

Ref. No.: SE/2020-21/216

November 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 the virtual investor meetings as given below:

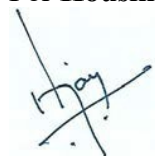
Date	Organised by	Type of Meeting/Event	Location
November 3, 2020 – November 4, 2020	UBS Securities India Private Limited	Investor Conference “Virtual India Conference 2020”	Virtual Conference

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, 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**

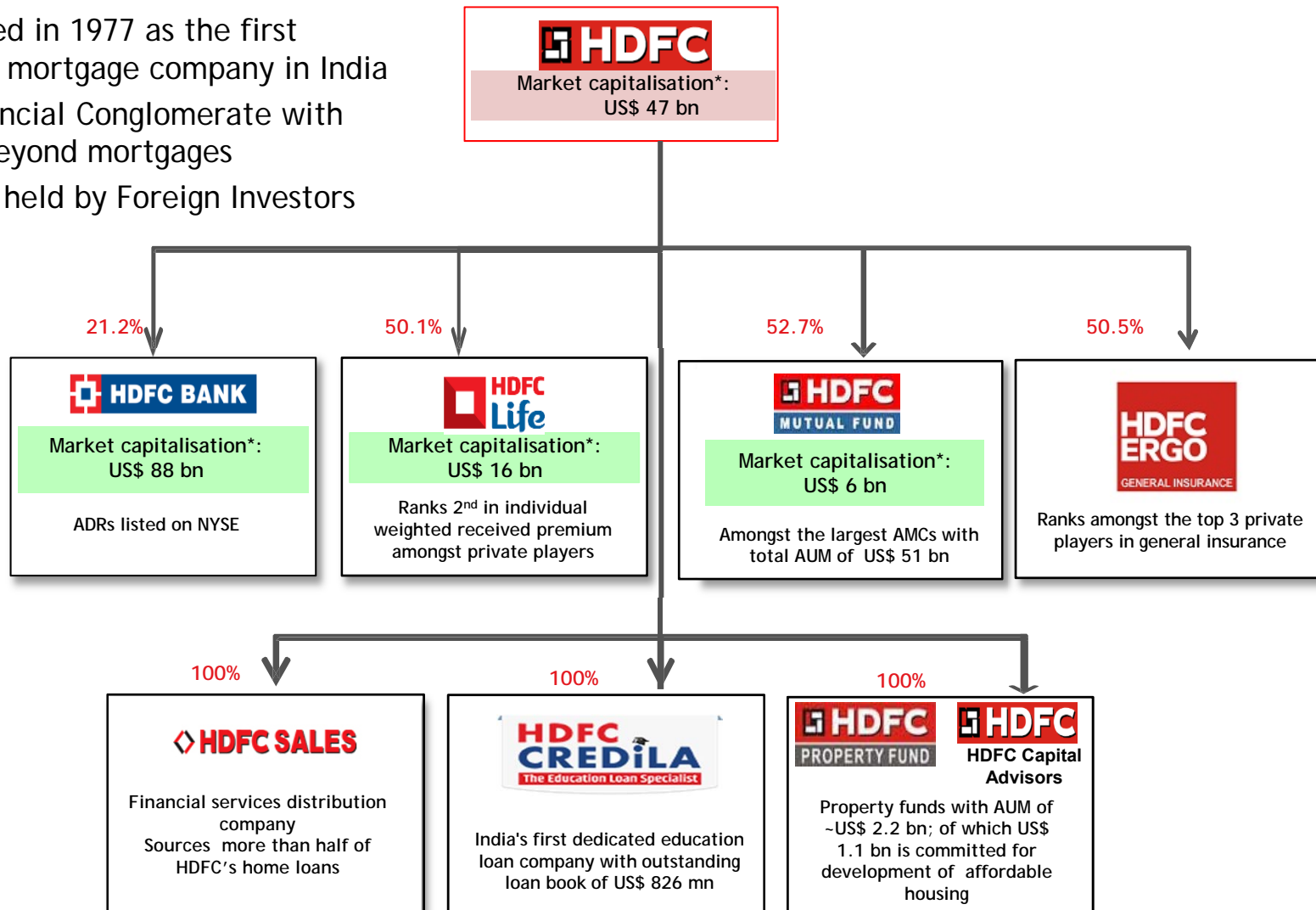
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- **Environmental, Social & Governance**

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 October 30, 2020

US\$ amounts converted based on exchange rate of US\$ 1 = Rs. 73.86

BUSINESS SUMMARY

- **Loans Outstanding (Gross loans)** : **Rs. 5,402.70 bn**
(As at September 30, 2020) : **US\$ 73.15 bn**
- **Individual Loans Originated CAGR (5 years)*** : **18%**
- **Cumulative Housing Units Financed** : **7.9 million**
- **Cumulative loan write offs since inception** : **17 basis points**
(of cumulative disbursements)
- **Cost to Income Ratio** : **8.5%**
(excluding ESOS cost and CSR Expenses)
- **Unaccounted gains on listed investments** : **Rs. 1,963.44 bn**
in subsidiary and associate companies : **US\$ 26.58 bn**
(As at September 30, 2020)
- **Consolidated Profit After Tax CAGR (5 years)*** : **21%**

* As at March 31, 2020

IMPACT OF COVID-19

- All offices of the Corporation have opened for business and are following the necessary hygiene protocols, safety precautions and social distancing requirements. Staff continue to work on a rotational basis and in accordance with extant guidelines.
- Individual loan disbursements reverting to pre-COVID levels.
 - Low interest rates, softer property prices, reduction in stamp duty in certain states and inherent strong demand for home loans.
- As per Reserve Bank of India guidelines, the moratorium period is over and restructuring if required will be invoked before December 31, 2020.
- The Corporation has made a provision of Rs 12 billion towards COVID-19 related provisioning. Total provisions stood at Rs 123 billion as at September 30, 2020.
- With a less risk averse environment, the Corporation has gradually unwound high levels of liquidity maintained during the quarter ended June 30, 2020. Currently, maintaining comfortable liquidity levels, whilst endeavouring to minimise negative carry.
- Continue to raise resources from a diversified base; deposits register strong growth of 21% as at September 30, 2020.

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 warrant 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 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

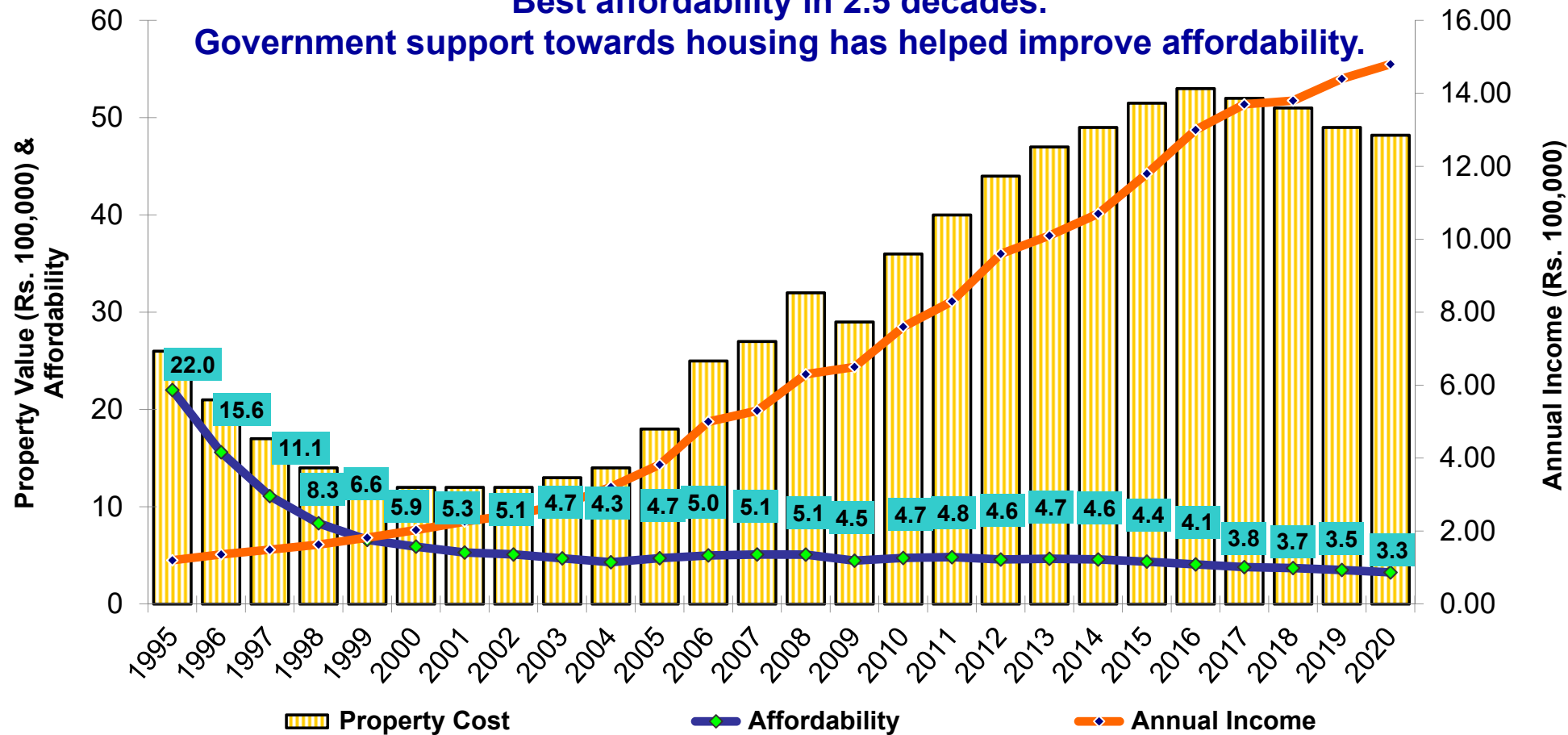
DRIVERS OF MORTGAGE GROWTH

- **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

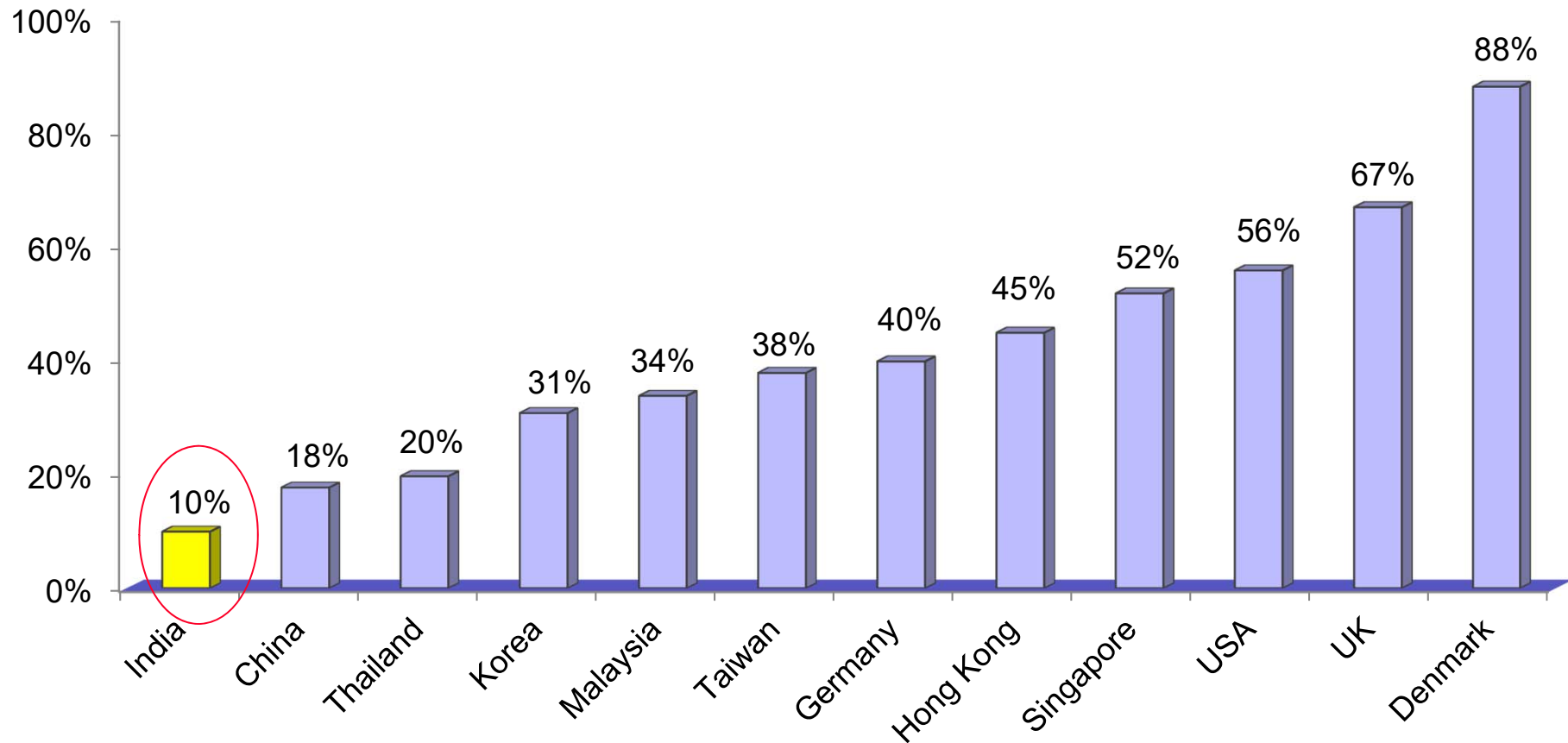
Affordability equals property prices by annual income

Based on customer data

Mortgage Market in India

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(%)	6.90%	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	320,419	328,944	385,380
Interest component	170,419	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	62,269	236,700	324,975
Effective interest on home loan	2.3%	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\$ 8,100)	Rs > 600,000 up to 1,200,000 (>US\$ 8,100 to 16,200)	> Rs 1,200,000 to 1,800,000 (>US\$ 16,200 to 24,300)
Property size (sq mtrs)	60	160	200
Maximum amount of loan qualifying for subsidy	Rs 600,000 (US\$ 8,100)	Rs 900,000 (US\$ 12,200)	Rs 1,200,000 (US\$ 16,200)
Interest Subsidy (% per annum)	6.50%	4%	3%
Subsidy under CLSS*	Rs 267,280 (US\$ 3,600)	Rs 235,068 (US\$ 3,200)	Rs 230,156 (US\$ 3,100)

*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

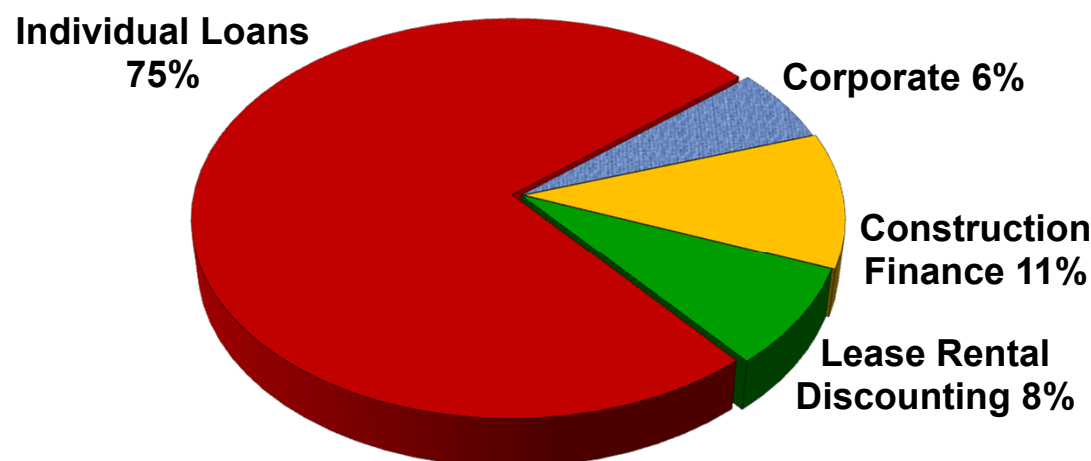
OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES

CORE BUSINESS – LENDING

(As at September 30, 2020: Gross Loans - US\$ 73.15 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



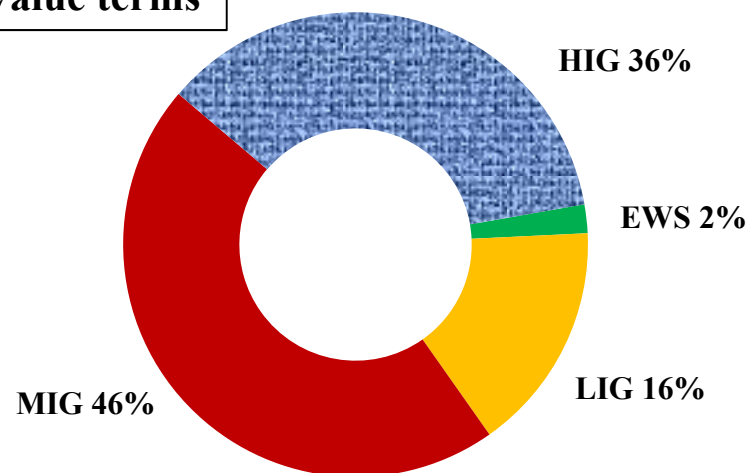
As at September 30, 2020	Loan Book Outstanding (After Sell Down)			Loan Book o/s Before Sell Down in last 12 months			Assets Under Management		
	Rs. bn	US\$ bn	% Growth	Rs. bn	US\$ bn	% Growth	Rs. bn	US\$ bn	% Growth
Individuals	3,390	46	10%	3,532	48	15%	4,040	55	9%
Non-Individuals	1,361	18	14%	1,361	18	14%	1,363	18	13%
Total	4,751	64	11%	4,893	66	15%	5,403	73	10%

Individual loans sold (outstanding): Rs. 651.49 bn (US\$ 8.82 bn)

AFFORDABLE HOUSING

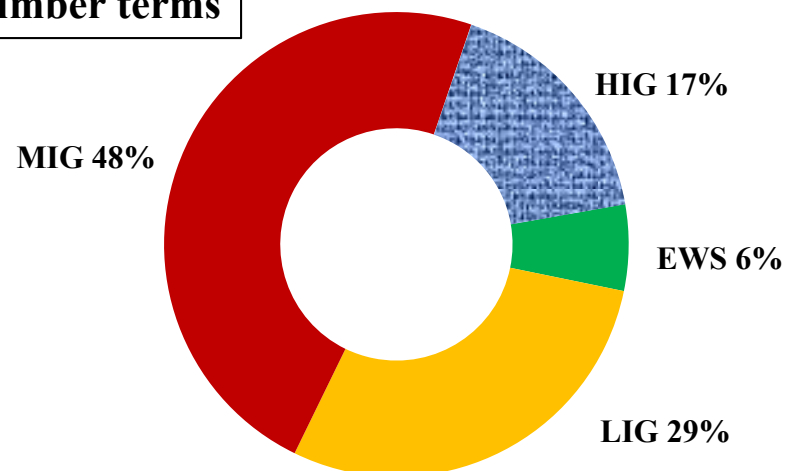
Housing Loan Approvals Based on Income Slabs: H1FY21

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



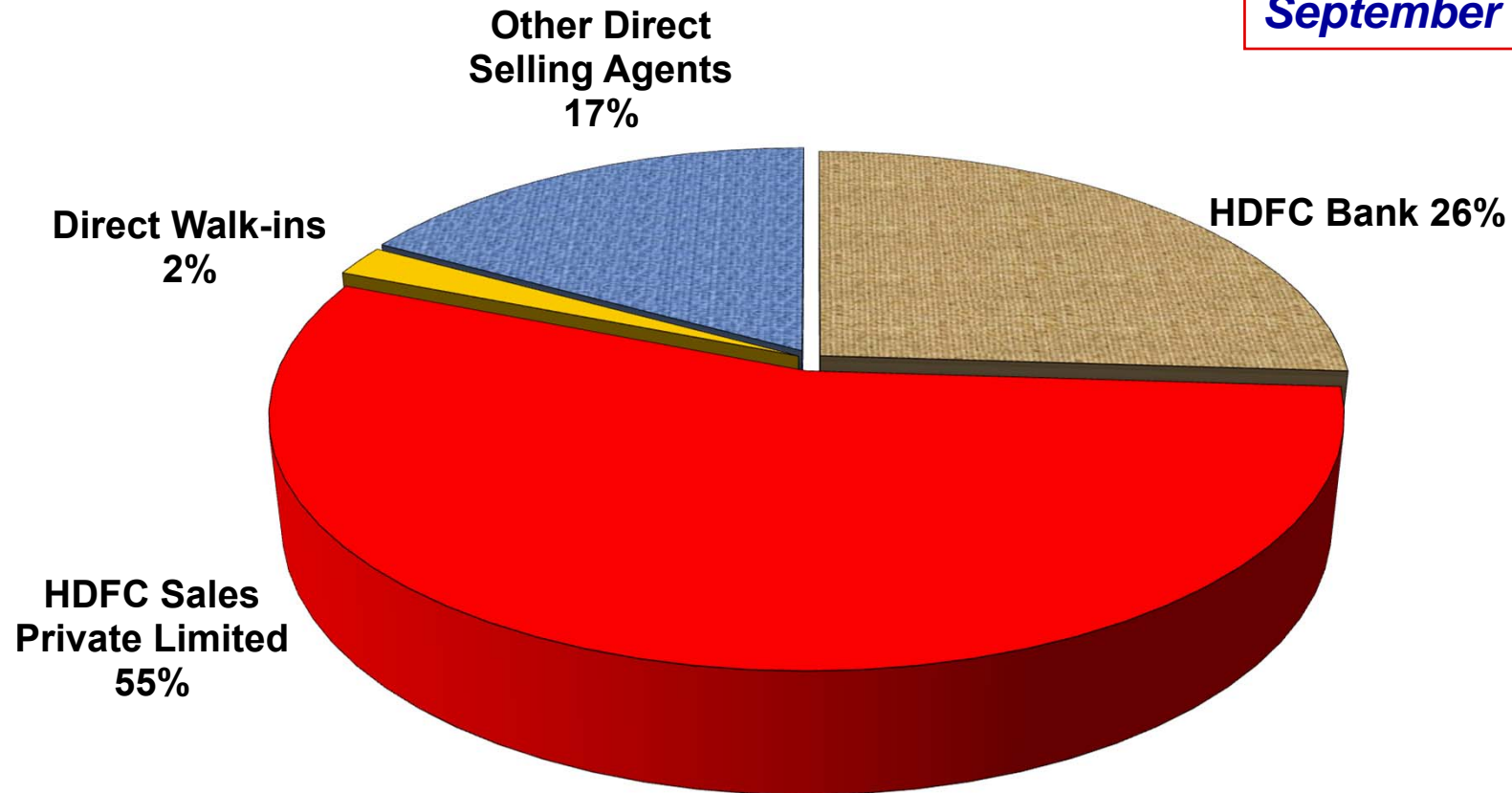
Low Income Group: Above Rs 0.3 mn to Rs 0.6 mn p.a.
High Income Group: Above Rs 1.8 mn p.a.

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 18% in value terms
- Average home loan – EWS: Rs 1.07 mn, LIG: Rs 1.82 mn

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

September 30, 2020

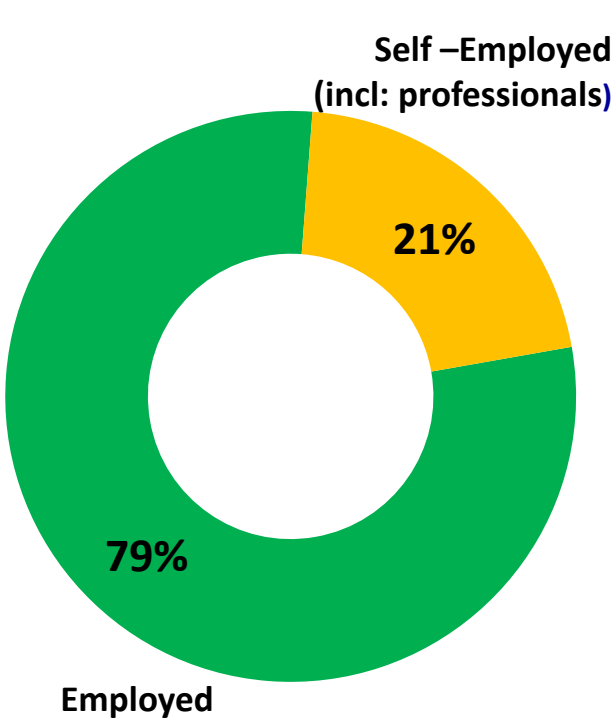


Deposit & loan products offered at several locations through outreach programmes.

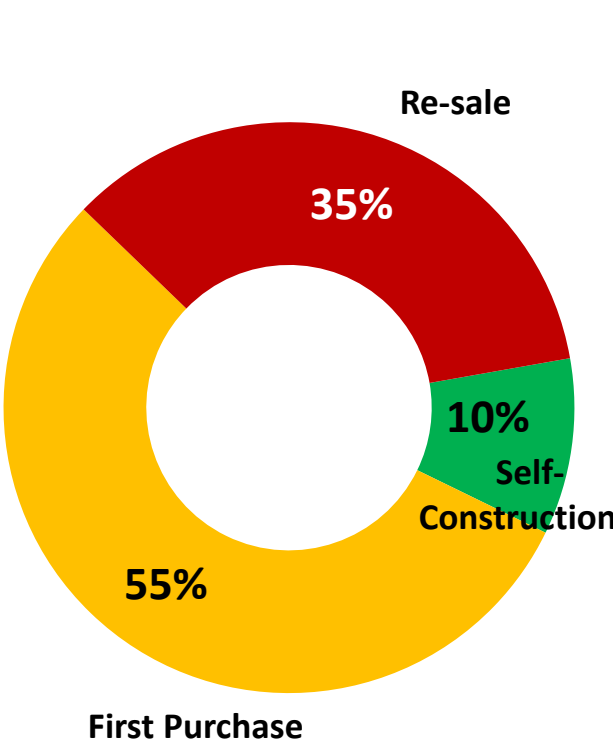
Total number of offices: **588** which is inclusive of **204** outlets of HDFC's wholly owned distribution company.

INDIVIDUAL LOANS*: H1FY21

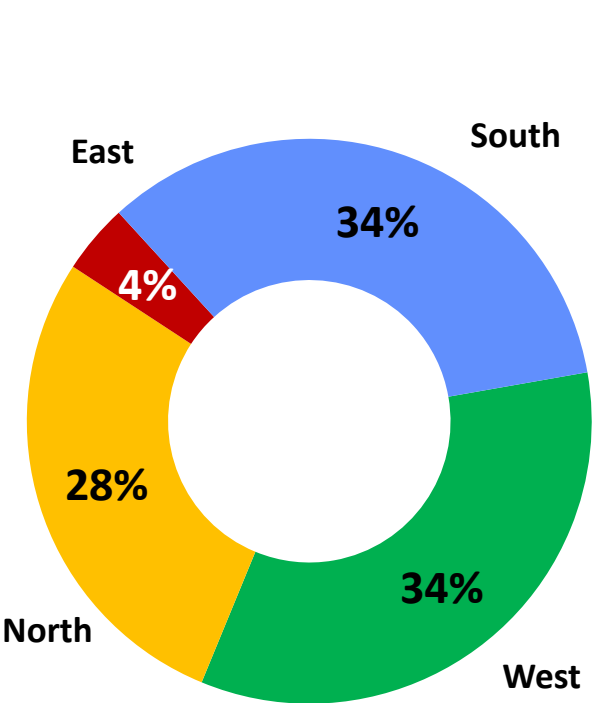
Employment



Acquisition Mode



Geographic Spread

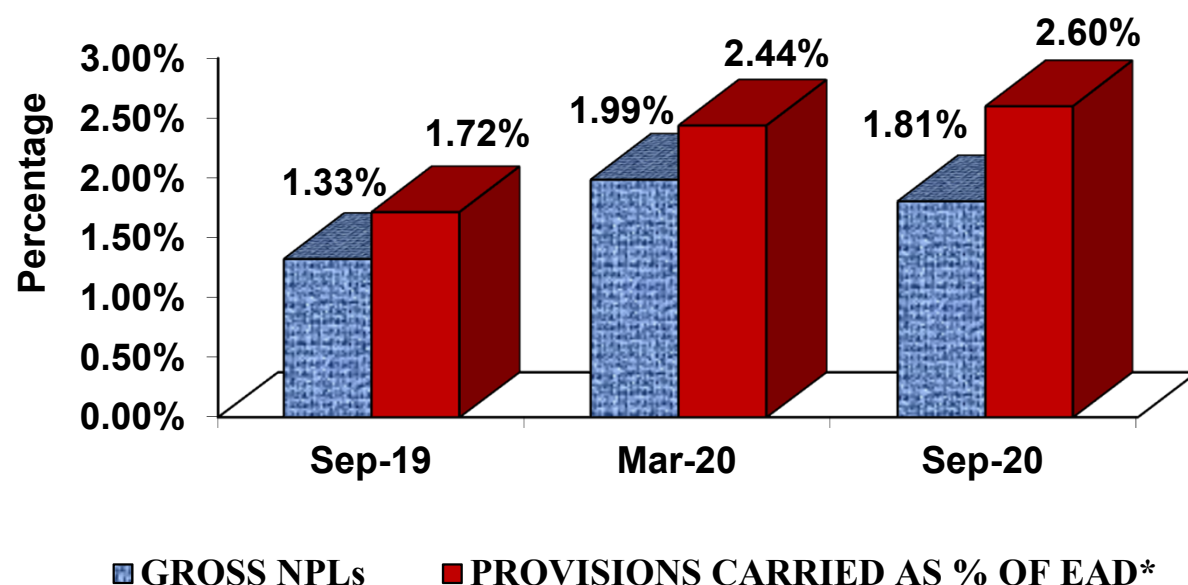


* Based on value of approvals

OUR CONSERVATIVE LOAN PROFILE UNDERLIES OUR HIGH CREDIT QUALITY

- **Average Loan Size** : Rs. 2.67 mn (~US\$ 36,150)
- **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 17 basis points of cumulative disbursements.

*EAD: Exposure at Default

As at September 30, 2020

(Rs. in bn)

NPLs (3 months):	85.11
Provisions Carried:	123.04
Regulatory provision as per period of default & standard assets:	56.21
NPLs as % of the loan portfolio:	
Individual Loans:	0.84%
Non-individual Loans:	4.19%
Total:	1.81%

Note: The Supreme Court in a PIL directed that accounts not declared as NPA till Aug 31, 2020 shall not be declared NPA till further orders. If accounts were classified as NPAs after Aug 31, 2020, individual NPAs would have been 0.88% and overall NPAs 1.83% as at Sep 30, 2020.

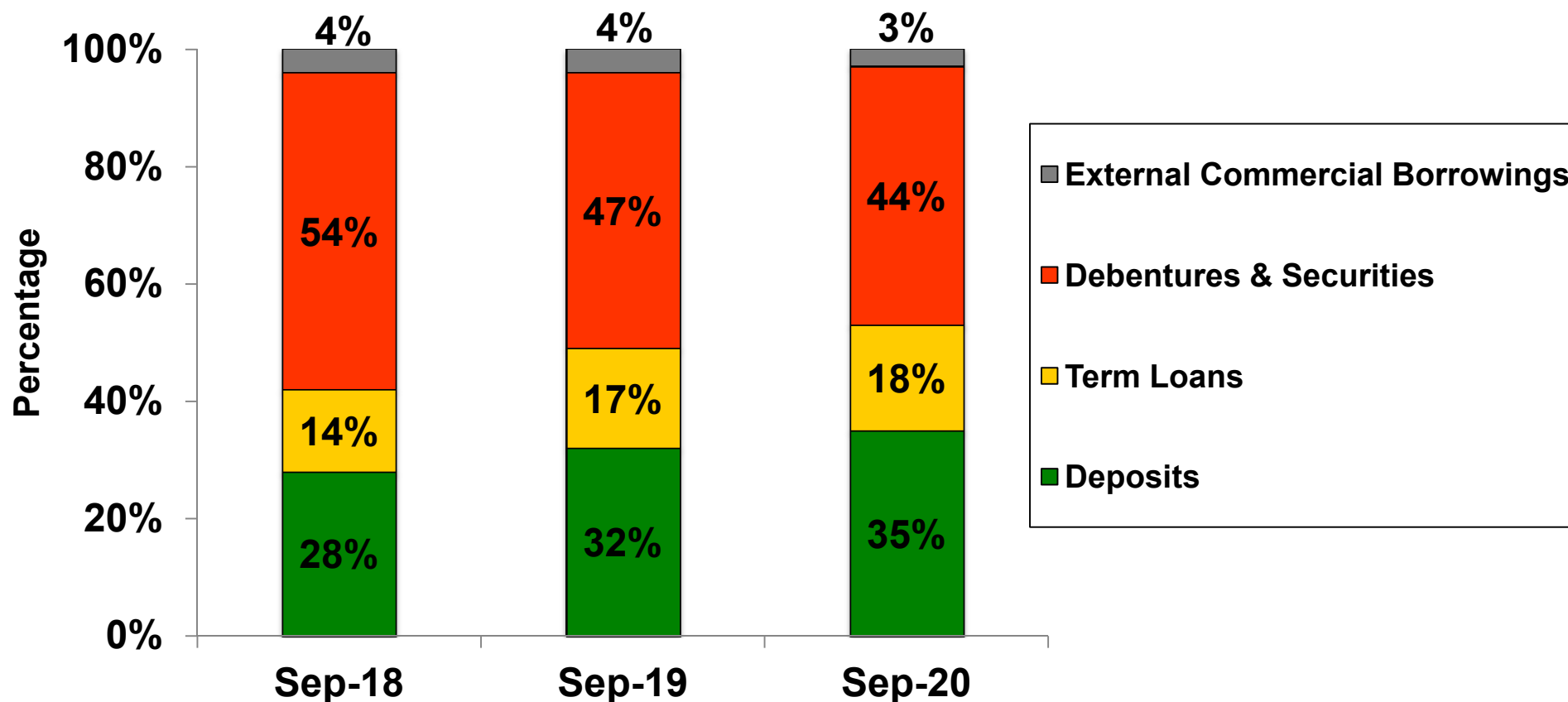
EXPECTED CREDIT LOSS (ECL) BASED ON EXPOSURE AT DEFAULT (EAD)

Rs bn

As per IND AS	Sep-20	Mar-20	Sep-19
Gross Stage 1	4,404.30	4,158.64	4,015.13
ECL Provision Stage 1	13.16	3.46	2.18
Net Stage 1	4,391.14	4,155.18	4,012.95
Coverage Ratio % Stage 1	0.30%	0.08%	0.05%
Gross Stage 2	233.13	247.94	181.93
ECL Provision Stage 2	59.05	57.50	42.04
Net Stage 2	174.08	190.44	139.89
Coverage Ratio % Stage 2	25%	23%	23%
Gross Stage 3	103.70	102.73	66.85
ECL Provision Stage 3	50.83	48.92	28.91
Net Stage 3	52.87	53.81	37.94
Coverage Ratio % Stage 3	49%	48%	43%
EAD	4,741.13	4,509.31	4,263.91
ECL Provision	123.04	109.88	73.13
Net	4,618.09	4,399.43	4,190.78
ECL/EAD	2.60%	2.44%	1.72%

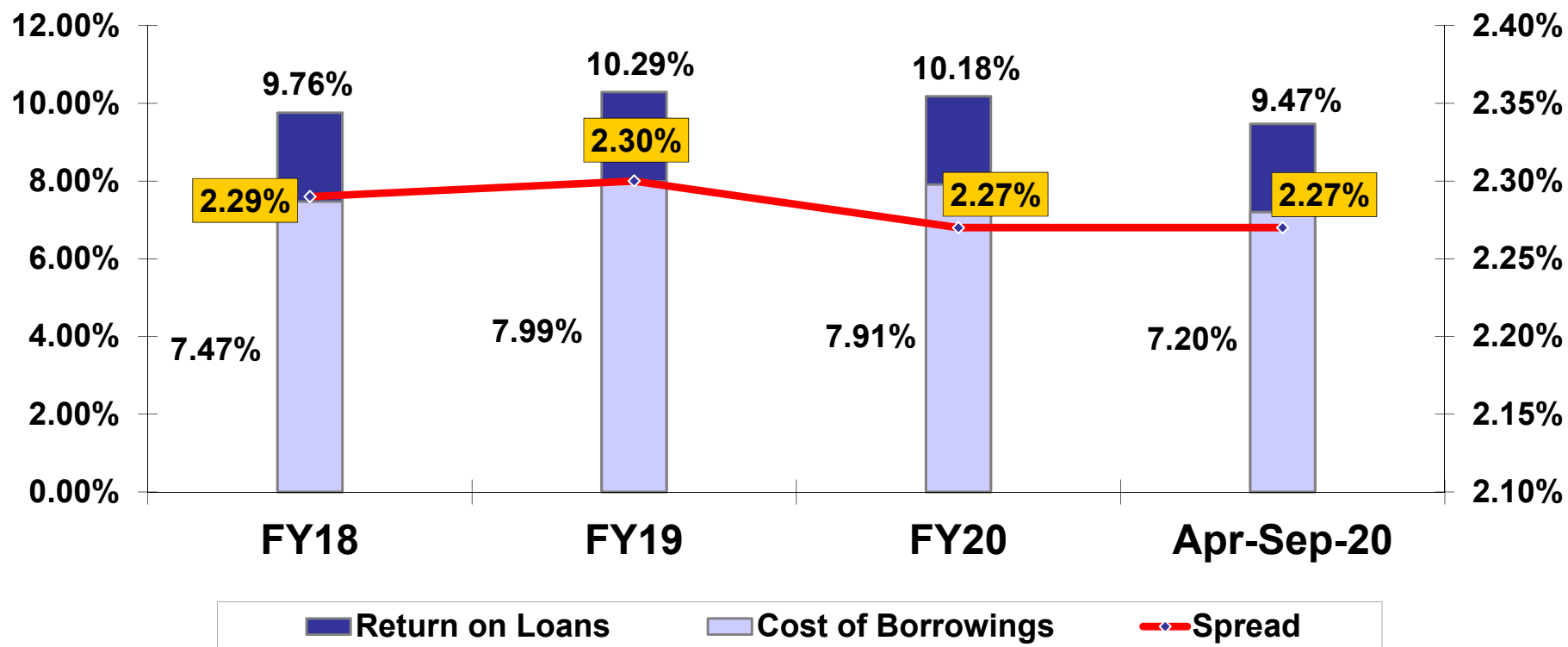
MULTIPLE SOURCES OF BORROWINGS

(As at September 30, 2020: Total Borrowings - US\$ 56.99 bn)



Total Borrowings: Rs.4,208.99 bn (US\$ 56.99 bn)

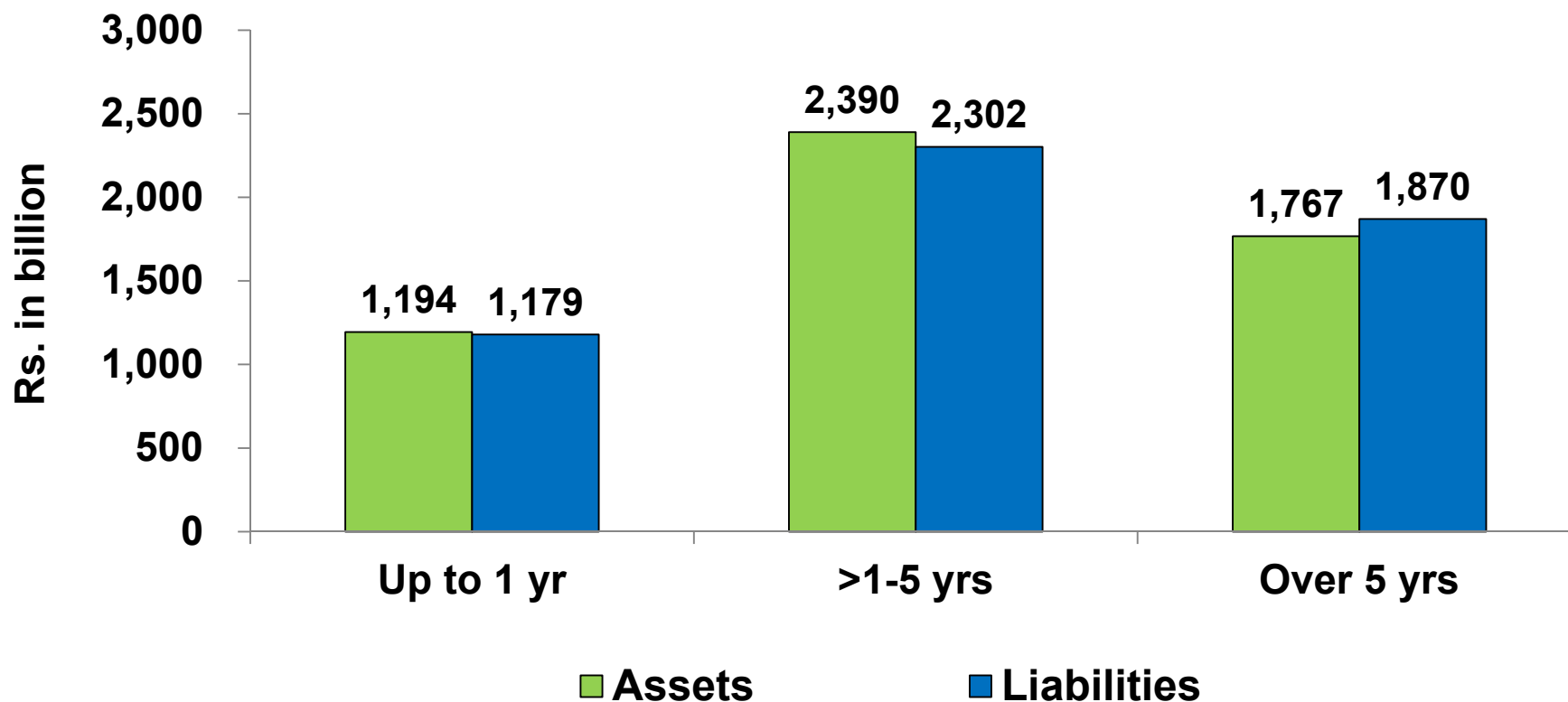
LOAN SPREADS



Apr-Sep 2020	
Spread earned on:	
Individual Loans	1.91%
Non-individual Loans	3.15%
Loan Book	2.27%

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 (%)	20.7[#]	19.2
Of which Tier I (%)	19.5	17.6
Tier II (%)	1.2	1.6

^Adjusted for profit on sale of investments of strategic investments

#As at September 30, 2020

VALUATION & SHAREHOLDING

VALUATION – METHOD 1

- Number of shares outstanding: 1.796 billion
- Share Price (CMP as at October 31, 2020): Rs. 1,924
- Market Capitalisation: Rs. 3,455 billion (~US\$ 47 bn)

	Rs bn	US\$ bn
Net Worth	1,001	13.6
<i>Add:</i> Unaccounted gains on strategic listed investments	1,963	26.6
<i>Add:</i> Unaccounted gains on unlisted investments	146	2.0
Adjusted Networkth	3,111	42.1
Market Capitalisation	3,455	46.8
Adjusted Price to Book Ratio	1.1	1.1

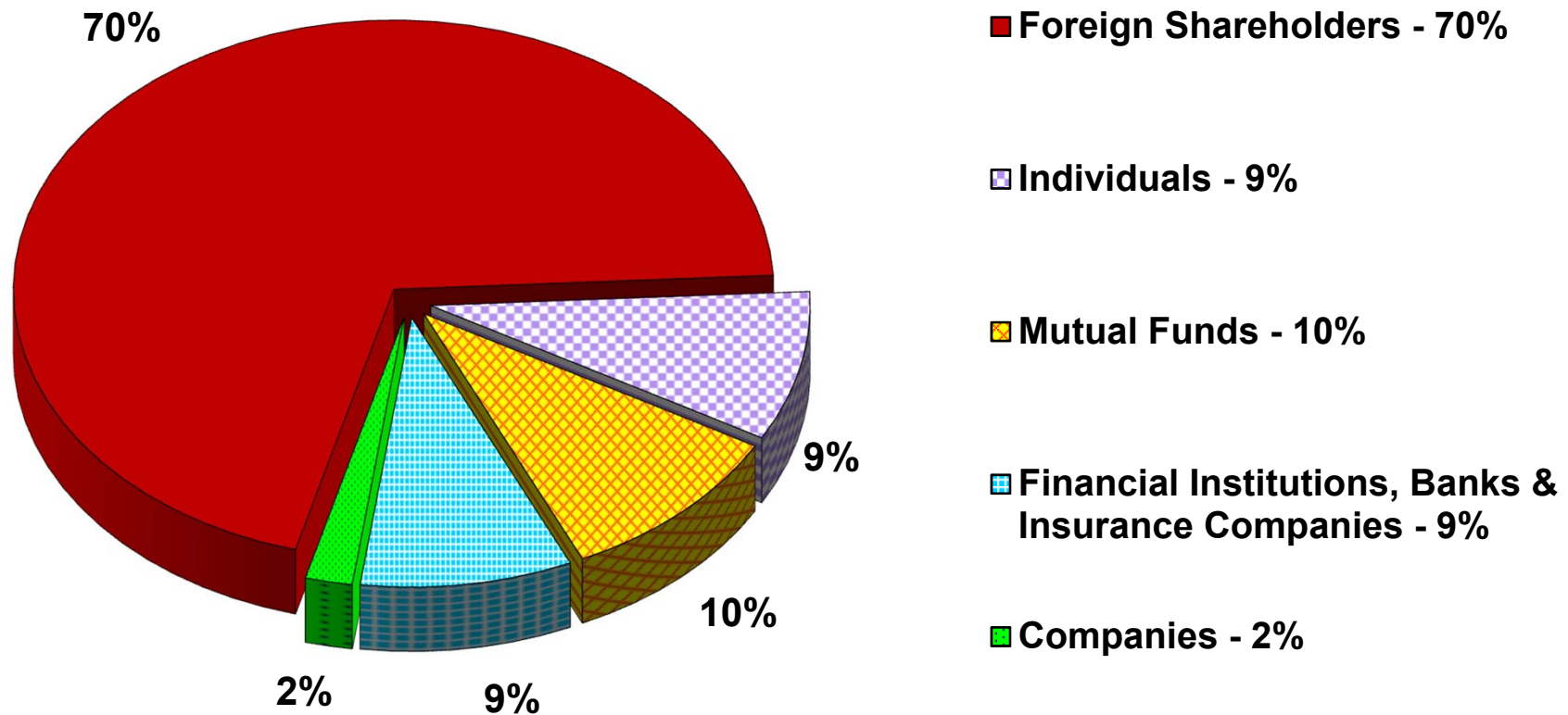
VALUATION – METHOD 2

- Number of shares outstanding: 1.796 crore
- Share Price (CMP as at October 31, 2020): Rs. 1,924
- Market Capitalisation: Rs. 3,455 bn (~US\$ 47 bn)

Valuation	Rs bn	US\$ bn
Market Capitalisation	3,455	46.8
<i>Less: Unaccounted gains on strategic listed investments</i>	1,963	26.6
<i>Less: Unaccounted gains on unlisted investments</i>	146	2.0
Adjusted Market Capitalisation	1,346	18.2
Net Worth	1,001	13.6
Adjusted Price to Book Ratio	1.3	1.3

SHAREHOLDING PATTERN

As at September 30, 2020



FINANCIALS

Standalone

(Based on Indian Accounting Standards)

Financials: Standalone

STATEMENT OF PROFIT AND LOSS – Q2 FY21

	<u>Jul-Sep-20</u> (Rs in billion)	<u>Jul-Sep-19</u> (Rs in billion)	<u>Growth</u> (%)
Interest Income	110.46	108.52	2%
Interest Expenses	73.99	78.31	-6%
Net Interest Income	36.47	30.21	21%
Add: Net gain on derecognition of assigned loans	1.59	2.64	
Add: Fees Net of Commission (EIR)	(0.44)	(0.71)	
Add: Other Operating Income	0.79	0.64	
Net Operating Income	38.41	32.78	17%
Less: Non Interest Expenses	3.11	3.22	-3%
Less: Amortisation of ESOS and CSR Expenses	0.55	0.58	
Add: Other Income	0.05	0.07	
Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL	34.80	29.05	20%
Add: Net gain/(loss) on Fair Value Changes	1.66	(3.22)	
Add: Dividend	3.23	10.74	
Add: Profit on Sale of Investments	(0.01)	16.27	
Less: Expected Credit Loss (ECL)	4.36	7.54	
Profit Before Tax	35.32	45.30	-22%
Provision for Tax	6.62	5.68	
Profit After Tax	28.70	39.62	
Other Comprehensive income	(14.05)	(0.96)	
Total Comprehensive Income	14.65	38.66	
Effective tax rate (%)	18.7%	12.5%	

ANALYSIS OF PROFITS – Q2 FY21

	Jul-Sep-20	Jul-Sep-19	Growth
	Rs in bn	Rs in bn	
Reported Profit Before Tax	35.32	45.30	-22%
Dividend & Profit on Sale of Investments	3.23	27.00	
Net gain on Fair Value Changes	1.66	(3.22)	
Net gains on loans assigned	1.59	2.64	
Employee Stock Options	0.46	0.04	
Expected Credit Loss	4.36	7.54	
Adjusted Profit Before Tax	33.66	26.46	27%

STATEMENT OF PROFIT AND LOSS – H1 FY21

	<u>Apr-Sep-20</u> (Rs in billion)	<u>Apr-Sep-19</u> (Rs in billion)	<u>Growth</u> (%)
Interest	222.55	216.70	3%
Interest Expenses	152.16	155.70	-2%
Net Interest Income	70.39	61.00	15%
Add: Net gain on derecognition of assigned loans	3.42	5.60	
Add: Fees Net of Commission (EIR)	(1.01)	(1.08)	
Add: Other Operating Income	1.27	1.27	
Net Operating Income	74.07	66.79	11%
Less: Non Interest Expenses	6.30	6.46	-2%
Less: Amortisation of ESOS and CSR Expenses	1.32	1.15	
Add: Other Income	0.06	0.12	
Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL	66.51	59.30	12%
Add: Net gain/(loss) on Fair Value Changes	2.60	-3.67	
Add: Dividend	6.21	10.75	
Add: Profit on Sale of Investments	12.41	35.21	
Less: Expected Credit Loss (ECL)	16.35	16.44	
Profit Before Tax	71.38	85.15	-16%
Provision for Tax	12.17	13.50	
Profit After Tax	59.21	71.65	-17%
Other Comprehensive income	6.14	1.66	
Total Comprehensive Income	65.35	73.31	
Effective tax rate (%)	17.0%	15.9%	

BALANCE SHEET

	<u>Sep-20</u>	<u>Sep-19</u>	<u>Growth</u>
	(Rs in billion)	(Rs in billion)	(%)
Sources of Funds			
Shareholders' Funds	1,001.33	817.06	
Borrowings	4,208.99	3,907.67	8%
Current Liabilities	202.80	183.74	
	5,413.12	4,908.47	10%
Application of Funds			
Loans^	4,751.21	4,267.39	11%
Investments	611.78	580.23	
Current/ Fixed Assets	50.13	60.85	
	5,413.12	4,908.47	10%

^Net of loans sold during the preceding 12 months amounting to Rs 141.38 billion of individual loans. If these loans were included, the growth in loans would have been 15%.

KEY ASSOCIATES AND SUBSIDIARIES

HDFC BANK

- **21.2% owned by HDFC**
- **ADRs listed on NYSE**
- **5,430 banking outlets, 15,292 ATMs**
- **Key business areas**
 - Wholesale banking Retail banking Treasury operations
- **Financials (as per Indian GAAP) for the half ended September 30, 2020**
 - Advances as at September 30, 2020, stood at Rs. 10,383 bn – an increase of 16% over the previous year
 - Total deposits stood at Rs. 12,293 bn – an increase of 20% over the previous year
 - PAT (Indian GAAP): Rs. 141.72 bn – an increase of 19% 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 (October 30, 2020): ~US\$ 88 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 half year ended September 30, 2020 stood at Rs. 160 bn – growth of 14% over the previous year
- HDFC Life ranked 2nd in terms of Individual WRP with market share of 18%. The private market share within the group and overall new business segment stood at 27% and 23% respectively.
 - New Business Margin for the half year ended September 30, 2020 (post overrun): 25.1% (PY: 27.5%)
 - Indian Embedded Value stood at Rs. 233.3 bn as at September 30, 2020 (PY: Rs. 201.2 bn)
 - Operating Return on Embedded Value for the half year ended September 30, 2020 stood at 17.6% (PY: 19.6%)
 - Assets Under Management as at September 30, 2020 stood at Rs. 1,506 bn (PY: Rs. 1,310 bn)
 - PAT for the half year ended September 30, 2020 (Indian GAAP): Rs. 7.77 bn (PY: Rs. 7.33 bn)
- Product mix - Unit Linked: 23%, Non-Par Savings: 30%, Par Protection: 33%, Term & Health: 9%, Annuity: 5%
- Market capitalisation (October 30, 2020): ~US\$ 16 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 September 30, 2020, stood at Rs. 3.76 trillion (US\$ 51 bn) with an overall market share of 13.6%**
- **India's largest actively managed equity mutual fund with a market share of 14.1% as on September 30, 2020**
 - **Equity-oriented assets of HDFC MF as a proportion of total AUM was 39%**
- **Individual accounts of HDFC MF as at September 30, 2020**
 - **9.3 million live accounts**
 - **55% of total monthly average AUM is contributed by individuals**
 - **Market share of 14.1% of individual monthly average AUM**
- **PAT for the half year ended September 30, 2020 (as per Ind AS): Rs. 6.40 bn**
- **Market capitalisation (October 30, 2020): ~US\$ 6 bn**

Associates and Subsidiaries

HDFC ERGO GENERAL INSURANCE COMPANY LTD.

- **HDFC holds 50.5% and ERGO holds 48.4% of the equity of HDFC ERGO**
- **Gross direct premium for the half year ended September 30, 2020 stood at: Rs. 48.9 bn compared to Rs. 50.5 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 44% of the total business**
- **Market share of 9.1% (private sector) and 5% (overall) in terms of gross direct premium for half year ended September 30, 2020 (Source: GI Council)**
- **As at September 30, 2020: Combined Ratio – 103%, Solvency Ratio – 217% (as against regulatory requirement of 150%)**
- **Profit After Tax for the half year ended September 30, 2020 (Indian GAAP): Rs. 2.81 bn (PY: Rs. 1.83 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).**
 - **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.**
- **In September 2020, the National Company Law Tribunal approved the Scheme of Amalgamation for the merger of HDFC ERGO Health with HDFC ERGO. Awaiting final approval from the regulator.**

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, 2020**
 - **Profit After Tax (as per Ind AS): Rs. 0.74 bn – 14% growth**
 - **Cumulative loans disbursed: Rs 111 bn**
 - **Loan book outstanding as at September 30, 2020: Rs. 61 bn**
 - **43% of the loan book is collateralised**
 - **Average loan: Rs. 2.1 mn**
 - **Gross non-performing assets: 0.12%**

FINANCIALS

Consolidated

(Based on Indian Accounting Standards)

BALANCE SHEET (Consolidated)

	<u>Sep-20</u> (₹ in billion)	<u>Sep-19</u> (₹ in billion)	<u>Growth</u> (%)
Sources of Funds			
Shareholders' Funds	1,522.24	1,313.09	16%
Liabilities Pertaining to Insurance Business	1,719.22	1,464.98	
Loan Funds	4,269.10	3,965.42	8%
Current Liabilities & Provisions	233.97	213.79	
	<u>7,744.53</u>	<u>6,957.28</u>	11%
Application of Funds			
Loans	4,683.64	4,250.10	10%
Assets pertaining to Insurance Business	1,836.63	1,542.61	
Investments	988.01	985.20	
Current Assets, Advances & Fixed Assets	220.24	173.12	
Goodwill on Consolidation	16.01	6.25	
	<u>7,744.53</u>	<u>6,957.28</u>	11%

Financials: Consolidated

STATEMENT OF PROFIT AND LOSS – H1FY21

	Apr-Sep 20	Apr-Sep 19	Growth
	Rs. in billion	Rs. in billion	
Interest & Other Operating Income	239.14	244.42	
Income from Insurance Business	390.80	233.45	
Profit on Sale of Investment Properties	-	0.17	
Net gain on fair value change	7.01	(3.11)	
Net gain on derecognition of assigned loans	3.42	5.60	
Other Income	0.13	0.37	
Total Income	640.50	480.90	14%
Finance costs	154.61	164.24	
Expenses from Insurance Business	380.82	223.19	
Non-Interest Expenses	13.45	15.39	
Impairment on financial instruments (Expected Credit Loss)	16.83	16.44	
Total Expenses	565.71	419.26	35%
Profit on Loss of Control of a subsidiary*	-	80.00	
Share of profit of associates (equity method)	32.43	24.77	
Profit before tax	107.22	166.41	
Total tax expense	16.28	23.53	
Net Profit After Tax	90.94	142.88	
Other Comprehensive Income	7.60	6.80	
Total Comprehensive Income	98.54	149.68	
Profit Attributable to the Corporation	82.13	134.83	

*Note: In the previous year, Rs 80 bn pertained to profit on loss of control of a subsidiary, GRUH Finance. The stake sale of GRUH by the Corporation was to facilitate the merger of GRUH with Bandhan Bank.

CONSOLIDATED PROFIT AFTER TAX – H1FY21

(As per Ind-AS)

	Apr-Sep 20	Apr-Sep 19	Growth
	(Rs in bn)	(Rs in bn)	
HDFC Profit After Tax	59.22	71.65	-17%
HDFC Life	4.97	3.63	37%
HDFC Ergo	1.57	0.97	62%
HDFC ERGO Health	(0.41)	-	
Bandhan Bank (Erstwhile GRUH Finance)	-	0.68	
HDFC Bank	31.88	23.40	36%
HDFC AMC	3.37	3.21	5%
HDFC Credila	0.74	0.59	25%
Property Funds (incl GRIHA)	(0.75)	0.30	
HDFC Invt & HDFC Holdings	0.16	3.06	
HDFC Edu, Sales, Property Cos, Others	(0.48)	(0.07)	
Adjustments:			
Adjustment on account of dilution of stake in associates	0.59	1.25	
Dividend & Other Adjustments	(6.32)	(12.37)	
Net Profit Before Profit on Sale of Investments Attributable to the Corporation	94.54	96.30	-2%
Profit on Sale of Investments	(12.41)	38.53	
Net Profit Attributable to the Corporation	82.13	134.83	

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 & green 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 7.9 million housing units • Focus on inclusion & diversity; employee engagement / training; • First institution to have over 200,000 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 • Contribution towards COVID-19 relief measures with impact assessment report 	<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-IIAS-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
- HDFC COVID-19 Relief Response: Impact Assessment 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