

NEWS RELEASE
HDFC Bank Limited

FINANCIAL RESULTS (INDIAN GAAP)
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) accounts for the quarter and year ended March 31, 2014, at their meeting held in Mumbai on Tuesday, April 22, 2014. Both the quarterly and annual accounts have been audited by the statutory auditors of the Bank.

FINANCIAL RESULTS:

Profit & Loss Account: Year ended March 31, 2014

For the year ended March 31, 2014, the Bank earned total income of ₹ 49,055.2 crores. Net revenues (net interest income plus other income) for the year ended March 31, 2014 were ₹ 26,402.3 crores, up by 16.5% over ₹ 22,663.7 crores for the year ended March 31, 2013. For the year ended March 31, 2014, the net interest margin was 4.4% as against 4.5% for the year ended March 31, 2013. Cost to income ratio was at 45.6% for the year ended March 31, 2014, as against 49.6% for the previous year.

The Bank's profit before tax was ₹ 12,772.1 crores, an increase of 31.0% over the year ended March 31, 2013. With the effective tax rate for the year at 33.6% as against 31.0% for the previous year, the net profit for year ended March 31, 2014 was ₹ 8,478.4 crores, up 26.0%, over the year ended March 31, 2013. Consolidated net profit of the Bank increased by 27.3% to ₹ 8,743.5 crores for the year ended March 31, 2014.

Profit & Loss Account: Quarter ended March 31, 2014

The Bank's total income for the quarter ended March 31, 2014 was ₹ 12,790.0 crores, an increase of 14.9% over ₹ 11,127.5 crores for the quarter ended March 31, 2013. Net revenues were at ₹ 6,954.1 crores for the quarter ended March 31, 2014 as against ₹ 6,098.9 crores for the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended March 31, 2014 accounted for 71.2% of net revenues and grew by 15.3% to ₹ 4,952.6 crores from ₹ 4,295.3 crores for the quarter ended March 31, 2013, driven by average asset growth of 20.3% and a net interest margin for the quarter of 4.4%.

Other income (non-interest revenue) at ₹ 2,001.4 crores was 28.8% of the net revenues for the quarter ended March 31, 2014 and grew by 11.0% over ₹ 1,803.6 crores in the corresponding quarter ended March 31, 2013. The four components of other income for the quarter ended March 31, 2014 were fees & commissions of ₹ 1,521.2 crores (₹ 1,382.6 crores in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 252.1 crores (₹ 201.4 crores for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 33.3 crores (₹ 64.9 crores for the quarter ended March 31, 2013) and miscellaneous income including recoveries of ₹ 194.8 crores (₹ 154.7 crores for the corresponding quarter of the previous year).

Operating expenses for the quarter were ₹ 3,174.7 crores, an increase of 1.2% over ₹ 3,136.2 crores during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 45.7% as against 51.4% for the corresponding quarter ended March 31, 2013. With asset quality remaining stable during the quarter, provisions and contingencies were ₹ 286.1 crores for the quarter ended March 31, 2014 as against ₹ 300.5 crores for the corresponding quarter ended March 31, 2013.

The profit before tax was ₹ 3,493.2 crores, an increase of 31.2% over ₹ 2,662.2 crores for the quarter ended March 31, 2013. After providing ₹ 1,166.7 crores for taxation (effective tax rate of 33.4% against 29.0% for the corresponding quarter ended March 31, 2013), the Bank earned a net profit of ₹ 2,326.5 crores, an increase of 23.1% over the quarter ended March 31, 2013.

Balance Sheet: As of March 31, 2014

Total deposits as of March 31, 2014 were ₹ 367,337 crores, an increase of 24.0% over March 31, 2013. Savings account deposits grew 16.9% over the previous year to reach ₹ 103,133 crores. Current account deposits grew 17.5% over the previous year to reach ₹ 61,488 crores. CASA deposits were 44.8% of total deposits as on March 31, 2014.

Advances as of March 31, 2014 were ₹ 303,000 crores, an increase of 26.4% over March 31, 2013. The domestic loan mix between retail : wholesale is 53:47. Total advances in overseas branches as of March 31, 2014 were at 8% of the total advances as against 4% as of March 31, 2013. Adjusted for the one time increase in FCNR deposits swapped with RBI under the special window in the quarter ended December 31, 2013, and the related foreign currency loans, core deposits and advances growth for the year was 16.9% and 21.8% respectively.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as at March 31, 2014 (computed as per Basel III guidelines) stood at 16.1% as against a regulatory requirement of 9%. Of this, Tier-I CAR was 11.8%.

DIVIDEND

The Board of Directors recommended a dividend of ₹ 6.85 per equity share of ₹ 2 for the year ended March 31, 2014, as against ₹ 5.5 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

The Bank has continued its branch expansion adding 341 branches in the year ended March 31, 2014, of which 230 of these branches are in unbanked locations. As of March 31, 2014, the Bank's distribution network was at 3,403 branches and 11,256 ATMs in 2,171 cities / towns as against 3,062 branches and 10,743 ATMs in 1,845 cities / towns as of March 31, 2013. 55% of the total branches are now in semi-urban and rural areas.

ASSET QUALITY

Gross non-performing assets (NPAs) were at 0.98% of gross advances as on March 31, 2014, as against 1.01% as on December 31, 2013 and 0.97% as on March 31, 2013. Net non-performing assets were at 0.3% of net advances as on March 31, 2014. Total restructured loans (including applications under process for restructuring) were at 0.2% of gross advances as of March 31, 2014.

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.

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