

Press Release

HDFC'S FINANCIAL RESULTS FOR THE PERIOD APRIL TO DECEMBER, 2009

The Board of Directors of Housing Development Finance Corporation Limited (HDFC) announced the results for the third quarter of the financial year 2009-2010, following its meeting on Wednesday, January 20, 2010 in Mumbai. The accounts have been subject to limited review by the Corporation's statutory auditors in line with the regulatory guidelines.

FINANCIAL RESULTS

Financials for the Quarter ended December 31, 2009

For the quarter ended December 31, 2009, HDFC reported a profit before tax of Rs. 957.25 crore as against Rs. 781.58 crore in the corresponding quarter of the previous year – an increase of 22%.

After providing Rs. 286 crore for taxes, the net profit after tax for the quarter ended December 31, 2009 amounted to Rs. 671.25 crore as compared to Rs. 546.83 crore in the corresponding quarter last year – an increase of 23%.

Financials for the Nine month period ended December 31, 2009

For the nine month period ended December 31, 2009, the profit before tax stood at Rs. 2,650.11 crore as against Rs. 2,191.42 crore in the corresponding period of the previous year – an increase of 21%.

After providing Rs. 750 crore for taxes, the net profit after tax for the nine months ended December 31, 2009 increased by 23% to Rs. 1,900.11 crore as against Rs. 1,549.17 crore in the corresponding period of the previous year.

TOTAL ASSETS

As at December 31, 2009, the total assets of HDFC stood at Rs. 1,04,560 crore as against Rs. 95,112 crore as at December 31, 2008 – an increase of 10%.

Loan Book

As at December 31, 2009, the loan book stood at Rs. 90,410 crore. The Corporation had sold loans amounting to Rs. 7,725 crore during the preceding twelve months. Together with the loans sold, the growth in the loan book would have been 18%.

The spread on loans over the cost of borrowings for the nine-month period ended December 31, 2009 stood at 2.25% as compared to 2.21% for the year ended March 31, 2009.

Investments

As at December 31, 2009 the unrealised gains on HDFC's listed investments amounted to Rs. 14,185 crores. This excludes the appreciation in the value of unlisted investments.

LENDING OPERATIONS

Approvals and Disbursements

Loan approvals during the nine-month period ending December 31, 2009 amounted to Rs. 41,110 crore as against Rs. 33,820 crore in the corresponding period last year, representing a growth of 22%. Loan disbursements during the nine-month period ending December 31, 2009 amounted to Rs. 33,527 crore as against Rs. 27,211 crore during the corresponding period last year, representing a growth of 23%.

Non-Performing Loans

Gross non-performing loans as at December 31, 2009 amounted Rs. 852.52 crores. This is equivalent to 0.94% of the loan portfolio (previous year – 1.01%) **This is the twentieth consecutive quarter end at which the non-performing loans have been lower than the corresponding quarter in the previous year.**

Based on a six months overdue basis, the non-performing loans as at December 31, 2009 stood at 0.60% of the loan portfolio.

In terms of the prudential norms as stipulated by the National Housing Bank, the Corporation is required to carry a provision of Rs. 347.60 crore in respect of non-performing assets and general provision on outstanding standard non-housing loans.

The balance in the provision for contingencies account as at December 31, 2009 stood at Rs. 684.17 crore, which is equivalent to 0.75% of the portfolio. The Corporation's net non performing loans stood at 0.19%.

RESOURCES

As at December 31, 2009, deposits stood at Rs. 21,979 crore as against Rs. 17,551 crore on the corresponding date last year. During the nine-month period ending December 31, 2009, deposits accounted for 49% of the incremental borrowing of the Corporation. HDFC's deposits carry a "AAA" rating from both, CRISIL and ICRA.

During the nine-month period of the current financial year, loans drawn from commercial Banks, financial institutions and the National Housing Bank amounted to Rs. 21,852 crore.

During the quarter, the Corporation raised US\$ 100 million under the Short-term Foreign Currency Borrowings by Housing Finance Companies for a tenor of 3 years.

HDFC raised Rs. 3,900 crore through private placement of non-convertible debentures (NCDs) during the nine-month period of the current financial year. The NCDs were "AAA" rated by both, CRISIL and ICRA.

In addition, during the year, HDFC also raised Rs. 4,301 crore through the issue of Warrants simultaneously with the issue of NCDs to Qualified Institutional Investors on a Qualified Institutions Placement (QIP) basis. Of this, an amount of Rs 3,608.06 crore, being the balance of 90% of the subscription amount was utilised to exercise the Corporation's right to convert the preferential offer of 2,62,00,220 warrants to an equivalent number of equity shares of Rs. 10 each of HDFC Bank Limited at a price of Rs. 1,530.13 per share.

CAPITAL ADEQUACY RATIO

HDFC's capital adequacy ratio stood at 14.8% of the risk weighted assets, as against the minimum requirement of 12%. Tier 1 capital adequacy was 13.3% as against a minimum requirement of 6%.

DISTRIBUTION NETWORK

HDFC's distribution network spans 271 outlets, which include 57 offices of HDFC's distribution company, HDFC Sales Private Limited (HSPL). In addition, HDFC covers over 2,400 locations through its outreach programmes. Distribution channels form an integral part of the distribution network with home loans being distributed through HSPL, HDFC Bank Limited and other third party selling associates.

To cater to non-resident Indians, HDFC has an office in London, Dubai and Singapore and service associates in Kuwait, Oman, Qatar, Sharjah, Abu Dhabi, Al Khobar, Jeddah and Riyadh in the Gulf region.

January 20, 2010