



Press Release

FINANCIAL RESULTS FOR THE PERIOD APRIL TO DECEMBER, 2011

The Board of Directors of Housing Development Finance Corporation Limited (HDFC) announced the results for the third quarter of the financial year 2011-2012, following its meeting on Thursday, January 12, 2012 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 Nine-month period ended December 31, 2011

For the nine-months ended December 31, 2011, the profit before sale of investments and tax stood at ₹ 3,650.35 as compared to ₹ 3,086.84 in the corresponding period of the previous year, representing a growth of 18%.

Profit on sale of investments for the nine month period is ₹ 191.13 crore which is lower than the corresponding amount of ₹ 226.17 crore in the previous year.

After considering profit on sale of investments and after providing ₹ 1,045 crore for taxes, the profit after tax for the nine months ended December 31, 2011 increased by 17% to ₹ 2,796.48 crore as against ₹ 2,393.01 crore in the corresponding period of the previous year.

Financials for the Quarter ended December 31, 2011

For the quarter ended December 31, 2011, the profit before sale of investments and tax stood at ₹ 1,240.26 crore as compared to ₹ 1,045.66 crore in the corresponding quarter of the previous year, representing a growth of 19%.

Profit on sale of investments for the quarter ended December 31, 2011 is ₹ 87.99 crore which is lower than the corresponding amount of ₹ 167.22 crore in the previous year.

After considering profit on sale of investments and after providing ₹ 347 crore for taxes, the profit after tax for the quarter ended December 31, 2011 amounted to ₹ 981.25 crore as compared to ₹ 890.88 crore in the corresponding quarter last year.

Lending Operations

Loan approvals and disbursements for the nine months ended December 31, 2011 grew by 19% each compared to the corresponding period in the previous year.

As at December 31, 2011, the loan book stood at ₹ 1,32,208 crore as against ₹ 1,09,051 crore as at December 31, 2010. Individual loans sold during the preceding twelve months amounted to ₹ 4,221 crore. The growth in the individual loan book, inclusive of loans sold is 26% (20% net of loans sold). The growth in the total loan book inclusive of loans sold is 25% (21% net of loans sold).

As at December 31, 2011, the total loans outstanding in respect of loans sold stood at ₹ 13,484 crores. HDFC continues to service the loans sold under these transactions and is entitled to the residual interest on the loans sold. The residual interest on the individual loans sold is 1.55% p.a. and is accounted over the life of the loans.

Spreads and Net Interest Margins

The spread on loans over the cost of borrowings for the nine-month period ended December 31, 2011 stood at 2.27%. Net Interest Margins for the nine-month period ended December 31, 2011 was 4.3%

Investments

As at December 31, 2011, the unrealised gains on HDFC's listed investments amounted to ₹ 19,139 crores. This excludes the appreciation in the value of unlisted investments.

Non-Performing Loans

Despite the challenging environment, this is the twenty-eighth consecutive quarter end at which the percentage of non-performing loans has been lower than the corresponding quarter in the previous year.

Gross non-performing loans as at December 31, 2011 amounted to ₹ 1,109 crore. This is equivalent to 0.82% of the loan portfolio (previous year – 0.85%).

In terms of the prudential norms as stipulated by the National Housing Bank, the Corporation is required to carry a provision of ₹ 1,229 crore, which includes the provisioning of ₹ 440 crore on standard assets in respect of housing loans granted under the Dual Rate Home Loan Scheme.



The balance in the provision for contingencies account as at December 31, 2011 stood at ₹ 1,584 crore, which is equivalent to 1.17% of the portfolio.

CAPITAL ADEQUACY RATIO

HDFC's capital adequacy ratio stood at 13.9% of the risk weighted assets, as against the minimum requirement of 12%. Tier 1 capital adequacy was 11.9% as against a minimum requirement of 6%.

DISTRIBUTION NETWORK

HDFC's distribution network spans 304 outlets, which include 74 offices of HDFC's distribution company, HDFC Sales Private Limited (HSPL). In addition, HDFC covers over 90 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 offices in London, Dubai and Singapore and service associates in Kuwait, Oman, Qatar, Sharjah, Abu Dhabi and Saudi Arabia – Al Khobar, Jeddah and Riyadh.

January 12, 2012