

June 2, 2010

CARE ASSIGNS 'CARE AA+' RATING TO THE BANK FACILITIES OF DEUTSCHE POSTBANK HOME FINANCE LTD.

Rating

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	650	'CARE AA+' (Double A Plus)	Assigned
Total Facilities	650		

Rating Rationale

The rating factors in DPHFL's healthy asset quality, superior solvency, growth in operations, comfortable liquidity position and profitability parameters. The rating takes note of demonstrated support of ultimate parent Postbank enjoyed by DPHFL. 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 current name.

In FY09, DPHFL had recorded PAT of Rs.44.38 crore on a Total Income of Rs.432.02crore. In 9MFY2010, DPHFL recorded PAT of Rs.43 crore on total income of Rs.367 crore. As on December 31, 2009, the Gross NPA and Net NPA stood at 0.83% and 0.08%. Capital adequacy ratio stood at 15.96% as on same date.

Note - Shri S.M. Datta, an Independent Director, did not participate in the rating process or in the meeting of the Rating Committee when the rating of DPHFL was discussed.

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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.

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

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