



EDBS/KH/C/9/2019  
20<sup>th</sup> January 2019

**Chief Executive Officers**  
All Locally Incorporated Banks  
Manama  
Kingdom of Bahrain

Dear Sir,

**Clarification regarding treatment of Fixed Deposits**

Recently the CBB has been approached by banks regarding the treatment of Fixed Deposits for proper categorization under Liquidity Coverage Ratio requirements issued by the CBB.

The CBB would like to clarify that the option of early withdrawal/breakage of Fixed Deposits especially in times of stress, lies at the discretion of the Bank that has issued the Fixed Deposit and not with customer. Kindly be guided accordingly.

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

Yours Sincerely,

  
**Khalid Hamad**

Cc: Bahrain Association of Banks