

CSDs: Bahrain - CDS (Bahrain)

Date: 05 Jan 2010

SMI Markets: Bahrain

CMIRR Markets: Bahrain

Privatisation of BSE

According to the media, the constitution decree of the Bahrain Stock Exchange (BSE) has been amended in order to privatise BSE into a profit-based trade institution.

Consequently, BSE will be registered with the Ministry of Industry and Commerce as a shareholding company and new board of directors will be formed. The new shareholding company will also replace BSE and its appropriate intellectual properties and assets.

The privatisation process of BSE is expected to be completed within 6 months.

CSD Risk Impact

Bahrain - CDS (Bahrain)

CSD Rating: BBB

CSD Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

Since BSE owns 100% of the Clearing, Settlement and Central Depository (CDS) system, the privatisation of the BSE will have an impact on the management and financial operations of CDS and allow CDS to increase its commercial services and potentially its revenues.

At this stage, the financial risk impact has been placed "On Watch" until further details are disclosed.

Market Information Impact

Bahrain

This information affects the data contained in the Stock Market and Local Market Administrative Organisations sections of the Securities Market Information Service.

Infrastructure Risk Ratings Impact

Bahrain

Market Rating: BBB

Market Flash Impact: On Watch

Impacted Risk Type: Financial Risk

Current Rating = A+

Flash Impact = On Watch

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At this stage, the financial risk impact has been placed "On Watch" until further details are disclosed.

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