

State Bank of India (California)

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended March 31, 2022 and 2021

STATE BANK OF INDIA (CALIFORNIA)

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Independent Auditor's Report

Board of Directors
State Bank of India (California)

Opinion

We have audited the financial statements of State Bank of India (California) (the Company), which comprise the balance sheets as of March 31, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

RSM US LLP

Irvine, California
April 28, 2022

STATE BANK OF INDIA (CALIFORNIA)

BALANCE SHEETS

As of March 31, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 32,769,451	\$ 43,932,587
Certificates of deposits in other financial institutions	100,000	3,088,000
Securities available for sale, at fair value	105,174,315	113,266,150
Loans	827,062,098	709,434,075
Allowance for loan losses	(12,454,236)	(11,077,114)
Net loans	814,607,862	698,356,961
Furniture, fixtures and equipment, net	460,838	647,756
Federal Home Loan Bank and Community Development Financial Institutions stock, at cost; and CCM Community Impact Bond Fund at net asset value	5,590,063	4,924,900
Prepaid and recoverable income taxes	-	221,195
Interest receivable and other assets	4,925,246	6,262,902
Deferred tax assets, net	7,223,544	4,594,284
Total assets	\$ 970,851,319	\$ 875,294,735
<u>Liabilities and Stockholder's Equity</u>		
Liabilities		
Deposits	\$ 789,485,546	\$ 717,405,712
Federal Home Loan Bank borrowings	26,000,000	5,000,000
Interest payable and other liabilities	3,086,162	3,379,041
Total liabilities	818,571,708	725,784,753
Stockholder's Equity		
Common stock, \$100 par value:		
Authorized 2,000,000 shares, 945,000 shares issued and outstanding	94,500,000	94,500,000
Additional contributed capital	1,500,000	1,500,000
Retained earnings	61,416,073	54,237,219
Accumulated other comprehensive income (loss)	(5,136,462)	(727,237)
Total stockholder's equity	152,279,611	149,509,982
Total liabilities and stockholder's equity	\$ 970,851,319	\$ 875,294,735

See notes to financial statements

STATE BANK OF INDIA (CALIFORNIA)

STATEMENTS OF INCOME For the Years Ended March 31, 2022 and 2021

	2022	2021
Interest and dividend income:		
Loans and fees	\$ 30,306,543	\$ 30,559,311
Securities	1,844,142	1,883,819
Total interest and dividend income	32,150,685	32,443,130
Interest expense:		
Deposits	3,398,197	6,014,594
Borrowed funds	12,990	181,102
Total interest expense	3,411,187	6,195,696
Net interest income before provision for loan losses	28,739,498	26,247,434
Provision for loan losses	1,370,000	930,000
Net interest income after provision for loan losses	27,369,498	25,317,434
Noninterest income:		
Income from foreign currency exchange transactions	1,294,214	892,736
Gain on sale of securities	81,191	1,153,730
Other noninterest income (expense)	375,651	(785,983)
Total noninterest income	1,751,056	1,260,483
Noninterest expense:		
Salaries and employee benefits	10,944,954	10,451,681
Occupancy expense	1,403,717	1,577,424
Furniture, fixtures and equipment expense	242,815	313,435
Advertising expense	200,326	136,479
FDIC and other deposit assessments	324,000	293,000
Other operating expense	4,141,614	4,286,824
Total noninterest expense	17,257,426	17,058,843
Income before provision for income taxes	11,863,128	9,519,074
Income tax	2,584,274	1,982,936
Net Income	\$ 9,278,854	\$ 7,536,138

See notes to financial statements

STATE BANK OF INDIA (CALIFORNIA)

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the Years Ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net Income	\$ 9,278,854	\$ 7,536,138
Other comprehensive income (loss):		
Net unrealized holding (loss) arising during period, net of income taxes of (\$942,823) and (\$568,664) in 2022 and 2021, respectively	(4,328,034)	(2,729,870)
Reclassification adjustment for net (gain) on sales of securities in 2022 and 2021	(81,191)	(1,153,730)
Unrealized gain on interest rate swap	-	79,552
Other comprehensive (loss)	<u>(4,409,225)</u>	<u>(3,804,048)</u>
Comprehensive Income	<u>\$ 4,869,629</u>	<u>\$ 3,732,090</u>

STATE BANK OF INDIA (CALIFORNIA)

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

For the Years Ended March 31, 2022 and 2021

	Common Stock		Additional Contributed Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares Outstanding	Issued				
Balance, March 31, 2020	945,000	\$94,500,000	\$1,500,000	\$48,701,081	\$ 3,076,811	\$ 147,777,892
Net income				7,536,138		7,536,138
Dividend paid				(2,000,000)		(2,000,000)
Other comprehensive (loss), fair value adjustments and reclassifications					(3,804,048)	(3,804,048)
Balance, March 31, 2021	945,000	\$ 94,500,000	\$ 1,500,000	\$ 54,237,219	\$ (727,237)	\$ 149,509,982
Net income				9,278,854		9,278,854
Dividend paid				(2,100,000)		(2,100,000)
Other comprehensive (loss), fair value adjustments and reclassifications					(4,409,225)	(4,409,225)
Balance, March 31, 2022	945,000	\$ 94,500,000	\$ 1,500,000	\$ 61,416,073	\$ (5,136,462)	\$ 152,279,611

See notes to financial statements

STATE BANK OF INDIA (CALIFORNIA)

STATEMENTS OF CASH FLOWS For the Years Ended March 31, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities		
Net Income	\$ 9,278,854	\$ 7,536,138
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	1,370,000	930,000
Loss on sale of loans	74,100	1,390,053
Gain on sale of securities available for sale	(81,191)	(1,153,730)
Change in net asset value of equity stock	25,037	-
(Increase) in deferred taxes	(766,545)	(408,024)
Depreciation and amortization	242,815	313,435
Amortization of premiums on securities, net	303,952	589,265
Amortization of deferred loan fees, net	(42,707)	82,314
Decrease (increase) in interest receivable and other assets	1,376,752	(236,142)
Increase (decrease) in interest payable and other liabilities	(292,879)	(1,987,077)
Net cash provided by operating activities	11,488,188	7,056,232
Cash Flows From Investing Activities		
Net decrease in certificates of deposit in other financial institutions	2,988,000	4,980,263
Purchase of securities available for sale	(35,151,337)	(64,013,138)
Principal reduction on securities available for sale	36,753,470	46,688,673
Net change in loans	(117,652,294)	15,669,584
Acquisition of furniture, fixtures and equipment	(55,897)	(59,841)
Proceeds from termination of interest rate swap	177,100	177,100
Purchase of Federal Home Loan Bank and CDFI stocks	(690,200)	(586,400)
Net cash (used in) provided by investing activities	(113,631,158)	2,856,241
Cash Flows From Financing Activities		
Net increase in deposits	72,079,834	33,048,861
Proceeds from Federal Home Loan Bank borrowings	21,000,000	-
Repayments of Federal Home Loan Bank borrowings	-	(65,000,000)
Dividend paid to parent bank	(2,100,000)	(2,000,000)
Net cash provided by (used in) financing activities	90,979,834	(33,951,139)
Net decrease in cash and cash equivalents	(11,163,136)	(24,038,666)
Cash and cash equivalents, beginning of year	43,932,587	67,971,253
Cash and cash equivalents, end of year	\$ 32,769,451	\$ 43,932,587
Supplemental Disclosures of Cash Flow Information		
Cash paid for interest	\$ 3,475,481	\$ 5,568,856
Cash paid for income taxes	\$ 3,650,000	\$ 1,840,000

See notes to financial statements

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended March 31, 2022 and 2021

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

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

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

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

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

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

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

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

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 maturity of the Bank's certificate of deposit in other financial institution at March 31, 2022 was two months.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

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

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, 2022 and 2021.

Other stock: The Bank also has an investment in stocks of different Community Development Financial Institutions ("CDFIs") The total investment in the CDFI stock as of March 31, 2022 and 2021 were \$767,600 and \$762,600, 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, 2022 and 2021. The Bank has invested in CCM Community Impact Bond Fund ("CCM fund") for CRA purpose. Total investment in CCM fund as of March 31, 2022 and 2021 were \$ 474,963 and \$0, respectively. Original investment in CCM fund was \$500,000. CCM fund is carried at net asset value and changes thereof are charged to earnings.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

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

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

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

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

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

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

Allowance for loan losses and reserve for unfunded commitments: The allowance for loan 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, 2022 and 2021

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

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

The Bank may record specific reserve allowances on collateral-dependent impaired loans that are based on the current appraised or market-quoted value of the underlying collateral. The fair value of noncollateral-dependent loans is estimated using a discounted cash flow model.

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, 2022 and 2021

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

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

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

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

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

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

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

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

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

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

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

CARES Act and loan deferment: The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided financial institutions to assist borrowers affected by the pandemic by deferring payment of principal, interest, or both for a reasonable period with the expectation that the borrower will resume payments in the future. The Revised Interagency Statement indicated that during such short-term deferral arrangements, these loans generally should not be reported as nonaccrual. As such, the Bank has made various loan deferrals upon request of borrowers. As of March 31, 2022, there were no loans on deferment.

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

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

Following are the characteristics of a participating interest:

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

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

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

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

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

The Bank carries interest rate swap at its fair value on the balance sheet based on values obtained from a major financial institution. Changes in fair value are recorded in other comprehensive income. The total fair value of the interest rate swap(s) at March 31, 2022 and 2021 were \$0 and \$79,551, respectively, 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 accounts for hedge relationship as a cash flow hedge. The Bank will assess future retrospective and prospective hedge effectiveness on a qualitative basis at least every three months. As long as the qualitative assessment shows that the relationship between the hedge and the hedged item is highly effective, the Bank records the entire change in fair value of the hedge instrument in other comprehensive income.

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NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

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

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

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

The following describes the three-level hierarchy:

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

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

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

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

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

The Bank is no longer subject to U.S. federal income tax examinations by the Internal Revenue Service for years before March 31, 2018. However, the Bank’s Federal income tax returns for 2019 to 2022 are subject to examination by the IRS, generally for three years after they were filed.

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

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

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

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

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

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

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

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

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

Advertising: Advertising costs are expensed as of the first date the advertisements take place. For the years ended March 31, 2022 and 2021, advertising expenses included in non-interest expense approximated \$200,326 and \$136,479, respectively.

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

As a result, the demand for the Bank's products and services has been impacted and still does, albeit, to a lesser degree. The pandemic situation is still ongoing and it could influence the recognition of credit losses in the Bank's loan portfolio and increase its allowance for loan losses as both businesses and consumers are negatively impacted by the economic downturn.

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

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

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

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

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

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

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

On March 31, 2022, the Financial Accounting Standards Board issued ASU 2022-02, which eliminates the accounting guidance on troubled debt restructurings (TDRs) for creditors in ASC 310-40, *Receivables – Troubled Debt Restructurings by Creditors*, and amends the guidance on “vintage disclosures” to require disclosure of current-period gross write-offs by year of origination. The ASU also updates the requirements related to accounting for credit losses under ASC 326 and adds enhanced disclosures for creditors with respect to loan refinancings and restructurings for borrowers experiencing financial difficulty.

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NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

NOTE 2 – Securities Available for Sale

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

	2022			
	Amortized	Gross	Gross	Fair Value
	Cost	Unrealized Gains	Unrealized Losses	
U.S. government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 69,923,645	\$ 12,994	\$ (5,302,000)	\$ 64,634,639
U.S. Treasury Notes	30,675,501	-	(1,659,711)	29,015,790
SBA Pool Securities	5,872,381	-	(45,105)	5,827,276
Municipal bonds	3,040,590	-	(179,280)	2,861,310
Corporate bonds	3,000,000	-	(164,700)	2,835,300
	\$ 112,512,117	\$ 12,994	\$ (7,350,796)	\$ 105,174,315

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

For the year ended March 31, 2022 the realized (losses) and gains on sale of securities included in non-interest income were (\$257,153) and \$338,344, respectively. For the year ended March 31, 2021 the realized (losses) and gains on sale of securities included in non-interest income were (\$0) and \$1.154 million, respectively.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

NOTE 2 – Securities Available for Sale (cont.)

The amortized cost and fair value of securities at March 31, 2022 and 2021, 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, 2022</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
Due in one to five years	\$ 16,275,137	\$ 15,865,311
Due after five years through ten years	14,837,182	13,578,500
Due after ten years	3,040,590	2,861,310
U.S. government agency collateralized mortgage obligations, mortgage-backed securities and SBA pool securities	78,359,208	72,869,194
	<u>\$ 112,512,117</u>	<u>\$ 105,174,315</u>

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

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:

	2022					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
US government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 35,992,130	\$ (1,886,109)	\$ 27,542,833	\$ (3,415,891)	\$ 63,534,963	\$ (5,302,000)
U.S. Treasury Notes	24,669,090	(1,139,344)	4,346,700	(520,367)	29,015,790	(1,659,711)
SBA Pool Securities	3,765,406	(24,828)	2,061,870	(20,277)	5,827,276	(45,105)
Municipal bonds	2,861,310	(179,280)	-	-	2,861,310	(179,280)
Corporate bonds	2,835,300	(164,700)	-	-	2,835,300	(164,700)
	<u>\$ 70,123,236</u>	<u>\$ (3,394,261)</u>	<u>\$ 33,951,403</u>	<u>\$ (3,956,535)</u>	<u>\$ 104,074,639</u>	<u>\$ (7,350,796)</u>

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

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

NOTE 2 – Securities Available for Sale (cont.)

For all of the investment securities, the unrealized losses relate principally to the general change in interest rate levels that have occurred since the securities' purchase dates and such unrecognized losses or gains will continue to vary with general interest rate level fluctuations in the future. At March 31, 2022 and 2021, 17 and 4 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 \$49.5 million and \$52.3 million were pledged to state account holder against deposits maintained at the Bank at March 31, 2022 and 2021, respectively.

NOTE 3 – Loans and Allowance for Loan Losses

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

	<u>2022</u>	<u>2021</u>
Commercial and industrial	\$ 261,903,379	\$ 194,757,388
Commercial real estate	566,659,260	516,375,887
Others	156,014	62
	<u>828,718,653</u>	<u>711,133,337</u>
Less net deferred loan origination fees	1,656,555	1,699,262
	<u>827,062,098</u>	<u>709,434,075</u>
Less allowance for loan losses	12,454,236	11,077,114
Loans, net	<u>\$ 814,607,862</u>	<u>\$ 698,356,961</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 \$457.2 million and \$384.2 million at March 31, 2022 and 2021, respectively.

At March 31, 2022 and 2021, the Bank has concentrations in Commercial Real Estate which comprise 68% and 73% of total gross loans, respectively, and hotel loans represent approximately 38% and 41% of total gross loans as of March 31, 2022 and 2021, respectively.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

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, 2022				
Allow ance for loan losses	Commercial	Commercial Real Estate	Others	Total Allow ance for Loan Losses
Beginning balance	\$ 2,700,404	\$ 8,376,710	\$ -	\$ 11,077,114
Charge-offs	-	-	-	-
Recoveries	7,122	-	-	7,122
Provision	-	1,370,000	-	1,370,000
Ending balance	<u>\$ 2,707,526</u>	<u>\$ 9,746,710</u>	<u>\$ -</u>	<u>\$ 12,454,236</u>
Individually evaluated for impairment	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	2,707,526	9,746,710	-	12,454,236
	<u>\$ 2,707,526</u>	<u>\$ 9,746,710</u>	<u>\$ -</u>	<u>\$ 12,454,236</u>

March 31, 2022				
Loans	Commercial	Commercial Real Estate	Others	Total Loans
Individually evaluated for impairment	\$ -	\$ -	\$ -	\$ -
Collectively evaluated for impairment	261,903,379	566,659,260	156,014	828,718,653
Ending balance	<u>\$ 261,903,379</u>	<u>\$ 566,659,260</u>	<u>\$ 156,014</u>	<u>\$ 828,718,653</u>

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

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

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

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

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

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

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

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

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

Loss: An asset, or portion thereof, classified as Loss is considered uncollectible and of such little value that its continuance on the Bank's books as an asset is not warranted. This does not mean that they have no recovery value. Recovery, if any, may be long-term in nature and, therefore, it is not practical or desirable to defer writing off the asset. This classification is based upon current facts, not probabilities. Loans that are classified Loss are to be charged off. There is no balance to report at March 31, 2022 and 2021.

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NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

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:

2022				
	Commercial and industrial	Commercial Real Estate	Other	Total
Grade:				
Pass	\$ 252,996,454	\$ 267,803,620	\$ 156,014	\$ 520,956,088
Watch	8,906,925	282,572,040	-	291,478,965
Special mention	-	16,283,600	-	16,283,600
Substandard	-	-	-	-
Doubtful	-	-	-	-
	\$ 261,903,379	\$ 566,659,260	\$ 156,014	\$ 828,718,653

2021				
	Commercial and industrial	Commercial Real Estate	Other	Total
Grade:				
Pass	\$ 192,427,547	\$ 171,995,042	\$ 62	\$ 364,422,651
Watch	2,129,299	303,216,429	-	305,345,728
Special mention	200,542	14,929,147	-	15,129,689
Substandard	-	26,235,269	-	26,235,269
Doubtful	-	-	-	-
	\$ 194,757,388	\$ 516,375,887	\$ 62	\$ 711,133,337

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

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:

	2022						Recorded Investment Greater Than 90 Days and Accruing
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans	
Commercial and other industrial	\$ -	\$ -	\$ -	\$ -	\$ 261,903,379	\$ 261,903,379	\$ -
Commercial real estate	16,360,891	6,342,373	-	22,703,264	543,955,996	566,659,260	-
Other	-	-	-	-	156,014	156,014	-
	\$16,360,891	\$ 6,342,373	\$ -	\$22,703,264	\$ 806,015,389	\$ 828,718,653	\$ -

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

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

	2022	2021
Nonaccrual loans other than trouble debt restructurings	\$ -	\$ 26,235,269
Nonaccrual loans restructured in a troubled debt restructuring	-	-
Total nonperforming loans	\$ -	\$ 26,235,269
Retructured loans, accruing	\$ -	\$ -

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

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

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

	<u>2022</u>	<u>2021</u>
Commercial and Industrial	\$ -	\$ -
Commercial real estate, other	-	26,235,269
	<u>\$ -</u>	<u>\$ 26,235,269</u>
Interest income not recognized	<u>\$ -</u>	<u>\$ 567,898</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, 2022 and 2021.

There was no interest income recognized on a cash basis on impaired loans during the years ended March 31, 2022 and 2021.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

NOTE 4 – Furniture, Fixtures and Equipment

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

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 759,281	\$ 759,281
Leasehold improvements	2,061,021	2,061,021
Equipment	474,383	434,415
Software	100,476	98,946
Computer hardware	374,953	360,554
	<u>3,770,114</u>	<u>3,714,217</u>
Less accumulated depreciation and amortization	3,309,276	3,066,461
	<u>\$ 460,838</u>	<u>\$ 647,756</u>

Depreciation and amortization expense for the years ended March 31, 2022 and 2021 was \$242,815 and \$313,435, respectively.

NOTE 5 – Deposits

Deposits consist of the following at March 31:

	<u>2022</u>	<u>2021</u>
Noninterest bearing demand	\$ 138,890,165	\$ 114,038,540
Savings	43,696,808	34,887,273
Money market	244,204,266	233,782,492
Negotiable order of withdrawal (NOW)	19,371,427	11,553,923
Certificates of deposit of \$250,000 or more	162,145,981	137,326,582
Certificates of deposit under \$250,000	181,176,899	185,816,902
	<u>\$ 789,485,546</u>	<u>\$ 717,405,712</u>

As of March 31, 2022 and 2021, the Bank had deposits from two entities totaling \$135.220 million and \$93.325 million, respectively, which were in excess of 5% of total deposits.

As of March 31, 2022 and 2021, the Bank's brokered deposits totaled \$18.567 million and \$12.519 million, respectively, including wholesale money market deposits of \$8.527 million and \$12.519 million, respectively.

Time deposits from the State of California at March 31, 2022 and 2021 were \$45 million and \$35 million, respectively.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

NOTE 5 – Deposits (cont.)

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

	<u>2022</u>	<u>2021</u>
Three months or less	\$ 117,379,115	\$ 117,101,064
Over three months through one year	188,970,031	174,823,625
Over one year through three years	35,295,225	28,860,449
Over three years	1,678,509	2,358,346
	<u>\$ 343,322,880</u>	<u>\$ 323,143,484</u>

NOTE 6 – Income Taxes

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

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

	<u>2022</u>	<u>2021</u>
Current	\$ 3,350,819	\$ 2,390,960
Deferred	(766,545)	(408,024)
Total income tax expense	<u>\$ 2,584,274</u>	<u>\$ 1,982,936</u>

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

NOTE 6 – Income Taxes (cont.)

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

	<u>2022</u>	<u>2021</u>
Deferred tax assets:		
Allowance for loan losses	\$ 3,682,000	\$ 3,275,000
Depreciation	385,000	311,000
Nonaccrual Loan Interest	690,000	171,000
Unrealized loss on securities available for sale	2,202,000	339,000
Other	308,000	541,000
Total deferred tax assets	<u>7,267,000</u>	<u>4,637,000</u>
Deferred tax liabilities:		
FHLB stock dividends	<u>(43,000)</u>	<u>(43,000)</u>
Total deferred tax liabilities	<u>(43,000)</u>	<u>(43,000)</u>
Net deferred tax asset	<u>\$ 7,224,000</u>	<u>\$ 4,594,000</u>

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, 2022 was \$800.

The Bank regularly reviews the carrying amount of its deferred tax assets to determine if the establishment of a valuation allowance is necessary. If based on the available evidence, it is more likely than not that all or a portion of the Bank's deferred tax assets will not be realized in future periods, a deferred tax valuation allowance would be established. Consideration is given to all positive and negative evidence related to the realization of the deferred tax assets. Based on all the evidence at March 31, 2022 and 2021, 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, 2022 and 2021

NOTE 7 – Commitment and Contingencies

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

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

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

	<u>2022</u>	<u>2021</u>
Loans	\$ 16,903,744	\$ 28,092,334
Standby letters of credit	15,010,334	15,232,189
Commercial letters of credit	1,732,647	1,174,464

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

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

NOTE 7 – Commitment and Contingencies (cont.)

Lease commitments: Branch premises are leased from unaffiliated parties under various leases, expiring through March 2034. 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 \$1,959,034 and \$2,104,648 for the years ended March 31, 2022 and 2021, respectively.

The Bank leases equipment under noncancelable operating leases expiring through July 2027. 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, 2022 and 2021 was \$71,500 and \$93,532, 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
2023	\$ 1,021,166	\$ 382,081	\$ 65,580	\$ 1,468,827
2024	914,700	5,185	37,707	957,592
2025	745,158	-	35,809	780,967
2026	624,780	-	16,305	641,085
2027	483,682	-	5,459	489,141
Thereafter	3,894,453	-	566	3,895,019
	<u>\$ 7,683,939</u>	<u>\$ 387,266</u>	<u>\$ 161,426</u>	<u>\$ 8,232,631</u>

Contingencies: In the normal course of business, State Bank of India (California) may be involved in various legal proceedings. The Bank has reached a settlement agreement with respect to two related putative wage and hour class action lawsuits with the plaintiffs and their attorneys. Final judgment was issued on January 5, 2022 and the cases were closed. The settlement amount has been fully paid. There were no other lawsuits as of March 31, 2022.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

NOTE 8 – Transactions with Parent/Related Party

To facilitate foreign currency transactions with its customers, the Bank purchases foreign currency from the Parent Bank. These purchases are at market rates and terms. The Bank had purchased Indian Rupees worth a total of \$209.277 million and \$142.801 million, respectively, from the Parent Bank during the fiscal years ended on March 31, 2022 and 2021.

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, 2022 and 2021 were approximately \$2,989,686 and \$4,977,092, respectively.

As discussed in Note 1, the Bank entered into a tax sharing agreement with the Parent Bank in February of 2014. The impact of the tax sharing agreement is reflected in the Bank's tax expense for the years ended March 31, 2022 and 2021.

For the years ended March 31, 2022 and 2021, the Bank recognized management fees of \$80,500 and \$87,500, respectively, representing, primarily, board fees and reimbursement of travel expenses for directors from the Parent Bank, if any.

NOTE 9 – Federal Home Loan Bank Borrowings

At March 31, 2022, 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, 2022 and 2021, the FHLB advances aggregated \$26 million and \$5 million, respectively. The \$26 million borrowing was for a term of one week.

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, 2022 and 2021

NOTE 10 – Foreign Currency Transactions

The Bank enters into foreign currency exchange transactions to purchase Indian Rupees for its customers on a regular basis. The Bank has both long and short exposure in its foreign exchange transactions depending on the Bank's foreign currency position at the end of any accounting period. Long exposure indicates the Bank has foreign currency in excess of its needs, while a short exposure indicates the Bank requires additional foreign currency to meet its needs. The Bank is exposed to market risk as foreign currency exchange rates may fluctuate. Management attempts to minimize this risk through internal policies related to the maximum amount of exposure that can exist on any given day. The Bank does not enter into hedge contracts to reduce foreign currency exposure. At March 31, 2022 and 2021, the Bank's long exposure related to Indian Rupees was \$772,300 and \$1,654,993, 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 \$1,294,214 and \$892,736 for the years ended March 31, 2022 and 2021, respectively.

NOTE 11 – Regulatory Matters

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

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and ratios (set forth in the table that follows) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined). Management believes, as of March 31, 2022, 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, 2022 and 2021

NOTE 11 – Regulatory Matters (cont.)

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

	2022					
	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	\$ 168,218,112	19.50%	\$69,016,008	≥8%	\$86,270,010	≥10%
Tier 1 capital, to risk-weighted assets	\$ 157,412,876	18.25%	\$51,762,006	≥6%	\$69,016,008	≥8%
Tier 1 capital, to average assets	\$ 157,412,876	16.51%	\$38,834,068	≥4%	\$48,542,585	≥5%
Common equity tier 1 capital, to risk-weighted assets	\$ 157,412,876	18.25%	\$38,821,504	≥4.5%	\$56,075,506	≥6.5%
	2021					
	Actual		For Capital Adequacy Purposes		To be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital, to risk-weighted assets	\$ 159,614,168	21.14%	\$60,413,338	≥8%	\$75,516,672	≥10%
Tier 1 capital, to risk-weighted assets	\$ 150,153,406	19.88%	\$45,310,003	≥6%	\$60,413,338	≥8%
Tier 1 capital, to average assets	\$ 150,153,406	16.85%	\$35,011,789	≥4%	\$43,764,737	≥5%
Common equity tier 1 capital, to risk-weighted assets	\$ 150,153,406	19.88%	\$33,982,503	≥4.5%	\$49,085,837	≥6.5%

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

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

The Bank paid dividends of \$2.1 million and \$2 million for the years ended March 31, 2022 and 2021, respectively.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

NOTE 12 – Fair Value Measurement

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

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

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

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

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended March 31, 2022 and 2021

NOTE 12 – Fair Value Measurement (cont.)

Assets Measured at Fair Value on a Recurring Basis on March 31

	Carrying Value at March 31	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2022				
U.S. government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 64,634,638	\$ -	\$ 64,634,638	\$ -
U.S. Treasury Notes	29,015,790	29,015,790	-	-
SBA Pool Securities	5,827,277	-	5,827,277	-
Municipal bonds	2,861,310	-	2,861,310	-
Corporate bonds	2,835,300	-	2,835,300	-
	\$ 105,174,315	\$ 29,015,790	\$ 76,158,525	\$ -

2021

U.S. government agency collateralized mortgage obligations and mortgage-backed securities, residential	\$ 74,172,529	\$ -	\$ 74,172,529	\$ -
U.S. Treasury Notes	28,381,850	28,381,850	-	-
SBA Pool Securities	7,588,471	-	7,588,471	-
Municipal bonds	3,123,300	-	3,123,300	-
Interest rate swap asset	79,552	-	79,552	-
	\$ 113,345,702	\$ 28,381,850	\$ 84,963,852	\$ -

Assets Measured at Fair Value on a Nonrecurring Basis on March 31

	Carrying Value at March 31	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2022				
Impaired loans, including loans with partial charge-offs	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
2021				
Impaired loans, including loans with partial charge-offs	\$ 26,235,269	\$ -	\$ -	\$ 26,235,269
	\$ 26,235,269	\$ -	\$ -	\$ 26,235,269

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

NOTE 13 – Fair Value of Financial Instruments

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

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

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

Securities: The fair value of securities available for sale is determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities, but rather, by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

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

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

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

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

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

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

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

Fair value of commitments: The estimated fair value of fee income on letters of credit at March 31, 2022 and 2021 was insignificant.

STATE BANK OF INDIA (CALIFORNIA)

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended March 31, 2022 and 2021

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

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

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	\$ 32,869,451	\$ 32,869,451	\$ 47,020,587	\$ 47,020,587
Securities	105,174,315	105,174,315	113,345,702	113,345,702
Loans, net	814,607,862	819,829,566	698,356,961	714,137,042
FHLB and CDFI stock	5,590,063	5,590,063	4,924,900	4,924,900
Interest receivable	2,726,744	2,726,744	3,860,217	3,860,217
Interest rate swap asset	-	-	79,552	79,552
Financial liabilities:				
Deposits	789,485,546	743,715,895	717,405,712	712,753,483
FHLB borrowings	26,000,000	26,000,000	5,000,000	5,000,000
Interest payable	194,657	194,657	258,951	258,951

NOTE 14 – Subsequent Events

The Bank has evaluated the effects of subsequent events that have occurred through April 28, 2022, the date when the financial statements were available to be issued, and there have been no material events that would require recognition in the Bank's financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTAL INFORMATION



RSM US LLP

Independent Auditor's Report on the Supplementary Information

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) (the Company) as of and for the years ended March 31, 2022 and 2021, 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

Irvine, California
April 28, 2022

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State Bank of India (California)

(Amount in USD in thousands)

Balance Sheet as on 31.03.2022

Capital and Liabilities	Sch No.	As at 31st March 2022	As at 31st March 2021
Equity Share Capital	1	103,862	103,862
Reserves and Surplus	2		
Balance brought forward (as at 01.04.2021 / 01.04.2020)		44,583	41,244
Add / (Less) :			
Addition in Share Premium		-	-
Profit/(Loss) during the year		9,279	7,563
Dividend and Tax on Dividend		-	-
Mark to Market of AFS securities for 01.04.2021 to 31.03.2022		2,100	2,000
Addition in Foreign Currency Translation Reserve		(3,353)	(2,224)
Other Adjustments (Pl. specify)			
Other Adjustments (Pl. specify)			
Other Adjustments (Pl. specify)			
Balance carried over as at 31.03.2022 / 31.03.2021		48,409	44,583
Deposits	3	789,486	717,406
Borrowings (including AT 1, Tier II & Subordinated Debts)	4	26,000	5,000
Other Liabilities and Provisions	5	17,196	16,155
TOTAL		984,953	887,006

Assets	Sch No.	As at 31st March 2022	As at 31st March 2021
Cash and Balances with Reserve Bank of India	6	1,264	1,074
Balances with banks and money at call & short notice	7	31,605	45,947
Gross value of Investments	8	105,161	111,737
Aggregate of Provisions / Depreciation as at 31.03.2022		-	-
Carrying Value as at 31.03.2022		105,161	111,737
Net Advances	9	828,719	711,133
Fixed Assets	10	461	648
Other Assets	11	17,743	16,467
TOTAL		984,953	887,006

Contingent Liabilities	12	16,089	15,549
Bills for Collection		-	-

Profit and Loss Account for the year ended 31.03.2022

I. INCOME	Sch No.	31st March 2022	31st March 2021
Interest Earned	13		
a) Interest/discount on advances/bills		29,610	30,930
b) Income from Investments (including dividend)		1,844	1,884
c) Interest on balances with RBI and other inter bank funds		-	-
d) Others		-	-
Other Income	14	2,447	1,733
Total Income		33,901	34,547

II. EXPENDITURE	Sch No.	31st March 2022	31st March 2021
Interest expended	15	3,411	6,196
Operating expenses	16		
a) Payment to and provisions for employees		10,945	10,452
b) Depreciation on fixed assets (including Leased Assets)		243	313
c) Other Operating Expenses		6,051	6,288
Total Expenses (excluding provisions and contingencies)		20,650	23,249

III. Operating Profit		13,251	11,298
Provisions (other than tax) and contingencies (net of write-back)		1,377	4,905
Profit or (loss) from ordinary activities before tax		11,874	6,393
Exceptional & Extraordinary items			
Profit or (loss) before tax		11,874	6,393
Tax Expense		2,595	1,170
Net Profit / (Loss) for the year		9,279	7,563
Add: Brought forward Profit / (Loss) as at 01.04.2021 / 01.04.2020			
TOTAL		9,279	7,563

IV. APPROPRIATIONS			
Transfer to Statutory Reserves			
Transfer to Capital Reserves			
Transfer to Investment Reserves			
Transfer to Investment Fluctuation Reserves			
Transfer to Revenue & Other Reserves		9,279	7,563
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			
Total		9,279	7,563

Managing Director/CEO

RSM US LLP

Statutory Auditors

Annexure 2

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
	<u>SCHEDULE 1 - EQUITY SHARE CAPITAL</u>		
	Authorised Equity Share Capital - shares of Rs. /- each	1,038,622	1,038,622
	Issued, Subscribed and Paid-up Equity Share Capital - equity shares of Rs. /- each	103,862	103,862
	(Previous year equity shares of Rs. /- each)		
	TOTAL	103,862	103,862

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
	<u>SCHEDULE 2 - RESERVES & SURPLUS</u>		
I. Statutory Reserves			
	Opening Balance		
	Additions during the year		
	Deductions during the year		
	Total I	-	-
II. Capital Reserves			
	Opening Balance		
	Additions during the year		
	Deductions during the year		
	Total II	-	-
III. Share Premium			
	Opening Balance		
	Additions during the year		
	Deductions during the year		
	Total III	-	-
IV. Investment Fluctuation Reserve			
	Opening Balance		
	Additions during the year		
	Deductions during the year		
	Total IV	-	-
V. Investment Reserve			
	Opening Balance		
	Additions during the year		
	Deductions during the year		
	Total V	-	-
VI. Foreign Currency Translation Reserve			
	Opening Balance		
	Additions during the year		
	Deductions during the year		
	Total VI	-	-
VII. Revaluation Reserve on Fixed Assets			
	Opening Balance		
	Additions during the year		
	Deductions during the year		
	Total VII	-	-
VIII. Revenue and Other Reserves			
	Opening Balance	47,077	41,514
	Additions during the year	9,279	7,563
	Deductions during the year	2,100	2,000
	Total VIII	54,256	47,077
IX. Available for Sale (AFS) Reserve			
	Opening Balance	(2,494)	(270)
	Additions during the year		
	Deductions during the year	3,353	2,224
	Total IX	(5,847)	(2,494)
X. Balance in Profit and Loss Account		-	-
	GRAND TOTAL (I+II+III+IV+V+VI+VII+VIII+IX+X)	48,409	44,583

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
SCHEDULE 3 - DEPOSITS			
A.	I. Demand Deposits		
	(i) From Banks	266	86
	(ii) From Others	158,004	125,547
	II. Savings Bank Deposits	287,901	268,670
	III. Term Deposits		
	(i) From Banks	35,004	31,357
	(ii) From Others	308,311	291,746
	Total	789,486	717,406
B.			
	I. Deposits of Branches in India	266	86
	II. Deposits of Branches outside India	789,220	717,320
SCHEDULE 4 - BORROWINGS			
	I. Borrowings in India		
	(i) Reserve Bank of India		
	(ii) Other Banks		
	(iii) Other institutions and agencies		
	(iv) Innovative Perpetual Debt Instruments (IPDI) - AT-1 Bonds		
	(v) Subordinated Debts and Bonds - Tier - II		
	(vi) Redeemable Cumulative Preference Shares (RCPS)		
	Total I	-	-
	II. Borrowings outside India		
	(i) Borrowings and Refinance outside India		
	- From banks	26,000	5,000
	- From other institutions and agencies		
	(ii) Innovative Perpetual Debt Instruments (AT-1 Bonds)		
	(iii) Subordinated Debts and Bonds (Tier - II)		
	(iv) Redeemable Cumulative Preference Shares (RCPS)		
	Total II	26,000	5,000
	GRAND TOTAL (I+II)	26,000	5,000
	Secured Borrowings included in I & II above		

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
	<u>SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS</u>		
I.	Bills payable		
II.	Inter Bank adjustments		
III.	Inter - Office adjustments (net)		
IV.	Interest accrued	195	259
V.	Deferred Tax Liabilities		
VI.	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		
VIII.	foreign currency exposure	12,454	11,077
IX.	Others (including provisions)	4,547	4,819
	Total	17,196	16,155
	<u>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE</u>		
	<u>BANK OF INDIA</u>		
I.	Cash in hand (including foreign currency notes and gold)	1,264	1,074
II.	Balances with Reserve Bank of India		
	(i) In Current Account		
	(ii) In Other Accounts		
	Total	1,264	1,074

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
	<u>SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE</u>		
I.	In India		
	(i) Balances with banks		
	(a) In Current Account	2,990	4,977
	(b) In Other Deposit Accounts		
	(ii) Money at call and short notice		
	(a) With banks		
	(b) With Other Institutions		
	TOTAL I	2,990	4,977
II.	Outside India		
	(i) In Current Account	28,515	37,882
	(ii) In Other Deposit Accounts	100	3,088
	(iii) Money at call and short notice		
	TOTAL II	28,615	40,970
	GRAND TOTAL	31,605	45,947
	(I and II)		

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
<u>SCHEDULE 8 - INVESTMENTS</u>			
I.	Investment in India in		
	(i) Government Securities		
	(ii) Other Approved Securities		
	(iii) Shares		
	(iv) Debentures and Bonds		
	(v) Group Subsidiaries and/or Joint ventures (e.g. SBI Foundation)		
	(vi) Group Associates		
	(vii) Others (Units of mutual funds, commercial papers, etc.)		
	TOTAL I	-	-
II.	Investment Outside India in		
	(i) Government Securities (including local authorities)	105,161	111,737
	(ii) Other Approved Securities		
	(iii) Shares		
	(iv) Debentures and Bonds		
	(v) Group Subsidiaries and/or Joint ventures abroad (e.g. State Bank of India Servicos Limitada, Brazil)		
	(vi) Group Associates		
	(vii) Others (Units of mutual funds, commercial papers, etc.)		
	TOTAL II	105,161	111,737
	GRAND TOTAL (I and II)	105,161	111,737
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	105,161	111,737
	(ii) Aggregate of Provisions / Depreciation		
	(iii) Net Investments (vide II above)	105,161	111,737
	GRAND TOTAL (III and IV)	105,161	111,737

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
	<u>SCHEDULE 9 - ADVANCES</u>		
A.	(I) Bills purchased and discounted		
	(II) Cash Credits, Overdrafts and Loans repayable on demand	200	185
	(III) Term Loans	828,519	710,948
	Total (A)	828,719	711,133
B.	(I) Secured against Book Debts		
	(II) Secured by tangible assets (excluding advances against Book Debts)	817,652	702,745
	(III) Covered by Bank/Government Guarantees		
	(IV) Unsecured	11,067	8,388
	Total (B)	828,719	711,133
C.	(I) Advances in India		
	(i) Priority Sector		
	(ii) Public Sector		
	(iii) Banks		
	(iv) Others		
	Sub Total (C.I)	-	-
	(II) Advances outside India		
	(i) Due from banks		
	(ii) Due from others		
	(a) Bills purchased and discounted	198,877	139,826
	(b) Syndicated loans	629,842	571,307
	(c) Others		
	Sub Total (C.II)	828,719	711,133
	Total C = (C.I+ C.II)	828,719	711,133
	<i>NOTE: Total of A = Total of B = Total of C</i>		

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
<u>SCHEDULE 10 - FIXED ASSETS</u>			
I.	Premises		
	At cost as on 31st March of the preceding year		
	Additions during the year		
	Deductions during the year		
	Accumulated Depreciation to date		
	TOTAL I	-	-
IA	Premises under construction		
II.	Other Fixed Assets (including furniture and fixtures) #		
	At cost as on 31st March of the preceding year	3,801	5,204
	Additions during the year	12	125
	Deductions during the year	43	1,528
	Accumulated Depreciation to date	3,309	3,153
	TOTAL II	461	648
IIA	Other Fixed Assets (including furniture and fixtures) under construction		
III.	Leased Assets (including assets taken on Finance lease)		
	At cost as on 31st March of the preceding year		
	Additions during the year		
	Deductions during the year		
	Accumulated Depreciation to date		
	SUB-TOTAL III	-	-
	Add/ (Less): Lease Adjustments and Provisions		
	TOTAL III	-	-
IV	Capital Work-in-progress (including Leased Assets) net of Provisions		
	GRAND TOTAL (I+IA+II+IIA+III+HIIA+IV)	461	648
#	Other Fixed Assets includes Leased-hold improvement/development on operating leases.		

<u>SCHEDULE 11 - OTHER ASSETS</u>			
I.	Inter bank adjustments		
II.	Inter - Office adjustments (net)		
III.	Interest accrued	2,727	3,860
IV.	Tax paid in advance / tax deducted at source (Net)	-	569
V.	Stationery & Stamps		
VI.	Non-banking assets acquired in satisfaction of claims		
VII.	Deferred tax asset	5,022	4,594
	Deposits placed with NABARD/SIDBI/NHB etc. for meeting shortfall in priority sector lending (e.g. RIDF, etc.)		
VIII.	Others excluding Intangible Assets	9,994	7,444
X.	Intangible Assets :		
	(a) Deferred Revenue Expenditure		
	(b) MAT Credit Balance		
	(c) Other Intangible Assets (pl. specify)		
	(d) Other Intangible Assets (pl. specify)		
	TOTAL	17,743	16,467

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
	<u>SCHEDULE 12 - CONTINGENT LIABILITIES</u>		
I.	Claims against the entity not acknowledged as debts		
II.	Income Tax , Service Tax and other Statutory & Regulatory Demands / liabilities (net -off provisions)		
III.	Liability for partly paid investments / Venture Funds		
IV.	Liability on account of outstanding forward exchange contracts		
V.	Guarantees given on behalf of constituents		
	(a) In India		
	(b) Outside India	1,079	317
VI.	Acceptances, endorsements and other obligations		
VII.	Notional amount for outstanding Derivative contracts other-than Forward exchange contracts		
VIII.	Other items for which the entity is contingently liable (including undrawn partial credit enhancement facilities and When Issued (WI) Securities.	15,010	15,232
	TOTAL	16,089	15,549
	Bills for collection		

		For the year ended 31st March 2022	For the year ended 31st March 2021
	<u>SCHEDULE 13 - INTEREST EARNED</u>		
I.	Interest / discount on advances/ bills	29,610	30,930
II.	Income on Investments (including dividend)	1,844	1,884
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	-	-
IV.	Others including interest on deposits placed for meeting shortfall in priority sector lending	-	-
	TOTAL	31,454	32,814

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
	<u>SCHEDULE 14 - OTHER INCOME</u>		
I.	Commission, exchange and brokerage	835	662
II.	a) Profit on sale of investments	81	1,154
	b) Loss on sale of investments	-	-
III.	a) Profit on revaluation of investments	-	-
	b) Loss on revaluation of investments	-	-
IV.	a) Profit on sale of land, buildings and other assets	-	-
	b) Loss on sale of land, buildings and other assets	-	-
V.	a) Profit on sale of leased assets	-	-
	b) Loss on sale of leased assets	-	-
VI.	a) Profit on exchange transactions	1,303	902
	b) Loss on exchange transactions	-	-
	Income earned by way of dividends, etc., from group subsidiaries / joint ventures and/or group associates abroad/in India (e.g. DFHI, CCIL etc.)	-	-
VII.	CCIL etc.)	-	-
VIII.	a) Lease finance income	-	-
	b) Lease management fee	-	-
	c) Overdue charges	-	-
	d) Interest on lease rent receivables	-	-
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	228	(985)
	TOTAL	2,447	1,733

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
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<u>SCHEDULE 15 - INTEREST EXPENDED</u>			
I.	Interest on deposits	3,398	6,015
II.	Interest on Reserve Bank of India/ Inter-bank borrowings	13	181
III.	Others	-	-
	TOTAL	3,411	6,196

<u>SCHEDULE 16 - OPERATING EXPENSES</u>			
I.	Payments to and provisions for employees	10,945	10,452
II.	Rent, taxes and lighting	1,532	1,656
III.	Printing & Stationery	97	83
IV.	Advertisement and publicity	200	136
V.	Depreciation on	-	-
	(a) Fixed Assets other than Leased Assets	243	313
	(b) Leased Assets	-	-
VI.	Directors' fees, allowances and expenses	210	292
	Auditors' fees and expenses (including branch auditors' fees and expenses)	298	284
VII.	Law charges	(78)	342
VIII.	Postages, Telegrams, Telephones, etc.	251	255
IX.	Repairs and maintenance	796	622
X.	Insurance Expenses	156	151
XI.	Amortisation of Goodwill, if any	-	-
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	2,589	2,467
	TOTAL	17,239	17,053

State Bank of India (California)

(Amount in USD in thousands)

	Particulars	As at 31st March 2022	As at 31st March 2021
SCHEDULE : PROVISIONS & CONTINGENCIES (charged off to P & L a/c)			
	Provision for Income Tax (Current tax)	3,023	194
	Provision for Income Tax (Deferred tax)	(428)	(1,364)
	Write - Back of Provision for Income Tax of earlier years	-	-
	Provision for other taxes	-	-
	Provision for Standard Assets including provision for unhedged foreign currency exposure	1,377	1,018
	Provision for NPAs	-	3,935
	Provision for Restructured Assets	-	-
	Provision for investments in India	-	-
	Provision for investments outside India	-	(48)
	Provision for RRBs/Subsidiaries/Joint Ventures	-	-
	Provision on other assets	-	-
	Other Provisions (Please Specify)	-	-
	Other Provisions (Please specify)	-	-
	Other Provisions (Please specify)	-	-
	Total Provisions & Contingencies	3,972	3,735

Managing Director/CEO

RSM US LLP

Statutory Auditors

State Bank of India (California)

Data for translation of income/expenses of non-integral foreign operationsProfit and Loss account for the year 01.04.2021 to 31.03.2022

(Amount in thousands in local currency)

Particulars	QE 30.06.21	QE 30.09.21	Name of the Currency		USD
			QE 31.12.21	QE 31.03.22	Total
	(a)	(b)	(c)	(d)	e = a+b+c+d
SCHEDULE 13 - INTEREST EARNED					
I. Interest / discount on advances/ bills	7021	7024	7664	7901	29610
II. Income on Investments (including dividend)	439	451	480	474	1844
Interest on balances with Reserve Bank of India and other inter-bank funds					0
Others including interest on deposits placed for meeting shortfall in priority sector lending					0
TOTAL	7460	7475	8144	8375	31454
SCHEDULE 14 - OTHER INCOME					
I. Commission, exchange and brokerage	177	246	222	190	835
II. a) Profit on sale of investments		81			81
b) Loss on sale of investments					0
III. a) Profit on revaluation of investments					0
b) Loss on revaluation of investments					0
IV. a) Profit on sale of land, buildings and other assets					0
b) Loss on sale of land, buildings and other assets					0
V. a) Profit on sale of leased assets					0
b) Loss on sale of leased assets					0
VI. a) Profit on exchange transactions	252	286	394	371	1303
b) Loss on exchange transactions					0
Income earned by way of dividends, etc., from group subsidiaries / joint ventures and/or group associates abroad/in India (e.g. DFHL, CCIL etc.)					0
VII. a) Lease finance income					0
b) Lease management fee					0
c) Overdue charges					0
d) Interest on lease rent receivables					0
IX. Credit Card membership/ service fees					0
X. Life Insurance Premium (net)					0
XI. General Insurance Premium (net)					0
XII. Share of earnings from associates					0
XIII. Recoveries made in write-off non-performing accounts					0
XIV. Miscellaneous income	44	130	(52)	106	228
TOTAL	473	743	564	667	2447
SCHEDULE 15 - INTEREST EXPENDED					
I. Interest on deposits	929	808	860	801	3398
II. Interest on Reserve Bank of India/ Inter-bank borrowings			1	12	13
III. Others					0
TOTAL	929	808	861	813	3411

Particulars	QE 30.06.21	QE 30.09.21	QE 31.12.21	QE 31.03.22	Total
	(a)	(b)	(c)	(d)	e = a+b+c+d
SCHEDULE 16 - OPERATING EXPENSES					
I. Payments to and provisions for employees	2678	2617	2633	3017	10945
II. Rent, taxes and lighting	241	350	529	412	1532
III. Printing & Stationery	11	21	39	26	97
IV. Advertisement and publicity	32	59	65	44	200
V. Depreciation on					
(a) Fixed Assets other than Leased Assets	63	64	60	56	243
(b) Leased Assets					0
VI. Directors' fees, allowances and expenses	53	52	53	52	210
Auditors' fees and expenses (including branch auditors' fees and expenses)	72	82	72	72	298
VII. Law charges	77	(128)	20	(47)	(78)
IX. Postages, Telegrams, Telephones, etc.	55	66	60	70	251
X. Repairs and maintenance	189	196	217	194	796
XI. Insurance Expenses	39	38	39	40	156
XII. Amortisation of Goodwill, if any					0
XIII. Other Operating Expenses relating to Credit Card Operations					0
XIV. Other Operating Expenses relating to Life Insurance					0
XV. Other Operating Expenses relating to General Insurance					0
XVI. Other Expenditure	630	670	697	592	2589
TOTAL	4140	4087	4484	4528	17239

SCHEDULE : PROVISIONS & CONTINGENCIES (charged off to P & L a/c)					
Provision for Income Tax (Current tax)	1192	1346	972	(487)	3023
Provision for Income Tax (Deferred tax)	(223)	(125)	(513)	433	(428)
Write - Back of Provision for Income Tax of earlier years					0
Provision for other taxes					0
Provision for Standard Assets including provision for unhedged foreign currency exposure	3	123	751	500	1377
Provision for NPAs	(120)	(262)	382		0
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
Total Provisions & Contingencies	852	1082	1592	446	3972
Net Profit for the quarter	2012	2241	1771	3255	9279

Note: a) Figures in the last column should tally with CFS P&L a/c of 2021-22

Managing Director/CEO

RSM VS LLP

Statutory Auditors

State Bank of India (California)

Balance Sheet as at 31st March 2022

(Amount in USD in thousands)

	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
I. Capital and Liabilities			
1. Equity Share Capital	103,862	-	103,862
2. Reserves and Surplus			
Balance brought forward (as at 01.04.2021)	44,583	-	44,583
<u>Add / (Less) :</u>			
Addition in Share Premium	-	-	-
Profit/(Loss) during the year	9,279	-	9,279
Dividend and Tax on Dividend	2,100	-	2,100
Mark to Market of AFS securities for 01.04.2021 to 31.03.2022	3,353	-	3,353
Addition in Foreign Currency Translation Reserve	-	-	-
Other Adjustments (Pl. specify)	-	-	-
Other Adjustments (Pl. specify)	-	-	-
Other Adjustments (Pl. specify)	-	-	-
Balance carried over as at 31.03.2022	48,409	-	48,409
3. Deposits	789,486	-	789,486
4. Borrowings (including Tier I, Tier II & Subordinated Debts)	26,000	-	26,000
5. Other Liabilities and Provisions	17,196	-	17,196
TOTAL	984,953	-	984,953

(Amount in USD in thousands)

	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
II. Assets			
6. Cash and Balances with Reserve Bank of India	1,264	-	1,264
7. Balances with banks and money at call & short notice	31,605	-	31,605
8. Investments			
Gross Value of Investments as at 31.03.2022	105,161	-	105,161
Aggregate of Provisions / Depreciation as at 31.03.2022	-	-	-
Carrying Value as at 31.03.2022	105,161	-	105,161
9. Net Advances	828,719	-	828,719
10. Fixed Assets	461	-	461
11. Other Assets	17,743	-	17,743
TOTAL	984,953	-	984,953

-	-	-
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Contingent Liabilities	16,089	-	16,089
Bills for Collection	-	-	-

Profit and Loss account for the year ended 31.03.2022

(Amount in USD in thousands)

	As per Financials (column 1)	Adjustment due to Non-uniform Accounting Policy (column 2)	Total
A. INCOME			
1. Interest Earned			
a) Interest/discount on advances/bills	29,610	-	29,610
b) Income from Investments (including dividend)	1,844	-	1,844
c) Interest on balances with RBI and other inter bank funds	-	-	-
d) Others	-	-	-
2. Other Income	2,447	-	2,447
TOTAL	33,901	-	33,901
B. EXPENDITURE			
1. Interest Expended	3,411	-	3,411
2. Operating Expenses			
a) Payment to and provisions for employees	10,945	-	10,945
b) Depreciation on fixed assets (including Leased Assets)	243	-	243
c) Other Operating Expenses	6,051	-	6,051
3. Total Expenses (excluding provisions and contingencies)	20,650	-	20,650
4. Operating Profit	13,251	-	13,251
5. Provisions (other than tax) and contingencies (net of write-back)	1,377	-	1,377
6. Profit or (loss) from ordinary activities before tax	11,874	-	11,874
7. Exceptional & Extraordinary items	-		-
8. Profit or (loss) before tax	11,874	-	11,874
9. Tax Expense	2,595	-	2,595
10. Profit or (loss) after tax	9,279	-	9,279
11. Profit brought forward (as at 1st April 2021)	-		-
12. Appropriations (if any)	9,279	-	9,279
13. Balance Carried over to balance sheet as at 31st March 2022	-	-	-

NOTE:

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

Managing Director/CEO

RSM VS LLP

Statutory Auditors

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	<u>SCHEDULE 1 - EQUITY SHARE CAPITAL</u>			
	Authorised Equity Share Capital - shares of Rs. /- each	1,038,622		1,038,622
	Issued, Subscribed and Paid-up Equity Share Capital - equity shares of Rs. /- each	103,862		103,862
	(Previous year equity shares of Rs. /- each)			
	TOTAL	103,862	-	103,862

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	<u>SCHEDULE 2 - RESERVES & SURPLUS</u>			
I. Statutory Reserves				
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total I	-	-	-
II. Capital Reserves				
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total II	-	-	-
III. Share Premium				
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total III	-	-	-
IV. Investment Fluctuation Reserve				
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total IV	-	-	-
V. Investment Reserve				
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total V	-	-	-
VI. Foreign Currency Translation Reserve				
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total VI	-	-	-
VII. Revaluation Reserve on Fixed Assets				
	Opening Balance	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Total VII	-	-	-
VIII. Revenue and Other Reserves				
	Opening Balance	47,077		47,077
	Additions during the year	9,279		9,279
	Deductions during the year	2,100		2,100
	Total VIII	54,256	-	54,256
IX. Available for Sale (AFS) Reserve				
	Opening Balance	(2,494)		(2,494)
	Additions during the year	-		-
	Deductions during the year	3,353		3,353
	Total IX	(5,847)	-	(5,847)
X. Balance in Profit and Loss Account		-		-
	GRAND TOTAL (I+II+III+IV+V+VI+VII+VIII+IX+X)	48,409	-	48,409

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	<u>SCHEDULE 3 - DEPOSITS</u>			
A.	I. Demand Deposits			
	(i) From Banks	266		266
	(ii) From Others	158,004		158,004
	II. Savings Bank Deposits	287,901		287,901
	III. Term Deposits			
	(i) From Banks	35,004		35,004
	(ii) From Others	308,311		308,311
	Total	789,486	-	789,486
B.	I. Deposits of Branches in India	266		266
	II. Deposits of Branches outside India	789,220		789,220
	<u>SCHEDULE 4 - BORROWINGS</u>			
I.	Borrowings in India			
	(i) Reserve Bank of India	-		-
	(ii) Other Banks	-		-
	(iii) Other institutions and agencies	-		-
	(iv) Innovative Perpetual Debt Instruments (IPDI) - AT-1 Bonds	-		-
	(v) Subordinated Debts and Bonds - Tier - II	-		-
	(vi) Redeemable Cumulative Preference Shares (RCPS)	-		-
	Total I	-	-	-
II.	Borrowings outside India			
	(i) Borrowings and Refinance outside India			
	- From banks	26,000		26,000
	- From other institutions and agencies	-		-
	(ii) Innovative Perpetual Debt Instruments (AT-1 Bonds)	-		-
	(iii) Subordinated Debts and Bonds (Tier - II)	-		-
	(iv) Redeemable Cumulative Preference Shares (RCPS)	-		-
	Total II	26,000	-	26,000
	GRAND TOTAL (I+II)	26,000	-	26,000
	Secured Borrowings included in I & II above	-		-

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
<u>SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS</u>				
	I. Bills payable	-		-
	II. Inter Bank adjustments	-		-
	III. Inter - Office adjustments (net)	-		-
	IV. Interest accrued	195		195
	V. Deferred Tax Liabilities	-		-
	Income Tax Provisions / Liabilities (Net) (<i>i.e. other than</i> VI <i>Deferred Tax , TDS & TCS Liabilities</i>)	-		-
	VII. Liabilities relating to Policyholders in Insurance Business	-		-
	VIII. Provision for Standard Assets including provision for unhedged foreign currency exposure	12,454		12,454
	IX. Others (including provisions)	4,547		4,547
	Total	17,196	-	17,196
<u>SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA</u>				
	I. Cash in hand (including foreign currency notes and gold)	1,264		1,264
	II. Balances with Reserve Bank of India			
	(i) In Current Account	-		-
	(ii) In Other Accounts	-		-
	Total	1,264	-	1,264

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	<u>SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE</u>			
I.	In India			
	(i) Balances with banks			
	(a) In Current Account	2,990		2,990
	(b) In Other Deposit Accounts	-		-
	(ii) Money at call and short notice			
	(a) With banks	-		-
	(b) With Other Institutions	-		-
	TOTAL I	2,990	-	2,990
II.	Outside India			
	(i) In Current Account	28,515		28,515
	(ii) In Other Deposit Accounts	100		100
	(iii) Money at call and short notice	-		-
	TOTAL II	28,615	-	28,615
	GRAND TOTAL	31,605	-	31,605
	(I and II)			

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
<u>SCHEDULE 8 - INVESTMENTS</u>				
I.	Investment in India in			
	(i) Government Securities	-		-
	(ii) Other Approved Securities	-		-
	(iii) Shares	-		-
	(iv) Debentures and Bonds	-		-
	(v) Group Subsidiaries and/or Joint ventures (e.g. SBI Foundation)	-		-
	(vi) Group Associates	-		-
	(vii) Others (Units of mutual funds, commercial papers, etc.)	-		-
	TOTAL I	-	-	-
II.	Investment Outside India in			
	(i) Government Securities (including local authorities)	105,161		105,161
	(ii) Other Approved Securities	-		-
	(iii) Shares	-		-
	(iv) Debentures and Bonds	-		-
	(v) Group Subsidiaries and/or Joint ventures abroad (e.g. State Bank of India Servicos Limitada, Brazil)	-		-
	(vi) Group Associates	-		-
	(vii) Others (Units of mutual funds, commercial papers, etc.)	-		-
	TOTAL II	105,161	-	105,161
	GRAND TOTAL (I and II)	105,161	-	105,161
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	105,161		105,161
	(ii) Aggregate of Provisions / Depreciation	-		-
	(iii) Net Investments (vide II above)	105,161	-	105,161
	GRAND TOTAL (III and IV)	105,161	-	105,161

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	<u>SCHEDULE 9 - ADVANCES</u>			
A.	(I) Bills purchased and discounted	-		-
	(II) Cash Credits, Overdrafts and Loans repayable on demand	200		200
	(III) Term Loans	828,519		828,519
	Total (A)	828,719	-	828,719
B.	(I) Secured against Book Debts	-		-
	(II) Secured by tangible assets (excluding advances against Book Debts)	817,652		817,652
	(III) Covered by Bank/Government Guarantees	-		-
	(IV) Unsecured	11,067		11,067
	Total (B)	828,719	-	828,719
C.	(I) Advances in India	-		-
	(i) Priority Sector	-		-
	(ii) Public Sector	-		-
	(iii) Banks	-		-
	(iv) Others	-		-
	Sub Total (C.I)	-	-	-
	(II) Advances outside India	-		-
	(i) Due from banks	-		-
	(ii) Due from others	-		-
	(a) Bills purchased and discounted	-		-
	(b) Syndicated loans	198,877		198,877
	(c) Others	629,842		629,842
	Sub Total (C.II)	828,719	-	828,719
	Total C = (C.I+ C.II)	828,719	-	828,719
	<i>NOTE: Total of A = Total of B = Total of C</i>			

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	SCHEDULE 10 - FIXED ASSETS			
I.	Premises			
	At cost as on 31st March of the preceding year	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Accumulated Depreciation to date	-		-
	TOTAL I	-	-	-
IA	Premises under construction	-		-
	Other Fixed Assets (including furniture and fixtures)			
II.	#			
	At cost as on 31st March of the preceding year	3,801		3,801
	Additions during the year	12		12
	Deductions during the year	43		43
	Accumulated Depreciation to date	3,309		3,309
	TOTAL II	461	-	461
IIA	Other Fixed Assets (including furniture and fixtures) under construction	-		-
III.	Leased Assets (including assets taken on Finance lease)			
	At cost as on 31st March of the preceding year	-		-
	Additions during the year	-		-
	Deductions during the year	-		-
	Accumulated Depreciation to date	-		-
	SUB-TOTAL III	-	-	-
	Add/ (Less): Lease Adjustments and Provisions	-		-
	TOTAL III	-	-	-
IV	Capital Work-in-progress (including Leased Assets) net of Provisions	-		-
	GRAND TOTAL (I+IA+II+IIA+III+IIIA+IV)	461	-	461
#	Other Fixed Assets includes Leased-hold improvement/development on operating leases.			

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	<u>SCHEDULE 11 - OTHER ASSETS</u>			
I.	Inter bank adjustments	-		-
II.	Inter - Office adjustments (net)	-		-
III.	Interest accrued	2,727		2,727
IV.	Tax paid in advance / tax deducted at source (Net)	-		-
V.	Stationery & Stamps	-		-
VI.	Non-banking assets acquired in satisfaction of claims	-		-
VII.	Deferred tax asset	5,022		5,022
	Deposits placed with NABARD/SIDBI/NHB etc. for meeting shortfall in priority sector lending (e.g. RIDF, etc.)	-		-
VIII.	Others excluding Intangible Assets	9,994		9,994
X.	Intangible Assets :			
	(a) Deferred Revenue Expenditure	-		-
	(b) MAT Credit Balance	-		-
	(c) Other Intangible Assets (pl. specify)	-		-
	(d) Other Intangible Assets (pl. specify)	-		-
	TOTAL	17,743	-	17,743
	<u>SCHEDULE 12 - CONTINGENT LIABILITIES</u>			
I.	Claims against the entity not acknowledged as debts	-		-
II.	Income Tax , Service Tax and other Statutory & Regulatory Demands / liabilities (net -off provisions)	-		-
III.	Liability for partly paid investments / Venture Funds	-		-
IV.	Liability on account of outstanding forward exchange contracts	-		-
V.	Guarantees given on behalf of constituents			
	(a) In India	-		-
	(b) Outside India	1,079		1,079
VI.	Acceptances, endorsements and other obligations	-		-
VII.	Notional amount for outstanding Derivative contracts other-than Forward exchange contracts	-		-
VIII.	Other items for which the entity is contingently liable (including undrawn partial credit enhancement facilities and When Issued (WI) Securities.	15,010		15,010
	TOTAL	16,089	-	16,089
	Bills for collection	-		-

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
For the year ended 31st March 2022				
	<u>SCHEDULE 13 - INTEREST EARNED</u>			
I.	Interest / discount on advances/ bills	29,610		29,610
II.	Income on Investments (including dividend)	1,844		1,844
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	-		-
IV.	Others including interest on deposits placed for meeting shortfall in priority sector lending	-		-
	TOTAL	31,454	-	31,454
	<u>SCHEDULE 14 - OTHER INCOME</u>			
I.	Commission, exchange and brokerage	835		835
II.	a) Profit on sale of investments	81		81
	b) Loss on sale of investments	-		-
III.	a) Profit on revaluation of investments	-		-
	b) Loss on revaluation of investments	-		-
IV.	a) Profit on sale of land, buildings and other assets	-		-
	b) Loss on sale of land, buildings and other assets	-		-
V.	a) Profit on sale of leased assets	-		-
	b) Loss on sale of leased assets	-		-
VI.	a) Profit on exchange transactions	1,303		1,303
	b) Loss on exchange transactions	-		-
	Income earned by way of dividends, etc., from group subsidiaries / joint ventures and/or group associates			
VII.	abroad/in India (e.g. DFHI, CCIL etc.)	-		-
VIII.	a) Lease finance income	-		-
	b) Lease management fee	-		-
	c) Overdue charges	-		-
	d) Interest on lease rent receivables	-		-
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	228		228
	TOTAL	2,447	-	2,447
	<u>SCHEDULE 15 - INTEREST EXPENDED</u>			
I.	Interest on deposits	3,398		3,398
II.	Interest on Reserve Bank of India/ Inter-bank borrowings	13		13
III.	Others	-		-
	TOTAL	3,411	-	3,411

State Bank of India (California)

(Amount in USD in thousands)

As at 31st March 2022

	Particulars	As per Financials (column 1)	Adjustment due to Non- uniform Accounting Policy (column 2)	Total
	<u>SCHEDULE 16 - OPERATING EXPENSES</u>			
I.	Payments to and provisions for employees	10,945		10,945
II.	Rent, taxes and lighting	1,532		1,532
III.	Printing & Stationery	97		97
IV.	Advertisement and publicity	200		200
V.	Depreciation on			
(a)	Fixed Assets other than Leased Assets	243		243
(b)	Leased Assets	-		-
VI.	Directors' fees, allowances and expenses Auditors' fees and expenses (including branch auditors'	210		210
VII.	fees and expenses)	298		298
VIII.	Law charges	(78)		(78)
IX.	Postages, Telegrams, Telephones, etc.	251		251
X.	Repairs and maintenance	796		796
XI.	Insurance Expenses	156		156
XII.	Amortisation of Goodwill, if any	-		-
XIII.	Other Operating Expenses relating to Credit Card Operations	-		-
XIV.	Other Operating Expenses relating to Life Insurance	-		-
XV.	Other Operating Expenses relating to General Insurance	-		-
XVI.	Other Expenditure	2,589		2,589
	TOTAL	17,239	-	17,239
	SCHEDULE : PROVISIONS & CONTINGENCIES (charged off to P & L a/c)			
	Provision for Income Tax (Current tax)	3,023		3,023
	Provision for Income Tax (Deferred tax)	(428)		(428)
	Write - Back of Provision for Income Tax of earlier years	-		-
	Provision for other taxes	-		-
	Provision for Standard Assets including provision for unhedged foreign currency exposure	1,377		1,377
	Provision for NPAs	-		-
	Provision for Restructured Assets	-		-
	Provision for investments in India	-		-
	Provision for investments outside India	-		-
	Provision for RRBs/Subsidiaries/Joint Ventures	-		-
	Provision on other assets	-		-
	Other Provisions (Please Specify)	-		-
	Other Provisions (Please specify)	-		-
	Other Provisions (Please specify)	-		-
	Total Provisions & Contingencies	3,972	-	3,972

NOTE:

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

Managing Director/CEO

RSM US LLP

Statutory Auditors

State Bank of India (California)

(Amount in USD in thousands)

	<i>As per Financials</i> <i>(column 1)</i>	<i>Adjustment due to</i> <i>Non-uniform</i> <i>Accounting Policy</i> <i>(column 2)</i>	<i>Total</i> <i>'=Col 1 + Col 2</i>
ADVANCES			
Gross Advances	828,719		828,719
Less :			
(i) Interest Income Derecognised on NPA			-
(ii) Misc. Income Derecognised on NPA (if any)			-
(iii) Provision held for NPA Accounts			-
(iv) Floating Provision			-
(v) Provision for restructured accounts classified as NPAs			-
(vi) Provision for restructured accounts classified as standard assets			-
(vii) Other deductions (pl. Specify)			-
(viii) Other deductions (pl. Specify)			-
Net Advances	828,719	-	828,719

Working for Calculation of NPA & Standard Assets Provision

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

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

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

-
828,719

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

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

Managing Director/CEO

RSM VS LLP

Statutory Auditors

Annexure 6

State Bank of India (California)

Intra-group Assets as on 31st March 2022

(Amount in USD in thousands)

Sr. No	Name of the Counter party	Balances with Banks in Current Accounts (Sch 7)	Balances with Banks in other deposit accounts (Sch 7)	Money at Call & Short Notice (Sch 7)	Bills Purchased & discounted (Sch 9) ##	Cash Credits/ Current Accounts/ Overdrafts - Debit Balances (Sch 9)	Demand Loans (Sch 9)	Term Loans (Sch.9)	Other Assets-interest accrued (sch 11)	Other Assets- Others (Net of Provisions (if any)) (sch 11)	Total
		1	2	3	4	5	6	7	8	9	10
1	SBI Capital Markets Ltd.										-
2	SBI CAP Securities Ltd										-
3	SBI CAP Trustee Company Ltd										-
4	SBI CAP Ventures Ltd										-
5	SBI DFHI Ltd										-
6	SBI Payment Services Pvt Ltd										-
7	SBI Mutual Fund Trustee Company Pvt. Ltd @/@										-
8	SBI Global Factors Ltd										-
9	SBI Pension Funds Pvt Ltd										-
10	Ltd.										-
11	SBI General Insurance Company Ltd										-
12	SBI Cards and Payment Services Limited										-
13	SBI Life Insurance Company Limited										-
14	SBI Infra Management Solutions Private Limited										-
15	SBI Funds Management Pvt. Ltd @/@										-
	SBI Funds Management (International) Pvt. Ltd @/@										-
17	SBI CAP (Singapore) Ltd.										-
18	Nepal SBI Merchant Banking Ltd.										-
19	State Bank of India (California)										-
20	SBI Canada Bank										-
21	SBI (Mauritius) Ltd.										-
22	Commercial Indo Bank Llc, Moscow										-
23	PT Bank SBI Indonesia										-
24	Nepal SBI Bank Ltd										-
25	Bank SBI Botswana Ltd.										-
26	State Bank of India Servicos Limitada, Brazil										-
27	State Bank of India (UK) Limited										-
28	SBI- Foreign Offices	-	-	-	-	-	-	-	-	-	-
	Please select from the list										
	Please select from the list										
	Please select from the list										
29	SBI- Domestic Offices	2,989.54	-	-	-	-	-	-	-	-	2,990
	SBI - Mumbai Metro Circle	2,990									
	Please select from the list										
	Please select from the list										
	TOTAL	2,990	-	-	-	-	-	-	-	-	2,990

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.

We confirm that

- (a) there is no outstanding unreconciled entries which originated prior to 31st December 2021. A Nil report in Annexure 10 is submitted.
- (b) The details of unreconciled entries originated prior to 31st December 2021 (if any) are furnished in annexure 10.

Managing Director/CEO

RSM US LLP
Statutory Auditors

State Bank of India (California)

Intra-group Liabilities as on 31st March 2022

(Amount in USD in thousands)

S. No.	Name of the Counter party	Demand Deposits - Current Account / Cash Credit Account - Credit Balances (Sch 3)	Time Deposits (Sch 3)	Secured Borrowings (Sch 4)	Other Unsecured Borrowings (excluding Commercial Papers (CPs) and Debentures) (Sch 4)	Innovative Perpetual Debt Instruments - AT-1 Bonds (Sch 4)	Subordinated Debts & Bonds - Tier II Bonds (Sch 4) ##	Commercial Papers and Debentures which are not considered as Subordinated Debts (Sch 4)	Other Liabilities - Interest accrued (Sch 5)	Other liabilities (Sch 5) (Please specify)	Total
		1	2	3	4	5	6	7	8	9	10
1	SBI Capital Markets Ltd.										-
2	SBICAP Securities Ltd										-
3	SBICAP Trustee Company Ltd										-
4	SBICAP Ventures Ltd										-
5	SBI DFHI Ltd										-
6	SBI Payment Services Pvt Ltd										-
7	SBI Mutual Fund Trustee Company Pvt. Ltd @@										-
8	SBI Global Factors Ltd										-
9	SBI Pension Funds Pvt Ltd										-
10	Ltd.										-
11	SBI General Insurance Company Ltd										-
12	SBI Cards and Payment Services Limited										-
13	SBI Life Insurance Company Limited										-
14	SBI Infra Management Solutions Private Limited										-
15	SBI Funds Management Pvt. Ltd @@										-
16	SBI Funds Management (International) Pvt. Ltd @@										-
17	SBICAP (Singapore) Ltd.										-
18	Nepal SBI Merchant Banking Ltd.										-
19	State Bank of India (California)										-
20	SBI Canada Bank										-
21	SBI (Mauritius) Ltd.										-
22	Commercial Indo Bank Llc, Moscow										-
23	PT Bank SBI Indonesia										-
24	Nepal SBI Bank Ltd										-
25	Bank SBI Botswana Ltd.										-
26	State Bank of India Servicos Limitada, Brazil										-
27	State Bank of India (UK) Limited										-
28	SBI- Foreign Offices	-	-	-	-	-	-	-	-	-	-
	Please select from the list										
	Please select from the list										
	Please select from the list										
29	SBI- Domestic Offices	266.00	-	-	-	-	-	-	-	-	266
	SBI - Kolkata Circle	266									
	Please select from the list										
	Please select from the list										
	TOTAL	266	-	-	-	-	-	-	-	-	266

Note :

- @@ Balances with "SBI Mutual Fund" **SHOULD NOT** be reported as intra group balances.
- ## Debentures which are considered as Subordinated Debts are to be reported under the head "Subordinated Debts & Bonds - Tier II Bonds (Sch.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.

We confirm that

- there is no outstanding unreconciled entries which originated prior to 31st December 2021. A Nil report in Annexure 10 is submitted.
- The details of unreconciled entries originated prior to 31st December 2021 (if any) are furnished in annexure 10.

RSM US LLP

Statutory Auditors

Managing Director/CEO

State Bank of India (California)

Intra-group Contingent Liabilities as on 31st March 2022

(Amount in USD in thousands)

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

Note :

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

We confirm that

- (a) there is no outstanding unreconciled entries which originated prior to 31st December 2021. A Nil report in Annexure 10 is submitted.
(b) The details of unreconciled entries originated prior to 31st December 2021 (if any) are furnished in annexure 10.

Managing Director/CEO

RSM US LLP
Statutory Auditors

State Bank of India (California)

Intra-group Incomes for the period 1st April 2021 to 31st March 2022

(Amount in USD in thousands)

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

Note:

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

We confirm that

- there is no outstanding unreconciled entries which originated prior to 31st December 2021. A Nil report in Annexure 10 is submitted.
- The details of unreconciled entries originated prior to 31st December 2021 (if any) are furnished in annexure 10.

Managing Director/CEO

RSM US LLP
Statutory Auditors

State Bank of India (California)

Intra-group Expenses for the period 1st April 2021 to 31st March 2022

(Amount in USD in thousands)

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

Note:

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

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

We confirm that

- (a) there is no outstanding unreconciled entries which originated prior to 31st December 2021. A Nil report in Annexure 10 is submitted.
 (b) The details of unreconciled entries originated prior to 31st December 2021 (if any) are furnished in annexure 10.

RSM VS LLP

Managing Director/CEO

Statutory Auditors

State Bank of India (California)

Details of unreconciled entries as on 31st March 2022 which originated prior to 31st December 2021

(Amount in USD in thousands)

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

Note:

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

RSM US LLP

Managing Director/CEO

Statutory Auditors

State Bank of India (California)

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

A. Details of securities purchased from State Bank Group members and outstanding as on 31st March 2022

(Amount in USD in thousands)

Date of purchase	Purchased from (Name of State Bank Group member)	Security Description	ISIN of security	Category (HTM/ AFS/ HFT)	Original Cost of acquisition	Depreciation	Amortisation	Outstanding as at 31.03.2022	
								Face value	Book value / Carrying Value
	NIL								

Note :-

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

B. Details of securities sold to State Bank Group members during the period 01.04.2021 to 31.03.2022

(Amount in USD in thousands)

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

Note :-

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

C. Details of fixed assets & other equipments purchased from State Bank Group members and outstanding as on 31st March 2022

(Amount in USD in thousands)

Date of purchase	Purchased from (Name of State Bank Group member)	Item Description	Purchase price	Carrying value as at 31.03.2022
	NIL			

D. Details of fixed assets & other equipments sold to other group companies during the period 01.04.2021 to 31.03.2022

(Amount in USD in thousands)

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

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

Managing Director/CEO

RSM VS LLP

Statutory Auditors

State Bank of India (California)

Annexure 13

Details of Investments in State Bank Group as at 31.03.2022

(Amount in USD in thousands)

	Name of Investee	Equity share capital		IPDI (AT I) and Subordinated Debts & Bonds (Tier II)				Investment in Debentures/ Preference Shares/ CD'S / CP'S			
				IPDI (AT I) / Subordinated Debts & Bonds (Tier II)	Investments in Innovative Perpetual Debt Instruments (IPDI) - AT I Bonds	Investments in Subordinated Debts & Bonds (Tier II)		Face Value as at 31.03.2022	Carrying Value as at 31.03.2022	Category under which it has been included in Sch. 8 (Shares/ Subsidiaries & JVs / Others)	
A. Investment in SBI/ Subsidiary & JV of SBI		Face Value as at 31.03.2022	Carrying Value as at 31.03.2022	Category under which it has been included in Sch. 8 (Shares/ Subsidiaries & JVs / Others)	Face Value as at 31.03.2022	Carrying Value as at 31.03.2022	Carrying Value as at 31.03.2022	Category under which it has been included in Sch. 8 (Shares/ Subsidiaries & JVs / Others)	Face Value as at 31.03.2022	Carrying Value as at 31.03.2022	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	SBI DFHI Ltd										
8	SBI Payment Services Pvt. Ltd										
9	SBI Mutual Fund Trustee Company Pvt. Ltd										
10	SBI Global Factors Ltd.										
11	SBI Pension Funds Pvt Ltd										
12	SBI - SG Global Securities Services Pvt. Ltd.										
13	SBI Cards & Payment Services Ltd										
14	SBI Life Insurance Company Limited										
15	SBI General Insurance Company Ltd										
16	SBI Funds Management (Pvt) Ltd										
17	SBI Infra Management Solutions Private Limited										
18	SBI Funds Management (International) Pvt. Ltd										
19	State Bank of India (California)										
20	SBI Canada Bank										
21	SBI (Mauritius) Ltd.										
22	Commercial Indo Bank Llc , Moscow										
23	PT Bank SBI Indonesia										
24	Nepal SBI Bank Ltd										
25	Nepal SBI Merchant Banking Ltd.										
26	Bank SBI Botswana Ltd.										
27	State Bank of India Servicos Limitada, Brazil										
28	State Bank of India (UK) Limited										
29	C Edge Technologies Ltd										
30	SBI Macquarie Infrastructure Management Pvt Ltd										
31	SBI Macquarie Infrastructure Trustee Pvt. Ltd										
32	Macquarie SBI Infrastructure Mgmt Pte. Ltd										
33	Macquarie SBI Infrastructure Trustee Ltd										
34	Oman-India Joint Investment Fund Mgmt. Company Pvt.Ltd.										
35	Oman-India Joint Investment Fund Trustee Company Pvt. Ltd.										
36	Jio Payments Bank Ltd.										
37	SBI Foundation										
38	Any other Subsidiary/ JV (please specify)										
39	Any other Subsidiary/ JV (please specify)										
	Total										

Managing Director/CEO

RSM US LLP

Statutory Auditors

State Bank of India (California)

Data requirement for Identification of "Associates" for AS 23 as at 31.03.2022

Table I

(Amount in USD in thousands)

Sr.No.	Name of the entity	Face Value of Share Capital allotted to the Subsidiary/JV	% Stake	Cost	Carrying value as per audited BS	
					31.03.2022	31.03.2021
A	B	C	D	E	F	G
1	The Clearing Corporation of India Ltd.					
2	Bank of Bhutan Ltd.		NIL			
3	Yes Bank Ltd.					
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

Table II

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

(Amount in USD in thousands)

Sr.No.	Name of the entity	Face Value of Share Capital allotted to the Subsidiary/JV	% Stake	Cost	Carrying value as per audited BS	
					31.03.2022	31.03.2021
1	Investec Capital Services (India) Private Limited		NIL			
T O T A L						0

Managing Director/CEO

RSM US LLP
Statutory Auditors

State Bank of India (California)

Details of Equity Share Capital as at 31.03.2022

(Amount in USD in thousands)

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

State Bank of India (California)

Table 1

Details of Deferred Taxes as at 31.03.2022

(Amount in USD in thousands)

S. No.	Particulars	31.03.2022	31.03.2021
A.	Deferred Tax Assets		
1	Provision for long term Employee Benefits (e.g. Pension, Gratuity, Leave Encashment, Sick Leave, LFC, HTC etc.)	928	488
2	Depreciation on fixed assets	2051	2161
3	Provision on non-performing advances	1055	967
4	Depreciation / Amortisation on investment		
5	On Accumulated Losses		
6	Provision on Standard Advances	988	978
7	Others (Please specify)		0
8	Others (Please specify)		
	Total (DTA)	5022	4594
B	Deferred Tax Liabilities		
1	Depreciation on fixed assets		
2	Interest accrued on investment securities		
3	Depreciation / Amortisation on investment		
4	Others (Please specify)		
5	Others (Please specify)		
6	Others (Please specify)		
	Total (DTL)	0	0
C	Net DTA/ DTL (A - B)	5022	4594
D	Charge/ Credit to P&L on account of deferred tax during FY 2021-22	-428	
	(Column 2 minus Column 1 of Row C above)		

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

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

Managing Director/CEO

RSM US LLP

Statutory Auditors

State Bank of India (California)

Supplementary information for FY 2021-22

Table 1: in USD in thousands)

	Amount
a. Issuance of Bonds (if any) during the year	
- Innovative Perpetual Debt Instruments (AT - I Bonds)	0
- Subordinated Debts and Bonds (Tier II)	0
b. Repayment of Bonds (if any) during the year	
- Innovative Perpetual Debt Instruments (AT - I Bonds)	0
- Subordinated Debts and Bonds (Tier II)	0
c. Interest Expenses booked on Bonds during the year	
- Innovative Perpetual Debt Instruments (AT - I Bonds)	0
- Subordinated Debts and Bonds (Tier II)	0
d. Dividend received from Group Subsidiaries (e.g. DFHI etc.) during the year	
- Final Dividend for FY 2020-21	0
- Interim Dividend for FY 2021-22	0
e. Dividend received from Group Associates (e.g. CCIL etc.) during the year	
- Final Dividend for FY 2020-21	0
- Interim Dividend for FY 2021-22	0
f. Market Value of Investments in Government Securities in India as on 31.03.2022	
g. Market Value of Total Investments as on 31.03.2022	105174
h. Gross Non-Performing Investments as on 31.03.2022	
i. Net Non-Performing Investments as on 31.03.2022	
j. Outstanding unsecured guarantees as on 31.03.2022	
k. Dividend including Dividend Tax paid during the year	
- Final Dividend including Dividend Tax for FY 2020-21	2100
- Interim Dividend including Dividend Tax for FY 2021-22	0
l. Direct Taxes paid during the year	
m. Interest paid on Bonds for the year	
- Innovative Perpetual Debt Instruments (AT-I Bonds)	
- Subordinated Debts and Bonds (Tier II)	
n. Gross NPAs as at 31st March 2022	0
o. Gross Advances as at 31st March 2022	828719
p. Net NPAs as at 31st March 2022	0
q. Net Advances as at 31st March 2022	828719
r. Advances Under Collection Account(AUCA) a/cs as at 31st March 2022	
s. Provision Coverage Ratio (PCR) excluding AUCA as at 31st March 2022	
t. Provision Coverage Ratio (PCR) including AUCA as at 31st March 2022	

Table 2:

(Amount in USD in thousands)

Floating Provisions for NPAs	2021-22	2020-21
i) Provisions held as on 01.04.2021/01.04.2020	0	0
ii) Provision made during the year		
iii) Provisions utilized during the year		
iv) Reversed during the year		
v) Provisions held as at 31.03.2022/31.03.2021 [(i)+(ii)-(iii)-(iv)]	0	0

Table 3:

(Amount in USD in thousands)

Movement of provisions against contingent liabilities	2021-22	2020-21
i) Provisions held as on 01.04.2021/01.04.2020	90	90
ii) Provision made during the year		
iii) Provisions utilized during the year		
iv) Reversed during the year		
v) Provisions held as at 31.03.2022/31.03.2021 [(i)+(ii)-(iii)-(iv)]	90	90

Table 4:

Break-up of Advances (Net) as on 31.03.2022

(Amount in USD in thousands)

Particulars	Advances in India	Advances Outside India	Total
SCHEDULE 9 - ADVANCES			
(I) Bills purchased and discounted			-
(II) Cash Credits, Overdrafts and Loans repayable on demand	-	200	200
(III) Term Loans	-	828,519	828,519
TOTAL	-	828,719	828,719

State Bank of India (California)

Supplementary information

Table 8:

Breakup of "Provision for Investment" reported in Schedule - Provisions and Contingencies

(Amount in USD in thousands)

Particulars of Line item	For the period 01.04.2020 to 30.06.2020	For the period 01.07.2020 to 30.09.2020	For the period 01.10.2020 to 31.12.2020	For the period 01.01.2021 to 31.03.2021	Total (01.04.2020 to 31.03.2021)	For the period 01.04.2021 to 30.06.2021
Provision for Investment in India	-	-	-	-	-	-
Provision for depreciation of investment in India						
Reversal for Excess Provision for depreciation of investment in India						
Provision for Non-performing investments (NPI) in India						
Provision for Investment outside India	48	-	-	-	48.00	-
Provision for depreciation of investment outside India						
Reversal for Excess Provision for depreciation of investment outside India	48				48.00	
Provision for Non-performing investments (NPI) outside India						

Table 9:

Breakup of "Provision for Investment" reported in Schedule 8 - Investments

(Amount in USD in thousands)

Particulars of Line item	As on 31.03.2020	As on 30.06.2020	As on 30.09.2020	As on 31.12.2020	As on 31.03.2021	As on 30.06.2021
Provision for Investment in India	-	-	-	-	-	-
Closing Balance of Provision for depreciation of investment (net of reversal) in India						
Closing Balance of Provision for Non-performing investments (NPI) in India						
Provision for Investment outside India	-	-	-	-	-	-
Closing Balance of Provision for depreciation of investment (net of reversal) outside India						
Closing Balance of Provision for Non-performing investments (NPI) outside India						

Table 10:

Breakup of "Profit/Loss" reported in Schedule 14 - Other Income

(Amount in USD in thousands)

Particulars of Line item	For the period 01.04.2020 to 30.06.2020	For the period 01.07.2020 to 30.09.2020	For the period 01.10.2020 to 31.12.2020	For the period 01.01.2021 to 31.03.2021	Total (01.04.2020 to 31.03.2021)	For the period 01.04.2021 to 30.06.2021
a) Profit on sale of investments	162	595		397	1,154	-
b) Loss on sale of investments					-	
a) Profit on revaluation of investments					-	
b) Loss on revaluation of investments					-	
a) Profit on sale of land, buildings and other assets					-	
b) Loss on sale of land, buildings and other assets					-	
a) Profit on sale of leased assets					-	
b) Loss on sale of leased assets					-	
a) Profit on exchange transactions	194	183	212	313	902	252
b) Loss on exchange transactions					-	

Table 11:

Extract of amount reported in Schedule 7 and Schedule 8

(Amount in USD in thousands)

	31.03.2020	30.06.2020	As on 30.09.2020	31.12.2020	31.03.2021	Revised Reporting
SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE						
In India -						
Money at call & Short Notice						
Reverse Repo having original tenure more than 14 days and upto one year						SCHEDULE 9 - ADVANCES - (II) Cash Credits, Overdrafts and Loans repayable on demand
Reverse Repo having original tenure more than one year		NIL				SCHEDULE 9 - ADVANCES - (III) Term Loan
Outside India -						
Money at call & Short Notice						
Reverse Repo having original tenure more than 14 days and upto one year						SCHEDULE 9 - ADVANCES - (II) Cash Credits, Overdrafts and Loans repayable on demand
Reverse Repo having original tenure more than one year						SCHEDULE 9 - ADVANCES - (III) Term Loan
SCHEDULE 8 - INVESTMENTS						
Investment in India in						
(vii) Others (Units of mutual funds, commercial papers, etc.) which includes						
Certificate of Deposits, Commercial Papers		NIL				SCHEDULE 8 - INVESTMENTS - (iv) Debentures and Bonds
Investment outside India in						
(vii) Others (Units of mutual funds, commercial papers, etc.) which includes						
Certificate of Deposits, Commercial Papers						SCHEDULE 8 - INVESTMENTS - (iv) Debentures and Bonds

Managing Director/CEO

RSM US LLP
Statutory Auditors

State Bank of India (California)

SEGMENTAL REPORTING AS PER ACCOUNTING STANDARD 17 (FY 2021-22)

(Amount in USD in thousands)

Sr. No.		Treasury Operations (A)	Corporate/Wholesale Banking Operations (B)	Retail Banking Operations (C)	Other Banking Operations (D)	Eliminations (E)	Total (F)
1	Revenue						
a	Revenue including Inter Segment Revenue	2,918	3,622	25,136		XXXXXX	31,676
b	Less : Inter Segment Revenue					XXXXXX	-
c	Add : Unallocated Revenue	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	2,225
d	Revenue from External Customers	2,918	3,622	25,136	-	XXXXXX	33,901
2	Result						
a	Segment Result	1,221	9,629	2,401		XXXXXX	13,251
b	Provisions & Contingencies other than Provision for taxes		1,377			XXXXXX	1,377
c	Segment Result after provision & contingencies and before provisions for taxes	1,221	8,252	2,401	-	XXXXXX	11,874
d	Unallocated Income (+) / Expenses (-) - net	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	
e	Profit Before Taxes	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	11,874
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	2,595
g	Extra ordinary Profit/(Loss)	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	
h	Net Profit (e - f +/- g)	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	9,279
3	Segment Assets	107,296	201,714	651,623		XXXXXX	960,633
4	Unallocated Corporate Assets	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	24,320
5	Total Assets (3 + 4)	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	984,953
6	Segment Liabilities	91,734	116,979	623,969		XXXXXX	832,682
7	Unallocated Corporate Liabilities	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	
8	Capital Employed (5-6-7)	15,562	84,735	27,654	-	XXXXXX	152,271
9	Total Liabilities (6+7+8)	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	984,953

Additional Information:

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

Notes :

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

Managing Director/CEO

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B. Maximum Outstanding during the period 1st April 2021 to 31st March 2022

(Amount in USD in thousands)

Name of Related Party	Deposits	Borrowings	Other Liabilities	Balances with banks	Money at call	Investments	Advances	Other Assets	Non-fund commitments (LCs/ BGs)
C-Edge Technologies Ltd.									
SBI Macquarie Infrastructure Management Pvt. Ltd.									
SBI Macquarie Infrastructure Trustee Pvt. Ltd.									
Macquarie SBI Infrastructure Management Pte. Ltd.									
Macquarie SBI Infrastructure Trustee Ltd.		NIL							
Oman India Joint Investment Fund - Management Company Pvt. Ltd.									
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.									
Jio Payments Bank Limited									
Bank of Bhutan Ltd.									
SBI Home Finance Ltd.									
Yes Bank Limited									
The Clearing Corporation of India Ltd.									
Investec Capital Services (India) Private Limited (w.e.f. 29.06.2021)									
Shri Dinesh Kumar Khara, Chairman									
Shri Challa Sreenivasulu Setty, Managing Director									
Shri Ashwani Bhatia, Managing Director									
Shri Swaminathan Janakiraman, Managing Director									
Shri Ashwini Kumar Tewari, Managing Director									
Relatives of Chairman/ Managing Directors									
T O T A L	0	0	0	0	0	0	0	0	0

Managing Director/CEO

RSM VS LLP

Statutory Auditors

State Bank of India (California)

Data requirements for Related Party Disclosures as at 31st March 2022 (Balance Sheet Items)

Maximum Outstanding during the period 1st October 2021 to 31st March 2022

(Amount in USD in thousands)

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

RSM US LLP

Statutory Auditors

Managing Director/CEO

State Bank of India (California)

Data requirements for Related Party Disclosures for the period 1st April 2021 to 31st March 2022 (P&L Items)

(Amount in USD in thousands)

Name of Related Party	Interest income	Profit/ (Loss) on sale of land/ buildings and other assets	Income earned by way of dividends	Other Income	Interest Expenditure	Other Expenditure
C-Edge Technologies Ltd.						
SBI Macquarie Infrastructure Management Pvt. Ltd.						
SBI Macquarie Infrastructure Trustee Pvt. Ltd.						
Macquarie SBI Infrastructure Management Pte. Ltd.		NIL				
Macquarie SBI Infrastructure Trustee Ltd.						
Oman India Joint Investment Fund - Management Company Pvt. Ltd.						
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.						
Jio Payments Bank Limited						
Bank of Bhutan Ltd.						
SBI Home Finance Ltd.						
Yes Bank Limited						
The Clearing Corporation of India Ltd.						
Investec Capital Services (India) Private Limited (w.e.f. 29.06.2021)						
Shri Dinesh Kumar Khara, Chairman						
Shri Challa Sreenivasulu Setty, Managing Director						
Shri Ashwani Bhatia, Managing Director						
Shri Swaminathan Janakiraman, Managing Director						
Shri Ashwini Kumar Tewari, Managing Director						
Relatives of Chairman/ Managing Directors						
T O T A L	0	0	0	0	0	0

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Statutory Auditors

State Bank of India (California)

Data requirements for Related Party Disclosures for the period 1st October 2021 to 31st March 2022 (P&L Items)

(Amount in USD in thousands)

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

Managing Director/CEO

RSM VS LLP

Statutory Auditors

State Bank of India (California)

Data requirements for Related Party Disclosures (Management Contracts) for the period 1st April 2021 to 31st March 2022

(Amount in USD in thousands)

Name of Related Party	Description of any Management Contract/ agreement entered into with the related party	Amount
C-Edge Technologies Ltd.		
SBI Macquarie Infrastructure Management Pvt. Ltd.		
SBI Macquarie Infrastructure Trustee Pvt. Ltd.		
Macquarie SBI Infrastructure Management Pte. Ltd.		
Macquarie SBI Infrastructure Trustee Ltd.		
Oman India Joint Investment Fund - Management Company Pvt. Ltd.	NIL	
Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.		
Jio Payments Bank Limited		
Bank of Bhutan Ltd.		
SBI Home Finance Ltd.		
Yes Bank Limited		
The Clearing Corporation of India Ltd.		
Investec Capital Services (India) Private Limited (w.e.f. 29.06.2021)		
Shri Dinesh Kumar Khara, Chairman		
Shri Challa Sreenivasulu Setty, Managing Director		
Shri Ashwani Bhatia, Managing Director		
Shri Swaminathan Janakiraman, Managing Director		
Shri Ashwini Kumar Tewari, Managing Director		
Relatives of Chairman/ Managing Directors		
T O T A L		0

Managing Director/CEO

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Statutory Auditors

State Bank of India (California)

Data requirements for Related Party Disclosures (Management Contracts) for the period
1st October 2021 to 31st March 2022

(Amount in USD in thousands)

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

Managing Director/CEO

RSM VS LLP

Statutory Auditors

State Bank of India (California)

DISCLOSURE REQUIREMENTS IN RESPECT OF EMPLOYEE BENEFIT PLANS FOR THE YEAR ENDED 31ST MARCH 2022

I DEFINED BENEFIT OBLIGATIONS

(Amount in USD in thousands)

		PENSION PLAN	GRATUITY	Any other plan
A	Change in the Present value of the Defined Benefit Obligation			
a	Opening Defined Benefit Obligation as at 1st April*			
b	Current Service Cost			
c	Interest Cost			
d	Past Service Cost (Vested Benefit)			
e	Actuarial Losses /(Gains)			
f	Benefits Paid			
g	Closing Defined Benefit Obligation as at 31st March	0	0	0
B	Change in Plan Assets			
a	Opening Fair Value of Plan Assets as at 1st April			
b	Expected Return on Plan Assets			
c	Contributions by Employer			
d	Benefits Paid	0	0	0
e	Actuarial Gains /(Losses)			
f	Closing Fair Value of Plan assets as at 31st March	0	0	0
C	Reconciliation of present value of obligations and fair value of plan assets			
a	Present value of funded obligations as at 31st March	0	0	0
b	Fair Value of Plan assets as at 31st March	0	0	0
c	Deficit/(Surplus) (a - b)	0	0	0
d	Unrecognised Past Service Cost (Vested)			
e	Amount not recognised as asset because of limit in paragraph 59(b) of AS 15			
f	Net Liability (Asset) (c - d - e)	0	0	0
D	Experience Adjustment on Plan Assets			
E	Experience Adjustment on Plan Liabilities			
F	Net Cost Recognised in the Profit & Loss Account			
a	Current Service Cost	0	0	0
b	Interest Cost	0	0	0
c	Expected Return on Plan Assets	0	0	0
d	Past Service Cost (Amortised) Recognised			
e	Past Service Cost (Vested Benefits) Recognised			
f	Net Actuarial Losses (Gains) recognised during the year	0	0	0
g	Total Costs of Defined Benefits Plans included in Schedule 16 (Payment to and Provisions for Employees)	0	0	0
G	Reconciliation of Expected Return and actual return on Plan Assets			
a	Expected Return on Plan Assets	0	0	0
b	Actuarial Gain/(Loss) on Plan Assets	0	0	0
c	Actual Return on Plan Assets	0	0	0
H	Reconciliation of Opening & Closing Net Liability (Asset) recognised in Bal Sheet			
a	Opening Net Liability/(Asset) as on 1st April	0	0	0
b	Expenses as recognised in P&L	0	0	0
c	Employer's Contribution	0	0	0
d	Past Service Cost			
e	Net Liability/Asset recognised in Balance Sheet as at 31st March	0	0	0
I	Expected contribution in the next financial year (i.e. FY 2022-23)			

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

Category of assets	Pension Fund		Gratuity Fund		Any other plan	
	Amount	% of Plan Assets	Amount	% of Plan Assets	Amount	% of Plan Assets
Central Government Securities						
State Government Securities						
PSU Bonds						
Other Bonds						
FDR/TDR of Banks						
Special Deposits						
Bank A/c						
Insurer Managed Schemes						
Others (e.g. Interest accrued, Mutual Fund etc)						
Total	0	0.00	0	0.00	0	0.00

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

Category of assets	Pension Fund		Gratuity Fund		Any other plan	
	Amount	% of Plan Assets	Amount	% of Plan Assets	Amount	% of Plan Assets
Bonds						
Bank Deposits						
FDR/TDR of Banks						
Insurer Managed Schemes						
Others (e.g. Interest accrued, Mutual Fund etc)						
Total	0	0.00	0	0.00	0	0

L Principal Actuarial Assumptions

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

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

Name of the defined contribution plan	Amount debited to P&L in 2021-22
Employer's Contribution towards Employees Provident Fund	
Employer's Contribution towards National Pension System	
Employee Pension Scheme under PF Act	
Employer's Contribution towards ESIC	
Other Plans (if any, please specify)	
Other Plans (if any, please specify)	
Other Plans (if any, please specify)	
Total	0

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

Name of the long term employee benefit	Amount debited to P&L in 2021-22
Privilege Leave (Encashment) including Leave encashment at the time of retirement	
Leave Travel / Fare and Home Travel / Fare Concession (Encashment/Availment)	
Sick Leave	
Silver jubilee/Long Term Service Award	
Resettlement expenses on Superannuation	
Casual Leave	
Retirement Award	
Others (please specify)	
Others (please specify)	
Others (please specify)	
Total	0

Managing Director/CEO

RSM VS LLP

Statutory Auditors

State Bank of India (California)

DISCLOSURE REQUIREMENTS IN RESPECT OF EMPLOYEE BENEFIT PLANS FOR THE YEAR ENDED 31ST MARCH 2022

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

IV DEFINED BENEFIT OBLIGATIONS

(Amount in USD in thousands)

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

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

Category of assets	Provident Fund	
	Amount	% of Plan Assets
Central Government Securities		
State Government Securities		
PSU Bonds		
Other Bonds		
FDR/TDR of Banks		
Special Deposits		
Bank A/c		
Insurer Managed Schemes		
Others (e.g. Interest accrued, Mutual Fund etc)		
Total	0	0.00

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

Category of assets	Provident Fund	
	Amount	% of Plan Assets
Bonds		
Bank Deposits		
FDR/TDR of Banks		
Insurer Managed Schemes		
Others (e.g. Interest accrued, Mutual Fund etc)		
Total	0	0.00

H Principal Actuarial Assumptions

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

Managing Director/CEO

RSM VS LLP
Statutory Auditors

Annexure 27

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 31.03.2022

(Amount in USD in thousands)

Type of Lease	Amount of lease charges/ rent debited to charges account during the year 2021-22	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 2022-2023	Total Rent Payable during 2023-2024 to 2026-	Total Rent Payable from 2027-2028 onwards		
1	2	3	4	5	6	7
Cancellable						
Non - Cancellable	1,498.00	1,403	2,776	3,894		
Total	1,498.00	1,403.00	2,776.00	3,894.00		-

RSM VS LLP

Managing Director/CEO

Statutory Auditors

Example for filing up the form -

Type of Lease	Amount of lease charges/ rent debited to charges account during the year 2021-22	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 2022-2023	Total Rent Payable during 2023-2024 to 2026-	Total Rent Payable from 2027-2028 onwards		
1	2	3	4	5	6	7
Cancellable	2400000	2400000	9600000	4000000	Yes	240
Non - Cancellable	300000	300000	1200000	500000	No	60
Total	2700000	2700000	10800000	4500000		300

State Bank of India (California)

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

(Amount in USD in thousands)

Type of Lease	Proportionate Original cost of such premises	Proportionate accumulated depreciation of such premises upto 31.03.2022	Depreciation of such premises for the year ended 31.03.2022	Rent to be received by the Subsidiary / Joint Venture			Amount of disputed rent, if any, recognised as income
				Total Rent receivable during 2022-2023	Total Rent receivable during 2023-2024 to 2026-2027	Total Rent receivable from 2027-2028 onwards	
1	2	3	4	5	6	7	8
Cancellable							
Non - Cancellable			0	0	0		

RSM US LLP

Managing Director/CEO

Statutory Auditors

Example for filing up the form-

Type of Lease	Proportionate Original cost of such premises	Proportionate accumulated depreciation of such premises upto 31.03.2022	Depreciation of such premises for the year ended 31.03.2022	Rent to be received by the Subsidiary / Joint Venture			Amount of disputed rent, if any, recognised as income
				Total Rent receivable during 2022-2023	Total Rent receivable during 2023-2024 to 2026-2027	Total Rent receivable from 2027-2028 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 2022)
 CARE: INCLUDE PREMISES TAKEN ON RENT IN THE NAME OF SUBSIDIARY FOR STAFF RESIDENCE
 POSITION AS ON 31-Mar-22

(Amount in USD in thousands)

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

RSM US LLP

Managing Director/CEO

Statutory Auditors

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	99.00	9900000	0	9900000
102	ATM's premises	31-Dec-2013	25,000	No	25,000	25,000	0	31-Dec-2013	99.00	0	0	0

A) Checklist for Annexure 27

- a). Annexure 27 is Premises taken on rent/lease by the subsidiary / joint venture (data required in respect of unexpired lease as on 31.03.2022).

- 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 28

- 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 29

- a) Annexure 29 is Premises taken on rent/lease by the subsidiary / joint venture (data required in respect of expired lease as on 31.03.2022). Please ensure that the premises taken on rent in name of subsidiary / joint venture for Staff Residence are also included in the Annexure.

- b) In case the rent agreement has expired and the landlord has not raised any demand, the rent being paid presently should be shown in column 6 & column 7 also. In case the landlord has raised formal demand, the new demanded rent may be reported under Column 6.

- c) In case the Subsidiary / Joint Venture has finalized the rent with the landlord, the same rent may be reported under Col 7 and if still under negotiation, then the rent as per subsidiaries's offer to the landlord may be reported in the said column.