

HDFC Bank and Centurion Bank of Punjab merger at share swap ratio of 1:29

Mumbai, February 25, 2008: The Boards of HDFC Bank and Centurion Bank of Punjab met today and approved, subject to due diligence, the share swap ratio for the proposed merger of Centurion Bank of Punjab with HDFC Bank. The Scheme of Amalgamation envisages a share exchange ratio of one share of HDFC Bank for twenty nine shares of Centurion Bank of Punjab.

The combined entity would have a nationwide network of 1,148 branches (the largest amongst private sector Banks) a strong deposit base of around Rs. 1,200 billion and net advances of around Rs. 850 billion. The balance sheet size of the combined entity would be over Rs. 1,500 billion.

The share exchange ratio approved by the respective Boards was based on the recommendations made by M/s Dalal & Shah, Chartered Accountants, and Ernst & Young Private Ltd. who acted as independent joint valuers to the transaction.

The draft Scheme of Amalgamation, the due diligence report and any other matters as required will be considered by the Board of HDFC Bank in their meeting scheduled on February 28, 2008. The Board of CBOP will meet on the same day in order to consider the draft Scheme of Amalgamation and any other matters as required.

HDFC Bank's Board noted that in the event of the merger of Centurion Bank of Punjab with HDFC Bank being approved at its meeting on February 28, 2008, it would consider making a preferential offer to its promoter Housing Development Finance Corporation (HDFC), to enable HDFC to maintain its percentage shareholding in the merged entity. HDFC Bank's Board also noted that Mr. Rana Talwar has been offered a seat on the Board as non executive director and Mr. Shailendra Bhandari will be invited to join the Board as Executive Director.

Commenting on the proposed merger, **Mr. Deepak Parekh, Chairman, HDFC** said, "We were amongst the first to get a banking licence, the first to do a merger in the private sector with Times Bank in 1999, and now if this deal happens, it would be the largest merger in the private sector banking space in India. HDFC Bank was looking for an appropriate merger opportunity that would add scale, geography and experienced staff to its franchise. This opportunity arose and we thought it is an attractive route to supplement HDFC Bank's organic growth. We believe that Centurion Bank of Punjab would be the right fit in terms of culture, strategic intent and approach to business."

Mr. Aditya Puri, Managing Director, HDFC Bank said, "These are exciting times for the Indian banking industry. The proposed merger will position the combined entity to significantly exploit opportunities in a market globally recognized as one of the fastest growing. I'm particularly bullish about the potential of business synergies and cultural fit between the two organizations. The combined entity will be an even greater force in the market."

Mr. Rana Talwar, Chairman, Centurion Bank of Punjab stated, "Over the last few years, Centurion Bank of Punjab has set benchmarks for growth. The bank today has a large nationwide network, an extremely valuable franchise, 7,500 talented employees, and strong leadership positions in the market place. I believe that the merger with HDFC Bank will create a world class bank in quality and scale and will set the stage to compete with banks both locally as well on a global level."

Mr. Shailendra Bhandari, Managing Director and CEO, Centurion Bank of Punjab said, "We are extremely pleased to receive the go ahead from our board to pursue this opportunity. A merger between the banks provides significant synergies to the combined entity. The proposed merger would further improve the franchise and customer proposition offered by the individual banks."

About HDFC Bank

Promoted in 1995 by Housing Development Finance Corporation (HDFC), India's leading housing finance company, HDFC Bank is one of India's premier banks providing a wide range of financial products and services to its over 11 million customers across over three hundred cities using multiple distribution channels including a



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Lower Parel,
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pan-India network of branches, ATMs, phone banking, net banking and mobile banking. Within a relatively short span of time, the bank has emerged as a leading player in retail banking, wholesale banking, and treasury operations, its three principal business segments.

The bank's competitive strength clearly lies in the use of technology and the ability to deliver world-class service with rapid response time. Over the last 13 years, the bank has successfully gained market share in its target customer franchises while maintaining healthy profitability and asset quality.

As on December 31, 2007, the Bank had a network of 754 branches and 1,906 ATMs in 327 cities.

For the quarter ended December 31, 2007, the bank reported a net profit of Rs. 4.3 billion, up 45.2%, over the corresponding quarter of previous year. Total deposits were Rs. 993.9 billion, up 48.9% over the corresponding quarter of previous year. Total balance sheet size too grew by 46.7% to Rs.1,314.4 billion.

For more information log on to: www.hdfcbank.com

About Centurion Bank of Punjab

Centurion Bank of Punjab is one of the leading new generation private sector banks in India. The bank serves individual consumers, small and medium businesses and large corporations with a full range of financial products and services for investing, lending and advice on financial planning. The bank offers its customers an array of wealth management products such as mutual funds, life and general insurance and has established a leadership 'position'. The bank is also a strong player in foreign exchange services, personal loans, mortgages and agricultural loans. Additionally the bank offers a full suite of NRI banking products to overseas Indians.

On August 29, 2007, Lord Krishna Bank (LKB) merged with Centurion Bank of Punjab, post obtaining all requisite statutory and regulatory approvals. This merger has further strengthened the geographical reach of the Bank in major towns and cities across the country, especially in the State of Kerala, in addition to its existing dominance in the northern part of the country.

Centurion Bank of Punjab now operates on a strong nationwide franchise of 394 branches and 452 ATMs in 180 locations across the country, supported by employee base of over 7,500 employees. In addition to being listed on the major Indian stock exchanges, the Bank's shares are also listed on the Luxembourg Stock Exchange.

For more information log on to www.centurionbop.co.in

Contact:

Neeraj Jha
Head, Corporate Communications
HDFC Bank
Tel: 022 6652 1308 (D)

Pushkar Gupta
Sr. Manager, Corporate Communications
Centurion Bank of Punjab
Tel: 022 6754 0888