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BANK OF MAURITIUS

Guideline on Net Stable Funding Ratio

June 2024

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SECTION 1: OVERVIEW

Background

In the aftermath of the 2007 global financial crisis, the Basel Committee on Banking Supervision (BCBS) introduced reforms in order to strengthen both capital and liquidity regulations with the aim of promoting a resilient banking sector. In this respect, in December 2010, the BCBS prescribed two minimum liquidity standards namely, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) to promote both short-term and longer term resilience of a bank's liquidity risk profile.

The LCR promotes short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficient unencumbered high-quality liquid assets to survive a significant stress scenario lasting for 30 calendar days. The Bank of Mauritius (Bank) introduced the LCR in October 2017 in its Guideline on Liquidity Risk Management.

The NSFR aims at decreasing funding risk and promoting resilience over a one-year time horizon by creating incentives for a bank to fund its activities with more stable sources of funding on an ongoing basis thereby reducing its probability of distress and by the same token potential broader systemic stress. It limits a bank's ability to expand its balance sheet through over-reliance on short-term wholesale funding and encourages better assessment of funding risk across all on- and off-balance sheet items. The feasibility of adopting the minimum standards while at the same time not putting undue liquidity stress on individual banks and the banking sector was holistically assessed. After an observation period, the NSFR is now being implemented.

This Guideline is based on the NSFR standards published by the Basel Committee on Banking Supervision (BCBS) and must be read in conjunction with the Bank's *Guideline on Liquidity Risk Management*. Banks are expected to observe all the basic principles of liquidity risk management.

Authority

This Guideline is issued under the authority of section 50 (2) of the Bank of Mauritius Act 2004 and section 100 of the Banking Act 2004.

Scope of Application

This Guideline applies to all banks licensed by the Bank of Mauritius on a solo and consolidated basis.
A bank should actively monitor and control liquidity risk exposures and funding needs. Banks are expected to meet the NSFR requirement on an ongoing basis.

Implementation timeline

Every bank shall at all times maintain NSFR as indicated below:

	As from 30 June 2024	**As from 31 December 2024**
NSFR in MUR	70%	100%
NSFR in material/significant foreign currencies	70%	100%
Consolidated NSFR (in either MUR or USD)	70%	100%
Reporting timeframe	Within 20 working days from quarter end	Within 20 working days from quarter end

Effective Date

This guideline shall come into effect on 30 June 2024.

Interpretation

The terms and expressions used in this Guideline shall have the same meanings assigned to them as per the *Guideline on Liquidity Risk Management*.

In this Guideline,

"bank" has the same meaning as in the Banking Act 2004;

"Bank" means the Bank of Mauritius established under section 3 of Bank of Mauritius Act 2004;

"Carrying value" represents the amount at which a liability or equity instrument is recorded before the application of any regulatory deductions, filters or other adjustments; and

"retail deposits" has the same meaning as in paragraph 38 of Appendix I of the Bank's Guideline on Liquidity Risk Management.

[1] Adapted from the "Basel III: the net stable funding ratio" published by the BCBS in October 2014

SECTION 2 – DEFINITION, COMPUTATION AND CALIBRATION OF NSFR

Definition of NSFR

1. "Net Stable Funding Ratio" (NSFR) refers to the amount of available stable funding relative to the amount of required stable funding. This ratio should be equal to at least 100% on an ongoing basis.

2. "Available Stable Funding" (ASF) is defined as the portion of capital and liabilities held by a bank that is expected to be reliable over a one-year time horizon.

3. The amount of "Required Stable Funding" (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held as well as its off-balance sheet (OBS) exposures.

Minimum NSFR requirement

4. A bank shall maintain a minimum NSFR of 100% at all times which shall be calculated as per the formula given below:

$$\textbf{NSFR} = \frac{\textbf{Total amount of available stable funding}}{\textbf{Total amount of required stable funding}} \geq \textbf{100\%}$$

5. In the event that the NSFR of a bank falls below the minimum level as specified in paragraph **4**, the bank shall notify the Bank immediately, with an explanation of the following:

   (a) root cause of the decline; and
   (b) remedial measures taken or to be taken (with a proposed time frame) to be compliant with the minimum NSFR requirement.

Available Stable Funding (ASF)
Calibration of ASF

6. The amount of ASF specified in this Guideline is calibrated to reflect the presumed degree of stability of liabilities. The calibration of the ASF factors reflects the stability of liabilities across two dimensions:

   (a) Funding tenor – NSFR is calibrated such that longer-term liabilities are assumed to be more stable than short-term liabilities.
   (b) Funding type and counterparty – NSFR is calibrated under the assumption that short-term (maturing in less than one year) deposits provided by retail customers and funding

provided by small business customers are behaviourally more stable than wholesale funding of the same maturity from other counterparties.

ASF Calculation Methodology

7. The amount of ASF is measured based on the broad characteristics of the relative stability of a bank's funding sources, including the contractual maturity of its liabilities and the differences in the propensity of different types of funding providers to withdraw their funding.

8. The total amount of ASF shall be calculated in the following manner:
   (a) assign the carrying value of a bank's capital and liabilities to one of five categories as set out in the paragraphs **14 to 18** below.
   (b) multiply the assigned amount by the corresponding ASF factor to obtain a weighted amount; and
   (c) sum up the weighted amount to obtain the banking institution's total amount of ASF.

Total amount of ASF = Sum of {Carrying value of capital and liabilities x ASF Factor}

Determining the maturity of an equity or liability instrument

9. To determine the maturity of an equity or liability instrument, a bank must assume that investors will redeem a call option at the earliest possible date.

10. For funding with options exercisable at a bank's discretion, including options to extend the maturity date of its obligations, the bank must take into account reputational factors that may limit its ability not to exercise the option. In particular, where the market expects certain liabilities to be redeemed before their legal final maturity date, the bank must assume such behaviour for the purposes of the NSFR and include these liabilities in the corresponding ASF category.

11. For long-dated liabilities, a bank must treat only the portion of cash flows falling at or beyond the 6-month and one-year time horizons as having an effective residual maturity of 6 months or more and one year or more, respectively.

Calculation of derivative liability amounts

12. A bank must calculate derivative liabilities[1] based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a negative value.

13. In calculating NSFR derivative liabilities, collateral posted in the form of variation margin in connection with derivative contracts, regardless of the asset type, must be deducted from the negative replacement cost amount.

Liabilities and capital assigned a 100% ASF factor

14. A bank must assign the following liabilities and capital instruments a 100% ASF factor:

(a) the total amount of regulatory capital, before the application of capital deductions, as defined in paragraph 2 of the Bank`s Guideline on Scope of Application of Basel III and Eligible Capital, excluding the proportion of Tier 2 instruments with residual maturity of less than one year;
(b) the total amount of any capital instrument not included in sub-paragraph (a) that has an effective residual maturity of one year or more, but excluding any instruments with explicit or embedded options that, if exercised, would reduce the expected maturity to less than one year; and
(c) the total amount of secured and unsecured borrowings and liabilities (including term deposits) with effective residual maturities of one year or more. Cash flows falling below the one-year horizon but arising from liabilities with a final maturity greater than one year do not qualify for the 100% ASF factor.

Liabilities assigned a 95% ASF factor

15. A bank must assign the following liabilities a 95% ASF factor:

(a) "stable" (as defined in **paragraph 39** of Appendix 1 of the Bank`s Guideline on Liquidity Risk Management) deposits that are non-maturity demand deposits provided by retail and small business customers[2] and/or
(b) "stable" deposits that are term deposits with residual maturities of less than one year provided by retail and small business customers.

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[1] NSFR derivative liabilities = Derivative liabilities – Total collateral posted (regardless of asset type) as variation margin.

[2] Small business customers can be treated as retail deposits provided they meet the conditions set forth at paragraph 49 of Appendix I of the Guideline of Liquidity Risk Management.

Liabilities assigned a 90% ASF factor

16. A bank must assign the following liabilities a 90% ASF factor:

(a) "less stable" (as defined in the **paragraph 40** of Appendix 1 in the Bank`s Guideline on Liquidity Risk Management) deposits that are non-maturity demand deposits provided by retail and small business customers; and
(b) "less stable" deposits that are term deposits with residual maturities of less than one year provided by retail and small business customers.

Liabilities assigned a 50% ASF factor

17. A bank must assign the following liabilities a 50% ASF factor:

(a) funding (secured and unsecured) with a residual maturity of less than one year provided by non-financial corporate customers;
(b) operational deposits (as defined in **paragraphs 50 – 53** of Appendix 1 of the Bank`s Guideline on Liquidity Risk Management);
(c) funding with residual maturity of less than one year from sovereigns, public sector entities (PSEs), and multilateral and national development banks; and
(d) other funding (secured and unsecured) not included in **paragraphs 14 to 16** above with residual maturity between six months to less than one year, including funding from the Bank and/or other central banks and financial institutions.

Liabilities receiving a 0% ASF factor

18. A bank must assign the following liabilities and capital instruments a 0% ASF factor:

(a) all other liabilities and equity categories not included in the **paragraphs 14 to 17 above**, including other funding with residual maturity of less than six months from the Bank and/or other central banks and financial institutions;
(b) other liabilities without a stated maturity. The only exceptions for liabilities without a stated maturity are the following and the bank must assign such liabilities either a 100% ASF factor if the effective maturity is one year or more, or a 50% ASF factor if the effective maturity is between 6 months and less than one year:
   (i) deferred tax liabilities, which should be treated according to the nearest possible date on which such liabilities could be realised; and
   (ii) minority interest, which should be treated according to the term of the instrument, usually in perpetuity.

(c) NSFR derivative liabilities as calculated net of NSFR derivative assets, if NSFR derivative liabilities are greater than NSFR derivative assets; where NSFR derivative liabilities are calculated in accordance with paragraphs **12 and 13** above and NSFR derivative assets are calculated in accordance with paragraph **34**; and

(d) “trade date” payables arising from purchases of financial instruments, foreign currencies and commodities that
   (i) are expected to settle within the standard settlement cycle or period that is customary for the relevant exchange or type of transaction, or
   (ii) have failed to, but are still expected to, settle.

Required Stable Funding (RSF)

Calibration of RSF

19. The calibration of the RSF factors considers the liquidity risk profile of a bank’s assets across four dimensions as follows:

(a) Sustainable credit creation

Stable funding is required for some proportion of lending to ensure the continuity of intermediation.

(b) Bank behaviour

Banks may seek to roll over a significant proportion of maturing loans or financing to preserve customer relationships.

(c) Asset tenor

Shorter-term assets (maturing in less than one year) require a smaller proportion of stable funding as banks could redeem these assets instead of rolling them over.

(d) Asset quality and liquidity value

Unencumbered high-quality assets that can be securitised or traded (i.e readily used as collateral to secure additional funding or sold in the market) do not need to be wholly financed with stable funding.

RSF Calculation Methodology

20. The amount of RSF is measured based on the broad characteristics of the liquidity risk profile of a bank’s assets and OBS exposures, including the contractual maturity of its liabilities and the differences in the propensity of different types of funding providers to withdraw their funding.

21. A bank must calculate the amount of RSF in the following manner:
 (i) assigning the carrying value of its assets to one of the categories set out in paragraphs **35 to 42**[3];

[3] Table 2 in the Annex provides a summary of the categories and the assigned RSF factors.

(ii) multiplying the carrying value with the assigned RSF factor; and

(iii) The total RSF is the sum of the weighted amounts added to the amount of OBS exposures multiplied by its assigned RSF factor.

Total amount of RSF = Sum of {Carrying value of asset or OBS exposure x RSF Factor}

22. The RSF factors assigned to various types of assets are intended to approximate the amount of a particular asset that would have to be funded, either because it will be rolled over, or because it could not be monetised through sale or used as collateral in a secured borrowing transaction over the course of one year without significant expense.

23. A bank must allocate assets to the appropriate RSF factor based on their residual maturity or liquidity value.

24. A bank must assume that investors would exercise any option to extend maturity when determining the maturity of an instrument. For assets with options exercisable at the bank's discretion, the bank must take into account reputational factors that may limit the bank's ability not to exercise the option. In particular, where the market expects certain assets to be extended in their maturity, the bank must assume such behaviour for the purposes of the NSFR and include these assets in the corresponding RSF category.

25. For amortising loans and other principal repayment claims, a bank must treat the portion that comes due within the one-year horizon in the less-than-one-year residual maturity category.

Determining the Required Stable Funding (RSF)

26. To determine its RSF, a bank shall:
    (a) include financial instruments, foreign currencies and commodities for which a purchase order has been executed; and
    (b) exclude financial instruments, foreign currencies and commodities for which a sales order has been executed

27. A bank shall continue to apply the requirements in paragraph **26** above even if such transactions have not been reflected in the balance sheet under a settlement-date accounting model, provided that
    (a) such transactions are not reflected as derivatives or secured financing transactions in the bank's balance sheet; and
    (b) the effects of such transactions will be reflected in the bank's balance sheet when settled.

Encumbered Assets

28. A bank must assign encumbered assets on the balance sheet with an RSF factor in the following manner:
    (a) assets that are encumbered[4] for one year or more must be assigned a 100% RSF factor;
    (b) assets that are encumbered for a period of between 6 months and less than one year that would, if unencumbered[5], receive an RSF factor lower than or equal to 50%, must be assigned a 50% RSF factor;
    (c) assets that are encumbered for between 6 months and less than one year that would, if unencumbered, receive an RSF factor higher than 50% must be assigned that higher RSF factor; and
    (d) assets that have less than 6 months remaining in the encumbrance period must be assigned the same RSF factor as an equivalent asset that is unencumbered.

29. Subject to paragraph **31**, a bank may assign reduced RSF factors to the following assets in the case of exceptional central bank liquidity operations:
    (a) assets that are posted as collateral for exceptional central bank liquidity operations may be assigned the same RSF factor as applied to the equivalent asset that is unencumbered; and
    (b) claims on central banks with a residual maturity of more than 6 months that arise from exceptional central bank liquidity absorbing operations may be assigned a 5% RSF factor.

30. For the purposes of paragraph **29**, exceptional central bank liquidity operations are non-standard, temporary operations conducted by a central bank in order to achieve its mandate in a period of market-wide financial stress or exceptional macroeconomic challenges.

31. A bank must obtain the Bank's approval before applying the treatment set out in paragraph **29** and deciding on the appropriate RSF factor in the case of exceptional central bank liquidity operations conducted by a central bank other than the Bank.

Secured financing transactions

32. For securities financing transactions, a bank must in determining its assets:
    (a) exclude securities which it has borrowed in securities financing transactions (e.g reverse repos and collateral swaps) where it does not have beneficial ownership;
    (b) include securities it has lent in securities financing transactions where it retains beneficial ownership; and

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[4] Encumbered assets include but are not limited to assets backing securities or covered bonds and assets pledged in securities financing transactions or collateral swaps.

[5] Unencumbered means free of legal, regulatory, contractual or other restrictions on the ability of the bank to liquidate, sell, transfer or assign the asset (Same definition as per paragraph 31 of Appendix I of the Bank's Guideline on Liquidity Risk Management)

(c) exclude securities it has received through collateral swaps if those securities do not appear on its balance sheets.

33. Where a bank has encumbered securities in repos or other securities financing transactions, but has retained beneficial ownership, and those assets remain on the bank's balance sheet, the bank must allocate such securities to the appropriate RSF category in the manner set out in paragraphs **35 to 42**.

Calculation of derivative asset amounts

34. A bank must calculate derivative assets based on the replacement cost for derivative contracts (obtained by marking to market) where the contract has a positive value.[6]

Assets assigned a 0% RSF Factor

35. A bank shall assign a 0% RSF factor to the following assets:

(a) coins and banknotes immediately available to meet obligations;
(b) all central bank reserves (including required reserves and excess reserves as per **BCBS**) (cash balances held with the Bank of Mauritius (including reserve balances and Overnight Deposit Facility) in excess of 60 per cent of the required reserves based on the latest reported Cash Reserve Ratio– as per paragraph 25 of Appendix I of the Bank's Guideline on Liquidity Risk Management);
(c) all claims on central banks with residual maturities of less than 6 months;
(d) "trade date" receivables arising from sales of financial instruments, foreign currencies and commodities that:
    (i) are expected to settle within the standard settlement cycle or period that is customary for the relevant exchange or type of transaction; or
    (ii) have failed to, but are still expected to, settle.

Assets assigned a 5% RSF Factor

36. A bank shall assign a 5% RSF factor to unencumbered HQLA 1[7], excluding assets receiving a 0% RSF factor as specified in paragraph **35** above**.**

Assets assigned a 10% RSF Factor

37. A bank shall assign a 10% RSF factor to unencumbered loans to financial institutions with residual maturities of less than 6 months, where the loan is secured against HQLA 1 and

[6] NSFR derivative assets = (derivative assets) – (cash collateral received as variation margin on derivative assets).
[7] HQLA 1 has been defined at paragraph 25 of Appendix 1 of the Bank`s Guideline on Liquidity Risk Management.

where the bank has the ability to freely rehypothecate the collateral received for the life of the loan.

Assets assigned a 15% RSF Factor

38. A bank shall assign a 15% RSF factor to the following assets:

(a) unencumbered HQLA2A[7] including:
(i) marketable securities representing claims on or guaranteed by sovereigns, central banks, PSEs or multilateral development banks that are assigned a 20 per cent risk-weight under the Guideline on Standardised Approach to Credit Risk and satisfy the conditions set forth at paragraph **27 (a)** of the Bank's Guideline on Liquidity Risk Management; and
(ii) corporate debt securities (including commercial paper) and covered bonds with a credit rating equal or equivalent to at least AA- and that satisfy the conditions set forth at paragraph **27 (b)** of the Bank's Guideline on Liquidity Risk Management.
(b) all other unencumbered loans to financial institutions with residual maturities of less than 6 months not included in paragraph **37** above.

Assets assigned a 50% RSF Factor

39. A bank shall assign a 50% RSF factor to the following assets:

(a) unencumbered HQLA2B[8];
(b) any HQLA that are encumbered for a period of between 6 months and less than one year;
(c) all loans to financial institutions and central banks with residual maturity of between 6 months and less than one year;
(d) deposits held at other financial institutions for operational purposes[9] that are subject to the 50% ASF factor in paragraph **17 (b)** in this Guideline;
(e) all other assets that are not HQLA and not included in paragraphs **35 to 38** that have a residual maturity of less than one year, including loans to non-financial corporates, loans to retail customers (i.e. natural persons) and small business customers, and loans to sovereigns and PSEs.

[7] HQLA2A has been defined at paragraph 27 of Appendix 1 of the Bank`s Guideline on Liquidity Risk Management.
[8] HQLA2B assets have been defined and is subject to the conditions set forth at paragraph 28 of Appendix 1 of the Bank`s Guideline on Liquidity Risk Management.
[9] Operational deposits have been defined in paragraphs 50 – 53 of Appendix 1 of the Bank`s Guideline on Liquidity Risk Management.

Assets assigned a 65% RSF Factor

40. A bank shall assign a 65% RSF factor to the following assets:

(a) unencumbered residential mortgages with a residual maturity of one year or more that would qualify for a 35% risk weight under paragraph **35 (i) of the Bank`s Guideline on Standardised Approach to Credit Risk**;
(b) other unencumbered loans not included in paragraphs **35 to 39 above in this Guideline**, excluding loans to financial institutions, with a residual maturity of one year or more that would qualify for a 35% risk weight **under paragraph 35 (i) of the Bank's Guideline on Standardised Approach to Credit Risk**.

Assets assigned a 85% RSF Factor

41. A bank shall assign a 85% RSF factor to the following assets:

(a) cash, securities or other assets posted as initial margin for derivative contracts[10], and cash or other assets provided to contribute to the default fund of a central counterparty (CCP), regardless of whether those assets are on- or off-balance sheet. Where securities or other assets posted as initial margin for derivative contracts would otherwise receive a higher RSF factor, the bank must assign that higher factor for such securities or assets;
(b) other unencumbered performing loans **that do not qualify for the 35% risk weight under paragraph 35 (i) of the Guideline on Standardised Approach to Credit Risk** and have residual maturities of one year or more, excluding loans to financial institutions;
(c) unencumbered securities with a remaining maturity of one year or more and exchange-traded ordinary shares, that are not in default and do not qualify as HQLA[11]; and
(d) physical traded commodities, including gold.

Assets assigned a 100% RSF Factor

42. A bank shall assign a 100% RSF factor to the following assets:

(a) all assets that are encumbered for a period of one year or more;
(b) NSFR derivative assets as calculated according to paragraph **34** of this Guideline net of NSFR derivative liabilities as calculated according to paragraphs **12 and 13** of this Guideline, if NSFR derivative assets are greater than NSFR derivative liabilities;

[10] This excludes initial margin posted on behalf of a customer, where:
(a) the bank provided a customer access to a third party For example, CCP, for the purposes of clearing derivatives;
(b) the transactions are executed in the name of the customer;
(c) the bank does not guarantee performance of the third party
[11] HQLA has been defined under paragraph 1 of Appendix I of the Bank's Guideline on Liquidity Risk Management.

(c) all other assets not included in the above paragraphs **31 to 41**, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities; and
(d) 20% of derivative liabilities (i.e negative replacement cost amounts) as calculated according to **paragraphs 12 and 13 above** in this Guideline (before deducting variation margin posted).

Interdependent Assets and Liabilities (As per national discretion)

43. A bank may assign interdependent assets and liabilities[12] a 0% RSF or ASF factor if they meet the following criteria:
    (a) the individual interdependent asset and liability items must be clearly identifiable;
    (b) the maturity and principal amount of both the liability and its interdependent asset are the same;
    (c) the bank is acting solely as a pass-through unit to channel the funding provided by the interdependent liability into the corresponding interdependent asset; and
    (d) the counterparties for each pair of interdependent liabilities and assets are not the same.

Off-balance sheet exposures

44. The categories of OBS exposures covered under the NSFR framework include:
    (a) Irrevocable and conditionally revocable credit and liquidity facilities; and
    (b) other contingent funding obligations including unconditionally revocable credit and liquidity facilities, trade finance-related obligations and guarantees and letters of credit unrelated to trade finance-related obligations as well as non-contractual obligations.

45. A bank shall apply the following RSF factors to the undrawn portion of the credit and liquidity facilities and other non-contractual contingent funding obligations in accordance with **Table 3** in the Annex.

[12] Derivative transactions do not qualify for the treatment of interdependent assets and liabilities.

SECTION 3: REPORTING REQUIREMENTS

46. A bank shall submit its NSFR return on a quarterly basis based on the reporting template provided by the Bank.

47. A bank is expected to meet the minimum NSFR requirement on a consolidated basis, in MUR and significant/material foreign currencies. NSFR should be monitored and reported as set out below:

    (a) on a consolidated basis (either in MUR or USD), depending on the reporting currency of the bank;
    (b) for assets and liabilities denominated in MUR; and
    (c) for assets and liabilities denominated in each significant currency, whereby a currency is significant if liabilities in that currency amount to 10 per cent or more of a bank's total liabilities.

A bank shall submit the NSFR excel-based returns through **bs.returns@bom.mu** not later than 20 working days after the last day of each quarter.

SECTION 4: DISCLOSURE REQUIREMENTS

48. A bank must publish the NSFR disclosures along with the publication of financial statements or, as a minimum, provide a direct and prominent link to the completed disclosure on its website. A template on the minimum disclosure requirements prescribed by this Guideline is set out at **Annex 4**.

ANNEXES

Annex 1: Components of ASF categories and the ASF factor

The table below summarises the components of each of the ASF categories and the associated maximum ASF factor to be applied in calculating the total amount of ASF.

Table 1		
No.	**Components of ASF category (liability categories)**	**Associated ASF factor**
(i)	• Total regulatory capital (excluding Tier 2 instruments with residual maturity of less than one year) • Other capital instruments and liabilities with effective residual maturity of one year or more	100%
(ii)	• Stable non-maturity (demand) deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	95%
(iii)	• Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	90%
(iv)	• Funding with residual maturity of less than one year provided by non- financial corporate customers • Operational deposits • Funding with residual maturity of less than one year from sovereigns, PSEs, and multilateral and national development banks • Other funding with residual maturity between six months and less than one year not included in the above categories, including funding provided by central banks and financial institutions	50%
(v)	• All other liabilities and equity not included in the above categories, including liabilities without a stated maturity (with a specific treatment for deferred tax liabilities and minority interests) • NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets • “Trade date” payables arising from purchases of financial instruments, foreign currencies and commodities.	0%

Annex 2: Components of RSF categories and the RSF factor

The table below summarises the components of each of the RSF categories and the associated RSF factor to be applied in calculating the total amount of RSF.

Table 2		
No.	**Components of RSF category (asset categories)**	**Associated RSF factor**
(i)	• coins and banknotes; • all central bank reserves; • all claims on central banks with residual maturities of less than 6 months; • "trade date" receivables arising from sales of financial instruments, foreign currencies and commodities.	0%
(ii)	• Unencumbered HQLA1 assets, excluding coins, banknotes and central bank reserves	5%
(iii)	• Unencumbered loans to financial institutions with residual maturities of less than 6 months, where the loan is secured against HQLA 1 and where the bank has the ability to freely rehypothecate the collateral received for the life of the loan	10%
(iv)	• unencumbered HQLA2A • all other unencumbered loans to financial institutions with residual maturities of less than 6 months	15%
(v)	• unencumbered HQLA2B ; • HQLA encumbered for a period of between 6 months and less than one year; • loans to financial institutions and central banks with residual maturity of between 6 months and less than one year; • deposits held at other financial institutions for operational purposes; • all other assets that are not HQLA and not included in paragraphs **35 to 38** that have a residual maturity of less than one year, including loans to non-financial corporates, loans to retail customers and small business customers, and loans to sovereigns and PSEs.	50%
(vi)	• unencumbered residential mortgages with a residual maturity of one year or more that would qualify for a 35% risk weight under **paragraph 35 (i)** as per the Guideline on Standardised Approach to Credit Risk; • other unencumbered loans not included in **paragraphs 35 to 39**, excluding loans to financial institutions, with a residual maturity of one year or more that would qualify	65%

	for a 35% risk weight under **paragraph 35 (i)** as per the Guideline on Standardised Approach to Credit Risk.	
(vii)	• cash, securities or other assets posted as initial margin for derivative contracts , and cash or other assets provided to contribute to the default fund of a central counterparty (CCP); • other unencumbered performing loans that do not qualify for the 35% risk weight under **paragraph 35 (i**) of the Guideline on Standardised Approach to Credit Risk and have residual maturities of one year or more, excluding loans to financial institutions; • unencumbered securities with a remaining maturity of one year or more and exchange-traded ordinary shares, that are not in default and do not qualify as HQLA ; • physical traded commodities, including gold	85%
(ix)	• all assets that are encumbered for a period of one year or more; • NSFR derivative assets as calculated according to **paragraph 34** of this Guideline net of NSFR derivative liabilities as calculated according to **paragraphs 12 and 13** of this Guideline, if NSFR derivative assets are greater than NSFR derivative liabilities; • all other assets not included in the above **paragraphs 31 to 41**, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities; and • 20% of derivative liabilities (i.e negative replacement cost amounts) as calculated according to **paragraph 19** (before deducting variation margin posted).	100%

Annex 3: Summary of off-balance sheet categories and RSF factors

The table below identifies the specific types of OBS exposures to be assigned to each OBS category and their associated RSF factor.

<table>
<tr><th colspan="2">Table 3 - Summary of off-balance sheet categories and associated RSF factors</th></tr>
<tr><th>RSF factor</th><th>RSF category</th></tr>
<tr><td colspan="2">Committed facilities</td></tr>
<tr><td>5% of undrawn portion</td><td>Irrevocable and conditionally revocable credit and liquidity facilities</td></tr>
<tr><td colspan="2">Non-contractual contingent funding obligations</td></tr>
<tr><td rowspan="4">0% of undrawn portion</td><td>Unconditionally revocable credit and liquidity facilities</td></tr>
<tr><td>Trade finance-related obligations (including guarantees and letters of credit)</td></tr>
<tr><td>Guarantees and letters of credit unrelated to trade finance obligations</td></tr>
<tr><td>Non-contractual obligations such as:
potential requests for debt repurchases of the Reporting Bank’s own debt or that of related conduits, securities investment vehicles and other such financing facilities
structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes
managed funds that are marketed with the objective of maintaining a stable value</td></tr>
</table>

Annex 4: Minimum disclosure requirements

	Annex 4: Minimum NSFR Disclosure Template					
	Reporting bank name: **Reporting Period:**	**Unweighted value by residual maturity**				
	(Reporting currency: either in MUR/USD)	**No maturity**	**< 6 months**	**≥ 6 months to < 1 year**	**≥ 1yr**	**Weighted value**
SN	**ASF Item**					
1	**Capital: (SN 2+SN 3)**	-	-	-	-	-
2	*Regulatory capital*	-	-	-	-	-
3	*Other capital instruments*	-	-	-	-	-
4	**Retail deposits and deposits from small business customers: (SN 5+ SN 6)**	-	-	-	-	-
5	*Stable deposits*	-	-	-	-	-
6	*Less stable deposits*	-	-	-	-	-
7	**Wholesale funding (SN 8+ SN 9)**	-	-	-	-	-
8	*Operational deposits*	-	-	-	-	-
9	*Other wholesale funding*	-	-	-	-	-
10	**Other liabilities: (SN 11+ SN 12)**	-	-	-	-	-
11	*NSFR derivative liabilities*		-	-	-	
12	*All other liabilities and equity not included in the above categories*	-	-	-	-	-
13	**Total ASF (SN 1+SN 4+ SN 7+SN 10)**					-
	RSF Item					
14	**Total NSFR High Quality Liquid Assets (HQLA)**					-
15	**Deposits held at financial institutions for operational purposes**	-	-	-	-	-
16	**Performing loans and securities: (SN 17+ SN 18+ SN 20+ SN 22+ SN 23)**	-	-	-	-	-
17	Performing loans to financial institutions secured by HQLA 1	-	-	-	-	-
18	Performing loans to financial institutions secured by non HQLA 1 and unsecured performing loans to financial institutions	-	-	-	-	-
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:	-	-	-	-	-
20	*With a risk weight of less than or equal to 35% under the Guideline on Standardised Approach to Credit Risk*	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-
22	*With a risk weight of 35% under the the Guideline on Standardised Approach to Credit Risk*	-	-	-	-	-
23	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	-	-	-	-	-
24	**Other assets: (SN 25+SN 26+ SN 27+ SN 28+ SN 29)**	-	-	-	-	-
25	*Physical traded commodities, including gold*	-				-
26	*Assets posted as initial margin for derivative contracts and contributions to default funds of a Central Counterparty (CCP)*		-	-	-	-
27	*NSFR derivative assets*		-	-	-	-
28	*NSFR derivative liabilities before deduction of variation margin posted*		-	-	-	-
29	*All other assets not included in the above categories*	-	-	-	-	-
30	**Off-balance sheet items**					
31	**Total RSF (SN 14+ SN 15+ SN 16+ SN 24+SN 30)**					-
32	**Net Stable Funding Ratio (%) (SN 13/ SN 31)**					-
	Note: Items to be reported in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities and physical traded commodities.					