



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

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RBI/2019-20/59

DBR.No.BP.BC.17/21.06.001/2019-20

September 12, 2019

All Scheduled Commercial Banks
All Local Area Banks
All Small Finance Banks
All Regional Rural Banks

Dear Sir/Madam,

Risk Weight for Consumer Credit except credit card receivables

Please refer to paragraph 6 of the [Statement on Developmental and Regulatory Policies dated August 7, 2019](#) on 'Reduction in risk weight for consumer credit except credit card receivables' (extract enclosed).

2. As per extant instructions, consumer credit, including personal loans and credit card receivables but excluding educational loans, attracts a higher risk weight of 125 per cent or higher, if warranted by the external rating of the counterparty.

3. On a review, it has been decided to reduce the risk weight for consumer credit, including personal loans, but excluding credit card receivables, to 100%. Other stipulations remain the same.

Yours faithfully,

(Saurav Sinha)
Chief General Manager-in-Charge

बैंकिंग विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, मुंबई 400001

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हिंदी आसान है, इसका प्रयोग बढ़ाएँ

Extract from Statement on Developmental and Regulatory Policies dated August 07, 2019

6. Reduction in risk weight for consumer credit except credit card receivables

Under the standardised approach for Credit Risk Management, consumer credit, including personal loans and credit card receivables attract a higher risk weight of 125 per cent or higher, if warranted by the external rating of the counterparty. On a review, it has been decided to reduce the risk weight for consumer credit, including personal loans, but excluding credit card receivables, to 100%.

Guidelines in this regard would be issued by the end of August 2019.