

NEWS RELEASE
HDFC Bank Limited

FINANCIAL RESULTS (INDIAN GAAP)
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) accounts for the quarter and nine months ended December 31, 2013, at their meeting held in Mumbai on Friday, January 17, 2014. The accounts have been subject to a 'Limited Review' by the statutory auditors of the Bank.

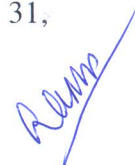
FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended December 31, 2013

The Bank's total income for the quarter ended December 31, 2013 was ₹ 12,739.0 crores, an increase of 17.8% over ₹ 10,818.1 crores for the quarter ended December 31, 2012. Net revenues (net interest income plus other income) were at ₹ 6,783.1 crores for the quarter ended December 31, 2013 as against ₹ 5,909.4 crores for the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended December 31, 2013 accounted for 68.3% of net revenues and grew by 16.4% to ₹ 4,634.8 crores from ₹ 3,981.6 crores for the quarter ended December 31, 2012. Net interest margin for the quarter was at 4.2% as against 4.3% for corresponding quarter ended December 31, 2012.

Other income (non-interest revenue) at ₹ 2,148.3 crores was 31.7% of the net revenues for the quarter ended December 31, 2013 and grew by 11.4% over ₹ 1,927.7 crores in the corresponding quarter ended December 31, 2012. The four components of other income for the quarter ended December 31, 2013 were fees & commissions of ₹ 1,575.0 crores (₹ 1,413.5 crores in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 333.2 crores (₹ 258.0 crores for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 50.9 crores (gain of ₹ 135.8 crores for the quarter ended December 31, 2012) and miscellaneous income including recoveries of ₹ 189.1 crores (₹ 120.4 crores for the corresponding quarter of the previous year).

Operating expenses for the quarter were ₹ 2,895.1 crores, an increase of 3.8% over ₹ 2,788.0 crores during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 42.7% as against 47.2% for the corresponding quarter ended December 31,



2012. With asset quality remaining stable during the quarter, provisions and contingencies were ₹ 388.8 crores (consisting of specific loan loss and general provisions) for the quarter ended December 31, 2013 as against ₹ 405.0 crores for the corresponding quarter ended December 31, 2012.

The profit before tax was ₹ 3,499.2 crores, an increase of 28.8% over the quarter ended December 31, 2012. The effective tax rate for the quarter ended December 31, 2013 was at 33.53% as against 31.56% for the corresponding quarter of the previous year primarily due to increase in income tax surcharge from 5% to 10%. After providing ₹ 1,173.4 crores for taxation, the Bank earned a net profit of ₹ 2,325.7 crores, an increase of 25.1% over the quarter ended December 31, 2012.

Balance Sheet: As of December 31, 2013

Total deposits as of December 31, 2013 were ₹ 349,215 crores, an increase of 22.9% over December 31, 2012. These included US\$ 3.4 billion being deposits raised under the RBI window for attracting Foreign Currency Non-Resident (FCNR) deposits. Under this window the Bank could raise foreign currency denominated deposits and swap them into rupees with RBI at a concessional rate. Adjusted for FCNR deposits raised during the quarter, the total deposits growth rate would have been 15.5% and CASA ratio would be 43.7%. Savings account deposits grew 15.6% over the previous year to reach ₹ 94,705 crores.

Advances as of December 31, 2013 were ₹ 296,742 crores, an increase of 22.9% over December 31, 2012. The domestic loan growth was contributed by both retail and wholesale segments, with retail loans growing by 13.6% and wholesale loans by 22.1% resulting in a domestic loan mix between retail : wholesale of 54:46. Total advances in overseas branches as of December 31, 2013 were at 8.0% of the total advances as against 3.8% as of December 31, 2012.

Nine months ended December 31, 2013:

For the nine months ended December 31, 2013, the Bank earned a total income of ₹ 36,265.2 crores as against ₹ 30,790.0 crores in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the nine months ended December 31, 2013 were ₹ 19,448.2 crores, as against ₹ 16,564.9 crores for the nine months ended December 31, 2012, an increase of 17.4%. Net profit for the nine months ended December 31, 2013 was ₹ 6,151.9 crores, up by 27.2% over the corresponding nine months ended December 31, 2012.



Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as at December 31, 2013 (computed as per Basel III guidelines) stood at 14.7% as against a regulatory requirement of 9%. Of this, Tier-I CAR was 9.9%. These CAR ratios are based on net worth numbers which do not take into account the profits for nine months ended December 31, 2013. Had the same been included, the total CAR and Tier-I CAR would have been 16.2% and 11.5% respectively.

NETWORK

The Bank has continued its branch expansion and has added 274 branches in the current year up to December 31, 2013, of which 179 of these branches are in unbanked locations. As of December 31, 2013, the Bank's distribution network was at 3,336 branches and 11,473 ATMs in 2,104 cities / towns as against 2,776 branches and 10,490 ATMs in 1,568 cities / towns as of December 31, 2012.

ASSET QUALITY

Gross non-performing assets (NPAs) were at 1.0% of gross advances as on December 31, 2013, as against 1.1% as on September 30, 2013 and 1.0% as on December 31, 2012. Net non-performing assets were at 0.3% of net advances as on December 31, 2013. Total restructured loans (including applications under process for restructuring) were at 0.2% of gross advances as of December 31, 2013 as against 0.3% as of December 31, 2012.

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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