

HDFC BANK LIMITED
FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2014

(₹ in lacs)

Particulars	Quarter ended 30.09.2014	Quarter ended 30.06.2014	Quarter ended 30.09.2013	Half year ended 30.09.2014	Half year ended 30.09.2013	Year ended 31.03.2014
	Unaudited	Unaudited	Unaudited	Audited*	Audited*	Audited*
1 Interest Earned (a)+(b)+(c)+(d)	1184763	1122008	1009334	2306771	1975630	4113554
a) Interest / discount on advances / bills	907385	873507	769211	1780892	1501685	3168692
b) Income on Investments	261380	233901	229173	495281	450955	903685
c) Interest on balances with Reserve Bank of India and other inter bank funds	14763	12147	8415	26910	19442	35599
d) Others	1235	2453	2535	3688	3548	5578
2 Other Income	204710	185057	184435	389767	376995	791964
3 TOTAL INCOME (1)+(2)	1389473	1307065	1193769	2696538	2352625	4905518
4 Interest Expended	633664	604847	561681	1238511	1086107	2265290
5 Operating Expenses (i)+(ii)	349790	317841	293421	667631	597240	1204219
i) Employees cost	116694	112593	103569	229287	214477	417898
ii) Other operating expenses	233096	205248	189852	438344	382763	786321
6 TOTAL EXPENDITURE (4)+(5) (excluding Provisions & Contingencies)	983454	922688	855102	1906142	1683347	3469509
7 Operating Profit before Provisions and Contingencies (3)-(6)	406019	384377	338667	790396	669278	1436009
8 Provisions (other than tax) and Contingencies	45589	48278	38593	93867	91305	158802
9 Exceptional Items	-	-	-	-	-	-
10 Profit / (Loss) from Ordinary Activities before tax (7)-(8)-(9)	360430	336099	300074	696529	577973	1277207
11 Tax Expense	122284	112795	101842	235079	195355	429367
12 Net Profit / (Loss) from Ordinary Activities after tax (10)-(11)	238146	223304	198232	461450	382618	847840
13 Extraordinary items (net of tax expense)	-	-	-	-	-	-
14 Net Profit / (Loss) for the period (12)-(13)	238146	223304	198232	461450	382618	847840
15 Paid up equity share capital (Face Value of ₹ 2/- each)	48286	48154	47825	48286	47825	47981
16 Reserves excluding revaluation reserves	-	-	-	-	-	4299884
17 Analytical Ratios						
(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio	15.7%	15.1%	14.6%	15.7%	14.6%	16.1%
(iii) Earnings per share (₹)						
(a) Basic EPS before & after extraordinary items (net of tax expense) - not annualized	9.9	9.3	8.3	19.2	16.0	35.5
(b) Diluted EPS before & after extraordinary items (net of tax expense) - not annualized	9.8	9.2	8.2	19.0	15.9	35.2
(iv) NPA Ratios						
(a) Gross NPAs	336165	335622	294171	336165	294171	298928
(b) Net NPAs	91734	100742	76721	91734	76721	82003
(c) % of Gross NPAs to Gross Advances	1.0%	1.1%	1.1%	1.0%	1.1%	1.0%
(d) % of Net NPAs to Net Advances	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
(v) Return on assets (average) - not annualized	0.5%	0.5%	0.5%	1.0%	1.0%	2.0%
18 Non Promoters Shareholding						
(a) Public Shareholding						
- No. of shares	1464101398	1457475498	1441044575	1464101398	1441044575	1448829678
- Percentage of Shareholding	60.6%	60.5%	60.3%	60.6%	60.3%	60.4%
(b) Shares underlying Depository Receipts (ADS and GDR)						
- No. of shares	407004657	407004657	406987485	407004657	406987485	407004657
- Percentage of Shareholding	16.9%	16.9%	17.0%	16.9%	17.0%	17.0%
19 Promoters and Promoter Group Shareholding						
(a) Pledged / Encumbered						
- No. of shares	-	-	-	-	-	-
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
- Percentage of Shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
(b) Non - encumbered						
- No. of shares	543216100	543216100	543216100	543216100	543216100	543216100
- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
- Percentage of Shares (as a % of the total share capital of the Company)	22.5%	22.6%	22.7%	22.5%	22.7%	22.6%

* Except for disclosure regarding 'Non Promoters Shareholding' and 'Promoters and Promoter Group Shareholding' which are unaudited.





Notes :

1 Statement of Assets and Liabilities as on September 30, 2014 is given below.

(₹ in lacs)

Particulars	As at	As at
	30.09.2014	30.09.2013
CAPITAL AND LIABILITIES	Audited	Audited
Capital	48286	47825
Reserves and Surplus	4823194	4000692
Deposits	39068175	31301114
Borrowings	3854042	3933986
Other Liabilities and Provisions	3202409	3833060
Total	50996106	43116677
ASSETS		
Cash and Balances with Reserve Bank of India	2037266	1994440
Balances with Banks and Money at Call and Short notice	1127848	808631
Investments	12955864	10185000
Advances	32727279	26861699
Fixed Assets	290510	294865
Other Assets	1857339	2972042
Total	50996106	43116677

- 2 The above results have been approved by the Board of Directors at its meeting held on October 21, 2014.
- 3 The results for the half year ended September 30, 2014 have been subjected to an "Audit" and the results for the quarter ended September 30, 2014 have been subjected to a "Limited Review" by the Statutory Auditors of the Bank. An unqualified report has been issued by them thereon.
- 4 The Bank has followed the same significant accounting policies in the preparation of the above financial results as those followed in the annual financial statements for the year ended March 31, 2014.
- 5 During the quarter ended June 30, 2014, the Bank acquired additional 8.7% stake in its subsidiary HDFC Securities Limited (HSL). Post this acquisition, the Bank's stake holding in HSL was 98.0% as of September 30, 2014.
- 6 In accordance with RBI circular DBOD.No.BP.BC.2/21.06.201/2013-14 dated July 1, 2013, banks are required to make Pillar 3 disclosures under Basel III capital regulations. The Bank has made these disclosures which are available on its website at the following link: http://www.hdfcbank.com/aboutus/basel_disclosures/default.htm. The disclosures have not been subjected to audit or limited review.
- 7 During the quarter and half year ended September 30, 2014, the Bank allotted 6625900 and 15271720 shares pursuant to the exercise of stock options by certain employees.
- 8 Other income relates to income from non-fund based banking activities including commission, fees, earnings from foreign exchange and derivative transactions, profit and loss (including revaluation) from investments and recoveries from accounts written off.
- 9 As at September 30, 2014, the total number of branches (including extension counters) and ATM network stood at 3600 branches and 11515 ATMs respectively.
- 10 Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended September 30, 2014:
Opening: Nil; Additions: 714; Disposals: 714; Closing position: Nil.
- 11 Figures of the previous periods have been regrouped / reclassified wherever necessary to conform to current period's classification.
- 12 ₹ 10 lac = ₹ 1 million
₹ 10 million = ₹ 1 crore

Place : Mumbai
Date : October 21, 2014

Aditya Puri
Managing Director



Segment information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the Bank is as under:

(₹ in lacs)

Particulars	Quarter ended 30.09.2014	Quarter ended 30.06.2014	Quarter ended 30.09.2013	Half year ended 30.09.2014	Half year ended 30.09.2013	Year ended 31.03.2014
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
1 Segment Revenue						
a) Treasury	310464	270361	304726	580825	610397	1178670
b) Retail Banking	1191868	1144291	974274	2336159	1927357	4080486
c) Wholesale Banking	564503	544617	488382	1109120	938564	1964534
d) Other Banking Operations	145899	128016	125015	273915	225183	503355
e) Unallocated	-	-	-	-	258	258
Total	2212734	2087285	1892397	4300019	3701759	7727303
Less: Inter Segment Revenue	823261	780220	698628	1603481	1349134	2821785
Income from Operations	1389473	1307065	1193769	2696538	2352625	4905518
2 Segment Results						
a) Treasury	8395	(5292)	(10322)	3103	20659	41230
b) Retail Banking	145845	151637	137201	297482	259351	568541
c) Wholesale Banking	188860	178978	168520	367838	289040	594011
d) Other Banking Operations	54967	47498	41148	102465	83276	192046
e) Unallocated	(37637)	(36722)	(36473)	(74359)	(74353)	(118621)
Total Profit Before Tax	360430	336099	300074	696529	577973	1277207
3 Capital Employed						
(Segment Assets - Segment Liabilities)						
a) Treasury	12113999	11460711	9551390	12113999	9551390	12241141
b) Retail Banking	(15190170)	(14417239)	(10495893)	(15190170)	(10495893)	(12909019)
c) Wholesale Banking	8179230	7708329	5445787	8179230	5445787	5305539
d) Other Banking Operations	1307222	1235045	988798	1307222	988798	1259579
e) Unallocated	(1538801)	(1382063)	(1441565)	(1538801)	(1441565)	(1549375)
Total	4871480	4604783	4048517	4871480	4048517	4347865

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure, the internal business reporting system and the guidelines prescribed by RBI.

NEWS RELEASE
HDFC Bank Limited

FINANCIAL RESULTS (INDIAN GAAP)
FOR THE QUARTER AND HALF YEAR ENDED
SEPTEMBER 30, 2014

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter ended September 30, 2014 and the audited results for the half-year ended September 30, 2014, at its meeting held in Mumbai on Tuesday, October 21, 2014.

FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended September 30, 2014

The Bank's total income for the quarter ended September 30, 2014 was ₹ 13,894.7 crore, as against ₹ 11,937.7 crore for the quarter ended September 30, 2013. Net revenues (net interest income plus other income) were at ₹ 7,558.1 crore, an increase of 19.6% for the quarter ended September 30, 2014 over ₹ 6,320.9 crore for the corresponding quarter of the previous year. Interest earned increased from ₹ 10,093.3 crore in the quarter ended September 30, 2013 to ₹ 11,847.6 crore in the quarter ended September 30, 2014, up by 17.4%. With interest expense increasing by 12.8% to ₹ 6,336.6 crore for the quarter ended September 30, 2014, the net interest income (interest earned less interest expended) grew by 23.1% to ₹ 5,511.0 crore from ₹ 4,476.5 crore for the quarter ended September 30, 2013. Net interest margin for the quarter was at 4.5% as against 4.3% for corresponding quarter ended September 30, 2013.

Other income (non-interest revenue) at ₹ 2,047.1 crore was 27.1% of the net revenues for the quarter ended September 30, 2014 and grew by 11.0% over ₹ 1,844.4 crore in the corresponding quarter ended September 30, 2013. The four components of other income for the quarter ended September 30, 2014 were fees & commissions of ₹ 1,536.5 crore (₹ 1,354.4 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 221.7 crore (₹ 501.4 crore for the corresponding quarter of the previous year), profit on revaluation / sale of investments of ₹ 95.1 crore (loss of ₹ 173.3 crore for the corresponding quarter of the previous year) and miscellaneous income including recoveries of ₹ 193.8 crore (₹ 161.9 crore for the corresponding quarter of the previous year).



Operating expenses for the quarter ended September 30, 2014 were ₹ 3,497.9 crore, an increase of 19.2% over ₹ 2,934.2 crore during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 46.3% as against 46.4% for the corresponding quarter ended September 30, 2013.

Provisions and contingencies were ₹ 455.9 crore (consisting of specific loan loss and general provisions) for the quarter ended September 30, 2014 as against ₹ 385.9 crore for the corresponding quarter ended September 30, 2013. After providing ₹ 1,222.8 crore for taxation, the Bank earned a net profit of ₹ 2,381.5 crore for the quarter ended September 30, 2014, an increase of 20.1% over the quarter ended September 30, 2013.

Balance Sheet: As of September 30, 2014

Advances as of September 30, 2014 were ₹ 327,273 crore, an increase of 21.8% over September 30, 2013. This loan growth was contributed by both segments of the Bank's loan portfolio, with domestic retail loans and wholesale loans as per the Bank's internal business classification growing by 17.3% and 21.8% respectively (as per regulatory [Basel 2] segment classification growing by 9.8% and 30.1% respectively). Retail loan disbursement for the first half of the fiscal grew by 22% over the corresponding period of the previous fiscal. Total deposits as of September 30, 2014 were ₹ 390,682 crore, an increase of 24.8% over September 30, 2013. Savings account deposits grew 18.8% over the previous year to reach ₹ 110,810 crore and current account deposits at ₹ 57,803 grew 21.4% over the previous year. CASA mix was 43.2% as at September 30, 2014.

Half Year ended September 30, 2014:

For the half year ended September 30, 2014, the Bank earned a total income of ₹ 26,965.4 crore as against ₹ 23,526.3 crore in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the six months ended September 30, 2014 were ₹ 14,580.3 crore, as against ₹ 12,665.2 crore for the six months ended September 30, 2013, an increase of 15.1%. Net profit for the half year ended September 30, 2014 was ₹ 4,614.5 crore, up by 20.6% over the corresponding half year ended September 30, 2013.



Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as at September 30, 2014 (computed as per Basel III guidelines) stood at 15.7% as against a regulatory requirement of 9%. Of this, Tier-I CAR was 11.8%.

NETWORK

As of September 30, 2014, the Bank's distribution network was at 3,600 branches and 11,515 ATMs in 2,272 cities / towns, an increase of 349 branches and 338 ATMs over 3,251 branches and 11,177 ATMs in 2,022 cities / towns as of September 30, 2013 and an increase of 197 branches and 259 ATMs during this fiscal year so far. Number of employees increased from 69,662 as of September 30, 2013 to 75,339 as of September 30, 2014.

ASSET QUALITY

Gross non-performing assets (NPAs) were at 1.02% of gross advances as on September 30, 2014, as against 1.09% as on September 30, 2013 and 1.07% as on June 30, 2014. Net non-performing assets were at 0.28% of net advances as on September 30, 2014. Total restructured loans (including applications received and under process for restructuring) were at 0.1% of gross advances as of September 30, 2014 as against 0.2% as of September 30, 2013.

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, any penalties imposed by the RBI, 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, any downgrade in India's debt rating or the debt rating of our borrowings, 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.

For media queries please contact:

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**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
HDFC BANK LIMITED**

Audit Report on the Financial Results for the six months ended September 30, 2014

1. We have audited the Financial Results for the six months ended September 30, 2014 reflected under column titled "Half year ended 30.09.2014 (Audited)" and the related Notes (together referred to as "Financial Results") contained in the accompanying "Financial Results for the Quarter and Half Year ended September 30, 2014" ("the Statement") of **HDFC BANK LIMITED** ("the Bank") being submitted by the Bank pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures referred to in paragraph 5 below.
2. The Financial Results have been prepared on the basis of the related interim financial statements, which is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to express an opinion on the Financial Results, based on our audit of the related interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India.
3. We conducted our audit of the Financial Results in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the six months ended September 30, 2014:
 - (i) is presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges to the extent applicable; and
 - (ii) gives a true and fair view in conformity with the accounting principles generally accepted in India of the net profit and other financial information of the Bank for the six months ended September 30, 2014.

Deloitte Haskins & Sells

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding, in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to the investor complaints for six months ended September 30, 2014 of the Statement, from the details furnished by the Registrars. The "Pillar 3 disclosures under Basel III Capital Regulations" disclosed on the Bank's website and in respect of which a link has been provided in the Statement have also not been subjected to our audit.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)



Z. F. Billimoria
Partner
(Membership No.42791)

MUMBAI, October 21, 2014

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
HDFC BANK LIMITED**

Limited Review Report on the Financial Results for the quarter ended September 30, 2014

1. We have reviewed the Financial Results for the quarter ended September 30, 2014 reflected under the column titled "Quarter ended 30.09.2014 (Unaudited)" and the related Notes (together referred to as "Financial Results") contained in the accompanying "Financial Results for the Quarter and Half Year ended September 30, 2014" ("the Statement") of **HDFC BANK LIMITED** ("the Bank"), being submitted by the Bank pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures referred to in paragraph 5 below.
2. The Financial Results are the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Financial Results based on our review.
3. We conducted our review of the Financial Results in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Results are free of material misstatement. A review is limited primarily to inquiries of the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the Financial Results, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.



Deloitte Haskins & Sells

5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints for the Quarter Ended September 30, 2014 of the Statement, from the details furnished by the Registrars. The "Pillar 3 disclosures under Basel III Capital Regulations" disclosed on the Bank's website and in respect of which a link has been provided in the Unaudited Financial Results have also not been subjected to our review.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)



Z. F. Billimoria
Partner

(Membership No. 42791)

MUMBAI, October 21, 2014