

July 8, 2010

CARE REAFFIRMS THE RATINGS ASSIGNED TO NCDS AND BANK FACILITIES OF DEUTSCHE POSTBANK HOME FINANCE LTD.

Rating

Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Secured Non-Convertible Debentures	100	'CARE AAA(SO)' [Triple A (Structured Obligation)]*	Reaffirmed
Secured Non-Convertible Debentures	150	'CARE AAA(SO)' [Triple A (Structured Obligation)]*	Reaffirmed
Long term Bank Facilities	650	'CARE AA+' [Double A (Plus)]	Reaffirmed
Total Facilities	900		

* The rating takes into considerations the credit enhancement in the form of letter of comfort from ultimate parent Deutsche Postbank A.G. (Postbank).

Rating Rationale

The AAA(SO) rating takes into consideration demonstrated support of ultimate parent Postbank enjoyed by DPHFL and credit enhancement in the form of Letter of Comfort from Postbank. The ratings also factor in DPHFL's healthy asset quality, superior solvency parameters, growth in operations, comfortable liquidity position and profitability parameters. However, the rating is constrained by medium size of the operations and increasing competition. DPHFL's ability to manage interest rate risk and maintain asset quality alongwith continuation of Postbank's support would remain key rating sensitivities.

Company Profile

Deutsche Postbank Home Finance Ltd. (formerly BHW Home Finance Limited) was incorporated in India on March 2, 1995. In November 2004, the company became 100% subsidiary of BHW Holding AG, wholly owned subsidiary of Deutsche Postbank AG. In September 2008, the name of the company was finally changed to present name. Postbank has issued letter of comfort ensuring that DPHFL would honor its obligations towards the payment of NCDs rated by CARE. DPHFL is a step down subsidiary of Postbank which is the largest retail bank in Germany and had assets amounting to Euro226.61 bn as on December 31, 2009.

¹Complete definition of the rating assigned is available at www.careratings.com and in other CARE publications.



Press Release

In FY10, DPHFL had recorded PAT of Rs.60.84 crore (FY09: -Rs.44.38 crore) on a Total Income of Rs.477.40 crore (FY09: -Rs.432.02crore). As on March 31, 2010, the Gross NPA ratio stood at 0.77% and Net NPA ratio was zero. Capital adequacy ratio stood at 17.82% as on same date.

Analyst Contact

Name: Jyotsna Gadgil

Tel # 01123318701

Mobile # +919811552926

Email: Jyotsna.gadgil@careratings.com

CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Cell : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Cell : +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Mr. Ankur Sachdeva

Head - Business Development

Cell : +91-9819698985

E-mail: ankur.sachdeva@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457

Website: www.careratings.com

OFFICES

<p>Mr.Mehul Pandya Regional Manager 32 TITANIUM Prahaldnagar Corporate Road, Satellite, Ahmedabad - 380 015. Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com</p>	<p>Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's Place No. 6, Raja Ram Mohan Roy Road, Richmond Circle, Bangalore - 560 025. Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com</p>
<p>Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai 600 002 Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail : Pradeep.kumar@careratings.com</p>	<p>Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar Hyderabad - 500 029 Tel – 040 40102030 Mobile – 91766 47599 E-mail: ashwini.jani@careratings.com</p>
<p>Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani Kolkata - 700 071. Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com</p>	<p>Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, New Delhi - 110 001. Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail : swati.agrawal@careratings.com</p>