

Instructions for Publication of the Shareholding Companies' Financial Results' Declarations

Public shareholding companies listed on the Bahrain Bourse are required to comply with the following requirements and guidelines (as a minimum) when preparing a press release on the annual and quarterly financial results. Mainly, the companies are required to state, in the first paragraph of the press release, the quarterly results (three-month period) and the results of the current period, according to the sequence described below.

Section 1: Quarterly Results (Three-month period):

1. To disclose net profit (loss) during the current quarter and comparing it to the corresponding quarter of the previous year, with the percentage of change.
2. To disclose operating profit (loss) during the current quarter and comparing it to the corresponding quarter of the previous year, with the percentage of change.
3. To disclose sales/revenue during the current quarter and comparing it to the corresponding quarter of the previous year, with the percentage of change.
4. To disclose the earnings (loss) per share "EPS" during the current quarter and comparing it to the corresponding quarter of the previous year, with the percentage of change.
5. To state the reasons and any material information that led to the current net profit (loss) level, specifying any extra-ordinary or non-recurring reasons/activities.

Section 2: Current Period Results (six months, nine months, annual):

1. To disclose net profit (loss) during the current period and comparing it to the corresponding period of the previous year, with the percentage of change.
2. To disclose operating profit (loss) during the current period and comparing it to the corresponding period of the previous year, with the percentage of change.
3. To disclose sales/revenue during the current period and comparing it to the corresponding period of the previous year, with the percentage of change.
4. To disclose the earnings (loss) per share "EPS" during the current period and comparing it to the corresponding period of the previous year, with the percentage of change.
5. To disclose the total shareholders' equity during the current period (after excluding minority interest) and comparing it to the corresponding period of the previous year, with the percentage of change.
6. To Disclose the amount of the accumulated losses and its percentage to the capital at the end of the current period (if any).
7. To disclose the total assets during the current period and comparing it to the corresponding period of the previous year.
8. To disclose investments, loans and advances portfolio (finance & investments) and customer deposits during the current period and comparing them with the corresponding period of the previous year (**For banks only**).
9. Recommendation for distribution of interim or annual dividends (if any) (licensed companies "Banks, Investments & Insurance" shall state that the dividends are subject to CBB's approval)
10. To state the reasons and any material information that led to the current net profit (loss) level, specifying any extra-ordinary or non-recurring reasons/activities.
11. Provide any additional information the company wishes to add.

Section 3: Other important matters that shall be abided by:

1. The title of the press release shall be as follows “Company *** discloses its financial results for the first quarter/ half yearly/ nine months/ year ended ***”
2. To disclose any observation or reservation stated in the external auditor report, shall be written in the announcement as stated in the report.
3. To state that the press release and the full set financial statements are available on Bahrain Bourse’s website.
4. To state the trading code of the company as in Bahrain Bourse and other exchanges in case of dual listing.

Section 4: Important Notes:

- The net profit (loss) to be stated in the press release is the net profit attributable to the shareholders of the parent.
- Current quarter means any of the following:

First quarter: Three months ended 31 st March	Second quarter: Three months ended 30 th June
Third quarter: Three months ended 30 th September	Fourth quarter: Three months ended 31 st December

- The reported figures in the press release shall appear/stated as shown in the (reviewed/audited) financial statements
- The percentage of change is not required to be stated in case of achieving profits in the current period compared to losses for the corresponding period (and vice versa).
- Requirements no. 1 to 4 of Section 2 are irrelevant and not required when preparing the press release of the first quarter results.
- The company shall clarify and state all the reasons and material changes that effected the financial results of the company, whether positive or negative, in a clear, direct and accurate way that enables the shareholders and investors to determine the real cause of the financial results.
- With regards to “Revenue/sales” for banks and insurance companies, it means the following:
 - In Banks: Operating Income
 - In Insurance: Net written premiums
- The overall tone and style of the press release will be such that it represents and conveys the reality to the reader in easy to understanding language and should not in any way mislead him/her by emphasizing / de-emphasizing certain aspects of the financials.

Practical application for a press release as per the above requirements:

Title: Company *** discloses its financial results for the year ended 31st December 2017.

Company *** (trading code **) announces its annual financial results for current year including the financial results of fourth quarter. The company achieved a net profit (loss) during the fourth quarter of BD***, compared to BD*** during the fourth quarter of the previous year, with an increase (decrease) of **%. The company also achieved an operating profit (loss) in the fourth quarter of BD***, compared to BD***in the fourth quarter of last year, with an increase (decrease) of **%. With regards to revenue/sales, the company achieved BD*** during the fourth quarter, compared to BD***

in the fourth quarter of last year, with an increase (decrease) of **%. Earnings per shares during the fourth quarter were (BD/fils)** compared to (BD/fils)** in the fourth quarter of last year.

The increase (decrease) in the net profit (loss) for the fourth quarter in comparison to the fourth quarter of last year relates to (please state the reasons and material changes).

With regards to the annual financial results, the company achieved a net profit (loss) of BD***, compared to BD*** in the previous year, with an increase (decrease) of **%. The company also achieved an operating profit (loss) during the year of BD***, compared to BD*** of last year, with an increase (decrease) of **%. With regards to revenue/sales, the company achieved BD***, compared to BD*** in last year, with an increase (decrease) of **%. Earnings per shares were (BD/fils)** compared to BD** in last year.

The total shareholders' equity (excluding minority interests) for the year was BD*** compared to BD*** in last year, with an increase (decrease) of **%. The accumulated losses reached BD** for year end, constituting **% of the share capital (if any accumulated losses).

The total assets for the year end reached BD** compared to BD** in the previous year, with an increase (decrease) of **%. (additional comparative figures relating to the statement of financial position can be added). (*Banks are required to state the comparative items relating to investments, loans and advances (finance & investments), customer deposits*).

The board of directors has recommended a dividend of **% of the share capital, equivalent to ** fils per share to the shareholders registered at the date of the AGM.

The external auditor report has stated an observation as follows (if any).

The increase (decrease) in the net profit (loss) for the year end in comparison to of last year relates to (please state the reasons and material changes).

(State any additional information the company wishes to add).

The full set financial statements and the press release are available on Bahrain Bourse's website.