

Additional information on the issue No.26 of

Government of the Kingdom of Bahrain

Islamic Lease Securities (Ijara Sukuk)

Islamic leasing securities (Ijara Sukuk) are instruments representing assets owned by the Government of the Kingdom of Bahrain (Government real estate). The securities are issued by the Central Bank of Bahrain on behalf of the Government of the Kingdom of Bahrain for the purpose of creating new opportunities for the investment of surplus financial resources in the economy and to provide a method of financing the expenditure and needs of various development projects. In issuing these leasing securities, the Government of the Kingdom of Bahrain sells the assets to the investors who will buy and own it before renting it back to the Government of the Kingdom of Bahrain at a predetermined rental rate, via a rental contract. The Government of the Kingdom of Bahrain will also issue a binding promise to buy back the assets at its par value at the end of the rental period. The Central Bank of Bahrain, on behalf of the Government of the Kingdom of Bahrain, will perform the necessary arrangements and formalities of this issue.

1. **Guarantee of Securities and expected Return**

The Government of the Kingdom of Bahrain directly guarantees the Islamic leasing securities via its binding promise to buy the assets at its original (par) value at maturity. It also guarantees to continue renting the assets according to the rental contract until the end of the rental period.

2. **Expected returns on the Securities:**

The rate of return (rental return) on these securities will be paid every six months on 19th July and 19th January every year throughout the period of this issue. The annual expected rate of return is 4.50%. If the payment date is an official holiday, the payment will be made on the next business day.

The securities shall be issued on 19th July 2020 for a period of 6 years ending on 19th July 2026.

3. **Applicable Law:**

This issue and all documents pertaining thereto shall be subjected to the laws of the Kingdom of Bahrain, provided that it does not contradict with provisions of Islamic Shari'a law.

4. **Affirmation of the legality of the Issue under Islamic Law:**

The legality of this type of issue and compatibility with the provisions and principles of Islamic Shari'a law have been declared by Fatwa issued on 19/Shawwal/1419 AH corresponding to 5/February/1999 by the Shari'a Board.