Tamilnad Mercantile Bank Ltd,
Risk Management Department, Head Office, Thoothukudi
Liquidity Coverage Ratio

LCR Disclosures

Quantitative information on Liquidity Coverage Ratio (LCR) for the year ended March 31, 2026 is given below:

The Liquidity Coverage Ratio (LCR) is one of the key reforms of Basel Committee to develop a more resilient banking sector. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that banks have an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted easily and immediately into cash to meet their liquidity needs for a 30 calendar days liquidity stress scenario. The LCR is expected to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. The LCR is calculated by dividing the bank's stock of HQLA by its total net cash outflows over a 30-days stress period. HQLA of the bank is in the form of Government Securities and highly marketable and liquid securities / bonds. The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements.

The guidelines for LCR were effective from January 1, 2015, with the minimum requirement at 60%, which would rise in equal annual steps to reach 100% on January 1, 2019. In order to accommodate the burden on banks cash flows on account of the Covid19 pandemic, RBI had permitted the banks to maintain LCR as under: vide their circular Ref DOR.BP.BC.No.65/21.04.098/2019-20 dated 17.04.2020.

Date	LCR to be maintained
17.04.2020 to 30.09.2020	80%
01.10.2020 to 31.03.2021	90%
01.04.2021 onwards	100%

The present requirement, as on March 31, 2026 is 100%. Bank prepares Liquidity Coverage Ratio statement on daily basis to assess the liquidity needs of the Bank on an ongoing basis. A number of data points are used in calculating the average figures in the template since January 01, 2017 and a simple average is calculated on daily observations over the previous quarter. Bank has been publishing information on LCR in annual financial statements under Notes to Accounts. LCR related information based on simple averages of daily observations for each quarter for FY 2025-26 is furnished below:

Liquidity Coverage Ratio (LCR) for the FY (2025-26) *(Amount in ₹ crore)*

		2025-26 (Q1)		2025-26 (Q2)		2025-26 (Q3)		2025-26 (Q4)	
		Total Unweighted $ Value (Average)	**Total Weighted # Value (Average)**	**Total Unweighted $ Value (Average)**	**Total Weighted # Value (Average)**	**Total Unweighted $ Value (Average)**	**Total Weighted # Value (Average)**	**Total Unweighted $ Value (Average)**	**Total Weighted # Value (Average)**
High Quality Liquid Assets									
1	Total High-Quality Liquid Assets (HQLA)	[redacted]	12524.56	[redacted]	12322.68	[redacted]	12218.36	[redacted]	12767.30
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:	**41443.26**	**3562.31**	**42158.89**	**3625.47**	**43064.64**	**3692.86**	**42297.98**	**3615.92**
i)	Stable deposits	11640.49	582.03	11808.48	590.43	12272.02	613.60	12277.51	613.88
ii)	Less stable deposits	29802.77	2980.28	30350.41	3035.04	30792.62	3079.26	30020.47	3002.05
3	Unsecured wholesale funding, of which:	**9119.05**	**4045.62**	**8831.29**	**3859.81**	**8679.16**	**3800.58**	**9107.82**	**5679.55**
i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii)	Non-operational deposits (all counterparties)	9119.05	4045.62	8831.29	3859.81	8679.16	3800.58	9107.82	5679.55
iii)	Unsecured debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Secured wholesale funding	[redacted]	**0.00**	[redacted]	**0.00**	[redacted]	**0.00**	[redacted]	**0.00**
5	Additional requirements, of which	**101.57**	**101.57**	**131.04**	**131.04**	**58.63**	**58.63**	**107.18**	**107.18**
i)	Outflows related to derivative exposures and other collateral Requirements	101.57	101.57	131.04	131.04	58.63	58.63	107.18	107.18
ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

iii)	Credit and liquidity facilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	Other contractual funding Obligations	**5231.93**	**365.94**	**5521.65**	**384.78**	**5876.26**	**404.00**	**7304.74**	**623.86**
7	Other contingent funding obligations	**2746.47**	**1536.40**	**2946.97**	**1624.78**	**2994.65**	**1699.02**	**2922.74**	**1659.60**
8	**Total Cash Outflows**	**58642.28**	**9611.84**	**59589.84**	**9625.88**	**60673.34**	**9655.09**	**61740.46**	**11686.11**
Cash Inflows									
9	Secured lending (e.g. reverse repos)	340.15	0.00	119.55	0.00	6.34	0.00	3.42	0.00
10	Inflows from fully performing Exposures	2628.29	1862.67	2554.41	1861.34	2942.52	2172.69	3036.99	2167.08
11	Other cash inflows	4.79	4.79	0.00	0.00	8.16	7.05	102.32	2.32
12	**Total Cash Inflows**	**2973.23**	**1867.46**	**2673.96**	**1861.34**	**2957.02**	**2179.74**	**3142.73**	**2169.40**
			Total Adjusted@ Value		Total Adjusted@ Value		Total Adjusted@ Value		Total Adjusted@ Value
13	**Total HQLA**		**12524.56**		**12322.68**		**12218.36**		**12767.30**
14	**Total Net Cash Outflows**		**7744.38**		**7764.54**		**7475.35**		**9516.71**
15	**Liquidity Coverage Ratio (%)**		**161.7245%**		**158.7045%**		**163.4487%**		**134.1566%**

$ Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows) except where otherwise mentioned in the RBI circular and LCR template.

[#] Weighted values are calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

[@] Adjusted values are calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (i.e. cap on Level 2B and Level 2 assets for HQLA and cap on inflows).