

HDFC BANK LTD  
Form 6-K  
February 02, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of February 2016**

**Commission File Number 001-15216**

**HDFC BANK LIMITED**

**(Translation of registrant's name into English)**

**HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai. 400 013, India**

**(Address of principal executive office)**

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): Yes  No

**Note:** Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): Yes  No

**Note:** Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes  No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- Not Applicable.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HDFC BANK LIMITED

(Registrant)

Date: February 2, 2016

By /s/ Sashidhar Jagdishan

Name: Sashidhar Jagdishan

Title: Chief Financial Officer

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EXHIBIT INDEX

The following documents (bearing the exhibit number listed below) are furnished herewith and are made a part of this Report pursuant to the General Instructions for Form 6-K.

Exhibit I

Description

Financial Statements of HDFC Bank Limited prepared in accordance with US GAAP as of and for the six month periods ended September 30, 2014 and 2015.

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**Exhibit I**

**INDEX TO FINANCIAL STATEMENTS**

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**HDFC BANK LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

|  | As of                                  |                                   |                                   |
|--|--|-----------------------------------|-----------------------------------|
|  | March 31, 2015                         | September 30, 2015<br>(unaudited) | September 30, 2015<br>(unaudited) |
|  | (In millions, except number of shares) |                                   |                                   |
| <b>ASSETS:</b>   |  |                                   |                                   |
| Cash and cash equivalents  | Rs. 341,124.3                          | Rs. 314,408.5                     | US\$ 4,800.1                      |
| Term placements  | 169,989.5                              | 163,793.8                         | 2,500.7                           |
| Investments held for trading, at fair value  | 61,292.8                               | 56,534.2                          | 863.1                             |
| Investments available for sale, at fair value [includes restricted investments of Rs. 721,933.3 and Rs. 694,395.5 (US\$ 10,601.5), respectively] | 1,504,412.8                            | 1,686,742.8                       | 25,751.8                          |
| Securities purchased under agreements to resell  | 1,592.6                                | 2,808.5                           | 42.9                              |
| Loans [net of allowance of Rs. 47,334.1 and Rs. 53,794.1 (US\$ 821.3), respectively]   | 3,896,115.0                            | 4,365,300.8                       | 66,645.8                          |
| Accrued interest receivable  | 45,705.0                               | 54,169.8                          | 827.0                             |
| Property and equipment, net  | 33,355.9                               | 34,249.1                          | 522.9                             |
| Intangible assets, net   | 12.0                                   | 8.5                               | 0.1                               |
| Goodwill   | 74,937.9                               | 74,937.9                          | 1,144.1                           |
| Other assets   | 130,478.0                              | 140,022.0                         | 2,137.8                           |
| <b>Total assets</b>  | <b>Rs. 6,259,015.8</b>                 | <b>Rs. 6,892,975.9</b>            | <b>US\$ 105,236.3</b>             |
| <b>LIABILITIES AND SHAREHOLDERS EQUITY:</b>  |  |                                   |                                   |
| <b>Liabilities:</b>  |  |                                   |                                   |
| Interest-bearing deposits  | Rs. 3,768,678.8                        | Rs. 4,367,445.8                   | US\$ 66,678.6                     |
| Non-interest-bearing deposits  | 733,032.0                              | 696,460.5                         | 10,633.0                          |
| <b>Total deposits</b>  | <b>4,501,710.8</b>                     | <b>5,063,906.3</b>                | <b>77,311.6</b>                   |
| Securities sold under repurchase agreements  | 50,000.0                               | 25,610.0                          | 391.0                             |
| Short-term borrowings  | 214,191.9                              | 225,475.5                         | 3,442.4                           |
| Accrued interest payable   | 32,689.5                               | 50,246.6                          | 767.1                             |
| Long-term debt   | 457,934.4                              | 457,438.9                         | 6,983.8                           |
| Accrued expenses and other liabilities   | 250,921.6                              | 273,580.6                         | 4,176.8                           |
| <b>Total liabilities</b>   | <b>Rs. 5,507,448.2</b>                 | <b>Rs. 6,096,257.9</b>            | <b>US\$ 93,072.7</b>              |
| Commitments and contingencies (see note 14)  |  |                                   |                                   |
| <b>Shareholders equity:</b>  |  |                                   |                                   |
| Equity shares: par value Rs. 2.0 each; authorized  | Rs. 5,013.0                            | Rs. 5,036.4                       | US\$ 76.9                         |

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|  |                 |                 |                |
|--|-----------------|-----------------|----------------|
| 2,750,000,000 shares; issued and outstanding         |                 |                 |                |
| 2,506,495,317 shares and 2,518,193,217 shares, as of |                 |                 |                |
| March 31, 2015 and September 30, 2015, respectively  |                 |                 |                |
| Additional paid-in capital                           | 387,486.1       | 399,625.6       | 6,101.2        |
| Retained earnings                                    | 228,804.4       | 256,528.0       | 3,916.4        |
| Statutory reserve                                    | 118,122.2       | 118,635.9       | 1,811.2        |
| Accumulated other comprehensive income (loss)        | 10,826.4        | 15,509.3        | 236.8          |
| <br>   |                 |                 |                |
| Total HDFC Bank Limited shareholders equity          | 750,252.1       | 795,335.2       | 12,142.5       |
| Noncontrolling interest in subsidiaries              | 1,315.5         | 1,382.8         | 21.1           |
| <br>   |                 |                 |                |
| Total shareholders equity                            | 751,567.6       | 796,718.0       | 12,163.6       |
| <br>   |                 |                 |                |
| Total liabilities and shareholders equity            | Rs. 6,259,015.8 | Rs. 6,892,975.9 | US\$ 105,236.3 |

See accompanying notes to condensed consolidated financial statements

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**HDFC BANK LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

|   | <b>Six months ended September 30,</b>                    |                  |                |
|---|--|------------------|----------------|
|   | <b>2014</b>  | <b>2015</b>      | <b>2015</b>    |
|   | <b>(In millions, except share and per share amounts)</b> |                  |                |
| <b>Interest and dividend revenue:</b>                                   |  |                  |                |
| Loans   | Rs. 184,717.1  | Rs. 223,988.7    | US\$ 3,419.7   |
| Trading securities  | 2,459.3  | 2,579.0          | 39.4           |
| Available for sale securities   | 44,038.0   | 64,867.6         | 990.3          |
| Other   | 7,390.8  | 7,472.0          | 114.1          |
| <b>Total interest and dividend revenue</b>                              | <b>238,605.2</b>   | <b>298,907.3</b> | <b>4,563.5</b> |
| <b>Interest expense:</b>  |  |                  |                |
| Deposits  | 106,776.4  | 138,919.1        | 2,120.9        |
| Short-term borrowings   | 3,719.6  | 5,086.0          | 77.6           |
| Long-term debt  | 14,744.6   | 16,443.5         | 251.0          |
| Other   | 206.5  | 316.3            | 4.8            |
| <b>Total interest expense</b>   | <b>125,447.1</b>   | <b>160,764.9</b> | <b>2,454.3</b> |
| <b>Net interest revenue</b>   | <b>113,158.1</b>   | <b>138,142.4</b> | <b>2,109.2</b> |
| Provision for credit losses   | 7,332.5  | 11,564.1         | 176.6          |
| <b>Net interest revenue after provision for credit losses</b>           | <b>105,825.6</b>   | <b>126,578.3</b> | <b>1,932.6</b> |
| <b>Non-interest revenue, net:</b>                                       |  |                  |                |
| Fees and commissions  | 32,309.8   | 38,390.1         | 586.1          |
| Trading securities gain/(loss), net                                     | 218.0  | 1,568.6          | 23.9           |
| Realized gain/(loss) on sales of available for sale securities, net     | 244.2  | 833.5            | 12.7           |
| Other than temporary impairment losses on available for sale securities | (1.8)  |                  |                |
| Foreign exchange transactions   | 747.6  | (6,582.0)        | (100.5)        |
| Derivatives gain/(loss), net  | (774.1)  | 8,779.9          | 134.0          |
| Other, net  | 160.7  | 184.4            | 2.8            |
| <b>Total non-interest revenue, net</b>                                  | <b>32,904.4</b>  | <b>43,174.5</b>  | <b>659.0</b>   |
| <b>Total revenue, net</b>   | <b>138,730.0</b>   | <b>169,752.8</b> | <b>2,591.6</b> |



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|  |     |          |              |            |
|--|-----|----------|--------------|------------|
| Non-interest expense:  |     |          |              |            |
| Salaries and staff benefits  |     | 34,257.9 | 40,566.2     | 619.3      |
| Premises and equipment   |     | 10,021.1 | 11,755.2     | 179.5      |
| Depreciation and amortization  |     | 3,392.6  | 3,652.9      | 55.8       |
| Administrative and other   |     | 23,264.6 | 30,322.4     | 462.8      |
| Amortization of intangible assets  |     | 210.5    | 3.5          | 0.1        |
| <br>   |     |          |              |            |
| Total non-interest expense   |     | 71,146.7 | 86,300.2     | 1,317.5    |
| <br>   |     |          |              |            |
| Income before income tax expense   |     | 67,583.3 | 83,452.6     | 1,274.1    |
| Income tax expense   |     | 24,576.7 | 30,954.0     | 472.6      |
| <br>   |     |          |              |            |
| Net income before noncontrolling interest                                | Rs. | 43,006.6 | Rs. 52,498.6 | US\$ 801.5 |
| Less: Net income attributable to shareholders of noncontrolling interest |     | 30.1     | 60.5         | 0.9        |
| <br>   |     |          |              |            |
| Net income attributable to HDFC Bank Limited                             | Rs. | 42,976.5 | Rs. 52,438.1 | US\$ 800.6 |
| <br>   |     |          |              |            |
| Per share information:   |     |          |              |            |
| Earnings per equity share basic  | Rs. | 17.85    | Rs. 20.88    | US\$ 0.32  |
| Earnings per equity share diluted  | Rs. | 17.71    | Rs. 20.65    | US\$ 0.31  |
| Per ADS information (where 1 ADS represents 3 shares):                   |     |          |              |            |
| Earnings per ADS basic   | Rs. | 53.55    | Rs. 62.64    | US\$ 0.96  |
| Earnings per ADS diluted   | Rs. | 53.13    | Rs. 61.95    | US\$ 0.93  |
| <br>   |     |          |              |            |
| Dividends declared per equity share                                      | Rs  | 6.85     | Rs 8.00      | US\$ 0.12  |
| See accompanying notes to condensed consolidated financial statements    |     |          |              |            |

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**Table of Contents****HDFC BANK LIMITED AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

|   | Six months ended September 30, |              |            |
|---|--------------------------------|--------------|------------|
|   | 2014                           | 2015         | 2015       |
|   | (In millions)                  |              |            |
| Net income before noncontrolling interest   | Rs. 43,006.6                   | Rs. 52,498.6 | US\$ 801.5 |
| Other comprehensive income, net of tax:   |                                |              |            |
| Foreign currency translation reserve:   |                                |              |            |
| Net unrealized gain (loss) arising during the period [net of tax nil and Rs. 103.0 respectively]                            | 73.8                           | 199.9        | 3.1        |
| Available for sale securities:  |                                |              |            |
| Net unrealized gain (loss) arising during the period [net of tax Rs. (3,675.3) and Rs. (2,756.9) respectively]              | 7,138.0                        | 4,948.3      | 75.5       |
| Reclassification adjustment for net (gain)/ loss included in net income [net of tax Rs. (100.4) and Rs. 239.6 respectively] | 194.9                          | (465.3)      | (7.1)      |
| Other comprehensive income, net of tax  | 7,406.7                        | 4,682.9      | 71.5       |
| Total comprehensive income  | 50,413.3                       | 57,181.5     | 873.0      |
| Less: Comprehensive income attributable to shareholders of noncontrolling interest  | 30.1                           | 60.5         | 0.9        |
| Comprehensive income attributable to HDFC Bank Limited  | Rs. 50,383.2                   | Rs. 57,121.0 | US\$ 872.1 |

See accompanying notes to condensed consolidated financial statements

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**HDFC BANK LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

|   | Six months ended September 30, |                  |                |
|---|--------------------------------|------------------|----------------|
|   | 2014                           | 2015             | 2015           |
|   | (In millions)                  |                  |                |
| <b>Cash flows from operating activities:</b>                                    |                                |                  |                |
| Net income before noncontrolling interest                                       | Rs. 43,006.6                   | Rs. 52,498.6     | US\$ 801.5     |
| Adjustment to reconcile net income to net cash provided by operating activities |                                |                  |                |
| Provision for credit losses   | 7,332.5                        | 11,564.1         | 176.6          |
| Depreciation and amortization   | 3,392.6                        | 3,652.9          | 55.8           |
| Amortization of intangible assets   | 210.5                          | 3.5              | 0.1            |
| Amortization of deferred acquisition costs                                      | 2,846.2                        | 4,150.4          | 63.4           |
| Amortization of premium (discount) on investments                               | (573.8)                        | 395.5            | 6.0            |
| Other than temporary impairment losses on available for sale securities         | 1.8                            |                  |                |
| Provision for deferred income taxes   | (441.2)                        | (1,600.3)        | (24.4)         |
| Share-based compensation expense  | 4,985.4                        | 5,486.9          | 83.8           |
| Net realized (gain) loss on sale of available for sale securities               | (244.2)                        | (833.5)          | (12.7)         |
| (Gain) loss on disposal of property and equipment, net                          | (52.5)                         | (3.0)            |                |
| Exchange (gain) loss  | 1,928.1                        | (1,314.3)        | (20.1)         |
| Net change in:  |                                |                  |                |
| Investments held for trading  | 24,356.4                       | (696.7)          | (10.6)         |
| Accrued interest receivable   | 92.6                           | (8,330.8)        | (127.2)        |
| Other assets  | 65,099.7                       | 11,763.9         | 179.6          |
| Accrued interest payable  | 10,973.4                       | 17,261.7         | 263.5          |
| Accrued expense and other liabilities   | (81,303.2)                     | 21,917.3         | 334.6          |
| <b>Net cash provided by operating activities</b>                                | <b>81,610.9</b>                | <b>115,916.2</b> | <b>1,769.9</b> |
| <b>Cash flows from investing activities:</b>                                    |                                |                  |                |
| Net change in term placements   | (16,996.1)                     | 6,195.7          | 94.6           |
| Activity in available for sale securities:                                      |                                |                  |                |
| Purchases   | (570,066.7)                    | (1,011,339)      | (15,440.3)     |
| Proceeds from sales   | 88,484.8                       | 135,802.5        | 2,073.3        |
| Maturities, prepayments and calls   | 289,329.3                      | 702,161.5        | 10,720.0       |
| Net change in repurchase options and reverse repurchase options                 | 34,006.5                       | (25,605.9)       | (390.9)        |
| Loans purchased   | (20,148.7)                     | (65,346.7)       | (997.7)        |
| Repayments on loans purchased   | 18,537.4                       | 21,787.3         | 332.6          |
|   | (216,578.3)                    | (422,416.5)      | (6,449.0)      |

|  |             |             |            |
|--|-------------|-------------|------------|
| Increase in loans originated, net of principal collections |             |             |            |
| Additions to property and equipment                        | (3,444.2)   | (4,907.3)   | (74.9)     |
| Proceeds from sale or disposal of property and equipment   | 100.0       | 48.4        | 0.7        |
| Net cash used in investing activities                      | (396,776.0) | (663,620.0) | (10,131.6) |

See accompanying notes to condensed consolidated financial statements

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**Table of Contents****HDFC BANK LIMITED AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**

|   | Six months ended September 30, |               |              |
|---|--------------------------------|---------------|--------------|
|   | 2014                           | 2015          | 2015         |
|   | (In millions)                  |               |              |
| <b>Cash flows from financing activities:</b>                              |                                |               |              |
| Net increase in deposits  | 224,726.4                      | 537,217.2     | 8,201.7      |
| Net increase (decrease) in short-term borrowings                          | (48,340.2)                     | 11,283.6      | 172.3        |
| Purchase of subsidiary shares from noncontrolling interest                | (715.7)                        |               |              |
| Proceeds from issue of shares by a subsidiary to noncontrolling interests |                                | 6.5           | 0.1          |
| Proceeds from issuance of long-term debt                                  | 40,865.1                       | 25,595.9      | 390.8        |
| Repayment of long-term debt   | (33,772.8)                     | (38,324.6)    | (585.1)      |
| Proceeds from issuance of equity shares for options exercised             | 6,154.1                        | 6,676.3       | 101.9        |
| Payment of dividends and dividend tax                                     | (19,300.7)                     | (24,200.8)    | (369.5)      |
| <br>  |                                |               |              |
| Net cash provided by financing activities                                 | 169,616.2                      | 518,254.1     | 7,912.2      |
| <br>  |                                |               |              |
| Effect of exchange rate changes on cash and cash equivalents              | 3,045.2                        | 2,733.9       | 41.6         |
| Net change in cash and cash equivalents                                   | (142,503.7)                    | (26,715.8)    | (407.9)      |
| Cash and cash equivalents, beginning of year                              | 370,835.2                      | 341,124.3     | 5,208.0      |
| <br>  |                                |               |              |
| <b>Cash and cash equivalents, end of year</b>                             | 228,331.5                      | Rs. 314,408.5 | US\$ 4,800.1 |
| <br>  |                                |               |              |
| <b>Supplementary cash flow information:</b>                               |                                |               |              |
| Interest paid   | 114,311.3                      | Rs. 143,207.8 | US\$ 2,186.4 |
| Income taxes paid   | 25,872.5                       | Rs. 32,081.3  | US\$ 489.8   |
| <b>Non-cash investment activities</b>                                     |                                |               |              |
| Payable for purchase of property and equipment                            | 539.8                          | Rs. 693.2     | US\$ 10.6    |

See accompanying notes to condensed consolidated financial statements

Table of Contents**HDFC BANK LIMITED AND ITS SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY**

| <b>Number of<br/>Equity<br/>Shares</b>  | <b>Equity<br/>Share<br/>Capital</b> | <b>Additional<br/>Paid In<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Statutory<br/>Reserve*</b> | <b>Accumulated<br/>Other<br/>Comprehensive<br/>Income (loss)</b> | <b>Total HDFC<br/>Bank<br/>Limited<br/>Shareholders<br/>Equity</b> | <b>Noncontrolling<br/>interest</b> |
|---|-------------------------------------|---|------------------------------|-------------------------------|--|--|------------------------------------|
| (In millions, except for equity shares) |                                     |   |                              |                               |  |  |                                    |
| 2,399,050,435                           | Rs. 4,798.1                         | Rs. 271,709.6                             | Rs. 175,105.9                | Rs. 91,883.5                  | Rs. (11,590.4)   | Rs. 531,906.7  | Rs. 1,094.0                        |
| 15,271,720                              | 30.5                                | 6,123.6                                   |                              |                               |  | 6,154.1  |                                    |
|   |                                     | 4,985.4                                   |                              |                               |  | 4,985.4  |                                    |
|   |                                     |   | (19,300.7)                   |                               |  | (19,300.7)   |                                    |
|   |                                     | (333.7)                                   |                              |                               |  | (333.7)  | (382.0)                            |
|   |                                     |   | 42,976.5                     |                               |  | 42,976.5   | 30.1                               |
|   |                                     |   |                              |                               | 7,406.7  | 7,406.7  |                                    |
| 2,414,322,155                           | Rs. 4,828.6                         | Rs. 282,484.9                             | Rs. 198,781.7                | Rs. 91,883.5                  | Rs. (4,183.7)  | Rs. 573,795.0  | Rs. 742.1                          |
| <b>Number of<br/>Equity<br/>Shares</b>  | <b>Equity<br/>Share<br/>Capital</b> | <b>Additional<br/>Paid In<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Statutory<br/>Reserve*</b> | <b>Accumulated<br/>Other<br/>Comprehensive</b>                   | <b>Total HDFC<br/>Bank<br/>Limited</b>                             | <b>Noncontrolling<br/>interest</b> |

|                      |                    |                      |                      |                      |                     | <b>Income (loss)</b> | <b>Shareholders<br/>Equity</b> |  |      |
|----------------------|--------------------|----------------------|----------------------|----------------------|---------------------|----------------------|--------------------------------|--|------|
| <b>2,506,495,317</b> | <b>Rs. 5,013.0</b> | <b>Rs. 387,486.1</b> | <b>Rs. 228,804.4</b> | <b>Rs. 118,122.2</b> | <b>Rs. 10,826.4</b> | <b>Rs. 750,252.1</b> | <b>Rs. 1,315.5</b>             |  |      |
| 11,697,900.0         | 23.4               | 6,652.9              |                      |                      |                     |                      | 6,676.3                        |  |      |
|                      |                    | 5,486.9              |                      |                      |                     |                      | 5,486.9                        |  |      |
|                      |                    |                      |                      | (24,200.8)           |                     |                      | (24,200.8)                     |  |      |
|                      |                    | (0.3)                |                      |                      |                     |                      | (0.3)                          |  | 0.3  |
|                      |                    |                      |                      |                      |                     |                      |                                |  | 6.5  |
|                      |                    |                      |                      | (513.7)              | 513.7               |                      |                                |  |      |
|                      |                    |                      |                      | 52,438.1             |                     |                      | 52,438.1                       |  | 60.5 |
|                      |                    |                      |                      |                      |                     | 4,682.9              | 4,682.9                        |  |      |
| <b>2,518,193,217</b> | <b>Rs. 5,036.4</b> | <b>Rs. 399,625.6</b> | <b>Rs. 256,528.0</b> | <b>Rs. 118,635.9</b> | <b>Rs. 15,509.3</b> | <b>Rs. 795,335.2</b> | <b>Rs. 1,382.8</b>             |  |      |
|                      | <b>US\$ 76.9</b>   | <b>US\$ 6,101.2</b>  | <b>US\$ 3,916.4</b>  | <b>US\$ 1,811.2</b>  | <b>US\$ 236.8</b>   | <b>US\$ 12,142.5</b> | <b>US\$ 21.1</b>               |  |      |

\*In terms of local regulations, the Bank is required to transfer 25% of its profit after tax (Indian GAAP ) to a non-distributable statutory reserve and to meet certain other conditions in order to pay dividends without prior RBI approval

See accompanying notes to condensed consolidated financial statements

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**HDFC BANK LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**(Unaudited)**

These condensed consolidated financial statements should be read in conjunction with the financial statements of the Bank included in its Form 20-F filed with the Securities and Exchange Commission on July 31, 2015.

**1. Summary of significant accounting policies**

*a. Principles of consolidation*

The consolidated financial statements include the accounts of HDFC Bank Limited and its subsidiaries. The Bank consolidates subsidiaries in which, directly or indirectly, it holds more than 50% of the voting rights or has control. Entities where the Bank holds 20% to 50% of the voting rights and/or has the ability to exercise significant influence are accounted for under the equity method. These investments are included in other assets and the Bank's proportionate share of income or loss is included in Non-interest revenue, other. The Bank consolidates Variable Interest Entities (VIEs) where the Bank is determined to be the primary beneficiary under Financial Accounting Standard Board Accounting Standard Codification FASB ASC Topic 810 Consolidations. All significant inter-company accounts and transactions are eliminated on consolidation.

*b. Basis of presentation*

These financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America ( US GAAP ). US GAAP differs in certain material respects from accounting principles generally accepted in India, the requirements of India's Banking Regulation Act 1949 and related regulations issued by the Reserve Bank of India ( RBI ) (collectively Indian GAAP ), which form the basis of the statutory general purpose financial statements of the Bank in India. Principal differences, insofar as they relate to the Bank, include: determination of the allowance for credit losses, classification and valuation of investments, accounting for deferred income taxes, stock-based compensation, employee benefits, loan origination fees, derivative financial instruments, business combination and the presentation format and disclosures of the financial statements and related notes. The condensed consolidated balance sheet at March 31, 2015 has been derived from the Bank's audited consolidated financial statement at that date. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included.

*c. Use of estimates*

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the periods presented. Actual results could differ from these estimates. Material estimates included in these financial statements that are susceptible to change include the allowance for credit losses, the valuation of unquoted investments, other than temporary impairment, valuation of derivatives, stock-based compensation, unrecognized tax benefits and impairment assessment of goodwill.



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**HDFC BANK LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Unaudited)**

*d. Allowance for credit losses*

The Bank provides an allowance for credit losses based on management's best estimate of losses inherent in the loan portfolio which includes troubled debt restructuring. The allowance for credit losses consists of allowances for retail loans and wholesale loans.

*Retail*

The Bank's retail loan loss allowance consists of specific and unallocated allowances.

The Bank establishes a specific allowance on the retail loan portfolio based on factors such as the nature of the product, delinquency levels or the number of days the loan is past due and the nature of the security available. Additionally the Bank monitors loan to value ratios for loan against securities. The loans are charged off against allowances typically when the account becomes 150 to 1,083 days past due depending on the type of loan. The defined delinquency levels at which major loan types are charged off are 150 days past due for personal loans and credit card receivables, 180 days past due for auto loans, commercial vehicle and construction equipment finance, 720 days past due for housing loans and on a customer by customer basis in respect of retail business banking when management believes that any future cash flows from these loans are remote including realization of collateral, if applicable, and where any restructuring or any other settlement arrangements are not feasible.

The Bank also records unallocated allowances for its retail loans by product type. The Bank's retail loan portfolio is comprised of groups of large numbers of small value homogeneous loans. The Bank establishes an unallocated allowance for loans in each product group based on its estimate of the overall portfolio quality, asset growth, economic conditions and other risk factors. The Bank estimates its unallocated allowance for retail loans based on an internal credit slippage matrix, which measures the Bank's historic losses for its standard loan portfolio. Subsequent recoveries, if any, against write-off cases, are adjusted to provision for credit losses in the consolidated statement of income.

*Wholesale*

The allowance for wholesale loans consists of specific and unallocated components. The allowance for such credit losses is evaluated on a regular basis by management and is based upon management's view of the probability of recovery of loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, the estimated value of any underlying collateral, factors affecting the industry which the loan exposure relates to and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Loans are charged off against the allowance when management believes that the loan balance cannot be recovered. Subsequent recoveries, if any, against write-off cases, are adjusted to provision for credit losses in the consolidated statement of income.

The Bank grades its wholesale loan accounts considering both qualitative and quantitative criteria. Wholesale loans are considered impaired when, based on current information and events, it is probable that the Bank will be unable to collect scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, the financial condition of the borrower, the value of collateral held, and the probability of collecting scheduled principal and interest payments when due.

The Bank establishes specific allowances for each impaired wholesale loan customer in the aggregate for all facilities, including term loans, cash credits, bills discounted and lease finance, based on either the present value of expected future cash flows discounted at the loan's effective interest rate or the net realizable value of the collateral if the loan is collateral dependent.

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**HDFC BANK LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Unaudited)**

Wholesale loans that experience insignificant payment delays and payment shortfalls are generally not classified as impaired but are placed on a surveillance watch list and closely monitored for deterioration. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, market information, and the amount of the shortfall in relation to the principal and interest owed.

The Bank has also established an unallocated allowance for wholesale standard loans based on the overall portfolio quality, asset growth, economic conditions and other risk factors. The Bank estimates its wholesale unallocated allowance based on an internal credit slippage matrix, which measures the Bank's historic losses for its standard loan portfolio.

*e. Income tax*

The Bank estimates its income tax expense for the interim periods based on its best estimate of the expected effective income tax rate for a full year.

*f. Revenue recognition*

Interest income from loans and from investments is recognized on an accrual basis using effective interest method when earned except in respect of loans or investments placed on non-accrual status, where it is recognized when received. Nominal loan application fees are charged which offset the related costs incurred.

Fees and commissions from guarantees issued are amortized over the contractual period of the commitment, provided the amounts are collectible.

Dividends from investments are recognized when declared.

Realized gains and losses on sale of securities are recorded on the trade date and are determined using the weighted average cost method.

Other fees and income are recognized when earned, which is when the service that results in the income has been provided. The Bank amortizes annual fees on credit cards over the contractual period of the fees.

*g. Recently adopted accounting standards*

In June 2014, the FASB issued ASU No. 2014-11, "Transfers and Servicing (Topic 860)". The amendments in this update change the current accounting outcome by requiring repurchase-to-maturity transactions to be accounted for as secured borrowings and for repurchase financing arrangement the amendments require separate accounting for a transfer of the financial asset executed contemporaneously with a repurchase agreement with same counterparty. The

amendments also require new disclosures. The Bank adopted the provisions of ASU 2014-11 effective April 1, 2015. The adoption of this guidance did not have a material impact on the Bank's consolidated financial position or results of operations.

*h. Recently issued accounting pronouncements not yet effective*

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). This update clarifies the principles for revenue recognition in transactions involving contracts with customers. The guidance will be effective for the interim and annual reporting periods beginning after December 15, 2016 and early adoption is not permitted. The Bank has not yet evaluated what impact, if any, the adoption of this guidance may have on the Bank's financial condition, results of operations, or disclosures.

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**HDFC BANK LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**(Unaudited)**

In August 2014, the FASB also issued ASU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. This ASU requires management to perform an assessment of going concern and provides specific guidance on when and how to assess or disclose going concern uncertainties. The new standard also defines terms used in the evaluation of going concern, such as substantial doubt. Following the application, the Bank will be required to perform assessments at each annual and interim period, provide an assessment period of one year from the issuance date, and make disclosures in certain circumstances in which substantial doubt is identified. The amendment will be effective for the Bank for the first reporting period ending after December 15, 2016. Earlier application is permitted. The Bank does not expect this ASU to have an impact on its financial position, result of operations, or disclosures.

In January 2015, the FASB issued ASU 2015-01 - Income Statement -Extraordinary and Unusual Items (Subtopic 225-20). The update removes the concept of extraordinary items from GAAP and eliminates the requirement for extraordinary items to be separately presented in the statement of income. The guidance will be effective for the interim and annual reporting periods beginning after December 15, 2015 and early adoption is permitted. The update will not have a material impact on the Bank's consolidated financial statements.

In February 2015, the FASB issued ASU 2015-02 - Consolidation (Topic 810). The update primarily amends the criteria companies use to evaluate whether they should consolidate certain variable interest entities that have fee arrangements and the criteria used to determine whether partnerships and similar entities are variable interest entities. The update also excludes certain money market funds from the consolidation guidance. The guidance will be effective for the interim and annual reporting periods beginning after December 15, 2015 and early adoption is permitted. The Bank has not yet evaluated what impact, if any, the adoption of this guidance may have on the Bank's financial condition, results of operations, or disclosures.

In April 2015, the FASB issued ASU 2015-03 - Interest - Imputation of Interest (Subtopic 835-30). The update changes the balance sheet presentation for debt issuance costs. Under the new guidance, debt issuance costs should be reported as a deduction from debt liabilities rather than as a deferred charge classified as an asset. The guidance will be effective for the interim and annual reporting periods beginning after December 15, 2015 and early adoption is permitted. The update will not have a material impact on the Bank's consolidated financial statements.

In May 2015, the FASB issued ASU 2015-07 - Fair Value Measurement (Topic 820). The update eliminates the disclosure requirement to categorize investments within the fair value hierarchy that are measured at fair value using net asset value as a practical expedient. The guidance will be effective for the interim and annual reporting periods beginning after December 15, 2015 and early adoption is permitted. The update will not affect the Bank's consolidated financial statements as it impacts only the fair value disclosure requirements for certain investments.

In January 2016, the FASB issued ASU 2016-01 - Financial Instruments- Overall (Subtopic 825-10). The amendments require all equity investments to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under the equity method of accounting or those that result in consolidation of the investee). However, an entity may choose to measure equity investments that do not have readily determinable fair

values at cost minus impairment, if any, The amendments also require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. The amendments also require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset. This guidance is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Bank has not yet evaluated what impact, if any, the adoption of this guidance may have on the Bank's financial condition, results of operations, or disclosures.

*i. Convenience translation*

The accompanying financial statements have been expressed in Indian Rupees ( Rs. ), the Bank's functional currency. For the convenience of the reader, the financial statements as of and for the six months period ended September 30, 2015 have been translated into U.S. dollars at U.S.\$1.00 = Rs. 65.50 as published by the Federal Reserve Board of New York on September 30, 2015. Such translation should not be construed as a representation that the rupee amounts have been or could be converted into United States dollars at that or any other rate, or at all.



**Table of Contents****HDFC BANK LIMITED AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)****2. Investments, held for trading**

The portfolio of trading securities as of March 31, 2015 and September 30, 2015 was as follows:

|  | As of March 31, 2015 |                        |                         |              |
|--|----------------------|------------------------|-------------------------|--------------|
|  | Amortized Cost       | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value   |
|  | (In millions)        |                        |                         |              |
| Government of India securities                   | Rs. 60,239.5         | Rs. 53.5               | Rs. 0.2                 | Rs. 60,292.8 |
| Other corporate/financial institution securities | 1,000.0              |                        |                         | 1,000.0      |
| Total debt securities                            | Rs. 61,239.5         | Rs. 53.5               | Rs. 0.2                 | Rs. 61,292.8 |
| Equity securities                                |                      |                        |                         |              |
| Total  | Rs. 61,239.5         | Rs. 53.5               | Rs. 0.2                 | Rs. 61,292.8 |

|  | As of September 30, 2015 |                        |                         |              |
|--|--------------------------|------------------------|-------------------------|--------------|
|  | Amortized Cost           | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value   |
|  | (In millions)            |                        |                         |              |
| Government of India securities                   | Rs. 55,848.3             | Rs. 131.1              | Rs. 1.0                 | Rs. 55,978.4 |
| Other corporate/financial institution securities | 500.0                    | 45.6                   |                         | 545.6        |
| Total debt securities                            | Rs. 56,348.3             | Rs. 176.7              | Rs. 1.0                 | Rs. 56,524.0 |
| Equity securities                                | 10.2                     |                        |                         | 10.2         |
| Total  | Rs. 56,358.5             | Rs. 176.7              | Rs. 1.0                 | Rs. 56,534.2 |
| Total  | US\$ 860.4               | US\$ 2.7               | US\$                    | US\$ 863.1   |

**3. Investments, available for sale**

The portfolio of available for sale securities as of March 31, 2015 and September 30, 2015 was as follows:

|   | <b>As of March 31, 2015</b> |                                   |                                    |                        |
|---|-----------------------------|-----------------------------------|------------------------------------|------------------------|
|   | <b>Amortized<br/>Cost</b>   | <b>Gross Unrealized<br/>Gains</b> | <b>Gross Unrealized<br/>Losses</b> | <b>Fair Value</b>      |
|   | <b>(In millions)</b>        |                                   |                                    |                        |
| Government of India securities                                      | Rs. 1,151,520.7             | Rs. 13,843.3                      | Rs. 1,242.7                        | Rs. 1,164,121.3        |
| State government securities   | 54,134.6                    | 2,074.4                           |                                    | 56,209.0               |
| Credit substitutes  | 194,992.4                   | 243.9                             | 177.4                              | 195,058.9              |
| Other corporate/financial institution<br>bonds                      | 6,555.1                     | 83.3                              | 1.5                                | 6,636.9                |
| Certificate of Deposit  | 56,300.2                    | 85.4                              |                                    | 56,385.6               |
| Debt securities, other than asset and<br>mortgage-backed securities | 1,463,503.0                 | 16,330.3                          | 1,421.6                            | 1,478,411.7            |
| Mortgage-backed securities  | 1,282.0                     | 50.1                              |                                    | 1,332.1                |
| Asset-backed securities   | 23,512.3                    | 223.2                             | 452.2                              | 23,283.3               |
| Other securities (including mutual<br>fund units)                   | 788.1                       | 597.9                             | 0.3                                | 1,385.7                |
| <b>Total</b>  | <b>Rs. 1,489,085.4</b>      | <b>Rs. 17,201.5</b>               | <b>Rs. 1,874.1</b>                 | <b>Rs. 1,504,412.8</b> |
| Securities with gross unrealized losses                             |                             |                                   |                                    | Rs. 469,004.0          |
| Securities with gross unrealized gains                              |                             |                                   |                                    | 1,035,408.8            |
|   |                             |                                   |                                    | <b>Rs. 1,504,412.8</b> |

**Table of Contents****HDFC BANK LIMITED AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)**

|   | <b>As of September 30, 2015</b> |                                   |                                    |                        |
|---|---------------------------------|-----------------------------------|------------------------------------|------------------------|
|   | <b>Amortized<br/>Cost</b>       | <b>Gross Unrealized<br/>Gains</b> | <b>Gross Unrealized<br/>Losses</b> | <b>Fair Value</b>      |
|   | <b>(In millions)</b>            |                                   |                                    |                        |
| Government of India securities                                      | Rs. 1,179,950.2                 | Rs. 18,295.6                      | Rs. 293.2                          | Rs. 1,197,952.6        |
| State government securities   | 83,980.1                        | 3,050.4                           |                                    | 87,030.5               |
| Credit substitutes  | 332,041.4                       | 505.8                             | 69.7                               | 332,477.5              |
| Other corporate/financial institution<br>bonds                      | 8,845.4                         | 61.3                              | 122.0                              | 8,784.7                |
| Certificate of Deposit  | 34,043.0                        | 156.0                             |                                    | 34,199.0               |
| Debt securities, other than asset and<br>mortgage-backed securities | 1,638,860.1                     | 22,069.1                          | 484.9                              | 1,660,444.3            |
| Mortgage-backed securities  | 751.7                           | 41.1                              |                                    | 792.8                  |
| Asset-backed securities   | 24,013.1                        | 539.8                             | 318.5                              | 24,234.4               |
| Other securities (including mutual<br>fund units)                   | 792.1                           | 498.9                             | 19.7                               | 1,271.3                |
| <b>Total</b>  | <b>Rs. 1,664,417.0</b>          | <b>Rs. 23,148.9</b>               | <b>Rs. 823.1</b>                   | <b>Rs. 1,686,742.8</b> |
| <b>Total</b>  | <b>US\$ 25,411.0</b>            | <b>US\$ 353.4</b>                 | <b>US\$ 12.6</b>                   | <b>US\$ 25,751.8</b>   |
| Securities with gross unrealized<br>losses                          |                                 |                                   |                                    | Rs. 153,321.8          |
| Securities with gross unrealized<br>gains                           |                                 |                                   |                                    | 1,533,421.0            |
|   |                                 |                                   |                                    | Rs. 1,686,742.8        |
|   |                                 |                                   |                                    | US\$ 25,751.8          |

AFS investments of Rs. 1,220,330.3 million and Rs. 1,284,983.1 million (US\$ 19,618.1 million) as of March 31, 2015 and September 30, 2015, respectively, are eligible for placement towards the Bank's statutory liquidity ratio requirements. These balances are subject to withdrawal and usage restrictions, but may be freely traded by the Bank within those restrictions. Of these investments, Rs. 721,933.3 million as of March 31, 2015 and Rs. 694,395.5 million (US\$ 10,601.5 million) as of September 30, 2015, respectively, were kept as margins for clearing, collateral borrowing and lending obligation (CBLO), real time gross settlement (RTGS), with the Reserve Bank of India and other financial institutions.

The Bank conducts a review each reporting period to identify and evaluate investments that have indications of possible impairment. An investment in an equity or debt security is impaired if its fair value falls below its cost and

the decline is considered other than temporary. Factors considered in determining whether a loss is temporary include length of time and extent to which fair value has been below cost, the financial condition and near-term prospects of the issuer and whether the Bank intends to sell or will be required to sell the security until the forecasted recovery. The Bank evaluated the impaired investments and has fully recognized an expense of Rs. 1.8 million and nil as other than temporary impairment for six months periods ended September 30, 2014 and September 30, 2015, respectively because the Bank intends to sell the securities before recovery of their amortized cost. The Bank is of the opinion that the other unrealized losses on its investments in equity and debt securities as of September 30, 2015 are temporary in nature. The Bank's review of impairment generally entails:

identification and evaluation of investments that have indications of possible impairment;

analysis of individual investments that have fair values of less than 95% of amortized cost, including consideration of the length of time the investment has been in an unrealized loss position;

analysis of evidential matter, including an evaluation of factors or triggers that would or could cause individual investments to have other than temporary impairment; and

documentation of the results of these analysis, as required under business policies.

As of March 31, 2015 and September 30, 2015, the Bank did not hold any debt securities with credit losses for which a portion of other-than-temporary impairment was recognized in other comprehensive income.

**Table of Contents****HDFC BANK LIMITED AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)**

The gross unrealized losses and fair value of available for sale securities at March 31, 2015 was as follows:

|  | As of March 31, 2015              |                      |                                    |                      | Total                |                      |
|--|-----------------------------------|----------------------|------------------------------------|----------------------|----------------------|----------------------|
|  | Less Than 12 Months<br>Fair Value | Unrealized<br>Losses | 12 Months or Greater<br>Fair Value | Unrealized<br>Losses | Fair Value           | Unrealized<br>Losses |
|  | (In millions)                     |                      |                                    |                      |                      |                      |
| Government of India securities                                   | Rs. 10,602.4                      | Rs. 37.9             | Rs. 277,465.1                      | Rs. 1,204.8          | Rs. 288,067.5        | Rs. 1,242.7          |
| State government securities                                      |                                   |                      | 7.5                                |                      | 7.5                  |                      |
| Credit substitutes   | 158,859.4                         | 177.4                |                                    |                      | 158,859.4            | 177.4                |
| Other corporate/financial institution bonds                      | 1,339.6                           | 1.5                  |                                    |                      | 1,339.6              | 1.5                  |
| Debt securities, other than asset and mortgage-backed securities | 170,801.4                         | 216.8                | 277,472.6                          | 1,204.8              | 448,274.0            | 1,421.6              |
| Mortgage-backed securities                                       |                                   |                      |                                    |                      |                      |                      |
| Asset-backed securities  | 20,727.1                          | 452.2                |                                    |                      | 20,727.1             | 452.2                |
| Equity securities  | 2.9                               | 0.3                  |                                    |                      | 2.9                  | 0.3                  |
| <b>Total</b>   | <b>Rs. 191,531.4</b>              | <b>Rs. 669.3</b>     | <b>Rs. 277,472.6</b>               | <b>Rs. 1,204.8</b>   | <b>Rs. 469,004.0</b> | <b>Rs. 1,874.1</b>   |

The gross unrealized losses and fair value of available for sale securities at September 30, 2015 was as follows:

|                                | As of September 30, 2015          |                      |                                    |                      | Total        |                      |
|--------------------------------|-----------------------------------|----------------------|------------------------------------|----------------------|--------------|----------------------|
|                                | Less Than 12 Months<br>Fair Value | Unrealized<br>Losses | 12 Months or Greater<br>Fair Value | Unrealized<br>Losses | Fair Value   | Unrealized<br>Losses |
|                                | (In millions)                     |                      |                                    |                      |              |                      |
| Government of India securities | Rs. 7,510.4                       | Rs. 0.1              | Rs. 59,822.7                       | Rs. 293.1            | Rs. 67,333.1 | Rs. 293.2            |
| State government securities    |                                   |                      |                                    |                      |              |                      |
| Credit substitutes             | 62,649.1                          | 69.7                 |                                    |                      | 62,649.1     | 69.7                 |
|                                | 914.8                             | 122.0                |                                    |                      | 914.8        | 122.0                |

Other corporate/financial  
institution bonds

|   |                     |                  |                     |                  |                      |                  |
|---|---------------------|------------------|---------------------|------------------|----------------------|------------------|
| Debt securities, other than<br>asset and<br>mortgage-backed<br>securities | 71,074.3            | 191.8            | 59,822.7            | 293.1            | 130,897.0            | 484.9            |
| Mortgage-backed<br>securities   |                     |                  |                     |                  |                      |                  |
| Asset-backed securities   | 22,398.1            | 318.5            |                     |                  | 22,398.1             | 318.5            |
| Equity securities   | 26.7                | 19.7             |                     |                  | 26.7                 | 19.7             |
| <b>Total</b>  | <b>Rs. 93,499.1</b> | <b>Rs. 530.0</b> | <b>Rs. 59,822.7</b> | <b>Rs. 293.1</b> | <b>Rs. 153,321.8</b> | <b>Rs. 823.1</b> |
| <b>Total</b>  | <b>US\$ 1,427.5</b> | <b>US\$ 8.1</b>  | <b>US\$ 913.3</b>   | <b>US\$ 4.5</b>  | <b>US\$ 2,340.8</b>  | <b>US\$ 12.6</b> |

The contractual residual maturity of available for sale debt securities other than asset and mortgage-backed securities as of September 30, 2015 is set out below:

|                                   | As of September 30, 2015 |                        |                      |
|-----------------------------------|--------------------------|------------------------|----------------------|
|                                   | Amortized Cost           | Fair Value             | Fair Value           |
|                                   | (In millions)            |                        |                      |
| Within one year                   | Rs. 646,409.9            | Rs. 647,501.5          | US\$ 9,885.5         |
| Over one year through five years  | 284,470.2                | 286,900.7              | 4,380.2              |
| Over five years through ten years | 440,658.0                | 450,034.9              | 6,870.8              |
| Over ten years                    | 267,322.0                | 276,007.2              | 4,213.9              |
| <b>Total</b>                      | <b>Rs. 1,638,860.1</b>   | <b>Rs. 1,660,444.3</b> | <b>US\$ 25,350.4</b> |

**Table of Contents****HDFC BANK LIMITED AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)**

The contractual residual maturity of available for sale mortgage-backed and asset-backed securities as of September 30, 2015 is set out below:

|                                   | <b>As of September 30, 2015</b> |                     |                   |
|-----------------------------------|---------------------------------|---------------------|-------------------|
|                                   | <b>Amortized Cost</b>           | <b>Fair Value</b>   | <b>Fair Value</b> |
|                                   | <b>(In millions)</b>            |                     |                   |
| Within one year                   | Rs. 13,484.1                    | Rs. 13,595.8        | US\$ 207.6        |
| Over one year through five years  | 10,647.2                        | 10,593.4            | 161.7             |
| Over five years through ten years | 194.9                           | 198.7               | 3.0               |
| Over ten years                    | 438.6                           | 639.3               | 9.8               |
| <b>Total</b>                      | <b>Rs. 24,764.8</b>             | <b>Rs. 25,027.2</b> | <b>US\$ 382.1</b> |

Gross realized gains and gross realized losses from sale of available for sale securities and dividends and interest on such securities are set out below:

|                               | <b>Six months ended September 30,</b> |                     |                     |
|-------------------------------|---------------------------------------|---------------------|---------------------|
|                               | <b>2014</b>                           | <b>2015</b>         | <b>2015</b>         |
|                               | <b>(In millions)</b>                  |                     |                     |
| Gross realized gains on sale  | Rs. 1,192.0                           | Rs. 1,019.8         | US\$ 15.6           |
| Gross realized losses on sale | (947.8)                               | (186.3)             | (2.9)               |
| Realized gains (losses), net  | 244.2                                 | 833.5               | 12.7                |
| Dividends and interest        | 44,038.0                              | 64,867.6            | 990.3               |
| <b>Total</b>                  | <b>Rs. 44,282.2</b>                   | <b>Rs. 65,701.1</b> | <b>US\$ 1,003.0</b> |

**4. Investments, held to maturity**

There were no HTM securities as of March 31, 2015 and September 30, 2015.

Under Indian GAAP, transfer from an HTM portfolio to an AFS portfolio are permitted by RBI regulations once every year and the Bank has made transfers in accordance with these regulations. However, the Bank has not established an

HTM portfolio under US GAAP and therefore the investment classification made under US GAAP and Indian GAAP varies materially.

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**Table of Contents****HDFC BANK LIMITED AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)****5. Loans**

Loan balances include Rs. 192,684.5 million and nil as of March 31, 2015 and September 30, 2015, respectively, which have been pledged as collateral for borrowings and are therefore restricted.

Loans by facility as of March 31, 2015 and September 30, 2015 were as follows:

|  | <b>March 31,<br/>2015</b> | <b>As of<br/>September 30, 2015</b> |             | <b>September 30, 2015</b> |
|--|---------------------------|-------------------------------------|-------------|---------------------------|
|  |                           | <b>(In millions)</b>                |             |                           |
| <b>Retail loans:</b>                                     |                           |                                     |             |                           |
| Auto loans   | Rs. 486,251.7             | Rs. 541,052.4                       | US\$        | 8,260.3                   |
| Personal loans/Credit cards                              | 449,381.7                 | 531,510.7                           |             | 8,114.7                   |
| Retail business banking                                  | 660,456.7                 | 715,722.5                           |             | 10,927.1                  |
| Commercial vehicle and<br>construction equipment finance | 305,995.4                 | 333,523.3                           |             | 5,092.0                   |
| Housing loans  | 241,368.8                 | 284,936.4                           |             | 4,350.2                   |
| Other retail loans                                       | 577,534.2                 | 660,412.7                           |             | 10,082.5                  |
| <b>Subtotal</b>  | <b>Rs. 2,720,988.5</b>    | <b>Rs. 3,067,158.0</b>              | <b>US\$</b> | <b>46,826.8</b>           |
| Wholesale loans  | Rs. 1,222,460.6           | Rs. 1,351,936.9                     | US\$        | 20,640.3                  |
| <b>Gross loans</b>                                       | <b>3,943,449.1</b>        | <b>4,419,094.9</b>                  |             | <b>67,467.1</b>           |
| Less: Allowance for credit losses                        | 47,334.1                  | 53,794.1                            |             | 821.3                     |
| <b>Total</b>   | <b>Rs. 3,896,115.0</b>    | <b>Rs. 4,365,300.8</b>              | <b>US\$</b> | <b>66,645.8</b>           |

Gross loans analyzed by performance are as follows:

|  | <b>March 31,<br/>2015</b> | <b>As of<br/>September 30, 2015</b> |  | <b>September 30, 2015</b> |
|--|---------------------------|-------------------------------------|--|---------------------------|
|  |                           | <b>(In millions)</b>                |  |                           |

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|                   |                 |                 |               |
|-------------------|-----------------|-----------------|---------------|
| Performing        | Rs. 3,904,124.3 | Rs. 4,374,683.4 | US\$ 66,789.1 |
| Impaired          | 39,324.8        | 44,411.5        | 678.0         |
| Total gross loans | Rs. 3,943,449.1 | Rs. 4,419,094.9 | US\$ 67,467.1 |

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**Table of Contents****HDFC BANK LIMITED AND ITS SUBSIDIARIES****NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)**

The following table provides details of age analysis of loans as of March 31, 2015 and September 30, 2015.

|   | As of March 31, 2015                 |                     |                              |                        |
|---|--------------------------------------|---------------------|------------------------------|------------------------|
|   | Impaired / 91                        |                     | Total current <sup>1,2</sup> | Total                  |
|   | 31-90 days pastdays or more past due | due                 |                              |                        |
| <b>Retail Loans</b>                                   |                                      |                     |                              |                        |
| Auto loans  | Rs. 2,448.7                          | Rs. 2,718.7         | Rs. 481,084.3                | Rs. 486,251.7          |
| Personal loans/Credit card                            | 2,361.1                              | 2,648.4             | 444,372.2                    | 449,381.7              |
| Retail business banking                               | 5,262.5                              | 10,012.5            | 645,181.7                    | 660,456.7              |
| Commercial vehicle and construction equipment finance | 5,389.7                              | 5,559.4             | 295,046.3                    | 305,995.4              |
| Housing loans   | 68.7                                 | 242.7               | 241,057.4                    | 241,368.8              |
| Other retail  | 5,184.2                              | 4,653.5             | 567,696.5                    | 577,534.2              |
| Wholesale loans                                       | 1,244.7                              | 13,489.6            | 1,207,726.3                  | 1,222,460.6            |
| <b>Total</b>  | <b>Rs. 21,959.6</b>                  | <b>Rs. 39,324.8</b> | <b>Rs. 3,882,164.7</b>       | <b>Rs. 3,943,449.1</b> |
|   |                                      |                     |                              |                        |
|   | As of September 30, 2015             |                     |                              |                        |
|   | Impaired / 91                        |                     | Total current <sup>1,2</sup> | Total                  |
|   | 31-90 days pastdays or more past due | due                 |                              |                        |
| <b>Retail Loans</b>                                   |                                      |                     |                              |                        |
| Auto loans  | Rs. 3,735.3                          | Rs. 3,271.2         | Rs. 534,045.9                | Rs. 541,052.4          |
| Personal loans/Credit card                            | 2,937.8                              | 2,849.9             | 525,723.0                    | 531,510.7              |
| Retail business banking                               | 5,656.4                              | 12,770.6            | 697,295.5                    | 715,722.5              |
| Commercial vehicle and construction equipment finance | 6,608.2                              | 5,854.8             | 321,060.3                    | 333,523.3              |
| Housing loans   | 50.4                                 | 259.9               | 284,626.1                    | 284,936.4              |
| Other retail  | 4,551.9                              | 6,716.1             | 649,144.7                    | 660,412.7              |
| Wholesale loans                                       | 1,534.8                              | 12,689.0            | 1,337,713.1                  | 1,351,936.9            |
| <b>Total</b>  | <b>Rs. 25,074.8</b>                  | <b>Rs. 44,411.5</b> | <b>Rs. 4,349,608.6</b>       | <b>Rs. 4,419,094.9</b> |
|   |                                      |                     |                              |                        |
| <b>Total</b>  | <b>US\$ 382.8</b>                    | <b>US\$ 678.0</b>   | <b>US\$ 66,406.3</b>         | <b>US\$ 67,467.1</b>   |

