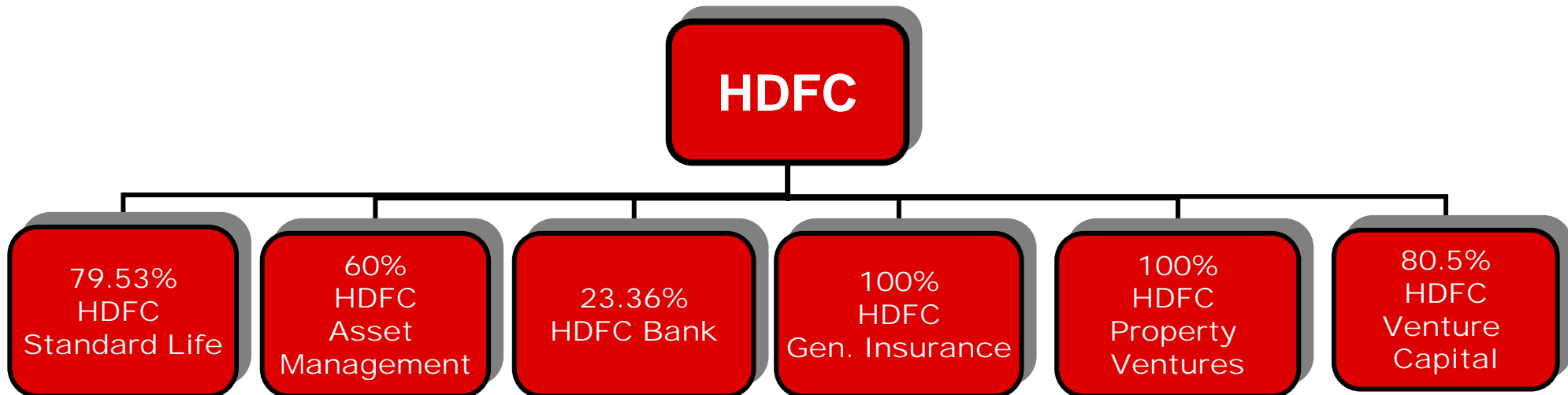




**Housing Development Finance
Corporation Limited**

WHO WE ARE...

- Incorporated in 1977 as the first specialised mortgage Co. in India
- Now a Financial Conglomerate with interests beyond Mortgage:



- **80% shares held by Foreign Investors**

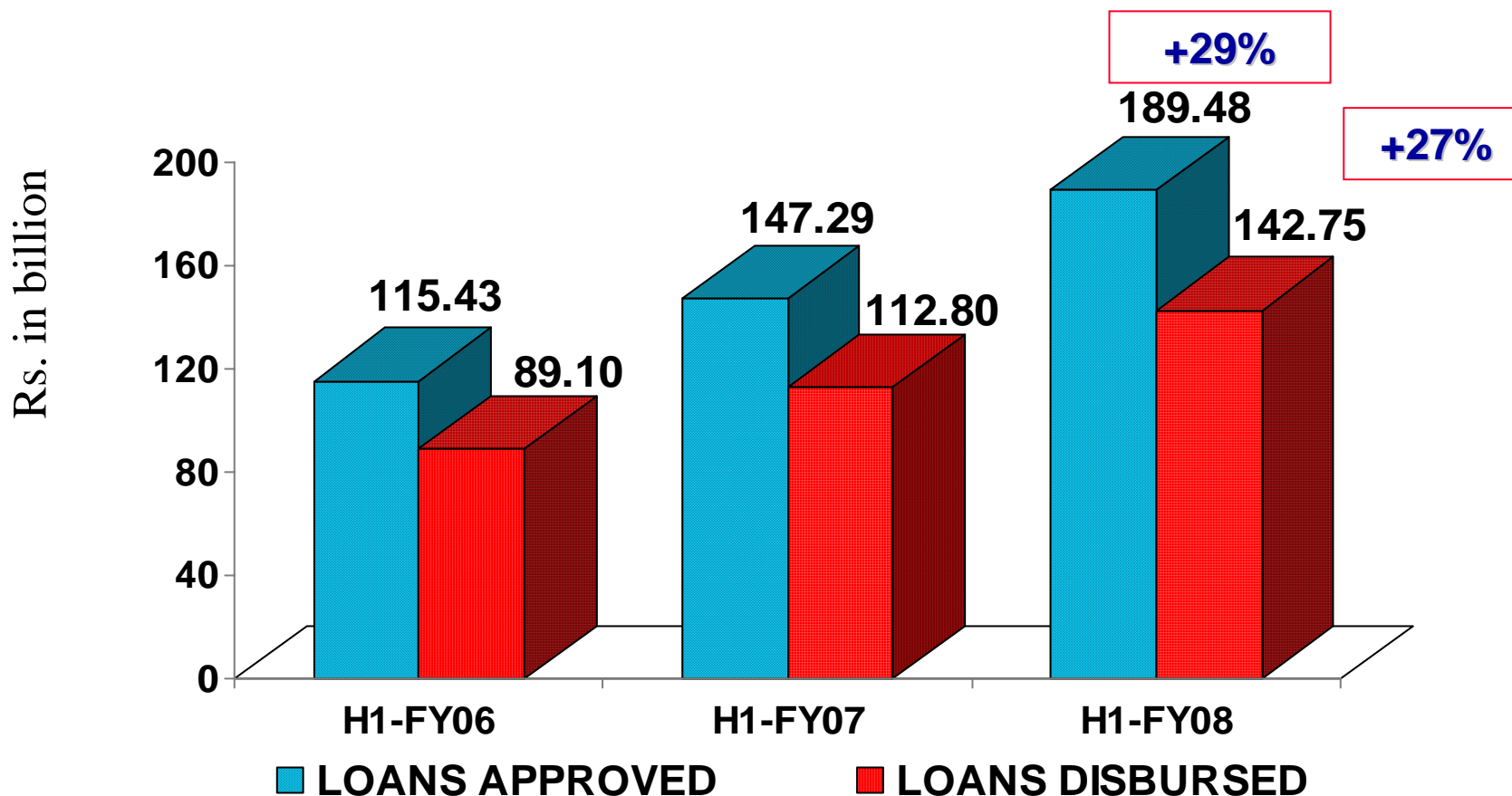
MORTGAGE BUSINESS SUMMARY

- **Mortgage Loan Assets** : **Rs 620.20 bn**
(As of Sept 2007) : **US\$ 15.5 bn**
- **Cumulative Loan Disbursements** : **Rs 1335.56 bn**
(Inception to Sept 2007) : **US\$ 33.4 bn**
- **Loan Disbursements** : **Rs 261.18 bn**
(FY March 2007) : **US\$ 6.5 bn**
- **Cumulative Housing Units Financed** : **3 million**
- **Mortgage Loans CAGR (5 years)** : **27%**

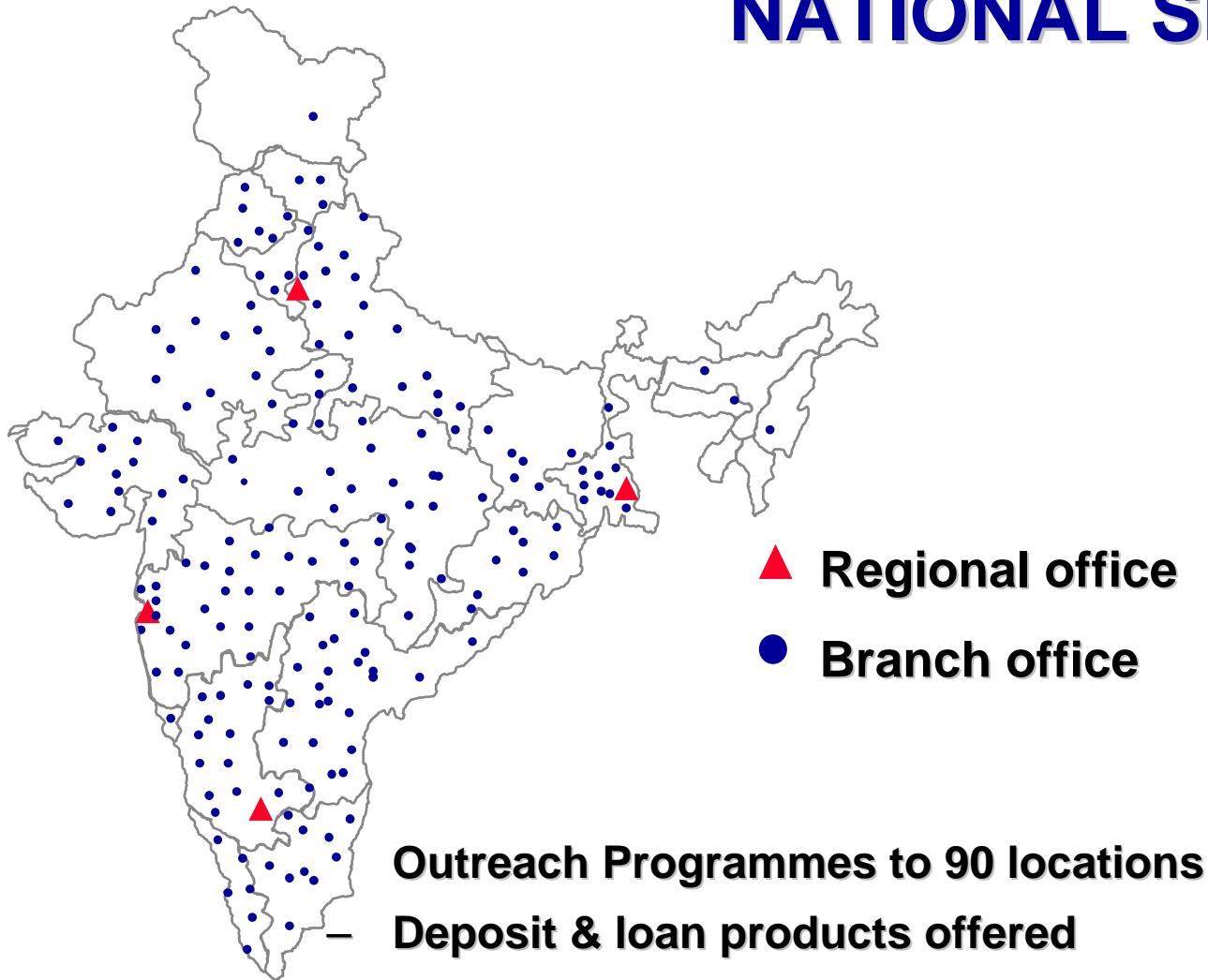
CONTINUING GROWTH MOMENTUM

LOAN APPROVALS & DISBURSEMENTS

(H1-FY08)



NATIONAL SPREAD



No. of Outlets

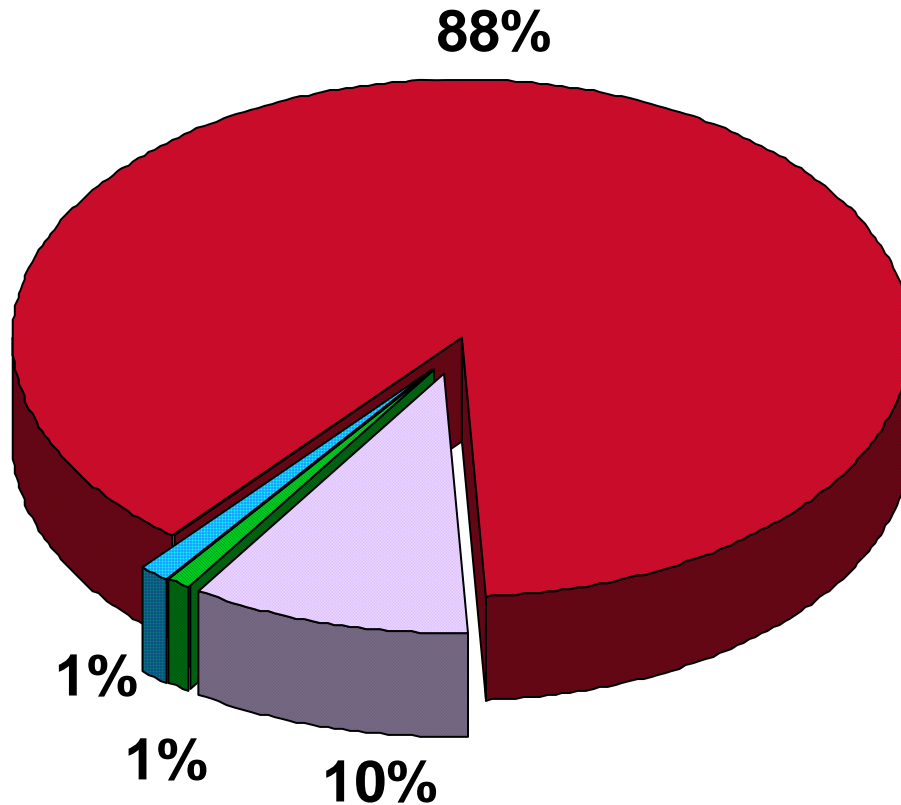
1992	–	26
1997	–	32
1998	–	41
1999	–	49
2000	–	67
2001	–	87
2002	–	118
2003	–	142
2004	–	173
2005	–	203*
2006	–	219*
2007	–	243*

to individuals in over 2400 towns and cities.

* Inclusive of outlets of wholly owned distribution company

OPERATIONAL AND FINANCIAL HIGHLIGHTS

98% OF HDFC'S ASSETS ARE LOANS or INVESTMENTS (As at September 30, 2007)



Total Assets as at Sept 30, 2007

Rs. 726.65 billion (US \$ 18.17 billion)

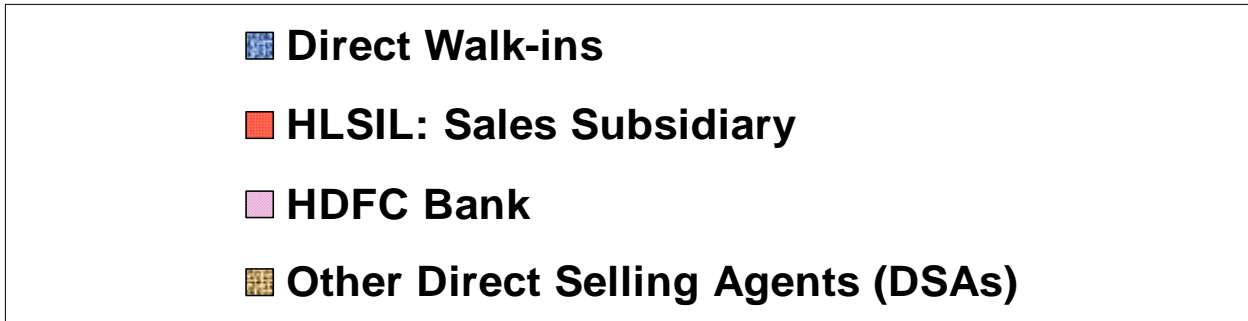
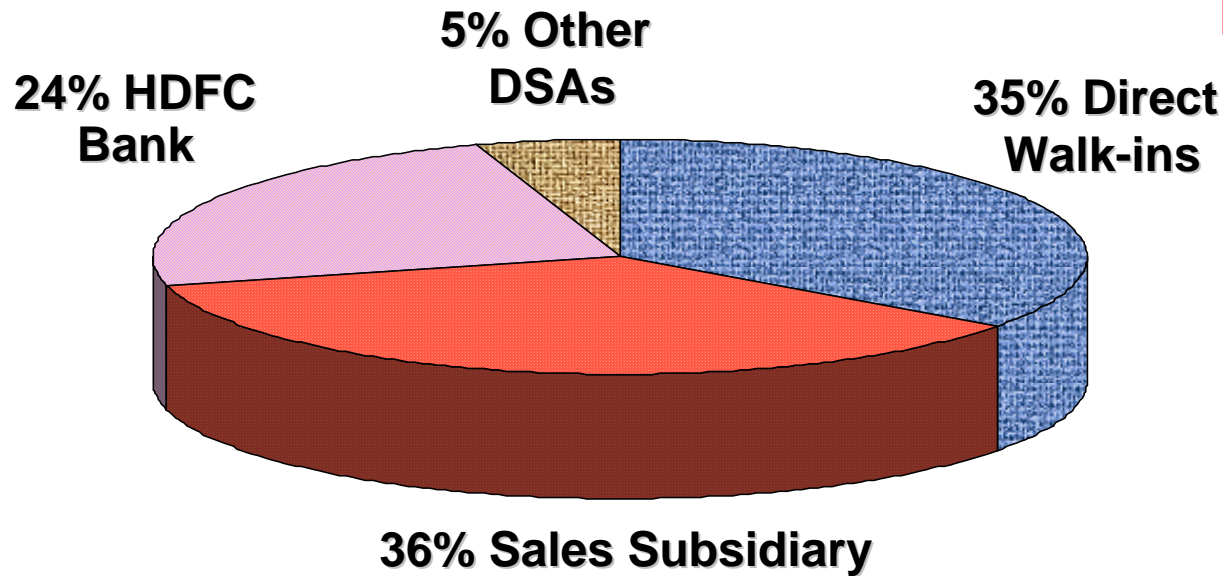
Total Assets as at Sept 30, 2006

Rs. 564.96 billion (US \$ 14.12 billion)

- Loans (including debentures & corporate deposits for real estate projects)
- Investments
- Net Current Assets
- Fixed Assets

95% OF OUR MORTGAGES ARE SOURCED BY OURSELVES OR THROUGH OUR AFFILIATES

FY March 07

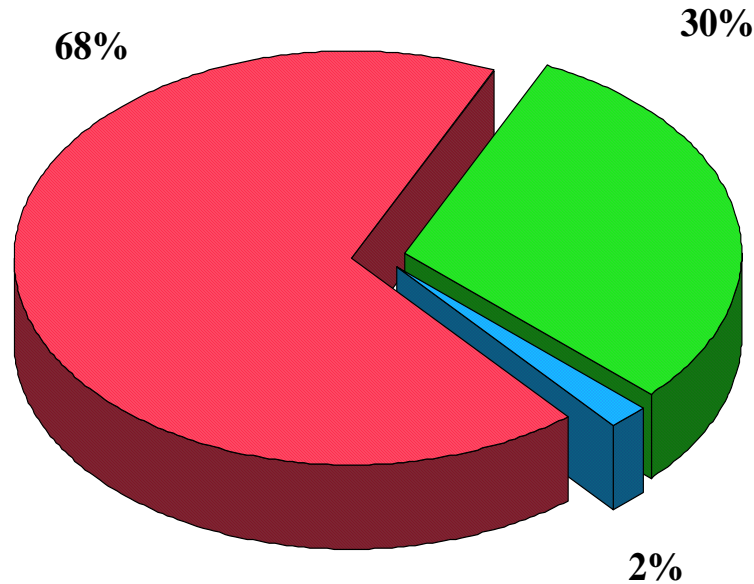


CORE BUSINESS - LENDING

(As at September 30, 2007)

INDIVIDUALS

- Home Loans
 - Fixed rate loan
 - Floating rate loan
- Home Improvement Loans
- Home Extension Loans
- Short Term Bridging Loan
- Loans to NRIs



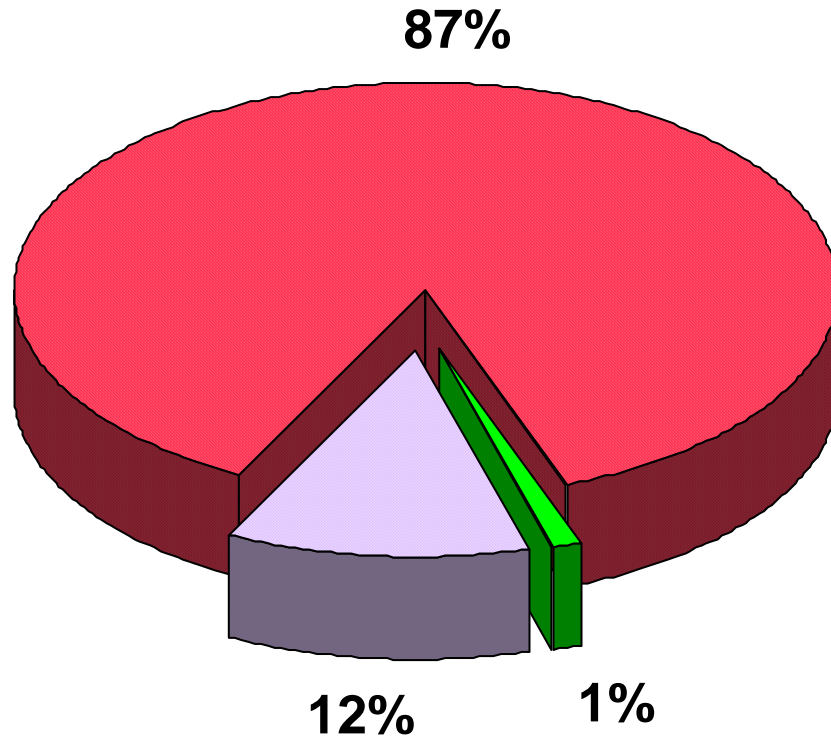
CORPORATE BODIES

OTHERS

Total loans outstanding as at Sept'07 - Rs. 620.20 bn (excludes loans securitised)
Y-o-Y growth of 24%

LIABILITIES

(As at September 30, 2007)



Capital

Rs – 2.72 bn

Reserves

Rs – 94.41 bn

Borrowings

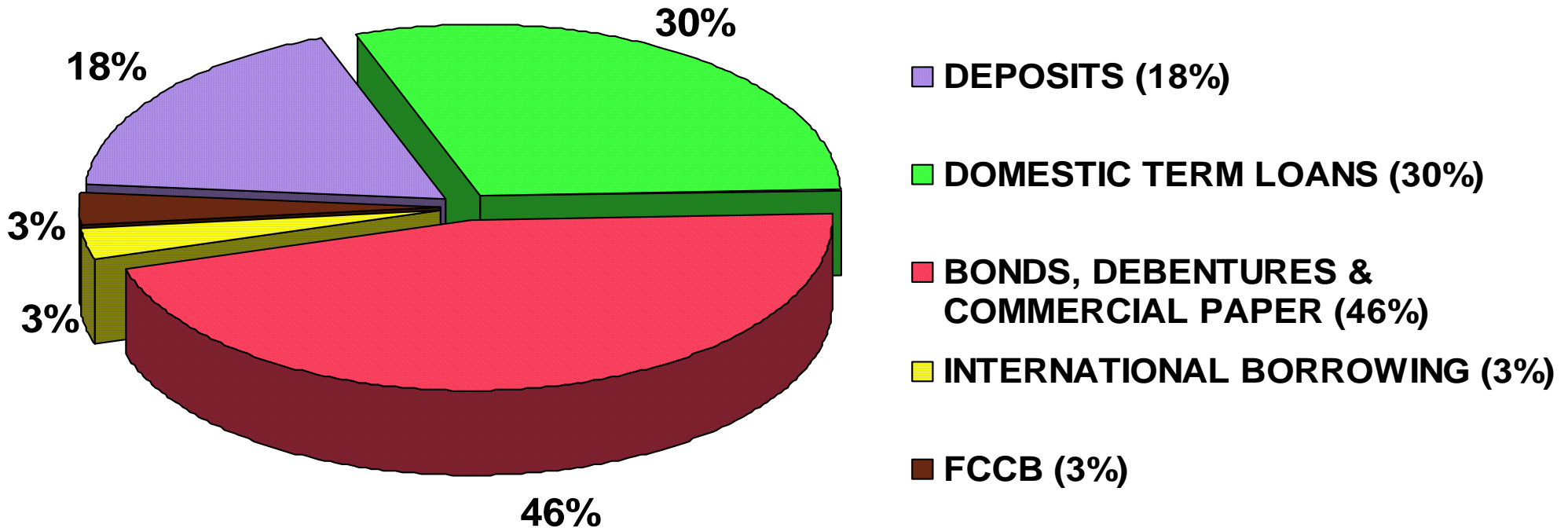
Rs – 629.52 bn

- Deposits
- Domestic Borrowings
- International Borrowings

Total Liabilities Rs 726.65 bn (PY Rs 564.96 bn)

MULTIPLE SOURCES OF BORROWINGS

(As at September 30, 2007)



Total Borrowings Rs 629.52 bn (PY Rs 514.28 bn)

STRENGTHS

Home Loan Strengths

- **Low average loan to value ratio and income to instalment ratios**
- **Post dated cheques obtained from most customers or deduction at source arrangements with employers**
- **Steady level of prepayments**
- **Quality underwriting with experience of over 30 years**

Corporate Strengths

- **Strong Brand – customer base of 3 million**
- **Stable and experienced management – average tenor of senior management in HDFC over 15 years**
- **High service standards**
- **Low cost income ratio: 12%**

BALANCE SHEET

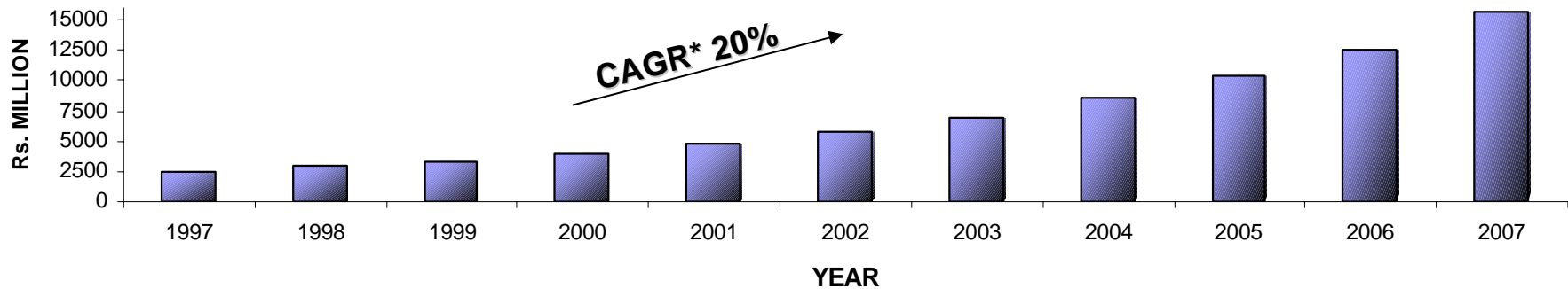
	<u>Sep-07</u>	<u>Sep-06</u>	<u>Growth</u>
	(Rs. in billion)	(Rs. in billion)	(%)
Sources of Funds			
Net Worth	97.13	50.68	92
Borrowings	<u>629.52</u>	<u>514.28</u>	<u>22</u>
	<u>726.65</u>	<u>564.96</u>	<u>29</u>
Application of Funds			
Loans	620.20	498.87	24
Investments	82.61	32.06	
Net Current Assets	21.67	31.63	
Fixed Assets	<u>2.17</u>	<u>2.40</u>	
	<u>726.65</u>	<u>564.96</u>	<u>29</u>

INCOME STATEMENT

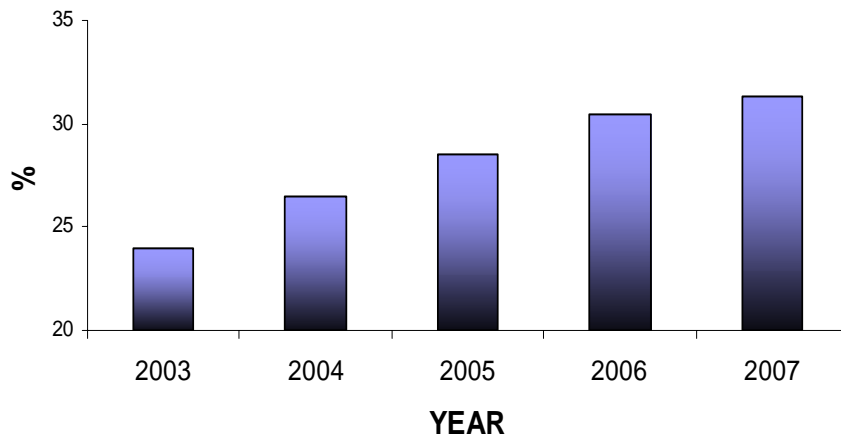
	<u>Sep-07</u>	<u>Sep-06</u>	<u>Growth</u>
	(Rs. in billion)	(Rs. in billion)	(%)
Interest Income	36.08	24.53	47
Interest Expenses	24.67	17.15	44
Net Interest Margin	11.41	7.38	55
Non Interest Income	0.87	1.07	
Profit on Sale of Investments	0.27	1.12	
Less : Non Interest Expenses	<u>1.67</u>	<u>1.43</u>	17
	10.88	8.14	34
Profit on Sale of Investments in Subsidiaries & Associates	3.13	0.33	
Profit before tax	14.01	8.47	65
Provision for tax	3.82	1.82	110
Profit after tax	10.19	6.65	53
<i>Effective tax rate (%)</i>	<i>27.3</i>	<i>21.5</i>	

CONSISTENT FINANCIAL PERFORMANCE

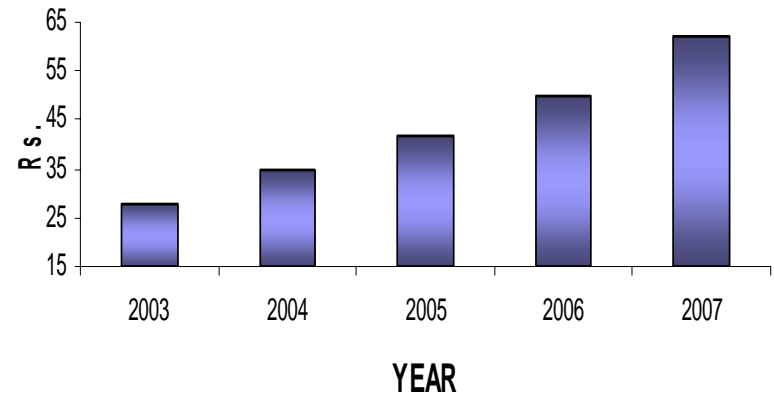
PROFIT AFTER TAX



ROE

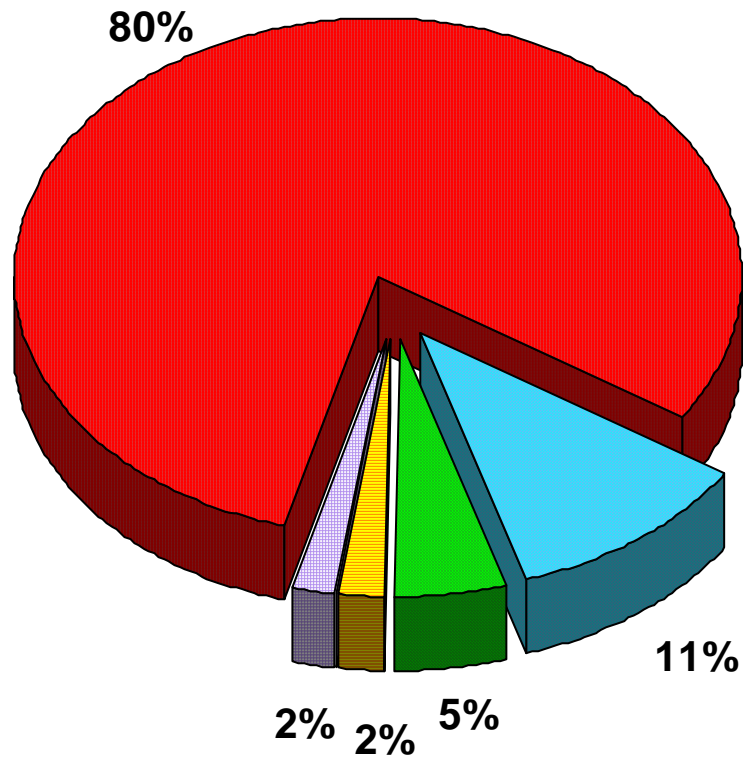


EPS



* 10 year CAGR

SHAREHOLDING PATTERN



- Foreign Shareholders - 80%
- Individuals - 11%
- Financial Institutions, Banks and Insurance Companies - 5%
- Mutual Funds - 2%
- Companies - 2%

Key Associates and Subsidiaries

HDFC BANK

- **23.36% owned by HDFC**
- **Market Cap US \$12.7 billion**
- **ADRs listed on NYSE**
- **753 branches. 327 cities. 1,800 ATMs**
- **Over 10 million customer accounts**
- **Key business areas**
 - **Wholesale banking Retail banking Treasury operations**
- **5 Year Net Income CAGR of over 30%**
- **Financials (as per Indian GAAP) for the half ended September 30, 2007**
 - **Total net revenues: Rs 32.03 bn, increase of 40% over previous year**
 - **PAT: Rs 6.9 billion, increase of 37% over the previous year**

HDFC Standard Life Insurance Company Ltd. (HDFC-SL)

Structure

Strong and stable partnership

- Tie up with Standard Life Assurance Company, U.K.
- HDFC holds 79.53% of the equity of HDFC-SL

Products

Diversified product portfolio covering all life stages and needs

- Offers 21 individual products and 6 group plans along with 5 optional riders
- Offers 6 fund options with market linked products

Premium income and growth

Values driven growth

- Total premium income of Rs 28.56 bn for FY 07 (Previous year Rs 15.70 bn)
- Q1 08 growth in total premium of 82% over Q1 07
- Funds under management of group new business increased by 76% as at June 30, 2007 as against the previous year

HDFC Standard Life Insurance Company Ltd. (HDFC-SL)

Coverage

Committed to increasing coverage in an under-insured market

- Achieved a total sum assured of Rs 44.54 bn in respect of over 160,000 lives covered in Q1 08 taking the cumulative sum assured to Rs. 716 bn covering over 2.5 million lives
- Claims other than withdrawals/surrenders amounted to Rs 0.07 bn in Q1 08

Distribution

Diversified distribution network to cater to customer preference

- HDFC network is used to cross sell by offering customized products
- Operates out of 450 offices across the country serving 700 locations
- Network of over 84,000 financial consultants, 300 corporate agents and other sales intermediaries

Market share

- Market share of 9.6% (private sector) and 4% (overall) in terms of Effective Premium in Q1 08.

HDFC Standard Life Insurance Company Ltd. (HDFC-SL)

Key performance indicators and business practices

- Consistently high *persistency ratio* of over 90 percent
- A diversified distribution mix including the tied agency and alternate channels - banks, brokers, telemarketing, direct sales force
 - Tied agency contributed 61% effective premium in Q1 08
 - Strong bancassurance tie-ups with public, private, co-operative and foreign banks
- Amongst the leading players in the pensions segment
- Leveraging technology to strengthen processes
 - Workflow system awarded the best technology innovation
 - Web based facility to service customers and channel partners

HDFC ASSET MANAGEMENT

- **Tie-up with Standard Life Investments (SLI)**
- **HDFC holds 60% of HDFC Asset Management**
- **HDFC MF offers 31 equity and debt oriented products**
- **Earned a Profit After Tax of Rs 675 million for FY07**
- **Paid a dividend of 100% for FY07 to equity shareholders**
- **Total assets under management as at September 30, 2007, stood at Rs 528 bn which is inclusive of portfolio management and advisory services of Rs. 114 bn**
- **Equity assets as a proportion of total assets is 44%**

HDFC PROPERTY FUND

- **Launched in March 2005**
- **First Scheme: HDFC India Real Estate Fund**
 - Fund corpus : US \$ 250 million
 - Domestic, 7 year close ended fund
 - Funds managed by HDFC Venture Capital Limited
 - 90% invested as at March 31, 2007
- **HDFC International Fund**
 - Fund Corpus: US\$ 800 million
 - International, 9 year close ended fund
 - Targeted at premier institutions and funds across the world interested in taking an exposure in Indian real estate

HDFC GENERAL INSURANCE COMPANY LTD.

- **HDFC General Insurance Company Limited is a 100% subsidiary of HDFC**
- **Offers Auto Insurance, Home Insurance, Group Accident Insurance, Group Travel Insurance, Commercial Insurance which includes Fire and Marine and Specialty Insurance Products like Directors & Officers Liability**
- **Achieved Gross Written Premium of Rs. 1.97 bn**
- **Operates out of 27 locations across the country**
- **HDFC network is used to cross sell Home Insurance & Accident Insurance**
- **HDFC and HDFC Bank database is used to cross sell Accident Insurance**

CONSOLIDATED EARNINGS

(As at March 31, 2007)

	<u>HDFC</u>	<u>HDFC Consolidated</u>
Profit After Tax (Rs in billion)	15.70	17.42
Total Assets (Rs in billion)	627.44	734.58
Earnings per share (Rs)	62	70
Return on Equity	31.3%	30.6%
Return on Average Assets	2.8%	2.8%

AWARDS & ACCOLADES

- **HDFC ranked among the top 5 Best Managed Companies in India by Finance Asia in 2006**
- **Selected as the top Indian company in the FIs / NBFCs / Financial Services sector for the Dun & Bradstreet – American Express Corporate Awards 2006**
- **HDFC is featured in the Limca Book of Records 2006, for the landmark achievement of Rs. One trillion in home loan approvals**
- **HDFC was awarded the Gold Shield in the Finance Sector by ICAI for excellence in Financial Reporting in 2005. This is the 14th time HDFC has been selected for this award.**
- **HDFC has been awarded the 'Business Superbrand' status.**
- **HDFC has been awarded the 'Best Home Financier' title by Outlook Money – 2005**
- **Economic Times Corporate Citizen of the Year Award - November 2004**

Thank You