



EDBS/KH/C/10/2016
1st March 2016

Chief Executive Officer
All Bahraini Islamic Banks
Manama
Kingdom of Bahrain

Dear Sir,

Update of Appendix CA-8 and Amendments to Module CA: Bahrain Sovereign and Government Entities Eligible for Zero Risk Weighting

Please take note that the CBB has updated Appendix CA-8, and amended the Capital Adequacy Module, specifically CA-4.2.4 "Claims on Non-central Government Public Sector Entities (PSEs)", with regard to the list of Bahrain Sovereign and Government Entities Eligible for Zero Risk Weighting, for capital adequacy purposes.

The amended Module CA and the updated Appendix-8 are effective immediately.

The CBB Rulebook will be amended to include the above-stated amendments in the April 2016 CBB Rulebook update.

Yours faithfully,


Khalid Hamad



MODULE	CA:	Capital Adequacy
CHAPTER	CA-4:	Credit Risk – The Standardized Approach

Claims on Non-central Government Public Sectors Entities (PSEs)

CA-4.2.4

Any claims on Bahraini PSEs listed in Appendix CA-8 are treated as claims on the government of Bahrain and are eligible for 0% risk weighting.

CA-4.2.4A

In addition to the Bahraini PSEs listed in Appendix CA-8, existing exposures to the following entities which have been removed from the list of PSEs as of 1st March 2016, will be grandfathered and will remain eligible for 0% risk weighting until the final maturity or sale of such exposure:

- (a) Durrat Khaleej Al Bahrain Company;
- (b) Hawar Island Development Company;
- (c) Lulu Tourism Company; and
- (d) Al Awali Real Estate Company.

CA-4.2.4B

Any new claims to the entities listed under Paragraph CA-4.2.4A are subject to the normal risk weights as outlined in this Section.



Supplementary Information
Appendix CA-8
Bahrain Sovereign and Public
Sector Entities Eligible for
Zero Risk Weighting



APPENDIX CA-8

BAHRAIN SOVEREIGN AND PUBLIC SECTOR ENTITIES ELIGIBLE FOR ZERO RISK WEIGHTING

1. The Royal Court
2. Ministries and Government Entities
3. The Public Prosecution
4. The Central Bank of Bahrain
5. Government-Owned Companies:
 - (i) Eskan Bank
 - (ii) Bahrain Bourse
 - (iii) Bahrain Development Bank
 - (iv) Bahrain Mumtalakat Holding Company and its majority owned companies listed below:
 - a. Aluminum Bahrain B.S.C. (ALBA)
 - b. Atbahrain B.S.C.
 - c. Bahrain Airport Company B.S.C.
 - d. Bahrain Flour Mills Company B.S.C.
 - e. Bahrain International Circuit Company S.P.C
 - f. Bahrain Real Estate Investment Company (Edamah) B.S.C
 - g. General Poultry Company B.S.C.
 - h. Gulf Air Holding B.S.C.
 - i. Gulf Air B.S.C.
 - j. Gulf Aviation Academy B.S.C.
 - k. Southern Tourism Company B.S.C.
 - l. Southern Area Development Company B.S.C.



- (v) Noga Holding Company and its majority owned companies listed below:
- a. Bahrain Petroleum Company
 - b. Bahrain Aviation Fuelling Co
 - c. Bahrain National Gas Co
 - d. Bahrain National Gas Expansion Co
 - e. Bahrain Lube Base Oil Co
 - f. Tatweer Petroleum