Reserve Bank Of India (Commercial Banks – Prudential Norms On Capital Adequacy) Seventh Amendment Directions, 2026

The RBI has issued the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Seventh Amendment Directions, 2026, revising the Pillar 3 disclosure framework to improve alignment with Basel requirements and enhance transparency and comparability of banks' capital and risk disclosures. Similar amendments are introduced for Small Finance Banks.

Key aspects:

- Applicability at the top consolidated banking-group level; standalone disclosure is also required where the bank is not the top consolidated entity.
- Applicable to all banks, including unlisted banks.
- Revised Basel-style templates covering capital, RWA, leverage, liquidity, credit risk, securitisation and regulatory consolidation.
- Mandatory Board-approved disclosure policy, financial-reporting-level internal controls and written senior officer attestation.
- Dedicated Regulatory Disclosure Section on the bank's website, prominently linked from the homepage, with a five-year archive.
- Prescribed quarterly, semi-annual and annual disclosure frequencies.
- Publication permitted within seven working days of financial results up to March 31, 2029; concurrent publication required thereafter.
- Material or confidential information may be omitted only with appropriate explanation.
- Quantitative disclosures must be supported by narrative commentary explaining significant movements.

The new reporting also creates defined linkages between templates, such as capital metrics, Risk Weighted Assets ('RWA'), LCR and NSFR, improving consistency across disclosures. The qualitative shift is from largely compliance-oriented disclosure to a more standardised, comparable and control-driven Pillar 3 framework. Banks must now provide clearer explanations of risks and movements, reconcile accounting and regulatory data, maintain stronger Board-approved controls, and support disclosures through senior-level attestation. **T**he circular raises Pillar 3 reporting closer to financial-reporting discipline. The key challenge will be data lineage, reconciliation, consistency across templates and evidence supporting management commentary

The Directions take effect from April 1, 2027, with the first quarterly, half-yearly and annual disclosures due for June 30, 2027, September 30, 2027 and March 31, 2028, respectively.

Kindly refer the following for the details- Prudential Norms on Capital Adequacy