



EDBS/KH/C/30/2018
24th April 2018

Chief Executive Officer
All Banks
All Audit Firms
Manama, Kingdom of Bahrain

Dear Sir,

**Consultation: Proposed Risk Management Related Modules and Proposed
Additional Requirements to an Existing Module**

As part of the CBB's objective in enhancing its regulatory framework and keeping pace with the standards set by the Financial Stability Board and Basel Committee on Banking Supervision, as appropriate, the CBB is introducing new Modules to the Rulebook Volumes 1 and 2:

1. Domestic Systematically Important Banks (Module DS) dealing with the requirements to be fulfilled by all banks with regards to identifying systemically important banks and the specific obligations under the rules for those identified as systemically important;
2. Reputational Risk Management Module (Module RR) which deals with risk management requirements for managing reputational risk;
3. Internal Capital Adequacy Assessment Process Module (Module ICAAP) dealing the key principles of the supervisory review process, risk management guidance, transparency and accountability with respect to banking risks; and
4. Stress Testing Module (Module ST) dealing with the key elements of an effective stress testing programme.

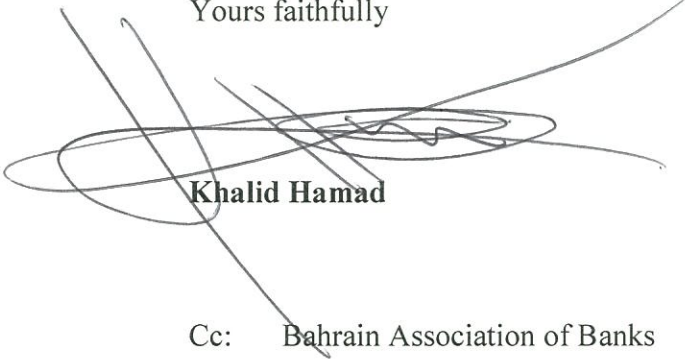
Furthermore, additional requirements are proposed to be added to the High-Level Controls Module (Module HC) introducing certain general risk management requirements under Section HC-6.6.

The proposed Modules and additional requirements shall be available on the CBB website (www.cbb.gov.bh) under the "open consultations" section.

The CBB requests all banks to provide their comments, including 'nil comments' on these proposed amendments.

Responses must be sent electronically in an editable format to “consultation@cbb.gov.bh”,
by 5th June 2018.

Yours faithfully



Khalid Hamad

Cc: Bahrain Association of Banks

