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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 YEAR ENDED MARCH 31, 2020

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter and full year ended March 31, 2020, at their meeting held in Mumbai on Saturday, April 18, 2020. 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, 2020

The Bank's net revenues (net interest income plus other income) increased by 18.2% to ₹ 21,236.6 crore for the quarter ended March 31, 2020 over the corresponding quarter of the previous year.

Net interest income (interest earned less interest expended) for the quarter ended March 31, 2020 grew to ₹ 15,204.1 crore from ₹ 13,089.5 crore for the quarter ended March 31, 2019, driven by growth in advances of 21.3%, and a growth in deposits of 24.3%. The net interest margin for the quarter was at 4.3%.

Other income (non-interest revenue) at ₹ 6,032.6 crore was 28.4% of the net revenues for the quarter ended March 31, 2020 as against ₹ 4,871.2 crore in the corresponding quarter ended March 31, 2019. The four components of other income for the quarter ended March 31, 2020 were fees & commissions of ₹ 4,200.8 crore (₹ 3,665.4 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 500.8 crore (₹ 403.3 crore for the corresponding quarter of the previous year), gain on sale / revaluation of investments of ₹ 565.3 crore (gain of ₹ 228.9 crore in the corresponding quarter of the previous year) and miscellaneous income, including recoveries and dividend, of ₹ 765.7 crore (₹ 573.6 crore for the corresponding quarter of the previous year).

During the quarter, there was a considerable slowdown in economic activities following the outbreak of COVID-19. Furthermore, with the government initiating lockdown in the latter half of March, and our strict adherence to social distancing, not only did we see an impact on business volumes - in terms of loan originations, distribution of third party products, and payments product activities, but we also could not optimize our collection efforts, and as a result of which fees/other income were lower by ₹ 450 crore.

Operating expenses for the quarter ended March 31, 2020 were ₹ 8,277.8 crore, an increase of 16.3% over ₹ 7,117.1 crore during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 39.0% as against 39.6% for the corresponding quarter ended March 31, 2019.

Pre-provision Operating Profit (PPOP) at ₹ 12,958.8 crore grew by 19.5% over the corresponding quarter of the previous year.

Provisions and contingencies for the quarter ended March 31, 2020 were ₹ 3,784.5 crore (consisting of specific loan loss provisions of ₹ 1,917.8 crore and general provisions and other provisions of ₹ 1,866.7 crore) as against ₹ 1,889.2 crore (consisting of specific loan loss provisions of ₹ 1,430.3 crore and general provisions and other provisions of ₹ 459.0 crore) for the quarter ended March 31, 2019. Total provisions for the current quarter included credit reserves relating to COVID-19 in the form of contingent provisions of approximately ₹ 1550 crore. The Core Credit Cost ratio was 0.77%, as compared to 0.92% in the quarter ending December 31, 2019 and 0.69% in the quarter ending March 31, 2019.

Profit before tax (PBT) for the quarter ended March 31, 2020 was at ₹ 9,174.3 crore. After providing ₹ 2,246.6 crore for taxation, the Bank earned a net profit of ₹ 6,927.7 crore, an increase of 17.7% over the quarter ended March 31, 2019.

Profit & Loss Account: Year ended March 31, 2020

For the year ended March 31, 2020, the Bank earned a total income of ₹ 138,073.5 crore. Net revenues (net interest income plus other income) for the year ended March 31, 2020 were ₹ 79,447.1 crore, up by 20.6% over ₹ 65,869.1 crore for the year ended March 31, 2019. The net interest margin for the year ended March 31, 2020 was 4.3%. The cost to income ratio for the year ended March 31, 2020 was at 38.6%, as against

39.7% for the year ended March 31, 2019. The Bank's net profit for the year ended March 31, 2020 was ₹ 26,257.3 crore, up 24.6% over the year ended March 31, 2019.

Balance Sheet: As of March 31, 2020

Total balance sheet size as of March 31, 2020 was ₹ 1,530,511 crore as against ₹ 1,244,541 crore as of March 31, 2019, a growth of 23.0%.

Total deposits as of March 31, 2020 were ₹ 1,147,502 crore, an increase of 24.3% over March 31, 2019. CASA deposits grew by 23.9% with savings account deposits at ₹ 310,377 crore and current account deposits at ₹ 174,248 crore. Time deposits were at ₹ 662,877 crore, an increase of 24.6% over the previous year, resulting in CASA deposits comprising 42.2% of total deposits as of March 31, 2020. The Bank's continued focus on deposits helped in the maintenance of a healthy liquidity coverage ratio at 132%, well above the regulatory requirement.

Total advances as of March 31, 2020 were ₹ 993,703 crore, an increase of 21.3% over March 31, 2019. Domestic advances grew by 21.4% over March 31, 2019. As per regulatory [Basel 2] segment classification, domestic retail loans grew by 14.6% and domestic wholesale loans grew by 29.3%. The domestic loan mix as per Basel 2 classification between retail:wholesale was 51:49. Overseas advances constituted 3% of total advances.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 18.5% as on March 31, 2020 (17.1% as on March 31, 2019) 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 17.2% as of March 31, 2020 compared to 15.8% as of March 31, 2019. Common Equity Tier 1 Capital ratio was at 16.4% as of March 31, 2020. Risk-weighted Assets were at ₹ 994,716 crore (as against ₹ 931,930 crore as at March 31, 2019).

NETWORK

As of March 31, 2020, the Bank's distribution network was at 5,416 banking outlets and 14,901 ATMs / Cash Deposit & Withdrawal Machines (CDMs) across 2,803 cities /

towns as against 5,103 banking outlets and 13,489 ATMs / CDMs across 2,748 cities / towns as of March 31, 2019. Of the total banking outlets, 52% are in semi-urban and rural areas. In addition, we have 5,379 banking outlets managed by the Common Service Centres. Number of employees were at 116,971 as of March 31, 2020 (as against 98,061 as of March 31, 2019).

ASSET QUALITY

Gross non-performing assets were at 1.26% of gross advances as on March 31, 2020, (1.1% excluding NPAs in the agricultural segment) as against 1.42% as on December 31, 2019 (1.2% excluding NPAs in the agricultural segment) and 1.36% as on March 31, 2019 (1.2% excluding NPAs in the agricultural segment). Net non-performing assets were at 0.36% of net advances as on March 31, 2020.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Bank would be granting a moratorium of three months on the payment of all installments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain standstill during the moratorium period (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification under the IRACP norms). The Bank holds provisions as on March 31, 2020 against the potential impact of COVID-19 based on the information available at this point in time and the same are in excess of the RBI prescribed norms. As a result, GNPA and NNPA ratios were lower by 10 bps and 6 bps respectively.

The Bank held floating provisions of ₹ 1,451 crore and contingent provisions of ₹ 2,996 crore as on March 31, 2020. Total provisions (comprising specific, floating, contingent and general provisions) were 142% of the gross non-performing loans as on March 31, 2020.

CONSOLIDATED FINANCIAL RESULTS

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.



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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.

HDFC Securities Limited (HSL) is amongst the leading retail broking firms in India. As on March 31, 2020, the Bank held 96.6% stake in HSL.

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 March 31, 2020, the Bank held 95.3% stake in HDBFSL.

The consolidated net profit for the quarter ended March 31, 2020 was ₹ 7,280 crore, up 15.5%, over the quarter ended March 31, 2019. Consolidated advances grew by 20.1% from ₹ 869,223 crore as on March 31, 2019 to ₹ 1,043,671 crore as on March 31, 2020.

The consolidated net profit for the year ended March 31, 2020 was ₹ 27,254 crore, up 22.0%, over the year ended 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

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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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