

***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.*

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