



CAPITAL ADEQUACY MODULE

Capital Adequacy TOC

 Central Bank of Bahrain Rulebook	Volume 1: Conventional Banks
MODULE:	CA (Capital Adequacy Module)
Table of Contents	

PART 1: Definition of Capital

**Date Last
Changed**

CA-A Introduction

CA-A.1	Purpose	01/2015
CA-A.2	Module History	07/2019
CA-A.3	[This Section was deleted in January 2015]	
CA-A.4	[This Section was deleted in January 2015]	
CA-A.5	[This Section was moved to CA-A.2 in January 2015]	

CA-B Scope of Application and Transitional Rules

CA-B.1	Scope	01/2015
CA-B.2	Transitional Arrangements	07/2015

CA-1 General Requirements

CA-1.1	Capital Adequacy Ratio(Definition & Methodology)	01/2015
CA-1.2	Reporting	01/2015
CA-1.3	Review of Prudential Information Returns	04/2015
CA-1.4	[This Section was moved to CA-1.2 in January 2015]	
CA-1.5	[This Section was moved to CA-1.3 in January 2015]	

CA-2 Regulatory Capital

CA-2.1	Regulatory Capital	01/2016
CA-2.2	Limits and Minima on the Use of Different Forms of Capital	01/2015
CA-2.3	Minority Interest Held by Third Parties in Consolidated Banking Subsidiaries	04/2015
CA-2.4	Regulatory Adjustments (Solo & Consolidated)	07/2015

CA-2A Capital Conservation Buffer (CCB)

CA-2A.1	Capital Conservation Best Practice	01/2015
CA-2A.2	The CCB Requirement	01/2015
CA-2A.3	Implementation Date	04/2015

CA-2B Countercyclical Buffer (to be released in due course)

PART 2: Credit Risk

CA-3 Credit Risk – The Standardised Approach

CA-3.1	Overview	01/2015
CA-3.2	Segregation of Claims	07/2019
CA-3.3	Off-balance Sheet Items	01/2015
CA-3.4	External Credit Assessments	

	Central Bank of Bahrain Rulebook	Volume 1: Conventional Banks
MODULE:	CA (Capital Adequacy Module)	
Table of Contents		

MODULE:	CA (Capital Adequacy Module)
Table of Contents	

**Date Last
Changed**

CA-4 Credit Risk – The Standardised Approach – Credit Risk Mitigation

CA-4.1	Overarching Issues	01/2015
CA-4.2	Overview of Credit Risk Mitigation Techniques	01/2015
CA-4.3	Collateral	01/2015
CA-4.4	On-balance Sheet Netting	01/2015
CA-4.5	Guarantees and Credit Derivatives	01/2015
CA-4.6	Maturity Mismatches	01/2015
CA-4.7	Other Items Related to the Treatment of CRM Techniques	01/2015

CA-5 Credit Risk – The Internal Ratings-Based Approach [This Chapter was deleted in January 2015]

CA-6 Credit Risk – Securitisation Framework

CA-6.1	Scope and Definitions of Transactions Covered under the Securitisation Framework	01/2015
CA-6.2	Definitions and General Terminology	01/2015
CA-6.3	Operational Requirements for the Recognition of Risk Transference	01/2015
CA-6.4	Treatment of Securitisation Exposures	01/2015

PART 3: Other Risks

CA-7 Operational Risk

CA-7.1	The Measurement Methodologies	01/2015
--------	-------------------------------	---------

CA-8 Market Risk – Trading Book

CA-8.1	Definition of the Trading Book	01/2015
CA-8.2	[This Section has been moved to Chapter CA-16 in January 2012]	01/2012
CA-8.3	Treatment of Counterparty Credit Risk in the Trading Book	01/2015

 Central Bank of Bahrain Rulebook	Volume 1: Conventional Banks
MODULE:	CA (Capital Adequacy Module)
Table of Contents	

		Date Last Changed
CA-9 Market Risk – Interest Rate Risk – (STA)		
CA-9.1	Introduction	01/2015
CA-9.2	Specific Risk Calculation	01/2015
CA-9.3	General Market Risk Calculation	01/2015
CA-9.4	Maturity Method	01/2015
CA-9.5	Duration Method	01/2015
CA-9.6	Derivatives	01/2015
CA-9.7	Calculation of Derivative Positions	01/2015
CA-9.8	Netting of Derivative Positions	01/2015
CA-9.9	Calculation of Capital Charge for Derivatives	01/2015
CA-10 Market Risk – Equity Position Risk - Standardised Approach		
CA-10.1	Introduction	01/2015
CA-10.2	Calculation of Equity Positions	01/2015
CA-10.3	Specific Risk Calculation	01/2015
CA-10.4	General Risk Calculation	01/2015
CA-10.5	Equity Derivatives	01/2015
CA-11 Market Risk - Foreign Exchange Risk - Standardised Approach		
CA-11.1	Introduction	01/2015
CA-11.2	De Minimis Exemptions	01/2015
CA-11.3	Calculation of Net Open Positions	01/2015
CA-11.4	Calculation of the Overall Net Open Positions	01/2015
CA-11.5	Calculation of the Capital Charge	01/2015
CA-12 Market Risks - Commodities Risk - Standardised Approach		
CA-12.1	Introduction	01/2015
CA-12.2	Calculation of Commodities Positions	01/2015
CA-12.3	Maturity Ladder Approach	01/2015
CA-12.4	Simplified Approach	01/2015



MODULE:	CA (Capital Adequacy Module)
Table of Contents	

**Date Last
Changed**

CA-13 Market Risk - Treatment of Options - Standardised Approach

CA-13.1	Introduction	01/2015
CA-13.2	Simplified Approach (Carve-out)	01/2015
CA-13.3	Delta-plus Method (Buffer Approach)	01/2015
CA-13.4	Scenario Approach	01/2015

CA-14 Market Risk - Use of Internal Models

CA-14.1	Introduction	01/2015
CA-14.2	General Criteria	01/2015
CA-14.3	Qualitative Standards	01/2015
CA-14.4	Specification of Market Risk Factors	01/2012
CA-14.5	Quantitative Standards	01/2012
CA-14.6	Backtesting	01/2012
CA-14.7	Stress Testing	01/2015
CA-14.8	External Validation of Models	01/2015
CA-14.9	Letter of Model Recognition	01/2015
CA-14.10	Combination of Internal Models and the Standardised Methodology	01/2015
CA-14.11	Treatment of Specific Risk	01/2012
CA-14.12	Model Validation Standards	01/2015
CA-14.13	Principles for Calculating the IRC [This Section was deleted in January 2015]	01/2015

CA-15 Leverage Ratio and Gearing Requirements

CA-15.1	Rationale and Objective	10/2018
CA-15.2	Definition, Calculation and Scope of the Leverage Ratio	10/2018
CA-15.3	Exposure Measure	10/2018
CA-15.4	Additional Detail for Computation Purposes	10/2018
CA-15.5	Effective Date and Transitional Arrangements	10/2018
CA-15.6	Additional Requirements	10/2018
CA-15.7	Gearing	10/2018

CA-16 Prudent Valuation Guidance

CA-16.1	Prudent Valuation Guidance	01/2015
---------	----------------------------	---------

MODULE:	CA (Capital Adequacy Module)
Table of Contents	

	Date Last Changed
Appendix CA-1: Minority interest illustrative example	01/2015
Appendix CA-2: Treatment of Counterparty Credit Risk and Cross-product Netting	01/2015
Appendix CA-3: The 15% of common equity limit on specified items	01/2015
Appendix CA-4: Capital Treatment for Failed Trades and Non-DvP Transactions	01/2015
Appendix CA-5: Overview of Methodologies for the Capital Treatment of Transactions Secured by Financial Collateral under the Standardised and IRB Approaches	01/2015
Appendix CA-6: Illustrative IRB Risk Weights	01/2015
Appendix CA-7: Supervisory Slotting Criteria for Specialised Lending	01/2015
Appendix CA-8: Illustrative Examples: Calculating the Effect of Credit Risk Mitigation under the Supervisory Formula	01/2015
Appendix CA-9: Mapping of Business Lines	01/2015
Appendix CA-10: Operational Risk – Example of Calculation of Capital Charge	01/2008
Appendix CA-11: Worked Example of Maturity Method of Calculating General Interest Rate Risk	06/2004
Appendix CA-12: Worked Example of Duration Method of Calculating General Interest Rate Risk	06/2004
Appendix CA-13: Worked Example of Maturity Ladder Approach for Calculating Commodities Risk	06/2004
Appendix CA-14: Worked Example of Delta-Plus Method of Calculating Options Risk	06/2004
Appendix CA-15: Supervisory Framework for the Use of Backtesting in Conjunction with the Internal Models Approach to Market Risk Capital Requirements	01/2008
Appendix CA-16: Table for Mapping Notations of Eligible ECAIs	04/2008
Appendix CA-17: Calculation of Risk Weighted Amount of an Investment Subject to Fair Value Treatment	01/2008
Appendix CA-18: Bahrain Sovereign and Public Sector Entities Eligible for 0% Risk Weighting	07/2014
Appendix CA-19: Stress Testing Guidance for the Correlation Trading Portfolio	01/2012
Appendix CA-20: Supplementary Schedules to Calculate Capital Charges under the Standardised Approach	04/2015
Appendix CA-21: Investments in Commercial Entities	04/2015
Appendix CA-22: Comprehensive Example of Deductions	01/2015
Appendix CA-23: Comprehensive Example of Deductions and T2 2% Cap	01/2015