Joint Release

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

For immediate release November 19, 2019

Agencies Finalize Changes to Supplementary Leverage Ratio as Required by Economic Growth, Regulatory Relief, and Consumer Protection Act

The federal bank regulatory agencies have finalized changes to a capital requirement for banking organizations predominantly engaged in custodial activities, as required by the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The final rule is unchanged from the proposal issued for public comment in April 2019.

The EGRRCPA requires the agencies to permit certain banking organizations—those predominantly engaged in custody, safekeeping, and asset servicing activities—to exclude qualifying deposits at certain central banks from their supplementary leverage ratio. The supplementary leverage ratio is one of many tools used by the federal bank regulatory agencies to determine minimum required capital levels and ensure financial stability in the event of stress in the banking system. It applies only to large or complex internationally active banking organizations.

Based on current data, only The Bank of New York Mellon Corporation, Northern Trust Corporation, and State Street Corporation, together with their depository institution subsidiaries, would qualify for the rule.

The final rule will be effective April 1, 2020.

Attachment:
Regulatory Capital Rule: Revisions to the Supplementary Leverage Ratio to Exclude Certain Central Bank Deposits of Banking Organizations Predominantly Engaged in Custody, Safekeeping and Asset Servicing Activities

Fact Sheet: Revisions to the Supplementary Leverage Ratio to Exclude Certain Central Bank Deposits of Custodial Banking Organization

# # #

Media Contacts:

FDIC	Julianne Breitbeil	(202) 898-6895
Federal Reserve	Eric Kollig	(202) 452-2955
OCC	Stephanie Collins	(202) 649-6870

FDIC: PR-109-2019