

Best Bank – HDFC Bank

HDFC Bank was adjudged the Best Bank in India at the FinanceAsia Country Awards for Achievement, 2013.

Here is an excerpt from the magazine, "India's second-Biggest private sector bank stands apart from its bigger rival, ICICI, thanks to its clean balance sheet, strong lending growth and big margins.

It is also the epitome of stable growth. HDFC Bank's latest annual report comprises pages of charts that all rise smoothly in the right direction. Indeed, the pretty charts almost obscure the extraordinary pace of growth. HDFC Bank's profit has risen by more than 30% for the past two financial years and has been consistently growing at double-digit pace for the past decade.

This is supported by the similarly rapid expansion of its lending book, which grew 22.7% during the most recent full financial year. The bank continued its organic expansion by opening 518 branches during the year.

That makes it one of the fastest-growing banks in the country, despite being its third biggest. It is also one of the most efficient, with a return on equity of around 20% and a net interest margin of 4.5%.

At the same time, its strong underwriting standards have allowed it to navigate the global financial crisis with a non-performing loan portfolio that peaked at about 2% of total loans in 2009, and is now back to less than 1%. Total Basel II capital adequacy ratio stood at 16.8%, well above the regulatory minimum of 9%. Tier - I capital is 11.1%."