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PART A OVERVIEW

1. Introduction

- 1.1. In an effort to enhance liquidity management in banking institutions, Bank Negara Malaysia (the Bank) introduced the Liquidity Framework in 1998 to replace the liquid asset ratio requirement.
- 1.2. The Framework sets out to:-
 - 1.2.1. create awareness among banking institutions of their funding structure and their ability to handle short to medium-term liquidity problems;
 - 1.2.2. adopt a more efficient and on going liquidity measurement and management for banking institutions; and
 - 1.2.3. provide the Bank with a better means of assessing the present and future liquidity position of banking institutions.
- 1.3. The Framework aims to address both institutional and market liquidity concerns:
 - 1.3.1. The ability of banking institutions to meet all maturing obligations is assessed through the projection of the banking institutions' inflows; and
 - 1.3.2. The Framework gauges the ability of banking institutions to access funding from the market particularly under stress scenarios.

2. Applicability

- 2.1. The Liquidity Framework is applicable to all banking institutions licensed under the Banking and Financial Institutions Act 1989 (BAFIA), namely commercial banks, finance companies and investment banks/merchant banks.

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PART B LEGAL PROVISION

3. Legal provision (Please refer to the BAFIA for full version of the law)

- 3.1. The Liquidity Framework is issued pursuant to Section 126 of the Banking and Financial Institutions Act 1989 (BAFIA).

PART C POLICY REQUIREMENTS

4. The broad concept

- 4.1. The main thrust of the Framework's approach to liquidity management is the projection up to 1 year of the maturity profile of a banking institution's assets, liabilities and off-balance sheet commitments from a given position. The focus is on the ability of a banking institution to match its short-term liquidity requirement arising from maturing obligations with maturing assets, followed by a medium-term assessment of liquidity up to 1 year. The analysis will also be supported by some indicative ratios on the banking institution's funding structure, which serves to monitor whether or not a banking institution is becoming over reliant on a particular funding source.
- 4.2. Liquidity is assessed from three levels:
- 4.2.1. The first level assesses the sufficiency of a banking institution's liquidity in the normal course of its business over the next few months.
 - 4.2.2. The second level assesses whether or not a banking institution has the capacity to withstand liquidity withdrawal shocks.
 - 4.2.3. The third level assesses a banking institution's general funding structure, in particular, to assess the degree of dependency on certain known volatile markets.

5. Liquidity measurement

- 5.1. First level liquidity measurement
- 5.1.1. The liquidity measurement framework begins with a maturity ladder profile of five maturity bands beginning from "up to 1 week" ("up to 3 days" for investment banks) to a "6 to 12 month" band. Banking institutions' assets, liabilities and off-balance sheet commitments

are slotted into the relevant time bands according to the period they are expected to mature or be called upon.

Table 1 Maturity buckets for commercial banks and investment banks

Commercial banks	Investment banks
Up to 1 week	Up to 3 days
1 week to 1 month	4 days to 1 month
1 to 3 months	
3 to 6 months	
6 months to 1 year	
More than 1 year	

- 5.1.2. Investment banks face a slightly different maturity profile ladder in view of the unique nature of equity business they conduct, where short-term cash flows associated with brokerage activities are experienced.
- 5.1.3. The primary basis for determining the appropriate time bands is the contractual maturity, which is when the cash flows crystallize. Nevertheless, a number of assets and liabilities experience premature upliftments or, conversely, regular rollover characteristics in their normal course of business, thus deviating in reality from their contractual maturity. Adjustments are permitted for these asset and liabilities to reflect instead their “behavioural” maturity.
- 5.1.4. Behavioural maturity – As a guide to banking institutions, the Bank provides a list of recommended treatment to arrive at the behavioural maturity of loans, deposits and undrawn commitments. Nevertheless, banking institutions will be permitted to employ their own in-house method (if available) provided they are able to justify to the Bank that their method provides a more accurate alternative. To ensure that due diligence is applied to the projection of behavioural maturity, Bank Negara Malaysia will require that the method and assumptions employed by the banking institution be

considered and endorsed by the banking institution's Asset-Liability Management Committee (ALCO) before seeking the approval of the Bank. The methods approved should be used consistently and any subsequent changes should also be endorsed by the banking institution's ALCO and approved by Bank Negara Malaysia.

5.1.5. The objective of the assessment of liquidity at this level is to arrive at a projected net maturity mismatch profile of a banking institution stretching from 1 week (3 days for investment banks) to 1 year.

5.2. Second level liquidity measurement

5.2.1. At the second level, the focus of assessment is whether a banking institution has sufficient liquidity surplus and reserves to sustain a sudden liquidity withdrawal shock arising from a banking institution specific crisis.

5.2.2. Building on the net maturity mismatch profile earlier, liquidity measurement at this level takes into account the additional emergency funds that can be quickly realized from the sale of liquefiable assets (that is to bring forward their maturity date) or drawn upon from formally available credit lines.

5.2.3. On average, Bank Negara Malaysia expects banking institutions to sustain heavy withdrawals up to a period of 1 month. The compliance requirement as described in paragraph 7.5 reflects the typical rate of heavy withdrawals that Bank Negara Malaysia expects to take place during a crisis.

5.2.4. To test the banking institution's ability to withstand the crisis, the adjusted maturity profile is then compared with the potential amount of "heavy withdrawals" that can take place during a crisis. In other words, the available cumulative mismatch to accommodate liquidity shocks has to be greater than the compliance requirement.

5.2.5. The actual quantum varies from banking institution to banking institution depending on their funding structure and will be a matter to be agreed between Bank Negara Malaysia and the banking institution on a case-by-case basis. Banking institutions will

normally be expected to demonstrate the availability of liquidity surplus and reserves that can support such fall in deposits.

5.3. Third level liquidity measurement

5.3.1. The third level of measurement consists of a series of broad ratios and supplementary information designed to indicate the extent of which a banking institution is dependent on a particular market for its funding sources. The coverage includes:

- large customer deposits
- interbank market
- offshore market

5.3.2. This information will allow the banking institutions to assess its exposure to liquidity risk in the event of disruptions in the relevant markets.

6. Liquefiable assets and formally available credit lines

6.1. The maintenance of liquefiable assets and formally available credit lines hold value for a banking institution in coping with unexpected heavy withdrawals. This fact is taken into account under the second level liquidity measurement as explained in paragraph 5.1.5.

6.2. Definition of liquefiable assets – There is no explicit definition as to what constitutes liquefiable assets. Under the previous liquid asset ratio framework, some assets were granted “liquid asset status” for purpose of promoting the primary purchases of the assets rather than for their actual liquidity value. To ensure that the determination of liquefiable assets is on a more consistent and objective manner, a set of “qualifying characteristics” for the recognition of liquefiable assets has been identified under the Liquidity Framework. The qualifying characteristics for liquefiable assets are as follows:

- assets easily convertible in large sums into cash at short notice;
- low counter-party credit risks;

- free from any encumbrances that restricts its sale or repo capability (for example, not pledged to third parties or under repo agreements); and
 - have sufficiently deep secondary market or repo market which continue to exist during tight liquidity situations, or which Bank Negara Malaysia is prepared to purchase, lend or allowed for repo in the course of its money market or liquidity support operation.
- 6.3. Assets held under reverse repo are also eligible for liquefiable asset status for the period under the reverse repo. Assets sold under repo will not be eligible only for the period under repo.
- 6.4. To reflect a more conservative value of funds that can be raised from the sale of liquefiable assets under desperate circumstances, the value of liquefiable assets will be measured at a discount to its mark-to-market value.
- 6.5. Assets that fulfill the qualifying characteristics specified in paragraph 6.2 are known as Class-1 liquefiable assets.
- 6.6. It is also recognized that a number of other debt instruments which are subject to individual issuer credit consideration and thus with less assured liquidity quality can assist in raising funds for banking institutions experiencing short-term liquidity problem either through outright sale or repo agreements. These assets may also be considered as liquefiable assets although for valuation purposes, they will be subject to higher discounts. These are known as Class-2 liquefiable assets.
- 6.7. Formally available credit lines are arranged irrevocable credit facilities which the banking institution has paid a consideration for. The undrawn portion provides a reserve which the banking institution can draw upon during liquidity crisis. To qualify:
- the facilities must be irrevocably available for at least the next 3 months;
 - the funds must be available for immediate drawdown at any time. They must not be subject to availability of funds clause; and

- the provider of the facility must be banking institutions that are normally capable of providing large volume of funds at short notice.
- 6.8. To avoid over-reliance on Class-2 liquefiable assets and from formally available credit lines as the primary source of reserve liquidity, the total amount allowable to be recognised should not comprise more than 50% of the Class-1 liquefiable assets¹.
- 6.9. Investment banks are allowed to classify KLSE Main Board equities held in their proprietary book (that are subject to daily mark-to-market) as liquefiable assets subject to a forced sale discount or at the fair value of the equity, whichever is lower.²
- 6.10. The stock of liquefiable assets that may be drawn upon when coping with unexpected heavy withdrawals are listed in Part 4 of Appendix 1, along with the respective forced sale discount factors to be applied.

¹ With effect from 3 September 2004. Previously, the limit was 30%.

² With effect from 1 July 2005.

PART D COMPLIANCE REQUIREMENTS

7. Standard setting and compliance requirement

- 7.1. Unlike the previous liquid asset ratio regime, the current liquidity framework does not emphasise on rigid compliance with a particular ratio. Its flexible nature provides a platform where the liquidity profile of a banking institution can be systematically projected for analysis between Bank Negara Malaysia and the banking institution concerned. This enables the Bank to discuss with the banking institution concerned and arrest in advance any disturbing trend that may affect the future liquidity positions of the banking institution. The discussion with the banking institution will assist the Bank in determining the appropriate compliance requirement to be observed by the individual banking institution.
- 7.2. Bank Negara Malaysia will look towards the banking institution's ALCO as the body primarily responsible for the management of liquidity.
- 7.3. As a minimum standard, however, banking institutions are required to maintain sufficient cash flows to cope with events of unusually heavy withdrawals. Banking institutions are required to maintain a specified minimum surplus in the cumulative net maturity mismatch of the "1 week" ("3 days" for investment banks) and "1 month" liquidity buckets as measured under the second level liquidity measurement enumerated in paragraph 5.1.5.
- 7.4. The available cumulative mismatch to accommodate liquidity shocks should be not less than the compliance requirement as agreed with the Bank.

- 7.5. The net compliance surplus should be positive for the first two maturity buckets with the compliance requirement for specific banking institutions specified as follows:

For commercial banks:

Maturity bucket	Compliance requirement ³
Up to 1 week	3%
1 week to 1 month	5%

For investment banks:

Maturity bucket	Compliance requirement ⁴
Up to 3 days	3%
4 days to 1 month	5%

8. Reporting requirements

- 8.1. Banking institutions are required to submit to Bank Negara Malaysia via the Financial Institutions Statistical System (FISS) under the Report on Liquidity Framework (RLFM) the following information:

- Maturity profile of all balance sheet items and off-balance sheet items denominated in Ringgit Malaysia (RM), reported according to maturity in which have been adjusted for behavioural pattern prevailing at the reporting date;
- Maturity profile of all balance sheet and off-balance sheet items denominated in foreign currency, reported according to maturity which have been adjusted for behavioural pattern prevailing at the reporting date;

³ With effect from 30 September 1999.

⁴ With effect from 1 July 2005.

- Maturity profile of all balance sheet items and off-balance sheet items denominated in RM reported according to pure contractual maturity (no behavioural adjustment);
- Maturity profile of all balance sheet items and off-balance sheet items denominated in foreign currency, reported according to pure contractual maturity (no behavioural adjustment);
- Supplementary information on funding structure; and
- Stock of liquefiable assets.

8.2. An illustration of the statistical returns is detailed in Appendix 1.

PART E APPENDICES

Appendix 1 – Liquidity reporting form

List of statistical returns

Part 1-RM	Maturity profile of all balance sheet items and off-balance sheet items denominated in Ringgit Malaysia (RM), reported according to maturity which have been adjusted for behavioural pattern prevailing at the reporting date
Part 1-F\$	Maturity profile of all balance sheet items and off-balance sheet items denominated in foreign currency; reported according to maturity which have been adjusted for behavioural pattern prevailing at the reporting date
Part 2-RM	Maturity profile of all balance sheet items and off-balance sheet items denominated in RM reported according to pure contractual maturity (no behavioural adjustment)
Part 2-F\$	Maturity profile of all balance sheet items and off-balance sheet items denominated in foreign currency, reported according to pure contractual maturity (no behavioural adjustment)
Part 3	Supplementary information on funding structure
Part 4	Stock of liquefiable assets

LIQUIDITY FRAMEWORK

Name of institution :

Reporting date :

SUMMARY OF MATURITY MISMATCH REPORTING

Maturity Tenor Buckets	up to 1 wk [^]	> 1 wk - 1 mth [*]	>1 - 3 mths	>3 - 6 mths	>6 mths - 1 yr	> 1 year	Total
CORE (NON-TRADING) BANKING ACTIVITIES							
1 Net Maturity Mismatch (A1.30) - Part 1-RM	-	-	-	-	-	-	-
2 Net Maturity Mismatch (B1.30) - Part 1-F\$	-	-	-	-	-	-	-

ADD

TREASURY AND CAPITAL MARKET ACTIVITIES

3 Net Maturity Mismatch (A2.37) - Part 1-RM	-	-	-	-	-	-	-
4 Net Maturity Mismatch (B2.37) - Part 1-F\$	-	-	-	-	-	-	-

EQUALS

5 Total Net Maturity Mismatch Under Normal Circumstances	-	-	-	-	-	-	-
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ADD

6 Discounted value of liquefiable securities & Undrawn portion of formally available credit lines (4) - Part 4	-
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LESS

To eliminate double counting of liquefiable securities

7 "Debt Securities and Equities Held" (asset) entries as reported in Part I return belonging to assets qualifying as liquefiable assets (excl. repo-ed securities)							
8 "Reverse Repo" (asset) entries as reported in Part I return involving securities qualifying as liquefiable assets							

LESS

To recognise repoed securities as liquefiable assets upon maturity of repo

9A "Securities Held" (asset) entries as reported in Part I return belonging to repoed securities that would have qualified as liquefiable assets upon maturity of the repo							
9B "Repo" (liability) entries as reported in Part I return involving securities that would have qualified as liquefiable assets upon maturity of the repo							

EQUALS

10 Available net mismatch to accommodate liquidity shocks	-	-	-	-	-	-	-
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CONVERT TO CUMULATIVE PROFILE

11 Available cumulative mismatch to accommodate liquidity shocks	-	-	-	-	-	-	-
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LESS

	Note 1	Note 2
12 Compliance requirement as agreed with BNM		

EQUALS

13 Net compliance surplus/(shortfall)	-	-
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Note 1 : Report 3% of total outstanding deposits (current, savings and fixed deposit accounts) as at reporting date
 Note 2 : Report 5% of total outstanding deposits (current, savings and fixed deposit accounts) as at reporting date

Note 3 : Round all figures to the nearest RM Million
 Note 4 : All outflows should be reported in brackets ()

For investment banks
[^] up to 3 days
^{*} 4 days - 1 mth

Signature :

PART 1-RM

Breakdown by Behavioural Maturity Profile - Ringgit

REF:	I. CORE (NON-TRADING) BANKING ACTIVITIES							Total
	up to 1 wk [^]	> 1 wk - 1 mth [*]	> 1 mth - 3 mths	> 3 - 6 mths	> 6 mths - 1 yr	> 1 year		
INFLOWS (ASSETS)								
On-Balance Sheet								
A1.1	Loans : Non-individuals	- Fixed Term Loans					-	
A1.2		- Revolving Loans					-	
A1.3		- Overdrafts					-	
A1.4		- Others					-	
A1.5	Individuals	- Housing Loans					-	
A1.6		- Credit Cards					-	
A1.7		- Overdrafts					-	
A1.8		- Others					-	
Miscellaneous								
A1.9	Cash holdings						-	
A1.10	SRR						-	
A1.11	Other assets						-	
OUTFLOWS (LIABILITIES)								
On-Balance Sheet								
A1.12	Deposits : Non-individuals	- Fixed					-	
A1.13		- Savings					-	
A1.14		- Current					-	
A1.15	Individuals	- Fixed					-	
A1.16		- Savings					-	
A1.17		- Current					-	
Miscellaneous								
A1.18	Debt securities issued (Subordinated-loans, ICULS, etc)						-	
A1.19	Funds raised through securitisation with recourse						-	
A1.20	Shareholders' funds and other liabilities						-	
Off-Balance Sheet								
<i>Credit and other commitments-with certain cash flows</i>								
A1.21	Undrawn loans						-	
A1.22	Others						-	
<i>Credit and other commitments - with uncertain cash flows</i>								
A1.23	Underwriting obligation : debt						-	
A1.24	equity						-	
A1.25	Undrawn OD facilities given						-	
A1.26	Undrawn Margin Financing facilities						-	
A1.27	Undrawn portion of revolving credit facilities given						-	
A1.28	Guarantees/Standby Letter of Credits						-	
A1.29	Undrawn portion of other credit facilities given						-	
A1.30	Net Maturity Mismatch	-	-	-	-	-	-	

REF:	II. TREASURY AND CAPITAL MARKET ACTIVITIES							Total
	up to 1 wk [^]	> 1 wk - 1 mth [*]	> 1 mth - 3 mths	> 3 - 6 mths	> 6 mths - 1 yr	> 1 year		
INFLOWS (ASSETS)								
On-Balance Sheet								
A2.1	Interbank lending/deposits						-	
A2.2	Reverse repo						-	
A2.3	Debt securities : Government papers/BNM bills/Cagamas papers						-	
A2.4	Financial institution papers (incl. NIDs)						-	
A2.5	Trade papers (BAs and trade bills)						-	
A2.6	Corporate debts : (govt-guaranteed)						-	
A2.7	(bank-guaranteed)						-	
A2.8	(non-guaranteed)						-	
A2.9	Equities (Proprietary)						-	
Brokerage activities								
A2.10	Amounts Due From: Margin Clients						-	
A2.11	Non-margin Clients						-	
A2.12	SCANS						-	
A2.13	Other Brokers						-	
A2.14	Other Debtors						-	
A2.15	Client Trusts, Deposits and Refund Money						-	
Off-Balance Sheet								
<i>Derivatives(Long RM Positions)- with certain cash flows</i>								
A2.16	Foreign exchange contracts receivable (spot/forward/swap)						-	
A2.17	Equity-linked derivative contracts receivable						-	
<i>Derivatives(Long RM Positions)- with uncertain cash flows</i>								
A2.18	FX options (delta equiv.) : purchase (bought)						-	
A2.19	written (sold)						-	
A2.20	Other derivatives (delta equiv.) receivable						-	
OUTFLOWS (LIABILITIES)								
On-Balance Sheet								
A2.21	Interbank borrowings/deposits						-	
A2.22	Interbank Repos						-	
A2.23	Non-interbank Repos						-	
A2.24	NIDs issued						-	
A2.25	BAs payable						-	
Brokerage activities								
A2.26	Amounts Due To: Margin Clients						-	
A2.27	Non-margin Clients						-	
A2.28	SCANS						-	
A2.29	Other Brokers						-	
A2.30	Other Debtors						-	
A2.31	Client Trusts, Deposits and Refund Money						-	
Off-Balance Sheet								
<i>Derivatives(Short RM Positions)- with certain cash flows</i>								
A2.32	Foreign exchange contracts payable (spot/forward/swap)						-	
A2.33	Equity-linked derivative contracts payable						-	
<i>Derivatives(Short RM Positions)- with uncertain cash flows</i>								
A2.34	FX options (delta equiv.) : purchase (bought)						-	
A2.35	written (sold)						-	
A2.36	Other derivatives (delta equiv.) payable						-	
A2.37	Net Maturity Mismatch	-	-	-	-	-	-	
Net Total Maturity Mismatch (A1.30 + A2.37)								

Note : (1) Round all figures to the nearest RM million
(2) All outflows should be reported in brackets ()

For investment banks [^] up to 3 days
^{*} 4 days - 1 mth

PART 1-F\$

Breakdown by Behavioural Maturity Profile - Foreign Currency

REF: I. CORE (NON-TRADING) BANKING ACTIVITIES			up to 1 wk [^]	> 1 wk - 1 mth [*]	> 1 mth - 3 mths	> 3 - 6 mths	> 6 mths - 1 yr	> 1 year	Total
INFLOWS (ASSETS)									
On-Balance Sheet									
B1.1	Loans :	Non-individuals - Fixed Term Loans							-
B1.2		- Revolving Loans							-
B1.3		- Overdrafts							-
B1.4		- Others							-
B1.5		Individuals - Housing Loans							-
B1.6		- Credit Cards							-
B1.7		- Overdrafts							-
B1.8		- Others							-
Miscellaneous									
B1.9	Cash holdings								-
B1.10	SRR								-
B1.11	Other assets								-
OUTFLOWS (LIABILITIES)									
On-Balance Sheet									
B1.12	Deposits :	Non-individuals - Fixed							-
B1.13		- Savings							-
B1.14		- Current							-
B1.15		Individuals - Fixed							-
B1.16		- Savings							-
B1.17		- Current							-
Miscellaneous									
B1.18	Debt securities issued (Subordinated-loans, ICULS,etc)								-
B1.19	Funds raised through securitisation with recourse								-
B1.20	Shareholders' funds and other liabilities								-
Off-Balance Sheet									
<i>Credit and other commitments-with certain cash flows</i>									
B1.21	Undrawn loans								-
B1.22	Others								-
<i>Credit and other commitments - with uncertain cash flows</i>									
B1.23	Underwriting obligation :	debt							-
B1.24		equity							-
B1.25	Undrawn OD facilities given								-
B1.26	Undrawn Margin Financing facilities								-
B1.27	Undrawn portion of revolving credit facilities given								-
B1.28	Guarantees/Standby Letter of Credits								-
B1.29	Undrawn portion of other credit facilities given								-
B1.30	Net Maturity Mismatch		-	-	-	-	-	-	-
REF: II. TREASURY AND CAPITAL MARKET ACTIVITIES									
INFLOWS (ASSETS)									
On-Balance Sheet									
B2.1	Interbank lending/deposits								-
B2.2	Reverse repo								-
B2.3	Debt securities :	Government papers/BNM bills/Cagamas papers							-
B2.4		Financial institution papers (incl. NIDs)							-
B2.5		Trade papers (BAs and trade bills)							-
B2.6		Corporate debts : (govt.-guaranteed)							-
B2.7		(bank-guaranteed)							-
B2.8		(non-guaranteed)							-
B2.9	Equities (Proprietary)								-
Brokerage activities									
B2.10	Amounts Due From:	Margin Clients							-
B2.11		Non-margin Clients							-
B2.12		SCANS							-
B2.13		Other Brokers							-
B2.14		Other Debtors							-
B2.15	Client Trusts, Deposits and Refund Money								-
Off-Balance Sheet									
<i>Derivatives(Long RM Positions)- with certain cash flows</i>									
B2.16	Foreign exchange contracts receivable (spot/forward/swap)								-
B2.17	Equity-linked derivative contracts receivable								-
<i>Derivatives(Long RM Positions)- with uncertain cash flows</i>									
B2.18	FX options (delta equiv.) :	purchase (bought)							-
B2.19		written (sold)							-
B2.20	Other derivatives (delta equiv.) receivable								-
OUTFLOWS (LIABILITIES)									
On-Balance Sheet									
B2.21	Interbank borrowings/deposits								-
B2.22	Interbank Repos								-
B2.23	Non-interbank Repos								-
B2.24	NIDs issued								-
B2.25	BAs payable								-
Brokerage activities									
B2.26	Amounts Due To:	Margin Clients							-
B2.27		Non-margin Clients							-
B2.28		SCANS							-
B2.29		Other Brokers							-
B2.30		Other Debtors							-
B2.31	Client Trusts, Deposits and Refund Money								-
Off-Balance Sheet									
<i>Derivatives(Short RM Positions)- with certain cash flows</i>									
B2.32	Foreign exchange contracts payable (spot/forward/swap)								-
B2.33	Equity-linked derivative contracts payable								-
<i>Derivatives(Short RM Positions)- with uncertain cash flows</i>									
B2.34	FX options (delta equiv.) :	purchase (bought)							-
B2.35		written (sold)							-
B2.36	Other derivatives (delta equiv.) payable								-
B2.37	Net Maturity Mismatch		-	-	-	-	-	-	-
Net Total Maturity Mismatch (B1.30 + B2.37)									

Note : (1) Round all figures to the nearest RM million
(2) All outflows should be reported in brackets ()

For investment banks [^] up to 3 days
^{*} 4 days - 1 mth

PART 2-RM

Breakdown by Pure Contractual Maturity Profile - Ringgit

REF: I. CORE (NON-TRADING) BANKING ACTIVITIES			up to 1 wk [^]	> 1 wk - 1 mth [*]	> 1 mth - 3 mths	> 3 - 6 mths	> 6 mths - 1 yr	> 1 year	Total
INFLOWS (ASSETS)									
On-Balance Sheet									
A1.1	Loans :	Non-individuals	- Fixed Term Loans						-
A1.2			- Revolving Loans						-
A1.3			- Overdrafts						-
A1.4			- Others						-
A1.5		Individuals	- Housing Loans						-
A1.6			- Credit Cards						-
A1.7			- Overdrafts						-
A1.8			- Others						-
Miscellaneous									
A1.9	Cash holdings								-
A1.10	SRR								-
A1.11	Other assets								-
OUTFLOWS (LIABILITIES)									
On-Balance Sheet									
A1.12	Deposits :	Non-individuals	- Fixed						-
A1.13			- Savings						-
A1.14			- Current						-
A1.15		Individuals	- Fixed						-
A1.16			- Savings						-
A1.17			- Current						-
Miscellaneous									
A1.18	Debt securities issued (Subordinated-loans, ICULS, etc)								-
A1.19	Funds raised through securitisation with recourse								-
A1.20	Shareholders' funds and other liabilities								-
Off-Balance Sheet									
<i>Credit and other commitments-with certain cash flows</i>									
A1.21	Undrawn loans								-
A1.22	Others								-
<i>Credit and other commitments - with uncertain cash flows</i>									
A1.23	Underwriting obligation : debt								-
A1.24			equity						-
A1.25	Undrawn OD facilities given								-
A1.26	Undrawn Margin Financing facilities								-
A1.27	Undrawn portion of revolving credit facilities given								-
A1.28	Guarantees/Standby Letter of Credits								-
A1.29	Undrawn portion of other credit facilities given								-
A1.30	Net Maturity Mismatch								-
REF: II. TREASURY AND CAPITAL MARKET ACTIVITIES									
INFLOWS (ASSETS)									
On-Balance Sheet									
A2.1	Interbank lending/deposits								-
A2.2	Reverse repo								-
A2.3	Debt securities :	Government papers/BNM bills/Cagamas papers							-
A2.4		Financial institution papers (incl. NIDs)							-
A2.5		Trade papers (BAs and trade bills)							-
A2.6	Corporate debts :	(govt.-guaranteed)							-
A2.7		(bank-guaranteed)							-
A2.8		(non-guaranteed)							-
A2.9	Equities (Proprietary)								-
Brokerage activities									
A2.10	Amounts Due From:	Margin Clients							-
A2.11		Non-margin Clients							-
A2.12		SCANS							-
A2.13		Other Brokers							-
A2.14		Other Debtors							-
A2.15	Client Trusts, Deposits and Refund Money								-
Off-Balance Sheet									
<i>Derivatives(Long RM Positions)- with certain cash flows</i>									
A2.16	Foreign exchange contracts receivable (spot/forward/swap)								-
A2.17	Equity-linked derivative contracts receivable								-
<i>Derivatives(Long RM Positions)- with uncertain cash flows</i>									
A2.18	FX options (delta equiv.) :	purchase (bought)							-
A2.19		written (sold)							-
A2.20	Other derivatives (delta equiv.) receivable								-
OUTFLOWS (LIABILITIES)									
On-Balance Sheet									
A2.21	Interbank borrowings/deposits								-
A2.22	Interbank Repos								-
A2.23	Non-interbank Repos								-
A2.24	NIDs issued								-
A2.25	BAs payable								-
Brokerage activities									
A2.26	Amounts Due To:	Margin Clients							-
A2.27		Non-margin Clients							-
A2.28		SCANS							-
A2.29		Other Brokers							-
A2.30		Other Debtors							-
A2.31	Client Trusts, Deposits and Refund Money								-
Off-Balance Sheet									
<i>Derivatives(Short RM Positions)- with certain cash flows</i>									
A2.32	Foreign exchange contracts payable (spot/forward/swap)								-
A2.33	Equity-linked derivative contracts payable								-
<i>Derivatives(Short RM Positions)- with uncertain cash flows</i>									
A2.34	FX options (delta equiv.) :	purchase (bought)							-
A2.35		written (sold)							-
A2.36	Other derivatives (delta equiv.) payable								-
A2.37	Net Maturity Mismatch								-
Net Total Maturity Mismatch (A1.30 + A2.37)									-

Note : (1) Round all figures to the nearest RM million
(2) All outflows should be reported in brackets ()

For investment banks [^] up to 3 days
^{*} 4 days - 1 mth

PART 2-F5

Breakdown by Pure Contractual Maturity Profile - Foreign Currency

REF: I. CORE (NON-TRADING) BANKING ACTIVITIES			up to 1 wk*	> 1 wk - 1 mth*	> 1 mth - 3 mths	> 3 - 6 mths	> 6 mths - 1 yr	> 1 year	Total
INFLOWS (ASSETS)									
On-Balance Sheet									
B1.1	Loans :	Non-individuals - Fixed Term Loans							-
B1.2		- Revolving Loans							-
B1.3		- Overdrafts							-
B1.4		- Others							-
B1.5		Individuals - Housing Loans							-
B1.6		- Credit Cards							-
B1.7		- Overdrafts							-
B1.8		- Others							-
Miscellaneous									
B1.9	Cash holdings								-
B1.10	SRR								-
B1.11	Other assets								-
OUTFLOWS (LIABILITIES)									
On-Balance Sheet									
B1.12	Deposits :	Non-individuals - Fixed							-
B1.13		- Savings							-
B1.14		- Current							-
B1.15		Individuals - Fixed							-
B1.16		- Savings							-
B1.17		- Current							-
Miscellaneous									
B1.18	Debt securities issued (Subordinated-loans, ICULS,etc)								-
B1.19	Funds raised through securitisation with recourse								-
B1.20	Shareholders' funds and other liabilities								-
Off-Balance Sheet									
<i>Credit and other commitments-with certain cash flows</i>									
B1.21	Undrawn loans								-
B1.22	Others								-
<i>Credit and other commitments - with uncertain cash flows</i>									
B1.23	Underwriting obligation :	debt							-
B1.24		equity							-
B1.25	Undrawn OD facilities given								-
B1.26	Undrawn Margin Financing facilities								-
B1.27	Undrawn portion of revolving credit facilities given								-
B1.28	Guarantees/Standby Letter of Credits								-
B1.29	Undrawn portion of other credit facilities given								-
B1.30	Net Maturity Mismatch		-	-	-	-	-	-	-
REF: II. TREASURY AND CAPITAL MARKET ACTIVITIES									
INFLOWS (ASSETS)									
On-Balance Sheet									
B2.1	Interbank lending/deposits								-
B2.2	Reverse repo								-
B2.3	Debt securities :	Government papers/BNM bills/Cagamas papers							-
B2.4		Financial institution papers (incl. NIDs)							-
B2.5		Trade papers (BAs and trade bills)							-
B2.6		Corporate debts : (govt-guaranteed)							-
B2.7		(bank-guaranteed)							-
B2.8		(non-guaranteed)							-
B2.9	Equities (Proprietary)								-
Brokerage activities									
B2.10	Amounts Due From:	Margin Clients							-
B2.11		Non-margin Clients							-
B2.12		SCANS							-
B2.13		Other Brokers							-
B2.14		Other Debtors							-
B2.15	Client Trusts, Deposits and Refund Money								-
Off-Balance Sheet									
<i>Derivatives(Long RM Positions)- with certain cash flows</i>									
B2.16	Foreign exchange contracts receivable (spot/forward/swap)								-
B2.17	Equity-linked derivative contracts receivable								-
<i>Derivatives(Long RM Positions)- with uncertain cash flows</i>									
B2.18	FX options (delta equiv.) :	purchase (bought)							-
B2.19		written (sold)							-
B2.20	Other derivatives (delta equiv.) receivable								-
OUTFLOWS (LIABILITIES)									
On-Balance Sheet									
B2.21	Interbank borrowings/deposits								-
B2.22	Interbank Repos								-
B2.23	Non-interbank Repos								-
B2.24	NIDs issued								-
B2.25	BAs payable								-
Brokerage activities									
B2.26	Amounts Due To:	Margin Clients							-
B2.27		Non-margin Clients							-
B2.28		SCANS							-
B2.29		Other Brokers							-
B2.30		Other Debtors							-
B2.31	Client Trusts, Deposits and Refund Money								-
Off-Balance Sheet									
<i>Derivatives(Short RM Positions)- with certain cash flows</i>									
B2.32	Foreign exchange contracts payable (spot/forward/swap)								-
B2.33	Equity-linked derivative contracts payable								-
<i>Derivatives(Short RM Positions)- with uncertain cash flows</i>									
B2.34	FX options (delta equiv.) :	purchase (bought)							-
B2.35		written (sold)							-
B2.36	Other derivatives (delta equiv.) payable								-
B2.37	Net Maturity Mismatch		-	-	-	-	-	-	-
Net Total Maturity Mismatch (B1.30 + B2.37)									

Note : (1) Round all figures to the nearest RM million
(2) All outflows should be reported in brackets ()

For investment banks ^ up to 3 days
* 4 days - 1 mth

PART 3

Supplementary Information

Distribution profile of customer (or group of related customers) deposits/repos/NIDs which accounts for 1% or more of total deposit (Saving, Current and Fixed Deposits, non-interbank Repos and non-interbank NIDs)					
	1 - 2% of TD	2 - 3% of TD	3 - 5% of TD	5 - 10% of TD	> 10% of TD
Number of customers (group of customers)					

TD : Total Deposit

II. Concentration of Funding Sources	Weekend Average for the month (%)
Adjusted loan/deposit ratio	
Net offshore borrowing / Total domestic deposit liabilities	
Net domestic interbank borrowing / Total domestic deposit liabilities	
Total net domestic overnight interbank borrowing / Total gross domestic interbank borrowing less overnight domestic interbank lending	
Short term gross domestic interbank borrowing / Short term domestic total funding	

Part 4

Stock of Liquefiable Assets⁵

	(1)	(2)	(3)	(4)
	Market value of securities reported in books (excl. securities repoed out) (RM m)	Market value of securities received under reverse repo (excl. securities re-repoed out) (RM m)	"Forced Sale" Discount to be Applied Based on Yield Slippage (%)	Total Value of Securities After Discount (RM m)
Liquefiable Securities				
Class-1 liquefiable assets				
RM Marketeable securities/papers issued by Federal Government or BNM (including papers issued by Khazanah Malaysia) ⁶			2	
RM Marketeable securities/papers guaranteed by Federal Government or BNM			3	
Danaharta bonds ⁷			3	
Danamodal bonds ⁸			4	
Cagamas bonds and notes (both conventional and Islamic) issued before 4 September 2004			4	
RM-denominated bonds issued by Multilateral Development Banks or Multilateral Financial Institutions ⁹			6	
ABF Malaysia Bond Index Fund ¹⁰			3	
Subtotal – Class-1 liquefiable assets				
Class-2 liquefiable assets & available credit lines¹¹				

⁵ Short-term rating (P1, P2, MARC1 and MARC2) only apply to papers with remaining maturity less than 1 year.

⁶ Includes Sukuk Bank Negara Malaysia – Ijarah with effect from 7 February 2006.

⁷ With effect from 13 November 1998.

⁸ With effect from 13 November 1998.

⁹ With effect from 6 October 2004.

¹⁰ With effect from 18 July 2005.

¹¹ Institutions should limit the reporting of Class-2 liquefiable assets and undrawn credit lines to not more than 50% of the Class-1 liquefiable assets reported. Any excess liquefiable assets will not qualify and should not be reported here.

Bankers' Acceptances (excluding own BAs) issued by at least AA/P2/MARC2 rated institutions			4	
Bankers' Acceptances (excluding own BAs) issued by non-AA/P2/MARC2 rated institutions			6	
NIDs (excluding own-issued NIDs) issued by at least AA/P2/MARC2 rated institutions			6	
Cagamas bonds and notes (both conventional and Islamic) issued after 4 September 2004 ¹²			6	
RM Corporate bonds and papers with at least AAA/P1/MARC1 rating or its equivalent			10 ¹³	
Residential mortgaged-backed securities with AAA rating ¹⁴			6	
Undrawn portion of formally available credit lines (please provide detailed breakdown below)				
Subtotal – Class-2 liquefiable assets and available credit lines (restrict to 50% of Class-1 liquefiable assets)				
Equities classified as liquefiable assets¹⁵			30	
Total				

Formally Available Credit Lines

Name of providers	Undrawn Portion (RM m)	Drawn Portion (RM m)
Total (please carry forward undrawn amount to table above)		

Note : Round all figures to the nearest RM million

¹² With effect from 4 September 2004.

¹³ With effect from 3 September 2004. Previously, the forced sale discount was set at 8%.

¹⁴ With effect from 17 September 2004.

¹⁵ Applicable only to investment banks.

Appendix 2 – Additional notes on completing statistical returns

1. Part 1 Return: behavioural maturity profile

- 1.1. All balance sheet assets and liabilities must be reported. Items A&B1.1 to A&B1.11 plus A&B2.1 to A&B2.15 less A1.19 must equal to total assets as reported in **item 30000** of the FISS return.
- 1.2. Items A&B1.12 to A&B1.20 plus A&B2.21 to A&B2.31 less A1.19 must be equal to total liabilities and capital (shareholders' fund) as reported in **item 40000** of the FISS return.
- 1.3. Items on each line should be slotted into the relevant time bucket which they are expected to mature. In most cases, these are based on their contractual maturity. However, certain items, in particular loans, deposits and credit commitments do not normally experience maturing cash flows in accordance to their contractual maturity. Loans, for example, may be rolled over when due rather than repaid or go into default. Deposits, on the other hand, are subject to premature withdrawal and renewal characteristics. For such items, they should be slotted instead according to their perceived behavioural maturity.
- 1.4. To arrive at the appropriate treatment for each item, Appendix 3 contains a list of recommended treatment for allocating the cash flow items in their relevant time buckets. Nevertheless, banking institutions are permitted to differ and employ their own in-house method (if available) provided they are able to justify to BNM that they provide a more accurate alternative. Any variation to the recommended method should be agreed with BNM before they are incorporated.

2. Part 2 Return: contractual maturity profile

- 2.1. All balance sheet assets and liabilities must be reported. Items A&B1.1 to A&B1.11 plus A&B2.1 to A&B2.15 less A1.19 must be equal to total assets as reported in **item 30000** of the FISS return.
- 2.2. Items A&B1.12 to A&B1.20 plus A&B2.21 to A&B2.31 less A1.19 must be equal to total liabilities and capital (shareholders' fund) as reported in **item 40000** of the FISS return.
- 2.3. All cash flow items should be slotted into the relevant time buckets according to their strict contractual maturity regardless of their actual behaviour. Liabilities repayable on demand such as demand and saving deposits should be slotted into the "up to 1 week" bucket), while assets that have no strict contractual maturity such as investment in property should be slotted in the "more than 1 year" bucket.

3. Part 3 Return: supplementary information

3.1. The supplementary information encompasses all RM and foreign currency denominated items (foreign currency denominated items are reported in their RM equivalent). They are as follows:

- Item I To report distribution profile of deposits from a customer or group of related customers which account for more than 1% of an institution's total deposit base (Savings, Current and Fixed Deposit accounts plus non-interbank Repos and non-interbank NIDs); and
- Item II Concentration of funding sources – comprises a set of financial ratios to be calculated as below. Please report the weekend average ratio for the month.

3.2. Ratio 1: Adjusted Loan/Deposit Ratio

Adjusted Loans

Gross loans less BA payable

Adjusted Deposit

All deposits, non-interbank repos and non-interbank NIDs (less percentage set aside for SRR) plus shareholders' funds plus other hybrid Tier-2 capital instruments (e.g. ICULS, preference shares) plus subordinated term-loans issued plus loans sold to Cagamas plus ECR/BNM refinancing.

3.3. Ratio 2: Net offshore borrowing / Total domestic deposit liabilities

Net offshore borrowing All deposits, NIDs, repos and interbank borrowing (including vostro accounts) in both RM and F\$ from non-residents

Less

Deposits placed, NIDs held, reverse repos and interbank lending (including nostro accounts) in both RM and F\$ with non-residents.

Total domestic deposit liabilities All deposits, non-interbank repos and non-interbank NIDs in both RM and F\$ from domestic residents.

3.4. Ratio 3: Net domestic interbank borrowing / Total domestic deposit liabilities

Net domestic interbank borrowing Interbank borrowing, interbank repos and interbank NIDs in both RM and F\$ from resident banks

Less

Interbank lending, interbank reverse repo and NIDs held in both RM and F\$ with resident banks.

Total domestic deposit liabilities All deposits, non-interbank repos and non-interbank NIDs in both RM and F\$ from domestic residents.

3.5. Ratio 4: Total net domestic overnight interbank borrowing / Total gross domestic interbank borrowing less overnight domestic interbank lending

Total net overnight borrowing Total overnight interbank borrowing from the domestic market less total overnight interbank lending to the domestic market.

Total gross domestic interbank borrowing less overnight domestic interbank lending Total interbank borrowing, interbank repos and interbank NIDs from the domestic market less overnight interbank lending to the domestic market.

3.6. Ratio 5: Short term gross domestic interbank borrowing / Short term domestic total funding

Short-term gross domestic interbank borrowing Total interbank borrowing, interbank repos and interbank NIDs from the domestic market with remaining maturity of up to 1 month.

Short-term domestic total funding All deposits, repos and NIDs, and interbank borrowing from domestic residents with remaining maturity of up to 1 month.

4. Part 4 Return: Stock of liquefiable assets

- 4.1. The amount of Class-2 liquefiable assets (and undrawn formally available credit lines) reported here should not exceed 50% of reported Class-1 liquefiable assets. The balance of excess Class-2 liquefiable assets (if any) will continue to be reported in the maturity ladder set out in Appendix 1 Part 1.
- 4.2. All securities under columns (1) and (2) must be reported at their market values.
- 4.3. To arrive at the total discounted values under column (4), the securities reported under columns (1) and (2) must be further discounted using the yield slippage provided in column (3).

- 4.4. For KLSE Main Board equities held in their proprietary book, the lower of the daily mark-to-market values subject to a force sale discount or the fair value of the equity is to be reported.

5. Summary of maturity mismatch reporting

Row 7 Securities to be reported (reverse out) in row 7 should only be the securities that qualify as liquefiable assets in the Part 4 Statistical Return: Stock of Liquefiable Assets. In particular, for securities that are Class-2 liquefiable assets, do not report those that fall outside the 50% eligible limit.

Row 9A and 9B All Class-1 liquefiable assets that are under repo at the date of reporting must be reported here. For Class-2 liquefiable assets that are under repo, report only if the 50% limit reportable in the Part-4 statistical return for Class-2 liquefiable assets has not been fully utilised. Row 9A should be reported according to the maturity of the underlying securities, whilst Row 9B should be reported according to the maturity of the repo.

Appendix 3 – Benchmark treatment

Benchmark treatment for specific items in Part 1 Return¹⁶

Items	Benchmark treatment
Fixed term & housing loans	Report based on contractual maturity subject to adjustment for NPL (whose amount is to be slotted in the “> 1 year bucket”), including loans sold to Cagamas Berhad.
Revolving credit/loans	Report according to end-date of the facility.
Overdrafts & Credit cards	A core balance (lowest amount outstanding during period under observation) is to be identified and slotted into “> 1 year bucket”. The remaining balance to be allocated evenly across the rest of the maturity buckets.
SRR	Slot into the “> 1 year bucket” or adjust according to movements in the EL base.
Fixed/Savings/Current deposit account	See “Benchmark process for allocating fixed/savings/current account deposits according to maturity tenor buckets under behavioural maturity process”. <i>Alternative treatment¹⁷ for fixed deposits offered by investment banks</i> 30% of the amounts contractually due in the next 1 year to be placed in the respective buckets with the residual 70% slotted in the “> 1 year bucket”. Also report amounts contractually due more than 1 year in the “> 1 year bucket”.
Funds raised through securitisation with recourse	Funds raised from Cagamas with recourse can be deemed to be rolled over upon maturity.
Undrawn credit and other commitments with	20% of undrawn amount at the reporting date is to be slotted into the first maturity bucket.

¹⁶ Benchmark treatment for investment banks issued on 9 March 2007.

¹⁷ The alternative benchmark treatment is only applicable to institutions that do not have the systems capabilities to capture daily volatility of deposits. The ALCO of such institutions are required to assess the appropriateness of this alternative treatment for their institutions. In addition, institutions adopting this approach are expected to notify BNM on the time frame required to enhance their system capabilities in order to meet the primary benchmark treatment.

uncertain drawdown (including Undrawn Margin Financing Facilities but excluding Guarantees/Standby Letter of Credits)	
Guarantees/Standby Letter of Credits	Amount to be reported will be based on each banking institution's expectation of potential call on the guarantees/standby letter of credits.
Brokerage Activities (except SCANS) ¹⁸	70% of amounts as at the reporting date are to be slotted into the up to 3 days bucket. The residual amount is to be slotted into the "4 days to 1 month bucket".
SCANS ¹⁹	All amounts are slotted into the "up to 3 days bucket".
Equities (Proprietary) ²⁰	No proprietary equity positions to be placed in the "up to 3 days" and "4 days to 1 month" buckets. Equity positions are to be distributed equally into the remaining buckets.
Balance of all other items	Report according to their contractual maturity.

¹⁸ Applicable to investment banks only.

¹⁹ Applicable to investment banks only.

²⁰ Applicable to investment banks only.

Benchmark process for allocating fixed/savings/current account deposits according to maturity tenor buckets under behavioural maturity process

Step 1	Calculate the largest change that can occur within a 1 week period ²¹ during the last 1 year ²²	Calculate the largest change that can occur within a 1 month period during the last 1 year	Calculate the largest change that can occur within a 3 month period during the last 1 year	Calculate the largest change that can occur within a 6 month period during the last 1 year	Calculate the largest change that can occur within a 1 year period during the last 1 year
Step 2	Let amount of change =A%	Let amount of change =B%	Let amount of change =C%	Let amount of change =D%	Let amount of change =E%

Maturity buckets

Commercial banks	Up to 1 week	> 1 week to 1 month	> 1 month to 3 months	> 3 months to 6 months	> 6 months to 1 year	> 1 year
Investment banks	Up to 3 days	4 days to 1 month				
Step 3: To determine percentage of total deposits to be reported in various maturity tenor buckets	Multiply total fixed/savings/current deposit account as at reporting date with A%	Multiply total fixed/savings/current deposit account as at reporting date with {B-A}%	Multiply total fixed/savings/current deposit account as at reporting date with {C-B}%	Multiply total fixed/savings/current deposit account as at reporting date with {D-C}%	Multiply total fixed/savings/current deposit account as at reporting date with {E-D}%	Balancing amount

²¹ 3 day period for investment banks.

²² Expressed as % of the opening fixed/savings/current deposit account.