

# Basel Committee on Banking Supervision

NSF

Net stable funding ratio

NSF20

Calculation and reporting

**Version effective as of  
15 Dec 2019**

First version in format of consolidated framework.



BANK FOR INTERNATIONAL SETTLEMENTS



**20.1** The net stable funding ratio (NSFR) requires banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on- and off-balance sheet items, and promotes funding stability.

**20.2** The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. This ratio should be equal to at least 100% on an ongoing basis. "Available stable funding" is defined as the portion of capital and liabilities expected to be reliable over the one-year time horizon considered by the NSFR. The amount of stable funding required ("required stable funding") of an 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 exposures.

$$\frac{\text{Available amount of stable funding}}{\text{Required amount of stable funding}} \geq 100\%$$

**20.3** The NSFR must be reported at least quarterly. The time lag in reporting should not surpass the allowable time lag under the Basel capital standards.