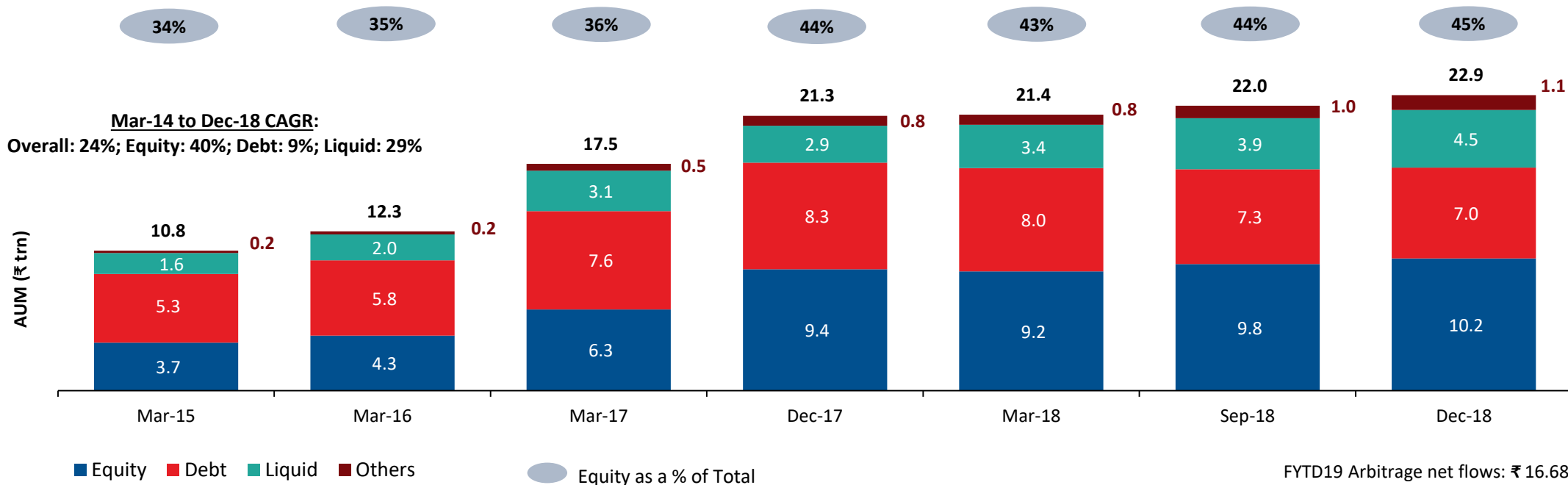




# HDFC Asset Management Company Limited

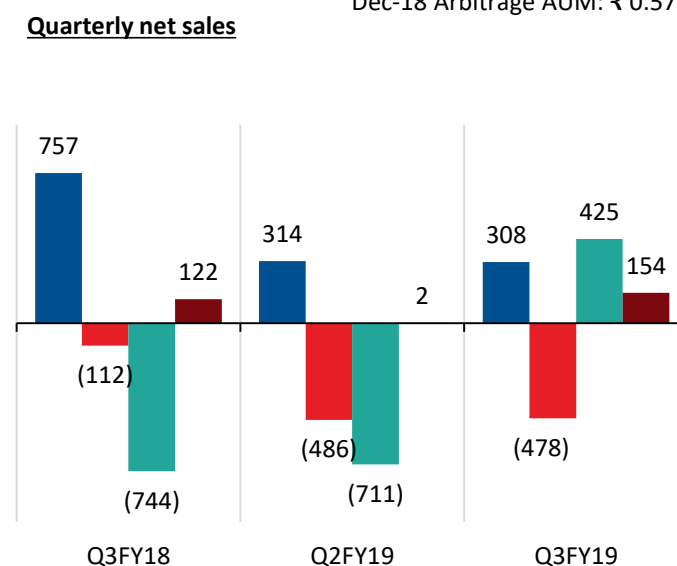
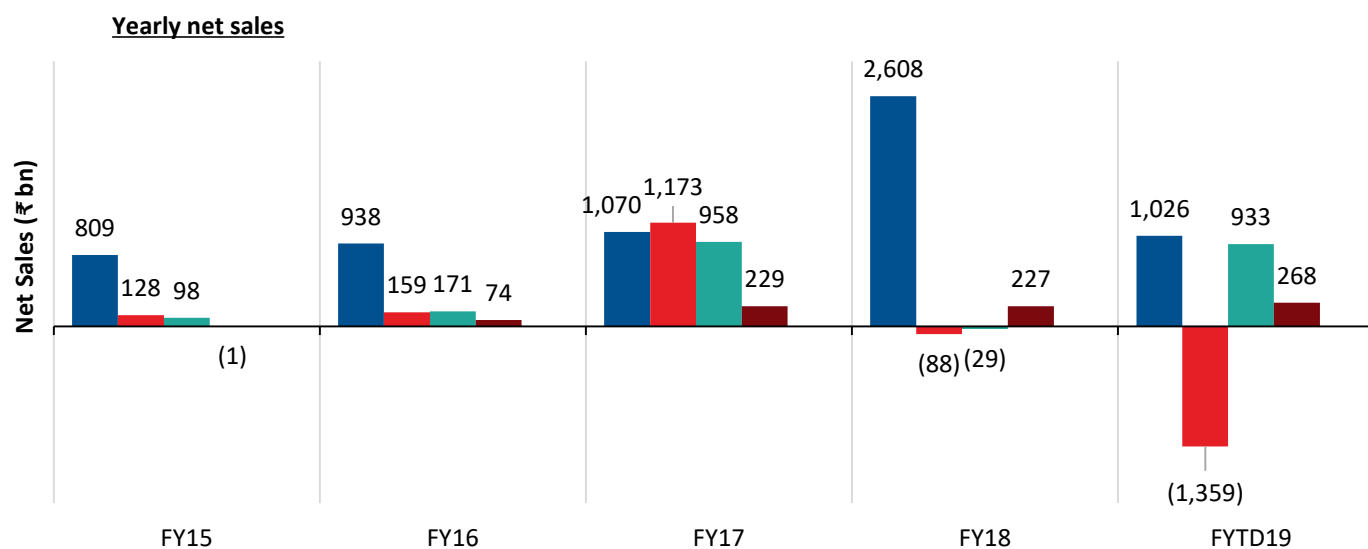
Q3 FY18-19

# Industry - AUM and Net Sales



FYTD19 Arbitrage net flows: ₹ 16.68 bn

Dec-18 Arbitrage AUM: ₹ 0.57 trn



Source: AMFI

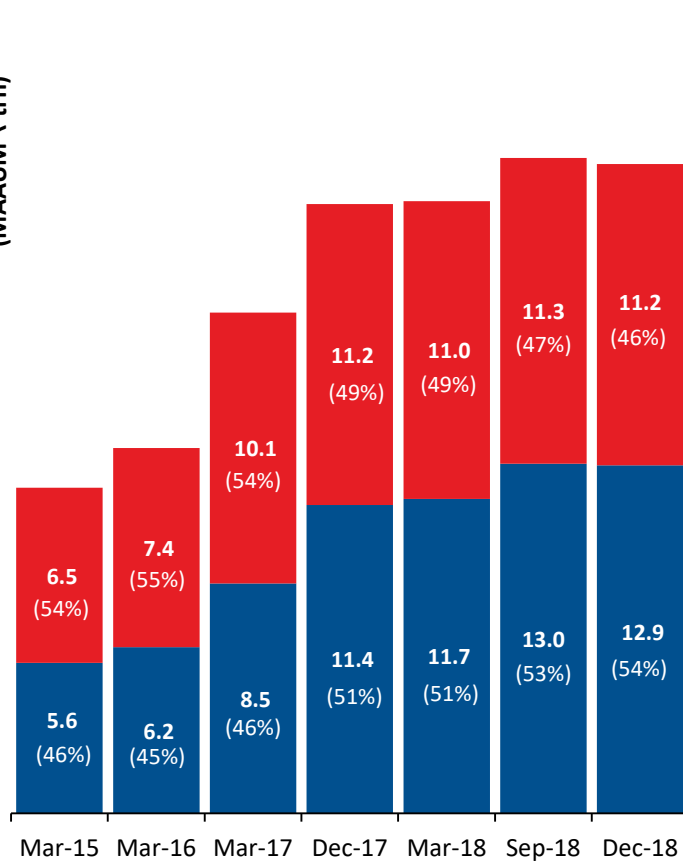
AUM excluding FOF – domestic; equity includes balanced funds; others include Liquid / Money Market, Gold ETFs, other ETFs and FOF – investing overseas

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

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

41.4 47.2 54.8 66.1 70.9 77.5 79.8

(MAAUM ₹ trn)



■ Individual Investors

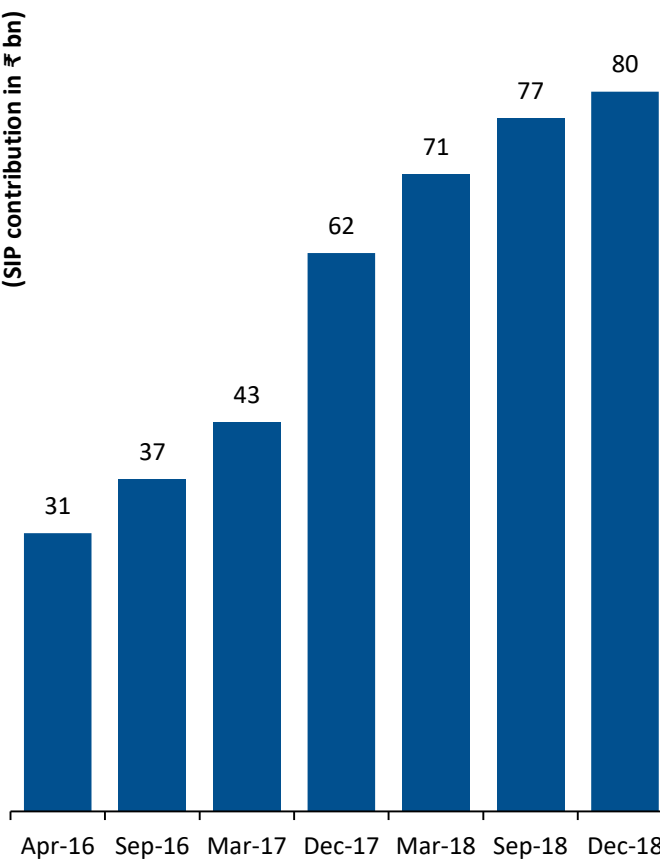
■ Institutional Investors

● Individual Folios (mm)

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

10.1 11.3 13.5 18.8 21.1 24.4 25.4

(SIP contribution in ₹ bn)

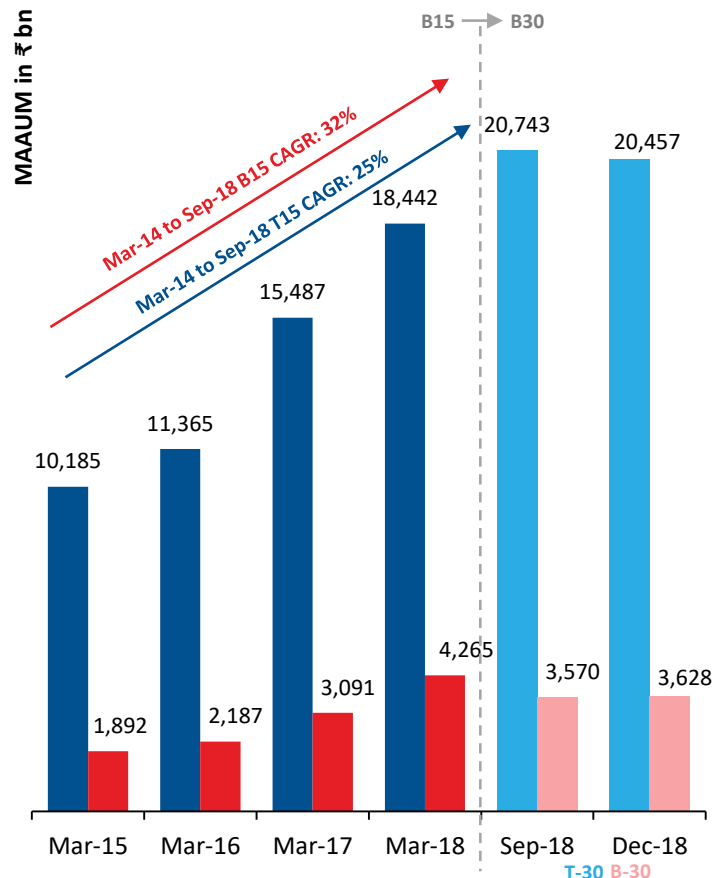


● No. of SIP Accounts (mm)

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

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

MAAUM in ₹ bn

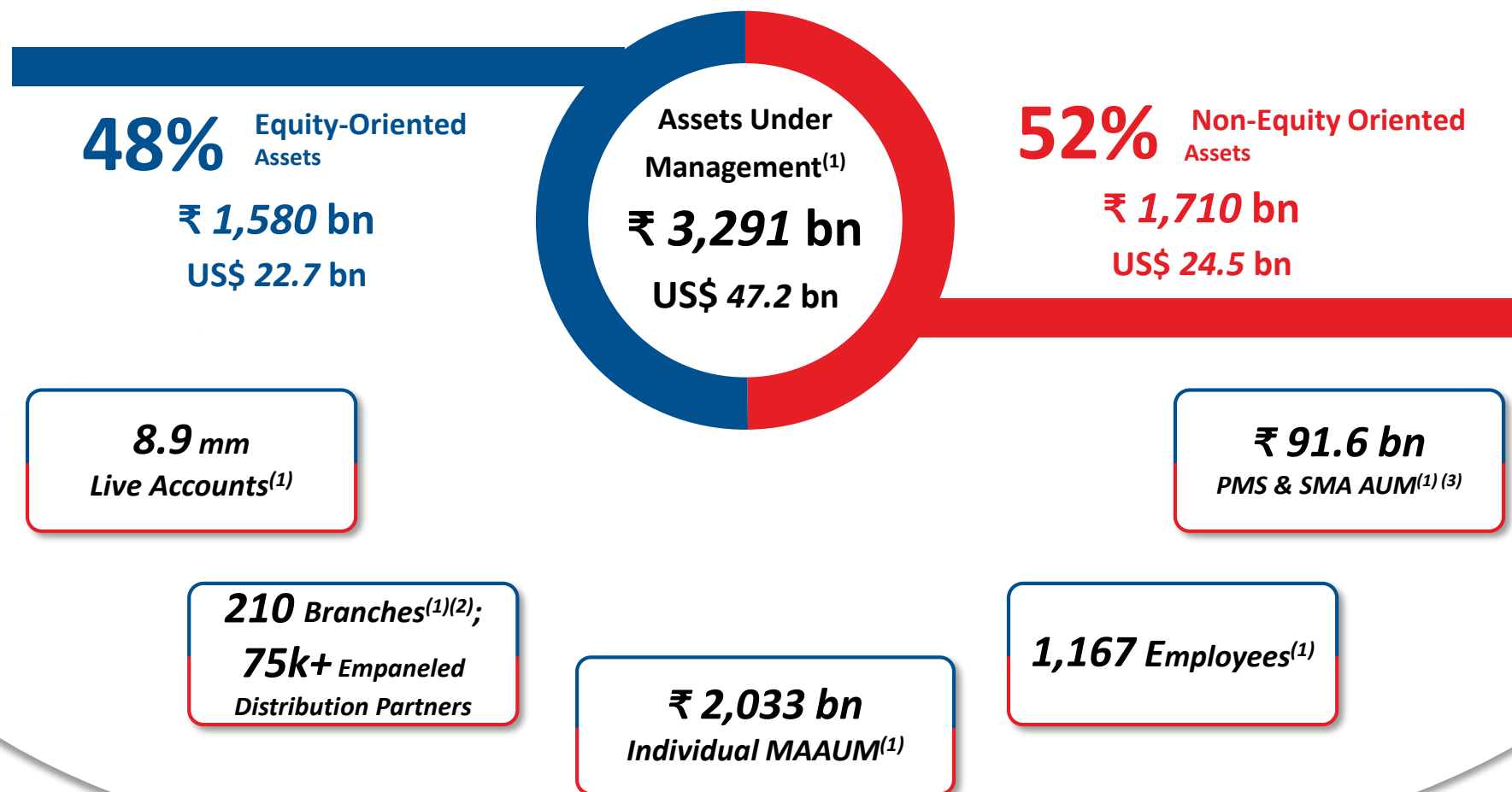


■ T-15

■ B-15

● Share of B-15 MAAUM

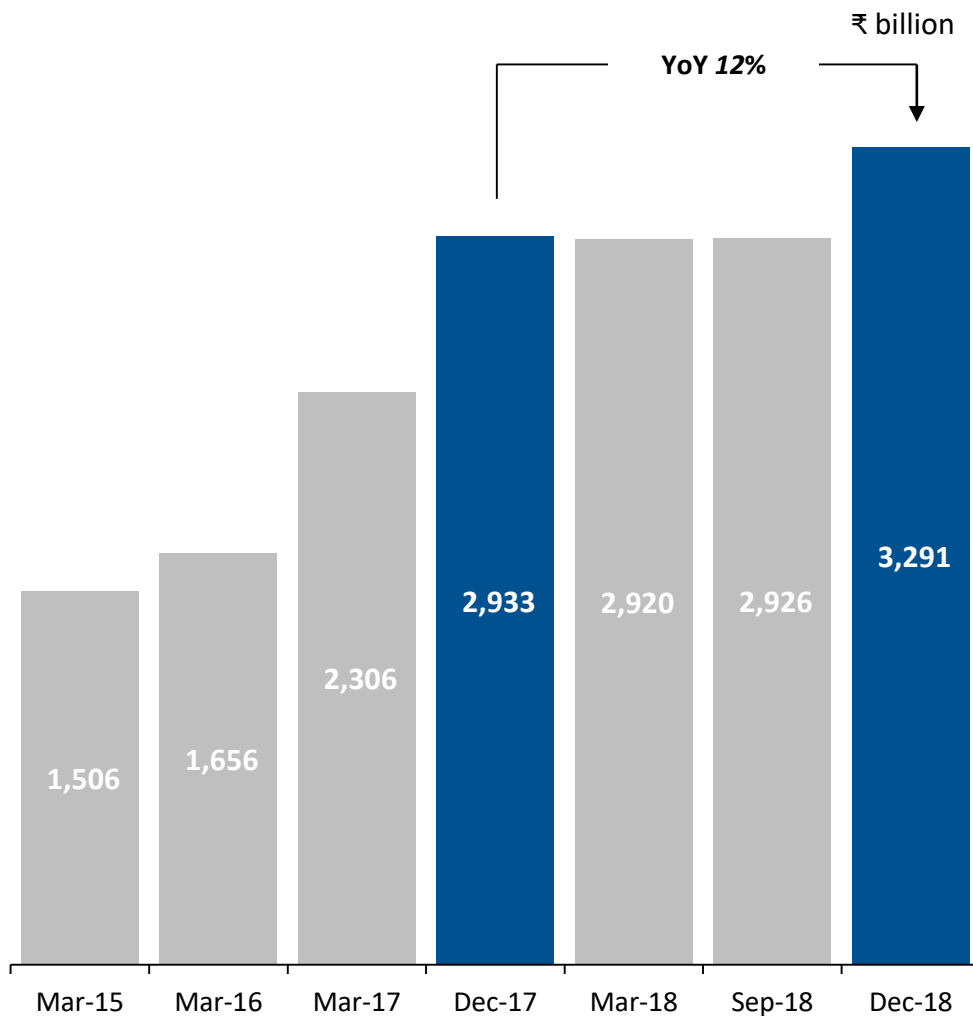
# ○ HDFC AMC at a glance



(1) As of Dec 31, 2018 / for Dec 2018; (2) Includes one representative office in Dubai; (3) Includes advisory mandates; (4) USD/INR conversion rate: ₹69.7675  
Source: Internal

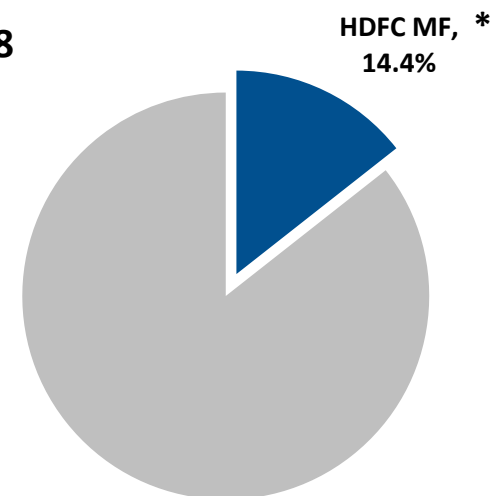
# ○ Total AUM and Market Share

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

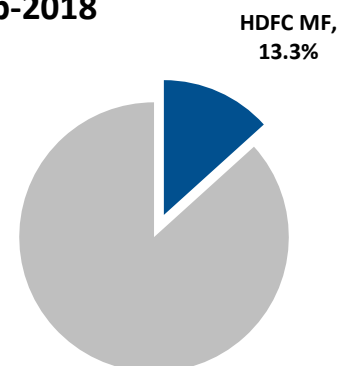


## Market Share in Total AUM<sup>(2)</sup>

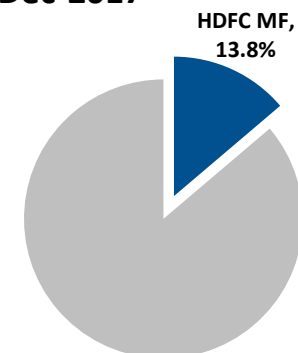
Dec-2018



Sep-2018



Dec-2017



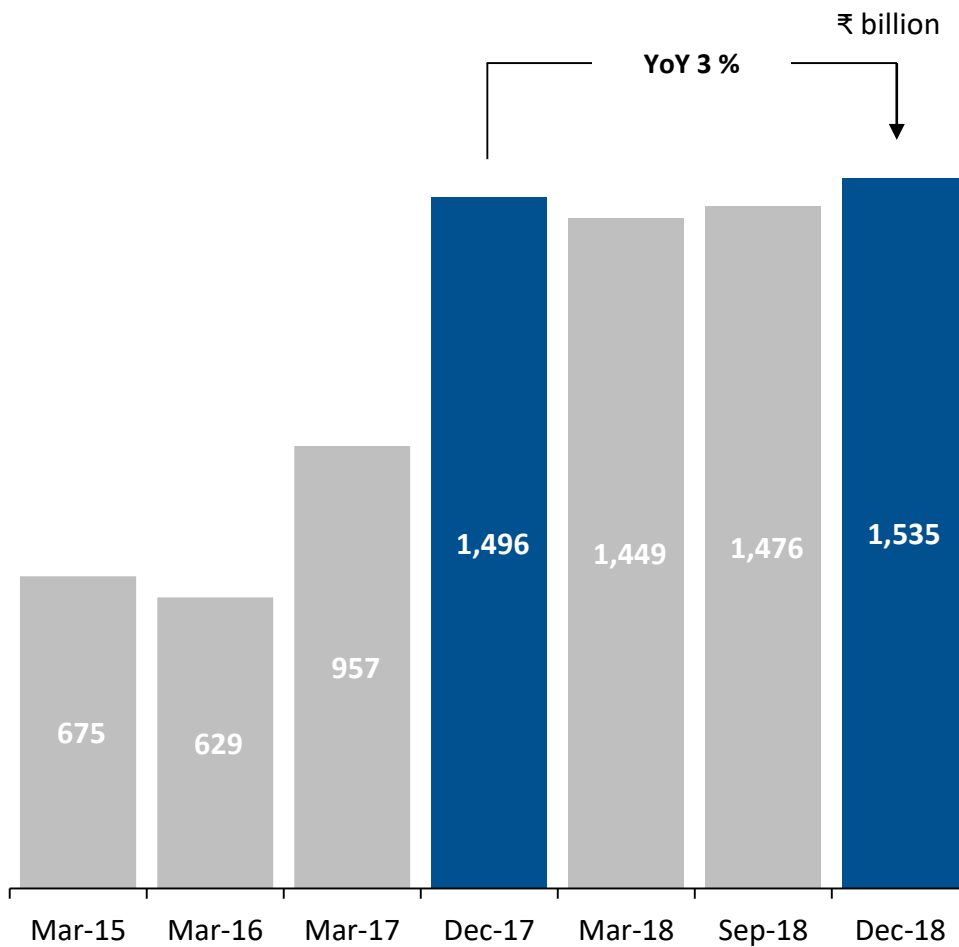
(1) Source: Internal

(2) Source: Internal, AMFI

\*Due to sharp increase in AUM of liquid funds

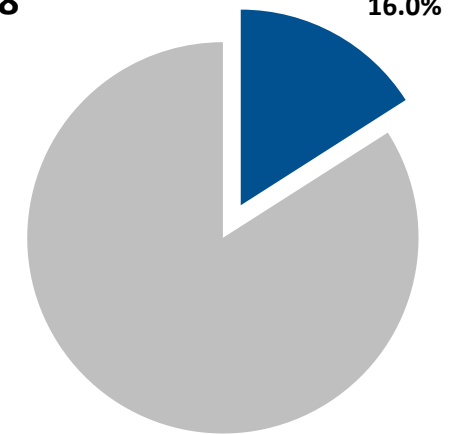
# Actively Managed Equity-oriented AUM and Market Share

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

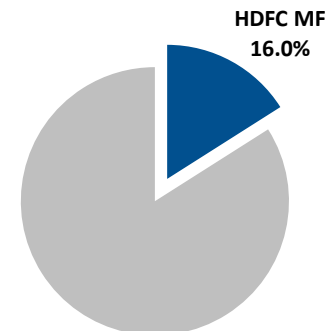


## #1 Market Share in Actively Managed Equity-oriented AUM<sup>(2)</sup>

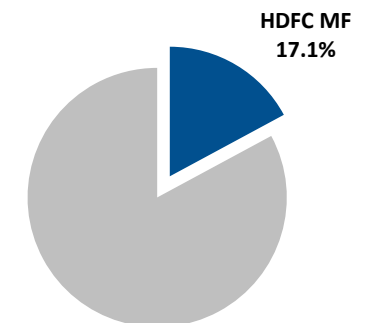
Dec-2018



Sep-2018



Dec-2017



(1) Source: Internal

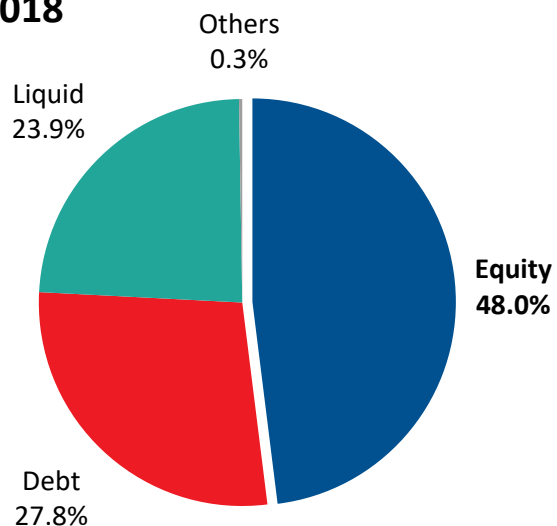
(2) Source: AMFI, Internal

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

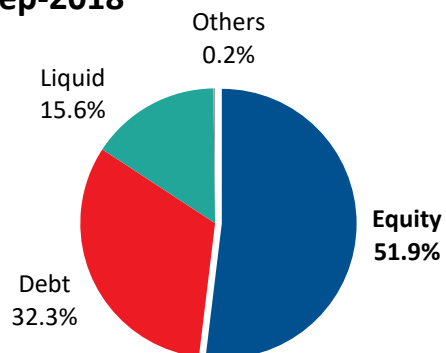
# AUM by Segment – HDFC AMC and Industry

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

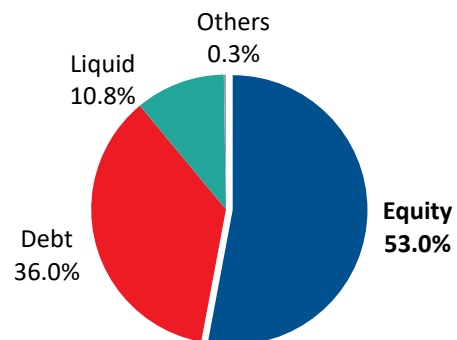
**Dec-2018**



**Sep-2018**

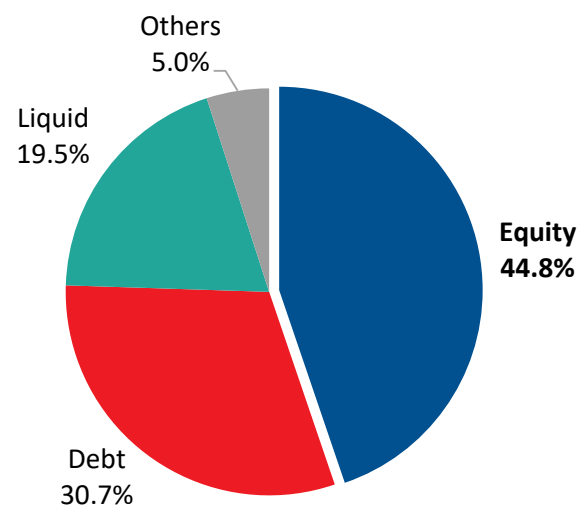


**Dec-2017**

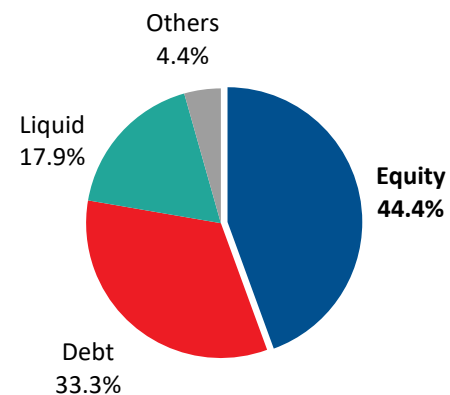


## Industry AUM by Segment <sup>(2)</sup>

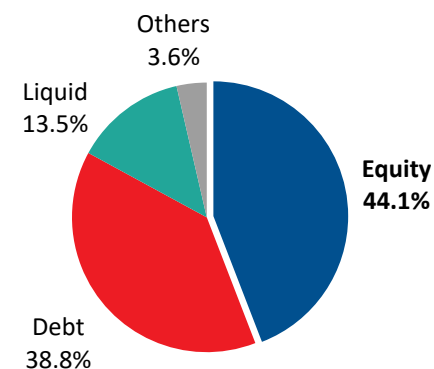
**Dec-2018**



**Sep-2018**



**Dec-2017**

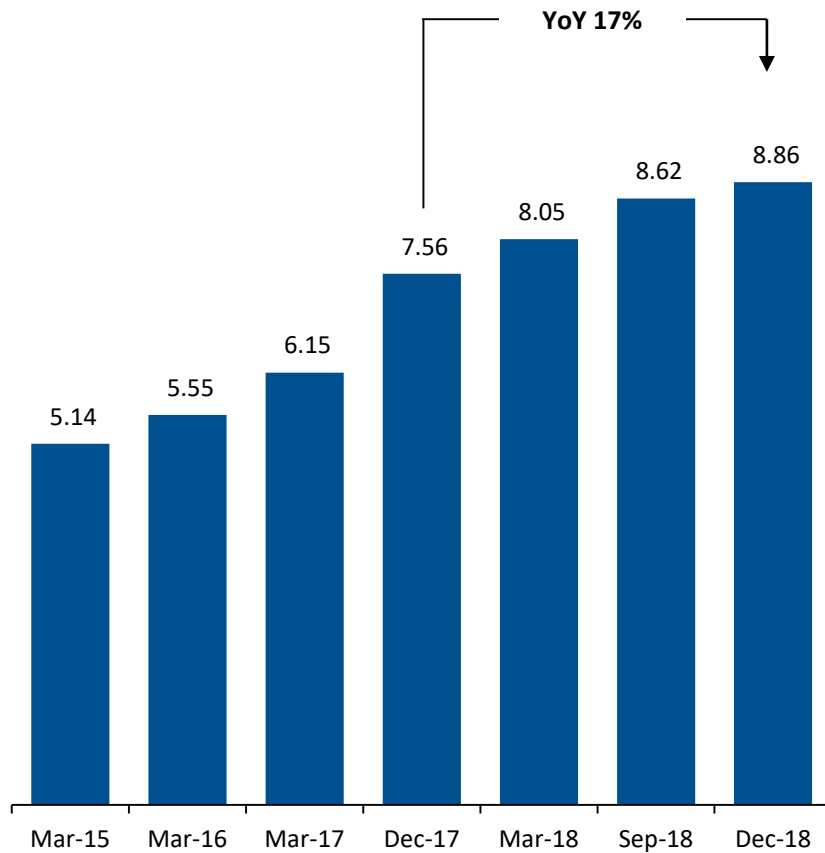


(1) Source: Internal

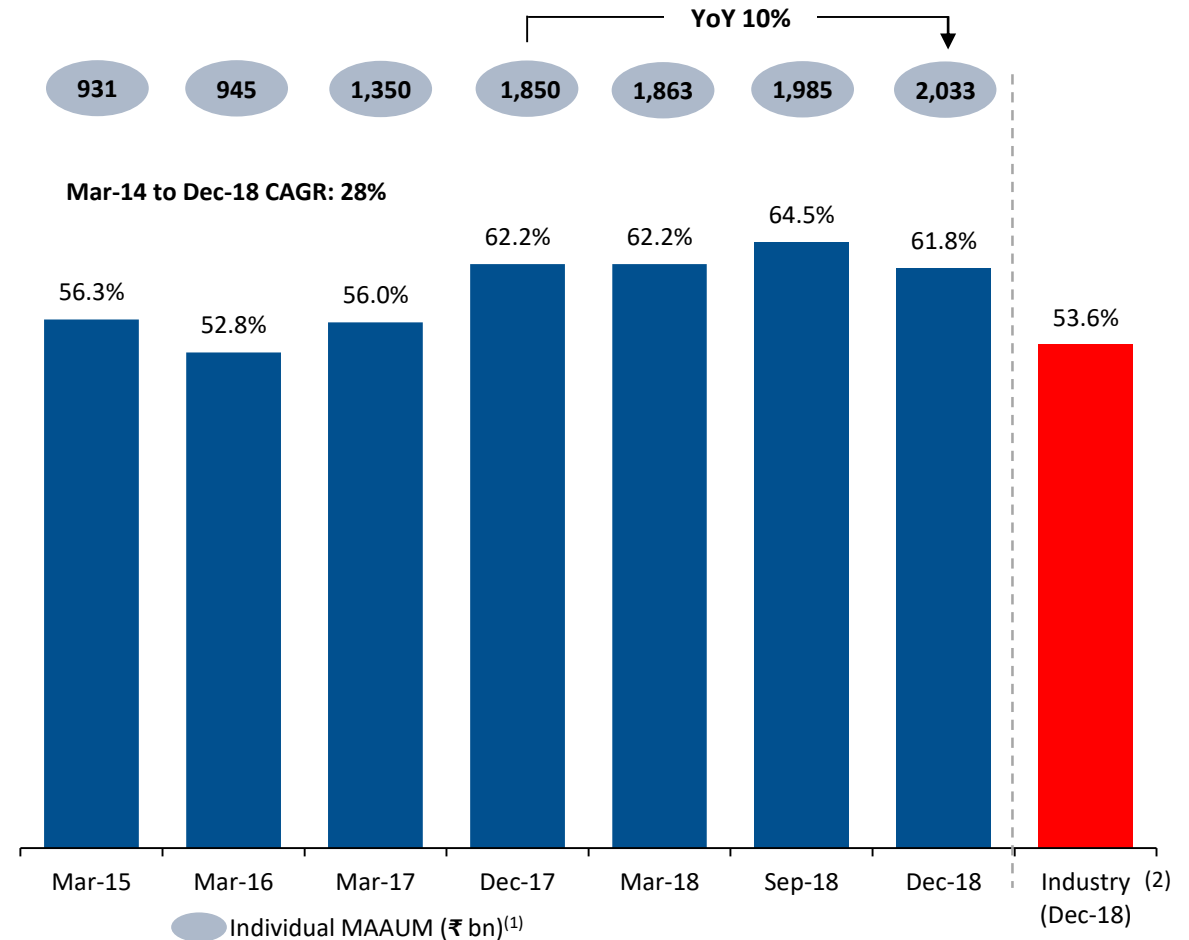
(2) Source: AMFI

# Individual Investors – no of Accounts & MAAUM

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



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



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

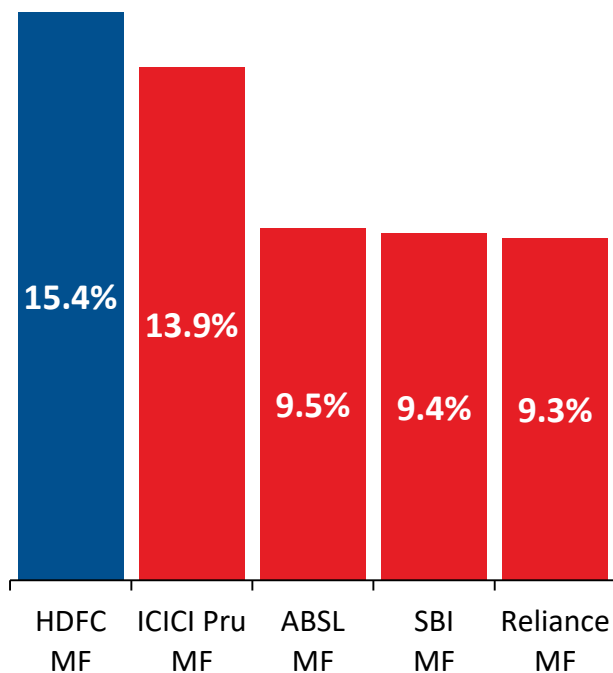
(1) Source: Internal

(2) Source: AMFI

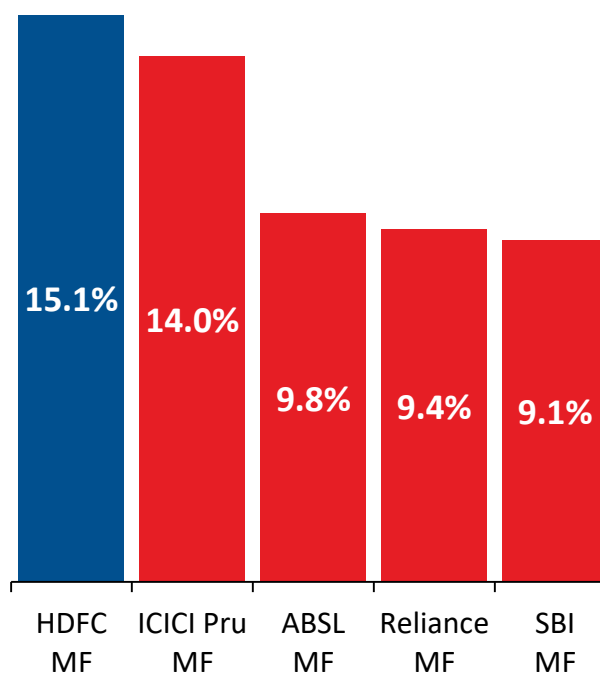


# Most Preferred Choice of Individual Investors

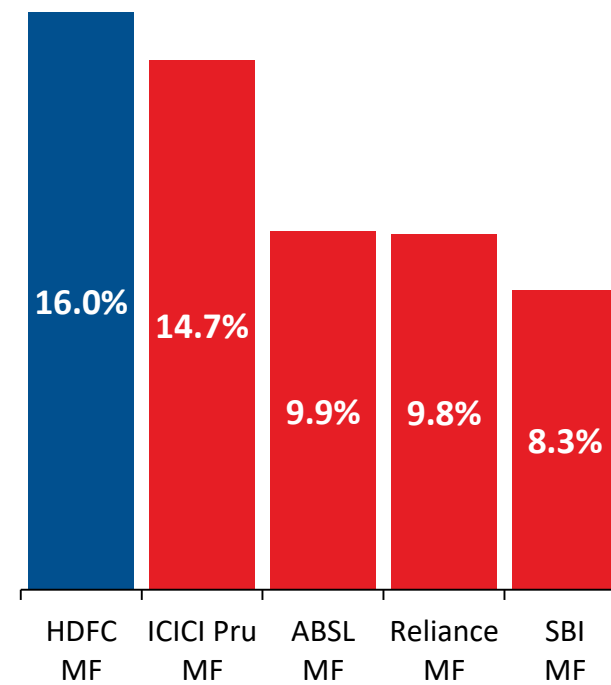
Individual Assets Market Share (Dec-18)



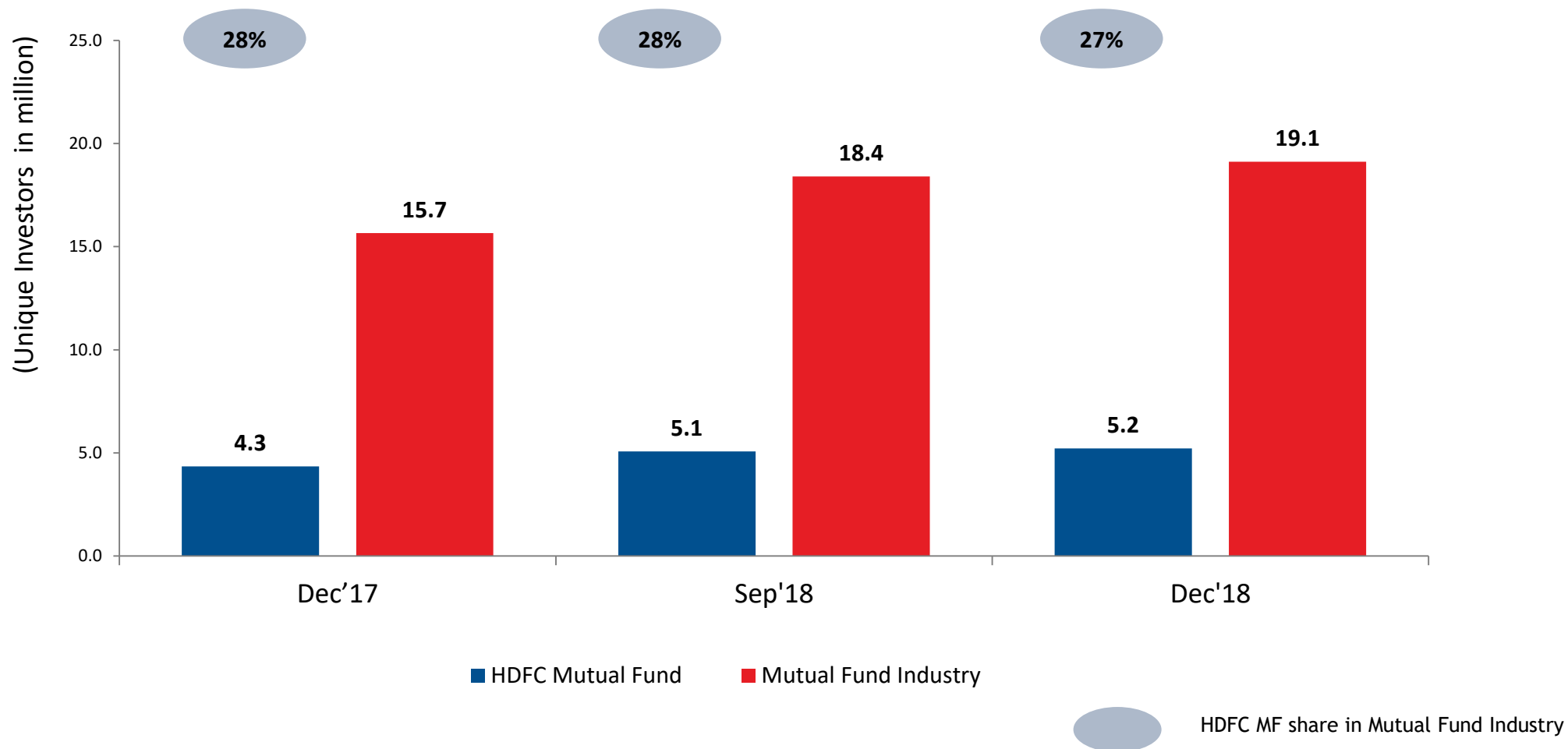
Individual Assets Market Share (Sep-18)



Individual Assets Market Share (Dec-17)

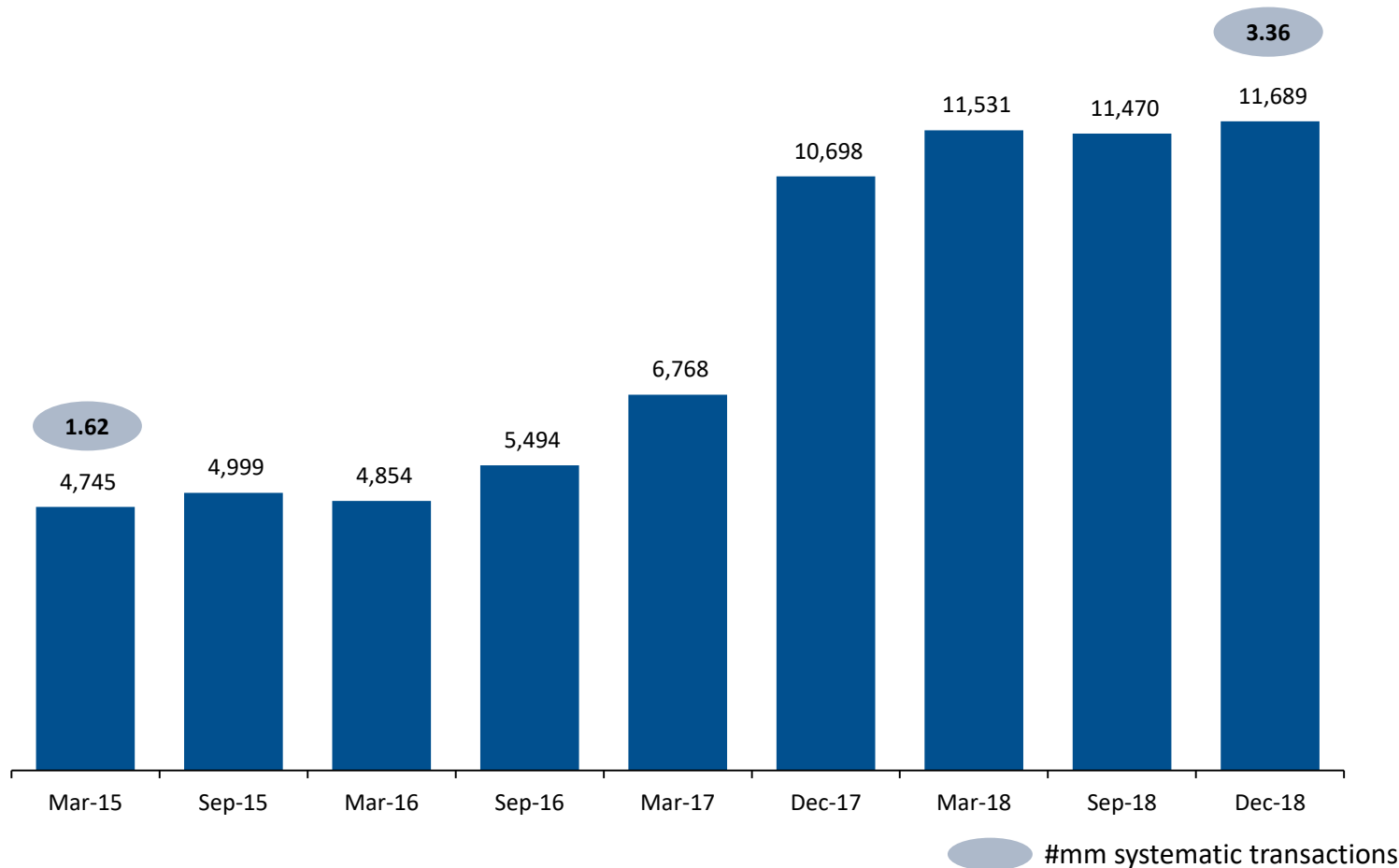


## Unique Investors- HDFC AMC vs MF Industry

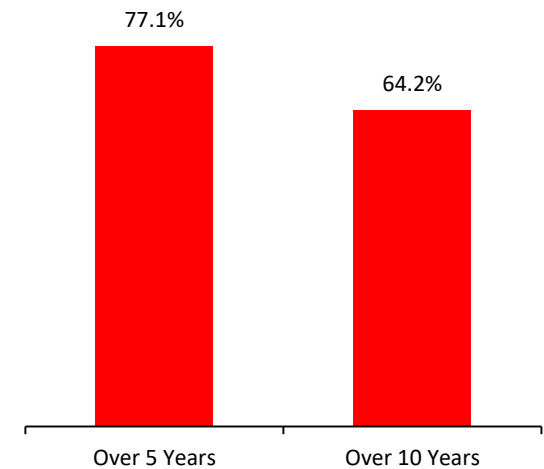


## Quality Long-term Inflows Through Systematic Transactions

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



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



**Strong and growing  
“Order Book” to provide  
predictable flows**

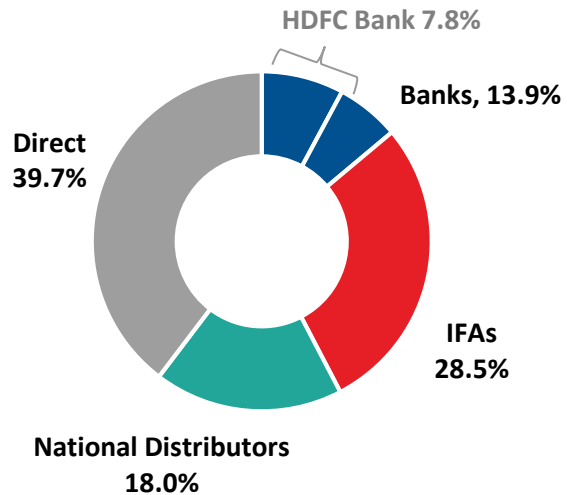
Source: Internal

(1) Based on tenure at the time of registration of all live SIPs during Dec-18

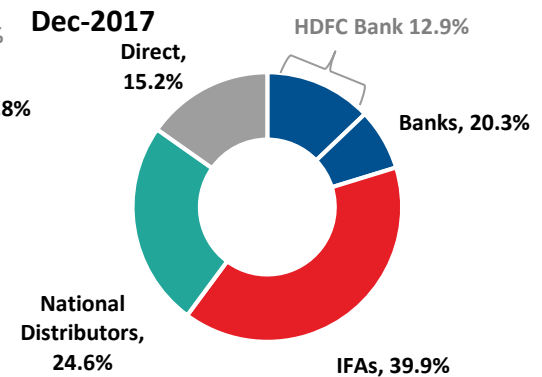
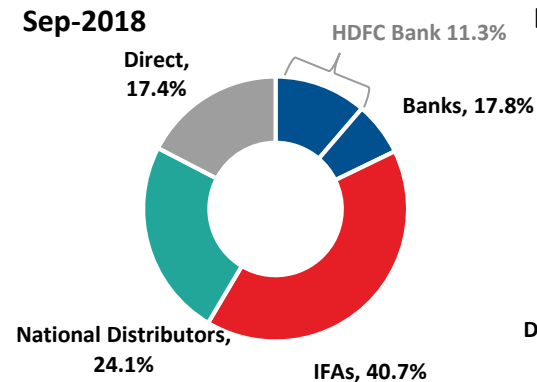
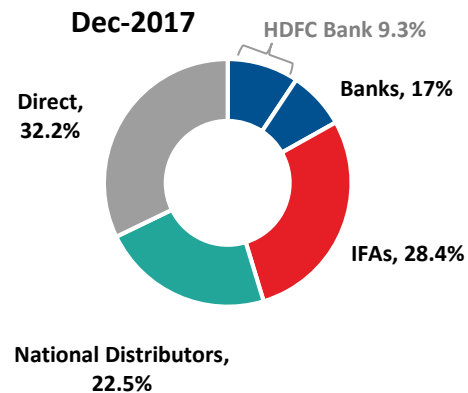
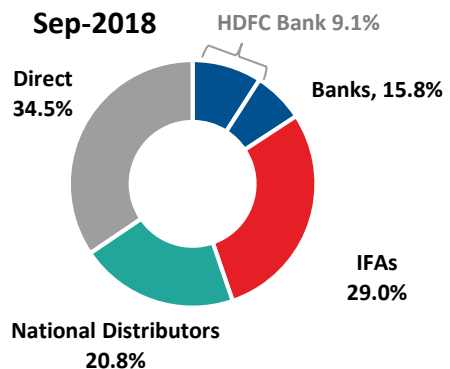
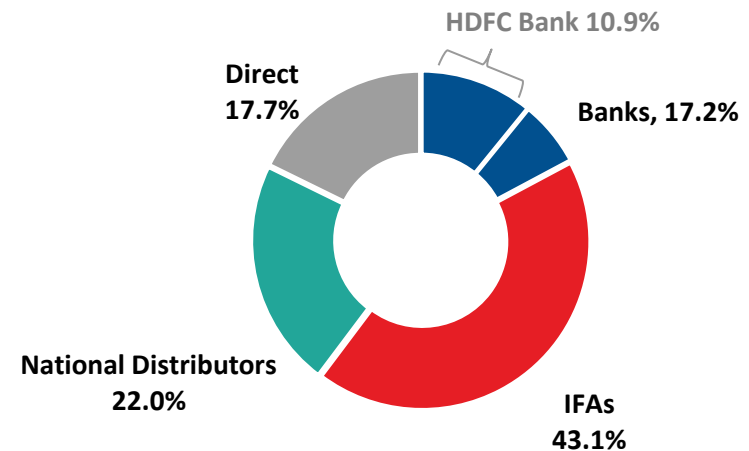
# Multi-channel Distribution Network

## Well Diversified Distribution Channel

**Total AUM (Dec-18)**

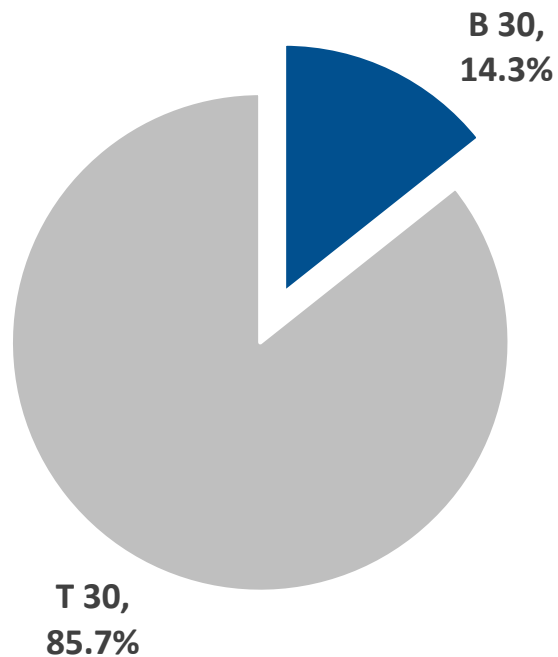


**Equity-oriented AUM (Dec-18)**

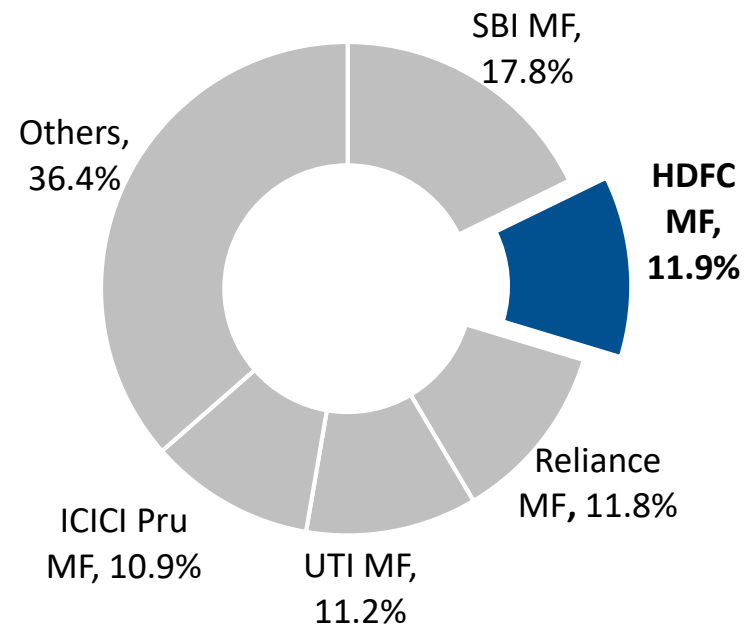


# Geographic Spread

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



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



***Network of 210 branches with 134 in B-30 cities<sup>(2)</sup>***

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

(1) Source: Internal

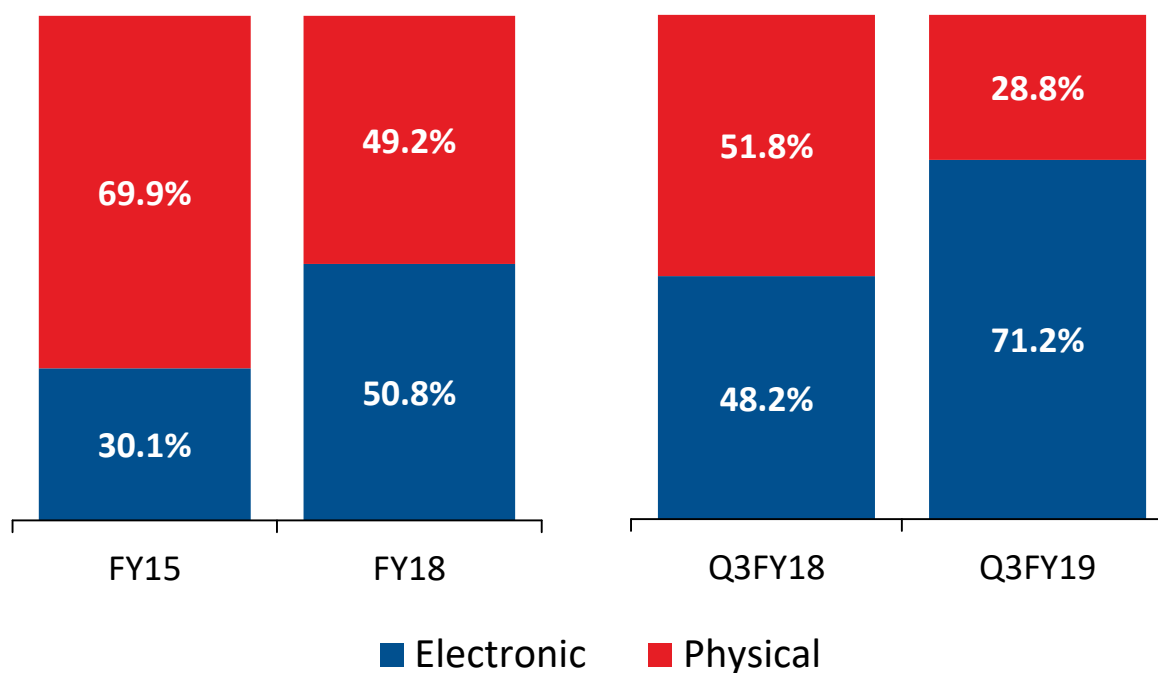
(2) As of Dec 31, 2018. Includes one representative office in Dubai;

# Strong Digital Presence

## Supported by Integrated Online Platform



Electronic and Physical Transaction as % of Total Transactions



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

■ FY15-18 CAGR of 46.2% for electronic transactions

■ 17.4% transaction are through HDFC MFOnline and mobile application

- Amendments in TER as per SEBI notification dated 13<sup>th</sup> December 2018, effective from 1<sup>st</sup> April 2019.
- Effective 22<sup>nd</sup> October 2018, regulator has made following key changes
  - All scheme related expenses, including distributor commissions, to be paid from scheme accounts only and not from the AMC accounts.
  - Ban on upfront commission.

# Financials



- Adoption of Indian Accounting Standards (Ind AS) with effect from 1<sup>st</sup> April 2018.
- Results of Q3 FY19 & 9M FY19 are prepared as per Ind AS requirements.
- Accordingly figures for Q3 FY18 & 9M FY18 have been restated.

Key Changes	Remarks
<b>Investments</b>	Investments are fair valued through P/L except certain debt instruments which are valued at amortised cost.
<b>Employee Stock Option Schemes (ESOS)</b>	Obligations under outstanding & unvested ESOS have to be fair valued and amortised as part of employee benefit expenses over the period of vesting.
<b>Others</b>	Interest free refundable security deposits are required to be measured at present value using an appropriate discount rate. Deferred Tax adjustments on GAAP differences (where required).

# PAT Reconciliation- Previous GAAP Vs Ind AS – Q3 FY 18

(Rs. mm)	
Particulars	Q3 FY 18
Net profit after tax as reported under Previous GAAP	1,846
<b>Adjustment increasing / (decreasing) net profit after tax as reported under Previous GAAP (net of tax):</b>	
Fair value change in investments	139
Fair valuation of employee stock options	(33)
Others	2
Actuarial (gain) / loss on employee defined benefit plan recognised in 'Other Comprehensive Income'	(3)
Net Profit after tax as per Ind AS	1,951
Other Comprehensive Income	2
Total Comprehensive Income (net of tax) as per Ind AS	1,953

# Financials Summary – Nine months ended Earnings

(Rs. mm)

Particulars	9M FY19	9M FY18	Change
Revenue from Operations	14,287	12,881	11%
Other Income	1,206	817	48%
<b>Total Revenue</b>	<b>15,493</b>	<b>13,698</b>	<b>13%</b>
<b>Expenses</b>			
Employee Benefit Expense	1,587	1,422	12%
Depreciation and Amortization Expense	94	70	34%
Business Development and Other Expenses	4,211	4,394	-4%
<b>Total Expenses</b>	<b>5,892</b>	<b>5,886</b>	<b>0%</b>
<b>Profit before tax</b>	<b>9,601</b>	<b>7,812</b>	<b>23%</b>
<b>Tax Expenses</b>	<b>3,057</b>	<b>2,417</b>	<b>26%</b>
<b>Profit after tax</b>	<b>6,544</b>	<b>5,395</b>	<b>21%</b>
Other Comprehensive Income (Net of Tax)	(7)	(5)	44%
<b>Total Comprehensive Income</b>	<b>6,537</b>	<b>5,390</b>	<b>21%</b>

Particulars	9M FY19	9M FY18	Change
Revenue from Operations	14,287	12,881	11%
Total Expenses*	5,590	5,886	-5%
<b>Operating Profit from core AM business*</b>	<b>8,697</b>	<b>6,995</b>	<b>24%</b>

\*Adjusted for non recurring expenses

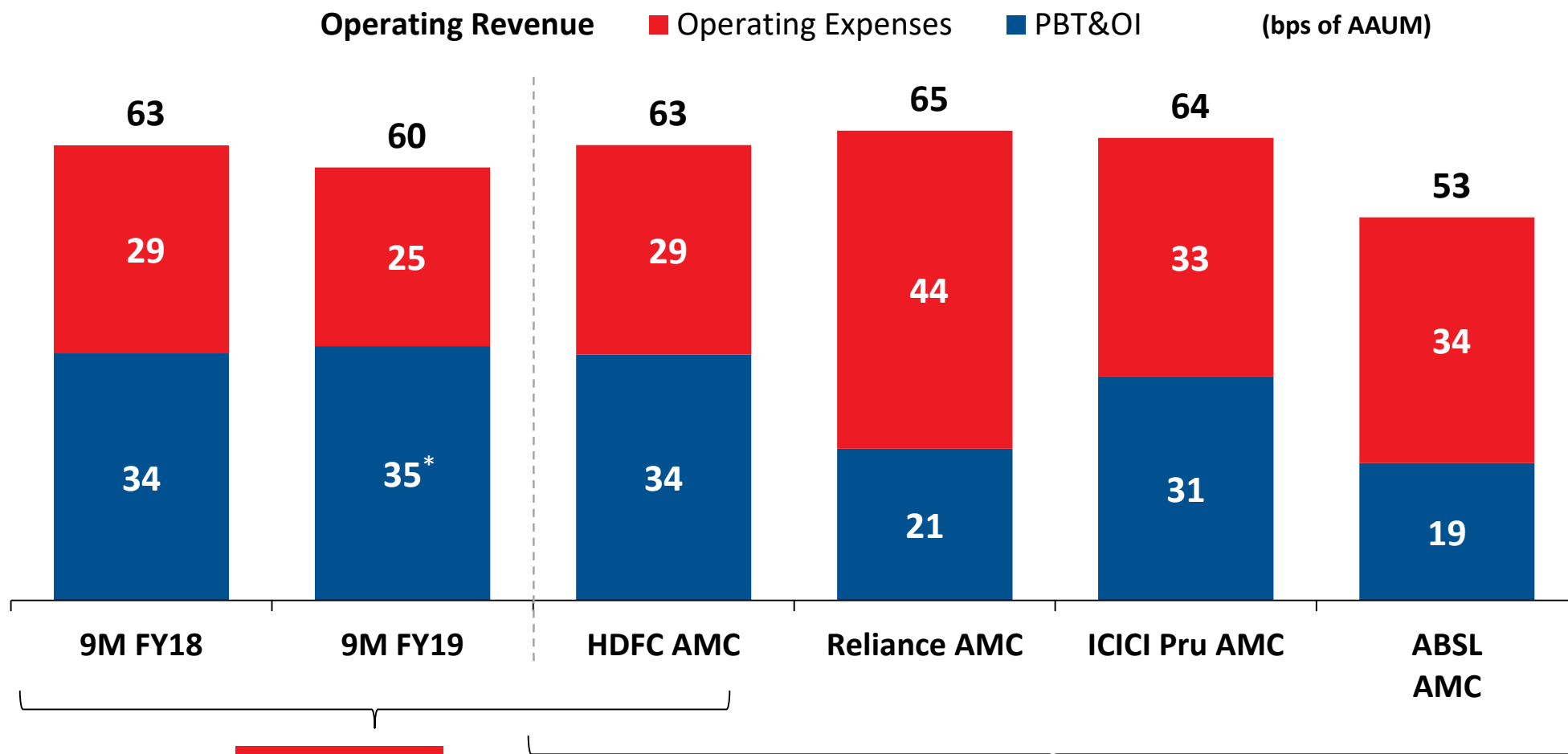
# Financials Summary – Quarterly Earnings

(Rs. mm)			
Particulars	Q3 FY19	Q3 FY18	Change
Revenue from Operations	4,771	4,676	2%
Other Income	559	276	103%
<b>Total Revenue</b>	<b>5,330</b>	<b>4,952</b>	<b>8%</b>
<b>Expenses</b>			
Employee Benefit Expense	505	503	0%
Depreciation and Amortization Expense	37	25	49%
Business Development and Other Expenses	1,105	1,573	-30%
<b>Total Expenses</b>	<b>1,647</b>	<b>2,101</b>	<b>-22%</b>
<b>Profit before tax</b>	<b>3,683</b>	<b>2,851</b>	<b>29%</b>
<b>Tax Expenses</b>	1,250	900	39%
<b>Profit after tax</b>	<b>2,433</b>	<b>1,951</b>	<b>25%</b>
Other Comprehensive Income (Net of Tax)	(9)	2	-453%
<b>Total Comprehensive Income</b>	<b>2,424</b>	<b>1,953</b>	<b>24%</b>

Particulars	Q3 FY19	Q3 FY18	Change
Revenue from Operations	4,771	4,676	2%
Total Expenses*	1,557	2,101	-26%
<b>Operating Profit from core AM business*</b>	<b>3,214</b>	<b>2,575</b>	<b>25%</b>

\*Adjusted for non recurring expenses

# Operating Profit Margin



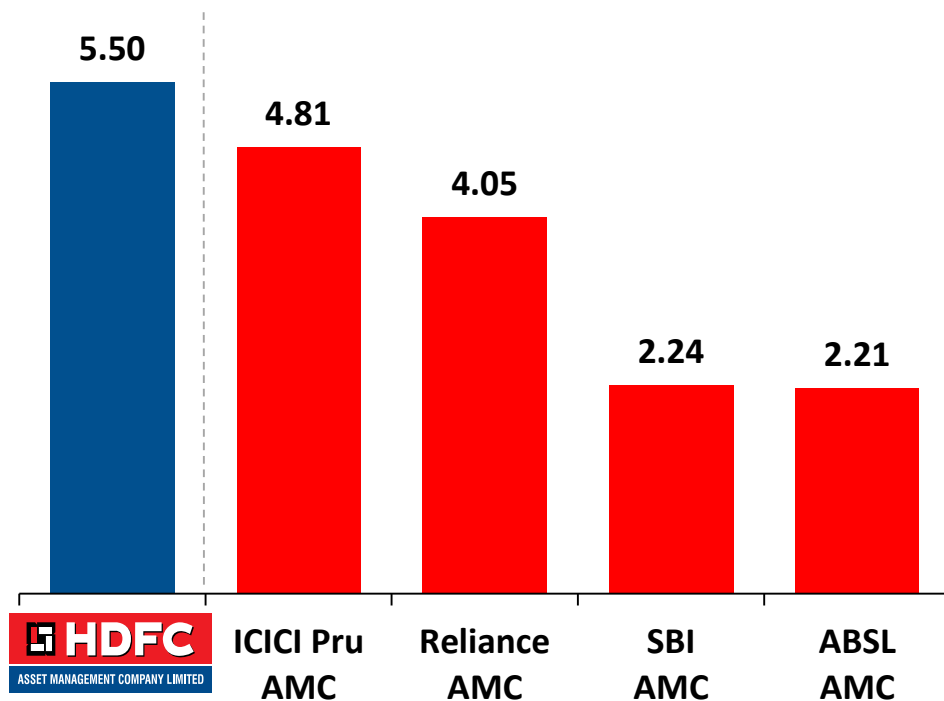
FY18 as per previous GAAP  
9M FY18 as per Ind AS  
9M FY19 as per Ind AS

**FY18**

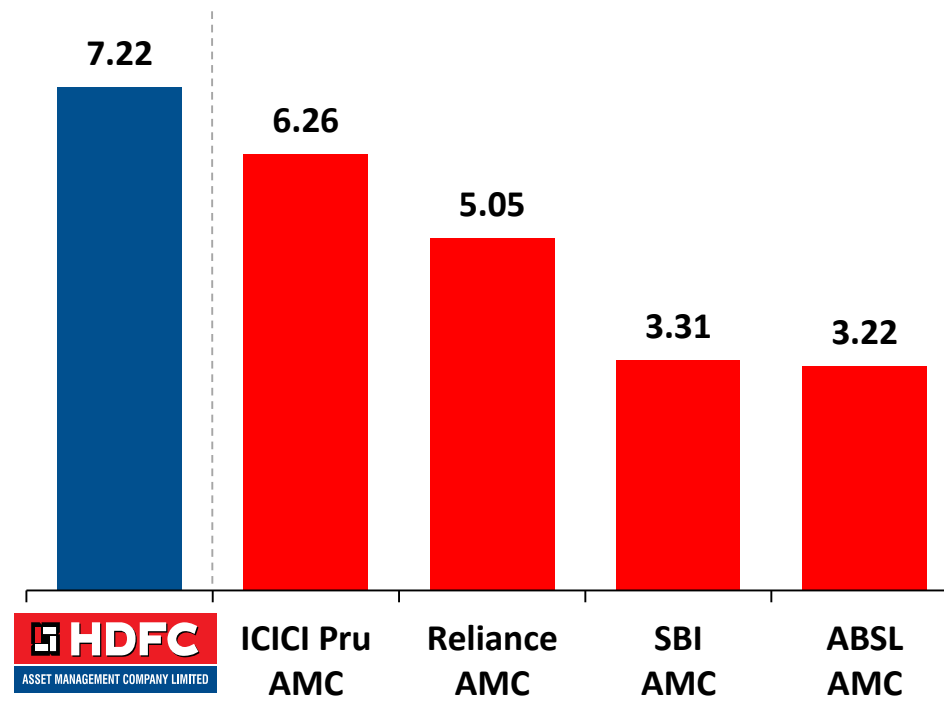
\*Adjusted for non recurring expenses: 36

Based on internal computations

FY17 Profit after tax (Rs bn)



FY18 Profit after tax (Rs bn)

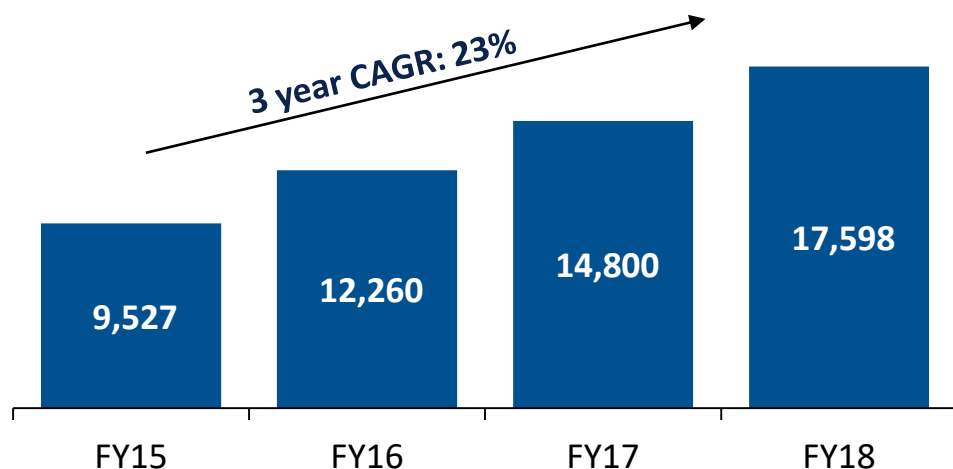


***Most profitable asset management company in India in terms of net profits since FY14***

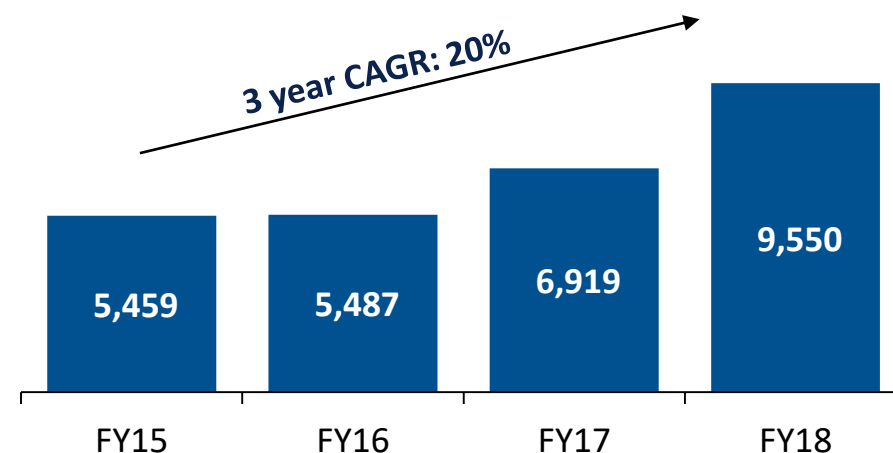
# Financials Summary – Historical Trends

Figures In Rs mm

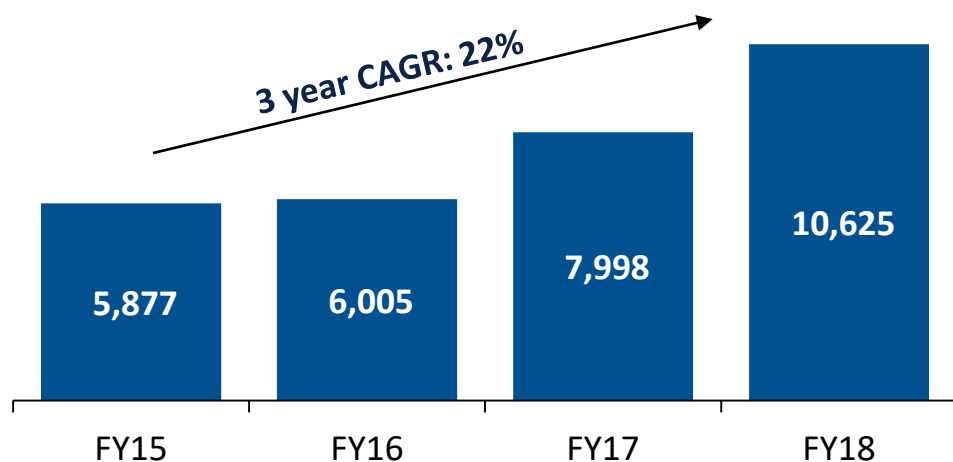
## Revenue from Operations



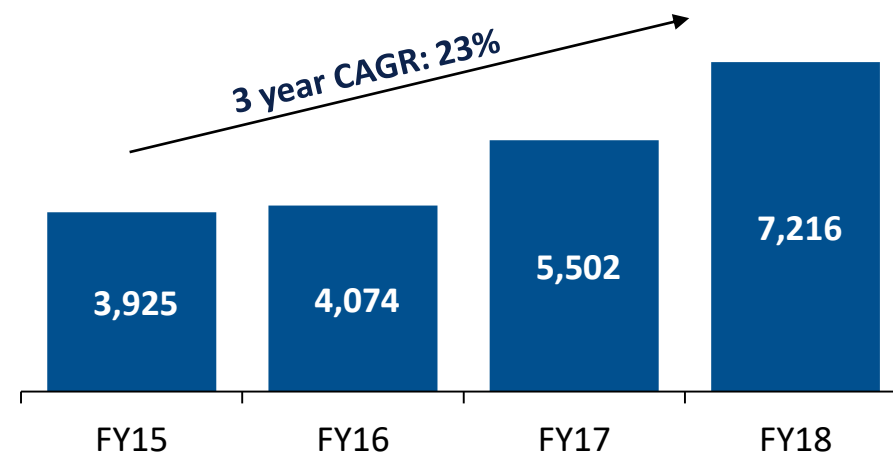
## Operating Profit



## Profit before tax



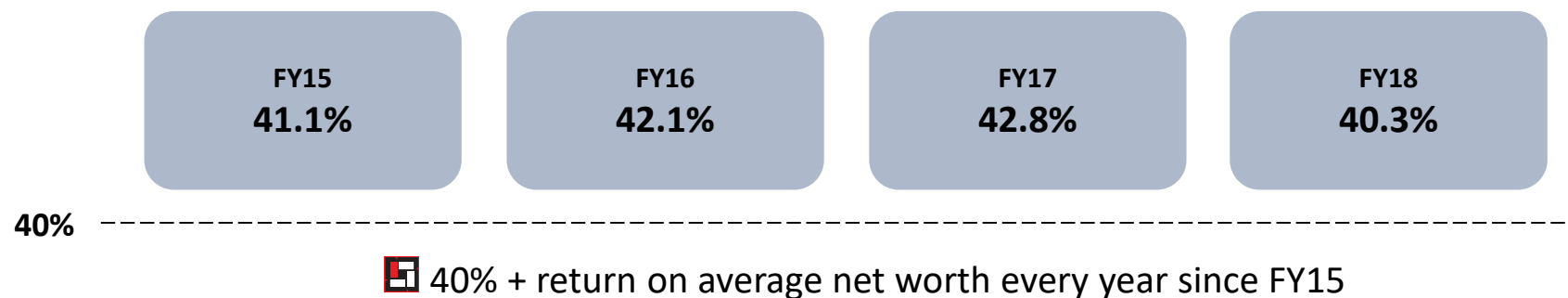
## Profit after tax



Note-The above is (Excluding REP Performance Fee). The preparation is as per previous GAAP.

# ○ ROE and Dividend Payout Ratio

## 40% + Return on Equity<sup>(1)</sup>



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



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

(2) Including dividend distribution tax



# Thank You



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## Definitions

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

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

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

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

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