Second Supplement dated 4 June 2020 to the Base Prospectus dated 7 November 2019

DIB Sukuk Limited

(incorporated in the Cayman Islands with limited liability)

U.S.$7,500,000,000

Trust Certificate Issuance Programme

This second supplement (the **Supplement**) is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 7 November 2019 (the **Base Prospectus**) prepared by DIB Sukuk Limited (in its capacities as issuer and as trustee, the **Trustee**) and Dubai Islamic Bank PJSC (**DIB**) in connection with the Trustee's U.S.$7,500,000,000 trust certificate issuance programme (the **Programme**).

This Supplement which, together with the Base Prospectus and the first supplement to the Base Prospectus dated 20 February 2020, comprises a base prospectus for the purposes of Article 23 of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the **Irish Central Bank**), as competent authority under the Prospectus Regulation. The Irish Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the Irish Central Bank should not be considered as an endorsement of the Trustee or DIB or of the quality of the Certificates. Investors should make their own assessment as to the suitability of investing in the Certificates.

Each of the Trustee and DIB accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Trustee and DIB the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement complies with the requirements of Part 2 of the Markets Law (DIFC Law No. 1 of 2012) (the **Markets Law**) and Chapter 2 of the Markets Rules (the **Markets Rules** of the Dubai Financial Services Authority (the **DFSA**)). This Supplement has been approved by the DFSA under Rule 2.6 of the DFSA's Markets Rules and is therefore an approved prospectus for the purposes of Article 14 of the Markets Law.

The DFSA does not accept any responsibility for the content of the information included in this Supplement, including the accuracy or completeness of such information. The liability for the content of this Supplement lies with the Trustee and DIB. The DFSA has also not assessed the suitability of the Certificates to which this Supplement relates to any particular investor or type of investor and has not determined whether they are Sharia compliant. If you do not understand the contents of this Supplement or are unsure whether the Certificates to which this Supplement relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

AMENDMENTS TO DOCUMENTS INCORPORATED BY REFERENCE

On 29 April 2020, DIB published the auditors' review report and unaudited condensed consolidated interim financial information of DIB as at and for the three month period ended 31 March 2020 (together, the **Interim Financial Statements**).

A copy of the Interim Financial Statements has been filed with the Irish Central Bank and submitted to the DFSA and the Interim Financial Statements are incorporated by reference in and form part of this Supplement in their entirety and, by virtue of this Supplement, form part of the Base Prospectus.

The following shall be inserted as a new paragraph (a) in the section entitled "*Documents Incorporated by Reference*" (as set out on page 21 of the Base Prospectus) and the existing paragraphs (a), (b), (c), (d) and (e) shall be re-numbered accordingly:

"(a) the auditors' review report and unaudited condensed consolidated interim financial information of DIB as at and for the three month period ended 31 March 2020 (available at: https://www.dib.ae/docs/default-source/financial-reports/dib_pjsc_q1-mar_2020_fs_en.pdf?sfvrsn=2aa3f9fa_4);".

AMENDMENTS TO RISK FACTORS

The following text shall be inserted as a new first risk factor under the sub-section entitled "*A. Operational risks relating to DIB and its business*" in the section entitled "*Risk Factors*" immediately before the risk factor entitled "*General*" (as set out on page 1 of the Base Prospectus):

"**Impact of recent macro-economic and financial market conditions**

DIB, in common with other financial institutions, is susceptible to changes in the macro-economic environment and the performance of financial markets generally. In 2020, the macro-economic environment (both globally and within the UAE) has also been materially affected by the coronavirus disease 2019 (known as COVID-19), which was first identified in Wuhan, Hubei Province, China in December 2019 and has since spread to most countries around the world. Many of these countries, including the United States and countries in Europe, have been significantly impacted and have experienced high levels of deaths connected with COVID-19. Most affected countries have introduced measures to try to contain the spread of the virus, including measures that restrict the movement of their citizens. These measures have significantly reduced economic activity in many countries around the world. Although some countries are now starting to relax the restrictions imposed to a certain extent, it remains unclear how long the restrictions will remain in place and what their ultimate impact will be on global and local economies, as well as the price of oil. The economic impact of COVID-19 has already included, and may continue to result in, significant volatility in financial markets and reduced global liquidity and investment, and it may lead to lower economic growth in the GCC and globally.

In response to the impact of COVID-19 on their domestic economies, various governments around the world, including the UAE (see further "*The United Arab Emirates Banking Sector and Regulations – COVID-19*"), have announced fiscal stimulus packages and numerous 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 by 0.5 per cent. to between 1.00 and 1.25 per cent. and, on 15 March 2020, the range was cut further to between 0 to 0.25 per cent. On 16 March 2020, the UAE Central Bank cut the interest rate applicable to one-week certificates of deposit by 0.75 per cent. to 0.25 per cent. and it also reduced the rates applicable to the interim margin lending facility and the collateralised murabaha facility by 0.50 per cent. These and any future reductions in these rates or changes in fiscal stimulus packages or UAE Central Bank measures could reduce liquidity and adversely impact DIB's financing costs, if DIB is unable to pass these increased costs on to its customers.

In addition, and in part due to the impact of the restrictions imposed to combat COVID-19 on the demand for oil, international oil prices fell significantly in 2020. In early March 2020, OPEC officials proposed a plan to the members of OPEC and other non-OPEC member countries, including Russia, to cut global production by 1.5 per cent. to help support the oil price. No agreement was reached, ending a three-year partnership between OPEC and major non-OPEC oil exporters. This also resulted in 'OPEC plus' failing to extend the agreement of cutting 2.1 million barrels per day that was set to expire at the end of March 2020. Saudi Arabia announced in March 2020 that it would raise oil output and discount its oil in April 2020. In early April 2020, 'OPEC plus' announced that it had reached an agreement to cut production by 9.7 million barrels a day. However this action failed to sufficiently support the oil market with prices falling in the days following the announcement. Reflecting these developments, the average monthly price of the OPEC Reference Basket (which is a notional blend of crudes from around the world), which was U.S.$65.10 in January 2020, fell to U.S.$55.53 in February 2020, U.S.$33.92 in March 2020 and U.S.$17.66 in April 2020. In May 2020, the average monthly price of the OPEC Reference Basket increased to U.S.$24.97.

The significant reduction in international oil prices, particularly if they remain low for an extended period, may impact DIB in a number of ways, including through its exposure to customers whose business is, directly or indirectly, reliant on oil revenue who become unable to service their debt, through reduced liquidity as deposits from government and government-related entities are withdrawn as these depositors are impacted by low oil prices, and through the impact of low oil prices and the COVID-19 restrictions imposed by the UAE on the UAE's economy and the consequent impact on DIB's wholesale and retail customers. All of these factors have the potential to impact DIB's assessment of its expected credit losses and may therefore result in significantly increased impairment losses in future periods, at least until the UAE and other economies to which it is exposed recover from the effects of COVID-19 restrictions and low oil prices. For example, DIB's impairment charges, net for the three months ended 31 March 2020 were AED 1,483 million compared to AED 347 million for the corresponding period in 2019, an increase of AED 1,136 million, or 327.5 per cent.".

AMENDMENTS TO DESCRIPTION OF DUBAI ISLAMIC BANK PJSC

The sixth paragraph under the sub-section entitled "*Strategy*" in the section entitled "*Description of Dubai Islamic Bank PJSC*" (as set out on page 91 of the Base Prospectus) shall be deleted in its entirety and replaced with the following:

"In April 2019, DIB announced that it was exploring the potential acquisition of all of the shares of Noor Bank PJSC (**Noor Bank**). After completion of its assessment in June 2019, DIB decided to proceed with the potential acquisition, subject to obtaining the relevant approvals from all competent regulatory authorities. The acquisition of Noor Bank was approved by DIB's shareholders at the general assembly meeting held on 17 December 2019. In January 2020, DIB completed the acquisition of 99.999 per cent. of Noor Bank through a share swap in the ratio of one DIB share for every 5.49 shares of Noor Bank. This led to DIB issuing 651,159,198 new shares to increase its issued share capital from 6,589,585,179 shares to 7,240,744,377 shares. All relevant approvals from all competent regulatory authorities have also been obtained and the operations of Noor Bank are being fully integrated into DIB. The integration process is currently expected to be completed by the end of 2020.

The acquisition of Noor Bank resulted in DIB recording a gain on the purchase of AED 1,015 million for the three month period ended 31 March 2020. The unaudited condensed consolidated interim statement of profit or loss for the three month period ended 31 March 2020 includes revenue of AED 513 million and a net loss of AED 23 million from Noor Bank.".

AMENDMENTS TO
THE UNITED ARAB EMIRATES BANKING SECTOR AND REGULATIONS

The following text shall be inserted as a new sub-section after the sub-section entitled "*Summary*" in the section entitled "*The United Arab Emirates Banking Sector and Regulations*" (as set out on page 125 of the Base Prospectus):

"**COVID-19**

In response to the COVID-19 outbreak (see "*Risk Factors – Factors that may affect DIB's ability to fulfil its obligations under the Transaction Documents to which it is a party – A. Operational risks relating to DIB and its business – Impact of recent macro-economic and financial market conditions*"), effective from 15 March 2020, the UAE Central Bank has implemented the Targeted Economic Support Scheme (**TESS**), which includes a range of measures aimed at mitigating the economic effects of COVID-19 on the UAE economy. The TESS and other accompanying stimulus measures include (in addition to cutting interest rates as discussed in the risk factor referenced above):

- allowing banks operating in the UAE access to liquidity, against collateral, extended at zero cost by the UAE Central Bank until 31 December 2020, the proceeds of which are to be used by UAE banks to grant temporary relief to private sector corporate customers and retail clients;

- whilst keeping the existing 2.50 per cent. capital conservation buffer and the D-SIB buffer in place, allowing banks to utilise 60 per cent. of their capital conservation buffer and 100 per cent. of their D-SIB buffer without supervisory consequences until 31 December 2021, subject to having fully utilised the limit available under the zero cost facility of the TESS described above;

- allowing banks that are subject to the LCR to fall below the regulatory LCR requirement of 100 per cent., provided that their LCR is higher than or equal to 70 per cent., while other banks that are subject to the ELAR are able to fall below the regulatory ELAR requirement of 10 per cent., provided that their ELAR is higher than or equal to 7 per cent., with such changes to the LCR and ELAR applicable until 31 December 2021, subject to having fully utilised the limit available under the zero cost facility of TESS described above;

- expecting banks to leave unchanged and not downgrade the IFRS 9 staging and classification of customers who are receiving temporary relief linked to the TESS and are temporarily and mildly impacted by COVID-19, thereby having no significant impact on their creditworthiness. In the case of customers who are receiving temporary relief linked to the TESS but are expected to be significantly impacted by COVID-19 in the long-term, thereby having a significant impact on their creditworthiness, expecting banks to downgrade such customers to either stage two or stage three in accordance with IFRS 9;

- decreasing the UAE Central Bank's minimum regulatory cash reserve requirement for all current, call and savings deposits from 14 per cent. to 7 per cent.;

- postponing the planned implementation of certain Basel III capital requirements until 31 March 2021; and

- allowing banks to apply a prudential filter to IFRS 9 expected credit loss provisions. The prudential filter will allow any increase in IFRS 9 provisioning compared to 31 December 2019 to be partially added back to regulatory capital. This will allow IFRS 9 provisions to be gradually phased-in over a five year period until 31 December 2024.".

AMENDMENTS TO GENERAL INFORMATION

The second paragraph under the sub-section entitled "*Significant or Material Change*" in the section entitled "*General Information*" (as set out on page 158 of the Base Prospectus) shall be deleted in its entirety and replaced with the following:

"Save for the factors described under "*Risk Factors – Factors that may affect DIB's ability to fulfil its obligations under the Transaction Documents to which it is a party – A. Operational risks relating to DIB and its business – Impact of recent macro-economic and financial market conditions*", there has been no significant change in the financial performance or financial position or trading position of DIB and its subsidiaries since 31 March 2020 and, save as aforesaid, there has been no material adverse change in the prospects of DIB and its subsidiaries since 31 December 2019.".

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

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