

**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**I. Profit and Loss Account**

**For the six months ended 30th September 2021**

	<u>30.9.2021</u> (HK\$'000)	<u>30.9.2020</u> (HK\$'000)
<b><u>INCOME</u></b>		
Interest income	695,696	1,054,802
Interest expenses	(415,736)	(806,106)
Net interest income	<u>279,960</u>	<u>248,696</u>
 <b><u>Other Operating Income</u></b>		
Gains less losses from dealing in foreign currencies	5,118	5,508
Gains less losses from trading in interest rate derivative	-	-
Gains less losses from non-trading Investments	17,018	18,891
Gross fees and commission income (Expenses- NIL)	32,375	36,460
Others	-	-
<b>Total Income</b>	<u>334,471</u>	<u>309,555</u>
 <b><u>EXPENDITURE</u></b>		
<b><u>Operating Expenses</u></b>		
Staff and rental expenses	31,031	32,081
Other expenses less fees and commission expenses	32,251	37,737
Net charge for other provisions	<u>42,894</u>	<u>(248,158)</u>
Operating Profit before Impairment Losses	228,295	487,895
Impairment losses and provisions for impaired loans and receivables		
- Collective Provision	-	(11,293)
- Specific Provision	<u>-</u>	<u>-</u>
<b>Profit before Taxation</b>	228,295	499,188
<b>Taxation Expense</b>	<u>(36,323)</u>	<u>(58,217)</u>
<b>Profit after Taxation</b>	<u><u>191,972</u></u>	<u><u>440,971</u></u>



**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**II. Balance Sheet**

**As at 30 September 2021**

	<u>30.09.2021</u> (HK\$'000)	<u>31.03.2021</u> (HK\$'000)
<b>ASSETS</b>		
1. Cash and balances with banks (except those included in amount due from overseas offices)	2,827,849	4,002,693
2. Placement with banks which have a residual contractual maturity of more than one month but not more than 12 months (except those included in amount due from overseas offices)	5,453,542	4,326,819
2a. Placement with banks which have a residual contractual maturity of more than 12 months (except those (included in amount due from overseas offices)	-	194,351
3. Amount due from overseas offices	76,059,219	74,902,862
4. Trade Bills	1,487,757	1,878,412
5. Certificates of Deposit held	-	-
6. Securities held for trading purposes	-	-
7. Loans and Receivables		
Advances to customers	30,402,942	31,641,493
Advances to banks	3,246,719	3,732,950
Other Accounts (Accrued interest and others)	443,113	413,614
Provision for impaired loans and receivables - collective	(311,468)	(310,878)
Provision for impaired loans and receivables - specific	(194,720)	(194,351)
8. Investment Securities	9,368,868	8,899,487
9. Other Investments		
Property, plant and equipment and investment		
10. properties	57,077	57,533
<b>Total Assets</b>	<u>128,840,898</u>	<u>129,544,985</u>
<b>LIABILITIES</b>		
1. Deposits and balances of banks (except those included in amount due from overseas offices)	66,954,149	64,234,363
2. Deposits from customers		
i) Demand deposits and current accounts	66,829	54,781
ii) Savings deposits	96,946	103,465
iii) Time, call and notice deposits	4,005,887	4,334,268
3. Amount due to overseas offices	53,663,583	57,352,845
4. Certificates of Deposit issued	-	-
5. Issued Debt Securities	-	-
6. Other liabilities (Accrued interest and others)	4,053,504	3,465,263
7. Other Provisions	-	-
<b>Total Liabilities</b>	<u>128,840,898</u>	<u>129,544,985</u>



**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information**

**1. Impaired Loans and Advances**

There were no impaired loans and advances to banks as at 30th September 2021 and 31st March 2021 .

There were impaired loans and advances to customers to the extent of \$ 194,720 ('000s) as on 30th September 2021 and \$ 194,351 ( '000s) as at 31st March 2021 .

**2. Derivatives**

	<u>30.9.2021</u> (HK\$'000)	<u>31.3.2021</u> (HK\$'000)
a) Notional Amount		
i) Exchange rate contracts	33,944,795	14,763,430
ii) Interest rate contracts	5,911,699	2,982,126
TOTAL	<u>39,856,494</u>	<u>17,745,556</u>
b) Fair Value of Derivative contracts (Gross)		
i) Exchange rate contracts	(6,551)	14,058
ii) Interest rate contracts	(4,512)	(3,067)
TOTAL	<u>(11,063)</u>	<u>10,991</u>

There are no bilateral netting arrangements and hence there is no effect on the fair value of the derivatives.

**3. Off Balance Sheet Exposure other than Derivative Transactions**

	<u>30.9.2021</u> (HK\$'000)	<u>31.3.2021</u> (HK\$'000)
Notional Amount		
i) Direct credit substitutes	115,110	113,700
ii) Trade related contingent items	137,389	-
iii) Other commitments	1,819,503	874,210
TOTAL	<u>2,072,002</u>	<u>987,910</u>

**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**4. International Claims**

**30.9.2021**  
**(HK\$ Million)**

	Non-Bank Private Sector					Total
	Banks	Official Sector	Non-Bank financial institutions	Non-financial private sector	Others	
Developed countries	716	-	-	2,007	-	2,723
of which USA	683	-	-	587	-	1,270
of which Netherland	-	-	-	1,418	-	1,418
of which Germany	5	-	-	-	-	5
Offshore centres	1,099	341	-	87	-	1,527
of which Singapore	3	-	-	87	-	90
of which Mauritius	1,053	-	-	-	-	1,053
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-	-
Developing Africa and Middle East	4,009	1,931	-	36	-	5,976
of which UAE	3,151	1,013	-	-	-	4,164
of which Saudi Arabia	-	641	-	36	-	677
of which Qatar	507	-	-	-	-	507
Developing Asia-Pacific	86,020	6,647	8,461	14,270	-	115,398
of which India	81,284	6,123	7,870	9,899	-	105,176

**31.3.2021**  
**(HK\$ Million)**

	Non-Bank Private Sector					Total
	Banks	Official Sector	Non-Bank financial institutions	Non-financial private sector	Others	
Developed countries	2,575	972	-	1,738	-	5,285
of which USA	2,287	972	-	226	-	3,485
of which Netherland	-	-	-	1,510	-	1,510
of which Germany	254	-	-	-	-	254
Offshore centres	3	-	-	88	-	91
of which Singapore	3	-	-	88	-	91
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-	-
Developing Africa and Middle East	3,341	1,324	-	128	-	4,793
of which UAE	2,912	622	-	92	-	3,626
of which Saudi Arabia	312	507	-	36	-	855
Developing Asia-Pacific	85,373	6,991	8,800	14,773	-	115,937
of which India	83,012	6,553	8,400	10,543	-	108,508

International claims are derived according to the location of counter parties on which the ultimate risk lies after taking into account any transfer of risk.



**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**5. Advances to Customers**

	<u>30.9.2021</u> (HK\$'000)	<u>31.3.2021</u> (HK\$'000)
a) <u>By Sectors</u>		
<u>Loans for use in Hong Kong</u>		
i) Industrial, commercial & financial wholesale and retail trade	250,130	2,754
Transport and transport equipment	-	-
Financial Sectors	557,985	368,000
ii) Individuals		
For other* business purposes	-	-
For other* private purposes	83,920	17,171
iii) All Others		
<u>Trade Financing</u>	-	-
<u>Loans for use outside Hong Kong</u>	29,510,907	31,253,568
<b>TOTAL **</b>	<u><u>30,402,942</u></u>	<u><u>31,641,493</u></u>

\* Other than for purchase of residential properties or credit card advances

\*\* The total loans are covered by collateral or other security to the extent of \$5,067,996 (HK\$'000) as at 30th September 2021 and \$4,931,034 (HK\$'000) as at 31st March 2021 .

b) By Geographical Areas

Hong Kong	892,035	387,925
India	23,507,459	25,188,436
China	4,834,900 *	5,321,461 *
Others	1,168,548	743,671
<b>TOTAL</b>	<u><u>30,402,942</u></u>	<u><u>31,641,493</u></u>

\*Out of these loans to China HK\$ 194,720 (000's) as at 30th September 2021 and HK\$ 194,351 ('000s) as at 31st March 2021 are impaired loans.

Geographical locations are based on the physical location of the borrower. Risk transfer is only made if the claim is guaranteed by a party in a country which is different from the counterparty.



**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**6. Overdue and Rescheduled Assets of Customers**

	30.9.2021				31.3.2021			
	(HK\$'000)				(HK\$'000)			
	Amount	% of total loans & advances to customer	Collateral held	Specific provision made	Amount	% of total loans & advances to customer	Collateral held	Specific provision made
More than 3 months but not more than 6 months	-	-	-	-	-	-	-	-
More than 6 months but not more than one year	-	-	-	-	-	-	-	-
More than one year	194,720	0.64	-	194,720	194,351	0.61	-	194,351

There were no other assets overdue for more than 3 months as at 30th September 2021 and 31st March 2021 .

There were no rescheduled loans and advances to customers as at 30th September 2021 and 31st March 2021 .

There were no repossessed assets as at 30th September 2021 and 31st March 2021 .

**7. Overdue and Rescheduled Assets to banks and other Financial Institutions**

There were no advances to banks overdue for more than 3 months as at 30th September 2021 and 31st March 2021 .

There were no rescheduled advances as at 30th September 2021 and 31st March 2021 .

There were no repossessed assets as at as at 30th September 2021 and 31st March 2021 .

**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**8. Non-bank Mainland Activities**

<u>Type of counterparties</u>	<u>30.9.2021</u> (HK\$'000)			<u>31.3.2021</u> (HK\$'000)		
	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	-	-	-	-	-	-
2 Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-	-	-	-
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	-	-	-	-	-	-
4 Other entities of central government not reported in item 1 above	-	-	-	-	-	-
5 Other entities of local governments not reported in item 2 above	-	-	-	-	-	-
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	-	-	-	-	-	-
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	4,839,503	-	4,839,503	5,327,396	-	5,327,396
<b>Total</b>	<b>4,839,503</b>	<b>0</b>	<b>4,839,503</b>	<b>5,327,396</b>	<b>0</b>	<b>5,327,396</b>
Total assets after provision	128,840,898			129,544,985		
On-balance sheet exposures as percentage of total assets	3.76%			4.11%		



**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**9. Foreign Currency Exposure**

The position in a particular currency will be reported if the net position (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies.

	30.9.2021 (HK\$ Million)						Total
	US\$	GBP	EUR	JPY	AUD	SGD	
Spot assets	122,025	8	2,730	1,995	438	88	127,284
Spot liabilities	(122,450)	(37)	(2,216)	(698)	(13)	(6)	(125,420)
Forward purchases	17,314	3,116	3,140	7,687	128	10	31,395
Forward sales	(16,890)	(3,086)	(3,649)	(8,985)	(555)	(92)	(33,257)
Net options	-	-	-	-	-	-	-
Net long (short) position	(1)	1	5	(1)	(2)	-	2

  

	31.3.2021 (HK\$ Million)						Total
	US\$	GBP	EUR	JPY	AUD	SGD	
Spot assets	122,622	6	3,071	2,016	296	89	128,100
Spot liabilities	(121,667)	(45)	(2,829)	(1,020)	(17)	(7)	(125,585)
Forward purchases	6,725	624	481	3,524	404	14	11,772
Forward sales	(7,681)	(584)	(723)	(4,518)	(683)	(96)	(14,285)
Net options	-	-	-	-	-	-	-
Net long (short) position	(1)	1	-	2	-	-	2

There is no net structural position constituting 10% or more of the total net structural position in all foreign currencies at 30th September 2021 and 31st March 2021 .





**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**10. Liquidity**

**Average Liquidity Maintenance Ratio**

Six Months ended <u>30.9.2021</u>	Six Months ended <u>30.9.2020</u>
75.20%	81.61%

Average Liquidity Maintenance Ratio is calculated as the arithmetic mean of the average of each month's average liquidity ratio for the first six months of the financial year computed in accordance with Banking Liquidity Rules.

**Quarterly Average Liquidity Maintenance Ratio**

Quarter Ended <u>30.9.2021</u>	Quarter Ended <u>30.6.2021</u>	Quarter Ended <u>30.9.2020</u>	Quarter Ended <u>30.6.2020</u>
80.95%	69.46%	79.82%	83.41%

**Quarterly Average Core Funding Ratio**

Quarter Ended <u>30.9.2021</u>	Quarter Ended <u>30.6.2021</u>	Quarter Ended <u>30.9.2020</u>	Quarter Ended <u>30.6.2020</u>
95.20%	92.43%	91.61%	90.59%

Quarterly Average Ratio is calculated as the arithmetic mean of the average of each month's average Ratio for the three months of the quarter computed in accordance with Banking Liquidity Rules.

**LIQUIDITY RISK MANAGEMENT**

The Liquidity risk management of State Bank of India (SBI), Hong Kong Branch is part of the SBI Group's risk management processes. The Liquidity risk management is a component of the SBI HK Branch's asset and liability management framework.

The liquidity risk management frame comprises of the following:

- Roles and responsibilities, organizational structure for oversight and communications of the SBI's liquidity risk management;
- Operational liquidity risk management;
- Periodic reporting of liquidity positions
- Managing funding sources and access to markets; and
- Liquidity contingency plan that establishes indicators to alert senior management to potential liquidity and funding problems.

The Hong Kong Asset and Liability Committee ("ALCO") comprising key members from local management and Treasury, conducts meeting on a regular basis to review the daily liquidity reports and deliberate important liquidity risk management matters.

The SBI Branch's liquidity management framework is supported by key liquidity measures, which are monitored on an on-going basis. These measures further serve as early warning indicators ("EWI") to alert senior management of potential liquidity and funding distress situations and trigger management actions in response to the event. The EWIs are designed taking into consideration the Branch's funding profile as well as the market conditions, and are calibrated to differentiate the various level of severity in liquidity shortfall. The EWIs are monitored regularly and discussed at the ALCO.



**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**III. Additional Information - continued**

**Liquidity Monitoring**

SBI HK Branch manages the operational liquidity by cash flows on an individual currency basis by cash flow mismatch analysis under defined business scenarios. Short-term liquidity stress tests are performed based on an institution-specific crisis scenario, a general market crisis scenario and a combined scenario. The results of the stress tests are used to adjust liquidity risk management strategies, policies and positions and to develop effective contingency funding plans. Liquidity monitoring is performed daily within the framework for projecting cash flows on a contractual basis. Simulations of liquidity exposures under stressed market scenarios are performed and the results are taken into account in the risk management processes.

SBI HK Branch follows the applicable guidance set forth by the HKMA in Supervisory Policy Manual LM-2 "Sound Systems and Controls for Liquidity risk Management".

**Liquidity Reporting**

In-house systems and procedures are in place to meet the various reporting requirements. The systems include data from different sources with relevant mapping rules to generate internal and local regulatory reports. Daily cash flow mismatch reports are produced by using contractual cash flows in the balance sheets and placing them into appropriate time basis. The measurement and reporting of liquidity would be on a cumulative cash flow mismatch basis for each currency. The daily reporting regulatory reports for Liquidity Maintenance Ratio are prepared in accordance with the relevant reporting requirements.

**Funding Strategy**

The liquidity and funding positions of SBI HK Branch is centrally managed at Hong Kong. The Branch maintains a diverse range of funding sources. Apart from obtaining the funding from interbank markets, the non-bank customer deposits also form a part of the Branch's overall funding. In order to lengthen the duration of the funding, the Branch obtains intragroup funding at arm's length and borrowing in the money market.

**Contingency Planning**

The Contingency Funding Plan ("CFP") is a critical component of the liquidity management framework and serves as an extension of the SBI HK Branch's operational or daily management policy. A liquidity crisis can arise due to Market-driven and/or Firm-driven events. A 3-stage approach (Green/Amber/Red) is adopted to differentiate the various states of the liquidity and funding condition.



**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION A - BRANCH INFORMATION (HONG KONG ONLY)**

**11. Remuneration System**

The senior management and the key personnel of the branch are Bank's officers from India, the remuneration package is on the lines decided by the Working Group of the Standing Committee by the Government of India, Ministry of Finance (Banking Division). The Standing Committee has been mandated to standardize the remuneration package to be paid to all India based officers of Indian public sector banks operating in various overseas centers including Hong Kong. The Committee meets at periodic intervals to review/revise the remuneration package taking into account cost of living, market situation, etc.

**Remuneration of Senior Management and Key Personnel**

Information on the remuneration for the Bank's senior management and key personnel is set out below

(i) Amount of remuneration for the six months ended 30th September 2021

	HK\$	Beneficiaries
Fixed remuneration	3	867,673
Variable remuneration	-	-
Total	<u>3</u>	<u>867,673</u>

(ii) No senior management or key personnel has been awarded with deferred remuneration during the six months ended 30th September 2021

and

(iii) No senior management or key personnel has been awarded with new sign-on or severance payment during the six months ended 30th September 2021



**STATE BANK OF INDIA, HONG KONG**  
**INTERIM DISCLOSURE STATEMENT**  
**SECTION B - BANK INFORMATION CONSOLIDATED BASIS**

**AVAILABLE IN THE BANK'S WEBSITE**

**1. Capital and Capital Adequacy**

	<u>31.03.2021</u> (HK\$'000)		<u>31.03.2020</u> (HK\$'000)
a) Capital			
Shareholders' Funds	<u>292,528,195</u> *		<u>258,026,849</u> **
b) Capital Adequacy Ratio (Basel III)	<u>13.97%</u>		<u>13.30%</u>

**2. Other Financial Information**

	<u>31.03.2021</u> (HK\$'000)		<u>31.03.2020</u> (HK\$'000)
Total Assets	5,143,968,733 *		4,313,969,521 **
Total Liabilities	4,851,440,538 *		4,055,942,672 **
Total Advances	2,654,563,680 *		2,356,396,879 **
Total Customer Deposits	<u>3,932,451,453</u> *		<u>3,353,893,346</u> **
	Year ended <u>31.3.2021</u> (HK\$'000)		Year ended <u>31.3.2020</u> (HK\$'000)
Pre-tax Profit (Loss)	<u>32,825,592</u> *		<u>32,792,970</u> **

\* Indian Rupee converted to HK\$ @ 9.42 (31st March 2021)

\*\* Indian Rupee converted to HK\$ @ 9.73 (31st March 2020)

This Disclosure Statement is also available at State Bank of India, Hong Kong Branch and the public registry of the Hong Kong Monetary Authority.

**Declaration of Chief Executive Officer**

We have prepared the financial disclosure statement of State Bank of India, Hong Kong Branch for the six months ended 30th September 2021. The information disclosed complies fully with the Banking (Disclosure) Rules made by the Hong Kong Monetary Authority under Section 60A of the Banking Ordinance (Cap.155). To the best of my knowledge, the Disclosure Statement is not false or misleading.



Country Head & Chief Executive Officer  
State Bank of India, Hong Kong