

# HDFC BANK LIMITED

## FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010

(` in lacs)

	Particulars	Quarter ended 30.09.2010	Quarter ended 30.09.2009	Half year ended 30.09.2010	Half year ended 30.09.2009	Year ended 31.03.2010
		Unaudited	Unaudited	Audited*	Unaudited	Audited
1	Interest Earned (a)+(b)+(c)+(d)	481000	399189	923015	808499	1617291
	a) Interest/discount on advances/bills	367318	301022	698370	602797	1209828
	b) Income on Investments	110026	95958	215348	199302	398129
	c) Interest on balances with Reserve					
	Bank of India and other inter bank funds	3546	2113	7773	5664	8096
	d) Others	110	96	1524	736	1238
2	Other Income	96070	105354	195112	213309	398292
3	<b>A) TOTAL INCOME (1) + (2)</b>	<b>577070</b>	<b>504543</b>	<b>1118127</b>	<b>1021808</b>	<b>2015583</b>
4	Interest Expended	228372	203613	430273	427365	778630
5	Operating Expenses (i) + (ii)	167988	141630	332273	283278	593981
	i) Employees cost	71057	55409	137764	111343	228918
	ii) Other operating expenses	96931	86221	194509	171935	365063
6	<b>B) TOTAL EXPENDITURE (4)+(5)</b>					
	<b>(excluding Provisions &amp; Contingencies)</b>	<b>396360</b>	<b>345243</b>	<b>762546</b>	<b>710643</b>	<b>1372611</b>
7	<b>Operating Profit before Provisions and Contingencies (3) - (6)</b>	<b>180710</b>	<b>159300</b>	<b>355581</b>	<b>311165</b>	<b>642972</b>
8	Provisions (Other than tax) and Contingencies	45448	59414	100950	125296	214059
9	Exceptional Items	-	-	-	-	-
10	Profit / (Loss) from ordinary activities before tax (7-8-9)	135262	99886	254631	185869	428913
11	Tax Expense	44048	31140	82246	56512	134044
12	<b>Net Profit / (Loss) from Ordinary Activities after tax (10-11)</b>	<b>91214</b>	<b>68746</b>	<b>172385</b>	<b>129357</b>	<b>294869</b>
13	Extraordinary items (net of tax expense)	-	-	-	-	-
14	<b>Net Profit / (Loss) (12-13)</b>	<b>91214</b>	<b>68746</b>	<b>172385</b>	<b>129357</b>	<b>294869</b>
15	Paid up equity share capital (Face Value of ` 10/- each)	46260	42736	46260	42736	45774
16	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)					2106185
17	<b>Analytical Ratios</b>					
	(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil
	(ii) Capital Adequacy Ratio	17.0%	15.7%	17.0%	15.7%	17.4%
	(iii) Earnings per share (` )					
	(a) Basic EPS before & after extraordinary items (net of tax expense) - not annualized	19.8	16.1	37.5	30.5	67.6
	(b) Diluted EPS before & after extraordinary items (net of tax expense) - not annualized	19.5	15.9	37.0	30.2	66.9
	(iv) NPA Ratios					
	(a) Gross NPAs	184121	202688	184121	202688	181676
	(b) Net NPAs	40854	60243	40854	60243	39205
	(c) % of Gross NPAs to Gross Advances	1.16%	1.76%	1.16%	1.76%	1.43%
	(d) % of Net NPAs to Net Advances	0.3%	0.5%	0.3%	0.5%	0.3%
	(v) Return on assets (average) - not annualized	0.4%	0.4%	0.7%	0.7%	1.5%
18	<b>Non Promoters Shareholding</b>					
	(a) Public Shareholding					
	- No. of shares	272830286	264319221	272830286	264319221	267997650
	- Percentage of Shareholding	59.0%	61.8%	59.0%	61.8%	58.6%
	(b) Shares underlying Depository Receipts ( ADS and GDR )					
	- No. of shares	81131344	80595303	81131344	80595303	81102402
	- Percentage of Shareholding	17.5%	18.9%	17.5%	18.9%	17.7%
19	<b>Promoters and Promoter Group Shareholding</b>					
	(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	108643220	82443000	108643220	82443000	108643220
	- Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	100.0%	100.0%	100.0%	100.0%	100.0%
	- Percentage of Shares (as a % of the total share capital of the Company)	23.5%	19.3%	23.5%	19.3%	23.7%

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

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 30.09.2010	Quarter ended 30.09.2009	Half year ended 30.09.2010	Half year ended 30.09.2009	Year ended 31.03.2010
	Unaudited	Unaudited	Audited	Unaudited	Audited
<b>1 Segment Revenue</b>					
a) Treasury	117752	118341	235101	255910	462282
b) Retail Banking	459541	387513	878317	775437	1573704
c) Wholesale Banking	285014	203756	527048	415264	816204
d) Other banking operations	60995	56384	117336	110630	231993
e) Unallocated	-	-	-	-	-
<b>Total</b>	<b>923302</b>	<b>765994</b>	<b>1757802</b>	<b>1557241</b>	<b>3084183</b>
Less: Inter Segmental Revenue	346232	261451	639675	535433	1068600
<b>Income from Operations</b>	<b>577070</b>	<b>504543</b>	<b>1118127</b>	<b>1021808</b>	<b>2015583</b>
<b>2 Segment Results</b>					
a) Treasury	(5174)	25047	(257)	65462	67348
b) Retail Banking	71033	29459	136200	43838	159680
c) Wholesale Banking	61937	48577	111636	86547	197862
d) Other banking operations	23676	10928	43798	18357	60191
e) Unallocated	(16210)	(14125)	(36746)	(28335)	(56168)
<b>Total Profit Before Tax</b>	<b>135262</b>	<b>99886</b>	<b>254631</b>	<b>185869</b>	<b>428913</b>
<b>3 Capital Employed</b> (Segment Assets - Segment Liabilities)					
a) Treasury	6333717	5023680	6333717	5023680	6386126
b) Retail Banking	(6109482)	(4929029)	(6109482)	(4929029)	(4641435)
c) Wholesale Banking	2514930	1188504	2514930	1188504	353096
d) Other banking operations	418575	382880	418575	382880	394537
e) Unallocated	(781703)	(16249)	(781703)	(16249)	(340365)
<b>Total</b>	<b>2376037</b>	<b>1649786</b>	<b>2376037</b>	<b>1649786</b>	<b>2151959</b>

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 organization structure, the internal business reporting system and the guidelines prescribed by RBI.

#### Geographic Segments

Since the Bank does not have material earnings emanating outside India, the Bank is considered to operate in only the domestic segment.

**Notes :**

- 1 Statement of Assets and Liabilities as on September 30, 2010 is given below.

(` in lacs)

Particulars	As at 30.09.2010	As at 30.09.2009
	Audited	Unaudited
<b>CAPITAL AND LIABILITIES</b>		
Capital	46260	42736
Equity Share Warrants	-	40092
Reserves and Surplus	2329777	1566958
Employees' Stock Options (Grants) Outstanding	291	291
Deposits	19532092	14980532
Borrowings	1334975	1148681
Other Liabilities and Provisions	1754859	1614781
<b>Total</b>	<b>24998254</b>	<b>19394071</b>
<b>ASSETS</b>		
Cash and balances with Reserve Bank of India	1656532	1366452
Balances with Banks and Money at Call and Short notice	433210	136952
Investments	6369491	5717003
Advances	15709060	11367202
Fixed Assets	213397	198787
Other Assets	616564	607675
<b>Total</b>	<b>24998254</b>	<b>19394071</b>

- 2 The above results have been approved by the Board of Directors at its meeting held on October 19, 2010.
- 3 These results for the half year ended September 30, 2010, have been subject to an "Audit" and results for the quarter ended September 30, 2010, have been subject to a "Limited Review" by the Statutory Auditors of the Bank.
- 4 During the quarter and half-year ended September 30, 2010, the Bank allotted 2914147 and 4861578 shares pursuant to the exercise of stock options by certain employees.
- 5 Other income relates to income from non-fund based banking activities including commission, fees, foreign exchange earnings, earnings from derivative transactions and profit and loss (including revaluation) from investments.
- 6 Effective April 1, 2010, the Bank has classified fees paid relating to transactions done by the bank's customers on other banks' ATMs, which hitherto were netted from fees and commissions, under operating expenses. Figures for the previous periods have been regrouped/reclassified to conform to current period's classification.
- 7 Floating provisions have been classified as Tier 2 capital and reflected under Other Liabilities with effect from the current financial year. These provisions were hitherto netted from Advances and from Gross NPAs in arriving at Net NPAs.
- 8 In accordance with RBI guidelines under reference RBI/2009-2010/356 IDMD/4135/11.08.43/2009-10 dated March 23, 2010, effective April 1, 2010 Repo and Reverse Repo transactions in government securities and corporate debt securities (excluding transactions conducted under Liquidity Adjustment Facility with RBI) are reflected as borrowing and lending transactions respectively. These transactions were hitherto recorded under investments as sales and purchases respectively.
- 9 As on September 30, 2010, the total number of branches (including extension counters) and the ATM network stood at 1765 branches and 4721 ATMs respectively.
- 10 Information on investor complaints pursuant to Clause 41 of the listing agreement for the quarter ended September 30, 2010:  
Opening : Nil ; Additions : 244 ; Disposals : 244 ; Closing position : Nil.
- 11 Figures of the previous period 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 19, 2010

**Aditya Puri**  
Managing Director