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## NEWS RELEASE

HDFC Bank Ltd.  
HDFC Bank House,  
Senapati Bapat Marg,  
Lower Parel,  
Mumbai -400 013.

### **HDFC BANK LTD. - FINANCIAL RESULTS (INDIAN GAAP) FOR THE PERIOD APRIL TO JUNE 2009**

**Mumbai, July 14, 2009:** The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) accounts for the quarter ended June 30, 2009 at its meeting held in Mumbai on Tuesday, July 14, 2009.

#### **FINANCIAL RESULTS:**

##### **Profit & Loss Account: Quarter ended June 30, 2009**

For the quarter ended June 30, 2009, the Bank earned total income of Rs.5,136.8 crores, an increase of Rs.921.6 crores over the corresponding quarter ended June 30, 2008. Net revenues (net interest income plus other income) were Rs.2,899.2 crores for the quarter ended June 30, 2009, an increase of 25.1% over the corresponding quarter of the previous year. Interest earned (net of loan origination costs and amortization of premia on investments held in the Held to Maturity (HTM) category) increased from Rs.3,621.7 crores in the quarter ended June 30, 2008 to Rs.4,093.1 crores in the quarter ended June 30, 2009. Net interest income (interest earned less interest expended) for the quarter ended June 30, 2009 was Rs.1,855.6 crores, driven by average asset growth of 10.5% and a net interest margin (NIM) of 4.1%. During the quarter, a portion of the bank's surplus liquidity was parked in short-term money market instruments and liquid mutual funds. Most of this interest income was taxfree. Adjusted for the corresponding offset of a lower tax rate, the NIM was stable at around 4.2%.

Other income (non-interest revenue) registered strong growth of 75.9% from Rs.593.4 crores for the quarter ended June 30, 2008 to Rs.1,043.7 crores for the quarter ended June 30, 2009. The largest contributor to 'Other Income' for the quarter was fees and commissions of Rs.649.3 crores, up 27.0% over the corresponding quarter ended June 30, 2008. The other two major components of other income were foreign exchange/derivatives revenues of Rs.137.8 crores and profit/(loss) on revaluation/sale of investments of Rs.256.0 crores, as against Rs.157.4 crores and Rs.(77.6) crores respectively, for the quarter ended June 30, 2008. Operating expenses for the quarter ended June 30, 2009 were Rs.1,380.6 crores, against Rs.1,289.4 crores for the corresponding quarter ended June 30, 2008, and against Rs.1,396.2 crores for the preceding quarter ended March, 2009. The core cost to income ratio for the quarter was therefore at 52.2% as against 53.8% in the quarter ended June 30, 2008. The Operating Profit for the quarter ended June 30, 2009 grew by 47.8% to Rs.1,518.7 crores over the corresponding quarter of the previous year. Provisions (other than tax) and contingencies for the quarter were Rs.658.8 crores as against Rs.657.4 crores in the March 31, 2009 quarter. After providing Rs.253.7 crores for taxation, the Bank earned a Net Profit of Rs.606.1 crores, an increase of 30.5% over the corresponding quarter ended June 30, 2008.

##### **Balance Sheet: As of June 30, 2009**

The Bank's total balance sheet size increased by Rs.17,516.4 crores to touch Rs.186,115.0 crores as of June 30, 2009. Total deposits were Rs.145,732 crores, up from Rs.130,918 crores as of June 30, 2008. With Savings account deposits at Rs.38,489 crores and Current account deposits at Rs.27,026 crores, the CASA mix was at 45% of total deposits as at June 30, 2009. Gross advances as at June 30, 2009 were Rs.105,288 crores, an increase of 7.7% over June 30, 2008 and of 5.0% over March 31, 2009. Retail loans at Rs.61,130 crores were 58.1% of gross advances.



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### Capital Adequacy

The Bank's total Capital Adequacy Ratio (CAR) as at June 30, 2009 (computed as per Basel 2 guidelines) remained strong at 15.4%, as against the regulatory minimum of 9%. Tier-I CAR was 10.6% as of June 30, 2009.

### BUSINESS UPDATE

As of June 30, 2009, the Bank's distribution network was 1,416 branches and 3,382 ATMs in 550 cities as against 1,229 branches and 2,526 ATMs in 444 cities as of June 30, 2008.

Portfolio quality as of June 30, 2009 remained healthy with gross non-performing assets at 2.1% of gross advances and net non-performing assets at 0.6% of net advances. The Bank's provisioning policies for specific loan loss provisions remained higher than regulatory requirements. The NPA coverage ratio based on specific provisions was at 70% as of June 30, 2009 as compared to 67% as of June 30, 2008. The total NPA coverage ratio based on total provisions (specific and general) remained over 100%. Total restructured assets, including applications received for loan restructuring which were yet to be approved or implemented were 0.55% of the bank's gross advances as of June 30, 2009. Of this amounts categorized as standard assets were 0.19% of the bank's gross advances.

Note:

Rs. = 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," "will likely result," "believe," "expect," "will continue," "anticipate," "estimate," "intend," "plan," "contemplate," "seek to," "future," "objective," "goal," "project," "should," "will pursue" 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 nonperforming loans, our growth and expansion, the adequacy of our allowance for credit and investment losses, technological changes, volatility in investment income, cash flow projections 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.*

*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 in India and the other countries which have an impact on our business activities or investments; the monetary and interest rate policies of the government of India; 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.*