



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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

The Reserve Bank had issued the [Reserve Bank of India \(Commercial Banks – Prudential Norms on Capital Adequacy\) Directions, 2025](#) (hereinafter referred as the ‘Master Direction’), on November 28, 2025, as amended from time to time. Based on a review, it is proposed to amend the provision relating to inclusion of quarterly profits in Common Equity Tier 1 (CET1) capital by a Commercial Bank.

2. Accordingly, in exercise of the powers conferred by Section 35A of the Banking Regulation Act, 1949 and all other provisions / laws enabling the Reserve Bank of India 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. These instructions shall be called the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Fifth Amendment Directions, 2026.

4. These Directions shall come into force with immediate effect.

5. These Amendment Directions modify the Master Direction as under:

Paragraph 12(x) shall be replaced by:

“(x) A bank may reckon the profits in current financial year for CRAR calculation on a quarterly basis subject to the following conditions:

(a) The financial statements shall be audited or subjected to limited review on a quarterly basis; and

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(b) The amount which can be reckoned shall be arrived at by using the following formula:

$$\underline{EP_t = NP_t - 0.25 * D * t}$$

Where:

EP_t = Eligible profit up to quarter 't' of the current financial year, t varies from 1 to 4

NP_t = Net profit up to quarter 't'

D = average dividend paid during the last three financial years

The cumulative net loss up to the quarter end shall be fully deducted while calculating CET1 capital for the relevant quarter.”

Yours faithfully,

(Sunil T S Nair)

Chief General Manager