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ANNOUNCEMENT

NOTICE OF REDEMPTION TO HOLDERS OF U.S.\$225,000,000 HYBRID TIER 1 NOTES (ISIN Code: XS0307996586) (THE NOTES) ISSUED PURSUANT TO STATE BANK OF INDIA, ACTING THROUGH ITS NASSAU BRANCH'S U.S.\$2,000,000,000 MEDIUM TERM NOTE PROGRAMME (THE MTN PROGRAMME) FOR THE REDEMPTION OF THE NOTES ON 27 JUNE 2017

Reference is made to the Notes which are constituted by the trust deed dated 23 October 2006 (the **Trust Deed**) entered into between State Bank of India, acting through its Nassau Branch (the **Issuer**), as issuer, and The Hongkong and Shanghai Banking Corporation Limited, as trustee and the pricing supplement dated 21 June 2007 for the Notes (the **Pricing Supplement**).

Terms defined in the Trust Deed and the Pricing Supplement shall have the same meanings in this notice, except where the context otherwise requires or except where otherwise specifically provided herein.

NOTICE IS HEREBY GIVEN THAT pursuant to Condition 8.3 of the terms and conditions of the Notes, wherein the Issuer has the option to call the Notes on 27 June 2017 (the **First Optional Redemption Date**), the Issuer hereby elects to exercise its option to redeem all of the outstanding Notes on the First Optional Redemption Date.

The redemption price for the Notes will be an amount equal to 100 per cent. of the principal amount of the outstanding Notes, together with any interest accrued to (but excluding) the First Optional Redemption Date.

The details of the redemption in respect of the Notes are as follows:

Issuer:	State Bank of India, acting through its Nassau Branch
Series Number:	14
Aggregate Outstanding Amount:	US\$225,000,000
Issue Date:	26 June 2007
Maturity Date:	Perpetual
Put/Call Options:	Issuer Call
Coupon:	7.140 per cent. Fixed Rate from (and including) the Issue Date to (but excluding) the First Optional Redemption Date.

Redemption Date:	27 June 2017
Redemption Price:	U.S.\$1,000 for every U.S.\$1,000 in nominal amount of Notes, with any interest accrued from the last Interest Payment Date to (but excluding) the First Optional Redemption Date.
ISIN:	XS0307996586

State Bank of India, acting through its Nassau Branch

31 May 2017