

QUALITATIVE DISCLOSURE ON NET STABLE FUNDING RATIO

The Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) are significant components of the Basel III reforms. The LCR guidelines which promote short term resilience of a bank's liquidity profile have been issued vide circular DBOD.BP.BC.No.120/21.04.098/2013-14 dated June 9, 2014. **The NSFR guidelines on the other hand 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.**

In the Indian context, the guidelines for NSFR were effective from October 1, 2021. The NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. "Available stable funding" (ASF) is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of stable funding required ("Required stable funding") (RSF) of a specific institution is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures. The run-off factors for the stressed scenarios are prescribed by the RBI, for various categories of liabilities (viz., deposits, unsecured and secured wholesale borrowings), undrawn commitments, derivative-related exposures, and offset with inflows emanating from assets maturing within the same time period. **The minimum NSFR requirement set out in the RBI guideline for the standalone Bank and for Group effective October 1, 2021 is 100%.**

The PNB on a consolidated basis at 31st March, 2024 maintained Available Stable Funding (ASF) of ₹ 12,19,306 Crore against the RSF requirement of ₹ 8,53,748 Crore. The NSFR for the quarter ended March 31, 2024 was at 142.82%.

The Available Stable Funding (ASF) is primarily driven by the total regulatory capital as per Basle III Capital Adequacy guidelines stipulated by RBI and deposits from retail customers, small business customers and non-financial corporate customers. Under the Required Stable Funding (RSF), the primary drivers are unencumbered performing loans with residual maturities of one year or more

Punjab National Bank - Consolidated						
NSFR Disclosure as of 31.03.2024					(Amount in ₹ Crore)	
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	1,06,264	0	0	35,147	1,41,411
2	Regulatory capital	1,06,264	0	0	30,701	1,36,965
3	Other capital instruments	0	0	0	4,446	4,446
4	Retail deposits and deposits from small business customers: (5+6)	4,58,694	1,38,733	3,88,178	697	8,93,279
5	Stable deposits	73,119	11,697	25,930	271	1,05,480
6	Less stable deposits	3,85,574	1,27,036	3,62,248	426	7,87,799
7	Wholesale funding: (8+9)	71,129	89,154	1,44,891	23,484	1,76,071
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	71,129	89,154	1,44,891	23,484	1,76,071
10	Other liabilities: (11+12)	44,768	80,825	3,800	8,545	8,545
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	44,768	80,825	3,800	8,545	8,545
13	Total ASF (1+4+7+10)					12,19,306
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					18,766
15	Deposits held at other financial institutions for operational purposes	4,066	33	0	0	2,050
16	Performing loans and securities: (17+18+19+21+23)	5,305	2,75,584	85,986	6,97,126	7,10,302
17	Performing loans to financial institutions secured by Level 1 HQLA	0	23,824	0	0	2,382

Punjab National Bank - Consolidated							
NSFR Disclosure as of 31.03.2024					(Amount in ₹ Crore)		
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	Unweighted value by residual maturity				Weighted value	
		(₹ in Crore)	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		0	81,054	18,580	86,942	1,08,391
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:		0	1,37,425	62,044	4,49,966	4,52,458
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0	75,063	42,312	1,48,736	1,55,366
21	Performing residential mortgages, of which:		0	29,867	2,177	82,392	73,111
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		0	23,566	1,847	64,723	54,776
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities		5,305	3,414	3,184	77,825	73,960
24	Other assets: (sum of rows 25 to 29)		1,00,468	1,572	949	14,373	1,17,302
25	Physical traded commodities, including gold		0	0	0	0	0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		398	0	0	0	339
27	NSFR derivative assets		0	0	0	0	-
28	NSFR derivative liabilities before deduction of variation margin posted		22	0	0	0	22
29	All other assets not included in the above categories		1,00,048	1,572	949	14,373	1,16,941
30	Off-balance sheet items		0	759	66,606	65,364	5,328
31	Total RSF						8,53,748
32	Net Stable Funding Ratio (%)						142.82

Punjab National Bank - Consolidated						
NSFR Disclosure as of 31.12.2023					(Amount in ₹ Crore)	
₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	1,00,053	0	0	35,734	1,35,787
2	Regulatory capital	1,00,053	0	0	29,636	1,29,689
3	Other capital instruments	0	0	0	6,098	6,098
4	Retail deposits and deposits from small business customers: (5+6)	4,62,657	1,45,494	3,65,773	822	8,82,739
5	Stable deposits	73,393	12,818	21,498	242	1,02,565
6	Less stable deposits	3,89,264	1,32,676	3,44,275	581	7,80,174
7	Wholesale funding: (8+9)	83,331	1,58,883	74,450	25,345	1,83,267
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	83,331	1,58,883	74,450	25,345	1,83,267
10	Other liabilities: (11+12)	11,555	77,404	4,651	9,413	10,455
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	11,555	77,404	4,651	9,413	10,455
13	Total ASF (1+4+7+10)					12,12,247
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					18,313
15	Deposits held at other financial institutions for operational purposes	2,335	29	0	0	1,182
16	Performing loans and securities: (17+18+19+21+23)	3,161	2,44,485	86,243	6,87,034	6,99,670
17	Performing loans to financial institutions secured by Level 1 HQLA	0	866	120	0	272
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	85,857	22,996	96,256	1,20,633

Punjab National Bank - Consolidated						
NSFR Disclosure as of 31.12.2023					(Amount in ₹ Crore)	
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
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:	0	1,27,417	59,900	4,43,383	4,44,639
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	68,103	36,755	1,32,486	1,38,536
21	Performing residential mortgages, of which:	0	25,943	1,878	67,911	60,528
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	21,241	1,628	55,537	47,534
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	3,161	4,402	1,349	79,484	73,598
24	Other assets: (sum of rows 25 to 29)	1,08,258	1,729	915	20,502	1,31,345
25	Physical traded commodities, including gold	0	0	0	0	0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	397	3	0	0	340
27	NSFR derivative assets	0	11	0	0	11
28	NSFR derivative liabilities before deduction of variation margin posted	28	0	0	0	28
29	All other assets not included in the above categories	1,07,833	1,716	915	20,502	1,30,967
30	Off-balance sheet items	0	967	67,328	61,043	5,244
31	Total RSF					8,55,754
32	Net Stable Funding Ratio (%)					141.66

Punjab National Bank - Consolidated						
NSFR Disclosure as of 30.09.2023					(Amount in ₹ Crore)	
₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	1,11,757	0	0	36,580	1,48,337
2	Regulatory capital	1,11,757	0	0	29,083	1,40,840
3	Other capital instruments	0	0	0	7,497	7,497
4	Retail deposits and deposits from small business customers: (5+6)	4,50,339	28,915	62,612	4,29,887	9,20,522
5	Stable deposits	48860	3,978	6282	41,612	97,776
6	Less stable deposits	4,01,479	24,936	56,330	3,88,275	8,22,745
7	Wholesale funding: (8+9)	79,783	77,785	40,981	97,311	1,96,274
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	79,783	77,785	40981	97,311	1,96,274
10	Other liabilities: (11+12)	18,437	86,764	2038	8,469	8,484
11	NSFR derivative liabilities		0	0	0	
12	All other liabilities and equity not included in the above categories	18,437	86,764	2,038	8,469	8,484
13	Total ASF (1+4+7+10)					12,73,617
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					18,274
15	Deposits held at other financial institutions for operational purposes	6,338	57	0	0	3,198
16	Performing loans and securities: (17+18+19+21+23)	19,581	69,049	54,181	8,55,251	7,62,598
17	Performing loans to financial institutions secured by Level 1 HQLA	0	1,018	114	0	285
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	31,095	16,529	1,57,784	1,70,713

Punjab National Bank - Consolidated						
NSFR Disclosure as of 30.09.2023					(Amount in ₹ Crore)	
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
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:	0	30,150	29,244	5,19,975	4,30,583
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	11,212	10,747	2,08,858	1,46,739
21	Performing residential mortgages, of which:	0	5,537	5,092	96,672	70,312
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	4,790	4,507	85,872	60,465
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	19,581	1,249	3,201	80,820	90,706
24	Other assets: (sum of rows 25 to 29)	88,603	1,083	49	31,103	1,20,604
25	Physical traded commodities, including gold	0	0	0	0	0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	412	0	0	0	351
27	NSFR derivative assets	8	23	0	0	31
28	NSFR derivative liabilities before deduction of variation margin posted	0	38	0	0	38
29	All other assets not included in the above categories	88,183	1,023	49	31,103	1,201,85
30	Off-balance sheet items	0	1,060	1,12,760	60,876	7,514
31	Total RSF					9,12,187
32	Net Stable Funding Ratio (%)					139.62

Punjab National Bank - Consolidated						
NSFR Disclosure as of 30.06.2023					(Amount in ₹ Crore)	
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	1,11,657	0	2,000	31,308	1,42,965
2	Regulatory capital	1,11,657	0	0	26,228	1,37,885
3	Other capital instruments	0	0	2,000	5,080	5,080
4	Retail deposits and deposits from small business customers: (5+6)	4,46,919	31,101	1,06,444	3,80,126	9,08,618
5	Stable deposits	48,346	4,191	10,428	37,595	97,392
6	Less stable deposits	3,98,573	26,910	96,016	3,42,531	8,11,226
7	Wholesale funding: (8+9)	89,420	1,09,581	66,161	96,652	2,29,234
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	89,420	1,09,581	66,161	96,652	2,29,234
10	Other liabilities: (11+12)	7,363	29,002	56	7,080	7,090
11	NSFR derivative liabilities		0	0	5	
12	All other liabilities and equity not included in the above categories	7,363	29,002	56	7,075	7,090
13	Total ASF (1+4+7+10)					12,87,906
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					18,240
15	Deposits held at other financial institutions for operational purposes	14,441	44	0	0	7,243
16	Performing loans and securities: (17+18+19+21+23)	9,370	65,507	55,227	7,32,555	7,29,295
17	Performing loans to financial institutions secured by Level 1 HQLA	0	764	310	0	231
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	32,746	11,406	1,40,904	1,51,519

Punjab National Bank - Consolidated						
NSFR Disclosure as of 30.06.2023					(Amount in ₹ Crore)	
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
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:	0	24,776	33,849	4,10,472	4,29,145
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	10,723	14,567	2,34,622	1,65,148
21	Performing residential mortgages, of which:	0	3,519	5,375	90,604	66,002
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	3,051	4,660	78,759	55,343
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	9,370	3,702	4,288	90,574	82,398
24	Other assets: (sum of rows 25 to 29)	98,096	697	27	21,283	1,19,921
25	Physical traded commodities, including gold	0	0	0	0	0
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	347	0	0	0	295
27	NSFR derivative assets	23	0	0	0	23
28	NSFR derivative liabilities before deduction of variation margin posted	41	0	0	0	41
29	All other assets not included in the above categories	97,686	697	27	21,283	1,19,562
30	Off-balance sheet items	0	1,078	55,691	65,170	4,794
31	Total RSF					8,79,493
32	Net Stable Funding Ratio (%)					146.44