

IMPORTANT NOTICE

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

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

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

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

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

The Supplement may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations, 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 the Supplement, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of the 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 the Supplement he or she should consult an authorised financial adviser.

SUPPLEMENT DATED 3 MAY 2024
TO THE BASE PROSPECTUS DATED 13 SEPTEMBER 2023

IDB TRUST SERVICES LIMITED

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

and

ISDB TRUST SERVICES NO.2 SARL

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

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

Trust Certificate Issuance Programme

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



THE ISLAMIC DEVELOPMENT BANK

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

This supplement (this **Supplement**) is supplemental to, and must be read in conjunction with, the base prospectus dated 13 September 2023 (the **Base Prospectus**) prepared by IDB Trust Services Limited, IsDB Trust Services No.2 SARL (each in its capacity as issuer and as trustee, each an **Issuer** and a **Trustee**, and together, the **Issuers** and the **Trustees**) and The Islamic Development Bank (the **IsDB**) with respect to the Trustees' U.S.\$25,000,000,000 trust certificate issuance programme (the **Programme**).

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

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

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

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

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

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

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

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

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

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

1. The section entitled "*Documents Incorporated By Reference*" on page 30 of the Base Prospectus shall be amended as follows:
 - (a) the following paragraph shall be inserted as a new paragraph "(c)" and the following paragraphs shall be re-lettered accordingly:

"the audited financial statements of the IsDB–OCR as at and for the year ended 31 December 2023 together with the audit report thereon and the notes thereto (available at <https://www.isdb.org/sites/default/files/media/documents/2024-05/2023%20OCR%20Signed%20EFS.pdf>);"
 - (b) the sentence "Any information incorporated by reference in any of items (1) to (6) 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 (a) to (g).
2. The following shall be inserted as a new section on page 140 of the Base Prospectus, under the section entitled "*Description of the IsDB*" preceding the sub-section entitled "*Types of Financing*":

"RECENT DEVELOPMENTS

For the purpose of simplicity and except where otherwise indicated, in this Base Prospectus, the following exchange rates have been used for conversion from Islamic Dinars to US Dollars: in respect of the year ended and as at 31 December 2023, ID1 = U.S.\$1.341670, and in respect of the year ended and as at 31 December 2022, ID1 = U.S.\$1.33084.

Selected Ratios

The following table sets out selected ratios in respect of the IsDB-OCR's financial performance as at 31 December 2023. The basis for calculation of ratios that are non-AAOIFI financial measures are set out in the notes below.

	As at 31 December 2023
	(%)
Debt / equity ⁽¹⁾	167.6
Assets / total liabilities ⁽²⁾	158.9
Liquid assets / total liabilities ⁽³⁾	56.0
Liquid assets / short-term liabilities ⁽⁴⁾	789.7
Equity / total liabilities ⁽⁵⁾	58.9
Top five exposures / total gross loans ⁽⁶⁾	30.8
Equity / assets ⁽⁷⁾	37.1

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 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 2023

As at 31 December 2023, the IsDB-OCR's total assets stood at ID 29.3 billion (U.S.\$39.3 billion) compared to ID 27.1 billion (U.S.\$36.0 billion) as at 31 December 2022, representing an increase of 8.2 per cent. The increase in total assets principally reflected growth in treasury assets (by ID 1.8 billion, principally reflecting higher commodity murabaha placements with conventional banks and sukuk investments offset by lower cash and cash equivalents) and project assets (by ID 0.3 billion, principally reflecting higher instalment sales with each other asset category falling) during the year ended 31 December 2023.

As at 31 December 2023, the IsDB-OCR's total liabilities stood at ID 18.4 billion (U.S.\$24.7 billion) compared to ID 17.0 billion (U.S.\$22.6 billion) as at 31 December 2022, representing an increase of 8.5 per cent. The increase in total liabilities principally reflected increases in sukuk issued and commodity murabaha liabilities during the year ended 31 December 2023.

As at 31 December 2023, the IsDB-OCR's total members' equity stood at ID 10.8 billion (U.S.\$14.6 billion) compared to ID 10.1 billion (U.S.\$13.4 billion) as at 31 December 2022.

The IsDB-OCR's total income for the year ended 31 December 2023 was ID 1,007.5 million (U.S.\$1,351.7 million), compared to ID 693.9 million (U.S.\$923.5 million) for the year ended 31 December 2022, representing an increase of 45.2 per cent. This principally reflected ID 210.1 million, or 129.3 per cent., higher income from treasury assets (mainly commodity Murabaha placements) that was principally a result of increases in global reference rates, a strategic shift by the IsDB to investments with shorter maturities and an increase in external funding proceeds invested during this period.

The IsDB-OCR's financing costs and impairment charge each increased during the year ended 31 December 2023 compared to the year ended 31 December 2022, by ID 108.9 million, or 37.6 per cent., and by ID 47.9 million, or 71.9 per cent., respectively. Reflecting this, the IsDB-OCR's net income before operating expenses for the year ended 31 December 2023 was ID 494.0 million (U.S.\$662.8 million), compared to ID 337.3 million (U.S.\$448.9 million) for the year ended 31 December 2022, representing an increase of 46.4 per cent.

The IsDB-OCR's total operating expenses for the year ended 31 December 2023 were ID 177.3 million (U.S.\$237.9 million), compared to ID 164.2 million (U.S.\$218.6 million) for the year ended 31 December 2022, representing an increase of 7.9 per cent. This increase was principally the result of an 8.2 per cent. increase in administrative expenses during the year ended 31 December 2023.

Reflecting the above factors, the IsDB-OCR's net income for the year ended 31 December 2023 was ID 316.7 million (U.S.\$425.0 million), compared to ID 173.1 million (U.S.\$230.4 million) for the year ended 31 December 2022, representing an increase of 82.9 per cent.

Provisions for Impairment of Treasury, Project and Investment Assets

The following table sets out the movement in IsDB-OCR's provision for impairment for the year ended 31 December 2023.

	31 December 2023	
	<i>(ID thousand)</i>	<i>(U.S.\$ thousand)</i>
Balance at the beginning of the year	544,362	730,354.2
Charge for the year	114,623	153,786.2
Write offs/ reversals	(4,269)	(5,727.6)
Balance at the end of the year	654,716	878,412.8

IsDB-OCR's impairment charge increased from ID 66.7 million for the year ended 31 December 2022 to ID 114.6 million for the year ended 31 December 2023. The ID 114.6 million impairment charge for the year ended 31 December 2023 comprises (a) FAS 30 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)¹; and (b) provisions relating to equity investments with impairment indicators (i.e., prolonged (over a year) and significant (more than 30 per cent.) decline in the values of such equity investments against their cost).

The IsDB-OCR's top five exposures represent 30.8 per cent. of its total outstanding exposures as at 31 December 2023.

Major Initiatives and Activities in 2023

During the year ended 31 December 2023, the IsDB completed seven sukuk issuances (including two tap issuances) and redeemed seven sukuk issuances under the Programme:

- a listed issuance of EUR 150 million in March 2023 with a tenor of three years;
- a listed issuance of U.S.\$2 billion in March 2023 with a tenor of five years;
- an unlisted issuance of EUR 150 million in June 2023 with a tenor of three years;
- a listed issuance of U.S.\$1.75 billion in October 2023 with a tenor of five years, and tap issuances of U.S.\$150 million and U.S.\$200 million in December 2023; and
- a listed issuance of EUR 550 million in November 2023 with a tenor of five years.

The IsDB Group approved 394 financing operations for a total of ID 9.0 billion (U.S.\$12.0 billion) during the year ended 31 December 2023, which was a 15.3 per cent. increase from the ID 7.9 billion (U.S.\$10.4 billion) approved by the IsDB Group during the year ended 31 December 2022.

¹ 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 Group has continued to participate in the development of the financial services industry through various activities, which included investments in the equity capital of Islamic financial institutions, the financing of Awqaf (endowments) real estate and other projects. The IsDB Group has also provided technical assistance to member countries in the fields of Islamic banking, Takaful, Islamic microfinance, corporate governance, Awqaf, Zakat as well as legal, regulatory and supervisory issues related to Islamic banking.

Approvals of the IsDB-OCR

Total IsDB-OCR approvals for the year ended 31 December 2023 amounted to ID 3.2 billion (U.S.\$4.3 billion) for 65 operations.

As at 31 December 2023, 95.9 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 were non-sovereign exposures (the majority of which were public-private partnership projects with government-related entities as sponsors or off-takers of the output from the project company and the remainder were banks acceptable to the IsDB).

Net IsDB-OCR Approvals by Status of Member Countries

The following table sets out the net IsDB-OCR approvals by status of Member Countries from inception to 31 December 2023:

Region	1396H (1976) to 31 December 2023		
	(ID million)	(U.S.\$ million)	(%)
LDMC (25 Member Countries) ⁽¹⁾	12,613.7	18,002.7	29.0
Non-LDMC (32 Member Countries) ⁽¹⁾	29,349.7	42,911.8	69.2
Others ⁽²⁾	725.9	1,079.1	1.7
Total	42,689.4	61,993.5	100.0

(1) Number as at 31 December 2023.

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

Net IsDB-OCR Approvals by Mode of Financing

The table below sets out the IsDB-OCR net approvals for the period 2015 to 31 December 2023.

Mode of Finance	2015 - 31 December 2023	
	(ID Million)	(U.S.\$ Million)
Equity.....	322.0	445.4
Instalment Sale.....	9,873.8	13,411.8
Istisna'a.....	3,836.5	5,328.4
Leasing.....	2,256.1	3,099.9
Loan.....	1,158.3	1,596.9
Mudaraba.....	413.1	675.7
Technical Assistance.....	1.9	2.6
Total	17,861.6	24,560.7

Net IsDB-OCR 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 2023:

- Asian, Latin American and European countries received the largest share amounting to 45.9 per cent. (ID 1.5 billion or U.S.\$2.0 billion) of total approvals;
- Sub-Saharan African countries received 32.2 per cent. (ID 1.0 billion or U.S.\$1.4 billion) of total approvals; and
- MENA region received 21.9 per cent. (ID 706.3 million or U.S.\$939.4 million) of total approvals.

Net IsDB-OCR 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 2023:

- health accounted for the largest share of the total approvals by the IsDB-OCR, amounting to 32.8 per cent. or ID 1.1 billion (U.S.\$1.4 billion) of the total approvals of ID 3.2 billion (U.S.\$4.3 billion);
- transportation accounted for 28.5 per cent. of the total approvals and amounted to ID 915.9 million (U.S.\$1.2 billion);
- energy accounted for 9.0 per cent. of the total approvals and amounted to ID 286.3 million (U.S.\$387.9 million);
- agriculture accounted for 8.3 per cent. of total approvals and amounted to ID 257.0 million (U.S.\$354.2 million);
- finance accounted for 7.5 per cent. of total approvals and amounted to ID 240.3 million (U.S.\$321.6 million);
- industry and mining accounted for 7.5 per cent. of total approvals and amounted to ID 250.3 million (U.S.\$320.6 million);
- education accounted for 4.7 per cent. of total approvals and amounted to ID 151.4 million (U.S.\$201.3 million);
- water, sanitation, and urban services accounted for 1.3 per cent. of the total approvals and amounted to ID 41.7 million (U.S.\$56.6 million); and
- real estate accounted for 0.5 per cent. of the total approvals and amounted to ID 15.9 million (U.S.\$21.3 million).

IsDB-OCR Disbursements and Repayments

The total disbursements made by IsDB-OCR during the year ended 31 December 2023 were ID 1.5 billion (U.S.\$2.0 billion) compared to ID 1.5 billion (U.S.\$2.0 billion) during the year ended 31 December 2022. During the year ended 31 December 2023, the repayments totalled ID 1.7 billion (U.S.\$2.3 billion) compared to ID 1.6 billion (U.S.\$2.2 billion) during the year ended 31 December 2022. Between 1976 and 31 December 2023, IsDB-OCR disbursements

totalled ID 28.7 billion (U.S.\$41.2 billion) while repayments totalled ID 17.9 billion (U.S.\$ 25.5 billion), resulting in net resource transfer of ID 10.8 billion (U.S.\$15.7 billion)."

3. The first paragraph in the section entitled "*No Significant Change*" on page 200 of the Base Prospectus shall be updated with the following paragraph:

"Since 31 December 2023, there has been no material adverse change in the prospects of the IsDB-OCR, or any significant change in the financial performance or financial position of the IsDB-OCR."