



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

RBI has issued the Fifth Amendment Directions, 2026 to amend the Commercial Banks – Prudential Norms on Capital Adequacy Directions, 2025. 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. The amendment will be effective from May 18, 2026.

Accordingly, Paragraph 12(x) shall be replaced by 'A bank may reckon the profits in current financial year for CRAR calculation on a quarterly basis subject to the following conditions':

- i. The financial statements shall be audited or subjected to limited review on a quarterly basis
- ii. The amount which can be reckoned shall be arrived at by using the following formula:

Eligible profit up to quarter = Net profit up to quarter – (0.25* average dividend paid during the last three financial years * 1/2/3/4 (depending on quarter ending on June, September, December or March)

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

Similar amendments are made by RBI for Small Finance Banks and Payment Banks on the same date with same effective date.

Kindly refer to the link for further details - [DOR.CAP.REC.No.68/21.01.002/2026-27](https://www.rbi.org.in/press/2026/05/DOR.CAP.REC.No.68/21.01.002/2026-27)