



OG/04/2024
7th January 2024

Chief Executive Officers

All Banks
Manama
Kingdom of Bahrain

Dear Sir/Madam,

Climate-related Financial Risks

The Central Bank of Bahrain (CBB) wishes to draw your attention to the recently issued consultative document by Basel Committee on Banking Supervision (BCBS) – “Disclosure of climate-related financial risks” on 29th November 2023.

This consultation on Pillar 3 disclosure framework for climate-related financial risks forms part of BCBS's approach to addressing climate-related financial risks to the global banking system. Banks may also be aware that the BCBS had also issued “Principles for the effective management and supervision of climate-related financial risks” in June 2022. In this regard, the BCBS also issued a “Frequently asked questions on climate-related financial risks” which discusses, among other matters, issues related to impact on capital adequacy.

The documents referred to above are attached.

The CBB would also like the licensees, to whom this circular is addressed, to familiarise themselves with the standards and guidelines under development by the BCBS, which CBB will potentially tailor for potential implementation in the Kingdom of Bahrain.

The CBB encourages you to provide your comments on the BCBS consultative document directly to BCBS within the stipulated deadline, marking a copy to rulebook@cbb.gov.bh for information purposes only.

Yours faithfully,

Rasheed M. Al Maraj
Governor

cc: Bahrain Association of Banks
External Audit Firms