

Ref. No.: SE/2019-20/65

May 31, 2019

BSE Limited  
P. J. Towers  
Dalal Street  
Mumbai 400 001National 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 investor conferences as given below:

Date	Organised by	Type of Meeting/Event	Location
May 31, 2019	Batlivala & Karani Securities India Pvt. Ltd	Investor Conference "Trinity India- 2019"	Mumbai

A copy of the investor presentation is enclosed for your reference and 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**  
**V. Srinivasa Rangan**  
Executive Director

Encl. a/a

**Corporate Office:** HDFC House, H T Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020.  
Tel.: 66316000, 22820282. Fax: 022-22046834, 22046758.**Regd. Office:** Ramon House, H T Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020. INDIA.  
Corporate Identity Number: L70100MH1977PLC019916



**Housing Development Finance  
Corporation Limited**

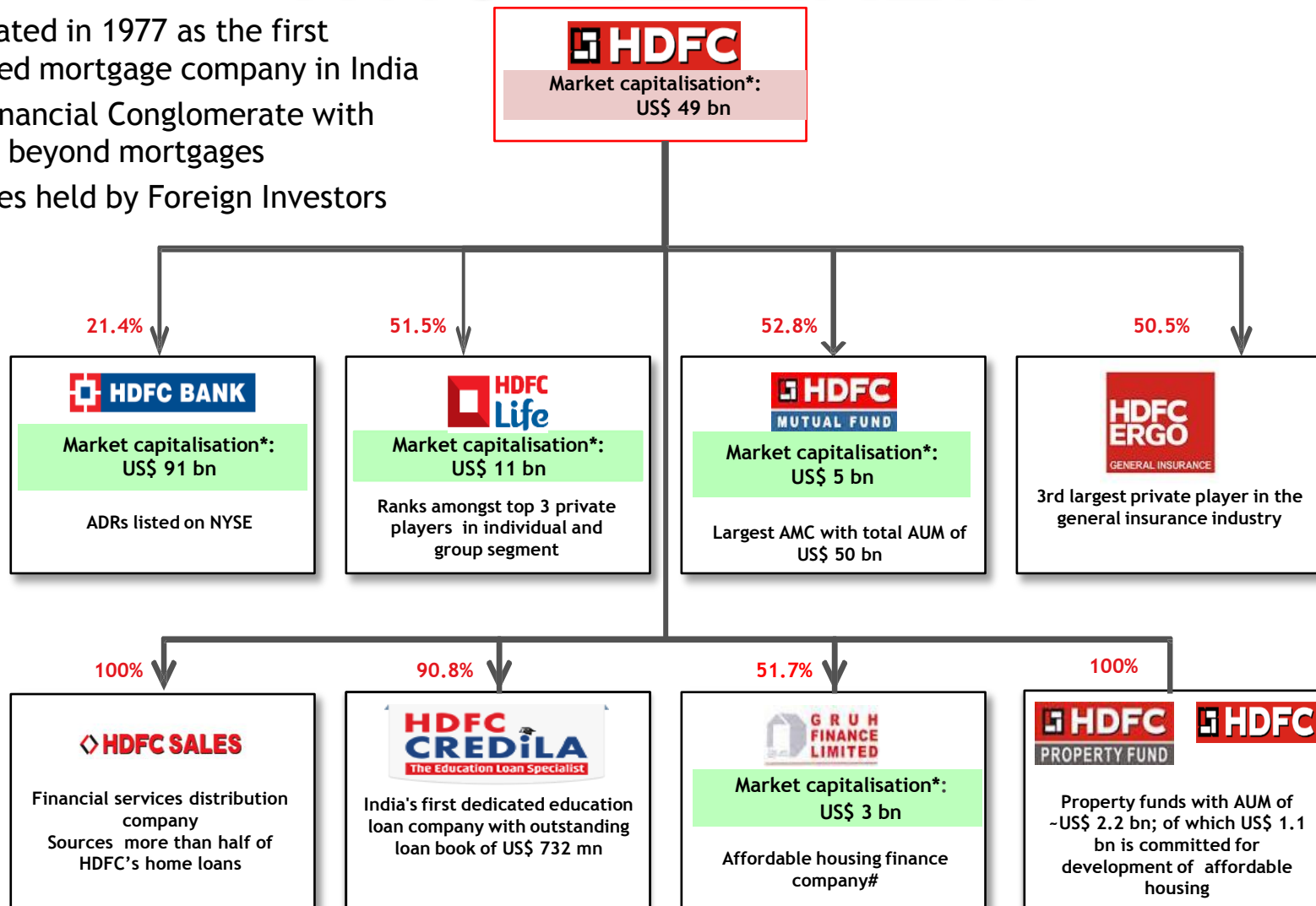
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# HDFC SNAPSHOT

## WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages
- 74% shares held by Foreign Investors



\*As at March 31, 2019  
US\$ amounts converted based on exchange rate of US\$ 1 = Rs. 69.31

# Gruh to be merged into Bandhan Bank, subject to regulatory approvals.

# BUSINESS SUMMARY

- **Loans Outstanding (Gross loans)** : Rs. 4,619.13 bn  
*(As at March 31, 2019)* : US\$ 66.64 bn
- **Individual Loans Originated CAGR (5 years)** : 17%
- **Cumulative Housing Units Financed** : 7 million
- **Cumulative loan write offs since inception** : Under 8 basis points  
*(of cumulative disbursements)*
- **Cost to Income Ratio** : 8.5%
- **Unaccounted gains on listed investments** : Rs. 1,873.86 bn  
**in subsidiary and associate companies** : US\$ 27.04 bn
- **Consolidated Profit After Tax CAGR (5 years)** : 16%

# **MORTGAGE MARKET IN INDIA**

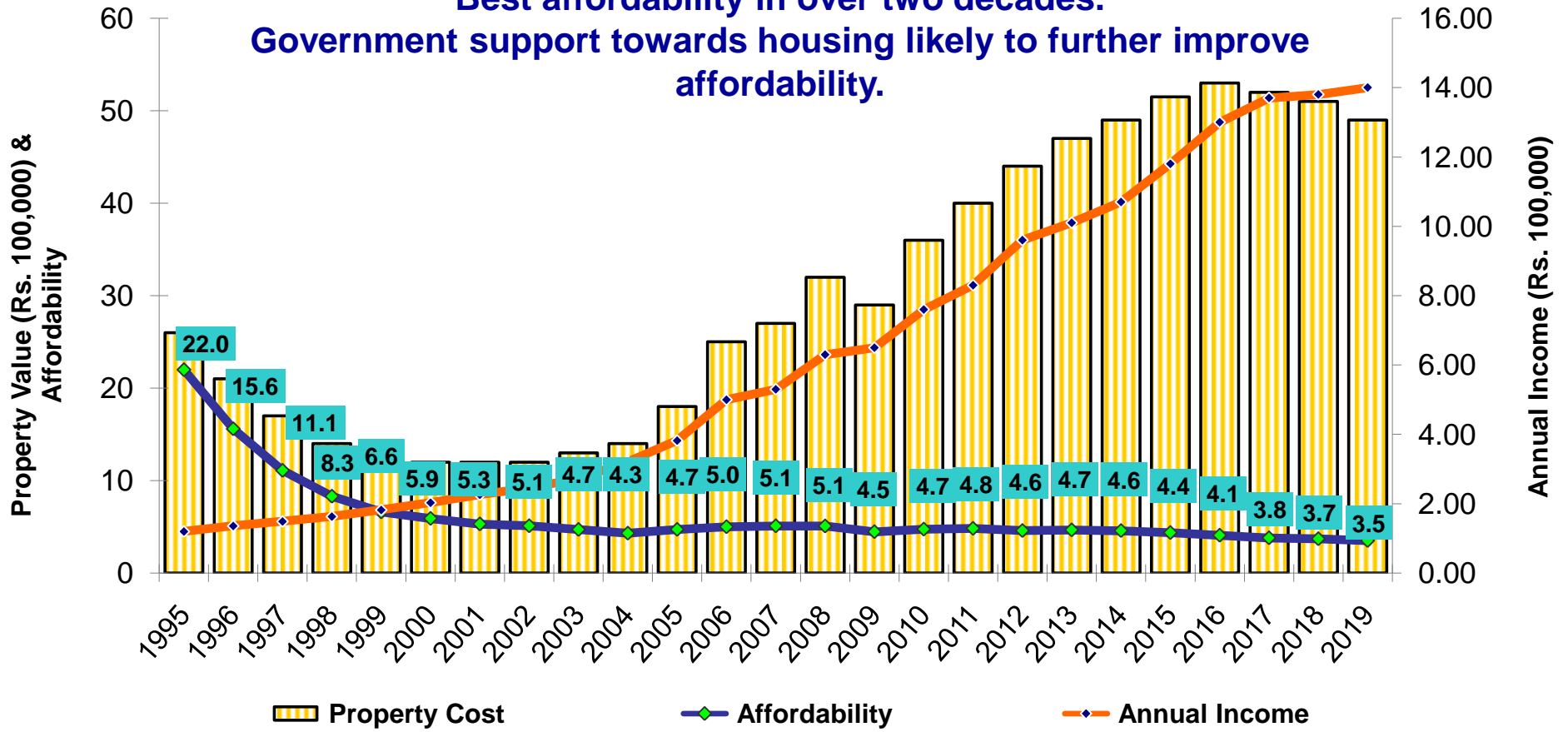
# DRIVERS OF MORTGAGE GROWTH

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



# IMPROVED AFFORDABILITY

Best affordability in over two decades.  
 Government support towards housing likely to further improve affordability.

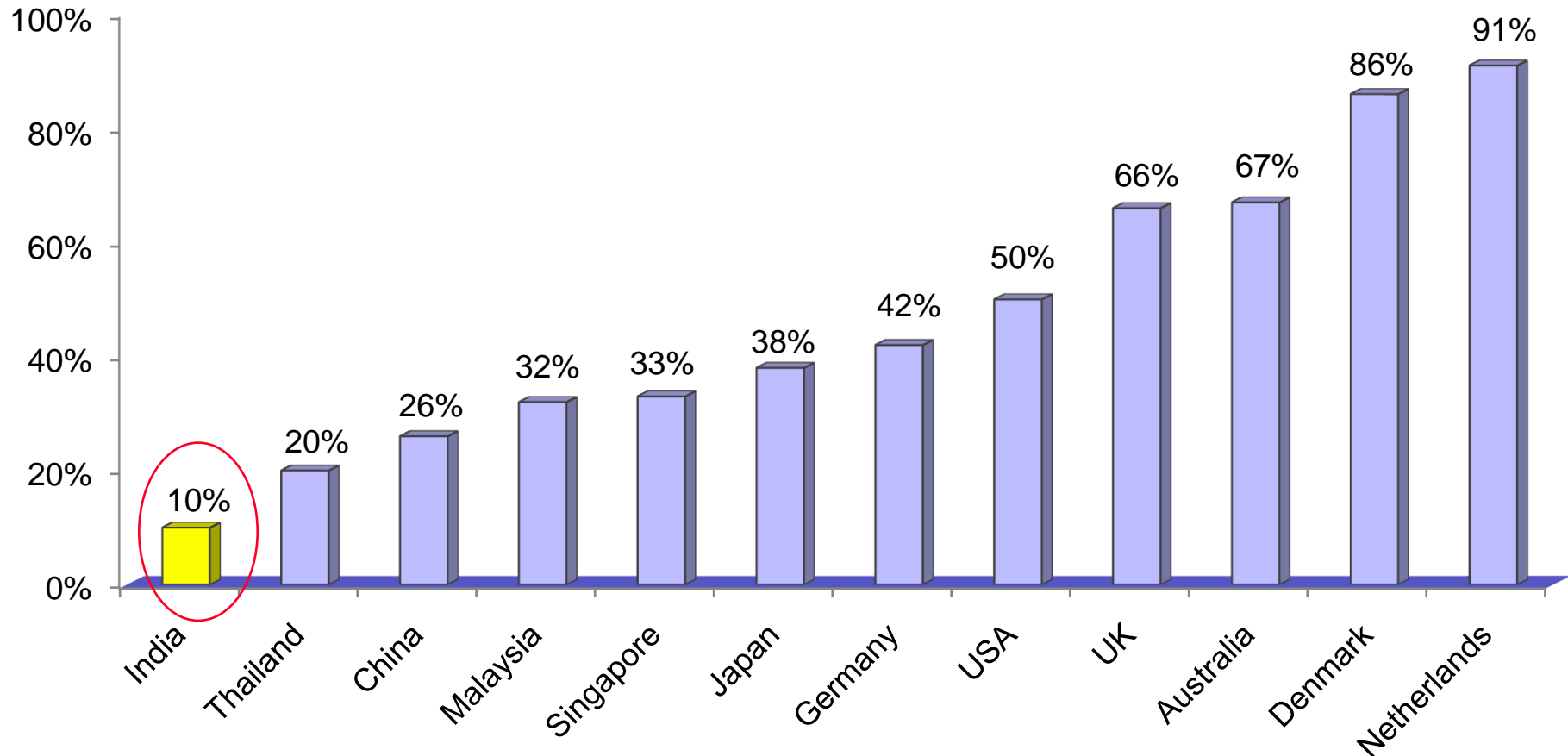


Representation of property price estimates

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

# 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 2019	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(%)	8.70%	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	364,876	328,944	385,380
Interest component	214,876	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	106,726	236,700	324,975
Effective interest on home loan	4.0%	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.
- HDFC ranked as the top performing primary lending institution in the EWS & LIG segment and the second best in the MIG segment of the CLSS

### 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\$ 8,700)	Rs > 600,000 up to 1,200,000 (>US\$ 8,700 to 17,300)	> Rs 1,200,000 to 1,800,000 (>US\$ 17,300 to 26,000)
Property size (sq mtrs)	60	160	200
Maximum amount of loan qualifying for subsidy	Rs 600,000 (US\$ 8,700)	Rs 900,000 (US\$ 13,000)	Rs 1,200,000 (US\$ 26,000)
Interest Subsidy (% per annum)	6.50%	4%	3%
Subsidy under CLSS*	Rs 267,280 (US\$ 3,900)	Rs 235,068 (US\$ 3,400)	Rs 230,156 (US\$ 3,300)

\*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

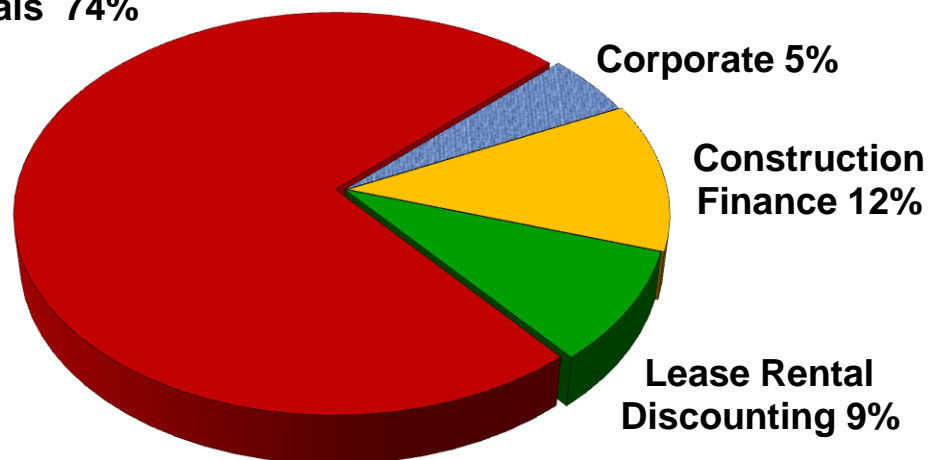
# **OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES**

# CORE BUSINESS – LENDING

(As at March 31, 2019: Gross Loans - US\$ 67 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 74%



As at March 31, 2019	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	2,888	42	14%	3,140	45	24%	3,434	50	17%
Non-Individuals	1,178	17	8%	1,178	17	8%	1,185	17	8%
<b>Total</b>	<b>4,066</b>	<b>59</b>	<b>12%</b>	<b>4,318</b>	<b>62</b>	<b>19%</b>	<b>4,619</b>	<b>67</b>	<b>15%</b>

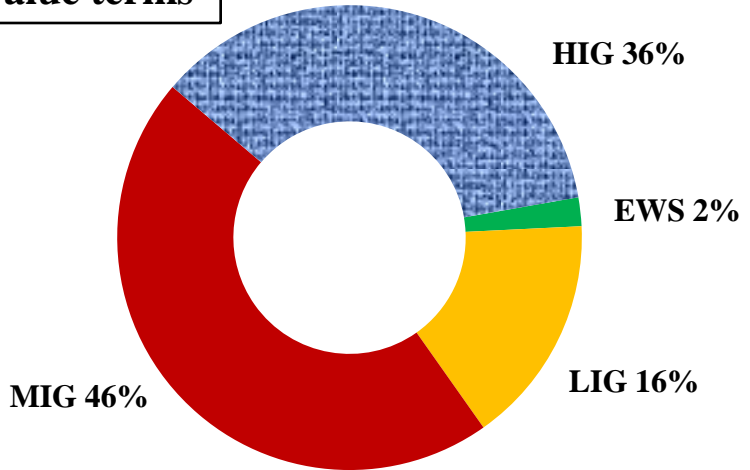
Individual loans sold (outstanding): Rs. 546.01 bn (US\$ 7.88 bn)



# AFFORDABLE HOUSING

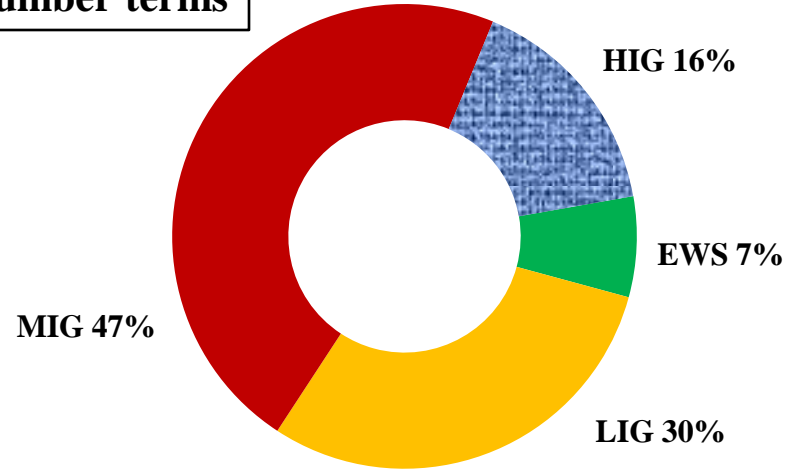
## Housing Loan Approvals Based on Income Slabs: FY19

In Value terms



Economically Weaker Section: Up to Rs 0.3 mn p.a  
 Middle Income Group: Above Rs 0.6 mn to Rs 1.8 mn p.a.

In Number terms



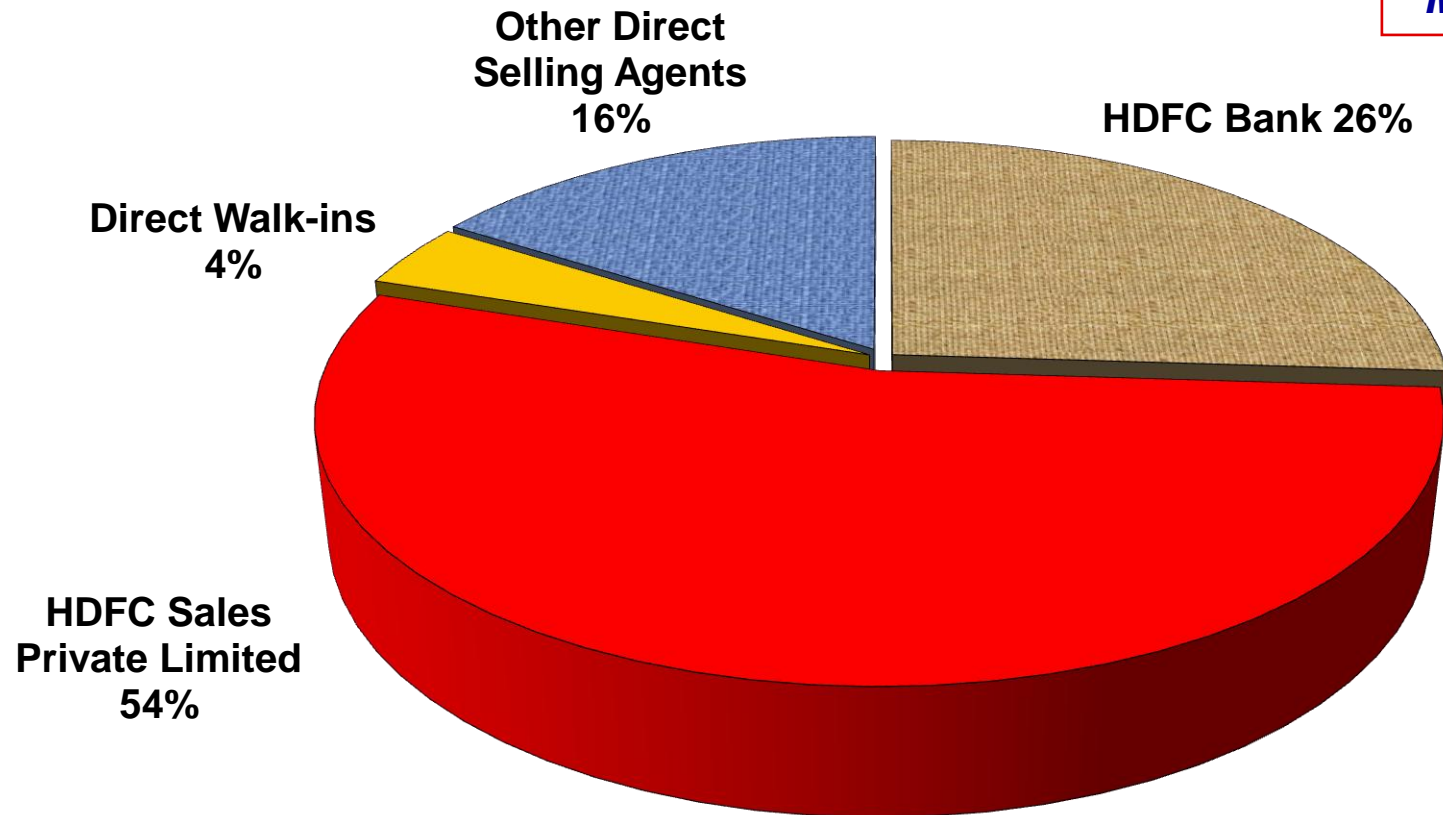
Low Income Group: Above Rs 0.3 mn to Rs 0.6 mn p.a.  
 High Income Group: Above Rs 1.8 mn p.a.

### Increase in Housing Loans to EWS & LIG Segments – Volume Driven Business

- 37% of home loan approvals in volume terms has been to the EWS & LIG segments and 18% in value terms
- Approving ~8,600 loans monthly in EWS/LIG segment; monthly average approvals: Rs 14.06 bn
- Average home loan – EWS: Rs 1.01 mn, LIG: Rs 1.75 mn

# 84% OF OUR MORTGAGES ARE SOURCED BY OURSELVES OR THROUGH OUR AFFILIATES

*March 31, 2019*



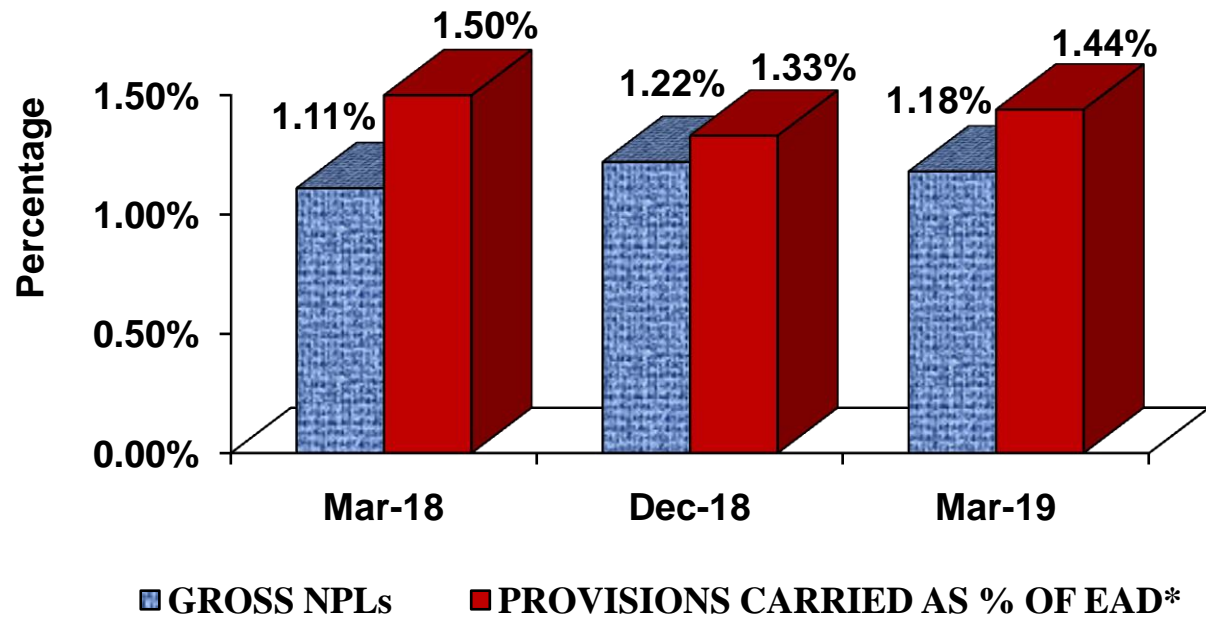
Deposit & loan products offered at several locations through outreach programmes.

Total number of offices: **546** which is inclusive of **188** outlets of HDFC's wholly owned distribution company.

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

- **Average Loan Size** : Rs. 2.70 mn (US\$ 38,955)
- **Average Loan to Value** : 70% (at origination)
- **Average Loan Term** : 13 years
- **Average Age** : 39 years
- **Primary Security** : Mortgage of property financed
- **Repayment Type** : Amortising

# NON-PERFORMING LOANS (NPLs) & PROVISIONS CARRIED



As at March 31, 2019	
(Rs. in bn)	
NPLs (3 months):	47.77
Provisions Carried:	58.80
Regulatory Provisioning:	32.20
NPLs as % of the loan portfolio:	
Individual Loans:	0.70%
Non-individual Loans:	2.34%

Total loan write offs since inception is under 8 basis points of cumulative disbursements.

\*EAD: Exposure at Default

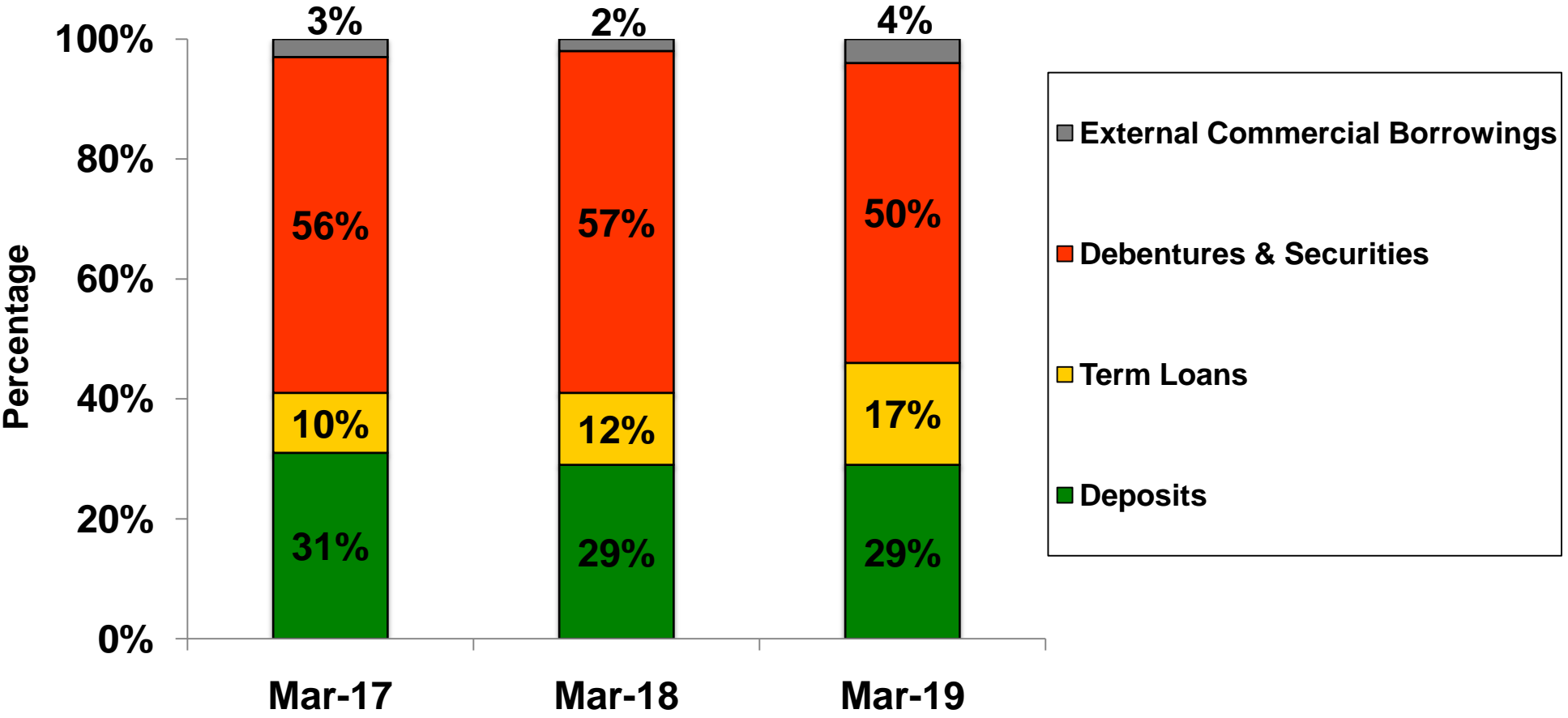
# EXPECTED CREDIT LOSS (ECL) BASED ON EXPOSURE AT DEFAULT (EAD)

Rs bn

As per IND AS	Mar-19	Mar-18
Gross Stage 3	57.43	47.17
ECL Provision Stage 3	24.99	19.70
Net Stage 3	32.44	27.47
Coverage Ratio% Stage 3	44%	42%
Gross Stage 1 & 2	4,013.89	3,579.61
ECL Provision Stage 1 & 2	33.79	34.76
Net Stage 1 & 2	3,980.10	3,544.85
ECL Provision % Stage 1 & 2	0.84%	0.97%
ECL/EAD	1.44%	1.50%

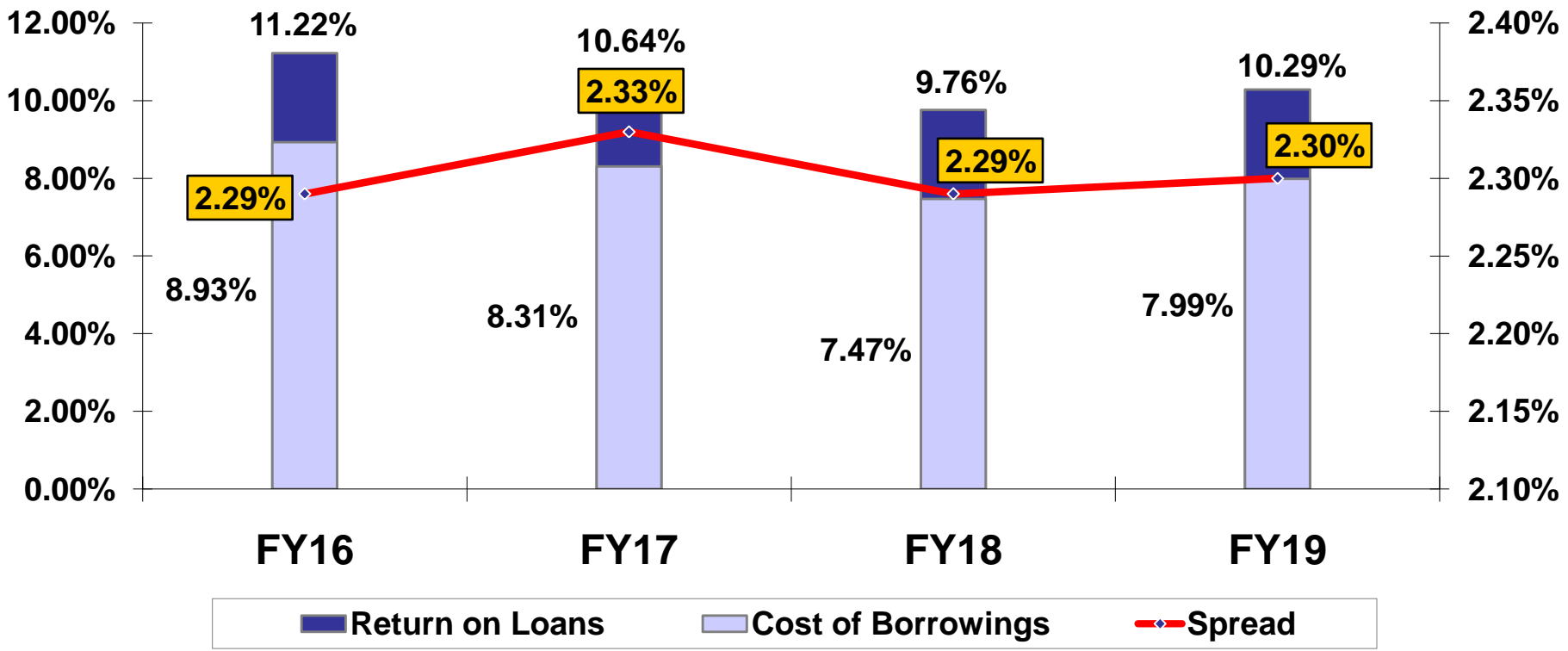
# MULTIPLE SOURCES OF BORROWINGS

(As at March 31, 2019: Total Borrowings - US\$ 52.70 bn)



Total Borrowings: Rs. 3,652.66 bn (US\$ 52.70 bn)

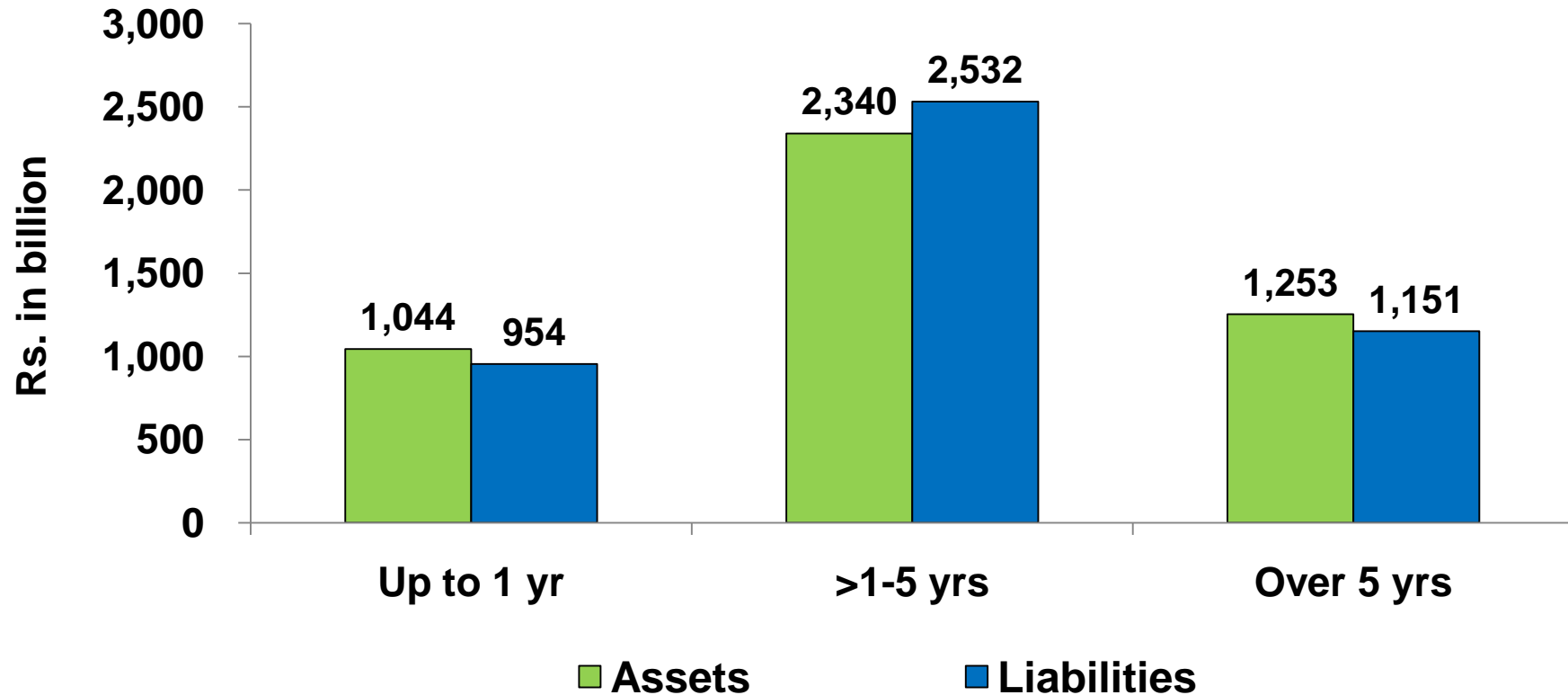
# LOAN SPREADS



FY19	
Spread earned on:	
Individual Loans	1.91%
Non-individual Loans	3.17%
Loan Book	2.30%

# MATURITY PROFILE

(As at March 31, 2019)



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



# PRODUCTIVITY RATIOS

	FY19	FY18
<b>Number of employees</b>	<b>2,840</b>	<b>2,575</b>
<b>Number of outlets</b>	<b>358</b>	<b>326</b>
<b>Profit per employee (US\$ '000)*</b>	<b>452</b>	<b>408</b>
<b>Assets per employee (US\$ mn)</b>	<b>22.5</b>	<b>21.6</b>
<b>Admin costs/assets (%)</b>	<b>0.25</b>	<b>0.26</b>
<b>Cost income ratio (%)</b>	<b>8.5</b>	<b>9.2</b>

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

# KEY FINANCIAL METRICS

	FY19	FY18
Net Interest Margin(%)*	3.3	3.3
Pre Tax RoAA (%)^	3.0	2.7
Post Tax RoAA (%)^	2.1	2.1
Return on Equity (%)^#	14.2	20.4
Capital Adequacy (%)	19.1	19.2
Of which Tier I	17.5	17.3
Tier II	1.6	1.9

\*Income on loans sold included in Net Interest Margin calculations

# The Corporation raised equity of Rs 130 bn in FY18Q4. During FY19, warrants were converted into equity shares amounting to Rs 53 bn.

^Adjusted for profit on sale of investments of strategic investments

# VALUATION & SHAREHOLDING

# VALUATION – METHOD 1

- Number of shares outstanding: **1.721 bn**
- Share Price as at March 31, 2019: **Rs. 1,968**
- Market Capitalisation: **Rs. 3,388 bn (~US\$ 49 bn)**

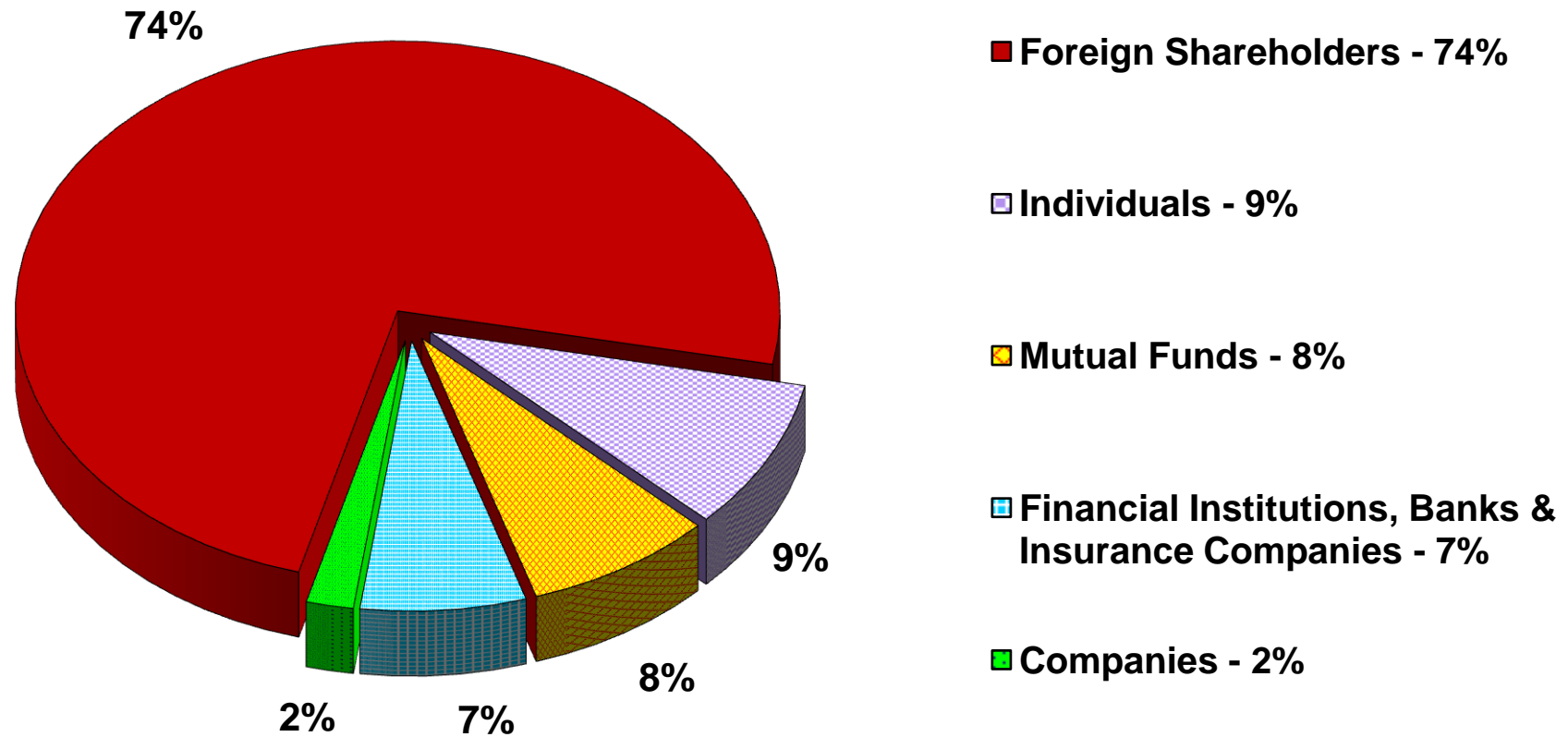
	Total	
	Rs bn	US\$ bn
Net Worth	774	11.2
<i>Add: Unaccounted gains on listed investments</i>	1,880	27.1
<i>Add: Unaccounted gains on unlisted investments</i>	113	1.6
Adjusted Networkth	2,767	39.9
Market Capitalisation	3,388	48.9
<b>Adjusted Price to Book Ratio</b>	<b>1.2</b>	<b>1.2</b>

# VALUATION – METHOD 2

- Number of shares outstanding: **1.721 bn**
- Share Price as at March 31, 2019: **Rs. 1,968**
- Market Capitalisation: **Rs. 3,388 bn (~US\$ 49 bn)**

Valuation	Rs bn	US\$ bn
<b>Market Capitalisation</b>	<b>3,388</b>	<b>48.9</b>
<b>Less: Unaccounted gains on listed investments</b>	<b>1,880</b>	<b>27.1</b>
<b>Less: Unaccounted gains on unlisted investments</b>	<b>113</b>	<b>1.6</b>
<b>Adjusted Market Capitalisation</b>	<b>1,395</b>	<b>20.2</b>
<b>Net Worth</b>	<b>774</b>	<b>11.2</b>
<b>Adjusted Price to Book Ratio</b>	<b>1.8</b>	<b>1.8</b>

# SHAREHOLDING PATTERN



# **FINANCIALS**

**Standalone**

**FY19 (Based on Indian Accounting Standards)**

# BALANCE SHEET (Standalone)

	<u>Mar-19</u>	<u>Mar-18</u>	<u>Growth</u>
	(Rs. in billion)	(Rs. in billion)	(%)
<b>Sources of Funds</b>			
Shareholders' Funds	773.55	652.65	
Borrowings	3,652.66	3,197.16	14%
Current Liabilities & Provisions	161.57	139.29	
	<b>4,587.78</b>	<b>3,989.10</b>	<b>15%</b>
<b>Application of Funds</b>			
Loans <sup>1</sup>	4,066.07	3,628.11	12%
Investments	462.40	307.17	
Current/ Fixed Assets	59.31	53.82	
	<b>4,587.78</b>	<b>3,989.10</b>	<b>15%</b>

<sup>1</sup>Net of individual loans sold during the preceding 12 months amounting to Rs 251.50 bn. If these loans were included, the growth in loans would have been 19%.



## STATEMENT OF PROFIT AND LOSS – FY19 (Standalone)

### As per Ind AS

	<u>Apr-Mar-19</u> (Rs in billion)	<u>Apr-Mar-18</u> (Rs in billion)	<u>Growth</u> (%)
Interest & Other Operating Income	399.78	332.93	20%
Interest Expenses	278.38	234.98	18%
Add: Net gain on derecognised (assigned) loans	8.60	5.34	
<b>Net Operating Income</b>	<b>130.00</b>	<b>103.29</b>	<b>26%</b>
Add: Fees	7.46	6.74	
Less: Commission	5.78	5.00	
	<b>131.68</b>	<b>105.03</b>	<b>25%</b>
Less: Non Interest Expenses	11.18	9.67	
Less: Amortisation of ESOS and CSR Expenses	3.69	9.38	
Add: Other Income	0.30	0.18	
Add: Dividend	11.31	10.79	
<b>Profit Before Sale of Investments &amp; Provisions</b>	<b>128.42</b>	<b>96.95</b>	<b>32%</b>
Add: Profit on Sale of Investments	12.12	56.09	
Less: Provisions	9.35	21.15	
<b>Profit Before Tax</b>	<b>131.19</b>	<b>131.89</b>	
Provision for Tax	34.86	22.30	
<b>Profit after tax Before Other Comprehensive Income</b>	<b>96.33</b>	<b>109.59</b>	
Other Comprehensive Income	(1.32)	(0.72)	
<b>Total Comprehensive Income</b>	<b>95.01</b>	<b>108.87</b>	
<i>Effective tax rate (%)</i>	<i>26.6%</i>	<i>16.9%</i>	

## STATEMENT OF PROFIT AND LOSS – FY19 Q4 (Standalone)

### As per Ind AS

	<u>Jan-Mar-19</u> (Rs in billion)	<u>Jan-Mar-18</u> (Rs in billion)	<u>Growth</u> (%)
Interest & Other Operating Income	105.46	85.49	23%
Interest Expenses	71.82	59.56	21%
Add: Net gain on derecognised (assigned) loans	0.66	0.68	
<b>Net Interest Income</b>	<b>34.30</b>	<b>26.61</b>	<b>29%</b>
Add: Fees	2.46	1.84	
Less: Commission	1.36	1.14	
	<b>35.40</b>	<b>27.31</b>	<b>30%</b>
Less: Non Interest Expenses	2.67	2.37	
Less: Amortisation of ESOS and CSR Expenses	0.49	2.79	
Add: Other Income	0.07	0.05	
Add: Dividend	5.37	3.32	
<b>Profit Before Sale of Investments &amp; Provisions</b>	<b>37.68</b>	<b>25.52</b>	<b>48%</b>
Add: Profit on Sale of Investments	3.21	2.98	
Less: Provisions	3.98	2.48	
<b>Profit Before Tax</b>	<b>36.91</b>	<b>26.02</b>	<b>42%</b>
Provision for Tax	8.29	3.45	
<b>Profit after tax Before Other Comprehensive Income</b>	<b>28.62</b>	<b>22.57</b>	<b>27%</b>
Other Comprehensive Income	(0.39)	(0.80)	
<b>Total Comprehensive Income</b>	<b>28.23</b>	<b>21.77</b>	
<i>Effective tax rate (%)</i>	<i>22.5%</i>	<i>13.3%</i>	

# RECONCILIATION OF PROFITS: IGAAP & IND AS

## (Under IND AS 101: First Time Adoption of Ind AS)

For the Year Ended March 31, 2018

Particulars	Year ended Mar 31, 2018
	Rs bn
<b>Profit After Tax as per Previous GAAP</b>	<b>121.64</b>
<b>Adjustments:</b>	
Adjustment on account of effective interest rate / forex valuation / net interest on credit impaired loans	(6.72)
Adjustment on account of derecognised (assigned) loans	0.14
Adjustment on account of expected credit loss	(1.30)
Adjustment due to fair value of stock options	(9.38)
Fair value change in investments	0.17
Reversal of Deferred tax liability on Section 36(1)(viii)	5.07
Other Adjustments	(0.03)
<b>Total effect of Transition to Ind AS</b>	<b>(12.04)</b>
<b>Net Profit After Tax as per Ind AS</b>	<b>109.59</b>

# RECONCILIATION OF EQUITY ATTRIBUTABLE TO SHAREHOLDERS

As at March 31, 2018

Particulars	As at Mar 31, 2018 Rs bn
<b>Equity under previous Indian GAAP</b>	<b>614.03</b>
Adjustment on account of effective interest rate/ forex valuation/ net interest on credit impaired loans	(1.75)
Adjustment on account of derecognised (assigned) loans	4.71
Adjustment on account of expected credit loss	(3.12)
Fair value change in investments	2.41
Reversal of Deferred tax liability on Section 36(1)(viii)	39.20
Equity before Other Comprehensive Income as per Ind AS	655.48
Other Comprehensive Income after tax	(2.83)
<b>Equity under Ind AS</b>	<b>652.65</b>

# **KEY ASSOCIATES AND SUBSIDIARIES**

# HDFC BANK

- **21.4% owned by HDFC**
- **ADRs listed on NYSE**
- **5,103 branches, 13,160 ATMs**
- **Key business areas**
  - Wholesale banking      Retail banking      Treasury operations
- **Financials (as per Indian GAAP) for the year ended March 31, 2019**
  - Advances as at March 31, 2019, stood at Rs. 8,194 bn – an increase of 24% over the previous year
  - Total deposits stood at Rs. 9,231 bn – an increase of 17% over the previous year
  - PAT (Indian GAAP): Rs. 210.8 bn – an increase of 21% 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, 2019): ~US\$ 91 bn**

# HDFC LIFE INSURANCE COMPANY LIMITED

## (HDFC LIFE)

- 51.5% owned by HDFC and Standard Life (Mauritius Holdings) 2006 Limited holds 23.0% of the equity of HDFC Life.
- Total premium income for the year ended March 31, 2019 stood at Rs. 292 bn – growth of 24% over the previous year
- For the year ended March 31, 2019, HDFC Life had a market share of 21% in terms of total new business received premium (private sector)
- Financial Highlights
  - New Business Margin for the year ended March 31, 2019 (post overrun): 24.6% (PY: 23.2%)
  - Indian Embedded Value stood at Rs. 183 bn as at March 31, 2019 (PY: Rs. 152 bn)
  - Operating Return on Embedded Value for the year ended March 31, 2019 stood at 20.1% (PY: 21.5%)
  - Assets Under Management as at March 31, 2019 stood at Rs. 1,256 bn (PY: Rs. 1,066 bn)
  - PAT for the year ended March 31, 2019 (Indian GAAP): Rs. 12.8 bn (PY: Rs. 11.1 bn)
- Product mix - Unit Linked: 55%, Non-Par Savings: 20%, Non-Par Protection: 7%, Traditional Par: 18%
- Market capitalisation (March 31, 2019): ~US\$ 11 bn

# HDFC ASSET MANAGEMENT

- **52.8% owned by HDFC and Standard Life Investments holds 29.9% of the equity of HDFC Asset Management.**
- **Total Assets under Management (AUM) as at March 31, 2019, stood at Rs. 3.44 trillion (US\$ 50 bn)**
  - **Equity-oriented assets of HDFC MF as a proportion of total AUM was 48%**
- **Ranked number 1: India's largest mutual fund as at March 31, 2019 (Source: AMFI)**
  - **Overall market share: 14.5%**
  - **Market share of equity oriented funds: 16.2%**
- **Individual accounts of HDFC MF as at March 31, 2019**
  - **9 million live accounts**
  - **63% of total monthly average AUM of HDFC MF is contributed by individuals**
  - **Market share of 15.4% of individual monthly average AUM**
- **PAT for the year ended March 31, 2019 (as per Ind AS): Rs. 9.3 bn – an increase of 31% over the previous year**
- **Market capitalisation (March 31, 2019): ~US\$ 5 bn**



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

- **HDFC holds 50.5% and ERGO holds 48.3% of the equity of HDFC ERGO**
- **Gross direct premium for the year ended March 31, 2019 stood at: Rs. 86 bn – a growth of 27% (excluding weather/ crop business)**
- **Combined Ratio as at March 31, 2019: 98.7%**
- **Market share of 9.3% (private sector) and 5.1% (overall) in terms of gross direct premium for the year ended March 31, 2019 (Source: GI Council)**
- **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 56% of the total business**
- **Profit After Tax for the year ended March 31, 2019 (Indian GAAP): Rs. 3.8 bn (PY: Rs. 4 bn)**

# **GRUH FINANCE LIMITED (GRUH)**

- **51.7% owned by HDFC**
- **Registered housing finance company offering loans to individuals for purchase, construction and renovation of dwelling units**
  - **Also offers loans to the self-employed segment where formal income proofs are not available.**
- **Retail network of 195 offices across 11 states in India**
- **Financials for the year ended March 31, 2019**
  - **Loan portfolio as at March 31, 2019, stood at Rs. 174.1 bn – an increase of 12% over the previous year**
  - **PAT (as per Ind AS): Rs. 4.5 bn – an increase of 11% over the previous year**
- **Gross NPAs as at March 31, 2019 stood at 0.66%**
- **In January 2019, the Board of Directors of GRUH approved the merger of GRUH into Bandhan Bank, subject to regulatory approvals.**
  - **Share Exchange Ratio: 568 equity shares of face value of Rs 10 each of Bandhan Bank to be issued for every 1,000 equity shares of face value of Rs 2 each of Gruh.**
  - **In April 19, RBI granted its final approval for HDFC to acquire up to 9.9% of the paid-up voting equity capital of Bandhan Bank upon the effective date of the scheme.**
  - **Scheme is subject to receipt of approvals of the National Company Law Tribunal and other regulatory approvals**
- **Market capitalisation (March 31, 2019): ~US\$ 3 bn**

# 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 advisor for the funds and is one of the largest real estate fund managers in the country

# HDFC CREDILA

- **HDFC holds 90.8% 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, 2019**
  - **Profit After Tax (as per Ind AS): Rs. 1,016 mn**
  - **Cumulative Disbursements: Rs. 83.8 bn**
  - **Loan book outstanding as at March 31, 2019: Rs. 50.7 bn – growth of 25% over previous year**
    - **45% of the loan book is collateralised**
  - **Average loan: Rs. 2.14 mn**
  - **Gross non-performing assets: 0.07%**

**FINANCIALS**  
**Consolidated**  
**FY19 (Based on Indian Accounting Standards)**

# BALANCE SHEET (Consolidated)

	<u>Mar-19</u>	<u>Mar-18</u>	<u>Growth</u>
	(Rs . in billion)	(Rs . in billion)	(%)
<b>Sources of Funds</b>			
Shareholders' Funds	1,179.79	968.68	22%
Liabilities pertaining to Insurance Business	1,365.19	1,163.46	
Loan Funds	3,867.55	3,364.16	15%
Current Liabilities & Provisions	196.22	169.79	
	<b>6,608.75</b>	<b>5,666.09</b>	<b>17%</b>
<b>Application of Funds</b>			
Loans <sup>1</sup>	4,283.85	3,817.44	12%
Investments	766.34	535.04	
Assets pertaining to Insurance Business	1,410.91	1,187.14	
Current Assets, Advances & Fixed Assets	141.40	120.22	
Goodwill on Consolidation	6.25	6.25	
	<b>6,608.75</b>	<b>5,666.09</b>	<b>17%</b>

<sup>1</sup>Net of individual loans sold during the preceding 12 months amounting to Rs 251.50 bn. If these loans were included, the growth in loans would have been 19%.

## PROFIT AND LOSS ACCOUNT (Consolidated)

	Mar-19 (Rs. in billion)	Mar-18 (Rs. in billion)	Growth (%)
Interest & Other Operating Income	506.30	423.69	19%
Profit on Sale of Investments	0.22	3.93	
Net gain on derecognised (assigned) loans	8.60	5.34	
Income from Insurance Business	441.82	361.78	
Other Income	5.01	3.46	
<b>Total Income</b>	<b>961.95</b>	<b>798.20</b>	<b>21%</b>
Finance Costs	295.25	247.18	19%
Provisions	11.66	21.44	
Non-Interest Expense	65.43	64.84	
Expense from Insurance Business	442.52	362.03	
<b>Total Expenses</b>	<b>814.86</b>	<b>695.49</b>	<b>17%</b>
Share of profit of associates (equity method)	73.90	59.36	
<b>Profit before tax</b>	<b>220.99</b>	<b>162.07</b>	<b>36%</b>
Total tax expense	45.18	30.96	
<b>Net Profit after tax</b>	<b>175.81</b>	<b>131.11</b>	<b>34%</b>
Other Comprehensive Income	0.81	(6.06)	
<b>Total Comprehensive Income</b>	<b>176.62</b>	<b>125.05</b>	<b>41%</b>
<b>Profit attributable to the Corporation</b>	<b>162.32</b>	<b>119.80</b>	

# CONSOLIDATED PROFIT AFTER TAX – FY19

## As per Ind-AS

	Mar-19	Mar-18
	(Rs. in billion)	(Rs. in billion)
<b>HDFC Profit After Tax</b>	<b>96.33</b>	<b>109.59</b>
HDFC Life	6.13	5.46
HDFC ERGO	1.64	1.81
GRUH	2.39	2.21
HDFC Bank	46.70	38.58
HDFC-AMC	4.64	3.69
Others	2.80	2.94
<b><u>Adjustments:</u></b>		
Profit on Sale of Investments in subsidiaries	(14.27)	(53.87)
Adjustment on account of dilution of stake in associates	21.10	20.79
Dividend and Other Adjustments	(5.14)	(11.40)
<b>Net Profit Attributable to the Corporation</b>	<b>162.32</b>	<b>119.80</b>



# CONSOLIDATED EARNINGS

As per Ind-AS  
(As at March 31, 2019)

	<u>HDFC</u>	<u>Consolidated</u>
Return on Equity	14.2%	15.0%
Return on Average Assets	2.1%	2.5%
Earnings per share (Rs)	57	95
Profit After Tax (Rs in bn)	96.33	162.32
Total Assets (Rs in bn)	4,588	6,609

*Thank You*