

Net Stable Funding Ratio as on September 30, 2025

The Net Stable Funding Ratio (NSFR) is a significant component of the Basel III reforms. In the backdrop of the global financial crisis that started in 2007, the Basel Committee on Banking Supervision (BCBS) proposed certain reforms to strengthen global capital and liquidity regulations with the objective of promoting a more resilient banking sector. In this regard, the Basel III rules text on liquidity – “Basel III: International framework for liquidity risk measurement, standards and monitoring” was issued in December 2010 which presented the details of global regulatory standards on liquidity. Two minimum standards, viz., Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) for funding liquidity were prescribed by the Basel Committee for achieving two separate but complementary objectives. The NSFR promotes 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 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.

The guidelines for NSFR were effective from October 1, 2021. 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 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.

Equitas Small Finance Bank Limited (ESFBL) during the quarter ended 30th September 2025, maintained ASF of ₹36,537 crore and RSF of ₹31,946 crore. The Bank’s NSFR as on 30th September 2025 was at 114.37% as against RBI minimum requirement of 100%.

The table below sets out the NSFR of ESFBL for quarter ended September 30, 2025.

(Rs. in Crores)

Available Stable Funding (ASF) Item		Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1 year	>= 1 Year	
1	Capital: (2+3)	6,943	-	-	-	6,943
2	Regulatory capital	6,943				6,943
3	Other capital Instruments	-				-
4	Retail deposits and deposits from small business customers: (5+6)	9,426	6,502	10,405	1	23,956
5	Stable Deposits	1,541	1,661	1,919		4,865
6	Less stable deposits	7,885	4,841	8,486	1	19,092
7	Wholesale funding: (8+9)	967	1,128	4,571	2,305	5,638
8	Operational deposits					
9	Other wholesale funding	967	1,128	4,571	2,305	5,638
10	Other Liabilities (11+12)	14,858	-	-	-	-
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in the above categories	14,858	63			-
13	Total ASF (1+4+7+10)					36,537
Required Stable Funding (RSF) Item						
14	Total NSFR high-quality liquid assets (HQLA)					471
15	Deposits held at other financial institutions for operational purposes	654	24	47	0	363
16	Performing loans and securities: (17+18+19+21+23)	0	4869	4260	26509	26183
17	Performing loans to financial institutions secured by Level 1 HQLA		0			0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	902	646	389	847
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:		3907	3528	22883	23149
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		6	6	96	69
21	Performing residential mortgages, of which:		59	60	3237	2164

22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		56	58	2837	1901
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities			27		23
24	Other assets: (sum of rows 25 to 29)	4654	512	2	7	4903
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	99				84
27	NSFR derivative assets					
28	NSFR derivative liabilities before deduction of variation margin posted					
29	All other assets not included in the above categories	4555	512	2	7	4818
30	Off-balance sheet items		532	2	10	27
31	Total RSF (14+15+16+24+30)	5308	5937	4311	26526	31946
32	Net Stable Funding Ratio (%)					114.37%