

RESERVE BANK OF INDIA

RBI/2018-19/225 DBR.BP.BC.No.49/21.06.201/2018-19

June 28, 2019

All Scheduled Commercial Banks (excluding RRBs, LABs, Payments Banks and Small Finance Banks)

Dear Sir/Madam.

## Basel III Capital Regulations-Implementation of Leverage Ratio

Please refer to 'Part E: Leverage Ratio Framework' of the Master Circular- Basel III Capital Regulations, <u>DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015</u>.

- 2. As announced in the <u>Statement on Developmental and Regulatory Policies</u> issued with the <u>Second Bi-Monthly Monetary Policy Statement 2019-20 on June 6, 2019</u>, it has been decided that the minimum Leverage Ratio shall be 4% for Domestic Systemically Important Banks (DSIBs) and 3.5% for other banks.
- 3. Both the capital measure and the exposure measure along with Leverage Ratio are to be disclosed on a quarter-end basis. However, banks must meet the minimum Leverage Ratio requirement at all times.
- 4. These guidelines shall be effective from the quarter commencing October 1, 2019.

Yours faithfully,

(Saurav Sinha) Chief General Manager-in-Charge