

NEWS RELEASE
HDFC BANK LIMITED

FINANCIAL RESULTS (INDIAN GAAP)
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2010

The Board of Directors of HDFC Bank Limited approved the annual audited (Indian GAAP) accounts for the year ended March 31, 2010, at their meeting held in Mumbai on Saturday, April 24, 2010.

FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended March 31, 2010

For the quarter ended March 31, 2010, the Bank earned total income of Rs. 4,956.7 crores. Net revenues (net interest income plus other income) were Rs. 3,254.9 crores for the quarter ended March 31, 2010 as against Rs. 2,966.7 crores for the corresponding quarter ended March 31, 2009. Net interest income (interest earned less interest expended) for the quarter ended March 31, 2010 was Rs. 2,351.4 crores, up by 27% over the quarter ended March 31, 2009. This was driven by loan growth and a core net interest margin for the quarter of 4.4%.

For the quarter ended March 31, 2010, other income (non-interest revenue) was Rs. 903.6 crores. The main contributor to other income for the quarter was fees & commissions of Rs. 765.3 crores, up by 5.7% over Rs. 723.7 crores in the preceding quarter ended December 31, 2009 and by 7.1% over Rs. 714.8 crores in the corresponding quarter ended March 31, 2009. The other major component of other income was foreign exchange & derivatives revenue of Rs. 180.1 crores which increased by 17.9% over Rs. 152.8 crores for the corresponding quarter of the previous year. With an increase in bond yields, the Bank incurred a loss of Rs. 47.3 crores on revaluation / sale of investments for the quarter ended March 31, 2010 as against a profit of Rs. 243.6 crores in the quarter ended March 31, 2009.

Operating expenses for the quarter were Rs. 1,560.5 crores, an increase of 11.8% over Rs. 1,396.2 crores during the corresponding quarter of the previous year. The ratio of operating expenses to net revenues (cost-to-income ratio) was 47.9%. Given the improvement in asset quality, provisions and contingencies were Rs. 439.9 crores for the quarter ended March 31, 2010 as against Rs. 657.4 crores for the corresponding quarter ended March 31, 2009, and against Rs. 447.7 crores for the preceding quarter ended December 31, 2009. For the quarter ended March 31, 2010, the profit before tax at Rs.1,254.5 crores grew by 37.4% over the corresponding quarter of the previous year. After providing Rs. 417.8 crores for taxation, the Bank earned a Net Profit of Rs. 836.6 crores, an increase of 32.6% over the quarter ended March 31, 2009.

Profit & Loss Account: Year ended March 31, 2010

For the year ended March 31, 2010, the Bank earned total income of Rs. 19,980.5 crores. Net revenues (net interest income plus other income) for the year ended March 31, 2010 were Rs. 12,194.2 crores, up by 13.8% over Rs. 10,711.8 crores for the year ended March 31, 2009. The Bank's net profit for year ended March 31, 2010 was Rs. 2,948.7 crores, up 31.3%, over the year ended March 31, 2009. Consolidated net profit for the Bank increased by 33.6% to Rs. 3,003.7 crores for the year ended March 31, 2010.

Balance Sheet: As of March 31, 2010

The Bank's total balance sheet size increased by 21.4% from Rs.183,271 crores as of March 31, 2009 to Rs. 222,459 crores as of March 31, 2010. Total gross advances as of March 31, 2010 were Rs. 127,262 crores, an increase of 27.0% over March 31, 2009. Total deposits were at Rs. 167,404 crores, an increase of 17.2% over March 31, 2009. Savings account deposits grew 42.9% over the previous year to reach Rs. 49,877 crores, while current account deposits at Rs. 37,227 crores, registered a growth of 30.9% over the same period. As a result, the core CASA ratio was at 50% of total deposits as at March 31, 2010 as compared to 45% as of March 31, 2009.

Dividend:

The Board of Directors recommended an enhanced dividend of Rs. 12.0 per share for the year ended March 31, 2010, as against Rs. 10.0 per share for the previous year. This would be subject to approval by the shareholders at the next annual general meeting.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as at March 31, 2010 (computed as per Basel II guidelines) stood at 17.4% as against 15.7% as of March 31, 2009 and against the regulatory minimum of 9.0%. Tier-I CAR was 13.3% as of March 31, 2010. During the year the Bank allotted 2.62 crore shares to Housing Development Finance Corporation Limited (HDFC) on their exercising the warrants issued to them in June 2008. As a result, equity share capital increased by Rs. 26.2 crores and reserves (share premium) by Rs. 3,982.8 crores.

NETWORK AND ASSET QUALITY

As of March 31, 2010, the Bank's distribution network was at 1,725 branches and 4,232 ATMs in 779 cities as against 1,412 branches and 3,295 ATMs in 528 cities as of March 31, 2009. The Bank's total customer base touched 19 million as of March 31, 2010.

Gross non-performing assets as on March 31, 2010 were at 1.43% of gross advances as against 1.98% as at the end of the previous year. The ratio of net non-performing assets to net advances as of March 31, 2010 was at 0.31%, down from 0.63% as of March 31, 2009. The Bank's provisioning policies for specific loan loss provisions remained higher than regulatory requirements. The NPA coverage ratio based on specific provisions was at 74.8% as on March 31, 2010 and based on total provisions (specific and general) was over 100%. Total restructured loans were at 0.3% of gross advances of which 0.1% were restructured loans classified as NPAs as on March 31, 2010.

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 nonperforming loans, our growth and expansion, the adequacy of our allowance for credit and investment losses, technological changes, volatility in investment income, our ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to pay dividends, the impact of changes in banking regulation and other regulatory changes in India and other jurisdictions on us, our ability to roll over our short-term funding sources 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, instability or uncertainty in India and the other



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countries which have an impact on our business activities or investments, caused by any factor including terrorists attacks in India or elsewhere, anti-terrorist or other attacks by any country, military armament or social unrest in any part of India; the monetary and interest rate policies of the government of India; natural calamities, 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.