NEWS RELEASE
HDFC Bank Limited

FINANCIAL RESULTS (INDIAN GAAP)
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) accounts for the quarter and the year ended March 31, 2013, at their meeting held in Mumbai on Tuesday, April 23, 2013. Both the quarterly and annual accounts have been audited by the statutory auditors of the bank.

Certain line items of the financial statements have been reclassified pursuant to RBI's instructions received in March 2013. Figures for the previous periods have accordingly been regrouped / reclassified to conform to the current period's classification. These changes in classifications have no impact on the profit and loss of the Bank. For further details, please refer to Notes 5 and 6 of the Financial Results.

<u>FINANCIAL RESULTS:</u>

Profit & Loss Account: Quarter ended March 31, 2013

The Bank's total income for the quarter ended March 31, 2013, was ₹ 11,127.5 crores, an increase of 21.1% over ₹ 9,189.9 crores, for the quarter ended March 31, 2012. Net revenues (net interest income plus other income) were at ₹ 6,098.9 crores for the quarter ended March 31, 2013 as against ₹ 5,190.2 crores for the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended March 31, 2013 grew by 20.6% to ₹ 4,295.3 crores as against ₹ 3,561.3 crores for the quarter ended March 31, 2012. This was driven by loan growth of 22.7% and a core net interest margin for the quarter of 4.5%. The core net interest margin for the corresponding quarter of the previous year was 4.4% and 4.3% for the quarter ended December 31, 2012. *(The core net interest margin would have been at 4.3% for the quarter ended March 31, 2013 as per the erstwhile classification prior to the changes made during the quarter, as against a core net interest margin of 4.2% for the quarter ended March 31, 2012 and 4.1% for the quarter ended December 31, 2012.)*

Other income (non-interest revenue) was 29.6% of the net revenues for the quarter ended March 31, 2013 at ₹ 1,803.6 crores as against ₹ 1,628.9 in the corresponding quarter ended March 31, 2012. The four components of other income for the quarter ended March

31, 2013 were fees & commissions of ₹ 1,382.6 crores (₹ 1,247.3 crores in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 201.4 crores (₹ 325.2 crores for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 64.9 crores (loss of ₹ 71.5 crores for the quarter ended March 31, 2012) and miscellaneous income including recoveries of ₹ 154.7 crores (₹ 127.9 crores for the corresponding quarter of the previous year).

Operating expenses for the quarter were ₹ 3,136.2 crores, an increase of 17.7% over ₹ 2,663.7 crores during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 51.4% as against 51.3% for the corresponding quarter ended March 31, 2012. *(The cost to income ratio would have been at 50.6% for the quarter ended March 31, 2013 and 50.6% for the quarter ended March 31, 2012, as per the erstwhile classification prior to the changes made during the quarter).*

Reflecting the stable asset quality provisions and contingencies were ₹ 300.5 crores (consisting of specific loan loss, general and floating provisions) for the quarter ended March 31, 2013 as against ₹ 411.6 crores for the corresponding quarter ended March 31, 2012. The Bank earned a net profit of ₹ 1,889.8 crores, an increase of 30.1% over the quarter ended March 31, 2012.

Profit & Loss Account: Year ended March 31, 2013

For the year ended March 31, 2013, the Bank earned total income of ₹ 41,917.5 crores. Net revenues for the year ended March 31, 2013 were ₹ 22,663.7 crores, up by 21.4% over ₹ 18,668.2 crores for the year ended March 31, 2012. For the year ended March 31, 2013, the net interest margin was 4.5% as against 4.4% for the year ended March 31, 2012. Cost to income ratio was at 49.6% for the year ended March 31, 2013, as against 49.7% for the previous year. The cost to income ratio reflects the investment and related expenses incurred by the bank for new branches and the rolling out of various products in rural markets, in respect of which the operating leverage is yet to kick in. *(The net interest margin for the current year would have been at 4.3% as per the erstwhile classification, as against a net interest margin of 4.2% for the previous year. The cost to income ratio would have been at 48.6% for the current year as against 49.0% for the previous year as per the erstwhile classification.)*

The Bank's net profit for year ended March 31, 2013 was ₹ 6,726.3 crores, up 30.2%, over the year ended March 31, 2012. Consolidated net profit of the Bank increased by 30.9 % to ₹ 6,869.6 crores for the year ended March 31, 2013.

Balance Sheet: As of March 31, 2013

The Bank's total balance sheet size increased by 18.5% to ₹ 400,332 crores as of March 31, 2013 from ₹ 337,909 crores as of March 31, 2012. Total net advances as of March 31, 2013 were ₹ 239,721 crores, an increase of 22.7% over March 31, 2012. Total deposits were ₹ 296,247 crores, an increase of 20.1% over March 31, 2012. Savings account deposits grew 19.2% over the previous year to reach ₹ 88,211 crores and current account deposits grew 15.2% to reach ₹ 52,310 crores. The CASA ratio increased from 45.4% as on December 31, 2012 to 47.4% as on March 31, 2013.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as at March 31, 2013 (computed as per Basel II guidelines) stood at 16.8% as against 16.5% as of March 31, 2012 and against the regulatory minimum of 9.0%. Tier-I CAR was 11.1% as of March 31, 2013. During the year 3.27 crore shares were allotted by the Bank on exercise of options granted earlier under various employee stock option plans. As a result, equity share capital increased by ₹ 6.55 crores and reserves (share premium) by ₹ 1,088.7 crores.

DIVIDEND

The Board of Directors recommended a dividend of ₹ 5.5 per equity share of ₹ 2 for the year ended March 31, 2013, as against ₹ 4.3 per equity share of ₹ 2 for the previous year. This would be subject to approval by the shareholders at the next annual general meeting.

NETWORK

As of March 31, 2013, the Bank's distribution network was at 3,062 branches and 10,743 ATMs in 1,845 cities / towns as against 2,544 branches and 8,913 ATMs in 1,399 cities / towns as of March 31, 2012. The increase of 518 branches during the year includes 193 micro branches which are primarily two member branches to expand and deepen the penetration in rural markets including in unbanked areas.

ASSET QUALITY

Asset quality was healthy with gross non-performing assets (NPAs) at 0.97% of gross advances as on March 31, 2013, as against 1.02% of gross advances as on March 31, 2012 and 1.00% of gross advances as on December 31, 2012. Net non-performing assets remained at 0.2% of net advances as on March 31, 2013. The Bank's provisioning policies for specific loan loss provisions remained higher than regulatory requirements. The NPA provision coverage ratio based only on specific provisions (not including write-offs, technical or otherwise) was at 80 % as on March 31, 2013. The total floating provision stood at ₹ 1,835 crores as of March 31, 2013, as against ₹ 1,435 crores as at March 31, 2012. Total restructured loans (including applications received and under process for restructuring) were at 0.2% of gross advances as of March 31, 2013 as against 0.4% as of March 31, 2012.

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", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "future", "objective", "project", "should", 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 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. Our forward looking statements speak only as of the date on which they are made and we do not undertake any obligation, and we do not intend, to update or revise any forward looking statements to reflect events or circumstances after the date in the statement, even if our expectations or any related events or circumstances change. 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 other countries which have an impact on our business activities or investments caused by any factor including the global financial crisis and problems in the Eurozone countries, 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, 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.