

## Press Release

# HDFC'S FINANCIAL RESULTS FOR THE HALF-YEAR ENDED SEPTEMBER 30, 2009

The Board of Directors of Housing Development Finance Corporation Limited (HDFC) announced the results for the first half of the financial year 2009-2010, following its meeting on Monday, October 12, 2009 in Mumbai. The accounts have been subject to limited review by the Corporation's statutory auditors in line with regulatory guidelines.

### FINANCIAL RESULTS

#### *Financials for the Quarter ended September 30, 2009*

For the quarter ended September 30, 2009, HDFC reported a profit before tax of Rs. 912.94 crore as against Rs. 759.98 crore in the corresponding quarter of the previous year – an increase of 20%.

After providing Rs. 249 crore for taxes, the net profit after tax for the quarter ended September 30, 2009 amounted to Rs. 663.94 crore as compared to Rs. 534.23 crore in the corresponding quarter last year – an increase of 24%.

#### *Financials for the Half year ended September 30, 2009*

For the six months ended September 30, 2009, the profit before tax stood at Rs. 1,692.86 crore as against Rs. 1,409.84 crore in the corresponding period of the previous year – an increase of 20%.

After providing Rs. 464 crore for taxes, the net profit after tax for the six months ended September 30, 2009 increased by 23% to Rs. 1,228.86 crore as against Rs. 1,002.34 crore in the corresponding six months of last year.

### TOTAL ASSETS

As at September 30, 2009, the total assets of HDFC stood at Rs. 1,04,544 crore as against Rs. 89,670 crore as at September 30, 2008 – an increase of 17%.

## **Loan Book**

As at September 30, 2009, the loan book stood at Rs. 89,519 crore as against Rs. 81,192 crore in the previous year – an increase of 10%. The Corporation sold loans amounting to Rs. 6,100 crore during the preceding twelve months. Together with the loans sold, the growth in the loan book would have been higher at 18%.

The spread on loans over the cost of borrowings for the half-year ended September 30, 2009 stood at 2.20%.

## **Investments**

As at September 30, 2009 the unrealised gains on HDFC's listed investments amounted to Rs. 13,311 crores. This excludes the appreciation in the value of unlisted investments.

## **LENDING OPERATIONS**

### **Approvals And Disbursements**

Loan approvals during the six-month period ending September 30, 2009 amounted to Rs. 28,418 crore as compared to Rs. 24,180 crore, in the corresponding period last year, representing a growth of 18%. Loan disbursements during the six-month period ending September 30, 2009 amounted to Rs. 22,342 crore as compared to Rs. 17,788 crore in the corresponding period last year, representing a growth of 26%.

On a sequential quarter basis, the growth in individual loan approvals and disbursements for the second quarter of this financial year has been 26% and 24% respectively as compared to the first quarter ending June 30, 2009.

### **Non-Performing Loans**

Gross non-performing loans as at September 30, 2009 amounted to Rs. 860.21 crore. This is equivalent to 0.95% of the loan portfolio (previous year – 1.04%) comprising loans as well as debentures issued by corporates and corporate deposits placed for financing their real estate projects. This is the nineteenth consecutive quarter end at which the non-performing loans have been lower than the corresponding quarter end in the previous year.

Based on a six months overdue basis, the non-performing loans as at September 30, 2009 stood at 0.60% of the loan portfolio as against 0.62% as at September 30, 2008.

In terms of the prudential norms as stipulated by the National Housing Bank, the Corporation is required to carry a provision of Rs. 362.21 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 September 30, 2009 stood at Rs. 671.98 crore, which is equivalent to 0.74% of the portfolio.

## **RESOURCES**

During the first half of the current financial year, loans drawn from commercial banks and financial institutions amounted to Rs. 18,149 crore.

HDFC raised Rs. 2,600 crore through private placement of non-convertible debentures (NCDs) during the first half of the current financial year. The NCDs were “AAA” rated by both, CRISIL and ICRA.

As at September 30, 2009, deposits stood at Rs. 20,530 crore as against Rs. 14,723 crore on the corresponding date last year. During the first half of the financial year, deposits accounted for 44% of the incremental borrowing of the Corporation. HDFC’s deposits carry a “AAA” rating from both, CRISIL and ICRA.

## **SIMULTANEOUS ISSUE OF WARRANTS AND NON-CONVERTIBLE DEBENTURES**

In August 2009, HDFC launched the first ever issue of Warrants simultaneously with the issue of Non Convertible Debentures (NCDs) to Qualified Institutional Buyers (QIBs) on a Qualified Institutions Placement (QIP) basis.

The Corporation issued 1.095 crore Warrants at an issue price of Rs. 275 per Warrant. The Warrant holder can exchange the Warrant for one equity share at any time up to August 23, 2012 at an exercise price of Rs. 3,000 per equity share. NCDs were issued in 2-year and 3-year tranches, aggregating Rs. 2,000 crore each at an annualised yield to maturity of 7.15% and 7.85% respectively. The composite cost of funds to the Corporation as a result of the simultaneous issue of Warrants and NCDs will be 4.5% per annum.

## **CAPITAL ADEQUACY RATIO**

HDFC’s capital adequacy ratio stood at 14.9% of the risk weighted assets, as against the minimum requirement of 12%. Tier 1 capital adequacy was 13.4% as against a minimum requirement of 6%.

## **DISTRIBUTION NETWORK**

HDFC’s distribution network spans 271 outlets, which include 58 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 a few third party direct selling associates.

To cater to non-resident Indians, HDFC has offices in London, Dubai and Singapore and service associates in Kuwait, Oman, Qatar, Sharjah, Abu Dhabi, Al Khobar, Jeddah and Riyadh in Saudi Arabia.

*October 12, 2009*