NEWS RELEASE

HDFC Bank Ltd.
HDFC Bank House,
Senapati Bapat Marg,
Lower Parel,
Mumbai -400 013.

HDFC BANK LTD. - FINANCIAL RESULTS (INDIAN GAAP) FOR THE YEAR ENDED MARCH 31, 2008

Mumbai, April 24, 2008: The Board of Directors of HDFC Bank Limited approved the annual audited (Indian GAAP) accounts for the year ended March 31, 2008 at their meeting held in Mumbai on Thursday, April 24, 2008.

FINANCIAL RESULTS:
Profit & Loss Account: Quarter ended March 31, 2008

The Bank earned total income of Rs.3,505.5 crores for the quarter ended March 31, 2008, as against Rs.2,321.0 crores in the corresponding quarter ended March 31, 2007, registering a growth of 51.0%. Net revenues (net interest income plus other income) were Rs.2,191.4 crores for the quarter ended March 31, 2008, an increase of 51.2% over Rs.1,448.9 crores for the corresponding quarter of the previous year. Interest earned (net of loan origination costs and amortization of premia on investments held in the Held to Maturity (HTM) category) increased from Rs.1,926.5 crores in the quarter ended March 31, 2007 to Rs.2,956.2 crores in the quarter ended March 31, 2008, up by 53.4%. Net interest income (interest earned less interest expended) for the quarter ended March 31, 2008 increased by 55.7% to Rs.1,642.1 crores, driven by average asset growth of 50.3% and a core net interest margin of around 4.4%.

Other income (non-interest revenue) registered strong growth of 39.3% from Rs.394.4 crores for the quarter ended March 31, 2007 to Rs.549.3 crores for the quarter ended March 31, 2008. The main contributor to ‘Other Income’ for the quarter was fees and commissions of Rs.490.4 crores, up 37.6% from Rs.356.3 crores in the corresponding quarter ended March 31, 2007. The other two major components of other income were foreign exchange/derivatives revenues of Rs.60.4 crores and profit/ (loss) on revaluation/sale of investments of Rs. 11.4 crores, as against Rs.103.3 crores and Rs. (65.6) crores respectively for the quarter ended March 31, 2007. Operating expenses for the quarter were at Rs.1,102.7 crores, as against Rs. 683.9 crores for the corresponding quarter of the previous year. Provisions and contingencies for the quarter were Rs.465.1 crores (against Rs.267.1 crores for the corresponding quarter ended March 31, 2007), principally comprising of specific provisions for non-performing assets and general provisions for standard assets of Rs.293.0 crores and provisions for tax, legal and other contingencies of Rs. 172.7 crores. After providing Rs.152.5 crores for taxation, the Bank earned a Net Profit of Rs.471.1 crores, an increase of 37.1% over the quarter ended March 31, 2007.

Profit & Loss Account: Year ended March 31, 2008

For the year ended March 31, 2008, the Bank earned total income of Rs.12,398.2 crores as against Rs.8,164.2 crores in the previous year. Net revenues (net interest income plus other income) for the year ended March 31, 2008 were Rs.7,511.0 crores, up 50.7% over Rs.4,984.7 crores for the year ended March 31, 2007. Net Profit for year ended March 31, 2008 was Rs.1,590.2 crores, up 39.3%, over the corresponding year ended March 31, 2007.

Balance Sheet: As of March 31, 2008

Total balance sheet size increased by 46.0% from Rs.91,236 crores as of March 31, 2007 to Rs.133,177 crores as of March 31, 2008. Total deposits were Rs.100,769 crores, an increase of 47.5% from March 31, 2007. With savings account deposits of Rs.26,154 crores and current account deposits at Rs.28,760 crores, the CASA mix continued to remain healthy at around 54.5% of total deposits as at March 31, 2008. Net advances as at March 31, 2008 were Rs.63,427 crores, an increase of 35.1% over March 31, 2007. The Bank’s total customer assets (including advances, corporate debentures, investments in securitised paper, etc. net of loans securitized and participated out) were Rs.70,403 crores as of March 31, 2008.

Dividend:

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The Board of Directors recommended an enhanced dividend of 85% for the year ended March 31, 2008, as against 70% for the previous year. This would be subject to approval by the shareholders at the next annual general meeting.

Capital Infusion & Capital Adequacy:

In June 2007, the Bank allotted 1,35,82,000 equity shares on a preferential basis to HDFC Ltd. aggregating to Rs. 1,390 crores. In July 2007, the Bank made a public offering of 6,594,504 American Depositary Shares (ADS), aggregating to of Rs. 2,393 crores (net of underwriting discounts and commissions). The Bank's total Capital Adequacy Ratio (CAR) as at March 31, 2008 stood at 13.6% as against the regulatory minimum of 9.0%. Tier-I CAR was 10.3% as against 8.6% as of March 31, 2007.

BUSINESS UPDATE:

As of March 31, 2008, the Bank's distribution network was at 761 branches and 1,977 ATMs in 327 cities as against 684 branches and 1,605 ATMs in 320 cities as of March 31, 2007. Against the regulatory approvals for new branches in hand, the Bank expects to further expand the branch network by around 150 branches by June 30, 2008. During the year, the Bank stepped up retail customer acquisition with deposit accounts increasing from 6.2 million to 8.7 million and total cards issued (debit and credit cards) increasing from 7 million to 9.2 million. Whilst credit growth in the banking system slowed down to about 22% for the year ended 2007-08, the Bank's net advances grew by 35.1% with retail advances growing by 38.6% and wholesale advances growing by 30%, implying a higher market share in both segments. The transactional banking business also registered healthy growth with cash management volumes increased by around 80% and trade services volumes by around 40% over the previous year. Portfolio quality as of March 31, 2008 remained healthy with gross nonperforming assets at 1.3% and net non-performing assets at 0.4% of total customer assets. The Bank's provisioning policies for specific loan loss provisions remained higher than regulatory requirements.

Merger with Centurion Bank of Punjab Limited

On March 27, 2008, the shareholders of the Bank accorded their consent to a scheme of amalgamation of Centurion Bank of Punjab Limited with HDFC Bank Limited. The shareholders of the Bank approved the issuance of one equity share of Rs. 10/- each of HDFC Bank Limited for every 29 equity shares of Re. 1/- each held in Centurion Bank of Punjab Limited. This is subject to receipt of approvals from the Reserve Bank of India, stock exchanges and other requisite statutory and regulatory authorities. The shareholders also accorded their consent to issue equity shares and/or warrants convertible into equity shares at the rate of Rs. 1,530.13 each to HDFC Limited and/or other promoter group companies on preferential basis, subject to final regulatory approvals in this regard. The Shareholders of the Bank have also approved an increase in the authorized capital from Rs. 450 crores to Rs. 550 crores.

Note:
Rs. = Indian Rupees
1 crore = 10 million

(iii) All figures and ratios are in accordance with Indian GAAP. *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*

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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.