The Net Stable Funding Ratio (NSFR)

promotes long-term stability by aligning funding sources with asset liquidity.

The Formula

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

Numerator

The Available Stable Funding (ASF), which composes the numerator in the NSFR formula, is defined as the portion of a bank´s capital and liabilities that are classified as reliable over a one-year horizon.

Denominator

The NSFR denominator, which is composed of the Required Stable Funding (RSF), assesses how much stable funding a bank needs to support its assets and off-balance-sheet exposures.

Funding Sources

- **100% ASF:** Equity and long-term liabilities (maturity over one year)
- **95% ASF:** Stable retail deposits
- **90% ASF:** Less stable retail deposits
- **50% ASF:** Short-term wholesale funding
- **0% ASF:** Volatile funding sources

Asset Categories

- **0% RSF:** Central bank reserves
- **15% RSF:** Unencumbered HQLA2A assets
- **50% RSF:** Unencumbered HQLA2B assets
- **65% RSF:** Mortgages ≤ 35% risk weight
- **85% RSF:** Other loans >35% risk weight, other tradable stocks non-HQLA
- **100% RSF:** Fixed assets