

Net Stable Funding Ratio – September 2023

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 September 30, 2023 stood at 120.99%.

NSFR as at 30th September, 2023

NSFR as at 30 th September, 2023						
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	-	-	-	14,930	14,930
2	Regulatory capital				14,930	14,930
3	Other capital instruments				-	-
4	Retail deposits and deposits from small business customers: (5+6)	18,666	6,069	5,386	9,585	35,129
5	Stable deposits	474	112	97	165	798
6	Less stable deposits	18,192	5,957	5,289	9,420	34,332
7	Wholesale funding: (8+9)	13,423	28,477	14,803	8,673	25,293
8	Operational deposits					
9	Other wholesale funding	13,423	28,477	14,803	8,673	25,293
10	Other liabilities: (11+12)	3,039	-	-	99	99
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in the above categories	3,039	-	-	99	99
13	Total ASF (1+4+7+10)					75,451
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					1,276
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	5	47,057	5,384	30,396	49,164
17	Performing loans to financial institutions secured by Level 1 HQLA	-	3,269	-	-	327
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		3,737	399	6,545	7,305
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:		40,051	4,985	20,759	39,518
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				3,223	2,095
21	Performing residential mortgages, of which:				3,092	2,010
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				3,092	2,010

23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	5				4
24	Other assets: (sum of rows 25 to 29)	9,564	-	-	-	9,035
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	3,533				3,003
27	NSFR derivative assets	224				224
28	NSFR derivative liabilities before deduction of variation margin posted	6				6
29	All other assets not included in the above categories	5,802				5,802
30	Off-balance sheet items	66,906				2,888
31	Total RSF	76,475	47,057	5,384	30,396	62,363
32	Net Stable Funding Ratio (%)					120.99%