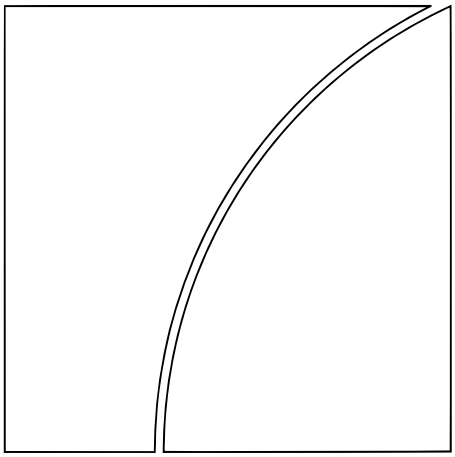
Basel Committee on Banking Supervision

# LEV

# Leverage ratio

## LEV10

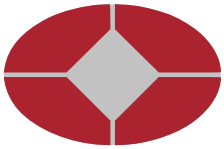
## Definitions and application



This chapter describes the scope of consolidation to be used in calculating the leverage ratio.

**Version effective as of 15 December 2019**

First version in the format of the consolidated framework.



BANK FOR INTERNATIONAL SETTLEMENTS

This document has been generated on 23/11/2026 based on the Basel Framework data available on the BIS website (www.bis.org).

© Bank for International Settlements 2026. All rights reserved.

## Scope of consolidation

### 10.1

The Basel III leverage ratio framework follows the same scope of regulatory consolidation as is used for the risk-based capital framework. This is set out in the SCO standard.

### 10.2

Where a banking, financial, insurance or commercial entity is outside the scope of regulatory consolidation, only the investment in the capital of such entities (ie only the carrying value of the investment, as opposed to the underlying assets and other exposures of the investee) is to be included in the leverage ratio exposure measure. However, investments in the capital of such entities that are deducted from Tier 1 capital as set out in LEV30.6 may be excluded from the leverage ratio exposure measure.