



THE COMMERCIAL BANK (P.S.Q.C.)

(a Qatari shareholding company incorporated in the State of Qatar)

and

CBQ FINANCE LIMITED

(an exempt company with limited liability incorporated in Bermuda under the Bermuda Companies Act 1981)

guaranteed by

(in the case of Notes issued by CBQ Finance Limited)

THE COMMERCIAL BANK (P.S.Q.C.)

(a Qatari shareholding company incorporated in the State of Qatar)

U.S.\$5,000,000,000

Euro Medium Term Note Programme

This supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 11 July 2019, as supplemented by the first supplement to the base prospectus dated 8 October 2019 (the "**Base Prospectus**") prepared by The Commercial Bank (P.S.Q.C.) (the "**Guarantor**" or the "**Bank**") and CBQ Finance Limited (each an "**Issuer**" and together the "**Issuers**") in connection with the U.S.\$5,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). 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 "**Central Bank**"), as competent authority under EU Directive 2003/71/EC, as amended (which includes the amendments made by the Directive 2010/73/EU) (the "**Prospectus Directive**"). The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive. This Supplement constitutes a supplement for the purposes of Article 16 of the Prospectus Directive. This Supplement will be published on the website of Euronext Dublin at www.ise.ie.

The purpose of this Supplement is to: (i) incorporate by reference into the Base Prospectus the audited consolidated financial statements of the Bank for the year ended 31 December 2019; (ii) disclose certain material developments in respect of the Bank and its business; and (iii) incorporate provisions for the issuance of Notes denominated in Renminbi in the Base Prospectus.

This document constitutes a supplement for the purpose of Article 16 of the Prospectus Directive.

IMPORTANT NOTICES

The Issuers and the Guarantor accept responsibility for the information contained in this Supplement and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of the knowledge of each Issuer and the Guarantor, in accordance with the facts and contains no omission likely to affect its import.

To the extent 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 the Base Prospectus, the statements in (a) will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

None of the Dealers or Arranger make any representation, express or implied, or accept any responsibility for the contents hereof or any information incorporated by reference into this Supplement.

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

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

DOCUMENTS INCORPORATED BY REFERENCE

A copy of the consolidated financial statements of The Commercial Bank (P.S.Q.C.) for the year ended 31 December 2019 (the "**2019 Financial Statements**") and the auditors' report thereon has been filed with the Central Bank and by virtue of this Supplement, are hereby incorporated into, and form part of, the Base Prospectus.

For ease of reference, the table below sets out the relevant page references for the 2019 Financial Statements:

Independent auditors' report	page 1
Consolidated statement of financial position.....	page 7
Consolidated statement of income.....	page 8
Consolidated statement of comprehensive income	page 9
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Consolidated statement of cash flows	page 11
Notes to the consolidated financial statements	page 12

A copy is also available at <http://www.cbq.qa/EN/AboutUs/For-Investors/Financial-highlights/Documents/CBQ%202019%20-%20FS%20English%20signed.pdf>.

IMPORTANT NOTICES

The following shall be deemed to be added at the end of the third paragraph on page iii of the Base Prospectus.

All references to "CNY" and "Renminbi" are to the lawful currency of the People's Republic of China (the "PRC" or "China"), excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

RISK FACTORS

The following shall be deemed to be added as a new risk factor under the section headed "Risks Relating to the Macro Economic Environment" on page 5 of the Base Prospectus:

Risks relating to the emergence of the 2019 novel coronavirus COVID-19

The COVID-19 outbreak is currently having an indeterminable adverse impact on the world economy. COVID-19 was first identified in Wuhan, Hubei Province, China in late 2019. In response to the rapid spread of COVID-19, the Chinese government imposed travel restrictions and quarantines to help limit risk of infection. However, while the spread of COVID-19 has slowed in China, it has continued to spread in many countries around the world, leading the World Health Organisation to declare the outbreak a global pandemic on 11 March 2020.

In March 2020, the United States, certain EU countries and countries in the Middle East, including Qatar, began imposing restrictions on travel and on the freedom of movement of people. These measures, while aimed to slow the spread of COVID-19, are expected to significantly reduce economic activity. It is currently unclear how long these restrictions will be in place and what their ultimate impact will be on global and regional economies.

Whilst the direct and indirect impact of the COVID-19 outbreak remains uncertain, a number of central banks and governments have announced financial stimulus packages in anticipation of a very significant negative impact on GDP during 2020. Concerns remain as to whether these policy tools will counter anticipated macro-economic risks and a prolongation of the outbreak could significantly adversely affect economic growth, affect specific industries or countries or affect the Bank's employees and business operations in affected countries.

In the event these conditions persist, the Bank's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

The risk factors headed "Risks Relating to the Macro Economic Climate" shall be deemed to be deleted and replaced with the following on page 5 of the Base Prospectus:

Risks Relating to the Macro Economic Climate

Slower economic growth in the countries where the Bank, its subsidiaries and its associates operate could adversely impact the Bank

The Bank's total loans and advances to customers were QAR 84.6 billion as at 31 December 2018 and QAR 88 billion as at 31 December 2019. The growth in the Bank's assets and loan portfolio over the past several years is due in large part to the rapid growth of the Qatar economy and the economies of the GCC countries where the Bank operates. The economies of Qatar and the GCC countries are dependent on oil, gas and related industries, as well as the prices and quantities of these commodities. The Bank's financial performance has been and will remain closely linked to the rate of economic growth of Qatar and the other Gulf Cooperation Council ("GCC") countries in which the Bank, its subsidiaries and its associates operate. Any deterioration in economic conditions in Qatar or the GCC could materially adversely affect many of the Bank's borrowers and contractual counterparties.

Economic conditions in Qatar may deteriorate as a result of deterioration in oil, gas or related industries or due to other factors. Although over the past few years Qatar has tried to diversify away from oil and gas, the oil and gas sector contributed 83.3 per cent. and 81.5 per cent. to the annual revenues of Qatar in the fiscal years ended 31 December 2018 and 31 December 2017, respectively. The volatility in global crude oil prices (the Organisation of the Petroleum Exporting Countries ("OPEC") Reference Basket annual average crude oil price was over U.S.\$100 per barrel for the period 2011 to 2013 and for the first half of 2014, but then fell sharply to average U.S.\$48 per barrel in March 2017, recovering to U.S.\$67.12 per barrel in January 2020) may potentially adversely affect economic activity.

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 cut 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. 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. As at 31 March 2020, the OPEC Reference Basket price had fallen further to U.S.\$22.61.

Any reduced economic activity resulting from lower oil prices could impact the demand for loans and other products and services offered by the Bank. In addition, a deteriorating macroeconomic environment would result in higher credit losses and there remains a risk of future credit losses. The foregoing factors also affect the Bank's flexibility in planning for, or reacting to, changes in the Bank's operations and in the financial industry generally. If these levels of market disruption and volatility continue or recur, the Bank may experience reductions in business activity, increased funding costs and funding pressures, decreased asset values, credit losses, write-downs and impairment charges, and lower profitability and cash flows. See "- Risks Relating to the Bank - The Bank's investment and loan portfolios and deposit base are spread geographically in Qatari riyal, U.S. dollars and Turkish lira" and "- Risks Relating to the Bank - The Bank's investment and loan portfolios and deposit base are in various economic sectors related to industry oil, gas, petrochemical, utilities and others, government and semi-government institutions, real estate, commercial and services companies, with the highest concentration of gross loans outstanding (not including impairments) in the real estate sector".

Qatar

Due to losses recorded in the other countries in which the Bank operates, operations in Qatar accounted for 94 per cent. and 82 per cent. of the Bank's consolidated net profit for each of the years ended 31 December 2019 and 31 December 2018, respectively. Qatar, being a relatively small economy, is heavily dependent on exports, in particular of oil and gas. In 2018, real GDP growth was projected at 2.2 per cent., compared to growth of 1.6 per cent. in 2017 as projected by the International Monetary Fund. In addition, the Government of Qatar (the "**Government**") has, in the past, relied upon oil revenue and loans to finance its economic development and infrastructure projects. If current economic conditions cause delays in key projects as a result of the unavailability of credit, the Government may need to draw on its sovereign wealth fund in order to finance these projects. Moreover, the Qatar economy is highly dependent upon its oil and gas revenue. Historically the markets for petroleum products have been volatile and are likely to remain so in the future. A substantial deterioration in price or high volatility in international prices for oil and gas products in the future could adversely affect the Government's development strategy or its ability to continue to both finance internal development projects and to continue to provide support to its commercial banking and real estate sectors. In the event these conditions persist, the Bank's business, financial condition, results of operations, liquidity and prospects are likely to be negatively affected.

Oman

For the year ended 31 December 2019, 8 per cent. of the Bank's consolidated net profit was generated from the operations of National Bank of Oman ("**NBO**") in Oman. According to the Central Bank of Oman, in the year ended 31 December 2018, Oman's nominal GDP increased by 12.0 per cent. compared to 2017 and by 7.3 per cent. in 2017, while in 2016 and 2015 Oman's nominal GDP declined by 5.1 per cent. and 14.1 per cent., respectively, principally driven by lower oil and gas prices, reflecting the significant contributions of the oil and gas sector to Oman's GDP. In addition, His Majesty Sultan Qaboos bin Said Al Said had focused successfully on widespread economic and political reform since taking power in 1970, resulting in significantly increased stability and economic growth in the country. However, with his passing on 10 January 2020 and the appointment of the new Sultan Haitham bin Tariq, there can be no assurance that such stability and growth will continue.

Turkey

For the year ended 31 December 2019, operations of Alternatifbank A.S. ("**Alternatif Bank**") contributed a net profit of QAR 100 million to the Bank's consolidated net profit. Turkey's real GDP grew by 2.6 per cent. in 2018 in comparison to 2017, according to the International Monetary Fund. However, there is no guarantee that GDP growth will continue and any decrease in GDP growth could impact the Bank's results of operations. Any deterioration in the economic conditions in Turkey could have a material adverse effect on Alternatif Bank. See "*- Risks Relating to Qatar, Turkey and other GCC markets - Emerging markets such as Qatar, Turkey and other GCC markets are subject to greater risks than more developed markets, and financial volatility in emerging markets could negatively impact the Bank's business*".

The United Arab Emirates

For the year ended 31 December 2019, operations of United Arab Bank P.J.S.C. ("**UAB**") in the United Arab Emirates (the "**UAE**") contributed a net loss of QAR 179 million to the Bank's consolidated net profit. Due to the loss, this translates to negative 8.8 per cent. of the Bank's total net profit. UAB reported a net loss in 2019 due to higher provisions on its non-performing loans portfolio. In 2019 the Bank re-stated its investment in UAB from 'Held for sale' to 'Associate' and recognised an impairment loss of QAR 414 million. According to the International Monetary Fund, real GDP growth in the UAE was 1.7 per cent. in 2018. However, there is no guarantee that GDP growth will continue and any decrease in GDP growth could impact the Bank's results of operations. Any deterioration in the economic conditions in the UAE could have a material adverse effect on UAB.

The Bank's business environment, earnings and results of operations are influenced by conditions in the global financial markets and the global economic outlook

If the level of market disruption and volatility experienced during the last financial crisis, which started in late 2007 and reached unprecedented levels in the second half of 2008 and early 2009, were to recur, the Bank may experience reductions in business activity, increased funding costs and funding pressures, lower share prices, decreased asset values, additional credit losses, write-downs and impairment charges and lower profitability.

Accordingly, as a result of the foregoing, the Bank's results of operations, business, financial condition, liquidity and prospects may be adversely affected by conditions in the global economy and financial markets.

The Bank may be affected by instability in the Middle East, North Africa and Turkey

Certain countries within the Middle East and North Africa ("**MENA**") region have experienced heightened levels of political instability, civil unrest and violence since January 2011. There can be no assurance that such political instability in the MENA region will not escalate in the future and affect hitherto stable countries such as Qatar, that political instability will not spread to additional countries in the MENA region, that further violent activities will not occur or that the governments of the MENA region will be successful in maintaining domestic order and stability. This uncertainty and unrest may result in credit becoming more expensive for certain countries where the Bank operates.

Additionally, the 2013 acquisition of the subsidiary Alternatif Bank in Turkey exposes the Bank to geopolitical risk in Turkey (see "*Risks relating to Qatar, Turkey and other GCC markets*"). As at 31 December 2018, Alternatif Bank comprised 10.9 per cent. of the total assets and 12.0 per cent. of the total liabilities of the Bank.

The following shall be deemed to be added as a new section before the section headed "Risks Relating to the Notes" on page 20 of the Base Prospectus:

Risks relating to Notes denominated in Renminbi

A description of risks which may be relevant to an investor in Notes denominated in Renminbi ("**Renminbi Notes**") are set out below.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the People's Bank of China ("**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the PBoC has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the "**Renminbi Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong; has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement, and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business-participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBoC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to the Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Investment in the Renminbi Notes is subject to currency risk

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on the Renminbi Notes as a result of Renminbi Inconvertibility, Renminbi Non-transferability or Renminbi Illiquidity (each, as defined in the Conditions), the Issuer shall be entitled prior to the due date for payment, to settle any such payment in U.S. Dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

An investment in Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in Renminbi interest rates. If holders of the Renminbi Notes try to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely: (i) for so long as the Renminbi Notes are represented by global certificates held with the common depositary for Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong; (ii) for so long as the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the Central Moneymarkets Unit ("**CMU**"), by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures; or (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws

Under the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The *PRC Enterprise Income Tax Law* levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of Renminbi Notes but its implementation rules have reduced the EIT rate to 10 per cent. The *PRC Individual Income Tax Law* levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual Holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual Holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

CONDITIONS

The definition of "Business Day" in Condition 2 shall be deemed to be deleted in its entirety and replaced with the following on page 36 of the Base Prospectus:

"Business Day" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in a currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally in Luxembourg, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and
- (c) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

The definition of "Payment Business Day" in Condition 2 shall be deemed to be deleted in its entirety and replaced with the following on page 41 of the Base Prospectus:

"Payment Business Day" means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro or Renminbi, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;
- (c) if the currency of payment is Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

Condition 6(b) shall be deemed to be deleted in its entirety and replaced with the following on page 48 of the Base Prospectus:

Accrual of interest: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, provided that if the Specified Currency is Renminbi and any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day, and subject as provided in Condition 10 (*Payments - Bearer Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

Condition 6(c) shall be deemed to be deleted in its entirety and replaced with the following on page 48 of the Base Prospectus:

Fixed Coupon Amount: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount, provided that if the Specified Currency is Renminbi, the Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards) and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

The following shall be deemed to be added as a new Condition 6(e) on page 48 of the Base Prospectus:

Renminbi account: All payments in respect of any Note or Coupon in Renminbi will be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

The following shall be deemed to be added as a new Condition 6(f) on page 48 of the Base Prospectus:

Renminbi Currency Event: If the Specified Currency of the Notes is Renminbi and an Renminbi Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any principal or

interest (in whole or in part) in respect of any Note, Receipt or Coupon, the Issuer's obligation to make a payment in Renminbi under the terms of the Notes may be replaced by an obligation to pay such amount (in whole or in part) in the Relevant Currency and converted using the Spot Rate for the relevant Determination Date as promptly notified to the Issuer and the Paying Agents.

Upon the occurrence of an Renminbi Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 19 (*Notices*) stating the occurrence of the Renminbi Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City; and the definition of "**Payment Business Day**" shall mean any day which (subject to Condition 14 (*Prescription*)) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) London and New York City.

For the purpose of this Condition 6 (*Fixed Rate Note Provisions*):

"**Determination Business Day**" means, for the purposes of the Renminbi Notes, a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and New York City;

"**Determination Date**" means the day which is two Determination Business Days before the due date of the relevant payment under the Notes, other than where the Issuer properly determines that a Renminbi Currency Event has occurred at any time during the period from and including 10:01 a.m. (Hong Kong time) on the second Determination Business Day preceding the original due date to and including 11:59 p.m. (Hong Kong time) on the original due date, in which case the "**Determination Date**" will be the Determination Business Day immediately following the date on which the determination of the occurrence of a Renminbi Currency Event has been made;

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"**Relevant Currency**" means United States dollars;

"**Renminbi Currency Events**" means any one of Renminbi Illiquidity, Renminbi Non-Transferability and Renminbi Inconvertibility;

"**Renminbi Illiquidity**" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes, as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the Renminbi exchange market in Hong Kong;

"**Renminbi Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into Renminbi on any payment date in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Renminbi Non-Transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

"Spot Rate" means the spot CNY/U.S.\$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"U.S. Dollar Equivalent" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date promptly notified to the Issuer and the Paying Agents.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(f) (*Fixed Rate Note Provisions – Renminbi Currency Event*) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all relevant Noteholders.

The following shall be deemed to be added as a new Condition 10(l) on page 56 of the Base Prospectus:

Renminbi denominated Bearer Notes: Notwithstanding the above Conditions 10(a) to 10(j), all payments in respect of Bearer Notes denominated in Renminbi shall be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

The following shall be deemed to be added as a new Condition 11(g) on page 57 of the Base Prospectus:

Renminbi denominated Registered Notes: Notwithstanding the above Conditions 11(a) to 11(f), all payments in respect of Registered Notes denominated in Renminbi shall be made solely by credit to a registered Renminbi account maintained by or on behalf of the payee at a bank in Hong Kong, details of which appear on the Register on the fifth business day before the due date for payment in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

GENERAL

The paragraph under the heading "Significant/Material Change" on page 130 of the Base Prospectus shall be deemed to be deleted and replaced with the following:

"Since 31 December 2019 there has been no material adverse change in the prospects of the Bank and no significant change in the financial or trading position of the Bank and its consolidated subsidiaries taken as a whole. Since 31 December 2018, there has been no material adverse change in the prospects of CBQ Finance Limited nor any significant change in the financial or trading position of CBQ Finance Limited."