

Ref/No/HDFCAMC/SE/2019-20/97

Date – January 21, 2020

National Stock Exchange of India Limited Exchange Plaza, Plot C/1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai – 400051	BSE Limited Sir PJ Towers, Dalal Street, Mumbai – 400001
Kind Attn: Head – Listing Department	Kind Attn: Sr. General Manager – DCS Listing Department

Sub: Outcome of Board Meeting

Dear Sir/Madam,

Further to our letter number Ref/No/HDFCAMC/SE/2019-20/96 dated January 21, 2020, please find enclosed herewith a copy of investor presentation along with press release on financial results for third quarter ended December 31, 2019.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For **HDFC Asset Management Company Limited**



Sylvia Furtado
Company Secretary

Encl: a/a

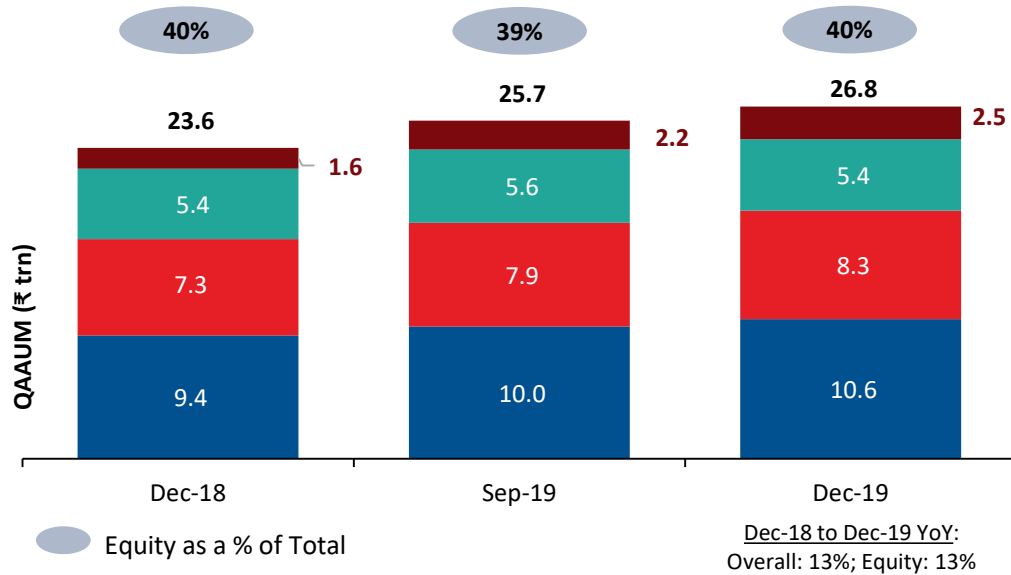


HDFC Asset Management Company Limited

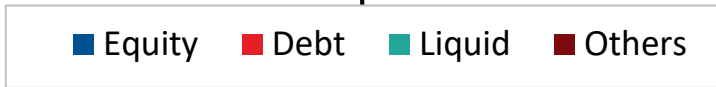
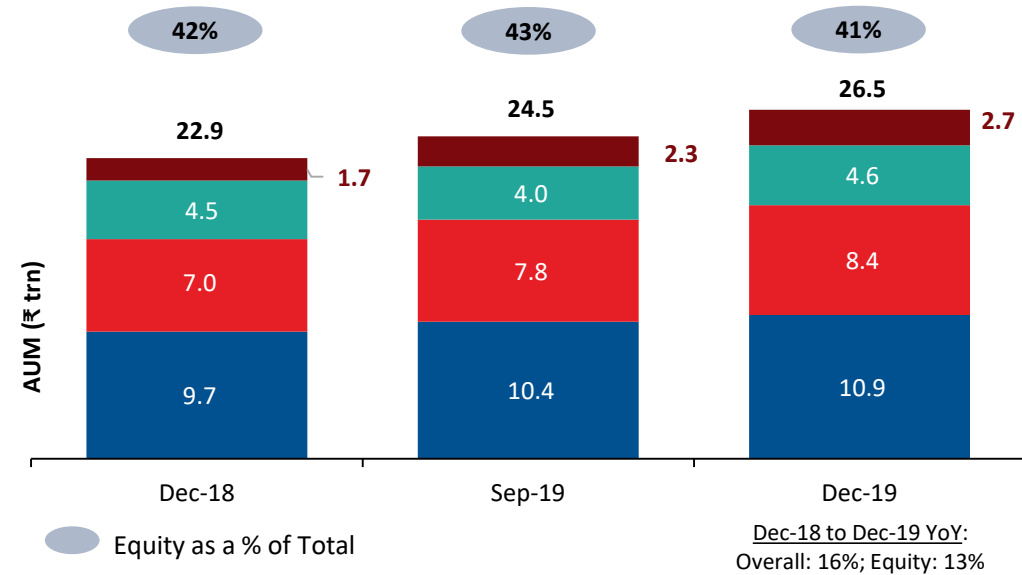
Q3 FY19-20

Industry - AUM and Net Sales

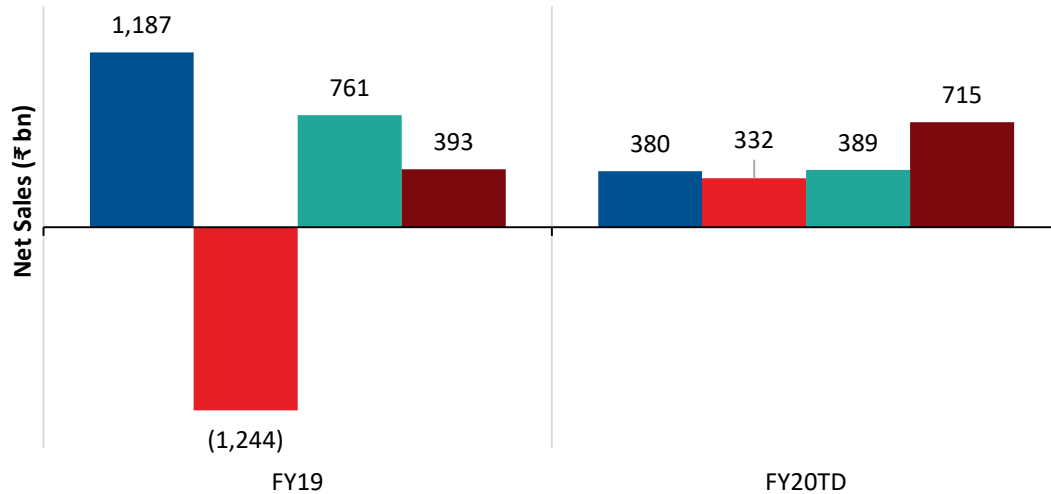
Quarterly Average AUM (QAAUM)



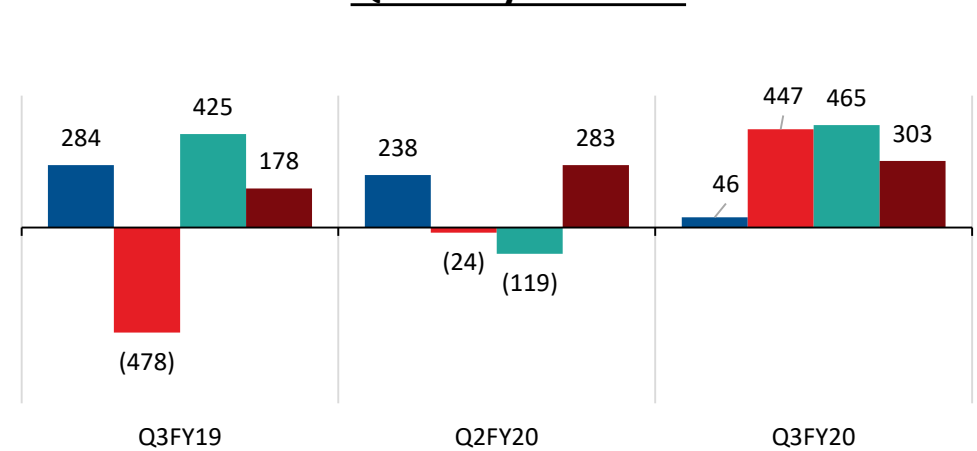
Closing AUM



Yearly net sales



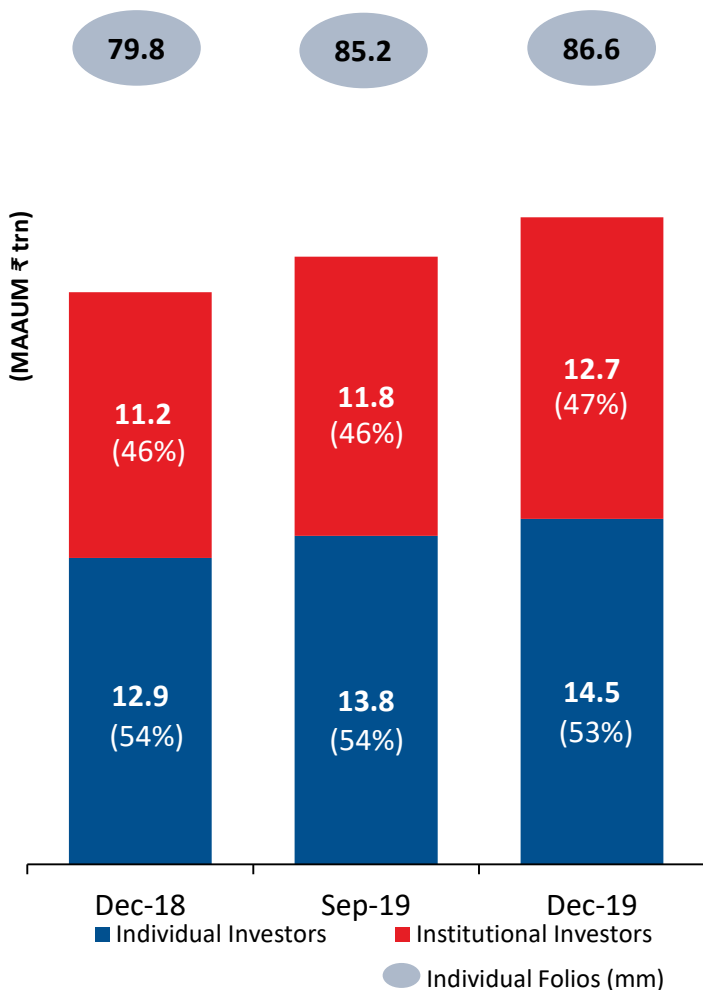
Quarterly net sales



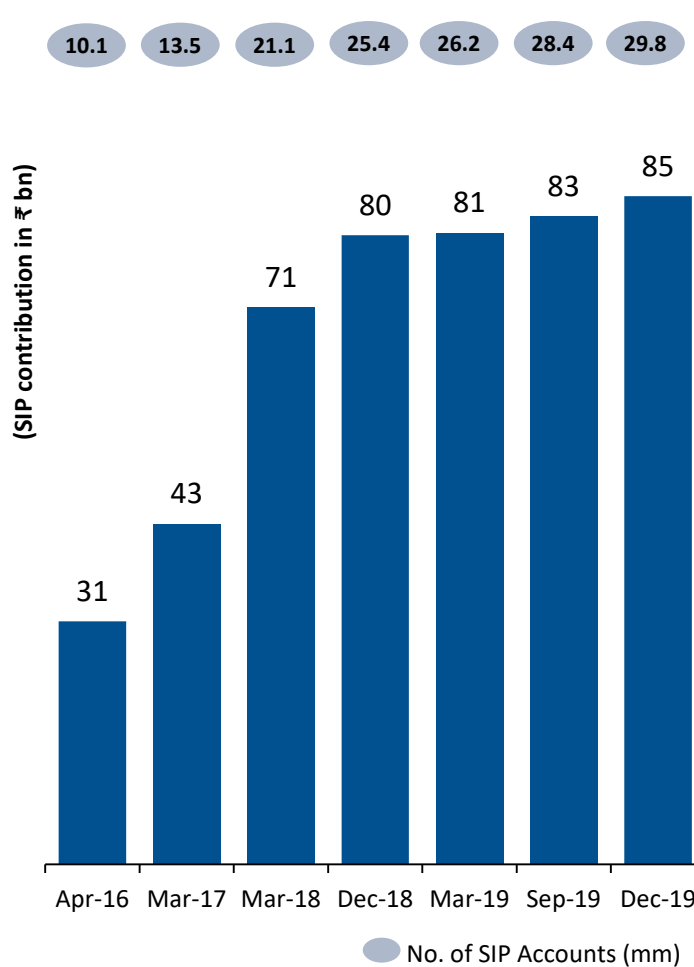
Source: AMFI
 AUM excluding FOF – domestic; equity includes equity-oriented hybrid funds; 'Other' includes Gold ETFs, other ETFs and FOF – investing overseas. From Apr 2018, Arbitrage is included in 'Other' category. Money market is classified as Debt

Individual / Institutional MAAUM, SIP Flows, B30

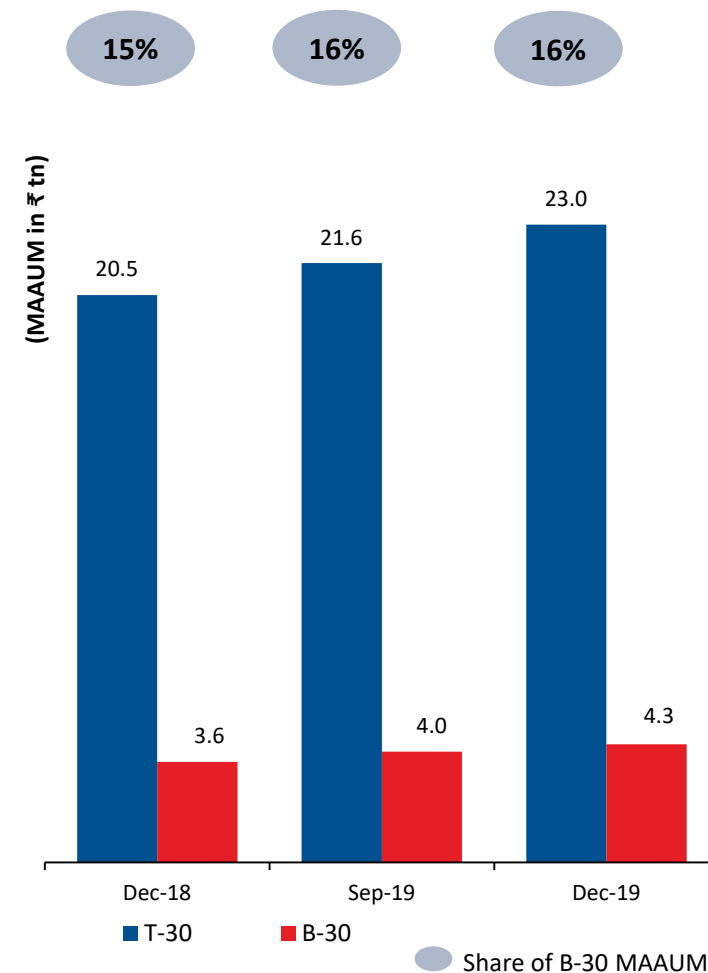
MAAUM by Investor category⁽¹⁾⁽²⁾⁽³⁾



SIP Flows⁽¹⁾



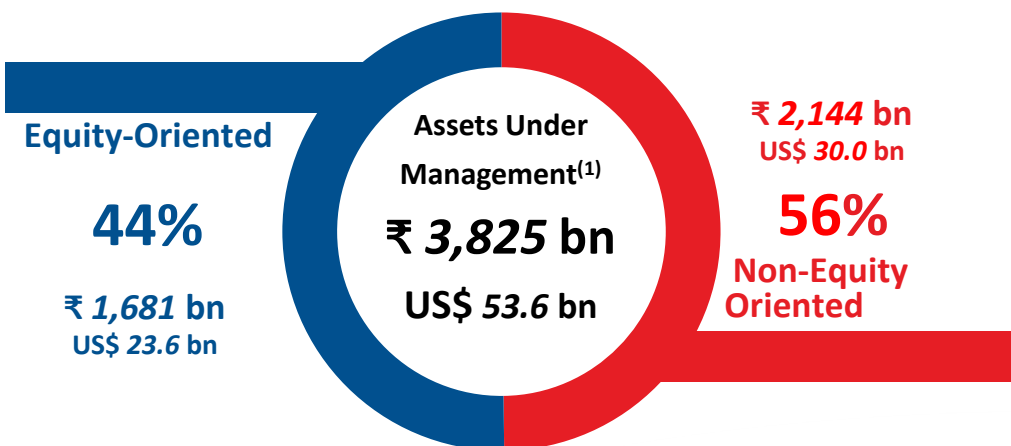
MAAUM of B-30⁽¹⁾⁽²⁾



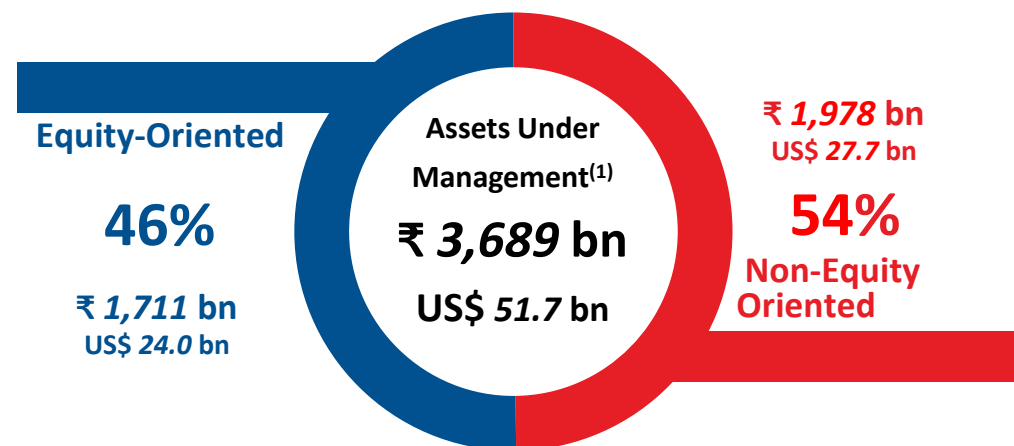
(1) Source: AMFI, (2) Based on monthly average AUM (3) Percentages in brackets denote % share of total

○ HDFC AMC at a glance

Quarterly Average AUM



Closing AUM



9.4 mm
Live Accounts⁽¹⁾



₹ 116 bn
PMS & SMA AUM^{(1) (3)}

220 Branches⁽¹⁾⁽²⁾;
70k+ Empaneled
Distribution Partners

₹ 2,274 bn
Individual MAAUM⁽¹⁾

1,221 Employees⁽¹⁾

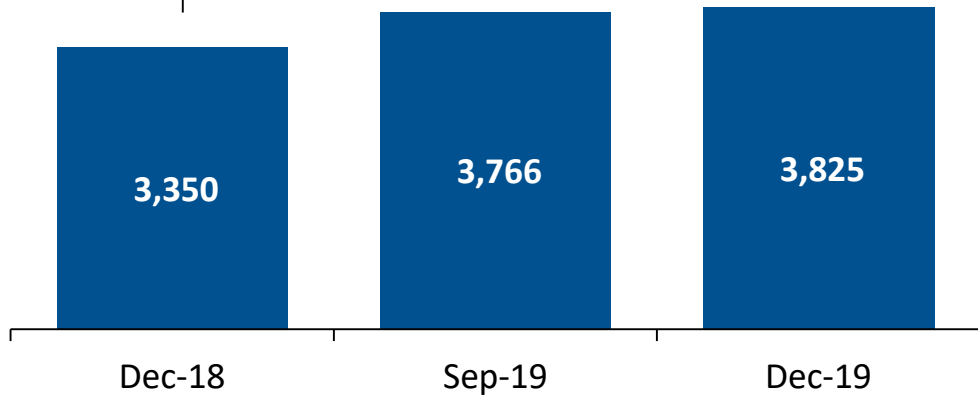
(1) As of Dec 31, 2019 / for Dec 2019; (2) Includes one representative office in Dubai; (3) Includes advisory mandates
 (2) Source: Internal. USD/INR conversion rate: ₹ 71.3800

○ Total AUM and Market Share

Quarterly Average AUM

₹ billion

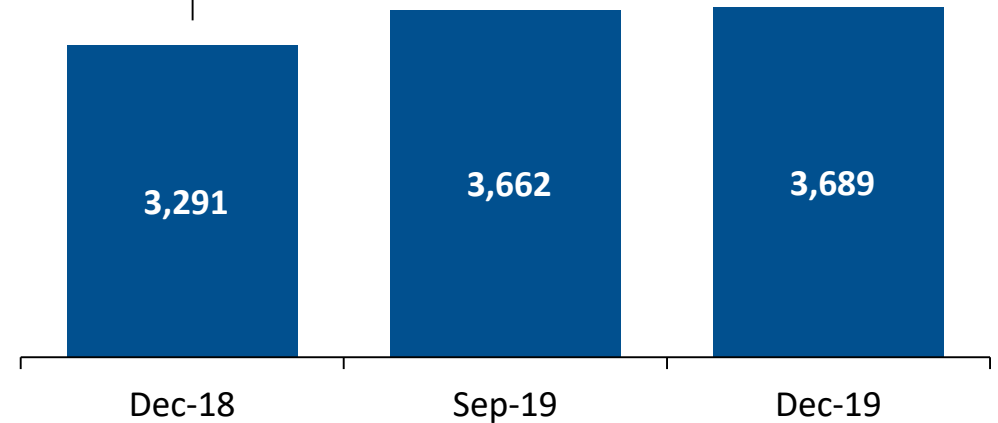
YoY 14%



Closing AUM

₹ billion

YoY 12%

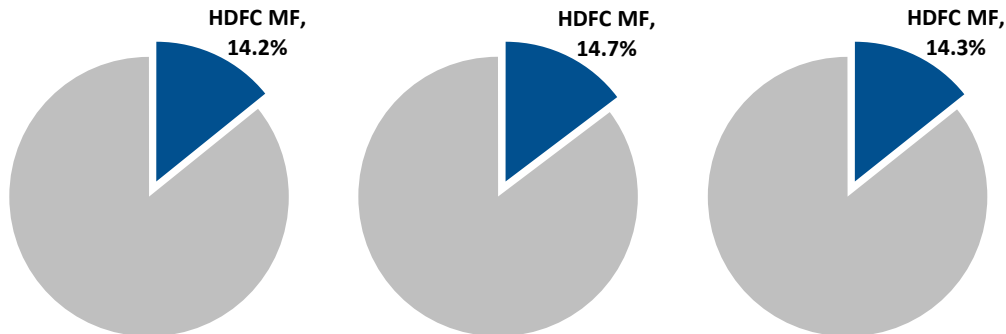


Market Share - Quarterly Average AUM

Dec-2018

Sep-2019

Dec-2019

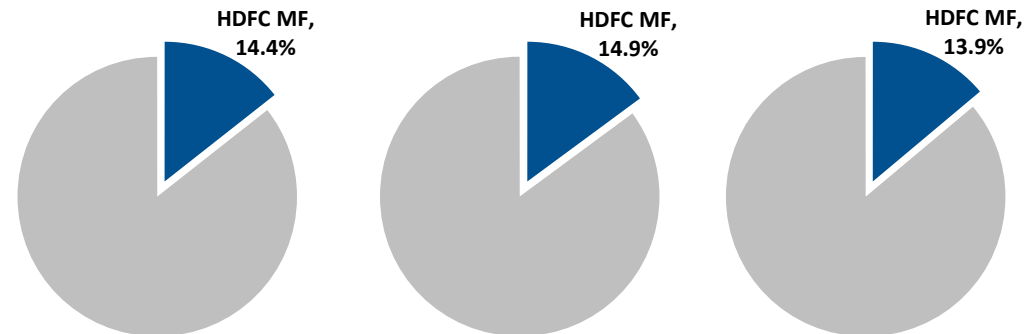


Market Share – Closing AUM

Dec-2018

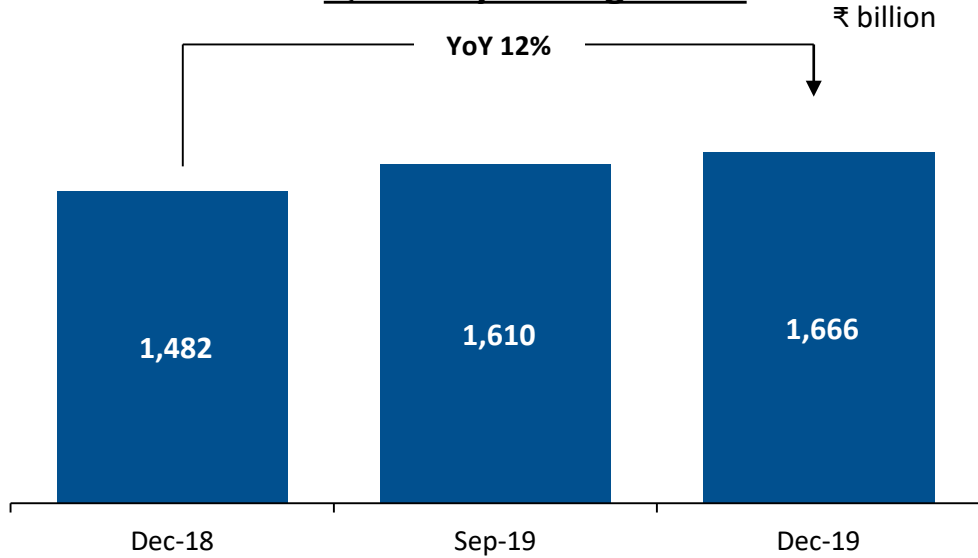
Sep-2019

Dec-2019

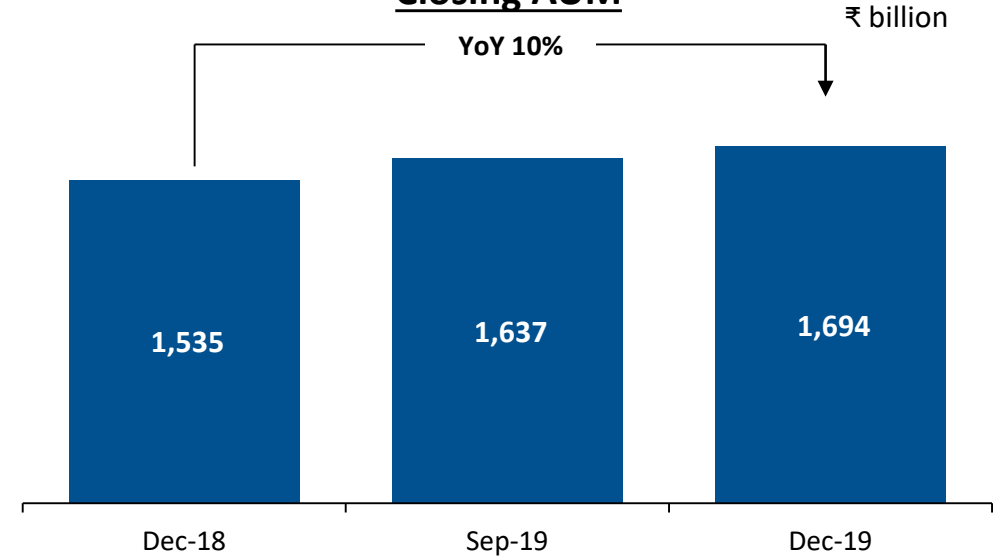


Actively Managed Equity-oriented AUM and Market Share

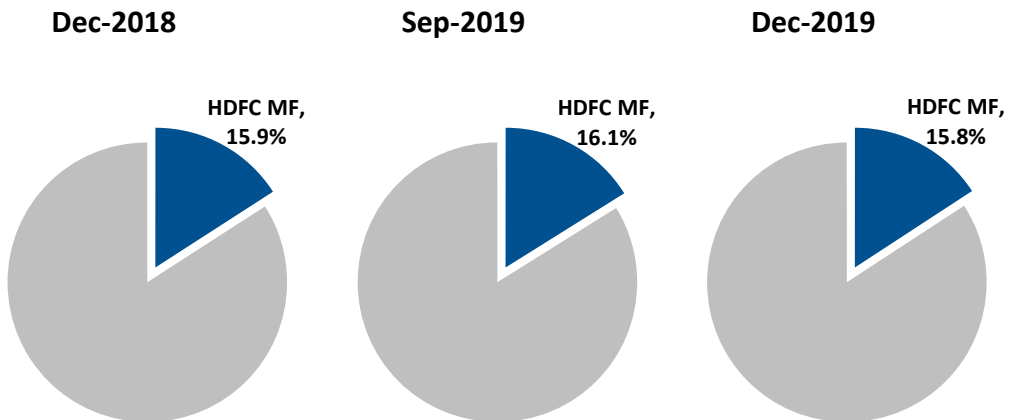
Quarterly Average AUM



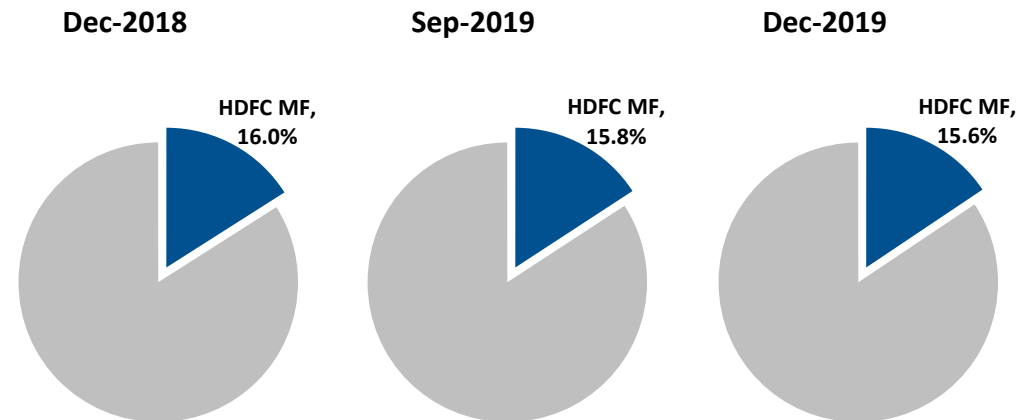
Closing AUM



Market Share - Quarterly Average AUM



Market Share – Closing AUM



Source: AMFI, Internal
Actively managed equity-oriented AUM excludes index and arbitrage funds from equity-oriented funds

AUM by Segment – HDFC AMC and Industry

Quarterly Average AUM

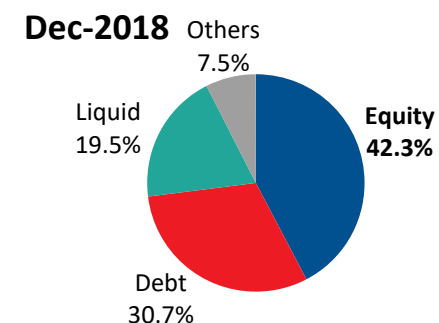
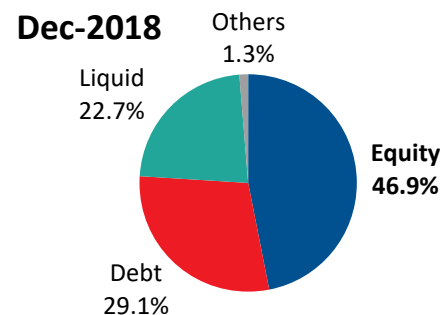
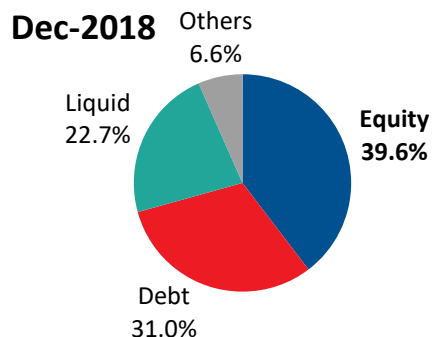
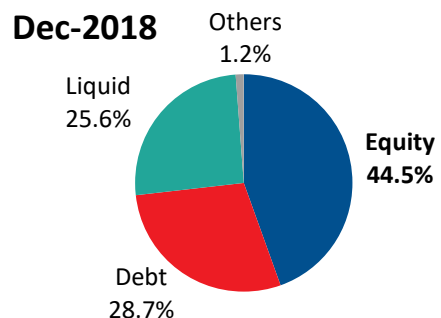
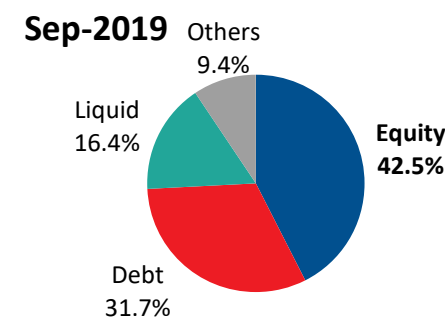
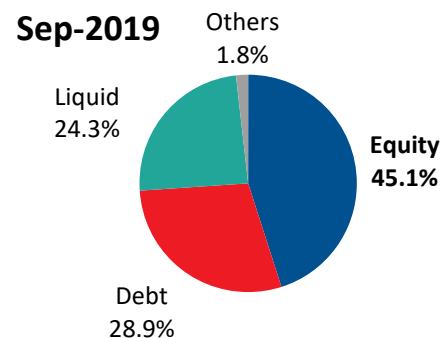
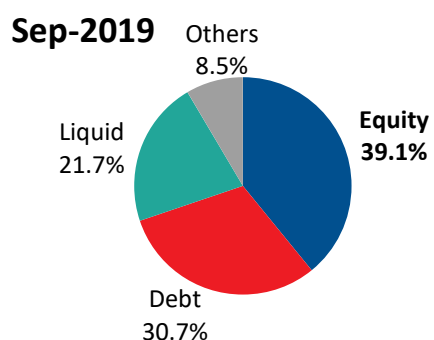
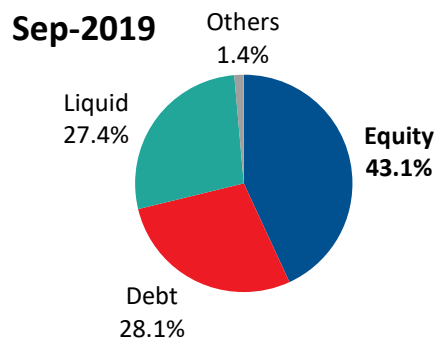
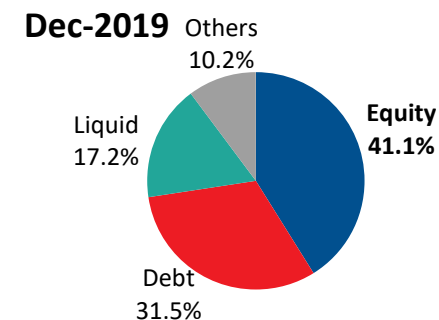
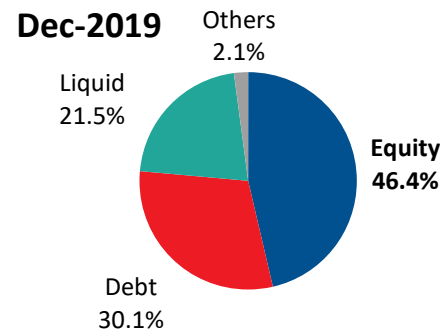
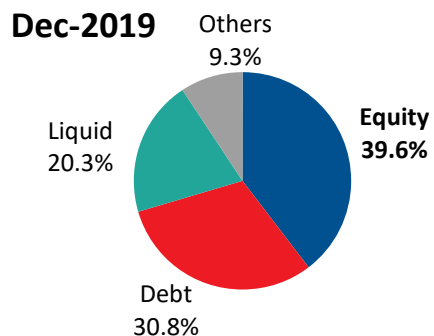
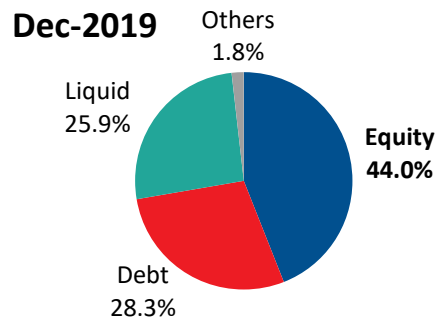
Closing AUM

HDFC MF

Industry

HDFC MF

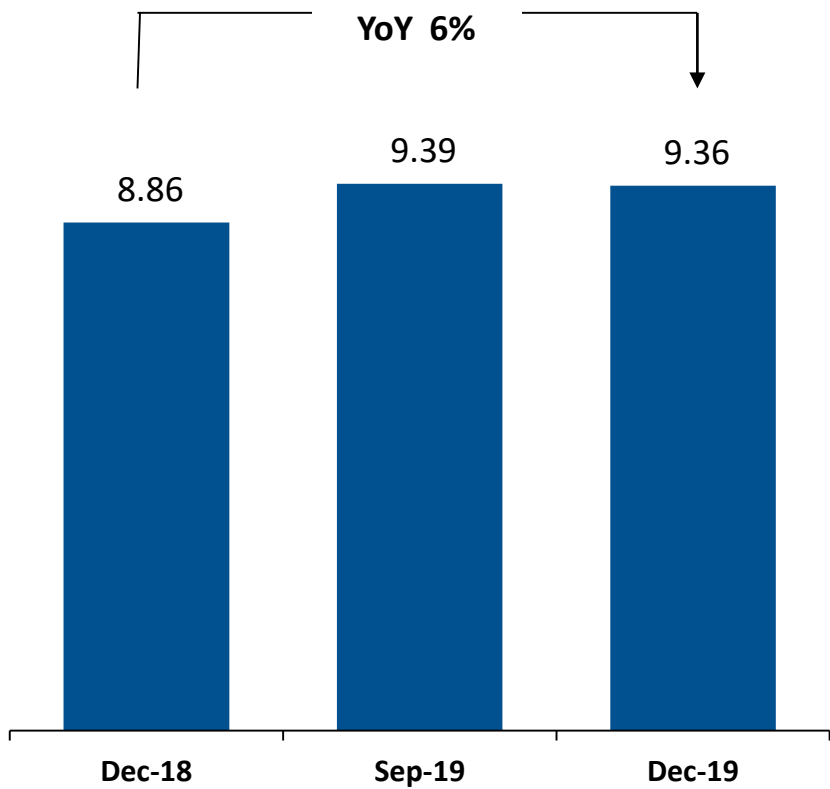
Industry



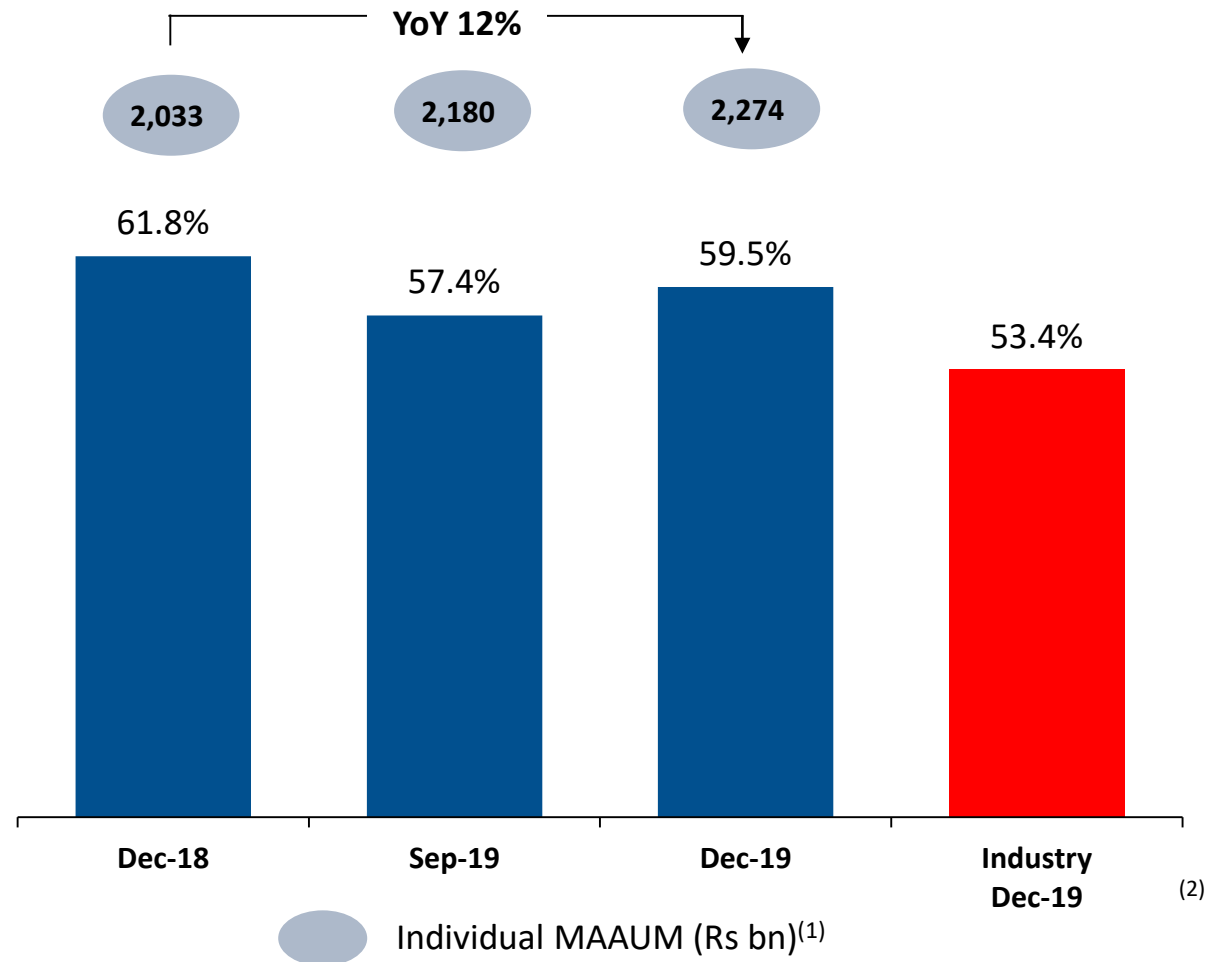
Source: Internal, AMFI ; From April 2018, Arbitrage is included in other category

Individual Investors – no of Accounts & MAAUM

Number of Live Individual Accounts (in millions)



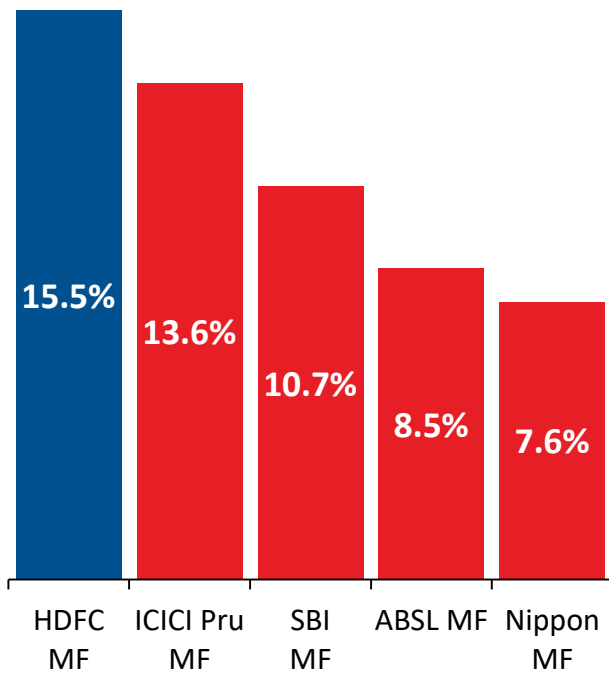
Individual MAAUM % of Total



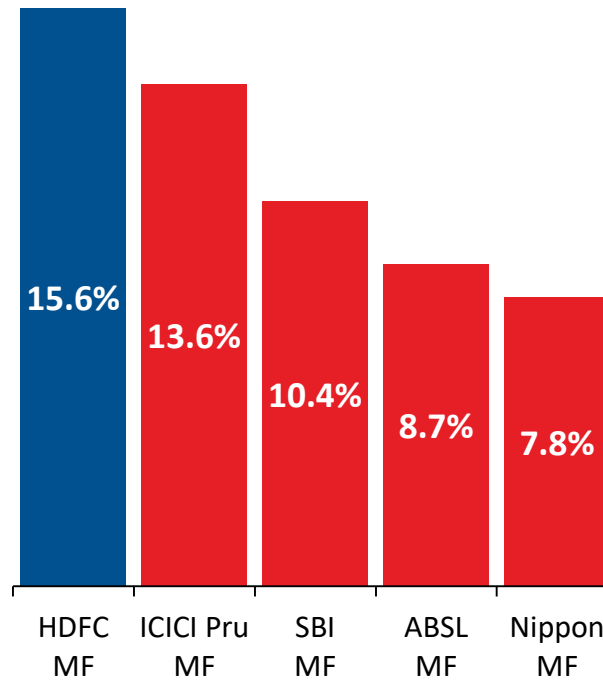
Individual customer prefer equity-oriented schemes and stay invested for longer periods

Most Preferred Choice of Individual Investors

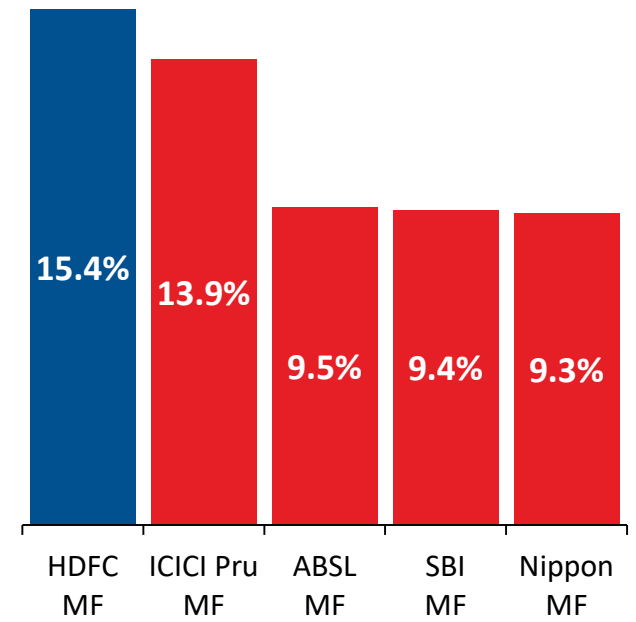
Individual Assets Market Share (Dec-19)



Individual Assets Market Share (Sep-19)

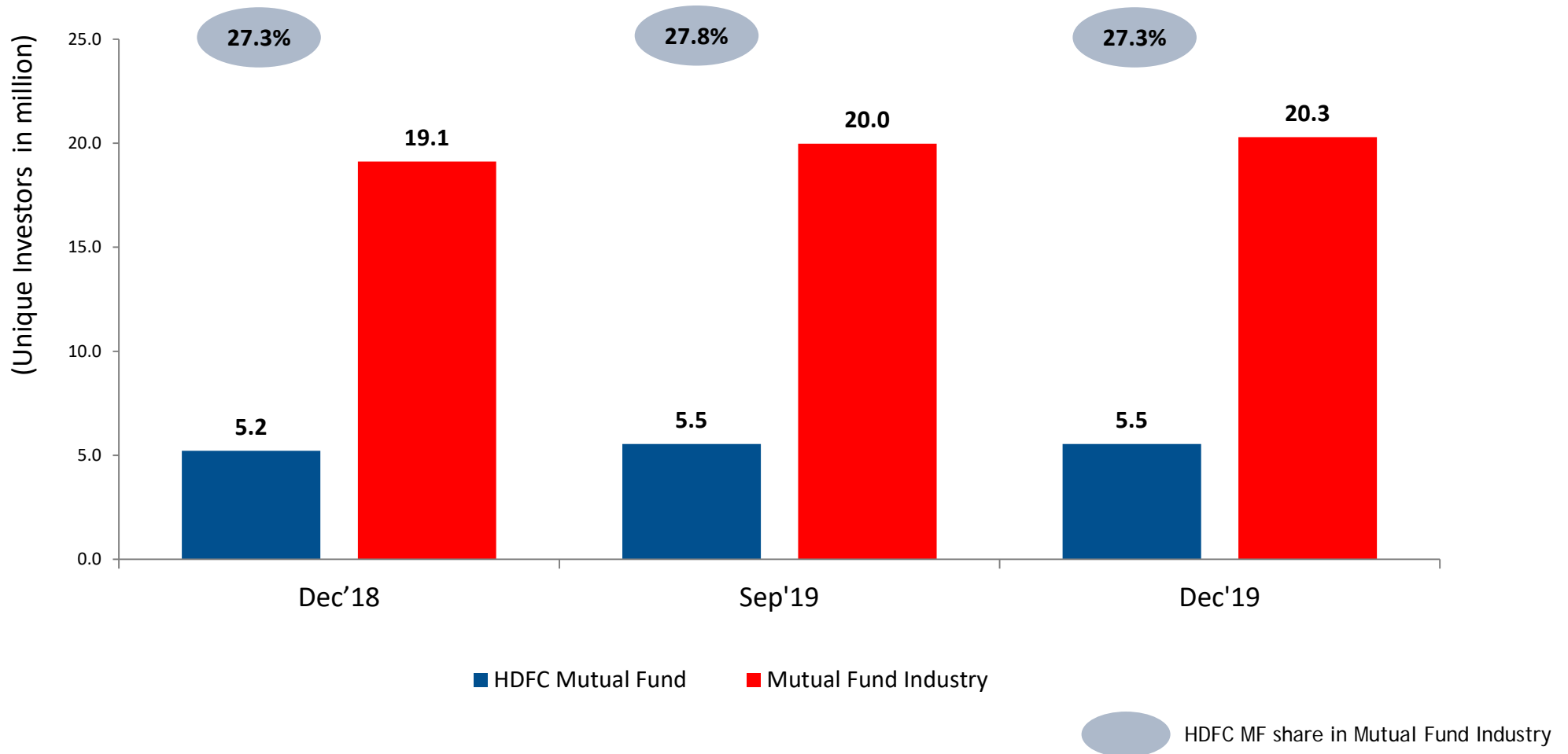


Individual Assets Market Share (Dec-18)



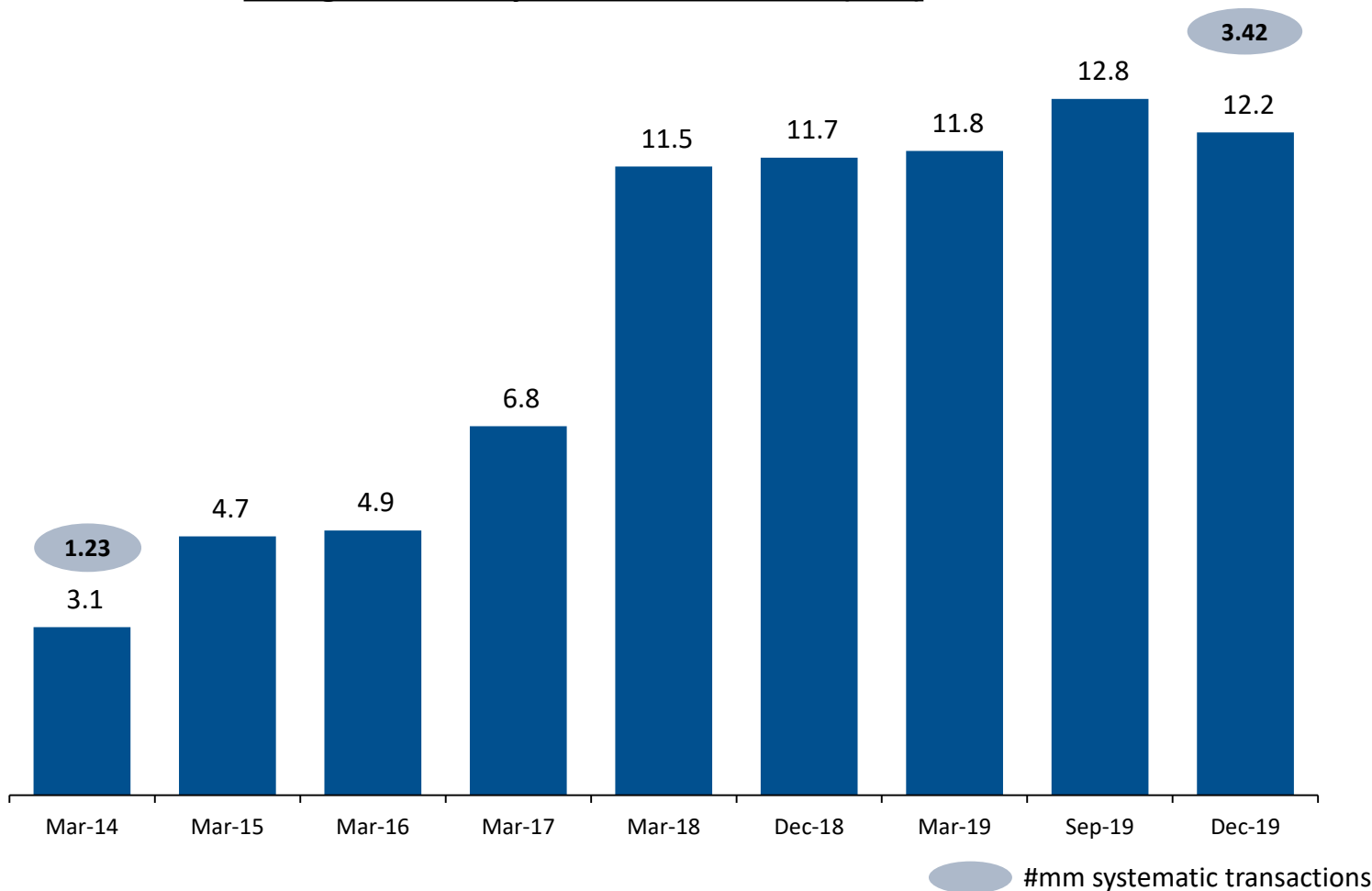
Source: AMFI, based on monthly average AUM

Unique Investors- HDFC AMC vs MF Industry

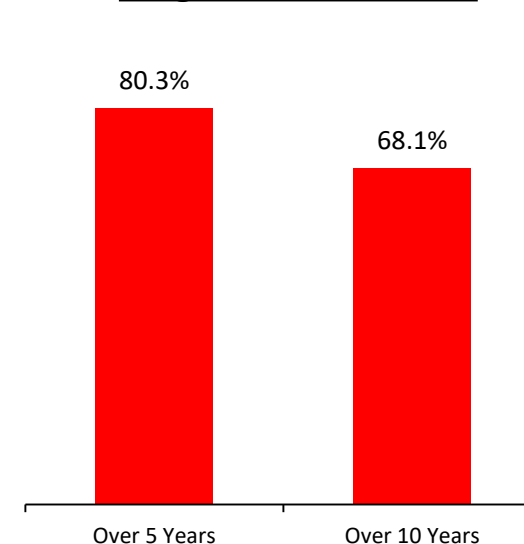


Quality Long-term Inflows Through Systematic Transactions

Strong Growth in Systematic Transactions (₹ bn)



Long Tenure SIP Book⁽¹⁾



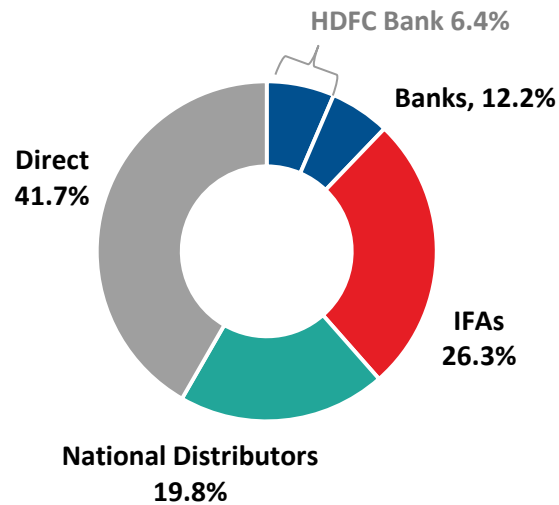
**Strong and growing
“Order Book” to provide
predictable flows**

Source: Internal

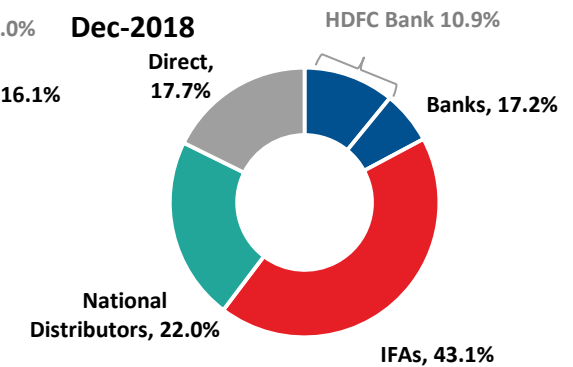
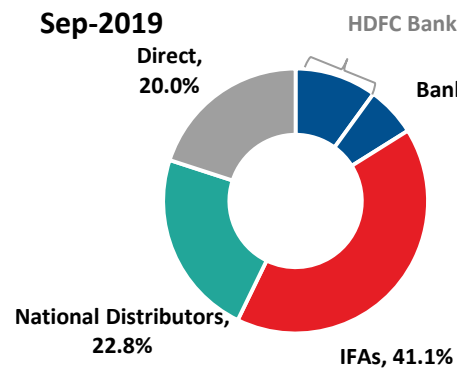
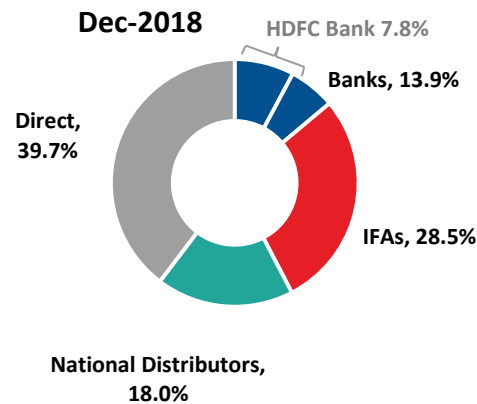
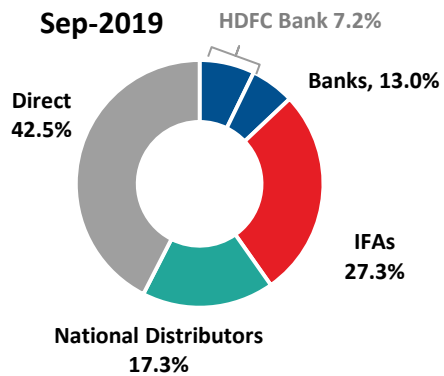
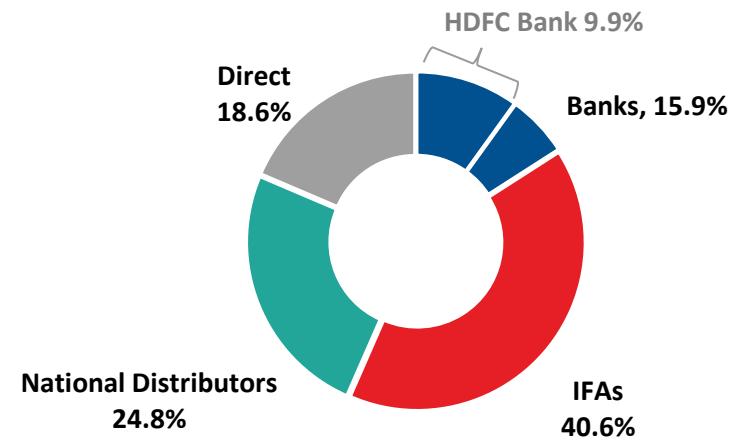
(1) Based on tenure at the time of registration of all live SIPs during Dec-19

Well Diversified Distribution Channel

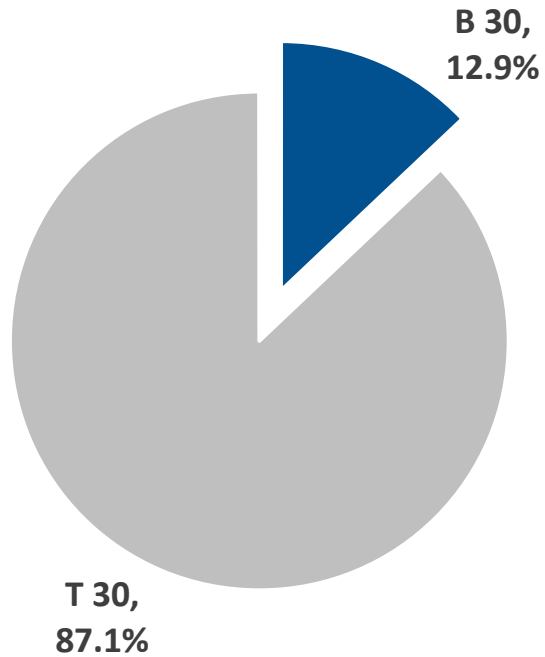
Total AUM (Dec-19)



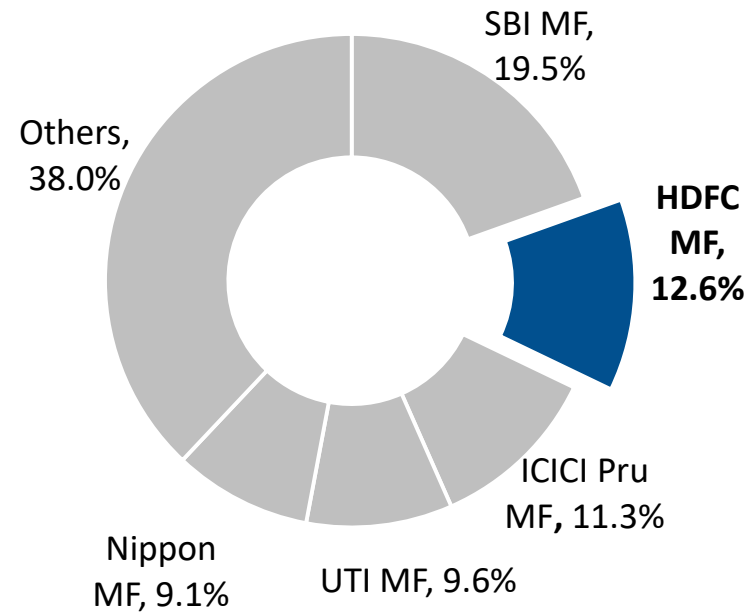
Equity-oriented AUM (Dec-19)



Total MAAUM by T30 and B30 cities⁽¹⁾



#2 Player in B-30 Markets⁽¹⁾



Network of 220 branches with 144 in B-30 cities⁽²⁾

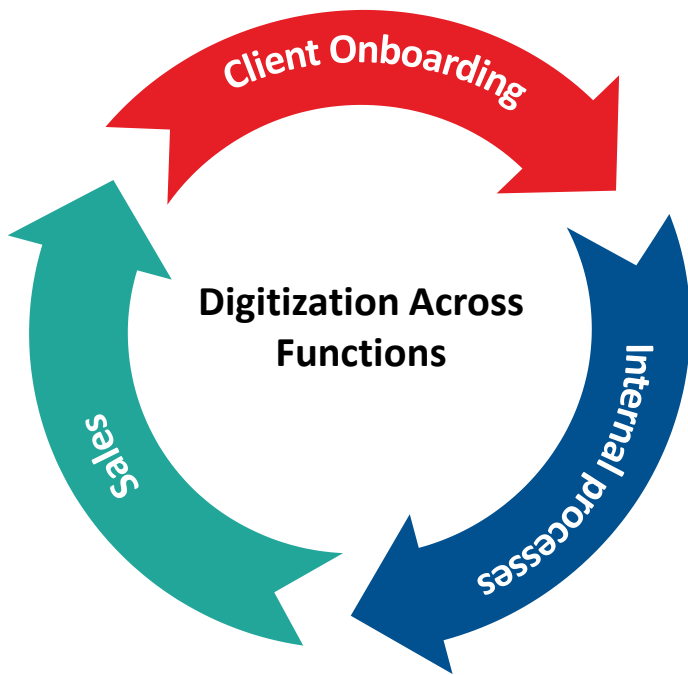
c. 70k+ empaneled distribution partners

(1) Source: Internal

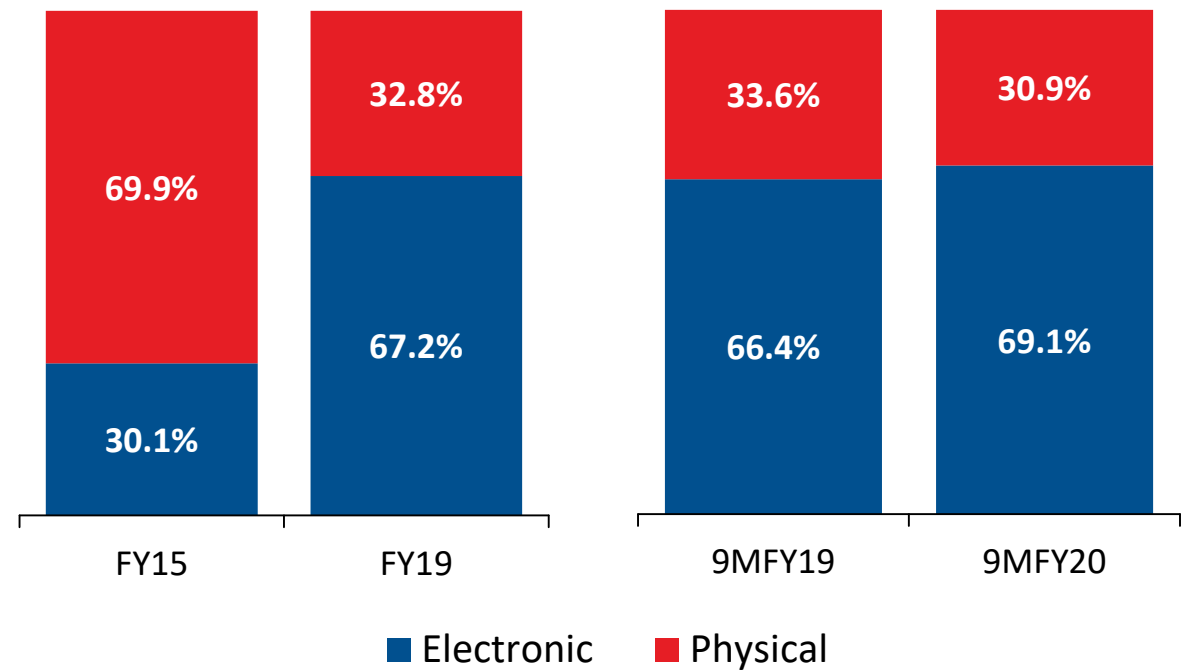
(2) As of Dec 31, 2019. Includes one representative office in Dubai;

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
- FY15-19 CAGR of 42% for electronic transactions
- 17.2% transaction during FY19 were through HDFC MF Online and mobile application

Financials

Financials Summary – Nine Months Earnings

(₹ mm)

Particulars	9ME FY20	9ME FY19	Change
Income			
Revenue from Operations	15,271	14,287	7%
Other Income	1,667	1,204	38%
Total Income	16,938	15,491	9%
Expenses			
Finance Costs	68	-	-
Fees and Commission Expenses	193	2,104	-91%
Impairment on Financial Instruments	-	302	-
Employee Benefit Expenses	1,716	1,587	8%
Depreciation and Amortization Expenses	370	94	294%
Other Expenses	1,357	1,803	-25%
Total Expenses	3,704	5,890	-37%
Profit before tax	13,234	9,601	38%
Tax Expenses	3,109	3,057	2%
Profit after tax	10,125	6,544	55%
Other Comprehensive Income (net of tax)	(36)	(7)	
Total Comprehensive Income	10,089	6,537	54%

Particulars	9ME FY20	9ME FY19	Change
Revenue from Operations	15,271	14,287	7%
Total Expenses*	3,704	5,588	-34%
Operating Profit from core AM business	11,567	8,699	33%

*Adjusted for non recurring expenses

Financials Summary – Quarterly Earnings

(₹ mm)

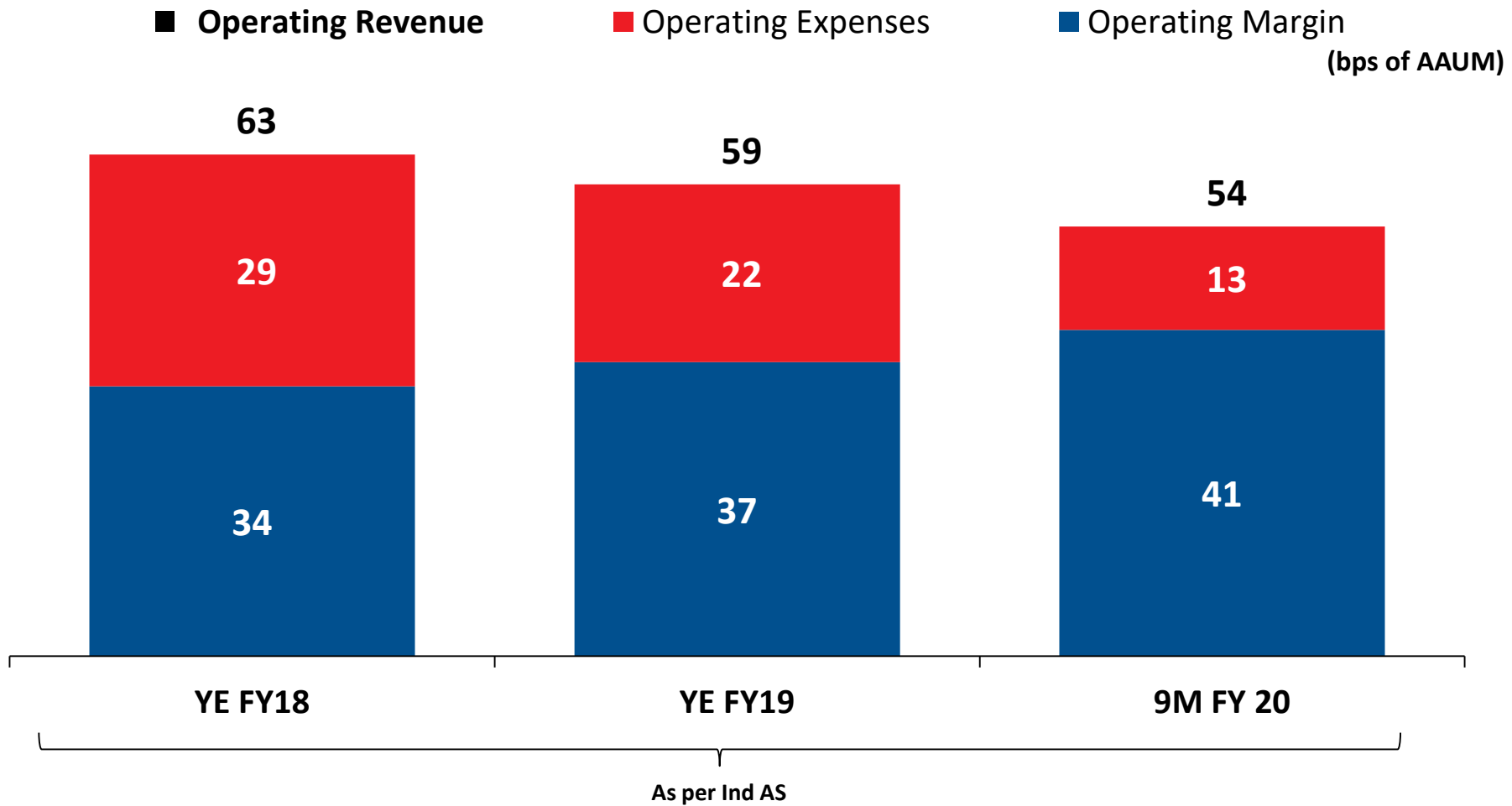
Particulars	Q3 FY20	Q3 FY19	Change
Income			
Revenue from Operations	5,247	4,771	10%
Other Income	673	556	21%
Total Income	5,920	5,327	11%
Expenses			
Finance Costs	22	-	-
Fees and Commission Expenses	71	530	-87%
Impairment on Financial Instruments	-	90	-
Employee Benefit Expenses	571	505	13%
Depreciation and Amortization Expenses	127	37	243%
Other Expenses	469	482	-3%
Total Expenses	1,260	1,644	-23%
Profit before tax	4,660	3,683	27%
Tax Expenses	1,135	1,250	-9%
Profit after tax	3,525	2,433	45%
Other Comprehensive Income (net of tax)	4	(9)	
Total Comprehensive Income	3,529	2,424	46%

Particulars	Q3 FY20	Q3 FY19	Change
Revenue from Operations	5,247	4,771	10%
Total Expenses*	1,260	1,554	-19%
Operating Profit from core AM business	3,987	3,217	24%

*Adjusted for non recurring expenses

1. The Company holds certain Non Convertible Debentures (NCDs) that are secured by a pledge of listed equity shares. These NCDs are classified as financial assets at fair value through profit and loss. Hence, any changes in their fair value on the reporting date is reflected as a part of 'Other Income'.
On fair valuation of the said NCDs as at December 31, 2019, the unrealized loss recognized in the results for the nine months ended December 31, 2019 stands at ₹ 251.07 mm as compared to ₹ 249.73 mm for the half year ended September 30, 2019. The carrying value of these NCDs as at December 31, 2019 was ₹ 1,231.85 mm. The value of the collateral as at December 31, 2019 is ₹ 1,505.61 mm.
2. The Company has elected to exercise the option of a lower tax rate provided under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company had recognised provision for income tax for the half year ended September 30, 2019 and re-measured its deferred tax assets basis the rate provided in the said section. The full impact of above mentioned change, amounting to approximately ₹ 667 mm had been recognised in the result for the half year ended September 30, 2019, out of which, approximately ₹ 343 mm pertains to quarter ended June 30, 2019.
3. Effective April 01, 2019, the Company has adopted 'Ind AS 116 - Leases' and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Consequently, the cumulative adjustment has been taken to retained earnings on the date of initial application i.e. April 01, 2019. Based on the same and as permitted under the specific transitional provisions in the standard, the Company is not required to restate the comparative figures. The effect of this adoption is not material to the profit for the period and earnings per share.

Operating Profit Margin



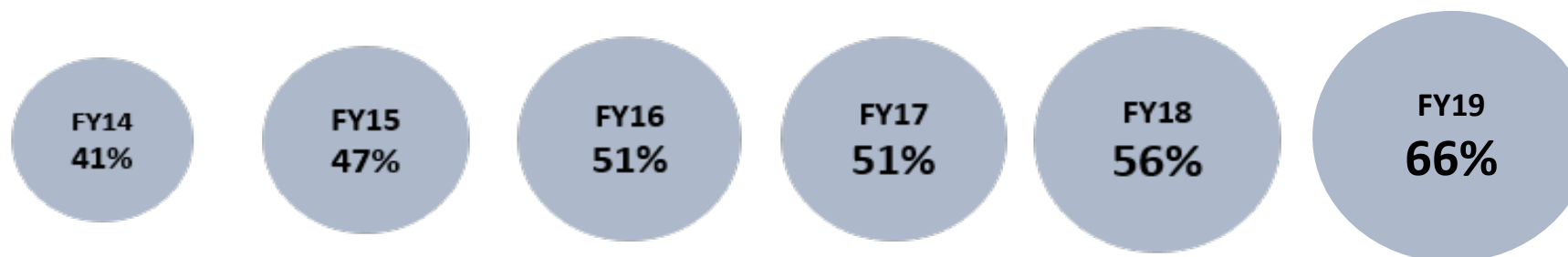
Return on Equity⁽¹⁾



*Return on Equity has reduced in FY 19 due to substantial increase in average networth

Return on Equity from FY15 to FY18 was under Previous GAAP whereas for FY19, it is under Ind AS

Consistently improving Dividend Payout Ratio⁽²⁾



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

(2) Including dividend distribution tax. FY19 includes interim dividend of Rs. 12 paid in March 2019 and a final dividend of Rs. 12 proposed by the board on 26th April 2019 and approved by the shareholders at the Annual General Meeting held on July, 16, 2019.

Thank You



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This presentation may contain, words or phrases like will”, “aim” “believe”, “expect”, “will continue”, “anticipate”, “estimate” and similar expressions or variations of these expressions, that are “forward-looking statements that involve risks and uncertainties and are based on certain beliefs, plans and expectations of the Company. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Although the Company believes that such forward-looking statements are based on reasonable assumptions, it can give no assurance that such expectations will be met. Representative examples of factors that could affect the accuracy of forward-looking statements include (without limitation) the condition of, and changes in, India’s political and economic status, government policies, applicable laws, global capital markets, the mutual fund industry in India, and international and domestic events having a bearing on the Company’s business, and such other factors beyond the Company’s control. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current views of the Company’s management on future events. Further, nothing in this presentation should be construed as constituting legal, business, tax or financial advice or a recommendation regarding the securities. None of the Company or any of its affiliates, advisers or representatives accepts any liability whatsoever for any loss howsoever arising from any information presented or contained in this presentation. Before acting on any information you should consider the appropriateness of the information having regard to these matters, and in particular, you should seek independent financial advice.

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

Press Release

21 January, 2020

HDFC AMC net profit for the 9 month period ended Dec 2019 at ₹10,125 million, a year on year increase of 55%.

Quarterly Average AUM (QAAUM) rises to ₹3,825 billion, a year on year increase of 14%.

HDFC Asset Management Company Limited (HDFC AMC) declares financial results for the period ended December 31, 2019.

- India's largest mutual fund manager with QAAUM market share of 14.3% as on December 31, 2019.
- India's largest Actively Managed Equity Mutual Fund QAAUM, with market share at 15.8% as on December 31, 2019.
- Most preferred choice of individual investors, with a market share of 15.5% of the individual monthly average AUM as of December 2019.
- Profit after tax growth of 45% during the quarter ended December 31, 2019.
- Profit after tax growth of 55% during the 9 months ended December 31, 2019.

Mumbai, 21 January, 2020: HDFC Asset Management Company Limited today reported its financial performance for the quarter ended December 31, 2019.

CORPORATE HIGHLIGHTS

- QAAUM of ₹3,825 billion as of December 31, 2019 compared to ₹3,350 billion as on December 31, 2018, a growth of 14%. 14.3% market share in QAAUM of the mutual fund industry.
- QAAUM in actively managed equity oriented funds i.e. equity oriented QAAUM excluding arbitrage funds and index funds stood at ₹1,666 billion as on December 31, 2019 with a market share of 15.8%. The AMC is the largest actively managed equity-oriented mutual fund manager in the country.
- The ratio of equity oriented AUM and non-equity oriented AUM is 46:54 compared to the industry ratio of 41:59.
- 3.42 million Systematic transactions with a value of ₹12.2 billion processed during the month of December 2019.
- Over 70,000 empanelled distribution partners across IFAs, National Distributors and Banks, serviced through a total of 220 branches of which 144 are in B-30 locations. The contribution of B-30 locations to our total monthly average AUM is 12.9%.
- As of December 31, 2019, 59.5% of the company's total monthly average AUM is contributed by individual investors compared to 53.4% for the industry.
- Market share of 15.5% of the individual monthly average AUM in the industry, making the company the most preferred choice of individual investors.
- Total Live Accounts stood at 9.4 million as on 31 December 2019. Unique customers as identified by PAN or PEKRN now stands at 5.5 million as on 31 December 2019 compared to 20.3 million for the industry, a market share of 27.3%.

FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED DECEMBER 31, 2019

- The Operating Profit of the company for the quarter ended December 31, 2019 was ₹3,987 million as compared to ₹3,127 million for the quarter ended December 31, 2018. This is an increase of 28%.
- Profit before tax for the quarter ended December 31, 2019 was also up by 27% to ₹4,660 million as compared to ₹3,683 million for the quarter ended December 31, 2018.
- Profit after tax for the quarter ended December 31, 2019 was ₹3,525 million as compared to ₹2,433 million for the quarter ended December 31, 2018 resulting in an increase of 45%.

FINANCIAL HIGHLIGHTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2019

- The Operating Profit for the nine months ended December 31, 2019 was ₹11,567 million as compared to ₹8,397 million for the nine months ended December, 2018. This is an increase of 38%.
 - Profit before tax for the nine months ended December 31, 2019 was up by 38% to ₹13,234 million as compared to ₹9,601 million for the nine months ended December 31, 2018.
 - Profit after tax for the nine months ended December 31, 2019 was ₹10,125 million as compared to ₹6,544 million for the nine months ended December 31, 2018 resulting in an increase of 55%.
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About HDFC AMC

HDFC Asset Management Company Limited (HDFC AMC) is Investment Manager to HDFC Mutual Fund, the largest mutual fund in the country. It was incorporated under the Companies Act, 1956, on 10th December 1999 and was approved to act as an Asset Management Company for HDFC Mutual Fund by SEBI on 3rd July 2000. It has other SEBI licenses viz. PMS / AIF.

HDFC AMC has a diversified asset class mix across Equity and Fixed Income/Others. It also has a countrywide network of branches along with a diversified distribution network comprising Banks, Independent Financial Advisors and National Distributors.

For any media queries, contact:

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