



## **NET STABLE FUNDING RATIO (NSFR) DISCLOSURE FOR QUARTER ENDING 31 MARCH 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 11.44%, retail deposits (including deposits from small sized business customers) formed 65.33% and wholesale funding formed 23.23% of the total Available Stable Funding, after applying the relevant weights.

The Stable Funding required for performing loans and securities constituted 71.54% 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 2.01% 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 25.07% of the Required Stable Funding.

## NSFR of the Bank

Bank's NSFR at consolidated level comes to 137.38% as at the end of the quarter Q4 (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> March 2024 stood at Rs. 10,50,973 crores and amount of Required Stable Funding (RSF) as on 31<sup>st</sup> March 2024 was Rs. 7,65,035 crores.

## Quantitative Disclosure

NSFR Disclosure Template										
(Rs.in Crore)	Q4 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	
<b>ASF Item</b>										
1 Capital: (2+3)	91,090	-	-	28,989	1,20,079	91,090	-	-	29,142	1,20,232
2 Regulatory capital	91,090	-	-	23,869	1,14,959	91,090	-	-	24,022	1,15,112
3 Other capital instruments	-	-	-	5,120	5,120	-	-	-	5,120	5,120
4 Retail deposits and deposits from small business customers: (5+6)	3,02,102	1,99,031	1,45,214	98,980	6,86,536	3,02,146	1,99,031	1,45,214	98,980	6,86,575
5 Stable deposits	77,206	20,260	19,392	14,077	1,25,092	77,206	20,260	19,392	14,077	1,25,092
6 Less stable deposits	2,24,896	1,78,772	1,25,822	84,903	5,61,444	2,24,940	1,78,772	1,25,822	84,903	5,61,483
7 Wholesale funding: (8+9)	78,472	1,65,352	1,19,786	62,361	2,44,166	78,472	1,65,352	1,19,786	62,361	2,44,166
8 Operational deposits	-	-	-	-	-	-	-	-	-	-
9 Other wholesale funding	78,472	1,65,352	1,19,786	62,361	2,44,166	78,472	1,65,352	1,19,786	62,361	2,44,166
10 Other liabilities: (11+12)	34,555	1,52,243	13,365	-	-	34,555	1,52,352	13,365	-	-
11 NSFR derivative liabilities		6	-	-			6	-	-	
12 All other liabilities and equity not included in the above categories	34,555	1,52,238	13,365	-	-	34,555	1,52,346	13,365	-	-
13 Total ASF (1+4+7+10)					10,50,781					10,50,973

(Rs.in Crore)		Q4 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			
RSF Item													
14	Total NSFR high-quality liquid assets (HQLA)						15,356						15,362
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-	-	
16	Performing loans and securities: (17+18+19+21+23)	987	2,95,652	1,53,727	4,43,087	5,47,274	987	2,95,652	1,53,727	4,43,087	5,47,274	5,47,274	
17	Performing loans to financial institutions secured by Level 1 HQLA	-	3,297	-	-	330	-	3,297	-	-	-	330	
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	64,185	4,782	-	12,019	-	64,185	4,782	-	-	12,019	
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:	-	2,28,169	1,48,945	4,06,192	5,05,570	-	2,28,169	1,48,945	4,06,192	-	5,05,570	
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	1,41,254	91,815	-	-	-	1,41,254	-	91,815	
21	Performing residential mortgages, of which:	-	-	-	14,216	9,240	-	-	-	14,216	-	9,240	
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	-	-	14,216	9,240	-	-	-	14,216	-	9,240	
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	987	-	-	22,678	20,115	987	-	-	22,678	-	20,115	
24	Other assets: (sum of rows 25 to 29)	71,675	48,145	11,906	4,66,362	1,91,663	71,687	48,349	11,928	4,66,431	1,91,820	1,91,820	
25	Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-	-	
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	230	-	4,924	4,382	-	230	-	4,924	-	4,382	
27	NSFR derivative assets	-	-	-	-	-	-	-	-	-	-	-	
28	NSFR derivative liabilities before deduction of variation margin posted	-	61	-	-	61	-	61	-	-	-	61	
29	All other assets not included in the above categories	71,675	47,854	11,906	4,61,438	1,87,220	71,687	48,058	11,928	4,61,506	1,87,378	1,87,378	
30	Off-balance sheet items	-	-	2,41,978	-	10,579	-	-	2,41,978	-	-	10,579	
31	<b>Total RSF (14+15+16+24+30)</b>						<b>7,64,872</b>						<b>7,65,035</b>
32	<b>Net Stable Funding Ratio (%)</b>						<b>137.38%</b>						<b>137.38%</b>

Divisional Manager

Chartered Accountant