

## **General Instructions**

This form should be completed **monthly**, and is designed to inform DAB and other participants in the financial markets in Afghanistan of the current conditions in the money and credit markets. The information submitted by individual banking organizations will be summarized and used by DAB as an input to the monetary policy process, and will be made available on the website in aggregated form for all financial market participants (including banking organizations and their customers) to view and use as needed.

As you know, DAB already collects much information from banking organizations on their lending and deposit-taking activities. The monthly balance sheet and monthly income statement contain outstanding loan and deposit amounts in various categories, as well as the interest income and interest expense associated with these balance sheet amounts. Using this information, DAB can calculate monthly and quarterly yields on any component of the interest-earning asset or interest-costing liability portfolios, as well as the yields on the portfolios overall and the spreads between these yields.

However, this information is not sufficient to gauge the current conditions in the money and credit markets. These yields and spreads reflect not only current lending and deposit-taking activity, but also activity from the past, which might have been placed on the books of the bank at interest rates considerably different from those prevailing in the current period. Accordingly, DAB also requires monthly data on “new business” – primarily new loans granted to borrowers and new deposits received from customers.

This reporting form was developed to meet that need. It asks banking organizations to report their new activity for the reporting month in various categories of interest-earning assets and interest-costing liabilities, as well as the most common interest rate charged by the bank (on assets) or paid by the bank (on liabilities) for that new activity.

### **Structure of form**

The form identifies 16 different types of assets and liabilities for which the bank is to report new activity and most common interest rate. Each type of asset or liability is further subdivided by currency of denomination (afghani v. foreign currency) and by original maturity. **Report all amounts in AFN thousands with no decimal places.** (It is necessary to subdivide by currency of denomination, since interest rates between AFN-denominated instruments and FX-denominated instruments can differ markedly.) For FX-denominated assets and liabilities, report the amounts at their AFN equivalents based on the exchange rate at the time the loan funds were disbursed or the deposits were acquired.

### **What to report as “amounts”: loans**

For loans, report only the amounts that were disbursed to borrowers during the reporting month. Include new loans, takedowns under revolving credit agreements, notes written under credit lines, and renewals. Renewals include new loans under revolving credit agreements that roll over earlier loans, including conversions of revolving credits into term loans. Also include loans *disbursed* during the reporting period, even if the loans are not entered onto the bank’s books or loan record system until after the report period. Finally, include overnight loans, as well as the bank’s portion of drawn loan participations and syndications when funds are disbursed during the reporting period.

***Do not include:*** Loans disbursed *before* the reporting period that are entered onto the bank’s books or loan record system during the reporting period; loans purchased in the secondary loan market; loans resulting from unplanned overdrafts to deposit accounts; existing loans on which the rate changes during the reporting period when no additional funds are disbursed during the reporting period; and loans made by a branch of a foreign bank to its home office, other branches of the same bank, or other depository institutions controlled by the same holding company as the foreign bank.

***Do not deduct:*** Loan repayments or additions to loan loss reserves on the same loans.

### **What to report as “amounts”: deposits**

For deposits, report only the monetary amounts of new deposit agreements made between the bank and the other party and renewals of existing agreements between the bank and the other party following their expiration. For example, a time deposit that has been renewed during the reporting period should be included, regardless of whether or not the maturity of the new time deposit is the same as the old one.

***Do not include:*** Amounts added to existing deposit accounts; non-interest-bearing deposits.

### **What to report as “rates”: loans**

Rates should be reported as stated nominal rates of interest, *not the effective rates or annual percentage rates* as you may disclose to the customer or calculate for your internal records. For loans, the stated nominal rate usually is shown in the note or agreement. If the loan amount reported is an advance, takedown, or renewal under an existing loan commitment, enter the rate of interest for this advance only.

For each category of loan, report the “most common rate.” The “most common rate” means the rate at which the largest monetary volume of loans of a particular type was made during the reporting period. For variable rate loans, the initial rate should be used in the determination of the most common rate, even if the rate changed during the reporting period.

Report interest rates to the nearest basis point (two decimal places); for example, an interest rate of 8.747 percent should be reported as 8.75 percent and an interest rate of 6.204 percent should be reported as 6.20 percent.

**What to report as “rates”: deposits**

As with loans, rates on deposits should be reported as stated nominal rates of interest, *not the effective rates or annual percentage rates*. For each category of deposit, report the “most common rate.” The “most common rate” means the rate at which the largest monetary volume of deposits of a particular type was placed or attracted during the reporting period.

For variable rate deposits, such as interest-bearing demand deposits or savings deposits, the initial rate should be used in the determination of the most common rate, even if the rate changed during the reporting period. Since non-interest-bearing deposits are not reported, do not enter “0”

As with loans, report interest rates to the nearest basis point (two decimal places); for example, an interest rate of 8.747 percent should be reported as 8.75 percent and an interest rate of 6.204 percent should be reported as 6.20 percent.

<b>Item No.</b>	<b>Caption and Instructions</b>
<b>I</b>	<b>SELECTED INTEREST RATES RECEIVED ON NEW ASSETS:</b> Report amounts of new interest-bearing activity and the most common rates on that new activity, according to the General Instructions, for the following types of assets:
<b>1</b>	<b>Demand deposits placed in other banks:</b> Report amounts and rates for new interest-bearing demand deposits placed in other banks of the type reported on Line 2(a) of the Balance Sheet. <i>Do not report the amounts placed with and the interest rate received from DAB here.</i>
<b>2</b>	<b>Overnight deposits placed in other banks:</b> Report amounts and rates for new or renewed overnight deposits placed in other banks of the type reported on Line 2(b) of the Balance Sheet. If there was more than one instance of placement of an overnight deposit during the reporting period, report the placement with the largest monetary value. Exclude time deposits with an original maturity of more than one day. <i>Do not report the amounts placed with and the interest rate received from DAB here.</i>
<b>3</b>	<b>Time deposits placed in other banks:</b> Report amounts and rates for new or renewed time deposits placed in other banks of the type reported on Line 2(b) of the Balance Sheet. Exclude overnight

	deposits.
<b>4</b>	<b>Commercial real estate and construction loans originated:</b> Report amounts and rates for newly-originated or renewed commercial real estate and construction loans of the type reported on Line 6(b)(1) of the Balance Sheet.
<b>5</b>	<b>Other commercial loans originated:</b> Report amounts and rates for newly-originated or renewed other commercial loans of the type reported on Line 6(b) (2) of the Balance Sheet.
<b>6</b>	<b>Agricultural loans originated:</b> Report amounts and rates for newly-originated or renewed agricultural loans of the type reported on Line 6(c) of the Balance Sheet.
<b>7</b>	<b>Consumer loans originated:</b> Report amounts and rates for newly-originated or renewed consumer loans of the type reported on Line 6(d) of the Balance Sheet.
<b>8</b>	<b>Residential mortgage loans to individuals originated:</b> Report amounts and rates for newly-originated or renewed residential mortgage loans to individuals of the type reported on Line 6(e) of the Balance Sheet.
<b>9</b>	<b>All other loans originated:</b> Report amounts and rates for newly-originated or renewed loans that do not easily fit into the other categories. These loans are of the type reported on Line 6(f) of the Balance Sheet.
<b>II</b>	<b>SELECTED INTEREST RATES PAID ON NEW LIABILITIES:</b> Report amounts of new interest-bearing activities and the most common rates on that new activity, according to the General Instructions, for the following types of liabilities:
<b>10</b>	<b>Demand deposits received from other banks:</b> Report amounts and rates for new interest-bearing demand deposits received from other banks of the type reported on Line 13(a) of the Balance Sheet for banks and Line 14(a) of the Balance Sheet for branches.
<b>11</b>	<b>Overnight deposits received from other banks:</b> Report amounts and rates for new or renewed overnight deposits received from other banks of the type reported on Line 13(b) of the Balance Sheet for banks and Line 14(b) of the Balance Sheet for branches. If there was more than one instance of placement of an overnight deposit during the reporting period, report the placement with the largest monetary value. Exclude time deposits with an original maturity of more than

	one day.
<b>12</b>	<b>Time deposits received from other banks:</b> Report amounts and rates for new or renewed time deposits received from other banks of the type reported on Line 13(b) of the Balance Sheet for banks and Line 14(b) of the Balance Sheet for branches. Exclude overnight deposits.
<b>13</b>	<b>Demand deposits received from customers:</b> Report amounts and rates for new interest-bearing demand deposits received from customers of the type reported on Line 14(a) of the Balance Sheet for banks and Line 15(a) of the Balance Sheet for branches.
<b>14</b>	<b>Time deposits received from customers:</b> Report amounts and rates for new or renewed time deposits received from customers of the type reported on Line 14(b) of the Balance Sheet for banks and Line 15(b) of the Balance Sheet for branches.
<b>15</b>	<b>Savings deposits received from customers:</b> Report amounts and rates for new savings deposits received from customers of the type reported on Line 14(c) of the Balance Sheet for banks and Line 15(c) of the Balance Sheet for branches.
<b>16</b>	<b>Borrowings, subordinated debt, and other attracted funds:</b> Report amounts and rates for new or renewed borrowings, subordinated debt, debt-equity hybrid instruments, and other types of attracted funds reported on Lines 17(a), 17(b), 17(c), 18, 19(a), 19(b), and 20(e) for banks, and Lines 18(a), 18(b), 18(c), 19, and 20(e) for branches. <i>Do not report any transaction with DAB here.</i>