



NET STABLE FUNDING RATIO (NSFR) DISCLOSURE FOR QUARTER ENDING 30 JUNE 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 1st 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 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 11.43%, retail deposits (including deposits from small sized business customers) formed 64.33% and wholesale funding formed 20.87% of the total Available Stable Funding, after applying the relevant weights.

The Stable Funding primarily required for performing loans and securities constituted 31.05% 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 HQLA constituted only 1.67% 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 67.28% of the Required Stable Funding.

NSFR of the Bank

Bank's NSFR at consolidated level comes to 121.05% as at the end of the quarter Q1 (FY 2023-24) and the same is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 30th June 2023 stood at Rs. 9,61,304 crores and amount of Required Stable Funding (RSF) as on 30th June 2023 was Rs. 7,94,141 crores.

Quantitative Disclosure

NSFR Disclosure Template											
Q1 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		
ASF Item											
1	Capital: (2+3)	81,464	-	-	28,236	1,09,701	81,464	-	-	28,377	1,09,842
2	Regulatory capital	81,464	-	-	23,026	1,04,491	81,464	-	-	23,167	1,04,632
3	Other capital instruments	-	-	-	5,210	5,210	-	-	-	5,210	5,210
4	Retail deposits and deposits from small business customers: (5+6)	2,89,724	93,277	1,13,367	1,66,440	6,18,224	2,89,724	93,377	1,13,447	1,66,449	6,18,394
5	Stable deposits	69,491	14,059	17,499	22,536	1,18,532	69,491	14,059	17,499	22,536	1,18,532
6	Less stable deposits	2,20,233	79,219	95,868	1,43,904	4,99,692	2,20,233	79,319	95,948	1,43,913	4,99,861
7	Wholesale funding: (8+9)	1,07,598	1,64,985	33,236	47,667	2,00,576	1,07,598	1,65,014	33,236	47,667	2,00,590
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	1,07,598	1,64,985	33,236	47,667	2,00,576	1,07,598	1,65,014	33,236	47,667	2,00,590
10	Other liabilities: (11+12)	72,190	82,938	87,022	17,329	32,478	72,190	82,946	87,022	17,333	32,478
11	NSFR derivative liabilities		29	-	-			29	-	-	
12	All other liabilities and equity not included in the above categories	72,190	82,909	87,022	17,329	32,478	72,190	82,917	87,022	17,333	32,478
13	Total ASF (1+4+7+10)					9,60,979					9,61,304
	RSF Item										
14	Total NSFR high-quality liquid assets (HQLA)					13,293					13,300
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	1,236	40,712	-	3,12,476	2,46,540	1,236	40,765	-	3,12,476	2,46,547
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	13	-	-	1

NSFR Disclosure Template

(Rs.in Crore)		Q1 FY23-24										
		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	-	40,712	-	-	6,107	-	40,752	-	-	6,113	
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:	-	-	-	2,33,931	1,84,174	-	-	-	2,33,931	1,84,174	
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	2,33,931	1,84,174	-	-	-	2,33,931	1,84,174	
21	Performing residential mortgages, of which:	-	-	-	57,770	37,550	-	-	-	57,770	37,550	
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	57,770	37,550	-	-	-	57,770	37,550	
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,236	-	-	20,775	18,709	1,236	-	-	20,775	18,709	
24	Other assets: (sum of rows 25 to 29)	51,794	2,21,464	1,49,621	2,64,928	5,25,829	51,794	2,21,498	1,49,621	2,65,060	5,25,980	
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-	
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	249	-	41,431	35,428	-	249	-	41,431	35,428	
27	NSFR derivative assets	-	-	-	-	-	-	-	-	-	-	
28	NSFR derivative liabilities before deduction of variation margin posted	-	6,189	1	-	6,190	-	6,189	1	-	6,190	
29	All other assets not included in the above categories	51,794	2,15,026	1,49,620	2,23,497	4,84,210	51,794	2,15,060	1,49,620	2,23,628	4,84,362	
30	Off-balance sheet items	-	-	1,93,778	-	8,313	-	-	1,93,778	-	8,313	
31	Total RSF (14+15+16+24+30)					7,93,975					7,94,141	
32	Net Stable Funding Ratio (%)					121.03%					121.05%	

Divisional Manager

Chartered Accountant