



NET STABLE FUNDING RATIO (NSFR) DISCLOSURE FOR QUARTER ENDING 30 SEPTEMBER 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 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 11.57%, retail deposits (including deposits from small sized business customers) formed 64.54% and wholesale funding formed 19.06% of the total Available Stable Funding, after applying the relevant weights.

The Stable Funding required for performing loans and securities constituted 31.74% 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 1.79% 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 66.47% of the Required Stable Funding.

NSFR of the Bank

Bank's NSFR at consolidated level comes to 123.06% as at the end of the quarter Q2 (FY 2023-24) and the same is above the minimum regulatory requirement of 100%. The Available Stable Funding (ASF) as on 30th September 2023 stood at Rs. 9,74,277 crores and amount of Required Stable Funding (RSF) as on 30th September 2023 was Rs. 7,91,678 crores.

Quantitative Disclosure

NSFR Disclosure Template											
Q2 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	
ASF Item											
1	Capital: (2+3)	84,379	-	-	28,236	1,12,615	84,379	-	-	28,371	1,12,749
2	Regulatory capital	84,379	-	-	22,826	1,07,205	84,379	-	-	22,961	1,07,339
3	Other capital instruments	-	-	-	5,410	5,410	-	-	-	5,410	5,410
4	Retail deposits and deposits from small business customers: (5+6)	2,93,593	1,04,090	1,74,637	1,07,212	6,28,605	2,93,593	1,04,215	1,74,691	1,07,228	6,28,780
5	Stable deposits	79,263	19,130	27,685	17,327	1,37,102	79,263	19,130	27,685	17,327	1,37,102
6	Less stable deposits	2,14,330	84,960	1,46,953	89,885	4,91,503	2,14,330	85,085	1,47,006	89,901	4,91,678
7	Wholesale funding: (8+9)	1,11,439	1,62,704	21,165	37,997	1,85,651	1,11,439	1,62,709	21,165	37,997	1,85,653
8	Operational deposits	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	1,11,439	1,62,704	21,165	37,997	1,85,651	1,11,439	1,62,709	21,165	37,997	1,85,653
10	Other liabilities: (11+12)	11,897	1,23,192	1,29,647	35,874	47,095	11,897	1,23,200	1,29,647	35,878	47,095
11	NSFR derivative liabilities	-	12	-	-	-	-	12	-	-	-
12	All other liabilities and equity not included in the above categories	11,897	1,23,180	1,29,647	35,874	47,095	11,897	1,23,188	1,29,647	35,878	47,095
13	Total ASF (1+4+7+10)					9,73,965					9,74,277
RSF Item											
14	Total NSFR high-quality liquid assets (HQLA)					14,128					14,134
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
16	Performing loans and securities: (17+18+19+21+23)	1,100	33,793	-	3,13,913	2,51,287	1,100	33,851	-	3,13,913	2,51,295
17	Performing loans to financial institutions secured by	-	-	-	-	-	-	11	-	-	1

NSFR Disclosure Template

(Rs.in Crore)		Q2 FY23-24									
		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
	Level 1 HQLA										
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	33,793	-	-	5,069	-	33,840	-	-	5,076
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:	-	-	-	2,34,702	1,89,630	-	-	-	2,34,702	1,89,630
20	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	-	-	2,34,702	1,89,630	-	-	-	2,34,702	1,89,630
21	Performing residential mortgages, of which:	-	-	-	58,380	37,947	-	-	-	58,380	37,947
22	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk	-	-	-	58,380	37,947	-	-	-	58,380	37,947
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,100	-	-	20,831	18,642	1,100	-	-	20,831	18,642
24	Other assets: (sum of rows 25 to 29)	5,759	1,98,663	1,92,362	2,86,770	5,16,490	5,759	1,98,682	1,92,365	2,86,874	5,16,608
25	Physical traded commodities, including gold	-				-	-				-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		271	-	6,637	5,872		271	-	6,637	5,872
27	NSFR derivative assets		-	-	-	-		-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted		247	-	-	247		247	-	-	247
29	All other assets not included in the above categories	5,759	1,98,145	1,92,362	2,80,133	5,10,371	5,759	1,98,164	1,92,365	2,80,237	5,10,490
30	Off-balance sheet items		-	2,21,068	-	9,641		-	2,21,068	-	9,641
31	Total RSF (14+15+16+24+30)					7,91,545					7,91,678
32	Net Stable Funding Ratio (%)					123.05%					123.06%

Divisional Manager

Chartered Accountant