

# Q2FY25 Earnings Presentation

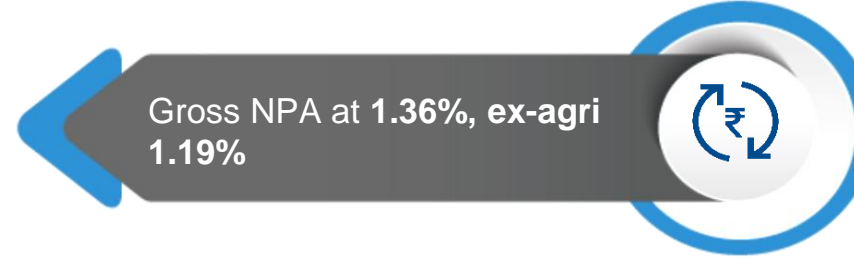
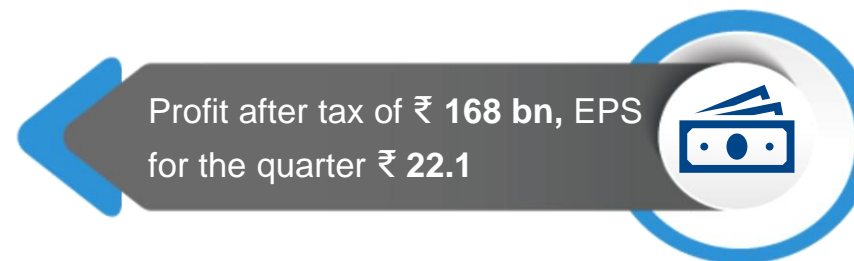
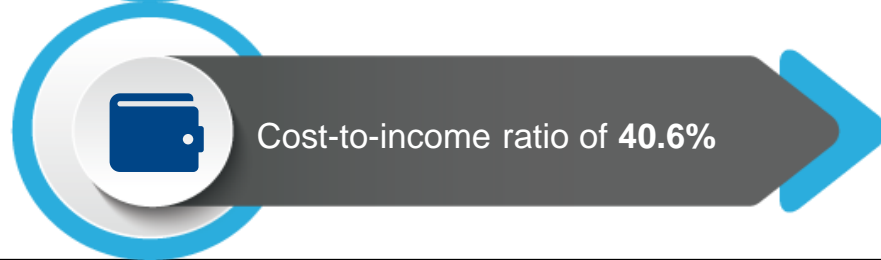
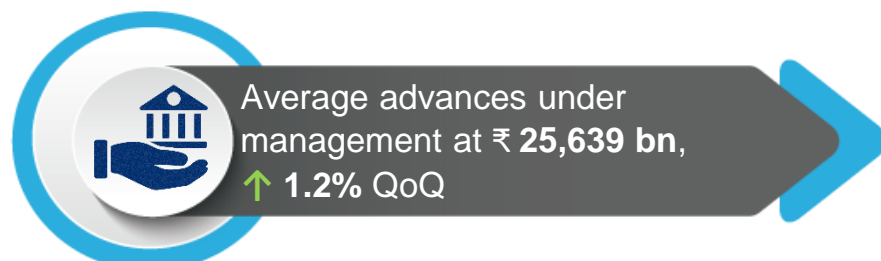
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October 19, 2024

# Key performance metrics for Q2 FY25

- Deposits; average YoY ↑ ₹ 3.15 tn (15.5%) ; EOP YoY ↑ ₹ 3.27 tn (15.1%)
  - ✓ Average deposits QoQ ↑ ₹ 0.71 tn (3.1%) ; EOP QoQ ↑ ₹ 1.21 tn (5.1%)
  - ✓ Average CASA QoQ ↓ ₹ 0.02 tn (↓ 0.3%) ; EOP QoQ ↑ ₹ 0.20 tn (2.3%)
  - ✓ Average time deposits QoQ ↑ ₹ 0.73 tn (5.0%) ; EOP QoQ ↑ ₹ 1.01 tn (6.7%)
- AUM; average YoY ↑ ₹ 2.37 tn (10.2%) ; EOP YoY ↑ ₹ 1.96 tn (8.0%)
  - ✓ Average AUM QoQ ↑ ₹ 0.31 tn (1.2%) ; EOP QoQ ↑ ₹ 0.58 tn (2.3%)
- Asset quality continues to remain stable; GNPA ratio at 1.36%; ex-agri at 1.19%
- PAT for the quarter ₹ 168 bn; RoA of 1.93% and RoE of 14.7%
- Consolidated EPS of ₹ 23.4 for the quarter
- Capital adequacy ratio is healthy at 19.8%

# Key financial parameters for Q2 FY25



# Consolidated income statement

P&L (₹ bn)	Q2 FY24	Q1 FY25	Q2 FY25	QoQ	YoY
Net revenue	663.2	724.2	760.4	5.0%	14.7%
Operating expenses	420.4	465.5	488.1	4.9%	16.1%
Provisions	33.1	31.4	32.7	4.1%	(1.2%)
<b>Profit before tax</b>	<b>209.7</b>	<b>227.3</b>	<b>239.6</b>	<b>5.4%</b>	<b>14.3%</b>
<b>Consolidated profit</b>	<b>168.1</b>	<b>164.7</b>	<b>178.3</b>	<b>8.3%</b>	<b>6.1%</b>
<b><i>PAT (adjusted)*</i></b>	<b><i>150.0</i></b>	<b><i>163.1</i></b>	<b><i>176.0</i></b>	<b><i>7.9%</i></b>	<b><i>17.4%</i></b>

# Income statement

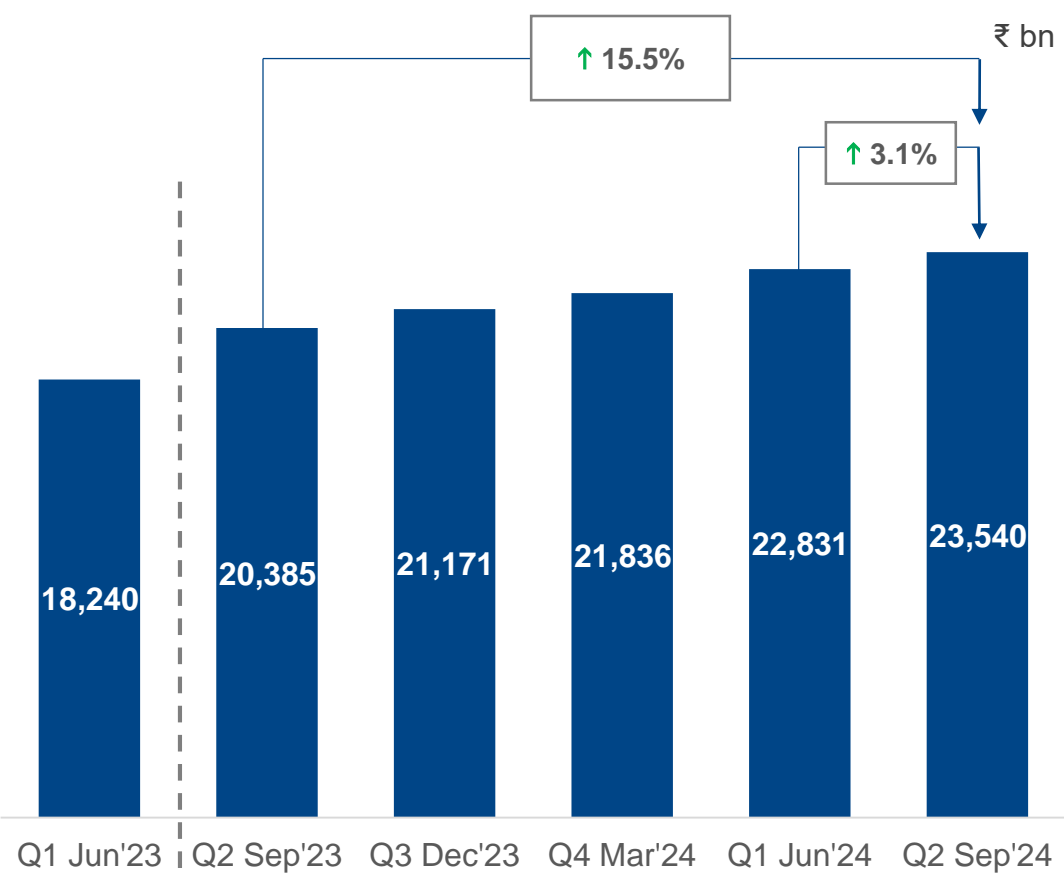
P&L (₹ bn)	Q2 FY24	Q1 FY25	Q2 FY25	QoQ	YoY
Net interest income	273.8	298.4	301.1	0.9%	10.0%
Non-interest income	107.1	106.7	114.8	7.6%	7.2%
<b>Net revenue</b>	<b>380.9</b>	<b>405.1</b>	<b>415.9</b>	<b>2.7%</b>	<b>9.2%</b>
Operating expenses	154.0	166.2	168.9	1.6%	9.7%
Provisions	29.0	26.0	27.0	3.8%	(6.9%)
<b>Profit before tax</b>	<b>197.9</b>	<b>212.9</b>	<b>220.0</b>	<b>3.3%</b>	<b>11.2%</b>
<b>Profit after tax</b>	<b>159.8</b>	<b>161.7</b>	<b>168.2</b>	<b>4.0%</b>	<b>5.3%</b>
<b><i>PAT (adjusted)*</i></b>	<b><i>141.8</i></b>	<b><i>160.1</i></b>	<b><i>166.0</i></b>	<b><i>3.7%</i></b>	<b><i>17.0%</i></b>

# Abridged balance sheet

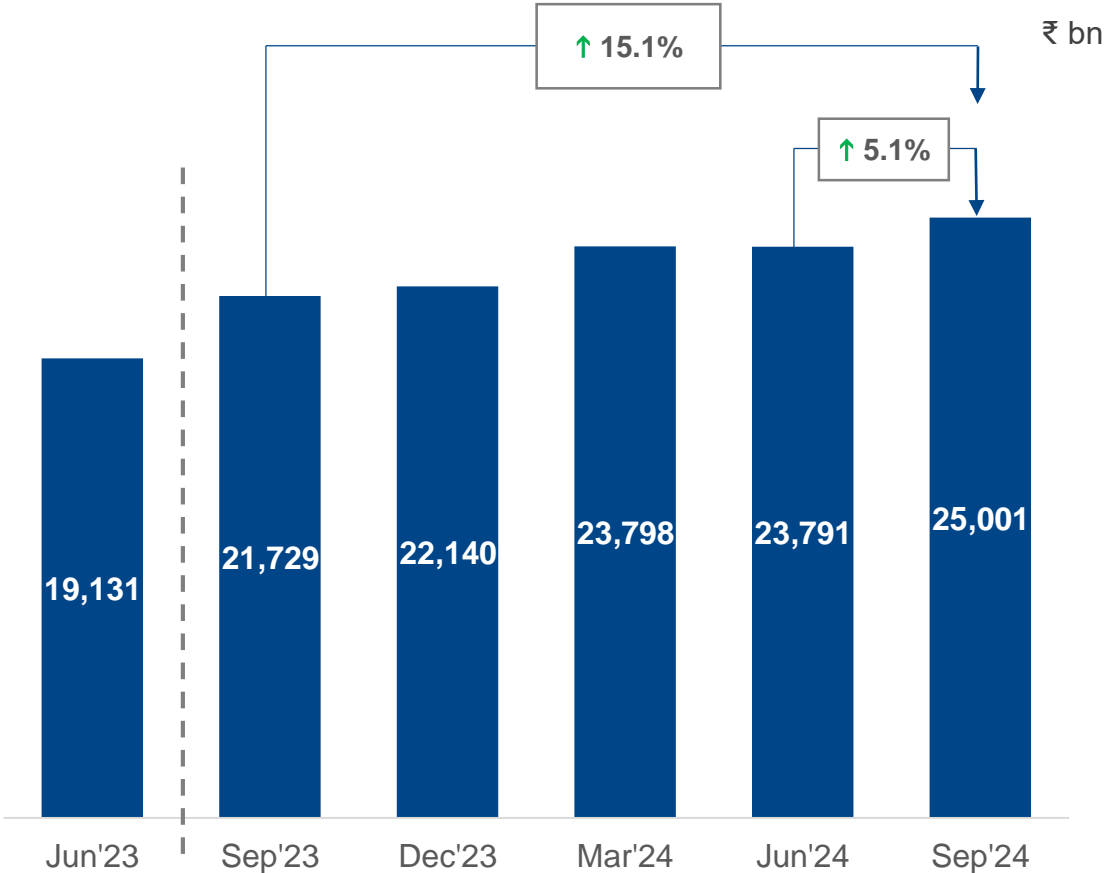
Balance sheet (₹ bn)	Q2FY24	Q1FY25	Q2FY25	QoQ	YoY
Net Advances	23,312	24,635	24,951	316	1,639
Investments	7,234	7,088	7,240	152	6
<i>Government and debt securities</i>	7,040	6,882	7,030	148	(10)
<i>Equity and other securities</i>	194	206	210	5	16
Cash & equivalent	1,871	1,818	2,564	746	693
Fixed and other assets	1,746	2,130	2,126	(4)	380
<b>Total assets</b>	<b>34,163</b>	<b>35,671</b>	<b>36,881</b>	<b>1,210</b>	<b>2,718</b>
Deposits	21,729	23,791	25,001	1,210	3,272
Borrowings	7,168	5,993	5,856	(137)	(1,312)
Equity & reserves	4,050	4,587	4,635	48	585
Other liabilities	1,216	1,300	1,389	89	173
<b>Total liabilities</b>	<b>34,163</b>	<b>35,671</b>	<b>36,881</b>	<b>1,210</b>	<b>2,718</b>

# Growth in deposits

Average Deposits



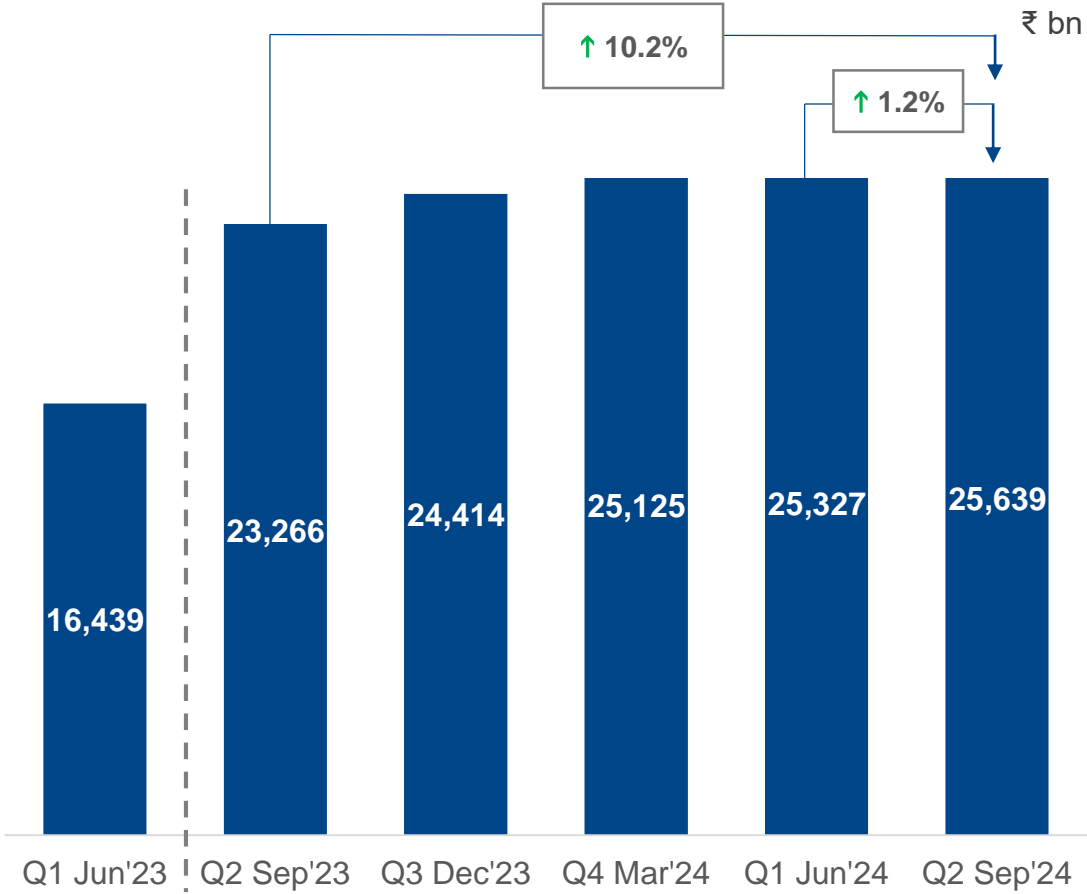
EOP Deposits



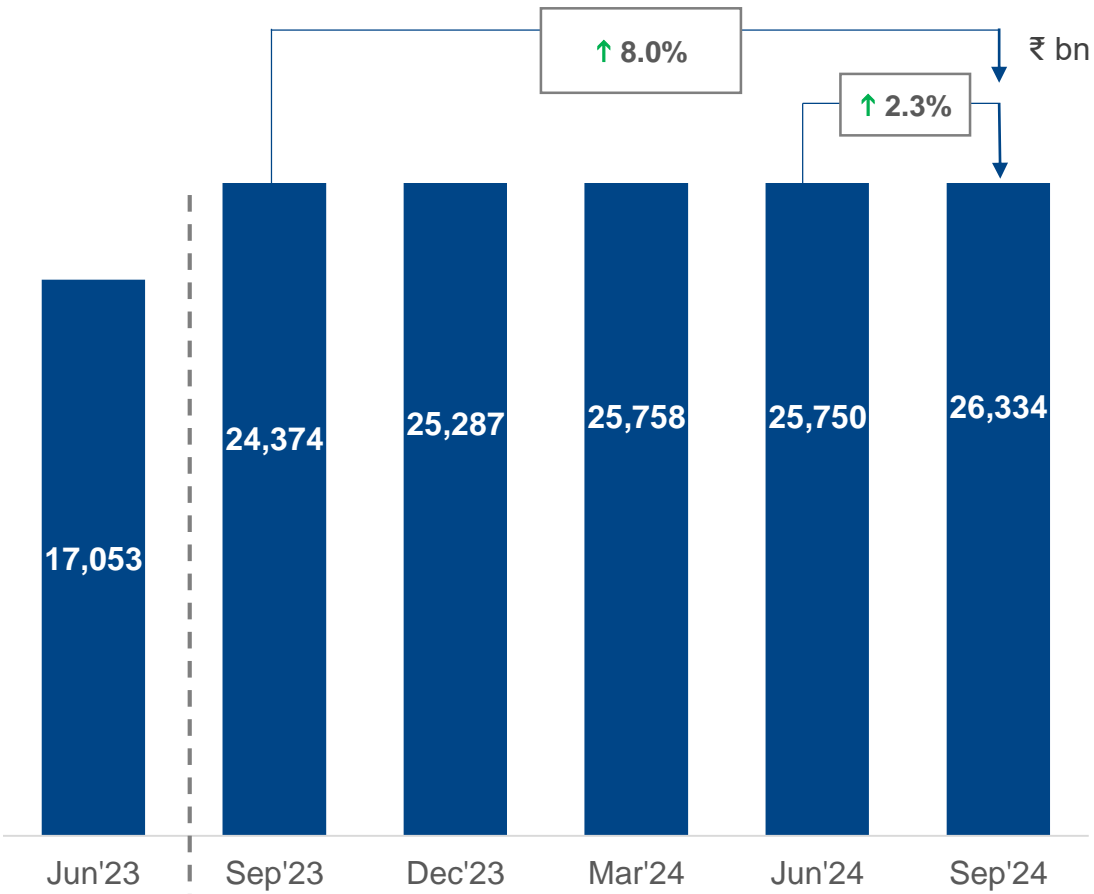
Jun'23 is pre-merger and subsequent quarters are post merger

# Growth in advances

Average advances under management



EOP advances under management

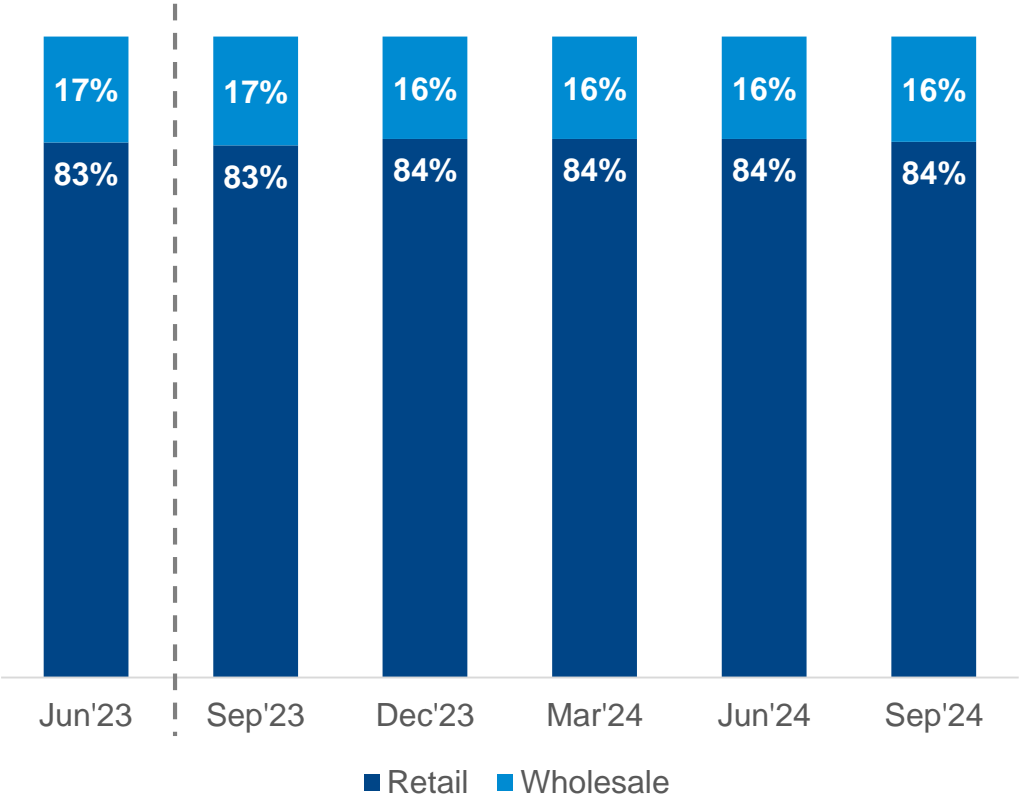


Jun'23 is pre-merger and subsequent quarters are post merger

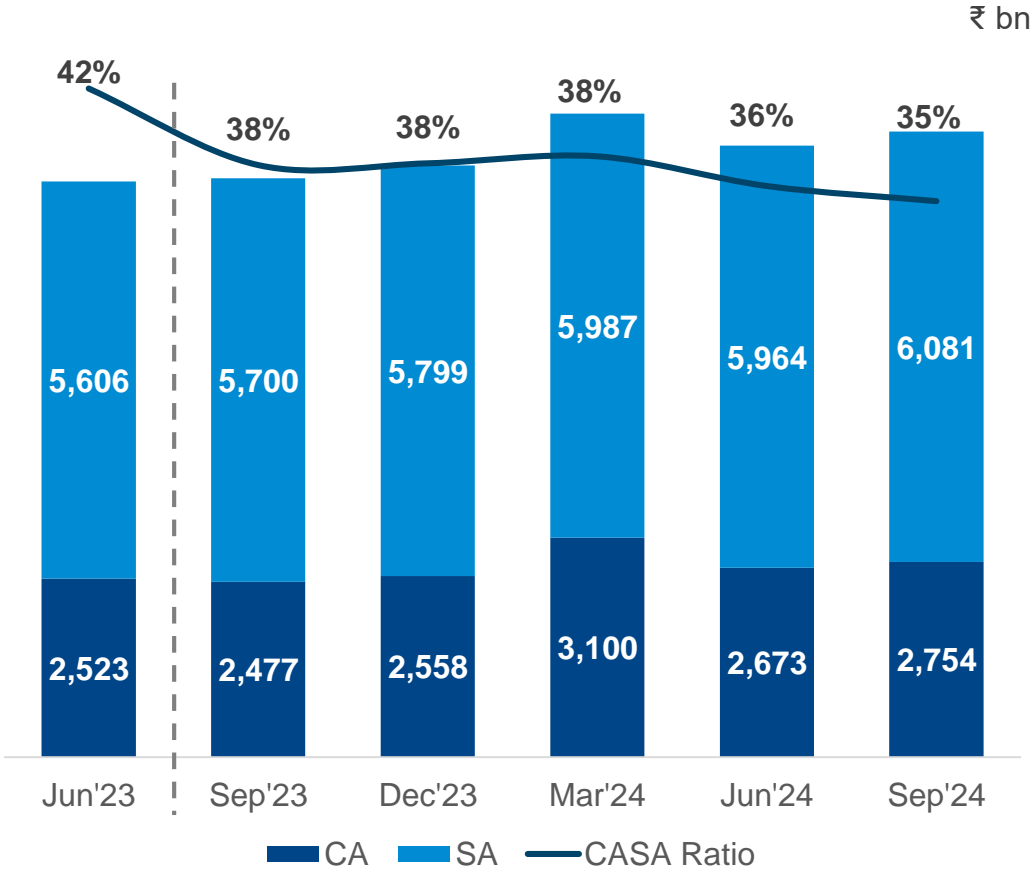


# Retail branch driving deposits

Retail / Wholesale



Proportion of CASA deposits



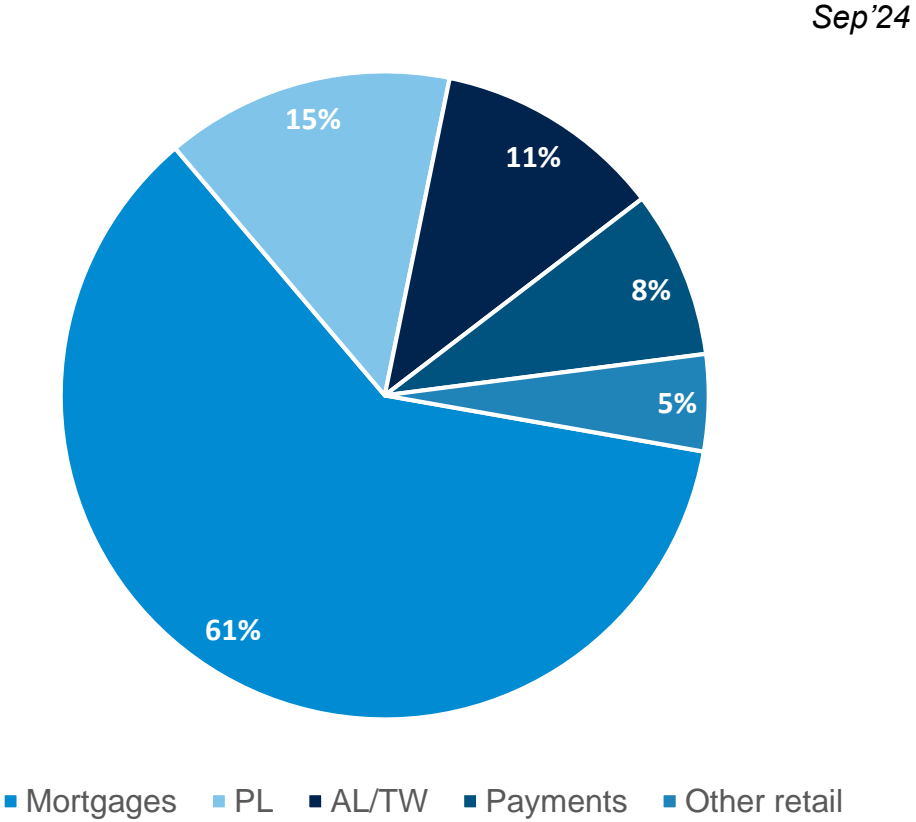
# Mix across segments

## Balancing growth

Loans (₹ bn)	Sep'23	Jun'24	Sep'24	QoQ	YoY
Retail	11,821	12,817	13,156	2.6%	11.3%
<i>Retail Mortgages</i>	7,189	7,880	8,028	1.9%	11.7%
<i>Retail Non-Mortgages</i>	4,632	4,937	5,127	3.8%	10.7%
CRB	7,244	8,128	8,508	4.7%	17.4%
Corporate and other wholesale	5,309	4,805	4,671	(2.8%)	(12.0%)
<b>Advances under management</b>	<b>24,374</b>	<b>25,750</b>	<b>26,334</b>	<b>2.3%</b>	<b>8.0%</b>
IBPC/BRDS/Securitisation	(828)	(881)	(1,144)	29.9%	38.2%
<b>Gross Advances</b>	<b>23,546</b>	<b>24,869</b>	<b>25,190</b>	<b>1.3%</b>	<b>7.0%</b>
<i>Retail : Wholesale mix*</i>	55% : 45%	56% : 44%	57% : 43%		

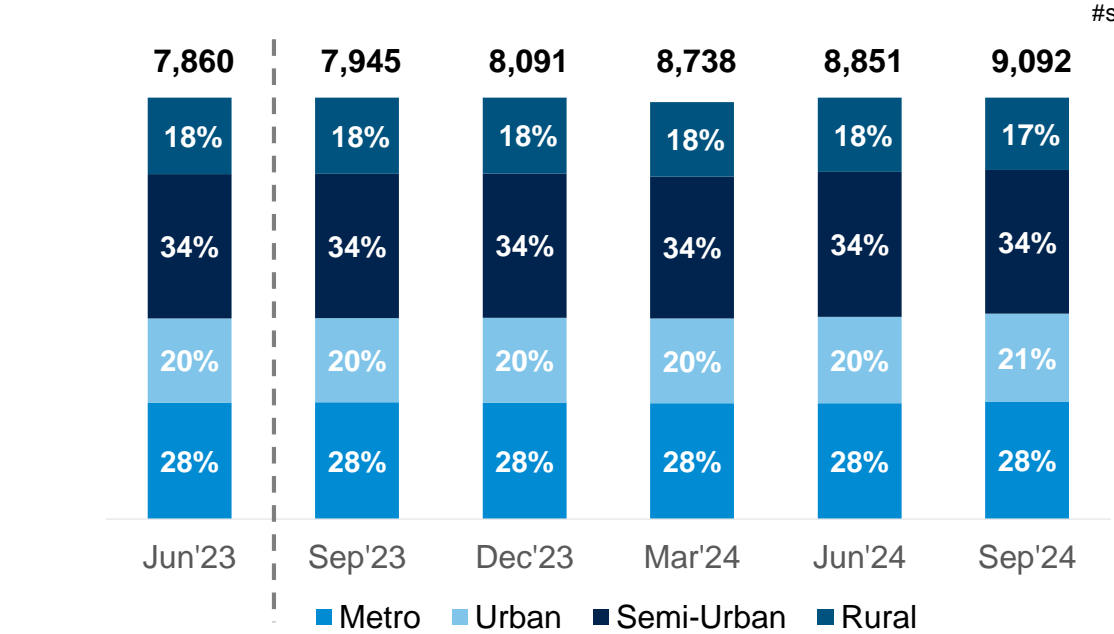
\*As per Basel classification

## Composition of retail loans



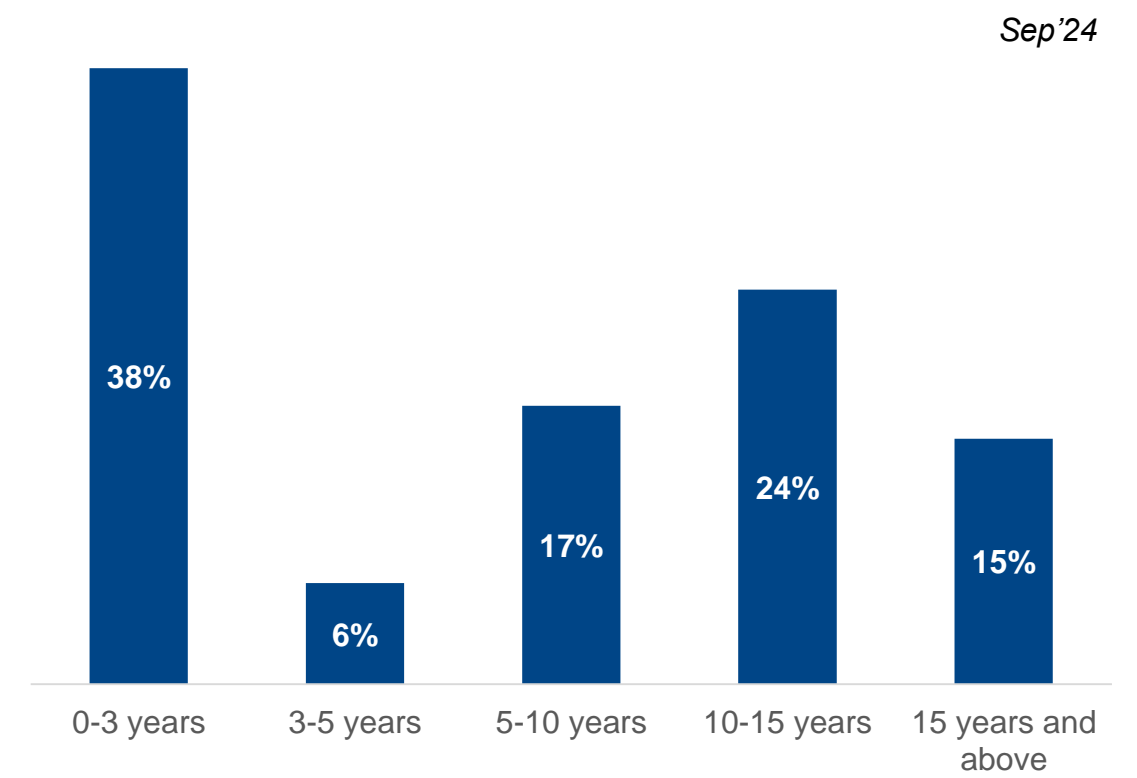
# Branch expansion and vintage

Branch network



YoY	1,482	1,446	908	917	991	1,147
QoQ	39	85	146	647	113	241

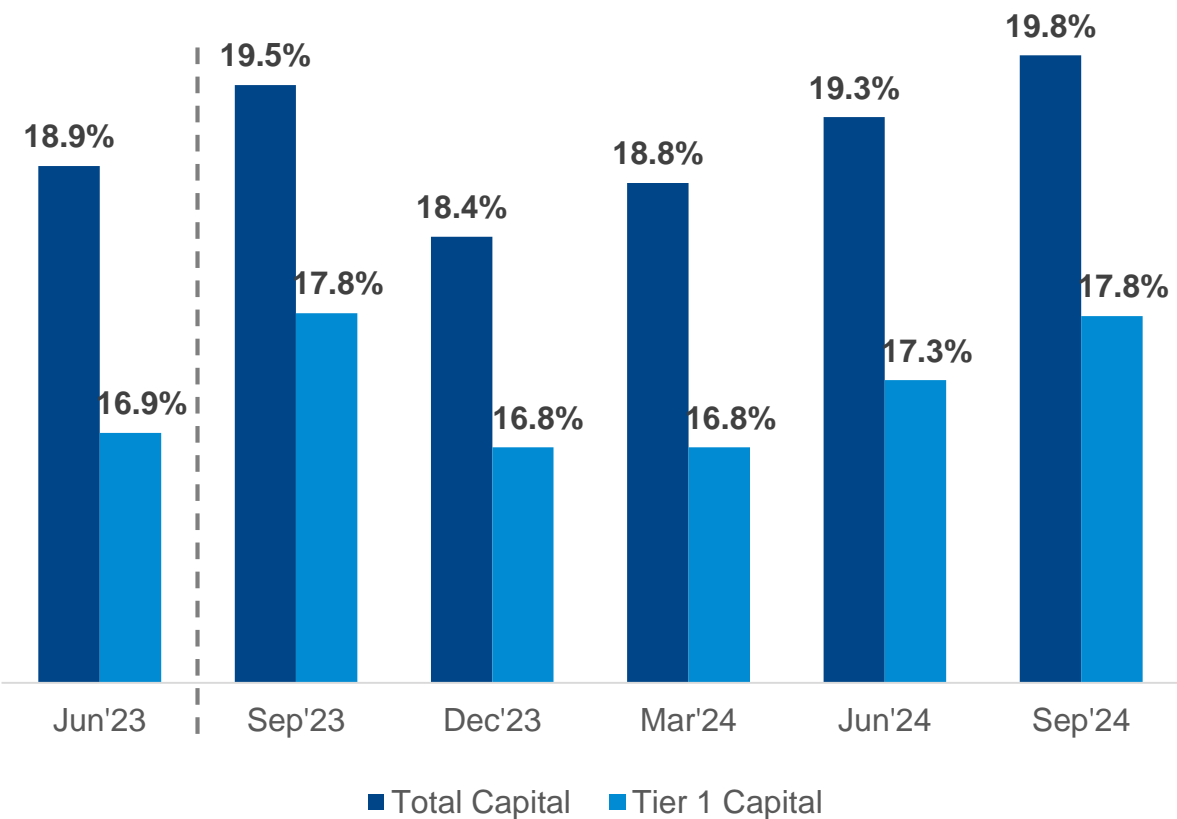
Branch vintage mix



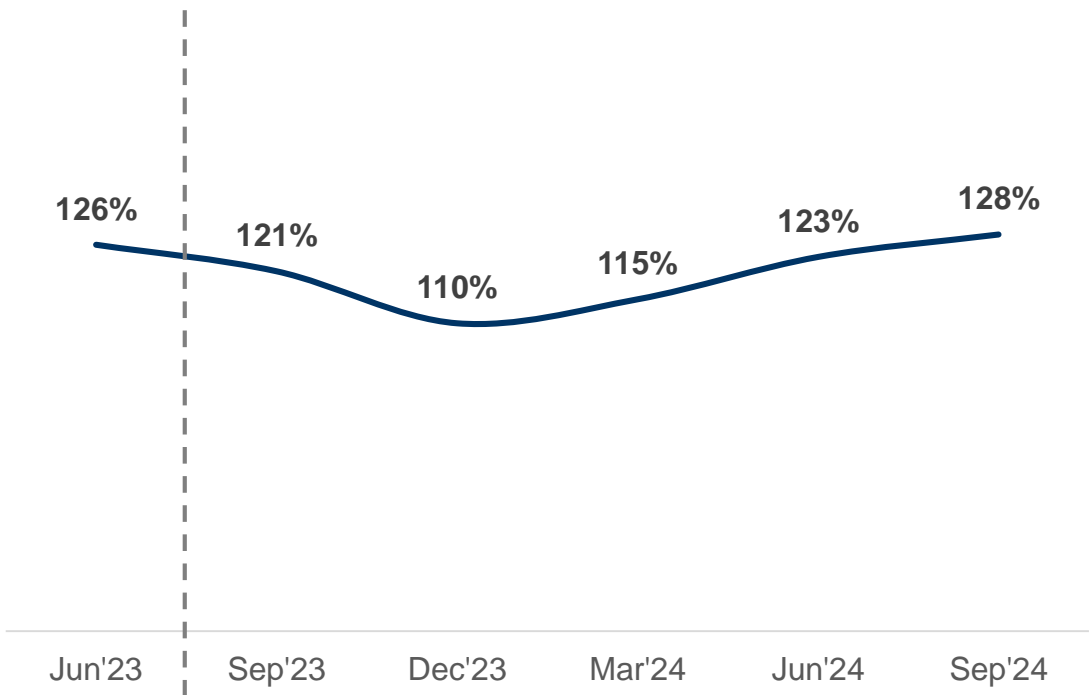
Distribution strength enables reach for customer engagement

# Capital and liquidity metrics

Capital adequacy



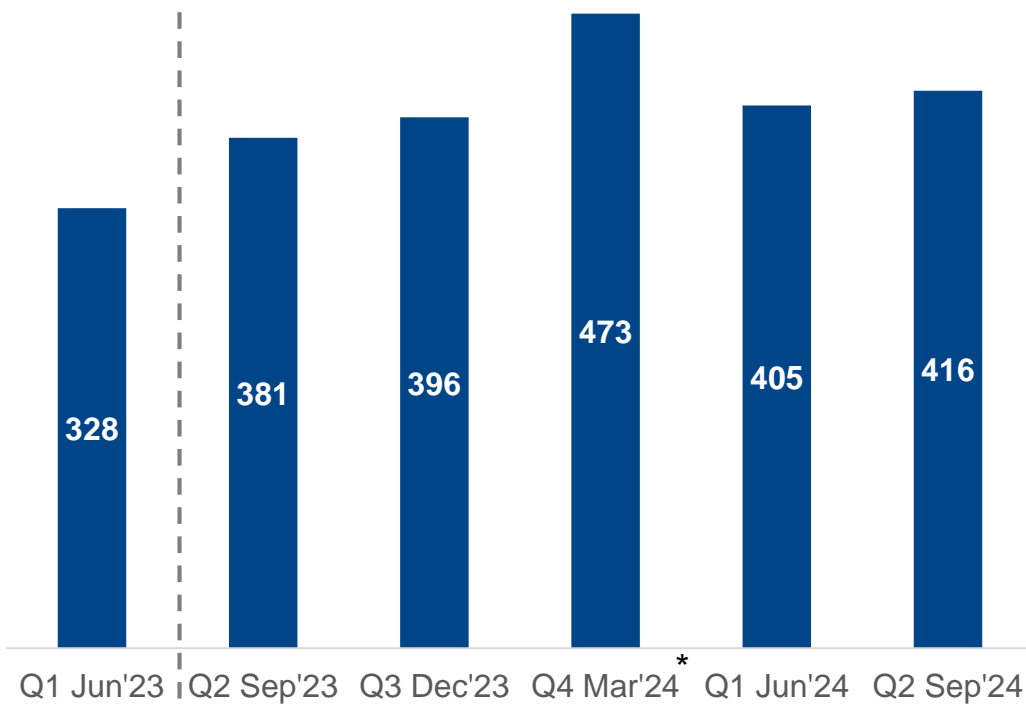
Liquidity coverage ratio



# Net revenues

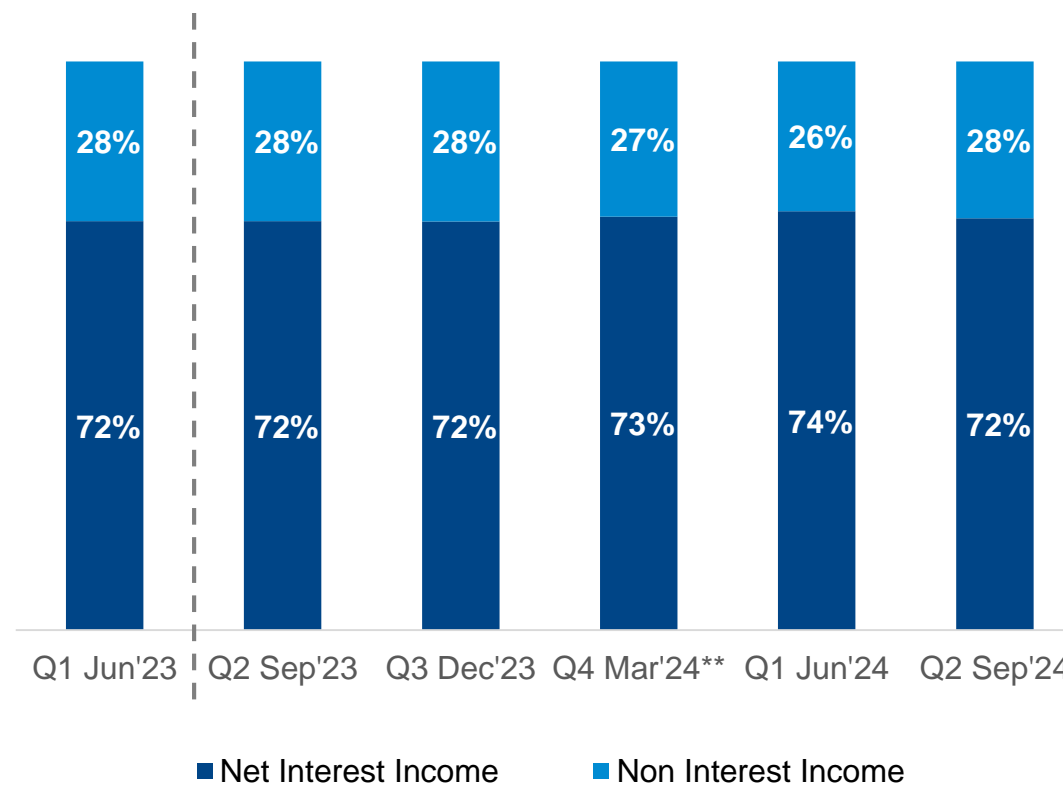
## Net revenue

₹ bn

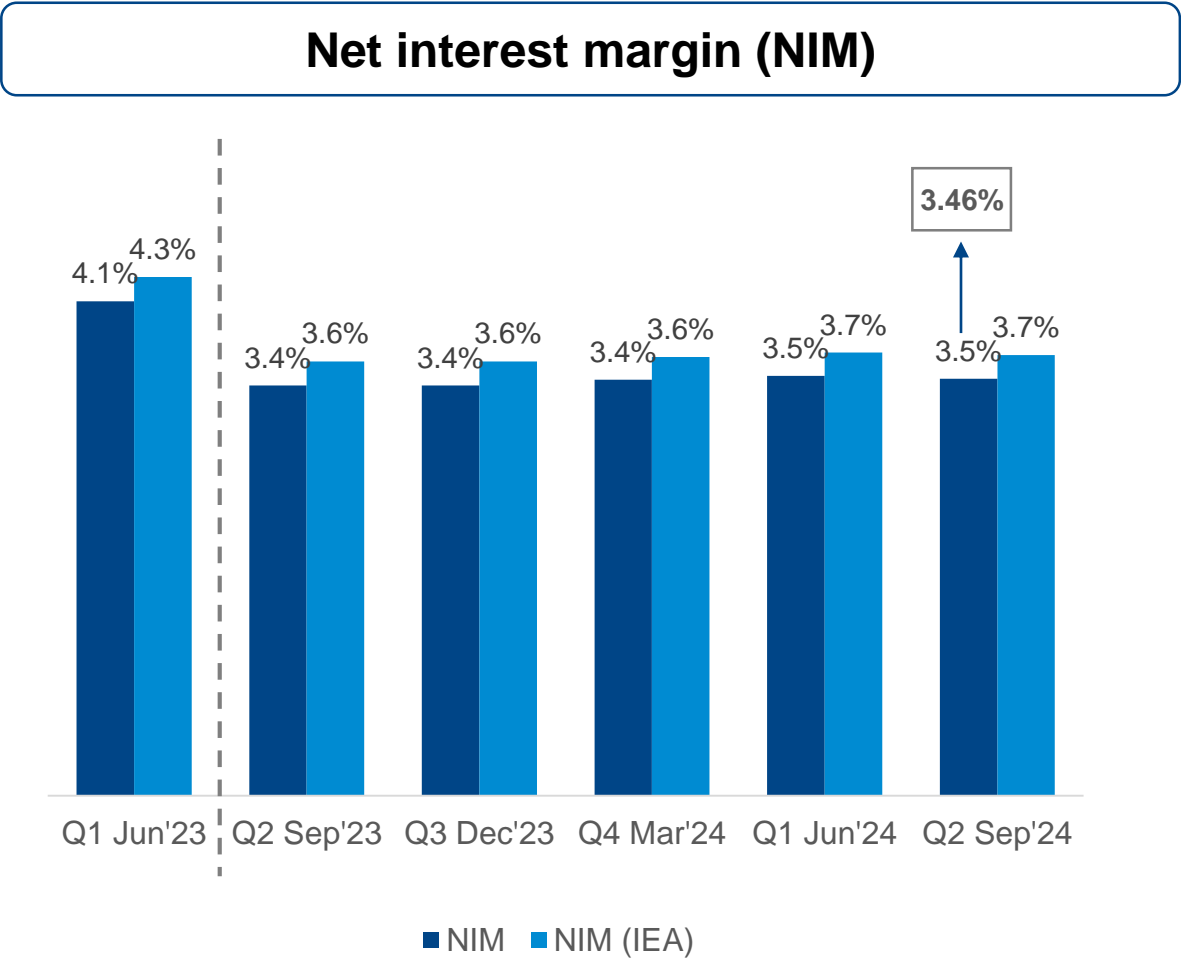
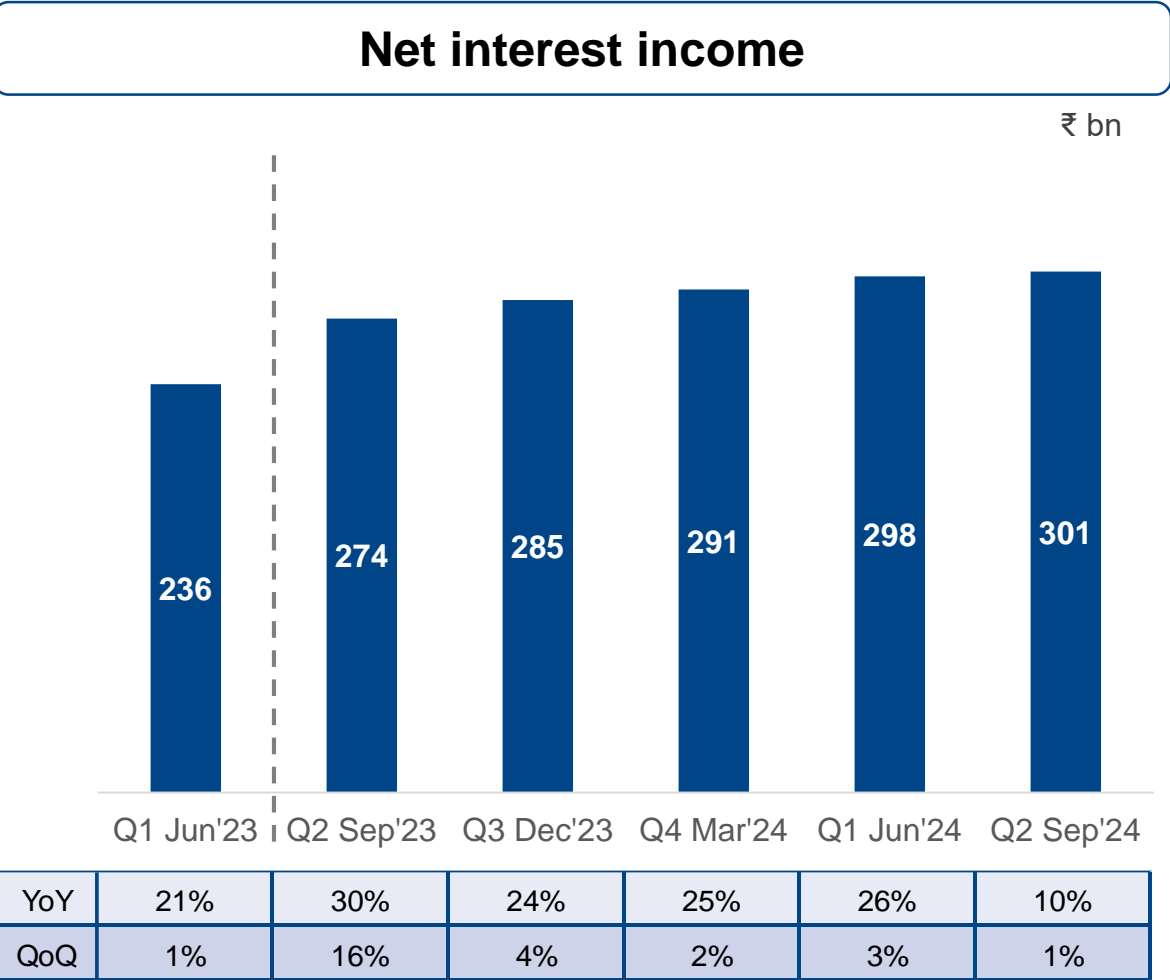


YoY	27%	33%	26%	48%	23%	9%
QoQ	2%	16%	4%	20%	(14%)	3%

## Net revenue mix



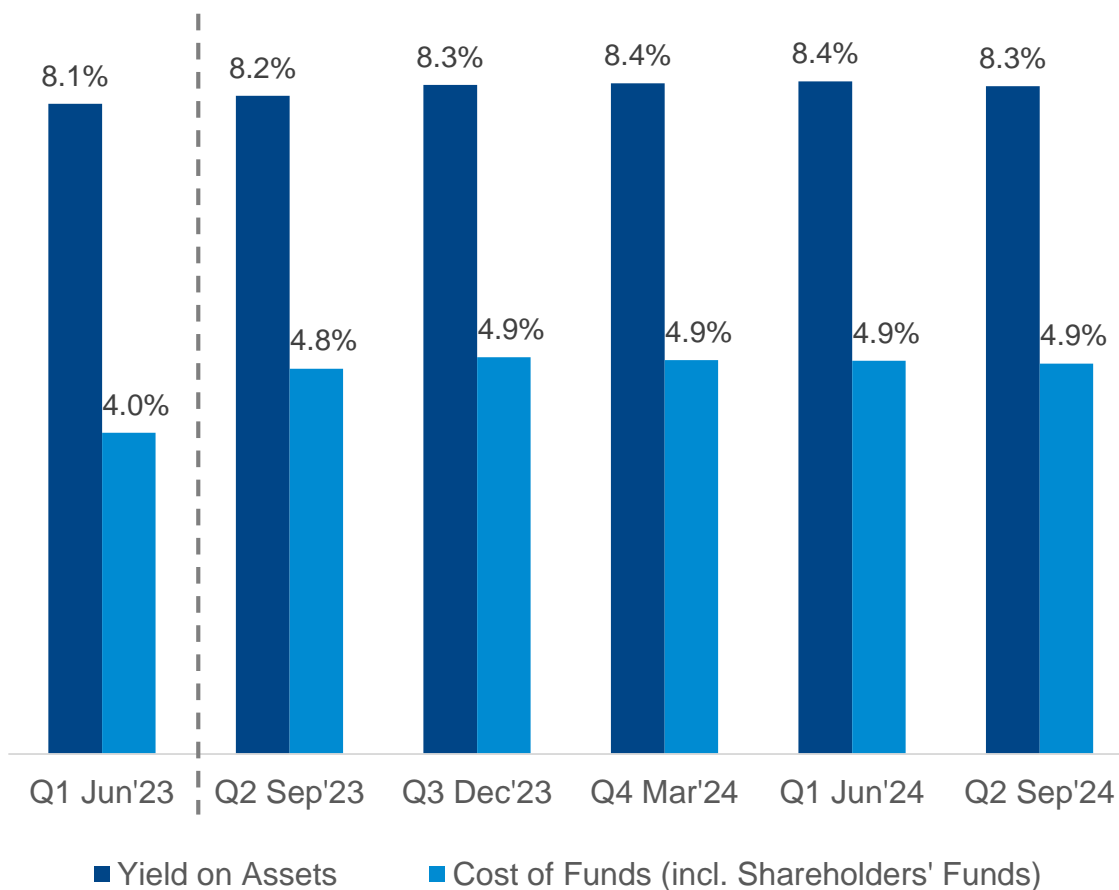
# Net interest income



IEA: Interest Earning Assets

# Yield on assets and cost of funds

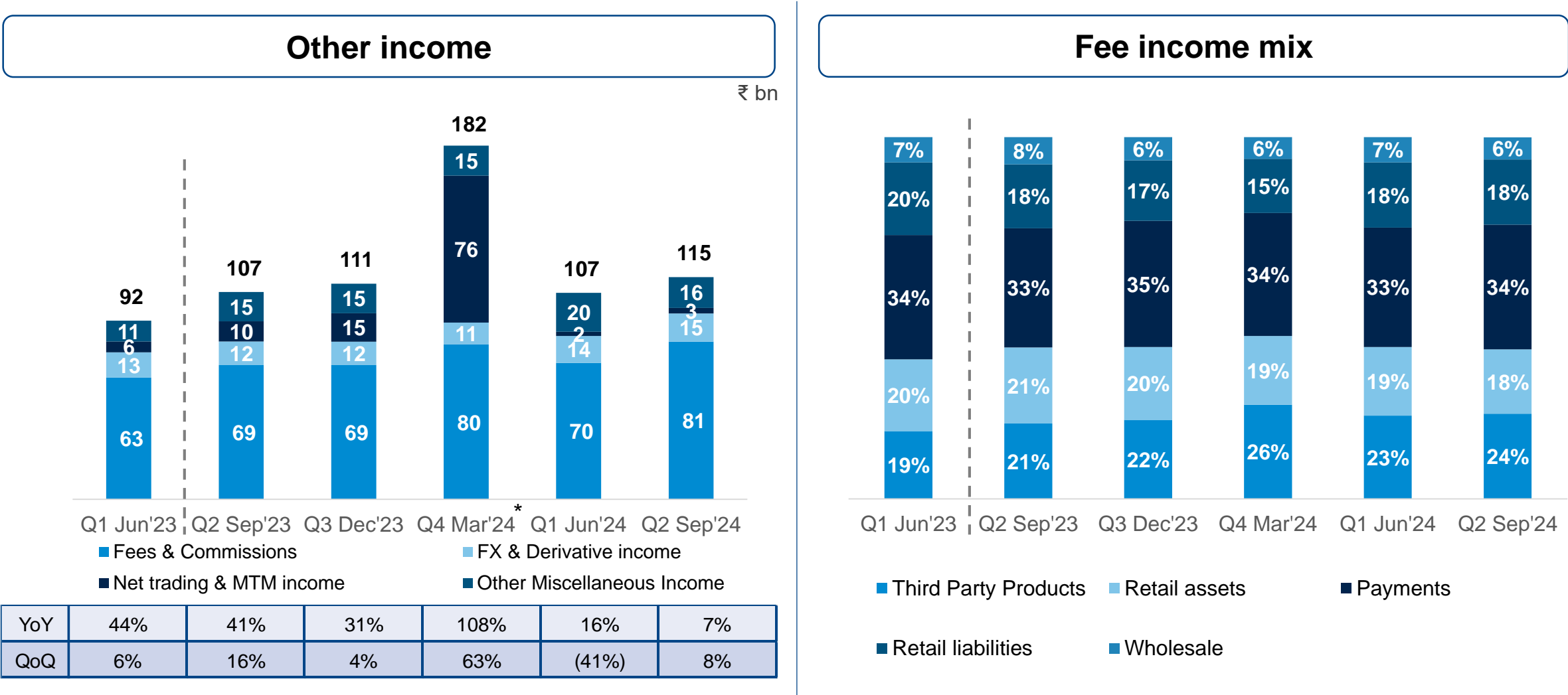
## Yield on assets and cost of funds



## Key balance sheet mix

Particulars	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24
<b>AUM mix</b>						
Retail	38%	48%	48%	49%	50%	50%
Mortgage	11%	29%	29%	30%	31%	31%
Non-Mortgages	27%	19%	19%	19%	19%	19%
CRB	39%	30%	31%	31%	32%	32%
Corporate and other wholesale	24%	22%	21%	20%	19%	18%
<b>CASA ratio</b>	42%	38%	38%	38%	36%	35%
<b>Borrowings as a % of Total Liabilities</b>	8%	21%	21%	18%	17%	16%

# Other income

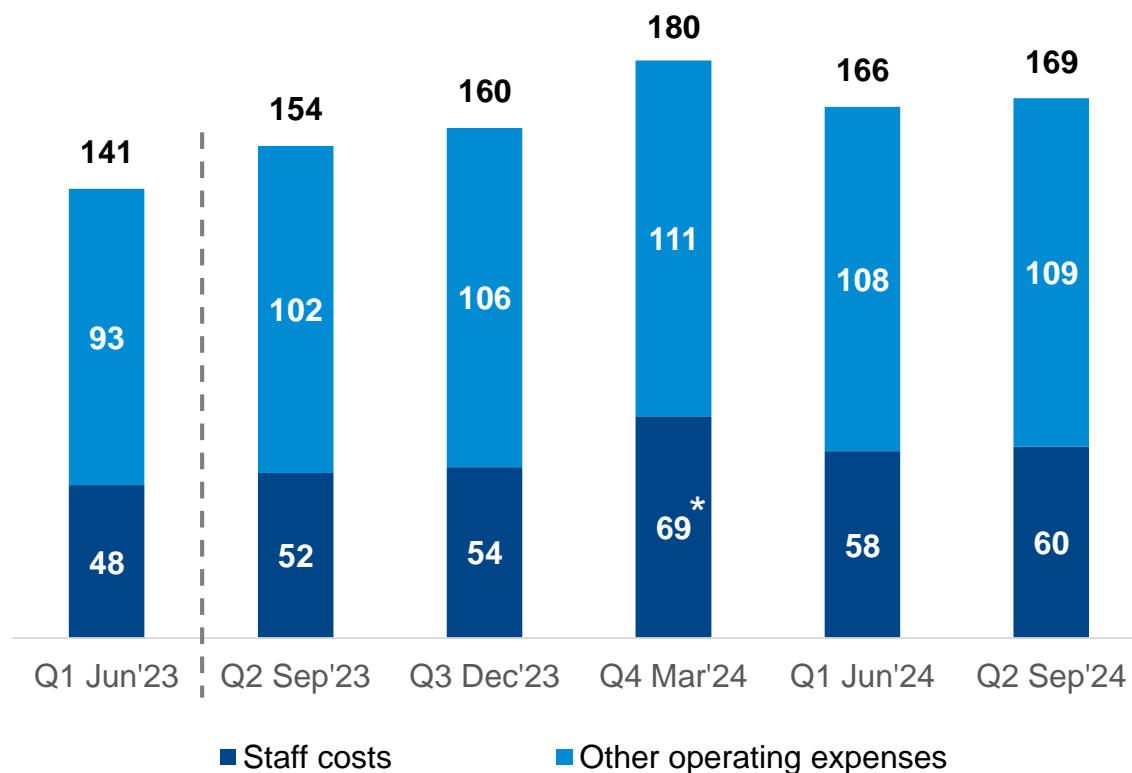




# Operating expenses

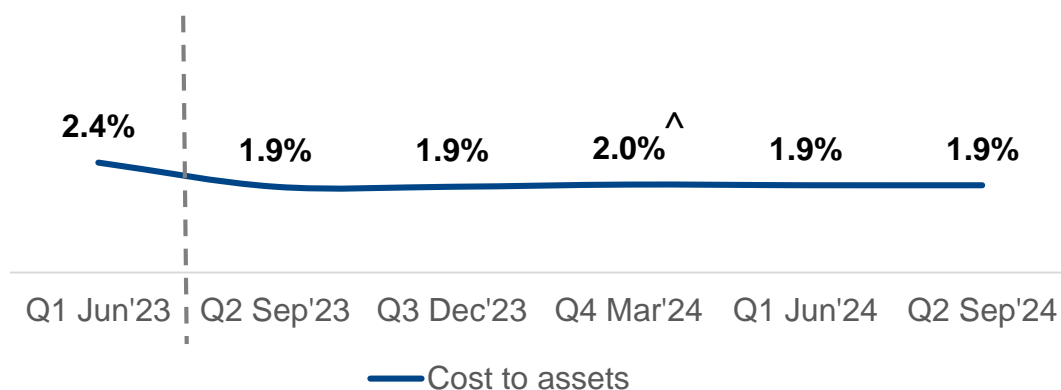
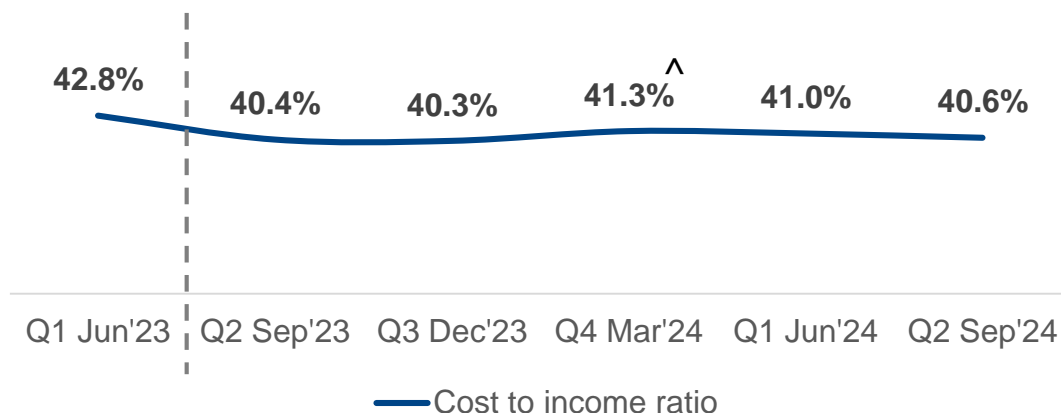
## Operating expenses

₹ bn



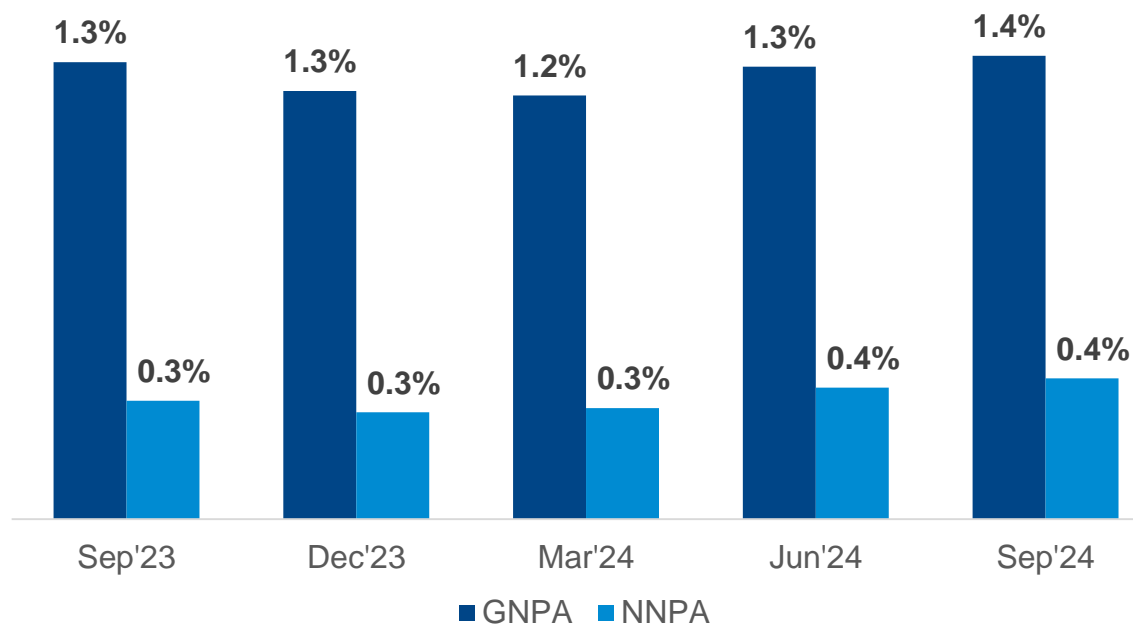
\*includes staff ex-gratia provision of ₹ 15 billion

## Cost efficiency

<sup>^</sup> excludes transaction gains and staff ex-gratia provision

# Resilient asset quality

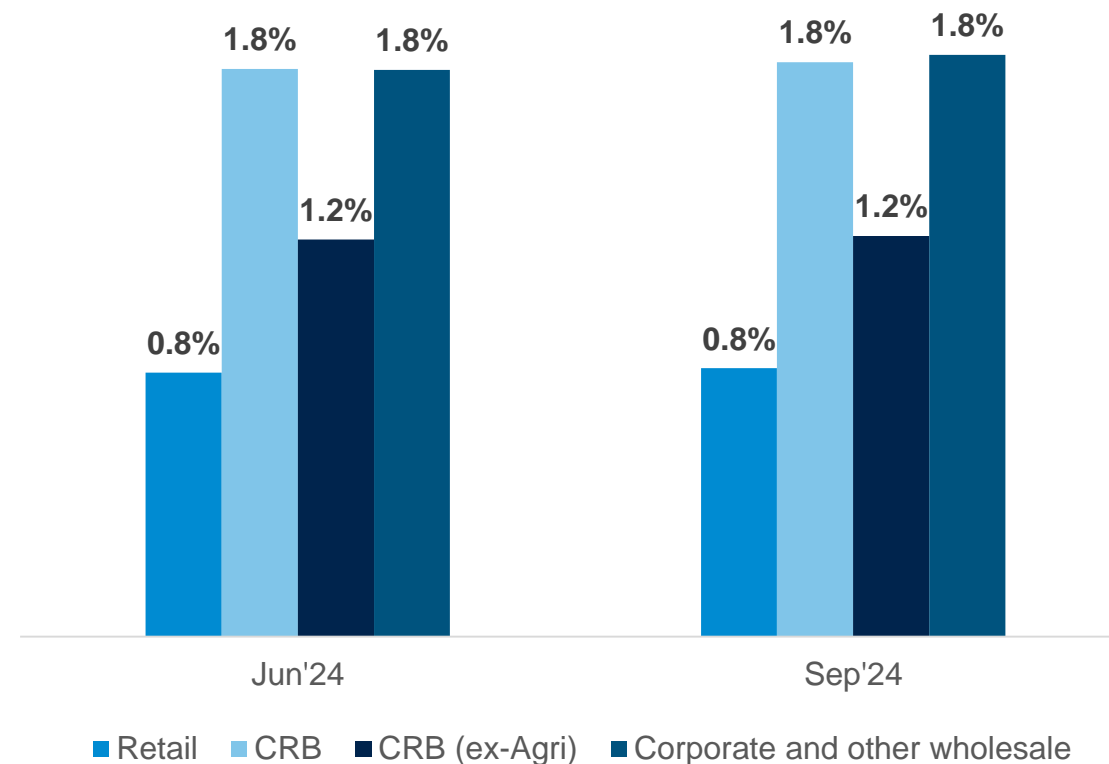
## Gross NPA and Net NPA



### GNPA (ex-agri)

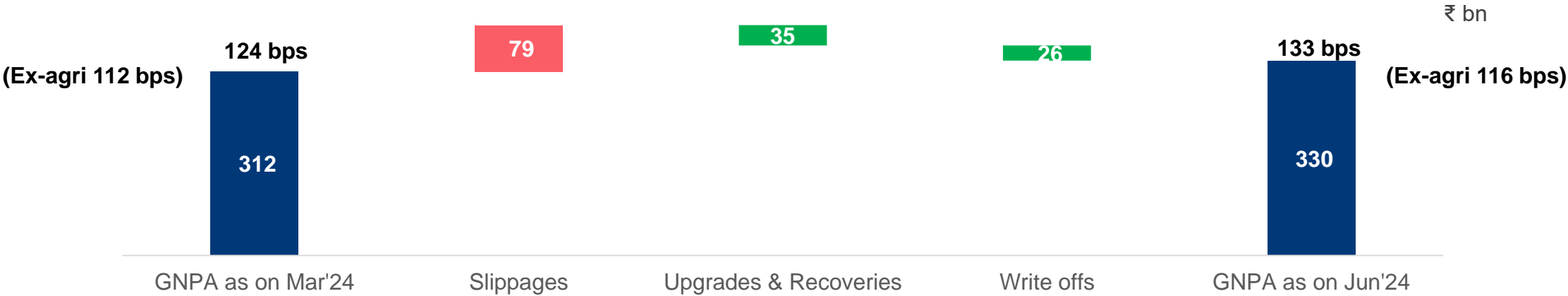
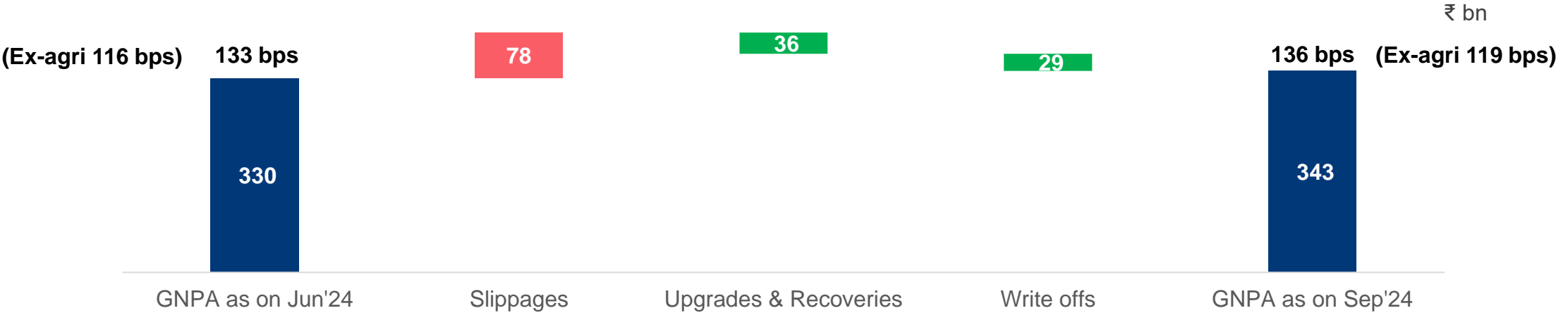
GNPA (ex-agri)				
1.2%	1.1%	1.1%	1.2%	1.2%

## GNPA by Segment



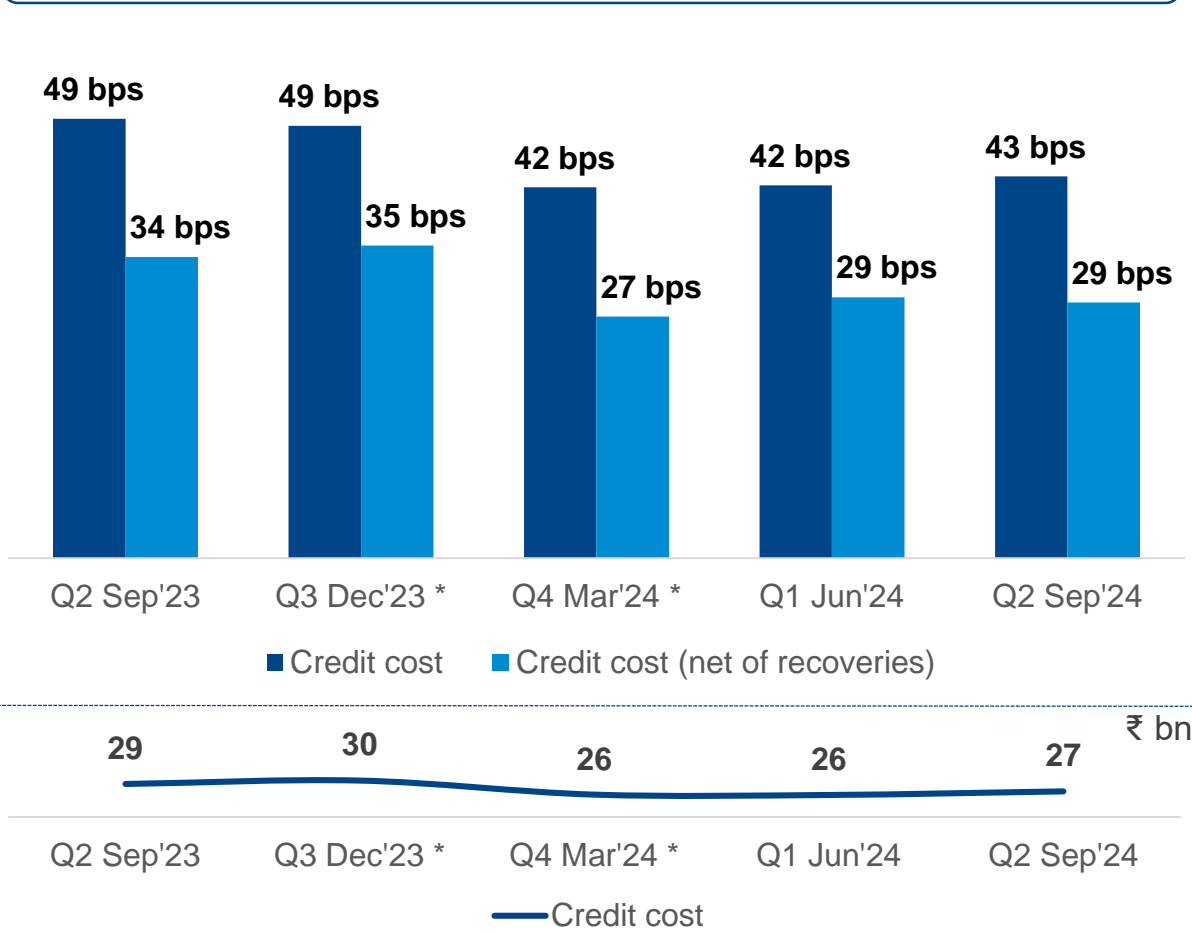
## Stable asset quality across segments

# Movement of NPAs

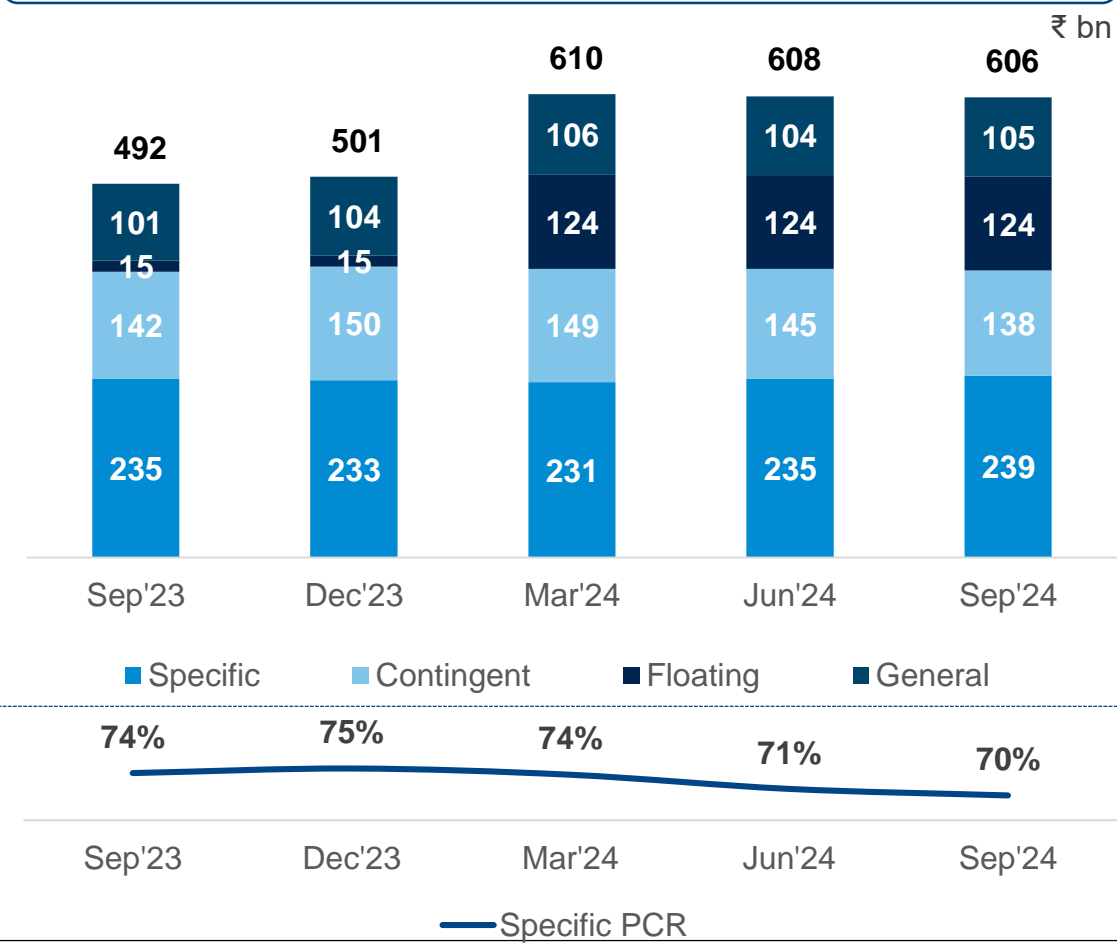


# Credit cost and stock of provisions

Credit cost



Stock of provisions

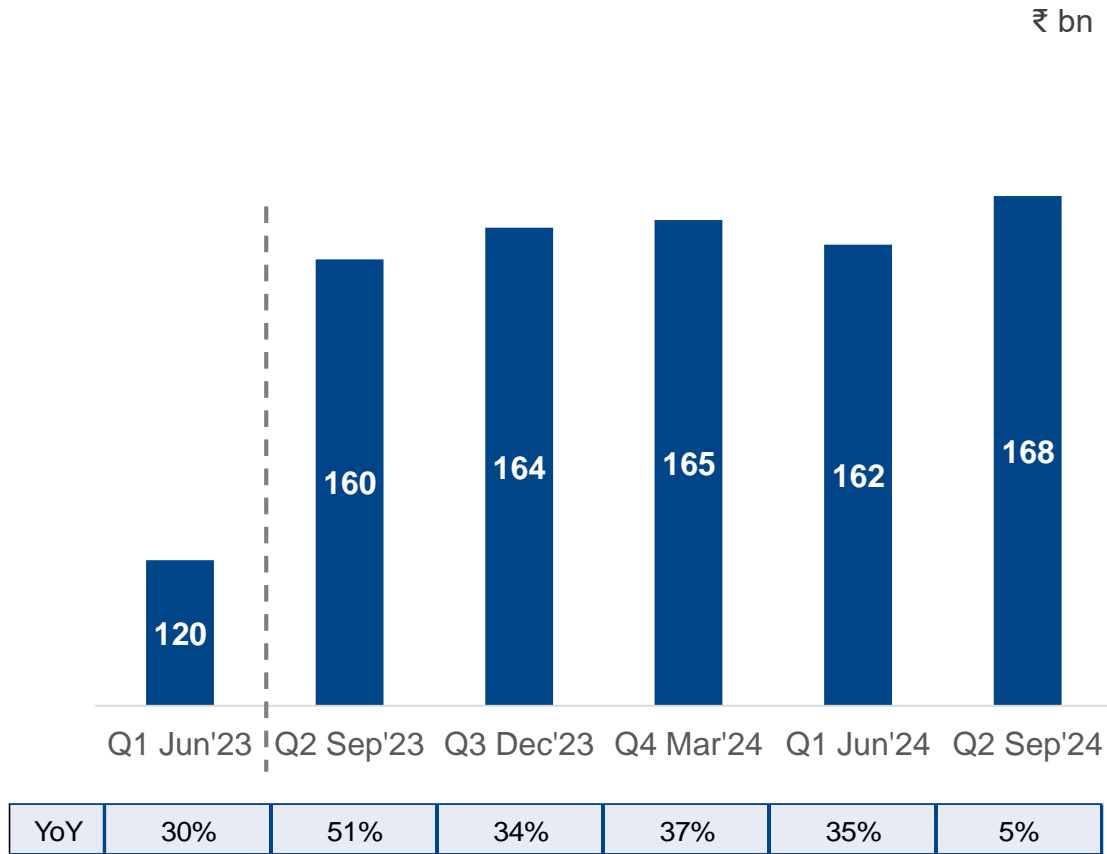


\* excludes contingent and floating provisions built

# Profitability

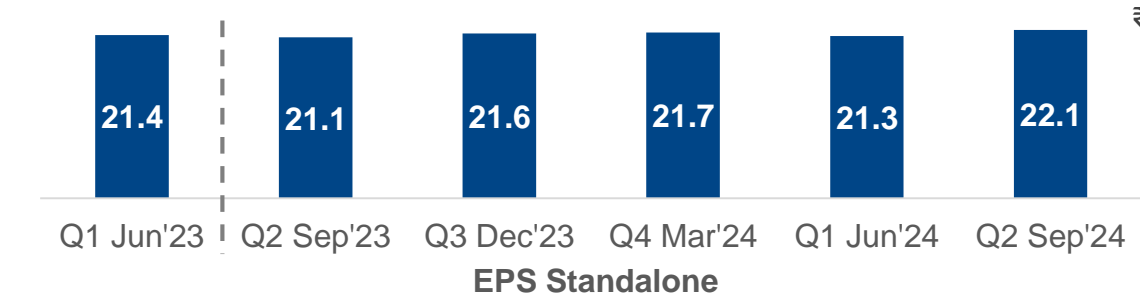
## Standalone profit after tax

₹ bn



## Earnings per share\*

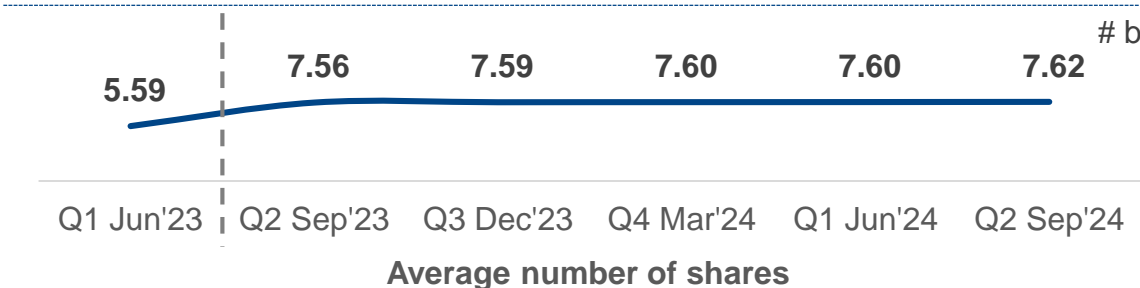
₹



₹



# bn



# Stake held in key subsidiary entities – September 30, 2024

Entity	Investment Amount (₹ bn)	No. of shares outstanding by entity (mn)	% Stake held by HDFC Bank	PAT of the company (FTQ) (₹ bn)	Subs Book value per share (₹)	EPS (FTQ) (₹)
HDB Financial Services	35	794.0	94.54%	5.9	187.4	7.4
HDFC Life Insurance	56	2,151.2	50.34%	4.3	72.4	2.0
HDFC AMC	2	213.6	52.51%	5.8	318.3	27.0
HDFC ERGO General Insurance	28	723.7	50.48%	2.0	65.7	2.8
HDFC Securities	13	17.7	94.89%	3.2	1,793.0	178.5
All others	5			0.4		
<b>Total</b>	<b>139</b>					

# Subsidiaries – Q2FY25 update – HDB Financial Services

- 94.54% stake held by the Bank as of September 30, 2024
- 17.3 million customers serviced through a network of 1,771 branches across 1,162 cities/towns
  - 0.8 million customers and 44 branches added during Q2 FY25
- Disbursement momentum improving across all business segments with overall growth of 11% YoY
- Q2FY25 performance highlights
  - Loan book of ₹ 986 bn up by 27% YoY and 3% sequentially
  - Gross Stage 3 assets improved to 2.1% compared to 2.4% in prior year
  - Net interest margin of 7.4%; Net profit of ₹ 5.9 bn with EPS of ₹ 7.4
  - RoA of 2.4%; Book value per share at ₹ 187.4
  - RoE of 16.2%; Capital adequacy ratio at 19.3%

# Subsidiaries – Q2FY25 update – HDFC Life Insurance

- 50.34% stake held by the Bank as of September 30, 2024
- 329k individual policies sold during the quarter up 22% from prior year; overall 12 mn lives insured during the quarter
- Individual weighted received premium market share of 15.7% for Q2FY25
- Q2FY25 performance highlights
  - Net Premium Income of ₹ 166 bn up by 12% YoY and AUM at ₹ 3.2 tn up by 23% YoY
  - New Business Premium of ₹ 81 bn with new business margin at 24%
  - Value of new business for the quarter ₹ 9.4 bn up 17% YoY
  - PAT of ₹ 4.3 bn up by 15% YoY
  - Solvency Ratio at 181% as of September 30, 2024
  - Embedded value at ₹ 521 bn improved 21% YoY



# Subsidiaries – Q2FY25 update – HDFC AMC

- 52.51% stake held by the Bank as of September 30, 2024
- Quarterly average AUM of ₹ 7.6 trillion; 11.5% market share
- 66% of quarterly average AUM is equity oriented with 62% in actively managed equities
- 11.8 million unique investors; 24% penetration in the Mutual Fund industry
- Q2FY25 performance highlights
  - Total income of ₹ 10.6 bn, grew 38% over prior year
  - Net profit of ₹ 5.8 bn, grew 32% over prior year
  - EPS of ₹ 27.0

# Subsidiaries – Q2FY25 update – HDFC ERGO General Insurance

- 50.48% stake held by the Bank as of September 30, 2024
- Q2FY25 Gross direct premium market share of 6.3% in overall industry and 9.5% amongst private sector insurers
- Retail mix in business 50% for the quarter ended September 30, 2024
- Distribution network of 277 branches and 634 digital offices
- Q2FY25 performance highlights
  - No. of policies issued during the quarter at 2.2 mn; down by 18% YoY
  - Gross written premium of ₹ 51.5 bn; down 4% YoY
  - Net profit after tax of ₹ 2.0 bn compared to profit of ₹ 2.4 bn in the prior year
  - Solvency Ratio at 178% as of September 30, 2024

# Subsidiaries – Q2FY25 update – HDFC Securities

- 94.89% stake held by the Bank as of September 30, 2024
- 6.1 million customers serviced through a network of 142 branches across 111 cities
- Around 96% of the active clients utilized the services offered through company's digital platforms
- Q2FY25 performance highlights
  - Net revenue of ₹ 9.1 bn up by 51% YoY
  - Net profit of ₹ 3.2 bn up by 47% YoY
  - EPS of ₹ 179
  - Book value per share at ₹ 1,793 as of 30<sup>th</sup> September, 2024

# ESG at HDFC Bank

## Environmental

- Target to be carbon neutral by FY32
- Board approved ESG Risk Management Policy focusing on enhanced environmental and social due diligence for lending
- Board approved Sustainable Finance Framework, along with a second party opinion
- Issued maiden international sustainable bond issue (Utilisation towards clean transportation, affordable housing & MSME)
- Commenced measurement of financed emissions

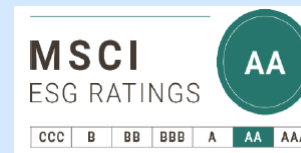
## Social

- Leading responsibly
  - Taking banking to the unbanked;
  - Supporting businesses;
  - Enabling smart banking;
  - Empowering communities
- Gender diversity: 26%
- CSR initiatives cumulatively impacted over 100 mn beneficiaries
- People and work culture: Nurture, Care & Collaborate
- 2-tiered governance structure for Diversity, Equity & Inclusion – at the corporate & regional level

## Governance

- Commitment to principles of independence, accountability, responsibility, transparency and fair & timely disclosures
- Diversified and skilled board
- CSR & ESG Committee of Directors oversee the ESG strategy along with the ESG Apex Council
- Highest governance score of 1 by ISS, 2024
- ET Awards, 2023:
  - Selected as the 'Conscious Corporate of the Year' for its work in CSR & ESG

## Ratings



September 2024



2023 score upgraded to 'B'

**S&P Global**

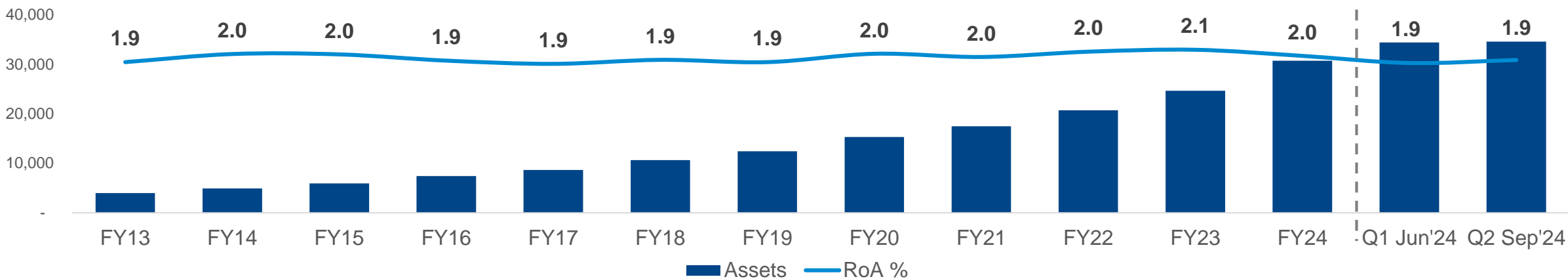
S&P Corporate Sustainability Assessment (86<sup>th</sup> percentile)



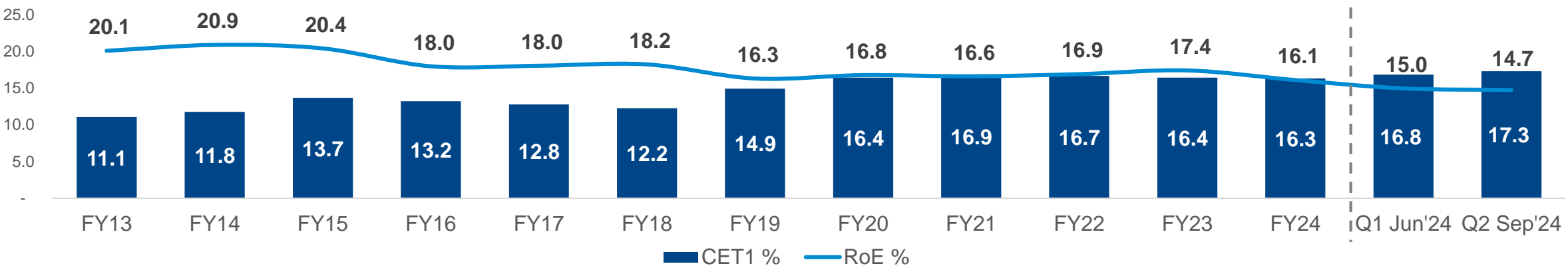
ESG Score: 80/100;  
Low ESG Risk

# Balance sheet and capital productivity

Growth in assets and RoA

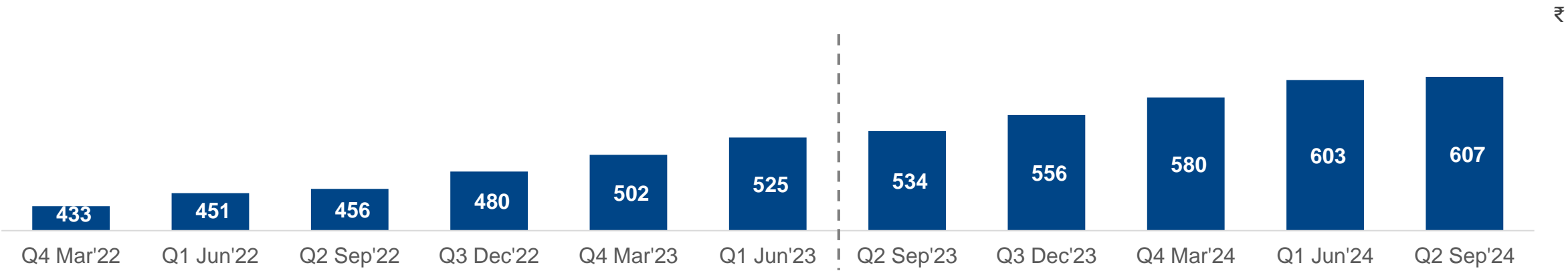


Healthy capital position and RoE

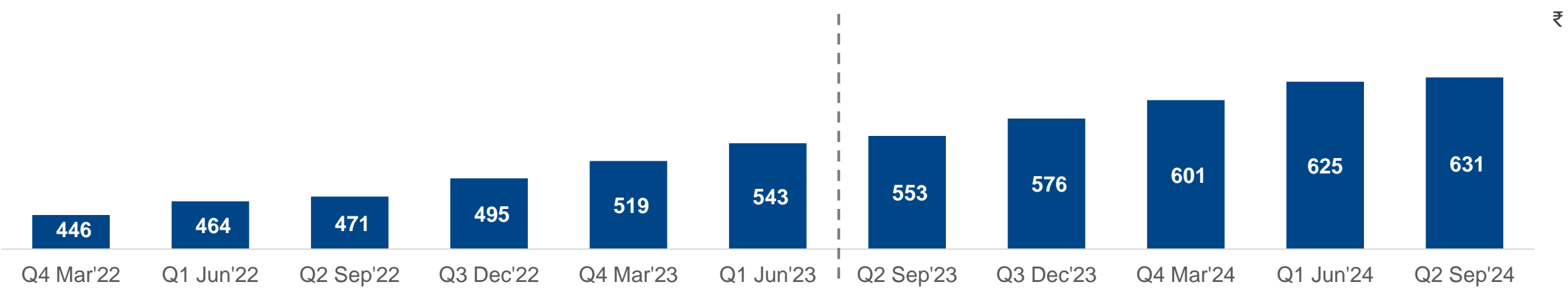


# Book value performance

Standalone book value per share



Consolidated book value per share



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# APPENDIX

# Consolidated income statement H1 FY25

P&L (₹ bn)	H1FY24	H1FY25	YoY
Net revenue	1,013.8	1,484.6	46.4%
Operating expenses	572.2	953.6	66.7%
Provisions	66.0	64.1	(2.9%)
Profit before tax	<b>375.6</b>	<b>466.9</b>	<b>24.3%</b>
Consolidated profit	<b>291.8</b>	<b>343.0</b>	<b>17.5%</b>



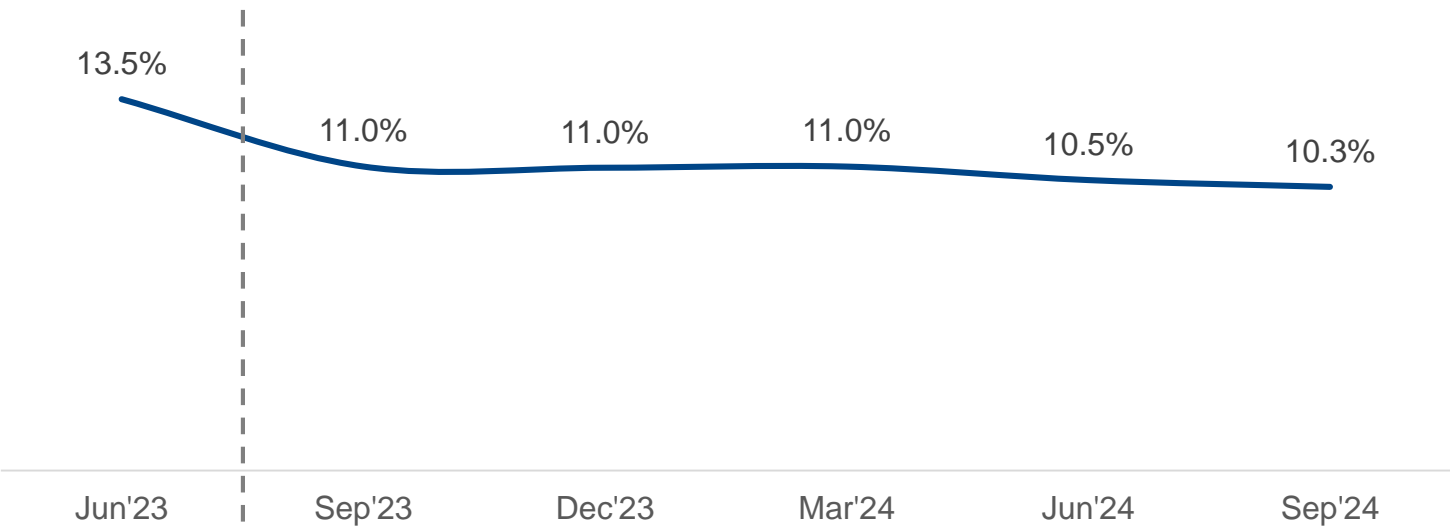
# Income statement H1FY25

P&L (₹ bn)	H1FY24	H1FY25	YoY
Net interest income	509.8	599.5	17.6%
Non-interest income	199.4	221.5	11.1%
<b>Net revenue</b>	<b>709.2</b>	<b>821.0</b>	<b>15.8%</b>
Operating expenses	294.6	335.1	13.7%
Provisions	57.6	53.0	(8.0%)
<b>Profit before tax</b>	<b>357.0</b>	<b>432.9</b>	<b>21.3%</b>
<b>Profit after tax</b>	<b>279.3</b>	<b>330.0</b>	<b>18.2%</b>

# Industry-wise distribution

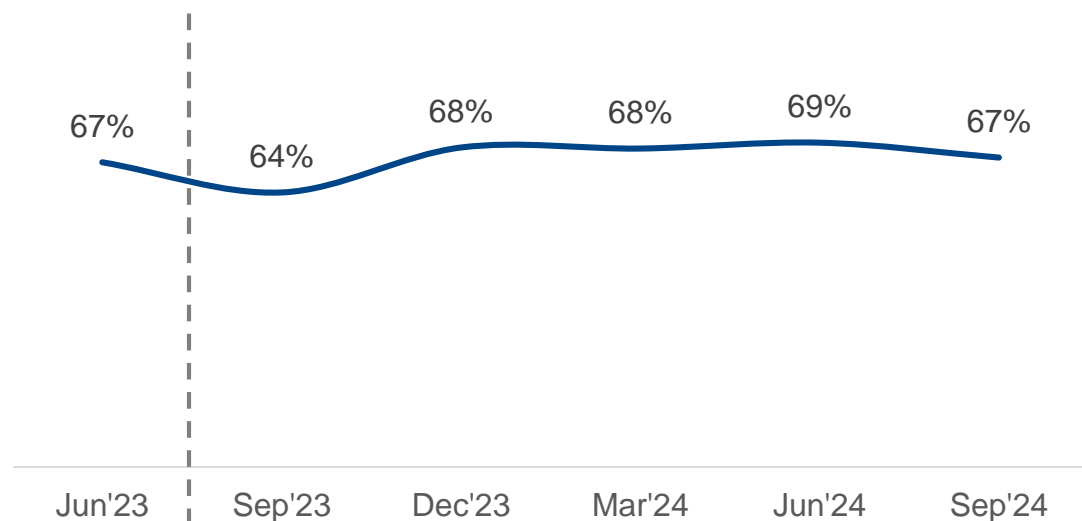
Industry (₹ bn)	Total Outstanding (FB + NFB)	As a (%)	Industry (₹ bn)	Total Outstanding (FB + NFB)	As a (%)
Consumer Loans	10,136	33.2%	Telecom	328	1.1%
NBFC	1,662	5.4%	Consumer Durables	291	1.0%
Financial Institutions	1,138	3.7%	Financial Intermediaries	275	0.9%
Real Estate & Property Services	1,135	3.7%	Chemical and Products	264	0.9%
Retail Trade	1,120	3.7%	Coal & Petroleum Products	257	0.8%
Consumer Services	985	3.2%	Capital Market Intermediaries	256	0.8%
Road Transportation	771	2.5%	Agri Production - Non food	243	0.8%
Infrastructure Development	719	2.4%	Gems and Jewellery	218	0.7%
Food and Beverage	697	2.3%	Drugs and Pharmaceuticals	185	0.6%
Power	694	2.3%	Non-ferrous Metals	168	0.5%
Wholesale Trade - Industrial	625	2.0%	Paper, Printing and Stationery	145	0.5%
Wholesale Trade - Non Industrial	622	2.0%	Cement & Products	144	0.5%
Iron and Steel	611	2.0%	Plastic & Products	139	0.5%
Automobile & Auto Ancillary	575	1.9%	Mining and Minerals	138	0.5%
Engineering	569	1.9%	Agri Produce Trade	134	0.4%
Agri-Allied	562	1.8%	Animal Husbandry	130	0.4%
Textiles & Garments	541	1.8%	Information Technology	119	0.4%
Business Services	517	1.7%	Other Non-metallic Mineral Products	102	0.3%
Agri Production - Food	478	1.6%	FMCG & Personal Care	86	0.3%
Banks	474	1.6%	Other Industries	1,883	6.2%
Housing Finance Companies	374	1.2%	<b>Total</b>	<b>30,508</b>	<b>100.0%</b>

# Top 20 borrower exposure as a % of total exposure

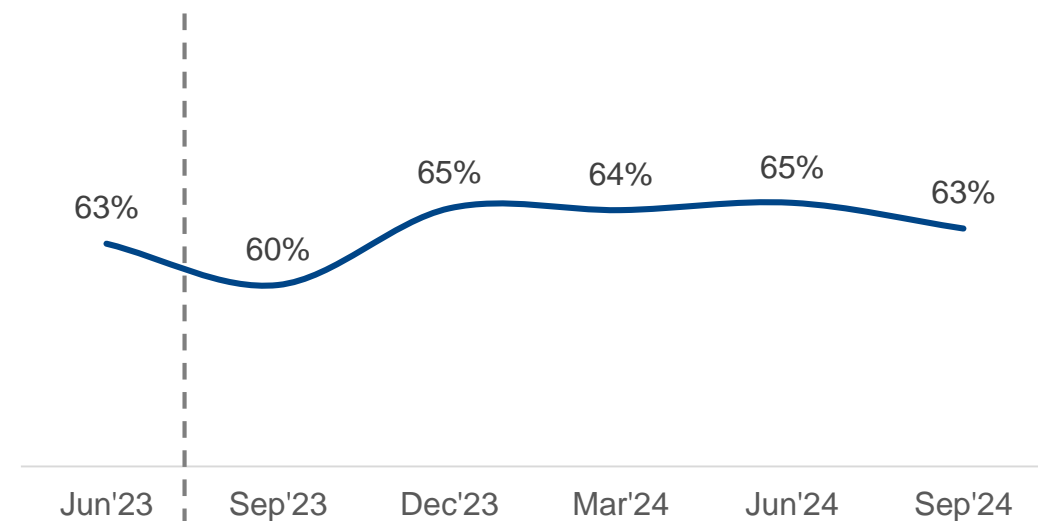


# Risk Weighted Assets

## RWA to Total Assets

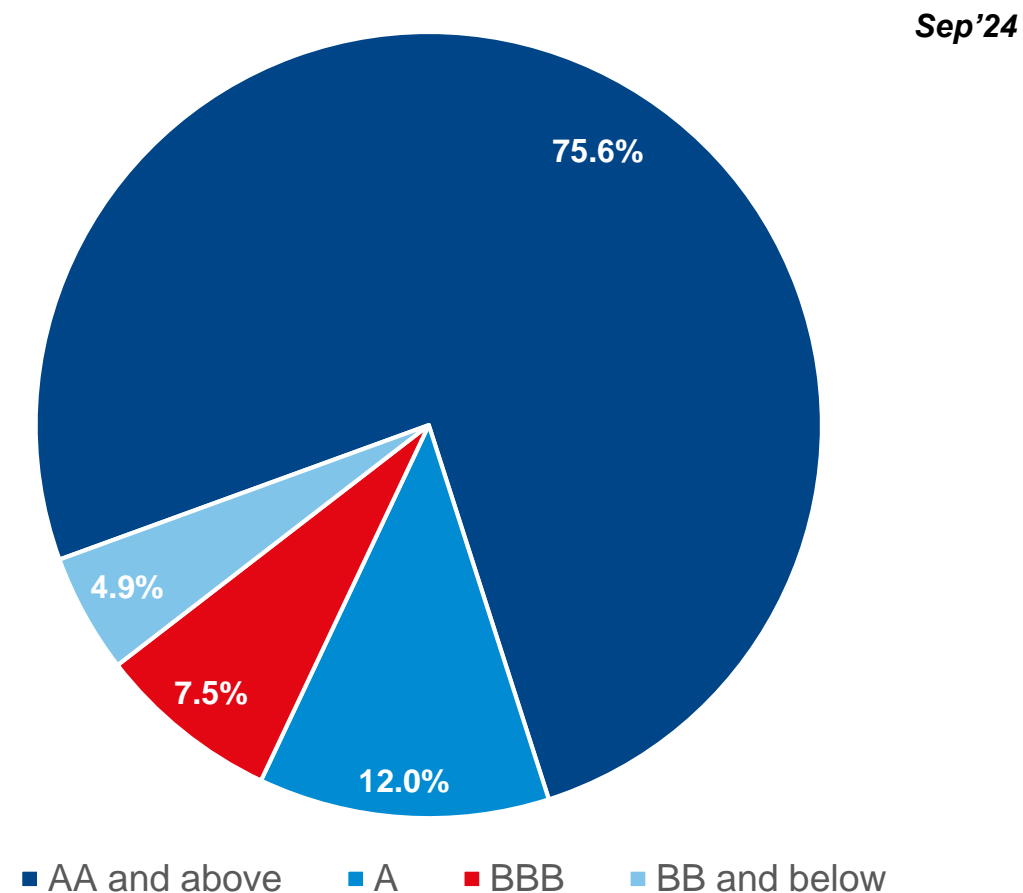
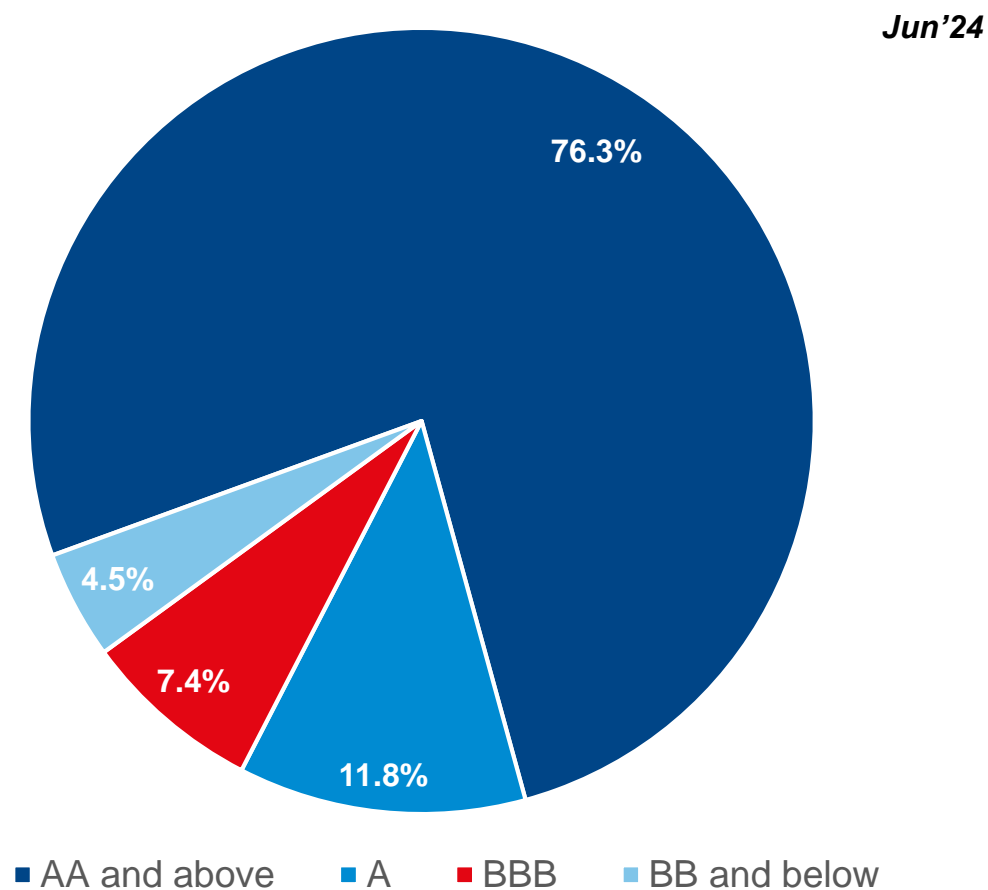


## Risk Weight Density\*



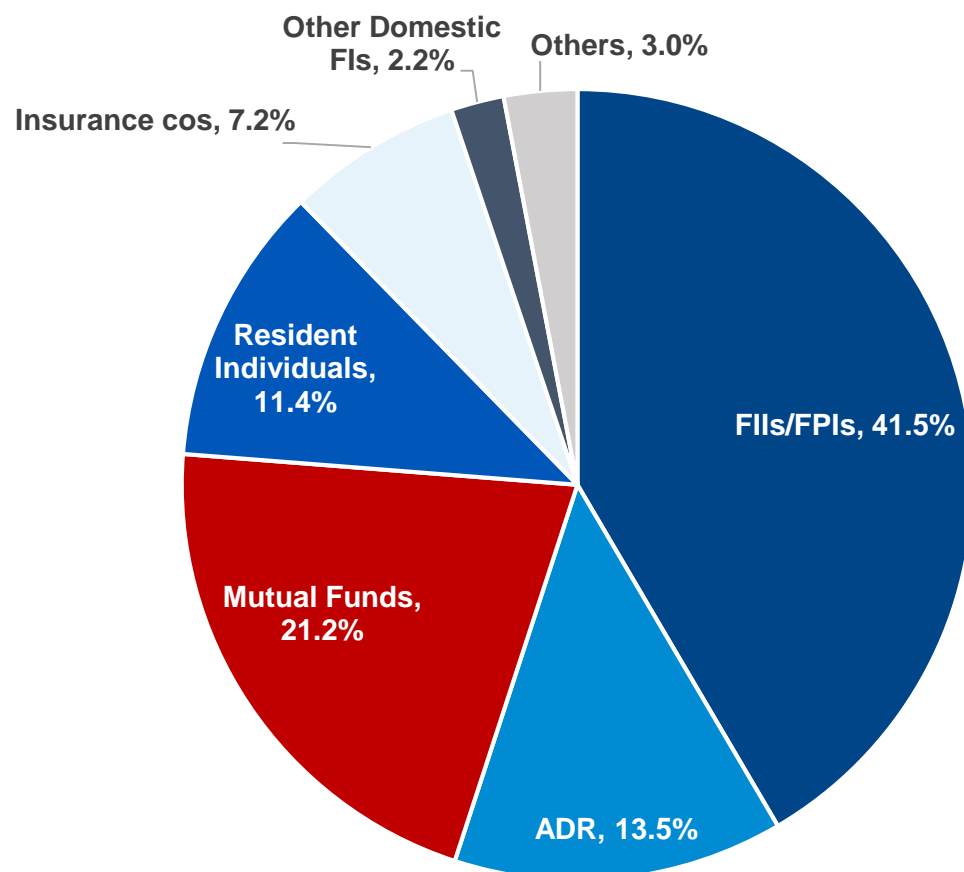
# Corporate rating mix

Rating mix % of externally rated wholesale book (corporate & mid corporate)



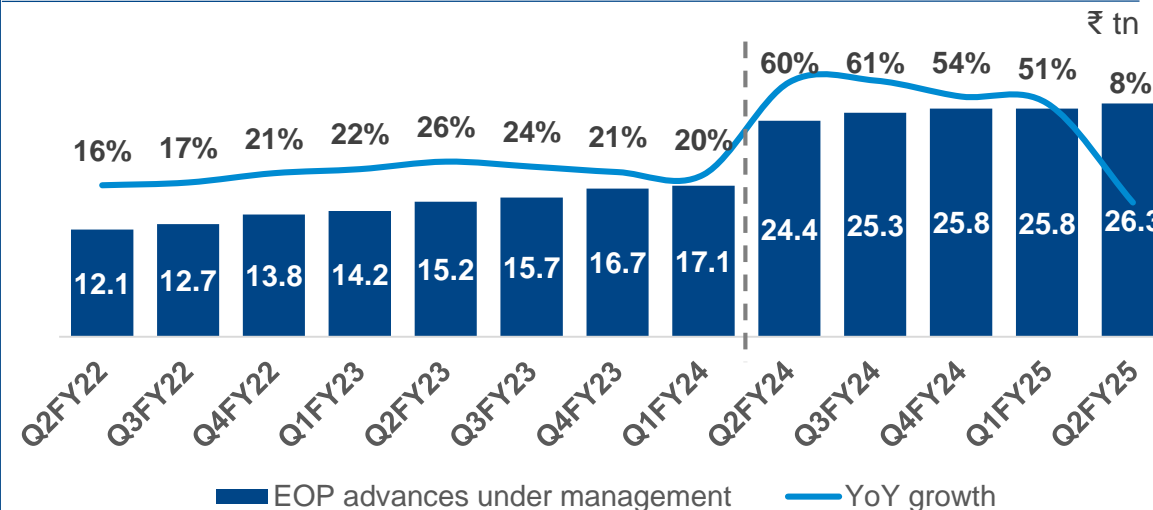
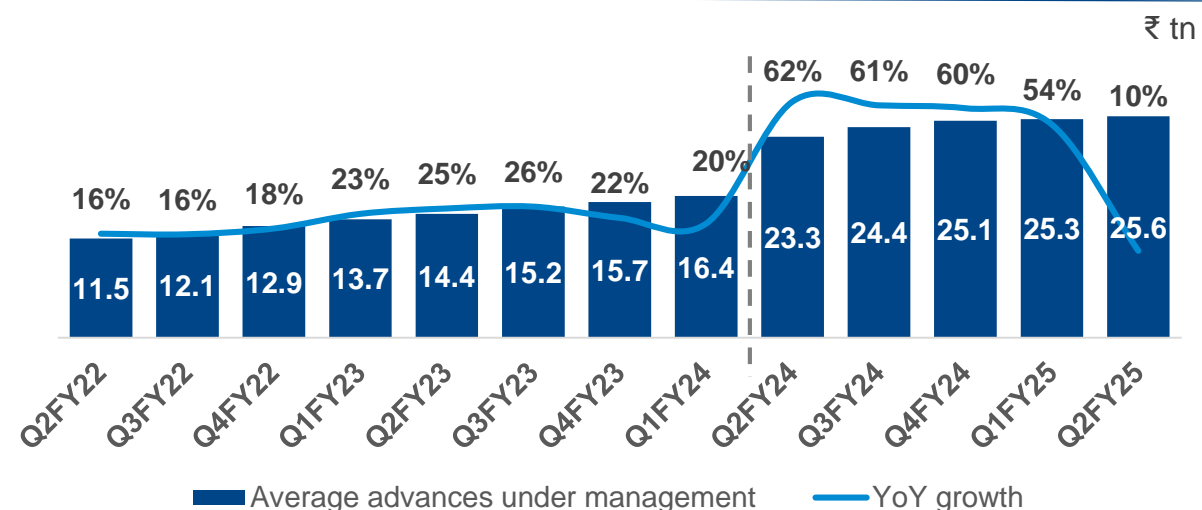
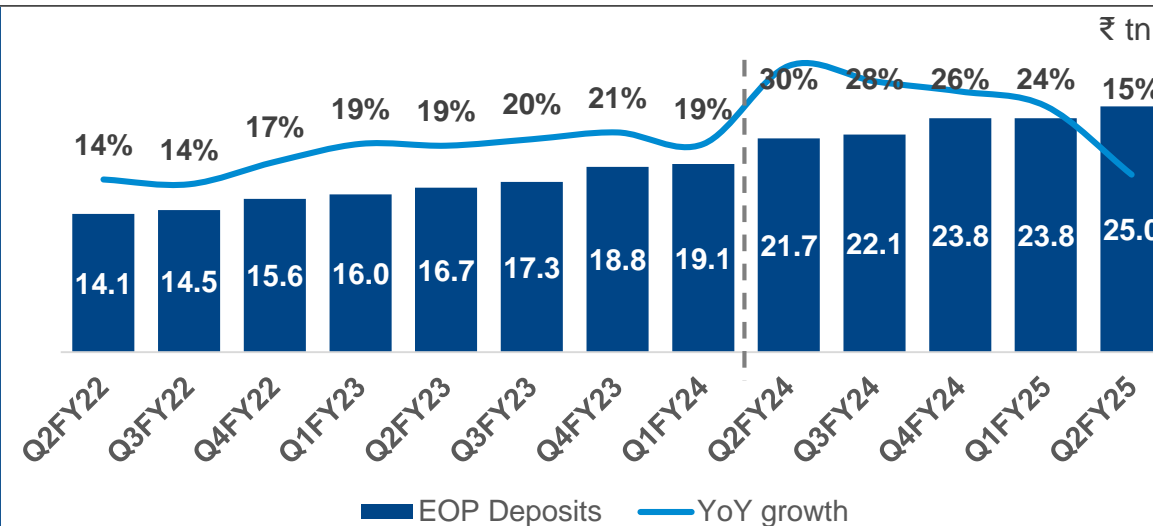
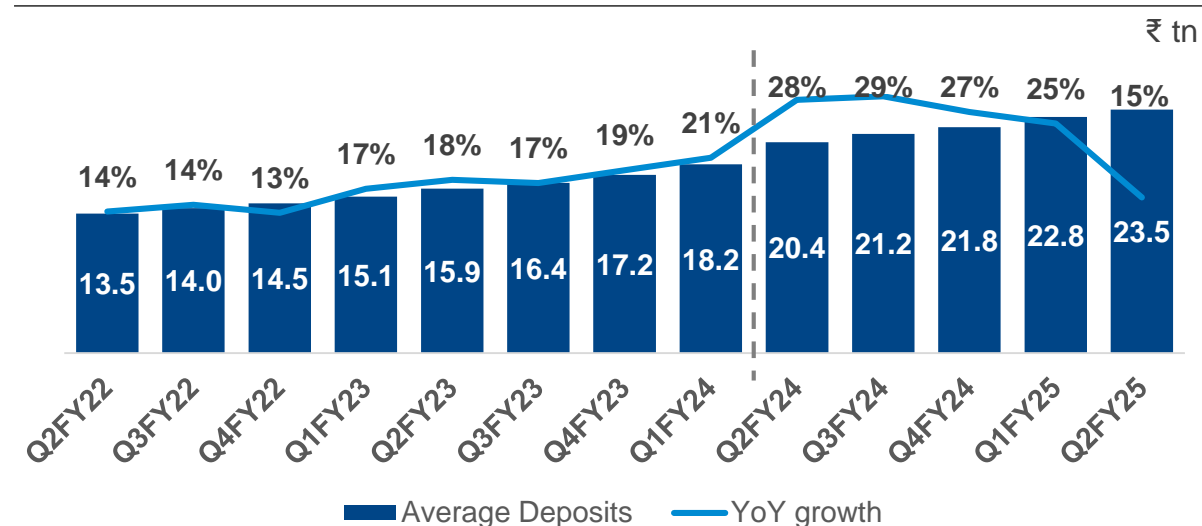
# Shareholding Pattern

Sep'24



Number of shares outstanding	: 7,631 mn
Number of resident individual shareholders	: 3.80 mn
Foreign limit utilized	: 55.51%
Foreign headroom	: 18.49%

# Deposits and advances trend



# Safe harbour statement

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.

References to e-HDFCL are in respect of the erstwhile Housing Development Financial Corporation Limited that was merged with HDFC Bank Limited effective July 1, 2023.