



THE KINGDOM OF BAHRAIN
acting through the Ministry of Finance and National Economy

CBB International Sukuk Programme Company S.P.C.
*(a single person company incorporated in the Kingdom of Bahrain
with limited liability whose proprietor is the Central Bank of Bahrain)*

Trust Certificate Issuance Programme

This base prospectus supplement (the “**Base Prospectus Supplement**”) has been prepared in order to reflect certain recent developments to the information contained in the Base Prospectus (as defined below).

This Base Prospectus Supplement constitutes a supplement for the purposes of Article 23 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”), and has been prepared in connection with the Trust Certificate Issuance Programme (the “**Programme**”) of CBB International Sukuk Programme Company S.P.C. (in its capacity as issuer and trustee (the “**Trustee**”). This Base Prospectus Supplement is supplemental to, and forms part of and should be read and construed in conjunction with the Base Prospectus Supplement dated 7 May 2020 (the “**May Base Prospectus Supplement**”) and the Base Prospectus dated 23 September 2019 (as supplemented by the May Base Prospectus Supplement, the “**Base Prospectus**”). This Base Prospectus Supplement which, together with the May Base Prospectus Supplement and the Base Prospectus, comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. Capitalised terms used but not otherwise defined in this Base Prospectus Supplement shall have the meanings ascribed thereto in the Base Prospectus.

The Base Prospectus Supplement has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Base Prospectus Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Trustee or the Kingdom (as defined below) or the quality of the trust certificates that are subject of the Base Prospectus, as supplemented (the “**Certificates**”). Investors should make their own assessment as to the suitability of investing in the Certificates. This Base Prospectus Supplement constitutes neither an offer to sell nor a solicitation of an offer to buy any Certificates by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

This Base Prospectus Supplement does not constitute an offer of securities in Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law № 64 of 2006). This Base Prospectus Supplement and related offering documents have not been, and will not be, registered as a prospectus with the Central Bank of Bahrain (the “**CBB**”). Accordingly, no Certificates may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus Supplement or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase the Certificates, whether directly or indirectly, to persons in Bahrain, other than as marketing to accredited investors, as such terms is defined by the CBB, for an offer outside Bahrain.

A copy of this Base Prospectus Supplement has been filed with the CBB. The CBB has not reviewed, approved or registered this Base Prospectus Supplement or related offering documents and it has not in any way considered the merits of the Certificates to be marketed for investment, whether in or outside Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus Supplement and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus Supplement. No offer of Certificates will be made to the public in Bahrain and this Base Prospectus Supplement must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

The offering of Certificates issued under the Programme will comply with Legislative Decree № (4) of 2001 with respect to the Prevention and Prohibition of the Laundering of Money and the Ministerial Orders issued thereunder, including, but not limited to, Ministerial order № (7) of 2001 with respect to Institution’s Obligations Concerning the Prohibition and Combating of Money Laundering and Anti-Money Laundering and Combating of Financial Crime Module contained in the Central Bank of Bahrain Rulebook, Volume 6.

Each of the Trustee and The Kingdom of Bahrain, acting through the Ministry of Finance and National Economy (the “**Kingdom**”), accepts responsibility for the information contained in this Base Prospectus Supplement and the applicable Final Terms for each Tranche of Certificates under the Programme. To the best of the knowledge of each of the Trustee and the Kingdom, the information contained in this Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The date of this Base Prospectus Supplement is 8 September 2020.

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

RISK FACTORS

Bahrain's economy remains significantly dependent on oil revenues and is vulnerable to external shocks, including the current low oil price environment (replacing the last two sentences of the first paragraph of the risk factor entitled "Risk Factors—Bahrain's economy remains significantly dependent on oil revenues and is vulnerable to external shocks, including the current low oil price environment" on page 1 of the May Base Prospectus Supplement)

The average price of Brent was U.S.\$45.2 per barrel on 17 August 2020, which is below the Government's budgeted price of U.S.\$60.0 per barrel for 2020. A continued low oil price environment is expected to result in an increased fiscal deficit for 2020.

Bahrain has large fiscal deficits, its fiscal consolidation efforts may not be successful, leading to an increase in public debt and debt financing costs (replacing the second paragraph of the risk factor entitled "Risk Factors—Bahrain has large fiscal deficits, its fiscal consolidation efforts may not be successful, leading to an increase in public debt and debt financing costs" beginning on page 2 of the Base Prospectus in its entirety)

Bahrain's fiscal deficit has resulted in increases in its public debt and debt-to-GDP ratio. Total outstanding Government debt (which includes loans from GCC members, but excludes borrowings from the CBB) was U.S.\$37.5 billion as at 30 June 2020, as compared to U.S.\$36.1 billion as at 31 December 2019 and U.S.\$33.1 billion as at 31 December 2018. The debt-to-GDP ratio was 114.9% as at 30 June 2020, as compared to 93.5%, 87.8% and 80.5% as at 31 December 2019, 31 December 2018 and 31 December 2017, respectively. The IMF estimates Bahrain's real GDP to contract by 3.6% in 2020 and to grow by 3% in 2021.

The Kingdom faces significant debt maturities in the coming years, with approximately U.S.\$1.5 billion (including interest) coming due in 2021 and approximately U.S.\$2.0 billion (including interest) coming due in each of 2022, 2023 and 2024, as at 30 June 2020. The Kingdom has benefited from international financial assistance in the past, in particular from the GCC Development Fund. Any material reduction in financial assistance by international donors may increase refinancing risk and/or affect confidence in the Kingdom's economy. If the Kingdom is not able to refinance its debt on favourable terms or at all, it could materially impair the Kingdom's capacity to service its debt, including the Certificates.

Bahrain's economy is dependent on economic and other conditions of Saudi Arabia in particular, as well as the GCC countries (inserting the following after the seventh sentence of the third paragraph of the risk factor entitled "Risk Factors—Bahrain's economy is dependent on economic and other conditions of Saudi Arabia in particular, as well as the GCC countries" beginning on page 2 of the Base Prospectus)

In 2020, Bahrain will receive U.S.\$1.76 billion from the U.S.\$10.25 billion GCC support package agreed in 2018.

Bahrain's sovereign credit ratings are subject to revision and downgrade (inserting the following sentence after the third sentence of the first paragraph of the risk factor entitled "Risk Factors—Bahrain's sovereign credit ratings are subject to revision and downgrade" beginning on page 5 of the Base Prospectus)

On 14 August 2020, Fitch downgraded Bahrain's long-term foreign-currency issuer default rating from BB- to B+ with a stable outlook, citing the combined impact of lower oil prices and the COVID-19 pandemic on Bahrain, which are causing increases in budget deficit and government debt, as well as continuing pressure on foreign currency reserves and GDP.

Bahrain's currency may be subject to depreciation (replacing the fifth and sixth sentences of the risk factor entitled "Risk Factors—Bahrain's currency may be subject to depreciation" beginning on page 3 of the May Base Prospectus Supplement in its entirety)

In particular, Bahrain's gross foreign reserves have decreased in recent years from U.S.\$6,055.1 million as at 31 December 2014 to U.S.\$3,680.8 million as at 31 December 2019. As at 30 June 2020, total gross foreign reserves decreased to U.S.\$1,870.4 million. As at 31 December 2019, Bahrain's gross foreign reserves were estimated by the CBB to be sufficient to finance 2.6 months of obligations in respect of imports of goods; as at 30 June 2020, Bahrain's gross foreign reserves were estimated by the CBB to be sufficient to finance 1.3 months of obligations in respect of imports of goods.

ECONOMY OF THE KINGDOM OF BAHRAIN

Recent Developments

Response to COVID-19 (supplementing the section “Economy of the Kingdom of Bahrain—Recent Developments—Response to COVID-19” beginning on page 7 of the May Base Prospectus Supplement)

In common with most other countries, the COVID-19 virus is affecting Bahrain. As at 16 August 2020, the Ministry of Health reported 3,534 active cases in Bahrain and 173 deaths. The Government has administered 972,003 tests and discharged 43,128 people from hospital.

In order to prepare and co-ordinate its policy response to the COVID-19 virus, the Government established a “war room” three weeks before the first confirmed case in the Kingdom. In addition, the Government doubled the number of beds in the national healthcare system through the construction of field intensive care units and quarantine facilities, and it set up mobile testing units. The Government also launched a contact tracing application and mandated self-isolation bracelets to track home quarantine cases. Wearing masks is mandatory in public places.

The Government has also implemented the following restrictions:

- *Travel:* With over 90% of early cases coming from international travel, COVID-19 testing was required for all arrivals, whether by land, sea or air, and, since March 2020, entry into Bahrain was restricted, a temporary ban on non-essential travel was instituted, and the issuance of on-arrival visas was suspended;
- *Social distancing:* since 26 March 2020, large public gatherings have been restricted, and nurseries, schools, museums, cinemas, commercial stores, gyms and universities have been closed. Cafes and restaurants are only permitted to operate on a takeaway basis;
- *Workplace closures and employee/employer requirements:* the closure of all non-essential businesses from 26 March 2020 until 7 May 2020. Furthermore, all employees working in Bahrain must wear a face mask at all times while at work. Employers are required to provide employees with face masks, carry out regular temperature testing and provide additional accommodation to expatriate employees to support social distancing; and
- *Expatriate workers:* precautionary measures have been implemented for expatriate workers, including reducing the density of workers living within dormitories. In March 2020, the Government suspended the issuance of work permits for foreign nationals; at the beginning of August, the Labour Market Regulatory Authority announced it would resume accepting applications again from 9 August.

Financial measures

On 17 March 2020, the Government announced a BD 4.3 billion economic stimulus package (equivalent to 29.6% of nominal GDP for the year ended 31 December 2019) aimed at providing economic assistance to individuals and businesses, the majority of which is not included in the state budget and includes contributions from the private sector. The package, effective for a three-month period from April to June 2020, was comprised of eight initiatives:

- payment of salaries for Bahrainis working in the private sector, to be financed from the unemployment fund;
- payment of electricity and water bills for all individuals and companies;
- exempting all individuals and companies from municipalities’ fees;
- exempting tourist facilities from tourism fees;
- exempting all businesses from paying rent on Government industrial lands;
- doubling the size of the liquidity fund to support small and medium-size businesses; and
- redirecting Tamkeen programmes to support adversely affected companies.

Additional Government initiatives were subsequently announced, including:

- exempting from payment of some of the fees levied by the Labour Market Regulatory Authority (“LMRA”);
- suspending rent collection from leased shops and lands owned by the Supreme Council for the Environment;
- postponing mortgage instalments collected by Eskan Bank for six months starting April 2020;
- suspending rent collection from the shops owned by Eskan Bank; and
- suspending rent collection from municipal properties.

Subsequently, on 29 June 2020, the Government announced a second economic package which extended a number of initiatives for an additional three months from July to September 2020, and introduced a number of other initiatives targeting the most adversely affected sectors:

- payment of 50% of salaries for Bahrainis working in companies most adversely affected by COVID-19 in the private sector, to be financed from the unemployment fund;
- payment of electricity and water bills for all Bahraini individuals for their primary residences;
- exempting all Bahraini individuals from municipalities’ fees on their primary residences;
- exempting tourist facilities from tourism fees;
- exempting businesses that export at least 30% of their goods from paying rent on Government industrial land;
- reducing the monthly LMRA labour fees for issuing and renewing work permits by 50%, and exempting sectors most adversely affected by COVID-19;
- waiving the 2020 commercial registration renewal fees and commercial activity fees for the first three activities for companies operating in the most adversely affected sectors; and
- extending Tamkeen’s business continuity support programme to support adversely affected companies.

In July 2020, Decree № 22 for the year 2020 was issued, which authorises emergency expenditures of BD 177 million to fund the Government’s efforts to combat COVID-19. In addition, Decree № 23 for the year 2020 was issued to permit the Government to withdraw U.S.\$450 million from the Future Generations Fund on a one-time basis to support the state budget for the year 2020 and temporarily halt the allocation of oil revenues to the Future Generations Fund in 2020. See “*Public Finance*”.

In addition, the CBB has implemented the following measures:

- the one-week deposit facility rate was reduced from 1.75% to 1.0%;
- the overnight deposit rate was reduced from 2.0% to 0.75%;
- the overnight lending rate was reduced from 4.0% to 2.45%;
- the cash reserve ratio for retail banks was reduced from 5% to 3%;
- loan-to-value ratios for new residential mortgages were relaxed; and
- fees on debit cards have been capped.

Manufacturing: (replacing the last sentence of the section entitled “Economy of the Kingdom of Bahrain—Introduction—Manufacturing” on page 8 of the May Base Prospectus Supplement)

The manufacturing sector accounted for 14.5% of GDP at constant 2010 prices in 2019 and 14.9% for the first quarter ended 30 March 2020.

Financial Services: (replacing the last sentence of the section entitled “Economy of the Kingdom of Bahrain—Introduction—Financial Services” beginning on page 8 of the May Base Prospectus Supplement)

The financial services sector accounted for 16.5% of real GDP at constant 2010 prices in 2019 and 16.7% for the first quarter ended 30 March 2020.

Gross Domestic Product (replacing the first paragraph and the first table set out in the section entitled “Economy of the Kingdom of Bahrain—Gross Domestic Product” beginning on page 8 of the May Base Prospectus Supplement)

Oil is the largest contributor to GDP at constant 2010 prices (17.7% for the year ended 31 December 2018, 17.8% for the year ended 31 December 2019 and 18.0% for the first quarter ended 30 March 2020), and the financial services sector is the single largest non-oil contributor to GDP at constant 2010 prices (16.9% for the year ended 31 December 2018, 16.5% for the year ended 31 December 2019, and 16.7% for the first quarter ended 30 March 2020), reflecting the importance of trade and finance to the domestic economy.

The following table sets out the GDP of Bahrain for the periods indicated, both as a total and on a *per capita* basis, and both in current prices and constant 2010 prices for the periods indicated:

	As at 31 December					As at 31
	2015	2016	2017	2018	2019	March
						2020
GDP at current prices (U.S.\$ millions) ⁽¹⁾⁽²⁾	31,125.9	32,179.1	35,432.7	37,876.3	38,574.1	9,012.0
GDP at constant 2010 prices (U.S.\$ millions) ⁽¹⁾⁽²⁾	30,778.9	31,779.4	33,058.9	33,708.6	34,321.9	8,332.9
Percentage change over previous period						
At current prices (%).....	(6.8)	3.3	10.1	6.9	2.5	(5.0)
At constant 2010 prices (%).....	2.9	3.3	4.0	2.5	1.8	(1.1)
<i>Per capita</i> ⁽³⁾⁽⁴⁾						
At current prices (U.S.\$) ⁽²⁾⁽³⁾	22,714.3	22,583.0	23,598.0	25,073.0	—	—
At constant 2010 prices (U.S.\$) ⁽²⁾⁽³⁾	22,461.1	22,314.0	22,025.0	22,362.0	—	—

Source: Information eGovernment Authority

Notes:

- (1) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00.
(2) GDP figures for 2017 differ from those previously published. Figures for 2018 and 2019 are estimates.
(3) Assuming a population of 1,314,562 in 2014, 1,370,322 in 2015, 1,423,726 in 2016, 1,501,116 in 2017 and 1,503,091 in 2018.
(4) No GDP per capita figures published for quarterly GDP.

Principal Sectors of the Economy (supplementing the tables set out in the section entitled “Economy of the Kingdom of Bahrain—Principal Sectors of the Economy” on page 11 of the May Base Prospectus Supplement)

The table below sets out Bahrain’s estimated GDP by economic activity based on current prices and by percentage contribution for the period indicated.

	Jan – March 2020	
	(U.S.\$ millions) ⁽¹⁾	(%)
Non-financial corporations	6,000.5	66.6
Agriculture and fishing	27.2	0.3
Mining and quarrying ⁽²⁾	1,168.2	13.0
(i) Crude petroleum and natural gas	1,062.8	11.8
(ii) Quarrying.....	105.4	1.2
Manufacturing	1,551.7	17.2
Electricity and water	119.5	1.3
Construction	791.8	8.8
Trade	414.9	4.6
Hotels and restaurants.....	151.1	1.7
Transport and communications.....	684.3	7.6
Social and personal services	596.1	6.6
Real estate and business activities	495.8	5.5
Financial corporations	1,520.3	16.9
Financial institutions	518.3	5.8
Offshore financial institutions	497.6	5.5
Insurance	504.4	5.6
Government services	1,185.7	13.2
Government education services	186.9	2.1
Government health services.....	180.9	2.0
Other Government services	817.9	9.1
Private non-profit institutions serving households	3.5	0.0
Households with employed persons	82.0	0.9
GDP producer prices	8,791.9	97.6
Import duties	220.1	2.4
GDP	9,012.0	100.0

Source: Information eGovernment Authority

Notes:

(1) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00.

(2) Mining and quarrying is comprised of (i) crude petroleum and natural gas; and (ii) quarrying.

The table below sets out Bahrain's estimated GDP by economic activity based on constant 2010 prices and by percentage contribution for the period indicated.

	Jan – March 2020	
	<i>(U.S.\$ millions)⁽¹⁾</i>	<i>(%)</i>
Non-financial corporations	5,616.6	67.4
Agriculture and fishing	24.4	0.3
Mining and quarrying ⁽²⁾	1,502.1	18.0
(i) Crude petroleum and natural gas	1,430.2	17.2
(ii) Quarrying	72.0	0.9
Manufacturing	1,237.7	14.9
Electricity and water	114.1	1.4
Construction	626.3	7.5
Trade	376.7	4.5
Hotels and restaurants	138.5	1.7
Transport and communications	601.6	7.2
Social and personal services	533.7	6.4
Real estate and business activities	461.6	5.5
Financial corporations	1,388.2	16.7
Financial institutions	448.2	5.4
Offshore financial institutions	474.1	5.7
Insurance	465.9	5.6
Government services	1,039.4	12.5
Government education services	162.0	1.9
Government health services	160.2	1.9
Other Government services	717.2	8.6
Private non-profit institutions serving households	3.46	0.0
Households with employed persons	70.7	0.9
GDP producer prices	8,118.3	97.4
Import duties	214.6	2.6
GDP⁽³⁾	8,332.9	100.0

Source: Information eGovernment Authority

Notes:

(1) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00.

(2) Mining and quarrying is comprised of (i) crude petroleum and natural gas; and (ii) quarrying.

Mining

Oil Production (supplementing the first paragraph, replacing the fifth, sixth and seventh paragraphs and supplementing the table under the caption entitled “Economy of the Kingdom of Bahrain—Principal Sectors of the Economy—Mining—Oil Production” beginning on page 12 of the May Base Prospectus Supplement)

Bahrain had daily average crude oil production of 43,353 bpd in the second quarter of 2020 compared to an average of 42,378 bpd in 2019.

Block-1. In May 2019, NOGA signed an exploration and production-sharing agreement with ENI for Block-1 exploration, following the completion of a joint study agreement signed in 2016. ENI plans to drill their first well as part of the minimum work program that has been held due to the limitations of operating under the COVID-19 pandemic. However, the geological and geophysical evaluations of the block are progressing as per the exploration and production sharing agreement.

Khalij Al-Bahrain Basin. On 4 April 2018, NOGA announced the largest discovery of oil and gas reserves in Bahrain, comprising: (i) the largest oil accumulations in Bahrain as tight oil reserves of approximately 80 billion barrels within the Khalij Al-Bahrain Basin. The discovered field covers 2,000 square kilometres in shallow waters off the Kingdom's west coast, which faces Saudi Arabia; and (ii) significant gas reserves below Bahrain's main gas reservoir. See “—Gas—Pre-Unayzah Gas Reserves”.

Extensive work has been carried out to evaluate in-place volumes. Tatweer participated in the drilling, fracking and testing of an offshore well and has succeeded in flowing significant volumes of high-quality oil during the testing and flow-back phases. Tatweer is in the process of drilling a number of appraisal wells to help delineate the asset and collect important production information; one well was completed in 2020 and the results are currently being evaluated. Due to the risks and limitations of operating in the COVID-19 pandemic environment, plans for drilling and testing a number of key appraisal wells offshore were delayed until 2021, subject to improvement of the pandemic and global oil price conditions. The technical and commercial feasibility, timing, cost and financing of any potential exploitation of the Khalij Al-Bahrain Basin is in the process of being determined and production is expected to begin in 2024.

The table below provides details of Bahrain's oil refining industry for the periods indicated.

	For the three months ended 31 March 2020	For the three months ended 30 June 2020
	<i>(bpd)</i>	
Refined oil production.....	243,918	234,888
Local sales of refined products.....	27,762	25,716
Exports ⁽¹⁾	230,169	210,889

Source: National Oil and Gas Authority

Note:

(1) Includes exports by Bapco.

Gas (supplementing the first table “Economy of the Kingdom of Bahrain—Principal Sectors of the Economy—Mining—Gas” beginning on page 14 of the May Base Prospectus Supplement)

The table below provides details of Bahrain's gas production for the periods indicated.

	For the three months ended 31 March 2020	For the three months ended 30 June 2020
	<i>(billion cubic feet)</i>	
Natural gas production.....	145.4	298.7
Associated gas production.....	69.7	137.9
Total gas production.....	215.1	436.6

Source: Tatweer

Other Services

Trade (supplementing the first and second tables set out in the section entitled “Economy of the Kingdom of Bahrain—Principal Sectors of the Economy—Other Services—Trade” beginning on page 16 of the May Base Prospectus Supplement)

The table below sets out Bahrain's non-oil imports from the GCC countries.

	For the three months ended 31 March 2020	For the three months ended 30 June 2020
	<i>(U.S.\$ millions, except percentages)</i>	
GCC Total.....	531.8	448.2
Saudi Arabia.....	250.2	210.4
Kuwait.....	24.5	25.4
Oman.....	41.7	32.3
UAE.....	215.6	180.1
Qatar.....	—	0.0
Total non-oil imports.....	3,308.9	3,105.7
<i>GCC of total non-oil imports.....</i>	<i>16.1%</i>	<i>20.9%</i>

Source: Information and eGovernment Authority

The table below sets out Bahrain’s non-oil exports to the GCC countries.

	For the three months ended 31 March 2020	For the three months ended 30 June 2020
	<i>(U.S.\$ millions, except percentages)</i>	
GCC Total	1,127.2	776.3
Saudi Arabia.....	570.0	451.5
Kuwait.....	76.1	46.9
Oman.....	139.9	77.4
UAE.....	339.9	200.4
Qatar.....	1.4	0.0
Total non-oil imports	2,142.6	1,815.8
<i>GCC of total non-oil imports</i>	<i>52.6%</i>	<i>42.8%</i>

Source: Information and eGovernment Authority

Tourism, Hotels and Restaurants (supplementing the table in the section entitled “Economy of the Kingdom of Bahrain—Principal Sectors of the Economy—Other Services—Tourism, Hotels and Restaurants” on page 16 of the May Base Prospectus Supplement)

The table below sets out arrivals through the ports of the Kingdom of Bahrain for the indicated period.

	For the six months ended 30 June 2020
Saudi Causeway	1,875,881
Airport.....	523,208
Sea Port.....	61,493
Total	2,460,582

Source: Nationality Passport and Residence Affairs.

BALANCE OF PAYMENTS AND FOREIGN TRADE

(replacing the table set out in the section entitled “Balance of Payments and Foreign Trade” on page 18 of the May Base Prospectus Supplement)

The table below sets out Bahrain’s balance of payments, prepared in accordance with IMF Manual 6 methodology, for the periods indicated.

	Year ended 31 December					Three months ended 31 March
	2015	2016	2017	2018	2019	2020
<i>(U.S.\$ millions)⁽¹⁾⁽²⁾⁽³⁾</i>						
1. Current account (a+b+c+d)	(752.1)	(1,492.8)	(1,450.0)	(2,434.6)	(794.1)	(350.5)
a. Goods	830.9	(803.7)	(550.3)	(1,066.5)	856.4	119.9
General Merchandise						
Exports (fob).....	16,540.4	12,784.6	15,525.8	18,043.6	18,119.7	4,053.2
Imports (fob).....	(15,709.6)	(13,588.3)	(16,076.1)	(19,110.1)	(17,263.3)	(3,933.2)
b. Services (net)	2,520.2	3,497.9	3,555.9	3,976.9	3,500.3	718.1
Transportation.....	(499.5)	(868.6)	(959.6)	(1,061.2)	(1,768.6)	(489.6)
Travel.....	752.1	1,954.3	1,850.8	2,205.1	2,495.7	537.8
Construction.....	(0.8)	(2.4)	(2.7)	5.1	14.9	3.5
Communication services.....	514.9	531.9	668.8	780.9	799.3	205.3
Financial services (including						
Insurance)	1,141.2	1,212.2	1,299.7	1,338.6	1,251.8	289.1
Other business services	213.3	241.8	244.9	242.0	211.3	48.4
c. Income (net)	(1,735.9)	(1,795.5)	(1,989.6)	(2,076.1)	(2,260.5)	(598.4)
Investment income.....	(1,735.9)	(1,795.5)	(1,989.6)	(2,076.1)	(2,260.5)	(598.4)
Direct investment income	(1,375.5)	(1,417.3)	(1,299.2)	(755.3)	(864.2)	(210.6)
Portfolio income	(313.6)	(333.5)	(636.7)	(1,229.0)	(1,368.8)	(379.3)
Other investment income.....	(46.8)	(44.7)	(53.7)	(91.8)	(27.7)	(8.5)
d. Current transfers (net)	(2,367.3)	(2,391.5)	(2,466.0)	(3,268.9)	(2,890.2)	(590.2)
Workers’ remittances	(2,367.3)	(2,391.5)	(2,466.0)	(3,268.9)	(2,890.2)	(590.2)
2. Capital and financial account (net)(A+B) ..	(865.2)	2,561.2	1,584.3	4,079.0	1,307.6	435.1
A. Capital account (net)	252.9	873.9	603.7	795.2	896.3	0.0
Capital transfers	252.9	873.9	603.7	795.2	896.3	0.0
B. Financial account (I+II+III+IV)⁽⁴⁾	(1,118.1)	1,688.0	980.6	3,283.8	411.4	435.1
I. Direct investment	(3,126.1)	1,123.4	1,197.1	1,543.1	1,138.8	253.2
Abroad.....	(3,191.0)	880.1	(229.0)	(111.2)	197.1	118.9
In Bahrain.....	64.9	243.4	1,426.1	1,654.3	941.7	134.3
II. Portfolio investment (net)	(106.9)	1,834.3	3,214.9	(1,504.3)	76.6	(1,262.8)
Assets	(536.4)	(2,329.0)	642.3	(2,176.6)	(1,301.9)	(172.6)
Liabilities.....	429.5	4,163.3	2,572.6	672.3	1,378.5	(1,090.2)
III. Other investment (net)	(542.0)	(2,373.1)	(3,265.7)	2,775.8	726.1	(320.7)
Assets	(2,992.3)	(626.3)	(2,847.9)	(2,201.3)	3,453.5	(2,209.8)
Liabilities.....	2,450.3	(1,746.8)	(417.8)	4,977.1	(2,727.4)	1,889.1
IV. Reserve assets (net)	2,656.9	1,103.5	(165.7)	469.2	(1,530.1)	1,765.4
3. Errors and omissions	1,617.3	(1,069.3)	(134.3)	(1,644.4)	(513.6)	(84.6)

Source: CBB

Notes:

- (1) Trade statistics in this table are prepared on a “free on board basis,” as such term is defined in the IMF’s *Balance of Payment Manual, Sixth Edition* (the “BPM6”).
- (2) The data contained in this table is structured to be consistent with the BPM6. Data from 2014 has also been updated to comply with the BPM6.
- (3) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00.
- (4) A negative sign means net outflows/increases in external assets.

Foreign Trade (supplementing the section entitled “Balance of Payments and Foreign Trade—Foreign Trade” on page 19 of the May Base Prospectus Supplement)

Oil imports were U.S.\$955.1 million in the first three months of 2020, accounting for 24.3% of the Kingdom’s total imports in the period.

(supplementing the section entitled “Balance of Payments and Foreign Trade” on page 19 of the May Base Prospectus Supplement)

Aluminium was 13.1% of total exports and 24.7% of total non-oil exports in the first quarter of 2020.

MONETARY AND FINANCIAL SYSTEM

Money Supply (supplementing the section entitled “Monetary and Financial System—Money Supply” on page 20 of the May Base Prospectus Supplement)

The following table sets out an analysis of Bahrain’s domestic liquidity, as at the dates indicated. The below measures only include general government deposits and do not include the U.S.\$3 billion debt owed to CBB by the Government.

	As at 31 December					As at 30
	2015	2016	2017	2018	2019	June 2020
	<i>(U.S.\$ millions)⁽¹⁾</i>					
Currency in circulation ⁽²⁾	1,396.7	1,423.7	1,401.1	1,404.5	1,423.1	1,677.6
M1 ⁽³⁾	8,761.6	8,818.9	8,922.7	9,101.1	9,344.6	10,543.8
M2 ⁽⁴⁾	26,709.8	27,042.3	28,176.9	28,843.8	32,053.6	34,290.7
M3 ⁽⁵⁾	31,636.1	31,972.9	33,301.5	33,569.4	36,361.4	37,710.5

Source: CBB

Notes:

- (1) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00.
- (2) These figures exclude money held by banks.
- (3) Currency in circulation plus private demand deposits.
- (4) M1 plus private sector savings and time deposits.
- (5) M2 plus government deposits.

The following table sets out an analysis of Bahrain’s M1, M2 and M3 money supply as at the dates indicated.

	As at 31 December										As at 30 June	
	2015		2016		2017		2018		2019		2020	
	<i>(U.S.\$ millions)⁽¹⁾</i>	<i>(%)⁽⁵⁾</i>	<i>(U.S.\$ millions)⁽¹⁾</i>	<i>(%)⁽⁵⁾</i>	<i>(U.S.\$ millions)⁽¹⁾</i>	<i>(%)⁽⁵⁾</i>	<i>(U.S.\$ millions)⁽¹⁾</i>	<i>(%)⁽⁵⁾</i>	<i>(U.S.\$ millions)⁽¹⁾</i>	<i>(%)⁽⁵⁾</i>	<i>(U.S.\$ millions)</i>	<i>(%)⁽⁶⁾</i>
M1	8,761.6	6.4	8,818.9	0.7	8,922.7	1.3	9,101.1	2.0	9,344.6	2.7	9,370.0	0.3
Total private sector deposits ⁽²⁾	25,313.0	2.8	25,618.6	1.2	26,775.8	4.5	27,439.4	2.5	30,630.5	11.6	31,032.	5
M2	26,709.8	2.9	27,042.3	1.2	28,176.9	4.2	28,843.8	2.4	32,053.6	11.1	32,518.	1.3
Time and savings deposits.....	17,948.2	1.3	18,223.4	1.5	19,254.2	5.7	19,742.7	2.5	22,708.9	15.0	23,148.	0
General government deposits ⁽³⁾	4,926.3	1.5	4,930.6	0.1	5,124.6	43.9	4,725.5	(0.1)	4,307.8	(8.8)	4,162.1	(3.4)
M3	31,636.1	2.2	31,972.9	1.1	33,301.5	4.3	33,569.4	0.8	36,361.4	8.3	36,680.	0.9
Net foreign assets ⁽⁴⁾	2,127.4	(65.1)	612.0	(71.2)	(102.0)	(117)	(1,076.2)	(955)	796.9	(174.0)	220.8	(72.3)
Domestic assets.....	29,508.8	18.7	31,360.9	6.3	33,403.4	6.5	34,645.5	3.7	35,564.5	2.7	36,459.	3
											2.5	

Source: CBB

Notes:

- (1) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00.
- (2) Includes demand deposits, as well as time and savings deposits
- (3) Includes general government deposits with both the CBB and the retail banks
- (4) Includes net foreign assets held by both the CBB and the retail banks
- (5) Year on year percentage change
- (6) December 2019 to June 2020 percentage change

Inflation (supplementing certain information under the caption “Monetary and Financial System—Inflation” beginning on page 109 of the Base Prospectus and page 21 of the May Base Prospectus Supplement)

As at 30 June 2020, the CPI decreased by 3.4% to 96.4 (April 2019 = 100) primarily due to a decrease in the price of hotels and package holidays.

The table below shows the CPI during each month in the period 1 April 2020 to 30 June 2020 and inflation when comparing the CPI in each of those months to the corresponding months in the previous year.

	April 2020	May 2020	June 2020
CPI (April 2019=100).....	96.4	97.0	96.4
Year on year change	(3.6%)	(2.6%)	(3.4%)

Source: Information eGovernment Authority

Year-on-year deflation of 3.4% was recorded in June 2020, this was primarily due to a 63.3% decrease in package holidays booked due to the COVID-19 pandemic. The IMF in April 2020 has projected Bahrain's economy to contract by 3.6% this year.

Foreign Direct Investment (supplementing the table under the caption "Monetary and Financial System—Foreign Direct Investment" on page 22 of the May Base Prospectus Supplement)

The table below sets out Bahrain's foreign direct investment for the periods indicated.

	Year ended 31 December 2019	January – March 2020⁽¹⁾
	<i>(U.S.\$ millions)</i>	
Direct Investment (net).....	(10,930.1)	(11,183.2)
Outward FDI flow	19,147.3	19,028.5
Inward FDI flow	30,077.4	30,211.7

Source: CBB

Note:

(1) Preliminary data.

Foreign Reserves (supplementing the information and replacing the table under the caption "Monetary and Financial System—Foreign Reserves" beginning on page 22 of the May Base Prospectus Supplement)

The table below shows the foreign reserves held by the CBB as at the dates indicated.

	As at 31 December					As at 30 June 2020
	2015	2016	2017	2018	2019	
	<i>(U.S.\$ millions)</i>					
Foreign exchange ⁽¹⁾	3,108.8	2,169.9	2,342.0	1,861.2	3,393.9	1,584.3
SDRs	179.8	87.1	92.7	91.4	92.0	92.1
Reserve position in the IMF	98.7	183.1	194.0	189.4	188.3	187.4
Total gross foreign reserves	3,387.3	2,440.1	2,628.7	2,142.0	3,674.2	1,863.8
Gold	6.6	6.6	6.6	6.6	6.6	6.6
Total gross foreign reserves (including gold) ...	3,393.9	2,446.7	2,635.3	2,148.6	3,680.8	1,870.4

Source: CBB and IMF

Note:

(1) Pursuant to Article 19 of the Central Bank of Bahrain and Financial Institutions Law, foreign reserves permanently maintained by the CBB shall not be less than 100% of the value of the currency in circulation. As at 31 December 2019, BD 687.1 million of notes and coins were in circulation.

As at 30 June 2020, total gross foreign reserves (including gold) decreased to U.S.\$1,870.4 million.

As at 30 June 2020, Bahrain's gross foreign reserves were estimated by the CBB to be sufficient to finance 1.3 months of obligations in respect of imports of goods.

Foreign reserves represented 1.9 months of non-oil import coverage as at 30 June 2020.

The Banking Sector (replacing the first paragraph and the table under the caption “Monetary and Financial System—The Banking Sector” beginning on page 23 of the May Base Prospectus Supplement)

The aggregate balance sheet of the banking system was U.S.\$191.0 billion as at 31 December 2015, U.S.\$186.1 billion as at 31 December 2016, U.S.\$187.5 billion as at 31 December 2017, U.S.\$192.7 billion as at 31 December 2018, U.S.\$204.9 billion as at 31 December 2019 and U.S.\$210.7 billion as at 30 June 2020.

The table below sets out the annual aggregate balance sheet of all banking institutions in Bahrain (including conventional and Islamic banks).

	As at 31 December					As at 30
	2015	2016	2017	2018	2019	June 2020 ⁽¹⁾
	(U.S.\$ millions) ⁽²⁾					
Wholesale Banks						
Assets	108,813.8	103,035.9	103,962.5	106,029.7	110,838.2	115,483.8
Domestic.....	8,642.4	9,620.1	9,844.2	12,077.9	15,466.1	16,882.6
Foreign	100,171.4	93,415.8	94,118.3	93,951.8	95,372.1	98,601.2
Liabilities.....	108,813.8	103,035.9	103,962.5	106,029.7	110,839.0	115,483.8
Domestic.....	9,601.9	10,250.2	10,409.5	10,471.1	11,864.2	13,246.0
Foreign	99,211.9	92,785.7	93,553.0	95,558.6	98,974.3	102,237.8
Retail Banks						
Assets	82,187.0	83,014.6	83,481.4	86,619.7	94,068.6	95,227.4
Domestic.....	43,945.6	46,141.0	47,938.7	50,370.5	53,049.4	54,846.1
Foreign	38,241.3	36,873.7	35,542.7	36,249.2	41,019.2	40,381.3
Liabilities.....	82,187.0	83,014.6	83,481.4	86,619.7	94,068.7	95,227.5
Domestic.....	42,957.6	44,576.3	45,488.1	47,426.6	50,445.8	51,849.3
Foreign	39,229.3	38,438.3	37,993.3	39,193.1	43,622.8	43,378.1
Total	191,000.8	186,050.5	187,443.9	192,649.4	204,906.8	210,711.2

Source: CBB

Notes:

(1) Preliminary Data.

(2) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00

Conventional Banks (replacing the table under the caption “Monetary and Financial System—The Banking Sector—Conventional Banks—Retail Banks” on page 24 of the May Base Prospectus Supplement)

Retail Banks

The table below sets out the aggregate balance sheet of retail banks, by sector, of loans made by retail banks as at the dates indicated.

	As at 31 December					As at 30
	2015	2016	2017	2018	2019	June 2020
Number of retail banks ⁽¹⁾	28	29	29	30	31	31
of which: Islamic retail banks	6	6	6	6	6	6
Aggregate balance sheet of retail banks (U.S.\$ millions) ⁽²⁾	82,187.0	83,014.6	83,481.4	86,619.7	94,068.6	95,227.4
Combined foreign and local deposits of retail banks (U.S.\$ millions) ⁽²⁾ ...	43,489.3	44,063.8	45,169.1	47,483.2	47,777.7	46,395.9
Business loans made by retail banks (% of total loans).....	53.0	51.6	53.2	53.5	52.8	52.9
Loans to Government made by retail banks (% of total loans).....	3.8	3.6	3.8	2.7	3.1	3.2
Personal loans made by retail banks (% of total loans)	43.2	44.7	42.9	43.7	44.1	43.9

Source: CBB

Notes:

(1) Including Islamic retail banks

(2) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00

Wholesale Banks (replacing the table under the caption “Monetary and Financial System—The Banking Sector—Conventional Banks—Wholesale Banks” beginning on page 24 of the May Base Prospectus Supplement)

The table below shows a breakdown of the assets and liabilities of wholesale banks as at the dates indicated.

	As at 31 December										As at 30	
	2015		2016		2017		2018		2019		June 2020	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Domestic (U.S.\$ billions)	8.6	9.6	9.6	10.3	9.8	10.4	12.1	10.5	15.5	11.9	16.9	13.2
Foreign (U.S.\$ billions)	100.2	99.2	93.4	92.8	94.1	93.6	94.0	95.6	95.4	99.0	98.6	102.2
Share of GCC countries (%) ⁽¹⁾	32.8	34.8	34.6	34.5	31.9	34.4	29.8	35.7	31.2	35.9	31.6	37.9
Share of Western Europe (%)	34.6	28.1	31.3	27.7	33.5	28.4	34.3	29.0	29.5	26.1	30.5	23.9
Share of Americas (%)	8.4	4.5	10.4	4.6	10.2	4.9	9.9	3.6	10.2	3.6	9.2	3.2
Share of Asian countries (%)	10.8	9.5	9.0	7.6	9.2	7.2	8.4	6.5	8.3	7.7	7.0	8.2
Denominated in U.S. Dollars (%)	68.1	78.2	69.4	78.9	69.9	77.7	68.8	78.3	69.0	75.8	72.4	75.7
Denominated in Euros (%)	7.6	7.4	7.3	7.3	10.3	9.8	11.0	9.1	11.2	9.4	10.2	8.5
Denominated in GCC currencies (%)	12.2	8.6	11.5	8.1	9.4	7.3	9.6	7.1	10.2	10.3	11.1	10.7

Source: CBB

Note:

(1) Excluding Bahrain.

Islamic Banks (supplementing the paragraphs under the caption “Monetary and Financial System—The Banking Sector—Islamic Banks” on page 24 of the May Base Prospectus)

The number of Islamic banking licences has remained relatively stable for the past seven years and, as at 30 June 2020, there were a total of 20 Islamic banking licenses, of which six were held by retail banks and 14 were held by wholesale banks.

As at 30 June 2020, the aggregate total assets of Islamic banks comprised of unrestricted investments stood at U.S.\$32,498.7 million and restricted investment accounts (which are off balance sheet items) amounted to U.S.\$2,110.6 million.

As at 30 June 2020, Islamic banks’ assets accounted for 15.4% of total banking sector assets.

Credit Developments (replacing the table and supplementing the paragraphs under the caption “Monetary and Financial System—The Banking Sector—Credit Developments” beginning on page 25 of the May Base Prospectus Supplement)

The table below sets out the outstanding loans and advances to non-bank residents made by retail banks and their breakdown as at the dates indicated.

	As at 31 December					As at 30
	2015	2016	2017	2018	2019 ⁽¹⁾	June 2020
	(U.S.\$ millions)					
Business Sector	11,062.2	11,068.0	12,315.5	13,554.3	13,666.5	14,325.6
Manufacturing	1,676.6	1,471.6	1,909.1	2,436.9	2,840.7	3,363.3
Mining and Quarrying	11.2	35.2	158.9	256.7	230.6	280.0
Agriculture Fishing and Dairy	17.0	16.2	21.5	6.1	17.8	19.7
Construction and Real Estate.....	3,573.7	3,651.4	4,516.6	4,964.9	4,897.3	5,023.9
Trade.....	2,963.6	2,942.2	2,993.0	3,010.9	2,848.4	2,710.2
Non-Bank Financial.....	729.5	823.6	591.1	606.7	669.7	641.5
Other Sectors, of which:	2,090.7	2,127.8	2,125.3	2,272.0	2,162.0	2,286.9
Transportation and Communication	519.4	474.7	258.6	381.5	338.3	420.7
Hotels and Restaurants	369.4	435.6	458.4	471.7	403.2	446.4
General Government	790.2	780.3	886.2	694.5	802.1	874.7
Personal Sector	9,013.8	9,595.0	9,934.3	11,070.1	11,425.8	11,878.7
Secured by Mortgage.....	2,814.6	4,022.4	4,291.4	4,778.3	5,187.5	5,473.9
Secured by Vehicle Title	330.9	332.2	305.7	274.0	226.6	322.5
Secured by Deposit.....	143.6	126.2	140.6	356.7	289.1	412.7
Secured By Salary Assignment.....	3,272.3	3,222.4	3,399.7	3,524.1	4,097.6	4,407.6
Credit Card Receivables	183.5	214.4	229.0	192.9	276.6	254.1
Other.....	2,268.9	1,677.4	1,567.9	1,944.0	1,348.4	1,007.9
Total	20,866.2	21,443.3	23,136.0	25,318.9	25,894.4	27,079.0

Source: CBB

The total amount of credit given to the private sector by the retail banking sector was U.S.\$26,204.3 million as at 30 June 2020.

Total business sector credit was U.S.\$14,325.6 million as at 30 June 2020. The principal contributors to business lending were the construction and real estate, manufacturing, and trade sectors, which accounted for 35.1%, 23.5% and 18.9% of total business sector credit, respectively. As at 30 June 2020, the largest increase in business credit was in the manufacturing sector, which was U.S.\$3,363.3 million (reflecting a 18.4% increase, as compared to as at 31 December 2019). Total business sector credit was U.S.\$14,325.6 million as at 30 June 2020.

Total personal sector credit was U.S.\$11,878.7 million as at 30 June 2020. Personal sector loans were primarily loans secured by mortgages (46.1%) and salary assignments (37.1%), which accounted for 46.1% and 37.1% of total personal sector credit, respectively. As at 30 June 2020, the largest increase in personal credit was credit secured by deposit, which was U.S.\$412.7 million (reflecting a 42.7% increase, as compared to as at 31 December 2019), followed by credit secured by Vehicle Title, which was U.S.\$322.5 million (reflecting a 42.3% increase, as compared to as at 31 December 2019).

Non-Performing Loans (supplementing the section under the caption “Monetary and Financial System—The Banking Sector—Non-Performing Loans” beginning on page 26 of the May Base Prospectus Supplement)

As at 30 March 2020, NPLs for the entire banking sector were 4.5%. NPLs of conventional retail banks decreased to 4.7%; NPLs of conventional wholesale banks decreased to 4.2%; NPLs of Islamic retail banks decreased to 8.5%; and NPLs of Islamic wholesale banks increased to 1.4%.

As at 30 March 2020, provisions for NPLs of the entire banking sector was 63.2%, provisions for NPLs of conventional retail banks decreased to 62.5%, provisions for NPLs of conventional wholesale banks decreased to 73.6%, provisions for NPLs of Islamic retail banks increased to 40.8%, and provisions for NPLs of Islamic wholesale banks decreased to 75.1%.

Capital Adequacy (supplementing the section under the caption “Monetary and Financial System—The Banking Sector—Capital Adequacy” beginning on page 27 of the May Base Prospectus Supplement)

The table below shows a breakdown of the Capital Adequacy Ratios (“CAR”) by the banking institutions in Bahrain (conventional and Islamic) at the dates indicated.

	31 March 2020⁽¹⁾
	(%)
Conventional Retail Banks	18.6
Conventional Wholesale Banks	19.8
Islamic Retail Banks	15.9
Islamic Wholesale Banks	20.7
Total Banking Sector	19.0

Source: CBB

Note:

(1) Preliminary Data.

The CAR of Islamic retail banks increased by 0.2%, from 18.3% as at 31 December 2019 to 18.5% as at 30 March 2020; the CAR of Islamic wholesale banks increased by 0.5% from 17.4% to 17.9% during the same period.

Insurance (replacing the table under the caption “Monetary and Financial System—Insurance” beginning on 26 of the May Base Prospectus Supplement)

A significant number of insurance companies and organisations have a presence in Bahrain. The table set out below sets out the number of insurance companies and gross premiums of the insurance market as at the dates indicated.

	As at 31 December				
	2015	2016	2017	2018	2019
Insurance companies and organisations registered in Bahrain ⁽¹⁾	152	153	155	150	149
Gross premiums of the insurance market (U.S.\$ millions) ⁽²⁾	725.5	723.5	714.5	755.4	764.4
Gross premiums of the insurance market (% change year on year)	(0.4)	(0.3)	(1.2)	5.7	1.2

Source: CBB

Notes:

(1) Includes representative offices and ancillaries.

(2) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00.

Capital Markets (supplementing the second and third paragraphs and the table under the caption “Monetary and Financial System—Capital Markets” beginning on page 27 of the May Base Prospectus Supplement)

As at 30 June 2020, a total of 43 companies were listed on the Bahrain Bourse with a total market capitalisation of U.S.\$21.1 billion. Bonds (both corporate and government) and mutual funds are also listed on the exchange.

The Bahrain All Share Index stood at 30 June 2020 at 1,277.6. The value of shares traded in June 2020 was U.S.\$304.2 million while the volume of shares traded reached 587.1 million. A number of transactions were concentrated in the commercial banks sector which represented 67.9% of the total value of shares traded and 55.0% of the total volume of shares traded as at 30 June 2020. Bahraini investors accounted for 58.7% of the total value of traded shares, while non-Bahraini investors accounted for 41.1% in the three months ended 30 June 2020.

The table below sets out certain data relating to the Bahrain Bourse transactions as at and for the periods indicated.

	Six months ended 30 June 2020⁽¹⁾
Companies listed on the Bahrain Bourse	43
Total market capitalisation (U.S.\$ billion) ⁽²⁾	21.1
Growth rate (%) ⁽²⁾	(14.0)
Bahrain All Share Index close	1,277.6
Volume of shares traded (millions of shares)	587.1
Value of shares traded (U.S.\$ million) ⁽³⁾	304.2
Bahrain All Share index (points)	1,277.6
Number of listed Bahraini companies ⁽⁴⁾	40

Source: Bahrain Bourse

Notes:

- (1) Figures are as at 30 June 2020 or for the period January-June 2020.
- (2) Using the fixed conversion rate of BD 0.376 = U.S.\$1.00.
- (3) Growth between June 2019 and June 2020.
- (4) Excludes companies listed on the Bahrain Bourse under cross-listing arrangements and closed companies.

PUBLIC FINANCE

Budget Revenues and Expenditures (supplementing the table set out under the caption “Public Finance—Budget revenues and expenditures” on page 29 of the May Base Prospectus Supplement)

The following table summarises the Government budgets and actual results for the periods indicated.

	2019		2020		Six months ended 30 June 2020 ⁽¹⁾
	Budget	Actual	Original Budget	Adjusted Budget	Actual
	<i>(U.S.\$ millions, except percentages)</i>				
Revenues	7,489	7,719	7,836	7,836	2,421
Oil and gas.....	5,404	5,559	5,575	5,575	1,560
Non-oil and gas	2,084	2,160	2,261	2,261	860
Expenditures	9,459	9,537	9,434	9,985	4,543
Recurrent expenditure ⁽²⁾	8,716	8,867	8,902	9,318	4,373
Projects expenditure	743	670	532	667	170
Surplus/(deficit)	(1,971)	(1,818)	(1,598)	(2,148)	(2,122)
Primary surplus/(deficit)	(269)	(105)	256	(294)	(1,269)
Overall Budget Deficit to GDP Ratio (%).....	(5)%	(5)%	(4)%	(7)%	(7)%
Primary Budget Surplus/(Deficit) to GDP Ratio (%) .	(1)%	(0.3)%	1%	(1)%	(4)%

Source: Ministry of Finance and National Economy

Notes:

- (1) Figures for a portion of a year are not necessarily indicative of full year results.
(2) Includes debt service.

2019/2020 Budget (replacing the third paragraph and adding three new paragraphs under the caption entitled “Public Finance—Budget revenues and expenditure—2019/20 Budget” beginning on page 29 of the May Base Prospectus Supplement)

In 2019, actual deficit of U.S.\$1,818 million was recorded (compared to a budgeted deficit of U.S.\$1,971 million and reflecting a decrease of 23.6% compared to the actual deficit in 2018 and a decrease of 48.8% compared to the actual deficit in 2017) with preliminary recurrent expenditures reaching U.S.\$8,867 million (compared to budgeted recurrent expenditures of U.S.\$8,716). In 2019, the preliminary actual deficit was lower than the budgeted deficit primarily due to an increase in oil prices which resulted in higher oil revenue. In addition to this, actual non-oil revenue exceeded the budgeted non-oil revenue due to the implementation of various initiatives used to improve revenue collection, such as the adoption of pre-payments. Furthermore, in 2019, VAT collection was U.S.\$692 million, which exceeded the estimated revenue from VAT by U.S.\$293 million for this period.

In July 2020, Decree № 22 for the year 2020 was issued, which authorises emergency expenditures of BD 177 million to fund the Government’s efforts to combat COVID-19. These additional expenditures will be included in the final accounts for 2020.

In addition, Decree № 23 for the year 2020 was issued to permit the Government to withdraw U.S.\$450 million from the Future Generations Fund on a one-time basis to support the state budget for the year 2020 and temporarily halt the allocation of oil revenues to the Future Generations Fund in 2020. The balance in the Future Generations Fund as of 30 June 2020 was approximately U.S.\$925 million.

In the 2020 adjusted budget, total revenue is budgeted at U.S.\$7,836 million for 2020, total expenditure is budgeted at U.S.\$9,985 million for 2020 and the budget deficit is budgeted at U.S.\$2,148 million for 2020. Non-oil revenues are budgeted at U.S.\$2,261 million for 2020.

Non-budget expenditures (replacing the third paragraph set out under the caption “Public Finance—Budget revenues and expenditure—Non-budget expenditures” on page 29 of the May Base Prospectus Supplement)

As at 31 December 2015, 2016, 2017, 2018 and 2019, U.S.\$5,935 million, U.S.\$6,076 million U.S.\$7,311 million U.S.\$7,384 million and U.S.\$7,384 million, respectively, were allocated to projects from the GCC Development Fund (and accordingly were granted off-budget). A further U.S.\$76 million will be allocated in a later phase and U.S.\$40

million is reserved for contingencies. These projects are in various stages (tendering, award and implementation) of progress. As at 31 December 2015, 2016, 2017, 2018 and 2019 U.S.\$183 million, U.S.\$734 million, U.S.\$1,433 million, U.S.\$2,211 million and U.S.\$3,024 million, respectively, had been paid from the GCC Development Fund.

Fiscal Policy (replacing the first paragraph under the caption entitled “Public Finance—Fiscal Policy” beginning on page 30 of the May Base Prospectus Supplement)

Although oil continues to play an important role in Bahrain’s economy, the Government continues to focus on (i) reducing subsidies; and (ii) further increasing non-oil revenues through various initiatives. Developing non-oil streams of revenue has involved the introduction of new fees and charges across a number of sectors. Since 30 December 2017, excise tax has been imposed on additional commodities and, with effect from 1 January 2019, VAT of 5% is charged on goods and services in accordance with the GCC agreement, pre-paid methods have been adopted to improve revenue collection and other revenue initiatives have been implemented. The VAT registration system is operational and collection has already been commenced. In 2019, VAT collection was BD 260 million (U.S.\$692 million), which exceeded the estimated revenue from VAT for this period.

Revenue (supplementing the table and the information set out under the caption “Public Finance—Revenue” on page 30 of the May Base Prospectus Supplement)

The actual total revenues for the year ended 31 December 2019 and the six months ended 30 June 2020, as well as budgeted revenues for 2019 and 2020, are set forth below.

	2019		2020		Six months ended 30 June 2020 ⁽²⁾
	Budget	Actual	Budget ⁽¹⁾	Actual	Actual
	(U.S.\$ millions)				
Oil and gas	5,404	5,559	5,575		1,560
Non-oil and gas	2,084	2,160	2,261		860
Of which:					
Taxation and fees.....	1,347	1,471	1,513		635
Government goods and services	230	205	231		106
Government investment and properties	392	367	399		82
Grants	—	—	—		—
Fines, penalties and misc.	115	117	120		37
Sale of capital assets	1	1	1		0.4
Total	7,489	7,719	7,836		2,421

Source: Ministry of Finance and National Economy

Notes:

(1) 2020 Budget figures are revised. See “Economy of the Kingdom of Bahrain—Recent Developments—Response to COVID-19”.

(2) Figures for a portion of a year are not necessarily indicative of full year results.

The share of non-oil revenues to total revenues had generally been increasing over the past five years ending 31 December 2019. In 2015, 2016, 2017, 2018 and 2019, non-oil revenues represented 21.9%, 24.3%, 24.9%, 17.6% and 27.7% respectively of total revenues.

Mumtalakat (replacing the table set out after the caption “Public Finance—Revenue—Mumtalakat” beginning on page 31 of the May Base Prospectus Supplement)

The following companies were subsidiaries of Mumtalakat as at 30 June 2020.

	Equity holding (%)
Aluminium Bahrain B.S.C. (Alba)	69.4
Atbahrain B.S.C (c)	100.0
Bahrain Flour Mills Company B.S.C.....	65.7
Bahrain National Dredging Company B.S.C. (c)	100.0
Bahrain Institute for Pearls and Gemstones (DANAT) B.S.C. (c)	100.0
Bahrain International Circuit Company S.P.C.....	100.0
BIC Holding Company B.S.C (c)	100.0
Bahrain Real Estate Investment Company (Edamah) B.S.C (c)	100.0
General Poultry Company B.S.C (c)	100.0
Gulf Air Holding B.S.C (c) ⁽¹⁾	100.0
MAZAD B.S.C. (c)	100.0
Southern Tourism Company B.S.C (c)	89.6
McLaren Group Limited.....	56.3
Durrat Asset II S.P.C.	100.0
Durrat Asset IV S.P.C.	100.0
Khairat Al Bahrain 1 Holding S.P.C.....	100.0
Khairat Al Bahrain 2 Holding S.P.C.....	100.0
H Al Dhaen Boats W.L.L.	90.0
Radio Bahrain Company B.S.C (c).....	100.0
Lash HQ LLC.....	95.0
Prodrive International Company B.S.C (c).....	100.0

Source: Mumtalakat

Note:

(1) Gulf Air Holding B.S.C(c) owns 100% stakes in Gulf Air B.S.C(c), Bahrain Airport Company S.P.C, Gulf Aviation Academy B.S.C(c) and Gulf Handling Company S.P.C

Mumtalakat group revenue increased by 11.4% from BD 2.1 billion for the year ended 31 December 2018 to BD 2.3 billion for the year ended 31 December 2019. The increase was primarily due to higher sales revenue at Alba and McLaren. Alba’s revenue for the year ended 31 December 2019 was BD 1.0 billion, as compared to BD 0.9 billion for the year ended 31 December 2018. The increase in revenue generated by Alba is as a result of higher volume of sales, partially offset by lower average prices for aluminium.

Mumtalakat registered a consolidated net loss of BD 52.8 million in the year ended 31 December 2019, as compared to net profit of BD 55.8 million in the year ended 31 December 2018. The net loss arose primarily due to impairment losses of BD 135.7 million recognised on goodwill relating to Alba, as a result of a reduction in projected cash flows due to a weakened aluminium prices outlook. This was partially offset by an increase in fair value gain on certain investments. The operating income for the year amounted to BD 125.0 million, as compared to BD 40.2 million in 2018.

Gulf Air (replacing the fourth and ninth sentences of the first paragraph and the last sentence of the second paragraph under the caption “Public Finance—Revenue—Gulf Air” on page 32 of the May Base Prospectus Supplement)

For the year ended 31 December 2019, Gulf Air recorded a net loss of BD 38.0 million. As a result of the COVID-19 outbreak, Gulf Air is currently operating a significantly reduced schedule, with flights to only 13 destinations.

nogaholding (supplementing the third paragraph and replacing the fourth paragraph set out under the caption entitled “Public Finance—Revenue—nogaholding” on page 32 of the May Base Prospectus Supplement)

As of 30 June 2020, nogaholding had outstanding debt of U.S.\$3,400 million, Tawseah had outstanding debt of U.S.\$437.8 million, and Bapco had outstanding debt of U.S.\$1,220.2 million. In addition to these, nogaholding opened a letter of credit for its associate, Bahrain LNG, for an amount of U.S.\$4.7 million in 2019.

In May 2019, Bapco announced that it had achieved the financial close for the U.S.\$4.2 billion Bapco Modernisation Programme. Based on current forecasts, the programme is expected to be completed in 2022 and expected to increase Bapco’s refining capacity to 380,000 bpd. As at 31 July 2020, the project progress was 54.6% complete. In October 2019, nogaholding entered into a new U.S.\$1.4 billion Murabaha facility arrangement with a consortium of banks, replacing the 2016 U.S.\$570 million Murabaha facility. nogaholding’s portfolio companies have completed and commissioned a number of major projects. Banagas completed and commissioned a significant expansion project

(Bahrain Gas Plant Project—CGP III) in October 2018 to further increase gas processing capacity within Bahrain for the production of marketable natural gas liquids. Also, nogaholding has entered into a joint venture for development of a LNG import terminal project for the Kingdom of Bahrain. The project was completed and commissioned in December 2019 and is comprised of offshore receiving and regasification facility, gas pipeline and onshore gas receiving facility.

Recurrent Expenditure (supplementing the table set out under the caption entitled “Public Finance—Revenue—Recurrent Expenditure” beginning on page 33 of the May Base Prospectus Supplement)

The following table shows the structure of the Government recurrent expenditure budget (which includes debt service) for the years indicated.

	2019		2020	
	Budget	Actual	Budget ⁽¹⁾	Six months ended 30 June 2020 ⁽²⁾ Actual
	(U.S.\$ millions)			
Manpower.....	3,730	3,720	3,663	1,913
Services	624	656	599	180
Consumables	337	398	302	160
Assets	50	70	48	19
Maintenance	122	132	116	41
Transfers.....	1,292	1,333	1,888	805
Grants, subsidies and payment ⁽²⁾	2,562	2,558	2,703	1,254
Total.....	8,716	8,867	9,318	4,373

Source: Ministry of Finance and National Economy

Notes:

(1) 2020 Budget figures are revised. See “Economy of the Kingdom of Bahrain—Recent Developments—Response to COVID-19”.

(2) Figures for a portion of a year are not necessarily indicative of full year results.

Project Expenditure (replacing the table set out under the caption entitled “Public Finance—Revenue—Project Expenditure” beginning on page 132 of the Base Prospectus)

The following table shows the structure of the Government’s project expenditure for the periods indicated.

	2014	2015	2016	2017	2018	2019	2020	Six months ended 30 June 2020
	Actual	Actual	Actual	Actual	Actual	Actual	Budget ⁽¹⁾	Actual ⁽²⁾
	(U.S.\$ millions)							
Infrastructure	571.8	618.1	555.3	453.5	435.9	359	360.7	109.6
Social services	194.7	149.7	167.3	125.3	114.9	87.5	78	22.4
Economic services	29.3	22.1	18.9	14.6	20.2	91.6	22.9	5.1
Administrative services	80.3	125.3	94.7	88.9	62.8	49.5	78.1	9
Others	316.2	264.9	256.6	260.6	236.7	82.8	127.1	23.6
Total.....	1,192.3	1,180.1	1,092.8	942.9	870.5	670.4	666.8	169.8

Source: Ministry of Finance and National Economy

Notes:

(1) 2020 Budget figures are revised. See “Economy of the Kingdom of Bahrain—Recent Developments—Response to COVID-19”.

(2) Figures for a portion of a year are not necessarily indicative of full year results.

INDEBTEDNESS

(Replacing the first paragraph and supplementing the first table set out under the caption “Indebtedness” beginning on page 35 of the May Base Prospectus Supplement)

On 24 August 2020, pursuant to Decree Law № 27 of 2020, the Government raised the debt ceiling from BD 13,000 million to BD 15,000 million.

As at 30 June 2020, Bahrain’s total outstanding debt (comprising its total external debt and its total domestic debt, but excluding debt of the government related entities) amounted to U.S.\$37,476.1 million, of which U.S.\$14,355.1 million was denominated in Bahraini dinars and U.S.\$23,141.0 million was denominated in foreign currencies.

	As at 31 December 2019	As at 30 June 2020
	<i>(U.S.\$ millions, except percentages)</i>	
Outstanding external debt.....	21,741.8	23,141.0
Outstanding gross domestic debt ⁽¹⁾	14,355.1	14,335.1
Total outstanding Government debt⁽¹⁾.....	36,076.9	37,476.1
Outstanding external debt as a percentage of GDP.....	56.4%	70.9%
Outstanding Government debt as a percentage of GDP ⁽¹⁾	93.5%	114.9%

Source: Ministry of Finance and National Economy

Note:

(1) Outstanding and total debt figures exclude borrowings from the CBB and includes instalments received from the GCC Development Fund.

External Government Debt (supplementing the first table and replacing the second table and the last paragraph set out under the caption “Indebtedness—External Government Debt” on page 36 of the May Base Prospectus Supplement)

The following table sets out the breakdown of the Government’s outstanding external borrowing as at the dates indicated, by lender.

	As at 31 December 2019	As at 30 June 2020
	<i>(U.S.\$ millions)</i>	
GCC Development Funds ⁽¹⁾	4,041.8	4,691.0
<i>The Kuwait Fund</i>	51.9	47.6
<i>Arab Fund for Economic and Social Development</i>	86.3	79.6
<i>The Saudi Fund</i>	1,876.4	2,209.4
<i>The Abu Dhabi Fund</i>	1,890.0	2,223.9
<i>Qatar Fund for Development</i>	70.0	70.0
<i>Islamic Development Bank</i>	67.2	60.5
International bonds Issue № 1 (2010).....	1,250.0	—
International bonds Issue № 2 (2012).....	1,500.0	1,500.0
International bonds Issue № 3 (2013).....	1,500.0	1,500.0
International bonds Issue № 4 (2014).....	1,250.0	1,250.0
International bonds Issue № 5 (2015).....	700.0	700.0
International bonds Issue № 6 (2015).....	800.0	800.0
International bonds Issue № 7 (2016).....	275.0	275.0
International bonds Issue № 8 (2016).....	325.0	325.0
International bonds Issue № 9 (2016).....	1,000.0	1,000.0
International Islamic Leasing Securities Issue № 4.....	1,000.0	1,000.0
International bonds Issue № 10 (2017).....	600.0	600.0
International bonds Issue № 11 (2017) ⁽²⁾	500.0	500.0
International bonds Issue № 12 (2017).....	1,250.0	1,250.0
International bonds Issue № 13 (2017).....	900.0	900.0
International Islamic Leasing Securities Issue № 5 (2017).....	850.0	850.0
International Islamic Leasing Securities Issue № 6 (2018).....	1,000.0	1,000.0
International bonds Issue № 14 (2018) ⁽²⁾	500.0	500.0
International Islamic Leasing Securities Issue № 7 (2018) ⁽²⁾	500.0	500.0
International bonds Issue № 15 (2019).....	1,000.0	1,000.0
International Islamic Leasing Securities Issue № 8 (2019).....	1,000.0	1,000.0
International bonds Issue № 16 (2020).....	1,000.0	1,000.0
International Islamic Leasing Securities Issue № 9 (2020).....	—	1,000.0
Total outstanding external debt	21,741.8	23,141.0

Source: Ministry of Finance and National Economy

Notes:

- (1) U.S.\$23,141.0 million outstanding is including the loans from GCC under the Fiscal Balance Program in addition to the previous long-term loans from regional development funds and institutions as at 30 June 2020, all these loans are not included in the calculation of Bahrain’s current debt ceiling as issued under several different decrees over the years.
- (2) Conducted as a private placement.

The following table sets out the total external debt maturing in each of the years stated as at 30 June 2020.

	Amount of debt to be re-paid in each year	Total External Debt
	<i>(U.S.\$ millions)</i>	
2020.....	26.6	23,114.4
2021.....	1,513.3	21,601.1
2022.....	2,037.2	19,563.9
2023.....	2,045.2	17,518.7
2024.....	2,023.9	15,494.7
2025.....	1,914.9	13,579.8
2026.....	1,304.5	12,275.3
2027.....	1,194.9	11,080.4
2028.....	1,798.7	9,281.7
2029.....	1,444.9	7,836.7
2030.....	1,194.9	6,641.8
2031.....	1,194.9	5,446.9
2032.....	192.3	5,254.6
2033.....	192.3	5,062.3
2034.....	192.3	4,870.0
2035.....	192.3	4,677.7
2036.....	192.3	4,485.4
2037.....	192.3	4,293.1
2038.....	192.3	4,100.8
2039.....	192.3	3,908.6
2040.....	192.3	3,716.3
2041.....	192.3	3,524.0
2042.....	192.3	3,331.7
2043.....	192.3	3,139.4
2044.....	1,442.3	1,697.1
2045.....	192.3	1,504.8
2046.....	192.3	1,312.5
2047.....	1,141.8	170.8
2048.....	141.8	29.0
2049.....	29.0	0.0

Source: Ministry of Finance and National Economy

The total outstanding external debt as at 30 June 2020 was U.S.\$23,141.0 million. The majority of the Government's external debt as at 30 June 2020 was denominated in GCC currencies and in U.S. Dollars. The current average maturity of the external debt is approximately 10 years.

Domestic Government Debt

(replacing the table under the caption “Indebtedness—Domestic Government Debt” beginning on page 38 of the May Base Prospectus Supplement)

The table below shows a breakdown of Bahrain’s domestic debt as at the dates indicated.

	As at 31 December					As at 30
	2015	2016	2017	2018	2019	June 2020
	(U.S.\$ millions)					
Treasury bills (three month)	1,861.7	1,861.7	1,861.7	1,861.7	1,861.7	1,861.7
Treasury bills (six month).....	558.5	558.5	558.5	558.5	558.5	558.5
Treasury bills (12 months).....	2,127.7	2,327.1	3,058.5	3,191.5	3,191.5	3,191.5
Al Salam Islamic securities (three month)	343.1	343.1	343.1	343.1	343.1	343.1
Islamic leasing securities	2,835.1	2,303.2	2,210.1	2,210.1	2,210.1	2,210.1
Development bonds	3,284.6	4,973.4	5,239.4	6,170.2	6,170.2	6,170.2
Gross domestic debt	11,019.0	12,367.0	13,271.3	14,335.1	14,335.1	14,335.1
Held by SIO & pension funds.....	690.7	538.3	468.9	416.8	235.4	421.5
Net domestic debt	10,197.6	11,773.9	12,755.6	13,849.5	14,079.5	13,913.6

Source: Ministry of Finance and National Economy

(replacing the second table under the caption “Indebtedness—Domestic Government Debt” on page 136 of the Base Prospectus)

The following table sets out the average interest rates payable as at each of dates indicated in relation to Bahrain’s domestic debt.

	As at 31 December			As at 30
	2017	2018	2019	June 2020
	(%)			
Short-Term Domestic Debt				
Treasury bills (three month).....	2.3	4.2	2.7	2.3
Treasury bills (six month).....	2.3	4.4	2.7	2.6
Treasury bills (12 months).....	3.2	4.4	3.5	2.8
Al Salam Islamic securities (three month)	2.3	4.2	2.7	2.3
Islamic leasing securities (six month)	2.5	4.3	2.8	2.5
Overall Short-Term Domestic Debt Average Interest Rate.....	2.5	4.3	2.9	2.5
Long-Term Domestic Debt				
Development bonds.....	4.9	5.3	5.2	5.3
Islamic leasing securities.....	4.5	4.9	4.9	5.0
Overall Long-Term Domestic Debt Average Interest Rate	4.7	5.1	5.0	5.2

Source: Ministry of Finance and National Economy

(supplementing the final paragraph under the caption “Indebtedness—Domestic Government Debt” on page 136 of the Base Prospectus)

On 24 August 2020, pursuant to Decree Law № 27 of 2020, the Government raised the debt ceiling from BD 13,000 million to BD 15,000 million.

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

Authorisation

(deleting and replacing the first paragraph set out in the section entitled “General Information—Authorisation” on page 161 of the Base Prospectus in its entirety)

The establishment of the Programme and the issuance of the Certificates thereunder has been duly authorised by the Decree Law № 27 of 2020 on the amendment of provisions of Decree Law № 15 of 1977 on the issuance of development bonds.

Significant Change

(deleting and replacing the second paragraph set out in the section entitled “General Information—Significant Change” on page 162 of the Base Prospectus in its entirety)

There has been no significant change in the tax and budgetary systems, gross public debt, foreign trade and balance of payments, foreign exchange reserves, financial position and resources, income and expenditure figures of the Kingdom since 30 June 2020.