

**THE NAINITAL BANK LIMITED**  
(Regd. Office: G.B.Pant Road, Nainital)

**LIQUIDITY COVERAGE RATIO DISCLOSURE AS ON SEPTEMBER 30, 2025**

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 onwards
Minimum LCR	60%	70%	80%	90%	100%

Further due to Covid 19 pandemic RBI has revised the LCR guidelines w.e.f. 17.04.2020, details as given below:

<b>From date of circular to September 30, 2020</b>	80%
<b>Oct 1, 2020 to March 31, 2021</b>	90%
<b>April 1, 2021 onwards</b>	100%

The LCR has two components:

- (a) The value of the stock of high-quality liquid assets (HQLA) in stressed conditions.
- (b) Total net cash outflows: The term “Total net cash outflows” is defined as “Total expected cash outflows” minus “Total expected cash inflows” in the specified stress scenario for the subsequent 30 calendar days (the stressed period).

LCR = Stock of High Quality Liquid Assets/Total Net Cash Outflows over the next 30 calendar days  $\geq 100\%$

**Main Drivers of LCR:**

High Quality Liquid Assets (HQLA):

Liquid assets comprise of high quality assets that can be readily sold or used as collateral to obtain funds in a range of stress scenarios. They should be unencumbered i.e. without legal, regulatory or operational impediments. Assets are considered to be high quality liquid assets if they can be easily and immediately converted into cash at little or no loss of value.

Bank's composition of HQLA mainly consists of government securities in excess of minimum Statutory Liquidity Ratio (SLR), the extent allowed under the Marginal Standing Facility (MSF) and the Facility to Avail Liquidity for LCR (FALLCR). Additionally, cash, balances in excess of cash reserve requirement with RBI. Level 2 HQLA primarily consisted of AA- and above rated corporate bonds and commercial papers.

**Intra-period changes as well as changes over time**

LCR on consolidated basis were 172.56%, 216.25% and 183.36% as at the months ended July 2025, August 2025 and September 2025 respectively as against the regulatory requirement of 100%.

**Concentration of Funding Sources:**

A significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the bank's total liabilities. The significant counterparty Deposit as of 30<sup>th</sup> September 2025 was from "Baroda UP Gramin Bank" i.e 2.24%, of our Total Liabilities.

Top 20 depositors of the Bank constitute 8.35% of our total deposit.

**Derivative Exposures and potential collateral calls:**

As on 31 March 2025, Bank's exposure to Derivative is NIL.

**Currency Mismatch in the LCR:**

As per the RBI guidelines, the LCR standard is required to be met on one single currency, Bank is maintaining LCR on daily basis in INR. As on 31<sup>st</sup> March 2025, Bank deals only in INR, hence no currency mismatch.

**Description of the degree of centralization of liquidity management and interaction between the group's units:**

The liquidity management for the Bank is the responsibility of the Board of Directors. Board of Directors has delegated its responsibilities to a Committee of the Board called as the "Risk Management Committee of Board". The Committee is responsible for overseeing the inter linkages between different types of risk and its impact on liquidity.

Bank has a ALM Policy which provides the broad guidelines under which all the bank operates in terms of liquidity and interest rate risk. The monitoring of liquidity and interest rate risk management of the Bank's operations of the bank is being done by the Bank's ALM Cell of Risk Management Department.

**Other inflows and outflows in the LCR calculation:**

Bank's Cash Outflow mainly consists of Retail Deposit, Unsecured Wholesale Funding, and Funding from other legal entity customers, Undrawn Committed Credit & Liquidity Facilities, Guarantees Letter of Credit & Trade Finance, and Other Contractual Outflows.

The cash Inflow mainly consists of amount received from Retail & Small Business Counterparties, amount to be received from Non-Financial Wholesale Counterparties, amount to be received from Financial Institutions & RBI, and from Other Contractual Cash Inflows.

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 for the quarter ended Sept 2025 was 182.39% comfortably above RBI prescribed minimum requirement i.e.100%. Average cash outflows were Rs 1392.97 Crore, Average cash inflows were Rs 476.78 Crores. Average High Quality Liquid Assets were Rs 1671.00 Crores of the quarter ended Sept 2025.

(Amount in ₹ crore)

		Q1 2025-26		Q2 2025-26	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
<b>High Quality Liquid Assets</b>					
1.	Total High Quality Liquid Assets (HQLA)	1656.34	1656.34	1671.00	1671.00
<b>Cash Outflows</b>					
2.	Retail deposits and deposits from small business customers, of which:	5576.11	415.92	5913.47	441.95
(i)	Stable deposits	2833.73	141.68	2988.01	149.40
(ii)	Less stable deposits	2742.38	274.24	2925.46	292.55
3.	Unsecured wholesale funding, of which:	1559.00	696.82	1641.33	774.61
(i)	Operational deposits (all counterparties)	0.00	0.00	0.00	0.00
(ii)	Non-operational deposits (all counterparties)	1559.00	696.82	1641.33	774.61
(iii)	Unsecured debt	0.00	0.00	0.00	0.00
4.	Secured wholesale funding	0.00	0.00	0.00	0.00
5.	Additional requirements, of which	840.36	47.07	955.33	54.37
(i)	Outflows related to derivative exposures and other collateral requirements	0.00	0.00	0.00	0.00
(ii)	Outflows related to loss of funding on debt products	0.00	0.00	0.00	0.00
(iii)	Credit and liquidity facilities	840.36	47.07	955.33	54.37

6.	Other contractual funding obligations	116.36	116.36	119.42	119.42
7.	Other contingent funding obligations	70.31	2.11	87.51	2.63
8.	Total Cash Outflows	8162.13	1278.28	8717.06	1392.97
<b>Cash Inflows</b>					
9.	Secured lending (e.g. reverse repos)	0.00	0.00	0.00	0.00
10.	Inflows from fully performing exposures	274.47	195.93	545.69	398.45
11.	Other cash inflows	151.56	75.78	156.66	78.33
12.	Total Cash Inflows	426.03	271.71	702.35	476.78
13	Total HQLA	1656.34	1656.34	1671.00	1671.00
14.	Total Cash Outflows less Total Cash Inflows	7736.10	1006.57	8014.71	916.19
15.	25% of Total Cash outflows	2040.53	319.57	2179.26	348.24
16.	Total Net Cash Outflows [Higher of 14 or 15]	7736.10	1006.57	8014.71	916.19
17.	Liquidity Coverage Ratio (%)(HQLA/Total net Cash Outflows)		<b>164.55%</b>		<b>182.39%</b>

**Mohd Mohsin Islam**  
**Chief Risk Officer**