Tamilnad Mercantile Bank Ltd,
Risk Management Department, Head Office, Thoothukudi
Net Stable Funding Ratio (NSFR)

The RBI guidelines stipulated the implementation of NSFR effective from 1st October 2021 at a consolidated level with disclosure from quarter ended December 2021. Accordingly, the bank is computing the Consolidated NSFR. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

Net Stable Funding is a liquidity measure which is the indication of the long term liquidity health of the Bank is measured as under.

NSFR= (Available Stable Funding (ASF)) / (Required Stable Funding (RSF)) >=100%

Available stable funding (ASF) is measured based on the broad characteristics of relative stability of funding sources, including contractual maturity of its liabilities and the differences in the tendency of different types of funding providers to withdraw their funding. Required Stable Funding (RSF) is a function of the liquidity characteristics and residual maturities of the various assets held by the bank including Off-Balance Sheet (OBS) exposures. The result should minimum of 100% to ensure liquidity comfort.

The table given below sets out the un-weighted and weighted value of the NSFR components as on 30th September 2022 based on audited financials.

At a consolidated level, the NSFR of the bank comes out to 161.88% as on 30th September 2022 against the requirement of 100% as per RBI guidelines.

(Rs. in Crores)

NSFR Disclosure Template						
		Unweighted value by residual maturity				Weighted Value
S.No	ASF Item	No Maturity	< 6 months	6 months to < 1 year	>= 1 year	
1	**Capital: (2+3)**	**0.00**	**0.00**	**0.00**	**6454.33**	**6454.33**
2	Regulatory capital	0.00	0.00	0.00	6454.33	6454.33
3	Other capital instruments	0.00	0.00	0.00	0.00	0.00
4	**Retail deposits and deposits from small business customers: (5+6)**	**11815.14**	**11152.17**	**5298.32**	**7432.82**	**33822.74**
5	Stable deposits	7172.33	4716.52	2548.48	3527.90	18619.81
6	Less stable deposits	4642.81	6435.64	2749.83	3904.91	15202.93
7	**Wholesale funding: (8+9)**	**1018.13**	**4013.14**	**1621.22**	**785.72**	**2638.96**
8	Operational deposits		0.00	0.00	0.00	0.00
9	Other wholesale funding	1018.13	4013.14	1621.22	785.72	2638.96
10	**Other liabilities: (11+12)**	**244.11**	**3401.85**	**316.97**	**8.86**	**0.00**
11	NSFR derivative liabilities		3122.64	316.97	8.86	
12	All other liabilities and equity not included in the above categories	244.11	279.21	0.00	0.00	0.00
13	**Total ASF (1+4+7+10)**					**42916.04**

13.1	**RSF Item**					
14	Total NSFR high-quality liquid assets (HQLA)					207.25
15	Deposits held at other financial institutions for operational purposes	**427.65**	**0.00**	**0.00**	**0.00**	**213.83**
16	**Performing loans and securities: (17+18+19+21+23)**	**3.30**	**13315.56**	**9330.44**	**11754.73**	**20447.09**
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0.00	262.11	1.62	4.12	0.81
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	0.00	13051.42	9323.48	7062.96	17129.21
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	336.76	218.90
21	Performing residential mortgages, of which:	0.00	2.03	5.35	3916.33	2658.65
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	2.02	3.80	3597.81	2338.58
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	3.30	0.00	0.00	771.32	658.42
24	**Other assets: (sum of rows 25 to 29)**	**213.15**	**2999.02**	**403.63**	**1417.43**	**5261.84**
25	Physical traded commodities, including gold	0.00	0.00	0.00	0.00	0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0.00	0.00	0.00	250.73	213.12
27	NSFR derivative assets	0.00	2772.98	292.25	10.83	3076.06
28	NSFR derivative liabilities before deduction of variation margin posted	0.00	0.00	0.00	0.00	0.00
29	All other assets not included in the above categories	213.15	226.04	111.38	1155.86	1972.66
30	Off-balance sheet items		4200.75	4200.75		380.75
31	**Total RSF (14+15+16+24+30)**	**644.10**	**20515.34**	**13934.82**	**13172.16**	**26510.76**
	Net Stable Funding Ratio					**161.88**