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NEWS RELEASE

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

HDFC Bank opens its first overseas branch in Bahrain

Mumbai, October 22, 2008: HDFC Bank, one of India's premier banks, today announced the inauguration of its first overseas full-fledged commercial branch in Bahrain. HDFC Bank has been granted a full commercial branch (FCB) license by the Central Bank of Bahrain (CBB).

The new Bahrain branch with a strong 25 member staff will offer Cash Management and Trade Finance solutions for corporate clients and Wealth management services for Non Resident Indians.

Speaking at the inauguration of the new branch, **Mr. Aditya Puri, Managing Director, HDFC Bank**, said, "Bahrain has always been the financial gateway and the banking hub to the Gulf with a firm regulatory framework, and an overall dynamic financial sector. With increased bilateral business partnerships and investments between GCC nations and India, it was logical for HDFC Bank to use Bahrain as its first stepping stone to increase its direct international presence by opening its first full fledged overseas branch here to tap the growth potential in the region."

A recent study by The Associated Chambers of Commerce and Industry of India (ASSOCHAM), states that India's total trade with GCC countries, comprising Bahrain, Kuwait, Oman, Saudi Arabia, Qatar and UAE, witnessed a four-fold increase in the last five years and indicates at the huge trade potential between the two regions. The trade volume rose to \$22.5 billion in the fiscal year ending March 2007 from \$5.6 billion in 2001. The share of GCC countries in India's total trade (excluding oil imports) has increased from about 7.1 per cent in fiscal 2001 to 8.7 per cent in fiscal 2007. The Associated Chambers of Commerce and Industry of India (ASSOCHAM), India's premier apex chamber covers a membership of over 200,000 companies and professionals across the country. It was established in 1920 by promoter chambers, representing all regions of India. "HDFC Bank will now partner with Bahrain's three hundred thousand strong Indian communities, which has an impressive and long standing reputation for business and trade across the region and around the world," said **Mr. Harish Engineer, Executive Director, HDFC Bank**.

Furthermore, the GCC nations have emerged as the third largest trade partners for India after the EU and the US. The report estimates that Total trade volume between India and the six-nation Gulf Cooperation Council (GCC) is likely to go up to \$28 billion by the end of this fiscal and exceed \$40 billion by 2010 with the signing of the FTA.

Gulf Cooperation Council (GCC) states include Saudi Arabia, Kuwait, Bahrain, Qatar, United Arab Emirates and Oman. NRI population in these GCC countries is estimated to be around 6,000,000 (2006-2007), of which over 1,500,000 stay in the UAE. Majority of them originate from Kerala, Andhra Pradesh, Karnataka and Tamil Nadu. NRI population tends to save and remit considerable amount to their dependents in India. It is estimated such remittances may be over USD 10 Billion per annum (Including remittances by formal and informal channels in 2005-2006).

It is estimated that more than 20 million NRIs (Non-Resident Indians) have a surplus of \$400 billion.

About HDFC BANK

Promoted in 1995 by Housing Development Finance Corporation (HDFC), India's leading housing finance company, HDFC Bank is one of India's premier banks providing a wide range of financial products and services to its over 11 million customers across hundreds of Indian cities using multiple distribution channels including a pan-India network of branches, ATMs, phone banking, net banking and mobile banking. Within a relatively short span of time, the bank has emerged as a leading player in retail banking, wholesale banking, and treasury operations, its three principal business segments.

The bank's competitive strength clearly lies in the use of technology and the ability to deliver world-class service



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with rapid response time. Over the last 13 years, the bank has successfully gained market share in its target customer franchises while maintaining healthy profitability and asset quality.

As on September 30, 2008, the Bank had a network of 1412 branches and 2890 ATMs in 528 cities across India.

For the quarter ended September 30, 2008, the Bank reported a net profit of INR 5.28 billion (Rs528crore), up 43.3%, over the corresponding quarter ended September 30, 2007. Total income for the quarter ended September 30, 2008 grew by 62.9% to INR 46.34 billion (Rs4634.3crore) over the corresponding quarter ended September 30, 2007. As of September 30, 2008 total deposits were INR 1337.81 billion, (Rs133,781crore) up 46.9% over the corresponding quarter ended September 30, 2007. Total balance sheet size too grew by 41.3% to INR 1,717.65 billion (Rs171,765crore).

Total income for the year ended March 31, 2008 grew by 52% to INR 123.98 billion (Rs. 12398.2crore) over the corresponding year ended March 31, 2007.

Leading Indian and international publications have recognized the bank for its performance and quality.

For more information please log on to: www.hdfcbank.com

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