

October 30, 2019



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Current Price: ₹ 1242.15

STOCK DATA

BSE Code	500180
NSE Symbol	HDFCBANK
Reuters	HDBK.BO
Bloomberg	HDFCB IN

VALUE PARAMETERS

52 W H/L(Rs)	1285.00/942.20
Mkt. Cap.(Rs Cr)	679550.94
Latest Equity(Subscribed)	546.85
Latest Reserve (cons.)	153128.00
Latest EPS (cons.) -Unit Curr.	44.81
Latest P/E Ratio -cons	27.72
Latest Bookvalue (cons.) -Unit Curr.	293.53
Latest P/BV - cons	4.23
Dividend Yield -%	0.60

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2019
Foreign	49.71
Institutions	17.09
Govt Holding	0.17
Non Promoter Corp. Hold.	1.98
Promoters	21.29
Public & Others	9.78

Financial Results

In Cr.

Particulars	Qtr Ended Sept. 2019	Qtr Ended Sept. 2018	Var %
Interest Earned	28166.28	24199.56	16
Interest Expended	14651.24	12436.15	18
Net Interest Income	13515.04	11763.41	15
Other Income	5588.72	4015.59	39
Net Total Income	19103.76	15779.00	21
Operating Expenses	7405.68	6299.05	18
Operating Profits	11698.08	9479.95	23
Provisions & Contingencies	2700.68	1819.96	48
Profit Before Tax	8997.40	7659.99	17
Provision for tax	2652.41	2654.26	0
Net Profit	6344.99	5005.73	27
EPS*(Rs)	11.60	9.21	

HDFC Bank's profit meets estimates on stable loan growth and other income.

HDFC Bank has posted strong 27% surge in net profit to Rs 6344.99 crore in the quarter ended September 2019 (Q2 FY2020), driven by stable asset quality, strong growth in non-interest income and decline in cost-to-income ratio. The lower effective tax rate also boosted the bottomline of the bank in Q2FY2020. The bank has exhibited improved business growth driven by surge in deposits as well advances, while the bank has improved credit-deposits on sequential basis in Q2FY2020.

The Net Interest Margins (NIMs) bank has eased marginally to 4.2% in Q2FY2020 from 4.3% in Q1FY2020 and 4.3% Q2FY2019. The CASA deposits ratio of the bank was steady on sequential basis at 39.3%, but decline from 42% a year ago.

The advances growth of the bank accelerated to 19% end September 2019 from 17% end June 2019, with 15% growth in the retail loan book. The bank has posted robust 39% growth in the non-interest income, which gained share in net total income to 29.3% in Q2FY2020 from 25.4% in Q2FY2019.

Asset quality stable

Asset quality of the bank was steady with stable fresh slippages of loans in Q2FY2020.

- Gross non-performing assets were at 1.38% of gross advances end September 2019, (1.2% excluding NPAs in the agricultural segment) as against 1.40% end June 2019 (1.2% excluding NPAs in the agricultural segment) and 1.33% end September 2018 (1.1% excluding NPAs in the agricultural segment).
- Net nonperforming assets were at 0.4% of net advances end September 2019.
- The Bank held floating provisions of Rs 1451 crore end September 2019. Total provisions (comprising specific provisions, general provisions and floating provisions) were 114% of the gross non-performing loans end September 2019.
- Provision coverage ratio was steady at 70% end September 2019.
- The Bank's total Capital Adequacy Ratio (CAR) as per Basel III guidelines was at 17.5% end

September 2019 (17.1% end September 2018).

- Risk weighted Assets were at Rs 963321 crore as against Rs 886489 crore as at September 2018.

Business growth accelerates: The business of the bank has increased at accelerated pace of 21% to Rs 1918599 crore end September 2019 over September 2018. Total deposits surged 23% to Rs 1021615 crore end September 2019 over September 2018. Total advances also increased at higher pace of 19% to Rs 896984 crore end September 2019.

Total balance sheet expanded 13% to Rs 1325072 crore end September 2019 from Rs 1169898 crore end September 2018.

Strong domestic loan growth: Domestic advances grew by 21% over September 2018. The domestic retail loans grew by 15% and domestic wholesale loans jumped 28%. The domestic loan mix between retail:wholesale was 52:48. Overseas advances constituted 3% of total advances.

Steady CASA ratio on sequential basis: CASA deposits of the bank increased by 15% with savings account deposits at Rs 264445 crore and current account deposits at Rs 136791 crore. Time deposits were at Rs 620,380 crore, showing an increase of 28% over the previous year. CASA deposits ratio was steady on sequential basis at 39.3% end September 2019. The Bank's continued focus on deposits helped in the maintenance of a healthy liquidity coverage ratio at 133%, well above the regulatory requirement.

Provisions and contingencies increased 48% to Rs 2700.7 crore (consisting of specific loan loss provisions of Rs 2038.0 crore and general provisions and other provisions of Rs 662.7 crore) in Q2FY2020 as against Rs 1820.0 crore (consisting of specific loan loss provisions of Rs 1572.5 crore and general provisions and other provisions of Rs 247.5 crore) in Q2FY2019.

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