

NEWS RELEASE
HDFC Bank Limited

FINANCIAL RESULTS (INDIAN GAAP)
FOR THE QUARTER ENDED JUNE 30, 2014

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) accounts for the quarter ended June 30, 2014, at their meeting held in Mumbai on Monday, July 21, 2014. The accounts have been subject to a 'Limited Review' by the statutory auditors of the Bank.

FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended June 30, 2014

For the quarter ended June 30, 2014, the Bank's total income was ₹ 13,070.7 crores and net revenues (net interest income plus other income) were at ₹ 7,022.2 crores. Core net revenues, excluding the impact of bond gains, were at ₹ 6,997.2 crores for the quarter ended June 30, 2014, an increase of 13.9% over ₹ 6,144.8 crores in the corresponding quarter of the previous year. Interest earned increased by 16.1% from ₹ 9,663.0 crores for the quarter ended June 30, 2013 to ₹ 11,220.1 crores for the quarter ended June 30, 2014. Net interest income (interest earned less interest expended) for the quarter ended June 30, 2014 accounted for 74% of net revenues and grew by 17.0% to ₹ 5,171.6 crores, from ₹ 4,418.7 crores for the quarter ended June 30, 2013. Net interest margin for the quarter was at 4.4% as against 4.4% for the quarter ended March 31, 2014 and as against 4.6% for the corresponding quarter ended June 30, 2013.

Other income (non-interest revenue) at ₹ 1,850.6 crores was 26% of the net revenues for the quarter ended June 30, 2014. The four components of other income for the quarter ended June 30, 2014 were fees & commissions of ₹ 1,406.5 crores (₹ 1,284.5 crores in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 224.2 crores (₹ 314.3 crores for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 25.0 crores (₹ 199.5 crores for the quarter ended June 30, 2013) and miscellaneous income including recoveries of ₹ 195.0 crores (₹ 127.3 crores for the corresponding quarter of the previous year).

Operating expenses for the quarter were ₹ 3,178.4 crores, an increase of 4.6% over ₹ 3,038.2 crores during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 45.3% as against 47.9% for the corresponding quarter ended June 30, 2013. The core operating profit was at ₹ 3,818.8 crores, an increase of 22.9% over ₹ 3,106.6 crores for the quarter ended June 30, 2013.

Provisions and contingencies (consisting of specific loan loss and general provisions) were ₹ 482.8 crores for the quarter ended June 30, 2014 as against ₹ 527.1 crores for the corresponding quarter ended June 30, 2013. After providing ₹ 1,128.0 crores for taxation, the Bank earned a net profit of ₹ 2,233.0 crores, an increase of 21.1% over the quarter ended June 30, 2013.

Balance Sheet: As of June 30, 2014

Advances as of June 30, 2014 were ₹ 312,109 crores, an increase of 20.7% over June 30, 2013. The domestic loan mix between retail : wholesale is 52:48. Total advances in overseas branches as of June 30, 2014 were at 7% of the total advances as against 4% as of June 30, 2013. Total deposits as of June 30, 2014 were ₹ 372,074 crores, an increase of 22.7% over June 30, 2013. Savings account deposits grew 18.1% over the previous year to reach ₹ 105,639 crores. Current account deposits grew 18.0% over the previous year to reach ₹ 54,348 crores. CASA deposits were 43.0% of total deposits as on June 30, 2014.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines, was at 15.1% as at June 30, 2014 (15.5% as at June 30, 2013) as against a regulatory requirement of 9%. Tier-I CAR was at 11.1% as on June 30, 2014 compared to 10.5% as at June 30, 2013.

NETWORK

As of June 30, 2014, the Bank's distribution network was at 3,488 branches and 11,426 ATMs in 2,231 cities / towns an increase of 369 branches and 338 ATMs over 3,119 branches and 11,088 ATMs in 1,891 cities /towns as of June 30, 2013.

ASSET QUALITY

Gross non-performing assets (NPAs) were at 1.07% of gross advances as on June 30, 2014, as against 1.04% as on June 30, 2013. Net non-performing assets were at 0.3% of net advances as on June 30, 2014. Total restructured loans (including applications under process for restructuring) were at 0.2% of gross advances as of June 30, 2014 as against 0.2% as of June 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, 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, 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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