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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 NINE MONTHS ENDED DECEMBER 31, 2021

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter and nine months ended December 31, 2021, at its meeting held in Mumbai on Saturday, January 15, 2022. The accounts have been subjected to a 'Limited Review' by the statutory auditors of the Bank.

STANDALONE FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended December 31, 2021

The Bank's net revenues (net interest income plus other income) increased by 12.1% to ₹ 26,627.0 crore for the quarter ended December 31, 2021 from ₹ 23,760.8 crore for the quarter ended December 31, 2020.

Net interest income (interest earned less interest expended) for the quarter ended December 31, 2021 grew by 13.0% to ₹ 18,443.5 crore from ₹ 16,317.6 crore for the quarter ended December 31, 2020. Advances grew at 16.5% 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 remained 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 capitalise on growth opportunities.

Other income (non-interest revenue) at ₹ 8,183.6 crore was 30.7% of net revenues for the quarter ended December 31, 2021 and grew by 9.9% over ₹ 7,443.2 crore in the corresponding quarter of the previous year. The four components of other income for the quarter ended December 31, 2021 were fees & commissions of ₹ 5,075.1 crore (₹ 4,974.9 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 949.5 crore (₹ 562.2 crore in the corresponding quarter of the previous year), gain on sale / revaluation of investments of ₹ 1,046.5 crore (₹ 1,109.0 crore in the corresponding quarter of the previous year) and miscellaneous income, including recoveries and dividend, of ₹ 1,112.5 crore (₹ 797.1 crore in the corresponding quarter of the previous year).



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We added 294 branches and 16,852 people over the last twelve months and made other investments to position ourselves and capitalise on the growth opportunity. Operating expenses for the quarter ended December 31, 2021 were ₹ 9,851.1 crore, an increase of 14.9% over ₹ 8,574.8 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 ₹ 16,776.0 crore grew by 10.5% over the corresponding quarter of the previous year.

Provisions and contingencies for the quarter ended December 31, 2021 were ₹ 2,994.0 crore (consisting of specific loan loss provisions of ₹ 1,820.6 crore and general and other provisions of ₹ 1,173.4 crore) as against total provisions of ₹ 3,414.1 crore for the quarter ended December 31, 2020. Total provisions for the current quarter included contingent provisions of approximately ₹ 900 crore.

The total credit cost ratio was at 0.94%, as compared to 1.30% for the quarter ending September 30, 2021 and 1.25% for the quarter ending December 31, 2020.

Profit before tax (PBT) for the quarter ended December 31, 2021 at ₹ 13,782.0 crore grew by 17.1% over corresponding quarter of the previous year. After providing ₹ 3,439.8 crore for taxation, the Bank earned a net profit of ₹ 10,342.2 crore, an increase of 18.1% over the quarter ended December 31, 2020.

Balance Sheet: As of December 31, 2021

Total balance sheet size as of December 31, 2021 was ₹ 1,938,286 crore as against ₹1,654,228 crore as of December 31, 2020, a growth of 17.2%.

Total deposits as of December 31, 2021 were ₹ 1,445,918 crore, an increase of 13.8% over December 31, 2020. CASA deposits grew by 24.6% with savings account deposits at ₹ 471,029 crore and current account deposits at ₹ 210,195 crore. Time deposits were at ₹ 764,693 crore, an increase of 5.6% over the corresponding quarter of the previous year, resulting in CASA deposits comprising 47.1% of total deposits as of December 31, 2021.

Total advances as of December 31, 2021 were ₹ 1,260,863 crore, an increase of 16.5% over December 31, 2020. Retail loans grew by 13.3%, commercial and rural banking



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loans grew by 29.4% and corporate and other wholesale loans grew by 7.5%. Overseas advances constituted 3.4% of total advances.

Nine months ended December 31, 2021

For the nine months ended December 31, 2021, the Bank earned a total income of ₹ 116,177.2 crore as against ₹ 108,045.6 crore in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the nine months ended December 31, 2021 were ₹ 75,009.7 crore, as against ₹ 65,370.4 crore for the nine months ended December 31, 2020. Net profit for the nine months ended December 31, 2021 was ₹ 26,906.2 crore, up by 17.3% over the corresponding nine months ended December 31, 2020.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 19.5% as on December 31, 2021 (18.9% as on December 31, 2020) as against a regulatory requirement of 11.7% which includes Capital Conservation Buffer of 2.5%, and an additional requirement of 0.2% on account of the Bank being identified as a Domestic Systemically Important Bank (D-SIB). Tier 1 CAR was at 18.4% as of December 31, 2021 compared to 17.6% as of December 31, 2020. Common Equity Tier 1 Capital ratio was at 17.1% as of December 31, 2021. Risk-weighted Assets were at ₹ 1,267,426 crore (as against ₹ 1,091,721 crore as at December 31, 2020).

NETWORK

As of December 31, 2021, the Bank's distribution network was at 5,779 branches and 17,238 ATMs / Cash Deposit & Withdrawal Machines (CDMs) across 2,956 cities / towns as against 5,485 branches and 15,541 ATMs / CDMs across 2,866 cities / towns as of December 31, 2020. 50% of our branches are in semi-urban and rural areas. In addition, we have 15,700 business correspondents, which are primarily manned by Common Service Centres (CSC) as against 13,675 business correspondents as of December 31, 2020. Number of employees were at 134,412 as of December 31, 2021 (as against 117,560 as of December 31, 2020).

ASSET QUALITY

Gross non-performing assets were at 1.26% of gross advances as on December 31, 2021, as against 1.35% as on September 30, 2021 and 1.38% (Proforma approach) as



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on December 31, 2020. Net non-performing assets were at 0.37% of net advances as on December 31, 2021.

The Bank held floating provisions of ₹ 1,451 crore and contingent provisions of ₹ 8,636 crore as on December 31, 2021. Total provisions (comprising specific, floating, contingent and general provisions) were 172% of the gross non-performing loans as on December 31, 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 December 31, 2021, the Bank held 96.0% stake in HSL. For the quarter ended December 31, 2021, HSL's total income grew by 58% to ₹ 535.6 crore, as against ₹ 339.1 crore for the quarter ended December 31, 2020. Profit after tax for the quarter grew by 58% to ₹ 258.0 crore, as against ₹ 163.2 crore for the quarter ended December 31, 2020.

As on December 31, 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 December 31, 2021, the Bank held 95.0% stake in HDBFSL.

The total loan book was ₹ 60,478 crore as on December 31, 2021 as against ₹ 60,068 crore as on December 31, 2020. Liquidity coverage ratio was healthy at 222%.

For the quarter ended December 31, 2021, HDBFSL's net revenue was at ₹ 1,981.6 crore as against ₹ 1,723.7 crore for the quarter ended December 31, 2020, a growth of



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15.0%. Profit after tax for the quarter ended December 31, 2021 was ₹ 304.1 crore compared to a loss of ₹ 146.2 crore for the quarter ended December 31, 2020 and a profit after tax of ₹ 191.7 crore for the quarter ended September 30, 2021.

Stage 3 loans were at 6.05% of gross loans. Total CAR was at 20.3% with Tier-I CAR at 14.9% as on December 31, 2021.

As on December 31, 2021, HDBFSL had 1,328 branches across 965 cities / towns.

CONSOLIDATED FINANCIAL RESULTS

The consolidated net profit for the quarter ended December 31, 2021 was ₹ 10,591 crore, up 20.8%, over the quarter ended December 31, 2020. Consolidated advances grew by 15.8% from ₹ 1,133,410 crore as on December 31, 2020 to ₹ 1,312,142 crore as on December 31, 2021.

The consolidated net profit for the nine months ended December 31, 2021 was ₹ 27,610 crore, up 18.0%, over the nine months ended December 31, 2020.

Note:

₹ = Indian Rupees

1 crore = 10 million

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

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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