

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 November 09, 2017 and approved by the Board of Directors at their meeting held on November 10, 2017. The results have been subjected to a limited review by the Statutory Central Auditors.
- 3 The financial results for the quarter/half year ended September 30, 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 706.70 Crores for the half year and INR of 330.79 Crores during the quarter ended September 30, 2017. There are no other material changes in the Significant Accounting Policies adopted during the half ended September 30, 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 September 30, 2017 are placed on the Bank's Website <http://www.sbi.co.in>.
- 6 During the half year ended September 30, 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.
- 7 The Capital adequacy ratio is computed on the basis of RBI guidelines applicable on the

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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.

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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 half year ended September 30, 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 and State Bank of Hyderabad 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.

c) Migration audit consequent to merger have been completed during this quarter and most of the actionable matters have been dealt with. Remaining matters will be completed by December 31, 2017. No material effect is expected by the management on completion.

9 Provision Coverage Ratio as on September 30, 2017 was 65.10%.

10 Exceptional items during the quarter represents net profit of INR 5,436.17 Crores on sale of partial investments in its subsidiary SBI Life Insurance Company Limited.

11 The Bank has received 249 Investors' complaints during the quarter ended September 30, 2017, out of which 242 have been disposed off. There are 7 pending Investors' complaints at the end of the quarter.

12 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

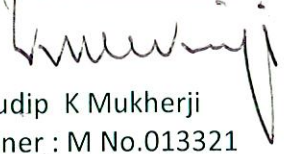
For Varma & Varma
Chartered Accountants


P R Prasanna Varma
Partner : M.No.025854
Firm Regn. No. 004532 S

For V Sankar Aiyar & Co.
Chartered Accountants


G Sankar
Partner : M No.046050
Firm Regn. No.109208 W


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Chartered Accountants


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Firm Regn. No.000459 S

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Sunil Aggarwal

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R N Basu
Partner : M No.050430
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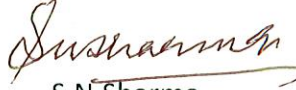
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Firm Regn. No. 003089 S

For Brahmayya & Co
Chartered Accountants



K. Jitendra Kumar
Partner : M No.201825
Firm Regn. No.000511 S


Place : Mumbai

Date : November 10, 2017

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 HALF YEAR ENDED
SEPTEMBER 30, 2017**

1. We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of State Bank of India ('the Bank') for the quarter and six months ended September 30, 2017, attached herewith, prepared 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 September 30, 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, 52 foreign branches out of which 29 were reviewed by the Local Auditors of the foreign Branches and 23 certified by respective branch managers and unreviewed returns in respect of 23,617 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 1,237 branches and 10 Internal Concurrent Auditors. These review reports cover 59.44% of the advances portfolio of the bank and 88.55% 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.
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.


For Varma & Varma
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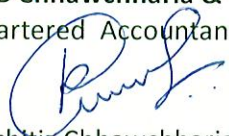
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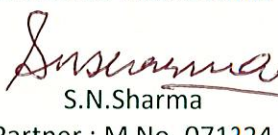
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