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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 ENDED JUNE 30, 2020

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter ended June 30, 2020, at their meeting held in Mumbai on Saturday, July 18, 2020. The accounts have been subjected to a 'Limited Review' by the statutory auditors of the Bank.

## STANDALONE FINANCIAL RESULTS:

### Profit & Loss Account: Quarter ended June 30, 2020

The Bank's net revenues (net interest income plus other income) grew to ₹ 19,740.7 crore for the quarter ended June 30, 2020 from ₹ 18,264.5 for the quarter ended June 30, 2019.

Net interest income (interest earned less interest expended) for the quarter ended June 30, 2020 grew by 17.8% to ₹ 15,665.4 crore from ₹ 13,294.3 crore for the quarter ended June 30, 2019, driven by growth in advances of 20.9%, and a growth in deposits of 24.6%. The net interest margin for the quarter was at 4.3%.

Other income (non-interest revenue) at ₹ 4,075.3 crore was 20.6% of the net revenues for the quarter ended June 30, 2020 as against ₹ 4,970.3 crore in the corresponding quarter ended June 30, 2019. The four components of other income for the quarter ended June 30, 2020 were fees & commissions of ₹ 2,230.7 crore (₹ 3,551.6 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 436.6 crore (₹ 576.7 crore for the corresponding quarter of the previous year), gain on sale / revaluation of investments of ₹ 1,086.7 crore (gain of ₹ 212.0 crore in the corresponding quarter of the previous year) and miscellaneous income, including recoveries and dividend, of ₹ 321.3 crore (₹ 630.0 crore for the corresponding quarter of the previous year).

The continued slowdown in economic activity has led to a decrease in retail loan origination, sale of third party products, use of credit and debit cards by customers, efficiency in collection efforts and waivers of certain fees. As a result, fees/other income were lower by approximately ₹ 2,000 crore.

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Operating expenses for the quarter ended June 30, 2020 were ₹ 6,911.5 crore, a decrease of 2.9% over ₹ 7,117.3 crore during the corresponding quarter of the previous year. The cost-to-income ratio for the quarter was at 35.0% as against 39.0% for the corresponding quarter ended June 30, 2019. Operating expenses were lower primarily due to lower loan origination and sales volumes.

Pre-provision Operating Profit (PPOP) at ₹ 12,829.3 crore grew by 15.1% over the corresponding quarter of the previous year.

Provisions and contingencies for the quarter ended June 30, 2020 were ₹ 3,891.5 crore (consisting of specific loan loss provisions of ₹ 2,739.8 crore and general provisions and other provisions of ₹ 1,151.7 crore) as against ₹ 2,613.7 crore (consisting of specific loan loss provisions of ₹ 2,248.0 crore and general provisions and other provisions of ₹ 365.7 crore) for the quarter ended June 30, 2019. Total provisions for the current quarter included contingent provisions of approximately ₹ 1,000 crore. The Core Credit Cost ratio was 1.08%, as compared to 0.77% in the quarter ending March 31, 2020 and 1.07% in the quarter ending June 30, 2019.

Profit before tax (PBT) for the quarter ended June 30, 2020 was at ₹ 8,937.8 crore. After providing ₹ 2,279.1 crore for taxation, the Bank earned a net profit of ₹ 6,658.6 crore, an increase of 19.6% over the quarter ended June 30, 2019.

**Balance Sheet: As of June 30, 2020**

Total balance sheet size as of June 30, 2020 was ₹ 1,545,103 crore as against ₹1,265,253 crore as of June 30, 2019, a growth of 22.1%.

Total deposits as of June 30, 2020 were ₹ 1,189,387 crore, an increase of 24.6% over June 30, 2019. CASA deposits grew by 26.0% with savings account deposits at ₹ 327,358 crore and current account deposits at ₹ 150,077 crore. Time deposits were at ₹ 711,952 crore, an increase of 23.7% over the previous year, resulting in CASA deposits comprising 40.1% of total deposits as of June 30, 2020. The Bank's continued focus on deposits helped in the maintenance of a healthy liquidity coverage ratio at 140%, well above the regulatory requirement.

Total advances as of June 30, 2020 were ₹ 1,003,299 crore, an increase of 20.9% over June 30, 2019. Domestic advances grew by 21.0% over June 30, 2019. As per regulatory [Basel 2] segment classification, domestic retail loans grew by 7.2% and

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domestic wholesale loans grew by 37.6%. The domestic loan mix as per Basel 2 classification between retail:wholesale was 48:52. Overseas advances constituted 3% of total advances.

**Capital Adequacy:**

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 18.9% as on June 30, 2020 (16.9% as on June 30, 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 17.5% as of June 30, 2020 compared to 15.6% as of June 30, 2019. Common Equity Tier 1 Capital ratio was at 16.7% as of June 30, 2020. Risk-weighted Assets were at ₹ 1,010,774 crore (as against ₹ 965,635 crore as at June 30, 2019).

## NETWORK

As of June 30, 2020, the Bank's distribution network was at 5,326 branches and 14,996 ATMs / Cash Deposit & Withdrawal Machines (CDMs) across 2,825 cities / towns as against 4,990 branches and 13,727 ATMs / CDMs across 2,764 cities / towns as of June 30, 2019. 50% of our branches are in semi-urban and rural areas. In addition, we have 6,546 business correspondents, of which 97% are manned by Common Service Centres (CSC) as against 140 outlets manned by non-CSC business correspondents as of June 30, 2019. Number of employees were at 115,822 as of June 30, 2020 (as against 104,154 as of June 30, 2019).

## ASSET QUALITY

Gross non-performing assets were at 1.36% of gross advances as on June 30, 2020, (1.2% excluding NPAs in the agricultural segment) as against 1.26% as on March 31, 2020 (1.1% excluding NPAs in the agricultural segment) and 1.40% as on June 30, 2019 (1.2% excluding NPAs in the agricultural segment). Net non-performing assets were at 0.33% of net advances as on June 30, 2020.

During the quarter, the Bank has used its analytical models to determine slippages, resulting in a more expedited recognition of NPAs, as well as accelerated corresponding specific provisions. The Bank also continues to hold provisions as on June 30, 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.

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The Bank held floating provisions of ₹ 1,451 crore and contingent provisions of ₹ 4,002 crore as on June 30, 2020. Total provisions (comprising specific, floating, contingent and general provisions) were 149% of the gross non-performing loans as on June 30, 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. 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 June 30, 2020, the Bank held 96.5% 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 June 30, 2020, the Bank held 95.3% stake in HDBFSL.

The consolidated net profit for the quarter ended June 30, 2020 was ₹ 6,927 crore, up 22.0%, over the quarter ended June 30, 2019. Consolidated advances grew by 19.6% from ₹ 880,939 crore as on June 30, 2019 to ₹ 1,053,683 crore as on June 30, 2020.

Sd/-
**Srinivasan Vaidynathan**
*Chief Financial Officer*

Note:

₹ = Indian Rupees
1 crore = 10 million
All figures and ratios are in accordance with Indian GAAP unless otherwise specified.

# NEWS RELEASE

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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.*

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

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