

Das: Indian banks insulated from US, Swiss crises

Greater acceptance among G20 about crypto regulations, says FM

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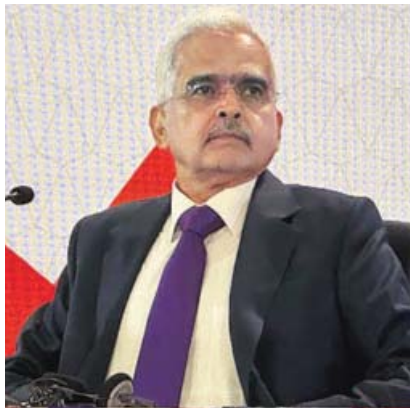
New Delhi, 14 April

Reserve Bank of India (RBI) Governor Shaktikanta Das has said the Indian financial system remains “completely insulated” from the recent turmoil in the banking system in some developed economies.

“So far, India’s banking system, India’s financial system remain completely insulated from the developments which have taken place in the US or Switzerland. Our banking system is resilient, stable, and healthy,” Das said while addressing the media after the 2nd meeting of G20 Finance Ministers and Central Bank Governors (FMCBG) held under India’s Presidency.

“All the parameters related to banking, whether it is capital adequacy or the percentage of stressed assets or the liquidity coverage ratio of individual banks — both at the individual level as well as at the systemic level...whichever parameter you take into consideration, the Indian banking system continues to be very healthy,” Das added.

Finance Minister Nirmala Sitharaman and RBI Governor Shaktikanta Das jointly chaired the FMCBG meeting on the sidelines of the World Bank and International Monetary Fund spring meeting in Washington DC. The meeting was organised



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in three sessions covering the Global Economy and International Financial Architecture; Sustainable Finance, Financial Sector, and Financial Inclusion; and International Taxation. Das further said that over the last few years, the RBI had significantly improved and tightened regulation and supervision of the entire banking system, including non-banking financial companies (NBFCs).

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“Our focus of supervision is on early identification of any build-up of vulnerabilities and not to wait for a crisis to build up, find out and identify early signals, and then nudge the bank to take necessary actions to mitigate any build-up of vulnerability in their working or in their finances,” he said.

Sitharaman in her media interaction said the finance ministers and governors in the FMCBG meeting recognised the urgency to address debt vulnerabilities, including strengthening multilateral coordination towards addressing increasing debt distress in low-income and vulnerable middle-income countries. “Discussion of climate finance is moving in a positive direction, not just the current flow but also the quantum required for meeting climate challenges,” she added.

She also said that there is greater acceptance among G20 members about the regulations on crypto assets to be globally coordinated. “Crypto assets which do not have sovereign backing can create macroeconomic instability,” she added.