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HDFC BANK

MD: ADITYA PURI

TOTAL SCORE:
61.45

REVENUES: Rs
48,469.9
CRORE

OVERALL RANKING
21

THE LEADER GUARDS

THINK HDFC BANK, and what comes to mind in the first instance? That it's by a fair distance, the country's foremost financial services brand. It's the darling of shareholders — the costliest piece of banking stock in the world as you read this. Its credit policy over the years has been impeccable; come rain or shine, dud-loans are always on a leash. And, of course, you have the larger-than-life image of its managing director Aditya Puri — the default "brand ambassador" for the bank even though the man is not one to seek out media limelight.

"It's better to keep a low profile", Puri is most likely to say. That it doesn't happen is because of what we described in a nutshell above; and all of it gives HDFC Bank the pole-position in *BW Businesessworld's* Most Respected survey 2015 among banks; and an overall 21st rank.

The rankings tell you something more as well. Others, which follow HDFC Bank, are

Photograph by Subhabrata Das

mostly private banks — ICICI Bank, Axis Bank, Kotak Mahindra Bank; you have Punjab National Bank in 6th place. Most are post-reform children — it can be reasonably deduced that vintage in our context does not drive "respectability" (nostalgia yes); it may not even be all that an important factor. What's material is you have to be relevant to the times you play in. It explains why HDFC Bank made it to WPP 'BrandZ Top 100 Most Valuable Global Brands', with the valuation methodology of Millward Brow — it came in at 74th.

We now come to numbers. It's been a difficult time for the economy and credit vendors of all hues. Yet, HDFC Bank grew aggressively.

At March-end 2015, its balance sheet stood at Rs 5,90,503 crore, up by 20.1 per cent; net profit at Rs 10,215.2 crore, up 20.5 per cent. Net non-performing assets were at 0.25 per cent (0.27 per cent). The return on average net worth was 20.4 per cent, while the earnings per share stood at Rs 42.2 (Rs 35.5).

A more critical factor is the bank's capital adequacy ratio calculated in line with Basel-III capital norms (which kick in from fiscal 2019) stood at 16.8 per cent well above the regulatory minimum of 9 per cent (of this, tier-I was 13.7 per cent. Says Saswata Guha, director, Fitch Ratings: "The position of large private banks remains superior despite recent pressures on asset quality, as reflected under both post-stress earnings and capitalisation. Their capital position is intact across all three banks". What needs to be underscored here is HDFC Bank is in a sweet spot — it retail book is healthy; and if home loans had resided within the bank (and not in parent HDFC), you could have argued it would be still bigger bet.

A big factor in HDFC Bank's success is the talent it attracts and retains. It's erroneous to point to the handsome stock-options doled out to senior-and middle-level executives and to conclude that its money that drives the mare anyway.

In a largely hard-up on talent world, HDFC Bank's not only got to compete with its peers, but other industries too. If work satisfaction is not offer, there's nothing to compel a marketing or sales person to continue stay hitched to the bank. It's people who make the difference at the end of the day. Of the bank's staffing at 76,286 at March-end 2015, only 309 form the only employee association. Look around what unions in general fight over and it says a lot, especially given that a cradle-to-grave job is not something you can aspire to in private banks.

THE 'MILK-TO-MONEY ATM' SYSTEM GENERATES PAYMENT INSTRUCTIONS FOR FARMERS BY THE AMOUNT AND QUALITY OF MILK DEPOSITED IN THE MACHINE

Or take gender diversity. Women made up 12,680 of the bank's work force, or 16.62 per cent during this period. It conducts special workshops to promote leadership amongst women and recognise their contribution by way of awards. You have health benefits by way of customised plans for expectant mothers. Those who sign onto the programme receive expert advice from medical professionals and gynaecologists who handhold would-be-mothers in their pregnancy. You also have extended maternal leaves and an onsite crèche at its largest location to enable young mothers to pursue their careers.

You have 'HDFC Bank Cares' for the healthcare needs — regular health tips and monthly health newsletters are circulated. Plus dedicated toll-free helpline for staff and their families, which can be used during medical emergencies. Another "soft", but critical area is food-for-thought — an online library 'India Reads.com' accessible to all across the country.

It can brag on innovation too. With 55 per cent of its over 3,400 bank branches located outside urban India, HDFC Bank has bet big on the "back-of-the-beyond". It has a 'Milk-To-Money (MTM)' initiative, in which the bank works closely with dairy co-operative societies and farmer producer organisations to reduce risks of quality dilution by middlemen and help dairy farmers increase productivity. The 'Milk-To-Money ATM' system generates payment instructions for farmers by the amount and quality of milk deposited in the machine. The system sends out details of payments to be processed by the bank, which are then credited into farmers' accounts. The programme has brought 46,002 dairy farmers in Rajasthan and Gujarat under the organised banking fold.

HDFC Bank is the 'Banker to Every Indian'!

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