

## **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 31<sup>st</sup> March, 2023 maintained Available Stable Funding (ASF) of ₹ 1256951 Crore against the RSF requirement of ₹ 842686 crore. The NSFR for the quarter ended March 31, 2023 was at 149.16%.**

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 31.03.2023					(Amount in ₹ Crore)	
₹ in Crore)	Unweighted value by residual maturity				Weighted value	
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr		
<b>ASF Item</b>						
1	Capital: (2+3)	111138	0	0	29261	140398
2	Regulatory capital	111138	0	0	23230	134367
3	Other capital instruments	0	0	0	6031	6031
4	Retail deposits and deposits from small business customers: (5+6)	441613	30249	158713	316906	887185
5	Stable deposits	47682	4186	15440	31577	95554
6	Less stable deposits	393931	26063	143273	285328	791631
7	Wholesale funding: (8+9)	96403	101179	67114	97054	229368
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	96403	101179	67114	97054	229368
10	Other liabilities: (11+12)	31073	8554	51	5	0
11	NSFR derivative liabilities		0	0	5	
12	All other liabilities and equity not included in the above categories	31073	8554	51	0	0
<b>13</b>	<b>Total ASF (1+4+7+10)</b>					<b>1256951</b>
<b>RSF Item</b>						
14	Total NSFR high-quality liquid assets (HQLA)					17331
15	Deposits held at other financial institutions for operational purposes	13523	30	0	0	6776
16	Performing loans and securities: (17+18+19+21+23)	9370	95536	55367	724258	704935
17	Performing loans to financial institutions secured by Level 1 HQLA	0	23690	0	0	2369
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	40608	11377	139008	150788

**Punjab National Bank - Consolidated**

**NSFR Disclosure as of 31.03.2023**

**(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	24263	34703	410472	415793
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	10695	14738	238618	167818
21	Performing residential mortgages, of which:	0	3273	4999	84204	61853
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	2735	4178	70581	49594
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	9370	3702	4288	90574	74132
24	Other assets: (sum of rows 25 to 29)	83660	492	14	29066	109698
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	338	0	0	0	287
27	NSFR derivative assets	5	0	0	0	6
28	NSFR derivative liabilities before deduction of variation margin posted	42	0	0	0	42
29	All other assets not included in the above categories	83275	492	14	29065	109364
30	Off-balance sheet items	0	820	42051	60084	3946
31	Total RSF					<b>842686</b>
32	Net Stable Funding Ratio (%)					<b>149.16</b>

Punjab National Bank - Consolidated						
NSFR Disclosure as of 31.12.2022					(Amount in ₹ Crore)	
₹ in Crore)	Unweighted value by residual maturity				Weighted value	
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr		
<b>ASF Item</b>						
1	Capital: (2+3)	99865	0	0	27760	127625
2	Regulatory capital	99865	0	0	23486	123351
3	Other capital instruments	0	0	0	4274	4274
4	Retail deposits and deposits from small business customers: (5+6)	435526	30099	199429	268938	870528
5	Stable deposits	48924	4596	19738	105664	175228
6	Less stable deposits	386601	25503	179691	163274	695300
7	Wholesale funding: (8+9)	81006	71411	76272	65092	144870
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	81006	71411	76272	65092	144870
10	Other liabilities: (11+12)	34612	40489	22	52165	7365
11	NSFR derivative liabilities		6	0	0	
12	All other liabilities and equity not included in the above categories	34612	40483	22	52165	7365
13	<b>Total ASF (1+4+7+10)</b>					<b>1150387</b>
<b>RSF Item</b>						
14	Total NSFR high-quality liquid assets (HQLA)					15533
15	Deposits held at other financial institutions for operational purposes	10654	21	0	0	4955
16	Performing loans and securities: (17+18+19+21+23)	9370	72043	43537	664045	674847
17	Performing loans to financial institutions secured by Level 1 HQLA	0	865	310	0	241
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	28516	5813	89423	96607

Punjab National Bank - Consolidated						
NSFR Disclosure as of 31.12.2022					(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	34934	29841	410472	430725
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	15062	11811	252441	177522
21	Performing residential mortgages, of which:	0	4026	3286	73576	54198
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	3343	2729	61323	43163
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	9370	3702	4288	90574	93075
24	Other assets: (sum of rows 25 to 29)	122744	511	19	70701	126108
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	338	0	0	0	287
27	NSFR derivative assets	3	0	0	0	3
28	NSFR derivative liabilities before deduction of variation margin posted	46	0	0	0	46
29	All other assets not included in the above categories	122357	511	19	70701	125772
30	Off-balance sheet items	0	710	16837	51935	2435
31	Total RSF					<b>823878.53</b>
32	Net Stable Funding Ratio (%)					<b>139.63</b>

Punjab National Bank - Consolidated						
NSFR Disclosure as of 30.09.2022					(Amount in ₹ Crore)	
(₹ in Crore)		Unweighted value by residual maturity				Weighted value
		No maturity*	< 6 months	6 months to < 1yr	≥ 1yr	
<b>ASF Item</b>						
1	Capital: (2+3)	99982	0	0	25347	125329
2	Regulatory capital	99982	0	0	19729	119710
3	Other capital instruments	0	0	0	5619	5619
4	Retail deposits and deposits from small business customers: (5+6)	443201	30771	228402	231313	866841
5	Stable deposits	51850	4763	23317	96070	172035
6	Less stable deposits	391351	26007	205085	135243	694806
7	Wholesale funding: (8+9)	81247	78539	65869	50293	136412
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	81247	78539	65869	50293	136412
10	Other liabilities: (11+12)	30938	34647	1979	52165	7052
11	NSFR derivative liabilities		8	0	0	
12	All other liabilities and equity not included in the above categories	30938	34639	1979	52165	7052
13	Total ASF (1+4+7+10)					1135634
<b>RSF Item</b>						
14	Total NSFR high-quality liquid assets (HQLA)					15805
15	Deposits held at other financial institutions for operational purposes	5661	34	0	0	2847
16	Performing loans and securities: (17+18+19+21+23)	9370	66819	36474	658339	661046
17	Performing loans to financial institutions secured by Level 1 HQLA	0	285	204	0	131
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	27085	6475	87687	94987

Punjab National Bank - Consolidated						
NSFR Disclosure as of 30.09.2022					(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	31963	23030	410472	417203
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	14046	8928	239338	167057
21	Performing residential mortgages, of which:	0	3783	2477	69606	50330
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	3311	2168	61071	42685
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	9370	3702	4288	90574	98395
24	Other assets: (sum of rows 25 to 29)	135168	10046	14	70701	138484
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	329	23	0	0	302
27	NSFR derivative assets	14	18	0	0	32
28	NSFR derivative liabilities before deduction of variation margin posted	67	0	0	0	67
29	All other assets not included in the above categories	134758	10005	14	70701	138083
30	Off-balance sheet items	0	17010	0	50446	2364
31	Total RSF					<b>820547</b>
32	Net Stable Funding Ratio (%)					<b>138.40</b>

Punjab National Bank - Consolidated						
NSFR Disclosure as of 30.06.2022					(Amount in ₹ Crore)	
₹ in Crore)	Unweighted value by residual maturity				Weighted value	
	No maturity*	< 6 months	6 months to < 1yr	≥ 1yr		
<b>ASF Item</b>						
1	Capital: (2+3)	99267	1500	0	26287	127053
2	Regulatory capital	99267	1500	0	17804	118570
3	Other capital instruments	0	0	0	8483	8483
4	Retail deposits and deposits from small business customers: (5+6)	434847	31030	237147	209786	846316
5	Stable deposits	50706	11799	92140	89591	165139
6	Less stable deposits	384141	19231	145007	120195	681177
7	Wholesale funding: (8+9)	81680	46506	60344	50428	127893
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	81680	46506	60344	50428	127893
10	Other liabilities: (11+12)	26424	53657	44	52165	2173
11	NSFR derivative liabilities		6	0	0	
12	All other liabilities and equity not included in the above categories	26424	53651	44	52165	2173
13	<b>Total ASF (1+4+7+10)</b>					<b>1103436</b>
<b>RSF Item</b>						
14	Total NSFR high-quality liquid assets (HQLA)					14876
15	Deposits held at other financial institutions for operational purposes	8633	27	0	0	4330
16	Performing loans and securities: (17+18+19+21+23)	9371	50337	45634	616810	761107
17	Performing loans to financial institutions secured by Level 1 HQLA	0	650	0	0	65
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	0	22180	8769	54727	62439



**Punjab National Bank - Consolidated**

**NSFR Disclosure as of 30.06.2022**

**(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:	1	18258	24188	410472	548374
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	7772	9980	297665	263685
21	Performing residential mortgages, of which:	0	5547	8389	61037	48720
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	4705	7115	51973	39958
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	9370	3702	4288	90574	101510
24	Other assets: (sum of rows 25 to 29)	4641	185	10	70701	3909
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	4455	0	0	0	386
27	NSFR derivative assets	42	9	0	0	51
28	NSFR derivative liabilities before deduction of variation margin posted	97	0	0	0	97
29	All other assets not included in the above categories	47	176	10	70701	3375
30	Off-balance sheet items	0	19883	18	50955	2526
31	Total RSF					<b>786749</b>
32	Net Stable Funding Ratio (%)					<b>140.25</b>