



EDBS/KH/C/35/2015
8th September 2015

The Chief Executive Officer
All Conventional Financing Companies
Manama
Kingdom of Bahrain

Dear Sir,

Annual Financial Statements and Interim Financial Statements – Directive
Encompassing New Arrangements

As you are aware, it has been the practice for financing companies to submit their draft year-end financial statements to the CBB and attend a meeting at the CBB with their external auditor prior to submission of the financial statements to the full board and the AGM.

In addition to the above, with effect from the date of this Directive, on a quarterly basis for listed companies, and on semi-annual basis for non-listed companies, starting 3rd Quarter 2015, all financing companies must also submit their draft interim financial statements to the CBB at least one week before their board meets to discuss the interim financial statements. However, the audit committee may meet at any time to discuss the interim financial statements.

The CBB shall provide financing companies with its observations and required actions prior to the board meeting date. Financing companies must also submit the new forms attached to this directive at the same time as submitting the draft interim and year-end financial statements. These new forms will be used by the CBB in its review of both the draft interim and annual financial statements starting from the 3rd Quarter 2015, where quarterly reporting applies. No meeting with the CBB will be required for the interim statements unless the CBB requests such a meeting.

Kindly be advised that the above stated directive will be incorporated in the future update to Volume 5 of the CBB Rulebook under Module BR.

Yours sincerely,

Khalid Hamad