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 PERIOD APRIL – JUNE 2008

Mumbai, July 28, 2008: The Board of Directors of HDFC Bank Limited approved the bank's (Indian GAAP) accounts for the quarter ended June 30, 2008 at their meeting held in Mumbai on Monday, July 28, 2008.

The merger of Centurion Bank of Punjab Ltd (CBoP) with HDFC Bank Limited became effective on May 23, 2008 as per the order of Reserve Bank of India (RBI) with April 1, 2008 as the appointed date. The results for the period ended June 2008 are therefore for the merged entity, whilst the results for the period ended June 2007 are on a standalone basis for HDFC Bank. The results are therefore not comparable.

FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended June 30, 2008

Total income for the bank for the quarter ended June 30, 2008 grew by 59.6% to Rs.4,215.2 crores as against Rs.2,641.7 crores in the corresponding quarter ended June 30, 2007. Net revenues (net interest income plus other income) were Rs.2,316.9 crores for the quarter ended June 30, 2008, an increase of 48.7% over Rs.1,558.1 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.2,069.2 crores in the quarter ended June 30, 2007 to Rs.3,621.7 crores in the quarter ended June 30, 2008, up by 75.0%. Net interest income (interest earned less interest expended) for the quarter ended June 30, 2008 increased by 74.9% to Rs.1,723.5 crores, driven by average asset growth of 68.0% and a core net interest margin of just over 4.1%.

Fees and commission was the main contributor to other income for the quarter and increased by 37.3% to Rs.511.2 crores. The other two major components of other income were foreign exchange/derivatives revenues of Rs.157.4 crores (corresponding quarter ended June 30, 2007 Rs 146.5 crores) and (loss) on revaluation/sale of investments of Rs. (77.6) crores, as against profit of Rs.52.6 crores for the quarter ended June 30, 2007. Other income (non-interest revenue) for the quarter ended June 30, 2008 was Rs.593.4 crores as against Rs.572.5 crores for the quarter ended June 30, 2007. Operating expenses for the quarter ended June 30, 2008 were at 30.6% of total income and 55.7% of net revenues. Provisions and contingencies for the quarter were Rs.344.5 crores (against Rs.307.1 crores for the corresponding quarter ended June 30, 2007), comprising primarily of specific provisions for non-performing assets and general provisions for standard assets of Rs.324.4 crores against Rs. 299.7 crores for the quarter ended June 30, 2007. After providing Rs.218.7 crores for taxation, the Bank earned a Net Profit of Rs.464.4 crores, an increase of 44.6% over the quarter ended June 30, 2007.

Balance Sheet: As of June 30, 2008

Total balance sheet size increased by 59.5% from Rs.105,695.3 crores as of June 30, 2007 to Rs.168,598.7 crores as of June 30, 2008. Total deposits were Rs.130,918 crores, an increase of 60.4% from June 30, 2007. With savings account deposits of Rs.31,853 crores and current account deposits at Rs.26,866 crores, the CASA mix for the merged entity was around 44.9% of total deposits as at June 30, 2008. Net advances as at June 30, 2008 were Rs.96,797 crores, an increase of 79.8% over June 30, 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.99,554 crores as of June 30, 2008.

OTHER UPDATE:

The Bank's total Capital Adequacy Ratio (CAR) as at June 30, 2008 stood at 12.2% as against the regulatory minimum of 9.0%. Tier-I CAR was 9.3%.

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As of June 30, 2008, the Bank had a significantly larger distribution network with 1,229 branches and 2526 ATMs in 444 cities as against 761 branches and 1,977 ATMs in 327 cities as of March 31, 2008.

Portfolio quality as of June 30, 2008 remained healthy with gross non-performing assets at 1.5% of gross advances and net non-performing assets at 0.5% of net advances. The Bank's provisioning policies for specific loan loss provisions remained higher than regulatory requirements.

Merger with Centurion Bank of Punjab Limited

The merger of Centurion Bank of Punjab Ltd (CBoP) with HDFC Bank Limited became effective on May 23, 2008 as per the order of Reserve Bank of India (RBI) dated May 20, 2008. The shareholders of erstwhile CBoP have been allotted 6,98,83,956 equity shares of Rs.10/- each pursuant to the share swap ratio of one equity share of Rs.10/- each of HDFC Bank Limited for every twenty nine equity shares of Re.1/- each held in Centurion Bank of Punjab Ltd. by them as on June 16, 2008. The merger has been accounted for as per the pooling of interest method of accounting in accordance with the scheme of amalgamation. Adjustments have been made to the amalgamation reserve to harmonize accounting policies of CBoP with that of HDFC Bank principally relating to provisioning norms on impaired loans and depreciation policies on fixed assets. Merger related expenses have also been adjusted against the amalgamation reserve.

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