



HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

www.hdfc.com

Ref. No. SE/2022-23/37

May 2, 2022

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

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051.

**Kind Attn: – Sr. General Manager
DCS - Listing Department**

Kind Attn: Head - Listing

Dear Sirs,

Sub: Audio recording of earnings call – financial results for the quarter/year ended March 31, 2022

We refer to our intimation dated April 27, 2022, informing about the earnings call to be hosted by the Corporation on May 2, 2022 to discuss the financial results for the quarter/year ended March 31, 2022.

In this connection, pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 notified by SEBI on May 5, 2021, the Corporation has uploaded the audio recording of the earnings call hosted by it on May 2, 2022 to discuss the financial results for the quarter/year ended March 31, 2022, on its website. The said audio recording can be assessed through the below-mentioned web address:

<https://www.hdfc.com/investor-relations#financials>

The transcript of the said earnings call will be submitted to you in due course.

Further, 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 take note of the above and arrange to bring this to the notice of all concerned.

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



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Investor Presentation

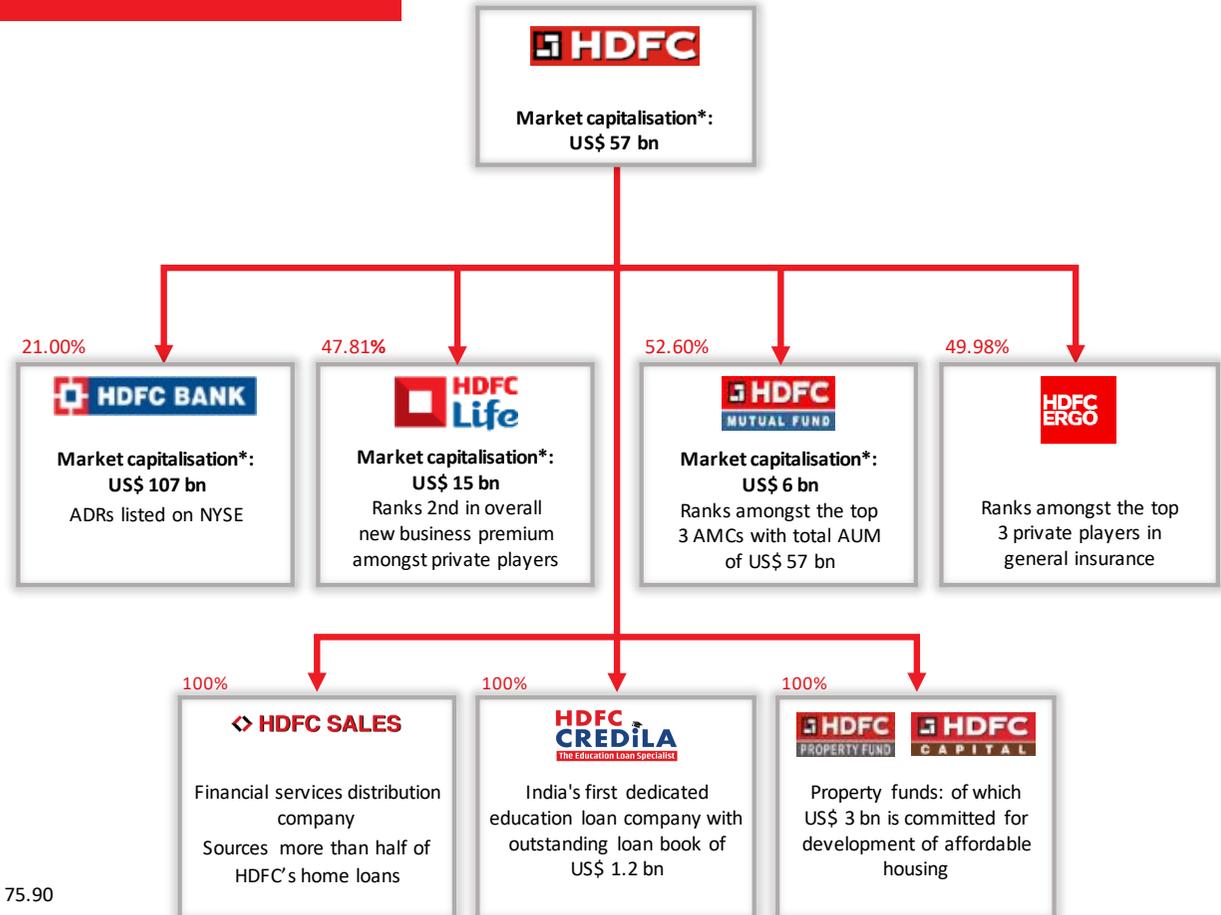
Housing Development Finance Corporation

CONTENTS

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- Financials: Consolidated
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WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage company in India
- A financial conglomerate with interests beyond mortgages
- 69% shares held by foreign investors



*As at March 31, 2022
US\$ amounts converted based on exchange rate of US\$ 1 = Rs. 75.90

MATERIAL DEVELOPMENTS

MATERIAL DEVELOPMENTS

Proposed Transformational Combination of HDFC with HDFC Bank

- On April 4, 2022, the Board of Directors of HDFC and HDFC Bank at their respective meetings, approved a composite scheme of amalgamation (Scheme) for:
 - The amalgamation of HDFC's wholly owned subsidiaries, HDFC Investments Limited and HDFC Holdings Limited, with and into HDFC; and
 - HDFC with and into HDFC Bank
- Subsidiary/associates of HDFC Limited will become subsidiary/associates of HDFC Bank
- Shareholders of HDFC as on the record date will receive 42 shares of HDFC Bank (FV Re. 1 each) for 25 shares of HDFC (FV Rs. 2 each)
- HDFC's shareholding in HDFC Bank will be extinguished upon the Scheme becoming effective
- Post the above, HDFC Bank will be 100% owned by public shareholders and existing shareholders of HDFC will own 41% of HDFC Bank
- Transaction completion is subject to shareholders, creditors and regulatory approvals as applicable

RATIONALE

Proposed Transformational Combination of HDFC with HDFC Bank

- The option to merge has been evaluated from time to time
- In the recent period, various regulatory changes for banks and NBFCs have considerably reduced the barriers for a potential merger:
 - Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) of banks have reduced from 27% to 22%
 - Prevailing interest rates give spreads on reserves
 - RBI permits Priority Sector Lending Certificates to meet Priority Sector Lending (PSL) norms
 - Long tenor infrastructure & affordable housing bonds are exempt from CRR, SLR and PSL
 - Recent harmonisation of regulations between banks and NBFCs:
 - RBI roadmap for conversion of large NBFCs into full scale commercial banks
 - Harmonisation of asset quality norms
 - Introduction of Liquidity Coverage Ratio for NBFCs
 - Scale Based Regulations - especially for NBFCs categorised as NBFC Upper Layer
- Further alignment of regulations for NBFCs with banks on:
 - Capital assessment, risk, compliance, large exposure framework, remuneration, core financial services solution, amongst others

BENEFITS OF A COMBINED ENTITY

Proposed Transformational Combination of HDFC with HDFC Bank

- Synergies
 - Access to lower cost of funds
 - Wider distribution network; presently HDFC Bank does not source mortgages from all its offices
 - HDFC Bank to have access to 45 years of expertise in mortgage origination and loan servicing processes of HDFC
 - Operational efficiencies: will be able to offer the mortgage product seamlessly
 - Cross-selling: 70% of HDFC customers do not bank with HDFC Bank; of the 68 million customers of HDFC Bank, only 8% have a mortgage and only 2% have a mortgage from HDFC
- Overcome issues of a holding company discount
- Cancellation of shares of HDFC Bank held by HDFC - will be EPS accretive for HDFC Bank; provide leg room for foreign shareholding (HDFC's equity in HDFC Bank qualifies as indirect foreign investment)
- Through mortgages, HDFC Bank will get longer duration assets on its books
- HDFC Bank can build a housing loan portfolio and enhance product offerings to its existing customer base
- Overcome drag on Return on Equity

HDFC SNAPSHOT



BUSINESS SUMMARY

- Loans Outstanding (Gross loans)
(As at March 31, 2022) : Rs. 6,539.02 bn
: US\$ 86.15 bn
- Individual Loans Originated CAGR (5 years) : 16%
- Cumulative Housing Units Financed : 9.3 million
- Cost to Income Ratio : 8.1%
(excluding notional cost of Employee Stock Option Scheme
& Corporate Social Responsibility Expenses)
- Unaccounted gains on listed investments
in subsidiary and associate companies : Rs. 2,342.48 bn
: US\$ 30.86 bn
- Consolidated Profit After Tax CAGR (5 years) : 15%

IMPACT OF COVID-19

- Q1 FY22 witnessed an eruption of a second wave of Covid-19 in India. Post that, there was a sharp recovery in business. In Q4 FY22, the third wave of Covid-19 resulted in a rise in infections, but with considerable less severity and did not result in any material impact on business
- The demand for housing continues to remain strong
 - Approvals and disbursements grew by 38% and 37% respectively in FY22
- Scale up on all digital platforms for borrowers, depositors, channel partners and deposit agents, amongst others
 - 91% of new loan applications were received through the digital mode
 - 67% of retail deposits digitally on-boarded
- Credit costs for the year stood at 33 basis points compared to 56 basis points in the previous year
- Total loans restructured under the RBI's Resolution Framework - OTR 1.0 & 2.0, amounted to 0.80% of the loan book.
 - The largest restructured account under the resolution framework of Rs 27.64 billion was fully repaid as at March 31, 2022.

HIGHLIGHTS – Q4 FY22

- Continued momentum in housing sales, especially across major metros
- Increase in new project launches in the mid range and luxury market segment
- Highest ever monthly individual housing loan disbursements in the month of Mar-21
- The collection efficiency for individual loans on a cumulative basis stood at over 99% during the quarter ended March 31, 2022
- Improvement in individual non-performing loans: 0.99% (Q3: 1.44%), based on new norms i.e. Reserve Bank of India's November 12, 2021 notification
 - Based on earlier norms, individual non-performing loans: 0.78% (Q3: 1.14%)
- Reduction in aggregate of Stage 2 and Stage 3 assets to 6.7% of the Exposure at Default as at March 31, 2022 from 9.2% in June 30, 2021
- Credit costs trended downwards each quarter -- Q4: 0.27% compared to 0.50% in Q1
- Higher growth in net interest income at 14%



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MORTGAGE

Click here for more information

NEXT

MORTGAGE MARKET IN INDIA

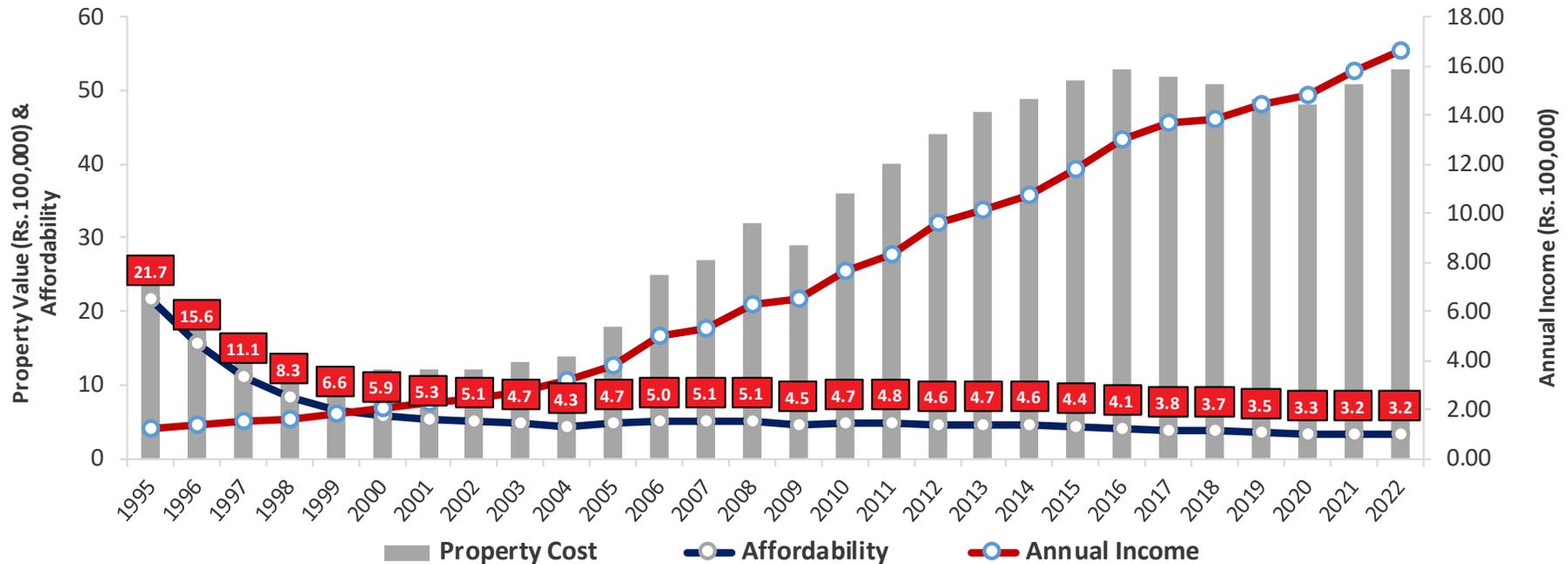
DRIVERS OF MORTGAGE GROWTH

- Improved Affordability
- Low Penetration
- Government Incentives
 - Enhanced Fiscal Benefits
 - Incentives for Affordable Housing
- Other Demand Drivers

IMPROVED AFFORDABILITY

Best affordability in 2.5 decades

Government support towards housing has helped improve affordability



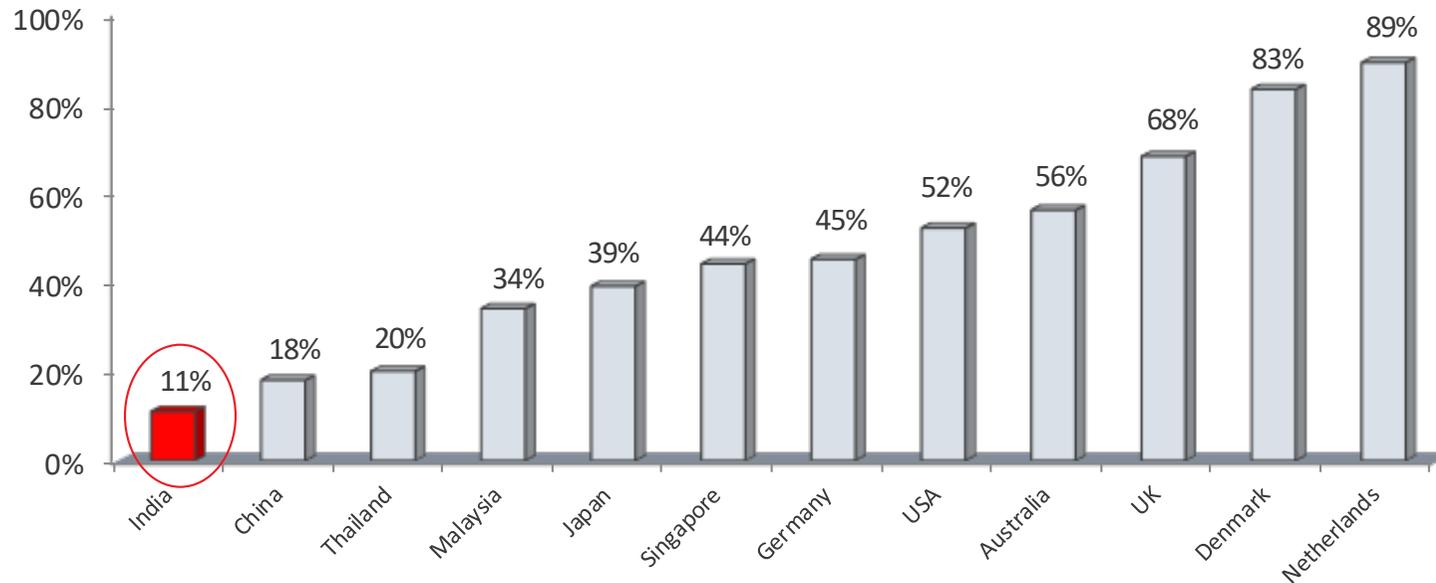
Representation of property price estimates

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

Increased budget allocations for housing for affordable housing

Liquidity Measures

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

TAX INCENTIVES HAVE LOWERED THE EFFECTIVE RATES ON MORTGAGES

| | FY 2022 | FY 2002 | FY 2000 |
|--|---------------|---------------|---------------|
| Loan amount | 3,300,000 | 3,300,000 | 3,300,000 |
| 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 | 371,100 | 359,400 | 421,068 |
| Interest component | 221,100 | 354,750 | 437,250 |
| Principal repaid | 150,000 | 4,650 | (16,182) |
| Tax amount saved | 108,150 | 53,550 | 32,775 |
| Effective interest paid on home loan | 112,950 | 301,200 | 404,475 |
| Effective interest on home loan | 3.4% | 9.1% | 12.3% |

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 40% by 2030
- **Interest Rates:** Improved affordability through rising disposable incomes and lowest ever interest rates on home loans

OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES

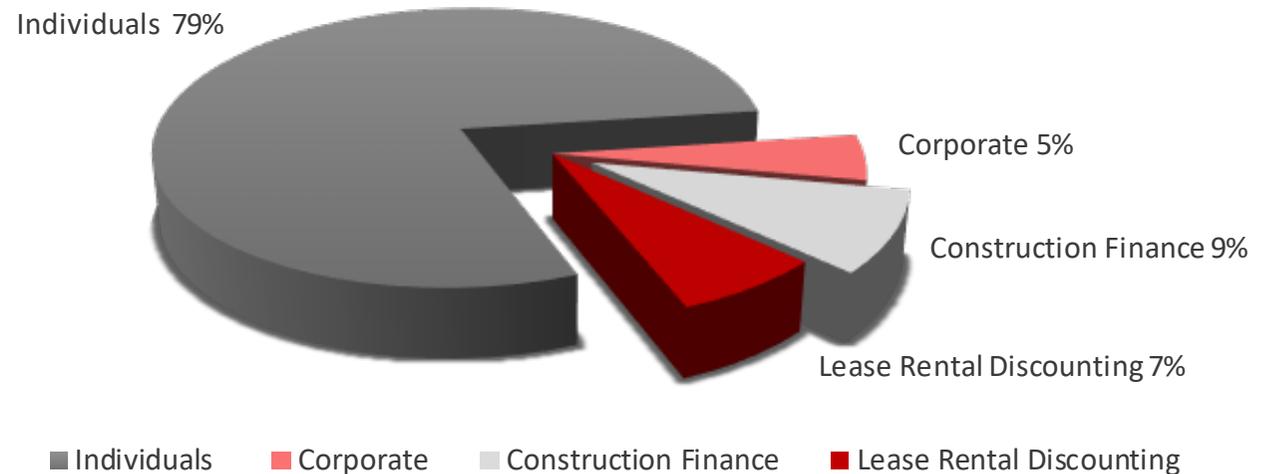


CORE BUSINESS – LENDING

(As at March 31, 2022: Gross Loans - US\$ 86.15 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 March 31, 2022 | 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 | 4,316 | 57 | 17% | 4,600 | 61 | 25% | 5,154 | 68 | 17% |
| Non-Individuals | 1,368 | 18 | 6% | 1,383 | 18 | 7% | 1,385 | 18 | 7% |
| Total | 5,684 | 75 | 14% | 5,983 | 79 | 20% | 6,539 | 86 | 15% |

Individual loans sold (outstanding):. Rs. 838.80 bn (US\$ 11.05 bn)

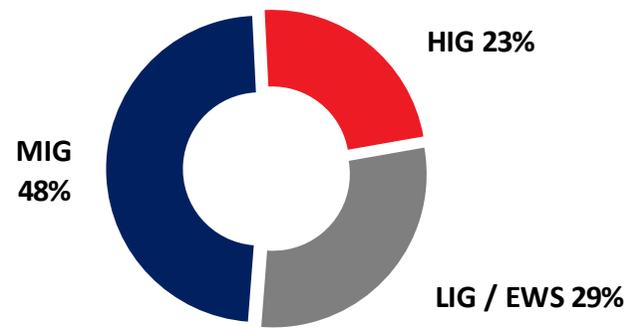
HOUSING ACROSS INCOME GROUPS

Housing Loan Approvals Based on Income Slabs FY22

In Value terms



In Number 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.

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.

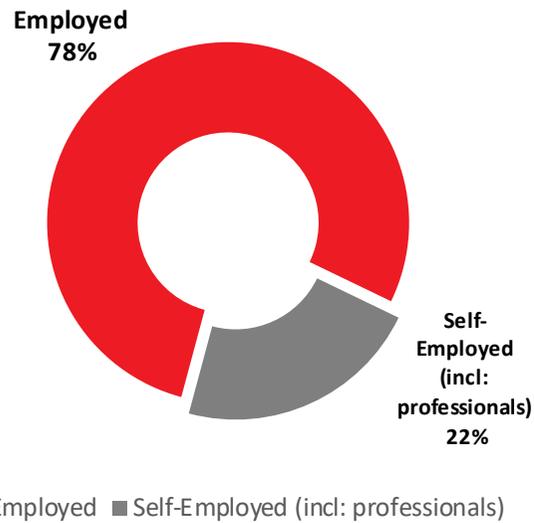
Housing Loans to EWS & LIG Segments

- 29% of home loan approvals in volume terms and 13% in value terms has been to the EWS & LIG segments
- Average home loan – EWS: Rs. 1.12 mn, LIG: Rs. 1.97 mn

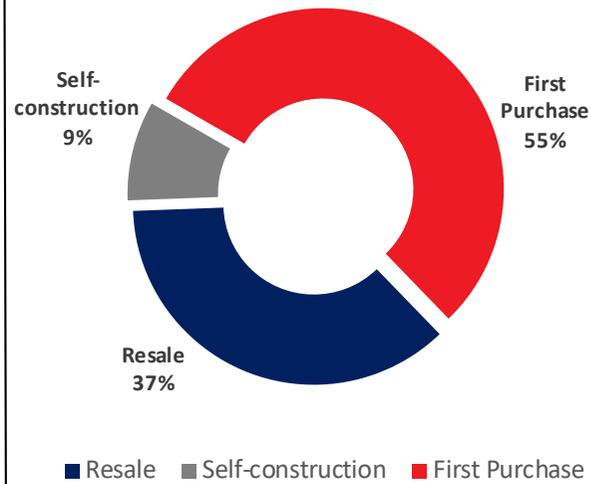
Credit Linked Subsidy Scheme (CLSS): HDFC has the highest number of beneficiaries at over 310,000, with cumulative disbursements of Rs. 521 bn and a subsidy amount of Rs. 72 bn.

INDIVIDUAL LOANS: FY22*

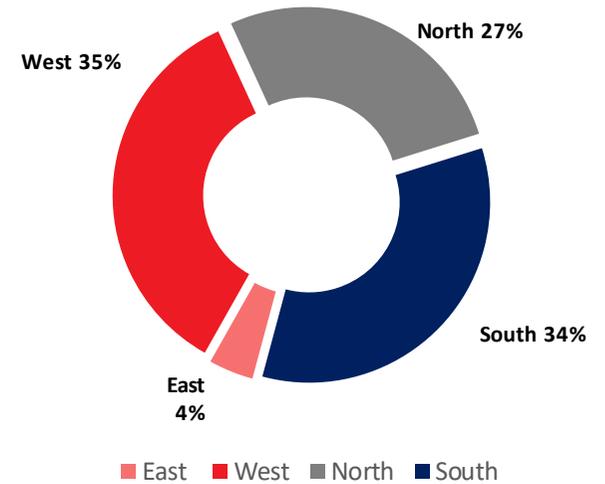
Employment



Acquisition Mode



Geographic Spread



* Based on value of approvals

SCALE & SPEED THROUGH DIGITALISATION

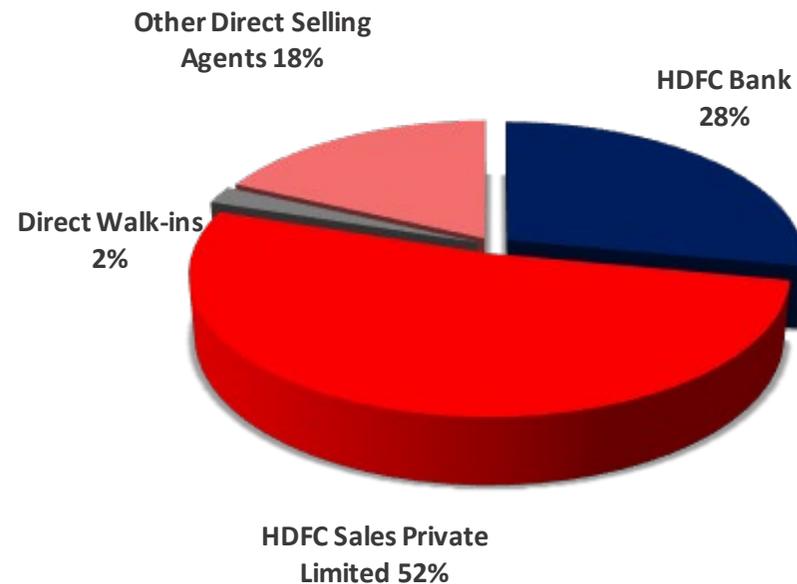
- Growing trend of digital on-boarding of customers
 - Reimagined on-boarding journey with both, mobile and web
 - Digital on-boarding enabled for channel partners
 - Customers digitally on-boarded and go through a paperless approval process
 - Use of QR codes to help customers access the digital platform
 - 91% of new loan customers and 67% retail deposits on-boarded digitally
- Focused targeting and lead nurturing across multiple digital channels/platforms using SaaS based marketing solutions, thereby increasing effectiveness of marketing campaigns
- Use of technology solutions and fintech integrations at various stages of underwriting, enabling speedy processing of applications and fraud detection
- Machine Learning (ML) based lead scoring model
- Advanced conversational chatbot with Natural Language Processing (NLP) and ML technology, backed by live chat to address customers' servicing and new loan requirements 24X7
- HDFC's website in six vernacular languages, besides English to serve the needs of customers in Tier II, Tier-III cities and rural areas

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

DIGITAL CHANNELS FOR CUSTOMERS

- Using digital and social media marketing strategies and tools to reach out to customers
- Lifecycle management for upselling and cross-selling products to HDFC's existing customers using advanced predictive analytical tools and marketing automation platforms
- Customer queries and service requests fulfilled through 'Customer Connect' – HDFC's digital servicing platform

March 31, 2022



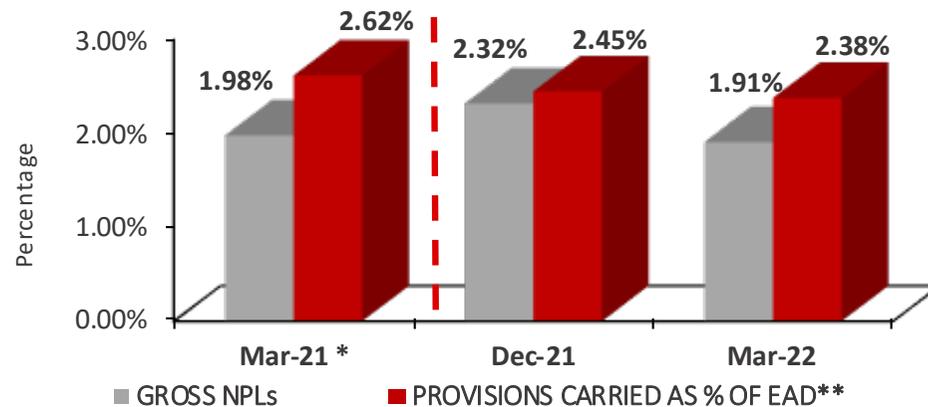
Deposit & loan products offered at several locations through outreach programmes.

Total number of offices: 675 which is inclusive of 211 outlets of HDFC Sales Limited

OUR CONSERVATIVE LOAN PROFILE UNDERLIES OUR HIGH CREDIT QUALITY

- Average Loan Size : Rs. 3.30 mn (~US\$ 43,500)
- Average Loan to Value : 70% (at origination)
- Average Loan Term : 12 years
- Average Age : 38 years
- Primary Security : Mortgage of property financed
- Repayment Type : Amortising

GROSS NON-PERFORMING LOANS(NPLs) & PROVISIONS CARRIED As per RBI's Revised Norms (i.e. November 12, 2021)



| As at March 31, 2022 | (Rs. in bn) |
|----------------------|-------------|
| NPLs (90 days): | 107.41 |
| Provisions Carried: | 135.06 |

| NPLs | As at Mar 31, 2022 | As at Dec 31, 2021 | As at Mar 31, 2021 |
|----------------------|--------------------|--------------------|--------------------|
| Individual Loans | 0.99% | 1.44% | 0.99% |
| Non-Individual Loans | 4.76% | 5.04% | 4.77% |
| Overall NPLs | 1.91% | 2.32% | 1.98% |

* As at March 31, 2022:
Based on the earlier norms, the NPAs are as follows:

- Individuals: 0.78%
- Total NPLs: 1.74%

*Mar-21 NPLs are not comparable due to change in classification norms by the Reserve Bank of India in Nov-21.

Dec-21 and Mar-22 are based on RBI's Nov. 12, 2021 circular - daily stamping of NPLs & upgradation of NPLs less than 90 dpd to standard accounts provided all outstanding dues are fully repaid.

**EAD: Exposure at Default

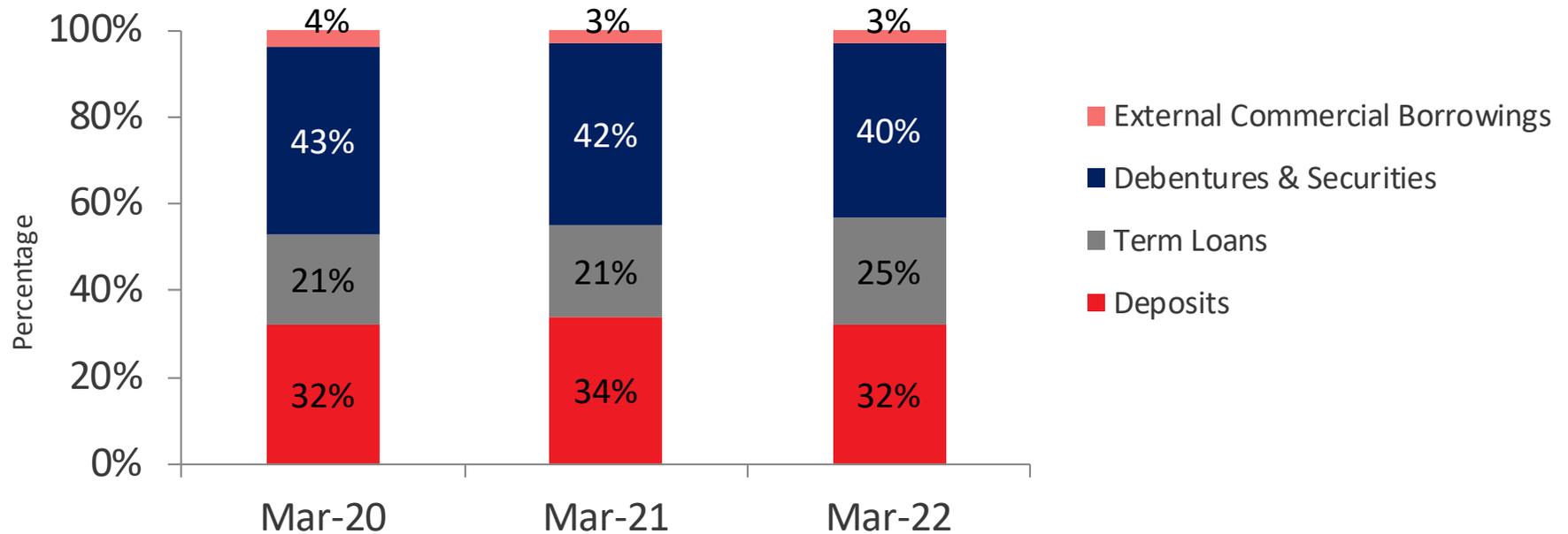
EXPECTED CREDIT LOSS (ECL) BASED ON EXPOSURE AT DEFAULT (EAD)

As per IndAS

| Exposure at Default | Mar-22 | Dec-21 | Mar-21 |
|---------------------------------|---------------|---------------|---------------|
| Stage 1 | 93.3% | 92.2% | 91.4% |
| Stage 2 | 4.4% | 5.1% | 6.3% |
| Stage 3 | 2.3% | 2.7% | 2.3% |
| Coverage Ratio (ECL/EAD) | | | |
| Stage 1 | 0.26% | 0.27% | 0.24% |
| Stage 2 | 20.35% | 17.05% | 18.64% |
| Stage 3 | 54.33% | 48.93% | 52.07% |
| ECL/EAD | 2.38% | 2.45% | 2.62% |

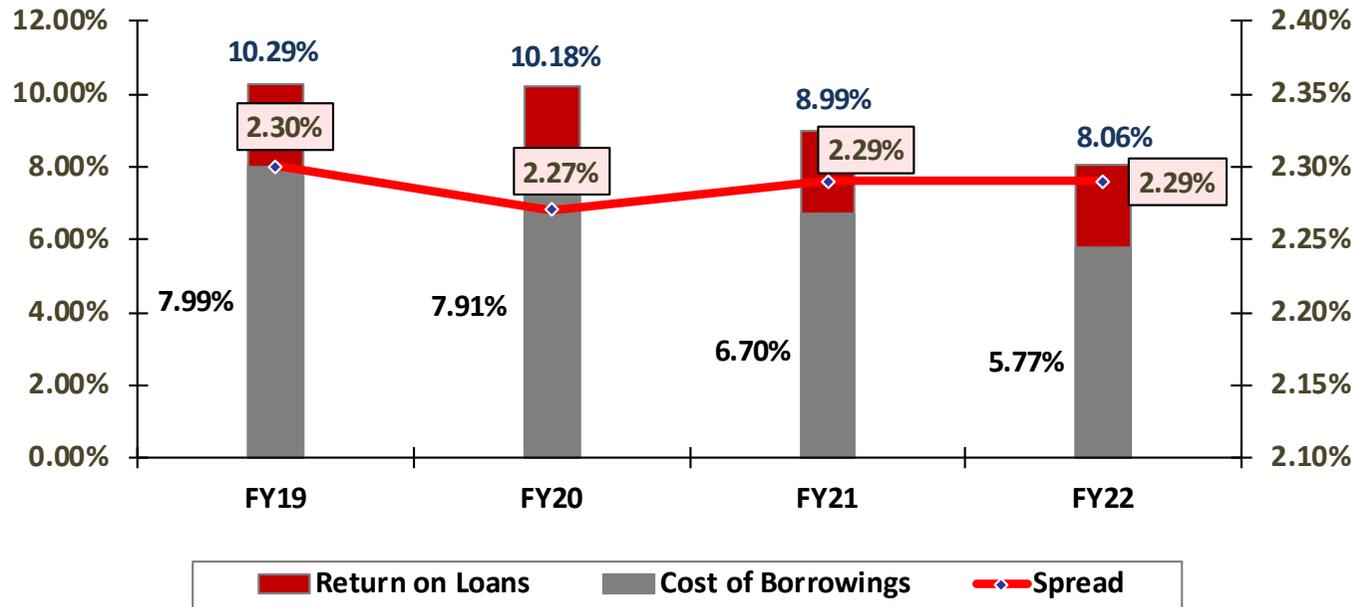
MULTIPLE SOURCES OF BORROWINGS

(As at March 31, 2022: Total Borrowings - US\$ 65.83 bn)



Total Borrowings: Rs. 4,996.81 bn (US\$ 65.83 bn)

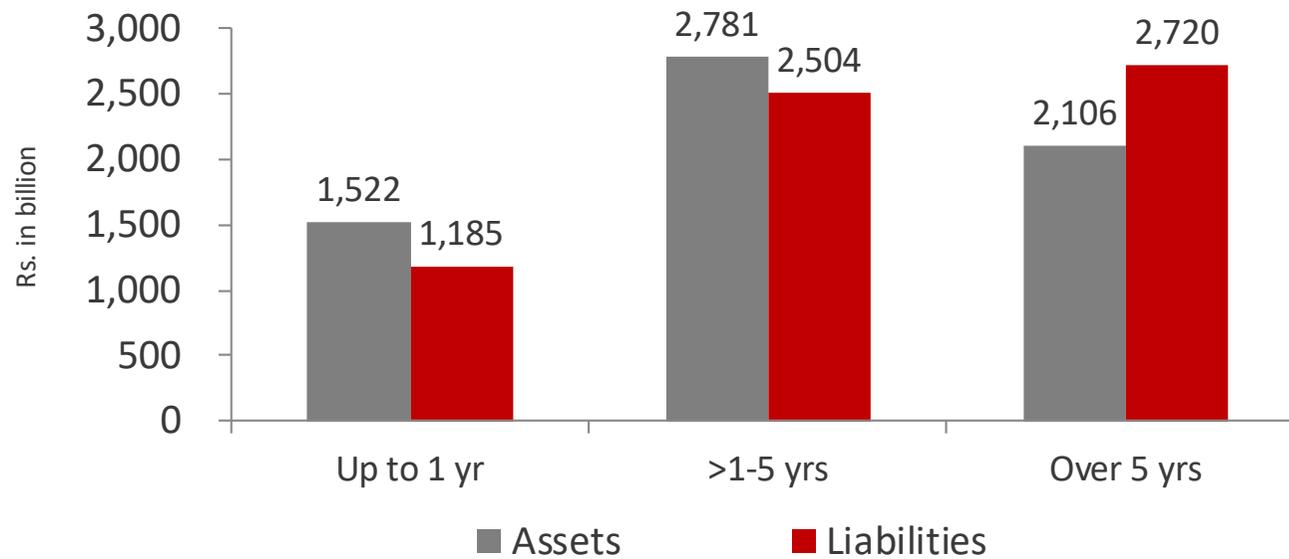
LOAN SPREADS



| | FY22 |
|----------------------|-------|
| Spread earned on: | |
| Individual Loans | 1.93% |
| Non-individual Loans | 3.40% |
| Loan Book | 2.29% |

MATURITY PROFILE

(As at March 31, 2022)



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

PRODUCTIVITY RATIOS

| | Mar-22 | Mar-21 |
|----------------------------------|--------|--------|
| Number of employees | 3,599 | 3,226 |
| Number of outlets | 464 | 390 |
| Profit per employee (US\$ '000)* | 501 | 491 |
| Assets per employee (US\$ mn) | 22.7 | 22.5 |
| Admin costs/assets (%)^ | 0.23 | 0.21 |
| Cost income ratio (%)^ | 8.1 | 7.7 |

^Excluding notional cost of ESOS and CSR expenses

KEY FINANCIAL METRICS

| | Mar-22 | Mar-21 |
|------------------------------|--------|--------|
| Net Interest Margin (%) | 3.5 | 3.5 |
| Pre-Tax RoAA (%) | 2.9 | 2.8 |
| Post Tax RoAA (%) | 2.3 | 2.3 |
| Return on Tier 1 Capital (%) | 15.0 | 14.8 |
| Capital Adequacy (%) | 22.8 | 22.2 |
| Of which Tier I (%) | 22.2 | 21.5 |
| Tier II (%) | 0.6 | 0.7 |

VALUATION & SHAREHOLDING



210.95

149.16

23.26

1.41%

208.87

210.95

18.92

208.87

1,235.01

0.00

25,187.70

7,642.4

12,358.2

27,998.01

Jan Feb Mar Apr May June July Aug Sep

VALUATION – METHOD 1

- Number of shares outstanding: 1.81 billion
- Share Price (CMP as at March 31, 2022): Rs. 2,390
- Market Capitalisation: Rs. 4,333 billion (~US\$ 57 bn)

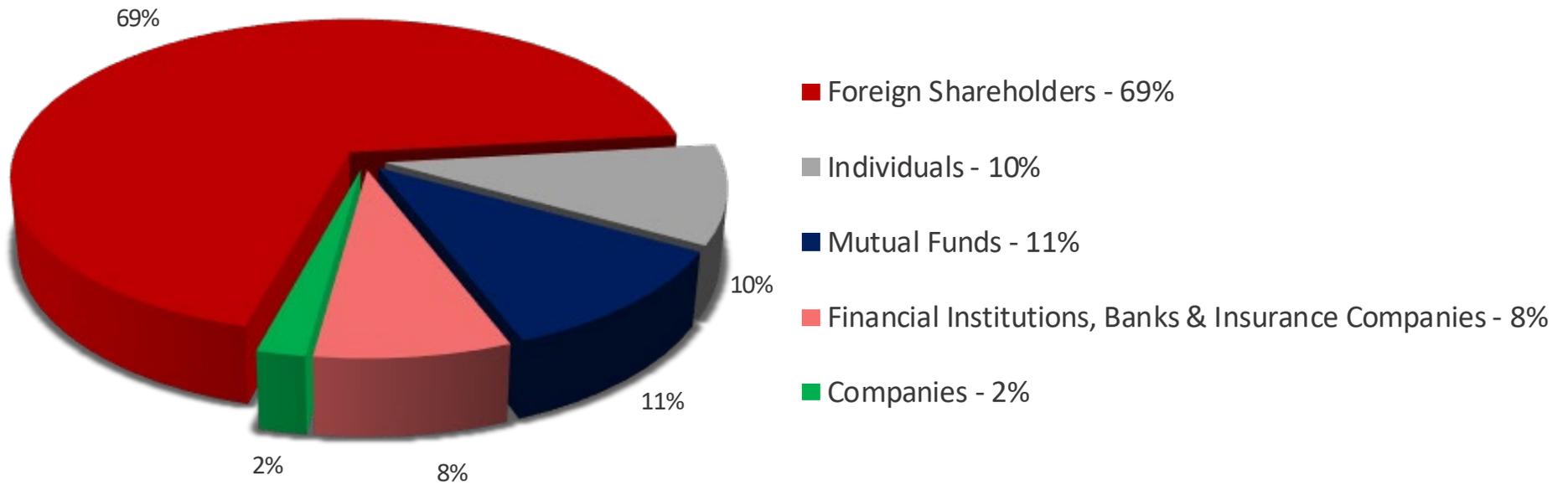
| Particulars | Rs. bn | US\$ bn |
|---|------------|------------|
| Net Worth | 1,203 | 15.8 |
| <i>Add:</i> Unaccounted gains on strategic listed investments | 2,342 | 30.9 |
| <i>Add:</i> Unaccounted gains on unlisted investments | 258 | 3.4 |
| Adjusted Networkth | 3,803 | 50.1 |
| Market Capitalisation | 4,333 | 57.1 |
| Adjusted Price to Book Ratio | 1.1 | 1.1 |

VALUATION – METHOD 2

- Number of shares outstanding: 1.81 billion
- Share Price (CMP as at March 31, 2022): Rs. 2,390
- Market Capitalisation: Rs. 4,333 billion (~US\$ 57 bn)

| Particulars | Rs. bn | US\$ bn |
|--|------------|------------|
| Market Capitalisation | 4,333 | 57.1 |
| <i>Less: Unaccounted gains on strategic listed investments</i> | 2,342 | 30.9 |
| <i>Less: Unaccounted gains on unlisted investments</i> | 258 | 3.4 |
| Adjusted Market Capitalisation | 1,733 | 22.8 |
| Net Worth (adjusted for dividend) | 1,203 | 15.8 |
| Adjusted Price to Book Ratio | 1.4 | 1.4 |

SHAREHOLDING PATTERN (As at March 31, 2022)



A grayscale photograph of a business meeting. Several people are gathered around a table, looking at financial documents on a clipboard. One person is pointing at a chart on the document, while another holds a pen. A laptop is visible in the foreground. The image has a dark, moody atmosphere with red decorative blocks in the corners.

FINANCIALS STANDALONE

(BASED ON INDIAN ACCOUNTING STANDARDS)

BALANCE SHEET (Standalone)

| | Mar-22 | Mar-21 | Growth |
|----------------------------------|------------------|------------------|------------|
| | (Rs. in billion) | (Rs. in billion) | (%) |
| Sources of Funds | | | |
| Shareholders' Funds | 1,202.51 | 1,087.83 | |
| Borrowings | 4,996.81 | 4,413.65 | 13% |
| Current Liabilities & Provisions | 209.30 | 174.51 | |
| | 6,408.62 | 5,675.99 | 13% |
| Application of Funds | | | |
| Loans (before provisions) ^ | 5,683.63 | 4,982.98 | 14% |
| Investments | 685.93 | 686.37 | |
| Current/ Fixed Assets | 39.06 | 6.64 | |
| | 6,408.62 | 5,675.99 | 13% |

[^]Net of loans sold during the preceding 12 months amounting to Rs. 284.55 billion of individual loans and Rs 15.00 billion of standard, non individual loans. If these loans were included, the growth in loans would have been 20%.

STATEMENT OF PROFIT AND LOSS – FY22 (Standalone)

| | FY22 (Rs. in billion) | FY21 (Rs. in billion) | Growth (%) |
|--|--------------------------|--------------------------|---------------|
| Net Interest Income | 171.19 | 149.70 | 14.4% |
| Add: Income on derecognised (assigned) loans | 10.56 | 11.90 | |
| Add: Other Operating Income | 3.30 | 2.87 | |
| Net Operating Income | 185.05 | 164.47 | 12.5% |
| Less: Non Interest Expenses | 14.92 | 12.70 | |
| Less: Amortisation of ESOS and CSR Expenses | 5.81 | 5.28 | |
| Add: Other Income | 0.33 | 0.26 | |
| Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL | 164.66 | 146.75 | 12.2% |
| Add: Net gain/(loss) on Fair Value Changes | 9.38 | 9.56 | |
| Add: Dividend | 15.11 | 7.34 | |
| Add: Profit on Sale of Investments | 2.63 | 13.98 | |
| Less: Expected Credit Loss (ECL) | 19.32 | 29.48 | |
| Profit Before Tax | 172.46 | 148.15 | 16.4% |
| Provision for Tax | 35.04 | 27.88 | |
| Profit After Tax | 137.42 | 120.27 | 14.3% |
| <i>Effective tax rate (%)</i> | <i>20.3%</i> | <i>18.8%</i> | |

STATEMENT OF PROFIT AND LOSS – Q4FY22 (Standalone)

| | Jan - Mar 22 (Rs. in billion) | Jan - Mar 21 (Rs. in billion) | Growth (%) |
|--|----------------------------------|----------------------------------|---------------|
| Net Interest Income | 46.01 | 40.27 | 14.3% |
| Add: Income on derecognised (assigned) loans | 4.36 | 4.38 | |
| Add: Other Operating Income | 0.97 | 0.90 | |
| Net Operating Income | 51.34 | 45.55 | 12.7% |
| Less: Non Interest Expenses | 4.05 | 3.07 | |
| Less: Amortisation of ESOS and CSR Expenses | 1.09 | 1.92 | |
| Add: Other Income | 0.08 | 0.10 | |
| Profit Before Sale of Investments, Dividend, Fair Value Changes and ECL | 46.28 | 40.66 | 13.8% |
| Add: Net gain/(loss) on Fair Value Changes | 2.67 | 4.66 | |
| Add: Dividend | 1.28 | 1.11 | |
| Less: Expected Credit Loss (ECL) | 4.01 | 7.19 | |
| Profit Before Tax | 46.22 | 39.24 | 17.8% |
| Provision for Tax | 9.22 | 7.44 | |
| Profit After Tax | 37.00 | 31.80 | 16.4% |
| <i>Effective tax rate (%)</i> | <i>19.9%</i> | <i>19.0%</i> | |



WITH YOU, RIGHT THROUGH

KEY ASSOCIATES AND SUBSIDIARIES

HDFC BANK LIMITED

- 21% owned by HDFC
- ADRs listed on NYSE
- 6,342 banking outlets, 18,130 ATMs
- Key business areas-
Wholesale banking | Retail banking | Treasury operations
- Financials (as per Indian GAAP) for the year ended March 31, 2022
 - Advances as at March 31, 2022, stood at Rs. 13,688 bn – an increase of 21% over the previous year
 - Total deposits stood at Rs. 15,592 bn – an increase of 17% over the previous year
 - PAT (Indian GAAP): Rs. 369.61 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 (March 31, 2022): ~US\$ 107 bn

HDFC LIFE INSURANCE COMPANY LIMITED (HDFC LIFE)

- 47.81% owned by HDFC
- With effect from January 2022, Exide Life Insurance Company (Exide Life) has become a wholly owned subsidiary of HDFC Life
- Total premium income for the year ended March 31, 2022 stood at Rs. 459.6 bn – growth of 19% over the previous year
- HDFC Life recorded a growth of 16% in terms of individual weighted received premium (WRP) during FY22 with a market share of 14.8% in the private sector.
 - During the year ended March 31, 2022, the new business premium grew 20%.
 - New Business Margin for the year ended March 31, 2022: 27.4% (PY: 26.1%)
 - Indian Embedded Value stood at Rs. 300 bn as at March 31, 2022 (PY: Rs. 266 bn)
 - Assets Under Management as at March 31, 2022 stood at Rs. 2 trillion, an increase of 17% over the PY
 - Solvency Ratio as at March 31, 2022 – 176% (regulatory requirement: 150%)
 - PAT for the year ended March 31, 2022 (Indian GAAP): Rs. 12.1 bn (PAT impacted due to elevated claims during the pandemic and reserving for excess mortality)
 - Product mix - Unit Linked: 26%, Non-Par Savings: 33%, Annuity: 5%, Non-Par Protection: 6%, Par: 30%
- Market capitalisation (March 31, 2022): ~US\$ 15 bn

HDFC ASSET MANAGEMENT COMPANY LIMITED

- 52.60% owned by HDFC and Abrdn Investment Management holds 16.21% of the equity of HDFC Asset Management
- Quarterly Average Assets under Management as at March 31, 2022, stood at Rs. 4.3 trillion (US\$ 57 bn), with an overall market share of 11.3%
- Amongst India's largest actively managed equity mutual fund, with a market share of 11.5% as on March 31, 2022
 - Equity-oriented assets of HDFC MF as a proportion of total AUM was 51%
- Individual accounts of HDFC MF as at March 31, 2022
 - 9.9 million live accounts
 - 62% of total monthly average AUM is contributed by individuals
 - Market share of 12.5% of individual monthly average AUM
- PAT for the year ended March 31, 2022 (as per Ind AS): Rs. 13.9 bn
- Market capitalisation (March 31, 2022): ~US\$ 6 bn

HDFC ERGO GENERAL INSURANCE COMPANY LTD.

- HDFC holds 49.98% and ERGO International AG holds 48.99% of the equity of HDFC ERGO General Insurance Company Limited (HDFC ERGO)
- Gross direct premium for the year ended March 31, 2022 stood at Rs. 135 bn (PY: Rs. 123 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 61% of the total business
- Market share of 10.3% (private sector) and 6.1% (overall) in terms of gross direct premium for the year ended March 31, 2022 (Source: GI Council)
- As at March 31, 2022: Solvency Ratio – 164% (as against regulatory requirement of 150%)
- Profit after tax for the year ended March 31, 2022: Rs. 5 bn (impacted due to higher Covid-19 losses)

HDFC CAPITAL ADVISORS LIMITED

- HDFC Capital Affordable Real Estate Fund (HCARE)
 - Set up as a SEBI registered AIF in 2016
 - Objective: To provide long-term flexible funding across the lifecycle of affordable and mid-income housing projects, including early-stage funding. The HCARE platform will also invest in technology companies engaged in the affordable housing ecosystem.
 - HCARE 1 & 2 is a US\$ 1.1 bn platform targeting affordable & mid-income residential projects
 - In January 2022, HCARE achieved the initial closure of HCARE 3. Investors have committed US\$ 1.22 bn to HCARE 3, focused on affordable and mid-income residential projects. Combined with potential re-investments, the total fund corpus will increase to an estimated US\$ 1.88 bn.
 - HCARE 3 combined with HCARE 1 & 2 will create a US\$ 3 bn funding platform, focused on the development of affordable housing
 - Primary investors in HCARE 1, 2 & 3 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
 - In April 2022, HDFC entered into an agreement to sell 10% of the fully diluted paid-up share capital of HDFC Capital Advisors to a wholly-owned subsidiary of ADIA for Rs 1.84 bn

HDFC CREDILA

- HDFC holds 100% in HDFC Credila
- HDFC Credila is a non-banking finance company and was the first Indian lender to exclusively focus on education loans
- The company lends to under-graduate and post-graduate students studying in India or abroad
- As at March 31, 2022
 - Profit After Tax (as per Ind AS): Rs. 2.06 bn – 33% growth
 - Cumulative loans disbursed: Rs. 164 bn
 - Loan book outstanding: Rs. 88 bn
 - 34% of the loan book is collateralised
 - Gross non-performing assets: 0.22%

A grayscale photograph of a business meeting. Several people are gathered around a table, looking at a large document on a clipboard. The document features various financial charts, including pie charts and line graphs. One person is pointing at a specific data point on the chart, while another holds a pen. In the background, a laptop is visible. The overall scene conveys a professional and collaborative work environment.

FINANCIALS CONSOLIDATED

(BASED ON INDIAN ACCOUNTING STANDARDS)

BALANCE SHEET (Consolidated)

| | Mar-22 | Mar-21 | Growth |
|--|------------------|------------------|---------------|
| | (Rs. in billion) | (Rs. in billion) | (%) |
| Sources of Funds | | | |
| Shareholders' Funds | 1,926.30 | 1,656.17 | 16% |
| Liabilities Pertaining to Insurance Business | 2,393.14 | 1,952.42 | |
| Loan Funds | 5,074.60 | 4,470.11 | |
| Current Liabilities & Provisions | 269.45 | 214.85 | |
| | 9,663.49 | 8,293.55 | 17% |
| Application of Funds | | | |
| Loans | 5,639.20 | 4,909.48 | 15% |
| Assets pertaining to Insurance Business | 2,532.07 | 2,071.39 | |
| Investments | 1,194.57 | 1,107.94 | |
| Current Assets, Advances & Fixed Assets | 244.76 | 188.73 | |
| Goodwill on Consolidation | 52.89 | 16.01 | |
| | 9,663.49 | 8,293.55 | 17% |

STATEMENT OF PROFIT AND LOSS –FY22 (Consolidated)

| | Rs. in billion | | |
|--|-----------------|-----------------|------------|
| | FY22 | FY21 | Growth |
| Interest & Other Operating Income | 480.86 | 473.36 | |
| Income from Insurance Business | 852.19 | 886.25 | |
| Profit on Sale of Investment & Investment Properties | 0.71 | (0.02) | |
| Net gain on fair value changes | 15.65 | 19.72 | |
| Income on derecognised (assigned) loans | 9.85 | 11.03 | |
| Other Income | 0.42 | 0.37 | |
| Total Income | 1,359.68 | 1,390.71 | |
| Finance costs | 272.30 | 290.81 | |
| Expenses from Insurance Business | 837.22 | 865.84 | |
| Non-Interest Expenses | 36.91 | 30.59 | |
| Impairment on financial instruments | 20.43 | 30.31 | |
| Total Expenses | 1,166.86 | 1,217.55 | |
| Share of profit of associates (equity method) | 89.70 | 69.21 | |
| Profit Before Tax | 282.52 | 242.37 | 17% |
| Total tax expense | 42.10 | 37.49 | |
| Net Profit After Tax | 240.42 | 204.88 | 17% |
| Profit Attributable to the Corporation | 225.95 | 187.40 | 21% |

CONSOLIDATED PROFIT AFTER TAX – FY22 (As per Ind-AS)

| | FY22 (Rs. in billion) | FY21 (Rs. in billion) | Growth |
|---|--------------------------|--------------------------|------------|
| HDFC Profit After Tax | 137.42 | 120.27 | 14% |
| HDFC Life | 5.74 | 8.45 | |
| HDFC Ergo | 2.59 | 3.36 | |
| HDFC Bank | 85.17 | 66.51 | |
| HDFC AMC | 7.33 | 6.98 | |
| HDFC Credila | 2.06 | 1.55 | |
| Other Companies | 2.64 | 0.01 | |
| Adjustments: | | | |
| Dilution gain / loss from Associates | 4.53 | 2.81 | |
| Profit on Sale of Investments | (1.42) | (13.76) | |
| Dividend & Other Adjustments | (20.11) | (8.78) | |
| Net Profit Attributable to the Corporation | 225.95 | 187.40 | 21% |



ESG & OTHER INITIATIVES

THE ESG WAY: ENCOMPASSING ALL STAKEHOLDERS



ENVIRONMENTAL

- ESG Ratings: HDFC's environmental impact is minimal/low risk
- Long-term commitment to finance affordable & green housing
- Focus on responsible lending
- ~ 2/3rd of the lease rental discounting portfolio is certified as green by 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
- Launched green deposits for retail depositors in Aug 21
- Recognised amongst India's Top Sustainable Companies by Business World Magazine in association with Sustain Labs, Paris in FY22

Contd...

THE ESG WAY: ENCOMPASSING ALL STAKEHOLDERS



SOCIAL

- Shelter Assistance Reserve created in 1987: Set aside a portion of profits each year to support socially high impact projects
- Cumulatively financed 9.3 million housing units
- Focus on inclusion & diversity; employee engagement, training and wellbeing
- Institution with the largest number of beneficiaries under the Government's Credit Linked Subsidy Scheme at 0.31 mn
- HDFC primarily implements its CSR initiatives through the H T Parekh Foundation, a charitable institution set up by HDFC
- CSR focus areas: COVID-19 relief, healthcare, education, skilling & livelihoods, environmental sustainability

Contd...

THE ESG WAY: ENCOMPASSING ALL STAKEHOLDERS



GOVERNANCE

- Founding principles of kindness, fairness, efficiency & effectiveness
- Recent Awards
 - Felicitated under the 'Leadership' category in the Corporate Governance Score Card, 2021 under a joint initiative by IFC-IIAS-BSE
 - Best Integrated Report 2020 by Asian Centre for Corporate Governance & Sustainability
 - 'Leadership in Employee Development' by ESGRisk.ai, India's 1st ESG rating company
 - 'Company of the Year' at The Economic Times Awards for Corporate Excellence 2020
 - Golden Peacock Award for Excellence in Corporate Governance 2020
- No promoter holding
- Well reputed, independent directors since inception; core competencies directly linked to the strategy of HDFC

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 May 21, voluntary for the top 1,000 companies by market cap for FY22, and mandatory from FY23 onwards. HDFC voluntarily adopted this format in FY21 and FY22
- Integrated Report
- HDFC COVID-19 Relief Response: Impact Assessment Report
- 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>

DASH PHILOSOPHY & DIGITALISATION OBJECTIVES

Re-imagine and transform the customer journey across the lifecycle to improve customer experience and create market differentiation



D

Digital First

Personalised and digital borrower experience



A

Agile Methods

Customer centric designs, teams collaborate with IT & User Support Groups



S

Seamless

Automate document ingestion; leverage cloud architecture and APIs to facilitate scalability



H

HDFC For You

Organisation -wide thrust on identification and tracking of outcomes and input metrics to drive impact

DASH PHILOSOPHY & 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



WITH YOU, RIGHT THROUGH

May 2, 2022