

HDFC Bank Limited**FINANCIAL RESULTS (INDIAN GAAP) FOR THE
QUARTER AND YEAR ENDED MARCH 31, 2017**

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter ended March 31, 2017 and the audited results for the full year ended March 31, 2017 at their meeting held in Mumbai on Friday, April 21, 2017.

STANDALONE FINANCIAL RESULTS:**Profit & Loss Account: Quarter ended March 31, 2017**

The Bank's total income for the quarter ended March 31, 2017 was ₹ 21,560.7 crore, up from ₹ 18,862.6 crore for the quarter ended March 31, 2016. Net revenues (net interest income plus other income) increased by 21.1% to ₹ 12,501.4 crore for the quarter ended March 31, 2017 as against ₹ 10,319.2 crore for the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended March 31, 2017 grew by 21.5% to ₹ 9,055.1 crore from ₹ 7,453.3 crore for the quarter ended March 31, 2016 driven by average assets growth of 19.0% and a core net interest margin for the quarter of 4.3%.

Other income (non-interest revenue) at ₹ 3,446.3 crore was 27.6% of the net revenues for the quarter ended March 31, 2017 and grew by 20.3% over ₹ 2,865.9 crore in the corresponding quarter ended March 31, 2016. The four components of other income for the quarter ended March 31, 2017 were fees & commissions of ₹ 2,523.0 crore (₹ 2,172.4 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 356.7 crore (₹ 282.8 crore for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 180.4 crore (₹ 115.5 crore in the corresponding quarter of the previous year) and miscellaneous income including recoveries of ₹ 386.2 crore (₹ 295.2 crore for the corresponding quarter of the previous year).

Operating expenses for the quarter ended March 31, 2017 were ₹ 5,222.0 crore, an increase of 13.9% over ₹ 4,584.3 crore during the corresponding quarter of the previous year. The core cost-to-income ratio for the quarter was 42.4% as against 44.9% for the corresponding quarter ended March 31, 2016.

Provisions and contingencies for the quarter ended March 31, 2017 were ₹ 1,261.8 crore (consisting of specific loan loss provisions ₹ 977.9 crore, general provisions ₹ 280.3 crore, and other provisions ₹ 3.6 crore) as against ₹ 662.5 crore (consisting of specific loan loss provisions ₹ 490.3 crore, general provisions ₹ 161.1 crore and other provisions ₹ 11.1 crore) for the corresponding quarter ended March 31, 2016. The specific loan loss provisions for the quarter ended March 31, 2017 include provisions on accounts that would have turned non-performing (NPA) during the quarter ended December 31, 2016, but were classified as NPA during the quarter ended March 31, 2017, in line with the additional 60/90 day dispensation provided by the Reserve Bank of India vide its circulars dated November 21, 2016 and December 28, 2016.

After providing ₹ 2,027.5 crore for taxation, the Bank earned a net profit of ₹ 3,990.1 crore, an increase of 18.3% over the quarter ended March 31, 2016.

Profit & Loss Account: Year ended March 31, 2017

For the year ended March 31, 2017, the Bank earned total income of ₹ 81,602.5 crore. Net revenues (net interest income plus other income) for the year ended March 31, 2017 were ₹ 45,435.7 crore, up by 18.5% over ₹ 38,343.2 crore for the year ended March 31, 2016. For the year ended March 31, 2017, the net interest margin was 4.3%. Core cost to income ratio was at 44.5% for the year ended March 31, 2017, as against 45.1% for the previous year.

The Bank's net profit for year ended March 31, 2017 was ₹ 14,549.7 crore, up 18.3%, over the year ended March 31, 2016.

Balance Sheet: As of March 31, 2017

Total balance sheet size as of March 31, 2017 was ₹ 863,840 crore as against ₹ 740,796 crore as of March 31, 2016.

Total deposits as of March 31, 2017 were ₹ 643,640 crore, an increase of 17.8% over March 31, 2016. Current account deposits grew by 30.7% over the previous year to reach ₹ 115,574 crore and savings account deposits by 30.9% over the previous year to reach ₹ 193,579 crore. Term deposits, net of maturities of about US\$ 3 billion of Foreign Currency Non-Resident (FCNR) deposits during the quarter ended December 31, 2016, were at ₹ 334,487 crore, an increase of 7.9% over the previous year. CASA deposits were therefore at 48% of total deposits as on March 31, 2017.

Advances as of March 31, 2017 were ₹ 554,568 crore, an increase of 19.4% over March 31, 2016, and 12.0% over December 31, 2016. The Bank's domestic loan portfolio at ₹ 538,642 crore as of March 31, 2017, grew by 23.7% over March 31, 2016. Both segments of the Bank's loan portfolio grew faster than system loan growth. As per regulatory (Basel 2) segment classification, the domestic retail loans and wholesale loans grew by 26.6% and 20.7% respectively, with the domestic loan mix between retail and wholesale at 53:47.

Capital Adequacy

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines, was at 14.6% as at March 31, 2017 (15.5% as at March 31, 2016) as against a regulatory requirement of 10.25% including Capital Conservation Buffer of 1.25%. Tier-I CAR was at 12.8% as on March 31, 2017 compared to 13.2% as at March 31, 2016. Risk-weighted Assets were at ₹ 640,030 crore (₹ 529,768 crore as at March 31, 2016).

DIVIDEND

The Board of Directors recommended a dividend of ₹ 11 per equity share of ₹ 2 for the year ended March 31, 2017, as against ₹ 9.50 per equity share of ₹ 2 for the previous year. This would be subject to approval by the shareholders at the next annual general meeting.

NETWORK

As of March 31, 2017, the Bank's distribution network was at 4,715 branches and 12,260 ATMs in 2,657 cities / towns as against 4,520 branches and 12,000 ATMs in 2,587 cities / towns as of March 31, 2016. Of the branches, 52% are in semi-urban and rural areas. Number of employees were at 84,325 as of March 31, 2017.

ASSET QUALITY

Gross non-performing assets (NPAs) were at 1.05% of gross advances as on March 31, 2017, as against 1.05% as on December 31, 2016 and 0.94% as on March 31, 2016. Net non-performing assets were at 0.3% of net advances as on March 31, 2017.

SUBSIDIARIES

HDFC Securities Limited (HSL) is amongst the leading retail broking firms in India. As on March 31, 2017, the Bank held a 97.91% stake in HSL.

For the year ended March 31, 2017, HSL's total income grew by 37.7% to ₹ 553.2 crore. Net profit for the year was ₹ 215.9 crore a growth of 61.9% over ₹ 133.3 crore in the previous year.

HSL added 11 branches during the year, taking the total to 273 branches across 190 cities in the country serving 1.8 million customers.

HDB Financial Services Limited (HDBFS) is a non-deposit taking non-bank finance company ('NBFC') offering wide range of secured and unsecured loans to individuals, small and medium enterprises, including asset finance and consumer durable loans. It operates from 1,151 branches in 815 cities across the country. As on March 31, 2017, the Bank held a 96.20% stake in HDBFS.

As on March 31, 2017, HDBFS's balance sheet size was at 33,456.1 crore. The total loan book grew 32.3% to ₹ 32,291.8 crore as on March 31, 2017 (as against ₹ 24,409.6 crore as of March 31, 2016).

For the year ended March 31, 2017, HDBFS's net interest income grew by 41.0% to ₹ 2,037.2 crore (as against ₹ 1,444.5 crore in the previous year). The net profit for the year ended March 31, 2017 was ₹ 684.2 crore compared to ₹ 534.4 crore in the previous year, a growth of 28.0%.

Gross NPAs were at 1.45% of gross advances and net NPAs were at 0.9% of net advances as on March 31, 2017. Total CAR was at 20.8% with Tier-I CAR at 15.3%.

CONSOLIDATED FINANCIAL RESULTS

The consolidated net profit for the year ended March 31, 2017 was ₹ 15,253.0 crore, up 19.2%, over the year ended March 31, 2016. Consolidated advances grew by 20.2% from ₹ 487,290 crore as on March 31, 2016 to ₹ 585,481 crore as on March 31, 2017.

Note:

₹ = Indian Rupees

1 crore = 10 million

All figures and ratios are in accordance with Indian GAAP.

BSE: 500180



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NEWS RELEASE

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