



# Impact of COVID 19 on RBI regulatory submissions

Indicative changes in regulatory reports

## Regulatory Submissions to portray the impact of RBI measures

As part of the regulatory and supervisory functions bestowed on it, the RBI collects data in the form of reports from respective regulated entities including Banks, NBFCs, Authorized Dealers, and other Financial Institutions with submission frequencies across different periods.

These reports showcase the various facets of the institution including but not limited to Asset-Liability profile, Exposure to various sectors/industries/entities, Foreign exchange vulnerability and trade finance operations. More importantly, some of these reports act as an input to Ministry of Finance to measure the implementation impact of the various finance schemes formed by the government for specific classes and/or scenarios.

### Extension of submission timelines

Taking cognizance of hardships faced by banks in terms of social distancing of staff and consequent strains on reporting requirements, various departments of RBI have issued instructions delaying the submission deadline for multiple reports being submitted to them by the respective banks.

For example, the timelines for submission of the returns to Department of Supervision and Department of Statistics and Information Management was extended by a period of one week to one month depending on the existing reporting frequency.

### Change in existing logic & Consideration of New facilities

As indicated in our previous version, the measures announced by the Central Bank are bound to impact the values being reported by banks in the respective reports. Banks need to be wary of the impact of these measures and accordingly consider them while performing respective submissions.

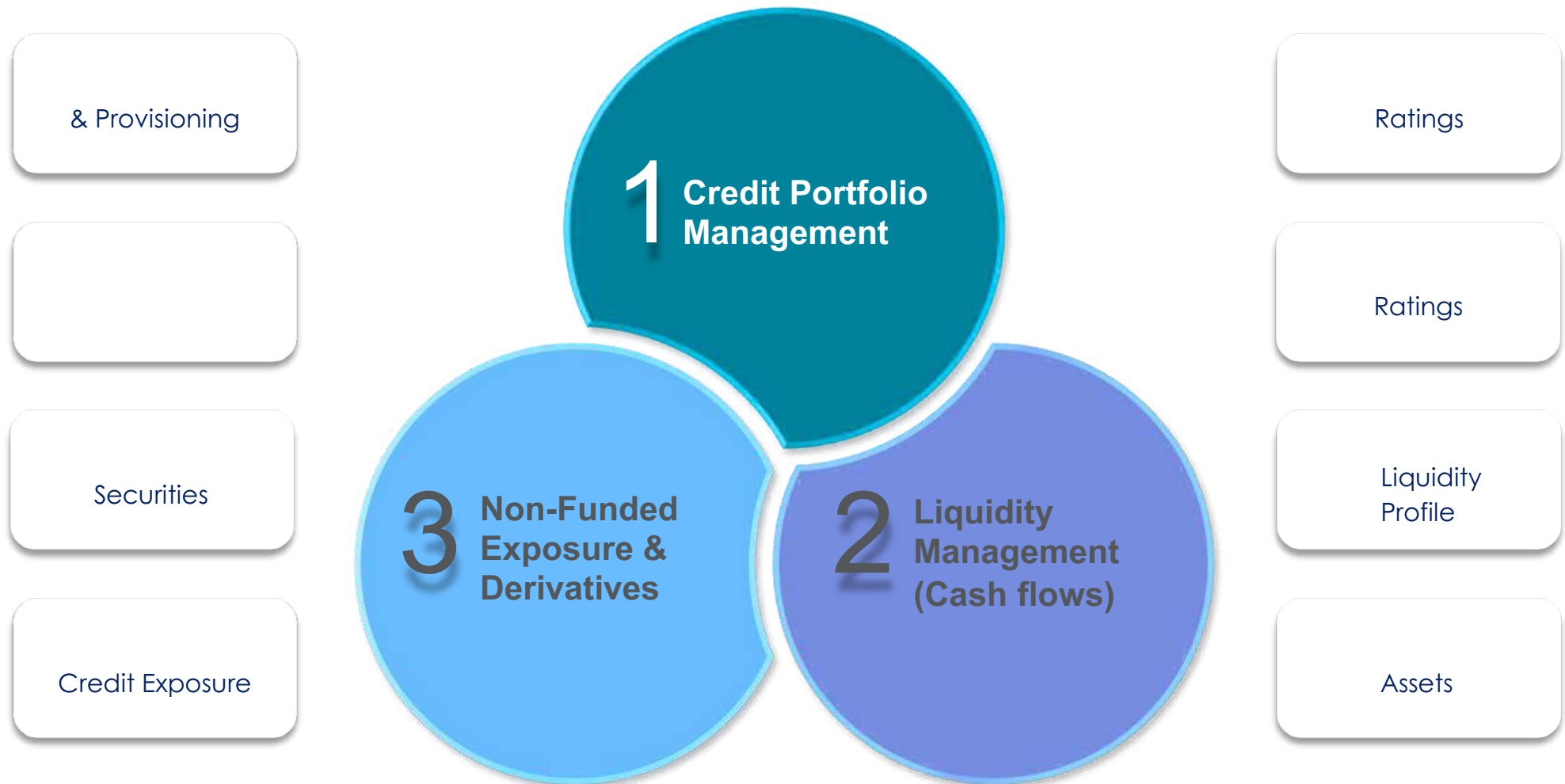
For example,

- a. ThreemonthmoratoriumwillimpactthewayassetsareclassifiedintoPerformingandNon-Performingcategories
- b. Introduction of TLTRO facility may potentially impact the depiction of Borrowings/Liabilities, Liquidity Profile and calculation of Unencumbered securities

Three Primary Areas that we foresee to be impacted by these measures are:

1. CreditPortfolioManagement
2. LiquidityManagement(CashFlows)
3. Non-FundedExposure&Derivatives

# Regulatory Reporting –Primary Functional Areas Impacted



# Credit Portfolio Management



# Performing Assets shielded from being downgraded

## Asset Classification & Provisioning

RBI has permitted the banks to provide option to customers to opt in for three month moratorium. High level changes that may be required to ensure compliance of the same are enlisted below for respective class of assets

- **Performing Assets**
  - **Asset Classification**

Zero default accounts: All accounts with Zero days default (i.e. DPD = 0) and outstanding as on March 1, 2020 to be considered as Zero default until May 31, 2020 and considered as Standard with no Overdue even without any repayments through the period i.e. even when the actual Days Past Due > 0

Overdue Accounts: All accounts with Days past Due greater than zero and less than 90 to be immune from further downgrade. All accounts classified as SMA0, SMA1, SMA2 as on March 1, 2020 to be classified as the same until May 31, 2020 even without any repayments through the period i.e. even when the actual DPD goes beyond 90
  - **Provisioning**

In respect of accounts in default but standard where provisions of above scenarios are applicable, and asset classification benefit is extended, banks are expected to make general provisions of not less than 10% of the total outstanding of such accounts, to be phased over two quarters as under:

    - (i) Quarter ended March 31, 2020 – not less than 5%
    - (ii) Quarter ending June 30, 2020 – not less than 5%

These provisions are not be reckoned for arriving at net NPAs till they are adjusted against the actual provisioning requirements.
- **Non-Performing Assets**

Provisions for accounts already classified as NPA as on February 29, 2020 as well as subsequent ageing in these accounts, are expected to continue in the usual manner

Indicative List of Impacted Returns: RAQ, ALE, RBS1, LR, IRS, CRILC, RLC, ROR

# Asset Quality and Provisioning requirements need to be evaluated

Return on Asset Quality (RAQ) contains asset classification and provisioning for the advances and investment portfolio of the banks. This statement also contains sector wise granular break up of credit and investment portfolio. It is primarily characterised to track Asset Quality Movement over the financial year.

SECTION - 1 Portfolio Analysis (By delinquency in Interest Payment) *					
Period of Delinquency	Loans and Advances (Non-banks)				Total Loan Assets
	Term Loans	Cash Credits, Overdrafts and Demand Loans	Bills Purchased and Discounted	Loans and Advances to Banks	
i) Current					0.00
ii) Overdue (ii.a + ii.b)	0.00	0.00	0.00	0.00	0.00
ii.a) Loans and Advances where 90 day norms is applicable as per IRAC	0.00	0.00	0.00	0.00	0.00
ii.a.1 Overdue less than 30 days					0.00
ii.a.2 Overdue for 30 to 60 days					0.00
ii.a.3 Overdue for 60 to 90 days					0.00
ii.b) Loans and Advances where 90 day norms is NOT applicable as per IRAC					0.00
A. PERFORMING (i + ii)	0.00	0.00	0.00	0.00	0.00
iii) Substandard					0.00
iv) Doubtful					0.00
v) Loss					0.00
B. NON-PERFORMING (iii + iv + v)	0.00	0.00	0.00	0.00	0.00
C. Total (A + B)	0.00	0.00	0.00	0.00	0.00

Section 4: Change in Asset Quality Profile and Recoveries of NPAs					
Part-A: Movement in Loans and Advances during the Period (April to Date)					
Movement from	(Domestic Operations)				
	Standard	Sub-standard	Doubtful	Loss	
(a)	(b)	(c)	(d)	(e)	
From Standard					
From Sub-standard					
From Doubtful					
From Loss					
Total Upgrade/Downgrade	0.00	0.00	0.00	0.00	0.00
A. Loans and Advances Disbursed during April to Date					
B. Current Outstanding Balance of Loans and Advances					
C. Provisions Required on Current Balance (Estimate)					
D. Provisions Held					
E. Excess/Deficit in Provisions Held (C-D)	0.00	0.00	0.00	0.00	0.00

## 3-month Moratorium

- Classification of Accounts of Customers opting for this facility will require direction from RBI for sections reporting Standard (Current & Overdue) accounts. Two levels of Classification are expected to be impacted in this return because of the guideline
  - Level 1 –Performing / Non-Performing
  - Level 2 –Performing (Current) / Performing (Overdue)
- We can expect logic change/introduction of new line item accordingly in respective sections of the return.

## Provisioning requirements\*

- As desired, Provisions not less than 10% of the total outstanding need to be accounted for the above identified accounts over the two upcoming quarters.
- This will entail consideration of logic change in line items reporting Provision required for Standard Accounts. In addition, these provisions are expected not to be netted with Gross Advances, however, to be reported separately as appropriate

\*Similar impact is envisaged in Asset Liability and off-Balance Sheet Exposures (ALE) as well



# Credit Information in CRILC may have to be revisited

Reporting of Large Exposures to Central Repository of Information on Large Credits (CRILC) captures credit information of borrowers having aggregate funded and non-funded exposure of ₹5 crore & above. It identifies a borrower basis PAN number with information including Credit Rating, Asset Classification, Write-Off and Exposure.

**Section A - Exposure to Large Individual Borrowers (Global Operations)**

Sl. No.	Borrower Name*	Industry Code*	Industry Name*	Sector code	Banking Assignment	Local Bank Name*	Internal Rating	External Rating
Total								

**Section B - Exposure to Large Corporate Borrowers (Global Operations)**

Sl. No.	PAN Number*	Borrower/Customer Name*	IB	CR	Date of ARA Classification	Date from which Restructuring/Rescheduling/Write-off of the facility is initiated (DD/MM/YYYY)	Special Attention Amount (SMA)*	Date of SMA Classification	Large Change (Contracts)	Interest Rate Revisions (and IR Interest Rate Derivatives)	Other New Tasked Outstanding
Total											

## Asset Classification\*

- Accounts opting for 3-month moratorium and Standard as on March 1, 2020 are expected NOT to be downgraded to NPA until May 31, 2020 while reporting to RBI

## SMA Classification of Overdue Accounts

- 3-month moratorium may infuse a change in the classification logic of Standard Overdue accounts into SMA0, SMA1 and SMA2
- This needs to be taken into consideration while reporting the respective Outstanding and Exposure amounts in CRILC

## Credit Ratings\*

- As per the guidelines, the rescheduling of payments will not qualify as a default for the purposes of supervisory reporting. Accordingly, Internal and External ratings
- need to be carefully reviewed against those Customers/Accounts opting for moratorium facility Also, banks are expected to ensure the same while
- reporting to Credit Information Companies (CICs) thus avoiding impact on credit history of the respective customers

\*Similar impact is envisaged in RLC (Return on Large Credits) as well

# Reporting of Rating Wise Advances & Credit Card business in RBS

Risk Based Supervision (RBS) return captures information on Rating wise distribution of standard advances, Rating distribution of non-SLR investments, Sale of loans and securitization, Credit card business carried out by the bank or through its subsidiaries, Disbursements and outstanding housing finance and Details of infrastructure finance

Section 1 - Distribution of Standard Advances- Rating-wise								
Sr. No.	Internal Rating	Type of the Facility	Number of Accounts	Amt of Advances	Rate of Interest (ROI) Charged			Number of Accounts
					Min	Max	Weighted Avg ROI	
1		Bills Purchase and Discounts						
		Term Loan						
		Cash Credit, Overdraft, Working Capital, Demand Loan, etc.,						
Note: Select the green cell above to add row(s) from IFile Menu -> 'Add Row Below' option. In case of no data, leave the row blank								
A1	Unrated Advances (Advances where Rating was required)	Bills Purchase and Discounts						
		Term Loan						
		Cash Credit, Overdraft, Working Capital, Demand Loan, etc.,						
A2	Advances where Rating is not required	Bills Purchase and Discounts						
		Term Loan						
		Cash Credit, Overdraft, Working Capital, Demand Loan, etc.,						
A3	Total Standard Advances	Bills Purchase and Discounts		0.00	0.00	0.00%	0.00%	0.00%
		Term Loan						
... RatingWise								
Section 4 - Details of the Credit Card Business carried by the Bank or through its Subsidiaries								
Total Number of Card Holders						0.00		0.00
Total Limit Sanctioned						0.00		0.00
Total Unavailed Limits						0.00		0.00
Classification of Gross Amount Outstanding as per Asset Classification Norms								
Standard						0.00		0.00
Substandard						0.00		0.00
Doubtful						0.00		0.00
Loss						0.00		0.00
Total					0.00	0.00	0.00	0.00
Provisioning Held								
Standard						0.00		0.00
Substandard						0.00		0.00
Doubtful						0.00		0.00
Loss						0.00		0.00
Total					0.00	0.00	0.00	0.00
Amount Written Offs (during April to Date)								
Substandard						0.00		0.00
Doubtful						0.00		0.00
Loss						0.00		0.00
Total					0.00	0.00	0.00	0.00
... RatingWiseSubsidi								
RatingWiseSubsidi								
Securitization								
CreditCardBusiness								
Housing Finance								
NonOverseasInvestment								
Authorized Signatory								

## Internal Ratings

- Internal Ratings are used by banks for Credit decision and Pricing. RBS considers reporting of Rating-wise aggregate position as Standard Advances in a separate section
- As per guidelines from RBI, accounts opting for moratorium facility should not be classified as default on account of delayed repayments. Accordingly, Internal Ratings need to be carefully reviewed before reporting
- 'Hurdle Rate' being arrived basis underlying rated advances may have to be accordingly adjusted while reporting

## Credit Card Business

- Based on the clarification by RBI, moratorium facility will be extended to Credit Card holders as well
- Accordingly, revised asset classification provisioning norms for those credit cards not classified as NPA as on February 29, 2020 need to be considered specifically while reporting to RBI
- RBSreturncapturestherelatedinformationonCredit cards in a separate section viz. 'Details of the Credit Card Business carried by the Bank or through its Subsidiaries'



# Refunds, Increased Provisioning, Reduced Income to impact Profitability

Report on Operating Results (ROR) primarily considers reporting of Profit & Loss statement containing granular break up of interest income and interest expenses

Section-A: EARNINGS BEFORE PROVISIONS & TAXES			
X. Fee Income (Commission, Exchange and Brokerage)	0.00	0.00	
X.1 LCs			
X.2 BGs			
X.3 Derivative Contracts			
X.4 Other OBS Operations			
X.5 Others			
XI Profit/(loss) on Forex Operations			
XII Profit/(loss) on Securities Trading			
XIII Income from Off-balance Sheet Operations (Excluding Fee Income)	0.00	0.00	
XIII.1 Profit/Loss from Derivatives Contracts (net)			
XIII.2 Others			
XIV Income from Parabanking Activities	0.00	0.00	
XIV.1 Issue/Renewal of Credit/Debit Cards			
XIV.2 Income from Selling of Insurance Products			
XIV.3 Income from Selling of Mutual Fund Products			
XIV.4 Income from other Parabanking Activities			
XV Dividend Income from Subsidiaries/JVs/Associates			
XVI Penal Charges			
XVII Miscellaneous Income	0.00	0.00	
XVIII Reserve from Unwritten Off Accounts			
Section-B: NET PROFIT & RETAINED EARNINGS			
B Risk Provisions	0.00	0.00	0.00
B.1 For Standard Advances			
B.2 For Restructured Standard Advances			
B.3 For Country Risk			
B.4 For Non-Performing Loans & Advances	0.00	0.00	0.00
B.4.1 Provisions made out of EBPT (A)			
B.4.2 Provisions taken back from the Provisions made earlier (including for upgradations and write-offs)			
B.5 For Depreciation in Securities and Investments			
B.6 For Other Impaired Assets			
B.7 For Contingent Credit Exposures			
B.8 For Other Losses			
C Write Offs	0.00	0.00	0.00
C.1 Bad and doubtful debts	0.00	0.00	0.00
C.1.1 Amount of W/O out of EBPT (A)			
C.1.2 Amount of W/O out of the Provisions made earlier			
C.2 Other assets			
D Provisions For Liabilities			
E Profit/Loss Before Tax (PBT) [A - B - C - D]	0.00	0.00	0.00
F Provision For Income Taxes			

## Reduction in Interest and Non-Interest Income

- Accounts opting for moratorium will not be charged any Penal Interest as per the guidelines
- Reduced Interest rates with sluggish demand may impact the Interest Income in absolute terms in the medium term
- Non-Interest Income (which accounts for approximately 15-20% of the Total Income) of the Banks is expected to be impacted owing to waiver of penalties and reduced transaction volumes
- It is expected that RBI may introduce a line/Memo item to capture the refunds that Bank had to process owing to moratorium option in ROR

## Provisions to impact Net Profit & Retained Earnings, Reserves & Surplus\*

- Although classified as Standard, higher provisioning for accounts opting for moratorium will in turn impact reporting of Net Profit & Retained earnings
- Incorporation of guidelines for such accounts in ROR is expected to be considered while reporting to RBI

\*Similar impact is envisaged in Asset Liability and off-Balance Sheet Exposures (ALE) as well

# SLF-MF not to be reckoned for ANBC to compute PSL targets

Quarterly Statement on Priority Sector Advances and Sectoral Deployment of Credit is used by the Central Bank to monitor Priority Sector Lending Utilization and targets depicting the disbursements and Outstanding of the defined period (Quarter)

**Quarterly Statement on Priority Sector Advances and Sectoral Deployment of Credit**

Name of the bank  
For the quarter ended

Number of Accounts in absolute terms and Amount in ₹ (thousands)

Net Bank Credit (NBC) as on the corresponding date of the preceding year	
Credit Equivalent of Off Balance sheet Exposures (CEOBE) as on the corresponding date of the preceding year	
Advances against incremental FCNR (B) / NRE deposits	
Bonds/debentures in non-SLR categories under HTM category + other investments eligible to be treated as priority sector + Outstanding Deposits under RIDF and other eligible funds with NABARD, NHB, SIDBI and MUDRA Ltd. on account on priority sector shortfall + Outstanding PSLs as on corresponding date of the preceding year	
Eligible amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing as per circular DBOD BP BC No 25/08 12.014/2014-15 dated July 15, 2014	
Effective ANBC for computation of PSL targets	0.00

Sl. No.	Categories	Disbursements during the Quarter	Outstanding at the end of the Quarter
1	Priority Sector (I+II+III+IV+V+VI+VII+VIII)		
I	Agriculture (IA+IB+IC+ID)		
IA	Farm Credit (i) + (ii) + (iii) + (iv) + (v)		
II	Other Non-Priority Sector Loans		
III	Total Loans (I+II)		
IV	Effective ANBC		
V	Total Outstanding		
VI	% Achievement		
VII	Overall PSL		
VIII	Agriculture		
IX	Small and Marginal Farmers		
X	Non - Corporate Farmers		
XI	Micro Enterprises		
XII	Weaker Sections		

Calculation of Adjusted Non-food Bank Credit (ANBC)

- ANBC is calculated as Maximum of
  - Net Bank Credit – Advances Against Incremental FCNR(B)/NRE deposits + Bonds/debentures in non-SLR categories under HTM category + other investments eligible to be treated as priority sector amount for exemptions on issuance of long-term bonds for infrastructure and affordable housing
  - (CEOBE) as on the corresponding date of the preceding year
- Since securities acquired under the Special Liquidity Facility for Mutual Funds (SLF-MF) and kept in the HTM category are not be reckoned for computation of ANBC, the above formula may undergo a change to exclude the face value of the securities under SLF-MF Regulatory benefits announced under the SLF-MF scheme will be extended to all banks, irrespective of whether they avail funding from RBI or deploy their own resources Accordingly, we may expect rephrasing of existing lines/guidelines or addition of a new line for reporting Quarterly PSA report A Weekly statement containing consolidated information on entity-wise and instrument-wise loans and advances extended or investment made to eligible entities is desired by RBI to claim the benefits mentioned above

\*Similar impact is envisaged in all PSL related returns

# Liquidity Management



# Prominent Liquidity measures for Banks to balance cash flows

## Cash Flows (Liquidity)

### ▪ Liquidity Profile

- Three month moratorium facility to customers

Three month moratorium offered by the banks will delay the repayments of the respective advances. The repayment schedule and all subsequent due dates, as also the tenor for such loans, may be shifted across the board by three months.

- Targeted Long Term Repo Operations (TLTRO)

To ensure appropriate Liquidity balance, RBI has provided relief to banks by offering long-term repos (aggregate value ₹1,50,000 crore) of up to three years tenor at the prevailing repo rate

- Reduction in major policy repo rates (CRR: 3% of NDTL; Repo: 4.40%; Reverse Repo: 3.75%; MSF & Bank Rate: 4.65%)

With Reduction in Repo and more significant reduction in Reverse Repo rates, RBI is clearly encouraging Banks to utilize the funds for increasing lending to customers rather than parking it with RBI.

In addition, reduction in other policy rates such as CRR, MSF and Bank rate will help banks meet their short term liquidity requirements.

Banks will be able to offer loans at cheaper Interest rate, targeting adequate cash flow across the Fis.

The above changes will have to be considered while portraying the liquidity profile of the bank.

### ▪ Liquidity Coverage Ratio

- To accommodate the burden on Banks' cash flows, Banks' are permitted to maintain LCR as below

April 17, 2020 to September 30, 2020	80%
Oct 1, 2020 to March 31, 2021	90%
April 1, 2021 onwards	100%

- Increasing the Overnight Marginal Standing Facility (MSF) borrowing limit for banks from 2% to 3% with along with the above measures will ensure stock of High Quality Liquid Assets, thus maintaining the LCR for the bank

Indicative List of Impacted Returns: ALE, LR, IRS, CRILC, RLC, BLR1, BLR3, RAQ, Form A, Form VIII

<p>The Liquidity return (LR) includes maturity (residual/behavioral) profile of various components of on / off-balance sheet items based on assumptions</p>	<p>Report on Interest Rate Sensitivity (IRS) captures the banks exposure to the interest rate risk</p>
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[illegible]

Statement on Interest Rate Sensitivity depicts two techniques of Interest Rate Risk measurement viz; • TGA(Traditional Gap Analysis) • DGA(Duration Gap Analysis) Both the techniques will be impacted in a similar manner as that of Liquidity Return, however, DGA involves consideration of Modified Duration calculated basis Yield and Coupon of the underlying Instruments. Investments under the TLTRO facility classified as HTM, will primarily be similar tenure (3 year) Gsecs. Increased demand for these securities will in turn reduce the Yield driving the short- term market rates to lower values

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## Reduced CRR requirement to release liquidity across banking system

Form A return is used for ascertaining the maintenance of CRR and for calculating of penalty in case of shortfall. It is also used for compilation of monetary aggregates

Consolidated Form A - Main		AR Figures are in 100% (R/R)	
Outstanding	Consolidated Form A - Main		AR Figures are in 100% (R/R)
II. INVESTMENTS IN APPROVED SECURITIES	1. Securities (except T-bills)		
1.1 Investments in Govt. Securities	1A. Certificate of Deposit		
1.1.1 Mature Term			
1.1.2 Long Term			
1.2 Investments in Other Approved Securities	1B. Other (other securities under zero reserve presentation)		
III. INVESTMENTS IN NON-APPROVED SECURITIES	1C. Amount of Exposure required to be maintained as per current rate of CRR (if provided off to source Regulator)		
1.1 Commercial Paper			
1.2 Units of UTI and other mutual funds			
1.3 Shares Issued By			
1.3.1 Public Sector Undertakings			
1.3.2 Private Sector Undertakings			
1.3.3 Public Financial Institutions			
AR Support	1D. Total AR required to be maintained under Sec. 42 and 42(1A) (deducted off to interest Regulator)		

Reduction in CRR requirement by 100 basis points to 3% of NDTL  
This reduction would release liquidity in proportion to liabilities of constituents rather than in relation to holdings of excess SLR. From a reporting perspective, this measure will entail change in parameter value for calculation of Total CRR and Average CRR requirement for the short term (up to June 26, 2020)

Investments under HTM portfolio opted under TLTRO facility may be asked to be reported based on their respective categorization as a separate line item or will have to be reported under an existing line item in Form A

Form VIII: Statement of demand and time liabilities & unencumbered approved securities for ascertaining maintenance of SLR and levy of penalty for default

[illegible]

Average CRR calculation will undergo a change, thus impacting reporting of Form VIII and its related annexures Average Excess Cash Balance because of reduced CRR Average excess cash balance maintained with RBI over statutory requirement may undergo change, thus impacting the excess/shortfall of SLR requirement depicted in Form VIII Maintenance and Calculation of Daily CRR/Daily SLR may be impacted in account of reduced requirement of minimum daily CRR balance maintenance from 90% to 80% in the short term (up to June 26, 2020)



# Reduced LCR requirement, Improved HQLA facilitate Short term Liquidity

Statement on Liquidity Coverage Ratio (BLR1) level of unencumbered HQLAs that can be converted into cash to meet its liquidity needs for a 30 calendar daytime

BLR-1 Statement on Liquidity Coverage Ratio (LCR)				
I		II	III	IV
A		B		
1		2		
3		4		
5		6		
7		8		
9		10		
11		12		
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200		200		

Reduction in CRR requirement will impact the Excess CRR balance. Increasing the Overnight Marginal Standing Facility (MSF) borrowing limit for banks from 2% to 3% will entail change in the respective line item for consideration of HQLA, thus facilitating increased liquidity. Liquidity availed under the TLTRO scheme by banks is expected to be deployed in investment grade corporate bonds, commercial paper, and nonconvertible debentures.. Though advised by RBI to classify the securities under HTM category, Bank may decide to classify them under AFS/HFT at the time of acquisition, however, it will not be allowed to shift to HTM category later. Accordingly, this may have to be considered for reporting in the Level 2 assets under HQLA

Statement of available unencumbered assets (BLR- 3) captures the details of available unencumbered assets that could serve as collateral for secured borrowing in secondary markets and/or borrowing from RBI

Statement of available unencumbered assets (BLR- 3)				
I		II	III	IV
A		B		
1		2		
3		4		
5		6		
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100		100		

Calculation of Unencumbered Assets/Securities\* Primarily, Unencumbered Assets calculation may be impacted on account of Investments made under TLTRO facility availed by the respective bank. These specific securities will have to be accordingly earmarked and as borrowed under TLTRO scheme, thus ensuring appropriate consideration and reporting of Unencumbered securities

\* Will also have to be considered while reporting in Form VIII, Daily SLR and BLR1

# Non-Funded Exposure & Derivatives



# Measures pertaining to Non-Funded Exposure and Derivatives

## Non-Funded Exposure & Derivatives

- Exposures under TLTRO scheme  
Exposures under the TLTRO scheme are not expected to be reckoned with the Large Exposure Framework. This, in effect may impact the consideration for Capital Requirements pertaining to eligible capital base for the purpose of LEF.
- Permission to banks to Deal in Offshore Non-Deliverable Rupee Derivative Markets (Offshore NDF Rupee Market) from June 1, 2020
  - Notional & MTM reporting  
RBI aims to remove segmentation between the onshore and offshore markets and improve efficiency of price discovery.

This guideline may entail inclusion of a new line item across multiple ADF reports reporting Derivatives related information at the respective granularity.
- Total Exposure
  - Exposure Norms  
Exposure norms may have to be relooked at to consider inclusion of the above two measures as a part of Non-Funded/Derivative Exposure, thus impacting the Total Exposure at Counterparty/Customer level.

Indicative List of Impacted Returns: ALE, LR, IRS, CRILC, RLC, RAQ, FTD

# Non-deliverable derivatives permitted to contain volatility in Indian Rupee

Report on Large Credits (RLC) captures all individual borrowers (excluding banks), all borrower groups having exposure above specific threshold of bank's capital. Also, it captures exposure to Top 20 banks.

Report on Asset Liability and Off-Balance Sheet Exposures (ALE) contains the granular breakup of Assets and liability items along with details regarding off balance sheet and derivative exposures

**Section 2: OIBS Exposures**

Sl. No.	Name of the Bank / Co.	Notional	Current Credit	Revised Future	Notional	Current Credit	Revised Future	Notional	Current Credit	Revised Future	Notional	Current Credit	Revised Future
1	Part (D): Derivatives - From Risk Perspective (Discretionary Operations)												
2	(a) Forward Rate Agreements												
3	(b) Futures												
4	(c) Currency Options												
5	(d) Interest Rate Swaps												
6	(e) Commodity Options												
7	(f) Commodity Swaps												
8	(g) Commodity Futures												
9	(h) Commodity Options												
10	(i) Commodity Swaps												
11	(j) Commodity Futures												
12	(k) Commodity Options												
13	(l) Commodity Swaps												
14	(m) Commodity Futures												
15	(n) Commodity Options												
16	(o) Commodity Swaps												
17	(p) Commodity Futures												
18	(q) Commodity Options												
19	(r) Commodity Swaps												
20	(s) Commodity Futures												
21	(t) Commodity Options												
22	(u) Commodity Swaps												
23	(v) Commodity Futures												
24	(w) Commodity Options												
25	(x) Commodity Swaps												
26	(y) Commodity Futures												
27	(z) Commodity Options												
28	(aa) Commodity Swaps												
29	(ab) Commodity Futures												
30	(ac) Commodity Options												
31	(ad) Commodity Swaps												
32	(ae) Commodity Futures												
33	(af) Commodity Options												
34	(ag) Commodity Swaps												
35	(ah) Commodity Futures												
36	(ai) Commodity Options												
37	(aj) Commodity Swaps												
38	(ak) Commodity Futures												
39	(al) Commodity Options												
40	(am) Commodity Swaps												
41	(an) Commodity Futures												
42	(ao) Commodity Options												
43	(ap) Commodity Swaps												
44	(aq) Commodity Futures												
45	(ar) Commodity Options												
46	(as) Commodity Swaps												
47	(at) Commodity Futures												
48	(au) Commodity Options												
49	(av) Commodity Swaps												
50	(aw) Commodity Futures												
51	(ax) Commodity Options												
52	(ay) Commodity Swaps												
53	(az) Commodity Futures												
54	(ba) Commodity Options												
55	(bb) Commodity Swaps												
56	(bc) Commodity Futures												
57	(bd) Commodity Options												
58	(be) Commodity Swaps												
59	(bf) Commodity Futures												
60	(bg) Commodity Options												
61	(bh) Commodity Swaps												
62	(bi) Commodity Futures												
63	(bj) Commodity Options												
64	(bk) Commodity Swaps												
65	(bl) Commodity Futures												
66	(bm) Commodity Options												
67	(bn) Commodity Swaps												
68	(bo) Commodity Futures												
69	(bp) Commodity Options												
70	(bq) Commodity Swaps												
71	(br) Commodity Futures												
72	(bs) Commodity Options												
73	(bt) Commodity Swaps												
74	(bu) Commodity Futures												
75	(bv) Commodity Options												
76	(bw) Commodity Swaps												
77	(bx) Commodity Futures												
78	(by) Commodity Options												
79	(bz) Commodity Swaps												
80	(ca) Commodity Futures												
81	(cb) Commodity Options												
82	(cc) Commodity Swaps												
83	(cd) Commodity Futures												
84	(ce) Commodity Options												
85	(cf) Commodity Swaps												
86	(cg) Commodity Futures												
87	(ch) Commodity Options												
88	(ci) Commodity Swaps												
89	(cj) Commodity Futures												
90	(ck) Commodity Options												
91	(cl) Commodity Swaps												
92	(cm) Commodity Futures												
93	(cn) Commodity Options												
94	(co) Commodity Swaps												
95	(cp) Commodity Futures												
96	(cq) Commodity Options												
97	(cr) Commodity Swaps												
98	(cs) Commodity Futures												
99	(ct) Commodity Options												
100	(cu) Commodity Swaps												

**Section C: Top Twenty Exposures to Banks**

Sl. No.	Counterparty Bank Name*	Counterparty Bank Details*	Funded Exposure	Non-Funded Exposure	Total Exposure (INR)	TS as % of Capital Funds
1						
2						
3						
4						
5						
6						
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20						

## Offshore Non-Deliverable Rupee Derivative\*

These are OTC contracts, usually short term in nature and executed without exchange of notional. Receivable/Payable is calculated on the notional amount of the agreement by taking the difference between the contracted rate and the spot rate at the time of settlement. Dealing in New Derivative instrument may lead to creation of a separate contract/derivative category or consideration of Forex

Contracts/Forward Rate Agreements) under the Off-balance sheet exposures. the same in the existing category (Forward

Counterparty Exposure Calculation# Dealing in New Derivative Instrument will in turn entail consideration of the same in Non-Funded – Derivative Exposure calculation against the respective counterparty. This will in turn impact all the Exposure related reports including RLC. Large Exposure Framework # Exposures under TLTRO facility are not expected to be reckoned with Large Exposure Framework. Accordingly, Capital requirements pertaining to eligible capital base for the purpose of LEF may have to be relooked at while reporting in RLC

\* Similar Impact envisaged in RAQ, CRILC and other reports related to Exposure

\* Similar Impact envisaged in FTD, RAQ, LR, IRS & other reports related to Derivatives

## Impact across multiple solutions

As a part of this series, we have tried to analyze the impact of COVID related RBI measures on Regulatory reporting requirements, primarily related with ADF.

The changes envisaged in this version of whitepaper are across certain important returns that are applicable for almost all banks. We believe that these are indicative changes and may be applicable for other returns as well belonging to similar subject areas. Also, the measures prescribed by RBI are bound to impact not just ADF reporting per se but also other requirements which may or may not have been automated depending on the Bank's readiness and RBI directions.

Risk Based Supervision is one such area wherein we expect multiple data indents will either undergo rephrasing or will involve some logic change. It may also be expected that some data indents may be added specifically to categorize and identify COVID 19 impact on Bank's portfolio. Bank's ALM system needs to be in line to consider the revised measures from RBI capturing the authorization of delay in

repayments and accordingly redefining the cash flow generation

Identification of Non-Performing Assets and Provisioning for Standard Accounts opting for moratorium needs to be incorporated in the NPA system and considered in General Ledger to be appropriately depicted in the Financial Statement/Annual Disclosure of the bank. Thus, Banks need to evaluate every RBI measure from both perspectives viz; Functional and Technical. Senior stakeholders need to be apprised of the Decision making involved in defining the Strategic and Tactical steps not just from Reporting perspective but

also Operational perspective

### Disclaimer

*We have taken utmost care in ensuring the integrity of the information referred while creating this whitepaper. The views and/or analysis expressed in this paper are based on the information available in the public domain and in no way constitute professional advice. We assume no legal and/or financial liability for the accuracy, reliability or for any decisions and/or actions arising from the information contained herein.*

## Abbreviations

Abbreviation	Description	Abbreviation	Description
<b>ALE</b>	Report on Asset Liability and Off-Balance Sheet Exposures	<b>SIBC</b>	Sector-wise and industry-wise deployment of credit
<b>LCR</b>	Liquidity Coverage Ratio	<b>RDB</b>	Report on Default Borrowers
<b>RAQ</b>	Report on Asset Quality	<b>BLR 1</b>	Statement on Liquidity Coverage Ratio (LCR)
<b>LR</b>	Liquidity Return	<b>BLR 3</b>	Statement of Available Unencumbered Assets
<b>IRS</b>	Report on Interest Rate Sensitivity	<b>HQLA</b>	High Quality Liquid Assets
<b>RLC</b>	Report on Large Credits	<b>ADF</b>	Automated Data Flow
<b>BSA</b>	Balance Sheet Analysis	<b>BLR 7</b>	Statement of Net Stable Funding Ratio (NSFR)
<b>RCA III</b>	Report on Capital Adequacy (Basel III)	<b>CRILC</b>	Central Repository of Information on Large Credit
<b>SFR II</b>	Special Fortnightly Return –II	<b>RBS</b>	Risk Based Supervision
<b>SMA</b>	Special Mention Accounts	<b>DPD</b>	Days Past Due
<b>NPA</b>	Non-Performing Assets	<b>CIC</b>	Credit Information Company
<b>NDTL</b>	Net Demand and Time Liabilities	<b>MSF</b>	Marginal Standing Facility
<b>CRR</b>	Cash Reserve Ratio	<b>SLR</b>	Statutory Liquidity Ratio
<b>ANBC</b>	Adjusted Non-Food Bank Credit	<b>Gsecs</b>	Government Securities
<b>TLTRO</b>	Targeted Long Term Repo Operations	<b>CEOBE</b>	Credit Equivalent of Off-Balance sheet Exposures
<b>PSL</b>	Priority Sector Lending	<b>PSA</b>	Priority Sector Advances

## References

Reserve Bank of India notifications

Operations and Performance of Commercial Banks (Dec 24, 2019): <https://m.rbi.org.in/Scripts/PublicationsView.aspx?id=19365>

COVID 19 regulatory package (March 27, 2020): <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=11835&Mode=0>

Special Liquidity Facility for Mutual Funds: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=49728#AN1](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=49728#AN1)

COVID19 Regulatory Package –Review of Resolution Timelines: <https://www.rbi.org.in/Scripts/NotificationUser.aspx?id=11871&Mode=0>

Multiple Other Notifications for the month of March and April: <https://www.rbi.org.in/Scripts/NotificationUser.aspx>

Reserve Bank of India ORFS portal: <https://orfs.rbi.org.in/>

List of Returns Submitted to RBI: [https://m.rbi.org.in/Scripts/BS\\_Listofreturns.aspx](https://m.rbi.org.in/Scripts/BS_Listofreturns.aspx)



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