

بورصة البحرين
BAHRAIN BOURSE



Capital Market Development Plan 2026-2028

Elevating the Market

9th February 2026

Vision & Mission

With its history deeply rooted since 1987, Bahrain Bourse's Vision and Mission have been crafted with visionary aspirations to propel BHB to the next level of its growth journey and to elevate the market.

VISION

To Develop Bahrain Bourse into a cornerstone of Bahrain's economic growth and diversification, financial competitiveness, and international credibility by building a deep, transparent, trusted, and resilient capital market that mobilises domestic and international investment for the government and private sector.

MISSION

To Operate a safe, efficient, and internationally aligned capital market infrastructure that enables the Government and enterprises to raise capital, provides investors with transparent and accessible markets, and supports the deepening Kingdom of Bahrain capital market ecosystem.

Strategic Canvas

Three broad over-arching strategic themes that have been taken into consideration while crafting BHB's strategic canvas.

1

Market Cap vs. GDP

- Reinforce BHB's role as a key driver of economic growth in the Kingdom of Bahrain, whilst maintaining market competitiveness

2

Emerging Market Attainment

- Economic and Market aspirations towards attainment of a '**Market Classification Upgrade**'
- Attract significant FDI Inflows (staggered at various levels)

3

Outcome: FDI Inflow

- A possible upgrade could result in FDI inflows (equity capital markets) to the country
- This would result in healthier company valuations

Strategic Initiatives Overview

To ensure elevating the market, a combination of **Exchange-focused initiatives** and **Market-focused initiatives** will be rolled out over the next 36 months, which will include cohesive collaboration with multiple stakeholders.



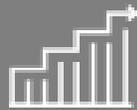
Strategic Objectives | 2026-2028



Advance Bahrain's
Capital Market
Ecosystem



Deliver World-Class
Services to All
Market
Stakeholders



Strengthen Market
Competitiveness and
Align with Global
Standards



Foster Agility to
Navigate Dynamic
Market Conditions



Expand & Diversify
Investment
Opportunities
Locally & Regionally

Strategic Pillars

Five Main Strategic Pillars



Equity & Capital Formation

Aimed at generating capital flows through expanded and structured IPO pipeline



Trading Operations Catalyst Transformation

Aimed at diversifying products offerings and roll-outs



Regulatory & Corporate Re-alignment

Aimed at enhancing the decision-making process and regulatory empowerment



Digital Readiness Across the Value chain

Aimed at enhancing improved processes and services



Enhanced Issuer & Investor Engagement

Aimed at by improving infrastructure and functions, enhancing processes and services

◆ BHB Capital Markets - Transformation Roadmap Summary

2026: IGNITE

Focus Area:
Structural Readiness

2027: ACCELERATE

Focus Area:
Market Development

2028: HARVEST

Focus Area:
Integration & Scale

◆ Strategic Initiatives Outcomes

Strategic Initiatives Outcomes

Valuation Uplift

Liquidity Boost

Investor Confidence Boost

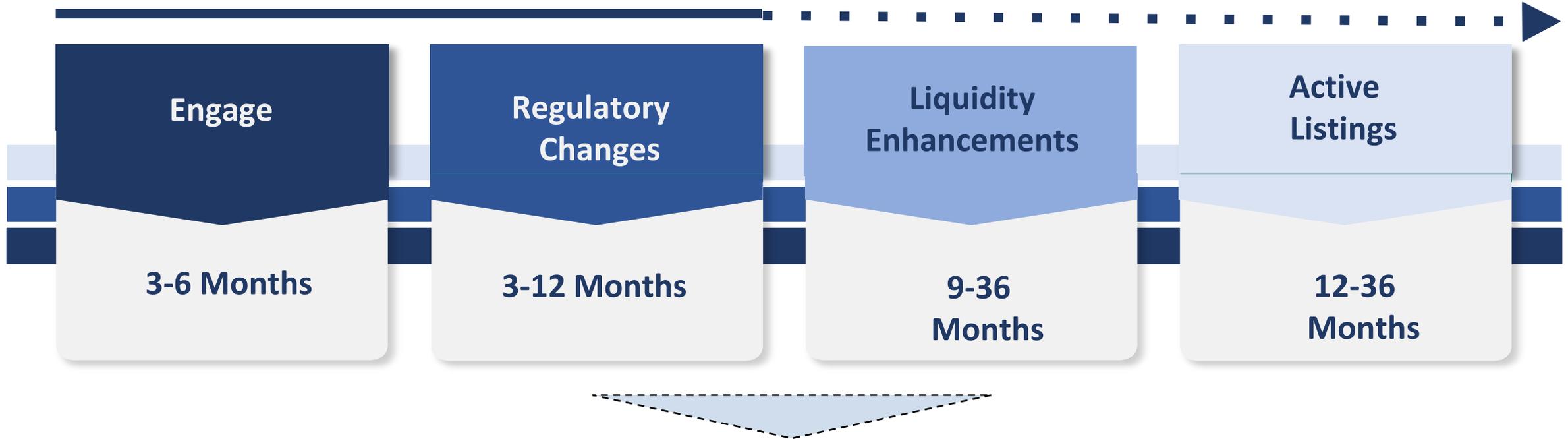
- Capture valuations uplift
- Eliminate illiquidity discount currently observed versus peer frontier markets
- Boost investor confidence (both local and international)
- As liquidity and confidence grows, more capital flows into the market benefiting all investors

Encourage and attract new sizable listings, driving Bahrain's capital formation by channeling domestic savings and FDI.

Implementation Timeline

2026

2027 – 2028



Elevate Bahrain Bourse into a growth catalyst

Key Initiatives

Market-focused Initiatives



Enhancement of Market Making Activities through Active Stakeholder Engagement



Establishment of IPO Incubator Program



Launch a Listing Incentives Program in collaboration with key stakeholders



Listing of 8 (Government and Private) Sizeable Companies in key target sector with sizeable market cap

Elevate Bahrain Bourse into a growth catalyst

Key Initiatives

Exchange-focused Initiatives



Product Diversification through roll-out of Index products, Derivatives (Futures & Options), and ETFs



Enable advanced trading tools including Short-selling, Margin Trading, and Securities Lending & Borrowing



Enhanced Market Regulations including revisions on: Market Making Reg, Liquidity Provision Reg, Omnibus & Nominee Regulations



Enhanced Issuer & Investor Engagement through Listing Gateway, eKey, Disclosure System



Extended Trading Hours & Enhanced Closing Auction Mechanisms



Attract Regional Brokers with Unique Value Proposition

Enhance Market Landscape, Regulations, Infrastructure, and Service Offering

Economic Spillovers

Activation of capital formation will result in significant economic spillover effects.



MARKET UPGRADE

SIGNAL DEVELOPMENT
GLOBAL ATTENTION



UPLIFT VALUATIONS

INCREASED DEMAND & LIQUIDITY
VALUATION SURGE



CAPITAL FORMATION

HIGHER VALUATIONS ENABLING STRONGER LISTINGS
CAPITAL RECYCLING



CAPITAL FLOWS

PASSIVE & ACTIVE
FOREIGN DIRECT INVESTMENT



SURGE IN ECONOMIC WEALTH

SOVEREIGN BALANCE SHEET
PENSION & CITIZENS' SAVINGS



ECONOMIC DEVELOPMENT

FUNDING PROJECTS & EXPANSIONS
JOB CREATION