

Markets Work: How Bahrain Bourse is Navigating COVID-19

Nasdaq is committed to the resiliency of the [global market](#) ecosystem during this time of unprecedented change in our industry. Our [Market Technology community](#), which includes market infrastructure organizations spanning more than 50 countries, is truly keeping markets up and running. With exchanges laying the foundation for capital formation and job growth, these organizations will continue to play a critical role in the health and recovery of local economies around the world and greater global capital markets ecosystem.



We sat down with Sheikh Khalifa bin Ebrahim Al Khalifa, CEO of [Bahrain Bourse](#), to discuss how his exchange is managing the current environment for their stakeholders, members and employees.

1. How is COVID-19 affecting your client base? Are you changing how you interact and communicate as a result?

The current global pandemic has impacted the way we operate and deliver our services. A number of precautionary measures have been implemented in line with local and international health authority directives. To ensure the health and safety of all stakeholders, Bahrain Bourse announced the temporary closure of its trading floor to the public as a preventative measure effective Thursday, March

19, and until further notice. As an alternative, we have introduced a systematic appointment service through an online booking app enabling investors to pre-book appointments.

To ensure **business continuity & operational resilience** and given the AGM period, Bahrain Clear rolled-out offering of Virtual AGM Management Service for listed companies. Further, dividend distributions, some of which were previously cheque-based due to the absence of relevant KYC and bank account information, have now been transferred to IBAN based transfers.

Furthermore, through the participating financial institutions, we have reinforced the relevance of Bahrain Trade as an online trading platform, to enable a swift and easy tool for all of their trading requirements.

2. How have your volumes changed over the first quarter?

The first quarter of 2020 witnessed a decrease of 28.8% in the value of shares traded compared to 1Q19, with a total trading value of BHD 63.58 mn. Moreover, the total volume decreased by 15.72%, reaching 290.92 mn shares, and the total number of transactions decreased by 14.29%.

The Bahrain All Share Index closed at the end of 1Q 20 at 1,350.62, recording a YTD decrease of 16.12%.

3. How are your systems impacted by the current environment?

We have a robust, resilient infrastructure in place with 3 to 4 in some systems layers of redundancy. Some of the services are stored on the cloud, enabling easier access and information retrieval.

Regular Information Security health checks are conducted frequently along with penetration tests to ensure maximum security controls are in place. I can proudly say that we did not face any failure in our systems since this outset of the current situation, nor did we face any interruption to any of our services.

The majority of our vendors and suppliers have been very supportive in the expansion of the scope of their current services above and beyond our contractual agreement. Most importantly, telecommunication service providers have also increased bandwidths to all of their respective clients at no additional cost.

4. How do you prepare for this type of situation to help ensure a resilient, operational environment?

Our IT team has enabled all network systems to be accessed remotely, allowing the majority of employees (~70%) to work safely from their homes. With continued school closures across the country, priority for working remotely has been provided to females with young children as well as employees with pre-existing health conditions.

All external and internal meetings are now held virtually, to ensure maximum precautionary measures are in place.

5. What are some of the things you're most happy to have accomplished over the first part of this year amidst a truly chaotic market environment?

A key milestone achievement is an increase in the number of listed companies interested in conducting their AGMs virtually, a concept we have been lobbying with the listed companies for quite some time. We have also seen a higher uptake in the number of companies appointing Bahrain Clear as their 'Paying Agent' for their cash dividend distribution.

In addition, last year, we have embarked on a digital transformation journey focused on revamping internal processes. This plan has been put into fast track due to the current global pandemic, forcing the majority of our internal processes to be transformed digitally.

