

***NEWS RELEASE***  
***HDFC Bank Limited***

**FINANCIAL RESULTS (INDIAN GAAP)**  
**FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2012**

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) accounts for the quarter and half year ended September 30, 2012, at their meeting held in Mumbai on Friday, October 12, 2012. The results for the quarter ended September 30, 2012, have been subject to a 'Limited Review', while those for half year ended September 30, 2012, have been subject to an 'Audit' by the statutory auditors of the Bank.

**FINANCIAL RESULTS:**

**Profit & Loss Account: Quarter ended September 30, 2012**

The Bank's total income for the quarter ended September 30, 2012, was ₹ 9,869.8 crores as against ₹ 7,929.4 crores for the quarter ended September 30, 2011. Net revenues (net interest income plus other income) were at ₹ 5,076.8 crores for the quarter ended September 30, 2012, an increase of 22.2% over ₹ 4,156.2 crores for the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended September 30, 2012, grew by 26.7% to ₹ 3,731.7 crores. This was driven by loan growth of 22.9% and a net interest margin for the quarter of 4.2%.

Other income (non-interest revenue) for the quarter ended September 30, 2012, was ₹ 1,345.1 crores as against ₹ 1,211.7 crores in the corresponding quarter ended September 30, 2011. The main contributor to other income for the quarter was fees & commissions of ₹ 1,209.1 crores, up by 22.4% over ₹ 987.9 crores in the corresponding quarter ended September 30, 2011. The two other components of other income were foreign exchange & derivatives revenue of ₹ 235.9 crores (₹ 218.0 crores for the corresponding quarter of the previous year) and loss on revaluation / sale of investments of ₹ 105.9 crores (loss of ₹ 1.3 crores for the quarter ended September 30, 2011).

Operating expenses for the quarter ended September 30, 2012, were ₹ 2,505.5 crores, an increase of 23.4% over the corresponding quarter of the previous year and 3.0% over the preceding quarter ended June 30, 2012. The cost-to-income ratio for the quarter ended September 30, 2012 was 49.4%. With asset quality remaining stable, provisions and

contingencies for the quarter ended September 30, 2012 were ₹ 292.9 crores (consisting primarily of specific, general and floating provisions) as against ₹ 366.0 crores for the corresponding quarter ended September 30, 2011. After providing ₹ 718.4 crores for taxation, the Bank earned a net profit of ₹ 1,560.0 crores, an increase of 30.1% over the quarter ended September 30, 2011.

### **Balance Sheet: As of September 30, 2012**

The Bank's total balance sheet size increased by 19.5% from ₹ 315,746 crores as of September 30, 2011, to ₹ 377,375 crores as of September 30, 2012. Total net advances as of September 30, 2012, were ₹ 231,649 crores, an increase of 22.9% over September 30, 2011. The mix of loans between the retail and wholesale segments was 53:47 as on September 30, 2012. Total deposits were at ₹ 274,130 crores, an increase of 18.8% over September 30, 2011. Savings deposits grew 14.7% to ₹ 79,151 crores. Net of one-off current account balances, the CASA ratio as at September 30, 2012, was 45.9%.

### **Half Year ended September 30, 2012:**

For the half year ended September 30, 2012, the Bank earned a total income of ₹ 19,406.7 crores as against ₹ 15,027.4 crores in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the six months ended September 30, 2012, were ₹ 10,090.4 crores, as against ₹ 8,124.2 crores for the six months ended September 30, 2011, an increase of 24.2%. Net profit for the half year ended September 30, 2012 was ₹ 2,977.4 crores, up by 30.3% over the corresponding six months ended September 30, 2011.

### **Capital Adequacy:**

The Bank's total Capital Adequacy Ratio (CAR) as at September 30, 2012, (computed as per Basel II guidelines) stood at 17.0% as against the regulatory minimum of 9.0%. Tier-I CAR was 11.4% as of September 30, 2012.

### **Network:**

As of September 30, 2012, the Bank's distribution network was at 2,620 branches and 10,316 ATMs in 1,454 cities as against 2,150 branches and 6,520 ATMs in 1,141 cities as of September 30, 2011.

## Asset Quality:

Asset quality remained healthy with gross non-performing assets as on September 30, 2012, at 0.9% of gross advances, and net non-performing assets at 0.2% of net advances as of September 30, 2012. The Bank's provisioning policies for specific loan loss provisions remained higher than regulatory requirements. The NPA coverage ratio based on specific provisions (not including write-offs, technical or otherwise) was at 82% as on September 30, 2012. Total restructured loans (including applications received and under process for restructuring) were at 0.3% of gross advances as of September 30, 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.*