



HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

www.hdfc.com

**Ref. No. SE/ 2016-17/34**

May 5, 2016

BSE Limited  
P. J. Towers  
Dalal Street  
Mumbai 400 001.

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Flr, Plot No. C/1  
Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051.

**Kind Attn: DCS - CRD**

**Kind Attn: Head - Listing**

Dear Sirs,

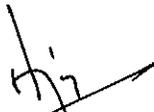
**Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to the above-captioned regulations, please find enclosed a copy of the investor presentation prepared by the Corporation and placed on its website.

We request you to kindly take the same on record and acknowledge receipt.

Thank you.

Yours faithfully,  
**For Housing Development Finance Corporation Limited**

  
**Ajay Agarwal**  
**Company Secretary**

Encl. a/a



**Housing Development Finance  
Corporation Limited**

March 2016

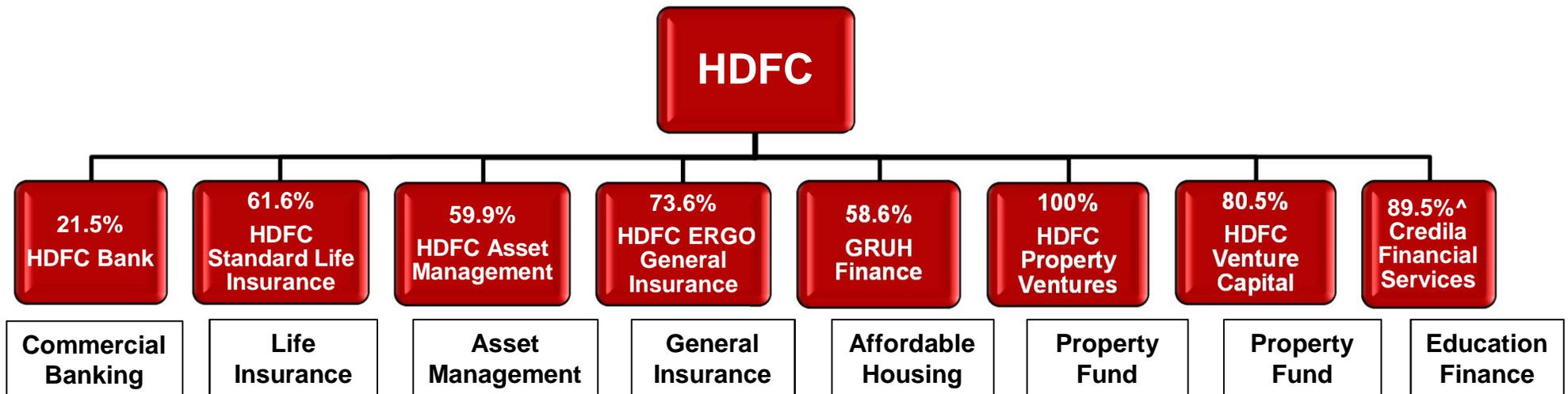
# CONTENTS

- **HDFC Snapshot**
- **Mortgage Market in India**
- **Operational and Financial Highlights: Mortgages**
- **Valuations and Shareholding**
- **Financials: Standalone**
- **Key Subsidiaries and Associates**
- **Financials: Consolidated**

# **HDFC SNAPSHOT**

# WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages:



- 77% shares held by Foreign Investors

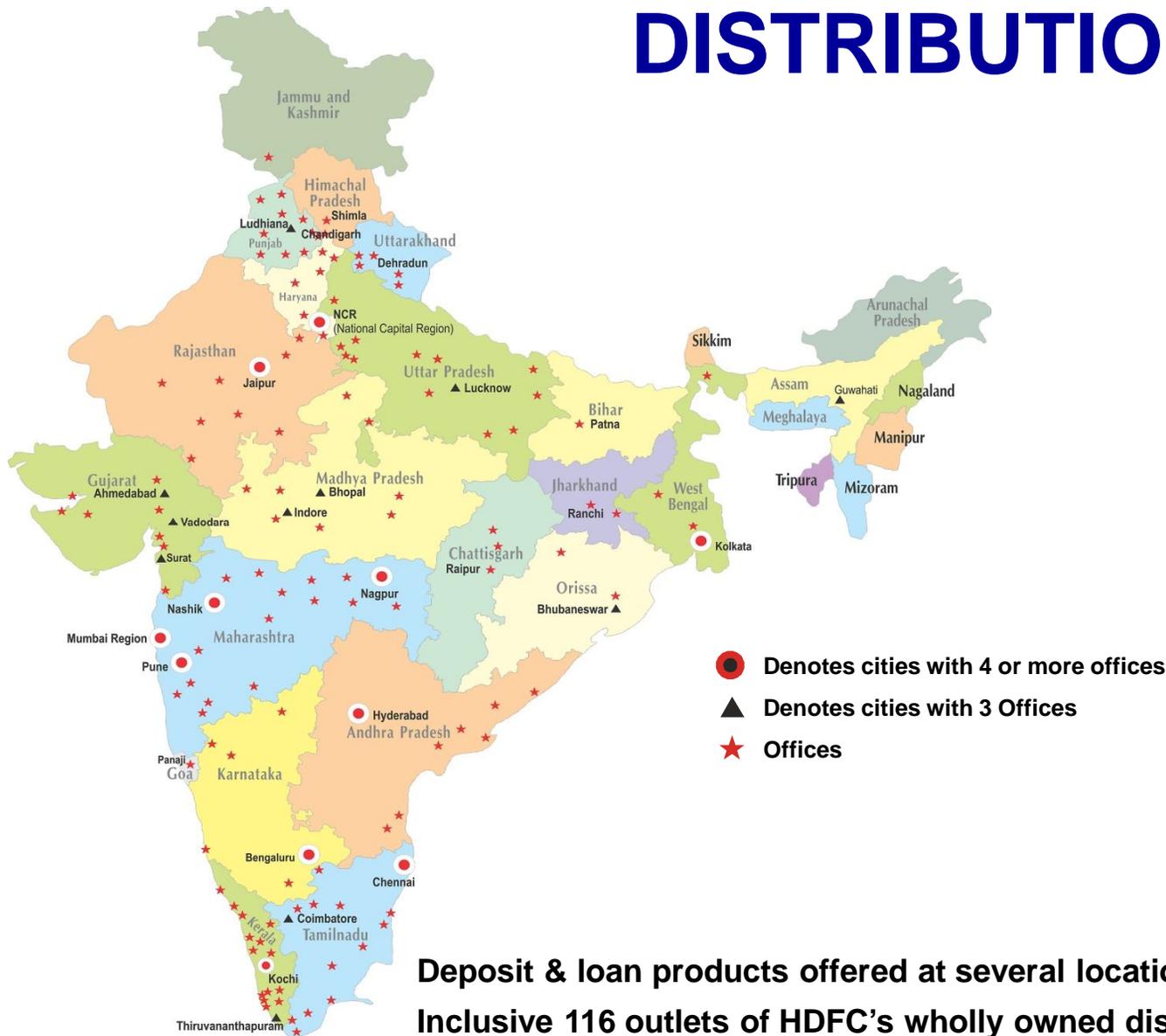
<sup>^</sup> On a fully diluted basis

# BUSINESS SUMMARY

- **Loans Outstanding (Gross loans)**  
*(March 31, 2016)* : Rs. 2,915.31 bn  
: US\$ 43.85 bn
- **Individual Loans Originated CAGR (5 years)** : 20%
- **Cumulative Housing Units Financed** : 5.4 million
- **Total loan write offs since inception**  
*(of cumulative disbursements)* : Under 4 basis points
- **Cost to Income Ratio (FY 2016)** : 7.6%
- **Unrealised gains on listed investments\***  
*(March 31, 2016)* : Rs. 576.51 bn  
: US\$ 8.67 bn
- **Profit After Tax CAGR (5 years)**  
*(FY 2016)* : Standalone - 16%  
Consolidated - 19%

\* Unrealised gains on unlisted investments not included in the aforesaid.

## DISTRIBUTION



### No. of Outlets

2006	–	219
2007	–	234
2008	–	250
2009	–	267
2010	–	278
2011	–	289
2012	–	311
2013	–	331
2014	–	354
2016	–	401

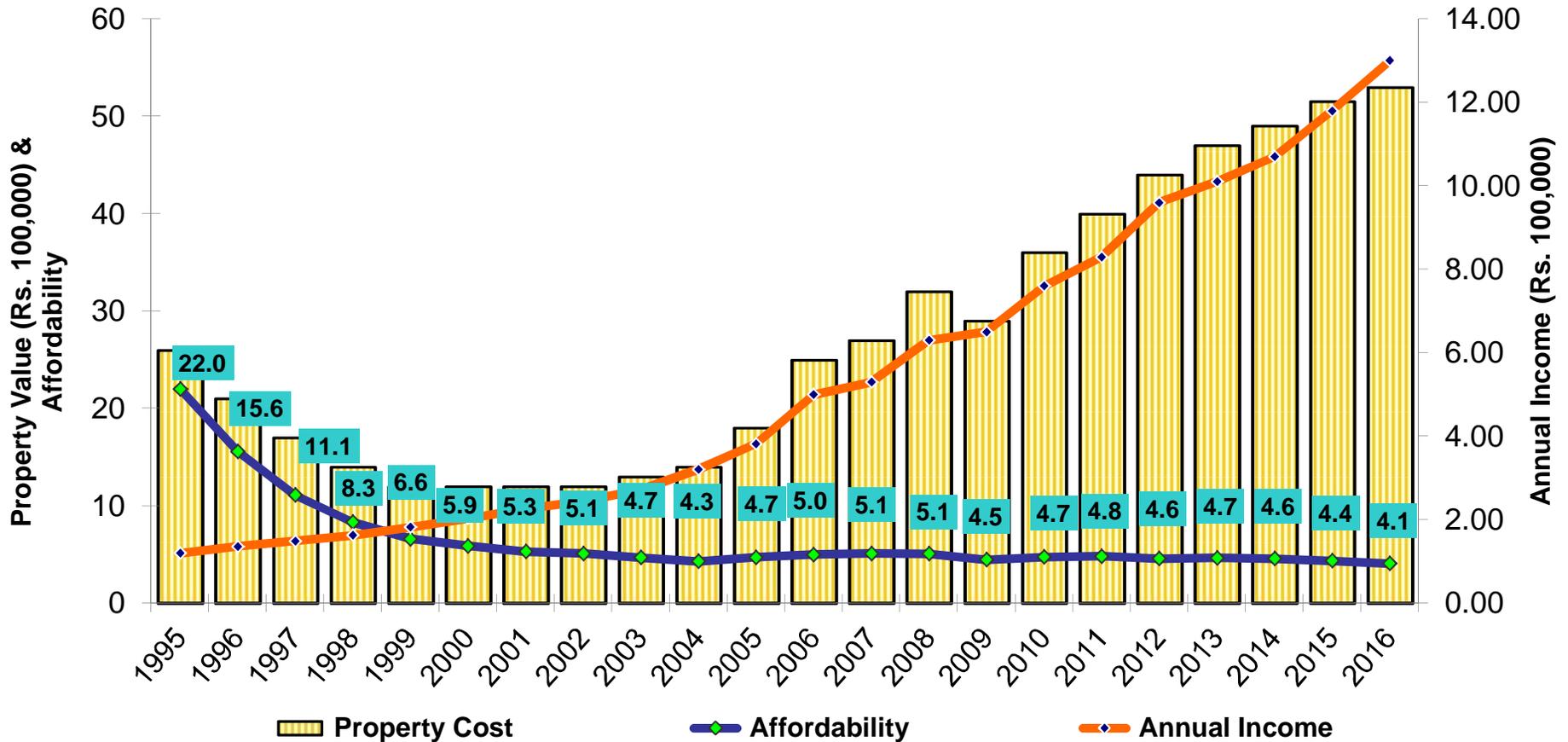
**Deposit & loan products offered at several locations through outreach programmes**  
**Inclusive 116 outlets of HDFC's wholly owned distribution company**

# MORTGAGE MARKET IN INDIA

## DEFINING TRENDS IN HOUSING

<b>Favourable Demographics</b>	▶ 66% of India's population is below 35 years of age, hence large potential for home loans
<b>Households</b>	▶ Rise in the number of households with a shift towards nuclear families
<b>Rapid Urbanisation</b>	▶ Currently 31% of the Indian population reside in cities; estimated to be 40% by 2030
<b>Improved Affordability</b>	▶ Improved affordability through rising disposable incomes and affordable interest rates on home loans
<b>Fiscal Incentives</b>	▶ Increased tax incentives for first time home loan borrowers
<b>Flagship Govt. Schemes</b>	▶ Housing for All by 2022, Smart Cities Mission, Atal Mission for Rejuvenation & Urban Transformation
<b>Budget 2016-17</b>	▶ Introduced tax incentives for building affordable housing
<b>Regulator</b>	▶ Real Estate (Regulatory & Development) Act, 2016 to bring greater transparency and discipline in the sector
<b>REITS</b>	▶ Listing of Real Estate Investment Trusts likely to take off in India

# IMPROVED AFFORDABILITY



Representation of property price estimates

Affordability equals property prices by annual income

Based on customer data of a large metro city

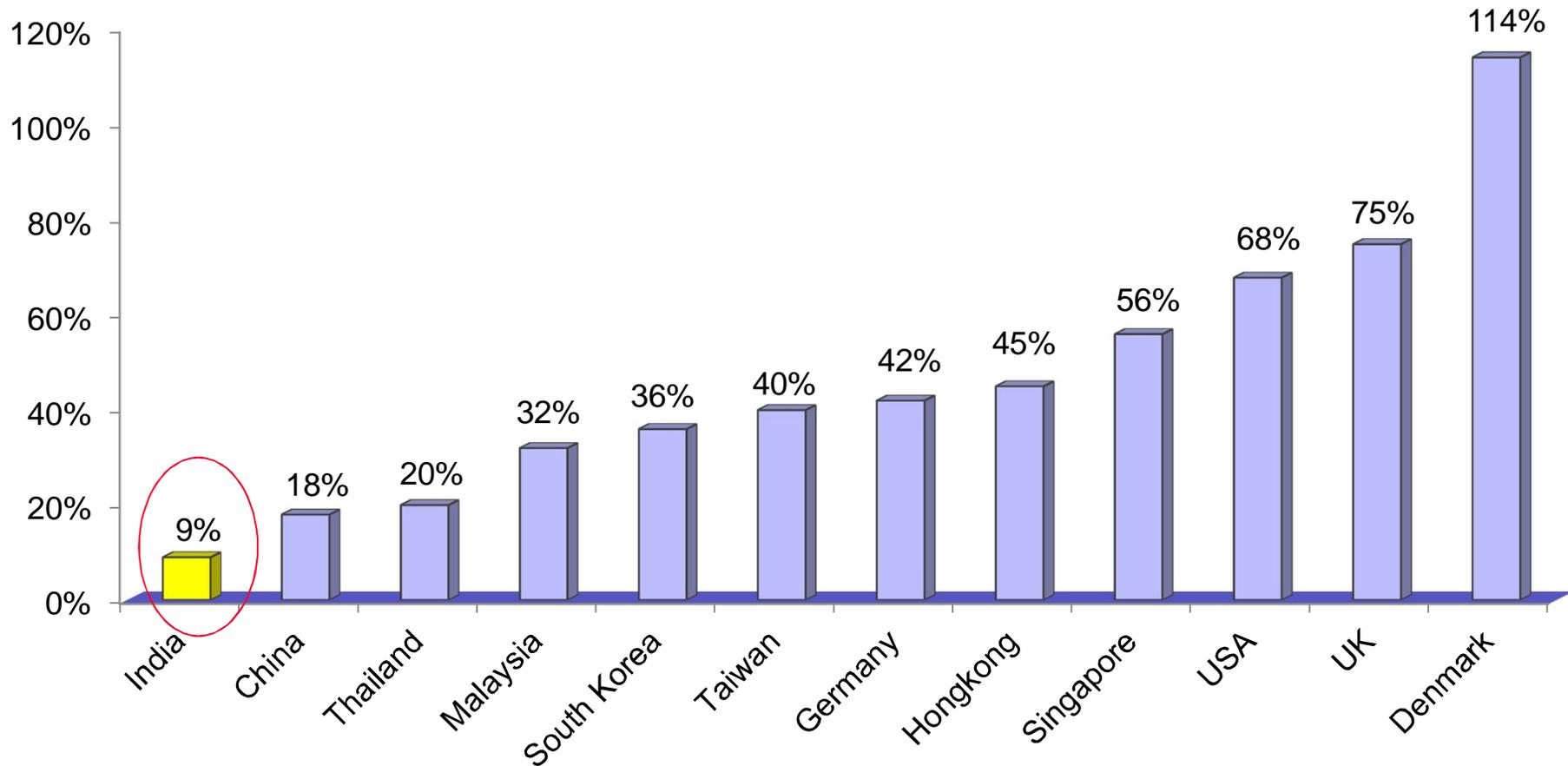
## TAX INCENTIVES HAVE LOWERED THE EFFECTIVE RATES ON MORTGAGES

	Current Fiscal Incentives		Previous Fiscal Incentives	
	Option I <sup>^</sup>	Option II <sup>*</sup>	FY 2002	FY 2000
Loan amount (Rs)	2,500,000	2,500,000	2,500,000	2,500,000
Nominal Interest Rate(%)	9.40%	9.40%	10.75%	13.25%
Max deduction for interest allowed	250,000	200,000	150,000	75,000
Deduction on principal	150,000	150,000	20,000	20,000
Tax rate (highest tax rate applicable)	35.54%	35.54%	31.50%	34.50%
Tenor (years)	15	15	15	15
Total amount paid per year	385,000	385,000	317,460	362,988
Interest component	235,000	235,000	268,750	331,250
Principal repaid	150,000	150,000	48,710	31,738
Tax amount saved	136,810	124,373	53,550	32,775
Effective interest paid on home loan	98,190	110,628	215,200	298,475
<b>Effective interest on home loan</b>	<b>3.9%</b>	<b>4.4%</b>	<b>8.6%</b>	<b>11.9%</b>

**Note:**  
<sup>^</sup>Finance Act 2016: As per Section 80 EE, to further encourage first time home buyers, an additional deduction in respect of interest of Rs. 50,000 p.a. has been provided. This incentive is available if the property value is up to Rs. 5 million, the loan is up to Rs. 3.5 million and the loan is sanctioned between April 1, 2016 to March 31, 2017.

\* If the above criteria is not met, the interest deduction continues to remain Rs. 200,000 p.a.

## LOW PENETRATION IMPLIES ROOM FOR GROWTH MORTGAGES AS A PERCENT OF NOMINAL GDP

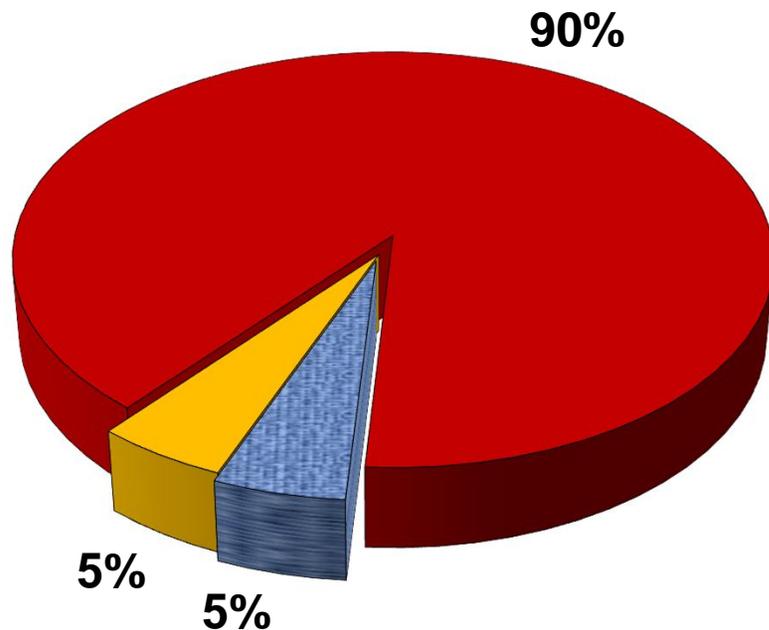


Source: European Mortgage Federation, HOFINET & HDFC estimates for India

# **OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES**

# HDFC's ASSETS

(As at March 31, 2016)



**Total Assets as at March 31, 2016**

Rs. 2,887.53 billion (US\$ 43.43 billion)

**Total Assets as at March 31, 2015**

Rs. 2,539.52 billion (US\$ 38.20 billion)

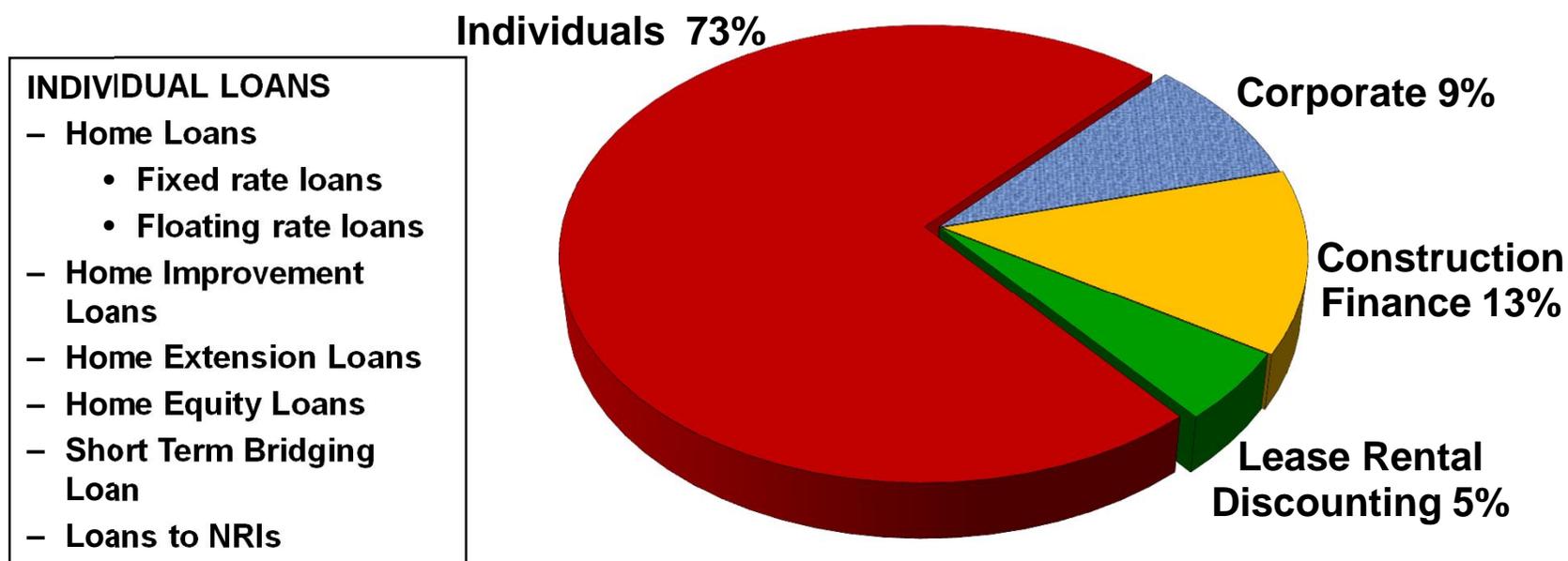
- Loans (including debentures & corporate deposits for financing real estate projects) - 90%
- Investments - 5%
- Other Assets - 5%

Total assets have been computed as per Indian Accounting Standards and consequently not fair valued. The unrealised gain on listed and unlisted investments as at March 31, 2016 has not been considered in the aforesaid. As at March 31, 2016, unrealised gains only on listed investments including HDFC Investments Limited stood at Rs. 576.51 billion.

US \$ amounts are converted based on the exchange rate of US\$ 1= Rs. 66.48

# CORE BUSINESS – LENDING

(As at March 31, 2016)



LOANS	March 31, 2016
	Rs. in billion
Gross Loans	2,915
Less: Loans securitised - on which spread is earned over the life of the loan	323
Loans Outstanding	2,592

## ANALYSIS OF THE LOAN BOOK

As at March 31, 2016	Loan Book o/s		Loan Book o/s Before Sell Down in last 12 months		Assets Under Management	
	Rs. bn	% Growth	Rs. bn	% Growth	Rs. bn	% Growth
Individuals	1,800	16%	1,928	24%	2,123	17%
Non-Individuals	792	9%	792	9%	792	9%
<b>Total</b>	<b>2,592</b>	<b>14%</b>	<b>2,720</b>	<b>19%</b>	<b>2,915</b>	<b>15%</b>

*Loans sold in the preceding 12 months amounted to Rs. 128 bn*

*Loans outstanding in respect of loans sold/assigned stood at Rs. 323 bn*

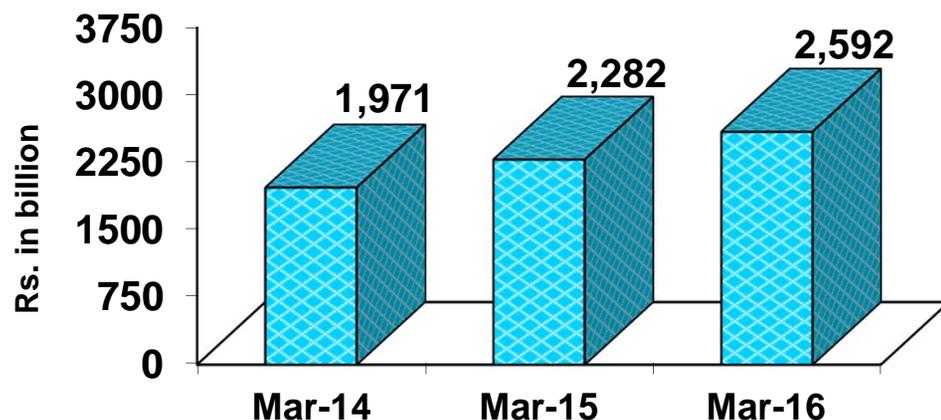
### Incremental Growth in the Loan Book on an AUM Basis

	Increase in the Loan Book (FY 16)	
	Rs. bn	%
Individuals	316	83%
Non-Individuals	66	17%
<b>Total</b>	<b>382</b>	<b>100%</b>

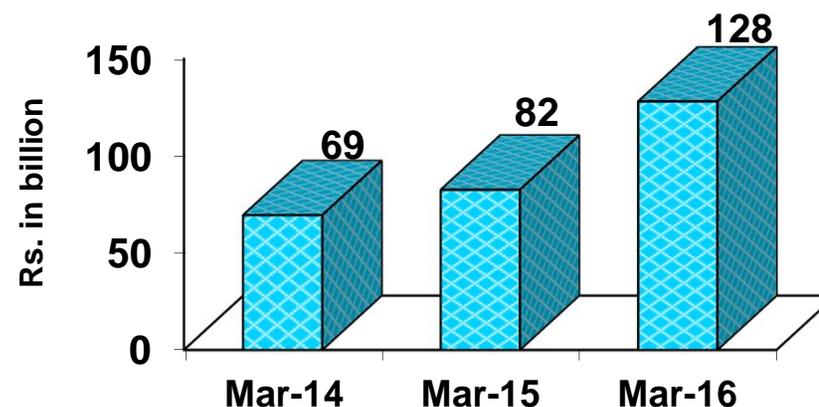
# CONTINUING GROWTH MOMENTUM

*(As at March 31, 2016)*

**LOANS OUTSTANDING**  
(Net of loans sold)



**LOANS SOLD**  
(In the preceding 12 months)

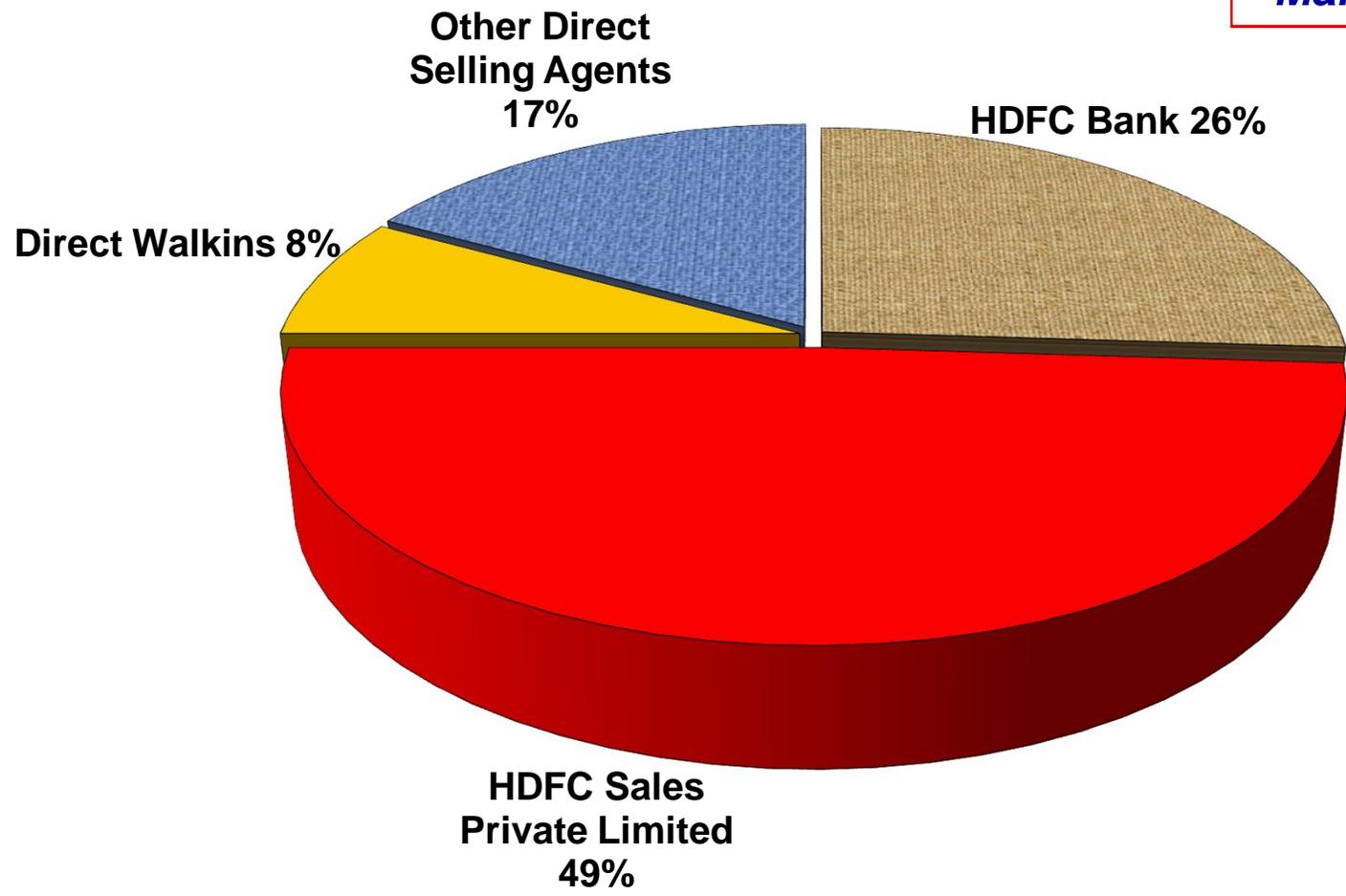


As at March 31, 2016:

- The growth in the total loan book inclusive of loans sold in the previous 12 months is 19%
- Loans amounting to Rs. 128 bn were sold during the 12 months ended March 31, 2016 and Rs. 48 bn were sold during the quarter.
- Loans sold (outstanding): Rs. 323 bn - on which spread at 1.20% p.a. is to be earned over the life of the loan

# 83% OF OUR MORTGAGES ARE SOURCED BY OURSELVES OR THROUGH OUR AFFILIATES

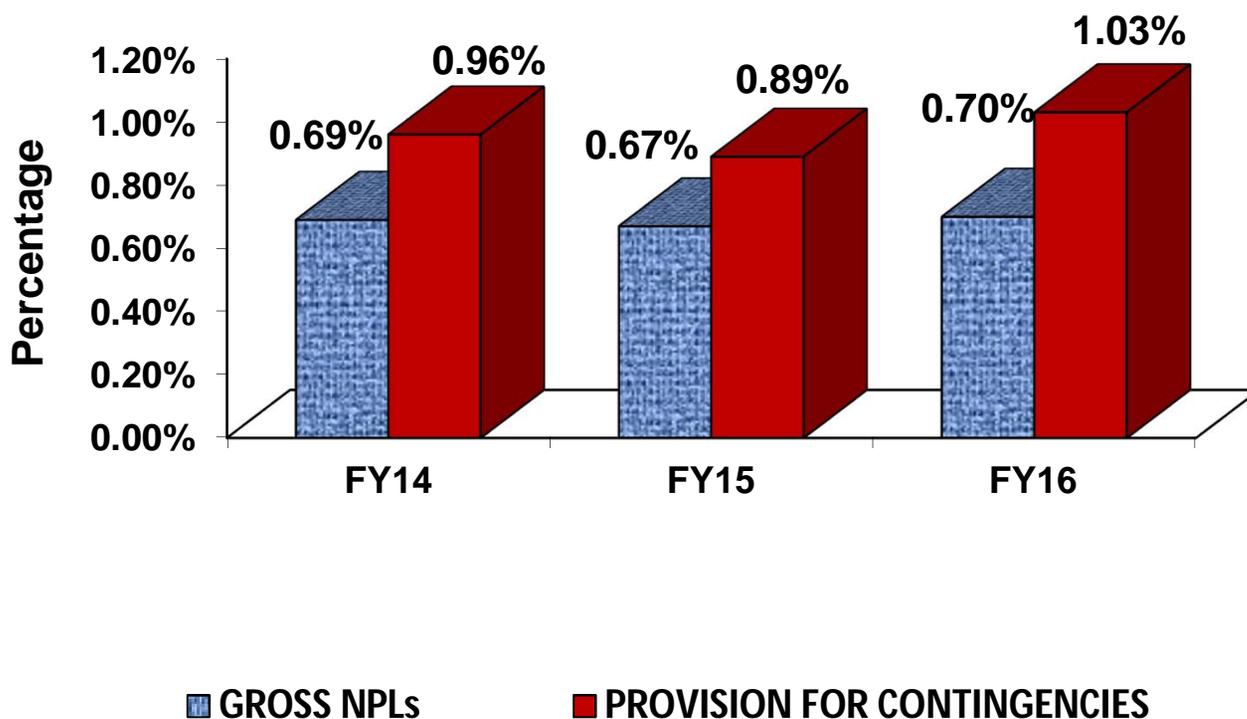
*March 31, 2016*



## **OUR CONSERVATIVE LOAN PROFILE UNDERLIES OUR HIGH CREDIT QUALITY**

- **Average Loan Size** : Rs. 2.5 mn (US\$ 37,605)
- **Average Loan to Value** : 64% (at origination)
- **Average Loan Term** : 13 years
- **Average Age** : 38 years
- **Primary Security** : Mortgage of property financed
- **Repayment Type** : Amortising

## GROSS NON-PERFORMING LOANS (NPLs) & PROVISION FOR CONTINGENCIES



As at March 31, 2016

	(Rs. in bn)
NPLs (3 months):	18.33
Provision for Contingencies:	26.95
<i>Of which</i>	
<i>NPLs:</i>	5.66
<i>Other Provisioning*:</i>	21.29

- NPLs as % of the loan portfolio:
 

Individual Loans	0.51%
Non-individual Loans	1.12%

\*Includes one time special provision of Rs. 4.50 bn

Total loan write-offs since inception is less than 4 basis points of cumulative disbursements.

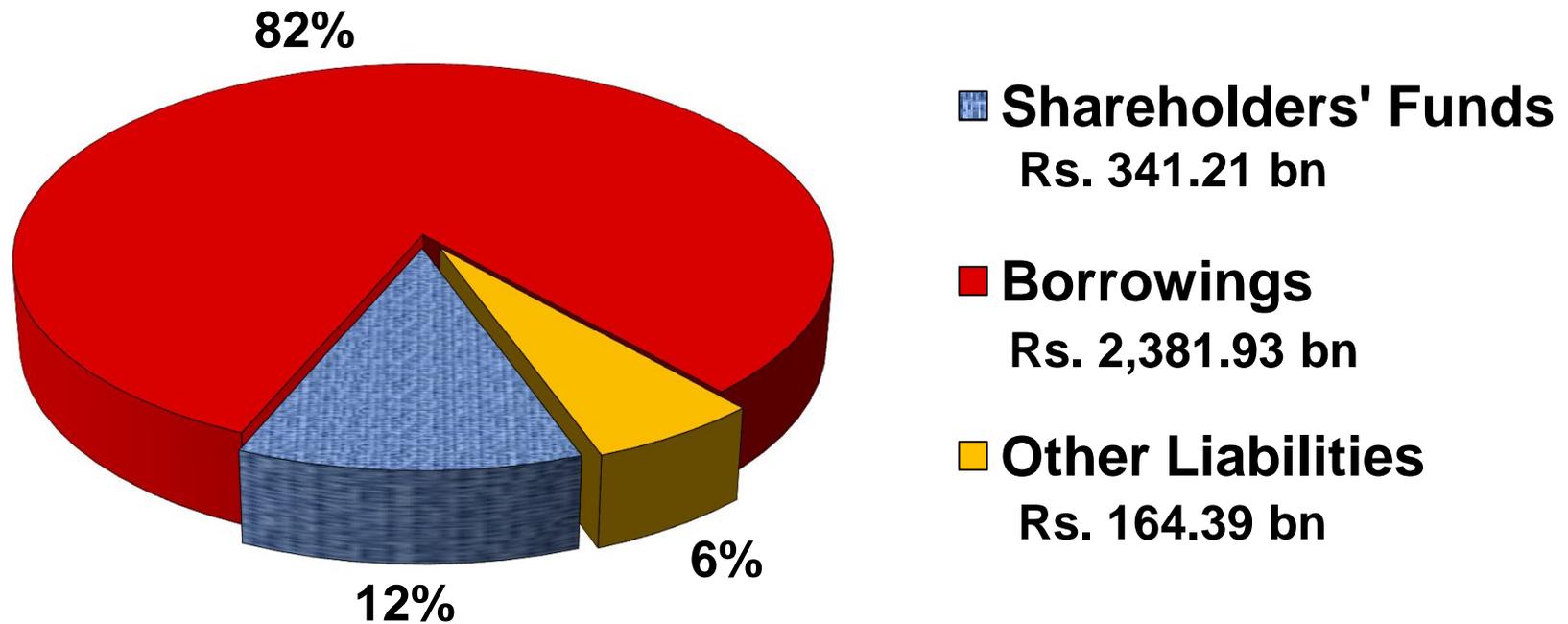
# PROVISION FOR CONTINGENCIES

During the year, the Corporation charged the Statement of Profit and Loss for the year ended March 31, 2016 with **Rs. 7.15 billion** for provisions. The break down of this is as follows:

	Rs bn
Special Provisioning on Standard Assets:	<b>4.50</b>
Regulatory Provisioning on new assets created:	<b>1.70</b>
Other provisioning:	<b><u>0.95</u></b>
<b>Total</b>	<b>7.15</b>

# LIABILITIES

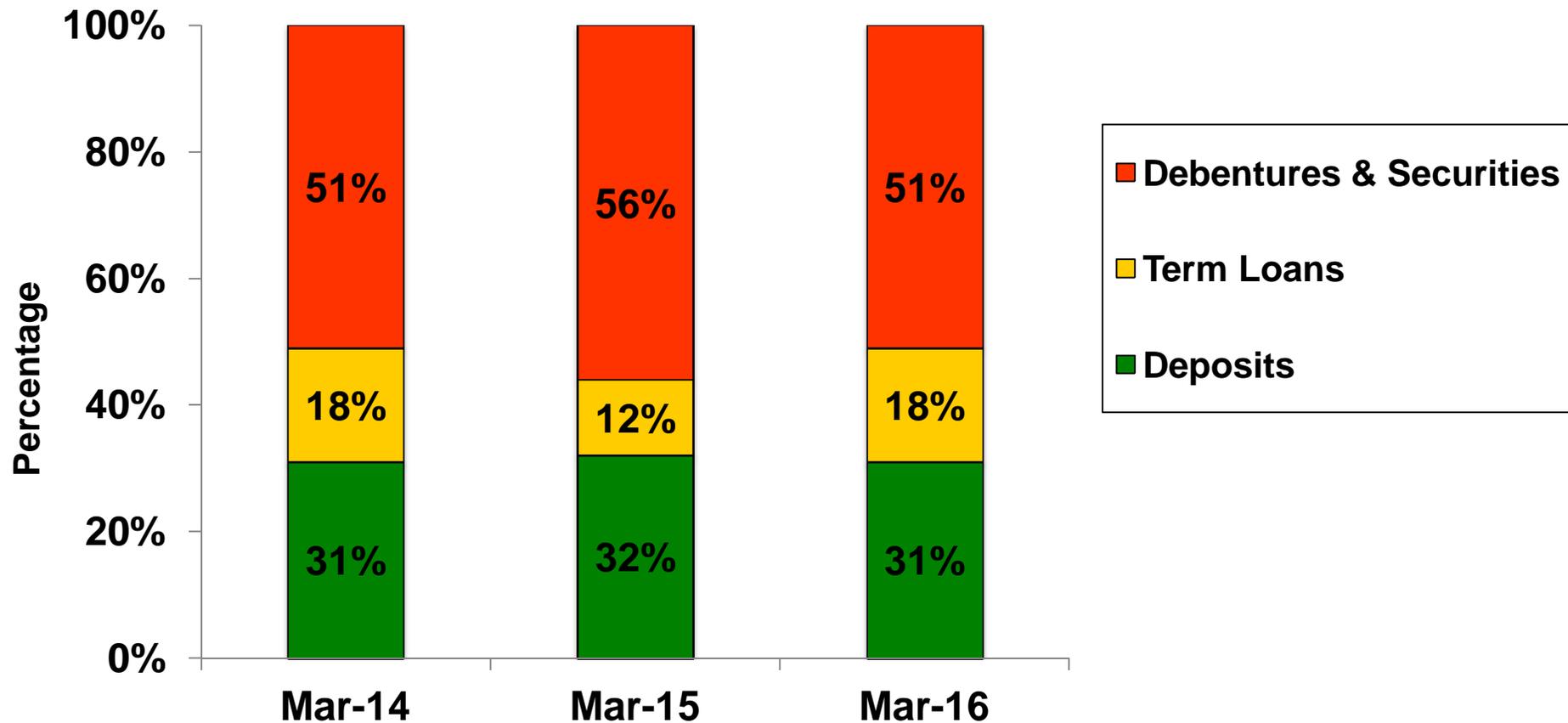
(As at March 31, 2016)



**Total Liabilities Rs. 2,887.53 bn (PY Rs. 2,539.52 bn)**

# MULTIPLE SOURCES OF BORROWINGS

(As at March 31, 2016)



**Total Borrowings Rs. 2,381.93 bn (PY Rs. 2,092.17 bn)**

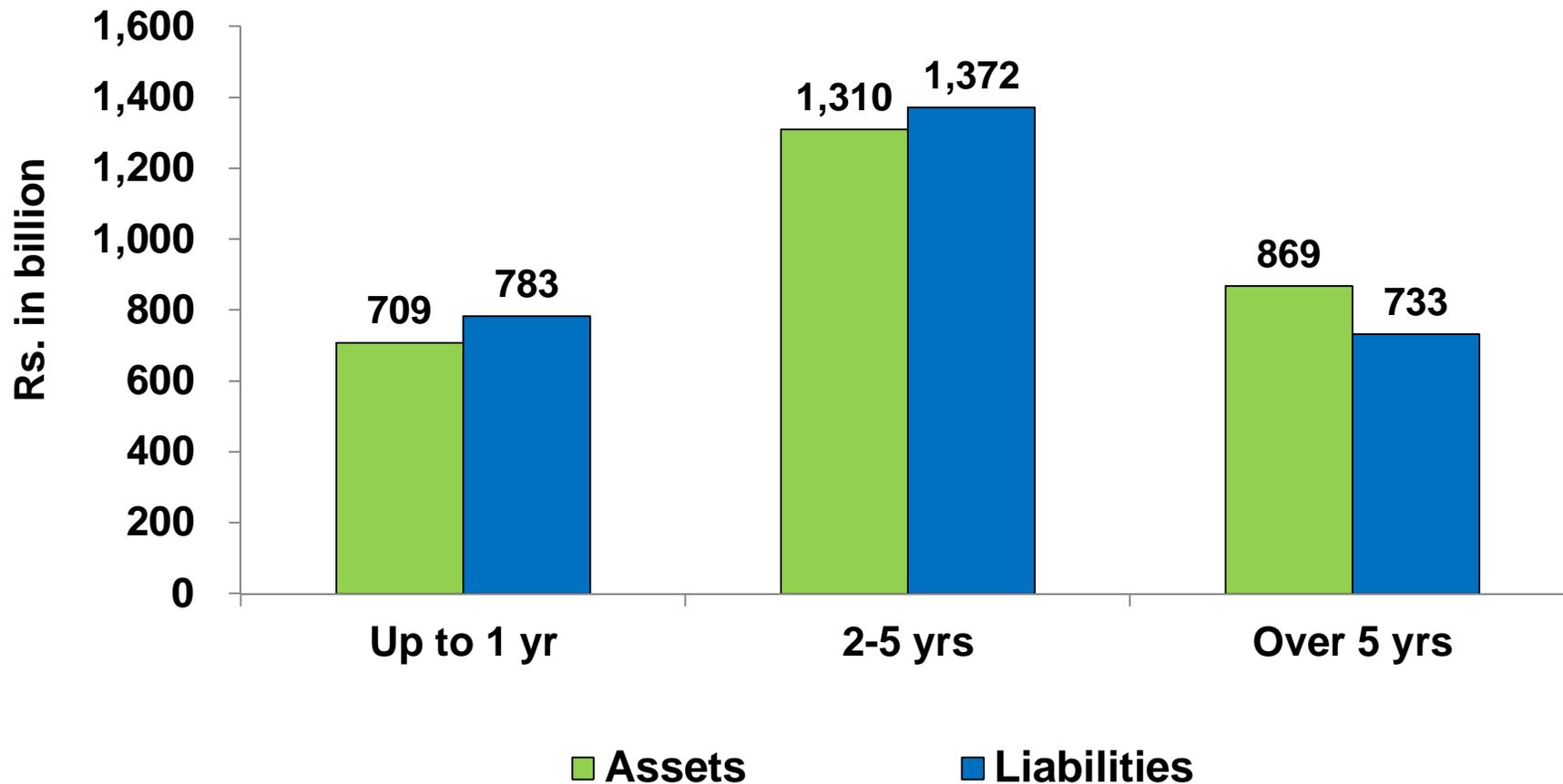
## BORROWINGS (2)

Net increase in funding for the year ended March 31, 2016

Borrowings	31-Mar-16	31-Mar-15	Net Increase	During the year FY 2016
	Rs. bn	Rs. bn	Rs. bn	% of incremental funding
Term Loans	427	262	165	57%
Debentures & Securities	1,208	1,163	45	16%
Deposits	747	667	80	27%
<b>Total</b>	<b>2,382</b>	<b>2,092</b>	<b>290</b>	<b>100%</b>

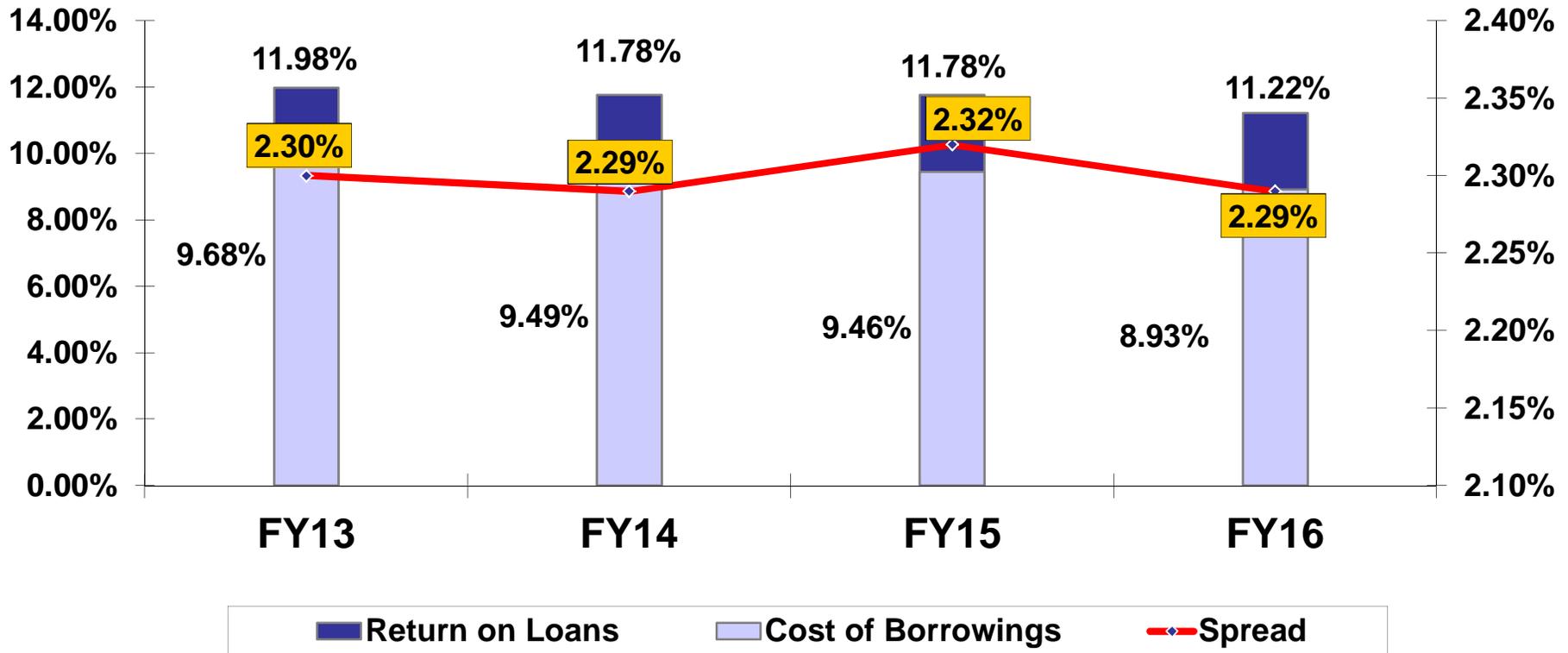
# MATURITY PROFILE

(As at March 31, 2016)



The above graph reflects adjustments for prepayments and renewals in accordance with the guidelines issued by National Housing Bank.

# LOAN SPREADS



FY16	
Spread earned on:	
Individual Loans	1.94%
Non-individual Loans	3.10%
Loan Book	2.29%

# STRENGTHS

## Home Loan Strengths

- Low average loan to value ratio and instalment to income ratios
- Efficient recovery mechanisms
- Steady level of prepayments
- Quality underwriting with experience of over 38 years

## Corporate Strengths

- Strong brand – customer base of 5.4 million
- Stable and experienced management
- High service standards
- Low cost income ratio: 7.6%

# PRODUCTIVITY RATIOS

	<b>FY16</b>	<b>FY10</b>	<b>FY00</b>	<b>FY90</b>
<b>Number of employees</b>	<b>2,196</b>	<b>1,505</b>	<b>794</b>	<b>727</b>
<b>Number of outlets</b>	<b>285</b>	<b>214</b>	<b>67</b>	<b>24</b>
<b>Profit per employee (US\$ '000)<sup>1</sup></b>	<b>512</b>	<b>416</b>	<b>118</b>	<b>8</b>
<b>Assets per employee (US\$ mn)</b>	<b>19.1</b>	<b>16.4</b>	<b>4.4</b>	<b>0.5</b>
<b>Admin costs/assets (%)</b>	<b>0.27</b>	<b>0.29</b>	<b>0.49</b>	<b>0.76</b>
<b>Cost income ratio (%)</b>	<b>7.6</b>	<b>7.9</b>	<b>13.8</b>	<b>30.9</b>

<sup>1</sup> Profit excludes the impact of Deferred Tax Liability on Special Reserve so as to make it comparable with earlier years.

## KEY FINANCIAL METRICS

	FY16	FY15	FY14
Net Interest Margin(%)	3.9	4.0	4.1
Pre Tax RoAA (%)	3.9	3.8	3.8
Post Tax RoAA (%)	2.8	2.7	2.7
Return on Equity (%)	21.8	20.3	20.6
Return on Equity (excl DTL)(%)	23.0	21.6	20.6
Risk Weighted Assets (Rs bn)	2088	2021	1812
Capital Adequacy (%) <sup>*</sup>	16.6	16.1	14.6
Of which Tier I	13.2	12.5	12.1

<sup>\*</sup> As at March 31, 2016: The capital adequacy ratio is after reducing the investments in HDFC Bank and DTL from Tier I capital. The Corporation's stance remains that it will never utilise this Reserve, hence the tax liability on Special Reserve will not materialise.

# VALUATIONS & SHAREHOLDING

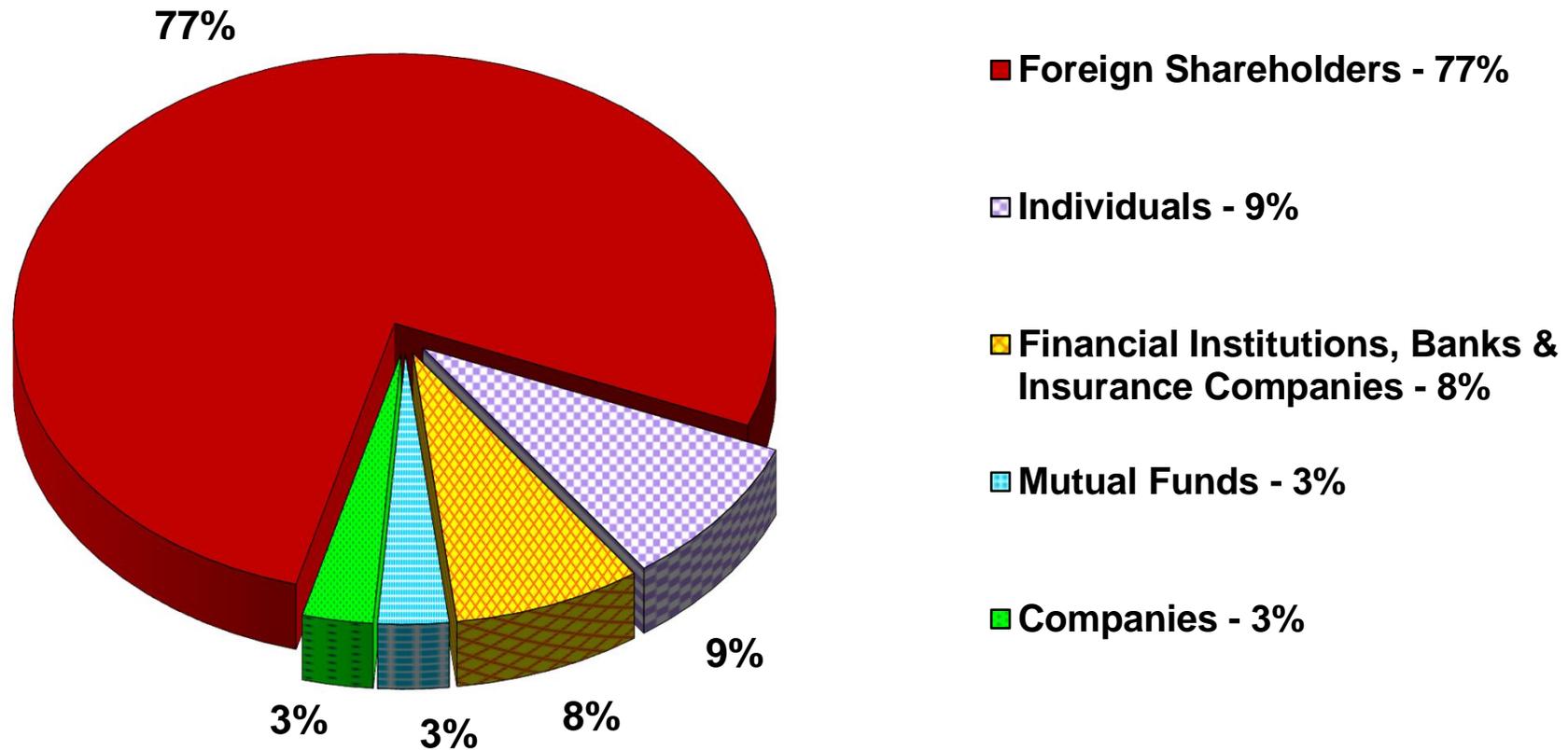
## VALUATIONS

	Mar-16	Mar-15	Mar-14
Market price per share (Rs)	1,106	1,316	884
Market Capitalisation (USD Bn)	26.3	31.2	20.8
Earnings per share (Rs)	45	38	35
Price Earnings Ratio (times)	24.6	34.6	25.4
Book Value per share (Rs) - Indian GAAP	216	197	179
Price to Book Ratio (times)	5.1	6.7	4.9
+ Adjusted Book value per share (Rs)	581	547	424
+ Price to Book Ratio (times)	1.9	2.4	2.1
Foreign Shareholding (%)	77	80	76

+ Adjusted for unrealised gains on listed investments amounting to Rs. 576.51 bn and DTL on Special Reserve. All unlisted investments, including investments in the life and non-life insurance companies and the asset management business are reflected at cost.

US\$ amounts are converted based on the exchange rate of US\$ 1 = Rs. 66.48

# SHAREHOLDING PATTERN (As at March 31, 2016)



# **FINANCIALS**

## **Standalone**

# BALANCE SHEET

	<u>Mar-16</u>	<u>Mar-15</u>	<u>Growth</u>
	(Rs. in billion)	(Rs. in billion)	(%)
<b>Sources of Funds</b>			
Shareholders' Funds	341.21	309.70	
Borrowings	2,381.93	2,092.17	14%
Current Liabilities & Provisions	164.39	137.65	
	<b>2,887.53</b>	<b>2,539.52</b>	<b>14%</b>
<b>Application of Funds</b>			
Loans <sup>1</sup>	2,592.24	2,281.81	14%
Investments	153.45	142.94	
Current/ Fixed Assets	141.84	114.77	
	<b>2,887.53</b>	<b>2,539.52</b>	<b>14%</b>

<sup>1</sup>Net of loans sold during the preceding 12 months amounting to Rs. 128 billion. If these loans were included, the growth in loans would have been higher at 19%.

Loans amounting to Rs. 48 billion were sold during the quarter ended March 31, 2016.

## PROFIT AND LOSS ACCOUNT – FY16 (Standalone)

	<u>Apr-Mar-16</u> (Rs. in billion)	<u>Apr-Mar-15</u> (Rs. in billion)	<u>Growth</u> (%)
<b>Operating Income of which:</b>			
Interest Fees & Other Operating Income	288.92	266.27	9%
Interest Expenses	193.74	179.75	8%
<b>Net Interest Income</b>	<b>95.18</b>	<b>86.52</b>	<b>10%</b>
Less: Commission	4.42	3.55	25%
	<b>90.76</b>	<b>82.97</b>	<b>9%</b>
Less: Non-Interest Expenses	7.59	7.07	7%
Less: Provision for Contingencies	2.65	1.65	
Add: Other Income	0.51	0.70	
Add: Dividend	8.07	6.88	
Add: Profit on Sale of Investments <sup>^</sup>	16.48	4.41	
	<b>105.58</b>	<b>86.24</b>	<b>22%</b>
Less: One Time Special Provision	4.50	-	
<b>Profit Before Tax</b>	<b>101.08</b>	<b>86.24</b>	<b>17%</b>
Provision for tax	26.36	22.69	
<b>Profit After tax but before DTL on Special Reserve</b>	<b>74.72</b>	<b>63.55</b>	<b>18%</b>
Less: Provision for DTL on Special Reserve	3.79	3.65	
<b>Profit After tax</b>	<b>70.93</b>	<b>59.90</b>	<b>18%</b>
<b>Effective tax rate (%)</b>	<b>29.8%</b>	<b>30.5%</b>	

<sup>^</sup>FY16: Includes Profit on Sale of HDFC Life Rs. 15.13 bn

# KEY ASSOCIATES AND SUBSIDIARIES

# HDFC BANK

- **21.5% owned by HDFC**
- **Market Capitalisation: US\$ 41 bn**
- **ADRs listed on NYSE**
- **4,520 branches, 12,000 ATMs**
- **Key business areas**
  - Wholesale banking      Retail banking      Treasury operations
- **Financials (as per Indian GAAP) for the year ended March 31, 2016**
  - Advances as at March 31, 2016, stood at Rs. 4,646 bn – an increase of 27% over the previous year
  - Total deposits stood at Rs. 5,464 bn – an increase of 21% over the previous year
  - PAT: Rs. 122.96 bn – an increase of 20% over the previous year
- **Arrangement between HDFC & HDFC Bank**
  - HDFC Bank sources home loans for a fee
  - Loans originated in the books of HDFC
  - HDFC offers a part of the disbursed loans for assignment to HDFC Bank (up to 70% of loans sourced by HDFC Bank)
  - HDFC retains a spread on the loans that have been assigned

# HDFC STANDARD LIFE INSURANCE COMPANY LTD. (HDFC LIFE)

## Ownership and Capitalisation

- HDFC holds 61.6% and Standard Life 35% of the equity of HDFC Life
- Sale of 9% stake by HDFC to Standard Life completed in March 2016
- Paid-up share capital as at March 31, 2016: Rs. 21.6 bn
- Proposed Initial Public Offering (IPO) subject to market conditions and requisite approvals

## Premium income and growth for the year ended March 31, 2016

- Total premium income stood at Rs. 163.1 bn – growth of 10% over the previous year
- Individual new business premium income (including single premium): Rs. 36.6 bn – growth of 10% over the previous year
- Group business stood at Rs. 28.3 bn – growth of 30% over the previous year

## Market share

- Ranked 1<sup>st</sup> in group business and 3<sup>rd</sup> in individual business for the year ended March 31, 2016 (private sector)
- Individual weighted received premium market share stood at 14.7% (private sector)

# HDFC STANDARD LIFE INSURANCE COMPANY LTD.

## Assets Under Management

- As at March 31, 2016, Assets Under Management stood at Rs. 742.5 bn – an increase of 11% over March 31, 2015

## Products

- Offers 28 individual products and 8 group products with 7 optional riders
- Offers 28 fund options across product categories
- Product mix - Unit Linked : Traditional is 56:44 (PY 63:37)

## Distribution

- HDFC group network is used to cross sell by offering customised products
- Operates out of 398 offices across the country serving over 751 locations and a liaison office in Dubai
- Network of 1,00,000 financial consultants, four key bancassurance partners, 10 major pan India brokers and corporate agency tie-ups with access to over 9,000 distributor touch-points
- Channel mix - Agency: 12%, Corporate agency: 75%, Broker: 4%, Direct: 6%, Online: 3%
- Recently incorporated an international wholly-owned subsidiary called the 'HDFC International Life and Re Company Limited' (HILRCL) to carry out reinsurance capacity in the UAE. HILRCL may foray into directly underwriting insurance contracts, subject to receipt of necessary approvals in future.

# HDFC STANDARD LIFE INSURANCE COMPANY LTD.

## Solvency Ratio

- As at March 31, 2016: 198% (as against regulatory requirement of 150%)

## Operating highlights (Year ended March 31, 2016)

- Commission ratio: 4.3% (PY 4.2%)
- Operating expenses: 11.6% (PY 10.2%)
- Conservation ratio: 80% (PY 90%)

## Financial Highlights

- Indian GAAP profits for the year ended March 31, 2016 stood at Rs. 8.2 bn (PY Rs. 7.9 bn)
- New business margin at the company level for the year ended March 31, 2016
  - Pre Overrun (based on loaded acquisition expenses) – 23.6% (PY: 22.5%)
  - Post overrun (after impact of acquisition overrun) – 19.8% (PY: 18.5%)
- Market Consistent Embedded Value as at March 31, 2016: Rs. 102.1 bn – an increase of 16% over March 31, 2015

# HDFC ASSET MANAGEMENT

- **HDFC holds 59.9% of HDFC Asset Management, Standard Life Investments holds 40%**
- **HDFC MF manages 59 schemes comprising debt, equity, gold exchange traded fund and fund of funds scheme**
- **Earned a Profit After Tax of Rs. 4.78 bn for FY 2016**
- **Average Assets under Management (AUM) for the month of March 2016, stood at Rs. 1.83 trillion, which is inclusive of assets under discretionary portfolio management and advisory services**
- **Average equity assets of HDFC MF as a proportion of total MF assets is 36.8%**
- **One of the largest in the industry on the basis of quarterly average assets under management (*Source: AMFI*)**
  - **Overall market share: 12.9%**
  - **Market share of equity oriented funds: 15.8%**

# HDFC ERGO GENERAL INSURANCE COMPANY LTD.

## Ownership and Capitalisation

- HDFC holds 73.6% and ERGO 25.8% of the equity of HDFC ERGO
- During the year, HDFC and ERGO entered into an agreement wherein ERGO will increase its stake in HDFC ERGO to 48.7%, subject to the receipt of regulatory approvals
- Paid up share capital as at March 31, 2016: Rs. 5.39 bn

## Market share

- Market share of 7.7% (private sector) and 3.7% (overall) in terms of gross direct premium for the year ended March 31, 2016 (Source: GI Council)

## Products

- Motor, health, travel, home and personal accident in the retail segment and property, marine, aviation and liability insurance in the corporate segment
- Retail accounts for 63% of the total business

## Distribution

- Operates out of 108 branches across the country
- HDFC group network is used to cross sell home and health insurance products

## For the year ended March 31, 2016

- Gross direct premium (excluding Declined risk pool): Rs. 33.8 bn (PY Rs. 31.8)
- Profit After Tax: Rs. 1.51 bn (PY Rs. 1.04 bn)
  
- Combined Ratio as at March 31, 2016: 105.6% (after motor & declined risk pool losses)
- Solvency as at March 31, 2016: 167% (as against regulatory requirement of 150%)

# GRUH FINANCE LIMITED (GRUH)

- **58.6% owned by HDFC**
- **Registered housing finance company offering loans to individuals for purchase, construction and renovation of dwelling units**
- **Also offers loans to the self-employed segment where formal income proofs are not available.**
- **Retail network of 179 offices across 10 states in India – Gujarat, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Bihar and Jharkhand**
- **Financials for the year ended March 31, 2016**
  - **Loan portfolio as at March 31, 2016, stood at Rs. 111.15 bn – an increase of 25% over the previous year**
  - **Gross non-performing assets (NPAs): 0.32%, Net NPAs: 0.09%**
  - **PAT: Rs. 2.44 billion – an increase of 20% over the previous year**
- **Market capitalisation: US\$ 1.3 bn**

# PROPERTY FUNDS

- **HDFC India Real Estate Fund**
  - Launched in 2005
  - Fund corpus : Rs. 10 billion – fully invested
  - Domestic investors, close-ended fund
  - Exits have commenced; 1.56 X of the fund corpus has been returned to investors
- **HIREF International LLC**
  - Launched in 2007
  - Fund corpus : US\$ 800 mn
  - International investors, 9 year close-ended fund
  - Exits have commenced and the Fund is in the process of exiting from the balance investments
- **HIREF International LLC II Pte Ltd.**
  - Fund corpus: US\$ 321 million
  - Final close in April 2015
  - International investors, 8 year close-ended fund
- **HDFC Capital Affordable Real Estate Fund – 1**
  - HCARE-1 is a SEBI registered Alternative Investment Fund
  - Target fund size: Rs. 50 billion, first close: Rs. 27 billion
  - Objective is to provide long-term equity-oriented capital for the development of housing for middle-income households in India
  - HCARE-1 is a close-ended fund with a term of 12 years
  - HDFC Capital Advisors is the investment advisor for the fund

# **CREDILA FINANCIAL SERVICES**

- **HDFC holds 89.5% in Credila Financial Services Private Limited**
- **Credila is a non-banking finance company and was the first Indian lender to exclusively focus on education loans**
- **The company lends to under-graduate and post-graduate students studying in India or abroad**
- **As at March 31, 2016**
  - **Profit After Tax: Rs. 450.6 mn – growth of 61%**
  - **Cumulative disbursements: Rs. 33.2 bn**
  - **Loan book outstanding as at March 31, 2016: Rs. 24 bn – growth of 42% over previous year**
  - **Average loan: Rs. 1.7 mn**
  - **Gross non-performing assets: 0.05%**

# **FINANCIALS**

## **Consolidated**

# BALANCE SHEET (Consolidated)

	<u>Mar-16</u> (Rs. in billion)	<u>Mar-15</u> (Rs. in billion)	<u>Growth</u> (%)
<b>Sources of Funds</b>			
Shareholders' Funds	509.01	450.72	13%
Minority Interest	23.26	18.20	
Policy Liabilities	612.15	549.24	
Loan Funds	2,492.94	2,173.57	15%
Current Liabilities & Provisions	339.44	303.52	
	<b>3,976.80</b>	<b>3,495.25</b>	<b>14%</b>
<b>Application of Funds</b>			
Loans <sup>1</sup>	2,720.86	2,382.06	14%
Investments	1,047.21	937.82	
Current Assets, Advances & Fixed Assets	206.85	173.49	
Goodwill on Consolidation	1.88	1.88	
	<b>3,976.80</b>	<b>3,495.25</b>	<b>14%</b>

<sup>1</sup>Net of loans sold during the preceding 12 months amounting to Rs. 128 billion. If these loans were included, the growth in loans would have been higher at 19%.

Loans amounting to Rs. 48 billion were sold during the quarter ended March 31, 2016.

## PROFIT AND LOSS ACCOUNT (Consolidated)

	Apr-Mar-16 (Rs. in billion)	Apr-Mar-15 (Rs. in billion)	Growth (%)
<b>Income</b>			
Revenue from Operations	318.73	290.76	10%
Premium Income from Insurance Business	178.76	164.27	9%
Other Operating Income from Insurance Business	18.57	23.02	
Profit on Sale of Investments	16.17	5.11	
Other Income	0.34	0.74	
<b>Total Income</b>	<b>532.57</b>	<b>483.90</b>	<b>10%</b>
<b>Expenses</b>			
Finance Cost	202.96	187.10	8%
Staff/Establishment/Other Expenses	18.02	14.20	
Claims paid pertaining to Insurance Business	94.86	95.51	
Commission, Operating Expenses and Other Expenses- Insurance Business	92.07	83.57	
Depreciation/Provision for Contingencies	8.53	2.35	
<b>Total Expenses</b>	<b>416.44</b>	<b>382.73</b>	<b>9%</b>
<b>Profit Before Tax</b>	<b>116.13</b>	<b>101.17</b>	<b>15%</b>
Tax Expense	36.39	31.66	
<b>Net Profit</b>	<b>79.74</b>	<b>69.51</b>	<b>15%</b>
Share of profit of minority shareholder	(5.29)	(4.83)	
Net share of profit of Associates (Equity Method)	27.45	22.94	
<b>Profit after Tax attributable to the Group</b>	<b>101.90</b>	<b>87.62</b>	<b>16%</b>

# CONSOLIDATED PROFIT AFTER TAX

## As per Indian GAAP

	Mar-16	Mar-15
	(Rs. in billion)	(Rs. in billion)
<b>HDFC Profit After Tax</b>	<b>70.93</b>	<b>59.90</b>
HDFC Life	5.51	5.46
HDFC Ergo	1.01	0.71
GRUH	1.33	1.10
HDFC Bank	27.41	22.94
HDFC-AMC	2.40	2.29
Others	1.76	2.22
Dividend and Other Adjustments	(8.45)	(6.99)
<b>Consolidated Profit After Tax</b>	<b>101.90</b>	<b>87.63</b>
<b>Contribution of subs/ associates to the consolidated PAT</b>	<b>30%</b>	<b>32%</b>

# CONSOLIDATED EARNINGS

## As per Indian GAAP

(As at March 31, 2016)

	<u>HDFC</u>	<u>Consolidated</u>
Return on Equity	21.8%	20.7%
Return on Average Assets	2.8%	2.7%
Earnings Per Share (Rs.)	45	64
Profit After Tax (Rs. in billion)	70.93	101.90
Total Assets (Rs. in billion)	2,887.53	3,976.80

# AWARDS & ACCOLADES

- **HDFC among the World's Top 10 Consumer Financial Services Company List, 2015 – Forbes**
- **HDFC awarded 'Best Home Loan Provider of the Decade' by CNBC Awaaz Real Estate Awards 2015**
- **HDFC ranked amongst the top 10 Best Indian Brands 2015 by international brand valuation firm, Interbrand.**
- **HDFC among the Top 5 Most Impactful Companies of the last decade – CNBC Awaaz, 2014**
- **HDFC awarded the Best Loan Finance Bank & Best Overall Bank for Real Estate in India' at EUROMONEY Real Estate Awards 2014**
- **HDFC board recognised amongst the “Best Boards” by The Economic Times and Hay Group on India's Best Boards for two consecutive years – 2013 and 2014.**
- **Top Indian Company in the 'Financial Institutions/Non-Banking Financial Companies/Financial Services' category at the Dun & Bradstreet Corporate Awards 2014. The Corporation has won this award seven times.**
- **HDFC selected as the Best Home Loan Provider by CNBC Awaaz – CNBC Awaaz Real Estate Awards, 2013**
- **HDFC adjudged the 'Best Home Loan Provider' for third consecutive year – Outlook Money Awards, 2013**
- **Awarded the Qimpro-Best Prax Benchmark 2013 in Leadership Governance**
- **HDFC is the only Indian company to be included in the fifth annual list of the '2011 World's Most Ethical Companies' by Ethisphere Institute, USA**
- **HDFC voted 'Best Investor Relations' in India – Finance Asia's 2011 Annual Poll**
- **HDFC ranked amongst India's best companies to work for – Great Place to Work Institute®, 2012**
- **Awarded the 'Best Foreign Enterprise with a Developmental Role in Housing Finance in Africa' – African Real Estate & Housing Finance Academy**

***Thank You***