

IndusInd Bank

BASEL III DISCLOSURE – NET STABLE FUNDING RATIO : As on Mar 31, 2024

The Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) are significant components of the Basel III reforms. NSFR standard require banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress, thereby ensures reduction in funding risk over a longer time horizon. For both funding and assets, long term is mainly defined as more than one year, with lower requirements applying to anything between six months and a year to avoid the cliff-edge effect. Banks must maintain a ratio of 100% to meet the standards.

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.

$$\text{NSFR} = \frac{\text{Available Stable Funding (ASF)}}{\text{Required Stable Funding (RSF)}} \geq 100\%$$

The Bank has maintained NSFR well above the minimum regulatory requirements during the FY 2023-24. NSFR maintained by the Bank as on March 31, 2024 was at 125.43% against 128.03% as on Mar 31, 2023.

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.

BASEL III DISCLOSURE – NET STABLE FUNDING RATIO : As on March 31, 2024

(Rs.in Crore)		Unweighted value by residual maturity				Weighted Value
		No Maturity	<6 Months	6 Months to < 1 year	>= 1 Year	
ASF Item						
1	Capital: (2+3)	63,370	-	-	2,800	66,170
2	Regulatory capital	60,765	-	-	-	60,765
3	Other capital instruments	2,605	-	-	2,800	5,405
4	Retail deposits and deposits from small business customers: (5+6)	59,236	1,09,926	142	156	1,52,970
5	Stable deposits	8,813	-	-	-	8,372
6	Less stable deposits	50,423	1,09,926	142	156	1,44,598
7	Wholesale funding: (8+9)	86,629	99,483	40,935	33,096	1,14,129
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	86,629	99,483	40,935	33,096	1,14,129
10	Other liabilities: (11+12)	-	16,507	1,048	3,310	3,446
11	NSFR derivative liabilities		356	775	-	
12	All other liabilities and equity not included in the above categories		16,151	272	3,310	3,446
13	Total ASF (1+4+7+10)					3,36,715
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					4,812
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	40,665	1,20,779	56,880	1,52,574	2,36,222
17	Performing loans to financial institutions secured by Level 1 HQLA	-	4,186	-	-	419
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	8,839	25,718	6,821	12,627	26,350
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:	31,826	82,676	49,845	1,38,690	2,07,295
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit Risk	-	-	15,951	22,470	-
21	Performing residential mortgages, of which:	-	-	-	858	558
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit Risk	-	-	-	858	-

23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	8,198	214	398	1,601
24	Other assets: (sum of rows 25 to 29)	-	22,276	284	5,702	18,082
25	Physical traded commodities, including gold	-				-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
27	NSFR derivative assets		-	-	428	35
28	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
29	All other assets not included in the above categories	-	22,276	284	5,274	18,047
30	Off-balance sheet items			2,18,642		9,339
31	Total RSF (14+15+16+24+30)					2,68,455
32	Net Stable Funding Ratio (%)					125.43%

BASEL III DISCLOSURE – NET STABLE FUNDING RATIO : As on December 31, 2023

	(Rs.in Crore)	Unweighted value by residual maturity				Weighted Value
		No Maturity	<6 Months	6 Months to < 1 year	>= 1 Year	
ASF Item						
1	Capital: (2+3)	61,918	1,490	-	2,800	64,718
2	Regulatory capital	59,563	1,490	-	-	59,563
3	Other capital instruments	2,355	-	-	2,800	5,155
4	Retail deposits and deposits from small business customers: (5+6)	55,540	1,09,526	152	152	1,49,277
5	Stable deposits	8,562	-	-	-	8,134
6	Less stable deposits	46,977	1,09,526	152	152	1,41,143
7	Wholesale funding: (8+9)	86,547	99,299	22,804	31,119	1,07,768
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	86,547	99,299	22,804	31,119	1,07,768
10	Other liabilities: (11+12)	-	15,830	406	2,579	2,782
11	NSFR derivative liabilities		-	-	-	
12	All other liabilities and equity not included in the above categories	-	15,830	406	2,579	2,782
13	Total ASF (1+4+7+10)					3,24,545

RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					4,517
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	39,498	1,03,131	49,074	1,48,369	2,21,244
17	Performing loans to financial institutions secured by Level 1 HQLA	-	499	-	-	50
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	7,731	23,087	5,523	7,576	19,208
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:	31,766	75,233	43,362	1,39,090	2,00,175
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit Risk	-	-	12,279	25,096	-
21	Performing residential mortgages, of which:	-	-	-	1,250	812
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit Risk	-	-	-	1,250	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	4,312	189	452	998
24	Other assets: (sum of rows 25 to 29)	-	25,507	647	4,662	21,108
25	Physical traded commodities, including gold	-				-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
27	NSFR derivative assets		-	-	239	239
28	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
29	All other assets not included in the above categories		25,507	647	4,423	20,869
30	Off-balance sheet items			2,18,527		9,292
31	Total RSF (14+15+16+24+30)					2,56,161
32	Net Stable Funding Ratio (%)					126.70%

BASEL III DISCLOSURE – NET STABLE FUNDING RATIO : As on September 30, 2023

(Rs.in Crore)		Unweighted value by residual maturity				Weighted Value
		No Maturity	<6 Months	6 Months to < 1 year	>= 1 Year	
ASF Item						
1	Capital: (2+3)	59,581	1,490	-	2,800	62,381
2	Regulatory capital	59,581	1,490	-	-	59,581
3	Other capital instruments		-	-	2,800	2,800
4	Retail deposits and deposits from small business customers: (5+6)	53,612	1,03,222	175	177	1,41,903
5	Stable deposits	8,350	-	-	-	7,932
6	Less stable deposits	45,263	1,03,222	175	177	1,33,971
7	Wholesale funding: (8+9)	88,063	1,03,666	22,882	24,230	1,00,968
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	88,063	1,03,666	22,882	24,230	1,00,968
10	Other liabilities: (11+12)	-	16,564	328	3,739	3,125
11	NSFR derivative liabilities		274	256	649	
12	All other liabilities and equity not included in the above categories	-	16,289	71	3,089	3,125
13	Total ASF (1+4+7+10)					3,08,377
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					4,369
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	39,572	1,03,300	44,742	1,44,126	2,19,893
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	5,825	16,356	4,591	12,441	20,692
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:	33,747	82,271	40,054	1,29,439	1,96,882
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit Risk	-	-	18,191	19,370	-
21	Performing residential mortgages, of which:	-	-	-	1,220	793
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit Risk	-	-	1	1,220	-

23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	4,672	97	1,025	1,587
24	Other assets: (sum of rows 25 to 29)	-	22,795	276	4,269	18,232
25	Physical traded commodities, including gold	-				-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
27	NSFR derivative assets		-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	59
29	All other assets not included in the above categories		22,795	276	4,269	18,173
30	Off-balance sheet items			2,18,714		9,345
31	Total RSF (14+15+16+24+30)					2,51,840
32	Net Stable Funding Ratio (%)					122.45%

BASEL III DISCLOSURE – NET STABLE FUNDING RATIO : As on June 30, 2023

(Rs.in Crore)	Unweighted value by residual maturity				Weighted Value	
	No Maturity	<6 Months	6 Months to < 1 year	>= 1 Year		
ASF Item						
1	Capital: (2+3)	57,303	-	1,490	2,800	60,848
2	Regulatory capital	55,040	-	1,490	-	55,785
3	Other capital instruments	2,236	-	-	2,800	5,063
4	Retail deposits and deposits from small business customers: (5+6)	52,196	98,139	192	164	1,36,033
5	Stable deposits*	7,897*	-	-	-	7,502
6	Less stable deposits	44,299	98,139	192	164	1,28,531
7	Wholesale funding: (8+9)	86,544	93,479	29,087	28,878	1,07,164
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	86,544	93,479	29,087	28,878	1,07,164
10	Other liabilities: (11+12)	-	13,201	986	3,714	3,721
11	NSFR derivative liabilities		129	130	421	
12	All other liabilities and equity not included in the above categories	-	13,072	856	3,293	3,721
13	Total ASF (1+4+7+10)					3,07,766

RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					4,073
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	35,878	1,11,107	45,924	1,39,676	2,12,454
17	Performing loans to financial institutions secured by Level 1 HQLA		6,378			638
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	4,716	19,574	4,292	13,544	20,614
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:	31,163	75,632	41,628	1,24,218	1,88,307
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit Risk	-	-	16,023	16,991	-
21	Performing residential mortgages, of which:	-	-	-	736	478
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit Risk	-	-	0	736	-
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	9,523	4	1,178	2,416
24	Other assets: (sum of rows 25 to 29)	-	17,667	417	4,346	14,697
25	Physical traded commodities, including gold	-				-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
27	NSFR derivative assets		-	-	-	34
28	NSFR derivative liabilities before deduction of variation margin posted		-	-	-	-
29	All other assets not included in the above categories		17,667	417	4,346	14,663
30	Off-balance sheet items			1,96,117		8,241
31	Total RSF (14+15+16+24+30)					2,39,464
32	Net Stable Funding Ratio (%)					128.52%