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HDFC Bank Ltd.
HDFC Bank House,
Senapati Bapat Marg,
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Mumbai -400 013.

HDFC Bank Launches India's First Rural Banking BPO at Tirupathi

- Reinforces its commitment to rural employment and rural India -

Tirupathi, July 25, 2008: HDFC Bank, one of India's premier banks, announced the launch of the country's first Rural BPO in Tirupathi today. This BPO is expected to provide gainful employment to 1500 youths from the villages in and around Chittoor district in Andhra Pradesh over the next few months. This BPO follows the pilot BPO the bank had launched at Nellore about six months back.

Announcing the launch of this unique initiative, **Mr. A. Rajan, Country Head – Operations, HDFC Bank** said, "As per a recent projection, by 2015, Indians youths under 25 years of age will make up 55% of the population and roughly 70% will be from rural India. So, it is critical that they are gainfully employed or an impending demographic disaster looms large in the horizon. As a good corporate citizen, HDFC Bank is proud to be pioneering an initiative which definitely has the potential to revolutionize rural India. Besides addressing a looming unemployment problem, this initiative takes job opportunities closer to the doorsteps of the rural youths, countering distress migration to urban areas. This in turn, is expected to trigger a chain reaction to improve the socio-economic factors at rural level and contribute towards sustained development."

Mr. A. Rajan added, "Our commitment to set up a fully fledged BPO facility in a rural area came from our observation from our earlier pilot in Nellore where we found that we could provide job opportunities to youths mostly belonging to the lowermost economic strata from the nearby villages, which were also qualified with a university degree. We were very pleasantly surprised by the dedication and the enthusiasm with which these youth took up the challenge to prove that they could match and outperform their city brethren in coming up the learning curve. They achieved a status of almost zero error in a remarkably short period without compromising efficiency and turnaround time. We are quite confident that this business model can be successfully scaled and replicated in other parts of rural India."

The HDFC Bank rural BPO is backed by the Employment Generation and Marketing Mission (**EGMM**) of the Department of Rural Development, Andhra Pradesh, who has been of tremendous support in tracking and identifying deserving boys and girls from the rural areas, with particular focus on youth belonging to the poor and vulnerable communities and from remote tribal areas. The focus is also on girls and single women like widows. EGMM is managed by a band of committed development professionals who provide the identified you with basic training in English, Work Readiness and Computers. The impact of the program clearly shows one job in a family takes the poor out of poverty in a sustained manner. **Says Meera Shenoy, Executive Director, EGMM,** "Partnering with HDFC Bank was exciting since the Bank shared our passion of focusing only on the rural poor and mainstreaming them into white collared local jobs in their BPO. Based on our successful partnership in the pilot BPO at Nellore, HDFC Bank has now set up its first major rural BPO in Tirupathi."

Based on their current experience in working together, both Rajan and Meera Shenoy are quite confident that this business model can be successfully scaled and replicated in other parts of rural India.

The Tirupathi BPO of the Bank will conduct several activities which can be safely outsourced without any risk exposure to the Bank and its customers. The Bank will use advanced imaging technology and workflows to move its basic data to be processed, over higher end bandwidth connectivity to this BPO from its branches across the country. The Bank is convinced that the project can be economically viable and provide a secured career for the employees of the rural BPO despite the higher cost of data transmission through dedicated and secured leased lines. This is based on the anticipated attrition-less work environment and resultant reduction in training expenses, as the rural youth are highly self-motivated to excel, stemming from their desire to raise the standard of living of their families from an erratic rain-fed agricultural income to a steady monthly salary income.

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



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to its over 11 million customers across hundreds of Indian cities using multiple distribution channels including a 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.

For the year ended March 31, 2008, HDFC Bank reported a net profit of INR 15.90 billion (Rs.1590.2crore), up 39.3%, over the corresponding year ended March 31, 2007. As of March 31, 2008 total deposits were INR 1,007.69 billion, (Rs.100,769 crore) up 47.5% over the corresponding year ended March 31, 2007. Total balance sheet size too grew by 46.0% to INR 1,331.77 billion (Rs.133,177 crore).

As on May 23, 2008, HDFC Bank had a network of 1167 branches across India. On this date the amalgamation of HDFC Bank with Centurion Bank of Punjab was formally approved by Reserve Bank of India to complete the statutory and regulatory approval process.

Leading Indian and international publications have recognized the bank for its performance and quality.

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

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