

## **Net Stable Funding Ratio – December 2021**

### **Qualitative disclosure around NSFR**

The Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) are significant components of the Basel III reforms. The LCR guidelines which promote short term resilience of a Bank's liquidity profile, Net Stable Funding Ratio (NSFR) is a global minimum standard aimed at ensuring reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. It is a ratio of Bank's **Available Stable Funding (ASF)** to the **Required Stable Funding (RSF)**.

"Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures.

The Bank computes NSFR in accordance with RBI guidelines. The Bank believes that all balance sheet and off balance sheet items which might have a material impact have been considered for the purpose of NSFR.

The NSFR is calculated by dividing a Bank's ASF by its RSF for the entire balance sheet items based on the different factors as per the residual maturity. The guidelines for NSFR were effective October 1, 2021, with the minimum requirement at 100%. The Bank's NSFR as of the quarter ended December 31, 2021 stood at **114.83%**.

**NSFR as at 31<sup>st</sup> December, 2021**

NSFR as at 31 <sup>st</sup> December, 2021						
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	-	-	-	12,866	12,866
2	Regulatory capital	-	-	-	12,866	12,866
3	Other capital instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers: (5+6)	13,829	4,137	3,255	7,076	25,433
5	Stable deposits	658	120	105	194	1,017
6	Less stable deposits	13,171	4,017	3,150	6,882	24,416
7	Wholesale funding: (8+9)	11,488	27,171	10,747	7,909	19,992
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	11,488	27,171	10,747	7,909	19,992
10	Other liabilities: (11+12)	2,204	-	-	337	337
11	NSFR derivative liabilities		-	-	-	
12	All other liabilities and equity not included in the above categories	2,204	-	-	337	337
13	Total ASF (1+4+7+10)					58,628
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1,002
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	57	33,580	3,764	27,038	39,684
17	Performing loans to financial institutions secured by Level 1 HQLA	-	115	-	-	11
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	5,779	1,118	6,058	7,483
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:	-	27,686	2,646	19,638	31,270
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	2,943	1,913
21	Performing residential mortgages, of which:	-	-	-	1,342	872
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	1,342	872

23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	57	-	-	-	48
<b>24</b>	<b>Other assets: (sum of rows 25 to 29)</b>	<b>8,067</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,992</b>
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	499	-	-	-	424
27	NSFR derivative assets	98	-	-	-	98
28	NSFR derivative liabilities before deduction of variation margin posted	23	-	-	-	23
29	All other assets not included in the above categories	7,447	-	-	-	7,447
<b>30</b>	<b>Off-balance sheet items</b>	<b>55,776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,375</b>
<b>31</b>	<b>Total RSF</b>	<b>63,900</b>	<b>33,580</b>	<b>3,764</b>	<b>27,038</b>	<b>51,053</b>
<b>32</b>	<b>Net Stable Funding Ratio (%)</b>					<b>114.83%</b>