

Q4FY23 Earnings Presentation



April 2023

HDFC Bank at a glance



Prominence

#1

Private sector bank in India*

US\$ 100+ bn

Market capitalisation

170k+

Employees

#1

Most Valuable Indian Banking Brand[#]



Market share

~11%

Advances[^]

~10%

Deposits

47%

POS and e-com^{^^}

28%

Credit cards spends^{^^}



Reach

83 mn

Customer base

7.8k+

Banking branches

23k+

Banking outlets

~ 4 mn

Merchant acceptance points



Social impact

₹8 bn

CSR spend

> ₹500 bn

Contribution to exchequer

52%

Branches in semi-urban and rural

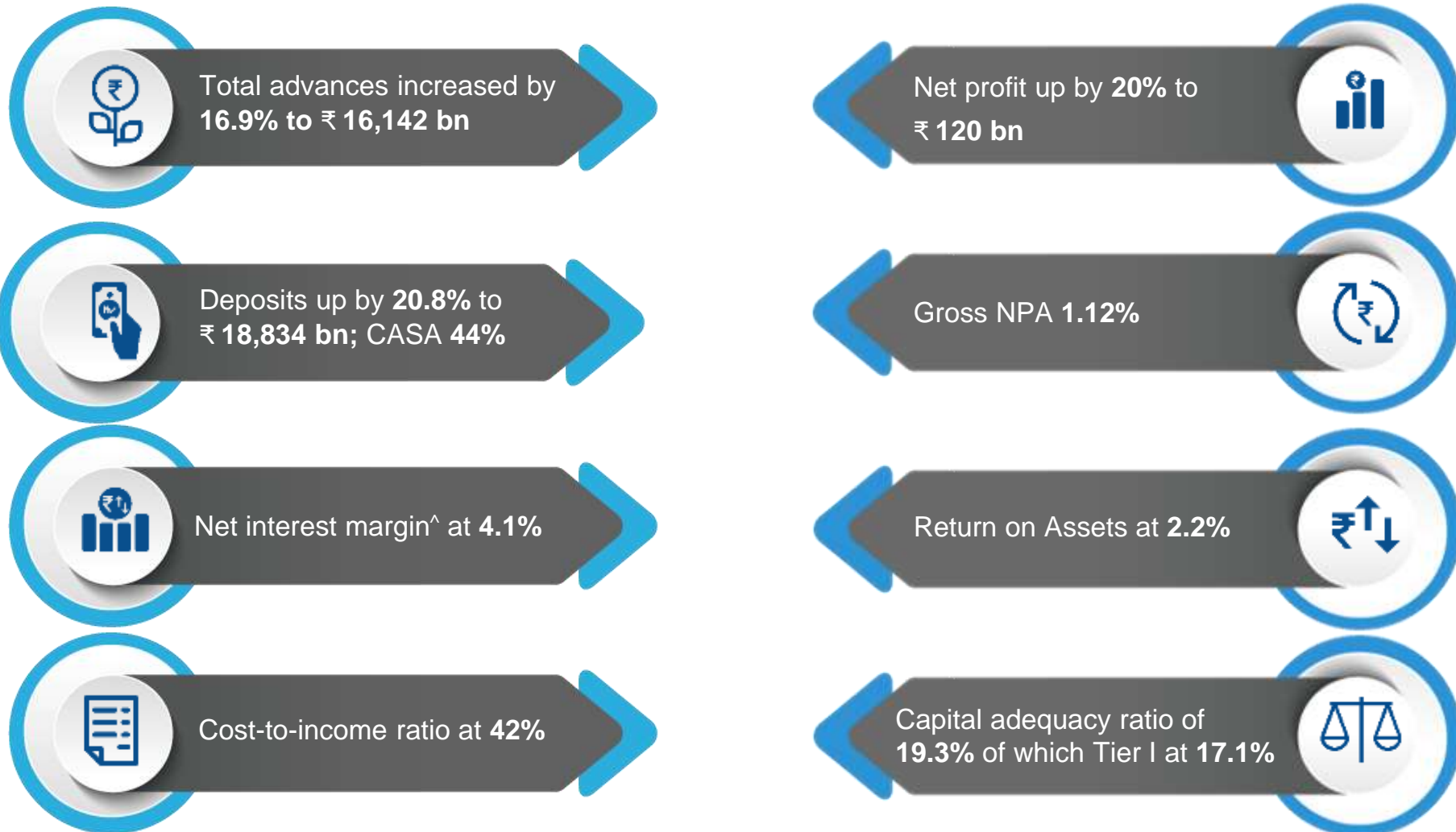
15k +

CSC - BCs

Consolidated Income Statement

₹ bn	Q4FY22	Q4FY23	YoY	FY22	FY23	YoY
Net Interest Income	203.5	249.4	23%	773.5	929.7	20%
Non-Interest Income	83.8	96.1	15%	317.6	339.2	7%
Net revenue	287.3	345.5	20%	1,091.1	1,268.9	16%
Operating expenses	110.1	145.9	33%	403.1	515.3	28%
PPOP	177.2	199.6	13%	688.0	753.6	10%
Provisions	40.3	31.8	(21%)	179.3	138.6	(23%)
Profit before tax	136.9	167.8	23%	508.7	615.0	21%
Consolidated profit	104.4	125.9	21%	380.5	460.0	21%

Key Financial Parameters for Q4FY23



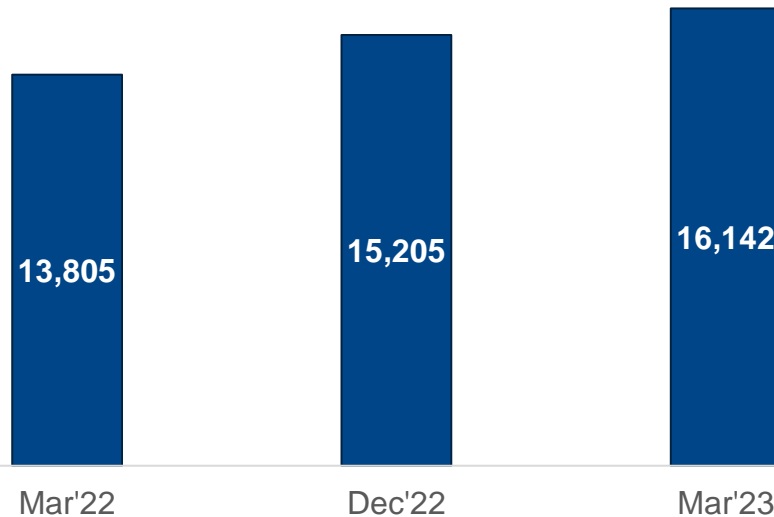
Income Statement

P&L (₹ bn)	Q4FY22	Q4FY23	YoY	FY22	FY23	YoY
Net Interest Income	188.7	233.5	24%	720.1	868.4	21%
Non-Interest Income	76.4	87.3	14%	295.1	312.2	6%
Net revenue	265.1	320.8	21%	1,015.2	1,180.6	16%
Operating expenses	101.5	134.6	33%	374.4	476.5	27%
PPOP	163.6	186.2	14%	640.8	704.1	10%
Provisions	33.2	26.8	(19%)	150.6	119.2	(21%)
Profit before tax	130.4	159.4	22%	490.2	584.9	19%
Profit after tax	100.6	120.5	20%	369.6	441.1	19%

Growth in advances and deposits

Total advances*

₹ bn

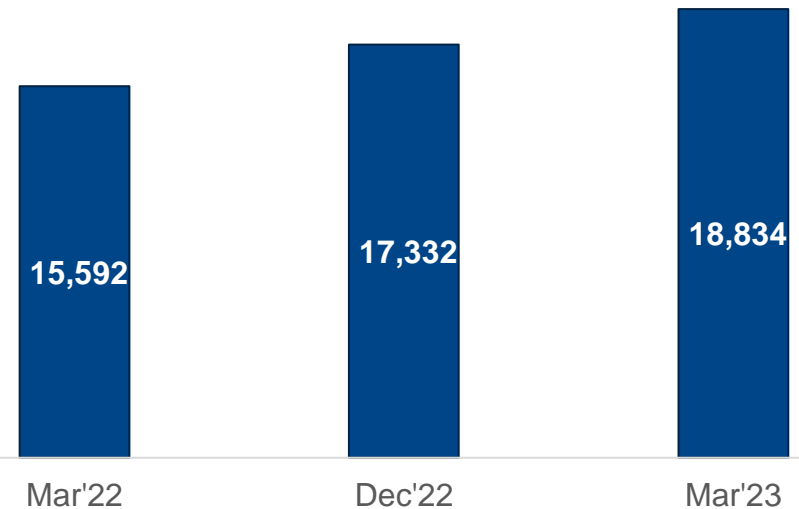


YoY growth 21% 20% 17%

YoY growth gross of IBPC/BRDS transfers 21% 24% 21%

Deposits

₹ bn



YoY growth 17% 20% 21%

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

Sustained growth across segments

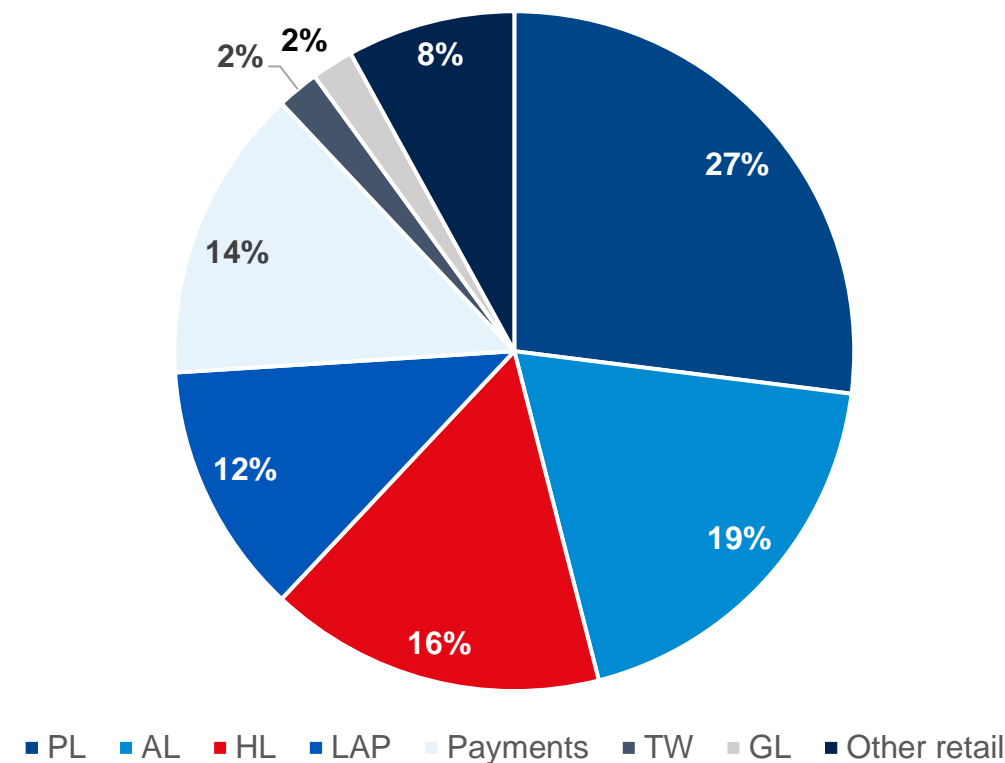
Growth across all segments

Loans (₹ bn)	Mar'22	Dec'22	Mar'23	FY'22 YoY	FY'23 YoY
Retail	5,318	6,066	6,346	15%	19%
CRB	4,847	5,733	6,292	30%	30%
Wholesale	3,640	3,923	4,097	17%	13%
IBPC/BRDS	-	(516)	(592)	-	-
Total	13,805	15,205	16,142	21%	17%
<i>Retail Mix*</i>	44%	44%	47%		
<i>Wholesale Mix*</i>	56%	56%	53%		

*As per Basel classification

Diversified retail loan book

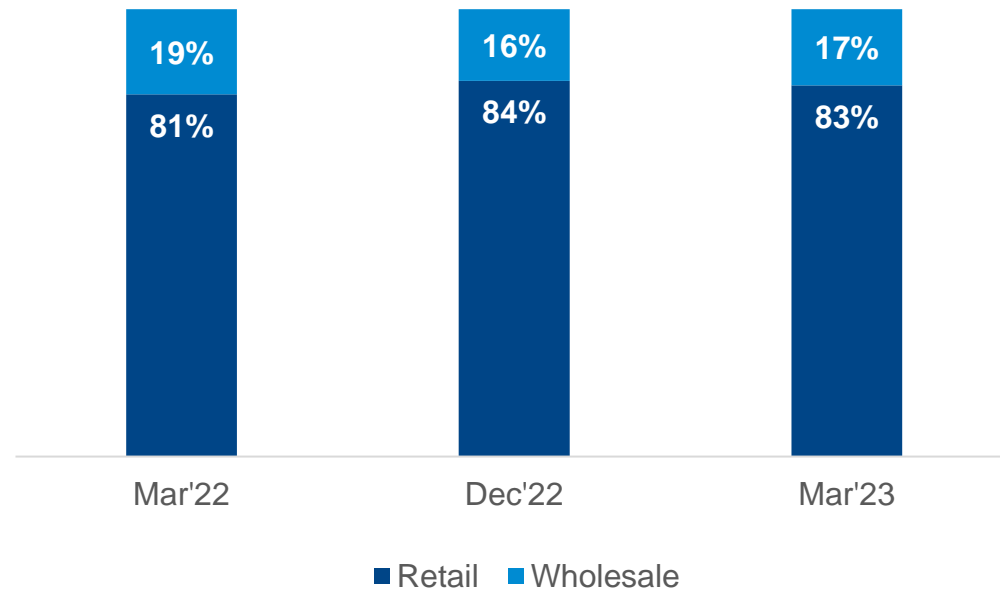
Mar'23



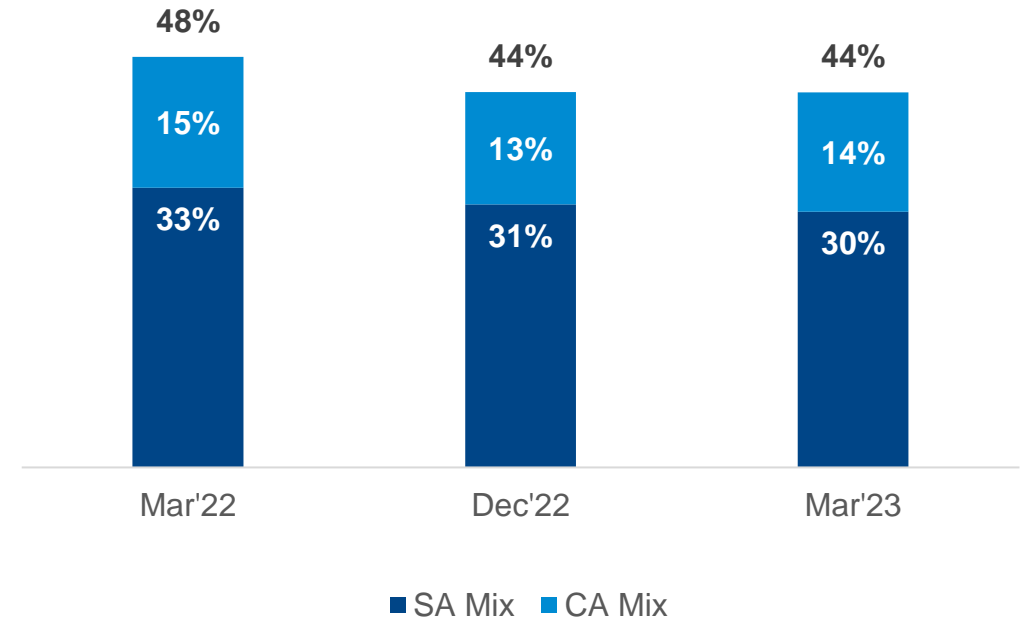
PL – Personal loans; AL – Auto loans; HL – Home loans; LAP – Loans against property; Payments – Cards & Consumer Durable loans; TW – Two Wheeler loans; GL – Gold loan

Stable and granular deposits

Granular deposits



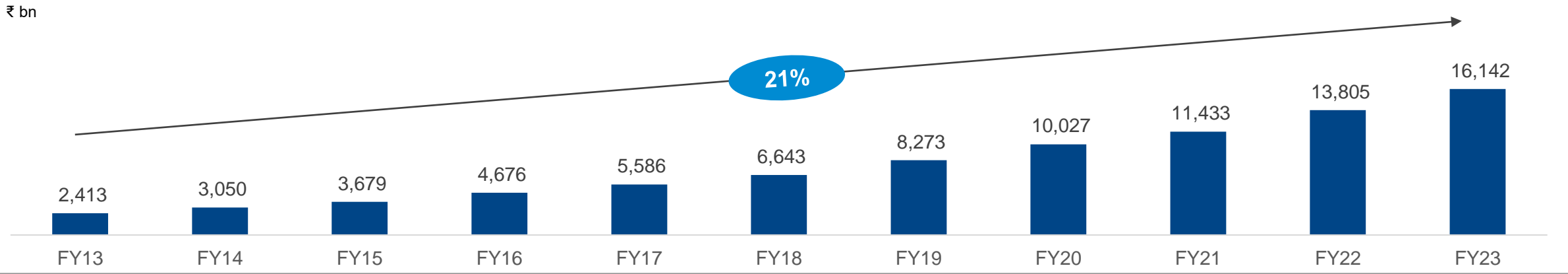
Proportion of CASA deposits



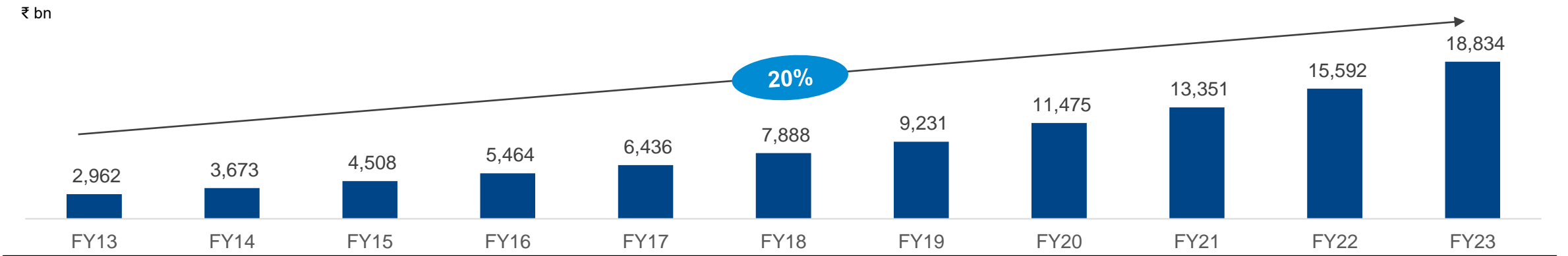
Retail anchoring deposit growth

Long term consistent growth

Advances

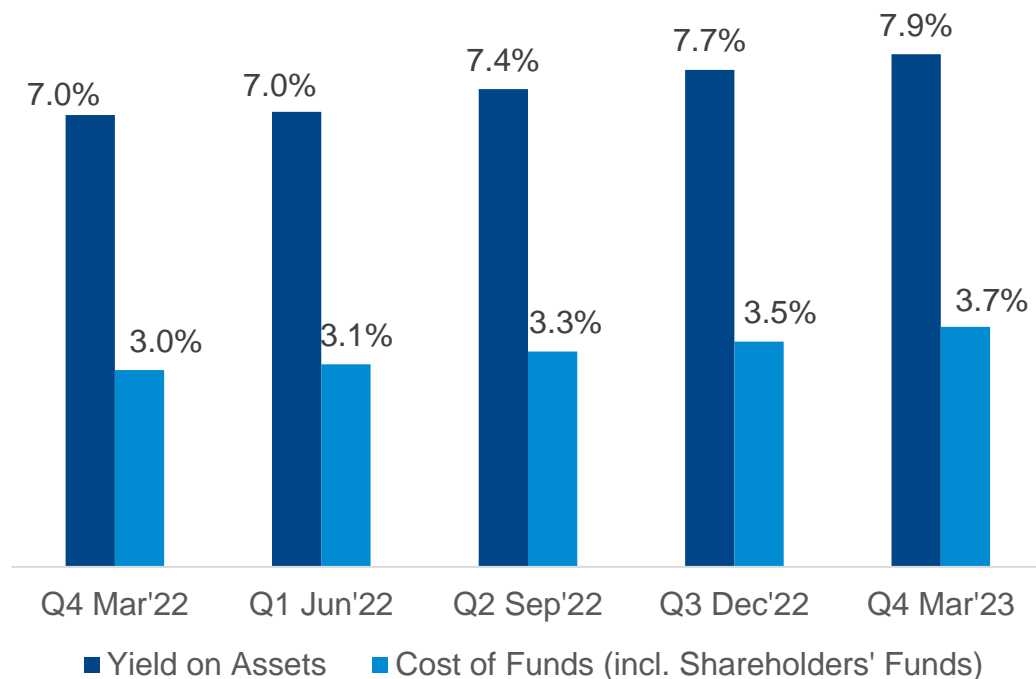


Deposits

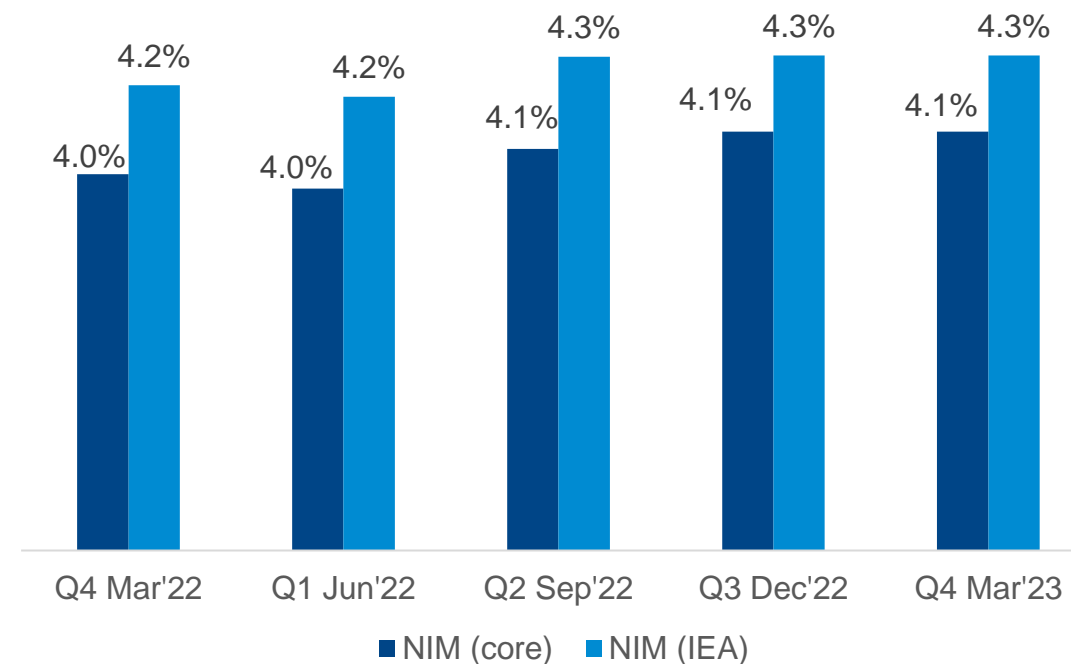


Stable NIM aided by low cost of funds

Yield and Cost of Funds



Stable Net Interest Margin (NIM)

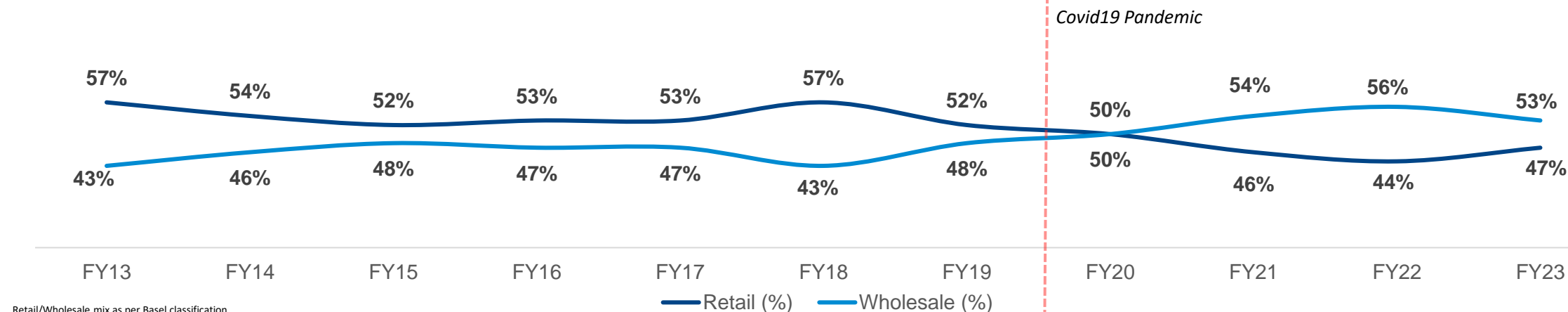


IEA: Interest Earning Assets

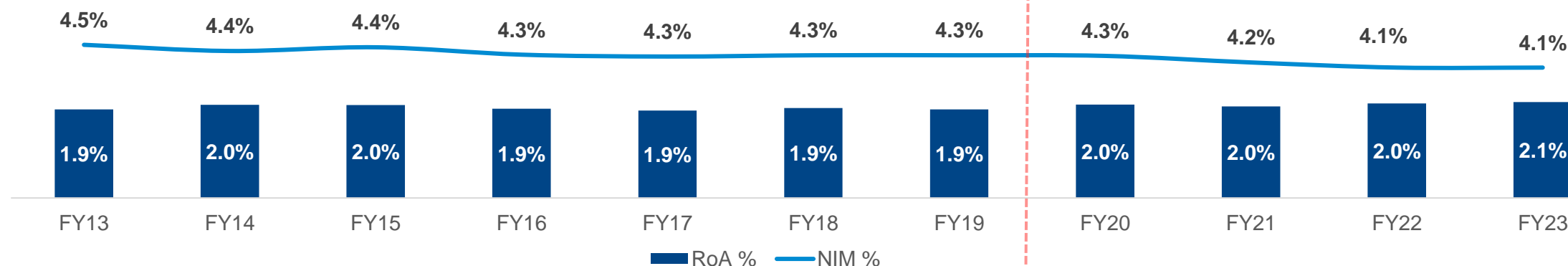
Amongst the lowest cost of funds in the industry driven by high quality deposits

Product mix impacts NIM; RoA remains consistent

Loan mix

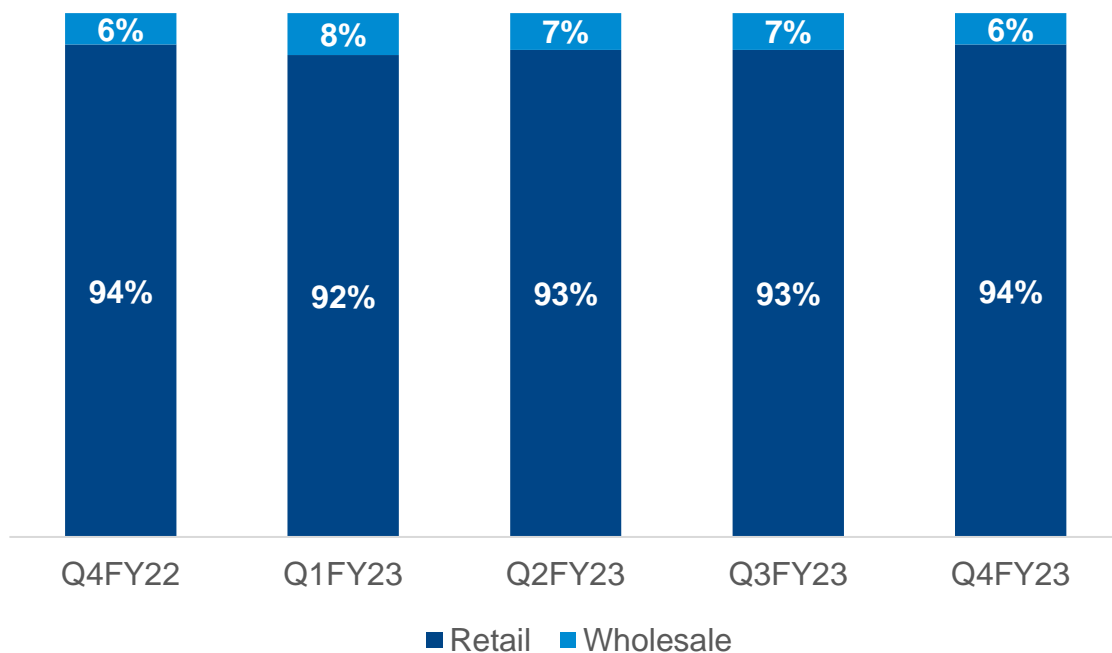


NIM and RoA

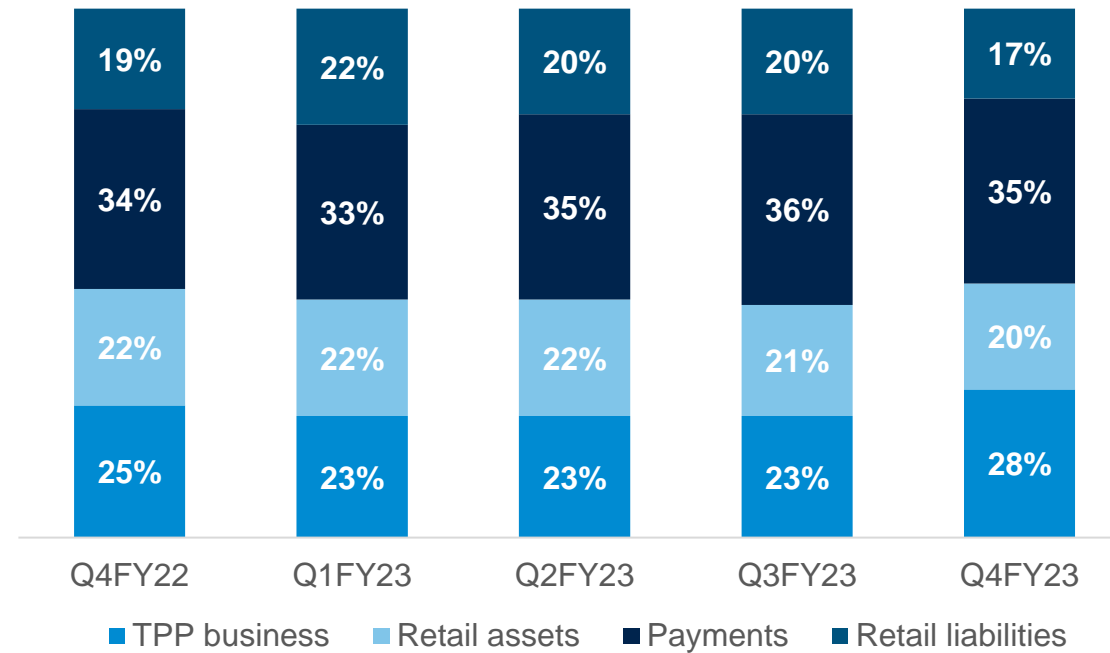


Granular and well diversified fee income

Fee Income Mix



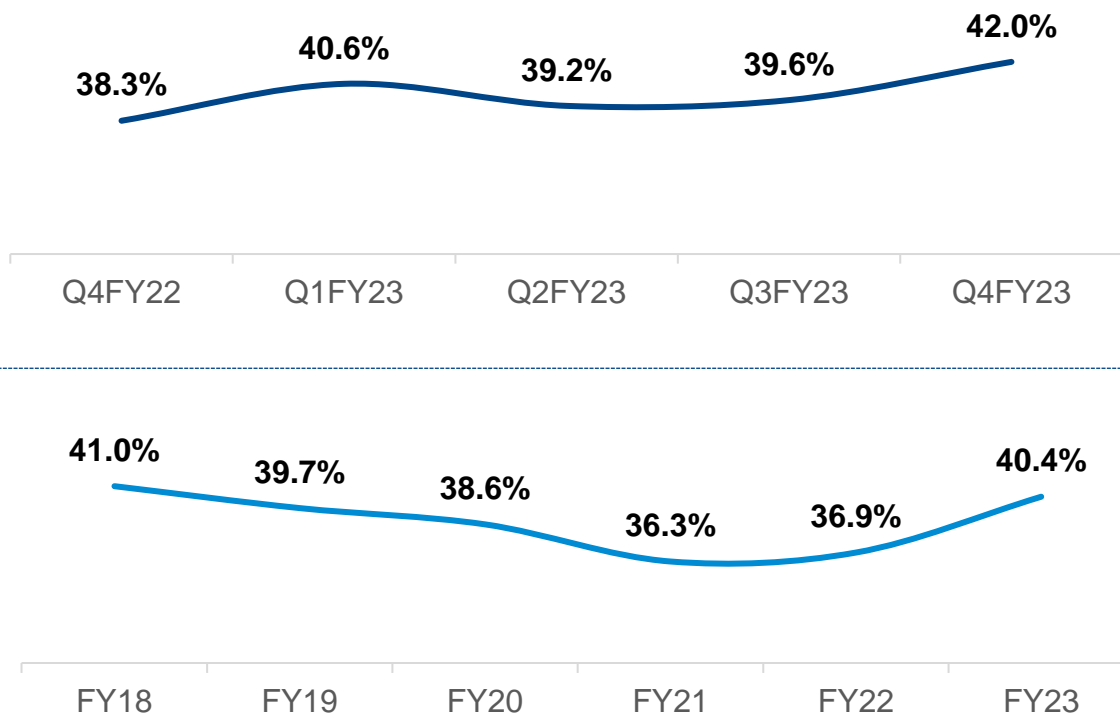
Retail Fee Income Mix



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

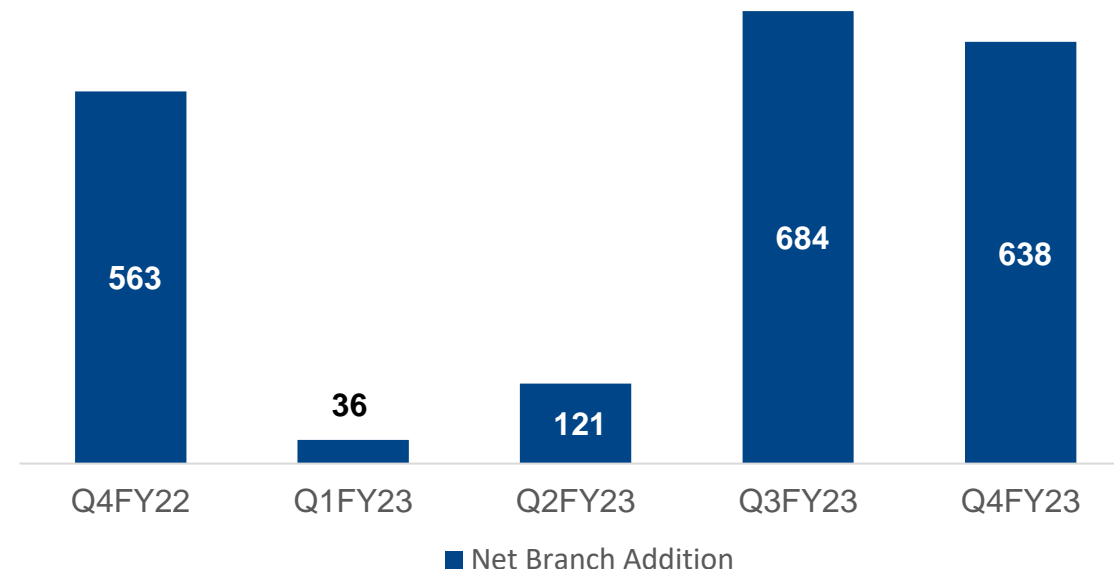
Efficiency in growth

Cost to Income Ratio



Operating efficiency allows investments

New branches – investing for future

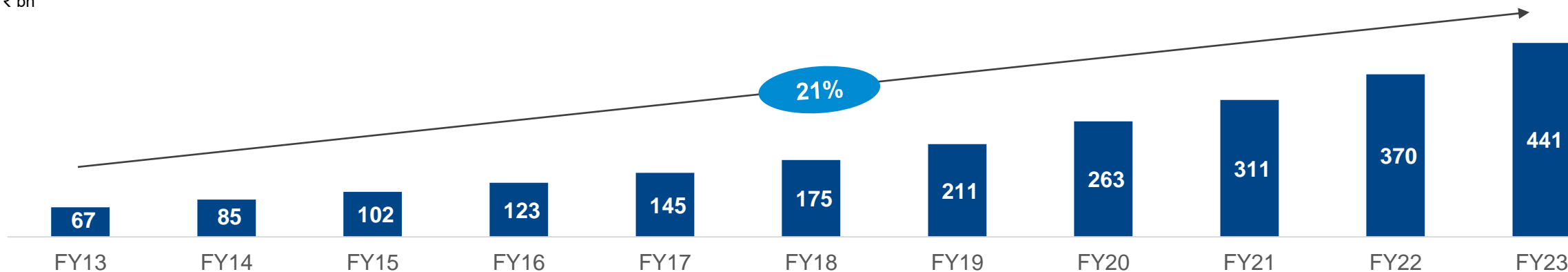


Benign credit enables fast tracking investments

Consistent performance across cycles

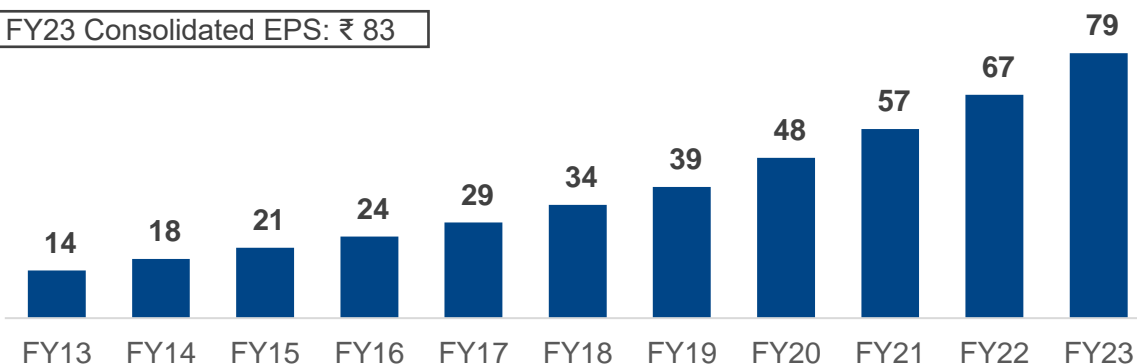
Profit after tax

₹ bn



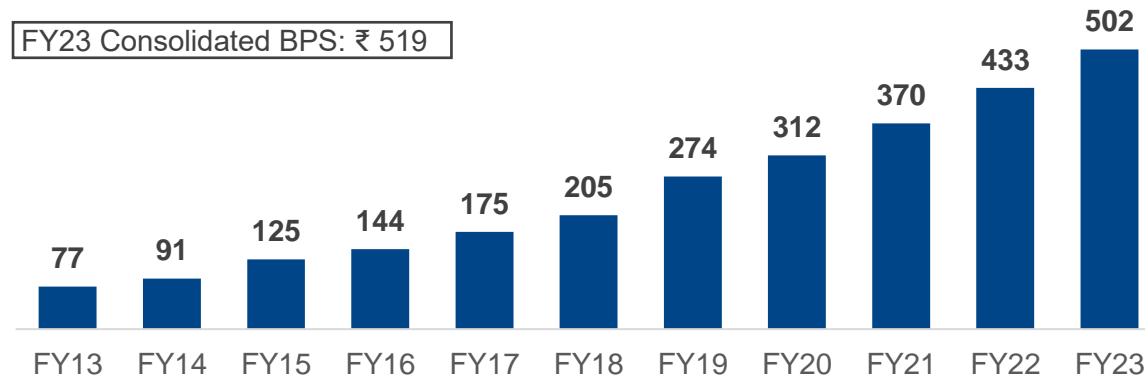
Earnings per share

FY23 Consolidated EPS: ₹ 83



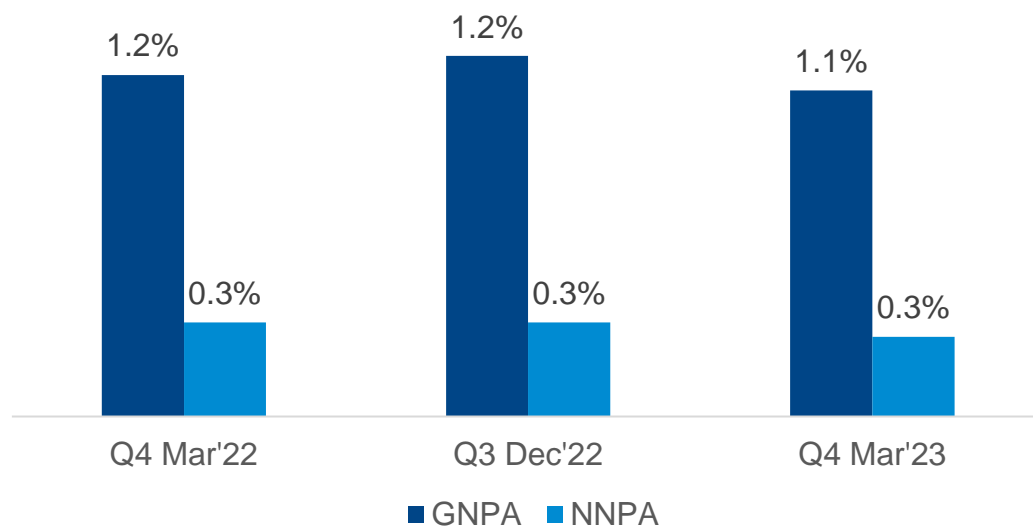
Book value per share

FY23 Consolidated BPS: ₹ 519



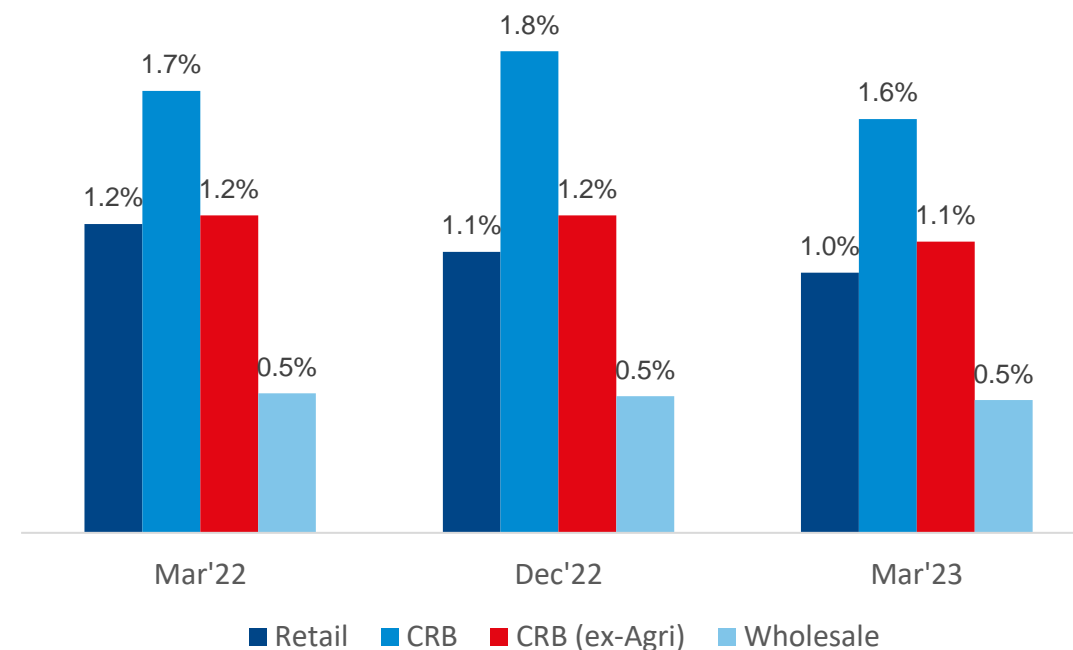
Resilient asset quality

Gross NPA and Net NPA



Stable asset quality; high provision coverage

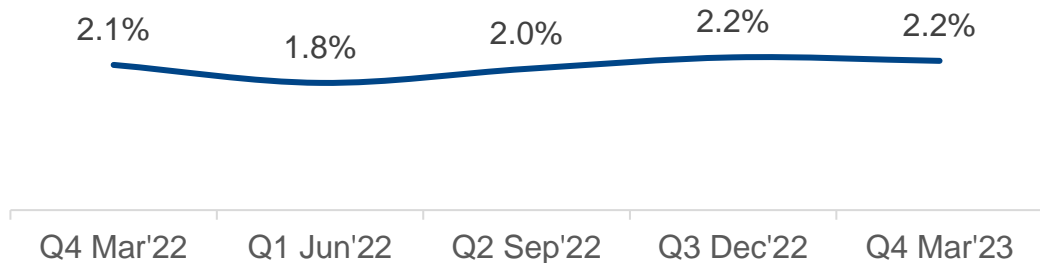
GNPA by Segment



Healthy asset quality across segments

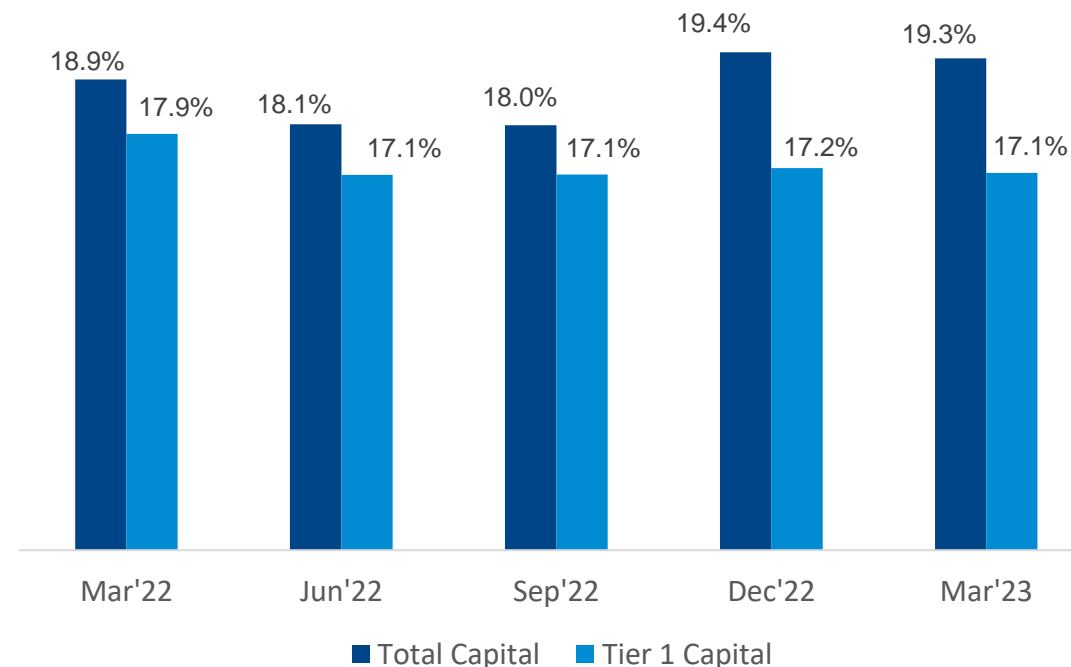
Strong returns and healthy capital ratios

Return on Assets



Consistent RoA

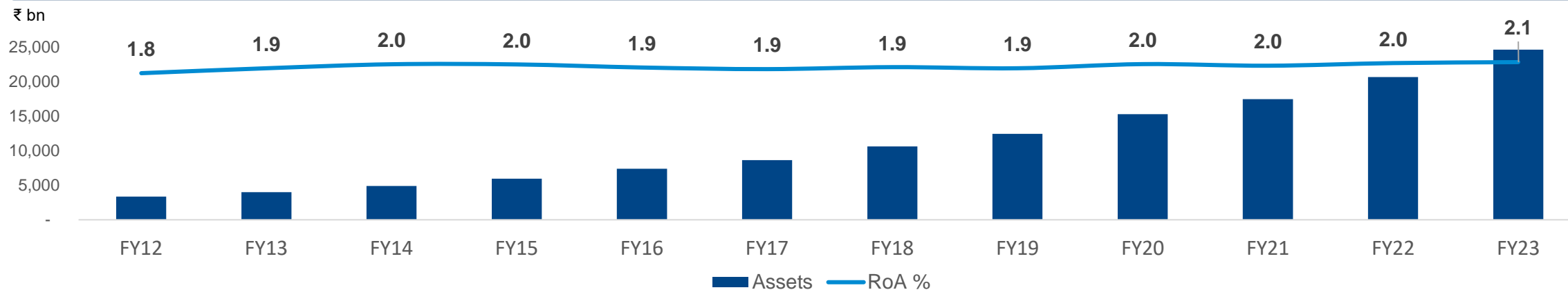
Capital adequacy



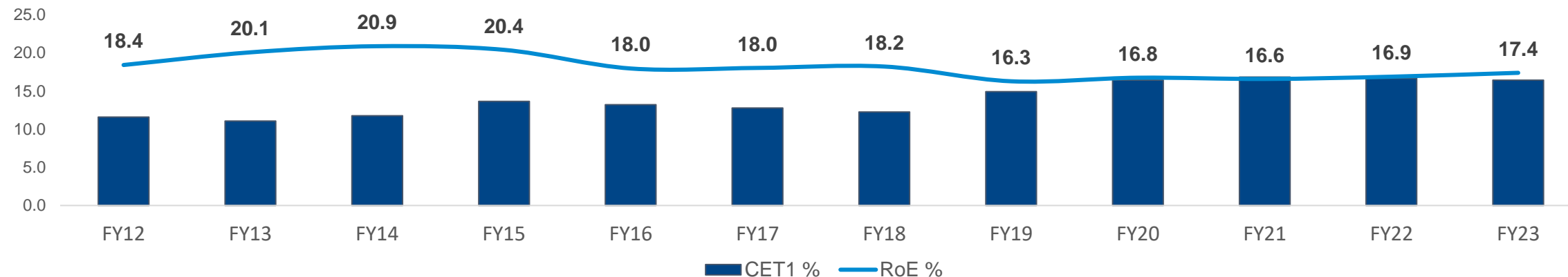
Healthy capital ratios

Balance sheet and capital productivity

Consistent growth in assets and RoA



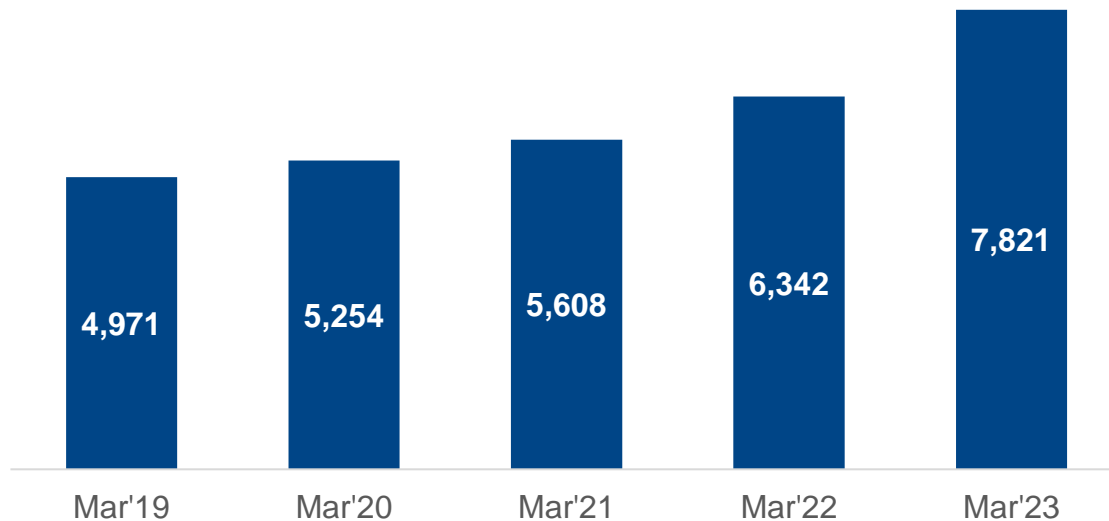
Capital positioned for growth with consistent RoE



Branch expansion and customer relationships driving growth

Branch network

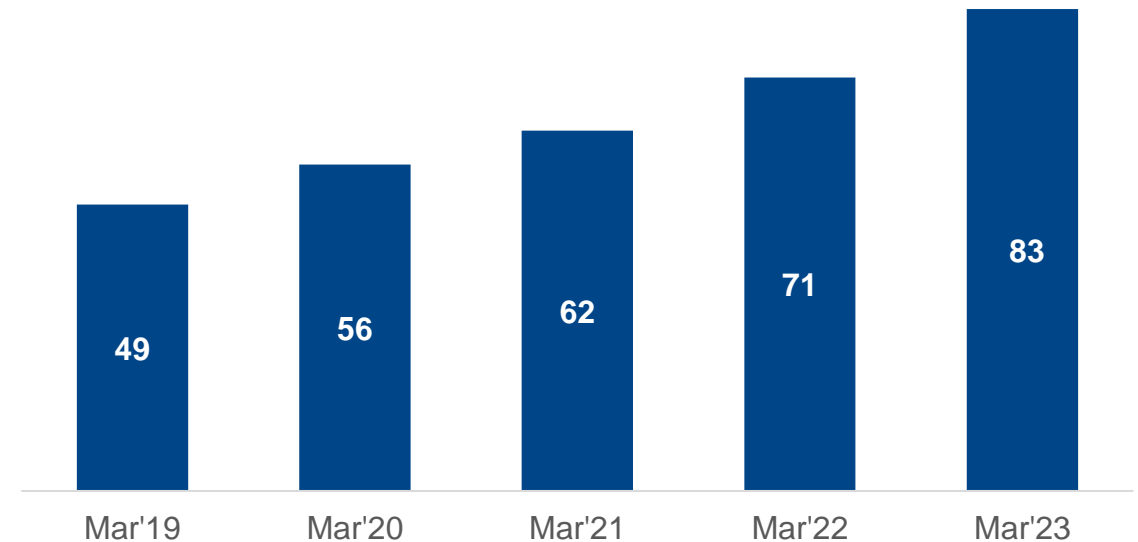
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Distribution strength enables customer engagement

Customer base

mn



Large customer base with potential to engage and deepen relationships

Subsidiaries – Q4FY23 Update

HDB Financial Services Limited

- 11.9 million customers serviced through a network of 1,492 branches across 1054 cities/towns
- Healthy momentum in disbursements across all three business segments with growth of 53.7% Y-o-Y and 20.6% sequentially
- Q4FY2023 – Loan book: ₹ 700 bn up by 14% YoY; Secured Loans: 74%; Stage 3 Assets: 2.73%
 - Net interest margin: 8.5%; Net Profit ₹ 5.5bn up by 28% YoY; RoA 3.3%
 - Capital adequacy ratio (CAR): 20.0%; EPS ₹ 6.9; Book value per share ₹ 144.5; RoE 19.6%

HDFC Securities Limited

- 4.5 million customers serviced through a network of 209 branches across 147 cities
- Around 94% of the active clients utilized the services offered through company's digital platforms.
- Q4FY2023 – Net Revenue: ₹ 4.9 bn; Net Profit : ₹ 1.9 bn
 - EPS ₹ 122; RoE 43%

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

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.

THANK YOU