



EDBS/KH/C/5/2019  
20<sup>th</sup> January 2019

**Chief Executive Officers**  
Microfinance Institutions  
Manama  
Kingdom of Bahrain

Dear Sir,

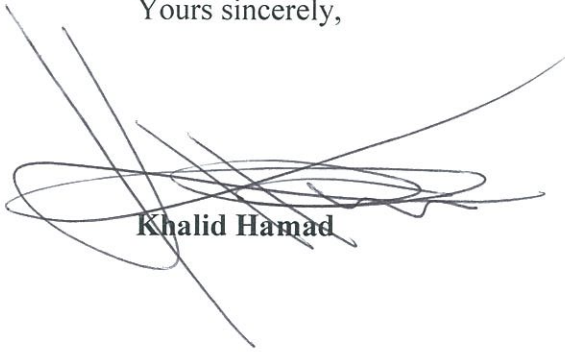
**RE: Revised Module CA: Capital Adequacy and Liquidity Requirements**

Based on the industry feedback on the existing CBB's requirements pertaining to leverage ratio incorporated in Module CA "Capital Adequacy and Liquidity Requirements Module", it was decided to remove the leverage ratio requirement and replace it with Capital Adequacy Ratio (CAR) which is a 'risk weighted assets' based capital. The CBB has also assessed the impact of this rule changes on the industry.

The revised Module CA attached, herewith, now reflects the new Capital Adequacy Ratio (CAR) requirements, which come into effect from 31<sup>st</sup> March 2019.

Should you have any further queries on this matter, please contact your normal Supervisory Point of Contact (SPoC) at the CBB.

Yours sincerely,



**Khalid Hamad**