Annexure - II

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. RBI keeps publishing the new Guidelines in these Directions on regular basis. Last guideline was issued vide RBI Master Direction DOR.LRG.No.82/13-10-001/2025-26 dated November 28, 2025.**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 as on 30th June 2026 maintained Available Stable Funding (ASF) of ₹ 14,98,067 Crore against the RSF requirement of ₹ 11,89,148 Crore. The NSFR for the quarter ended June 30, 2026, was at 125.98%.

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 30.06.2026					(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)	1,41,508	-	-	33,362	1,74,870
2	Regulatory capital	1,41,508	-	-	28,510	1,70,018
3	Other capital instruments	-	-	-	4,852	4,852
4	Retail deposits and deposits from small business customers: (5+6)	5,34,798	2,50,869	3,75,868	385	10,51,996
5	Stable deposits	86,968	19,012	18,620	35	1,18,405
6	Less stable deposits	4,47,829	2,31,857	3,57,248	350	9,33,590
7	Wholesale funding: (8+9)	71,997	1,77,987	2,11,228	29,463	2,59,315
8	Operational deposits	-	4	-	-	2
9	Other wholesale funding	71,997	1,77,983	2,11,228	29,463	2,59,313
10	Other liabilities: (11+12)	71,455	94,490	27,675	11,886	11,886
11	NSFR derivative liabilities		-	-	-	
12	All other liabilities and equity not included in the above categories	71,455	94,490	27,675	11,886	11,886
13	Total ASF (1+4+7+10)					**14,98,067.09**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					**19,812**
15	Deposits held at other financial institutions for operational purposes	11,084	27	-	-	5,556
16	Performing loans and securities: (17+18+19+21+23)	18,592	2,84,680	1,14,371	10,53,043	10,50,823
17	Performing loans to financial institutions secured by Level 1 HQLA	1,943	701	-	-	264
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	71,423	60,369	1,67,983	2,08,882

Punjab National Bank - Consolidated						
NSFR Disclosure as of 30.06.2026					(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:	-	1,74,692	44,076	6,87,804	6,51,293
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	1,20,506	13,815	2,15,959	2,03,048
21	Performing residential mortgages, of which:	-	25,475	2,711	1,01,706	85,214
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	18,517	1,966	74,356	58,582
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	16,649	12,389	7,215	95,549	1,05,171
24	Other assets: (sum of rows 25 to 29)	51,598	5,130	4,504	39,525	99,354
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	9,309	-	-	50	7,955.51
27	NSFR derivative assets	-	4,216	3,579	246	8,041
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	26	26
29	All other assets not included in the above categories	42,289	914	925	39,203	83,332
30	Off-balance sheet items	-	37,960	18,878	2,46,194	13,603
31	Total RSF					**11,89,148.14**
32	Net Stable Funding Ratio (%)					**125.98**

Punjab National Bank - Consolidated						
NSFR Disclosure as of 31.03.2026					**(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)	**1,40,650**	**-**	**3,971**	**30,124**	**1,74,745**
2	Regulatory capital	**1,40,650**	**-**	**3,971**	**24,635**	**1,69,256**
3	Other capital instruments	**-**	**-**	**-**	**5,489**	**5,489**
4	Retail deposits and deposits from small business customers: (5+6)	**5,29,362**	**2,47,392**	**3,62,221**	**279**	**10,31,469**
5	Stable deposits	**84,636**	**19,383**	**18,255**	**52**	**1,16,213**
6	Less stable deposits	**4,44,725**	**2,28,008**	**3,43,966**	**226**	**9,15,256**
7	Wholesale funding: (8+9)	**76,128**	**1,70,081**	**2,19,262**	**36,042**	**2,67,987**
8	Operational deposits	**-**	**4**	**-**	**-**	**2**
9	Other wholesale funding	**76,128**	**1,70,077**	**2,19,262**	**36,042**	**2,67,986**
10	Other liabilities: (11+12)	**94,280**	**1,07,110**	**27,162**	**81**	**81**
11	NSFR derivative liabilities		**0**	**0**	**0**	
12	All other liabilities and equity not included in the above categories	**94,280**	**1,07,110**	**27,162**	**81**	**81**
13	Total ASF (1+4+7+10)					**14,74,282.00**
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					**20,086**
15	Deposits held at other financial institutions for operational purposes	**13,146**	**40**	**-**	**-**	**6,593**
16	Performing loans and securities: (17+18+19+21+23)	**16,773**	**3,38,346**	**1,14,281**	**9,40,429**	**9,86,452**
17	Performing loans to financial institutions secured by Level 1 HQLA	**11,859**	**519**	**-**	**-**	**1,238**
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	**-**	**87,200**	**41,584**	**1,54,828**	**1,88,700**

Punjab National Bank - Consolidated						
NSFR Disclosure as of 31.03.2026					(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:	-	2,08,648	61,259	5,95,003	6,18,675
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	1,22,060	13,339	1,12,230	1,40,649
21	Performing residential mortgages, of which:	-	28,674	3,399	97,725	84,049
22	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-	10,531	2,444	73,222	54,085
23	Securities that are not in default and do not qualify as HQLA, including exchange- traded equities	4,914	13,305	8,039	92,873	93,791
24	Other assets: (sum of rows 25 to 29)	1,30,695	1,455	561	30,699	1,61,879
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	10,154	-	-	50	8,673.79
27	NSFR derivative assets	-	29	-	49	78
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	20	20
29	All other assets not included in the above categories	1,20,541	1,426	561	30,579	1,53,107
30	Off-balance sheet items	-	47,497	22,974	2,45,123	13,841
31	Total RSF					11,88,851.22
32	Net Stable Funding Ratio (%)					124.01