

HDFC BANK LIMITED
FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2015

₹ in lacs

Particulars	Quarter ended 31.12.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2014	Nine Months ended 31.12.2015	Nine Months ended 31.12.2014	Year ended 31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Interest Earned (a)+(b)+(c)+(d)	1541112	1477252	1239583	4422470	3546354	4846991
a) Interest / discount on advances / bills	1148349	1094834	954318	3287897	2735210	3718079
b) Income on Investments	365142	339767	248357	1033043	701753	965849
c) Interest on balances with Reserve Bank of India and other inter bank funds	5952	17486	13794	31269	40704	51710
d) Others	21669	25165	23114	70261	68687	91353
2 Other Income	287219	255176	253491	788586	643259	899634
3 TOTAL INCOME (1)+(2)	1828331	1732428	1493074	5211056	4189612	5745625
4 Interest Expended	834261	809162	669590	2408652	1908101	2607423
5 Operating Expenses (i)+(ii)	420484	418977	345628	1239540	1013259	1388755
i) Employees cost	143127	141397	113253	420425	342540	475096
ii) Other operating expenses	277357	277580	232375	819115	670719	923659
6 TOTAL EXPENDITURE (4)+(5) (excluding Provisions & Contingencies)	1254745	1228139	1015218	3648192	2921360	4006178
7 Operating Profit before Provisions and Contingencies (3)-(6)	573586	504289	477856	1562864	1268252	1740447
8 Provisions (other than tax) and Contingencies	65388	68129	56043	206316	149910	207575
9 Exceptional Items	-	-	-	-	-	-
10 Profit / (Loss) from Ordinary Activities before tax (7)-(8)-(9)	508198	436160	421813	1356548	1118342	1532872
11 Tax Expense	172514	149215	142362	464347	377441	511280
12 Net Profit / (Loss) from Ordinary Activities after tax (10)-(11)	335684	286945	279451	892201	740901	1021592
13 Extraordinary items (net of tax expense)	-	-	-	-	-	-
14 Net Profit / (Loss) for the period (12)-(13)	335684	286945	279451	892201	740901	1021592
15 Paid up equity share capital (Face Value of ₹ 2/- each)	50502	50364	48348	50502	48348	50100
16 Reserves excluding revaluation reserves	-	-	-	-	-	6150813
17 Analytical Ratios						
(i) Percentage of shares held by Government of India	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Capital Adequacy Ratio	15.9%	15.5%	15.7%	15.9%	15.7%	16.8%
(iii) Earnings per share (₹)						
(a) Basic EPS before & after extraordinary items (net of tax expense) - not annualized	13.3	11.5	11.5	35.5	30.7	42.1
(b) Diluted EPS before & after extraordinary items (net of tax expense) - not annualized	13.1	11.3	11.4	35.0	30.4	41.7
(iv) NPA Ratios						
(a) Gross NPAs	425520	382777	346791	425520	346791	343833
(b) Net NPAs	126060	103768	90366	126060	90366	89628
(c) % of Gross NPAs to Gross Advances	0.97%	0.91%	0.99%	0.97%	0.99%	0.93%
(d) % of Net NPAs to Net Advances	0.29%	0.25%	0.26%	0.29%	0.26%	0.25%
(v) Return on Assets (average) - not annualized	0.5%	0.5%	0.5%	1.4%	1.5%	2.0%



Segment information in accordance with the Accounting Standard on Segment Reporting (AS 17) of the operating segments of the Bank is as under:

(₹ in lacs)

Particulars	Quarter ended 31.12.2015	Quarter ended 30.09.2015	Quarter ended 31.12.2014	Nine Months ended 31.12.2015	Nine Months ended 31.12.2014	Year ended 31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue						
a) Treasury	480719	427215	334369	1328543	918453	1290389
b) Retail Banking	1514811	1470256	1256912	4381136	3592171	4881418
c) Wholesale Banking	683570	671954	593676	2013886	1699537	2315260
d) Other Banking Operations	200961	178406	167827	537015	441742	620102
e) Unallocated	-	-	823	-	823	862
Total	2880061	2747831	2352707	8260380	6652726	9108031
Less: Inter Segment Revenue	1051730	1015403	859633	3049324	2463114	3361408
Income from Operations	1828331	1732428	1493074	5211056	4189612	5746625
2 Segment Results						
a) Treasury	51324	27092	26641	111580	33003	61836
b) Retail Banking	194692	173091	164963	525832	462445	622883
c) Wholesale Banking	217364	194314	195012	618179	559591	747183
d) Other Banking Operations	80411	75298	72046	207937	174511	248689
e) Unallocated	(35593)	(33635)	(36349)	(106980)	(111208)	(147713)
Total Profit Before Tax	508198	436160	421813	1356548	1118342	1532872
3 Capital Employed (Segment Assets - Segment Liabilities)						
a) Treasury	16385459	16168255	12588592	16385459	12588592	15425638
b) Retail Banking	(18535401)	(18084656)	(16204827)	(18535401)	(18204827)	(17421098)
c) Wholesale Banking	8888265	8530085	8817771	8888265	8817771	8307529
d) Other Banking Operations	1810316	1643283	1460408	1810316	1460408	1545754
e) Unallocated	(1347983)	(1429256)	(1494657)	(1347983)	(1494657)	(1656889)
Total	7200656	6827711	5167277	7200656	5167277	6200943

Business Segments have been identified and reported taking into account the target customer profile, the nature of products and services, the differing risks and returns, the organisation structure, the internal business reporting system and the guidelines prescribed by RBI.

**Notes :**

1 Statement of Assets and Liabilities as on December 31, 2015 is given below.

(₹ in lacs)

Particulars	As at	As at	As at
	31.12.2015	31.03.2015	31.12.2014
	Unaudited	Audited	Unaudited
CAPITAL AND LIABILITIES			
Capital	50502	50130	48348
Reserves and Surplus	7150154	6150813	5116929
Deposits	52399679	45079585	41412826
Borrowings	6003510	4521356	3965862
Other Liabilities and Provisions	3185344	3248444	2939564
Total	68789189	59050308	53485519
ASSETS			
Cash and Balances with Reserve Bank of India	2652253	2751045	2096119
Balances with Banks and Money at Call and Short notice	578946	882100	1205758
Investments	18234510	15164177	11963872
Advances	43636444	36549504	34708798
Fixed Assets	323946	312172	293530
Other Assets	3333090	3391310	3215442
Total	68789189	59050308	53485519

- 2 The statement of financial results for the quarter and nine months ended December 31, 2015 has been prepared in accordance with Regulation 33 of SEBI (Listing and Other Disclosures Requirements) Regulations, 2015.
- 3 The above results have been approved by the Board of Directors at its meeting held on January 25, 2016.
- 4 The results for the quarter and nine months ended December 31, 2015 have been subjected to a "Limited Review" by the Statutory Auditors of the Bank. An unqualified report has been issued by them thereon.
- 5 The Bank has followed the same significant accounting policies in the preparation of these financial results as those followed in the annual financial statements for the year ended March 31, 2015.
- 6 Pursuant to RBI circular DBR.BP.BC.No.31/21.04.018/2015-16 dated July 16, 2015, the Bank, effective quarter ended June 30, 2015, included its deposits placed with NABARD, SIDBI and NHB on account of shortfall in lending to priority sector under 'Other Assets' and interest thereon under 'Interest Earned - Others'. Earlier these were included under 'Investments' and under 'Interest Earned- Income on Investments' respectively. Figures for the previous periods have been regrouped / reclassified to conform to current period's classification. The above change in classification does not impact the profit of the Bank for the periods presented.
- 7 RBI circular DBOB.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 on 'Basel III Capital Regulations' read together with the RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015 on 'Prudential Guidelines on Capital Adequacy and Liquidity Standards - Amendments' requires banks to make applicable Pillar 3 disclosures including leverage ratio and liquidity coverage ratio under the Basel III Framework. These disclosures are available on the Bank's website at the following link. http://www.hdfcbank.com/aboutus/basel_disclosures/default.htm. The disclosures have not been subjected to audit or limited review.
- 8 Pursuant to the shareholder and regulatory approvals, the Bank on February 10, 2015, concluded a Qualified Institutions Placement (QIP) of 1,87,44,142 equity shares at a price of ₹ 1,067 per equity share aggregating ₹ 2,000 crore and an American Depository Receipt (ADR) offering of 2,20,00,000 ADRs (representing 6,60,00,000 equity shares) at a price of USD 57.76 per ADR, aggregating USD 1,271 million. Pursuant to these issuances, the Bank allotted 8,47,44,142 additional equity shares. Accordingly, share capital increased by ₹ 16.95 crores and share premium increased by ₹ 9,705.84 crores, net of share issue expenses of ₹ 151.03 crores.
- 9 During the quarter and nine months ended December 31, 2015, the Bank allotted 6893200 and 18591100 shares pursuant to the exercise of options under the approved employee stock option schemes.
- 10 Other income relates to income from non-fund based banking activities including commission, fees, earnings from foreign exchange and derivative transactions, profit and loss (including revaluation) from investments and recoveries from accounts written off.
- 11 As at December 31, 2015, the total number of branches (including extension counters) and ATM network stood at 4281 branches and 11843 ATMs respectively.
- 12 Figures of the previous periods have been regrouped / reclassified wherever necessary to conform to current period's classification.

₹ 10 lac = ₹ 1 million

₹ 10 million = ₹ 1 crore

Place : Mumbai

Date : January 25, 2016


Aditya Paraj
Managing Director



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FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2015

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter and nine months ended December 31, 2015 at their meeting held in Mumbai on Monday, January 25, 2016. The accounts have been subjected to a 'Limited Review' by the statutory auditors of the Bank.

FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended December 31, 2015

The Bank's total income for the quarter ended December 31, 2015 was ₹ 18,283.3 crores, up from ₹ 14,930.7 crores for the quarter ended December 31, 2014. Net revenues (net interest income plus other income) increased by 20.7% to ₹ 9,940.7 crores for the quarter ended December 31, 2015 as against ₹ 8,234.8 crores for the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended December 31, 2015 grew by 24.0% to ₹ 7,068.5 crores, from ₹ 5,699.9 crores for the quarter ended December 31, 2014 driven by average assets growth of 28.2% and a net interest margin for the quarter of 4.3%.

Other income (non-interest revenue) at ₹ 2,872.2 crores was 28.9% of the net revenues for the quarter ended December 31, 2015 and grew by 13.3% over ₹ 2,534.9 crores in the corresponding quarter ended December 31, 2014. The four components of other income for the quarter ended December 31, 2015 were fees & commissions of ₹ 2,004.8 crores (₹ 1,806.5 crores in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 277.4 crores (₹ 253.4 crores for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 327.9 crores (₹ 265.5 crores in the corresponding quarter of the previous year) and miscellaneous income including recoveries of ₹ 262.1 crores (₹ 209.5 crores for the corresponding quarter of the previous year).

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Operating expenses for the quarter ended December 31, 2015 were ₹ 4,204.8 crores, an increase of 21.7% over ₹ 3,456.3 crores during the corresponding quarter of the previous year. The core cost-to-income ratio for the quarter was at 43.7% as against 43.4% for the corresponding quarter ended December 31, 2014.

Provisions and contingencies for the quarter ended December 31, 2015 were ₹ 653.9 crores (consisting of specific loan loss provisions ₹ 601.5 crores, general provisions ₹ 49.9 crores, and other provisions ₹ 2.5 crores) as against ₹ 560.4 crores (consisting of specific loan loss provisions ₹ 487.6 crores, general provisions ₹ 62.2 crores and other provisions ₹ 10.6 crores) for the corresponding quarter ended December 31, 2014. After providing ₹ 1,725.1 crores for taxation, the Bank earned a net profit of ₹ 3,356.8 crores, an increase of 20.1% over the quarter ended December 31, 2014.

Balance Sheet: As of December 31, 2015

Total balance sheet size as of December 31, 2015 was ₹ 687,892 crores as against ₹ 534,855 crores as of December 31, 2014.

Total deposits as of December 31, 2015 were ₹ 523,997 crores, an increase of 26.5% over December 31, 2014. CASA deposits saw healthy growth with current account deposits growing by 29.7% over the previous year to reach ₹ 74,044 crores and savings account deposits growing by 20.6% over the previous year to reach ₹ 135,432 crores. Time deposits were at ₹ 314,522 crores, an increase of 28.5% over the previous year resulting in CASA proportion of 40% as on December 31, 2015.

Advances as of December 31, 2015 were ₹ 436,364 crores, an increase of 25.7% over December 31, 2014. Both segments of the Bank's loan portfolio grew faster than system loan growth. As per the Bank's internal business classification, the domestic retail loans and wholesale loans grew by 29.2% and 18.9% respectively. As per regulatory [Basel 2] segment classification the growth rates were 30.4% for domestic retail loans and 20.7% for wholesale loans. The domestic loan mix as per Basel 2 classification between retail:wholesale was 53:47 and advances in overseas branches as of December 31, 2015 were at 7.5% of the total advances.

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Nine Months ended December 31, 2015

For the nine months ended December 31, 2015, the Bank earned a total income of ₹ 52,110.6 crore as against ₹ 41,896.1 crore in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the nine months ended December 31, 2015 were ₹ 28,024.0 crore, as against ₹ 22,815.1 crore for the nine months ended December 31, 2014, an increase of 22.8%. Net profit for the nine months ended December 31, 2015 was ₹ 8,922.0 crore, up by 20.4% over the corresponding nine months ended December 31, 2014.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines, was at 15.9% as at December 31, 2015 (15.7% as at December 31, 2014) as against a regulatory requirement of 9%. Tier-I CAR was at 13.2% as on December 31, 2015 compared to 12.0% as at December 31, 2014.

NETWORK

As of December 31, 2015, the Bank's distribution network was at 4,281 branches and 11,843 ATMs across 2,505 cities / towns as against 3,659 branches and 11,633 ATMs across 2,287 cities / towns as of December 31, 2014. 55% of branches are now in the semi-urban and rural areas. Number of employees increased from 76,253 as of December 31, 2014 to 84,619 as of December 31, 2015.

ASSET QUALITY

Gross non-performing assets (NPAs) were at 0.97% of gross advances as on December 31, 2015, as against 0.99% as on December 31, 2014. Net non-performing assets were at 0.3% of net advances as on December 31, 2015. Total restructured loans were at 0.1% of gross advances as of December 31, 2015 as against 0.1% as of December 31, 2014.

Note:

₹ = Indian Rupees

1 crore = 10 million

All figures and ratios are in accordance with Indian GAAP.



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For more information please log on to: www.hdfcbank.com

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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF HDFC BANK LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **HDFC BANK LIMITED** ("the Bank") for the Quarter and Nine Months ended 31 December 2015 ("the Statement"), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except for the matters set out in paragraph 4 below. This Statement which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the accounting principles generally accepted in India along with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder in so far as they apply to banks and circulars and guidelines issued by the Reserve Bank of India from time to time. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review of the results for the quarter and nine months ended 31 December 2015 conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards along with the other accounting principles generally accepted in India in so far as they apply to banks, and circulars and guidelines issued by the Reserve Bank of India from time to time, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that the financial results for the quarter and nine months ended 31 December 2015 contains any material misstatement or have not been prepared in accordance with the

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relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

4. The "Pillar 3 disclosures, the leverage ratio and the liquidity coverage ratio under Basel III Capital Regulation" as set out in Note 6 of the accompanying Statement have not been subjected to our review.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

P. B. Pardiwalla

P. B. Pardiwalla
Partner
(Membership No. 40005)

MUMBAI, 25 January 2016