



Annex- I: Basel Principles for Liquidity Risk Management

Broad principles for sound liquidity risk Management by banks as envisaged by BCBS

Fundamental principle for the management and supervision of liquidity risk	
Principle 1	A bank is responsible for the sound management of liquidity risk. A bank should establish a robust liquidity risk management framework that ensures it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. Supervisors should assess the adequacy of both a bank's liquidity risk management framework and its liquidity position and should take prompt action if a bank is deficient in either area in order to protect depositors and to limit potential damage to the financial system.
Governance of liquidity risk management	
Principle 2	A bank should clearly articulate a liquidity risk tolerance that is appropriate for its business strategy and its role in the financial system.
Principle 3	Senior management should develop a strategy, policies and practices to manage liquidity risk in accordance with the risk tolerance and to ensure that the bank maintains sufficient liquidity. Senior management should continuously review information on the bank's liquidity developments and report to the board of directors on a regular basis. A bank's board of directors should review and approve the strategy, policies and practices related to the management of liquidity at least annually and ensure that senior management manages liquidity risk effectively.
Principle 4	A bank should incorporate liquidity costs, benefits and risks in the internal pricing, performance measurement and new product approval process for all significant business activities (both on- and off-balance sheet), thereby aligning the risk-taking incentives of individual business lines with the liquidity risk exposures its activities create for the bank as a whole.
Measurement and management of liquidity risk	
Principle 5	A bank should have a sound process for identifying, measuring, monitoring and controlling liquidity risk. This process should include a robust framework for comprehensively projecting cash flows arising from assets, liabilities and off-balance sheet items over an appropriate set of time horizons.
Principle 6	A bank should actively monitor and control liquidity risk exposures and funding needs within and across legal entities, business lines and currencies, taking into account legal, regulatory and operational limitations to the transferability of liquidity.
Principle 7	A bank should establish a funding strategy that provides effective diversification in the sources and tenor of funding. It should maintain an ongoing presence in its chosen funding markets and strong relationships with funds providers to



	promote effective diversification of funding sources. A bank should regularly gauge its capacity to raise funds quickly from each source. It should identify the main factors that affect its ability to raise funds and monitor those factors closely to ensure that estimates of fund raising capacity remain valid.
Principle 8	A bank should actively manage its intraday liquidity positions and risks to meet payment and settlement obligations on a timely basis under both normal and stressed conditions and thus contribute to the smooth functioning of payment and settlement systems.
Principle 9	A bank should actively manage its collateral positions, differentiating between encumbered and unencumbered assets. A bank should monitor the legal entity and physical location where collateral is held and how it may be mobilised in a timely manner.
Principle 10	A bank should conduct stress tests on a regular basis for a variety of short-term and protracted institution-specific and market-wide stress scenarios (individually and in combination) to identify sources of potential liquidity strain and to ensure that current exposures remain in accordance with a bank's established liquidity risk tolerance. A bank should use stress test outcomes to adjust its liquidity risk management strategies, policies, and positions and to develop effective contingency plans.
Principle 11	A bank should have a formal contingency funding plan (CFP) that clearly sets out the strategies for addressing liquidity shortfalls in emergency situations. A CFP should outline policies to manage a range of stress environments, establish clear lines of responsibility, include clear invocation and escalation procedures and be regularly tested and updated to ensure that it is operationally robust.
Principle	A bank should maintain a cushion of unencumbered, high quality liquid assets to be held as insurance against a range of liquidity stress scenarios, including those that involve the loss or impairment of unsecured and typically available secured funding sources. There should be no legal, regulatory or operational impediment to using these assets to obtain funding.
Public disclosure	
Principle 13	A bank should publicly disclose information on a regular basis that enables market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.

Thus, a sound liquidity risk management system would envisage that:

1. A bank should establish a robust liquidity risk management framework.
2. The Board of Directors (Board) of a bank should be responsible for sound management of liquidity risk and should clearly articulate a liquidity risk tolerance appropriate for its business strategy and its role in the financial system.
3. The Board should develop strategy, policies, and practices to manage liquidity risk in accordance with the risk tolerance and ensure that the bank maintains sufficient liquidity. The Board should review the strategy, policies, and practices at least annually.



4. Top Management / ALCO should continuously review information on bank's liquidity developments and report to the Board on a regular basis.
5. A bank should have a sound process for identifying, measuring, monitoring and controlling liquidity risk, including a robust framework for comprehensively projecting cash flows arising from assets, liabilities and off-balance sheet items over an appropriate time horizon.
6. A bank's liquidity management process should be sufficient to meet its funding needs and cover both expected and unexpected deviations from normal operations.
7. A bank should incorporate liquidity costs, benefits, and risks in internal pricing, performance measurement and new product approval process for all significant business activities.
8. A bank should actively monitor and manage liquidity risk exposure and funding needs within and across legal entities, business lines and currencies, taking into account legal, regulatory, and operational limitations to transferability of liquidity.
9. A bank should establish a funding strategy that provides effective diversification in the source and tenor of funding and maintain ongoing presence in its chosen funding markets and counterparties and address inhibiting factors in this regard.
10. Senior management should ensure that market access is being actively managed, monitored, and tested by the appropriate staff.
11. A bank should identify alternate sources of funding that strengthen its capacity to withstand a variety of severe bank specific and market-wide liquidity shocks.
12. A bank should actively manage its intraday liquidity positions and risks.
13. A bank should actively manage its collateral positions.
14. A bank should conduct stress tests on a regular basis for short-term and protracted institution-specific and market-wide stress scenarios and use stress test outcomes to adjust its liquidity risk management strategies, policies and position and develop effective contingency plans.
15. Senior management of a bank should monitor for potential liquidity stress events by using early warning indicators and event triggers. Early warning signals may include, but are not limited to, negative publicity concerning an asset class owned by a bank, increased potential for deterioration in bank's financial condition, widening debt or credit default swap spreads, and increased concerns over the funding of OBS items.
16. To mitigate the potential for reputation contagion, a bank should have a system of effective communication with counterparties, credit rating agencies, and other stakeholders when liquidity problems arise.
17. A bank should have a formal contingency funding plan (CFP) that clearly sets out the strategies for addressing liquidity shortfalls in emergency situations. A CFP



should delineate policies to manage a range of stress environments, establish clear lines of responsibility, and articulate clear implementation and escalation procedures.

18. A bank should maintain a cushion of unencumbered, high quality liquid assets to be held as insurance against a range of liquidity stress scenarios.
19. A bank should publicly disclose its liquidity information on a regular basis that enables market participants to make an informed judgment about the soundness of its liquidity risk management framework and liquidity position.



Annex- II: Liquidity Return

Part A1: SLS - Domestic Currency, Indian Operations

Reporting Frequency: Fortnightly																
Name of the Bank:																
Position as on:																
																Amount in ₹ crore
Residual Maturity																
	Outflows	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days & upto 2 mont hs	More than 2 mont hs upto 3 mont hs	Over 3 Mont hs and upto 6 mont hs	Over 6 Mont hs and upto 1 year	Over 1 Year and upto 3 years	Over 3 Year and upto 5 years	Over 5 years and upto 7 years	Over 7 years and up to 10 years	Over 10 year and up to 15 years	Over 15 years	Total
1	Capital															
2	Reserves & Surplus															
3	Deposits	***	***	***	***	***	***	***	***	***	***	***	***	**		
	i) Current Deposits															
	ii) Savings Bank Deposits															
4	Borrowings	***	***	***	***	***	***	***	***	***	***	***	**			
	i) Call and Short Notice															
	ii) Others (specify)															
5	Other Liabilities & Provisions	***	***	***	***	***	***	***	***	***	***	***	**			
	i) Bills Payable															
	ii) Inter-Office Adjustments															



	iii) Provisions															
	iv) Others															
6	Repos															
7	Swaps (Buy / Sell) / Maturing / Forwards															
8	Interest Payable															
9	Others (specify)															
10	A. Total Outflows															
11	B. Cumulative Outflows															

Amount in ₹ crore																
Residual Maturity																
	Inflows	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days & upto 2 months	More than 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Year and upto 5 years	Over 5 years and upto 7 years	Over 7 years and up to 10 years	Over 10 year and up to 15 years	Over 15 years	Total
1	Cash															
2	Balances with RBI															
3	Balances with other A bank	***	***	***	***	***	***	***	***	***	***	***	**			
	i) Current Account															
	ii) Money at Call and Short Notice, Term Deposits and other placements															
4	Investments (including those under Repos but excluding Reverse Repos)															
5	Advances (Performing)	***	***	***	***	***	***	***	***	***	***	***	**			
	ii) Permitted Loans															
6	NPAs (Advances and Investments) *															



7	Fixed assets																
8	Other Assets	***	***	***	***	***	***	***	***	***	***	***	***	**			
	i) Leased Assets																
	ii) other assets																
9	Reverse Repos																
10	Swaps (Buy / Sell) / maturing forwards																
11	Interest receivable																
12	Others (Specify)																
13	C. Total Inflows																
14	D. Mismatch (C-A)																
15	E. Mismatch as % to Outflows (D as % to A)																
16	F. Cumulative Mismatch																
17	G. Cumulative Mismatch as a % to cumulative outflows (F as % of B)																

* Net of provisions, interest suspense and claims received from ECGC/ DICGC



Part A2: SLS - Foreign Currency, Indian Operations

Reporting Frequency:		Fortnightly														
Name of the Bank:																
Position as on:																
Indicate Currency (To be furnished in four major currencies namely US Dollar, Pound Sterling, Euro and Japanese Yen. In respect of other foreign currencies, the statement should be submitted where the transactions in the currency concerned exceed 5 per cent of the total foreign exchange turnover.)																
																Denote the foreign currency in Million
	Outflows	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days & upto 2 months	More than 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Year and upto 5 years	Over 5 years and upto 7 years	Over 7 years and up to 10 years	Over 10 year and up to 15 years	Over 15 years	Total
1	Off balance sheet items															
	i) Merchant Sales															
	ii) Interbank Sales															
	iii) Overseas Sales															
	iv) Sales to RBI															
	v) Foreign currency ₹ swaps - Sale against ₹															
	vi) Cross Currency Swaps - Sale against Cross Currency															
	vii) Options															
	viii) Currency Futures															
	x) Others -please specify															
2	On balance sheet items															
	i) Others - PI specify															
3	Total Outflows															
4	Total Outflows (in ₹)*															

*Converted into ₹ using relevant spot rates as published by FEDAI. # Such as Escrow accounts, Diamond dollar accounts, external agencies foreign currency accounts.



	Inflows	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days & upto 2 mont hs	More than 2 mont hs and upto 3 mont hs	Over 3 Mont hs and upto 6 mont hs	Over 6 Mont hs and upto 1 year	Over 1 Year and upto 3 years	Over 3 Year and upto 5 years	Over 5 years and upto 7 years	Over 7 years and up to 10 years	Over 10 year and up to 15 years	Over 15 years	Total
1	Off balance sheet items															
	i) Merchant Purchases															
	ii) Inter-bank Purchases															
	iii) Overseas Purchases															
	iv) Purchases from RBI															
	v) Foreign currency ₹ Swaps - purchases against ₹															
	vi) Cross currency Swaps - Purchases against cross currency															
	vii) Options															
	viii) Currency Futures															
	ix) Others - PI specify															
2	On balance sheet items															
	i) Nostro Balances (Cash and Bank Balances)															
	ii) Short Term Investments															
	iii) Other loans	***	***	***	***	***	***	***	***	***	***	***	**			
3	Total Inflows															
4	Total Inflows (in ₹)*															
	Gap (Total Inflows - Total outflows)															

*Converted into ₹ using relevant spot rates as published by FEDAI

Additional Details

- 1) Aggregate Gap Limit (in US Dollar Mio)
- 2) Maximum AGL during the period (in US Dollar Mio)
- 3) Value at Risk Limit approved by the management
- 4) Maximum VAR figure during the month (in US Dollar Mio)



Part A3: SLS - Combined Indian Operations - Domestic and Foreign currency (LR -1 Part A1 + Part A2)

Reporting Frequency		Fortnightly														
Name of the Bank:																
Position as on:																
																Amount in ₹ crore
	Outflows	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days & upto 2 months	More than 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Year and upto 5 years	Over 5 years and upto 7 years	Over 7 years and up to 10 years	Over 10 year and up to 15 years	Over 15 years	Total
1	A. Total ₹ Outflows (from Item 14A -Part A1 of LR-1)															
2	B. Outflows of FCs (in ₹) (from Item 4, Part A2 of LR-1)															
	i) US dollar															
	ii) Pound Sterling															
	iii) Euro															
	iv) Japanese Yen															
	v) Other significant currencies															
3	C. Total Outflows of FCs (i to v)															
4	D. Adjusted Outflows of FCs (1.08*C) #															
5	E. Consolidated Outflows (Adjusted outflows of FCs and ₹ Outflows) (A + D)															
6	F. Consolidated Cumulative Outflows															

	Inflows	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days & upto 2 months	More than 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Year and upto 5 years	Over 5 years and upto 7 years	Over 7 years and up to 10 years	Over 10 year and up to 15 years	Over 15 years	Total
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1	G. Total ₹ inflows (From Item 16C of Part A1 of LR-1)																		
2	H. Inflows of FCs (in ₹) (from Item 4 of Part A2 of LR-1)																		
	i) US dollar																		
	ii) Pound Sterling																		
	iii) Euro																		
	iv) Japanese Yen																		
	v) Other significant currencies																		
3	I. Total inflows of FCs (i to v)																		
4	J. Adjusted inflows of FCs (0.92*1) #																		
5	K. Consolidated Inflows (Adjusted inflows of FCs and ₹ inflows) (G + J)																		
6	L. Total Mismatch (K - E)																		
7	M. Mismatch (L) as % of outflows (E)																		
	N. Cumulative Mismatch																		
	O. Cumulative Mismatch (N) as % of Cumulative outflows (F)																		

The foreign currency outflows and inflows have been scaled up and scaled down by 8 per cent respectively. This is a proxy based on the currency mismatch haircut for a 10-business day holding period (assuming daily marking to market) which is 8 per cent as prescribed in the Basel III credit risk standard document under the standardised approaches for the recognition of credit risk mitigation.



Part B: Statement of Structural Liquidity - For Consolidated Bank Operations

Reporting Frequency:		Quarterly														
Name of the Bank:																
Position as on:																
Amount in ₹ crore																
Residual Maturity																
	Outflows	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days & upto 2 months	More than 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Year and upto 5 years	Over 5 year s and upto 7 year s	Over 7 year s and up to 10 year s	Over 10 year and up to 15 year s	Over 15 year s	Total
1	Capital															
2	Reserves & Surplus															
3	Deposits	***	***	***	***	***	***	***	***	***	***	***	***	**		
	(i) Current Deposits															
	(ii) Savings Bank Deposits															
4	Borrowings	***	***	***	***	***	***	***	***	***	***	***	***	**		
	(i) Call and Short Notice															
	(ii) Others (specify)															
5	Other Liabilities & Provisions	***	***	***	***	***	***	***	***	***	***	***	***	**		
	(i) Bills Payable															
	(ii) Provisions															
	(iii) Others															
6	Repos															
7	Swaps (Buy / Sell) / Maturing / Forwards															
8	Interest Payable															
9	Others (specify)															
10	A. Total Outflows															
11	B. Cumulative Outflows															

* Net of provisions, interest suspense and claims received from ECGC/ DICGC.

Residual Maturity																
	Inflows	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 Days & upto 2 months	More than 2 months and upto 3 months	Over 3 Months and upto 6 months	Over 6 Months and upto 1 year	Over 1 Year and upto 3 years	Over 3 Year and upto 5 years	Over 5 year s and upto 7 year s	Over 7 year s and up to 10 year s	Over 10 year and up to 15 year s	Over 15 year s	Total



						mo nth s	nth s and upt o 3 mo nth s	upt o 6 mo nth s	upt o 1 year	upt o 3 year s	upt o 5 year s	upt o 7 year s	up to 10 year s	to 15 year s		
1	Cash															
2	Balances with RBI															
3	Balances with other banks	***	***	***	***	***	***	***	***	***	***	***	**			
	(i) Current Account															
	(ii) Money at Call and Short Notice, Term Deposits and other placements															
4	Investments (including those under Repos but excluding Reverse Repos)															
5	Advances (Performing)	***	***	***	***	***	***	***	***	***	***	***	**			
	ii) Permitted Loans															
6	NPAs (Advances and Investments)*															
7	Fixed assets															
8	Other Assets	***	***	***	***	***	***	***	***	***	***	***	**			
	i) Leased Assets															
	ii) Other assets															
9	Reverse Repos															
10	Swaps (Buy / Sell) / maturing forwards															
11	Interest receivable															
12	Others (Specify)															
13	C. Total Inflows															
14	D. Mismatch (C-A)															
15	E. Mismatch as % to Outflows (D as % to A)															
16	F. Cumulative Mismatch															
17	G. Cumulative Mismatch as a % to cumulative outflows (F as % of B)															



Annex-III: Interest Rate Sensitivity Statement

A. Interest Rate Sensitivity – Traditional Gap Analysis (TGA)

Name of the bank:

Currency:

Position as on:

	Liabilities	1 to 28 days	29 days to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years and upto 7 years	Over 7 years and upto 10 years	Over 10 years and upto 15 years	Over 15 years	Non Sensitive	Total RSL (Sum of columns 3 to 12)	Total (13+14)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Capital-Equity Shares												-	-
2	Reserves and Surplus												-	-
3	Capital instrument other than equity (i+ii)	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Perpetual Non-Cumulative Preference Shares (Tier I)												-	-
(ii)	IPDI												-	-
4	Tier II Capital instruments [Sum of (i) to (v)]	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Perpetual Cumulative Preference Shares												-	-
(ii)	Redeemable Cumulative Preference Shares												-	-
(iii)	Redeemable Non-Cumulative Preference Shares												-	-
(iv)	Redeemable debt instruments (Upper Tier II)												-	-
(v)	Redeemable debt instruments (Lower Tier II)												-	-
5	Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Current Deposits												-	-
(ii)	Savings Bank Deposits												-	-
6	Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-



(i)	Call and short Notice														-	-
(ii)	Others (Specify)														-	-
7	Other Liabilities and provisions [Sum of (i) to (iv)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Bills Payable														-	-
(ii)	Inter - Office Adjustment														-	-
(iii)	Provisions														-	-
(iv)	Others														-	-
8	Repos														-	-
9	Forex Swaps (Buy/Sell)														-	-
10	Others (Specify)														-	-
A	Total Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	Off-Balance Sheet Position (sum of (i) to (v))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	FRAs														-	-
(ii)	Swaps														-	-
(iii)	Futures														-	-
(iv)	Options														-	-
(v)	Others (Specify)														-	-
C	Total RSL (A + B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Interest Rate Sensitivity- Assets															
														Amount in ₹ crore	
	Assets	1 to 28 days	29 days to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years and upto 7 years	Over 7 years and upto 10 years	Over 10 years and upto 15 years	Over 15 years	Non Sensitive	Total RSA (Sum of columns 3 to 12)	Total (13+14)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1	Cash													-	-
2	Balances with RBI													-	-
3	Balances with other Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Current Account													-	-



(ii)	Money at Call and Short Notice													-	-
(iii)	Term Deposits and Other Placements														
4	Performing Investments (including those under reverse repos but excluding repos)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	SLR Investments													-	-
(ii)	Non-SLR Investments														
(iii)	Out of total Performing Investments (including those under reverse repos but excluding repos), investments held in HTM													-	-
5	Advances (performing)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Permitted Loans													-	-
6	NPAs (Advances and Investment)													-	-
7	Fixed Assets													-	-
8	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Inter-Office Adjustment													-	-
(ii)	Leased Assets													-	-
(iii)	Others													-	-
9	Reverse Repos													-	-
10	Forex Swaps(Sell/ Buy)													-	-
11	Others (Specify)													-	-
D	Total Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E	Off-Balance Sheet Position(sum of (i) to (v))	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	FRAs													-	-
(ii)	Swaps													-	-
(iii)	Futures													-	-
(iv)	Options													-	-
(v)	Others (Specify)													-	-
F	Total RSA (D + E)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net Gap (Total RSA- Total RSL)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cumulative Gap	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Net Gap as % to Total Assets	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%



B. Interest Rate Sensitivity: Modified Duration Gap (MDG)

Name of the bank:

Currency:

Position as on:

PART A: Computation of RSL and RSA for each Currency

Interest Rate Sensitivity-Liabilities													Amount in ₹ crore		
	Liabilities	1 to 28 days	29 days to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years and upto 7 years	Over 7 years and upto 10 years	Over 10 years and upto 15 years	Over 15 years	Non Sensitive	Total RSL (Sum of columns 3 to 12)	Total (13+14)	Weighted Average MD
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Capital instrument other than equity(i+ii)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Perpetual Non-Cumulative Preference Shares(Tier I)												-	-	
(ii)	IPDI												-	-	
2	Tier II Capital instruments [Sum of (i) to (v)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Perpetual Cumulative Preference Shares												-	-	
(ii)	Redeemable Cumulative Preference Shares												-	-	
(iii)	Redeemable Non-Cumulative Preference Shares												-	-	
(iv)	Redeemable debt instruments(Upper Tier II)												-	-	
(v)	Redeemable debt instruments(Lower Tier II)												-	-	
3	Deposits [Sum of(i) to (v)]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Current Deposits												-	-	
(ii)	Savings Bank Deposits												-	-	



Interest Rate Sensitivity- Assets															
															Amount in ₹ crore
	Assets	1 to 28 days	29 days to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years and upto 7 years	Over 7 years and upto 10 years	Over 10 years and upto 15 years	Over 15 years	Non Sensitive	Total RSA (Sum of columns 3 to 12)	Total (13+14)	Weighted Average MD
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Cash												-	-	
2	Balances with RBI												-	-	
3	Balances with other Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i)	Current Account												-	-	
(ii)	Money at Call and Short Notice												-	-	
(iii)	Term Deposits and Other Placements														
4	Performing Investments (including those under reverse repos but excluding repos)	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i)	SLR Investments												-	-	
(ii)	Non-SLR Investments														
5	Advances (performing)	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i)	Permitted Loans												-	-	
6	NPAs (Advances and Investment)												-	-	
7	Fixed Assets												-	-	
8	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
(i)	Inter-Office Adjustment												-	-	
(ii)	Leased Assets												-	-	
(iii)	Others												-	-	
9	Reverse Repos												-	-	
10	Forex Swaps(Sell / Buy)												-	-	
11	Others (Specify)												-	-	



D	Total Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
E	Off-Balance Sheet Position(sum of (i) to (v))	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	FRAs													-	-
(ii)	Swaps													-	-
(iii)	Futures													-	-
(iv)	Options													-	-
(v)	Others (Specify)													-	-
F	Total RSA (D + E)	-	-	-	-	-	-	-	-	-	-	-	-	-	-



PART B: Aggregation of RSL and RSA across all currencies and computation of MDG and sensitivity of MVE under different scenarios

		Amount in ₹ crore
	Equity (i.e., Net worth) (E)	
A	Computation of Aggregate RSL (i) + (ii)	-
(i)	RSL of ₹ liabilities	-
(ii)	₹ equivalents of RSL in different currencies	-
B	Computation of Aggregate RSA (i) + (ii)	-
(i)	RSA of ₹ Assets	-
(ii)	₹ equivalents of RSA in different currencies	-
C	Weighted Average MD of RSL across all currencies (MD RSL)	-
D	Weighted Average MD of RSA across all currencies (MD RSA)	-
E	Modified Duration Gap (MDG) [MDA - MDL * (RSL/RSA)]	-
F	% Change in MVE = $\left(\frac{\Delta E}{E}\right) = -\frac{MDG * RSA * \Delta i}{E}$ when	
(i)	There is 100 bps change in interest rates $i, e^i = 1\%$	-%
(ii)	There is 200 bps change in interest rates $i, e^i = 2\%$	-%
(iii)	There is 300 bps change in the interest rates $i, e^i = 3\%$	-%
(iv)	Other scenarios (pl. specify)	



Part C. Statement of average coupon/yield on assets/liabilities used for computing MD in each time band

Name of the Bank:

1	Liabilities	1-28 days		29 days and up to 3 months		Over 3 months and up to 6 months		Over 6 months and up to 1 year		Over 1 year and up to 3 years		Over 3 years and up to 5 years		Over 5 years and up to 7 years		Over 7 years and up to 10 years		Over 10 year and up to 15 years		Over 15 years		Non-sensitive		Total	
		3		4		5		6		7		8		9		10		11		12		13			
		Co upo n	Yiel d	Cou pon	Yie ld	Cou pon	Yiel d	Co upo n	Yiel d	Co upo n	Yiel d	Co upo n	Yiel d	Co upo n	Yiel d	Co upo n	Yiel d	Co upo n	Yiel d	Co upo n	Yiel d	Co upo n	Yiel d		
1	Tier I capital instruments other than equity (i and ii)																								
(i)	Perpetual Non-Cumulative Preference Shares (Tier I)																								
(ii)	IPDI																								
2	Tier II Capital instruments [(i) to (v)]																								
(i)	Perpetual Cumulative Preference Shares																								
(ii)	Redeemable Cumulative Preference Shares																								
(iii)	Redeemable Non-cumulative Preference Shares																								
(iv)	Redeemable debt instruments(Upper Tier II)																								
(v)	Redeemable debt instruments(Lower Tier II)																								



	Assets	1-28 days		29 days and up to 3 months		Over 3 months and up to 6 months		Over 6 months and up to 1 year		Over 1 year and up to 3 years		Over 3 years and up to 5 years		Over 5 years and up to 7 years		Over 7 years and up to 10 years		Over 10 year and up to 15 years		Over 15 years		Non-sensitive		Total	
		Coupon	Yield	Coupon	Yield	Coupon	Yield	Coupon	Yield	Coupon	Yield	Coupon	Yield	Coupon	Yield	Coupon	Yield	Coupon	Yield	Coupon	Yield	Coupon	Yield		
1	Cash																								
2	Balances with RBI																								
3	Balances with other Banks																								
	Current Account																								
	Money at call and short notice																								
	Term Deposits and Other Placements																								
4	Investments (including those Reverse Repos but excluding Repos)																								
	SLR Investments																								
	Non-SLR Investments																								
5	Advances (Performing)																								
(i)	Permitted Loans																								
6	NPAs (Advances and Investments)																								
7	Fixed Assets																								
8	Other Assets																								
	Inter-office Adjustment																								
	Leased Assets																								
	Others																								
9	Reverse Repos																								
10	Forex Swaps (buy / Sell)																								
11	Bills Rediscounted (DUPN)																								



Annex-IV: Guidance for Slotting Cash Flows Part A1

Guidance for Slotting the Future Cash Flows of Banks in Structural Liquidity Statement, Part A1

Heads of Accounts		Classification into time buckets	
A.	Outflows		
1.	Capital, Reserves and Surplus	Over 5 years bucket.	
2.	Demand Deposits (Current and Savings Bank Deposits)	<p>Savings Bank and Current Deposits may be classified into volatile and core portions. Savings Bank (10 per cent) and Current (15 per cent) Deposits are generally withdrawable on demand. This portion may be treated as volatile. While volatile portion can be placed in the Day 1, 2-7 days, and 8-14 days time buckets, depending upon the experience and estimates of a bank and the core portion may be placed in over 1- 3 years bucket.</p> <p>The above classification of Savings Bank and Current Deposits is only a benchmark. Banks which are better equipped to estimate the behavioural pattern, roll-in and roll-out, embedded options, etc., on the basis of past data/ empirical studies could classify them in the appropriate buckets, i.e., behavioural maturity instead of contractual maturity, subject to the approval of the Board / ALCO.</p>	
3.	Other Liabilities and Provisions		
	(i) Bills Payable	(i)	The core component which could reasonably be estimated on the basis of past data and behavioural pattern may be shown under 'Over 1-3 years' time bucket. The balance amount may be placed in Day 1, 2-7 days, and 8-14 days buckets, as per behavioural pattern.
	(ii) Provisions other than for loan loss and depreciation in investments	(ii)	Respective buckets depending on the purpose.
	(iii) Other Liabilities	(iii)	Respective maturity buckets. Items not representing cash payables (i.e. income received in advance, etc.) may be placed in over 5 years bucket.
B.	Inflows		
1.	Cash	Day 1 bucket	



Heads of Accounts		Classification into time buckets	
2.	Balances with RBI	While the excess balance over the required CRR/ SLR may be shown under Day 1 bucket, the Statutory Balances may be distributed amongst various time buckets corresponding to the maturity profile of DTL with a time-lag of 14 days.	
3.	Balances with other Banks		
	(i) Current Account	(i)	Non-withdrawable portion on account of stipulations of minimum balances may be shown under 'Over 1-3 years' bucket and the remaining balances may be shown under Day 1 bucket.
	(ii) Money at Call and Short Notice, Term Deposits and other placements	(ii)	Respective maturity buckets.
4.	Investments (Net of provisions) #		
	(i) Approved securities	(i)	Respective maturity buckets, excluding the amount required to be reinvested to maintain SLR corresponding to the DTL profile in various time buckets. A bank can slot its excess SLR securities and MSF eligible securities under the Day-1 bucket.
	(ii) Corporate debentures and bonds, PSU bonds, CDs and CPs, Redeemable preference shares, Units of Mutual Funds (close ended), etc.	(ii)	Respective maturity buckets. Investments classified as NPIs should be shown under over 3-5 years bucket (sub-standard) or over 5 years bucket (doubtful).
	(iii) Shares	(iii)	Listed shares (except strategic investments) in 2-7 days bucket, with a haircut of 50 per cent. Other shares in 'Over 5 years' bucket.
	(iv) Units of Mutual Funds (open ended)	(iv)	Day 1 bucket
	(v) Investments in Subsidiaries/ Joint Ventures	(v)	'Over 5 years' bucket.
	(vi) Securities in the Trading Book	(vi)	Day 1, 2-7 days, 8-14 days, 15-28 days, and 29-90 days according to defeasance periods.
	#	Provisions may be netted from the gross investments provided provisions are held security-wise. Otherwise provisions should be shown in over 5 years bucket.	
5.	Advances (Performing)		
	(i) Permitted Loans	(iii)	Interim cash flows may be shown under respective maturity buckets.
6.	NPAs (Net of provisions, interest suspense and claims received from ECGC / DICGC)		



Heads of Accounts			Classification into time buckets	
	(i)	Sub-standard	(i)	Over 3-5 years bucket.
	(ii)	Doubtful and Loss	(ii)	Over 5 years bucket.
7.	Fixed Assets/ Assets on lease		'Over 5 years' bucket / Interim cash flows may be shown under respective maturity buckets.	
8.	Other Assets			
	(i)	Intangible assets	Intangible assets and assets not representing cash receivables may be shown in 'Over 5 years' bucket.	
C.	Off balance sheet items			
1.	Lines of Credit committed/ available			
	(i)	Lines of Credit committed to/ from Institutions	(i)	Day 1 bucket.
2.	Other Inflows/ outflows			
	(i)	Repos/ Bills Rediscounted (DUPN)/ CBLO/ Swaps ₹/ USD, maturing forex forward contracts/ futures etc. (outflow/ inflow)	(i)	Respective maturity buckets.
	(ii)	Interest payable/ receivable (outflow/ inflow) - Accrued interest which are appearing in the books on the reporting day	(ii)	Respective maturity buckets.
	Note :			
	(i)	Liability on account of event cash flows i.e. short fall in CRR balance on reporting Fridays, wage settlement, capital expenditure, etc. which are known to the banks and any other contingency may be shown under respective maturity buckets. The event cash outflows, including incremental SLR requirement should be reported against "Outflows - Others".		
	(ii)	All overdue liabilities may be placed in the Day 1, 2-7 days, and 8-14 days buckets, based on behavioural estimates.		
	(iii)	Interest and instalments from advances and investments, which are overdue for less than one month may be placed in Day 1, 2-7 days and 8-14 days buckets, based on behavioural estimates. Further, interest and instalments due (before classification as NPAs) may be placed in '31 days to 3 months bucket' if the earlier receivables remain uncollected.		
D.	Financing of Gap			
	In case the net cumulative negative mismatches during the Day 1, 2-7 days, 8-14 days, and 15- 30 days buckets exceed the prudential limit of 5 per cent ,10 per cent, 15 per cent and 20 per cent of the cumulative cash outflows in the respective time buckets, the bank may			



Heads of Accounts	Classification into time buckets
	show by way of a foot note as to how it proposes to finance the gap to bring the mismatch within the prescribed limits. The gap can be financed from market borrowings (call / term), Bills Rediscounting, Repos, LAF and deployment of foreign currency resources after conversion into ₹ (unswapped foreign currency funds), etc.



Annex-V: Guidance for Slotting Cash Flows Part A2

Guidance for Slotting the Future Cash Flows of Banks in Structural Liquidity Statement Part A2

Heads of Accounts		Classification into time buckets
A.	Outflows	
1.	Merchant sales, Inter-bank sales, overseas sales, sales to RBI	As per the tenor of the contract- respective maturity buckets
2.	Swaps, currency futures, etc	Respective maturity buckets as per the pay-off profile
3.	Overdrafts in Nostro accounts	Day 1 bucket
4.	Inter-bank borrowings	Respective Maturity buckets
B.	Inflows	
1.	Merchant purchases, inter-bank purchases, overseas purchases, purchases from RBI.	As per the tenor of the contract- respective maturity buckets
2.	Swaps, currency futures and options	Respective maturity buckets as per the pay-off profile
3.	Nostro balance	Day 1 bucket
4.	Short term, long term investments and loans	Respective Maturity buckets.



Annex-VI: Guidance on Bucketing

Guidelines on Bucketing of various items of Assets and Liabilities in the Interest Rate Sensitivity Statement, along with the coupons and yields to be used

Sr.	Liabilities		Framework for Bucketing of Assets/ Liabilities/ Off Balance Sheet Items and Computation of Modified Duration	
1.	Capital - Equity shares			Non-sensitive for TGA. Not to be bucketed for DGA.
2.	Reserves and Surplus			Non-sensitive for TGA. Not to be bucketed for DGA.
3.	(i)	Innovative Perpetual Debt Instruments (IPDI) eligible for Tier I status		Sensitive.
	(ii)	Debt capital Instruments qualifying as Upper Tier II Capital and Tier II bonds		Bucketing as per residual maturity/ re-pricing.
	(iii)	Preference shares eligible for Tier I and Tier II Capital		Coupon rate: Contract rate.
				Yield: Govt. of India yield for corresponding period with appropriate mark up for rated bonds (corresponding to rating of the instrument) published by FBIL.
				A bank better equipped to estimate the behavioral pattern of current deposits should classify them in the appropriate buckets based on behavioral maturity as per the behavioural study. In such cases to compute the Modified Duration, a bank must use its relevant term deposit rates as the discount rate, coupon rate being zero.
				However, a bank which have not conducted the above behavioral study may classify 15 per cent of the current deposits as volatile and place it in the first time bucket (viz. 1-28 days) and 85 per cent may be placed in the 1-3 years time bucket.
				Coupon Rate: Zero.
	Yield:			
	(i)		As the mid-point of the 1-28 days time bucket is 14 days, a bank could take its 14 days term deposit rate as the yield to compute the MD of the volatile portion.	



Sr.	Liabilities		Framework for Bucketing of Assets/ Liabilities/ Off Balance Sheet Items and Computation of Modified Duration	
				(ii) As the mid-point of the 1-3 years time bucket is 2 years, a bank could take its 2-year term deposit rate as the discount rate to compute the Modified Duration of the core portion.
	(ii)	Savings Bank Deposits		Sensitive.
				A bank may estimate the future behaviour/ sensitivity of savings bank deposits to changes in market variables, the sensitivity so estimated could be shown under appropriate time buckets. The existing savings bank rate may be used as coupon and the bank's own relevant term deposit rates must be used as the yield to compute the MD.
				However, where a bank has not undertaken any behavioral study it may include core portion (say 90 per cent) as rate sensitive and include the same in 1-3 years time bucket. The volatile portion (10 per cent) may be placed in 1-28 days bucket.
				Coupon Rate: Existing Savings Bank interest rate, i.e., 3.5 per cent.
				Yield:
			(i)	As the mid-point of the 1-28 days time bucket is 14 days, a bank could take its 14 days term deposit rate as the yield to compute the MD of the volatile portion.
			(ii)	As the mid-point of the 1-3 years time bucket is 2 years, a bank could take its 2-year term deposit rate as the discount rate to compute the Modified Duration of the core portion.
	(i)	Money at Call and Short Notice		The amounts should be distributed to different buckets on the basis of remaining maturity/ re-pricing date.
				Overnight call money rate may be taken as both the coupon and yield.
	(iv)	Others (specify)		-
6.	Other Liabilities and Provisions			
	i)	Bills Payable		Non-sensitive.
	ii)	Inter-office adjustment		Non-sensitive.
	iii)	Provisions		Non-sensitive.
	iv)	Others		Non-sensitive.
7.	Repos (Funds borrowed)			Sensitive.
				The amounts should be distributed to different buckets on the basis of remaining maturity.



Sr.	Liabilities	Framework for Bucketing of Assets/ Liabilities/ Off Balance Sheet Items and Computation of Modified Duration	
			The coupon will be as per actual rate for each repo and yield may be based on FBIL-NSE MIBOR curve.
8.	Forex Swaps (Buy/ Sell)		Sensitive. Actual MD for each contract may be computed using the ₹ implied rate through forward premium / discount as both coupon and discount rate.
9.	Others		
A.	Total Liabilities		

Sr.	Assets	Framework for Bucketing of Assets / Liabilities / Off Balance Sheet Items and Computation of Modified Duration	
1.	Cash	Non-sensitive.	
2.	Balances with RBI	Non-sensitive.	
3.	Balances with other banks		
	i) Current account	Non-sensitive.	
	ii) Money at Call and Short Notice	Sensitive on maturity. The amount should be plotted in the 1-28 days bucket. The overnight call money rate may be used as both coupon and yield.	
	iii) Term deposits and other placements	Sensitive. The amounts should be distributed to different time buckets on the basis of residual maturity or residual period to repricing, as relevant. Coupon rate: Relevant rate of term deposit / placement. Yield: Term deposit rates of the corresponding tenors of the banks with whom deposits are placed.	
4.	Investments (Performing) (including those under reverse repos but excluding repos)	Sensitive For the purpose of bucketing and calculation of Modified Duration, investments may be classified into SLR and non-SLR investments as indicated below :	
	i) SLR investments	Sensitive. Actual Modified Duration of each SLR security should be used. Yield : G-Sec yield curve.	
	ii) Non-SLR investments	Sensitive (except equity which may be put in the non-sensitive bucket). Actual Modified Duration of each Non-SLR security should be used. Yield : FIMMDA benchmark curve.	



5.	Advances (Performing)		Sensitive.
			The amounts should be distributed to different time buckets on the basis of residual maturity or residual period to re-pricing, as relevant.
			Banks may compute the average coupon for the advances portfolio by comparing the interest income during the relevant accounting period from 'standard' advances to the monthly average outstanding 'standard' advances.
			The average rating of the advances portfolio may be estimated by each bank to arrive at the applicable yield. One of the methods for estimating the average rating may be as follows :
			Multiply the outstanding advances in each bucket with the internal rating scores to arrive at the weighted average rating of the advances in that bucket. Thereafter, this rating may be mapped to an external rating. In case a major portion of the bank's advances in a particular time bucket happens to be unrated, the bank may use the rating scores of large advances / rated advances in each bucket (mapped with the rating of external agency) for arriving at weighted average rating for the bucket. On the basis of the average rating of each bucket, the yield may be arrived at using the FBIL yield curve for Gov securities with appropriate mark-up.
	iii)	Permitted Loans	Sensitive on re-pricing / maturity, whichever is earlier. In the case of BPLR / Base Rate linked advances, a bank may estimate the re-pricing date based on the past experience and future forecast for the changes in their BPLR / Base Rate.
			The average coupon and yield for the advances portfolio, as computed above, may be used.
6.	NPAs (Advances and Investments) *		Sensitive.
			Sub-standard NPAs should be slotted in the 1-3 years time bucket.
			Doubtful and Loss Assets - should be slotted in the 3-5 years time bucket.
			Coupon: The coupon rate will be taken as zero.
			The yield curve prescribed by FIMMDA for unrated exposures/ default category may be used as yield.
7.	Fixed Assets		Non-sensitive.
8.	i)	Inter-office adjustment	Non-sensitive.
	ii)	Leased Assets	Sensitive on cash flows.
			The amounts should be distributed to respective maturity buckets corresponding to the cash flow dates.
			Yield curve prescribed by FIMMDA for valuation of corporate bonds as per the average rating estimated for leased assets to be used for arriving at the yields.
			The average coupon for the leased assets portfolio, as computed for advances, may be used.
iii)	Others	Non-sensitive.	



9.	Reverse Repos (Funds Lent)	Sensitive. The amounts should be distributed to different buckets on the basis of remaining maturity. The coupon will be as per actual rate for each repo and yield may be based on FBIL-NSE MIBOR curve.	
10.	Forex Swaps (Sell / Buy)	Sensitive. Actual MD for each contract may be computed using the ₹ implied rate through forward premium / discount may be used as both coupon and discount rate.	
12.	Others (specify)		
B.			
13.	Other Products (Interest Rate Derivatives)	Derivatives to be converted into positions in the relevant underlying. The amounts considered would be the principal amount of the underlying or of the notional underlying. Options (where permitted) shall be considered according to the delta equivalent amount of the underlying or of the notional underlying. Actual modified duration for each contract may be computed using the contracted rate as coupon and the relevant yield curve for discounting factor. Alternatively all interest rate derivatives can also be dealt with in the following manner:	
	i)	FRAs	Forward Rate Agreements (FRAs) could also be considered as a combination of a short position and a long position. For instance, a long position in a September three month FRA (taken on June 1), can be bucketed as a short position in a bond with a maturity of 6 months and a long position in a bond with a maturity of 3 months. Accordingly a liability in the 3-6 months bucket and an asset in the 28 days to 3 months bucket may be shown. The amount to be reckoned for computing interest rate sensitivity is the notional value of the FRA.
	ii)	Swaps	Interest Rate Swaps could be considered as a combination of a short position and a long position. The notional of the fixed and floating leg of an Interest Rate Swap could be shown in the respective maturity bucket based on the maturity date for the fixed leg and the reset date for the floating leg. Suppose a bank receives 5-year fixed and pays floating MIBOR, then the fixed leg of the swap could be shown as an asset in the '5-7 year' bucket and the floating leg would be shown as a liability in '1-28 days' bucket. Similarly, a currency swap may be considered as a combination of a short position in one currency and long position in another currency. The two positions will be sensitive to the changes in the respective interest rates. The notionals of the two currencies will be bucketed as a short / long positions in the respective currency with relevant maturity.
	iii)	Futures	Interest Rate Futures (IRFs) could also be considered as a combination of a short position and long position. For instance, a long position in a September three month IRF (taken on June 1), can be bucketed as a long position in Government bond, with a maturity of six months and a short position



			in Government bond with maturity of three months. The amount to be reckoned for computing interest rate sensitivity is the notional value of the IRF.
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* Net of provisions, interest suspense and claims received from ECGC / DICGC.

Note :

1. Wherever FIMMDA spreads are proposed to be used, the FIMMDA Corporate Bond Spreads table may be used. The same can be downloaded from the FIMMDA website (www.fimmda.org).
2. Equity holding whether strategic or for investment purposes may be treated as Non-sensitive and bucketed accordingly.