


Notes:

- 1 The financial results have been drawn from financial statements prepared in accordance with Accounting Standards (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, 2017 and approved by the Board of Directors at their meeting held on February 10, 2017. 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, 2016 have been arrived at after considering necessary provisions for NPAs, Standard Assets, Standard Derivative Exposures and Investment Depreciation on the basis of prudential norms 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 estimated basis.
- 4 There are no material changes in the Significant Accounting Policies adopted during the quarter/nine months ended December 31, 2016 as compared to those followed in the annual financial statements for the year ended March 31, 2016.
- 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, 2016 are placed on the Bank's Website <http://www.sbi.co.in>.

6 Revaluation of Fixed Assets:-

- a) The bank has revalued immovable properties based on the reports obtained from the external independent valuers. The revaluation surplus was credited to revaluation reserve as on June, 30, 2016 and the closing balance of revaluation reserve as at December, 31, 2016 is INR 31,707.29 Crore.
 - b) In terms of RBI circular No.DBR No.BP.BC.83/21.06.201/2015-16 dated 01.03.2016 on Basel III capital regulations, the revaluation reserves have been reckoned as CET I Capital at a discount of 55%.
- 7 In respect of unamortized loss on sale of assets sold to ARCs in the previous years, the bank has amortized INR 316.00 Crore during the current quarter (in nine months INR 951.00 Crore) in accordance with the circular of RBI. The gross amount of the current nine month's Loss on Sale of loan assets to ARCs of INR 30.00 Crore is being amortized in accordance with RBI circular dated June 13, 2016. The aggregate unamortized amount of such losses as on December 31, 2016 is INR 194.29 Crore.

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8. In terms of RBI Circular FMRD.DIRD.10/14.03.002/2015-16 dated May 19,2016, the Bank has, with effect from October 3, 2016, considered its repo/ reverse repo transactions under Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) of RBI as Borrowings/ Lending, as the case may be. Previous period figures have been regrouped and reclassified to conform to current period's classification. The above regrouping/ reclassification has no impact on the profit of the bank for the quarter ended December 31, 2016 or the previous periods.

9. In terms of RBI Circular No. DBR No.BP.BC.49/ 21.04.048/2016-17 dated 28th December, 2016, the classification of the affected standard assets from standard to sub-standard has been deferred. The impact of this on quantum of NPA is INR 2002.00 crore.

10. In terms of the RBI Circulars dated June 8, 2015 on " Strategic Debt Restructuring Scheme" (SDR) and " Scheme for Sustainable Structuring of Stressed Assets" (S4A) respectively as amended, the bank has invoked SDR/S4A in respect of 25 Nos. of Accounts having the Outstanding balance of INR 16,427.00 Crore as on December 31, 2016.

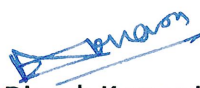
11. "Other Income" for the quarter ended December 31, 2016, includes gain of INR 1,755.00 Crore on the sale of 3.9% stake held by Bank in the subsidiary SBI Life Insurance Company Limited. Consequently the holding of the Bank in the subsidiary has reduced to 70.10% from 74%.

12. 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 period is not adjusted to consider the impact of subsequent changes, if any, in the guidelines.


13. Provision Coverage Ratio as on December 2016 was 62.87%

14. The Bank has received 134 Investors' complaints during the quarter ended December 31, 2016 which have been disposed off. There were no pending Investors' complaints either at the beginning or end of the quarter.

15. Previous period/year figures have been regrouped / reclassified, wherever necessary, to conform to current period classifications.


Dinesh Kumar Khara
MD (A&S)


P K Gupta
MD (C&R)

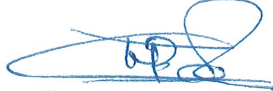

Rajnish Kumar
MD (NBG)


B Sriram
MD (CBG)


Arundhati Bhattacharya
Chairman



For Varma & Varma
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Chartered Accountants



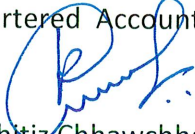
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For GSA & Associates
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For Chatterjee & Co.
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R N Basu
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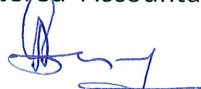
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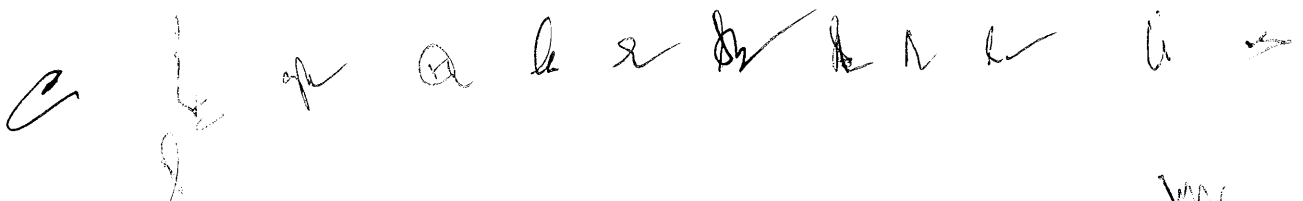
Place : Mumbai
Date : February 10, 2017



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 NINE MONTHS ENDED
DECEMBER 31, 2016**

1. We have reviewed the accompanying statement of unaudited standalone financial results of State Bank of India for the quarter ended December 31, 2016 and the standalone year to date financial results for the period April 1, 2016 to December 31, 2016, 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 disclosure relating to 'Consolidated Pillar 3 Disclosure as at December 31, 2016, 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 Engagement (SRE) 2410, Engagements to Review Financial Statements 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 statements 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, 55 foreign branches out of which 36 reviewed by the Local Auditors of the foreign Branches and 19 certified by respective branch managers and unreviewed returns in respect of 17,504 branches. The financial results also incorporate the relevant returns of Central Accounts Offices and Global Market Units. 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 755 branches and 32 Internal Concurrent Auditors. These review reports cover 60.61% of the advances portfolio of the bank and 90.91% 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. Attention is invited to Note No. 9 to the financial results regarding deferment of NPA recognition by 90 days based on the RBI Circular in this regard. This has not been subjected to limited review by us.



5. Attention is invited to Note No. 11 to the financial results of an exceptional income of INR 1755.00 Crores arising from sale of 3.9% stake in SBI Life Insurance Company Ltd., a subsidiary company of the Bank.
6. Based on our review conducted as above and subject to the matters mentioned in Para 3, 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited 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.

7. Emphasis of Matter

We draw attention to Note No. 7 of Standalone financial results regarding Non-amortization of INR 194.29 Crores on account of loss on sale of assets to Reconstruction companies.

Our conclusion is not qualified in respect of the above stated matter.

For Varma & Varma
Chartered Accountants



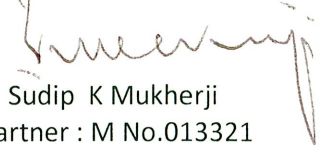
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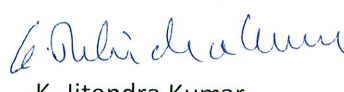
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Place : Mumbai

Date : February 10, 2017