Varma & Varma
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LIMITED REVIEW REPORT

The Board of Directors,
State Bank of India,
State Bank Bhavan
Madam Cama Road,
Mumbai – 400021

LIMITED REVIEW REPORT ON THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF STATE BANK OF INDIA FOR THE THREE MONTHS ENDED JUNE 30, 2016

1. We have reviewed the accompanying statement of unaudited consolidated financial results of State Bank of India (the 'Bank') for the Three Months ended June 30, 2016 which includes:
   a. Results of the Bank which have been reviewed by all the Central Statutory Auditors including us;
   b. Results of 14 Subsidiaries , 1 Joint Venture reviewed by other Auditors;
   c. Results of 1 Subsidiaries audited by other Auditors; and
   d. Un-reviewed results of 16 Subsidiaries, 7 Joint Ventures and 20 Associates (including 18 Regional Rural Banks).

   The above entities together with the Bank are referred to as the 'Group'. These statements are the responsibility of the Bank's management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

Scope of Review:

2. We conducted our review in accordance with the Standard on Review Engagement (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 statements are free of material misstatement. A review is limited primarily to inquiries of bank personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. In respect of the unaudited consolidated financial results we did not review:

   a) the statement of reviewed financial results of 14 Subsidiaries and 1 Joint Venture of the Group, as well as statement of audited financial results of 1 subsidiary whose financial results reflect the Group's share of total assets of INR 6,94,027 crores as at June 30, 2016 and the Group's share of total revenues of INR 20,037 crores for the three months ended June 30, 2016 as considered in the consolidated financial results. These financial results have been reviewed/audited by other auditors whose reports on the standalone financials results and on the information and adjustments required for consolidation have been furnished to us, and in our opinion, in so far as it relates to the amounts/information included in respect of such subsidiaries, joint ventures in the unaudited consolidated financial results, is based solely on such reports of the other auditors;

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b) the financial results of 16 Subsidiaries and 7 Joint ventures whose financial results reflect the Group's share of total assets of INR 34,630 crores as at June 30, 2016 and the Group's share of total revenues of INR 938 crores for the three months ended June 30, 2016 are not reviewed by their auditors and have been included in the consolidated financial results on the basis of management certified information;

c) the financial results of 20 Associates including 18 Regional Rural Banks, whose financial results reflect the Group's share in profit from associates of INR 69 crores for the three months ended June 30, 2016 are not reviewed by their auditors and have been included in the consolidated financial results on the basis of management certified information.

4. We have relied on the intra group balances and transactions pertaining to the various circles/ units of the bank as certified by the respective joint auditors of the Bank for the purpose of elimination of intragroup balances and transactions.

Conclusion:

5. Based on our review conducted as above and subject to limitations in scope as mentioned in paras 1 and 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results 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.

6. **Emphasis of Matter**

We draw attention to Note no. 10 of Consolidated Financial Results regarding non amortization of INR 1,730 crores on account of loss on sale of Assets to Reconstruction Companies and Note no. 11 regarding additional provision made by domestic banking subsidiaries' amounting to INR 2,725 crores.

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

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S



CHERIAN K BABY
Partner
M. No. 16043



Place: Mumbai
Date: August 12, 2016