

**Banking Supervision Department**

Jerusalem, December 20, 2023

**Circular Number C-06-2765**

Attn: **Banking corporations and credit card companies**

**Re: Leverage Ratio**

(Proper Conduct of Banking Business Directive no. 218)

**Introduction**

1. The Banking Supervision Department is in the midst of updating Proper Conduct of Banking Business Directive no. 218, on the “Leverage Ratio”. Within that framework, leverage ratios and their composition are being examined. Therefore, the need arose for extending the validity of the relief established regarding the leverage ratios.
2. This regulation is not accompanied by the publication of a report under the Principles of Regulation Law, 5782-2022. This is in view of the exemption set in Section 34(c)(2), because as the reference is to the continuation of providing a relief with a set time in an existing Directive, the direct and indirect effects that the regulation is expected to have on entities to which it is to apply, or on other protected interests, including the cost of compliance with it, are not material..
3. After consulting with the Advisory Committee on Banking Business Affairs and with the approval of the Governor, I have amended this Directive.

**Main provisions of the update**

**Addition of Section 40:**

4. The relief provided in the leverage ratio within the framework of Proper Conduct of Banking Business Directive no. 250— Adjustments to Proper Conduct of Banking Business Directives for Dealing with the Coronavirus (Temporary Provision)—was anchored within the framework of Section 40, and the validity of the relief was extended until December 31, 2025. A banking corporation that utilized the relief at this time will be required to return to the leverage ratio required before the temporary provision, within 2 quarters.

**Commencement**

5. The update to said Directive shall go into effect on the publication date of this Circular on the Bank of Israel website.

**File update**

6. Update pages for the Proper Conduct of Banking Business Directives file are attached. The following are the update instructions:

**Remove page**

(4/22) [3] 218-1-8

**Insert page**

(12/23) [4] 218-1-8

Respectfully,  
Daniel Hahiasvili  
Supervisor of Banks