



SBM Bank (India) Ltd

Net Stable Funding Ratio: March 31, 2024 Net Stable Funding Ratio (NSFR) is a new funding requirement and aims to ensure a stable funding of the balance sheet. The purpose of NSFR is to ensure that the banks have sufficiently stable funding available. The aim of NSFR requirements is to restrict maturity mismatches between assets and liabilities and limit the reliance on unstable short-term funding to finance potentially illiquid long-term assets. The NSFR reduces long-term refinancing risk and assesses resilience over longer-term time horizon (over 1 year) of the Bank by measuring the extent of stable sources of funds with the Bank to fund its long term assets. The NSFR shows a bank's ability to manage structural liquidity risk over a one-year horizon. It ensures that a bank's long term illiquid assets are funded with a minimum amount of stable long-term funding.

Net Stable Funding Ratio (NSFR) is defined as amount of available stable funding relative to the amount of required stable funding.

1. Available stable funding (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon, which extends to one year.
2. Required stable funding (RSF) is defined as the assets and off balance sheet exposure requiring long term funding.

The amount of funding is a function of the liquidity characteristics and residual maturities of the various assets. NSFR is implemented effective from October 1, 2021 and the minimum regulatory requirement is 100%. An NSFR of above 100% means that the long-term illiquid assets are adequately funded with stable funding.

The NSFR at 135.97% as on 31st March, 2024 is above the minimum regulatory NSFR requirement.

The Available Stable Funding (ASF) is primarily driven by the total regulatory capital as per Basle III Capital Adequacy guidelines stipulated by RBI and deposits from retail customers, small business customers and non-financial corporate customers. Under the Required Stable Funding (RSF), the primary drivers are unencumbered performing loans with residual maturities of one year or more, excluding loans to financial institutions.

The Liquidity Risk Management of the Bank is governed by the Asset Liability Management (ALM) Policy approved by the Board. The Asset Liability Committee (ALCO) is a decision-making unit responsible for implementing the liquidity and interest rate risk management strategy of the Bank in line with its risk management objectives and ensures adherence to the risk tolerance/limits set by the Board / regulator.

(Amt in Mio)

NSFR Disclosure Template as on March 31, 2024					
Particular	Unweighted value by residual maturity				Weighted Value
	No maturity*	less than 6 months	6 months to < 1yr	More than 1 Year	
<b>ASF Item</b>					
1 Capital: (2+3)	8,031	-	-	2,240	10,271
2 Regulatory capital	8,031			2,240	10,271
3 Other capital instruments	-			-	-
4 Retail deposits and deposits from small business customers: (5+6)	7,158	5,780	7,598	13,258	30,439
5 Stable deposits	-	-	-	-	-
6 Less stable deposits	7,158	5,780	7,598	13,258	30,439
7 Wholesale funding: (8+9)	10,600	12,313	9,635	9,386	17,207
8 Operational deposits	-	-	-	-	-
9 Other wholesale funding	10,600	12,313	9,635	9,386	17,207
10 Other liabilities: (11+12)	2,819	582	242	-	-
11 NSFR derivative liabilities	184				-
12 All other liabilities and equity not included in the above categories	2,635	582	242	-	-
13 Total ASF (1+4+7+10)	28,608	18,676	17,475	24,884	57,918
<b>RSF Item</b>					
14 Total NSFR high-quality liquid assets (HQLA)					1,516
15 Deposits held at other financial institutions for operational purposes	255	0	0	0	127
16 Performing loans and securities: (17+18+19+21+23)	-	13,581	4,363	28,751	33,452
17 Performing loans to financial institutions secured by Level 1 HQLA		-			-
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,636	901	5,356	6,052
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:	-	11,932	3,317	22,244	26,459
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		201		1,248	1,161
21 Performing residential mortgages, of which:	-	-	146	966	774
22 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk			146	966	774
23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	12	-	184	167
24 Other assets: (sum of rows 25 to 29)	5,288	1,025	376	467	6,487
25 Physical traded commodities, including gold	-				-
26 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	703	-	-	-	597
27 NSFR derivative assets	-				-
28 NSFR derivative liabilities before deduction of variation margin posted	61				61
29 All other assets not included in the above categories	4,525	1,025	376	467	5,828
30 Off-balance sheet items	26,661				1,013
31 Total RSF	32,205	14,606	4,739	29,218	42,595
32 Net Stable Funding Ratio (%)					135.97%

\* 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.