



**Housing Development Finance  
Corporation Limited**

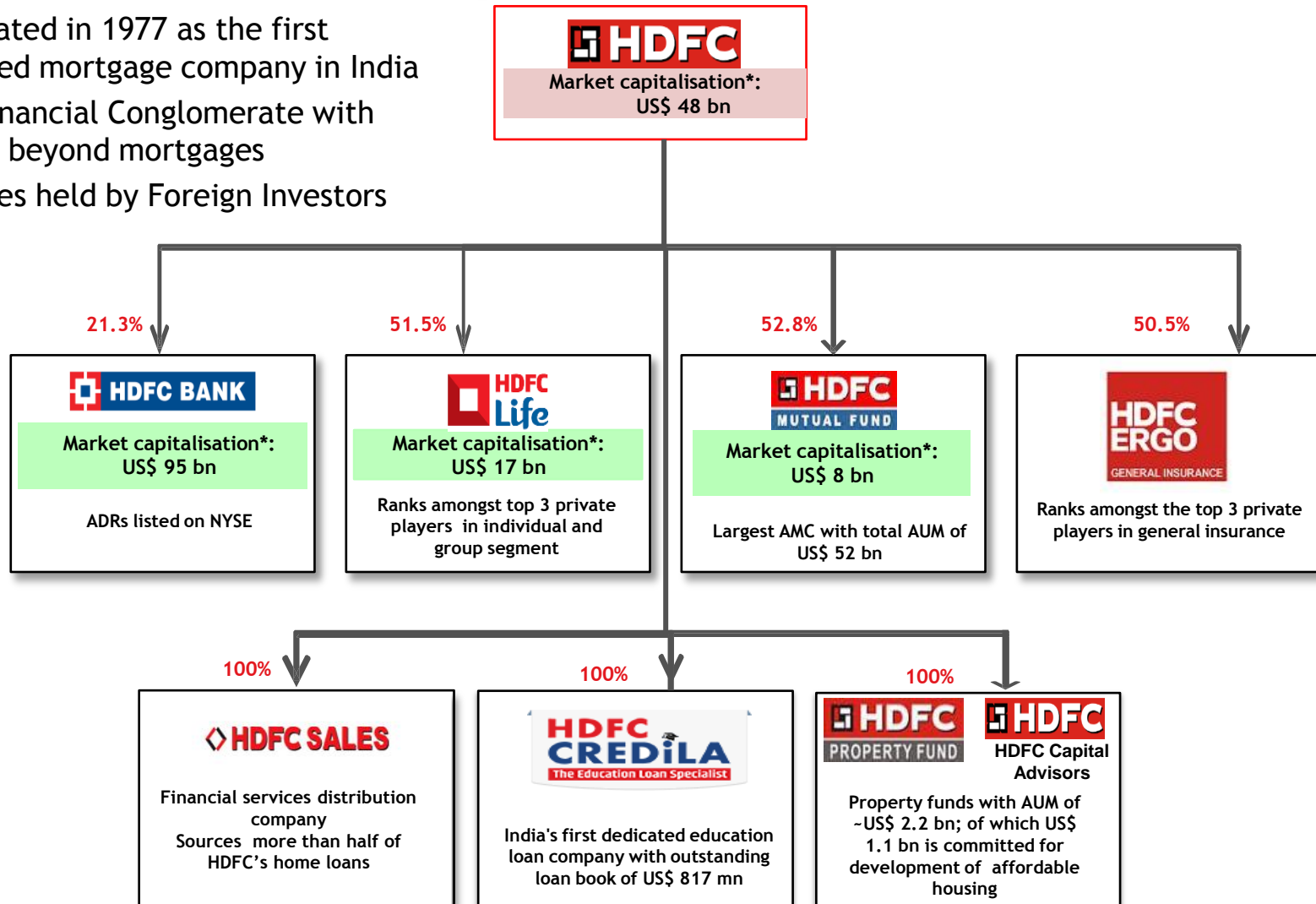
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# **HDFC SNAPSHOT**

## WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages
- 73% shares held by Foreign Investors



\*As at September 30, 2019

US\$ amounts converted based on exchange rate of US\$ 1 = Rs. 70.89

# BUSINESS SUMMARY

- **Loans Outstanding (Gross loans)** : Rs. 4,900.72 bn  
*(As at September 30, 2019)* : US\$ 69.13 bn
- **Individual Loans Originated CAGR (5 years)** : 17%  
**(FY19)**
- **Cumulative Housing Units Financed** : 7.3 million
- **Cumulative loan write offs since inception** : 9 basis points  
*(of cumulative disbursements)*
- **Cost to Income Ratio** : 8.5%
- **Unaccounted gains on listed investments** : Rs. 2,288.75 bn  
**in subsidiary and associate companies** : US\$ 32.29 bn  
*(As at September 30, 2019)*
- **Consolidated Profit After Tax CAGR (5 years)** : 16%  
**(FY19)**

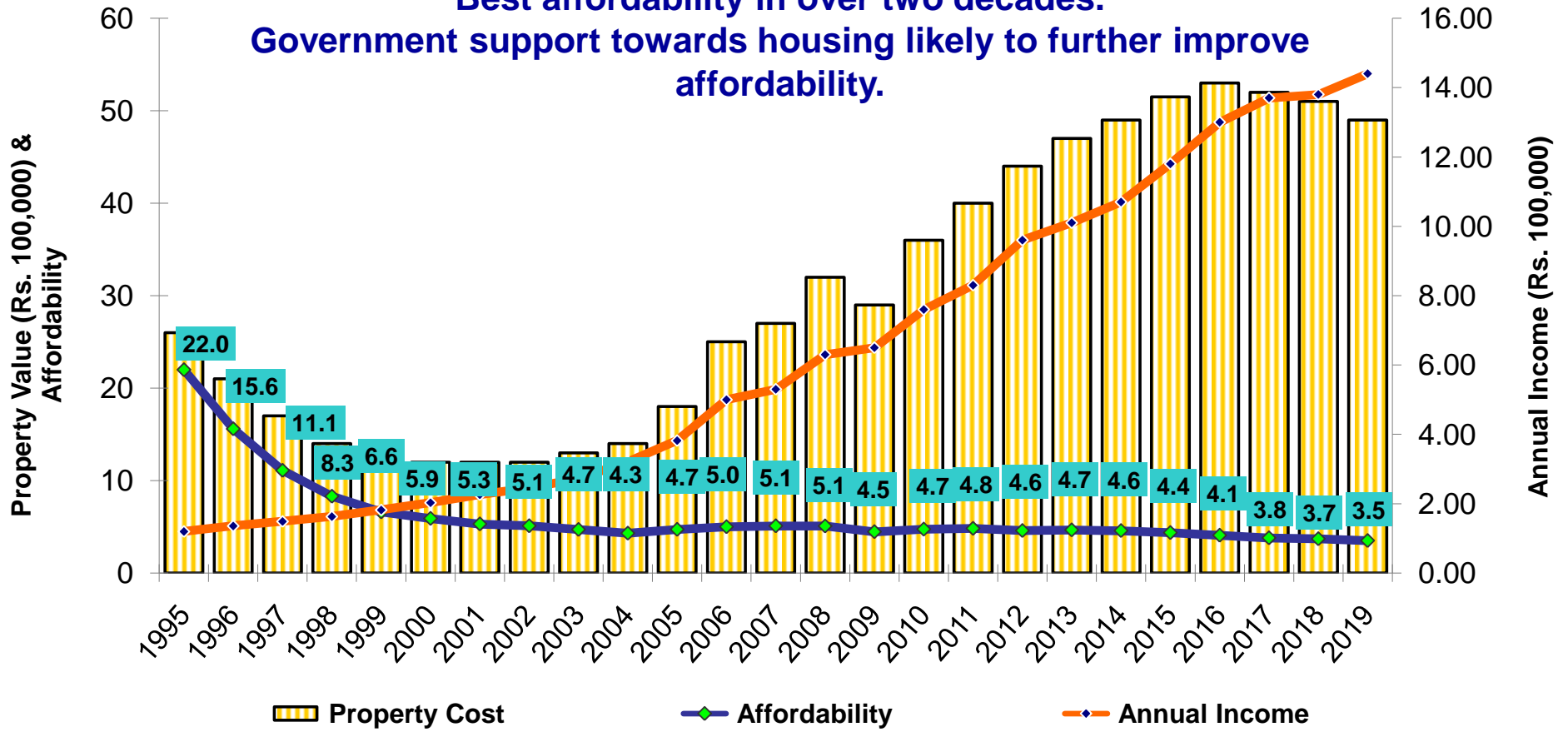
# MORTGAGE MARKET IN INDIA

# 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.



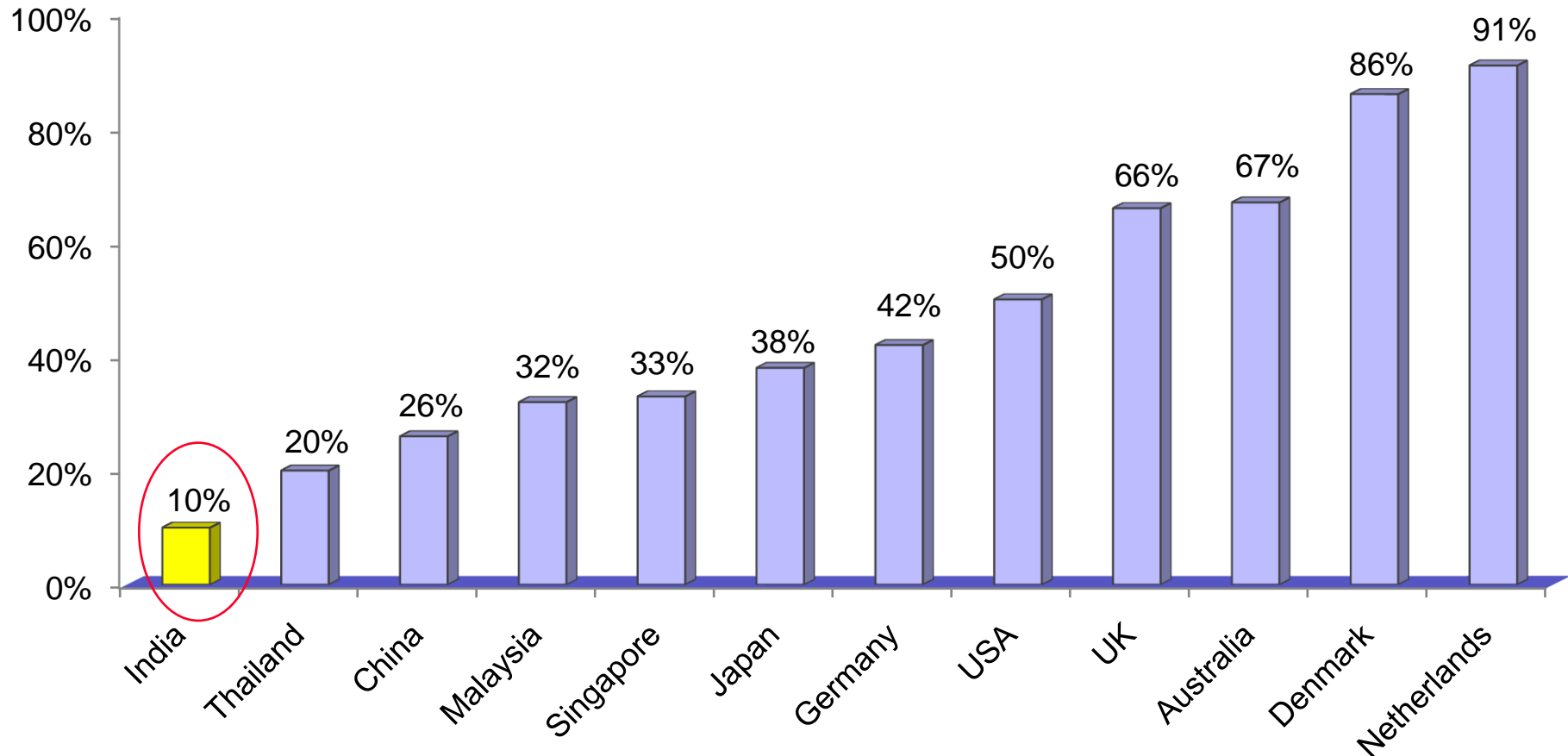
Representation of property price estimates

Affordability equals property prices by annual income

Based on customer data



## 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
<b>Loan amount (Rs)</b>	<b>2,780,000</b>	<b>2,780,000</b>	<b>2,780,000</b>
<b>Less: Subsidy under CLSS</b>	<b>230,156</b>	<b>-</b>	<b>-</b>
<b>Revised loan amount</b>	<b>2,549,844</b>	<b>2,780,000</b>	<b>2,780,000</b>
<b>Nominal Interest Rate(%)</b>	<b>8.25%</b>	<b>10.75%</b>	<b>13.25%</b>
<b>Max deduction for interest allowed</b>	<b>200,000</b>	<b>150,000</b>	<b>75,000</b>
<b>Deduction on principal</b>	<b>150,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Tax rate</b>	<b>30.90%</b>	<b>31.50%</b>	<b>34.50%</b>
<b>Tenor (years)</b>	<b>20</b>	<b>20</b>	<b>20</b>
<b>Total amount paid per year</b>	<b>360,362</b>	<b>328,944</b>	<b>385,380</b>
<b>Interest component</b>	<b>210,362</b>	<b>298,850</b>	<b>368,350</b>
<b>Principal repaid</b>	<b>150,000</b>	<b>30,094</b>	<b>17,030</b>
<b>Tax amount saved</b>	<b>108,150</b>	<b>53,550</b>	<b>32,775</b>
<b>Effective interest paid on home loan</b>	<b>102,212</b>	<b>245,300</b>	<b>335,575</b>
<b>Effective interest on home loan</b>	<b>3.7%</b>	<b>8.8%</b>	<b>12.1%</b>

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\$ 8,500)	Rs > 600,000 up to 1,200,000 (>US\$ 8,500 to 17,000)	> Rs 1,200,000 to 1,800,000 (>US\$ 17,000 to 25,400)
Property size (sq mtrs)	60	160	200
Maximum amount of loan qualifying for subsidy	Rs 600,000 (US\$ 8,500)	Rs 900,000 (US\$ 12,700)	Rs 1,200,000 (US\$ 17,000)
Interest Subsidy (% per annum)	6.50%	4%	3%
Subsidy under CLSS*	Rs 267,280 (US\$ 3,800)	Rs 235,068 (US\$ 3,300)	Rs 230,156 (US\$ 3,250)

\*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

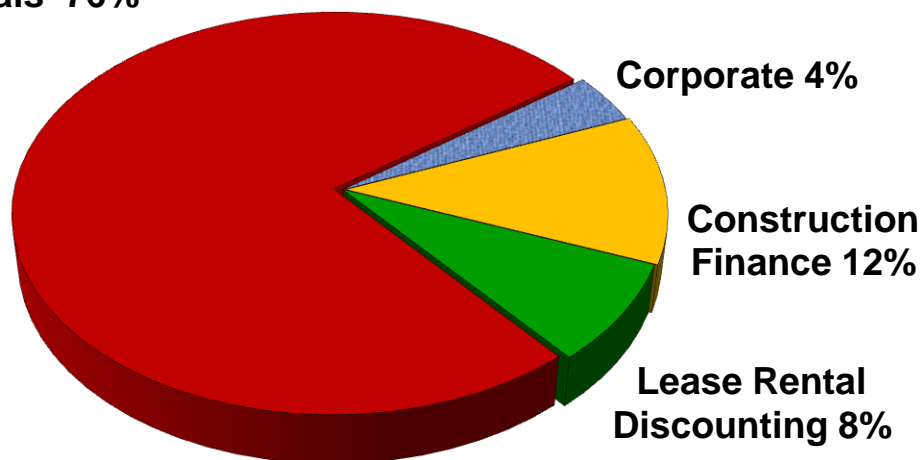
# **OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES**

# CORE BUSINESS – LENDING

(As at September 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 76%



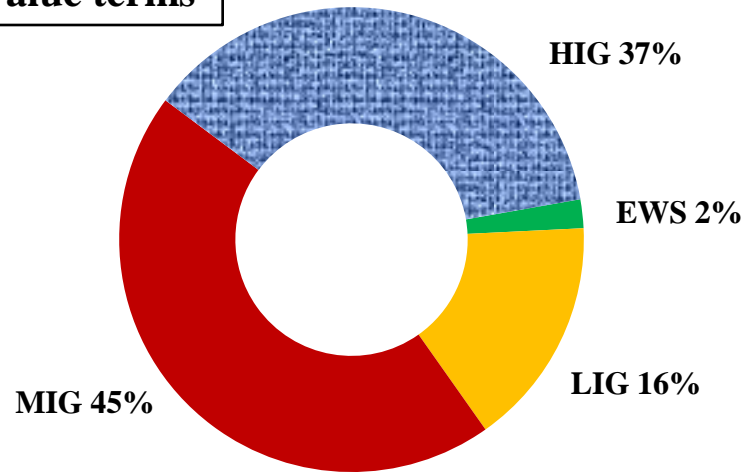
As at September 30, 2019	Loan Book Outstanding (After Sell Down)			Loan Book o/s Before Sell Down in last 12 months			Assets Under Management		
	Rs. bn	US\$ bn	% Growth	Rs. bn	US\$ bn	% Growth	Rs. bn	US\$ bn	% Growth
Individuals	3,072	43	15%	3,310	47	24%	3,699	52	17%
Non-Individuals	1,195	17	4%	1,195	17	4%	1,202	17	3%
<b>Total</b>	<b>4,267</b>	<b>60</b>	<b>12%</b>	<b>4,505</b>	<b>64</b>	<b>18%</b>	<b>4,901</b>	<b>69</b>	<b>13%</b>

Individual loans sold (outstanding): Rs. 626 bn (US\$ 8.8 bn)

# AFFORDABLE HOUSING

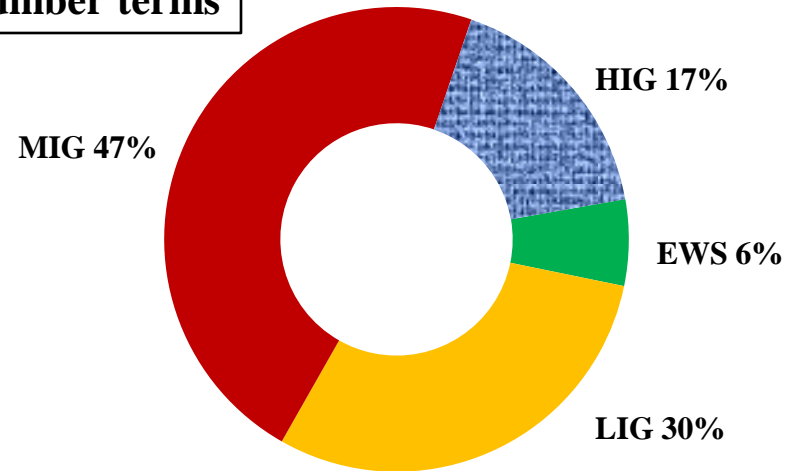
## Housing Loan Approvals Based on Income Slabs: H1FY20

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.

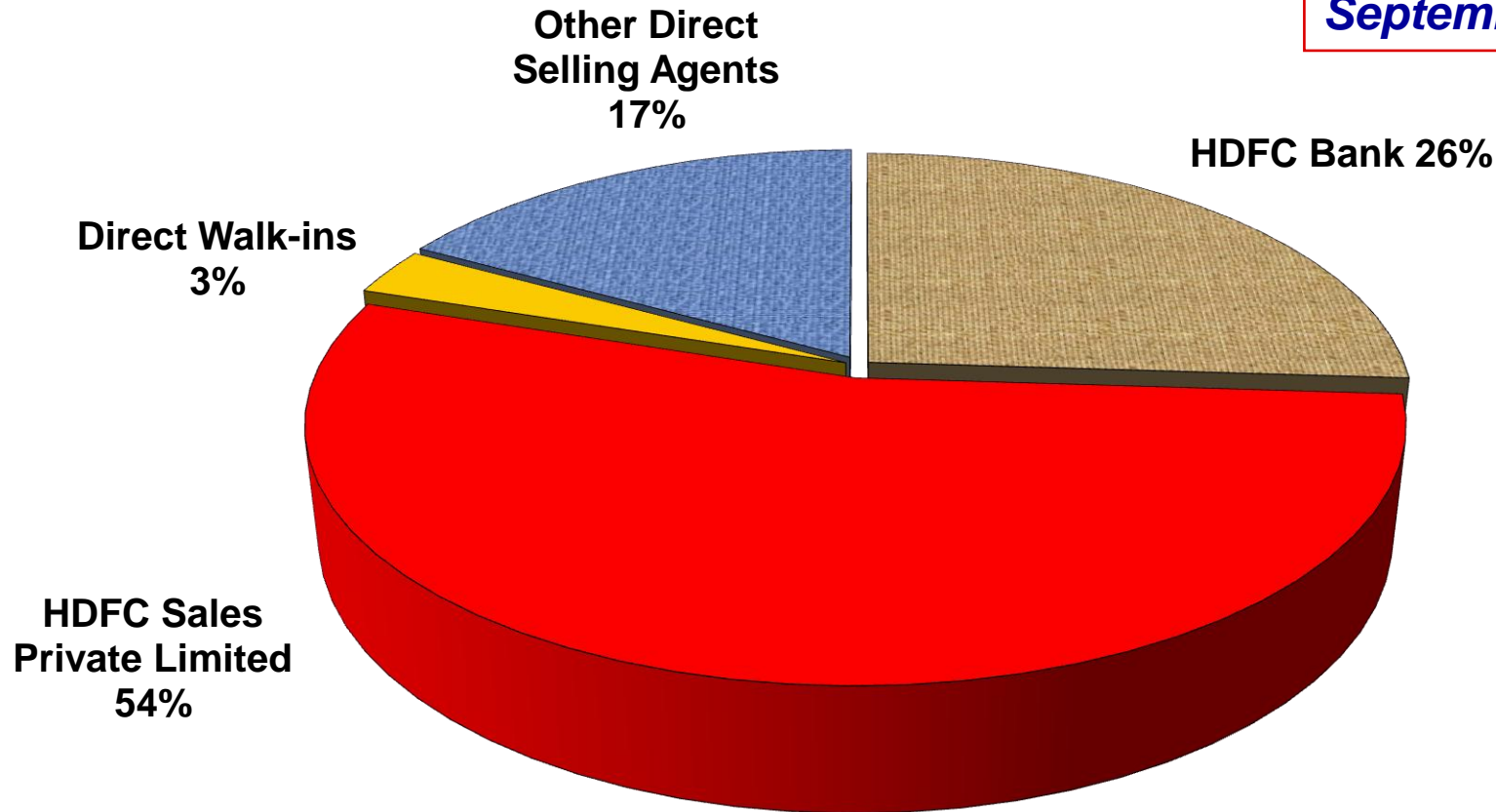
### Increase in Housing Loans to EWS & LIG Segments – Volume Driven Business

- 36% of home loan approvals in volume terms has been to the EWS & LIG segments and 18% in value terms
- Approving ~9,300 loans monthly in EWS/LIG segment; monthly average approvals: Rs 15 bn
- Average home loan – EWS: Rs 1.01 mn, LIG: Rs 1.75 mn



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

*September 30, 2019*

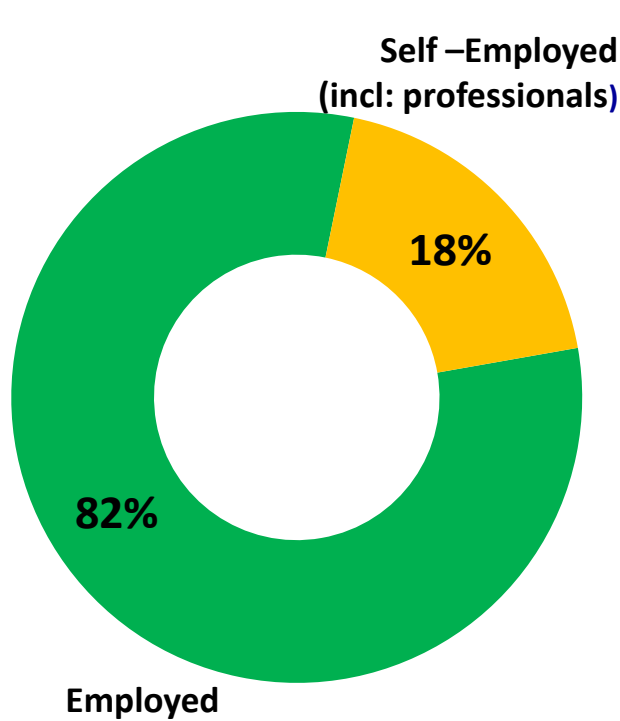


Deposit & loan products offered at several locations through outreach programmes.

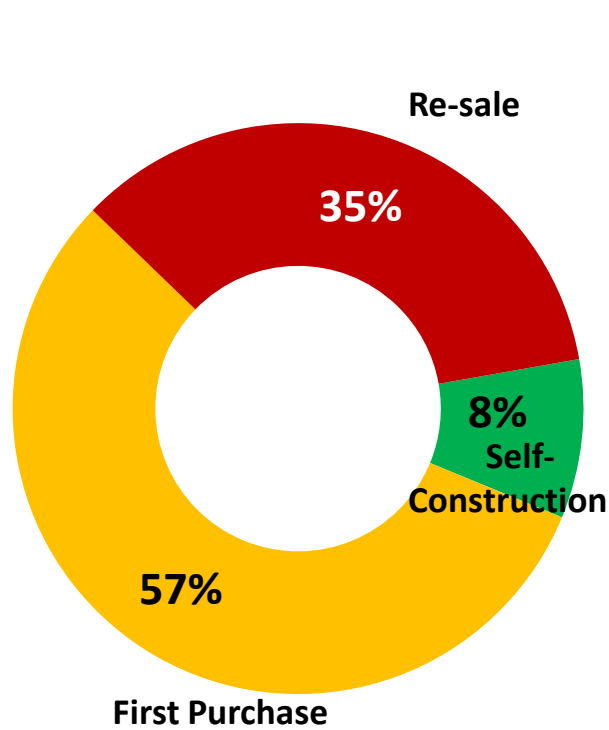
Total number of offices: **567** which is inclusive of **199** outlets of HDFC's wholly owned distribution company.

## INDIVIDUAL LOANS\*: H1FY20

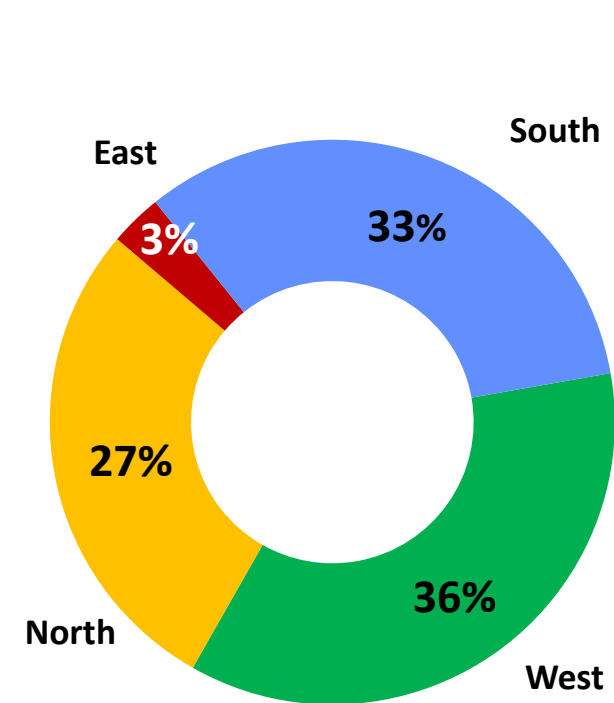
Employment



Acquisition Mode



Geographic Spread

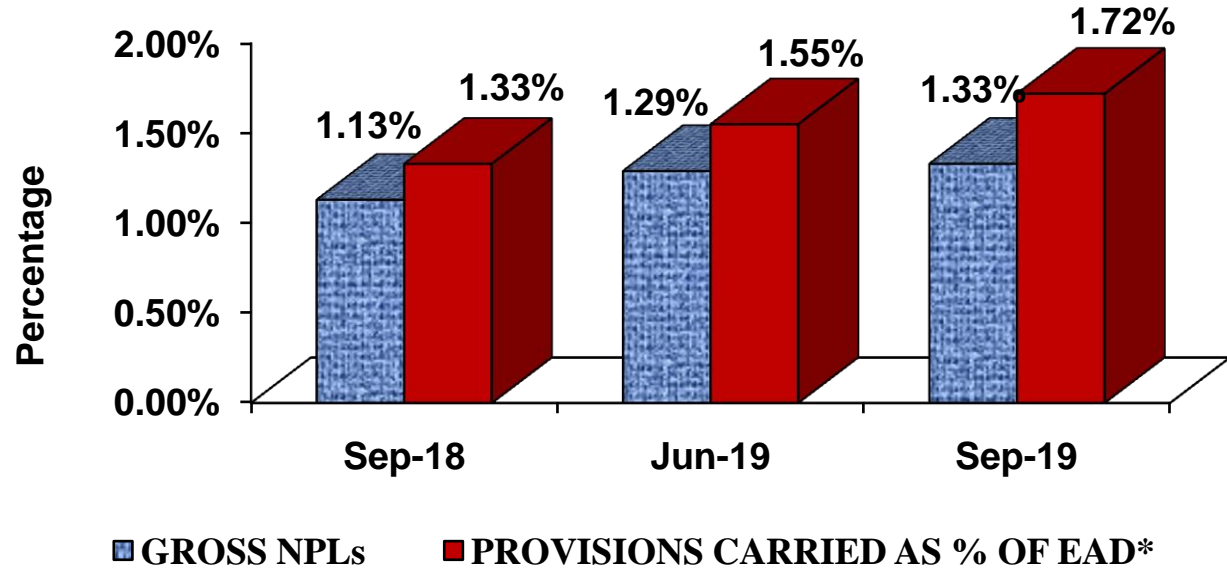


\* Based on value of approvals

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

- **Average Loan Size** : Rs. 2.70 mn (~US\$ 38,000)
- **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 September 30, 2019	
(Rs. in bn)	
NPLs (3 months):	56.55
Provisions Carried:	73.13
Regulatory Provision Required:	35.59
NPLs as % of the loan portfolio:	
Individual Loans:	0.73%
Non-individual Loans:	2.87%
Total:	1.33%

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

\*EAD: Exposure at Default

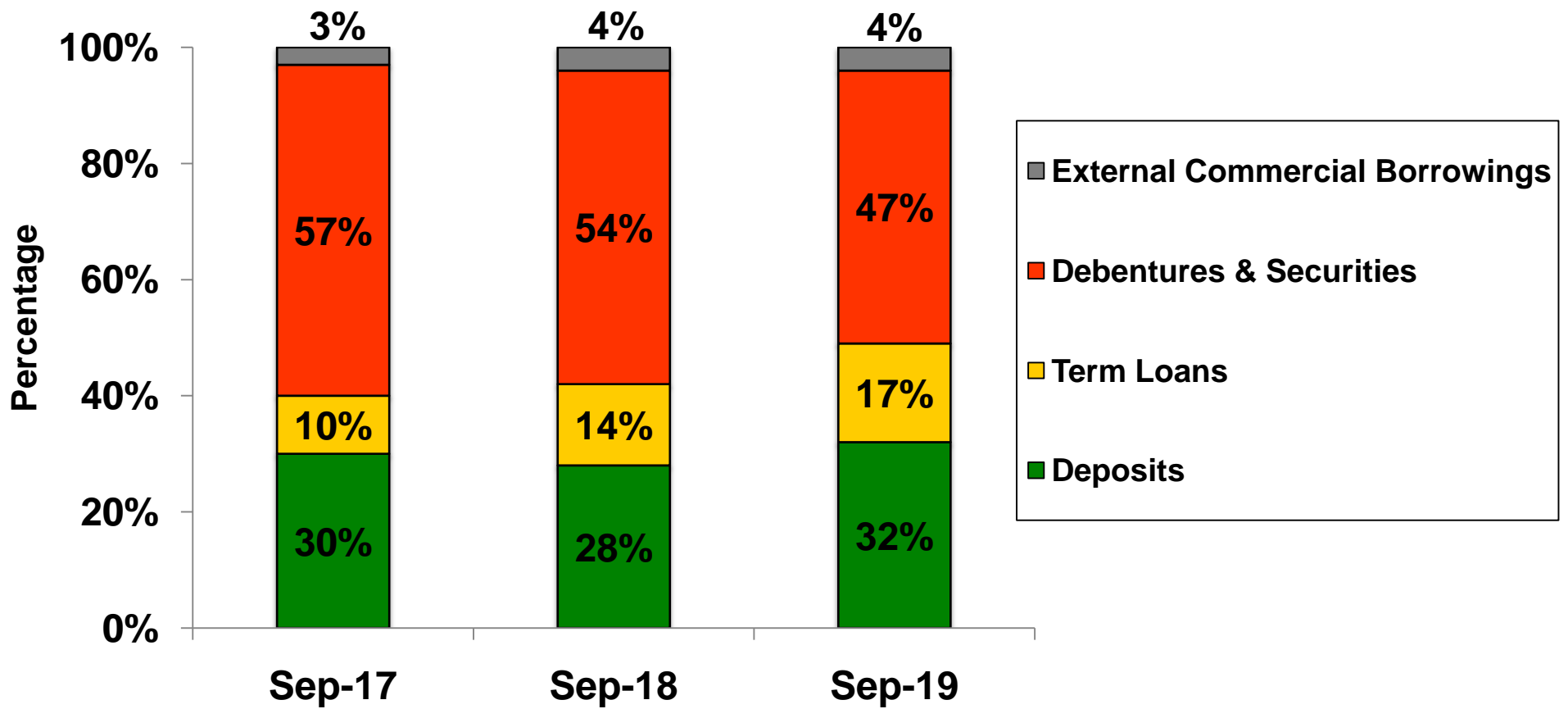
# EXPECTED CREDIT LOSS (ECL) BASED ON EXPOSURE AT DEFAULT (EAD)

Rs bn

As per IND AS	Sep-19	Jun-19	Mar-19
Gross Stage 3	66.85	62.28	57.43
ECL Provision Stage 3	28.91	24.76	24.99
Net Stage 3	37.94	37.52	32.44
Coverage Ratio% Stage 3	43%	40%	44%
Gross Stage 1 & 2	4,197.06	4,100.96	4,013.89
ECL Provision Stage 1 & 2	44.22	39.94	33.79
Net Stage 1 & 2	4,152.84	4,061.02	3,980.10
ECL Provision % Stage 1 & 2	1.05%	0.97%	0.84%
ECL/EAD	1.72%	1.55%	1.44%

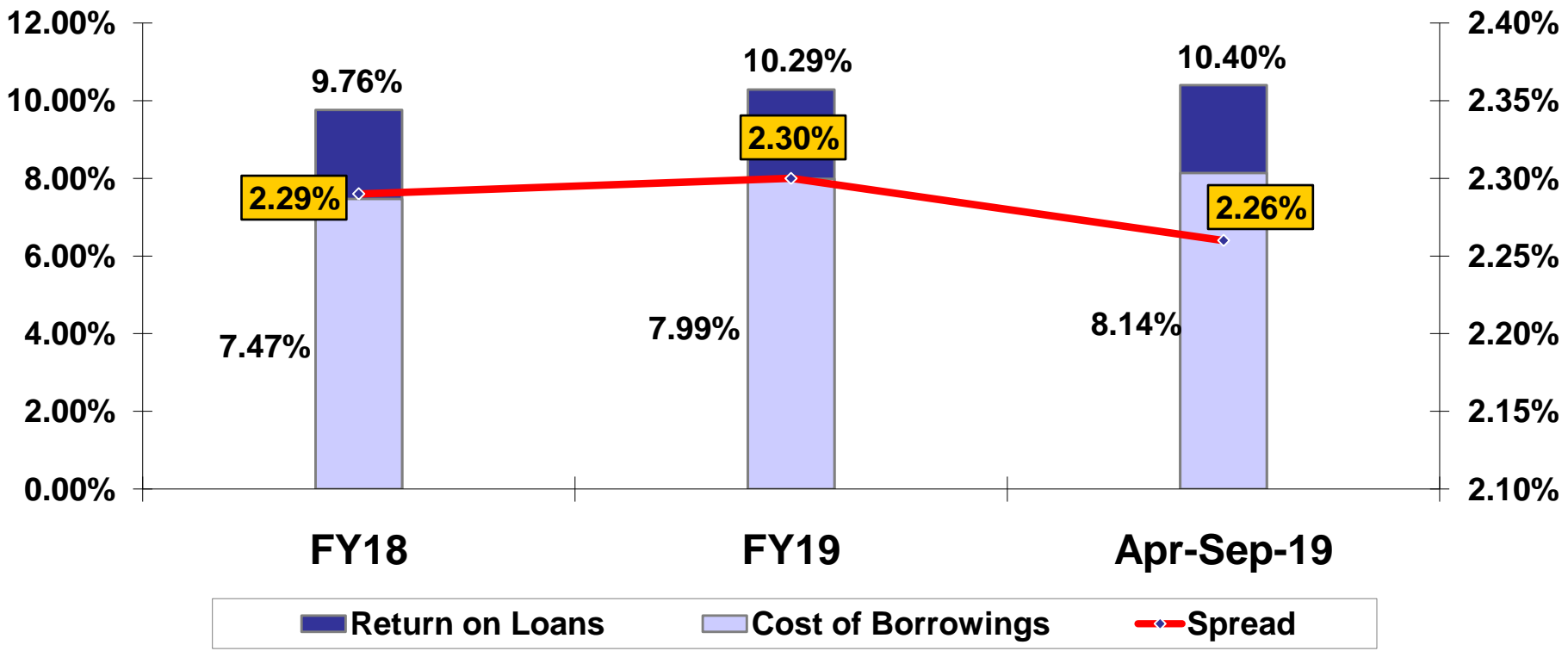
# MULTIPLE SOURCES OF BORROWINGS

(As at September 30, 2019: Total Borrowings - US\$ 54.87 bn)



Total Borrowings: Rs. 3,889.76 bn (US\$ 54.87 bn)

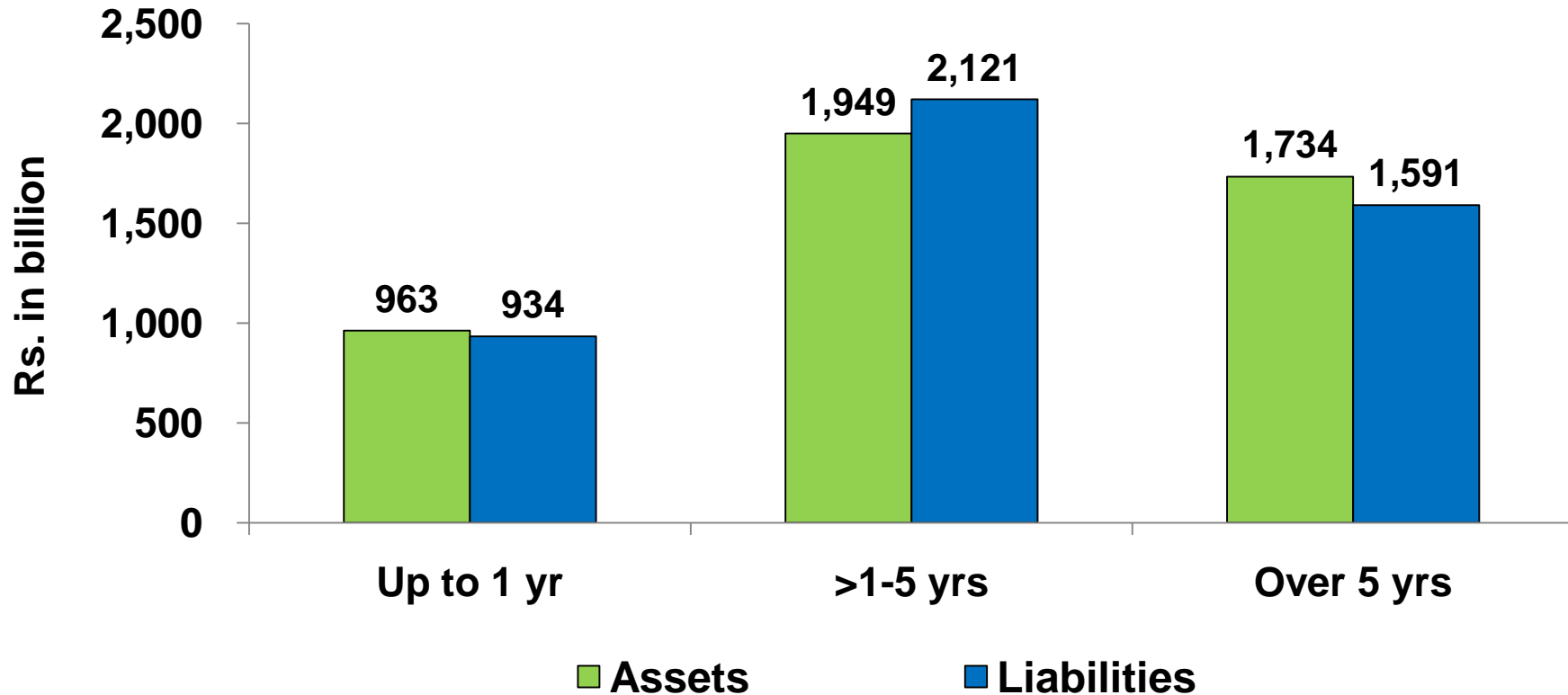
# LOAN SPREADS



Apr-Sep 2019	
<b>Spread earned on:</b>	
Individual Loans	1.93%
Non-individual Loans	3.08%
Loan Book	2.26%

# 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
<b>Number of employees</b>	<b>2,840</b>	<b>2,575</b>
<b>Number of outlets</b>	<b>368</b>	<b>326</b>
<b>Profit per employee (US\$ '000)*</b>	<b>452</b>	<b>408</b>
<b>Assets per employee (US\$ mn)</b>	<b>22.5</b>	<b>21.6</b>
<b>Admin costs/assets (%)</b>	<b>0.25</b>	<b>0.26</b>
<b>Cost income ratio (%)*</b>	<b>8.5</b>	<b>9.2</b>

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

# KEY FINANCIAL METRICS

	FY19	FY18
<b>Net Interest Margin(%)</b>	<b>3.3</b>	<b>3.3</b>
<b>Pre Tax RoAA (%)<sup>^</sup></b>	<b>3.0</b>	<b>2.7</b>
<b>Post Tax RoAA (%)<sup>^</sup></b>	<b>2.1</b>	<b>2.1</b>
<b>Return on Equity (%)<sup>^</sup><sup>\$</sup></b>	<b>14.2</b>	<b>20.4</b>
<b>Capital Adequacy (%)</b>	<b>19.6<sup>#</sup></b>	<b>19.2</b>
<b>Of which Tier I</b>	<b>18.1</b>	<b>17.3</b>
<b>Tier II</b>	<b>1.5</b>	<b>1.9</b>

<sup>^</sup>Adjusted for profit on sale of investments of strategic investments

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

<sup>#</sup>As at September 30, 2019

# VALUATION & SHAREHOLDING

# VALUATION – METHOD 1

- Number of shares outstanding: **1.727 bn**
- Share Price as at September 30, 2019: **Rs. 1,977**
- Market Capitalisation: **Rs. 3,414 bn (~US\$ 48 bn)**

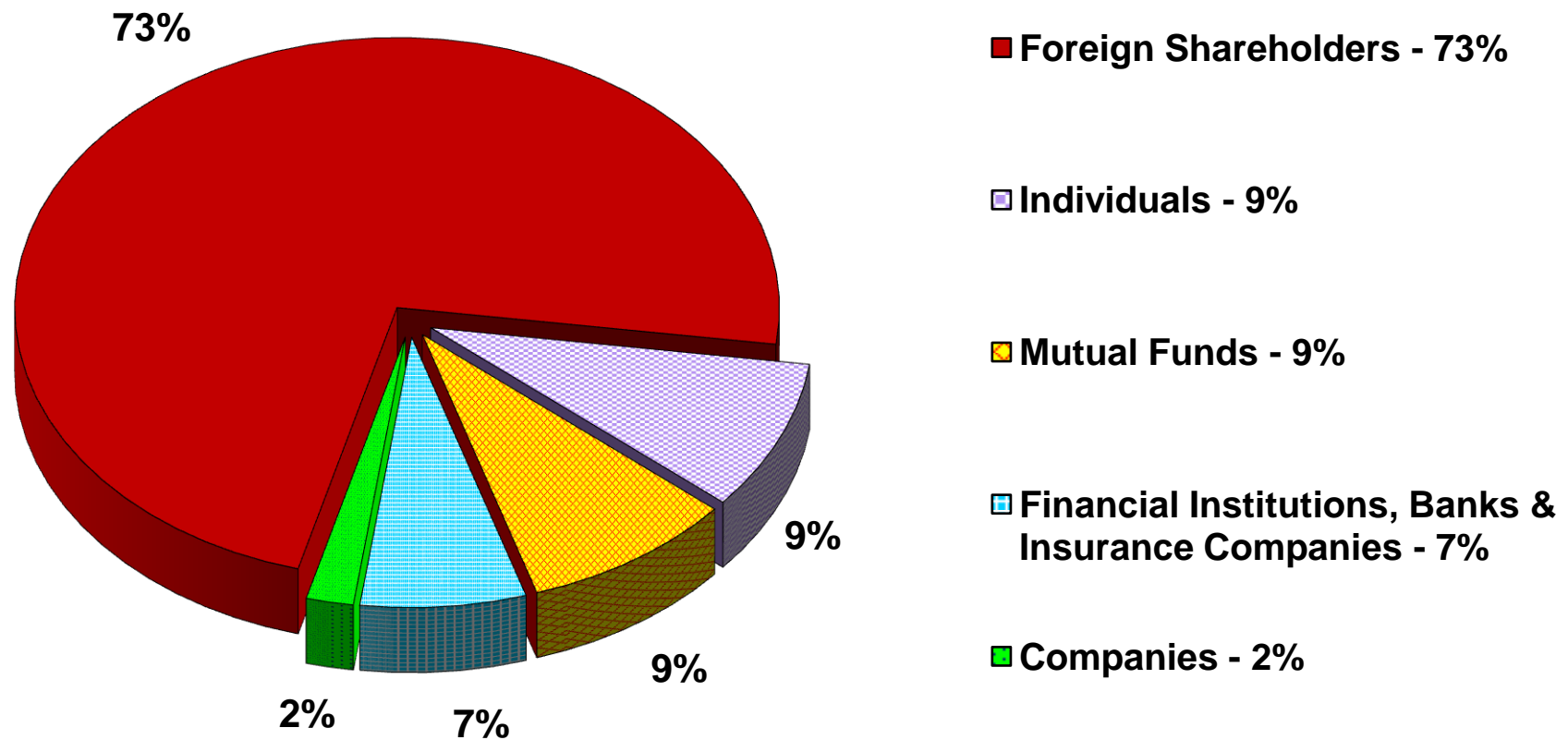
	Total	
	Rs bn	US\$ bn
Net Worth	817	11.5
<i>Add:</i> Unaccounted gains on listed investments	2,291	32.3
<i>Add:</i> Unaccounted gains on unlisted investments	116	1.6
Adjusted Networkth	3,224	45.4
Market Capitalisation	3,414	48.2
<b>Adjusted Price to Book Ratio</b>	<b>1.1</b>	<b>1.1</b>

# VALUATION – METHOD 2

- Number of shares outstanding: **1.727 bn**
- Share Price as at September 30, 2019: **Rs. 1,977**
- Market Capitalisation: **Rs. 3,414 bn (~US\$ 48 bn)**

Valuation	Rs bn	US\$ bn
Market Capitalisation	3,414	48.2
<i>Less: Unaccounted gains on listed investments</i>	2,291	32.3
<i>Less: Unaccounted gains on unlisted investments</i>	116	1.6
<b>Adjusted Market Capitalisation</b>	<b>1,007</b>	<b>14.3</b>
Net Worth	817	11.5
<b>Adjusted Price to Book Ratio</b>	<b>1.2</b>	<b>1.2</b>

# SHAREHOLDING PATTERN



# **FINANCIALS**

## **Standalone**

### **(Based on Indian Accounting Standards)**

# STATEMENT OF PROFIT AND LOSS – Q2FY20

	<u>Jul-Sep-19</u> (Rs in billion)	<u>Jul-Sep-18</u> (Rs in billion)	<u>Growth</u> (%)
Interest Income	108.52	96.34	13%
Interest Expenses	78.31	70.45	11%
<b>Net Interest Income</b>	<b>30.21</b>	<b>25.89</b>	<b>17%</b>
Add: Net gain on derecognised (assigned) loans	2.64	3.97	
Add: Fees Net of Commission (EIR)	(0.71)	0.43	
Add: Other Operating Income	0.64	0.60	
<b>Net Operating Income</b>	<b>32.78</b>	<b>30.89</b>	<b>6%</b>
Less: Non Interest Expenses	3.22	2.68	
Less: Amortisation of ESOS and CSR Expenses	0.58	0.53	
Add: Other Income	0.07	0.11	
<b>Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL</b>	<b>29.05</b>	<b>27.79</b>	<b>5%</b>
Add: Net gain/(loss) on Fair Value Changes	(3.22)	2.14	
Add: Dividend	10.74	0.06	
Add: Profit on Sale of Investments	16.27	8.91	
Less: Expected Credit Loss (ECL)	7.54	4.01	
<b>Profit Before Tax</b>	<b>45.30</b>	<b>34.89</b>	<b>30%</b>
Provision for Tax	5.68	10.22	
<b>Profit After Tax Before Other Comprehensive Income</b>	<b>39.62</b>	<b>24.67</b>	<b>61%</b>
Other Comprehensive Income	(0.96)	(0.89)	
<b>Total Comprehensive Income</b>	<b>38.66</b>	<b>23.78</b>	
<i>Effective tax rate (%)</i>	<i>12.5%</i>	<i>29.3%</i>	



# STATEMENT OF PROFIT AND LOSS – H1FY20

	<u>Apr-Sep-19</u>	<u>Apr-Sep-18</u>	<u>Growth</u>
	(Rs in billion)	(Rs in billion)	(%)
Interest	216.70	187.31	16%
Interest Expenses	155.70	133.97	16%
<b>Net Interest Income</b>	<b>61.00</b>	<b>53.34</b>	<b>14%</b>
Add: Net gain on derecognition of assigned loans	5.60	5.39	
Add: Fees Net of Commission (EIR)	(1.08)	0.42	
Add: Other Operating Income	1.27	1.22	
<b>Net Operating Income</b>	<b>66.79</b>	<b>60.37</b>	<b>11%</b>
Less: Non Interest Expenses	6.46	5.56	16%
Less: Amortisation of ESOS and CSR Expenses	1.15	2.76	
Add: Other Income	0.12	0.16	
<b>Profit Before Sale of Investments, Dividend &amp; Provisions</b>	<b>59.30</b>	<b>52.21</b>	<b>14%</b>
<b>Changes and ECL</b>			
Add: Net gain/(loss) on Fair Value Changes	(3.67)	2.76	
Add: Dividend	10.75	5.92	
Add: Profit on Sale of Investments	35.21	8.91	
Less: Expected Credit Loss (ECL)	16.44	4.21	
<b>Profit Before Tax</b>	<b>85.15</b>	<b>65.59</b>	<b>30%</b>
Provision for Tax	13.50	19.02	
<b>Profit After Tax Before Other Comprehensive Income</b>	<b>71.65</b>	<b>46.57</b>	<b>54%</b>
Other Comprehensive income	1.66	(1.18)	
<b>Total Comprehensive Income</b>	<b>73.31</b>	<b>45.39</b>	<b>62%</b>
<i>Effective tax rate (%)</i>	<i>15.9%</i>	<i>29.0%</i>	

# BALANCE SHEET

	<u>Sep-19</u>	<u>Sep-18</u>	<u>Growth</u>
	(Rs in billion)	(Rs in billion)	(%)
<b>Sources of Funds</b>			
Shareholders' Funds	817.06	698.67	
Borrowings	3,889.76	3,406.22	14%
Current Liabilities & Provisions	201.49	152.69	
	<b>4,908.31</b>	<b>4,257.58</b>	<b>15%</b>
<b>Application of Funds</b>			
Loans <sup>^</sup>	4,267.39	3,819.50	12%
Investments	580.23	383.80	
Current/ Fixed Assets	60.69	54.28	
	<b>4,908.31</b>	<b>4,257.58</b>	<b>15%</b>

<sup>^</sup>Net of loans sold during the preceding 12 months amounting to Rs 237.67 billion of individual loans. If these loans were included, the growth in loans would have been 18%.

# **KEY ASSOCIATES AND SUBSIDIARIES**

# HDFC BANK

- **21.3% owned by HDFC**
- **ADRs listed on NYSE**
- **5,314 branches, 13,514 ATMs**
- **Key business areas**
  - Wholesale banking      Retail banking      Treasury operations
- **Financials (as per Indian GAAP) for the half year ended September 30, 2019**
  - Advances as at September 30, 2019, stood at Rs. 8,970 bn – an increase of 20% over the previous year
  - Total deposits stood at Rs. 10,216 bn – an increase of 23% over the previous year
  - PAT (Indian GAAP): Rs. 119.13 bn – an increase of 24% 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 (September 30, 2019): ~US\$ 95 bn**

# **HDFC LIFE INSURANCE COMPANY LIMITED**

## **(HDFC LIFE)**

- **51.5% owned by HDFC and Standard Life (Mauritius Holdings) 2006 Limited holds 14.7% of the equity of HDFC Life.**
- **Total premium income for the half year ended September 30, 2019 stood at Rs. 141 bn – growth of 18% over the previous year**
- **For the half year ended September 30, 2019, HDFC Life had a market share of 22% in terms of total new business received premium (private sector)**
- **Financial Highlights**
  - **New Business Margin for the half year ended September 30, 2019 (post overrun): 27.5% (PY: 24.3%)**
  - **Indian Embedded Value stood at Rs. 201 bn as at September 30, 2019 (PY: Rs. 164 bn)**
  - **Operating Return on Embedded Value for the half year ended September 30, 2019 stood at 19.6%, the same as the previous year**
  - **Assets Under Management as at September 30, 2019 stood at Rs. 1,310 bn (PY: Rs. 1,132 bn)**
  - **PAT for the half year ended September 30, 2019 (Indian GAAP): Rs. 7.3 bn (PY: Rs. 6.7 bn)**
- **Product mix – Unit Linked: 26%, Non-Par Savings: 59%, Non-Par Protection: 6%, Traditional Par: 9%**
- **Market capitalisation (September 30, 2019): ~US\$ 17 bn**

# **HDFC ASSET MANAGEMENT**

- **52.8% owned by HDFC and Standard Life Investments holds 26.8% of the equity of HDFC Asset Management.**
- **Total Assets under Management (AUM) as at September 30, 2019, stood at Rs. 3.66 trillion (US\$ 52 bn)**
  - **Equity-oriented assets of HDFC MF as a proportion of total AUM was 45%**
- **India's largest mutual fund as at September 30, 2019 (Source: AMFI)**
  - **Overall market share: 14.9%**
  - **Market share of equity oriented funds: 15.8%**
- **Individual accounts of HDFC MF as at September 30, 2019**
  - **9.4 million live accounts**
  - **57.4% of total monthly average AUM of HDFC MF is contributed by individuals**
  - **Market share of 15.6% of individual monthly average AUM**
- **PAT for the half year ended September 30, 2019 (as per Ind AS): Rs. 6.6 bn – an increase of 61% over the previous year**
- **Market capitalisation (September 30, 2019): ~US\$ 8 bn**

# **HDFC ERGO GENERAL INSURANCE COMPANY LTD.**

- **HDFC holds 50.5% and ERGO holds 48.2% of the equity of HDFC ERGO**
- **Gross direct premium for the half year ended September 30, 2019 stood at: Rs. 50.5 bn – a growth of 20%**
- **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 48% of the total business**
- **Market share of 9.6% (private sector) and 5.3% (overall) in terms of gross direct premium for the half year ended September 30, 2019 (Source: GI Council)**
- **As at September 30, 2019: Combined Ratio – 104.2%, Solvency Ratio – 170% (as against regulatory requirement of 150%)**
- **Profit After Tax for the half year ended September 30, 2019 (Indian GAAP): Rs. 1.83 bn**

## **Acquisition of Apollo Munich Health Insurance Company Limited**

- **HDFC Limited has 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**
- **The acquisition is subject to regulatory approvals**

# 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 manager for the funds and is one of the largest real estate fund managers in the country



# HDFC CREDILA

- **HDFC holds 100% 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 September 30, 2019**
  - **Profit After Tax (as per Ind AS): Rs. 647.9 mn**
  - **Cumulative Disbursements: Rs. 97.2 bn**
  - **Loan book outstanding as at September 30, 2019: Rs. 57.9 bn – growth of 18% over previous year**
    - **44% of the loan book is collateralised**
  - **Average loan: Rs. 1.96 mn**
  - **Gross non-performing assets: 0.08%**

# **FINANCIALS**

## **Consolidated**

**(Based on Indian Accounting Standards)**

# BALANCE SHEET (Consolidated)

	<u>Sep-19</u> (Rs in billion)	<u>Sep-18</u> (Rs in billion)	<u>Growth</u> (%)
<b>Sources of Funds</b>			
Shareholders' Funds	1,313.09	1,068.95	23%
Liabilities Pertaining to Insurance Business	1,454.23	1,205.51	
Loan Funds	3,947.51	3,621.73	9%
Current Liabilities & Provisions	242.30	191.41	
	<b>6,957.13</b>	<b>6,087.60</b>	<b>14%</b>
<b>Application of Funds</b>			
Loans	4,322.99	4,029.03	7%
Assets pertaining to Insurance Business	1,518.96	1,272.81	
Investments	1,008.79	678.31	
Current Assets, Advances & Fixed Assets	100.14	103.06	
Goodwill on Consolidation	6.25	4.39	
	<b>6,957.13</b>	<b>6,087.60</b>	<b>14%</b>

## STATEMENT OF PROFIT AND LOSS – H1FY20

	Apr-Sep-19 (Rs. in billion)	Apr-Sep-18 (Rs. in billion)	Growth (%)
Interest & Other Operating Income	274.87	239.65	15%
Income from Insurance Business	206.44	174.14	
Profit on Loss of Control (GRUH)	80.00		
Net gain on fair value change	(7.87)	5.02	
Profit on Sale of Investments & Properties	0.17	1.43	
Net gain on derecognition of assigned loans	5.60	5.39	
Other Income	1.70	1.61	
<b>Total Income</b>	<b>560.91</b>	<b>427.24</b>	<b>31%</b>
Finance Costs	164.24	141.25	16%
Expense from Insurance Business	205.15	178.22	
Non-Interest Expenses	33.43	33.13	
Impairment on financial instruments	16.44	4.79	
<b>Total Expenses</b>	<b>419.26</b>	<b>357.39</b>	<b>17%</b>
Share of profit of associates (equity method)	24.77	46.87	
<b>Profit before tax</b>	<b>166.42</b>	<b>116.72</b>	<b>43%</b>
Total tax expense	23.54	22.80	
<b>Net Profit after tax</b>	<b>142.88</b>	<b>93.92</b>	<b>52%</b>
Other Comprehensive Income	6.80	(6.38)	
<b>Total Comprehensive Income</b>	<b>149.68</b>	<b>87.54</b>	<b>71%</b>
<b>Profit attributable to the Corporation</b>	<b>134.83</b>	<b>87.01</b>	<b>55%</b>

# CONSOLIDATED PROFIT AFTER TAX – H1FY20

## (As per Ind-AS)

	Apr-Sep 19	Apr-Sep 18	Growth
	(Rs in bn)	(Rs in bn)	
<b>HDFC Profit After Tax</b>	<b>71.65</b>	<b>46.57</b>	<b>54%</b>
HDFC Life	3.63	3.38	7%
HDFC Ergo	0.97	0.94	3%
GRUH	0.79	1.13	
HDFC Bank	23.40	20.68	13%
HDFC AMC	3.21	2.17	48%
HDFC Credila	0.59	0.45	31%
Property Funds (incl GRIHA)	0.30	(0.02)	
HDFC Invt & HDFC Holdings	3.06	2.00	53%
HDFC Edu, Sales, Property Cos, Others	(0.07)	(0.04)	75%
<b>Adjustments:</b>			
Adjustment on account of dilution of stake in associates	1.25	26.19	
Fair Value Adjustment (GRUH: Subsidiary to Associate)	57.47	-	
Profit on Sale of GRUH (Reversal from Other Equity)	(18.95)	-	
Dividend & Other Adjustments	(12.47)	(16.44)	
<b>Net Profit Attributable to the Corporation</b>	<b>134.83</b>	<b>87.01</b>	<b>55%</b>

# ESG REPORTS

- Integrated Report
- Report of Directors on Corporate Governance
- Annual Report on Corporate Social Responsibility (CSR) Activities
- Business Responsibility Report

*Thank You*