



OG/29/2023
18th January 2023

Chief Executive Officer

All Banks
Manama
Kingdom of Bahrain

Dear Sir/ Madam,

Amendments to the Credit Risk Management Module (Module CM)

As part of the CBB's objective to enhance its regulatory framework, the CBB is hereby issuing amendments to the Credit Risk Management Module (Module CM) of the CBB Rulebook – Volumes 1 and 2, which includes the deletion of Section CM-1.10 related to Provisions Against Sovereign Debt and Appendix CM-1 "Sovereign Debt Provisioning Matrix" included in Part B of the CBB Rulebook. Accordingly, all banks shall calculate Expected Credit Loss (ECL) against exposures to sovereign debt using the methodology and accounting policy under IFRS 9 and as per the requirements in Section CM-1.8 on Classification and Provisioning.

The said amendments are effective immediately and shall be part of the upcoming CBB Rulebook update and shall be available on the CBB website under the CBB Rulebook (Ad-hoc Communications) for Volumes 1 and 2.

Should you have any queries on this matter, please contact your supervisory point of contact at the CBB.

Yours faithfully,

Rasheed M. Al-Maraj
Governor

cc: Bahrain Association of Banks
External Audit Firms
Law Firms