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NEWS RELEASE

HDFC BANK LIMITED - FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) accounts for the quarter and half year ended September 30, 2010 at its meeting held in Mumbai on Tuesday, October 19, 2010. The results for the half year ended September 30, 2010, have been subject to an "Audit" and results for the quarter ended September 30, 2010, have been subject to a "Limited Review" by the Statutory Auditors of the Bank.

FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended September 30, 2010

The Bank's total income for the quarter ended September 30, 2010 was ₹ 5,770.7 crores as against ₹ 5,045.4 crores for the quarter ended September 30, 2009. Net revenues (net interest income plus other income) were ₹ 3,487.0 crores for the quarter ended September 30, 2010, an increase of 15.9% over ₹ 3,009.3 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 ₹ 3,991.9 crores in the quarter ended September 30, 2009 to ₹ 4,810.0 crores in the quarter ended September 30, 2010. Net interest income (interest earned less interest expended) for the quarter ended September 30, 2010 grew by 29.2% to ₹ 2,526.3 crores, driven by average asset growth of 30.0% and a stable net interest margin (NIM) of 4.2% which was also the NIM for the quarter ended September 30, 2009.

Other income (non-interest revenue) for the quarter ended September 30, 2010 was at ₹ 960.7 crores, primarily contributed by fees and commissions of ₹ 857.0 crores up 16.0% over ₹ 738.6 crores in the quarter ended September 30, 2009. Effective April 01, 2010, the Bank has classified fees paid relating to transactions done by the bank's customers on other banks' ATMs, which hitherto were netted from fees and commissions, under operating expenses. The other two components of other income were foreign exchange & derivative revenues of ₹ 152.3 crores and a profit / (loss) on sale / revaluation of investments of ₹ (52.1) crores, as against ₹ 151.0 crores and ₹ 162.9 crores respectively, for the corresponding quarter ended September 30, 2009.

Operating expenses, reclassified as mentioned above, for the quarter ended September 30, 2010 were up 18.6% to ₹ 1,679.9 crores. The core cost to income ratio (excluding bond gains/losses) was at 47.5% as against 49.8% for the quarter ended September 30, 2009. On account of the improvement in asset quality, reflected in the ratio of gross non-performing assets to gross advances reducing from 1.8% as of September 30, 2009 to 1.2% as of September 30, 2010, provisions and contingences reduced from ₹ 594.1 crores for the quarter ended September 30, 2009 to ₹ 454.5 crores (including loan loss provisions of ₹ 445.0 crores) for the quarter ended September 30, 2010. Profit before tax for the quarter ended September 30, 2010 increased by 35.4% over the corresponding quarter ended September 30, 2009 to ₹ 1,352.6 crores. After providing ₹ 440.5 crores for taxation, the Bank earned a Net Profit of ₹ 912.1 crores, an increase of 32.7% over the corresponding quarter ended September 30, 2009.

Balance Sheet: As of September 30, 2010

The Bank's total balance sheet size increased by 28.9% to ₹ 249,983 crores as of September 30, 2010. Total deposits were ₹ 195,321 crores, up by 30.4% over September 30, 2009. With Savings account deposits at ₹ 59,525 crores and Current account deposits at ₹ 39,363 crores as of September 30, 2010, CASA deposits registered a growth of 31.1% over September 30, 2009. The CASA mix was therefore at 50.6% of total deposits as at September 30, 2010. Gross advances grew by 37.7% over September 30, 2009 to ₹ 158,512 crores. Adjusting for one-off movements in wholesale loans, the core growth in advances was 32% as against a growth of around 19% in the banking system. Retail loans grew by 30.8% over September 30, 2009 to ₹ 81,950 crores and constituted 51.7% of gross advances.

Half Year ended September 30, 2010

For the half year ended September 30, 2010, the Bank earned total income of ₹ 11,181.3 crores as against ₹ 10,218.1 crores in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the six months ended September 30, 2010 were ₹ 6,878.5 crores, as against ₹ 5,944.4 crores for the six months ended September 30, 2009. Net Profit for the half year ended September

30, 2010 was ₹ 1,723.9 crores, up by 33.3% over the corresponding six months ended September 30, 2009.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as at September 30, 2010 (computed as per Basel 2 guidelines) remained strong at 17.0%, as against 15.7% as of September 30, 2009 and against the regulatory minimum of 9%. Tier-I CAR was 12.7% as of September 30, 2010 as against 10.9% as of September 30, 2009.

DISTRIBUTION NETWORK :

As of September 30, 2010, the Bank's distribution network was 1,765 branches and 4,721 ATMs in 819 cities as against 1,506 branches and 3,573 ATMs in 635 cities as of September 30, 2009.

ASSET QUALITY :

Portfolio quality as of September 30, 2010 remained healthy with gross non-performing assets (NPAs) at 1.2% of gross advances and net non-performing assets at 0.3% of net advances (as against 1.8% gross NPA and 0.5% net NPA ratios as of September 30, 2009). The Bank's provisioning policies for specific loan loss provisions remained higher than regulatory requirements. The NPA provision coverage ratio (excluding write-offs) was at 78% as of September 30, 2010 as compared to 70% as of September 30, 2009. Total restructured assets, including applications received for loan restructuring were 0.3% of the bank's gross advances as of September 30, 2010. Of this amounts categorized as standard assets were 0.1% of the bank's gross advances.

Note:
₹= 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 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.*