

NEWS RELEASE

HDFC Bank Ltd.
HDFC Bank House,
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.
CIN: L65920MH1994PLC080618

HDFC Bank's Home Loan business demonstrates strong performance

Mumbai, February 15, 2024: HDFC Bank, India's largest private sector bank, today shared an update on its Home Loan Business which has witnessed healthy growth post the merger of HDFC Ltd with itself.

Key facts:

- Home Loan business experiences stable and healthy double-digit YoY growth for two quarters, ending December 31, 2023. The growth in sales turnover has come on the back of a wider distribution network
- 3.6 % sequential growth as of December 2023; highest amongst peers in home loans
- Turnaround time has been reduced to one third post-merger
- Savings Accounts for incremental disbursements has moved to 80% from 35%. This sets the foundation for a stronger digital connect with incremental customers

The Bank's market share has grown approximately by 18 % to 20 % on incremental disbursements, post the merger. It has exhibited robust and consistent higher double-digit, year-on-year growth across its Home Loan Business for the first six months, post the merger. On a sequential basis, the Bank has gained a leading position as it recorded a growth of 3.6% which was the highest amongst its peers in home loans.

The Bank's fundamental strategy has been to improve the turnaround time of processing at front end. Post-merger turnaround time has reduced to almost one third. This coupled with the erstwhile HDFC Ltd.'s strength of connecting with customers in person is a potential game changer in terms of both sales turnover and cross- sell.

Added to this strategy is a renewed focus on the self-employed segment which will further increase opportunity size. Post-merger, the Bank has already launched and expanded its

product basket through banking surrogates as well as GST programmes for better assessment of such profiles.

By mid-March, the Bank will be launching a seamless straight through journey for Home Refurbishment Loans which can become a strong product offering for customers. Also, by April 2024, the Bank proposes to launch a Home Saver product. This will lay a robust foundation for a lucrative offering to the existing and prospective home buyers. Despite a substantially larger book than peers, the Bank's model is generating huge benefits on a monthly basis and its differentiated strengths are expected to generate substantial value for customers and the Bank in the future.

"One of the biggest opportunities was to generate CASA and initial signs are encouraging. Pre-merger about 30% to 35% of incremental disbursements were to customers with an HDFC Bank savings account. This has reached about 80% of incremental disbursements, post-merger. The Home Loan Business for the Bank has become both an asset and liability generator and is growing sizeably. This leads to a higher stickiness quotient and a stronger customer connect with the Bank for a longer duration." **says Mr. Arvind Kapil, Country Head - Mortgage Banking, Home Loan, LAP, HDFC Bank.**

All this has been done without compromising on the Bank's traditional underwriting standards. The foundation is now in place and the Home Loan Business is on its way to becoming a springboard for larger customer engagements. Current trends indicate interesting and encouraging signs that the Bank seems to be emerging as a preferred option for customers with higher credit scores which has exhibited a 10 % growth, post merger.

On the operational front, the Bank will convert all erstwhile HDFC Ltd.'s service centres to branches in a phased manner and its entire mortgage team will also become relationship managers. The Bank has already commenced cross selling its products/services. through these service centres from February 01, 2024. As a part of enhancing the cross-sell strategy, home loan customers will be able to avail of a wide range of products/services like Consumer Durable Loans, Credit Cards, Wealth Advisory Product, Unsecured Loans and Home Refurbishment Loans. Going forward, cross-sell will be a continuing focus for both existing as well as new customers. The strength of this team is expected to be able to cross-sell at no incremental acquisition cost thanks to digital journeys.

The Bank believes that structural demand for housing will continue to be strong in the long run in India, due to a conducive environment. India is expected to have the largest working



We understand your world

NEWS RELEASE

HDFC Bank Ltd.
HDFC Bank House,
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013.
CIN: L65920MH1994PLC080618

population by 2050, estimated at 900 million which is likely to give a major fillip to urbanisation in the country. This is projected to go up to 40% by 2030 from 34% today. Approximately, 80 million families are likely to move from rural areas to urban centres in the country increasing the need for housing. This is clearly an opportunity for the industry and HDFC Bank is well positioned to help fulfil the housing dreams of millions.

About HDFC Bank:

Please click here: www.hdfcbank.com

For media queries, please contact:

Madhu Chhibber

Head, Corporate Communications
HDFC Bank Limited
Email : madhu.chhibber@hdfcbank.com

Shripad Sukenkar

Senior Manager, Corporate Communications
HDFC Bank Limited
Email:
shripad.sukenkar@hdfcbank.com