प्रेस प्रकाशनी PRESS RELEASE

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Domestic Systemically Important Bank (D-SIB) Framework - Review of the Assessment Methodology

The Reserve Bank had issued the framework for dealing with Domestic Systemically Important Banks (D-SIBs) on July 22, 2014. In terms of this framework, the Bank is required to identify and disclose the names of banks designated as D-SIBs annually. Further, in terms of the framework, the assessment methodology, for assessing the systemic importance of banks and identification of the D-SIBs, is required to be reviewed on a periodic basis. Accordingly, a review of the assessment methodology has been carried out, taking into consideration the functioning of the framework since its introduction, international developments in the field of systemic risk measurement, and the experience of other countries in implementing the D-SIB framework. Based on the review, while there is no change in the selected indicators or their respective weights, the Bank has decided to effect the following revisions to the methodology:

(a) '**Payments' sub-indicator under 'Substitutability' indicator**: The data requirement under this sub-indicator stands revised from "Payments made in INR using RTGS and NEFT systems" to:

- Total value of Digital Payments made in INR (75 per cent weightage)
- Total volume of Digital Payments made in INR (25 per cent weightage)

Explanation: Digital Payments include all Payments other than Paper-based Instruments.

(b) **Timeline for annual assessment and disclosures**: The computation of systemic importance scores, based on the end-March data of all the banks in the sample, will be performed annually in the months of August-October, and names of the banks classified as D-SIBs will be disclosed in the month of November every year. Accordingly, banks will be required to be in readiness to submit the required data to RBI by August 15 of each year.

(c) **Other modifications in the data requirements -** The major revisions in this regard include:

(i) For 'Total Marketable Securities issued by the bank' under Interconnectedness indicator - The value of securities reported under this head shall be based on their *market value*.

(ii) For 'Securities in Held for Trading (HFT) and Available for Sale (AFS) categories[1]' under Complexity indicator - The subset of securities held in these categories that meet the definition of *Level 1 and Level 2 assets* (with applicable haircuts), as defined in the Basel III liquidity coverage ratio (LCR) guidelines[2], shall be deducted.

(iii) For Securities Financing Transactions (SFTs) and Over-the-counter (OTC) derivatives reported within Intra-Financial Assets and Intra-Financial Liabilities under Interconnectedness indicator - Where effective bilateral netting contracts as specified in the Basel III Capital Adequacy guidelines[3] are in place, banks may report such transactions on a net basis.

2. Detailed guidelines as per the revised methodology will be shared in the Guidance Note and Excel Sheet provided to banks included in the annual assessment each year.

3. The revised methodology is applicable starting from the assessment exercise for 2024.

Yogesh Dayal
Chief General Manager

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[1] For D-SIB exercise using data from March 31, 2025 onwards, Securities in Fair Value Through Profit and Loss (FVTPL) and Available for Sale (AFS) categories will be included under this head.

[2] RBI Circular DBOD.BP.BC.No.120/21.04.098/2013-14 dated June 9, 2014 titled 'Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR), Liquidity Risk Monitoring Tools and LCR Disclosure Standards' as amended from time to time.

[3] RBI Master Circular DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023 titled 'Basel III Capital Regulations' as amended from time to time.