

NET STABLE FUNDING RATIO

Axis Bank, pursuant to the RBI guidelines on NSFR dated 17th May 2018, has been subjected to the Basel III NSFR standards from 1st October 2021. The Bank maintains NSFR both at solo and consolidated level.

NSFR aims to improve the resiliency of banks by promoting long-term funding stability. It mandates banks to maintain a stable funding profile vis-à-vis the composition of their assets and off-balance sheet activities. It reduces the probability of erosion of a bank's liquidity position due to disruptions to its regular sources of funding. The NSFR guidelines of RBI stipulates the applicable Required Stable Funding ("RSF") factor for each category of asset and Available Stable Funding ("ASF") factor for each type of funding source. NSFR represents the ratio of the bank's ASF to RSF. The breakdown of the bank's ASF and RSF amounts after applying the respective ASF or RSF factors are provided in the "weighted amount" column of the NSFR disclosure format.

The ASF portfolio is driven mainly by a robust capital base, retail deposit base along with reliable wholesale funding. After applying relevant factors, the contribution of the capital base, retail deposits and wholesale funding to the ASF portfolio stood at 16%, 47%, 34% respectively. The RSF portfolio is driven mainly by financing various stakeholders including but not limited to financial institutions (FIs), non-financial corporate clients, retail and small business customers. The High-Quality Liquid Assets (HQLA), detailed in the LCR disclosure, requires minimal funding due to its superior ratings and liquidity, thus after applying relevant factors it makes up merely 2% of the RSF portfolio whereas performing loans and securities account for 80% of RSF.

NSFR is sensitive to (i) composition of assets and liabilities and (ii) movements due to positions falling / moving into the NSFR 1-year tenor.

The Bank ensures that its NSFR remains above the specified regulatory minimum requirements as under.

- (i) Daily monitoring of NSFR against the regulatory minimum.
- (ii) Maintaining a diversified funding base.

The following table sets out the unweighted and weighted value of the NSFR components of the Axis Bank Group at March 31, 2022 (i.e. quarter-end observation).

Net Stable Funding Ratio (NSFR) Disclosure (Consolidated) - March 31, 2022						
						INR in Crores
Sr.No.	Details	Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	ASF Item					
1	Capital: (2+3)	8,047.55	306.97	2,500.00	1,37,239.71	1,46,537.26
2	Regulatory capital	8,047.55	0.00	0.00	1,34,969.97	1,43,017.52
3	Other capital instruments	0.00	306.97	2,500.00	2,269.74	3,519.74
4	Retail deposits and deposits from small business customers: (5+6)	2,56,359.51	23,978.42	9,919.00	1,58,656.36	4,42,297.38
5	Stable deposits	54,599.73	3,669.97	1,585.13	36,079.37	95,265.84
6	Less stable deposits	2,01,759.78	20,308.45	8,333.86	1,22,576.98	3,47,031.54
7	Wholesale funding: (8+9)	1,13,401.20	1,87,638.18	1,19,840.60	1,30,353.71	3,20,490.21
8	Operational deposits	19,855.46	0.00	0.00	0.00	15,634.67
9	Other wholesale funding	93,545.74	1,87,638.18	1,19,840.60	1,30,353.71	3,04,855.54
10	Other liabilities: (11+12)	52,340.16	0.00	0.00	0.00	26,192.32
11	NSFR derivative liabilities		0.00	0.00	0.00	0.00
12	All other liabilities and equity not included in the above categories	52,340.16	0.00	0.00	0.00	26,192.32
13	Total ASF (1+4+7+10)					9,35,517.18
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					13,626.44
15	Deposits held at other financial institutions for operational purposes	4,434.75	0.00	0.00	0.00	2,217.37
16	Performing loans and securities: (17+18+19+21+23)	1,70,732.53	65,762.34	18,392.28	5,11,353.87	5,37,787.58
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	2,258.17	28,760.99	3,912.77	36,364.89	43,277.61

Net Stable Funding Ratio (NSFR) Disclosure (Consolidated) - March 31, 2022

						INR in Crores
Sr.No.	Details	Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1yr	≥ 1yr	
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:	1,62,686.49	35,114.54	12,587.50	3,13,709.51	3,73,446.94
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	11,800.06	10,200.13	564.08	58,472.45	49,289.39
21	Performing residential mortgages, of which:	0.00	74.01	177.66	1,40,487.57	96,526.23
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	53.97	133.39	1,15,070.21	74,889.32
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	5,787.87	1,812.79	1,714.35	20,791.90	24,536.81
24	Other assets: (sum of rows 25 to 29)	41,507.57	6,237.53	5,510.16	59,815.92	1,04,038.91
25	Physical traded commodities, including gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		193.78	0.00	5,461.02	4,806.58
27	NSFR derivative assets			30.05		30.05
28	NSFR derivative liabilities before deduction of variation margin posted			463.32		463.32
29	All other assets not included in the above categories	41,507.57	5,550.38	5,510.16	54,354.89	98,738.96
30	Off-balance sheet items			4,09,145.39		17,449.43
31	Total RSF (14+15+16+24+30)					6,75,119.74
32	Net Stable Funding Ratio (%)					138.57%

The following table sets out the unweighted and weighted value of the NSFR components of the Axis Bank Group at December 31, 2021 (i.e. quarter-end observation).

Net Stable Funding Ratio (NSFR) Disclosure (Consolidated) – December 2021						
						INR in Crores
Sr.No.	Details	Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	ASF Item					
1	Capital: (2+3)	7,960.10	1,925.00	0.00	1,34,891.97	1,42,852.07
2	Regulatory capital	7,960.10	0.00	0.00	1,21,901.61	1,29,861.71
3	Other capital instruments	0.00	1,925.00	0.00	12,990.36	12,990.36
4	Retail deposits and deposits from small business customers: (5+6)	2,35,258.51	28,165.71	9,132.06	1,52,640.78	4,18,533.08
5	Stable deposits	54,556.75	1,074.81	457.14	10,498.94	66,132.29
6	Less stable deposits	1,80,701.76	27,090.90	8,674.93	1,42,141.84	3,52,400.79
7	Wholesale funding: (8+9)	1,09,627.13	1,86,908.14	86,507.65	1,33,605.56	3,10,656.36
8	Operational deposits	21,150.66	0.00	0.00	0.00	16,795.51
9	Other wholesale funding	88,476.47	1,86,908.14	86,507.65	1,33,605.56	2,93,860.85
10	Other liabilities: (11+12)	50,325.76	0.00	0.00	0.00	20,582.51
11	NSFR derivative liabilities			0.00		
12	All other liabilities and equity not included in the above categories	50,325.76	0.00	0.00	0.00	20,582.51
13	Total ASF (1+4+7+10)					8,92,624.02
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					12,650.84
15	Deposits held at other financial institutions for operational purposes	3,683.86	0.00	0.00	0.00	1,841.93
16	Performing loans and securities: (17+18+19+21+23)	1,60,789.91	68,275.47	14,687.49	4,85,506.49	5,10,546.04
17	Performing loans to financial institutions secured by Level 1 HQLA	0.00	0.00	0.00	0.00	0.00

Net Stable Funding Ratio (NSFR) Disclosure (Consolidated) – December 2021

						INR in Crores
Sr.No.	Details	Unweighted value by residual maturity				Weighted value
		No Maturity	< 6 months	6 months to < 1yr	≥ 1yr	
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	2,815.55	29,636.71	3,243.96	33,774.26	40,570.86
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:	1,51,169.80	37,706.15	9,158.32	2,92,368.30	3,48,279.02
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	14,929.96	12,573.15	860.13	56,072.14	50,629.06
21	Performing residential mortgages, of which:	0.00	72.31	189.53	1,32,638.33	91,631.68
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	53.13	138.30	1,06,209.09	69,131.62
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	6,804.56	860.30	2,095.68	26,725.60	30,064.47
24	Other assets: (sum of rows 25 to 29)	39,401.28	5,543.77	7,024.51	61,073.53	1,04,911.88
25	Physical traded commodities, including Gold	0.00				0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		535.88	0.00	5,293.07	4,954.61
27	NSFR derivative assets			1,460.29		1,460.29
28	NSFR derivative liabilities before deduction of variation margin posted			441.62		441.62
29	All other assets not included in the above categories	39,401.28	3,105.99	7,024.51	55,780.46	98,055.37
30	Off-balance sheet items			3,82,986.27		16,363.47
31	Total RSF (14+15+16+24+30)					6,46,314.15
32	Net Stable Funding Ratio (%)					138.11%