

بورصة البحرين  
BAHRAIN BOURSE



## A Sustainable Oasis of Investment Opportunities

Annual Report 2023

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Late Amir  
His Highness  
Shaikh Isa bin Salman  
Al Khalifa



His Majesty  
King Hamad bin Isa  
Al Khalifa

The King of  
the Kingdom of Bahrain



His Royal Highness  
Prince Salman bin Hamad  
Al Khalifa

The Crown Prince and Prime  
Minister of  
the Kingdom of Bahrain



### Subsidiary Companies



**Name of Subsidiary**  
Bahrain Clear B.S.C (c)

**Ownership**  
100%

**Country of Establishment**  
Kingdom of Bahrain

**Establishment Date**  
23<sup>rd</sup> May 2017








**License Category**  
Licensed by Central Bank of Bahrain as Clearing, Settlement and Central Depository

### Auditors

**DELOITTE & TOUCHE – MIDDLE EAST**  
Partner Registration No. 184  
Manama, Kingdom of Bahrain

### Main Office/Registered Office

**Bahrain Bourse Company BSC (c)**  
Unit Number: 4001, Building 14-35  
Road 4626, Block 346  
Bahrain Financial Harbour  
Harbour Gate - Level 4  
P.O. Box 3203  
Manama  
Kingdom of Bahrain

Helpdesk: +973 17 261260  
E info@bahrainbourse.com  
www.bahrainbourse.com  
Social Media: @bahrainbourse       
Bahrain Bourse Mobile App:  

Licensed by Central Bank of Bahrain as a licensed exchange.

### Name

Bahrain Bourse

### Logo



### Legal form

Bahrain Bourse was established in 2010 in accordance with Law No. 60 for the year 2010 as a closed shareholding company to replace its predecessor Bahrain Stock Exchange.



# A Sustainable Oasis of Investment Opportunities

A firm commitment to showcasing progress while instilling confidence in investors.

At Bahrain Bourse we aim to offer our stakeholders with the best investment and trading solutions, and pair it with creative insights and problem solving skills to provide our investors, issuers, and intermediaries with valuable resources to meet their every expectation and to offer them with an “Oasis of Investment Opportunities”.



**Bahrain Bourse is a self-regulated multi-asset marketplace. Bahrain Bourse aims to offer to its investors, issuers, and intermediaries a comprehensive suite of exchange-related facilities including offering listing, trading, settlement, and depository services for various financial instruments.**

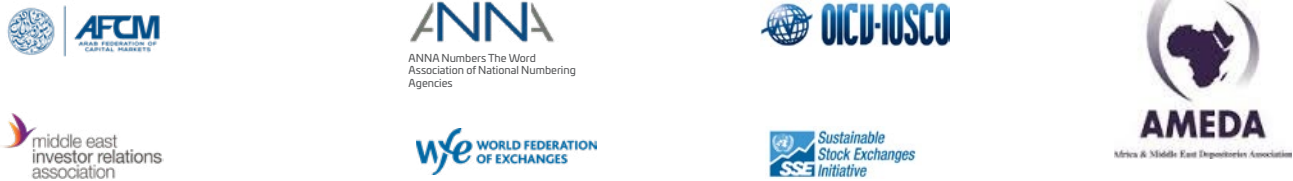
We aim to offer our stakeholders with the best investment and trading solutions, and pair it with creative insights and problem solving skills to provide our investors, issuers, and intermediaries with valuable resources to meet their every expectation. Our key growth pillars underpins our way of conducting business and how we interact with our stakeholders: Origination, Innovation, Collaboration, and Pioneering Spirit, and all of them working together is what enables us to offer you with an "Oasis of Investment Opportunities".

Our history extends back to 1987, which marked the establishment of "Bahrain Stock Exchange (BSE)", the predecessor of "Bahrain Bourse (BHB)". Since then, Bahrain Stock Exchange has achieved milestone successes, largely attributed to the support of the Government of Kingdom of Bahrain and the collaboration provided by its stakeholders. In 2010, Bahrain Bourse was established in accordance with Law No. 60 for the year 2010 as a shareholding company to replace its predecessor Bahrain Stock Exchange. Bahrain Bourse is the sole entity in the Kingdom of Bahrain licensed by the Central Bank of Bahrain to act as a licensed exchange.

Bahrain Clear, a fully-owned subsidiary of Bahrain Bourse, was established in June 2017 as a clearing house with a disclosed capital of BD 5 million, and a paid up capital of BD 1 million. Bahrain Clear is licensed by the Central Bank of Bahrain and offers pre and post trade services to investors as well as a range of services including transactions depository, clearing, settlement, central registry and registration.

Since its establishment, BHB has joined several regional and international organizations such as Arab Federation of Capital Markets "AFCM", International Organization of Securities Commissions "IOSCO", World Federation of Exchanges "WFE", Africa & Middle East Depositories Association "AMEDA", and Association of National Numbering Agencies "ANNA", partner exchange member to the Sustainable Stock Exchanges "SSE" Initiative, and Middle East Investor Relations Association – Bahrain Chapter "MEIRA", which enables Bahrain Bourse to bolster its position within the global capital markets.

## Memberships



## What we do

Bahrain Bourse, as a Self-Regulated Organization (SRO) and a front-line regulator, plays a key role in shaping Bahrain's capital markets. Bahrain Bourse provides a platform for the listing and

trading of various securities including Equities, Real Estate Investment Traded Funds (REITs), Government Bonds and Sukuks, T-Bills, Mutual Funds, and Bahrain Investment Market.

## Vision, Mission and Values

### Vision

A sustainable and innovative marketplace.

### Mission

To provide a unique suite of innovative and diversified services through agile and efficient capital market platforms serving our stakeholders and promoting sustainable growth.

### Core Values

- Transparency
- Integrity
- Efficiency
- Fairness
- Flexibility
- Teamwork
- Commitment to Excellence





## JANUARY

- ▶ Bahrain Bourse Issues a Resolution to List Treasury Bill and Short-Term Islamic Lease (Ijarah) Sukuk Issues
- ▶ Bahrain Bourse and Bahrain Clear Honors its Long Serving Employees
- ▶ Gulf Exchanges Announce Unified ESG Metrics for GCC Listed Companies
- ▶ Abu Dhabi Securities Exchange (ADX) and Bahrain Bourse Announce the Joining of Muscat Stock Exchange (MSX) to Tabadul

## FEBRUARY

- ▶ Bahrain Bourse Kicks off the 3<sup>rd</sup> Edition of the Capital Markets Apprenticeship Program
- ▶ Bahrain Bourse Participates in 2<sup>nd</sup> Edition of Saudi Capital Market Forum (SCMF) 2023
- ▶ Bahrain Clear Participates in ASAR Seminar 2023 Addressing the 'Bahrain Private Market'



## MARCH

- ▶ With the Participation of Supreme Council for Women, Bahrain Bourse "Rings the Bell for Gender Equality" for the 5<sup>th</sup> Consecutive Year
- ▶ Bahrain Clear Holds Bahrain Private Market Workshop for BCCI Members
- ▶ With the Participation of the Central Bank of Bahrain, Bahrain Bourse and Bahrain Clear Participate in the HSBC MENA Markets & Securities Services Forum 2023



## APRIL

- ▶ Bahrain Clear Attains Full Membership of the Arab Federation of Capital Markets
- ▶ With a Size of BHD 100 Million and a Return of 6.00%, Commencement of Subscription in the 31<sup>st</sup> Issue of the Government Development Bond through Bahrain Bourse
- ▶ Bahrain Bourse Announces Joining of Al Salam Bank to Bahrain Trade
- ▶ Bahrain Bourse Introduces Enhanced Bahrain Investment Market (BIM) Regulations
- ▶ Bahrain Bourse Announces the Listing of Montreal Motors BSC (closed) on Bahrain Investment Market
- ▶ With a Size of BHD 200 Million and a Return of 5.875%, Commencement of Subscription in the 32<sup>nd</sup> Issue of the Government Development Bond through Bahrain Bourse

# Key Achievements (Continued)

## MAY

- ▶ Under the patronage of the Central Bank of Bahrain, Bahrain Bourse Honors Top Finalists for 2022-2023 TradeQuest Program with a Total of BD 30,000 Cash Rewards
- ▶ Bahrain Bourse in Collaboration with INJAZ Bahrain Concludes Smart Investor Program 2022-2023



## JUNE

- ▶ Bahrain Clear Representative Re-elected as President of the Africa and Middle East Depositories Association (AMEDA) and Elected as Vice Chair of the World Forum of Central Depositories (WFC)
- ▶ As a Strategic Partner to the Emerging Board Leaders Fellowship Program, Bahrain Bourse Partners with Diversity on Board to Promote Sustainability and Diversity in Advisory and Executive Boards across the MENA Region
- ▶ Bahrain Bourse Highlights Investment Opportunities in Bahrain's Capital Market during the HSBC GCC London Conference 2023
- ▶ Bahrain Bourse Accorded Best Stock Exchange - Financial Literacy Initiatives Award - GCC 2023
- ▶ With a Size of BHD 100 Million and a Return of 6.25%, Commencement of Subscription in the 33<sup>rd</sup> Issue of the Government Development Bond through Bahrain Bourse

## AUGUST

- ▶ Bahrain Bourse Concludes the 3<sup>rd</sup> Edition of the Capital Markets Apprenticeship Program



## SEPTEMBER

- ▶ Bahrain Bourse Recognized as "Most Sustainable Stock Exchange in the GCC Region - 2023"
- ▶ Bahrain Bourse Kicks-off the 6<sup>th</sup> Edition of the Smart Investor Program in Collaboration with INJAZ Bahrain
- ▶ Bahrain Clear Participates in MENA Market CSD Roundtable Hosted by First Abu Dhabi Bank (FAB)

## OCTOBER

- ▶ Bahrain Bourse 'Rings the Bell for Financial Literacy' as Part of IOSCO's World Investor Week 2023
- ▶ With a Size of BHD 200 Million and a Return of 6.50%, Commencement of Subscription in the 34<sup>th</sup> Issue of the Government Development Bond through Bahrain Bourse
- ▶ On the Occasion of World Health Mental Day, Bahrain Bourse and Bahrain Clear Host Informative Mental Health Awareness Session for Employees
- ▶ Bahrain Bourse Awarded ICT leadership Award at GITEX 2023
- ▶ Bahrain Bourse Collaborates with Supreme Council for Women to Raise Awareness on Bahrain Investment Market
- ▶ Bahrain Bourse and Bahrain Clear Host Breast Cancer Awareness Event



## NOVEMBER

- ▶ In Collaboration with Central Bank of Bahrain, Bahrain Bourse Concludes the Middle East Investor Relations Association (MEIRA) Annual Conference 2023
- ▶ Bahrain Bourse Launches 25<sup>th</sup> Edition of TradeQuest Program for High School and University Students

## DECEMBER

- ▶ Bahrain Bourse and the Central Bank of Bahrain Showcase Sustainability Efforts at COP28
- ▶ Bahrain Bourse in Collaboration with the Supreme Council for Women Organize a Workshop to Raise Awareness on Investment Instruments

Market Capitalization (BD Billion)

BD 7.77

2023	7.77
2022	11.41
2021	10.82
2020	9.28
2019	10.13

Bahrain Islamic Index (Points)

728.91

2023	728.91
2022	663.13
2021	751.72
2020	650.19
2019	760.04

Bahrain All Share Index (Points)

1,971.49

2023	1,971.49
2022	1,895.27
2021	1,797.25
2020	1,489.78
2019	1,610.18

Value of Shares Traded (BD Million)

210.24

2023	210.24
2022	169.79
2021	195.71
2020	212.8
2019	286.41

Market Performance  
(Index % Change)

Muscat Stock Exchange	-7.10%
Boursa Kuwait	-6.50%
Abu Dhabi Securities Exchange	-6.20%
Qatar Stock Exchange	14.0%
MSCI GCC Countries Index	3.70%
Bahrain Bourse	4.00%
MSCI Frontier Markets Index	12.17%
Tadawul	14.20%
Dubai Financial Market	21.70%
S&P GCC Composite Index	35.19%

Transactions

17,730

2023	17,730
2022	17,474
2021	21,015
2020	19,309
2019	25,052

Average Daily Traded Volume (Billion Shares)

3.17

2023	3.17
2022	2.18
2021	4.16
2020	4.92
2019	4.71

Volume of Shares Traded (Billion Shares)

0.78

2023	0.78
2022	0.54
2021	1.02
2020	1.21
2019	1.16

Average Daily Traded Value (BD Million)

0.855

2023	0.855
2022	0.69
2021	0.799
2020	0.865
2019	1.16



Stakeholder and investor engagement forms a critical aspect of our strategy and success. Hence, we seek to maintain an open, transparent, and collaborative dialogue with each of our diverse stakeholder groups in various forums and modes.

Bahrain Bourse's main stakeholder groups are highlighted below and have been categorized in broad terms, using generic stakeholder categories that apply to most industries which includes regulatory bodies, investors, issuers, members, community, employees, media, market data vendors, and partners.



## Regulatory Bodies

### Engagement Method

Open dialogue, rules and regulations, workshops and seminars, conference and panel participations, periodic reporting.



## Investors

(Institutional & Retail)

### Engagement Method

Open dialogue, workshops, virtual roadshows, workshops and seminars, conference and panel participations, periodic trading bulletins, Investors Guide, mobile app, website, investor satisfaction surveys, complaints management portals.



## Members

(Brokerage firms, market makers, custodians)

### Engagement Method

Open Dialogue, Industry Working Groups, consultation papers, semi-annual brokers meeting, workshops, webinars.

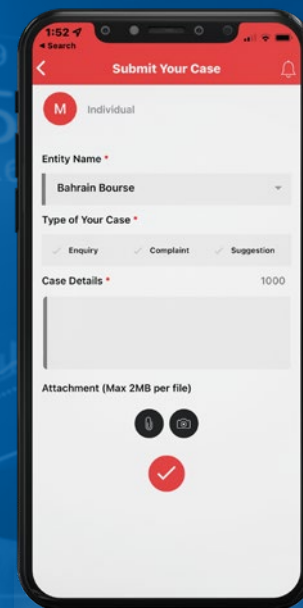


## Employees

### Engagement Method

Employee satisfaction surveys, workshops, trainings and seminars, corporate events, long-service recognition awards, employee briefings, HR management intranet platform.

## Stakeholder Engagement (Continued)



## Market Data Vendors

### Engagement Method

Market Notices, corporate actions, website, webinars.



## Issuers

### Engagement Method

Rules, Open Dialogue, international investor roadshows, public industry consultations, CEO lunch, bell-ringing ceremonies, webinars, AGMs.



## Partners

### Engagement Method

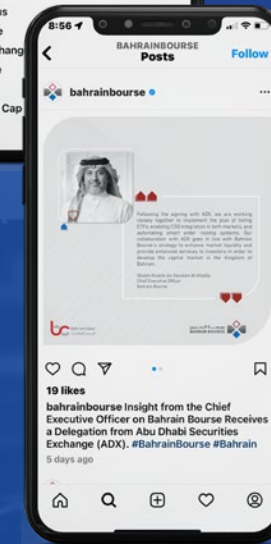
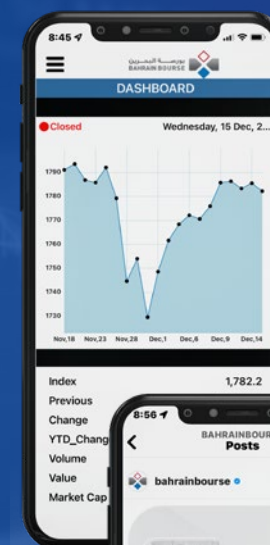
Open dialogue, Industry Working Groups, corporate events, workshops and seminars, conference and panel participations.



## Community

### Engagement Method

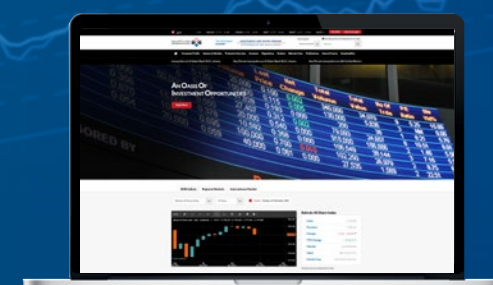
Educational workshops, financial literacy programs via the Investment Academy, social media, website, Investors Guide, mobile app.



## Suppliers

### Engagement Method

RFPs, tenders, meetings, workshops







**Abdulkarim Ahmed Bucheery ✓**  
Chairman  
Independent & Non-Executive Director  
Joined the Board of Directors on 27<sup>th</sup> December 2016



**Ali Yousif Fardan \***  
Vice Chairman  
Independent & Non-Executive Director  
Joined the Board of Directors on 27<sup>th</sup> December 2016



**Hassan Amin Jarrar #**  
Member  
Independent & Non-Executive Director  
Joined the Board of Directors on 27<sup>th</sup> December 2016



**Deena Ebrahim Al-Ansari #**  
Member  
Independent & Non-Executive Director  
Joined the Board of Directors on 27<sup>th</sup> December 2016



**Abdulrahman Hamid Al-Zayani ✓**  
Member  
Independent & Non-Executive Director  
Joined the Board of Directors on 27<sup>th</sup> December 2016



**Matthew John Deakin \***  
Member  
Independent & Non-Executive Director  
Joined the Board of Directors on 14<sup>th</sup> June 2020



**Saleh Hasan Husain ✓**  
Member  
Independent & Non-Executive Director  
Joined the Board of Directors on 14<sup>th</sup> June 2020



**Narjes Mohamed Alqaseer \***  
Member  
Independent & Non-Executive Director  
Joined the Board of Directors on 14<sup>th</sup> June 2020

\* Member of the Executive Committee.  
# Member of the Audit & Risks Committee.  
✓ Member of the Nomination, Remuneration, and Corporate Governance Committee.



**Our commitment to sustainable growth became the driving force behind every action, aligning with our steadfast vision to increase Bahrain Bourse's contribution to local GDP and be a beacon of sustainability and innovation.**

**Abdulkarim Ahmed Bucheery**  
Chairman

## Chairman's statement (Continued)

**The year 2023 marked a transformative journey for Bahrain Bourse, driven by a newly devised strategy focused on expanded investor access and regional connectivity and synergy.**

### Total operating revenues

**BD 5.88 m**

2022 : BD 4.79 million

The year 2023 marked a transformative journey for Bahrain Bourse, driven by a newly devised strategy focused on expanded investor access through the development of its legislative and technical infrastructure to attract listings and investment opportunities for investors, and enhancing connectivity and synergy. Our commitment to sustainable growth became the driving force behind every action, aligning with our steadfast vision to increase Bahrain Bourse's contribution to local GDP and be a beacon of sustainability and innovation. Our initiatives resonate with the vision outlined in the Financial Services Sector Development Strategy, focusing on fostering robust GCC linkages and propelling local and regional financial growth. Capitalizing on the strategic collaboration with ADX in launching "Tabadul", the region's first digital exchange hub, the platform now expanded to include the Muscat Stock Exchange (MSX) to "Tabadul". As a result, MSX's listed securities, along with those of ADX and BHB, are now available for digital trading, further enhancing liquidity in markets onboarded on "Tabadul" and facilitating trading mechanisms for investors.

In line with Bahrain Bourse's commitment to facilitate investors' access, Bahrain Bourse welcomed Al Salam Bank with the launch of Al Salam Invest within the Bahrain Trade Network. The platform facilitates direct securities trading on Bahrain Bourse for retail investors.

In 2023, Bahrain Bourse's efforts in enhancing legislations laid the groundwork for further growth. The introduction of the enhanced Bahrain Investment Market (BIM) regulations in April are aimed at supporting the growth, development of the market, enhance market attractiveness, and simplify and increase the efficiency of the admission process which resulted in listing Montreal Motors BSC during the year. This aligns strategically with the revised BIM framework, providing an ideal platform for growth companies.

Demonstrating commitment to responsible practices, the Central Bank of Bahrain launched ESG Reporting Guidelines in line with the Kingdom's Economic Vision 2030 and the UN's Sustainable Development Goals. These guidelines, effective from late 2024, establish a standardized framework for transparent ESG disclosures. Bahrain Bourse also participated in the UN Climate Change conference (COP28) in Dubai which cements our ongoing efforts to embed sustainability into the financial landscape.



**Bahrain Clear is actively engaged in refining the procedures it employs for the distribution of unclaimed dividends. This ongoing initiative aims to optimize the efficiency of the process and ensure that the maximum number of eligible shareholders receive their rightful dividends.**

Regarding Bahrain Clear, our fully-owned subsidiary continued enhancing offerings for investors and issuers with streamlined processes and cutting-edge tools.

In April 2023, Bahrain Clear achieved a significant milestone by securing full membership status in the Arab Federation of Capital Markets (AFCM). This prestigious recognition underlines Bahrain Clear's dedication to enhancing the region's capital market landscape and its commitment to upholding the highest international standards in clearing, settlement and central depository services.

During the year, a total of BD 566 million were distributed as cash dividends pertaining to the financial year ending 31 December 2023 (of which BD 560 million were distributed under the 'Annual Cash Dividends Fund' (for companies listed on Bahrain Bourse as well as cross listed companies) and BD 6.08 million disbursed under the 'Accumulated Cash Dividends Fund').

Bahrain Clear is actively engaged in refining the procedures it employs for the distribution of unclaimed dividends. This ongoing initiative aims to optimize the efficiency of the process and ensure that the maximum number of eligible shareholders receive their rightful dividends. Bahrain Clear strives to maintain accurate shareholder information through proactive outreach and the implementation of KYC procedures. This dedicated effort ultimately leads to reaching the highest possible number of shareholders entitled to dividends.

The year 2023 stands as a testament to Bahrain Bourse's strategic strides in crafting a resilient, inclusive, and sustainable market ecosystem. As we forge ahead, we position ourselves for a prosperous future, firmly anchored in alignment with both global best practices and the aspirations of our regional stakeholders.

**The year 2023 stands as a testament to Bahrain Bourse's strategic strides in crafting a resilient, inclusive, and sustainable market ecosystem. As we forge ahead, we position ourselves for a prosperous future, firmly anchored in alignment with both global best practices and the aspirations of our regional stakeholders.**

### Financials

Looking into Bahrain Bourse's financial performance in 2023, BHB achieved a net profit of BD 890,713 compared to BD 224,081 to record an increase of 297% in comparison to the year 2022. The total operating revenues amounted to BD 5.88 million in 2023 compared to BD 4.79 million in 2022, recording an increase of approximately 23%. The total operating expenses were BD 4.84 million in comparison to BD 4.49 million in 2022, reporting an increase of approximately 8%.

Bahrain Bourse's total assets increased to BD 56.52 million in 2023 against BD 49.93 million in 2022, while the total liabilities reached BD 51.85 million compared to BD 46.12 million in 2022. Shareholders' equity increased from BD 3.81 million in 2022 to BD 4.43 million in 2023.

### Acknowledgements

On behalf of myself and Bahrain Bourse's Board of Directors and Management of Bahrain Bourse and Bahrain Clear, I would like to express my gratitude and genuine appreciation to His Majesty King Hamad bin Isa bin Salman Al Khalifa, King of the Kingdom of Bahrain and His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander of the Armed Forces, and Prime Minister for their invaluable guidance and unwavering support to Bahrain Bourse, and dedicated efforts to drive national prosperity.

I would like to extend my gratitude to H.E. the Minister of Industry and Commerce for his continuous support extended to Bahrain Bourse and Bahrain Clear. I would also like to thank the Chairman and Board Members of the Central Bank of Bahrain (CBB), and the previous Governor of the Central Bank of Bahrain H.E. Rasheed Almaraj for his continuous,

instrumental support throughout the years. His leadership has been a cornerstone of our progress and success.

I would also like to thank the Board of Directors of Bahrain Bourse and Bahrain Clear for their strategic vision that has steered us through a year of dynamic progress. I would also like to recognize the unwavering support of our issuers, investors, members, custodians, and stakeholders. Your trust and confidence in Bahrain Bourse and Bahrain Clear are the cornerstones of our growth. As we embark on another year of ambitious goals, your continued trust will allow us to reach even greater heights.

**Abdulkarim Ahmed Bucheery**  
Chairman



In our pursuit of cultivating a robust and sustainable market ecosystem, Bahrain Bourse introduced the enhanced Bahrain Investment Market (BIM) regulations in April 2023. This strategic initiative was poised to propel market growth and development, and streamline the admission process, paving the way for future listings on BIM.

Khalifa bin Ebrahim Al-Khalifa  
Chief Executive Officer

**Bahrain Bourse secured the 3<sup>rd</sup> position with a 4% increase, despite challenges such as geopolitical tensions and oil price volatility.**

#### Bahrain All Share Index

**1,971.492** points

2022 : 1,895.26 points

#### GCC Equity Markets Performance

Global markets witnessed a substantial 2023 rebound, marking the most significant gain since 2019 amidst late-year volatility. Speculations on interest rates, inflation, and geopolitical factors triggered fluctuations. The MSCI World Index surged by 21.8%, reversing the prior year's decline. In the GCC, equity markets posted a more modest 3.7% gain, rebounding from the sharp declines recorded in October 2023.

#### Bahrain Bourse's Market Performance

While GCC markets reported smaller gains compared to global peers, Bahrain Bourse secured the 3<sup>rd</sup> position with a 4% increase, despite challenges such as geopolitical tensions and oil price volatility. The Bahrain All Share Index closed at 1,971.492 points, marking a 4.02% year-on-year growth. Market capitalization decreased by 31.91%, reaching BD 7.77 billion. However, positive trends emerged in trading activity, with a 23.82% increase in the value of shares traded and a 45.4% surge in the volume of shares traded.

#### Roadshows

In line with our steadfast commitment to attract international investments and strengthen linkages with international fund and asset managers, Bahrain Bourse and Bahrain Clear successfully participated in two roadshows organized by HSBC. During the HSBC MENA Markets and Securities Services Forum 2023 in Dubai, Bahrain Bourse connected with prominent international fund and asset managers, offering a comprehensive showcase of the Kingdom's capital market landscape. The emphasis was placed on highlighting significant regulatory and market infrastructure advancements that were actively in progress, along with the distinctive opportunities presented by its listed companies.

Similarly, Bahrain Bourse and Bahrain Clear also participated in the HSBC GCC London Conference 2023 held in June 2023 along with GCC Exchanges. The roadshow provided another excellent opportunity for Bahrain Bourse to showcase its recent developments and initiatives to international fund managers and asset managers, and hence solidify institutional investor appetite in Bahrain's capital market.

#### Tabadul Hub

Building upon the milestone of launching the Tabadul Hub during 2022, Bahrain Bourse and Abu Dhabi Securities Exchange (ADX) welcomed the inclusion of the Muscat Stock Exchange (MSX) on the Tabadul platform in January 2023. The platform is a major step towards enhancing capital market competitiveness in the region, as it links markets together and seeks to provide more investment options for investors, given the increased appetite from regional investors.



In our pursuit of cultivating a robust and sustainable market ecosystem, Bahrain Bourse introduced the enhanced Bahrain Investment Market (BIM) regulations in April 2023. This strategic initiative was poised to propel market growth and development.

Bahrain Trade

In line with Bahrain Bourse's efforts to expand its Bahrain Trade network, Bahrain Bourse welcomed Al Salam Bank to Bahrain Trade in April 2023. This initiative empowers the bank's retail clients to seamlessly engage in securities trading on Bahrain Bourse.

Regulatory Developments

In our pursuit of cultivating a robust and sustainable market ecosystem, Bahrain Bourse introduced the enhanced Bahrain Investment Market (BIM) regulations in April 2023. This strategic initiative was poised to propel market growth and development, and streamline the admission process, paving the way for future listings on BIM.

Simultaneously, Bahrain Bourse listed Montreal Motors BSC's on the Bahrain Investment Market, a fully-fledged motor distribution business. Aligned with our recently revised BIM framework, specifically crafted to attract growth companies, this development reinforces our belief that the platform serves as the optimal launch pad for ambitious businesses seeking growth.

In consonance with the Kingdom's Economic Vision 2030 and our dedication to the UN's Sustainable Development Goals, the Central Bank of Bahrain took a monumental step by officially issuing the ESG Reporting Guidelines to be applicable on all listed companies for the reporting period ending December 2024. These guidelines, which form part of the Volume 6 of the CBB Rulebook, are aimed at establishing a standardized framework, ensured consistent and reliable ESG reporting, fostering transparent and comparable disclosures that align with both social and climate goals. Commencing from the end of 2024, these reporting requirements will be applied comprehensively to listed companies licensees of the Central Bank of Bahrain (banks, insurance firms, financing companies, Investment firms – Category 1 & 2), reinforcing our commitment to encourage responsible and forward-looking financial practices.

MEIRA Annual Conference 2023

In November 2023, we had the privilege of collaborating with the Central Bank of Bahrain to host the Middle East Investor Relations Association Annual Conference titled 'From ESG to Sustainable Capital Markets'. This groundbreaking conference, held under the banner of building a sustainable future, brought together over 400 industry leaders, 39 expert speakers, and 20 key exhibitors, all driven by a shared commitment to responsible investing and ESG integration. The event explored how capital markets could be transformed into a catalyst for fostering best-in-class investor relations and driving impactful sustainable development. Echoing the Kingdom's Financial Services Sector Development Strategy, the MEIRA Annual Conference 2023 ignited momentum for regional collaboration, paving the way for further ESG advancements.

COP28

At Bahrain Bourse, we recognize that tackling climate-related challenges extends beyond local borders—it's a collective responsibility for nations worldwide. In November 2023, aligning with our dedication to promoting sustainable and transparent markets, Bahrain Bourse actively participated in the UN Climate Change conference (COP28) in Dubai. Alongside other organizations, BHB showcased its sustainability endeavors and advancements within the Bahraini capital market. Acknowledging the growing significance of ESG, we initiated our sustainability journey in 2020 by supporting listed companies through voluntary reporting guidelines and other impactful initiatives. The momentum gained from these efforts propels Bahrain Bourse forward in fostering responsible investment practices, acknowledging their global importance for a sustainable future.

Awards

In 2023, Bahrain Bourse's unwavering commitment to enhancing operational aspects throughout the capital market yielded significant recognition. Our steadfast dedication to transparency, and efficiency resulted in the acquisition of three prestigious awards, solidifying our position as a leading stock exchange in the MENA region.

For the second consecutive time, we proudly received the title of the 'Most Sustainable Stock Exchange in the GCC Region' from World Finance Magazine. This accolade underscores our resolute commitment to advancing the ESG agenda in Bahrain's capital market, in line with our firm belief that sustainable practices and transparency are integral to paving the way for enduring success.

In October 2023, we were honored to be the recipient of the 'ICT Leadership Award 2023 at the 43<sup>rd</sup> Gulf and Middle East Information Technology Exhibition and Conference (GITEX Global)'. This recognition reflects our adoption of an offsite Business Continuity Planning (BCP) environment through a secure, managed desktop-as-a-service (DaaS) solution. This cutting-edge implementation ensures our employees have ultimate access and a seamless workflow, regardless of their location. We believe this landmark recognition shines a light on our relentless pursuit of innovation and our commitment to building a future-proof infrastructure for Bahrain Bourse through cutting-edge ICT solutions.

As a testament to our tireless efforts to empower the community and foster a culture of responsible investment, Bahrain Bourse was awarded the 'Best Stock Exchange for Financial Literacy Initiatives - GCC' for the year 2023 by Global Banking & Finance Review. Throughout the past year, we have held several key events and workshops in partnership with leading governmental and educational bodies such as the TradeQuest Program, the Smart Investor Program, the Capital Market Apprenticeship Program, the Investment Academy amongst others.

Financials

Bahrain Bourse achieved positive exceptional results this year with a net profit of BD 890,713 in 2023 compared to BD 224,081 in 2022, reporting an increase of 297%. The total operating revenues amounted to BD 5.88 million in 2023 compared to BD 4.79 million in 2022, recording an increase of approximately 23%. The total operating expenses stood at BD 4.84 million in comparison to BD 4.49 million in 2022, reporting an increase of 8%.

Acknowledgements

On behalf of myself and Bahrain Bourse team, I would like to express my heartfelt appreciation to His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander of the Armed Forces, and Prime Minister, for their ongoing support of the Bourse and its members. I would also like to thank H.E. the Minister of Industry and Commerce recognition of his unwavering commitment and support to the success of Bahrain Bourse and Bahrain Clear.

Additionally, I would like to sincerely thank the Chairman and the members of BHB's Board of Directors for their steadfast support and ongoing supervision and direction in developing the capital markets and their continuous oversight and guidance.

Our triumphs stand as testaments to the unwavering dedication and passion of our team. At Bahrain Bourse, we prioritize our people, forging a bond built on a shared vision and the relentless pursuit of a brighter future for our market and region.

I would also like to extend my deepest gratitude to our stakeholders and market participants including brokers, listed companies, custodians, investors, and brokerage firms for their proactive efforts which have fueled our growth to shape a dynamic and thriving market.

Future Outlook

As we embark on a new year, the momentum generated in 2023 propels us into the future. Our unwavering commitment persists, focused on expanding investors' access, strengthening regional ties and paving the way towards a sustainable financial landscape. Anticipating a year marked by pivotal milestones, we are dedicated to championing sustainability in capital markets, serving as a formidable catalyst for positive change.

Khalifa bin Ebrahim Al-Khalifa  
Chief Executive Officer

“ Our steadfast dedication to transparency, and efficiency resulted in the acquisition of three prestigious awards, solidifying our position as a leading stock exchange in the MENA region.”



## Bahrain Bourse



**Sh. Khalifa Bin Ebrahim Al Khalifa**  
Chief Executive Officer (Bahrain Bourse)  
Vice Chairman & Managing Director  
(Bahrain Clear)



**Mohammed Khalid Hamed**  
Chief Audit Executive



**Abdulla Mohamed Janahi**  
Senior Director of Trading Operations



**Shaikha Sameer AlZayani**  
Senior Director of Listing and Disclosure



**Marwa Faisal Al-Maskati**  
Senior Director of Marketing and  
Communication



**Hamad Abulfath Hasan**  
Senior Director of Administration Affairs  
& Human Resources

## Management Team (Continued)



**Hussain Abdulmohsen Aljamri**  
Senior Director of Information Technology



**Hiba Parweez Sarwani**  
Senior Director of Investment  
Management

## Bahrain Clear



**Abdulla Jaffar Abdin**  
Chief Operating Officer



**Mohannad Mousa Alatari**  
Senior Director of Projects Management



**Heba Mubarak Mahmood**  
Director of Central Registry Operations



Bahrain Bourse devised its new three-year strategy in 2023 that focuses on four strategic goals: embedding digital transformation through the capital markets ecosystem, broadening market accessibility, sustaining stable financial performance and optimizing operational efficiency, and nurturing talent and building the right organizational structure.

To continue its efforts towards a sustainable and innovative marketplace, Bahrain Bourse devised its new three-year strategy in 2023 that focuses on four strategic goals: embedding digital transformation through the capital markets ecosystem, broadening market accessibility, sustaining stable financial performance and optimizing operational efficiency, and nurturing talent and building the right organizational structure.

Bahrain Bourse's strategy is aligned with the Government of the Kingdom of Bahrain's Economic Recovery plan launched in 2021, which revolves around five key priorities including the development of the Financial Services Sector.

KEY STRATEGIC GOALS	
	Embed Digital Transformation through the Capital Markets Ecosystem
	Broaden Market Accessibility
	Sustain Stable Financial Performance & Optimize Operational Efficiency
	Nurture Talent & Build the Right Organizational Structure

#### Broaden Market Accessibility

##### Intensify Global Outreach

As part of Bahrain Bourse's endeavors to attract international investments and strengthen linkages with international fund and asset managers, Bahrain Bourse and Bahrain Clear, alongside the Central Bank of Bahrain have successfully participated in the HSBC MENA Markets & Securities Services Forum 2023 that was held in Dubai in March 2023.

The conference connected attendees to a global custodial network, investors, and served as a platform for leading a regional digital presence for securities services. On the sidelines of the forum, BHB's delegation met one-on-one with representatives of leading international fund and asset managers interested in gaining insights on Bahrain's capital markets, highlighting key regulatory and market advances that are currently underway, as well as the opportunities offered by its listed companies, with the aim of developing corporate partnerships that align with the Kingdom's Economic Vision 2030.

Bahrain Bourse and Bahrain Clear also participated in the HSBC GCC London Conference 2023 held in June 2023. The roadshow provided another excellent opportunity for Bahrain Bourse to showcase its recent developments and initiatives to international fund managers and asset managers, and hence solidify institutional investor appetite in Bahrain's capital market.

During the conference, Bahrain Bourse's delegation, led by Shaikh Khalifa bin Ebrahim Al-Khalifa, CEO of Bahrain Bourse, engaged in one-on-one meetings with representatives of prominent international fund and asset managers. These discussions provided an excellent platform for international investors to obtain in-depth knowledge of the companies listed in Bahrain Bourse as well as the wide range of opportunities available in Bahrain's capital market.

In addition, Bahrain Clear participated in the MENA Market CSD Roundtable hosted by First Abu Dhabi Bank (FAB). This comes as part of Bahrain Clear's efforts to develop its CSD services, and offer enhanced services to investors in line with international practices and standards.







Broaden Market Accessibility (continued)

Enhance Liquidity in the Market

During 2023, Bahrain Bourse (BHB) and Abu Dhabi Securities Exchange (ADX) welcomed the joining of Muscat Stock Exchange (MSX) to “Tabadul Hub”. Tabadul was launched in July 2022 following a strategic partnership between BHB and ADX aimed at strengthening cooperation avenues and increasing liquidity in both markets. The platform is a major step towards enhancing capital market competitiveness in the region, as it links markets together and seeks to provide more investment options for investors, given the increased appetite of international institutional investors.

Within BHB’s efforts to expand Bahrain Trade’s network, Bahrain Bourse welcomed the joining of Al Salam Bank to Bahrain Trade. With the joining of Al Salam Bank, there are a total of four participating retails banks enabling their clients to trade directly on Bahrain Bourse through an online platform. The expansion of Bahrain Trade’s network comes in line with BHB’s strategic goal of facilitating investor access through innovative technology-driven solutions.

Enhance Regulatory Market Framework

In terms of regulatory developments during the year, Bahrain Bourse introduced enhanced regulations for the Bahrain Investment Market, an equity market designed for fast-growing companies seeking growth capital. The series of regulatory changes to BIM aim at supporting the growth and development of the market, enhance market attractiveness, and simplify and increase the efficiency of the admission process.

The regulatory changes includes provisions to allow companies to file their listing application for Bahrain Investment Market through BHB directly without the mandatory requirement of appointing an authorized sponsor which potentially would further lower the cost of listing on BIM, streamline the process of Complaints, Arbitration, Investigation and Disciplinary Proceeding in line with BHB Listing Rules.

The regulatory changes introduced are in alignment with the objectives of the Economic Recovery Plan and priorities of the Financial Services Sector Development Strategy (2022-2026), as Bahrain Investment Market forms one of the key pillars, which aims to enable easier access to growth capital funding opportunities and thus generating more diverse investment opportunities and instruments for capital market participants.

Subsequently, Bahrain Bourse listed Montreal Motors on the Bahrain Investment Market, a full-fledged motor distribution business.



Bahrain Bourse was awarded the 'Best Stock Exchange for Financial Literacy Initiatives - GCC' for the year 2023 by Global Banking & Finance Review.



Bahrain Bourse has been accorded with the prestigious title of “Most Sustainable Stock Exchange in the GCC region - 2023” by World Finance Magazine.

Number of Students Taking Part in BHB’s Various Awareness Programs	
	2023
Smart Investor	9,242
TradeQuest	203
Investment Academy	765
Capital Markets Apprenticeship Program	8
Total	10,218



Sustain Stable Financial Performance and Optimize Operational Efficiency

Embed Sustainability

Bahrain Bourse has been playing an active role in promoting ESG principles and encouraging ESG related disclosures and transparency across listed-companies. At the beginning of the year, Bahrain Bourse participated in the GCC Exchanges Committee Meeting where an important announcement has been made regarding the adoption of unified GCC ESG metrics across all GCC Exchanges.

The GCC ESG Disclosure Metrics are an important step towards standardizing ESG disclosure across the GCC region, due to differences of standards in reporting. The metrics are voluntary and serve as a guideline for companies wishing to embark on their ESG disclosure journey.

To promote sustainability and diversity in advisory and executive board positions across listed companies in line with the recent updates to the HC Module, Bahrain Bourse partnered with Diversity on Board to support the Emerging Board Leaders Fellowship Program. The collaboration aims to establish a collaborative framework towards promoting board diversity within the MENA region to enhance the economic competitiveness, corporate governance, and foster a more inclusive society through educating, grooming and nurturing a healthy pipeline of highly qualified talent who are mentored to be ‘board-ready’.

In line with Bahrain Bourse’s commitment to the United Nations Sustainable Stock Exchanges (SSE) initiative, BHB participated in the UN’s annual “Ring the Bell for Gender Equality” with the participation of the Supreme Council for Women. During the event, Bahrain Bourse announced its endorsement of the UN Women Empowerment Principles (WEP) alongside 7,000 other global signatories, whom have voluntarily expressed their commitment towards promoting the advancement of gender equality within the workplace and marketplace. BHB also participated in the “Rings the Bell for Financial Literacy” Event as Part of IOSCO’s World Investor Week 2023 to demonstrate its ongoing commitment to enhancing market literacy and investor awareness in collaboration with local partners and international exchanges.

Bahrain Bourse is committed to fostering financial literacy, a key component of its ESG initiatives, in line with SDG Goal 10. During the year, BHB kicked off the third edition of the Capital Markets Apprenticeship Program that is targeted towards graduates seeking experience in the capital markets sector. BHB also launched the 25<sup>th</sup> edition of the TradeQuest Program for 20 school teams and 6 universities. The 6<sup>th</sup> edition of the Smart Investor Program was also launched for elementary students to reach out to a total of 115 schools. Moreover, more than 750 beneficiaries attended professional courses, workshops and webinars under the Investment Academy, a joint initiative between BHB and BIBF.

Furthermore, Bahrain Bourse participated alongside the Central Bank of Bahrain at the 28<sup>th</sup> Conference of the Parties to the UN Framework Convention on Climate Change (COP28) that was held in Dubai in December 2023. Shaikh Khalifa bin Ebrahim Al-Khalifa, CEO of Bahrain Bourse and Abeer Al Saad, Executive Director of Financial Institutions Supervision at the Central Bank of Bahrain (CBB) participated in a panel discussion to highlight the rising awareness of ESG issues in the region and the importance of ESG reporting to sustainable growth. The panelists also emphasized the role of regulatory authorities and exchanges in enhancing the implementation of ESG reporting requirements and ensuring sustainable and transparent capital markets.

As a result of all its efforts to advance the ESG agenda in Bahrain’s capital market during the year 2023, Bahrain Bourse has been accorded with the prestigious title of “Most Sustainable Stock Exchange in the GCC region - 2023” by World Finance Magazine. This award demonstrates Bahrain Bourse’s commitment to fostering ESG related disclosures and transparency across listed-companies in line with international investors demand and best practices.







Bahrain Bourse recognizes the importance of developing its employees which in return will enhance organizational culture and elevate its overall performance.

Sustain Stable Financial Performance and Optimize Operational Efficiency (continued)

Sustain a Business Continuity Plan

Bahrain Bourse has taken significant strides towards enhancing its business continuity performance and reinforcing operational agility and resilience, demonstrating commitment to providing uninterrupted services to investors and maintaining a competitive edge in the market. As a result, BHB won the ICT Leadership Award at the 43<sup>rd</sup> Gulf and Middle East Information Technology Exhibition and Conference (GITEX Global) that was held in Dubai.

One of the main initiatives for receiving the ICT Leadership Award is that BHB has adopted an offsite Business Continuity Planning (BCP) environment by implementing a secure, managed desktop-as-a-service (DaaS) solution, offering its employees access to a secure, cloud-based virtual desktop that can be accessed from anywhere at any time. This means that employees can use their work computers from anywhere in the world, as long as they have an internet connection.

Ensure cost-benefit efficiency

Bahrain Bourse has intensified its recent effort to achieve higher profitability by focusing on cultivating capital raising and investment opportunities and enhancing operational efficiency. During the year, BHB achieved a net profit of BD 890,713 compared to BD 224,081 to record an increase of 297% in comparison to the year 2022. The total operating revenues amounted to BD 5.88 million in 2023 compared to BD 4.79 million in 2022, recording an increase of approximately 23%. The total operating expenses were BD 4.84 million in comparison to BD 4.49 million in 2022, reporting an increase of approximately 8%.

Nurture Talent and Build the Right Organizational Culture

Bahrain Bourse recognizes the importance of developing its employees which in return will enhance organizational culture and elevate its overall performance. At the beginning of the year, Bahrain Bourse and Bahrain Clear held a “Long Service Award Ceremony” to honor the efforts of seven long serving employees for their loyalty and remarkable contribution to Bahrain Bourse and Bahrain Clear over the years. BHB has been continuously honoring its long serving employees on an annual basis, to appreciate their dedication and commitment towards BHB’s success journey.

In addition, BHB organized various events throughout the year, to continue its efforts in maintaining employees’ engagement, interaction, and satisfaction which included: Bahraini Women’s Day, International Women’s Day, Mother’s Day, Breast Cancer Awareness, World Health Mental Day, Sports Day, and National Day.



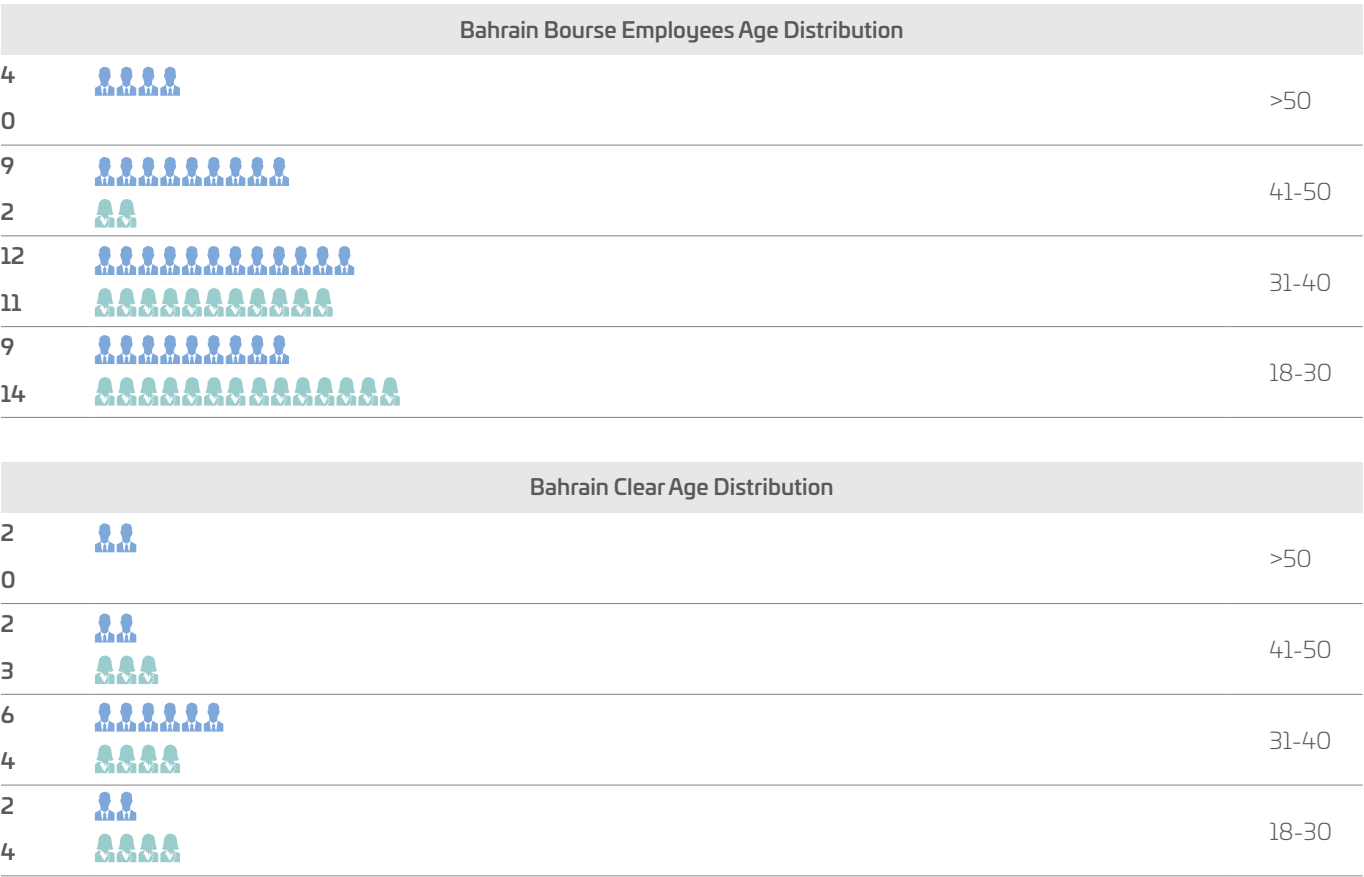
BAHRAINI EMPLOYEES	
99%	100%
Bahrain Bourse	Bahrain Clear
YOUTH EMPLOYEES (UNDER 30)	
35.5%	43.5%
Bahrain Bourse	Bahrain Clear
WOMEN BETWEEN THE AGES OF 20 AND 30	
50%	36.3%
Bahrain Bourse	Bahrain Clear

WOMEN EMPLOYEES	
45.2%	47.8%
Bahrain Bourse	Bahrain Clear
LEADERSHIP/DECISION-MAKING POSITIONS HELD BY WOMEN	
44%	33.3%
Bahrain Bourse	Bahrain Clear
TRAINING PROGRAMS ATTENDED BY EMPLOYEES	
63	6
Bahrain Bourse	Bahrain Clear

The employee number by company is shown below:

	Bahrain Bourse	Bahrain Clear	Total
TOTAL NUMBER OF EMPLOYEES	62	23	85
NUMBER OF FEMALE EMPLOYEES	28	11	39

The above statistics demonstrate the emphasis placed on recruiting youth with 35.5% of BHB’s employees being below 30 years of age, and 43.5% of Bahrain Clear’s employees are from the same age group.





Bahrain Clear also participated in ASAR – Al Ruwayeh & Partners Seminar 2023 that was held in Bahrain that addressed the transfer of the share registry for Closed Shareholding Companies from the Ministry of Industry and Commerce (MOIC) to the Bahrain Private Market.

**Bahrain Clear**

Bahrain Clear was established in 2017 as a clearing house and central depository, and is independently responsible for clearing, settlement and central depository services. Bahrain Clear also offers value-added post-trade services. Bahrain Clear is a fully owned subsidiary of Bahrain Bourse with paid-up capital of BD One million.

During the year, Bahrain Clear attained a full membership status of the Arab Federation of Capital Markets (AFCM). This achievement is the result of the efforts taken by Bahrain Clear to enhance the services it provides to investors and issuers since its establishment in 2017, as well as its keenness to implement international standards in clearing, settlement and central depository.

In addition, Bahrain Clear Representative, Mr. Abdulla Abdin, Chief Operating Officer was re-elected as President of the Africa and Middle East Depositories Association (AMEDA) and elected as Vice Chair of the World Forum of Central Depositories (WFC). Building on Bahrain Clear's dedication to actively participate in regional and global CSD initiatives, this appointment reinforces Bahrain Clear's commitment to broaden its infrastructure and provide enhanced services in line with international standards.

As part of part of Bahrain Clear's efforts to develop its CSD services, and offer enhanced services to investors in line with international practices and standards, Bahrain Clear participated in MENA Market CSD Roundtable that was hosted by First Abu Dhabi Bank (FAB). The participation highlighted Bahrain Clear's most recent developments including key advancements in post-trade services, with the attendance of leading global custodians, international private banks, and broker dealers.

During February 2023, Bahrain Clear also participated in ASAR – Al Ruwayeh & Partners Seminar 2023 that was held in Bahrain that addressed the transfer of the share registry for Closed Shareholding Companies from the Ministry of Industry and Commerce (MOIC) to the Bahrain Private Market - the modernized share registry platform operated by 'Bahrain Clear', as well as the most recent amendments to Kingdom of Bahrain's Corporate Governance Code. The Bahrain Private Market was launched in August 2022 to offer a platform that will provide a full suite of bespoke services for closed shareholding companies.

Whilst ensuring its fiduciary responsibility of undertaking cash dividend distributions under the Amanat Program established in 2020, Bahrain Clear successfully distributed the cash dividend distributions during the year 2023 (for the financial year ended 31<sup>st</sup> December 2022) including interim dividends, amounting to BD 566 million of dividends (of which BD 560 million were distributed under the 'Annual Cash Dividends Fund' on behalf of securities listed on Bahrain Bourse, and BD 6.08 million under the 'Accumulated Cash Dividends Fund').

The total amount of 'Annual Cash Dividends Fund' transferred by listed companies (31 companies) to Bahrain Clear amounted to BD 569.04 million, of which BD 560.02 million have been transferred to 50,142 entitled shareholders during the year 2023 representing 984% distribution of the total amount received, representing an increase of 149% compared to the Annual Cash Dividends Fund distributed during the year 2022 (for the financial year ended 31<sup>st</sup> December 2021) which stood at BD 224.9 million.

As for the 'Accumulated Cash Dividends Fund', the dividend amount distributed during the year 2023 amounted to BD 6.08 million, representing an increase of 48% compared to the accumulated cash dividends distributed during the year 2022 which stood at BD 4.11 million.

Sustainability Review



OUR SUSTAINABILITY JOURNEY

Our sustainability journey demonstrates our continued and evolving commitment. The key milestones reflect our achievements and our aspirations towards promoting the advancement of sustainability within the Capital Markets. Our sustainability journey over the years has evolved through voluntary commitments to global sustainability principles and establishing an ESG governance structure and vision for our organization. We have been involved in driving the ESG disclosures and reporting mandate for listed companies along with annual issuance of our own Sustainability Report.

This year marks the release of our fifth annual Sustainability report which illustrates our ESG priorities and the key initiatives we have successfully implemented in 2023. It highlights the key focus areas along with the regulatory updates initiated by the Bahrain Bourse for listed companies. The report marks our commitment towards sustainability related issues and demonstrates the importance we attach to our Environmental, Social and Economic risks and opportunities.

2019

- Bahrain Bourse announced its voluntary commitment to the United Nations Sustainable Stock Exchanges (SSE) initiative to promote sustainable and transparent capital markets in cooperation with listed companies and other related stakeholders.
- Conducted 1-on-1 ESG engagement and introduction sessions with the listed companies.



2020

- Bahrain Bourse issued its first Sustainability Report.
- Bahrain Bourse issued an ESG Voluntary Reporting Guideline for listed companies.



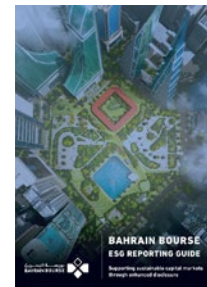
2021

- BHB published guide to sustainable finance in collaboration with HSBC.
- BHB formally integrated a new ESG committee and team to the existing governance structure.
- Bahrain Bourse issued its second annual Sustainability Report.



2022

- Bahrain Bourse issued an updated ESG Voluntary Reporting Guideline for listed companies.
- Bahrain Bourse issued its third annual Sustainability Report.



2023

- Bahrain Bourse participated in the GCC Exchanges Committee which published a unified set of ESG metrics across all GCC Exchanges.
- Bahrain Bourse issues Business Continuity Policy & Information and Cyber Security Policy.
- Bahrain Bourse issued its fourth annual Sustainability Report.



Sustainability Review (Continued)

MATERIALITY ASSESSMENT

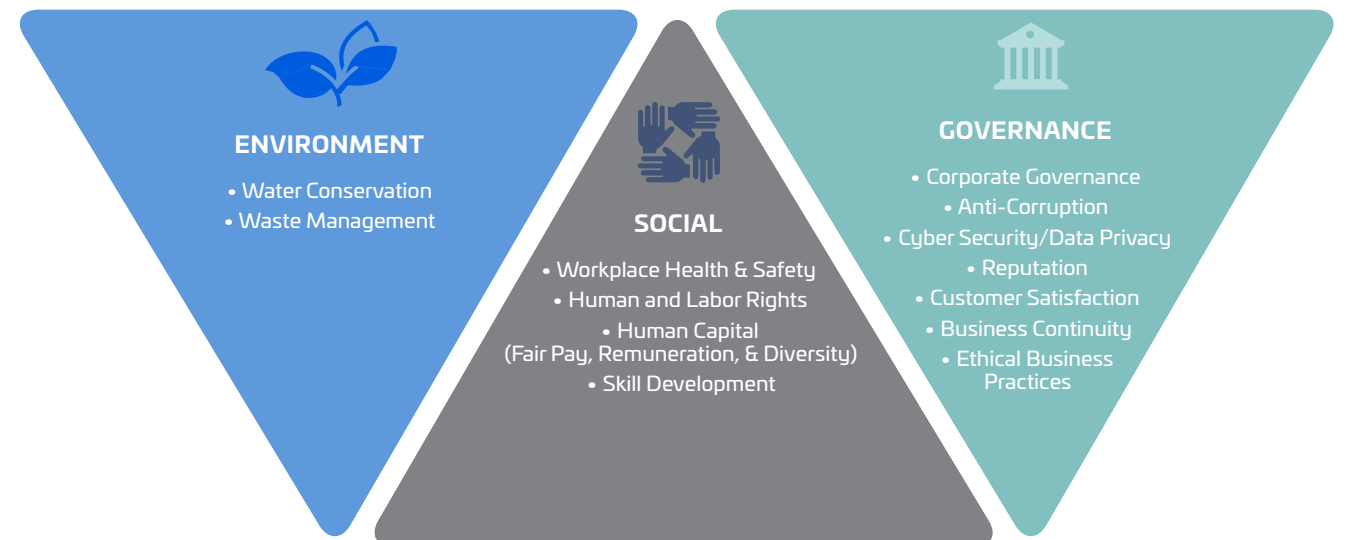
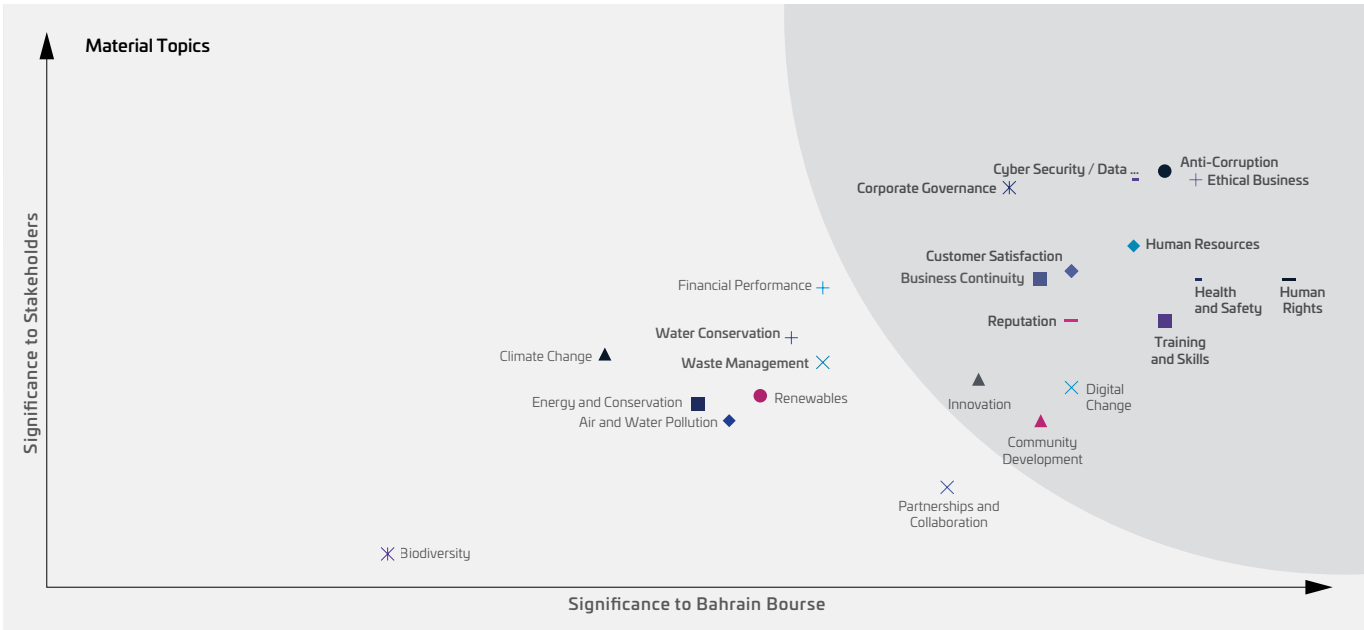
Materiality Assessment is a critical component in our sustainability journey. The role of Bahrain Bourse as a multi-asset marketplace offering an extensive range of exchange-related facilities for various financial instruments has created an ecosystem with a diverse range of stakeholders. Bahrain Bourse's stakeholders include individual investors, listed companies, intermediaries, fund houses, financial institutions, regional exchanges and other regulatory institutions.

Materiality assessment is a key recommendation of the GRI Standards and is considered as a critical process within most international ESG frameworks. Such an assessment is important to identify the sustainability related issues which are highly critical for Bahrain Bourse and its diverse set of stakeholders. As a marketplace, our stakeholders often have multiple competing priorities, which could vastly differ from our own organizational priorities.

Therefore, a materiality assessment helps us in identifying and establishing a clear ranking of priorities across our organization and our stakeholders.

The assessment is based on surveys sent out to key internal and external stakeholders soliciting their opinion on multiple sustainability-related issues. These issues were broadly classified under three sections: i) Environment ii.) Social and iii.) Governance, Economy and Technology. The importance attached to these issues by the respondents helped us design a materiality matrix to measure and visualize the influence of each topic on Bahrain Bourse's operations and how our partners and stakeholders prioritize the same from their perspective.

Based on the materiality assessment and the topic's relevance to Bahrain Bourse's initiatives, 13 material topics were selected based on interlinking priorities in the 2023 reporting cycle.



STAKEHOLDER ENGAGEMENT AND MANAGEMENT



STAKEHOLDER ENGAGEMENT FRAMEWORK

Our ability to foster strong relationships with a wide spectrum of stakeholders is built on long-term trust and mutual respect. Engaging with every stakeholder is unique and there is no ‘one-size fits all’ approach. Several externalities during the pandemic have transformed the way we engage with our stakeholders. Tech-based transformation has provided us with the opportunity to enhance our outreach and the way we communicate with each other.

We have categorized our key stakeholders based on the influence they have to directly impact us and our reputation. Each group will require a bespoke approach for engagement based on shared-values, influence, and impact. ‘Group 1’ encompasses our employees and the Board and is naturally the closest relationship based on the impact we have on each other.

Similarly, ‘Group 2’ and ‘Group 3’ form the subsequent layers of our stakeholder groups and are categorized in broad terms, using generic stakeholder categories that apply to most industries, i.e., regulatory bodies, investors, issuers, members, community, employees, media, market data vendors, and partners. It is important to reiterate that grouping of our stakeholders is in no way an indication of priority in terms of our commitment to these groups; but is specifically linked to our ability to ensure every stakeholder is well integrated in our processes to ensure the broader outcomes of our ESG strategy. Our continuous and seamless stakeholder engagement and open dialogue aims to ensure that we remain relevant and inclusive, as well as creating long-term value for our wider stakeholder group.

World Stock Markets’ Performance during 2023

Global Markets

The majority of global economies experienced slow economic growth in 2023. Global economic growth is forecasted to gradually decline from 3.5% in 2022 to 3.0% in 2023 and 2.9% in 2024 in terms of real GDP. Furthermore, global inflation is forecasted to ease from 8.9% in 2022 to 6.4% in 2023 and then to 5.1% in 2024. In contrast, the US economy continued to experience a stable growth and expanded by 2.1% in 2023 similar to its growth in 2022<sup>1</sup>.

The Federal Reserve hiked interest rates 4 times from 4.50% - 4.75% to 5.25% - 5.50% throughout 2023 to tame inflation. The economies of the European Union further grew by 0.7% in 2023 compared to 3.6% in 2022. The European Central Bank hiked interest rates to 4.5% in 2023 compared to 2.5% in 2022. The British economy experienced a growth of 0.5% in 2023 compared to an increase of 4.1% in 2022. The Bank of England further increased its base rate at 3 consecutive meetings, taking the base rate from 4.00% to 5.25% which is the highest level in 15 years<sup>2</sup>.

The Real GDP Growth at Constant Prices %

Country	2023	2022
United States	2.1	2.1
United Kingdom	0.5	4.1
Germany	(0.6)	1.8
France	1.0	2.5
Japan	2.0	1.0
China	5.0	3.0

After experiencing a growth of 2.6 in 2022, growth in the East Asia and Pacific region accelerated in 2023 to an estimated 4.2%. In China, after achieving a growth of 3.0% in 2022, the economy expanded by 5.0% in 2023.

Within the Middle East, the region experienced a slow growth by 1.6% compared to 6.5% in 2022. Whereas North Africa had a stable growth of 4.2% in 2023 compared to 4.3% in 2022. Being oil and gas exporters, the increased oil and gas prices and rising production didn’t reflect a noticeable growth in the GDP within the two regions.

With regard to oil prices, the price of Brent oil increased by US\$10.16 per barrel to close 2023 at US\$91.06 compared to US\$80.9 in 2022, posting an increase of 12.56%.

In terms of currency prices, the Euro and Sterling Pound appreciated against the U.S. Dollar by 3.40% and 5.51% respectively compared to the end of 2022. Similarly, the U.S. Dollar appreciated against the Japanese Yen by 6.9% during the same period.

As for metal prices, the price of gold increased by 788% to reach US\$ 1,943.00 per ounce compared to an annual average of US\$ 1,801.00 in 2022. The price of silver also rose during the same period by 7.34%.

On the financial markets front, the Japan NIKKEI225 had an international lead as the index posted a growth of 28.24%. Furthermore, the other international financial markets prospered during 2023. The US S&P500 grew by 24.23%, the German DAX expanded by 20.31%, the France CAC40 increased by 16.52% and finally the UK FTSE100 grew by 3.78%. The China SHANGHAI index was the only market in 2023 that witnessed a decrease by 5.18%<sup>3</sup>.

Performance of International Financial Markets

Market	2023	2022	Growth (%)
US (S&P500)	4,769.83	3,839.50	24.23
Japan (NIKKEI225)	33,464.17	26,094.50	28.24
Germany (DAX)	16,751.64	13,923.59	20.31
France (CAC40)	7,543.18	6,473.76	16.52
UK (FTSE100)	7,733.24	7,451.74	3.78
China (SHANGHAI)	2,929.18	3,089.26	(5.18)

1. Source: (International Monetary Fund, IMF)

2. Source: (Forbes | International Monetary Fund, IMF | Statista | New York Times | the Guardian | Bank of England)

3. Source: (World Bank | International Monetary Fund, IMF)



The Arabian Market

According to the International Monetary Fund (IMF), the real GDP of the Middle East region grew by 1.6% in 2023 compared to an increase of 6.5% in 2022. Whereas, the GDP of North Africa grew in a stable manner by 4.2% in 2023 compared to an increase of 4.3% in 2022. With regards to the real GDP of Arabian Economies, Egypt recorded the highest performance with a growth rate of 4.2%. Most of the Arabian economies experienced slow growth in their GDP during 2023. Nonetheless, Oman and Saudi Arabia witnessed the least growth in GDP with growth rates of 1.2% and 0.8% respectively. On the other hand, Lebanon and Kuwait experienced a decline of 0.9% and 0.6%.

The Real GDP Growth at Constant Prices (%)

Country	2023	2022
Jordan	2.6	2.5
Morocco	2.4	1.3
Egypt	4.2	6.7
Lebanon	(0.9)	0

GCC Countries

Country	2023	2022
Qatar	2.4	4.9
Kuwait	(0.6)	8.9
Saudi Arabia	0.8	8.7
Oman	1.2	4.3
UAE	3.4	7.9
Bahrain	2.7	4.9

With reference to the performance of Arab and GCC financial markets, EGX (The Egyptian Exchange) reported the highest growth in its performance during 2023 by 70.76% followed by Beirut Stock Exchange with a growth of 41.48%. On the other hand, Muscat Stock Exchange reported the highest decline by 70.7%, Followed by Boursa Kuwait with a decline of 6.51%. The Arab and GCC financial markets had mixed performance during 2023.

Arab Stock Markets Performance

Market Indices (Points)			
Markets	2023	2022	Annual Performance (%)
Egypt (EGX30)	24,894.26	14,578.21	70.76
Morocco (MASI)	12,092.88	10,720.25	12.80
Lebanon (BSI)	1,995.23	1,410.28	41.48
Jordan (ASE)	2,427.87	2,501.60	(2.95)
GCC Countries			
Dubai (DFMGI)	4,059.8	3,336.07	21.70
Muscat (MSX30)	4,514.07	4,857.44	(7.07)
Abu Dhabi (FADGI)	9,577.85	10,188.57	(5.99)
Saudi Arabia (TASI)	11,967.39	10,478.46	14.21
Kuwait (All-Share)	6,817.29	7,292.12	(6.51)
Bahrain (BHBX)	1,971.49	1,895.27	4.02
Qatar (QE Index)	10,590.16	10,681.07	(0.85)

THE LOCAL MARKET

The Kingdom of Bahrain’s GDP grew by 2.7% in 2023 compared to the previous year’s growth of 4.9%. Prices across the Kingdom moderately depreciated on average in 2023 with expected deflation rate of 1% in contrast to the inflated prices experienced by the country in 2022 with an inflation rate of 3.6%.

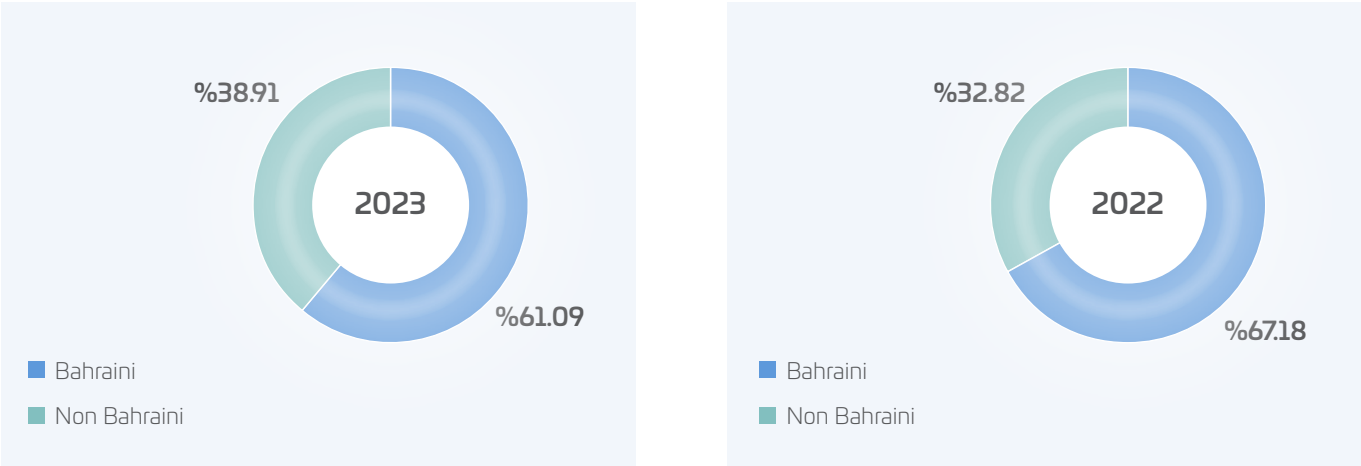
Bahrain All Share Index surged by 4.02% to close at 1,971.49 points at the end of 2023 thereby ending the year up by 76.22 points. As for shares prices at the end of the year, the prices of 15 companies increased, while the share prices of 5 companies remained unchanged, and the share prices of 22 companies declined. The trading activity witnessed an increase in the value of shares traded by 24% compared to 2022. The volume of shares increased by 45% compared to last year and the number of transactions increased by 1%.

The Financials Sector comprised 46.28% of the total traded value followed by the Materials Sector comprising 34.64%, Non-Bahraini Companies 7.42%, Communications Services Sector 6.10%, Industrials Sector 1.89%, Consumer Discretionary Sector 1.72%, Real Estate Sector 0.80% and Consumer Staples Sector 0.23%. Aluminum Bahrain B.S.C. (ALBH) came on top of the most active companies in terms of the value of shares traded, in which the traded value was BD72 million, capturing around 34.64% of the total trading value at the Bourse, followed by Al Salam Bank B.S.C. (SALAM) comprising 21.72%, GFH Financial Group B.S.C. (GFH) 7.90%, National Bank of Bahrain B.S.C. (NBB) 7.70% and Kuwait Finance House K.S.C.P. (KFH) 7.42%.

As for the volume of shares traded, the Financials Sector represented 77.14% of total traded volume followed by the Materials Sector with 8.42%, Communications Services Sector 4.05%, Industrials Sector 3.82%, Real Estate Sector 1.55%, Consumer Discretionary Sector 1.16% and Consumer Staples Sector 0.19%. Al Salam Bank B.S.C. (SALAM) came first among the most active companies in terms of the volume of shares traded with 289.32 million shares traded, comprising 37.06% of the total shares traded at the Bourse, followed by GFH Financial Group B.S.C. (GFH) 21.83%, Aluminum Bahrain B.S.C. (ALBH) 8.42%, Ithmaar Holding B.S.C. (ITHMR) 5.30% and Nass Corporation B.S.C. (NASS) 3.59%.

Trading by nationality figures show that Bahrainis comprised 61.09% of the total value of shares traded, while other nationalities comprised 38.91% of the total value of shares. The year 2023 ended with a total of 42 listed companies, 3 mutual funds, 19 Bonds/Sukuks and 34 Treasury Bills and Short Term Islamic Ijarah Sukuk.

Percentage of Value of Trading in Terms of Nationality (Buy & Sell)



Market Capitalization

The local market capitalization of Bahraini public shareholding companies listed on Bahrain Bourse depreciated by 31.91% to BD 777 billion compared to BD 1141 billion at the beginning of the year. The Financials Sector accounted for 59.91% of the total market capitalization, followed by the Materials Sector with 20.93%, Communications Services Sector 11.48%, Consumer Discretionary Sector 3.03%, Industrials Sector 1.84%, Consumer Staples Sector 1.60% and Real Estate Sector 1.20%.

Market Capitalization among Sectors (Million Dinars)

Sector	2023	2022	Change (%)	Relative Weight (%)
Materials	1,625.9	1,547.8	5.05	20.93
Industrials	143.18	137.1	4.43	1.84
Consumer Discretionary	235.36	198.26	18.72	3.03
Consumer Staples	124.04	146.26	(15.19)	1.60
Financials	4,654.47	8,398.66	(44.58)	59.91
Communications Services	892.06	876.43	1.78	11.48
Real Estate	93.57	104.38	(10.36)	1.20
Total Market	7,768.57	11,408.89	(31.91)	100.00

Financial Indicators

The financial indicators among sectors varied. The table below presents the growth of financial indicators at the end of 2023 compared to 2022.

Financial Indicators

Sector	P/E (X)		Div. Yield (%)		P/BV (X)	
	2023	2022	2023	2022	2023	2022
Materials	3.89	3.41	10.26	7.31	0.89	1.03
Industrials	14.99	13.65	6.22	6.55	1.59	1.53
Consumer Discretionary	15.28	31.11	4.84	5.05	0.97	0.82
Consumer Staples	13.32	12.76	5.14	4.31	0.88	1.07
Financials	10.77	14.52	3.91	2.88	0.97	1.26
Communications Services	11.47	11.99	6.57	6.20	1.38	1.38
Real Estate	12.71	15.64	5.24	3.28	0.49	0.56
Total Market	7.81	9.83	5.67	3.84	0.98	1.21

Bahrain Clear Statistics

The total number of Bahraini public shareholding shares deposited at Bahrain Clear reached 27,642 billion shares as of 31, December 2023 comprising 100% of the total fully issued and paid shares compared to 38,790 billion shares at the beginning of the year posting a decline of 28.74%. The decline is predominantly attributed to the de-listing of AUB.

The market capitalization of Bahraini public shareholding shares deposited at Bahrain Clear reached BD 7,621 billion as of 31, December 2023 compared to BD 11,478 billion at the beginning of the year posting a decline of 33.60% which is predominantly attributed to the de-listing of AUB.

The number of nationalities registered at Bahrain Clear reached 100 nationalities, while the number of investors holding shares in Bahraini public shareholding companies reached 77,401 investors by 31 December, 2023 compared to 74,281 investors at the beginning of the year, posting a growth of 4.20%.





## Key Statistical Data 2022-2023

### COMPARISON OF TRADING ACTIVITY

	2023	2022	Change	Change %
Total Market Capitalization (BD)	7,768,573,793	11,408,886,817	(3,640,313,024)	(31.91)
Value of Shares (BD)	210,238,773	169,788,862	40,449,912	23.82
Volume of Shares	780,701,358	536,936,026	243,765,332	45.40
No. of Transactions	17,730	17,474	256	1.47
Total Trading Days	246	246	0	0
Daily Average Value of Shares (BD)	854,629	690,199	164,431	23.82
Daily Average Volume of Shares	3,173,583	2,182,667	990,916	45.40
Daily Average No. of Transactions	72	71	1	1

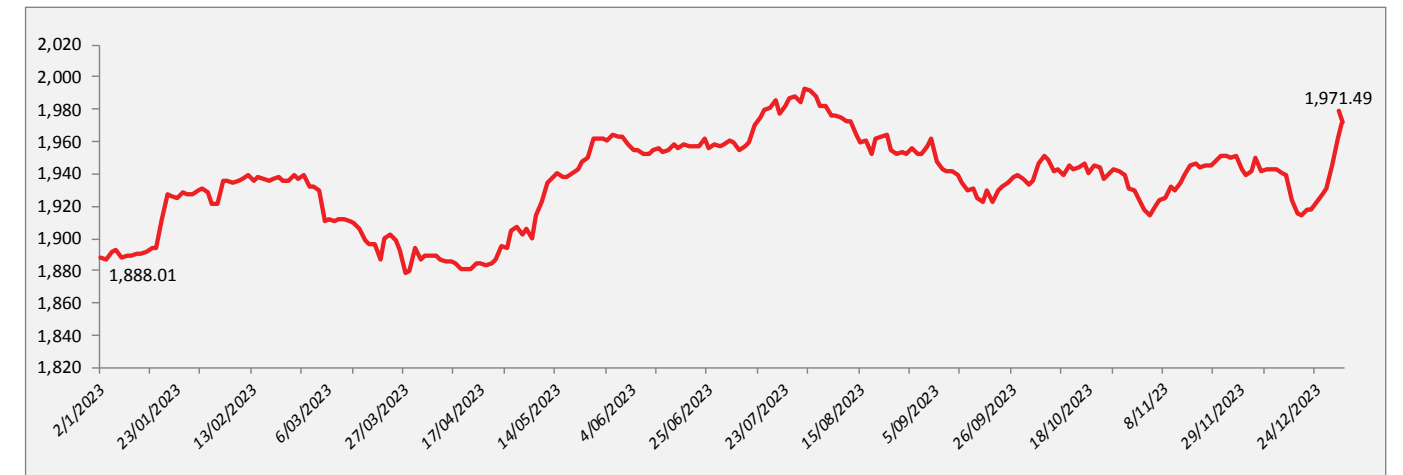
### BAHRAIN BOURSE INDICES PERFORMANCE

Bahrain All Share Index	2023	2022	Change (points)	Change (%)
Year end	1,971.49	1,895.27	76.22	4.02
High	1,992.41	2,122.51	(130.10)	(6.13)
Low	1,878.41	1,788.93	89.48	5.00

Bahrain Islamic Index	2023	2022	Change (points)	Change (%)
Year end	728.91	663.13	65.78	9.92
High	782.87	764.10	18.77	2.46
Low	654.47	650.92	3.55	0.55

## Key Statistical Data 2022-2023 (Continued)

### BAHRAIN ALL SHARE INDEX PERFORMANCE DURING 2023 (POINTS)



Sectorial Indices	2023	2022	Change (%)
<b>Bahrain All Share Index</b>			
Materials	5,260.34	5,007.66	5.05
Industrials	2,998.53	2,871.22	4.43
Consumer Discretionary	3,503.62	3,332.98	5.12
Consumer Staples	2,547.56	3,003.89	(15.19)
Financials	6,976.11	6,691.20	4.26
Communications Services	2,480.53	2,437.08	1.78
Real Estate	2,696.64	3,008.29	(10.36)

No. of Listed Companies (including REITs)	2023	2022
Public	39	40
Closed	1	1
Non Bahraini	2	2
<b>Total</b>	<b>42</b>	<b>43</b>

No. of Listed T-bills	2023	2022
	34	34

No. of Listed Bonds & Sukuk	2023	2022
Bonds	15	14
Sukuk	4	4

No. of Listed Mutual Funds	2023	2022
	3	3

No. of Companies listed on the Bahrain Investment Market (BIM)	2023	2022
	1	0

EQUITY TRADING ACTIVITY

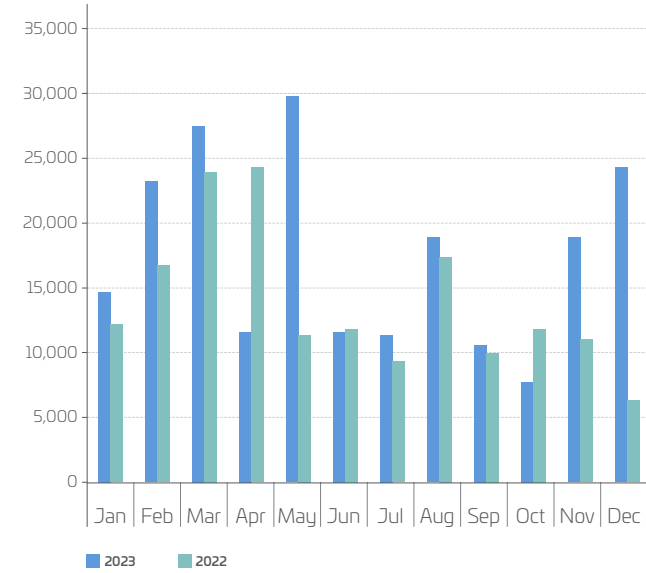
Value (BD'000)

	2023	2022	Change (%)
Jan	14,416	12,508	15.26
Feb	23,146	16,934	36.68
Mar	27,476	24,010	14.44
Apr	11,986	24,341	(50.76)
May	29,727	11,684	154.44
Jun	12,554	13,177	(4.73)
Jul	11,760	8,966	31.16
Aug	18,518	17,375	6.57
Sep	10,442	10,097	3.42
Oct	7,934	13,281	(40.26)
Nov	18,612	11,097	67.72
Dec	23,667	6,319	274.53
Market	210,239	169,789	23.82

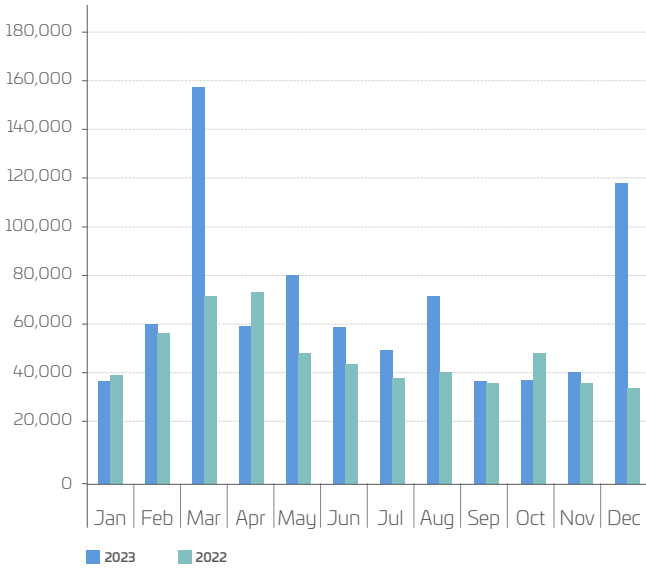
Volume ('000)

	2023	2022	Change (%)
Jan	34,769	39,678	(12.37)
Feb	59,751	52,277	14.30
Mar	152,676	71,388	113.87
Apr	58,657	73,319	(20.00)
May	79,230	48,124	64.64
Jun	56,718	43,456	30.52
Jul	49,765	35,265	41.12
Aug	67,798	40,841	66.00
Sep	31,625	30,206	4.70
Oct	33,457	47,160	(29.06)
Nov	40,517	29,674	36.54
Dec	115,739	25,547	353.04
Market	780,701	536,936	45.40

Total Value of Shares Traded (BD)



Total Volume of Shares Traded



EQUITY TRADING ACTIVITY (Continued)

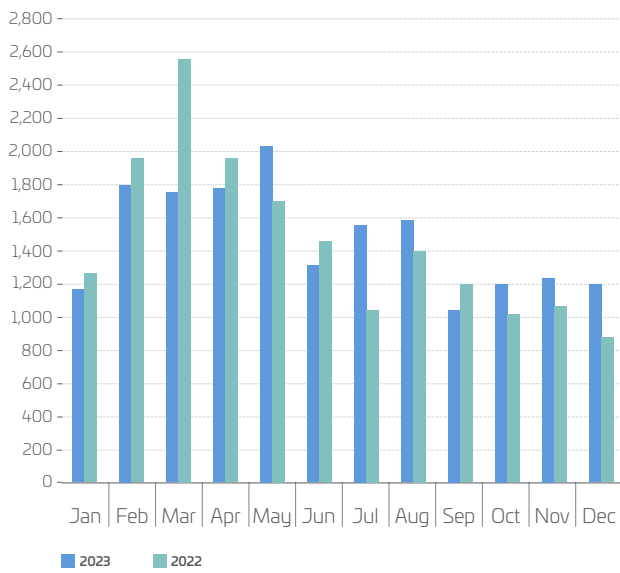
No. of Transactions

	2023	2022	Change (%)
Jan	1,173	1,277	(8.14)
Feb	1,788	1,933	(7.50)
Mar	1,716	2,525	(32.04)
Apr	1,773	1,936	(8.42)
May	2,087	1,688	23.64
Jun	1,316	1,476	(10.84)
Jul	1,539	1,067	44.24
Aug	1,572	1,385	13.50
Sep	1,085	1,187	(8.59)
Oct	1,214	1,015	19.61
Nov	1,266	1,112	13.85
Dec	1,201	873	37.57
Market	17,730	17,474	1.47

Market Cap (BD million)

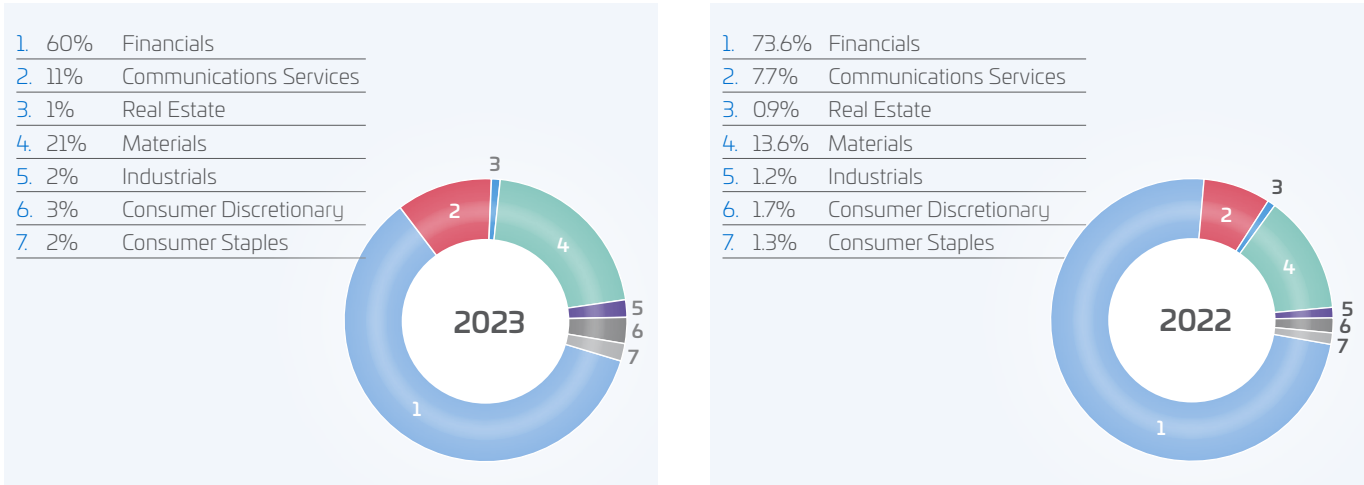
	2023	2022	Change (%)
Materials	1,625.9	1,547.8	5.0
Industrials	143.2	137.1	4.4
Consumer Discretionary	235.4	198.3	18.7
Consumer Staples	124.0	146.3	(15.2)
Financials	4,654.5	8,398.7	(44.6)
Communications Services	892.1	876.4	1.8
Real Estate	93.6	104.4	(10.4)
Market	7,768.6	11,408.9	(31.9)

Total Number of Transactions





THE BREAKDOWN OF MARKET CAPITALIZATION BY SECTORS

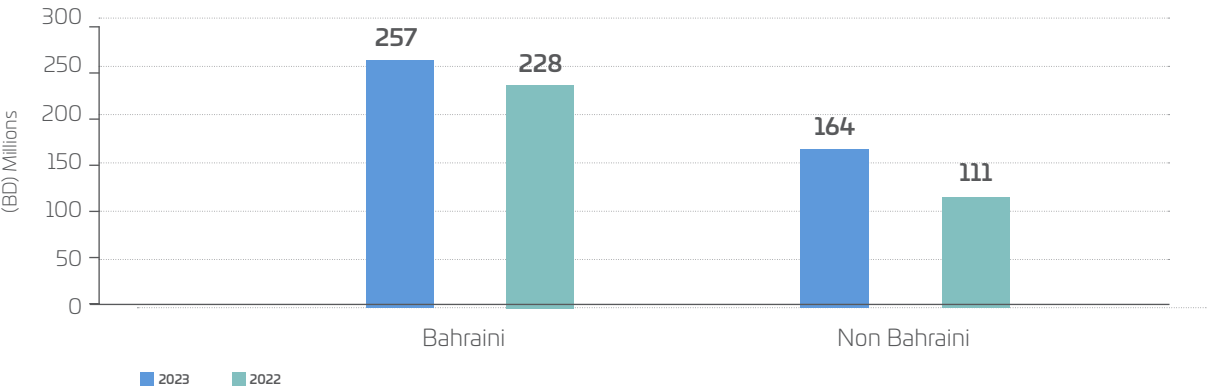


TRADING BY NATIONALITY

Volume	2023	2022	Change (%)
Bahraini	1,128,943,813	777,098,711	45.28
Non Bahraini	432,458,903	296,773,341	45.72
Total	1,561,402,716	1,073,872,052	45.40

Value	2023	2022	Change (%)
Bahraini	256,854,410	228,117,425	12.60
Non Bahraini	163,623,137	111,460,297	46.80
Total	420,477,547	339,577,722	23.82

Trading by Nationalities (Value - BD)

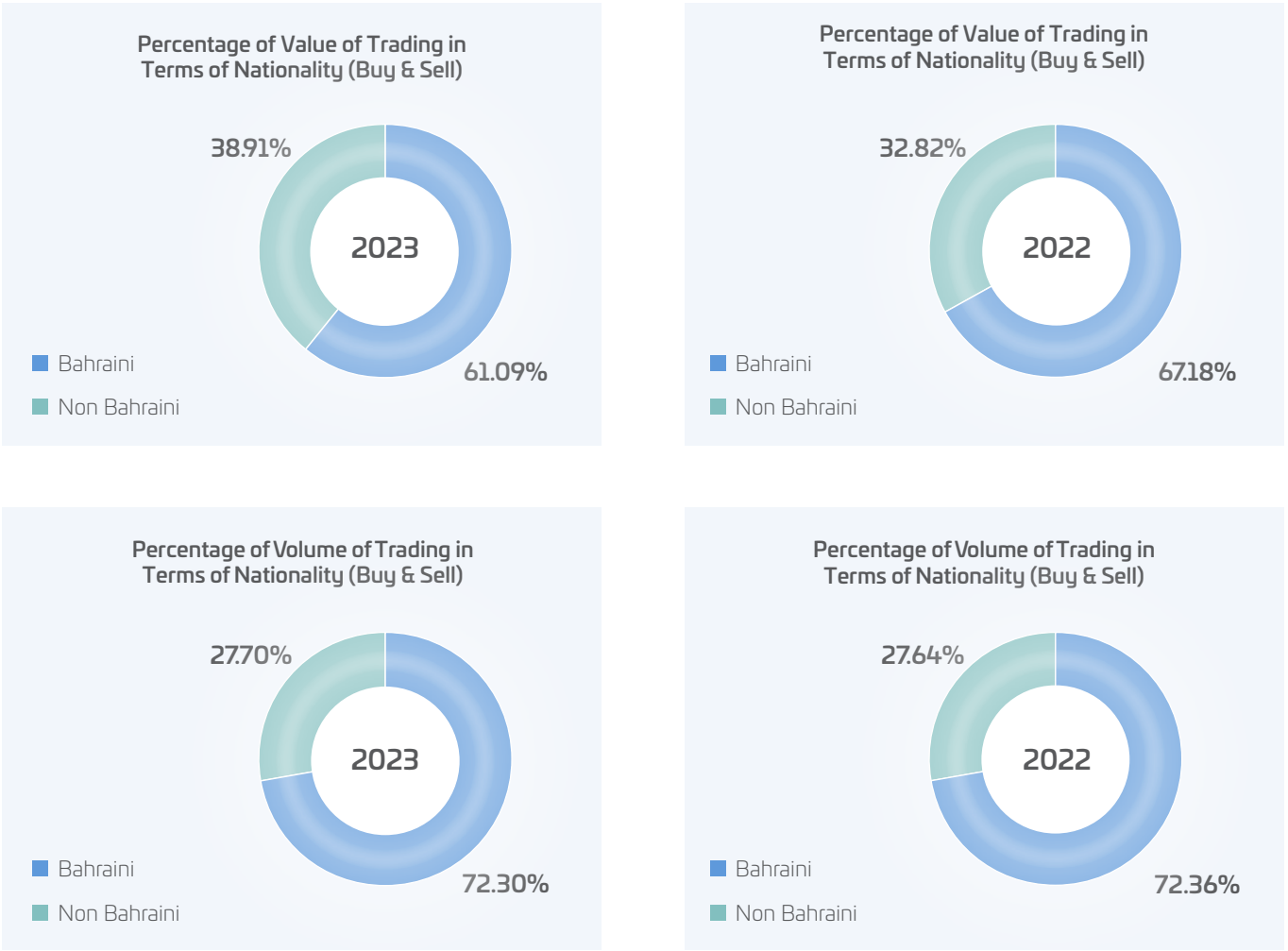


PERCENTAGE OF TRADING BY NATIONALITY-VOLUME (BUY & SELL)

	2023	2022
Bahraini	72.30%	72.36%
Non Bahraini	27.70%	27.64%

PERCENTAGE OF TRADING BY NATIONALITY-VALUE (BUY & SELL)

	2023	2022
Bahraini	61.09%	67.18%
Non Bahraini	38.91%	32.82%





Listed Companies on Bahrain Bourse

Materials

Aluminium Bahrain B.S.C.

Industrials

APM Terminals Bahrain B.S.C.  
Bahrain Ship Repairing and Engineering Company B.S.C.  
Nass Corporation B.S.C.

Consumer Discretionary

Bahrain Duty Free Shop Complex B.S.C.  
Bahrain Family Leisure Company B.S.C.  
Banader Hotels Company B.S.C.  
Gulf Hotels Group B.S.C.  
National Hotels Company B.S.C.

Consumer Staples

Bahrain Flour Mills Company B.S.C.  
BMMI B.S.C.  
Delmon Poultry Company B.S.C.  
Trafco Group B.S.C.

Financials

Al Baraka Group B.S.C.  
Al Salam Bank B.S.C.  
Arab Banking Corporation B.S.C.  
Arab Insurance Group B.S.C.  
Bahrain Commercial Facilities Company B.S.C.  
Bahrain Islamic Bank B.S.C.  
Bahrain Kuwait Insurance Company B.S.C.  
Bahrain Middle East Bank B.S.C.  
Bahrain National Holding Company B.S.C.  
Bank of Bahrain and Kuwait B.S.C.  
Esterad Investment Company B.S.C.  
GFH Financial Group B.S.C.  
INOVEST B.S.C.  
Ithmaar Holding B.S.C.  
Khaleeji Bank B.S.C.  
National Bank of Bahrain B.S.C.  
Solidarity Bahrain B.S.C.  
Takaful International Company B.S.C.  
United Gulf Holding Company B.S.C.  
United Gulf Investment Corporation B.S.C.

Communications Services

Bahrain Cinema Company B.S.C.  
Bahrain Telecommunications Company B.S.C.  
Zain Bahrain B.S.C.

Real Estate

Bahrain Car Parks Company (Amakin) B.S.C.  
Eskan Bank Realty Income Trust  
Seef Properties B.S.C.

Non-Bahraini Companies

Bank Muscat S.A.O.G.  
Kuwait Finance House K.S.C.P.

Closed Companies

SICO B.S.C. (c)

Listed Mutual Funds

NBK Gulf Equity Fund  
NBK Qatar Equity Fund  
Markaz Arabian Fund

Listed Bonds & Sukuk

Government Development Bond - Issue 13  
Government Development Bond - Issue 19  
Government Development Bond - Issue 21  
Government Development Bond - Issue 22  
Government Development Bond - Issue 23  
Government Development Bond - Issue 24  
Government Development Bond - Issue 25  
Government Development Bond - Issue 26  
Government Development Bond - Issue 28  
Government Development Bond - Issue 29  
Government Development Bond - Issue 30  
Government Development Bond - Issue 31  
Government Development Bond - Issue 32  
Government Development Bond - Issue 33  
Government Development Bond - Issue 34  
Government Islamic Lease (Ijarah) Sukuk - Issue 22  
Government Islamic Lease (Ijarah) Sukuk - Issue 23  
Government Islamic Lease (Ijarah) Sukuk - Issue 26  
Sukuk Al Musharaka (Investment DAR Sukuk Co.) - 2010\*

\*Matured as of 26<sup>th</sup> Oct. 2010



Brokers & Members

Brokerage Firms

Ahli United Bank B.S.C.  
Al Ahlia Bahrain B.S.C. (closed)  
BBK B.S.C.  
Mubasher Capital B.S.C. (c)  
SICO B.S.C. (c)  
United Gulf Bank B.S.C.  
Gulf Securities Co. W.L.L.  
Tradeline Securities W.L.L.

Tabadul Hub (BHB)

Al Ahlia Bahrain B.S.C. (closed)  
Gulf Securities Co. W.L.L.  
SICO B.S.C. (c)  
Tradeline Securities W.L.L.

Tabadul Hub (ADX)

Al Dar Shares and Bonds Company L.L.C.  
BHM Capital Financial Services P.S.C.  
Arqaam Securities L.L.C.  
International Securities L.L.C.  
AL Ramz Capital L.L.C.

Tabadul Hub (MSX)

United Securities L.L.C.  
Global Financial Securities L.L.C.

Individual Brokers

Abdulla J. Zainalabedeen Office

Custodians

SICO Funds Services Company B.S.C.  
Gulf Custody Company B.S.C. (c)  
HSBC Bank Middle East Limited  
Standard Chartered Bank Bahrain  
Citibank N.A. Bahrain  
First Abu Dhabi Bank (FAB)

Authorized Sponsors

KPMG Advisory W.L.L.  
SICO B.S.C. (c)  
Grant Thornton Advisory W.L.L.

Listed T-Bills & Short-Term Islamic Lease (Ijarah) Sukuk during 2023

3 Months Treasury Bills - Issue 1946  
3 Months Treasury Bills - Issue 1947  
3 Months Treasury Bills - Issue 1948  
3 Months Treasury Bills - Issue 1950  
3 Months Treasury Bills - Issue 1951  
3 Months Treasury Bills - Issue 1952  
3 Months Treasury Bills - Issue 1954  
3 Months Treasury Bills - Issue 1955  
3 Months Treasury Bills - Issue 1956  
3 Months Treasury Bills - Issue 1958  
3 Months Treasury Bills - Issue 1959  
3 Months Treasury Bills - Issue 1960  
3 Months Treasury Bills - Issue 1961  
3 Months Treasury Bills - Issue 1962  
3 Months Treasury Bills - Issue 1964  
3 Months Treasury Bills - Issue 1965  
3 Months Treasury Bills - Issue 1967  
3 Months Treasury Bills - Issue 1968  
3 Months Treasury Bills - Issue 1969  
3 Months Treasury Bills - Issue 1971  
3 Months Treasury Bills - Issue 1972  
3 Months Treasury Bills - Issue 1973  
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3 Months Treasury Bills - Issue 1987  
3 Months Treasury Bills - Issue 1988  
3 Months Treasury Bills - Issue 1990  
3 Months Treasury Bills - Issue 1991  
3 Months Treasury Bills - Issue 1993  
3 Months Treasury Bills - Issue 1994  
3 Months Treasury Bills - Issue 1995  
3 Months Treasury Bills - Issue 1997  
6 Months Treasury Bills - Issue 1949  
6 Months Treasury Bills - Issue 1953  
6 Months Treasury Bills - Issue 1957

6 Months Treasury Bills - Issue 1963  
6 Months Treasury Bills - Issue 1966  
6 Months Treasury Bills - Issue 1970  
6 Months Treasury Bills - Issue 1975  
6 Months Treasury Bills - Issue 1979  
6 Months Treasury Bills - Issue 1983  
6 Months Treasury Bills - Issue 1989  
6 Months Treasury Bills - Issue 1992  
6 Months Treasury Bills - Issue 1996  
12 Months Treasury Bills - Issue 100  
12 Months Treasury Bills - Issue 101  
12 Months Treasury Bills - Issue 102  
12 Months Treasury Bills - Issue 103  
12 Months Treasury Bills - Issue 104  
12 Months Treasury Bills - Issue 105  
12 Months Treasury Bills - Issue 106  
12 Months Treasury Bills - Issue 107  
12 Months Treasury Bills - Issue 108  
12 Months Treasury Bills - Issue 109  
12 Months Treasury Bills - Issue 110  
12 Months Treasury Bills - Issue 111  
Short Term Islamic Lease (Ijarah) Sukuk Issue SL/209  
Short Term Islamic Lease ( Ijarah) Sukuk - Issue SL/210  
Short Term Islamic Lease ( Ijarah) Sukuk - Issue SL/211  
Short Term Islamic Lease ( Ijarah) Sukuk - Issue SL/212  
Short Term Islamic Lease (Ijarah) Sukuk - Issue SL/213  
Short Term Islamic Lease (Ijarah) Sukuk - Issue SL/214  
Short Term Islamic Lease (Ijarah) Sukuk Issue SL/215  
Short Term Islamic Lease (Ijarah) Sukuk - Issue SL/216  
Short Term Islamic Lease (Ijarah) Sukuk Issue SL/217  
Short Term Islamic Lease (Ijarah) Sukuk - Issue SL/218  
Short Term Islamic Lease (Ijarah) Sukuk Issue SL/219  
Short Term Islamic Lease (Ijarah) Sukuk Issue SL/220

Bahrain Bourse Fees & Commissions

As of 31<sup>st</sup> December 2023

1. Applicants and Issuers Listing Fees

1.1 Equity Securities <sup>1</sup>			
Equities	Listing/Registration Fees	Annual Subscription Fees	
Local Equities (Public Shareholding Companies)	0.1% of the company's paid-up capital plus VAT (Minimum of BD 5,500 and Maximum of BD 16,500)	Paid-up Capital	Fee
		The first BD 10 Million of the company's paid-up capital	0.13% of paid-up Capital plus VAT
		Amounts exceeding BD 10 Million up to BD 50 Million	0.07% of paid-up Capital plus VAT
		Amounts exceeding BD 50 Million	0.035% of paid-up capital plus VAT
		(Minimum of BD 5,500 and Maximum of BD 88,000)	
Local Closed Shareholding Companies	BD 1,100	0.025% of the company's paid-up capital plus VAT (Minimum of BD 1,100 and Maximum of BD 6,600)	
Non-Bahraini Equities	0.1% of the company's paid-up capital plus VAT (Minimum of BD 2,200 and Maximum of BD 5,500)	15% of the fee applicable on Bahraini shareholding companies plus VAT (Minimum of BD 2,200 and Maximum of BD 13,200)	
Preference Shares	0.5% of the par value of the outstanding shares plus VAT (Minimum of BD 2,200 and Maximum of BD 5,500)	BD 2,200	

1.2 Debt Securities		
Issuer Type	Registration Fees	Annual Subscription Fees
Government	BD 1,650	BD 2,200
Private & Non-Bahraini	0.05% of total value plus VAT (Minimum of BD 2,200 and maximum of BD 5,500)	BD 2,200
Treasury Bills & Short-term Islamic Lease (Ijara) Sukuk	BD 33 payable upon listing (one-off payment)	

1.3 Investment Funds & Real Estate Investment Trusts (REITs)		
Fund Type	Registration Fees	Annual Subscription Fees
Mutual Funds	BD 330	BD 275
REITs	BD 2,200	BD 5,500 (for units amounting up to USD 250 Million)
		BD 11,000 (for units amounting above USD 250 Million)

<sup>1</sup> The registration and annual subscription fees for shareholding companies whose securities are accepted for trading on Bahrain Bourse is calculated based on the company's total paid up capital, which includes ordinary shares and preference shares.

Bahrain Bourse Fees & Commissions (Continued)

As of 31<sup>st</sup> December 2023

1. Applicants and Issuers Listing Fees (Continued)

1.4 Bahrain Investment Market		
	Registration Fees	Annual Subscription Fees
Bahrain Investment Market (Companies)	BD 1,650	0.3% of the company's paid-up capital plus VAT (Minimum of BD 1,100 and maximum of BD 5,500)
Bahrain Investment Market (Sponsors)	Not Applicable	BD 2,200

1.5 Issuer Services		
	Fees	Frequency
Change of Company Name or Trading Symbol (or both) <sup>2</sup>	BD 550	Applicable per Request
Proof of Listing Letter	BD 11	Applicable per Request

1.6 Corporate Actions		
	Fees	Frequency
Capital Change	BD 0.550/shareholder; min BD 330 and max BD 5,500	Applicable per Request
Company Merge/ Takeover/ Acquisition/ Share Swap	BD 0.550/shareholder; min BD 330 and max BD 5,500	Applicable per Request
Stock Splits	BD 0.550/shareholder; min BD 330 and max BD 5,500	Applicable per Request
Bonus Shares	BD 0.550/shareholder; min BD 330 and max BD 5,500	Applicable per Request
Other (e.g. rights issue)	BD 0.550/shareholder; min BD 330 and max BD 5,500	Applicable per Request
Delisting Processing Fee <sup>3</sup>	BD 110/per request	Applicable per Request

1.7 Appeals Administrative Fee			
			Fees
Administrative Fines (Non-monetary)			BD 55 per Request
Penalties (Monetary)	Penalty Amount	Percentage*	
	The first BD 10,000 of the penalty amount	3% of Penalty Amount plus VAT	
	Amounts exceeding BD 10,000 up to BD 20,000 of the Penalty Amount	2% of Penalty Amount plus VAT	
	Amounts exceeding BD 20,000 of the Penalty Amount	1% of Penalty Amount plus VAT	
(Minimum of BD 55 and Maximum of BD 22,000)			

\*E.g. Appeals Administrative Fee for a BD 50,000 penalty will be calculated as follows:  
BD 10,000 (first bracket) × 3% = BD 300  
BD 10,000 (second bracket) × 2% = BD 200  
BD 30,000 (third bracket) × 1% = BD 300  
Aggregate value of Appeals Administrative Fee = BD 300 + BD 200 + BD 300 = BD 800

<sup>2</sup> Only applicable in the event of elective change of name/symbol.  
<sup>3</sup> Fees shall not be applicable in the event of maturity of security.

Bahrain Bourse Fees & Commissions (Continued)

As of 31<sup>st</sup> December 2023

2. Membership Fees

2.1 Membership Registration & Annual Subscription		
Type of Membership	Registration Fees <sup>4</sup>	Annual Subscription Fees <sup>5</sup>
Discount Broker	BD 1,100	BD 550
Broker	BD 1,100	BD 550
Broker-Dealer	BD 5,500	BD 1,100
External Broker	BD 5,500	BD 1,100
External Broker-Dealer	BD 5,500	BD 1,100
Authorized Trader	BD 5,500	BD 1,100

2.2 Member Services		
	Fee	Frequency
Leasing Broker Offices <sup>6</sup>	BD 150 + BD 55 Trading Floor Service Fee /office	Applicable per Month
Online Trading Fee	BD 110/request	Applicable per Month
Remote Trading Workstation Service Fee	BD 165/request	Applicable per Month
Broker Digital Advertising on BHB Trading Floor	BD 11/business day/message capped at BD 165/month	Applicable per Request
Temporary Office Use in BHB (Depending on availability)	BD 55/office/day	Applicable per Request
Test Environment for Brokerage Companies (System & Connectivity)	BD 27.5/day	Applicable per Request
Brokerage Companies Merger	BD 550 from each party	Applicable per Request
Brokerage Company - Change of Name Request <sup>7</sup>	BD 220 for each application	Applicable per Request

2.3 Electronic Connection with Trading System		
	Fees	Frequency
Initial setup per PC (one-off payment)	BD 220/PC	Applicable per PC
Online User FIX Setup (one-off payment)	BD 1,100/setup	Applicable per Setup
Trading System User Access	BD 55/user/month	Applicable per User per Month
Password Reset	BD 5.5/request	Applicable per Request
Connectivity Cost per Workstation <sup>8</sup>	BD 55/connection/month	Applicable per Connection per Month

<sup>4</sup> Applicable upon Admission.  
<sup>5</sup> Applicable per Annum.  
<sup>6</sup> Includes 1 Trading User Access for free & 1 Clearing, Settlement, Central Depository & Registry System User Access for free from Bahrain Clear.  
<sup>7</sup> This fee is not applicable in the event of a merger.  
<sup>8</sup> In the event that Members have both Trading & Clearing, Settlement, Central Depository & registry System on the same PC, only one connectivity cost shall apply.



Bahrain Bourse Fees & Commissions (Continued)

As of 31<sup>st</sup> December 2023

2. Membership Fees (Continued)

2.4 Brokerage Commission			
	Brokerage Commission <sup>9</sup>	BHB's Commission <sup>10</sup>	Frequency
Equities	0.275% of Transaction Value	20% plus VAT	Applicable per Transaction (Buy & Sell)
Fixed Income (Bonds & Sukuk)	0.08% of Transaction Value	20% plus VAT	
Treasury Bills	0.01% of Transaction Value	20% plus VAT	
REITs	0.275% of Transaction Value	20% plus VAT	
Bahrain Trade Platform	0.20% of Transaction Value	20% plus VAT	

2.5 Issued Reports		
	Fees	Frequency
Issued Reports (soft or hard copy)	BD 1.1 /page capped at BD 55/report	Applicable per Request

3. Information Products Fees

3.1 Information Products <sup>11</sup>			
	Real-time Information	Delayed Information	Frequency
Market Coverage	BD 6,000	BD 3,600	Applicable per Annum
Information Vending Enterprise License, Limited Business Use	BD 10,000	N/A	
Information Vending Enterprise License, Unlimited Business Use	BD 18,000	N/A	
Information Vending Enterprise License, Unlimited Use	BD 20,000	N/A	
Trading Enterprise License (Members of Bahrain Bourse only)	BD 10,000	N/A	
Subscriber Enterprise License (Subscribers under direct Agreement with BHB)	BD 4,000	N/A	
Historic Information, End of Day Database, Delayed Data	N/A	BD 4,000	
Corporate Actions	N/A	BD 2,000	
Issuer information	N/A	BD 1,000	
Website Ticker	N/A	BD 2,000	

3.2 Individual Access		
	Fees	Frequency
Market Coverage Private Use	BD 5/user	Applicable per Month
Market Coverage Business Use	BD 10/user	Applicable per Month

3.3 Connection Administration		
	Fees	Frequency
First Connection to BHB's Primary Data Centre	BD 3,500	Applicable per Annum
Each Additional Connection to BHB's Primary Data Centre	BD 2,500	
First Connection to BHB's Disaster Recovery Data Centre	BD 1,000	
Each additional connection to BHB's Disaster Recovery Data Center	BD 800	

<sup>9</sup> Minimum Commissions of BD 330  
<sup>10</sup> BHB's Commission shall be a percentage of the prescribed brokerage commission.  
<sup>11</sup> All Information Products are subject to a separate Information License Agreement. Prices denoted above are exclusive of VAT. For companies domiciled in Bahrain, additional VAT will be applicable. For companies domiciled outside of Bahrain, information product fees will be zero-rated.

Bahrain Clear Fees

As of 31<sup>st</sup> December 2023

1. Issuer Fees

1.1 Issuer Services			
	Fees		Frequency
IPO Services <sup>1</sup>	0.02% of the amount being raised plus VAT capped at BD 5,500		Applicable per Request
Issuing ISIN code for Non-listed Instruments	BD 22		Applicable per Request
Annual Central Depository Fees	Paid-up Capital	Fee	Min/Max Amount
	Up to BD 15 Million	0.0125% of Paid-up Capital plus VAT	Minimum of BD 1,100
	Amounts exceeding BD 15 Million	0.00625% of Paid-up Capital plus VAT	Maximum of BD 4,400
Management of Shareholders' Register	BD 0,550/shareholder (Minimum of BD 2,200; Maximum of BD 11,000)		Applicable per Annum
Issuance of Statements of Shareholder Register	BD 0,022/shareholder (Minimum of BD 55 for CDs, Minimum of BD 110 for Hard Copies)		Applicable per Request

1.2 Issued Reports		
	Fees	Frequency
Detailed Reports Requests (soft or hard copy)	BD 11/page capped at BD 55/report	Applicable per Request

1.3 Corporate Actions (Dividend Distribution Service)		
	Fees	Frequency
ii. Company Shareholders (1-1,000)	BD 1.1 per shareholder	Applicable per Request
iii. Company Shareholders (1,001-10,000)	BD 0.825 per shareholder	Applicable per Request
iv. Company Shareholders (10,001 and above)	BD 0.550 per shareholder	Applicable per Request

1.4 Physical AGM Management Services - Managed by Bahrain Clear		
	Fees	Frequency
a- Physical AGM Management - 1 <sup>st</sup> Meeting		
i. Company Shareholders less than 500	BD 330	Applicable per Request
ii. Company Shareholders –501-1,000	BD 550	Applicable per Request
iii. Company Shareholders 1,001-2,000	BD 825	Applicable per Request
iv. Company Shareholders 2,001-3,000	BD 1,100	Applicable per Request
v. Company Shareholders 3,001-5,000	BD 1,650	Applicable per Request
vi. Company Shareholders 5,001-10,000	BD 2,200	Applicable per Request
iv. Company Shareholders more than 10,000	BD 2,750	Applicable per Request
b- Physical AGM Management - 2 <sup>nd</sup> Meeting (if 1 <sup>st</sup> meeting is adjourned due to insufficient quorum)	BD 550	Applicable per Request
C- Physical AGM Management – 3 <sup>rd</sup> Meeting (if 2 <sup>nd</sup> meeting is adjourned due to insufficient quorum)	BD 330	Applicable per Request

<sup>1</sup> Inclusive of Temporary Office for Receiving Bank for 10 Business Days.

## Bahrain Clear Fees (Continued)

As of 31<sup>st</sup> December 2023

### 1. Issuer Fees (Continued)

1.5 AGM Management Services - Managed by Others*		
	Fees	Frequency
a- AGM Management - 1 <sup>st</sup> Meeting		
i. Company Shareholders less than 500	BD 265	Applicable per Request
ii. Company Shareholders –501-1,000	BD 440	Applicable per Request
iii. Company Shareholders 1,001-2,000	BD 660	Applicable per Request
iv. Company Shareholders 2,001-3,000	BD 880	Applicable per Request
v. Company Shareholders 3,001-5,000	BD 1,320	Applicable per Request
vi. Company Shareholders 5,001-10,000	BD 1,760	Applicable per Request
iv. Company Shareholders more than 10,000	BD 2,200	Applicable per Request
b- AGM Management - 2 <sup>nd</sup> Meeting (if 1 <sup>st</sup> meeting is adjourned due to insufficient quorum)	BD 440	Applicable per Request
C- AGM Management – 3 <sup>rd</sup> Meeting (if 2 <sup>nd</sup> meeting is adjourned due to insufficient quorum)	BD 265	Applicable per Request

1.6 eAGM Management Services - Managed by Bahrain Clear*		
	Fees	Frequency
a- eAGM Management - 1 <sup>st</sup> Meeting		
i. Company Shareholders less than 500	BD 3,330	Applicable per Request
ii. Company Shareholders –501-1,000	BD 3,580	Applicable per Request
iii. Company Shareholders 1,001-2,000	BD 4,690	Applicable per Request
iv. Company Shareholders 2,001-3,000	BD 4,990	Applicable per Request
v. Company Shareholders 3,001-5,000	BD 5,590	Applicable per Request
vi. Company Shareholders 5,001-10,000	BD 7,010	Applicable per Request
iv. Company Shareholders more than 10,001 and above	BD 8,420	Applicable per Request
b- eAGM Management - 2 <sup>nd</sup> Meeting (if 1 <sup>st</sup> meeting is adjourned due to insufficient quorum)		
i. Company Shareholders up to 1,000	BD 1,140	Applicable per Request
ii. Company Shareholders 1,001 – 5,000	BD 1,451	Applicable per Request
iii. Company Shareholders 5,001-10,000	BD 1,762	Applicable per Request
iv. Company Shareholders 10,001 and above	BD 2,074	Applicable per Request
C- eAGM Management – 3 <sup>rd</sup> Meeting (if 2 <sup>nd</sup> meeting is adjourned due to insufficient quorum)		
i. Company Shareholders up to 1,000	BD 570	Applicable per Request
ii. Company Shareholders 1,001 – 5,000	BD 726	Applicable per Request
iii. Company Shareholders 5,001-10,000	BD 881	Applicable per Request
iv. Company Shareholders 10,001 and above	BD 1,037	Applicable per Request

## Bahrain Clear Fees (Continued)

As of 31<sup>st</sup> December 2023

### 2. Custodian Fees

2.1 Custodian Requests: Transfer of Securities		
	Fees	Frequency
Transfer of securities to custody account or vice versa without change in beneficiary owner	BD 5.5 for each company	Applicable per Request

2.2 Electronic Connection with Equator System		
	Fees	Frequency
Initial setup per PC (one-off payment)	BD 220/PC	Applicable per PC
Equator User Access	BD 55/user/month	Applicable per User per Month
Password Reset	BD 5.5/request	Applicable per Request
Connectivity Cost per Workstation	BD 55/ connection/month	Applicable per Connection per Month

2.3 Custody Subscriptions		
	Fees	Frequency
Annual Custody Subscription Fees	Average portfolio value for the previous year X 0.0025% plus VAT; (Minimum of BD 5,500)	Applicable per Annum
Custody Admission Fees	BD 1,100	Applicable upon Admission

2.4 Custodian (DVP) Late Confirmation Penalty (After T+2)		
	Fees	Frequency
If the rejection reversal request (for Sale) or transfer request (for Buy) is executed by BHB on (T+3)	BD 55 or 0.05% of trade value plus VAT whichever is higher	Applicable per Occurrence
If the rejection reversal request (for Sale) or transfer request (for Buy) is executed by BHB on (T+4)	BD 275 or 0.05% of trade value plus VAT whichever is higher	Applicable per Occurrence
If the rejection reversal request (for Sale) or transfer request (for Buy) is executed by BHB beyond (T+4)	BD 550	Applicable per Occurrence

### 3. Member Fees

3.1 Electronic Connection with Equator System		
	Fees	Frequency
Initial setup per PC (one-off payment)	BD 220/PC	Applicable per PC
Equator User Access	BD 55/user/month	Applicable per User per Month
Password Reset	BD 5.5/request	Applicable per Request
Connectivity Cost per Workstation <sup>2</sup>	BD 55/ connection/month	Applicable per Connection per Month

3.2 Issued Reports		
	Fees	Frequency
Member Related Issued Reports (soft or hard)	BD 11/page capped at BD 55/ report	Applicable per request

<sup>2</sup> In the event that Members have both Trading & Equator system on the same PC, only one connectivity cost shall apply.



## Bahrain Clear Fees (Continued)

As of 31<sup>st</sup> December 2023

### 4. Investor Fees

4.1 Investor Services		
	Fees	Frequency
Opening of Investor Account (NIN) - Individuals	BD 44	Payable Once
Opening of Investor Account (NIN) - Companies	BD 99	Payable Once
Account Opening	BD 1.1	Payable Once
Transfer of Securities <sup>3</sup>	BD 1.1	Applicable per Company
Transfer of Dual Listed Companies Shares From BHB (through Bahrain Clear)	BD 11	Applicable per Transaction
Withdrawal of Securities	BD 11	Applicable per Company
To Whom It May Concern Letter	BD 11	Applicable per Request
Lost Certificate Request	BD 275/company	Applicable per Request
Exempt Case No. 4 (Inheritance or Will) Securities Transfer	BD 5.5 Payable by each party for each listed company transfer	Applicable per Company
Exempt Cases No. 1 to 3 (IPO, Dealings in Bahraini Companies Outside Bahrain, Transfer of Securities between Spouses) Securities Transfer	20% of the Broker's Commission of the Transferred Securities Market Value payable by each party (Transferor & Transferee) plus VAT with a Minimum of BD 11	Applicable per Company
Securities Account Statement – Hard Copy	BD 2.2 per statement (maximum two pages) BD 1.1 per each additional page	Applicable per Statement

4.2 Securities Freeze, Pledge, & Release		
	Fees	Frequency
Pledge Registration	0.075% of the market value using previous day closing price plus VAT with a minimum of BD 55	Payable per Company
Freeze & Pledge Release	BD 22/company	Applicable per Request
Additional Pledge Confirmation Letter <sup>4</sup>	BD 11/request	Applicable per Request
Securities Freeze <sup>5</sup>	BD 11/company	Applicable per Request

### 5. Fines

5.1 Brokerage Administrative Fines			
	Settlement Default Amount	Fee	Frequency
Fines imposed on settlement beyond T+2	BD 1 - 200,000	BD 1,100	Applicable per Occurrence
	BD 200,001 - 400,000	BD 2,200	Applicable per Occurrence
	BD 400,001 - 600,000	BD 3,300	Applicable per Occurrence
	BD 600,001 - 800,000	BD 4,400	Applicable per Occurrence
	BD 800,001 & Above	BD 5,500	Applicable per Occurrence

<sup>3</sup> Excludes exempt cases.

<sup>4</sup> This fee will be imposed on the Financial Institution (Pledgee) not the investor.

<sup>5</sup> Imposed on the Expert being appointed by Court Order. If no Expert is appointed, this fee is not applicable.

## Corporate Governance Report & Other Disclosures

1- CORPORATE GOVERNANCE REPORT

BAHRAIN BOURSE CORPORATE GOVERNANCE POLICY

Bahrain Bourse seeks to apply the rules and principles of corporate governance in an effective manner in accordance with the legislations issued by the Central Bank of Bahrain and the Ministry of Industry and Commerce, and in fulfillment of the responsibility of the Board of Directors in the overall control, supervision and enhancement of compliance with the requirements of corporate governance. Such compliance will contribute to improving the performance of the Bourse and thus help in enhancing the efficiency of the capital market and attract more domestic and foreign investments.

The implementation of the best standards of corporate governance is one of the top priorities of the Bahrain Bourse, because good governance plays a key role in building investors’ confidence. Corporate governance enhances the level of disclosure and transparency and thus protects the interests of all stakeholders, thereby contributing to the strengthening of the position of the Kingdom of Bahrain as a financial center.

COMPANY AND SHAREHOLDER INFORMATION

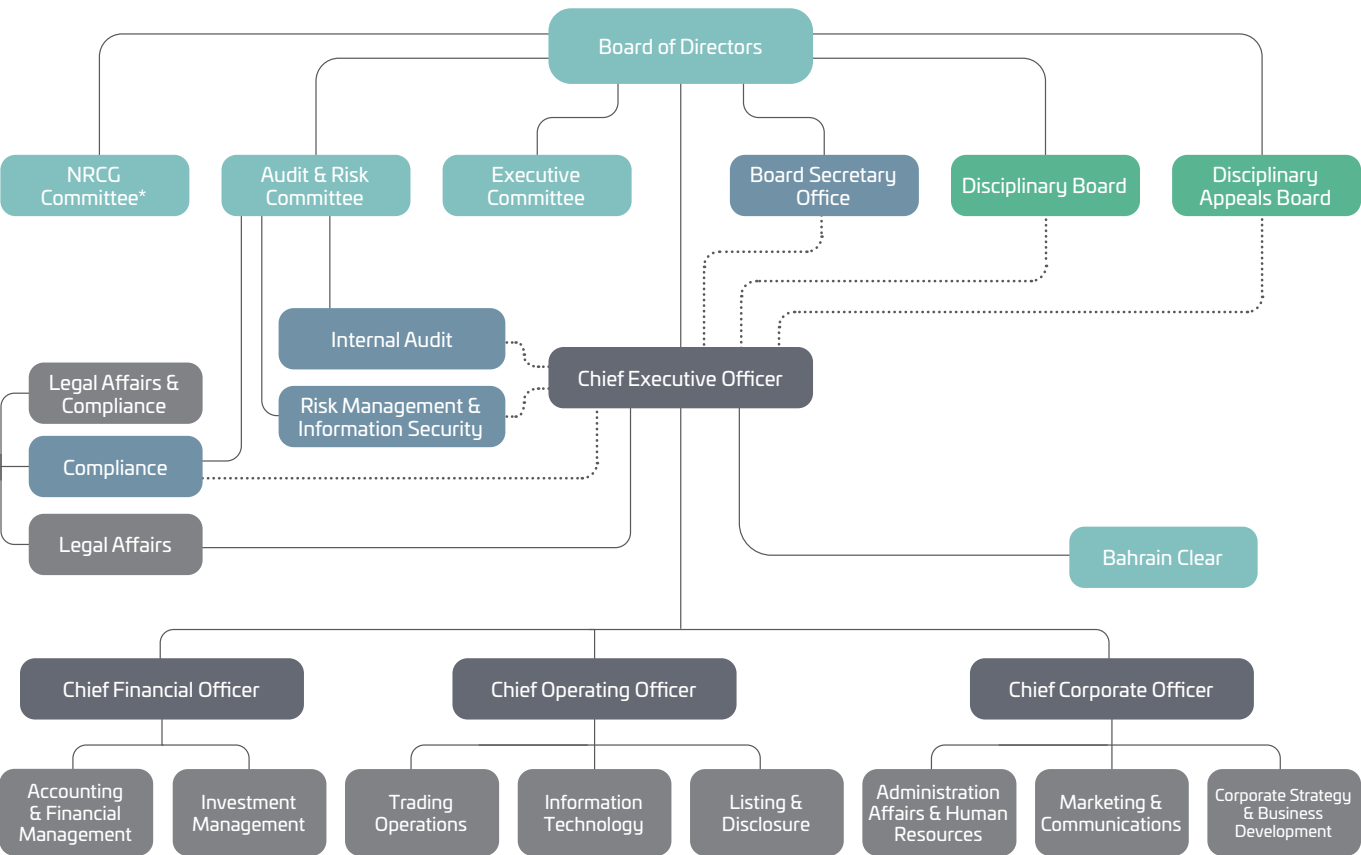
Bahrain Bourse was established as a Bahraini Closed Shareholding Company pursuant to Decree number (60) for the year 2010 to replace Bahrain Stock Exchange which was established in 1987. Bahrain Bourse is licensed by the Central Bank of Bahrain as a stock exchange and a Self-Regulatory Organization, and it is fully owned by the Government of The Kingdom of Bahrain.

The Bourse is governed by the laws and resolutions of the Central Bank of Bahrain (Capital Market Sector), the Central Bank of Bahrain’s Rulebook – Volume 6 (Capital Markets), Commercial Companies Law, and the Implementing Regulations Commercial Companies Law.

The authorized capital of the company is BD10,000,000/- (Bahrain Dinar ten million), divided into ten million shares of a nominal value of BD1/- per share. The issued and paid up capital amounts to BD2,000,000/- (Bahraini Dinar two million) divided into two million shares.

The Minister of Industry, Commerce, and Tourism was appointed to perform the tasks of the shareholder in Bahrain Bourse Company in accordance with Decree No. (12) of 2016 issued on 16 February 2016.

BAHRAIN BOURSE GOVERNANCE STRUCTURE



The organizational structure was approved by the Bourse’s Board of Directors during meeting number (1/2023) dated on 20<sup>th</sup> March, 2023. With consideration that it is to be implemented gradually during the long term, especially the appointment of executive positions within the organizational structure.

\*Nomination, Remuneration, & Corporate Governance Committee.

BOARD OF DIRECTORS INFORMATION

Composition of the Board of Directors

The Board of Directors of Bahrain Bourse is comprised of not less than five directors and not more than eleven, to be appointed by a resolution of the Economic Development Board with the approval of the Central Bank of Bahrain in accordance with the provisions of the Memorandum and Articles of Association of Bahrain Bourse.

The Bourse’s Board is comprised of eight directors who were appointed by Economic Development Board Resolution No. 1 of 2020 dated 14<sup>th</sup> June 2020 for a period of 3 years starting from resolution date.

According to the Articles of association of Bahrain Bourse the Board of Directors will continue their tasks and responsibilities until a new board is appointed.

Duties and Responsibilities of the Board of Directors

- All members of the Board of Directors of Bahrain Bourse shall have full understanding of all the duties and responsibilities of the Board of Directors stipulated by the "Commercial Companies Law of the Kingdom of Bahrain" and any further laws or regulations correlated to the Bourse’s operations to be followed and amended from time to time when required, especially the following:
  - The role of the Board with respect to the executive management of the Bourse ((executive management members are appointed and supervised by the Board)).
  - The responsibility of the members of the Board in demonstrating sincerity and honesty towards the Bourse and the shareholder.
- The duties and responsibilities of the Board are stipulated in the Articles of Association and Board of Directors’ Charter. They include but are not limited to:
  1. The overall performance of the Bourse in accordance with the approved strategic plan and key performance indicators.
  2. Ensuring the preparation of the financial statements and that they are prepared in a proper manner that reflects the actual financial position of the Bourse.
  3. Monitoring the performance of the executive management.
  4. Ensuring that there is no conflict of interest of any kind and prevent any dealings that may cause rise to conflict of interest.
  5. Fixing and controlling the remuneration and compensation of the executive management of the Bourse.
  6. Making changes to the compensation and remuneration of the executive management and members of the Board of Directors as may be deemed in the best interest of the Bourse.
  7. Ensuring the integrity and fairness of the financial and accounting systems, including the independence of the audit, having in place the necessary internal control systems, and more specifically risk management and control systems for financial transactions and Bourse operations, in addition to ensuring the presence of a system for compliance with the applicable laws, regulations and related standards.
  8. Monitoring the duties that the Bourse should comply with or perform, including but not limited to, matters related to the requirements of trading and listing on the Bourse, disclosure and dissemination of information that has a direct impact on the shares prices of listed companies in the Bourse in order to provide a fair and efficient trading market, as well as preventing any transactions that involve any misuse of information by putting in place all required regulations.
  9. Complying with all the provisions of the Bourse’s incorporation documents, including but not limited to the Memorandum and Articles of Association of the Bourse and all related rules, regulations, decrees and resolutions.
  10. Approval of all fees in general, including admission and registration fees, commissions and penalties whether they are related to administrative issues or the operations of the Bourse.
  11. Developing and putting in place the systems, regulations, rules and policies necessary for organizing the work and management of the company, policies to appoint and remove directors, chief executive officer and employees along with determining their duties, salaries and the guarantees that they should provide, if any, and the purchase and sale of property, rights and concessions, whether movable or fixed, leasing and authorization to withdraw funds and collateral owned by the company and the transfer and sale thereof, approval of taking legal action to protect the company’s interests before the courts as plaintiff or defendant, write-off of assets, termination of concessions, whether for or without consideration, take decisions on how to use the company’s funds, and the determining and imposing of fines and penalties for violations by the members and companies listed on the Bourse.
- The Board members are collectively and individually responsible for performing these tasks and responsibilities. The Board may delegate specific tasks to committees. However, the Board may not delegate the task of ensuring having in place a comprehensive adequate, effective and transparent corporate governance framework.



Transactions that Require the Approval of the Board of Directors

The rules, regulations, policies, and BHB Corporate Governance Policy Manual with its related appendices, determine the financial and other transactions that require the approval of the Board of Directors, which is including the Board members and all related parties.

Board Committees

The Board of Directors has formed a number of committees to support the Board in carrying out its responsibilities. These committees include the Executive, Nomination and Remuneration Committee, Audit and Risk Committee, and Corporate Governance Committee.

Executive Committee	
Members	Brief terms of reference, tasks, and responsibilities
Ali Yousif Fardan Chairperson	<ul style="list-style-type: none"><li>The Board of Directors appoints the members of the Committee who will be at least three for a term of three years, subject to renewal in concurrence with the term of the Board of Directors.</li><li>A committee chairperson and a deputy chairperson is elected amongst the members of the Committee during the first meeting post appointing the members, provided that he/ she shall be an independent director. The majority of the members shall be independent non-executive directors.</li><li>The attendance of at least a majority of the members, provided that the Chairperson or Deputy Chairperson is among them, shall constitute a quorum.</li><li>The Committee shall hold minimum of four meetings in a year.</li><li>The Committee conducts an annual self-assessment of the performance of the Committee / members and report the findings and recommendations to the Board of Directors. This shall be carried out in accordance with the assessment process approved by the Board of Directors and its committees.</li></ul> <p><b>Summary of Responsibilities:</b> recommend ways and means to develop Bahrain Bourse, and instruct the Executive Management to prepare the studies and reports related to the Bourse.</p>
Matthew John Deakin Deputy Chairperson	
Narjes Mohamed Alqaseer Member	

Audit & Risks Committee	
Members	Brief terms of reference, tasks, and responsibilities
Hassan Amin Jarrar Chairperson	<ul style="list-style-type: none"><li>The Board of Directors appoints the members of the Committee who will be at least three for a term of three years, subject to renewal in concurrence with the term of the Board of Directors.</li><li>A committee chairperson and a deputy chairperson is elected from among the members of the Committee during the first meeting post appointing the members, provided that he/ she shall be an independent director. The majority of the members shall be independent directors.</li><li>The attendance of at least a majority of the members, provided that the Chairperson or Deputy Chairperson is among them, shall constitute a quorum.</li><li>The Committee shall hold minimum of four meetings in a year.</li><li>The Committee conducts an annual self-assessment of the performance of the Committee / members and report the findings and recommendations to the Board of Directors. This shall be carried out in accordance with the assessment process approved by the Board of Directors and its committees.</li></ul> <p><b>Summary of Responsibilities:</b> The Committee oversees the internal audit program, the internal control systems and the performance of the external auditor. It reviews compliance with legislative and legal requirements, oversees risk management and reviews risk management policies and strategy.</p>
Deena Ebrahim Al-Ansari Member	

Nomination, Remuneration, & Corporate Governance Committee	
Members	Brief terms of reference, tasks, and responsibilities
Abdulkarim Ahmed Bucheery Chairperson	<ul style="list-style-type: none"><li>The Board of Directors appoints the members of the Committee who will be at least three independent and non-executive members, for a term of three years, subject to renewal in concurrence with the term of the Board of Directors.</li><li>A committee chairperson and a deputy chairperson is elected from amongst the members of the Committee during the first meeting post appointing the members.</li><li>The meeting attendance quorum is at least a majority of the members, provided that the Chairperson or Deputy Chairperson is among them.</li><li>The Committee shall hold minimum of two meetings in a year.</li><li>The Committee conducts an annual self-assessment of the performance of the Committee / members and report the results and recommendations to the Board of Directors. This shall be carried out in accordance with the assessment process approved by the Board of Directors and its committees</li></ul> <p><b>Summary of Responsibilities:</b> the Committee nominates qualified candidates to be members in the Board of Directors, recommends the qualified candidates to fill in Executive Management to the Board, reviews the Remuneration Policy of the Board and the Executive Management, oversees the implementation of corporate governance rules and principles in the Bourse and reviews the instructions issued by the regulatory authorities regarding corporate governance.</p>
Saleh Hasan Husain Deputy Chairperson	
Abdulrahman Hamed AlZayani Member	

Directors’ Remuneration

The remuneration for the members of the Board of Directors is determined by a resolution by the shareholder in accordance with the Articles of Association of the Bourse and the Commercial Companies Law.

Board of Directors’ remuneration for the year 2023 was BHD 68,000 as approved by the Shareholder in 2023 Annual General Meeting. Sitting fees paid to the Board of Directors amounted to BHD 32,100 as per the consolidated financial statements.

Members of Board of Directors		Number of Meetings	Sitting Fees for Attending Board and Committees Meetings For the Year 2023	Directors’ Remuneration For the Year 2023
Abdulkarim Ahmed Bucheery	Chairman of the Board of Directors	8	4,800	12,276.923
Ali Yousif Fardan	Deputy Chairman of the Board of Directors	8	4,400	8,184.615
Hassan Amin Jarrar	Member of the Board of Directors	7	3,900	7,661.539
Abdulrahman Hamed AlZayani	Member of the Board of Directors	7	3,500	7,661.539
Deena Ebrahim Al-Ansari	Member of the Board of Directors	8	4,000	8,184.615
Saleh Hasan Husain	Member of the Board of Directors	7	3,500	7,661.539
Matthew John Deakin	Member of the Board of Directors	8	4,000	8,184.615
Narjes Mohamed Alqaseer	Member of the Board of Directors	8	4,000	8,184.615
Total			BHD 32,100	BHD 68,000

Remuneration of Executive Management  
Fixed and Variable Compensations and Remunerations

During 2023, the total amount of basic salaries, fixed allowances, bonuses based on year-end performance appraisals, of the highest six management salaries was BHD 517,682.

Evaluating the Performance of the Board of Directors and Committees

The performance of the Board and the committees is evaluated through self-assessment, or through external parties, by reviewing their tasks and responsibilities. The assessment also includes reviewing the level of achievement with regard to the implementation of plans and programs designed to develop the performance of the Bourse, according to the approved assessment policy and procedure for Board members assessment. A Board evaluation was performed in 2023 and all recommendations and observations stated in the evaluation were rectified and taken into consideration.

CODE OF CONDUCT

A code of conduct has been issued by the Bourse. The code of conduct that embodies the values of the Bourse enhances compliance with work regulations, procedures, applicable laws and regulations, rules, and policies. It also enhances the commitment to avoiding conflict of interest and separating personal interests from the interests of the Bourse, as well as to other best practice principles. All employees and Board members must adhere to the best professional practices and integrity in their dealings with all the concerned parties, and thereby help in enhancing the confidence of stakeholders.

WHISTLE BLOWING POLICY

As part of the Bourse efforts to ensure the highest level of professionalism, integrity and accountability, a whistle blowing policy has been approved and included in the Corporate Governance Policy Manual of the Bourse to ensure that irregularities and breaches get reported. The Bourse have also approved the policies, procedures and mechanisms necessary for maintaining the highest level of professionalism in carrying out Bourse operations and building trust and confidence between the Bourse and all the parties dealing with it. According to these mechanisms, the staff will be encouraged to report any practices that violate the rules of the Code of Conduct or any illegal acts and effective measures will be implemented with regard to accountability. This will lead to enhancing the standards of honesty and integrity in all the activities of the Bourse.

The mentioned policies, procedures and mechanisms will also provide the necessary protection for the employees who report irregularities by ensuring complete confidentiality. The overseeing of this policy will be the direct responsibility of the Audit and Risks Committee. Any reported issues will be then redirected to the relevant committee within the Board for immediate investigation.

COMPLAINTS POLICY

The Board of Directors approved the complaints policy to organize the process of receiving complaints from outside parties and define the mechanism by which the Bourse deals with complaints received and resolves them. Furthermore, complaints now can be submitted to the Bourse through “Tawasul” platform as well, which is available at the Government of Bahrain’s website.

INSIDERS’ POLICY

Bahrain Bourse Insiders’ Policy is applicable on its employees and Board Members. It is applied to ensure fairness and integrity of trading in the capital market and enhance the standards of transparency and clarity in such transactions.

COMPLIANCE AND ANTI-MONEY LAUNDERING

The function of compliance aims to protect the Bourse from the risk of violating the laws and regulatory controls that govern the internal operations of the Bourse, or the rules that are issued by the legislative and regulatory authorities. The ultimate purpose is to help in the management and minimization of risks arising from non-compliance with rules, laws and regulations.

As part of its role in this regard, the Audit and Risks Committee oversees the process of compliance and follows up on the implementation of the instructions of the internal and external regulators by reviewing periodic reports on compliance. It also monitors the Bourse’s compliance with corporate governance in terms of disclosure and transparency requirements, as well as ensuring and following up on anti-money laundering policies and procedures.

CONFLICT OF INTERESTS

No member of the Board of Directors shall vote on any agreement, arrangement or any other proposal in which he or she has personal interest.

Every member shall declare to the Board his/ her personal interest, whether direct or indirect, if any, in any transaction, contract or any proposals for the account of the Bourse, and such declaration shall be recorded in the minutes of the relevant meeting. Such member of the Board shall not participate in any deliberations or vote on decisions related to this matter.

DISCLOSURES RELATED TO MEMBERS OF THE BOARD OF DIRECTORS

The independence of the Board Members was defined in the first Board Meeting held on 2<sup>nd</sup> July 2020.

Abdulkarim Ahmed Bucheery

- Chairman of the Board of Directors  
Chairperson of Nomination, Remuneration & Corporate Governance Committee
- Independent & Non-Executive Director
- Joined the Board of Directors on 27<sup>th</sup> December 2016
- Qualifications:** Bachelors of Science in Economics – Majoring in Economics from the University of Aleppo – Syria 1976.
- Experience:** more than 48 years in several banking fields and Islamic Banking services.

Membership	Company Name	Country
Chairman & Chairperson of Executive and Investment Committee	Bahrain Clear	Bahrain
Board Member & Chairperson of Audit & Risks Committee	Alubaf Arab International Bank	Bahrain
Board Member	British University of Bahrain	Bahrain
Member of Advisory Board	Arab Tourism Organization	Saudi Arabia
Honorary Chairman	Friends of Psychiatric Patients Society	Bahrain
Board Member	Bahraini Banks Advisory Board	Bahrain
Board Member	International Federation for Business Women	Bahrain
Partner & Chairman	KMH Management Solutions	Bahrain
Chairman	Montreal Motors Co. W.L.L	Bahrain
Chairman	Safagat W.L.L	Bahrain
Board Member & Chairperson of Audit & Risk Committee	AJM Kooheji Group B.S.C	Bahrain

Ali Yousif Fardan

- Deputy Chairman of the Board of Directors  
Chairperson of Executive Committee
- Independent & Non-Executive Director
- Joined the Board of Directors on 27<sup>th</sup> December 2016
- Qualifications:** Diploma in Executive Management from University of Bahrain and a graduate of Executive Management studies from Wharton University –US and Certified International Board Director – INSEAD
- Experience:** more than 46 years in several banking fields and 34 years in executive management, founder of NBK Bahrain, Expert in Corporate Governance, Expert in Banking Strategy, Expert in Business Development and Restructuring.

Membership	Company Name	Country
Board Member & Committee member of Executive & Investment Committee	Bahrain Clear	Bahrain
Board Member	International Islamic Financial Market	Bahrain
Member of Board of Trustees	Waqf fund	Bahrain



DISCLOSURES RELATED TO MEMBERS OF THE BOARD OF DIRECTORS (Continued)

Hassan Amin Jarrar		
<ul style="list-style-type: none"><li>Member of the Board of Directors Chairperson of Audit &amp; Risks Committee</li><li>Independent &amp; Non-Executive Director</li><li>Joined the Board of Directors on 27<sup>th</sup> December 2016</li><li><b>Qualifications:</b> Bachelors of Science in Business Administration – Finance from University of California – The United States of America.</li><li><b>Experience:</b> more than 34 years in banking sector.</li></ul>		
Membership	Company Name	Country
Independent Director	MADA Insurance	Bahrain
Abdulrahman Hamed AlZayani		
<ul style="list-style-type: none"><li>Member of the Board of Directors. Member of Nomination, Remuneration &amp; Corporate Governance Committee.</li><li>Independent &amp; Non-Executive Director.</li><li>Joined the Board of Directors on 27<sup>th</sup> December 2016.</li><li><b>Qualifications:</b> Masters in International Commercial Law from University of Westminster – UK, and Bachelors in Marketing from Suffolk University - US.</li><li><b>Experience:</b> more than 21 years in business and investment sectors.</li></ul>		
Membership	Company Name	Country
Managing Director	Al Zayani Investments B.S.C.(c)	Bahrain
CEO	A2Z Exclusive W.L.L.	Bahrain
Director	Zayani Properties	Bahrain
Director	Euro Motors	Bahrain
Director	Zayani Motors	Bahrain
Director	Zayani Leasing	Bahrain
Director	Zayani Industries	Bahrain
Director	Blueknight International Limited	Luxembourg
Director	Immobiliers Des Poissoniers SA	Luxembourg
Director	Kreiller S.A.R.L	Luxembourg
Director	Riverton Capital Holding S.A.	United Kingdom
Director	Nortolk International Limited	United Kingdom
Director	Muna International Limited	United Kingdom
Director	Linlake Investments Limited	United Kingdom
Director	Greennight International Limited	United Kingdom
Director	Caldelwood International Limited	United Kingdom
Director	Manannan International Limited	United Kingdom
Director	Lakenight International Limited	United Kingdom
Director	Burlyfields International Limited	United Kingdom
Managing Director	Caldelwood West 12 <sup>th</sup> Inc.	United Kingdom
Director	Acerowood International Limited	United Kingdom
Director	Bridcastle International Limited	United Kingdom
Board Member	Mazad B.S.C	Bahrain

DISCLOSURES RELATED TO MEMBERS OF THE BOARD OF DIRECTORS (Continued)

Deena Ebrahim Al-Ansari		
<ul style="list-style-type: none"><li>Member of the Board of Directors Member of the Audit &amp; Risks Committee</li><li>Independent &amp; Non-Executive Director</li><li>Joined the Board of Directors on 27<sup>th</sup> December 2016</li><li><b>Qualifications:</b> Masters in Business Administration from University of Glamorgan – UK and Bachelors in Commerce from Concordia University – Canada.</li><li><b>Experience:</b> around 9 years in banking sector and 16 years in business sector.</li></ul>		
Membership	Company Name	Country
Deputy Chairperson	Alansari Modern Lights Co. W.L.L	Bahrain
Board Member	Goldbx Global Holding W.L.L.	Bahrain
Board Member	The Beautyco	Bahrain
Board Member	The Beauty Co General Trading	United Arab Emirates
Board Member	Modern Beauty Trading	Saudi Arabia
Matthew John Deakin		
<ul style="list-style-type: none"><li>Member of the Board of Directors Deputy Chairperson of Executive Committee.</li><li>Independent &amp; Non-Executive Director</li><li>Joined the Board of Directors on 14<sup>th</sup> June 2020.</li><li><b>Qualifications:</b> Associate member of the Institute of Chartered Accountants of England and Wales.</li><li><b>Experience:</b> more than 40 years in banking sector.</li></ul>		
Membership	Company Name	Country
Partner & Board Member	KMH Management Solutions	Bahrain
Management Counsel	Montreal Motors Co. W.L.L	Bahrain
Saleh Hasan Husain		
<ul style="list-style-type: none"><li>Member of the Board of Directors Deputy Chairperson of Nomination, Remuneration, &amp; Corporate Governance Committee.</li><li>Independent &amp; Non-Executive Director.</li><li>Joined the Board of Directors on 14<sup>th</sup> June 2020.</li><li><b>Qualifications:</b> Masters Degree from Brunel University-UK.</li><li><b>Experience:</b> more than 38 years in various banking sectors.</li></ul>		
Board Memberships in Other Companies		
Membership	Company Name	Country
Member of Protecting Deposits and Unrestricted Investment Accounts Board	Central Bank of Bahrain	Bahrain
Chairperson of Review Committee - Protecting Deposits and Unrestricted Investment Accounts Board	Central Bank of Bahrain	Bahrain
Audit Committee Member	Lake Investment Company	Dubai

DISCLOSURES RELATED TO MEMBERS OF THE BOARD OF DIRECTORS (Continued)

Narjes Mohamed Alqaseer		
<div><ul style="list-style-type: none"><li>Member of the Board of Directors</li><li>Member of the Executive Committee</li><li>Independent &amp; Non-Executive Director</li><li>Joined the Board of Directors on 14<sup>th</sup> June 2020</li><li><b>Qualifications:</b> Bachelors in Management &amp; Marketing - University of Bahrain, and Diploma in Electrical Engineering from University of Bahrain.</li><li><b>Experience:</b> around 18 years in financial consultancy.</li></ul></div>		
Memberships	Company Name	Country
Board Member	Conserving Bounties	Bahrain
Board Member	Al-Mustaqbal Society	Bahrain

BOARD AND COMMITTEES MEETINGS AND ATTENDANCE RECORD

Board Meetings

Board meetings are held regularly in accordance with the provisions of Bourse’s Articles of Association upon the invitation of the Chairman of the Board of Directors, or the request of two members of the Board.

During the year of 2023, the Board held seven meetings, three of which were virtual meetings to discuss and approve the interim financial statements. As for the Board Committees, four meetings were held by the Executive Committee, four meetings were held by Audit and Risks Committee, and four meetings were held by Nomination, Remuneration, and Corporate Governance Committee. The tables below show the attendance record of the meetings held by the Board of Directors and its committees during the period.

Board of Directors Meetings

		(1/2023)	(2/2023)	(3/2023)	(4/2023)	(5/2023)	(6/2023)	(7/2023)
		20 <sup>th</sup> March 2023	8 <sup>th</sup> May 2023	11 <sup>th</sup> June 2023	7 <sup>th</sup> August 2023	2 <sup>nd</sup> October 2023	7 <sup>th</sup> November 2023	13 <sup>th</sup> December 2023
Members of the Board of Directors								
Abdulkarim Ahmed Bucheery	Chairman	✓	✓*	✓	✓*	✓*	✓*	✓
Ali Yousif Fardan	Deputy Chairman	✓	✓*	✓	✓*	✓	✓*	✓*
Hassan Amin Jarrar	Member	✓	✓	✓*	✓*	-	✓	✓
Abdulrahman Hamed AlZayani	Member	✓*	✓*	-	✓*	✓*	✓*	✓*
Deena Ebrahim Al-Ansari	Member	✓*	✓*	✓	✓*	✓*	✓*	✓
Saleh Hasan Husain	Member	✓*	✓*	✓	-	✓	✓	-
Matthew John Deakin	Member	✓*	✓*	✓	✓*	✓*	✓*	✓
Narjes Mohamed Alqaseer	Member	✓	-	✓	✓*	✓	✓*	✓

\*Virtual participation.

BOARD AND COMMITTEES MEETINGS AND ATTENDANCE RECORD (Continued)

Executive Committee Meetings

		(1/2023)	(2/2023)	(3/2023)	(4/2023)
		14 <sup>th</sup> February 2023	23 <sup>rd</sup> May 2023	11 <sup>th</sup> September 2023	27 <sup>th</sup> November 2023
Members of the Board of Directors					
Ali Yousif Fardan	Chairperson	✓	✓*	✓*	✓*
Matthew John Deakin	Deputy Chairperson	✓	✓	✓*	✓
Narjes Mohamed Alqaseer	Member	✓*	✓	✓	✓

\*Virtual participation.

Audit & Risks Committee Meetings

		77(1/2023)	78(2/2023)	79(3/2023)	80(4/2023)
		28 <sup>th</sup> February 2023	8 <sup>th</sup> May 2023	7 <sup>th</sup> August 2023	7 <sup>th</sup> November 2023
Members of the Board of Directors					
Hassan Amin Jarrar	Chairperson	✓	✓	✓*	✓
Deena Ebrahim Al-Ansari	Member	✓*	✓*	✓*	✓*

\*Virtual participation.

Nomination, Remuneration, & Corporate Governance Committee

		(1/2023)	(2/2023)	(3/2023)	(4/2023)
		6 <sup>th</sup> March 2023	30 <sup>th</sup> May 2023	20 <sup>th</sup> September 2023	3 <sup>rd</sup> December 2023
Members of the Board of Directors					
Abdulkarim Ahmed Bucheery	Chairperson	✓	✓*	✓*	✓
Saleh Hasan Husain	Deputy Chairperson	✓	✓	✓	✓
Abdulrahman Hamed AlZayani	Member	✓*	✓*	✓*	✓*

\*Virtual participation.

AUDITORS

His Excellency Minister of Industry, Commerce, the Shareholder of Bahrain Bourse, has appointed Deloitte & Touche as external auditors for the year 2023.

BAHRAIN BOURSE CORPORATE GOVERNANCE - “COMPLY OR EXPLAIN” PRINCIPLE

No disclosures are needed due to compliance to all corporate governance principles.

2- OTHER DISCLOSURES

Bahrain Bourse has successfully completed the year 2023 with 'zero' financial penalties imposed by the Central Bank of Bahrain.



# Consolidated Financial Statements and Independent Auditor's Report

Year Ended December 31, 2023

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## Independent Auditor's Report

To the Chairman and Members of Board  
Bahrain Bourse B.S.C. (c)  
Manama, Kingdom of Bahrain

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the accompanying consolidated financial statements of Bahrain Bourse B.S.C. (c) (the "Bourse") and its subsidiary (collectively, referred to as the "Group") which comprise of consolidated statement of financial position as at December 31, 2023, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Directors are responsible for the other information. The other information comprises the Annual Report, which is expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Directors and Those Charged with Governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

## Independent Auditor's Report (continued)

To the Chairman and Members of Board  
Bahrain Bourse B.S.C. (c)  
Manama, Kingdom of Bahrain

### Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on legal and regulatory requirements

As required by the Bahrain Commercial Companies Law of 2001 (and subsequent amendments) ("BCCL") and Volume 6 of the Central Bank of Bahrain (CBB) Rulebook, we report that:

- the Bourse has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
- nothing has come to our attention which causes to believe that the Bourse has breached any of the applicable provisions of BCCL, Financial institution Law No. 64 of 2006 (as amended), the CBB Rule Book (volume 6, applicable provisions of volume 6 and CBB directors) or the terms of the Bourse's memorandum and articles of association, that would have a material adverse effect on the business of the Bourse or its financial position as at December 31, 2023; and
- satisfactory explanations and information have been provided to us by Directors in response to all our requests.

*Deloitte & Touche*

Deloitte & Touche – Middle East  
Partner Registration No. 157  
Manama, Kingdom of Bahrain  
March 20, 2024

## Consolidated Statement of Financial Position

As at December 31, 2023

	Note	2023 BD	2022 BD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Furniture and equipment	5	699,654	875,295
Right-of-use assets	6.1	1,064,255	1,315,219
Investments at amortised cost	7	23,113,073	19,434,793
Term deposit	8	10,932,962	9,422,962
Total non-current assets		35,809,944	31,048,269
<b>Current assets</b>			
Investments at amortised cost	7	1,692,369	3,763,251
Prepayments and other assets	9	669,387	700,563
Trade receivables	10	1,773,295	218,877
Cash and bank balances	8	16,578,719	14,202,830
Total current assets		20,713,770	18,885,521
<b>Total assets</b>		<b>56,523,714</b>	<b>49,933,790</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	2,000,000	2,000,000
General reserve	12	2,000,000	2,000,000
Statutory reserve	13	512,554	423,483
Accumulated earnings/(losses)		(85,927)	(612,569)
Total equity		4,426,627	3,810,914
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end-of-service benefits	14	14,961	12,192
Lease liabilities	6.2	840,625	1,090,056
Total non-current liabilities		855,586	1,102,248
<b>Current liabilities</b>			
Unclaimed dividend payable – Amanat	15 & 28	46,888,616	42,809,124
Annual dividend payable – Amanat	16 & 28	1,088,858	830,228
Contract liabilities	18	1,584,188	179,294
Lease liabilities	6.2	275,698	238,218
Trade payables		142,976	193,371
Accruals and other liabilities	19	1,261,165	770,393
Total current liabilities		51,241,501	45,020,628
Total liabilities		52,097,087	46,122,876
<b>Total equity and liabilities</b>		<b>56,523,714</b>	<b>49,933,790</b>
<b>Off-balance sheet items</b>			
Contingencies and commitments	31	1,456,134	1,600,286

The consolidated financial statements were approved by the Board of Directors on March 7, 2024 and signed on its behalf by:

Mr. Abdulkarim Ahmed Bucheery  
Chairman

Mr. Ali Yusuf Fardan  
Vice Chairman

Shaikh Khalifa Bin Ebrahim Al Khalifa  
Chief Executive Officer

The attached notes form an integral part of these consolidated financial statements



## Consolidated Statement of Profit or Loss and other Comprehensive Income

Year Ended December 31, 2023

	Note	2023 BD	2022 BD
<b>Operating income</b>			
Subscription fees	20	1,582,181	1,614,844
Deposit and central depository registration	21	133,287	179,091
Commission income	22	368,573	531,539
Interest income	23	2,933,005	1,618,271
Trading Data Income		184,510	167,751
Private market income		140,583	100,417
Other income	24	533,648	580,991
Total operating income		5,875,787	4,792,904
<b>Operating expenses</b>			
Salaries and staff costs	25	(2,681,156)	(2,457,695)
General and administrative expenses	26	(1,331,160)	(1,280,517)
Depreciation of furniture and equipment	5	(286,094)	(263,354)
Depreciation of right-of-use assets	6.1	(280,346)	(273,996)
Accretion of interest on lease liabilities	6.2	(69,102)	(25,159)
Board of Directors sitting and remuneration fees		(188,400)	(189,000)
Total operating expenses		(4,836,258)	(4,489,721)
<b>Operating profit for the year before impairment allowances</b>		1,039,529	303,183
Expected credit losses, net	27	(148,816)	(79,102)
<b>Profit for the year</b>		890,713	224,081
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		890,713	224,081

The consolidated financial statements were approved by the Board of Directors on March 7, 2024 and signed on its behalf by:

**Mr. Abdulkarim Ahmed Bucheery**  
Chairman

**Mr. Ali Yusuf Fardan**  
Vice Chairman

**Shaikh Khalifa Bin Ebrahim Al Khalifa**  
Chief Executive Officer

The attached notes form an integral part of these consolidated financial statements

## Consolidated Statement of Changes in Equity

Year Ended December 31, 2023

	Share capital BD	General reserve BD	Statutory reserve BD	Accumulated earnings/losses BD	Total equity BD
Balance as at January 1, 2022	2,000,000	2,000,000	401,075	(814,242)	3,586,833
Total comprehensive income for the year	-	-	-	224,081	224,081
Transfer to statutory reserve	-	-	22,408	(22,408)	-
<b>Balance as at December 31, 2022</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>423,483</b>	<b>(612,569)</b>	<b>3,810,914</b>
Balance as at January 1, 2023	2,000,000	2,000,000	423,483	(612,569)	3,810,914
Total comprehensive income for the year	-	-	-	890,713	890,713
Transfer to statutory reserve	-	-	89,071	(89,071)	-
Dividend paid*	-	-	-	(275,000)	(275,000)
<b>Balance as at December 31, 2023</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>512,554</b>	<b>(85,927)</b>	<b>(4,426,627)</b>

\*This balance includes BD 25,000 as dividend paid

The attached notes form an integral part of these consolidated financial statements

# Consolidated Statement of Cash Flows

Year Ended December 31, 2023

	Note	2023 BD	2022 BD
<b>Cash flows from operating activities</b>			
Profit for the year		890,713	224,081
Adjustments for non-cash items:			
Depreciation of furniture and equipment	5	286,094	263,354
Depreciation of right-of-use assets	6.1	280,346	273,996
Interest expense on lease liabilities	6.2	69,102	25,159
Impairment losses on trade receivables	10 & 27	169,612	81,396
Reversal of impairment losses on cash and bank balances	7 & 27	(20,796)	(2,294)
Provision for employees' end-of-service benefits	14	2,768	1,520
Loss of disposal of furniture and equipment		-	13
Interest income		(2,933,005)	(1,618,271)
<b>Cash flows before changes in working capital</b>		<b>(1,255,166)</b>	<b>(751,046)</b>
<i>Changes in working capital:</i>			
Decrease in prepayments and other assets		37,471	182,326
Increase in trade receivables		(1,724,030)	(190,040)
Increase in contract liabilities		1,404,894	142,223
Decrease in trade payables		(50,395)	(8,982)
Increase in unclaimed dividend payable – Amanat		4,079,492	4,506,062
Increase / (decrease) in annual dividend payable – Amanat		258,630	(659,195)
Increase in accruals and other liabilities		490,772	146,268
<b>Cash generated from operations</b>		<b>3,241,668</b>	<b>3,367,616</b>
Interest expense on lease liabilities		(69,102)	(25,159)
<b>Net cash generated from operating activities</b>		<b>3,172,566</b>	<b>3,342,457</b>
<b>Cash flows from investing activities</b>			
Purchase of furniture and equipment	5	(111,000)	(182,976)
Purchase of investments at amortised cost	7.2	(5,370,649)	(26,169,314)
Proceeds from maturity of investments at amortised cost	7.1	3,763,251	19,312,297
Term deposits with maturities more than three months, net		269,066	(9,735,945)
Interest received		2,926,711	1,301,880
Proceeds from disposal of furniture and equipment		547	-
<b>Net cash generated / (used in) from investing activities</b>		<b>1,477,926</b>	<b>(15,474,058)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(25,000)	-
Dividend Declared		(250,000)	-
Repayment of principal lease liabilities		(241,333)	(277,563)
<b>Net cash used in financing activities</b>		<b>(516,333)</b>	<b>(277,563)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>4,134,159</b>	<b>(12,409,164)</b>
Cash and cash equivalents, at beginning of year		12,448,769	24,857,933
<b>Cash and cash equivalents, at end of year</b>	8	<b>16,582,928</b>	<b>12,448,769</b>

The attached notes form an integral part of these consolidated financial statements

# Notes to the Consolidated Financial Statements

Year Ended December 31, 2023

## 1. GENERAL INFORMATION

Bahrain Bourse B.S.C. (c) (the "Bourse") was incorporated in the Kingdom of Bahrain as a closed shareholding company under commercial registration (CR) number 76907 dated December 13, 2010 issued by the Ministry of Industry, Commerce and Tourism according to Law Decree No. 60 for the year 2010 to replace Bahrain Stock Exchange (BSE) that was established in 1987. The Bourse is licensed by the Central Bank of Bahrain ("CBB") and accordingly is subject to the regulations and supervision of the CBB. The Bourse is engaged in financial market activities by offering a capital markets platform, while acting as the intellectual and business hub for all capital market participants.

During October 2016, the Bourse established a new wholly-owned closed shareholding company in the Kingdom of Bahrain under the commercial name of Bahrain Clear B.S.C. (c) (the "Subsidiary") and CR number 105050-1. The Subsidiary commenced its operations on July 17, 2017, being engaged to carry clearing and settlement activities. These financial statements incorporate the financial statements of the Bourse and its subsidiary, (collectively referred to as the "Group").

### Unclaimed cash dividends fund and annual dividends fund

Investor protection funds program "Amanat" was established according to board resolution no. 2020/3 dated April 27, 2020 and ministerial cabinet resolution No. 2020/48-2 after coordination with the CBB to ensure investor protection, management, and administration of cash dividend distribution for all listed companies.

Two independent funds were established; unclaimed cash dividends fund and annual dividends fund to manage unclaimed cash dividends fund and annual dividends fund respectively.

## 2. ADOPTION OF NEW AND REVISED STANDARDS (IFRSs)

### 2.1 New and revised Standards applied with no material impact on the financial statements

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRS 17 Insurance contracts and amendments to IFRS 4 - Extension of the Temporary Exemption	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.  IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.  The Group does not have any contracts that meet the definition of an insurance contract under IFRS 17.
Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of accounting policies	The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. Applying the amendments, an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments to IAS 1 are made to explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added.  To support the amendments, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023 and are applied prospectively. Earlier application is permitted. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments introduce an exception to the initial recognition exemption in IAS 12. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. The amendments also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognised as assets at the beginning of the earliest comparative period presented. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Early application of the amendments is permitted.



Notes to the Consolidated Financial Statements (continued)  
Year Ended December 31, 2023

2. ADOPTION OF NEW AND REVISED STANDARDS (IFRSs) (Continued)

2.1 New and revised Standards applied with no material impact on the financial statements (Continued)

Amendments to IAS 12 Income Taxes—International Tax Reform — Pillar Two Model Rules	The IASB published amendments to IAS 12 to introduce a temporary exception from accounting for deferred taxes arising from the implementation of the OECD Pillar Two model rules, together with targeted disclosure requirements for affected entities. Applying the exception, an entity does not recognise deferred tax assets and liabilities related to the OECD Pillar Two income taxes. It also does not disclose any information about these deferred tax assets and liabilities. In periods in which Pillar Two legislation is enacted or substantively enacted, but not yet in effect, an entity is required to disclose known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from that legislation. The amendments require that an entity applies the exception—and the requirement to disclose that it has applied the exception—immediately upon issuance of the amendments and retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The remaining disclosure requirements are required for annual reporting periods beginning on or after January 1, 2023.
Amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 — Comparative Information	The IASB published a narrow-scope amendment to the transition requirements in IFRS 17. For entities that apply IFRS 17 and IFRS 9 at the same time, the amendment relates to financial assets for which comparative information presented on initial application of IFRS 17 and IFRS 9 has not been restated for IFRS 9 (including financial assets that have been derecognised in the comparative period). Applying the amendment, an entity is permitted to present comparative information about such financial assets as if the classification and measurement requirements of IFRS 9 had been applied to the financial assets. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of IFRS 9. The amendment is also available for entities that have applied IFRS 9 before they apply IFRS 17. For these entities, the classification overlay applies to financial assets that have been derecognised in the comparative period and permits an entity to apply the redesignation requirements of IFRS 17 based on how the entity expects the asset would have been designated at initial application of IFRS 17. The amendment is effective at the time an entity first applies IFRS 17.
Amendments to IAS 8 Definition of accounting estimates	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

2.2 New and revised standards issued but not yet effective

New and amended standards and interpretations issued but not effective up to the date of issuance of the Group's financial statements are disclosed below. Management reasonably expects these standards issued to be applicable at a future date. The Group intends to adopt these standards, if applicable, when they become effective. Following standards are effective for the reporting period beginning on or after January 1, 2024:

- Amendment to IFRS 16 Lease Liability in a Sale and Leaseback;
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements;
- Amendments to IAS 1 Non-current Liabilities with Covenants;
- IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information;
- IFRS S2 Climate-related Disclosures;
- Amendments to IAS 1 Classification of liabilities as current or non-current;
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current — Deferral of Effective Date; and
- Amendments to IAS 21 Lack of exchangeability.

The Directors do not expect that the adoption of the above Standards will have a material impact on the Group's financial statements in future periods.

Notes to the Consolidated Financial Statements (continued)  
Year Ended December 31, 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The consolidated financial statements have been prepared in accordance with IFRSs Accounting Standards and the applicable requirements of the Bahrain Commercial Companies Law of 2001 (and subsequent amendments), the Central Bank of Bahrain (the "CBB") and Financial Institution Law No. 64 of 2006 (as amended), the CBB Rulebook (Volume 6) and the CBB directives and regulations (as contained in Volume 6 of the CBB Rulebook).

The consolidated financial statements are prepared under the historical cost convention and presented in the Bahraini Dinar ("BD"), being the functional currency of the Group.

Going concern

Management has assessed the Group's ability to continue on a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors of the Group is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statement of the Bourse and the entity controlled by the Bourse (its subsidiary made up to December 31 each year). Control is achieved when the Bourse has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to affect those returns through its power over the investee.

Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Bourse and to the non-controlling interests' even if this result in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

As stated in Note 1, the Group invested in the Subsidiary from inception at cost and therefore no goodwill arose.

Furniture and equipment

Furniture and equipment are stated at cost less accumulated depreciation and any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent expenditure is capitalised only when it is probably that the future economic benefits associated with the expenditure will flow to the Group. The cost of furniture and equipment is depreciated by equal annual instalments over the estimated useful lives of the assets are as follows:

Fixtures	15 years
Furniture and equipment	5 – 10 years
Computers and software	5 years
Vehicles	5 years

Gains or losses arising on the disposal or retirement of an item of furniture and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and are recognised in profit or loss.

Impairment of tangible assets

At each reporting date, the management reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss previously been recognised. The reversal of the loss is recognised immediately in profit or loss.

# Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of financial assets.

#### Classification of financial assets

Financial assets are classified as follows:

- Financial assets at amortised cost
- Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)
- Financial assets at Fair Value Through Profit or Loss (FVTPL)

The classification and measurement category of financial assets, except for equity instruments and derivatives, are assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

Business model assessment:

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these are applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

Contractual cash flow characteristics test:

The Group assesses whether the financial instruments' cash flows represent Solely for Payments of Principal and Interest (the 'SPPI'). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. The Group reclassifies a financial asset only when its business model for managing those assets changes.

The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

### **Financial assets at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The Group's cash and bank balances, trade receivables and debt instruments are classified as financial assets at amortised cost.

### **Financial assets at FVOCI**

A debt instrument is measured at FVOCI if it satisfies the SPPI test and is held within a business model whose objective is to hold assets to collect contractual cash flows and to sell. These assets are subsequently measured at fair value, with change in fair value recognised in Other Comprehensive Income (OCI). Interest income is calculated using the effective interest method. Foreign exchange gains/losses and impairment are recognised in profit or loss. On de-recognition, gains and losses accumulated in OCI are reclassified to the statement of profit or loss.

For an equity instrument; upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses on these equity instruments are never recycled to the statement of profit or loss. Dividends are recognised in profit or loss when the right to receive has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal cumulative gains or losses may be reclassified from fair value reserve to retained earnings in the statement of changes in equity.

# Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial assets at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. This also includes equity instruments held-for-trading and are recorded and measured in the statement of financial position at fair value. Changes in fair values and dividend income are recorded in statement of profit or loss according to the terms of the contract, or when the right to receive has been established.

A loss allowance for expected credit losses (ECL) is recognised on investments in debt instruments (except for Bahrain Sovereign Debt) that are measured at amortised cost or at FVOCI, trade receivables, deposits with banks, contract assets and financial guarantee contracts, as applicable. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realized and the time value of money.

The Group incorporates forward-looking information based on expected changes in macro-economic factors in assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

### **Impairment of trade receivables, contract assets and lease receivables**

The Group always recognizes lifetime ECL for these categories of financial assets using the simplified approach.

### **Impairment of other financial assets**

The Group recognizes expected credit loss (ECL) for cash at banks using the general approach.

Under this approach the Group applies three-stage approach to measuring ECL. Assets migrate through the three stages based on the change in credit quality since initial recognition. Financial assets with significant increase in credit risk since initial recognition, but not credit impaired, are transitioned to stage 2 from stage 1 and ECL is recognised based on the probability of default (PD) of the counter party occurring over the life of the asset. All other financial assets are considered to be in stage 1 unless it is credit impaired and an ECL is recognised based on the PD of the customer within next 12 months. Financial assets are assessed as credit impaired when there is a detrimental impact on the estimated future cash flows of the financial asset.

#### Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument at the reporting date with the risk of default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort.

The Group considers a financial asset to have a low credit risk when the asset has external credit rating of 'investment grade' and there is no past due amounts.

#### Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset, have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the borrower;
- A breach of contract, such as default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter into bankruptcy or other financial reorganization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

#### De-recognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.



# Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

##### Financial liabilities

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated at FVTPL are subsequently measured at amortised cost using the effective interest method.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the sum of the consideration paid and payable is recognised in profit or loss.

##### Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and reported on a net basis in the consolidated statement of financial position when a legally enforceable right to set-off such amounts exists and when the Group intends to settle on a net benefits basis or to realise the assets and settle the liabilities simultaneously.

#### Provision for employees' end-of-service benefits

The Group provides end-of-service benefits to all its expatriate employees in accordance with the Bahrain Labour Law. The entitlement to these benefits is based upon the employee's final salary and length of service. The expected costs of these benefits are accrued over the period of the employment.

For Bahraini employees, the Group makes contributions to the Social Insurance Organisation calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

#### Revenue recognition

The Group's main revenue streams consist of annual subscription fees, transaction fees and other service revenues.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a service to a customer.

Revenue from annual subscription fees and private market platform income are recognised over time as the services are provided. The amounts to be collected from subscribers at December 31 are recognised as trade receivable.

Revenue related to transaction-based fees is recognised as revenue at the point in time when the transaction takes place.

Revenue from the electronic display screen advertising, is recognised overtime as the service is provided. The Group recognizes a contract liability when the customer performs first by prepaying the performance obligation, until such time the service is provided by the Group.

#### Foreign currencies

Transactions made in currencies other than the Group's functional currency (foreign currencies) are recognised in functional currency at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the reporting date. All differences are taken in the profit or loss.

#### Contingent assets and liabilities

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

# Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leases

The Group as lessee:

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following where applicable:

- Fixed lease payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Amount expected to payable by the lessee under the residual value guarantees;
- The exercise price of the purchase option, if the lessee is reasonably certain to exercise the options; and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated amortization (over the shorter period of lease term and useful life of the underlying asset) and impairment losses.

The Group recognizes a provision when it incurs an obligation for costs to dismantle and remove a leased asset or restore the site on which it is located.

#### Government grants

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### 4.1 Critical judgements in applying accounting policies

In the process of applying the entity's accounting policies, which are described in Note 3, and due to the nature of operations, the management did not have to make judgements that may have a significant effect on the amounts recognised in the consolidated financial statements.

#### 4.2 Key sources of estimation uncertainty

##### 4.2.1 Measurement of the expected credit loss allowance

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group's management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Refer to accounting policy above and Note 7 and 9.

##### 4.2.2 Useful life of furniture and equipment

The Group's management determines the useful lives of furniture and equipment. The depreciation charge for the year will change significantly if the actual life is different from the estimated useful life of the asset.

##### 4.2.3 Incremental borrowing rate for leases

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 5. FURNITURE AND EQUIPMENT

	Fixtures BD	Furniture and equipment BD	Computers and Software BD	Vehicles BD	Total BD
<b>Cost</b>					
Balance at January 1, 2022	1,807,118	1,536,398	2,726,919	16,901	6,087,336
Additions	17,114	9,674	156,188	-	182,976
Disposal	-	(1,425)	(19)	-	(1,444)
Balance at December 31, 2022	1,824,232	1,544,647	2,883,088	16,901	6,268,868
Additions	5,005	16,422	89,573	-	111,000
Disposal	-	(13,689)	(386,477)	-	(400,166)
<b>Balance at December 31, 2023</b>	<b>1,829,237</b>	<b>1,547,380</b>	<b>2,586,184</b>	<b>16,901</b>	<b>5,979,702</b>

#### Accumulated depreciation

Balance at January 1, 2022	1,334,747	1,511,639	2,273,247	12,017	5,131,650
Charge of the year	121,119	9,224	131,631	1,380	263,354
Disposal	-	(1,422)	(9)	-	(1,431)
Balance at December 31, 2022	1,455,866	1,519,441	2,404,869	13,397	5,393,573
Charge of the year	122,033	9,898	152,783	1,380	286,094
Disposal	-	(13,654)	(385,965)	-	(399,619)
<b>Balance at December 31, 2023</b>	<b>1,577,899</b>	<b>1,515,685</b>	<b>2,171,687</b>	<b>14,777</b>	<b>5,280,048</b>

#### Carrying amounts

<b>December 31, 2023</b>	<b>251,338</b>	<b>31,695</b>	<b>414,497</b>	<b>2,124</b>	<b>699,654</b>
December 31, 2022	368,366	25,206	478,219	3,504	875,295

### 6. LEASES

#### 6.1 Right-of-use assets

The recognised right-of-use assets relating to the Group's office premises at Bahrain Financial Harbour which are leased by the Group, for a term of 5 years.

	2023 BD	2022 BD
Balance at January 1,	1,315,219	200,577
Additions and modifications - net	29,382	1,388,638
Depreciation during the year	(280,346)	(273,996)
Balance at December 31,	1,064,255	1,315,219

The following are the amounts recognised in profit and loss for the year ended December 31:

	2023 BD	2022 BD
Depreciation of right-of-use assets	(280,346)	(273,996)
Accretion of interest on lease liabilities	(69,102)	(25,159)

The total cash outflow for leases amounted to BD 310,435 (2022: BD 302,722) in relation to premises at Bahrain Financial Harbour and BD 29,940 (2022: BD 29,940) in relation to premises at Amwaj which has been classified as a short term lease. At the reporting date, none of the property leases in which the Group is the lessee, contain variable lease payment terms.

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 6. LEASES (Continued)

#### 6.2 Lease liabilities

	2023 BD	2022 BD
Balance at January 1	1,328,274	217,199
Additions and modifications - net	29,382	1,388,638
Accretion of interest	69,102	25,159
Payments	(310,435)	(302,722)
Balance at December 31,	1,116,323	1,328,274

Below is the allocation of lease liabilities as at December 31:

	2023 BD	2022 BD
Current lease liabilities	275,698	238,218
Non-current lease liabilities	840,625	1,090,056
	1,116,323	1,328,274

Below is the maturity analysis of lease liabilities as at December 31:

	2023 BD	2022 BD
Not later than 1 year	331,474	306,533
1 to 5 years	911,555	1,213,779
	1,243,029	1,520,312
Less: unearned interest	(126,706)	(192,038)
	1,116,323	1,328,274

### 7. INVESTMENTS AT AMORTISED COST

	2023 BD	2022 BD
Treasury bills (note 7.1)	1,692,369	3,763,251
Government Development Bond (note 7.2)	23,113,073	19,434,793
	24,805,442	23,198,044

	2023 BD	2022 BD
Non-current assets	23,113,073	19,434,793
Current assets	1,692,369	3,763,251
	24,805,442	23,198,044

7.1 The movement of the treasury bills is as follows:

	2023 BD	2022 BD
Balance at January 1,	3,763,251	16,341,027
Purchase of treasury bills	1,692,369	6,734,521
Proceeds from maturity of treasury bills	(3,763,251)	(19,312,297)
Balance at December 31,	1,692,369	3,763,251



## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 7. INVESTMENTS AT AMORTISED COST (Continued)

7.2 The movement of the Government Development Bond is as follows:

	2023 BD	2022 BD
Balance at January 1,	19,434,793	-
Purchase of Government Development Bond	3,678,280	19,434,793
Balance at December 31,	23,113,073	19,434,793

It represents government development bonds and Treasury bill which carry an interest rate ranging from 4.2% to 6.5% and 6.28% respectively (2022: government development bonds 4.2% to 6.2% and treasury bills 6.22%) and will mature in March 2025, October 2026, May 2027 and Jun 2027, July 2027 and December 2024. Considering that Bahrain Sovereign Debt is eligible for zero risk weighting, Amanat does not recognise a loss allowance on Government debt instruments.

### 8. CASH AND BANK BALANCES

	2023 BD	2022 BD
Cash on hand	507	661
Current accounts with banks	235,599	180,189
Call accounts with banks (note 8.1)	1,488,547	825,484
Bank Balances (note 8.2)	14,549,292	6,220,119
Terms deposits (original maturities of 3 months or less) (note 8.3)	308,983	5,222,316
Cash and cash equivalents	16,582,928	12,448,769
Term deposits (original maturities of more than 3 months)	-	1,779,066
Expected credit loss	(4,209)	(25,005)
	16,578,719	14,202,830
Term deposits (original maturities of more than 1 year) (note 8.4)	10,932,962	9,422,962
	27,511,681	23,625,792

8.1 The bank balance includes interest income amounting to 1,176,972 under call accounts (December 31, 2022: BD 691,150) earned on unclaimed dividend and annual dividend bank call accounts. Cash and cash equivalents include cash in hand, current accounts, call accounts and term deposits with original maturities of 3 months or less.

8.2 Bank balances includes:

	2023 BD	2022 BD
Bank balances relating to unclaimed dividends fund (note 28)	12,987,823	5,136,058
Bank balances relating to annual dividends fund (note 28)	1,078,790	823,064
Bank balances relating to Under distribution (unclaimed and annual dividends (note 28)	482,457	259,224
Bank balances in unclaimed and annual Dividends	222	1,773
	14,549,292	6,220,119

8.3 Following is the breakup of term deposits with maturities of 3 months or less:

	2023 BD	2022 BD
Term deposits relating to unclaimed dividends and annual dividends (original maturities of 3 months or less) (note 28)	-	4,800,000
Term deposits (original maturities of 3 months or less)	308,983	422,316
	308,983	5,222,316

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 8. CASH AND BANK BALANCES (Continued)

8.4 Following is the breakup of term deposits with maturities more than 1 year:

	2023 BD	2022 BD
Term deposits relating to unclaimed dividends and annual dividends (original maturities of more than 1 year) (note 28)	8,622,962	9,422,962
Term deposits (original maturities of more than 1 year)	2,310,000	-
	10,932,962	9,422,962

The original maturity of term deposits varies between 30 to more than 365 days and earn interest at rates ranging between 4.74% and 6.43% (December 31, 2022 between 3.75% and 5.45%) per annum. All bank accounts and term deposits are denominated in Bahrain Dinars. All bank balances are held with locally incorporated banks. Current accounts with banks are non-interest bearing.

Bank name	Credit ratings	2023		2022	
		Bank balance BD	Interest income BD	Bank balance BD	Interest income BD
Ahli United Bank	S&P BBB	18,616,632	1,195,119	14,151,074	699,414
Central Bank of Bahrain	S&P B+	1,092,711	-	576,770	-
Kuwait Finance House	Unrated	3,276,094	88,629	265,340	45,157
National Bank of Kuwait	S&P A	300,093	7,727	302,366	29,057
Bank of Bahrain and Kuwait	Fitch B+	4,203,168	329,528	7,711,100	127,896
Khaleeji Commercial Bank	Moody's B3	-	-	-	15,585
Ithmaar Bank	Unrated	88	20,929	616,969	30,888
Alsalam Bank	Unrated	14	6,034	-	8,165
National Bank of Bahrain	Fitch B+	26,583	65	26,517	-
		27,515,383	1,648,031	23,650,136	956,162

The movement of the expected credit loss on cash and bank balances is as follows:

	2023 BD	2022 BD
Balance at start of the year	25,005	27,299
Reversal of allowance for expected credit losses (note 27)	(20,796)	(2,294)
Balance at end of the year	4,209	25,005

### 9. PREPAYMENTS AND OTHER ASSETS

	2023 BD	2022 BD
Prepaid expenses	183,427	240,433
Fiduciary asset (note 19)	8,495	8,856
Accrued interest receivable	447,686	441,397
Due from employees	29,779	9,739
Tax recoverable	-	138
	669,387	700,563

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 10. TRADE RECEIVABLES

	2023 BD	2022 BD
Subscription and registration fees receivable	2,012,453	396,302
Service fees receivable	15,542	18,190
Advertisement and central registry fees receivable	138,904	69,127
AGM meeting fees receivable	10,505	2,625
Private market	240,500	241,000
Other	58,438	25,068
	2,476,342	752,312
Expected credit losses	(703,047)	(533,435)
	1,773,295	218,877

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables is estimated using a provision matrix by reference to past default experience and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written-off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following table details the risk profile of trade receivables based on the Group's provision risk matrix. As the Group's historical credit loss experience does not show significantly different loss patterns from different customers segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer bases.

	2023			2022		
	Estimated total gross carrying amount at default BD	Expected credit loss rate %	Lifetime ECL BD	Estimated total gross carrying amount at default BD	Expected credit loss rate %	Lifetime ECL BD
Aging brackets						
Not credit-impaired:						
< 30 days	1,672,743	11.56%	193,369	17,373	11.52%	2,001
31 – 60 days	48,340	18.71%	9,044	514	19.30%	99
61 – 90 days	16,270	24.51%	3,988	15,538	28.96%	4,500
91 – 180 days	31,679	32.55%	10,312	253,823	43.38%	110,107
181 – 365 days	33,253	32.55%	10,824	30,578	43.38%	13,265
> 365 days	294,362	32.55%	95,815	54,791	43.38%	23,768
	2,096,647		323,352	372,617		153,740
Credit-impaired:						
> 1 year	379,695		379,695	379,695		379,695
	2,476,342		703,047	752,312		533,435

The movement in the expected credit loss was as follows:

	Credit impaired BD	Not credit impaired (collectively assessed) BD	Total BD
Balance as at January 1, 2022	379,695	72,344	452,039
Allowance for expected credit losses (note 27)	-	81,396	81,396
Balance as at December 31, 2022	379,695	153,740	533,435
Allowance for expected credit losses (note 27)	-	169,612	169,612
Balance as at December 31, 2023	379,695	323,352	703,047

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 11. SHARE CAPITAL

The share capital of the Group consists of 10,000,000 authorised shares of BD 1 each. The share capital issued and fully paid consists of 2,000,000 shares fully owned by the Government of Bahrain.

### 12. GENERAL RESERVE

To enhance the equity base, a general reserve has been created with a resolution of the Group's Board of Directors. There has been no transfer to general reserve during the year. There is no restriction on the distribution of such reserve.

### 13. STATUTORY RESERVE

As required by the Bahrain Commercial Companies Law and the Group's Articles of Association 10% of the profit for the year is to be transferred to a statutory reserve until the reserve's balance reaches 50% of the issued share capital. The Group may resolve to discontinue such transfers when the reserve equals 50% of the issued share capital. The reserve is not available for distribution.

### 14. PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

The movement of the provision for employees' end-of-service benefits is as follows:

	2023 BD	2022 BD
Balance at January 1,	12,192	10,672
Charge for the year	2,769	1,520
Balance at December 31,	14,961	12,192

### 15. UNCLAIMED DIVIDEND PAYABLE - AMANAT

	2023 BD	2022 BD
Unclaimed cash dividends amount payable at beginning of the year	42,809,124	38,303,062
Dividends received during the year	1,445,052	450
Dividends transferred from annual dividend during the year	8,715,337	8,621,797
Dividends disbursed during the year	(6,080,897)	(4,116,185)
Unclaimed cash dividends amount payable at the year end	46,888,616	42,809,124

It represents amount received in respect of dividends which are not claimed by various shareholders of listed entities for a period more than 6 months and these amounts are deposited in separate bank accounts. Amanat manages the unclaimed cash dividends fund and its distribution to the respective shareholders when claimed. However, the amounts have no fixed repayment dates.

### 16. ANNUAL DIVIDEND PAYABLE - AMANAT

	2023 BD	2022 BD
Annual dividends amount payable at beginning of the year	830,228	1,489,423
Dividends received during the year	569,044,497	232,883,629
Dividends transferred to Unclaimed dividend during the year	(8,715,337)	(8,621,797)
Dividends disbursed during the year	(560,070,530)	(224,921,027)
Annual dividends amount payable at the year end	1,088,858	830,228

It represents the dividends which will be distributed to the entitled shareholders of listed entities within a period of 6 months from the dividend entitlement date in accordance with the applicable procedures and guidelines. Any dividend, not claimed within 6 months, will be transferred to unclaimed cash dividends fund. The annual dividend fund is maintained in a separate bank account.

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 17. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties included in the consolidated statement of profit or loss and other comprehensive income are as follows:

#### Transactions with key management personnel

Key management personnel are those having the authority and responsibility of planning and directing the Group's operations. Key management personnel include board members, chief executive officer and operation executive director. There were no trading transactions between the key management personnel and the Group during the year. The salaries and allowances paid to key management personnel during the year are as follows:

	2023 BD	2022 BD
Key management salaries	362,822	399,750
<b>Board of Directors remuneration and sitting fees:</b>		
Board of Directors sitting fees relating to Bahrain Bourse	32,100	36,300
Sitting fees relating to Disciplinary Board	3,600	-
Board of Directors remuneration relating to Bahrain Bourse	76,000	76,000
Board of Directors remuneration relating to Bahrain Clear	52,000	52,000
Board of Directors sitting fees relating to Bahrain Clear	24,700	24,700
Total	188,400	189,000

### 18. CONTRACT LIABILITIES

Unsatisfied performance obligations with respect to subscriptions received, central registry, private market platform and other fees received amounted to BD1,584,188 as at December 31, 2023 (December 31, 2022: BD 179,294).

	2023 BD	2022 BD
Balance at the beginning of the year	179,294	37,071
Received during the year	3,582,206	2,254,118
Amount recognised during the year (note 18.1)	(2,177,312)	(2,111,895)
Balance at the end of the year	1,584,188	179,294

18.1 Amount recognised as revenue in relation to subscription fees, private market place, central depository registration, trading data income and other sources of income are BD 1,582,181, BD 140,583, BD 109,315, BD 184,510 and BD 160,723 respectively during the year (2022: BD 1,614,844, BD 100,417, BD 112,937, BD 167,751 and BD 115,946 respectively).

### 19. ACCRUALS AND OTHER LIABILITIES

	2023 BD	2022 BD
Premises and maintenance accruals	164,834	282,513
Leave and air tickets payable	59,626	72,053
Board of Directors remuneration	128,000	128,000
Fiduciary liability (note 9)	8,495	8,856
Accrued staff costs	310,866	160,625
Other payables	339,344	118,346
Dividend Payable	250,000	-
	1,261,165	770,393

### 20. SUBSCRIPTION FEES

	2023 BD	2022 BD
Public shareholding companies	1,476,348	1,516,260
Bonds	37,833	36,334
Custodians	25,000	25,000
Others	43,000	37,250
	1,582,181	1,614,844

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 21. DEPOSIT AND CENTRAL DEPOSITORY REGISTRATION

Deposit and central depository registration consist of the following:

	2023 BD	2022 BD
Central depository	23,972	66,154
Central registration services	109,315	112,937
	133,287	179,091

### 22. COMMISSION INCOME

Commission fee is recognised at the point in time, and consists of the following:

	2023 BD	2022 BD
Regular commission	203,719	172,198
Commission on exempted transactions and special dealings	164,854	359,341
	368,573	531,539

### 23. INTEREST INCOME

	2023 BD	2022 BD
Interest income on term deposits	97,838	88,312
Interest income on term deposits (pertaining to unclaimed cash dividends fund)	1,228,645	406,962
Interest income on investments at amortised cost (pertaining to unclaimed cash dividends fund)	1,284,974	662,109
Interest income on bank call accounts (pertaining to unclaimed cash dividends fund)	321,548	460,888
	2,933,005	1,618,271

### 24. OTHER INCOME

	2023 BD	2022 BD
Pledge income	34,701	151,455
Penalty income	20,795	-
Advertising package	2,500	17,813
Trade-quest and hall income	40,150	33,849
Acquisition and merger income	88,000	40,000
Remote trading income	18,000	18,450
Connectivity income	14,750	12,650
Registration fees	9,780	11,750
Investor guide income	9,600	10,600
Trading system's user access	8,400	8,550
Equator user access	6,000	6,050
Corporate action	126,509	78,366
Office rent and service income	10,260	10,480
AGM organisation income	33,505	42,610
Other revenues	110,698	138,368
	533,648	580,991



## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 25. SALARIES AND STAFF COSTS

	2023 BD	2022 BD
Basic salary	1,598,087	1,576,629
Government organisation social insurance	315,668	303,778
Allowances and other staff benefits	600,964	429,367
Exceptional remuneration	-	37,052
Saving scheme	83,438	65,900
Others	82,999	44,969
	2,681,156	2,457,695

### 26. GENERAL AND ADMINISTRATIVE EXPENSES

	2023 BD	2022 BD
Premises and maintenance expenses	771,984	764,524
Service charges in relation to premises at Bahrain Financial Harbour	121,978	115,919
Conferences and subscriptions	239,536	194,495
Consumables	34,549	50,832
Rent expense in relation to premises at Amwaj	29,941	29,940
Consultation and audit fees	45,232	42,423
Others	87,940	82,384
	1,331,160	1,280,517

### 27. EXPECTED CREDIT LOSSES, NET

	2023 BD	2022 BD
Allowance for expected credit losses on trade receivables (note 10)	169,612	81,396
Reversal of allowance for expected credit losses on cash and bank balances (note 8)	(20,796)	(2,294)
	148,816	79,102

### 28. UNCLAIMED AND ANNUAL DIVIDEND FUNDS (AMANAT) ASSETS AND LIABILITIES

The Fiduciary liabilities consists of:

	2023 BD	2022 BD
Unclaimed cash dividends payable (note 15)	46,888,616	42,809,124
Annual dividends payable (note 16)	1,088,858	830,228
	47,977,474	43,639,352

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 28. UNCLAIMED AND ANNUAL DIVIDEND FUNDS (AMANAT) ASSETS AND LIABILITIES (Continued)

The assets consists of:

	2023 BD	2022 BD
Bank balances relating to unclaimed cash dividends fund (note 8.2)	12,987,823	5,136,058
Bank balances relating to annual dividends fund (note 8.2)	1,078,790	823,064
Bank balances under distribution (pertaining to unclaimed cash dividends and annual dividends) (note 8.2)	482,457	259,224
Term deposits relating to unclaimed dividends and annual dividends (original maturities of 3 months or less) (note 8.3)	-	4,800,000
Term deposits relating to unclaimed dividends and annual dividends (original maturities of more than 1 year) (note 8.4)	8,622,962	9,422,962
Total cash and bank balance	23,172,032	20,441,308
Investments at amortised cost (note 7)	24,805,442	23,198,044
	47,977,474	43,639,352

### 29. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Group's financial assets and financial liabilities are categorised at amortised cost. There were no financial instruments measured at FVTPL or FVOCI.

	2023 BD	2022 BD
<b>Financial assets:</b>		
Investments at amortised cost	24,805,442	23,198,044
Term Deposits	10,932,962	9,422,962
Trade receivables	1,773,295	218,877
Other assets	485,960	459,992
Cash and bank balances	16,578,719	14,202,830
	54,576,378	47,502,705
<b>Financial liabilities:</b>		
Lease liabilities	1,116,323	1,328,274
Trade payables	142,976	193,371
Unclaimed dividend payable – Amanat	46,888,616	42,809,124
Annual dividend payable – Amanat	1,088,858	830,228
Accruals and other liabilities	858,316	770,392
	50,095,089	45,931,389

The Group's use of financial instruments exposes it to a variety of financial risks such as market risk (such as foreign exchange risk, interest rate risk, and equity price risk), credit risk and liquidity risk. The Group continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework.

There has been no change to the Group's exposure to the above financial risks or the manner in which it manages and measures the risk.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Group's activities expose it primarily to the financial risk in changes in foreign exchange rates and interest rates:

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

There are no foreign currencies denominated monetary assets and liabilities as at the reporting dates. Accordingly, the Group is not exposed to foreign currency risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest bearing assets consist of term deposits with banks and investment in bond at fixed interest rate. Accordingly, the Group is not exposed to significant interest rate risk.

The Group does not have interest bearing liabilities as at the reporting dates.

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 29. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

#### Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at December 31, 2023, the Group maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, arises from the carrying amount of the financial assets as stated in the statement of financial position.

The Group's liquid funds are deposited with banks and financial institutions that are rated the equivalent of investment grade.

The Group has an investment in Bahrain Government Bond eligible for zero risk weighting. The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before December 31, 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Note 10 provides further details on the loss rate applied as well as the expected credit loss on trade receivables.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting commitments associated with financial liabilities. The Group manages the maturities of the Group's assets and liabilities in way to be able to maintain adequate liquidity.

The Group has unutilised bank overdraft facility of BD 854,660 (2022: BD 854,660) with local commercial bank.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities except for lease liabilities as disclosed in note 6.2. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest (if applicable) and principal cash flows.

	1 – 3 Months BD	3 Months to 1 year BD	More than 1 year BD	Total BD
<b>2023</b>				
Lease liabilities	67,518	208,180	840,625	1,116,323
Unclaimed dividend payable – Amanat	46,888,616	-	-	46,888,616
Annual dividend payable – Amanat	1,088,858	-	-	1,088,858
Trade payables and other liabilities	512,946	342,680	145,666	1,001,292
	48,557,938	550,860	986,291	50,095,089
<b>2022</b>				
Lease liabilities	56,941	181,277	1,090,056	1,328,274
Unclaimed dividend payable – Amanat	42,809,124	-	-	42,809,124
Annual dividend payable – Amanat	830,228	-	-	830,228
Trade payables and other liabilities	666,662	297,101	-	963,763
	44,362,955	478,378	1,090,056	45,931,389

## Notes to the Consolidated Financial Statements (continued)

Year Ended December 31, 2023

### 29. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (Continued)

The table below summarises the maturity of the Group's financial assets at 31 December 2023 and 2022 based on contractual undiscounted obligation:

	1 – 3 Months BD	3 Months to 1 year BD	More than 1 year BD	Total BD
<b>2023</b>				
Trade receivables	1,530,952	43,797	198,546	1,773,295
Cash and bank balances	16,578,719	-	-	16,578,719
Investments at amortised cost	-	1,692,369	23,113,073	24,805,442
Term Deposits	-	-	10,932,962	10,932,962
Other assets	485,960	-	-	485,960
	18,595,631	1,736,166	34,244,581	54,576,378
<b>2022</b>				
Trade receivables	26,825	192,052	-	218,877
Cash and bank balances	12,423,764	1,779,066	-	14,202,830
Investments at amortised cost	-	3,764,251	19,434,793	23,199,044
Term Deposits	-	6,000,000	3,422,962	9,422,962
Other assets	459,992	-	-	459,992
	12,910,581	11,735,369	22,857,755	47,503,705

#### 2022

Trade receivables	26,825	192,052	-	218,877
Cash and bank balances	12,423,764	1,779,066	-	14,202,830
Investments at amortised cost	-	3,764,251	19,434,793	23,199,044
Term Deposits	-	6,000,000	3,422,962	9,422,962
Other assets	459,992	-	-	459,992
	12,910,581	11,735,369	22,857,755	47,503,705

### 30. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying values and the fair value estimates.

There are no financial assets and liabilities measured at fair value at the reporting dates.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to their short-term nature.

### 31. CONTINGENCIES AND COMMITMENTS

	2023 BD	2022 BD
Commitments under maintenance contracts (note 31.1)	166,157	345,798
Guarantee deposits in custody	1,289,977	882,480
Guarantee bond	-	372,008
	1,456,134	1,600,286

31.1 Below is the maturity analysis of commitment under maintenance contracts:

	2023 BD	2022 BD
Not later than 1 year	166,157	209,150
1 to 5 years	-	136,648
	166,157	345,798

### 32. COMPARATIVE INFORMATION

Comparative figures for the previous year have been reclassified wherever necessary to conform with the presentation in the current year's consolidated financial statements. Such reclassification did not result in any restatement as the amounts were immaterial.