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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2014

PART I – STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2014

PARTICULARS	**Quarter ended 31.12.2014**	Quarter ended 30.9.2014	Quarter ended 31.12.2013	**Nine Months ended 31.12.2014**	Nine Months ended 31.12.2013	Year ended 31.3.2014
	Reviewed					**Audited**
	₹ in Crore					
Income from Operations	**6,758.36**	6,532.71	5,985.18	**19,736.98**	17,401.31	23,894.03
Profit on Sale of Investments	**112.59**	102.73	34.62	**216.21**	121.37	248.98
Total Income	**6,870.95**	6,635.44	6,019.80	**19,953.19**	17,522.68	24,143.01
Expenditure :						
- Interest and Other Charges	**4,587.78**	4,473.86	4,079.80	**13,392.15**	11,888.78	16,029.37
- Staff Expenses	**83.30**	78.83	70.81	**247.03**	212.40	279.18
- Provision for Contingencies	**45.00**	35.00	25.00	**115.00**	70.00	100.00
- Other Expenses	**90.28**	89.82	89.26	**272.85**	268.15	317.01
- Depreciation and Amortisation	**11.67**	11.60	8.35	**16.69**	23.38	31.87
Total Expenditure	**4,818.03**	4,689.11	4,273.22	**14,043.72**	12,462.71	16,757.43
Profit from Operations before Other Income	**2,052.92**	1,946.33	1,746.58	**5,909.47**	5,059.97	7,385.58
Other Income	**11.57**	35.23	11.13	**61.24**	27.17	54.66
Profit Before Tax	**2,064.49**	1,981.56	1,757.71	**5,970.71**	5,087.14	7,440.24
Tax Expense	**551.71**	540.73	480.00	**1,598.00**	1,370.00	2,000.00
Net Profit before adjustment of Deferred Tax on Special Reserve	**1,512.78**	1,440.83	1,277.71	**4,372.71**	3,717.14	5,440.24
Deferred Tax Liability on Special Reserve	**87.29**	83.27	-	**245.00**	-	-
Net Profit After Tax	**1,425.49**	1,357.56	1,277.71	**4,127.71**	3,717.14	5,440.24
Earnings per Share - (₹)						
- Basic	**9.07**	8.64	8.19	**26.32**	23.89	34.89
- Diluted	**8.99**	8.58	8.14	**26.12**	23.70	34.62
Paid-up Equity Share Capital (Face value ₹ 2)	**314.41**	313.77	311.85	**314.41**	311.85	312.10
Reserves as at March 31						27,643.09

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PART II – SELECT INFORMATION FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2014

A] PARTICULARS OF SHAREHOLDING	**Quarter ended 31.12.2014**	Quarter ended 30.9.2014	Quarter ended 31.12.2013	**Nine Months ended 31.12.2014**	Nine Months ended 31.12.2013	Year ended 31.3.2014
Public Shareholding : - Number of Shares - Percentage of Shareholding	**1,57,20,60,365** **100**	1,56,88,62,770 100	155,92,48,440 100	**1,57,20,60,365** **100**	155,92,48,440 100	155,05,32,605 100
Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
- Number of Shares	-	-	-	-	-	-
- Percentage of Shares (to total promoter holding)	-	-	-	-	-	-
- Percentage of Shares (to total share capital)	-	-	-	-	-	-
b) Non-Encumbered						
- Number of Shares	-	-	-	-	-	-
- Percentage of Shares (to total promoter holding)	-	-	-	-	-	-
- Percentage of Shares (to total share capital)	-	-	-	-	-	-

B] INVESTOR COMPLAINTS	Quarter ended 31.12.2014
- Pending at the beginning of the quarter	Nil
- Received during the quarter	Nil
- Disposed of during the quarter	Nil
- Remaining unresolved at the end of the quarter	Nil

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1) As at December 31, 2014, the loan book stood at **₹ 2,19,951 crore** as against ₹ 1,92,284 crore in the Previous Year. This is after considering the loans sold during the preceding 12 months amounting to ₹ 8,566 crore.

2) Vide circular NHB(ND)/DRS/Pol. 62/2014 dated May 27, 2014, the National Housing Bank (NHB) had directed Housing Finance Companies (HFCs) to provide for deferred tax liability in respect of "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961. However, vide circular NHB(ND)/DRS/Pol. 65/2014 dated August 22, 2014, NHB has permitted HFCs to create the Deferred Tax Liability in respect of the opening balance in Special Reserve over a period of 3 years, in a phased manner in the ratio of 25:25:50. Accordingly, the Corporation will create 25% of deferred tax liability on the opening balance in Special Reserve at the end of this financial year.

   The deferred tax liability on the amount of Special Reserve expected to be appropriated out of the profits of the Corporation for the financial year ended March 31, 2015, has been taken into account in determining the effective tax rate which has been used in determining the tax charge on the income of the Corporation for the period ended December 31, 2014. To aid comparability this component of deferred tax charged to the Statement of Profit and Loss on this account has been separately disclosed.

3) The Corporation has reviewed its policy of providing for depreciation on its tangible fixed assets and has also reassessed their useful lives. On and from April 1, 2014, the straight line method is being used to depreciate all classes of tangible fixed assets. Previously, the straight line method was used for depreciating Buildings, Computers, Leased Assets and Leasehold Improvements while other tangible fixed assets were being depreciated using the reducing balance method. The revised useful lives, as assessed by Management, match those specified in Part C of Schedule II to the Companies Act, 2013, for all classes of assets other than Computer Hardware and Vehicles. Management believes that the revised useful lives of the assets reflect the periods over which these assets are expected to be used.

   As a result of the change, the charge on account of Depreciation for the nine months ended December 31, 2014, is lower by **₹ 11.75 crore** and for the quarter ended December 31, 2014, is higher by **₹ 1.85 crore** compared to the method used and useful lives estimated in earlier periods.

4) The Corporation has reviewed its policy of charging incentive brokerage on deposits. On and from April 1, 2014, incentive brokerage on deposits is being amortised over the period of deposit which earlier, was expensed when incurred. There is no material impact on the Statement of Profit & Loss as a result of this change.

5) During the quarter ended December 31, 2014, the Corporation has sold 1,19,69,000 equity shares of ₹ 10/- each of HDFC Standard Life Insurance Company Limited (HDFC Life) at a price of ₹ 105 per share. The shares sold as above represent 0.60% of the total issued, subscribed and paid-up equity capital of HDFC Life.

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6) The Corporation's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate and certain other purposes, in India. All other activities of the Corporation revolve around the main business. As such, there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting' (AS 17), notified by the Companies (Accounting Standards) Rules, 2006.

7) During the quarter ended December 31, 2014, the Corporation has allotted 31,97,595 equity shares of ₹ 2 each pursuant to exercise of stock options by certain employees / directors.

8) The unaudited consolidated financial results for the quarter/ nine months ended December 31, 2014, will be published at a later date after the approval of the un-audited quarterly financial results of HDFC Bank Limited by its Board of Directors and its subsequent approval by the Board of the Corporation.

9) Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

The above results for the quarter / nine months ended December 31, 2014, which have been subject to a Limited Review by the Auditors of the Corporation, were reviewed by the Audit Committee of Directors and subsequently approved by the Board of Directors at its meeting held on January 29, 2015, in terms of Clause 41 of the Listing Agreements.

Place: Mumbai
Date: January 29, 2015

Keki M Mistry
Vice Chairman & CEO