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NEWS RELEASE

HDFC Bank Ltd.
HDFC Bank House,
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.
CIN: L65920MH1994PLC080618

HDFC Bank Limited

FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2021

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter and half year ended September 30, 2021, at its meeting held in Mumbai on Saturday, October 16, 2021. The accounts have been subjected to an audit by the statutory auditors of the Bank.

STANDALONE FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended September 30, 2021

The Bank's net revenues (net interest income plus other income) increased by 14.7% to ₹ 25,085.2 crore for the quarter ended September 30, 2021 from ₹ 21,868.8 crore for the quarter ended September 30, 2020.

Net interest income (interest earned less interest expended) for the quarter ended September 30, 2021 grew by 12.1% to ₹ 17,684.4 crore from ₹ 15,776.4 crore for the quarter ended September 30, 2020. Advances grew at 15.5% reaching new heights driven through relationship management, digital offering and breadth of products. Core net interest margin was at 4.1%. New liability relationships added during the quarter were at an all time high. This continued focus on deposits helped in the maintenance of a healthy liquidity coverage ratio at 123%, well above the regulatory requirement, which positions the Bank favorably to capitalize on the opportunities that would arise as the economy gains momentum during the festive months.

Other income (non-interest revenue) at ₹ 7,400.8 crore was 29.5% of net revenues for the quarter ended September 30, 2021 and grew by 21.5% over ₹ 6,092.5 crore in the corresponding quarter of the previous year. The four components of other income for the quarter ended September 30, 2021 were fees & commissions of ₹ 4,945.9 crore (₹ 3,940.3 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 867.3 crore (₹ 560.4 crore in the corresponding quarter of the previous year), gain on sale / revaluation of investments of ₹ 675.5 crore (₹ 1,016.2 crore in the corresponding quarter of the previous year) and miscellaneous income,



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including recoveries and dividend, of ₹ 912.1 crore (₹ 575.6 crore in the corresponding quarter of the previous year).

We added 256 branches and 12,259 people over the last twelve months and made other investments to position ourselves and capitalize on the growth opportunity. Operating expenses for the quarter ended September 30, 2021 were ₹ 9,277.9 crore, an increase of 15.2% over ₹ 8,055.1 crore during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 37.0%.

Pre-provision Operating Profit (PPOP) at ₹ 15,807.3 crore grew by 14.4% over the corresponding quarter of the previous year.

Provisions and contingencies for the quarter ended September 30, 2021 were ₹ 3,924.7 crore (consisting of specific loan loss provisions of ₹ 2,286.4 crore and general and other provisions of ₹ 1,638.3 crore) as against ₹ 3,703.5 crore (consisting of specific loan loss provisions of ₹ 1,240.6 crore and general and other provisions of ₹ 2,462.9 crore) for the quarter ended September 30, 2020. Total provisions for the current quarter included contingent provisions of approximately ₹ 1,200 crore.

The total credit cost ratio was at 1.30%, as compared to 1.67% for the quarter ending June 30, 2021 and 1.41% for the quarter ending September 30, 2020.

Profit before tax (PBT) for the quarter ended September 30, 2021 at ₹ 11,882.6 crore grew by 17.5% over corresponding quarter of the previous year. After providing ₹ 3,048.3 crore for taxation, the Bank earned a net profit of ₹ 8,834.3 crore, an increase of 17.6% over the quarter ended September 30, 2020.

Balance Sheet: As of September 30, 2021

Total balance sheet size as of September 30, 2021 was ₹ 1,844,845 crore as against ₹1,609,428 crore as of September 30, 2020, a growth of 14.6%.

Total deposits as of September 30, 2021 were ₹ 1,406,343 crore, an increase of 14.4% over September 30, 2020. CASA deposits grew by 28.7% with savings account deposits at ₹ 452,381 crore and current account deposits at ₹ 205,851 crore. Time deposits were at ₹ 748,111 crore, an increase of 4.2% over the corresponding quarter of the previous year, resulting in CASA deposits comprising 46.8% of total deposits as of September 30, 2021.



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Total advances as of September 30, 2021 were ₹ 1,198,837 crore, an increase of 15.5% over September 30, 2020. Retail loans grew by 12.9%, commercial and rural banking loans grew by 27.6% and other wholesale loans grew by 6.0%. Overseas advances constituted 3.5% of total advances.

Half Year ended September 30, 2021

For the half year ended September 30, 2021, the Bank earned a total income of ₹ 75,525.6 crore as against ₹ 70,522.7 crore in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the half year ended September 30, 2021 were ₹ 48,382.6 crore, as against ₹ 41,609.6 crore for the half year ended September 30, 2020. Net profit for the half year ended September 30, 2021 was ₹ 16,564.0 crore, up by 16.9% over the corresponding half year ended September 30, 2020.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 20.0% as on September 30, 2021 (19.1% as on September 30, 2020) as against a regulatory requirement of 11.075% which includes Capital Conservation Buffer of 1.875%, and an additional requirement of 0.20% on account of the Bank being identified as a Domestic Systemically Important Bank (D-SIB). Tier 1 CAR was at 18.7% as of September 30, 2021 compared to 17.7% as of September 30, 2020. Common Equity Tier 1 Capital ratio was at 17.4% as of September 30, 2021. Risk-weighted Assets were at ₹ 1,190,270 crore (as against ₹ 1,037,483 crore as at September 30, 2020).

NETWORK

As of September 30, 2021, the Bank's distribution network was at 5,686 branches and 16,642 ATMs / Cash Deposit & Withdrawal Machines (CDMs) across 2,929 cities / towns as against 5,430 branches and 15,292 ATMs / CDMs across 2,848 cities / towns as of September 30, 2020. 50% of our branches are in semi-urban and rural areas. In addition, we have 15,946 business correspondents, which are primarily manned by Common Service Centres (CSC) as against 12,141 business correspondents as of September 30, 2020. Number of employees were at 129,341 as of September 30, 2021 (as against 117,082 as of September 30, 2020).

ASSET QUALITY

Gross non-performing assets were at 1.35% of gross advances as on September 30, 2021, (1.2% excluding NPAs in the agricultural segment) as against 1.47% as on June 30, 2021 (1.3% excluding NPAs in the agricultural segment) and 1.37% (proforma approach) as on September 30, 2020 (1.2% excluding NPAs in the agricultural segment). Net non-performing assets were at 0.40% of net advances as on September 30, 2021.

The Bank held floating provisions of ₹ 1,451 crore and contingent provisions of ₹ 7,756 crore as on September 30, 2021. Total provisions (comprising specific, floating, contingent and general provisions) were 163% of the gross non-performing loans as on September 30, 2021.

SUBSIDIARIES

The Bank's subsidiary companies prepare their financial results in accordance with the notified Indian Accounting Standards ('Ind-AS'). The Bank for the purposes of its statutory compliance prepares and presents its financial results under Indian GAAP. Hence the Bank's subsidiary companies, for the purposes of the consolidated financial results of the Bank, prepare 'fit-for-consolidation information' based on the recognition and measurement principles as per Indian GAAP. The financial numbers of the Bank's subsidiary companies mentioned herein below are in accordance with Ind-AS.

HDFC Securities Limited (HSL) is amongst the leading retail broking firms in India. As on September 30, 2021, the Bank held 96.2% stake in HSL. For the quarter ended September 30, 2021, HSL's total income grew by 42% to ₹ 489.5 crore, as against ₹ 344.3 crore for the quarter ended September 30, 2020. Profit after tax for the quarter grew by 44% to ₹ 239.6 crore, as against ₹ 165.8 crore for the quarter ended September 30, 2020.

As on September 30, 2021, HSL had 213 branches across 147 cities / towns in the country.

HDB Financial Services Limited (HDBFSL) is a non-deposit taking non-banking finance company ('NBFC') offering wide range of loans and asset finance products to individuals, emerging businesses and micro enterprises. As on September 30, 2021, the Bank held 95.1% stake in HDBFSL.



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The total loan book was ₹ 60,008 crore as on September 30, 2021 as against ₹ 59,744 crore as on September 30, 2020. Liquidity coverage ratio was healthy at 157%.

For the quarter ended September 30, 2021, HDBFSL's net revenue was at ₹ 1,916.7 crore as against ₹ 1,703.7 crore for the quarter ended September 30, 2020, a growth of 12.5%. Pre-provision Operating Profit (PPOP) was ₹ 885.9 crore as against ₹ 816.0 crore for the quarter ended September 30, 2020, a growth of 8.6%.

Provisions and contingencies for the quarter were at ₹ 633.9 crore (including ₹ 125.0 crore of conservative management overlay) as against ₹ 929.8 crore for the quarter ended September 30, 2020 and ₹ 869.6 crore (including ₹ 200.0 crore of conservative management overlay) in the prior quarter.

Profit after tax for the quarter ended September 30, 2021 was ₹ 191.7 crore compared to a loss of ₹ 85.0 crore for the quarter ended September 30, 2020 and a profit after tax of ₹ 88.6 cr for the quarter ended June 30, 2021.

As on September 30, 2021, gross Stage 3 stood at 6.1%, a reduction of over 200 bps in the quarter.

Total CAR was at 19.8% with Tier-I CAR at 14.3% as on September 30, 2021.

As on September 30, 2021, HDBFSL had 1,336 branches across 956 cities / towns.

CONSOLIDATED FINANCIAL RESULTS

The consolidated net profit for the quarter ended September 30, 2021 was ₹ 9,096 crore, up 18.1%, over the quarter ended September 30, 2020. Consolidated advances grew by 14.7% from ₹ 1,088,948 crore as on September 30, 2020 to ₹ 1,249,331 crore as on September 30, 2021.

The consolidated net profit for the half year ended September 30, 2021 was ₹ 17,018 crore, up 16.3%, over the half year ended September 30, 2020.

Note:

₹ = Indian Rupees

1 crore = 10 million

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



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BSE: 500180

NSE: HDFCBANK

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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

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