

Ref. No.: SE/2019-20/183

September 13, 2019

BSE Limited
P. J. Towers
Dalal Street
Mumbai 400 001National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East), Mumbai 400 051**Kind Attn:** Sr. General Manager
DCS - Listing Department**Kind Attn:** Head – Listing

Dear Sirs,

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

Pursuant to the above-mentioned regulations, we wish to inform you that the Corporation participated in the investor conference as given below:

Date	Organised by	Type of Meeting/Event	Location
September 13, 2019	BOB Capital Markets Limited	Investor Conference “BFSI and Midcaps Emerging Ideas Conference 2019 ”	Mumbai

A copy of the investor presentation is enclosed for your reference and is placed on the Corporation's website.

We request you to kindly take the same on record.

Thank you.

Yours faithfully,
For **Housing Development Finance Corporation Limited**
Ajay Agarwal
Company Secretary

Encl. a/a

Corporate Office: HDFC House, H T Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020.
Tel.: 66316000, 22820282. Fax: 022-22046834, 22046758.**Regd. Office:** Ramon House, H T Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020. INDIA.
Corporate Identity Number: L70100MH1977PLC019916



**Housing Development Finance
Corporation Limited**

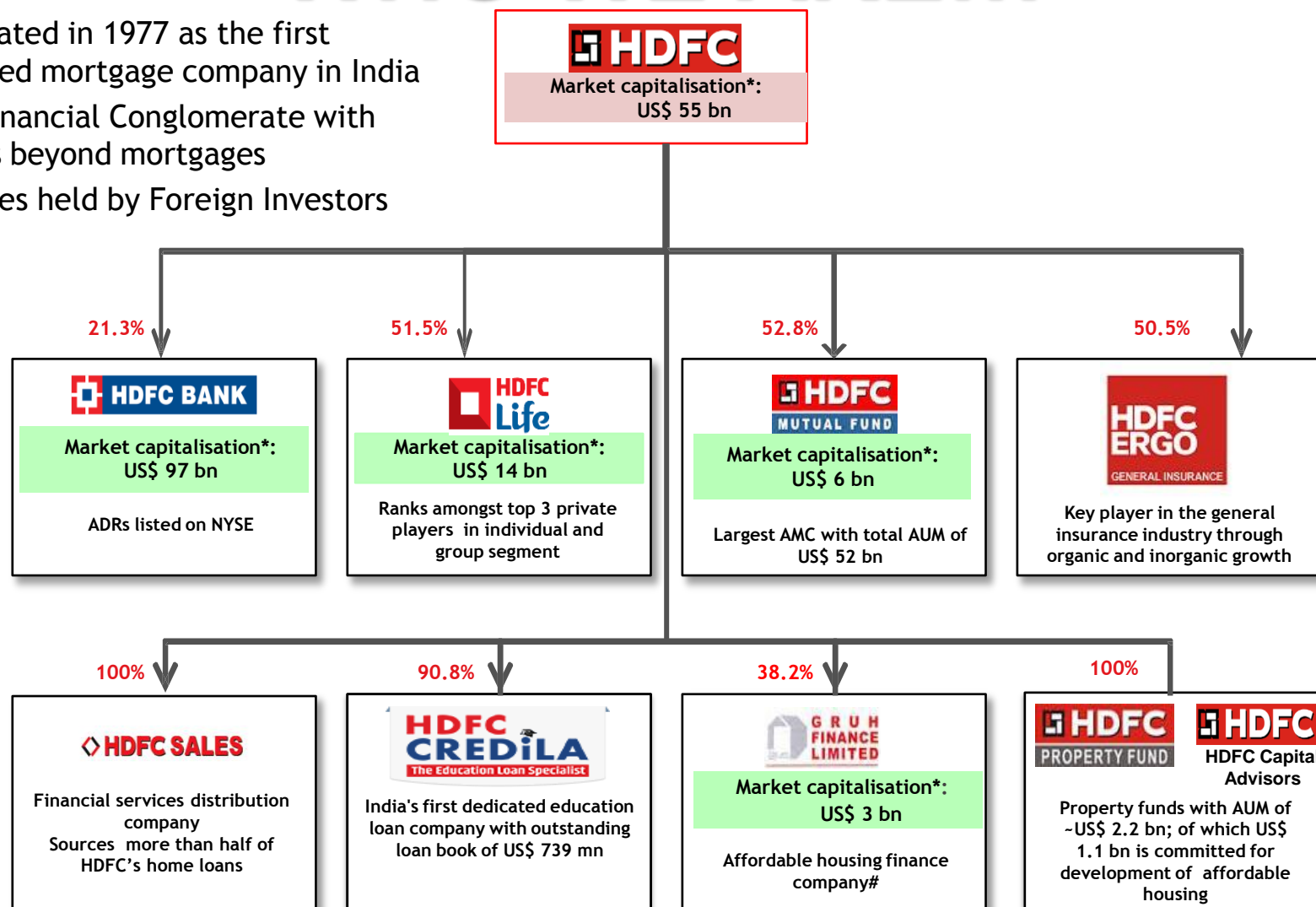
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HDFC SNAPSHOT

WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages
- 75% shares held by Foreign Investors



*As at June 30, 2019
US\$ amounts converted based on exchange rate of US\$ 1 = Rs. 69.12

Gruh to be merged into Bandhan Bank, subject to regulatory approvals.

BUSINESS SUMMARY

- Loans Outstanding (Gross loans)
(As at June 30, 2019)

: Rs. 4,759.33 bn
: US\$ 68.86 bn
- Individual Loans Originated CAGR (5 years)
(FY19)

: 17%
- Cumulative Housing Units Financed

: 7.2 million
- Cumulative loan write offs since inception
(of cumulative disbursements)

: 9 basis points
- Cost to Income Ratio

: 8.5%
- Unaccounted gains on listed investments
in subsidiary and associate companies
(As at June 30, 2019)

: Rs. 2,077.25 bn
: US\$ 30.05 bn
- Consolidated Profit After Tax CAGR (5 years)
(FY19)

: 16%

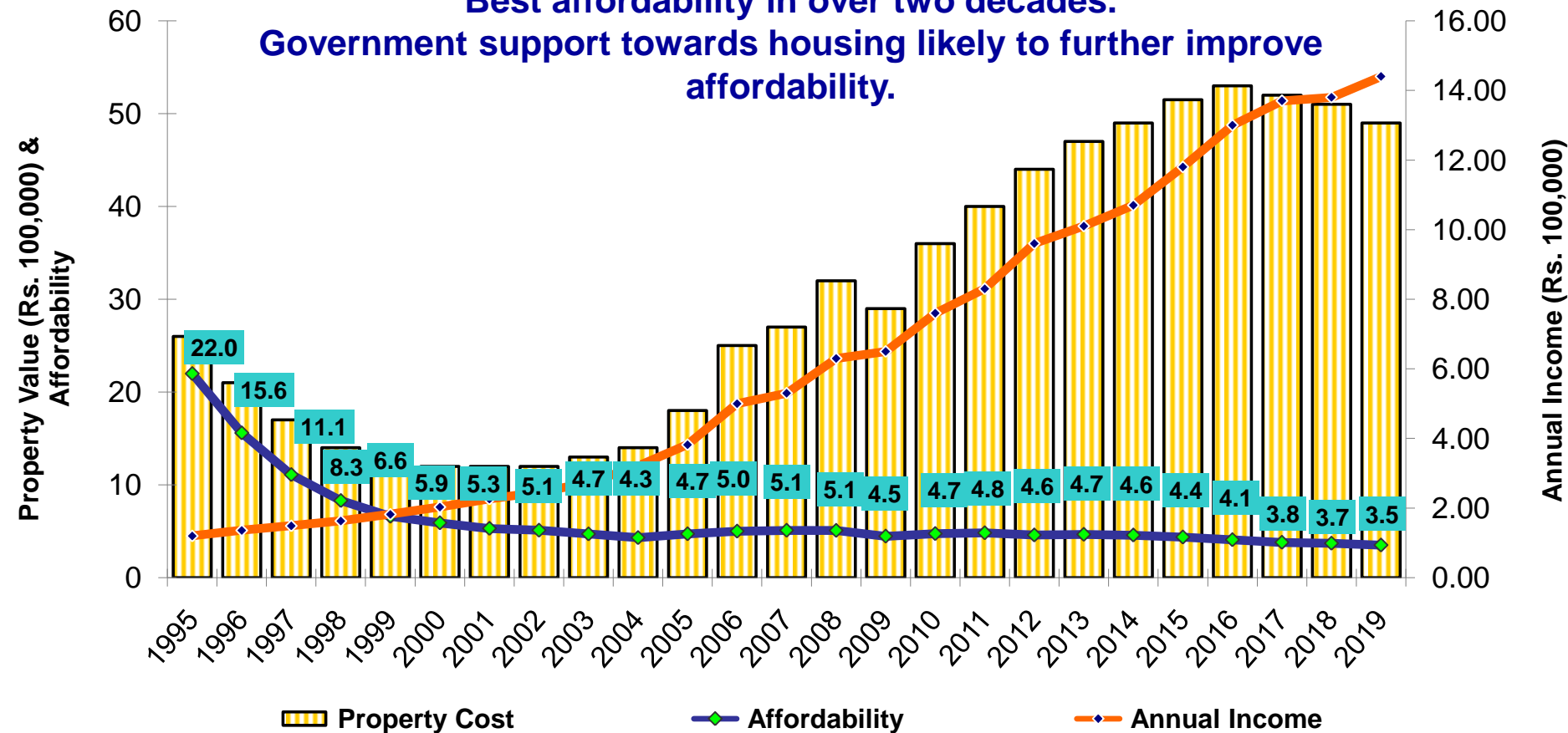
MORTGAGE MARKET IN INDIA

DRIVERS OF MORTGAGE GROWTH

- **Improved Affordability**
- **Low Penetration**
- **Government Incentives**
 - **Enhanced Fiscal Benefits**
 - **Credit Linked Subsidy Scheme**
- **Other Demand Drivers**

IMPROVED AFFORDABILITY

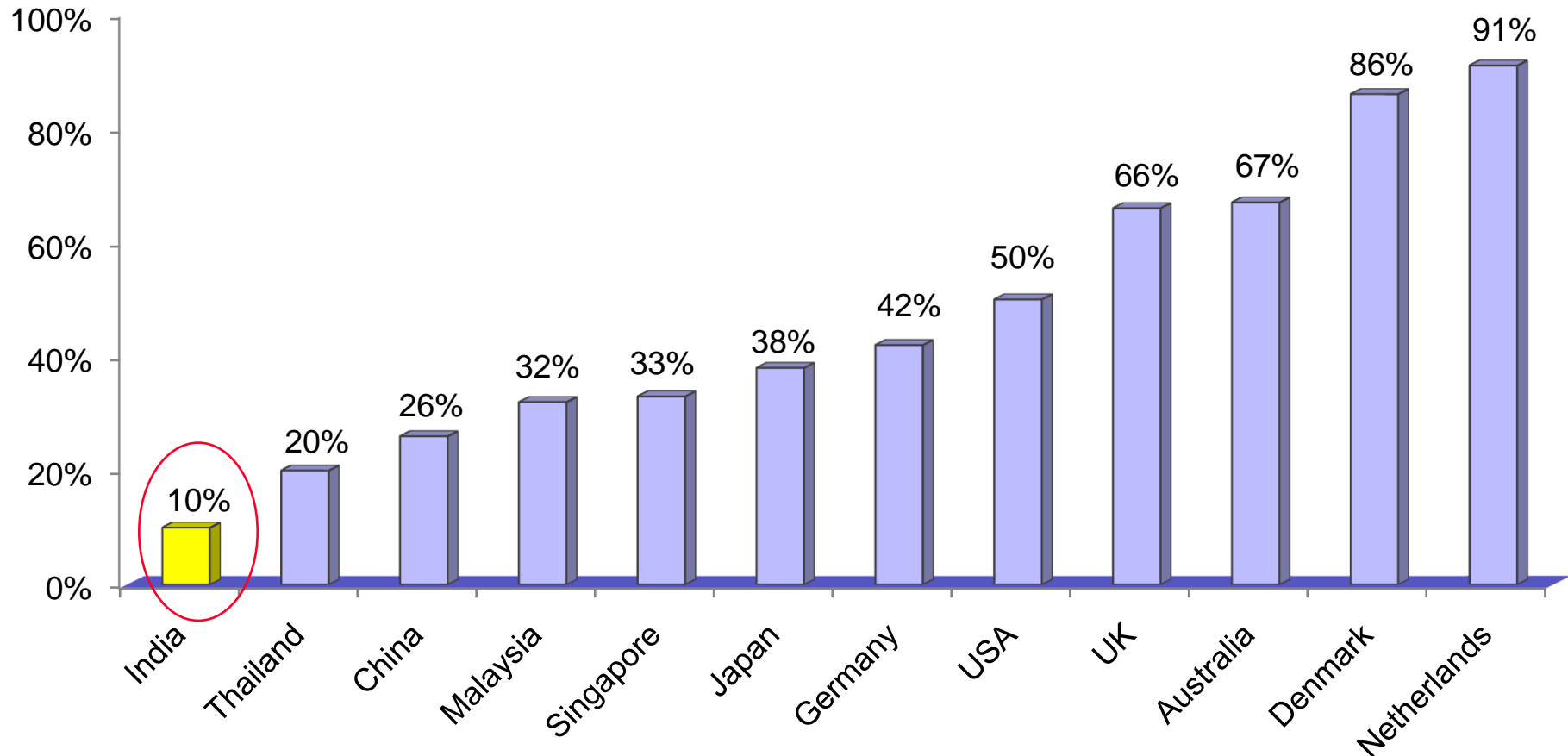
Best affordability in over two decades.
Government support towards housing likely to further improve affordability.



Representation of property price estimates

Affordability equals property prices by annual income

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



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

GOVERNMENT INITIATIVES

Fiscal Incentives

Tax incentives on interest and principal amount for home loan borrowers

Interest Subvention Scheme

Interest rate subsidy under the Credit Linked Subsidy Scheme (CLSS) widened to include middle-income groups

Extension of timeframe and rationalisation of conditions under the CLSS

Supply Side Incentives

Incentives to developers to build affordable housing

‘Infrastructure’ status accorded to affordable housing

External Commercial Borrowings/Rupee Denominated Bonds Issued Overseas

TAX INCENTIVES & THE CREDIT LINKED SUBSIDY SCHEME (CLSS) HAVE LOWERED THE EFFECTIVE RATES ON MORTGAGES

	FY 2020	FY 2002	FY 2000
Loan amount (Rs)	2,780,000	2,780,000	2,780,000
Less: Subsidy under CLSS	230,156	-	-
Revised loan amount	2,549,844	2,780,000	2,780,000
Nominal Interest Rate(%)	8.45%	10.75%	13.25%
Max deduction for interest allowed	200,000	150,000	75,000
Deduction on principal	150,000	20,000	20,000
Tax rate	30.90%	31.50%	34.50%
Tenor (years)	20	20	20
Total amount paid per year	365,462	328,944	385,380
Interest component	215,462	298,850	368,350
Principal repaid	150,000	30,094	17,030
Tax amount saved	108,150	53,550	32,775
Effective interest paid on home loan	107,312	245,300	335,575
Effective interest on home loan	3.9%	8.8%	12.1%

The Union Budget 2019-20 provided further tax incentives for homebuyers. Section 80 EEA of the Income Tax Act provides an additional deduction of up to Rs. 1,50,000 in respect of interest payment on a home loan for a first-time homebuyer, provided the property cost is less than Rs. 4.5 million and the loan is sanctioned between April 1, 2019 to March 31, 2020. The will be w.e.f. April 1, 2020.

CREDIT LINKED SUBSIDY SCHEME – AN ENABLER

- The Credit Linked Subsidy Scheme (CLSS) is one of the key components under the government’s flagship programme, ‘Housing for All by 2022.’
- The interest subsidy on the home loan is paid to the beneficiary upfront, thereby reducing the amount of the equated monthly instalment (EMI).
- The eligible beneficiary family should not own a home,
- Applicable for home loans disbursed after January 1, 2017.
- HDFC ranked as the top performing primary lending institution in the EWS & LIG segment and the second best in the MIG segment of the CLSS

KEY FEATURES OF THE CLSS SCHEME

	Economically Weaker/ Low Income Group	Middle Income Group -I	Middle Income Group-II
Household Income p.a.	Up to Rs 600,000 (US\$ 8,700)	Rs > 600,000 up to 1,200,000 (>US\$ 8,700 to 17,400)	> Rs 1,200,000 to 1,800,000 (>US\$ 17,400 to 26,000)
Property size (sq mtrs)	60	160	200
Maximum amount of loan qualifying for subsidy	Rs 600,000 (US\$ 8,700)	Rs 900,000 (US\$ 13,000)	Rs 1,200,000 (US\$ 26,000)
Interest Subsidy (% per annum)	6.50%	4%	3%
Subsidy under CLSS*	Rs 267,280 (US\$ 3,900)	Rs 235,068 (US\$ 3,400)	Rs 230,156 (US\$ 3,300)

*NPV discount rate at 9% for 20 years

OTHER DEMAND DRIVERS

- **Favourable Demographics:** 66% of India's population is below 35 years of age, hence large potential for home loans
- **Nuclear Households:** Rise in the number of households with a shift towards nuclear families
- **Urbanisation:** Currently 32% of the Indian population reside in cities; estimated to be 50% by 2030
- **Interest Rates:** Improved affordability through rising disposable incomes and affordable interest rates on home loans

OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES

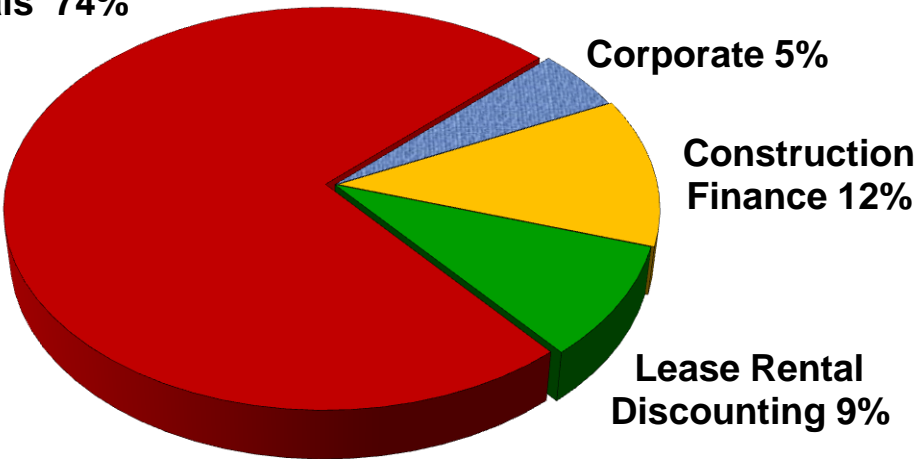
CORE BUSINESS – LENDING

(As at June 30, 2019: Gross Loans - US\$ 69 bn)

INDIVIDUAL LOANS

- Home Loans
 - Fixed rate loans
 - Floating rate loans
- Home Improvement Loans
- Home Extension Loans
- Home Equity Loans
- Rural Home Loans
- Loans to NRIs

Individuals 74%



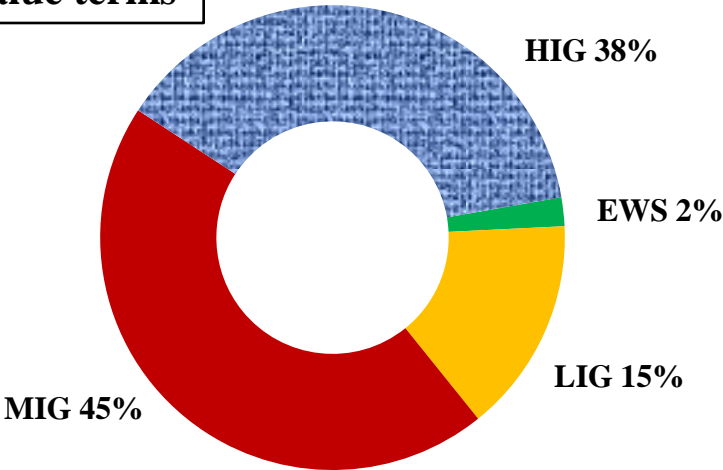
As at June 30, 2019	Loan Book Outstanding (After Sell Down)			Loan Book o/s Before Sell Down in last 12 months			Assets Under Management		
	Rs. bn	US\$ bn	%Growth	Rs. bn	US\$ bn	%Growth	Rs. bn	US\$ bn	%Growth
Individuals	2,975	43	15%	3,202	46	24%	3,561	52	17%
Non-Individuals	1,191	17	2%	1,191	17	2%	1,198	17	2%
Total	4,166	60	11%	4,393	63	17%	4,759	69	13%

Individual loans sold (outstanding): Rs. 586 bn (US\$ 8.5 bn)

AFFORDABLE HOUSING

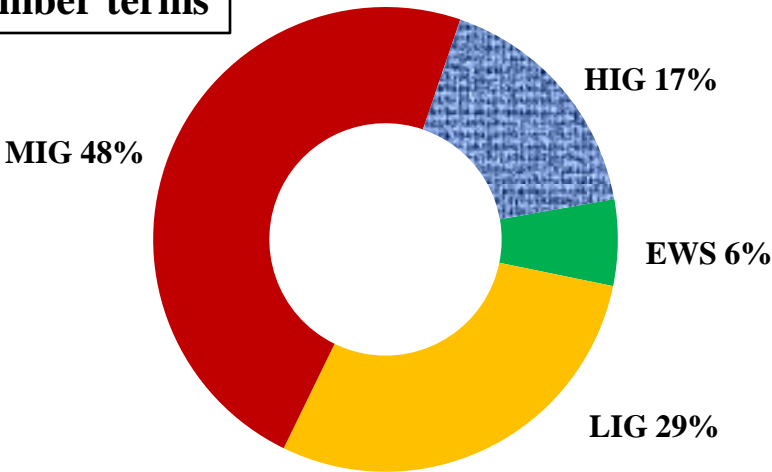
Housing Loan Approvals Based on Income Slabs: Q1FY20

In Value terms



Economically Weaker Section: Up to Rs 0.3 mn p.a.
Middle Income Group: Above Rs 0.6 mn to Rs 1.8 mn p.a.

In Number terms



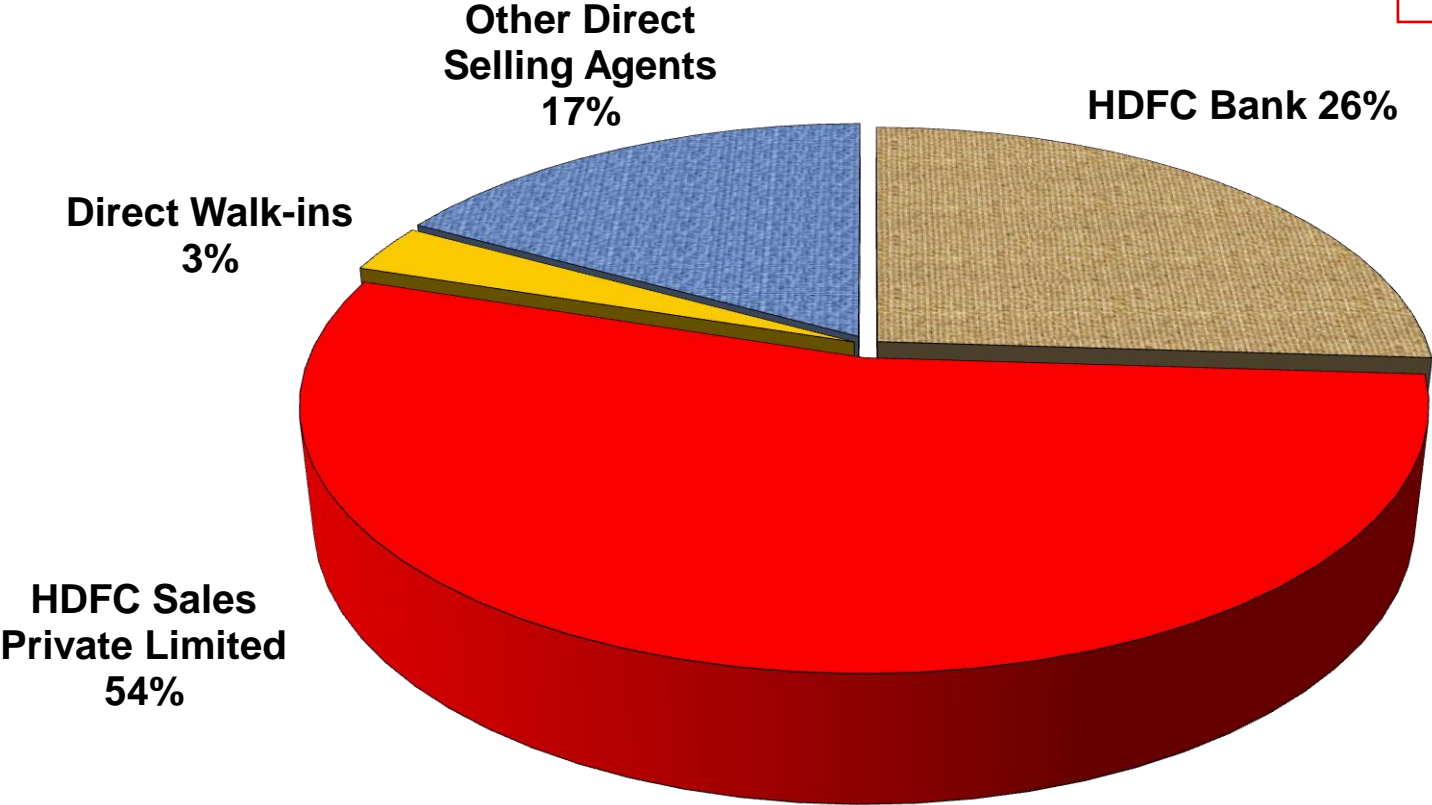
Low Income Group: Above Rs 0.3 mn to Rs 0.6 mn p.a.
High Income Group: Above Rs 1.8 mn p.a.

Increase in Housing Loans to EWS & LIG Segments – Volume Driven Business

- 35% of home loan approvals in volume terms has been to the EWS & LIG segments and 17% in value terms
- Approving ~8,700 loans monthly in EWS/LIG segment; monthly average approvals: Rs 14.15 bn
- Average home loan – EWS: Rs 1.02 mn, LIG: Rs 1.75 mn

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

June 30, 2019

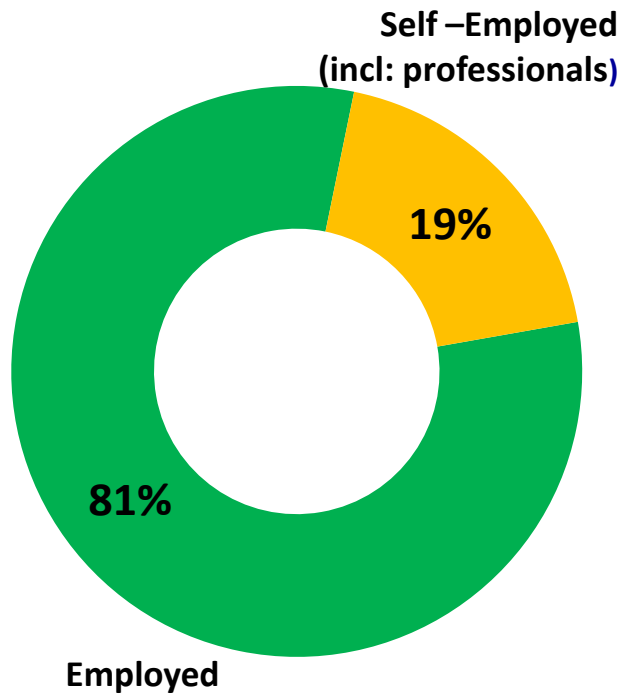


Deposit & loan products offered at several locations through outreach programmes.

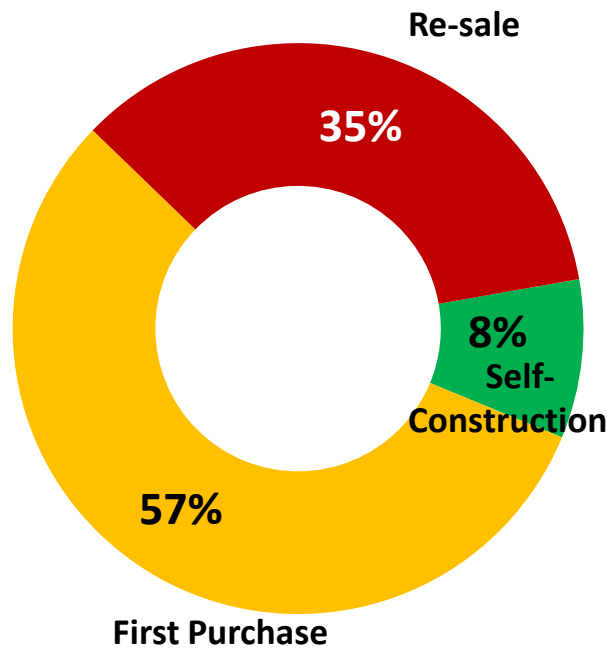
Total number of offices: 557 which is inclusive of 196 outlets of HDFC’s wholly owned distribution company.

INDIVIDUAL LOANS*: Q1FY20

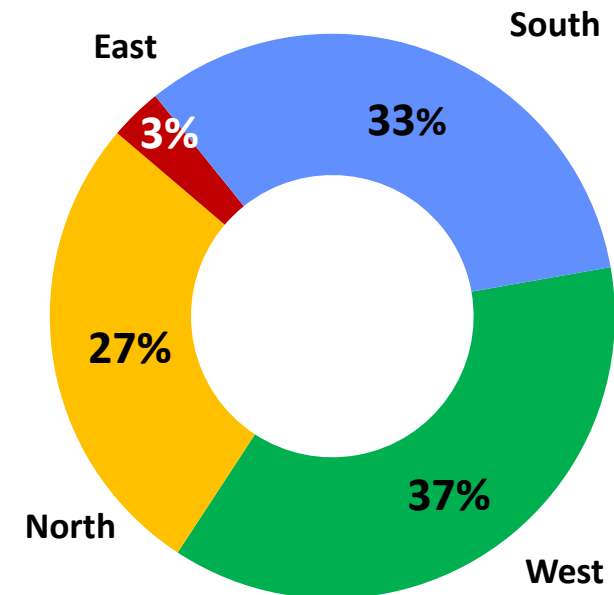
Based on Employment



Acquisition Mode



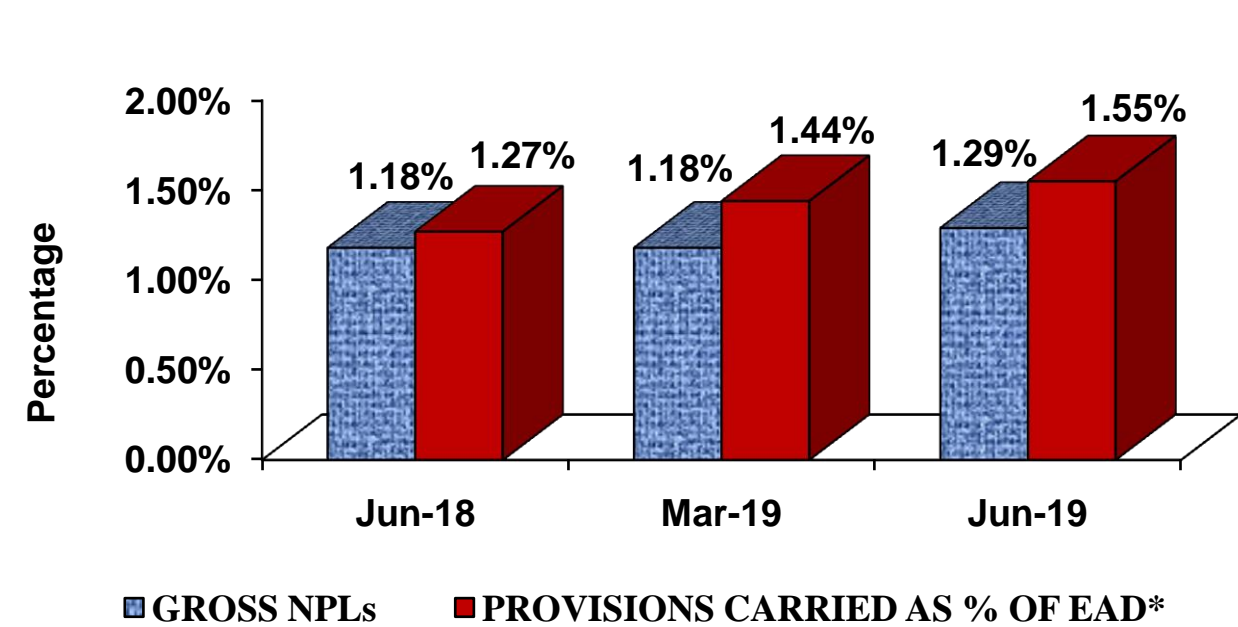
Geographic Spread



OUR CONSERVATIVE LOAN PROFILE UNDERLIES OUR HIGH CREDIT QUALITY

- **Average Loan Size** : Rs. 27.8 mn (US\$ 40,220)
- **Average Loan to Value** : 70% (at origination)
- **Average Loan Term** : 13 years
- **Average Age** : 39 years
- **Primary Security** : Mortgage of property financed
- **Repayment Type** : Amortising

NON-PERFORMING LOANS (NPLs) & PROVISIONS CARRIED



As at June 30, 2019	
	(Rs. in bn)
NPLs (3 months):	53.15
Provisions Carried:	64.70
Regulatory Provisioning:	33.66
NPLs as % of the loan portfolio:	
Individual Loans:	0.72%
Non-individual Loans:	2.68%
Total:	1.29%

Total loan write offs since inception is 9 basis points of cumulative disbursements.

*EAD: Exposure at Default

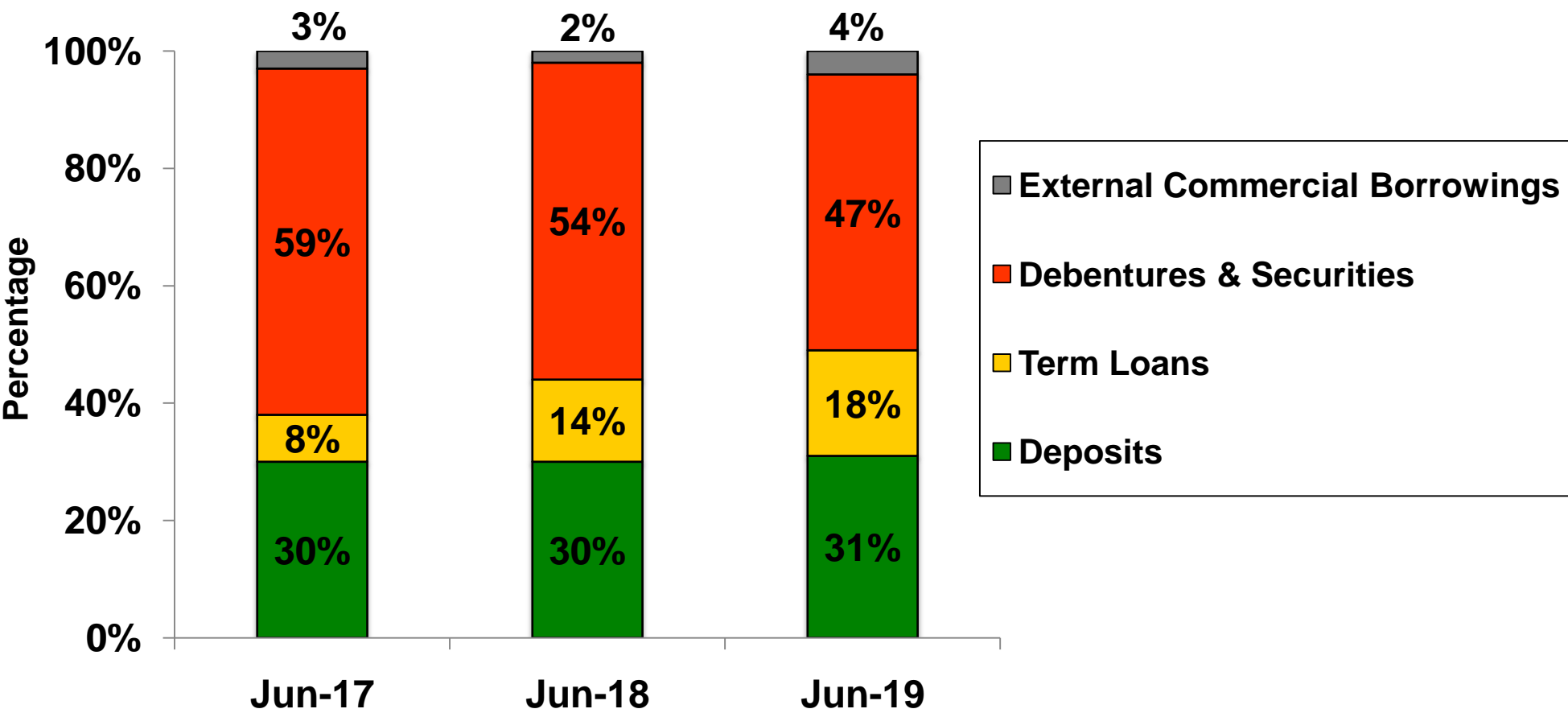
EXPECTED CREDIT LOSS (ECL) BASED ON EXPOSURE AT DEFAULT (EAD)

Rs bn

As per IND AS	Jun-19	Mar-19
Gross Stage 3	62.28	57.43
ECL Provision Stage 3	24.76	24.99
Net Stage 3	37.52	32.44
Coverage Ratio% Stage 3	40%	44%
Gross Stage 1 & 2	4,100.96	4,013.89
ECL Provision Stage 1 & 2	39.94	33.79
Net Stage 1 & 2	4,061.02	3,980.10
ECL Provision % Stage 1 & 2	0.97%	0.84%
ECL/EAD	1.55%	1.44%

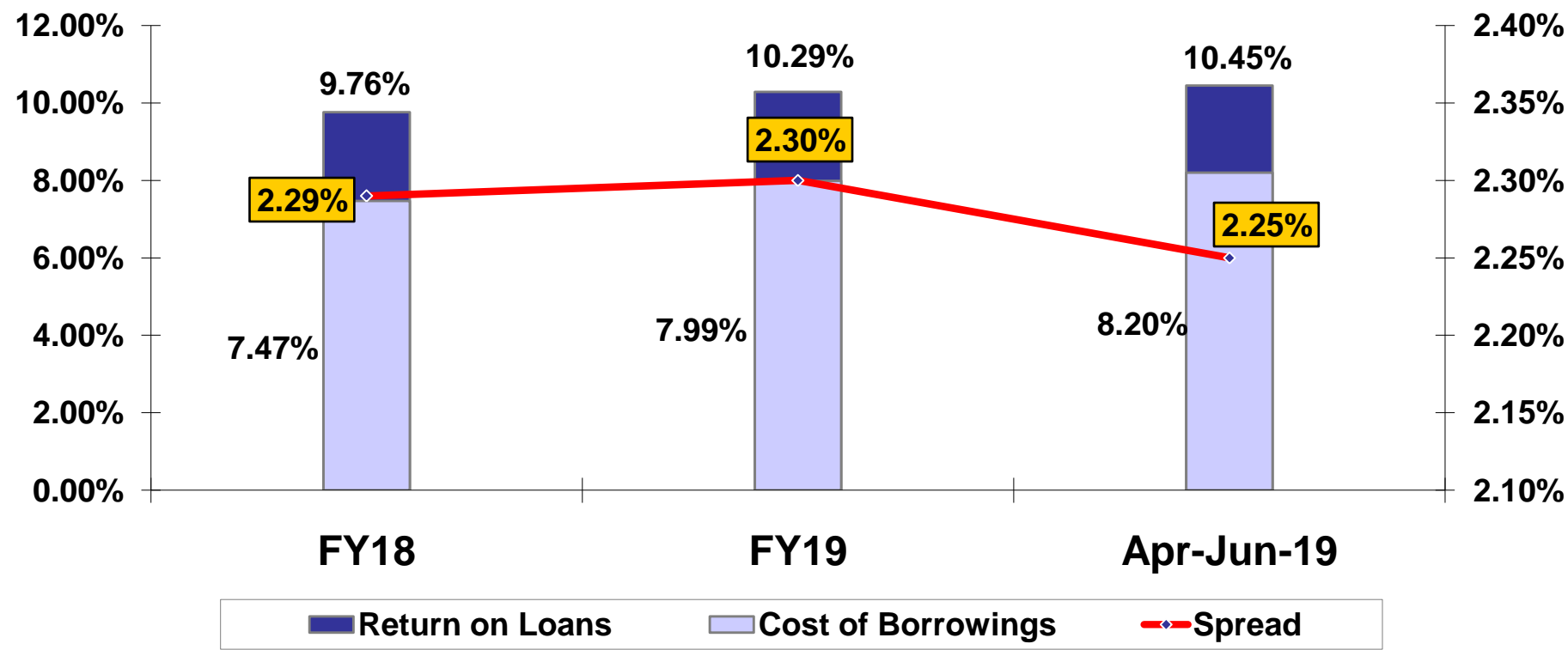
MULTIPLE SOURCES OF BORROWINGS

(As at June 30, 2019: Total Borrowings - US\$ 54.06 bn)



Total Borrowings: Rs. 3,736.29 bn (US\$ 54.06 bn)

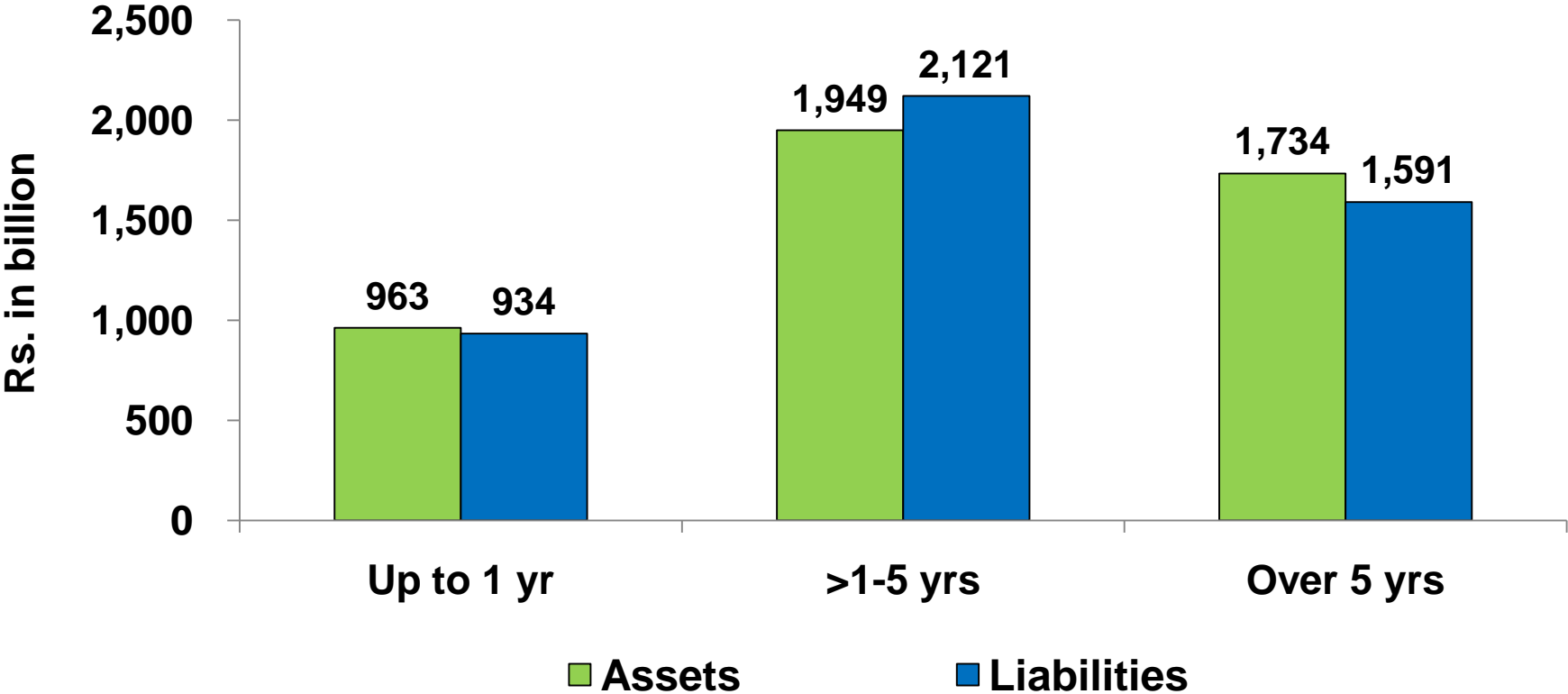
LOAN SPREADS



Apr-Jun 2019	
Spread earned on:	
Individual Loans	1.91%
Non-individual Loans	3.07%
Loan Book	2.25%

MATURITY PROFILE

(As at March 31, 2019)



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

PRODUCTIVITY RATIOS

	FY19	FY18
Number of employees	2,840	2,575
Number of outlets	361	326
Profit per employee (US\$ '000)*	452	408
Assets per employee (US\$ mn)	22.5	21.6
Admin costs/assets (%)	0.25	0.26
Cost income ratio (%)*	8.5	9.2

**To make ratios comparable, profit on sale of strategic investments have not been considered.*

KEY FINANCIAL METRICS

	FY19	FY18
Net Interest Margin(%) [*]	3.3	3.3
Pre Tax RoAA (%) [^]	3.0	2.7
Post Tax RoAA (%) [^]	2.1	2.1
Return on Equity (%) ^{^\$}	14.2	20.4
Capital Adequacy (%)	18.8 [#]	19.2
Of which Tier I	17.3	17.3
Tier II	1.5	1.9

**Income on loans sold included in Net Interest Margin calculations*

^Adjusted for profit on sale of investments of strategic investments

\$The Corporation raised equity of Rs 130 bn in FY18. During FY19, warrants were converted into equity shares amounting to Rs 53 bn.

#As at June 30, 2019, after adjusting for final dividend for FY19.

VALUATION & SHAREHOLDING

VALUATION – METHOD 1

- Number of shares outstanding: **1.725 bn**
- Share Price as at June 30, 2019: **Rs. 2,192**
- Market Capitalisation: **Rs. 3,782 bn (~US\$ 55 bn)**

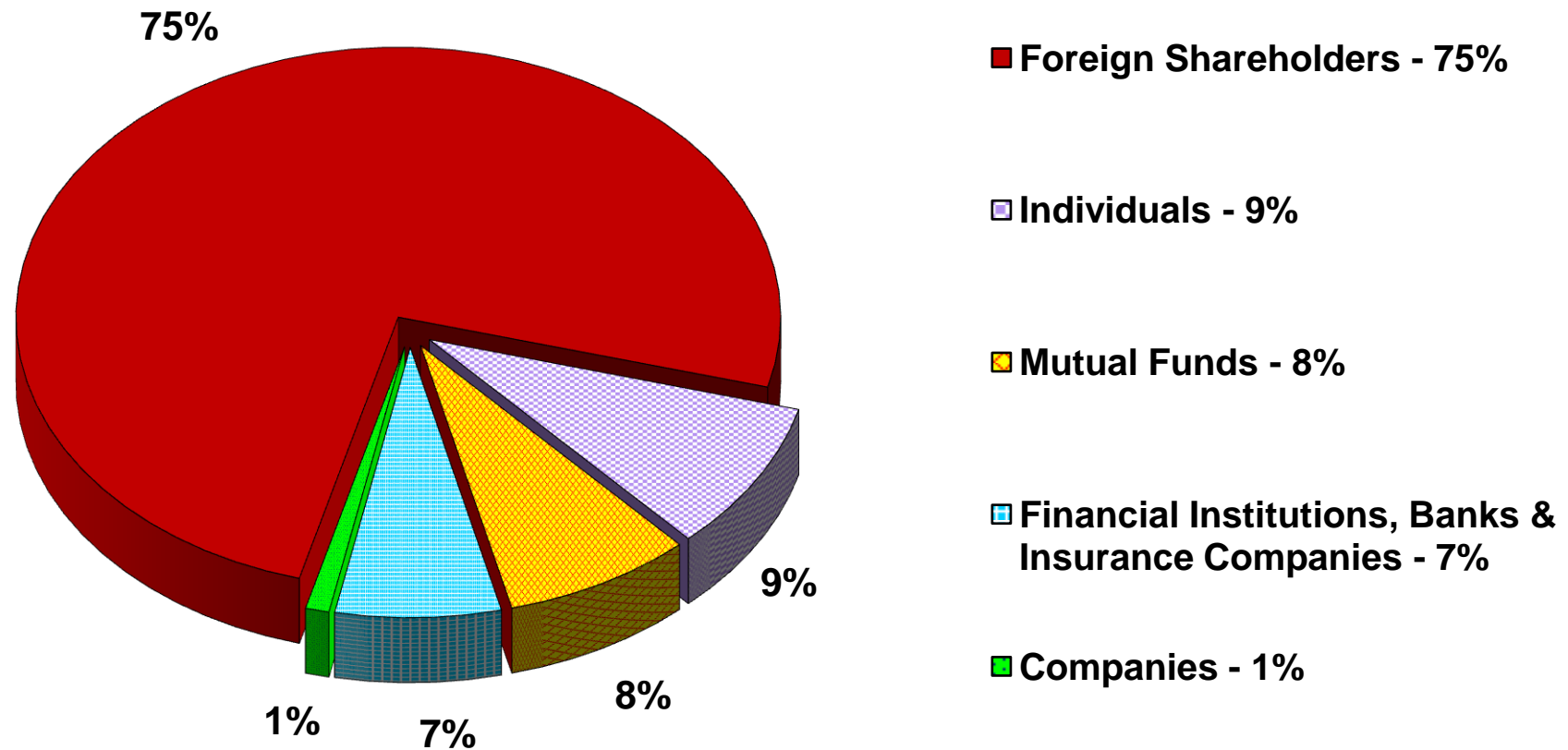
	Total	
	Rs bn	US\$ bn
Net Worth	813	11.8
<i>Add:</i> Unaccounted gains on listed investments	2,083	30.1
<i>Add:</i> Unaccounted gains on unlisted investments	113	1.6
Adjusted Networkth	3,009	43.5
Market Capitalisation		
	3,782	54.7
Adjusted Price to Book Ratio	1.3	1.3

VALUATION – METHOD 2

- Number of shares outstanding: **1.725 bn**
- Share Price as at June 30, 2019: **Rs. 2,192**
- Market Capitalisation: **Rs. 3,782 bn (~US\$ 55 bn)**

Valuation	Rs bn	US\$ bn
Market Capitalisation	3,782	54.7
<i>Less: Unaccounted gains on listed investments</i>	2,083	30.1
<i>Less: Unaccounted gains on unlisted investments</i>	113	1.6
Adjusted Market Capitalisation	1,586	22.9
Net Worth	813	11.8
Adjusted Price to Book Ratio	2.0	2.0

SHAREHOLDING PATTERN



FINANCIALS

Standalone

(Based on Indian Accounting Standards)

STATEMENT OF PROFIT AND LOSS – Q1FY20

	<u>Apr-Jun-19</u> (Rs in billion)	<u>Apr-Jun-18</u> (Rs in billion)	<u>Growth</u> (%)
Interest & Other Operating Income	108.00	91.99	17%
Interest Expenses	77.39	63.53	22%
Add: Net gain on derecognised (assigned) loans	2.96	1.41	
Net Operating Income	33.57	29.87	12%
Add: Fees	1.78	1.42	
Less: Commission	1.79	1.21	
	33.56	30.08	12%
Less: Non Interest Expenses	3.24	2.87	
Less: Amortisation of ESOS and CSR Expenses	0.58	2.22	
Add: Other Income	0.06	0.05	
Profit Before Sale of Investments, Dividend & Provisions	29.80	25.04	19%
Add: Dividend	0.01	5.86	
Add: Profit on Sale of Investments	18.94	-	
Less: Provisions	8.90	0.20	
Profit Before Tax	39.85	30.70	
Provision for Tax	7.82	8.80	
Profit after tax Before Other Comprehensive Income	32.03	21.90	
Other Comprehensive Income	2.62	(0.29)	
Total Comprehensive Income	34.65	21.61	
Effective tax rate (%)	19.6%	28.7%	

Note: Net Interest Income is not comparable with the previous year. The Corporation had raised equity in the months of February and March 2018 amounting to Rs 130 bn. Of the capital raised, an amount of Rs 85 bn was invested in HDFC Bank in July 2018. Accordingly, for the quarter ended June 30, 2018, the Corporation earned income on deployment of these funds. Further, given the environment on liquidity, the Corporation as matter of prudence has been carrying a considerably higher level of liquidity since September 2018. Accordingly, the amount invested in high quality liquid assets in the first quarter of the current year is significantly higher than the corresponding period in the previous year.

BALANCE SHEET – FY19

	<u>Mar-19</u>	<u>Mar-18</u>	<u>Growth</u>
	(Rs. in billion)	(Rs. in billion)	(%)
Sources of Funds			
Shareholders' Funds	773.55	652.65	
Borrowings	3,652.66	3,197.16	14%
Current Liabilities & Provisions	161.57	139.29	
	4,587.78	3,989.10	15%
Application of Funds			
Loans ¹	4,066.07	3,628.11	12%
Investments	462.40	307.17	
Current/ Fixed Assets	59.31	53.82	
	4,587.78	3,989.10	15%

¹Net of individual loans sold during the preceding 12 months amounting to Rs 251.50 bn. If these loans were included, the growth in loans would have been 19%.

STATEMENT OF PROFIT AND LOSS – FY19

	<u>Apr-Mar-19</u> (Rs in billion)	<u>Apr-Mar-18</u> (Rs in billion)	<u>Growth</u> (%)
Interest & Other Operating Income	399.78	332.93	20%
Interest Expenses	278.38	234.98	18%
Add: Net gain on derecognised (assigned) loans	8.60	5.34	
Net Operating Income	130.00	103.29	26%
Add: Fees	7.46	6.74	
Less: Commission	5.78	5.00	
	131.68	105.03	25%
Less: Non Interest Expenses	11.18	9.67	
Less: Amortisation of ESOS and CSR Expenses	3.69	9.38	
Add: Other Income	0.30	0.18	
Add: Dividend	11.31	10.79	
Profit Before Sale of Investments & Provisions	128.42	96.95	32%
Add: Profit on Sale of Investments	12.12	56.09	
Less: Provisions	9.35	21.15	
Profit Before Tax	131.19	131.89	
Provision for Tax	34.86	22.30	
Profit after tax Before Other Comprehensive Income	96.33	109.59	
Other Comprehensive Income	(1.32)	(0.72)	
Total Comprehensive Income	95.01	108.87	
<i>Effective tax rate (%)</i>	<i>26.6%</i>	<i>16.9%</i>	

KEY ASSOCIATES AND SUBSIDIARIES

HDFC BANK

- 21.3% owned by HDFC
- ADRs listed on NYSE
- 5,130 branches, 13,395 ATMs
- Key business areas
 - Wholesale banking Retail banking Treasury operations
- Financials (as per Indian GAAP) for the quarter ended June 30, 2019
 - Advances as at June 30, 2019, stood at Rs. 8,297 bn – an increase of 17% over the previous year
 - Total deposits stood at Rs. 9,546 bn – an increase of 18% over the previous year
 - PAT (Indian GAAP): Rs. 55.7 bn – an increase of 21% 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
- Market Capitalisation (June 30, 2019): ~US\$ 97 bn

HDFC LIFE INSURANCE COMPANY LIMITED

(HDFC LIFE)

- **51.5% owned by HDFC and Standard Life (Mauritius Holdings) 2006 Limited holds 19.7% of the equity of HDFC Life.**
- **Total premium income for the quarter ended June 30, 2019 stood at Rs. 65 bn – growth of 29% over the previous year**
- **For the quarter ended June 30, 2019, HDFC Life had a market share of 25% in terms of total new business received premium (private sector)**
- **Financial Highlights**
 - **New Business Margin for the quarter ended June 30, 2019 (post overrun): 29.8% (PY: 24.2%)**
 - **Indian Embedded Value stood at Rs. 192 bn as at June 30, 2019 (PY: Rs. 157 bn)**
 - **Operating Return on Embedded Value for the quarter ended June 30, 2019 stood at 19.9% (PY: 18.4%)**
 - **Assets Under Management as at June 30, 2019 stood at Rs. 1,296 bn (PY: Rs. 1,096 bn)**
 - **PAT for the quarter ended June 30, 2019 (Indian GAAP): Rs. 4.3 bn (PY: Rs. 3.8 bn)**
- **Product mix - Unit Linked: 26%, Non-Par Savings: 63%, Non-Par Protection: 5%, Traditional Par: 6%**
- **Market capitalisation (June 30, 2019): ~US\$ 14 bn**

HDFC ASSET MANAGEMENT

- **52.8% owned by HDFC and Standard Life Investments holds 29.9% of the equity of HDFC Asset Management.**
- **Total Assets under Management (AUM) as at June 30, 2019, stood at Rs. 3.57 trillion (US\$ 52 bn)**
 - **Equity-oriented assets of HDFC MF as a proportion of total AUM was 48%**
- **India's largest mutual fund as at June 30, 2019 (*Source: AMFI*)**
 - **Overall market share: 14.7%**
 - **Market share of equity oriented funds: 16.2%**
- **Individual accounts of HDFC MF as at June 30, 2019**
 - **9.2 million live accounts**
 - **59% of total monthly average AUM of HDFC MF is contributed by individuals**
 - **Market share of 15.7% of individual monthly average AUM**
- **PAT for the quarter ended June 30, 2019 (as per Ind AS): Rs. 2.9 bn – an increase of 42% over the previous year**
- **Market capitalisation (June 30, 2019): ~US\$ 6 bn**

HDFC ERGO GENERAL INSURANCE COMPANY LTD.

- **HDFC holds 50.5% and ERGO holds 48.3% of the equity of HDFC ERGO**
- **Gross direct premium for the quarter ended June 30, 2019 stood at: Rs. 17.8 bn – a growth of 15% (excluding weather/ crop business)**
- **Products: Motor, health, travel, home and personal accident in the retail segment; property, marine, aviation and liability insurance in the corporate segment and crop insurance in the rural segment**
 - **Retail accounts for 64% of the total business**
- **Market share of 7.6% (private sector) and 4.3% (overall) in terms of gross direct premium for the quarter ended June 30, 2019 (Source: GI Council)**
- **As at June 30, 2019: Combined Ratio - 106.8%, Solvency Ratio - 170% (as against regulatory requirement of 150%)**
- **Profit After Tax for the quarter ended June 30, 2019 (Indian GAAP): Rs. 0.75 bn**

Acquisition of Apollo Munich Health Insurance Company Limited

- **In June 2019, HDFC Limited entered into an agreement to acquire 51.2% stake in Apollo Munich for a total consideration of Rs 13.47 bn from Apollo Hospitals Group and stake held by a few employees**
- **Initially, Apollo Munich will be held as a subsidiary of HDFC and post the acquisition, the company will be merged with HDFC ERGO**
- **Immense potential in health insurance given low penetration levels**

GRUH FINANCE LIMITED (GRUH)

- **38.2% 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 196 offices across 11 states in India**
- **Financials for the quarter ended June 30, 2019**
 - **Loan portfolio as at June 30, 2019, stood at Rs. 177.4 bn – an increase of 11% over the previous year**
 - **PAT (as per Ind AS): Rs. 1.16 bn (PY: Rs. 1.15 bn)**
- **In January 2019, the Board of Directors of GRUH approved the merger of GRUH into Bandhan Bank, subject to regulatory approvals.**
 - **Share Exchange Ratio: 568 equity shares of face value of Rs. 10 each of Bandhan Bank to be issued for every 1,000 equity shares of face value of Rs. 2 each of GRUH.**
 - **In April 2019, RBI granted its final approval for HDFC to acquire up to 9.9% of the paid-up voting equity capital of Bandhan Bank upon the effective date of the scheme.**
 - **As at August 2019, HDFC has sold the requisite number of equity shares in GRUH such that it will be entitled to 9.9% of the share capital of Bandhan, post the effectiveness of the scheme.**
 - **The scheme of amalgamation remains subject to the approval of the National Company Law Tribunal**
- **Market capitalisation (June 30, 2019): ~US\$ 3 bn**

PROPERTY FUNDS

HDFC PROPERTY VENTURES

- **HDFC India Real Estate Fund**
 - Launched in 2005
 - Fund corpus : Rs. 10 billion – fully invested
 - Domestic investors, close-ended fund
 - Fund has been substantially exited; 1.6 X of the fund corpus has been returned to investors
- **HIREF International LLC**
 - Launched in 2007
 - Fund corpus : US\$ 800 million
 - International investors, 9 year close-ended fund
 - Some exits have been made and the Fund is in the process of exiting from the balance investments; 1.3X corpus has been returned to investors
- **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 ADVISORS

- **HDFC Capital Affordable Real Estate Fund (HCARE)**
 - HCARE-1 was set up as a SEBI registered AIF in 2016 with a fund size of US\$ 450 mn
 - HCARE-2, set up in December 2017, achieved its final close in October 2018 with a fund size of US\$ 650 mn
 - HCARE 1 & 2 together create a US\$ 1.1 bn platform targeting affordable & mid-income residential projects
 - The objective is to provide long-term equity and mezzanine capital to developers building affordable and middle- income housing across India’s leading 20 cities
 - Primary investors in HCARE 1 & 2 is a wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA) along with the National Investment and Infrastructure Fund (NIIF) in HCARE-2
 - HDFC Capital Advisors is the investment advisor for the funds and is one of the largest real estate fund managers in the country

HDFC CREDILA

- **HDFC holds 90.8% in HDFC Credila**
- **HDFC 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 June 30, 2019**
 - **Profit After Tax (as per Ind AS): Rs. 262.1 mn**
 - **Cumulative Disbursements: Rs. 87.2 bn**
 - **Loan book outstanding as at June 30, 2019: Rs. 51.1 bn – growth of 25% over previous year**
 - **45% of the loan book is collateralised**
 - **Average loan: Rs. 2.17 mn**
 - **Gross non-performing assets: 0.09%**

FINANCIALS

Consolidated

(Based on Indian Accounting Standards)

PROFIT AND LOSS ACCOUNT – Q1FY20

	Jun-19 (Rs. in billion)	Jun-18 (Rs. in billion)	Growth (%)
Interest & Other Operating Income	139.45	122.99	13%
Income from Insurance Business	88.80	72.12	
Profit on Sale of Investments	0.03	0.02	
Net gain on derecognised (assigned) loans	2.97	1.41	
Other Income	1.15	1.19	
Total Income	232.40	197.73	18%
Finance Costs	82.07	66.99	23%
Expense from Insurance Business	92.39	79.36	
Non-Interest Expenses	15.94	16.58	
Provisions	8.96	0.24	
Total Expenses	199.36	163.17	22%
Share of profit of associates (equity method)	12.76	9.02	
Profit before tax	45.80	43.58	5%
Total tax expense	10.40	10.63	
Net Profit after tax	35.40	32.95	7%
Other Comprehensive Income	5.43	(4.64)	
Total Comprehensive Income	40.83	28.31	44%
Profit attributable to the Corporation	30.94	29.42	

BALANCE SHEET – FY19

	<u>Mar-19</u> (Rs . in billion)	<u>Mar-18</u> (Rs . in billion)	<u>Growth</u> (%)
Sources of Funds			
Shareholders' Funds	1,179.79	968.68	22%
Liabilities pertaining to Insurance Business	1,365.19	1,163.46	
Loan Funds	3,867.55	3,364.16	15%
Current Liabilities & Provisions	196.22	169.79	
	<u>6,608.75</u>	<u>5,666.09</u>	17%
Application of Funds			
Loans ¹	4,283.85	3,817.44	12%
Investments	766.34	535.04	
Assets pertaining to Insurance Business	1,410.91	1,187.14	
Current Assets, Advances & Fixed Assets	141.40	120.22	
Goodwill on Consolidation	6.25	6.25	
	<u>6,608.75</u>	<u>5,666.09</u>	17%

¹Net of individual loans sold during the preceding 12 months amounting to Rs 251.50 bn. If these loans were included, the growth in loans would have been 19%.

PROFIT AND LOSS ACCOUNT – FY19

	Mar-19 (Rs. in billion)	Mar-18 (Rs. in billion)	Growth (%)
Interest & Other Operating Income	506.30	423.69	19%
Income from Insurance Business	441.82	361.78	
Profit on Sale of Investments	0.22	3.93	
Net gain on derecognised (assigned) loans	8.60	5.34	
Other Income	5.01	3.46	
Total Income	961.95	798.20	21%
Finance Costs	295.25	247.18	19%
Expense from Insurance Business	442.52	362.03	
Non-Interest Expense	65.43	64.84	
Provisions	11.66	21.44	
Total Expenses	814.86	695.49	17%
Share of profit of associates (equity method)	73.90	59.36	
Profit before tax	220.99	162.07	36%
Total tax expense	45.18	30.96	
Net Profit after tax	175.81	131.11	34%
Other Comprehensive Income	0.81	(6.06)	
Total Comprehensive Income	176.62	125.05	41%
Profit attributable to the Corporation	162.32	119.80	

CONSOLIDATED PROFIT AFTER TAX – FY19

	Mar-19	Mar-18
	(Rs. in billion)	(Rs. in billion)
HDFC Profit After Tax	96.33	109.59
HDFC Life	6.13	5.46
HDFC ERGO	1.64	1.81
GRUH	2.39	2.21
HDFC Bank	46.70	38.58
HDFC-AMC	4.64	3.69
Others	2.80	2.94
<u>Adjustments:</u>		
Profit on Sale of Investments in subsidiaries	(14.27)	(53.87)
Adjustment on account of dilution of stake in associates	21.10	20.79
Dividend and Other Adjustments	(5.14)	(11.40)
Net Profit Attributable to the Corporation	162.32	119.80

CONSOLIDATED EARNINGS

(As at March 31, 2019)

	<u>HDFC</u>	<u>Consolidated</u>
Return on Equity	14.2%	15.0%
Return on Average Assets	2.1%	2.5%
Earnings per share (Rs)	57	95
Profit After Tax (Rs in bn)	96.33	162.32
Total Assets (Rs in bn)	4,588	6,609

Thank You