



Investor Presentation

Contents

- Meeting Diverse Customers' Needs
- Unique Franchise in the Indian Banking Sector
- Key Business Initiatives
- Financial Highlights
- Merger Update
- Value Proposition

Wide Range of Products & Customer Segments

Retail Banking

- **Loan Products:**
 - Auto Loans
 - Loans against Securities
 - Personal Loans
 - Credit Cards
 - 2-Wheeler Loans
 - Commercial Vehicles Finance
 - Home Loans
 - Retail Business Banking
 - Tractor Loans

- **Deposit Products:**
 - Savings Accounts
 - Current Accounts
 - Fixed Deposits

- **Other Products / Services:**
 - POS Terminals
 - Debit Cards
 - Depository Accounts
 - Mutual Fund Sales
 - Insurance Sales
 - Investment Advice
 - Corporate Salary Account
 - NRI Services
 - Bill Payment Services

Wholesale Banking

- **Commercial Banking:**
 - Working Capital
 - Credit Substitutes
 - Term Loans
 - Bill Collection
 - Forex & Derivatives
 - Wholesale Deposits
 - Letters of Credit
 - Guarantees

- **Transactional Banking:**
 - Cash Management
 - Custodial Services
 - Clearing Bank Services
 - Correspondent Banking
 - Tax Collections
 - Banker to public issues

- **Key Segments:**
 - Large corporate
 - Supply Chain
 - Emerging Corporates
 - Financial Institutions
 - Government
 - Agriculture
 - Commodities

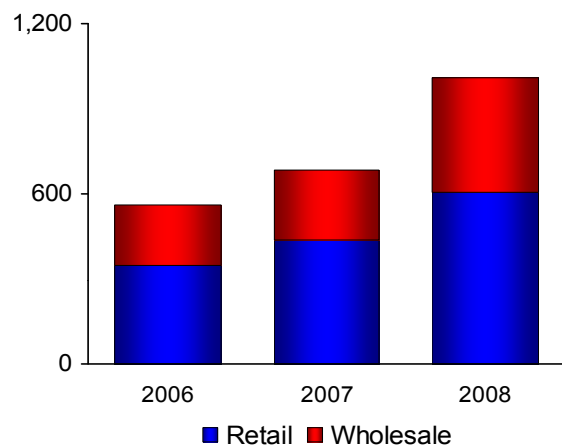
Treasury

- **Products:**
 - Foreign Exchange
 - Debt Securities
 - Derivatives
 - Equities

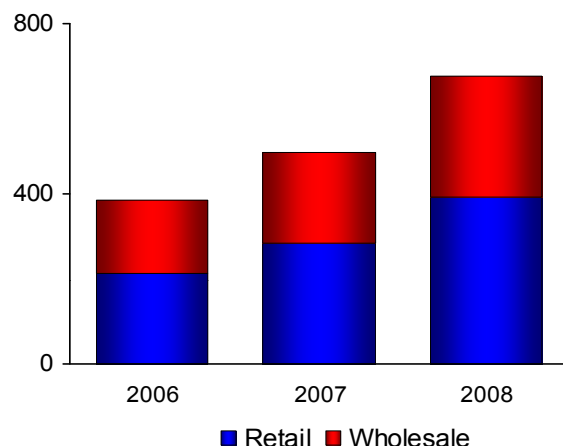
- **Other Functions:**
 - Asset Liability Management
 - Statutory Reserve Management

One-Stop Shop to Meet Diverse Customer Needs

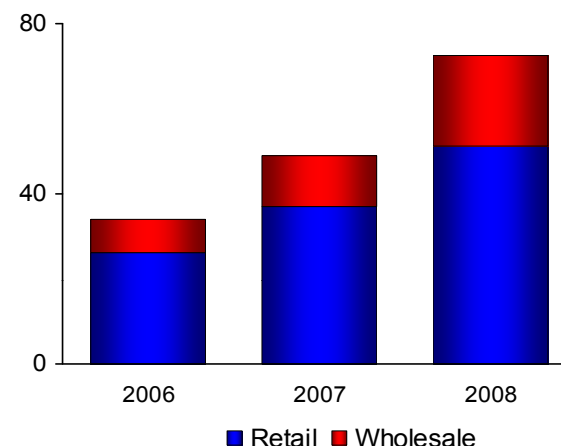
Business Mix



Total Deposits



Gross Advances



Net Revenues

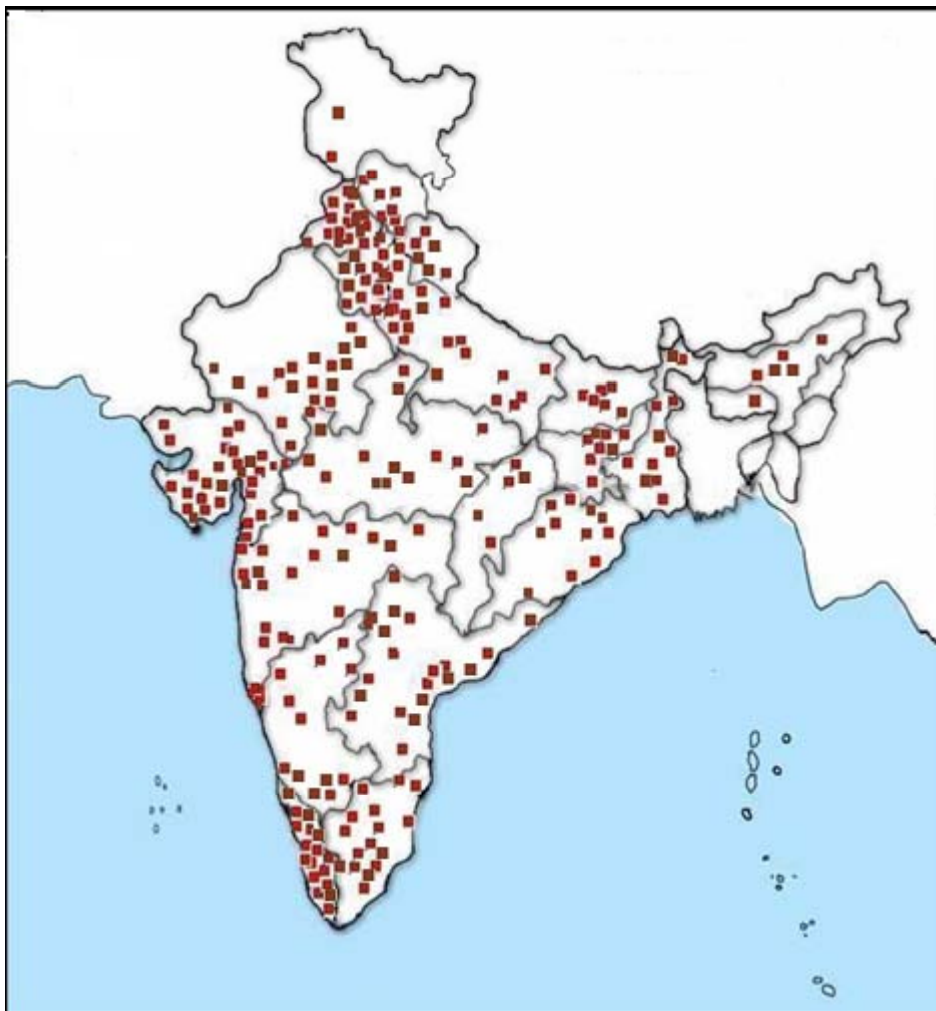
- Customer segments (retail & wholesale) account for 84% of net revenues (FY 2008)
- Well balanced mix between wholesale and retail segments
- Higher retail revenues partly offset by higher operating and credit costs
- Equally well positioned to grow both segments

Indian GAAP figures. Fiscal year ended 31st March (Rs.Bn)

FY 2008 segment figures have been prepared on the basis of revised RBI guidelines redefining segments. To make the 2008 segment figures broadly comparable, "Other Banking Operations Segment" (which includes Credit Cards, Third Party Product sales etc.) has been added to the Retail Segment.

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Strong National Network



	Mar-06	Mar-07	Mar-08	Jun-08 *
Cities	228	316	327	444
Branches	535	684	761	1,229
ATMs	1323	1605	1977	2,526

- All branches linked online, real time
- “Anytime, Anywhere, Anyhow” banking

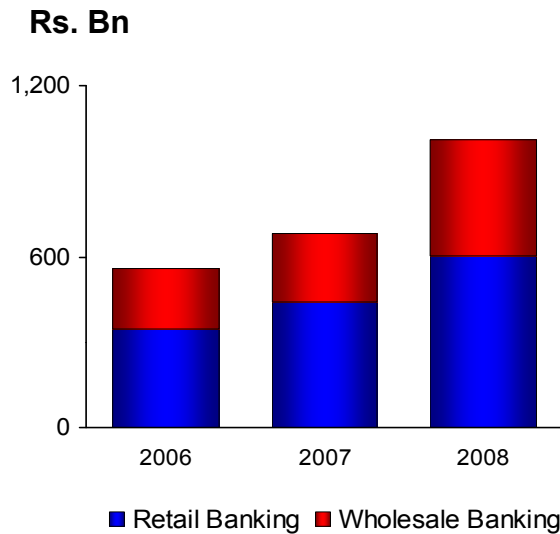
Strong presence in non-metro markets

	Non Metro Contribution*		
	FY 2006	FY 2007	FY 2008
Branches	54%	62%	58%
Retail Deposits	36%	36%	43%
Retail Loans	53%	48%	64%

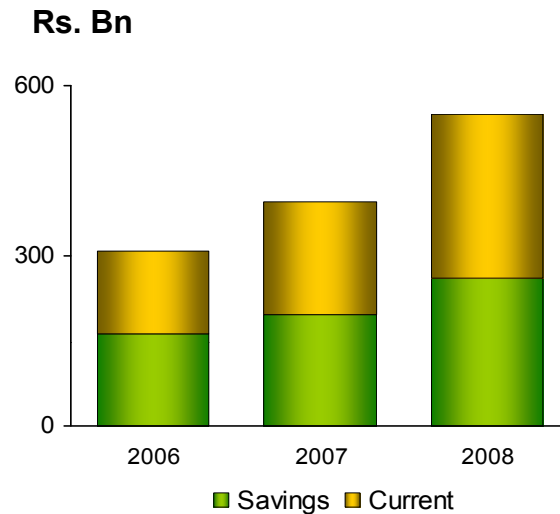
*Contribution from locations outside top 9 cities

* Post merger with Centurion Bank of Punjab

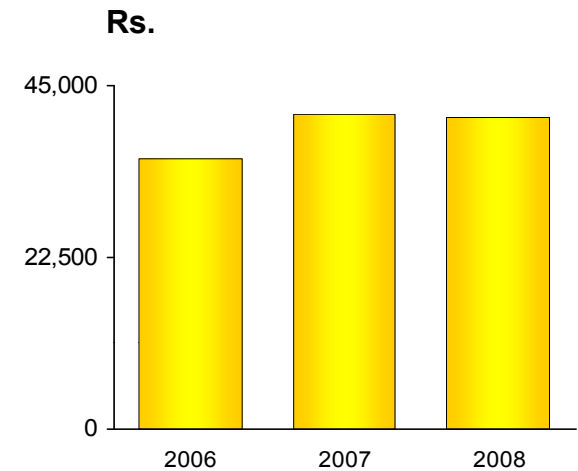
High Quality Deposit Franchise



Total Deposits



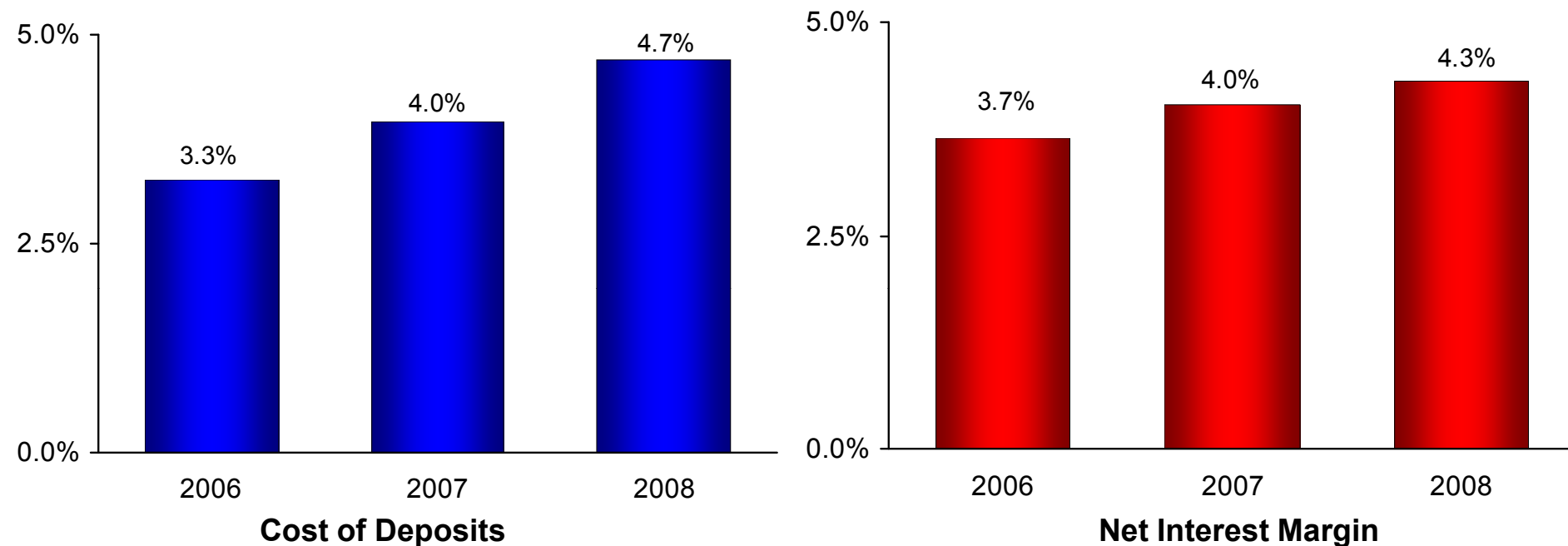
Savings & Current Deposits



Average Savings Balance Per Account

- Healthy proportion of demand (savings & current) deposits
- Floats from multiple transactional banking franchises
- Increasing penetration and cross-sell through branches
- Quality growth rather than mere numbers

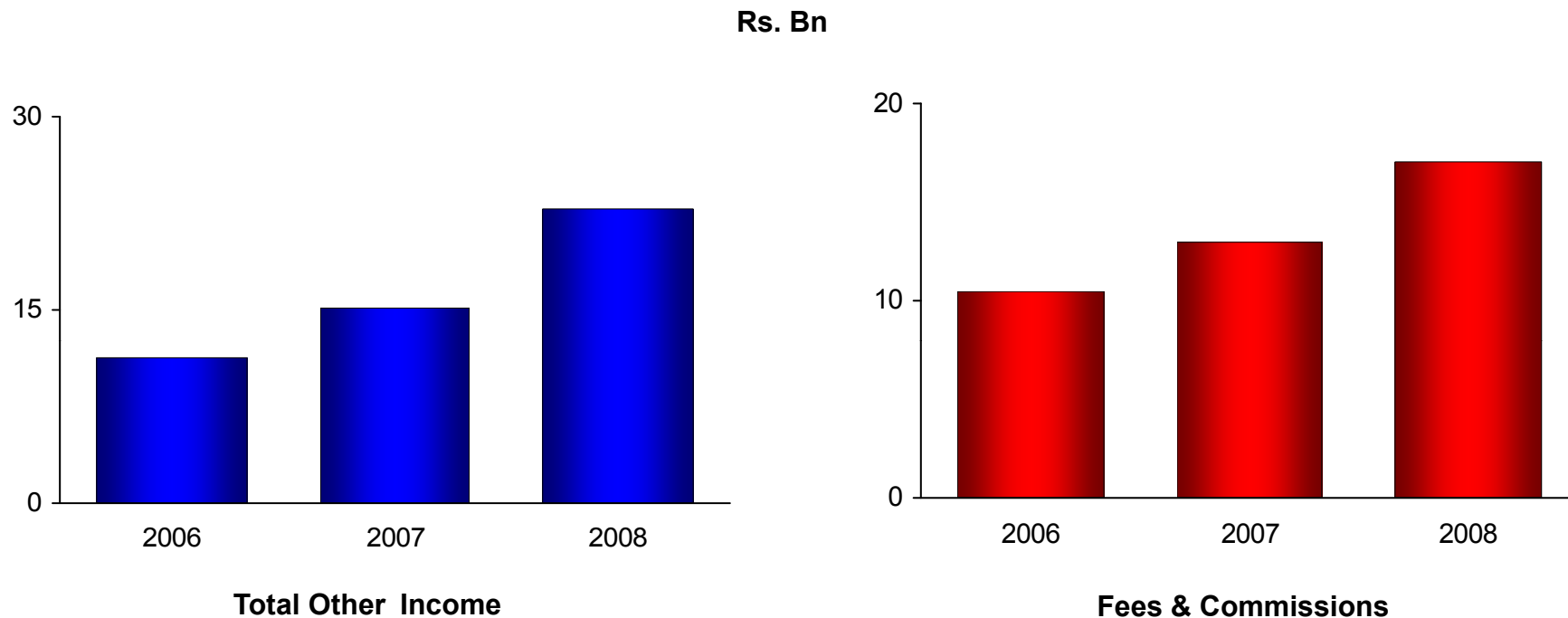
Low Funding Costs, Healthy Margins



- Amongst the lowest deposit costs in the industry
- Healthy margins – stable over declining & rising interest rates
- Average yields supported by higher proportion & product mix of retail loans

Indian GAAP figures. Fiscal year ended 31st March

Strong Non-Funded Revenues



- Other Income (non-funded revenues) at 30% of Net Revenues in FY 2008
- Key components of Other Income: Fees and commissions -75%, FX and Derivatives Revenues -14%, Profit/Loss on sale of Investments -11% in FY 2008
- Core fees & commissions from multiple retail and transactional banking products

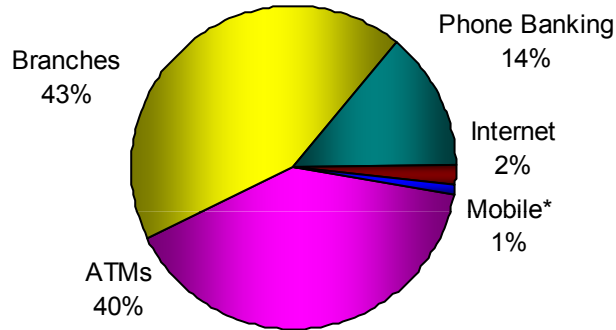
Indian GAAP figures. Fiscal Year ended 31st March

Leveraging Technology

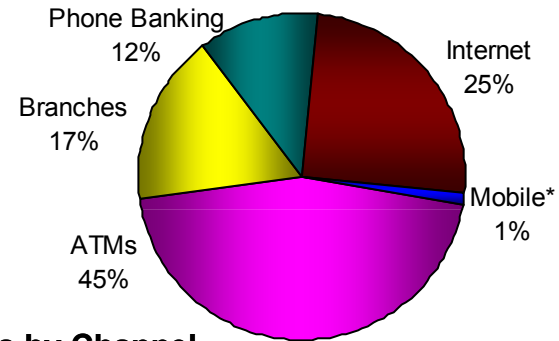
Multiple Delivery Channels

Greater Choice and Convenience for Retail Customers

2001



2008



% Customer Initiated Transactions by Channel

Centralised Processing Units

Derive Economies of Scale

Electronic Straight Through Processing

Reduce Transaction Costs, Error Rates

Data Warehousing, CRM

Improve Sales Efficiencies, Cross-sell

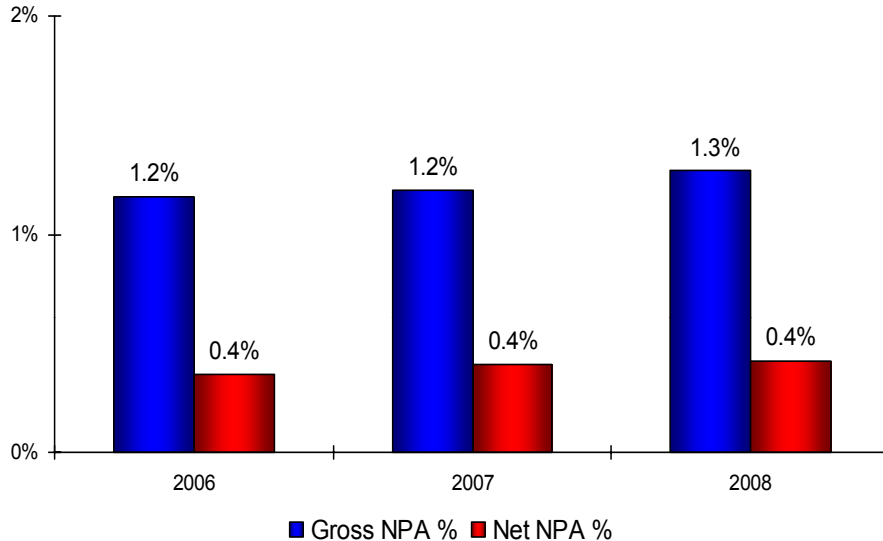
Innovative Technology Application

Provide New or Superior Products

* Excludes text alerts to customers

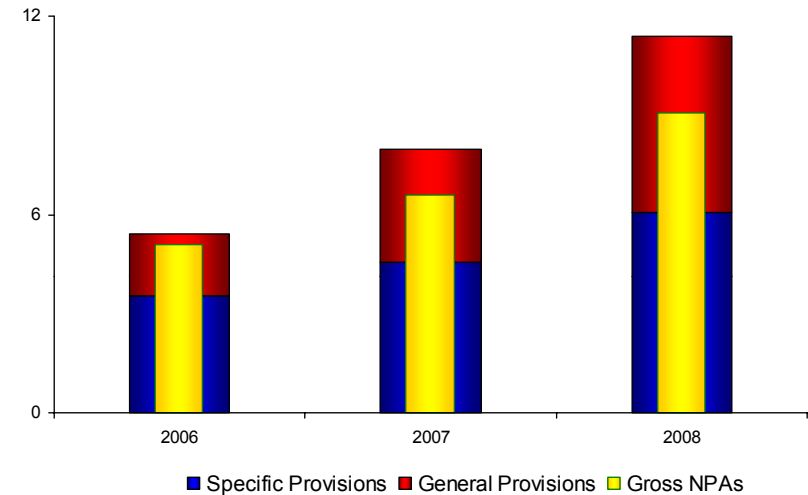
Healthy Asset Quality

NPA% to Customer Assets



Loan Loss Provisions

Rs. Bn



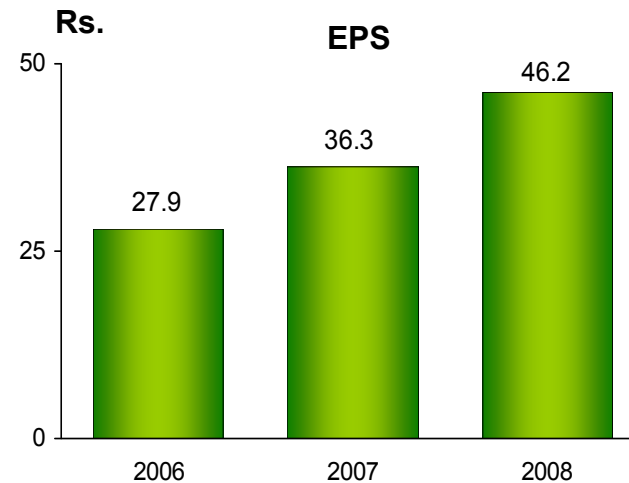
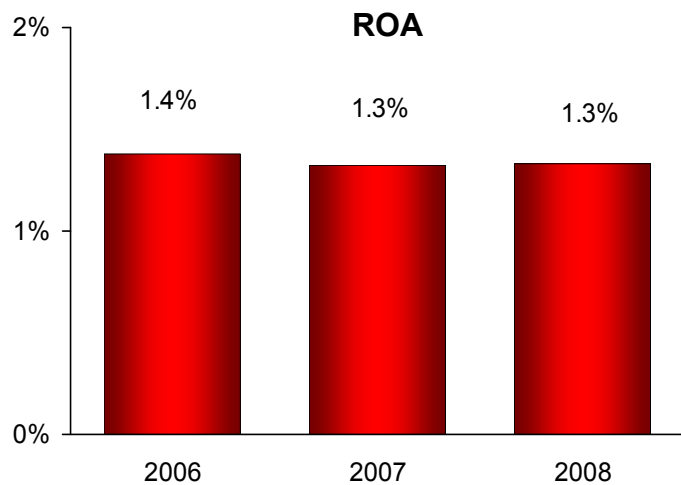
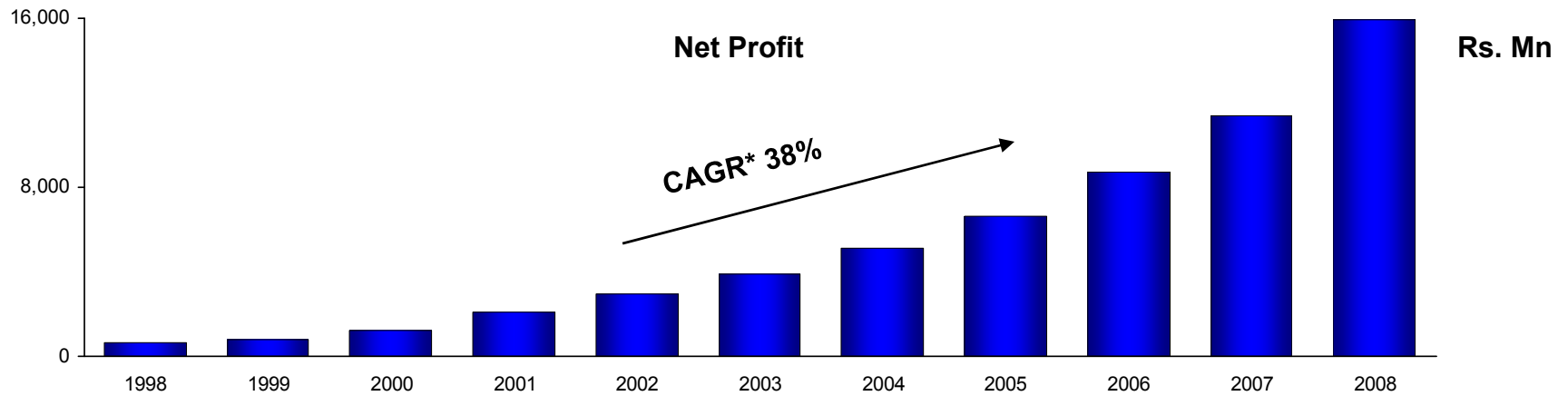
- Amongst the best portfolio quality (wholesale & retail) in the industry
- Strong credit culture, policies, processes
- Healthy loan growth – balancing risk and returns
- Retail NPAs in line with the product mix
- Total provision coverage of over 100% of NPAs

Net NPA = Gross NPA less specific loan loss provisions and interest in suspense

Customer Assets = Gross advances, credit substitutes like debentures, commercial paper etc.

Total provision = specific + general loan loss provisions

Consistent Financial Performance



Indian GAAP figures. Fiscal year ended 31st March

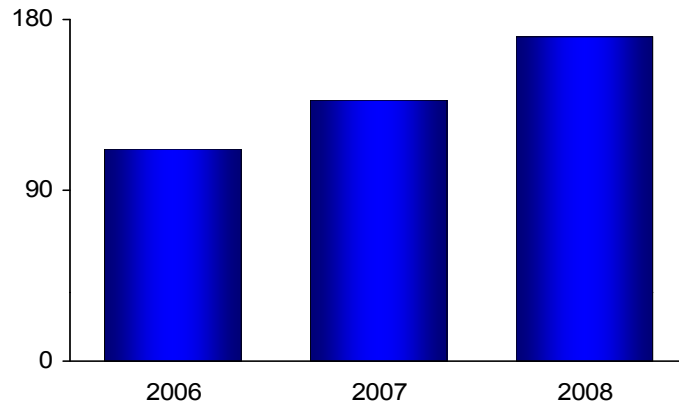
* 10 year Compounded Annual Growth Rate

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Accessing Multiple SME Segments

Rs. Bn

Core SME Advances



Core SME businesses include:

- Supply Chain Management
- Emerging Corporates
- Commercial Transportation
- Retail Business Banking

Healthy Asset Quality

- Growing franchise in specific SME segments

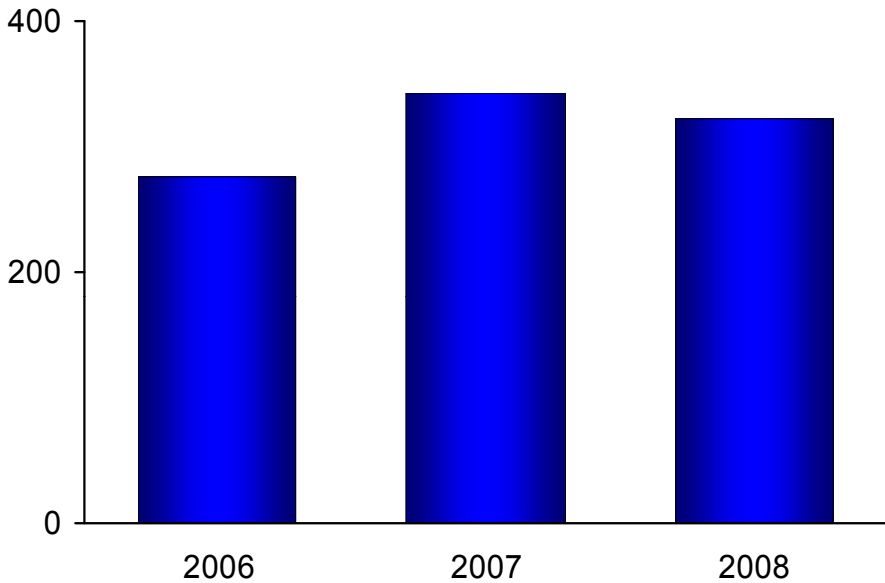


- Leading provider of electronic banking services for supply chain management (SCM)
- Structured cash management-cum-vendor/distributor finance

Indian GAAP figures. Fiscal year ended 31st March

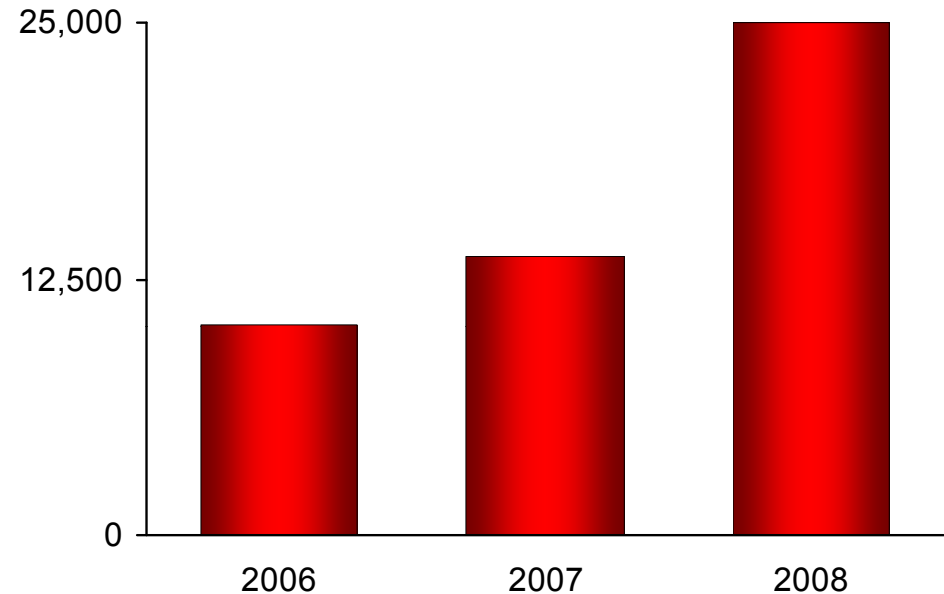
Focus on Transactional Banking Opportunities

Rs. Bn



Cash Settlements on Stock/Commodities Exchanges *

Rs. Bn



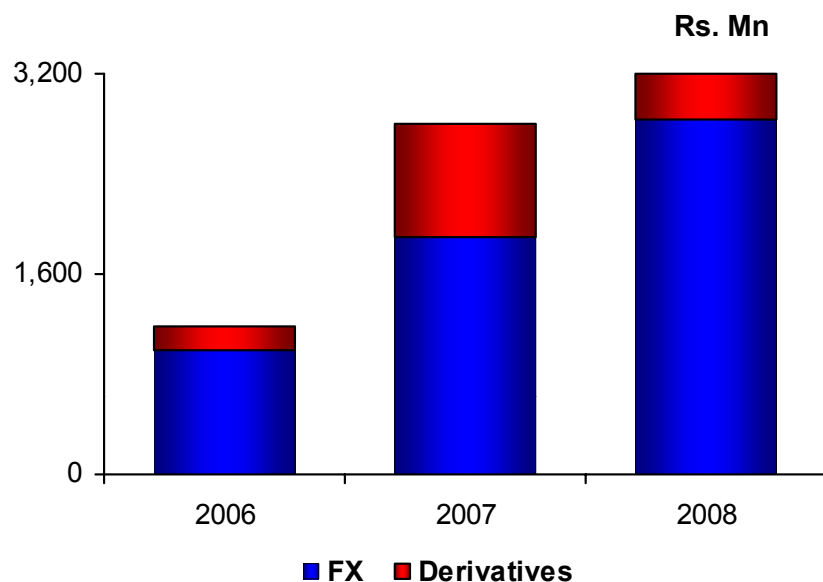
Gross Cash Management Volumes **

- Clear market leader : cash settlements on stock & commodities exchanges
- Leading provider of cash management solutions
 - Large Corporates and SME
 - Financial Institutions
 - Government (including tax collections)

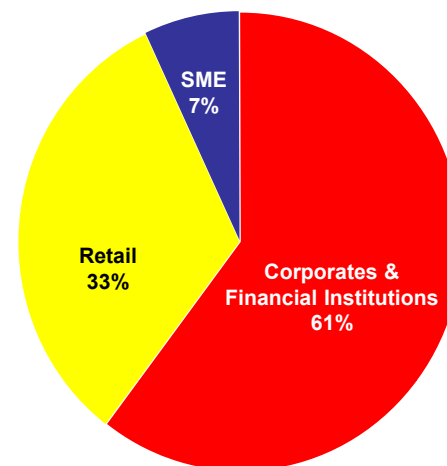
* For the month of March

** For the Fiscal year ended 31st March

Customer Focused Treasury Products



FX & Derivatives Revenues

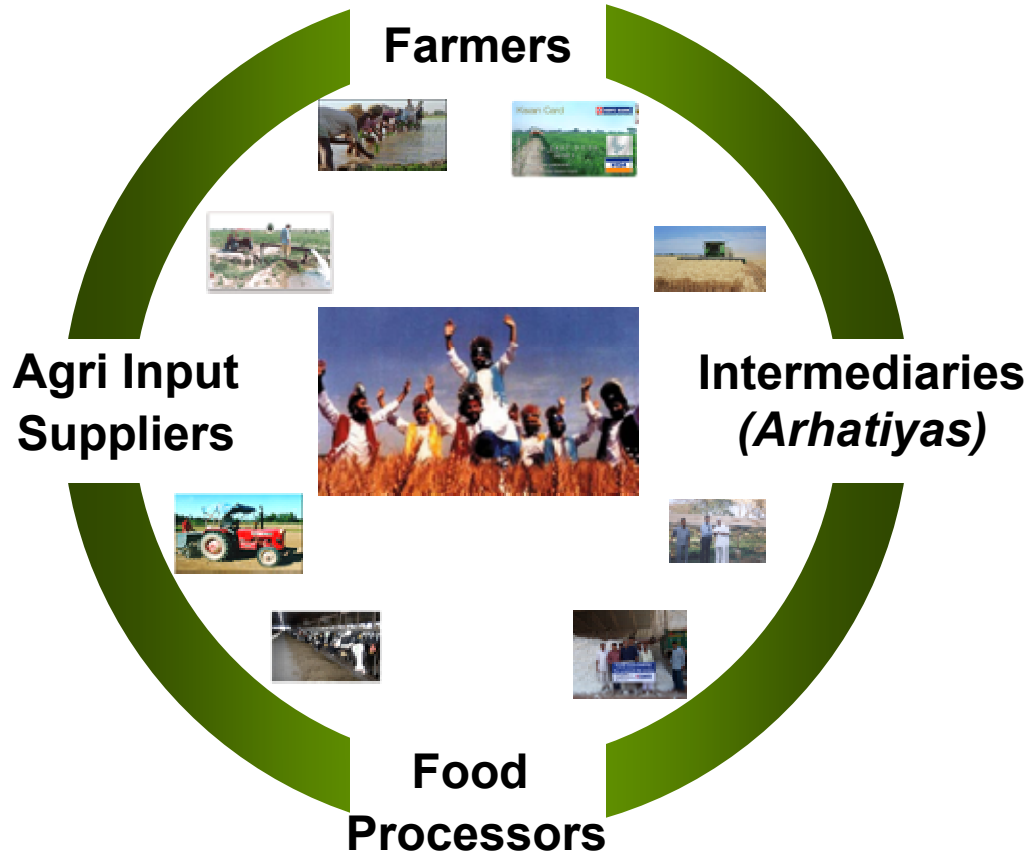


Customer Revenues Mix

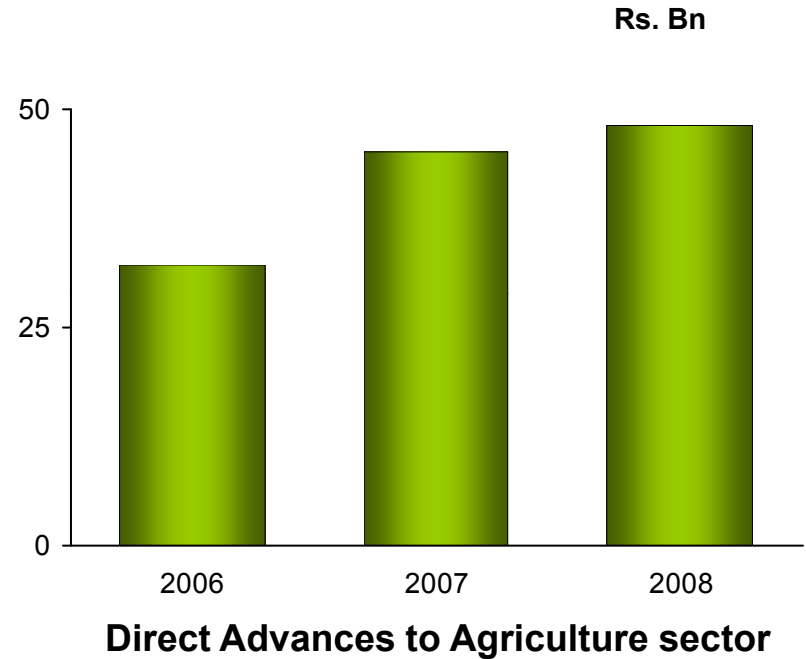
- Treasury advisory services
- Plain vanilla FX offerings to retail and business banking segments
- FX and derivatives product sales to corporate and institutional customers
- Foreign currency derivatives – Bank is exposed only to counterparty credit risk, not market risk
- Low reliance on trading revenues

Indian GAAP figures. Fiscal year ended 31st March

Banking on Agriculture

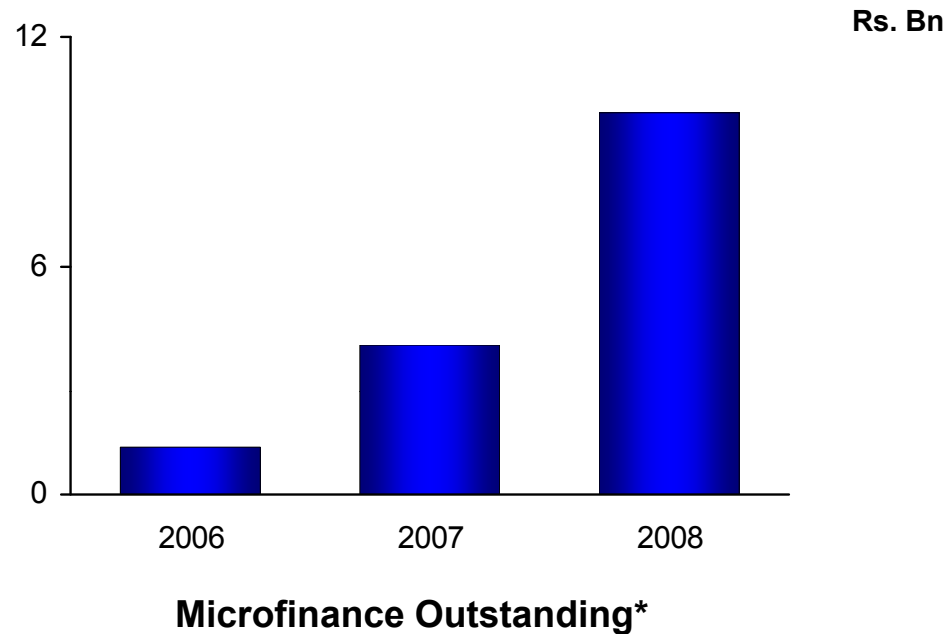


Financing products for every stage in the agri cycle



- Kisan Gold Card
- Commodity Finance
- Rural supply chain initiatives
- Tractor Loans

Microfinance

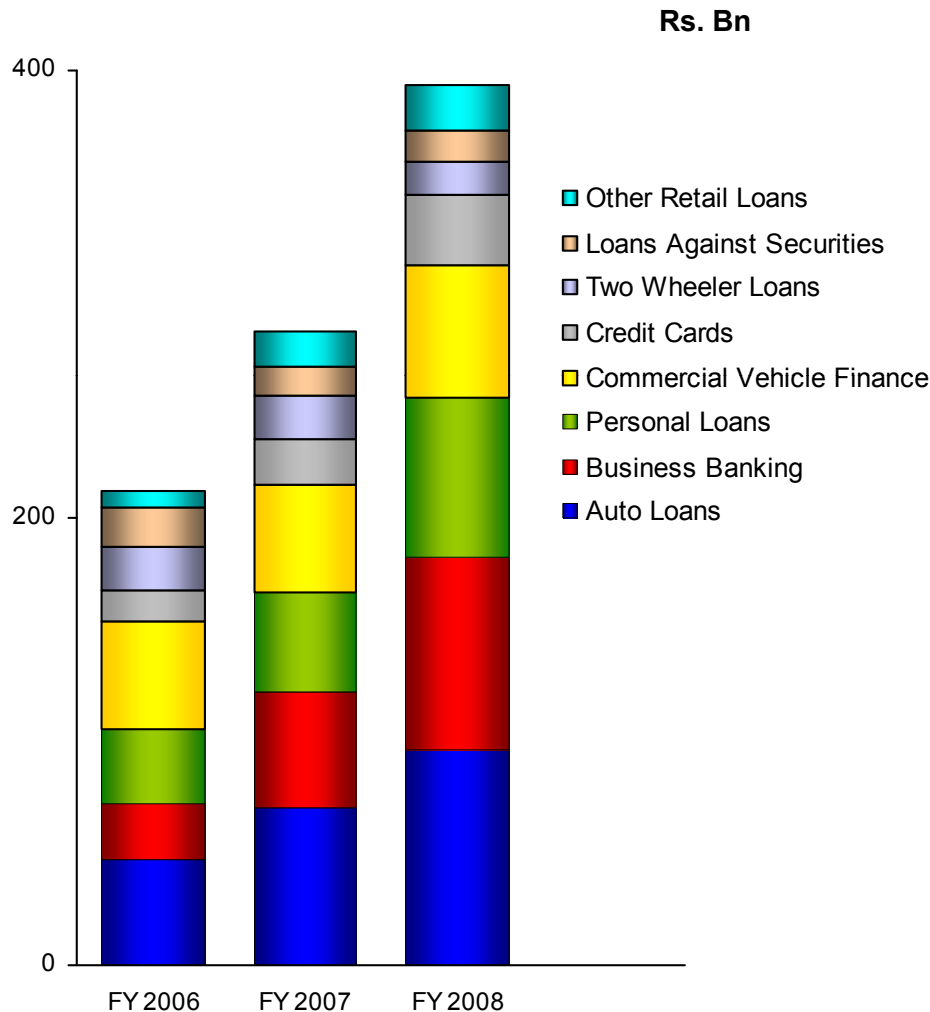


- Dual Approach:
 - On-lending through Microfinance Institutions (MFIs)
 - Direct lending to Self Help Groups (SHGs)
- Strong and stable asset quality
- Over 2 million beneficiaries of the microfinance program

Indian GAAP figures. Fiscal year ended 31st March

* Includes lending to MFIs and SHGs.

Retail Loans & Cards: Profitable Growth

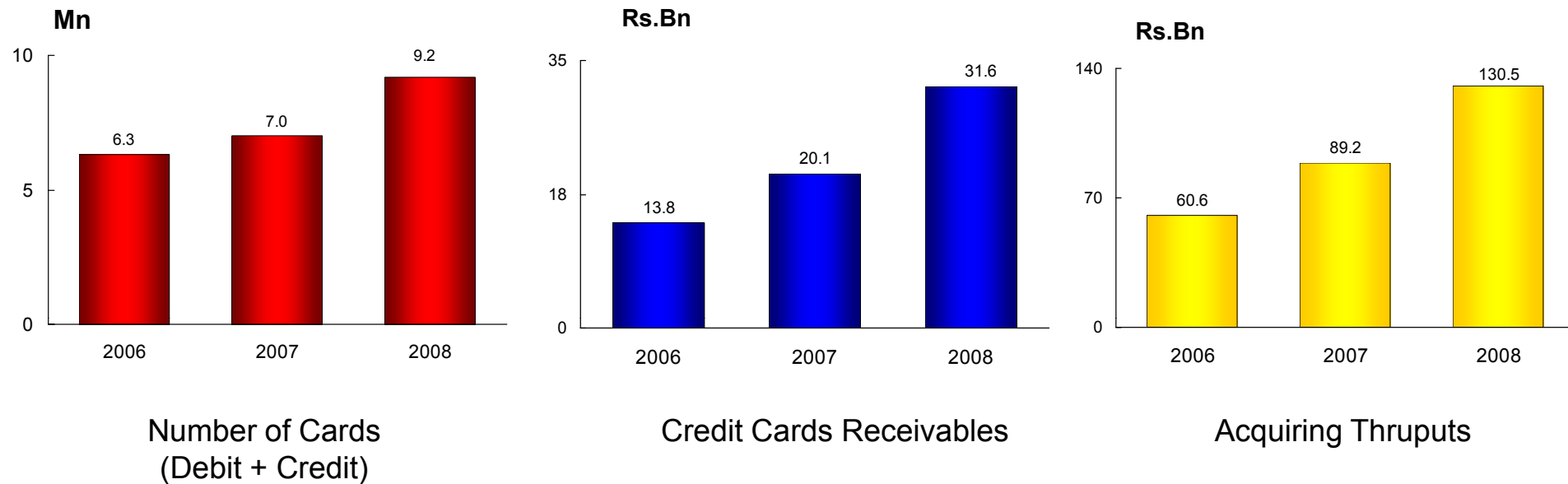


- Amongst top 3 players in most products
- Well diversified product mix
- Balancing volumes and market share with margins and risk
- Mortgage offering – origination (loan sanctions) now over Rs.5.5 Bn per month
- Stable asset quality

Indian GAAP figures. Fiscal year ended 31st March

Gross retail loans, net of loans sold and including loan assignments

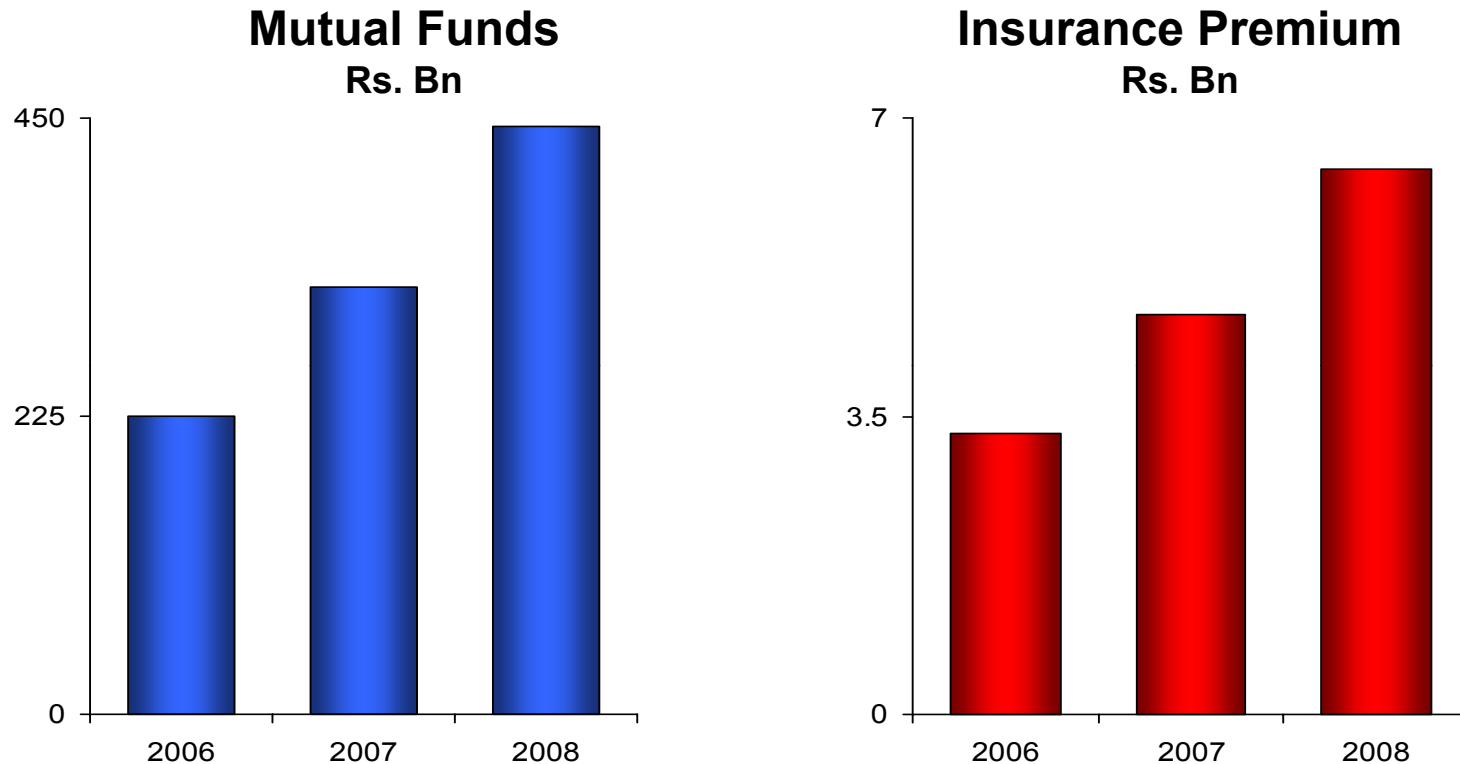
Cards – Achieving Scale



- New credit card issuance balanced across internal and external customers
- Credit Card receivables (ENR) - 57% growth in FY 2008
- Merchant acquiring – over 60,000 POS terminals, 46% growth in thruputs

Indian GAAP figures. Fiscal year ended 31st March

Distribution of Third Party Products



- Large contributor to fee income – around 25% of retail commissions
- Dedicated team of investment advisors for high net worth segment
- Branch sales process to drive distribution of third party products

Indian GAAP figures. Fiscal year ended 31st March

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Key Financials – Quarter Ended June 2008

Rs. Mn

	Q1 09	Q1 08	% Growth
Net Interest Income*	17,235	9,855	74.9%
Fees & Commissions	5,112	3,722	37.3%
Fx & Derivatives	1,574	1,465	7.5%
Profit / (Loss) on Investments**	(752)	539	-239.6%
Net Revenues	23,169	15,581	48.7%
Operating Costs	12,894	7,744	66.5%
Provisions & Contingencies	3,445	3,071	12.2%
Tax	2,187	1,553	40.8%
PAT	4,644	3,212	44.6%

The merger of Centurion Bank of Punjab with HDFC Bank became effective from May 2008. The results of Q1 2009 are therefore for the merged entity while those of Q1 2008 are on a standalone basis for HDFC Bank, and therefore are not comparable.

Indian GAAP figures (Rs. Mn) Q1 09 : Quarter ended June 30th 2008 Q1 08 : Quarter ended June 30th 2007

* Amortization of premia on Held To Maturity investments is netted off from interest income, in line with revised regulatory guidelines

** On sale and revaluation (mark to market) of investments & includes miscellaneous income and Profit/Loss on sale of building and other assets

Financial Highlights – Quarter Ended June 2008

- **Growth of 48.7% in net revenues**
- **Core Net interest margin of over 4.1%**
- **Cost-to-income ratio at 55.7%**
- **Net profit up by 44.6 % to Rs. 4.6 Bn**
- **Deposits up 60.4% to Rs. 1,309 Bn**
- **Advances increased by 79.8% to Rs. 968 Bn**
- **Capital Adequacy Ratio (CAR) 12.2%, of which Tier I CAR at 9.3%**
- **Net NPA/Customer Assets at 0.5%**

The merger of Centurion Bank of Punjab with HDFC Bank became effective from May 2008. The results of Q1 2009 are therefore for the merged entity while those of Q1 2008 are on a standalone basis for HDFC Bank, and therefore are not comparable.

All figures are as per Indian GAAP (Bn = Billion)

Net NPA = Gross NPA less specific loan loss provisions and interest in suspense.

*** On sale and revaluation (mark to market) of investments & includes miscellaneous income and Profit/Loss on sale of building and other assets*

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CBoP Merger

- Legal processes for the merger complete effective May 2008.
- Swap Ratio: 1 share of HDFC Bank for every 29 shares of CBoP
- Merged entity has a network of over 1200 branches and 2500 ATMs, one of the largest among private sector banks
- Strong potential to increase customer acquisition across larger distribution network and to increase cross sell to existing customers
- The integration of people, processes and systems on track

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Value Proposition: Healthy Growth, Low Risk

- Wide product range and ongoing investments to support growth
- Leading player (Top 3) across multiple products
- Expanding geography and customer segments
- Leveraging inorganic growth opportunities as well
- Branch sales process and CRM to improve cross-sell
- Strong risk management focus and asset quality
- Consistent, healthy earnings growth
- Proven ability to generate shareholder value

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 non-performing 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, our 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 regulations 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 in India and the other countries which have an impact on our business activities or investments; the monetary and interest rate policies of the government of India; 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.