HDFC
HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED
www.hdfc.com

Ref. No.: SE/2017-18/72

June 9, 2017

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

Kind Attn: Sr. General Manager
DCS - Listing Department

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051

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
June 7, 2017	Batlivala & Karani Securities India Pvt. Ltd	Investor Conference *"Annual Investor Conference 2017"*	Mumbai
June 8, 2017	Morgan Stanley	Investor Conference *"Nineteenth Annual India Summit"*	Mumbai
June 9, 2017	Citibank	Investor Conference *"India Corporate Forum"*	London

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

Housing Development Finance Corporation Limited

March 2017

CONTENTS

- HDFC Snapshot
- Mortgage Market in India
- Operational and Financial Highlights: Mortgages
- Valuations and Shareholding
- Financials: Standalone
- Key Subsidiaries and Associates
- Financials: Consolidated

HDFC SNAPSHOT

WHO WE ARE…

- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages
- 77% shares held by Foreign Investors

HDFC
Market capitalisation: USD 38 bn

21.2% — **HDFC BANK**
Market capitalisation: US$ 61 bn
ADRs listed on NYSE

61.5% — **HDFC Life**
3rd largest private sector life insurance company
Proposed merger with Max Life Insurance Company

60% — **HDFC MUTUAL FUND**
HDFC Asset Management Company
2nd largest AMC with avg. AUM of US$ 38 bn

50.8% — **HDFC ERGO GENERAL INSURANCE**
3rd largest private player in the general insurance industry

100% — **HDFC PROPERTY FUND**
Property funds with AUM of US$ 1.7 bn

100% — **HDFC SALES**
Financial services distribution company
Sources half of HDFC's home loans

90.1% — **HDFC CREDILA** The Education Loan Specialist
India's first dedicated education loan company with outstanding loan book of US$ 511 mn

58.5% — **GRUH FINANCE LIMITED**
Market capitalisation: USD 2.3 bn
Affordable housing finance company

100% — **HDFC REALTY**
Real estate transactions platform

100% — **HDFC RED**
Real estate online listings platform operating under HDFC Developers Ltd.

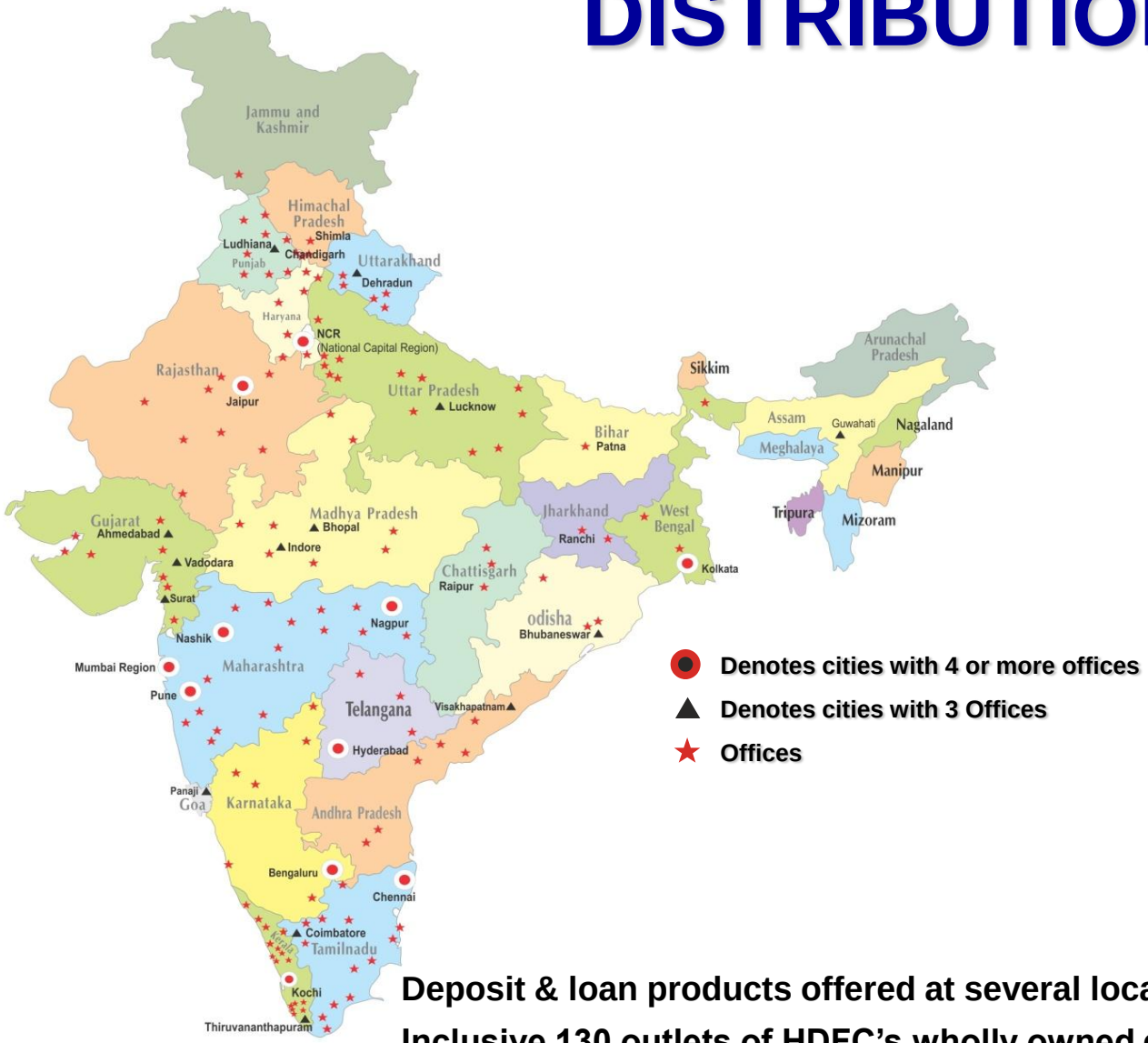
Market capitalisation as at May 4, 2017

BUSINESS SUMMARY

• Loans Outstanding (Gross loans)	: Rs. 3,384.78 bn
(March 31, 2017)	: US$ 52.19 bn
• Individual Loans Originated CAGR (5 years)	: 19%
• Cumulative Housing Units Financed	: 5.8 million
• Total loan write offs since inception *(of cumulative disbursements)*	: Under 4 basis points
• Cost to Income Ratio (FY 2017)	: 7.4%
• Unrealised gains on listed investments*	: Rs. 815.14 bn
(March 31, 2017)	: US$ 12.57 bn
• Profit After Tax CAGR (5 years)	: Standalone - 14%
(FY 2017)	: Consolidated - 15%

* Unrealised gains on unlisted investments not included in the aforesaid.

DISTRIBUTION



No. of Outlets

FY07	234
FY08	250
FY09	267
FY10	278
FY11	289
FY12	311
FY13	331
FY14	354
FY15	378
FY16	401
FY17	427

Deposit & loan products offered at several locations through outreach programmes

Inclusive 130 outlets of HDFC's wholly owned distribution company

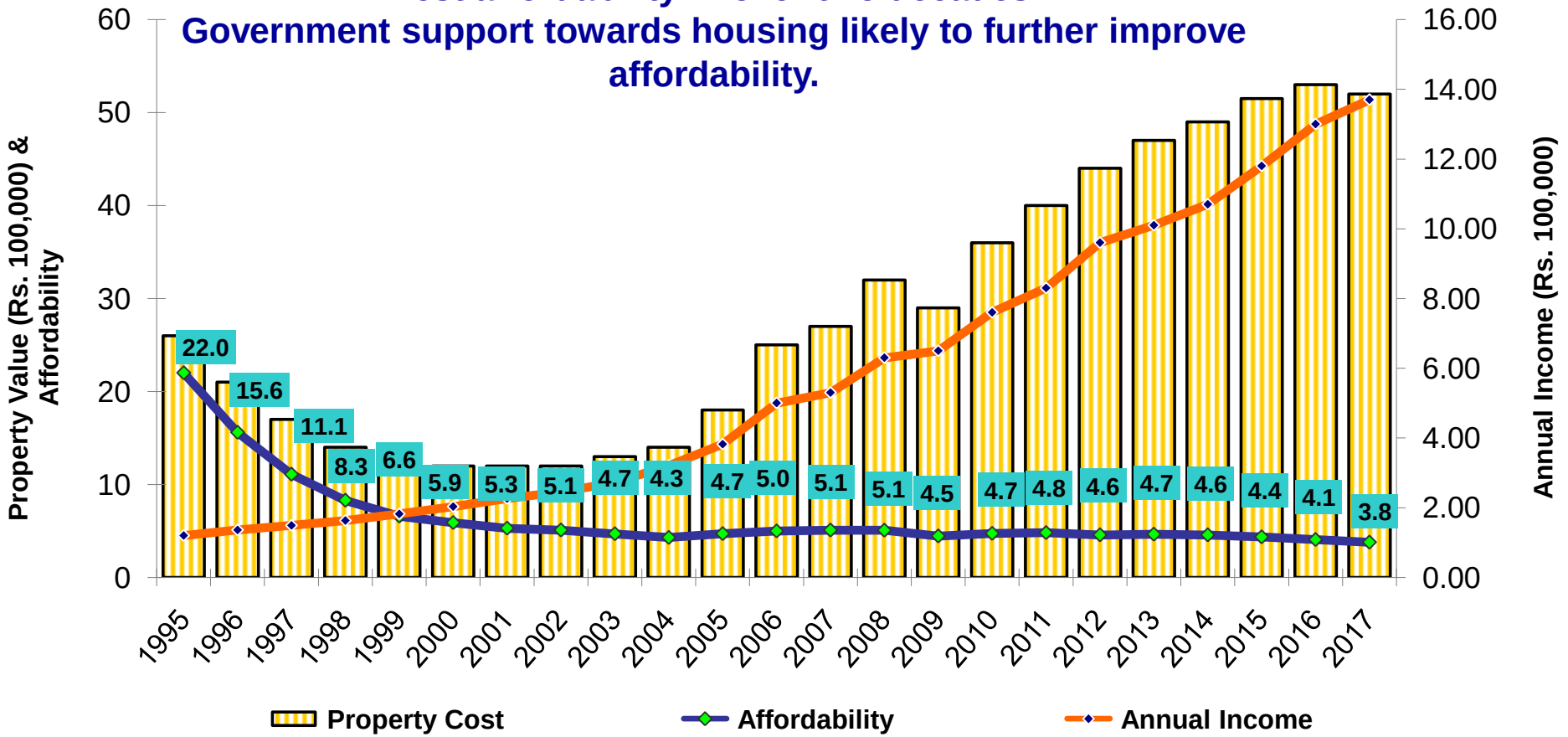
MORTGAGE MARKET IN INDIA

DEFINING TRENDS IN HOUSING

Favourable Demographics	66% of India's population is below 35 years of age, hence large potential for home loans
Households	Rise in the number of households with a shift towards nuclear families
Rapid Urbanisation	Currently 32% of the Indian population reside in cities; estimated to be 40% by 2030
Improved Affordability	Improved affordability through rising disposable incomes and affordable interest rates on home loans
Fiscal Incentives	Tax incentives on interest and principal amount for home loan borrowers
Flagship Govt. Schemes	Housing for All by 2022 :Interest rate subsidy under the Credit Linked Subsidy Scheme widened to include middle-income groups
Budget 2017-18	Incentives to developers to build affordable housing, 'infrastructure' status accorded to affordable housing, increased allocations for home loan refinance
Regulator	Real Estate (Regulatory & Development) Act, 2016 to bring greater transparency and discipline in the sector
Enhanced Funding Sources	ECBs for affordable housing, masala bonds and enhanced investment limits of insurance companies and mutual funds investing in high rated Housing Finance Companies

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 of a large metro city

CREDIT LINKED SUBSIDY SCHEME – A GAME CHANGER

- The Credit Linked Subsidy Scheme (CLSS) is one of the key components under the government's flagship programme, 'Housing for All by 2022.'
- In March 2017, the CLSS was amended to include the Middle Income Groups (MIG), in addition to the CLSS for the Economically Weaker Sections (EWS) and Low Income Groups (LIG).
- 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.

KEY FEATURES OF THE CLSS SCHEME

Rs

	EWS/LIG	MIG -I	MIG-II
Household Income p.a. (Rs.)	Up to 600,000	> 600,000 up to 1,200,000	> 1,200,000 to 1,800,000
Property size (sq mtrs)	60	90	110
Maximum amount of loan qualifying for subsidy (Rs.)	600,000	900,000	1,200,000
Interest Subsidy (%)	6.50%	4%	3%
Subsidy under CLSS* (Rs.)	267,280	235,068	230,156

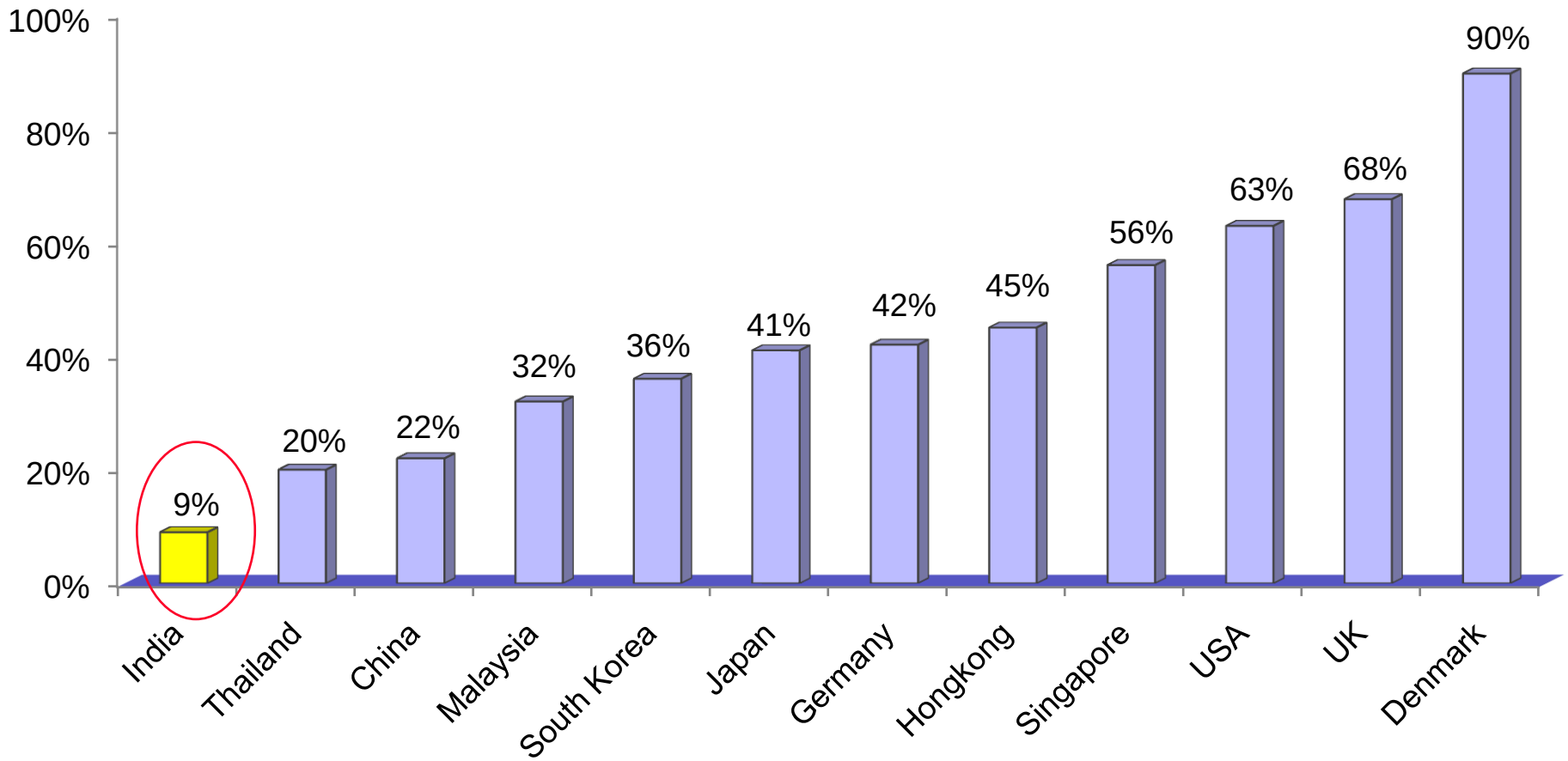
*NPV discount rate at 9% for 20 years

TAX INCENTIVES & THE CREDIT LINKED SUBSIDY SCHEME (CLSS) HAVE LOWERED THE EFFECTIVE RATES ON MORTGAGES

	FY 2018	FY 2002	FY 2000
Loan amount (Rs)	2,560,000	2,560,000	2,560,000
Less: Subsidy under CLSS	230,156	-	-
Revised loan amount	2,329,844	2,560,000	2,560,000
Nominal Interest Rate(%)	8.35%	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	344,542	317,460	362,988
Interest component	194,542	275,200	339,200
Principal repaid	150,000	42,260	23,788
Tax amount saved	106,463	53,550	32,775
Effective interest paid on home loan	88,079	221,650	306,425
Effective interest on home loan	3.4%	8.7%	12.0%

LOW PENETRATION IMPLIES ROOM FOR GROWTH

MORTGAGES AS A PERCENT OF NOMINAL GDP

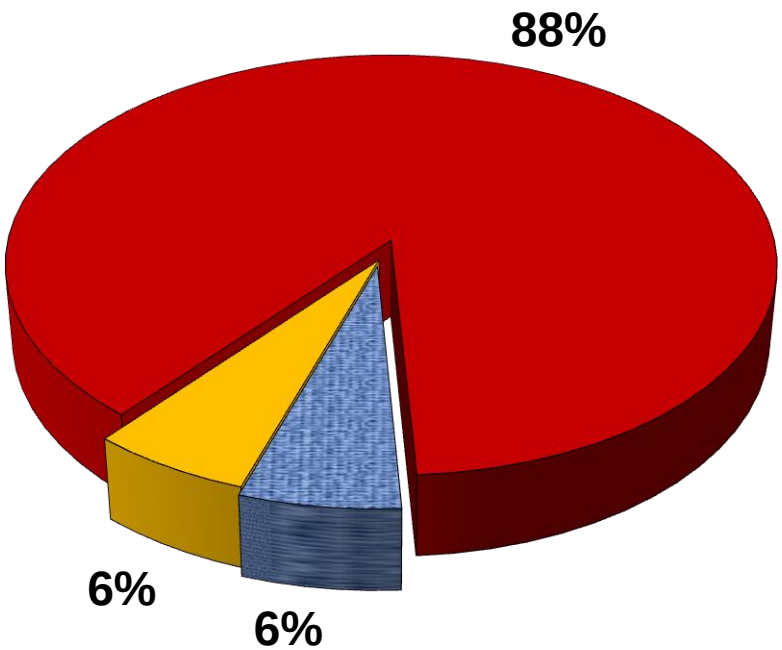


Source: European Mortgage Federation, HOFINET & HDFC estimates for India

OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES

HDFC's ASSETS

(As at March 31, 2017)



Total Assets as at March 31, 2017

Rs. 3,363.58 billion (US$ 51.87 billion)

Total Assets as at March 31, 2016

Rs. 2,888.77 billion (US$ 44.55 billion)

- **Loans (including debentures & corporate deposits for financing real estate projects) - 88%**
- **Investments - 6%**
- **Other Assets - 6%**

Total assets have been computed as per Indian Accounting Standards and consequently not fair valued. The unrealised gain on listed and unlisted investments as at March 31, 2017 has not been considered in the aforesaid. As at March 31, 2017, unrealised gains only on listed investments including HDFC Investments Limited stood at Rs. 815.14 billion.

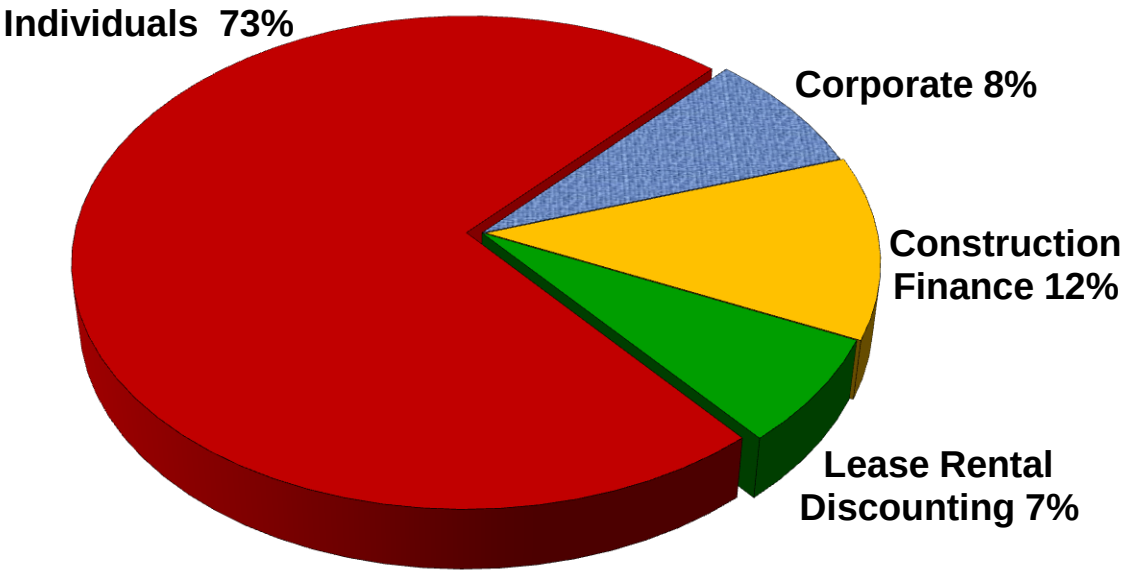
US $ amounts are converted based on the exchange rate of US$ 1= Rs. 64.85

CORE BUSINESS – LENDING

(As at March 31, 2017)

INDIVIDUAL LOANS

- Home Loans
  - Fixed rate loans
  - Floating rate loans
- Home Improvement Loans
- Home Extension Loans
- Home Equity Loans
- Short Term Bridging Loan
- Loans to NRIs



LOANS	March 31, 2017 Rs. in billion
Gross Loans (Assets Under Management)	3,385
Less: Outstanding loans sold	420
Loans Outstanding	2,965

ANALYSIS OF THE LOAN BOOK

As at March 31, 2017	Loan Book o/s		Loan Book o/s Before Sell Down in last 12 months		Assets Under Management	
	Rs. Bn	% Growth	Rs. bn	% Growth	Rs. bn	% Growth
Individuals	2,045	14%	2,205	23%	2,458	16%
Non-Individuals	920	16%	927	17%	927	17%
Total	2,965	14%	3,132	21%	3,385	16%

Individual loans sold in the preceding 12 months amounted to Rs. 160 bn and non-individual loans was Rs. 7 bn
Loans outstanding in respect of total loans sold/assigned stood at Rs. 420 bn

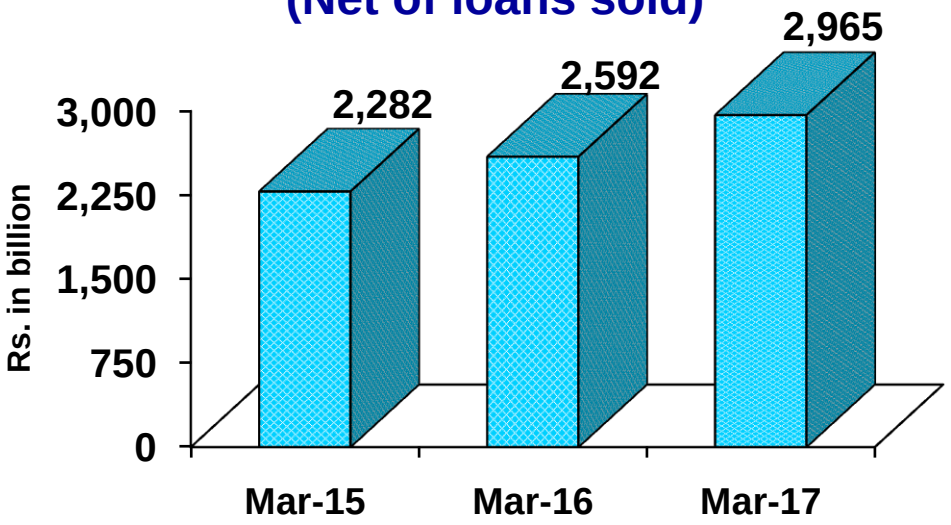
Incremental Growth of the Loan Book on an AUM Basis

	Increase in AUM FY17	
	Rs. bn	%
Individuals	334	71%
Non-Individuals	135	29%
Total	469	100%

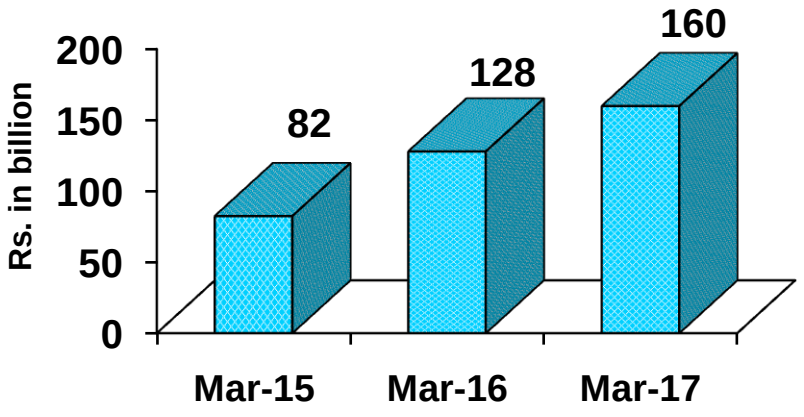
CONTINUING GROWTH MOMENTUM

(As at March 31, 2017)

LOANS OUTSTANDING
(Net of loans sold)



INDIVIDUAL LOANS SOLD
(In the preceding 12 months)

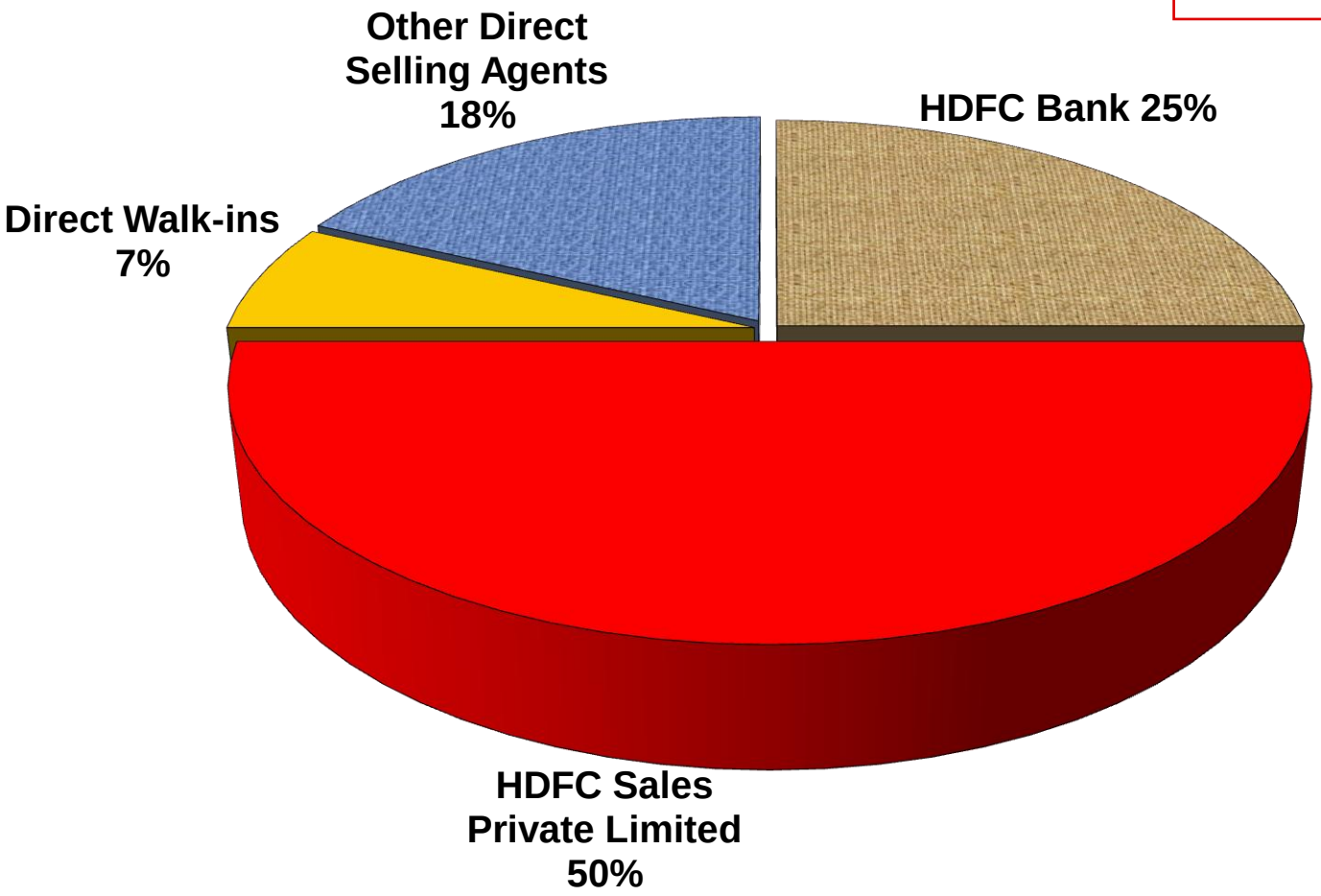


As at March 31, 2017:

- **The growth in the total loan book inclusive of loans sold in the previous 12 months is 21%**
- **Individual loans sold during the preceding 12 months amounted to Rs. 160 bn, of which Rs. 131 bn was to HDFC Bank and Rs. 29 bn was to other banks**
- **Individual loans sold (outstanding): Rs. 413 bn - on which spread at 1.24% p.a. is to be earned over the life of the loan**

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

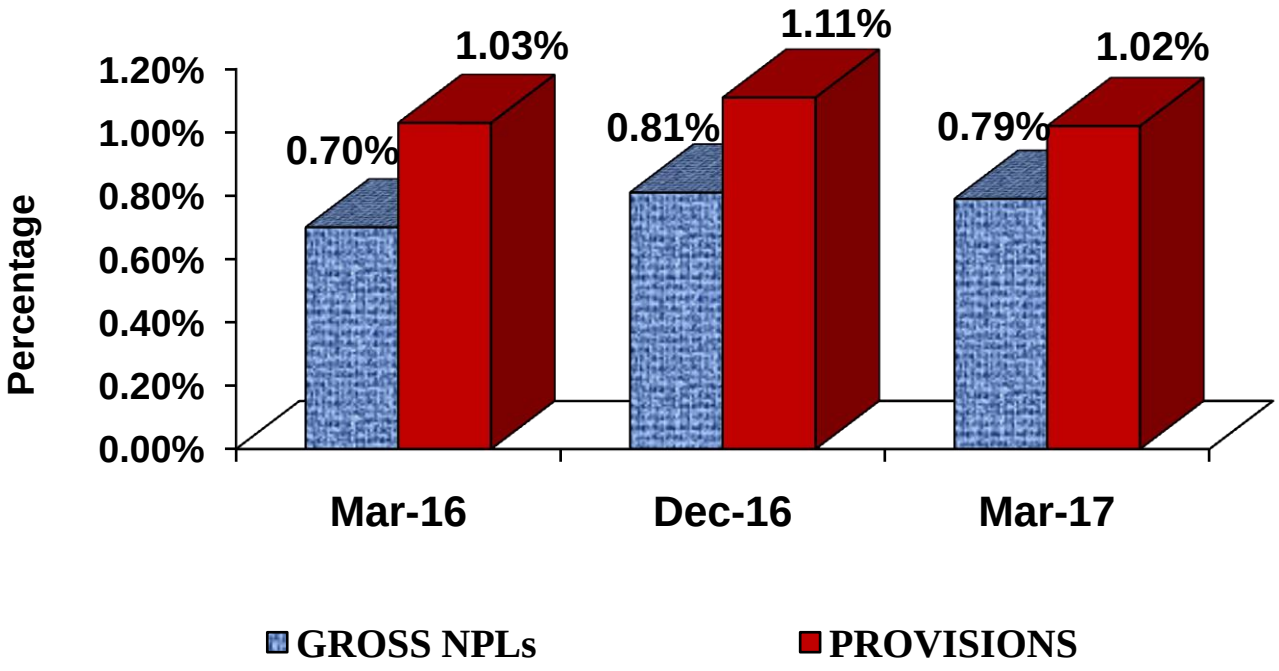
March 31, 2017



OUR CONSERVATIVE LOAN PROFILE UNDERLIES OUR HIGH CREDIT QUALITY

- **Average Loan Size : Rs. 2.56 mn (US$ 39,476)**
- **Average Loan to Value : 66% (at origination)**
- **Average Loan Term : 13 years**
- **Average Age : 38 years**
- **Primary Security : Mortgage of property financed**
- **Repayment Type : Amortising**

GROSS NON-PERFORMING LOANS (NPLs) & PROVISIONS



As at March 31, 2017

		(Rs. in bn)
NPLs (3 months):		**23.78**
Provisions:		**30.67**
Of which		
NPLs:	*7.38*	
General Provisioning on Standard Assets:	*16.05*	
Other Provisioning:	*7.24*	

- **NPLs as % of the loan portfolio:**

Individual Loans:	**0.61%**
Non-individual Loans:	**1.16%**

Total loan write-offs since inception is less than 4 basis points of cumulative disbursements.

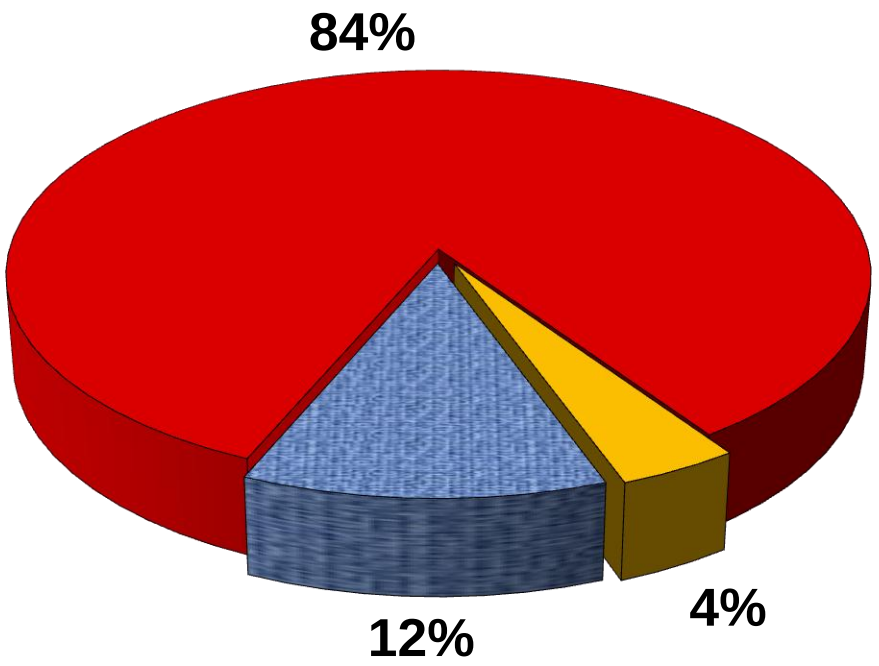
PROVISIONS

The Corporation charged the Statement of Profit and Loss for the year ended March 31, 2017 with **Rs. 7 billion** for provisions. The break down of this is as follows:

	Rs. bn
Special provisioning :	2.75
Regulatory provisioning on standard new assets created:	2.64
NPLs and other provisioning:	1.61
Total	**7.00**

LIABILITIES

(As at March 31, 2017)

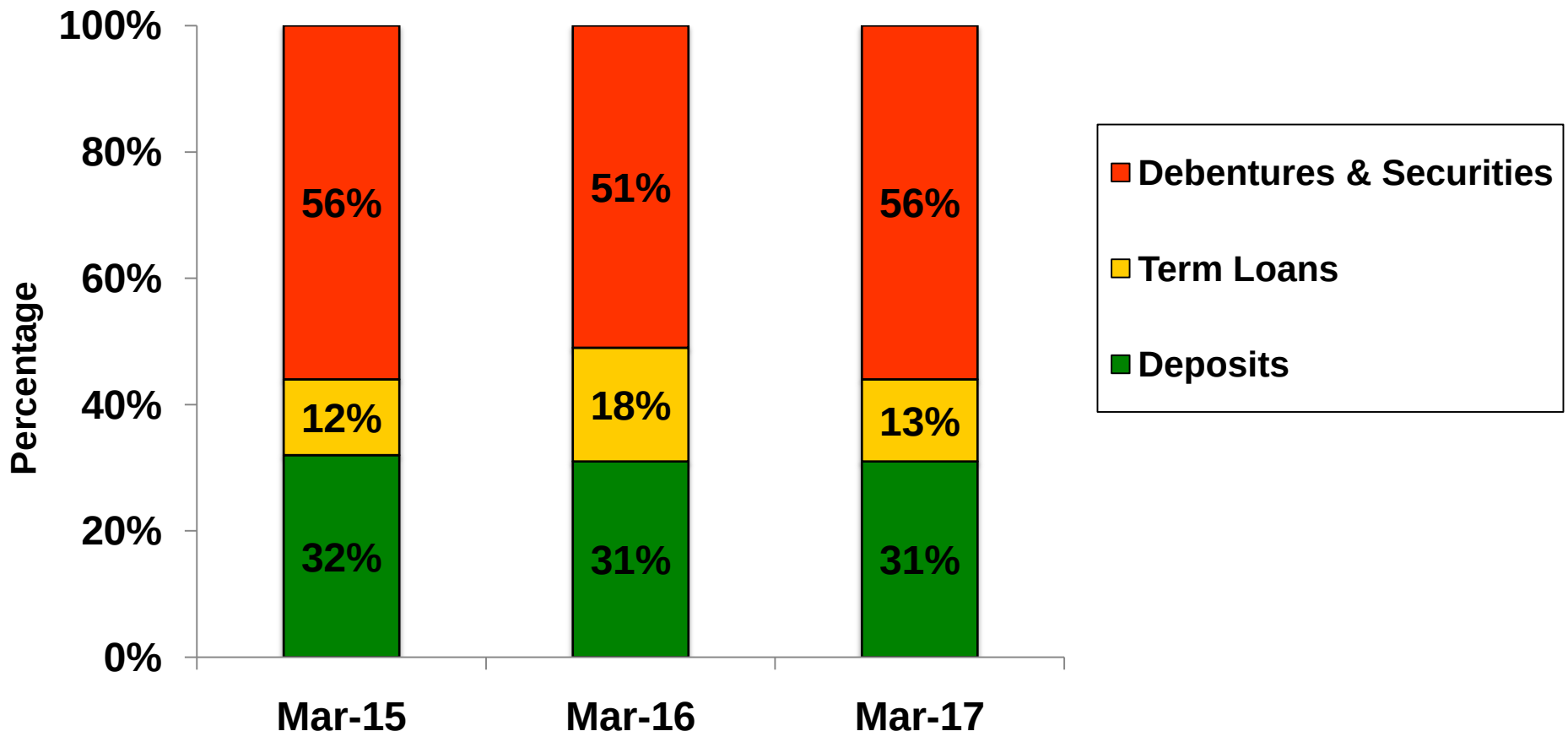


- **Shareholders' Funds**
  Rs. 396.45 bn
- **Borrowings**
  Rs. 2,805.34 bn
- **Other Liabilities**
  Rs. 161.79 bn

Total Liabilities Rs. 3,363.58 bn (PY Rs. 2,888.77 bn)

MULTIPLE SOURCES OF BORROWINGS

(As at March 31, 2017)



Total Borrowings Rs. 2,805.34 bn (PY Rs. 2,383.17 bn)

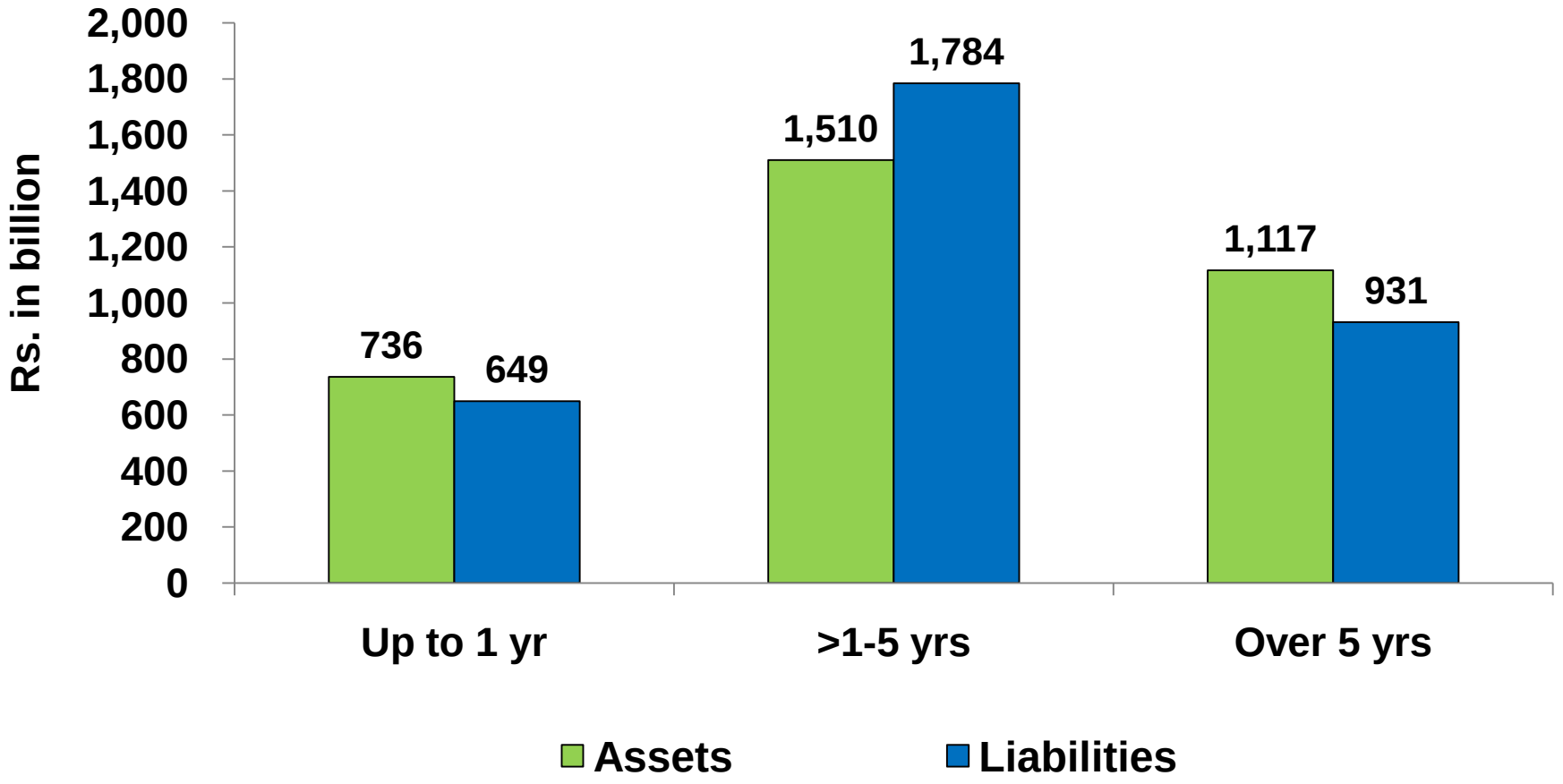
BORROWINGS (2)

Net increase in funding for the year ended March 31, 2017

Borrowings	31-Mar-17	31-Mar-16	Net Increase	FY 2017
	Rs. bn	Rs. bn	Rs. bn	% of incremental funding
Term Loans	373	428	(55)	-13%
Debentures & Securities	1,567	1,208	359	85%
Deposits	865	747	118	28%
Total	2,805	2,383	422	100%

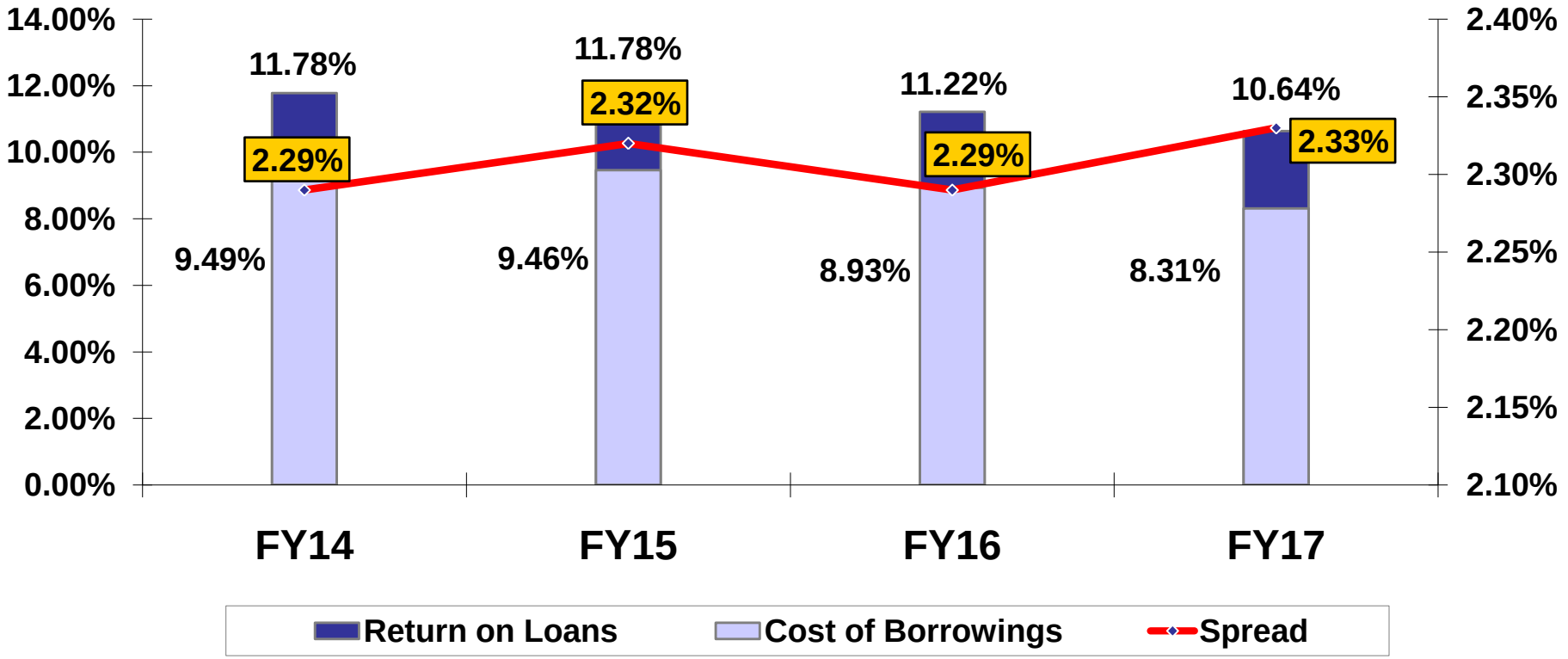
MATURITY PROFILE

(As at March 31, 2017)



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

LOAN SPREADS



	FY17
Spread earned on:	
Individual Loans	1.99%
Non-individual Loans	3.09%
Loan Book	2.33%

STRENGTHS

Home Loan Strengths

- Low average loan to value ratio and instalment to income ratios
- Efficient recovery mechanisms
- Steady level of prepayments
- Quality underwriting with experience of 39 years

Corporate Strengths

- Strong brand – customer base of 5.8 million
- Stable and experienced management
- High service standards
- Low cost income ratio: 7.4%

PRODUCTIVITY RATIOS

	FY17	FY10	FY00	FY90
Number of employees	2,305	1,505	794	727
Number of outlets	297	214	67	24
Profit per employee (US$ '000)[1]	527	416	118	8
Assets per employee (US$ mn)	22.5	16.4	4.4	0.5
Admin costs/assets (%)	0.26	0.29	0.49	0.76
Cost income ratio (%)	7.4	7.9	13.8	30.9

[1] Profit excludes the impact of Deferred Tax Liability on Special Reserve so as to make it comparable with earlier years.

KEY FINANCIAL METRICS

	FY17	FY16	FY15
Net Interest Margin(%)	4.1	4.1	4.1
Pre Tax RoAA (%)	3.6	3.9	3.8
Post Tax RoAA (%)	2.5	2.8	2.7
Return on Equity (%)	21.0	21.8	20.3
Return on Equity (excl DTL)(%)	22.2	23.0	21.6
Risk Weighted Assets (Rs bn)	2,540	2,088	2,021
Capital Adequacy (%)	14.5^	16.6	16.1
Of which Tier I	11.8	13.2	12.5
Tier II	2.7	3.4	3.6

^As at March 31, 2017: The capital adequacy ratio is after reducing the investments in HDFC Bank and Deferred Tax Liability on Special Reserve from Tier I capital. The Corporation's stance remains that it will never utilise this Reserve, hence the tax liability on Special Reserve will never materialise.

VALUATIONS & SHAREHOLDING

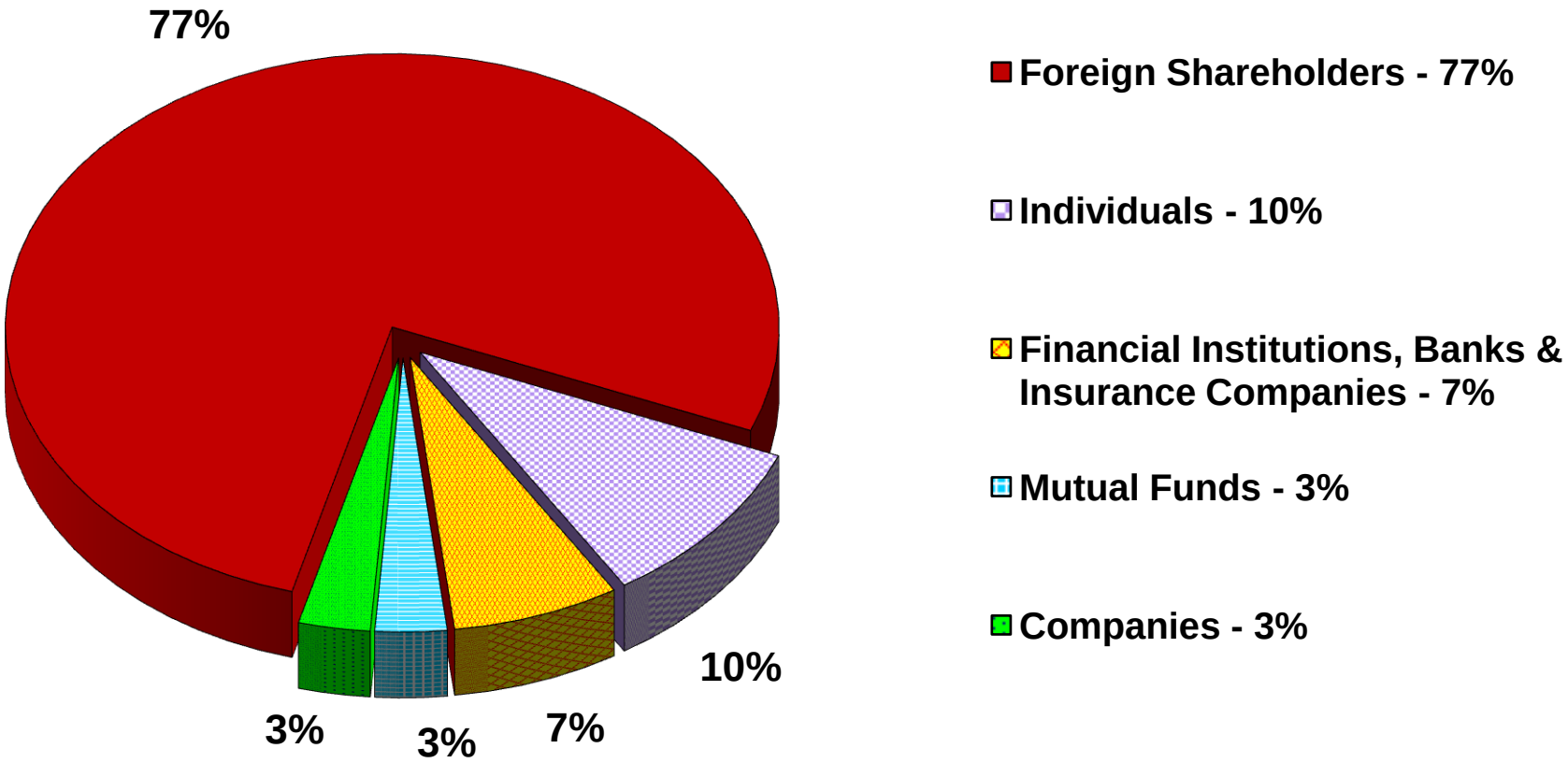
VALUATIONS

	FY17	FY16	FY15
Market price per share (Rs)	1,502	1,106	1,316
Market Capitalisation (USD Bn)	37	27	32
Earnings per share (Rs)	47	45	38
Price Earnings Ratio (times)	32.1	24.6	34.6
Book Value per share (Rs)	250	216	197
Price to Book Ratio (times)	6.0	5.1	6.7
+Adjusted Book value per share (Rs)	763	581	547
+ Price to Book ratio	2.0	1.9	2.4
Foreign Shareholding (%)	77	77	78

+ Adjusted for unrealised gains on listed investments amounting to Rs. 815.14 bn. All unlisted investments, including investments in the life and non-life insurance companies and the asset management business are reflected at cost.

US$ amounts are converted based on the exchange rate of US$ 1 = Rs. 64.85

SHAREHOLDING PATTERN
(As at March 31, 2017)



FINANCIALS

Standalone

HDFC

BALANCE SHEET

	Mar-17 (Rs. in billion)	Mar-16 (Rs. in billion)	Growth (%)
Sources of Funds			
Shareholders' Funds	396.45	341.21	
Borrowings	2,805.34	2,383.17	18%
Current Liabilities & Provisions	161.79	164.39	
	3,363.58	2,888.77	16%
Application of Funds			
Loans[1]	2,964.72	2,592.24	14%
Investments	204.10	153.45	
Current/ Fixed Assets	194.76	143.08	
	3,363.58	2,888.77	16%

[1]Net of loans sold during the preceding 12 months amounting to Rs. 160 bn of individual loans and Rs. 7 bn of non-individual loans. If these loans were included, the growth in loans would have been higher at 21%.

Individual loans sold (outstanding) on which spread is earned over the life of the loans: Rs. 413 bn (PY: Rs. 323 bn)

PROFIT AND LOSS ACCOUNT – FY17 (Standalone)

	Apr-Mar-17 (Rs. in billion)	Apr-Mar-16 (Rs. in billion)	Growth (%)
Operating Income of which:			
Interest Fees & Other Operating Income	317.04	288.93	10%
Interest Expenses	208.96	193.75	8%
Net Interest Income	108.08	95.18	14%
Less: Commission	5.02	4.42	
	103.06	90.76	
Less: Non-Interest Expenses	8.37	7.59	10%
Less: Provisions	4.25	2.65	
Add: Other Income	0.47	0.51	
Add: Dividend	9.09	8.07	
Add: Profit on Sale of Investments	10.02	16.48	
	110.02	105.58	
Less: Special Provision	2.75	4.50	
Profit Before Tax	107.27	101.08	6%
Provision for tax	28.52	26.36	
Profit After tax but before DTL on Special Reserve	78.75	74.72	5%
Less: Provision for DTL on Special Reserve	4.32	3.79	
Profit After tax	74.43	70.93	5%
Effective tax rate (%)	*30.6%*	*29.8%*	

ANALYSIS OF PROFITS

For the Financial Year

Rs bn

	FY17	FY16	Growth
Reported Profit Before Tax	107.27	101.08	6%
Adjustment for One Time Items			
*Less: Profit on Sale of Investment **	*9.22*	*15.13*	
Add: Additional Special Provision	*2.75*	*4.50*	
Adjusted Profit Before Tax	100.80	90.45	11%

*FY17: Sale of equity stake in HDFC ERGO to ERGO International AG

*FY16: Sale of equity stake in HDFC Life to Standard Life (Mauritius Holdings)

KEY ASSOCIATES AND SUBSIDIARIES

HDFC BANK

- 21.2% owned by HDFC
- Market Capitalisation: US$ 61 bn
- ADRs listed on NYSE
- 4,715 branches, 12,260 ATMs
- Key business areas
  - Wholesale banking Retail banking Treasury operations
- Financials (as per Indian GAAP) for the year ended March 31, 2017
  - Advances as at March 31, 2017, stood at Rs. 5,545.7 bn – an increase of 19% over the previous year
  - Total deposits stood at Rs. 6,436.4 bn – an increase of 18% over the previous year
  - PAT: Rs. 145.5 bn – an increase of 18% 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

HDFC STANDARD LIFE INSURANCE COMPANY LTD. (HDFC LIFE)

Ownership and Capitalisation

- HDFC holds 61.5% and Standard Life 35% of the equity of HDFC Life
- Paid-up share capital as at March 31, 2017: Rs. 21.9 bn

HDFC Life and Max Group Entities – Update on the Merger of Life Insurance Businesses

- On August 8, 2016, the Board of Directors of HDFC Life, Max Life Insurance Company Limited ("Max Life"), Max Financial Services Limited ("Max Financial") and Max India Limited ("Max India") at their respective board meetings, approved entering into definitive agreements for the amalgamation of the businesses between the above entities through a composite Scheme of Arrangement ("Scheme").
- As part of the Scheme, Max Life would be merged with Max Financial and subsequently, the life insurance business of Max Financial will be demerged and amalgamated with HDFC Life and the residual Max Financial will be merged into Max India Limited. The shares of HDFC Life are proposed to be listed on the stock exchange(s) in India as a consequence of the Scheme. HDFC Ltd. and Standard Life will continue to be the promoters of the merged entity upon completion of the Scheme.
- HDFC Life and Max Life had filed an application seeking in-principle approval of the Insurance Regulatory and Development Authority of India (IRDAI) for the Scheme and also filed requisite applications with the Competition Commission of India (CCI). Max Financial and Max India had also made filings with the relevant stock exchanges / Securities and Exchange Board of India (SEBI)
- IRDAI, vide its letter dated November 11, 2016 had expressed certain reservations on the proposed Scheme. The Company believes that the Scheme is in compliance with all the applicable laws and has accordingly furnished necessary representations to IRDAI clarifying the matter. The Company is currently awaiting further directions / approval from IRDAI.
- The closing of the proposed transaction will be subject to aforesaid approval of IRDAI, as well as other applicable approvals including CCI, SEBI, relevant stock exchanges and the National Company Law Tribunal.

HDFC STANDARD LIFE INSURANCE COMPANY LTD.

Premium income and growth for the year ended March 31, 2017

- Total premium income stood at Rs. 194.5 bn – growth of 19% over the previous year
- Individual new business premium income (including single premium) stood at Rs. 42 bn – growth of 15% over the previous year
- Group business premium stood at Rs. 45 bn – growth of 59% over the previous year

Market share

- Ranked 1st in group business and 3rd in individual business for the year ended March 31, 2017 (private sector)
- Market share of group business on received premium was 24.3% and market share in the individual segment in terms of weighted received premium stood at 12.7% (private sector)

Assets Under Management (AUM)

- As at March 31, 2017, AUM stood at Rs. 917.4 bn – an increase of 24% over the previous year

Operating highlights (Year ended March 31, 2017)

- Operating expenses: 12.6% (PY 11.6%)
- Conservation ratio: 82% (PY 80%)

Financial Highlights

- Standalone Indian GAAP profits for the year ended March 31, 2017: Rs. 8.9 bn (PY Rs. 8.2 bn)

HDFC STANDARD LIFE INSURANCE COMPANY LTD.

Financial Highlights

- For the year ended March 31, 2017, new business margins based on actual expenses (post overrun) stood at 21.6% (PY: 19.9%)
- Embedded Value (Indian Embedded Value methodology) stood at Rs. 123.9 bn as at March 31, 2017 (PY: Rs. 102.3 bn)
- Operating Return on Embedded Value for the year ended March 31, 2017 stood at 21%

Solvency Ratio

- As at March 31, 2017: 192% (as against regulatory requirement of 150%)

Products

- Offers 30 individual products and 10 group products with 8 optional riders
- Product mix - Unit Linked: 52%, Traditional Non-Par: 13%, Traditional Par: 35%

Distribution

- HDFC group network is used to cross sell by offering customised products
- Operates out of 414 offices across the country and a liaison office in Dubai
- Distribution mix – Corporate agents: 32%, Agency: 7%, Broker: 2%, Direct: 7%, Group: 52%

HDFC ASSET MANAGEMENT

- **HDFC holds 60% of HDFC Asset Management, Standard Life Investments holds 40%**
- **HDFC MF manages 59 schemes comprising debt, equity, gold, exchange traded funds and fund of funds schemes**
- **Earned a Profit After Tax of Rs. 5.50 bn for FY 2017**
- **Average Assets under Management (AUM) for the month of March 2017, stood at Rs. 2.46 trillion, which is inclusive of assets under discretionary portfolio management and advisory services**
- **Average equity assets of HDFC MF as a proportion of total MF assets is 39%**
- **Second largest in the industry on the basis of quarterly average assets under management *(Source: AMFI)***
  - **Overall market share: 13%**
  - **Market share of equity oriented funds: 16.1%**

HDFC ERGO GENERAL INSURANCE COMPANY LTD.

Ownership and Capitalisation

- HDFC holds 50.8% and ERGO 48.7% of the equity of HDFC ERGO
- Paid-up share capital as at March 31, 2017: Rs 6.01 bn

Update on the Merger

- In September 2016, HDFC ERGO acquired 100% shareholding of L&T General Insurance Company (LTGI) for a consideration of Rs. 5.31 bn. Accordingly, LTGI became a fully owned subsidiary of HDFC ERGO. Post acquisition, the name of LTGI was changed to HDFC General Insurance Limited (HDFC General).
- The Board of Directors and shareholders of the Company, at its respective meetings, approved the Scheme of Arrangement to be made between the Company and HDFC General with the appointed date of January 1, 2017 and accordingly filed the applications with the High Court of Judicature at Bombay. Subsequently, the matter moved to the National Company Law Tribunal (NCLT). Pending the approval of NCLT, no effect of the proposed arrangement has been recognised in the financial statements for the year ended March 31, 2017.

Market share

- Market share of 9.8% (private sector) and 4.6% (overall) in terms of gross direct premium for the year ended March 31, 2017 (Source: GI Council)

HDFC ERGO GENERAL INSURANCE COMPANY LTD.

Products

- Motor, health, travel, home, crop and personal accident in the retail segment and property, marine, aviation and liability insurance in the corporate segment
- Retail accounts for 47% of the total business

Distribution

- Operates out of 108 branches across the country
- HDFC group network is used to cross sell insurance products

For the year ended March 31, 2017

- Gross direct premium: Rs. 58.4 bn (PY Rs. 33.8) – an increase of 73% over the previous year
- Profit After Tax – Rs. 2.77 bn (PY Rs. 1.51 bn)
- Consolidated Profit After Tax: Rs. 3.02 bn

As at March 31, 2017

- Combined Ratio : 100.7% (105.3%)
- Solvency Ratio: 171% (as against regulatory requirement of 150%)

GRUH FINANCE LIMITED (GRUH)

- 58.5% 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 185 offices across 11 states in India – Gujarat, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Bihar, Jharkhand and West Bengal
- Financials for the year ended March 31, 2017
  - Loan portfolio as at March 31, 2017, stood at Rs. 132.4 bn – an increase of 19% over the previous year
  - Gross non-performing assets (NPAs): 0.31%, Net NPAs: Nil
  - PAT: Rs. 2.97 billion – an increase of 22% over the previous year
- Market capitalisation: US$ 2.3 bn

PROPERTY FUNDS

- **HDFC India Real Estate Fund**
  - Launched in 2005
  - Fund corpus : Rs. 10 billion – fully invested
  - Domestic investors, close-ended fund
  - 18 investments across India
  - 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 mn
  - International investors, 9 year close-ended fund
  - 14 investments across India
  - Some exits have been made and the fund is in the process of exiting 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
  - 6 investments across India
  - Fund is in process of investing the balance fund corpus

- **HDFC Capital Affordable Real Estate Fund – 1**
  - HCARE-1 is a SEBI registered Alternative Investment Fund
  - Target fund size: Rs. 50 billon, first close: Rs. 27 billion
  - Objective is to provide long-term equity-oriented capital for the development of affordable housing for middle-income households in India
  - Commenced investment process with a commitment of Rs. 8 billion across 4 projects in India
  - HCARE-1 is a close-ended fund with a term of 12 years
  - HDFC Capital Advisors is the investment advisor for the fund

HDFC CREDILA

- HDFC holds 90.1% 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, 2017
  - Profit After Tax: Rs. 654.7 mn – growth of 45%
  - Cumulative disbursements: Rs. 46.6 bn
  - Loan book outstanding as at March 31, 2017: Rs. 33.1 bn – growth of 34% over previous year
  - Average loan: Rs. 1.78 mn
  - Gross non-performing assets: 0.05%

FINANCIALS

Consolidated

HDFC

BALANCE SHEET (Consolidated)

	Mar-17	Mar-16	Growth
	(Rs. in billion)	(Rs. in billion)	(%)
Sources of Funds			
Shareholders' Funds	600.59	509.01	18%
Minority Interest	34.73	23.26	
Policy Liabilities	742.56	612.15	
Loan Funds	2,937.94	2,494.18	18%
Current Liabilities & Provisions	415.76	339.44	
	4,731.58	3,978.04	19%
Application of Funds			
Loans[1]	3,121.29	2,720.86	15%
Investments	1,328.55	1,047.21	
Current Assets, Advances & Fixed Assets	275.54	208.09	
Goodwill on Consolidation	6.20	1.88	
	4,731.58	3,978.04	19%

[1]Net of loans sold during the preceding 12 months amounting to Rs. 160 bn of individual loans and Rs. 7 bn of non-individual loans. If these loans were included, the growth in loans would have been higher at 21%.

Individual loans sold (outstanding) on which spread is earned over the life of the loans: Rs. 413 bn (PY: Rs. 323 bn)

PROFIT AND LOSS ACCOUNT (Consolidated)

Income	Apr-Mar-17 (Rs. in billion)	Apr-Mar-16 (Rs. in billion)	Growth (%)
Income from Operations	350.06	318.73	10%
Premium Income from Insurance Business	217.29	178.76	22%
Other Operating Income from Insurance Business	31.23	18.57	
Profit on Sale of Investments	11.77	16.17	
Other Income	0.53	0.34	
Total Income	610.88	532.57	15%
Expenses			
Finance Cost	219.53	202.96	8%
Staff/Establishment/Other Expenses	21.34	18.02	
Claims paid pertaining to Insurance Business	118.88	94.86	
Commission, Operating Expenses and Other Expenses- Insurance Business	116.10	92.07	
Depreciation & Provisions	8.53	8.53	
Total Expenses	484.38	416.44	16%
Profit Before Tax	126.50	116.13	9%
Tax Expense	40.21	36.39	
Net Profit	86.29	79.74	8%
Share of profit of minority shareholder	(7.97)	(5.29)	
Net share of profit of Associates (Equity Method)	32.19	27.45	
Profit after Tax attributable to the Group	110.51	101.90	8%
Adjustment for Securities Premium debited in HDFC for Zero Coupon Bonds	4.96	4.59	
Adjusted Consolidated Profit After Tax	105.55	97.31	8%

HDFC

CONSOLIDATED PROFIT AFTER TAX

As per Indian GAAP

	Mar-17	Mar-16
	(Rs. in billion)	(Rs. in billion)
HDFC Profit After Tax	74.43	70.93
HDFC Life	5.18	5.51
HDFC Ergo	1.51	1.01
GRUH	1.73	1.33
HDFC Bank	32.33	27.41
HDFC-AMC	3.02	2.40
Others	2.89	1.76
Dividend and Other Adjustments	(10.58)	(8.45)
Consolidated Profit After Tax	110.51	101.90
Adjustment for Securities Premium debited in HDFC for Zero Coupon Bonds	4.96	4.59
	105.55	97.31
Contribution of subs/ associates to the consolidated PAT	33%	30%

CONSOLIDATED EARNINGS
As per Indian GAAP

(As at March 31, 2017)

	HDFC	Consolidated
Return on Equity	21.0%	20.4%
Return on Average Assets	2.5%	2.5%
Earnings Per Share (Rs.)	47	69
Profit After Tax (Rs. in billion)	74.43	110.51
Total Assets (Rs. in billion)	3,363.58	4,731.58

AWARDS & ACCOLADES

- Top Indian Company in the 'Financial Institutions/Non-Banking Financial Companies/Financial Services' category at the Dun & Bradstreet Corporate Awards 2016. The Corporation has won this award eight times.
- HDFC among the World's Top 10 Consumer Financial Services Company List 2016, Forbes – for the second year in a row
- HDFC ranked amongst the Most Trusted Financial Brand – World Consulting & Research Corporation Leaders Asia 2016
- HDFC awarded 'Best Home Loan Provider of the Decade' by CNBC Awaaz Real Estate Awards 2015
- HDFC ranked amongst the top 10 Best Indian Brands 2015 by international brand valuation firm, Interbrand.
- HDFC among the Top 5 Most Impactful Companies of the last decade – CNBC Awaaz, 2014
- HDFC awarded the Best Loan Finance Bank & Best Overall Bank for Real Estate in India' at EUROMONEY Real Estate Awards 2014
- HDFC board recognised amongst the "Best Boards" by The Economic Times and Hay Group on India's Best Boards for two consecutive years – 2013 and 2014.
- HDFC selected as the Best Home Loan Provider by CNBC Awaaz – CNBC Awaaz Real Estate Awards, 2013
- HDFC adjudged the 'Best Home Loan Provider' for third consecutive year – Outlook Money Awards, 2013
- Awarded the Qimpro-Best Prax Benchmark 2013 in Leadership Governance
- HDFC is the only Indian company to be included in the fifth annual list of the '2011 World's Most Ethical Companies' by Ethisphere Institute, USA
- HDFC voted 'Best Investor Relations' in India – Finance Asia's 2011 Annual Poll
- HDFC ranked amongst India's best companies to work for – Great Place to Work Institute®, 2012
- Awarded the 'Best Foreign Enterprise with a Developmental Role in Housing Finance in Africa' – African Real Estate & Housing Finance Academy

Thank You