



ANALYST MEET 2019



SESSION 1: WHOLESALE BANK

Wholesale Bank – HDFC Bank

Product Offering

Assets	Working Capital Loans
	Supply Chain Management
	Term Funding
Liability	Current Account
	Savings Account
	Fixed Deposits
	Salary Accounts
	Key Official Accounts
Transactional Banking	Collections
	Payments
	International Trade
	Tax Collections
FX Advisory	Trade Flows & Derivatives
Investment Banking	IPOs, Private Equity and VC Fund Raise
	Project Finance
	Mergers & Acquisitions
	Bonds Placement and Loan Syndication

Wholesale Bank - Segments

Large Corporates

Emerging Corporates

Business Banking/SME

Infrastructure

Supply Chain Management

Potential & Strategy

Growth Potential

Particulars		Exposure (INR tn) ¹
Total Bank Credit		86.7
- Retail Credit		33.7
- Wholesale	a	53
Credit		
NPA (10.3%)	b	5.6
Net Bank Credit - Wholesale	c=a-b	47.4
PSU Banks (est 70% market share)	d	33.2
HDFC Bank Wholesale credit	e	4.1
Untapped Wholesale opportunity	d-e	29.1

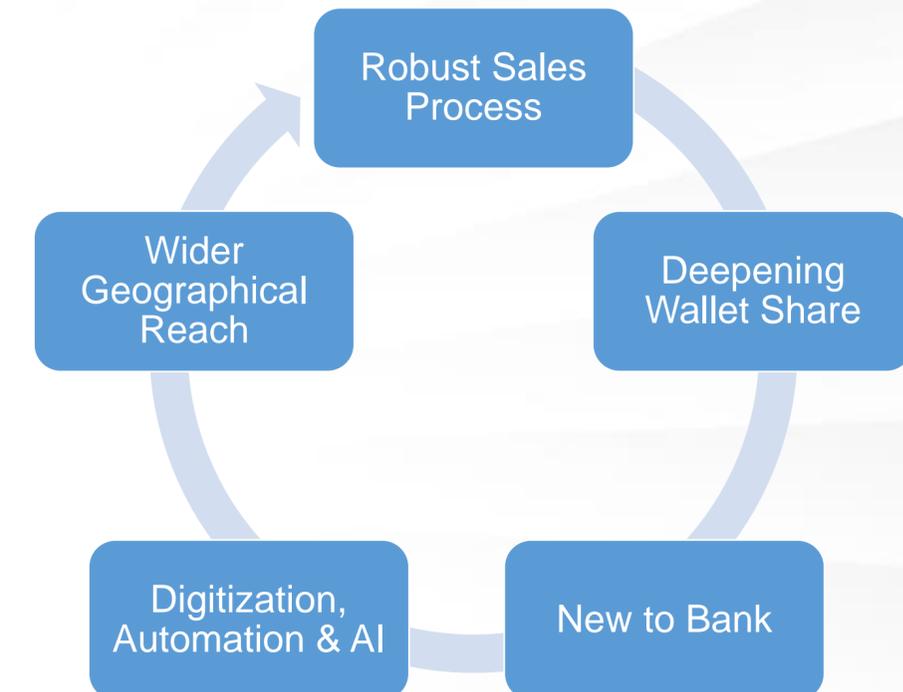
Opportunity

- GDP is projected to grow at 7.3%²
- Credit is projected to grow at 15%²

Source:

1. www.rbi.org.in – Data as on Mar'19
2. HDFC Bank Economist Team

Strategy



“We take the strength of the Bank to every client that we touch”

Creating competitive advantage through

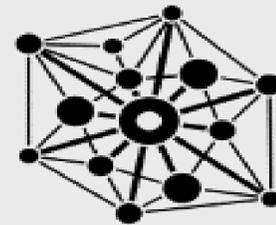
- Leveraging relationships with large/emerging corporates and SME for multiple products
- Balanced mix between WC financing, term loans and trade services
- Market leaders in cash management solutions
- Well diversified loan portfolio

Journey of Digitization



Reinventing the customer journey

- Client Centricity (CBX) – Next gen corporate banking platform
- Innovative Technology – End to End Process Optimization (Paperless Trade)



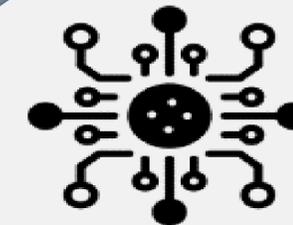
Discovering the power of data

- Data-mining for “tailored” solutions (Bank Statement Analyzer)
- Deepen ‘wallet-share’ (Customer Insight Portal)
- Behavioural analysis for retention
- Default detection triggers (EWS)



Digital Initiatives

- API Banking
- Host to Host
- Fintech partnerships
- Corporate EVA



Digital Organization

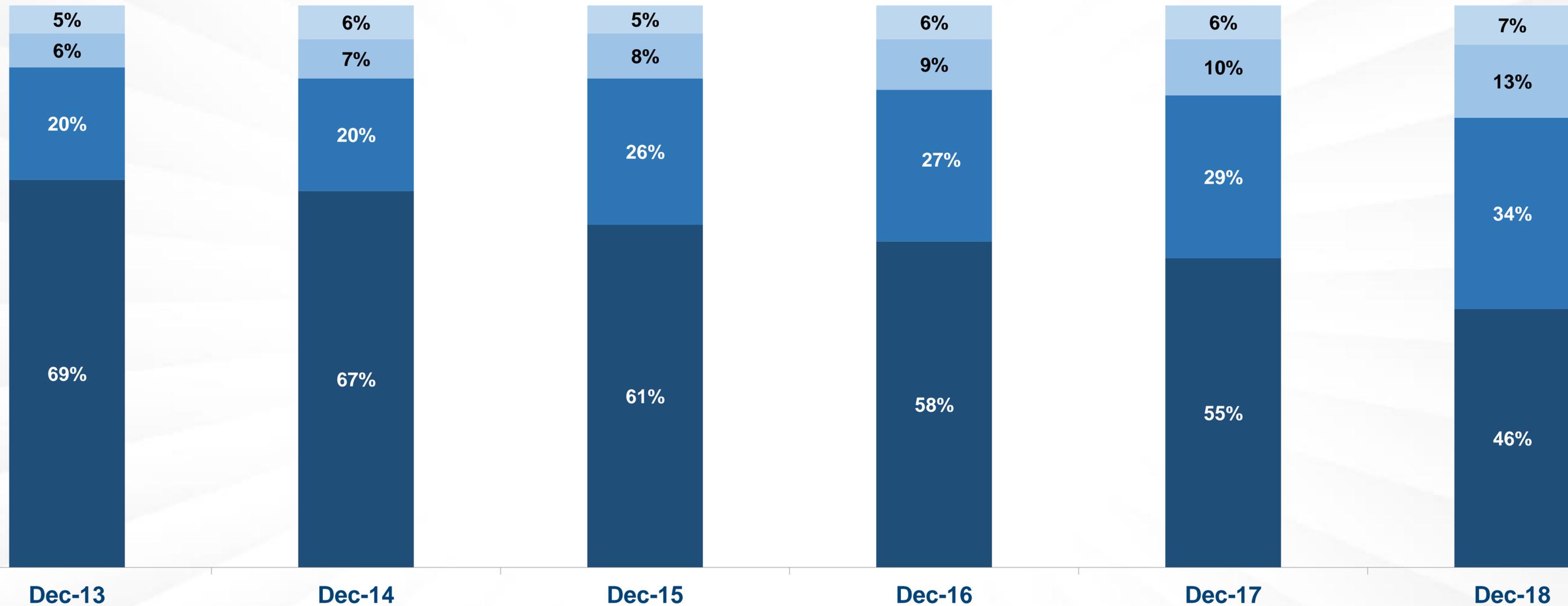
- Identifying heavy manual processes for automation
- All-pervasive cultural change to digital

End of Session 1



SESSION 2: SME BANK

Share of Lenders in MSME Segment



MSME Outstanding has increased to Rs.14.8 Lakh Crs*, (CAGR of 26.1%)

* Source: TransUnion CIBIL | Data for entities only

MSME Segments

Caters to 'Bank Credit' Requirements of Micro, Small & Medium Enterprises. We provide solutions to all major segments like as below:



Manufacturers:

Chemicals, Small Electronic Equipment, Textiles, Fabrication, Small Auto Parts, Packaging Industry, Agro Processing units, etc.

Retail Traders:

Trader & commission agents, merchants of grains / vegetables/ fruits / spices, computer sale & service, departmental stores, Supermarkets, wholesalers, stockiest, distributor, Retailers, Shopkeepers, etc.

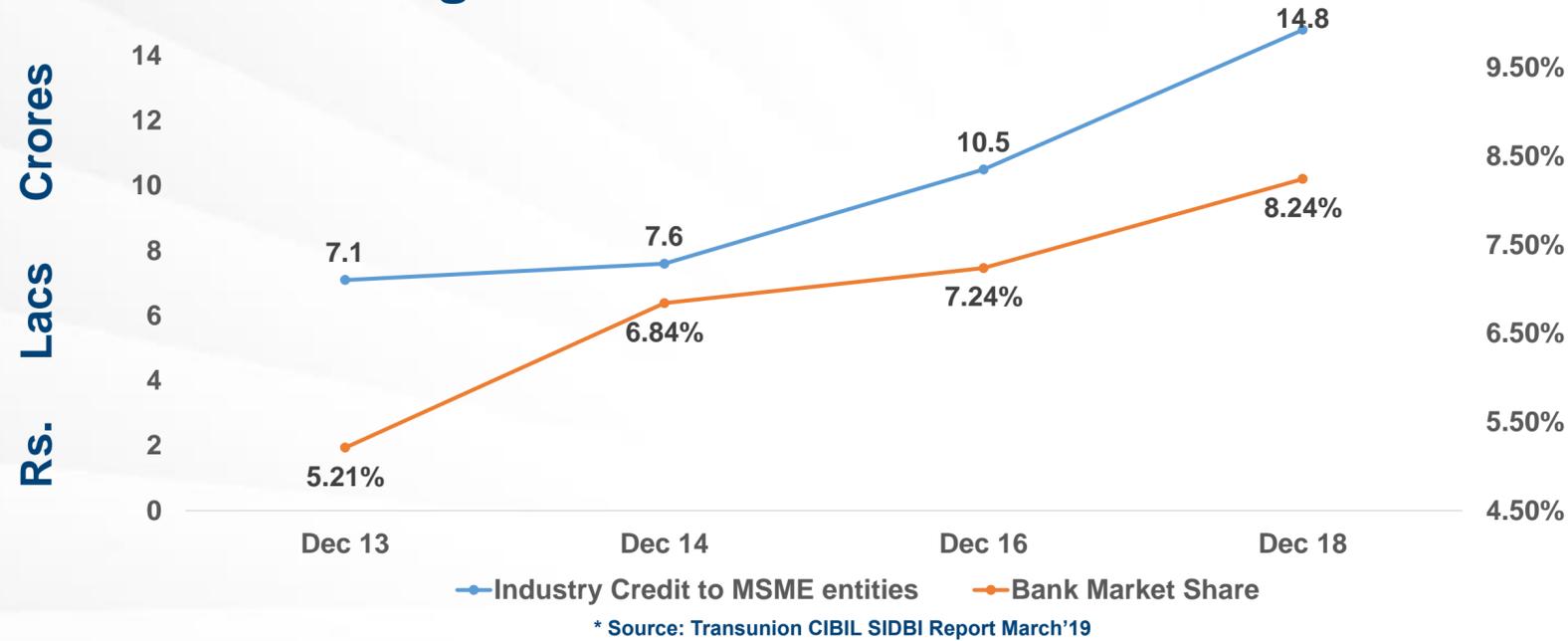
Focus Area: Kirana Stores

Service Enterprises:

Consultants, provider of IT support & AMC, Printing & Publications, Engineering job work, Hotel & Restaurant, Logistic provider, etc.

MSME Portfolio – Market Share

MSME Lending Growth*

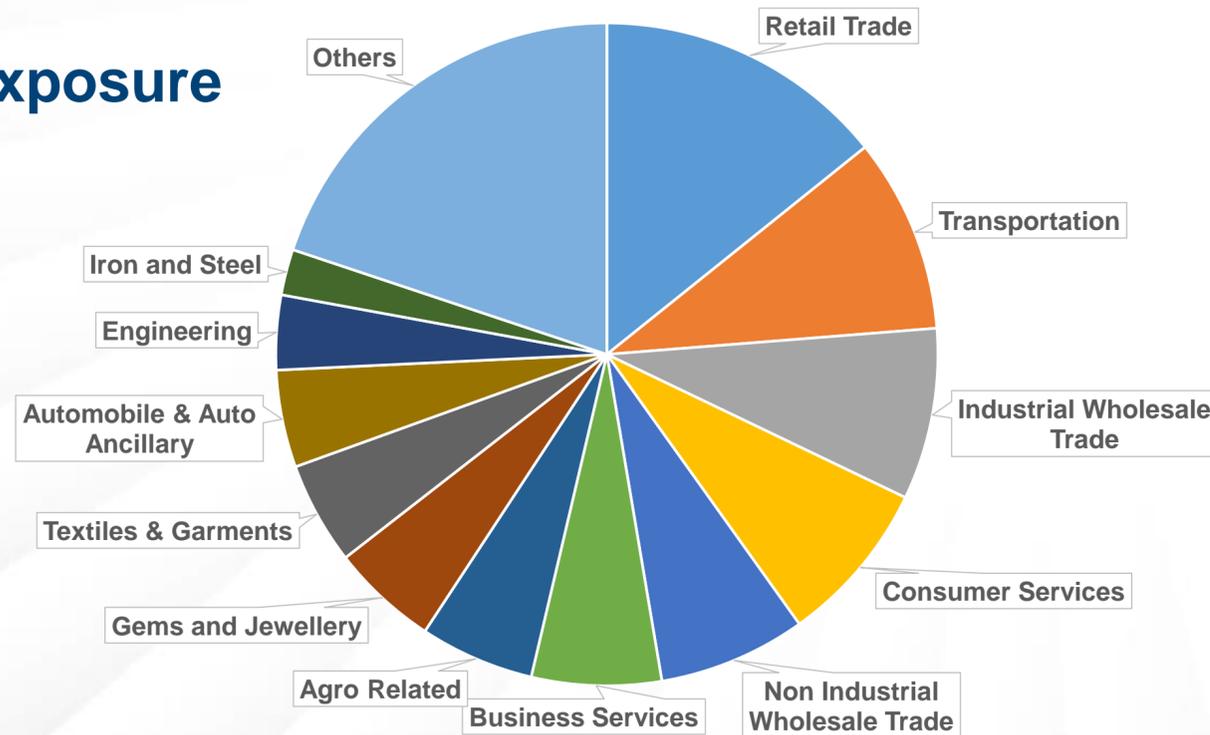


Portfolio Trend



MSME Portfolio in Rs Crs

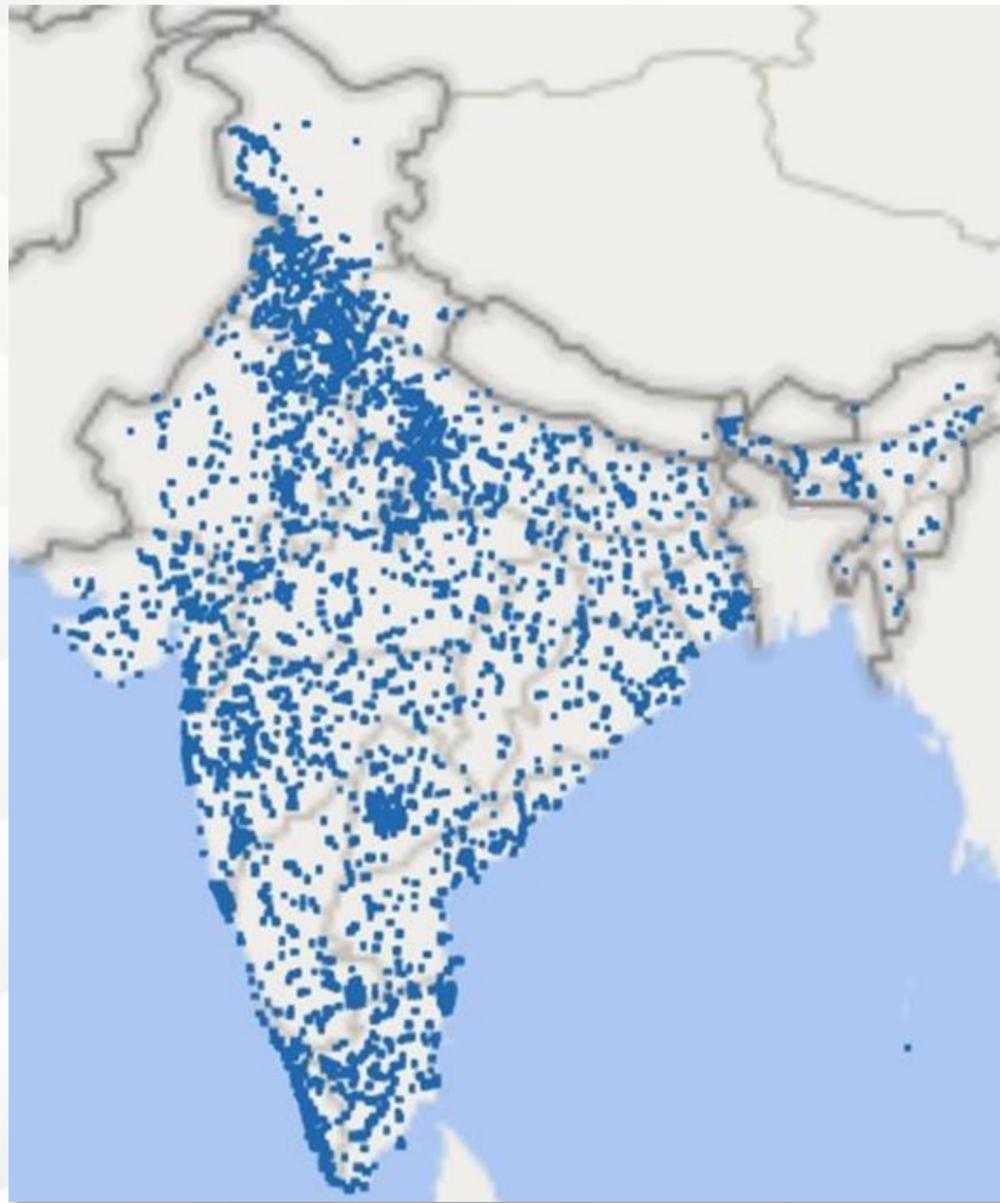
Industry Exposure



- Consistent growth in Market Share
- 3.5x Portfolio growth in last 5 years
- Distributed Portfolio across segments
- Growing exposure in Manufacturing & Services

Portfolio Spread - Granular

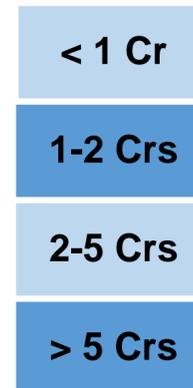
Geographical Spread



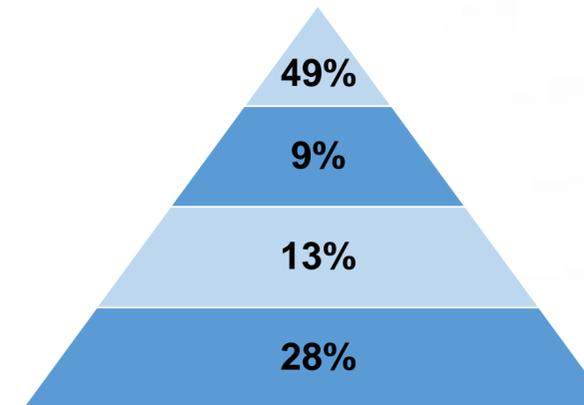
Wide Spread Portfolio – Growing Footprints in Semi Urban and Rural

Granularity - Loan Portfolio

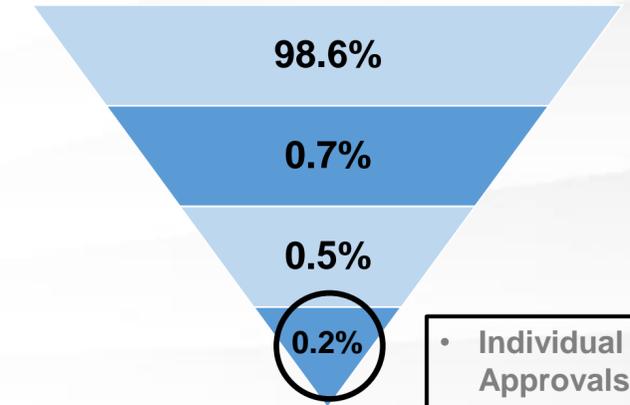
Exposure Bucket



Exposure

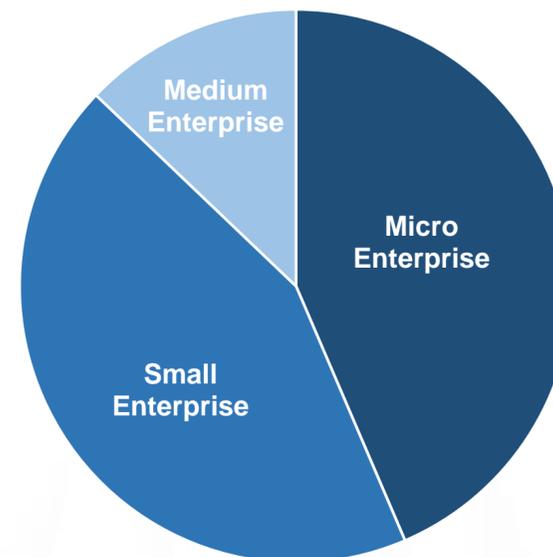


of Customers

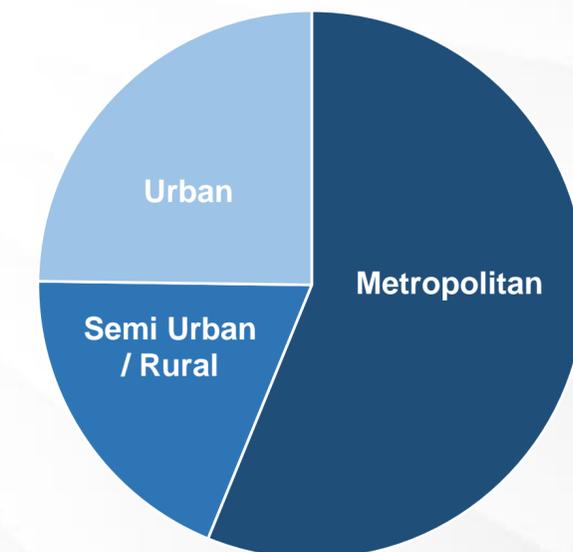


- Individual Credit Approvals
- Collateral Cover
- Cash Flows & Self Funding
- Monitoring

MSME Classification



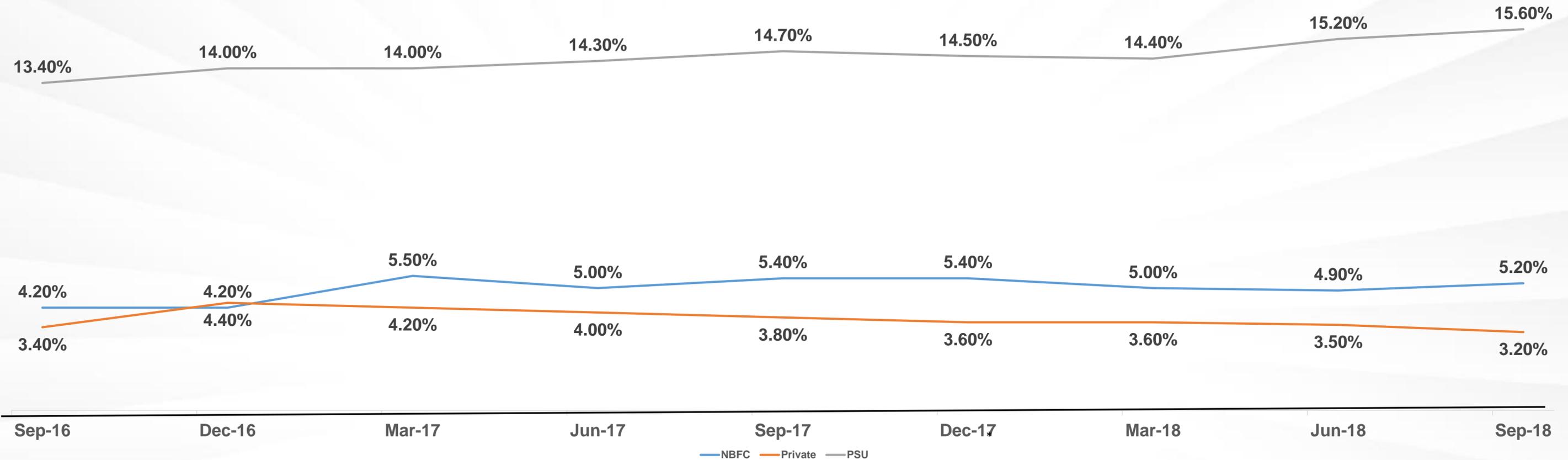
Geographical Spread



Granular Portfolio with complete Cash Flow

Healthy Mix of Micro and Small Enterprises

Industry MSME GNPA Trends



- ⋮ **Well Managed GNPA**
- ⋮ **Secured Portfolio with Collateral cover**
- ⋮ **Structured Sourcing model with Laid down Risk Mitigants & Processes**
- ⋮ **Complete relationship including promoters & family liability accounts to contain risk**

* Source: TransUnion CIBIL | Data for entities only

Digital Offerings

Digital Products for MSME customers at every growth stage

Approval in 3 Hours



First in
industry -
Final Approval
in 3 hours for
loans <5 Cr



Analytics Edge

- Auto Renewals
- Pre approved TOD / Adhoc
- Preapproved Enhancement

SmartBUY

Where deals get better

- MSME's can list their products online
- Great choice one place
- Save money – Offers and Discounts

SME Portal

- E-Bank for SME's
- Digital Submissions
- Digital Applications



- Business / Personal Loan credited into account in 10 seconds.



- Complete Corporate Net Banking
- Future dated transactions
- Online Bulk Payments

Trade on Net

- Online Trade Transactions
- Apply and get LC/BG issued from your office



Benefits for SME - Digital Offerings



Rise of Digitally Enabled Customer



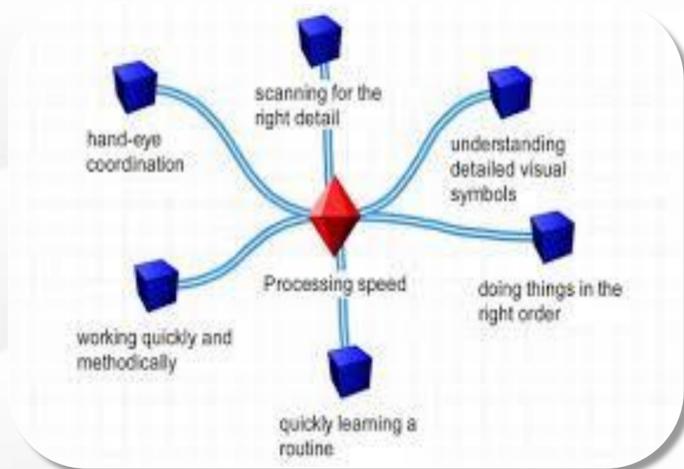
Reduction in Cash Economy



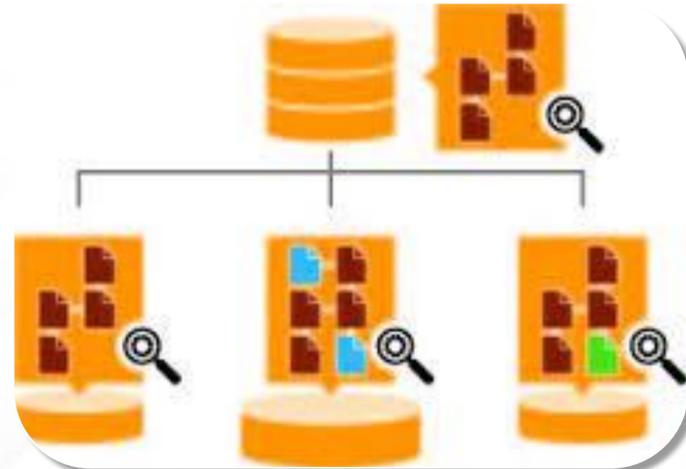
Personalisation of services and Interaction



Customer convenience to gain wallet share



Speed of processing



Analytical Edge availability



Scaling up of business with existing infrastructure



Cost Effectiveness

Opportunities & Way Forward - MSME

Challenges



Competition

PSUs/ NBFCs/Fintech/ Pvt. over-leveraging with thin pricing to get more market share



Regulatory

Creation of mortgage online
"Wet Signature" required
Single Current a/c to be maintained under Sole Banking



Socio Economic

Slack real estate market makes recovery difficult

Opportunities & Way Forward...

Expanding distribution network increasing reach

- Increase in formalization (GST) & Financial inclusion leading to increase in MSMEs
- Increase in Digital Vendors

Digital Lending with growing API-based data availability & increase in receptivity

End of Session 2



SESSION 3: OPERATIONS & TECHNOLOGY

Transaction Processing Leadership

PAYMENT PRODUCTS

- 2.32 Cr cheques per month – Rs. 1.75 Lac Crore Value
- RTGS – 14% Volume & 22 % Value – Rs. 42.68 Lacs Crore per month
- NEFT – 10% Volumes & 14% value – Rs. 4.14 Lac Crore per month
- Chest Ops – Rs. 49,000 Crore Inflow & Outflow p.m.
- Credit Card acquiring business at 38% & Loan Book at Rs.45,000 cr.
- Most complex offering – Card, EPI, UPI, Net Bkg, IMPS, NEFT, CMS / eCMS.

WHOLESALE OPERATIONS

- Credit Administration – Rs. 3.50 Lac Crore Limit Outstanding. 11,000 Customers.
- CSGL – 65% by value – Rs. 3.62 Lacs Crore under Custody.
- Stock Exch Ops – 48% Accounts settlement.





Organisational Needs

- Profitability -
- Scalability -
- Leadership -



How can this be achieved?

Experiential leadership

Traditional forms of differentiation are no longer relevant



Strategy applied

- Improve -
- Innovate -
- Invent -

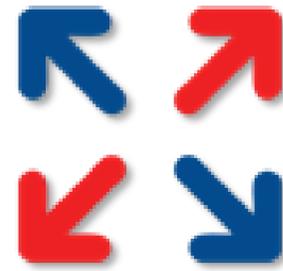
This formed the basis for establishing “**Experiential Leadership**” through Digital Transformation

A structured approach to complete Digital Empowerment

Enabling Customers to experience Banking through the device of their choice

bank aapki mutthi mein

Net & Mobile Banking



Creating a seamless experience for Customers across platforms

Digital Marketing & Analytics

Ensuring superior digital capability of the Bank across the industry

Digital Innovations

Creating & adapting of Banking products on digital platforms end to end

Digital Acquisition & API Banking

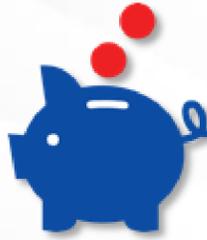
Fulfilling all the financial needs of Customers through Voice Channels

Virtual Relationship Management

Digi Bank

- Pay
- Save
- Invest
- Borrow
- Insure
- Shop
- Fun

Re-imagining customer experience – From transaction to journeys



Save

- | Dream Deposits
- | Smart A/c opening
- | Online PPF / BBA



Invest

- | InvestTrack



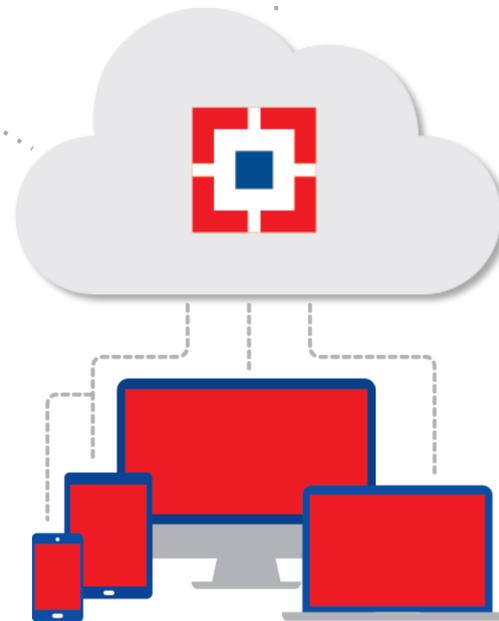
Borrow

- | 10-Sec Personal Loan
- | Digital Loan against Securities
- | ZipDrive, Quick Money / Paisa
- | Loan Assist, Vahaan Gyan
- | Digital SME Bank
- | Virtual Credit Card



Pay

- | PayZApp
- | UPI
- | SmartHub
- | DigiPoS
- | Samsung Pay
- | Missed Call Commerce



Insure

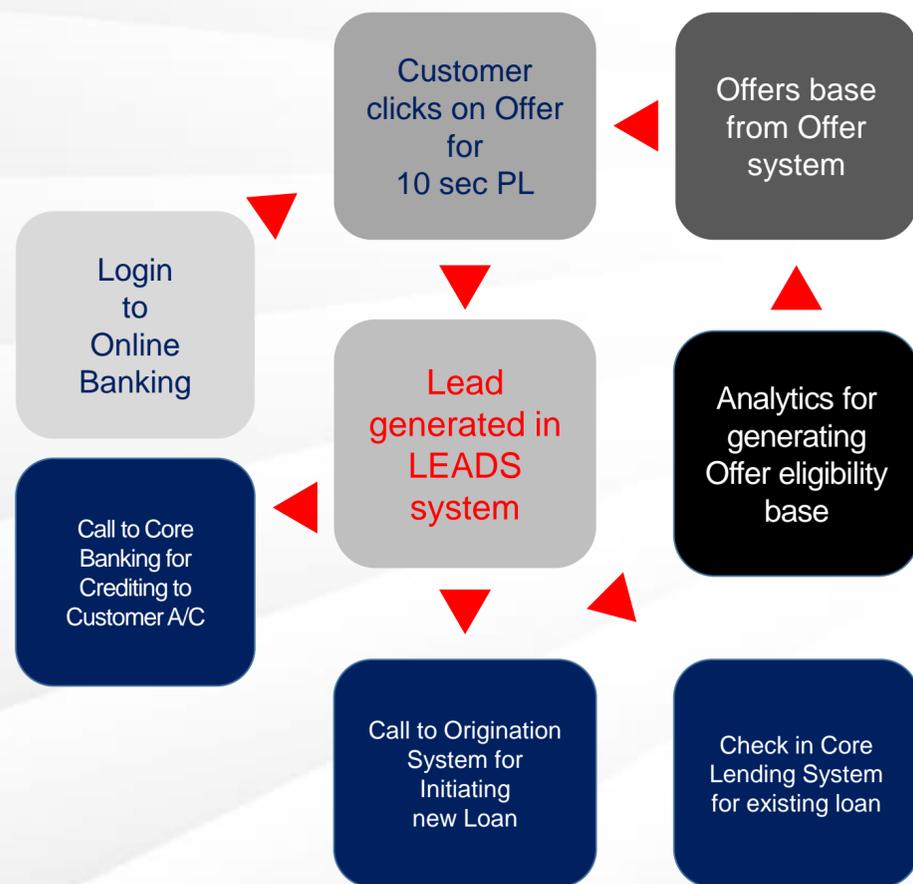
- | One Assist –
Mobile & Theft Insurance



Shop

- | SmartBuy
- | Bank OnChat

10 Seconds Loan



Loan against Security on your fingertips



Online New Account Opened
Limit is set in the New Account

Another multi-factor authentication between customer depository and bank to pledge security Hold.

Seamless interface between Bank & Depository

Customer Login Net Banking

- Customer receives OTP
- Customer inputs the OTP
- Customer redirected to NSDL platform

Selects the scrip intended to be pledged

A Credit Line for all: Loan against Mutual Funds



CASA account is created Core Banking

Customer selects holdings on which Lien to be marked

Display of List of Holdings

Loan against MF Link on www.hdfcbank.com

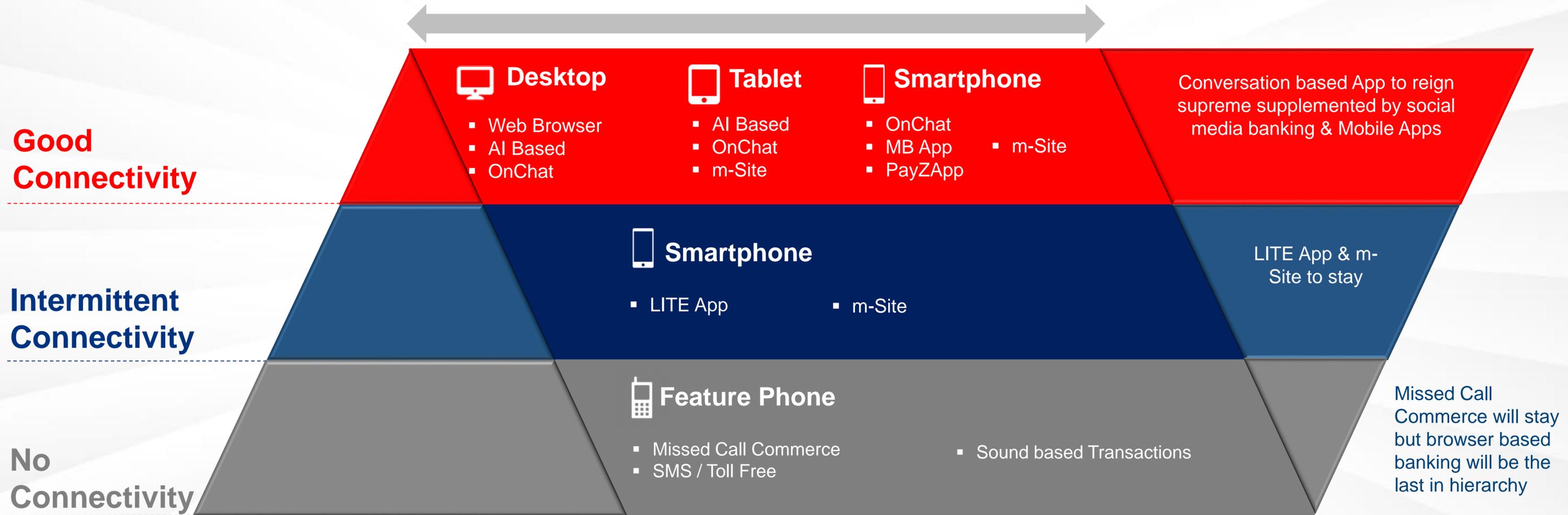
OTP sent to customer to confirm Lien Marking

Limit Calculation based on Holdings

Authentication using Netbanking credentials

Pyramid will invert – Its just a matter of time!

Range of choices within any segment – Specialized & Maximizing features



AI Success Stories @ HDFC Bank

- 11.0 Mn+ interactions
- 4,76,000 users
- INR 77 Mn+ worth of transactions



The screenshot shows the HDFC Bank OnChat app interface. At the top, there's a navigation bar with a home icon and a settings gear. Below it, a banner for 'HDFC Bank OnChat' is visible. The main content area is divided into three sections: 'e-Commerce' with a shopping cart icon, 'Banking' with a classical building icon, and 'Planning & Advisory' with a chess knight icon. A 'Get Started' button is at the bottom. To the right of the screenshot are three red icons: a customer service agent, a hand holding a payment card, and a red circle with three dots.

e-Commerce

Customer Service

Banking

Payments

More...

Planning & Advisory

- 12 Mn+ interactions
- 2.6 Mn users
- 93.09% accuracy



The screenshot shows the ASK EVA app interface. At the top, there's a navigation bar with a home icon and a settings gear. Below it, a banner for 'ASK EVA' is visible. The main content area is divided into three sections: 'e-Commerce' with a shopping cart icon, 'Banking' with a classical building icon, and 'Planning & Advisory' with a chess knight icon. A 'Get Started' button is at the bottom. To the right of the screenshot are three red icons: a customer service agent, a hand holding a payment card, and a red circle with three dots.

e-Commerce

Customer Service

Banking

Payments

More...

Planning & Advisory

Four approaches for unlocking business value of APIs

Build APIs for Client connectivity

- Enabling Straight through process
- Moving to real time information flow
- Modernizing corporate to Bank data exchange

Build APIs for Banking Innovation

- API Developer portal
- Conducting Hackathon with Fintech Partnership program
- Promoting APIs to encourage adaptation



Build APIs for Banking as a Platform

- Modular application stack
- State-of-the-art technology capabilities

Build APIs for Client Integration

- REST APIs for mainframe application
- Micro services architecture to abstract legacy system
- Industry standard for web services and APIs

31 Public API & 30 projects in WIP

800+ Private APIs

End of Session 3



SESSION 4: LIABILITIES

Key pillars of strategy



Growth driver : New customer acquisition

1 Merchant Thrust

- Own shopkeepers in the catchment.
- Special rates on loans, Mini SB A/c for small shops



2 Catchment Mining Program

- To be leading Bank in the Catchment
- Weekly program in small teams led by seniors to meet, engage new customers



3 Village Penetration Program

- Joint program with Agri/KGC -targeting new customers in Villages



4 Change in Relationship

- Sourcing liability a/cs for all asset disburseals
- Joint ownership with asset teams



5 ATM Assist Program

- Being launched across Bank in high transacting ATMs

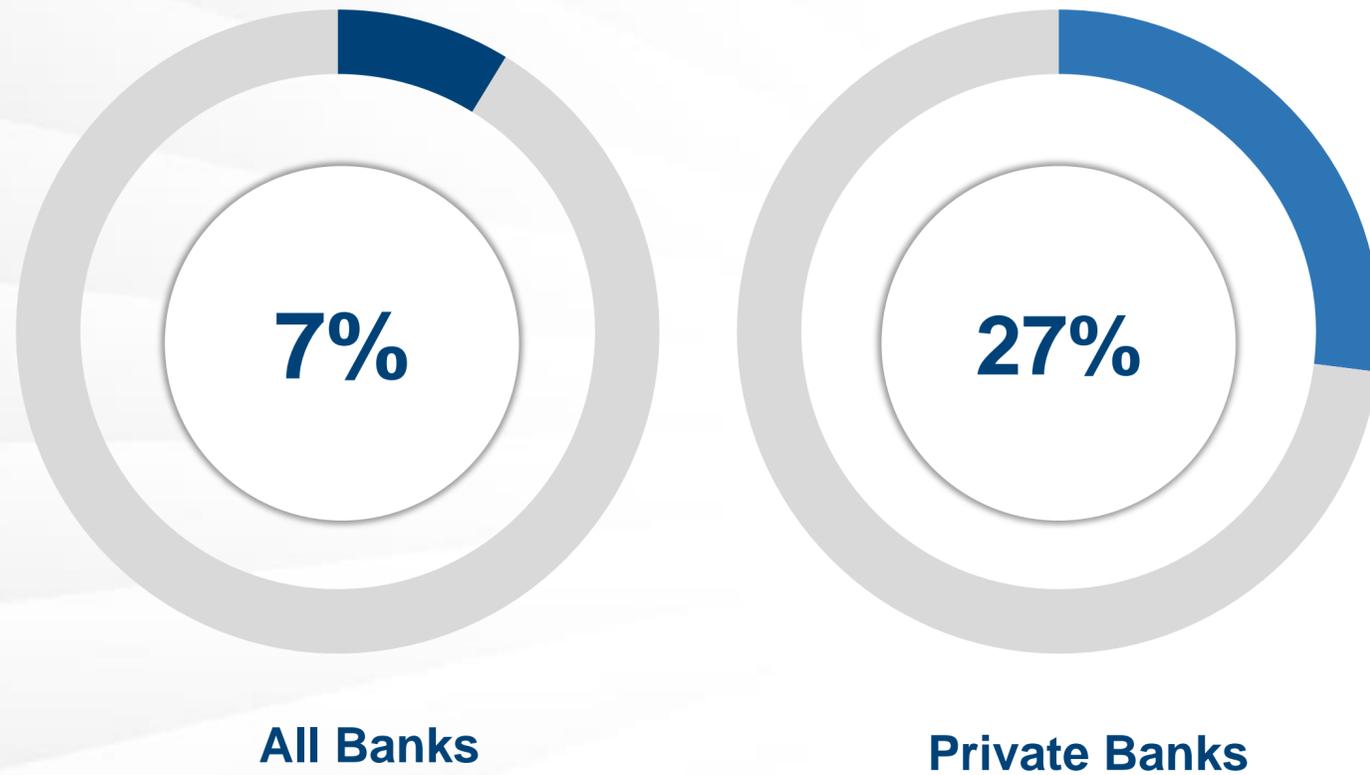


6 Go to Sales



Strategy and Programs resulting in Deposit Market Share gains

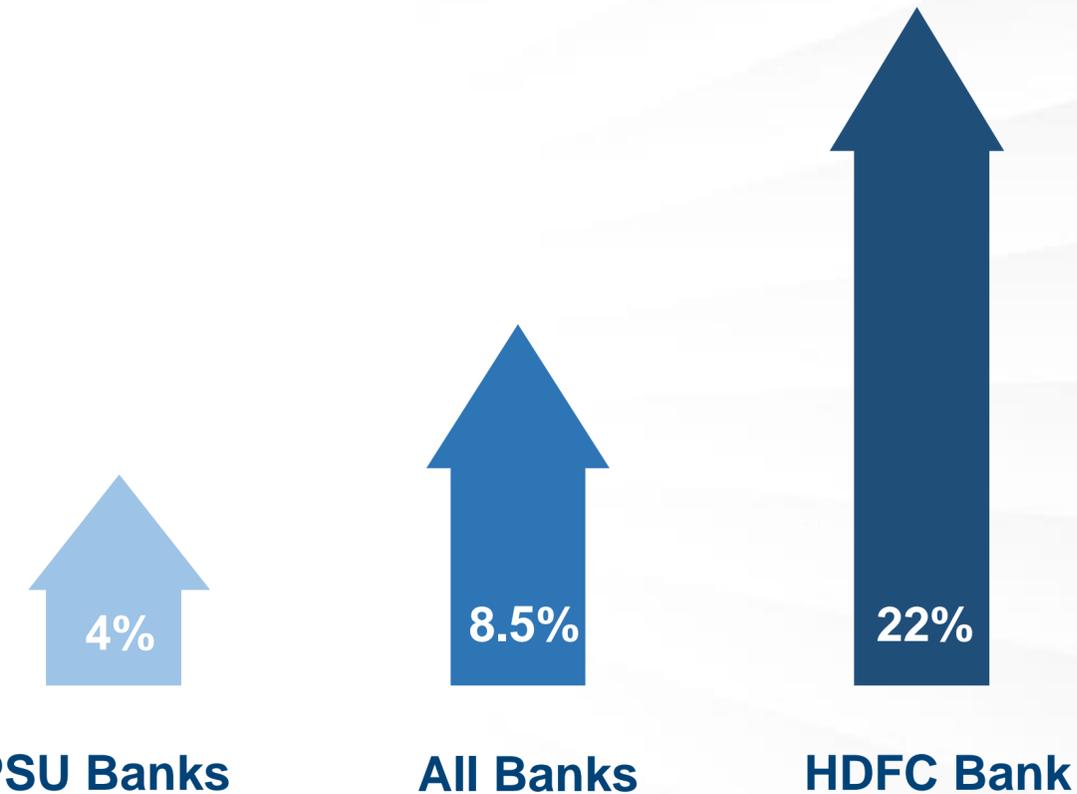
Market Share of HDFC Bank Dec 2018



Type	Total Liab (Rs Cr)
All Banks	1,19,21,054
Pvt Banks	31,54,999
HDFC Bank	8,48,901

Figs as of Dec 2018

Growth in Deposit Share Dec'17 to Dec'18



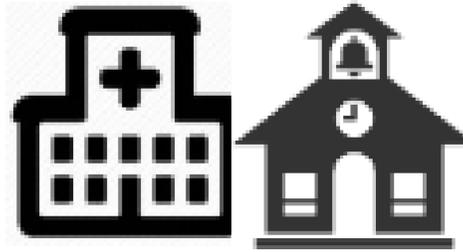
Type	Dec'2017	Dec'2018	% Growth
All Banks	1,09,82,282	1,19,21,054	8.5%
PSU Banks	75,11,746	78,09,256	4.0%
HDFC Bank	6,94,707	8,48,901	22.2%

Total Liabilities, Figs in Rs Cr



GOVERNMENT

Central & State
Government



INSTITUTION

- Education
- Healthcare
- Religion
- Societies
- Clubs
- Association
- Trusts



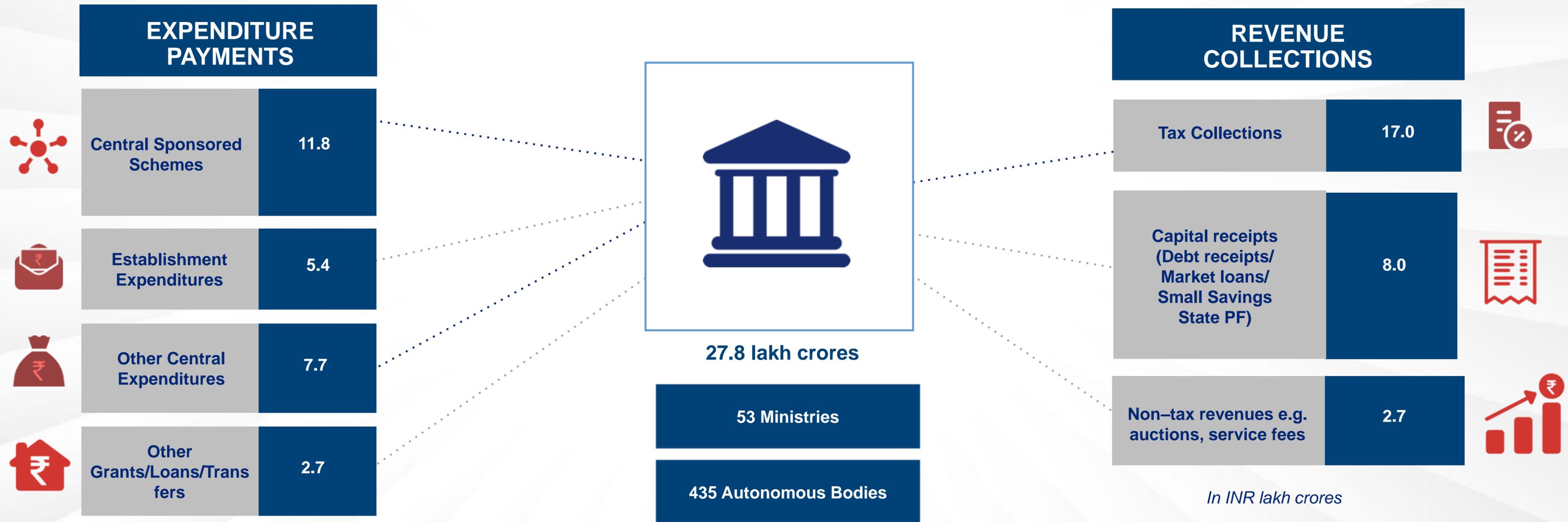
CSC e-Governance

Increasing
distribution reach
with larger focus
on Semi Urban &
Rural

The focus will remain on these three pillars

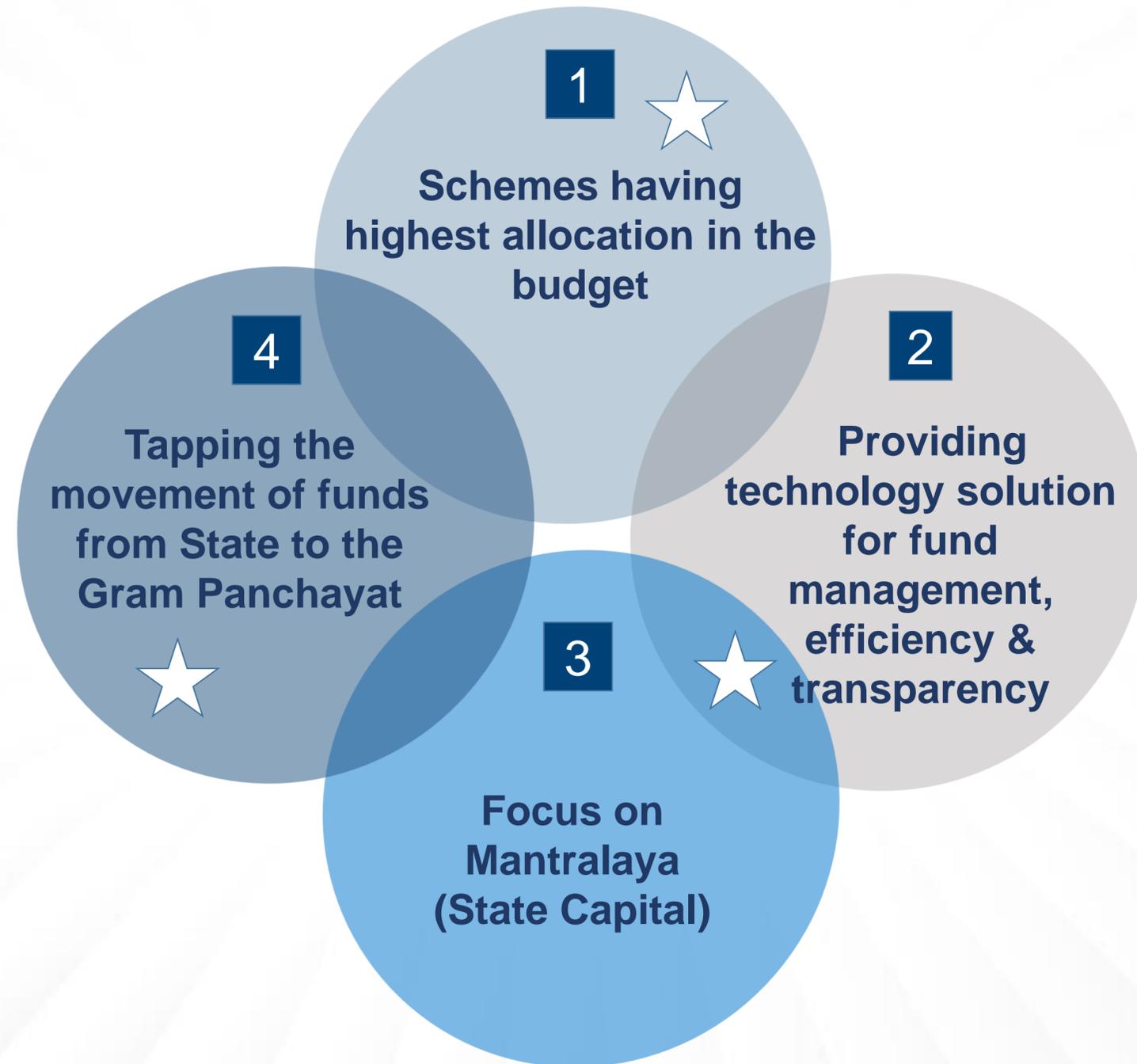
Government of India's budget in FY 2019–20

Government Finances



Source: Union-budget-2019:Budget at a glance, Ministry Of Finance, Government of India

Strategy



Impact Areas



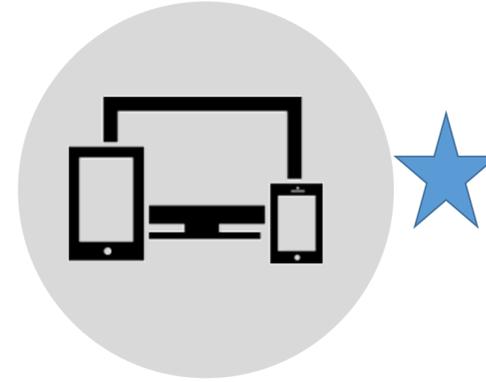
Distribution Reach

- Pan India 3.05 lacs active Centers
- Spread across 2.25 lacs Gram Panchayat
- 82,350 total centers in Rural Areas



Ready Infrastructure

- CSC Centers are shops with min 150 sq ft.
- These centers have full digital infrastructure support
- These infrastructure are funded by VLE



Tech Enabled Sales

- Technology leverage
- All Retail Banking Products & Services through these centers will be rendered digitally.
- This will also help in us reduction of cost of service to the customer.

Value to Bank



- Increased Network
- Nil infrastructure and manpower cost for distribution.
- Low cost of acquisition
- Low cost of servicing

Selection of VLE Centers



To work as hub and spoke model with the existing branch

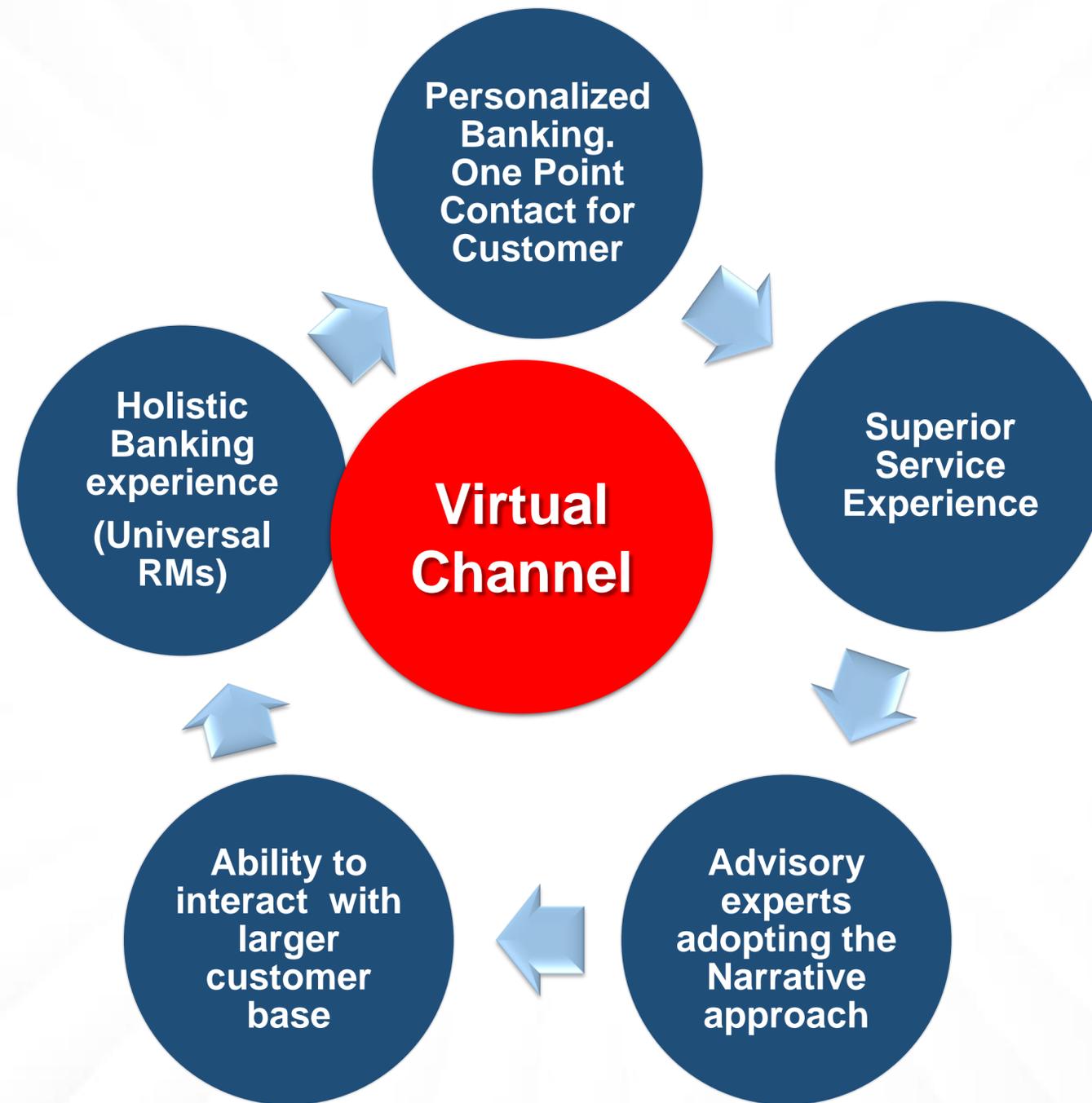
To Increase Penetration and focus on Gram Panchayats

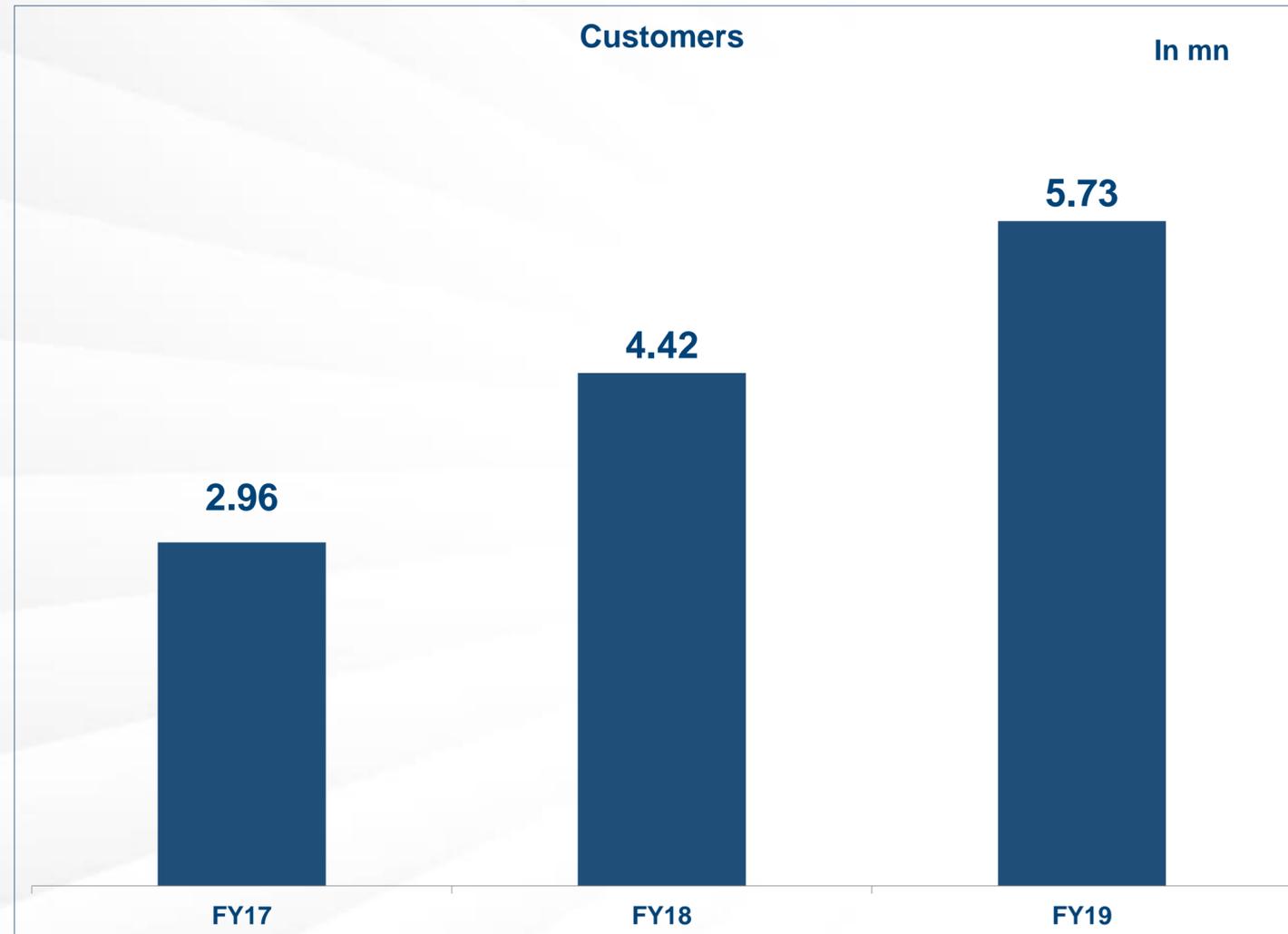
To ring fence the Mandi, Commodity and Agri business

To Support & Grow Pension & SLI customer base

To grow small merchant and small loans segments

Virtual Relationship Model





- Metro Cities: 58%, Urban: 23%, Semi-Urban:14%, Rural: 5%.
- Resources increased from 1,845 to 3,567

Mission – 10 mn customers in FY20

Making the channel intelligent, customer centric & responsive –through use of technology

Building RM efficiency

- Unified front end for RMs, integrated with core systems and with AI based Real time marketing offers
- Non connectable cases, addressed, through App based notification to customers allowing them to start the journey at their convenience
- 24X7 intelligent voice BOT providing response to next probable query.
- Intensive use data mining for sentiment analysis, performance analytics and behavior analysis

End of Session 4



SESSION 5: RETAIL ASSETS

HDFC Bank-Vehicle Financing

Part of the Auto value chain for two decades

Over 5 million live customers and book size of Rs.1500 billion

Lead financier to the dealer Network
- Inventory funding/Working capital/Term facilities

Lender to the entire spectrum
- Car financing/Tw financing/
CV financing/Tractor financing

- Share of 20% of vehicles financed
- Significant rural/semi urban coverage
- Proven portfolio quality-standard for the industry

First mover/Initiator of digital products in the space:
- Zip Drive/Zip Ride-Instant New car/TW disbursement to dealer
- Quick Money/Quick Paisa
- Instant top up loan to the customer



Factors Impacting the Auto Industry

Economic/Other factors

- SME business shrink and real estate economy slow down
- Uberification of car sales.
- Business /trader community impacted.
- Vehicle prices to go up (Regulatory Norms)
 - BS4 VI, Crash Test, CAFE, RDE
- Customer shift from diesel to petrol
- Increasing cost of ownership

OEM considerations

- **BS VI** : Retail to go up from Q4 '19
- **EV** : No major volume expected till 2025, Lack of clarity on infra
- **Diesel** : OEMs to change production plan
- **CNG** : Sales to grow with addition of CNG cities
- **Mobility** : OEMs to develop specific products
- **Safety** : OEMs and Dealers ticket size to grow
- **RDE** : Investment for all diesel OEMs, difficult to implement for smaller car
- **CAFE** : Immediate alternative - Hybridization

Financing

- Dealer Inventory levels are inordinately high
- Margins are severely under strain.
- Witnessing closure of dealer operations in major cities.
- Consequent Cautious Lending to this space
- Insistence on more customer equity/stake
- Retail demand expected to stay mute
- Will watch repayment patterns closely.
- Dynamic review of market/portfolio performance

Reimagining - Channel outlook

CURRENT



Branch



Open Market



VRM

OPPORTUNITY



Digital Market Places



E Commerce



FinTech

- Focus on catching the customer early in his research/purchase cycle.
- Hence reimagining the distribution framework will be critical.
- Identify overlaps of existing Bank customers who are walking this journey.
- Creating more avenues of distribution as a flanking strategy

New Markets – Semi Urban & Rural

IN MOTION



CSC network



KGC workforce



SLI workforce

OPPORTUNITY



Alliances



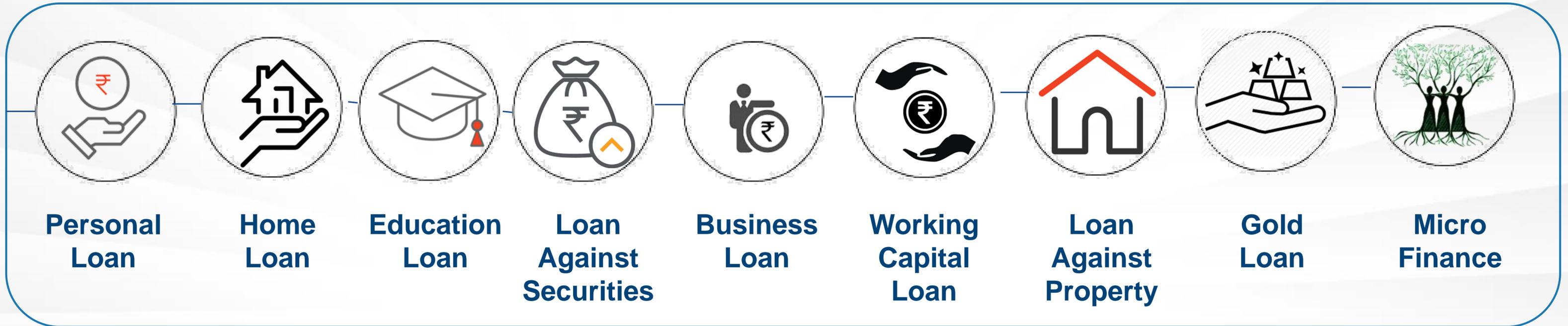
Small Finance Banks



Micro Finance Institutions

- Maximizing KGC and SLI for the TW/Auto Loans business opportunity.
- Augment CSC/VLE opportunity for TW and Auto Loans.
- Engage with Micro Finance institutions/ Small Finance bank for opportunities w.r.t. Vehicle loans distribution

Our Product Suite, Your solution!

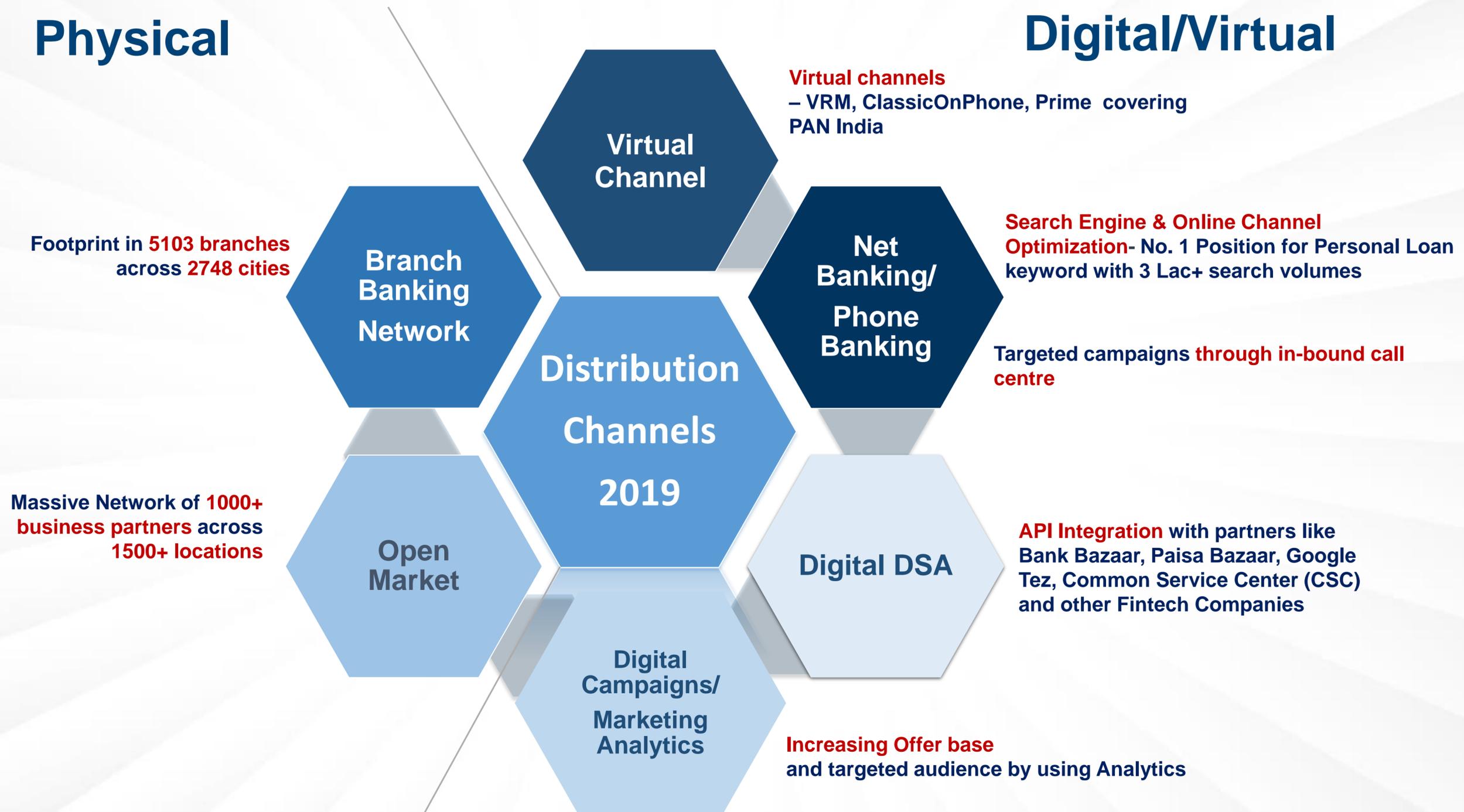


- **Market Leadership position** in most retail business products: PL/BL, LAP, LAS
- Portfolio has grown at a compounded annual growth rate (CAGR) of 25% over last 3 years

Distribution & Sourcing Channels

Physical

Digital/Virtual



70-80% sourcing is from our own liability a/c customers; hence a direct impact on repayment risk!

Our Level of Readiness – Fundamental Tenants

Personalization for customers

- Empowerment to 65% salary customers, with a personalised, Risk approved / Marketing offer for Personal Loans



At a click

- 10 Sec PL
- Digital Loans Against Shares
- Digital Loans Against Mutual Funds

Faster turnaround time

- First in industry straight through final approval in in 3 hours for loans < Rs.5 Cr



Develop tech platform of future

- API (Application Programming Interface) stack integration to enable Business Associates, Google Pay, Travel aggregators

Convenience for Business & Scale

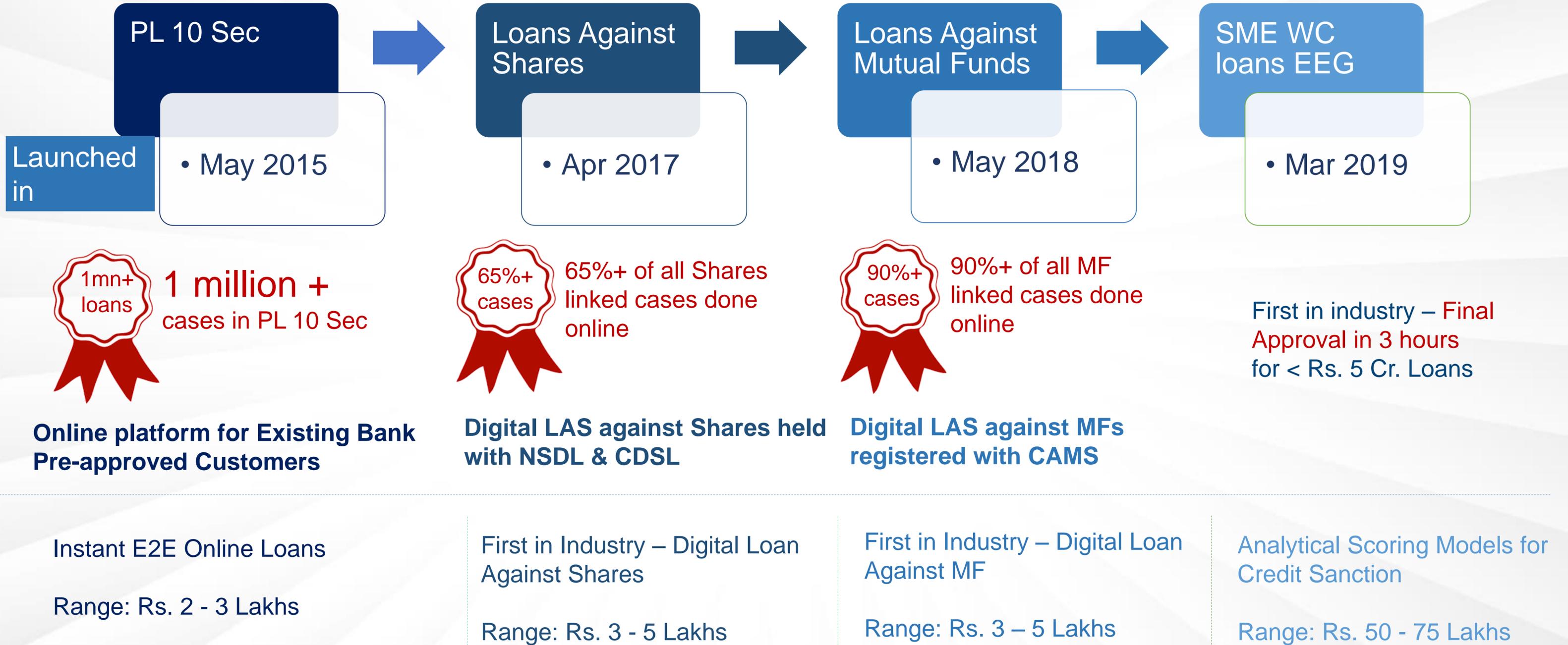
- 10 second PL eliminates human Intervention : available 24 x 7
- SLI : Exclusive banking outlets, owning up the village to cater to bottom of pyramid & assets cross-sell to top-section of the village

Data & Analytics will continue to disrupt

- Impact : Analytics led algorithms, is helping deliver Straight Through Processes (STP), lower TATs, cutting down credit costs, expanding potential customer database

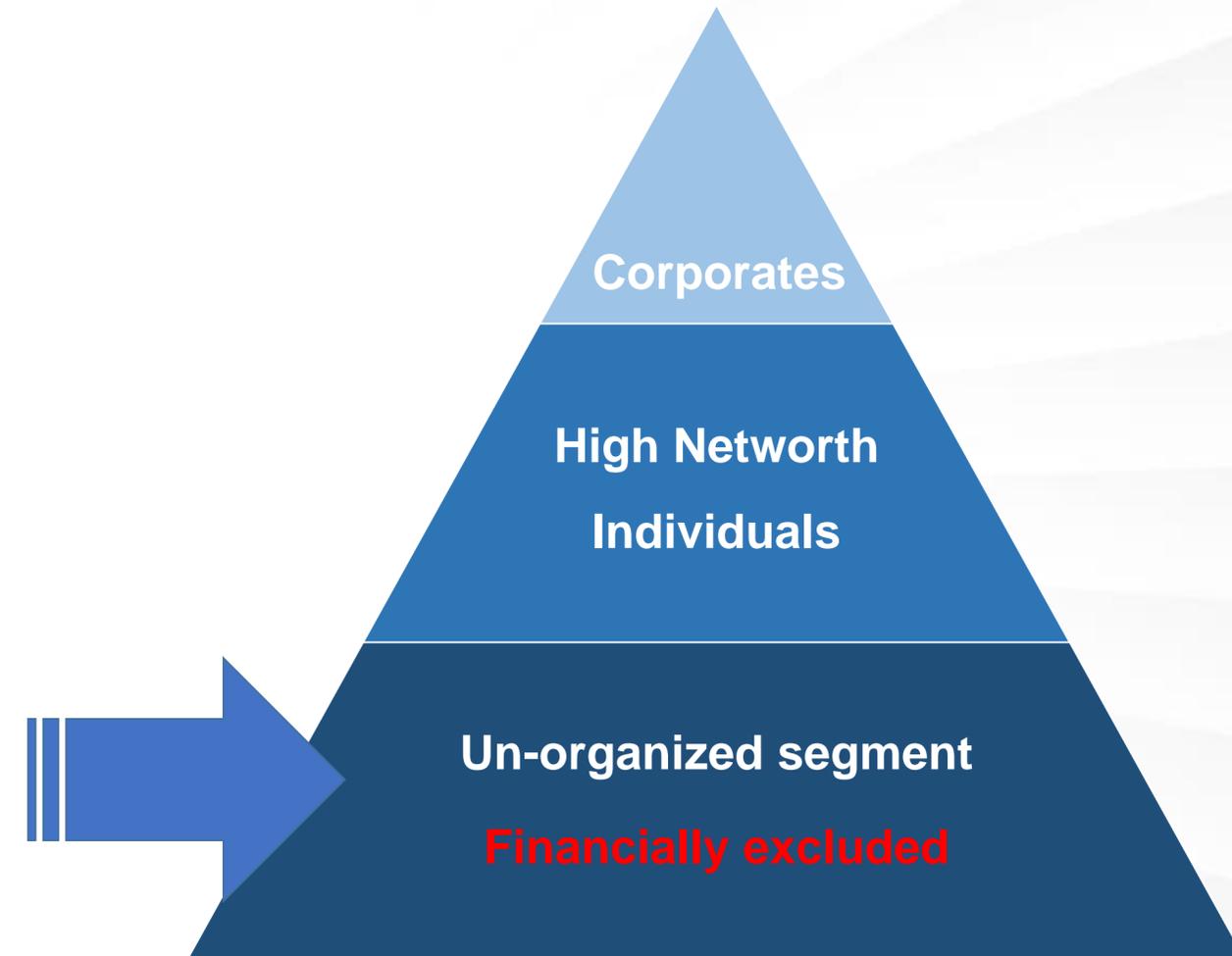


Our Digital Lending Journey Continues



Micro Finance: A crucial link in Inclusiveness

We cater to “84,700 villages”; Strategy is to “Pick the entire village”; Micro Finance for Bottom of Pyramid (BoP) & Cross sell to Top Section of the Village



- Our vision is to bring Self Sustainability in 1 Cr. Families at the Bottom of Pyramid.
- Offering customized financial services and adopting holistic inclusive growth strategy
- Empowering women & in turn families and hence leading to **social empowerment!**

On an average 158,600+ customers are touch based every week through our field officers

Micro Finance: Sustainable Livelihood Initiative (SLI)

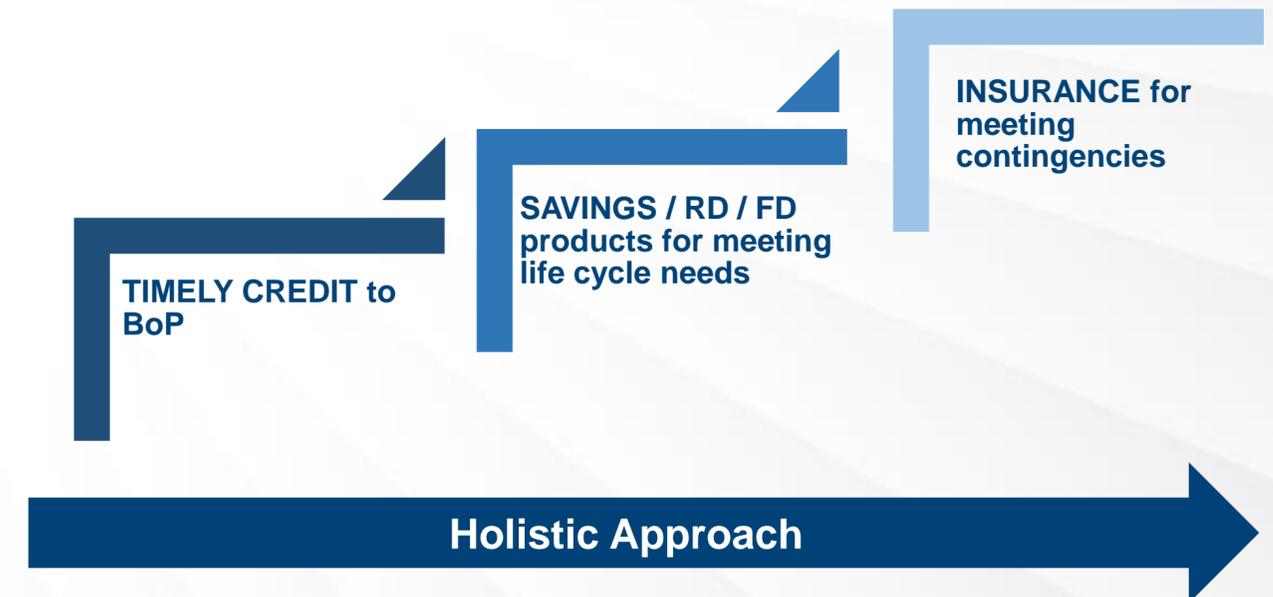
- Exclusive low cost SLI branches in rural areas to penetrate into deeper geographies
- Engaging with the Business Correspondents for acquisition & service

- Engaging VLEs(Village Level Entrepreneurs) for reaching out to needy customers with CSC (Common Service Centre)having 3 L VLEs; piloting in Haryana

- Digitizing field collections
- EMI Payment through Business Correspondents to improve customer experience and retention

- Focus on cross sell to improve customer stickiness and also cater to entire household

 Empowered 96 + Lakh Households



Risk Management Framework

Risk Measurement

- Detailed data collection
- Multiple scores generated for each customer
- Scorecards put together thru the P27 framework for fine risk segmentation
- Used for calibrating risk actions and monitoring

Risk Strategies

- Formulation & Implementation of risk strategy & procedures
- Identification of risk and Influencing sourcing mix
- Periodical review of risk process.
- Development of procedures & systems for risk management
- Catalyst to Business Growth

Driving thru' technology

- Process Automation
- Drive Pre-qualification campaigns
- P 27 , Risk Scorecards & interactive Dashboards through ATOM platform
- Implementation of Business Rule Engine

Process and Reviews

- Approval Process & Authorization
- Loss Budgeting & provisioning
- Post Approval Reviews
- Review portfolio composition & status of impaired credits

Credit Risk Monitoring Framework

Comprehensive Monitoring Mechanism based on Portfolio Review, Analytics, Industry and Market Feedback , Account Level Review for high value cases, Credit Rating Movements.

Monitoring Mechanism

Internal Measures

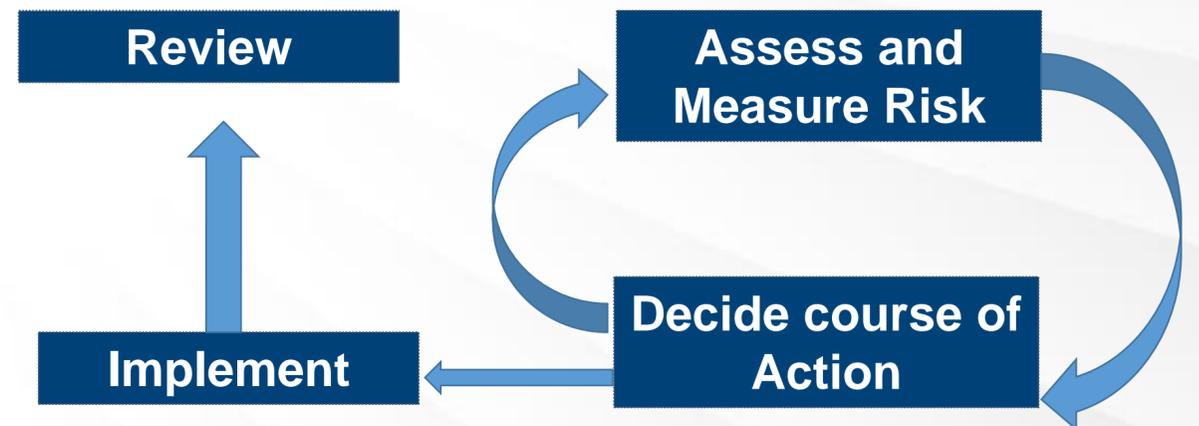
- Monitoring Committee, Risk Reviews
- P 27
- Early Warning Scorecards, Bureau Analytics
- Channel Risk Management
- Stress Testing, Concentration Risks, Policy Triggers
- Early Delinquencies, Cheque Bounces, Overdues
- Account Level Review
- Learnings from Stressed Accounts
- Periodic Visits (Customers, Partners, Vendors)

Macro Inputs

- Industry Risk Analysis
- Bureau Inputs
- Peer Interactions
- Sector Studies
- News Alert
- Reference Checks
- Credit Rating Movements

Reporting

- Board reviews
- Portfolio Risk Reviews
- ORM Committee



End of Session 5



SESSION 6: CARDS & PAYMENT BUSINESS

Industry Overview: Growth of electronic payments

Instrument	Value (₹ Billion)		
	2016-17	2017-18	2018-19
 RTGS	1,253,652	1,467,432	1,715,521
 EFT/NEFT	120,040	172,229	227,936
 Debit Cards	26,902	33,588	39,043
 Mobile Banking	13,105	14,739	29,577
 IMPS	4,116	8,925	15,903
 Credit Cards	3,312	4,626	6,079
 UPI	69	1,098	4,182
 Prepaid Payment Instruments (PPIs)	838	1,416	2,129
Total	1,422,034	1,704,053	2,040,369

Source: RBI, NPCI

HDFC Bank : Market Leader across payment products

P

Products



Debit Cards



Credit Cards



Corporate Cards*



Merchant Acquiring



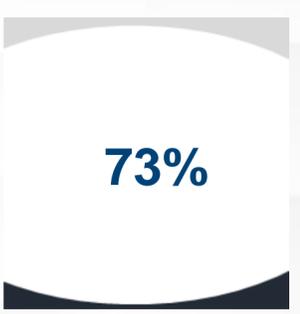
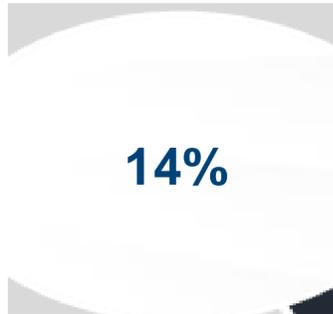
UPI



Prepaid Cards

M

Share Market



R

Ranking



2nd



1st



1st



1st



3rd

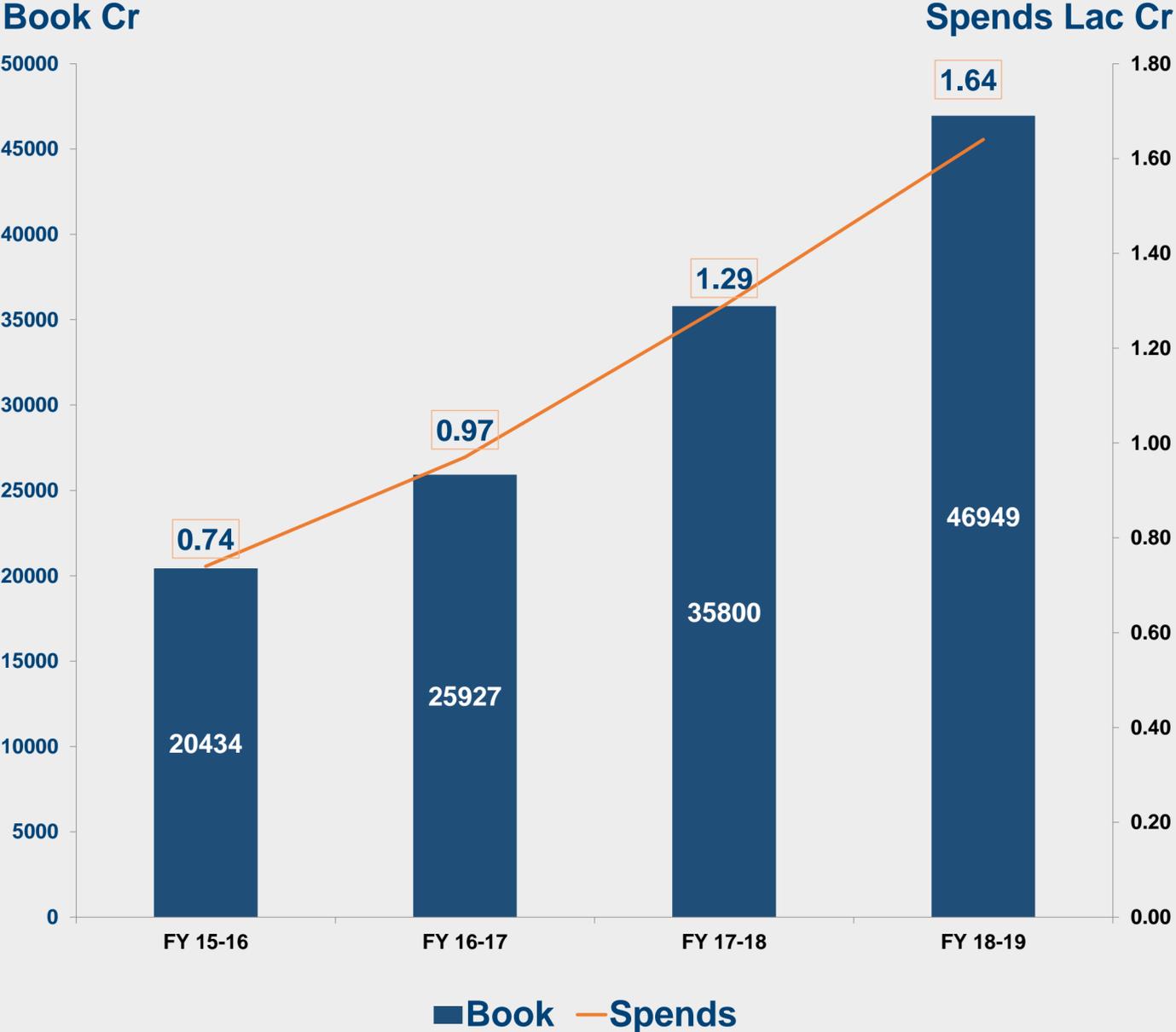


1st

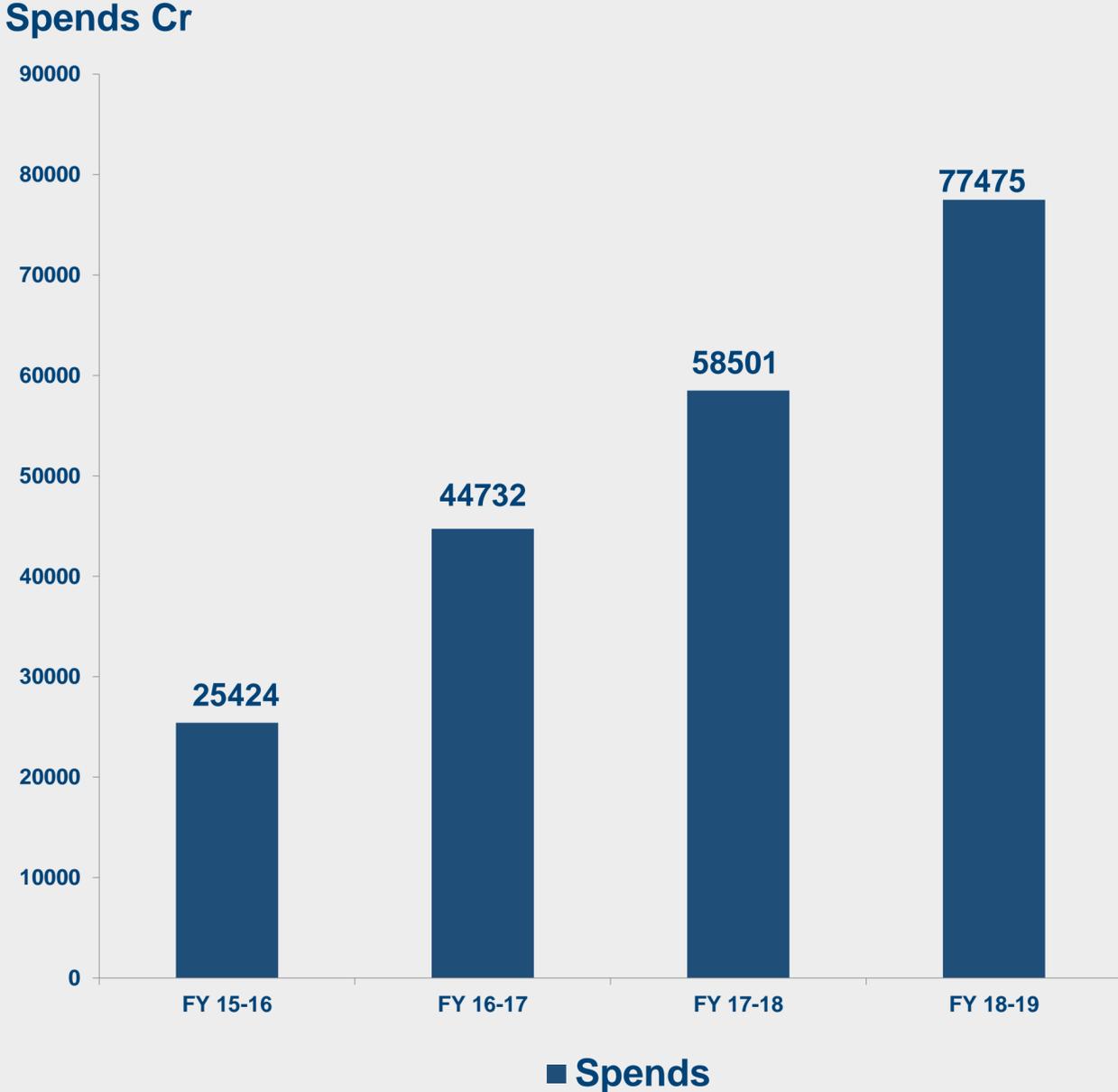
* Including business card
Feb'19 market share data

Achievements - Issuance Products

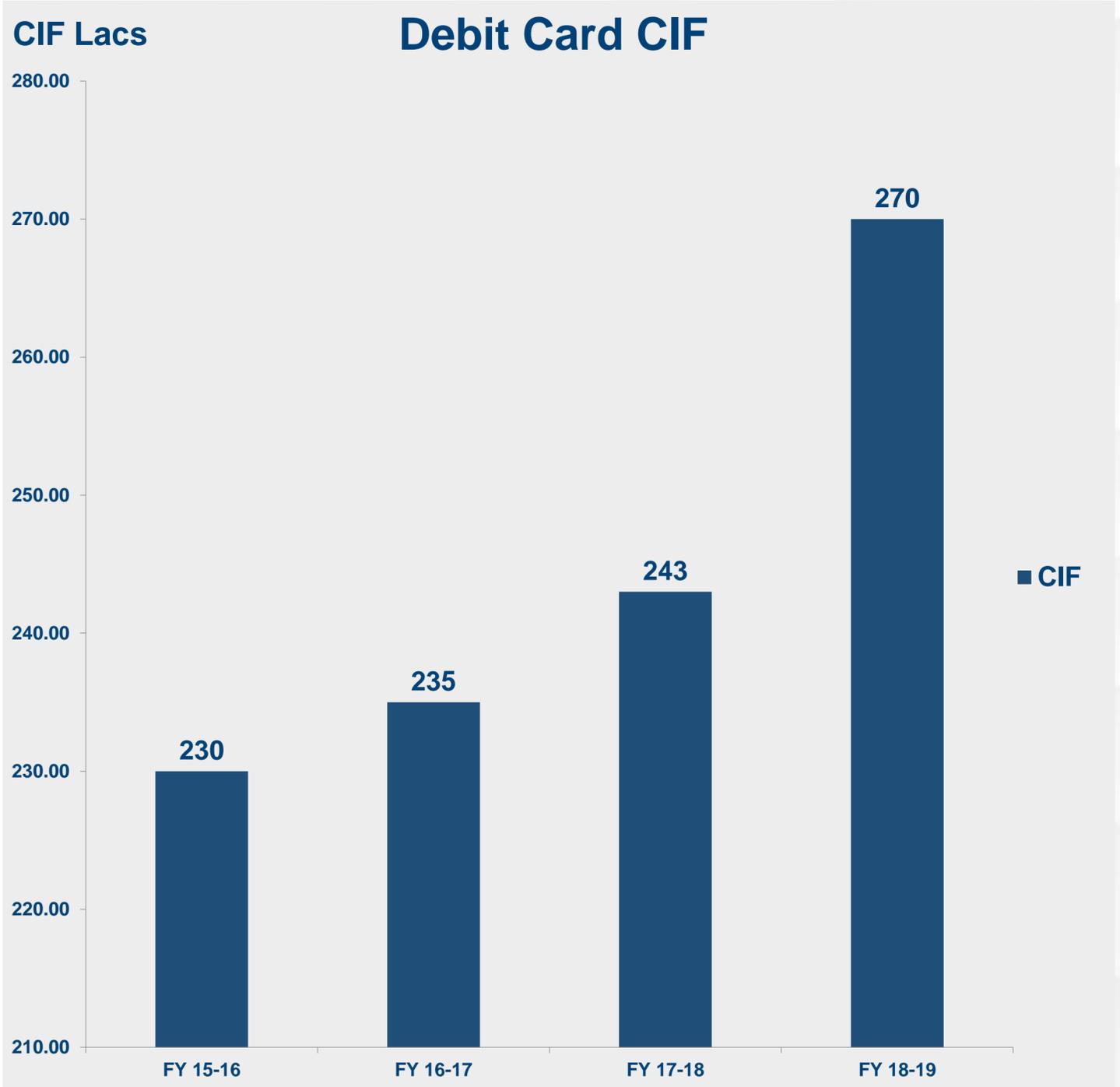
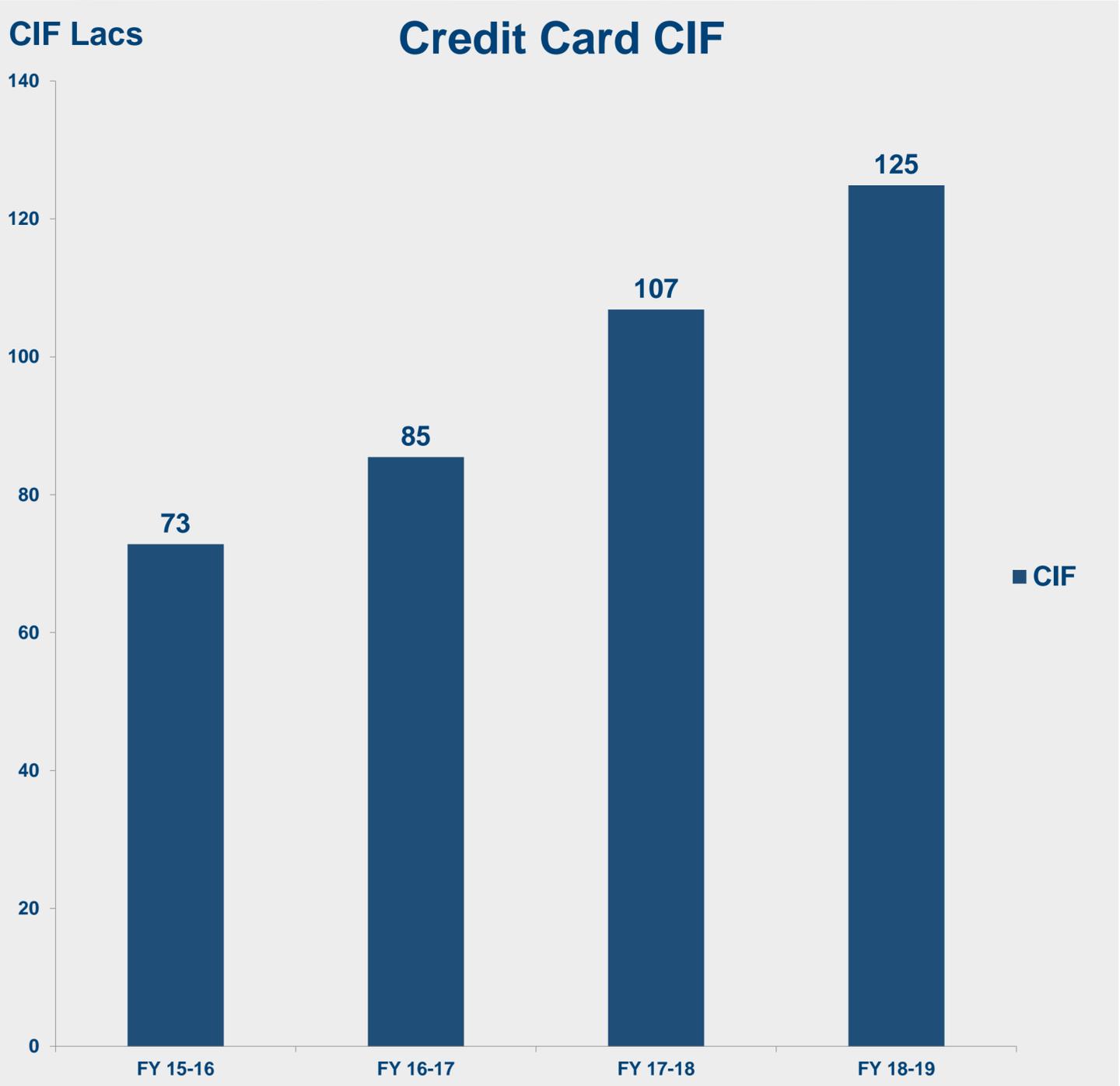
Credit Card Volumes



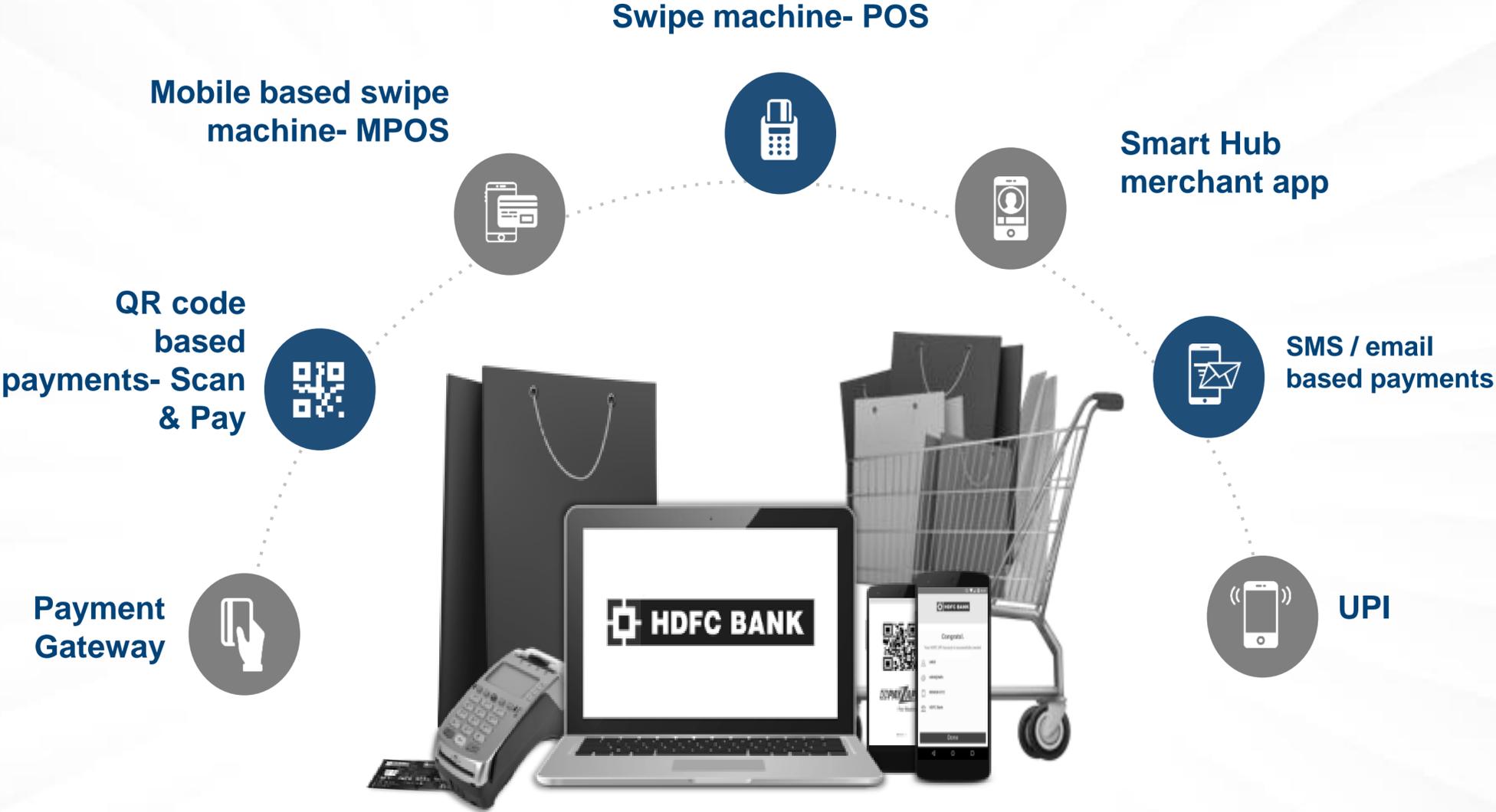
Debit Card Volumes



Achievements - Issuance Products



Acquiring SmartHub Solutions



Value Added Services



EMI

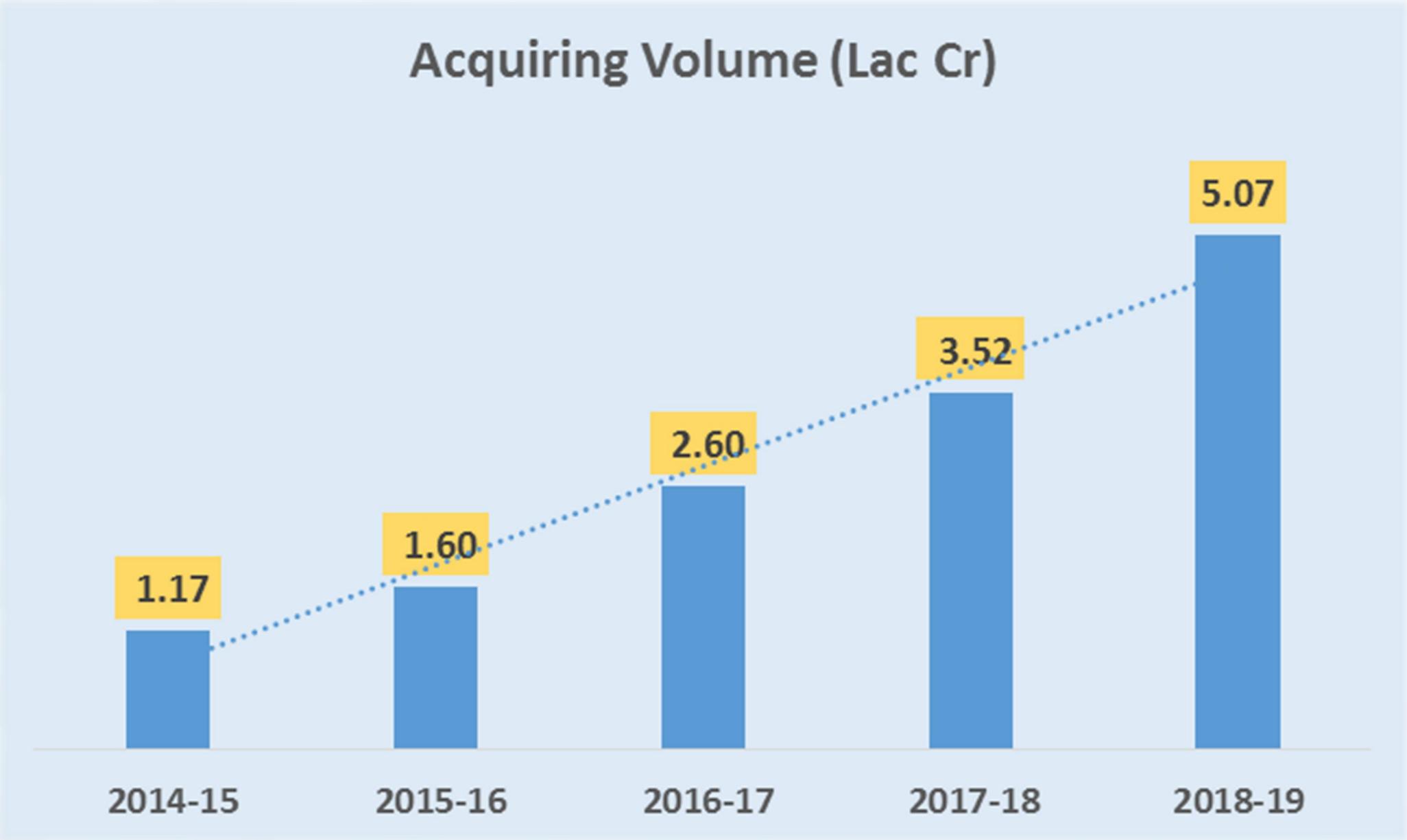


FlexiCurrency



Cash at POS

Achievements - Acquiring



- 4X growth in 5 years
- Dominant market share > 42%
- 1 million Acceptance points deployed LTD.

All digital acceptance under one device

DigiPOS



Merchant App



Bharat QR
Scan & Pay through Debit / Credit Card



UPI
Scan & Pay through any Bank Account



SMS Pay
Remote payments through SMS link



PayZapp
One Click payment through wallet
Coming Soon

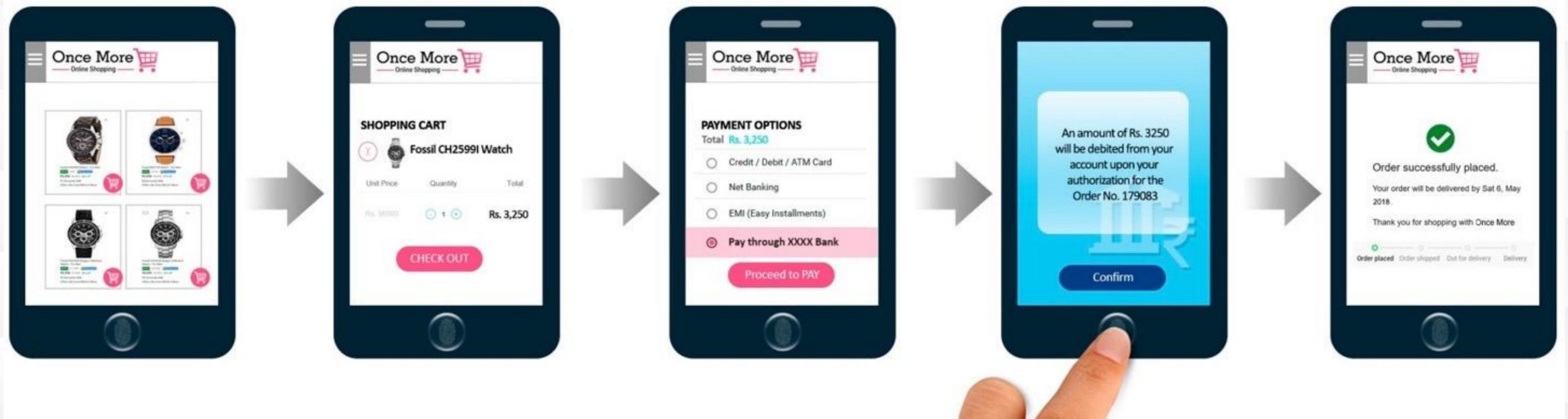


Tap and Pay
Contactless payments through card and mobile.
On select devices



EMI
Split payments into instalments on Debit / Credit Cards.

End User Experience - Mobile

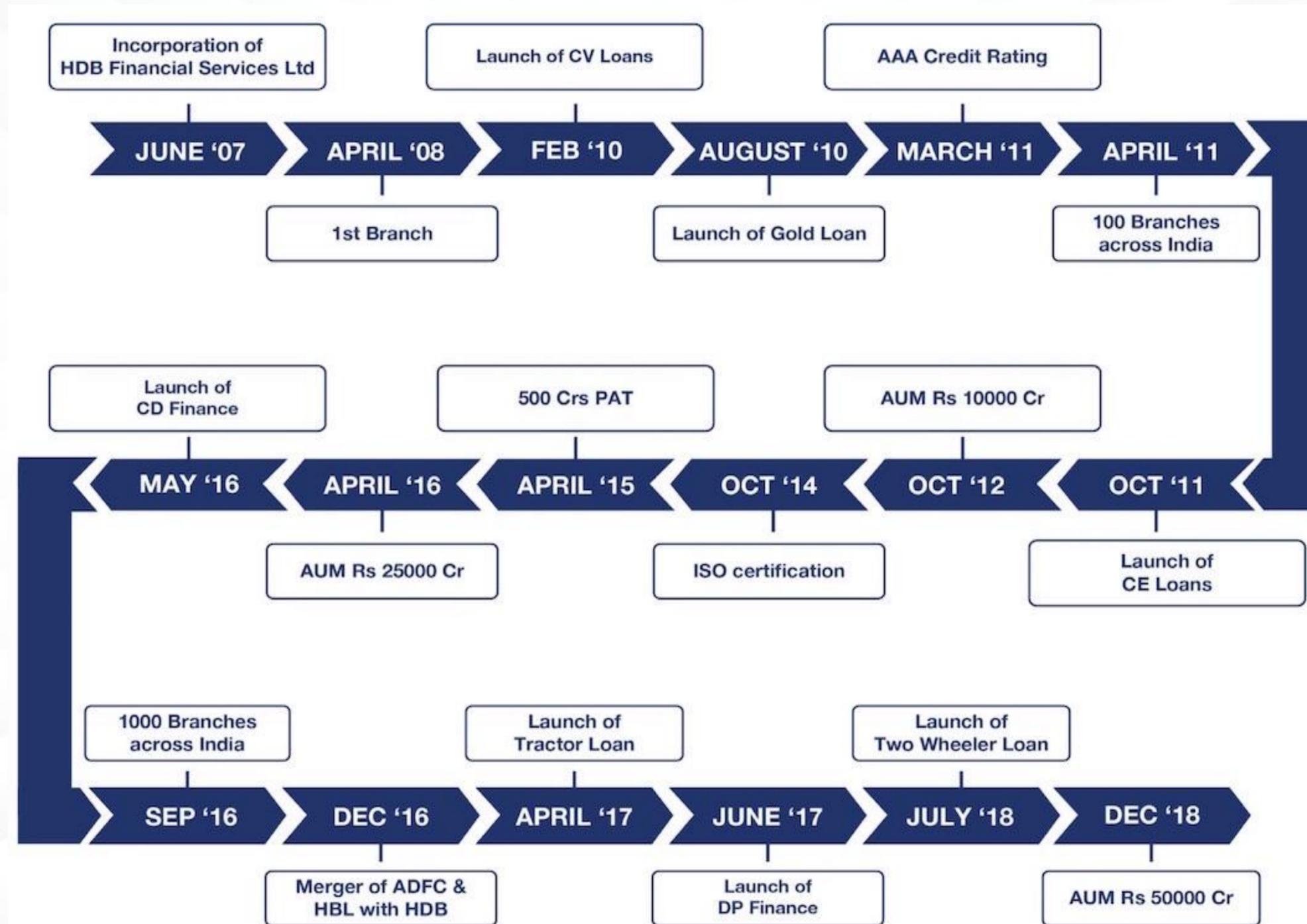


End of Session 6



SESSION 7: SUBSIDIARIES

HDB Financials - Milestones



HDB Financials - Product Suite

Consumer Loans

- PL
- Gold Loan
- CD Loan
- PL X-sell
- 2-W Loan
- Loyalty card
- Digital Product Finance
- Auto Loan

Commercial Loans

- CV
- CE
- Tractor Loan

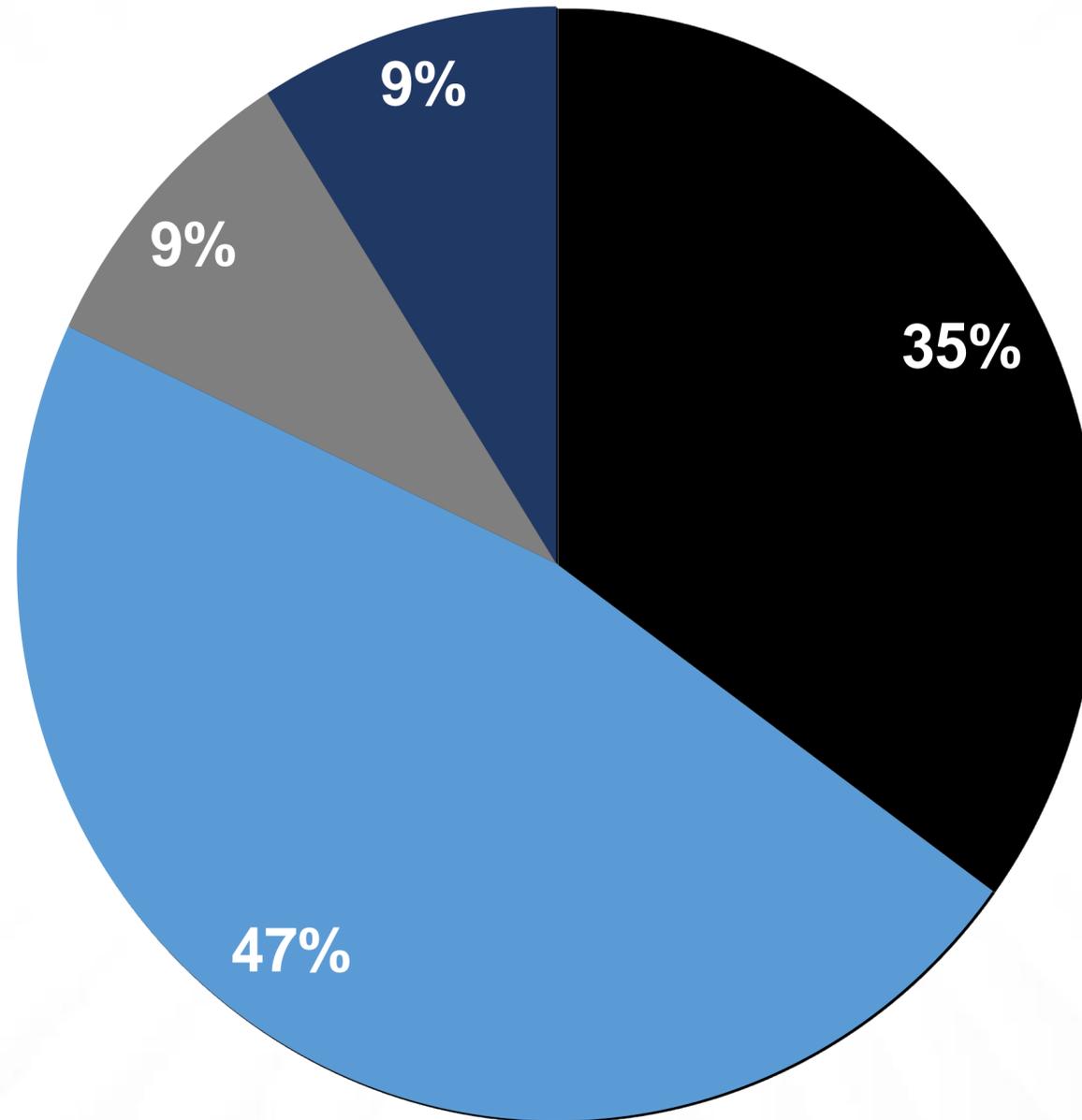
SME Loans

- LAP / LARR
- USL
- EBL
- TA / Dealer Funding
- LAS
- Professional Loans

FEE & TPP

- LI
- GI
- Screen Protect
- EW
- RSA
- Loyalty Card

Liability Book Mix (As on Mar'19)

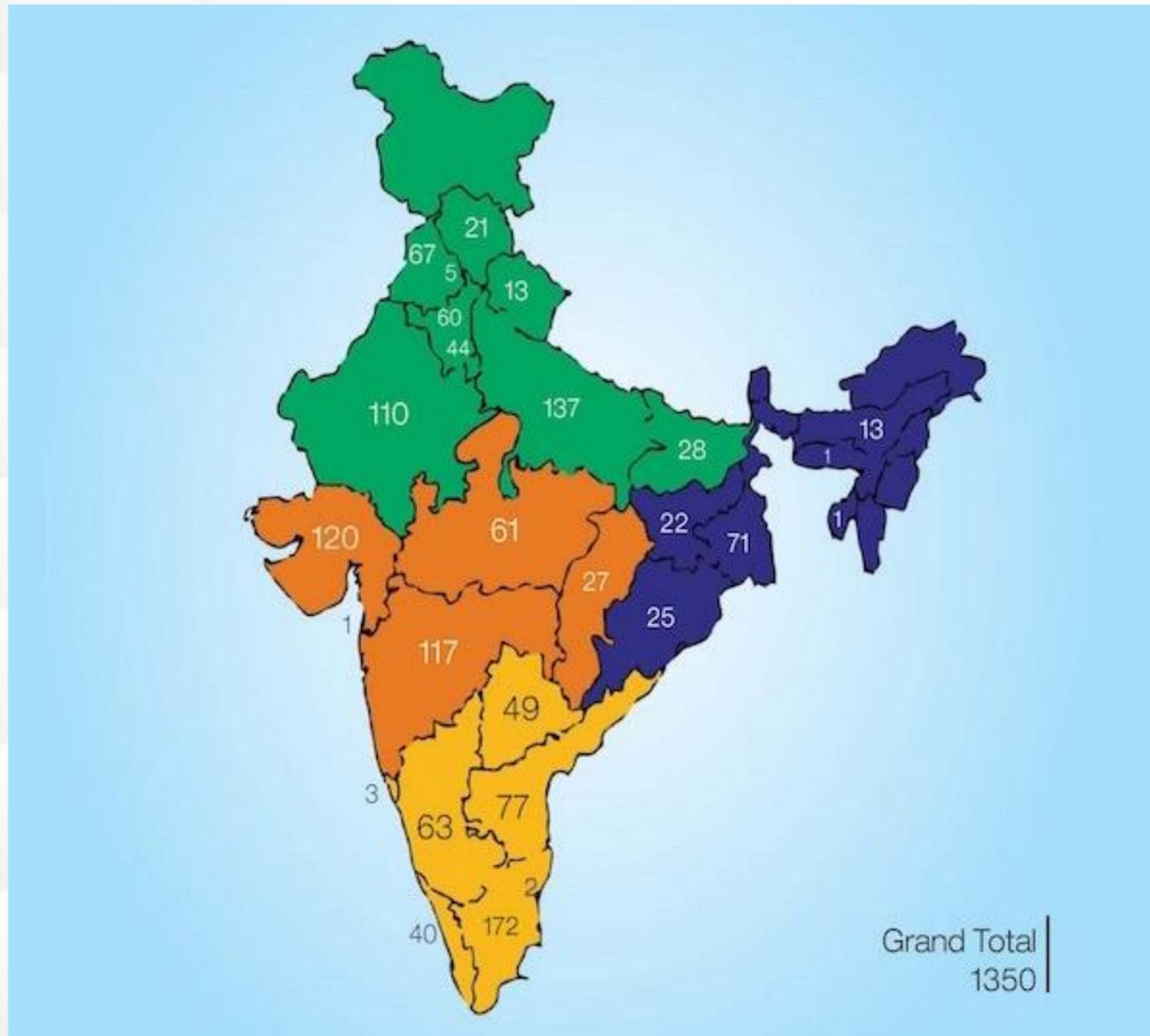


- Term Loans
- NCD
- Commercial Paper
- Others

Total borrowing – Rs. 43,705 Cr

HDB Financials - Our Presence

Financials - Our Presence

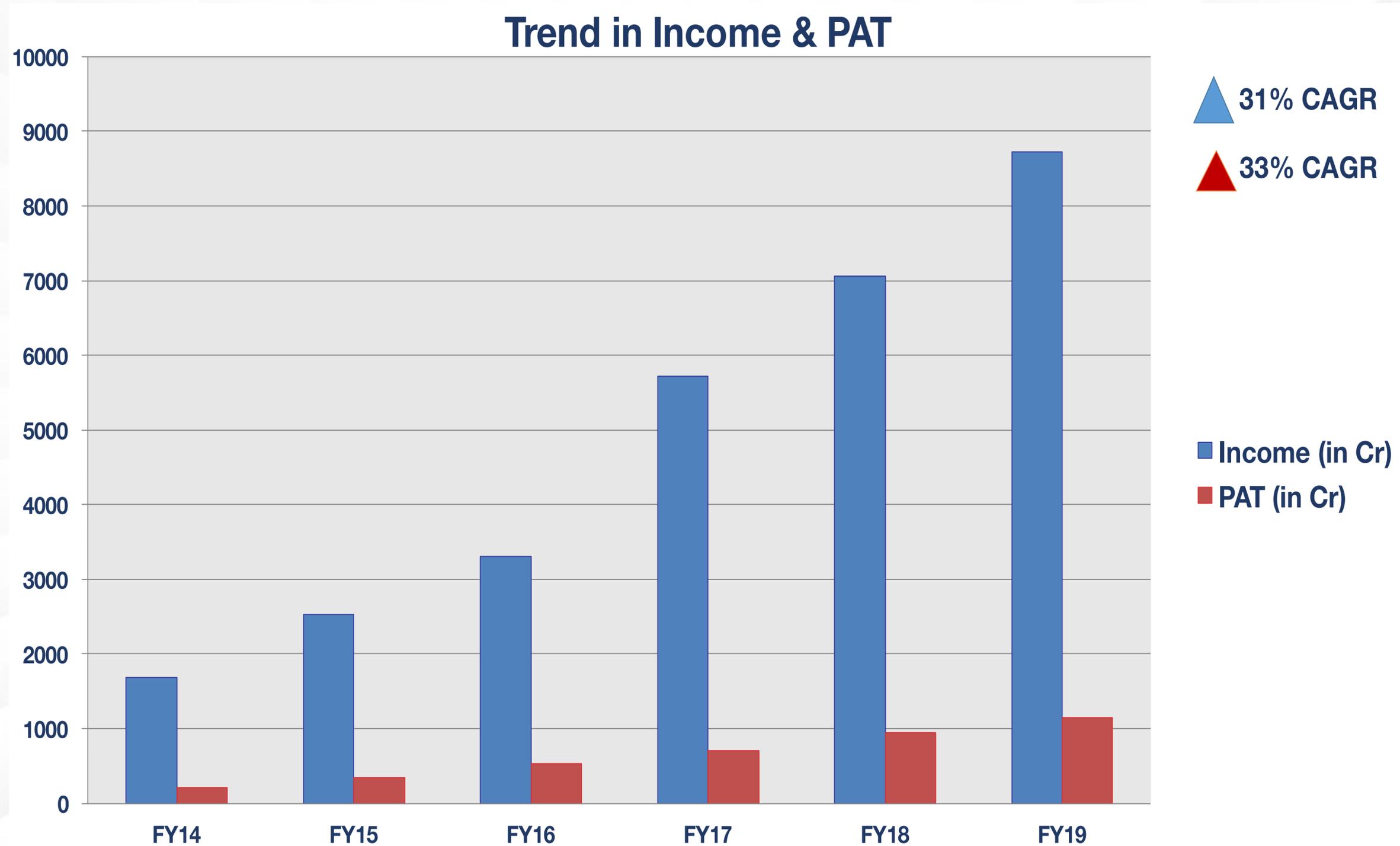


- **Cat – 4 centers (Bharat) accounts for about 66% of distribution**
- **Catering to under-served rural and semi urban markets through strong presence**
- **961 locations, 1350 branches**

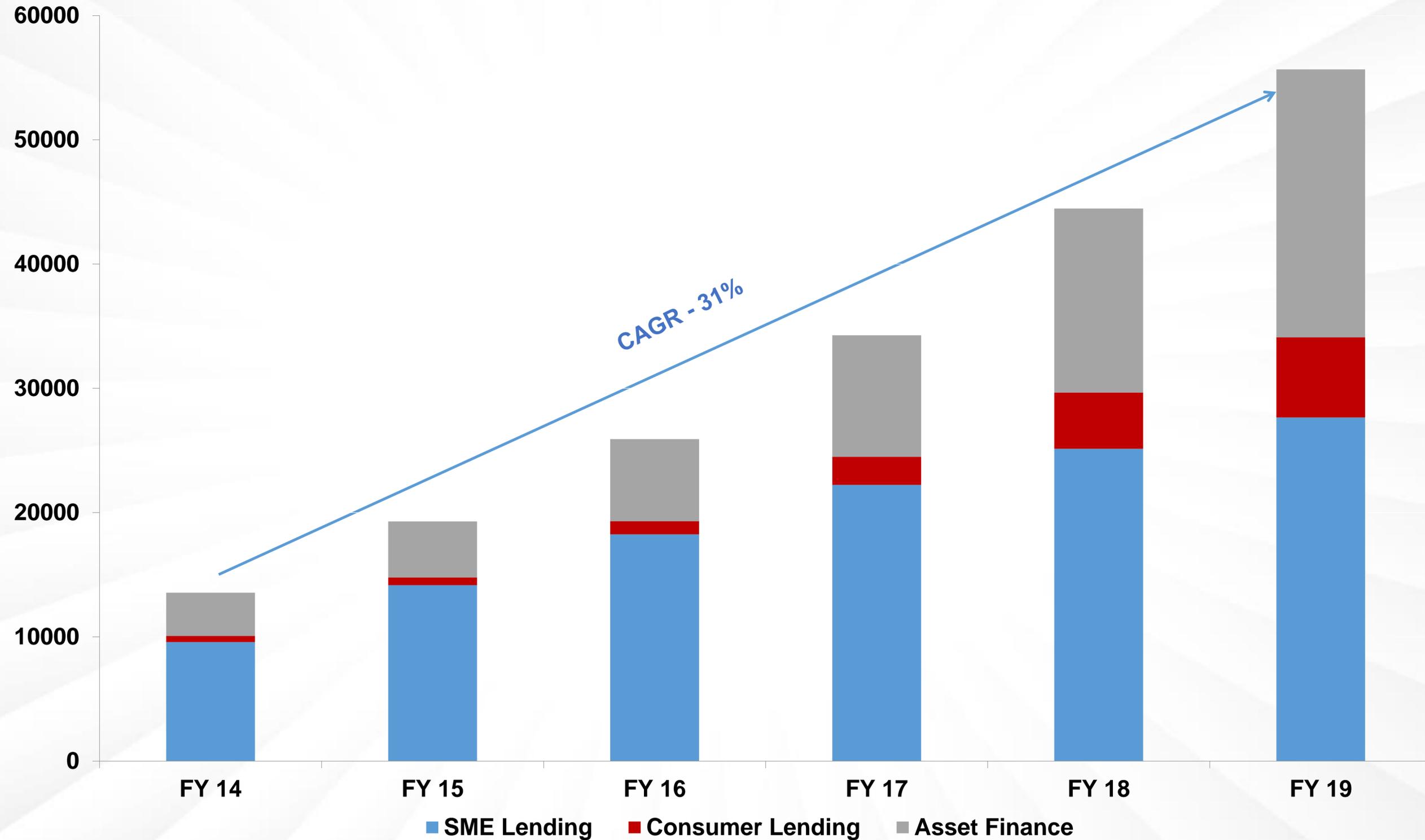
HDB Financials - Key Highlights

- **Wide Presence; 961 Cities, 1350 branches**
- **Focus on Phygital: Coverage supported by digitally enabled processes**
- **Rated AAA by CRISIL & CARE**
- **Diversified Product Portfolio**
- **AUM growth CAGR (FY 2014-19) of 31%**
- **Income and PAT growth CAGR (FY 2014-19) of 31% and 33% respectively**
- **ROE of 17.40% for FY19**
- **NPA ratio of 1.12% as on Mar'19**

HDB Financials - Performance Trends



HDB Financials - Performance Trends



HDB Financials - Performance Trends

Table heading	FY 15	FY 16	FY 17	FY 18	FY 19
GNPA	0.84%	1.23%	1.45%	1.58%	1.78%
NNPA	0.48%	0.73%	0.85%	0.96%	1.12%
NPA Recognition norms (dpd)	180	150	120	90	90
CAR	23.02	19.23	20.79	17.94	17.91

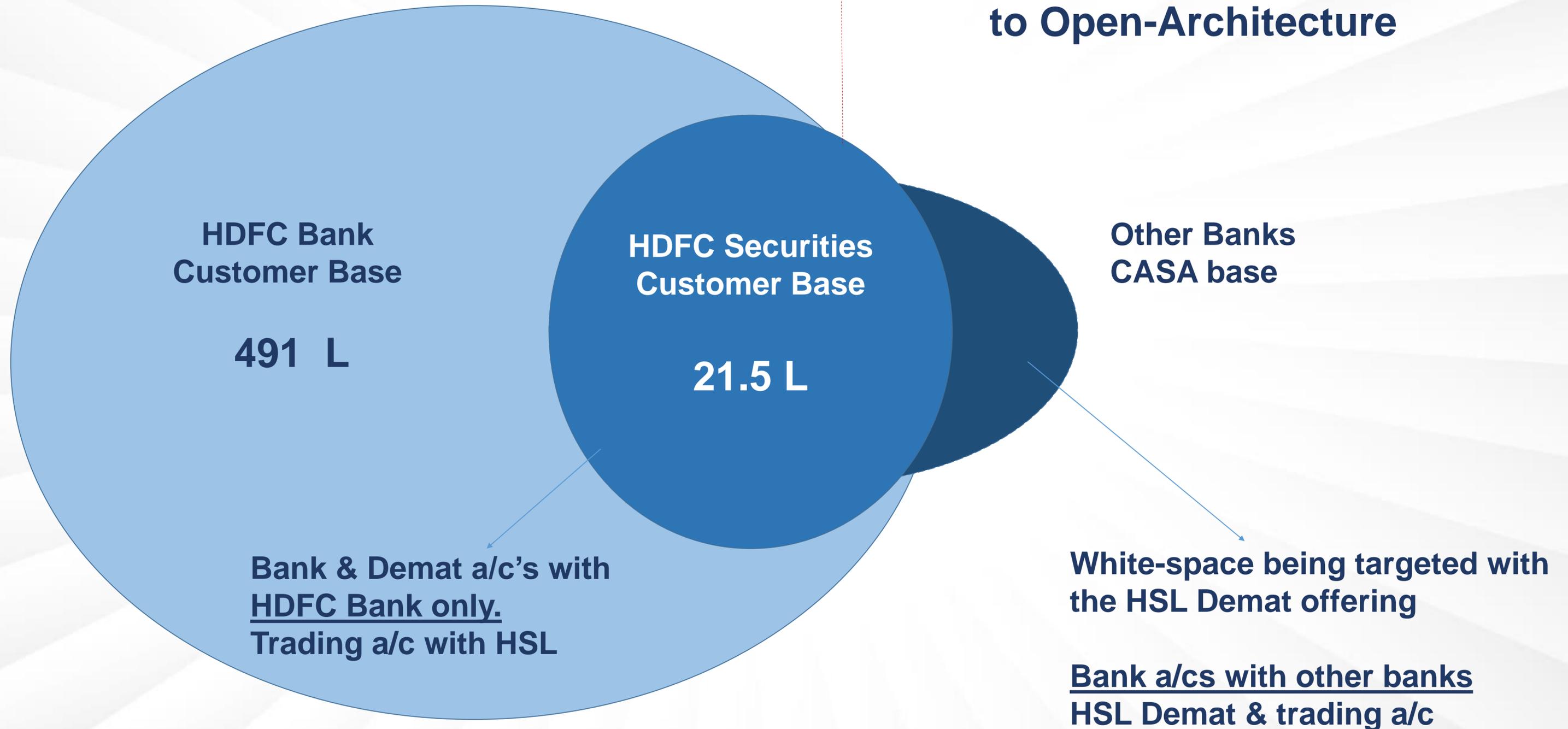
HSL – Key Highlights

- ⌘ **Second largest base of customers @ 21.45 L (with ~ 33% active client-ratio)**
- ⌘ **Among Top 3 brokers in India (w.r.t traded customer @ 7.08 L)**
- ⌘ **Full-service brokerage at a cost-structure of a discount brokerage house**
- ⌘ **Lowest Cost-to-Income ratio among peers: 37% (FY19)**
- ⌘ **Robust non-cyclical income: Rs. 256 Cr (FY19)**
 - **constitutes 32.7% of revenues / 89% of Expenses**
- ⌘ **68% of customers transact digitally through Internet/ Mobile**
- ⌘ **Currently service only Captive base of HDFC Bank customers**

HSL - Growth Opportunity

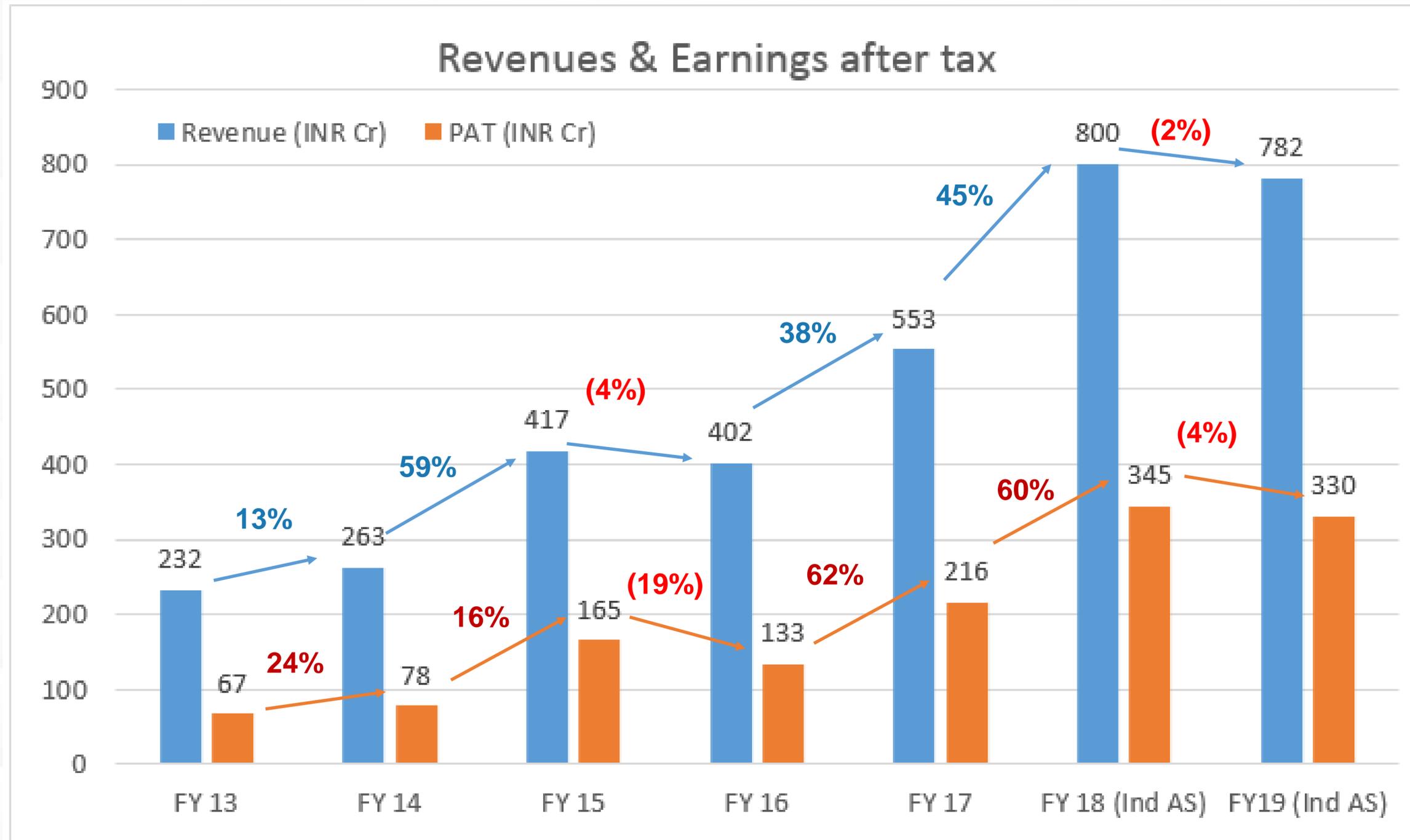
Captive Base Opportunity

Opportunity from move to Open-Architecture



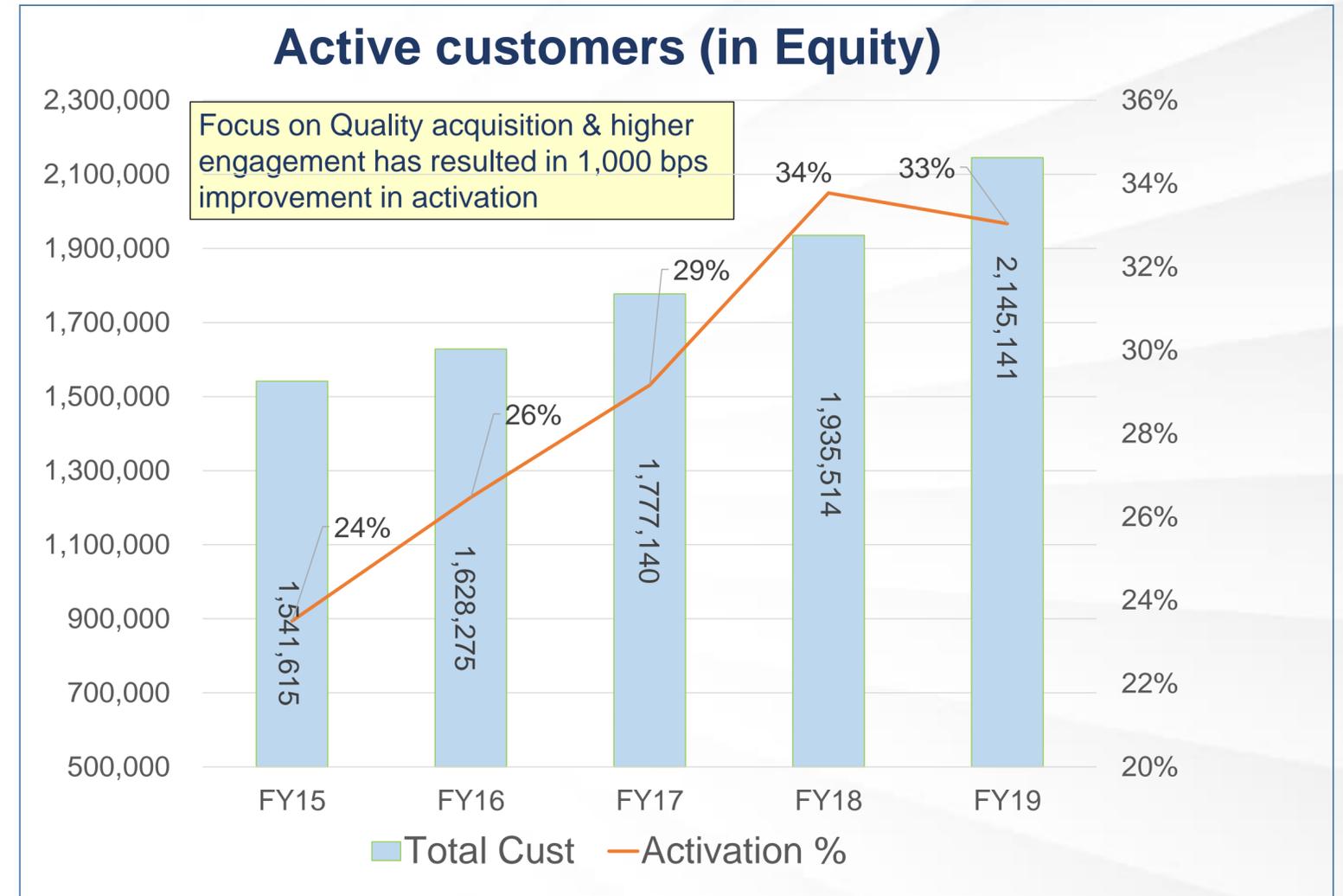
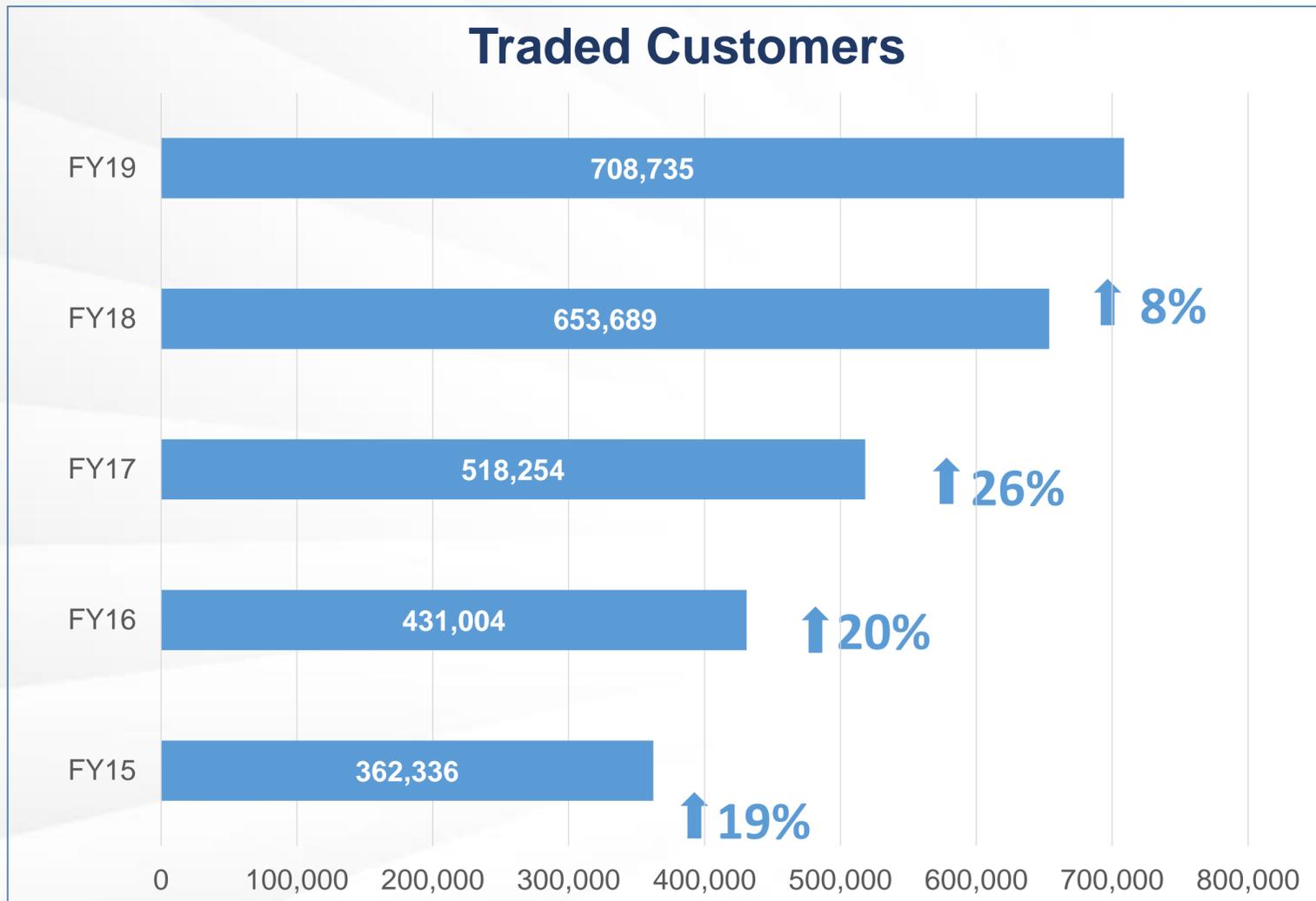
Acquire customers from over 2,500 bank branches, through Joint-working with bank team.

HSL - Revenue & Earnings trajectory



Demonstrated ability to limit damage in a bad year, and expand exponentially in a good year

HSL - Consistent increase in equity-active customers



Account activation intrinsic to customer stickiness for HSL/HDFC Bank.

Higher customer activation driven by :

- Joint-Marketing & digital customer-engagement.
- Multiple engagement layers across HSL and Bank Relationship teams to deepen engagement.

End of Session 7