

HDFC Bank corporate loan book grew 2.25x in 3 years

NIDHI RAI

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HDFC Bank, the country's second-largest lender predominantly known for its aggressive retail banking, has grown its corporate loan book by 2.25 times in past three years.

The corporate loan book stood at ₹2.27 trillion in September 2016 vs ₹4.3 trillion in September this year, a compound annual growth rate (CAGR) of 27.3 per cent.

Rahul Shukla, head of corporate banking at the lender, said: "This growth is significant. Even in the last quarter we had a significant above-trend growth in corporate banking and you have to compare this with the credit growth extension of the economy. We do not



Rahul Shukla, head, corporate banking at HDFC Bank

see any spikes in the gross non-performing assets and we are witnessing consistent growth in our market share."

The private sector lender has aggressively grown in the small and medium-sized enterprises (SME) sector, which was driven by semi urban and rural

areas essentially fuelled by the extensive branch network of the bank. Among sectors, the bank is seeing demand from cement, fast-moving consumer goods and pharmaceutical sectors while real estate continues to be in pain.

On the project finance part of the book, Shukla said, "I will give credit to everybody. We don't have a separate division for project finance, we divide it in working capital and term loan, and when we have term loan, we have a specialised team which goes out and does the analysis. We have significant term loan exposure which we are comfortable with."

The bank has an optimistic outlook on the credit demand from the corporate and SME sector.