



CAPITAL ADEQUACY MODULE



| | |
|--------------------------|-------------------------------------|
| 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 | 01/2022 |
| CA-A.3 | [This Section was deleted in January 2015] | |
| CA-A.4 | [This Section was moved to CA-A.2 in January 2015] | |

CA-B Scope of Application and Transitional Rules

| | | |
|--------|---------------------------|---------|
| CA-B.1 | Scope | 07/2017 |
| CA-B.2 | Transitional Arrangements | 07/2015 |

CA-1 General Requirements

| | | |
|--------|--|---------|
| CA-1.1 | Capital Adequacy Ratio | 01/2022 |
| 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 | 01/2015 |
| 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 | 01/2015 |
| CA-2.4 | Regulatory Adjustments | 07/2015 |

CA-2A Capital Conservation Buffer

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

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



| | |
|--------------------------|-------------------------------------|
| MODULE: | CA (Capital Adequacy Module) |
| Table of Contents | |

PART 2: Credit Risk


**Date Last
Changed**

CA-3 The Banking Book - Minimum Capital Requirements for Islamic Financing & Investment Assets

| | | |
|---------|--|---------|
| CA-3.1 | Background | 01/2015 |
| CA-3.2 | Murabahah and Murabahah for Purchase Orderer | 01/2015 |
| CA-3.3 | Salam and Parallel Salam | 01/2015 |
| CA-3.4 | Istisna'a and Parallel Istisna'a | 01/2015 |
| CA-3.5 | Ijarah and Ijarah Muntahia Bittamleek | 01/2015 |
| CA-3.6 | Musharakah and Diminishing Musharakah | 01/2015 |
| CA-3.7 | Mudarabah | 01/2015 |
| CA-3.8 | Sukuk [This Section was moved to CA-8 in January 2015] | 01/2015 |
| CA-3.9 | Qard | 01/2015 |
| CA-3.10 | Wakalah | 01/2015 |
| CA-3.11 | Commodity Murabaha Transactions (CMT) | 01/2015 |

CA-4 Credit Risk – The Standardised Approach

| | | |
|--------|--|---------|
| CA-4.1 | Introduction | 01/2015 |
| CA-4.2 | Segregation of Claims | 07/2019 |
| CA-4.3 | Supervisory Slotting Criteria [This Section was deleted in January 2015] | 01/2015 |
| CA-4.4 | Simple Risk Weight Method | 01/2015 |
| CA-4.5 | Risk Weighting – Off-balance Sheet Items | 01/2015 |
| CA-4.6 | External Credit Assessments | 01/2015 |
| CA-4.7 | Credit Risk Mitigation | 01/2015 |
| CA-4.8 | Exposures in Investments Made under Profit-Sharing Modes | 01/2015 |

| | |
|---|-------------------------------------|
|  Central Bank of Bahrain Rulebook | Volume 2: Islamic Banks |
| MODULE: | CA (Capital Adequacy Module) |
| Table of Contents | |

**Date Last
Changed**

PART 3: Other Risks

CA-5 Market Risk

| | | |
|--------|---------------------------------|---------|
| CA-5.1 | Trading Book | 01/2015 |
| CA-5.2 | Price Risk | 01/2015 |
| CA-5.3 | Equity Position Risk | 01/2015 |
| CA-5.4 | Sukuk | 01/2015 |
| CA-5.5 | Foreign Exchange Risk | 10/2015 |
| CA-5.6 | Commodities and Inventory Risks | 01/2015 |

CA-6 Operational Risk

| | | |
|--------|--------------------------------|---------|
| CA-6.1 | Definition of Operational Risk | 01/2015 |
| CA-6.2 | The Measurement Methodologies | 07/2015 |

CA-7 Profit Sharing Investment Accounts [This Chapter was deleted in January 2015]

CA-8 Sukuk and Securitisation


| | | |
|--------|--|---------|
| CA-8.1 | Introduction | 01/2015 |
| CA-8.2 | Features of Securitisation in Sukuk | 01/2015 |
| CA-8.3 | Capital Requirements for Holdings of Sukuk | 01/2015 |
| CA-8.4 | Capital Requirements where the Bank is the Originator, Issuer or Credit Enhancement Provider | 01/2015 |

CA-9 Real Estate Activities

| | | |
|--------|--|---------|
| CA-9.1 | Current Regulatory Environment of Real Estate Activities | 07/2019 |
|--------|--|---------|

CA-10 Leverage Ratio Requirements

| | | |
|---------|---|---------|
| CA-10.1 | Rationale and Objective | 10/2018 |
| CA-10.2 | Definition, Calculation and Scope of the Leverage Ratio | 10/2018 |
| CA-10.3 | Exposure Measure | 10/2018 |
| CA-10.4 | Additional Supervisory Guidance | 10/2018 |
| CA-10.5 | Transitional Arrangements | 10/2018 |

| | |
|---|-------------------------------------|
|  Central Bank of Bahrain Rulebook | Volume 2: Islamic Banks |
| MODULE: | CA (Capital Adequacy Module) |
| Table of Contents | |

**Date Last
Changed**

Appendices

| | |
|--|---------|
| 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: Supervisory Slotting Criteria for Istisna in Project Finance and Musharakah in a Business Venture | 01/2015 |
| Appendix CA-6: Supervisory Slotting Criteria For Diminishing Musharakah in Real Estate | 01/2015 |
| Appendix CA-7: Table for Mapping Notations of ECAIs | 01/2015 |
| Appendix CA-8: Bahrain Sovereign and Public Sector Entities Eligible for 0% Risk Weighting | 07/2014 |
| Appendix CA-9: Supplementary Schedules to Calculate Capital Charges under Standardised Approach (Moved from Appendix BR-5) | 04/2015 |
| Appendix CA-10: Investments in Commercial Entities | 04/2015 |
| Appendix CA-11: Comprehensive Example of Deductions | 01/2015 |
| Appendix CA-12: Comprehensive Example of Deductions of T2 2% Cap | 01/2015 |
| Appendix CA-13: Worked Example of Maturity Ladder Approach For Calculating Commodities Risk | 01/2015 |
| Appendix CA-14: Mapping of Business Lines | 01/2015 |