

HDFC Bank wins 3 prestigious awards at Asiamoney Best Bank Awards 2022

- Adjudged Best Corporate Bank, Best Bank for SMEs; and Best Bank for Diversity & Inclusion

India's Best Corporate Bank 2022: HDFC Bank

HDFC Bank is India's largest private-sector lender by assets. It has the scale, processes, expertise and vision to meet the needs of its 70 million-plus customers.

Those strengths came in handy when the pandemic roiled markets.

With its network of more than 6,300 branches, the bank successfully navigated multiple roadblocks to win three of Asiamoney's awards this year: best corporate bank, best for small and medium-sized enterprises and best for diversity and inclusion.

For the year ending March 31, 2022, HDFC Bank recorded a year-on-year 18.4% increase in its total balance sheet to Rp 20.7 trillion (\$265 billion). Total deposits rose 16.8% to about Rp 15.6 trillion. Return on equity for the 2022 financial year was 16.9%, and the bank's core net interest margin was 4%. Net profits spiked 18.8% to Rp 369.6 billion.

Size doesn't get in the way of HDFC Bank's efficiency, as is clear from its overall gross non-performing assets ratio, which fell to 1.17% by March from 1.32% a year earlier. HDFC had a change of leadership in October 2020 when Sashidhar Jagdishan, who has been with the bank since 1996, replaced long-serving managing director Aditya Puri as chief executive. Jagdishan is now focusing on taking the bank to the next level.

For example, in April, HDFC Bank announced the bank would merge with its housing mortgage parent HDFC. Once completed, the merger will give the bank a hefty 33% share of India's home loans market, up from its current 11% market share.

But even without that proposed merger, HDFC Bank has shown its strengths across different business lines. Take its corporate banking business, which is one of the largest in the country. The corporate banking book had grown 16% year on year by the end of March.

HDFC Bank has a diverse portfolio of clients, including government-owned corporations, telecommunications, energy, power, metals, infrastructure, food and agriculture, as well as pharmaceuticals.

It caters to them through many of its offerings. Its cash management platform punches above its weight, and it is one of the leaders in terms of the volume of corporate transactions.

As Kaizad Bharucha, executive director at HDFC Bank, puts it, by ensuring diversification of lending to all sectors, the firm managed to sail through the pandemic successfully, while staying ahead of the curve.

The growth came on the back of many changes, including fully automating its supply-chain platforms, delivering solutions to clients, and keeping employee morale high with the right policies.

India's Best Bank for SMEs 2022: HDFC Bank

Another area where HDFC Bank shines is in its offerings for micro, small and medium-sized enterprises (MSMEs). This is critical, given India has more than 63 million of them. In the last seven years, advances to this segment have grown at a compound annual rate of 31%, indicating the lender's razor-sharp focus on this market.

HDFC Bank has about three million MSMEs on its roster. Despite the pandemic, the quality of its book stayed steady, with a relatively low gross non-performing asset ratio of 1.28% by the end of March. The NPA ratio was 1.17% in the previous financial year and 1.39% in the 2020 financial year. Under Rahul Shyam Shukla, group head of commercial rural banking, HDFC Bank's market share of lending to MSMEs rose to 18.4% by March, from 14.6% a year earlier.

Digital has been a focus for MSMEs and for the bank, helping to cut down the processing time of transactions, while enhancing the customer experience. Whether that means turning all the logins of MSME customers fully digital, or ensuring that a jewellery or a saree shop in a mid-tier city has the resources to deposit its cash daily in the bank by 3pm local time, HDFC Bank has proved that it is the first choice for India's mid-tier corporates.

India's Best Bank for Diversity and Inclusion 2022: HDFC Bank

HDFC Bank also gives priority to its employees, making it the winner of the first Asiamoney award for diversity and inclusion. The bank has more than 134,400 employees, of whom 21% are women. It is using its accelerated career programme to increase the proportion of women in middle management (currently only 10%) by identifying and coaching high-potential female employees.

By the 2025 financial year, the bank wants to increase its female workforce to 25% of the total, on a par with the industry average. To achieve this, HDFC Bank – whose chief human resources officer is Vinay Razdan – has initiated a programme that helps its former employees to re-join the workforce after a career break. Thanks to this initiative, 300 women employees returned to the lender in the latest financial year.

The bank has processes in place to handle and address deep-seated unconscious bias arising from cultural conditioning. A six-member inclusion council reports directly to the chief executive to ensure that all diversity and inclusion targets are met.

HDFC Bank uses technology to assist its physically challenged workforce and offered help during the pandemic by hiring family members of employees who lost their lives to Covid.

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Methodology:

Asiamoney's award decisions were made by a team of senior journalists after receiving detailed submissions from market participants and in conjunction with research into the



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