

Our Engagements on Special Issues of Public Interest in 2011

Interested Stakeholders		Special Issue	Our engagement
Shareholder		<p><u>Permission to carryout businesses enumerated Schedule 1V of the Banking Act</u> As a Licensed Specialized Bank , HDFC Was not permitted to carry out business enumerated in Schedule 1V of the Banking Act. Amendment to this restriction was a major concern of our shareholders , regulators and employees, with the view of enhancing the statutory scope of operation in order to improve profitability, operational efficiency, risk management and facilitate maintaining of industry norms.</p> <p><u>Subdivision of Ordinary shares of the Bank</u> Split of nominal value of ordinary shares from LKR 100/- to LKR 10/- was approved by the parliament on 21st November 2011</p>	<p>As per the amendment Act No 45 of 2011, HDFC Bank is permitted to carry out banking businesses listed under the schedule 1V of the Banking Act within the primary objective of housing finance</p> <p>With the above amendment, the Bank was also permitted to split the LKR 100/- ordinary share of the bank in to LKR 10/- and as 31st December 2011.</p>
Government	Ministry of Construction, Engineering Services, Housing and CommOn Amenities	<p>Facilitating for expansion of national housing stock and sustaining of existing housing condition and improving housing finance accessibility were the key interest of the Ministry in 2011.</p> <p>Active participation for implementation of Janasevana low income housing program was a major concern</p>	<p>We provided 14,224 number of loans for various housing related purposes recording a YOY increased of 32%.</p> <p>We assisted 12,142 families to construct new houses recording YOY increased of 35%</p> <p>We captured 20,177 customers for banking to improve financial accessibility</p> <p>We approved LKR 38million worth of facilities for 123 customers during the year under the Janasevana program at a special rate of 10% per annum</p>
	Ministry of Finance and Planning	<p>Expansion of housing finance market was a main concern of the Ministry to meet expected growth target and socio-economic development as measured by the Millennium Development Goals.</p> <p>Contribution to minimize regional development disparities was another concern discussed in many forums.</p>	<p>We Granted LKR 4,672 million worth of housing loans recording YOY increase of 55%</p> <p>We granted 60% of facilities out of Western Province compared to 58% in 2010</p>
Employee		With the expansion of the operation of the Bank adequate staffing with language skills was a major concern of the management to meet performance targets and risk management etc.	Bank recruited 80 banking assistants from different ethnic groups.