

WIDER *participation*

BHB aims to position itself as reliable and innovative marketplace in the region for investors while strengthening the IPO pipeline.

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CEO,
BAHRAIN BOURSE (BHB)



Can you provide an overview of Bahrain Bourse's evolution in line with the changing investment landscape?

Established in 2010 to replace the Bahrain Stock Exchange, BHB is a self-regulated, multi-asset marketplace operator and closed shareholding company. Trading on the bourse is conducted via nine licensed members through an automated trading system. Since its establishment, BHB has joined several regional and international organizations such as IOSCO, the World Federation of Exchanges (WFE), the Africa & Middle East Depositories Association (AMEDA), the Association of National Numbering Agencies (ANNA), the Arab Federation of Capital Markets (AFCM), the Middle East Investor Relations Association (MEIRA), and the UN's Sustainable Stock Exchanges Initiative (UNSSE) which enables Bahrain Bourse to bolster its position within the global capital markets and ensure alignment with international best practices. Our strategic roadmap has evolved through three key phases. From 2011-2015, the focus has been regulatory and technical enhancements to enable diversifications of financial instruments beyond equities, between 2015-2020, the focus has been broadening market participation through the launch of Bahrain Investment Market (BIM), introduction of REITs as an asset class, and spin-off of our CSD into a separate legal entity, Bahrain Clear, to enable enhancement of post-trade services. Since 2021, our focus has been on enhancing market depth through IPO and trading incentives and strategic partnerships, and onboarding of new market makers, ensuring that Bahrain Bourse remains a dynamic marketplace.

How does Bahrain Bourse balance its local market appeal while positioning itself as a strong international investment hub?

Bahrain Bourse is deeply committed to fostering a robust local market while simultaneously enhancing its international

accessibility. One of our key initiatives is the GCC cross-border exchange network, Tabadul, which allows direct market access to Bahrain-listed securities for investors across the region, and vice-versa allowing for Bahrain-based investors to access other markets including ADX and MSX through authorized brokers. Tabadul ensures that liquidity remains within Bahrain while providing seamless access to international investors through authorized brokers. Additionally, Bahrain's currency is pegged to the US dollar, minimizing currency risk, making it an attractive destination for foreign investors seeking stability and high-yield dividend stocks. Bahrain's financial sector is known for its adherence to international regulatory standards, distinguishing it from some regional counterparts. This alignment with global financial norms makes it an attractive jurisdiction for international companies looking to establish a presence in a well-regulated, business-friendly environment. We have also conducted international roadshows in financial hubs like London and Dubai to showcase Bahrain's equity capital markets investment opportunities. These efforts, combined with a business-friendly regulatory framework, are aimed at attracting FDI into Bahrain's capital markets.

What trends are shaping Bahrain's capital markets, and what are the key investment opportunities today?

Bahrain's economy is undergoing a transformation, with significant investment trends emerging in financial services, industrial expansion, and real estate development. The financial services sector remains a key driver, bolstered by fintech innovation and regulatory advancements that make Bahrain a preferred regional hub for fintech companies. The industrial sector, particularly downstream aluminum manufacturing, is experiencing strong growth, supported by Bahrain's strategic position as a production and ex-

port hub. Additionally, we have seen an increase in real estate developments, driven by infrastructure expansion and government-backed projects. In the capital markets, there is a growing appetite for IPOs to raise equity capital to fund these projects, with the government leading efforts to list state-owned enterprises, thereby enhancing market depth. Bahrain's bond market is also gaining traction, particularly among retail investors whom favor fixed-income instruments for their stability. Historically, government bond issuances were limited to institutional investors, but since opening them to retail participation, demand has surged. With the rise of alternative investment vehicles, including REITs, investors now have more diverse options to build their portfolios. Additionally, technology-driven innovations such as digital trading platforms and algorithmic trading are gaining traction. As market participants increasingly adopt data-driven strategies, we anticipate continued evolution in trading behaviors, leading to greater efficiency and transparency in Bahrain's capital markets. ✖

BIO

Shaikh Khalifa bin Ebrahim Al Khalifa is the CEO of Bahrain Bourse as well as Vice Chairman & Managing Director of Bahrain Clear. He also served as the Chairman of Arab Federation of Capital Markets (2022-2023) and is an active member the GCC Exchanges Committee – GCC General Secretariat. Al Khalifa has more than 20 years of capital markets experience and possesses a wide range of expertise from business development and corporate planning to strategy and operations. Preceding his appointment as CEO, he served as deputy director for Central Securities Depository (CSD) and Information Technology, and subsequently chief operating officer, prior to assuming the role of CEO. He holds an MBA from the CASS Business School – London.