

NET STABLE FUNDING RATIO (NSFR) DISCLOSURE FOR QUARTER ENDING 30-SEPTEMBER-2022

QUALITATIVE DISCLOSURE:

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.

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. RBI has mandated the management of NSFR for individual as well as group Bank operations. Accordingly, Bank is disclosing the NSFR at solo and consolidated level. The entities included while computing consolidated NSFR are Canara Bank Solo (Domestic & overseas operation), Canara Bank (Tanzania) Limited & Commercial Indo Bank LLC (Moscow).

Available Stable Funding (ASF) is defined as the portion of total regulatory capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100% weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Key drivers

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 9.84%, retail deposits (including deposits from small sized business customers) formed 63.32% and wholesale funding formed 23.43% of the total Available Stable Funding, after applying the relevant weights.

The Stable Funding primarily required for performing loans and securities constituted 24.36% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the NSFR HQLA constituted 2.00% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 72.61% of the Required Stable Funding.

NSFR of the Bank

Bank's NSFR at consolidated level comes to 135.31% as at the end of the quarter Q2 (FY 2022-23) and the same is above the minimum regulatory requirement of 100%. As on 30th September 2022, Available Stable Funding (ASF) was Rs. 9,83,916 crores and amount for Required Stable Funding (RSF) was Rs. 7,27,152 crores. There is an increase in the values of the total ASF and total RSF as on 30th September 2022 over 30th June 2022.

QUANTITATIVE DISCLOSURE:

Rs. in Crore

(Rs.in Crore)	Q1 FY22-23									
	Solo					Consolidated				
	Unweighted value by residual maturity					Unweighted value by residual maturity				
	No Maturity	< 6 Months	6 Months to <1yr	>=1yr	Weighted Value	No Maturity	< 6 Months	6 Months to <1yr	>=1yr	Weighted Value
ASF Item										
1 Capital: (2+3)	61,371	450	-	24,736	86,557	61,371	450	-	25,012	86,883
2 Regulatory capital	61,371	450	-	19,186	81,007	61,371	450	-	19,462	81,283
3 Other capital instruments	-	-	-	5,550	5,550	-	-	-	5,550	5,550
4 Retail deposits and deposits from small business customers: (5+6)	3,02,699	1,22,340	1,24,606	1,03,668	6,02,359	3,03,203	1,22,448	1,24,673	1,03,668	6,02,992
5 Stable deposits	50,110	15,196	14,913	11,921	88,129	50,614	15,196	14,917	11,921	88,664
6 Less stable deposits	2,52,589	1,07,144	1,09,692	91,747	5,14,230	2,52,589	1,07,252	1,09,757	91,747	5,14,328
7 Wholesale funding: (8+9)	1,20,114	1,83,364	1,35,039	61,681	2,31,278	1,20,114	1,83,439	1,35,039	61,708	2,31,300
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	1,20,114	1,83,364	1,35,039	61,681	2,31,278	1,20,114	1,83,439	1,35,039	61,708	2,31,300
10 Other liabilities: (11+12)	3,417	41,023	21,800	7,391	59,631	3,417	41,030	21,800	7,432	59,660
11 NSFR derivative liabilities	-	96	-	-	-	-	96	-	-	-
12 All other liabilities and equity not included in the above categories	3,417	40,927	21,800	7,391	59,631	3,417	40,933	21,800	7,432	59,660
13 Total ASF (1+4+7+10)					9,79,826					9,80,816
RSF Item										
14 Total NSFR high-quality liquid assets (HQLA)					13,709					13,709
15 Deposits held at other financial institutions for operational purposes	1,319	13	-	-	666	1,374	18	-	-	666
16 Performing loans and securities: (17+18+19+21+23)	1,358	48,582	-	2,13,142	1,73,793	1,358	48,700	-	2,13,142	1,73,843
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	13	-	-	-

(Rs.in Crore)		Q1 FY22-23										
		Solo					Consolidated					
		Unweighted value by residual maturity					Weighted Value	Unweighted value by residual maturity				Weighted Value
		No Maturity	< 6 Months	6 Months to <1yr	>=1yr	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	-	48,582	-	-	7,287	-	48,687	-	-	7,3	
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:	-	-	-	1,69,379	1,36,385	-	-	-	1,69,379	1,36,3	
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	1,69,379	1,36,385	-	-	-	1,69,379	1,36,3	
21	Performing residential mortgages, of which:	-	-	-	41,163	26,756	-	-	-	41,163	26,7	
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	41,163	26,756	-	-	-	41,163	26,7	
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,358	-	-	2,601	3,365	1,358	-	-	2,601	3,3	
24	Other assets: (sum of rows 25 to 29)	6,398	2,33,617	1,24,543	2,75,673	5,08,923	6,398	2,33,622	1,24,549	2,75,845	5,09,0	
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-	
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	301	-	4,015	3,669	-	301	-	4,015	3,6	
27	NSFR derivative assets	-	-	-	-	-	-	-	-	-	-	
28	NSFR derivative liabilities before deduction of variation margin posted	-	42	5	-	47	-	42	5	-	-	
29	All other assets not included in the above categories	6,398	2,33,274	1,24,538	2,71,658	5,05,207	6,398	2,33,278	1,24,544	2,71,830	5,05,3	
30	Off-balance sheet items	-	-	1,58,003	-	6,541	-	-	1,58,003	-	6,5	
31	Total RSF (14+15+16+24+30)	-	-	-	-	7,03,632	-	-	-	-	7,03,8	
32	Net Stable Funding Ratio (%)	-	-	-	-	139.25%	-	-	-	-	139.3%	

(Rs.in Crore)	Q2 FY22-23										
	Solo					Consolidated					
	Unweighted value by residual maturity					Weighted Value	Unweighted value by residual maturity				Weighted Value
	No Maturity	< 6 Months	6 Months to <1yr	>=1yr	No Maturity		< 6 Months	6 Months to <1yr	>=1yr		
ASF Item											
1 Capital: (2+3)	65,812	-	-	30,736	96,548	65,812	-	-	31,028	96,84	
2 Regulatory capital	65,812	-	-	24,986	90,798	65,812	-	-	25,278	91,09	
3 Other capital instruments	-	-	-	5,750	5,750	-	-	-	5,750	5,75	
4 Retail deposits and deposits from small business customers: (5+6)	3,10,619	1,28,368	1,23,369	1,11,261	6,21,550	3,11,935	1,28,541	1,23,435	1,11,261	6,23,01	
5 Stable deposits	52,622	16,069	14,681	12,913	92,116	53,938	16,128	14,690	12,913	93,43	
6 Less stable deposits	2,57,997	1,12,299	1,08,689	98,347	5,29,433	2,57,997	1,12,413	1,08,745	98,347	5,29,58	
7 Wholesale funding: (8+9)	1,19,333	1,69,177	1,49,522	60,727	2,30,472	1,19,333	1,69,217	1,49,522	60,752	2,30,51	
8 Operational deposits	-	-	-	-	-	-	-	-	-	-	
9 Other wholesale funding	1,19,333	1,69,177	1,49,522	60,727	2,30,472	1,19,333	1,69,217	1,49,522	60,752	2,30,51	
10 Other liabilities: (11+12)	2,904	18,522	6,699	11,372	33,540	2,904	18,530	6,699	11,409	33,54	
11 NSFR derivative liabilities	-	8	-	-	-	-	8	-	-	-	
12 All other liabilities and equity not included in the above categories	2,904	18,514	6,699	11,372	33,540	2,904	18,521	6,699	11,409	33,54	
13 Total ASF (1+4+7+10)					9,82,110					9,83,91	
RSF Item											
14 Total NSFR high-quality liquid assets (HQLA)					14,552					14,56	
15 Deposits held at other financial institutions for operational purposes	599	27	-	-	313	643	34	-	-	33	
16 Performing loans and securities: (17+18+19+21+23)	1,783	43,547	985.42	2,18,263	1,77,157	1,783	43,593	985.42	2,18,263	1,77,16	
17 Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	15	-	-	2	
18 Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	42,671	-	-	6,401	-	42,703	-	-	6,40	
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:	-	-	-	1,69,727	1,35,410	-	-	-	1,69,727	1,35,41	
20 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	1,69,727	1,35,410	-	-	-	1,69,727	1,35,41	

(Rs.in Crore)	Q2 FY22-23									
	Solo					Consolidated				
	Unweighted value by residual maturity				Weighted Value	Unweighted value by residual maturity				Weighted Value
	No Maturity	< 6 Months	6 Months to <1yr	>=1yr		No Maturity	< 6 Months	6 Months to <1yr	>=1yr	
21	<i>Performing residential mortgages, of which:</i>									
	-	-	-	45,030	29,270	-	-	-	45,030	29,27
22	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>									
	-	-	-	45,030	29,270	-	-	-	45,030	29,27
23	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>									
	1,783	875	985	3,505	6,077	1,783	875	985	3,505	6,07
24	<i>Other assets: (sum of rows 25 to 29)</i>									
	4,004	2,44,636	1,41,920	2,74,107	5,27,776	4,004	2,44,656	1,41,930	2,74,291	5,27,96
25	<i>Physical traded commodities, including gold</i>									
	0				-	-				
26	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>									
		187	-	1,481	1,418		187	-	1,481	1,41
27	<i>NSFR derivative assets</i>									
		-	-	-	-		-	-	-	-
28	<i>NSFR derivative liabilities before deduction of variation margin posted</i>									
		4	28	-	32		4	28	-	3
29	<i>All other assets not included in the above categories</i>									
	4,004	2,44,445	1,41,891	2,72,626	5,26,326	4,004	2,44,465	1,41,902	2,72,810	5,26,50
30	<i>Off-balance sheet items</i>									
		-	1,69,617	-	7,129		-	1,69,617	-	7,12
31	Total RSF (14+15+16+24+30)									
					7,26,926					7,27,15
32	Net Stable Funding Ratio (%)									
					135.10%					135.31%

Net Stable Funding Ratio (NSFR) has been calculated as per extant guidelines issued by RBI in subject matter.