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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 NINE MONTHS ENDED DECEMBER 31, 2020

The Board of Directors of HDFC Bank Limited approved the Bank's (Indian GAAP) results for the quarter and nine months ended December 31, 2020, at their meeting held in Mumbai on Saturday, January 16, 2021. The accounts have been subjected to a 'Limited Review' by the statutory auditors of the Bank.

STANDALONE FINANCIAL RESULTS:

Profit & Loss Account: Quarter ended December 31, 2020

The Bank's net revenues (net interest income plus other income) grew to ₹ 23,760.8 crore for the quarter ended December 31, 2020 from ₹ 20,842.2 crore for the quarter ended December 31, 2019. Net interest income (interest earned less interest expended) for the quarter ended December 31, 2020 grew by 15.1% to ₹ 16,317.6 crore from ₹ 14,172.9 crore for the quarter ended December 31, 2019, driven by advances growth of 15.6%, and a core net interest margin for the quarter of 4.2%. The Bank's persistent focus on deposits helped in the maintenance of a healthy liquidity coverage ratio at 146%, well above the regulatory requirement.

Other income (non-interest revenue) was ₹ 7,443.2 crore at 31.3% of the net revenues for the quarter ended December 31, 2020 as against ₹ 6,669.3 crore in the corresponding quarter ended December 31, 2019. The four components of other income for the quarter ended December 31, 2020 were fees & commissions of ₹ 4,974.9 crore (₹ 4,526.8 crore in the corresponding quarter of the previous year), foreign exchange & derivatives revenue of ₹ 562.2 crore (₹ 525.6 crore for the corresponding quarter of the previous year), gain on sale / revaluation of investments of ₹ 1,109.0 crore (gain of ₹ 676.5 crore in the corresponding quarter of the previous year) and miscellaneous income, including recoveries, of ₹ 797.1 crore (₹ 940.4 crore for the corresponding quarter of the previous year).

Operating expenses for the quarter ended December 31, 2020 were ₹ 8,574.8 crore, an increase of 8.6% over ₹ 7,896.8 crore during the corresponding quarter of the

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previous year. The cost-to-income ratio for the quarter was at 36.1% as against 37.9% for the corresponding quarter ended December 31, 2019.

Pre-provision Operating Profit (PPOP) at ₹ 15,186.0 crore grew by 17.3% over the corresponding quarter of the previous year.

Provisions and contingencies for the quarter ended December 31, 2020 were ₹ 3,414.1 crore (consisting of specific loan loss provisions of ₹ 691.2 crore and general and other provisions of ₹ 2,722.9 crore) as against ₹ 3,043.6 crore (consisting of specific loan loss provisions of ₹ 2,883.6 crore and general and other provisions of ₹ 159.9 crore) for the quarter ended December 31, 2019. Total provisions for the current quarter include contingent provisions of approximately ₹ 2,400 crore for proforma NPA as described in the asset quality section below.

The total credit cost ratio was at 1.25%, as compared to 1.41% in the quarter ending September 30, 2020 and 1.29% in the quarter ending December 31, 2019.

Profit before tax (PBT) for the quarter ended December 31, 2020 at ₹ 11,771.9 crore grew by 18.9% over corresponding quarter of the previous year. After providing ₹ 3,013.6 crore for taxation, the Bank earned a net profit of ₹ 8,758.3 crore, an increase of 18.1% over the quarter ended December 31, 2019.

Balance Sheet: As of December 31, 2020

Total balance sheet size as of December 31, 2020 was ₹ 1,654,228 crore as against ₹1,395,336 crore as of December 31, 2019, a growth of 18.6%.

Total deposits as of December 31, 2020 were ₹ 1,271,124 crore, an increase of 19.1% over December 31, 2019. CASA deposits grew by 29.6% with savings account deposits at ₹ 374,639 crore and current account deposits at ₹ 172,108 crore. Time deposits were at ₹ 724,377 crore, an increase of 12.2% over the corresponding quarter of the previous year, resulting in CASA deposits comprising 43.0% of total deposits as of December 31, 2020.

Total advances as of December 31, 2020 were ₹ 1,082,324 crore, an increase of 15.6% over December 31, 2019. Domestic advances grew by 14.9% over December 31, 2019. As per regulatory [Basel 2] segment classification, domestic retail loans grew by 5.2% and domestic wholesale loans grew by 25.5%. The domestic loan mix as per

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Basel 2 classification between retail:wholesale was 48:52. Overseas advances constituted 3% of total advances.

Nine Months ended December 31, 2020

For the nine months ended December 31, 2020, the Bank earned a total income of ₹ 108,045.6 crore as against ₹ 102,155.8 crore in the corresponding period of the previous year. Net revenues (net interest income plus other income) for the nine months ended December 31, 2020 were ₹ 65,370.4 crore, as against ₹ 58,210.4 crore for the nine months ended December 31, 2019. Net profit for the nine months ended December 31, 2020 was ₹ 22,930.0 crore, up 18.6% over the corresponding nine months ended December 31, 2019.

Capital Adequacy:

The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 18.9% as on December 31, 2020 (18.5% as on December 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 17.6% as of December 31, 2020 compared to 17.1% as of December 31, 2019. Common Equity Tier 1 Capital ratio was at 16.8% as of December 31, 2020. Risk-weighted Assets were at ₹ 1,091,721 crore (as against ₹ 950,976 crore as at December 31, 2019).

NETWORK

As of December 31, 2020, the Bank's distribution network was at 5,485 branches and 15,541 ATMs / Cash Deposit & Withdrawal Machines (CDMs) across 2,866 cities / towns as against 5,203 branches and 14,533 ATMs / CDMs across 2,787 cities / towns as of December 31, 2019. 50% of our branches are in semi-urban and rural areas. In addition, we have 13,675 business correspondents, which are primarily manned by Common Service Centres (CSC) as against 3,563 business correspondents as of December 31, 2019. Number of employees were at 117,560 as of December 31, 2020 (as against 113,981 as of December 31, 2019).

ASSET QUALITY

The Gross and Net non-performing assets were at 0.81% of gross advances and 0.09% of net advances as on December 31, 2020 respectively.

The restructuring under RBI resolution framework for COVID-19 was approximately 0.5% of advances.

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 have not been and will not be, classified as NPA till such time that the Honourable Supreme Court rules finally on the matter.

However, if the Bank had classified borrower accounts as NPA after August 31, 2020 using its analytical models (proforma approach), the proforma Gross NPA ratio would have been 1.38% as on December 31, 2020, as against 1.37% as on September 30, 2020 and 1.42% as on December 31, 2019. The Bank's proforma Net NPA ratio would have been 0.40%. Pending disposal of the case, the Bank, as a matter of prudence, has made a contingent provision in respect of these accounts.

The Bank also continues to hold provisions as on December 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.

The Bank held floating provisions of ₹ 1,451 crore and contingent provisions of ₹ 8,656 crore as on December 31, 2020. Total provisions (comprising specific, floating, contingent and general provisions) were 260% of the reported Gross NPAs or 148% of proforma Gross NPAs as on December 31, 2020.

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

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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 December 31, 2020, the Bank held 96.5% stake in HSL.

For the quarter ended December 31, 2020, HSL's total income was ₹ 337.3 crore as against ₹ 216.3 crore for the quarter ended December 31, 2019. Profit after tax for the quarter was ₹ 166.6 crore, as against ₹ 101.7 crore for the quarter ended December 31, 2019.

As on December 31, 2020, HSL had 219 branches across 160 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 December 31, 2020, the Bank held 95.1% stake in HDBFSL.

The total loan book was ₹ 57,710 crore as on December 31, 2020 as against ₹ 56,748 crore as of December 31, 2019. During the quarter HDBFSL increased its liquidity buffers, with Liquidity Coverage Ratio now at a healthy 285.5%, well above the regulatory requirement.

For the quarter ended December 31, 2020, HDBFSL's net interest income was at ₹ 1,010.4 crore as against ₹ 995.3 crore for the quarter ended December 31, 2019. Pre-provision Operating Profit (PPOP) at ₹ 748.7 crore grew by 7.5% over the corresponding quarter of the previous year and by 9.6% over quarter ended September 30, 2020.

Provisions and contingencies for the quarter were at ₹ 818.8 crore which included general provisions made as a matter of prudence. Profit / (Loss) after tax for the quarter ended December 31, 2020 was ₹ (44.3) crore compared to ₹ 216.7 crore for the quarter ended December 31, 2019. Profit after tax for the nine months ended December 31, 2020 was ₹ 218.3 crore compared to ₹ 695.2 crore for the nine months ended December 31, 2019.

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As on December 31, 2020, Gross and Net NPA were 2.7% of gross advances and 1.7% of net advances respectively.

However, if the Company had classified borrower accounts as NPA after August 31, 2020 along with the NBFC recognition methodology for NPAs (proforma approach), the proforma Gross NPA ratio would have been 5.9% as on December 31, 2020, as against 5.1% as on September 30, 2020 and 2.9% as on December 31, 2019. Pending disposal of the case, the Company, as a matter of prudence, has made a general provision in respect of these accounts.

Total CAR was at 19.5% with Tier-I CAR at 13.9%. As on December 31, 2020, HDBFSL had 1,328 branches across 964 cities / towns.

CONSOLIDATED FINANCIAL RESULTS

The consolidated net profit for the quarter ended December 31, 2020 was ₹ 8,769 crore, up 14.5%, over the quarter ended December 31, 2019. Consolidated advances grew by 14.9% from ₹ 986,606 crore as on December 31, 2019 to ₹ 1,133,410 crore as on December 31, 2020.

The consolidated net profit for the nine months ended December 31, 2020 was ₹ 23,399 crore, up 17.2% over the nine months ended December 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

NYSE: HDB

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