

Net Stable Funding Ratio Disclosure at March 31, 2025

Quantitative Disclosure

Ujjivan Small Finance Bank, as per the RBI guideline on Net Stable Funding Ratio (NSFR) dated May 17, 2018, is required to maintain the NSFR on an ongoing basis. The minimum NSFR requirement set out in the RBI guideline is 100%.

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 following table sets out the unweighted and weighted value of the NSFR components of the Ujjivan Small Finance Bank as at March 31, 2025.

The NSFR as of March 31st, 2025 was 133.60%.

Sr. No	(₹ in Crore)	Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
	ASF Item					
1	Capital: (2+3)	6,083.41	0.00	0.00	300.00	6,383.41
2	Regulatory capital	6,083.41	0.00	0.00	0.00	6,083.41
3	Other capital instruments	0.00	0.00	0.00	300.00	300.00
4	Retail deposits and deposits from small business customers: (5+6)	9,616.23	12,702.64	61.26	14.17	20,221.84
5	Stable deposits	1,081.27	229.65	0.00	0.00	1,245.37
6	Less stable deposits	8,534.96	12,472.99	61.26	14.17	18,976.46
7	Wholesale funding: (8+9)	0.00	1,010.75	4,727.97	1,437.54	4,306.90
8	Operational deposits	0.00	0.00	0.00	0.00	0.00
9	Other wholesale funding	0.00	1,010.75	4,727.97	1,437.54	4,306.90
10	Other liabilities: (11+12)	1,570.52	10,047.10	106.90	10.67	0.00

11	NSFR derivative liabilities		0.00	0.00	0.00	
12	All other liabilities and equity not included in the above categories	1,570.52	10,047.10	106.90	10.67	0.00
13	Total ASF (1+4+7+10)					30,912.14
	RSF Item					
14	Total NSFR high-quality liquid assets (HQLA)					382.09
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)	0.00	9257.13	10021.01	14775.78	20318.17
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	1766.91	506.98	506.91	1025.43
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:	0.00	7,331.11	9,329.24	7,114.57	14,377.56
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	74.65	134.54	518.88	441.87

21	Performing residential mortgages, of which:	0.00	159.11	184.80	6689.63	4520.21
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0.00	0.00	0.00	0.00	0.00
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	0.00	0.00	0.00	464.67	394.97
24	Other assets: (sum of rows 25 to 29)	456.46	24.34	0.87	1650.29	1913.81
25	Physical traded commodities, including gold					0.00
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		0.00	0.00	1377.20	1170.62
27	NSFR derivative assets		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
29	All other assets not included in the above categories	456.46	24.34	0.87	273.09	743.19
30	Off-balance sheet items		1147.40	497.38	1.10	82.27
31	Total RSF (14+15+16+20+24+30)					23138.21
32	Net Stable Funding Ratio (%)					133.60%

* 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 and non-HQLA equities.



Qualitative Disclosure

The NSFR guidelines require banks to maintain a stable funding profile in relation to the composition of the assets and off-balance sheet exposure. NSFR aids bank to limit the dependency on short term whole sale funding and encourages better assessment of funding risk across all on and off-balance sheet items and promotes funding stability.

Major driving factors of NSFR are:

Available Stable Funding (ASF)-

Major components of ASF are deposits, capital and borrowings. The deposits are split into retail and small business customers and regulatory defined run off factors are applied whereas for deposits/funding from banks, institutions and corporates are charged higher run off factor. Hence, major driving factor of building ASF is by sourcing the stable long term deposits in the form of current, savings and term deposits from retail and small business customers and run off factors have been prescribed to encourage such deposits. If Bank focusses on deposits from banks and corporate which could be in the nature of bulk deposits, from NSFR perspective, these deposits shall be available to the extent of 50% for RSF factor and hence will have negative impact on NSFR maintenance.

An increase in available stable funding will impact the NSFR positively. The Bank shall aim for higher available stable funding, which in the form of deposits and will increase the long-term funding profile of the Bank. It may be reiterated that the Bank has been focussing on retail deposits and calibrated reduction in bulk deposits.

Required Stable Funding-

Required Stable Funding implies creating the loan asset and investment book which will complement Bank's ASF profile. Major influencing factors under RSF are, for loans greater than 1-year tenor for certain customer segment have been designed in such a way that it requires higher funding thereby encouraging the Bank to have diverse customer base besides better blend of tenors. Also, if the Bank relies on sourcing funding from collateral windows such as TREPS/CROMS, NSFR regime requires higher funding which encourages banks to move to stable ALM profile. The mandatory reserve requirement does not need stable funding and accordingly has lower RSF factor.

An increase in required stable funding will impact the NSFR negatively. The required stable funding of the Bank is increasing as it is building loan portfolio between unsecured and secured loans across various products