

FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2006

(Rs. in lacs)

	Particulars	Quarter ended 31-3-2006 (unaudited)	Quarter ended 31-3-2005 (unaudited)	Year ended 31-3-2006 (audited)	Year ended 31-3-2005 (audited)
1	Interest Earned (a) + (b) + (c) + (d)	137850	86721	447534	309349
a	Interest / discount on advances / bills	82266	48800	270020	166370
b	Income on investments	51260	34901	163166	131149
c	Interest on balances with Reserve Bank of India and other inter bank funds	4294	3020	14255	11809
d	Others	30	-	93	21
2	Other Income	30415	22006	112398	65134
A	Total Income (1+2)	168265	108727	559932	374483
3	Interest Expended	63909	35363	192950	131556
4	Operating Expenses (e) + (f)	48232	32870	169109	108540
e	Payment to and provision for employees	13756	8393	48682	27667
f	Other operating expenses	34476	24477	120427	80873
B	Total Expenditure (3) + (4) (excluding provisions & contingencies)	112141	68233	362059	240096
C	Operating Profit (A – B) (Profit before provisions and contingencies)	56124	40494	197873	134387
D	Other Provisions and Contingencies	18160	10707	72522	36493
E	Provision for Taxes	11643	9550	38273	31338
F	Net Profit (C-D-E)	26321	20237	87078	66556
5	Paid up equity share capital (face value Rs. 10 each)	31314	30988	31314	30988
6	Reserves excluding revaluation reserve			498639	420997
7	Analytical Ratios:				
A	Percentage of shares held by Government of India	Nil	Nil	Nil	Nil
B	Capital adequacy ratio	11.4%	12.2%	11.4%	12.2%
C	Earnings per share (face value Rs. 10/- each)				
	Basic	8.4	6.7	27.9	22.9
	Diluted	7.9	6.3	26.3	21.6
8	Aggregate of Non-promoter shareholding				
	-No. of shares	244281408	241014308	244281408	241014308
	-Percentage of shareholding	78.0%	77.8%	78.0%	77.8%

Segment information in accordance with the Accounting Standard on Segment Reporting (AS17) of the three operating segments of the Bank is as under:

(Rs. in lacs)

Particulars	Quarter ended 31-3-2006 (unaudited)	Quarter ended 31-3-2005 (unaudited)	Year ended 31-3-2006 (audited)	Year ended 31-3-2005 (audited)
1. Segment Revenue				
a) Retail Banking	159279	105132	517384	353627
b) Wholesale Banking	86140	51647	285338	205635
c) Treasury	24845	10068	77389	28689
Total	270264	166847	880111	587951
Less: Inter Segment Revenue	101999	58120	320179	213468
Income from Operations	168265	108727	559932	374483
2. Segment Results				
a) Retail Banking	31921	15898	70167	52064
b) Wholesale Banking	5147	15155	53787	53936
c) Treasury	896	(1266)	1397	(8106)
Total Profit Before Tax	37964	29787	125351	97894
3.Capital Employed				
(Segment Assets-Segment Liabilities)				
a) Retail Banking	(1316)	(289153)	(1316)	(289153)
b) Wholesale Banking	207260	1002995	207260	1002995
c) Treasury	302572	(269913)	302572	(269913)
d) Unallocated	21437	8056	21437	8056
Total	529953	451985	529953	451985

Note on segment information

The reportable primary segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India (ICAI).

The Bank operates in three segments: retail banking, wholesale banking and treasury services. Segments have been identified and reported taking into account, the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the internal business reporting systems.

NOTES:

1. The above results have been approved by the Board at its meeting held on April 17, 2006.
2. The Board of Directors at their meeting proposed a dividend of Rs. 5.5 per share, subject to the approval of the members at the ensuing Annual General Meeting. Dividend paid will be tax free in the hands of the shareholders.
3. During the quarter and the year ended March 31, 2006, the Bank allotted 961,100 shares and 3,267,100 shares respectively pursuant to the exercise of stock options by certain employees.
4. Other income relates to income from non-fund based banking activities including commission, fees, foreign exchange earnings, earnings from derivative transactions and profit and loss (including revaluation) from investments.
5. Provision for Taxes includes Rs. 200 lacs and Rs. 1,100 lacs towards provision for Fringe Benefit Tax (FBT) for the quarter and the year ended March 31, 2006, respectively.
6. Operating expense includes Rs. 7,049 lacs and Rs. 23,112 lacs towards professional fees and Rs. 5,381 lacs and Rs. 17,859 lacs for depreciation on bank's property for the quarter and the year ended March 31, 2006, respectively.
7. On September 28, 2005, the Bank increased its investment in HDFC Securities Limited from 29.5% to 55%. Consequently, HDFC Securities Limited has become a subsidiary company of the Bank since that date.
8. During the quarter and year ended March 31, 2006, the Bank raised Rs. 788 crores and Rs. 1202 crores respectively, as unsecured subordinated bonds qualifying as Tier II capital.
9. As on March 31, 2006, the total number of branches (including extension counters) and the ATM network stood at 535 branches and 1323 ATMs respectively.
10. During the fiscal year 2005-06 the RBI issued guidelines on securitization transactions vide its circular dated February 1, 2006 under reference no. DBOD No.BP.BC.60/21.04.048/2005-06. Pursuant to these guidelines, the Bank amortizes any profit/premium arising on account of sale of receivables over the life of the securities sold out while any loss arising on account of sale of receivables is recognized in the profit/loss account for the period in which the sale occurs. Prior to the issuance of the said guidelines (i.e. in respect of sell-off transactions undertaken until January 31, 2006), any gain or loss from the sale of receivables was recognised in the period in which the sale occurred.
11. Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended March 31, 2006:

Opening: nil; Additions: 48; Disposals: 48; Closing: nil.
12. Previous period figures have been regrouped/reclassified wherever necessary to conform to current period's classification.
13. Rs. 10 lacs = Rs. 1 million
Rs. 10 million = Rs. 1 crore

Place : Mumbai
Date : April 17, 2006

Aditya Puri
Managing Director

(Rs. in lacs)

Summarised Balance Sheet	As at 31-03-2006	As at 31-03-2005
CAPITAL AND LIABILITIES		
Capital	31314	30988
Reserves and Surplus	498639	420997
Employees' Stock Options (Grants) Outstanding	7	43
Deposits	5579682	3635425
Borrowings	285848	479001
Subordinated debt	170200	50000
Other Liabilities and Provisions	784949	526446
Total	7350639	5142900
ASSETS		
Cash and balances with The Reserve Bank of India	330661	265013
Balances with Banks and Money at Call and Short notice	361239	182387
Investments	2839396	1934981
Advances	3506126	2556630
Fixed Assets	85508	70832
Other Assets	227709	133057
Total	7350639	5142900

**UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF HDFC BANK AND ITS SUBSIDIARY FOR THE PERIOD ENDED
MARCH 31, 2006**

		(Rs. in lacs)
	Particulars	Period ended 31-3-2006
1	Interest Earned (a) + (b) + (c) + (d)	447589
A	Interest / discount on advances / bills	270026
B	Income on investments	163166
C	Interest on balances with Reserve Bank of India and other inter bank funds	14255
D	Others	142
2	Other Income	115560
A	Total Income (1+2)	563149
3	Interest Expended	192918
4	Operating Expenses (e) + (f)	171479
E	Payment to and provision for employees	49408
F	Other operating expenses	122071
B	Total Expenditure (3) + (4) (excluding provisions & contingencies)	364397
C	Operating Profit (A – B) (Profit before provisions and contingencies)	198752
D	Other Provisions and Contingencies	72509
E	Provision for Taxes	38602
F	Share of minority shareholders	(253)
G	Earnings from associates	1121
H	Net Profit (C-D-E+F+G)	88509
5	Paid up equity share capital (face value Rs. 10)	31314
6	Reserves excluding revaluation reserve	501761
7	Analytical Ratios:	
A	Earnings per share (face value Rs. 10/- each)	
	Basic	28.4
	Diluted	26.8

NOTES:

- The results have been consolidated for HDFC Bank Ltd. and its subsidiary HDFC Securities Ltd.
- The above financial results are prepared in accordance with the principles and procedures for preparation and presentation of consolidated financial statements as set out in the Accounting Standard on Consolidated Financial Statements (AS 21) and in the Accounting Standard on Accounting for Investments in Associates in Consolidated Financial Statements (AS 23) as prescribed by the Institute of Chartered Accountants of India. In terms of the transitional provisions under AS 21 the comparative figures for the previous period have not been presented.

Consolidated Segment information of HDFC Bank and its subsidiary in accordance with the Accounting Standard on Segment Reporting (AS17) of the three operating segments of the Bank is as under:

(Rs. in lacs)	
Particulars	Period ended 31-3-2006
1. Segment Revenue	
a) Retail Banking	520601
b) Wholesale Banking	285338
c) Treasury	77389
Total	883328
Less: Inter Segment Revenue	320179
Income from Operations	563149
2. Segment Results	
a) Retail Banking	71927
b) Wholesale Banking	53787
c) Treasury	1397
Total Profit Before Tax	127111
3.Capital Employed	
(Segment Assets-Segment Liabilities)	
a) Retail Banking	1806
b) Wholesale Banking	207260
c) Treasury	302572
d) Unallocated	21437
Total	533075

Note on segment information

The Group operates in three segments: retail banking, wholesale banking and treasury services. Segments have been identified and reported taking into account, the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure and the internal business reporting systems. Net revenue of HDFC Securities Limited has been classified under retail segment.

Place : Mumbai
Date : April 17, 2006

Aditya Puri
Managing Director