

The Nainital Bank Ltd.

LIQUIDITY COVERAGE RATIO DISCLOSURE AT JUNE 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 April 2015, May 2015 and June 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 192.80% for the quarter ended June 2015. The average HQLA for the quarter ended June 30, 2015 were 16,051.87 Lakh. The average cash outflows were of 33,303.36 Lakh. Average inflows from assets were 62,002.85 Lakh.

Name of the Bank : The Nainital Bank Ltd.	Monthly Averages for the quarter ending June 2015	
Particulars	In Lakhs	
	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets		
Total High Quality Liquid Assets (HQLA)		16051.87
Cash Outflows		
Retail deposits and deposits from small business customers, of which:	264781.27	19673.56
Stable deposits	136091.26	6804.56
Less stable deposits	128690.01	12869.00
Unsecured wholesale funding, of which:	16507.15	1344.34
Operational deposits (all counterparties)	0.00	0.00
Non-operational deposits (all counterparties)	16507.15	1344.34
Unsecured debt	0.00	0.00
Secured wholesale funding	0.00	0.00
Additional requirements, of which	40234.40	2011.72
Outflows related to derivative exposures and other collateral	0.00	0.00

requirement		
Outflows related to loss of funding on debt products	0.00	0.00
Credit and liquidity facilities	40234.40	2011.72
Other contractual funding obligation	10028.40	10028.40
Other contingent funding obligations	4906.96	245.35
Total Cash Outflows	336458.17	33303.36
Cash Inflows		
Secured lending (e.g. reverse repo)	0.00	0.00
Inflows from fully performing exposures	51972.36	32333.12
Other cash inflows	35609.83	29669.73
Total Cash Inflows	87582.19	62002.85
TOTAL HQLA		16051.85
Total Net Cash Outflows		8325.84
Liquidity coverage ratio (%)		192.80

* The average weighted and unweighted amounts are calculated taking their simple average for the months of April 2015, May 2015 and June 2015