

Ref. No.: SE/2021-22/232

November 10, 2021

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 meeting as given below:

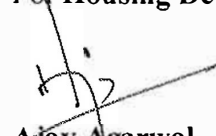
Date	Organised by	Type of Meeting/Event	Location
November 10, 2021	Nomura India	Investor Conference "Virtual India Corporate Day 2021"	Virtual Conference

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**

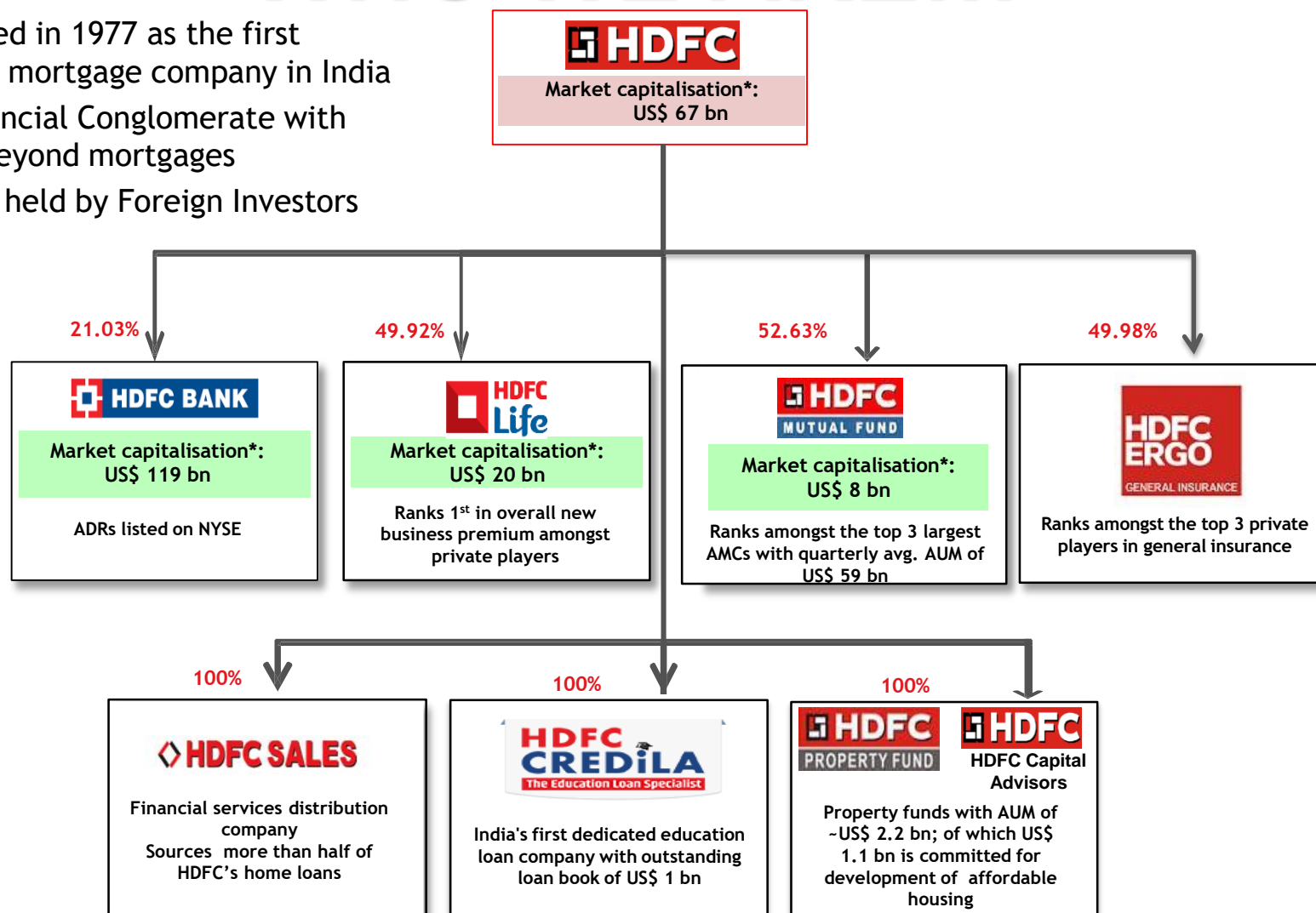
# **CONTENTS**

- **HDFC Snapshot**
- **Mortgage Market in India**
- **Operational and Financial Highlights: Mortgages**
- **Shareholding**
- **Financials: Standalone**
- **Key Subsidiaries and Associates**
- **Financials: Consolidated**
- **Environmental, Social & Governance**
- **IT & Digitalisation Initiatives**

# **HDFC SNAPSHOT**

# WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages
- 72% shares held by Foreign Investors



\*As at September 30, 2021

US\$ amounts converted based on exchange rate of US\$ 1 = Rs. 74.23

# BUSINESS SUMMARY

- Loans Outstanding (Gross loans)  
*(As at September 30, 2021)*

: Rs. 5,973.39 bn  
: US\$ 80.47 bn
- Individual Loans Originated CAGR (5 years)

: 16%
- Cumulative Housing Units Financed

: 8.8 million
- Cost to Income Ratio  
(excluding notional cost of Employee Stock Option Scheme  
& Corporate Social Responsibility Expenses)

: 8.2%
- Unaccounted gains on listed investments  
in subsidiary and associate companies

: Rs. 2,759.17 bn  
: US\$ 37.17 bn
- Consolidated Profit After Tax CAGR (5 years)

: 21%

# SHARP RECOVERY FROM 2<sup>nd</sup> WAVE OF COVID-19

- While the first quarter witnessed an eruption of a second wave of COVID-19 in India, there has been a sharp recovery in business in the second quarter
- The demand for housing continues to remain strong
  - During H1FY22, individual loan approvals and disbursements grew by 67% and 80% respectively over the corresponding period in the previous year
- Scale up on all digital platforms for borrowers, depositors, channel partners and deposit agents, amongst others.
  - 89% of new loan applications were received through the digital mode
  - 61% of retail deposits digitally on-boarded
- Total provisions carried as at September 30, 2021 stood at Rs 133.40 billion compared to the regulatory requirement of Rs 66.05 billion (based on period of default and standard assets). COVID-19 provision as at September 30, 2021 stood at Rs 13.04 billion.
- Total loans restructured under the RBI's Resolution Framework - OTR 1& 2.0, amounted to 1.4% of the loan book. 35% of the loans restructured is in respect of one account only, where resolution is underway.
- Total loans disbursed as at September 30, 2021 under the Emergency Credit Line Guarantee Scheme (ECLGS) stood at Rs 17.38 billion.

# **MORTGAGE MARKET IN INDIA**

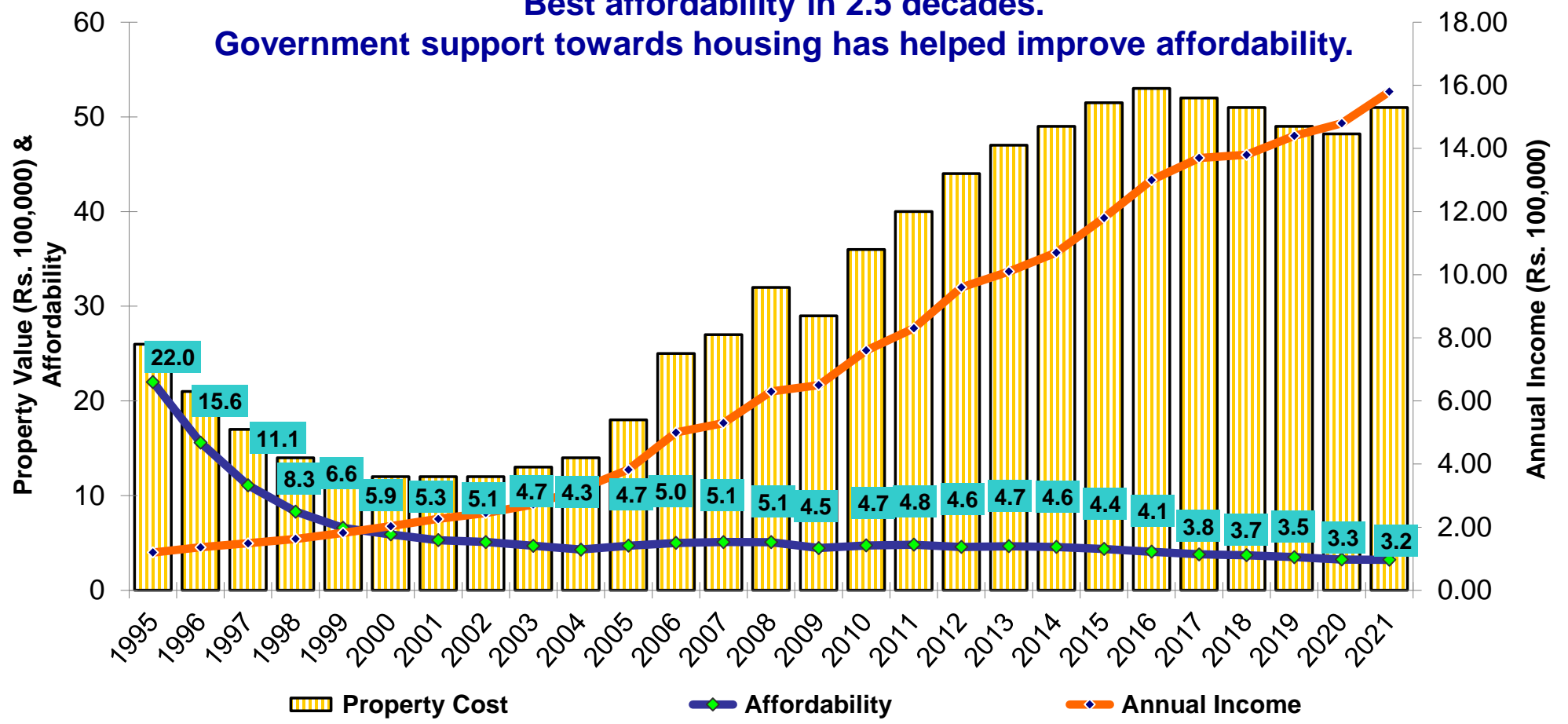


# **DRIVERS OF MORTGAGE GROWTH**

- **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.

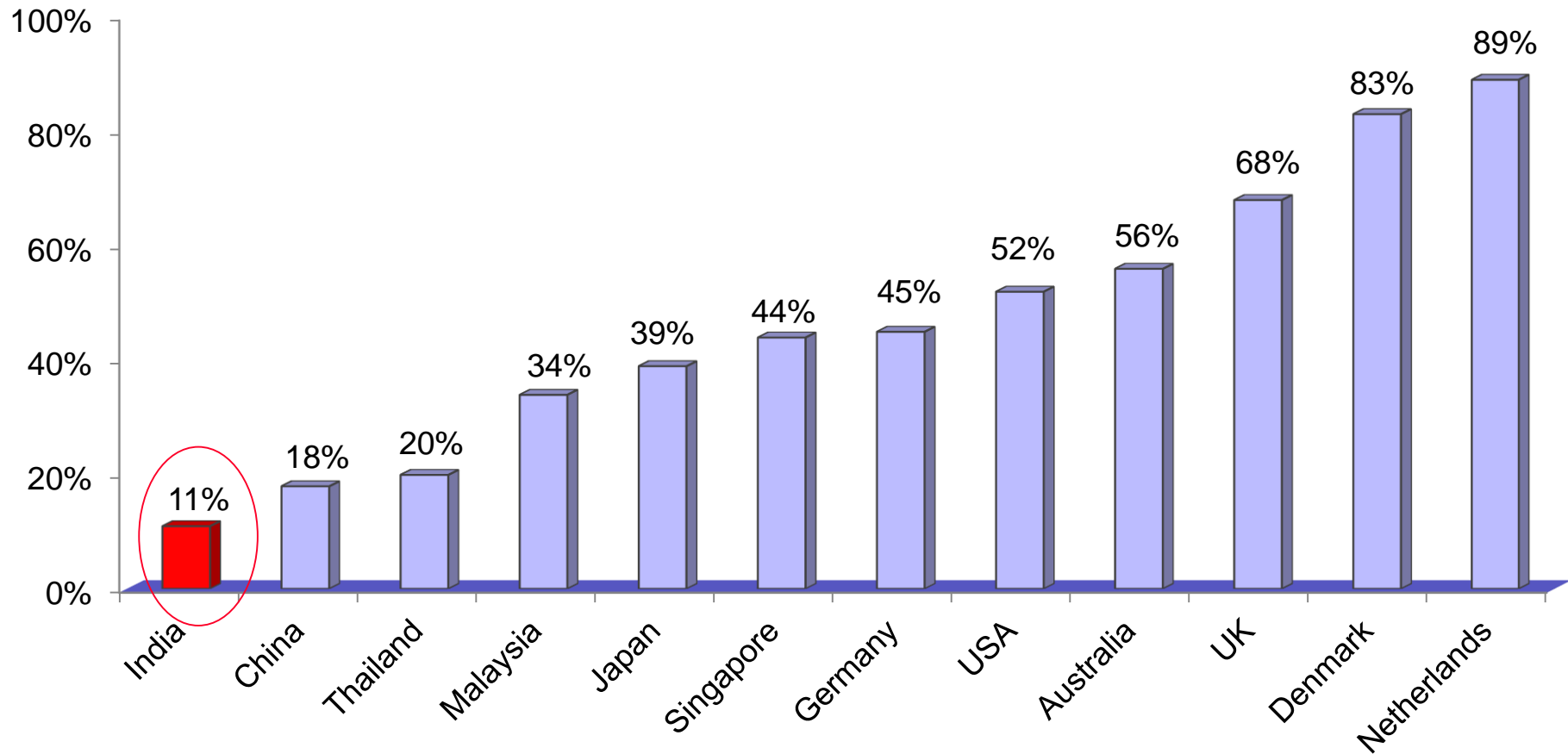


Representation of property price estimates

Affordability equals property prices by annual income

Based on customer data

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



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

Note: India's lower GDP resulted in an increase in the mortgage to GDP ratio.

# GOVERNMENT/REGULATORY INITIATIVES

## Government Incentives

Tax incentives on interest and principal amount for home loan borrowers

Interest rate subsidy under the Credit Linked Subsidy Scheme for EWS/LIG\*

## Liquidity Measures

Liquidity schemes and special refinance facilities for Non-Banking Financial Companies - Housing Finance Companies

## Supply Side Incentives

Incentives to developers to build affordable housing

‘Infrastructure’ status accorded to affordable housing

External Commercial Borrowings/Rupee Denominated Bonds Issued Overseas

Economically Weaker Section (EWS): Income up to Rs 0.3 mn p.a ; Low Income Group (LIG): Income above Rs 0.3 mn to Rs 0.6 mn p.a.

# TAX INCENTIVES HAVE LOWERED THE EFFECTIVE RATES ON MORTGAGES

	FY 2021	FY 2002	FY 2000
Loan amount	3,190,000	3,190,000	3,190,000
Nominal Interest Rate(%)	6.70%	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	363,730	359,400	421,068
Interest component	213,730	342,925	422,675
Principal repaid	150,000	16,475	(1,607)
Tax amount saved	108,150	53,550	32,775
Effective interest paid on home loan	105,580	289,375	389,900
Effective interest on home loan	3.3%	9.1%	12.2%

Note: Union Budget 2021-22: Additional interest deduction of Rs.1.5 lac for loans sanctioned from April 1, 2021 to March 31, 2022. This is for first-time home-buyers; house cost: up to Rs 4.5 mn.

## 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 lowest ever interest rates on home loans

# **OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES**

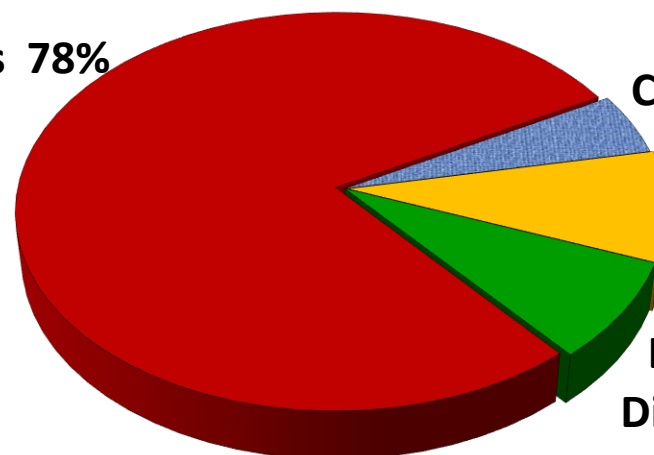
# CORE BUSINESS – LENDING

(As at September 30, 2021: Gross Loans - US\$ 80.47 bn)

## INDIVIDUAL LOANS

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

Individuals 78%



Corporate 5%

Construction Finance 9%

Lease Rental Discounting 8%

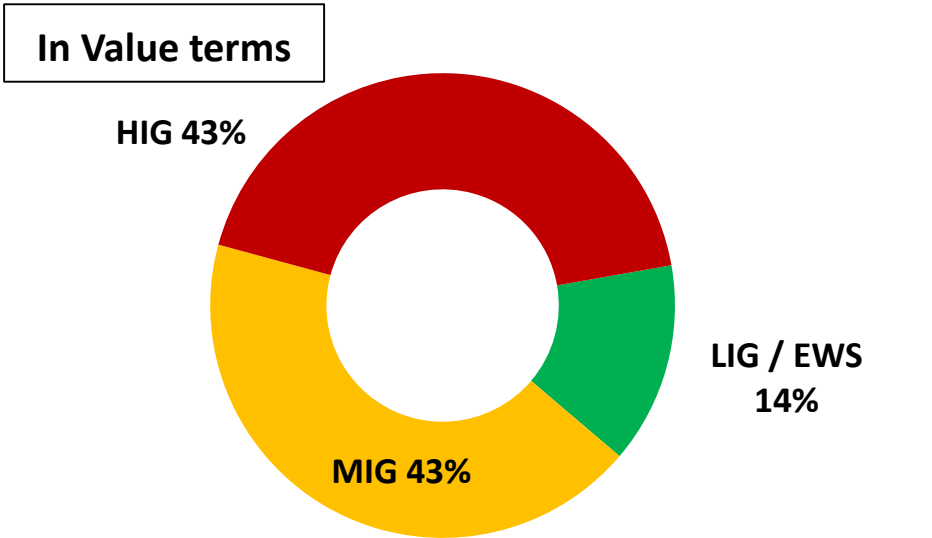
As at September 30, 2021	Loan Book Outstanding (After Sell Down)			Loan Book o/s Before Sell Down in last 12 months			Assets Under Management		
	Rs. bn	US\$ bn	% Growth	Rs. bn	US\$ bn	% Growth	Rs. bn	US\$ bn	% Growth
Individuals	3,912	53	15%	4,184	56	23%	4,676	63	16%
Non-Individuals	1,296	17	-5%	1,296	17	-5%	1,298	17	-5%
Total	5,208	70	10%	5,480	73	15%	5,974	80	11%

Individual loans sold (outstanding): Rs. 763.66 bn (US\$ 10.29 bn)

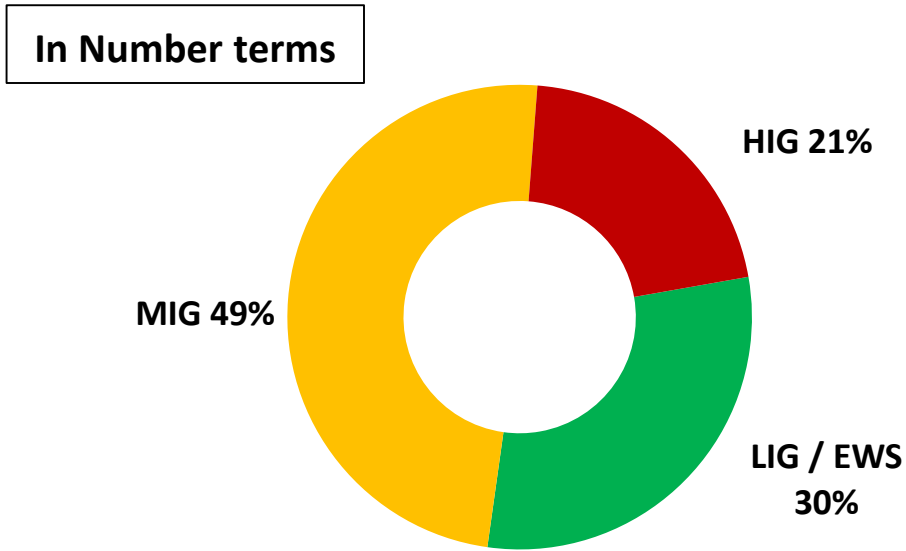


# HOUSING ACROSS INCOME GROUPS

## Housing Loan Approvals Based on Income Slabs H1FY22



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.



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.

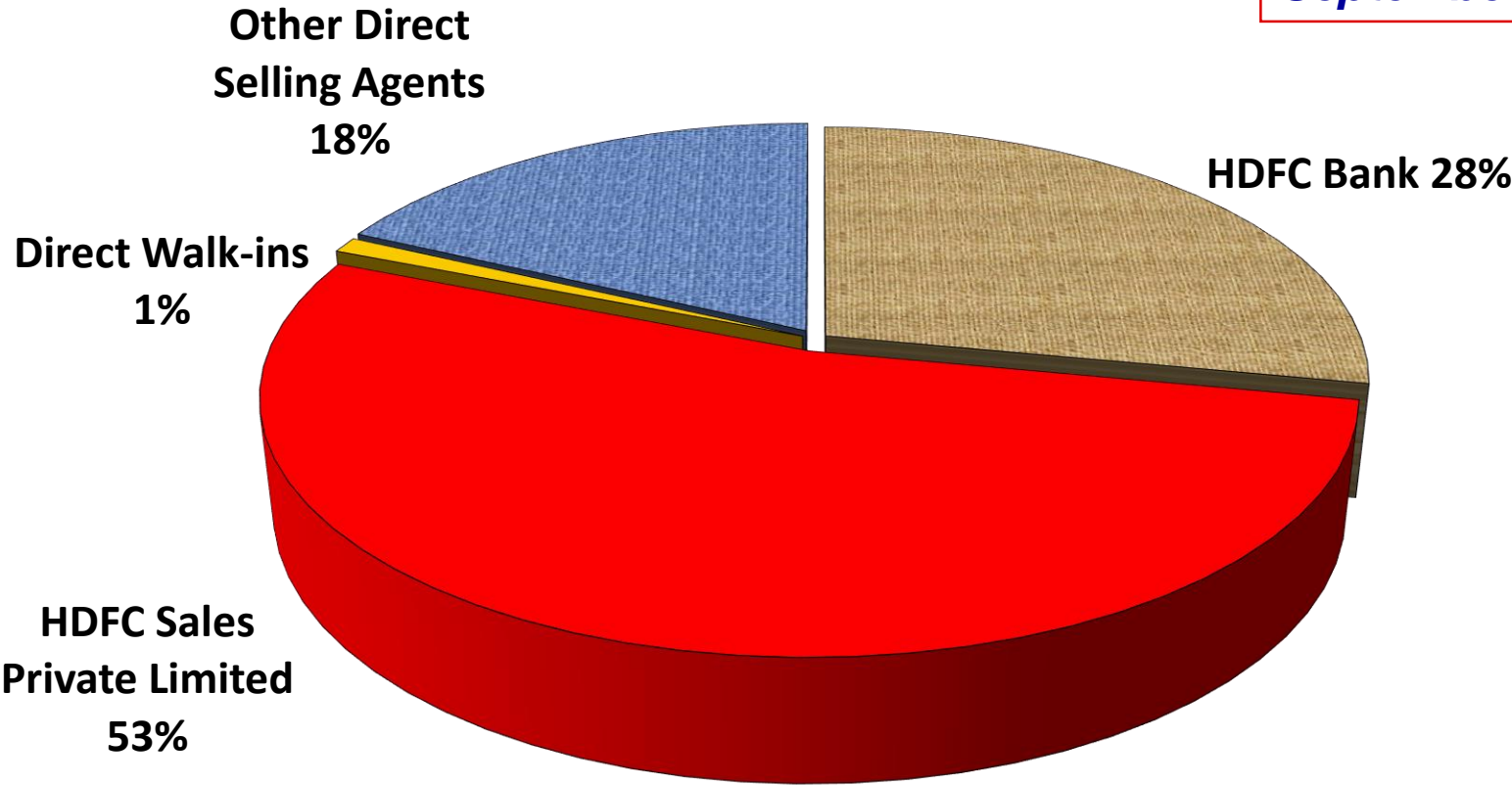
### Housing Loans to EWS & LIG Segments

- 30% of home loan approvals in volume terms and 14% in value terms has been to the EWS & LIG segments
- Average home loan – EWS: Rs 1.11 mn, LIG: Rs 1.94 mn

**Credit Linked Subsidy Scheme (CLSS):** HDFC has the highest number of beneficiaries at over 270,000, with cumulative disbursements of Rs 459 bn and a subsidy amount of Rs 63 bn.

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

September 30, 2021



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

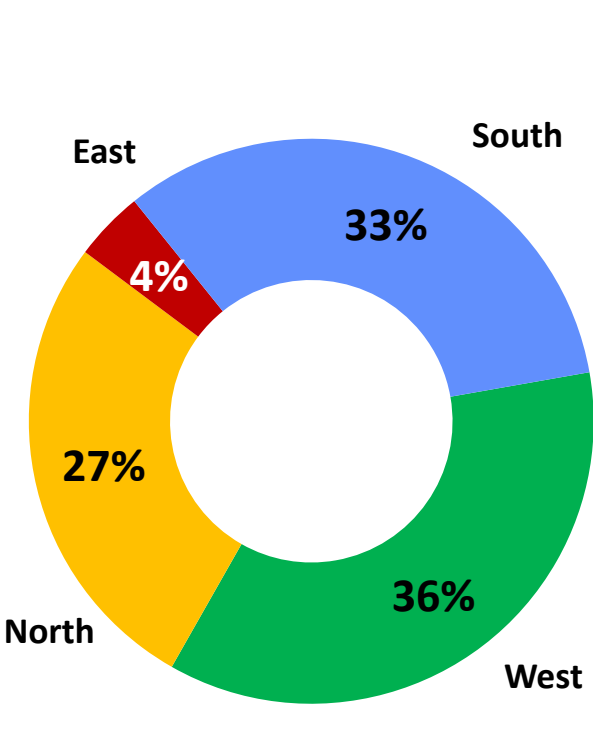
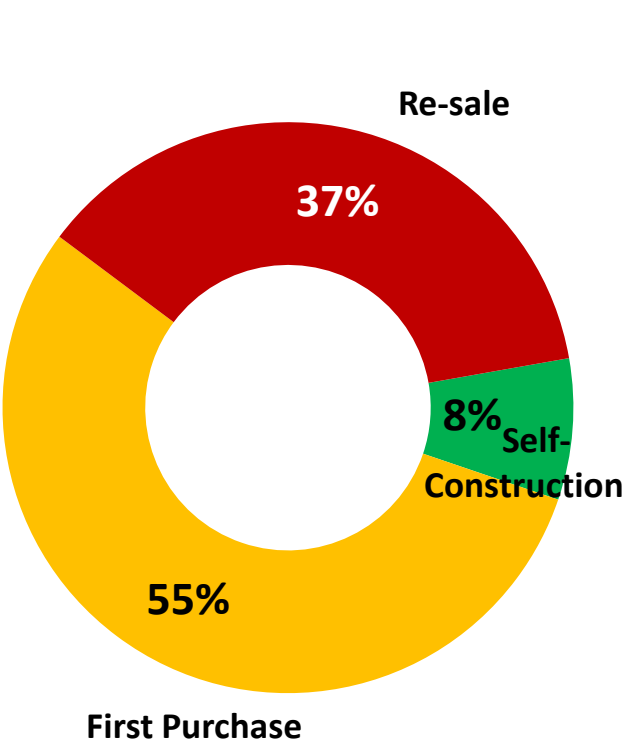
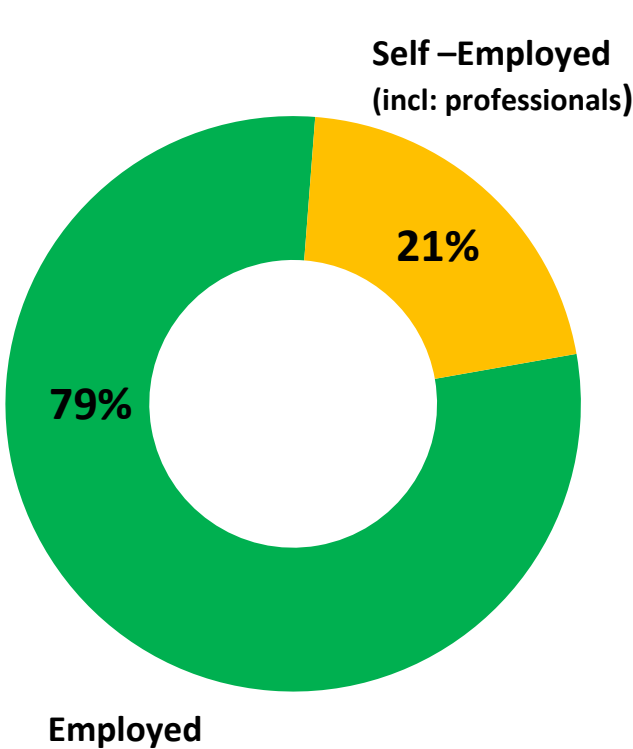
Total number of offices: 616 which is inclusive of 202 outlets of HDFC’s wholly owned distribution company.

# INDIVIDUAL LOANS H1FY22 \*

Employment

Acquisition Mode

Geographic Spread

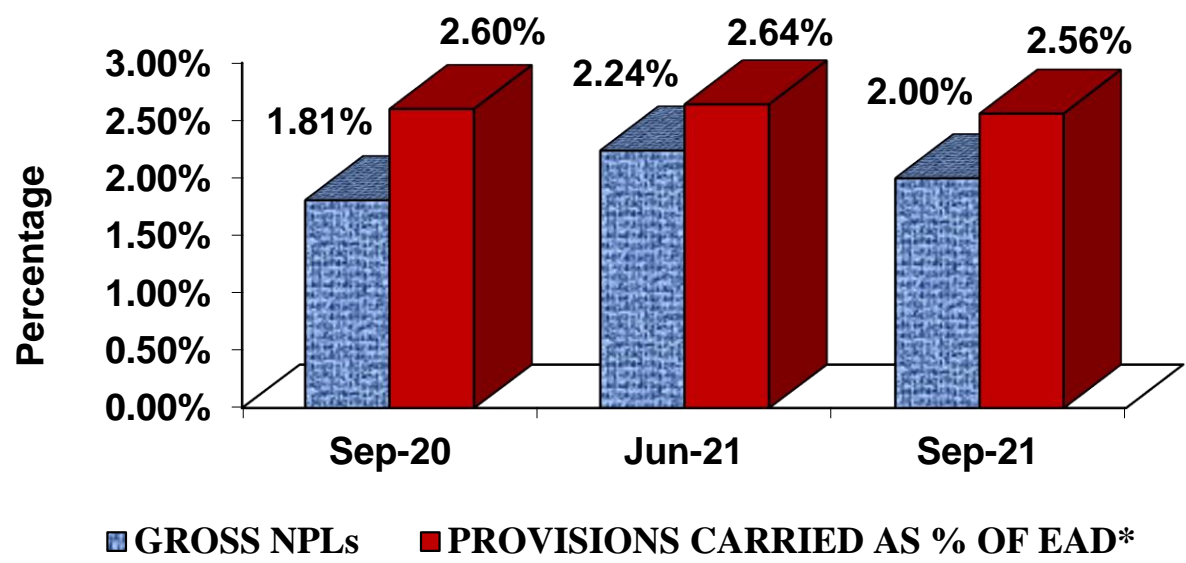


\* Based on value of approvals

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

- **Average Loan Size** : Rs. 3.19 mn (~US\$ 43,000)
- **Average Loan to Value** : 69% (at origination)
- **Average Loan Term** : 11 years
- **Average Age** : 38 years
- **Primary Security** : Mortgage of property financed
- **Repayment Type** : Amortising

# NON-PERFORMING LOANS (NPLs) & PROVISIONS CARRIED



As at September 30, 2021	
(Rs. in bn)	
NPLs (90 days):	103.41
Provisions Carried:	133.40
Regulatory provision as per period of default & standard assets:	66.05

NPLs	Sep 30, 2021	Jun 30, 2021
Individual Loans	1.10%	1.37%
Non-Individual Loans	4.69%	4.87%
Overall NPLs	2.00%	2.24%

\*EAD: Exposure at Default

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

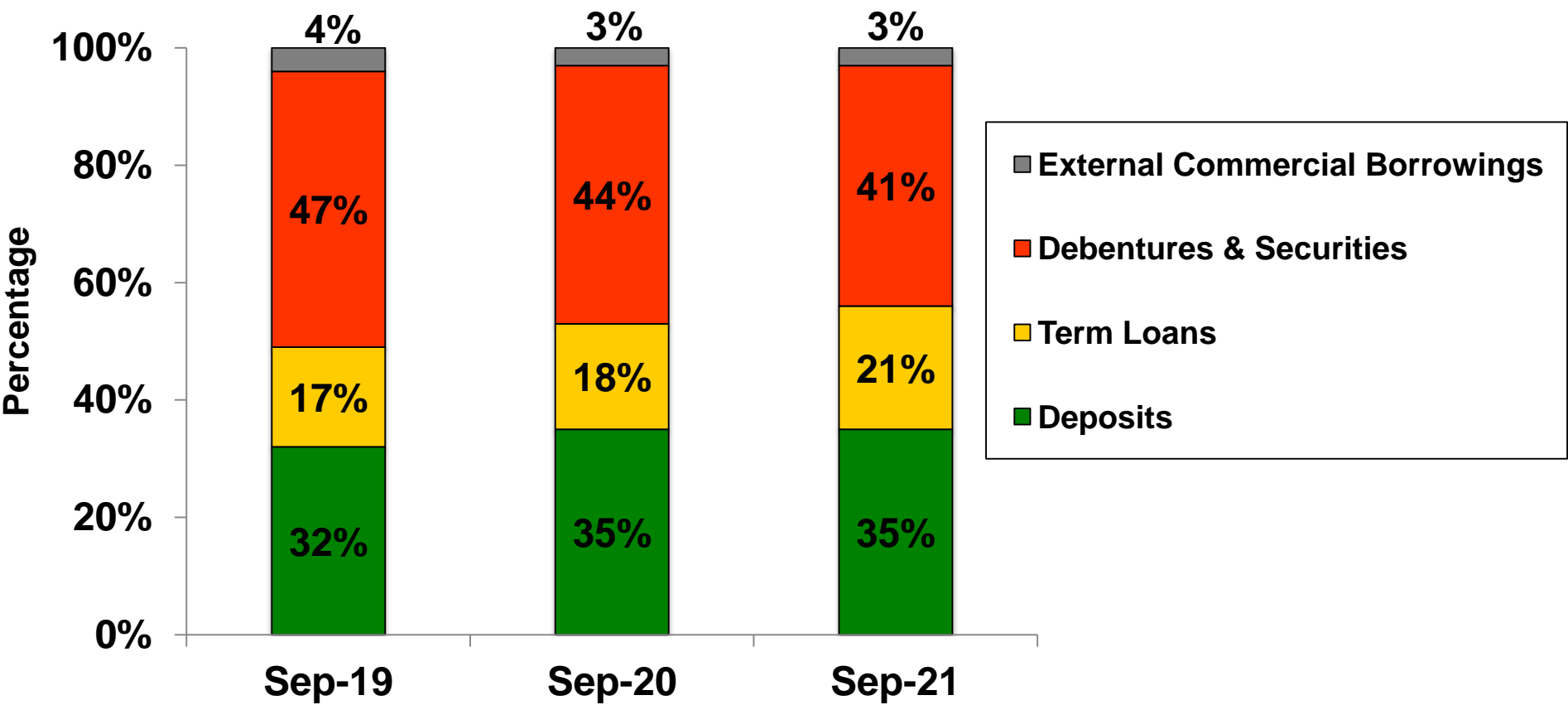
Rs bn

As per IND AS	Sep-21	Mar-21	Sep-20
Gross Stage 1	4,752.19	4,540.29	4,404.30
ECL Provision Stage 1	14.05	10.87	13.16
Net Stage 1	4,738.14	4,529.42	4,391.14
Coverage Ratio % Stage 1	0.30%	0.24%	0.30%
Gross Stage 2	321.46	315.47	233.13
ECL Provision Stage 2	48.09	58.81	59.05
Net Stage 2	273.37	256.66	174.08
Coverage Ratio % Stage 2	15%	19%	25%
Gross Stage 3	129.93	116.32	103.70
ECL Provision Stage 3	71.26	60.57	50.83
Net Stage 3	58.67	55.75	52.87
Coverage Ratio % Stage 3	55%	52%	49%
EAD	5,203.58	4,972.08	4,741.13
ECL Provision	133.40	130.25	123.04
Net	5,070.18	4,841.83	4,618.09
ECL/EAD	2.56%	2.62%	2.60%

Note: Loans under the one-time restructuring framework due to COVID-19 stress are classified under Stage 2.

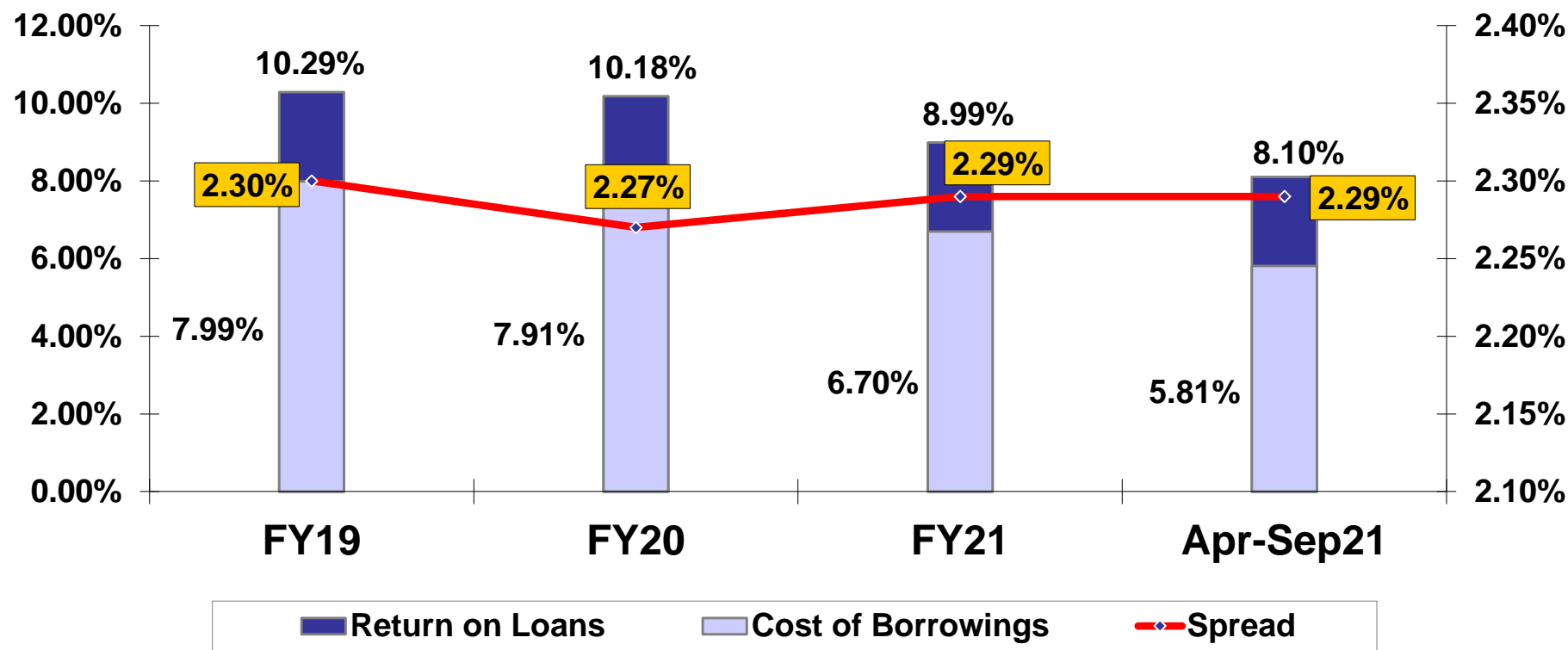
# MULTIPLE SOURCES OF BORROWINGS

(As at September 30, 2021: Total Borrowings - US\$ 62.34 bn)



Total Borrowings: Rs 4,627.37 bn (US\$ 62.34 bn)

# LOAN SPREADS

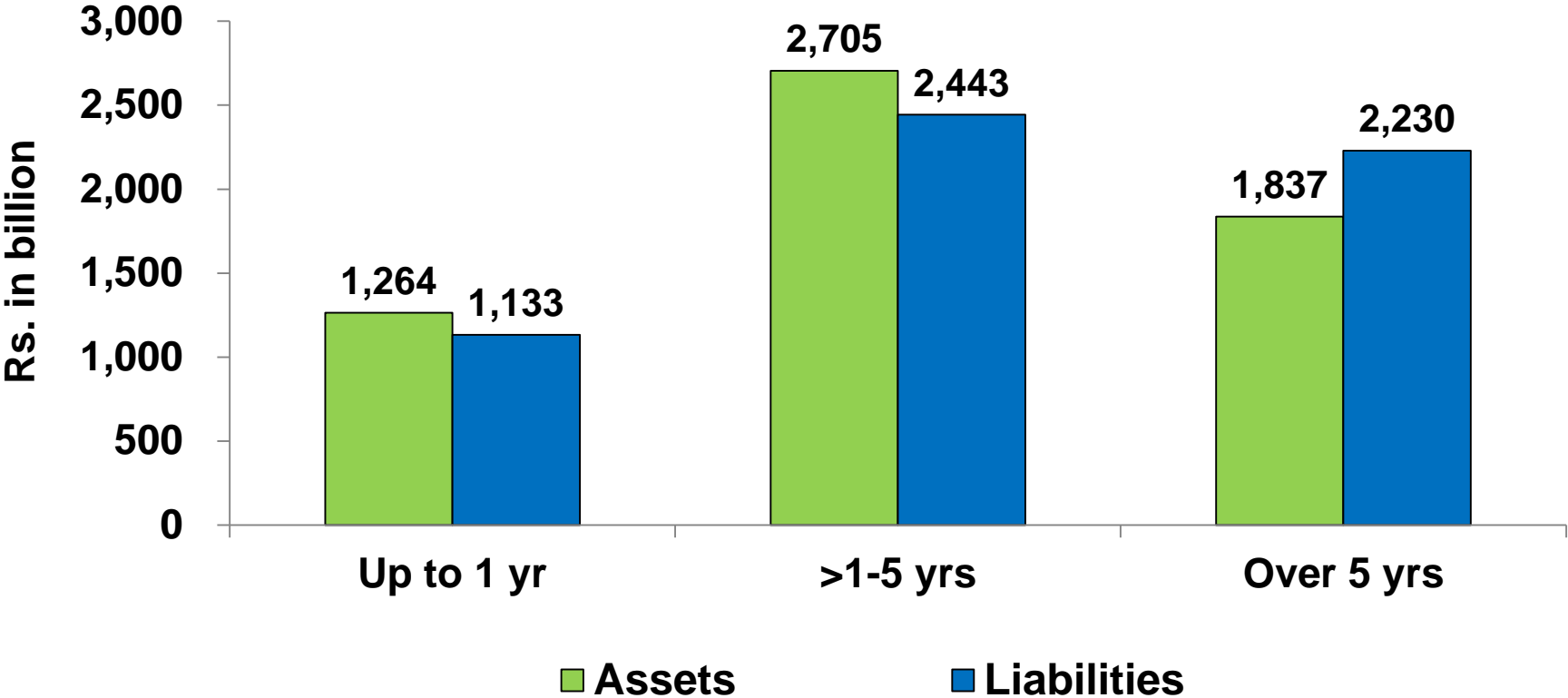


	Apr-Sep21
Spread earned on:	
Individual Loans	1.93%
Non-individual Loans	3.37%
Loan Book	2.29%



# MATURITY PROFILE

(As at March 31, 2021)



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

# PRODUCTIVITY RATIOS

	FY21	FY20
Number of employees	3,226	3,095
Number of outlets	390	379
Profit per employee (US\$ '000)*	468	407
Assets per employee (US\$ mn)	23.2	22.1
Admin costs/assets (%)^	0.21	0.24
Cost income ratio (%)^	7.7	9.0

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

*^Excluding notional cost of ESOS and CSR expenses*

# KEY FINANCIAL METRICS

	FY21	FY20
<b>Net Interest Margin(%)</b>	<b>3.5</b>	<b>3.4</b>
<b>Pre Tax RoAA (%)^</b>	<b>2.6</b>	<b>2.5</b>
<b>Post Tax RoAA (%)^</b>	<b>2.1</b>	<b>2.0</b>
<b>Return on Tier 1 Capital (%)^</b>	<b>14.8</b>	<b>14.8</b>
<b>Capital Adequacy (%)#</b>	<b>22.4</b>	<b>17.6</b>
<b>Of which Tier I (%)</b>	<b>21.6</b>	<b>16.5</b>
<b>Tier II (%)</b>	<b>0.8</b>	<b>1.1</b>

*^Adjusted for profit on sale of investments of strategic investments*

*\*In FY20, GRUH Finance merged with Bandhan Bank. As per IndAS, the Corporation had on derecognition of the investment in GRUH, recorded a fair value gain of Rs 90.20 billion through the Statement of Profit and Loss of FY20.*

*#As at September 30, 2021*

# VALUATION & SHAREHOLDING

# VALUATION – METHOD 1

- Number of shares outstanding: 1.81 billion
- Share Price (CMP as at September 30, 2021): Rs. 2,755
- Market Capitalisation: Rs. 4,981.6 billion (~US\$ 67 bn)

	Rs bn	US\$ bn
Net Worth	1,118	15.1
<i>Add:</i> Unaccounted gains on strategic listed investments	2,759	37.2
<i>Add:</i> Unaccounted gains on unlisted investments	203	2.7
Adjusted Networkth	4,080	55.0
Market Capitalisation	4,982	67.1
Adjusted Price to Book Ratio	1.2	1.2

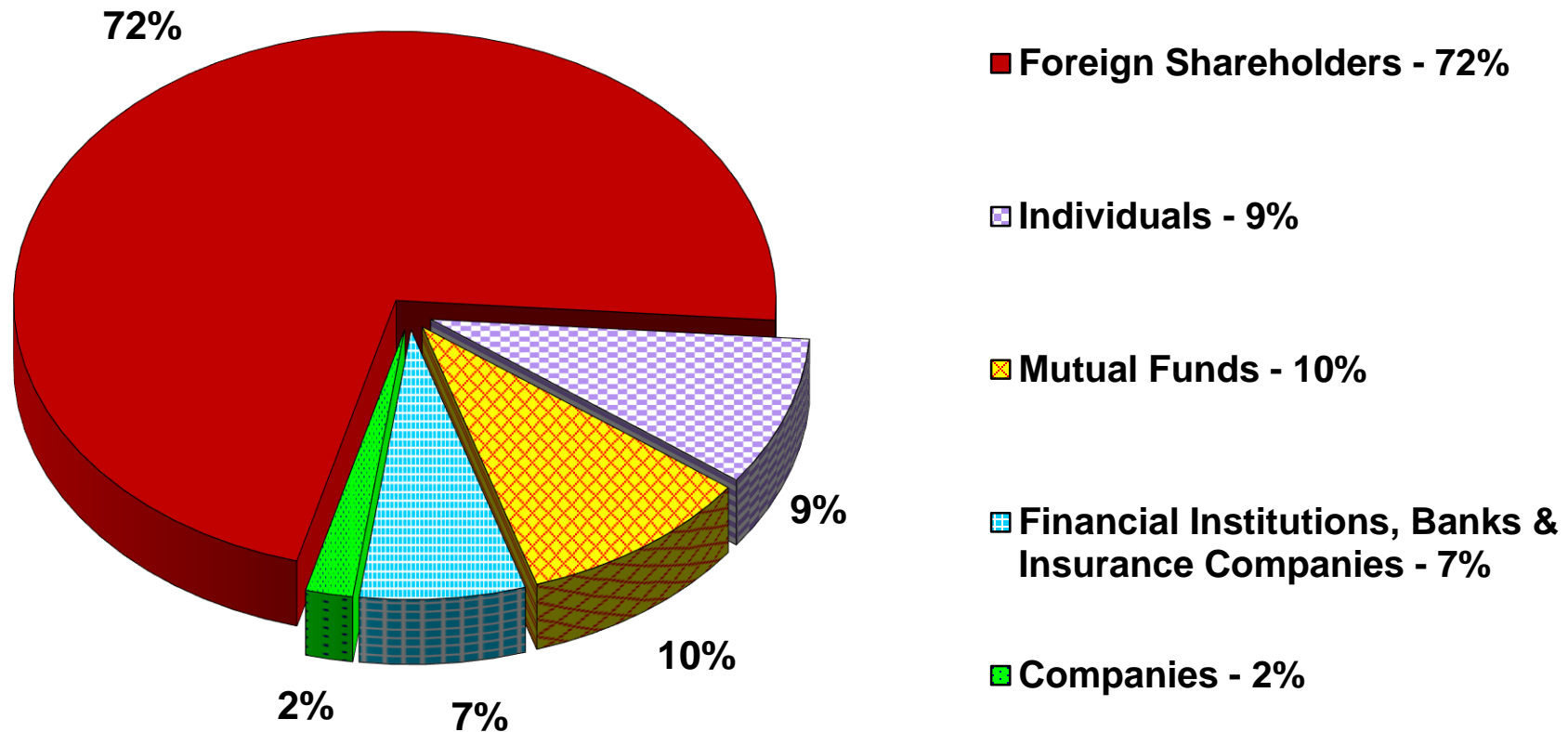
# VALUATION – METHOD 2

- Number of shares outstanding: 1.81 billion
- Share Price (CMP as at September 30, 2021): Rs. 2,755
- Market Capitalisation: Rs. 4,981.6 billion (~US\$ 67 bn)

Valuation	Rs bn	US\$ bn
Market Capitalisation	4,982	67.1
<i>Less: Unaccounted gains on strategic listed investments</i>	2,759	37.2
<i>Less: Unaccounted gains on unlisted investments</i>	203	2.7
Adjusted Market Capitalisation	2,019	27.2
Net Worth (adjusted for dividend)	1,118	15.1
<b>Adjusted Price to Book Ratio</b>	<b>1.8</b>	<b>1.8</b>

# SHAREHOLDING PATTERN

As at September 30, 2021



# **FINANCIALS**

## **Standalone**

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



# BALANCE SHEET

	<u>Sep-21</u> (Rs in billion)	<u>Sep-20</u> (Rs in billion)
<b>Sources of Funds</b>		
Shareholders' Funds	1,118.18	1,001.33
Borrowings	4,627.37	4,208.99
Current Liabilities & Provisions	196.85	202.80
	<u>5,942.40</u>	<u>5,413.12</u>
<b>Application of Funds</b>		
Loans <sup>^</sup>	5,207.98	4,751.21
Investments	695.05	611.78
Current/ Fixed Assets	39.37	50.13
	<u>5,942.40</u>	<u>5,413.12</u>

<sup>^</sup>Net of loans sold during the preceding 12 months amounting to Rs 271.99 billion of individual loans. If these loans were included, the growth in loans would have been 15%.

# STATEMENT OF PROFIT AND LOSS – Q2FY22

	Jul-Sep 21 (Rs in billion)	Jul-Sep 20 (Rs in billion)	Growth (%)
Interest Income	106.82	110.46	-3%
Interest Expenses	65.73	73.99	-11%
<b>Net Interest Income</b>	<b>41.09</b>	<b>36.47</b>	<b>13%</b>
Add: Net gain on derecognition of assigned loans	1.28	1.59	
Add: Fees Net of Commission (EIR)	0.01	(0.44)	
Add: Other Operating Income	0.88	0.78	
<b>Net Operating Income</b>	<b>43.26</b>	<b>38.40</b>	<b>13%</b>
Less: Non Interest Expenses	3.60	3.11	
Less: Amortisation of ESOS and CSR Expenses	1.70	0.55	
Add: Other Income	0.10	0.05	
<b>Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL</b>	<b>38.06</b>	<b>34.79</b>	<b>9%</b>
Add: Net gain/(loss) on Fair Value Changes	1.46	1.67	
Add: Dividend	11.71	3.23	
Add: Profit on Sale of Investments	-	(0.01)	
Less: Expected Credit Loss (ECL)	4.52	4.36	
<b>Profit Before Tax</b>	<b>46.71</b>	<b>35.32</b>	<b>32%</b>
Provision for Tax	8.91	6.62	
<b>Profit After Tax</b>	<b>37.80</b>	<b>28.70</b>	<b>32%</b>
<i>Effective tax rate (%)</i>	<i>19.1%</i>	<i>18.7%</i>	

# STATEMENT OF PROFIT AND LOSS – H1FY22

	<u>Apr-Sep-21</u> (Rs in billion)	<u>Apr-Sep-20</u> (Rs in billion)	<u>Growth</u> (%)
Interest	213.51	222.55	-4%
Interest Expenses	130.95	152.16	-14%
<b>Net Interest Income</b>	<b>82.56</b>	<b>70.39</b>	<b>17%</b>
Add: Net gain on derecognition of assigned loans	3.95	3.43	
Add: Fees Net of Commission (EIR)	(0.21)	(1.01)	
Add: Other Operating Income	1.49	1.27	
<b>Net Operating Income</b>	<b>87.79</b>	<b>74.08</b>	<b>19%</b>
Less: Non Interest Expenses	7.17	6.30	14%
Less: Amortisation of ESOS and CSR Expenses	3.63	1.32	
Add: Other Income	0.16	0.06	
<b>Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL</b>	<b>77.15</b>	<b>66.52</b>	<b>16%</b>
Add: Net gain/(loss) on Fair Value Changes	5.48	2.60	
Add: Dividend	11.88	6.21	
Add: Profit on Sale of Investments	2.63	12.41	
Less: Expected Credit Loss (ECL)	11.38	16.35	
<b>Profit Before Tax</b>	<b>85.76</b>	<b>71.39</b>	<b>20%</b>
Provision for Tax	17.95	12.17	
<b>Profit After Tax</b>	<b>67.81</b>	<b>59.22</b>	<b>15%</b>
<b>Effective tax rate (%)</b>	<b>20.9%</b>	<b>17.0%</b>	

# **KEY ASSOCIATES AND SUBSIDIARIES**

# HDFC BANK

- **21.03% owned by HDFC**
- **ADRs listed on NYSE**
- **5,686 banking outlets, 16,642 ATMs**
- **Key business areas**
  - Wholesale banking      Retail banking      Treasury operations
- **Financials (as per Indian GAAP) for the half year ended September 30, 2021**
  - Advances as at September 30, 2021, stood at Rs. 11,988 bn – an increase of 16% over the previous year
  - Total deposits stood at Rs. 14,063 bn – an increase of 14% over the previous year
  - PAT (Indian GAAP): Rs. 165.64 bn – an increase of 17% over the previous year
- **Arrangement between HDFC & HDFC Bank**
  - HDFC Bank sources home loans for a fee
  - Loans originated in the books of HDFC
  - HDFC offers a part of the disbursed loans for assignment to HDFC Bank (up to 70% of loans sourced by HDFC Bank)
  - HDFC retains a spread on the loans that have been assigned
- **Market Capitalisation (September 30, 2021): ~US\$ 119 bn**

# **HDFC LIFE INSURANCE COMPANY LIMITED (HDFC LIFE)**

- **49.92% owned by HDFC**
- **Share Purchase & Swap agreement between HDFC Life, Exide Industries and Exide Life Insurance Company Limited (Exide Life) to acquire 100% of Exide Life for a consideration of Rs. 66.87 bn, subject to the receipt of requisite regulatory approvals**
- **Total premium income for the half year ended September 30, 2021 stood at Rs. 192.9 bn – growth of 20% over the previous year**
- **HDFC Life ranked 1<sup>st</sup> in terms of overall new business premium in private sector, with market share at 22.3%.**
  - **In H1FY22, 22% growth in new business premium.**
  - **New Business Margin for the half year ended September 30, 2021: 26.4% (PY: 25.1%)**
  - **Indian Embedded Value stood at Rs. 287 bn as at September 30, 2021 (PY: Rs. 233 bn)**
  - **Excess Mortality Reserve (EMR) of Rs 2 bn (additional reserve created for excess mortality during COVID-19)**
  - **Assets Under Management as at September 30, 2021 stood at Rs. 1,912 bn, an increase of 27% over PY**
  - **PAT for the half year ended September 30, 2021 (Indian GAAP): Rs. 5.77 bn**
  - **Product mix - Unit Linked: 26%, Non-Par Savings: 32%, Annuity: 5%, Non-Par Protection: 7%, Par: 30%**
- **Market capitalisation (September 30, 2021): ~US\$ 20 bn**

# **HDFC ASSET MANAGEMENT**

- **52.63% owned by HDFC and Standard Life Investments holds 16.22% of the equity of HDFC Asset Management.**
- **Quarterly Average Assets under Management (QAAUM) as at September 30, 2021, stood at Rs. 4.39 trillion (US\$ 59 bn), with an overall market share of 12.1%**
- **Amongst India's largest actively managed equity mutual fund, with a market share of 12.2% as on September 30, 2021**
  - **Equity-oriented assets of HDFC MF as a proportion of total AUM was 44%**
- **Individual accounts of HDFC MF as at September 30, 2021**
  - **9.2 million live accounts**
  - **58.8% of total monthly average AUM is contributed by individuals**
  - **Market share of 12.8% of individual monthly average AUM**
- **PAT for the half year ended September 30, 2021 (as per Ind AS): Rs. 6.9 bn**
- **Market capitalisation (September 30, 2021): ~US\$ 8 bn**

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

- **HDFC holds 49.98% and ERGO International AG holds 41.79% and Munich Health Holding AG holds 7.20% of the equity of HDFC ERGO General Insurance Company Limited (HDFC ERGO)**
- **In the quarter ended June 21, the Corporation's board approved the sale of 4.99% stake in HDFC ERGO to HDFC Bank, subject to the receipt of requisite regulatory approvals**
- **Gross direct premium for the half year ended September 30, 2021 stood at Rs. 65.3 bn (PY: Rs 59.2 bn)**
- **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 rural segment**
  - **Retail accounts for 55% of the total business**
- **Market share of 10.6% (private sector) and 6.0% (overall) in terms of gross direct premium for the half year ended September 30, 2021 (Source: GI Council)**
- **As at September 30, 2021:Solvency Ratio – 171% (as against regulatory requirement of 150%)**
- **Profit after tax in H1FY22: Rs 1.53 bn (impacted due to higher COVID-19 losses)**



# PROPERTY FUNDS

## HDFC PROPERTY VENTURES

- **HDFC India Real Estate Fund International LLC** comprises two funds:
- **HIREF International LLC**
  - Launched in 2007
  - Fund corpus : US\$ 800 million
  - Fund has made 14 investments
  - 9 exits have been made and the Fund is in the process of exiting from the balance investments;
- **HIREF International LLC II Pte Ltd.**
  - Fund corpus: US\$ 321 million
  - Final close in April 2015
  - International investors, 8 year close-ended fund
  - Fund has made 10 investments of which 3 investments have been profitably exited

## HDFC CAPITAL ADVISORS

- **HDFC Capital Affordable Real Estate Fund (HCARE)**
  - Set up as a SEBI registered AIF in 2016
  - 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
  - Also an investment advisor to a special situations fund focused on high yield opportunities in the Indian residential real estate sector.

# **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, 2021**
  - **Profit After Tax (as per Ind AS): Rs. 941 mn – 28% growth**
  - **Cumulative loans disbursed: Rs. 144 bn**
  - **Loan book outstanding as at September 30, 2021: Rs. 77 bn**
    - **38% of the loan book is collateralised**
  - **Gross non-performing assets: 0.19%**

# **FINANCIALS**

## **Consolidated**

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

# BALANCE SHEET (Consolidated)

	Sep-21	Sep-20	Growth
	(Rs in billion)	(Rs in billion)	(%)
<b>Sources of Funds</b>			
Shareholders' Funds	1,727.40	1,522.24	13%
Liabilities Pertaining to Insurance Business	2,141.63	1,719.22	
Loan Funds	4,695.38	4,269.06	
Current Liabilities & Provisions	239.61	233.95	
	<u>8,804.02</u>	<u>7,744.47</u>	14%
<b>Application of Funds</b>			
Loans	5,145.82	4,683.64	10%
Assets pertaining to Insurance Business	2,273.14	1,836.62	
Investments	1,154.07	987.93	
Current Assets, Advances & Fixed Assets	214.98	220.27	
Goodwill on Consolidation	16.01	16.01	
	<u>8,804.02</u>	<u>7,744.47</u>	14%

# STATEMENT OF PROFIT AND LOSS – H1FY22

	Rs. billion		
	<b>Apr-Sep-21</b>	<b>Apr-Sep-20</b>	<b>Growth</b>
Interest & Other Operating Income	234.35	239.14	
Income from Insurance Business	447.00	390.80	
Profit on Sale of Investments	0.72	-	
Net gain on fair value changes	9.90	7.01	
Net gain on derecognition of assigned loans	3.85	3.42	
Other Income	0.19	0.13	
<b>Total Income</b>	<b>696.01</b>	<b>640.50</b>	<b>9%</b>
Finance costs	133.10	154.61	
Expenses from Insurance Business	443.21	380.82	
Non-Interest Expenses	18.25	13.45	
Impairment on financial instruments	11.31	16.83	
<b>Total Expenses</b>	<b>605.87</b>	<b>565.71</b>	<b>7%</b>
Share of profit of associates (equity method)	40.61	32.43	
<b>Profit before tax</b>	<b>130.75</b>	<b>107.22</b>	<b>22%</b>
Total tax expense	20.93	16.28	
<b>Net Profit After Tax</b>	<b>109.82</b>	<b>90.94</b>	<b>21%</b>
<b>Profit Attributable to the Corporation</b>	<b>102.99</b>	<b>82.13</b>	<b>25%</b>

# CONSOLIDATED PROFIT AFTER TAX – H1FY22

## (As per Ind-AS)

	Apr-Sep 21	Apr-Sep 20	Growth
	(Rs in Bn)	(Rs in Bn)	
<b>HDFC Profit After Tax</b>	<b>67.81</b>	<b>59.22</b>	<b>15%</b>
HDFC Life	2.77	4.97	
HDFC Ergo	1.00	1.16	
HDFC Bank	38.24	31.88	
HDFC AMC	3.63	3.37	
HDFC Credila	0.94	0.74	
Property Funds (incl GRIHA)	0.11	(0.75)	
HDFC Invt & HDFC Holdings	1.95	0.16	
HDFC Edu, Sales & Others	0.04	(0.48)	
Adjustments:	-	-	
Profit on Sale of Investments	(1.59)	(12.41)	
Adjustment on account of dilution of stake in associates	2.37	0.59	
Dividend & Other Adjustments	(14.28)	(6.32)	
<b>Net Profit Attributable to the Corporation</b>	<b>102.99</b>	<b>82.13</b>	<b>25%</b>

# ESG & OTHER INITIATIVES

# THE ESG WAY: ENCOMPASSING ALL STAKEHOLDERS

ENVIRONMENTAL	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> <li>• ESG Ratings: HDFC's environmental impact is minimal/low risk</li> <li>• Long-term commitment to finance affordable &amp; green housing</li> <li>• Focus on responsible lending</li> <li>• 2/3<sup>rd</sup> of the lease rental discounting portfolio is certified as green by 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> <li>• Launched green deposits for retail depositors in Aug 21</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 8.8 million housing units</li> <li>• Focus on inclusion &amp; diversity; employee engagement / training;</li> <li>• First institution to have over 0.27 mn 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>• CSR focus areas: COVID-19 relief, healthcare, education, skilling &amp; livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>• Founding principles of kindness, fairness, efficiency &amp; effectiveness</li> <li>• Recent Awards <ul style="list-style-type: none"> <li>Best Integrated Report 2020 by Asian Centre for Corporate Governance &amp; Sustainability</li> <li>'Leadership in Employee Development' by ESGRisk.ai, India's 1<sup>st</sup> ESG rating company</li> <li>'Company of the Year' at The Economic Times Awards for Corporate Excellence 2020</li> <li>Golden Peacock Award for Excellence in Corporate Governance 2020</li> <li>Felicited under the 'Leadership' category in the Corporate Governance Score Card, 2020 under a joint initiative by IFC-IIAS-BSE</li> </ul> </li> <li>• No promoter holding</li> <li>• Well reputed, independent directors since inception; core competencies directly linked to the strategy of HDFC</li> </ul>



# ESG REPORTS

- **Report of Directors on Corporate Governance**
- **Annual Report on Corporate Social Responsibility (CSR) Activities**
- **Business Responsibility Report**
- **Business Responsibility and Sustainability Report - prescribed by SEBI in May21, voluntary for the top 1,000 companies by market cap for FY22, and mandatory from FY23 onwards. HDFC has voluntarily adopted this format in FY21 itself.**
- **Integrated Report**
- **HDFC COVID-19 Relief Response: Impact Assessment Report**
- **COVID Relief – 2nd Wave**
- **Social Initiatives Report**
- **Independent Review of HDFC's Sustainability Initiatives**

Reports are available on the website:

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

# **IT & DIGITALISATION INITIATIVES**

- **Board level Information Technology Committee – comprising two independent directors, a whole-time director and members of senior management.**
- **Information Security and Steering Committee monitors the progress of information security and cyber security.**
- **Emphasis on regulation and compliance with respect to consent management, data protection & privacy.**
- **Online portals for home loan customers, depositors, channel partners and deposit agents - growing trend of digital on-boarding of customers.**
- **HDFC’s website in six vernacular languages to serve the needs of customers in Tier II and Tier-III cities and rural areas.**
- **Advanced conversational chatbot with Natural Language Processing (NLP) and Machine Learning (ML) technology.**
- **Using digital and social media marketing strategies and tools to reach out customers.**
- **Lifecycle management programme for upselling and cross-selling products to HDFC's existing customers using advanced predictive analytical tools.**

*Thank You*