

NET STABLE FUNDING RATIO: DECEMBER 2023

The NET Stable Funding Ratio was introduced by Basel Committee on Banking Supervision (BCBS) to promote resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. The ratio ensures 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.

The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "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 the bank is a function of the liquidity characteristics and residual maturities of the various assets held by the bank as well as those of its off-balance sheet (OBS) exposures.

As per the RBI Guideline, Bank is required to maintain a minimum NSFR of 100% on an ongoing basis effective from October 1, 2021.

The Available Stable Funding of the bank is primarily composed of Regulatory Capital, Deposits from Retail, Small Business Customers and Wholesale Funding, Refinances from NABARD/SIDBI and Overdraft against Fixed Deposits from financial institutions. The Required Stable Funding of the bank comprises of Advances, Deposit Placed with Other Institutions, Investments in SLR Securities and Off Balance sheet items such as the Un-Availed Portion of Overdraft/Cash Credits.

NESFB Net Stable Funding Ratio (in INR Lakhs)

| Particulars | Unweighted value by residual maturity | | | | Weighted value |
|---|---------------------------------------|------------------|--------------------|------------------|--------------------|
| | No Maturity | < 6 Months | 6 Months to < 1 Yr | >= 1Yr | |
| ASF Item | | | | | |
| Capital: (2+3) | 7,577.87 | 0.00 | 0.00 | 0.00 | 7,577.87 |
| <i>Regulatory capital</i> | 7,577.87 | 0.00 | 0.00 | 0.00 | 7,577.87 |
| <i>Other capital instruments</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Retail deposits and deposits from small business customers: (5+6) | 0.00 | 16,853.46 | 10,174.05 | 49,930.52 | 74,942.35 |
| <i>Stable deposits</i> | 0.00 | 9,044.76 | 4,696.72 | 19,214.20 | 32,268.60 |
| <i>Less stable deposits</i> | 0.00 | 7,808.71 | 5,477.34 | 30,716.32 | 42,673.75 |
| Wholesale funding: (8+9) | 0.00 | 13,615.66 | 21,558.28 | 3,992.32 | 14,771.46 |
| <i>Operational deposits</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Other wholesale funding</i> | 0.00 | 13,615.66 | 21,558.28 | 3,992.32 | 14,771.46 |
| Other liabilities: (11+12) | 0.00 | 14,094.25 | 856.64 | 3,063.93 | 3,063.93 |
| <i>NSFR derivative liabilities</i> | | 0.00 | 0.00 | 0.00 | |
| <i>All other liabilities and equity not included in the above categories</i> | 0.00 | 14,094.25 | 856.64 | 3,063.93 | 3,063.93 |
| Total ASF (1+4+7+10) | | | | | 1,32,545.19 |
| RSF Item | | | | | |
| Total NSFR high-quality liquid assets (HQLA) | | | | | 2,316.09 |
| Deposits held at other financial institutions for operational purposes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Performing loans and securities: (17+18+19+21+23) | 0.00 | 68,115.13 | 13,393.42 | 10,230.89 | 55,672.86 |
| <i>Performing loans to financial institutions secured by Level 1 HQLA</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | |
|---|-------------|-----------------|--------------|------------------|------------------|
| <i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Performing residential mortgages, of which:</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i> | 0.00 | 68,115.13 | 13,393.42 | 10,230.89 | 55,672.86 |
| Other assets: (sum of rows 25 to 29) | 0.00 | 1,164.06 | 62.27 | 19,577.48 | 20,803.81 |
| <i>Physical traded commodities, including gold</i> | 0.00 | | | | 0.00 |
| <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i> | | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>NSFR derivative assets</i> | | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>NSFR derivative liabilities before deduction of variation margin posted</i> | | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>All other assets not included in the above categories</i> | 0.00 | 1,164.06 | 62.27 | 19,577.48 | 20,803.81 |
| Off-balance sheet items | | 696.97 | 0.00 | 0.00 | 34.85 |
| Total RSF (14+15+16+24+30) | | | | | 78,827.61 |
| Net Stable Funding Ratio (%) | | | | | 168.15% |