

The Nainital Bank Ltd.

LIQUIDITY COVERAGE RATIO DISCLOSURE AT September 30, 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 July 2015, August 2015 and September 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 363.56 % for the quarter ended September 2015. The average HQLA for the quarter ended September 30, 2015 were 298.14 Crores. The average cash outflows were of 328.02 Crores. Average inflows from assets were 774.58 Crores.

Particulars	Monthly Averages for the Quarter Ended September 2015	
	Total unweighted value (average)	Total weighted value (average)
		In Crore
High Quality Liquid Assets		
Total High Quality Liquid Assets (HQLA)		298.14
Cash Outflows		
Retail deposits and deposits from small business customers, of which:	2776.39	207.79
Stable deposits	1397.06	69.85
Less stable deposits	1379.33	137.93
Unsecured wholesale funding, of which:	230.42	22.28
Operational deposits (all counterparties)	0.00	0.00
Non-operational deposits (all counterparties)	230.42	22.28
Unsecured debt	0.00	0.00
Secured wholesale funding	0.00	0.00
Additional requirements, of which	228.92	11.45
Outflows related to derivative exposures and other collateral requirement	0.00	0.00

Outflows related to loss of funding on debt products	0.00	0.00
Credit and liquidity facilities	228.92	11.45
Other contractual funding obligation	85.76	85.76
Other contingent funding obligations	15.08	0.75
Total Cash Outflows	3336.55	328.02
Cash Inflows		
Secured lending (e.g. reverse repo)	0.00	0.00
Inflows from fully performing exposures	626.53	428.25
Other cash inflows	404.65	346.33
Total Cash Inflows	1031.18	774.58
TOTAL HQLA		298.14
Total Net Cash Outflows		82.00
Liquidity coverage ratio (%)		363.56

* The average weighted and unweighted amounts are calculated taking their simple average for the months of July 2015, August 2015 and September 2015