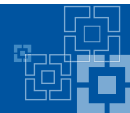




**Because Bharat  
wants the same  
opportunities  
as India.**





## Asiamoney

- Best Domestic Bank in India
- Best Local Cash Management Bank in India
- Aditya Puri – Best Executive in India

## Business India

- Best Bank

## Business Standard

- Aditya Puri – Banker of the Year

## Business Today – KPMG Best Banks Survey

- Best Bank

## Businessworld

- Best Bank in India (Large Banks)

## Dun & Bradstreet Corporate Awards

- Best in Banking Sector

## Dun & Bradstreet Polaris Financial Technology

### Banking Awards

- Best Private Sector Bank – Technology Adoption
- Best Private Sector Bank – Retail
- Overall Best Private Sector Bank

## FE-EY Best Banks Survey

- Best Bank – New Private Sector
- Best in Strength and Soundness
- Best in Profitability

## Finance Asia Country Awards for Achievement

- Best Bank – India

## Forbes Asia

- Fab 50 Companies List (for the 7th Year)

## Global Finance Survey – World's Best Banks

- Best Bank in India

## GUINNESS WORLD RECORD™

- Largest Blood Donation Drive across multiple venues, in a single day

## IBA Banking Technology Awards

- Best Technology Bank of the Year
- Best Internet Bank
- Best Customer Management Initiative
- Best Use of Mobility Technology in Banking

## IBA Innovation Awards

- Most Innovative Use of Technology

## Institute for Development and Research in Banking Technology Awards

- Best Bank – Managing IT Risk (Large Banks)
- Best Bank – Mobile Banking (Large Banks)
- Best Bank – Best IT Team (Private Sector Banks)

## Institutional Investor

- Best Investor Relations Company (Banking Sector)
- Best CEO (Banking Sector)
- Best CFO (Banking Sector)

## MACCIA Awards

- Best in Financial Services – Bank Category

## NDTV Profit Business Leadership Awards

- Winner in the Banking Category

## Outlook Money Awards

- Best Bank in Large Banks Category

## Sunday Standard Best Banker Awards

- Best Private Sector Bank – Large
- Safest Bank – Large
- Aditya Puri – Top Achiever

## The Asian Banker Achievement Awards

- International Transaction Banking

## UTI Mutual Fund CNBC TV 18 Financial Advisory Awards

- Best Performing Bank – Private



- Net Profit : ₹ 8,478 crore. An increase of 26.0 % compared to the previous year
- Balance sheet size : ₹ 491,600 crore. An increase of 22.8% compared to the previous year
- Total deposits : ₹ 367,337 crore. An increase of 24.0 % as compared to previous year
- Total advances : ₹ 303,000 crore. An increase of 26.4% compared to previous year
- Capital Adequacy Ratio : 16.1 %.
- Tier I Capital ratio : 11.8 %
- Gross Non Performing Assets : 0.98 % of Gross Advances
- Network:
  - Branches: 3,403
  - ATMs: 11,256
  - Cities/Towns: 2171

# Foreword



The rural landscape of India, or “Bharat” as it is often called, bears a different look today. With changing lifestyles and growing aspirations, Bharat too demands greater choices and access to the same opportunities as urban India. Rising incomes and consumer prosperity have also intensified the need for better banking and financial services. HDFC Bank spotted this opportunity early and ventured into the rural frontier with locally adapted products and cost effective go-to-market models.

The growth potential of the Indian rural economy is significant. By 2014-15, 150 million people in rural India are expected to have consumption levels at par with urban consumers. The last decade from 1999 to 2009 saw rural manufacturing GDP grow at a CAGR of 18 percent. However, the rural population still remains underbanked and underserved, often dominated by local moneylenders and faced with limited choices.

HDFC Bank’s rural strategy recognises this gap and is hence anchored around providing the full range of customised banking solutions across savings, loans, payment and investment products. Many of these products are already leaders in their respective categories in urban markets. From the customer’s perspective, a relationship with the Bank also provides superior and upgraded services.

The Bank’s foray into rural segments continued this year. We have created a deeper reach and a stronger foothold in

rural communities. As of March 2014, the Bank has 55 percent of its branches located in semi-urban and rural locations. The number of branches in these regions rose from 1,615 in 2012-13 to 1,888 in 2013-14. These numbers are a reflection of the Bank’s commitment to Bharat, with a distribution footprint and product suite that is aligned to this customer segment.

Our growth in the rural segment has been made possible with a blend of unique models and strategies, tested and adapted to local conditions.

The Hub-and-Spoke model, relying on one, two or three-officer branches, extends the services of a standard branch to unbanked, remote locations in a cost effective manner. The ‘Grameen’ model brings a rural bank branch within easy reach of its neighbouring ten or more villages. In certain remote areas, the Bank’s Grameen Banking Officers travel





once a week on fixed days to address banking requirements. Another strategy utilises local stores and individuals to act as Business Correspondents, covering 1,100 such arrangements across India.

The ecosystem-oriented approach, which involves engaging with every stage of the farming cycle, has led the Bank to actively collaborate with the Punjab Grains Procurement Corporation (PUNGRAIN), providing an automated card based infrastructure for payments to farmers and commission agents. In dairy farming-centric areas of Gujarat, the approach led to the innovation of 'milk ATMs', which grade and weigh milk, and transfer cash to the farmers at pre-fixed rates.

Technology has played a key role in the push into the hinterland. A Toll-Free number to carry out basic banking activities was well received by customers in rural and semi-urban centres as it allowed them to get instant updates on common services such as account balances and transaction information, free of cost. For the large Hindi speaking belt, there is a Hindi Mobile App and SMS Banking.

In urban areas, the Bank's business has continued to strengthen with new products such as the Multicurrency ForexCard, the only such card with 18 currencies. In cash management services, the Bank maintained its market leadership. Services such as Mobile Banking continue to grow with an increase of 84 percent in metros and urban centres.

In the area of social responsibility, the Sustainable Livelihood Banking Program reached out to two million households, empowering women and raising the standard of living of entire families. Other rural initiatives included Rural Financial Literacy



Camps which are delivered in twelve regional languages based on educational material prescribed by the RBI.

The Bank was honoured by GUINNESS WORLD RECORD™ this year, which recognised it as the largest corporate donor of blood in a single day in the world, with 61,902 donors in 709 locations. Our 2.2 million social media community played a larger role in our Sustainability programs this year when the Bank asked people to vote for their favourite NGO through a Facebook App before making annual donations.

In conclusion, the anticipated economic growth in rural and semi urban areas is a story worth watching, and HDFC Bank is firmly committed to its unique position in playing a leading role in this transformation. This imperative is a logical progression of our strategy in urban markets, underpinned by our focus on innovation and sustainability.



# Sustainable Livelihood Initiative



Sustainable Livelihood Initiative (SLI) gained momentum this past year, touching the lives of over 2.6 million households in more than 10,000 villages spread across 24 states. It is our belief however, that the numbers that truly matter are the lives we empower.

Adopting a unique approach of coupling both financial and non-financial services, the SLI program has enabled the unbanked and underbanked sections of society to take control of their financial life, generate an income and save for a better future.

The Bank has also been actively supporting the creation of a savings culture in this segment. Customers are encouraged to open micro recurring deposits which can be started with as little as ₹100 per month. At the end of the financial year, over 1.24 lac such customers had opened micro recurring deposit accounts with the Bank.

In addition to microfinance and micro recurring deposits, basic savings accounts, micro fixed deposits and micro insurance are also offered. These help meet both immediate and long-term needs of many families.

We are also committed to improving financial literacy as part of the SLI program. Non financial services such as pre and post credit counseling sessions for customers has helped empower

people make better financial decisions. This is supported by livelihood training and marketing support which further helps their income grow. The impact of the SLI program extends not just to women but entire families.

Increasingly, the scope of the SLI team's work includes rehabilitation. Natural calamities in different parts of the country has meant working with customers and surrounding communities on different levels. In Tamil Nadu, the team conducted veterinary camps to help customers cope with the outbreak of an epidemic of Foot and Mouth disease that affected cattle. More than 1,600 customers participated in these camps. In Butibori, Maharashtra, relief was provided through donations of food and cooking oil to flood victims. Similar efforts helped SLI customers in Uttarakhand.

The most significant work done in rehabilitation was in Odisha after Cyclone Phalin left the area devastated, destroying entire villages and industries. The team from SLI were the first to get to the area to provide relief. Camps fed up to 6,000 people a day. Once the initial challenges were overcome, the Bank focused on restoring the livelihoods of people. Training was provided to help many cottage industries start afresh such as fishing, puffed rice making, flower and vegetable farming. Our assistance has helped people get back on their feet and most have learnt a new skill that will eventually improve their income.







**Chhaya Raju Pohankar** from Nandgaonpeth 13 km from Amravati near Nagpur became a sculptor to support her husband by supplementing the household income. A loan from the Bank helped her buy more raw materials and invest in a compressor machine. This has helped increase her productivity and income.

**Rukmani R.** is a weaver from Athivaraganatham near Chennai whose family was mired in debt after her daughter's wedding. Unable to buy raw materials to run her loom, her family struggled to make ends meet. With loans from the Bank, she was able to purchase raw materials, grow her business and pay off her debts. Her business has boomed and she now plans to buy a second loom to keep up with demand.

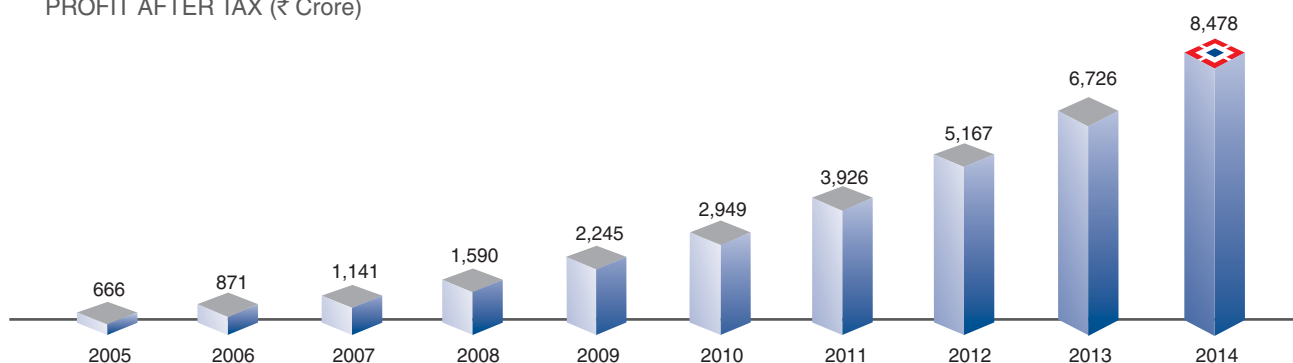


**Satvir Kaur** from Moga, Punjab has been partially affected by polio since childhood. This meant she was completely dependent on her family members. A loan from the Bank enabled her to learn tailoring and then start a business. As Satvir says "I am an independent woman today with the help of the Bank's credit. It makes me feel very proud that despite my physical inability, I am earning an income of my own."

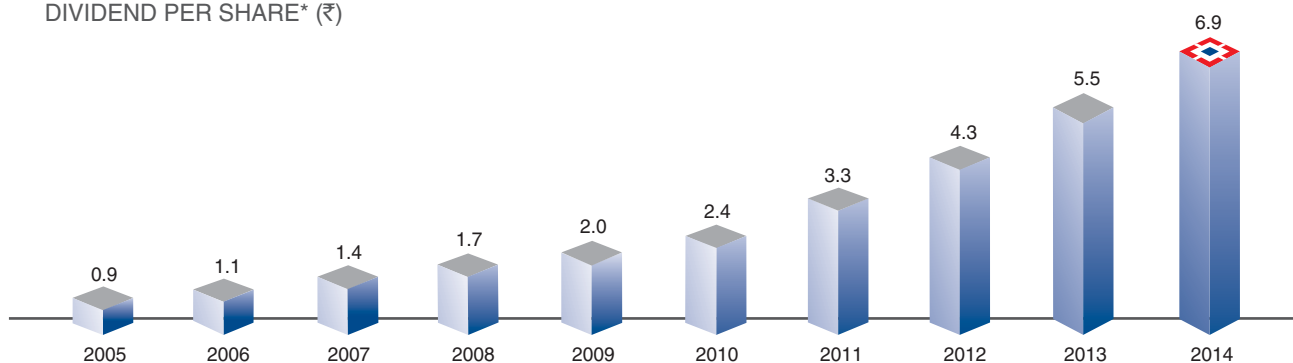
**Varsha Devi** from Jaipur, Rajasthan was heavily in debt and led a life of poverty. A loan from the Bank supported by credit counseling sessions from the SLI team helped get her life back on track. She now works as a security guard at a mall earning a regular income of ₹6,500 per month. This has enabled her to lead a life of dignity and pay off her various loans.



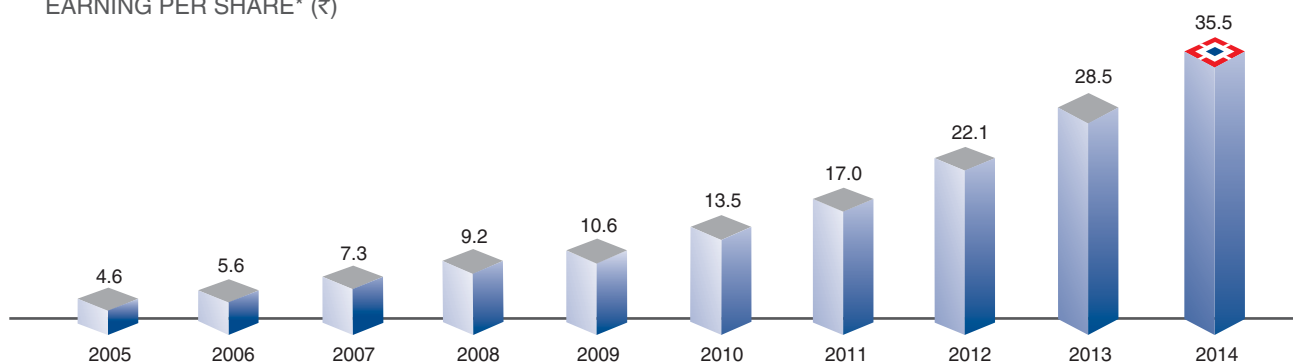
PROFIT AFTER TAX (₹ Crore)



DIVIDEND PER SHARE\* (₹)



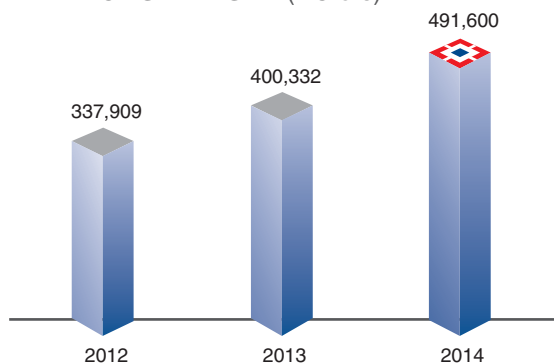
EARNING PER SHARE\* (₹)



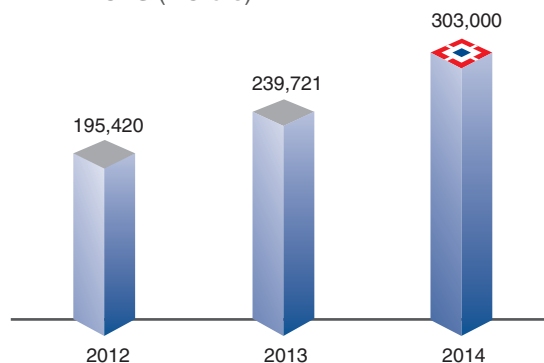
\* Previous year figures have been changed to reflect split of shares of FV ₹ 10 per share into FV of ₹ 2 per share



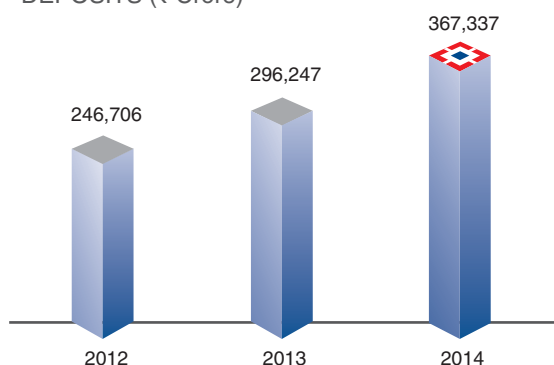
BALANCE SHEET SIZE (₹ Crore)



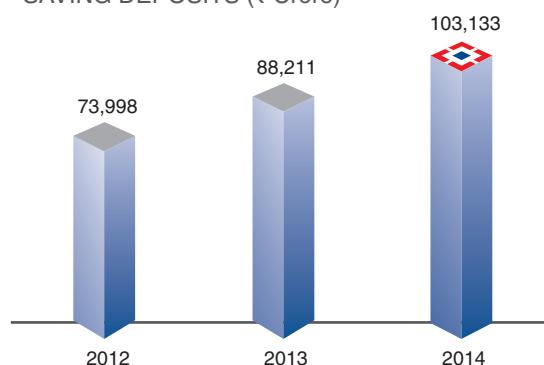
ADVANCES (₹ Crore)



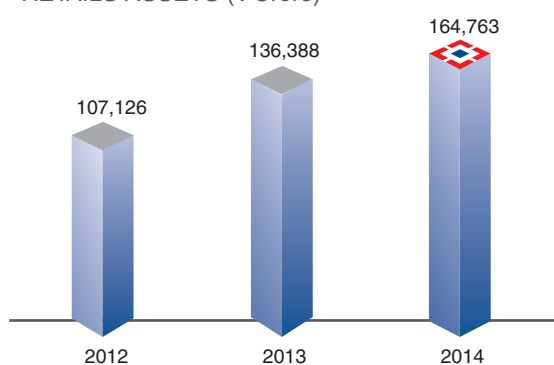
DEPOSITS (₹ Crore)



SAVING DEPOSITS (₹ Crore)



RETAILS ASSETS (₹ Crore)



NET INTEREST MARGIN (%)

