



## **NET STABLE FUNDING RATIO (NSFR) DISCLOSURE FOR QUARTER ENDING 31 DECEMBER 2023**

### **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 1<sup>st</sup> October, 2021. NSFR is applicable to Bank's individual operations as well as group operations and computed at standalone and consolidated level. The entities included while computing consolidated NSFR are Canara Bank Solo (Domestic & Overseas Operation) & Canara Bank (Tanzania) Limited.

Available Stable Funding (ASF) is defined as the portion of total regulatory capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year, 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 is required 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 11.62%, retail deposits (including deposits from small sized business customers) formed 63.94% and wholesale funding formed 19.55% of the total Available Stable Funding, after applying the relevant weights.

The Stable Funding required for performing loans and securities constituted 31.44% 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, Stable Funding required for the HQLA constituted only 1.78% of the total RSF after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 65.62% of the Required Stable Funding.

## NSFR of the Bank

Bank's NSFR at consolidated level comes to 123.09% as at the end of the quarter Q3 (FY 2023-24) and the same is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 31<sup>st</sup> December 2023 stood at Rs. 10,01,649 crores and amount of Required Stable Funding (RSF) as on 31<sup>st</sup> December 2023 was Rs. 8,13,785 crores.

## Quantitative Disclosure

NSFR Disclosure Template											
Q3 FY23-24											
(Rs.in Crore)		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
<b>ASF Item</b>											
1	Capital: (2+3)	87,328	-	-	28,889	1,16,217	87,328	-	-	29,038	1,16,366
2	Regulatory capital	87,328	-	-	23,929	1,11,257	87,328	-	-	24,064	1,11,392
3	Other capital instruments	-	-	-	4,960	4,960	-	-	-	4,974	4,974
4	Retail deposits and deposits from small business customers: (5+6)	2,96,650	1,23,284	1,91,901	83,114	6,40,304	2,96,650	1,23,407	1,91,948	83,123	6,40,466
5	Stable deposits	80,408	20,926	29,430	13,749	1,37,976	80,408	20,926	29,430	13,749	1,37,976
6	Less stable deposits	2,16,242	1,02,358	1,62,470	69,365	5,02,329	2,16,242	1,02,481	1,62,518	69,374	5,02,490
7	Wholesale funding: (8+9)	1,13,394	1,72,227	22,159	41,910	1,95,800	1,13,394	1,72,232	22,159	41,910	1,95,802
8	Operational deposits	-	-	-	-	-	0	0	0	0	0
9	Other wholesale funding	1,13,394	1,72,227	22,159	41,910	1,95,800	1,13,394	1,72,232	22,159	41,910	1,95,802
10	Other liabilities: (11+12)	9,633	1,44,094	1,25,226	29,276	49,015	9,633	1,44,103	1,25,226	29,277	49,015
11	NSFR derivative liabilities	-	3	-	-	-	-	3	0	0	-
12	All other liabilities and equity not included in the above categories	9,633	1,44,091	1,25,226	29,276	49,015	9,633	1,44,100	1,25,226	29,277	49,015
13	<b>Total ASF (1+4+7+10)</b>					<b>10,01,336</b>					<b>10,01,649</b>
<b>RSF Item</b>											
14	Total NSFR high-quality liquid assets (HQLA)					<b>14,497</b>					<b>14,503</b>
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	1,005	47,595	-	3,21,685	2,55,848	1,005	47,602	-	3,21,685	2,55,849
17	Performing loans to financial institutions secured by	-	-	-	-	-	-	2	-	-	0

Internal

NSFR Disclosure Template											
Q3 FY23-24											
(Rs.in Crore)		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	
	Level 1 HQLA										
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	47,595	-	-	7,139	-	47,599	-	-	7,140
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:	-	-	-	2,38,105	1,89,303	-	-	-	2,38,105	1,89,303
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	-	-	2,38,105	1,89,303	-	-	-	2,38,105	1,89,303
21	Performing residential mortgages, of which:	-	-	-	62,456	40,597	-	-	-	62,456	40,597
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	-	-	62,456	40,597	-	-	-	62,456	40,597
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,005	-	-	21,124	18,810	1,005	-	-	21,124	18,810
24	Other assets: (sum of rows 25 to 29)	4,496	2,27,189	1,95,655	2,92,197	5,33,830	4,496	2,27,193	1,95,655	2,92,368	5,34,006
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	230	-	27,491	23,562	-	230	-	27,491	23,562
27	NSFR derivative assets	-	-	-	-	-	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	37	-	-	37	-	37	-	-	37
29	All other assets not included in the above categories	4,496	2,26,922	1,95,655	2,64,706	5,10,231	4,496	2,26,927	1,95,655	2,64,878	5,10,407
30	Off-balance sheet items	-	-	2,18,179	-	9,426	-	-	2,18,179	-	9,426
31	<b>Total RSF (14+15+16+24+30)</b>					<b>8,13,602</b>					<b>8,13,785</b>
32	<b>Net Stable Funding Ratio (%)</b>					<b>123.07%</b>					<b>123.09%</b>

Divisional Manager

Chartered Accountant