

SECOND SUPPLEMENT DATED 8 JUNE 2020 TO THE BASE PROSPECTUS DATED 19 SEPTEMBER 2019 AS SUPPLEMENTED BY THE FIRST SUPPLEMENT DATED 6 NOVEMBER 2019

IDB TRUST SERVICES LIMITED

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

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 second supplement (this **Second Supplement**) is supplemental to, and must be read in conjunction with, the base prospectus dated 19 September 2019 (the **Base Prospectus**) as supplemented by the first supplement to the base prospectus dated 6 November 2019 (the **First Supplement**, and together with the Base Prospectus, the **Supplemented Prospectus**) prepared by IDB Trust Services Limited (in its capacity as issuer and trustee, the **Trustee**) and The Islamic Development Bank (the **IsDB**) with respect to the Trustee's 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 **Euronext Regulated 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 and the approval obtained from Bursa Malaysia Securities Berhad for the listing of the programme pursuant to an exempt regime.

This Second 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 Second 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 the Trustee or the IsDB or of the quality of the Trust Certificates that are the subject of this Second Supplement. Investors should make their own assessment as to the suitability of investing in the Trust Certificates.

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

Each of the Trustee and the IsDB accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of the Trustee and the IsDB (each having taken all reasonable care to ensure that such is the case) the information contained in this Second Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Dealers nor the Arranger have independently verified the information contained in this Second Supplement. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Arranger or any of them as to the accuracy or completeness of the information contained in this Second Supplement or of any other information provided by the Trustee or the IsDB in connection with the Programme, the Trust Certificates or their distribution. None of the Dealers, the Arranger or any of their respective affiliates accepts any responsibility for any acts or omissions of the Trustee, the IsDB or any other person in connection with this Second Supplement, the Supplemented 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 Second Supplement and (b) any statement in or incorporated by reference into the Supplemented Prospectus, the statements in this Second Supplement will prevail.

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

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

AMENDMENTS OR ADDITIONS TO THE SUPPLEMENTED PROSPECTUS

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

1. The paragraph beginning "The economies of many Member Countries are dependent on oil and gas and related industries..." on page 13 of the Base Prospectus in the risk factor entitled "*The IsDB is subject to political and economic conditions in Member Countries*" shall be deleted in its entirety and replaced with the following:

"In addition, the ongoing outbreak of the coronavirus Covid-19 is having an indeterminable adverse impact on the world economy. To date, it has affected investment sentiment, has resulted in sporadic volatility in global capital markets and has impacted financial markets, which may have a material adverse effect on the global economy, slow national economic development and adversely affect the economies of many Member Countries. The duration, impact and severity of the outbreak on financial markets may be significant.

The economies of many Member Countries are dependent on oil and gas and related industries, as well as the prices and production quantities of these commodities. Notwithstanding the partial increase in global crude oil prices through 2017 to 2018 (according to OPEC Monthly Oil Market Report – January 2019, the average price of the OPEC Reference Basket was approximately U.S.\$52.43 per barrel for the year ended 31 December 2017 and U.S.\$69.78 per barrel for the year ended 31 December 2018), the oil-producing economies of the GCC states have continued to be affected by budget deficits and a decrease in fiscal revenues which can lead to lower public spending. Government fiscal deficits have resulted in weakened net asset positions, larger external financing needs and/or continued lower government spending. This has resulted in the downgrading, or placing on "creditwatch", of a number of GCC sovereigns including, particularly, the Sultanate of Oman and Bahrain.

More recently, in response to the decreasing demand for oil as a result of the spread of Covid-19, OPEC officials proposed a plan to the OPEC countries and other non-OPEC countries, including Russia, to reduce global production by 1.5 per cent. However, the parties were unable to reach agreement and the three-year partnership between OPEC and major non-OPEC providers was terminated as a result. On 7 March 2020, Saudi Arabia announced that it would raise oil output and discount its oil in April 2020. As a result of the above factors, the OPEC Reference Basket prices fell significantly from U.S.\$48.35 on 6 March 2020 to U.S.\$34.72 on 9 March 2020, a decrease of 28.2 per cent. On 30 March 2020, the OPEC Reference Basket price had fallen further to U.S.\$ \$21.66 and to U.S.\$18.05 on 30 April 2020.

A series of meetings took place on 9 April 2020 and 12 April 2020 between OPEC and non-OPEC oil producing countries participating in the Declaration of Cooperation, which culminated in an agreement to reduce their overall oil production in stages between 1 May 2020 and 30 April 2022. During the initial two-month period beginning 1 May 2020, production will be reduced by a total of 9.70 million barrels a day, followed by a six month period starting 1 July 2020 during which production will be reduced by a total of 7.68 million barrels a day and followed by a subsequent 16 month period between 1 January 2021 and 30 April 2022 during which production will be reduced by a total of 5.76 million barrels a day. However, there can be no assurance that the agreement will be implemented by all relevant parties or achieve its stated goals or what effect the agreement will have on oil prices in the short to medium term.

This deterioration in pricing has adversely affected the economies of certain Member Countries. Should international oil prices fall further or continue to remain at low levels for an extended period, this will be likely to continue to adversely affect the economies of such Member

Countries, which could materially adversely affect many of the IsDB's borrowers and contractual counterparties."

2. The section entitled "*Documents Incorporated By Reference*" on page 27 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 the Trustee as at and for the year ended 31 December 2019 together with the audit report thereon and the notes thereto (available at <https://www.isdb.org/sites/default/files/media/documents/2020-06/1.%20IDB%20Trust%20Services%20Limited%20-%20Annual%20Financial%20Statements%202019.PDF>);"

- (b) the following paragraph shall be inserted as a new paragraph "2.":

"the audited financial statements of the IsDB-OCR as at and for the year ended 31 December 2019 together with the audit report thereon and the notes thereto (available at <https://www.isdb.org/sites/default/files/media/documents/2020-06/1.%20IsDB-OCR%20Financial%20Statements%20%28English%29%202019.pdf>);"

- (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).

3. The section entitled "No Significant Change" on page 167 of the Base Prospectus shall be deemed deleted in its entirety and replaced with the following section:

"No Significant Change

Since 31 December 2019 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 2019 there has been no material adverse change in the prospects of the Trustee, nor any significant change in the financial performance or financial position of the Trustee."

4. The following shall be inserted as a new section on page 119 of the Base Prospectus, under the section entitled "*Description of the IsDB*" preceding the sub-section entitled "*Type 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 31 December 2019, ID1 = U.S.\$1.38283, and in respect of the year ended 31 December 2018, ID1 = U.S.\$1.390790.

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 2019. The basis for calculation of ratios that are non-AAOIFI financial measures are set out in the notes below.

| | As at 31 December 2019 |
|---|-----------------------------------|
| | (%) |
| Debt/equity ⁽¹⁾ | 156.2 |
| Assets / total liabilities ⁽²⁾ | 162.5 |
| Liquid assets / total liabilities ⁽³⁾ | 50.6 |
| Liquid assets / short-term liabilities ⁽⁴⁾ | 373.9 |
| Equity / total liabilities ⁽⁵⁾ | 62.5 |
| Top five exposures / total gross loans ⁽⁶⁾ | 36.0 |
| Equity / assets ⁽⁷⁾ | 38.5 |

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 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 2019

As at 31 December 2019, the IsDB-OCR's total assets stood at ID 23.6 billion (U.S.\$32.6 billion) compared to ID 22.0 billion (U.S.\$30.6 billion) as at 31 December 2018, representing an increase of 7.3 per cent. The increase in total assets principally reflected growth in project, investment and treasury assets during the year ended 31 December 2019.

As at 31 December 2019, the IsDB-OCR's total liabilities stood at ID 14.5 billion (U.S.\$20.1 billion) compared to ID 13.3 billion (U.S.\$18.5 billion) as at 31 December 2018, representing an increase of 9.0 per cent. The increase in total liabilities principally reflected an increase in commodity murabaha liabilities and sukuk issued.

As at 31 December 2019, the IsDB-OCR's total members' equity stood at ID 9.1 billion (U.S.\$12.6 billion) compared to ID 8.7 billion (U.S.\$12.1 billion) as at 31 December 2018, representing an increase of 4.6 per cent.

The IsDB-OCR's total income for the year ended 31 December 2019 was ID 621.8 million (U.S.\$859.8 million), compared to ID 537.7 million (U.S.\$747.8 million) for the year ended 31 December 2018, representing an increase of 15.6 per cent.

The IsDB-OCR's total operating expenses for the year ended 31 December 2019 were ID 156.5 million (U.S.\$216.4 million), compared to ID 160.4 million (U.S.\$223.1 million) for the year ended 31 December 2018, representing a decrease of 2.4 per cent. This decrease was principally the result of a 2.5 per cent. decrease in administrative expenses.

The IsDB–OCR's net income for the year ended 31 December 2019 was ID 140.4 million (U.S.\$194.1 million), compared to ID 83.9 million (U.S.\$116.7 million) for the year ended 31 December 2018, representing an increase of 67.3 per cent.

The increases in the IsDB-OCR's total income and net income for the year were predominantly due to (i) a decrease of 71.6 per cent. in loss from investment in associates during the year ended 31 December 2019 from ID 103.5 million (U.S.\$143.9 million) for the year ended 31 December 2018 to ID 29.4 million (U.S.\$40.7 million) and (ii) an increase of 22.9 per cent. in income from treasury assets from ID 147.4 million (U.S.\$205.0 million) for the year ended 31 December 2018 to ID 181.1 million (U.S.\$250.4 million) for the year ended 31 December 2019.

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 2019.

| | 31 December 2019 | |
|---|-------------------------|--------------------------|
| | <i>(ID thousand)</i> | <i>(U.S.\$ thousand)</i> |
| Balance at the beginning of the year | 388,318 | 536,978 |
| Write-offs/reversals..... | (45,324) | (62,675) |
| Charge for the year | 28,739 | 39,741 |
| Balance at the end of the year | 371,733 | 514,044 |

The impairment charge decreased from ID 49.4 million for the year ended 31 December 2018 to ID 28.7 million for the year ended 31 December 2019. The reduction in the impairment charge for the year ended 31 December 2019 was primarily attributable to improvements in a number of Member Countries' risk ratings as well as reductions in overdue repayments from certain Member Countries. The ID 28.7 million impairment charge for the year ended 31 December 2019 comprises general portfolio 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 36.0 per cent. of its total outstanding exposures as at 31 December 2019.

Major Initiatives and Activities in 2019

During the year ended 31 December 2019, the IsDB has completed seven sukuk issuances under the Programme:

- an unlisted issuance of EUR50 million in January 2019 with a tenor of five years;
- a listed issuance of U.S.\$1.5 billion in April 2019 with a tenor of five years;
- a listed issuance of U.S.\$1.5 billion in October 2019 with a tenor of five years;
- a listed issuance of EUR1 billion in December 2019 with a tenor of five years;
- an unlisted issuance of U.S.\$100 million in December 2019 with a tenor of five years;

- an unlisted issuance of U.S.\$100 million in December 2019 with a tenor of five years; and
- an unlisted issuance of U.S.\$250 million in December 2019 with a tenor of five years.

The IsDB Group approved 310 financing operations for a total of ID 5.6 billion (U.S.\$7.7 billion) during the year ended 31 December 2019, which was an increase from the ID 5.0 billion (U.S.\$7.0 billion) approved by the IsDB Group during the year ended 31 December 2018.

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 and the provision of technical assistance to member countries in the field 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 2019 | | |
|---|----------------------------------|------------------|--------------|
| | (ID million) | (U.S.\$ million) | (%) |
| LDMC (25 Member Countries) ⁽¹⁾ | 10,058 | 13,908.5 | 27.6 |
| Non-LDMC (32 Member Countries) ⁽¹⁾ | 25,524 | 35,295.4 | 70.5 |
| Others ⁽²⁾ | 685 | 947.2 | 1.9 |
| Total | 36,267 | 50,151.1 | 100.0 |

(1) Number as at 31 December 2019.

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

As at 31 December 2019, 92.4 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 2019 amounted to ID 1.18 billion (U.S.\$1.6 billion) for 41 operations.

IsDB-OCR Net Approvals by Mode of Financing

The table below sets forth the IsDB-OCR net approvals for the period 1435H (2014) to 31 December 2019.

| | 1435H (2014) – 31 December 2019 | |
|-----------------------------------|---------------------------------|------------------|
| | (ID million) | (U.S.\$ million) |
| Mudaraba..... | 439.3 | 607.5 |
| Loan..... | 667.1 | 922.5 |
| Equity | 332.5 | 459.8 |
| Leasing | 2,152.2 | 2,976.1 |
| Instalment Sale..... | 3,498.6 | 4,838.0 |
| Combined Lines of Financing | 6.5 | 9.0 |
| Istisna'a | 5,355.9 | 7,406.3 |

| | | |
|----------------------------|-----------------|-----------------|
| Technical Assistance | 0.8 | 1.1 |
| Total | 12,452.9 | 17,220.0 |

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 2019:

- African and Latin American countries received the majority share amounting to 49.9 per cent. (ID 590.4 million or U.S.\$816.4 million) of approvals;
- MENA and European countries received 30.3 per cent. (ID 356.9 million or U.S.\$493.5 million) of approvals; and
- Asian countries received 19.5 per cent. (ID 231.5 million or U.S.\$320.1 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 2019:

- health and other social services accounted for the largest share of the total approvals by the IsDB-OCR, amounting to 29.7 per cent. or ID 350.7 million (U.S.\$485.0 million) of the total approvals of ID 1.18 billion (U.S.\$1.6 billion);
- transportation accounted for 25.7 per cent. of total approvals and amounted to ID 304.2 million (U.S.\$420.6 million);
- energy accounted for 16.7 per cent. of the total approvals and amounted to ID 197.7 million (U.S.\$273.3 million);
- agriculture accounted for 10.4 per cent. of the total approvals and amounted to ID 123.0 million (U.S.\$170.0 million);
- water, sanitation and urban services accounted for 8.3 per cent. of the total approvals and amounted to ID 97.6 million (U.S.\$135.0 million);
- trade accounted for 6.1 per cent. of the total approvals and amounted to ID 72.2 million (U.S.\$99.8 million);
- information and communications accounted for 2.4 per cent. of the total approvals and amounted to ID 28.0 million (U.S.\$38.7 million);
- education accounted for 0.6 per cent. of the total approvals and amounted to ID 7.2 million (U.S.\$9.9 million); and
- finance accounted for 0.1 per cent. of the total approvals and amounted to ID 1.7 million (U.S.\$2.35 million).

IsDB-OCR Disbursements and Repayments

The total disbursements made by IsDB-OCR during the year ended 31 December 2019 were ID 2.0 billion (U.S.\$2.7 billion) compared to ID 1.8 billion (U.S.\$2.5 billion) during the year

ended 31 December 2018. During the year ended 31 December 2019, the repayments totalled ID 1.3 billion (U.S.\$1.8 billion) compared to ID 1.2 billion (U.S.\$1.7 billion) during the year ended 31 December 2018. Between 1976 and 31 December 2019, IsDB-OCR disbursements totalled ID 22.1 billion (U.S.\$30.5 billion) while repayments totalled ID 11.8 billion (U.S.\$16.3 billion), resulting in net resource transfer of ID 10.4 billion (U.S.\$14.3 billion).

Market Update

The coronavirus known as Covid-19 was first identified in Wuhan, Hubei Province, China in late 2019. In response to the highly contagious and sometimes fatal Covid-19 infecting thousands of people in China, the Chinese government imposed travel restrictions and quarantines to help control its spread. While the spread of Covid-19 slowed in China, it spread to many countries around the world. In March 2020, the United States, certain EU countries and countries in the Middle East began imposing travel restrictions, as well as other restrictions, which aim to reduce in-person interactions. These measures, while aimed to slow the spread of Covid-19, have already significantly reduced economic activity in Member Countries, which is expected to continue at least for the near future. It is currently unclear how long these restrictions will be in place and what their ultimate impact will be on global and local economies, as well as the banking industry.

In response to the Covid-19 impact on their domestic economies, various central banks have cut interest rates. Specifically, on 3 March 2020, the U.S. Federal Reserve cut its target range for the federal funds rate from 1.50 to 1.75 per cent. to 1.00 to 1.25 per cent. and, on 16 March 2020, it was cut further to 0 to 0.25 per cent. On 11 March 2020, the Bank of England cut its base rate from 0.75 per cent. to 0.25 per cent. and, on 19 March 2020, further cut its base rate to 0.10 per cent. While the European Central Bank did not cut its base rate, in March 2020, it announced a stimulus package to support the Euro area financial system. In addition, the KSA has implemented a number of significant fiscal stimulus measures to support the domestic economy, including for the banking industry, SMEs and other private sector businesses. Further announcements could be forthcoming and it is unclear what impact these measures will ultimately have on their respective economies.

With respect to Covid-19, the IsDB is following the recommendations of local health authorities. However, the scale and scope of this pandemic is unknown and the duration of the business disruption and related financial impact cannot be reasonably estimated at this time. While the IsDB has implemented specific business continuity plans to reduce the potential impact of Covid-19, there is no guarantee that the IsDB's continuity plans will be successful.

To date the IsDB has not seen a material adverse impact on its business or financial condition as a result of the Covid-19 crisis. Nevertheless, the extent to which Covid-19 or any other health epidemic may impact the IsDB's business, financial condition, results of operations, prospects and/or reputation will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of Covid-19 and the actions to contain Covid-19 or treat its impact, among others. Slow national economic development and further sporadic volatility in the global markets could adversely affect the economies of many Member Countries and consequently impact the business or financial condition of the IsDB.

The rapid development and fluidity of this situation precludes any prediction as to the ultimate impact of Covid-19.

The IsDB has been involved in a broad range of initiatives relating to Covid-19, which include the recent Board of Executive Directors' decision to allocate U.S.\$2.3 billion towards the IsDB Group's Strategic Preparedness and Response Programme for the Covid-19 pandemic (the

Covid-19 Strategic Preparedness and Response Programme). The IsDB-OCR's participation in the Covid-19 Strategic Preparedness and Response Programme is U.S.\$1.5 billion. Through the provision of financial assistance and technical expertise, the Covid-19 Strategic Preparedness and Response Programme aims to support Member Countries' efforts to prevent, contain, mitigate and recover from the impact of the COVID-19 pandemic. The IsDB may use proceeds from the issuance of Trust Certificates under the Programme to finance or refinance eligible projects in accordance with its Sustainable Finance Framework, which may include projects falling under the Covid-19 Strategic Preparedness and Response Programme."

IMPORTANT NOTICE

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

The information contained in the Second Supplement may be addressed to and/or targeted at persons who are residents of particular countries only as specified in the Supplemented Prospectus (as defined in the Second 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 Second Supplement, you must ascertain from the Supplemented Prospectus whether or not you are an intended addressee of, and eligible to view, the information contained therein.**

The Second Supplement and the Supplemented 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 Second Supplement and the Supplemented 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 Second Supplement and the Supplemented Prospectus, see pages iii to iv, pages ix to xi and the section entitled "*Subscription and Sale*" in the Base Prospectus.

This Second 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 Second Supplement, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Second 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 Second Supplement he or she should consult an authorised financial adviser.