ASSET MANAGEMENT COMPANY LIMITED

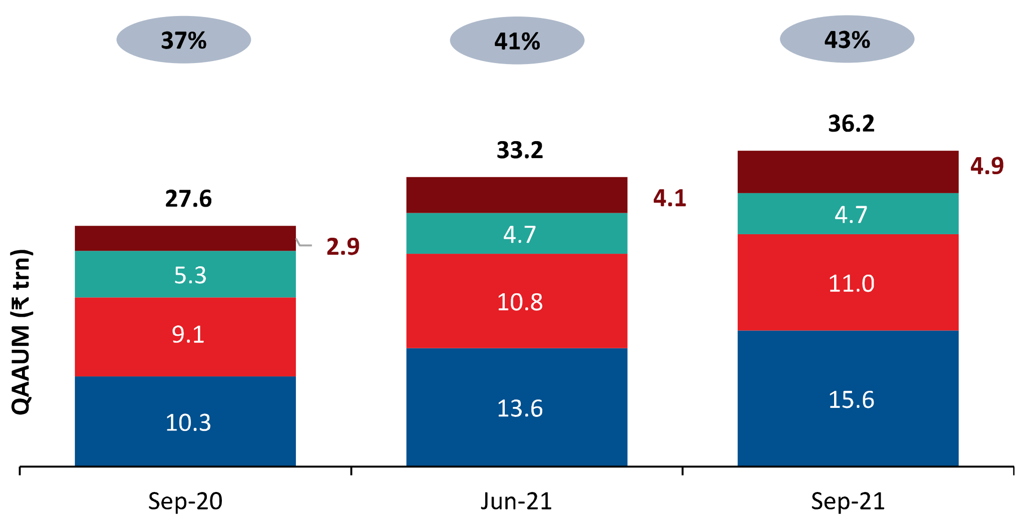
HDFC Asset Management Company Limited

Q2 FY21-22

(For the quarter ended September 30, 2021)

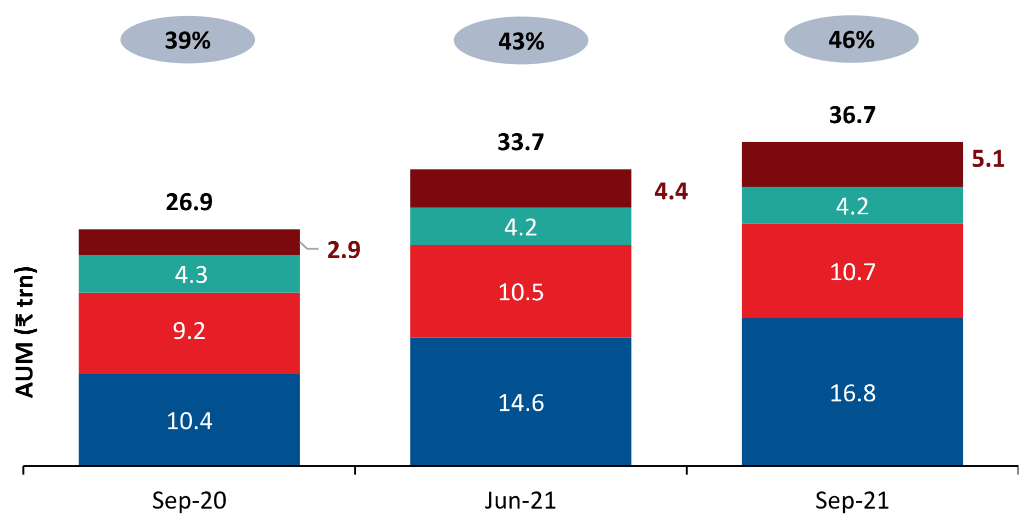
Industry - AUM and Net Sales

Quarterly Average AUM (QAAUM)



Sep-20 to Sep-21 YoY:
Overall: 31%; Equity: 51%

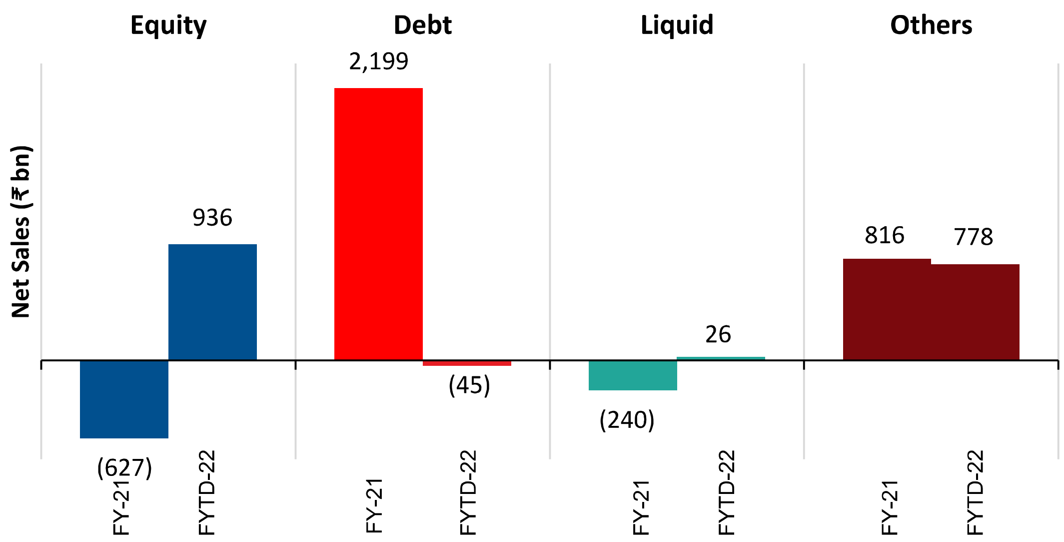
Closing AUM



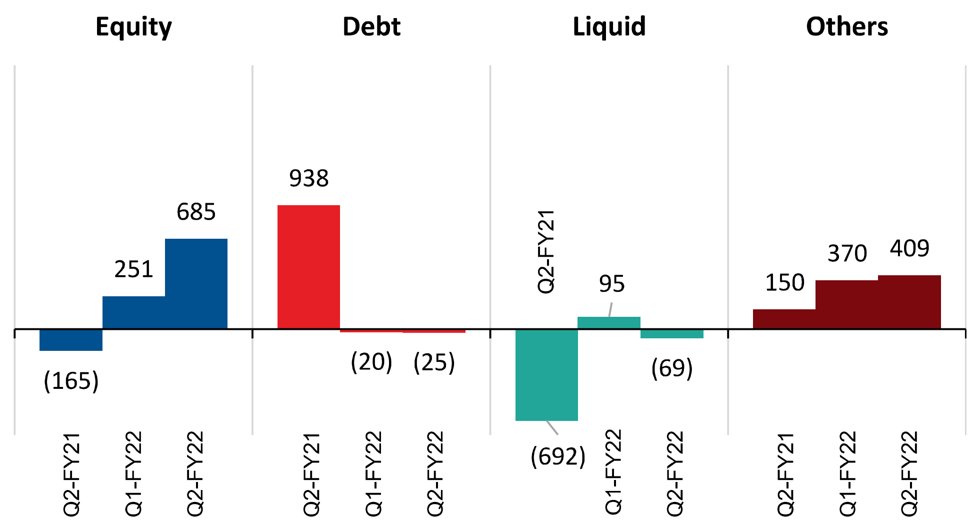
Sep-20 to Sep-21 YoY:
Overall: 37%; Equity: 60%

Equity Debt Liquid Others

Yearly net sales



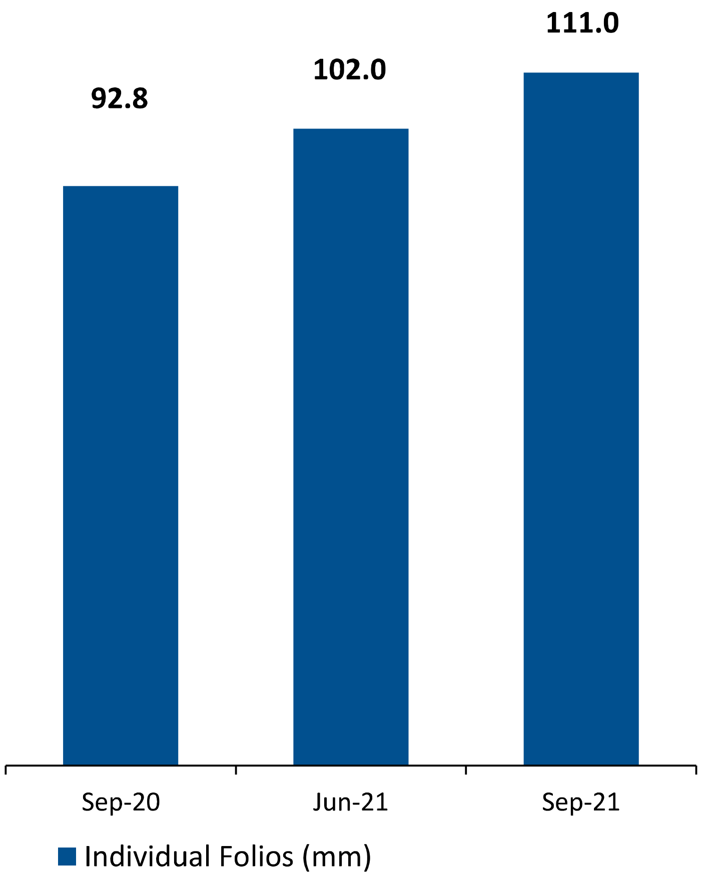
Quarterly net sales



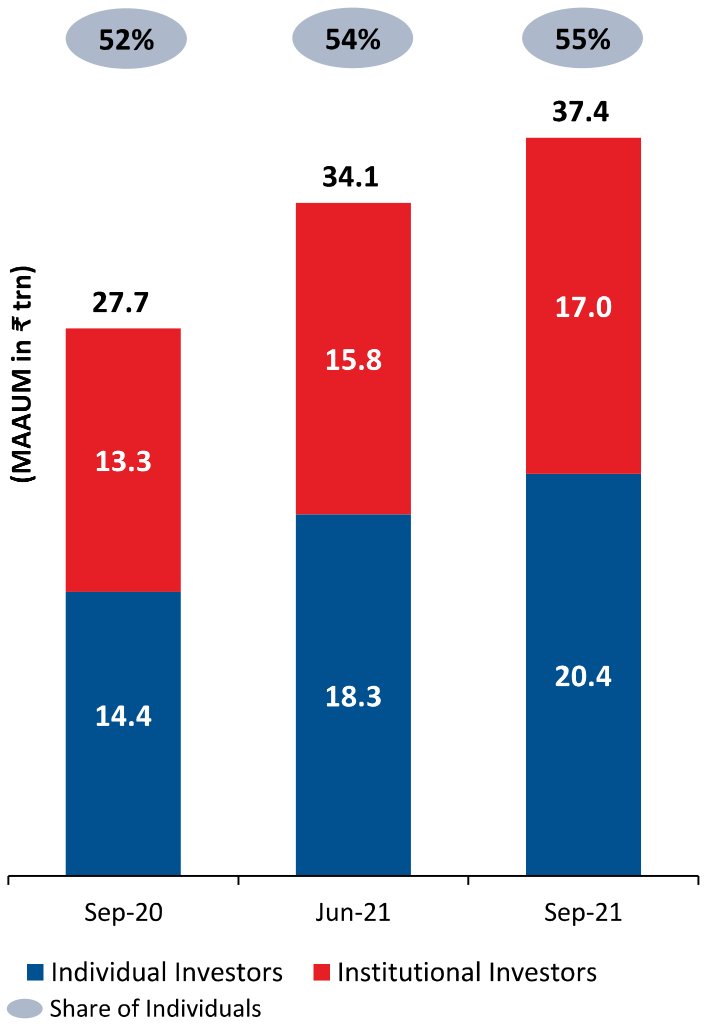
Source: AMFI. AUM excluding FOF – domestic; equity includes equity-oriented hybrid funds; 'Others' includes ETF, Arbitrage and FOF–investing overseas. Money market is classified as Debt

Industry - Individual / Institutional MAAUM, B30

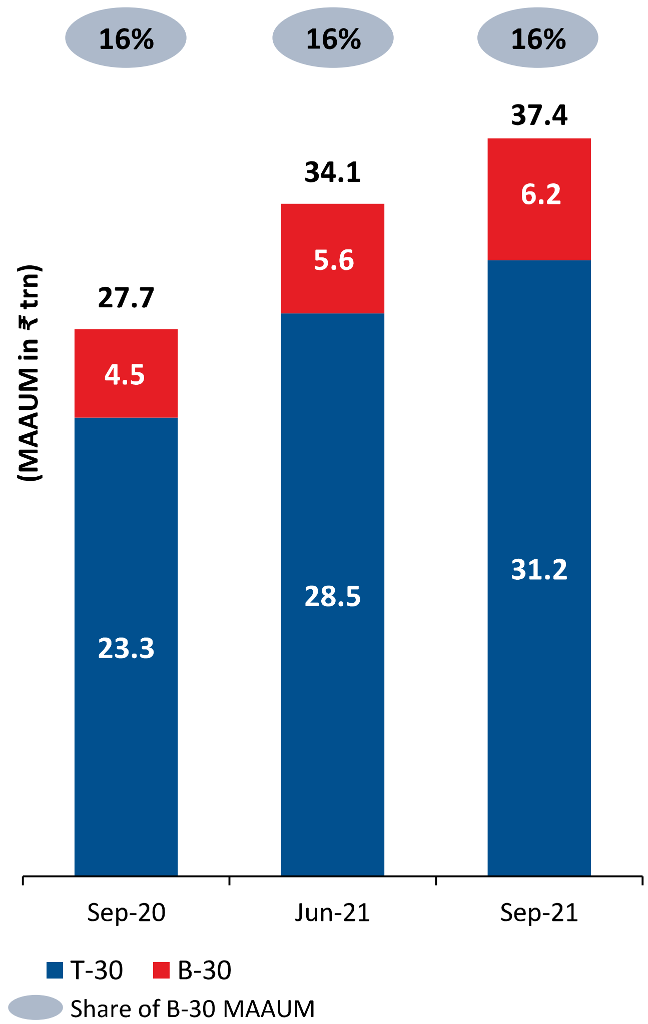
Individual Folios



Overall MAAUM by Investor category



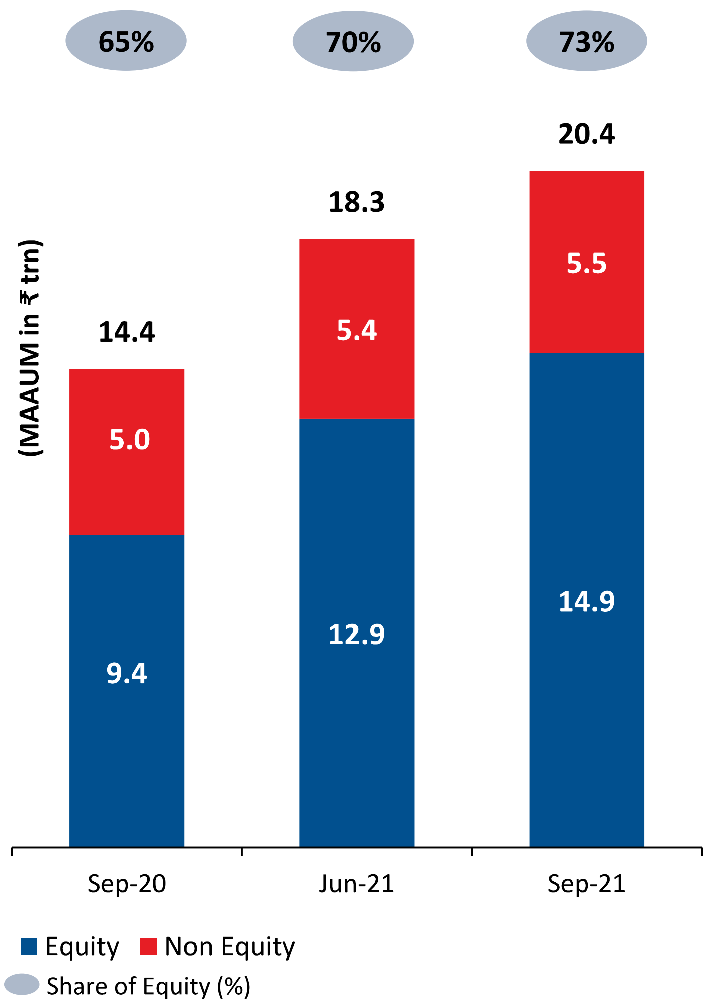
Overall MAAUM by Location



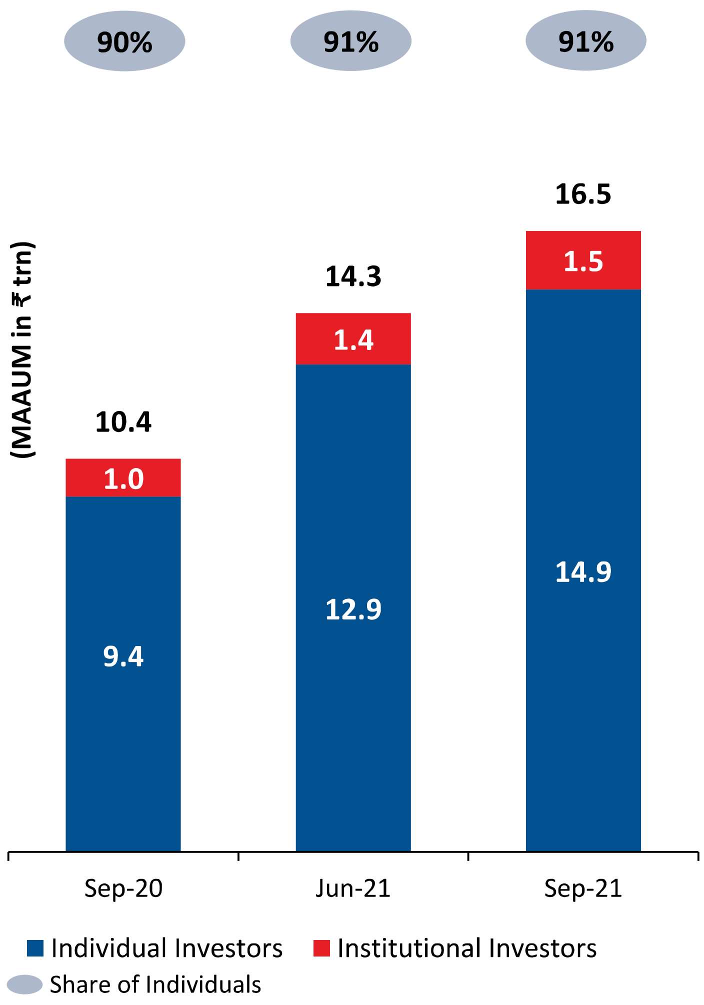
Source: AMFI ; Based on monthly average AUM

Industry - Individual / Institutional MAAUM, B30

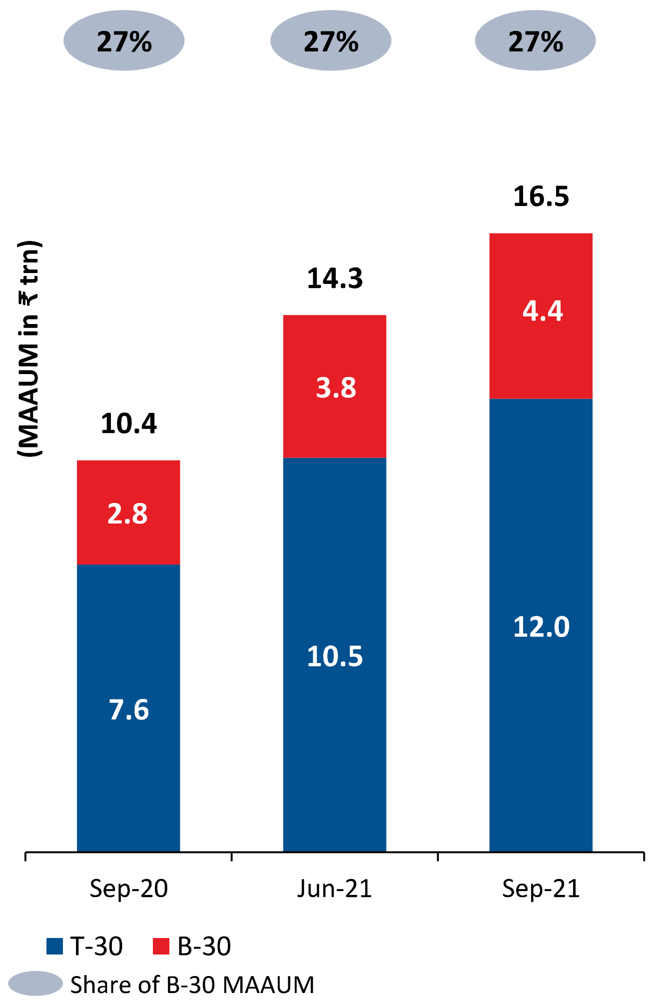
Individual MAAUM by Asset class



Equity MAAUM by Investor category



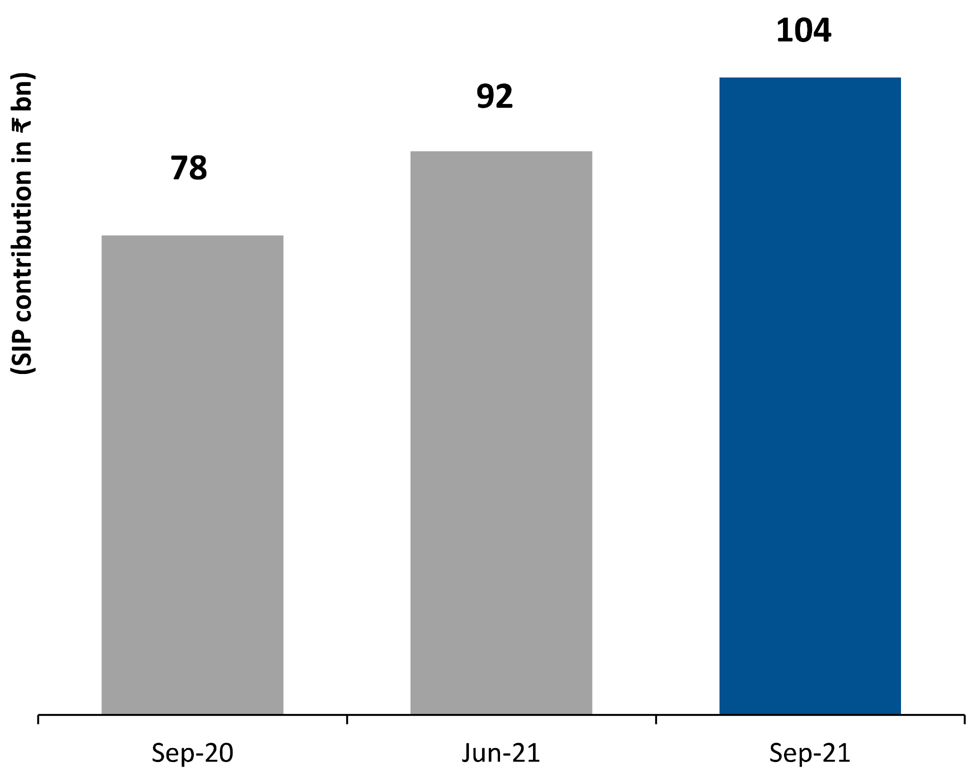
Equity MAAUM by Location



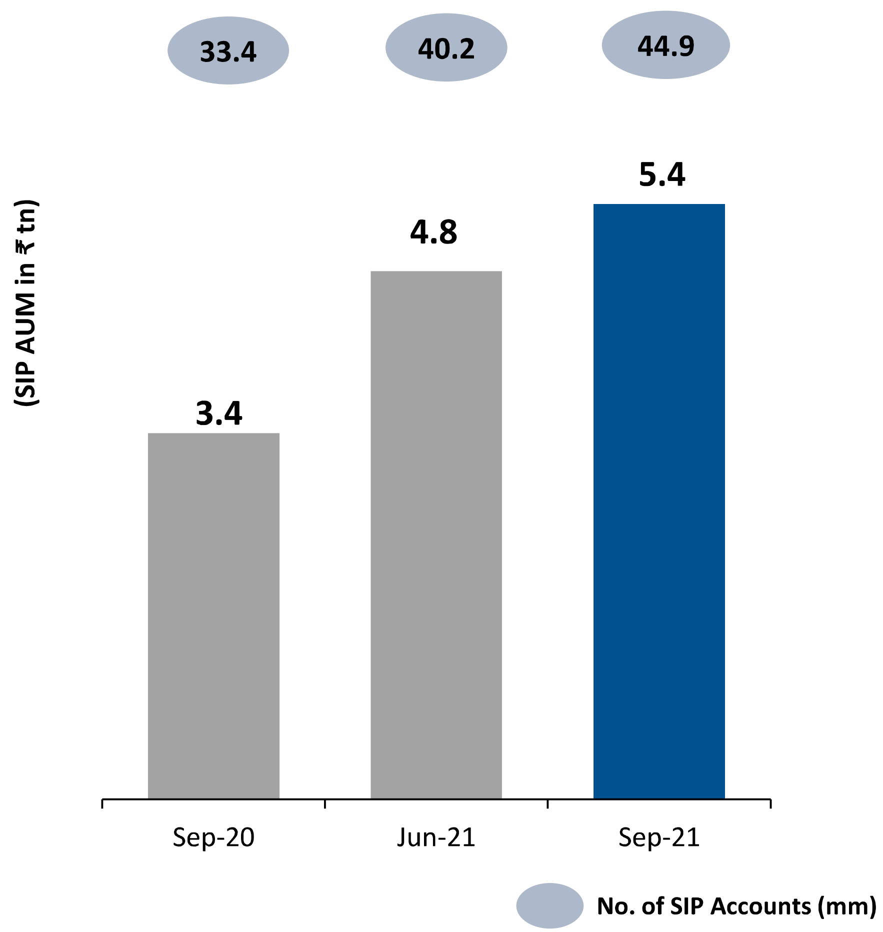
Source: AMFI ; Based on monthly average AUM
Note: Equity MAAUM excludes arbitrage schemes.

Industry - SIP Flows & AUM

SIP Flows



SIP AUM



Source: AMFI

HDFC AMC at a glance

Quarterly Average AUM

Assets Under Management[1]
₹ 4,389 bn
US$ 59 bn

Equity-Oriented
44%
₹ 1,939 bn
US$ 26 bn

Non-Equity Oriented
56%
₹ 2,450 bn
US$ 33 bn

Closing AUM

Assets Under Management[1]
₹ 4,357 bn
US$ 59 bn

Equity-Oriented
46%
₹ 2,014 bn
US$ 27 bn

Non-Equity Oriented
54%
₹ 2,343 bn
US$ 32 bn

5.4 mm
Unique Investors &
9.2 mm Live accounts

227
Branches[2]

~98%
Pincodes serviced across India

₹ 2,603 bn
Individual MAAUM

1,203
Employees

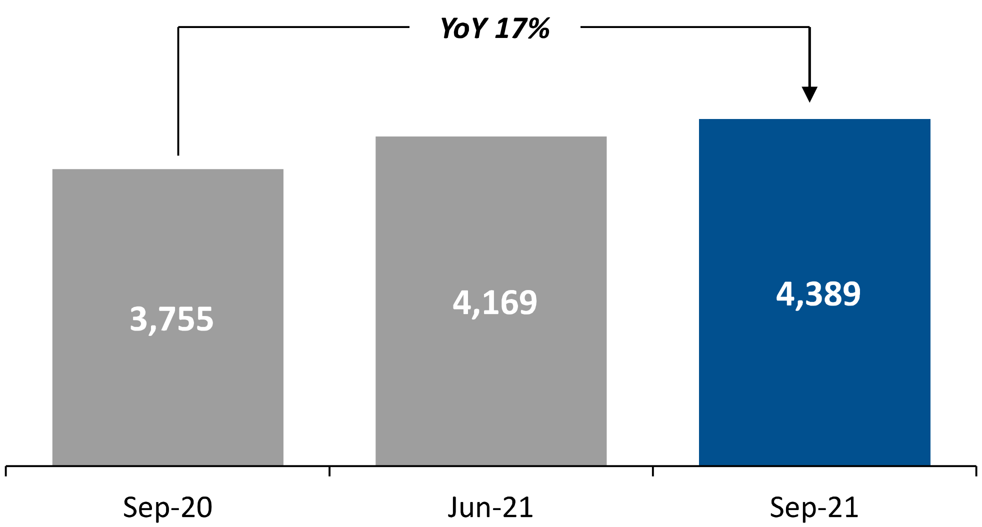
70k+ Empaneled Distribution Partners

₹ 115 bn
PMS & SMA AUM[3]

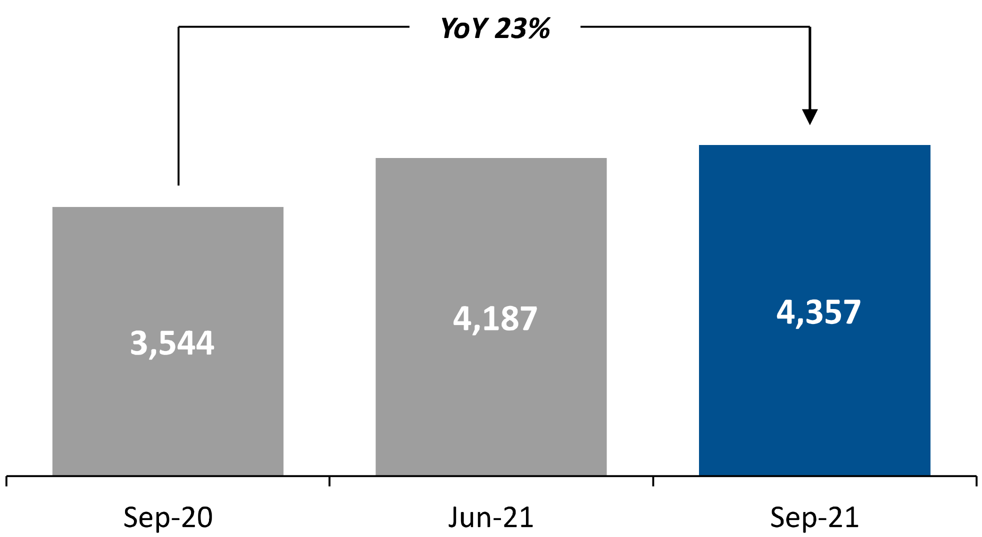
Notes - (1) Data is as of September 30, 2021 / for September 2021; (2) Includes one representative office in Dubai; (3) Includes advisory mandates
(4) USD/INR conversion rate: ₹ 74.24 (5) Source: Internal.

Total AUM and Market Share

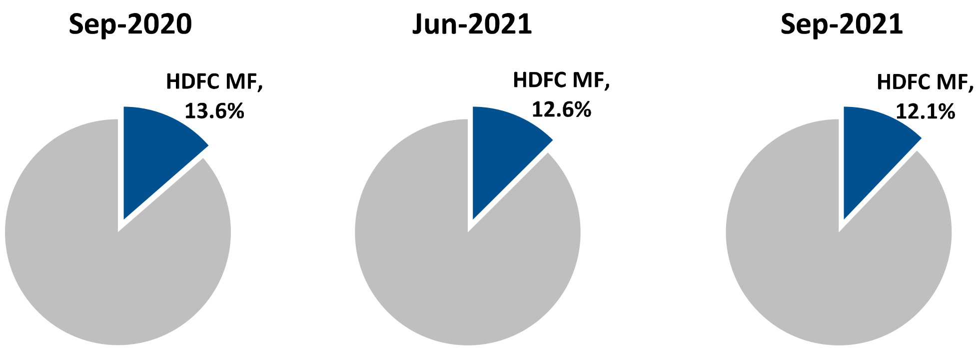
Quarterly Average AUM



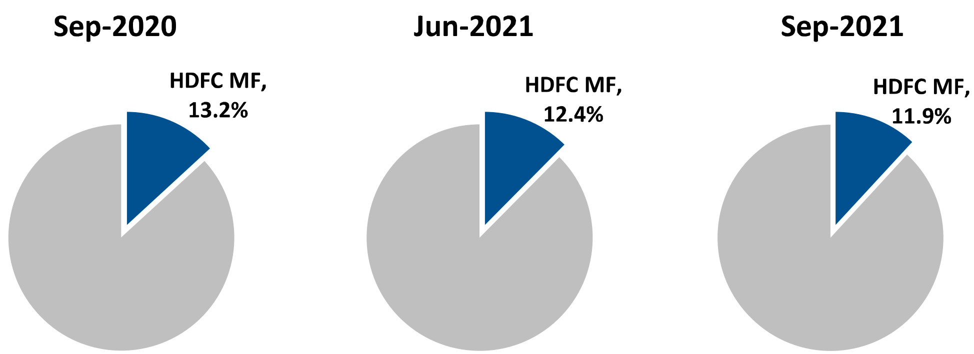
Closing AUM



Market Share - Quarterly Average AUM



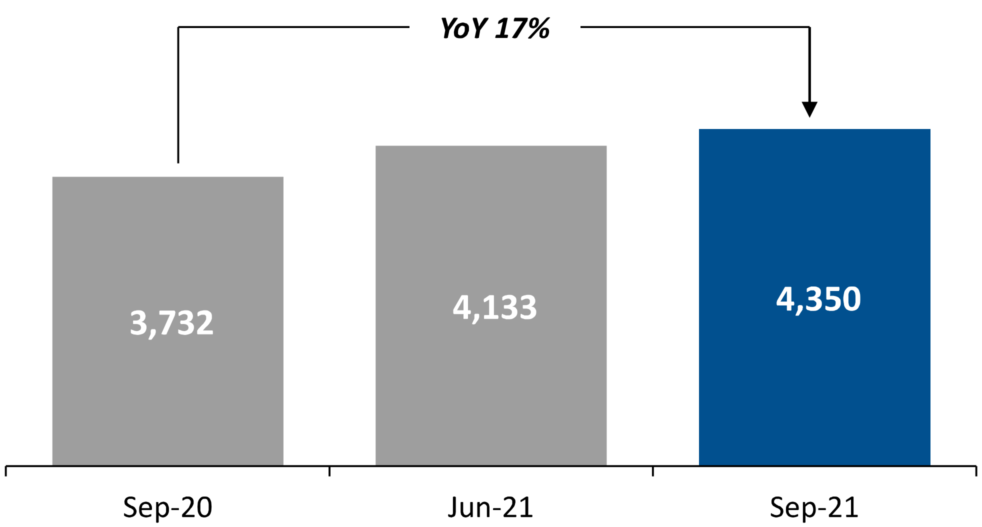
Market Share – Closing AUM



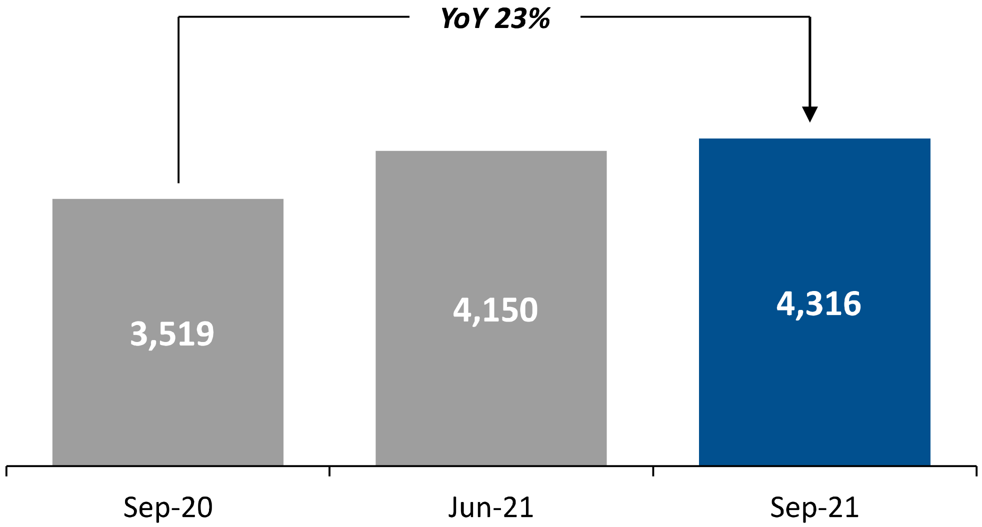
Source: Internal, AMFI

Total AUM and Market Share (Ex ETFs)

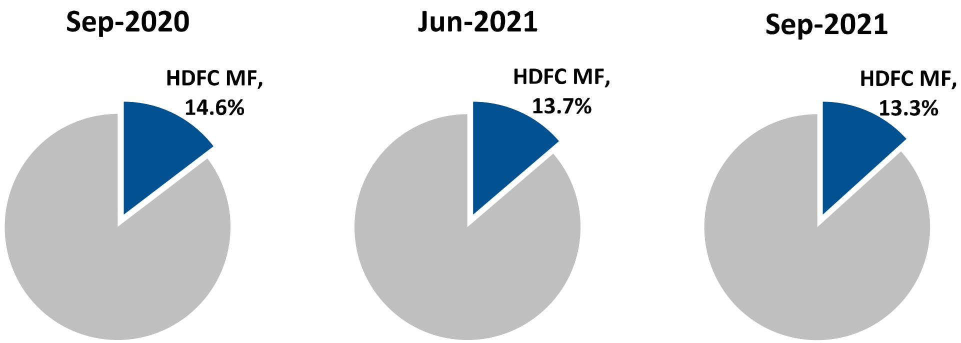
Quarterly Average AUM



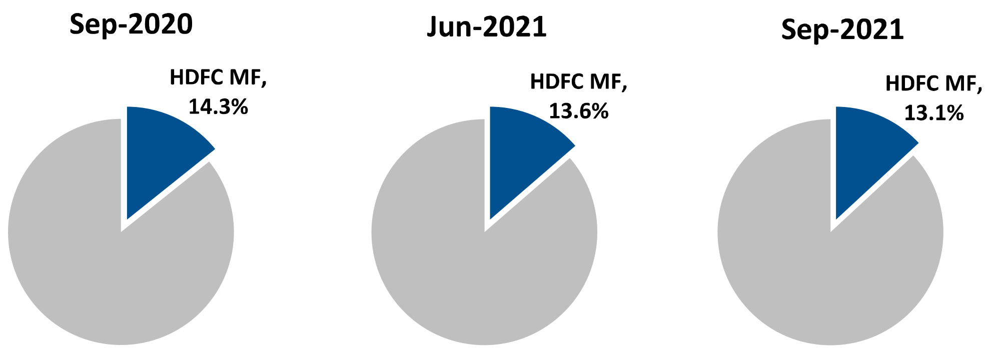
Closing AUM



Market Share - Quarterly Average AUM



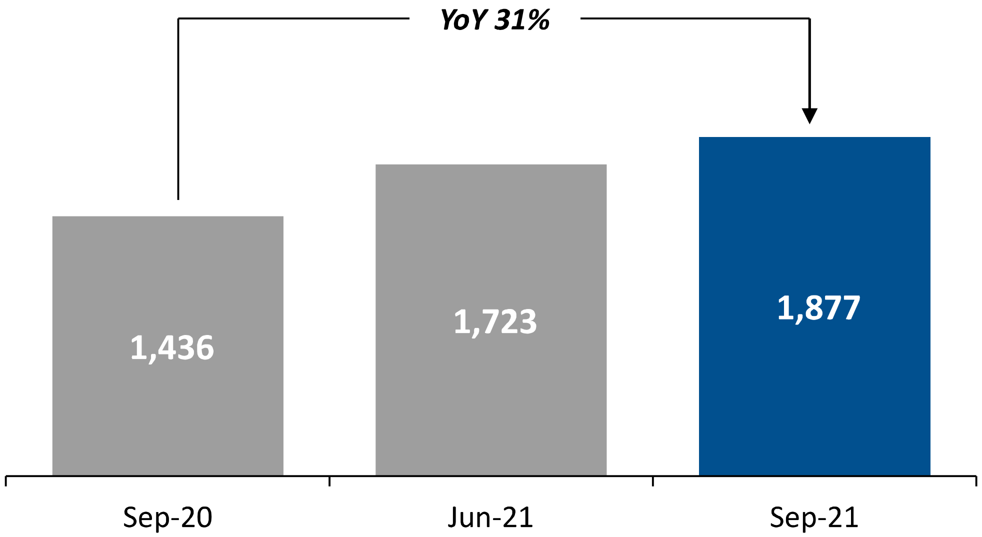
Market Share – Closing AUM



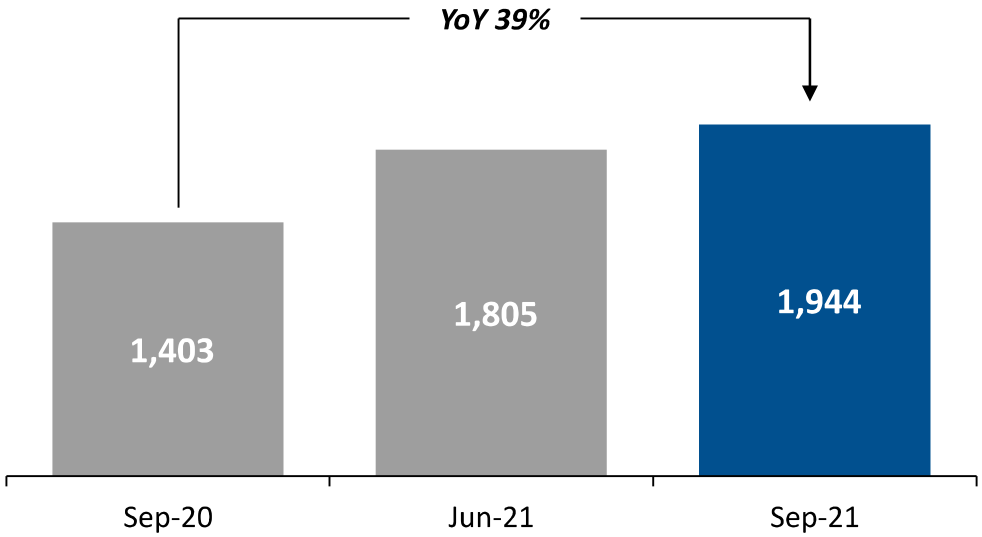
Source: Internal, AMFI

Actively Managed Equity-oriented AUM and Market Share

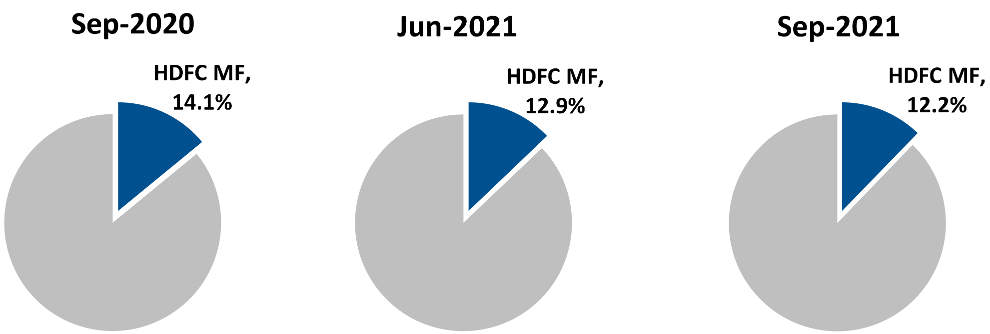
Quarterly Average AUM



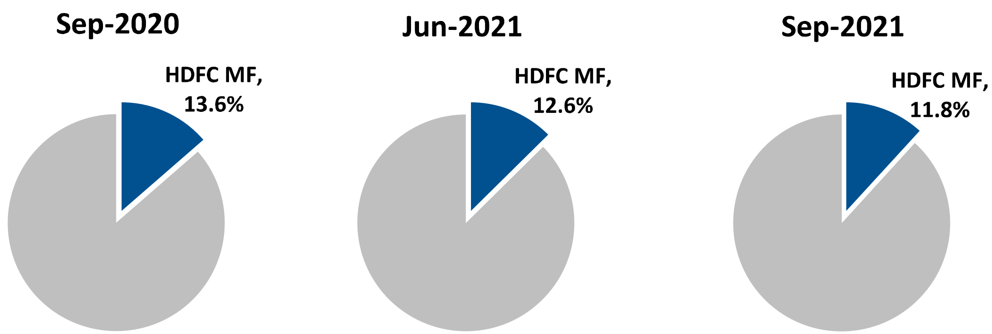
Closing AUM



Market Share - Quarterly Average AUM



Market Share – Closing AUM

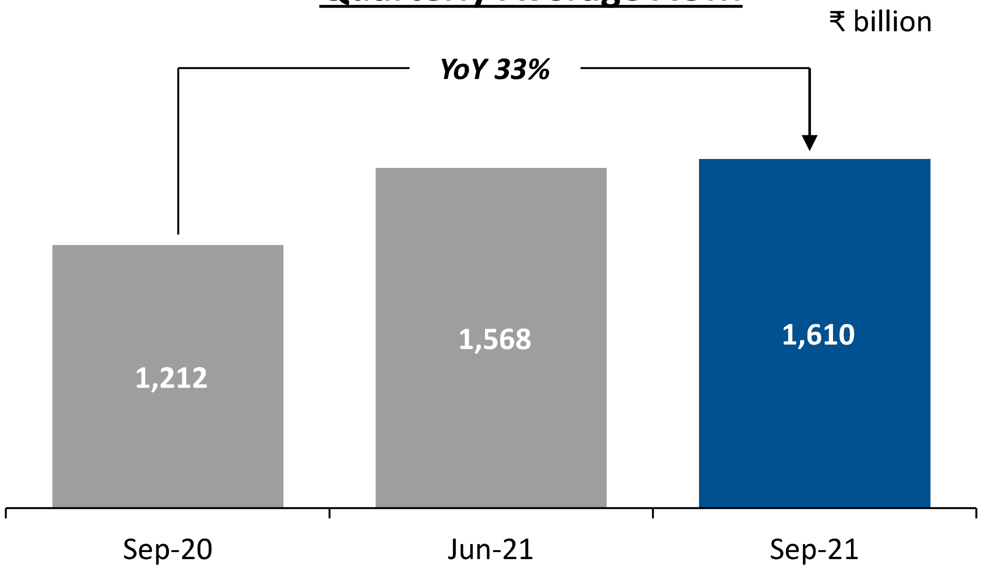


Source: AMFI, Internal

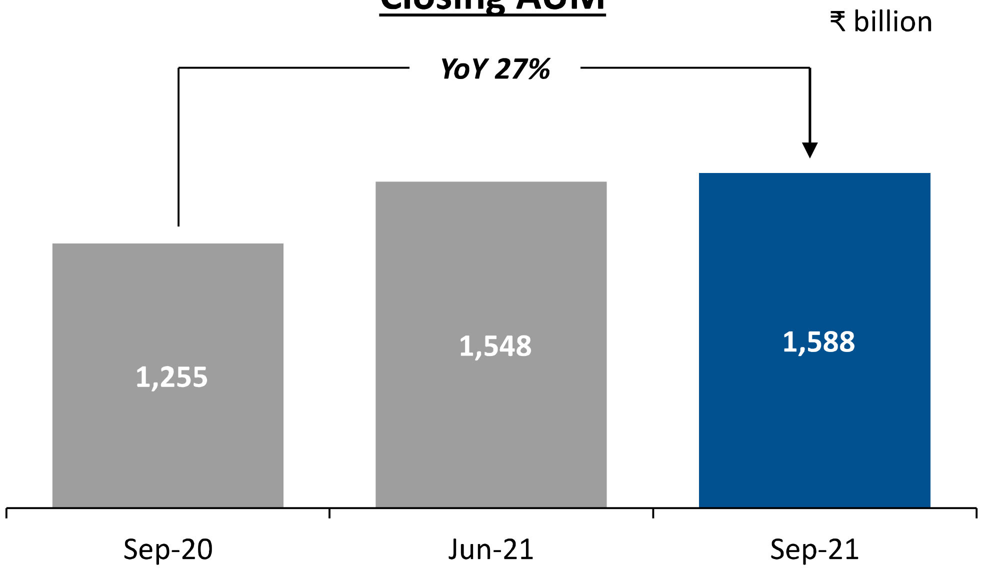
Actively managed equity-oriented AUM excludes index funds from equity-oriented funds.

Debt AUM and Market Share

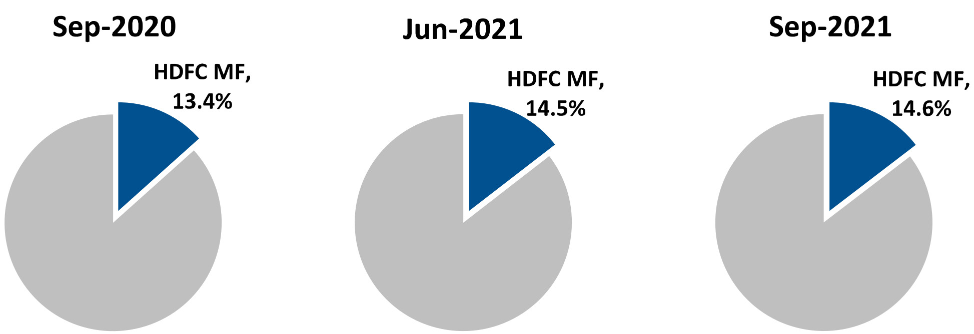
Quarterly Average AUM



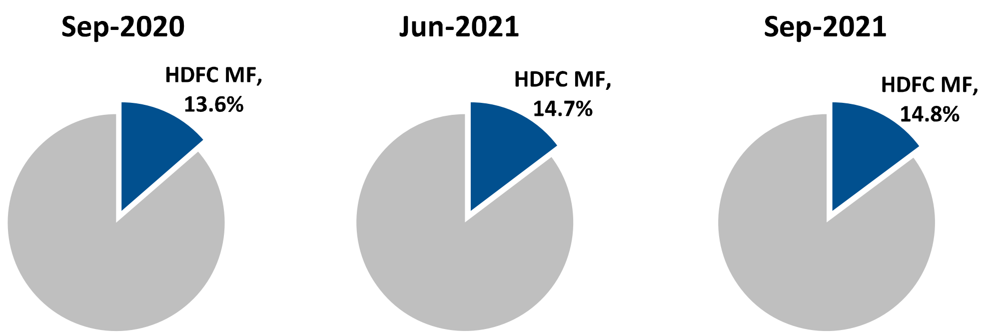
Closing AUM



Market Share - Quarterly Average AUM

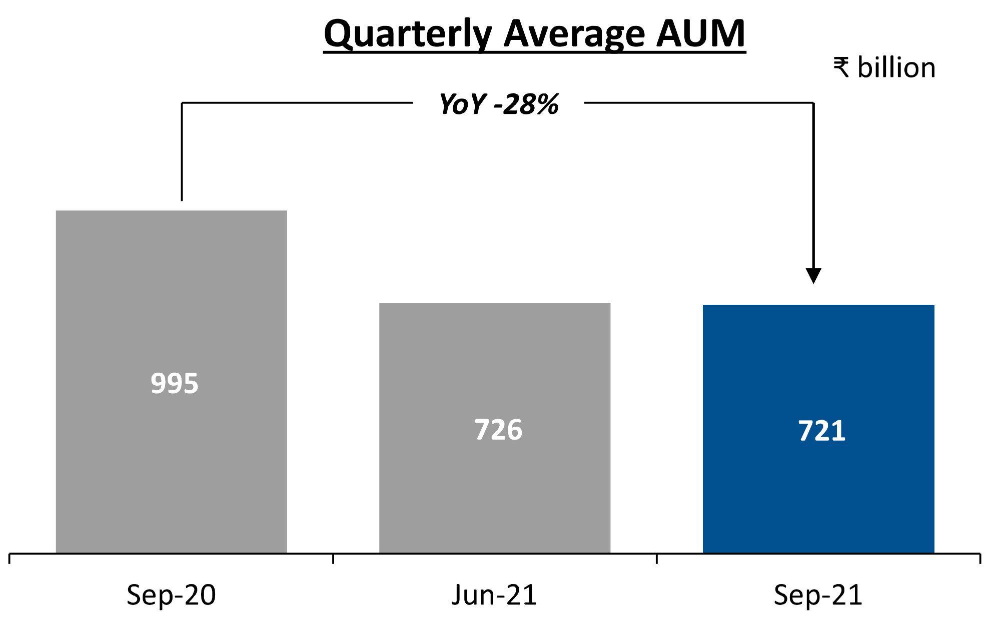


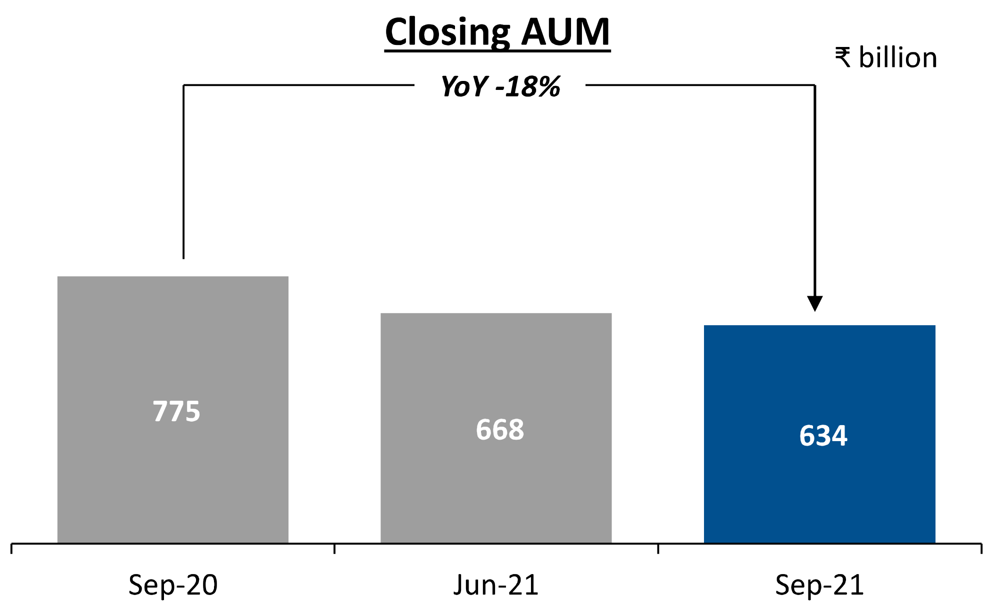
Market Share – Closing AUM

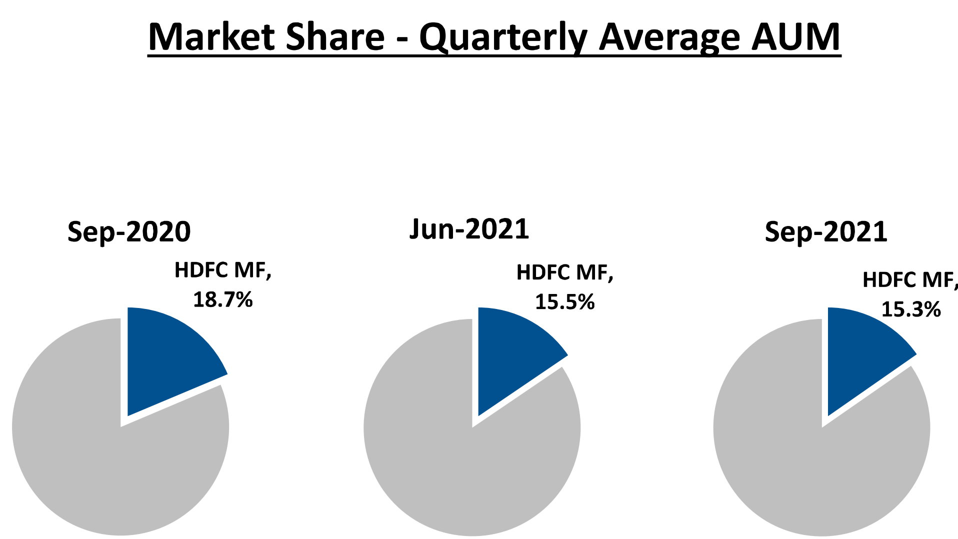


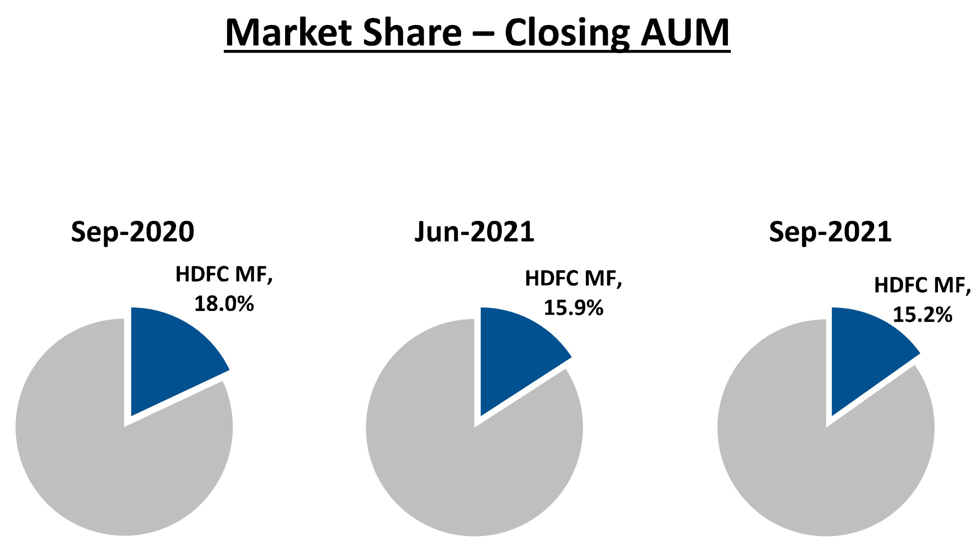
Source: AMFI, Internal

Liquid AUM and Market Share









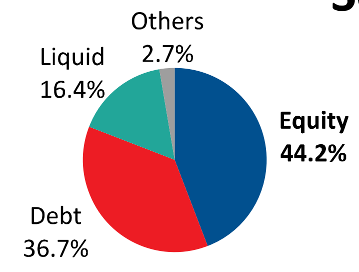
Source: AMFI, Internal
Note : Liquid category contains Liquid and Overnight schemes.

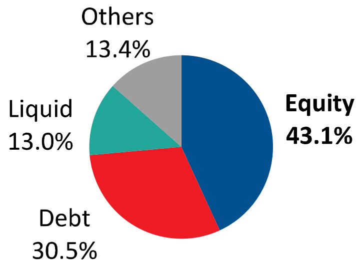
AUM by Segment – HDFC AMC and Industry

Quarterly Average AUM

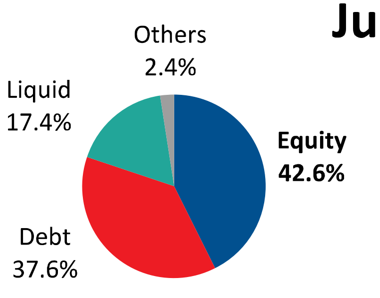
HDFC MF | Industry

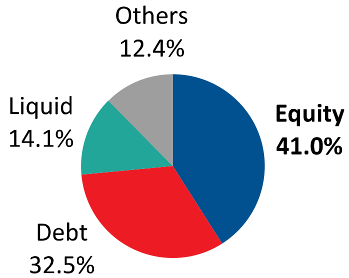
Sep-2021



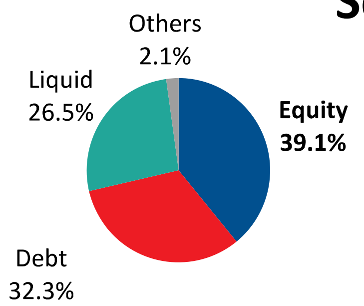


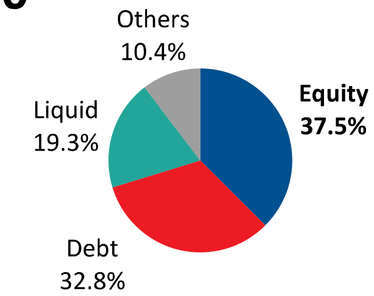
Jun-2021





Sep-2020

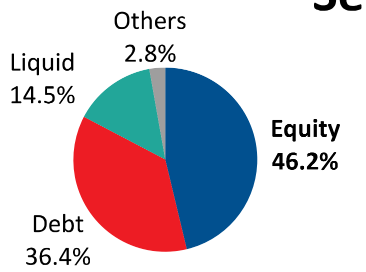


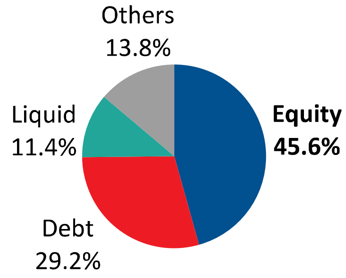


Closing AUM

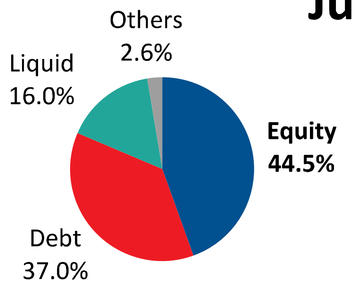
HDFC MF | Industry

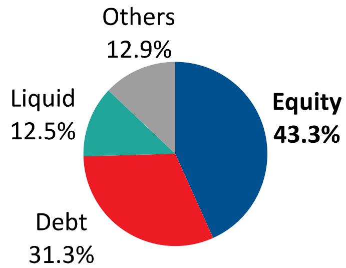
Sep-2021



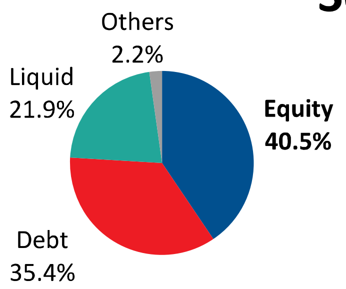


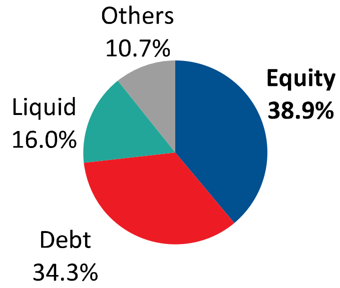
Jun-2021





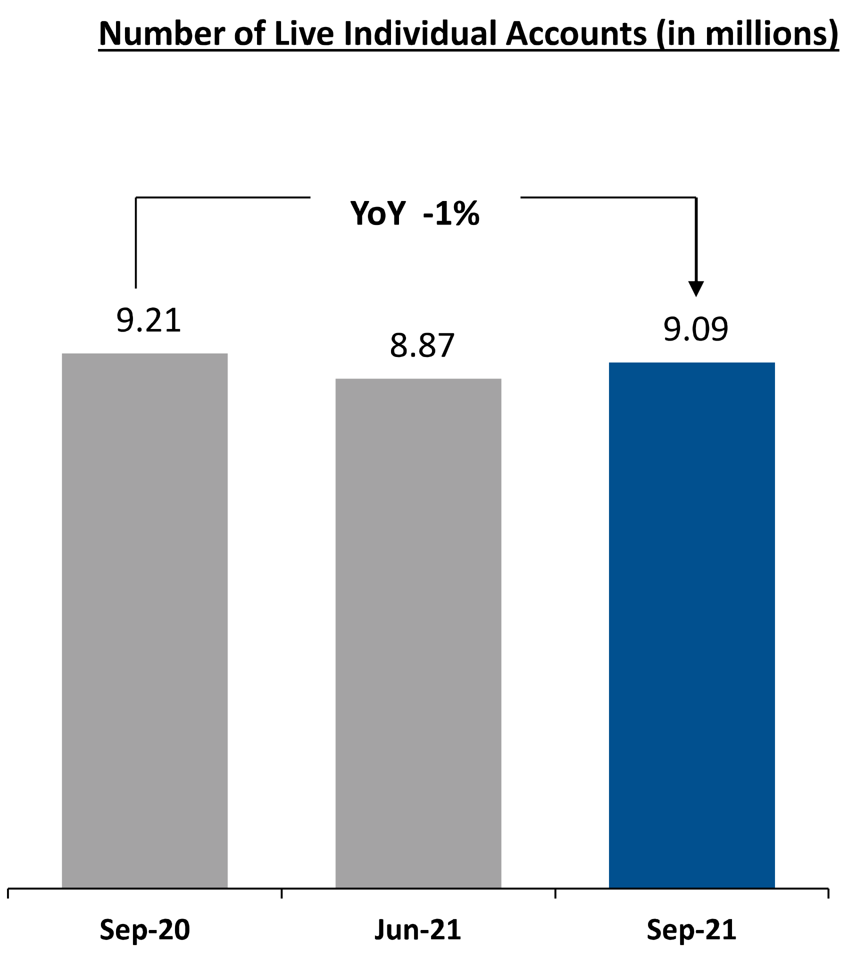
Sep-2020

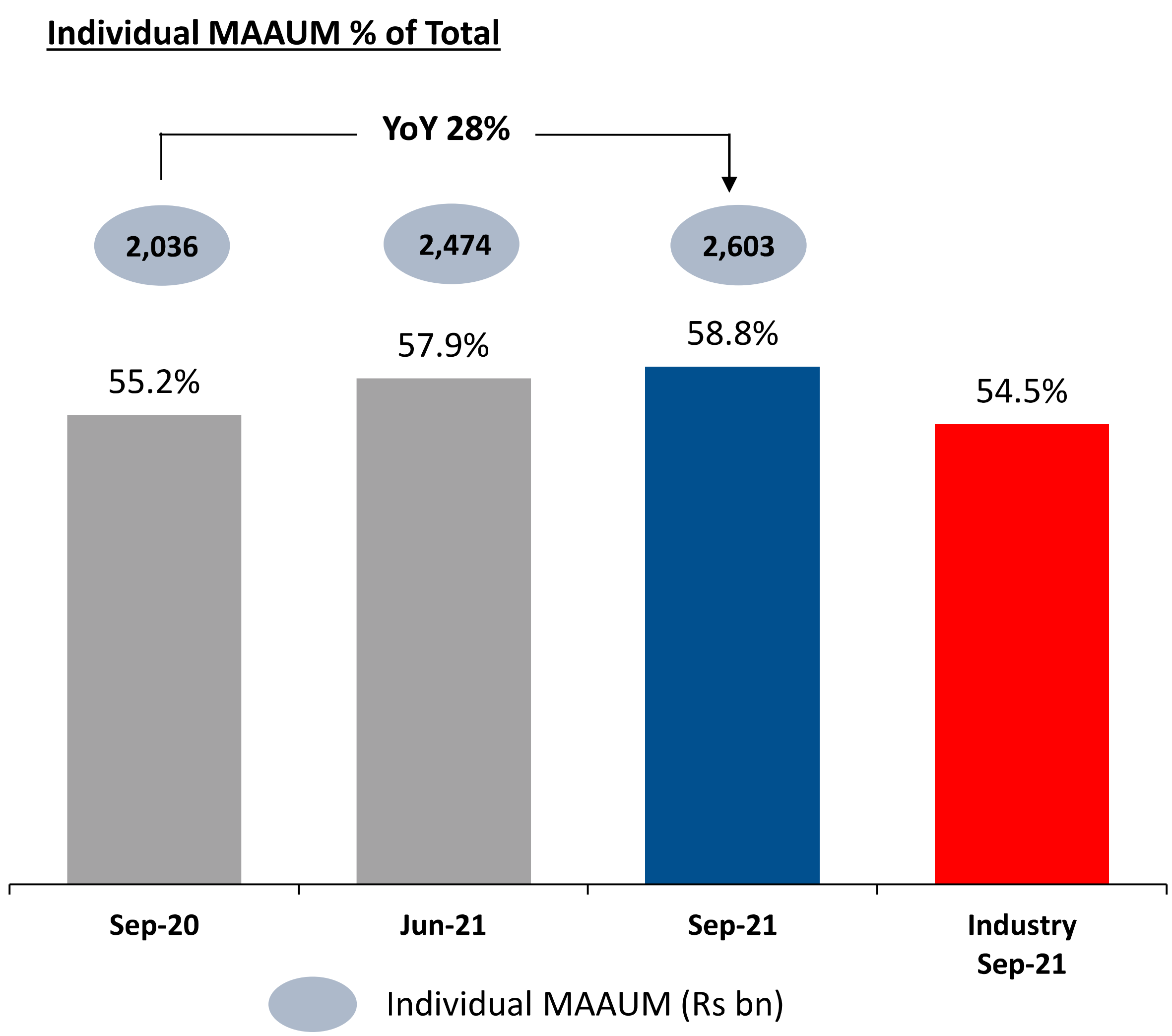




Source: Internal, AMFI

Individual Investors – Accounts & MAAUM





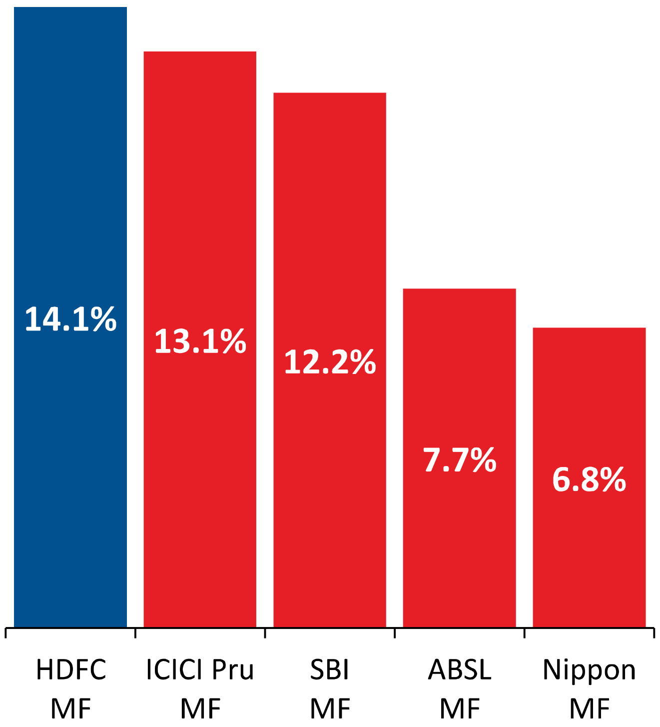
Individual customers prefer equity-oriented schemes and stay invested for longer periods

Source: Internal, AMFI

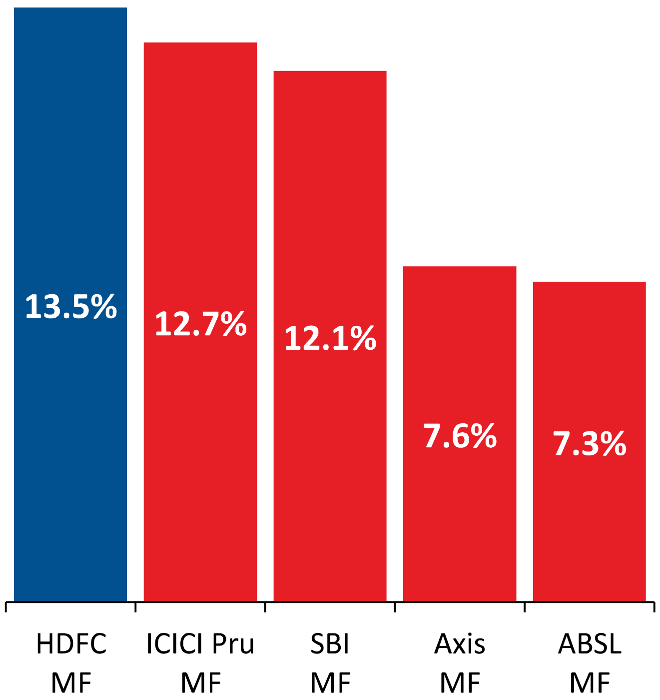
Most Preferred Choice of Individual Investors

Individual Assets Market Share

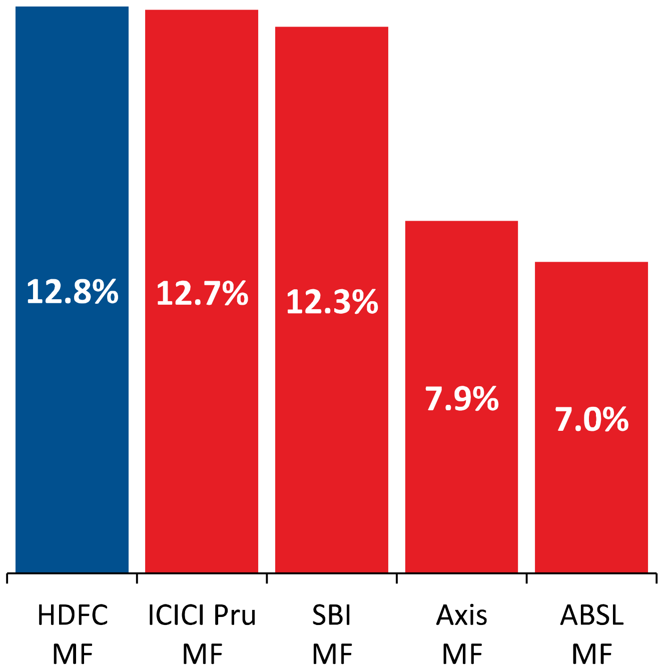
Sep-20



Jun-21



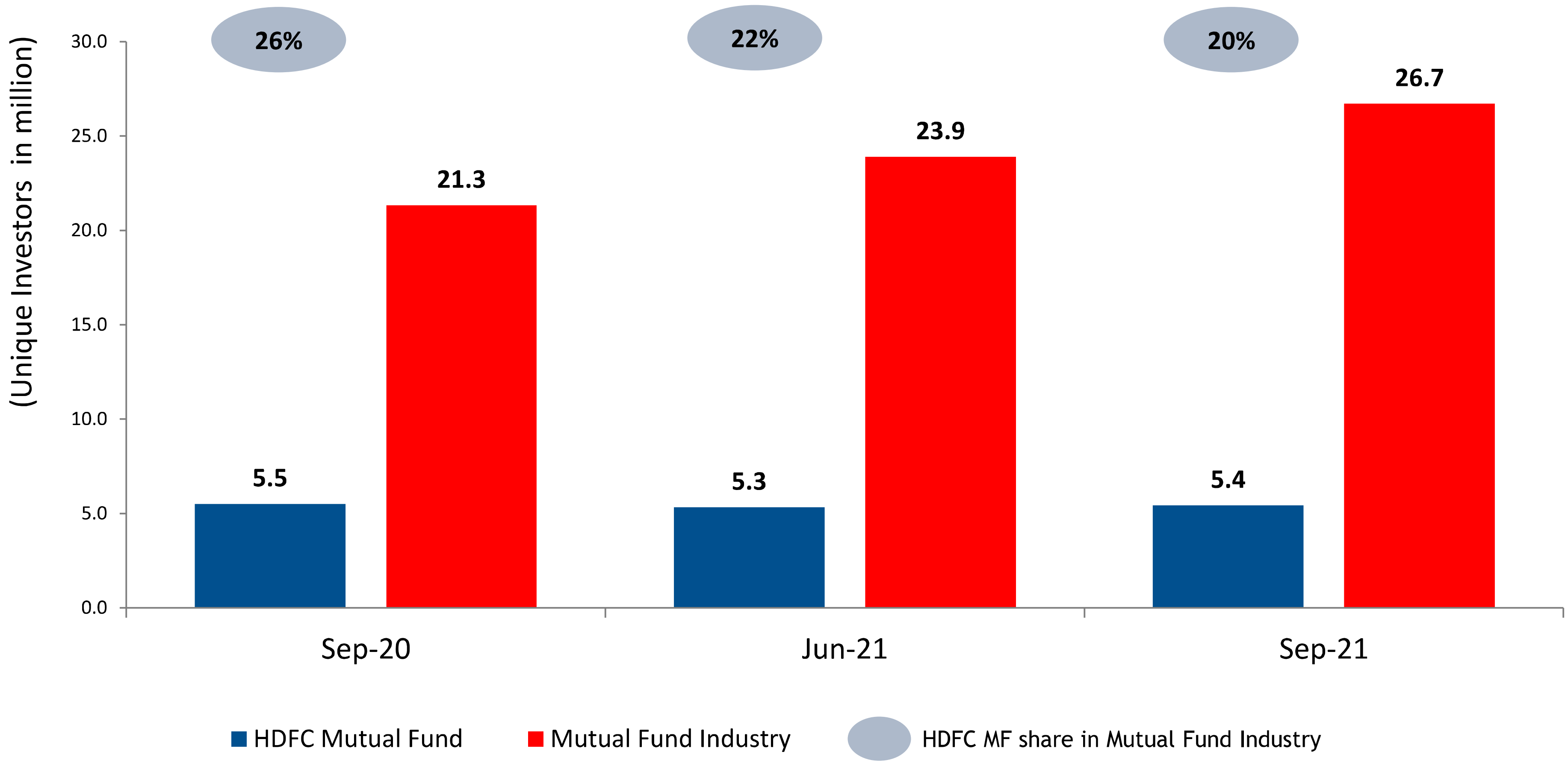
Sep-21



Source: AMFI , based on monthly average AUM

Unique Investors

Unique Investors- HDFC AMC vs MF Industry

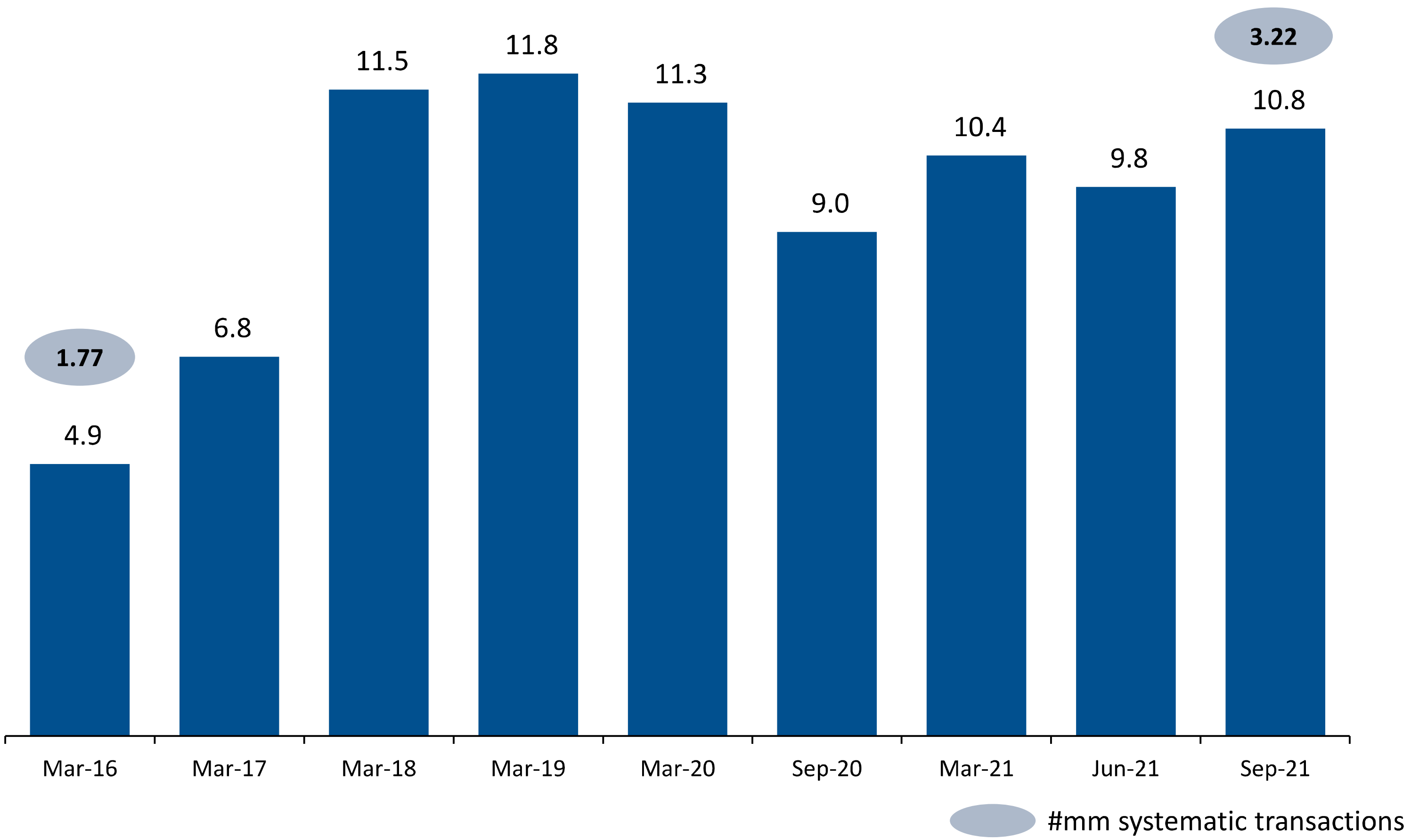


Source: CAMS. Note: Unique Investors as identified by PANs/PEKRNs of all unit holders & Guardians

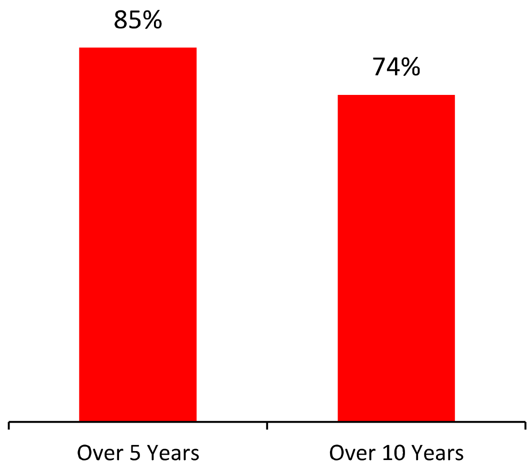
Systematic Transactions

Inflows Through Systematic Transactions

Systematic Transactions (₹ bn)



Long Tenure SIP Book[1]



SIP AUM[2]: ₹ 696 bn

Strong and stable "Order Book" to provide predictable flows

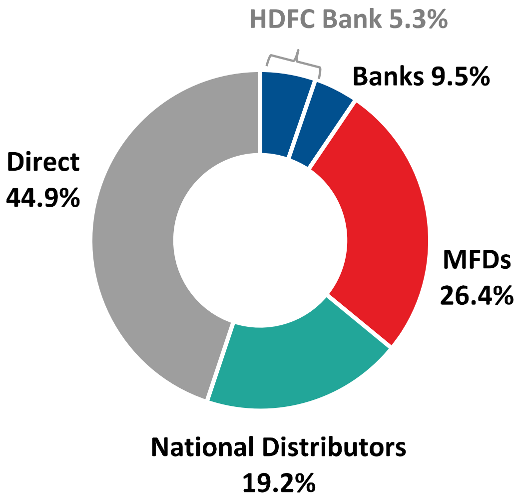
Source: Internal

(1) Based on tenure at the time of registration of all live SIPs during Sep-21 (2) as on 30 Sep 2021

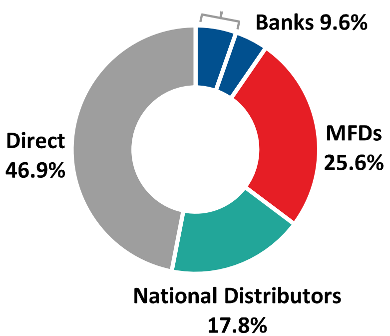
Multi-channel Distribution Network

Well diversified distribution channels

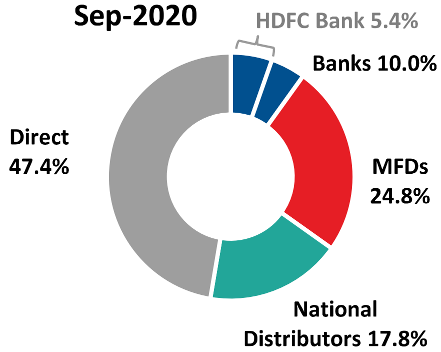
Total AUM (Sep-2021)



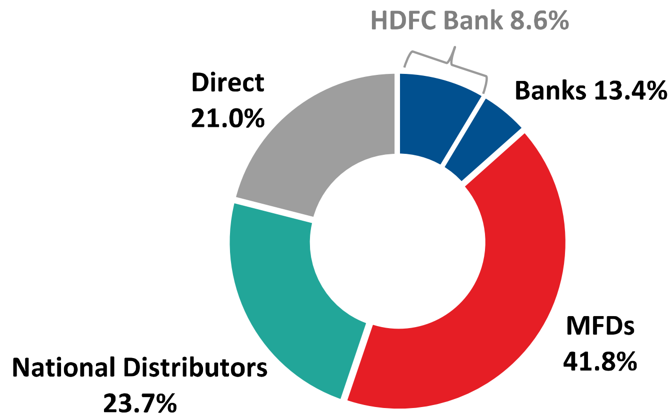
Jun-2021



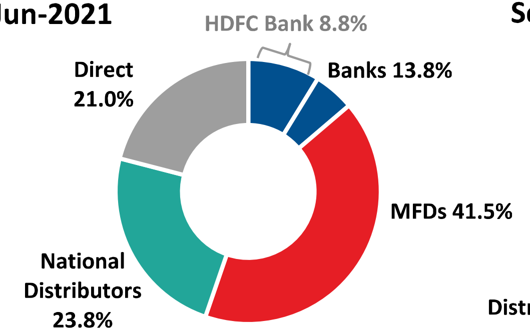
Sep-2020



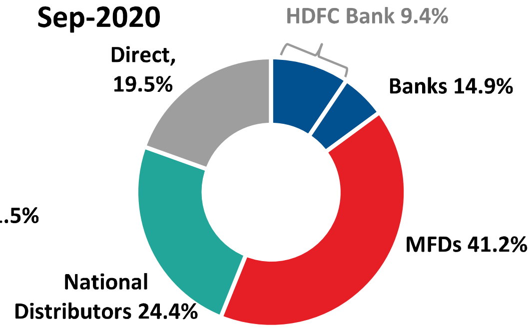
Equity-oriented AUM (Sep-2021)



Jun-2021



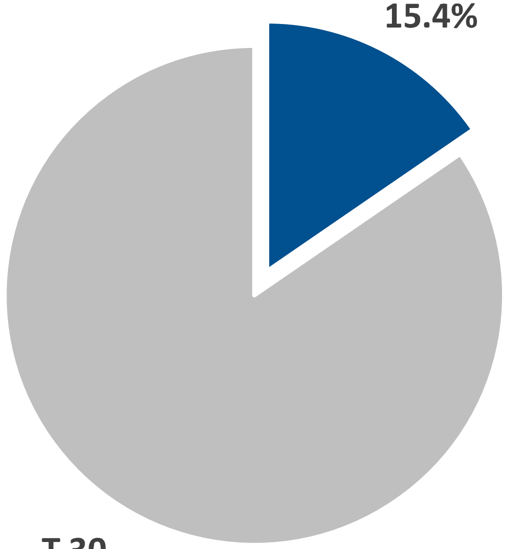
Sep-2020



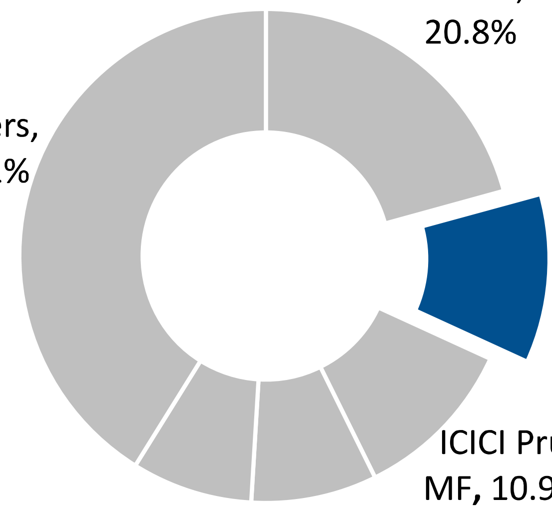
Source: Based on internal classification.
Note: Mutual Fund Distributors (MFDs) erstwhile known as Independent Financial Advisers (IFAs)

Geographic Spread

Total MAAUM by T30 and B30 cities



#2 Player in B-30 Markets



We serve customers across ~98% of all pincodes in India

Network of 227 branches with 149 in B-30 cities[(2)]

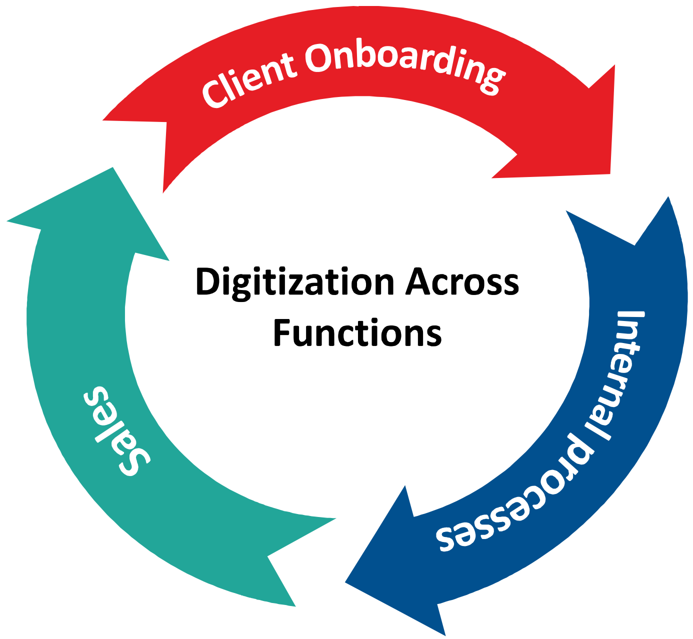
70k+ empaneled distribution partners

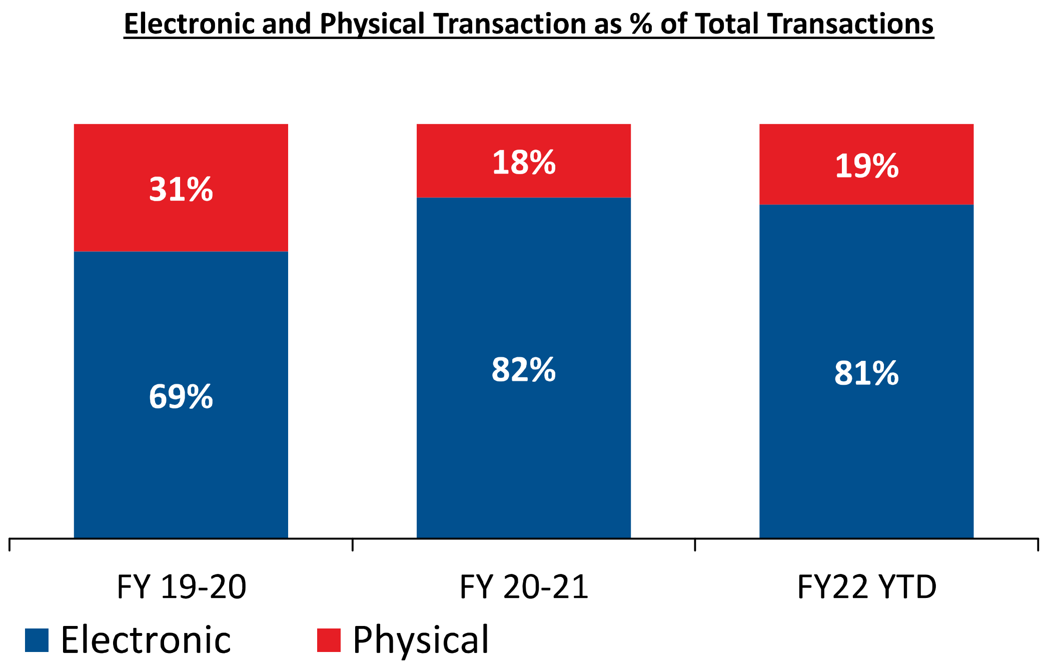
(1) Source: AMFI

(2) As of September 30, 2021. Includes one representative office in Dubai;

Strong Digital Presence

Supported by Integrated Online Platform





- *Strong online presence - dedicated separate digital platforms distribution partners and customers*
- *FY16 to FY21 CAGR of 38% in electronic transactions, and CAGR of 17% in total transactions*
- *18% of all transactions during FY21 were through HDFC MF Online and mobile application*
- *~100 users login in every minute on our portals and ~3 new users on boarded every minute in the last Quarter.*[1]
- *Connecting with a customer every 2 minutes via emails, chats, calls etc.* [1]
- *Mobile-to-web ratio has increased with every third digital transaction being on mobile.* [1]

Source: Internal
[1]*Assuming 22 working days a month. This includes for both Partner and Investor.*

Digital Initiatives - Enhanced

HDFC ASSET MANAGEMENT COMPANY LIMITED

Voice Search has been enabled on the Corporate Website.

Fintech Partnerships with the setup of an API Gateway.

End to End Digital Solution for KYC investors: Onboard, Transact and Interact

Transact on Call
For instant help on queries & Outbound Calling for MFDs

Connekt with a host of new features for both MFDs and Our Sales Team

Business Intelligence for MFDs

HDFC MF Online Investor App Refresh

Co Browsing Service for Investors to get instant help on their Digital Queries by screen sharing with our representatives

Additional features on WhatsApp for MFDs ready for launch this month

ESG Initiatives

Environment

Installation of low consumption, energy efficient fittings.

Separation of waste & Bio degradable bags.

Deployment of plastic recycling machines.

Over 80% of our transactions are processed electronically.

Social

Equal opportunity employer - 362 out of our 1,203 employees are women. Over 30% of senior management are women.

More than 1000 of our employees completed the CFA Foundation course.

CSR activities of the Company are primarily in the area of promoting health care and education.

Governance

The Board at HDFC AMC is active, well-informed and independent, with clearly defined stewardship roles.

Diverse backgrounds of our individual directors play a significant role in their ability to guide our business strartergy from a varied perspective.

We have a well-defined Code of Conduct (CoC) & policies for our employees.

HDFC ASSET MANAGEMENT COMPANY LIMITED

ESG Initiatives during this Fiscal Year

Social Initiative
'#BarniSeAzadi'

The campaign aims at transitioning the mindset of Indians by encouraging them to invest in Mutual Funds as against traditional methods.

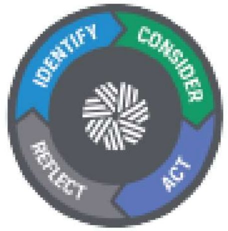
Environment Initiative
#NurtureNature

Launched in collaboration with "Grow-Trees" to increase awareness towards the environment. A tree was planted for every equity SIP which was registered for a specific tenure.

CFA Institute

Upskilling Initiative

1000+ Employees completed CFA Investment Foundation. Several other training initiatives on Digital, Customer Service, Data Analytics, etc.



Upskilling Initiative

Conducted 5 ethics workshops in partnership with the CFA Instutute,which covered all our employees.

Financials

HDFC ASSET MANAGEMENT COMPANY LIMITED

Financials Summary – Half Yearly Earnings

(₹ mm)

Particulars	HYE FY22	HYE FY21	Change
Income			
Revenue from Operations	10,494	8,677	21%
Other Income	1,670	1,935	-14%
Total Income	**12,164**	**10,612**	**15%**
Expenses			
Finance Costs	44	44	0%
Fees and Commission Expenses	26	27	-4%
Employee Benefit Expenses#	1,633	1,061	54%
Depreciation and Amortization Expenses	271	278	-3%
Other Expenses $	914	770	19%
Total Expenses#	**2,888**	**2,180**	**32%**
Profit before tax#	**9,276**	**8,432**	**10%**
Tax Expenses	2,377	2,029	17%
Profit after tax#	**6,899**	**6,403**	**8%**
Other Comprehensive Income (net of tax)	(12)	2	
Total Comprehensive Income	**6,887**	**6,405**	**8%**

Particulars	HYE FY22	HYE FY21	Change
Revenue from Operations	10,494	8,677	21%
Total Expenses	2,888	2,180	32%
Operating Profit from core AM business	**7,606**	**6,497**	**17%**

In HYE FY22, Employee benefit expenses includes non-cash charge of ₹342.73 mm towards amortised cost of outstanding Employee Stock options

$ The increase in Other expenses is mainly on account of increase in New fund offer expense, Business promotion expense and CSR expense.

Financials Summary – Quarterly Earnings

HDFC ASSET MANAGEMENT COMPANY LIMITED

(₹ mm)

Particulars	Q2 FY22	Q2 FY21	Change
Income			
Revenue from Operations	5,423	4,562	19%
Other Income	661	1,137	-42%
Total Income	**6,084**	**5,699**	**7%**
Expenses			
Finance Costs	22	22	0%
Fees and Commission Expenses	13	13	0%
Employee Benefit Expenses#	798	535	49%
Depreciation and Amortization Expenses	136	141	-4%
Other Expenses $	500	360	39%
Total Expenses#	**1,469**	**1,071**	**37%**
Profit before tax#	**4,615**	**4,628**	**0%**
Tax Expenses	1,170	1,249	-6%
Profit after tax#	**3,445**	**3,379**	**2%**
Other Comprehensive Income (net of tax)	(4)	7	
Total Comprehensive Income	**3,441**	**3,386**	**2%**

Particulars	Q2 FY22	Q2 FY21	Change
Revenue from Operations	5,423	4,562	19%
Total Expenses	1,469	1,071	37%
Operating Profit from core AM business	**3,954**	**3,491**	**13%**

In Q2 FY22, Employee benefit expenses includes non-cash charge of ₹166.73 mm towards amortised cost of outstanding Employee Stock options

$ The increase in Other expenses is mainly on account of increase in New fund offer expense, Business promotion expense and CSR expense.

Financials Summary – Sequential Quarterly Earnings

(₹ mm)

Particulars	Q2 FY22	Q1 FY22	Change
Income			
Revenue from Operations	5,423	5,071	7%
Other Income	661	1,009	-34%
Total Income	**6,084**	**6,080**	**0%**
Expenses			
Finance Costs	22	22	0%
Fees and Commission Expenses	13	13	0%
Employee Benefit Expenses[#]	798	835	-4%
Depreciation and Amortization Expenses	136	135	1%
Other Expenses [$]	500	414	21%
Total Expenses[#]	**1,469**	**1,419**	**4%**
Profit before tax[#]	**4,615**	**4,661**	**-1%**
Tax Expenses	1,170	1,207	-3%
Profit after tax[#]	**3,445**	**3,454**	**0%**
Other Comprehensive Income (net of tax)	(4)	(8)	
Total Comprehensive Income	**3,441**	**3,446**	**0%**

Particulars	Q2 FY22	Q1 FY22	Change
Revenue from Operations	5,423	5,071	7%
Total Expenses	1,469	1,419	4%
Operating Profit from core AM business	**3,954**	**3,652**	**8%**

[#] In Q2 FY22, Employee benefit expenses includes non-cash charge of ₹166.73 mm (Q1 FY22 ₹176.00 mm) towards amortised cost of outstanding Employee Stock options

[$] The increase in Other expenses is mainly on account of increase in New fund offer expense, Business promotion expense.

NOTES

1. The Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on February 22, 2021 had approved grant of 11,45,000 stock options representing 11,45,000 equity shares of ₹5 each, at a grant price of ₹2,934.25 per equity share (being the market price as defined in the applicable SEBI Regulations), to its eligible employees under Employees Stock Option Scheme - 2020 ("ESOS - 2020").

Accounting for equity settled share based payment transaction (ESOPs) at fair value increases the non cash component of Employee Benefits Expenses and is reflected in Share Options Outstanding Account under Other Equity. This balance of Share Options Outstanding Account is transferred to Securities Premium as and when the stock options are exercised by the employees and hence this charge is neutral to Equity of the Company.

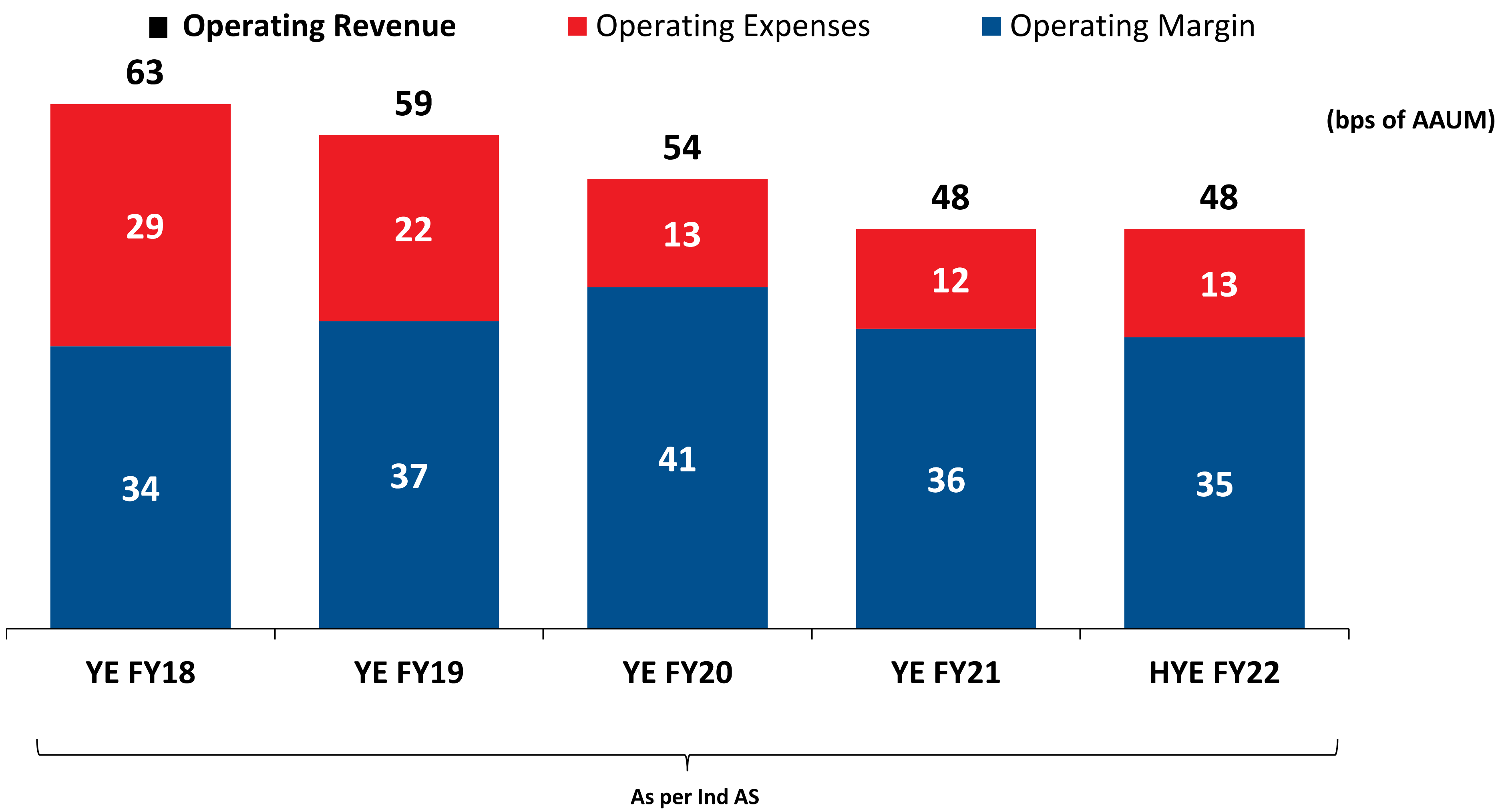
NOTES

2. COVID-19 was declared a pandemic in March 2020 and since then it has had a sizable impact on the economies of various countries. Nations across the globe at this juncture seem to be returning to normalcy as a result of waning infection levels. An aggressive vaccination drive by the government in India has led to significant improvement in the situation which has provided a pathway to the normalisation of economic activity. However, the situation will have to be monitored till the pandemic is finally put to rest.

While the company's operations have shown resilience, the extent to which the pandemic may impact its future results will depend on ongoing developments. The Company continues to closely monitor material changes in economic conditions, markets and the operating environment.

Further, during the quarter ended September 30, 2021, there has been no material change in the controls or processes followed in the preparation of the financial results.

Operating Profit Margin



Operating margin (bps of AAUM) for Q1 FY 22 and Q2 FY 22 are 35 and 36 respectively

Based on internal computations

Statement of Assets and Liabilities

HDFC ASSET MANAGEMENT COMPANY LIMITED

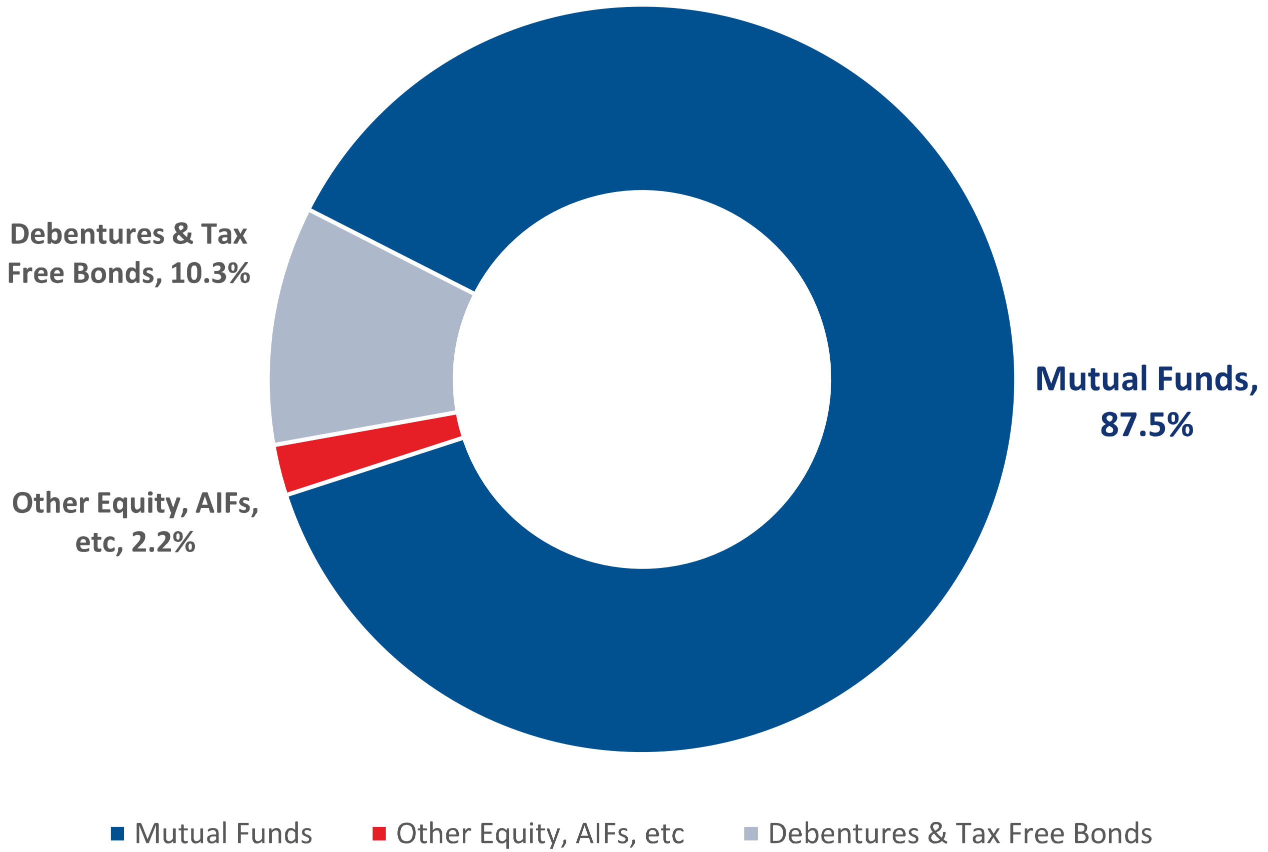
(₹ mm)

Particulars	As at Sep 30, 2021	As at March 31, 2021
Assets		
Financial Assets	49,204	48,717
Non Financial Assets	2,060	2,230
Total Assets	**51,264**	**50,947**
Liabilities And Equity		
Liabilities		
Financial Liabilities	2,146	2,300
Non-Financial Liabilities	1,232	885
Equity		
Equity Share Capital	1,066	1,065
Other Equity	46,820	46,697
Total Liabilities And Equity	**51,264**	**50,947**

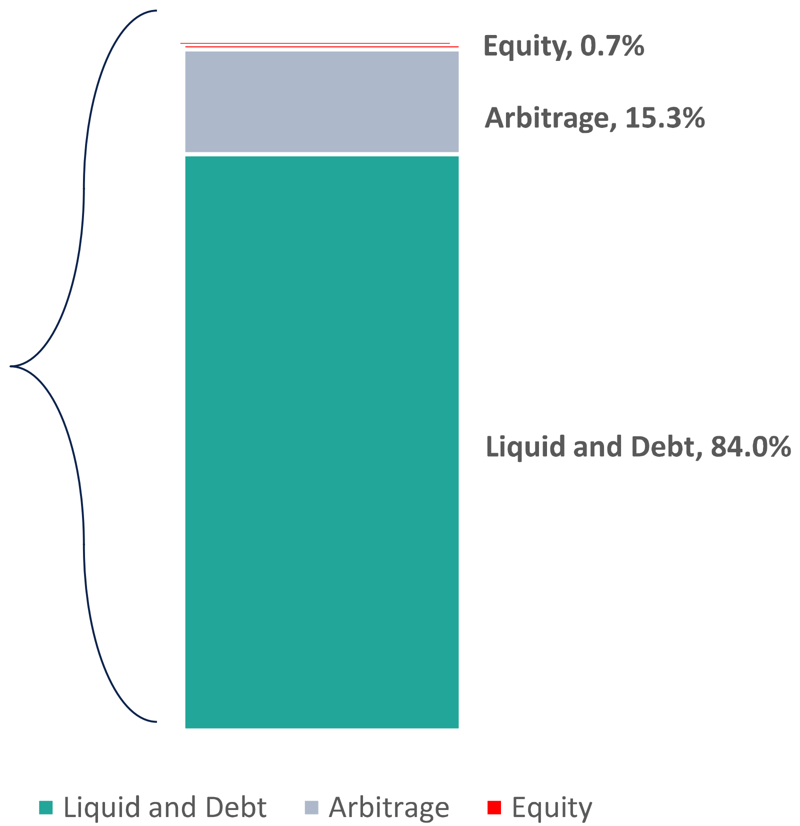
Breakup of Investments

Total Investments: ₹47,928 million

Breakdown of Total Investments



Breakdown of Mutual Fund Investments



Note: Investments in equity Mutual Funds is as per the regulatory mandate; Data as of September 30, 2021

Return On Equity and Dividend Per Share

HDFC ASSET MANAGEMENT COMPANY LIMITED

Return on Equity[1]

FY 17	FY 18	FY 19	FY 20	FY 21
42.8%	40.3%	35.0%	35.6%	30.1%

Return on Equity for FY17 & FY18 was reported under Previous GAAP. FY19 onwards, it is reported under Ind AS

Dividend Per Share [2]

FY 17	FY 18	FY 19	FY 20	FY 21
₹ 11.5#	₹ 16	₹ 24	₹ 28	₹ 34

Adjusted for Corporate action of bonus and share split.

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

(2) *For, FY21, a final dividend of ₹34 per equity share was proposed by the board on April 27, 2021 and approved by the shareholders at the Annual General Meeting held on July, 16, 2021.*

Thank You

HDFC
ASSET MANAGEMENT COMPANY LIMITED

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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