Basel III - Pillar 3 disclosures for the year ended March 31, 2019.

Basel III – Pillar 3 disclosures for the year ended 31st March 2019

1. Scope of Application

Qualitative Disclosures:

SBM Bank (India) Limited was granted licence to carry on banking business in India. With effect from 1st December 2018, SBM Bank (India) Limited started its banking operation in India, under Wholly Owned Subsidiary (WoS) mode, with the amalgamation of Indian operations of SBM Bank (Mauritius) Ltd. with SBM Bank(India) Limited. As at 31 March 2019, the Bank has a presence of 4 branches. The Bank does not have any subsidiaries. Thus, the disclosures contained herein only pertain to the Bank.

Quantitative Disclosures:

(a) The aggregate amount of capital deficiencies in subsidiaries : Not Applicable
(b) The aggregate amount of the bank's total interests in insurance entitles: Not Applicable

2. Capital Structure

Qualitative Disclosures:

Summary information and main features of capital instruments are given below.

Tier I capital comprises of Paid-up Capital for the purpose of meeting capital adequacy norms, statutory reserves, Capital Reserves and retained earnings. The deduction to the total capital pertains to Carry Forward Losses.

Tier II capital comprises of general loan loss provisions, country risk provision and revaluation reserve.

Quantitative Disclosures:

i) Composition of Capital:

(INR '000)

Composition of Capital as on 31st March 2019		
Particulars		Amounts
Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus (share premium)	70,49,584
2	Retained earnings	3,20,000
3	Accumulated other comprehensive income (and other reserves)	4,18,032
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies1)	-
	Public sector capital injections grandfathered until January 1, 2018	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	
6	Common Equity Tier 1 capital before regulatory adjustments	77,87,616
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Intangibles (net of related tax liability)	27,55,330
10	Deferred tax assets2	
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined-benefit pension fund net assets	

16	Investments in own shares (if not already netted off paid-up capital on reported balance sheet)	
17	Reciprocal cross-holdings in common equity	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20	Mortgage servicing rights4(amount above 10% threshold)	Not relevant
21	Deferred tax assets arising from temporary differences5(amount above 10% threshold, net of related tax liability)	
22	Amount exceeding the 15% threshold6	
23	of which: significant investments in the common stock of financial entities	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustments7 (26a+26b+26c+26d)	-
26a	of which: Investments in the equity capital of unconsolidated insurance subsidiaries	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries8	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the bank9	
26d	of which: Unamortised pension funds expenditures	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	**Total regulatory adjustments to Common equity Tier 1**	27,55,330
29	**Common Equity Tier 1 capital (CET1)**	50,32,286
Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (share premium) (31+32)	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35	of which: instruments issued by subsidiaries subject to phase out	
36	**Additional Tier 1 capital before regulatory adjustments**	-
Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)10	
41	National specific regulatory adjustments (41a+41b)	-
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which	

	have not been consolidated with the bank	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43	**Total regulatory adjustments to Additional Tier 1 capital**	-
44	**Additional Tier 1 capital (AT1)**	
45	**Tier 1 capital (T1 = CET1 + Admissible AT1) (29 + 44a)**	50,32,286
Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	
47	Directly issued capital instruments subject to phase out from Tier 2	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	
49	of which: instruments issued by subsidiaries subject to phase out	
50	Provisions12	1,78,084
51	**Tier 2 capital before regulatory adjustments**	1,78,084
Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55	Significant investments13in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56	National specific regulatory adjustments (56a+56b)	-
56a	of which: Investments in the Tier 2 capital of unconsolidated insurance subsidiaries	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the bank	
57	**Total regulatory adjustments to Tier 2 capital**	-
58	**Tier 2 capital (T2)**	1,78,084
58a	Tier 2 capital reckoned for capital adequacy14	1,78,084
58b	**Excess Additional Tier 1 capital reckoned as Tier 2 capital**	
58c	**Total Tier 2 capital admissible for capital adequacy (58a + 58b)**	1,78,084
59	**Total capital (TC = T1 + Admissible T2) (45 + 58c)**	52,10,370
60	**Total risk weighted assets (60a + 60b + 60c)**	1,06,68,793
60a	of which: total credit risk weighted assets	61,75,615
60b	of which: total market risk weighted assets	34,69,221
60c	of which: total operational risk weighted assets	10,23,957
Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	47.17%
62	Tier 1 (as a percentage of risk weighted assets)	47.17%
63	Total capital (as a percentage of risk weighted assets)	48.84%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	7.38%
65	of which: capital conservation buffer requirement	1.88%
66	of which: bank specific countercyclical buffer requirement	
67	of which: G-SIB buffer requirement	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	41.67%
National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%

71	National total capital minimum ratio (if different from Basel III minimum)	9.00%
Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the common stock of financial entities	
74	Mortgage servicing rights (net of related tax liability)	NA
75	Deferred tax assets arising from temporary differences (net of related tax liability)	NA
Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31, 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	NA
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

Note to the template

Row No. of the template	Particular	Amount
10	Deferred tax assets associated with accumulated losses	
	Deferred tax assets (excluding those associated with accumulated losses) net of Deferred tax liability	0
	Total as indicated in row 10	
19	If investments in insurance subsidiaries are not deducted fully from capital and instead considered under 10% threshold for deduction, the resultant increase in the capital of bank	
	of which: Increase in Common Equity Tier 1 capital	
	of which: Increase in Additional Tier 1 capital	
	of which: Increase in Tier 2 capital	
26b	If investments in the equity capital of unconsolidated non-financial subsidiaries are not deducted and hence, risk weighted then:	
	(i) Increase in Common Equity Tier 1 capital	
	(ii) Increase in risk weighted assets	
44a	Excess Additional Tier 1 capital not reckoned for capital adequacy (difference between Additional Tier 1 capital as reported in row 44 and admissible Additional Tier 1 capital as reported in 44a)	
	of which: Excess Additional Tier 1 capital which is considered as Tier 2 capital under row 58b	
50	Eligible Provisions included in Tier 2 capital	67,567
	Eligible Revaluation Reserves included in Tier 2 capital	1,10,517
	Total of row 50	1,78,084

(ii) Composition of Capital- Reconciliation

(INR '000)

Composition of Capital- Reconciliation Requirements as on 31st March 2019				
Particulars			**Balance sheet as in financial statements**	**Balance sheet under regulatory scope of consolidation**
A	**Capital & Liabilities**			
	i.	Paid-up Capital	70,49,584	70,49,584
		Reserves & Surplus	(17,71,705)	(17,71,705)
		Minority Interest	-	-
		Total Capital	52,77,879	52,77,879
	ii.	**Deposits**	98,41,174	98,41,174
		of which: Deposits from banks	2,04,739	2,04,739
		of which: Customer deposits	96,36,435	96,36,435
		of which: Other deposits (pl. specify)	-	-
	iii.	**Borrowings**	-	-
		of which: From RBI	-	-
		of which: From banks	-	-
		of which: From other institutions & agencies	-	-
		of which: Others (pl. specify) **(Borrowings outside India)**	-	-
		of which: Capital instruments	-	-
	iv.	**Other liabilities & provisions**	8,64,201	8,64,201
	Total Liabilities		**1,59,83,254**	**1,59,83,254**
B	**Assets**			
	i.	Cash and balances with Reserve Bank of India	3,00,204	3,00,204
		Balance with banks and money at call and short notice	44,02,083	44,02,083
	ii.	**Investments:**	40,23,761	40,23,761
		of which: Government securities	36,57,985	36,57,985
		of which: Other approved securities	-	-
		of which: Shares	6,970	6,970
		of which: Debentures & Bonds	1,50,662	1,50,662
		of which: Subsidiaries / Joint Ventures / Associates	-	-
		of which: Others (Commercial Papers, Mutual Funds etc.)	2,23,377	2,23,377
		Less: Provision for Dimunition	(15,233)	(15,233)
	iii.	**Loans and advances**	57,48,129	57,48,129
		of which: Loans and advances to banks	2,23,007	2,23,007
		of which: Loans and advances to customers	55,25,122	55,25,122
	iv.	**Fixed assets**	6,22,138	6,22,138
	v.	**Other assets**	8,86,939	8,86,939
		of which: Goodwill and intangible assets		
		of which: Deferred tax assets	-	-
	vi.	**Goodwill on consolidation**		
	vii.	**Debit balance in Profit & Loss account**	-	-
	Total Assets		**1,59,83,254**	**1,59,83,254**

3. Capital Adequacy:

Qualitative disclosures

Bank's approach to assessing the adequacy:

The Bank's policy is to maintain a strong capital to maintain confidence of depositors and market and to sustain future business developments.

The bank is fully committed to implementing the Basel III as adopted by the Reserve Bank of India and currently follows Standardised approach for credit and market risk and Basic Indicator approach for operational risk.

Quantitative disclosures:

The details of capital requirements and capital adequacy ratio as at 31st March 2019 are as follows:

(INR '000)

S. No.	PARTICULARS	AMOUNT*
A	Capital requirement for credit risk	
	- Portfolios subject to standardised approach & securitisation exposures	7,10,196
B	Capital requirement for market risk	
	Standardised duration approach	
	- Interest rate risk	39,583
	- Foreign exchange risk	49,594
	- Equity risk	3,09,784
C	Capital requirement for operational risk	
	-Basic indicator approach	1,17,756
D	Capital Adequacy ratio of the Bank (%)	48.84%
E	Tier I CRAR (%)	47.17%

*Capital requirement for Credit, Market & Operational Risk has been computed by multiplying 11.5% to risk weighted assets.

4. Risk Exposure and Assessment

General qualitative disclosure on risk area, risk management objective policies and processes etc:
The Bank has identified the following risks as material to its nature of operations:

- Credit Risk
- Market Risk
- Operational Risk
- Liquidity Risk
- Interest Rate Risk in the Banking Book

Risk Management framework

Overview
The Bank's risk management framework is embedded in the business through the different levels supported by an appropriate level of investment in information technology and its people.

Credit Risk

The Bank has a comprehensive credit risk framework to manage Credit Risk, in a uniform and consistent manner.

- Bank maintains independence and integrity of credit decision-making, credit under working function is segregated from loan origination.
- Bank adheres to the RBI prudential requirements with respect to lending norms.
- All credit proposals are analysed through borrower's historical financial statements and projections, which includes a thorough review of traditional methods of ratio analysis, evaluation of asset conversion cycle, balance sheet structure (liquidity, capitalization, and maturity schedule of liabilities), cash flow and FX exposure.
- As a matter of policy, all credit facilities are reviewed / renewed annually. An account would be classified as NPA based on RBI guidelines.

Credit risk: General disclosures

Qualitative Disclosures

(a) Credit quality of Loans and Advances
All loans and advances in the Bank are classified according to asset quality, nature and number of days in arrears in accordance with RBI guidelines. For accounting purposes, definition of RBI for past due and impaired assets are adopted. Standard accounts include all facilities which demonstrate good financial condition, minimum risk factors and capacity to repay in line with the original terms of sanction.

Non-Performing Assets
Non-performing assets are those loans for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms. During the financial year 2018-19 bank has non-performing assets, net off provision (Gross NPA less Provision), amounting to INR 5,06,695.00 thousand.

The Bank has adopted the Standardised Approach under Basel III for credit risk for Financial Year 2018-19.

(b) Total Gross credit risk exposures including Geographic Distribution of Exposure

(INR '000)

	Mar – 19	Mar – 19	Mar – 19
Particulars	**Domestic**	**Overseas**	**Total**
Fund Based	67,12,687	1,00,000	68,12,687
Non Fund Based	80,298	3,499	83,797
Total	**67,92,985**	**1,03,499**	**68,96,484**

(c) Residual maturity break down of Assets

(INR '000)

MATURITY BUCKETS	Cash balances with RBI and other Banks	Investment Securities	Loans and Advances	Other Assets including fixed assets
Next Day	8,671	28,37,350	25,808	1,12,324
2 TO 7 Days	10,966	-	60,218	1,11,052
8 TO 14 Days	7,084	-	17,205	1,10,928
15 to 28 days	2,735	-	29,675	75,759
29 days to 3 months	48,200	-	21,557	17,008
Over 3 months upto 6 months	37,701	2,50,907	36,797	1,40,280
over 6 months upto 12 months	86,637	5,50,852	4,58,060	-
Over 1 year to 3 years	94,746	3,33,154	26,51,296	-
Over 3 years to 5 years	3,464	44,528	7,83,073	-
Over 5 years	-	6,970	16,64,440	9,41,726
Total	**3,00,204**	**40,23,761**	**57,48,129**	**15,09,077**

(d) Movement of NPA's and Provision for NPA's

Gross NPAs in various categories (Sub-standard, doubtful, loss etc):

(INR '000)

		Mar – 19
A	Amount of NPA's (Gross)	1,493,059
B	Net NPA's	506,694
C	**NPA's ratios**	
	Gross NPAs to gross advances (%)	22.17
	Net NPAs to net advances (%)	8.81
D	Movement of Gross NPAs	
	Opening Balance as on 1st Apr	-
	Additions on amalgamation by conversion into WOS	893,128
	Additions	604,323
	Reductions	(4,392)
	Closing balance as on 31st Mar	1,493,059
E	Movement of Provision for NPAs	
	Opening Balance as on 1st Apr	-
	Additions on amalgamation by conversion into WOS	833,308
	Provision made during the year	174,109
	Write-off / write-back of excess provisions	(21,052)
	Closing balance as on 31st Mar	986,365

Credit Risk: Portfolios under the standardised approach:

Qualitative Disclosures:

- The Bank is using Credit Risk Assessment of ICRA, CRISIL, India Ratings and CARE for the purpose of arriving at risk weight age wherever available.
- Rating is accepted only if our exposure is included in the rating.

Quantitative Disclosures:

The exposure under each credit risk category is as follows:

(INR '000)

Risk Bucket	Amount
Below 100% Risk Weight	1,43,33,563
100% risk weight	40,28,792
More than 100% risk weight	2,90,662
Total	**1,86,53,017**

Credit Risk Mitigation: Disclosures for standardised approaches

Qualitative Disclosures:

It is the policy of the bank to request for paripassu charge on current assets/movable fixed assets/immovable assets for corporate credits, unless the business case warrants unsecured lending. Security is recognized only as a fallback option and repayment of facilities are primarily sought from the cash flow of the borrower's business. Collateral security is an important comfort to mitigate risk. Bank insists on proper valuation of collateral security wherever stipulated.

Quantitative Disclosures

The total value of eligible Cash collateral (Fixed Deposits held under Lien) for credit risk portfolio is INR 9,54,761.54 thousand.

Securitisation: disclosure for standardised approach

Qualitative and Quantities disclosures:

The bank had securitized NPA assets (Marg Ltd) through Pegasus Assets Reconstruction Pvt. Ltd. and subscribed to Security Receipts to the tune of INR 1,76,652 thousand issued by the Asset Reconstruction Company. Bank securitized the NPA asset of Arch Pharma and subscribed to the Security Receipt to the tune of INR 24,225 thousand issued by JM Asset Reconstruction Company Ltd. Bank securitized the NPA asset of Core Education and subscribed to the Security Receipt to the tune of INR 22,500 thousand issued by Rare ARC Pvt Ltd. Provision of INR 7,875 thousand is made for Rare ARC.

Market risks in the trading book

Qualitative disclosures

Market Risk

It is the risk of losses arising from changes in market rates or prices that can affect the value of financial instruments. In the Bank all Market Risk is centralized in the dealing room. Market Risk is tracked and measured on a dynamic basis by a dedicated Market Risk desk and periodic reports are circulated to senior management.

Market Risk Organization Structure at the Bank

Bank's Risk Management is centralized at its Corporate Office in Mumbai. The Risk Management Committee of the Board approves risk tolerance and appetite for market risk on the recommendation of the Management. It also monitors and reviews significant risks and effectiveness of processes and sets out management responsibilities.

Market Risk Limit Structure at the Bank

Market Risk limits represents strategic restrictions, reflecting the risk tolerance of the Bank, the nature of the trading activities and the perceived trading and management skills. The limit setting is to prevent the accumulation of Market Risk beyond the Bank's risk tolerance level, as determined by the Bank's top management, and to reflect mandates of individual trading units. Market Risk limits are set in a top-down process and organized in a certain hierarchy.

The Bank calculates the risk charge on market risk on the basis of standardized approach as prescribed by RBI. The portfolio contains foreign exchange and interest rate risk only. The interest rate general risk is computed on the basis of duration based approach.

The capital requirements for market risk are as follows:

(INR '000)

	Mar-19
Interest Rate Risk	39,583
Equity position risk	3,09,784
Foreign Exchange risk	49,594
Total	**3,98,961**

Operational Risk:

Qualitative disclosures: The approaches for operational risk capital assessment

The Bank's Operational Risk Management framework includes the identification, assessment, measurement and monitoring & oversight of operational risks within the Bank.
The Bank has a commitment to meeting high ethical and Operational Risk Management standards in the way it conducts its business. The governing principles and fundamental components of the Bank's operational risk management approach include accountability in the individual business lines for management and control of the significant operational risks to which they are exposed.

An effective organization structure through which operational risk is managed including:

- A Board of Directors responsible for sound corporate governance.
- Separation of duties between key functions.
- An independent risk function with the Head of the risk function reporting to the Board of Directors.
- An independent internal audit department responsible for verifying that significant risks are identified and assessed and for determining whether appropriate controls are in place to ensure that overall risks are at an acceptable level.
- Risk mitigation programs, which use insurance policies to transfer the risk of high severity losses e.g. cash, where feasible and appropriate
- Business Continuity Management (BCM) framework being implemented to mitigate the risks arising due to disruption of key business services for an extended period of time.

As permitted by RBI, the Bank presently follows the Basic Indicator Approach for assessing the capital requirement for computing capital charge for Operational Risk.

Liquidity Risk

Liquidity Risk is the risk that the Bank is not able to fulfil its actual and potential financial obligations, as and when they are due, without incurring unacceptable losses. The Different dimensions of liquidity risks are (i) Funding risk – need to replace net outflows due to unanticipated withdrawal/non-renewal of deposits (wholesale / retail) (ii) Time risk – need to compensate for non-receipt of expected inflows of funds, for example, performing assets turning into non-performing assets and (iii) Call Risk – due to crystallization of contingent liabilities and unable to undertake profitable business opportunities when desirable. The Bank has a liquidity risk management policy in place, which acts as the principal document for management of liquidity risk.

Liquidity Risk Organization Structure

The ultimate responsibility for the Liquidity Risk of the Bank lies with the Asset & Liability Committee (ALCO). ALCO meets monthly and monitors the funding and liquidity position of the Bank and provides structural guidance and oversight. The bank prepares and analyzes the structural liquidity statement reports as per RBI defined time buckets. The Bank has put in place liquidity mitigants such as call borrowings.

Interest rate risk in the banking book (IRRBB)

Qualitative Disclosures

Interest Rate Risk in the Banking Book

Interest Rate risk in Banking Book (IRRBB) refers to the risk of loss in earnings or economic value of the Bank's Banking Book as a consequence of movement in interest rates. Interest rate risk arises from holding assets/liabilities and Off-Balance Sheet [OBS] items with different principal amount, maturity dates or re-pricing dates thereby creating exposure to changes in levels of interest rates.

IRRBB Organization Structure

Asset and Liability Committee (ALCO) ensures compliance with regulatory and internal policies related to IRRBB and provides strategic direction, for achieving IRRBB management objectives. The ALCO focuses on building strong interest rate indicators, which positively contributes to optimizing the balance sheet structure and maximizes NII over time, while minimizing susceptibility to interest changes. The ALCO is convened regularly to review interest rate risk in the Bank's balance sheet and to assess the market condition.

Quantitative Disclosures

The impact of an incremental 200 basis points parallel fall or rise in all yield curves at the beginning of the year on net interest income for the next 12 months (EAR) amounts to INR 59,277 thousand.

5. Leverage Ratio:

(INR '000)

Sr. No.	Particulars	Amount
	Leverage Ratio as on 31st March 2019	
	On-Balance Sheet Exposure	
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	**1,60,40,382.00**
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	**Total on-balance sheet exposures (excluding derivatives and SFTs)** (sum of lines 1 and 2)	**1,60,40,382.00**
	Derivative Exposure	
4	Replacement cost associated with all *derivatives* transactions (i.e. net of eligible cash variation margin)	-
5	Add-on amounts for PFE associated with *all* derivatives transactions	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	**Total derivative exposures (sum of lines 4 to 10)**	-
	Securities Financing Transaction Exposures	
12	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	-
	Other Off-Balance Sheet Exposure	
17	Off-balance sheet exposure at gross notional amount	**8,82,266.00**
18	(Adjustments for conversion to credit equivalent amounts)	**-1,06,475.00**
19	**Off-balance sheet items (sum of lines 17 and 18)**	**7,75,791.00**
	Capital and total Exposures	
20	**Tier 1 Capital**	**50,32,286.00**
21	**Total Exposures (sum of lines 3,11,16 and 19)**	**1,68,16,173.00**
	Leverage Ratio	
22	**Basel III Leverage Ratio (%)**	**29.93**

For SBM Bank (India) Ltd

Mr. Sidharth Rath
MD & CEO

Place: Mumbai
Date : Sept 20, 2019