

State Bank of India (California)

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended March 31, 2021 and 2020

STATE BANK OF INDIA (CALIFORNIA)

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Independent Auditor's Report

Board of Directors
State Bank of India (California)

Report on the Financial Statements

We have audited the accompanying financial statements of State Bank of India (California), which comprise the balance sheets as of March 31, 2021 and 2020, the related statements of income, comprehensive income (loss), changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of State Bank of India (California) as of March 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

RSM US LLP

Los Angeles, California
April 30, 2021

STATE BANK OF INDIA (CALIFORNIA)

BALANCE SHEETS

As of March 31, 2021 and 2020

<u>Assets</u>	2021	2020
Cash and cash equivalents	\$ 43,932,587	\$ 67,971,253
Certificates of deposits in other financial institutions	3,088,000	8,068,263
Securities available for sale, at fair value	113,266,150	100,726,146
Loans	709,434,075	726,487,433
Allowance for loan losses	(11,077,114)	(10,058,521)
Net loans	698,356,961	716,428,912
Furniture, fixtures and equipment, net	647,756	901,594
Federal Home Loan Bank and Community Development Financial Institutions stock, at cost	4,924,900	4,338,500
Prepaid and recoverable income taxes	221,195	2,032,330
Interest receivable and other assets	6,262,902	4,312,930
Deferred tax assets, net	4,594,284	2,720,933
Total assets	\$ 875,294,735	\$ 907,500,861
<u>Liabilities and Stockholder's Equity</u>		
Liabilities		
Deposits	\$ 717,405,712	\$ 684,356,851
Federal Home Loan Bank borrowings	5,000,000	70,000,000
Interest payable and other liabilities	3,379,041	5,366,118
Total liabilities	725,784,753	759,722,969
Stockholder's Equity		
Common stock, \$100 par value:		
Authorized 2,000,000 shares, 945,000 shares issued and outstanding	94,500,000	94,500,000
Additional contributed capital	1,500,000	1,500,000
Retained earnings	54,237,219	48,701,081
Accumulated other comprehensive income (loss)	(727,237)	3,076,811
Total stockholder's equity	149,509,982	147,777,892
Total liabilities and stockholder's equity	\$ 875,294,735	\$ 907,500,861

See notes to financial statements

STATE BANK OF INDIA (CALIFORNIA)

STATEMENTS OF INCOME For the Years Ended March 31, 2021 and 2020

	2021	2020
Interest and dividend income:		
Loans and fees	\$ 30,559,311	\$ 36,813,792
Securities	1,883,819	3,072,566
Total interest and dividend income	32,443,130	39,886,358
Interest expense:		
Deposits	6,014,594	11,386,750
Borrowed funds	181,102	84,211
Total interest expense	6,195,696	11,470,961
Net interest income	26,247,434	28,415,397
Provision for loan losses	930,000	1,600,000
Net interest income after provision for loan losses	25,317,434	26,815,397
Noninterest income:		
Income from foreign currency exchange transactions	892,736	1,014,425
Gain on sale of securities	1,153,730	107,984
Other noninterest income	(785,983)	624,388
Total noninterest income	1,260,483	1,746,797
Noninterest expense:		
Salaries and employee benefits	10,451,681	10,358,467
Occupancy expense	1,577,424	1,722,872
Furniture, fixtures and equipment expense	313,435	297,560
Advertising expense	136,479	417,474
FDIC and other deposit assessments	293,000	126,000
Other operating expense	4,286,824	5,167,735
Total noninterest expense	17,058,843	18,090,108
Income before provision for income taxes	9,519,074	10,472,086
Income tax	1,982,936	3,112,874
Net Income	\$ 7,536,138	\$ 7,359,212

STATE BANK OF INDIA (CALIFORNIA)

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the Years Ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Net Income	\$ 7,536,138	\$ 7,359,212
Other comprehensive income:		
Net unrealized holding gain (loss) arising during period, net of income taxes		
of -\$568,664 and \$1,024,927 in 2021 and 2020, respectively.	(2,729,870)	3,447,980
Reclassification adjustment for (gain) loss on sales of securities in 2021 and 2020	(1,153,730)	(107,984)
Unrealized gain on interest rate swap	79,552	383,920
Other comprehensive income	<u>(3,804,048)</u>	<u>3,723,916</u>
Comprehensive Income	<u>\$ 3,732,090</u>	<u>\$11,083,128</u>

STATE BANK OF INDIA (CALIFORNIA)

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

For the Years Ended March 31, 2021 and 2020

	Common Stock		Additional Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares Outstanding	Issued				
Balance, March 31, 2019	945,000	\$ 94,500,000	\$ 1,500,000	\$ 41,341,869	\$ (647,105)	\$ 136,694,764
Net income				7,359,212		7,359,212
Other comprehensive income (loss), fair value adjustments and reclassifications					3,723,916	3,723,916
Balance, March 31, 2020	945,000	\$ 94,500,000	\$ 1,500,000	\$ 48,701,081	\$ 3,076,811	\$ 147,777,892
Net income				7,536,138		7,536,138
Dividend paid				(2,000,000)		(2,000,000)
Other comprehensive income (loss), fair value adjustments and reclassifications					(3,804,048)	(3,804,048)
Balance, March 31, 2021	945,000	\$ 94,500,000	\$ 1,500,000	\$ 54,237,219	\$ (727,237)	\$ 149,509,982

See notes to financial statements

STATE BANK OF INDIA (CALIFORNIA)

STATEMENTS OF CASH FLOWS For the Years Ended March 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Net Income	\$ 7,536,138	\$ 7,359,212
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	930,000	1,600,000
Loss on sale of loans	1,390,053	-
Gain on sale of securities available for sale	(1,153,730)	(107,984)
(Increase) in deferred taxes	(408,024)	(630,000)
Depreciation and amortization	313,435	297,560
Amortization of premiums on securities, net	589,265	325,733
Amortization of deferred loan fees, net	82,314	(120,642)
Decrease (increase) in interest receivable and other assets	(236,142)	(1,543,258)
Increase (decrease) in interest payable and other liabilities	(1,987,077)	1,876,445
Net cash provided by operating activities	7,056,232	9,057,066
Cash Flows From Investing Activities		
Net (increase) decrease in certificates of deposit in other financial institutions	4,980,263	(6,722,088)
Purchase of securities available for sale	(64,013,138)	(48,013,006)
Principal reduction on securities available for sale	46,688,673	23,268,669
Net change in loans	15,669,584	(63,694,352)
Acquisition of furniture, fixtures and equipment	(59,841)	(112,929)
Proceeds from termination of interest rate swap	177,100	234,200
Purchase of Federal Home Loan Bank and CDFI stocks	(586,400)	(255,000)
Net cash (used in) provided by investing activities	2,856,241	(95,294,506)
Cash Flows From Financing Activities		
Net increase (decrease) in deposits	33,048,861	45,165,445
Proceeds from Federal Home Loan Bank borrowings	-	70,000,000
Repayments of Federal Home Loan Bank borrowings	(65,000,000)	-
Dividend paid to parent bank	(2,000,000)	-
Net cash provided by (used in) financing activities	(33,951,139)	115,165,445
Net increase in cash and cash equivalents	(24,038,666)	28,928,005
Cash and cash equivalents, beginning of year	67,971,253	39,043,248
Cash and cash equivalents, end of year	<u>\$ 43,932,587</u>	<u>\$ 67,971,253</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	<u>\$ 5,568,856</u>	<u>\$ 9,828,929</u>
Cash paid for income taxes	<u>\$ 1,840,000</u>	<u>\$ 3,997,402</u>

See notes to financial statements

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies

Nature of business: State Bank of India (California) (the Bank) is a California State Chartered Bank and a wholly owned subsidiary of the State Bank of India (the Parent Bank), a corporation in India. The Bank provides community-based retail and commercial banking services through seven branches in California. The Bank has seven branches in San Jose, Fremont, Fresno, Woodland Hills, Cerritos, Los Angeles, and San Diego.

The Bank provides commercial and real estate loans to its customers, substantially all of whom are small and middle-market businesses or residents in the Bank's service areas. Generally, those loans are collateralized by business assets and/or real estate of customers primarily in the state of California.

A summary of the Bank's significant accounting policies is as follows:

Accounting policies: The accounting and reporting policies of the Bank are in accordance with United States generally accepted accounting principles (GAAP).

Service charges: Service charges include deposit and lending-related fees. Deposit-related fees consist of fees earned on consumer and commercial deposit activities and are generally recognized when the transactions occur or as the service is performed such as ATM fees, wire transfer fees, check and money order processing fees. Lending-related fees generally represent transactional fees earned from certain loan commitments, financial guarantees and SBLCs.

Use of estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates based on assumptions about future economic and market conditions that affect the reported amounts of assets and liabilities at the date of the financial statements and income and expenses during the reporting period and the related disclosures. Although the Bank's estimates contemplate current conditions and how the Bank expects them to change in the future, it is reasonably possible that actual results could differ from those estimates and could be worse than anticipated in those estimates, which could materially affect the Bank's results of operations and financial condition. A material estimate that is particularly susceptible to significant change in the near term is the allowance for loan losses. Other estimates significant to the financial statements include the fair value of securities and the recognition of deferred tax assets.

Cash and cash equivalents: For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, cash items in process of collection, amounts due from correspondent banks, the Federal Home Loan Bank, and the Federal Reserve Bank and certificate of deposit investments with original maturity dates less than 90 days. Cash flows are reported net for customer loan and deposit transactions.

As announced on March 15, 2020, the Federal Reserve Board reduced reserve requirement ratios to zero percent effective March 26, 2020. This action eliminated reserve requirements for all depository institutions.

The Bank maintains amounts due from banks which, at times, may exceed federally insured limits. The Bank has not experienced any losses in such accounts.

Certificates of Deposit in Other Financial Institutions: The Bank's investments in certificates of deposit issued by other financial institutions are generally fully insured by the FDIC up to the applicable limit of \$250,000. The current remaining maturities of the Bank's certificates of deposit in other financial institutions at March 31, 2021 range from one month to eleven months.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

Normally, the Bank limits CD investment in a financial institution to \$250,000 or less to have full FDIC insurance coverage. However, for CRA purpose, it had two CD investments of \$249,000 each with Cathay Bank at March 31, 2021.

Securities available for sale: Debt securities are classified based on management's intention on the date of purchase and recorded on the balance sheet as of the trade date. Debt securities that the Bank might not hold until maturity are classified as securities available for sale and reported at estimated fair value. Any decision to sell a security classified as available-for-sale would be based on various factors, including significant movements in interest rates, changes in the maturity mix of the Bank's assets and liabilities, liquidity needs, regulatory capital considerations and other similar factors. Unrealized gains and losses, after applicable taxes, are reported as other comprehensive income or loss. The Bank recognizes realized gains and losses on the trade date and determined using the specific identification method.

Unamortized premiums and discounts are recognized in interest income over the contractual life of the security using the interest method. As principal repayments are received on securities (i.e., primarily mortgage-backed securities) a pro-rata portion of the unamortized premium or discount is recognized in interest income so that the effective interest rate on the remaining portion of the security continues unchanged.

Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair values are measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors, such as credit loss assumptions. The Bank reduces the asset value when it considers the declines in the value to be other than temporary and records the estimated loss due to credit losses in earnings. Estimated losses due to other than credit losses are recorded in other comprehensive income. The Bank conducts other-than-temporary impairment analysis on a quarterly basis. The initial indicator of other-than-temporary impairment for both debt and equity securities is a decline in market value below the amount recorded for an investment, and the severity and duration of the decline. In determining whether an impairment is other than temporary, the Bank considers the length of time and the extent to which market value has been less than cost, any recent events specific to the issuer and economic conditions of its industry, and the Bank's ability and intent to hold the investment for a period of time sufficient to allow for any anticipated recovery.

Federal Home Loan Bank stock: The Bank is a member of the Federal Home Loan Bank of San Francisco. Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income. No impairment losses have been recorded during the years ended March 31, 2021 and 2020.

Other stock: The Bank also has an investment in stocks of different Community Development Financial Institutions ("CDFIs") for CRA purpose. The total investment in the stock as of March 31, 2021 and 2020 were \$767,600 and \$762,500, respectively. CDFI stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. No impairment losses have been recorded during the years ended March 31, 2021 and 2020.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

Loans: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of deferred loan fees and costs, and an allowance for loan loss. Deferred fees are amortized to interest income over the contractual life of the loan using the interest method.

The Bank's loan portfolio consists of the following types of loans:

Commercial real estate loans: Commercial real estate loans are primarily secured by apartment buildings, office and industrial buildings, warehouses, small retail shopping centers and various special purpose properties, including hotels, restaurants and nursing homes. Although terms vary, commercial real estate loans generally have amortization periods of 15 to 30 years, as well as balloon payments of 5 to 10 years, and terms which may provide that the interest rates thereon may be adjusted annually at the Bank's discretion, based on a designated index.

Commercial real estate and multifamily real estate loan underwriting standards are governed by the loan policies in place at the time the loan is approved. These loans are viewed primarily as cash flow loans and secondarily as loans secured by real estate. Commercial real estate lending typically involves higher loan principal amounts and repayment of these loans is generally largely dependent on the successful operation of the property securing the loan or the business conducted on the property securing the loan. Commercial real estate loans may be more adversely affected by conditions in the real estate markets or in the general economy. The properties securing the Bank's commercial real estate portfolio are diverse in terms of type and geographic location.

Commercial and industrial loans: Commercial and industrial loans are loans, or lines of credit, for commercial, corporate and business purposes, including issuing letters of credit. The Bank's commercial business loan portfolio is comprised of loans for a variety of purposes and generally is secured by receivables, equipment, machinery and other business assets. Commercial business loans generally have terms of 10 years or less and may have interest rates that float in accordance with a designated published index. Generally, such loans are secured and backed by the personal guarantees of the owners of the business. Commercial and industrial loans are underwritten after evaluating and understanding the borrower's ability to operate profitably and prudently expand its business. The Bank's management examines current and projected cash flows to determine the ability of the borrower to repay his/her obligations as agreed. Commercial and industrial loans are primarily made based on the identified cash flows of the borrower and secondarily on the underlying collateral provided by the borrower. The actual cash flows from borrowers, however, may differ from projected amounts and the collateral securing these loans may fluctuate in value.

Allowance for loan and lease losses and reserve for unfunded commitments: The allowance for loan and lease losses ("ALLL") represents management's estimate of probable losses inherent in the Bank's loan portfolio. The allowance for loan losses represents the estimated probable loan losses in funded loans while the liability for loss on unfunded lending commitments, including commercial and standby letters of credit and binding unfunded loan commitments, represents estimated probable credit losses on these unfunded credit instruments based on utilization assumptions. Credit exposures deemed to be uncollectible are charged against these accounts. Cash recovered on previously charged-off amounts are recorded as recoveries to these accounts.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

The ALLL consists of general reserves for non-impaired loans. These analyses involve a high degree of judgment in estimating the amount of loss associated with specific loans, including estimating the amount and timing of future cash flows and current collateral values. The general reserve is based on the Bank's historical loss experience, which is updated quarterly. The general reserve portion of the ALLL also includes consideration of certain qualitative factors such as 1) changes in lending policies and procedures, 2) changes in local and national economic conditions, 3) changes in the nature and volume of portfolio, 4) changes in experience and depth of lending staff, 5) changes in nature and volume of past due, nonaccrual and/or classified loans, 6) changes in quality of loan review system, 7) changes in collateral value for collateral dependent loans, 8) changes in loan concentrations, 9) changes in external factors such as unemployment and inflation statistics, 10) changes in credit migration risks, loan deferrals, and other factors.

There are many factors affecting the ALLL; some are quantitative while others require qualitative judgment. The process for determining the ALLL (which management believes adequately considers potential factors which might possibly result in credit losses) includes subjective elements and, therefore, may be susceptible to significant change. To the extent actual outcomes differ from management estimates, additional provision for loan loss could be required that could adversely affect the earnings or financial position in future periods. Allocations of the ALLL may be made for specific loans but the entire ALLL is available for any loan that, in management's judgment, should be charged-off or for which an actual loss is realized. As an integral part of their examination process, various regulatory agencies review the ALLL as well. Such agencies may require that changes in the ALLL be recognized when such regulators' credit evaluations differ from those of management based on information available to the regulators at the time of their examinations.

In addition to the allowance for loan losses, the Bank also estimates probable losses related to unfunded lending commitments, such as letters of credit and financial guarantees, and binding unfunded loan commitments. Unfunded lending commitments are subject to individual reviews and are analyzed and segregated by risk according to the Bank's internal risk rating scale. These risk classifications, in conjunction with an analysis of historical loss experience, utilization assumptions, current economic conditions, performance trends within specific portfolio segments and any other pertinent information, result in the estimation of the reserve for unfunded lending commitments.

The allowance for loan losses related to the loan portfolio is netted against loans on the balance sheet whereas the liability for loss for unfunded lending commitments is reported on the balance sheet in interest payable and other liabilities. Provision for loan losses related to the loan portfolio is reported in the statements of operations as the provision for loan losses.

Nonaccrual and past due loans: The Bank generally places loans on nonaccrual status when:

- > The full and timely collection of interest or principal becomes uncertain.
- > They are 90 days past due for interest or principal, unless both well-secured and in the process of collection.
- > Part of the principal balance has been charged off and no restructuring has occurred.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

When the Bank places a loan on nonaccrual status, the Bank reverses the accrued unpaid interest receivable against interest income and amortization of any net deferred fees is suspended. A loan will remain in accruing status provided it is both well-secured and in the process of collection. If the ultimate collectability of a loan is in doubt and the loan is on nonaccrual, the cost recovery method is used and cash collected is applied to first reduce the principal outstanding. Generally, the Bank returns a loan to accrual status when all delinquent interest and principal become current under the terms of the loan agreement and collectability of remaining principal and interest is no longer doubtful.

For modified loans, the Bank underwrites at the time of a restructuring to determine if there is sufficient evidence of sustained repayment capacity based on the borrower's financial strength, including documented income, debt to income ratios and other factors. If the borrower has demonstrated performance under the previous terms and the underwriting process shows the capacity to continue to perform under the restructured terms, the loan will remain in accruing status. When a loan classified as a troubled debt restructuring (TDR) performs in accordance with its modified terms, the loan either continues to accrue interest (for performing loans) or will return to accrual status after the borrower demonstrates a sustained period of performance (generally six consecutive months of payments, or equivalent, inclusive of consecutive payments made prior to the modification). Loans will be placed on nonaccrual status and a corresponding charge-off is recorded if the Bank believes it is probable that principal and interest contractually due under the modified terms of the agreement will not be collectible.

The Bank's loans are considered past due when contractually required principal or interest payments have not been made on the due dates.

Loan charge-off policies: For commercial loans secured by collateral, the Bank generally fully charges off or writes down to net realizable value when:

- > Management judges the loan to be uncollectible.
- > Repayment is deemed to be protracted beyond reasonable time frames.
- > The loan has been classified as a loss by either the Bank's internal loan review process or the Bank's banking regulatory agencies.
- > The customer has filed bankruptcy and the loss becomes evident owing to a lack of assets.
- > The loan is 180 days past due unless both well-secured and in the process of collection.

Troubled debt restructuring: In situations where, for economic or legal reasons related to a borrower's financial difficulties, the Bank grants a concession for other than an insignificant period of time or a reduction in interest rate that the Bank would not otherwise consider, the related loan is classified as a TDR. These modified terms may include rate reductions, principal forgiveness, term extensions, payment forbearance and other actions intended to minimize the Bank's economic loss and to avoid foreclosure or repossession of the collateral. For modifications where the Bank forgives principal, the entire amount of such principal forgiveness is immediately charged off. Loans classified as TDRs are considered impaired loans.

TDRs are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a TDR is considered to be a collateral-dependent loan, the loan is reported at the fair value of the collateral.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

For TDRs that subsequently default, the Bank determines the amount of reserve in accordance with the accounting policy for the allowance for loan losses. A TDR may be accrual or nonaccrual status based on the performance of the borrower and management's assessment of collectability. A TDR on nonaccrual is returned to accrual after performing in accordance with the modified terms for a sufficient period.

CARES Act and loan deferment: The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided financial institutions to assist borrowers affected by the pandemic by deferring payment of principal, interest, or both for a reasonable period with the expectation that the borrower will resume payments in the future. The Revised Interagency Statement indicated that during such short-term deferral arrangements, these loans generally should not be reported as nonaccrual. As such, the Bank has made various loan deferrals upon request of borrowers. As of March 31, 2021, there were three loans remaining on deferment for a total outstanding balance of \$10.201 million. The deferrals will expire in June 2021 for one loan with balance of \$10 million, and in July 2021 for two loans with total balance of \$201,000. The amount of deferred interest due at maturity as a result of the deferrals is approximately \$1.9 million.

Foreclosed assets: Foreclosed assets obtained through the Bank's lending activities primarily include real estate. These assets are recorded at the lower of amortized cost or fair value, net of selling costs with a charge to the allowance for loan losses at foreclosure. The Bank allows up to 90 days after foreclosure to finalize determination of net realizable value. Thereafter, changes in net realizable value are recorded to noninterest expense. The net realizable value of these assets is reviewed and updated periodically depending on the type of property.

Transfers of financial assets: Transfers of financial assets are accounted for as sales only when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when: (1) the assets have been isolated from the Bank, (2) the transferee obtains the right to pledge or exchange the assets it received, and no condition both constrains the transferee from taking advantage of its right to pledge or exchange and provides more than a modest benefit to the transferor, and (3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets. In addition, for transfers of a portion of financial assets (for example, participations of loan receivables), the transfer must meet the definition of a participating interest in order to account for the transfer as a sale.

Following are the characteristics of a participating interest:

- > Pro rata ownership in an entire financial asset.
- > From the date of the transfer, all cash flows received from entire financial assets are divided proportionately among the participating interest holders in an amount equal to their share of ownership.
- > The rights of each participating interest holder have the same priority, and no participating interest holder's interest is subordinated to the interest of another participating interest holder. That is, no participating interest holder is entitled to receive cash before any other participating interest holder under its contractual rights as a participating interest holder.
- > No party has the right to pledge or exchange the entire financial asset unless all participating interest holders agree to pledge or exchange the entire financial asset.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

Other off-balance-sheet instruments: In the ordinary course of business, the Bank enters into off-balance-sheet financial instruments consisting of commitments to extend credit, commercial letters of credit and standby letters of credit. Such financial instruments are recorded in the financial statements when they are funded.

Derivatives: Interest rates in our economy are cyclical in nature. Based on the inflation expectation, GDP growth and various other factors the market interest rates keep moving up or down in a cycle. Therefore, it becomes important to reduce the Bank's sensitivity to the changes in interest rates in a timely manner to protect it from being adversely impacted on its net interest margin. Certain derivative instruments may be used to hedge specific transactions or to reduce and manage interest rate risk associated with such things as 1) the timing mismatch of re-pricing assets and liabilities, 2) optionality embedded in the balance sheet, 3) market value fluctuations, 4) cash flow uncertainty, and 5) basis differences in re-pricing of assets and liabilities.

On June 11, 2019, the Bank had entered into an interest rate swap to partially hedge approximately \$13.3 million in fixed rate time deposits with remaining maturities of two years or longer. The Bank's hedging objective with this swap was to convert fixed interest payments into floating interest payments from October 29, 2019 to October 29, 2021. The Bank met this objective using a two-year interest rate swap with a notional amount of \$10 million to receive interest at a fixed rate of 1.78% and pay interest at a variable rate equal to the 1-month LIBOR rate. Approximately a year after entering into the hedge transaction, the interest rates had dropped to historic lows and the hedge had optimized its effectiveness. Due to limited future effectiveness and desire to reduce counterparty exposure, the Bank has terminated the swap on April 29, 2020 and recorded a gain of \$177,100 in other noninterest income.

On October 29, 2019, the Bank has entered into an interest rate swap in order to partially hedge \$24 million adjustable LIBOR-based commercial loans. The Bank's hedging objective with this swap was to convert the floating interest receipts to a fixed interest receipts from October 29, 2019 until October 29, 2021. The Bank is going to meet this objective using a two-year interest rate swap with a notional amount of \$10 million to receive interest at a fixed rate of 1.488% and pay interest at a variable rate equal to the 1-month LIBOR rate.

The interest rate swap is carried at its fair value on the balance sheet based on values obtained from a major financial institution. Changes in fair value are recorded in other comprehensive income. The total fair value of the interest rate swap(s) at March 31, 2021 and 2020 were \$79,551 and \$383,919, respectively, and is included in interest receivable and other assets in the balance sheet.

On August 10, 2020, the Bank has entered into a Forward Rate Agreement (FRA) to partially hedge \$10 million of adjustable commercial loans. The Bank has met this objective using a FRA to receive interest at a fixed rate of 0.265% and pay interest at a variable rate equal to the 3-month LIBOR rate. The FRA was chosen over a swap to hedge variability of cash flow for three months as the rates have fallen significantly. The FRA has matured on November 11, 2020 and the Bank recorded a small gain of \$322 upon maturity.

Consistent with the requirement of ASC 815-20-25 and with the risk management objective of hedging the variability of expected future cash flows, management will account for hedge relationship as a cash flow hedge. The Bank will assess future retrospective and prospective hedge effectiveness on a qualitative basis at least every three months. As long as the qualitative assessment shows that the relationship between the hedge and the hedged item is highly effective, the Bank will record the entire change in fair value of the hedge instrument in other comprehensive income.

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NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

Fair value: Under applicable accounting guidance, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Bank determines the fair values of its financial instruments based on the fair value hierarchy established under applicable accounting guidance, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Bank categorizes its assets that are carried at fair value based on the priority of inputs to the valuation technique as discussed below.

The following describes the three-level hierarchy:

- > Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market, as well as certain U.S. Treasury securities that are highly liquid and are actively traded in over-the-counter markets.
- > Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities less frequently than exchange-traded. Instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

This category generally includes U.S. government and agency mortgage-backed debt securities, corporate debt securities and derivative contracts.

- > Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

For more information on the fair value of the Bank's financial instruments see Note 13.

Furniture, fixtures and equipment: Furniture, fixtures and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets or the lesser of the term of the lease, for leasehold improvements. Upon sale or retirement of such assets, the related cost and accumulated depreciation are eliminated from the accounts and gains or losses are reflected in operations. Repairs and maintenance expenditures not anticipated to extend asset lives are charged to operations as incurred.

Income taxes: The Bank determines income tax expense using the liability method. Current income tax expense approximates taxes to be paid or refunded for the current period. Deferred tax assets and liabilities are based on the tax effects of the differences between the book and tax bases of assets and liabilities, and recognizes enacted changes in tax rates and laws in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. A tax position that meets the "more likely than not" recognition threshold is measured to determine the amount of benefit to recognize. The tax position is measured at the largest amount of benefit that is greater than 50 percent

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NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

likely of being realized upon settlement. Interest and penalties are recognized as a component of income tax expense.

The Bank is no longer subject to U.S. federal income tax examinations by the Internal Revenue Service for years before March 31, 2017. However, the Bank's Federal income tax returns for 2018 to 2021 are subject to examination by the IRS, generally for three years after they were filed.

Prior to 2014, the Bank determined its California franchise tax using the Water's Edge Method based on a proportionate share of combined U.S. income with the Parent Bank and, accordingly, was different than that based on the Bank's stand-alone taxable income or taxable loss. In January 2014, a tax sharing agreement was approved by the Reserve Bank of India. The tax sharing agreement was approved by the Parent Bank and the Bank in February 2014. Under the tax sharing agreement, and as required by banking regulations for transactions with affiliated parties, the Bank's California franchise tax is to be computed under both the Water's Edge Method and a stand-alone basis, with the Bank's liability being the lesser of the two amounts.

The Bank regularly reviews the carrying amount of its deferred income tax assets to determine if the establishment of a valuation allowance is necessary. If based on the available evidence it is more likely than not that all or a portion of the Bank's deferred income tax assets will not be realized in future periods, a deferred income tax valuation allowance would be established. Consideration is given to various positive and negative factors that could affect the realization of the deferred income tax assets. In evaluating this available evidence, management considers, among other things, historical financial performance, expectation of future earnings, the ability to carry back losses to recoup taxes previously paid, length of statutory carry forward periods, experience with operating loss and tax credit carry forwards not expiring unused, tax planning strategies and timing of reversals of temporary differences. Significant judgment is required in assessing future trends and the timing of reversals of temporary differences. The Bank's evaluation is based on current tax laws as well as management's expectations of future performance.

The Bank is subject to the income tax laws of the U.S., its states and municipalities. These tax laws are complex and subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. The accounting guidance for income taxes prescribes a comprehensive model for how the Bank should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under the guidance, tax positions shall initially be recognized in the financial statements when it is more likely than not the position will be sustained upon the examination by the tax authorities. Such tax positions shall initially and subsequently be measured as the largest amount of tax benefit that is greater than 50% likely to be realized upon ultimate settlement with the tax authority assuming full knowledge of the position and all relevant facts. Interest and penalties related to income tax expense are recorded as income tax expense, net of federal and state tax benefit, when the amounts can be reasonably determined.

Comprehensive income: GAAP requires that recognized revenue, expenses, gains and losses be included in net income.

Although certain changes in assets and liabilities, such as unrealized gains and losses on available-for-sale securities and interest rate swap, are reported as a separate component of the equity section of the balance sheets, such items, along with net income or loss, are components of comprehensive income. Gains and losses on available-for-sale securities are included in earnings upon sale of the securities. Other-than-temporary impairment charges due to credit losses are included in earnings at the time of the charge.

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NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

Currency transactions: In the ordinary course of business, the Bank enters into foreign currency transactions, specifically the purchase and sale of Indian currency known as Rupees. Rupees are recorded at cost in the financial statements at the time of purchase. Realized gains and losses are recognized at the prevailing market exchange rate on a weekly or monthly basis.

Impairment of long-lived assets and intangibles: The Bank reviews its long-lived assets for impairment annually or when events or circumstances indicate that the carrying amount of these assets may not be recoverable. An asset is considered impaired when the expected undiscounted cash flows over the remaining useful life are less than the net book value. When impairment is indicated for an asset, the amount of impairment loss is the excess of the net book value over its fair value.

Advertising: Advertising costs are expensed as of the first date the advertisements take place. For the years ended March 31, 2021 and 2020, advertising expenses included in non-interest expense approximated \$135,996 and \$417,474, respectively.

The COVID-19 Pandemic Risks and Business Uncertainties: In March 2020, the World Health Organization declared novel coronavirus disease 2019 (COVID-19) as a global pandemic. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, lowered equity market valuations, created significant volatility and disruption in financial markets, and increased unemployment levels. In addition, the pandemic has resulted in temporary closures of many businesses and the institution of social distancing and sheltering in place requirements in many states and communities, including those in major markets in which the Bank is located or does business.

As a result, the demand for the Bank's products and services has been, and continues to be, impacted. While vaccines have been approved and are being distributed in phases, it will take some time to be widely available to general public. Meanwhile, the pandemic situation is still ongoing and it could influence the recognition of credit losses in the Bank's loan portfolio and increase its allowance for credit losses as both businesses and consumers are negatively impacted by the economic downturn. In addition, governmental actions are meaningfully influencing the interest-rate environment, which has affected the Bank's net interest margin and it may continue to adversely affect the Bank's results of operations and financial condition.

In response to the pandemic, the Bank has permitted loan payment deferrals and other expanded assistance for lending customers in accordance with the CARES Act and Interagency guidelines. These programs, as well as certain accommodations made to commercial customers, are expected to negatively affect results of operations of the Bank in the near term and, if not effective in mitigating the effect of COVID-19 on Bank customers, may adversely affect the Bank's business and results of operations more substantially over a longer period of time.

The extent to which the COVID-19 pandemic impacts the Bank's business, results of operations, and financial condition, as well as its regulatory capital and liquidity ratios, will depend on future developments, which are uncertain, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic. Moreover, the effects of the COVID-19 pandemic may heighten many of the other risks including, but not limited to, risks of credit deterioration, interest rate changes, rating agency actions, governmental actions, market volatility, fraud, security breaches and technology interruptions.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 1 – Nature of Business and Summary of Significant Accounting Policies (cont.)

Recent Accounting Pronouncements: On June 16, 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326), which introduces new guidance for the accounting for credit losses on instruments within its scope. In its proposed ASU, the FASB sets forth a “current expected credit loss” (“CECL”) model. The CECL model uses a single “expected credit loss” measurement objective for the allowance for credit loss. Under this model, the allowance for expected credit losses would reflect management’s current estimate of the contractual cash flows that the company does not expect to collect, based on its assessment of credit risk as of the reporting date. Under the CECL model, the estimate of expected credit losses must reflect both the possibility that a credit loss results and the possibility that no credit loss results. The proposed amendments of the CECL model would broaden the information an organization is required to consider in developing its credit loss estimate. Specifically, the proposed amendments would require that its estimate be based on relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the financial assets’ remaining contractual cash flows. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. Management is currently evaluating the impact this guidance will have on the Bank’s financial condition and results of operations.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842).” The amendments in this update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments permit lessee’s to make an accounting policy election by class of underlying assets not to recognize lease assets and lease liabilities. For finance leases, the amendments in this update require a lessee to 1) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; 2) recognize interest on the lease liability separately from amortization of the right-of-use asset in the statement of comprehensive income; 3) classify repayments of the principal portion of the lease liability within financing activities and payments of interest on the lease liability and variable lease payments within operating activities in the statement of cash flows. For operating leases, the amendments in this update require a lessee to 1) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; 2) recognize a single lease cost, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis; 3) classify all cash payments within operating activities in the statement of cash flows.

On June 3, 2020, the Financial Accounting Standards Board issued an Accounting Standards Update that grants a one-year effective date delay for certain companies and organizations applying the leases guidance. For private companies and private not-for-profit organizations, the standard is effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted for all organizations.

Management is currently evaluating the impact this guidance will have on the financial condition and results of operations of the Bank.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 2 – Securities Available for Sale

The amortized cost and fair value of securities available for sale are summarized as follows at March 31:

	2021			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
U.S. government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 74,380,446	\$ 1,146,049	\$ (1,353,966)	\$ 74,172,529
U.S. Treasury Notes	29,542,365	130,620	(1,291,135)	28,381,850
SBA Pool Securities	7,439,425	178,022	(28,977)	7,588,470
Municipal bonds	3,049,328	73,973	-	3,123,301
	<u>\$ 114,411,564</u>	<u>\$ 1,528,664</u>	<u>\$ (2,674,078)</u>	<u>\$ 113,266,150</u>

	2020			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
U.S. government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 62,341,701	\$ 1,661,637	\$ (20,221)	\$ 63,983,117
U.S. Treasury Notes	19,934,346	1,927,905	-	21,862,251
SBA Pool Securities	6,387,511	168,806	(11,614)	6,544,703
Municipal bonds	8,239,629	96,446	-	8,336,075
	<u>\$ 96,903,187</u>	<u>\$ 3,854,794</u>	<u>\$ (31,835)</u>	<u>\$ 100,726,146</u>

For the year ended March 31, 2021 the realized (losses) and gains on sale of securities included in non-interest income were (\$0) and \$1.154 million, respectively. For the year ended March 31, 2020 the realized (losses) and gains on sale of securities included in non-interest income were (\$9,642) and \$117,626, respectively.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 2 – Securities Available for Sale (cont.)

The amortized cost and fair value of securities at March 31, 2021 and 2020, by contractual maturity, are shown below. Given certain interest rate environments, some or all of these securities may be called by their issuers prior to the scheduled maturities. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Therefore, mortgage-backed securities and collateralized mortgage obligations are not included in the maturity categories in the following maturity summary:

<u>As of March 31, 2021</u>	Amortized Cost	Fair Value
Due in one to five years	\$ 451,976	\$ 447,659
Due after five years through ten years	29,829,658	28,664,623
Due after ten years	3,049,328	3,123,300
U.S. government agency collateralized mortgage obligations, mortgage-backed securities and SBA pool securities	81,080,602	81,030,568
	<u>\$ 114,411,564</u>	<u>\$ 113,266,150</u>

<u>As of March 31, 2020</u>	Amortized Cost	Fair Value
Due in one to five years	\$ 5,181,793	\$ 5,263,925
Due after five years through ten years	21,121,822	23,038,112
Due after ten years	3,057,836	3,072,150
U.S. government agency collateralized mortgage obligations, mortgage-backed securities and SBA pool securities	67,541,736	69,351,959
	<u>\$ 96,903,187</u>	<u>\$ 100,726,146</u>

Unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous loss position, are as follows at March 31:

	2021					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
US government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 36,666,285	\$ (1,349,135)	\$ 936,439	\$ (4,831)	\$ 37,602,724	\$ (1,353,966)
U.S. Treasury Notes	23,326,400	(1,291,135)	-	-	23,326,400	(1,291,135)
SBA Pool Securities	2,057,156	(20,140)	730,432	(8,837)	2,787,588	(28,977)
	<u>\$ 62,049,841</u>	<u>\$ (2,660,410)</u>	<u>\$ 1,666,871</u>	<u>\$ (13,668)</u>	<u>\$ 63,716,712</u>	<u>\$ (2,674,078)</u>
	2020					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
US government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 66,658,530	\$ (20,221)	\$ -	\$ -	\$ 66,658,530	\$ (20,221)
US Agency Securities	-	-	-	-	-	-
SBA Pool Securities	-	-	1,175,862	(11,614)	1,175,862	(11,614)
	<u>\$ 66,658,530</u>	<u>\$ (20,221)</u>	<u>\$ 1,175,862</u>	<u>\$ (11,614)</u>	<u>\$ 67,834,392</u>	<u>\$ (31,835)</u>

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 2 – Securities Available for Sale (cont.)

For all of the investment securities, the unrealized losses relate principally to the general change in interest rate levels that have occurred since the securities' purchase dates and such unrecognized losses or gains will continue to vary with general interest rate level fluctuations in the future. At March 31, 2021 and 2020, 4 and 3 securities, respectively, have been in a continuous loss position for over twelve months. Management does not have the intent to sell and has determined it is unlikely the Bank will be required to sell the securities before anticipated recovery; therefore, no declines are deemed to be other than temporary.

Securities available for sale of \$52.3 million and \$61.6 were pledged to state account holder against deposits maintained at the Bank at March 31, 2021 and 2020, respectively.

NOTE 3 – Loans and Allowance for Loan Losses

The following table presents total loans outstanding by portfolio segment and class of financing receivable at March 31:

	2021	2020
Commercial and industrial	\$ 194,757,388	\$ 212,326,769
Commercial real estate	516,375,887	515,775,891
Others	62	1,721
	711,133,337	728,104,381
Less net deferred loan origination fees	1,699,262	1,616,948
	709,434,075	726,487,433
Less allowance for loan losses	11,077,114	10,058,521
Loans, net	\$ 698,356,961	\$ 716,428,912

The Bank pledges loans to secure borrowings from the Federal Home Loan Bank of San Francisco (FHLB) as part of the Bank's liquidity management strategy. Loans pledged approximated \$384.2 million and \$416.2 million at March 31, 2021 and 2020, respectively.

At March 31, 2021 and 2020, the Bank has concentrations in Commercial Real Estate which comprise 73% and 71% of total gross loans, respectively, and hotel loans represent approximately 41% and 38% of total gross loans as of March 31, 2021 and 2020, respectively.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 3 – Loans and Allowance for Loan Losses (cont.)

The following tables present a rollforward of the allowance for loan loss by portfolio segment and class and by evaluation method at March 31:

March 31, 2021				
Allowance for loan losses	Commercial	Commercial Real Estate	Others	Total Allowance for Loan Losses
Beginning balance	\$ 2,670,669	\$ 7,387,852	\$ -	\$ 10,058,521
Charge-offs	-	-	-	-
Recoveries	29,735	58,858	-	88,593
Provision	-	930,000	-	930,000
Ending balance	<u>\$ 2,700,404</u>	<u>\$ 8,376,710</u>	<u>\$ -</u>	<u>\$ 11,077,114</u>

Individually evaluated for impairment	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	2,700,404	8,376,710	-	11,077,114
	<u>\$ 2,700,404</u>	<u>\$ 8,376,710</u>	<u>\$ -</u>	<u>\$ 11,077,114</u>

March 31, 2021				
Loans	Commercial	Commercial Real Estate	Others	Total Loans
Individually evaluated for impairment	\$ -	\$ 26,235,269	\$ -	\$ 26,235,269
Collectively evaluated for impairment	194,757,388	490,140,618	62	684,898,068
Ending balance	<u>\$ 194,757,388</u>	<u>\$ 516,375,887</u>	<u>\$ 62</u>	<u>\$ 711,133,337</u>

March 31, 2020				
Allowance for loan losses	Commercial	Commercial Real Estate	Others	Total Allowance for Loan Losses
Beginning balance	\$ 2,551,761	\$ 5,877,663	\$ -	\$ 8,429,424
Charge-offs	(34,923)	(302,000)	-	(336,923)
Recoveries	153,831	212,189	-	366,020
Provision	-	1,600,000	-	1,600,000
Ending balance	<u>\$ 2,670,669</u>	<u>\$ 7,387,852</u>	<u>\$ -</u>	<u>\$ 10,058,521</u>

Individually evaluated for impairment	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	2,670,669	7,387,852	-	10,058,521
	<u>\$ 2,670,669</u>	<u>\$ 7,387,852</u>	<u>\$ -</u>	<u>\$ 10,058,521</u>

March 31, 2020				
Loans	Commercial	Commercial Real Estate	Others	Total Loans
Individually evaluated for impairment	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	212,326,769	515,775,891	1,721	728,104,381
Ending balance	<u>\$ 212,326,769</u>	<u>\$ 515,775,891</u>	<u>\$ 1,721</u>	<u>\$ 728,104,381</u>

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 3 – Loans and Allowance for Loan Losses (cont.)

Credit quality: The Bank monitors credit quality as indicated by evaluating various attributes and utilizes such information in the evaluation of the adequacy of the allowance for loan losses. Commercial loans are subject to individual risk assessment using internal borrower and collateral quality ratings. The Bank's ratings are aligned to Pass and Criticized categories. The Criticized category includes Special Mention, Substandard, Doubtful and Loss categories which are defined by banking regulatory agencies. These categories are described below:

Pass: A pass asset is well protected by the current worth and paying capacity of the obligor (or guarantors, if any) and by the fair value, less cost to acquire and sell, of any underlying collateral in a timely manner. Pass assets may also include certain assets considered Watch, which are still protected by the worth and paying capacity of the borrower but deserve closer attention and a higher level of credit monitoring due to deteriorated cash flow, global cash flow, liquidity and/or collateral conditions. Included in the Pass grading are exceptional assets. An exceptional asset is a loan that meets at least three of the following: (1) the loan balance is secured by verified and pledged cash or cash equivalent; (2) the cash flow and/or liquidity of the borrower has been verified and is in excess of Bank policy; (3) the collateral value represents less than 50 percent loan to value; (4) historic loss experience is at zero.

Special Mention: A special mention asset is an asset that may have potential weaknesses or weaknesses are not yet fully known and requires management's immediate determination. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or in the Bank's credit position at some future date. While a higher level of loss reserves may be established, Special Mention loans are not adversely classified and do not expose the Bank to sufficient risk to warrant adverse classification. Credits in this category display some potential weakness that merits further monitoring. The credit risk is relatively minor yet constitutes an unwarranted risk.

Substandard: A substandard asset is an asset that is inadequately protected by the current sound worth and paying capacity of the obligor and/or of the collateral pledged, if any. Substandard credits have well-defined weaknesses that may jeopardize the liquidation or timely collection of the debt. There has generally been a material deterioration in the financial condition (cash flow) from the collateral, global cash flow that includes the collateral, the borrower, the guarantor(s) and may include deterioration of the collateral value. Substandard credits have a distinct possibility of loss if the deficiencies are not corrected. Although there may not be a specific potential loss apparent in any particular substandard credit, the Bank expects to suffer some loss on the overall portfolio of substandard loans.

Doubtful: A doubtful asset is an asset with the same characteristics as substandard credits, but those weaknesses are well defined (but not yet fully quantified) and more severe than a substandard risk graded loan that, based on current information available, collection or liquidation in full is highly improbable. The Bank must expect that interest income will be lost as well as some portion of principal repayment. All loans classified doubtful are to be placed on nonaccrual status. Doubtful credits have a high probability of loss, but because there is a reasonable expectation that certain events may occur within an acceptable time period (not to exceed one year) that will cure the default, a classification of Loss is deferred until its more exact status may be determined.

Loss: An asset, or portion thereof, classified as Loss is considered uncollectible and of such little value that its continuance on the Bank's books as an asset is not warranted. This does not mean that they have no recovery value. Recovery, if any, may be long-term in nature and, therefore, it is not practical or desirable to defer writing off the asset. This classification is based upon current facts, not probabilities. Loans that are classified Loss are to be charged off. There is no balance to report at March 31, 2021 and 2020.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 3 – Loans and Allowance for Loan Losses (cont.)

Consumer loans are assessed for credit quality based on the contractual aging status of the loan and payment activity. Such assessment is completed at the end of each reporting period. The Bank currently does not have any consumer loans.

The following table provides a breakdown of outstanding loans by risk category:

2021				
	Commercial and industrial	Commercial Real Estate	Other	Total
Grade:				
Pass	\$ 192,427,547	\$ 171,995,042	\$ 62	\$ 364,422,651
Watch	2,129,299	303,216,429	-	305,345,728
Special mention	200,542	14,929,147	-	15,129,689
Substandard	-	26,235,269	-	26,235,269
Doubtful	-	-	-	-
	<u>\$ 194,757,388</u>	<u>\$ 516,375,887</u>	<u>\$ 62</u>	<u>\$ 711,133,337</u>
2020				
	Commercial and industrial	Commercial Real Estate	Other	Total
Grade:				
Pass	\$ 206,543,065	\$ 490,185,685	\$ 1,721	\$ 696,730,471
Watch	2,862,231	20,890,697	-	23,752,928
Special mention	2,921,473	4,444,147	-	7,365,620
Substandard	-	255,362	-	255,362
Doubtful	-	-	-	-
	<u>\$ 212,326,769</u>	<u>\$ 515,775,891</u>	<u>\$ 1,721</u>	<u>\$ 728,104,381</u>

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 3 – Loans and Allowance for Loan Losses (cont.)

The following table provides a breakdown of outstanding commercial loans by delinquency status at March 31:

2021							Recorded Investment Greater Than 90 Days and Accruing
30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans		
Commercial and other industrial	\$ -	\$ -	\$ -	\$ -	\$ 194,757,388	\$ 194,757,388	\$ -
Commercial real estate	-	-	13,678,156	13,678,156	502,697,731	516,375,887	-
Other	-	-	-	-	62	62	-
\$ -	\$ -	\$ 13,678,156	\$ 13,678,156	\$ 697,455,181	\$ 711,133,337		\$ -

2020							Recorded Investment Greater Than 90 Days and Accruing
30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans		
Commercial and other industrial	\$ 230,000	\$ -	\$ -	\$ 230,000	\$ 212,096,769	\$ 212,326,769	\$ -
Commercial real estate	3,560,868	-	255,362	3,816,230	511,959,661	515,775,891	-
Other	-	-	-	-	1,721	1,721	-
\$ 3,790,868	\$ -	\$ 255,362	\$ 4,046,230	\$ 724,058,151	\$ 728,104,381		\$ -

The following table provides additional details of nonperforming loans as of March 31:

	2021	2020
Nonaccrual loans other than trouble debt restructurings	\$ 26,235,269	\$ 255,362
Nonaccrual loans restructured in a troubled debt restructuring	-	-
Total nonperforming loans	<u>\$ 26,235,269</u>	<u>\$ 255,362</u>
Retructured loans, accruing	<u>\$ -</u>	<u>\$ -</u>

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 3 – Loans and Allowance for Loan Losses (cont.)

The following table presents the loans on non-accrual status at March 31:

	2021	2020
Commercial and Industrial	\$ -	\$ -
Commercial real estate, other	26,235,269	255,362
	<u>\$ 26,235,269</u>	<u>\$ 255,362</u>
Interest income not recognized	<u>\$ 567,898</u>	<u>\$ 80,270</u>

Impaired loans: The Bank's impaired loans include loans on nonaccrual status and loans modified in a TDR, whether on accrual or nonaccrual status. The Bank is not committed to lend additional funds to debtors whose loans have been modified. The Bank had no outstanding loans which were modified under TDR at March 31, 2021 and 2020.

There was no interest income recognized on a cash basis on impaired loans during the years ended March 31, 2021 and 2020.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 4 – Furniture, Fixtures and Equipment

Furniture, fixtures and equipment is summarized as follows at March 31:

	2021	2020
Furniture and fixtures	\$ 759,281	\$ 814,188
Leasehold improvements	2,061,021	2,289,327
Equipment	434,415	498,996
Software	98,946	1,169,751
Computer hardware	360,554	431,034
	<u>3,714,217</u>	<u>5,203,296</u>
Less accumulated depreciation and amortization	<u>3,066,461</u>	<u>4,301,702</u>
	<u>\$ 647,756</u>	<u>\$ 901,594</u>

Depreciation and amortization expense for the years ended March 31, 2021 and 2020 was \$313,435 and \$297,560, respectively.

NOTE 5 – Deposits

Deposits consist of the following at March 31:

	2021	2020
Noninterest bearing demand	\$ 114,038,540	\$ 87,304,299
Savings	34,887,273	27,554,768
Money market	233,782,492	162,015,027
Negotiable order of withdrawal (NOW)	11,553,923	8,236,657
Certificates of deposit of \$250,000 or more	137,326,582	193,873,118
Certificates of deposit under \$250,000	185,816,902	205,372,982
	<u>\$ 717,405,712</u>	<u>\$ 684,356,851</u>

As of March 31, 2021, and 2020, the Bank had deposits from a single entity totaling \$93.325 million and two entities totaling \$126.207 million, respectively, which were in excess of 5% of total deposits.

As of March 31, 2021 and 2020, the Bank's brokered deposits totaled \$12.519 million and \$17.508 million, respectively, including wholesale money market deposits of \$12.519 million and \$2.508 million, respectively.

Time deposits from the State of California at March 31, 2021 and 2020 were \$35 million and \$50 million, respectively.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 5 – Deposits (cont.)

The scheduled maturities of certificates of deposit, including brokered deposits, are as follows at March 31:

	2021	2020
Three months or less	\$ 117,101,064	\$ 137,778,167
Over three months through one year	174,823,625	214,505,212
Over one year through three years	28,860,449	43,405,148
Over three years	2,358,346	3,557,573
	<u>\$ 323,143,484</u>	<u>\$ 399,246,100</u>

NOTE 6 – Income Taxes

The provision for income tax expense (benefit) is based on income reported for financial statement purposes, adjusted for permanent differences between reported financial and taxable income. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment, and are primarily attributable to the allowance for loan losses, net operating loss carryforwards and depreciation.

The provision for income tax expense (benefit) is summarized as follows at March 31:

	2021	2020
Current	\$ 2,390,960	\$ 3,742,874
Deferred	(408,024)	(630,000)
Total income tax (benefit) expense	<u>\$ 1,982,936</u>	<u>\$ 3,112,874</u>

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 6 – Income Taxes (cont.)

The components of the net deferred tax assets are as follows at March 31:

	2021	2020
Deferred tax assets:		
Allowance for loan losses	\$ 3,275,000	\$ 2,888,000
Depreciation	311,000	271,000
State franchise tax	-	260,000
Nonaccrual Loan Interest	171,000	23,000
Unrealized loss on securities available for sale	339,000	-
Other	541,000	450,000
Total deferred tax assets	4,637,000	3,892,000
Deferred tax liabilities:		
Unrealized gain or securities available for sale	-	(1,130,000)
FHLB stock dividends	(43,000)	(41,000)
Total deferred tax liabilities	(43,000)	(1,171,000)
Net deferred tax asset	\$ 4,594,000	\$ 2,721,000

The Bank's California franchise tax is to be computed under both the Water's Edge Method and a stand-alone basis, with the Bank's liability being the lesser of the two amounts. The lesser amount of Bank's California franchise tax liability as of March 31, 2021 was \$800.

The Bank regularly reviews the carrying amount of its deferred tax assets to determine if the establishment of a valuation allowance is necessary. If based on the available evidence, it is more likely than not that all or a portion of the Bank's deferred tax assets will not be realized in future periods, a deferred tax valuation allowance would be established. Consideration is given to all positive and negative evidence related to the realization of the deferred tax assets. Based on all the evidence at March 31, 2021 and 2020, no valuation allowance was recorded on available deferred tax assets.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 7 – Commitment and Contingencies

Financial instruments with off-balance-sheet risk: In the normal course of business, the Bank enters into financial commitments to meet the financing needs of its customers. These financial commitments include commitments to extend credit, standby letters of credit and commercial letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk not recognized in the Bank's financial statements.

The Bank's exposure to loan loss in the event of nonperformance on commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Bank uses the same credit policies in making commitments as it does for loans.

The Bank has loan commitments outstanding as follows at March 31:

	2021	2020
Loans	\$ 28,092,334	\$ 28,307,102
Standby letters of credit	15,232,189	13,739,284
Commercial letters of credit	1,174,464	25,230

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Standby letters of credit are conditional commitments to guarantee the performance of a Bank customer to a third party. Since some of the commitments and standby letters of credit are expected to expire without being drawn upon, the total amounts do not necessarily represent future cash requirements. The Bank evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Bank, is based on management's credit evaluation of the customer. The majority of the Bank's commitments to extend credit are secured by UCC filings and the majority of standby letters of credit are secured by certificates of deposit.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 7 – Commitment and Contingencies (cont.)

Lease commitments: Branch premises are leased from unaffiliated parties under various leases, expiring through October 2025. The terms of the lease agreements also require the payment of various expenses incidental to the use of the premises. Rent expense under these leases aggregated \$2,104,648 and \$2,264,555 for the years ended March 31, 2021 and 2020, respectively.

The Bank leases equipment under noncancelable operating leases expiring through July 2025. The terms of the lease agreements require the payment of various expenses incidental to the use of the equipment. Lease expense charged to operations for the year ended March 31, 2021 and 2020 was \$93,532 and \$122,340, respectively.

For the years ending March 31, the future minimum rental commitments under noncancelable operating leases are as follows:

Years Ending March 31,	Premises	Residential	Equipment	Total
2022	\$ 1,054,702	\$ 446,280	\$ 62,900	\$ 1,563,882
2023	742,439	24,138	45,349	811,926
2024	382,201	-	27,978	410,179
2025	194,413	-	26,502	220,915
2026	157,454	-	7,960	165,414
Thereafter	-	-	-	-
	<u>\$ 2,531,209</u>	<u>\$ 470,418</u>	<u>\$ 170,689</u>	<u>\$ 3,172,316</u>

Contingencies: In the normal course of business, State Bank of India (California) may be involved in various legal proceedings. The Bank has reached a settlement agreement with respect to two related putative wage and hour class action lawsuits with the plaintiffs and their attorneys. The settlement amount has been fully accrued by the Bank as of March 31, 2021. Hearing was delayed in 2020 due to COVID-19 government lockdown orders. The court approved next steps and notices were sent to eligible employees for receiving monetary compensation. A final hearing with the court is expected sometime in 2021. We anticipate the final closure on this case would be by the end of 2021 if hearing moves forward as scheduled.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 8 – Transactions with Parent/Related Party

To facilitate foreign currency transactions with its customers, the Bank purchases foreign currency from the Parent Bank. These purchases are at market rates and terms. The Bank had purchased Indian Rupees worth a total of \$142.801 million and \$124.520 million, respectively, from the Parent Bank during the fiscal years ended on March 31, 2021 and 2020.

The Bank also maintains a Rupee denominated non-interest bearing account with the Parent Bank in India to facilitate settlement of customer remittances. The account balance at March 31, 2021 and 2020 were approximately \$4,977,092 and \$3,254,505, respectively.

As discussed in Note 1, the Bank entered into a tax sharing agreement with the Parent Bank in February 2014. The impact of the tax sharing agreement is reflected in the Bank's tax expense for the years ended March 31, 2021 and 2020.

For the years ended March 31, 2021 and 2020, the Bank recognized management fees of \$87,500 and \$130,301, respectively, representing, primarily, board fees and reimbursement of travel expenses for directors from the Parent Bank.

NOTE 9 – Federal Home Loan Bank Borrowings

At March 31, 2021, the Bank, under the FHLB's blanket lien pledging option, pledged eligible mortgage loans as collateral to provide for borrowing capacity. As of March 31, 2021 and 2020, the FHLB advances aggregated \$5 million and \$70 million, respectively. The \$5 million borrowing was for a term of twelve months at zero interest rate.

The Bank has following FHLB borrowings at March 31, 2021:

	Balance	Interest Rate	Term	Maturity Date
\$	5,000,000	0.00%	12	5/26/2021

The eligible loan types to secure advances are first mortgages on multi-family residences and commercial properties. The Bank's borrowing capacity from the FHLB is up to 35 percent of its assets.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 10 – Foreign Currency Transactions

The Bank enters into foreign currency exchange transactions to purchase Indian Rupees for its customers on a regular basis. The Bank has both long and short exposure in its foreign exchange transactions depending on the Bank's foreign currency position at the end of any accounting period. Long exposure indicates the Bank has foreign currency in excess of its needs, while a short exposure indicates the Bank requires additional foreign currency to meet its needs. The Bank is exposed to market risk as foreign currency exchange rates may fluctuate. Management attempts to minimize this risk through internal policies related to the maximum amount of exposure that can exist on any given day. The Bank does not enter into hedge contracts to reduce foreign currency exposure. At March 31, 2021 and 2020, the Bank's long exposure related to Indian Rupees was \$1,654,993 and \$614,941, respectively. For financial statement purposes, foreign currency liability is included in non-interest-bearing demand deposits.

Realized gains from foreign currency transactions are included in non-interest income and amounted to \$892,736 and \$1,014,425 for the years ended March 31, 2021 and 2020, respectively.

NOTE 11 – Regulatory Matters

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by the regulators that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weighting and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table that follows) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined). Management believes, as of March 31, 2021, that the Bank meets all capital adequacy requirements to which it is subject.

The capital conservation buffer (CCB) is a capital buffer of 2.5% of a bank's total exposures that needs to be met with an additional amount of Common Equity Tier 1 capital. The buffer sits on top of the 4.5% minimum requirement for Common Equity Tier 1 capital. The CCB is designed to ensure that banks build up capital buffers during normal times, which can be drawn down as losses are incurred during a stressed period. The capital conservation buffer is separate from the capital ratios required under the Prompt Corrective Action (PCA) standards. Therefore, it is possible for a bank to be adequately capitalized, or even well capitalized under the PCA standards and still be limited in its ability to pay dividends or discretionary bonuses if a bank fails to maintain required capital levels.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 11 – Regulatory Matters (cont.)

The Bank's actual and required capital amounts and ratios are presented below as of March 31:

	2021					
	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital, to risk-weighted assets	\$ 159,614,168	21.14%	\$60,413,338	≥8%	\$75,516,672	≥10%
Tier 1 capital, to risk-weighted assets	\$ 150,153,406	19.88%	\$45,310,003	≥6%	\$60,413,338	≥8%
Tier 1 capital, to average assets	\$ 150,153,406	16.85%	\$35,011,789	≥4%	\$43,764,737	≥5%
Common equity tier 1 capital, to risk-weighted assets	\$ 150,153,406	19.88%	\$33,982,503	≥4.5%	\$49,085,837	≥6.5%
	2020					
	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital, to risk-weighted assets	\$ 154,240,522	20.21%	\$61,042,400	≥8%	\$76,303,000	≥10%
Tier 1 capital, to risk-weighted assets	\$ 144,694,952	18.96%	\$45,781,800	≥6%	\$61,042,400	≥8%
Tier 1 capital, to average assets	\$ 144,694,952	16.50%	\$36,326,600	≥4%	\$45,408,250	≥5%
Common equity tier 1 capital, to risk-weighted assets	\$ 144,694,952	18.96%	\$34,336,350	≥4.5%	\$49,596,950	≥6.5%

Dividends paid by the Bank are subject to various State of California regulatory limitations. Dividends that may be paid by the Bank without the express approval of the Commissioner of the California Department of Business Oversight, are limited to an amount which is the lesser of:

- > The retained earnings of the Bank; or
- > The net income of the Bank for its last three fiscal years, less the amount of any distributions made by the Bank during such period.

The Bank paid dividends of \$2 million and \$0 for the years ended March 31, 2021 and 2020, respectively.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 12 – Fair Value Measurement

The following is a description of the Bank's methodologies used to measure and disclose the fair value of its financial assets and liabilities on a recurring and nonrecurring basis.

Securities available for sale: The fair values for AFS securities are generally based on quoted market prices or market prices for similar assets. Liquidity is a significant factor in the determination of the fair values of AFS securities. Market price quotes may not be readily available for some positions, or positions within a market sector where trading activity has slowed significantly or ceased such as certain collateral default obligations positions and other asset backed securities.

Collateral-dependent impaired loans: The Bank does not record loans at fair value on a recurring basis. However, from time to time, fair value adjustments are recorded on these loans to reflect partial write-downs, through charge-offs or specific reserve allowances that are based on the current appraised or market-quoted value of the underlying collateral. Fair value estimates for collateral-dependent impaired loans are obtained from real estate brokers or other third-party consultants (Level 3). The fair value of noncollateral-dependent loans is estimated using a discounted cash flow model.

Interest Rate Swap: Fair value estimates of interest rate swaps are obtained from dealer quotations.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 12 – Fair Value Measurement (cont.)

Assets Measured at Fair Value on a Recurring Basis on March 31				
	Carrying Value at March 31	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2021				
U.S. government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 74,172,529	\$ -	\$ 74,172,529	\$ -
U.S. Treasury Notes	28,381,850	28,381,850	-	-
SBA Pool Securities	7,588,471	-	7,588,471	-
Municipal bonds	3,123,300	-	3,123,300	-
Interest rate swap asset	79,552	-	79,552	-
	<u>\$ 113,345,702</u>	<u>\$ 28,381,850</u>	<u>\$ 84,963,852</u>	<u>\$ -</u>

2020				
U.S. government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 63,983,117	\$ -	\$ 63,983,117	\$ -
U.S. Agency Securities	21,862,251	21,862,251	-	-
SBA Pool Securities	6,544,703	-	6,544,703	-
Municipal bonds	8,336,075	-	8,336,075	-
Corporate bonds	582,754	-	582,754	-
Interest rate swap asset	198,835	-	198,835	-
	<u>\$ 101,507,735</u>	<u>\$ 21,862,251</u>	<u>\$ 79,645,484</u>	<u>\$ -</u>

Assets Measured at Fair Value on a Nonrecurring Basis on March 31				
	Carrying Value at March 31	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2021				
Impaired loans, including loans with partial charge-offs	\$ 26,235,269	\$ -	\$ -	\$ 26,235,269
	<u>\$ 26,235,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,235,269</u>

2020				
Impaired loans, including loans with partial charge-offs	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 13 – Fair Value of Financial Instruments

The fair values of financial instruments have been derived, in part, by the Bank's assumptions, the estimated amount and timing of future cash flows and estimated discount rates. Different assumptions could significantly affect these estimated fair values. Accordingly, the net realizable values could be materially different from the estimates presented below. In addition, the estimates are only indicative of the value of individual financial instruments and should not be considered an indication of the fair value of the Bank.

The following methods and assumptions were used to estimate the fair value for financial instruments:

Cash and cash equivalents: The carrying value of short-term financial instruments, including cash and cash equivalents and time deposits placed, approximates the fair value of these instruments. These financial instruments generally expose the Bank to limited credit risk and have no stated maturities or have short-term maturities and carry interest rates that approximate market.

Securities: the fair value of securities available for sale is determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices

for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

Interest rate swaps: Interest rate swaps are reported at fair value utilizing Level 2 inputs. The Bank obtains dealer quotations to value its interest rate swaps.

Loans: For variable rate loans that reprice frequently and have no significant change in credit risk, fair value is based on carrying value. The fair value of fixed rate loans is estimated using discounted cash flow analyses, using interest rates currently being offered for loans with similar terms to borrowers of similar credit quality. The fair value of impaired loans is estimated using discounted cash flow analyses or underlying collateral values, where applicable.

Deposits: The fair value for certain deposits with stated maturities was calculated by discounting contractual cash flows using current market rates for instruments with similar maturities. For deposits with no stated maturities, the carrying amount was considered to approximate fair value and does not take into account the significant value of the cost advantage and stability of the Bank's long-term relationships with depositors.

FHLB borrowings: Fair value for FHLB borrowings is based on discounted cash flows using current rates being offered for similar terms.

Federal Home Loan Bank Stock: The carrying amount of stock in the Federal Home Loan Bank at cost represents fair value as these equity securities may only be sold back to the issuer at par value.

Other stock: The carrying amount of stock in the Community Development Financial Institution at cost represents fair value as these equity securities have restrictions and limitations placed by the issuer for disposition of the stock.

Interest receivable and payable: The carrying amount of interest receivable and payable approximates fair value.

Fair value of commitments: The estimated fair value of fee income on letters of credit at March 31, 2021 and 2020 was insignificant.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2021 and 2020

NOTE 13 – Fair Value of Financial Instruments (cont.)

The carrying amounts and fair values of financial instruments are as follows at March 31:

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	\$ 47,020,587	\$ 47,020,587	\$ 76,039,516	\$ 76,039,516
Securities	113,345,702	113,345,702	101,507,735	101,507,735
Loans, net	698,356,961	714,137,042	716,428,912	738,912,221
FHLB and CDFI stock	4,924,900	4,924,900	4,338,500	4,338,500
Interest receivable	3,859,973	3,859,973	2,066,907	2,066,907
Interest rate swap asset	79,552	79,552	582,754	582,754
Financial liabilities:				
Deposits	717,405,712	712,753,483	684,356,851	682,962,901
FHLB borrowings	5,000,000	5,000,000	70,000,000	70,000,000
Interest payable	258,951	258,951	885,791	885,791
Interest rate swap liability	-	-	198,835	198,835

NOTE 14 – Subsequent Events

The Bank has evaluated the effects of subsequent events that have occurred through April 29, 2021, the date when the financial statements were available to be issued, and there have been no material events that would require recognition in the Bank's financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTAL INFORMATION



RSM US LLP

Independent Auditor's Report on the Supplementary Information

Board of Directors
State Bank of India (California)

We have audited the financial statements of State Bank of India (California) as of and for the years ended March 31, 2021 and 2020, and have issued our report thereon, which contains an unmodified opinion on those financial statements. See Page 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Los Angeles, California
April 30, 2021

State Bank of India (California)

(Amount in USD in thousands)

Balance Sheet as on 31.03.2021

Capital and Liabilities	Sch No.	As at 31st March 2021	As at 31st March 2020
Equity Share Capital	1	103,862	103,819
Reserves and Surplus	2		
Balance brought forward (as at 01.04.2020 / 01.04.2019)		41,244	32,842
Add / (Less) :			
Addition in Share Premium		-	-
Profit/(Loss) during the year		7,536	7,360
Dividend and Tax on Dividend	-	2,000	
Mark to Market of AFS securities for 01.04.2020 to 31.03.2021		(2,197)	1,042
Addition in Foreign Currency Translation Reserve			
Dividend Paid			-
Dividend Tax Paid			-
Other Adjustments (Pl. specify)			
Balance carried over as at 31.03.2021 / 31.03.2020		44,583	41,244
Deposits	3	717,406	684,357
Borrowings (including AT 1, Tier II & Subordinated Debts)	4	5,000	70,000
Other Liabilities and Provisions	5	16,155	15,577
TOTAL		887,006	914,997

Assets	Sch No.	As at 31st March 2021	As at 31st March 2020
Cash and Balances with Reserve Bank of India	6	1,074	1,031
Balances with banks and money at call & short notice	7	45,947	76,040
Gross value of Investments	8	111,737	96,919
Aggregate of Provisions / Depreciation as at 31.03.2021		-	48
Carrying Value as at 31.03.2021		111,737	96,871
Net Advances	9	711,133	728,104
Fixed Assets	10	648	902
Other Assets	11	16,467	12,049
TOTAL		887,006	914,997

Contingent Liabilities	12	15,549	13,763
Bills for Collection		-	-

Profit and Loss Account for the year ended 31.03.2021

I. INCOME	Sch No.	31st March 2021	31st March 2020
Interest Earned	13		
a) Interest/discount on advances/bills		30,087	39,140
b) Income from Investments		1,884	-
c) Interest on balances with RBI and other inter bank funds		-	-
d) Others		-	-
Other Income	14	1,733	2,489
Total Income		33,704	41,629

II. EXPENDITURE	Sch No.	31st March 2021	31st March 2020
Interest expended	15	6,196	11,471
Operating expenses	16		
a) Payment to and provisions for employees		10,452	10,358
b) Depreciation on fixed assets (including Leased Assets)		313	298
c) Other Operating Expenses		6,294	7,434
Total Expenses (excluding provisions and contingencies)		23,255	29,561

III. Operating Profit		10,449	12,068
Provisions (other than tax) and contingencies (net of write-back)		4,905	1,665
Profit or (loss) from ordinary activities before tax		5,544	10,403
Exceptional & Extraordinary items			
Profit or (loss) before tax		5,544	10,403
Tax Expense	-	1,992	3,043
Net Profit / (Loss) for the year		7,536	7,360
Add: Brought forward Profit / (Loss) as at 01.04.2020 / 01.04.2019		-	
TOTAL		7,536	7,360

IV. APPROPRIATIONS			
Transfer to Statutory Reserves			
Transfer to Capital Reserves			
Transfer to Investment Reserves			
Transfer to Revenue & Other Reserves		5,536	7,360
Transfer to Reserves u/s 36(1)(viii) of I.T. Act			
Other Adjustments (Pl. specify)			
Other Adjustments (Pl. specify)			
Final Dividend		1,700	
Interim Dividend			
Tax on Final Dividend		300	
Tax on Interim Dividend			
Balance carried to Balance Sheet			
Total		7,536	7,360

Managing Director/CEO

RSM VS LLP

Statutory Auditors

			Annexure 1
State Bank of India (California)			
			(Amount in USD in thousands)
	Particulars	As at 31st March 2021	As at 31st March 2020
	SCHEDULE 1 - EQUITY SHARE CAPITAL		
	Authorised Equity Share Capital - shares of Rs. /- each	1,038,622	1,038,190
	Issued, Subscribed and Paid-up Equity Share Capital - equity shares of Rs. /- each	103,862	103,819
	(Previous year equity shares of Rs. /- each)		
	TOTAL	103,862	103,819
	SCHEDULE 2 - RESERVES & SURPLUS		
	I. Statutory Reserves		
	Opening Balance	-	
	Additions during the year		
	Deductions during the year		
	Total I	-	-
	II. Capital Reserves		
	Opening Balance	-	
	Additions during the year		
	Deductions during the year		
	Total II	-	-
	III. Share Premium		
	Opening Balance	-	
	Additions during the year		
	Deductions during the year		
	Total III	-	-
	IV. Investment Fluctuation Reserve		
	Opening Balance	-	
	Additions during the year		
	Deductions during the year		
	Total IV	-	-
	V. Investment Reserve		
	Opening Balance	-	
	Additions during the year		
	Deductions during the year		
	Total V	-	-
	VI. Foreign Currency Translation Reserve		
	Opening Balance	-	
	Additions during the year		
	Deductions during the year		
	Total VI	-	-
	VII. Revaluation Reserve on Fixed Assets		
	Opening Balance	-	
	Additions during the year		
	Deductions during the year		
	Total VII	-	-
	VIII. Revenue and Other Reserves		
	Opening Balance	41,514	34,154
	Additions during the year	7,536	7,360
	Deductions during the year	2,000	
	Total VIII	47,050	41,514
	IX. Available for Sale (AFS) Reserve		
	Opening Balance	(270)	(1,312)
	Additions during the year		1,042
	Deductions during the year	2,197	
	Total IX	(2,467)	(270)
	X. Balance in Profit and Loss Account	-	-
	GRAND TOTAL (I+II+III+IV+V+VI+VII+VIII+IX+X)	44,583	41,244

State Bank of India (California)			
		(Amount in USD in thousands)	
	Particulars	As at 31st March 2021	As at 31st March 2020
	<u>SCHEDULE 3 - DEPOSITS</u>		
A.	I. Demand Deposits		
	(i) From Banks	86	227
	(ii) From Others	125,547	87,157
	II. Savings Bank Deposits	268,670	197,807
	III. Term Deposits		
	(i) From Banks	31,357	15,021
	(ii) From Others	291,746	384,145
	Total	717,406	684,357
B.	I. Deposits of Branches in India	86	227
	II. Deposits of Branches outside India	717,320	684,130
	<u>SCHEDULE 4 - BORROWINGS</u>		
I.	Borrowings in India		
	(i) Reserve Bank of India		
	(ii) Other Banks		
	(iii) Other institutions and agencies		
	(iv) Innovative Perpetual Debt Instruments (IPDI) - AT-1 Bonds		
	(v) Subordinated Debts and Bonds - Tier - II		
	(vi) Redeemable Cumulative Preference Shares (RCPS)		
	Total I	-	-
II.	Borrowings outside India		
	(i) Borrowings and Refinance outside India		
	- From banks	5,000	70,000
	- From other institutions and agencies		
	(ii) Innovative Perpetual Debt Instruments (AT-1 Bonds)		
	(iii) Subordinated Debts and Bonds (Tier - II)		
	(iv) Redeemable Cumulative Preference Shares (RCPS)		
	Total II	5,000	70,000
	GRAND TOTAL (I+II)	5,000	70,000
	Secured Borrowings included in I & II above		
	<u>SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS</u>		
I.	Bills payable		
II.	Inter Bank adjustments		
III.	Inter - Office adjustments (net)		
IV.	Interest accrued	259	880
V.	Deferred Tax Liabilities (Net)		
VI.	Income Tax Provisions / Liabilities (Net) (i.e. other than Deferred Tax , TDS & TCS Liabilities)		
VII.	Liabilities relating to Policyholders in Insurance Business		
VIII.	Provision for Standard Assets including provision for unhedged foreign currency exposure	11,077	10,059
IX.	Others (including provisions)	4,819	4,638
	Total	16,155	15,577
	<u>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</u>		
I.	Cash in hand (including foreign currency notes and gold)	1,074	1,031
II.	Balances with Reserve Bank of India		
	(i) In Current Account		
	(ii) In Other Accounts		
	Total	1,074	1,031

State Bank of India (California)			
			(Amount in USD in thousands)
	Particulars	As at 31st March 2021	As at 31st March 2020
	SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE		
I.	In India		
	(i) Balances with banks		
	(a) In Current Account	4,977	3,281
	(b) In Other Deposit Accounts		
	(ii) Money at call and short notice		
	(a) With banks		
	(b) With Other Institutions		
	TOTAL I	4,977	3,281
II.	Outside India		
	(i) In Current Account	37,882	64,691
	(ii) In Other Deposit Accounts	3,088	8,068
	(iii) Money at call and short notice		
	TOTAL II	40,970	72,759
	GRAND TOTAL	45,947	76,040
	(I and II)		
	SCHEDULE 8 - INVESTMENTS		
I.	Investment in India in		
	(i) Government Securities		
	(ii) Other Approved Securities		
	(iii) Shares		
	(iv) Debentures and Bonds		
	(v) Group Subsidiaries and/or Joint ventures (e.g. SBI Foundation)		
	(vi) Group Associates		
	(vii) Others (Units of mutual funds, commercial papers, etc.)		
	TOTAL I	-	-
II.	Investment Outside India in		
	(i) Government Securities (including local authorities)	111,737	96,871
	(ii) Other Approved Securities		
	(iii) Shares		
	(iv) Debentures and Bonds		
	(v) Group Subsidiaries and/or Joint ventures abroad (e.g. State Bank of India Servicos Limitada, Brazil)		
	(vi) Group Associates		
	(vii) Others (Units of mutual funds, commercial papers, etc.)		
	TOTAL II	111,737	96,871
	GRAND TOTAL	111,737	96,871
	(I and II)		
III.	Investment in India in		
	(i) Gross Value of Investments		
	(ii) Aggregate of Provisions / Depreciation		
	(iii) Net Investments (vide I above)	-	-
IV.	Investment Outside India in		
	(i) Gross Value of Investments	111,737	96,919
	(ii) Aggregate of Provisions / Depreciation	-	48
	(iii) Net Investments (vide II above)	111,737	96,871
	GRAND TOTAL	111,737	96,871
	(III and IV)		

State Bank of India (California)			
			(Amount in USD in thousands)
	Particulars	As at 31st March 2021	As at 31st March 2020
	SCHEDULE 9 - ADVANCES		
A.	(I) Bills purchased and discounted		
	(II) Cash Credits, Overdrafts and Loans repayable on demand	185	80
	(III) Term Loans	710,948	728,024
	Total (A)	711,133	728,104
B.	(I) Secured by tangible assets (including advances against Book Debts)	702,745	717,659
	(II) Covered by Bank/Government Guarantees		
	(III) Unsecured	8,388	10,445
	Total (B)	711,133	728,104
C.	(I) Advances in India		
	(i) Priority Sector		
	(ii) Public Sector		
	(iii) Banks		
	(iv) Others		
	Sub Total (C.I)	-	-
	(II) Advances outside India		
	(i) Due from banks		
	(ii) Due from others		
	(a) Bills purchased and discounted		
	(b) Syndicated loans	139,826	150,998
	(c) Others	571,307	577,106
	Sub Total (C.II)	711,133	728,104
	Total C = (C.I+ C.II)	711,133	728,104
	NOTE: Total of A = Total of B = Total of C		
	SCHEDULE 10 - FIXED ASSETS		
I.	Premises		
	At cost as on 31st March of the preceding year	-	
	Additions during the year		
	Deductions during the year		
	Accumulated Depreciation to date		
	TOTAL I	-	-
II.	Other Fixed Assets (including furniture and fixtures) #		
	At cost as on 31st March of the preceding year	5,204	5,239
	Additions during the year	125	113
	Deductions during the year	1,528	148
	Accumulated Depreciation to date	3,153	4,302
	TOTAL II	648	902
III.	Leased Assets (including assets taken on Finance lease)		
	At cost as on 31st March of the preceding year	-	
	Additions during the year		
	Deductions during the year		
	Accumulated Depreciation to date		
	SUB-TOTAL III	-	-
	Add/ (Less): Lease Adjustments and Provisions		
	TOTAL III	-	-
IV	Assets under Construction (including Premises)		
	GRAND TOTAL (I+II+III+IV)	648	902
#	Other Fixed Assets includes Leased-hold improvement/development on operating leases.		
	SCHEDULE 11 - OTHER ASSETS		
I.	Inter bank adjustments		
II.	Inter - Office adjustments (net)		
III.	Interest accrued	3,860	2,067
IV.	Tax paid in advance / tax deducted at source (Net)	569	347
V.	Stationery & Stamps		
VI.	Non-banking assets acquired in satisfaction of claims		
VII.	Deferred tax asset (Net)	4,594	3,230
	Deposits placed with NABARD/SIDBI/NHB etc. for meeting shortfall in priority sector lending (e.g. RIDF, etc.)		
VIII.	Others excluding Intangible Assets	7,444	6,405
IX.	Intangible Assets :		
	(a) Deferred Revenue Expenditure		
	(b) MAT Credit Balance		
	(c) Other Intangible Assets (pl. specify)		
	(d) Other Intangible Assets (pl. specify)		
	TOTAL	16,467	12,049

State Bank of India (California)			
			(Amount in USD in thousands)
	Particulars	As at 31st March 2021	As at 31st March 2020
	<u>SCHEDULE 12 - CONTINGENT LIABILITIES</u>		
I.	Claims against the entity not acknowledged as debts		
	Income Tax , Service Tax and other Statutory & Regulatory		
II.	Demands / liabilities (net -off provisions)		
III.	Liability for partly paid investments / Venture Funds		
IV.	Liability on account of outstanding forward exchange contracts		
V.	Guarantees given on behalf of constituents		
	(a) In India		
	(b) Outside India	317	24
VI.	Acceptances, endorsements and other obligations		
	Notional amount for outstanding Derivative contracts other-than		
VII.	Forward exchange contracts		
VIII.	Other items for which the entity is contingently liable	15,232	13,739
	TOTAL	15,549	13,763
	Bills for collection		
		For the year ended	For the year ended
		31st March 2021	31st March 2020
	<u>SCHEDULE 13 - INTEREST EARNED</u>		
I.	Interest / discount on advances/ bills	30,087	39,140
II.	Income on Investments	1,884	
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	-	
IV.	Others including interest on deposits placed for meeting shortfall in priority sector lending	-	
	TOTAL	31,971	39,140
	<u>SCHEDULE 14 - OTHER INCOME</u>		
I.	Commission, exchange and brokerage	662	663
II.	Profit/ (Loss) on sale of investments (Net)	1,154	108
III.	Profit/ (Loss) on revaluation of investments (Net)	-	
IV.	Profit/(Loss) on sale of land, buildings and other assets (Net)	-	
V.	Profit/ (Loss) on sale of leased assets (Net)	-	
VI.	Profit/ (Loss) on exchange transactions (Net)	902	1,020
	Income earned by way of dividends, etc.,from group subsidiaries / joint ventures and/or group associates abroad/in India (e.g. DFHL, CCIL etc.)	-	
VII.	Income from Finance Lease	-	
IX.	Credit Card membership/ service fees	-	
X.	Life Insurance Premium (net)	-	
XI.	General Insurance Premium (net)	-	
XII.	Share of earnings from associates	-	
XIII.	Recoveries made in write-off non-performing accounts	-	
XIV.	Miscellaneous income	(985)	698
	TOTAL	1,733	2,489

[illegible]

State Bank of India (California)

Data for translation of income/expenses of non-integral foreign operationsProfit and Loss account for the year 01.04.2020 to 31.03.2021

(Amount in thousands in local currency)

Particulars	QE 30.06.20	QE 30.09.20	Name of the Currency		USD
			QE 31.12.20	QE 31.03.21	Total
	(a)	(b)	(c)	(d)	e = a+b+c+d
<u>SCHEDULE 13 - INTEREST EARNED</u>					
I. Interest / discount on advances/ bills	8051	8090	6863	7083	30087
II. Income on Investments	522	498	447	417	1884
III. Interest on balances with Reserve Bank of India and other inter-bank funds					0
IV. Others including interest on deposits placed for meeting shortfall in priority sector lending					0
TOTAL	8573	8588	7310	7500	31971
<u>SCHEDULE 14 - OTHER INCOME</u>					
I. Commission, exchange and brokerage	(381)	90	756	197	662
II. Profit/ (Loss) on sale of investments (Net)	162	595	-	397	1154
III. Profit/ (Loss) on revaluation of investments (Net)					0
IV. Profit/(Loss) on sale of land, buildings and other assets (Net)					0
V. Profit/ (Loss) on sale of leased assets (Net)					0
VI. Profit/ (Loss) on exchange transactions (Net)	194	183	212	313	902
Income earned by way of dividends, etc.,from group subsidiaries / joint ventures and/or group associates abroad/in India (e.g. DFHI, CCIL etc.)					0
VIII. Income from Finance Lease					0
IX. Credit Card membership/ service fees					0
X. Life Insurance Premium (net)					0
XI. General Insurance Premium (net)					0
XII. Share of earnings from associates					0
XIII. Recoveries made in write-off non-performing accounts					0
XIV. Miscellaneous income	178	65	(1,315)	87	(985)
TOTAL	153	933	(347)	994	1733
<u>SCHEDULE 15 - INTEREST EXPENDED</u>					
I. Interest on deposits	2,092	1,702	1,157	1064	6015
II. Interest on Reserve Bank of India/ Inter-bank borrowings	86	36	58	1	181
III. Others					0
TOTAL	2178	1738	1215	1065	6196

Particulars	QE 30.06.20	QE 30.09.20	QE 31.12.20	QE 31.03.21	Total
	(a)	(b)	(c)	(d)	e = a+b+c+d

SCHEDULE 16 - OPERATING EXPENSES					
I. Payments to and provisions for employees	2640	2646	2507	2659	10452
II. Rent, taxes and lighting	432	403	418	403	1656
III. Printing & Stationery	42	12	10	19	83
IV. Advertisement and publicity	27	39	34	36	136
V. Depreciation on					
(a) Fixed Assets other than Leased Assets	82	83	76	72	313
(b) Leased Assets					0
VI. Directors' fees, allowances and expenses	77	76	77	62	292
Auditors' fees and expenses (including branch auditors' fees and expenses)	68	72	72	72	284
VIII. Law charges	90	75	76	101	342
IX. Postages, Telegrams, Telephones, etc.	61	66	65	63	255
X. Repairs and maintenance	159	153	128	182	622
XI. Insurance Expenses	36	38	39	38	151
XII. Other Operating Expenses relating to Credit Card Operations					0
XIII. Other Operating Expenses relating to Life Insurance					0
XIV. Other Operating Expenses relating to General Insurance					0
XV. Other Expenditure	605	626	608	634	2473
TOTAL	4319	4289	4110	4341	17059

SCHEDULE : PROVISIONS & CONTINGENCIES (charged off to P & L a/c)					
Provision for Income Tax (Current tax)	940	875	593	(3036)	(628)
Provision for Income Tax (Deferred tax)	(638)	17	(55)	(688)	(1364)
Write - Back of Provision for Income Tax of earlier years					0
Provision for other taxes					0
Provision for Standard Assets including provision for unhedged foreign currency exposure	279	72	262	405	1018
Provision for NPAs	339	(38)	0	3634	3935
Provision for Restructured Assets					0
Provision for investments in India					0
Provision for investments outside India	(48)	0	0	0	(48)
Provision for RRBs/Subsidiaries/Joint Ventures					0
Provision on other assets					0
Other Provisions (Please Specify)					0
Other Provisions (Please specify)					0
Other Provisions (Please specify)					0
Total Provisions & Contingencies	872	926	800	315	2913
Net Profit for the year	1357	2568	838	2773	7536

Note: a) Figures in the last column should tally with CFS P&L a/c of 2018-19

RSM VS LLP

Managing Director/CEO

Statutory Auditors

State Bank of India (California)

Balance Sheet as at 31st March 2021

(Amount in USD in thousands)

	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
I. Capital and Liabilities			
1. Equity Share Capital	103,862	-	103,862
2. Reserves and Surplus			
Balance brought forward (as at 01.04.2020)	41,244	-	41,244
Add / (Less) :			
Addition in Share Premium	-	-	-
Profit/(Loss) during the year	7,536	-	7,536
Dividend and Tax on Dividend	2,000	-	2,000
Mark to Market of AFS securities for 01.04.2020 to 31.03.2021	2,197	-	2,197
Addition in Foreign Currency Translation Reserve	-	-	-
Dividend Paid	-	-	-
Dividend Tax Paid	-	-	-
Other Adjustments (Pl. specify)	-	-	-
Balance carried over as at 31.03.2021 / 31.03.2020	44,583	-	44,583
3. Deposits	717,406	-	717,406
4. Borrowings (including Tier I, Tier II & Subordinated Debts)	5,000	-	5,000
5. Other Liabilities and Provisions	16,155	-	16,155
TOTAL	887,006	-	887,006

(Amount in USD in thousands)

	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
II. Assets			
6. Cash and Balances with Reserve Bank of India	1,074	-	1,074
7. Balances with banks and money at call & short notice	45,947	-	45,947
8. Investments			
Gross Value of Investments as at 31.03.2021	111,737	-	111,737
Aggregate of Provisions / Depreciation as at 31.03.2021	-	-	-
Carrying Value as at 31.03.2021	111,737	-	111,737
9. Net Advances	711,133	-	711,133
10. Fixed Assets	648	-	648
11. Other Assets	16,467	-	16,467
TOTAL	887,006	-	887,006

- - -

Contingent Liabilities	15,549	-	15,549
Bills for Collection	-	-	-

Profit and Loss account for the year ended 31.03.2021

(Amount in USD in thousands)

	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
A. INCOME			
1. Interest Earned			
a) Interest/discount on advances/bills	30,087	-	30,087
b) Income from Investments	1,884	-	1,884
c) Interest on balances with RBI and other inter bank funds	-	-	-
d) Others	-	-	-
2. Other Income	1,733	-	1,733
TOTAL	33,704	-	33,704
B. EXPENDITURE			
1. Interest Expended	6,196	-	6,196
2. Operating Expenses			
a) Payment to and provisions for employees	10,452	-	10,452
b) Depreciation on fixed assets (including Leased Assets)	313	-	313
c) Other Operating Expenses	6,294	-	6,294
3. Total Expenses (excluding provisions and contingencies)	23,255	-	23,255
4. Operating Profit	10,449	-	10,449
5. Provisions (other than tax) and contingencies (net of write-back)	4,905	-	4,905
6. Profit or (loss) from ordinary activities before tax	5,544	-	5,544
7. Exceptional & Extraordinary items	-	-	-
8. Profit or (loss) before tax	5,544	-	5,544
9. Tax Expense	(1,992)	-	(1,992)
10. Profit or (loss) after tax	7,536	-	7,536
11. Profit brought forward (as at 1st April 2020)	-	-	-
12. Appropriations (if any)	7,536	-	7,536
13. Balance Carried over to balance sheet as at 31st March 2021	-	-	-

NOTE:

Certified that figures in column 2 has been arrived at in line with the Accounting Policies followed by the State Bank of India Group

RSM VS LLP

				Annexure 3
State Bank of India (California)				
		(Amount in USD in thousands)		
		As at 31st March 2021		
	Particulars	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
	SCHEDULE 1 - EQUITY SHARE CAPITAL			
	Authorised Equity Share Capital - shares of Rs. /- each	1,038,622		1,038,622
	Issued, Subscribed and Paid-up Equity Share Capital - equity shares of Rs. /- each	103,862		103,862
	(Previous year equity shares of Rs. /- each)			
	TOTAL	103,862	-	103,862
	SCHEDULE 2 - RESERVES & SURPLUS			
	I. Statutory Reserves			
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total I	-	-	-
	II. Capital Reserves			
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total II	-	-	-
	III. Share Premium			
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total III	-	-	-
	IV. Investment Fluctuation Reserve			
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total IV	-	-	-
	V Investment Reserve			
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total V	-	-	-
	VI Foreign Currency Translation Reserve			
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total VI	-	-	-
	VII Revaluation Reserve on Fixed Assets			
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total VII	-	-	-
	VIII Revenue and Other Reserves			
	Opening Balance	41,514		41,514
	Additions during the year	7,536		7,536
	Deductions during the year	2,000		2,000
	Total VIII	47,050	-	47,050
	IX Available for Sale (AFS) Reserve			
	Opening Balance	(270)		(270)
	Additions during the year	-		-
	Deductions during the year	2,197		2,197
	Total IX	(2,467)	-	(2,467)
	X Balance in Profit and Loss Account	-		-
	GRAND TOTAL			
	(I+II+III+IV+V+VI+VII+VIII+IX+X)	44,583	-	44,583

State Bank of India (California)			
(Amount in USD in thousands)			
As at 31st March 2021			
Particulars	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
SCHEDULE 3 - DEPOSITS			
A. I. Demand Deposits			
(i) From Banks	86		86
(ii) From Others	125,547		125,547
II. Savings Bank Deposits	268,670		268,670
III. Term Deposits			
(i) From Banks	31,357		31,357
(ii) From Others	291,746		291,746
Total	717,406	-	717,406
B. I. Deposits of Branches in India	86		86
II. Deposits of Branches outside India	717,320		717,320
SCHEDULE 4 - BORROWINGS			
I. Borrowings in India			
(i) Reserve Bank of India	-		-
(ii) Other Banks	-		-
(iii) Other institutions and agencies	-		-
(iv) Innovative Perpetual Debt Instruments (IPDI) - AT-1 Bonds	-		-
(v) Subordinated Debts and Bonds - Tier - II	-		-
(vi) Redeemable Cumulative Preference Shares (RCPS)	-		-
Total I	-	-	-
II. Borrowings outside India			
(i) Borrowings and Refinance outside India			
- From banks	5,000		5,000
- From other institutions and agencies	-		-
(ii) Innovative Perpetual Debt Instruments (AT-1 Bonds)	-		-
(iii) Subordinated Debts and Bonds (Tier - II)	-		-
(iv) Redeemable Cumulative Preference Shares (RCPS)	-		-
Total II	5,000	-	5,000
GRAND TOTAL (I+II)	5,000	-	5,000
Secured Borrowings included in I & II above	-		-
SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS			
I. Bills payable	-		-
II. Inter Bank adjustments	-		-
III. Inter - Office adjustments (net)	-		-
IV. Interest accrued	259		259
V. Deferred Tax Liabilities (Net)	-		-
Income Tax Provisions / Liabilities (Net) (i.e. other than Deferred Tax , TDS & TCS Liabilities)	-		-
VI. Liabilities relating to Policyholders in Insurance Business	-		-
Provision for Standard Assets including provision for unhedged foreign currency exposure	11,077		11,077
VIII. Others (including provisions)	4,819		4,819
Total	16,155	-	16,155
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
I. Cash in hand (including foreign currency notes and gold)	1,074		1,074
II. Balances with Reserve Bank of India			
(i) In Current Account	-		-
(ii) In Other Accounts	-		-
Total	1,074	-	1,074

State Bank of India (California)				
			(Amount in USD in thousands)	
		As at 31st March 2021		
	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	<u>SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE</u>			
I.	In India			
	(i) Balances with banks			
	(a) In Current Account	4,977		4,977
	(b) In Other Deposit Accounts	-		-
	(ii) Money at call and short notice			
	(a) With banks	-		-
	(b) With Other Institutions	-		-
	TOTAL I	4,977	-	4,977
II.	Outside India			
	(i) In Current Account	37,882		37,882
	(ii) In Other Deposit Accounts	3,088		3,088
	(iii) Money at call and short notice	-		-
	TOTAL II	40,970	-	40,970
	GRAND TOTAL	45,947	-	45,947
	(I and II)			
	<u>SCHEDULE 8 - INVESTMENTS</u>			
I.	Investment in India in			
	(i) Government Securities	-		-
	(ii) Other Approved Securities	-		-
	(iii) Shares	-		-
	(iv) Debentures and Bonds	-		-
	(v) Group Subsidiaries and/or Joint ventures (e.g. SBI Foundation)	-		-
	(vi) Group Associates	-		-
	(vii) Others (Units of mutual funds, commercial papers, etc.)	-		-
	TOTAL I	-	-	-
II.	Investment Outside India in			
	(i) Government Securities (including local authorities)	111,737		111,737
	(ii) Other Approved Securities	-		-
	(iii) Shares	-		-
	(iv) Debentures and Bonds	-		-
	(v) Group Subsidiaries and/or Joint ventures abroad (e.g. State Bank of India Servicos Limitada, Brazil)	-		-
	(vi) Group Associates	-		-
	(vii) Others (Units of mutual funds, commercial papers, etc.)	-		-
	TOTAL II	111,737	-	111,737
	GRAND TOTAL	111,737	-	111,737
	(I and II)			
III.	Investment in India in			
	(i) Gross Value of Investments	-		-
	(ii) Aggregate of Provisions / Depreciation	-		-
	(iii) Net Investments (vide I above)	-	-	-
IV.	Investment Outside India in			
	(i) Gross Value of Investments	111,737		111,737
	(ii) Aggregate of Provisions / Depreciation	-		-
	(iii) Net Investments (vide II above)	111,737	-	111,737
	GRAND TOTAL	111,737	-	111,737
	(III and IV)			

State Bank of India (California)				
			(Amount in USD in thousands)	
		As at 31st March 2021		
	Particulars	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
	SCHEDULE 9 - ADVANCES			
A.	(I) Bills purchased and discounted	-		-
	(II) Cash Credits, Overdrafts and Loans repayable on demand	185		185
	(III) Term Loans	710,948		710,948
	Total (A)	711,133	-	711,133
B.	(I) Secured by tangible assets (including advances against Book Debts)	702,745		702,745
	(II) Covered by Bank/Government Guarantees	-		-
	(III) Unsecured	8,388		8,388
	Total (B)	711,133	-	711,133
C.	(I) Advances in India	-		-
	(i) Priority Sector	-		-
	(ii) Public Sector	-		-
	(iii) Banks	-		-
	(iv) Others	-		-
	Sub Total (C.I)	-	-	-
	(II) Advances outside India			
	(i) Due from banks	-		-
	(ii) Due from others			
	(a) Bills purchased and discounted	-		-
	(b) Syndicated loans	139,826		139,826
	(c) Others	571,307		571,307
	Sub Total (C.II)	711,133	-	711,133
	Total C = (C.I+ C.II)	711,133	-	711,133
	NOTE: Total of A = Total of B = Total of C			
	SCHEDULE 10 - FIXED ASSETS			
I.	Premises			
	At cost as on 31st March of the preceding year	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Accumulated Depreciation to date	-		-
	TOTAL I	-	-	-
II.	Other Fixed Assets (including furniture and fixtures) #			
	At cost as on 31st March of the preceding year	5,204		5,204
	Additions during the year	125		125
	Deductions during the year	1,528		1,528
	Accumulated Depreciation to date	3,153		3,153
	TOTAL II	648	-	648
III.	Leased Assets (including assets taken on Finance lease)			
	At cost as on 31st March of the preceding year	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Accumulated Depreciation to date	-		-
	SUB-TOTAL III	-	-	-
	Add/ (Less): Lease Adjustments and Provisions	-		-
	TOTAL III	-	-	-
IV	Assets under Construction (including Premises)	-		-
	GRAND TOTAL (I+II+III+IV)	648	-	648
#	Other Fixed Assets includes Leased-hold improvement/development on operating leases.			

State Bank of India (California)				
			(Amount in USD in thousands)	
		As at 31st March 2021		
	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	<u>SCHEDULE 11 - OTHER ASSETS</u>			
I.	Inter bank adjustments	-		-
II.	Inter - Office adjustments (net)	-		-
III.	Interest accrued	3,860		3,860
IV.	Tax paid in advance / tax deducted at source (Net)	569		569
V.	Stationery & Stamps	-		-
VI.	Non-banking assets acquired in satisfaction of claims	-		-
VII.	Deferred tax asset (Net)	4,594		4,594
VIII.	Deposits placed with NABARD/SIDBI/NHB etc. for meeting shortfall in priority sector lending (e.g. RIDF, etc.)	-		-
IX.	Others excluding Intangible Assets	7,444		7,444
X.	Intangible Assets :			
	(a) Deferred Revenue Expenditure	-		-
	(b) MAT Credit Balance	-		-
	(c) Other Intangible Assets (pl. specify)	-		-
	(d) Other Intangible Assets (pl. specify)	-		-
	TOTAL	16,467	-	16,467
	<u>SCHEDULE 12 - CONTINGENT LIABILITIES</u>			
I.	Claims against the entity not acknowledged as debts	-		-
	Income Tax , Service Tax and other Statutory &			
II.	Regulatory Demands / liabilities (net -off provisions)	-		-
III.	Liability for partly paid investments / Venture Funds	-		-
IV.	Liability on account of outstanding forward exchange contracts	-		-
V.	Guarantees given on behalf of constituents	-		-
	(a) In India	-		-
	(b) Outside India	317		317
VI.	Acceptances, endorsements and other obligations	-		-
	Notional amount for outstanding Derivative contracts			
VII.	other-than Forward exchange contracts	-		-
VIII.	Other items for which the entity is contingently liable	15,232		15,232
	TOTAL	15,549	-	15,549
	Bills for collection	-		

State Bank of India (California)				
			(Amount in USD in thousands)	
		As at 31st March 2021		
	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
		For the year ended 31st March 2021		
	<u>SCHEDULE 13 - INTEREST EARNED</u>			
I.	Interest / discount on advances/ bills	30,087		30,087
II.	Income on Investments	1,884		1,884
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	-		-
IV.	Others including interest on deposits placed for meeting shortfall in priority sector lending	-		-
	TOTAL	31,971	-	31,971
	<u>SCHEDULE 14 - OTHER INCOME</u>			
I.	Commission, exchange and brokerage	662		662
II.	Profit/ (Loss) on sale of investments (Net)	1,154		1,154
III.	Profit/ (Loss) on revaluation of investments (Net)	-		-
IV.	Profit/(Loss) on sale of land, buildings and other assets (Net)	-		-
V.	Profit/ (Loss) on sale of leased assets (Net)	-		-
VI.	Profit/ (Loss) on exchange transactions (Net)	902		902
VII.	Income earned by way of dividends, etc.,from group subsidiaries / joint ventures and/or group associates abroad/in India (e.g. DFHI, CCIL etc.)	-		-
VIII.	Income from Finance Lease	-		-
IX.	Credit Card membership/ service fees	-		-
X.	Life Insurance Premium (net)	-		-
XI.	General Insurance Premium (net)	-		-
XII.	Share of earnings from associates	-		-
XIII.	Recoveries made in write-off non-performing accounts	-		-
XIV.	Miscellaneous income	(985)		(985)
	TOTAL	1,733	-	1,733
	<u>SCHEDULE 15 - INTEREST EXPENDED</u>			
I.	Interest on deposits	6,015		6,015
II.	Interest on Reserve Bank of India/ Inter-bank borrowings	181		181
III.	Others	-		-
	TOTAL	6,196	-	6,196

State Bank of India (California)			
(Amount in USD in thousands)			
As at 31st March 2021			
Particulars	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
SCHEDULE 16 - OPERATING EXPENSES			
I. Payments to and provisions for employees	10,452		10,452
II. Rent, taxes and lighting	1,656		1,656
III. Printing & Stationery	83		83
IV. Advertisement and publicity	136		136
V. Depreciation on			
(a) Fixed Assets other than Leased Assets	313		313
(b) Leased Assets	-		-
VI. Directors' fees, allowances and expenses	292		292
VII. Auditors' fees and expenses (including branch auditors' fees and expenses)	284		284
VIII. Law charges	342		342
IX. Postages, Telegrams, Telephones, etc.	255		255
X. Repairs and maintenance	622		622
XI. Insurance Expenses	151		151
Other Operating Expenses relating to Credit Card Operations	-		-
XIII. Other Operating Expenses relating to Life Insurance	-		-
XIV. Other Operating Expenses relating to General Insurance	-		-
XV. Other Expenditure	2,473		2,473
TOTAL	17,059	-	17,059
SCHEDULE : PROVISIONS & CONTINGENCIES (charged off to P & L a/c)			
Provision for Income Tax (Current tax)	(628)		(628)
Provision for Income Tax (Deferred tax)	(1,364)		(1,364)
Write - Back of Provision for Income Tax of earlier years	-		-
Provision for other taxes	-		-
Provision for Standard Assets including provision for unhedged foreign currency exposure	1,018		1,018
Provision for NPAs	3,935		3,935
Provision for Restructured Assets	-		-
Provision for investments in India	-		-
Provision for investments outside India	(48)		(48)
Provision for RRBs/Subsidiaries/Joint Ventures	-		-
Provision on other assets	-		-
Other Provisions (Please Specify)	-		-
Other Provisions (Please specify)	-		-
Other Provisions (Please specify)	-		-
Total Provisions & Contingencies	2,913	-	2,913
NOTE:			
Certified that figures in column 2 has been arrived at in line with the Accounting Policies followed by the State Bank of India Group (SBI Group).			
Managing Director/CEO			Statutory Auditors

RSM US LLP

State Bank of India (California)

(Amount in USD in thou)

	<i>As per Financials</i> (column 1)	<i>Adjustment due to Non-uniform Accounting Policy</i> (column 2)	<i>Difference</i> '=Col 1 - Col 2
ADVANCES			
Gross Advances	715,068	715,068	-
Less :			
(i) Interest Income Derecognised on NPA			-
(ii) Misc. Income Derecognised on NPA (if any)			-
(iii) Provision held for NPA Accounts	3,935	3,935	-
(iv) Floating Provision			-
(v) Provision for restructured accounts classified as NPAs			-
(vi) Provision for restructured accounts classified as standard assets			-
(vii) Other deductions (pl. Specify)			-
(viii) Other deductions (pl. Specify)			-
Net Advances	711,133	711,133	-

Working for Calculation of NPA & Standard Assets Provision

(This working is applicable only for SBI Global Factors Ltd., SBI Cards & Payment Services Pvt Ltd and SBI Life Insurance Co. Ltd.)

		<i>Gross Advances*</i>	<i>Provision for NPA</i>	<i>Provision for Standard assets</i>
	(A) Valuation as per Subsidiary's policy			
a.	0 to 90 days overdue - Standard Advances			
b.	0 to 90 days overdue - Restructured Advances classified as NPA			
c.	91 – 180 days overdue (i.e above 3 months to upto 6 months)			
d.	Sub - Standard Assets			
e.	Doubtful Assets			
f.	Loss Assets			
	Total	-	-	
	(B) Valuation as per SBI policy			
a.	0 to 90 days overdue - Standard Advances	-		-
b.	0 to 90 days overdue - Restructured Advances classified as NPA	-	-	
c.	91 – 180 days overdue (i.e above 3 months to upto 6 months) - Secured Portion of Substandard Assets		-	
d.	91 – 180 days overdue (i.e above 3 months to upto 6 months) - Unsecured Portion of Substandard Assets		-	
e.	Sub - Standard Assets (excluding b. & c.)			
f.	Doubtful Assets			
g.	Loss Assets			
	Total	-	-	-

715,068

* Gross advances shown above are after netting off Income derecognised on NPA customers.

Certified that figures in column 2 has been arrived at in line with the Accounting Policies followed by the State Bank of India Group (SBI Group).

RSM VS LLP

Managing Director/CEO

Statutory Auditors

State Bank of India (California)

Intra-group Assets as on 31st March 2021

(Amount in USD in thousands)

Sr. No	Name of the Counter party	Balances with Banks in Current Accounts (Sch 7)	Balances with Banks in other deposit accounts (Sch 7)	Money at Call & Short Notice (Sch 7)	Bills Purchased & discounted (Sch 9) ##	Cash Credits/ Current Accounts/ Overdrafts - Debit Balances (Sch 9)	Demand Loans (Sch 9)	Term Loans (Sch.9)	Other Assets- interest accrued (sch 11)	Other Assets- Others (Net of Provisions (if any)) (sch 11)	Total
		1	2	3	4	5	6	7	8	9	10
1	SBI Capital Markets Ltd.										-
2	SBICAP Securities Ltd										-
3	SBICAP Trustee Company Ltd										-
4	SBICAP Ventures Ltd										-
5	SBI DFHI Ltd										-
6	SBI Payment Services Pvt Ltd										-
7	SBI Mutual Fund Trustee Company Pvt. Ltd @ @										-
8	SBI Global Factors Ltd										-
9	SBI Pension Funds Pvt Ltd										-
10	SBI-SG Global Securities Services Pvt. Ltd.										-
11	SBI General Insurance Company Ltd										-
12	SBI Cards and Payment Services Limited										-
13	SBI Life Insurance Company Limited										-
14	SBI Infra Management Solutions Private Limited										-
15	SBI Funds Management Pvt. Ltd @ @										-
16	SBI Funds Management (International) Pvt. Ltd @ @										-
17	SBICAP (Singapore) Ltd.										-
18	Nepal SBI Merchant Banking Ltd.										-
19	State Bank of India (California)										-
20	SBI Canada Bank										-
21	SBI (Mauritius) Ltd.										-
22	Commercial Indo Bank Llc, Moscow										-
23	PT Bank SBI Indonesia										-
24	Nepal SBI Bank Ltd										-
25	Bank SBI Botswana Ltd.										-
26	State Bank of India Servicos Limitada, Brazil										-
27	State Bank of India (UK) Limited										-
28	SBI- Foreign Offices	-	-	-	-	-	-	-	-	-	-
	Please select from the list										
	Please select from the list										
	Please select from the list										
29	SBI- Domestic Offices	4,977.09	-	-	-	-	-	-	-	-	4,977
	SBI - Mumbai Metro Circle	4,977									
	Please select from the list										
	Please select from the list										
	TOTAL	4,977	-	-	-	-	-	-	-	-	4,977

Note:

- ## bills negotiated against Letters of Credit for elimination of intra group contingent liabilities.
- @ @ Balances with "SBI Mutual Fund" **SHOULD NOT** be reported as intra group balances.
- Investment in CDs & CPs are reported at carrying value, hence interest / discount accrued on CDs & CPs should not be reported in column "Other Assets - interest accrued (sch 11).
- Inter-bank/company balances between group entities are required to be reconciled on an ongoing basis and all outstanding un-reconciled balances should be less than 90 days old.

We confirm that

- there is no outstanding unreconciled entries which originated prior to 31st December 2020. A **Nil report** in Annexure 10 is submitted.
- The details of unreconciled entries originated prior to 31st December 2020 (if any) are furnished in annexure 10.

Managing Director/CEO

RSM VS LLP
Statutory Auditors

State Bank of India (California)

Intra-group Liabilities as on 31st March 2021

(Amount in USD in thousands)

S. No.	Name of the Counter party	Demand Deposits - Current Account / Cash Credit Account - Credit Balances (Sch 3)	Time Deposits (Sch 3)	Secured Borrowings (Sch 4)	Other Unsecured Borrowings (excluding Commercial Papers (CPs) and Debentures) (Sch 4)	Innovative Perpetual Debt Instruments - AT-1 Bonds (Sch 4)	Subordinated Debts & Bonds - Tier II Bonds (Sch 4) ##	Commercial Papers and Debentures which are not considered as Subordinated Debts (Sch 4)	Other Liabilities - Interest accrued (Sch 5)	Other liabilities (Sch 5) (Please specify)	Total
		1	2	3	4	5	6	7	8	9	10
1	SBI Capital Markets Ltd.										-
2	SBICAP Securities Ltd										-
3	SBICAP Trustee Company Ltd										-
4	SBICAP Ventures Ltd										-
5	SBI DFHI Ltd										-
6	SBI Payment Services Pvt Ltd										-
7	SBI Mutual Fund Trustee Company Pvt. Ltd @@										-
8	SBI Global Factors Ltd										-
9	SBI Pension Funds Pvt Ltd										-
10	Ltd.										-
11	SBI General Insurance Company Ltd										-
12	SBI Cards and Payment Services Limited										-
13	SBI Life Insurance Company Limited										-
14	SBI Infra Management Solutions Private Limited										-
15	SBI Funds Management Pvt. Ltd @@										-
16	SBI Funds Management (International) Pvt. Ltd @@										-
17	SBICAP (Singapore) Ltd.										-
18	Nepal SBI Merchant Banking Ltd.										-
19	State Bank of India (California)										-
20	SBI Canada Bank										-
21	SBI (Mauritius) Ltd.										-
22	Commercial Indo Bank LLC, Moscow										-
23	PT Bank SBI Indonesia										-
24	Nepal SBI Bank Ltd										-
25	Bank SBI Botswana Ltd.										-
26	State Bank of India Servicos Limitada, Brazil										-
27	State Bank of India (UK) Limited										-
28	SBI- Foreign Offices	-	-	-	-	-	-	-	-	-	-
	Please select from the list										
	Please select from the list										
	Please select from the list										
29	SBI- Domestic Offices	86.00	-	-	-	-	-	-	-	-	86
	SBI - Kolkata Circle	86									
	Please select from the list										
	Please select from the list										
	TOTAL	86	-	-	-	-	-	-	-	-	86

Note :

- 1 @@ Balances with "SBI Mutual Fund" **SHOULD NOT** be reported as intra group balances.
- 2 ## Debentures which are considered as Subordinated Debts are to be reported under the head "Subordinated Debts & Bonds - Tier II Bonds (Sch.4)"
- 3 Inter-bank/company balances between group entities are required to be reconciled on an ongoing basis and all outstanding un-reconciled balances should be less than 90 days old.

We confirm that

- (a) there is no outstanding unreconciled entries which originated prior to 31st December 2020. A Nil report in Annexure 10 is submitted.
- (b) The details of unreconciled entries originated prior to 31st December 2020 (if any) are furnished in annexure 10.

Managing Director/CEO

RSM VS LLP
Statutory Auditors

State Bank of India (California)

Intra-group Contingent Liabilities as on 31st March 2021

(Amount in USD in thousands)

S. No.	Name of the Counter party	Claims against the entity not acknowledged as debts	Liability on account of outstanding forward exchange contracts	Guarantees given on behalf of constituents	Acceptances, endorsements and other obligations	Notional amount for outstanding derivative contracts other than forward exchange contracts	Other items for which the entity is contingently liable	Total
		1	2	3	4	5	6	7
1	SBI Capital Markets Ltd.							-
2	SBICAP Securities Ltd							-
3	SBICAP Trustee Company Ltd							-
4	SBICAP Ventures Ltd							-
5	SBI DFHI Ltd		NIL					-
6	SBI Payment Services Pvt Ltd							-
7	SBI Mutual Fund Trustee Company Pvt. Ltd @@							-
8	SBI Global Factors Ltd							-
9	SBI Pension Funds Pvt Ltd							-
10	SBI-SG Global Securities Services Pvt. Ltd.							-
11	SBI General Insurance Company Ltd							-
12	SBI Cards and Payment Services Limited							-
13	SBI Life Insurance Company Limited							-
14	SBI Infra Management Solutions Private Limited							-
15	SBI Funds Management Pvt. Ltd @@							-
16	SBI Funds Management (International) Pvt. Ltd @@							-
17	SBICAP (Singapore) Ltd.							-
18	Nepal SBI Merchant Banking Ltd.							-
19	State Bank of India (California)							-
20	SBI Canada Bank							-
21	SBI (Mauritius) Ltd.							-
22	Commercial Indo Bank Llc, Moscow							-
23	PT Bank SBI Indonesia							-
24	Nepal SBI Bank Ltd							-
25	Bank SBI Botswana Ltd.							-
26	State Bank of India Servicos Limitada, Brazil							-
27	State Bank of India (UK) Limited							-
28	SBI- Foreign Offices	-	-	-	-	-	-	-
	Please select from the list							
	Please select from the list							
	Please select from the list							
29	SBI- Domestic Offices	-	-	-	-	-	-	-
	Please select from the list							
	Please select from the list							
	Please select from the list							
	TOTAL	-	-	-	-	-	-	-

Note :

1 @@ Balances with "SBI Mutual Fund" **SHOULD NOT** be reported as intra group balances.**We confirm that**

(a) there is no outstanding unreconciled entries which originated prior to 31st December 2020. A Nil report in Annexure 10 is submitted.

(b) The details of unreconciled entries originated prior to 31st December 2020 (if any) are furnished in annexure 10.

Managing Director/CEO

RSM US LLP
Statutory Auditors

State Bank of India (California)

Intra-group Incomes for the period 1st April 2020 to 31st March 2021

(Amount in USD in thousands)

S. No.	Name of the Counter party	Interest / Discount on Advances/ Bills (Sch. 13)	Income on investments (Sch. 13)	Interest on Bank Balances and money at call & short notice (Sch. 13)	Other Interest (Sch. 13)	Commission, Exchange & Brokerage (Sch. 14)	Profit/ (Loss) on sale of Investments (Sch. 14)	Profit/ (Loss) on sale of land/buildings and other assets (Sch. 14)	Income from Finance Lease (Sch. 14)	Insurance Premium Income (net) ## (Sch. 14)	Misc Income (Sch. 14)	Income earned by way of dividends	Total
		1	2	3	4	5	6	7	8	9	10	11	12
1	SBI Capital Markets Ltd.												-
2	SBICAP Securities Ltd												-
3	SBICAP Trustee Company Ltd												-
4	SBICAP Ventures Ltd												-
5	SBI DFHI Ltd			NIL									-
6	SBI Payment Services Pvt Ltd												-
7	SBI Mutual Fund Trustee Company Pvt. Ltd @@												-
8	SBI Global Factors Ltd												-
9	SBI Pension Funds Pvt Ltd												-
10	SBI-SG Global Securities Services Pvt. Ltd.												-
11	SBI General Insurance Company Ltd												-
12	SBI Cards and Payment Services Limited												-
13	SBI Life Insurance Company Limited												-
14	SBI Infra Management Solutions Private Limited												-
15	SBI Funds Management Pvt. Ltd @@												-
16	SBI Funds Management (International) Pvt. Ltd												-
17	SBICAP (Singapore) Ltd.												-
18	Nepal SBI Merchant Banking Ltd.												-
19	State Bank of India (California)												-
20	SBI Canada Bank												-
21	SBI (Mauritius) Ltd.												-
22	Commercial Indo Bank Llc, Moscow												-
23	PT Bank SBI Indonesia												-
24	Nepal SBI Bank Ltd												-
25	Bank SBI Botswana Ltd.												-
26	State Bank of India Servicos Limitada, Brazil												-
27	State Bank of India (UK) Limited												-
28	SBI- Foreign Offices	-	-	-	-	-	-	-	-	-	-	-	-
	Please select from the list												
	Please select from the list												
	Please select from the list												
29	SBI- Domestic Offices	-	-	-	-	-	-	-	-	-	-	-	-
	Please select from the list												
	Please select from the list												
	Please select from the list												
	TOTAL	-	-	-	-	-	-	-	-	-	-	-	-

Note:

- @@ Income from transactions with "SBI Mutual Fund" **SHOULD NOT** be reported as intra group transactions.
- ## Only SBI Life Ins. Co. Ltd. & SBI General Ins. Co. Ltd. has to report those Insurance Premium Income (net-off reinsurance premium) under this head for which Counter Party is the Beneficiary of the policy. Insurance Premium Income, where the premium is recovered by the group entities from the beneficiaries should not be reported here. e.g. RiNn Raksha Insurance Policy.
- Interest Income on Bills purchased & discounted under LC issued by group entities is not a intra group income.

We confirm that

- there is no outstanding unreconciled entries which originated prior to 31st December 2020. A Nil report in Annexure 10 is submitted.
- The details of unreconciled entries originated prior to 31st December 2020 (if any) are furnished in annexure 10.

Managing Director/CEO

RSM VS LLP

Statutory Auditors

State Bank of India (California)

Intra-group Expenses for the period 1st April 2020 to 31st March 2021

(Amount in USD in thousands)

S. No.	Name of the Counter party	Interest expenses on deposits (Sch.15)	Interest expenses on AT-1 (IPDI) Bonds (Sch.15)	Interest expenses on Subordinated Debts and Tier - II Bonds (Sch.15)	Interest expenses on other borrowings (Sch.15)	Other Interest expenses (Sch.15)	Payment to and provisions for employees ## (Sch.16)	Rent, Taxes & Lighting (Sch.16)	Insurance Expenses (Sch.16)	Other Expenditure (Sch.16)	Total
		1	2	3	4	5	6	7	8	9	10
1	SBI Capital Markets Ltd.										-
2	SBICAP Securities Ltd										-
3	SBICAP Trustee Company Ltd										-
4	SBICAP Ventures Ltd										-
5	SBI DFHI Ltd										-
6	SBI Payment Services Pvt Ltd										-
7	SBI Mutual Fund Trustee Company Pvt. Ltd @@										-
8	SBI Global Factors Ltd			NIL							-
9	SBI Pension Funds Pvt Ltd										-
10	SBI-SG Global Securities Services Pvt. Ltd.										-
11	SBI General Insurance Company Ltd										-
12	SBI Cards and Payment Services Limited										-
13	SBI Life Insurance Company Limited										-
14	SBI Infra Management Solutions Private Limited										-
15	SBI Funds Management Pvt. Ltd @@										-
16	SBI Funds Management (International) Pvt. Ltd @@										-
17	SBICAP (Singapore) Ltd.										-
18	Nepal SBI Merchant Banking Ltd.										-
19	State Bank of India (California)										-
20	SBI Canada Bank										-
21	SBI (Mauritius) Ltd.										-
22	Commercial Indo Bank Llc, Moscow										-
23	PT Bank SBI Indonesia										-
24	Nepal SBI Bank Ltd										-
25	Bank SBI Botswana Ltd.										-
26	State Bank of India Servicos Limitada, Brazil										-
27	State Bank of India (UK) Limited										-
28	SBI- Foreign Offices	-	-	-	-	-	-	-	-	-	-
	Please select from the list										
	Please select from the list										
	Please select from the list										
29	SBI- Domestic Offices	-	-	-	-	-	-	-	-	-	-
	Please select from the list										
	Please select from the list										
	Please select from the list										
	TOTAL	-	-	-	-	-	-	-	-	-	-

Note:

1 @@ Amount related to SBI Mutual Fund **SHOULD NOT** be reported against these entities.

2 ## Salary, allowances and other benefits in respect of those employees, who are on deputation from group entities and their payments are made directly to the group entities and not to the individual employees.

We confirm that

(a) there is no outstanding unreconciled entries which originated prior to 31st December 2020. A Nil report in Annexure 10 is submitted.

(b) The details of unreconciled entries originated prior to 31st December 2020 (if any) are furnished in annexure 10.

Managing Director/CEO

RSM VS LLP
Statutory Auditors

State Bank of India (California)

Details of unreconciled entries as on 31st March 2021 which originated prior to 31st December 2020

(Amount in USD in thousands)

S. No.	Name of the Counter party	(Amount in USD in thousands)		Date of origination	Name of the Account head under which it is accounted	Amount of Provision held for Debit Entries	Reason for unreconciliation and / or Reason for not having any provision for unreconciled debit entries
		Debit	Credit				
1	SBI Capital Markets Ltd.				For example - Balances with Banks in Current Accounts (Sch 7)		
2	SBICAP Securities Ltd						
3	SBICAP Trustee Company Ltd						
4	SBICAP Ventures Ltd						
5	SBI DFHI Ltd						
6	SBI Payment Services Pvt Ltd						
7	SBI Mutual Fund Trustee Company Pvt. Ltd @ @						
8	SBI Global Factors Ltd						
9	SBI Pension Funds Pvt Ltd						
10	SBI-SG Global Securities Services Pvt. Ltd.		NIL				
11	SBI General Insurance Company Ltd						
12	SBI Cards and Payment Services Limited						
13	SBI Life Insurance Company Limited						
14	SBI Infra Management Solutions Private Limited						
15	SBI Funds Management Pvt. Ltd @ @						
16	SBI Funds Management (International) Pvt. Ltd @ @						
17	SBICAP (Singapore) Ltd.						
18	Nepal SBI Merchant Banking Ltd.						
19	State Bank of India (California)						
20	SBI Canada Bank						
21	SBI (Mauritius) Ltd.						
22	Commercial Indo Bank Llc, Moscow						
23	PT Bank SBI Indonesia						
24	Nepal SBI Bank Ltd						
25	Bank SBI Botswana Ltd.						
26	State Bank of India Servicos Limitada, Brazil						
27	State Bank of India (UK) Limited						
28	SBI- Foreign Offices	-	-			-	
	Please select from the list						
	Please select from the list						
	Please select from the list						
29	SBI- Domestic Offices	-	-			-	
	Please select from the list						
	Please select from the list						
	Please select from the list						
	TOTAL	-	-			-	

Note:

- 1 Please provide the entry wise details for each counter party
- 2 **In case there is nothing to report in this annexure then please submit it as NIL**

Managing Director/CEO

RSM VS LLP
Statutory Auditors

State Bank of India (California)

Computation of unrealized gains/ losses on intra-group sale / purchase of securities & other equipments

A. Details of securities purchased from State Bank Group members and outstanding as on 31st March 2021

(Amount in USD in thousands)

Date of purchase	Purchased from (Name of State Bank Group member)	Security Description	ISIN of security	Category (HTM/ AFS/ HFT)	Original Cost of acquisition	Depreciation	Amortisation	Outstanding as at 31.03.2021	
								Face value	Book value / Carrying Value
	NIL								

Note :-

1. SBI Life should not report those transactions which comes under ULIP investment portfolio.
2. Please do not report the transactions where the securities are purchased from "SBI Mutual Fund", "Gratuity Fund Trust" and "Pension Fund Trust".

B. Details of securities sold to State Bank Group members during the year 2020-21

(Amount in USD in thousands)

Date of Sale	Sold to (Name of State Bank Group member) i.e. Subsidiaries/ JVs/ Associates including RRBs	Security Description	ISIN of security	Category (HTM/ AFS/ HFT)	Face value of security sold	Net Sale Value*	Original Acquisition Cost	Cumulative Depreciation / Appreciation as on date of sale	Cumulative Provision for Amortisation as on date of sale	Book value / Carrying value as on date of sale	Profit/ Loss on the transaction (column no. 7 minus column no.11)
1	2	3	4	5	6	7	8	9	10	11	12
	NIL										

Note :-

1. * Net Sale value should be Gross sale value minus selling expenses e.g. commission on sale, stamp duty, STT ,etc.
2. In case of Treasury Bills, Certificate of Deposits (CDs) and Zero Coupon Bonds (ZCB) the carrying value should include original cost and discount accretion / accrued interest upto date of sale.
3. Please do not report the transactions where the securities are purchased from "SBI Mutual Fund", "Gratuity Fund Trust" and "Pension Fund Trust".
4. SBI Life should not report those transactions which comes under ULIP investment portfolio.

C. Details of fixed assets & other equipments purchased from State Bank Group members and outstanding as on 31st March 2021

(Amount in USD in thousands)

Date of purchase	Purchased from (Name of State Bank Group member)	Item Description	Purchase price	Carrying value as at 31.03.2021
	NIL			

D. Details of fixed assets & other equipments sold to other group companies during the period 01.04.2020 to 31.03.2021

(Amount in USD in thousands)

Date of Sale	Sold to (Name of State Bank Group member)	Item Description	Net Sale Value*	Original Cost	Book value / Carrying value as on date of sale	Profit/ Loss on the transaction
	NIL					

* Net Sale value should be Gross sale value minus selling expenses e.g. commission on sale, stamp duty, etc.

Managing Director/CEO

RSM US LLP
Statutory Auditors

Annexure 12

State Bank of India (California)

Details of Equity Share Capital as at 31.03.2021

(Amount in USD in thousands)

Sr. No.	Name of the Shareholder	Face Value of Equity Share Capital allotted
1	State Bank of India	103,862
2	SBI Capital Markets Ltd.	
3	SBICAP Securities Ltd	
4	SBICAP Trustee Company Ltd	
5	SBICAP Ventures Ltd	
6	SBICAP (Singapore) Ltd.	
7	SBI DFHI Ltd	
8	SBI Payment Services Pvt. Ltd	
9	SBI Mutual Fund Trustee Company Pvt. Ltd	
10	SBI Global Factors Ltd.	
11	SBI Pension Funds Pvt Ltd	
12	SBI - SG Global Securities Services Pvt. Ltd.	
13	SBI Cards & Payment Services Ltd	
14	SBI Life Insurance Company Limited	
15	SBI General Insurance Company Ltd	
16	SBI Funds Management (Pvt) Ltd	
17	SBI Infra Management Solutions Private Limited	
18	SBI Funds Management (International) Pvt. Ltd	
19	State Bank of India (California)	
20	SBI Canada Bank	
21	SBI (Mauritius) Ltd.	
22	Commercial Indo Bank Llc , Moscow	
23	PT Bank SBI Indonesia	
24	Nepal SBI Bank Ltd	
25	Nepal SBI Merchant Banking Ltd.	
26	Bank SBI Botswana Ltd.	
27	State Bank of India Servicos Limitada, Brazil	
28	State Bank of India (UK) Limited	
29	C Edge Technologies Ltd	
30	SBI Macquarie Infrastructure Management Pvt Ltd	
31	SBI Macquarie Infrastructure Trustee Pvt. Ltd	
32	Macquarie SBI Infrastructure Mgmt Pte. Ltd	
33	Macquarie SBI Infrastructure Trustee Ltd	
34	Oman-India Joint Investment Fund Mgmt. Company Pvt.Ltd.	
35	Oman-India Joint Investment Fund Trustee Company Pvt. Ltd.	
36	Jio Payments Bank Ltd.	
	Sub-Total	103862
	Other Shareholders	
	Grand Total (to tally with Sch. 1 of the BS)	103862

Managing Director/CEO

RSM VS LLP
Statutory Auditors

Details of Investments in State Bank Group as at 31.03.2021

(Amount in USD in thousands)

RSM VS LLP

Managing Director/CEO

State Bank of India (California)

Data requirement for Identification of "Associates" for AS 23 as at 31.03.2021

Table I

(Amount in USD in thousands)

Sr.No.	Name of the entity	Face Value of Share Capital allotted to the Subsidiary/JV	% Stake	Cost	Carrying value as per audited BS	
					31.03.2021	31.03.2020
A	B	C	D	E	F	G
1	The Clearing Corporation of India Ltd.					
2	Bank of Bhutan Ltd.					
3	Yes Bank Ltd.		NIL			
4	Regional Rural Banks					
5	Any other entity in which your investment exceeds 20 % (please indicate the name of each such entity separately)					
T O T A L					0	0

Table II

If there are any investment in shares in entities which should be classified as an "Associates" in term of Accounting Standard 23, other than those acquired and held exclusively with a view to its subsequent disposal in the near future, please list all such investments individually in the following format. (Please note that this list should not include entities listed in Table I above.)

(Amount in USD in thousands)

Sr.No.	Name of the entity	Face Value of Share Capital allotted to the Subsidiary/JV	% Stake	Cost	Carrying value as per audited BS	
					31.03.2021	31.03.2020
			NIL			
T O T A L						

Managing Director/CEO

RSM VS LLP
Statutory Auditors

State Bank of India (California)

Table 1

Details of Deferred Taxes as at 31.03.2021

(Amount in USD in thousands)

S. No.	Particulars	31.03.2021	31.03.2020
A.	Deferred Tax Assets		
1	Provision for long term Employee Benefits (e.g. Pension, Gratuity, Leave Encashment, Sick Leave, LFC, HTC etc.)	488	386
2	Depreciation on fixed assets	2161	2372
3	Provision on non-performing advances	967	15
4	Depreciation / Amortisation on investment		
5	On Accumulated Losses		
6	Provision on Standard Advances	978	
7	Others Tax Provision	0	457
8	Others (Please specify)		
	Total (DTA)	4594	3230
B	Deferred Tax Liabilities		
1	Depreciation on fixed assets		
2	Interest accrued on investment securities		
3	Depreciation / Amortisation on investment		
4	Others (Please specify)		
5	Others (Please specify)		
6	Others (Please specify)		
	Total (DTL)	0	0
C	Net DTA/ DTL (A - B)	4594	3230
D	Charge/ Credit to P&L on account of deferred tax during FY 2020-21	-1364	
	(Column 2 minus Column 1 of Row C above)		

The Net DTA/ DTL should tally with the relative amount in the Balance Sheet.

The amount in Row D should tally with the deferred tax amount in the P&L during the year

Managing Director/CEO

RSM VS LLP
Statutory Auditors

State Bank of India (California)

SEGMENTAL REPORTING AS PER ACCOUNTING STANDARD 17 (FY 2020-21)

(Amount in USD in thousands)

Sr. No.		Treasury Operations	Corporate/Wholesale Banking Operations	Retail Banking Operations	Other Banking Operations	Eliminations	Total
		(A)	(B)	(C)	(D)	(E)	(F)
1	Revenue						
a	Revenue including Inter Segment Revenue	2,633	3,614	24,180		XXXXXX	30,427
b	Less : Inter Segment Revenue					XXXXXX	-
c	Add : Unallocated Revenue	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	3,277
d	Revenue from External Customers	2,633	3,614	24,180	-	XXXXXX	33,704
2	Result						
a	Segment Result	353	5,768	4,328		XXXXXX	10,449
b	Provisions & Contingencies other than Provision for taxes		4,905			XXXXXX	4,905
c	Segment Result after provision & contingencies and before provisions for taxes	353	863	4,328	-	XXXXXX	5,544
d	Unallocated Income (+) / Expenses (-) - net	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	
e	Profit Before Taxes	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	5,544
f	Provision for Taxes (i.e. current tax + deferred tax + Write Back of Provision for Income Tax of earlier years + other taxes)	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	(1,992)
g	Extra ordinary Profit /(Loss)	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	
h	Net Profit (e - f +/- g)	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	7,536
3	Segment Assets	120,511	160,175	538,207		XXXXXX	818,893
4	Unallocated Corporate Assets	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	68,113
5	Total Assets (3 + 4)	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	887,006
6	Segment Liabilities	5,000	242,466	491,095		XXXXXX	738,561
7	Unallocated Corporate Liabilities	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	
8	Capital Employed (5-6-7)	115,511	(82,291)	47,112	-	XXXXXX	148,445
9	Total Liabilities (6+7+8)	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	887,006

Additional Information:

	Treasury Operations	Corporate/Wholesale Banking Operations	Retail Banking Operations	Other Banking Operations	Unallocated	Total
	(A)	(B)	(C)	(D)	(E)	(F)
Capital Expenditure incurred for the period		125				125
Depreciation on fixed Assets provided for the period		313				313

Notes :

- Amount reported under Item 1(a) should match with the amount mention in published Segment Results.
- Total of Item 1(b) should match with the amount mention in published Segment Results.
- Item 1(d) should tally with the total of Schedule 13 and 14.
- Profit Before Taxes (Sr. No. 2 (e)) should be equal to Net Profit plus Provisions for Taxes.
- Net Profit (Sr. No. 2 (h)) Should tally with the amount of Net Profit/ (Loss) reported in the P & L account.
- Total Assets & Total Liabilities (Sr. No. 5 & 9) should tally with the Balance Sheet total.
- Capital Employed (Sr. No. 8) should tally with total of Schedule 1 and 2.
- Deposits placed in lieu of shortfall in priority sector lending targets, interest income and interest accrued on these deposits are to be reported under "Retail Banking Operations".

RSM VS LLP

Managing Director/CEO

Statutory Auditors

State Bank of India (California)

Supplementary information for FY 2020-21

Table 1: in USD in thousands)

	Amount
a. Issuance of Bonds (if any) during the year	
- Innovative Perpetual Debt Instruments (AT - I Bonds)	0
- Subordinated Debts and Bonds (Tier II)	0
b. Repayment of Bonds (if any) during the year	
- Innovative Perpetual Debt Instruments (AT - I Bonds)	0
- Subordinated Debts and Bonds (Tier II)	0
c. Interest Expenses booked on Bonds during the year	
- Innovative Perpetual Debt Instruments (AT - I Bonds)	0
- Subordinated Debts and Bonds (Tier II)	0
d. Dividend received from Group Subsidiaries (e.g. DFHI etc.) during the year	
- Final Dividend for FY 2019-20	0
- Interim Dividend for FY 2020-21	0
e. Dividend received from Group Associates (e.g. CCIL etc.) during the year	
- Final Dividend for FY 2019-20	0
- Interim Dividend for FY 2020-21	0
f. Market Value of Investments in Government Securities in India as on 31.03.2021	0
g. Market Value of Total Investments as on 31.03.2021	0
h. Gross Non-Performing Investments as on 31.03.2021	0
i. Net Non-Performing Investments as on 31.03.2021	0
j. Outstanding unsecured guarantees as on 31.03.2021	0
k. Dividend including Dividend Tax paid during the year	
- Final Dividend including Dividend Tax for FY 2019-20	0
- Interim Dividend including Dividend Tax for FY 2020-21	2000
l. Direct Taxes paid during the year	1840
m. Interest paid on Bonds for the year	
- Innovative Perpetual Debt Instruments (AT-I Bonds)	0
- Subordinated Debts and Bonds (Tier II)	0
n. Gross NPAs as at 31st March 2021	26235
o. Gross Advances as at 31st March 2021	715068
p. Net NPAs as at 31st March 2021	22300
q. Net Advances as at 31st March 2021	711133
r. Advances Under Collection Account(AUCA) a/cs as at 31st March 2021	
s. Provision Coverage Ratio (PCR) excluding AUCA as at 31st March 2021	15.00
t. Provision Coverage Ratio (PCR) including AUCA as at 31st March 2021	15.00

Table 2:

(Amount in USD in thousands)

Floating Provisions for NPAs	2020-21	2019-20
i) Provisions held as on 01.04.2020/01.04.2019	0	
ii) Provision made during the year		
iii) Provisions utilized during the year		
iv) Reversed during the year		
v) Provisions held as at 31.03.2021/31.03.2020 [(i)+(ii)-(iii)-(iv)]	0	0

Table 3:

(Amount in USD in thousands)

Movement of provisions against contingent liabilities	2020-21	2019-20
i) Provisions held as on 01.04.2020/01.04.2019	90	90
ii) Provision made during the year		
iii) Provisions utilized during the year		
iv) Reversed during the year		
v) Provisions held as at 31.03.2021/31.03.2020 [(i)+(ii)-(iii)-(iv)]	90	90

State Bank of India (California)

Supplementary information for FY 2020-21

Table 4:
Break-up of Investment (Net) as on 31.03.2021

(Amount in USD in thousands)

Particulars	Held to Maturity (HTM)	Available for sale (AFS)	Held for Trading (HFT)	Total
I - Investments in India in				
(i) Government Securities				-
(ii) Other Approved Securities				-
(iii) Shares				-
(iv) Debentures and Bonds				-
(v) Group Subsidiaries and/or Joint ventures (e.g. SBI Foundation)				-
(vi) Group Associates				-
(vii) Others (Units of mutual funds, commercial papers, etc.)				-
TOTAL I	-	-	-	-
II - Investments outside India in				
(i) Government Securities (including local authorities)		111,737		111,737
(ii) Other Approved Securities				-
(iii) Shares				-
(iv) Debentures and Bonds				-
(v) Group Subsidiaries and/or Joint ventures abroad (e.g. State Bank of India Servicos Limitada, Brazil)				-
(vi) Group Associates				-
(vii) Others (Units of mutual funds, commercial papers, etc.)				-
TOTAL II	-	111,737	-	111,737
GRAND TOTAL	-	111,737	-	111,737

(I and II)

Table 5: Previous Period Regrouping -

If there is any regrouping in the line item of Balance Sheet and P&L Account, please provide the details of the same in the following table:-

(Amount in USD in thousands)

Period	Particulars (Schedule No. and Line Item)	Original Amount Reported	Revised amount to be considered	Amount Regrouped	Reason for regrouping
		A	B	C = B-A	
	NIL				

Table 6: Details of Interest Expenses during the year 01.04.2019 to 31.03.2020

(Amount in USD in thousands)

Paid on Subordinated Debts and Bonds (Tier II)	0
Charged to P&L on Subordinated Debts and Bonds (Tier II)	0

Table 7:

Whether any material adjustment is made in Results/Net Profit in March 2021 quarter which pertains to earlier periods

No

If Yes, , please fill the following table:

(Amount in USD in thousands)

Details of the Adjustment	Impact on P&L
NIL	
Total	0

State Bank of India (California)

Supplementary information for FY 2020-21

Table 8:
Break-up of Advances (Net) as on 31.03.2021

(Amount in USD in thousands)

Particulars	Advances in India	Advances Outside India	Total
SCHEDULE 9 - ADVANCES			
(I) Bills purchased and discounted			-
(II) Cash Credits, Overdrafts and Loans repayable on demand		185	185
(III) Term Loans		710,948	710,948
TOTAL I	-	711,133	711,133

Managing Director/CEO

RSM VS LLP
Statutory Auditors

State Bank of India (California)

Data requirements for Related Party Disclosures as at 31st March 2021 (Balance Sheet Items)

A. Outstanding as at 31st March 2021

(Amount in USD in thousands)

Name of Related Party	Deposits	Borrowings	Other Liabilities	Balances with banks	Money at call	Investments	Advances	Other Assets	Non-fund commitments (LCs/ BGs)
C-Edge Technologies Ltd.									
SBI Macquarie Infrastructure Management Pvt. Ltd.									
SBI Macquarie Infrastructure Trustee Pvt. Ltd.									
Macquarie SBI Infrastructure Management Pte. Ltd.									
Macquarie SBI Infrastructure Trustee Ltd.		NIL							
Oman India Joint Investment Fund - Management Company Pvt. Ltd.									
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.									
Jio Payments Bank Limited									
Bank of Bhutan Ltd.									
SBI Home Finance Ltd.									
Yes Bank Limited									
The Clearing Corporation of India Ltd.									
Shri Dinesh Kumar Khara, Chairman									
Shri Challa Sreenivasulu Setty, Managing Director									
Shri Ashwani Bhatia, Managing Director									
Shri Swaminathan Janakiraman									
Shri Ashwini Kumar Tewari									
Relatives of Chairman/ Managing Directors									
T O T A L	0	0	0	0	0	0	0	0	0

B. Maximum Outstanding during the period 1st April 2020 to 31st March 2021

(Amount in USD in thousands)

Name of Related Party	Deposits	Borrowings	Other Liabilities	Balances with banks	Money at call	Investments	Advances	Other Assets	Non-fund commitments (LCs/ BGs)
C-Edge Technologies Ltd.									
SBI Macquarie Infrastructure Management Pvt. Ltd.									
SBI Macquarie Infrastructure Trustee Pvt. Ltd.									
Macquarie SBI Infrastructure Management Pte. Ltd.									
Macquarie SBI Infrastructure Trustee Ltd.		NIL							
Oman India Joint Investment Fund - Management Company Pvt. Ltd.									
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.									
Jio Payments Bank Limited									
Bank of Bhutan Ltd.									
SBI Home Finance Ltd.									
Yes Bank Limited									
The Clearing Corporation of India Ltd.									
Shri Rajnish Kumar, Chairman (upto 06.10.2020)									
Shri Dinesh Kumar Khara, Chairman (from 07.10.2020)									
Shri Dinesh Kumar Khara, Managing Director (upto 06.10.2020)									
Shri Arijit Basu, Managing Director (upto 31.10.2020)									
Shri Challa Sreenivasulu Setty, Managing Director									
Shri Ashwani Bhatia, Managing Director (from 24.08.2020)									
Shri Swaminathan Janakiraman (from 28.01.2021)									
Shri Ashwini Kumar Tewari (from 28.01.2021)									
Relatives of Chairman/ Managing Directors									
T O T A L	0	0	0	0	0	0	0	0	0

State Bank of India (California)

Data requirements for Related Party Disclosures as at 31st March 2021 (Balance Sheet Items)

Maximum Outstanding during the period 1st October 2020 to 31st March 2021

(Amount in USD in thousands)

Name of Related Party	Deposits	Borrowings	Other Liabilities	Balances with banks	Money at call	Investments	Advances	Other Assets	Non-fund commitments (LCs/ BGs)
C-Edge Technologies Ltd.									
SBI Macquarie Infrastructure Management Pvt. Ltd.									
SBI Macquarie Infrastructure Trustee Pvt. Ltd.									
Macquarie SBI Infrastructure Management Pte. Ltd.									
Macquarie SBI Infrastructure Trustee Ltd.		NIL							
Oman India Joint Investment Fund - Management Company Pvt. Ltd.									
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.									
Jio Payments Bank Limited									
Bank of Bhutan Ltd.									
SBI Home Finance Ltd.									
Yes Bank Limited									
The Clearing Corporation of India Ltd.									
Shri Rajnish Kumar, Chairman (upto 06.10.2020)									
Shri Dinesh Kumar Khara, Chairman (from 07.10.2020)									
Shri Dinesh Kumar Khara, Managing Director (upto 06.10.2020)									
Shri Arijit Basu, Managing Director (upto 31.10.2020)									
Shri Challa Sreenivasulu Setty, Managing Director									
Shri Ashwani Bhatia, Managing Director									
Shri Swaminathan Janakiraman (from 28.01.2021)									
Shri Ashwini Kumar Tewari (from 28.01.2021)									
Relatives of Chairman/ Managing Directors									
T O T A L	0	0	0	0	0	0	0	0	0

Managing Director/CEO

RSM VS LLP
Statutory Auditors

State Bank of India (California)

Data requirements for Related Party Disclosures for the period 1st April 2020 to 31st March 2021 (P&L Items)

(Amount in USD in thousands)

Name of Related Party	Interest income	Profit/ (Loss) on sale of land/ buildings and other assets	Income earned by way of dividends	Other Income	Interest Expenditure	Other Expenditure
C-Edge Technologies Ltd.						
SBI Macquarie Infrastructure Management Pvt. Ltd.						
SBI Macquarie Infrastructure Trustee Pvt. Ltd.						
Macquarie SBI Infrastructure Management Pte. Ltd.		NIL				
Macquarie SBI Infrastructure Trustee Ltd.						
Oman India Joint Investment Fund - Management Company Pvt. Ltd.						
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.						
Jio Payments Bank Limited						
Bank of Bhutan Ltd.						
SBI Home Finance Ltd.						
Yes Bank Limited						
The Clearing Corporation of India Ltd.						
Shri Rajnish Kumar, Chairman (upto 06.10.2020)						
Shri Dinesh Kumar Khara, Chairman (from 07.10.2020)						
Shri Dinesh Kumar Khara, Managing Director (upto 06.10.2020)						
Shri Arijit Basu, Managing Director (upto 31.10.2020)						
Shri Challa Sreenivasulu Setty, Managing Director						
Shri Ashwani Bhatia, Managing Director (from 24.08.2020)						
Shri Swaminathan Janakiraman (from 28.01.2021)						
Shri Ashwini Kumar Tewari (from 28.01.2021)						
Relatives of Chairman/ Managing Directors						
T O T A L	0	0	0	0	0	0

Managing Director/CEO

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State Bank of India (California)

Data requirements for Related Party Disclosures for the period 1st October 2020 to 31st March 2021 (P&L Items)

(Amount in USD in thousands)

Name of Related Party	Interest income	Profit/ (Loss) on sale of land/ buildings and other assets	Income earned by way of dividends	Other Income	Interest Expenditure	Other Expenditure
C-Edge Technologies Ltd.						
SBI Macquarie Infrastructure Management Pvt. Ltd.						
SBI Macquarie Infrastructure Trustee Pvt. Ltd.						
Macquarie SBI Infrastructure Management Pte. Ltd.						
Macquarie SBI Infrastructure Trustee Ltd.		NIL				
Oman India Joint Investment Fund - Management Company Pvt. Ltd.						
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.						
Jio Payments Bank Limited						
Bank of Bhutan Ltd.						
SBI Home Finance Ltd.						
Yes Bank Limited						
The Clearing Corporation of India Ltd.						
Shri Rajnish Kumar, Chairman (upto 06.10.2020)						
Shri Dinesh Kumar Khara, Chairman (from 07.10.2020)						
Shri Dinesh Kumar Khara, Managing Director (upto 06.10.2020)						
Shri Arijit Basu, Managing Director (upto 31.10.2020)						
Shri Challa Sreenivasulu Setty, Managing Director						
Shri Ashwani Bhatia, Managing Director						
Shri Swaminathan Janakiraman (from 28.01.2021)						
Shri Ashwini Kumar Tewari (from 28.01.2021)						
Relatives of Chairman/ Managing Directors						
T O T A L	0	0	0	0	0	0

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Managing Director/CEO

State Bank of India (California)

Data requirements for Related Party Disclosures (Management Contracts) for the period
1st April 2020 to 31st March 2021

(Amount in USD in thousands)

Name of Related Party	Description of any Management Contract/ agreement entered into with the related party	Amount
C-Edge Technologies Ltd.		
SBI Macquarie Infrastructure Management Pvt. Ltd.		
SBI Macquarie Infrastructure Trustee Pvt. Ltd.		
Macquarie SBI Infrastructure Management Pte. Ltd.		
Macquarie SBI Infrastructure Trustee Ltd.		
Oman India Joint Investment Fund - Management Company Pvt. Ltd.	NIL	
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.		
Jio Payments Bank Limited		
Bank of Bhutan Ltd.		
SBI Home Finance Ltd.		
Yes Bank Limited		
The Clearing Corporation of India Ltd.		
Shri Rajnish Kumar, Chairman (upto 06.10.2020)		
Shri Dinesh Kumar Khara, Chairman (from 07.10.2020)		
Shri Dinesh Kumar Khara, Managing Director (upto 06.10.2020)		
Shri Arijit Basu, Managing Director (upto 31.10.2020)		
Shri Challa Sreenivasulu Setty, Managing Director		
Shri Ashwani Bhatia, Managing Director (from 24.08.2020)		
Shri Swaminathan Janakiraman (from 28.01.2021)		
Shri Ashwini Kumar Tewari (from 28.01.2021)		
Relatives of Chairman/ Managing Directors		
T O T A L		0

Managing Director/CEO

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State Bank of India (California)

**Data requirements for Related Party Disclosures (Management Contracts) for the period
1st October 2020 to 31st March 2021**

(Amount in USD in thousands)

Name of Related Party	Description of any Management Contract/ agreement entered into with the related party	Amount
C-Edge Technologies Ltd.		
SBI Macquarie Infrastructure Management Pvt. Ltd.		
SBI Macquarie Infrastructure Trustee Pvt. Ltd.		
Macquarie SBI Infrastructure Management Pte. Ltd.	NIL	
Macquarie SBI Infrastructure Trustee Ltd.		
Oman India Joint Investment Fund - Management Company		
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.		
Jio Payments Bank Limited		
Bank of Bhutan Ltd.		
SBI Home Finance Ltd.		
Yes Bank Limited		
The Clearing Corporation of India Ltd.		
Shri Rajnish Kumar, Chairman (upto 06.10.2020)		
Shri Dinesh Kumar Khara, Chairman (from 07.10.2020)		
Shri Dinesh Kumar Khara, Managing Director (upto 06.10.2020)		
Shri Arijit Basu, Managing Director (upto 31.10.2020)		
Shri Challa Sreenivasulu Setty, Managing Director		
Shri Ashwani Bhatia, Managing Director		
Shri Swaminathan Janakiraman (from 28.01.2021)		
Shri Ashwini Kumar Tewari (from 28.01.2021)		
Relatives of Chairman/ Managing Directors		
T O T A L		0

Managing Director/CEO

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State Bank of India (California)

DISCLOSURE REQUIREMENTS IN RESPECT OF EMPLOYEE BENEFIT PLANS FOR THE YEAR ENDED 31ST MARCH 2021

I DEFINED BENEFIT OBLIGATIONS

(Amount in USD in thousands)

		PENSION PLAN	GRATUITY	Any other plan
A	Change in the Present value of the Defined Benefit Obligation			
a	Opening Defined Benefit Obligation as at 1st April*			
b	Current Service Cost			
c	Interest Cost			
d	Past Service Cost (Vested Benefit)			
e	Actuarial Losses/(Gains)			
f	Benefits Paid			
g	Closing Defined Benefit Obligation as at 31st March	0	0	0
B	Change in Plan Assets			
a	Opening Fair Value of Plan Assets as at 1st April			
b	Expected Return on Plan Assets			
c	Contributions by Employer			
d	Benefits Paid	0	0	0
e	Actuarial Gains/(Losses)			
f	Closing Fair Value of Plan assets as at 31st March	0	0	0
C	Reconciliation of present value of obligations and fair value of plan assets			
a	Present value of funded obligations as at 31st March	0	0	0
b	Fair Value of Plan assets as at 31st March	0	0	0
c	Deficit/(Surplus) (a - b)	0	0	0
d	Unrecognised Past Service Cost (Vested)			
e	Amount not recognised as asset because of limit in paragraph 59(b) of AS 15			
f	Net Liability (Asset) (c - d - e)	0	0	0
D	Experience Adjustment on Plan Assets			
E	Experience Adjustment on Plan Liabilities			
F	Net Cost Recognised in the Profit & Loss Account			
a	Current Service Cost	0	0	0
b	Interest Cost	0	0	0
c	Expected Return on Plan Assets	0	0	0
d	Past Service Cost (Amortised) Recognised			
e	Past Service Cost (Vested Benefits) Recognised			
f	Net Actuarial Losses (Gains) recognised during the year	0	0	0
g	Total Costs of Defined Benefits Plans included in Schedule 16 (Payment to and Provisions for Employees)	0	0	0
G	Reconciliation of Expected Return and actual return on Plan Assets			
a	Expected Return on Plan Assets	0	0	0
b	Actuarial Gain/(Loss) on Plan Assets	0	0	0
c	Actual Return on Plan Assets	0	0	0
H	Reconciliation of Opening & Closing Net Liability (Asset) recognised in Bal Sheet			
a	Opening Net Liability/(Asset) as on 1st April	0	0	0
b	Expenses as recognised in P&L	0	0	0
c	Employer's Contribution	0	0	0
d	Past Service Cost			
e	Net Liability/Asset recognised in Balance Sheet as at 31st March	0	0	0
I	Expected contribution in the next financial year (i.e. FY 2021-22)			

J Particulars of Investments under Plan Assets of Gratuity Fund, Pension Fund and any other plan as on 31st March

Category of assets	Pension Fund		Gratuity Fund		Any other plan	
	Amount	% of Plan Assets	Amount	% of Plan Assets	Amount	% of Plan Assets
Central Government Securities		#DIV/0!		#DIV/0!		#DIV/0!
State Government Securities		#DIV/0!		#DIV/0!		#DIV/0!
PSU Bonds		#DIV/0!		#DIV/0!		#DIV/0!
Other Bonds		#DIV/0!		#DIV/0!		#DIV/0!
FDR/TDR of Banks		#DIV/0!		#DIV/0!		#DIV/0!
Special Deposits		#DIV/0!		#DIV/0!		#DIV/0!
Bank A/c		#DIV/0!		#DIV/0!		#DIV/0!
Insurer Managed Schemes		#DIV/0!		#DIV/0!		#DIV/0!
Others (e.g. Interest accrued, Mutual Fund etc)		#DIV/0!		#DIV/0!		#DIV/0!
Total	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

K Out of above following Investments are made in State Bank Group(State Bank and its subsidiaries/joint Ventures)

Category of assets	Pension Fund		Gratuity Fund		Any other plan	
	Amount	% of Plan Assets	Amount	% of Plan Assets	Amount	% of Plan Assets
Bonds		#DIV/0!		#DIV/0!		#DIV/0!
Bank Deposits		#DIV/0!		#DIV/0!		#DIV/0!
FDR/TDR of Banks		#DIV/0!		#DIV/0!		#DIV/0!
Insurer Managed Schemes		#DIV/0!		#DIV/0!		#DIV/0!
Others (e.g. Interest accrued, Mutual Fund etc)		#DIV/0!		#DIV/0!		#DIV/0!
Total	0	#DIV/0!	0	#DIV/0!	0	#DIV/0!

L Principal Actuarial Assumptions

Particulars	Pension Fund		Gratuity Fund		Any other plan	
	Current Year	Prev Year	Current Year	Prev Year	Current Year	Prev Year
Discount Rate						
Expected Rate of Return on Plan Assets						
Attrition Rate						
Salary Escalation						
Any other material assumption						

II Particulars about expense recognised in P&L a/c in respect of Defined Contribution Plans

Name of the defined contribution plan	Amount debited to P&L in 2020-21
Employer's Contribution towards Employees Provident Fund	
Employer's Contribution towards National Pension System	
Employee Pension Scheme under PF Act	
Employer's Contribution towards ESIC	
Other Plans (if any, please specify)	
Other Plans (if any, please specify)	
Other Plans (if any, please specify)	
Total	0

III Particulars about expense recognised in P&L a/c in respect of Other Long Term Employee Benefits

Name of the long term employee benefit	Amount debited to P&L in 2020-21
Privilege Leave (Encashment) including Leave encashment at the time of retirement	
Leave Travel / Fare and Home Travel / Fare Concession (Encashment/Availment)	
Sick Leave	
Silver jubilee/Long Term Service Award	
Resettlement expenses on Superannuation	
Casual Leave	
Retirement Award	
Others (please specify)	
Others (please specify)	
Others (please specify)	
Total	0

Managing Director/CEO

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Statutory Auditors

State Bank of India (California)

DISCLOSURE REQUIREMENTS IN RESPECT OF EMPLOYEE BENEFIT PLANS FOR THE YEAR ENDED 31ST MARCH 2021

The following tables sets out the status of Provident Fund / Accumulated Compensated Absences (Privilege Leave) as per actuarial valuation by the Independent Actuary appointed by entity.

IV DEFINED BENEFIT OBLIGATIONS

(Amount in USD in thousands)

		Provident Fund	Accumulated Compensated Absences (Privilege Leave)
A	Change in the Present value of the Defined Benefit Obligation		
a	Opening Defined Benefit Obligation as at 1st April*		
b	Current Service Cost		
c	Interest Cost		
d	Employee Contribution (including VPF)		
e	Actuarial Losses /(Gains)		
f	Benefits Paid		
g	Closing Defined Benefit Obligation as at 31st March	0	0
B	Change in Plan Assets		
a	Opening Fair Value of Plan Assets as at 1st April		
b	Expected Return on Plan Assets		
c	Contributions		
d	Benefits Paid		
e	Actuarial Gains /(Losses) on plan Assets		
f	Closing Fair Value of Plan assets as at 31st March	0	0
C	Reconciliation of present value of obligations and fair value of plan assets		
a	Present value of funded obligations as at 31st March	0	
b	Fair Value of Plan assets as at 31st March	0	
c	Deficit/(Surplus) (a - b)	0	
d	Net Asset not recognised in Balance Sheet	0	0
D	Net Cost Recognised in the Profit and Loss Account		
a	Current Service Cost	0	0
b	Interest Cost	0	0
c	Actuarial (Gains)/Losses		0
d	Expected Return on Plan Assets	0	
e	Interest Shortfall reversed		
f	Total Costs of Defined Benefits Plans included in Schedule 16 (Payment to and Provisions for Employees)	0	0
E	Reconciliation of Opening & Closing Net Liability (Asset) recognised in Bal Sheet		
a	Opening Net Liability as on 1st April	0	0
b	Expenses as above	0	0
c	Employer's Contribution		
d	Benefits paid by the employer directly		0
e	Net Liability/Asset recognised in Balance Sheet as at 31st March	0	0

F Particulars of Investments under Plan Assets of Provident Fund as on 31st March

	Provident Fund	
Category of assets	Amount	% of Plan Assets
Central Government Securities		#DIV/0!
State Government Securities		#DIV/0!
PSU Bonds		#DIV/0!
Other Bonds		#DIV/0!
FDR/TDR of Banks		#DIV/0!
Special Deposits		#DIV/0!
Bank A/c		#DIV/0!
Insurer Managed Schemes		#DIV/0!
Others (e.g. Interest accrued, Mutual Fund etc)		#DIV/0!
Total	0	#DIV/0!

G Out of above following Investments are made in State Bank Group(State Bank and its subsidiaries/joint Ventures)

	Provident Fund	
Category of assets	Amount	% of Plan Assets
Bonds		#DIV/0!
Bank Deposits		#DIV/0!
FDR/TDR of Banks		#DIV/0!
Insurer Managed Schemes		#DIV/0!
Others (e.g. Interest accrued, Mutual Fund etc)		#DIV/0!
Total	0	#DIV/0!

H Principal Actuarial Assumptions

Particulars	Provident Fund	Accumulated Compensated Absences (Privilege Leave)
Discount Rate		
Guaranteed Return		
Attrition Rate		
Salary Escalation		
Any other material assumption		

Managing Director/CEO

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Annexure 26

State Bank of India (California)

PREMISES TAKEN ON RENT/LEASE BY THE SUBSIDIARY / JOINT VENTURE (IN RESPECT OF UNEXPIRED LEASE ONLY)

CARE: INCLUDE PREMISES TAKEN ON RENT IN THE NAME OF SUBSIDIARY / JOINT VENTURE FOR STAFF RESIDENCE

As on 31.03.2021

(Amount in USD in thousands)

Type of Lease	Amount of lease charges/ rent debited to charges account during the year 2020-21	Rent propose/likely to be paid by the Subsidiary / Joint Venture			Whether renewable at the option of the Subsidiary / Joint Venture (Yes / No)	Total no. of Unexpired Lease Agreements
		Total Rent Payable during 2021-2022	Total Rent Payable during 2022-2023 to 2025-2026	Total Rent Payable from 2026-2027 onwards		
1	2	3	4	5	6	7
Cancellable						
Non - Cancellable	704.00	365	0			
Total	704.00	365.00	-	-		-

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Managing Director/CEO

Statutory Auditors

Example for filing up the form -

Type of Lease	Amount of lease charges/ rent debited to charges account during the year 2020-21	Rent propose/likely to be paid by the Subsidiary / Joint Venture			Whether renewable at the option of the Subsidiary / Joint Venture (Yes / No)	Total no. of Unexpired Lease Agreements
		Total Rent Payable during 2021-2022	Total Rent Payable during 2022-2023 to 2025-2026	Total Rent Payable from 2026-2027 onwards		
1	2	3	4	5	6	7
Cancellable	2400000	2400000	9600000	4000000	Yes	240
Non - Cancellable	300000	300000	1200000	500000	No	60
Total	2700000	2700000	10800000	4500000		300

State Bank of India (California)

**PREMISES GIVEN ON RENT/LEASE BY THE SUBSIDIARY / JOINT VENTURE (IN RESPECT OF UNEXPIRED LEASE
CARE: DO NOT INCLUDE PREMISES ALLOTTED TO STAFF FOR THEIR RESIDENCE**

(Amount in USD in thousands)

Type of Lease	Proportionate Original cost of such premises	Proportionate accumulated depreciation of such premises upto 31.03.2021	Depreciation of such premises for the year ended 31.03.2021	Rent to be received by the Subsidiary / Joint Venture			Amount of disputed rent, if any, recognised as income
				Total Rent receivable during 2021- 2022	Total Rent receivable during 2022- 2023 to 2025- 2026	Total Rent receivable from 2026- 2027 onwards	
1	2	3	4	5	6	7	8
Cancellable							
Non - Cancellable			931	1,055	1,475		

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Managing Director/CEO

Example for filing up the form-

Type of Lease	Proportionate Original cost of such premises	Proportionate accumulated depreciation of such premises upto 31.03.2021	Depreciation of such premises for the year ended 31.03.2021	Rent to be received by the Subsidiary / Joint Venture			Amount of disputed rent, if any, recognised as income
				Total Rent receivable during 2021- 2022	Total Rent receivable during 2022- 2023 to 2025- 2026	Total Rent receivable from 2026- 2027 onwards	
1	2	3	4	5	6	7	8
Cancellable	5000000	4200000	80000	1200000	4800000	1200000	0
Non - Cancellable	5000	4200	80	1200	4800	1200	0

State Bank of India (California)

PREMISES TAKEN ON RENT/LEASE BY THE SUBSIDIARY (DATA REQUIRED IN RESPECT OF EXPIRED LEASE AS ON 31st March 2021)

CARE: INCLUDE PREMISES TAKEN ON RENT IN THE NAME OF SUBSIDIARY FOR STAFF RESIDENCE

POSITION AS ON 31-Mar-21

(Amount in USD in thousands)

Branch code	Premises	Date of Expiry of the rent/lease agreement	Rent being paid per month	Whether landlord has formally requested for increase (Yes/No)	Rent Demanded by Landlord- per month	Rent proposed/likely to be proposed by the subsidiary / JV	Diff (Rent proposed by subsidiary / JV minus current rent)	Date from which increased rent is likely to be effective	No. of Months	Total provision required	Provision, if any, already held	Additional Provision required
1	2	3	4	5	6	7	8=7-4	9	10	11=10x8	12	13=11-12
							0			0		0
							0			0		0
							0			0		0
							0			0		0
							0			0		0
							0			0		0
							0			0		0

Managing Director/CEO

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Example- for filling the form

Branch code	Premises	Date of Expiry of the rent/lease agreement	Rent being paid per month	Whether landlord has formally requested for increase (Yes/No)	Rent Demanded by Landlord- per month	Rent proposed/likely to be proposed by the subsidiary / JV	Diff (Rent proposed by subsidiary / JV minus current rent)	Date from which increased rent is likely to be effective	No. of Months	Total provision required	Provision, if any, already held	Additional Provision required
1	2	3	4	5	6	7	8=7-4	9	10	11=10x8	12	13=11-12
101	Branch's premises	31-Dec-2013	100,000	Yes	200,000	200,000	100,000	31-Dec-2013	87.00	8700000	0	8700000
102	ATM's premises	31-Dec-2013	25,000	No	25,000	25,000	0	31-Dec-2013	87.00	0	0	0

A) Checklist for Annexure 26

- a). Annexure 26 is Premises taken on rent/lease by the subsidiary / joint venture (data required in respect of unexpired lease as on 31.03.2021).
- b) The data in respect of Premises where the subsidiary / joint venture is the tenant/lessee is required to be given. Please ensure that the premises taken on rent in name of Subsidiary / Joint Venture for Staff Residence are also included in the Annexure.
- c) Rent proposed to be paid in next one year , from 2nd to 5th year and from 6th year to the expiry of the lease term should be shown under respective columns. In case the agreement provides for increase after certain years, the same should be considered
- d) Check the Rent/lease Agreement to ascertain the type of lease i.e. Cancellable Lease or Non - Cancellable Lease as per Accounting Standard 19 (Leases) and report accordingly in the statement.
- e) It may be noted that while Subsidiary / Joint Venture will be reporting one single line item based on type of leases but they must have branch wise break up as a back-up for audit purpose.

B) Checklist for Annexure 27

- a) Annexure 27 is for Premises given on rent/lease by the subsidiary / joint venture. (data required in respect of Unexpired lease as on 31.03.2021) .
- b) Please ensure that premises allotted to staff for their residence are not included in this Annexure.
- c) Check the Rent/lease Agreement to ascertain the type of lease i.e. Cancellable Lease or Non - Cancellable Lease as per Accounting Standard 19 (Leases) and report accordingly in the statement.
- d) In case part of premises is given on lease then only the proportionate Original Cost, accumulated depreciation and depreciation for the year has to be reported under col. No.2, 3 & 4 respectively.
- e) It may be noted that while Subsidiary / Joint Venture will be reporting one single line item based on type of leases but they must have branch wise break up as a back-up for audit purpose.

C) Checklist for Annexure 28

- a) Annexure 28 is Premises taken on rent/lease by the subsidiary / joint venture (data required in respect of expired lease as on 31.03.2021). Please ensure that the premises taken on rent in name of subsidiary / joint venture for Staff Residence are also included in the Annexure.
- b) In case the rent agreement has expired and the landlord has not raised any demand, the rent being paid presently should be shown in column 6 & column 7 also. In case the landlord has raised formal demand, the new demanded rent may be reported under Column 6.
- c) In case the Subsidiary / Joint Venture has finalized the rent with the landlord, the same rent may be reported under Col 7 and if still under negotiation, then the rent as per subsidiaries's offer to the landlord may be reported in the said column.