



EDBS/KH/0342/2011
21st August, 2011

Chief Executive Officer
All Locally Incorporated
Manama
Kingdom of Bahrain

Dear Sir,

Re: Request for Information on Disclosures related to Corporate Governance

Reference is made to Rule HC A.1.8 under Chapter HC-A of the CBB's Rulebook Module on High Level Controls (V.1&2) which mandates that locally incorporated banks must disclose their non-compliance with the requirements of Module HC in their annual reports. Furthermore, under Chapter HC-8 on 'Corporate Governance Disclosure' in the HC Module, banks are required to disclose their corporate governance arrangements including the justification for their non-compliance with the requirements (Guidance) of Module HC as part of their public disclosure requirements.

In this regard and with the objective of bringing consistency as well as clarity in public disclosures pertaining to banks non-compliance with the requirements (Guidance) of Module HC of the CBB Rulebook, all locally incorporated banks are required to submit to the CBB the mechanism/procedures for making such disclosures including the proposed wording of these disclosures by October 31, 2011 at the latest. The CBB, subsequently, will discuss with each bank, the quality and the contents of such disclosures, prior to their publication in the 2011 annual report of the respective banks. Should the licensees require any further clarification on the above subject matter, they may contact the undersigned.

Yours faithfully,


Khalid Hamad