



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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April 27, 2026

Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fourth Amendment Directions, 2026

Please refer to [Reserve Bank of India \(Commercial Banks - Prudential Norms on Capital Adequacy\) Directions, 2025](#) (hereinafter referred to as 'the Directions').

2. Consequent to the issuance of [Reserve Bank of India \(Commercial Banks-Asset Classification, Provisioning and Income Recognition\) Directions, 2026](#) and in exercise of the powers conferred by the section 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions shall amend the Directions as specified below:

(1) Paragraph 31A shall be inserted as below:

“Stage 1 / 2/ 3’ shall have the same meaning as defined in the [Reserve Bank of India \(Commercial Banks - Asset Classification, Provisioning and Income Recognition\) Directions, 2026](#).”

(2) Paragraph 21(i)(a) shall be modified as below:

“Provisions or loan-loss reserves held against future, presently unidentified losses, which are freely available to meet losses which subsequently materialise, shall qualify for inclusion within Tier 2 capital. Accordingly, general provisions on standard assets (i.e Stage 1 or Stage 2 assets), and any excess provisions which arise on account of sale of NPAs shall qualify for inclusion in Tier 2 capital. However, these items together shall be admitted as Tier 2 capital up to a maximum of 1.25 per cent of the total credit RWAs under the standardised approach.

विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, 12वीं/ 13वीं मंज़िल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001

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हिंदी आसान हैं, इसका प्रयोग बड़ाइए

Note - A bank may either net off floating provisions from Gross NPAs to arrive at Net NPA or reckon it as part of its Tier 2 capital.”

(3) Paragraph 21(i)(c) shall be modified as below:

“Provisions ascribed to identified deterioration of particular assets or loan liabilities, whether individual or grouped shall be excluded. Accordingly, for instance, specific provisions on NPAs/Stage 3 exposures, both at individual account or at portfolio level, provisions in lieu of diminution in the fair value of assets in the case of restructured advances, provisions against depreciation in the value of investments shall be excluded;”

(4) Paragraph 130 (2) shall stand deleted.

(5) Note to Paragraph 223 shall stand deleted.

4. The above amendments shall come into force from April 01, 2027.

(Vaibhav Chaturvedi)
Chief General Manager