



## Annex-IV: Guidance for Slotting Cash Flows Part A1

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

<b>Heads of Accounts</b>		<b>Classification into time buckets</b>		
<b>A. Outflows</b>				
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. <b>Other Liabilities and Provisions</b>				
(i)	(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			
	(iii) Other Liabilities			
<b>B. Inflows</b>				
1. Cash		Day 1 bucket		



<b>Heads of Accounts</b>		<b>Classification into time buckets</b>	
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.	<b>Balances with other Banks</b>		
	(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.	<b>Investments (Net of provisions) #</b>		
	(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.	<b>Advances (Performing)</b>		
	(i) Permitted Loans	(iii)	Interim cash flows may be shown under respective maturity buckets.
6.	<b>NPAs (Net of provisions, interest suspense and claims received from ECGC / DICGC)</b>		



<b>Heads of Accounts</b>			<b>Classification into time buckets</b>				
	(i)	Sub-standard	(i)	Over 3-5 years bucket.			
	(ii)	Doubtful and Loss	(ii)	Over 5 years bucket.			
7.	<b>Fixed Assets/ Assets on lease</b>		'Over 5 years' bucket / Interim cash flows may be shown under respective maturity buckets.				
8.	<b>Other Assets</b>		Intangible assets and assets not representing cash receivables may be shown in 'Over 5 years' bucket.				
	(i)	Intangible assets					
<b>C.</b>	<b>Off balance sheet items</b>						
1.	<b>Lines of Credit committed/ available</b>						
	(i)	Lines of Credit committed to/ from Institutions	(i)	Day 1 bucket.			
2.	<b>Other Inflows/ outflows</b>						
	(i)	Repos/ Bills Rediscounted (DUPN)/ CBLO/ Swaps ₹/ USD, maturing forex forward contracts/ futures etc. (outflow/ inflow)	(i)	Respective maturity buckets.			
<b>Note :</b>	(ii)	Interest payable/ receivable (outflow/ inflow) - Accrued interest which are appearing in the books on the reporting day	(ii)	Respective maturity buckets.			
	(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.					
<b>D.</b>	<b>Financing of Gap</b>						
	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						



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	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.