



**Annual Report
2004-05**

AWARDS IN THE YEAR 2004-05

- ▶ Leading Indian business magazine Business Today, in a survey, rated us **Best Bank in India** for the second consecutive year.
- ▶ HDFC Bank has been named **Best Domestic Bank in India Region** in The Asset Triple A Country Awards 2004 and 2003.
- ▶ HDFC Bank was selected by BusinessWorld as **One of India's Most Respected Companies** as part of The Business World Most Respected Company Awards.
- ▶ Forbes Global named us in its listing of **Best Under a Billion, 100 Best Smaller Size Enterprises** in Asia/Pacific and Europe, in its November 2004 issue.
- ▶ Hong Kong-based Asiamoney magazine named the Bank:
 - **Best Overall Local/Domestic Bank India** in the Corporate Cash Management Poll.
 - **Overall Most Improved Company for Best Management Practices in India** in the Best Managed Companies Poll 2004.
 - **Best Local Cash Management Bank.**
 - **Best Overall Domestic Trade Finance Services Award.**
- ▶ HDFC Bank won the award for **Operational Excellence in Retail Financial Services** - India as part of the Asian Banker Excellence in Retail Financial Services Programme 2003.



TEN YEARS OF EXCELLENCE

On the 18th of February, 1995, the then finance minister, Dr. Manmohan Singh, inaugurated the first branch of a new bank called HDFC Bank. Promoted by India's premier housing finance institution, it was the first private sector bank to have received a license from the Reserve Bank of India, after the banking sector was thrown open to new players. Driven by the vision and leadership of a highly respected senior management team, and thanks to the dedicated efforts of thousands of employees over the last 10 years, your bank has today emerged as one of the leading banks in the country.

From the beginning, HDFC Bank began operations with the mission of becoming a World-class Indian Bank, and the endeavour of fulfilling all the financial requirements of our customers under one roof. Over the years, by delivering superior financial products and services, your bank has built a stable and long-lasting relationship with nearly seven million customers, without compromising our standards for maintaining high quality associations. Our culture for learning; our quick absorption of latest and best technologies; and our unwavering adherence to best practices in governance have been the core strengths that have brought us to our present position. Constantly learning through our growth, we have continued to use the dividends of our leadership position to fuel further expansion and presence. Today, ten years later, we are the market leader, or one of the top three, in most of the segments that we operate in.

Today, our bank is recognised by many to be the best in many respects. However, for us, our journey to be pre-eminent in every possible sphere continues, and our drive to become even better at serving our customers becomes stronger. For us, it starts with the same passion we started with ten years ago. Every day.



Fulfilling our Social Responsibility

... A few small steps



The Bank has provided sponsorship for a Water Project and a Higher Secondary School Programme



HIGHLIGHTS

Profit after tax
up by 30.6% to
Rs. 665.6 crores

Earnings per
share increases
from Rs. 17.95 to
Rs. 22.92

Dividend per share
increases from
Rs. 3.50 to
Rs. 4.50
(proposed)

Savings deposits
up from
Rs. 7,804 crores to
Rs. 11,418 crores

Balance Sheet size
up from
Rs. 42,307 crores to
Rs. 51,429 crores

Retail assets
up by
35.4% to
Rs. 9,918 crores

ATM Network
up from 910 to
1147 ATMs

Branch
Network
up from 312 to
467 outlets

Phone
Banking
coverage in
120 cities

Point-of-sales
(POS) Terminals
at merchant outlets
up from 26,400 to
41,685
terminals

TEN YEARS OF EXCELLENCE

The milestones that we have crossed over the last ten years continue to be a great motivator to create extraordinary results. The future depends on what we do in the present.

	Received banking licence and entered into strategic alliance with National Westminster Bank group.	Total balance sheet size crosses Rs.10 billion (Rs.1000 crore).		
	HDFC Bank formally inaugurated by the then Finance Minister Dr. Manmohan Singh.	Appointed clearing bank by the NSCCL heralding the genesis of what was to become a major "capital markets infrastructure" business.		Launched its first retail lending product - Loans against Shares.
HDFC given "in principle" approval to start a commercial bank.	HDFC Bank launches its IPO of Rs.500 million eliciting a record 55 times oversubscription.	Declared maiden dividend of 8% on equity shares for year-end March 31, 1997.	RoE crossed 20% for financial year ended March 31, 1998 at 23.9%.	
Company incorporated.		Launched retail investment advisory services.	Branch network touched 50.	
1994	1995	1996	1997	1998



1999	2000	2001	2002	2003	2004
<p>Bank signed MoU for strategic business collaboration with Chase Manhattan Bank. Natwest group exits.</p> <p>Launched online, real-time NetBanking.</p> <p>Launched first international Debit Card in India.</p> <p>Business Today "Best Private Sector Bank" in India Award.</p> <p>Named by The Asian Bankers Journal as "Best Domestic Commercial Bank – India".</p> <p>Euromoney "Best Bank – India".</p> <p>Finance Asia "Best Domestic Commercial Bank – India".</p>	<p>Bank launched Mobile Banking (SMS based) - a first in India.</p> <p>Amalgamation of TimesBank Ltd. with HDFC Bank - another first in the Indian banking sector. Customer base crossed 1 million. Branch network crossed 100 branches (111 as at March 31, 2000), and total balance sheet size crossed Rs.100 billion (Rs.116 billion as at March 31, 2000).</p> <p>Named by The Asian Bankers Journal as "Best Domestic Commercial Bank – India".</p> <p>Euromoney "Best Domestic Bank" in India.</p> <p>Business India "India's Best Bank".</p> <p>Finance Asia "Best Domestic Commercial Bank – India".</p>	<p>Became first private sector bank authorised to collect Income Tax for Central Government.</p> <p>Bank listed its stock on NYSE through ADS issue of US \$172.5 million.</p> <p>Launched Credit Card business in Chennai.</p> <p>Named in the Forbes Global list of "The 300 Best Small Companies" in the world and as one of the "20 for 2001" best small companies in the world.</p> <p>Named by The Asian Bankers Journal as "Best Domestic Commercial Bank – India".</p> <p>Emerging Company of the Year 2000-01 in The Economic Times Awards for Corporate Excellence.</p> <p>Euromoney "Best Bank in India".</p> <p>Finance Asia "Best Domestic Commercial Bank – India".</p>	<p>Branch network touched 200.</p> <p>Named by Asiamoney as "Best Commercial Bank in India 2002".</p> <p>Named by The Asian Bankers Journal as "Best Local Bank – India".</p> <p>Euromoney "Best Bank in India".</p> <p>For use of IT, recognised as a "Computerworld Honors Laureate" and awarded the "21st Century Achievement Award for Finance, Insurance & Real Estate category by Computerworld, Inc., USA.</p> <p>Finance Asia "Best Commercial Bank – India".</p>	<p>Business Today "Best Bank in India" Award.</p> <p>Named in the Forbes Global ranking of "Best Under a Billion, 200 Best Small Companies.</p> <p>Best Domestic Bank in India Region in The Asset Triple A Country Awards.</p> <p>"Best Overall Local/Domestic Bank – India" in a Asiamoney Corporate Cash Management Poll.</p> <p>Named by The Asian Bankers Journal as "Best Local Bank – India".</p> <p>"Best New Private Sector Bank 2003" in the Financial Express - Ernst & Young Best Banks Survey.</p> <p>Named by Outlook Money as "Best Bank in the Private Sector".</p> <p>Named by NASSCOM and economictimes.com the 'Best IT User in Banking' at the IT Users Awards.</p> <p>Finance Asia "Best Local Bank – India".</p>	<p>Credit Card launched in over 100 cities.</p> <p>Credit Card base crosses one million.</p> <p>Branch network touches 400.</p> <p>Business Today "Best Bank in India" Award.</p> <p>Named in the Forbes Global listing of Best Under a Billion, 100 Best Smaller Size Enterprises in Asia/Pacific and Europe.</p> <p>Best Domestic Bank in India Region in The Asset Triple A Country Awards.</p> <p>Named One of India's Most Respected Companies as part of The Business World Most Respected Company Awards.</p> <p>Named "Overall Most Improved Company for Best Management Practices in India" by Asiamoney.</p> <p>Won the award for "Operational Excellence in Retail Financial Services" - India as part of the Asian Banker Awards 2003.</p> <p>Bank plans add-on ADS issue of US\$ 300 million (listed on NYSE in January 2005).</p>

FINANCIAL HIGHLIGHTS



	1995-96	1996-97
Interest Income	114,56	161,74
Interest Expense	70,84	87,18
Net Interest Income	43,72	74,56
Other Income	13,15	29,40
Net Revenues	56,87	103,96
Operating costs	22,67	42,18
Operating Result	34,20	61,78
Provisions and Contingencies	5,95	3,73
Profit before tax	28,25	58,05
Provision for taxation	7,97	17,55
Profit after tax	20,28	40,50
Funds :		
Deposits	685,70	1,279,07
Subordinated debt	-	-
Stockholders' Equity	221,08	243,98
Working Funds	992,29	1,815,26
Loans	368,62	575,26
Investments	314,28	729,72
Key Ratios :		
Earnings per share (Rs)	1.04	2.03
Return on Average Network	9.62%	17.42%
Tier 1 Capital Ratio	23.40%	13.00%
Total Capital Ratio	23.53%	13.02%
Dividend per share (Rs)	-	0.80
Dividend payout ratio	-	43.46%
Book value per share as at March 31 (Rs)	11.10	12.20
Market price per share as at March 31 (Rs)*	32.40	45.20
Price to Earnings Ratio	31.12	22.32
Rs. 10 Lac = Rs. 1 Million	Rs. 1 Crore = Rs. 10 Million	



(Rs. lacs)

1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
240,80	376,08	679,87	1,259,46	1,702,99	2,013,61	2,548,93	3,093,49
137,55	229,18	374,28	753,75	1,073,74	1,191,96	1,211,05	1,315,56
103,25	146,90	305,59	505,71	629,25	821,65	1,337,88	1,777,93
61,05	67,13	119,54	176,57	335,90	465,55	480,03	651,34
164,30	214,03	425,13	682,28	965,15	1,287,20	1,817,91	2,429,27
62,71	88,79	171,39	309,59	417,95	577,05	810,00	1,085,40
101,59	125,24	253,74	372,69	547,20	710,15	1,007,91	1,343,87
7,24	8,39	58,89	57,63	121,82	139,30	288,95	364,93
94,35	116,85	194,85	315,06	425,38	570,85	718,96	978,94
31,20	34,45	74,81	104,94	128,34	183,25	209,46	313,38
63,15	82,40	120,04	210,12	297,04	387,60	509,50	665,56
2,191,74	2,915,11	8,427,72	11,658,11	17,653,81	22,376,07	30,408,86	36,354,25
100,00	135,00	150,00	200,00	200,00	200,00	600,00	500,00
285,13	338,93	751,52	913,09	1,942,28	2,244,83	2,691,88	4,519,85
2,829,98	4,349,96	11,731,03	15,617,33	23,787,38	30,424,08	42,306,99	51,429,00
841,98	1,400,56	3,462,34	4,636,66	6,813,72	11,754,86	17,744,51	25,566,30
1,121,33	1,903,80	5,748,28	7,145,14	12,004,02	13,388,08	19,256,79	19,349,81
3.16	4.12	5.93	8.64	11.01	13.75	17.95	22.92
23.87%	26.41%	29.00%	24.53%	18.30%	18.10%	20.14%	20.44%
10.21%	8.34%	9.56%	8.69%	10.81%	9.49%	8.03%	9.60%
13.92%	11.86%	12.19%	11.09%	13.93%	11.12%	11.66%	12.16%
1.00	1.30	1.60	2.00	2.50	3.00	3.50	4.50 **
34.84%	34.71%	29.96%	25.55%	23.68%	24.72%	22.15%	24.00%
14.30	16.90	30.90	37.50	69.00	79.60	94.52	145.86
70.80	69.15	257.20	228.35	236.60	234.55	378.75	573.64
22.42	16.78	43.37	26.43	21.50	17.06	21.10	25.03
**Proposed		*Source : NSE					

BOARD OF DIRECTORS

Mr. Jagdish Capoor, *Chairman*

Mr. Aditya Puri, *Managing Director*

Mr. Keki Mistry

Dr. (Mrs.) Amla Samanta (up to April 25, 2004)

Mr. Anil Ahuja

Dr. Venkat Rao Gadwal

Mr. Vineet Jain

Mrs. Renu Karnad

Mr. Arvind Pande

Mr. Ranjan Kapur

Mr. Bobby Parikh

Mr. Ashim Samanta (w.e.f. November 19, 2004)

VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Sanjay Dongre

AUDITORS

M/s. P. C. Hansotia & Co.

Chartered Accountants

REGISTRARS & TRANSFER AGENTS

MCS LIMITED

Sri Venkatesh Bhavan,
Plot No. 27, Road No. 11,
MIDC Area, Andheri (East),
Mumbai 400 093.

Tel: 2821 5235/6/7

Fax: 2835 0456

Email: mcssvb@eth.net

SENIOR MANAGEMENT TEAM

A Parthasarathy

A Rajan

Abhay Aima

Bharat Shah

C.N. Ram

G Subramanian

Harish Engineer

Neeraj Swaroop

Paresh Sukthankar

Samir Bhatia

Sudhir M Joshi

Vinod G Yennemadi

REGISTERED OFFICE

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

Tel: 5652 1000

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Website: www.hdfcbank.com



11TH ANNUAL GENERAL MEETING

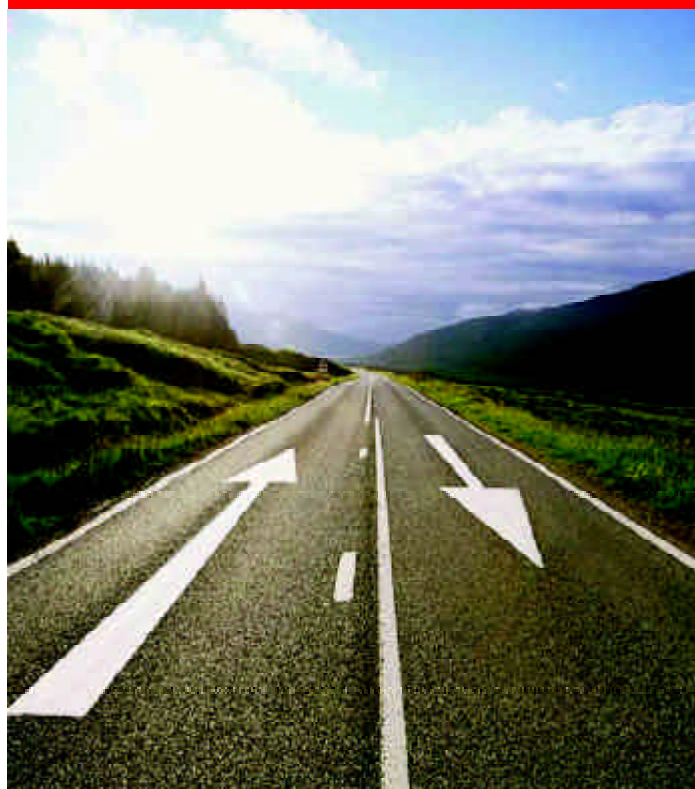
Date: June 17, 2005

Day: Friday

Time: 3:30 p.m.

Place: Birla Matushri Sabhagar,
19, New Marine Lines,
Mumbai 400 020

Book Closure: May 28, 2005 to June 17, 2005
Dates (both days inclusive)



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