

General Instructions

These instructions should be read together with the Glossary entry, *Interest Rate Sensitivity Schedule: Special Instructions and Definitions*.

This form should be completed quarterly, and is a repricing or gap schedule of interest-bearing bank assets and liabilities, and derivative positions that affect a bank's interest-rate risk. These are arrayed across six different time bands or "buckets" according to the earlier of either their next contractual repricing date or scheduled repayment of principal. Next repricing date is the date the interest rate on a floating rate instrument can next change in accordance with the terms of the contract, or the contract maturity date, whichever is earlier. Remaining maturity is the amount of time remaining from the report date until the final contractual maturity of the instrument.

All banks should complete this schedule on a consolidated basis for all currencies in afghani and afghani-equivalent amounts as of the reporting date. Separate schedules should also be completed for currencies other than afghani in cases where either of the reporting bank's total assets or total liabilities in a particular foreign currency equals or exceeds 5% of consolidated total assets as reported in the Balance Sheet. The Financial Supervision Department of DAB at its discretion may also require completion of separate schedules for foreign currency exposures less than the 5% threshold if it believes such exposure to foreign currency interest rates is significant in relation to a bank's capital or other risk factors. Refer to the Glossary entry, *Interest Rate Sensitivity Schedule: Special Instructions and Definitions*, section A, *Foreign Currency Reporting Threshold* for further detail and examples of reporting requirements.

Instructions for Sections I, II and III:

The schedule is broken into three sections for assets, liabilities, and derivatives respectively. Balances are reported in seven columns: one to report total amounts, and six which represent different repricing intervals. All items should be reported on a gross basis before deduction of any loss reserves. Interest bearing debt securities should be reported at their balance sheet value as of the reporting date. For derivatives, report the notional/par value as of the reporting date. Exclude all assets which are on non-accrual.

Column A: Report the total amount for each item shown. The total of column A should equal the sum of columns B through G for any given item.

Column B: Report the balance of those items with repricing date, scheduled repayment of principal, or final maturity of overnight (one day) up to 30 days.

Column C: Report the balance of those items with repricing date, scheduled repayment of principal, or final maturity of 31 up to 90 days.

Column D: Report the balance of those items with repricing date, scheduled repayment of principal, or final maturity of 91 up to 180 days.

Column E: Report the balance of those items with repricing date, scheduled repayment of principal, or final maturity of 181 up to 365 days (one year).

Column F: Report the balance of those items with repricing date, scheduled repayment of principal, or final maturity of one year up to five years.

Column G: Report the balance of those items with repricing date, scheduled repayment of principal, or final maturity over five years.

<u>Item No.</u>	<u>Caption and Instructions</u>
1	<u>Claims on Financial Institutions (interest bearing only):</u> Include in the appropriate sub items below interest bearing demand deposits with banks, time deposits with banks, and loans to banks and other receivables from banks together with loans to investment intermediaries and other financial institutions. <u>Exclude</u> any non-interest bearing deposits or other claims.
1a	<u>Demand Deposits with Banks:</u> Include all interest bearing demand deposit balances with banks. Balances reported under this item should reflect funds on deposit with banks for which the reporting bank has already received credit. (See the Balance Sheet instructions item 2a, <i>Demand Deposits with Banks</i> .)
1b	<u>Memo: With annualized interest rate less than 1%.</u> Report those demand deposit balances included in item 1a above on which the bank is receiving interest at an annualized rate of less than 1%.
1c	<u>Time Deposits with Banks:</u> Report all time deposits placed in other banks. (See the Balance Sheet instructions item 2b, <i>Time Deposits with Banks</i> .)
1d	<u>Loans and Other Receivables from Banks and OFIs:</u> Report all interest bearing loans to banks, domestic or foreign (from item 2c of the Balance Sheet) including loans to branches of foreign banks. Include other interest bearing receivables from banks (from line 2d of the Balance Sheet), as well as loans to investment intermediaries and other financial institutions (from line 2e of the Balance Sheet). <u>Exclude</u> from this item securities purchased under agreement to resell. Securities purchased under agreement to resell should be reported in item 2, <i>Claims</i>

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	<i>under Securities Repurchase Agreements.</i> (See the Balance Sheet instructions item 2c, <i>Loans to Banks</i> , line item 2d, <i>Other Receivables from Banks</i> , and item 2e, <i>Loans to OFIs</i> .)
1e	<u>Total Claims on Financial Institutions (Interest-bearing):</u> Report in column A of this line item the sum of lines 1a, 1c, and 1d.
2	<u>Claims under Securities Repurchased Agreements:</u> Report the amount outstanding of funds lent under securities repurchase agreement. Report only those agreements that <ol style="list-style-type: none">(1) are secured by Afghanistan government securities and other securities issued by governments, central banks, and international organizations as specified in DAB's Regulations, <u>and</u>(2) carry an investment grade rating assigned by a recognized international rating agency such as Standard & Poor's or Moody's. See the Balance Sheet instructions item 3, <i>Claims under Securities Repurchase Agreements</i> .
3	<u>Trading Account Assets:</u> Report the amount of interest bearing Trading Account investments. Trading account items should be reported at fair value. (See the Balance Sheet instructions at line 4, <i>Trading Account Assets</i>). Do not report any derivative instruments here; report only interest-rate derivative contracts only on the appropriate items 14a, 14b and 14c.
4	<u>Held to Maturity Investments:</u> Report the amount of held to maturity (HTM) investments. HTM investments should be reported at amortized cost. (See the Balance Sheet instructions at item 5a, <i>Held to Maturity Investments</i>).
5	<u>Available for Sale Investments:</u> Report the amount of interest bearing available for sale (AFS) investments. AFS investments should be reported at their fair value or amortized cost as of the reporting date. (See the Balance Sheet instructions at item 5b, <i>Available for Sale Investments</i>).
6	<u>Loans to NFIs and Other Clients:</u> Include in the appropriate subitems below all loans that remain on the balance sheet of the bank as of the reporting date, regardless of payment status. <u>Exclude</u> any loans on nonaccrual and any loans which the bank has sold or charged-off prior to

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	the reporting date.
6a	<u>Loans to Government or its instrumentalities:</u> Report loans extended to the Afghanistan government and to Afghanistan regional government authorities. (See the Balance Sheet instructions item 6a, <i>Loans to Budget</i> .)
6b	<u>Commercial Real Estate and Construction Loans:</u> Report commercial real estate and construction loans. (See the Balance Sheet instructions item 6b(1), <i>Commercial Real Estate and Construction Loans</i> .)
6c	<u>Other Commercial Loans:</u> Report commercial and industrial loans. (See the Balance Sheet instructions item 6b(2), <i>Other Commercial Loans</i> .)
6d	<u>Agricultural Loans:</u> Report agricultural loans. (See the Balance Sheet instructions item 6c, <i>Agricultural Loans</i> .)
6e	<u>Consumer Loans:</u> Report consumer loans. (See the <i>Balance Sheet</i> instructions item 6d, <i>Consumer Loans</i> .)
6f	<u>Residential Mortgage Loans to Individuals:</u> Report residential mortgage loans to individuals. (See the Balance Sheet instructions item 6e, <i>Residential Mortgage Loans to Individuals</i> .)
6g	<u>All Other Loans:</u> Report all other loans to non-financial institutions and other clients, which cannot be properly reported elsewhere in this schedule. (See the Balance Sheet instructions at item 6g, <i>All Other Loans</i> .)
6h	<u>Total Loans to NFIs and Other Clients:</u> The total reported in column A is the sum of lines 6a through g.
7	<u>Total Interest Bearing Assets:</u> For each column B through G, report the sum of items 1-6.
8	<u>Deposits of Financial Institutions (Interest Bearing):</u> Report all interest bearing deposits by banks, investment intermediaries, and other financial institutions. <u>Exclude</u> non-interest bearing deposits in these items.
8a	<u>Demand Deposits of Banks:</u> Report the interest-bearing portion of demand deposits of banks reported on the Balance Sheet item 13a,

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8b	<i>Demand Deposits of Banks.</i> <u>Memo: With Annualized Interest Rate less than 1%:</u> Report the portion of the deposits reported on line 8a on which the bank is paying an annualized interest rate of less than 1 percent.
8c	<u>Other:</u> Report the interest-bearing portion of amounts reported on the Balance Sheet item 13b, <i>Time Deposits of Banks</i> , and Balance Sheet item 13c, <i>Deposits of Investment Intermediaries and OFIs</i> .
9	<u>Deposits of NFIs and Other Clients (Interest Bearing):</u> Report all deposits from non-financial institutions and other clients, including interest bearing demand, time and savings deposits. <u>Do not include overdrafts</u> in these items.
9a	<u>Demand Deposits:</u> Report the interest-bearing portion of demand deposits that are reported in Balance Sheet item 14a, <i>Demand Deposits</i> .
9b	<u>Memo: With Annualized Interest Rate less than 1%:</u> Report the portion of the deposits reported in item 9a on which the bank is paying an annualized interest rate of less than 1%.
9c	<u>Time Deposits:</u> Report the deposits that are reported in Balance Sheet item 14b, <i>Time Deposits</i> .
9d	<u>Savings Deposits:</u> Report the deposits that are reported in Balance Sheet item 14c, <i>Savings Deposits</i> . Report the amounts in the time column corresponding to the earlier of either the earliest date at which the bank can change the rate on the deposit, <u>or</u> the required period of notice that must be given by the depositor to the bank before a withdrawal is made. For example, if the bank can change the interest rate on the deposit at any time, or if a 7-day notice period is required on a savings deposit, report the amount of the deposit in the 1-30 day time column.
10	<u>Borrowings under Securities Repurchase Agreements:</u> Report the amount outstanding of funds borrowed under securities repurchase agreements. Report only those agreements that: <ol style="list-style-type: none">(1) are secured by Afghanistan government securities and other securities issued by governments, central banks, and international organizations of Category A countries, <u>and</u>(2) carry an investment grade rating assigned by a recognized international rating agency such as Standard & Poor's or Moody's.

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	See the Balance Sheet instructions, item 16, <i>Borrowings under Securities Repurchase Agreements</i> .
11	<u>Short-term and Long-term Borrowings:</u> Include in the appropriate subitems below all borrowings reported in Balance Sheet item 17, <i>Short-term Borrowings</i> , and item 18, <i>Long-term Borrowings</i> , as of the reporting date, regardless of source.
12	<u>Subordinated Debt and Debt/Equity (Hybrid) Instruments:</u> Report the total amount of subordinated notes, bonds, and debt/equity hybrids. (See the Balance Sheet instructions item 19, <i>Subordinated Debt and Debt/Equity (Hybrid) Instruments</i>).
13	<u>Total Interest Bearing Liabilities:</u> For each column B through G, report the sum of items 8 through 12.
14	<u>Interest Rate Contracts:</u> Report in the appropriate subitems, the notional principal value of all interest rate contracts outstanding as of the reporting date, including non-option contracts (interest rate futures, forward rate agreements, and interest rate swaps), and interest rate options (options to purchase or sell forward rate agreements or fixed-rate securities, caps, floors, collars, and others). <u>Exclude</u> contracts involving exchange of one or more foreign currencies (such as cross currency swaps), and other contracts whose predominant risk characteristic is foreign exchange risk. Two arithmetic relationships must be observed among these line items and between them and the amounts that are reported on the Derivatives and Off-Balance Sheet Items schedule: (1) Total (Column A) of item 14a, <i>Gross Long Positions</i> , must equal the total in Column B of item 14b, <i>Gross Short Positions</i> . (2) Total (Column A) of item 14a, <i>Gross Long Positions</i> , must equal the sum of the following items on the Derivatives and Off-Balance Sheet Items Schedule: line 3a, Column C; line 3b, Column C; and line 3c, Column C. (See the Derivatives and Other Off-Balance Sheet schedule, part I, item 3, <i>Interest Rate Contracts</i> , for a complete definition. Detailed instructions for this section are found in the Glossary entry, Interest Rate Sensitivity Schedule: Special Instructions and Definitions, Section F,

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	Interest Rate Derivative Contracts)
14a	<u>Gross Long Positions (Non-option):</u> Report long positions in interest rate futures, forward rate agreements, and interest rate swaps, in accordance with the instructions in the Glossary entry referenced above, in the subsection Non-option Contracts.
14b	<u>Gross Short Positions (Non-option):</u> Report short positions in interest rate futures, forward rate agreements, and interest rate swaps, in accordance with the instructions in the Glossary entry referenced above, in the subsection Non-option Contracts.
14c	<u>Net Effect of Interest Rate Options:</u> Report the net effect (net sum of all gross long and short positions) of all interest-rate option contracts (options to purchase or sell forward rate agreements or fixed rate securities, caps, floors, collars, and others), in accordance with the instructions in the Glossary entry referenced above, in the subsection Options Contracts. Enclose negative amounts in parentheses. The amounts reported in the various time categories must sum to zero in Column A.
14d	<u>Net Position:</u> For each column, report the result obtained from item 14a minus item 14b plus item 14c. Enclose negative amounts in parentheses.
15	<u>Total Asset-Liability Gap:</u> For each column B through G, report the sum of item 14d plus item 7, minus item 13.