nor logical to run the impact analysis. Therefore, for legacy treasury assets, strategy is to wait till Q3-Q4 2022 for the issuer to propose an alternate rate and if not, Treasury will formulate an exit strategy for all such trades.

Same is the case of legacy contracts for non-sovereign financing. IDB is part of large PPP syndicates and hence IsDB is unable to negotiate an alternate rate with the counterparty. The Syndicate leads are expected to propose alternate rates based on which, IsDB will run the assessment and decide accordingly.

For legacy contracts on Capital Markets, the only exposure linked to Libor is a bilateral exposure with another group entity. Therefore, the strategy is to continue with it till the time we have clarity on all the viable alternate pricing options on the Treasury assets so that the same could be discussed and negotiated with the group entity to agree on one of them.

For legacy contracts for sovereign financing, the Bank has decided to follow a gradual approach by allowing an early adoption option to its member countries on a selective basis. During this period, member countries will be offered the conversion option to the new Sovereign Pricing policy. The relevant regional hubs will accordingly present the new pricing policy and markup rate structure to the member countries.

9. SUBSEQUENT EVENTS

- a) The Trustee issued Trust Certificates on 10 February 2020 for CNY 1,000 million (USD 153 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain completed loans CNY 80 million (USD 12 Million), completed istisna'a CNY 580 million (USD 89 million) and Sukuk Investments CNY 350 million (USD 54 million). The Trust Certificates were issued in denominations of CNY 1,000,000 (with integral multiples of CNY 1,000,000 in excess thereof), with a price of 100% of the aggregate nominal amount of the Trust Certificates. Total transaction costs incurred to date amounted to CNY 242,538 (USD 35,165). The Trust Certificates are not listed on any Stock Exchange. The Trust Certificates matured on 10 February 2023 and confer on Certificate Holders the right to receive annual distributions commencing 10 February 2021 at the fixed rate of 2.85 per cent per annum, payable annually in arrears.
- b) The Trustee issued Trust Certificates on 29 February 2016 (20 Jumada I 1437H) for EUR 300 million (USD 326 million). The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Instalment sales contracts EUR 123 million (USD 134 million), Sukuk investments EUR 111 million (USD 121 million) and Istisna'a (conditional sale of item to be manufactured) contracts EUR 66 million (USD 72 million) from IDB-OCR. The Trust Certificates were issued in denominations of EUR 100,000 (with integral multiples of EUR 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to EUR 24,795 (USD 26,536). The Trust Certificates are listed on the London Stock Exchange. The Trust Certificates matured on 1 March 2023 (9 Shaban 1444H) and confer on Certificate Holders the right to receive annual distributions commencing 1 March 2017 at the fixed rate of 0.255 per cent per annum, payable annually in arrears.
- c) The Trustee issued Trust Certificates on 15 March 2018 for USD 1,250 million. The Trustee, on that date, applied the proceeds of such issue to purchase a portfolio of Sukuk Assets comprising certain Ijara (lease) contracts (USD 360 million), Istisna'a (conditional sale of item to be manufactured) contracts (USD 707 Million), Installment Sales contracts (USD 101 Million) and Loans (USD 90 Million) from IDB-OCR. The Trust Certificates were issued in denominations of USD 200,000 (with integral multiples of USD 1,000) with a price of 100% of the aggregate principal amount of the Trust Certificates. Total transaction costs incurred to date amounted to USD 747,022. The Trust Certificates are listed London Stock Exchange, Bursa Malaysia and NASDAQ Dubai. The Trust Certificates matured on 15 March 2023 and confer on Certificate Holders the right to receive semi-annual distributions commencing 15 September 2018 at the fixed rate of 3.1 per cent per annum, payable semi-annually in arrears.

IDB TRUST SERVICES LIMITED

(Incorporated as a limited liability par value company in Jersey)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2022

(All amounts expressed in United States Dollars unless otherwise stated)

10. IMPACT OF RECLASSIFICATION

The trust previously disclosed the Amount due from Islamic Development Bank – Ordinary Capital and trust certificates under the non-current assets and liabilities respectively. In these financial statements the explained change due to error has been accounted for retrospectively, with the restatement of the comparative information.

During the year, the trust has reclassified the amount due from Islamic Development Bank – Ordinary Capital Resources (IDB-OCR) and Trust Certificates into the current and non-current portion. Accordingly, as per the requirements of IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors” the resulting impact is disclosed below:

	31 December 2021 (Previously stated)	Re-classification	31 December 2021 (Restated)
	USD	USD	USD
IMPACT ON STATEMENT OF FINANCIAL POSITION:			
Impact on non-current assets			
Amount due from Islamic Development Bank – Ordinary Capital	17,345,450,496	(2,499,847,410)	14,845,603,086
Impact on current assets			
Amount due from Islamic Development Bank – Ordinary Capital	-	2,499,847,410	2,499,847,410
Impact on non-current liabilities			
Trust Certificates	17,345,450,492	(2,499,847,410)	14,845,603,082
Impact on current liabilities			
Trust Certificates	-	2,499,847,410	2,499,847,410

	1 January 2021 (Previously stated)	Re-classification	1 January 2021 (Restated)
	USD	USD	USD
IMPACT ON STATEMENT OF FINANCIAL POSITION:			
Impact on non-current assets			
Amount due from Islamic Development Bank – Ordinary Capital	20,459,974,832	(3,320,153,032)	17,139,821,800
Impact on current assets			
Amount due from Islamic Development Bank – Ordinary Capital	-	3,320,153,032	3,320,153,032
Impact on non-current liabilities			
Trust Certificates	20,459,974,828	(3,320,153,032)	17,139,821,796
Impact on current liabilities			
Trust Certificates	-	3,320,153,032	3,320,153,032

The balances of statement of comprehensive income and statement of cash flow remained unchanged.