

HDFC Bank Limited**FINANCIAL RESULTS (INDIAN GAAP) FOR THE QUARTER AND YEAR ENDED
MARCH 31, 2021**

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter and full year ended March 31, 2021, at their meeting held in Mumbai on Saturday, April 17, 2021. 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, 2021**

The Bank's net revenues (net interest income plus other income) increased by 16.4% to ₹ 24,714.1 crore for the quarter ended March 31, 2021 from ₹ 21,236.6 crore for the quarter ended March 31, 2020. Net interest income (interest earned less interest expended) for the quarter ended March 31, 2021 grew by 12.6% to ₹ 17,120.2 crore from ₹ 15,204.1 crore for the quarter ended March 31, 2020, driven by advances growth of 14.0%, and a core net interest margin of 4.2%. The Bank's continued focus on deposits helped in the maintenance of a healthy liquidity coverage ratio at 138%, well above the regulatory requirement.

Other income (non-interest revenue) at ₹ 7,593.9 crore was 30.7% of net revenues for the quarter ended March 31, 2021 and grew by 25.9% over ₹ 6,032.6 crore in the corresponding quarter ended March 31, 2020. The four components of other income for the quarter ended March 31, 2021 were fees & commissions of ₹ 5,023.3 crore (₹ 4,200.8 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 879.3 crore (₹ 500.8 crore for the corresponding quarter of the previous year), gain on sale / revaluation of investments of ₹ 655.1 crore (gain of ₹ 565.3 crore in the corresponding quarter of the previous year) and miscellaneous income, including recoveries and dividend, of ₹ 1,036.2 crore (₹ 765.7 crore for the corresponding quarter of the previous year).

Operating expenses for the quarter ended March 31, 2021 were ₹ 9,181.3 crore, an increase of 10.9% over ₹ 8,277.8 crore during the corresponding quarter of the

previous year. The cost-to-income ratio for the quarter was at 37.2% as against 39.0% for the corresponding quarter ended March 31, 2020.

Pre-provision Operating Profit (PPOP) at ₹ 15,532.8 crore grew by 19.9% over the corresponding quarter of the previous year.

Provisions and contingencies for the quarter ended March 31, 2021 were ₹ 4,693.7 crore (including a build of approximately ₹ 1,300 crore in contingent provisions) as against ₹ 3,784.5 crore for the quarter ended March 31, 2020.

The total credit cost ratio was at 1.64%, as compared to 1.25% for the quarter ending December 31, 2020 and 1.51% for the quarter ending March 31, 2020.

Profit before tax (PBT) for the quarter ended March 31, 2021 at ₹ 10,839.1 crore grew by 18.1% over corresponding quarter of the previous year. After providing ₹ 2,652.6 crore for taxation, the Bank earned a net profit of ₹ 8,186.5 crore, an increase of 18.2% over the quarter ended March 31, 2020.

Balance Sheet: As of March 31, 2021

Total balance sheet size as of March 31, 2021 was ₹ 1,746,871 crore as against ₹1,530,511 crore as of March 31, 2020, a growth of 14.1%.

Total deposits as of March 31, 2021 were ₹ 1,335,060 crore, an increase of 16.3% over March 31, 2020. CASA deposits grew by 27.0% with savings account deposits at ₹ 403,500 crore and current account deposits at ₹ 212,182 crore. Time deposits were at ₹ 719,378 crore, an increase of 8.5% over the corresponding quarter of the previous year, resulting in CASA deposits comprising 46.1% of total deposits as of March 31, 2021.

Total advances as of March 31, 2021 were ₹ 1,132,837 crore, an increase of 14.0% over March 31, 2020. Domestic advances grew by 14.1% over March 31, 2020. As per regulatory [Basel 2] segment classification, domestic retail loans grew by 6.7% and domestic wholesale loans grew by 21.7%. The domestic loan mix as per Basel 2 classification between retail:wholesale was 47:53. Overseas advances constituted 3% of total advances.

Profit & Loss Account: Year ended March 31, 2021

For the year ended March 31, 2021, the Bank earned a total income of ₹ 146,063.1 crore as against ₹ 138,073.5 crore for the year ended March 31, 2020. Net revenues (net interest income plus other income) for the year ended March 31, 2021 were ₹ 90,084.5 crore, as against ₹ 79,447.1 crore for the year ended March 31, 2020. The core net interest margin for the year ended March 31, 2021 was 4.2%. The cost to income ratio for the year ended March 31, 2021 was at 36.3%, as against 38.6% for the year ended March 31, 2020. Net profit for the year ended March 31, 2021 was ₹ 31,116.5 crore, up 18.5% over the year ended March 31, 2020.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 18.8% as on March 31, 2021 (18.5% as on March 31, 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 17.6% as of March 31, 2021 compared to 17.2% as of March 31, 2020. Common Equity Tier 1 Capital ratio was at 16.9% as of March 31, 2021. Risk-weighted Assets were at ₹ 1,131,144 crore (as against ₹ 994,716 crore as at March 31, 2020).

NETWORK

As of March 31, 2021, the Bank's distribution network was at 5,608 branches and 16,087 ATMs / Cash Deposit & Withdrawal Machines (CDMs) across 2,902 cities / towns as against 5,254 branches and 14,901 ATMs / CDMs across 2,803 cities / towns as of March 31, 2020. 50% of our branches are in semi-urban and rural areas. In addition, we have 15,756 business correspondents, which are primarily manned by Common Service Centres (CSC) as against 5,541 business correspondents as of March 31, 2020. Number of employees were at 120,093 as of March 31, 2021 (as against 116,971 as of March 31, 2020).

ASSET QUALITY

The Honourable Supreme Court of India, in a public interest litigation (Gajendra Sharma Vs Union of India & Anr), vide an interim order dated September 3, 2020, directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as such until further orders. Pursuant to the said interim order, accounts that

would have otherwise been classified as NPA had not been classified as NPA. However, the Bank as a matter of prudence made contingent provisions in respect of these accounts during the quarters ended September 30, 2020 and December 31, 2020 (proforma approach). The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Honourable Supreme Court in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular dated April 7, 2021 issued in this connection, the Bank has continued with the asset classification of borrower accounts as per the extant RBI instructions / IRAC norms.

Gross non-performing assets were at 1.32% of gross advances as on March 31, 2021, as against 1.38% (proforma approach) as on December 31, 2020 and 1.26% as on March 31, 2020. Net non-performing assets were at 0.40% of net advances as on March 31, 2021.

The Bank also continues to hold provisions as on March 31, 2021 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. The Bank held floating provisions of ₹ 1,451 crore and contingent provisions of ₹ 5,861 crore as on March 31, 2021. Total provisions (comprising specific, floating, contingent and general provisions) were 153% of the gross non-performing loans as on March 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 Indian GAAP.

HDFC Securities Limited (HSL) is amongst the leading retail broking firms in India. As on March 31, 2021, the Bank held 96.3% stake in HSL.

For the quarter ended March 31, 2021, HSL's total income was ₹ 439.1 crore as against ₹ 299.9 crore for the quarter ended March 31, 2020. Profit after tax for the

quarter was ₹ 253.1 crore, as against ₹ 157.0 crore for the quarter ended March 31, 2020.

As on March 31, 2021, HSL had 216 branches across 159 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 March 31, 2021, the Bank held 95.1% stake in HDBFSL.

The total loan book was ₹ 58,947 crore as on March 31, 2021 as against ₹ 55,930 crore as on March 31, 2020. Liquidity coverage ratio was healthy at 265%, well above the regulatory requirement.

For the quarter ended March 31, 2021, HDBFSL's net interest income grew by 15.4% to ₹ 1,252.0 crore as against ₹ 1,084.5 crore for the quarter ended March 31, 2020. Pre-provision Operating Profit (PPOP) at ₹ 989.4 crore grew by 20.2% over the corresponding quarter of the previous year and by 32.2% over quarter ended December 31, 2020.

Provisions and contingencies for the quarter were at ₹ 613.1 crore as against ₹ 392.5 for the quarter ended March 31, 2020. Profit after tax for the quarter ended March 31, 2021 was ₹ 284.6 crore compared to ₹ 341.7 crore for the quarter ended March 31, 2020.

Profit after tax for the year ended March 31, 2021 was ₹ 502.8 crore compared to ₹ 1,036.9 crore for the year ended March 31, 2020.

As on March 31, 2021, Gross NPA based on the approach used for NBFCs was 3.9% as against 3.5% on March 31, 2020 and 5.9% (proforma approach) as on December 31, 2020.

Total CAR was at 19.0% with Tier-I CAR at 14.3%. As on March 31, 2021, HDBFSL had 1,319 branches across 959 cities / towns.

CONSOLIDATED FINANCIAL RESULTS

The consolidated net profit for the quarter ended March 31, 2021 was ₹ 8,434 crore, up 15.8%, over the quarter ended March 31, 2020. Consolidated advances grew by 13.6%



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from ₹ 1,043,671 crore as on March 31, 2020 to ₹ 1,185,284 crore as on March 31, 2021.

The consolidated net profit for the year ended March 31, 2021 was ₹ 31,833 crore, up 16.8% over the year ended March 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

NYSE: HDB

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.



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