

DISCLOSURE ON NET STABLE FUNDING RATIO AS ON 31.03.2024

Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

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

Bank's NSFR comes to 171% as at the end of the quarter Q4 (FY 2023-24) and is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31.03.2024 stood at Rs. 136612.27 crores and amount for Required Stable Funding (RSF) as on 31.03.2024 was Rs 79735.06 crores.

The Available Stable Funding (ASF) is primarily driven by the total regulatory Capital as per Basel III capital adequacy guidelines stipulated by RBI and the 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.

The following table contains the unweighted and weighted values of the NSFR components.

		BLR 7		
Name of the Bank		Jammu & Kashmir Bank		
Statement for the Quarter Ending		Mar-24		
S.No.	Items	Associated ASF factors	Unweighted Amount (Rs. Crore)	Weighted Amount (Rs. Crore)
A.	Components of ASF category (Liability Categories)			
I	Total regulatory capital (excluding Tier 2 instruments with residual maturity of less than one year)	100%	1447275.31	1447275.31
II	Other capital instruments with effective residual maturity of one year or more	100%	50000.00	50000.00
III	Other liabilities with effective residual maturity of one year or more	100%	1219136.80	1219136.80
IV	Stable non-maturity (demand) deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	95%	4133738.25	3927051.34
V	Less stable non-maturity deposits and term deposits with residual maturity of less than one year provided by retail and small business customers	90%	7356837.46	6621153.71
VI	Funding with residual maturity of less than one year provided by non-financial corporate customers	50%	81686.22	40843.11
VII	Operational deposits	50%	0.00	0.00
VIII	Funding with residual maturity of less than one year from sovereigns, PSEs, and multilateral and national development banks	50%	661333.74	330666.87
IX	Other funding with residual maturity between six months and less than one year not included in the above categories, including funding provided by central banks and financial institutions	50%	50200.34	25100.17

X	All other liabilities and equity not included in the above categories, including liabilities without a stated maturity (with a specific treatment for deferred tax liabilities and minority interests)	0%	56206.01	0.00
XI	NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets	0%	0.00	0.00
XII	“Trade date” payables arising from purchases of financial instruments, foreign currencies	0%	0.00	0.00
B.	Total Available Stable Funding		15056414.12	13661227.31
C.	Components of RSF category	Associated RSF Factor	Un-weighted Amount (Rs. Crore)	Weighted Amount (Rs. Crore)
I	Coins and banknotes	0%	61560.10615	0
II	Cash Reserve Ratio (CRR) including excess CRR	0%	503492.14	0
III	All claims on RBI with residual maturities of less than six months	0%	80000.00	0.00
IV	“Trade date” receivables arising from sales of financial instruments, foreign currencies and commodities.	0%	0.00	0.00
V	Unencumbered Level 1 assets, excluding coins, banknotes, CRR and SLR Securities	5%	0.00	0.00
VI	Unencumbered SLR Securities	5%	2981611.27	149080.56
VII	Unencumbered loans to financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 assets as defined in LCR circular dated June 9, 2014 and various amendments as indicated in the text of the circular, and where the bank has the ability to freely rehypothecate the received collateral for the life of the loan	10%	0.00	0.00
VIII	All other ‘standard’ unencumbered loans to financial institutions with residual maturities of less than six months not included in the above categories	15%	79955.76	11993.36
IX	Unencumbered Level 2A assets	15%	16928.00	2539.20

X	Unencumbered Level 2B assets	50%	0.99	0.50
XI	HQLA encumbered for a period of six months or more and less than one year	50%	0.00	0.00
XII	'Standard' Loans to financial institutions and central banks with residual maturities between six months and less than one year	50%	0.00	0.00
XIII	Deposits held at other financial institutions for operational purposes	50%	6866.86	3433.43
XIV	All other assets not included in the above categories with residual maturity of less than one year, including 'standard' loans to non-financial corporate clients, to retail and small business customers, and 'standard' loans to sovereigns and PSEs	50%	4476294.10	2238147.05
XV	Unencumbered 'standard' residential mortgages with a residual maturity of one year or more and assigned the minimum risk weight under the Standardised Approach	65%	682872.52	443867.138
XVI	Other unencumbered 'standard' loans not included in the above categories, excluding loans to financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 35% under the Standardised Approach	65%	1096987.42	713041.823
XVII	Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a CCP	85%	13368	11362.8
XVIII	Other unencumbered performing loans with risk weights greater than 35% under the Standardised Approach and residual maturities of one year or more, excluding loans to financial institutions	85%	3283616.484	2791074.011
XIX	Unencumbered securities that are not in default and do not qualify as HQLA with a remaining maturity of one year or more and exchange-traded equities	85%	54621.08	46427.92
XX	Physical traded commodities, including gold	85%	0	0
XXI	All assets that are encumbered for a period of one year or more	100%	0	0

XXII	NSFR derivative assets net of NSFR derivative liabilities if NSFR derivative assets are greater than NSFR derivative liabilities	100%	1041	1041
XXIII	5% of derivative liabilities	100%	22	22
XXIV	All other assets not included in the above categories, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities	100%	1437223.83	1437223.83
XXV	All restructured 'standard' loans which attract higher risk weight and additional provision	100%	59163.27	59163.27
D.	Required Stable Funding – On Balance Sheet Assets [I to xxv]		14835624.83	7908417.891
E.	Off-Balance Sheet Assets			
I	Irrevocable and conditionally revocable credit and liquidity facilities to any client	5% of the currently undrawn portion	893719.00	44685.95
II	Other contingent funding obligations, including products and instruments (a) + (b) + (c)	5% of the currently undrawn portion	519814.02	20402.501
(a)	Unconditionally revocable credit and liquidity facilities	5% of the currently undrawn portion	240404.02	12020.201
(b)	Trade finance-related obligations (including guarantees and letters of credit)	3% of the currently undrawn portion	0	0
(c)	Guarantees and letters of credit unrelated to trade finance obligations	3% of the currently undrawn portion	279410	8382.3
III	Non-contractual obligations (a) + (b) + (c)		-	0

(a)	potential requests for debt repurchases of the bank's own debt or that of related conduits, securities investment vehicles and other such financing facilities	5%	<u>0</u>	0
(b)	structured products where customers anticipate ready marketability, such as adjustable rate notes and variable rate demand notes (VRDNs)	5%	<u>0</u>	0
(c)	managed funds that are marketed with the objective of maintaining a stable value	5%	<u>0</u>	0
F.	Required Stable Funding – Off Balance Sheet Items (I)+(II)+(III)			65088.45
G.	Total Required Stable Funding (D+F)			7973506.342
H.	NSFR (B / G)			171