The Nainital Bank Ltd.

Liquidity Coverage Ratio DisclosureAtMarch 31, 2016

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 January 2016, February 2016 and March 2016.

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 367.30 % during the three months ended March 2016. The average HQLA during the three months endedMarch 2016were 508.43 Crores. The average cash outflows were of 553.70 Crores. Average inflows from assets were 397.58 Crores.

Particulars		**In Crore**
	Total unweighted value (average)*	**Total weighted value (average)***
High Quality Liquid Assets		
Total High Quality Liquid Assets (HQLA)		**508.43**
Cash Outflows		
Retail deposits and deposits from small business customers, of which:	2992.60	225.43
Stable deposits	1476.59	73.83
Less stable deposits	1516.00	151.60
Unsecured wholesale funding, of which:	591.82	166.09
Operational deposits (all counterparties)	-	-
Non-operational deposits (all counterparties)	591.82	166.09
Unsecured debt	-	-
Secured wholesale funding	-	-
Additional requirements, of which	1193.87	72.91
Outflows related to derivative exposures and other collateral	-	-

requirement		
Outflows related to loss of funding on debt products	-	-
Credit and liquidity facilities	1193.87	72.91
Other contractual funding obligation	87.82	87.82
Other contingent funding obligations	40.77	1.45
Total Cash Outflows	**4906.87**	**553.70**
Cash Inflows	-	-
Secured lending (e.g. reverse repo)	-	-
Inflows from fully performing exposures	469.91	264.26
Other cash inflows	175.44	133.32
Total Cash Inflows	**645.35**	**397.58**
TOTAL HQLA		**508.43**
Total Net Cash Outflows		**138.42**
Liquidity coverage ratio (%)		**367.30**

* The average weighted and unweighted amounts are calculated taking their simple average for the months of January 2016, February 2016 and March 2016