



## FACT SHEET | Revisions to the Supplementary Leverage Ratio to Exclude Certain Central Bank Deposits of Custodial Banking Organization

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*The Federal Deposit Insurance Corporation, Federal Reserve Board, and Office of the Comptroller of the Currency published a final rule that amends the regulatory capital rule to exclude from the supplementary leverage ratio certain central bank deposits of custody banks.*

**IMPLEMENTS NEW STATUTORY REQUIREMENT:** The rule implements Section 402 of the Economic Growth, Regulatory Relief, and Consumer Protection Act by amending the supplementary leverage ratio (SLR) to exclude certain deposits of custody banks with qualifying central banks.

- The rule defines a custody bank as any U.S. top-tier depository institution holding company with a ratio of assets-under-custody-to-total-assets of at least 30:1. Any depository institution subsidiary of such a holding company also would be considered a custody bank.
- The rule defines qualifying central bank as the Federal Reserve System, the European Central Bank, and central banks of member countries of the Organisation for Economic Co-operation and Development (OECD) if the member country has been assigned a zero risk weight under the regulatory capital rule and the sovereign debt of such member country has not been in default during the previous five years.

**APPLIES TO LIMITED NUMBER OF INSTITUTIONS:** The rule currently applies to only three institutions: The Bank of New York Mellon Corporation, Northern Trust Corporation, and State Street Corporation.

- These institutions are predominantly engaged in custody, safekeeping, and asset-servicing activities, which involve holding securities or other assets on behalf of clients, as well as activities such as transaction settlement, income processing, and related recordkeeping and operational services.
- Custody banks can use central bank deposits as an asset-liability management strategy to facilitate their ability to support custodial clients' cash-related needs.