



भारतीय रिजर्व बैंक  
**RESERVE BANK OF INDIA**

[www.rbi.org.in](http://www.rbi.org.in)

RBI/2019-20/59

DBR.No.BP.BC.17/21.06.001/2019-20

September 12, 2019

All Scheduled Commercial Banks  
All Local Area Banks  
All Small Finance Banks  
All Regional Rural Banks

Dear Sir/Madam,

**Risk Weight for Consumer Credit except credit card receivables**

Please refer to paragraph 6 of the [Statement on Developmental and Regulatory Policies dated August 7, 2019](#) on 'Reduction in risk weight for consumer credit except credit card receivables' (extract enclosed).

2. As per extant instructions, consumer credit, including personal loans and credit card receivables but excluding educational loans, attracts a higher risk weight of 125 per cent or higher, if warranted by the external rating of the counterparty.

3. On a review, it has been decided to reduce the risk weight for consumer credit, including personal loans, but excluding credit card receivables, to 100%. Other stipulations remain the same.

Yours faithfully,

(Saurav Sinha)  
Chief General Manager-in-Charge

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हिंदी आसान है, इसका प्रयोग बढ़ाइए

**Extract from Statement on Developmental and Regulatory Policies dated August 07, 2019**

**6. Reduction in risk weight for consumer credit except credit card receivables**

Under the standardised approach for Credit Risk Management, consumer credit, including personal loans and credit card receivables attract a higher risk weight of 125 per cent or higher, if warranted by the external rating of the counterparty. On a review, it has been decided to reduce the risk weight for consumer credit, including personal loans, but excluding credit card receivables, to 100%.

Guidelines in this regard would be issued by the end of August 2019.