

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED**  
**SEPTEMBER 30, 2003**

( Rs in lacs )

	Particulars	Unaudited results for the quarter ended 30/09/2003	Unaudited results for the quarter ended 30/09/2002	Unaudited results for the half year ended 30/09/2003	Unaudited results for the half year ended 30/09/2002	Audited results for the year ended 31/03/2003
<b>1</b>	<b>Interest earned ( a ) + ( b ) + ( c ) + ( d )</b>	<b>64024</b>	<b>47964</b>	<b>121476</b>	<b>95807</b>	<b>200999</b>
a	Interest / discount on advances / bills	26030	18622	50760	36149	77370
b	Income on investments	35273	26481	65958	52693	111295
c	Interest on balances with Reserve Bank of India and other inter bank funds	2564	2796	4446	6843	12044
d	Others	157	65	312	122	290
2	Other income	8626	12764	21845	20365	46555
<b>A</b>	<b>Total income ( 1+2 )</b>	<b>72650</b>	<b>60728</b>	<b>143321</b>	<b>116172</b>	<b>247554</b>
3	Interest expended	30244	29047	60182	58114	119196
<b>4</b>	<b>Operating expenses ( e ) + ( f )</b>	<b>19471</b>	<b>13908</b>	<b>37411</b>	<b>25822</b>	<b>57343</b>
e	Payment to and provision for employees	4701	3336	9856	6500	15195
f	Other operating expenses	14770	10572	27555	19322	42148
<b>B</b>	<b>Total expenditure ( 3 ) + ( 4 ) (excluding provisions &amp; contingencies )</b>	<b>49715</b>	<b>42955</b>	<b>97593</b>	<b>83936</b>	<b>176539</b>
<b>C</b>	<b>Operating profit ( A – B ) ( Profit before provisions and contingencies )</b>	<b>22935</b>	<b>17773</b>	<b>45728</b>	<b>32236</b>	<b>71015</b>
D	Other provisions and contingencies	6376	4336	13392	7298	13930
E	Provision for taxes	4845	4468	9894	7728	18325
<b>F</b>	<b>Net profit ( C-D-E )</b>	<b>11714</b>	<b>8969</b>	<b>22442</b>	<b>17210</b>	<b>38760</b>
5	Paid up equity share capital (face value Rs. 10)	28348	28191	28348	28191	28205
6	Reserves excluding revaluation reserve					196278
<b>7</b>	<b>Analytical Ratios:</b>					
( i )	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
( ii )	Capital adequacy ratio	10.94%	13.35%	10.94%	13.35%	11.12%
(iii)	Earnings per share (par value Rs. 10/- each)					
	Basic	4.13	3.18	7.92	6.11	13.75
	Diluted	3.80	2.96	7.31	5.69	12.79
<b>8</b>	<b>Aggregate of Non Promoter Shareholding</b>					
	-No. of shares	214620013	213049013	214620013	213049013	213185713
	-Percentage of shareholding	75.71%	75.57%	75.71%	75.57%	75.59%

**Segment information in accordance with the Accounting Standard on Segment Reporting (AS17) of the three operating segments of the Bank are:**

(Rs in lacs)

	Results for the quarter ended 30/09/2003	Results for the quarter ended 30/09/2002	Results for the half year ended 30/09/2003	Results for the half year ended 30/09/2002	Results for the year ended 31/03/2003
<b>1.Segment Revenue</b>					
a) Wholesale Banking	46608	44994	95091	87153	179558
b) Retail Banking	58729	46178	113141	89851	191304
c) Treasury	9696	10592	19476	19458	42499
<b>Total</b>	<b>115033</b>	<b>101764</b>	<b>227708</b>	<b>196462</b>	<b>413361</b>
Less: Inter Segment Revenue	42383	41036	84387	80290	165807
<b>Income from Operations</b>	<b>72650</b>	<b>60728</b>	<b>143321</b>	<b>116172</b>	<b>247554</b>
<b>2. Segment Results</b>					
a) Wholesale Banking	9111	6039	17672	12551	27222
b) Retail Banking	3859	2866	7584	6158	14333
c) Treasury	3589	4532	7080	6229	15530
<b>Total Profit Before Tax</b>	<b>16559</b>	<b>13437</b>	<b>32336</b>	<b>24938</b>	<b>57085</b>
<b>3.Capital Employed</b> (Segment assets – Segment liabilities)					
a) Wholesale Banking	842751	828546	842751	828546	715704
b) Retail Banking	(589659)	(714570)	(589659)	(714570)	(587010)
c) Treasury	(14976)	95240	(14976)	95240	96202
<b>Total</b>	<b>238116</b>	<b>209216</b>	<b>238116</b>	<b>209216</b>	<b>224896</b>

**Note on segment information**

The reportable primary segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India (ICAI).

The Bank operates in three segments: wholesale banking, retail banking and treasury services. Segments have been identified and reported taking into account, the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the internal business reporting systems.

Segment revenue includes earnings from external customers plus earnings from funds transferred from one segment to the other based on an internal transfer price. Segment result includes revenue less interest expense (whether to customers or to the lending segment based on the internal transfer price) less operating expense and provisions, if any, for that segment.

Segment-wise income and expenses include certain allocations. Interest income is charged by a segment that provides funding to another segment, based on yields benchmarked to an internally developed composite yield curve which broadly tracks market discovered interest rates. Transaction charges are made by the retail banking segment to the wholesale banking segment for the use by its customers of the retail banking segment's branch network or other delivery channels; such transaction costs are determined on a cost plus basis.

Segment capital employed represents the net assets in that segment. It excludes capital and tax related assets.

**NOTES:**

1. The above results have been taken on record by the Board at its meeting held on October 10, 2003.
2. During the quarter and half year ended September 30, 2003, the Bank allotted 3,28,800 shares and 14,35,300 shares respectively, pursuant to the exercise of stock options by certain employees. Subsequently, the bank allotted 4,16,400 shares on October 1, 2003.
3. Interest income is adjusted for retail loan origination costs (net of subventions) in line with international accounting practices.
4. Other income relates to income from non-fund based banking activities including commission, fees, foreign exchange earnings, earnings from derivative transactions and profit and loss (including revaluation) from investments.
5. Previous period figures have been regrouped / reclassified wherever necessary to conform to current periods classification.
6. The above results for the quarter and half year ended September 30, 2003, have been subjected to a "Limited Review" by the auditors of the bank, as per the listing agreements with The Stock Exchange, Mumbai, The National Stock Exchange and the The Stock Exchange, Ahmedabad.
7. Status of shareholder complaints received during the quarter ended September 30, 2003:

Total complaints pending for the quarter ended June 30, 2003:	Nil
Total complaints received during the quarter ended September 30, 2003:	21
Total complaints resolved during the quarter ended September 30, 2003:	21
Total complaints pending for the quarter ended September 30, 2003:	Nil
8. Rs. 10 lacs = Rs. 1 million  
Rs. 10 million = Rs. 1 crore

Place : Mumbai  
Date : October 10, 2003

**Aditya Puri**  
Managing Director

The Board has also taken on record the unaudited results for the half year ended September 30, 2003, prepared as per US GAAP. The US GAAP accounts have also been subjected to a 'Limited Review' by the Bank's auditors. The reconciliation of net incomes as per Indian GAAP and US GAAP is as follows:

(In Rs million)

Particulars	Results for the half year ended 30/09/2003	Results for the half year ended 30/09/2002
<b>Net profit as per Indian GAAP</b>	<b>2244.2</b>	<b>1721.0</b>
Adjustments to:		
Investments	495.0	(102.3)
Loan loss provisions	(328.5)	112.5
Affiliates	34.7	15.3
Stock options	(31.5)	(70.3)
Deferred tax	(88.7)	(32.0)
Others	41.2	(24.3)
<b>Net profit as per USGAAP</b>	<b>2366.4</b>	<b>1619.9</b>

Certain statements in this release concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward looking statements. These risks and uncertainties include, but are not limited to, our growth and expansion, the adequacy of our allowances for investment and credit losses, technological changes, volatility in investment income, our exposure to market risks as well as other risks detailed in the reports filed with the United States Securities and Exchange Commission. The bank may, from time to time, make additional written and oral forward looking statements, including statements contained in the bank's filings with the Securities and Exchange Commission and our reports to the shareholders. The bank does not undertake to update forward looking statements that may be made from time to time by or on behalf of the bank, to reflect events or circumstances after the date thereof.

**Balance Sheet as at end of second quarter**

(Rs. crores)

	<b>As at 30-09-2003</b>	<b>As at 30-09-2002</b>
<b>CAPITAL AND LIABILITIES</b>		
Capital	<b>283</b>	282
Reserves and Surplus	<b>2209</b>	1841
Employees' Stock Options (Grants) Outstanding	<b>3</b>	7
Deposits	<b>25197</b>	19606
Borrowings	<b>2752</b>	796
Subordinated debt	<b>200</b>	200
Other Liabilities and Provisions	<b>2984</b>	2420
<b>Total</b>	<b>33628</b>	25152
<b>ASSETS</b>		
Cash and balances with Reserve Bank Of India	<b>1317</b>	1132
Balances with Banks and Money at Call and Short notice	<b>657</b>	1443
Investments	<b>16026</b>	12278
Advances	<b>13500</b>	8572
Fixed Assets	<b>564</b>	463
Other Assets	<b>1564</b>	1264
<b>Total</b>	<b>33628</b>	25152