

## **NET STABLE FUNDING RATIO (NSFR) DISCLOSURE FOR QUARTER ENDING 30<sup>TH</sup> JUNE 2024**

### **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 11.72%, retail deposits (including deposits from small sized business customers) formed 65.59% and wholesale funding formed 22.69% of the total Available Stable Funding, after applying the relevant weights.

The Stable Funding required for performing loans and securities constituted 73.00% 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 1.98% 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 23.61% of the Required Stable Funding.

## **NSFR OF THE BANK**

Bank has maintained NSFR well above the minimum regulatory level on an ongoing basis. Historical trend of Consolidated NSFR of the Bank is as follows:

Quarter Ended	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
NSFR (Consolidated)	139.35%	135.31%	143.02%	136.52%	121.05%	123.06%	123.09%	137.38%	133.76%

Bank's NSFR at consolidated level comes to 133.76% as at the end of the quarter Q1 (FY 2024-25) and the same is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 30<sup>th</sup> June 2024 stood at Rs. 10,62,719 crores and amount of Required Stable Funding (RSF) as on 30<sup>th</sup> June 2024 was Rs. 7,94,480 crores.

## **QUANTITATIVE DISCLOSURE**

NSFR Disclosure Template											
(Rs.in Crore)	Q1 FY24-25										
	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		
<b>ASF Item</b>											
1 Capital: (2+3)	95,396	-	-	28,989	1,24,385	95,396	-	-	29,135	1,24,530	
2 Regulatory capital	95,396	-	-	23,269	1,18,665	95,396	-	-	23,415	1,18,810	
3 Other capital instruments	-	-	-	5,720	5,720	-	-	-	5,720	5,720	
4 Retail deposits and deposits from small business customers: (5+6)	3,05,026	2,15,779	1,40,811	95,594	6,96,884	3,05,026	2,15,779	1,40,811	95,594	6,96,884	
5 Stable deposits	75,873	21,543	19,289	13,188	1,24,058	75,873	21,543	19,289	13,188	1,24,058	
6 Less stable deposits	2,29,153	1,94,235	1,21,522	82,407	5,72,826	2,29,153	1,94,235	1,21,522	82,407	5,72,826	
7 Wholesale funding: (8+9)	62,036	1,59,755	1,58,432	51,034	2,41,145	62,036	1,59,755	1,58,432	51,034	2,41,145	
8 Operational deposits	-	-	-	-	-	-	-	-	-	-	
9 Other wholesale funding	62,036	1,59,755	1,58,432	51,034	2,41,145	62,036	1,59,755	1,58,432	51,034	2,41,145	
10 Other liabilities: (11+12)	40,350	1,61,684	18,482	417	-	40,350	1,61,691	18,482	417	-	
11 NSFR derivative liabilities		22	-	-			22	-	-		
12 All other liabilities and equity not included in the above categories	40,350	1,61,662	18,482	417	-	40,350	1,61,669	18,482	417	-	
<b>13 Total ASF (1+4+7+10)</b>					<b>10,62,413</b>					<b>10,62,559</b>	

(Rs.in Crore)	Q1 FY24-25									
	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	
RSF Item										
14	Total NSFR high-quality liquid assets (HQLA)				15,733					15,740
15	-	-	-	-	-	-	2	-	-	1
16	828	3,08,231	1,73,851	4,59,584	5,79,948	828	3,08,334	1,73,852	4,59,584	5,79,975
17	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>									
18	-	53,286	12,052	-	14,019	-	53,357	12,052	-	14,030
19	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>									
20	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>									
21	-	-	-	14,743	9,583	-	-	-	14,743	9,583
22	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>									
23	828	-	-	23,499	20,678	828	-	-	23,499	20,678
24	78,817	38,752	11,367	4,65,641	1,87,512	78,817	38,817	11,368	4,65,787	1,87,585
25	<i>Physical traded commodities, including gold</i>									
26	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>									
27	<i>NSFR derivative assets</i>									
28	<i>NSFR derivative liabilities before deduction of variation margin posted</i>									
29	78,817	38,483	11,367	4,57,817	1,80,627	78,817	38,548	11,368	4,57,962	1,80,700
30	<i>Off-balance sheet items</i>									
31	Total RSF (14+15+16+24+30)				7,94,373					7,94,480
32	Net Stable Funding Ratio (%)				133.74%					133.76%

Divisional Manager

Chartered Accountant