

## **BHW BIRLA HOME FINANCE LTD.**

was founded in 2000 as a Joint-Venture Company between Chambal Fertilisers and Chemicals Ltd., part of the Indian KK. Birla Group und BHW Holding, Germany's leading Housing Finance Company.

The Company is operating in the booming housing finance business with the main object of providing innovative housing finance solutions to individuals.

**Subject to obtaining approvals from RBI and after all statutory compliances, BHFL becomes now a 100 % subsidiary of BHW Holding AG**

# Profile of BHW Holding AG, Germany



The Group is a leading provider of private provisioning products with a strong tradition and stake in Housing Finance in Germany with 75 years experience

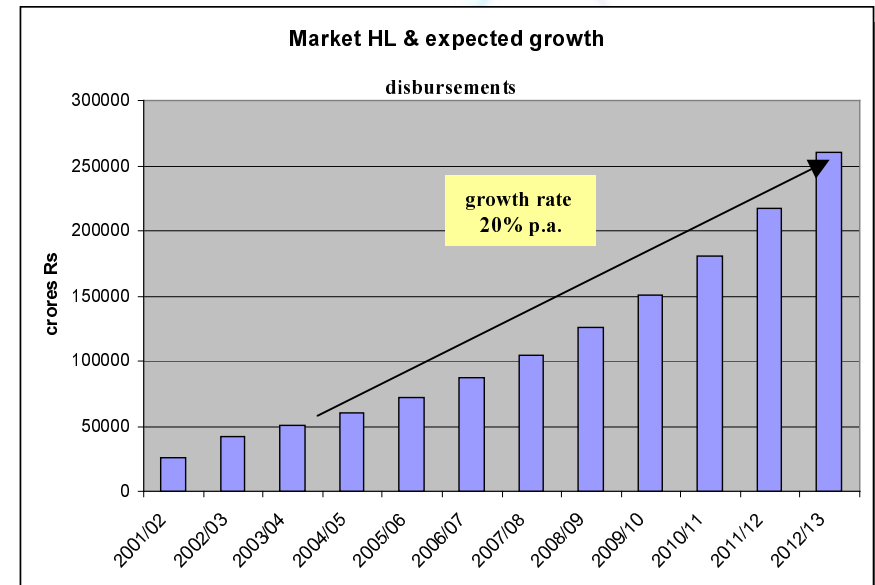
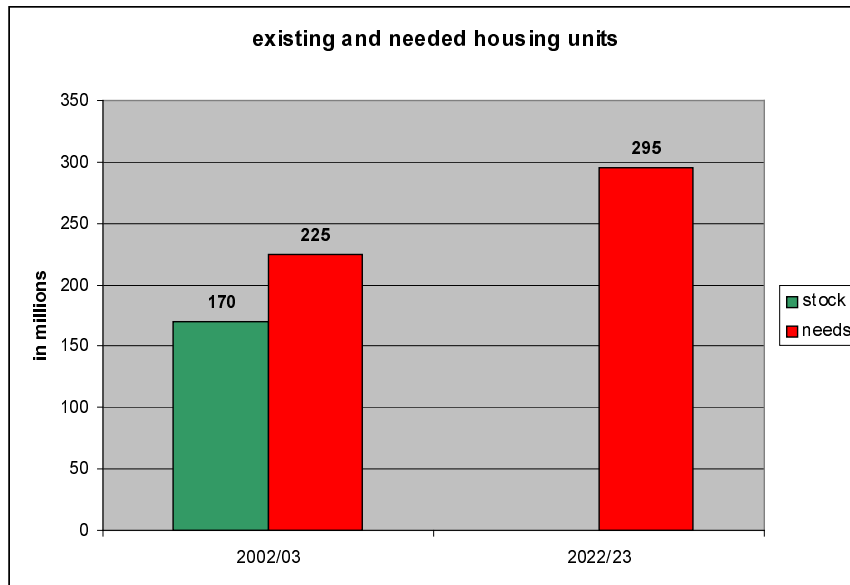
The BHW Group is operating in the business fields of housing finance, real estate, life insurance, private pension fund and saving plans.

Its competitive power relies on a household brand name "BHW" combined with its independence, its competence in housing finance, a focussed product range and a strong mobile sales force.



## Home Loan Market in India is not restricting a growth strategy

It is estimated, that India today has a gap between existing and needed housing of up to 55 million units; in the next twenty years the need will increase by another 20 million units



On the basis of the expected housing needs, the market for Home loans is expected to grow by an average of 30% p. a.; even an average growth rate of „only“ 20% p.a. would multiply the market volume by five times in the next ten years

# BHW BHFL's main targets



- **BHW BHFL creates value in housing in India**
- **BHW BHFL will become a household name for fair housing finance products and good service**
- **BHW BHFL will be in the top cluster of fastest growing market player in housing finance**
- **Within the next three years, BHW BHFL will have an exclusive core sales force of at least 2.500**

## A SIMPLE STEP BY STEP PROCESS

- Save money with BHW BHFL for a period of 3-5 years with 5 % interest p.a.
- Avail loan of same amount
- Guaranteed 7 % interest on loan irrespective of market rates\*
- Applicable to all: Salaried, businessmen, traders and shopkeepers, factory workers and government employees

\* Conditions apply



## Main features of EHLD

<b>Contract Amount</b>	: Saving plus loan, minimum Rs. 40,000/- & maximum Rs. 10,00,000/- (in multiples of Rs. 1000/-)
<b>Interest Rate for Saving</b>	: 5% compounded annually
<b>Interest Rate for Loan</b>	: 7% reducing annually
<b>Contracted Saving Tenure</b>	: 3 years, 4 years, 5 years
<b>Payment</b>	: Monthly, Quarterly, One Time
<b>Allocation of Loan</b>	: At the completion of the contracted saving tenure.
<b>EMI</b>	: Equated Monthly Instalments to repay the loan is calculated on the basis of loan amount & tenure.
<b>Bonus</b>	: 1% of the contract amount, if loan is not availed.
<b>Tax Benefits</b>	: All prevailing tax benefits on home loans are available as per the Income Tax Act and rules made thereunder as applicable from time to time



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**BIRLA HOME FINANCE LIMITED**  
CHAMBAL - BHW, GERMANY JOINT VENTURE

## EASY HOME LOAN DEPOSIT

## Birla Home Finance Ltd.

Birla Home Finance Limited, a K. K. Birla Group Company, is a 50:50 joint venture between Chambal Fertilisers and Chemicals Ltd. and BHW Holding AG of Germany. The K. K. Birla Group has diversified interests in fields like cement, shipping, fertilisers, seeds, media, sugar mills, software, textiles, furniture etc. It has under its fold various blue chip companies like Chambal Fertilisers, The Hindustan Times, Zuari Industries, Gautier and many more. Birla Home Finance Ltd. was set up to fulfill the social objective of providing homes to a wide strata of society. A National Housing Bank (NHB) approved housing finance institution, Birla Home Finance Ltd. is engaged in the business of providing housing loan facilities for purchase, construction, extension and renovation.

Continuing with its tradition of leadership and innovation, BHFL is introducing a one of its kind scheme, the Easy Home Loan Deposit Scheme.



## Easy Home Loan Deposit

Easy Home Loan Deposit (EHLD) is a scheme where an individual is required to save on lump sum / monthly / quarterly basis a specified amount for a specified period. Thereafter he shall be entitled to avail the housing loan at a concessional rate of interest for the purpose of purchase or construction of residential house property in India, taking into account the preconditions fixed in the general terms and conditions of EHLD accounts. The Scheme shall consist of two phases viz., Savings Phase and the Loan Phase.

### A SIMPLE STEP BY STEP PROCESS

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- Avail loan of same amount
- Guaranteed 7% interest on loan irrespective of market rates\*
- Applicable to all : Salaried, businessmen, traders and shopkeepers, factory workers and government employees

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## Main targets for BHW BHFL: EHLD-Business



- EHLD – Business as long term investment:
  - because of the specifications of the product, the contribution of EHLD to RoE in the first five years is lower
  - but EHLD will boost the long-term earnings if BHW BHFL is successful in acquiring a sustainable and constant new business on a level as high as possible from now onwards
  - Management feels a realistic target is to reach about 250.000 new contracts yearly within the next five years
  - this can be achieved with an EHLD-Sales force of 2.000, that reach a monthly productivity of 10-11 contracts on an average; actually this productivity is at an average of 6 contracts
  - Combinations of EHLD- & HL-Products will be used for competitive offers in HL-Business & will increase penetration speed and quality of EHLD-Business

## **1. Strong, high quality mobile sales force**

present all over India as a key factor for success in Housing Finance, market share and profit; existing 650 will be tripled within next two years

## **2. Multi Channel Sales and strong base in co-operation partners**

use all sales channels for business, being embedded in win-win partnerships with institutional partners in finance and builder industry

## **3. Innovative Products**

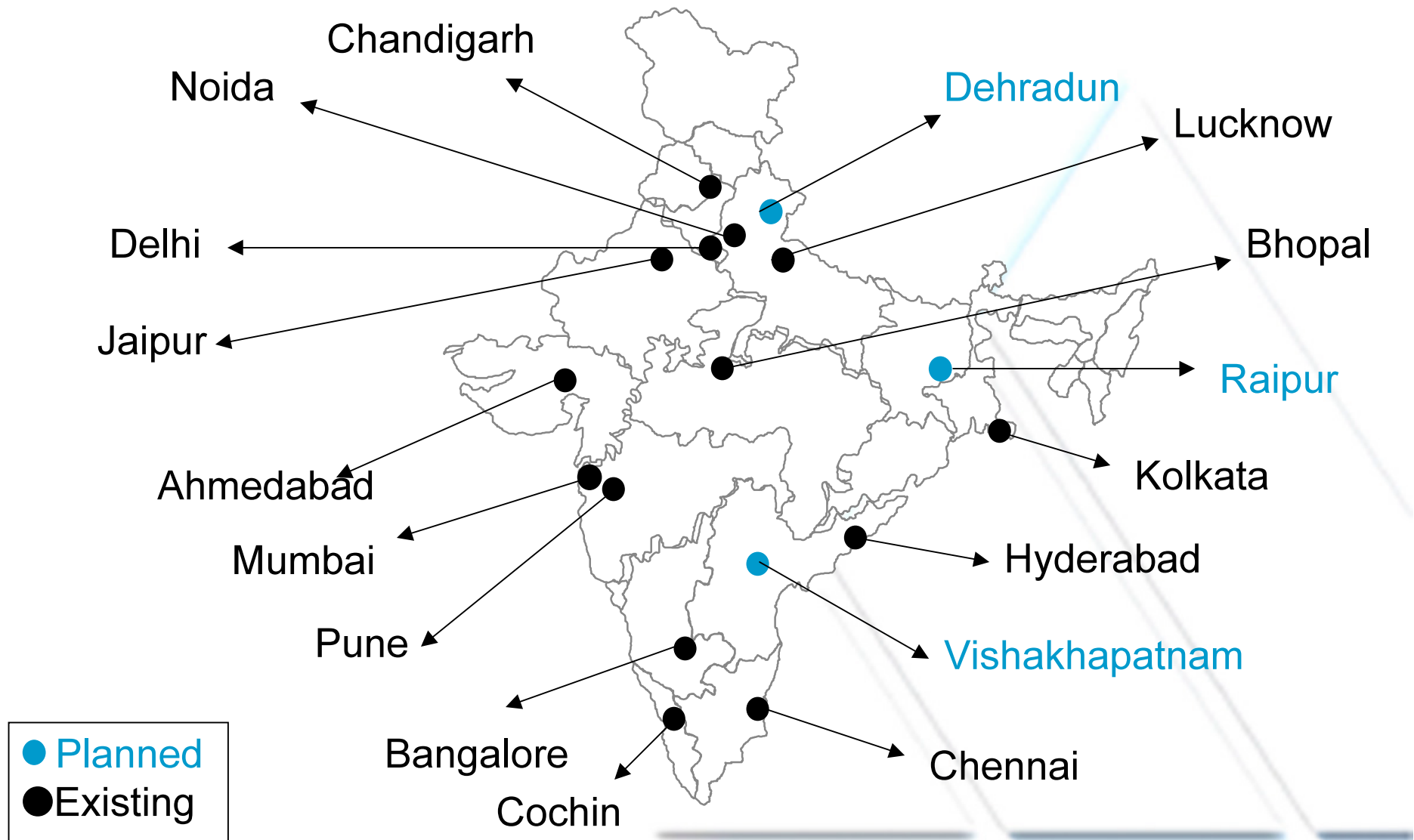
continuous expansion of market position with core products (EHL and Housing Finance, top in competitiveness, special schemes for existing customers & Top up financing), ability to customize on all needs of the customer target groups

## **4. Broad customer base in the fastest growing segments**

mid term focus on the middle class, all urban centres, but also in rural and semi-urban areas; future investment in high volume emerging target group of threshold households with unique product EHL



# Branch Network

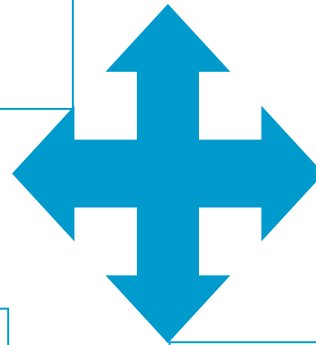


# BHW BHFL at a glance

## Sales Force

- Mobile Sales force of around 700 full-time professionals
- 14 branches and 24 semi urban offices - all over India

- Around 51000, Retail Customers by March 2004
- Excellent brand name



- Strong network of 1.3 bln.
- Home Loan Portfolio of Rs. 3.9 bln. as on March 2004

## New Business Volume 2003/04

- HL sanctions – 3.3 bln. (7000 sanctions)
- EHLD Contract Amt – 1.6 bln. (35000 contracts)
- FD Gross – 0.1 bln.