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NEWS RELEASE
HDFC Bank Limited

FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) accounts for the quarter ended September 30, 2013, at their meeting held in Mumbai on Tuesday, October 15, 2013. The accounts for the quarter ended September 30, 2013, have been subject to a 'Limited Review', while those for half year ended September 30, 2013, have been subject to an 'Audit' by the statutory auditors of the Bank.

<u>FINANCIAL RESULTS:</u>

Profit & Loss Account: Quarter ended September 30, 2013

The Bank's total income for the quarter ended September 30, 2013 was ₹ 11,937.7 crores, as against ₹ 10,146.7 crores, for the quarter ended September 30, 2012. Net revenues (net interest income plus other income) were at ₹ 6,320.9 crores, an increase of 18.1% for the quarter ended September 30, 2013 as against ₹ 5,353.7 crores for the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended September 30, 2013 accounted for 71% of net revenues and grew by 15.3% to ₹ 4,476.5 crores from ₹ 3,881.9 crores for the quarter ended September 30, 2012. Net interest margin for the quarter was at 4.3% as against 4.4% for corresponding quarter ended September 30, 2012.

Other income (non-interest revenue) at ₹ 1,844.4 crores was 29% of the net revenues for the quarter ended September 30, 2013 and grew by 25.3% over ₹ 1,471.8 crores in the corresponding quarter ended September 30, 2012. The four components of other income for the quarter ended September 30, 2013 were fees & commissions of ₹ 1,354.4 crores (₹ 1,220.3 crores in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 501.4 crores (₹ 235.9 crores for the corresponding quarter of the previous year), loss on revaluation / sale of investments of ₹ 173.3 crores (loss of ₹ 105.9 crores for the quarter ended September 30, 2012) and miscellaneous income including recoveries of ₹ 161.9 crores (₹ 121.6 crores for the corresponding quarter of the previous year).

Operating expenses for the quarter were ₹ 2,934.2 crores, an increase of 9.3% over ₹ 2,685.4 crores during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 46.4% as against 50.2% for the corresponding quarter ended September 30, 2012. Provisions and contingencies were ₹ 385.9 crores (consisting of specific loan loss and general provisions) for the quarter ended September 30, 2013 as against ₹ 389.9 crores for the corresponding quarter ended September 30, 2012.

The profit before tax was ₹ 3,000.7 crores, an increase of 31.7% over the quarter ended September 30, 2012. Provision for taxation was ₹ 1,018.4 crores, an increase of 41.8% over the quarter ended September 30, 2012 primarily due to increase in income tax surcharge from 5% to 10%. After providing for taxation the Bank earned a net profit of ₹ 1,982.3 crores, an increase of 27.1% over the quarter ended September 30, 2012.

Balance Sheet: As of September 30, 2013

Advances as of September 30, 2013 were ₹ 2,68,617 crores, an increase of 16.0% over September 30, 2012. This loan growth was contributed by both segments of the Bank loan portfolio, with retail loans growing by 16.9% and wholesale loans by 15.0% resulting in a retail:wholesale loan mix of 53:47 . Total deposits as of September 30, 2013 were ₹ 3,13,011 crores, an increase of 14.2% over September 30, 2012. Savings account deposits grew 17.9% over the previous year to reach ₹ 93,285 crores. The CASA ratio as at September 30, 2013 was 45.0%.

Half Year ended September 30, 2013:

For the half year ended September 30, 2013, the Bank earned a total income of ₹ 23,526.2 crores as against ₹ 19,971.8 crores in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the six months ended September 30, 2013 were ₹ 12,665.2 crores, as against ₹ 10,655.5 crores for the six months ended September 30, 2012, an increase of 18.9%. Net profit for the half year ended September 30, 2013 was ₹ 3,826.2 crores, up by 28.5% over the corresponding six months ended September 30, 2012.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as at September 30, 2013 (computed as per Basel III guidelines) stood at 14.6% as against a regulatory requirement of 9%. Of this, Tier-I CAR was 9.9%. These CAR ratios are based on net worth numbers which do not take into account the audited profits for the half year ended September 30, 2013. Had the same been included, the total CAR and Tier-I CAR would have been 15.6% and 10.9% respectively.

NETWORK

As of September 30, 2013, the Bank's distribution network was at 3,251 branches and 11,177 ATMs in 2,022 cities / towns an increase of 631 branches and 861 ATMs over 2,620 branches and 10,316 ATMs in 1,454 cities / towns as of September 30, 2012.

ASSET QUALITY

Gross non-performing assets (NPAs) were at 1.09% of gross advances as on September 30, 2013, as against 1.04% as on June 30, 2013 and 0.91% as on September 30, 2012. Net non-performing assets were at 0.3% of net advances as on September 30, 2013. Total restructured loans (including applications received and under process for restructuring) were at 0.2% of gross advances as of September 30, 2013 as against 0.3% as of September 30, 2012.

Note:
₹ = Indian Rupees
1 crore = 10 million
All figures and ratios are in accordance with Indian GAAP.

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