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‘HDFC Bank’s wholesale book grows 23% in FY19 so far’

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HDFC Bank’s wholesale book grows 23% in FY19 so far



Kaizad Bharucha

NIKHIL HETAVKAR

Mumbai, 22 November

Private lender HDFC Bank has seen its wholesale loan book grow 22.8 per cent this financial year, from ₹2.9 trillion in March 2018 to ₹3.5 trillion at present.

“Our growth has mainly been on the transactional and working capital side, and we continue to have that as our core strength. However, a bank of our size cannot afford to be out-of-the-term loan space,” said Kaizad Bharucha, executive director,

HDFC Bank, adding 30 per cent of the bank’s wholesale book was by way of term loans. HDFC Bank’s wholesale loan growth has outpaced other lenders by a wide margin. Credit to the industry grew at 0.1 per cent, while advances to the services sector were up 7.4 per cent in the first half of 2018-19, according to RBI data. Many banks continue to face pressure on asset quality, liquidity constraints and lending restrictions because some state-owned banks are under the central bank’s prompt corrective action. The bank’s domestic loan mix comprised 55

per cent of retail assets and 45 per cent of wholesale advances. “We don’t really set any targets for the mix. While there is some capex, it’s not large enough yet to move the needle. India’s GDP is also primarily consumption driven,” he said. While both NBFCs and the MSME sector are going through some pain, Bharucha says it is not fair to paint the entire sector as stressed. “It wasn’t a credit issue with NBFCs, but a liquidity problem. In the future, more prudential financial management on the part of NBFCs would be welcome,” he said.