

Ref. No.: SE/2018-19/184

September 7, 2018

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

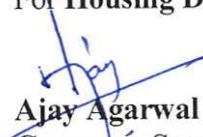
Pursuant to the above-mentioned regulations, we wish to inform you that the Corporation participated in the following non-deal roadshow and investor conference:

Date	Organised by	Type of Meeting/Event	Location
September 4, 2018	Credit Suisse	Non-deal roadshow	United States of America
September 5, 2018 – September 6, 2018	IIFL Securities Limited	Investor Conference “Invest India Conference”	Canada

A copy of the investor presentation is enclosed for your reference and the same is placed on the Corporation's website.

We request you to kindly take the same on record.

Thank you.

Yours faithfully,
For Housing Development Finance Corporation Limited
Ajay Agarwal
Company Secretary

Encl. a/a

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



**Housing Development Finance
Corporation Limited**

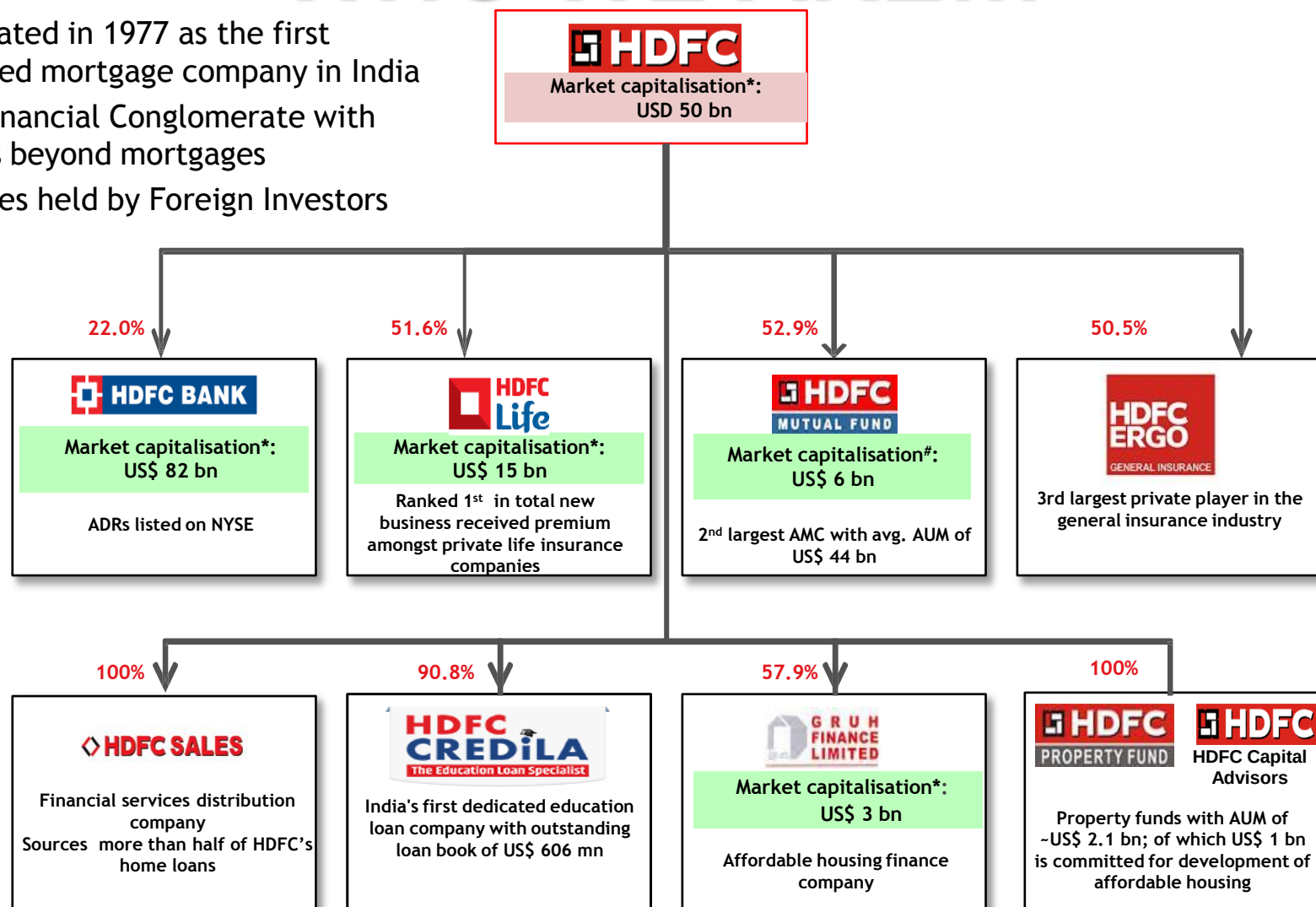
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HDFC SNAPSHOT

WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage company in India
- Now a Financial Conglomerate with interests beyond mortgages
- 75% shares held by Foreign Investors



*As at July 30, 2018 # As at August 7, 2018

US\$ amounts converted based on exchange rate of US\$ 1 = Rs. 68.7

BUSINESS SUMMARY

- **Loans Outstanding (Gross loans)**
(June 30, 2018) : Rs. 4,195.03 bn
: US\$ 61.06 bn
- **Individual Loans Originated CAGR (5 years)** : 18%
- **Cumulative Housing Units Financed** : 6.5 million
- **Total loan write offs since inception**
(of cumulative disbursements) : Under 4 basis points
- **Cost to Income Ratio (FY 2018)** : 7.6%
- **Unaccounted gains on listed investments**
in subsidiary and associate companies* : Rs. 1,925.08 bn
: US\$ 28.02 bn
- **After Tax CAGR (5 years)**
(FY 2018) : Standalone - 12%
: Consolidated - 14%

* As at August 7, 2018

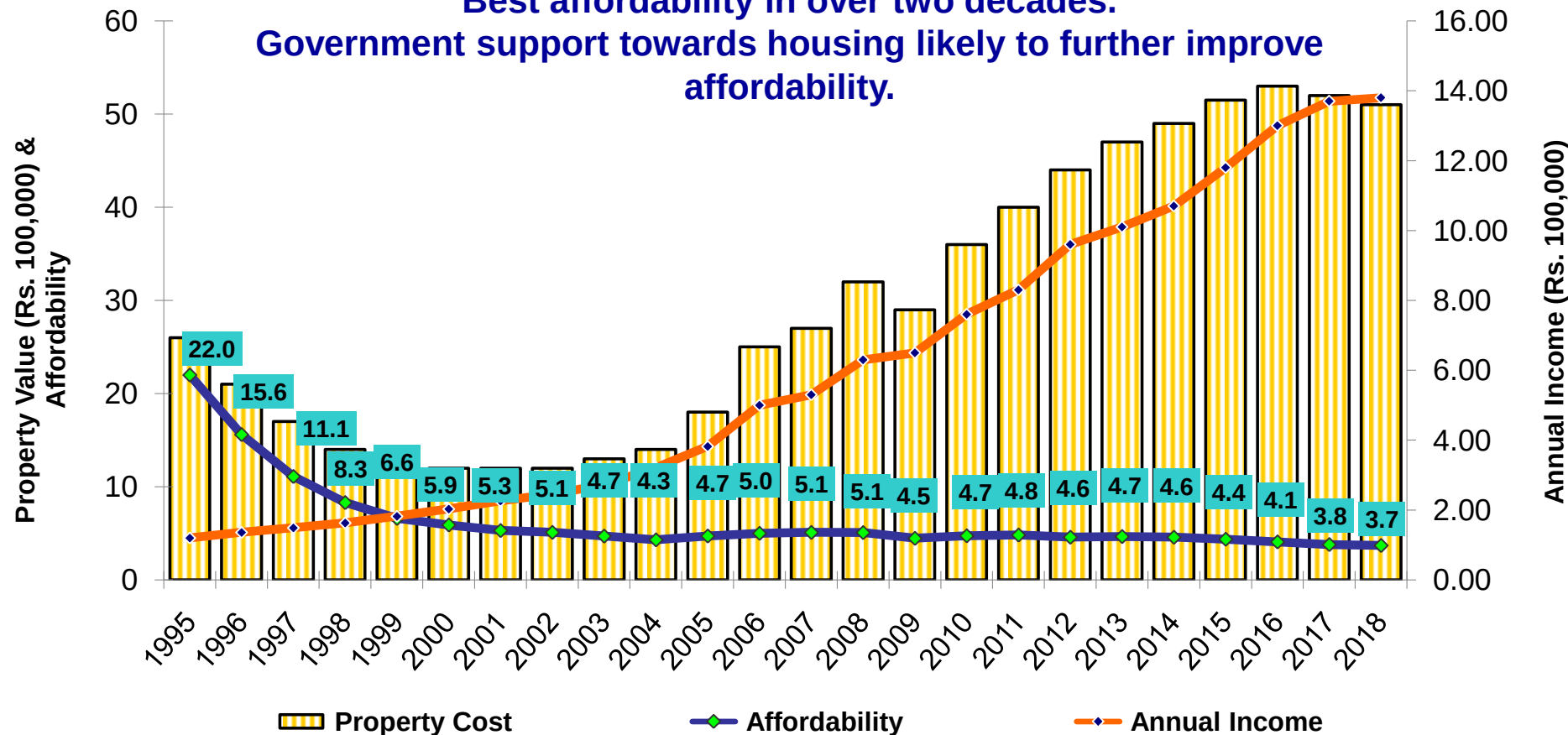
MORTGAGE MARKET IN INDIA

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.

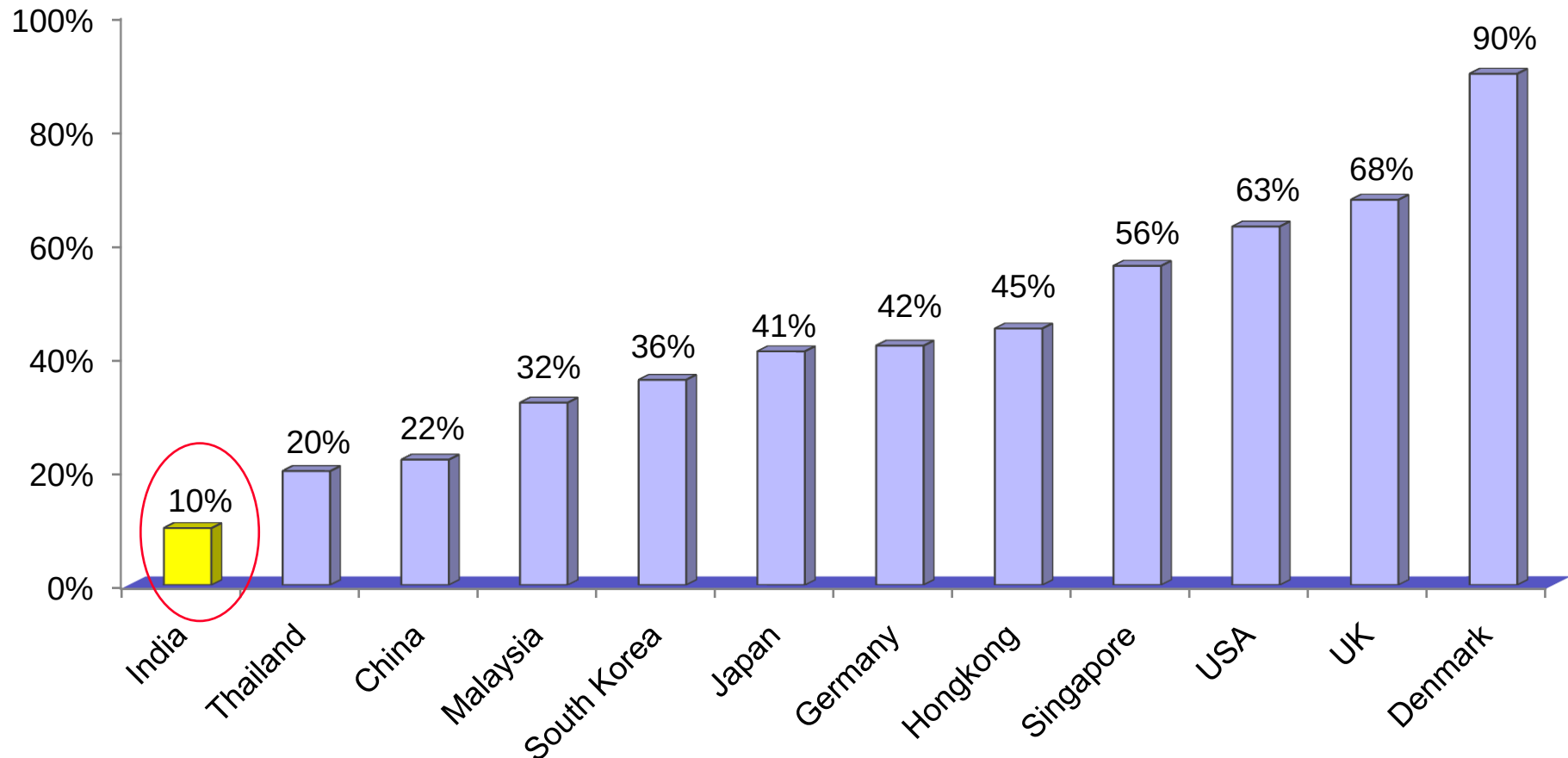


Representation of property price estimates

Affordability equals property prices by annual income

Based on customer data of a large metro city

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)	2,670,000	2,670,000	2,670,000
Less: Subsidy under CLSS	230,156	-	-
Revised loan amount	2,439,844	2,670,000	2,670,000
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	362,266	321,636	376,812
Interest component	212,266	287,025	353,775
Principal repaid	150,000	34,611	23,037
Tax amount saved	108,150	53,550	32,775
Effective interest paid on home loan	104,116	233,475	321,000
Effective interest on home loan	3.9%	8.7%	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\$ 9,200)	Rs > 600,000 up to 1,200,000 (>US\$ 9,200 to 18,500)	> Rs 1,200,000 to 1,800,000 (>US\$ 18,500 to 28,000)
Property size (sq mtrs)	60	120	150
Maximum amount of loan qualifying for subsidy	Rs 600,000 (US\$ 9,200)	Rs 900,000 (US\$ 13,800)	Rs 1,200,000 (US\$ 18,500)
Interest Subsidy (% per annum)	6.50%	4%	3%
Subsidy under CLSS*	Rs 267,280 (US\$ 4,000)	Rs 235,068 (US\$ 3,600)	Rs 230,156 (US\$ 3,500)

*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

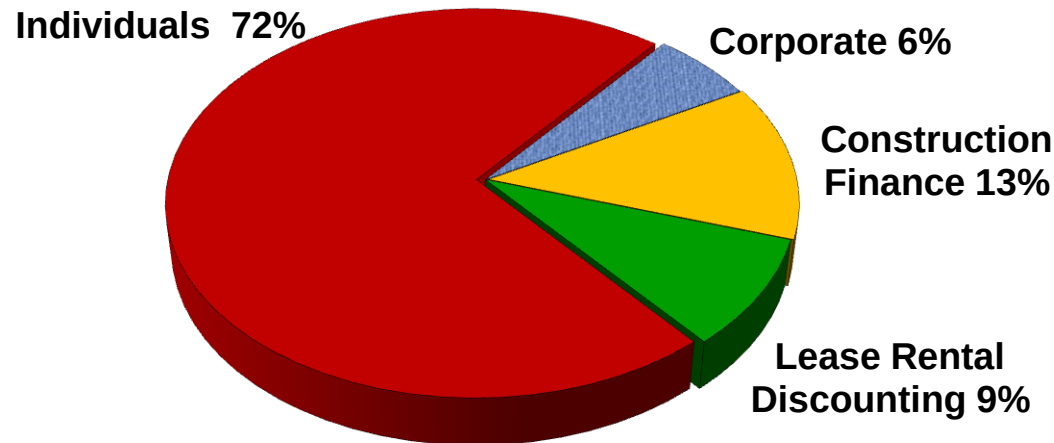
OPERATIONAL & FINANCIAL HIGHLIGHTS: MORTGAGES

CORE BUSINESS – LENDING

(As at June 30, 2018: Gross Loans - US\$ 61 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



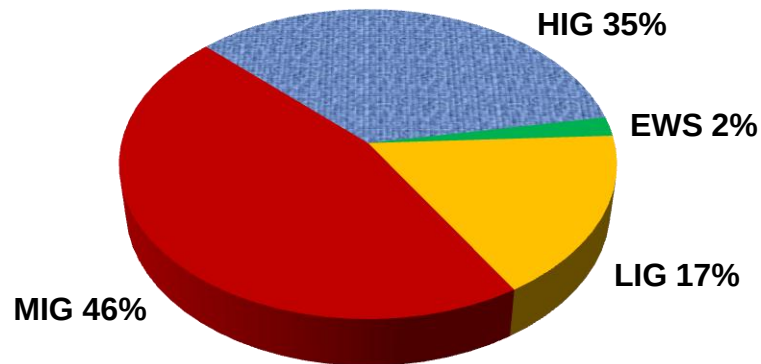
As at June 30, 2018	Loan Book o/s			Loan Book o/s Before Sell Down in last 12 months			Assets Under Management		
	Rs. bn	US\$ bn	%Growth	Rs. bn	US\$ bn	%Growth	Rs. bn	US\$ bn	%Growth
Individuals	2,570	37	19%	2,702	39	25%	3,038	44	18%
Non-Individuals	1,150	17	18%	1,150	17	18%	1,157	17	17%
Total	3,720	54	19%	3,852	56	23%	4,195	61	18%

Individual loans sold (outstanding): Rs. 468 bn (US\$ 6.8 bn) - on which spread at 1.25% p.a. is to be earned over the life of the loan

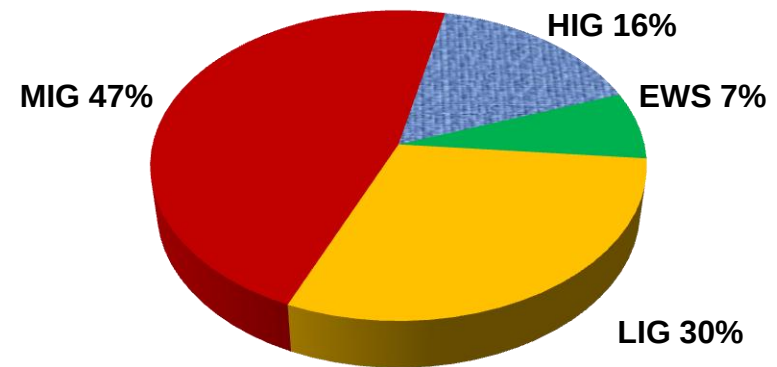
THRUST ON AFFORDABLE HOUSING

Housing Loan Approvals Based on Income Slabs: Q1 FY19

In terms of value



In terms of numbers



Economically Weaker Section: Up to Rs 0.3 mn p.a.
Middle Income Group: Above Rs 0.6 mn to Rs 1.2 mn p.a.

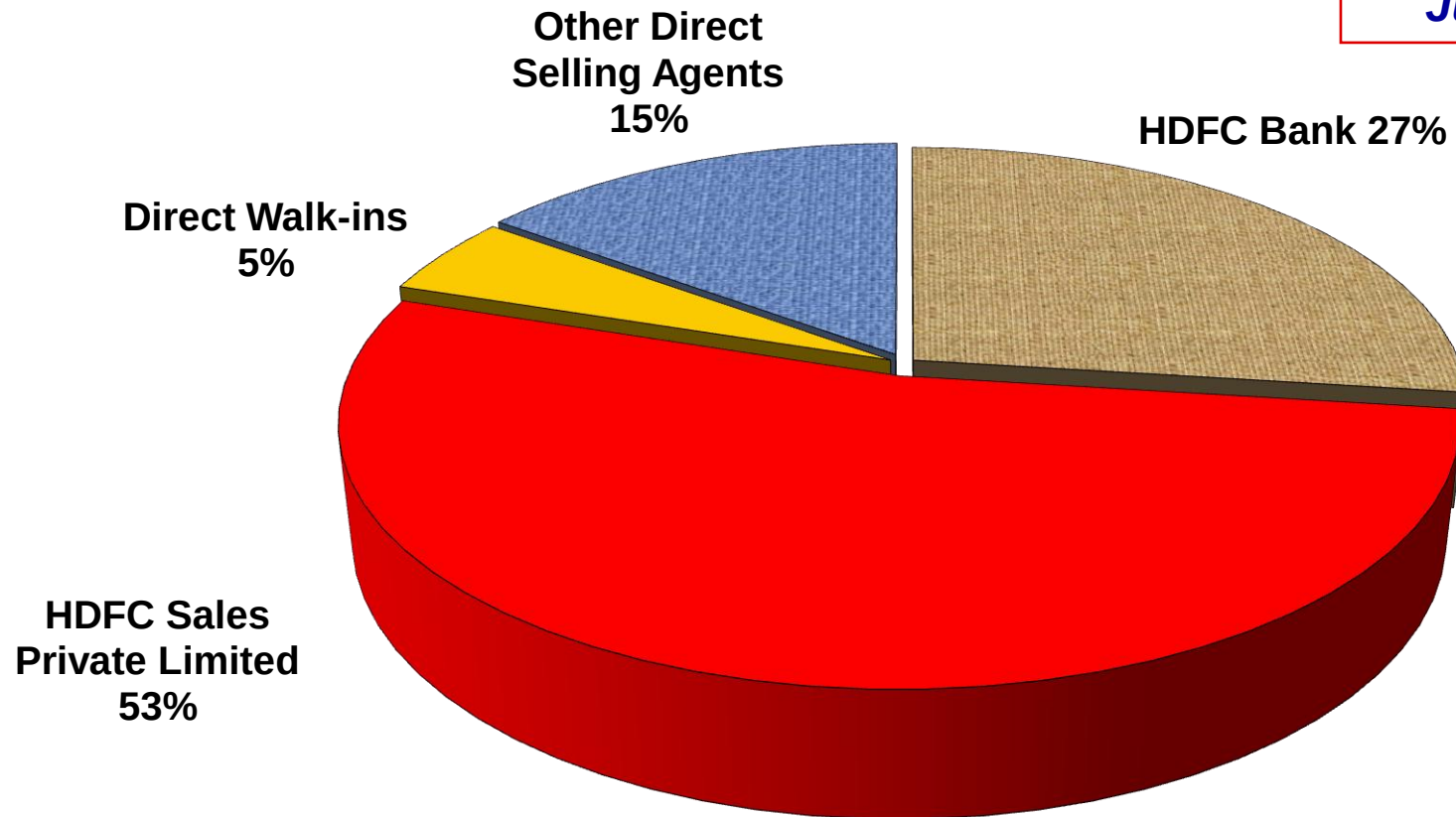
Low Income Group: Above 0.3 mn to Rs 0.6 mn p.a.
High Income Group: Above Rs 1.8 mn p.a.

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 19% in value terms
- Approving ~8,300 loans monthly in EWS/LIG segment; monthly average approvals: ~Rs. 13.46 bn
- Average home loan – EWS: Rs. 1.01 mn, LIG: Rs. 1.76 mn

85% OF OUR MORTGAGES ARE SOURCED BY OURSELVES OR THROUGH OUR AFFILIATES

June 30, 2018



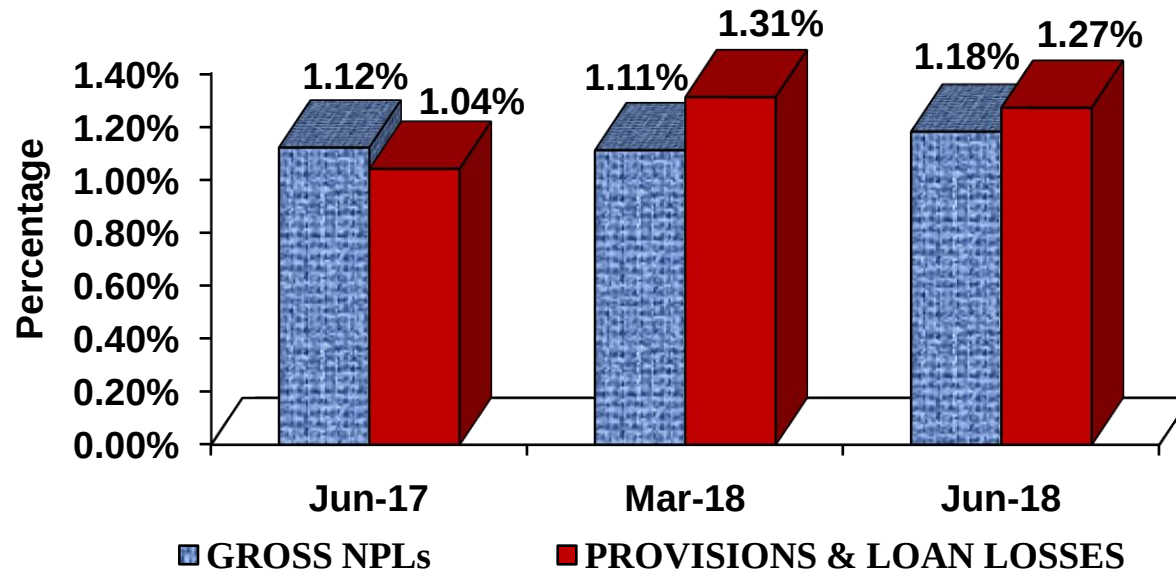
Deposit & loan products offered at several locations through outreach programmes.

Total number of offices: **491** which is inclusive of **159** outlets of HDFC's wholly owned distribution company.

OUR CONSERVATIVE LOAN PROFILE UNDERLIES OUR HIGH CREDIT QUALITY

- **Average Loan Size** : Rs. 2.67 mn (US\$ 38,865)
- **Average Loan to Value** : 69% (at origination)
- **Average Loan Term** : 13 years
- **Average Age** : 39 years
- **Primary Security** : Mortgage of property financed
- **Repayment Type** : Amortising

GROSS NON-PERFORMING LOANS (NPLs) & PROVISIONS & LOAN LOSSES



As at June 30, 2018

(Rs. in bn)

NPLs (3 months): 44.09

Provisions & Loan Losses : 47.58

Regulatory Provisioning: 30.06

•NPLs as % of the loan portfolio:

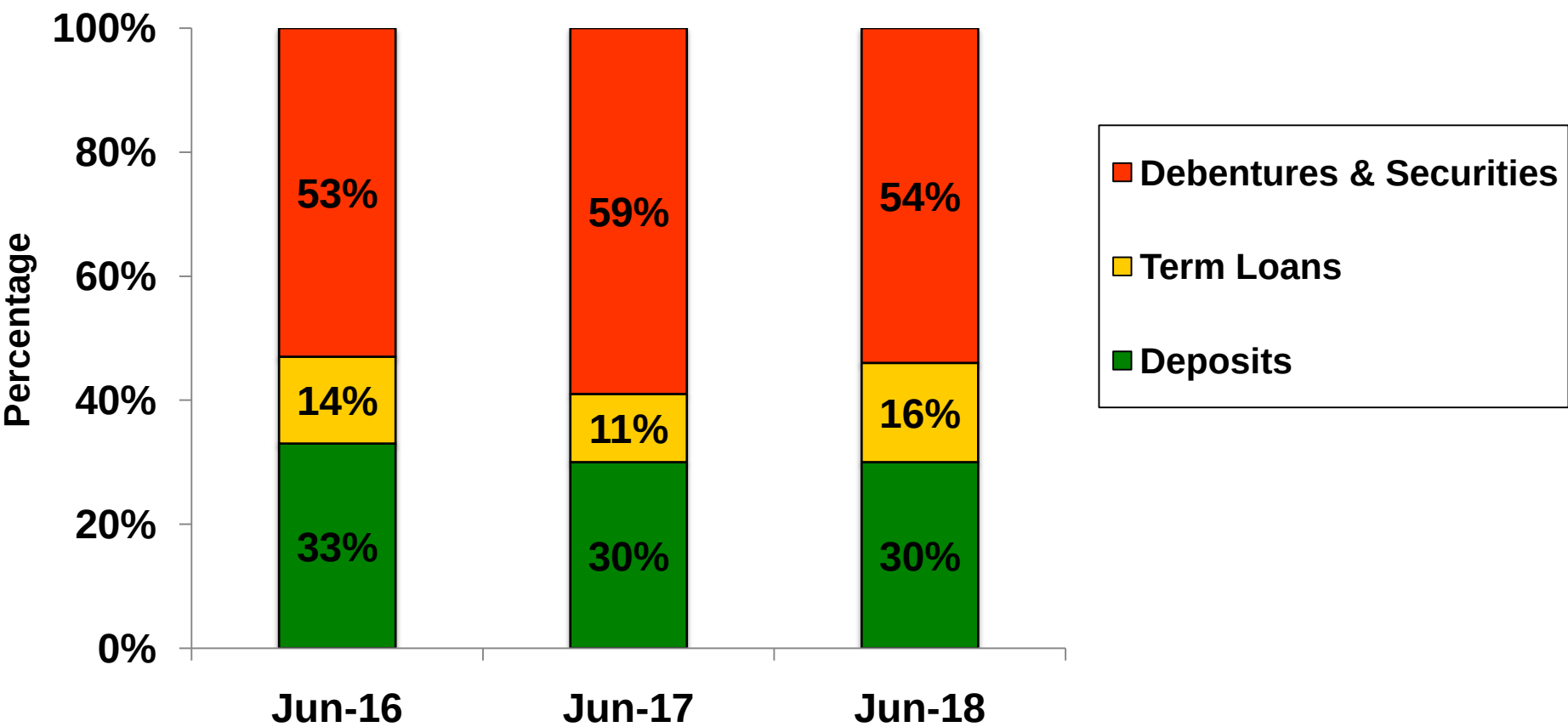
Individual Loans: 0.66%

Non-individual Loans: 2.32%

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

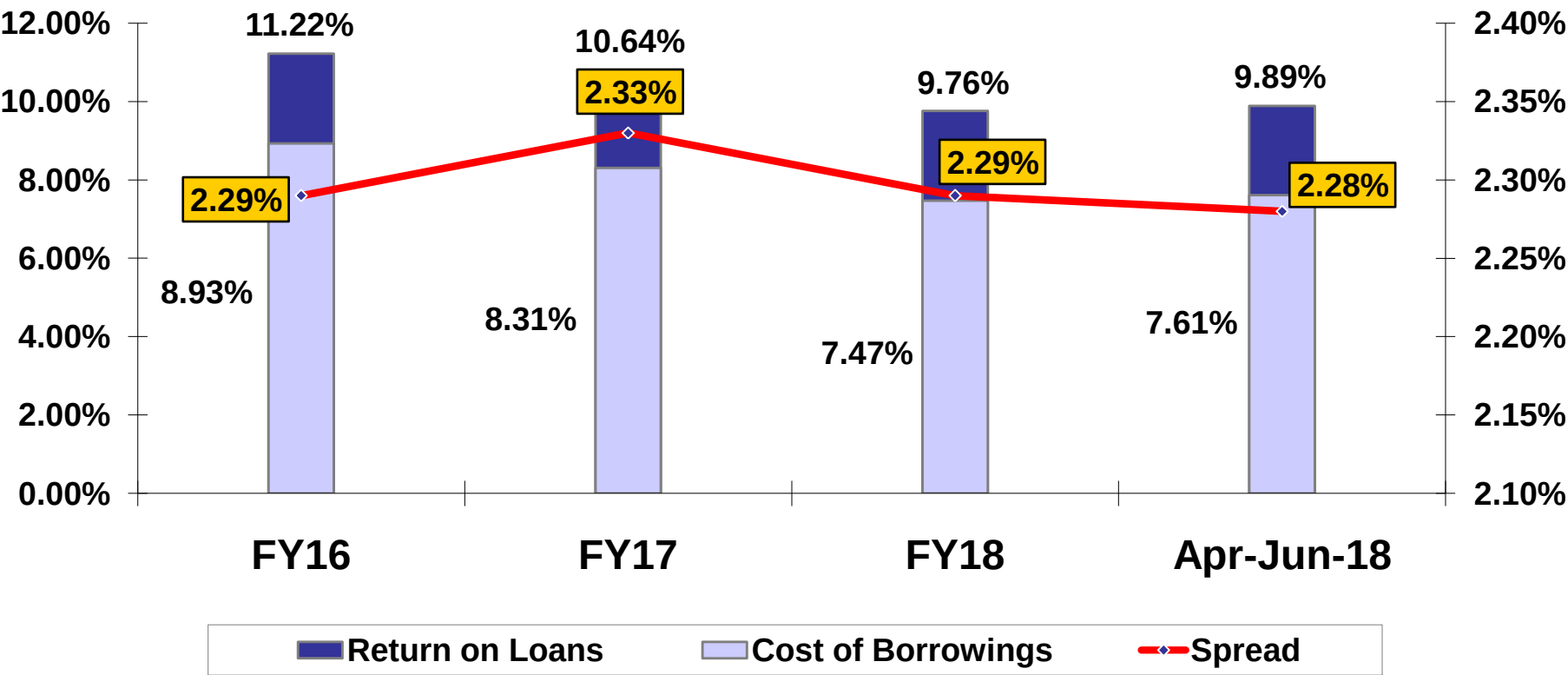
MULTIPLE SOURCES OF BORROWINGS

(As at June 30, 2018: Total Borrowings - US\$ 48 bn)



Total Borrowings: Rs. 3,325.26 bn (US\$ 48 bn)

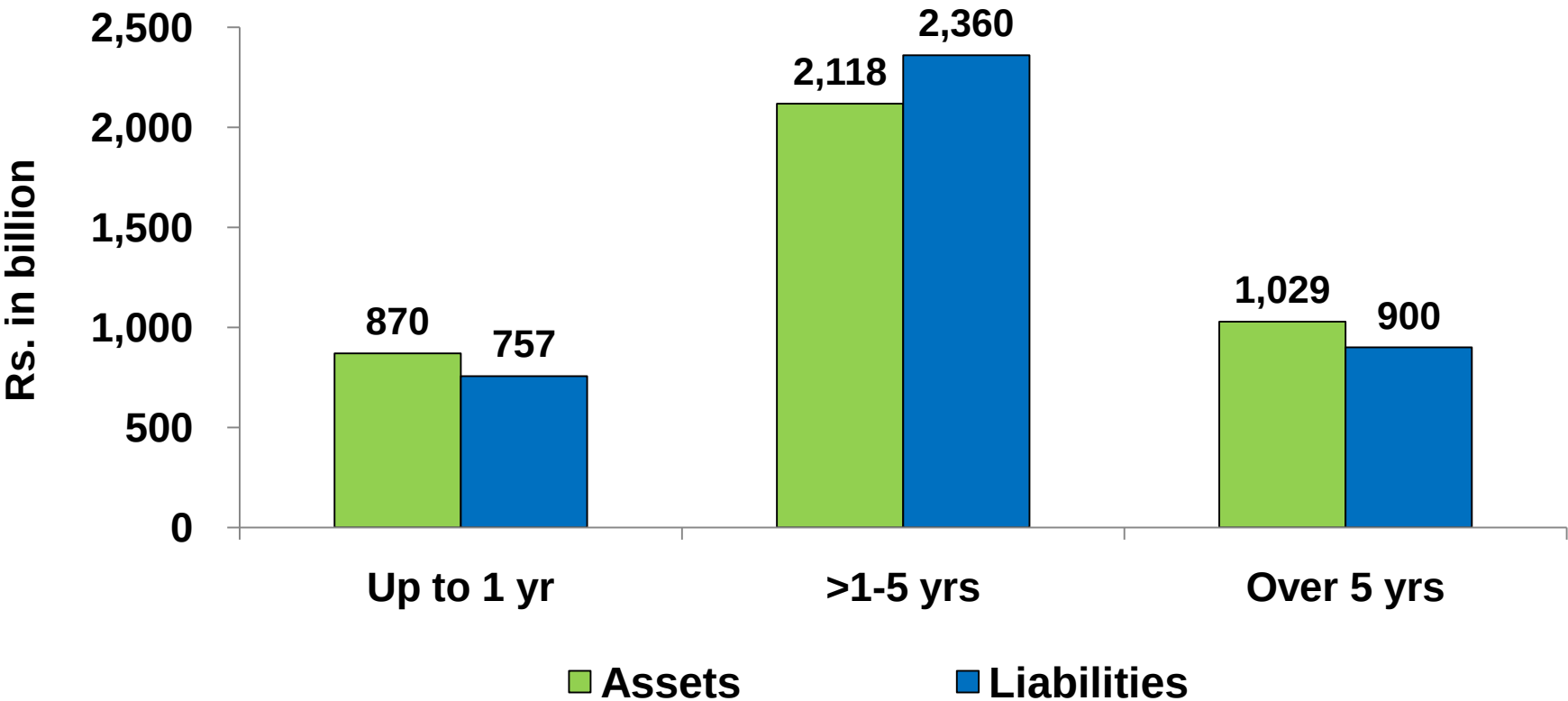
LOAN SPREADS



Apr-Jun 2018	
Spread earned on:	
Individual Loans	1.91%
Non-individual Loans	3.14%
Loan Book	2.28%

MATURITY PROFILE

(As at March 31, 2018)



Total Assets/Liabilities: Rs. 4,017 bn

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

PRODUCTIVITY RATIOS

	FY18	FY10	FY00	FY90
Number of employees	2,575	1,505	794	727
Number of outlets	332	214	67	24
Profit per employee (US\$ '000)^	506	416	118	8
Assets per employee (US\$ mn)	22.9	16.4	4.4	0.5
Admin costs/assets (%)	0.26	0.29	0.49	0.76
Cost income ratio (%)^	7.6	7.9	13.8	30.9

^To make ratios comparable, the profit on the sale of strategic investments has not been considered.

KEY FINANCIAL METRICS

	FY18	FY17	FY16
Net Interest Margin(%)	4.0	4.1	4.1
Pre Tax RoAA (%)^	3.3	3.4	3.5
Post Tax RoAA (%)^	2.4	2.3	2.5
Return on Equity (%)^	20.4	19.0	19.5
Capital Adequacy (%)	16.3 [#]	14.5	16.6
Of which Tier I	15.0	11.8	13.2
Tier II	1.3	2.7	3.4

^To make ratios comparable, the profit on the sale of strategic investments has not been considered.

Capital Adequacy Ratio is after factoring the investment of Rs. 85 billion made in the Preferential Allotment of HDFC Bank

TRANSITION TO IND AS

HIGHLIGHTS

Migration to Indian Accounting Standards (Ind AS)

- In June 2018, the National Housing Bank (NHB) reiterated that Housing Finance Companies (HFCs) would need to implement Ind AS with effect from **April 1, 2018** in accordance with the notification by the Ministry of Corporate Affairs.
- NHB stipulated that for regulatory and supervisory purposes, HFCs would need to continue to follow provisions of the NHB Act, 1987 and NHB Directions, including prudential norms.
- Ind AS for **banks** is applicable from April 1, 2019 and **insurance companies** from April 1, 2020.
- All subsidiary/associate companies whose accounts are consolidated with the Corporation are required to restate their accounts except for **HDFC Bank, HDFC Life and HDFC ERGO**.
- HDFC will disclose standalone quarterly/year to date financials and not consolidated financials in FY19, except for the quarter/year ended March 31, 2019.

MIGRATION TO IND AS

Key Changes	Remarks
EIR on Interest Earning Assets: <i>Interest on NPAs</i> <i>Processing Fees</i> <i>DSA Commissions</i>	All income on loan assets are recorded on Effective Interest Rate (EIR) basis. Interest income on NPA cases which was not accrued earlier is now recognised as part of Ind AS adjustment, if the security is adequate and the present value of realisation of the security is greater than the outstanding loan dues. Fees on interest earning assets which were earlier booked upfront on a cash basis is included in the calculation of the EIR, resulting in temporary deferral of revenue. DSA commission is included in the calculation of EIR.
EIR on Borrowings	All expenses on borrowings are recorded on EIR basis. Redemption premium on zero coupon bonds, discount and issue expenses on Rupee denominated bonds issued overseas (which was earlier routed through the Securities Premium Account) and interest on step-up non-convertible debentures have been charged to the P/L on an EIR basis.
Expected Credit Loss(ECL)	Asset classification and provisioning moves from rule based incurred losses model to the ECL model of providing for expected future credit losses. Thus, loan loss provisions are made on the basis of the Corporation's historical loss experience, future expected credit loss and factoring in various macro economic parameters

MIGRATION TO IND AS

Key Changes	Remarks
Investments	Equity investments in subsidiary/associate companies are valued at cost; Other equity investments fair valued through P/L or Other Comprehensive Income. Debt instruments are valued at amortised cost.
Fair Value of Employee Stock Option Schemes (ESOS)	Though the Corporation has always granted stock options at market price, expense for obligations under ESOS issued during the period has to be fair valued and amortised as part of employee benefit expenses over the period of vesting.
Deferred Tax Liability on Special Reserve	Ind AS does not require creation of DTL on the amount transferred to the Special Reserve. DTL created on special reserve as at March 31, 2017 has been reversed, charge through the P/L also reversed.
Transition Date	April 1, 2017 is the transitioning date and the net worth as at March 31, 2017 has been adjusted through the Transition Reserve. Earnings for the previous year have also been restated.

EXPECTED CREDIT LOSS (ECL) METHODOLOGY

- ECL is based on the principle of providing for **expected future losses**, rather than incurred losses based on period of default. Provisions are assessed using statistical modelling which facilitates **granular analysis** of the portfolio.
- Under Ind AS, assets are classified as:

Classification	Type	Days Past Due
Stage 1	Performing Assets	0-29
Stage 2	Under Performing Assets	30-89
Stage 3 (a)	Standard Assets, but may have experienced occasional delay in repayment	Less than 89
Stage 3 (b)	Non-Performing Assets	90 and above

CLASSIFICATION OF ASSETS FOR COMPUTATION ECL BASED ON EXPOSURE AT DEFAULT (EAD)

EAD %	Jun-18	Jun-17	Mar-18
Stage 1	94.75%	94.90%	94.17%
Stage 2	1.54%	2.50%	1.48%
Stage 3(a) - Standard assets, but may have experienced occasional delay in repayment	2.52%	1.49%	3.24%
Stage 3(b) - NPA	1.18%	1.11%	1.11%
	100.00%	100.00%	100.00%

RECONCILIATION OF PROFITS: IGAAP & IND AS

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

Particulars	Qtr ended June 30, 2017
	Rs bn
Profit After Tax as per Previous GAAP	15.52
Adjustments:	
Adjustment on account of effective interest rate / forex valuation / net interest on credit impaired loans	(1.06)
Adjustment on account of expected credit loss	(0.50)
Adjustment due to fair value of stock options	(0.95)
Fair value change in investments	0.17
Reversal of Deferred tax liability on Section 36(1)(viii) for the quarter	1.05
Other Adjustments	0.01
Total effect of Transition to Ind AS	(1.28)
Net Profit After Tax as per Ind AS	14.24
Other Comprehensive Income(net of tax)	(0.14)
Total Comprehensive Income (net of tax) as per Ind AS	14.10

STATEMENT OF PROFIT AND LOSS – FY19 Q1 (Standalone)

As per Ind AS

	<u>Apr-Jun-18</u> (Rs in billion)	<u>Apr-Jun-17</u> (Rs in billion)	<u>Growth</u> (%)
Operating Income of which:			
Interest & Other Op Income	93.33	81.91	14%
Interest Expenses	63.53	57.54	10%
Net Interest Income	29.80	24.37	22%
Add: Fees	1.42	1.28	
Less: Commission	1.20	1.02	
	30.02	24.63	22%
Less: Non Interest Expenses	2.87	2.55	
Less: Amortisation of ESOS [^] and CSR Expenses	2.22	0.95	
Less: Provisions & Loan Losses	0.20	1.64	
Add: Other Income	0.11	0.11	
Profit Before Tax, Dividend & Sale of Investments	24.84	19.60	27%
Dividend*	5.86	0.60	
Profit on Sale of Investments	-	0.02	
Profit Before Tax	30.70	20.22	52%
Provision for Tax	8.80	5.98	
Profit after tax Before Other Comprehensive Income	21.90	14.24	54%
Other Comprehensive Income	(0.29)	(0.14)	
Total Comprehensive Income	21.61	14.10	53%
Effective tax rate (%)	27.7%	28.9%	

[^] Pertains to stock options under ESOS-17. The vesting period is primarily for 1 year & expenses are fair valued over Jun 1, 2017 to May 31, 2018

* FY19 Q1: Dividend income includes dividend from HDFC Bank of Rs. 5.11 bn. In the previous year, dividend from HDFC Bank was received in the second quarter.

VALUATION & SHAREHOLDING

VALUATION – METHOD 1

- Number of shares outstanding: **1.684 bn**
- Share Price as at August 7, 2018: **Rs. 1,991**
- Market Capitalisation: **Rs. 3,352 bn (~US\$ 49 bn)**

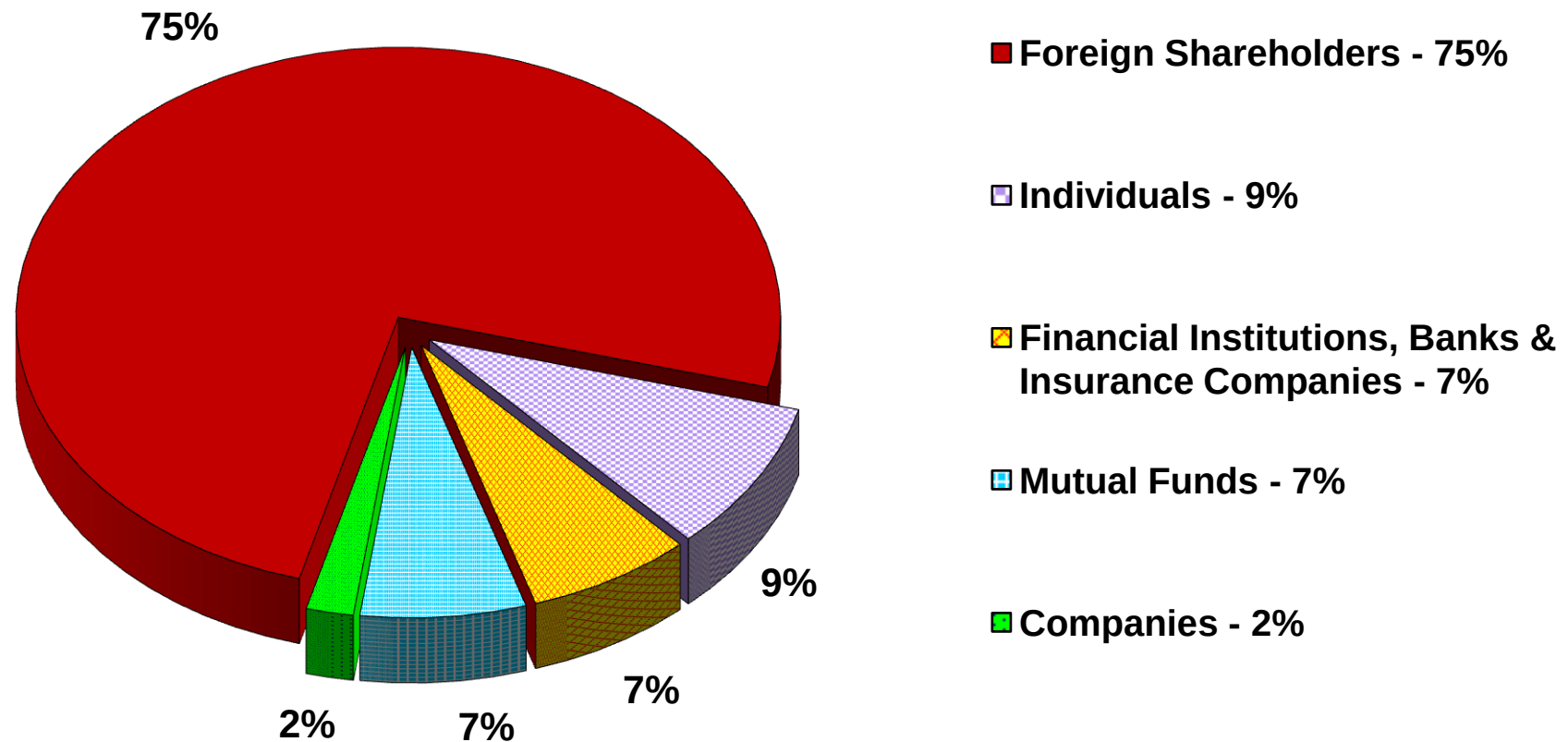
	Total		Per Share
Valuation	Rs. bn	US\$ bn	Rs.
Net Worth	650.9	9.5	387
<i>Add:</i> Unaccounted gains on listed investments	1,930.3	28.1	
<i>Add:</i> Unaccounted gains on unlisted investments (estimated)	113.0	1.6	
Adjusted Networkth	2,694.2	39.2	1,600
Price per share			1,991
Adjusted Price to Book Ratio			1.2

VALUATION – METHOD 2

- Number of shares outstanding: **1.684 bn**
- Share Price as at August 7, 2018: **Rs. 1,991**
- Market Capitalisation: **Rs. 3,352 bn (~US\$ 49 bn)**

Valuation	Rs. bn	US\$ bn
Market Capitalisation	3,352.1	48.8
Less: Unaccounted gains on listed investments	1,930.3	28.1
Less: Unaccounted gains on unlisted investments (estimated)	113.0	1.6
Adjusted Market Capitalisation	1,308.9	19.1
Net Worth	650.9	9.5
Adjusted Price to Book Ratio	2.0	2.0

SHAREHOLDING PATTERN



KEY ASSOCIATES AND SUBSIDIARIES

HDFC BANK

- 22% owned by HDFC
- ADRs listed on NYSE
- 4,804 branches, 12,808 ATMs
- Key business areas
 - Wholesale banking Retail banking Treasury operations
- Financials (as per Indian GAAP) for the quarter ended June 30, 2018
 - Advances as at June 30, 2018, stood at Rs. 7,086.5 bn – an increase of 22% over the previous year
 - Total deposits stood at Rs. 8,057.9 bn – an increase of 20% over the previous year
 - PAT: Rs. 46 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
- Market Capitalisation (July 30, 2018): ~US\$ 82 bn

HDFC STANDARD LIFE INSURANCE COMPANY LIMITED (HDFC LIFE)

- **HDFC holds 51.6% and Standard Life (Mauritius Holdings) 2006 Limited holds 29.3% of the equity of HDFC Life.**
- **Total premium income for the quarter ended June 30, 2018 stood at Rs. 50.6 bn – growth of 37% over the previous year**
- **For the quarter ended June 30, 2018, HDFC Life had a market share of 22% based on overall new business received premium (private sector)**
- **Financial Highlights**
 - **New Business Margin for the quarter ended June 30, 2018 (post overrun): 24% (PY 21%)**
 - **Embedded Value (Indian Embedded Value methodology) stood at Rs. 157 bn as at June 30, 2018 (PY: Rs. 132 bn)**
 - **Operating Return on Embedded Value for the quarter ended June 30, 2018 stood at 18.4% (PY: 22.0%)**
 - **Assets Under Management as at June 30, 2018 stood at Rs. 1,096 bn (PY Rs. 948 bn)**
 - **Indian GAAP profits for the quarter ended June 30, 2018: Rs. 3.8 bn (PY Rs. 3.2 bn)**
- **Product mix - Unit Linked: 54%, Traditional Par: 28%, Non-Par Savings: 11%, Non-Par Protection: 7%**
- **Market capitalisation (July 30, 2018): ~US\$ 15 bn**

HDFC ASSET MANAGEMENT

- **HDFC holds 52.9% of HDFC Asset Management, Standard Life Investments holds 30%**
- **Total Assets under Management (AUM) as at June 30, 2018, stood at Rs. 3.01 trillion (US\$ 44 bn)**
 - **Equity-oriented assets of HDFC MF as a proportion of total AUM was 50%**
- **Second largest in the industry on the basis of quarterly average assets under management (*Source: AMFI*)**
 - **Overall market share: 13.1%**
 - **Market share of equity oriented funds: 16.4%**
- **Individual accounts of HDFC MF as at June 30, 2018**
 - **8.4 million live accounts**
 - **62% 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 quarter ended June 30, 2018 (as per Ind AS): Rs. 2.05 bn – an increase of 25% over the previous year**
- **Market Capitalisation on listing (August 7, 2018): ~US\$ 6 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 quarter ended June 30, 2018 stood at: Rs. 16.9 bn – a growth of 27% (excluding weather/ crop business)**
- **Combined Ratio as at June 30, 2018: 99.8%**
- **Market share of 8.5% (private sector) and 4.5% (overall) in terms of gross direct premium for the quarter ended June 30, 2018 (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 60% of the total business**
- **Profit After Tax for the quarter ended June 30, 2018: Rs. 1.04 bn (PY: Rs. 0.94 bn)**

GRUH FINANCE LIMITED (GRUH)

- **57.9% 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 194 offices across 11 states in India – Gujarat, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, West Bengal, Bihar and Jharkhand**
- **Financials for the quarter ended June 30, 2018**
 - **Loan portfolio as at June 30, 2018, stood at Rs. 159 bn – an increase of 16% over the previous year**
 - **PAT (as per Ind AS): Rs. 1.15 bn – an increase of 20% over the previous year**
- **Market capitalisation (July 30, 2018): ~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
 - 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 million
 - 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 from the balance investments
- **HIREF International LLC II Pte Ltd.**
 - Fund corpus: US\$ 321 million
 - Final close in April 2015
 - International investors, 8 year close-ended fund
 - 6 investments across India
 - Fund is in process of investing the corpus

HDFC CAPITAL ADVISORS

- **HDFC Capital Affordable Real Estate Fund (HCARE)**
 - HCARE-1 was set up as a SEBI registered Alternative Investment Fund in 2016 with a fund size of US\$ 450 mn
 - HCARE-2, set up in December 2017, has achieved its initial close and received investor and sponsor fund commitment of US\$ 550 mn
 - HCARE 1 & 2 combined to create a US\$ 1 bn platform targeting affordable and 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 15 cities
 - The primary investor in HCARE 1 & 2 is a wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA)
 - HDFC is the Sponsor and HDFC Capital Advisors is the investment advisor for the fund

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 June 30, 2018**
 - **Profit After Tax (as per Ind AS): Rs. 207.07 mn**
 - **Cumulative disbursements: Rs. 66.7 bn**
 - **Loan book outstanding as at June 30, 2018: Rs. 41.7 bn – growth of 30% over previous year**
 - **47% of the loan book is collateralised**
 - **Average loan: Rs. 1.75 mn**
 - **Gross non-performing assets: 0.09%**

FINANCIALS

Standalone & Consolidated

FY 18 (Based on Indian GAAP)

BALANCE SHEET (Standalone)

	<u>Mar-18</u>	<u>Mar-17</u>	<u>Growth</u>
	(Rs. in billion)	(Rs. in billion)	(%)
Sources of Funds			
Shareholders' Funds	614.03	396.45	
Borrowings	3,206.55	2,805.34	14%
Current Liabilities & Provisions	196.16	171.27	
	4,016.74	3,373.06	19%
Application of Funds			
Loans ¹	3,594.42	2,964.72	21%
Investments	305.33	204.10	
Current/ Fixed Assets	116.99	204.24	
	4,016.74	3,373.06	19%

Loans sold in FY18: Rs 65 bn (PY Rs 160 bn)

¹Net of loans sold during the preceding 12 months. If these loans were included, the growth in loans would have been higher at 23%.

PROFIT AND LOSS ACCOUNT – FY18 (Standalone)

	<u>Apr-Mar-18</u> (Rs in billion)	<u>Apr-Mar-17</u> (Rs in billion)	<u>Growth</u> (%)
Operating Income of which:			
Interest Fees & Other Op Income	335.83	308.56	9%
Interest Expenses	222.35	208.97	6%
Net Interest Income	113.48	99.59	14%
Add: Fees	8.15	8.49	
Less: Commission	6.70	5.02	33%
	114.93	103.06	12%
Less: Non Interest Expenses	9.58	8.37	
Less: Provisions	4.55	7.00	
Add: Other Income	0.45	0.47	
Profit Before Tax, Dividend & Sale of Investments & Exceptional Item	101.25	88.16	15%
Dividend	10.79	9.09	
Profit on Sale of Investments	3.78	10.02	
Exceptional Items	36.82	-	
Profit Before Tax	152.64	107.27	42%
Provision for Tax	25.93	28.53	
Profit after tax but before DTL on Special Reserve	126.71	78.74	61%
Less: Provision for DTL on Special Reserve	5.07	4.31	
Profit After Tax	121.64	74.43	63%
Effective tax rate (%)	20.3%	30.6%	

Note: Exceptional items include profit of Rs 52.57 bn from the Initial Public Offer of HDFC Life and additional special provision of Rs 15.75 bn as a charge to the statement of profit and loss.

Transaction of HDFC Life has triggered provision of Minimum Alternate Tax & tax expense has been adjusted accordingly.

BALANCE SHEET (Consolidated)

	<u>Mar-18</u>	<u>Mar-17</u>	<u>Growth</u>
	(Rs . in billion)	(Rs . in billion)	(%)
Sources of Funds			
Shareholders' Funds	865.41	600.59	44%
Minority Interest	46.98	34.73	
Policy Liabilities	859.47	742.56	
Loan Funds	3,366.30	2,937.95	15%
Current Liabilities & Provisions	488.85	425.54	
	<u>5,627.01</u>	<u>4,741.37</u>	19%
Application of Funds			
Loans*	3,791.73	3,128.91	21%
Investments	1,632.28	1,328.55	
Current Assets, Advances & Fixed Assets	200.78	277.71	
Goodwill on Consolidation	2.22	6.20	
	<u>5,627.01</u>	<u>4,741.37</u>	19%

* Net of loans sold during the preceding 12 months amounting to Rs 65 bn. If these loans were included, the growth in loans would have been 23%.

No loans were sold during the half year ended March 31, 2018.

PROFIT AND LOSS ACCOUNT (Consolidated)

	Apr-Mar-18 (Rs. in billion)	Apr-Mar-17 (Rs. in billion)	Growth (%)
Income			
Revenue from Operations	382.45	350.06	9%
Premium Income from Insurance Business	263.62	217.29	21%
Other Operating Income from Insurance Business	38.69	31.23	
Other Income	0.24	0.53	
	685.00	599.11	14%
Expenses			
Finance Cost	234.53	219.53	7%
Staff/Establishment/Other Expenses	24.04	21.34	
Claims paid pertaining to Insurance Business	153.37	118.88	
Commission, Operating & Other Expenses- Insurance Business	132.36	116.10	
Depreciation & Provisions	5.64	8.53	
	549.94	484.38	14%
Profit Before Sale of Investments, Exceptional Items and Tax	135.06	114.73	18%
Profit on Sale of Investments	6.42	11.77	
Exceptional Items	34.54	-	
Profit Before Tax	176.02	126.50	39%
Tax Expense	40.01	40.21	
Net Profit	136.01	86.29	58%
Share of profit of minority shareholder	(10.76)	(7.97)	
Net share of profit from Associates (Equity Method)	37.30	32.19	
Profit after Tax attributable to the Group	162.55	110.51	47%

CONSOLIDATED PROFIT AFTER TAX – FY18

As per Indian GAAP

	Mar-18	Mar-17
	(Rs. in billion)	(Rs. in billion)
HDFC Profit After Tax	121.64	74.43
HDFC Life	6.00	5.18
HDFC ERGO	1.91	1.51
GRUH	1.98	1.73
HDFC Bank	37.47	32.33
HDFC-AMC	3.75	3.02
Others	2.56	2.89
Dividend and Other Adjustments	(12.76)	(10.58)
Consolidated Profit After Tax	162.55	110.51
Adjustment for Securities Premium debited in HDFC for Zero Coupon Bonds	3.84	4.96
Adjusted Profit after Tax	158.71	105.55
Contribution of subs/ associates to the consolidated PAT*	33%	33%

*Adjusted for exceptional items

Thank You