

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

I. Profit and Loss Account
For the year ended 31st March 2023

	<u>31.3.2023</u> (HK\$'000)	<u>31.3.2022</u> (HK\$'000)
<u>INCOME</u>		
Interest income	4,291,393	1,358,674
Interest expenses	(3,912,321)	(831,112)
Net interest income	<u>379,072</u>	<u>527,562</u>
 <u>Other Operating Income</u>		
Gains less losses from dealing in foreign currencies	14,199	11,521
Gains less losses from trading in interest rate derivative	-	-
Gains less losses from non-trading Investments	(28,161)	(9,318)
Gross fees and commission income (Expenses- NIL)	255,811	80,125
Others	-	-
Total Income	<u>620,921</u>	<u>609,890</u>
 <u>EXPENDITURE</u>		
<u>Operating Expenses</u>		
Staff and rental expenses	67,615	60,067
Other expenses less fees and commission expenses	51,556	56,283
Net charge for other provisions	<u>35,205</u>	<u>325,313</u>
Operating Profit before Impairment Losses	466,545	168,227
Impairment losses and provisions for impaired loans and receivables		
- Collective Provision	49,541	(21,054)
- Specific Provision	<u>-</u>	<u>-</u>
Profit before Taxation	417,004	189,281
Taxation Expense	<u>(65,325)</u>	<u>(30,427)</u>
Profit after Taxation	<u>351,679</u>	<u>158,854</u>



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II. Balance Sheet

As at 31st March 2023

	<u>31.03.2023</u> (HK\$'000)	<u>30.09.2022</u> (HK\$'000)
<u>ASSETS</u>		
1. Cash and balances with banks (except those included in amount due from overseas offices)	1,997,922	1,268,318
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)	1,773,929	3,960,570
3. Amount due from overseas offices	62,794,968	66,284,656
4. Trade Bills	2,633,356	3,675,121
5. Certificates of Deposit held		
6. Securities held for trading purposes		
7. Loans and Receivables		
Advances to customers	35,010,409	37,041,584
Advances to banks	6,619,313	5,935,010
Other Accounts (Accrued interest and others)	1,097,541	1,092,757
Provision for impaired loans and receivables - collective	(342,258)	(361,288)
Provision for impaired loans and receivables - specific	-	-
8. Investment Securities	7,884,500	8,367,414
9. Other Investments	-	-
Property, plant and equipment and investment		
10. properties	55,461	54,817
Total Assets	119,525,141	127,318,959
<u>LIABILITIES</u>		
Deposits and balances of banks (except those included in amount due from overseas offices)	79,015,998	75,895,273
2. Deposits from customers		
i) Demand deposits and current accounts	79,646	78,297
ii) Savings deposits	46,509	66,023
iii) Time, call and notice deposits	4,013,246	4,331,166
3. Amount due to overseas offices	33,763,364	43,526,669
4. Certificates of Deposit issued	-	-
5. Issued Debt Securities	-	-
6. Other liabilities (Accrued interest and others)	2,606,378	3,421,531
7. Other Provisions	-	-
Total Liabilities	119,525,141	127,318,959

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III. Additional Information

1. Impaired Loans and Advances

There were no impaired loans and advances to banks as at 31st March 2023 and 30th September 2022 .

There were no impaired loans and advances to customers as at 31st March 2023 and 30th September 2022 .

2. Derivatives

	<u>31.3.2023</u> (HK\$'000)	<u>30.9.2022</u> (HK\$'000)
a) Notional Amount		
i) Exchange rate contracts	21,451,622	20,536,759
ii) Interest rate contracts	2,747,482	9,380,690
TOTAL	<u>24,199,104</u>	<u>29,917,449</u>
b) Fair Value of Derivative contracts (Gross)		
i) Exchange rate contracts	(241,585)	(8,653)
ii) Interest rate contracts	1,136	1,330
TOTAL	<u>(240,449)</u>	<u>(7,323)</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>31.3.2023</u> (HK\$'000)	<u>30.9.2022</u> (HK\$'000)
Notional Amount		
i) Direct credit substitutes	113,957	113,226
ii) Trade related contingent items	414,300	263,033
iii) Other commitments	2,123,223	4,656,852
TOTAL	<u>2,651,480</u>	<u>5,033,111</u>

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III. Additional Information - continued

4. International Claims

31.3.2023
(HK\$ Million)

	Non-Bank Private Sector					Total
	Banks	Official Sector	Non-Bank financial institutions	Non-financial private sector	Others	
Developed countries	755	1,054	-	1,097	-	2,906
of which USA	701	1,054	-	379	-	2,134
of which Netherland	-	-	-	718	-	718
Offshore centres	162	380	394	209	-	1,145
of which Singapore	-	-	-	90	-	90
of which Mauritius	162	-	-	-	-	162
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-	-
Developing Africa and Middle East	4,306	1,170	-	32	-	5,508
of which UAE	2,847	1,170	-	-	-	4,017
of which Qatar	1,459	-	-	-	-	1,459
Developing Asia-Pacific	72,589	6,633	10,972	17,209	-	107,403
of which India	68,762	6,617	10,345	10,552	-	96,276
International Organisations	-	1,205	-	-	-	1,205

30.9.2022
(HK\$ Million)

	Non-Bank Private Sector					Total
	Banks	Official Sector	Non-Bank financial institutions	Non-financial private sector	Others	
Developed countries	1,336	1,306	-	1,450	-	4,092
of which USA	1,175	1,306	-	447	-	2,928
of which Netherland	-	-	-	1,003	-	1,003
Offshore centres	315	391	-	84	-	790
of which Singapore	-	-	-	84	-	84
of which Mauritius	315	-	-	-	-	315
Developing Europe	-	-	-	-	-	-
Developing Latin America and Caribbean	-	-	-	-	-	-
Developing Africa and Middle East	4,453	1,170	-	32	-	5,655
of which UAE	3,333	1,170	-	-	-	4,503
of which Qatar	511	-	-	-	-	511
of which Egypt	435	-	-	-	-	435
Developing Asia-Pacific	77,093	6,477	12,331	18,368	-	114,269
of which India	72,699	6,461	11,366	11,844	-	102,370
International Organisations	-	886	-	-	-	886

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III. Additional Information - continued

5. Advances to Customers

	<u>31.3.2023</u> (HK\$'000)	<u>30.9.2022</u> (HK\$'000)
a) <u>By Sectors</u>		
<u>Loans for use in Hong Kong</u>		
i) Industrial, commercial & financial wholesale and retail trade	830,330	296,000
Transport and transport equipment		
Financial Sectors	420,425	331,687
ii) Individuals		
For other* business purposes		
For other* private purposes	-	-
iii) All Others	300,000	300,000
<u>Trade Financing</u>	-	-
<u>Loans for use outside Hong Kong</u>	33,459,654	36,113,897
TOTAL **	<u><u>35,010,409</u></u>	<u><u>37,041,584</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 \$ 3,976,708 ('000) as at 31st March 2023 and \$4,849,095 ('000) as at 30th September 2022.

b) By Geographical Areas

Hong Kong	1,550,755	927,687
India	26,578,698	28,280,807
China	4,855,484	5,315,352
Others	2,025,472	2,517,738
TOTAL	<u><u>35,010,409</u></u>	<u><u>37,041,584</u></u>

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.



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III. Additional Information - continued

6. Overdue and Rescheduled Assets of Customers

There were no loans and advances to customers overdue for more than 3 months as at 31st March 2023 and 30th September 2022 .

There were no other assets overdue for more than 3 months as at 31st March 2023 and 30th September 2022 .

There were no rescheduled loans and advances to customers as at 31st March 2023 and 30th September 2022 .

There were no repossessed assets as at 31st March 2023 and 30th September 2022 .

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 31st March 2023 and 30th September 2022 .

There were no rescheduled advances as at 31st March 2023 and 30th September 2022 .

There were no repossessed assets as at as at 31st March 2023 and 30th September 2022 .



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III. Additional Information - continued

8. Non-bank Mainland Activities

<u>Type of counterparties</u>	<u>31.3.2023</u> (HK\$'000)			<u>30.9.2022</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	4,875,817	-	4,875,817	5,329,150	-	5,329,150
Total	<u>4,875,817</u>	-	<u>4,875,817</u>	<u>5,329,150</u>	-	<u>5,329,150</u>
Total assets after provision	119,525,141			127,318,959		
On-balance sheet exposures as percentage of total assets	4.08%			4.19%		

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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.

	<u>31.3.2023</u> (HK\$ Million)						Total
	US\$	GBP	EUR	JPY	AUD	SGD	
Spot assets	110,235	-	3,400	3,572	316	90	117,613
Spot liabilities	(108,821)	(201)	(3,291)	(3,990)	(15)	(13)	(116,331)
Forward purchases	8,091	2,520	484	5,780	1,028	18	17,921
Forward sales	(9,513)	(2,319)	(593)	(5,361)	(1,329)	(95)	(19,210)
Net options	-	-	-	-	-	-	-
Net long (short) position	(8)	-	-	1	-	-	(7)

	<u>30.9.2022</u> (HK\$ Million)						Total
	US\$	GBP	EUR	JPY	AUD	SGD	
Spot assets	121,319	3	2,454	1,337	485	85	125,683
Spot liabilities	(120,813)	(114)	(3,085)	(663)	(15)	(15)	(124,705)
Forward purchases	9,883	1,779	3,362	3,205	645	13	18,887
Forward sales	(10,386)	(1,668)	(2,731)	(3,878)	(1,115)	(83)	(19,861)
Net options	-	-	-	-	-	-	-
Net long (short) position	3	-	-	1	-	-	4

There is no net structural position constituting 10% or more of the total net structural position in all foreign currencies at 31st March 2023 and 30th September 2022 .



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III. Additional Information - continued

10. Liquidity

Average Liquidity Maintenance Ratio

Twelve Months ended 31.3.2023	Twelve Months ended 31.3.2022
<u>111.05%</u>	<u>79.59%</u>

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

Quarterly Average Liquidity Maintenance Ratio

Quarter Ended 31.3.2023	Quarter Ended 31.12.2022	Quarter Ended 31.3.2022	Quarter Ended 31.12.2021
<u>124.64%</u>	<u>129.97%</u>	<u>78.54%</u>	<u>89.39%</u>

Quarterly Average Core Funding Ratio

Quarter Ended 31.3.2023	Quarter Ended 31.12.2022	Quarter Ended 31.3.2022	Quarter Ended 31.12.2021
<u>95.82%</u>	<u>97.63%</u>	<u>98.13%</u>	<u>98.12%</u>

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.



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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.



LIQUIDITY GAP

The following maturity profile is based on the remaining period of repayment on the contractual maturity basis

As at 31st March 2023	Next Day	2 to 7 days	8 days to 1 month	1 to 3 months	3 to 6 months (HK\$ '000)	6 to 12 months	Over 1 year	Total
ASSETS								
Cash and balances with Central banks	75,044	-	-	-	-	-	-	75,044
Due from other banks	1,560,741	745,400	6,090,623	12,548,193	6,127,167	6,150,118	40,479,874	73,702,116
Acceptances and Bills	68,795	91,179	330,130	1,124,717	968,071	77,016	2,787	2,662,695
Loans and Receivables	514,161	118,153	477,715	1,129,365	2,295,685	2,730,615	27,939,756	35,205,450
Investment Securities	6,288,921	-	-	88,386	-	305,156	1,182,896	7,865,359
Other Assets	238,084	-	-	2,133	-	3,985	57,332	301,534
Total of on-balancesheet items	8,745,746	954,732	6,898,468	14,892,794	9,390,923	9,266,890	69,662,645	119,812,198
Off-Balance Sheet items	1,177,493	-	-	95,421	-	1,007,395	-	2,280,309
LIABILITIES								
Deposits from customers	151,142	76,637	147,602	553,203	748,955	2,010,415	514,022	4,201,976
Due to banks	2,270,735	942,319	9,106,075	19,090,477	8,266,185	15,624,471	55,235,634	110,535,896
Securities Financing Transactions	-	-	-	-	768,295	601,976	-	1,370,271
Other liabilities	271,212	-	-	1,790	-	3,857	4,710	281,569
Total of On-Balance Sheet items	2,693,089	1,018,956	9,253,677	19,645,470	9,783,435	18,240,719	55,754,366	116,389,712
Off-Balance Sheet items	35,080	-	234,420	237,182	826,052	262,718	1,407,356	3,002,808
Contractual Maturity Mismatch	7,195,070	(64,224)	(2,589,629)	(4,894,437)	(1,218,564)	(8,229,152)	12,500,923	
Contractual Cumulative Maturity Mismatch	7,195,070	7,130,846	4,541,217	(353,220)	(1,571,784)	(9,800,936)	2,699,987	

Positive indicates a position of surplus. Negative indicates a liquidity shortfall that has to be funded.



LIQUIDITY GAP

The following maturity profile is based on the remaining period of repayment on the contractual maturity basis

As at 31st March 2022	Next Day	2 to 7 days	8 days to month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
	(HK\$ '000)							
ASSETS								
Cash and balances with Central banks	204,984	-	-	-	-	-	-	204,984
Due from other banks	1,190,893	1,092,816	11,248,990	15,081,080	12,192,095	9,758,575	29,277,070	79,841,519
Acceptances and Bills	2,695	46,270	853,806	951,711	1,124,798	55,162	-	3,034,442
Loans and Receivables	144,213	-	177,456	1,192,269	178,366	3,731,178	24,422,082	29,845,564
Investment Securities	3,891,808	-	35,234	-	613,543	898,901	2,768,990	8,208,476
Other Assets	413,228	-	-	743	158	2,764	56,601	473,494
Total of on-balancesheet items	5,847,821	1,139,086	12,315,486	17,225,803	14,108,960	14,446,580	56,524,743	121,608,479
Off-Balance Sheet items	1,406,127	195,746	-	-	-	260,969	434,627	2,297,469
LIABILITIES								
Deposits from customers	324,177	144,495	606,871	1,102,130	781,390	1,061,715	323,684	4,344,462
Due to banks	149,126	1,646,519	12,035,532	18,658,402	14,919,901	10,087,759	52,884,602	110,381,841
Securities Financing Transactions	-	-	-	-	722,834	2,676,141	-	3,398,975
Other liabilities	239,743	-	-	1,423	568	1,649	1,936	245,319
Total of On-Balance Sheet items	713,046	1,791,014	12,642,403	19,761,955	16,424,693	13,827,264	53,210,222	118,370,597
Off-Balance Sheet items	81,868	-	3,159,914	477,149	9,456	264,363	2,801,671	6,794,421
Contractual Maturity Mismatch	6,459,034	(456,182)	(3,486,831)	(3,013,301)	(2,325,189)	615,922	947,477	
Contractual Cumulative Maturity Mismatch	6,459,034	6,002,852	2,516,021	(497,280)	(2,822,469)	(2,206,547)	(1,259,070)	

Positive indicates a position of surplus. Negative indicates a liquidity shortfall that has to be funded.



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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 twelve months ended 31st March 2023

	HK\$	Beneficiaries
Fixed remuneration	2,752,503	5
Variable remuneration	-	-
Total	<u>2,752,503</u>	<u>5</u>

(ii) No senior management or key personnel has been awarded with deferred remuneration during the twelve months ended 31st March 2023
and

(iii) No senior management or key personnel has been awarded with new sign-on or severance payment during the twelve months ended 31st March 2023



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SECTION B - BANK INFORMATION CONSOLIDATED BASIS

AVAILABLE IN THE BANK'S WEBSITE

1. Capital and Capital Adequacy

	<u>31.03.2023</u> (HK\$'000)		<u>31.03.2022</u> (HK\$'000)	
a) Capital				
Shareholders' Funds	<u>343,146,576</u>	*	<u>315,918,583</u>	**
b) Capital Adequacy Ratio (Basel III)	<u>14.84%</u>		<u>14.03%</u>	

2. Other Financial Information

	<u>31.03.2023</u> (HK\$'000)		<u>31.03.2022</u> (HK\$'000)	
Total Assets	5,692,560,533	*	5,542,110,544	**
Total Liabilities	5,349,413,957	*	5,226,191,961	**
Total Advances	3,124,189,414	*	2,888,530,964	**
Total Customer Deposits	<u>4,261,724,138</u>	*	<u>4,209,770,722</u>	**
	Year ended <u>31.3.2023</u> (HK\$'000)		Year ended <u>31.3.2022</u> (HK\$'000)	
Pre-tax Profit (Loss)	<u>71,212,528</u>	*	<u>50,404,573</u>	**

* Indian Rupee converted to HK\$ @10.46 (31st March 2023)

** Indian Rupee converted to HK\$ @ 9.673 (31st March 2022)

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 year ended 31st March 2023. 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 Branch