

Ref/No/HDFCAMC/SE/2019-20/37

Date – July 16, 2019

National Stock Exchange of India Limited Exchange Plaza, Plot C/1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400051  <b>Kind Attn: Head – Listing Department</b>	BSE Limited Sir PJ Towers, Dalal Street, Mumbai – 400001  <b>Kind Attn: Sr. General Manager – DCS Listing Department</b>
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**Sub: Outcome of Board Meeting**

Dear Sir/Madam,

Further to our letter number Ref/No/HDFCAMC/SE/2019-20/36 dated July 16, 2019, please find enclosed herewith a copy of investor presentation along with press release on financial results for first quarter ended June 30, 2019.

Kindly take the same on your records.

Thanking You,

Yours faithfully,

For **HDFC Asset Management Company Limited**



**Sylvia Furtado**  
**Company Secretary**

Encl: a/a

**Press Release**

16 July, 2019

**HDFC AMC Q1FY20 net profit at ₹2,917 million, a year on year increase of 42%.**

**AUM rises to ₹3,567 billion, a year on year increase of 18%.**

HDFC Asset Management Company Limited (HDFC AMC) declares financial results for the period ended June 30, 2019.

- India's largest mutual fund manager with total AUM market share of 14.7% as on June 30, 2019.
- India's largest Actively Managed Equity Mutual Fund AUM, with market share at 16.2% as on June 30, 2019.
- Most preferred choice of individual investors, with a market share of 15.7% of the individual monthly average AUM as of June 2019.
- Increase of 10% in individual customer accounts & increase of 11% in unique customer accounts year on year as on June 2019.
- Profit after tax growth of 42% during the quarter ended June 30, 2019.

**Mumbai, 16 July, 2019:** HDFC Asset Management Company Limited today reported its financial performance for the quarter ended June 30, 2019.

### **CORPORATE HIGHLIGHTS**

- Total AUM of ₹3,567 billion as of June 30, 2019 compared to ₹3,011 billion as on June 30, 2018, a growth of 18%. 14.7% market share in total AUM of the mutual fund industry.
- AUM in actively managed equity oriented funds i.e. equity oriented total AUM excluding arbitrage funds and index funds grew to ₹1,689 billion as on June 30, 2019 with a market share of 16.2%. The AMC is the largest actively managed equity-oriented mutual fund manager in the country.
- The ratio of equity oriented assets and non-equity oriented assets is 48:52 compared to the industry ratio of 43:57.
- 3.43 million Systematic transactions with a value of ₹12.7 billion processed during the month of June 2019.
- Over 75,000 empanelled distribution partners across IFAs, National Distributors and Banks, serviced through a total of 211 branches of which 135 are in B-30 locations. The contribution of B-30 locations to our total monthly average AUM is 13.8%.
- An increase of 10% in the number of live individual accounts from 8.36 million as of June 30, 2018 to 9.20 million, as of June 30, 2019.
- As of June 30, 2019, 59.2% of the company's total monthly average AUM is contributed by individual investors compared to 54.3% for the industry.
- Market share of 15.7% of the individual monthly average AUM in the industry, making the company the most preferred choice of individual investors.
- Unique customers as identified by PAN or PEKRN now stands at 5.4 million as on 30th June 2019 compared to 19.6 million for the industry, a market share of 28%.

#### **FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED JUNE 30, 2019**

- Operating Profit from core Asset Management business for the quarter ended June 30, 2019 was ₹3,815 million as compared to ₹2,647 million for the quarter ended June 30, 2018. This is an increase of 44%.
  - Profit before tax for the quarter ended June 30, 2019 was ₹4,299 million as compared to ₹2,946 million for the quarter ended June 30, 2018 which resulted in an increase of 46%.
  - Profit after tax for the quarter ended June 30, 2019 was up by 42% to ₹2,917 million as compared to ₹2,052 million for the quarter ended June 30, 2018.
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## **About HDFC AMC**

HDFC Asset Management Company Limited (HDFC AMC) is Investment Manager to HDFC Mutual Fund, the largest mutual fund in the country. It was incorporated under the Companies Act, 1956, on 10th December 1999 and was approved to act as an Asset Management Company for HDFC Mutual Fund by SEBI on 3rd July 2000.

HDFC AMC has a diversified asset class mix across Equity and Fixed Income/Others. It also has a countrywide network of branches along with a diversified distribution network comprising Banks, Independent Financial Advisors and National Distributors.

### **For any media queries, contact:**

Mr. Naveen Gogia, Head – Public Relations, HDFC AMC

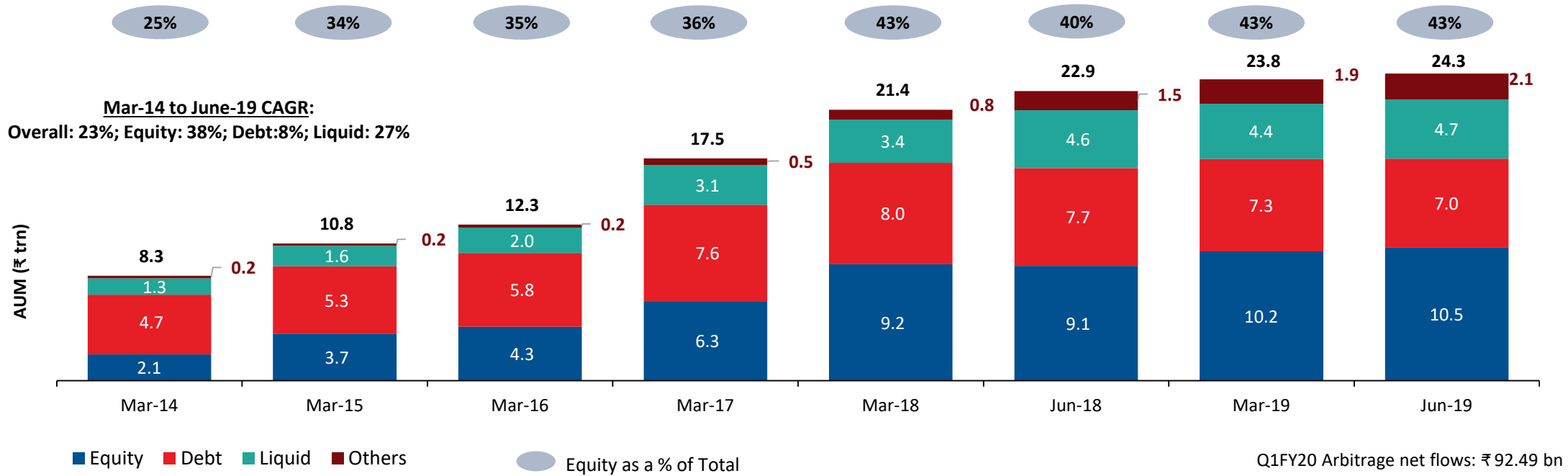
Email: [naveeng@hdfcfund.com](mailto:naveeng@hdfcfund.com)



# HDFC Asset Management Company Limited

Q1 FY19-20

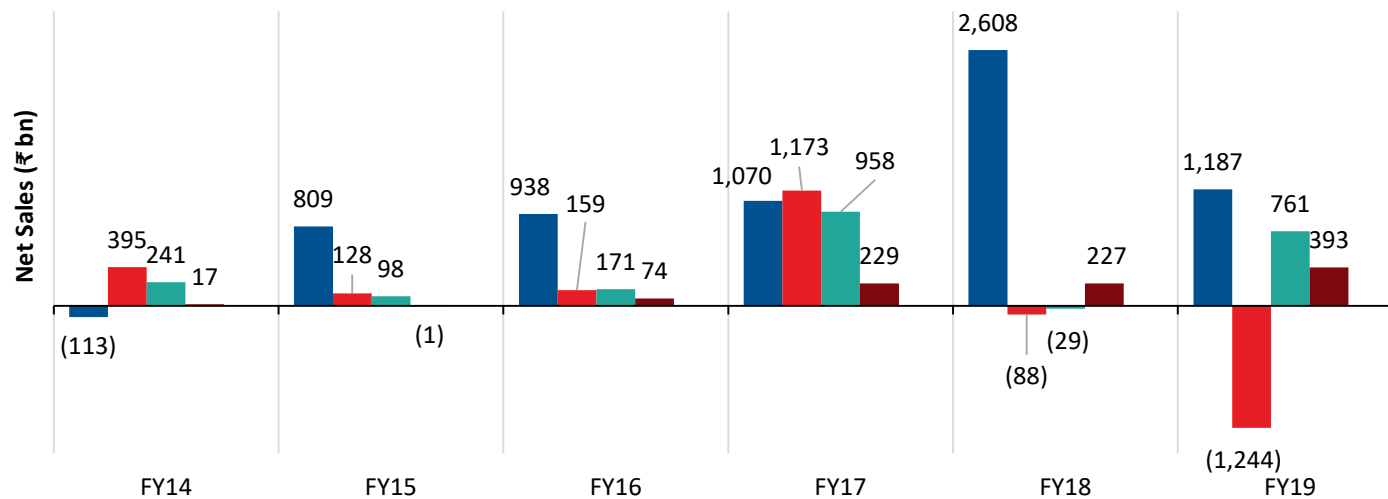
# Industry - AUM and Net Sales



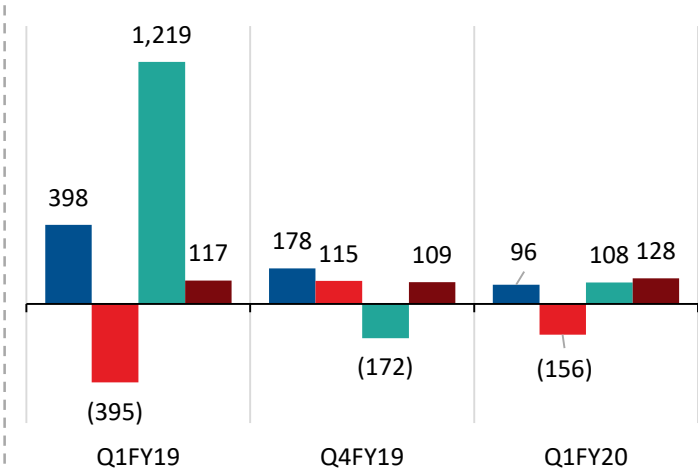
Q1FY20 Arbitrage net flows: ₹ 92.49 bn

June-19 Arbitrage AUM: ₹ 0.57 trn

## Yearly net sales



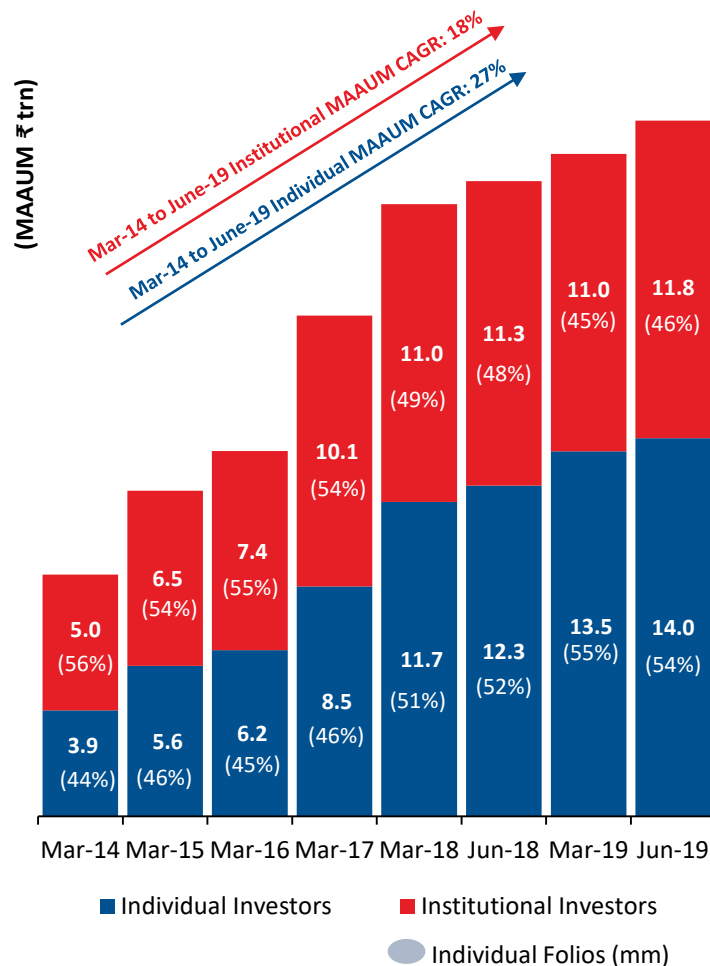
## Quarterly net sales



# Individual / Institutional MAAUM, SIP Flows, B-15/B30

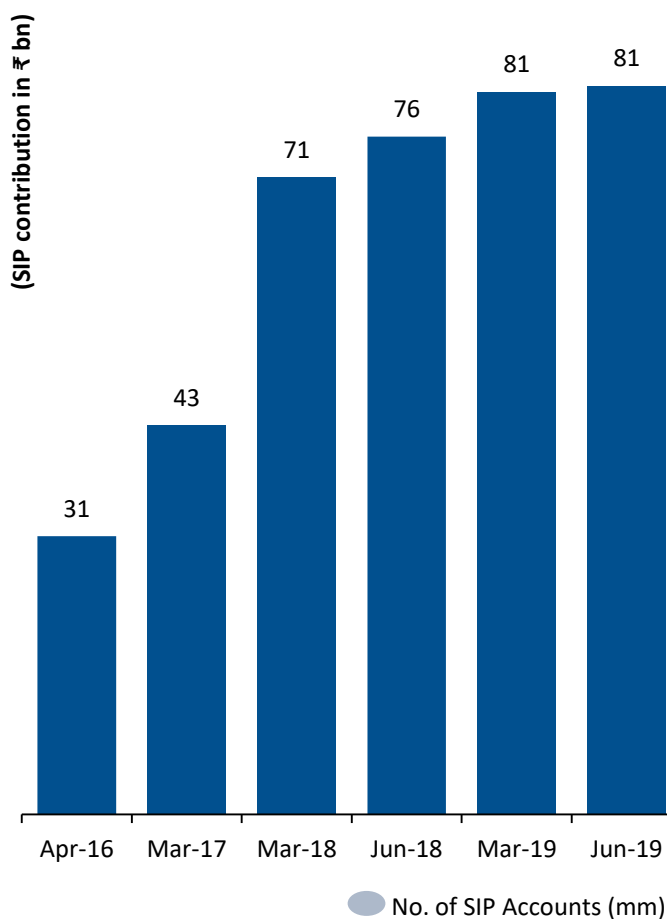
## MAAUM of Individual Investors<sup>(1)(2)(3)</sup>

39.2 41.4 47.2 54.8 70.9 74.2 82.1 83.4



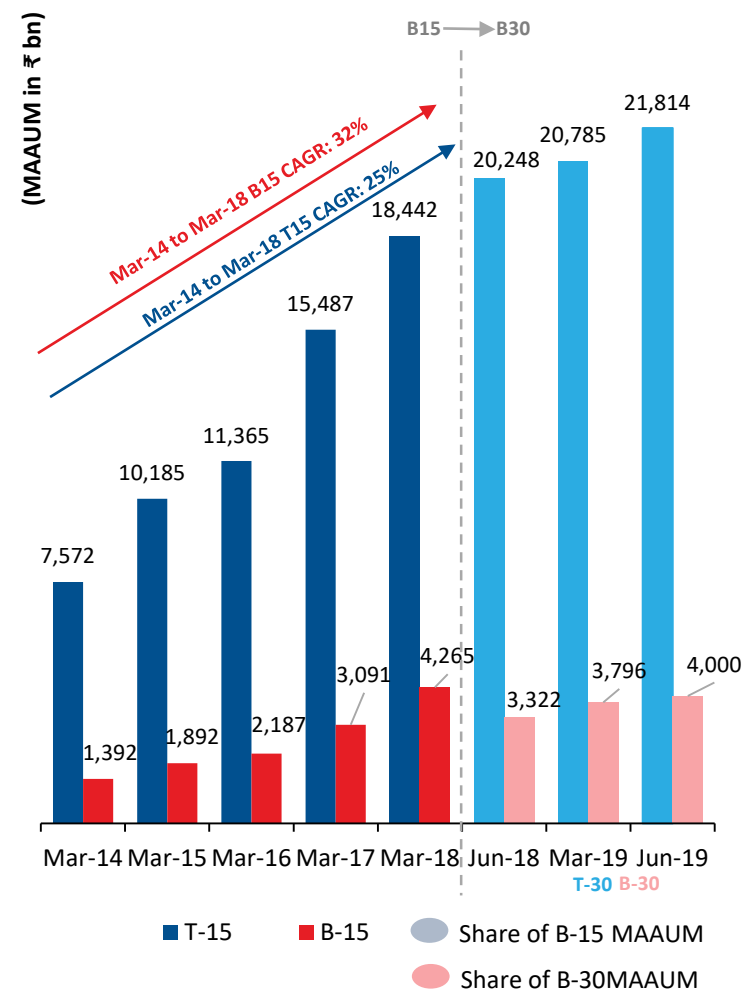
## SIP Flows<sup>(1)</sup>

10.1 13.5 21.1 22.9 26.2 27.4



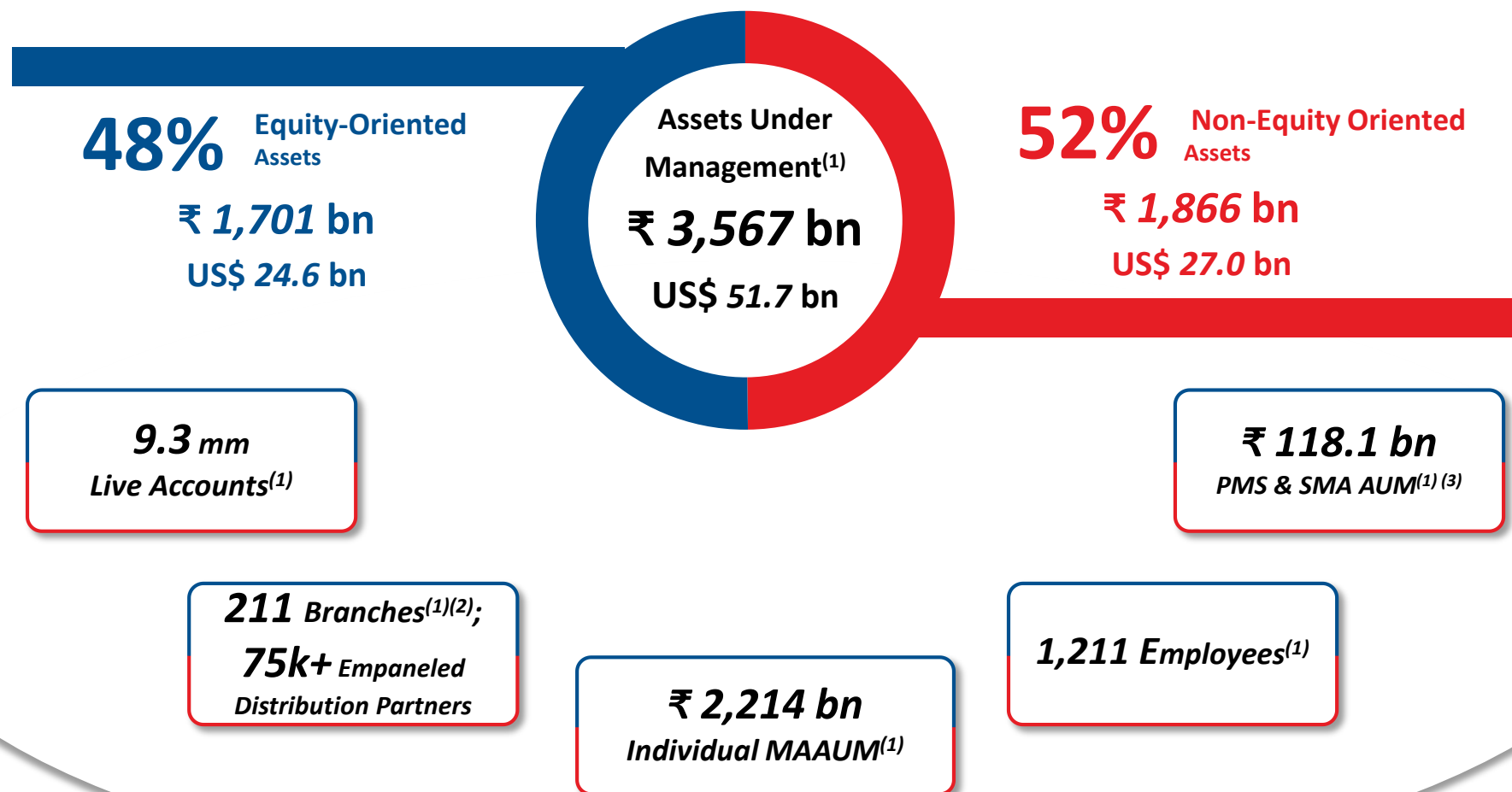
## MAAUM of B-15/B-30<sup>(1)(2)</sup>

16% 16% 16% 17% 19% 14% 15% 15%





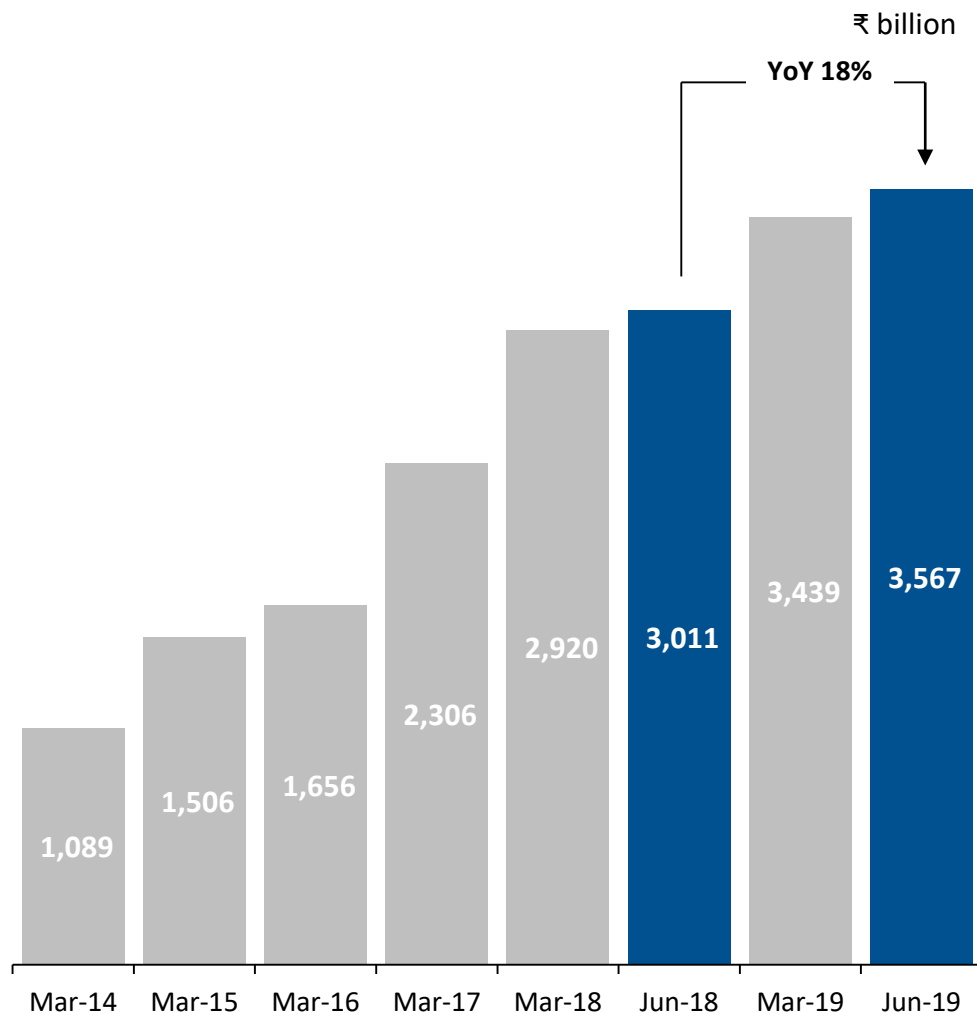
# ○ HDFC AMC at a glance



(1) As of June 30, 2019 / for June 2019; (2) Includes one representative office in Dubai; (3) Includes advisory mandates; USD/INR conversion rate: ₹ 69.0275  
Source: Internal. USD/INR conversion rate: ₹ 69.0275

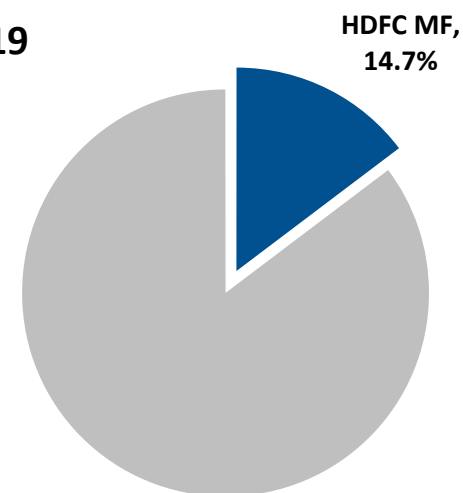
# ○ Total AUM and Market Share

## Total AUM<sup>(1)</sup>

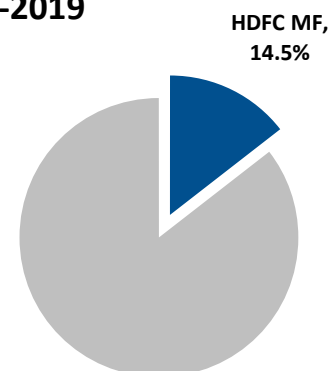


## Market Share in Total AUM<sup>(2)</sup>

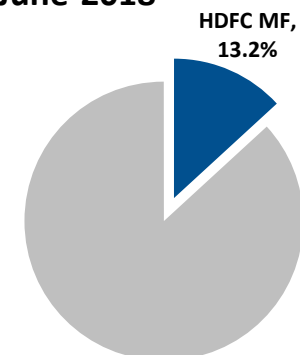
June-2019



Mar-2019



June-2018

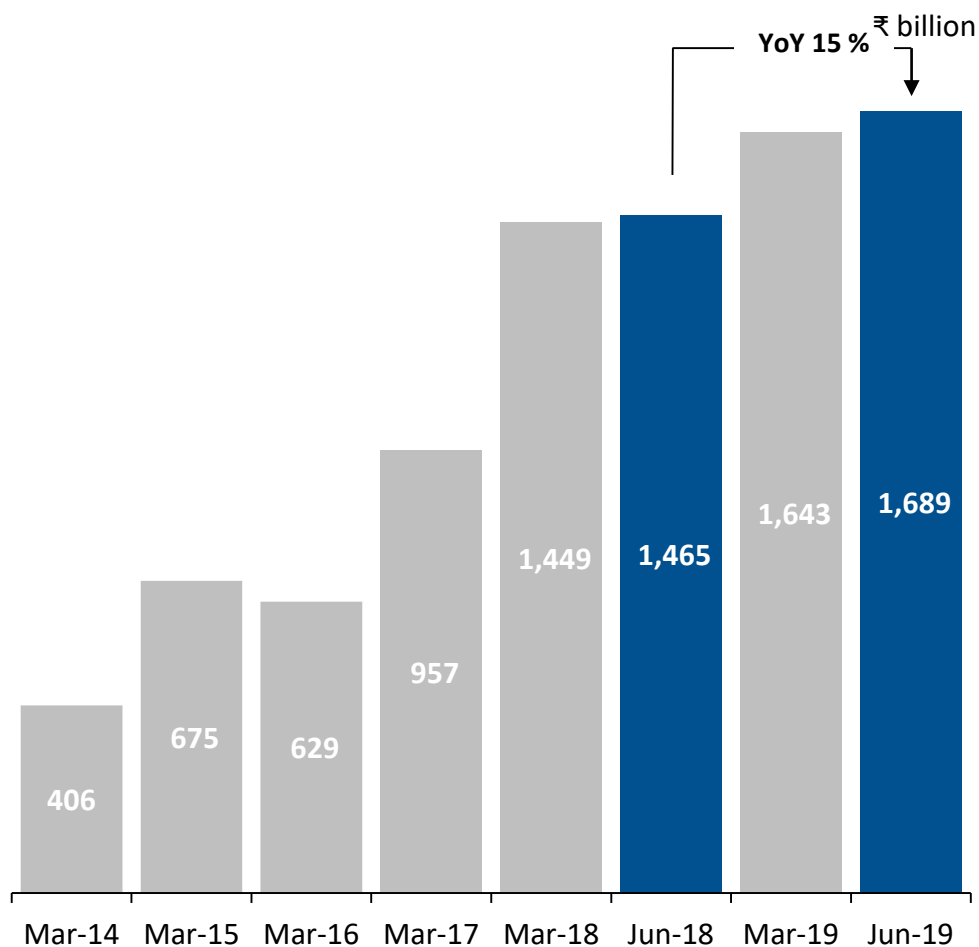


(1) Source: Internal

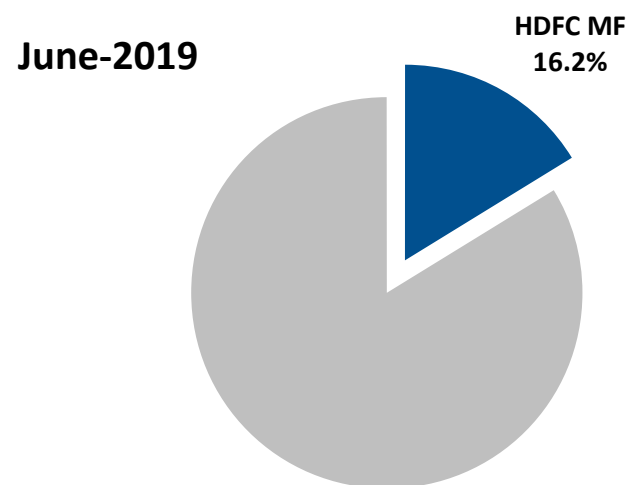
(2) Source: Internal, AMFI

# Actively Managed Equity-oriented AUM and Market Share

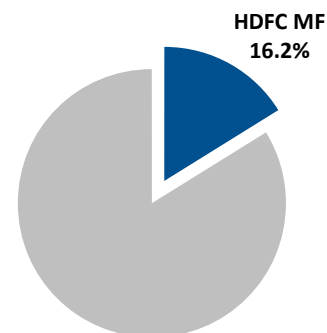
## Actively Managed Equity-oriented AUM<sup>(1)</sup>



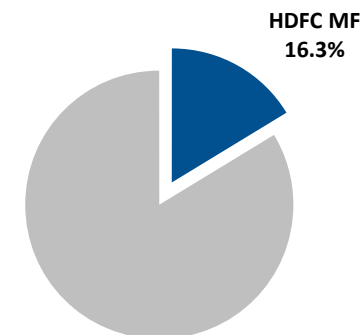
## #1 Market Share in Actively Managed Equity-oriented AUM<sup>(2)</sup>



Mar-2019



June-2018



(1) Source: Internal

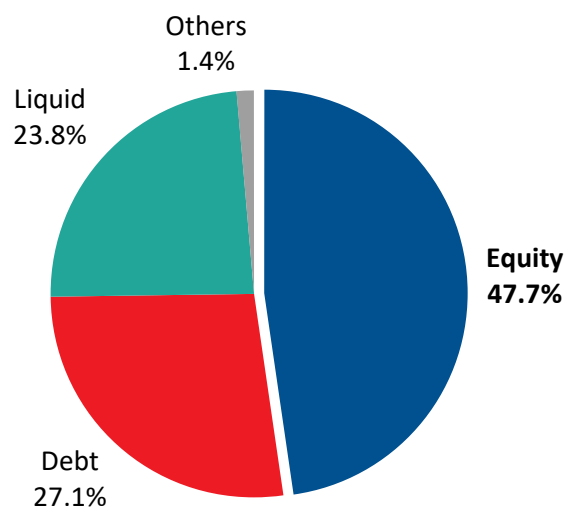
(2) Source: AMFI, Internal

Actively managed equity-oriented AUM excludes index and arbitrage funds from equity-oriented funds

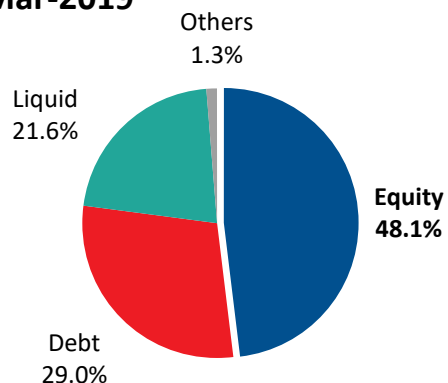
# ○ AUM by Segment – HDFC AMC and Industry

## HDFC AMC MF AUM by Segment <sup>(1)(3)</sup>

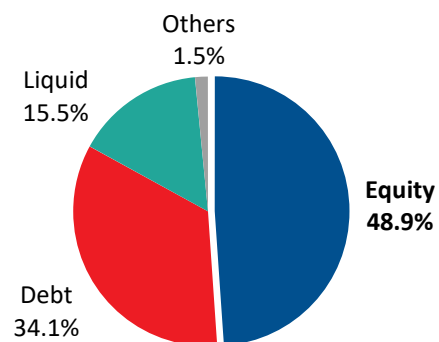
**June-2019**



**Mar-2019**

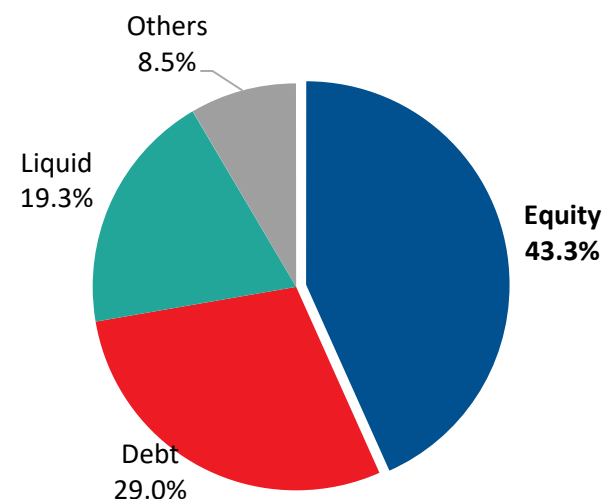


**June-2018**

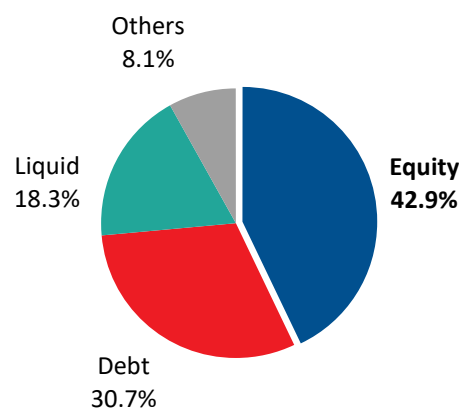


## Industry AUM by Segment <sup>(2)(3)</sup>

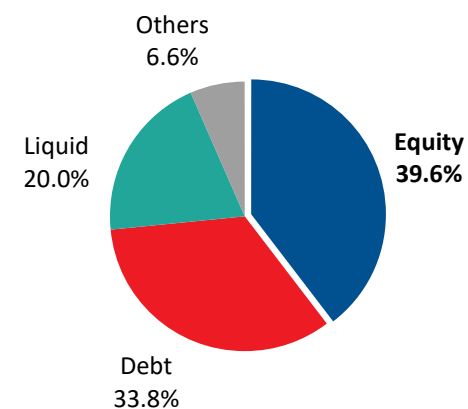
**June-2019**



**Mar-2019**



**June-2018**



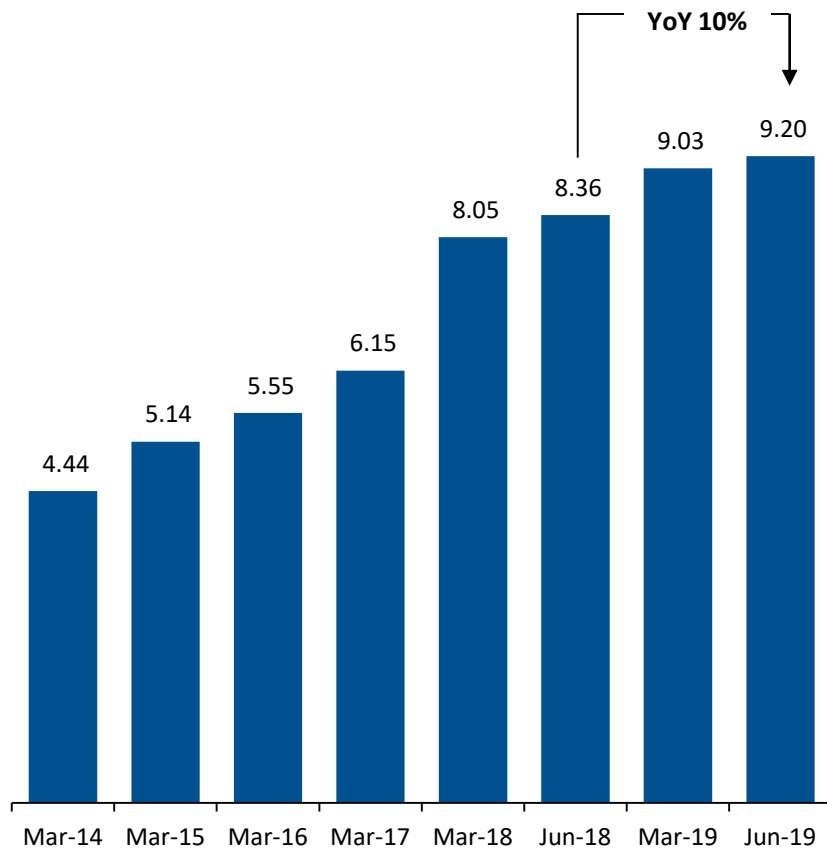
(1) Source: Internal

(2) Source: AMFI

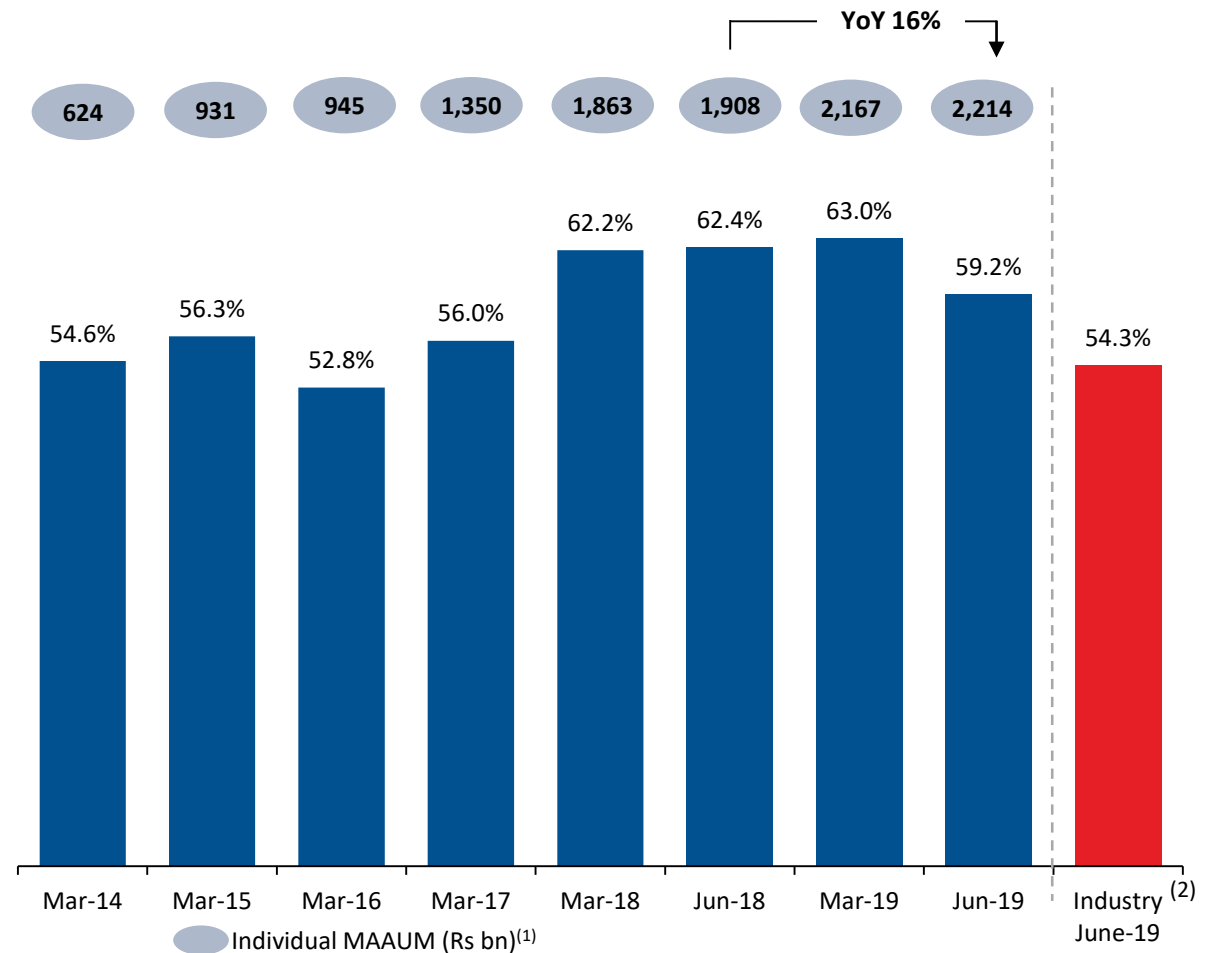
(3) From April 2018, Arbitrage is included in other category

# Individual Investors – no of Accounts & MAAUM

**Number of Live Individual Accounts (in millions) <sup>(1)</sup>**



**Individual MAAUM % of Total <sup>(1)</sup>**



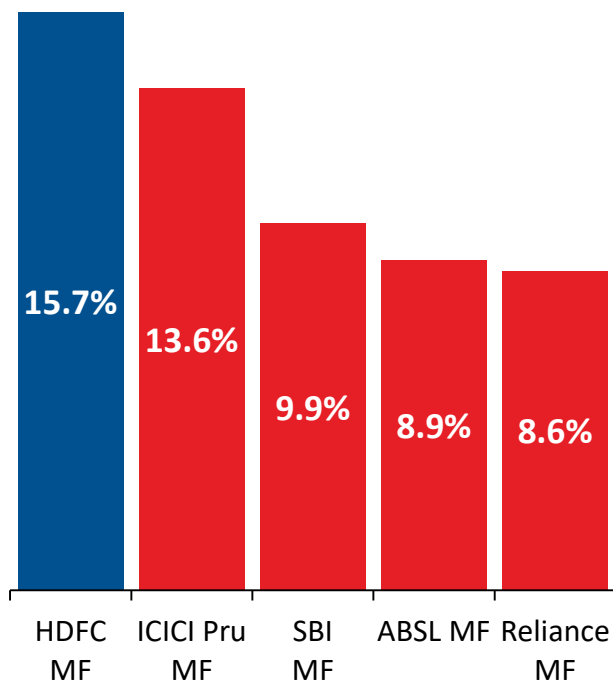
**Individual customer prefer equity-oriented schemes and stay invested for longer periods**

<sup>(1)</sup> Source: Internal

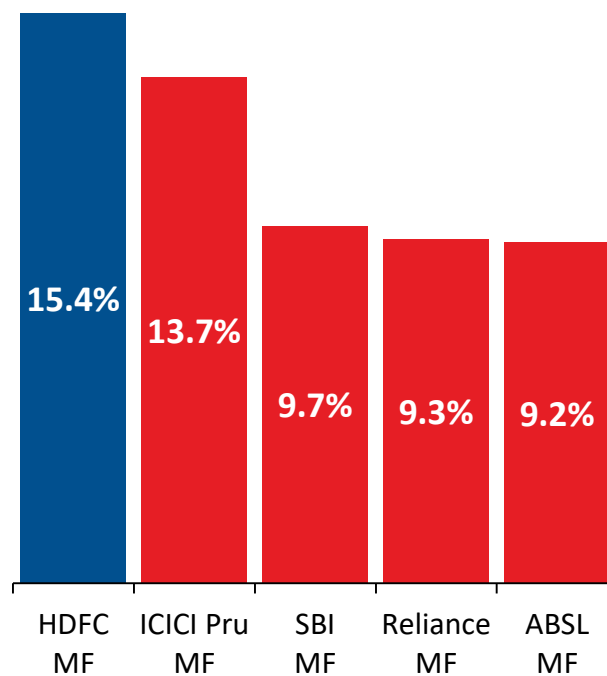
<sup>(2)</sup> Source: AMFI

# Most Preferred Choice of Individual Investors

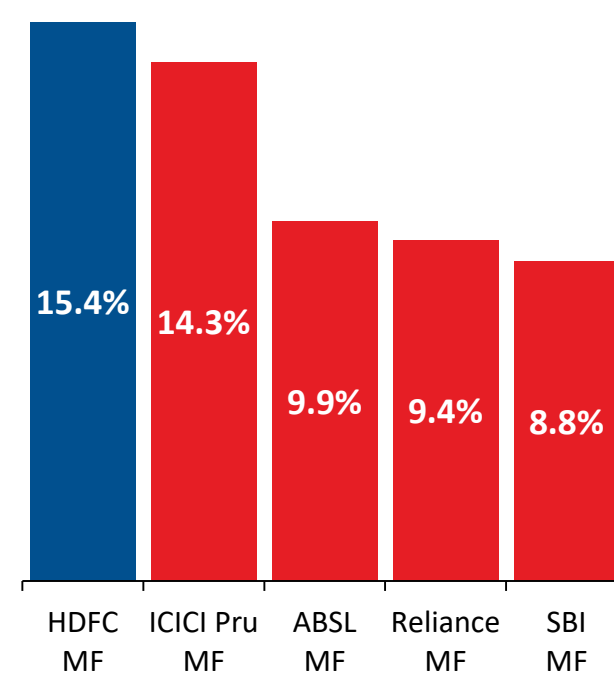
Individual Assets Market Share (June-19)



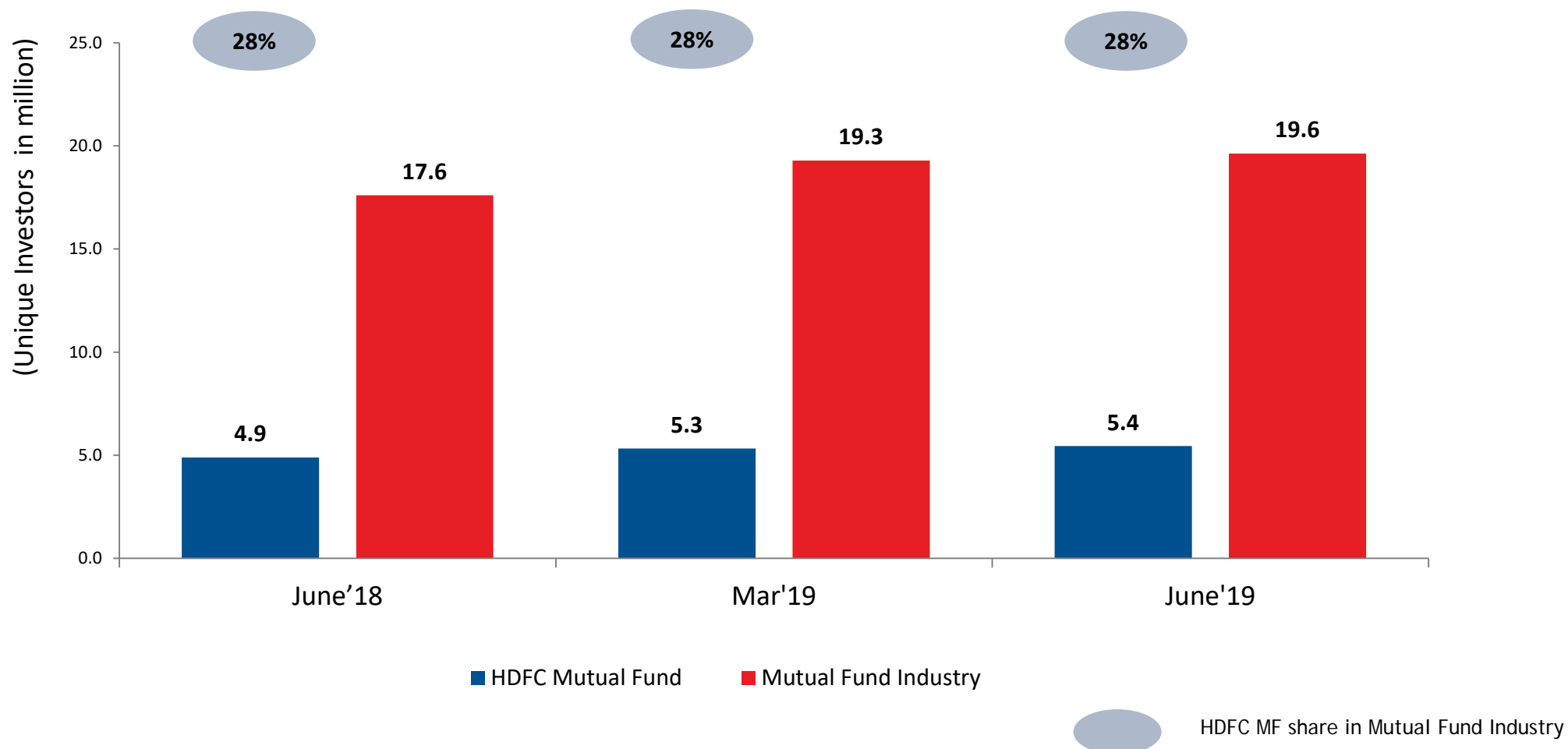
Individual Assets Market Share (Mar-19)



Individual Assets Market Share (June-18)

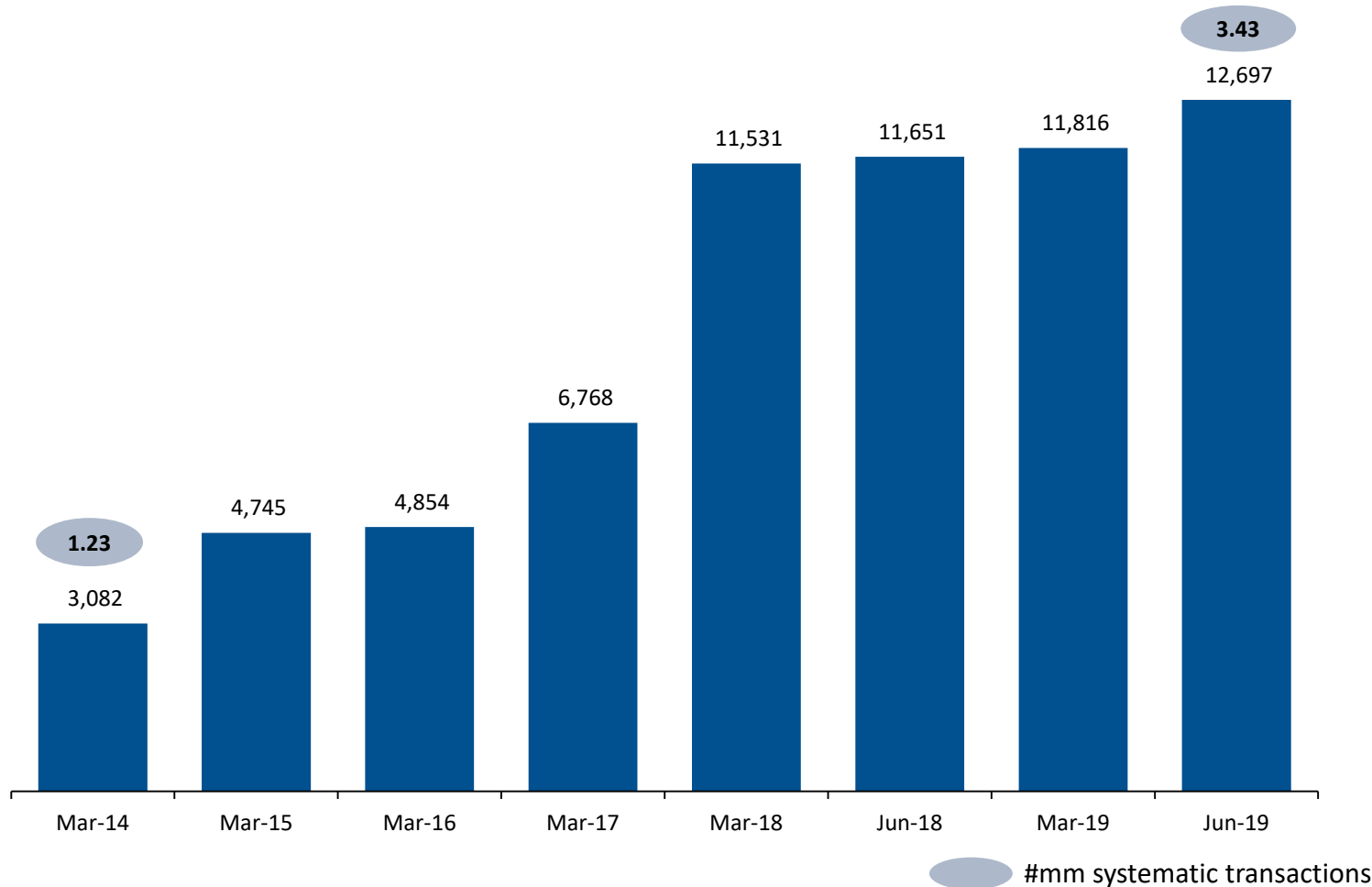


## Unique Investors- HDFC AMC vs MF Industry

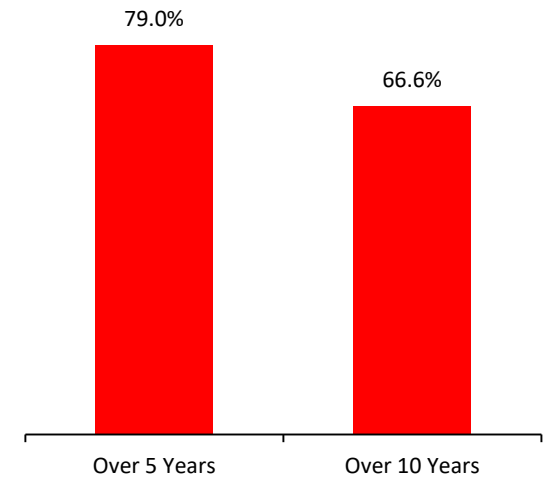


## Quality Long-term Inflows Through Systematic Transactions

### Strong Growth in Systematic Transactions (₹ mm)



### Long Tenure SIP Book<sup>(1)</sup>



Strong and growing  
“Order Book” to provide  
predictable flows

Source: Internal

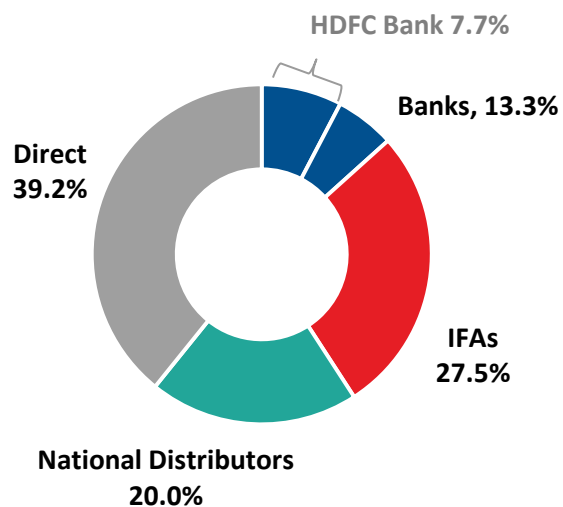
(1) Based on tenure at the time of registration of all live SIPs during June-19



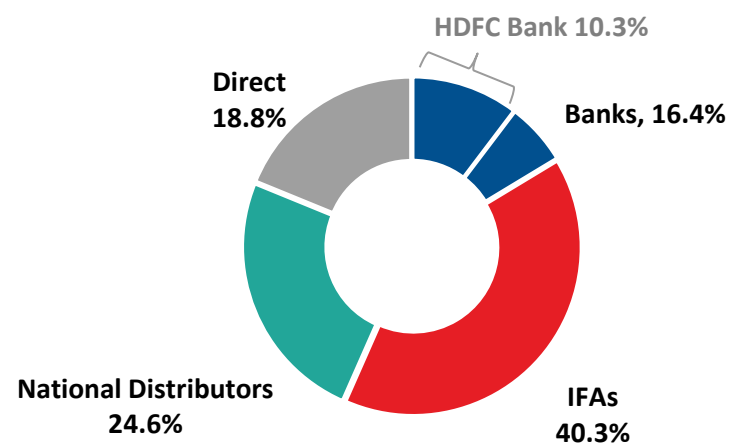
# Multi-channel Distribution Network

## Well Diversified Distribution Channel

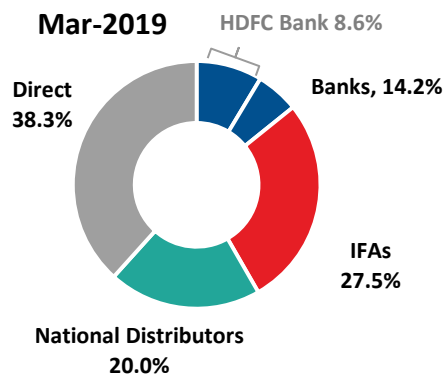
**Total AUM (June-19)**



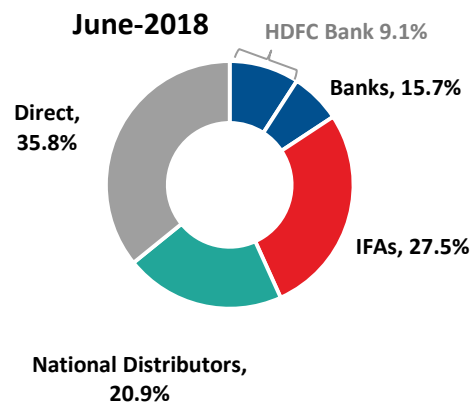
**Equity-oriented AUM (June-19)**



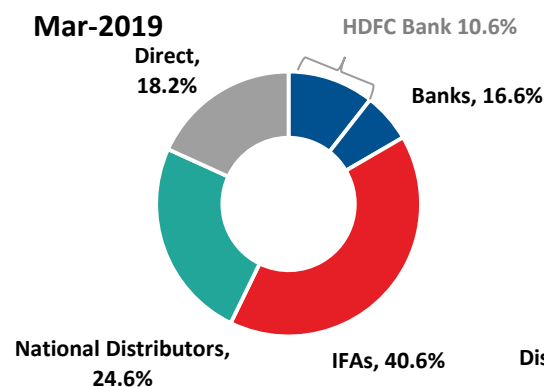
**Mar-2019**



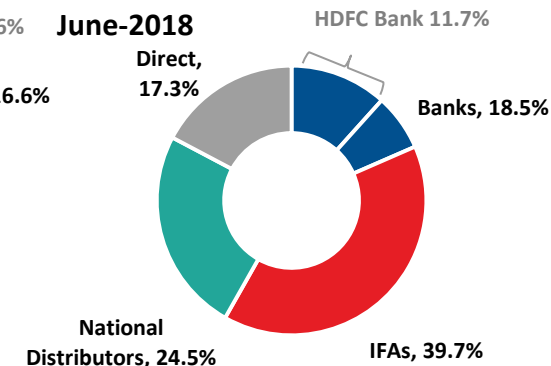
**June-2018**



**Mar-2019**

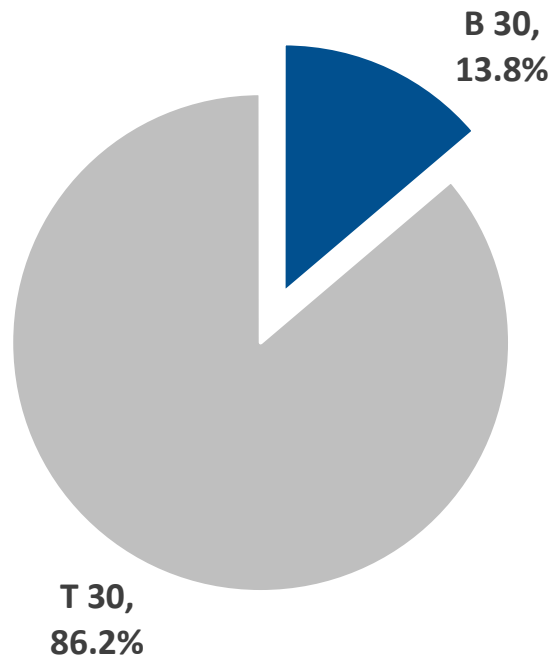


**June-2018**

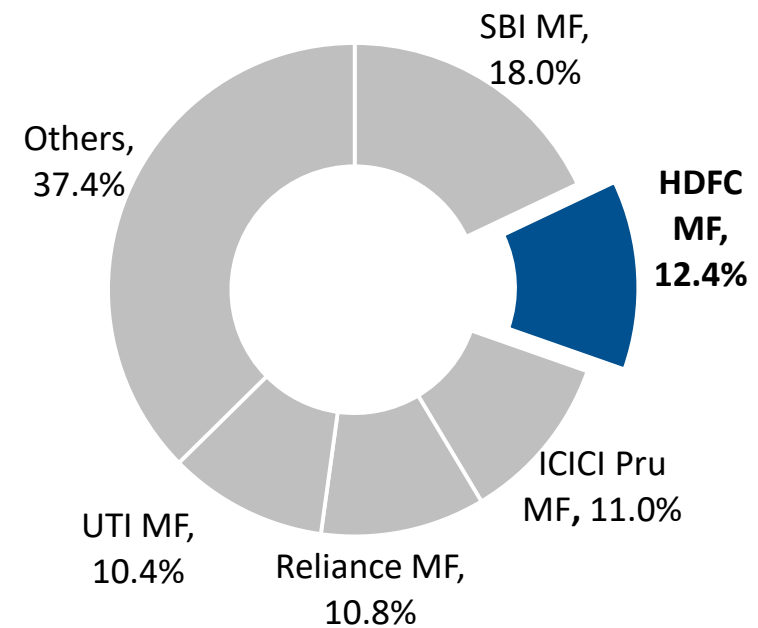


# Geographic Spread

## Total MAAUM by T30 and B30 cities<sup>(1)</sup>



## #2 Player in B-30 Markets<sup>(1)</sup>



**Network of 211 branches with 135 in B-30 cities<sup>(2)</sup>**

**c. 75k+ empaneled distribution partners**

(1) Source: Internal

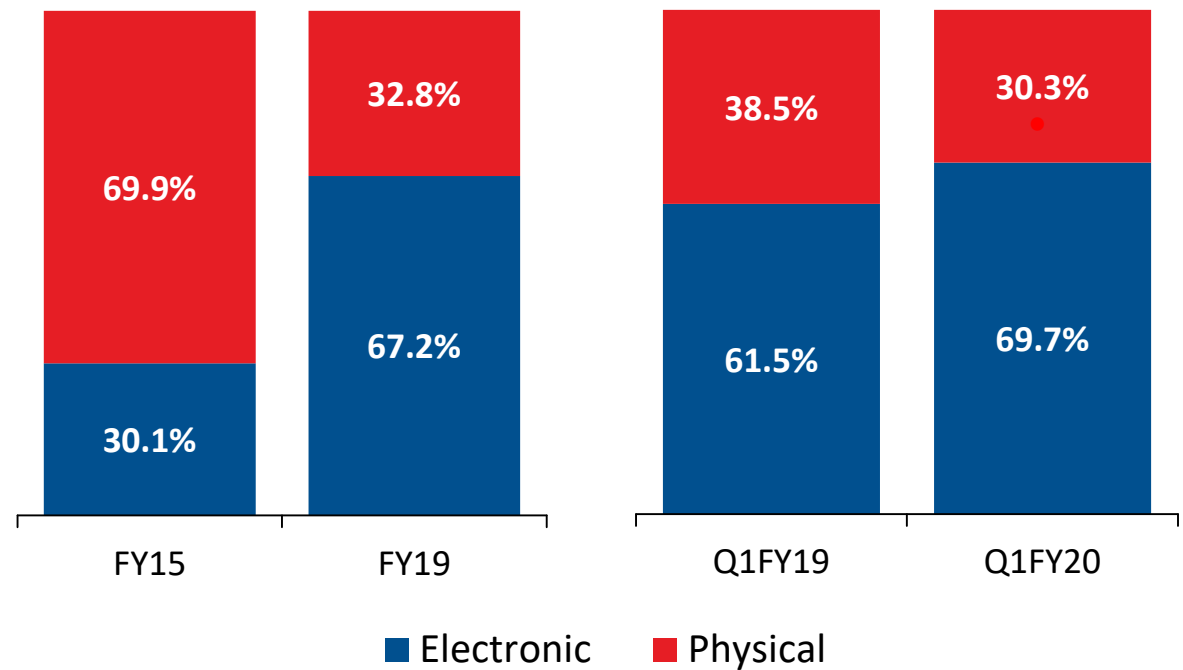
(2) As of June 30, 2019. Includes one representative office in Dubai;

# Strong Digital Presence


## Supported by Integrated Online Platform



Electronic and Physical Transaction as % of Total Transactions



 Strong online presence - dedicated separate digital platforms distribution partners and customers

 FY15-19 CAGR of 42% for electronic transactions

 17.2% transaction are through HDFC MF Online and mobile application

# Financials

## **Adoption of Indian Accounting Standard 116 - Leases with effect from 1st April 2019.**

Effective April 01, 2019, the Company has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the cumulative adjustment has been taken to retained earnings on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 1,149.3 Million (including ₹ 29.6 Million reclassified from other non-financial assets) and a lease liability of ₹ 1,252.3 Million. The cumulative effect of applying the standard resulted in ₹ 86.3 Million (net of taxes) being debited to retained earnings. The effect of this adoption is not material to the profit for the period and earnings per share.

# Financials Summary – Quarterly Earnings

(Rs. mm)

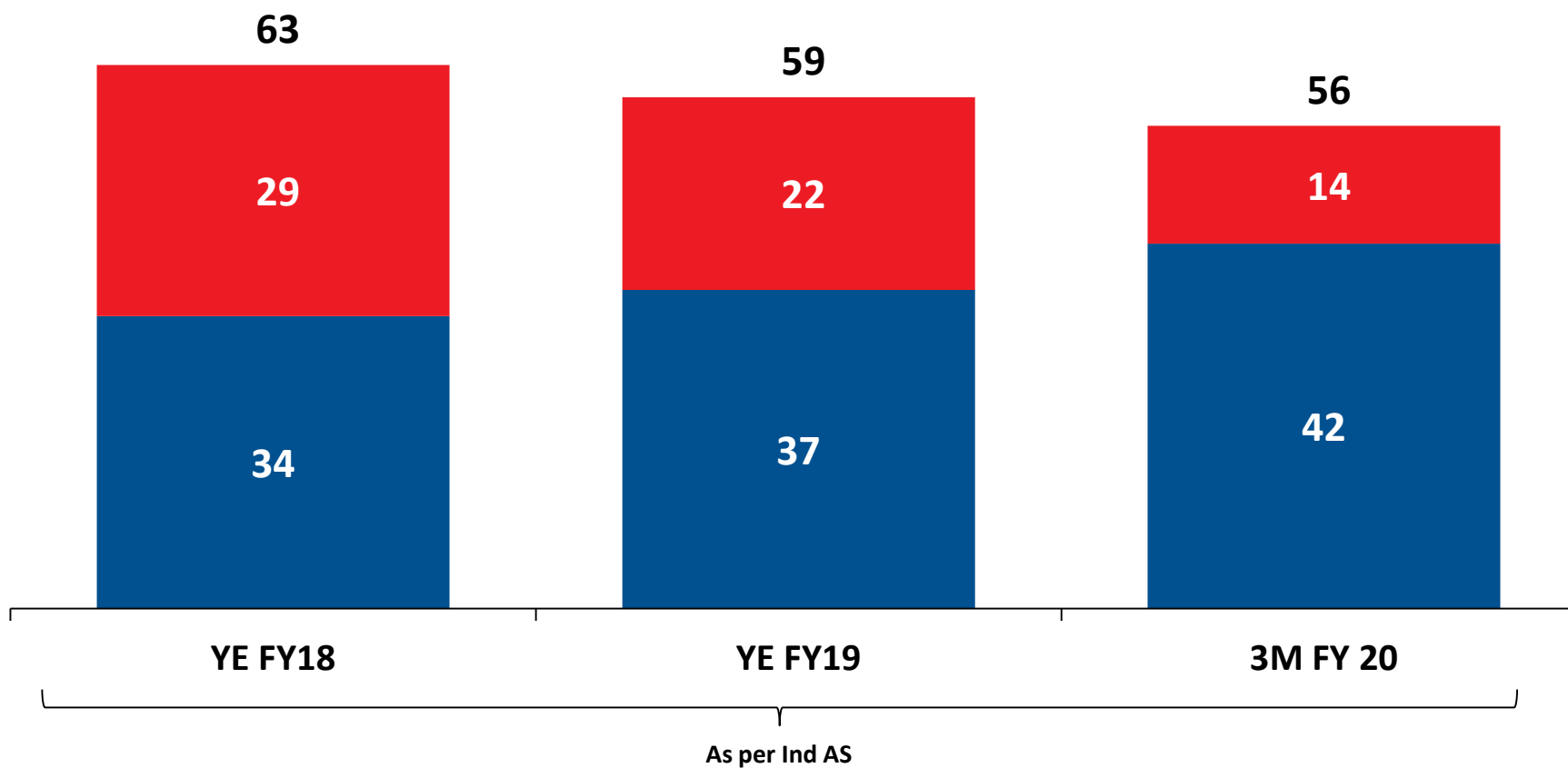
Particulars	Q1 FY20	Q1 FY19	Change
<b>Income</b>			
Revenue from Operations	5,044	4,712	7%
Other Income	484	299	62%
<b>Total Income</b>	<b>5,528</b>	<b>5,011</b>	<b>10%</b>
<b>Expenses</b>			
Finance Costs	23	-	-
Fees and Commission Expenses	114	839	-86%
Employee Benefit Expenses	567	538	5%
Depreciation and Amortization Expenses	119	26	358%
Other Expenses	406	662	-39%
<b>Total Expenses</b>	<b>1,229</b>	<b>2,065</b>	<b>-40%</b>
<b>Profit before tax</b>	<b>4,299</b>	<b>2,946</b>	<b>46%</b>
<b>Tax Expenses</b>	1,382	894	55%
<b>Profit after tax</b>	<b>2,917</b>	<b>2,052</b>	<b>42%</b>
Other Comprehensive Income (net of tax)	(32)	(1)	3576%
<b>Total Comprehensive Income</b>	<b>2,885</b>	<b>2,051</b>	<b>41%</b>

Particulars	Q1 FY20	Q1 FY19	Change
Revenue from Operations	5,044	4,712	7%
Total Expenses	1,229	2,065	-40%
<b>Operating Profit from core AM business</b>	<b>3,815</b>	<b>2,647</b>	<b>44%</b>

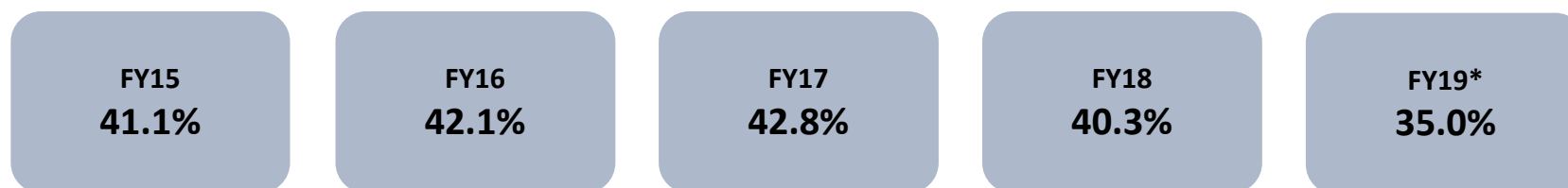
# Operating Profit Margin

■ Operating Revenue ■ Operating Expenses ■ PBT&OI

(bps of AAUM)



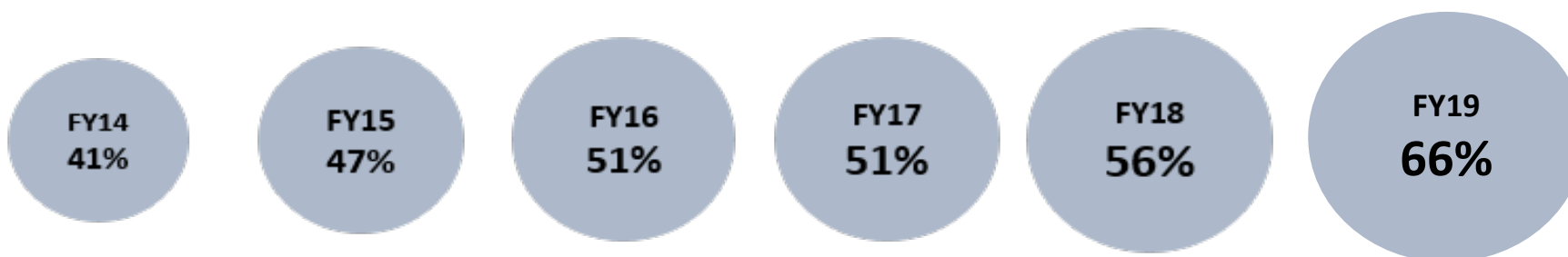
## Return on Equity<sup>(1)</sup>



\*Return on Equity has reduced in FY 19 due to substantial increase in average networth

Return on Equity from FY15 to FY18 was under Previous GAAP whereas for FY19, it is under Ind AS

## Consistently improving Dividend Payout Ratio<sup>(2)</sup>



(1) Calculated as Profit After Tax divided by average Net Worth

(2) Including dividend distribution tax. FY19 includes interim dividend of Rs. 12 paid in March 2019 and a final dividend of Rs. 12 proposed by the board on 26th April 2019 which is subject to shareholders' approval



# Thank You



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## Definitions

AUM refers to Assets Under Management as on end of any given month/period

MAAUM refers to a given month’s average Assets Under Management

QAAUM refers to a given quarter’s average Assets Under Management

AAAUM refers to a given year’s average Assets Under Management

Unless otherwise stated, the above definitions are used for Mutual Fund Assets under management