

Net Stable Funding Ratio (NSFR)

The Basel Committee on Banking Supervision (BCBS) had introduced the Net Stable Funding Ratio (NSFR) in order to ensure resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding. 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 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 is required to maintain the NSFR on an ongoing basis on a standalone Bank and on a Group Level. The minimum NSFR requirement set out in the RBI guideline for the Bank effective October 1, 2021 is 100%. The following table sets out the unweighted and weighted value of the NSFR components of Bandhan Bank for FY 2023-24 (i.e. quarter-end observation).

Amount in Cr.

| Net Stable Funding Ratio (NSFR) | | | | | | |
|---------------------------------|---|-------------------|------------|-------------------|-----------|----------------|
| March' 2024 | | | | | | |
| ASF | | Unweighted Values | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 1 | Capital: (2+3) | 21609.64 | 0.00 | 0.00 | 0.00 | 21609.64 |
| 2 | Regulatory capital | 21609.64 | 0.00 | 0.00 | 0.00 | 21609.64 |
| 3 | Other capital instruments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Retail deposits and deposits from small business customers: (5+6) | 36648.63 | 10818.39 | 16597.65 | 11755.54 | 68792.12 |
| 5 | Stable deposits | 8915.24 | 1069.57 | 1093.87 | 0.00 | 10524.75 |
| 6 | Less stable deposits | 27733.39 | 9748.82 | 15503.78 | 11755.54 | 58267.37 |
| 7 | Wholesale funding: (8+9) | 10618.56 | 6661.57 | 32485.90 | 4384.67 | 29267.69 |
| 8 | Operational deposits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Other wholesale funding | 10618.56 | 6661.57 | 32485.90 | 4384.67 | 29267.69 |
| 10 | Other liabilities: (11+12) | 8286.21 | 6278.30 | 8557.90 | 3138.71 | 0.00 |
| 11 | NSFR derivative liabilities | | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | All other liabilities and equity not included in the above categories | 8286.21 | 6278.30 | 8557.90 | 3138.71 | 0.00 |
| 13 | Total ASF (1+4+7+10) | 77163.04 | 23758.26 | 57641.45 | 19,278.91 | 119669.45 |
| RSF | | Unweighted Values | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 14 | Total NSFR high-quality liquid assets (HQLA) | | | | | 1405.01 |
| 15 | Deposits held at other financial institutions for operational purposes | 777.21 | 0.00 | 0.00 | 0.00 | 388.60 |
| 16 | Performing loans and securities: (17+18+19+21+23) | 5236.13 | 35402.13 | 26772.06 | 62059.28 | 79198.31 |
| 17 | Performing loans to financial institutions secured by Level 1 HQLA | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 18 | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | 0.00 | 2547.73 | 2594.13 | - | 1679.22 |

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|----|--|----------|----------|----------|----------|-----------------|
| 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: | 5236.13 | 32371.54 | 23682.17 | 33307.44 | 56663.82 |
| 20 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | 0.00 | 443.65 | 326.63 | 500.98 | 710.78 |
| 21 | Performing residential mortgages, of which: | 0.00 | 482.86 | 495.76 | 28328.92 | 20495.79 |
| 22 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | 0.00 | 347.12 | 356.40 | 20365.53 | 13589.36 |
| 23 | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | 0.00 | 0.00 | 0.00 | 422.92 | 359.48 |
| 24 | Other assets: (sum of rows 25 to 29) | 835.48 | 2188.78 | 1611.10 | 4220.22 | 8782.69 |
| 25 | Physical traded commodities, including gold | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26 | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs | | | | 485.88 | 413.00 |
| 27 | NSFR derivative assets | 18.52 | 0.00 | 0.00 | 0.00 | 18.52 |
| 28 | NSFR derivative liabilities before deduction of variation margin posted | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 29 | All other assets not included in the above categories | 816.96 | 2188.78 | 1611.10 | 3734.33 | 8351.17 |
| 30 | Off-balance sheet items | 7447.99 | | | | 330.42 |
| 31 | Total RSF (14+15+16+24+30) | 14296.80 | 37590.91 | 28383.16 | 66279.50 | 90105.03 |
| 32 | Net Stable Funding Ratio (%) | | | | | 132.81% |

Amount in Cr.

| Net Stable Funding Ratio (NSFR) | | | | | | |
|---------------------------------|---|-------------------|------------|-------------------|-----------|----------------|
| December' 2023 | | | | | | |
| ASF | | Unweighted Values | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 1 | Capital: (2+3) | 19600.06 | 0.00 | 0.00 | 0.00 | 19600.06 |
| 2 | Regulatory capital | 19600.06 | 0.00 | 0.00 | 0.00 | 19600.06 |
| 3 | Other capital instruments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Retail deposits and deposits from small business customers: (5+6) | 33503.33 | 5863.65 | 17099.09 | 13805.12 | 63534.10 |
| 5 | Stable deposits | 5221.13 | 201.03 | 378.21 | 0.00 | 5510.35 |
| 6 | Less stable deposits | 28282.20 | 5662.62 | 16720.88 | 13805.12 | 58023.74 |
| 7 | Wholesale funding: (8+9) | 7707.36 | 9421.55 | 23745.59 | 5341.24 | 25778.07 |
| 8 | Operational deposits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Other wholesale funding | 7707.36 | 9421.55 | 23745.59 | 5341.24 | 25778.49 |
| 10 | Other liabilities: (11+12) | 531.56 | 7830.79 | 8474.34 | 4000.84 | 0.00 |
| 11 | NSFR derivative liabilities | | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | All other liabilities and equity not included in the above categories | 531.56 | 7830.79 | 8474.34 | 4000.84 | 0.00 |
| 13 | Total ASF (1+4+7+10) | 61342.32 | 23115.99 | 49319.03 | 23,147.21 | 108912.23 |
| RSF | | Unweighted Values | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 14 | Total NSFR high-quality liquid assets (HQLA) | | | | | 1366.00 |
| 15 | Deposits held at other financial institutions for operational purposes | 729.28 | 0.00 | 0.00 | 0.00 | 364.64 |
| 16 | Performing loans and securities: (17+18+19+21+23) | 3456.76 | 33227.48 | 22219.38 | 54926.19 | 70765.68 |
| 17 | Performing loans to financial institutions secured by Level 1 HQLA | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 18 | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | 0.00 | 657.08 | 2525.57 | - | 1361.35 |

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|----|--|----------|----------|----------|----------|-----------------|
| 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: | 3456.76 | 32084.70 | 19234.88 | 28031.63 | 49781.61 |
| 20 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | 0.00 | 513.54 | 312.98 | 453.76 | 708.21 |
| 21 | Performing residential mortgages, of which: | 0.00 | 485.70 | 458.93 | 26363.76 | 19171.54 |
| 22 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | 0.00 | 341.74 | 322.91 | 18549.87 | 12389.74 |
| 23 | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | 0.00 | 0.00 | 0.00 | 530.80 | 451.18 |
| 24 | Other assets: (sum of rows 25 to 29) | 1145.72 | 3000.94 | 2006.75 | 5636.22 | 11696.69 |
| 25 | Physical traded commodities, including gold | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26 | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs | | | | 619.59 | 526.65 |
| 27 | NSFR derivative assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 | NSFR derivative liabilities before deduction of variation margin posted | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 29 | All other assets not included in the above categories | 1145.72 | 3000.94 | 2006.75 | 5016.63 | 11170.04 |
| 30 | Off-balance sheet items | 8499.77 | | | | 381.78 |
| 31 | Total RSF (14+15+16+24+30) | 13831.53 | 36228.42 | 24226.12 | 60562.40 | 84574.78 |
| 32 | Net Stable Funding Ratio (%) | | | | | 128.78% |

Amount in Cr.

| Net Stable Funding Ratio (NSFR) | | | | | | |
|---------------------------------|---|-------------------|------------|-------------------|-----------|----------------|
| September' 2023 | | | | | | |
| ASF | | Unweighted Values | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 1 | Capital: (2+3) | 20054.50 | 0.00 | 0.00 | 0.00 | 20054.50 |
| 2 | Regulatory capital | 20054.50 | 0.00 | 0.00 | 0.00 | 20054.50 |
| 3 | Other capital instruments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Retail deposits and deposits from small business customers: (5+6) | 33301.77 | 5212.46 | 10980.47 | 19163.81 | 62271.96 |
| 5 | Stable deposits | 4898.91 | 188.44 | 306.03 | 376.51 | 5481.39 |
| 6 | Less stable deposits | 28402.87 | 5024.02 | 10674.45 | 18787.30 | 56790.57 |
| 7 | Wholesale funding: (8+9) | 8477.28 | 9624.04 | 15254.87 | 7655.59 | 24333.27 |
| 8 | Operational deposits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Other wholesale funding | 8477.28 | 9624.04 | 15254.87 | 7655.59 | 24333.69 |
| 10 | Other liabilities: (11+12) | 7360.29 | 5137.65 | 4442.60 | 5352.69 | 0.00 |
| 11 | NSFR derivative liabilities | | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | All other liabilities and equity not included in the above categories | 7360.29 | 5137.65 | 4442.60 | 5352.69 | 0.00 |
| 13 | Total ASF (1+4+7+10) | 69193.84 | 19974.15 | 30677.94 | 32,172.09 | 106659.72 |
| RSF | | Unweighted Values | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 14 | Total NSFR high-quality liquid assets (HQLA) | | | | | 1498.56 |
| 15 | Deposits held at other financial institutions for operational purposes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16 | Performing loans and securities: (17+18+19+21+23) | 2970.93 | 84049.58 | 19405.12 | 42394.11 | 69064.09 |
| 17 | Performing loans to financial institutions secured by Level 1 HQLA | 0.00 | 65.60 | 0.00 | 0.00 | 6.56 |
| 18 | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | 0.00 | 530.74 | 0.00 | 0 | 79.61 |

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|----|--|---------|----------|----------|----------|-----------------|
| 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: | 2970.93 | 35460.21 | 18088.49 | 17955.49 | 43623.87 |
| 20 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | 0.00 | 3360.27 | 1714.09 | 1701.49 | 3643.15 |
| 21 | Performing residential mortgages, of which: | 0.00 | 440.15 | 413.32 | 24312.01 | 17661.85 |
| 22 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | 0.00 | 310.49 | 291.57 | 17150.48 | 11448.84 |
| 23 | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | 0.00 | 47552.89 | 903.32 | 126.60 | 7692.20 |
| 24 | Other assets: (sum of rows 25 to 29) | 322.77 | 927.43 | 451.64 | 1684.11 | 3290.53 |
| 25 | Physical traded commodities, including gold | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26 | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs | | | | 636.18 | 540.76 |
| 27 | NSFR derivative assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 | NSFR derivative liabilities before deduction of variation margin posted | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 29 | All other assets not included in the above categories | 322.77 | 927.43 | 451.64 | 1047.93 | 2749.77 |
| 30 | Off-balance sheet items | 5006.80 | | | | 224.02 |
| 31 | Total RSF (14+15+16+24+30) | 8300.51 | 84977.01 | 19856.77 | 44078.22 | 74077.20 |
| 32 | Net Stable Funding Ratio (%) | | | | | 143.98% |

Amount in Cr.

| Net Stable Funding Ratio (NSFR) | | | | | | |
|---------------------------------|---|-------------------|------------|-------------------|-----------|----------------|
| June'2023 | | | | | | |
| ASF | | Unweighted Values | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 1 | Capital: (2+3) | 20045.25 | 0.00 | 0.00 | 0.00 | 20045.25 |
| 2 | Regulatory capital | 20045.25 | 0.00 | 0.00 | 0.00 | 20045.25 |
| 3 | Other capital instruments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Retail deposits and deposits from small business customers: (5+6) | 32271.62 | 5562.50 | 5969.60 | 22192.61 | 61891.50 |
| 5 | Stable deposits | 5111.12 | 189.37 | 210.46 | 413.05 | 5648.45 |
| 6 | Less stable deposits | 27160.50 | 5373.13 | 5759.15 | 21779.55 | 56243.05 |
| 7 | Wholesale funding: (8+9) | 5615.69 | 7498.53 | 19408.45 | 11138.42 | 27399.34 |
| 8 | Operational deposits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 9 | Other wholesale funding | 5615.69 | 7498.53 | 19408.45 | 11138.42 | 27399.76 |
| 10 | Other liabilities: (11+12) | 6360.36 | 4478.70 | 4369.52 | 5879.32 | 0.00 |
| 11 | NSFR derivative liabilities | | 0.00 | 0.00 | 0.00 | 0.00 |
| 12 | All other liabilities and equity not included in the above categories | 6360.36 | 4478.70 | 4369.52 | 5879.32 | 0.00 |
| 13 | Total ASF (1+4+7+10) | 64292.92 | 17539.73 | 29747.58 | 39,210.35 | 109336.38 |
| RSF | | Unweighted Values | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 14 | Total NSFR high-quality liquid assets (HQLA) | | | | | 1591.82 |
| 15 | Deposits held at other financial institutions for operational purposes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16 | Performing loans and securities: (17+18+19+21+23) | 4386.46 | 37016.44 | 18026.36 | 41246.37 | 61475.24 |
| 17 | Performing loans to financial institutions secured by Level 1 HQLA | 0.00 | 20.86 | 0.00 | 0.00 | 2.09 |
| 18 | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions | 0.00 | 1681.36 | 0.00 | 0 | 252.20 |

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|----|--|----------|----------|----------|----------|-----------------|
| 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: | 2732.15 | 34470.46 | 17198.93 | 17072.47 | 41887.73 |
| 20 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | 0.00 | 3166.64 | 1579.98 | 1568.37 | 3392.75 |
| 21 | Performing residential mortgages, of which: | 0.00 | 443.22 | 389.05 | 23749.66 | 17287.19 |
| 22 | With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | 0.00 | 309.44 | 271.61 | 16580.79 | 11068.04 |
| 23 | Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | 1654.31 | 400.54 | 438.38 | 424.23 | 2046.04 |
| 24 | Other assets: (sum of rows 25 to 29) | 1395.21 | 4008.89 | 1952.26 | 5109.14 | 12378.58 |
| 25 | Physical traded commodities, including gold | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26 | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs | | | | 579.40 | 492.49 |
| 27 | NSFR derivative assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 28 | NSFR derivative liabilities before deduction of variation margin posted | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 29 | All other assets not included in the above categories | 1395.21 | 4008.89 | 1952.26 | 4529.74 | 11886.09 |
| 30 | Off-balance sheet items | 8496.32 | | | | 397.61 |
| 31 | Total RSF (14+15+16+24+30) | 14277.99 | 41025.32 | 19978.62 | 46355.51 | 75843.25 |
| 32 | Net Stable Funding Ratio (%) | | | | | 144.16% |

The Bank maintained Available Stable Funding (ASF) of Rs 119669.45 crores as against the Required Stable Funding (RSF) of Rs 90105.03 crores as on 31st March 2024.

The Available Stable Funding (ASF) is primarily driven by driven by the total regulatory capital as per Basel III Capital Adequacy guidelines stipulated by RBI and deposits from retail customers, small business customers and non-financial corporate customers as well as refinance from NHB/NABARD/SIDBI. Under the Required Stable Funding (RSF), the primary drivers are unencumbered performing loans with residual maturities of one year or more, including performing residential mortgages.

The NSFR maintained by the bank is well above the regulatory stipulation of 100%. This indicates that the Banks assets are funded through stable liabilities and the Bank has the ability to withstand any stress in up to 1 year horizon.