

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2005

(Rs. in lac)

	Particulars	Unaudited results for the quarter ended 30-09-2005	Unaudited results for the quarter ended 30-09-2004	Unaudited results for the half year ended 30-09-2005	Unaudited results for the half year ended 30-09-2004	Audited results for the year ended 31-03-2005
1	Interest Earned (a) + (b) + (c) + (d)	102290	74470	191703	144725	309349
a	Interest / discount on advances / bills	61278	38912	114649	74212	166370
b	Income on investments	37605	32299	70082	63544	131149
c	Interest on balances with Reserve Bank of India and other inter bank funds	3404	3259	6948	6958	11809
d	Others	3	-	24	11	21
2	Other Income	26015	12272	52370	23076	65134
A	Total Income (1+2)	128305	86742	244073	167801	374483
3	Interest Expended	41077	31913	78121	62289	131556
4	Operating Expenses (e) + (f)	40164	24725	75965	47808	108540
e	Payment to and provision for employees	11516	6342	22426	12024	27667
f	Other operating expenses	28648	18383	53539	35784	80873
B	Total Expenditure (3) + (4)	81241	56638	154086	110097	240096
C	Operating Profit (A – B) (Profit before provisions and contingencies)	47064	30104	89987	57704	134387
D	Other Provisions and Contingencies	18062	7578	34647	14478	36493
E	Provision for Taxes	9038	7297	17023	14000	31338
F	Net Profit (C-D-E)	19964	15229	38317	29226	66556
5	Paid up equity share capital (face value Rs. 10)	31193	28623	31193	28623	30988
6	Reserves excluding revaluation reserve					420997
7	Analytical Ratios:					
A	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
B	Capital adequacy ratio	10.4%	10.9%	10.4%	10.9%	12.2%
C	Earnings per share (par value Rs. 10/- each)					
	Basic	6.4	5.3	12.3	10.2	22.9
	Diluted	6.0	5.0	11.6	9.7	21.6
8	Aggregate of Non-promoter shareholding					
	-No. of shares	243,073,108	217,371,913	243,073,108	217,371,913	241,014,308
	-Percentage of shareholding	77.9%	75.9%	77.9%	75.9%	77.8%

Segment information in accordance with the Accounting Standard on Segment Reporting (AS17) of the three operating segments of the Bank is as under:

(Rs. in lac)

Particulars	Unaudited results for the quarter ended 30-09-2005	Unaudited results for the quarter ended 30-09-2004	Unaudited results for the half year ended 30-09-2005	Unaudited results for the half year ended 30-09-2004	Audited results for the year ended 31-03-2005
1. Segment Revenue					
a) Retail Banking	110925	84041	222464	159119	353627
b) Wholesale Banking	67474	48490	124671	97171	205635
c) Treasury	23484	5031	34462	8549	28689
Total	201883	137562	381597	264839	587951
Less: Inter Segment Revenue	73578	50820	137524	97038	213468
Income from Operations	128305	86742	244073	167801	374483
2. Segment Results					
a) Retail Banking	11602	12536	25334	25095	52064
b) Wholesale Banking	16586	12857	29986	24207	53936
c) Treasury	814	(2867)	20	(6076)	(8106)
Total Profit Before Tax	29002	22526	55340	43226	97894
3.Capital Employed (Segment Assets-Segment Liabilities)					
a) Retail Banking	(141045)	(388362)	(141045)	(388362)	(289153)
b) Wholesale Banking	843481	716117	843481	716117	1002995
c) Treasury	(232970)	(47499)	(232970)	(47499)	(269913)
d) Unallocated	27295	21260	27295	21260	8056
Total	496761	301516	496761	301516	451985

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: retail banking, wholesale 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.

NOTES:

1. The above results have been taken on record by the Board at its meeting held on October 17, 2005.
2. During the quarter and the half-year ended September 30, 2005, the Bank allotted 680,700 shares and 2,058,800 shares respectively pursuant to the exercise of stock options by certain employees. The Bank allotted 144,900 shares on October 5, 2005 pursuant to the exercise of stock options by certain employees during the month of September 2005.
3. 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.
4. Provision for Taxes includes Rs. 350 lac and Rs. 600 lac towards provision for fringe benefit tax (FBT) for the quarter and the half-year ended September 30, 2005, respectively.
5. On September 28, 2005, the Bank increased its investment in HDFC Securities Limited from 29.5% to 55%. Consequently, HDFC Securities Limited has become a subsidiary company of the Bank since that date.
6. On September 19, 2005 the Bank filed Shelf Memorandum of Information with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for the proposed issue of Unsecured Redeemable Non-Convertible Subordinated Bonds up to a limit of Rs. 1,000 crores in India. The Bank intends to raise this amount, in tranches, within a period of one year from the date of filing of the Shelf Memorandum of Information.
7. Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended September 30, 2005:

Opening: nil; Additions: 54; Disposals: 54; Closing: nil.
8. Previous period figures have been regrouped/reclassified wherever necessary to conform to current period's classification.
9. The above results for the quarter and the half-year ended September 30, 2005, have been subjected to a "Limited Review" by the auditors of the Bank, as per the listing agreements with Bombay Stock Exchange Limited (erstwhile The Stock Exchange, Mumbai) and The National Stock Exchange of India Limited.
10. Rs. 10 lac = Rs. 1 million
Rs. 10 million = Rs. 1 crore

Place : Mumbai
Date : October 17, 2005

Aditya Puri
Managing Director

The Board has also taken on record the unaudited results for the half-year ended September 30, 2005, 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:

(Rs. in lac)		
Particulars	Results for the half year ended 30-09-2005	Results for the half year ended 30-09-2004
Net profit as per Indian GAAP	38317	29226
Adjustments to:		
Investments	2153	8943
Allowances for credit losses	(2862)	(3371)
Accounting for affiliates	(253)	1477
Stock based options	(233)	(2620)
Customer acquisition costs	7443	616
Others	(1089)	51
Income taxes	(1593)	(2527)
Net profit as per USGAAP	41883	31795

Certain statements are included in this release which contain words or phrases such as “will,” “aim,” “will likely result,” “believe,” “expect,” “will continue,” “anticipate,” “estimate,” “intend,” “plan,” “contemplate,” “seek to,” “future,” “objective,” “goal,” “project,” “should,” “will pursue” and similar expressions or variations of these expressions that are “forward-looking statements.” Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to implement our strategy successfully, the market acceptance of and demand for various banking services, future levels of our non-performing loans, our growth and expansion, the adequacy of our allowance for credit and investment losses, technological changes, volatility in investment income, cash flow projections and our exposure to market and operational risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what may actually occur in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: general economic and political conditions in India and the other countries which have an impact on our business activities or investments; the monetary and interest rate policies of the government of India; inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices; the performance of the financial markets in India and globally; changes in Indian and foreign laws and regulations, including tax, accounting and banking regulations; changes in competition and the pricing environment in India; and regional or general changes in asset valuations.

(Rs. in lac)

Summarised Balance Sheet	As at 30-09-2005	As at 30-09-2004
CAPITAL AND LIABILITIES		
Capital	31193	28623
Reserves and Surplus	465568	272893
Employees' Stock Options (Grants) Outstanding	24	86
Deposits	4544609	3346579
Borrowings	456284	231844
Subordinated Debt	50000	50000
Other Liabilities and Provisions	491145	377183
Total	6038823	4307208
ASSETS		
Cash and balances with The Reserve Bank of India	278921	158151
Balances with Banks and Money at Call and Short notice	163500	67532
Investments	2132800	1845142
Advances	3170564	2043347
Fixed Assets	74287	64464
Other Assets	218751	128572
Total	6038823	4307208