

HDFC Bank Limited

**FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND YEAR ENDED
MARCH 31, 2019**

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter and full year ended March 31, 2019, at their meeting held in Mumbai on Saturday, April 20, 2019. The accounts have been subjected to an audit by the statutory auditors of the Bank.

STANDALONE FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended March 31, 2019

The Bank's total income for the quarter ended March 31, 2019 at ₹ 31,204.5 crore grew by 22.1% from ₹ 25,549.7 crore for the quarter ended March 31, 2018. Net revenues (net interest income plus other income) increased by 20.7% to ₹ 17,960.7 crore for the quarter ended March 31, 2019 from ₹ 14,886.3 crore in the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended March 31, 2019 grew by 22.8% to ₹ 13,089.5 crore, from ₹ 10,657.7 crore for the quarter ended March 31, 2018, driven by average asset growth of 19.8% and a core net interest margin for the quarter of 4.4%.

Other income (non-interest revenue) at ₹ 4,871.2 crore was 27.1% of the net revenues for the quarter ended March 31, 2019 and grew by 15.2% over ₹ 4,228.6 crore in the corresponding quarter ended March 31, 2018. The four components of other income for the quarter ended March 31, 2019 were fees & commissions of ₹ 3,692.1 crore (₹ 3,329.7 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 403.3 crore (₹ 416.4 crore for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 228.9 crore (loss of ₹ 22.0 crore in the corresponding quarter of the previous year) and miscellaneous income, including recoveries and dividend, of ₹ 546.9 crore (₹ 504.5 crore for the corresponding quarter of the previous year).

Operating expenses for the quarter ended March 31, 2019 were ₹ 7,117.1 crore, an increase of 17.6% over ₹ 6,050.6 crore during the corresponding quarter of the previous

year. The core cost-to-income ratio for the quarter was at 40.1% as against 40.6% for the corresponding quarter ended March 31, 2018.

Provisions and contingencies for the quarter ended March 31, 2019 were ₹ 1,889.2 crore (consisting of specific loan loss provisions ₹ 1,431.2 crore, general provisions ₹ 191.2 crore and other provisions ₹ 266.9 crore) as against ₹ 1,541.1 crore (consisting of specific loan loss provisions ₹ 1,132.5 crore, general provisions ₹ 153.4 crore and other provisions ₹ 255.3 crore) for the quarter ended March 31, 2018. Profit before tax (PBT) for the quarter ended March 31, 2019 was up 22.8% to ₹ 8,954.4 crore.

After providing ₹ 3,069.3 crore for taxation, the Bank earned a net profit of ₹ 5,885.1 crore, an increase of 22.6% over the quarter ended March 31, 2018.

Profit & Loss Account: Year ended March 31, 2019

For the year ended March 31, 2019, the Bank earned a total income of ₹ 116,597.9 crore. Net revenues (net interest income plus other income) for the year ended March 31, 2019 were ₹ 65,869.1 crore, up by 19.1% over ₹ 55,315.2 crore for the year ended March 31, 2018. The core net interest margin for the year ended March 31, 2019 was 4.3%. The core cost to income ratio for the year ended March 31, 2019 was at 39.9%, as against 41.7% for the year ended March 31, 2018.

The Bank's net profit for the year ended March 31, 2019 was ₹ 21,078.1 crore, up 20.5% over the year ended March 31, 2018.

Balance Sheet: As of March 31, 2019

Total balance sheet size as of March 31, 2019 was ₹ 1,244,541 crore as against ₹1,063,934 crore as of March 31, 2018.

Total deposits as of March 31, 2019 were ₹ 923,141 crore, an increase of 17.0% over March 31, 2018. CASA deposits grew by 14.0% with savings account deposits at ₹ 248,700 crore and current account deposits at ₹ 142,498 crore. Time deposits were at ₹ 531,943 crore, an increase of 19.4% over the previous year, resulting in CASA deposits comprising 42.4% of total deposits as of March 31, 2019. The Bank's continuing focus on deposits helped in the maintenance of a healthy liquidity coverage ratio at 118%, well above the regulatory requirement.

Total advances as of March 31, 2019 were ₹ 819,401 crore, an increase of 24.5% over March 31, 2018. Domestic advances grew by 24.6% over March 31, 2018. As per regulatory [Basel 2] segment classification, domestic retail loans grew by 19.0% and domestic wholesale loans grew by 31.9%. The domestic loan mix as per Basel 2 classification between retail:wholesale was 54:46. Overseas advances constituted 3% of total advances.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 17.1% as on March 31, 2019 (14.8% as on March 31, 2018) as against a regulatory requirement of 11.025% which includes Capital Conservation Buffer of 1.875%, and an additional requirement of 0.15% on account of the Bank being identified as a Domestic Systemically Important Bank (D-SIB). Tier 1 CAR was at 15.8% as of March 31, 2019 compared to 13.2% as of March 31, 2018. Common Equity Tier 1 Capital ratio was at 14.9% as of March 31, 2019. Risk-weighted Assets were at ₹ 931,930 crore (as against ₹ 800,126 crore as at March 31, 2018).

DIVIDEND

The Board of Directors recommended a dividend of ₹ 15 per equity share of ₹ 2 for the year ended March 31, 2019, as against ₹ 13 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, 2019, the Bank's distribution network was at 5,103 banking outlets and 13,160 ATMs across 2,748 cities / towns as against 4,787 banking outlets and 12,635 ATMs across 2,691 cities / towns as of March 31, 2018. Of the total banking outlets, 53% are in semi-urban and rural areas. Number of employees were at 98,061 as of March 31, 2019 (as against 88,253 as of March 31, 2018).

ASSET QUALITY

Gross non-performing assets were at 1.36% of gross advances as on March 31, 2019, as against 1.38% as on December 31, 2018 and 1.30% as on March 31, 2018. Coverage ratio as on March 31, 2019 was 71%. Net non-performing assets were at 0.4% of net advances as on March 31, 2019. The Bank held floating provisions of ₹ 1,451 crore as on March 31, 2019. Total provisions (comprising specific provisions,

general provisions and floating provisions) were 117% of the gross non-performing loans as on March 31, 2019.

SUBSIDIARIES

The financial results of the Bank's subsidiary companies have been prepared in accordance with notified Indian Accounting Standards ('Ind-AS') with effect from April 1, 2018 (April 1, 2017 being the transition date). Accordingly, the financial results for the comparative reporting period have also been prepared in accordance therewith.

HDFC Securities Limited (HSL) is amongst the leading retail broking firms in India. As on March 31, 2019, the Bank held 97.3% stake in HSL.

For the year ended March 31, 2019, HSL's total income was ₹ 782.1 crore as against 800.1 crore for the year ended March 31, 2018. Profit after tax before other comprehensive income for the year was ₹ 329.8 crore, as against ₹ 344.7 crore in the previous year.

As on March 31, 2019 HSL had 278 branches across 165 cities / towns in the country.

HDB Financial Services Limited (HDBFSL) is a non-deposit taking non-bank finance company ('NBFC') offering wide range of loans and asset finance products to individuals, emerging businesses and micro enterprises. As on March 31, 2019, the Bank held 95.5% stake in HDBFSL.

As on March 31, 2019, HDBFSL's balance sheet size was at ₹ 56,540 crore. The gross loan book grew by 23.6% to ₹ 54,709 crore as on March 31, 2019 (as against ₹ 44,268 crore as of March 31, 2018).

For the year ended March 31, 2019, HDBFSL's net interest income grew by 17.2% to ₹ 3,378.8 crore (as against ₹ 2,882.2 crore in the previous year). Profit after tax before other comprehensive income for the year ended March 31, 2019 was ₹ 1,153.2 crore compared to ₹ 933.0 crore in the previous year, a growth of 23.6%.

As on March 31, 2019, HDBFSL had 1,350 branches across 981 cities / towns.

Gross impaired loans were at 1.8% of gross loans and net impaired loans were at 1.3% of net loans as on March 31, 2019. Total CAR was at 17.9% with Tier-I CAR at 12.8%.

CONSOLIDATED FINANCIAL RESULTS

The Bank's consolidated financial results include financial results of its subsidiary companies based on the recognition and measurement principles as per Indian GAAP.

The consolidated net profit for the year ended March 31, 2019 was ₹ 22,332.4 crore, up 20.7%, over the year ended March 31, 2018. Consolidated advances grew by 24.2% from ₹ 700,034 crore as on March 31, 2018 to ₹ 869,223 crore as on March 31, 2019.

Note:

₹ = Indian Rupees

1 crore = 10 million

All figures and ratios are in accordance with Indian GAAP unless otherwise specified.

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

For media queries please contact:

Neeraj Jha

Head, Corporate Communication

HDFC Bank Ltd., Mumbai.

Tel: 91 - 22 - 6652 1308 (D) / 6652 1000 (B)

Fax: 91 - 22 - 2490 3168

Mobile: +91 93236 20828

neeraj.jha@hdfcbank.com

For investor queries please contact:

Bhavin Lakhpatwala

HDFC Bank Ltd., Mumbai.

Tel: 91 - 22 - 6652 1083 (D) / 6652 1000 (B)

Mobile: +91 74983 51730

bhavin.lakhpatwala@hdfcbank.com