

Notes:

- 1 The financial results have been drawn from financial statements prepared in accordance with Accounting Standard (AS-25) on 'Interim Financial Reporting'.
- 2 The above results have been reviewed by the Audit Committee of the Board at their meeting held on February 09, 2018 and approved by the Board of Directors at their meeting held on February 09, 2018. The results have been subjected to a limited review by the Statutory Central Auditors.
- 3 The financial results for the quarter/nine months ended December 31, 2017 have been arrived at after considering necessary provisions for NPAs, Standard Assets, Standard Derivative Exposures and Investment Depreciation on the basis of prudential norms and directions issued by the RBI. Provisions for Contingencies, Employee Benefits including provision for wage revision, Direct Taxes (after adjustment for Deferred Tax) and for other items / assets are made on estimates.
- 4 The Bank changed its accounting policy with respect to booking of commission earned on issuance of Letter of Credit and Bank guarantees, other than on deferred payment guarantees w. e. f. April 1, 2017. Now these are being recognized over the period of LC/BG, instead of on realisation basis done earlier. The impact of the change in policy, as compared to previous practice has resulted in lower income under this head to the extent of INR 959.51 Crores for the nine months period and INR 252.81 Crores during the quarter ended December 31, 2017. There are no other material changes in the Significant Accounting Policies adopted during the nine months period ended December 31, 2017 as compared to those followed in the annual financial statements for the year ended March 31, 2017.
- 5 RBI Circular DBOD.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 on 'Basel III Capital Regulations' read together with RBI Circular No. DBR.No.BP. BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards Amendments' requires Banks to make applicable Pillar 3 Disclosures including leverage ratio and liquidity coverage ratio under the Basel III framework. These disclosures as of December 31, 2017 are placed on the Bank's Website <http://www.sbi.co.in>.

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6

a) During the nine-month ended December 31, 2017, the Bank has issued 52,21,93,211 Equity shares of INR 1/- each for cash pursuant to a Qualified Institution placement (QIP) as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations at INR 287.25 per share aggregating to INR 15,000 Crores (Including share premium). This resulted in an increase of INR 52.22 Crores in Share Capital and INR 14,930.18 Crores (Net of Issue expenses) in Share premium account.

b) The bank has allotted right shares 3400 equity shares (rights shares) of INR 1/- each, (340 equity shares of INR 10/- each before split) to eligible shareholders under the SBI Rights Issue-2008. The allotment of aforesaid shares was kept in abeyance as the equity shares issued earlier, on which the rights were offered, were subject matter of title disputes/sub-judice and the same were allotted after resolution of the dispute

7 The Capital adequacy ratio is computed on the basis of RBI guidelines applicable on the relevant reporting dates and the ratio for the corresponding previous periods is not comparable to consider the impact of subsequent changes, if any, in the guidelines.

8 a) The Government of India (GOI) approved the schemes of acquisition of Domestic Banking Subsidiaries (SBBJ, SBM, SBT, SBP & SBH) and Bharatiya Mahila Bank Limited (BMBL) with State Bank of India, under the State Bank of India Act, 1955, effective from April 1, 2017. The results for this quarter and nine-months ended December 31, 2017 includes operations of erstwhile Domestic Banking Subsidiaries & BMBL. Hence the results for this quarter are not comparable with that of the corresponding period of the previous year. The shareholders of the merged entities were allotted shares of the Bank, as mentioned below.

Name of the Transferor Banks	Share exchange ratio/ Issued
State Bank of Bikaner and Jaipur (SBBJ)	28 shares of face value INR 1 each of SBI for every 10 shares of SBBJ of face value INR10 each fully paid up aggregating to 4,88,54,308 shares of face value INR 1 each of SBI.
State Bank of Mysore (SBM)	22 shares of face value of INR 1 each for every 10 shares of SBM of face value INR 10 each fully paid up aggregating to 1,05,58,379 shares of face value INR 1 each of SBI.
State Bank of Travancore (SBT)	22 shares of face value of INR 1 each for every 10 shares of SBT of face value of INR10 each fully paid up aggregating to 3,27,08,543 shares of face value INR 1 each of SBI.
Bharatiya Mahila Bank Limited (BMBL)	4,42,31,510 shares of face value of INR 1 each for 100,00,00,000 shares of BMBL of face value of INR 10 each fully paid up.

In respect of State Bank of Patiala (SBP) and State Bank of Hyderabad (SBH) which were wholly owned entities, entire share capital of those banks were cancelled against the investments held in those entities.

b) The merger of five Banking Subsidiaries and Bharatiya Mahila Bank Limited with effect from 01.04.2017 has been accounted under the 'pooling of interest' method as per Accounting Standard 14 (AS 14), "Accounting for amalgamation" and the approved Scheme of Acquisition. All assets and liabilities (including contingent liabilities), duties and obligations of the transferor Banks have been recorded in the books of accounts of SBI at their existing carrying amounts as on effective date.

9 In compliance with the Risk Assessment Report(RAR) of RBI for the year 2016-17:

a) Non-Performing Assets of INR 23,239.13 Crores have been duly classified and additional provision thereagainst amounting to INR 5,720.66 Crores has been made, as detailed below.

Sl.no	Particulars	Amount in Cr
1	Gross NPAs as on 31 March, 2017, as reported by the Bank	1,12,342.99
2	Gross NPAs as on 31 March, 2017, as assessed by RBI	1,35,582.12
3	Divergence in Gross NPAs (2-1)	23,239.13
4	Net NPAs as on 31 March, 2017, as reported by the Bank	58,277.38
5	Net NPAs as on 31 March, 2017, as assessed by RBI	75,795.85
6	Divergence in Net NPAs (5-4)	17,518.47
7	Provisions for NPAs as on 31 March, 2017, as reported by the Bank	54,065.61
8	Provisions for NPAs as on 31 March, 2017, as assessed by RBI	59,786.27
9	Divergence in provisioning (8-7)	5,720.66
10	Reported Net Profit after Tax(PAT) for the year ended March 31, 2017	10,484.10
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended 31 March, 2017 after taking into account the divergence in provisioning	6,743.25

Further, provision on standard assets of INR 330.89 Crores have been deferred to the next quarter.

b) The bank has reversed the effect of revaluation amounting to INR 11,210.94 Crores made in earlier periods in the value of certain leasehold properties, which has resulted in write back of depreciation earlier charged amounting to INR 337.04 Crores. Consequential effect on capital adequacy ratio arising from the above has been made in the current quarter.

10 During the current quarter/period, the Bank has recognised Deferred Tax Asset, on provision for standard assets as per IRAC norms, amounting to INR 2,280 Crores which was hitherto not considered for Deferred Tax Asset; with consequential effect on the results for the quarter/nine month period.

11 Provision Coverage Ratio as on December 31, 2017 was 65.92%.

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- 12 Number of Investors' complaints pending at the beginning of the quarter is 7. The Bank has received 168 Investors' complaints during the quarter ended December 31, 2017. 175 complaints have been disposed off during the quarter. There are no pending Investors' complaints at the end of the quarter.
- 13 Previous period/year figures have been regrouped / reclassified, wherever necessary, to conform to current period classifications.



Dinesh Kumar Khara

MD (Risk, IT & Subsidiaries)



P K Gupta

MD (Retail & Digital Banking)



B Sriram

MD (Corporate & Global Banking)



Rajnish Kumar
Chairman

For Varma & Varma
Chartered Accountants



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For Manubhai & Shah LLP
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Chartered Accountants



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For Chatterjee & Co.
Chartered Accountants



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Partner : M No.050430
Firm Regn. No.302114 E

For Bansal & Co LLP
Chartered Accountants



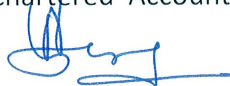
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For Amit Ray & Co.
Chartered Accountants



Basudeb Banerjee
Partner : M No.070468
Firm Regn. No. 000483 C

For S L Chhajer & Co.
Chartered Accountants




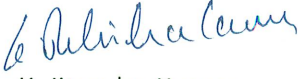
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For S K Mittal & Co
Chartered Accountants

S.K. Mittal
Partner : M No. 008506
Firm Regn. No. 001135 N

Place : Mumbai

Date : February 9, 2018

To
The Board of Directors
State Bank of India,
State Bank Bhavan,
Madame Cama Road,
Mumbai- 400021

**LIMITED REVIEW REPORT ON UNAUDITED FINANCIAL RESULTS
OF STATE BANK OF INDIA FOR THE QUARTER AND NINE MONTHS ENDED
DECEMBER 31, 2017**


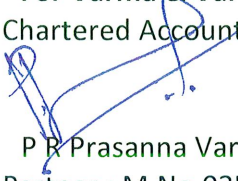
1. We have reviewed the accompanying statement of unaudited standalone financial results of State Bank of India for the quarter ended December 31, 2017 and the standalone year to date financial results for the period April 1, 2017 to December 31, 2017, attached herewith, being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except for the disclosures relating to 'Consolidated Pillar 3 Disclosure as at December 31, 2017 including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations' as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid financial results not reviewed by us. This statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The financial results incorporate the relevant returns of 42 branches reviewed by us, 53 foreign branches out of which 30 were reviewed by the Local Auditors of the foreign Branches and 23 certified by respective branch managers and unreviewed returns in respect of 22,847 branches. The financial results also incorporate the relevant returns of Central Accounts Offices and Global Market Unit. In the conduct of our review we have relied on the review reports in respect of non-performing assets certified by the Branch Managers of the bank of 1,229 branches and 76 Internal Concurrent Auditors. These review reports cover 61.05% of the advances portfolio of the bank and 91.18% of the non-performing assets of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the unreviewed branches of the bank.

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4. Based on our review conducted as above and subject to the matters mentioned in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results including notes thereon prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
5. We draw attention to Note 9(a) and 9(b) of the financial results regarding certain provisions/adjustments made by the bank in compliance with the Risk Assessment Report (RAR) of RBI; and to Note.10 regarding recognition of Deferred Tax Asset on provision for standard assets.

Our conclusion is not modified in respect of the above matters.

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Place : Mumbai

Date : February 09, 2018