

*Liquidity Monitoring*  
**Reporting Requirements for**  
**Nepalese Banks and Financial Institutions**

**1. Ratio Approach: Liquid Assets to Short Term Liabilities**

$$\text{Liquid Assets to Short term Liabilities} = \frac{\text{Unencumbered Liquid Assets}}{\text{Short term Liabilities coming due in 30 days}} * 100$$

For the liquidity monitoring purpose, Liquid assets are defined as;

***Liquid Assets is the sum of,***

- Cash
- Bank Balance
- Money at calls at short notice
- Investment in Government Securities and Reverse Repo
- Placement up to 30 days

*Liquid assets should include unencumbered liquid assets only. Unencumbered assets are those assets which are free from any debt obligation and can be easily sold or mortgaged.*

***Short term liabilities/Cash outflows***

Similarly short-term liabilities are the immediate obligations of the banks. Banks and financial institutions should have sufficient liquid assets to meet expected outflows over the next 30 days.

Total short term liabilities (cash outflows) are total expected outflows over the next 30-day period. Each item will have an assumed 30-days outflow based on the defined contractual obligation. Short term liabilities in the above ratio include;

***On balance sheet item:***

- 20% of Current Deposit
- 15% of Saving Deposit
- 50% of Call Deposit
- 100 % of Margin Deposits to be paid within next 30 days
- 100% of Fixed Deposit maturing in next 30 days
- 100 % of borrowing from the NRB which should be paid in next 30 days
- 100% of borrowings from other Banks and financial Institutions maturing in next 30 days
- All other contractual obligations coming due within 30 days

**Off balance sheet items:**

- 100% of LC amount to be settled within next 30 days.
- 100% of Irrevocable loan commitments
- 100% of Acceptance liabilities maturing within next 30 days.

A bank having sufficient pool of liquid assets to cover its liability shall be considered a bank having satisfactory liquidity position. Quantifying same principle, when liquid assets to short term liabilities is more than 100%, the bank has sufficient liquid assets to meet its obligation reflecting a comfortable scenario in terms of liquidity. The ratio shall be monitored on a weekly basis. Other Liquid assets and liabilities, which are not defined, should be included on the remaining term to maturity.

Reporting Requirement: The report should cover the assets and liability portion as stated above from Sunday to Friday of every week.

- Interval: weekly (as on Friday of every week).
- Submission Every Tuesday for immediate Past week.

**2. Deposit and Credit Concentration**

Total Deposit (Rs. in Lacs) =.....

**A. Top 10 Depositors: Corporate**

S.N.	Depositor's Name	Amount ( Rs in Lacs)
1		
2		
...		
...		
10		

**B. Top 10 Depositors: Individual**

S.N.	Depositor's Name	Amount ( Rs. in Lacs)
1		
2		
...		
...		
10		

### C. Top 10 Borrowers: Funded Only

S.N.	Borrower/group's Name	Classification of Loan	Outstanding Principal Amount (Rs. in Lacs)
1			
2			
...			
...			
10			

#### Reporting Requirement:

- Interval: Monthly (as on month end data).
- Submission: Every month; within 7<sup>th</sup> of following month of Nepali Calendar

### 3. Inter-bank Transaction

#### Weekly Monitoring Table

Days	Inter-bank Borrowing From (Name of Bank or FI)	Rate	Amount (Rs in lacs)	Inter-bank Lending (Name of Bank or FI)	Rate	Amount (Rs in lacs)
Sunday						
Monday						
Tuesday						
Wednesday						
Thursday						
Friday						
Saturday						
	<b>Total</b>			<b>Total</b>		

*Note: multiple transactions in a single day shall be shown by adding rows*

Number of times the bank borrowed during the period (one week):

Number of rollover of the borrowing from same institution (Regardless of partial payments):

Outstanding borrowing at the end of the reporting period:

Maximum amount of borrowing in one Transaction: (Rs in lac)

Average borrowing Per Transaction: (Rs in lac)

*(Sum of all the borrowing during the period divided by number of transactions)*

#### Reporting Requirement:

- Interval: weekly (as on Friday of every week).
- Submission: Every Tuesday for immediate Past week.

#### 4. Borrowing from NRB

New reporting formats are developed for the banks and financial institutions. They are;

##### A. Repo Monitoring

###### Weekly Monitoring Table

Date	Amount (Rs. in Lacs)	Rate	Maturity Date
<b>Total</b>			

*Note: add rows if multiple transactions in a single day.*

Number of times the bank used Repo facilities during the last month:

Outstanding repo at the end of the period:

Maximum amount Per Transaction: (Rs in Lac)

Average Amount Per Transaction: (Rs in Lac)

*(Sum of all the Repo transaction during the period divided by number of transaction)*

##### Reporting Requirement:

- Interval: weekly (as on Friday of every week).
- Submission: Every Tuesday for immediate Past/Previous week.

##### B. SLF Monitoring

###### Weekly Monitoring Table

Date	Amount (Rs. in Lacs)	Rate	Maturity Date
<b>Total</b>			

*Note: add rows if multiple transactions in a single day.*

Number of times the bank used SLF facilities during the week:

Outstanding SLF at the end of the period:

Maximum Amount Per Transaction: (Rs in Lacs)

Average Amount Per Transaction: (Rs in Lacs)

*(Sum of SLF amount during the period divided by number of transaction)*

Reporting Requirement:

- Interval: weekly (as on Friday of every week).
- Submission: Every Tuesday for immediate Past week.

**C. Refinance from NRB**

Outstanding amount of Refinance facilities from NRB:

Number of times the bank utilized the facility during the last one month period:

Reporting Requirement:

- Interval: Monthly.
- Submission: Every month; within 15<sup>th</sup> of following month of Nepali Calendar.

**D. Outright Sales**

**Monthly Statement**

Date	Amount (Rs. in Lacs)	Type of Instruments

Reporting Requirement:

- Interval: Monthly.
- Submission: Every month; within 15<sup>th</sup> of following month of Nepali Calendar.

## 5. Matching Assets and Liabilities: Liquidity Profile/ Structural Liquidity Table

### Monthly Monitoring

*(Rs. in Lacs)*

S.N.	Particulars	1-7 days	8-30 days	31-90 days	91-180 days	181-270 days	271-365 days	More than 1 year	Total
	<b>Assets</b>								
1									
2									
....									
....									
	<b>Total (A)</b>								
	<b>Liabilities</b>								
1									
2									
...									
....									
	<b>Total (B)</b>								
	<b>Net Assets (A-B)</b>								
	<b>Cumulative Net Assets</b>								

In addition to above information, banks are required to submit the assumption made for categorization of the assets and liabilities (which has no fixed maturity) under different time buckets. For example;

**Assumptions on:**

1. Categorization of Current Deposit
2. Categorization of Saving Deposit
3. Assets and liability categorization which have no fixed maturity

Negative net assets during the one week, one month, 31-90 days and 91-180 days buckets exceed the limit of 5 %, 10%, 15 % and 20% of the total liabilities in the respective time buckets, the bank need to show by way of a foot note as to how does it propose to finance the gap to bring the mismatch within the prescribed limits.

Reporting Requirement:

- Interval: Monthly (as on month end data).
- Submission: Every month; within 7<sup>th</sup> of following month of Nepali Calendar

*Note: Bank refers to A, B and C class institutions licensed by Nepal Rastra Bank.*