



HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED  
www.hdfc.com

Ref. No.: SE/2020-21/156

September 11, 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 the virtual investor meetings as given below:

Date	Organised by	Type of Meeting/Event	Location
September 9, 2020 – September 11, 2020	CLSA Limited	Investor Conference “27 <sup>th</sup> Annual CITIC CLSA Investors’ Forum”	Virtual Conference
September 11, 2020	Asian Markets Securities Private Limited	Investor Conference “Online Institutional Conference”	Virtual Conference

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, 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**

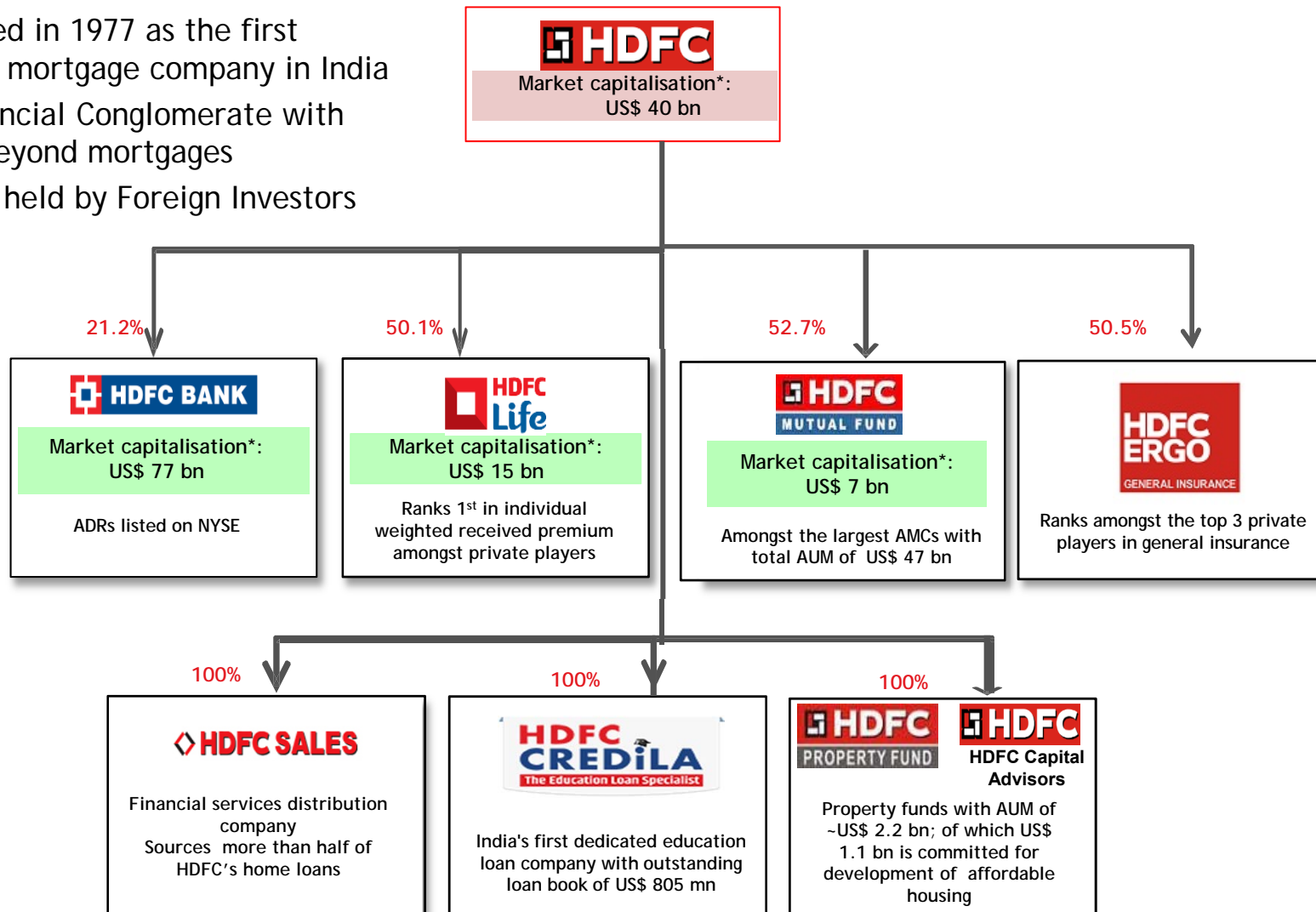
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# HDFC SNAPSHOT

## WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages
- 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)** : **Rs. 5,315.55 bn**  
*(As at June 30, 2020)* : **US\$ 70.34 bn**
- **Individual Loans Originated CAGR (5 years)** : **18%**
- **Cumulative Housing Units Financed** : **7.8 million**
- **Cumulative loan write offs since inception** : **14 basis points**  
*(of cumulative disbursements)*
- **Cost to Income Ratio** : **9.0%**
- **Unaccounted gains on listed investments** : **Rs. 1,921.51 bn**  
**in subsidiary and associate companies** : **US\$ 25.43 bn**  
*(As at June 30, 2020)*
- **Consolidated Profit After Tax CAGR (5 years)** : **21%**

# IMPACT OF COVID-19

	IMPACT
<b>Coronavirus (COVID-19)</b>	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.
<b>Resumption of Business</b>	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.
<b>Individual Loans</b>	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.
<b>Moratorium</b>	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 31, 2020. (Moratorium 2). 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
<b>Resource Mobilisation</b>	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.
<b>Corporate Social Responsibility</b>	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.

# CAPITAL RAISE

- In August 2020, HDFC completed its Qualified Institutions Placement of equity shares and non-convertible debentures simultaneously with warrants.
  - Raised Rs 100 bn through equity shares at an issue price of Rs 1,760 per equity share
  - Received Rs 3.07 bn upfront through the issue of warrants at a warrants issue price of Rs 180 per warrant
  - The warrants entitle the warrant holder to exchange each warrant for one equity share of the Corporation at any time over the next three years i.e. until August 10, 2023, at a pre-agreed price of Rs. 2,165.
  - The Corporation also raised an amount of Rs. 36.93 bn through the issue of redeemable non-convertible debentures at par, for a tenor of 3 years, carrying an annualised coupon rate of 5.40% per annum.
- The proceeds will be utilised towards general corporate purposes and financing organic and inorganic business opportunities that may arise, including funding expansion plans of subsidiary and associate companies of the Corporation.



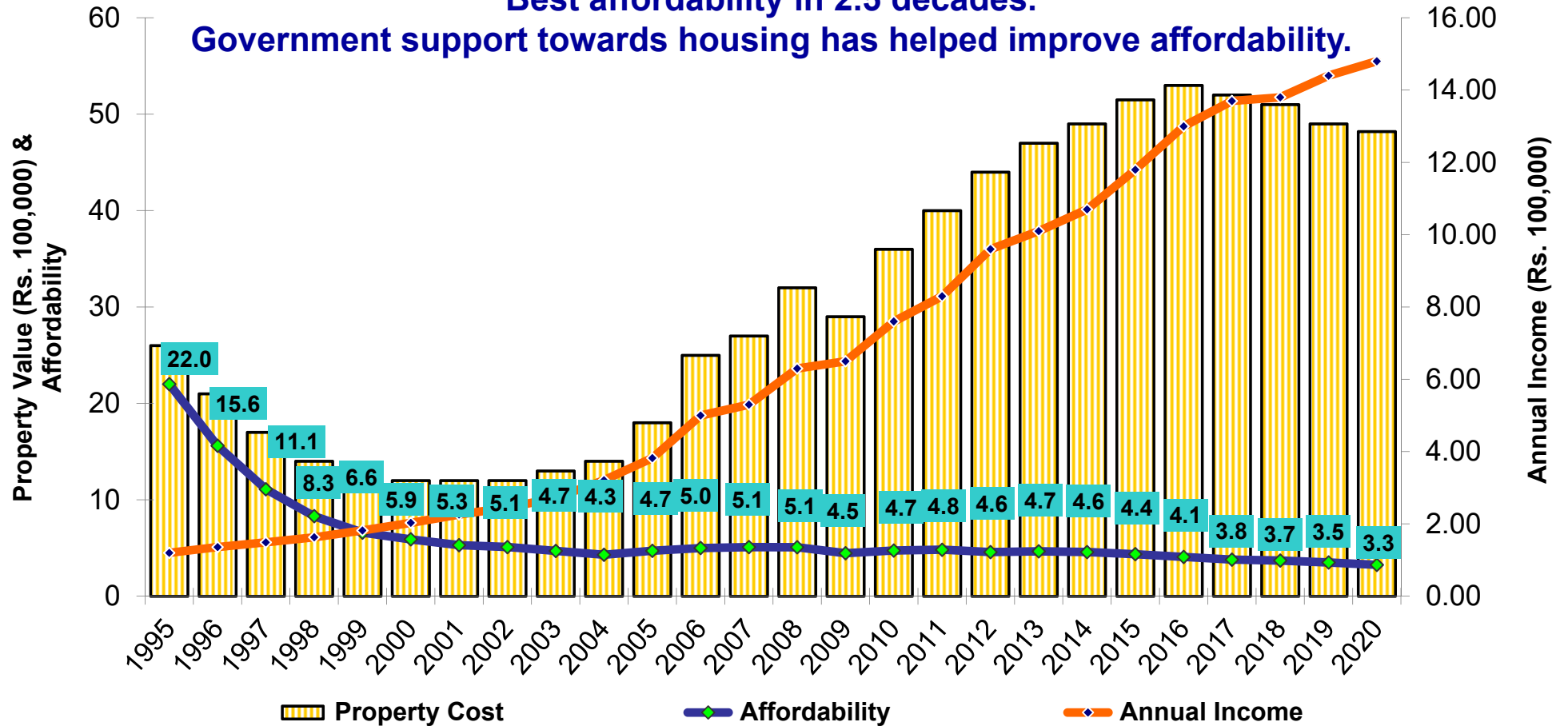
# MORTGAGE MARKET IN INDIA

# DRIVERS OF MORTGAGE GROWTH

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

# IMPROVED AFFORDABILITY

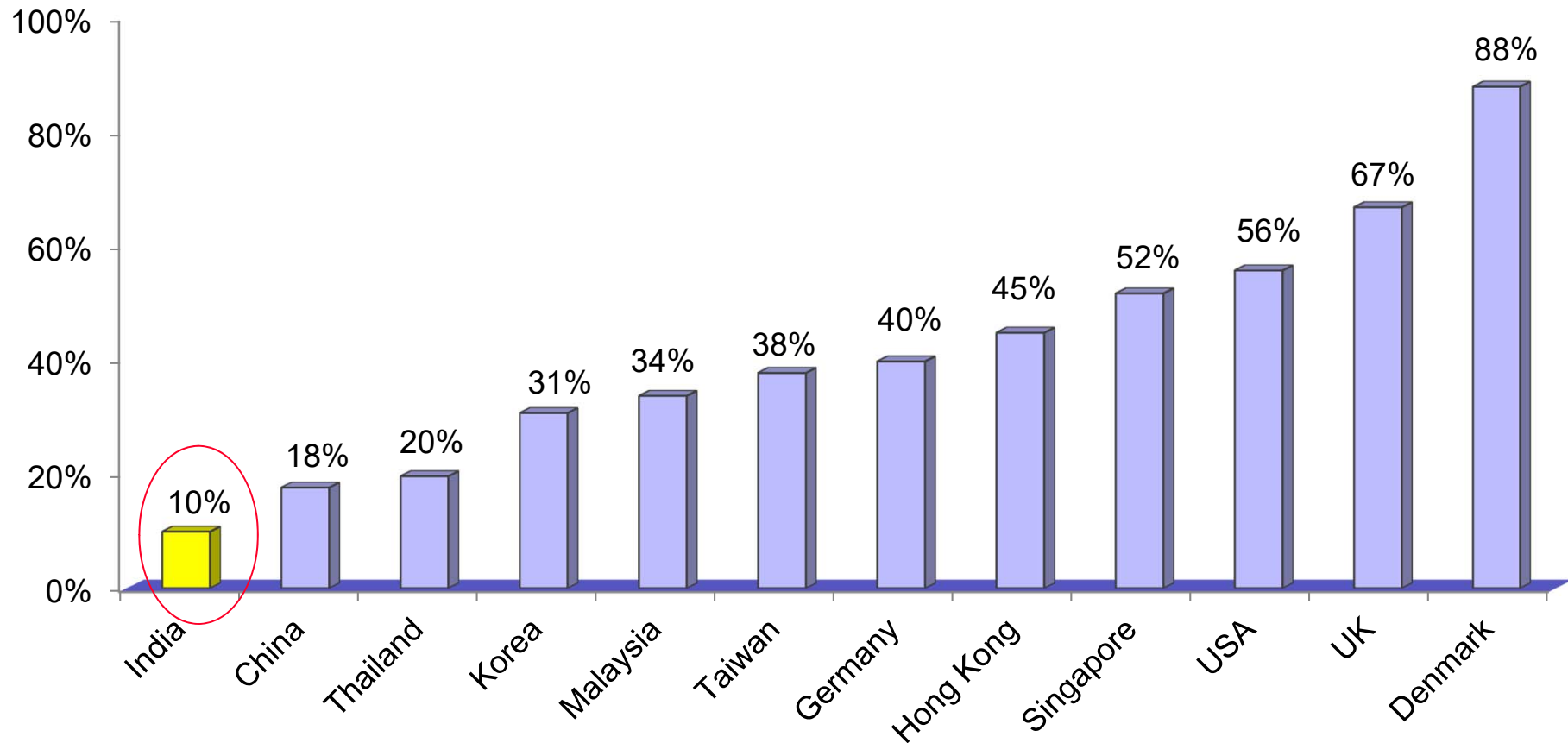
Best affordability in 2.5 decades.  
Government support towards housing has helped improve affordability.



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(%)	7.00%	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	322,889	328,944	385,380
Interest component	172,889	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	64,739	236,700	324,975
Effective interest on home loan	2.4%	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

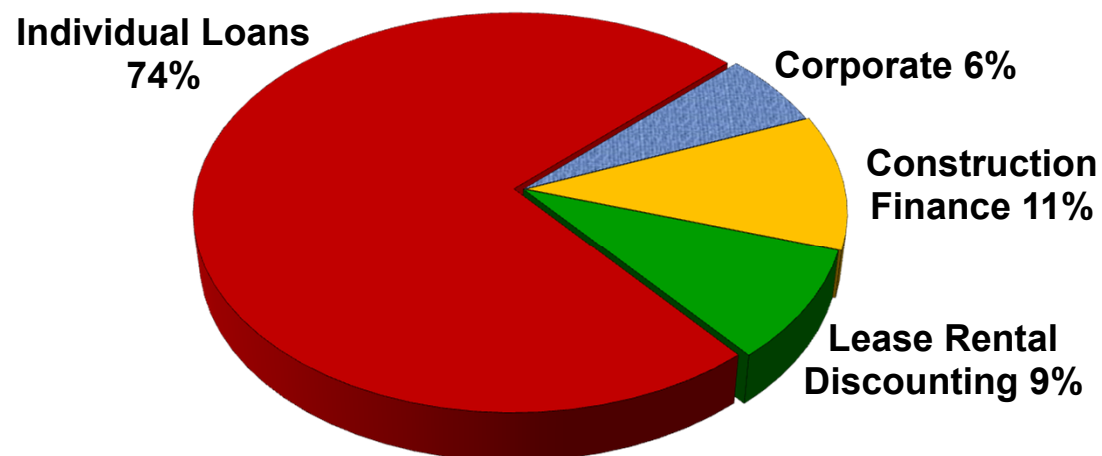


# **OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES**

# 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



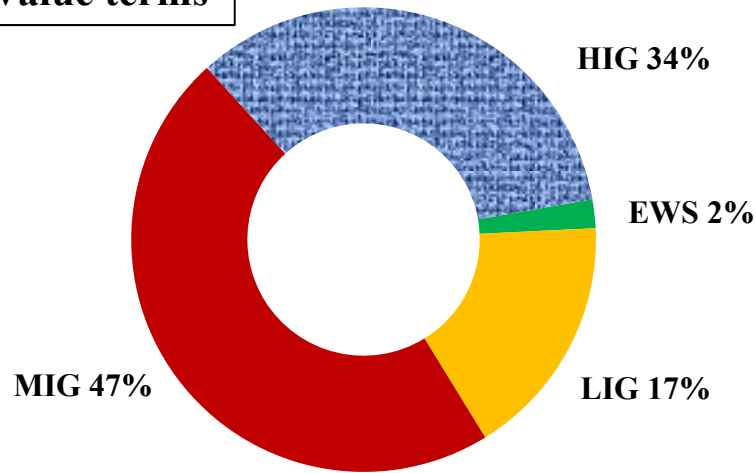
As at June 30, 2020	Loan Book Outstanding (After Sell Down)			Loan Book o/s Before Sell Down in last 12 months			Assets Under Management		
	Rs. bn	US\$ bn	% Growth	Rs. bn	US\$ bn	% Growth	Rs. bn	US\$ bn	% Growth
Individuals	3,285	43	10%	3,467	46	17%	3,942	52	11%
Non-Individuals	1,372	18	15%	1,372	18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

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

# AFFORDABLE HOUSING

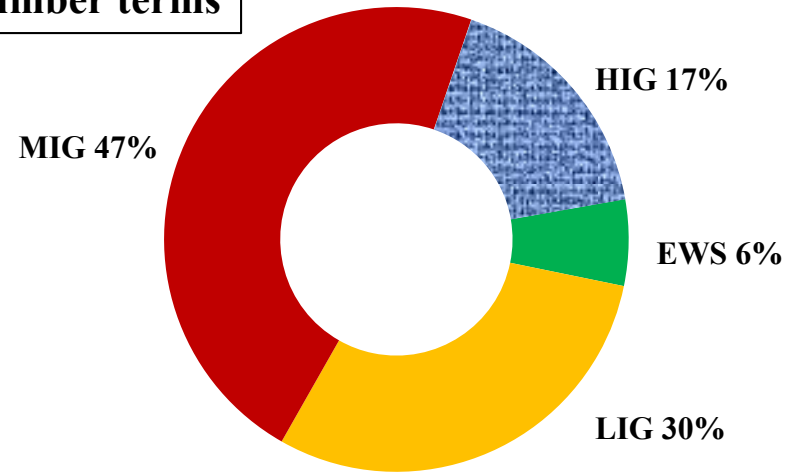
## Housing Loan Approvals Based on Income Slabs: Q1FY21

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



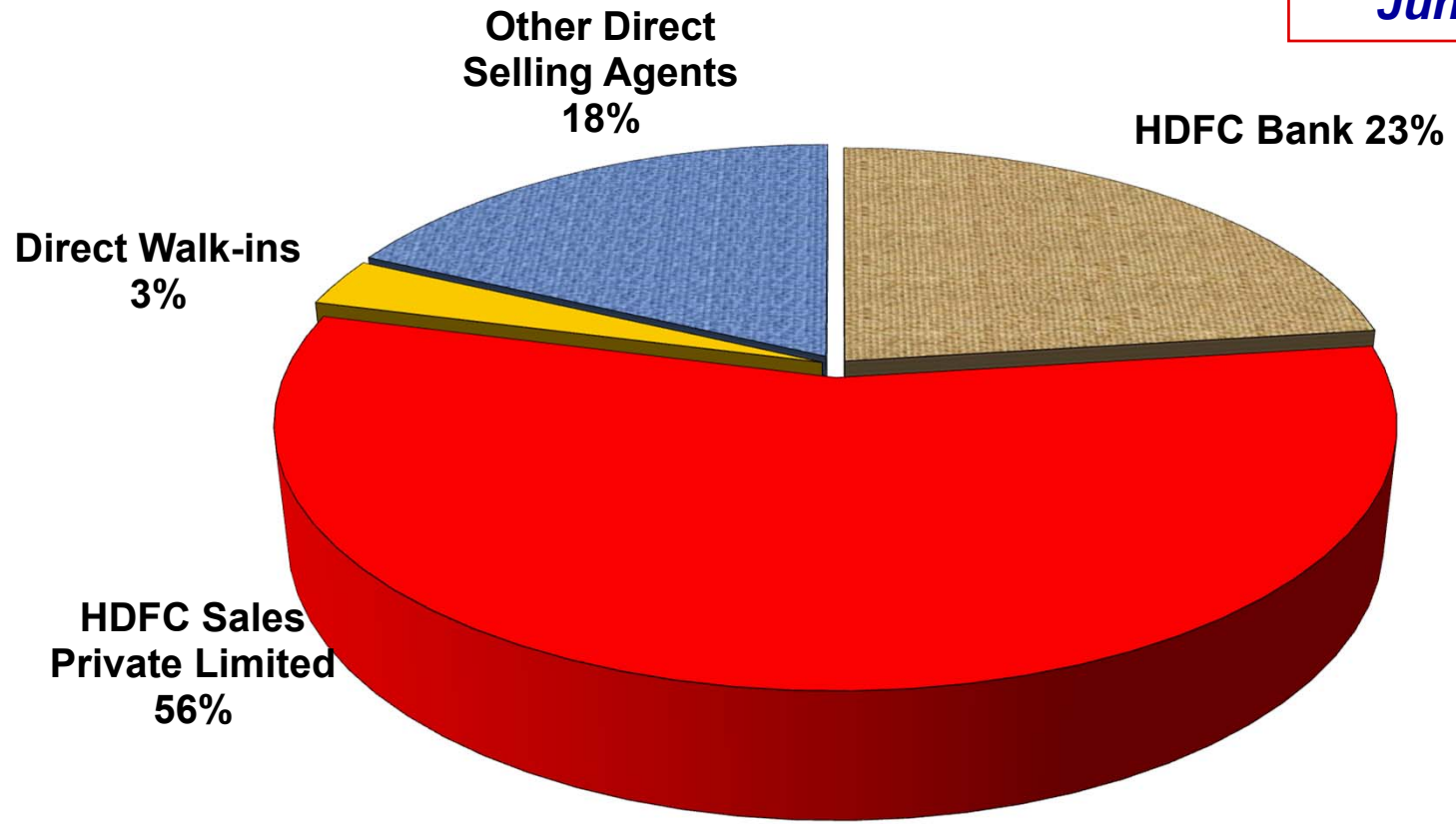
Low Income Group: Above Rs 0.3 mn to Rs 0.6 mn p.a.  
High Income Group: Above Rs 1.8 mn p.a.

### 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*

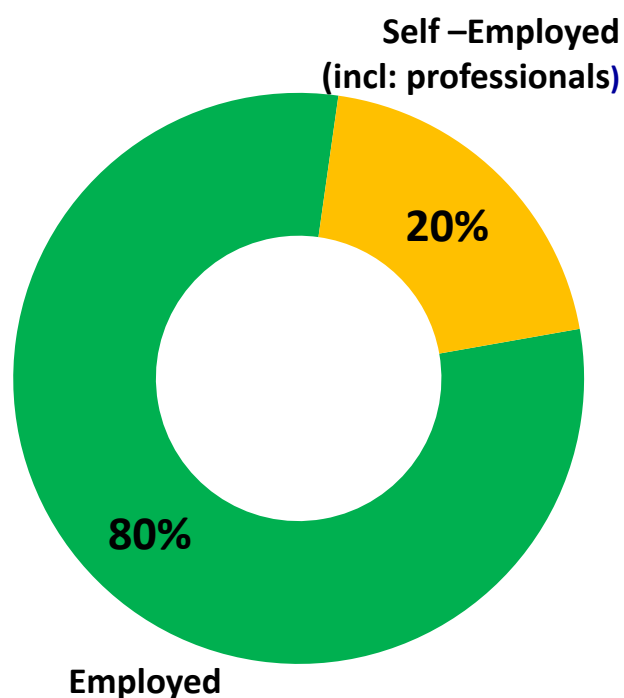


Deposit & loan products offered at several locations through outreach programmes.

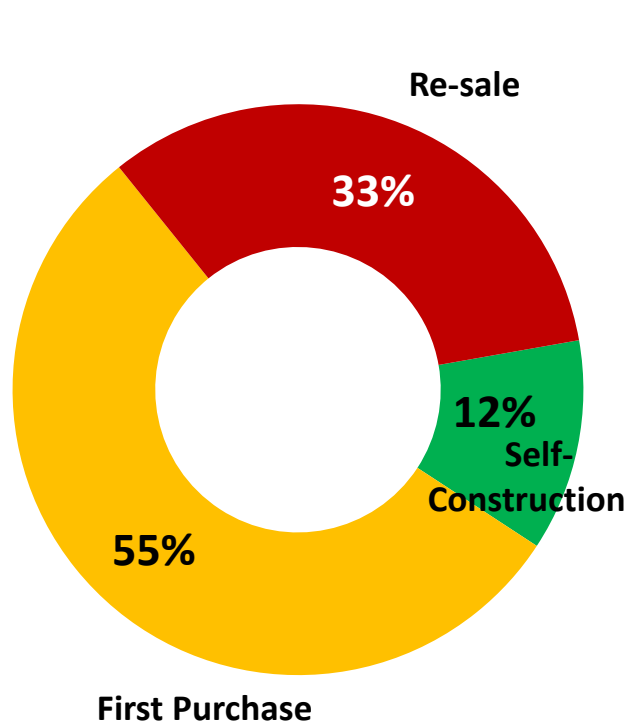
Total number of offices: **584** which is inclusive of **205** outlets of HDFC's wholly owned distribution company.

## INDIVIDUAL LOANS\*: Q1FY21

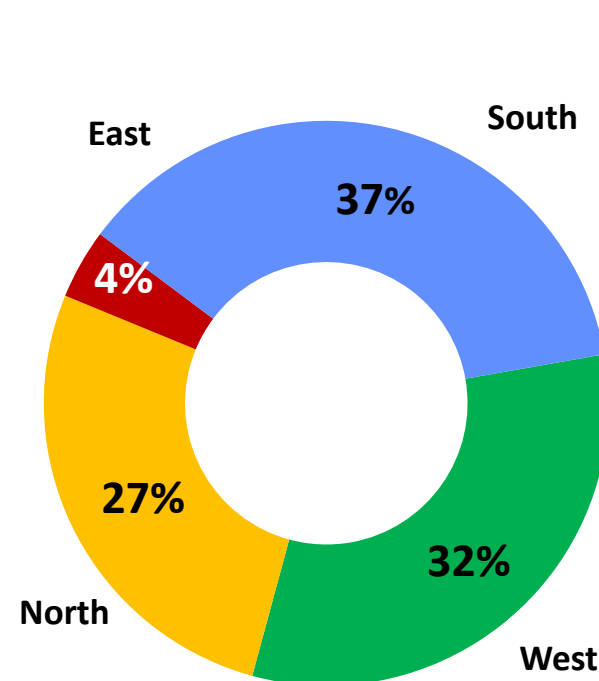
Employment



Acquisition Mode



Geographic Spread

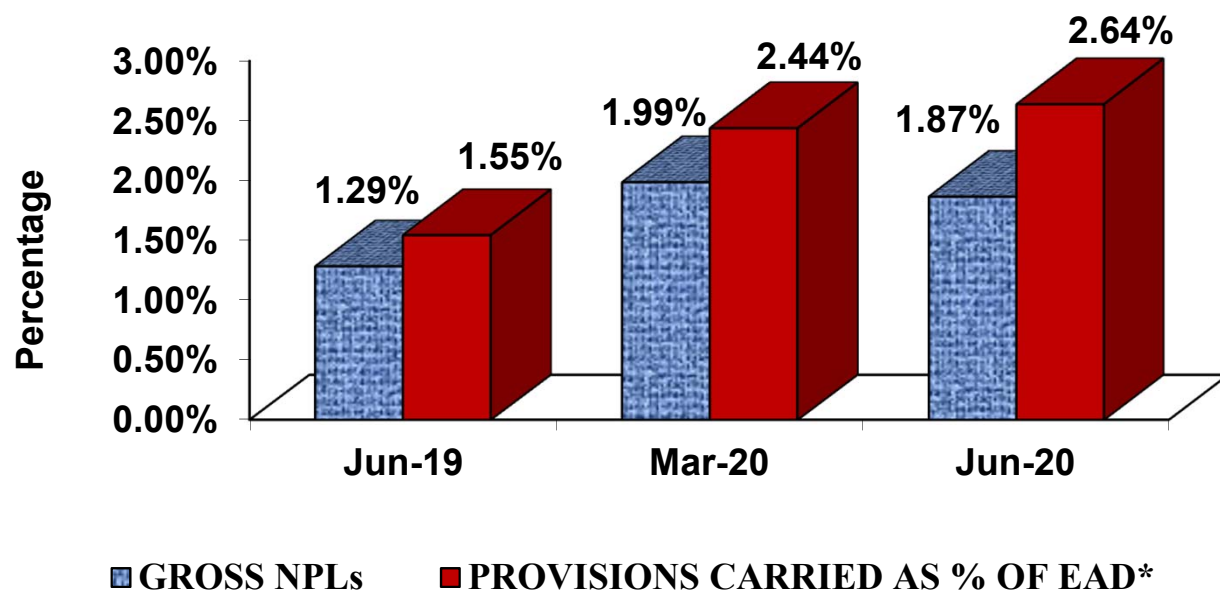


\* Based on value of approvals

## 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)

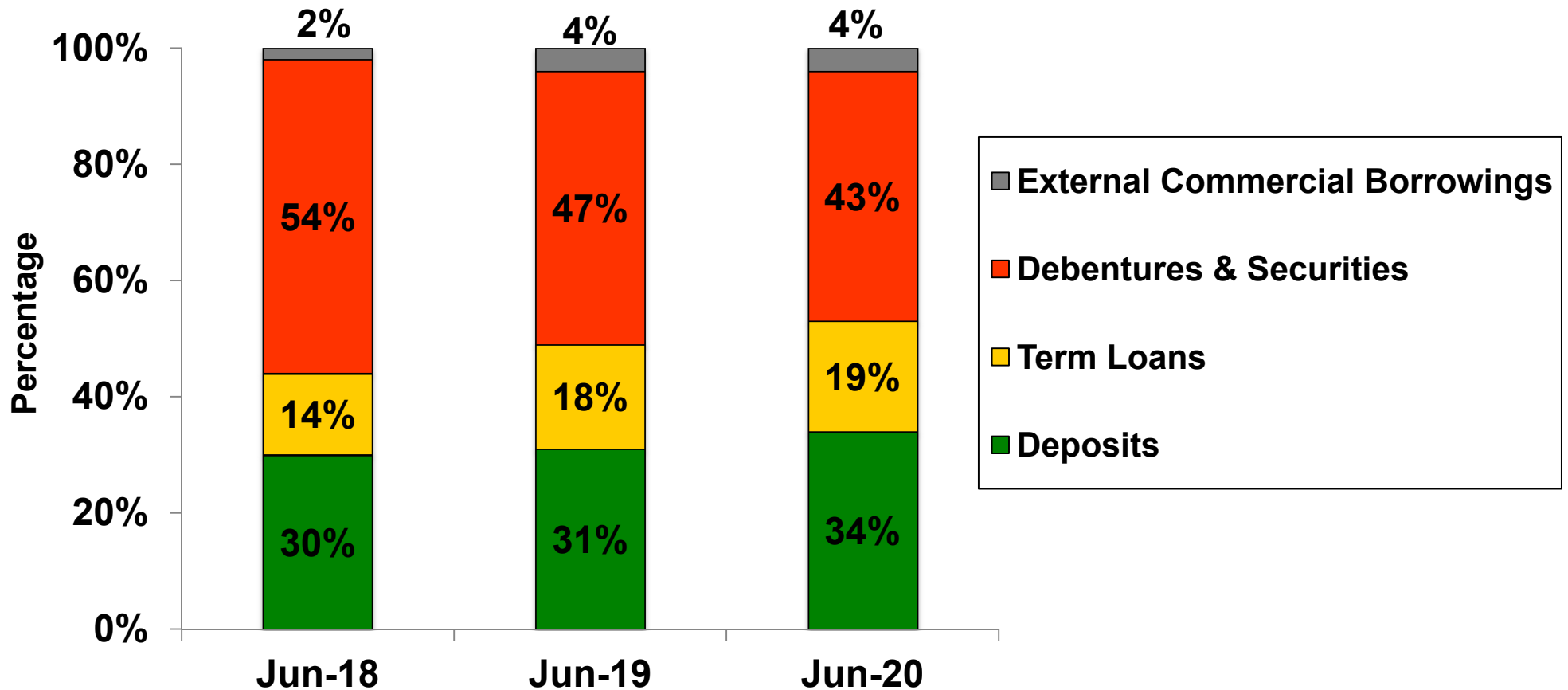
Rs bn

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

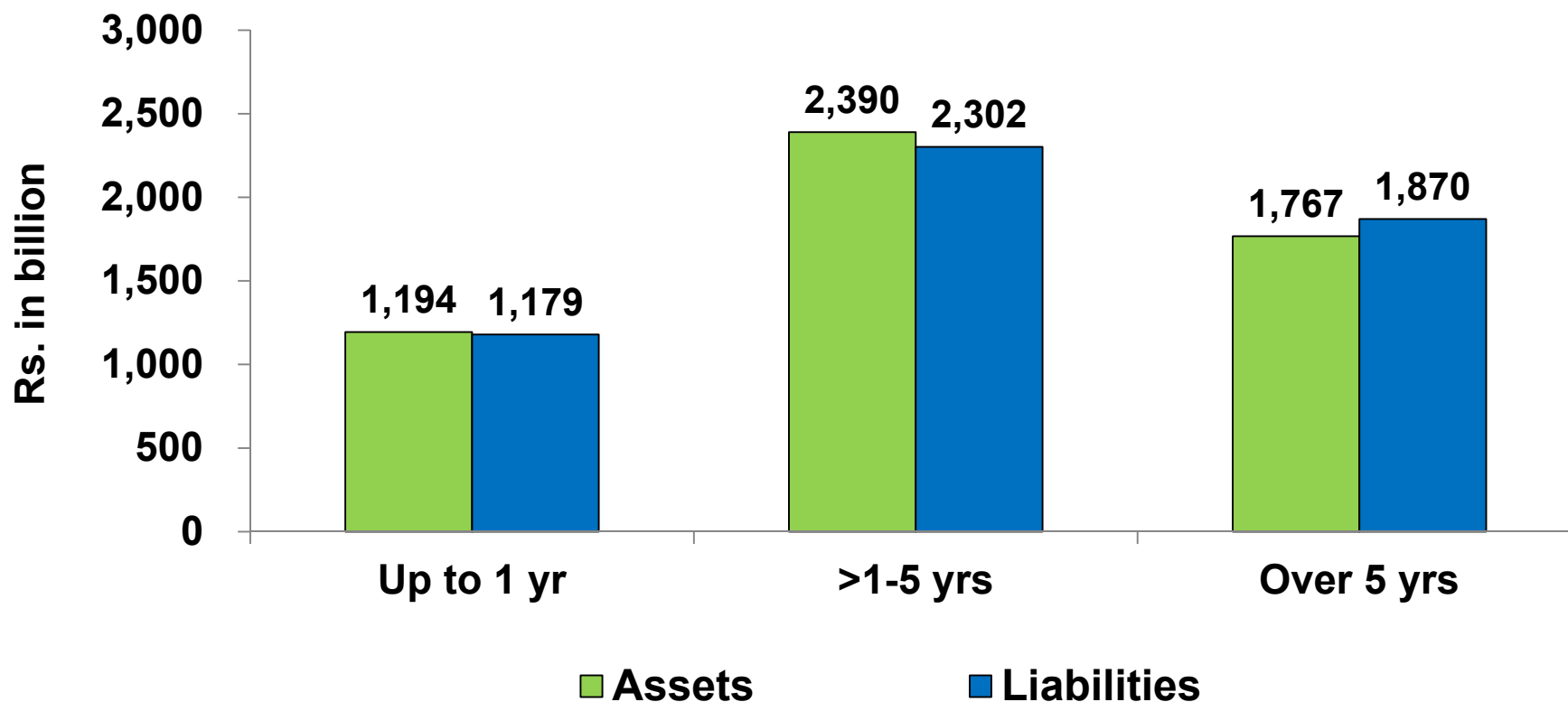
(As at June 30, 2020: Total Borrowings - US\$ 57 bn)



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

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

*<sup>^</sup>Excluding ESOS cost and CSR expenses*

## KEY FINANCIAL METRICS

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

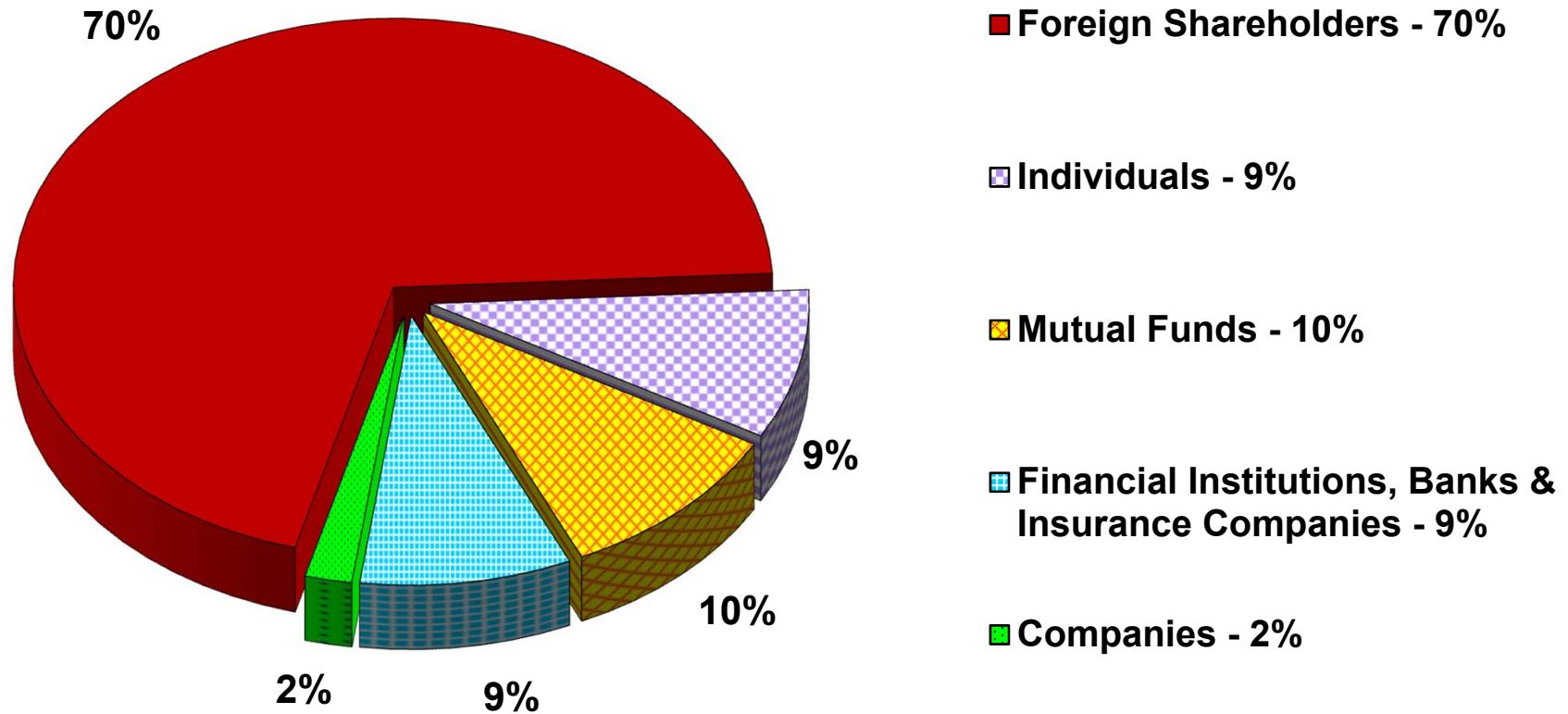
<sup>^</sup>Adjusted for profit on sale of investments of strategic investments

<sup>#</sup>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%
<b>Net Interest Income</b>	<b>129.04</b>	<b>114.57</b>	<b>13%</b>
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	
<b>Net Operating Income</b>	<b>140.14</b>	<b>126.16</b>	<b>11%</b>
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	
<b>Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL Changes and ECL</b>	<b>125.40</b>	<b>111.59</b>	<b>12%</b>
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	
<b>Profit Before Tax</b>	<b>203.51</b>	<b>131.19</b>	<b>55%</b>
Provision for Tax	25.81	34.86	
<b>Profit After Tax Before Other Comprehensive Income</b>	<b>177.70</b>	<b>96.33</b>	<b>84%</b>
Other Comprehensive income	(66.53)	(1.32)	
<b>Total Comprehensive Income</b>	<b>111.17</b>	<b>95.01</b>	<b>17%</b>
<i>Effective tax rate (%)</i>	<i>12.7%</i>	<i>26.6%</i>	



# BALANCE SHEET

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

<sup>^</sup>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%
<b>Net Interest Income</b>	<b>33.92</b>	<b>30.79</b>	<b>10%</b>
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	
<b>Net Operating Income</b>	<b>35.68</b>	<b>34.01</b>	
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	
<b>Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL</b>	<b>31.73</b>	<b>30.25</b>	
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	
<b>Profit Before Tax</b>	<b>36.07</b>	<b>39.85</b>	
Provision for Tax	5.55	7.82	
<b>Profit After Tax Before Other Comprehensive Income</b>	<b>30.52</b>	<b>32.03</b>	<b>-5%</b>
Other Comprehensive income	20.18	2.62	
<b>Total Comprehensive Income</b>	<b>50.70</b>	<b>34.65</b>	<b>46%</b>
<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**
- **5,326 banking outlets, 14,996 ATMs**
- **Key business areas**
  - Wholesale banking      Retail banking      Treasury operations
- **Financials (as per Indian GAAP) for the quarter ended June 30, 2020**
  - Advances as at June 30, 2020, stood at Rs. 10,033 bn – an increase of 21% over the previous year
  - Total deposits stood at Rs. 11,894 bn – an increase of 25% over the previous year
  - PAT (Indian GAAP): Rs. 66.59 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
- **Market Capitalisation (June 30, 2020): ~US\$ 77 bn**

# 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 quarter ended June 30, 2020 stood at Rs. 59 bn.
- For the quarter ended June 30, 2020, HDFC Life had a market share of 20.7% in terms of overall new business premium (private sector)
- Financial Highlights
  - New Business Margin for the quarter ended June 30, 2020 (post overrun): 24.3% (PY: 29.8%)
  - Indian Embedded Value stood at Rs. 225.8 bn as at June 30, 2020 (PY: Rs. 192.3 bn)
  - Operating Return on Embedded Value for the quarter ended June 30, 2020 stood at 15.8% (PY: 19.9%)
  - Assets Under Management as at June 30, 2020 stood at Rs. 1,400 bn (PY: Rs. 1,296 bn)
  - PAT for the quarter ended June 30, 2020 (Indian GAAP): Rs. 4.51 bn (PY: Rs. 4.25 bn)
- Product mix - Unit Linked: 27%, Non-Par Savings: 33%, Non-Par Protection: 11%, Traditional Par: 30%
- Market capitalisation (June 30, 2020): ~US\$ 15 bn

# 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 June 30, 2020, stood at Rs. 3.56 trillion (US\$ 47 bn)**
  - **Equity-oriented assets of HDFC MF as a proportion of total AUM was 37%**
- **Amongst India's largest mutual fund manager, with QAAUM market share of 14.5% as on June 30, 2020**
- **Individual accounts of HDFC MF as at June 30, 2020**
  - **9.4 million live accounts**
  - **52% of total monthly average AUM of HDFC MF is contributed by individuals**
  - **Market share of 14.6% of individual monthly average AUM**
- **PAT for the quarter ended June 30, 2020 (as per Ind AS): Rs. 3 bn – an increase of 4% over the previous year**
- **Market capitalisation (June 30, 2020): ~US\$ 7 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 quarter ended June 30, 2020 stood at: Rs. 15.4 bn compared to Rs. 17.8 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 54% of the total business**
- **Market share of 7% (private sector) and 3.9% (overall) in terms of gross direct premium for the quarter ended June 30, 2020 (Source: GI Council)**
- **As at June 30, 2020: Combined Ratio – 109.6%, Solvency Ratio – 204% (as against regulatory requirement of 150%)**
- **Profit After Tax for the quarter ended June 30, 2020 (Indian GAAP): Rs. 1.38 bn (PY: Rs. 0.75 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 June 30, 2020**
  - **Profit After Tax (as per Ind AS): Rs. 0.37 bn – 41% growth**
  - **Cumulative loans disbursed: Rs 106 bn**
  - **Loan book outstanding as at June 30, 2020: Rs. 61 bn – growth of 12% over previous year**
    - **44% of the loan book is collateralised**
  - **Average loan: Rs. 2.33 mn**
  - **Gross non-performing assets: 0.13%**

**FINANCIALS**  
**Consolidated**  
**(Based on Indian Accounting Standards)**

# BALANCE SHEET (Consolidated)

	<u>Mar-20</u> (₹ in billion)	<u>Mar-19</u> (₹ in billion)	<u>Growth</u> (%)
<b>Sources of Funds</b>			
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%
<b>Application of Funds</b>			
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	
<b>Total Income</b>	<b>1,017.96</b>	<b>961.96</b>	<b>6%</b>
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	
<b>Total Expenses</b>	<b>813.49</b>	<b>814.86</b>	<b>0%</b>
Share of profit of associates (equity method)	57.46	73.89	
<b>Profit before tax</b>	<b>261.93</b>	<b>220.99</b>	<b>19%</b>
Total tax expense	33.67	45.18	
<b>Net Profit after tax</b>	<b>228.26</b>	<b>175.81</b>	<b>30%</b>
Other Comprehensive Income	(62.13)	0.82	
<b>Total Comprehensive Income</b>	<b>166.13</b>	<b>176.63</b>	<b>-6%</b>
<b>Profit attributable to the Corporation</b>	<b>214.35</b>	<b>162.32</b>	<b>32%</b>

# CONSOLIDATED PROFIT AFTER TAX – FY20

## (As per Ind-AS)

	Mar-20	Mar-19	Growth
	(Rs in bn)	(Rs in bn)	
<b>HDFC Profit After Tax</b>	<b>177.70</b>	<b>96.33</b>	<b>84%</b>
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)	
<b>Net Profit Attributable to the Corporation</b>	<b>214.35</b>	<b>162.32</b>	<b>32%</b>

## 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	
<b>Total Income</b>	<b>299.59</b>	<b>232.39</b>	<b>29%</b>
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	
<b>Total Expenses</b>	<b>267.43</b>	<b>199.35</b>	<b>34%</b>
Share of profit of associates (equity method)	16.01	12.76	
<b>Profit before tax</b>	<b>48.17</b>	<b>45.80</b>	<b>5%</b>
Total tax expense	7.58	10.40	
<b>Net Profit After Tax</b>	<b>40.59</b>	<b>35.40</b>	<b>15%</b>
Other Comprehensive Income	24.50	5.43	
<b>Total Comprehensive Income</b>	<b>65.09</b>	<b>40.83</b>	
<b>Profit Attributable to the Corporation</b>	<b>36.14</b>	<b>30.94</b>	<b>17%</b>

# CONSOLIDATED PROFIT AFTER TAX – Q1FY21

## (As per Ind-AS)

	Apr-Jun 20	Apr-Jun 19	Growth
	(Rs in billion)	(Rs in billion)	
<b>HDFC Profit After Tax</b>	<b>30.52</b>	<b>32.03</b>	<b>-5%</b>
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	
<b>Net Profit Attributable to the Corporation</b>	<b>36.14</b>	<b>30.94</b>	<b>17%</b>

# THE ESG WAY: ENCOMPASSING ALL STAKEHOLDERS

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



# 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*