

Ref/No/HDFCAMC/SE/2021-22/69

Date – October 25, 2021

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

Dear Sir/Madam,

Further to our letter number Ref/No/HDFCAMC/SE/2021-22/68 dated October 25, 2021, please find enclosed herewith a copy of investor presentation along with press release on financial results for the quarter and half year ended September 30, 2021.

Kindly take the same on records.

Thanking you,

Yours faithfully,

For HDFC Asset Management Company Limited



Sylvia Furtado
Company Secretary

Encl: a/a

Press Release

25 October, 2021

HDFC AMC net profit for the Quarter ended September 30, 2021 is ₹3,445 million, a year on year increase of 2% over the quarter ended September 30, 2020. Operating Profit of the company for the quarter ended September 30, 2021 is up by 13% as compared to quarter ended September 30, 2020.

HDFC Asset Management Company Limited (HDFC AMC) declares financial results for the period ended September 30, 2021.

- One of India's largest mutual fund managers with QAAUM market share of 12.1% as on September 30, 2021.
- Amongst India's largest Actively Managed Equity Mutual Fund QAAUM, with market share at 12.2% as on September 30, 2021.
- Most preferred choice of individual investors, with a market share of 12.8% of the individual monthly average AUM as of September 2021.
- Profit after tax growth of 8% for the half year ended September 30, 2021, as against half year ended September 30, 2020.

Mumbai, 25 October, 2021: HDFC Asset Management Company Limited today reported its financial performance for the quarter ended September 30, 2021.

CORPORATE HIGHLIGHTS

- QAAUM of ₹4,389 billion as of September 30, 2021 compared to ₹3,755 billion as on September 30, 2020, a growth of 17%. 12.1% market share in QAAUM of the mutual fund industry.
- QAAUM in actively managed equity-oriented funds i.e. equity oriented QAAUM excluding index funds stood at ₹1,877 billion as on September 30, 2021 with a market share of 12.2%. The AMC is one of the largest actively managed equity-oriented mutual fund managers in the country.
- 3.22 million Systematic transactions with a value of ₹10.8 billion processed during the month of September 2021.
- Over 70,000 empaneled distribution partners across MFDs, National Distributors and Banks, serviced through a total of 227 branches of which 149 are in B-30 locations. The contribution of B-30 locations to our total monthly average AUM is 15.4%.
- As of September 30, 2021, 58.8% of the company's total monthly average AUM is contributed by individual investors compared to 54.5% for the industry.
- Market share of 12.8% of the individual monthly average AUM in the industry, making the company the most preferred choice of individual investors.
- Total Live Accounts stood at 9.2 million as on 30 September 2021. Unique customers as identified by PAN or PEKRN now stands at 5.4 million as on 30 September 2021 compared to 26.7 million for the industry.

FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDED SEPTEMBER 30, 2021

- The Operating Profit of the company for the quarter ended September 30, 2021 was ₹3,954 million as compared to ₹3,491 million for the quarter ended September 30, 2020. This is an increase of 13%.
- Profit before tax for the quarter ended September 30, 2021 was down by 0.3% to ₹4,615 million as compared to ₹4,628 million for the quarter ended September 30, 2020.
- Profit after tax for the quarter ended September 30, 2021 was ₹3,445 million as compared to ₹3,379 million for the quarter ended September 30, 2020 resulting in an increase of 2%.

FINANCIAL HIGHLIGHTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2021

- The Operating Profit for the half year ended September 30, 2021 was ₹7,606 million as compared to ₹6,497 million for the half year ended September 30, 2020. This is an increase of 17%.
- Profit before tax for the half year ended September 30, 2021 was ₹9,276 million as compared to ₹8,432 million for the half year ended September 30, 2020 which resulted in an increase of 10%.
- Profit after tax for the half year ended September 30, 2021 was up by 8% to ₹6,899 million as compared to ₹6,403 million for the half year ended September 30, 2020.

About HDFC AMC

HDFC Asset Management Company Limited (HDFC AMC) is Investment Manager to HDFC Mutual Fund, one of the largest mutual funds 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, Mutual Fund Distributors and National Distributors.

For any media queries, contact:

Mr. Naveen Gogia, Head – Public Relations, HDFC AMC

Email: naveeng@hdfcfund.com



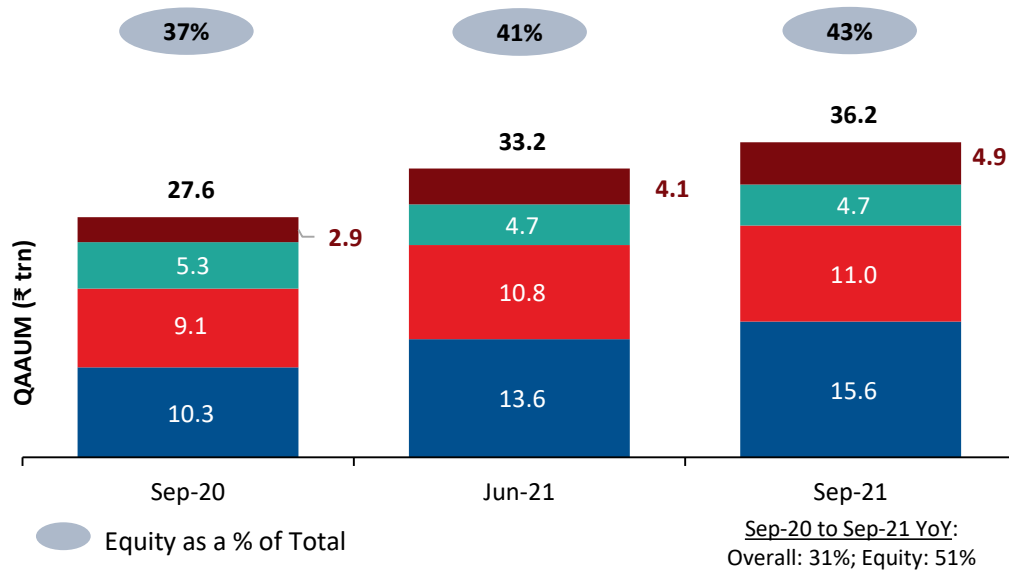
HDFC Asset Management Company Limited

Q2 FY21-22

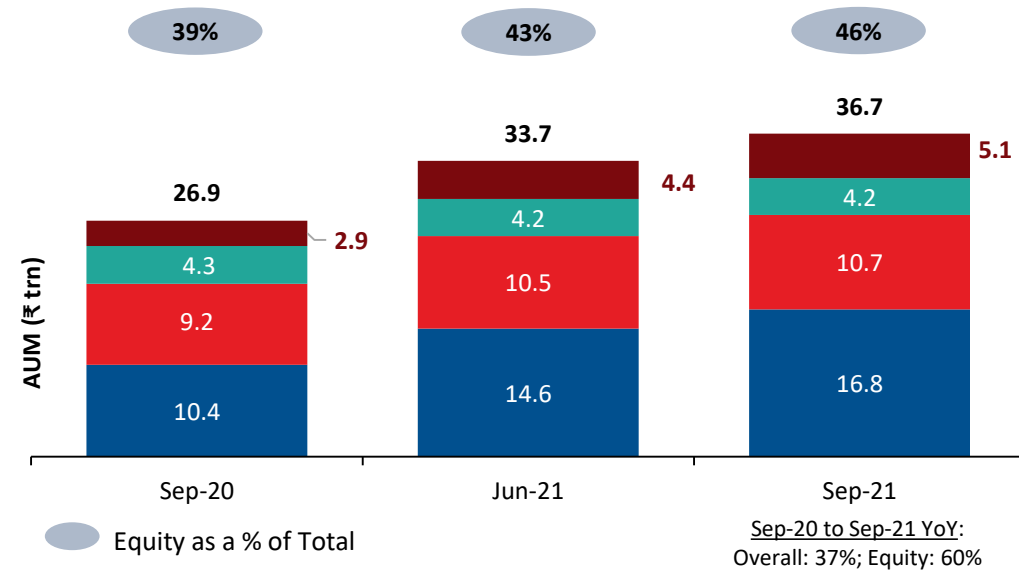
(For the quarter ended September 30, 2021)

Industry - AUM and Net Sales

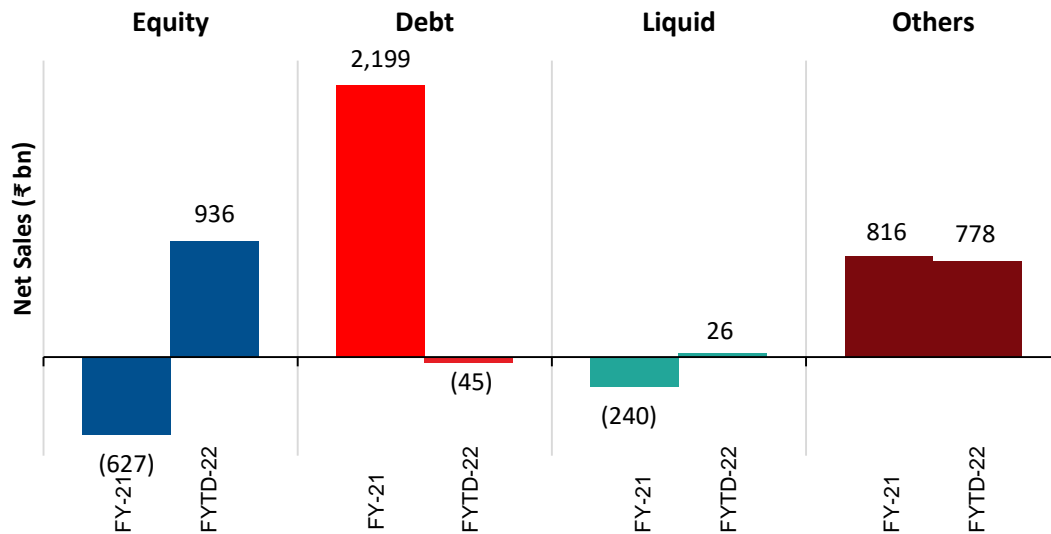
Quarterly Average AUM (QAAUM)



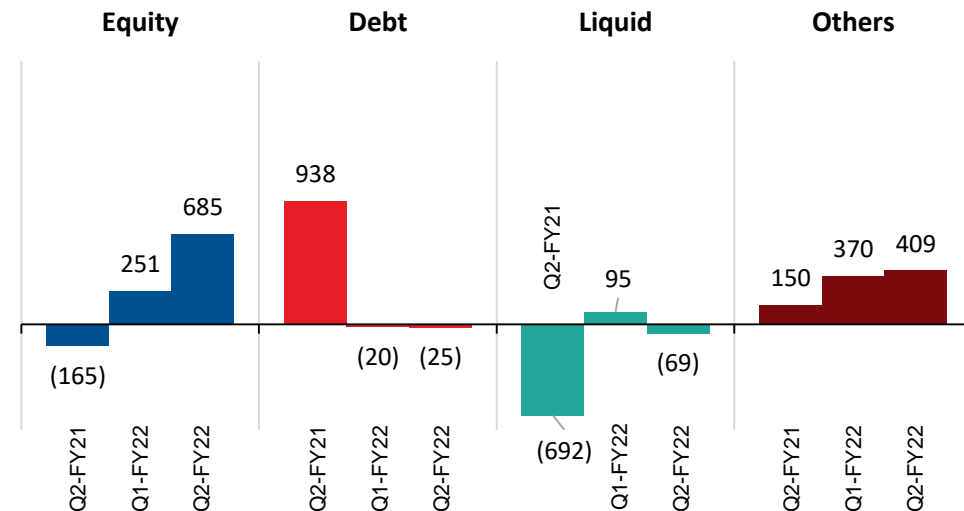
Closing AUM



Yearly net sales

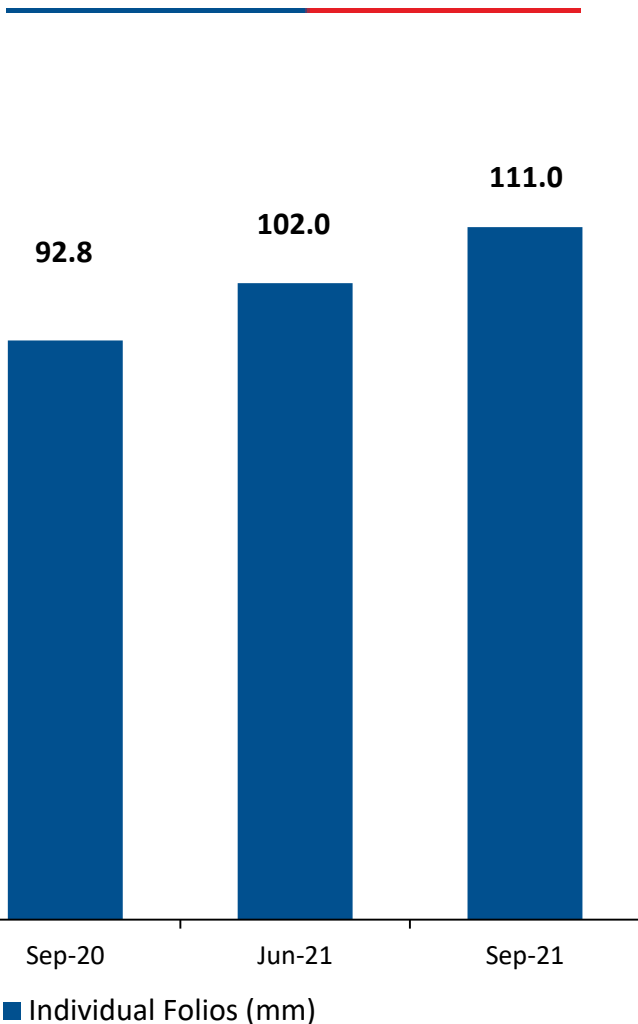


Quarterly net sales

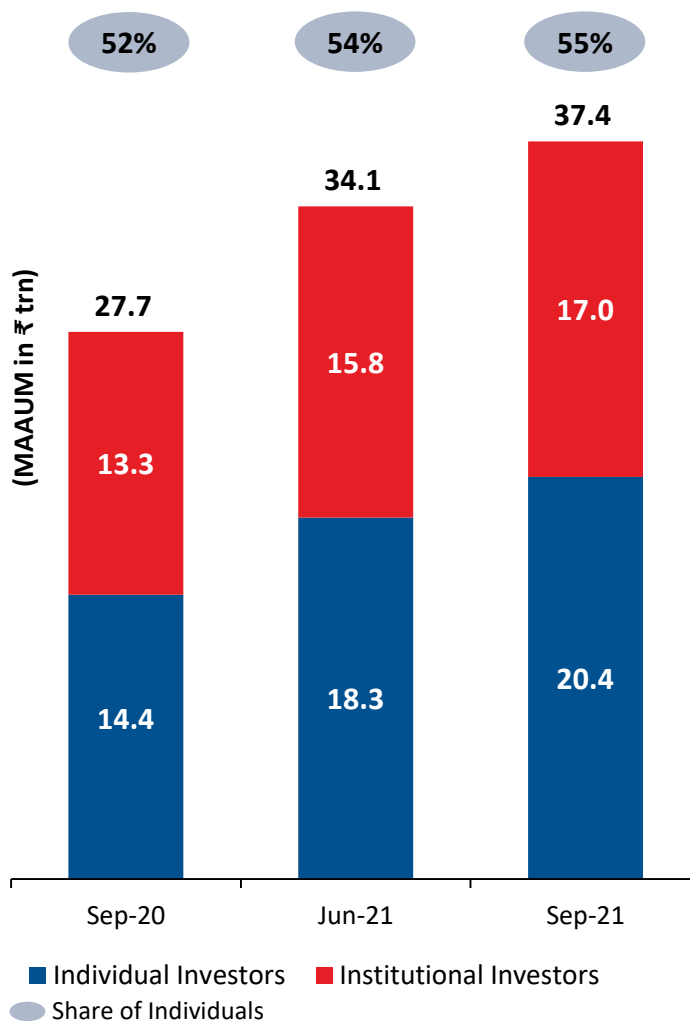


Industry - Individual / Institutional MAAUM, B30

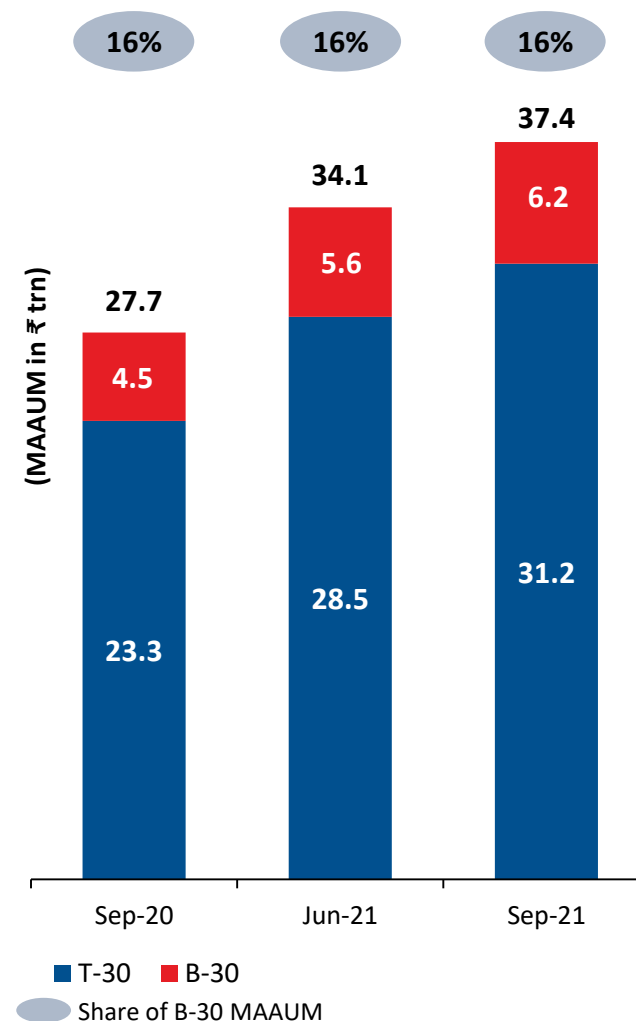
Individual Folios



Overall MAAUM by Investor category



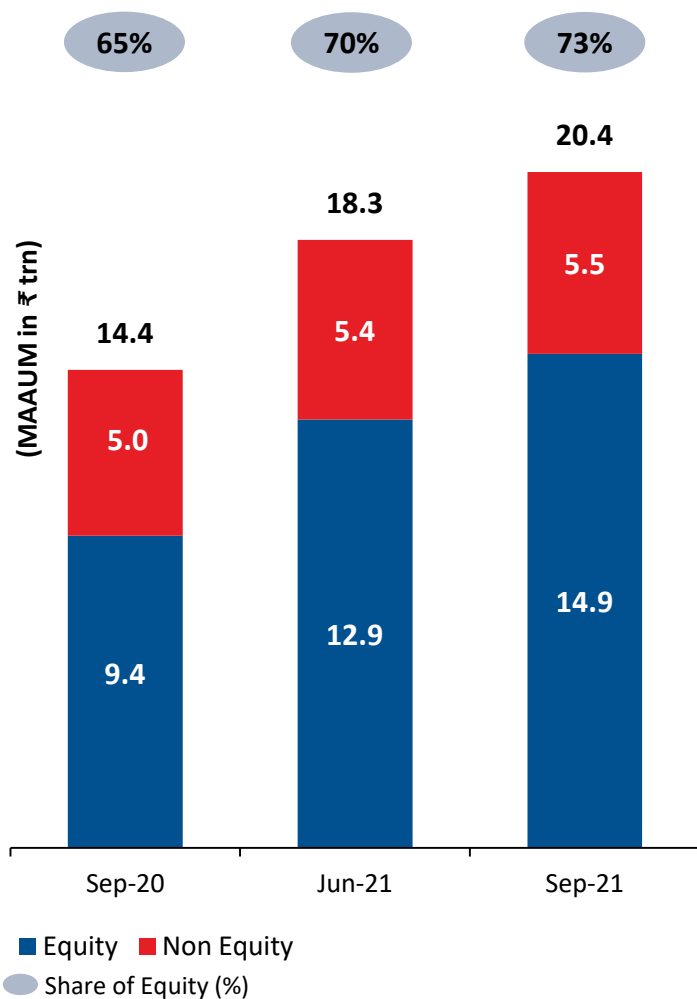
Overall MAAUM by Location



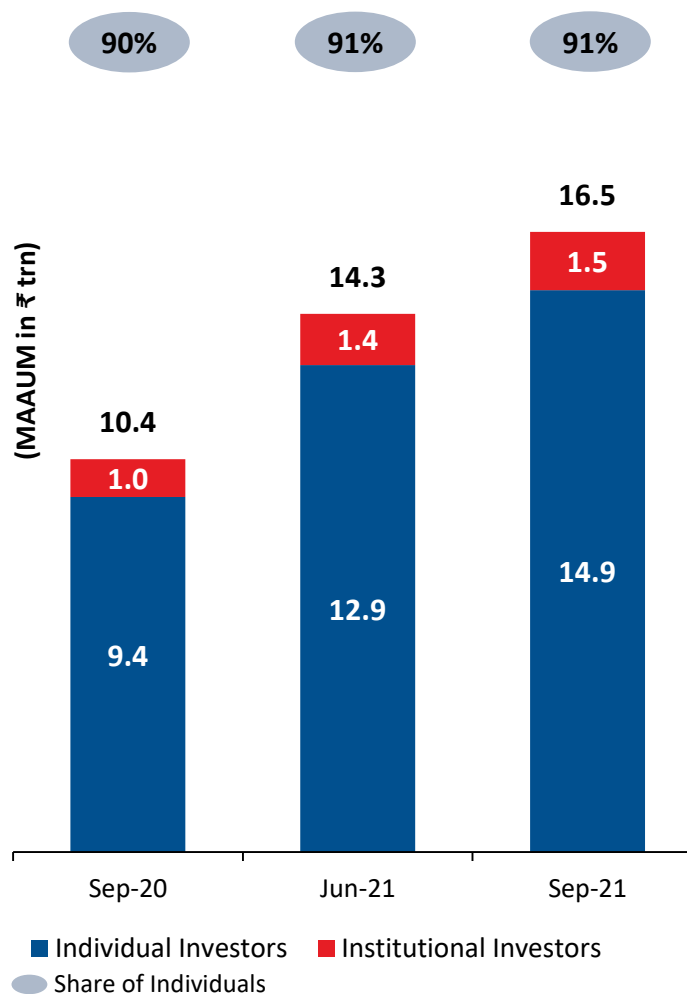
Source: AMFI ; Based on monthly average AUM

Industry - Individual / Institutional MAAUM, B30

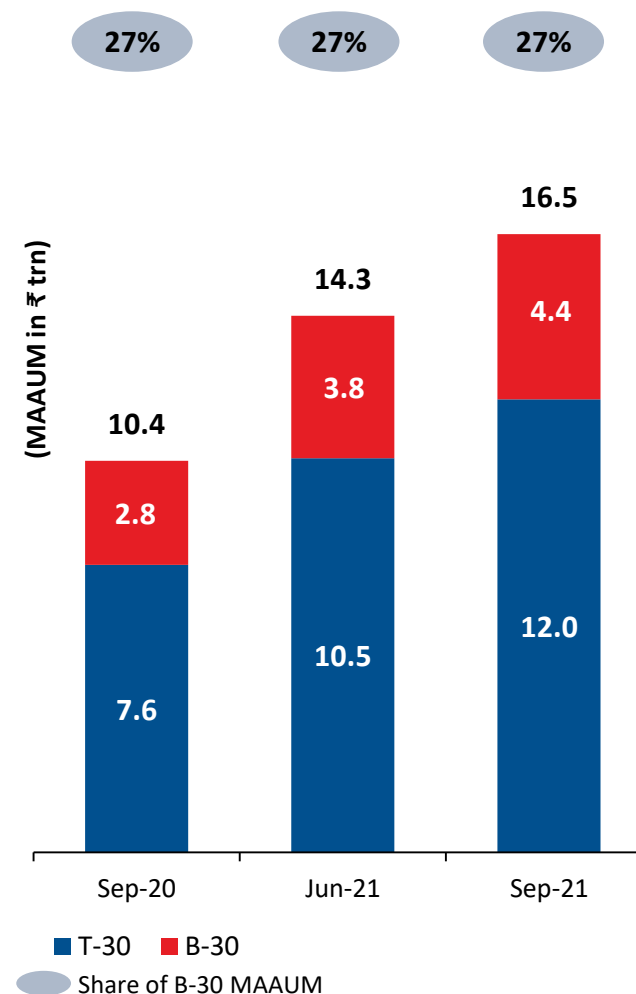
Individual MAAUM by Asset class



Equity MAAUM by Investor category



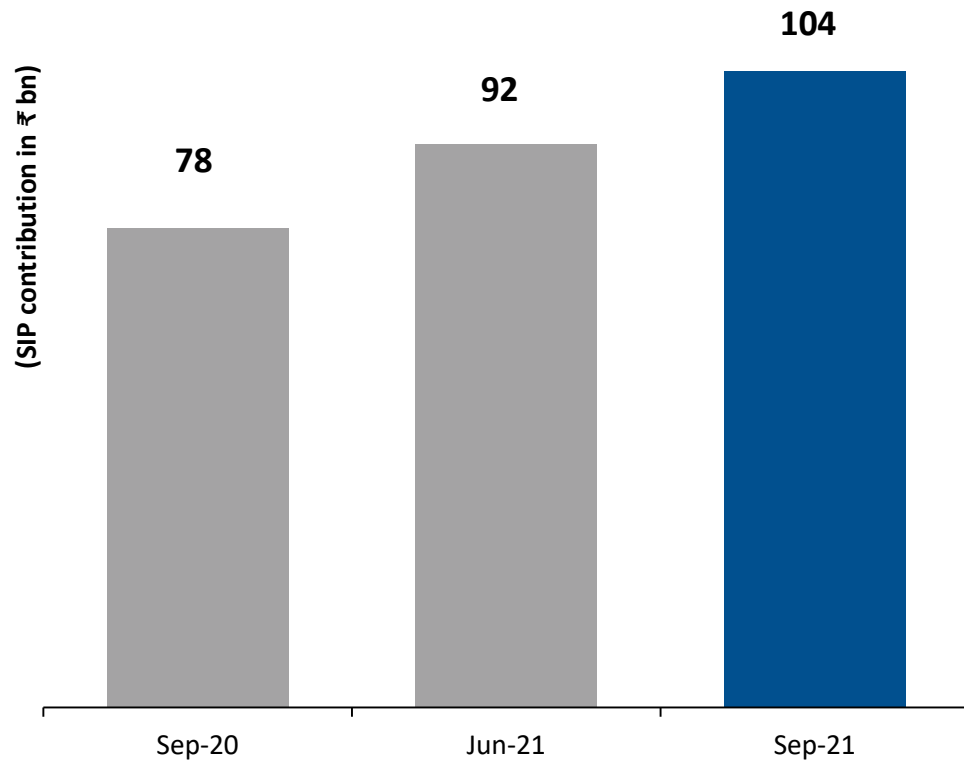
Equity MAAUM by Location



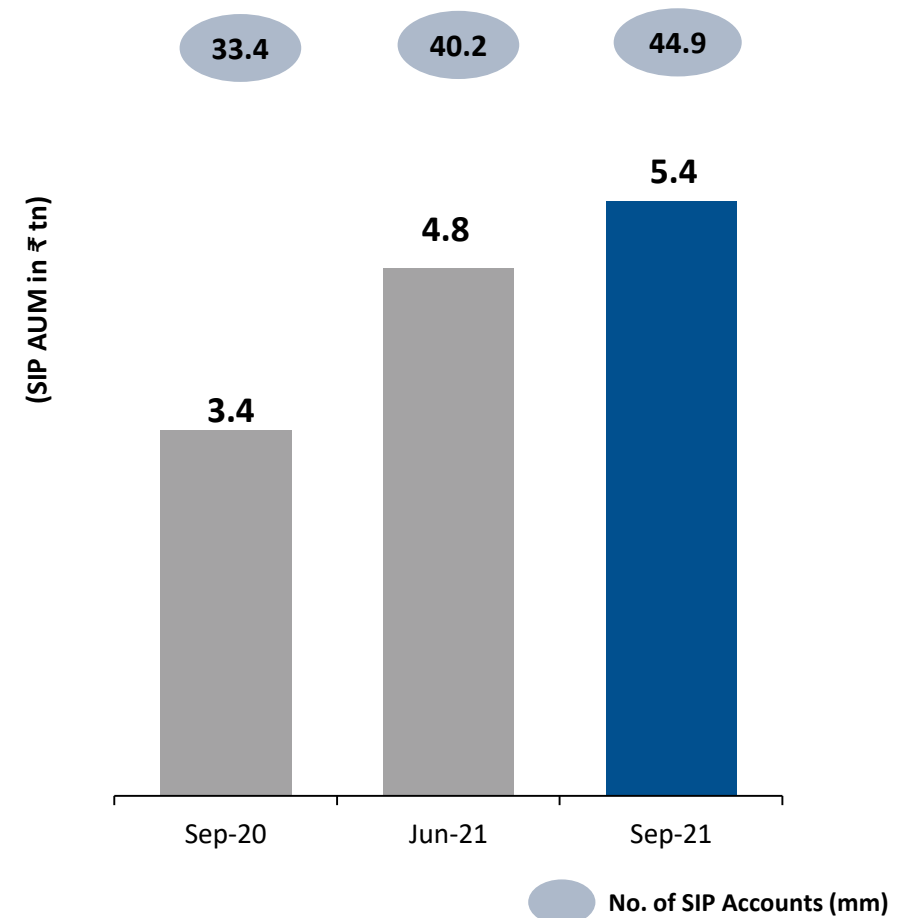
Source: AMFI ; Based on monthly average AUM
 Note: Equity MAAUM excludes arbitrage schemes.

Industry - SIP Flows & AUM

SIP Flows

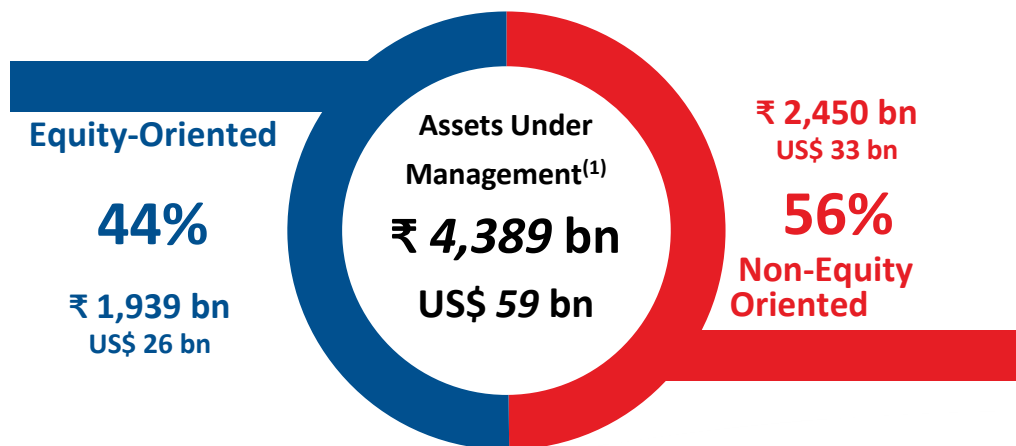


SIP AUM

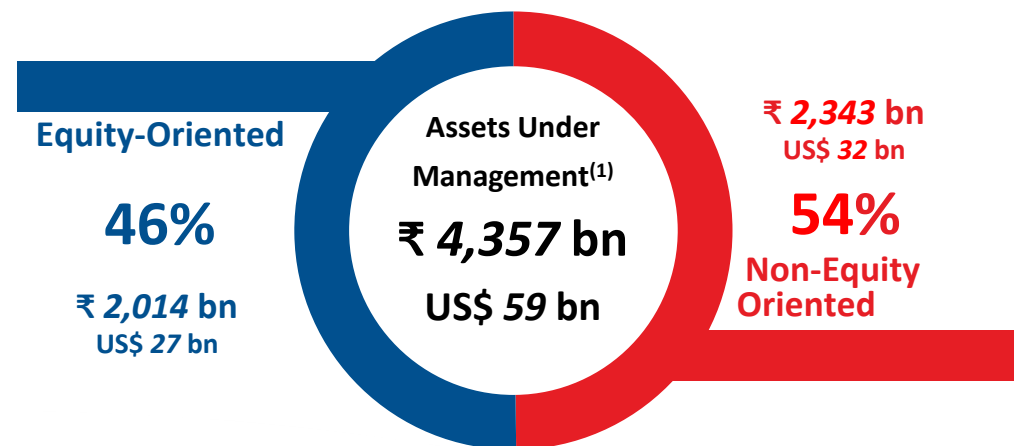


○ HDFC AMC at a glance

Quarterly Average AUM



Closing AUM



5.4 mm
Unique Investors &
9.2 mm Live accounts

₹ 115 bn
PMS & SMA AUM⁽³⁾

227
Branches⁽²⁾

~98%
Pincodes serviced
across India

₹ 2,603 bn
Individual MAAUM

1,203
Employees

70k+ Empaneled
Distribution Partners

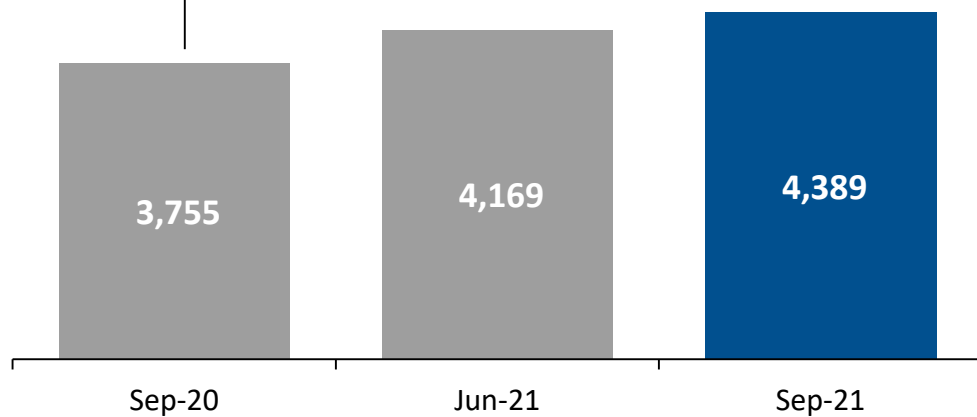
Notes - (1) Data is as of September 30, 2021 / for September 2021; (2) Includes one representative office in Dubai; (3) Includes advisory mandates (4) USD/INR conversion rate: ₹ 74.24 (5) Source: Internal.

○ Total AUM and Market Share

Quarterly Average AUM

₹ billion

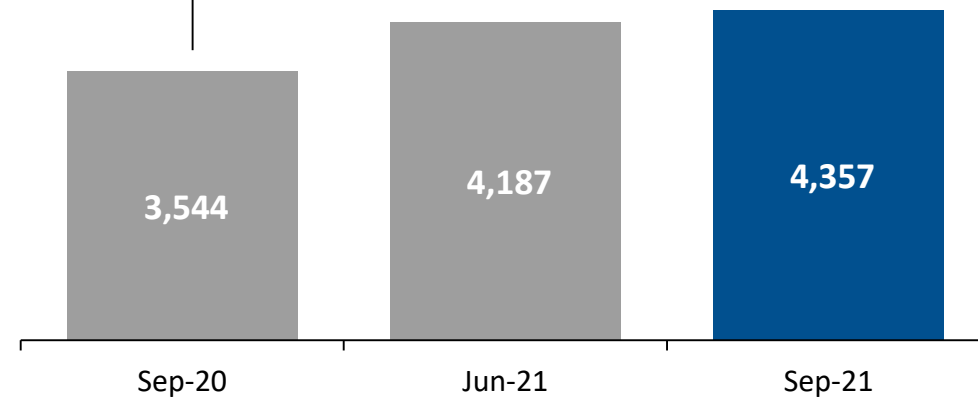
YoY 17%



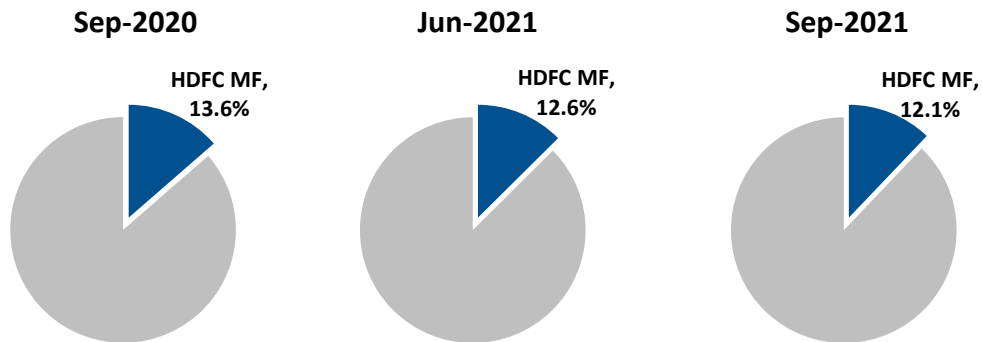
Closing AUM

₹ billion

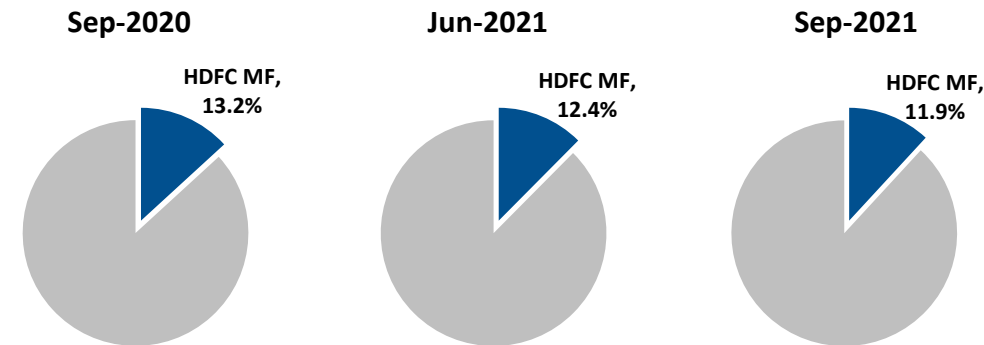
YoY 23%



Market Share - Quarterly Average AUM



Market Share – Closing AUM

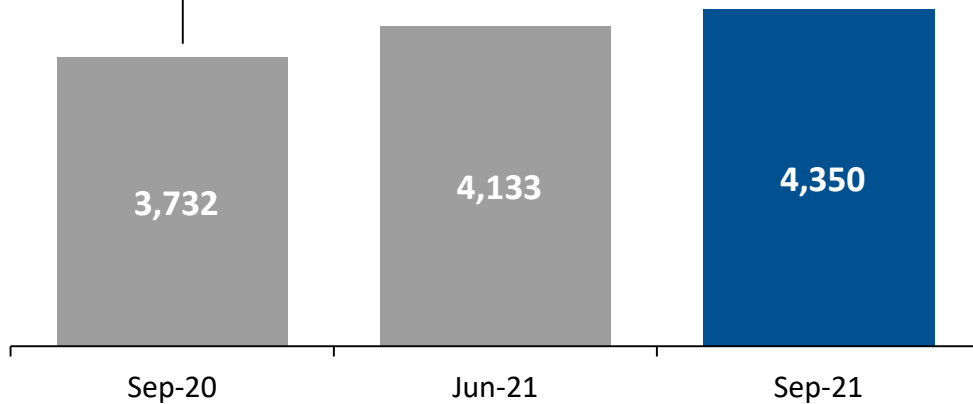


○ Total AUM and Market Share (Ex ETFs)

Quarterly Average AUM

₹ billion

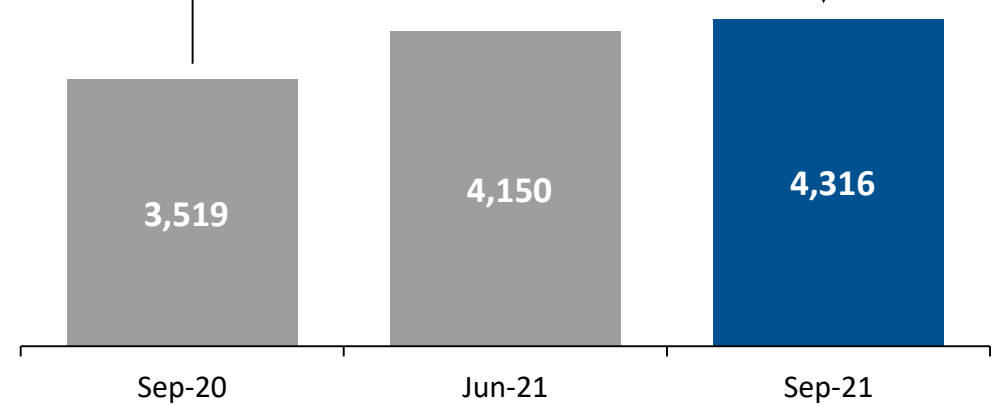
YoY 17%



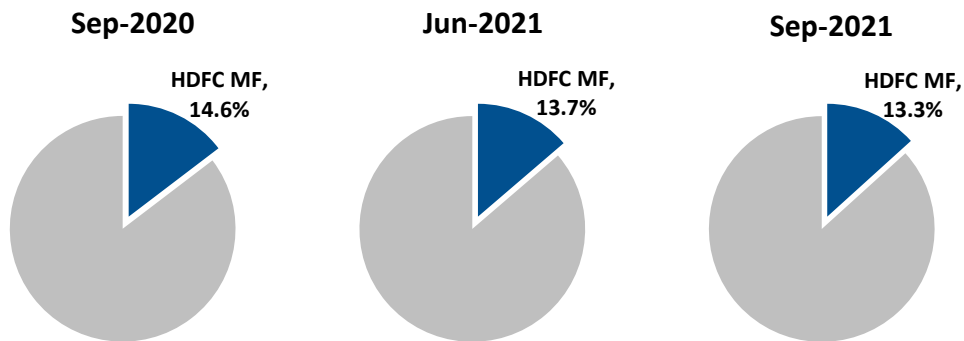
Closing AUM

₹ billion

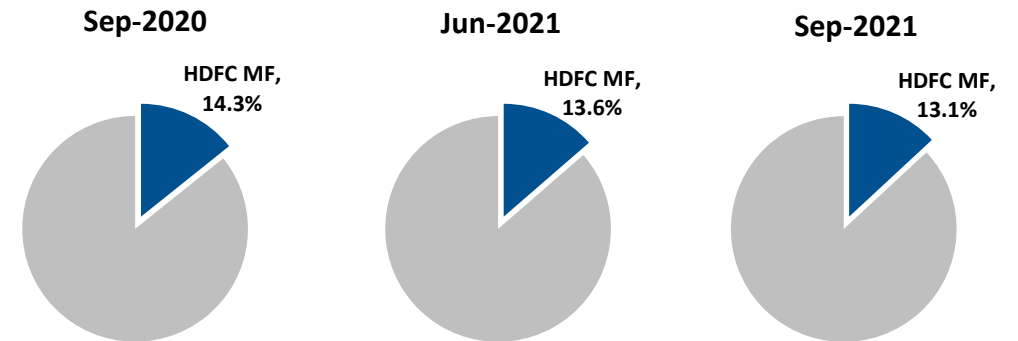
YoY 23%



Market Share - Quarterly Average AUM



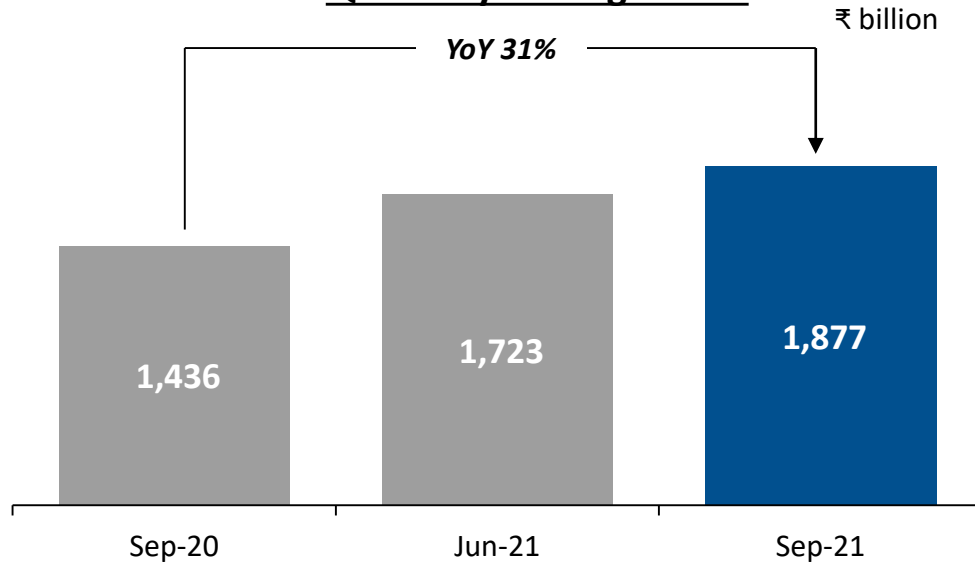
Market Share – Closing AUM



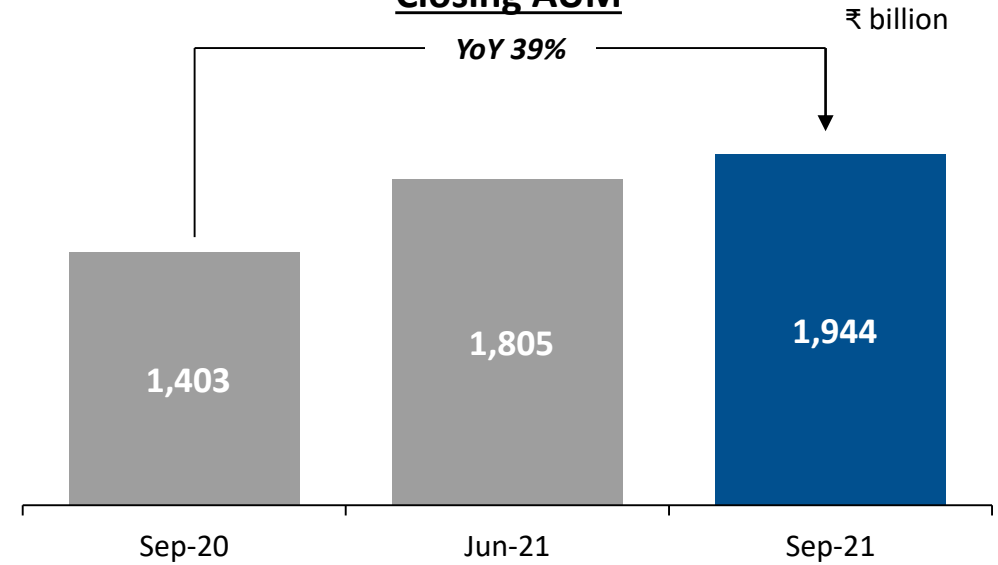
Source: Internal, AMFI

Actively Managed Equity-oriented AUM and Market Share

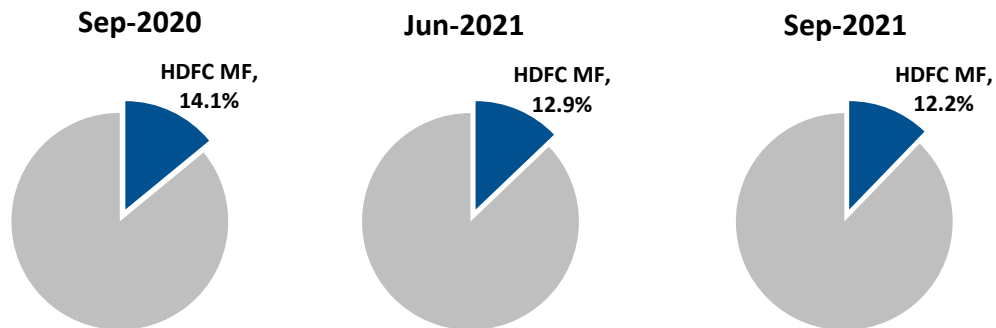
Quarterly Average AUM



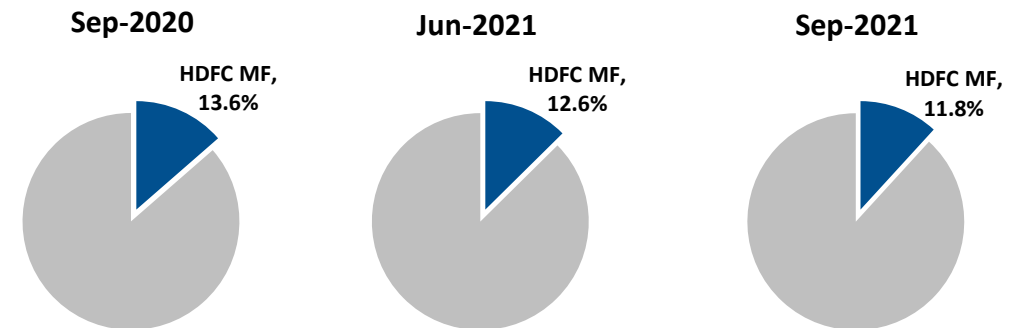
Closing AUM



Market Share - Quarterly Average AUM



Market Share – Closing AUM

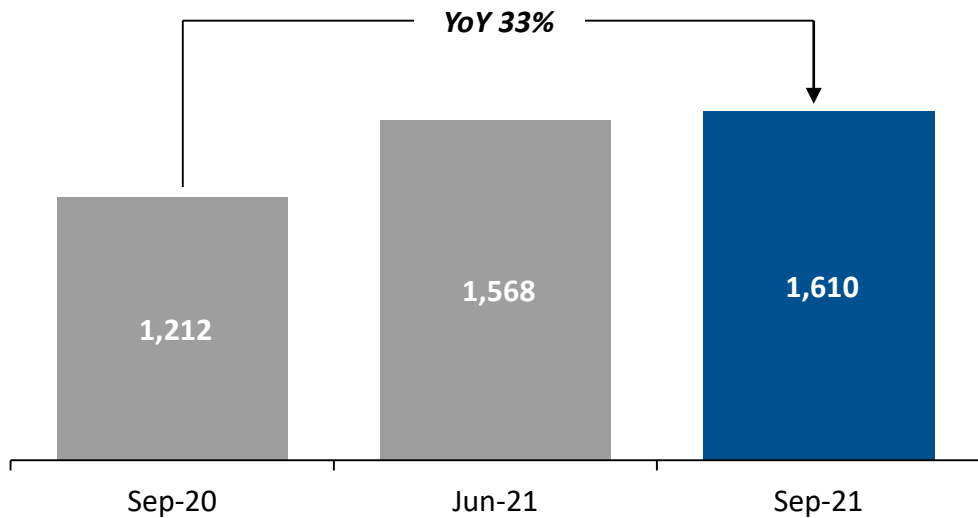


Source: AMFI, Internal
Actively managed equity-oriented AUM excludes index funds from equity-oriented funds.

Debt AUM and Market Share

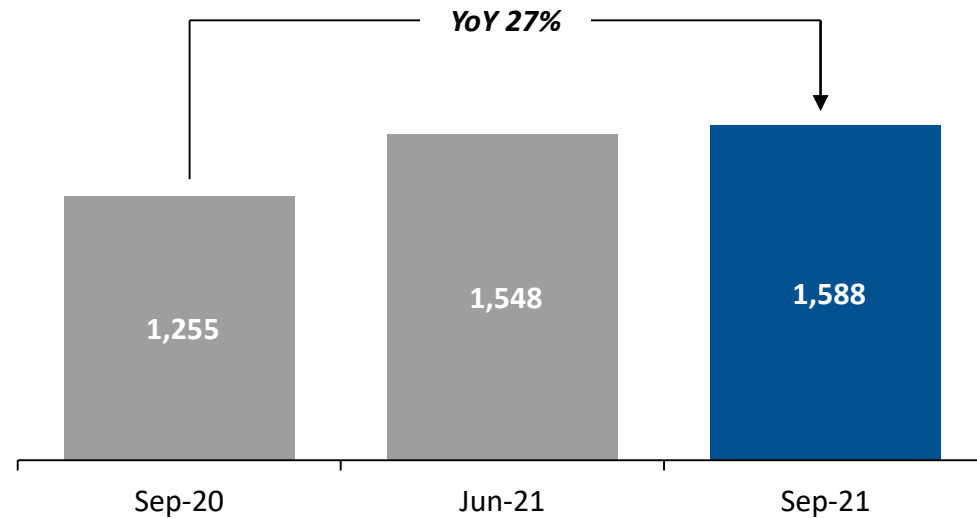
Quarterly Average AUM

₹ billion

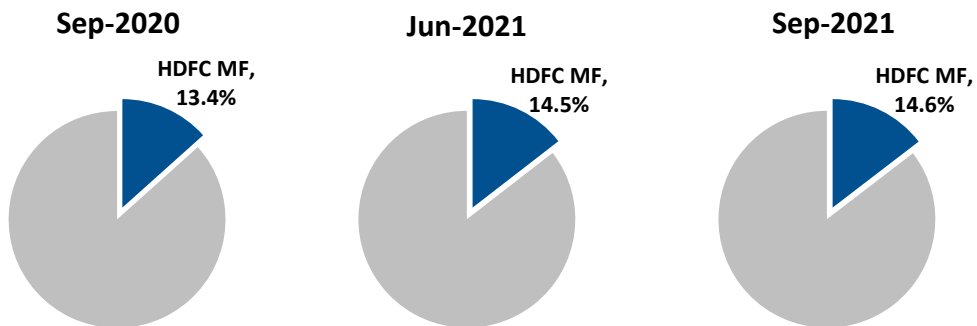


Closing AUM

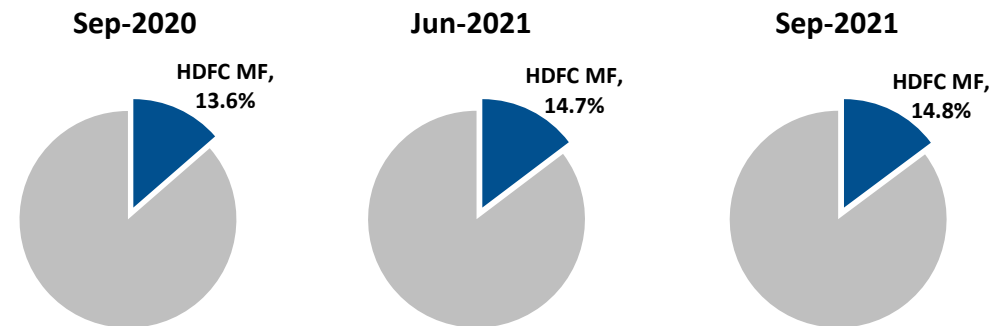
₹ billion



Market Share - Quarterly Average AUM

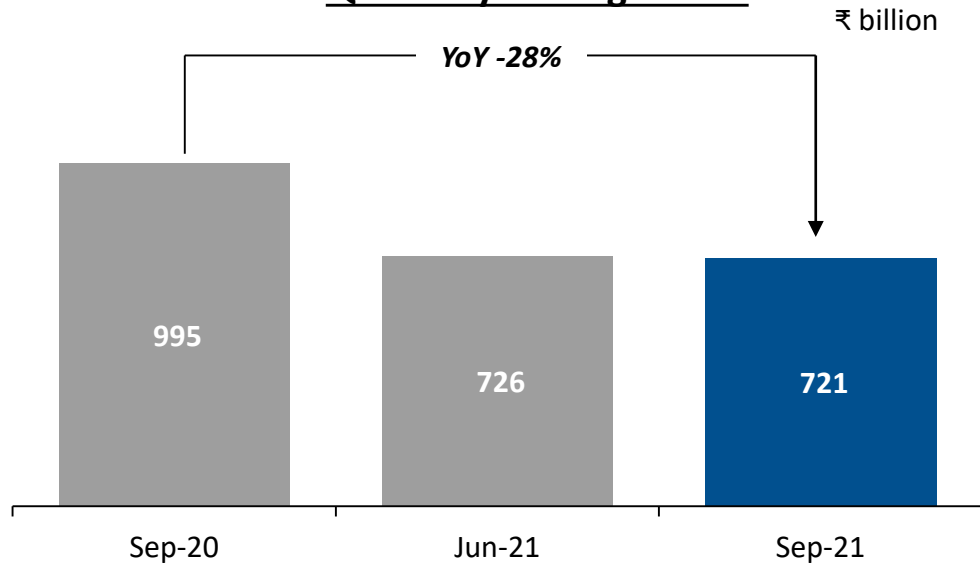


Market Share – Closing AUM

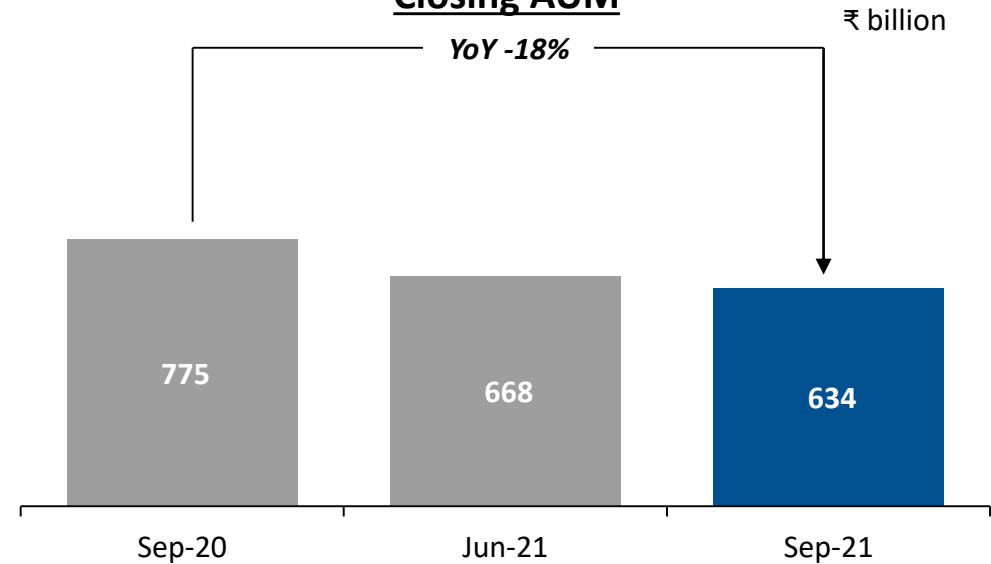


Liquid AUM and Market Share

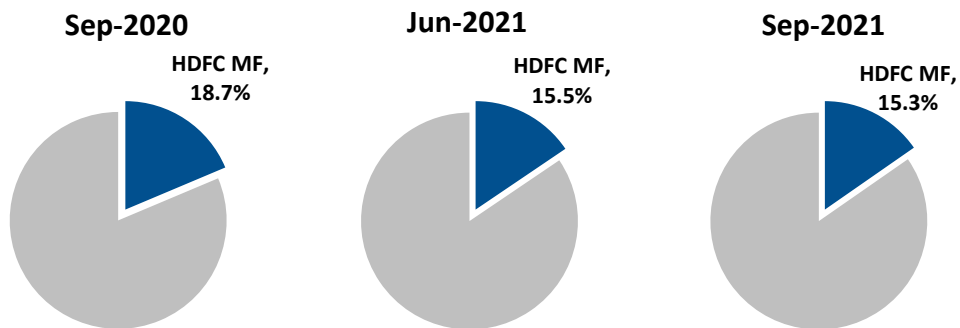
Quarterly Average AUM



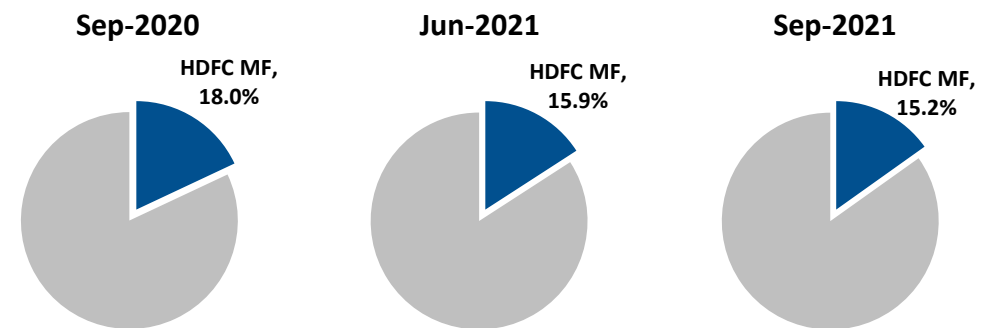
Closing AUM



Market Share - Quarterly Average AUM



Market Share – Closing AUM



Source: AMFI, Internal

Note : Liquid category contains Liquid and Overnight schemes.

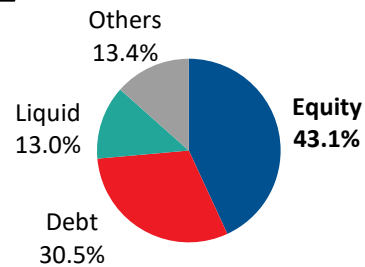
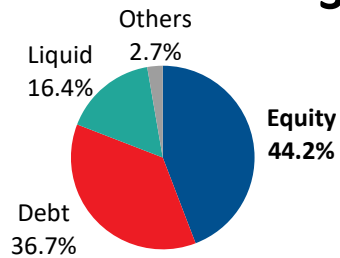
AUM by Segment – HDFC AMC and Industry

Quarterly Average AUM

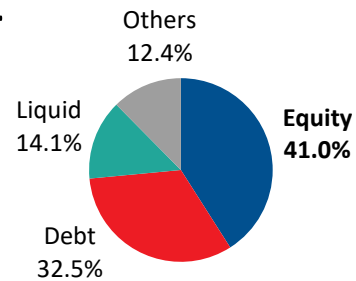
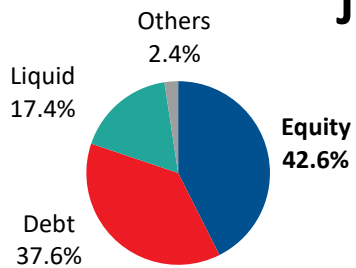
HDFC MF

Industry

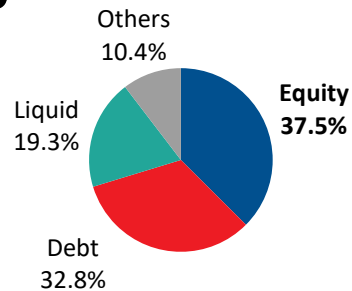
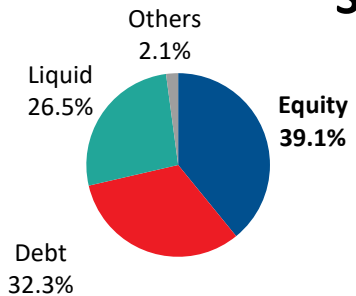
Sep-2021



Jun-2021



Sep-2020

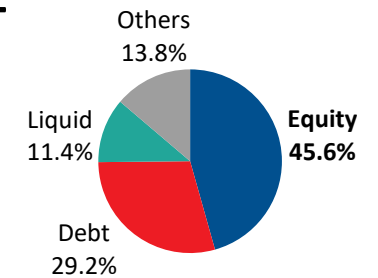
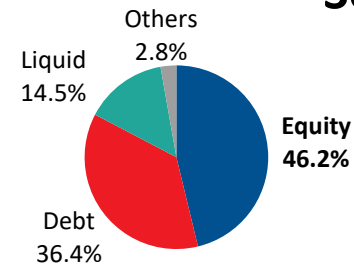


Closing AUM

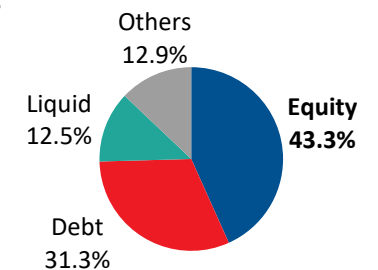
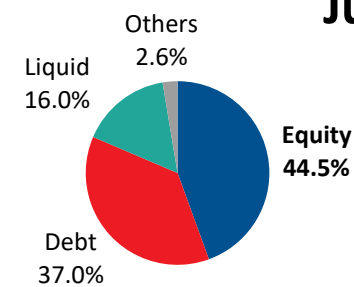
HDFC MF

Industry

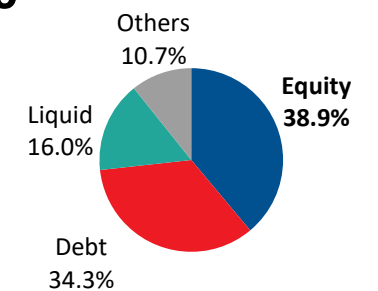
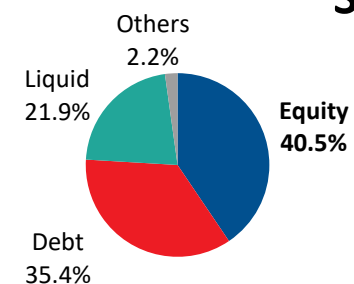
Sep-2021



Jun-2021

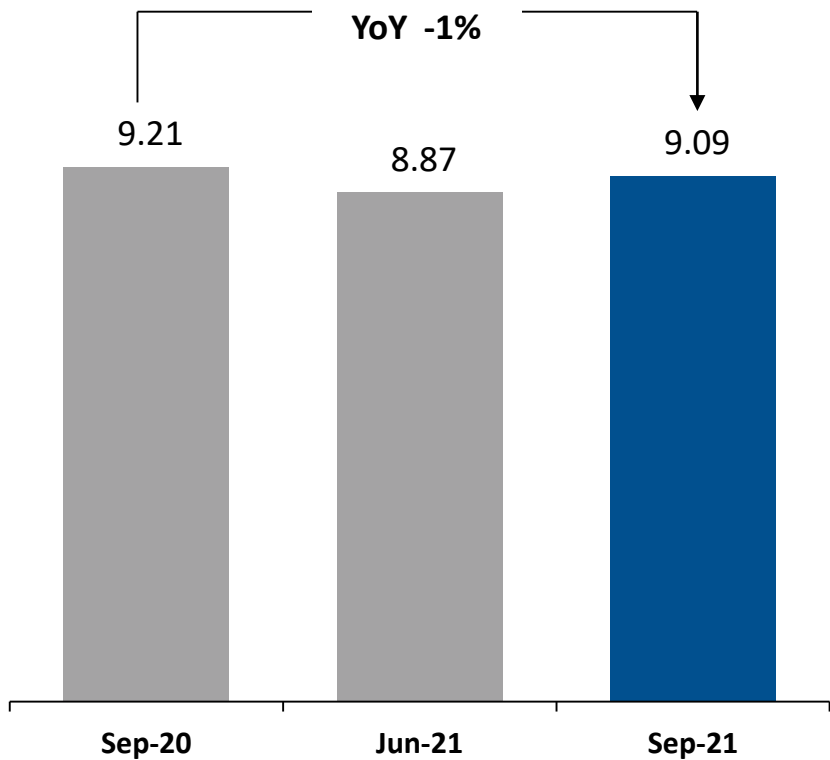


Sep-2020

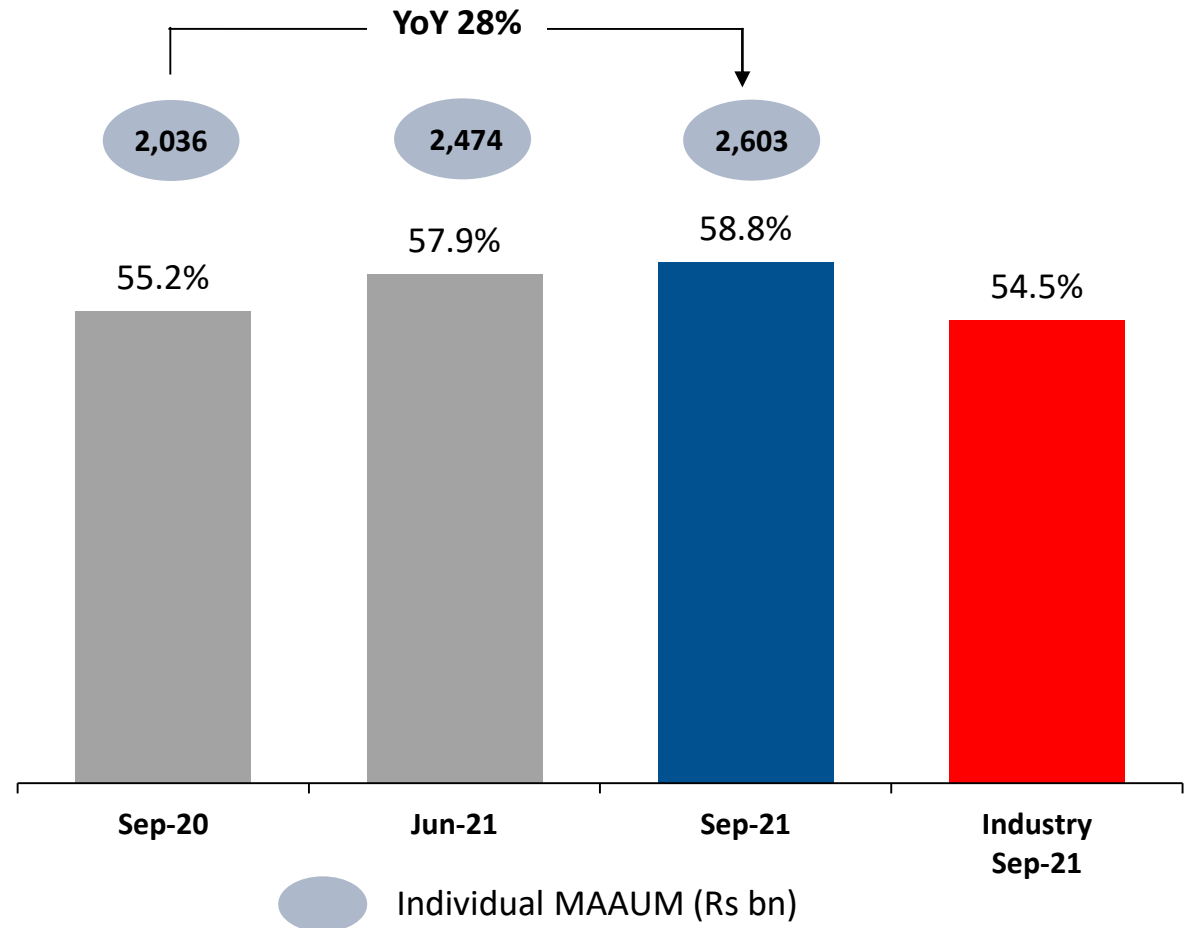


Individual Investors – Accounts & MAAUM

Number of Live Individual Accounts (in millions)



Individual MAAUM % of Total

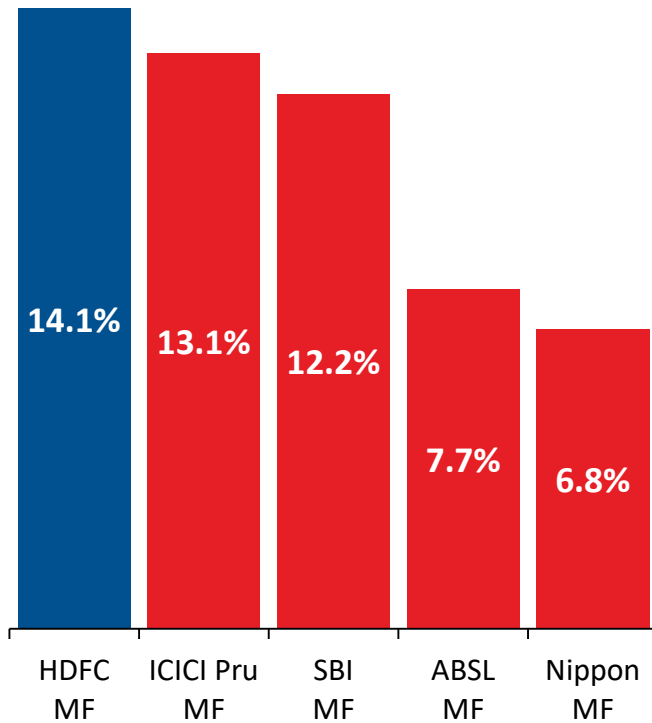


Individual customers prefer equity-oriented schemes and stay invested for longer periods

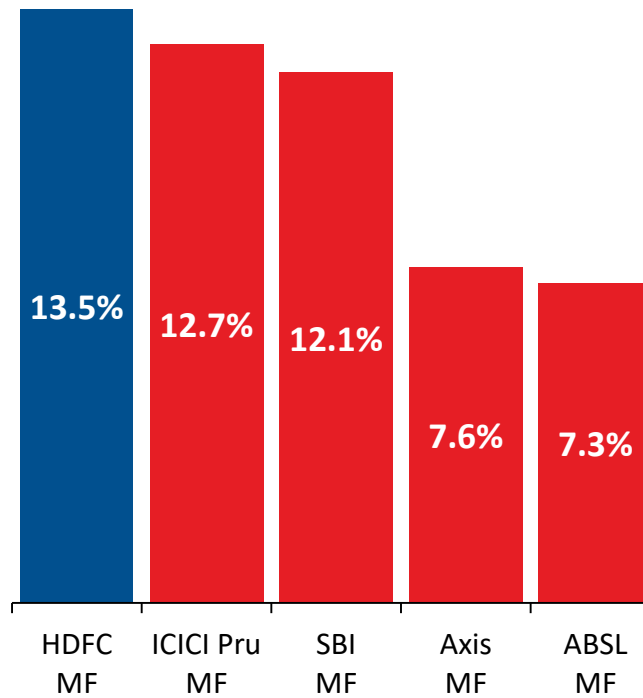
Most Preferred Choice of Individual Investors

Individual Assets Market Share

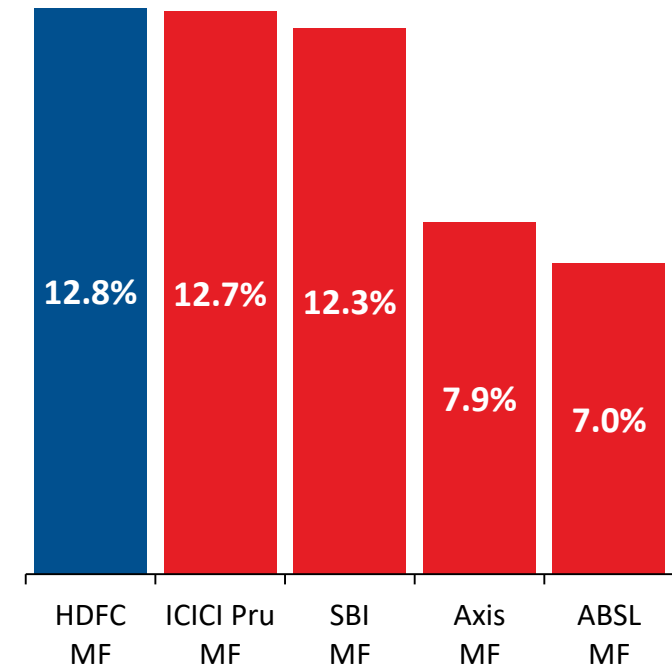
Sep-20



Jun-21

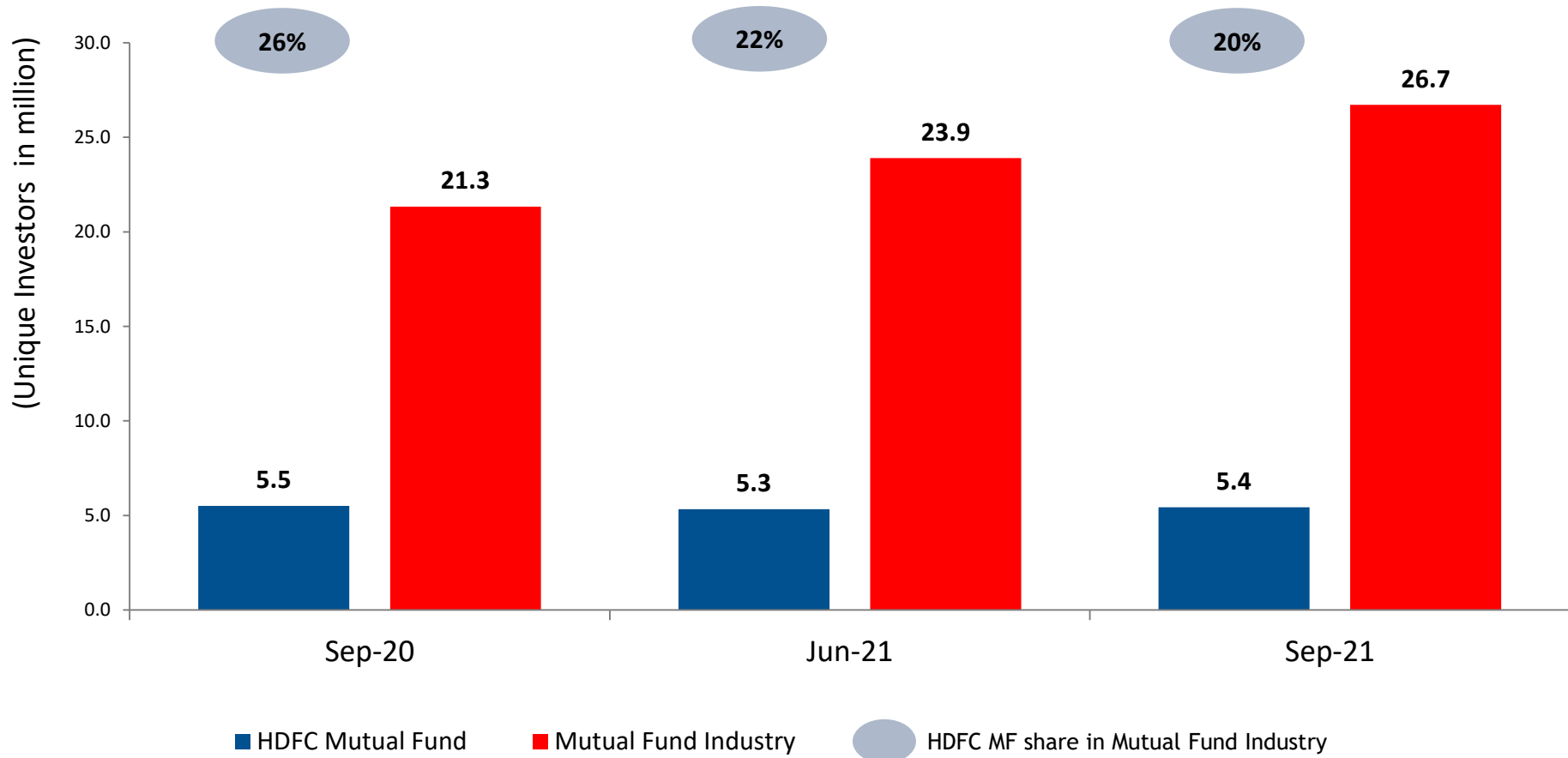


Sep-21

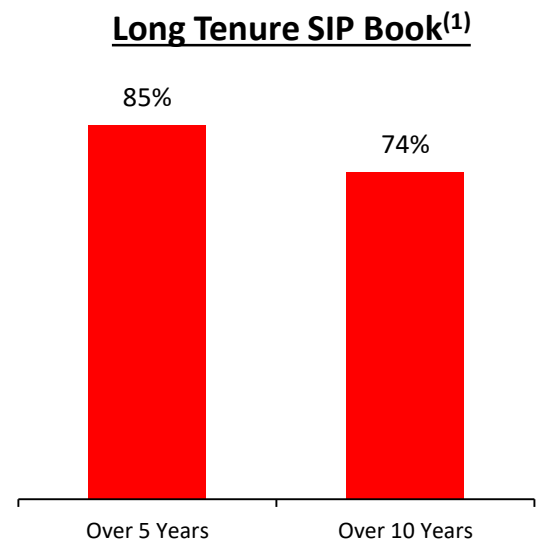
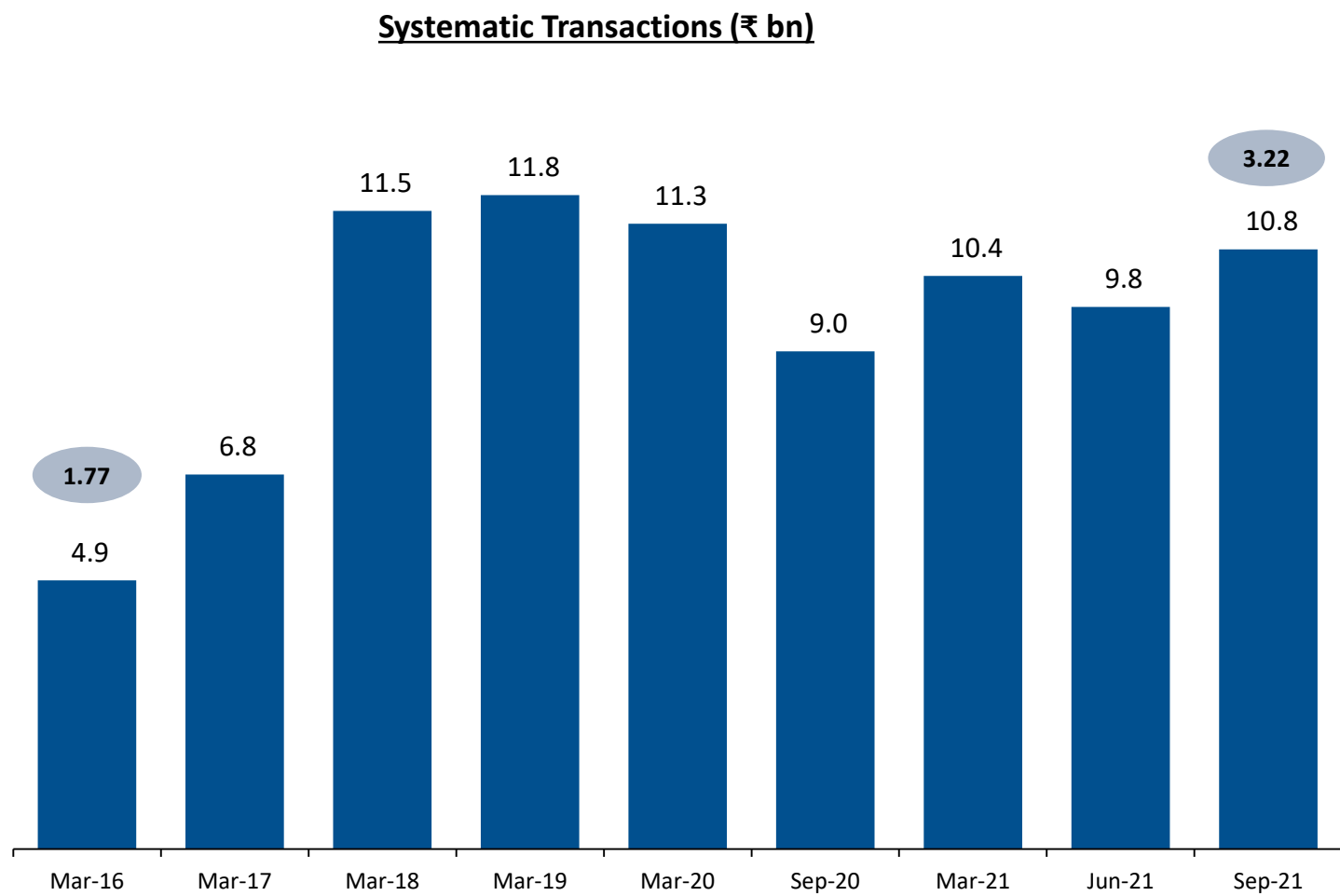


Source: AMFI, based on monthly average AUM

Unique Investors- HDFC AMC vs MF Industry



Inflows Through Systematic Transactions



SIP AUM⁽²⁾: ₹ 696 bn

Strong and stable "Order Book" to provide predictable flows

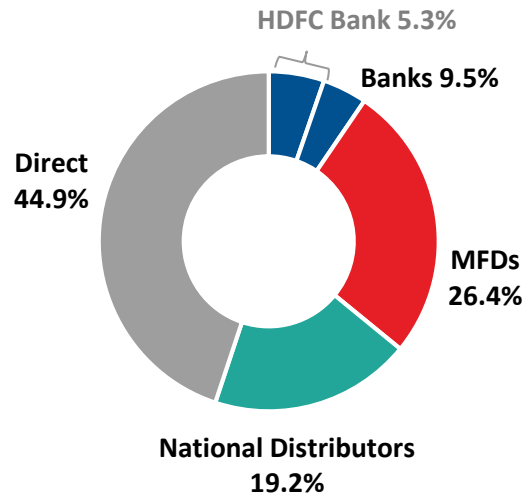
○ #mm systematic transactions

Source: Internal

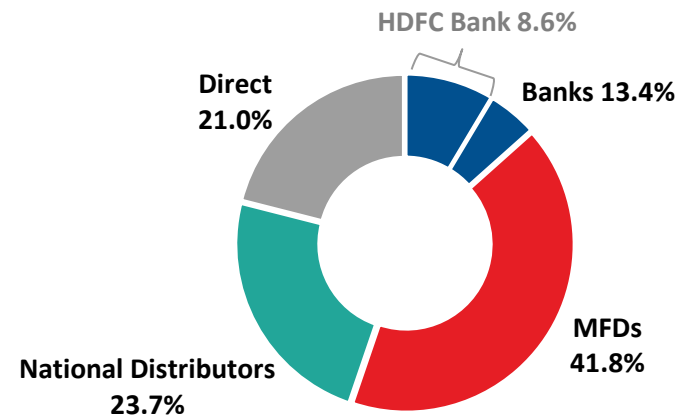
(1) Based on tenure at the time of registration of all live SIPs during Sep-21 (2) as on 30 Sep 2021

Well diversified distribution channels

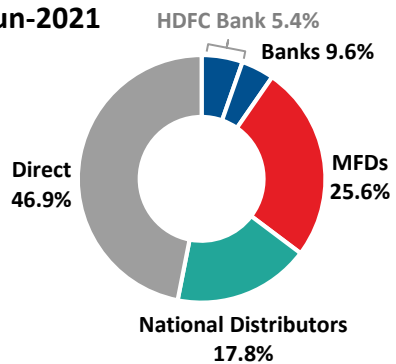
Total AUM (Sep-2021)



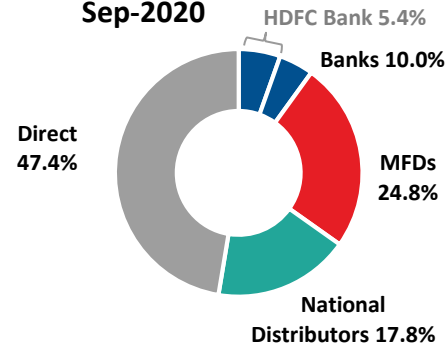
Equity-oriented AUM (Sep-2021)



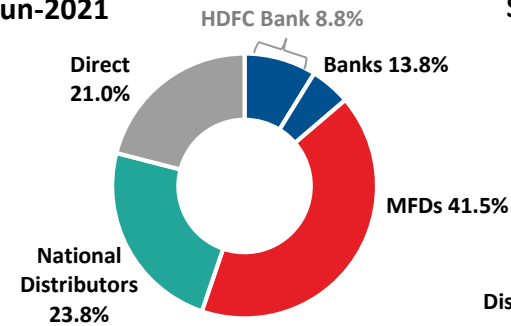
Jun-2021



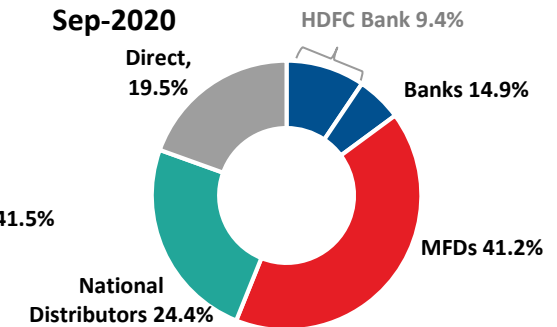
Sep-2020



Jun-2021



Sep-2020

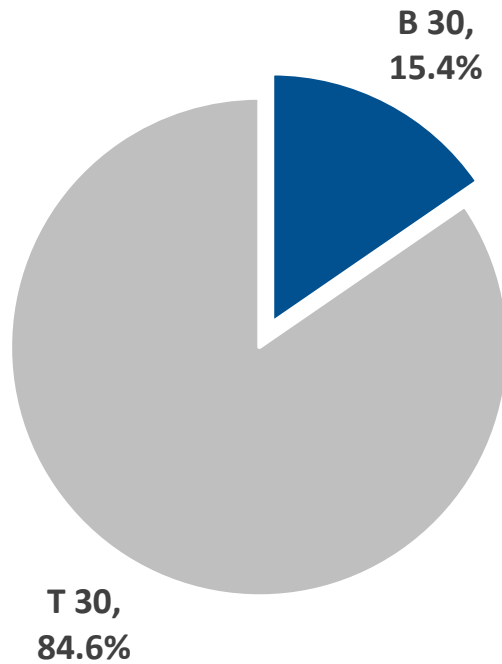


Source: Based on internal classification.

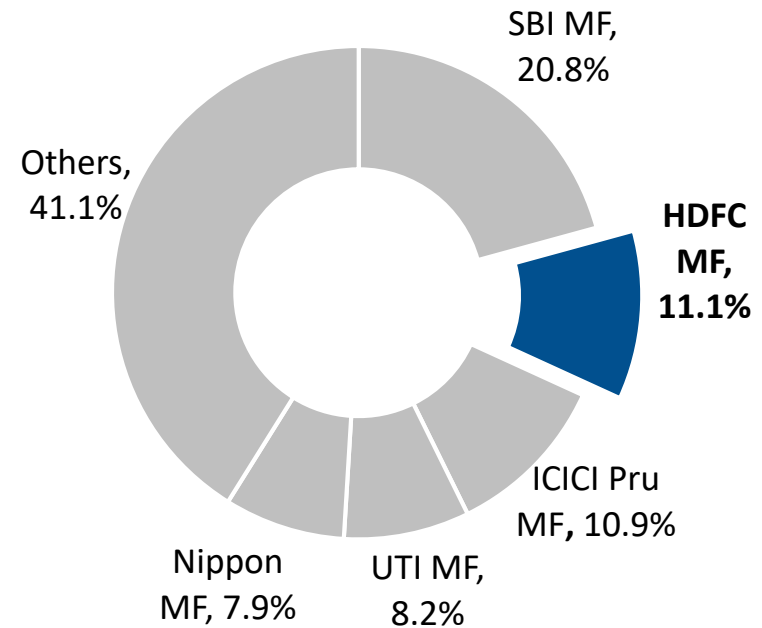
Note: Mutual Fund Distributors (MFDs) erstwhile known as Independent Financial Advisers (IFAs)

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⁾

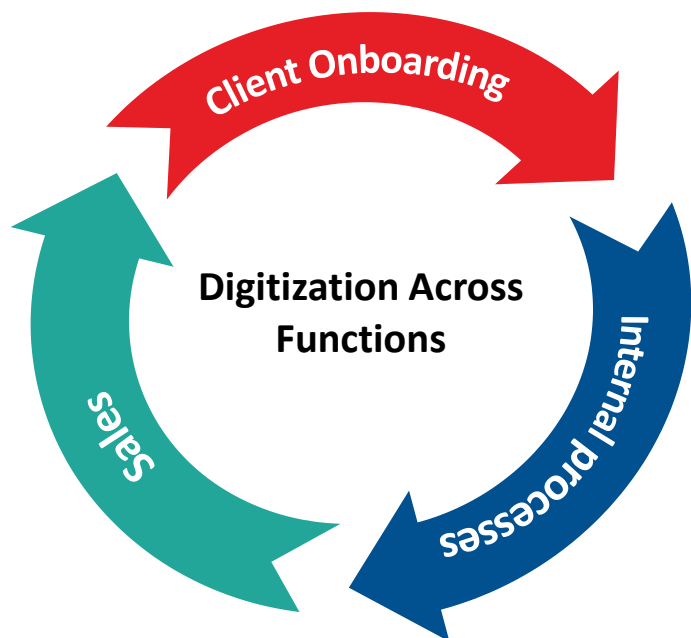
70k+ empaneled distribution partners

(1) Source: AMFI

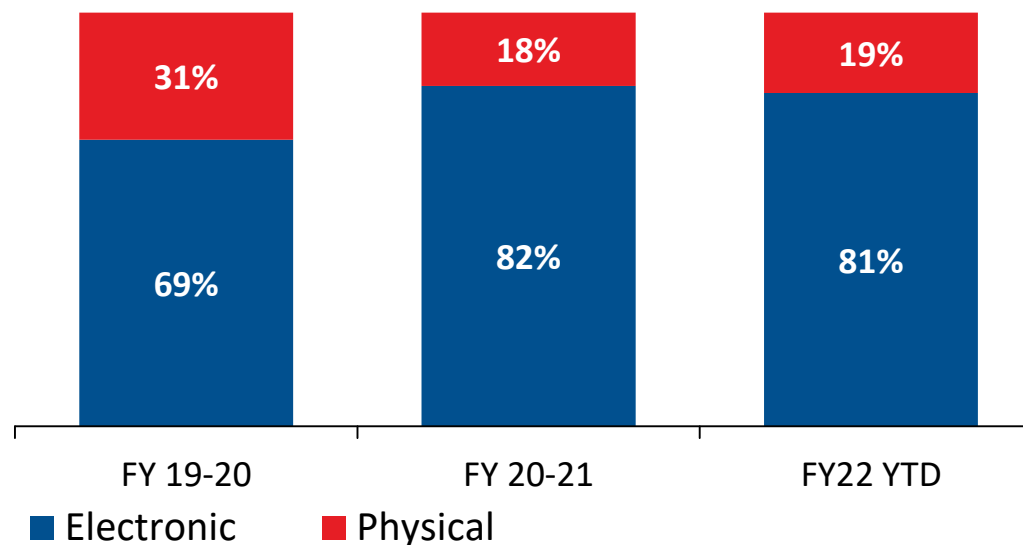
(2) As of September 30, 2021. Includes one representative office in Dubai;

Strong Digital Presence

Supported by Integrated Online Platform



Electronic and Physical Transaction as % of Total Transactions



- 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



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 strategy from a varied perspective.

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

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 Institute, which covered all our employees.

Financials

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

	(₹ 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.

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").

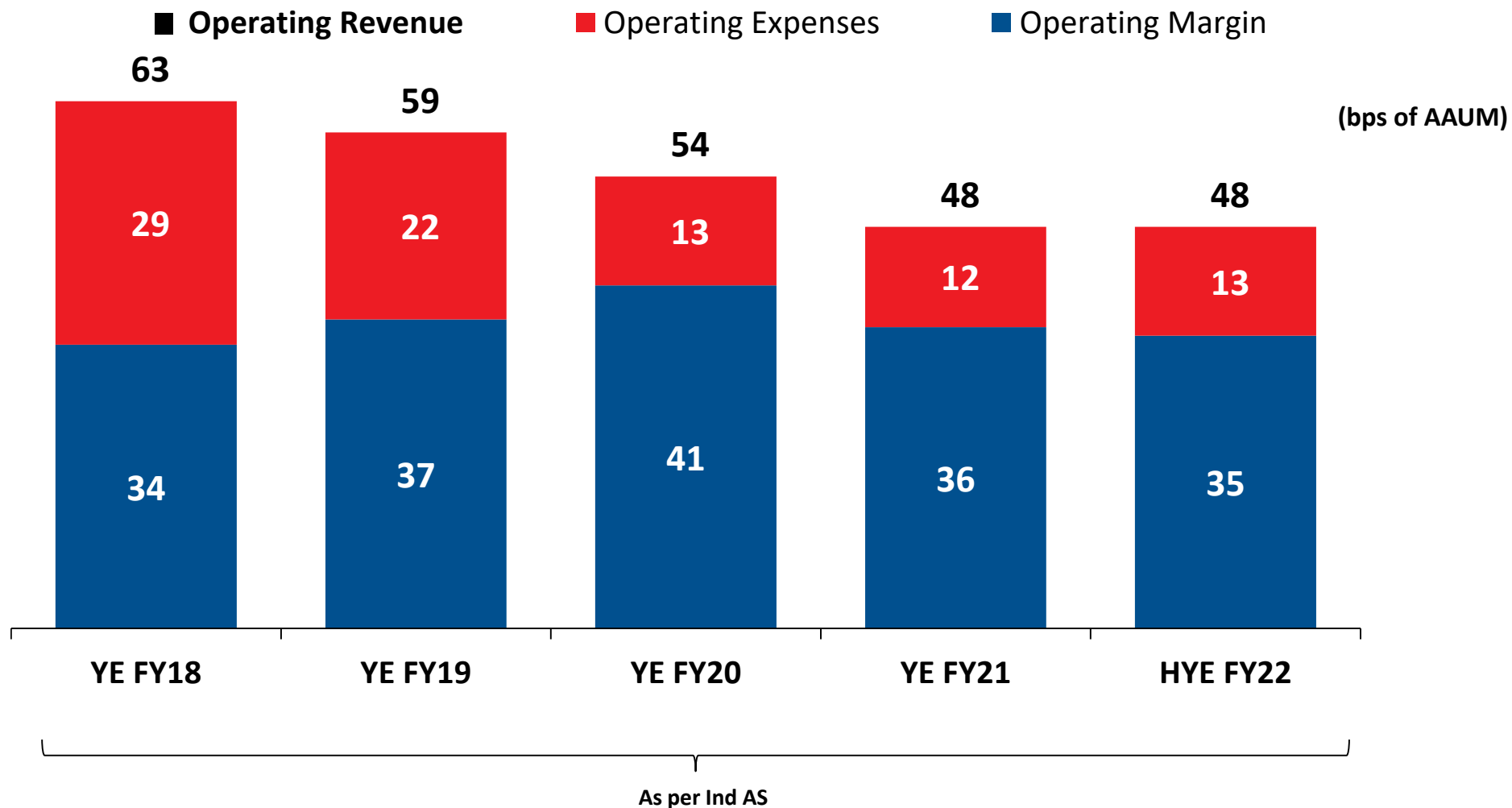
Accounting for equity settled share based payment transaction (ESOPs) at fair value increases the non cash component of Employee Benefits Expenses and is reflected in Share Options Outstanding Account under Other Equity. This balance of Share Options Outstanding Account is transferred to Securities Premium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

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

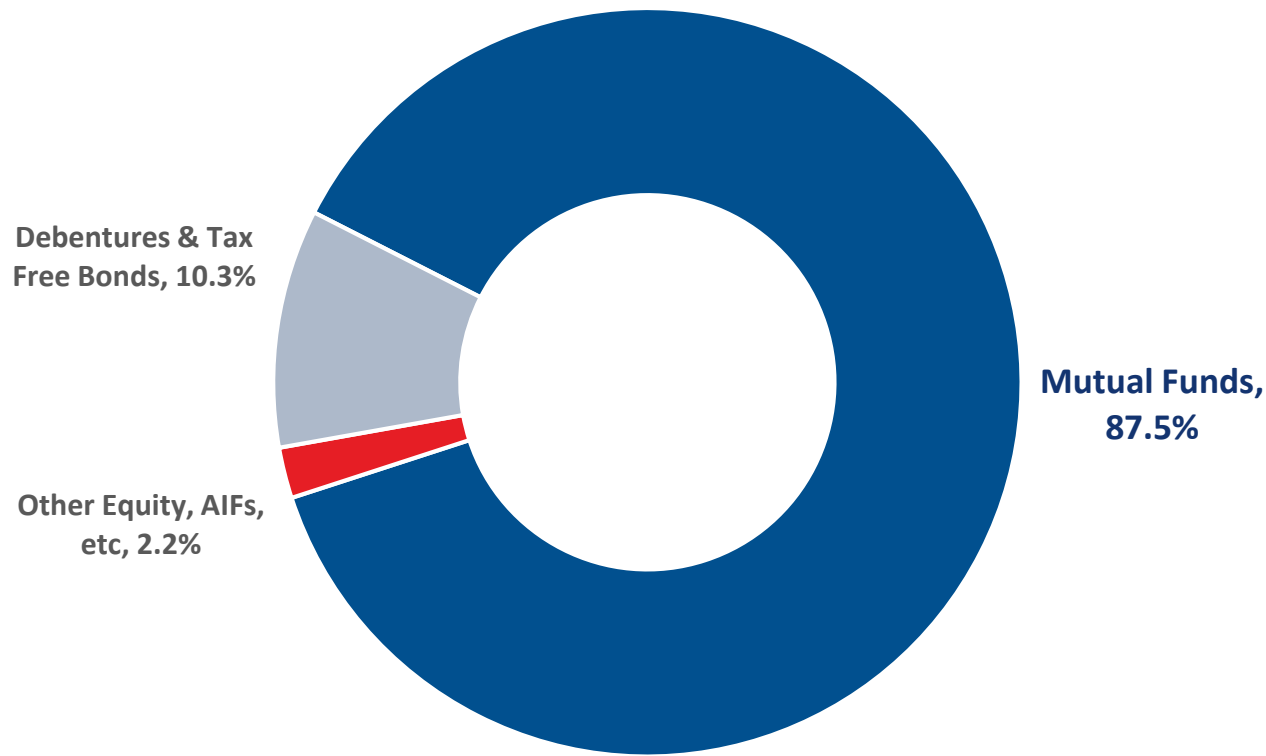
Statement of Assets and Liabilities

Particulars	(₹ mm)	
	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

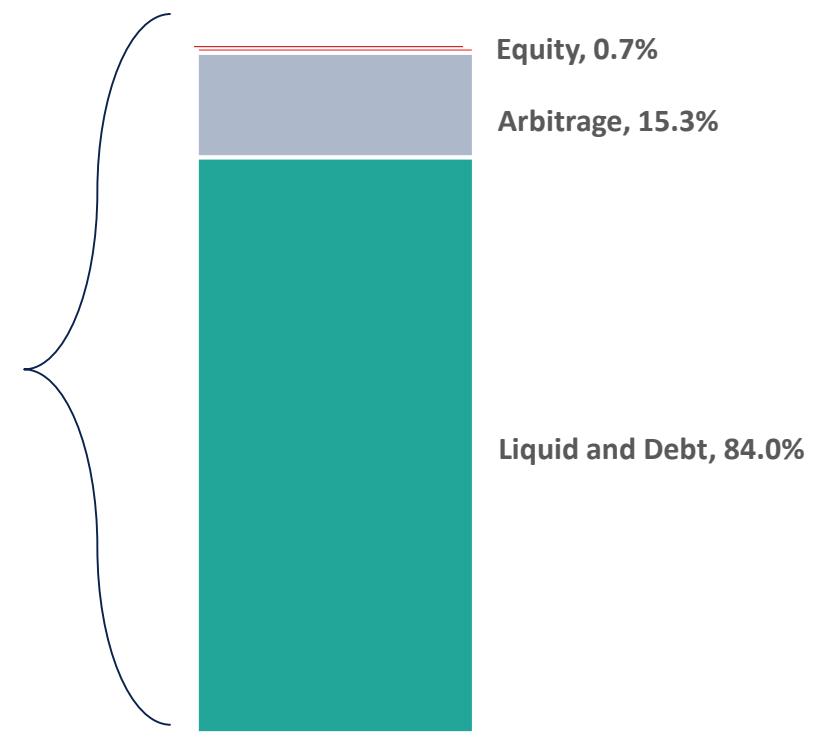
○ Breakup of Investments

Total Investments: ₹47,928 million

Breakdown of Total Investments



Breakdown of Mutual Fund Investments

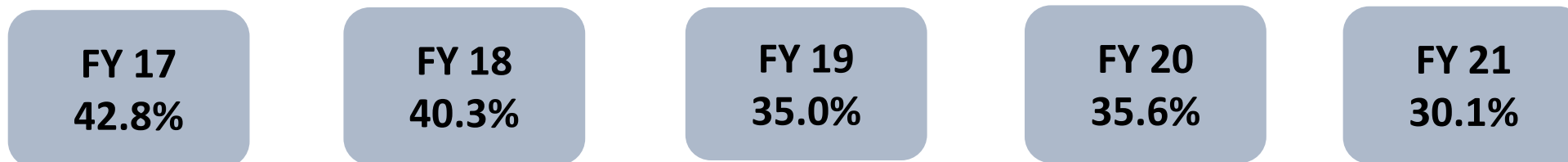


■ Mutual Funds ■ Other Equity, AIFs, etc ■ Debentures & Tax Free Bonds

■ Liquid and Debt ■ Arbitrage ■ Equity

Return On Equity and Dividend Per Share

Return on Equity⁽¹⁾



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

Dividend Per Share ⁽²⁾



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