

Ref. No.: SE/2020-21/117

August 4, 2020

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

National 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

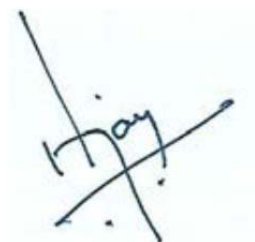
Pursuant to the above-mentioned regulations, we wish to inform you that the Corporation participated in a number of virtual investor meetings on July 31, August 1 and August 3, 2020. The virtual investor meetings were organized by various investment bankers.

A copy of the investor presentation is enclosed for your reference and the same 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, HT Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020.

Tel.: 66316000, 22820282. Fax: 022-22046834, 22046758.

Regd. Office: Ramon House, HT Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020. INDIA.
Corporate Identity Number: L70100MH1977PLC019916



**Housing Development Finance
Corporation Limited**

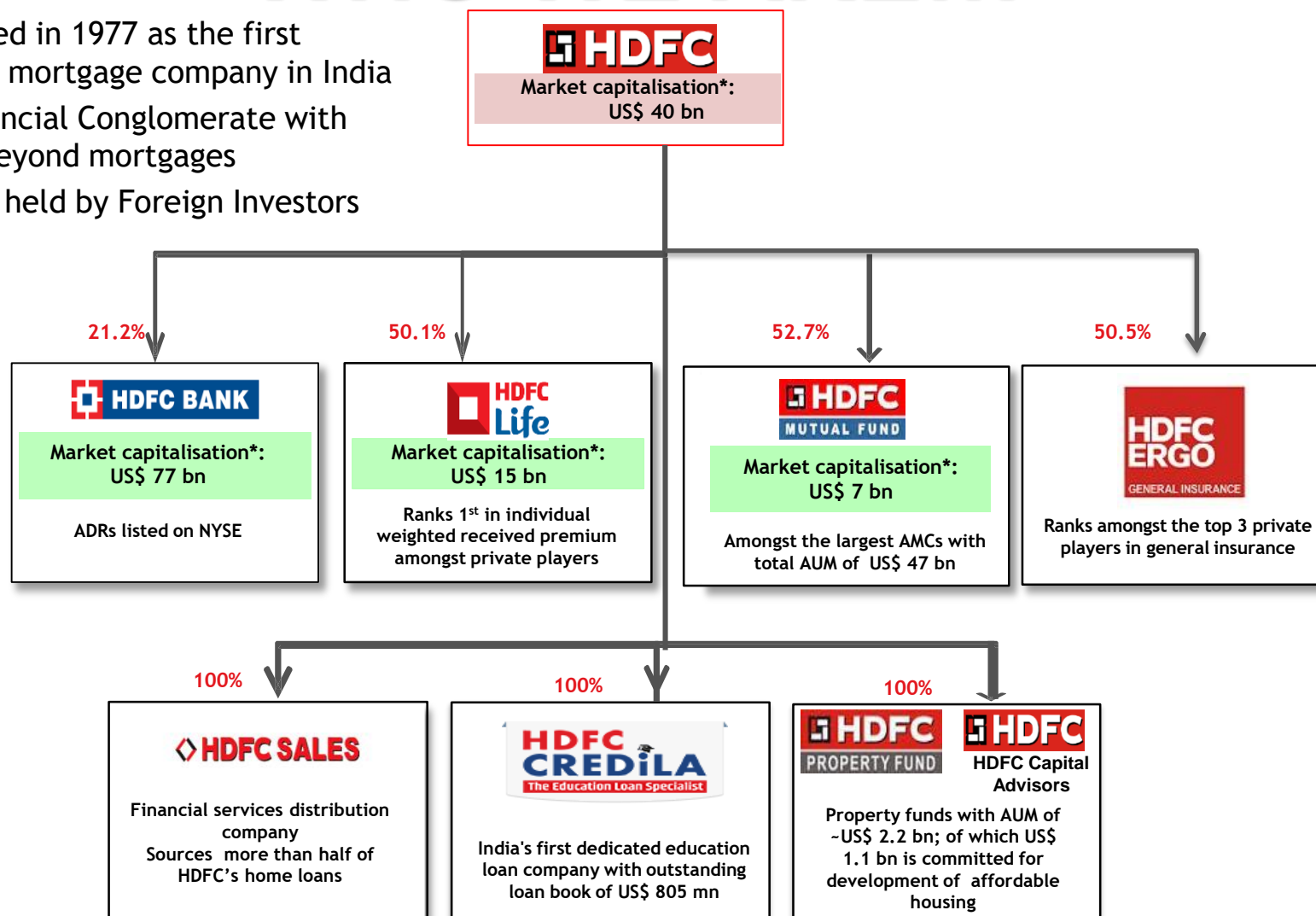
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HDFC SNAPSHOT

WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages
- 70% shares held by Foreign Investors



*As at June 30, 2020

US\$ amounts converted based on exchange rate of US\$ 1 = Rs. 75.57

BUSINESS SUMMARY

- **Loans Outstanding (Gross loans)**
(As at June 30, 2020) : **Rs. 5,315.55 bn**
: **US\$ 70.34 bn**
- **Individual Loans Originated CAGR (5 years)** : **18%**
- **Cumulative Housing Units Financed** : **7.8 million**
- **Cumulative loan write offs since inception**
(of cumulative disbursements) : **14 basis points**
- **Cost to Income Ratio** : **9.0%**
- **Unaccounted gains on listed investments**
in subsidiary and associate companies
(As at June 30, 2020) : **Rs. 1,921.51 bn**
: **US\$ 25.43 bn**
- **Consolidated Profit After Tax CAGR (5 years)** : **21%**

IMPACT OF COVID-19

	IMPACT
Coronavirus (COVID-19)	World Health Organisation declared COVID-19 as a pandemic on March 11, 2020. India announced a strict national lock down effective March 25, 2020 to May 31, 2020. Thereafter, there has been a phased re-opening outside of the containment zones. Some state have continued to extend the lockdown.
Resumption of Business	All of HDFC's offices have opened for business. However, based on state/local authorities, some offices have had to temporarily close as various locations cycle in and out of lock downs. All staff/visitors follow hygiene protocols and social distancing. Staff on a rotational basis follow the Work From Home protocol.
Individual Loans	Loan sourcing, approvals and servicing of loans are available online. Owing to the lock down, the retail business was impacted during the quarter ended June 30, 2020. However, since April 2020, month-on-month improvements in retail business has been seen. Inherent demand for home loans remains strong.
Moratorium	<p>In line with Reserve Bank of India (RBI) guidelines, moratorium offered to customers whose loans were standard as at February 29, 2020 for the period March 1, 2020 to May 31, 2020 (Moratorium 1). On May 23, 2020, RBI permitted an extension of the moratorium for another 3 months i.e. up to August 30, 2020. (Moratorium 2).</p> <p>22.6% of individual loans and 27.0% of total loans under management had opted for moratorium 1 16.6% of individual loans and 22.4% of total loans under management had opted for moratorium 2</p>
Resource Mobilisation	HDFC is carrying significantly higher levels of liquidity. The Corporation has continued to raise resources from the capital markets, banks, refinance facilities and its strong deposit growth is reflective of HDFC being a preferred financial institution for retail depositors.
Corporate Social Responsibility	HDFC Group together committed Rs 1.50 bn to the Prime Minister's Citizen Assistance & Relief in Emergency Situations Fund (PM-CARES). HDFC, through its Foundation has tied up with partners across various states to provide cooked meals and hygiene safety kits for vulnerable sections of society. Also provided PPE kits, masks and ventilators to state government and charitable hospitals treating COVID-19 patients.

MORTGAGE MARKET IN INDIA

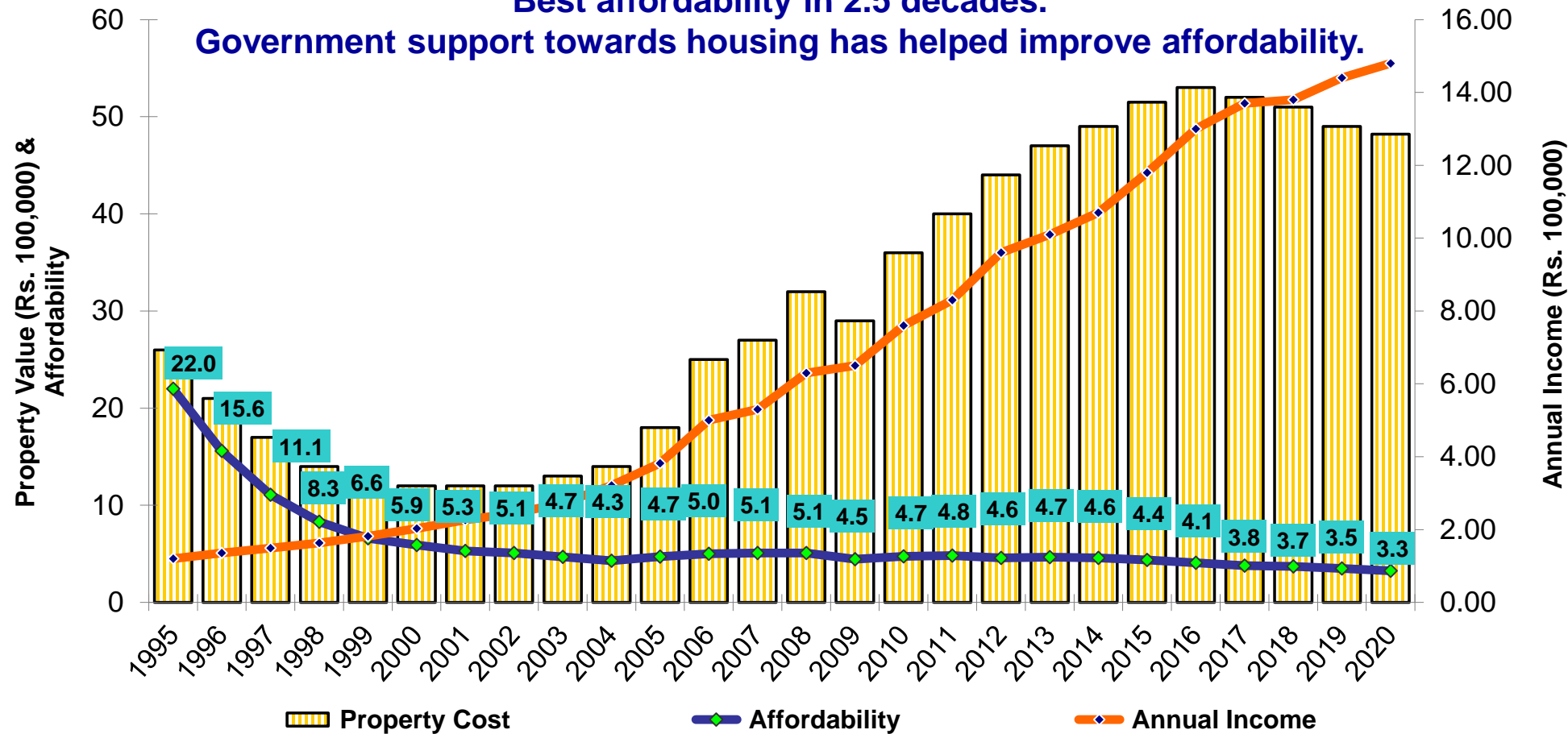
DRIVERS OF MORTGAGE GROWTH

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

IMPROVED AFFORDABILITY

Best affordability in 2.5 decades.

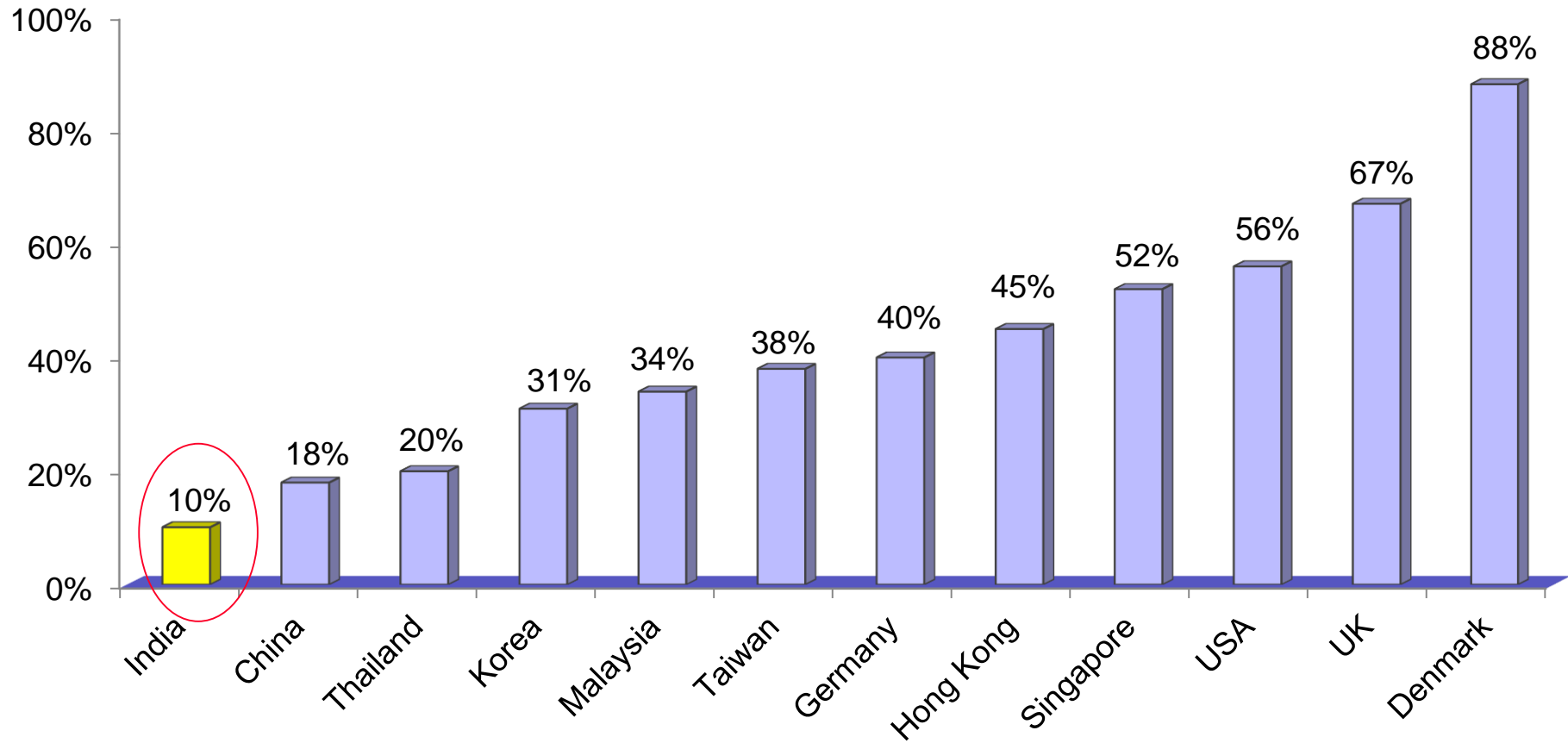
Government support towards housing has helped improve affordability.



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



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)	2,700,000	2,700,000	2,700,000
Less: Subsidy under CLSS	230,156	-	-
Revised loan amount	2,469,844	2,700,000	2,700,000
Nominal Interest Rate(%)	7.50%	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	335,238	328,944	385,380
Interest component	185,238	290,250	357,750
Principal repaid	150,000	38,694	27,630
Tax amount saved	108,150	53,550	32,775
Effective interest paid on home loan	77,088	236,700	324,975
Effective interest on home loan	2.9%	8.8%	12.0%

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.
- CLSS for middle-income groups extended by one year up to March 31, 2021.
- HDFC ranked as the top performing primary lending for CLSS beneficiaries

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\$ 8,000)	Rs > 600,000 up to 1,200,000 (>US\$ 8,000 to 15,900)	> Rs 1,200,000 to 1,800,000 (>US\$ 15,900 to 23,800)
Property size (sq mtrs)	60	160	200
Maximum amount of loan qualifying for subsidy	Rs 600,000 (US\$ 8,000)	Rs 900,000 (US\$ 11,900)	Rs 1,200,000 (US\$ 15,900)
Interest Subsidy (% per annum)	6.50%	4%	3%
Subsidy under CLSS*	Rs 267,280 (US\$ 3,500)	Rs 235,068 (US\$ 3,100)	Rs 230,156 (US\$ 3,000)

*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

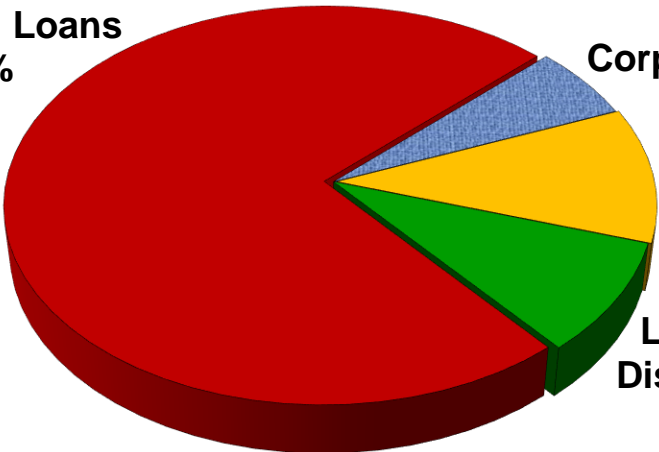
CORE BUSINESS – LENDING

(As at June 30, 2020: Gross Loans - US\$ 70 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

Individual Loans
74%



Corporate 6%

Construction
Finance 11%

Lease Rental
Discounting 9%

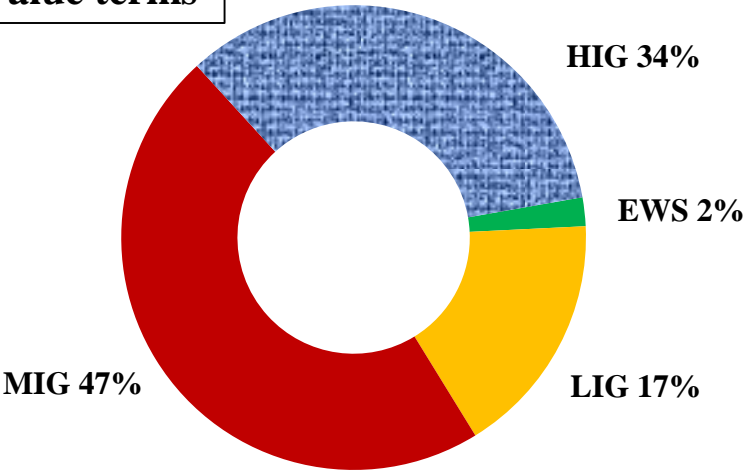
As at June 30, 2020	Loan Book Outstanding (After Sell Down)			Loan Book o/s Before Sell Down in last 12 months			Assets Under Management		
	Rs. bn	US\$ bn	%Growth	Rs. bn	US\$ bn	%Growth	Rs. bn	US\$ bn	%Growth
Individuals	3,285	43	10%	3,467	46	17%	3,942	52	11%
Non-Individuals	1,372	18	15%	1,372	18	15%	1,374	18	15%
Total	4,657	61	12%	4,839	64	16%	5,316	70	12%

Individual loans sold (outstanding): Rs. 656.95 bn (US\$ 8.7 bn)

AFFORDABLE HOUSING

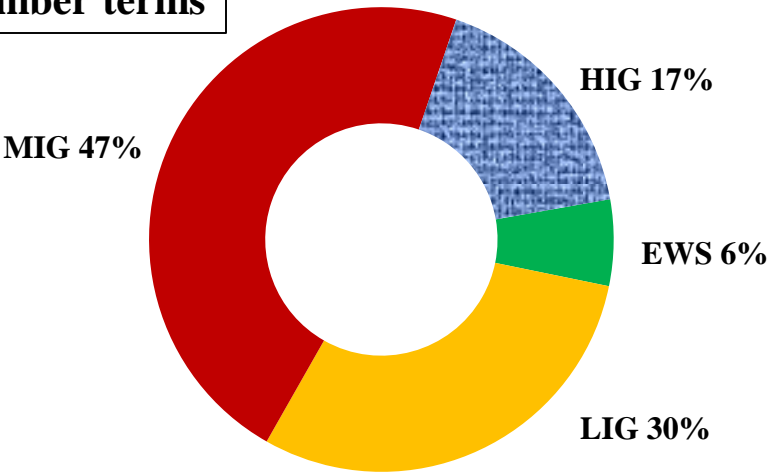
Housing Loan Approvals Based on Income Slabs: Q1FY21

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



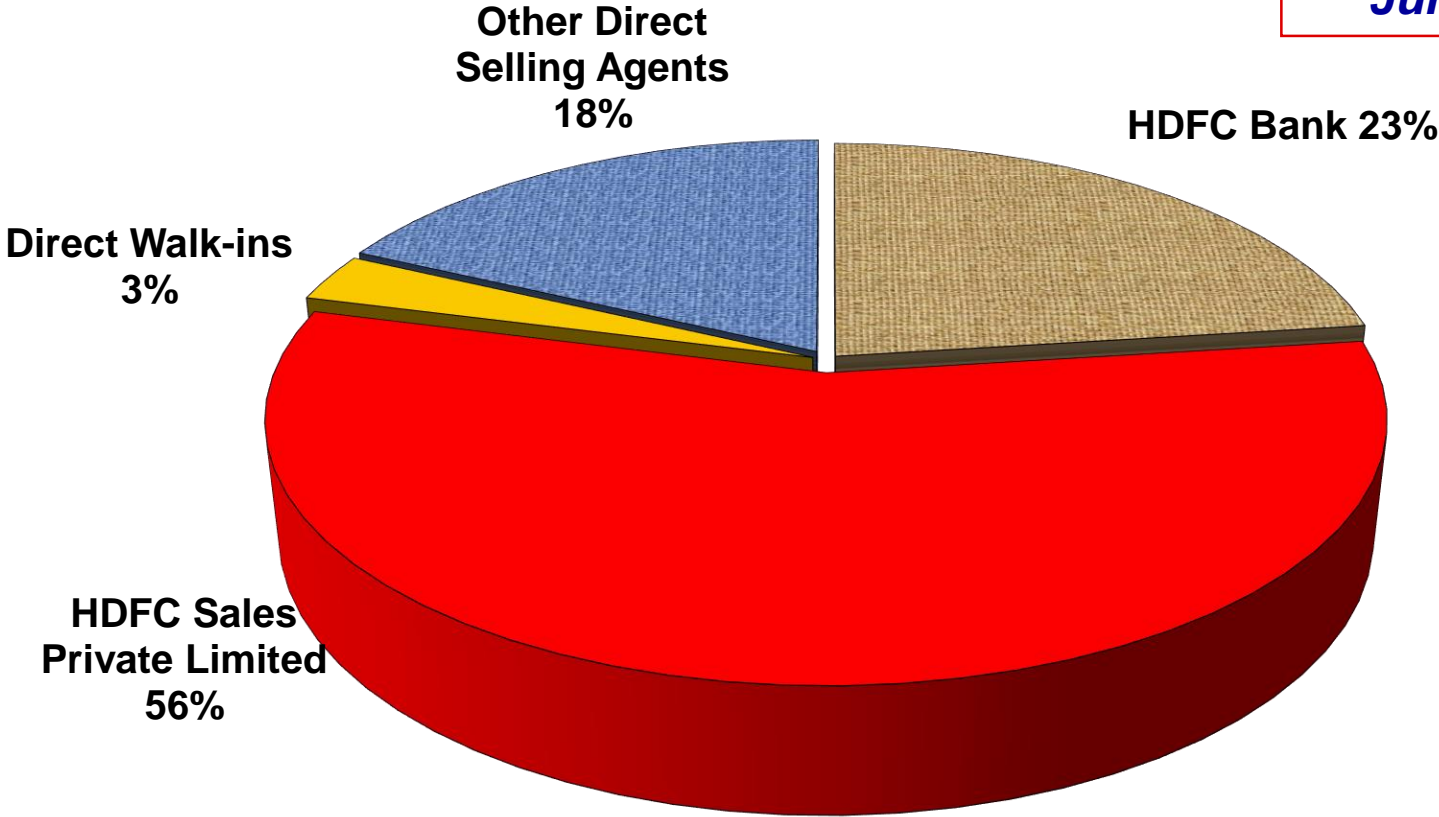
Low Income Group: Above Rs 0.3 mn to Rs 0.6 mn p.a.
High Income Group: Above Rs 1.8 mn p.a.

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

- 37% of home loan approvals in volume terms has been to the EWS & LIG segments and 19% in value terms
- Average home loan – EWS: Rs 1.05 mn, LIG: Rs 1.78 mn

82% OF OUR MORTGAGES ARE SOURCED BY OURSELVES OR THROUGH OUR AFFILIATES

June 30, 2020

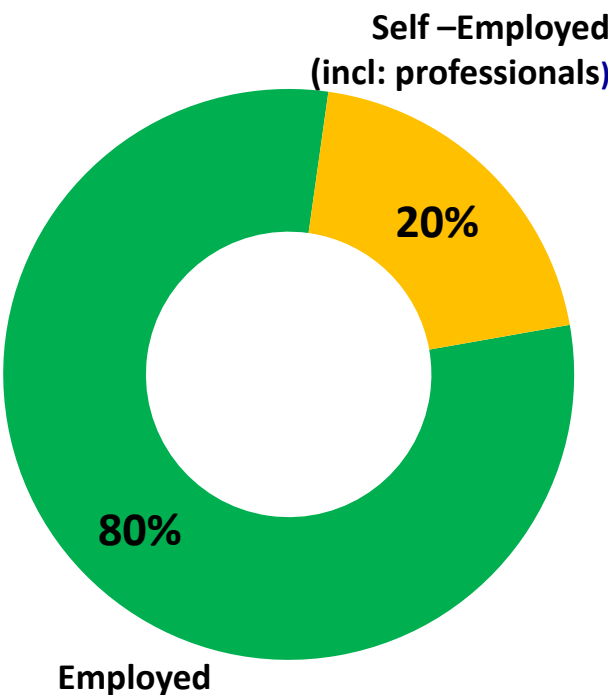


Deposit & loan products offered at several locations through outreach programmes.

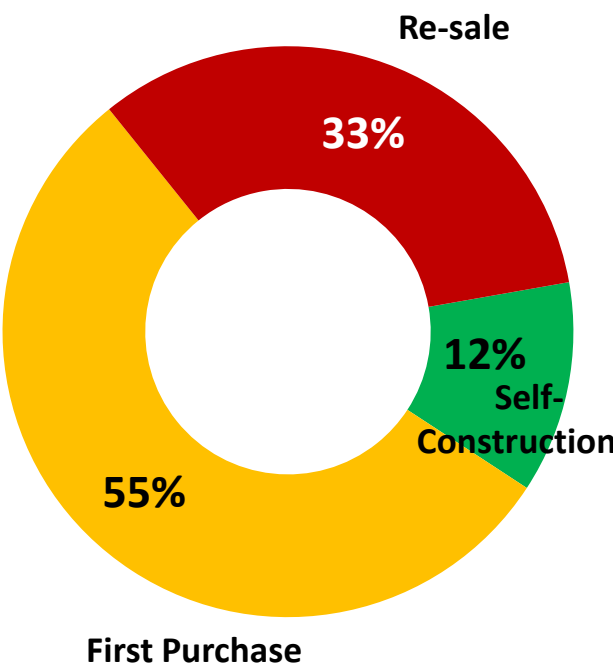
Total number of offices: **584** which is inclusive of **205** outlets of HDFC’s wholly owned distribution company.

INDIVIDUAL LOANS*: Q1FY21

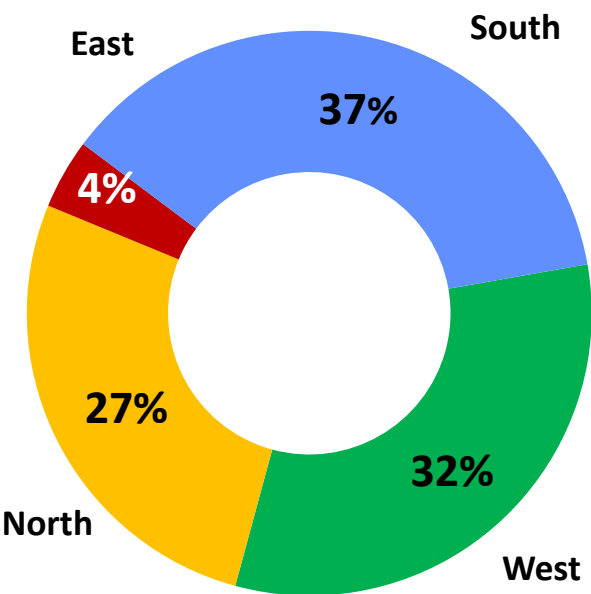
Employment



Acquisition Mode



Geographic Spread

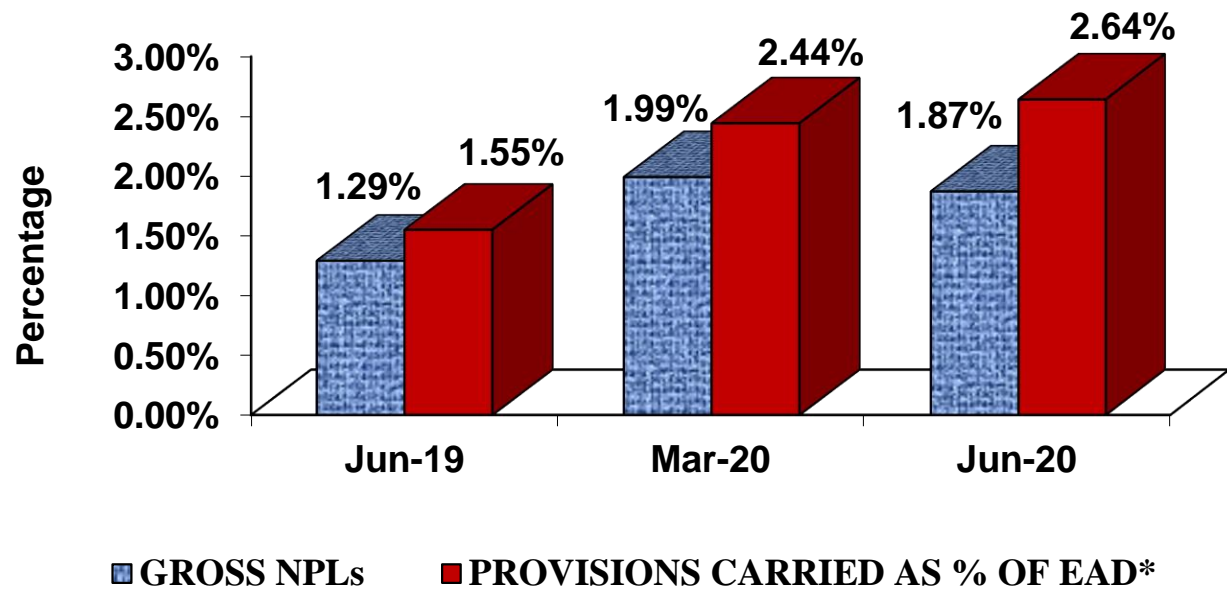


* Based on value of approvals

OUR CONSERVATIVE LOAN PROFILE UNDERLIES OUR HIGH CREDIT QUALITY

- **Average Loan Size** : Rs. 2.70 mn (~US\$ 35,700)
- **Average Loan to Value** : 70% (at origination)
- **Average Loan Term** : 12 years
- **Average Age** : 39 years
- **Primary Security** : Mortgage of property financed
- **Repayment Type** : Amortising

NON-PERFORMING LOANS (NPLs) & PROVISIONS CARRIED



Total loan write offs since inception is 14 basis points of cumulative disbursements.

As at June 30, 2020	
	(Rs. in bn)
NPLs (3 months):	86.31
Provisions Carried:	122.85
Regulatory provision as per period of default & standard assets:	44.52
NPLs as % of the loan portfolio:	
Individual Loans:	0.92%
Non-individual Loans:	4.10%
Total:	1.87%

*EAD: Exposure at Default

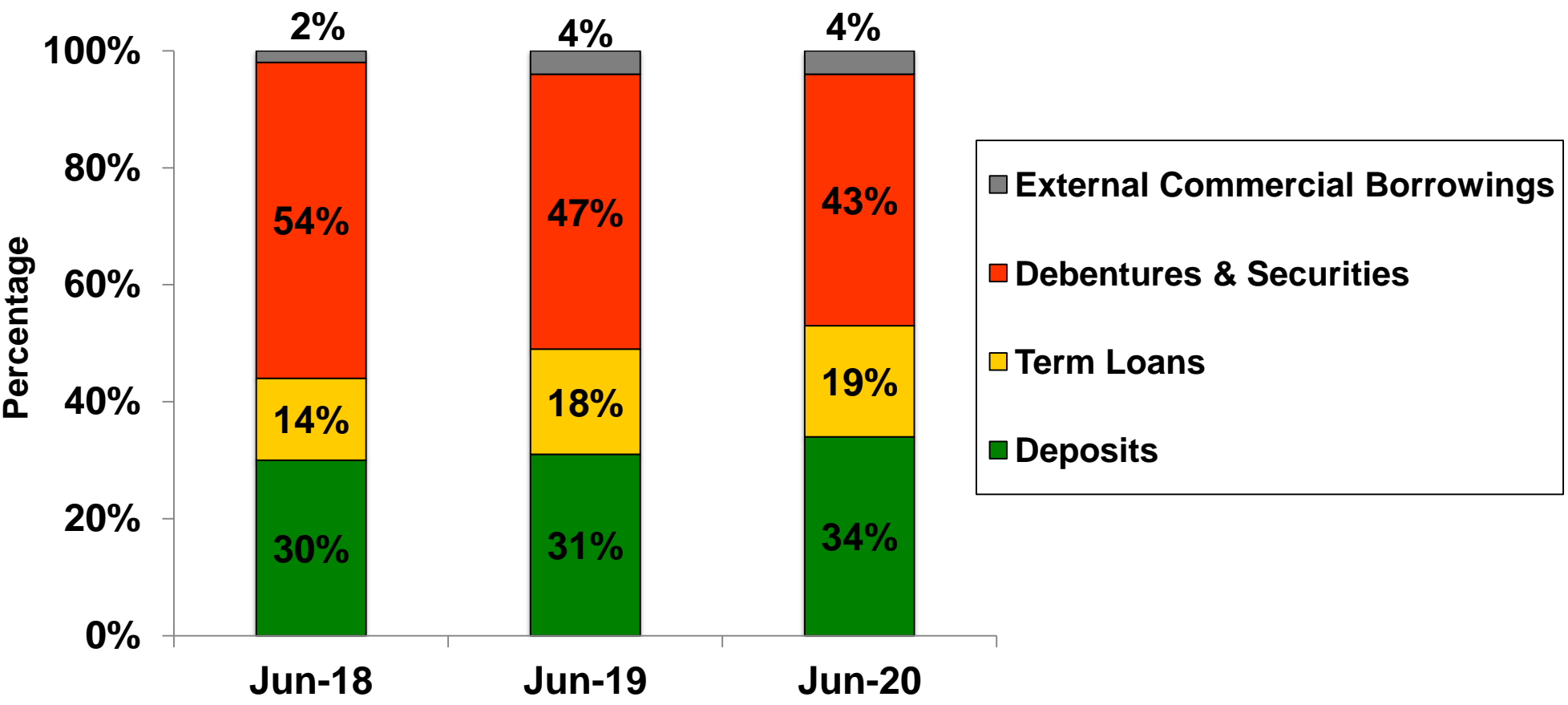
EXPECTED CREDIT LOSS (ECL) BASED ON EXPOSURE AT DEFAULT (EAD)

Rs bn

As per IND AS	Jun-20	Mar-20	Jun-19
Gross Stage 1	4,296.67	4,158.64	3,913.02
ECL Provision Stage 1	10.44	3.46	3.17
Net Stage 1	4,286.23	4,155.18	3,909.85
Coverage Ratio % Stage 1	0.24%	0.08%	0.08%
Gross Stage 2	246.74	247.94	187.94
ECL Provision Stage 2	63.99	57.50	36.76
Net Stage 2	182.75	190.44	151.18
Coverage Ratio % Stage 2	26%	23%	20%
Gross Stage 3	101.99	102.73	62.28
ECL Provision Stage 3	48.42	48.92	24.76
Net Stage 3	53.57	53.81	37.52
Coverage Ratio % Stage 3	47%	48%	40%
EAD	4,645.40	4,509.31	4,163.24
ECL Provision	122.85	109.88	64.69
Net	4,522.55	4,399.43	4,098.55
ECL/EAD	2.64%	2.44%	1.55%

MULTIPLE SOURCES OF BORROWINGS

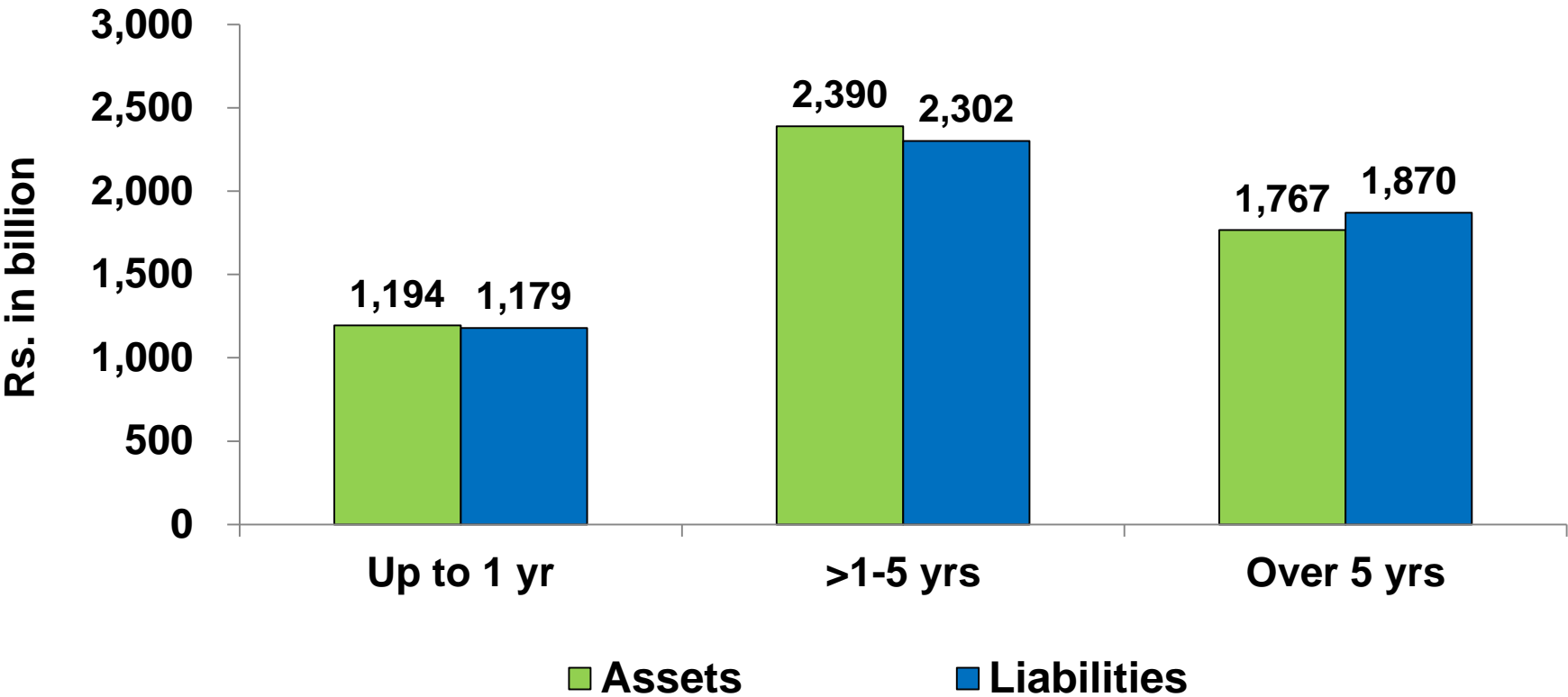
(As at June 30, 2020: Total Borrowings - US\$ 57 bn)



Total Borrowings: Rs. 4,320.59 bn (US\$ 57.17 bn)

MATURITY PROFILE

(As at March 31, 2020)



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

PRODUCTIVITY RATIOS

	FY20	FY19
Number of employees	3,095	2,840
Number of outlets	379	358
Profit per employee (US\$ '000)*	457	476
Assets per employee (US\$ mn)	21.6	20.6
Admin costs/assets (%) [^]	0.24	0.25
Cost income ratio (%)	9.0	8.9

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

^Excluding ESOS cost and CSR expenses

KEY FINANCIAL METRICS

	FY20	FY19
Net Interest Margin(%)	3.4	3.3
Pre Tax RoAA (%)^	2.5	3.0
Post Tax RoAA (%)^	2.0	2.1
Return on Equity (%)^	21.7 [#]	13.5
Capital Adequacy (%)	17.3	19.2
Of which Tier I (%)	16.2	17.6
Tier II (%)	1.1	1.6

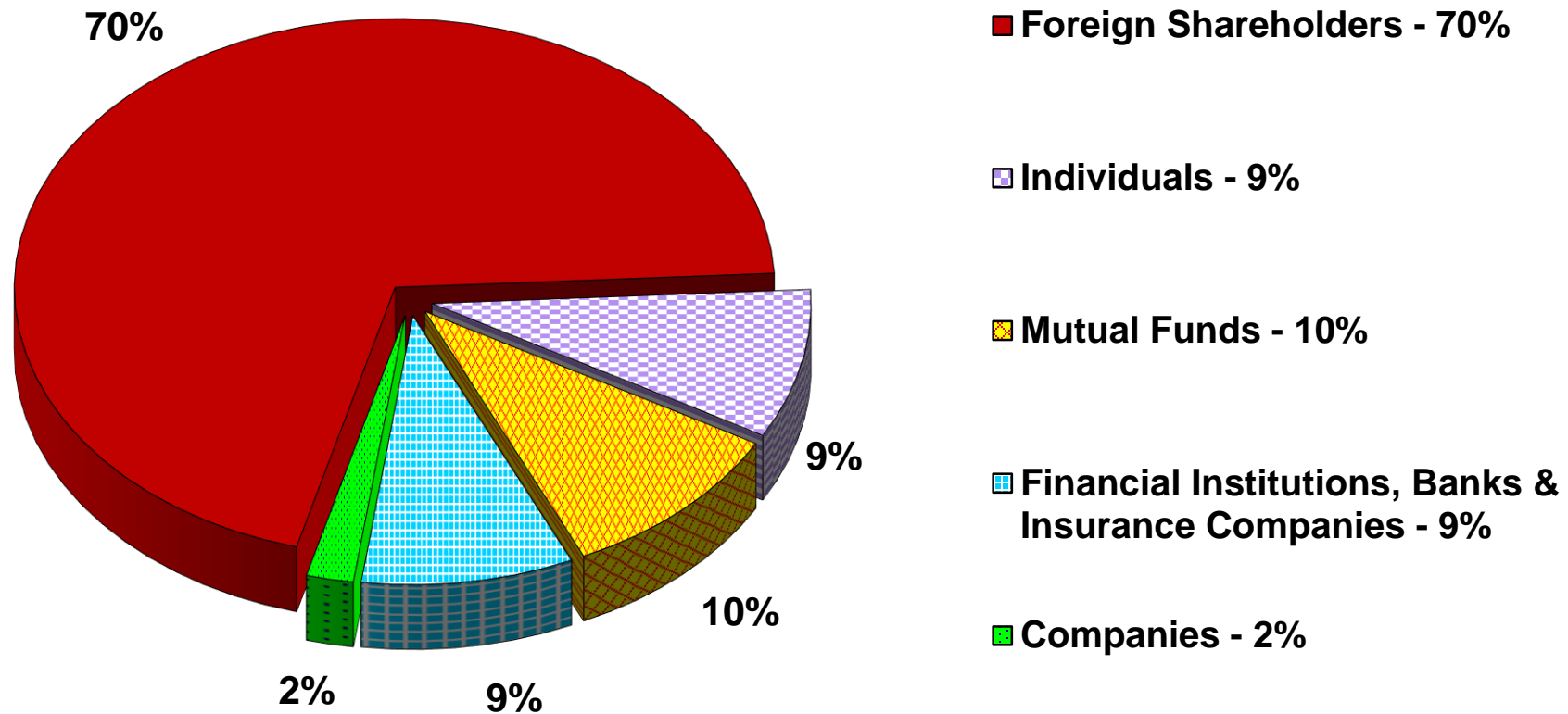
^Adjusted for profit on sale of investments of strategic investments

#As at June 30, 2020 ,capital adequacy ratio is after factoring in payment of dividend.

SHAREHOLDING

SHAREHOLDING PATTERN

As at June 30, 2020



FINANCIALS

Standalone

(Based on Indian Accounting Standards)

STATEMENT OF PROFIT AND LOSS – FY20

	<u>Apr-Mar-20</u> (Rs in billion)	<u>Apr-Mar-19</u> (Rs in billion)	<u>Growth</u> (%)
Interest Income	439.05	392.95	12%
Interest Expenses	310.01	278.38	11%
Net Interest Income	129.04	114.57	13%
Add: Net gain on derecognition of assigned loans	9.68	8.60	
Add: Fees Net of Commission (EIR)	(1.56)	(0.15)	
Add: Other Operating Income	2.98	3.14	
Net Operating Income	140.14	126.16	11%
Less: Non Interest Expenses	12.73	11.18	14%
Less: Amortisation of ESOS and CSR Expenses	2.25	3.69	
Add: Other Income	0.24	0.30	
Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL	125.40	111.59	12%
Changes and ECL			
Add: Net gain/(loss) on Fair Value Changes	0.99	5.52	
Add: Gain on Scheme of Amalgamation	90.20	-	
Less: Expected Credit Loss (ECL)	59.13	9.35	
Add: Dividend	10.81	11.31	
Add: Profit on Sale of Investments	35.24	12.12	
Profit Before Tax	203.51	131.19	55%
Provision for Tax	25.81	34.86	
Profit After Tax Before Other Comprehensive Income	177.70	96.33	84%
Other Comprehensive income	(66.53)	(1.32)	
Total Comprehensive Income	111.17	95.01	17%
Effective tax rate (%)	12.7%	26.6%	

BALANCE SHEET

	<u>Mar-20</u>	<u>Mar-19</u>	<u>Growth</u>
	(Rs in billion)	(Rs in billion)	(%)
Sources of Funds			
Shareholders' Funds	861.58	773.55	
Borrowings	4,191.02	3,662.14	14%
Current Liabilities	188.34	152.09	
	5,240.94	4,587.78	14%
Application of Funds			
Loans [^]	4,509.03	4,066.07	11%
Investments	649.44	462.40	
Current/ Fixed Assets	82.47	59.31	
	5,240.94	4,587.78	14%

[^]Net of loans sold during the preceding 12 months amounting to Rs 241.27 billion of individual loans. If these loans were included, the growth in loans would have been 17%.

STATEMENT OF PROFIT AND LOSS – Q1FY21

	<u>Apr-Jun-20</u> (Rs in billion)	<u>Apr-Jun-19</u> (Rs in billion)	<u>Growth</u> (%)
Interest Income	112.09	108.18	4%
Interest Expenses	78.17	77.39	1%
Net Interest Income	33.92	30.79	10%
Add: Net gain on derecognition of assigned loans	1.84	2.96	
Add: Fees net of Commission (EIR)	(0.57)	(0.37)	
Add: Other Operating Income	0.49	0.63	
Net Operating Income	35.68	34.01	
Less: Non Interest Expenses	3.20	3.24	-1%
Less: Amortisation of ESOS and CSR Expenses	0.77	0.58	
Add: Other Income	0.02	0.06	
Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL	31.73	30.25	
Add: Net gain/ (loss) on Fair Value Changes	0.94	(0.45)	
Add: Dividend	2.98	0.01	
Add: Profit on Sale of investments	12.41	18.94	
Less: Expected Credit Loss	11.99	8.90	
Profit Before Tax	36.07	39.85	
Provision for Tax	5.55	7.82	
Profit After Tax Before Other Comprehensive Income	30.52	32.03	-5%
Other Comprehensive income	20.18	2.62	
Total Comprehensive Income	50.70	34.65	46%
<i>Effective tax rate (%)</i>	<i>15.4%</i>	<i>19.6%</i>	

KEY ASSOCIATES AND SUBSIDIARIES

HDFC BANK

- 21.2% owned by HDFC
- ADRs listed on NYSE
- 5,416 banking outlets, 14,901 ATMs
- Key business areas
 - Wholesale banking Retail banking Treasury operations
- Financials (as per Indian GAAP) for the year ended March 31, 2020
 - Advances as at March 31, 2020, stood at Rs. 9,937 bn – an increase of 21% over the previous year
 - Total deposits stood at Rs. 11,475 bn – an increase of 24% over the previous year
 - PAT (Indian GAAP): Rs. 262.57 bn – an increase of 25% 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 LIFE INSURANCE COMPANY LIMITED

(HDFC LIFE)

- **50.1% owned by HDFC and Standard Life (Mauritius Holdings) 2006 Limited holds 10.3% of the equity of HDFC Life.**
- **Total premium income for the year ended March 31, 2020 stood at Rs. 327 bn – growth of 12% over the previous year**
- **For the year ended March 31, 2020, HDFC Life had a market share of 22% in terms of total new business premium (private sector)**
- **Financial Highlights**
 - **New Business Margin for the year ended March 31, 2020 (post overrun): 26% (PY: 25%)**
 - **Indian Embedded Value stood at Rs. 207 bn as at March 31, 2020 (PY: Rs. 183 bn)**
 - **Operating Return on Embedded Value for the year ended March 31, 2020 stood at 18.1% (PY: 20.1%)**
 - **Assets Under Management as at March 31, 2020 stood at Rs. 1,272 bn (PY: Rs. 1,256 bn)**
 - **PAT for the year ended March 31, 2020 (Indian GAAP): Rs. 13 bn (PY: Rs. 12.8 bn)**
- **Product mix - Unit Linked: 28%, Non-Par Savings: 45%, Non-Par Protection: 8%, Traditional Par: 19%**

HDFC ASSET MANAGEMENT

- **52.7% owned by HDFC and Standard Life Investments holds 21.2% of the equity of HDFC Asset Management.**
- **Total quarterly average Assets under Management (AUM) as at March 31, 2020, stood at Rs. 3.70 trillion (US\$ 49 bn)**
 - **Equity-oriented assets of HDFC MF as a proportion of total AUM was 43%**
- **Amongst India's largest mutual funds**
 - **Overall market share: 13.7%**
 - **Market share of equity oriented funds: 15.2%**
- **Individual accounts of HDFC MF as at March 31, 2020**
 - **9.4 million live accounts**
 - **57% of total monthly average AUM of HDFC MF is contributed by individuals**
 - **Market share of 15% of individual monthly average AUM**
- **PAT for the year ended March 31, 2020 (as per Ind AS): Rs. 12.6 bn – an increase of 36% over the previous year**

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 year ended March 31, 2020 stood at: Rs 93.1 bn compared to Rs 86.1 bn in the previous year**
- **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 58% of the total business**
- **Market share of 8.8% (private sector) and 4.9% (overall) in terms of gross direct premium for the year ended March 31, 2020 (Source: GI Council)**
- **As at March 31, 2020: Combined Ratio – 102.6%, Solvency Ratio – 189% (as against regulatory requirement of 150%)**
- **Profit After Tax for the year ended March 31, 2020 (Indian GAAP): Rs 4.48 bn (PY: Rs 3.83 bn)**

Acquisition of a Health Insurance Company

- **Immense potential in health insurance given the low penetration levels**
- **In January 2020, HDFC acquired 51.2% of the equity share capital of HDFC ERGO Health Insurance Limited (formerly Apollo Munich Health Insurance Company Limited) for a total consideration of Rs 14.96 bn.**
- **HDFC ERGO Health Insurance Limited (HDFC ERGO Health) is currently a subsidiary of HDFC. The company will subsequently be merged with HDFC ERGO General Insurance Company Limited (HDFC ERGO), subject to approval of the National Company Law Tribunal.**
 - **Share exchange ratio: for every 385 equity shares of Rs 10 each held in HDFC ERGO Health, 100 equity shares of Rs 10 each of HDFC ERGO would be allotted.**

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 March 31, 2020**
 - **Profit After Tax (as per Ind AS): Rs. 1.23 bn**
 - **Cumulative Disbursements: Rs. 104.8 bn**
 - **Loan book outstanding as at March 31, 2020: Rs. 62.6 bn – growth of 17% over previous year**
 - **43% of the loan book is collateralised**
 - **Average loan: Rs. 2.27 mn**
 - **Gross non-performing assets: 0.12%**

FINANCIALS

Consolidated

(Based on Indian Accounting Standards)

BALANCE SHEET (Consolidated)

	<u>Mar-20</u> (Rs in billion)	<u>Mar-19</u> (Rs in billion)	<u>Growth</u> (%)
Sources of Funds			
Shareholders' Funds	1,338.36	1,179.79	13%
Liabilities Pertaining to Insurance Business	1,484.30	1,365.19	
Loan Funds	4,253.68	3,867.55	10%
Current Liabilities & Provisions	221.81	196.22	
	<u>7,298.15</u>	<u>6,608.75</u>	10%
Application of Funds			
Loans	4,454.69	4,223.64	5%
Assets pertaining to Insurance Business	1,572.00	1,432.86	
Investments	991.11	767.12	
Current Assets, Advances & Fixed Assets	264.34	178.88	
Goodwill on Consolidation	16.01	6.25	
	<u>7,298.15</u>	<u>6,608.75</u>	10%

STATEMENT OF PROFIT AND LOSS – FY20

	Mar-20 (Rs. in billion)	Mar-19 (Rs. in billion)	Growth (%)
Interest & Other Operating Income	486.47	446.16	9%
Income from Insurance Business	424.56	497.07	
Fair Value Gain-merger of GRUH Finance with Bandhan Bank	97.99	-	
Net gain/(loss) on fair value change	(1.80)	7.11	
Profit on Sale of Investments & Properties	0.35	0.22	
Income on derecognised/ assigned loans	9.68	8.60	
Other Income	0.71	2.80	
Total Income	1,017.96	961.96	6%
Finance Costs	321.09	295.26	9%
Expense from Insurance Business	405.53	480.65	
Non-Interest Expenses	27.36	29.04	
Impairment on financial instruments	59.51	9.91	
Total Expenses	813.49	814.86	0%
Share of profit of associates (equity method)	57.46	73.89	
Profit before tax	261.93	220.99	19%
Total tax expense	33.67	45.18	
Net Profit after tax	228.26	175.81	30%
Other Comprehensive Income	(62.13)	0.82	
Total Comprehensive Income	166.13	176.63	-6%
Profit attributable to the Corporation	214.35	162.32	32%

CONSOLIDATED PROFIT AFTER TAX – FY20

(As per Ind-AS)

	Mar-20	Mar-19	Growth
	(Rs in bn)	(Rs in bn)	
HDFC Profit After Tax	177.70	96.33	84%
HDFC Life	5.88	6.13	-4%
HDFC Ergo	2.06	1.64	
HDFC ERGO Health	0.67	-	
HDFC Bank	54.39	46.70	16%
HDFC AMC	6.38	4.64	38%
HDFC Credila	1.15	0.93	24%
GRUH Finance	1.10	2.39	
Property Funds (incl GRIHA)	0.19	0.10	
HDFC Invt & HDFC Holdings	3.17	1.79	77%
HDFC Edu, Sales, Property Cos, Others	(0.16)	(0.02)	
Adjustments:			
Profit on Sale of Investments in Subsidiaries	-	(8.91)	
Adjustment on account of dilution of stake in associates	2.97	27.19	
Fair Value Adjustment / Profit on Sale of GRUH	(27.42)	(3.14)	
Dividend & Other Adjustments	(13.73)	(13.45)	
Net Profit Attributable to the Corporation	214.35	162.32	32%

STATEMENT OF PROFIT AND LOSS – Q1FY21

	Jun-20	Jun-19	Growth
	Rs. in billion	Rs. in billion	
Interest & Other Operating Income	189.66	124.89	
Income from Insurance Business	104.53	104.20	
Profit on Sale of Investments	-	0.13	
Profit on Loss of Control	3.51	(0.37)	
Net gain on derecognition of assigned loans	1.83	2.97	
Other Income	0.06	0.57	
Total Income	299.59	232.39	29%
Finance costs	79.42	82.03	
Expenses from Insurance Business	169.19	100.75	
Non-Interest Expenses	6.78	7.67	
Impairment on financial instruments (Expected Credit Loss)	12.04	8.90	
Total Expenses	267.43	199.35	34%
Share of profit of associates (equity method)	16.01	12.76	
Profit before tax	48.17	45.80	5%
Total tax expense	7.58	10.40	
Net Profit After Tax	40.59	35.40	15%
Other Comprehensive Income	24.50	5.43	
Total Comprehensive Income	65.09	40.83	
Profit Attributable to the Corporation	36.14	30.94	17%

CONSOLIDATED PROFIT AFTER TAX – Q1FY21

(As per Ind-AS)

	Apr-Jun 20	Apr-Jun 19	Growth
	(Rs in billion)	(Rs in billion)	
HDFC Profit After Tax	30.52	32.03	-5%
HDFC Life	2.92	2.19	33%
HDFC Ergo	0.83	0.39	113%
HDFC ERGO Health Insurance	(0.51)	-	
Bandhan Bank (Erstwhile GRUH Finance)	-	0.55	
HDFC Bank	16.41	11.28	45%
HDFC AMC	1.59	1.54	3%
HDFC Credila	0.37	0.23	61%
Property Funds (incl GRIHA)	0.11	0.11	
HDFC Invt & HDFC Holdings	0.13	0.01	
HDFC Edu, Sales, Property Cos, Others	(0.54)	(0.05)	
Adjustments:	-	-	
Profit on Sale of Investments	(12.41)	(18.94)	
Adjustment on account of dilution of stake in associates	(0.41)	1.48	
Dividend & Other Adjustments	(2.87)	0.12	
Net Profit Attributable to the Corporation	36.14	30.94	17%

THE ESG WAY: ENCOMPASSING ALL STAKEHOLDERS

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none">• MSCI ESG Ratings – HDFC ranks in the top quartile; environmental impact: minimal• Long-term commitment to finance affordable housing• Responsible Lending Policy• 3/4th of lease rental discounting portfolio certified as green buildings by the Indian Green Building Council or the Leadership in Energy and Environmental Design• Supporting programmes for environmental sustainability, recycling, conservation, animal & wildlife protection and the ecology• Employee sensitisation on environmental impact; initiatives to facilitate carbon offsets• Recycling efforts at HDFC – paper, plastic, wet waste, e-waste	<ul style="list-style-type: none">• Shelter Assistance Reserve created in 1987: Set aside a portion of profits each year to support socially high impact projects• Cumulatively financed 7.7 million housing units• Focus on inclusion & diversity; employee engagement / training;• First institution to have over 100,000 beneficiaries under the government’s Credit Linked Subsidy Scheme• HDFC primarily implements its CSR initiatives through the H T Parekh Foundation, a charitable institution set up by HDFC• HDFC through its CSR initiatives supports projects focused on healthcare (including water & sanitation), education, skilling & livelihoods and rehabilitation of disaster affected homes	<ul style="list-style-type: none">• Founding principles of kindness, fairness, efficiency & effectiveness• Felicitated under the ‘Leadership’ Category (the highest category) in the Corporate Governance Score Card, 2019 under a joint initiative by IFC-liAS-BSE• The score is on the basis of factors including treatment of shareholders, disclosures and transparency• No promoter holding• Well reputed, independent directors since inception; core competencies directly linked to the strategy of HDFC• Undertaken board refreshment

ESG REPORTS

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

Reports available on the website

<https://www.hdfc.com/investor-relations#environmental-social-and-governance>

Thank You