

The Nainital Bank Ltd.

Liquidity Coverage Ratio Disclosure At December 31, 2015

The Basel Committee for Banking Supervision (BCBS) had proposed the liquidity coverage ratio (LCR) in order to ensure that a bank has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. As per the RBI guidelines the minimum LCR required to be maintained by banks shall be implemented in the phased manner from January 1, 2015 as given below.

Starting from January 1	2015	2016	2017	2018	2019
Minimum LCR	60%	70%	80%	90%	100%

The Bank has been computing its LCR on a monthly basis since September 2014 as per the extant RBI guidelines. The following table sets forth the average of unweighted and weighted value of the LCR of the Bank. The averages are computed based on month end values for the months of October 2015, November 2015 and December 2015.

The net cash outflows are calculated by applying RBI prescribed outflow factors to the various categories of liabilities as well as to undrawn commitments, partially offset by inflows from assets maturing within 30 days. The average LCR was at 407.72 % during the three months ended December 2015. The average HQLA for the quarter ended December 31, 2015 were 343.78 Crores. The average cash outflows were of 337.28 Crores. Average inflows from assets were 666.62 Crores.

	Monthly Averages for the Quarter Ended December 2015	
Particulars		In Crore
	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets		
Total High Quality Liquid Assets (HQLA)		343.78
Cash Outflows		
Retail deposits and deposits from small business customers, of which:	2868.71	215.69
Stable deposits	1423.68	71.18
Less stable deposits	1445.03	144.50
Unsecured wholesale funding, of which:	267.17	26.13
Operational deposits (all counterparties)	-	-
Non-operational deposits (all counterparties)	267.17	26.13
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which	227.92	11.40
Outflows related to derivative exposures and other	-	-

collateral requirement		
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	227.92	11.40
Other contractual funding obligation	83.08	83.08
Other contingent funding obligations	19.73	0.99
Total Cash Outflows	3466.61	337.28
Cash Inflows		
Secured lending (e.g. reverse repo)	-	-
Inflows from fully performing exposures	600.85	391.70
Other cash inflows	336.39	274.92
Total Cash Inflows	937.25	666.62
TOTAL HQLA		343.78
Total Net Cash Outflows		84.32
Liquidity coverage ratio (%)		407.72

* The average weighted and unweighted amounts are calculated taking their simple average for the months of October 2015, November 2015 and December 2015