

**HDFC Bank Limited****FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND HALF YEAR  
ENDED SEPTEMBER 30, 2017**

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter ended September 30, 2017, at their meeting held in Mumbai on Tuesday, October 24, 2017. The accounts have been subjected to an audit by the statutory auditors of the Bank.

**FINANCIAL RESULTS:****Profit & Loss Account: Quarter ended September 30, 2017**

The Bank's total income for the quarter ended September 30, 2017 was ₹ 23,276.2 crore, up from ₹ 19,970.9 crore for the quarter ended September 30, 2016. Net revenues (net interest income plus other income) increased by 22.6% to ₹ 13,358.0 crore for the quarter ended September 30, 2017 from ₹ 10,894.5 crore in the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended September 30, 2017 grew by 22.0% to ₹ 9,752.1 crore, from ₹ 7,993.6 crore for the quarter ended September 30, 2016, driven by average asset growth of 17.6% and a core net interest margin for the quarter of 4.3%.

Other income (non-interest revenue) at ₹ 3,605.9 crore was 27.0% of the net revenues for the quarter ended September 30, 2017 and grew by 24.3% over ₹ 2,901.0 crore in the corresponding quarter ended September 30, 2016. The four components of other income for the quarter ended September 30, 2017 were fees & commissions of ₹ 2,614.0 crore (₹ 2,103.9 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 384.0 crore (₹ 295.0 crore for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 355.9 crore (₹ 283.5 crore in the corresponding quarter of the previous year) and miscellaneous income, including recoveries and dividend, of ₹ 252.0 crore (₹ 218.6 crore for the corresponding quarter of the previous year).

Operating expenses for the quarter ended September 30, 2017 were ₹ 5,540.1 crore, an increase of 13.8% over ₹ 4,870.0 crore during the corresponding quarter of the previous year. The core cost-to-income ratio for the quarter was at 42.6% as against 45.9% for the corresponding quarter ended September 30, 2016.

Provisions and contingencies for the quarter ended September 30, 2017 were ₹ 1,476.2 crore (consisting of specific loan loss provisions ₹ 1,078.8 crore and general and other provisions ₹ 397.4 crore) as against ₹ 749.0 crore (consisting of specific loan loss provisions ₹ 640.7 crore and general and other provisions ₹ 108.3 crore) for the corresponding quarter ended September 30, 2016. Profit before tax for the quarter ended September 30, 2017 was up 20.2% to ₹ 6,341.7 crore.

After providing ₹ 2,190.7 crore for taxation, the Bank earned a net profit of ₹ 4,151.0 crore, an increase of 20.1% over the quarter ended September 30, 2016.

**Balance Sheet: As of September 30, 2017**

Total balance sheet size as of September 30, 2017 was ₹ 933,637 crore as against ₹ 788,827 crore as of September 30, 2016.

Total deposits as of September 30, 2017 were ₹ 689,346 crore, an increase of 16.5% over September 30, 2016. CASA deposits saw healthy growth with both savings account deposits and current account deposits each growing by 23.6% over the previous year to reach ₹ 197,655 crore and ₹ 97,825 crore respectively. Time deposits were at ₹ 393,866 crore, an increase of 11.7% over the previous year, resulting in CASA deposits comprising 42.9% of total deposits as on September 30, 2017.

Total advances as of September 30, 2017 were ₹ 604,867 crore, an increase of 22.3% over September 30, 2016 (domestic advances grew by 26.8%). This loan growth was contributed by both segments of the Bank's loan portfolio. As per regulatory [Basel 2] segment classification, retail loans grew by 21.6% and wholesale loans grew by 23.6% (as per internal business classification, the growth was 20.5% and 27.4% respectively). The loan mix between retail:wholesale was 55:45.

**Half Year ended September 30, 2017**

For the half year ended September 30, 2017, the Bank earned a total income of ₹ 45,461.6 crore as against ₹ 39,293.5 crore in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the six months ended September 30, 2017 were ₹ 26,245.4 crore, as against ₹ 21,482.6 crore for the six months ended September 30, 2016, an increase of 22.2%. Net profit for the half year ended September 30, 2017 was ₹ 8,044.9 crore, up by 20.2% over the corresponding half year ended September 30, 2016.

**Capital Adequacy:**

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 15.1% as on September 30, 2017 (15.4% as on September 30, 2016) as against a regulatory requirement of 10.25% including Capital Conservation Buffer of 1.25%. Tier-I CAR was at 13.3% as of September 30, 2017 and as of September 30, 2016. During the quarter, the Reserve Bank of India designated the Bank as a Domestic Systemically Important Bank and the Bank will be required to maintain additional Common Equity Tier-I Capital of 0.15% effective April 1, 2018, which will increase to 0.20% effective April 1, 2019. Risk-weighted Assets were ₹ 738,465 crore (₹ 576,858 crore as on September 30, 2016).

**NETWORK**

As of September 30, 2017, the Bank's distribution network was at 4,729 branches and 12,259 ATMs across 2,669 cities / towns as against 4,548 branches and 12,016 ATMs across 2,596 cities / towns as of September 30, 2016. Of the total branches, 52% are in semi-urban and rural areas.

**ASSET QUALITY**

Gross non-performing assets were at 1.26% of gross advances as on September 30, 2017, as against 1.24% as on June 30, 2017 and 1.02% as on September 30, 2016. Net non-performing assets were at 0.4% of net advances as on September 30, 2017.

The Bank had participated in a project loan (where the Bank had a 2.3% share) which underwent flexible structuring under the 5:25 regulatory framework as approved by the Joint Lenders Forum (JLF) in February 2016. The Bank is in ongoing discussions and correspondence with the regulator in relation to certain observations made on the implementation of the JLF-approved flexible structuring scheme. The conduct of this account with the Bank has been standard throughout. Nevertheless, in the interim, the Bank has made sufficient contingent provisions for this account as at September 30, 2017.

Note:

₹ = Indian Rupees

1 crore = 10 million

All figures and ratios are in accordance with Indian GAAP.



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## NEWS RELEASE

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BSE: 500180

NSE: HDFCBANK

NYSE: HDB

*Certain statements are included in this release which contain words or phrases such as "will," "aim," "will likely result," "believe," "expect," "will continue," "anticipate," "estimate," "intend," "plan," "contemplate," "seek to," "future," "objective," "goal," "project," "should," "will pursue" and similar expressions or variations of these expressions, that are "forward-looking statements." Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with our expectations with respect to, but not limited to, our ability to implement our strategy successfully, the market acceptance of and demand for various Banking services, future levels of our non-performing loans, our growth and expansion, the adequacy of our allowance for credit and investment losses, technological changes, volatility in investment income, our ability to market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to pay dividends, the impact of changes in Banking regulations and other regulatory changes on us in India and other jurisdictions, our ability to roll over our short-term funding sources and our exposure to market and operational risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what may actually occur in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated. In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this document include, but are not limited to: general economic and political conditions, instability or uncertainty in India and the other countries which have an impact on our business activities or investments caused by any factor, including terrorist attacks in India, the United States or elsewhere, anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, tensions between India and Pakistan related to the Kashmir region or between India and China, military armament or social unrest in any part of India; the monetary and interest rate policies of the government of India, natural calamities, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices; the performance of the financial markets in India and globally, changes in Indian and foreign laws and regulations, including tax, accounting and Banking regulations, changes in competition and the pricing environment in India, and regional or general changes in asset valuations.*

For more information please log on to: [www.hdfcBank.com](http://www.hdfcBank.com)

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