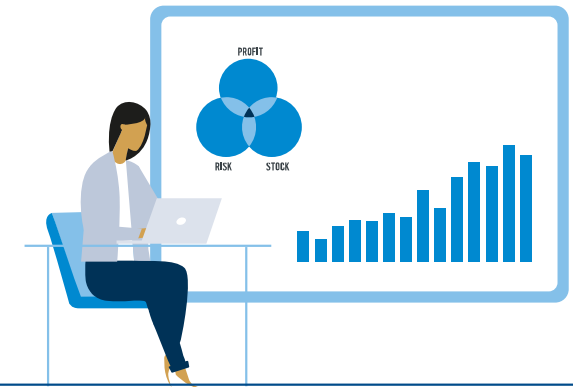


# Q1FY24 Earnings Presentation



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July 17, 2023

# Executive summary

- Delivering consistent, strong and sustainable performance
  - ✓ Standalone RoA of 2.1% and RoE of 17.3% for Q1 Jun'23 (annualised)
  - ✓ Consolidated EPS of Rs. 22.2 and book value per share of Rs. 542.7
- Continuing buoyant macroeconomic conditions provide tailwind for growth
- Investments in progress – building reach & distribution; broadening customer base and enabling technology
- Momentum in core growth of loans and deposits continues
- Merger successfully executed 1<sup>st</sup> July 2023 – fifteen months from announcement

# HDFC Bank at a glance



## Prominence

**#1**

Private sector bank in India\*

**US\$ 150+ bn**

Market capitalization  
(post merger)

**180K+**

Employees

**#1**

Most Valuable Indian Banking  
Brand#



## Market share

**~11%**

Advances^

**~10%**

Deposits

**47%**

POS and e-Com^^

**29%**

Credit cards  
spends^^



## Reach

**85 mn**

Customer base

**7.8K+**

Banking branches

**23k+**

Banking outlets

**> 4.5 mn**

Merchant acceptance points



## Social impact

**₹8 bn**

CSR spend^^

**> ₹500 bn**

Contribution to exchequer^^

**52%**

Branches in semi-urban and rural

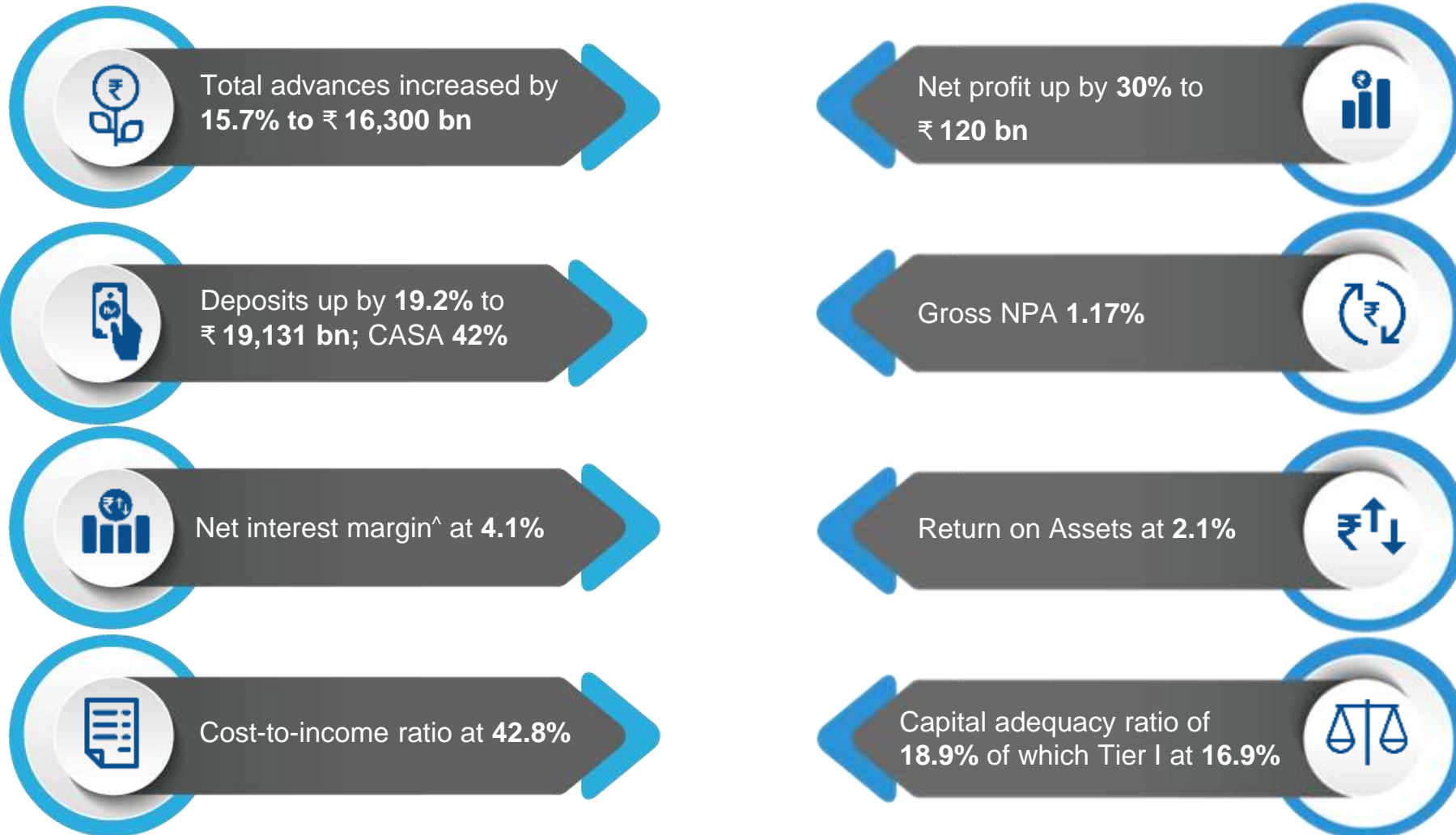
**15K +**

CSC - BCs

# Consolidated Income Statement

P&L ₹ bn	Q1FY23	Q1FY24	YoY
Net interest income	209.2	252.1	21%
Non-interest income	69.3	98.5	42%
<b>Net revenue</b>	<b>278.5</b>	<b>350.6</b>	<b>26%</b>
Operating expenses	113.6	151.8	34%
<b>PPOP</b>	<b>164.9</b>	<b>198.8</b>	<b>21%</b>
Provisions	36.7	32.9	(10%)
<b>Profit before tax</b>	<b>128.2</b>	<b>165.9</b>	<b>29%</b>
<b>Consolidated profit</b>	<b>95.8</b>	<b>123.7</b>	<b>29%</b>

# Key Financial Parameters for Q1FY24



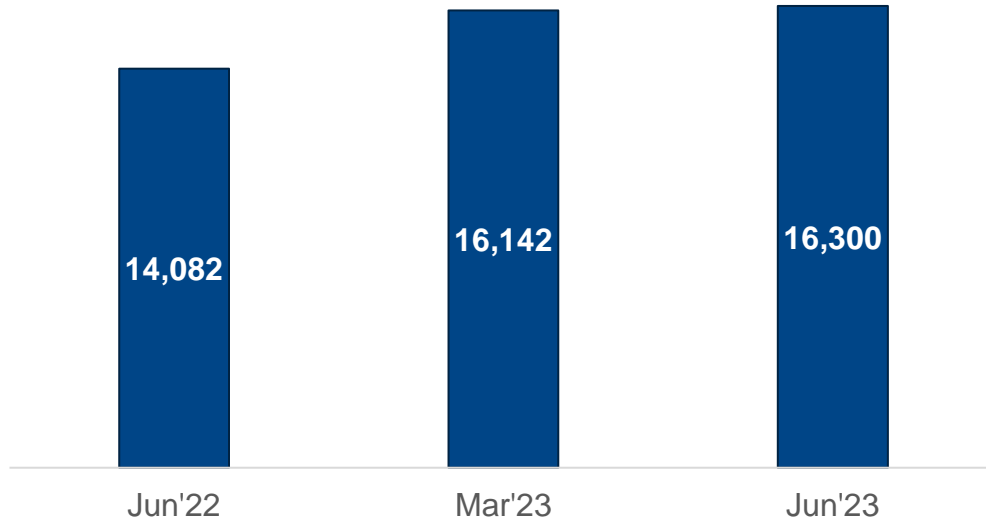
# Income Statement

P&L (₹ bn)	Q1FY23	Q1FY24	YoY
Net interest income	194.8	236.0	21%
Non-interest income	63.9	92.3	45%
<b>Net revenue</b>	<b>258.7</b>	<b>328.3</b>	<b>27%</b>
Operating expenses	105.0	140.6	34%
<b>PPOP</b>	<b>153.7</b>	<b>187.7</b>	<b>22%</b>
Provisions	31.9	28.6	(10%)
<b>Profit before tax</b>	<b>121.8</b>	<b>159.1</b>	<b>31%</b>
<b>Profit after tax</b>	<b>92.0</b>	<b>119.5</b>	<b>30%</b>

# Growth in advances and deposits

## Total advances\*

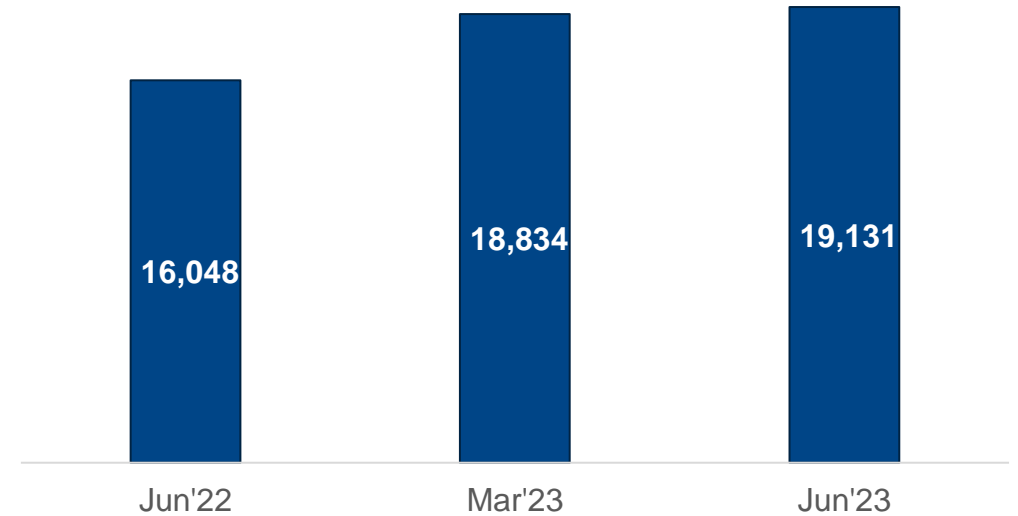
₹ bn



	Jun'22	Mar'23	Jun'23
YoY growth gross of IBPC/BRDS transfers	22%	21%	20%
YoY growth	21%	17%	16%

## Deposits

₹ bn



	Jun'22	Mar'23	Jun'23
YoY growth	19%	21%	19%

\*Net of transfers through inter-bank participation certificates and bills rediscounted

# Sustained growth across segments

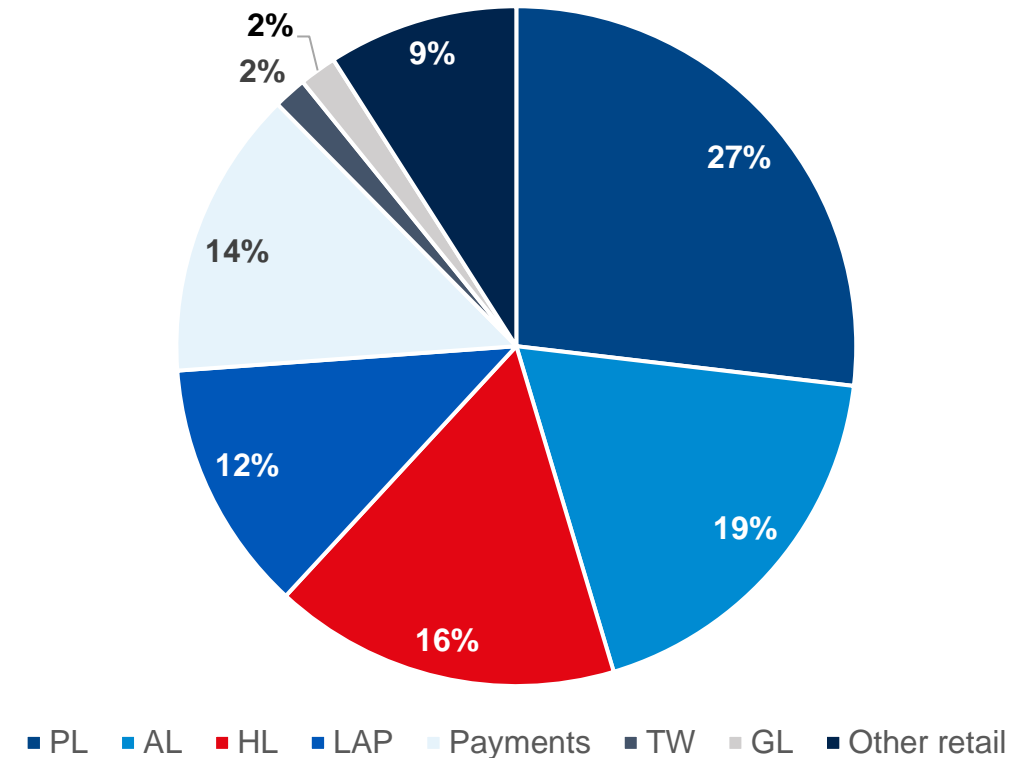
## Growth across all segments

Loans (₹ bn)	Jun'22	Mar'23	Jun'23	Q1 FY'23 YoY	Q1 FY'24 YoY
Retail	5,579	6,346	6,578	22%	18%
CRB	4,981	6,292	6,428	29%	29%
Wholesale	3,639	4,097	4,046	16%	11%
<b>Subtotal</b>	<b>14,199</b>	<b>16,734</b>	<b>17,053</b>	<b>22%</b>	<b>20%</b>
IBPC/BRDS	(117)	(592)	(753)		
<b>Total</b>	<b>14,082</b>	<b>16,142</b>	<b>16,300</b>	<b>21%</b>	<b>16%</b>
<i>Retail Mix*</i>	44%	47%	47%		
<i>Wholesale Mix*</i>	56%	53%	53%		

\*As per Basel classification

## Diversified retail loan book

Jun'23



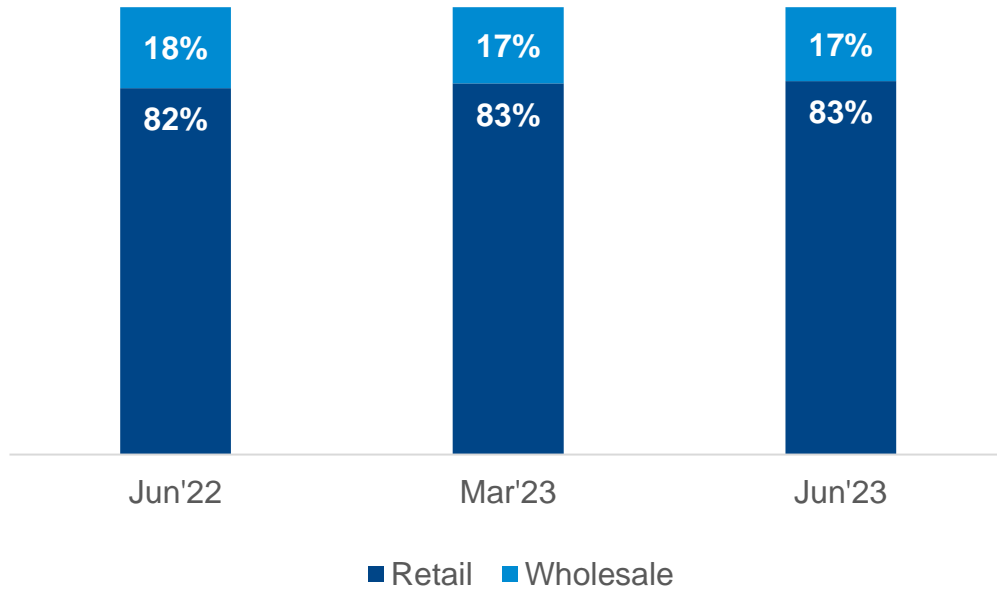
PL – Personal loans; AL – Auto loans; HL – Home loans; LAP – Loans against property; Payments – Cards & Consumer Durable loans; TW – Two wheeler loans; GL – Gold loan

Certain figures will not add-up due to rounding

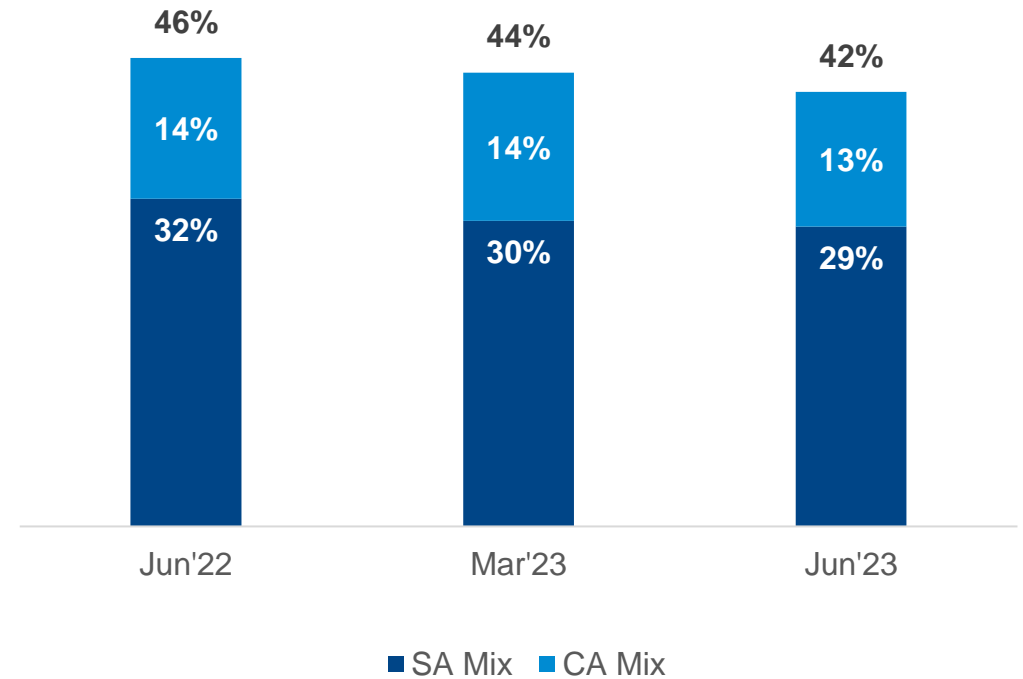


# Stable and granular deposits

**Granular deposits**



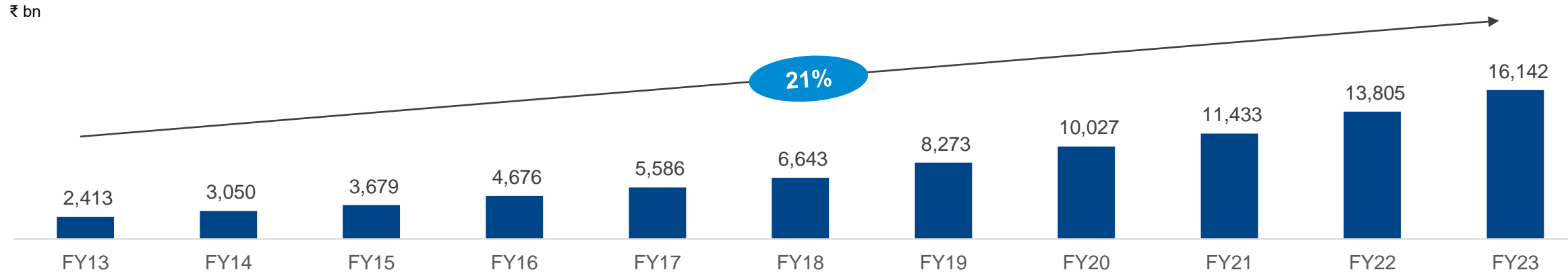
**Proportion of CASA deposits**



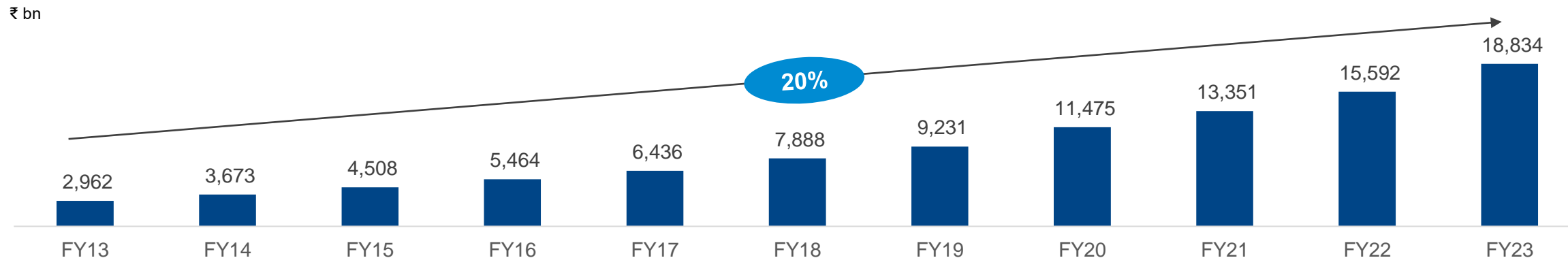
## Retail anchoring deposit growth

# Long term consistent growth

## Advances

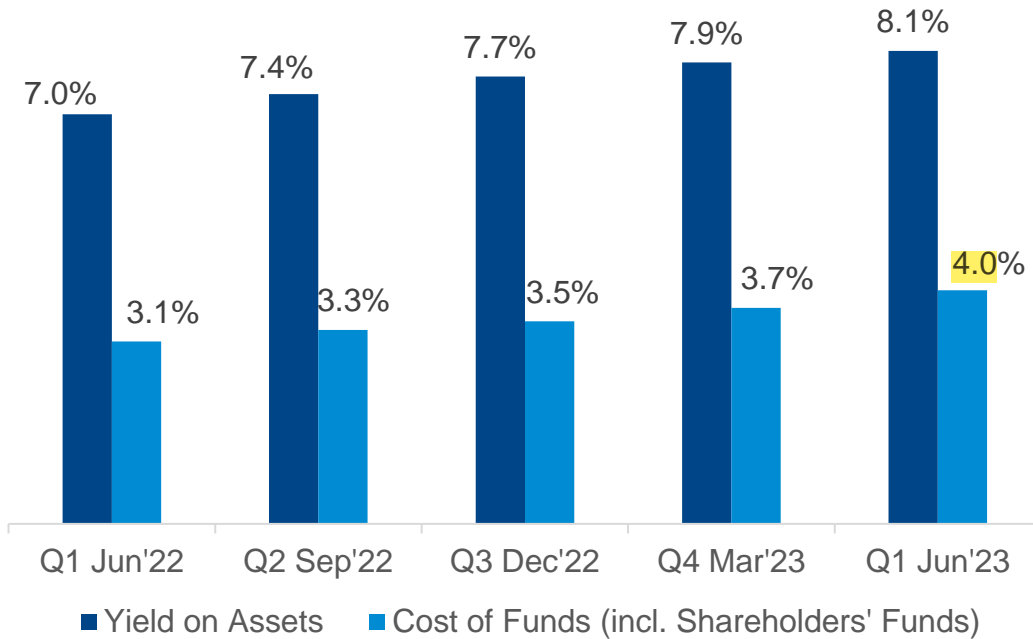


## Deposits

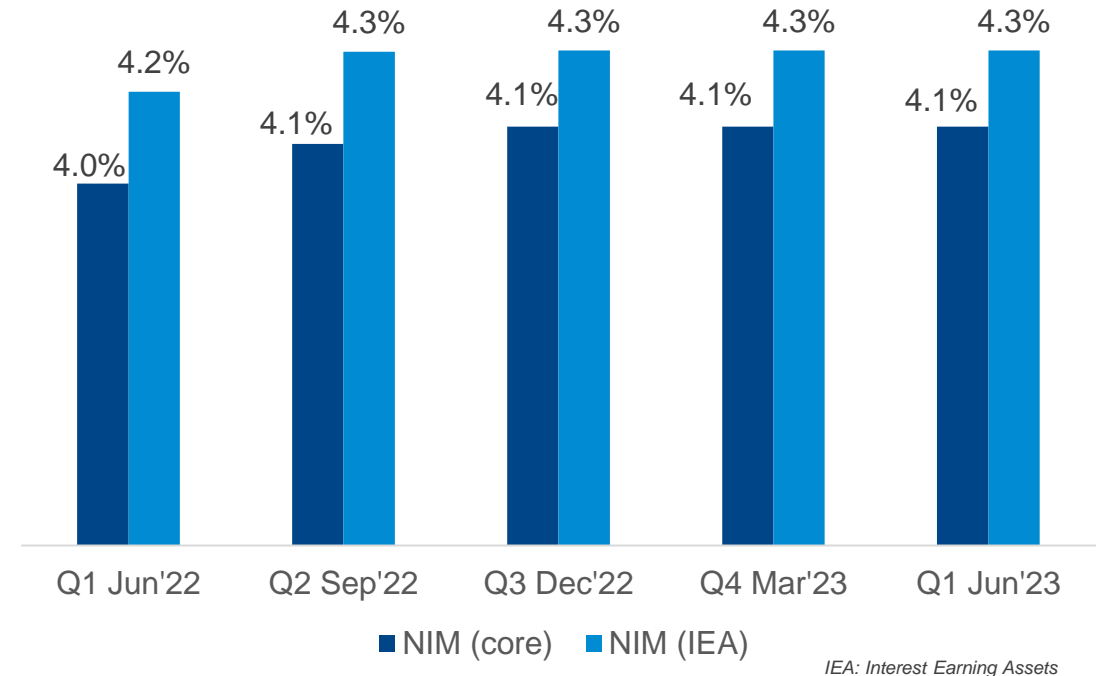


# Stable NIM aided by low cost of funds

**Yield and Cost of Funds**



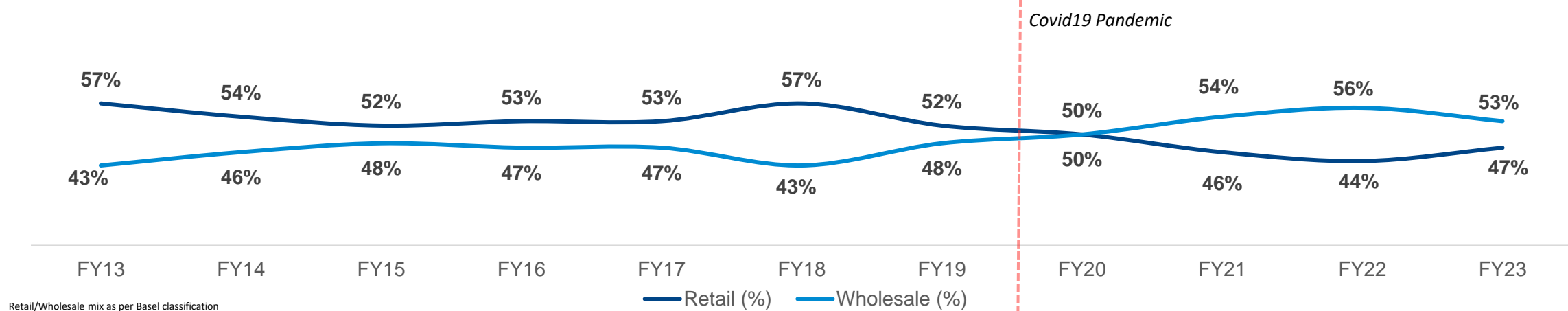
**Stable Core Net Interest Margin (NIM)**



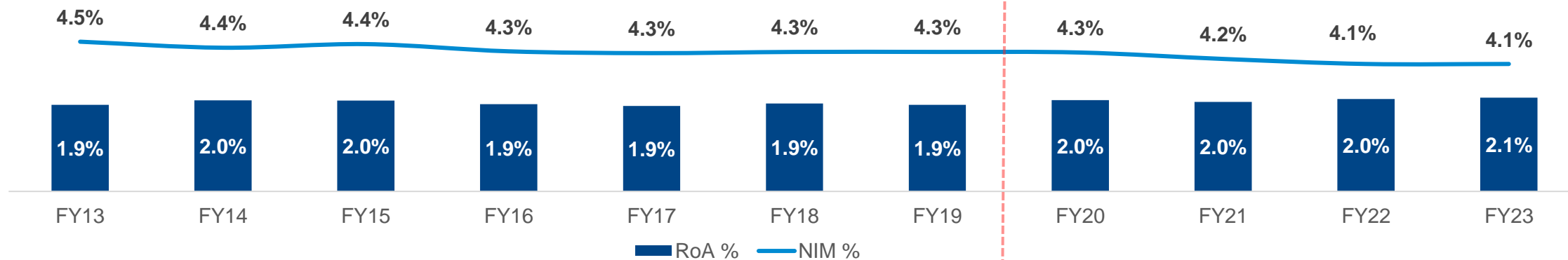
**Amongst the lowest cost of funds in the industry driven by high quality deposits**

# RoA remains consistent over long term

## Loan mix

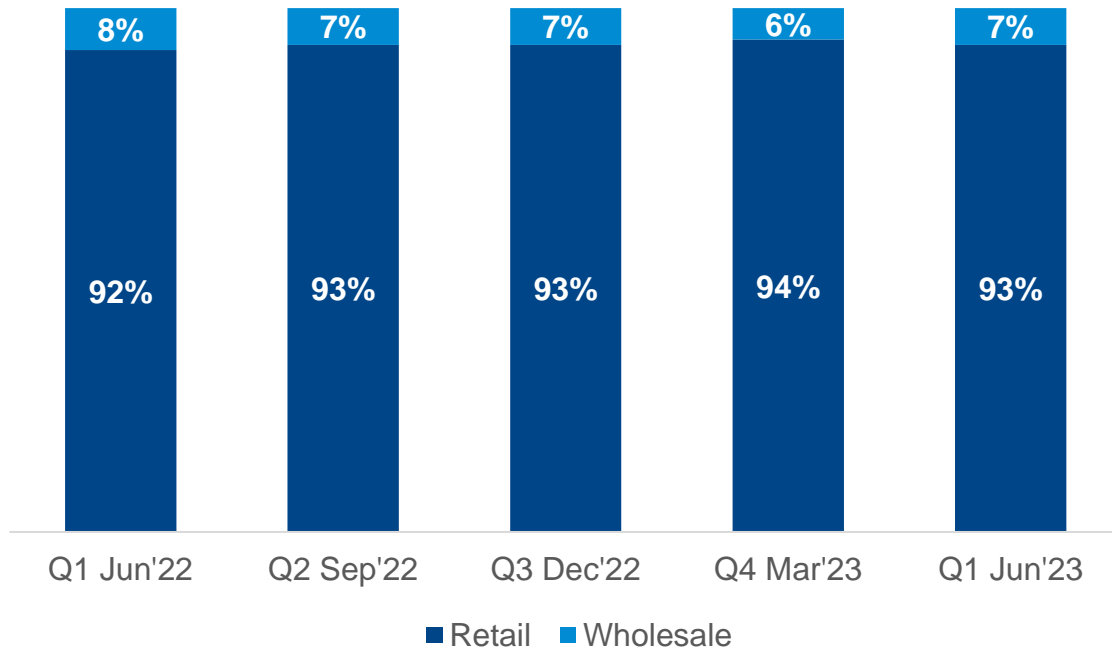


## NIM and RoA

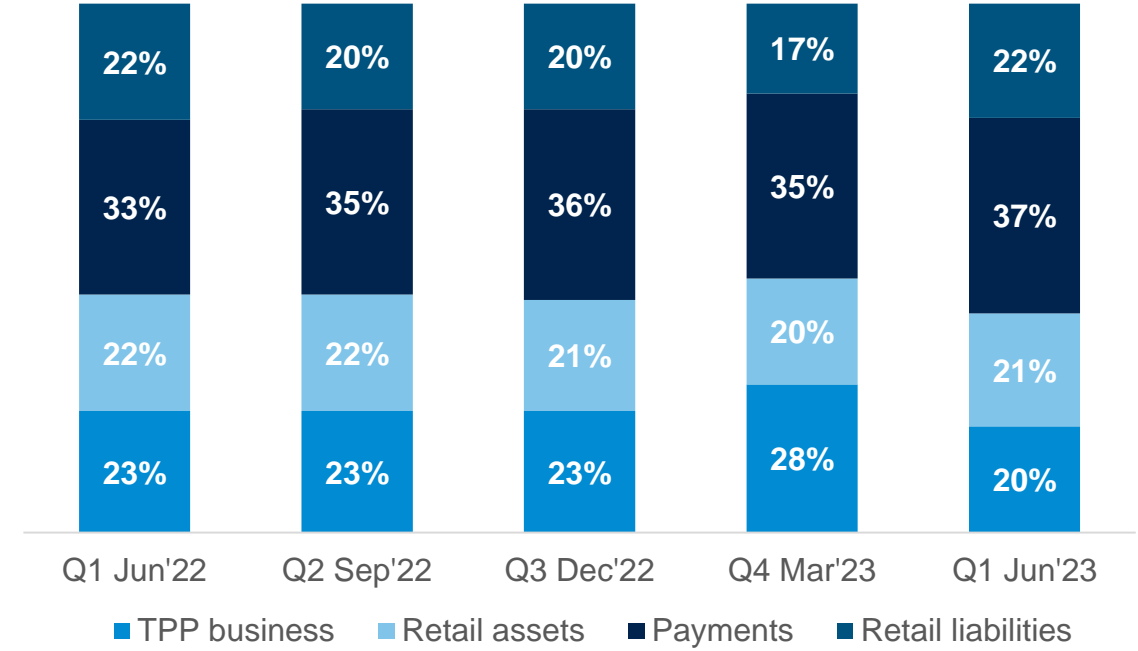


# Granular and well diversified fee income

**Fee Income Mix**



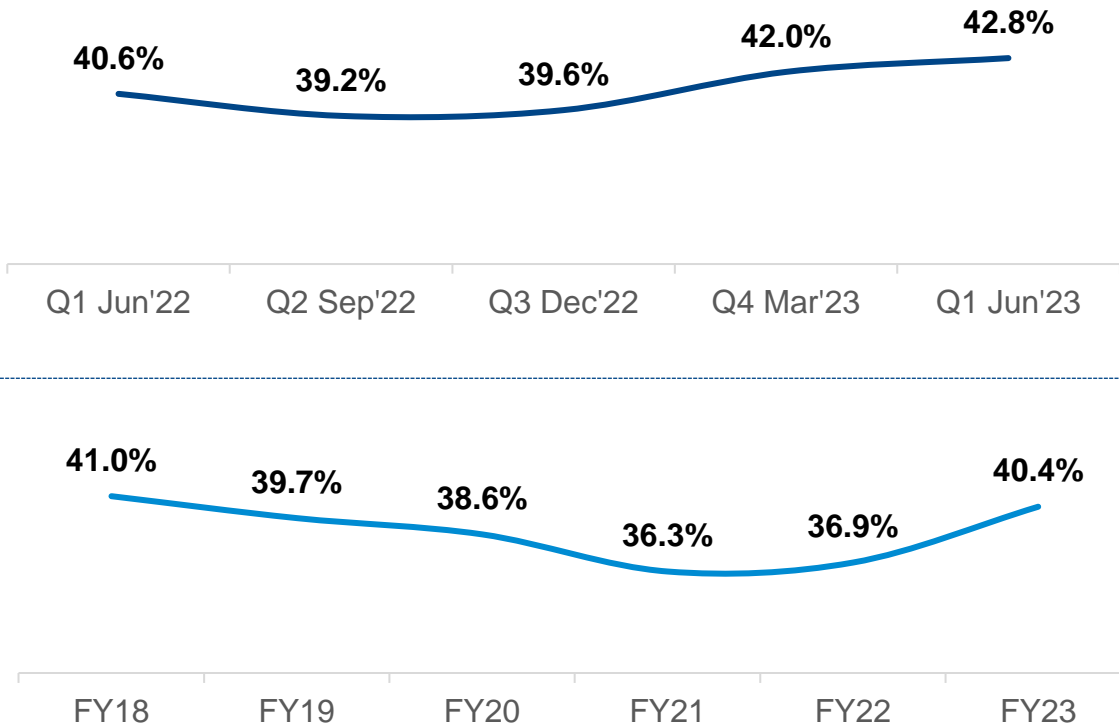
**Retail Fee Income Mix**



**Well diversified fee income; pre-dominantly non-fund based**

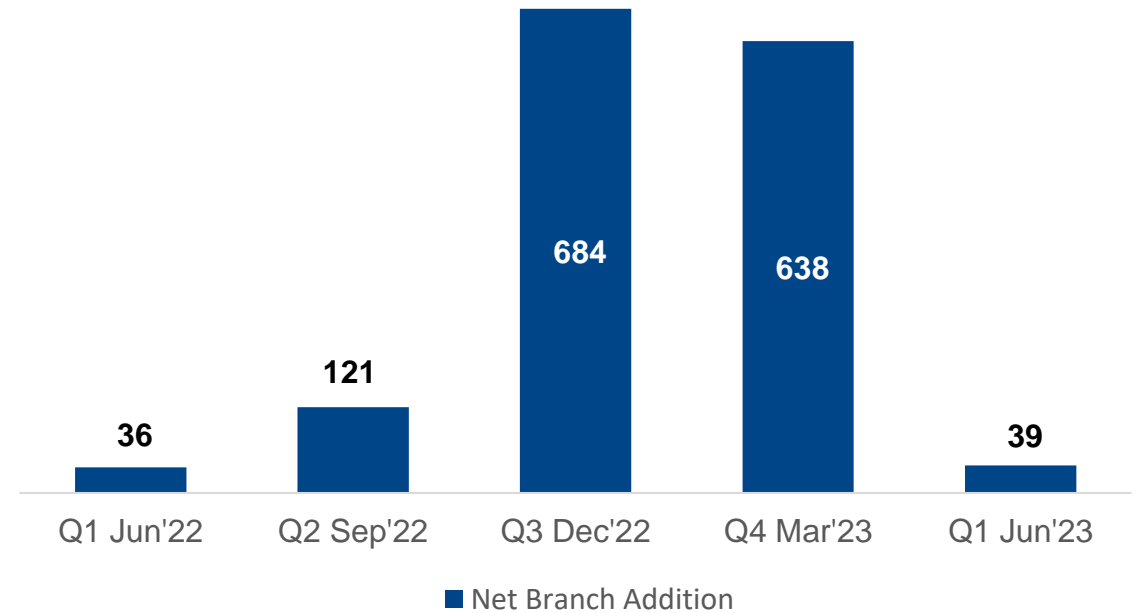
# Efficiency in growth

## Cost to Income Ratio



**Operating efficiency allows investments**

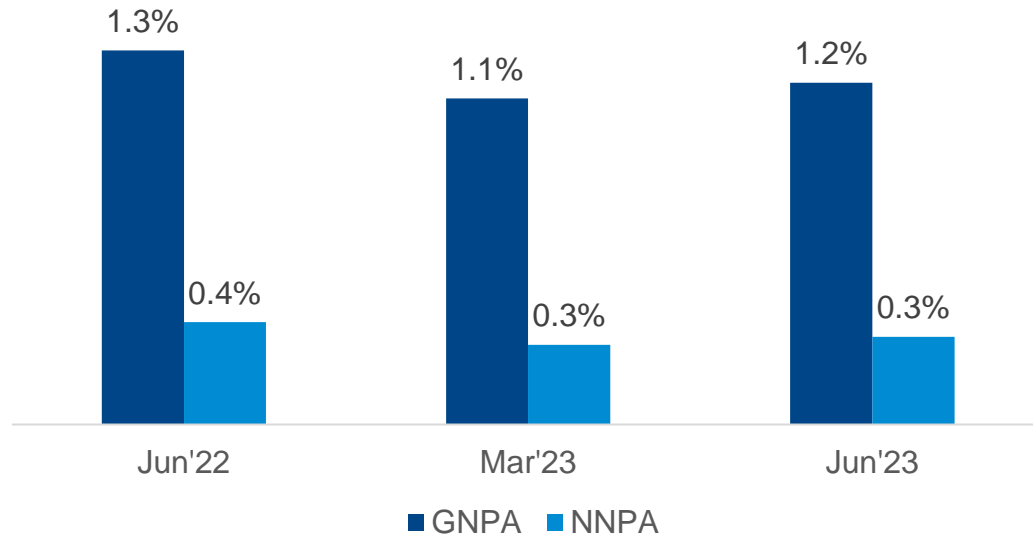
## New branches – investing for future



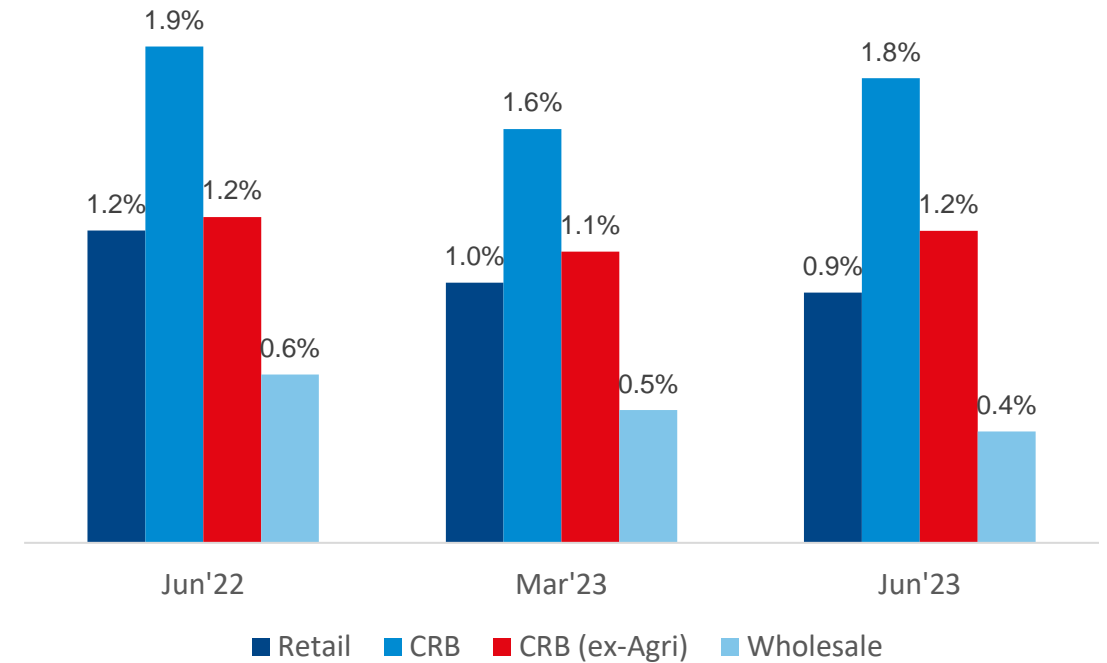
**Benign credit enables fast tracking investments**

# Resilient asset quality

Gross NPA and Net NPA



GNPA by Segment



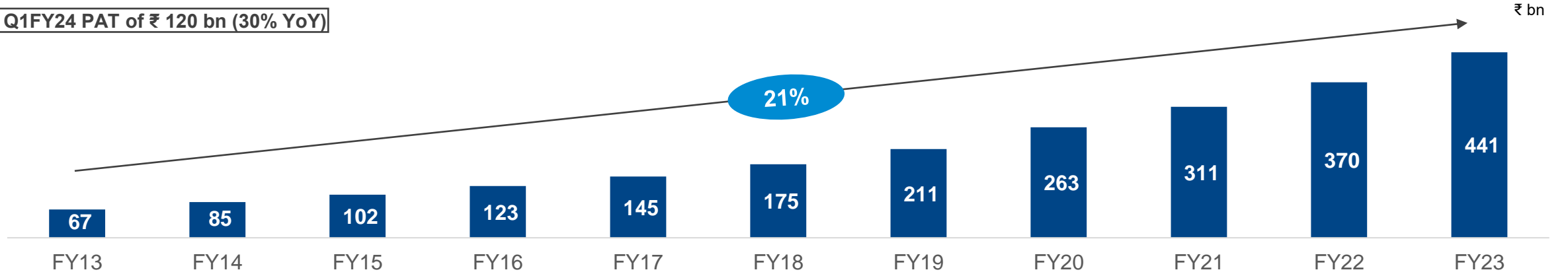
**Stable asset quality; high provision coverage**

**Healthy asset quality across segments**

# Consistent performance across cycles

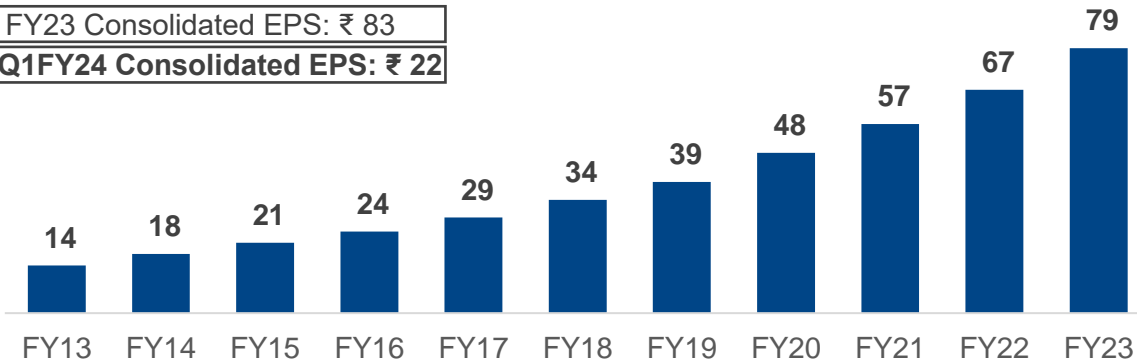
## Profit after tax

Q1FY24 PAT of ₹ 120 bn (30% YoY)



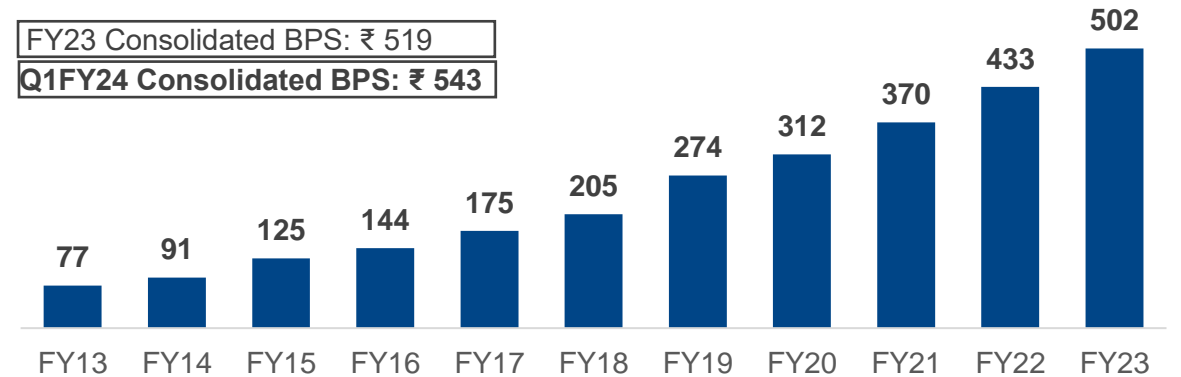
## Earnings per share

FY23 Consolidated EPS: ₹ 83  
Q1FY24 Consolidated EPS: ₹ 22



## Book value per share

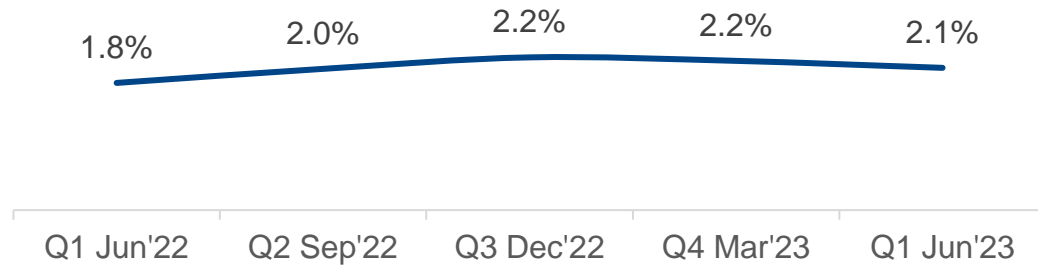
FY23 Consolidated BPS: ₹ 519  
Q1FY24 Consolidated BPS: ₹ 543





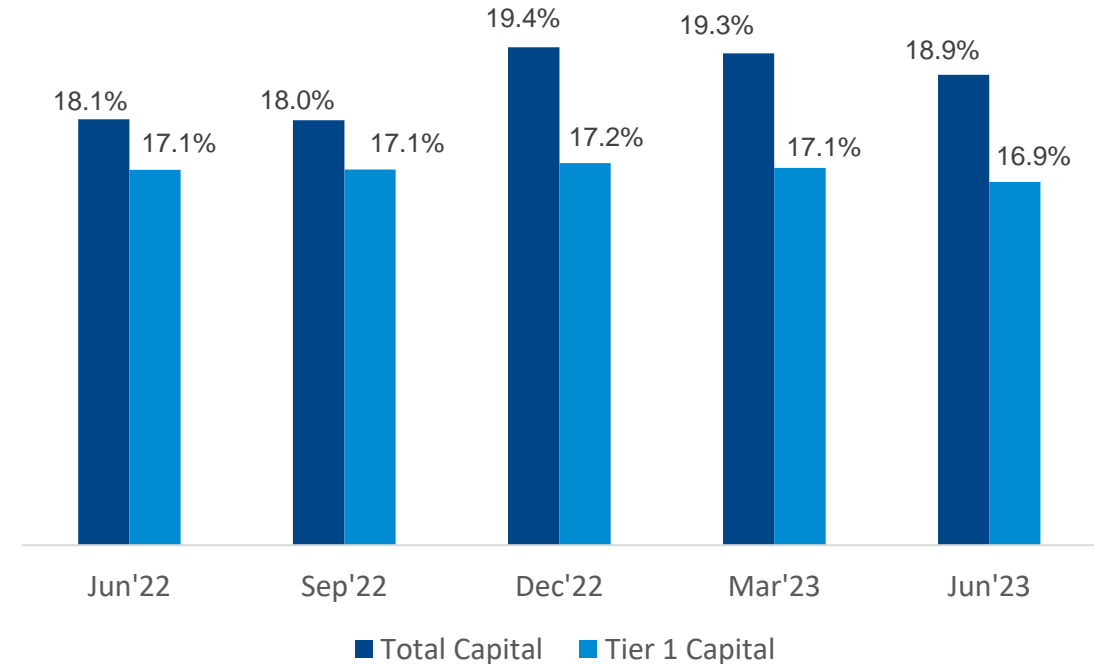
# Strong returns and healthy capital ratios

## Return on Assets



## Consistent RoA

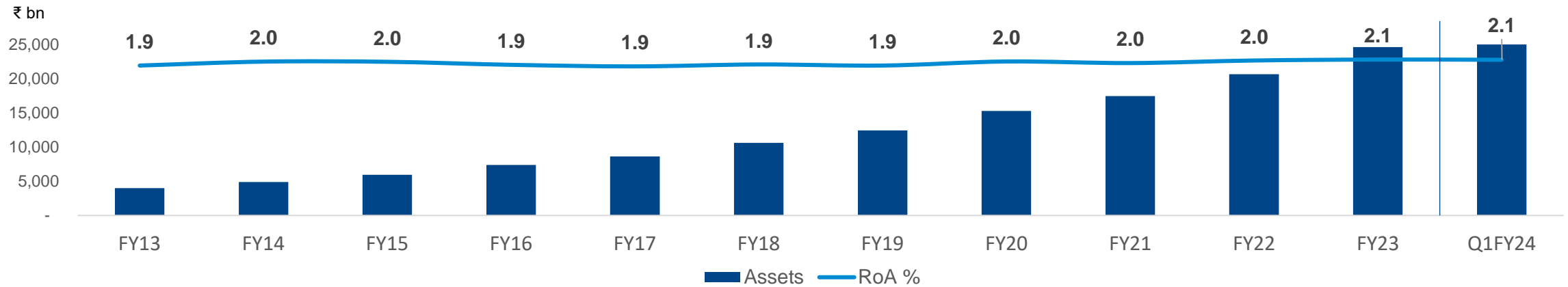
## Capital adequacy



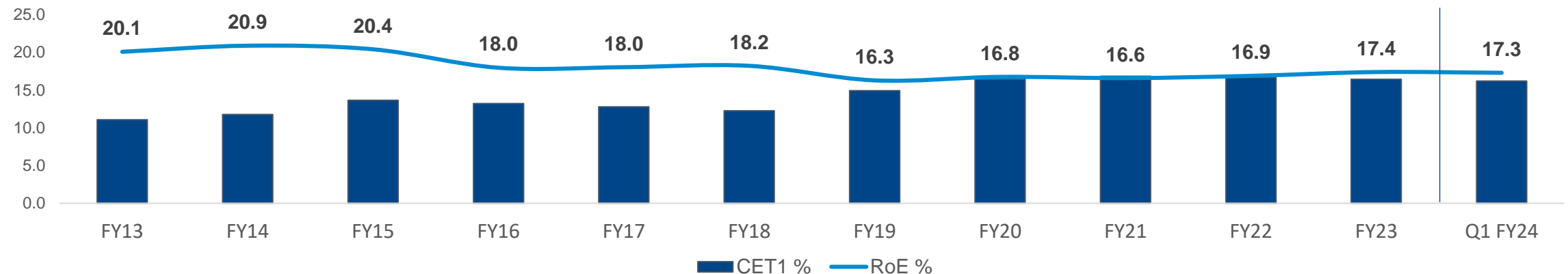
## Healthy capital ratios

# Balance sheet and capital productivity

Consistent growth in assets and RoA



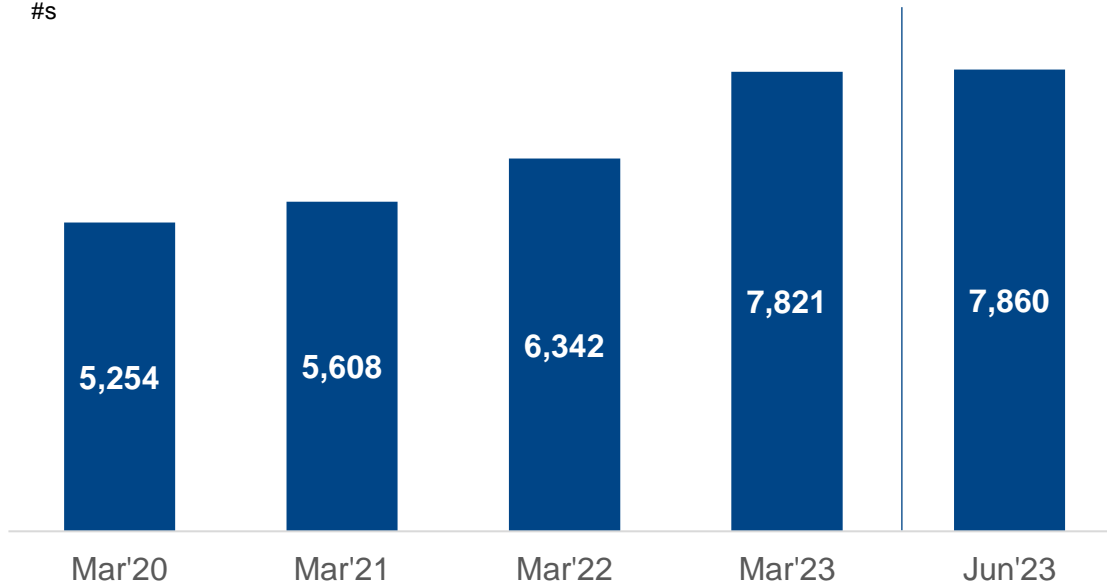
Capital positioned for growth with consistent RoE



# Branch expansion and customer relationships driving growth

## Branch network

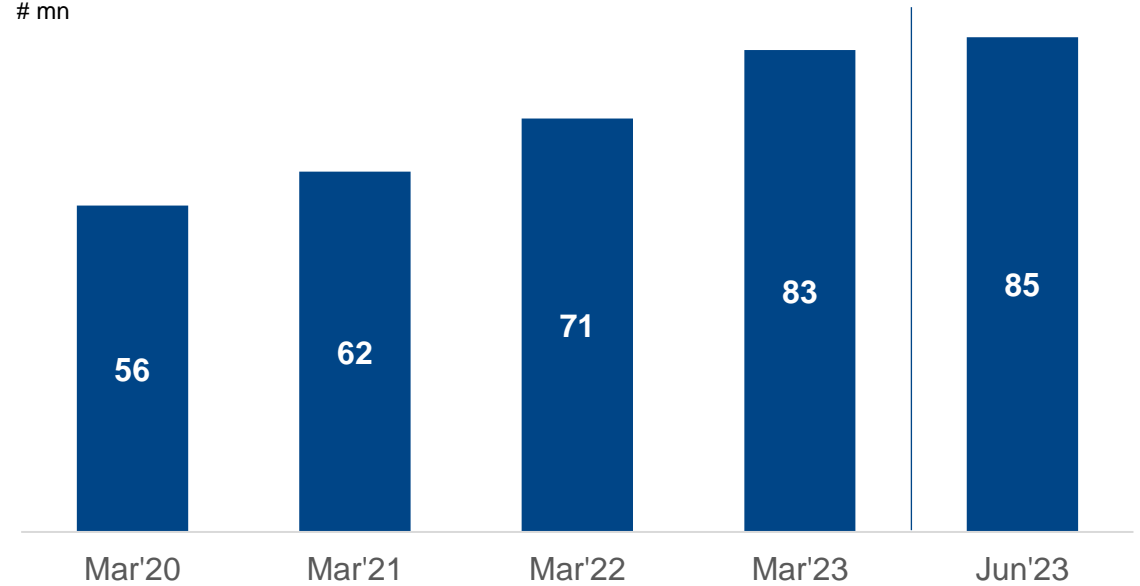
#s



**Distribution strength enables customer engagement**

## Customer base

# mn



**Large customer base with potential to engage and deepen relationships**

# Subsidiaries – Q1FY24 Update

## HDB Financial Services Limited

- 12.8 million customers serviced through a network of 1,581 branches across 1,101 cities/towns
- Healthy momentum in disbursements across all three business segments with growth of 42% YoY
- Q1FY24 – Loan book: ₹ 736 bn up by 19% YoY and 5% sequentially; Secured Loans: 72%; Stage 3 Assets: 2.48%
  - Net interest margin: 8.3%; Net profit ₹ 5.7 bn up by 28% YoY; RoA 3.2%
  - Capital adequacy ratio (CAR) 19.8% ; EPS ₹ 7.2 ; Book value per share ₹ 150.6 ; RoE 19.4%

## HDFC Securities Limited

- 4.6 million customers serviced through a network of 207 branches across 147 cities
- Around 93% of the active clients utilized the services offered through company's digital platforms.
- Q1FY23 – Net revenue: ₹ 5.0 bn; Net profit : ₹ 1.9 bn
  - EPS ₹ 119 ; RoE 41.3%

# ESG at HDFC Bank

## ESG Vision

Best In class on ESG Standards

## Approach

To make ESG a way of life

## Focus Areas

- Sustainable banking
- Carbon neutrality
- Employee diversity

## Key Targets

- Become carbon neutral by FY32
- 25% women employees by FY25
- 2.5 mn trees by FY25

## Governance

- ESG Policy framework approved by the Board
- ESG governed by CSR & ESG committee of the Board and driven by management committees and cross functional working groups
- ESG performance disclosed in the Integrated Annual Report

## Key highlights

- 829 branches certified as ‘green’
- All upcoming branches to conform to green building standards
- Recycling and waste segregation and at large offices
- HRDP spans across 7,400+ villages in 23 states covering > 1mn families
- Financed 6,110 MW renewable energy capacity in FY23
- Awarded ESG India Leadership Award 2022
- IGBC Award for highest number of green branches

## Ratings



As of August 2022



Top constituent of Nifty 100 ESG index



DJSI score at 58 (88 percentile)



CDP rating for 2022 is C

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## Proforma merged financials (estimated<sup>^</sup>)

# Proforma merged standalone financials (estimated<sup>^</sup>)

## Proforma merged loans (estimated)

Loans (₹ bn)	Jun'22	Mar'23	Jun'23	YoY
Retail	5,579	6,346	6,578	18%
CRB	4,981	6,292	6,428	29%
Wholesale	3,640	4,097	4,046	11%
<b>Subtotal (HDFCB pre-merger)</b>	<b>14,199</b>	<b>16,734</b>	<b>17,053</b>	<b>20%</b>
HDFC's individual loans	4,427	4,945	5,054	14%
<b>Subtotal (core)</b>	<b>18,626</b>	<b>21,679</b>	<b>22,107</b>	<b>19%</b>
HDFC's non-individual loans	1,343	1,215	1,097	(18%)
<b>Subtotal</b>	<b>19,969</b>	<b>22,894</b>	<b>23,204</b>	<b>16%</b>
IBPC/BRDS	(117)	(592)	(753)	
<b>Proforma merged gross advances</b>	<b>19,852</b>	<b>22,302</b>	<b>22,451</b>	<b>13%</b>

**Core loan growth 19%**  
**Mortgage mix in loan book 35%**

## Proforma merged deposits (estimated)

Deposits (₹ bn)	Jun'22	Mar'23	Jun'23	YoY
<b>HDFCB deposits (pre-merger)</b>	<b>16,048</b>	<b>18,834</b>	<b>19,131</b>	<b>19%</b>
HDFC's retail deposits*	1,021	1,112	1,124	10%
<b>Subtotal</b>	<b>17,069</b>	<b>19,946</b>	<b>20,255</b>	<b>19%</b>
HDFC's non-retail deposits	691	415	397	-43%
<b>Proforma merged deposits</b>	<b>17,761</b>	<b>20,361</b>	<b>20,651</b>	<b>16%</b>

**CASA ratio 39%**  
**Retail mix in deposits 83%**

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 other countries which have an impact on our business activities or investments caused by any factor, including terrorist attack 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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THANK YOU