

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2007

(Rs. in lacs)

Particulars		Unaudited results for the quarter ended 30-09-07	Unaudited results for the quarter ended 30-09-06	Unaudited results for the half year ended 30-09-07	Unaudited results for the half year ended 30-09-06	Audited results for the year ended 31-03-07
1	Interest Earned (a) + (b) + (c) + (d)	236276	157804	443192	302246	664793
(a)	Interest / discount on advances / bills	163692	99581	309054	190161	433415
(b)	Income on investments	66375	53570	122422	99534	205753
(c)	Interest on balances with Reserve Bank of India and other inter bank funds	6147	4567	11484	12391	25294
(d)	Others	62	86	232	160	331
2	Other Income	48238	39771	105492	74850	151623
3	Total Income (1+2)	284514	197575	548684	377096	816416
4	Interest Expended	120008	79006	228372	147672	317945
5	Operating Expenses (i) + (ii)	81838	57913	159276	113185	242080
(i)	Employees Cost	31904	18133	60292	34769	77686
(ii)	Other operating expenses	49934	39780	98984	78416	164394
6	Total Expenditure (4) + (5) (excluding provisions & contingencies)	201846	136919	387648	260857	560025
7	Operating Profit before provisions and contingencies (3) – (6)	82668	60656	161036	116239	256391
8	Provisions (other than tax) and Contingencies	28939	24809	59651	45209	92516
9	Exceptional Items	-	-	-	-	-
10	Profit / (Loss) from ordinary activities before tax (7-8-9)	53729	35847	101385	71030	163875
11	Tax Expense	16881	9553	32414	20806	49730
12	Net Profit / (Loss) from ordinary activities after tax (10-11)	36848	26294	68971	50224	114145
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	Net Profit / (Loss) from the period (12-13)	36848	26294	68971	50224	114145
15	Paid up equity share capital (Face Value of Rs. 10/- each)	35345	31437	35345	31437	31939
16	Reserves excluding revaluation reserve (as per balance sheet of previous accounting year)					611376
17	Analytical Ratios:					
(i)	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
(ii)	Capital adequacy ratio	14.9%	12.1%	14.9%	12.1%	13.1%
(iii)	Earnings per share (par value Rs. 10/- each)					
a	Basic EPS before & after extraordinary items (net of tax expense) – not annualized	10.6	8.4	20.6	16.0	36.3
b	Diluted EPS before & after extraordinary items (net of tax expense) – not annualized	10.5	8.3	20.5	15.8	36.1
(iv)	NPA ratios					
a	Gross NPA	76828	61715	76828	61715	65776
b	Net NPA	24374	18566	24374	18566	20289
c	% of Gross NPA to Gross Advances	1.2%	1.4%	1.2%	1.4%	1.3%
d	% of Net NPA to Net Advances	0.4%	0.4%	0.4%	0.4%	0.4%
(v)	Return on assets (average) – not annualized	0.3%	0.3%	0.6%	0.6%	1.3%
18	Public Shareholding					
	-No. of shares	271008920	245513808	271008920	245513808	250528608
	-Percentage of shareholding	76.7%	78.1%	76.7%	78.1%	78.4%

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 lacs)

Particulars	Unaudited results for the quarter ended 30-09-07	Unaudited results for the quarter ended 30-09-06	Unaudited results for the half year ended 30-09-07	Unaudited results for the half year ended 30-09-06	Audited results for the year ended 31-03-07
1. Segment Revenue					
a) Retail Banking	276155	190550	527093	359134	776488
b) Wholesale Banking	194935	116361	360777	227587	509043
c) Treasury	6468	12200	19636	22035	47339
d) Unallocated	-	-	-	-	-
Total	477558	319111	907506	608756	1332870
Less: Inter Segment Revenue	193044	121536	358822	231660	516454
Income from Operations	284514	197575	548684	377096	816416
2. Segment Results					
a) Retail Banking	40455	24742	67892	47647	87571
b) Wholesale Banking	18337	10804	37807	24554	74674
c) Treasury	(5063)	301	(4314)	(1171)	1630
d) Unallocated	-	-	-	-	-
Total	53729	35847	101385	71030	163875
Less:					
i) Other un-allocable expenditure net off	-	-	-	-	-
ii) Un-allocable income	-	-	-	-	-
Total Profit Before Tax	53729	35847	101385	71030	163875
3.Capital Employed (Segment Assets-Segment Liabilities)					
a) Retail Banking	288717	(285587)	288717	(285587)	223761
b) Wholesale Banking	425354	863295	425354	863295	257770
c) Treasury	308658	(25537)	308658	(25537)	127627
d) Unallocated	66047	32869	66047	32869	34157
Total	1088776	585040	1088776	585040	643315

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 approved by the Board at its meeting held on October 12, 2007.
2. During the quarter and the half-year ended September 30, 2007, the Bank allotted 481,400 shares and 696,800 shares respectively pursuant to the exercise of stock options by certain employees.
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. The Reserve Bank of India (RBI) issued a general clarification dated July 11, 2007 requiring banks to reflect amortization of premia on investments in the Held to Maturity (HTM) category under interest income from investments. Accordingly the Bank has reclassified the same for the quarter and half year ended September 30, 2007 and all previous periods wherever necessary. On account of the said reclassification, net interest income is now lower by Rs. 58.8 crore for the quarter ended September 30, 2007 (corresponding previous quarter: Rs. 57.6 crore) and Rs. 115.5 crore for the half year ended September 30, 2007 (corresponding previous half year: Rs. 117.5 crore)
5. During the half year ended September 30, 2007, the Bank changed its accounting policy on amortization of premia on investments in the HTM category. Hitherto, the Bank amortized premia on investments in the HTM category on a straight-line basis. Now the Bank amortizes the said premia prospectively on yield to maturity basis. This change in policy has resulted in the profit after tax being higher by Rs. 4.7 crore for the quarter ended September 30, 2007 and by Rs. 8.6 crore for the half year ended September 30, 2007.
6. Provision for Taxes includes Rs. 944 lacs and Rs. 1644 lacs towards provision for fringe benefit tax (FBT) for the quarter and the half-year ended September 30, 2007, respectively.
7. During the quarter ended September 30, 2007, the Bank made a public offering of 6,594,504 American Depositary Shares (ADS), each ADS representing three equity shares, at a price of \$ 92.10 per ADS. An amount of Rs. 2,393.9 crores was received net of underwriting discounts and commissions.
8. During the quarter ended September 30, 2007, the Bank invested in 45,00,000 equity shares of HDB Financial Services Limited at Rs. 10/- per share. HDB Financial Services Limited is a subsidiary of the Bank and is yet to commence operations.
9. As on September 30, 2007, the total number of branches (including extension counters) and the ATM network stood at 754 branches and 1800 ATMs respectively.
10. Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended September 30, 2007:

Opening: nil; Additions: 39; Disposals: 39; Closing: nil.
11. Previous period figures have been regrouped/reclassified wherever necessary to conform to current period's classification.
12. The above results for the quarter and the half-year ended September 30, 2007, have been subjected to a "Limited Review" by the auditors of the Bank, as per the listing agreements with Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.
13. Rs. 10 lac = Rs. 1 million
Rs. 10 million = Rs. 1 crore

Place: Mumbai
Date: October 12, 2007.

Aditya Puri
Managing Director

(Rs. in lacs)

Summarised Balance Sheet	As at 30-09-2007	As at 30-09-2006
CAPITAL AND LIABILITIES		
Capital	35345	31437
Reserves and Surplus	1053431	553603
Employees' Stock Options (Grants) Outstanding	-	4
Deposits	9106858	6344681
Borrowings	481251	298035
Other Liabilities and Provisions*	1477610	1208550
Total	12154495	8436310
ASSETS		
Cash and balances with Reserve Bank of India	1202725	439170
Balances with Banks and Money at Call and Short notice	182411	191507
Investments	4028904	3107443
Advances	6227804	4277933
Fixed Assets	105451	92282
Other Assets	407200	327975
Total	12154495	8436310

*Includes subordinated debt and unsecured non-convertible subordinated perpetual bonds of Rs. 324635 lacs (previous year: Rs. 281200 lacs) as on September 30 2007.