

# **State Bank of India (California)**

## **FINANCIAL STATEMENTS**

**Including Independent Auditors' Report**

**As of and for the Years Ended March 31, 2020 and 2019**

# STATE BANK OF INDIA (CALIFORNIA)

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## **Independent Auditor's Report**

RSM US LLP

To the Board of Directors  
State Bank of India (California)  
Los Angeles, 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, 2020 and 2019, 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, 2020 and 2019, 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, 2020

# STATE BANK OF INDIA (CALIFORNIA)

## BALANCE SHEETS

As of March 31, 2020 and 2019

| <u>Assets</u>   | <u>2020</u>           | <u>2019</u>           |
|---|-----------------------|-----------------------|
| Cash and cash equivalents   | \$ 67,971,253         | \$ 39,043,248         |
| Certificates of deposits in other financial institutions                                  | 8,068,263             | 1,346,175             |
| Securities available for sale, at fair value  | 100,726,146           | 71,435,017            |
| Loans   | 726,487,433           | 662,643,342           |
| Allowance for loan losses   | (10,058,521)          | (8,429,424)           |
| <b>Net loans</b>  | <b>716,428,912</b>    | <b>654,213,918</b>    |
| Furniture, fixtures and equipment, net  | 901,594               | 1,086,225             |
| Federal Home Loan Bank and Community Development<br>Financial Institutions stock, at cost | 4,338,500             | 4,083,500             |
| Prepaid and recoverable income taxes  | 2,032,330             | 357,330               |
| Interest receivable and other assets  | 4,312,930             | 4,096,118             |
| Deferred tax assets, net  | 2,720,933             | 3,515,477             |
| <b>Total assets</b>   | <b>\$ 907,500,861</b> | <b>\$ 779,177,008</b> |
| <u>Liabilities and Stockholder's Equity</u>   |                       |                       |
| Liabilities   |                       |                       |
| Deposits  | \$ 684,356,851        | \$ 639,191,406        |
| Federal Home Loan Bank borrowings   | 70,000,000            | -                     |
| Interest payable and other liabilities  | 5,366,118             | 3,290,838             |
| <b>Total liabilities</b>  | <b>759,722,969</b>    | <b>642,482,244</b>    |
| Stockholder's Equity  |                       |                       |
| Common stock, \$100 par value:  |                       |                       |
| Authorized 2,000,000 shares, 945,000 shares issued and<br>outstanding                     | 94,500,000            | 94,500,000            |
| Additional contributed capital  | 1,500,000             | 1,500,000             |
| Retained earnings   | 48,701,081            | 41,341,869            |
| Accumulated other comprehensive income (loss)   | 3,076,811             | (647,105)             |
| <b>Total stockholder's equity</b>   | <b>147,777,892</b>    | <b>136,694,764</b>    |
| <b>Total liabilities and stockholder's equity</b>   | <b>\$907,500,861</b>  | <b>\$779,177,008</b>  |

# STATE BANK OF INDIA (CALIFORNIA)

## STATEMENTS OF INCOME For the Years Ended March 31, 2020 and 2019

|  | 2020                | 2019                |
|--|---------------------|---------------------|
| Interest and dividend income:                              |                     |                     |
| Loans and fees   | \$ 36,813,792       | \$ 32,742,329       |
| Securities   | 3,072,566           | 2,860,815           |
| <b>Total interest and dividend income</b>                  | <b>39,886,358</b>   | <b>35,603,144</b>   |
| Interest expense:  |                     |                     |
| Deposits   | 11,386,750          | 8,160,790           |
| Borrowed funds   | 84,211              | 25,235              |
| <b>Total interest expense</b>                              | <b>11,470,961</b>   | <b>8,186,025</b>    |
| <b>Net interest income</b>                                 | <b>28,415,397</b>   | <b>27,417,119</b>   |
| Provision (negative provision) for loan losses             | 1,600,000           | (625,000)           |
| <b>Net interest income after provision for loan losses</b> | <b>26,815,397</b>   | <b>28,042,119</b>   |
| Noninterest income:  |                     |                     |
| Income from foreign currency exchange transactions         | 1,014,425           | 1,211,374           |
| (Loss) gain on sale of securities                          | 107,984             | (206,667)           |
| Other noninterest income                                   | 624,388             | 509,600             |
| <b>Total noninterest income</b>                            | <b>1,746,797</b>    | <b>1,514,307</b>    |
| Noninterest expense:                                       |                     |                     |
| Salaries and employee benefits                             | 10,358,467          | 10,288,615          |
| Occupancy expense  | 1,722,872           | 1,728,711           |
| Furniture, fixtures and equipment expense                  | 297,560             | 275,399             |
| Advertising expense  | 417,474             | 202,827             |
| FDIC and other deposit assessments                         | 126,000             | 183,000             |
| Other operating expense                                    | 5,167,735           | 4,761,118           |
| <b>Total noninterest expense</b>                           | <b>18,090,108</b>   | <b>17,439,670</b>   |
| <b>Income before provision for income taxes</b>            | <b>10,472,086</b>   | <b>12,116,756</b>   |
| Income tax (benefit)                                       | 3,112,874           | 3,612,797           |
| <b>Net Income</b>  | <b>\$ 7,359,212</b> | <b>\$ 8,503,959</b> |

## STATE BANK OF INDIA (CALIFORNIA)

### STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the Years Ended March 31, 2020 and 2019

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|  | 2020                | 2019                |
|--|---------------------|---------------------|
| Net Income   | \$ 7,359,212        | \$ 8,503,959        |
| Other comprehensive income:  |                     |                     |
| Net unrealized holding gain arising during period, net of income taxes<br>of \$1,024,927 and \$166,372 in 2020 and 2019, respectively. | 3,447,980           | 557,984             |
| Reclassification adjustment for (gain) loss on sales of securities<br>in 2020 and 2019   | (107,984)           | 206,667             |
| Unrealized gain on interest rate swap  | 383,920             | 54,621              |
| <b>Other comprehensive income</b>  | <b>3,723,916</b>    | <b>819,272</b>      |
| <b>Comprehensive Income</b>  | <b>\$11,083,128</b> | <b>\$ 9,323,231</b> |

## STATE BANK OF INDIA (CALIFORNIA)

### STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

For the Years Ended March 31, 2020 and 2019

|  | Common Stock          |              | Additional<br>Contributed<br>Capital | Retained<br>Earnings | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Total          |
|--|-----------------------|--------------|--------------------------------------|----------------------|--|----------------|
|  | Shares<br>Outstanding | Issued       |                                      |                      |  |                |
| <b>Balance, March 31, 2018</b>   | 945,000               | \$94,500,000 | \$1,500,000                          | \$37,837,910         | \$ (1,466,377)   | \$ 132,371,533 |
| Net income   |                       |              |                                      | 8,503,959            |  | 8,503,959      |
| Dividend paid  |                       |              |                                      | (5,000,000)          |  | (5,000,000)    |
| Other comprehensive income (loss), fair value<br>adjustments and reclassifications |                       |              |                                      |                      | 819,272  | 819,272        |
| <b>Balance, March 31, 2019</b>   | 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<br>adjustments and reclassifications |                       |              |                                      |                      | 3,723,916  | 3,723,916      |
| <b>Balance, March 31, 2020</b>   | 945,000               | \$94,500,000 | \$ 1,500,000                         | \$ 48,701,081        | \$ 3,076,811   | \$ 147,777,892 |

See notes to financial statements

# STATE BANK OF INDIA (CALIFORNIA)

## STATEMENTS OF CASH FLOWS For the Years Ended March 31, 2020 and 2019

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| Cash Flows From Operating Activities   |                      |                      |
| Net Income   | \$ 7,359,212         | \$ 8,503,959         |
| Adjustments to reconcile net income to net cash provided by operating activities:  |                      |                      |
| Provision (negative provision) for loan losses                                     | 1,600,000            | (625,000)            |
| Gain on sale of securities available for sale                                      | (107,984)            | -                    |
| (Increase) in deferred taxes   | (630,000)            | (286,000)            |
| Depreciation and amortization  | 297,560              | 275,399              |
| Amortization of premiums on securities, net  | 325,733              | 729,003              |
| Amortization of deferred loan fees, net  | (120,642)            | 307,142              |
| Decrease (increase) in interest receivable and other assets                        | (1,543,258)          | (325,751)            |
| Increase (decrease) in interest payable and other liabilities                      | 1,876,445            | 218,808              |
| <b>Net cash provided by operating activities</b>                                   | <b>9,057,066</b>     | <b>8,797,560</b>     |
| Cash Flows From Investing Activities   |                      |                      |
| Net (increase) decrease in certificates of deposit in other financial institutions | (6,722,088)          | 1,493,825            |
| Purchase of securities available for sale  | (48,013,006)         | (2,260,944)          |
| Principal reduction on securities available for sale                               | 23,268,669           | 14,237,226           |
| Net change in loans  | (63,694,352)         | (73,601,135)         |
| Acquisition of furniture, fixtures and equipment                                   | (112,929)            | (639,573)            |
| Proceeds from termination of interest rate swap                                    | 234,200              | -                    |
| Purchase of Federal Home Loan Bank and CDFI stocks                                 | (255,000)            | (65,000)             |
| <b>Net cash (used in) provided by investing activities</b>                         | <b>(95,294,506)</b>  | <b>(60,835,601)</b>  |
| Cash Flows From Financing Activities   |                      |                      |
| Net increase (decrease) in deposits  | 45,165,445           | 54,560,149           |
| Proceeds from Federal Home Loan Bank borrowings                                    | 70,000,000           | -                    |
| Dividend paid to parent bank   | -                    | (5,000,000)          |
| <b>Net cash provided by (used in) financing activities</b>                         | <b>115,165,445</b>   | <b>49,560,149</b>    |
| <b>Net increase in cash and cash equivalents</b>                                   | <b>28,928,005</b>    | <b>(2,477,892)</b>   |
| Cash and cash equivalents, beginning of year                                       | 39,043,248           | 41,521,140           |
| Cash and cash equivalents, end of year   | <b>\$ 67,971,253</b> | <b>\$ 39,043,248</b> |
| Supplemental Disclosures of Cash Flow Information                                  |                      |                      |
| Cash paid for interest   | <b>\$ 9,828,929</b>  | <b>\$ 6,989,407</b>  |
| Cash paid for income taxes   | <b>\$ 3,997,402</b>  | <b>\$ 3,619,753</b>  |

See notes to financial statements



# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended March 31, 2020 and 2019

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

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**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 grants 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 to 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.

The Bank is required to maintain reserve balances in cash with the Federal Reserve Bank. The total of these reserve requirements approximated \$1,219,000 and \$1,075,000 as of March 31, 2020 and 2019, respectively.

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, 2020 range from one month to twenty

# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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three months. 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, 2020.

**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, 2020 and 2019.

**Other stock:** The Bank also has an investment in stocks of different Community Development Financial Institution ("CDFIs") for CRA purpose. The total investment in the stock as of March 31, 2020 and 2019 were \$762,500 and \$507,500, 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, 2020 and 2019. In June 2019, the Bank has invested \$250,000 in Lendistry CRA Loan Fund I for CRA purpose. Lendistry is a CDFI focusing on lending to underserved small businesses.

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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**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, 2020 and 2019

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

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The ALLL consists of specific reserves on certain impaired loans and general reserves for non-impaired loans. Specific reserves reflect estimated losses based on regular analyses of all impaired non-homogenous 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) unemployment and inflation statistics, 10) changes in credit migration risks, 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, 2020 and 2019

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

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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

# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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collateral dependent loan, the loan is reported at the fair value of the collateral. 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.

**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.

**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.

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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**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 March 30, 2019, the Bank has entered into an interest rate swap in order to hedge a \$9.6 million floating rate loan with a maturity of March 30, 2022. The Bank's hedging objective is to convert the floating interest receipts to a fixed rate from March 30, 2019 until March 30, 2022. Several months after entering into the hedge transaction, the customer converted the floating rate loan to fixed, making the hedging derivative redundant. In response, the Bank has terminated the corresponding swap on August 28, 2019. As a result of the swap termination, the Bank has recognized \$234,220 gain, which is reported under other noninterest income.

On June 11, 2019, the Bank has entered into a second 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 is to convert fixed interest payments into floating interest payments from October 29, 2019 to October 29, 2021. The Bank will 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 1.78% and pay interest at a variable rate equal to the 1-month LIBOR rate.

Then, on October 29, 2019, the Bank has entered into a third interest rate swap in order to partially hedge \$24 million adjustable LIBOR-based commercial loans. The Bank's hedging objective with this swap is to convert the floating interest receipts to a fixed interest receipts from June 11, 2019 until June 11, 2021. The Bank will 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 two interest rate swaps at March 31, 2020 was \$383,919 and is included in interest receivable and other assets in the balance sheet.

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 this 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.

**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

# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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



## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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The Bank is no longer subject to U.S. Federal income tax examinations by the Internal Revenue Service for years before March 31, 2016. However, the Bank's Federal income tax returns for 2017 to 2020 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 Bank's 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.

# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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**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, 2020 and 2019, advertising expenses included in non-interest expense approximated \$417,474 and \$202,827, respectively.

**Reclassifications:** Certain amounts previously reported have been reclassified to conform with the current presentation.

**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 will continue to be, significantly impacted. Furthermore, the pandemic could influence the recognition of credit losses in the Bank's loan and lease portfolios 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 could adversely affect the Bank's results of operations and financial condition. The business operations may be disrupted if significant portions of the Bank's employees are unable to work effectively, including because of illness, quarantines, government actions, or other restrictions in connection with the pandemic, travel restrictions, technology limitations and/or disruptions. Furthermore, the business operations of the Bank have been, and may again in the future be, disrupted due to vendors and third-party service providers being unable to work or provide services effectively, including because of illness, quarantines, government actions, or other restrictions in connection with the pandemic.

In response to the pandemic, State Bank of India (California) is permitting payment deferrals, and other expanded assistance for lending customers. These programs, as well as certain accommodations made to commercial customers, are expected to negatively impact revenue and other 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

## **STATE BANK OF INDIA (CALIFORNIA)**

### **NOTES TO FINANCIAL STATEMENTS**

As of and for the Years Ended March 31, 2020 and 2019

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

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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, 2020 and 2019

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

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**Recent Accounting Pronouncements:** On May 28, 2014, the Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) issued substantially converged final standards on revenue recognition. The FASB's Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), provides a robust framework for addressing revenue recognition issues, and upon its effective date, replaces almost all pre-existing revenue recognition guidance in current U.S. generally accepted accounting principles (GAAP), including industry-specific guidance and the Securities and Exchange Commission's (SEC) Staff Accounting Bulletin Topic 13, Revenue Recognition. Implementation of the robust framework provided by ASU 2014-09 should result in improved comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets.

Virtually all entities will be affected to some extent by the new guidance added to the FASB's Accounting Standards Codification (ASC) by ASU 2014-09, as subsequently amended, which includes the guidance in:

- ASC 606, "Revenue from Contracts with Customers"
- ASC 340-40, "Other Assets and Deferred Costs – Contracts with Customers"
- ASC 610-20, "Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets"

The effective date for non-public entities is annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. The new standards did not have a material impact on the financial condition and results of operations of the Bank.

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.

On January 5, 2016, the FASB issued ASU 2016-01, Financial Instruments—Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. Changes to the current GAAP model primarily affects the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The accounting for other financial instruments, such as loans, investments in debt securities, and financial liabilities is largely unchanged.

The ASU 2016-01, as updated by ASU 2018-03, requires an entity to: (i) measure equity investments at fair value through net income, with certain exceptions; (ii) present in OCI the changes in instrument-specific credit risk for financial liabilities measured using the fair value option; (iii) present financial assets

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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and financial liabilities by measurement category and form of financial asset; (iv) calculate the fair value of financial instruments for disclosure purposes based on an exit price and; (v) assess a valuation allowance on deferred tax assets related to unrealized losses of AFS debt securities in combination with other deferred tax assets. The update provides an election to subsequently measure certain nonmarketable equity investments at cost less any impairment and adjusted for certain observable price changes. The update also requires a qualitative impairment assessment of such equity investments and amends certain fair value disclosure requirements. For nonpublic business entities, the new standard is effective for fiscal years beginning after December 15, 2018, and interim reporting periods within fiscal years beginning after December 15, 2019. The guidance did not have a material impact on the financial condition, results of operations or liquidity of the Bank.

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. For nonpublic business entities, the standard is effective for fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021. Management is currently evaluating the impact this guidance will have on the financial condition, results of operations or liquidity of the Bank.

# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

### NOTE 2 – Securities Available for Sale

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

| 2020   |                      |                              |                               |                       |
|--|----------------------|------------------------------|-------------------------------|-----------------------|
|  | Amortized<br>Cost    | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses | Fair Value            |
| U.S. government agency collateralized<br>mortgage obligations and mortgage-backed<br>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> |
| 2019   |                      |                              |                               |                       |
|  | Amortized<br>Cost    | Gross<br>Unrealized<br>Gains | Gross<br>Unrealized<br>Losses | Fair Value            |
| U.S. government agency collateralized<br>mortgage obligations and mortgage-backed<br>securities, residential | \$ 51,601,520        | \$ 33,737                    | \$ (969,294)                  | \$ 50,665,963         |
| U.S. Agency Securities   | 2,000,000            | -                            | (6,440)                       | 1,993,560             |
| SBA Pool Securities  | 7,981,150            | 6,410                        | (33,986)                      | 7,953,574             |
| Municipal bonds  | 5,750,949            | 7,413                        | (6,892)                       | 5,751,470             |
| Corporate bonds  | 5,097,601            | -                            | (27,151)                      | 5,070,450             |
|  | <u>\$ 72,431,220</u> | <u>\$ 47,560</u>             | <u>\$ (1,043,763)</u>         | <u>\$ 71,435,017</u>  |

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. For the year ended March 31, 2019 the realized (losses) and gains on sale of securities included in non-interest income were (\$206,667) and \$0, respectively.

# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

### NOTE 2 – Securities Available for Sale (cont.)

The amortized cost and fair value of securities at March 31, 2020 and 2019, 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, 2020</u>   | <u>Amortized Cost</u> | <u>Fair Value</u>     |
|---|-----------------------|-----------------------|
| 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,<br>mortgage-backed securities and SBA pool securities | 67,541,736            | 69,351,959            |
|   | <u>\$ 96,903,187</u>  | <u>\$ 100,726,146</u> |

  

| <u>As of March 31, 2019</u>   | <u>Amortized Cost</u> | <u>Fair Value</u>    |
|---|-----------------------|----------------------|
| Due in one to five years  | \$ 5,247,128          | \$ 5,246,975         |
| Due after five years through ten years  | 4,002,474             | 3,976,763            |
| Due after ten years   | 503,820               | 504,495              |
| U.S. government agency collateralized mortgage obligations,<br>mortgage-backed securities and SBA pool securities | 62,677,799            | 61,706,784           |
|   | <u>\$ 72,431,220</u>  | <u>\$ 71,435,017</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:

|   | <b>2020</b>          |                    |                     |                    |                      |                    |
|---|----------------------|--------------------|---------------------|--------------------|----------------------|--------------------|
|   | Less Than 12 Months  |                    | 12 Months or More   |                    | Total                |                    |
|   | Fair Value           | Unrealized Loss    | Fair Value          | Unrealized Loss    | Fair Value           | Unrealized Loss    |
| US government agency<br>collateralized mortgage<br>obligations and<br>mortgage-backed securities, residential | \$ 66,658,530        | \$ (20,221)        | \$ -                | \$ -               | \$ 66,658,530        | \$ (20,221)        |
| 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> |

  

|   | <b>2019</b>         |                   |                      |                       |                      |                       |
|---|---------------------|-------------------|----------------------|-----------------------|----------------------|-----------------------|
|   | Less Than 12 Months |                   | 12 Months or More    |                       | Total                |                       |
|   | Fair Value          | Unrealized Loss   | Fair Value           | Unrealized Loss       | Fair Value           | Unrealized Loss       |
| US government agency<br>collateralized mortgage<br>obligations and<br>mortgage-backed securities, residential | \$ -                | \$ -              | \$ 44,743,932        | \$ (969,294)          | \$ 44,743,932        | \$ (969,294)          |
| US Agency Securities  | -                   | -                 | 1,993,560            | (6,440)               | 1,993,560            | (6,440)               |
| SBA Pool Securities   | 815,999             | (4,053)           | 4,363,636            | (29,933)              | 5,179,635            | (33,986)              |
| Municipal bonds   | -                   | -                 | 2,744,525            | (6,892)               | 2,744,525            | (6,892)               |
| Corporate bonds   | -                   | -                 | 5,070,450            | (27,151)              | 5,070,450            | (27,151)              |
|   | <u>\$ 815,999</u>   | <u>\$ (4,053)</u> | <u>\$ 58,916,103</u> | <u>\$ (1,039,710)</u> | <u>\$ 59,732,102</u> | <u>\$ (1,043,763)</u> |

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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#### NOTE 2 – Securities Available for Sale (cont.)

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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, 2020 and 2019, 3 and 39 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 \$61.6 million and \$0 were pledged to state account holder against deposits maintained at the Bank at March 31, 2020 and 2019, respectively.

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#### NOTE 3 – Loans and Allowance for Loan Losses

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

|   | 2020                        | 2019                        |
|---|-----------------------------|-----------------------------|
| Commercial and industrial               | \$ 212,326,769              | \$ 197,711,264              |
| Commercial real estate                  | 515,775,891                 | 466,562,914                 |
| Others                                  | 1,721                       | 106,754                     |
|   | <hr/> 728,104,381           | <hr/> 664,380,932           |
| Less net deferred loan origination fees | 1,616,948                   | 1,737,590                   |
|   | <hr/> 726,487,433           | <hr/> 662,643,342           |
| Less allowance for loan losses          | 10,058,521                  | 8,429,424                   |
| Loans, net                              | <hr/> <u>\$ 716,428,912</u> | <hr/> <u>\$ 654,213,918</u> |

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 \$416.2 million and \$416.9 million at March 31, 2020 and 2019, respectively.

At March 31, 2020 and 2019, the Bank has concentrations in Commercial Real Estate which comprise 71% and 70% of total gross loans, respectively, and hotel loans represent approximately 38% and 33% of total gross loans as of March 31, 2020 and 2019, respectively.



# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

### 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, 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 | <u>2,670,669</u>    | <u>7,387,852</u>       | <u>-</u>    | <u>10,058,521</u>               |
|                                       | <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 | <u>212,326,769</u>    | <u>515,775,891</u>     | <u>1,721</u>    | <u>728,104,381</u>    |
| Ending balance                        | <u>\$ 212,326,769</u> | <u>\$ 515,775,891</u>  | <u>\$ 1,721</u> | <u>\$ 728,104,381</u> |

| March 31, 2019                        |                     |                        |             |                                 |
|---------------------------------------|---------------------|------------------------|-------------|---------------------------------|
| Allowance for loan losses             | Commercial          | Commercial Real Estate | Others      | Total Allowance for Loan Losses |
| Beginning balance                     | \$ 2,386,904        | \$ 5,295,633           | \$ -        | \$ 7,682,537                    |
| Charge-offs                           | -                   | -                      | -           | -                               |
| Recoveries                            | 289,857             | 1,082,030              | -           | 1,371,887                       |
| Provision                             | (125,000)           | (500,000)              | -           | (625,000)                       |
| Ending balance                        | <u>\$ 2,551,761</u> | <u>\$ 5,877,663</u>    | <u>\$ -</u> | <u>\$ 8,429,424</u>             |
| Individually evaluated for impairment | \$ -                | \$ -                   | \$ -        | \$ -                            |
| Collectively evaluated for impairment | <u>2,551,761</u>    | <u>5,877,663</u>       | <u>-</u>    | <u>8,429,424</u>                |
|                                       | <u>\$ 2,551,761</u> | <u>\$ 5,877,663</u>    | <u>\$ -</u> | <u>\$ 8,429,424</u>             |

| March 31, 2019                        |                       |                        |                   |                       |
|---------------------------------------|-----------------------|------------------------|-------------------|-----------------------|
| Loans                                 | Commercial            | Commercial Real Estate | Others            | Total Loans           |
| Individually evaluated for impairment | \$ -                  | \$ -                   | \$ -              | \$ -                  |
| Collectively evaluated for impairment | <u>\$ 197,711,264</u> | <u>\$ 466,562,914</u>  | <u>\$ 106,754</u> | <u>\$ 664,380,932</u> |

# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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**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 obligator (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 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, 2020 and 2019.

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

#### **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:

|                 | <b>2020</b>                  |                           |                 |                       |
|-----------------|------------------------------|---------------------------|-----------------|-----------------------|
|                 | Commercial<br>and industrial | Commercial<br>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> |

|                 | <b>2019</b>                  |                           |                   |                       |
|-----------------|------------------------------|---------------------------|-------------------|-----------------------|
|                 | Commercial<br>and industrial | Commercial<br>Real Estate | Other             | Total                 |
| Grade:          |                              |                           |                   |                       |
| Pass            | \$ 195,171,366               | \$ 445,912,655            | \$ 106,754        | \$ 641,190,775        |
| Watch           | 2,539,898                    | 14,362,789                | -                 | 16,902,687            |
| Special mention | -                            | 4,521,630                 | -                 | 4,521,630             |
| Substandard     | -                            | 1,765,840                 | -                 | 1,765,840             |
| Doubtful        | -                            | -                         | -                 | -                     |
|                 | <u>\$ 197,711,264</u>        | <u>\$ 466,562,914</u>     | <u>\$ 106,754</u> | <u>\$ 664,380,932</u> |

# STATE BANK OF INDIA (CALIFORNIA)

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

### 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:

| 2020                            |                        |                         |                   |                     |                       |                       | Recorded<br>Investment<br>Greater Than<br>90 Days<br>and Accruing |
|---------------------------------|------------------------|-------------------------|-------------------|---------------------|-----------------------|-----------------------|---|
| 30-59 Days<br>Past Due          | 60-89 Days<br>Past Due | Greater Than<br>90 Days | Total<br>Past Due | Current             | Total<br>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                 | -   |
|                                 | <u>\$ 3,790,868</u>    | <u>\$ -</u>             | <u>\$ 255,362</u> | <u>\$ 4,046,230</u> | <u>\$ 724,058,151</u> | <u>\$ 728,104,381</u> | <u>\$ -</u>   |
| 2019                            |                        |                         |                   |                     |                       |                       | Recorded<br>Investment<br>Greater Than<br>90 Days<br>and Accruing |
| 30-59 Days<br>Past Due          | 60-89 Days<br>Past Due | Greater Than<br>90 Days | Total<br>Past Due | Current             | Total<br>Loans        |                       |   |
| Commercial and other industrial | \$ 250,000             | \$ -                    | \$ -              | \$ 250,000          | \$ 197,461,264        | \$ 197,711,264        | \$ -  |
| Commercial real estate          | 685,666                | 1,052,098               | -                 | 1,737,764           | 464,825,150           | 466,562,914           | -   |
| Other                           | -                      | -                       | -                 | -                   | 106,754               | 106,754               | -   |
|                                 | <u>\$ 935,666</u>      | <u>\$ 1,052,098</u>     | <u>\$ -</u>       | <u>\$ 1,987,764</u> | <u>\$ 662,393,168</u> | <u>\$ 664,380,932</u> | <u>\$ -</u>   |

Nonperforming loans as of March 31,

|  | 2020              | 2019        |
|--|-------------------|-------------|
| Nonaccrual loans other than trouble debt restructurings        | \$ 255,362        | \$ -        |
| Nonaccrual loans restructured in a troubled debt restructuring | -                 | -           |
| Total nonperforming loans                                      | <u>\$ 255,362</u> | <u>\$ -</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, 2020 and 2019

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

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

|                                | 2020              | 2019        |
|--------------------------------|-------------------|-------------|
| Commercial and Industrial      | \$ -              | \$ -        |
| Commercial real estate, other  | 255,362           | -           |
|                                | <u>\$ 255,362</u> | <u>\$ -</u> |
| Interest income not recognized | <u>\$ 80,270</u>  | <u>\$ -</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, 2020 and 2019.

There was one impaired loan during the years ended March 31, 2020 and 2019. The average balance of the impaired loans outstanding during March 31, 2020 and 2019 totaled \$0.920 million and \$2.692 million, respectively. There was no interest income recognized on a cash basis on impaired loans during the years ended March 31, 2020 and 2019.

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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#### NOTE 4 – Furniture, Fixtures and Equipment

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

|  | 2020             | 2019               |
|--|------------------|--------------------|
| Furniture and fixtures                         | \$ 814,188       | \$ 812,795         |
| Leasehold improvements                         | 2,289,327        | 2,342,776          |
| Equipment                                      | 498,996          | 413,030            |
| Software                                       | 1,169,751        | 1,169,751          |
| Computer hardware                              | 431,034          | 405,184            |
| Construction in progress                       | -                | 94,832             |
|  | <hr/> 5,203,296  | <hr/> 5,238,368    |
| Less accumulated depreciation and amortization | 4,301,702        | 4,152,143          |
|  | <hr/> \$ 901,594 | <hr/> \$ 1,086,225 |

Depreciation and amortization expense for the years ended March 31, 2020 and 2019 was \$297,560 and \$275,399, respectively.

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#### NOTE 5 – Deposits

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Deposits consist of the following at March 31:

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| Noninterest bearing demand                   | \$ 87,304,299        | \$ 80,665,744        |
| Savings                                      | 27,554,768           | 26,123,597           |
| Money market                                 | 162,015,027          | 171,910,036          |
| Negotiable order of withdrawal (NOW)         | 8,236,657            | 26,462,059           |
| Certificates of deposit of \$250,000 or more | 193,873,118          | 142,763,167          |
| Certificates of deposit under \$250,000      | 205,372,982          | 191,266,803          |
|  | <hr/> \$ 684,356,851 | <hr/> \$ 639,191,406 |

As of March 31, 2020, and 2019, the Bank had deposits from two entities totaling \$126.207 million and a single entity totaling \$44.275 million, respectively, which were in excess of 5% of total deposits.

Beginning in December 2017, the Bank began participating as a member of the Insured Cash Sweep (“ICS”) One-Way Buy and Reciprocal deposit program. The Bank has accepted deposits through the ICS One-Way Buy program. Through the ICS Reciprocal program, the Bank may accept deposits from a depositor in excess of the FDIC insured maximum and place the deposits through the ICS network into other member banks in increments of less than the FDIC insured maximum in order to provide the depositor full FDIC insurance coverage. The Bank receives an equal dollar amount of deposits from other ICS member banks in exchange for the deposits the Bank places into the ICS network.

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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#### NOTE 5 – Deposits (cont.)

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At March 31, 2020 and 2019, the Bank's brokered deposits totaled \$17.508 million and \$85.373 million, respectively, including wholesale money market deposits of \$2.508 million and \$40.060 million, respectively.

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

|                                    | 2020                  | 2019                  |
|------------------------------------|-----------------------|-----------------------|
| Three months or less               | \$ 137,778,167        | \$ 51,340,635         |
| Over three months through one year | 214,505,212           | 196,797,733           |
| Over one year through three years  | 43,405,148            | 74,898,653            |
| Over three years                   | 3,557,573             | 10,992,949            |
|                                    | <u>\$ 399,246,100</u> | <u>\$ 334,029,970</u> |

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#### NOTE 6 – Income Taxes

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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:

|                                    | 2020                | 2019                |
|------------------------------------|---------------------|---------------------|
| Current                            | \$ 3,742,874        | \$ 3,898,797        |
| Deferred                           | (630,000)           | (286,000)           |
| Total income tax (benefit) expense | <u>\$ 3,112,874</u> | <u>\$ 3,612,797</u> |

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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#### NOTE 6 – Income Taxes (cont.)

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

|  | 2020         | 2019         |
|--|--------------|--------------|
| Deferred tax assets:                             |              |              |
| Allowance for loan losses                        | \$ 2,888,000 | \$ 2,420,000 |
| Depreciation                                     | 271,000      | 226,000      |
| State franchise tax                              | 260,000      | 271,000      |
| Nonaccrual Loan Interest                         | 23,000       | -            |
| Unrealized loss on securities available for sale | -            | 294,000      |
| Other  | 450,000      | 345,000      |
| Total deferred tax assets                        | 3,892,000    | 3,556,000    |
| Deferred tax liabilities:                        |              |              |
| Unrealized gain on securities available for sale | (1,130,000)  | -            |
| FHLB stock dividends                             | (41,000)     | (41,000)     |
| Total deferred tax liabilities                   | (1,171,000)  | (41,000)     |
| Net deferred tax asset                           | \$ 2,721,000 | \$ 3,515,000 |

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, 2020 was \$1.118 million.

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, 2020 and 2019, 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, 2020 and 2019

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#### NOTE 7 – Commitment and Contingencies

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**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:

|                              | 2020          | 2019          |
|------------------------------|---------------|---------------|
| Loans                        | \$ 28,307,102 | \$ 40,195,907 |
| Standby letters of credit    | 13,739,284    | 11,864,179    |
| Commercial letters of credit | 25,230        | 1,418,265     |

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.

**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 \$2,264,555 and \$2,247,413 for the years ended March 31, 2020 and 2019, respectively.

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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#### NOTE 7 – Commitment and Contingencies (cont.)

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The Bank leases equipment under noncancelable operating leases expiring through October 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, 2020 and 2019 was \$122,340 and \$94,087, 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               |
|------------------------|---------------------|-------------------|-------------------|---------------------|
| 2021                   | \$ 1,104,220        | \$ 490,156        | \$ 63,937         | \$ 1,658,313        |
| 2022                   | 864,736             | -                 | 50,229            | 914,965             |
| 2023                   | 547,722             | -                 | 46,472            | 594,194             |
| 2024                   | 207,673             | -                 | 42,601            | 250,274             |
| 2025                   | 91,141              | -                 | 25,082            | 116,223             |
| Thereafter             | 54,183              | -                 | -                 | 54,183              |
|                        | <u>\$ 2,869,675</u> | <u>\$ 490,156</u> | <u>\$ 228,321</u> | <u>\$ 3,588,152</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 plaintiff and their attorneys. The settlement amount has been fully accrued by the Bank as of March 31, 2020. A hearing with the court is expected sometime in the next few months including the judge approving the next steps to send out notices to all eligible employees for receiving monetary compensation. We anticipate the final closure on this case would be by the end of this calendar year.

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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#### NOTE 8 – Transactions with Parent/Related Party

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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 \$124.520 million and \$134.937 million, respectively, from the Parent Bank during the fiscal years ended on March 31, 2020 and 2019.

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, 2020 and 2019 were approximately \$3,254,505 and \$33.

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, 2020 and 2019.

For the years ended March 31, 2020 and 2019, the Bank recognized management fees of \$130,301 and \$165,830, respectively, representing, primarily, board fees and reimbursement of travel expenses for directors from the Parent Bank.

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#### NOTE 9 – Federal Home Loan Bank Borrowings

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At March 31, 2020, 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, 2020 and 2019, the FHLB advances aggregated \$70 million and \$0, respectively. \$65 million borrowings were fixed rate and \$5 million borrowing were variable rate tied to SOFR index. Terms of the borrowings range from one month to twelve months.

The Bank has following FHLB borrowings at March 31, 2020:

|    | Balance    | Interest Rate | Term | Maturity Date |
|----|------------|---------------|------|---------------|
| \$ | 5,000,000  | 0.19%         | 12   | 9/24/2020     |
| \$ | 20,000,000 | 0.35%         | 1    | 4/20/2020     |
| \$ | 15,000,000 | 0.27%         | 6    | 9/28/2020     |
| \$ | 30,000,000 | 0.49%         | 12   | 3/29/2021     |

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, 2020 and 2019

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#### NOTE 10 – Foreign Currency Transactions

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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, 2020 and 2019, the Bank's long exposure related to Indian Rupees was \$614,941 and \$228,027, 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 \$1,014,425 and \$1,211,374 for the years ended March 31, 2020 and 2019, respectively.

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#### NOTE 11 – Regulatory Matters

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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, 2020, 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, 2020 and 2019

### NOTE 11 – Regulatory Matters (cont.)

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

|   | 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% |
|   | 2019           |        |                               |       |  |       |
|   | 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                | \$ 145,425,413 | 21.61% | \$ 53,840,160                 | ≥8%   | \$ 67,300,200  | ≥10%  |
| Tier 1 capital, to risk-weighted assets               | \$ 137,026,991 | 20.36% | \$ 40,380,120                 | ≥6%   | \$ 53,840,160  | ≥8%   |
| Tier 1 capital, to average assets                     | \$ 137,026,991 | 18.06% | \$ 31,167,120                 | ≥4%   | \$ 38,958,900  | ≥5%   |
| Common equity tier 1 capital, to risk-weighted assets | \$ 137,026,991 | 20.36% | \$ 30,285,090                 | ≥4.5% | \$ 43,745,130  | ≥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 \$0 and \$5 million for the years ended March 31, 2020 and 2019, respectively.

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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#### NOTE 12 – Fair Value Measurement

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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. 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, 2020 and 2019

### NOTE 12 – Fair Value Measurement (cont.)

|  | Assets Measured at Fair Value on a Recurring Basis on March 31 |  |   |  |
|--|--|--|---|--|
|  | Carrying<br>Value at<br>March 31                               | Quoted Prices<br>in Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>2020</b>  |  |  |   |  |
| U.S. government agency collateralized<br>mortgage obligations and mortgage-backed<br>securities, residential | \$ 63,983,117  | \$ -   | \$ 63,983,117   | \$ -   |
| U.S. Treasury Notes  | 21,862,251   | 21,862,251   | -   | -  |
| SBA Pool Securities  | 6,544,703  | -  | 6,544,703   | -  |
| Municipal bonds  | 8,336,075  | -  | 8,336,075   | -  |
| Interest rate swap asset   | 582,754  | -  | 582,754   | -  |
| Interest rate swap liability   | 198,835  | -  | 198,835   | -  |
|  | <u>\$ 101,507,735</u>  | <u>\$ 21,862,251</u>   | <u>\$ 79,645,484</u>                                      | <u>\$ -</u>  |
| <b>2019</b>  |  |  |   |  |
| U.S. government agency collateralized<br>mortgage obligations and mortgage-backed<br>securities, residential | \$ 50,665,963  | \$ -   | \$ 50,665,963   | \$ -   |
| U.S. Agency Securities   | 1,993,560  | -  | 1,993,560   | -  |
| SBA Pool Securities  | 7,953,574  | -  | 7,953,574   | -  |
| Municipal bonds  | 5,751,470  | -  | 5,751,470   | -  |
| Corporate bonds  | 5,070,450  | -  | 5,070,450   | -  |
| Interest rate swap asset   | 54,621   | -  | 54,621  | -  |
|  | <u>\$ 71,489,638</u>   | <u>\$ -</u>  | <u>\$ 71,489,638</u>                                      | <u>\$ -</u>  |

### 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.

## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended March 31, 2020 and 2019

**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).

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

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**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, 2020 and 2019 is insignificant.



## STATE BANK OF INDIA (CALIFORNIA)

### NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2020 and 2019

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

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

|                               | 2020               |               | 2019               |               |
|-------------------------------|--------------------|---------------|--------------------|---------------|
|                               | Carrying<br>Amount | Fair<br>Value | Carrying<br>Amount | Fair<br>Value |
| <b>Financial assets:</b>      |                    |               |                    |               |
| Cash and cash equivalents     | \$ 76,039,516      | \$ 76,039,516 | \$ 40,389,423      | \$ 40,389,423 |
| Securities                    | 101,507,735        | 101,507,735   | 71,435,017         | 71,435,017    |
| Loans, net                    | 716,428,912        | 738,912,221   | 654,213,918        | 665,419,031   |
| FHLB and CDFI stock           | 4,338,500          | 4,338,500     | 4,083,500          | 4,083,500     |
| Interest receivable           | 2,066,907          | 2,066,907     | 2,285,695          | 2,285,695     |
| Interest rate swap asset      | 582,754            | 582,754       | 54,621             | 54,621        |
| <b>Financial liabilities:</b> |                    |               |                    |               |
| Deposits                      | 684,356,851        | 682,962,901   | 639,191,406        | 600,308,000   |
| FHLB borrowings               | 70,000,000         | 70,000,000    | -                  | -             |
| Interest payable              | 885,791            | 885,791       | 756,241            | 756,241       |
| Interest rate swap liability  | 198,835            | 198,835       | -                  | -             |

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#### NOTE 14 – Subsequent Events

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The Bank has evaluated the effects of subsequent events that have occurred through April 30, 2020, 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**

**Independent Auditor's Report on the Supplementary Information**

To the Board of Directors  
State Bank of India (California)  
Los Angeles, California

We have audited the financial statements of State Bank of India (California) as of and for the years ended March 31, 2020 and 2019, 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, 2020

## State Bank of India (California)

(Amount in thousands in local currency)

## Balance Sheet as on 31.03.2020

|   |         | Name of the Currency  | USD                   |
|---|---------|-----------------------|-----------------------|
| Capital and Liabilities                                       | Sch No. | As at 31st March 2020 | As at 31st March 2019 |
| Equity Share Capital  | 1       | 103,819               | 103,819               |
| Reserves and Surplus  | 2       |                       |                       |
| Balance brought forward (as at 01.04.2019)                    |         | 32,842                | 25,910                |
| Add / (Less) :  |         |                       |                       |
| Addition in Share Premium                                     |         | -                     | -                     |
| Addition in Foreign Currency Translation Reserve              |         | -                     | -                     |
| Profit/(Loss) for the period 01.04.2019 to 31.03.2020         |         | 7,360                 | 8,504                 |
| Mark to Market of AFS securities for 01.04.2019 to 31.03.2020 |         | 1,042                 | 792                   |
| Dividend Paid   |         |                       | (4,250)               |
| Dividend Tax Paid   |         |                       | (750)                 |
| Share capital adjustment due to state tax refund              |         |                       | 2,636                 |
| Balance carried over as at 31.03.2020                         |         | 41,244                | 32,842                |
| Deposits  | 3       | 684,357               | 639,191               |
| Borrowings  | 4       | 70,000                | -                     |
| Other Liabilities and Provisions                              | 5       | 15,577                | 13,459                |
| <b>TOTAL</b>  |         | <b>914,997</b>        | <b>789,311</b>        |

| Assets   | Sch No. | As at 31st March 2020 | As at 31st March 2019 |
|--|---------|-----------------------|-----------------------|
| Cash and Balances with Reserve Bank of India         | 6       | 1,031                 | 693                   |
| Balances with banks and money at call & short notice | 7       | 76,040                | 39,697                |
| Investments  | 8       | 96,871                | 71,387                |
| Advances (Net)                                       | 9       | 728,104               | 664,381               |
| Fixed Assets   | 10      | 902                   | 1,086                 |
| Other Assets   | 11      | 12,049                | 12,067                |
| <b>TOTAL</b>   |         | <b>914,997</b>        | <b>789,311</b>        |

|                        |    |        |        |
|------------------------|----|--------|--------|
| Contingent Liabilities | 12 | 13,763 | 13,281 |
| Bills for Collection   |    | -      | -      |

## Profit and Loss Account for the year ended 31.03.2020

| I. INCOME           | Sch No. | 31st March 2020 | 31st March 2019 |
|---------------------|---------|-----------------|-----------------|
| Interest earned     | 13      | 39,140          | 35,213          |
| Other Income        | 14      | 2,489           | 1,904           |
| <b>Total Income</b> |         | <b>41,629</b>   | <b>37,117</b>   |

| II. EXPENDITURE              | Sch No. | 31st March 2020 | 31st March 2019 |
|------------------------------|---------|-----------------|-----------------|
| Interest expended            | 15      | 11,471          | 8,186           |
| Operating expenses           | 16      | 18,090          | 17,440          |
| Provisions and contingencies |         | 4,708           | 2,987           |
| <b>Total Expenditure</b>     |         | <b>34,269</b>   | <b>28,613</b>   |

| III. PROFIT   |  |              |              |
|---|--|--------------|--------------|
| Net Profit / (Loss) for the year                          |  | 7,360        | 8,504        |
| Add: Brought forward Profit / (Loss) as at 1st April 2019 |  | -            |              |
| <b>TOTAL</b>  |  | <b>7,360</b> | <b>8,504</b> |

| IV. APPROPRIATIONS                   |  |              |              |
|--------------------------------------|--|--------------|--------------|
| Transfer to Statutory Reserves       |  |              |              |
| Transfer to Capital Reserves         |  |              |              |
| Transfer to Investment Reserves      |  |              |              |
| Transfer to Revenue & Other Reserves |  | 7,360        | 8,504        |
| Other Adjustments (Pl. specify)      |  |              |              |
| Other Adjustments (Pl. specify)      |  |              |              |
| Final Dividend                       |  |              |              |
| Interim Dividend                     |  |              |              |
| Tax on Final Dividend                |  |              |              |
| Tax on Interim Dividend              |  |              |              |
| Balance carried to Balance Sheet     |  |              |              |
| <b>Total</b>                         |  | <b>7,360</b> | <b>8,504</b> |

Managing Director / CEO

Statutory Auditors

|                                  |  |   |                       |
|----------------------------------|--|---|-----------------------|
|                                  |  | Annexure "A"                            |                       |
| State Bank of India (California) |  |   |                       |
|                                  |  | (Amount in thousands in local currency) |                       |
|                                  |  | Name of the Currency                    | USD                   |
|                                  | Particulars  | As at 31st March 2020                   | As at 31st March 2019 |
|                                  |  |   |                       |
|                                  | <b><u>SCHEDULE 1 - EQUITY SHARE CAPITAL</u></b>                                    |   |                       |
|                                  |  |   |                       |
|                                  | Authorised Equity Share Capital -      shares of Rs. /- each                       | 1,038,190                               | 1,038,190             |
|                                  |  |   |                       |
|                                  | Issued, Subscribed and Paid-up Equity Share Capital - equity shares of Rs. /- each | 103,819                                 | 103,819               |
|                                  |  |   |                       |
|                                  | ( Previous year      equity shares of Rs.      each )                              |   |                       |
|                                  |  |   |                       |
|                                  | TOTAL  | 103,819                                 | 103,819               |
|                                  |  |   |                       |
|                                  |  |   |                       |
|                                  |  |   |                       |
|                                  | <b><u>SCHEDULE 2 - RESERVES &amp; SURPLUS</u></b>                                  |   |                       |
|                                  |  |   |                       |
|                                  | <b>I. Statutory Reserves</b>   |   |                       |
|                                  | Opening Balance  | -                                       |                       |
|                                  | Additions during the year  |   |                       |
|                                  | Deductions during the year   |   |                       |
|                                  | Total I  | -                                       | -                     |
|                                  | <b>II. Capital Reserves</b>  |   |                       |
|                                  | Opening Balance  | -                                       |                       |
|                                  | Additions during the year  |   |                       |
|                                  | Deductions during the year   |   |                       |
|                                  | Total II   | -                                       | -                     |
|                                  | <b>III. Share Premium</b>  |   |                       |
|                                  | Opening Balance  | -                                       |                       |
|                                  | Additions during the year  |   |                       |
|                                  | Deductions during the year   |   |                       |
|                                  | Total III  | -                                       | -                     |
|                                  | <b>IV. Investment Reserve</b>  |   |                       |
|                                  | Opening Balance  | -                                       |                       |
|                                  | Additions during the year  |   |                       |
|                                  | Deductions during the year   |   |                       |
|                                  | Total IV   | -                                       | -                     |
|                                  | <b>V Foreign Currency Translation Reserve</b>                                      |   |                       |
|                                  | Opening Balance  | -                                       |                       |
|                                  | Additions during the year  |   |                       |
|                                  | Deductions during the year   |   |                       |
|                                  | Total V  | -                                       | -                     |
|                                  | <b>VI Revaluation Reserve on Fixed Assets</b>                                      |   |                       |
|                                  | Opening Balance  | -                                       |                       |
|                                  | Additions during the year  |   |                       |
|                                  | Deductions during the year   |   |                       |
|                                  | Total VI   | -                                       | -                     |
|                                  | <b>VII Revenue and Other Reserves</b>  |   |                       |
|                                  | Opening Balance  | 34,154                                  | 28,014                |
|                                  | Additions during the year  | 7,360                                   | 11,140                |
|                                  | Deductions during the year   |   | 5,000                 |
|                                  | Total VII  | 41,514                                  | 34,154                |
|                                  | <b>VIII Available for Sale (AFS) Reserve</b>                                       |   |                       |
|                                  | Opening Balance  | (1,312)                                 | (2,104)               |
|                                  | Additions during the year  | 1,042                                   |                       |
|                                  | Deductions during the year   |   | (792)                 |
|                                  | Total VIII   | (270)                                   | (1,312)               |
|                                  |  |   |                       |
|                                  | <b>IX Balance in Profit and Loss Account</b>                                       | -                                       | -                     |
|                                  |  |   |                       |
|                                  | GRAND TOTAL (I+II+III+IV+V+VI+VII+VIII+IX)   | 41,244                                  | 32,842                |
|                                  |  |   |                       |
|                                  |  |   |                       |
|                                  | <b><u>SCHEDULE 3 - DEPOSITS</u></b>  |   |                       |
| A.                               | <b>I. Demand Deposits</b>  |   |                       |

| State Bank of India (California) |  |   |                       |
|----------------------------------|--|---|-----------------------|
|                                  |  | (Amount in thousands in local currency) |                       |
|                                  |  | Name of the Currency                    | USD                   |
|                                  | Particulars  | As at 31st March 2020                   | As at 31st March 2019 |
|                                  | (i) From Banks   | 227                                     | 1,635                 |
|                                  | (ii) From Others   | 87,157                                  | 79,401                |
|                                  | <b>II. Savings Bank Deposits</b>   | 197,807                                 | 224,496               |
|                                  | <b>III. Term Deposits</b>  |   |                       |
|                                  | (i) From Banks   | 15,021                                  | 10,156                |
|                                  | (ii) From Others   | 384,145                                 | 323,503               |
|                                  | <b>Total</b>   | <b>684,357</b>                          | <b>639,191</b>        |
| <b>B.</b>                        | <b>I. Deposits of Branches in India</b>  | 227                                     | 1,635                 |
|                                  | <b>II. Deposits of Branches outside India</b>  | 684,130                                 | 637,556               |
|                                  |  |   |                       |
|                                  | <b><u>SCHEDULE 4 - BORROWINGS</u></b>  |   |                       |
|                                  | <b>I. Borrowings in India</b>  |   |                       |
|                                  | (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)  |   |                       |
|                                  | <b>Total I</b>   | <b>-</b>                                | <b>-</b>              |
|                                  | <b>II. Borrowings outside India</b>  |   |                       |
|                                  | (i) Borrowings and Refinance outside India   |   |                       |
|                                  | - From banks   | 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)  |   |                       |
|                                  | <b>Total II</b>  | <b>70,000</b>                           | <b>-</b>              |
|                                  | <b>GRAND TOTAL (I+II)</b>  | <b>70,000</b>                           | <b>-</b>              |
|                                  |  |   |                       |
|                                  | Secured Borrowings included in I & II above  |   |                       |
|                                  |  |   |                       |
|                                  |  |   |                       |
|                                  | <b><u>SCHEDULE 5 - OTHER LIABILITIES &amp; PROVISIONS</u></b>                                    |   |                       |
|                                  | I. Bills payable   |   |                       |
|                                  | II. Inter Bank adjustments   |   |                       |
|                                  | III. Inter - Office adjustments (net)  |   |                       |
|                                  | IV. Interest accrued   | 880                                     | 756                   |
|                                  | V. Deferred Tax Liabilities (Net)  |   |                       |
|                                  | Income Tax Provisions / Liabilities (Net) (i.e. other than Deferred Tax , TDS & TCS Liabilities) |   |                       |
|                                  | VII. Liabilities relating to Policyholders in Insurance Business                                 |   |                       |
|                                  | Provision for Standard Assets including provision for unhedged foreign currency exposure         | 10,059                                  | 8,429                 |
|                                  | IX. Others (including provisions)  | 4,638                                   | 4,274                 |
|                                  | <b>Total</b>   | <b>15,577</b>                           | <b>13,459</b>         |
|                                  |  |   |                       |
|                                  | <b><u>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</u></b>                          |   |                       |
|                                  | I. Cash in hand (including foreign currency notes and gold)                                      | 1,031                                   | 693                   |
|                                  | II. Balances with Reserve Bank of India  |   |                       |
|                                  | (i) In Current Account   |   |                       |
|                                  | (ii) In Other Accounts   |   |                       |
|                                  | <b>Total</b>   | <b>1,031</b>                            | <b>693</b>            |
|                                  |  |   |                       |

| State Bank of India (California) |  |   |                       |
|----------------------------------|--|---|-----------------------|
|                                  |  | (Amount in thousands in local currency) |                       |
|                                  |  | Name of the Currency                    | USD                   |
|                                  | Particulars  | As at 31st March 2020                   | As at 31st March 2019 |
|                                  | <b><u>SCHEDULE 7 - BALANCES WITH BANKS &amp; MONEY AT CALL &amp; SHORT NOTICE</u></b>                    |   |                       |
| I.                               | In India   |   |                       |
|                                  | (i) Balances with banks  |   |                       |
|                                  | (a) In Current Account   | 3,281                                   | 930                   |
|                                  | (b) In Other Deposit Accounts  |   |                       |
|                                  | (ii) Money at call and short notice  |   |                       |
|                                  | (a) With banks   |   |                       |
|                                  | (b) With Other Institutions  |   |                       |
|                                  | <b>TOTAL I</b>   | 3,281                                   | 930                   |
| II.                              | Outside India  |   |                       |
|                                  | (i) In Current Account   | 64,691                                  | 37,421                |
|                                  | (ii) In Other Deposit Accounts   | 8,068                                   | 1,346                 |
|                                  | (iii) Money at call and short notice   |   |                       |
|                                  | <b>TOTAL II</b>  | 72,759                                  | 38,767                |
|                                  | <b>GRAND TOTAL</b>   | 76,040                                  | 39,697                |
|                                  | <b>(I and II)</b>  |   |                       |
|                                  |  |   |                       |
|                                  |  |   |                       |
|                                  | <b><u>SCHEDULE 8 - INVESTMENTS</u></b>   |   |                       |
| 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.)  |   |                       |
|                                  | <b>TOTAL I</b>   | -                                       | -                     |
| II.                              | Investment Outside India in  |   |                       |
|                                  | (i) Government Securities (including local authorities)  | 96,871                                  | 71,387                |
|                                  | (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.)  |   |                       |
|                                  | <b>TOTAL II</b>  | 96,871                                  | 71,387                |
|                                  | <b>GRAND TOTAL</b>   | 96,871                                  | 71,387                |
|                                  | <b>(I and II)</b>  |   |                       |
| 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   | 96,919                                  | 72,431                |
|                                  | (ii) Aggregate of Provisions / Depreciation  | 48                                      | 1,044                 |
|                                  | (iii) Net Investments (vide II above)  | 96,871                                  | 71,387                |
|                                  | <b>GRAND TOTAL</b>   | 96,871                                  | 71,387                |
|                                  | <b>(III and IV)</b>  |   |                       |
|                                  |  |   |                       |
|                                  |  |   |                       |

| State Bank of India (California) |  |   |                       |
|----------------------------------|--|---|-----------------------|
|                                  |  | (Amount in thousands in local currency) |                       |
|                                  |  | Name of the Currency                    | USD                   |
|                                  | Particulars  | As at 31st March 2020                   | As at 31st March 2019 |
|                                  | <b><u>SCHEDULE 9 - ADVANCES</u></b>  |   |                       |
| A.                               | (I) Bills purchased and discounted   |   |                       |
|                                  | (II) Cash Credits, Overdrafts and Loans repayable on demand                          | 80                                      |                       |
|                                  | (III) Term Loans   | 728,024                                 | 664,381               |
|                                  | <b>Total (A)</b>   | <b>728,104</b>                          | <b>664,381</b>        |
| B.                               | (I) Secured by tangible assets (including advances against Book Debts)               | 717,659                                 | 656,254               |
|                                  | (II) Covered by Bank/Government Guarantees   |   |                       |
|                                  | (III) Unsecured  | 10,445                                  | 8,127                 |
|                                  | <b>Total (B)</b>   | <b>728,104</b>                          | <b>664,381</b>        |
| C.                               | (I) Advances in India  |   |                       |
|                                  | (i) Priority Sector  |   |                       |
|                                  | (ii) Public Sector   |   |                       |
|                                  | (iii) Banks  |   |                       |
|                                  | (iv) Others  |   |                       |
|                                  | <b>Sub Total (C.I)</b>   | <b>-</b>                                | <b>-</b>              |
|                                  | (II) Advances outside India  |   |                       |
|                                  | (i) Due from banks   |   |                       |
|                                  | (ii) Due from others   |   |                       |
|                                  | (a) Bills purchased and discounted   |   |                       |
|                                  | (b) Syndicated loans   | 150,998                                 | 132,637               |
|                                  | (c) Others   | 577,106                                 | 531,744               |
|                                  | <b>Sub Total (C.II)</b>  | <b>728,104</b>                          | <b>664,381</b>        |
|                                  | <b>Total C = (C.I+ C.II)</b>   | <b>728,104</b>                          | <b>664,381</b>        |
|                                  | <i>NOTE: Total of A = Total of B = Total of C</i>                                    |   |                       |
|                                  |  |   |                       |
|                                  |  |   |                       |
|                                  | <b><u>SCHEDULE 10 - FIXED ASSETS</u></b>   |   |                       |
| I.                               | <b>Premises</b>  |   |                       |
|                                  | At cost as on 31st March of the preceding year                                       | -                                       |                       |
|                                  | Additions during the year  |   |                       |
|                                  | Deductions during the year   |   |                       |
|                                  | Accumulated Depreciation to date   |   |                       |
|                                  | <b>TOTAL I</b>   | <b>-</b>                                | <b>-</b>              |
| II.                              | <b>Other Fixed Assets (including furniture and fixtures) #</b>                       |   |                       |
|                                  | At cost as on 31st March of the preceding year                                       | 5,239                                   | 4,599                 |
|                                  | Additions during the year  | 113                                     | 640                   |
|                                  | Deductions during the year   | 148                                     | -                     |
|                                  | Accumulated Depreciation to date   | 4,302                                   | 4,153                 |
|                                  | <b>TOTAL II</b>  | <b>902</b>                              | <b>1,086</b>          |
| III.                             | <b>Leased Assets (including assets taken on Finance lease)</b>                       |   |                       |
|                                  | At cost as on 31st March of the preceding year                                       | -                                       |                       |
|                                  | Additions during the year  |   |                       |
|                                  | Deductions during the year   |   |                       |
|                                  | Accumulated Depreciation to date   |   |                       |
|                                  | <b>SUB-TOTAL III</b>   | <b>-</b>                                | <b>-</b>              |
|                                  | Add/ (Less): Lease Adjustments and Provisions  |   |                       |
|                                  | <b>TOTAL III</b>   | <b>-</b>                                | <b>-</b>              |
| IV                               | <b>Assets under Construction (including Premises)</b>                                |   |                       |
|                                  |  |   |                       |
|                                  | <b>GRAND TOTAL (I+II+III+IV)</b>   | <b>902</b>                              | <b>1,086</b>          |
| #                                | Other Fixed Assets includes Leased-hold improvement/development on operating leases. |   |                       |
|                                  |  |   |                       |
|                                  |  |   |                       |
|                                  | <b><u>SCHEDULE 11 - OTHER ASSETS</u></b>   |   |                       |
| I.                               | Inter bank adjustments   |   |                       |
| II.                              | Inter - Office adjustments (net)   |   |                       |
| III.                             | Interest accrued   | 2,067                                   | 2,286                 |



| State Bank of India (California) |   |   |                       |
|----------------------------------|---|---|-----------------------|
|                                  |   | (Amount in thousands in local currency) |                       |
|                                  |   | Name of the Currency                    | USD                   |
|                                  | Particulars   | As at 31st March 2020                   | As at 31st March 2019 |
| IV.                              | Tax paid in advance / tax deducted at source (Net)  | 347                                     | 357                   |
| V.                               | Stationery & Stamps   |   |                       |
| VI.                              | Non-banking assets acquired in satisfaction of claims   |   |                       |
| VII.                             | Deferred tax asset (Net)  | 3,230                                   | 3,873                 |
| VIII.                            | Deposits placed with NABARD/SIDBI/NHB etc. for meeting shortfall in priority sector lending (e.g. RIDF, etc.)                                   |   |                       |
| IX.                              | Others excluding Intangible Assets  | 6,405                                   | 5,551                 |
| X.                               | Intangible Assets :   |   |                       |
|                                  | (a) Deferred Revenue Expenditure  |   |                       |
|                                  | (b ) MAT Credit Balance   |   |                       |
|                                  | (c ) Other Intangible Assets (pl. specify)  |   |                       |
|                                  | (d ) Other Intangible Assets (pl. specify)  |   |                       |
|                                  | <b>TOTAL</b>  | <b>12,049</b>                           | <b>12,067</b>         |
|                                  |   |   |                       |
|                                  |   |   |                       |
|                                  |   |   |                       |
|                                  | <b><u>SCHEDULE 12 - CONTINGENT LIABILITIES</u></b>  |   |                       |
| 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   | 24                                      | 1,417                 |
| VI.                              | Acceptances, endorsements and other obligations   |   |                       |
|                                  | Notional amount of outstanding Derivative contracts other-than  |   |                       |
| VII.                             | Forward exchange contracts  |   |                       |
| VIII.                            | Other items for which the entity is contingently liable   | 13,739                                  | 11,864                |
|                                  | <b>TOTAL</b>  | <b>13,763</b>                           | <b>13,281</b>         |
|                                  |   |   |                       |
|                                  | <b>Bills for collection</b>   | -                                       | -                     |
|                                  |   |   |                       |
|                                  |   |   |                       |
|                                  | <b><u>SCHEDULE 13 - INTEREST EARNED</u></b>   |   |                       |
| I.                               | Interest / discount on advances/ bills  | 36,067                                  | 32,352                |
| II.                              | Income on Investments   | 3,073                                   | 2,861                 |
| III.                             | Interest on balances with Reserve Bank of India and other inter-bank funds  | -                                       |                       |
| IV.                              | Others  | -                                       |                       |
|                                  | <b>TOTAL</b>  | <b>39,140</b>                           | <b>35,213</b>         |
|                                  |   |   |                       |
|                                  |   |   |                       |
|                                  |   |   |                       |
|                                  | <b><u>SCHEDULE 14 - OTHER INCOME</u></b>  |   |                       |
| I.                               | Commission, exchange and brokerage  | 663                                     |                       |
| II.                              | Profit/ (Loss) on sale of investments (Net)   | 108                                     | 570                   |
| III.                             | Profit/ (Loss) on revaluation of investments (Net)  | -                                       | (207)                 |
| 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)   | 1,020                                   | -                     |
| 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.) | -                                       | 1,211                 |
| 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  | 698                                     | 330                   |
|                                  | <b>TOTAL</b>  | <b>2,489</b>                            | <b>1,904</b>          |
|                                  |   |   |                       |

| State Bank of India (California) |   |   |                           |
|----------------------------------|---|---|---------------------------|
|                                  |   | (Amount in thousands in local currency) |                           |
|                                  |   | Name of the Currency                    | USD                       |
|                                  | Particulars   | As at 31st March 2020                   | As at 31st March 2019     |
|                                  |   |   |                           |
|                                  |   |   |                           |
|                                  | <b><u>SCHEDULE 15 - INTEREST EXPENDED</u></b>                                   |   |                           |
|                                  | I. Interest on deposits   | 11,419                                  | 8,186                     |
|                                  | II. Interest on Reserve Bank of India/ Inter-bank borrowings                    | 52                                      |                           |
|                                  | III. Others   | -                                       |                           |
|                                  | <b>TOTAL</b>  | <b>11,471</b>                           | <b>8,186</b>              |
|                                  |   |   |                           |
|                                  |   |   |                           |
|                                  | <b><u>SCHEDULE 16 - OPERATING EXPENSES</u></b>                                  |   |                           |
|                                  | I. Payments to and provisions for employees                                     | 10,358                                  | 10,289                    |
|                                  | II. Rent, taxes and lighting  | 1,920                                   | 1,913                     |
|                                  | III. Printing & Stationery  | 118                                     | 121                       |
|                                  | IV. Advertisement and publicity   | 417                                     | 203                       |
|                                  | V. Depreciation on  |   |                           |
|                                  | (a) Fixed Assets other than Leased Assets                                       | 298                                     | 275                       |
|                                  | (b) Leased Assets   | -                                       | -                         |
|                                  | VI. Directors' fees, allowances and expenses                                    | 306                                     | 242                       |
|                                  | VII. Auditors' fees and expenses (including branch auditors' fees and expenses) | 244                                     | 264                       |
|                                  | VIII. Law charges   | 524                                     | 675                       |
|                                  | IX. Postages, Telegrams, Telephones, etc.                                       | 244                                     | 241                       |
|                                  | X. Repairs and maintenance  | 608                                     | 511                       |
|                                  | XI. Insurance Expenses  | 145                                     | 141                       |
|                                  | XII. 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   | 2,908                                   | 2,565                     |
|                                  | <b>TOTAL</b>  | <b>18,090</b>                           | <b>17,440</b>             |
|                                  |   |   |                           |
|                                  |   |   |                           |
|                                  |   |   |                           |
|                                  | <b>SCHEDULE : PROVISIONS &amp; CONTINGENCIES (charged off to P &amp; L a/c)</b> |   |                           |
|                                  | Provision for Income Tax (Current tax)  | 2,400                                   | 1,319                     |
|                                  | Provision for Income Tax (Deferred tax)   | 643                                     | 624                       |
|                                  | Write - Back of Provision for Income Tax of earlier years                       | -                                       | -                         |
|                                  | Provision for other taxes   | -                                       | -                         |
|                                  | Provision for Standard Assets   | 1,627                                   | 746                       |
|                                  | Provision for NPAs  | 38                                      | (175)                     |
|                                  | Provision for Restructured Assets   | -                                       | -                         |
|                                  | Provision for investments in India  | -                                       | -                         |
|                                  | Provision for investments outside India   | -                                       | 473                       |
|                                  | Provision for RRBs/Subsidiaries/Joint Ventures                                  | -                                       |                           |
|                                  | Provision on other assets   | -                                       |                           |
|                                  | Other Provisions (Please Specify)   | -                                       |                           |
|                                  | Other Provisions (Please specify)   | -                                       |                           |
|                                  | Other Provisions (Please specify)   | -                                       |                           |
|                                  | <b>Total Provisions &amp; Contingencies</b>                                     | <b>4,708</b>                            | <b>2,987</b>              |
|                                  |   |   |                           |
|                                  |   |   |                           |
|                                  |   |   |                           |
|                                  |   |   |                           |
|                                  |   |   |                           |
|                                  |   |   |                           |
|                                  | <b>Managing Director / CEO</b>  |   | <b>Statutory Auditors</b> |

## Annexure 1

## State Bank of India (California)

## Adjustments for non-uniform accounting policies - Investments

(Amount in thousands in local currency)

| INVESTMENTS   | Valuation as per subsidiary/JV's Balance Sheet (Column 1) | Valuation for CFS (Column 2) | Difference (Column 3)<br>=Col 1 - Col 2 |
|---|---|------------------------------|---|
| <b>A. Investments in India</b>  |   |                              |   |
| a. Government Securities  | 0   |                              | 0                                       |
| b. Other Approved Securities  | 0   |                              | 0                                       |
| c. Shares   | 0   |                              | 0                                       |
| d. Debentures & Bonds   | 0   |                              | 0                                       |
| e. Group Subsidiaries and / or Joint Ventures (e.g. SBI Foundation)                                     | 0   |                              | 0                                       |
| f. Group Associates   | 0   |                              | 0                                       |
| etc.)   | 0   |                              | 0                                       |
| <b>Total Investments in India</b>   | 0   | 0                            | 0                                       |
| <b>B. Investments outside India</b>   |   |                              |   |
| a. Government Securities (including local authorities)  | 96871   | 96871                        | 0                                       |
| b. Other Approved Securities  | 0   |                              | 0                                       |
| c. Shares   | 0   |                              | 0                                       |
| d. Debentures & Bonds   | 0   |                              | 0                                       |
| e. Group Subsidiaries and/or Joint ventures abroad (e.g. State Bank of India Servicos Limitada, Brazil) | 0   |                              | 0                                       |
| f. Group Associates   | 0   |                              | 0                                       |
| g. Other Investments (Units of mutual funds, commercial papers, etc.)                                   | 0   |                              | 0                                       |
| <b>Total Investments outside India</b>  | 96871   | 96871                        | 0                                       |
| <b>Total (A+B)</b><br>(column 1 should tally with sch.8 total)  | 96871   | 96871                        | 0                                       |
| <b>C. Investments in India</b>  |   |                              |   |
| a. Gross value of Investments in India  | 0   |                              | 0                                       |
| b. Aggregate of Provisions/Depreciation   | 0   |                              | 0                                       |
| c. Net Investments in India (a - b)   | 0   | 0                            | 0                                       |
| <b>D. Investments outside India</b>   |   |                              |   |
| a. Gross Investments outside India  | 96919   | 96919                        | 0                                       |
| b. Aggregate of Provisions/Depreciation   | 48  | 48                           | 0                                       |
| c. Net Investments outside India (a - b)  | 96871   | 96871                        | 0                                       |
| <b>Total (C+D)</b><br>(column 1 should tally with sch.8 total)  | 96871   | 96871                        | 0                                       |

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

Managing Director/CEO

Statutory Auditors

State Bank of India (California)

Adjustments for non-uniform accounting policies - Advances

(Amount in thousands in local currency)

| ADVANCES   |   | Valuation as per subsidiary/JV's Balance Sheet (Column 1) | Valuation for CFS (as per policy included in Note below) (Column 2) | Difference (Column 3) =Col 1 - Col 2 |
|--|---|---|---|--------------------------------------|
| Bills purchased & discounted                                       |   | 0   |   | 0                                    |
| Cash credits, Overdrafts & loans repayable on demand               |   | 80  | 80  | 0                                    |
| Term Loans   |   | 728024  | 728024  | 0                                    |
| Sub-total  |   |   |   |                                      |
| A  | (Column 1 should tally with Schedule 9 of the BS)                 | 728104  | 728104  | 0                                    |
| Secured by tangible assets (including advances against Book Debts) |   | 717659  | 717659  | 0                                    |
| Covered by bank/ Government guarantees                             |   | 0   |   | 0                                    |
| Unsecured  |   | 10445   | 10445   | 0                                    |
| Sub-total  |   |   |   |                                      |
| B  | (Column 1 should tally with Schedule 9 of the BS)                 | 728104  | 728104  | 0                                    |
| Advances in India  |   |   |   |                                      |
| Priority Sector  |   | 0   |   | 0                                    |
| Public Sector  |   | 0   |   | 0                                    |
| Banks  |   | 0   |   | 0                                    |
| Others   |   | 0   |   | 0                                    |
| Sub-total (C1)   |   | 0   | 0   | 0                                    |
| Advances outside India   |   |   |   |                                      |
| Dues from banks  |   | 0   |   | 0                                    |
| Dues from others   |   |   |   |                                      |
| Bills purchased & discounted                                       |   | 0   |   | 0                                    |
| Syndicated loans   |   | 150998  | 150998  | 0                                    |
| Others   |   | 577106  | 577106  | 0                                    |
| Sub-total (C2)   |   | 728104  | 728104  | 0                                    |
| Total (C1 + C2)  |   |   |   |                                      |
| C  | (Column 1 should tally with Schedule 9 of the BS)                 | 728104  | 728104  | 0                                    |
| Gross Advances   |   | 728,142   | 728,142   | -                                    |
| Less:  |   |   |   |                                      |
| (i)  | Interest Income Derecognised on NPA                               |   |   | -                                    |
| (ii)   | Misc. Income Derecognised on NPA (if any)                         |   |   | -                                    |
| (iii)  | Provision held for NPA Accounts                                   | 38  | 38  | -                                    |
| (iv)   | Floating Provision  |   |   | -                                    |
| (v)  | Counter Cyclic provisioning buffer                                |   |   | -                                    |
| (vi)   | Provision for restructured accounts classified as NPAs            |   |   | -                                    |
| (vii)  | Provision for restructured accounts classified as standard assets |   |   | -                                    |
| (viii)   | Other deductions (pl. Specify)                                    |   |   | -                                    |
| (ix)   | Other deductions (pl. Specify)                                    |   |   | -                                    |
| E  | Net Advances ( D - (i to ix))                                     | 728,104   | 728,104   | -                                    |
| Net Advances should tally with A,B,C & E given above               |   |   |   |                                      |

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

Managing Director/CEO

Statutory Auditors

Notes:

- a As per CFS policy, advances are stated net of provision for non performing assets.
- b Provision on standard assets is not netted from advances, but shown as part of other liabilities in Schedule 5 of the BS.
- c For provisioning policy, please refer to the RBI master circular on IRAC for commercial banks

## State Bank of India (California)

### Adjustments for non-uniform accounting policies - Fixed Assets

(Amount in thousands in local currency)

| <b>FIXED ASSETS</b>   | <i>Valuation as per subsidiary/JV's Balance Sheet</i><br>(Column 1) | <i>Valuation for CFS (as per policy included in Note below)</i><br>(Column 2) | <i>Difference (Column 3)= Col 1-Col 2</i> |
|---|---|---|---|
| <b>A. Premises</b>  |   |   |   |
| At cost as at close of previous year                                | 0   | 0   | 0   |
| Additions during the year   | 0   | 0   | 0   |
| Deductions during the year  | 0   | 0   | 0   |
| Depreciation to date  | 0   | 0   | 0   |
| Sub-Total: Premises   | 0   | 0   | 0   |
| <b>B. Other Fixed Assets (including furniture &amp; fixtures) #</b> |   |   |   |
| At cost as at close of previous year                                | 5239  | 5239  | 0   |
| Additions during the year   | 113   | 113   | 0   |
| Deductions during the year  | 148   | 148   | 0   |
| Depreciation to date  | 4302  | 4302  | 0   |
| Sub-Total: Other Fixed Assets                                       | 902   | 902   | 0   |
| <b>C. Leased Assets (including assets taken on Finance Lease)</b>   |   |   |   |
| At cost as at close of previous year                                | 0   | 0   | 0   |
| Additions during the year   | 0   | 0   | 0   |
| Deductions during the year  | 0   | 0   | 0   |
| Depreciation to date  | 0   | 0   | 0   |
| Add/ (Less) : Lease Adjustment and Provisions                       | 0   | 0   | 0   |
| Sub-Total: Leased Assets  | 0   | 0   | 0   |
| <b>D. Assets under Construction (including Premises)</b>            | 0   | 0   | 0   |
| <b>Total (A to D) - column 1 to tally with Sch.10</b>               | <b>902</b>  | <b>902</b>  | <b>0</b>                                  |

# Other Fixed Assets includes Leased-hold development on operating leases.

Certified that carrying value of fixed assets in column 2 has been arrived at in line with the Accounting Policies followed by the State Bank of India.

**Managing Director/CEO**

**Statutory Auditors**

**Notes:**

- a Fixed Assets are stated at historical cost except in the case of assets which have been revalued. The accumulated depreciation/amortisation is reduced from the cost/revalued amount. The increase in Net Book Value of the asset due to revaluation is credited to the Revaluation Reserve Account
- b Depreciation on Computers, Computer Software forming an integral part of hardware, Computer Software which does not Depreciation on Automated Teller Machine (ATM)/ Cash Deposit Machine (CDM)/Coin Dispenser / Coin Vending Machine c and Network Equipment are charged at 20% on Straight Line Method.
- d Depreciation on Servers are charged at 25% on Straight Line Method.
- e Depreciation on Other Fixed Assets is charged at straight line method based on useful life determined by SBI.
- f In respect of fixed assets held at Foreign Offices / Subsidiaries / JVs, depreciation is provided as per the regulation / norms of the respective countries.

## State Bank of India (California)

### Adjustments for non-uniform accounting policies - Other Assets

(Amount in thousands in local currency)

| <b>OTHER ASSETS</b>  | <i>Valuation as per<br/>subsidiary/JV's<br/>Balance Sheet</i><br><br>(Column 1) | <i>Valuation for CFS (as<br/>per policy included in<br/>Note below)</i><br><br>(Column 2) | <i>Difference</i><br><br>(Column 3)=Col 1-Col 2 |
|--|---|---|---|
| 1. Inter Bank Adjustments  |   |   |   |
| 2. Inter Office Adjustments (Net)  | 0   |   | 0   |
| 3. Interest Accrued  | 2067  | 2067  | 0   |
| 4. Tax Paid in Advance/Tax Deducted at Source (net)  | 347   | 347   | 0   |
| 5. Stationery and Stamps   | 0   |   | 0   |
| 6. Non Banking Assets acquired in satisfaction of<br>claims by the banking subsidiaries                                | 0   |   | 0   |
| 7. Deferred Tax Assets (Net)   | 3230  | 3230  | 0   |
| 8. Deposits placed with NABARD/SIDBI/NHB etc. for<br>meeting shortfall in priority sector lending (e.g. RIDF,<br>etc.) | 0   |   | 0   |
| 9. Others excluding Intangible Assets  | 6405  | 6405  | 0   |
| 10. Intangible Assets :  |   |   |   |
| (a) Deferred Revenue Expenditure   | 0   |   | 0   |
| (b ) MAT Credit Balance  | 0   |   | 0   |
| (c ) Other Intangible Assets (pl. specify)   | 0   |   | 0   |
| (d ) Other Intangible Assets (pl. specify)   | 0   |   | 0   |
| <b>Total (1 to 10)</b><br><b>(column 1 to tally which Schedule11)</b>  | <b>12049</b>  | <b>12049</b>  | <b>0</b>  |

Certified that carrying value of other assets in column 2 has been arrived at in line with the Accounting Policies followed by the State Bank of India.

**Managing Director/CEO**

**Statutory Auditors**

**Note:**

- a. In the case of leases written after 31.03.2001, SBI follows AS 19.
- b. Deferred Revenue Expenditure is neither capitalized nor carried in the balance sheet as unamortized/preliminary/pre-operative items. Therefore, any subsidiary carrying such items in their balance sheet will show the relative CFS valuation as zero in column 2.
- c. Dividends on shares of corporate bodies are recognised on accrual basis where the right to receive dividend is established.

State Bank of India (California)

Adjustments for non-uniform accounting policies - Other Liabilities

(Amount in thousands in local currency)

| OTHER LIABILITIES   | Valuation as per subsidiary/JV's Balance Sheet<br><br>(Column 1) | Valuation for CFS (as per policy included in Note below)<br><br>(Column 2) | Difference<br><br>(Column 3)=Col 1-Col 2 |
|---|--|--|--|
| 1. Bills Payable  | 0  |  | 0  |
| 2. Inter Bank Adjustments   | XXX  | XXX  | XXX                                      |
| 3. Inter Office Adjustments (Net)   | 0  |  | 0  |
| 4. Interest Accrued   | 880  | 880  | 0  |
| 5. Deferred Tax Liabilities (Net)   | 0  |  | 0  |
| 6. Income Tax Provisions / Liabilities (Net) (i.e. other than Deferred Tax , TDS & TCS Liabilities) | 0  |  | 0  |
| 7. Liabilities relating to Policyholders in Insurance Business                                      | 0  |  | 0  |
| 8. Provision for Standard Assets including provision for unhedged foreign currency exposure         | 10059  | 10059  | 0  |
| 9. Others   | 4638   | 4638   | 0  |
| Total (1 to 9)<br>(column 1 to tally which Schedule 5)  | 15577  | 15577  | 0  |

Certified that carrying value of other liabilities in column 2 has been arrived at in line with the Accounting Policies followed by the State Bank of India.

Managing Director/CEO

Statutory Auditors

Note :

Provision on Standard Assets is to be made at a uniform level of 0.40% except in the case of direct advances to agriculture & SME Sectors,which attract a provisioning of 0.25% and advances to Commercial Real Estate (CRE) Sector & Commercial Real Estate – Residential Housing Sector (CRE – RH) which attract a provisioning of 1 % & 0.75 % respectively. For more details, please refer RBI master circular on IRAC for commercial banks.

## State Bank of India (California)

## Adjustments for non-uniform accounting policies - Income

(Amount in thousands in local currency)

| INCOME  | Valuation as per<br>subsidiary/JV's Balance<br>Sheet<br>(Column 1) | Valuation for CFS (as per<br>policy included in Note<br>below)<br>(Column 2) | Difference<br>(Column 3)=Col 1-<br>Col 2 |
|---|--|--|--|
| <b><u>SCHEDULE 13 - INTEREST EARNED</u></b>   |  |  |  |
| I. Interest / discount on advances/ bills   | 36067  | 36067  | 0  |
| II. Income on Investments   | 3073   | 3073   | 0  |
| III. Interest on balances with Reserve Bank of India and<br>other inter-bank funds  | 0  |  | 0  |
| IV. Others  | 0  |  | 0  |
| <b>TOTAL (I to IV)</b><br><b>(column 1 to tally which Schedule13)</b>   | <b>39140</b>   | <b>39140</b>   | <b>0</b>                                 |
| <b><u>SCHEDULE 14 - OTHER INCOME</u></b>  |  |  |  |
| I. Commission, exchange and brokerage   | 663  | 663  | 0  |
| II. Profit/ (Loss) on sale of investments (Net)   | 108  | 108  | 0  |
| III. Profit/ (Loss) on revaluation of investments (Net)   | 0  |  | 0  |
| Profit/(Loss) on sale of land, buildings and other assets   |  |  |  |
| IV. (Net)   | 0  |  | 0  |
| V. Profit/ (Loss) on sale of leased assets (Net)  | 0  |  | 0  |
| VI. Profit/ (Loss) on exchange transactions (Net)   | 1020   | 1020   | 0  |
| Income earned by way of dividends, etc.,from group<br>subsidiaries / joint ventures and/or group associates<br>abroad/in India (e.g. DFHI, CCIL etc.) | 0  |  | 0  |
| VII. Income from Finance Lease  | 0  |  | 0  |
| IX. Credit Card membership/ service fees  | 0  |  | 0  |
| X. Life Insurance Premium (net)   | 0  |  | 0  |
| XI. General Insurance Premium (net)   | 0  |  | 0  |
| XII. Share of earnings from associates  |  |  | 0  |
| XIII. Recoveries made in write-off non-performing accounts  | 0  |  | 0  |
| XIV. Miscellaneous income   | 698  | 698  | 0  |
| <b>Total (I to XIV)</b><br><b>(column 1 to tally with Schedule14)</b>   | <b>2489</b>  | <b>2489</b>  | <b>0</b>                                 |

Certified that carrying value of other assets in column 2 has been arrived at in line with the Accounting Policies followed by the State Bank o

Managing Director/CEO

Statutory Auditors



**State Bank of India (California)**

**Adjustments for non-uniform accounting policies - Expenses**

*(Amount in thousands in local currency)*

| <b>EXPENSES</b>   | <i>Valuation as per<br/>subsidiary/JV's Balance<br/>Sheet</i><br><br><i>(Column 1)</i> | <i>Valuation for CFS (as per<br/>policy included in Note<br/>below)</i><br><br><i>(Column 2)</i> | <i>Difference<br/>(Column 3)=Col 1-<br/>Col 2</i> |
|---|--|--|---|
| <b><u>SCHEDULE 15 - INTEREST EXPENDED</u></b>                           |  |  |   |
| I. Interest on deposits   | 11419  | 11419  | 0   |
| Interest on Reserve Bank of India/ Inter-bank                           |  |  |   |
| II. borrowings  | 52   | 52   | 0   |
| III. Others   | 0  |  | 0   |
| <b>Total ( I to III)</b><br><b>(column 1 to tally which Schedule15)</b> | <b>11471</b>   | <b>11471</b>   | <b>0</b>  |
| <b><u>SCHEDULE 16 - OPERATING EXPENSES</u></b>                          |  |  |   |
| I. Payments to and provisions for employees                             | 10358  | 10358  | 0   |
| II. Rent, taxes and lighting  | 1920   | 1920   | 0   |
| III. Printing & Stationery  | 118  | 118  | 0   |
| IV. Advertisement and publicity   | 417  | 417  | 0   |
| V Depreciation on   |  |  |   |
| (a) Fixed Assets other than Leased Assets                               | 298  | 298  | 0   |
| (b) Leased Assets   | 0  |  | 0   |
| VI. Directors' fees, allowances and expenses                            | 306  | 306  | 0   |
| Auditors' fees and expenses (including branch auditors'                 |  |  |   |
| VII. fees and expenses)   | 244  | 244  | 0   |
| VIII. Law charges   | 524  | 524  | 0   |
| IX. Postages, Telegrams, Telephones, etc.                               | 244  | 244  | 0   |
| X. Repairs and maintenance  | 608  | 608  | 0   |
| XI. Insurance Expenses  | 145  | 145  | 0   |
| XII. Other Operating Expenses relating to Credit Card                   |  |  |   |
| Operations  | 0  |  | 0   |
| XIII. Other Operating Expenses relating to Life Insurance               | 0  |  | 0   |
| XIV. Other Operating Expenses relating to General Insurance             | 0  |  | 0   |
| XV. Other Expenditure   | 2908   | 2908   | 0   |
| <b>Total (I to XV)</b><br><b>(column 1 to tally which Schedule16)</b>   | <b>18090</b>   | <b>18090</b>   | <b>0</b>  |

Certified that carrying value of other assets in column 2 has been arrived at in line with the Accounting Policies followed by the State Bank of India.

**Managing Director/CEO**

**Statutory Auditors**

## State Bank of India (California)

Data for translation of income/expenses of non-integral foreign operationsProfit and Loss account for the period 01.04.2019 to 31.03.2020

(Amount in thousands in local currency)

|   |   | Name of the Currency |              |             |             | USD          |
|---|---|----------------------|--------------|-------------|-------------|--------------|
| Particulars                                   |   | QE 30.06.19          | QE 30.09.19  | QE 31.12.19 | QE 31.03.20 | Total        |
|   |   | (a)                  | (b)          | ( c )       | (d)         | e = a+b+c+d  |
| <b><u>SCHEDULE 13 - INTEREST EARNED</u></b>   |   |                      |              |             |             |              |
| I.  | Interest / discount on advances/ bills  | 9084                 | 9273         | 9020        | 8690        | 36067        |
| II.   | Income on Investments   | 684                  | 760          | 825         | 804         | 3073         |
| III.  | Interest on balances with Reserve Bank of India and other inter-bank funds  |                      |              |             |             | 0            |
| IV.   | Others  |                      |              |             |             | 0            |
| <b>TOTAL (I + II + III + IV)</b>              |   | <b>9768</b>          | <b>10033</b> | <b>9845</b> | <b>9494</b> | <b>39140</b> |
| <b><u>SCHEDULE 14 - OTHER INCOME</u></b>      |   |                      |              |             |             |              |
| I.  | Commission, exchange and brokerage  | 115                  | 188          | 329         | 31          | 663          |
| II.   | Profit/ (Loss) on sale of investments (Net)   |                      |              | 108         |             | 108          |
| 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)   | 266                  | 278          | 254         | 222         | 1020         |
| 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.) |                      |              |             |             | 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   |                      |              |             |             |              |
| XIII.   | Recoveries made in write-off non-performing accounts  |                      |              |             |             | 0            |
| XIV.  | Miscellaneous income  | 47                   | 406          | 109         | 136         | 698          |
| <b>TOTAL (items I to XIV)</b>                 |   | <b>428</b>           | <b>872</b>   | <b>800</b>  | <b>389</b>  | <b>2489</b>  |
| <b><u>SCHEDULE 15 - INTEREST EXPENDED</u></b> |   |                      |              |             |             |              |
| I.  | Interest on deposits  | 2675                 | 2915         | 3014        | 2815        | 11419        |
| II.   | Interest on Reserve Bank of India/ Inter-bank borrowings  | 6                    | 18           | 2           | 26          | 52           |
| III.  | Others  |                      |              |             |             | 0            |
| <b>TOTAL (I + II + III)</b>                   |   | <b>2681</b>          | <b>2933</b>  | <b>3016</b> | <b>2841</b> | <b>11471</b> |

| Particulars  | QE 30.06.19 | QE 30.09.19 | QE 31.12.19 | QE 31.03.20 | Total        |
|--|-------------|-------------|-------------|-------------|--------------|
|  | (a)         | (b)         | (c)         | (d)         | e = a+b+c+d  |
| <b>SCHEDULE 16 - OPERATING EXPENSES</b>                                    |             |             |             |             |              |
| I. Payments to and provisions for employees                                | 2443        | 2557        | 2622        | 2736        | 10358        |
| II. Rent, taxes and lighting   | 484         | 476         | 499         | 461         | 1920         |
| III. Printing & Stationery   | 25          | 23          | 30          | 40          | 118          |
| IV. Advertisement and publicity  | 58          | 77          | 138         | 144         | 417          |
| V. Depreciation on   |             |             |             |             |              |
| (a) Fixed Assets other than Leased Assets                                  | 84          | 54          | 81          | 79          | 298          |
| (b) Leased Assets  |             |             |             |             | 0            |
| VI. Directors' fees, allowances and expenses                               | 74          | 78          | 77          | 77          | 306          |
| Auditors' fees and expenses (including branch auditors' fees and expenses) | 66          | 66          | 46          | 66          | 244          |
| VII. Law charges   | 181         | 175         | 70          | 98          | 524          |
| IX. Postages, Telegrams, Telephones, etc.                                  | 62          | 60          | 59          | 63          | 244          |
| X. Repairs and maintenance   | 152         | 138         | 149         | 169         | 608          |
| XI. Insurance Expenses   | 35          | 36          | 37          | 37          | 145          |
| 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  | 645         | 809         | 759         | 695         | 2908         |
| <b>TOTAL (items I to XV)</b>   | <b>4309</b> | <b>4549</b> | <b>4567</b> | <b>4665</b> | <b>18090</b> |

|   |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>SCHEDULE : PROVISIONS &amp; CONTINGENCIES (charged off to P &amp; L a/c)</b> |             |             |             |             |             |
| Provision for Income Tax (Current tax)  | 554         | 2278        | 2286        | (2718)      | 2400        |
| Provision for Income Tax (Deferred tax)   | 318         | (1275)      | (1494)      | 3094        | 643         |
| Write - Back of Provision for Income Tax of earlier years                       |             |             |             |             | 0           |
| Provision for other taxes   |             |             |             |             | 0           |
| Provision for Standard Assets   | 393         | 8           | 220         | 1006        | 1627        |
| Provision for NPAs  | 110         | 1           | (73)        |             | 38          |
| Provision for Restructured Assets   |             |             |             |             | 0           |
| Provision for investments in India  |             |             |             |             | 0           |
| Provision for investments outside India   |             |             |             |             | 0           |
| 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           |
| <b>TOTAL</b>  | <b>1375</b> | <b>1012</b> | <b>939</b>  | <b>1382</b> | <b>4708</b> |
| <b>Net Profit for the year</b>  | <b>1831</b> | <b>2411</b> | <b>2123</b> | <b>995</b>  | <b>7360</b> |

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

Managing Director/CEO

Statutory Auditors

## State Bank of India (California)

Intra-group Assets as on 31st March 2020

(amount in thousands in local currency)

| 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     | Ltd.   |   |   |                                      |   |   |                      |                    |   |  | -            |
| 11     | SBI General Insurance Company Ltd                |   |   |                                      |   |   |                      |                    |   |  | -            |
| 12     | SBI Cards & Payment Services Ltd *               |   |   |                                      |   |   |                      |                    |   |  | -            |
| 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     | SBICAP (UK) Ltd                                  |   |   |                                      |   |   |                      |                    |   |  | -            |
| 19     | Nepal SBI Merchant Banking Ltd.                  |   |   |                                      |   |   |                      |                    |   |  | -            |
| 20     | State Bank of India (California)                 |   |   |                                      |   |   |                      |                    |   |  | -            |
| 21     | SBI Canada Bank                                  |   |   |                                      |   |   |                      |                    |   |  | -            |
| 22     | SBI (Mauritius) Ltd.                             |   |   |                                      |   |   |                      |                    |   |  | -            |
| 23     | Commercial Indo Bank Llc, Moscow                 |   |   |                                      |   |   |                      |                    |   |  | -            |
| 24     | PT Bank SBI Indonesia                            |   |   |                                      |   |   |                      |                    |   |  | -            |
| 25     | Nepal SBI Bank Ltd                               |   |   |                                      |   |   |                      |                    |   |  | -            |
| 26     | Bank SBI Botswana Ltd.                           |   |   |                                      |   |   |                      |                    |   |  | -            |
| 27     | State Bank of India Servicos Limitada, Brazil    |   |   |                                      |   |   |                      |                    |   |  | -            |
| 28     | State Bank of India (UK) Limited                 |   |   |                                      |   |   |                      |                    |   |  | -            |
| 29     | SBI- Foreign Offices                             | -   | -   | -                                    | -                                       | -   | -                    | -                  | -                                       | -  | -            |
|        | Name of the Branch.....                          |   |   |                                      |   |   |                      |                    |   |  |              |
|        | Name of the Branch.....                          |   |   |                                      |   |   |                      |                    |   |  |              |
|        | Name of the Branch.....                          |   |   |                                      |   |   |                      |                    |   |  |              |
| 30     | SBI- Domestic Offices                            | 3,281   | -   | -                                    | -                                       | -   | -                    | -                  | -                                       | -  | 3,281        |
|        | Based on Raloo Rate of \$1 USD = 75.665          |   |   |                                      |   |   |                      |                    |   |  |              |
|        | IS Mumbai  | 3,281   |   |                                      |   |   |                      |                    |   |  |              |
|        | Name of the Circle.....                          |   |   |                                      |   |   |                      |                    |   |  |              |
|        | <b>TOTAL</b>                                     | <b>3,281</b>                                    | <b>-</b>  | <b>-</b>                             | <b>-</b>                                | <b>-</b>  | <b>-</b>             | <b>-</b>           | <b>-</b>                                | <b>-</b>   | <b>3,281</b> |

Note:

- 1 ## bills negotiated against Letters of Credit for elimination of intra group contingent liabilities.
- 2 @@ Balances with "SBI Mutual Fund" **SHOULD NOT** be reported as intra group balances.
- 3 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).
- 4 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.
- \* **SBI Business Process Management Services Pvt Ltd. has been amalgamated with SBI Cards & Payment Services Ltd.**

**We confirm that**

- (a) there is no outstanding unreconciled entries which originated prior to 31st December 2019. A **Nil report** in Annexure Q 13A is submitted.
- (b) The details of unreconciled entries originated prior to 31st December 2019 (if any) are furnished in Annexure Q 13A.

Managing Director/CEO

Statutory Auditors

## State Bank of India (California)

Intra-group Liabilities as on 31st March 2020

(amount in thousands in local currency)

| 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 & Payment Services Ltd *               |   |                       |                            |   |  |   |   |  |  | -          |
| 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     | SBICAP (UK) Ltd                                  |   |                       |                            |   |  |   |   |  |  | -          |
| 19     | Nepal SBI Merchant Banking Ltd.                  |   |                       |                            |   |  |   |   |  |  | -          |
| 20     | State Bank of India (California)                 |   |                       |                            |   |  |   |   |  |  | -          |
| 21     | SBI Canada Bank                                  |   |                       |                            |   |  |   |   |  |  | -          |
| 22     | SBI (Mauritius) Ltd.                             |   |                       |                            |   |  |   |   |  |  | -          |
| 23     | Commercial Indo Bank Llc, Moscow                 |   |                       |                            |   |  |   |   |  |  | -          |
| 24     | PT Bank SBI Indonesia                            |   |                       |                            |   |  |   |   |  |  | -          |
| 25     | Nepal SBI Bank Ltd                               |   |                       |                            |   |  |   |   |  |  | -          |
| 26     | Bank SBI Botswana Ltd.                           |   |                       |                            |   |  |   |   |  |  | -          |
| 27     | State Bank of India Servicos Limitada, Brazil    |   |                       |                            |   |  |   |   |  |  | -          |
| 28     | State Bank of India (UK) Limited                 |   |                       |                            |   |  |   |   |  |  | -          |
| 29     | SBI- Foreign Offices                             | -   | -                     | -                          | -   | -  | -   | -   | -  | -  | -          |
|        | Name of the Branch.....                          |   |                       |                            |   |  |   |   |  |  |            |
|        | Name of the Branch.....                          |   |                       |                            |   |  |   |   |  |  |            |
|        | Name of the Branch.....                          |   |                       |                            |   |  |   |   |  |  |            |
| 30     | SBI- Domestic Offices                            | 227.00  | -                     | -                          | -   | -  | -   | -   | -  | -  | 227        |
|        | FD Kolkata                                       | 227   |                       |                            |   |  |   |   |  |  |            |
|        | Name of the Circle.....                          |   |                       |                            |   |  |   |   |  |  |            |
|        | Name of the Circle.....                          |   |                       |                            |   |  |   |   |  |  |            |
|        | <b>TOTAL</b>                                     | <b>227</b>  | <b>-</b>              | <b>-</b>                   | <b>-</b>  | <b>-</b>   | <b>-</b>  | <b>-</b>  | <b>-</b>                                     | <b>-</b>                                   | <b>227</b> |

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.
- \* **SBI Business Process Management Services Pvt Ltd. has been amalgamated with SBI Cards & Payment Services Ltd.**

**We confirm that**

- (a) there is no outstanding unreconciled entries which originated prior to 31st December 2019. A **Nil report** in Annexure Q 13A is submitted.
- (b) The details of unreconciled entries originated prior to 31st December 2019 (if any) are furnished in Annexure Q 13A.

Managing Director/CEO

Statutory Auditors

## State Bank of India (California)

## Intra-group Contingent Liabilities as on 31st March 2020

(amount in thousands in local currency)

| 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 & Payment Services Ltd *               |   |  |  |   |  |   | -     |
| 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     | SBICAP (UK) Ltd                                  |   |  |  |   |  |   | -     |
| 19     | Nepal SBI Merchant Banking Ltd.                  |   |  |  |   |  |   | -     |
| 20     | State Bank of India (California)                 |   |  |  |   |  |   | -     |
| 21     | SBI Canada Bank                                  |   |  |  |   |  |   | -     |
| 22     | SBI (Mauritius) Ltd.                             |   |  |  |   |  |   | -     |
| 23     | Commercial Indo Bank Llc, Moscow                 |   |  |  |   |  |   | -     |
| 24     | PT Bank SBI Indonesia                            |   |  |  |   |  |   | -     |
| 25     | Nepal SBI Bank Ltd                               |   |  |  |   |  |   | -     |
| 26     | Bank SBI Botswana Ltd.                           |   |  |  |   |  |   | -     |
| 27     | State Bank of India Servicos Limitada, Brazil    |   |  |  |   |  |   | -     |
| 28     | State Bank of India (UK) Limited                 |   |  |  |   |  |   | -     |
| 29     | SBI- Foreign Offices                             | -   | -  | -  | -   | -  | -   | -     |
|        | Name of the Branch.....                          |   |  |  |   |  |   |       |
|        | Name of the Branch.....                          |   |  |  |   |  |   |       |
|        | Name of the Branch.....                          |   |  |  |   |  |   |       |
| 30     | SBI- Domestic Offices                            | -   | -  | -  | -   | -  | -   | -     |
|        | FD Kolkata                                       |   |  |  |   |  |   |       |
|        | Name of the Circle.....                          |   |  |  |   |  |   |       |
|        | Name of the Circle.....                          |   |  |  |   |  |   |       |
|        | <b>TOTAL</b>                                     | -   | -  | -  | -   | -  | -   | -     |

Note :

1 @@ Balances with "SBI Mutual Fund" **SHOULD NOT** be reported as intra group balances.\* **SBI Business Process Management Services Pvt Ltd. has been amalgamated with SBI Cards & Payment Services Ltd.****We confirm that**(a) there is no outstanding unreconciled entries which originated prior to 31st December 2019. A **Nil report** in Annexure Q 13A is submitted.

(b) The details of unreconciled entries originated prior to 31st December 2019 (if any) are furnished in Annexure Q 13A.

Managing Director/CEO

Statutory Auditors

State Bank of India (California)

Intra-group Incomes for the period 1st April 2019 to 31st March 2020

(amount in thousands in local currency)

| S. No. | Name of the Counter party                      | Interest / Discount<br>on Advances/ Bills<br>(Sch. 13) | Income on<br>investments<br>(Sch. 13) | Interest on Bank<br>Balances and<br>money at call &<br>short notice<br>(Sch. 13) | Other Interest<br>(Sch. 13) | Commission,<br>Exchange &<br>Brokerage<br>(Sch. 14) | Profit/ (Loss) on<br>sale of<br>Investments<br>(Sch. 14) | Profit/ (Loss) on<br>sale of<br>land/buildings and<br>other assets<br>(Sch. 14) | Income from<br>Finance Lease<br>(Sch. 14) | Insurance<br>Premium Income<br>(net) ##<br>(Sch. 14) | Misc Income<br>(Sch. 14) | Income earned by<br>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 & Payment Services Ltd *             |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 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     | SBICAP (UK) Ltd                                |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 19     | Nepal SBI Merchant Banking Ltd.                |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 20     | State Bank of India (California)               |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 21     | SBI Canada Bank                                |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 22     | SBI (Mauritius) Ltd.                           |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 23     | Commercial Indo Bank Llc, Moscow               |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 24     | PT Bank SBI Indonesia                          |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 25     | Nepal SBI Bank Ltd                             |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 26     | Bank SBI Botswana Ltd.                         |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 27     | State Bank of India Servicos Limitada, Brazil  |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 28     | State Bank of India (UK) Limited               |  |                                       |  |                             |   |  |   |   |  |                          |                                      | -     |
| 29     | SBI- Foreign Offices                           | -  | -                                     | -  | -                           | -   | -  | -   | -   | -  | -                        | -                                    | -     |
|        | Name of the Branch.....                        |  |                                       |  |                             |   |  |   |   |  |                          |                                      |       |
|        | Name of the Branch.....                        |  |                                       |  |                             |   |  |   |   |  |                          |                                      |       |
|        | Name of the Branch.....                        |  |                                       |  |                             |   |  |   |   |  |                          |                                      |       |
| 30     | SBI- Domestic Offices                          | -  | -                                     | -  | -                           | -   | -  | -   | -   | -  | -                        | -                                    | -     |
|        | Name of the Circle.....                        |  |                                       |  |                             |   |  |   |   |  |                          |                                      |       |
|        | Name of the Circle.....                        |  |                                       |  |                             |   |  |   |   |  |                          |                                      |       |
|        | Name of the Circle.....                        |  |                                       |  |                             |   |  |   |   |  |                          |                                      |       |
|        | TOTAL  | -  | -                                     | -  | -                           | -   | -  | -   | -   | -  | -                        | -                                    | -     |

Note:

- 1@@ Income from transactions with "SBI Mutual Fund" **SHOULD NOT** be reported as intra group transactions.
- 2## 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.
- 3Interest Income on Bills purchased & discounted under LC issued by group entities is not a intra group income.

\* SBI Business Process Management Services Pvt Ltd. has been amalgamated with SBI Cards & Payment Services Ltd.

We confirm that

- (a) there is no outstanding unreconciled entries which originated prior to 31st December 2019. A Nil report in Annexure Q 13A is submitted.
- (b) The details of unreconciled entries originated prior to 31st December 2019 (if any) are furnished in Annexure Q 13A.

Managing Director/CEO

Statutory Auditors

## State Bank of India (California)

Intra-group Expenses for the period 1st April 2019 to 31st March 2020

(amount in thousands in local currency)

| 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 & Payment Services Ltd *               |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 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     | SBICAP (UK) Ltd                                  |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 19     | Nepal SBI Merchant Banking Ltd.                  |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 20     | State Bank of India (California)                 |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 21     | SBI Canada Bank                                  |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 22     | SBI (Mauritius) Ltd.                             |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 23     | Commercial Indo Bank Llc, Moscow                 |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 24     | PT Bank SBI Indonesia                            |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 25     | Nepal SBI Bank Ltd                               |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 26     | Bank SBI Botswana Ltd.                           |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 27     | State Bank of India Servicos Limitada, Brazil    |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 28     | State Bank of India (UK) Limited                 |  |   |  |  |                                  |   |                                 |                             |                            | -     |
| 29     | SBI- Foreign Offices                             | -                                      | -   | -  | -  | -                                | -   | -                               | -                           | -                          | -     |
|        | Name of the Branch.....                          |  |   |  |  |                                  |   |                                 |                             |                            |       |
|        | Name of the Branch.....                          |  |   |  |  |                                  |   |                                 |                             |                            |       |
|        | Name of the Branch.....                          |  |   |  |  |                                  |   |                                 |                             |                            |       |
| 30     | SBI- Domestic Offices                            | -                                      | -   | -  | -  | -                                | -   | -                               | -                           | -                          | -     |
|        | Name of the Circle.....                          |  |   |  |  |                                  |   |                                 |                             |                            |       |
|        | Name of the Circle.....                          |  |   |  |  |                                  |   |                                 |                             |                            |       |
|        | Name of the Circle.....                          |  |   |  |  |                                  |   |                                 |                             |                            |       |
|        | <b>TOTAL</b>                                     | -                                      | -   | -  | -  | -                                | -   | -                               | -                           | -                          | -     |

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.

\* SBI Business Process Management Services Pvt Ltd. has been amalgamated with SBI Cards &amp; Payment Services Ltd.

**We confirm that**

(a) there is no outstanding unreconciled entries which originated prior to 31st December 2019. A Nil report in Annexure Q 13A is submitted.

(b) The details of unreconciled entries originated prior to 31st December 2019 (if any) are furnished in Annexure Q 13A.

Managing Director/CEO

Statutory Auditors



Details of unreconciled entries as on 31st March 2020 which originated prior to 31st December 2019

(amount in thousands in local currency)

| S. No. | Name of the Counter party                        | Amount |        | 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 |                     |   |  |   |
|        |  |        |        |                     | For example - Balances with Banks in Current Accounts (Sch 7) |  |   |
| 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 & Payment Services Ltd *               |        |        |                     |   |  |   |
| 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     | SBICAP (UK) Ltd                                  |        |        |                     |   |  |   |
| 19     | Nepal SBI Merchant Banking Ltd.                  |        |        |                     |   |  |   |
| 20     | State Bank of India (California)                 |        |        |                     |   |  |   |
| 21     | SBI Canada Bank                                  |        |        |                     |   |  |   |
| 22     | SBI (Mauritius) Ltd.                             |        |        |                     |   |  |   |
| 23     | Commercial Indo Bank Llc, Moscow                 |        |        |                     |   |  |   |
| 24     | PT Bank SBI Indonesia                            |        |        |                     |   |  |   |
| 25     | Nepal SBI Bank Ltd                               |        |        |                     |   |  |   |
| 26     | Bank SBI Botswana Ltd.                           |        |        |                     |   |  |   |
| 27     | State Bank of India Servicos Limitada, Brazil    |        |        |                     |   |  |   |
| 28     | State Bank of India (UK) Limited                 |        |        |                     |   |  |   |
| 29     | SBI- Foreign Offices                             | -      | -      |                     |   | -  |   |
|        | Name of the Branch.....                          |        |        |                     |   |  |   |
|        | Name of the Branch.....                          |        |        |                     |   |  |   |
|        | Name of the Branch.....                          |        |        |                     |   |  |   |
| 30     | SBI- Domestic Offices                            | -      | -      |                     |   | -  |   |
|        | Name of the Circle.....                          |        |        |                     |   |  |   |
|        | Name of the Circle.....                          |        |        |                     |   |  |   |
|        | Name of the Circle.....                          |        |        |                     |   |  |   |

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**

\*

**SBI Business Process Management Services Pvt Ltd. has been amalgamated with SBI Cards & Payment Services Ltd.**

## State Bank of India (California)

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

#### A. Details of securities purchased from State Bank Group members and outstanding as on 31st March 2020

(Amount in thousands in local currency)

| Date of purchase | Purchased from (Name of State Bank Group member) | Security Description | ISIN of security | Category (HTM/ AFS/ HFT) | Cost | Depreciation | Amortisation | Outstanding as at 31.03.2020 |                             |
|------------------|--|----------------------|------------------|--------------------------|------|--------------|--------------|------------------------------|-----------------------------|
|                  |  |                      |                  |                          |      |              |              | Face value                   | Book value / Carrying value |
|                  | NIL  |                      |                  |                          |      |              |              |                              |                             |
|                  |  |                      |                  |                          |      |              |              |                              |                             |
|                  |  |                      |                  |                          |      |              |              |                              |                             |
|                  |  |                      |                  |                          |      |              |              |                              |                             |
|                  |  |                      |                  |                          |      |              |              |                              |                             |

#### B. Details of securities sold to State Bank Group members during the year 2019-20

(Amount in thousands in local currency)

| 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 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. 6 minus column no.10) |
|--------------|---|----------------------|------------------|--------------------------|-----------------------------|-----------------|---------------|---|--|--|---|
| 1            | 2   | 3                    | 4                | 5                        | 6                           | 7               | 8             | 9   | 10   | 11   | 12  |
|              | NIL   |                      |                  |                          |                             |                 |               |   |  |  |   |
|              |   |                      |                  |                          |                             |                 |               |   |  |  |   |
|              |   |                      |                  |                          |                             |                 |               |   |  |  |   |

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

#### C. Details of fixed assets & other equipments purchased from State Bank Group members and outstanding as on 31st March 2020

| Date of purchase | Purchased from (Name of State Bank Group member) | Item Description | Purchase price | Carrying value as at 31.03.2020 |
|------------------|--|------------------|----------------|---------------------------------|
|                  | NIL  |                  |                |                                 |
|                  |  |                  |                |                                 |

#### D. Details of fixed assets & other equipments sold to other group companies during the period 01.04.2019 to 31.03.2020

| 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

Statutory Auditors

**Annexure 15**

**State Bank of India (California)**

**Details of Equity Share Capital as at 31.03.2020**

*(Amount in thousands in local currency)*

| Sr.NO | Name of the Shareholder                                    | Face Value of Equity Share Capital allotted |
|-------|--|---|
| 1     | State Bank of India  | 103819                                      |
| 2     | SBI Capital Markets Ltd.                                   |   |
| 3     | SBICAP Securities Ltd                                      |   |
| 4     | SBICAP Trustee Company Ltd                                 |   |
| 5     | SBICAP Ventures Ltd  |   |
| 6     | SBICAP (Singapore) Ltd.                                    |   |
| 7     | SBICAP (UK) Ltd  |   |
| 8     | SBI DFHI Ltd   |   |
| 9     | SBI Payment Services Pvt. Ltd                              |   |
| 10    | SBI Mutual Fund Trustee Company Pvt. Ltd                   |   |
| 11    | SBI Global Factors Ltd.                                    |   |
| 12    | SBI Pension Funds Pvt Ltd                                  |   |
| 13    | SBI - SG Global Securities Services Pvt. Ltd.              |   |
| 14    | SBI Cards & Payment Services Ltd                           |   |
| 15    | SBI Life Insurance Company Limited                         |   |
| 16    | SBI General Insurance Company Ltd                          |   |
| 17    | SBI Funds Management (Pvt) Ltd                             |   |
| 18    | SBI Infra Management Solutions Private Limited             |   |
| 19    | SBI Funds Management (International) Pvt. Ltd              |   |
| 20    | State Bank of India (California)                           |   |
| 21    | SBI Canada Bank  |   |
| 22    | SBI (Mauritius) Ltd.                                       |   |
| 23    | Commercial Indo Bank Llc , Moscow                          |   |
| 24    | PT Bank SBI Indonesia                                      |   |
| 25    | Nepal SBI Bank Ltd   |   |
| 26    | Nepal SBI Merchant Banking Ltd.                            |   |
| 27    | Bank SBI Botswana Ltd.                                     |   |
| 28    | State Bank of India Servicos Limitada, Brazil              |   |
| 29    | State Bank of India (UK) Limited                           |   |
| 30    | C Edge Technologies Ltd                                    |   |
| 31    | SBI Macquarie Infrastructure Management Pvt Ltd            |   |
| 32    | SBI Macquarie Infrastructure Trustee Pvt. Ltd              |   |
| 33    | Macquarie SBI Infrastructure Mgmt Pte. Ltd                 |   |
| 34    | Macquarie SBI Infrastructure Trustee Ltd                   |   |
| 35    | Oman-India Joint Investment Fund Mgmt. Company Pvt.Ltd.    |   |
| 36    | Oman-India Joint Investment Fund Trustee Company Pvt. Ltd. |   |
| 37    | Jio Payments Bank Ltd.                                     |   |
|       | Sub-Total  | 103819                                      |
|       | Other Shareholders   |   |
|       | Grand Total (to tally with Sch. 1 of the BS)               | 103819                                      |

Managing Director/CEO

Statutory Auditors

## State Bank of India (California)

(Amount in thousands in local currency)

## Details of Investments in State Bank Group as at 31.03.2020

|  |  |                             |                                 | IPDI (Tier I ) and Subordinated Debts & Bonds (Tier II)                                   |   |  |   |   |  |                                 |   |
|--|--|-----------------------------|---------------------------------|---|---|--|---|---|--|---------------------------------|---|
|  | Name of Investee   | Equity share capital        |                                 |   | IPDI (Tier I ) and Subordinated Debts & Bonds (Tier II) | Investments in Innovative Perpetual Debt Instruments (IPDI) - AT - 1 Bonds | Investments in Subordinated Debts & Bonds (Tier II) |   | Investment in Debentures/ Preference Shares/ CD'S / CP'S |                                 |   |
| A. Investment in SBI/ Subsidiary & JV of SBI |  | Face Value as at 31.03.2020 | Carrying Value as at 31.03.2020 | Category under which it has been included in Sch. 8 (Shares/ Subsidiaries & JVs / Others) | Face Value as at 31.03.2020                             | Carrying Value as at 31.03.2020  | Carrying Value as at 31.03.2020                     | Category under which it has been included in Sch. 8 (Shares/ Subsidiaries & JVs / Others) | Face Value as at 31.03.2020                              | Carrying Value as at 31.03.2020 | Category under which it has been included in Sch. 8 (Shares/ Subsidiaries & JVs / Others) |
| 1  | State Bank of India  |                             |                                 |   |   |  |   |   |  |                                 |   |
| 2  | SBI Capital Markets Ltd.                                   |                             |                                 |   |   |  |   |   |  |                                 |   |
| 3  | SBICAP Securities Ltd                                      |                             |                                 |   |   |  |   |   |  |                                 |   |
| 4  | SBICAP Trustee Company Ltd                                 |                             |                                 |   |   |  |   |   |  |                                 |   |
| 5  | SBICAP Ventures Ltd  |                             |                                 |   |   |  |   |   |  |                                 |   |
| 6  | SBICAP (Singapore) Ltd.                                    |                             | NIL                             |   |   |  |   |   |  |                                 |   |
| 7  | SBICAP (UK) Ltd  |                             |                                 |   |   |  |   |   |  |                                 |   |
| 8  | SBI DFHI Ltd   |                             |                                 |   |   |  |   |   |  |                                 |   |
| 9  | SBI Payment Services Pvt. Ltd                              |                             |                                 |   |   |  |   |   |  |                                 |   |
| 10   | SBI Mutual Fund Trustee Company Pvt. Ltd                   |                             |                                 |   |   |  |   |   |  |                                 |   |
| 11   | SBI Global Factors Ltd.                                    |                             |                                 |   |   |  |   |   |  |                                 |   |
| 12   | SBI Pension Funds Pvt Ltd                                  |                             |                                 |   |   |  |   |   |  |                                 |   |
| 13   | SBI - SG Global Securities Services Pvt. Ltd.              |                             |                                 |   |   |  |   |   |  |                                 |   |
| 14   | SBI Cards & Payment Services Ltd                           |                             |                                 |   |   |  |   |   |  |                                 |   |
| 15   | SBI Life Insurance Company Limited                         |                             |                                 |   |   |  |   |   |  |                                 |   |
| 16   | SBI General Insurance Company Ltd                          |                             |                                 |   |   |  |   |   |  |                                 |   |
| 17   | SBI Funds Management (Pvt) Ltd                             |                             |                                 |   |   |  |   |   |  |                                 |   |
| 18   | SBI Infra Management Solutions Private Limited             |                             |                                 |   |   |  |   |   |  |                                 |   |
| 19   | SBI Funds Management (International) Pvt. Ltd              |                             |                                 |   |   |  |   |   |  |                                 |   |
| 20   | State Bank of India (California)                           |                             |                                 |   |   |  |   |   |  |                                 |   |
| 21   | SBI Canada Bank  |                             |                                 |   |   |  |   |   |  |                                 |   |
| 22   | SBI (Mauritius) Ltd.                                       |                             |                                 |   |   |  |   |   |  |                                 |   |
| 23   | Commercial Indo Bank Llc , Moscow                          |                             |                                 |   |   |  |   |   |  |                                 |   |
| 24   | PT Bank SBI Indonesia                                      |                             |                                 |   |   |  |   |   |  |                                 |   |
| 25   | Nepal SBI Bank Ltd   |                             |                                 |   |   |  |   |   |  |                                 |   |
| 26   | Nepal SBI Merchant Banking Ltd.                            |                             |                                 |   |   |  |   |   |  |                                 |   |
| 27   | Bank SBI Botswana Ltd.                                     |                             |                                 |   |   |  |   |   |  |                                 |   |
| 28   | State Bank of India Servicos Limitada, Brazil              |                             |                                 |   |   |  |   |   |  |                                 |   |
| 29   | State Bank of India (UK) Limited                           |                             |                                 |   |   |  |   |   |  |                                 |   |
| 30   | C Edge Technologies Ltd                                    |                             |                                 |   |   |  |   |   |  |                                 |   |
| 31   | SBI Macquarie Infrastructure Management Pvt Ltd            |                             |                                 |   |   |  |   |   |  |                                 |   |
| 32   | SBI Macquarie Infrastructure Trustee Pvt. Ltd              |                             |                                 |   |   |  |   |   |  |                                 |   |
| 33   | Macquarie SBI Infrastructure Mgmt Pte. Ltd                 |                             |                                 |   |   |  |   |   |  |                                 |   |
| 34   | Macquarie SBI Infrastructure Trustee Ltd                   |                             |                                 |   |   |  |   |   |  |                                 |   |
| 35   | Oman-India Joint Investment Fund Mgmt. Company Pvt.Ltd.    |                             |                                 |   |   |  |   |   |  |                                 |   |
| 36   | Oman-India Joint Investment Fund Trustee Company Pvt. Ltd. |                             |                                 |   |   |  |   |   |  |                                 |   |
| 37   | Jio Payments Bank Ltd.                                     |                             |                                 |   |   |  |   |   |  |                                 |   |
| 38   | SBI Foundation   |                             |                                 |   |   |  |   |   |  |                                 |   |
| 39   | Any other Subsidiary/ JV (please specify)                  |                             |                                 |   |   |  |   |   |  |                                 |   |
| 40   | Any other Subsidiary/ JV (please specify)                  |                             |                                 |   |   |  |   |   |  |                                 |   |
|  |  |                             |                                 |   |   |  |   |   |  |                                 |   |
|  | Total  | -                           | -                               |   | -   | -  | -   |   | -  | -                               |   |

Managing Director/CEO

Statutory Auditors

## State Bank of India (California)

Data requirement for Identification of "Associates" for AS 23 as at 31.03.2020

Table I

(Amount in thousands in local currency)

| Sr.No.    | Name of the entity   | Face Value of Share Capital allotted to the Subsidiary/JV | % Stake | Cost | Carrying value as per audited BS |                  |
|-----------|--|---|---------|------|----------------------------------|------------------|
|           |  |   |         |      | As on 31-03-2020                 | As on 31-03-2019 |
| 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 thousands in local currency)

| Sr.No. | Name of the entity | Face Value of Share Capital allotted to the Subsidiary/JV | % Stake | Cost | Carrying value as per audited BS |                  |
|--------|--------------------|---|---------|------|----------------------------------|------------------|
|        |                    |   |         |      | As on 31-03-2020                 | As on 31-03-2019 |
|        |                    |   |         |      |                                  |                  |
|        |                    |   |         |      |                                  |                  |
|        |                    |   | NIL     |      |                                  |                  |
|        |                    |   |         |      |                                  |                  |
|        |                    |   |         |      |                                  |                  |
|        |                    |   |         |      |                                  |                  |
|        |                    |   |         |      |                                  |                  |
|        |                    |   |         |      |                                  |                  |
|        |                    |   |         |      |                                  |                  |
|        | T O T A L          |   |         |      |                                  |                  |

Managing Director/CEO

Statutory Auditors

## State Bank of India (California)

### Details of Deferred Taxes as at 31.03.2020

(Amount in thousands in local currency)

| A. | Deferred Tax Assets   | As on<br>31.03.2020<br>Column 1 | As on<br>31.03.2019<br>Column 2 |
|----|---|---------------------------------|---------------------------------|
|    | Provision for long term Employee Benefits (e.g. Pension, Gratuity, Leave Encashment, Sick Leave, LFC, HTC etc.) | 386                             | 226                             |
|    | Depreciation on fixed assets  | 2372                            | 2420                            |
|    | Provision on non-performing advances  | 15                              | 294                             |
|    | Depreciation / Amortisation on investment   |                                 |                                 |
|    | On Accumulated Losses   |                                 |                                 |
|    | Other Tax Provision   | 457                             | 947                             |
|    | Others (Please specify)   |                                 |                                 |
|    |   |                                 |                                 |
|    |   |                                 |                                 |
|    | <b>Total (DTA)</b>  | <b>3230</b>                     | <b>3887</b>                     |

|           |   |             |             |
|-----------|---|-------------|-------------|
| <b>B.</b> | <b>Deferred Tax Liabilities</b>   |             |             |
|           | Depreciation on fixed assets  |             |             |
|           | Interest accrued on investment securities                                     |             |             |
|           | Depreciation / Amortisation on investment                                     | 0           | 14          |
|           | Others (Please specify)   |             |             |
|           | Others (Please specify)   |             |             |
|           | Others (Please specify)   |             |             |
|           |   |             |             |
|           |   |             |             |
|           | <b>Total (DTL)</b>  | <b>0</b>    | <b>14</b>   |
| <b>C</b>  | <b>Net DTA/ DTL (A - B)</b>   | <b>3230</b> | <b>3873</b> |
| <b>D</b>  | <b>Charge/ Credit to P&amp;L on account of deferred tax during FY 2019-20</b> | 643         | 624         |
|           | (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

Statutory Auditors

State Bank of India (California)

Data requirements for Related Party Disclosures as at 31st March 2020 (Balance Sheet Items)

A. Outstanding as at 31st March 2020

(Amount in thousands in local currency)

| 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  |          |            |                   |                     |               |             |          |              |                                 |
| Shri Rajnish Kumar, Chairman                                    |          |            |                   |                     |               |             |          |              |                                 |
| Shri P. K. Gupta, Managing Director                             |          |            |                   |                     |               |             |          |              |                                 |
| Shri Dinesh Kumar Khara, Managing Director                      |          |            |                   |                     |               |             |          |              |                                 |
| Shri Arijit Basu, Managing Director                             |          |            |                   |                     |               |             |          |              |                                 |
| Shri Challa Sreenivasulu Setty, Managing Director               |          |            |                   |                     |               |             |          |              |                                 |
| Relatives of Chairman/ Managing Directors                       |          |            |                   |                     |               |             |          |              |                                 |
|   |          |            |                   |                     |               |             |          |              |                                 |
| T O T A L   | 0        | 0          | 0                 | 0                   | 0             | 0           | 0        | 0            | 0                               |

Outstanding as at 31st March 2019

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| The Clearing Corporation of India Ltd. |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

B. Maximum Outstanding during the period 1st April 2019 to 31st March 2020

(Amount in thousands in local currency)

| 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.                   |          | 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 (from 14.03.2020)                                  |          |            |                   |                     |               |             |          |              |                                 |
| Shri Rajnish Kumar, Chairman  |          |            |                   |                     |               |             |          |              |                                 |
| Shri P. K. Gupta, Managing Director                                 |          |            |                   |                     |               |             |          |              |                                 |
| Shri Dinesh Kumar Khara, Managing Director                          |          |            |                   |                     |               |             |          |              |                                 |
| Shri Arijit Basu, Managing Director                                 |          |            |                   |                     |               |             |          |              |                                 |
| Shri Challa Sreenivasulu Setty, Managing Director (from 20.01.2020) |          |            |                   |                     |               |             |          |              |                                 |
| Smt. Anshula Kant, Managing Director (upto 31.08.2019)              |          |            |                   |                     |               |             |          |              |                                 |
| Relatives of Chairman/ Managing Directors                           |          |            |                   |                     |               |             |          |              |                                 |
|   |          |            |                   |                     |               |             |          |              |                                 |
|   |          |            |                   |                     |               |             |          |              |                                 |
|   |          |            |                   |                     |               |             |          |              |                                 |
| T O T A L   | 0        | 0          | 0                 | 0                   | 0             | 0           | 0        | 0            | 0                               |

Maximum Outstanding during the period 1st April 2018 to 31st March 2019

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| The Clearing Corporation of India Ltd. |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

Managing Director/CEO

Statutory Auditor

## State Bank of India (California)

## Data requirements for Related Party Disclosures as at 31st March 2020 (Balance Sheet Items)

Maximum Outstanding during the period **1st October 2019 to 31st March 2020**

(Amount in thousands in local currency)

| 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 (from 14.03.2020)                                  |          |            |                   |                     |               |             |          |              |                                 |
| Shri Rajnish Kumar, Chairman  |          |            |                   |                     |               |             |          |              |                                 |
| Shri P. K. Gupta, Managing Director                                 |          |            |                   |                     |               |             |          |              |                                 |
| Shri Dinesh Kumar Khara, Managing Director                          |          |            |                   |                     |               |             |          |              |                                 |
| Shri Arijit Basu, Managing Director                                 |          |            |                   |                     |               |             |          |              |                                 |
| Shri Challa Sreenivasulu Setty, Managing Director (from 20.01.2020) |          |            |                   |                     |               |             |          |              |                                 |
| Relatives of Chairman/ Managing Directors                           |          |            |                   |                     |               |             |          |              |                                 |
|   |          |            |                   |                     |               |             |          |              |                                 |
|   |          |            |                   |                     |               |             |          |              |                                 |
|   |          |            |                   |                     |               |             |          |              |                                 |
| <b>T O T A L</b>  | <b>0</b> | <b>0</b>   | <b>0</b>          | <b>0</b>            | <b>0</b>      | <b>0</b>    | <b>0</b> | <b>0</b>     | <b>0</b>                        |

Maximum Outstanding during the period **1st October 2018 to 31st March 2019**

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| The Clearing Corporation of India Ltd. |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

Managing Director/CEO

Statutory Auditor



## State Bank of India (California)

## Data requirements for Related Party Disclosures for the period 1st April 2019 to 31st March 2020 (P&amp;L Items)

(Amount in thousands in local currency)

| 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 (from 14.03.2020)                                  |                 |  |                                   |              |                      |                   |
| Shri Rajnish Kumar, Chairman  |                 |  |                                   |              |                      |                   |
| Shri P. K. Gupta, Managing Director                                 |                 |  |                                   |              |                      |                   |
| Shri Dinesh Kumar Khara, Managing Director                          |                 |  |                                   |              |                      |                   |
| Shri Arijit Basu, Managing Director                                 |                 |  |                                   |              |                      |                   |
| Shri Challa Sreenivasulu Setty, Managing Director (from 20.01.2020) |                 |  |                                   |              |                      |                   |
| Smt. Anshula Kant, Managing Director (upto 31.08.2019)              |                 |  |                                   |              |                      |                   |
| Relatives of Chairman/ Managing Directors                           |                 |  |                                   |              |                      |                   |
|   |                 |  |                                   |              |                      |                   |
|   |                 |  |                                   |              |                      |                   |
|   |                 |  |                                   |              |                      |                   |
| <b>T O T A L</b>  | <b>0</b>        | <b>0</b>   | <b>0</b>                          | <b>0</b>     | <b>0</b>             | <b>0</b>          |

## Data requirements for Related Party Disclosures for the period 1st April 2018 to 31st March 2019 (P&amp;L Items)

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| The Clearing Corporation of India Ltd. |  |  |  |  |  |  |
|--|--|--|--|--|--|--|

Managing Director/CEO

Statutory Auditor

## State Bank of India (California)

## Data requirements for Related Party Disclosures for the period 1st October 2019 to 31st March 2020 (P&amp;L Items)

(Amount in thousands in local currency)

| 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 (from 14.03.2020)                                  |                 |  |                                   |              |                      |                   |
| Shri Rajnish Kumar, Chairman  |                 |  |                                   |              |                      |                   |
| Shri P. K. Gupta, Managing Director                                 |                 |  |                                   |              |                      |                   |
| Shri Dinesh Kumar Khara, Managing Director                          |                 |  |                                   |              |                      |                   |
| Shri Arijit Basu, Managing Director                                 |                 |  |                                   |              |                      |                   |
| Shri Challa Sreenivasulu Setty, Managing Director (from 20.01.2020) |                 |  |                                   |              |                      |                   |
| Relatives of Chairman/ Managing Directors                           |                 |  |                                   |              |                      |                   |
|   |                 |  |                                   |              |                      |                   |
|   |                 |  |                                   |              |                      |                   |
|   |                 |  |                                   |              |                      |                   |
| <b>T O T A L</b>  | <b>0</b>        | <b>0</b>   | <b>0</b>                          | <b>0</b>     | <b>0</b>             | <b>0</b>          |

## Data requirements for Related Party Disclosures for the period 1st October 2018 to 31st March 2019 (P&amp;L Items)

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
| The Clearing Corporation of India Ltd. |  |  |  |  |  |  |
|--|--|--|--|--|--|--|

Managing Director/CEO

Statutory Auditor

**State Bank of India (California)****Data requirements for Related Party Disclosures (Management Contracts) for the period  
1st April 2019 to 31st March 2020***(Amount in thousands in local currency)*

| <b>Name of Related Party</b>   | <b>Description of any Management Contract/<br/>agreement entered into with the related<br/>party</b> | <b>Amount</b> |
|--|--|---------------|
| 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<br>Company Pvt. Ltd.     | <b>NIL</b>   |               |
| Oman India Joint Investment Fund - Trustee Company<br>Pvt. Ltd.        |  |               |
| Jio Payments Bank Limited  |  |               |
| Bank of Bhutan Ltd.  |  |               |
| SBI Home Finance Ltd.  |  |               |
| Yes Bank Limited (from 14.03.2020)                                     |  |               |
| Shri Rajnish Kumar, Chairman   |  |               |
| Shri P. K. Gupta, Managing Director                                    |  |               |
| Shri Dinesh Kumar Khara, Managing Director                             |  |               |
| Shri Arijit Basu, Managing Director                                    |  |               |
| Shri Challa Sreenivasulu Setty, Managing Director<br>(from 20.01.2020) |  |               |
| Smt. Anshula Kant, Managing Director (upto<br>31.08.2019)              |  |               |
| Relatives of Chairman/ Managing Directors                              |  |               |
|  |  |               |
|  |  |               |
|  |  |               |
| <b>T O T A L</b>   |  | <b>0</b>      |

**Data requirements for Related Party Disclosures (Management Contracts) for the period 1st April 2018 to 31st**

|  |  |  |
|--|--|--|
| The Clearing Corporation of India Ltd. |  |  |
|--|--|--|

Managing Director/CEO

Statutory Auditors

**State Bank of India (California)****Data requirements for Related Party Disclosures (Management Contracts) for the period  
1st October 2019 to 31st March 2020***(Amount in thousands in local currency)*

| <b>Name of Related Party</b>  | <b>Description of any Management Contract/ agreement entered into with the related party</b> | <b>Amount</b> |
|---|--|---------------|
| C-Edge Technologies Ltd.  |  |               |
| SBI Macquarie Infrastructure Management Pvt. Ltd.                   |  |               |
| SBI Macquarie Infrastructure Trustee Pvt. Ltd.                      |  |               |
| Macquarie SBI Infrastructure Management Pte. Ltd.                   | <b>NIL</b>   |               |
| 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 (from 14.03.2020)                                  |  |               |
| Shri Rajnish Kumar, Chairman  |  |               |
| Shri P. K. Gupta, Managing Director                                 |  |               |
| Shri Dinesh Kumar Khara, Managing Director                          |  |               |
| Shri Arijit Basu, Managing Director                                 |  |               |
| Shri Challa Sreenivasulu Setty, Managing Director (from 20.01.2020) |  |               |
| Relatives of Chairman/ Managing Directors                           |  |               |
|   |  |               |
|   |  |               |
|   |  |               |
| <b>T O T A L</b>  |  | <b>0</b>      |

**Data requirements for Related Party Disclosures (Management Contracts) for the period 1st October 2018 to 31st**

|  |  |  |
|--|--|--|
| The Clearing Corporation of India Ltd. |  |  |
|--|--|--|

Managing Director/CEO

Statutory Auditors

State Bank of India (California)

SEGMENTAL REPORTING AS PER ACCOUNTING STANDARD 17 (FY 2019-20)  
(For Banking Entities only)

(Amount in thousands in local currency)

| 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 <b>including</b> Inter Segment Revenue  | 3,424               | 5,700                                  | 26,067                    |                          | XXXXXX        | 35,191         |
| b       | <b>Less :</b> Inter Segment Revenue   |                     |  |                           |                          | XXXXXX        | -              |
| c       | <b>Add :</b> Unallocated Revenue  | XXXXXX              | XXXXXX                                 | XXXXXX                    | XXXXXX                   | XXXXXX        | 6,438          |
| d       | <b>Revenue from External Customers</b>  | <b>3,424</b>        | <b>5,700</b>                           | <b>26,067</b>             | <b>-</b>                 | <b>XXXXXX</b> | <b>41,629</b>  |
| 2       | Result  |                     |  |                           |                          |               |                |
| a       | Segment Result  | 1,648               | 1,140                                  | 9,280                     |                          | XXXXXX        | 12,068         |
| b       | Provisions & Contingencies <b>other than</b> Provision for taxes  |                     | 659                                    | 1,006                     |                          | XXXXXX        | 1,665          |
| c       | Segment Result <b>after</b> provision & contingencies and <b>before</b> provisions for taxes                                  | 1,648               | 481                                    | 8,274                     | -                        | XXXXXX        | 10,403         |
| d       | Unallocated Income (+) / Expenses (-) - <b>net</b>  | XXXXXX              | XXXXXX                                 | XXXXXX                    | XXXXXX                   | XXXXXX        |                |
| e       | Profit Before Taxes   | XXXXXX              | XXXXXX                                 | XXXXXX                    | XXXXXX                   | XXXXXX        | 10,403         |
| 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        | 3,043          |
| g       | Extra ordinary Profit /(Loss)   | XXXXXX              | XXXXXX                                 | XXXXXX                    | XXXXXX                   | XXXXXX        |                |
| h       | <b>Net Profit ( f - g +/- h )</b>   | <b>XXXXXX</b>       | <b>XXXXXX</b>                          | <b>XXXXXX</b>             | <b>XXXXXX</b>            | <b>XXXXXX</b> | <b>7,360</b>   |
| 3       | <b>Segment Assets</b>   | 112,370             | 174,178                                | 542,251                   |                          | XXXXXX        | 828,799        |
| 4       | <b>Unallocated Corporate Assets</b>   | XXXXXX              | XXXXXX                                 | XXXXXX                    | XXXXXX                   | XXXXXX        | 86,198         |
| 5       | <b>Total Assets (3 + 4 )</b>  | <b>XXXXXX</b>       | <b>XXXXXX</b>                          | <b>XXXXXX</b>             | <b>XXXXXX</b>            | <b>XXXXXX</b> | <b>914,997</b> |
| 6       | <b>Segment Liabilities</b>  | 87,508              | 85,969                                 | 585,921                   |                          | XXXXXX        | 759,398        |
| 7       | <b>Unallocated Corporate Liabilities</b>  | XXXXXX              | XXXXXX                                 | XXXXXX                    | XXXXXX                   | XXXXXX        | 10,536         |
| 8       | <b>Capital Employed (5-6-7)</b>   | 24,862              | 88,209                                 | (43,670)                  | -                        | XXXXXX        | 145,063        |
| 9       | <b>Total Liabilities ( 6+7+8)</b>   | <b>XXXXXX</b>       | <b>XXXXXX</b>                          | <b>XXXXXX</b>             | <b>XXXXXX</b>            | <b>XXXXXX</b> | <b>914,997</b> |

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(see note (vi))            |                     |  | 113.00                    |                          |             | 113.00 |
| Depreciation on fixed Assets provided for the period (see note (vii)) |                     |  | 298.00                    |                          |             | 298.00 |

Managing Director/CEO

Statutory Auditors

Notes :

- (i) Item 1(d) should tally with the total of Schedule 13 and 14.
- (ii) Profit Before Taxes (Sr. No. 2 (e)) should be equal to Net Profit plus Provisions for Taxes.
- (iii) Net Profit (Sr. No. 2 (h)) Should tally with the amount of Net Profit/ (Loss) reported in the P& L account.
- (iv) Total Assets & Total Liabilities (Sr. No. 5 & 9 ) should tally with the Balance Sheet total.
- (v) Capital Employed (Sr. No. 8) should tally with total of Schedule 1 and 2.
- (vi) Total should match with the amount of additions in Fixed assets ( i.e. Addition in Premises, Other Fixed Assets, Leased Assets) reported in Annex. A, Schedule 10.
- (vii) Total should match with the amount of depreciation on fixed assets reported in Annex. A, schedule 16.

## State Bank of India (California)

## Supplementary information for FY 2019-20

(Amount in thousands in local currency)

Table 1:

|  | Amount |
|--|--------|
| a. Issuance of Bonds (if any) during the year  |        |
| - Innovative Perpetual Debt Instruments ( AT - 1 Bonds)                                      |        |
| - Subordinated Debts and Bonds (Tier II)   |        |
| b. Repayment of Bonds (if any) during the year   |        |
| - Innovative Perpetual Debt Instruments ( AT - 1 Bonds)                                      |        |
| - Subordinated Debts and Bonds (Tier II)   |        |
| c. Interest Expenses booked on Bonds during the year   |        |
| - Innovative Perpetual Debt Instruments ( AT - 1 Bonds)                                      |        |
| - Subordinated Debts and Bonds (Tier II)   |        |
| d. Dividend received from Group Subsidiaries (e.g. DFHI etc.) during the year                |        |
| - Final Dividend for FY 2018-19  |        |
| - Interim Dividend for FY 2019-20  |        |
| e. Dividend received from Group Associates (e.g. CCIL etc.) during the year                  |        |
| - Final Dividend for FY 2018-19  |        |
| - Interim Dividend for FY 2019-20  |        |
| f. Market Value of Investments in Government Securities in India as on 31.03.2020            |        |
| g. Gross Non-Performing Investments as on 31.03.2020   |        |
| h. Dividend including Dividend Tax paid during the year                                      |        |
| - Final Dividend including Dividend Tax for FY 2018-19                                       |        |
| - Interim Dividend including Dividend Tax for FY 2019-20                                     |        |
| i. Direct Taxes paid during the year   |        |
| j. Gross NPAs as at 31st March 2020  | 225    |
| k. Gross Advances as at 31st March 2020  | 728142 |
| l. Net NPAs as at 31st March 2020  | 187    |
| m. Net Advances as at 31st March 2020  | 728104 |
| n. Technical write-off (AUCA) a/cs as at 31st March 2020                                     |        |
| o. Provision Coverage Ratio (PCR) excluding Technical write-off (AUCA) as at 31st March 2020 | 16.89  |
| p. Provision Coverage Ratio (PCR) including Technical write-off (AUCA) as at 31st March 2020 | 16.89  |

Table 2:

(Amount in thousands in local currency)

| Floating Provisions for NPAs   | 2019-20 | 2018-19 |
|--|---------|---------|
| i) Provisions held as on 01.04.2019/01.04.2018                       | 0       | 0       |
| ii) Provision made during the year                                   |         | 0       |
| iii) Provisions utilized during the year                             |         | 0       |
| iv) Reversed during the year   |         | 0       |
| v) Provisions held as at 31.03.2020/31.03.2019 [(i)+(ii)-(iii)-(iv)] | 0       | 0       |

**Note:** Floating Provisions for NPAs is created in addition to normal NPA Provisions as per RBI guidelines.

Table 3:

(Amount in thousands in local currency)

| Movement of provisions against contingent liabilities                | 2019-20 | 2018-19 |
|--|---------|---------|
| i) Provisions held as on 01.04.2019/01.04.2018                       | 90      | 54      |
| ii) Provision made during the year                                   |         | 36      |
| iii) Provisions utilized during the year                             |         |         |
| iv) Reversed during the year   |         |         |
| v) Provisions held as at 31.03.2020/31.03.2019 [(i)+(ii)-(iii)-(iv)] | 90      | 90      |

## State Bank of India (California)

Table 4:

## Break-up of Investment (Net) as on 31.03.2020

(Amount in thousands in local currency)

| Particulars  | Held to Maturity (HTM) | Available for sale (AFS) | Held for Trading (HFT) | Total  |
|--|------------------------|--------------------------|------------------------|--------|
| <b>I - Investments in India in</b>   |                        |                          |                        |        |
| (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.)  |                        |                          |                        | -      |
|  |                        |                          |                        |        |
| <b>TOTAL I</b>   | -                      | -                        | -                      | -      |
| <b>II - Investments outside India in</b>   |                        |                          |                        |        |
| (i) Government Securities (including local authorities)  |                        | 96,871                   |                        | 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.)  |                        |                          |                        | -      |
|  |                        |                          |                        |        |
| <b>TOTAL II</b>  | -                      | 96,871                   | -                      | 96,871 |
|  |                        |                          |                        |        |
| <b>GRAND TOTAL</b>   | -                      | 96,871                   | -                      | 96,871 |

(I and II)

Table 5:

## Break-up of Advances (Net) as on 31.03.2020

(Amount in thousands in local currency)

| Particulars   | Advances in India | Advances Outside India | Total   |
|---|-------------------|------------------------|---------|
| <b>SCHEDULE 9 - ADVANCES</b>                                |                   |                        |         |
| (I) Bills purchased and discounted                          |                   |                        | -       |
| (II) Cash Credits, Overdrafts and Loans repayable on demand |                   | 80                     | 80      |
| (III) Term Loans  |                   | 728,024                | 728,024 |
|   |                   |                        |         |
| <b>TOTAL I</b>  | -                 | 728,104                | 728,104 |

Table 6: Previous Period Regrouping -

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

(Amount in thousands in local currency)

| 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          |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |
|        |  |                          |                                 |                  |                       |

## State Bank of India (California)

## DISCLOSURE REQUIREMENTS IN RESPECT OF EMPLOYEE BENEFIT PLANS (FY 2019-20)

**I DEFINED BENEFIT OBLIGATIONS**

(Amount in thousands in local currency)

|          |   | PENSION PLAN | GRATUITY | Any other plan |
|----------|---|--------------|----------|----------------|
| <b>A</b> | <b>Change in the Present value of the Defined Benefit Obligation</b>                                    |              |          |                |
| 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>B</b> | <b>Change in Plan Assets</b>  |              |          |                |
| a        | Opening Fair Value of Plan Assets as at 1st April   |              |          |                |
| b        | Expected Return on Plan Assets  |              |          |                |
| c        | Contributions by Employer   |              |          |                |
| d        | Benefits Paid   |              |          |                |
| e        | Actuarial Gains /(Losses)   |              |          |                |
| f        | Closing Fair Value of Plan assets as at 31st March  | 0            | 0        | 0              |
| <b>C</b> | <b>Reconciliation of present value of obligations and fair value of plan assets</b>                     |              |          |                |
| 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              |
| <b>D</b> | Experience Adjustment on Plan Assets  |              |          |                |
| <b>E</b> | Experience Adjustment on Plan Liabilities   |              |          |                |
| <b>F</b> | <b>Net Cost Recognised in the Profit &amp; Loss Account</b>   |              |          |                |
| 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              |
| <b>G</b> | <b>Reconciliation of Expected Return and actual return on Plan Assets</b>                               |              |          |                |
| 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              |
| <b>H</b> | <b>Reconciliation of Opening &amp; Closing Net Liability (Asset) recognised in Bal Sheet</b>            |              |          |                |
| a        | Opening Net Liability / (Asset) as on 1st April   |              |          |                |
| 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              |
| <b>I</b> | <b>Expected contribution in the next financial year (i.e. FY 2020-21)</b>                               |              |          |                |

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

|                               | Pension Fund |                  | Gratuity Fund |                  | Any other plan |                  |
|-------------------------------|--------------|------------------|---------------|------------------|----------------|------------------|
| Category of assets            | 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!        |
| <b>Total</b>                                    | <b>0</b> | <b>#DIV/0!</b> | <b>0</b> | <b>#DIV/0!</b> | <b>0</b> | <b>#DIV/0!</b> |

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

|   | Pension Fund |                  | Gratuity Fund |                  | Any other plan |                  |
|---|--------------|------------------|---------------|------------------|----------------|------------------|
| Category of assets                              | 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!          |
| <b>Total</b>                                    | <b>0</b>     | <b>#DIV/0!</b>   | <b>0</b>      | <b>#DIV/0!</b>   | <b>0</b>       | <b>#DIV/0!</b>   |

**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 FY 2019-20 |
|--|-------------------------------------|
| Employer's Contribution towards Employees Provident Fund |                                     |
| Employer's Contribution towards New Pension Scheme (NPS) |                                     |
| Other Plans (if any)                                     |                                     |

**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 FY 2019-20 |
|---|-------------------------------------|
| 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 award  |                                     |
| Resettlement expenses on Superannuation   |                                     |
| Casual Leave  |                                     |
| Retirement Award  |                                     |
| Others  |                                     |
| <b>Total</b>  | <b>0</b>                            |

Managing Director/CEO

Statutory Auditors

## State Bank of India (California)

## DISCLOSURE REQUIREMENTS IN RESPECT OF EMPLOYEE BENEFIT PLANS FOR THE YEAR ENDED 31st March 2020

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

(Rupees in thousand)

|          |   | Provident Fund | Accumulated Compensated Absences (Privilege Leave) |
|----------|---|----------------|--|
| <b>A</b> | <b>Change in the Present value of the Defined Benefit Obligation</b>                                    |                |  |
| 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>B</b> | <b>Change in Plan Assets</b>  |                |  |
| 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  |
| <b>C</b> | <b>Reconciliation of present value of obligations and fair value of plan assets</b>                     |                |  |
| 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  |
| <b>D</b> | <b>Net Cost Recognised in the Profit and Loss Account</b>   |                |  |
| 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  |
| <b>E</b> | <b>Reconciliation of Opening &amp; Closing Net Liability (Asset) recognised in Bal Sheet</b>            |                |  |
| 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!        |
| <b>Total</b>                                    | <b>0</b> | <b>#DIV/0!</b> |

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

|   | <b>Provident Fund</b> |                         |
|---|-----------------------|-------------------------|
| <b>Category of assets</b>                       | <b>Amount</b>         | <b>% of Plan Assets</b> |
|   |                       |                         |
| 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!                 |
| <b>Total</b>                                    | <b>0</b>              | <b>#DIV/0!</b>          |

**H Principal Actuarial Assumptions**

| <b>Particulars</b>            | <b>Provident Fund</b> | <b>Compensated Absences</b> |
|-------------------------------|-----------------------|-----------------------------|
| Discount Rate                 |                       |                             |
| Guaranteed Return             |                       |                             |
| Attrition Rate                |                       |                             |
| Salary Escalation             |                       |                             |
| Any other material assumption |                       |                             |
|                               |                       |                             |

**Managing Director/CEO**

**Statutory Auditors**

## Annexure 25

## 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 31.03.2020

*(Amount in thousands in local currency)*

| Type of Lease     | Amount of lease charges/ rent debited to charges account during the year 2019-20 | 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 2020-2021                              | Total Rent Payable during 2021-2022 to 2024-2025 | Total Rent Payable from 2025-2026 onwards |  |   |
| 1                 | 2  | 3  | 4  | 5   | 6  | 7                                       |
| Cancellable       |  |  |  |   |  |   |
| Non - Cancellable | 1,089.00   | 1,168  | 1,876  | 54  | Yes  | 20                                      |
|                   |  |  |  |   |  |   |
| <b>Total</b>      | <b>1,089.00</b>  | <b>1,168.00</b>  | <b>1,876.00</b>                                  | <b>54.00</b>                              |  | <b>20.00</b>                            |

Managing Director/CEO

Statutory Auditor

Example for filing up the form -

*(Amount in thousands in local currency)*

| Type of Lease     | Amount of lease charges/ rent debited to charges account during the year 2019-20 | 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 2020-2021                              | Total Rent Payable during 2021-2022 to 2024-2025 | Total Rent Payable from 2025-2026 onwards |  |   |
| 1                 | 2  | 3  | 4  | 5   | 6  | 7                                       |
| Cancellable       | 2400000  | 2400000  | 9600000  | 4000000                                   | Yes  | 240                                     |
| Non - Cancellable | 300000   | 300000   | 1200000  | 500000                                    | No   | 60                                      |
|                   |  |  |  |   |  |   |
| <b>Total</b>      | <b>2700000</b>   | <b>2700000</b>   | <b>10800000</b>                                  | <b>4500000</b>                            |  | <b>300</b>                              |

## State Bank of India (California)

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

(Amount in thousands in local currency)

| Type of Lease     | Proportionate<br>Original cost of such<br>premises | Proportionate<br>accumulated<br>depreciation of<br>such premises<br>upto 31.03.2020 | Depreciation of<br>such premises<br>for the year<br>ended 31.03.2020 | Rent to be received by the Subsidiary / Joint Venture |   |   | Amount of<br>disputed<br>rent, if any,<br>recognised as<br>income |
|-------------------|--|---|--|---|---|---|---|
|                   |  |   |  | Total Rent<br>receivable<br>during 2020-2021          | Total Rent<br>receivable during<br>2021-2022 to 2024-<br>2025 | Total<br>Rent receivable<br>from 2025-2026<br>onwards |   |
| 1                 | 2  | 3   | 4  | 5   | 6   | 7   | 8   |
|                   |  |   |  |   |   |   |   |
| Cancellable       |  |   |  |   |   |   |   |
| Non - Cancellable |  |   |  |   |   |   |   |
|                   |  |   |  |   |   |   |   |

Managing Director/CEO

Statutory Auditor

## Example for filing up the form-

(Amount in thousands in local currency)

| Type of Lease     | Proportionate<br>Original cost of such<br>premises | Proportionate<br>accumulated<br>depreciation of<br>such premises<br>upto 31.03.2020 | Depreciation of<br>such premises<br>for the year<br>ended 31.03.2020 | Rent to be received by the Subsidiary / Joint Venture |   |   | Amount of<br>disputed<br>rent, if any,<br>recognised as<br>income |
|-------------------|--|---|--|---|---|---|---|
|                   |  |   |  | Total Rent<br>receivable<br>during 2020-2021          | Total Rent<br>receivable during<br>2021-2022 to 2024-<br>2025 | Total<br>Rent receivable<br>from 2025-2026<br>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 2020)  
CARE: INCLUDE PREMISES TAKEN ON RENT IN THE NAME OF SUBSIDIARY FOR STAFF RESIDENCE  
POSITION AS ON 31-Mar-20

(Amount in thousands in local currency)

| 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                      |
|             |          |  |                           |   |                                      |  |  |  |               |                          |                                 |                               |
|             |          |  |                           |   |                                      |  |  |  |               |                          |                                 |                               |
|             |          |  |                           |   |                                      |  |  |  |               |                          |                                 |                               |
|             |          |  |                           |   |                                      |  |  |  |               |                          |                                 |                               |

PLACE :  
DATE :

Managing Director/CEO

Statutory Auditor

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  | 75.00         | 7500000                  | 0                               | 7500000                       |
| 102         | ATM's premises    | 31-Dec-2013                                | 25,000                    | No  | 25,000                               | 25,000   | 0  | 31-Dec-2013  | 75.00         | 0                        | 0                               | 0                             |

## A) Checklist for Annexure 25

- a). Annexure 25 is Premises taken on rent/lease by the subsidiary / joint venture (data required in respect of unexpired lease as on 31.03.2020).
- 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 26

- a) Annexure 26 is for Premises given on rent/lease by the subsidiary / joint venture. (data required in respect of Unexpired lease as on 31.03.2020) .
- 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 27

- a) Annexure 27 is Premises taken on rent/lease by the subsidiary / joint venture (data required in respect of expired lease as on 31.03.2020). 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 column 7. 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.

Name of the Entity :  
Transactions with "Clearing Corporation of India Ltd" for year ended 31.03.2020

Name of  
Currency :  
USD  
(Local currency in 000s)

| B/S Items   | Deposits | Borrowin<br>gs | Other<br>Liabiliti<br>es | Balance<br>s with<br>banks | Money<br>at call | Investm<br>ents | Advanc<br>es | Other<br>Assets | Non-fund<br>commitmen<br>ts (LCs/<br>BGs) |
|---|----------|----------------|--------------------------|----------------------------|------------------|-----------------|--------------|-----------------|---|
| Outstanding as at 31st March 2020   |          |                |                          |                            |                  |                 |              |                 |   |
| Maximum Outstanding during the period 1st April 2020 to 31st March 2020   |          | NIL            |                          |                            |                  |                 |              |                 |   |
| Maximum Outstanding during the period 1st October 2019 to 31st March 2020 |          |                |                          |                            |                  |                 |              |                 |   |

| P & L Items  | Interest<br>income | (Loss) on<br>sale of<br>land/<br>buildings<br>and other<br>assets | Income<br>earned<br>by way<br>of<br>dividen<br>ds | Other<br>Income | Interest<br>Expendi<br>ture | Other<br>Expendi<br>ture |
|--|--------------------|---|---|-----------------|-----------------------------|--------------------------|
| Data requirements for Related Party Disclosures for the period 1st April 2019 to 31st March 2020 (P&L Items)   |                    |   |   |                 |                             |                          |
| Data requirements for Related Party Disclosures for the period 1st October 2019 to 31st March 2020 (P&L Items) |                    | NIL   |   |                 |                             |                          |

| Management Contracts                               | Description of any Management Contract/ agreement entered into with the related party | Amount |
|--|---|--------|
| for the period 1st April 2019 to 31st March 2020   | NIL   |        |
| for the period 1st October 2019 to 31st March 2020 |   |        |

Managing Director/CEO

Statutory Auditors