

HDFC Bank Limited**FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND HALF YEAR
ENDED SEPTEMBER 30, 2023**

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter and half year ended September 30, 2023, at its meeting held in Mumbai on Monday, October 16, 2023. The accounts have been subjected to a 'Limited Review' by the statutory auditors of the Bank.

CONSOLIDATED FINANCIAL RESULTS:

The Bank's consolidated net revenue grew by 114.8% to ₹ 66,317 crore for the quarter ended September 30, 2023 from ₹ 30,871 crore for the quarter ended September 30, 2022. The consolidated profit after tax for the quarter ended September 30, 2023 was ₹ 16,811 crore, up 51.1%, over the quarter ended September 30, 2022. Earnings per share for the quarter ended September 30, 2023 was ₹ 22.2 and book value per share as of September 30, 2023 was ₹ 552.5.

The consolidated profit after tax for the half year ended September 30, 2023 was ₹ 29,182 crore, up 40.9%, over the half year ended September 30, 2022.

STANDALONE FINANCIAL RESULTS:**Profit & Loss Account: Quarter ended September 30, 2023**

The Bank's net revenue grew by 33.1% to ₹ 38,093 crore for the quarter ended September 30, 2023 from ₹ 28,617 crore for the quarter ended September 30, 2022.

Net interest income (interest earned less interest expended) for the quarter ended September 30, 2023 grew by 30.3% to ₹ 27,385 crore from ₹ 21,021 crore for the quarter ended September 30, 2022. Core net interest margin for the quarter was 3.65% on total assets and 3.85% on interest earning assets. After absorbing debt funded cost for additional liquidity and merger management, the reported NIM for the quarter is 3.4% on total assets and 3.6% on interest earning assets.

Other income (non-interest revenue) for the quarter ended September 30, 2023 was ₹ 10,708 crore as against ₹ 7,596 crore in the corresponding quarter ended September 30,

2022. The four components of other income for the quarter ended September 30, 2023 were fees & commissions of ₹ 6,936 crore (₹ 5,803 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 1,221 crore (₹ 1,082 crore in the corresponding quarter of the previous year), net trading and mark to market gain of ₹ 1,041 crore (loss of ₹ 387 crore in the corresponding quarter of the previous year) and miscellaneous income, including recoveries and dividend, of ₹ 1,510 crore (₹ 1,098 crore in the corresponding quarter of the previous year).

Operating expenses for the quarter ended September 30, 2023 were ₹ 15,399 crore, an increase of 37.2% over ₹ 11,225 crore during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 40.4%.

Pre-provision operating profit (PPOP) at ₹ 22,694 crore grew by 30.5% over the corresponding quarter of the previous year.

Provisions and contingencies for the quarter ended September 30, 2023 were ₹ 2,904 crore as against ₹ 3,240 crore for the quarter ended September 30, 2022.

The total credit cost ratio was at 0.49%, as compared to 0.87% for the quarter ending September 30, 2022.

Profit before tax (PBT) for the quarter ended September 30, 2023 was at ₹ 19,790 crore. After providing ₹ 3,814 crore for taxation, the Bank earned a net profit of ₹ 15,976 crore, an increase of 50.6% over the quarter ended September 30, 2022.

Balance Sheet: As of September 30, 2023

Total balance sheet size as of September 30, 2023 was ₹ 34,16,310 crore as against ₹ 22,27,893 crore as of September 30, 2022.

Total Deposits showed a healthy growth of approximately ₹ 1.1 lac crore during the quarter post merger, and were at ₹ 21,72,858 crore as of September 30, 2023, an increase of 29.8% over September 30, 2022. CASA deposits grew by 7.6% with savings account deposits at ₹ 5,69,956 crore and current account deposits at ₹ 2,47,749 crore. Time deposits were at ₹ 13,55,153 crore, an increase of 48.3% over the corresponding quarter of the previous year, resulting in CASA deposits comprising 37.6% of total deposits as of September 30, 2023.



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Gross advances increased by approximately ₹ 1.1 lac crore during the quarter post merger, and were at ₹ 23,54,633 crore as of September 30, 2023, an increase of 57.7% over September 30, 2022. Grossing up for transfers through inter-bank participation certificates and bills rediscounted, advances grew by 60.0% over September 30, 2022. Domestic retail loans grew by 112.1%, commercial and rural banking loans grew by 29.5% and corporate and other wholesale loans (excluding non-individual loans of eHDFC Ltd of approximately ₹ 1,02,800 crore) grew by 7.9%. Overseas advances constituted 1.7% of total advances.

Half Year ended September 30, 2023

For the half year ended September 30, 2023, the Bank earned a total income of ₹ 1,36,223 crore as against ₹ 87,742 crore in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the half year ended September 30, 2023 were ₹ 70,922 crore, as against ₹ 54,486 crore for the half year ended September 30, 2022. Profit after tax for the half year ended September 30, 2023 was ₹ 27,928 crore, up by 41.0% over the corresponding half year ended September 30, 2022.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 19.5% as on September 30, 2023 (18.0% as on September 30, 2022) as against a regulatory requirement of 11.7%. Tier 1 CAR was at 17.8% and Common Equity Tier 1 Capital ratio was at 17.3% as of September 30, 2023. Risk-weighted Assets were at ₹ 21,74,226 crore.

NETWORK

As of September 30, 2023, the Bank's distribution network was at 7,945 branches and 20,596 ATMs across 3,836 cities / towns as against 6,499 branches and 18,868 ATMs across 3,226 cities / towns as of September 30, 2022. 52% of our branches are in semi-urban and rural areas. In addition, we have 15,352 business correspondents, which are primarily manned by Common Service Centres (CSC). The number of employees were at 1,97,899 as of September 30, 2023 (as against 1,61,027 as of September 30, 2022).

ASSET QUALITY

Gross non-performing assets were at 1.34% of gross advances as on September 30, 2023, as against 1.41% on a proforma merged basis as on June 30, 2023, and 1.23% as on September 30, 2022. Net non-performing assets were at 0.35% of net advances as on September 30, 2023.

SUBSIDIARIES

Amongst the Bank's key subsidiaries, HDFC Life Insurance Company Ltd and HDFC ERGO General Insurance Company Ltd prepare their financial results in accordance with Indian GAAP, while others do so in accordance with the notified Indian Accounting Standards ('Ind-AS'). The financial numbers of the subsidiaries mentioned herein below are in accordance with the accounting standards used in their standalone reporting.

HDB Financial Services Limited (HDBFSL), in which the Bank holds an 94.8% stake, is a non-deposit taking NBFC offering wide a range of loans and asset finance products. For the quarter ended September 30, 2023, HDBFSL's net revenue was at ₹ 2,357 crore as against ₹ 2,201 crore for the quarter ended September 30, 2022, a growth of 7.1%. Profit after tax for the quarter ended September 30, 2023 was ₹ 601 crore compared to ₹ 471 crore for the quarter ended September 30, 2022, a growth of 27.5%. Profit after tax for the half year ended September 30, 2023 was ₹ 1,168 crore compared to ₹ 913 crore for the half year ended September 30, 2022. The total loan book was ₹ 77,857 crore as on September 30, 2023 compared to ₹ 63,112 crore as on September 30, 2022, a growth of 23.4%. Stage 3 loans were at 2.38% of gross loans. As on September 30, 2023, total CAR was at 19.4% with Tier-I CAR at 15.7%.

HDFC Life Insurance Company Ltd (HDFC Life), in which the Bank holds a 50.4% stake, is a leading, long-term life insurance solutions provider in India. For the quarter ended September 30, 2023, HDFC Life's net premium income was at ₹ 14,756 crore as against ₹ 13,111 crore for the quarter ended September 30, 2022, a growth of 12.5%. Profit after tax for the quarter ended September 30, 2023 was ₹ 377 crore compared to ₹ 326 crore for the quarter ended September 30, 2022, a growth of 15.5%. Profit after tax for the half year ended September 30, 2023 was ₹ 792 crore compared to ₹ 686 crore for the half year ended September 30, 2022.

HDFC ERGO General Insurance Company Ltd (HDFC ERGO), in which the Bank holds a 50.5% stake, offers a complete range of general insurance products. For the quarter ended September 30, 2023, premium earned (net) by HDFC ERGO was at ₹ 2,592 crore as against ₹ 2,118 crore for the quarter ended September 30, 2022, a growth

of 22.4%. Profit after tax for the quarter ended September 30, 2023 was ₹ 236 crore compared to ₹ 177 crore for the quarter ended September 30, 2022, a growth of 33.1%. Profit after tax for the half year ended September 30, 2023 was ₹ 436 crore compared to ₹ 321 crore for the half year ended September 30, 2022.

HDFC Asset Management Company Ltd (HDFC AMC), in which the Bank holds a 52.6% stake, is the Investment Manager to HDFC Mutual Fund, one of the largest mutual funds in India and offers a comprehensive suite of savings and investment products. For the quarter ended September 30, 2023, HDFC AMC's Quarterly Average Assets Under Management were approximately ₹ 5.25 lac crore, a growth of 22.2% over the quarter ended September 30, 2022. Profit after tax for the quarter ended September 30, 2023 was ₹ 438 crore compared to ₹ 364 crore for the quarter ended September 30, 2022, a growth of 20.2%. Profit after tax for the half year ended September 30, 2023 was ₹ 915 crore compared to ₹ 678 crore for the half year ended September 30, 2022.

HDFC Securities Limited (HSL), in which the Bank holds a 95.5% stake, is amongst the leading broking firms in India. For the quarter ended September 30, 2023, HSL's total revenue was ₹ 603 crore, as against ₹ 468 crore for the quarter ended September 30, 2022. Profit after tax for the quarter was at ₹ 214 crore, as against ₹ 191 crore for the quarter ended September 30, 2022. Profit after tax for the half year ended September 30, 2023 was ₹ 404 crore compared to ₹ 380 crore for the half year ended September 30, 2022.

Note:

₹ = Indian Rupees

1 crore = 10 million

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

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