



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-19-2014
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**Regulatory Capital Rules:
Regulatory Capital, Enhanced Supplementary Leverage Ratio Standards for Certain Bank Holding Companies and their Subsidiary Insured Depository Institutions**

Summary: The federal banking agencies have issued the attached joint final rule that strengthens the leverage requirements applicable to the largest, most systemically important banking organizations and their subsidiary insured depository institutions.

Statement of Applicability to Institutions with Total Assets Under \$1 Billion: This Financial Institution Letter applies only to U.S. top tier bank holding companies with at least \$700 billion in total consolidated assets or at least \$10 trillion in assets under custody (covered BHCs) and any insured depository institution subsidiary of these BHCs (covered IDIs).

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FDIC-Supervised Banks and Savings Associations

Suggested Routing:
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Related Topics:
Risk-Based Capital Rules, 12 CFR Part 324, Basel III

Attachment:
[Regulatory Capital Rules: Regulatory Capital, Enhanced Supplementary Leverage Ratio Standards for Certain Bank Holding Companies and their Subsidiary Insured Depository Institutions](#)

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Highlights

- The final rule increases the supplementary leverage ratio (SLR) requirements contained in the revised regulatory capital rule adopted in July 2013 (2013 revised capital rule) titled "Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Capital Adequacy, Transition Provisions, Prompt Corrective Action, Standardized Approach for Risk-weighted Assets, Market Discipline and Disclosure Requirements, Advanced Approaches Risk-Based Capital Rule, and Market Risk Capital Rule."
- The final rule is effective January 1, 2018, with reporting of the supplementary leverage ratio scheduled to begin in 2015.
- For covered IDIs, the final rule establishes an SLR of 6 percent as a "well-capitalized" threshold for Prompt Corrective Action purposes.
- Covered BHCs would be required to maintain an SLR of more than 5 percent to avoid restrictions on capital distributions and discretionary bonus payments.
- The denominator in the final rule is consistent with total leverage exposure in the 2013 revised capital rule.
- A separate Notice of Proposed Rulemaking proposes revisions to the definition of total leverage exposure in the 2013 revised capital rule, as well as other requirements related to the SLR.