

NOTES:

1. The financial results for the half year ended 30th Sep 2010 have been arrived at on the same Accounting Policies as those followed by the Bank in the previous year except NPAs provisioning for the quarter ending 30th June, 2010 as detailed in Note no. 2 below . The provision for bonus, gratuity, pension, leave encashment and other defined employee benefits as per AS 15 (Revised), provision for Income Tax including Deferred Tax, Wealth Tax, Service Tax, Depreciation etc have been made on an estimated basis. The provision for Standard Assets and Investments have made as per RBI norms.

2. In order to achieve the Reserve Bank of India's stipulated Provisioning Coverage Ratio (PCR) of 70%, the Bank had revised its accounting policy of NPA provisioning for the quarter ended 30th June 2010, which had resulted in an additional provision of Rs. 92.17 crores for the said period. The Bank has discontinued the said policy of additional provisioning and reverted to the provisioning as per RBI norms in view of the permission obtained from RBI to achieve the stipulated PCR till 31st March 2011. Had the Bank continued with the policy adopted for June 2010 quarter, the provision for NPA should have been higher by Rs 154.75 crores and the consequent provision coverage Ratio would have been at 76.97%.

The Bank also holds a floating provision of Rs.84.45 Crore over and above the provision amount required as per RBI guidelines on Income Recognition, Asset Classification and Provisioning on advances.

3. Consequent to non payment of dues by farmers by 31st July 2010 in respect of accounts identified under Agricultural Debt Waiver and Debt Relief Scheme 2008 formulated by the Government of India (GOI), , such accounts have been classified as NPAs and provisioning has been made. The Bank has adopted 1st April 2008 as NPA date conservatively as all such advances were standard as on 31st December 2007.

4. The reconciliation of various inter-branches, inter-bank accounts, including National and Local Clearing account, NOSTRO account, Branch System Suspense account, FOREX Clearing General account, FCNR account, PCFC account and IBIT account is an ongoing process and is under progress. The impact of the above, if any, on the financial results for the half year ended 30th Sep 2010, in the opinion of the Management, is not material.

5. Details of Investor Complaints for the half year ended 30th Sept 2010:-

Beginning	Received	Disposed off	Lying unresolved
Nil	24	24	Nil

6. The figures of previous periods have been re-grouped / rearranged / re-casted, wherever considered necessary to accord to current period classification.

7. The above results have been subjected to review by the auditors and have been taken on record by the Board of Directors of the Bank at its meeting held on 18th day of October, 2010.

Place : Bangalore
Dated: 18th Oct, 2010

(Dilip Mavinkurve)
Managing Director