

NEWS RELEASE
HDFC Bank Limited

FINANCIAL RESULTS (INDIAN GAAP)
FOR THE QUARTER AND NINE MONTHS ENDED
DECEMBER 31, 2014

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter and nine months ended December 31, 2014, at their meeting held in Mumbai on Saturday, February 14, 2015. The accounts have been subjected to a 'Limited Review' by the statutory auditors of the Bank.

FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended December 31, 2014

The Bank's total income for the quarter ended December 31, 2014 was ₹ 14,930.7 crore, as against ₹ 12,739.0 crore for the quarter ended December 31, 2013. Net revenues (net interest income plus other income) were at ₹ 8,234.8 crore for the quarter ended December 31, 2014, an increase of 21.4% over ₹ 6,783.0 crore for the corresponding quarter of the previous year. Interest earned increased from ₹ 10,590.7 crore in the quarter ended December 31, 2013 to ₹ 12,395.8 crore in the quarter ended December 31, 2014, up by 17.0%. With interest expense increasing by 12.4% to ₹ 6,695.9 crore for the quarter ended December 31, 2014, the net interest income (interest earned less interest expended) grew by 23.0% to ₹ 5,699.9 crore from ₹ 4,634.8 crore for the quarter ended December 31, 2013. Net interest margin for the quarter was at 4.4% as against 4.2% for corresponding quarter ended December 31, 2013.

Other income (non-interest revenue) at ₹ 2,534.9 crore was 30.8% of net revenues for the quarter ended December 31, 2014 and grew by 18.0% over ₹ 2,148.3 crore in the corresponding quarter ended December 31, 2013. The four components of other income for the quarter ended December 31, 2014 were fees & commissions of ₹ 1,806.5 crore (₹1,575.0 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 253.4 crore (₹ 333.2 crore for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 265.5 crore (₹ 50.9 crore for the corresponding quarter of the previous year) and miscellaneous income including recoveries of ₹ 209.5 crore (₹ 189.1 crore for the corresponding quarter of the previous year).

Operating expenses for the quarter ended December 31, 2014 were ₹ 3,456.3 crore, an increase of 19.4% over ₹ 2,895.1 crore during the corresponding quarter of the previous

year. The cost-to-income ratio for the quarter was at 42.0% as against 42.7% for the corresponding quarter ended December 31, 2013.

Provisions and contingencies were ₹ 560.4 crore for the quarter ended December 31, 2014 as against ₹ 388.8 crore for the corresponding quarter ended December 31, 2013. After providing ₹ 1,423.6 crore for taxation, the Bank earned a net profit of ₹ 2,794.5 crore for the quarter ended December 31, 2014, an increase of 20.2% over the quarter ended December 31, 2013.

Balance Sheet: As of December 31, 2014

Total deposits as of December 31, 2014 were ₹ 414,128 crore, an increase of 18.6% over December 31, 2013. Savings account deposits grew 18.6% over the previous year to reach ₹ 112,284 crore and current account deposits at ₹ 57,105 grew 17.6% over the previous year. CASA mix was 40.9% as at December 31, 2014. Advances as of December 31, 2014 were ₹ 347,088 crore, an increase of 17.0% over December 31, 2013. The domestic loan growth was contributed by both retail and wholesale segments with the domestic loan mix between retail : wholesale of 51:49. Total advances in overseas branches as of December 31, 2014 were at 7.4% of the total advances.

Nine months ended December 31, 2014:

For the nine months ended December 31, 2014, the Bank earned a total income of ₹ 41,896.1 crore as against ₹ 36,265.2 crore in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the nine months ended December 31, 2014 were ₹ 22,815.1 crore, as against ₹ 19,448.2 crore for the nine months ended December 31, 2013, an increase of 17.3%. Net profit for the nine months ended December 31, 2014 was ₹ 7,409.0 crore, up by 20.4% over the corresponding nine months ended December 31, 2013.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as at December 31, 2014 (computed as per Basel III guidelines) stood at 15.7% as against a regulatory requirement of 9%. Of this, Tier-I CAR was 11.97%.



ASSET QUALITY

Gross non-performing assets (NPAs) were at 0.99% of gross advances as on December 31, 2014, as against 1.02% as on September 30, 2014 and 1.01% as on December 31, 2013. Net non-performing assets were at 0.26% of net advances as on December 31, 2014. Total restructured loans (including applications under process for restructuring) were at 0.1% of gross advances as of December 31, 2014 as against 0.2% as of December 31, 2013.

BUSINESS UPDATE

As of December 31, 2014, the Bank's distribution network was at 3,659 branches and 11,633 ATMs in 2,287 cities / towns, an increase of 323 branches and 160 ATMs over 3,336 branches and 11,473 ATMs in 2,104 cities / towns as of December 31, 2013. Number of employees increased from 68,181 as of December 31, 2013 to 76,253 as of September 30, 2014.

On February 5, 2015 the Bank made concurrent Qualified Institutions Placement (QIP) of 18,744,142 equity shares at ₹ 1,067 per equity share and a public offering of 22,000,000 American Depositary Shares (ADSs), each representing three equity shares, at a price of \$ 57.76 per ADS. The aggregate funds received from these issuances were ₹ 9,766 crore.

Note:

₹ = Indian Rupees

1 crore = 10 million

All figures and ratios are in accordance with Indian GAAP.

NYSE: HDB

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, 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 regulations and other regulatory changes on us in India and other jurisdictions, 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 terrorist attacks in India, the United States or elsewhere, anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, tensions between India and Pakistan related to the Kashmir region or between India and China, 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.

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