



EDBS/KH/C/25/2021
26th May 2021

Chief Executive Officers

All Banks
Manama
Kingdom of Bahrain

Dear Sir/ Madam,

Amendments to Domestic Systemically Important Banks (DS) Module and Internal Capital Adequacy Assessment Process (ICAAP) Module

Reference is made to CBB's circular dated 5th August 2018 (EDBS/KH/44/2018) which stated that a due date will be specified by CBB for submission of Recovery and Resolution Plans (RRPs) for the Domestic Systemically Important Banks. In this respect, CBB is issuing the following amendment to Module DS of CBB Rulebook Volumes 1 and 2:

Volume 1:

DS-2.1.2

Bahraini conventional bank licensees must engage in an annual simulation and scenario exercise to assess whether the RRP's are feasible and credible. The Board must approve any changes to RRP's resulting from such exercise. The results of such annual exercise ~~and changes required to the RRP's, if any,~~ and the RRP's must be reported submitted to the CBB ~~by the end of 4 months from financial year end~~ annually by 31st of August.

Volume 2:

DS-2.1.2

Bahraini Islamic bank licensees must engage in an annual simulation and scenario exercise to assess whether the RRP's are feasible and credible. The Board must approve any changes to RRP's resulting from such exercise. The results of such annual exercise ~~and changes required to the RRP's, if any,~~ and the RRP's must be reported submitted to the CBB ~~by the end of 4 months from financial year end~~ annually by 31st of August.

In addition, CBB is also amending Module IC of CBB Rulebook Volumes 1 and 2 to provide a deadline for submission of recovery plans by non-DSIB Bahraini bank licensees as follows:

Volume 1:

IC-1.5.14

Bahraini conventional bank licensees must submit to the CBB annually their recovery plans by 31st of August.

Volume 2:

IC-1.5.14

Bahraini Islamic bank licensees must submit to the CBB annually their recovery plans by 31st of August.

The above amendments are effective immediately and will be part of the upcoming Rulebook update. The circular will be available on the CBB website under ad-hoc communications for Volumes 1 and 2 in due course.

Yours faithfully,

Khalid Hamad Al-Hamad

cc: Bahrain Association of Banks
External Auditors