

M/s.Kumar Vijay Gupta & Co Chartered Accountants	M/s.G.Venugopal Kamath & Co Chartered Accountants
M/s.Gopalaier and Subramanian Chartered Accountants	M/s.Babu A. Kallivayalil & Co Chartered Accountants

LIMITED REVIEW REPORT

To
STATE BANK OF INDIA

1. We have reviewed the accompanying Statement of Unaudited Financial Results along with notes appearing thereon of the State Bank of Travancore ("the Bank") for the quarter ended 30th June 2016, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been reviewed by us. Further, disclosures relating to 'Pillar 3 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 Statement have not been reviewed by us. 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.
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 statement is free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we could become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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3. In the conduct of our Review, unaudited financial results in respect of 20 branches and treasury operations were reviewed by us and have relied on the review reports received from inspection team of the Bank acting as Concurrent Auditors in respect of 55 branches. In aggregate, the above covers 52.71% of the Advances (excluding non food credit) and 84.24% of the Gross Non Performing Assets of the Bank. Apart from these review reports, in the conduct of our review, we have also relied upon the un-reviewed returns in respect of 1103 branches received from the branches of the Bank.
4. Attention is drawn to Note No. 5 of the unaudited financial statements regarding deferment of shortfall arising from sale of certain Non-Performing Assets and the unamortised balance as at 30th June, 2016 of Rs. 286.65 crores.

Our conclusion is not modified in respect of this matter.

5. Attention is drawn to Note No. 6 of the unaudited financial statements regarding provision of Rs. 94.57 crores made on specific Standard Advances and provision of Rs. 438.92 crores made on Non Performing Advances, over and above the provision required as per Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances of Reserve Bank of India. Had these provisions not been made, the loss before tax for the quarter ended 30th June, 2016 would have been Rs. 209.40 crores and net Non Performing Assets would have been Rs. 4467.24 crores.



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6. Based on our review conducted as above, subject to our comments in Paragraph 5, nothing has come to our attention that causes us to believe that the accompanying statements of unaudited financial results read with the 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 Kumar Vijay Gupta & Co.,
Chartered Accountants

Pawan Kumar
Partner

Membership No.097900
FRN:07814N

For Gopalaier and Subramanian
Chartered Accountants

S.Sundar
Partner

Membership No.202725
FRN:000960S

Thiruvananthapuram
26th July, 2016

For G.Venugopal Kamath & Co.,
Chartered Accountants

Ravinath R Pai
Partner

Membership No.226547
FRN:004674S

For Babu A. Kallivayalil & Co.,
Chartered Accountants

Thomas. M.D
Partner

Membership No.018177
FRN:005374S




REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2016

(Rs lacs)

	PARTICULARS	QUARTER ENDED			
		30.06.2016		31.03.2016	
		(REVIEWED)	(AUDITED)	(REVIEWED)	(AUDITED)
1	Interest Earned (a+b+c+d)	235235.62	238709.21	239142.48	960887.89
a	Interest/discount on advance/bills	158466.24	167379.55	180417.39	696379.32
b	Income on investments	72079.23	66822.91	55045.35	245464.29
c	Interest on balances with RBI and other Inter Bank funds	1793.37	2200.57	1482.63	8985.17
d	Others	2896.78	2306.18	2197.11	10059.11
2	Other Income	35137.59	41461.15	26071.70	114818.86
3	TOTAL INCOME(1+2)	270373.21	280170.36	265214.18	1075706.75
4	Interest Expended	176525.17	175578.65	173478.14	705495.75
5	Operating Expenses (i+ii)	51183.33	49843.81	45265.03	190377.60
(i)	Employees cost	30726.22	27156.46	26048.67	107240.33
(ii)	Other operating expenses	20457.11	22687.35	19216.36	83137.27
6	TOTAL EXPENDITURE (4+5) (excluding Provisions and Contingencies)	227708.50	225422.46	218743.17	895873.35
7	Operating Profit before Provisions and Contingencies (3-6)	42664.71	54747.90	46471.01	179833.40
8	Provisions (Other than tax) and Contingencies	113039.85	44969.01	30157.74	130125.16
	Of which provisions for Non- performing assets	116902.29	52032.06	24552.40	144285.36
9	Exceptional Items	0.00	0.00	0.00	0.00
10	Profit (+)/Loss(-) from ordinary activities before tax (7-8-9)	-70375.14	9778.89	16313.27	49708.24
11	Tax Expense	3914.00	3565.00	8181.00	15935.00
12	Net Profit (+)/Loss(-) from ordinary activities after tax (10-11)	-74289.14	6213.89	8132.27	33773.24
13	Extraordinary Items (net of tax expense)	0.00	0.00	0.00	0.00
14	Net Profit (+)/Loss(-) for the period (12-13)	-74289.14	6213.89	8132.27	33773.24
15	Paid-up equity share capital	7110.42	7110.42	7110.42	7110.42
16	Reserves excluding revaluation reserves (as per Balance Sheet of previous accounting year)	595001.83	595001.83	519310.02	595001.83
17	Analytical Ratios				
(i)	Percentage of shares held by Govt. of India	0.00	0.00	0.00	0.00
(ii) a.	Capital Adequacy Ratio - BASEL II	11.39%	12.50%	11.22%	12.50%
b.	Capital Adequacy Ratio - BASEL III	10.43%	11.60%	10.47%	11.60%
(iii)	Face Value per Share (in Rupees)	10.00	10.00	10.00	10.00
	Earnings per Share (EPS) (in Rupees)				
a.	Basic and diluted EPS before extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (*not annualised)	-104.48	8.74	11.44	47.50
b.	Basic and diluted EPS after extraordinary items (net of tax expense) for the period, for the year to date and for the previous year (*not annualised)	-104.48	8.74	11.44	47.50
(iv) (a)	Amount of gross non-performing assets	640113.08	319995.78	275920.48	319995.78
(b)	Amount of net non-performing assets	393375.32	181367.31	165394.56	181367.31
(c)	% of gross NPAs	9.38%	4.78%	4.03%	4.78%
(d)	% of net NPAs	5.99%	2.77%	2.47%	2.77%
(v)	Return on Assets (Annualized)	-2.55%	0.31%	0.31%	0.31%
18	Public Shareholding:				
	Number of shares (in lacs)	149	149	149	149
	Percentage of share holding	20.91	20.91	20.91	20.91
19	Promoters and promoter group Shareholding				
a)	Pledged / Encumbered				
	Number of shares [in Lacs]	Nil	Nil	Nil	Nil
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
	Percentage of shares (as a % of the total share capital of the Bank)	Nil	Nil	Nil	Nil
b)	Non-Encumbered				
	Number of shares [in Lacs]	562	562	562	562
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
	Percentage of shares (as a % of the total share capital of the Bank)	79.09	79.09	79.09	79.09



NOTES:				
1	The above financial results have been arrived at after considering provisions for Non-Performing Assets, Standard Assets, unhedged foreign currency exposure, all applicable taxes, amortisation of premium relating to investment under 'Held to Maturity' category, Depreciation on Investments and Fixed Assets, Diminution in fair value of Advances in respect of Restructured Accounts and other usual and necessary provisions on estimated and proportionate basis.			
2	There has been no material change in the accounting policies adopted during the quarter ended June 30, 2016 as compared to those followed for the year ended March 31, 2016.			
3	Reconciliation of Inter-branch transactions, Accounts with State Bank of India, Associate Banks / Other Banks, Government Transactions (both State and Central), Balance in Inter Office account, Nostro Accounts, System Suspense Account, Clearing, other Adjusting Accounts and ATM Balances is in progress. In the opinion of the Management, no material impact of such reconciliation on financial statements is anticipated.			
4	In terms of RBI Circular DBOD.BP.BC.6/21.06.201/2014-15 dated 1 st July, 2014, as amended, on Basel III Capital Regulations and in terms of RBI circular DBR. NO. BP.BC 58/21.06.201/2014-15 dated January 8, 2015 on revised framework for leverage ratio contains guidelines on certain pillar 3 disclosure requirements and leverage ratio disclosure requirements that are to be made along with publication of financial results. Accordingly, these disclosures have been placed on the website of the bank which can be accessed at the link http://www.statebankoftravancore.com/portal/regulatory-disclosures . This disclosure has not been subjected to limited review by the statutory auditors of the Bank.			
5	In terms of the RBI circular DBOD.BP.BC.No.98/21.04.132/2013-14 dated 26th February 2014 and RBI Master Circular DBOD.BP.BC.No. RBI/2014-15/74, on Prudential norms on Income Recognition, Asset Classification etc., dated 1st July 2014, in respect of assets sold to SC/RC's during the year ended 31st March, 2015 and 31st March, 2016 the shortfall arrived at by deducting sale consideration and provisions held as on the date of sale from the outstanding amount is being amortized over two years. Accordingly, the Bank has charged to the Profit and Loss account an amount of Rs. 88.32 Crore (Rs.70 Cr for the quarter ended 30th June 2015) during the current quarter. The unamortized portion as on 30th June, 2016 is Rs.286.65 Crores.			
6	During the quarter Bank has made specific provision amounting to Rs.94.57 Cr on standard advances and Rs.438.92 Cr on Non Performing Advances at rates higher than the rates prescribed under existing RBI regulations on IRAC and provisioning norms.			
7	On 17th May, 2016 the respective Boards of State Bank of Travancore and State Bank of India passed a resolution to enter into negotiations for acquiring business including assets and liabilities of State Bank of Travancore under Section 35 (1) of State Bank of India Act, 1955. The same was approved by Central Government on 20th June, 2016.			
8	The figures of quarter ended March 31,2016 are the balancing figures between the audited figures in respect of the financial year 2015-16 and the published year to date figures upto December 31, 2015.			
9	Corresponding previous period/ year figures have been regrouped / rearranged, wherever necessary.			
10	The above financial results have been taken on record by the Audit Committee and approved by the Board of Directors of the Bank at its meeting held on 26th July, 2016.			
11	Details of Investor Complaints for the quarter ended 30th June, 2016:			
	Beginning	Received	Disposed off	Lying Un-resolved
	NIL	4	4	NIL
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div> Place: Thiruvananthapuram Date: 26th July, 2016 </div> <div style="text-align: right;">  C.R. SASIKUMAR MANAGING DIRECTOR </div> </div>				





STATE BANK OF TRAVANCORE
(Associate of State Bank of India)
HEAD OFFICE:: THIRUVANANTHAPURAM

ACCOUNTING STANDARD 17 - DISCLOSURE UNDER SEGMENT REPORTING AS ON 30th JUNE 2016
(Rs. In Lakhs)

PARTICULARS	QUARTER ENDED			YEAR ENDED
	30/06/2016	31/03/2016	30/06/2015	31/03/2016
	REVIEWED	AUDITED	REVIEWED	AUDITED
1. SEGMENT REVENUE				
a. Treasury Operations	93,297.32	77,655.12	65,811.30	2,88,633.23
b. Corporate/ Wholesale Operations	1,10,435.93	68,053.14	1,27,504.06	4,92,973.20
c. Retail Banking operations	66,639.96	1,34,462.10	71,898.82	2,94,100.32
d. Unallocated				
Total	2,70,373.21	2,80,170.36	2,65,214.18	10,75,706.75
Less; Inter Segment Revenue				
Net Sales/ income from operations	2,70,373.21	2,80,170.36	2,65,214.18	10,75,706.75
2. Segment Results				
Profit/(Loss) before Tax and interest from each Segment				
a. Treasury Operations	22,251.58	7,991.03	769.01	18,550.15
b.. Corporate / Wholesale Operations	(59,989.15)	(2,054.40)	8,639.46	14,025.18
c..Retail Banking Operations	(32,637.57)	3,842.25	6,904.80	17,132.90
d. unallocated				
Total	(70,375.14)	9,778.88	16,313.27	49,708.23
Less Extra ordinary Profit/Loss				
Total Profit Before Tax	(70,375.14)	9,778.88	16,313.27	49,708.23
3. Capital Employed (Segment Assets- Segment Liabilities)				
a. Treasury Operations	53,884.88	63,919.81	61,919.54	63,919.81
b.. Corporate / Wholesale Operations	1,93,737.90	2,22,716.12	3,35,437.09	2,22,716.12
c..Retail Banking Operations	2,80,200.33	3,15,476.31	1,83,413.79	3,15,476.31
d. Unallocated				
Total for banking operations	4,73,938.23	5,38,192.43	5,18,850.88	5,38,192.44
Total	5,27,823.11	6,02,112.25	5,80,770.42	6,02,112.25

Note: The Bank operates only in Domestic Segment

Pursuant to RBI Circular DBR.BP.BC .No.31/21.04.018/2015-16 dated July 16, 2015, the Bank, has, effective from September 30, 2015 included its deposits placed with NABARD, SIDBI and NHB on account of shortfall in lending to priority sector under 'Other Assets'. Before that these were included under 'investments' and interest income thereon was included under 'Interest Earned - Income on Investments'. Arising out of regrouping in line with the above mentioned RBI guidelines, interest income on deposits with NABARD, SIDBI and NHB is included under "Interest Earned - Others". The figures for the previous periods have been placed regrouped/reclassified to conform to current period's classification. The above change in classification has no impact on the profit of the Bank for the quarter ended June, 2016.

Place: Thiruvananthapuram
Date: 26th July 2016

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C.R.SASIKUMAR
MANAGING DIRECTOR

