

HDFC Bank Limited**FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND NINE MONTHS
ENDED DECEMBER 31, 2018**

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter ended December 31, 2018, at their meeting held in Mumbai on Saturday, January 19, 2019. 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, 2018**

The Bank's total income for the quarter ended December 31, 2018 at ₹ 30,811.3 crore grew by 26.0% from ₹ 24,450.4 crore for the quarter ended December 31, 2017. Net revenues (net interest income plus other income) increased by 23.4% to ₹ 17,497.8 crore for the quarter ended December 31, 2018 from ₹ 14,183.5 crore in the corresponding quarter of the previous year. Net interest income (interest earned less interest expended) for the quarter ended December 31, 2018 grew by 21.9% to ₹ 12,576.8 crore, from ₹ 10,314.3 crore for the quarter ended December 31, 2017, driven by asset growth of 23.7% and a core net interest margin for the quarter of 4.3%.

Other income (non-interest revenue) at ₹ 4,921.0 crore was 28.1% of the net revenues for the quarter ended December 31, 2018 and grew by 27.2% over ₹ 3,869.2 crore in the corresponding quarter ended December 31, 2017. The four components of other income for the quarter ended December 31, 2018 were fees & commissions of ₹ 3,646.8 crore (₹ 2,872.1 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 397.7 crore (₹ 426.2 crore for the corresponding quarter of the previous year), gain on revaluation / sale of investments of ₹ 474.0 crore (₹ 259.4 crore in the corresponding quarter of the previous year) and miscellaneous income, including recoveries, of ₹ 402.6 crore (₹ 311.5 crore for the corresponding quarter of the previous year).

Operating expenses for the quarter ended December 31, 2018 were ₹ 6,719.3 crore, an increase of 17.2% over ₹ 5,732.2 crore during the corresponding quarter of the previous

year. The core cost-to-income ratio for the quarter was at 39.5% as against 41.2% for the corresponding quarter ended December 31, 2017.

Provisions and contingencies for the quarter ended December 31, 2018 were ₹ 2,211.5 crore (consisting of specific loan loss provisions ₹ 1,734.6 crore and general provisions and other provisions ₹ 476.9 crore) as against ₹ 1,351.4 crore (consisting of specific loan loss provisions ₹ 1,356.0 crore and write back of general provisions and other provisions ₹ 4.5 crore) for the quarter ended December 31, 2017. Provisions for the quarter ended December 31, 2018 include a charge of ₹ 322.4 crore towards contingent provisions. Profit before tax (PBT) for the quarter ended December 31, 2018 was up 20.7% to ₹ 8,566.9 crore.

After providing ₹ 2,981.0 crore for taxation, the Bank earned a net profit of ₹ 5,585.9 crore, an increase of 20.3% over the quarter ended December 31, 2017.

Balance Sheet: As of December 31, 2018

Total balance sheet size as of December 31, 2018 was ₹ 1,168,556 crore as against ₹949,079 crore as of December 31, 2017.

Total deposits as of December 31, 2018 were ₹ 852,502 crore, an increase of 22.0% over December 31, 2017. CASA deposits grew at 13.0% with savings account deposits at ₹ 235,179 crore and current account deposits at ₹ 111,905 crore. Time deposits were at ₹ 505,417 crore, an increase of 29.0% over the previous year, resulting in CASA deposits comprising 40.7% of total deposits as of December 31, 2018. The Bank's continuing focus on deposits helped in the maintenance of a healthy liquidity coverage ratio at 122%, well above the regulatory requirement.

Total advances as of December 31, 2018 were ₹ 780,951 crore. Domestic advances grew by 24.1% over December 31, 2017. As per regulatory [Basel 2] segment classification, domestic retail loans grew by 24.0% and domestic wholesale loans grew by 24.1%. The domestic loan mix as per Basel 2 classification between retail:wholesale was 55:45. Overseas advances constituted 3% of total advances.

Nine Months ended December 31, 2018

For the nine months ended December 31, 2018, the Bank earned a total income of ₹85,393.5 crore as against ₹ 69,912.0 crore in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the nine months ended

December 31, 2018 were ₹ 47,908.4 crore, as against ₹ 40,428.9 crore for the nine months ended December 31, 2017. Net profit for the nine months ended December 31, 2018 was ₹ 15,193.0 crore, up by 19.7% over the corresponding nine months ended December 31, 2017.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 17.3% as on December 31, 2018 (15.5% as on December 31, 2017) 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 December 31, 2018 compared to 13.6% as of December 31, 2017. Common Equity Tier 1 Capital ratio was at 14.9% as of December 31, 2018. Risk-weighted Assets were at ₹ 908,245 crore (as against ₹ 752,513 crore as at December 31, 2017).

NETWORK

As of December 31, 2018, the Bank's distribution network was at 4,963 banking outlets and 13,160 ATMs across 2,727 cities / towns as against 4,734 banking outlets and 12,333 ATMs across 2,672 cities / towns as of December 31, 2017. Of the total banking outlets, 53% are in semi-urban and rural areas. Number of employees were at 96,425 as of December 31, 2018 (as against 86,660 as of December 31, 2017).

ASSET QUALITY

Gross non-performing assets were at 1.38% of gross advances as on December 31, 2018, as against 1.33% as on September 30, 2018 and 1.29% as on December 31, 2017. Coverage ratio as on December 31, 2018 was 70%. Net non-performing assets were at 0.4% of net advances as on December 31, 2018. The Bank held floating provisions of ₹ 1,451 crore as on December 31, 2018. Total provisions (comprising specific provisions, general provisions and floating provisions) were 115% of the gross non-performing loans as on December 31, 2018.

Note:

₹ = Indian Rupees

1 crore = 10 million

All figures and ratios are in accordance with Indian GAAP.



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NEWS RELEASE

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

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