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NEWS RELEASE

HDFC BANK LTD. - FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2008

The Board of Directors of HDFC Bank Limited approved the bank's (Indian GAAP) accounts for the quarter and nine months ended December 31, 2008 at their meeting held in Mumbai on Wednesday, January 14, 2009. The accounts have been subjected to limited review by the bank's statutory auditors.

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 December 2008 are therefore for the merged entity, whilst the results for the period ended December 2007 are on a standalone basis for HDFC Bank. The results are, therefore, not comparable.

FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended December 31, 2008

The total income for the bank for the quarter ended December 31, 2008 grew by 58.8% over the corresponding quarter ended December 31, 2007 to Rs. 5,407.9 crores. Net revenues (net interest income plus other income) were Rs. 2,918.6 crores for the quarter ended December 31, 2008, an increase of 37.9% over Rs. 2,116.5 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. 2,726.9 crores in the quarter ended December 31, 2007 to Rs. 4,468.5 crores in the quarter ended December 31, 2008, up by 63.9%. Net interest income (interest earned less interest expended) for the quarter ended December 31, 2008 increased by 37.7% to Rs. 1,979.3 crores, driven by average asset growth of 44.1% and a net interest margin (NIM) of around 4.3% for the quarter ended December 31, 2008.

Other income (non-interest revenue) for the quarter ended December 31, 2008 was Rs. 939.4 crores as against Rs. 678.9 crores for the quarter ended December 31, 2007. Fees and commission was the main contributor to other income for the quarter and increased by 40.0% to Rs. 644.0 crores. The other two major components of other income were foreign exchange/derivatives revenues of Rs. 62.8 crores (corresponding quarter ended December 31, 2007 Rs. 74.2 crores) and profit on revaluation/sale of investments of Rs. 232.1 crores, as against Rs. 131.5 crores for the quarter ended December 31, 2007. Operating expenses for the quarter ended December 31, 2008 grew by 39.1% to Rs. 1,460.6 crores and were 50.0% of net revenues. Provisions and contingencies for the quarter were Rs. 531.8 crores (against Rs. 423.1 crores for the corresponding quarter ended December 31, 2007) comprising primarily of loan loss provisions of Rs. 465.4 crores against Rs. 350.1 crores for the quarter ended December 31, 2007. After providing Rs. 304.6 crores for taxation, the Bank earned a Net Profit of Rs. 621.7 crores, an increase of 44.8% over the quarter ended December 31, 2007.

Balance Sheet: As of December 31, 2008

The Bank's total balance sheet size increased by 39.4% from Rs. 131,440 crores as of December 31, 2007 to Rs. 183,185 crores as of December 31, 2008. Total deposits were Rs. 144,862 crores, an increase of 45.8% from December 31, 2007. Savings account deposits grew by 32.5% to Rs.33,081 crores as of December 31, 2008. With time deposits having grown by as high as 79.3% to Rs. 87,523 crores as at December 31, 2008, the CASA mix for the merged entity was around 40% of total deposits. The Bank's total customer assets (including advances, corporate debentures, etc.) increased to Rs. 100,682 crores as against Rs. 74,979 crores as of December 31, 2007, a growth of 34.3%. Retail loans at Rs. 59,647 crores form 59.6% of gross advances.

Nine months ended December 31, 2008

For the nine months ended December 31, 2008, the Bank earned total income of Rs. 14,257.4 crores as against Rs. 8,892.6 crores in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the nine months ended December 31, 2008 were Rs. 7,745.1 crores, up by 45.6% over Rs. 5,319.6 crores for the nine months ended December 31, 2007. Net Profit for the nine months ended December 31, 2008 was Rs. 1,614.1 crores, up by 44.2% over the corresponding nine months ended December 31, 2007.

OTHER UPDATE:

The Bank's total Capital Adequacy Ratio (CAR) as at December 31, 2008 stood at 13.7% as against the regulatory minimum of 9.0%. Tier-I CAR was 9.7%. The Bank raised Rs. 1,728 crores of Tier II bonds during the quarter ended December 31, 2008.

As of December 31, 2008, the Bank had a significantly larger distribution network with 1,412 branches and 3,177 ATMs in 527 cities, as against 754 branches and 1,906 ATMs in 327 cities as of December 31, 2007.

Gross non-performing assets as of December 31, 2008 were at 1.9% of gross advances as against 1.6% as of September 30, 2008. Net non-performing assets to net advances as of December 31, 2008 remained stable at the September 30, 2008 level of 0.6%. The Bank's provisioning policies for specific loan loss provisions remained higher than regulatory requirements.

Note:
Rs. = Indian Rupees
1 crore = 10 million
All figures and ratios are in accordance with Indian GAAP.