SBM Bank (India) Ltd

Net Stable Funding Ratio: September 30, 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 was at 132.25% as on September 30, 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 September 30, 2024						
		Unweighted value by residual maturity				
	(INR in Crore)	No maturity*	less than 6 months	6 months to < 1yr	More than 1 Year	Weighted Value
ASF Item						
1	Capital: (2+3)	8,124	-	-	2,240	10,364
2	Regulatory capital	8,124			2,240	10,364
3	Other capital instruments	-			-	-
4	Retail deposits and deposits from small business customers: (5+6)	7,957	7,903	8,226	12,972	33,361
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	7,957	7,903	8,226	12,972	33,361
7	Wholesale funding: (8+9)	10,544	11,723	11,994	6,141	14,108
8	Operational deposits	-	-	-	-	
9	Other wholesale funding	10,544	11,723	11,994	6,141	14,108
10	Other liabilities: (11+12)	2,875	522	367	-	-
11	NSFR derivative liabilities	-				-
12	All other liabilities and equity not included in the above categories	2,875	522	367	-	-
13	Total ASF (1+4+7+10)	29,502	20,148	20,587	21,353	57,833
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					861
15	Deposits held at other financial institutions for operational purposes	227	0	0	0	113
16	Performing loans and securities: (17+18+19+21+23)	-	10,438	6,364	30,702	34,867
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	-	1,394	1,512	6,701	7,666
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:	-	9,039	4,668	22,244	25,670
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		143		1,077	1,220
21	Performing residential mortgages, of which:	-	-	184	754	674
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk			184	754	674
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	5	-	1,003	857
24	Other assets: (sum of rows 25 to 29)	6,005	883	270	195	6,769
25	Physical traded commodities, including gold	-				-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	981	-	-	-	834
27	NSFR derivative assets	79				79
28	NSFR derivative liabilities before deduction of variation margin posted	50				50
29	All other assets not included in the above categories	4,895	883	270	195	5,806
30	Off-balance sheet items	29,892				1,121
31	Total RSF	36,124	11,321	6,634	30,896	43,730
32	Net Stable Funding Ratio (%)					132.25%
* 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.						

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