



EDBS/KH/97/2013
12th June 2013

Chief Executive Officer
All Banks
All Financing Companies
Audit Firms
Manama - Kingdom of Bahrain

Dear Sir,

Second Consultation - Proposed Changes to Module CM concerning the Credit Grading/Classification System

The CBB issued a consultation paper on the subject matter on 19th January 2012. The industry's comments were reviewed by the CBB and as such a second version of the consultation paper was developed.

The CBB requests all banks, financing companies and audit firms to provide their comments, including 'Nil comments' on this second consultation document by 11th July, 2013. In responding to this consultation paper, a quantitative impact study form should also be filled to enable the CBB to measure the impact of the new provisioning requirements.

The proposed changes and revisions to the Module CM and the quantitative impact study form will be available after the issuance of this letter via the CBB website (www.cbb.gov.bh) under the Consultations Section.

Please submit your comments electronically to Mr. Ahmed Al Bassam, Director of Licensing & Policy and Mrs. Ebtisam Al Arrayed, Head of Policy & Central Risk at consultation@cbb.gov.bh.

Thank you for your continued cooperation.

Yours sincerely,


Khalid Hamad