

**Da Afghanistan Bank**  
**Instructions for Financial Reports: Balance Sheet (Branch)**  
**Frequency: Monthly**

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General Instructions

This form should be completed on a monthly basis by branches of banks which are domiciled outside of Afghanistan. This schedule is segregated into six columns: A, B, C, D, E and F. In column B, report the afghani equivalent of the specified relationships with related depository institutions. In columns C, D, E, and F, report relationships with unrelated parties or related non-depository institutions. In column C, report the sum of columns D, E and F for each item. In column D, report the total afghani amount for each relationship with unrelated parties and related non-depository institutions denominated in afghani. In column E, report the afghani equivalent amount for each relationship with unrelated parties and related non-depository institutions denominated in the U. S. dollar. In column F, report the total afghani equivalent amount for each relationship with unrelated parties and related non-depository institutions denominated in all other foreign currencies. In column A, report the sum of columns B and C for each item.

Only some of the possible relationships between the foreign branch and related depository institutions are specified on the form. However, the total net due from related depository institutions (if positive), conceptually, must equal the excess of liabilities to unrelated parties and related non-depository institutions over claims on such parties.

Similarly, the total net due to related depository institutions, if positive, must equal the excess of claims on unrelated parties over liabilities to such parties.

Expressed algebraically,

11. Total Assets and Claims on Unrelated Parties and Related Non-depository Institutions  
-minus-

21. Total Liabilities to Unrelated Parties and Related Non-depository Institutions  
-if positive equals-

22. Net Due to Related Depository Institutions and Head Office

And,

21. Total Liabilities to Unrelated Parties and Related Non-depository Institutions  
-minus-

11. Total Assets and Claims on Unrelated Parties and Related Non-depository Institutions  
-if positive equals-

12 Net Due from Related Depository Institutions and Head Office

It should be obvious from previous discussion that a branch can have a net due to related depository institutions and head office OR a net due from, but not both at the same time. Because the total net due to , or the total net due from, related depository institution and the head office may reflect certain items that are not shown separately on the balance sheet, a “ statistical adjustment” is necessary. This statistical adjustment is an entry on the asset side( 11.5 Statistical adjustment: Other Claims on Related Depository Institutions) or on the liability side (21.5 Statistical Adjustment: Other Liabilities to Related Depository Institutions), but not both at the same time.

The statistical adjustment must satisfy the following equation:

8.5 Column B Total Financial Claims on Related Depository Institutions  
-minus-

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20.5 Column B Total Financial Liabilities to Related Depository Institutions

-plus-

11.5 Statistical Adjustment: Other Claims on Related Depository Institutions

-equals-

12. Net Due from Related Depository Institutions and Head Office

OR,

20.5 Column B Total Financial Liabilities to Related Depository Institutions

-minus-

8.5 Column B Total Financial Claims on Related Depository Institutions

-plus-

21.5 Statistical Adjustment: Other Liabilities to Related Depository Institutions.

-equals-

22. Net Due to Related Depository Institutions and Head Office

The first equation is solved if 12 is positive and the second equation is solved if line 22 is positive.

**Assets**

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**1**            **Cash in Vault and Claims on DAB:** Report cash in vault, current accounts with DAB and other claims on DAB in the appropriate categories below:

**1a**           **Cash in Vault:** Report currency and coin owned and held in the branch and in transit and cash items in process of collection that are immediately convertible into cash.

Currency and coin includes both Afghan and foreign currency that is owned and held at the branch, is in transit to DAB or to another depository institutions for which the reporting institution has not yet received credit, and is in transit from DAB or other financial institution for which the reporting institution has already been charged.

Cash in process of collection are checks, drafts, other similar items in process of collection. These items are payable immediately in cash when presented, such as (a) checks or drafts drawn on other banks (including DAB) that have already been forwarded for collection but for which the reporting branch has not yet been given credit; (b) checks or drafts on hand that will be presented for payment or forwarded for collection on the following business day; and (c) other similar items which are payable immediately in cash when presented.

Exclude from this item:

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(1) All precious metals.

(2) Precious stones.

(3) Other valuables.

Precious metals, precious stones, and other valuables should be reported in item 8c, *Other Assets*.

**1b**      **Current Accounts with DAB:** Report in the line item all non-interest bearing balances held with DAB.

**1c**      **Other Claims on DAB:** Report in this sub category all other claims on DAB.

**2**      **Claims on Financial Institutions:** Report deposits and loans to all banks, and loans to other financial institutions in the appropriate category below.

**2a**      **Demand Deposits with Banks:** Report deposit balances due from banks with no stated maturity, including correspondent accounts. Include “call deposits” and “notice deposits” for which the reporting branch is required to give notice before withdrawal or transfer. Overdrafts should be reported as borrowings in item 16b, *Short-Term Borrowings from Banks*, not as negative deposits.

**2b**      **Time Deposits with Banks:** Report deposit balances due from banks with a stated maturity, including overnight placements.

Exclude from this item:

(1) Claims on banks that the reporting branch holds for trading purposes. Report such balances in item 4, *Trading Account*.

(2) Claims on non-bank financial institutions. Such claims should be reported in the appropriate line item elsewhere in the schedule. For example, claims on non-bank financial institutions held for trading purposes should be reported in the Trading Account Composition

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Schedule, item 1c(1), *Other on Balance Sheet Trading Assets* and reflected in Balance Sheet line item 4, *Trading Account*. Loans to non-bank financial institutions should be reported on the Balance Sheet in line item 2e, *Loans to OFIs*.

**2c**      **Loans to Banks:** Report all loans and overdrafts to banks, domestic or foreign, including loans and overdrafts due to branches of foreign banks. Exclude from this item securities purchased under agreement to resell. Securities purchased under agreement to resell should be reported in item 3, *Claims under Securities Repurchase Agreements*.

**2d**      **Other Receivables from Banks:** Report all loans and overdrafts receivable from banks in settlement of securities transactions, including margin accounts. Do not include cash items in process of collection; report these in item 1, *Cash in Vault and Current Account with DAB*.

**2e**      **Loans to OFIs:** Report all loans and overdrafts to investment intermediaries and other financial institutions. See the Glossary, *Other Financial Institutions* for further information.

Exclude from this item securities purchased under agreement to resell. These are reported in item 3, *Claims under Securities Repurchase Agreements*.

**2f**      **Total Claims on Financial Institutions:** Report the sum of items 2a through 2e.

**2g**      **Less: Loss reserves:** Report the balance of the loss reserves established to absorb losses in the portfolio of balances due from financial institutions in items 2a through 2e above.

Exclude from this item:

(1) Loss reserves established for asset categories other than deposits with banks, loans to banks, other receivables from banks, and loans to investment intermediaries and other financial institutions.

(2) Loss reserves established for off-balance sheet items. Report all off-balance sheet credit loss reserves in item 18d, *Loss reserves for Off-balance Sheet Commitments*.

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<b>2h</b>	<b><u>Net Claims on Financial Institutions:</u></b> Report the net of item 2f and item 2g.
<b>3</b>	<b><u>Claims under Securities Repurchase Agreements:</u></b> Report the amount outstanding of funds lent under securities repurchase agreements. Report only those agreements:  (1) that 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) with underlying securities which carry an investment grade rating assigned by a recognized international rating agency such as Standard & Poor's or Moody's.  Repurchase agreements are transactions involving the purchase of assets by one party from another, subject to an agreement by the purchaser to sell the assets back to the original seller on a specified date or under specific circumstances.  Do not net the amount reported in this item against the amount reported in item 15, <i>Borrowings under Securities Repurchase Agreements</i> . <u>Exclude</u> agreements involving securities other than those specified above and all assets other than securities. All such claims should be reported as loans under the appropriate category.  For additional information, see the Glossary, <i>Repurchase Agreements</i> .
<b>4</b>	<b><u>Trading Account Assets:</u></b> Under this item the branch should report the fair value of positions as of the reporting date in cases where it: (a) underwrites or "deals" in securities, contracts involving interest rates, foreign exchange, commodities and equities, or other financial instruments; (b) acquires or takes positions in such instruments principally for the purpose of reselling them with the intent to profit from short-term price movements; or (c) acquires or takes positions in such instruments as an accommodation to customers or for other trading purposes.  Trading assets include, but are not limited to, securities issued by the Afghanistan government, local government authorities, foreign governments, other local or foreign entities. Include own acceptances of

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the reporting branch held for trading. Trading assets also include the positive market value of derivative contracts held for trading purposes. Do not net the negative market value of interest rate, foreign exchange and other derivative contracts held for trading purposes against this item. Report negative market value of derivative instruments held for trading purposes as trading account liabilities in item 18a, *Trading Liabilities*.

For a derivative contract which has been designated as a hedge, include in this item the ineffective portion (any positive fair value that is not used to offset the change in value of a hedged item), if any. Report the associated revaluation gain in the Income Statement, line item 5b, *Gains/Losses on Derivatives Held for Trading*. For more information on derivatives and hedge accounting, see the Glossary, *Derivatives*.

This line item should equal the amount reported in the Trading Account Composition Schedule, item 1d, *Total Trading Assets*. For more information, refer to the instructions for the Trading Account Composition Schedule.

Exclude from this item:

- (1) Non-liquid assets held for resale. These are reported under item 7, *Assets Held for Resale*.
- (2) Negative market value of derivatives held for trading purposes, which should be included in item 18a, *Trading Liabilities*.
- (3) Fair value of derivatives held for hedging. Positive fair value of hedging derivatives should be reported in item 8a, *Hedging Derivatives*. Negative fair value of such derivatives should be reported in item 18b, *Hedging Derivatives*.
- (4) Investment Account Securities. Report all securities held for investment in item 5, *Investment Account*.

**5**      **Investment Account:** Report in this item, under the appropriate subgroup, the total amount of the investment account assets of the reporting branch.

Exclude from this item all securities held for trading purposes. Securities held for trading purposes should be reported under item 4, *Trading*

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*Account.*

- 5a**      **Held to Maturity Investments:** Report in this item the total amount of Held to Maturity (HTM) investments. HTM investments should be reported at amortized cost. The total amount reported in this item should equal the amount reported in the Investment Account Composition Schedule, item 1c, column A, *Total Held to Maturity Investments*.

For more information, refer to the instructions for the Investment Account Composition Schedule.

- 5b**      **Available for Sale Investments:** Report in this item the total amount of Available for Sale (AFS) investments. The total amount reported in this item should equal the amount reported in Investment Account Composition Schedule, item 2d, column B, *Total Available for Sale Investments*.

For further information, refer to the instructions for the Investment Account Composition Schedule.

- 6**      **Loans to Unrelated NFIs, Related Non-depository Institutions and Other Clients:** Loans are extensions of credit resulting from either direct negotiation between the branch and its customers, or the purchase of such assets from others. Report all loans that remain on the Balance Sheet of the branch as of the reporting date, regardless of payment status, and own acceptances held for purposes other than trading, in the appropriate sub-group. Exclude any loans which have been sold or charged-off prior to the reporting date.

For this item, loans are reported initially before deducting any specific loss reserves, but including unamortized premium/discount and loan fees or costs. Exclude interest receivable, which is reported in item 8b, *Interest Receivable*.

The loan sub-categories below are designed to capture the general risk characteristic of each loan type. Loans are reported based on their original purpose.

- 6a**      **Loans to Governmnet or its instrumentalities:** Report total loans extended to the Afghanistan government and to regional government authorities, regardless of the purpose of the loan or whether or not the

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loan is secured by any form of collateral. Exclude obligations reported as securities issued by such entities.

- 6b**      **Commercial Loans:** Report loans for commercial and industrial purposes to sole proprietorships, partnerships, and corporations. Also, include loans to individuals for commercial, industrial or professional purposes. Include loans for financing capital expenditures and current operations.

Exclude from this item:

- (1) Loans to banks or other financial institutions. Report loans to banks in item 2c, *Loans to Banks*. Report loans to other financial institutions in item 2e, *Loans to OFIs*.
- (2) Loans for the purpose of financing agricultural production. Such loans are reported in item 6c, *Agricultural Loans*.
- (3) Loans extended to individuals for household, family, or other personal expenses. Such loans are reported in item 6d, *Consumer Loans*.
- (4) Loans granted to finance purchase of residential real estate by individuals. Such loans are reported in item 6e, *Residential Mortgage Loans to Individuals*.

- 6b(1)**      **Commercial Real Estate and Construction Loans:** Report loans extended to finance real estate construction and development activities. This line item includes the following:

- (1) Loans made to finance land development (such as preparing and laying water and sewage lines, etc) in preparation for erecting new structures or the on-site construction of industrial, commercial, or residential buildings. For this item, the term construction includes construction of new structures, additions and alterations to existing structures, and the demolition of existing structures to make way for new structures.
- (2) Loans made for the express purpose of financing real estate ventures, or loans made to organizations or individuals whose revenues or assets are primarily derived from or consist of real estate ventures or

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holdings.

(3) Loans extended for purchase of commercial real estate.

Exclude from this item loans secured by real estate but which are extended for other business purposes, such as working capital loans. Report such loans in item 6b(2), *Other Commercial Loans*.

**6b(2)**      **Other Commercial Loans:** Report loans for commercial and industrial purposes to sole proprietorships, partnerships, and corporations. Include loans to individuals for commercial, industrial or professional purposes, and loans for financing capital expenditures and current operations.

Exclude from this item:

(1) Loans to banks or other financial institutions. Report loans to banks in item 2c, *Loans to Banks*. Report loans to other financial institutions in item 2e, *Loans to OFIs*.

(2) Loans for the purpose of financing agricultural production. Such loans are reported in item 6c, *Agricultural Loans*.

(3) Loans granted to finance real estate development or purchase of commercial real estate. Such loans should be reported in item 6b(1), *Commercial Real Estate and Construction Loans*.

**6c**      **Agricultural Loans:** Report loans extended for the purpose of financing agricultural production. Agricultural production includes growing and storing of crops, marketing or carrying of agricultural products by the grower, and breeding, raising, fattening, and marketing of livestock. Include loans and advances for the purpose of financing fisheries and forestry. Also include loans and advances to the agricultural sector for the purpose of purchasing machinery and equipment. Agricultural loans, whether unsecured or secured by land, homesteads, machinery, equipment, or production, should be reported in this line item.

**6d**      **Consumer Loans:** Report all loans to individuals for household, family and other personal expenditures.

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	<p>(1) Loans extended to individuals for commercial, industrial, or professional purposes. These are reported in the appropriate sub item of item 6b, <i>Commercial Loans</i>.</p> <p>(2) Loans to individuals for the purpose of funding agricultural production. These are reported in item 6c, <i>Agricultural Loans</i>.</p> <p>(3) Loans to individuals to finance purchase of residential real estate and secured by same. These should be reported in item 6e, <i>Residential Mortgage Loans to Individuals</i>.</p>
<b>6e</b>	<p><b><u>Residential Mortgage Loans to Individuals:</u></b> Report loans extended to individuals for the purchase of residential real estate and secured by mortgages.</p> <p><u>Exclude</u> from this item:</p> <p>(1) Loans to the state budget that are secured by residential real estate. Report such loans in item 6a, <i>Loans to Budget</i>.</p> <p>(2) Loans secured by residential real estate but made for the purpose of construction and development, or for purchase of commercial real estate. Report such loans in item 6b(1), <i>Commercial Real Estate and Construction Loans</i>.</p>
<b>6f</b>	<p><b><u>All Other Loans:</u></b> All other loans to non-financial institutions and other clients, which cannot be properly reported elsewhere in this schedule. For example, leasing and loans to foreign governments would be reported in this line item.</p>
<b>6g</b>	<p><b><u>Total Loans to Unrelated NFIs, Related Non-depository Institutions and Other Clients:</u></b> Report the sum of items 6a. through 6f.</p>
<b>6h</b>	<p><b><u>Less: Loss reserves:</u></b> Report the balance of loss reserves established to absorb losses in the loan portfolio. This item includes the credit loss reserves for all loan types included in items 6a through 6f. Include both general and specific reserves.</p> <p><u>Exclude</u> from this item:</p> <p>(1) Loss reserves established for asset categories other than loans to NFIs</p>

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and other clients.

(2) Loss reserves established for off-balance sheet items. Report these in item 20d, *Loss reserves for Off-balance Sheet Commitments*.

(3) Loss reserves established for any transaction with the head office or other related parties. Report these in the Due From/Due to Related Parties schedule, item 3, *Credit Loss reserves*.

**6i**      **Net Loans to Unrelated NFIs, Related Non-depository Institutions and Other Clients:** Report the net of items 6g and 6h.

**6j**      **Memo: Loans Purchased Included Above:** Report the total amount of loans included in line items 6a through 6f that the branch has purchased, acquired or been assigned from third parties. Report the afghani equivalent for all loans denominated in foreign currency.

**7**      **Repossessed Assets:** Report here real estate and all other non-liquid assets received by the branch from debts previously contracted and held for resale. Repossessed assets held for resale should be held at the lower of their cost or fair value. Liquid assets which the branch has acquired should be reported above in line 4, *Trading Account*, or line 5b, *Available for Sale Investments*, as appropriate.

Three possible cases apply to these assets at the time of acquisition:

(1) If the fair value of the assets covers the recorded amount of the loan, the assets are recorded at this value. The recorded amount of the loan is defined as the loan balance adjusted for any unamortized premium, discount or fees, less any amount previously charged-off, plus recorded accrued interest.

(2) If the fair value of the assets does not fully cover the recorded amount of the loan (ie, when the recorded amount is higher), the shortfall should be written off against part of specific loss reserves. The remaining specific loss reserves should be reintegrated. The assets for resale should be recorded at fair value.

(3) If the fair value of the assets exceeds the recorded amount of the loan, report the assets as in (1) above and reintegrate credit loss reserves.

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After foreclosure, each repossessed asset must be carried at the lower of its fair value or acquisition cost, and should be revalued at each reporting date. Any subsequent declines in the value of assets held for resale should not be charged to specific loss reserve accounts. If during subsequent periods the fair value (less estimated sale fees) falls below the asset's cost, the deficiency should be recognized by a charge to *Gains/Losses on Repossessed Assets*, item 8e on the Income Statement.

When repossessed assets are sold any gains or losses should be recognized in the Income Statement, item 8e, *Gains/Losses on Repossessed Assets*, at the time of the sale. For further information, refer to reporting instructions for the Income Statement.

For purposes of this report, repossessed and non-liquid assets held for resale should continue to be reported in this account without regard for the length of time they are held.

**8            Other Assets**

**8a            Hedging Derivatives:** Report derivative instruments with a positive fair value that are designated and qualify as hedges. Report only the positive fair value associated with the effective portion of the hedge in this item. Do not net negative fair value on hedging derivatives against this item. This should be reported in item 20b, *Hedging Derivatives*. For further information on reporting this item, see the Glossary, *Derivatives*.

**8b            Accrued Interest Receivable:** Report the total amount of accrued interest receivable. This amount is equal to interest accrued but unpaid.

**8c            Prepaid Expenses:** Report the unamortized amount of any expense that was prepaid in a lump sum in advance, to be recognized as an expense either all at once in a future period or gradually over a future time period.

**8d            Accounts Receivable:** Report all receivables other than deposits, investment securities, loans, and accrued interest receivable. Do not report any loans on this line, such as past-due or charged-off loans.

**8e            Suspense Accounts:** A suspense account is the general ledger account which records transactions of a temporary nature pending a determination as to how they shall finally be recorded. An amount may be initially recorded in a suspense account only where it is:

- in need of identification prior to being transferred to an appropriate

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- account;
- in need of dissection prior to being transferred to two or more accounts;
  - awaiting correction for the use of an invalid account; or
  - awaiting the opening of a new account.
- 8f**      **Deferred Tax Assets:** Report the net amount after offsetting deferred tax assets and deferred tax liabilities measured as of the reporting date for a particular tax authority if the net amount is a debit balance. If the net amount for a particular taxing authority is a net credit balance, enter that amount as a net deferred tax liability in line item 20e, *Deferred Tax Liabilities* on the Balance Sheet. If the result for each tax authority is a net credit balance, this item should contain a zero balance. Deferred tax assets and liabilities should be measured at the tax rates that are expected to apply to the period when the assets or liabilities are realized, based on tax rates (and tax laws) that have been enacted by the reporting date. (A bank may report a net deferred tax asset for one taxing authority and at the same time report a net deferred tax liability for another.)
- 8g**      **All Other Assets:** Report the total amount of other assets not reportable elsewhere in this schedule.

Include in this item:

- (1) Real estate held for investment. Report the net amount of any land or buildings which are held to earn rentals or for capital appreciation rather than for use either in the regular course of banking activities or for sale in the ordinary course of business. Bank premises are reported at line 11, *Premises and Other Fixed Assets*. Report real estate held for resale at line 7, *Repossessed assets*.
- (2) Claims on customers' acceptances outstanding. Report the full amount of customers' liability to the reporting bank on outstanding drafts and bills of exchange that have been accepted by the reporting bank or by others for its account. Refer to the Glossary entry, *Banker's Acceptances* for additional information.
- (3) Precious metals, stones, and other valuables.
- (4) Other assets not reportable elsewhere.

Do not report "assets" arising from transactions between bank branches, or between any branch and the home office. Such transactions should be

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netted and the accounts presented on a consolidated basis.

If the total sum of any individual account reported under this item is greater than 2.5 million afghani and also exceeds 20% of the total amount of this item, the reporting bank must complete Balance Sheet Memoranda Items Schedule, item 3, providing amounts and a clear and concise description of each reported item that exceeds the threshold.

- 8h**      **Total Other Assets:** Report the sum of 9a through 9g.
- 8i**      **Less: Loss reserves on accounts receivable:** Report the balance of loss reserves established to absorb losses associated with accounts receivable. Exclude from this item:
- (1) Loss reserves established for asset categories other than accounts receivable.
  - (2) Loss reserves established for off-balance sheet items. Report these in item 20d, *Specific Loss reserves for Off-balance Sheet Commitments*.
- 8j**      **Net Other Assets:** Report the net of items 9h and 9i.
- 8.5**      **Total Financial Claims on Related Depository Institutions:** Report the sum of all items in Column B, Lines 2, 3, 4, 5, 6 and 8.
- 9**      **Intangible Assets:** Report the book value, net of accumulated amortization of all intangible assets such as proprietary software, licenses, etc.
- 10**      **Premises and Other Fixed Assets:** Report the book value net of accumulated depreciation and amortization of all premises, equipment, automobiles and other vehicles, furniture and fixtures. Do not deduct mortgages or other liens on such property. Report such mortgages and other liens as borrowings in line 18 or 19 below as appropriate. Also report the net value of such financed assets in the Balance Sheet Memoranda schedule in item 2c, *Other Pledged Assets*.
- 11**      **Total Assets and Claims on Unrelated Parties and Related Non-depository Institutions:** Report the sum of items 1 through 10, in column C.

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11.5	<b>Statistical Adjustment: Other Claims on Related Depository Institutions</b> (See general instruction)

**Claims on Related Parties**

12	<b>Net Due From Related Depository Institutions and Head Office:</b> All balances and positions due from and to the head office and related depository institutions should be reported as a single, net amount in afghani or afghani-equivalent. If this amount is a net due from, it should be entered in this item; if the amount is a due to, it should be entered below line 22, <i>Net Due To Head Office and Other Related Depository Institutions</i> . There should thus be a positive amount in either this line or line 22, but not both, with no negative amounts. The positions reported at this line and at line 22 should reflect all balances due from and due to the head office and other related depository institutions wherever these are located, including unremitted profits, any statutory or capital requirement, and any reserve accounts.
13	<b>Total Assets:</b> Report the sum of items 11 and 12. Line 13 must be equal to line 23, Total Liabilities.
14	<b>Deposits of Financial Institutions:</b> Report all deposits (including current accounts) by banks in the appropriate category below.
14a	<b>Demand Deposits of Banks:</b> Report deposit balances to banks with no stated maturity, including correspondent accounts. Include “call deposits” and “notice deposits” for which the reporting branch requires notice before withdrawal or transfer. Overdrafts due from other banks should be reported as loans in item 2c, <i>Loans to Banks</i> , not as negative deposits.
14b	<b>Time Deposits of Banks:</b> Report deposit balances to banks with a stated maturity, including overnight placements.
14c	<b>Deposits of OFIs:</b> Report all deposit balances to all other financial entities.
15	<b>Deposits by Unrelated NFIs, Related Non-depository Institutions and Other Clients:</b> Report all deposits by non-financial institutions and other clients in the appropriate category below. Overdrafts should be reported as

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loans under the appropriate sub-group in item 6, *Loans to NFIs and Other Clients*, not as negative deposits.

**15a Demand Deposits:** Report all demand accounts due from unrelated NFIs, related non-depository institutions and other clients, including both interest bearing and non-interest bearing. A demand deposit is a deposit that has no fixed term or withdrawal notification requirements. Funds in demand deposits are payable immediately upon demand. Do not include savings or time deposits under this item.

**15b Time Deposits:** Report all time deposits due from unrelated NFIs, related non-depository institutions and other clients. A time deposit is a deposit for which the deposit contract has a fixed period of time during which the depositor may not withdraw the funds without penalty.

**15c Savings Deposits:** Report all savings deposits due from unrelated NFIs, related non-depository institutions and other clients. Also report in this item all other non-demand, non-time deposits. These are deposits which do not have a fixed term, but are not payable immediately upon demand because the deposit contract includes a withdrawal notification requirement

**16 Total Deposits of Unrelated Parties and Related Non-depository Institutions:** Report the sum of deposits (including current accounts) included in items 14 and 15, Column C.

**17 Borrowings under Securities Repurchase Agreements:** Report the amount outstanding of funds borrowed under securities repurchase agreements. Report only those agreements:

- (1) that are secured by Afghanistan government securities and other securities issued by governments, central banks, and international organizations of Category A countries, and
- (2) with underlying securities which carry an investment grade rating assigned by a recognized international rating agency such as Standard & Poor's or Moody's.

Repurchase agreements are transactions involving the sale of assets by one party to another, subject to an agreement by the seller to repurchase the securities on a specified date or under specific circumstances. Do not net the amount reported in this item against the amount reported in item 3, *Claims under Securities Repurchase Agreements*.

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Exclude agreements involving securities other than those that meet the eligibility criteria above. All such transactions should be reported as borrowings under the appropriate category.

**18 Short-term Borrowings:** Report borrowings with entities with a remaining maturity of one year or less in the appropriate sub-group.

**18a From DAB:** Report all borrowed funds received from DAB. Refer to Glossary, *DAB Borrowings*, for further details.

**18b From Banks:** Report all borrowed funds received from banks other than DAB.

**18c Other Short-term Borrowings:** Report all other short-term borrowings.

**19 Long-term Borrowings:** Report borrowings with entities with remaining maturities of more than one year. This item includes, but is not limited to borrowings in the form of loans and bonds.

**19a Memo: Borrowings from Banks Included in the Above:** Report here all borrowings from other banks with a remaining maturity greater than one year included above in item 19, *Long-Term Borrowings*.

**20 Other Liabilities**

**20a Trading Liabilities:** Report the amount of liabilities from the reporting bank's trading activities. Include liabilities resulting from the sale of assets that the bank does not own ("short sales") and negative fair value from the marking to market of interest rate, foreign exchange and all other derivative contracts which have been entered for trading, dealer, customer accommodation, and similar purposes. For a derivative contract which has been designated as a hedge, include any negative fair value that is not used to offset the change in value of a hedged item.

Do not net positive fair value from the marking to market of interest rate, foreign exchange and other derivative contracts held for trading purposes against this item. It is reported as trading account assets in item 4, *Trading Account Assets*. For more information on derivatives and hedge accounting, see the Glossary, *Derivatives*.

The amount reported in this item should be equal to the amount reported in the Trading Account Composition Schedule, item 2c, *Total Trading*

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*Liabilities.* For additional information, refer to the reporting instructions for the Trading Account Composition Schedule.

- 20b Hedging Derivatives:** Report derivative instruments with a negative fair value that are designated and qualify as hedges. Report only the negative fair value associated with the effective portion of the hedge in this item. Do not net positive fair value of hedging derivatives against this item. Report it in item 9a, *Hedging Derivatives*.
- 20c Accrued Interest Payable:** Report the total amount of interest accrued through charges to expense but not yet paid.
- 20d Suspense Accounts:** A suspense account is the general ledger account which records transactions of a temporary nature pending a determination as to how they shall finally be recorded. An amount may be initially recorded in a suspense account only where it is:
- in need of identification prior to being transferred to an appropriate account;
  - in need of dissection prior to being transferred to two or more accounts;
  - awaiting correction for the use of an invalid account; or
  - awaiting the opening of a new account.
- 20e Deferred Income:** Report any income, the recognition of which in the income statement has been deferred until a future date.
- 20f Deferred Tax Liabilities:** Report the net amount after offsetting deferred tax assets and deferred tax liabilities measured as of the reporting date for a particular tax authority if the net amount is a credit balance. If the net amount for a particular taxing authority is a debit balance, enter that amount as a *net deferred tax asset* in item 9c of the Balance Sheet. If the result for each tax authority is a net debit balance, this item should contain a zero balance. (A bank may report a net deferred tax asset for one taxing authority and at the same time report a net deferred tax liability for another.)
- 20g Loss reserves for Off-balance Sheet Commitments:** Report the total amount of loss reserves established against off-balance sheet commitments, as provided in the Regulation on Asset Classification.
- 20h All Other Liabilities:** Report the total amount of all other liabilities not reportable elsewhere.

Include in this item:

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- (1) Cash dividends declared on or before the reporting date but not payable until after the reporting date.
- (2) Other expenses accrued but not yet paid.
- (3) Bank's liability on acceptances executed and outstanding. Report the full amount of the bank's outstanding liabilities represented by drafts and bills of exchange that have been accepted by the reporting bank or by others for its own account. See the Glossary entry, *Banker's Acceptances* for further information.
- (4) Negative goodwill.
- (5) All other liabilities not reportable elsewhere.

Do not report "liabilities" arising from transactions between bank branches, or between any branch and the home office. Such transactions should be netted and the accounts presented on a consolidated basis.

If the total sum of any individual account reported under this item is greater than 2.5 million afghani and also exceeds 20% of the total amount of this item, the reporting bank must complete the Balance Sheet Memoranda Items Schedule, item 8, providing amounts and a clear and concise description of each reported item that exceeds the threshold.

- 20.5**      **Total Financial Liabilities to Related Depository Institutions and Related Non-depository Institutions:** Report the sum of all items in Column B, Line 14, 17, 18, 19 and 20.
- 21**        **Total Liabilities to Unrelated Parties:** Report the sum of items 14 through 20, in Column C.
- 21.5**      **Statistical Adjustment: Other Liabilities to Related Depository Institutions**

**Net Due to Head Office and Depository Institutions**

- 22**        **Net Due To Head Office and Related Depository Institutions:** All balances and positions due from and to the head office and related depository institutions should be reported as a single, net amount in afghani or afghani-equivalent. If this amount is a net due to, it should be entered in this item; if the amount is a due from, it should be entered above in line 12, *Net Due From Head Office and Other Related*

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*Depository Institutions.* There should thus be a positive amount in either this line or line 12, but not both, with no negative amounts. The positions reported at this line and at line 12 should reflect all balances due to and due from the head office and other related depository institution wherever these are located, including unremitted profits, any statutory or capital requirement, and any reserve accounts.

- 23**            **Total Liabilities:** Report the sum of items 21 and 22. Line 23 must be equal to line 13, Total Assets.
- 24**            **Memo: Credit Substitutes and Other Off-Balance Sheet Commitments:** Report the aggregate total amount of all credit substitutes and other off-balance sheet commitments, as described in the Derivatives and Off-Balance Sheet Items Schedule, Section III, items 1 through 6. Exclude any such commitments with the head office or other related parties.

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