

April 9, 2008

Chairmen / Chief Executive Officers  
All Commercial Banks  
(excluding RRBs)

**Guidelines on Asset-Liability Management (ALM) System**

Please refer to DBOD Circular No.DBOD. BP. BC. 38 / 21.04.098/ 2007-08 dated October 24, 2007 advising banks to adopt a more granular approach to measurement of liquidity risk. Banks were also advised to undertake dynamic liquidity management and prepare the Statement of Structural Liquidity on daily basis. The Statement of Structural Liquidity was, however, to be reported to RBI, once a month, as on the third Wednesday of every month.

2. It was also indicated that to enable the banks to fine tune their existing MIS as per the modified guidelines, the revised norms as well as the supervisory reporting as per the revised format would commence with effect from the period beginning January 1, 2008 and the reporting frequency would continue to be monthly for the present. However, the frequency of supervisory reporting of the Structural Liquidity position shall be fortnightly, with effect from April 1, 2008.

3. Accordingly, banks are advised to submit the Statement of Structural Liquidity as on the first and third Wednesday of every month to Reserve Bank of India, Department of Banking Supervision, OSMOS Division. The due-date of the submission of the Statement would be the seventh day from the reporting date.

Yours faithfully,

(P. Vijaya Bhaskar)  
Chief General Manager