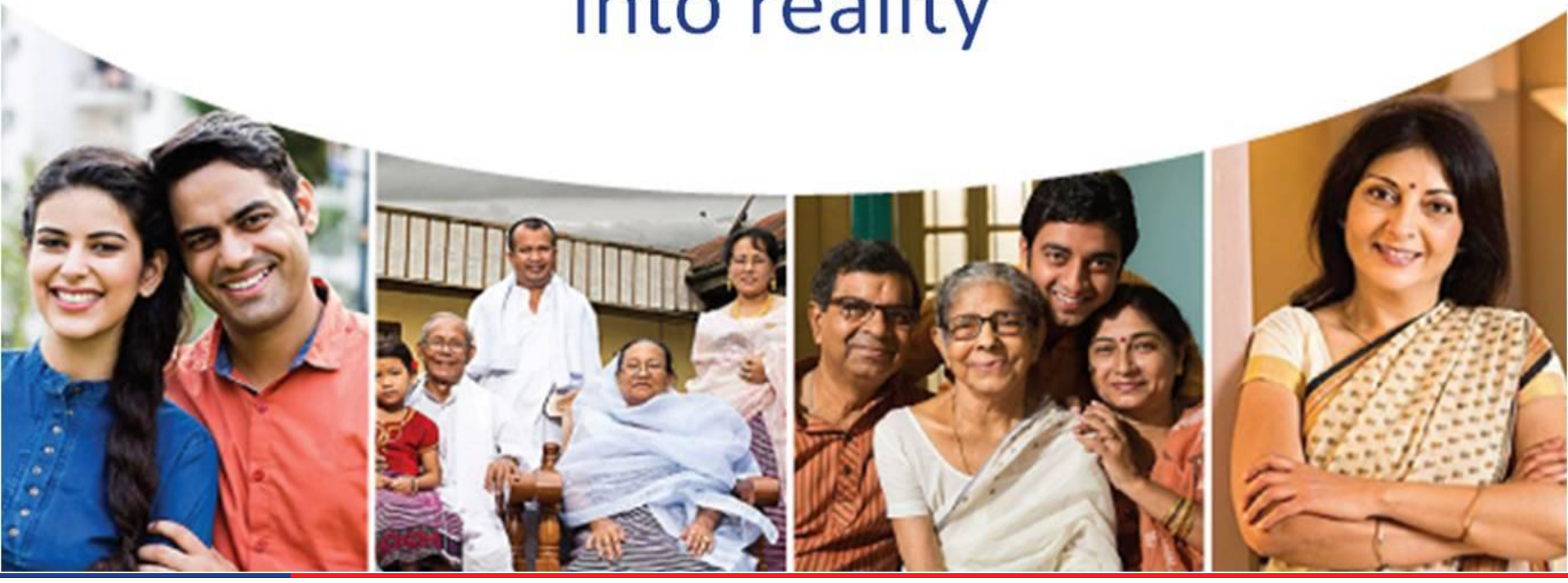
DHFL

Changing Rules Changing Lives

Turning dreams into reality



“I want every Indian to own a home of his own”

Late Shri Rajesh Kumar Wadhawan,
Founder Chairman
(1949-2000)



Our vision is to transform the lives of Indian households by enabling access to home ownership.

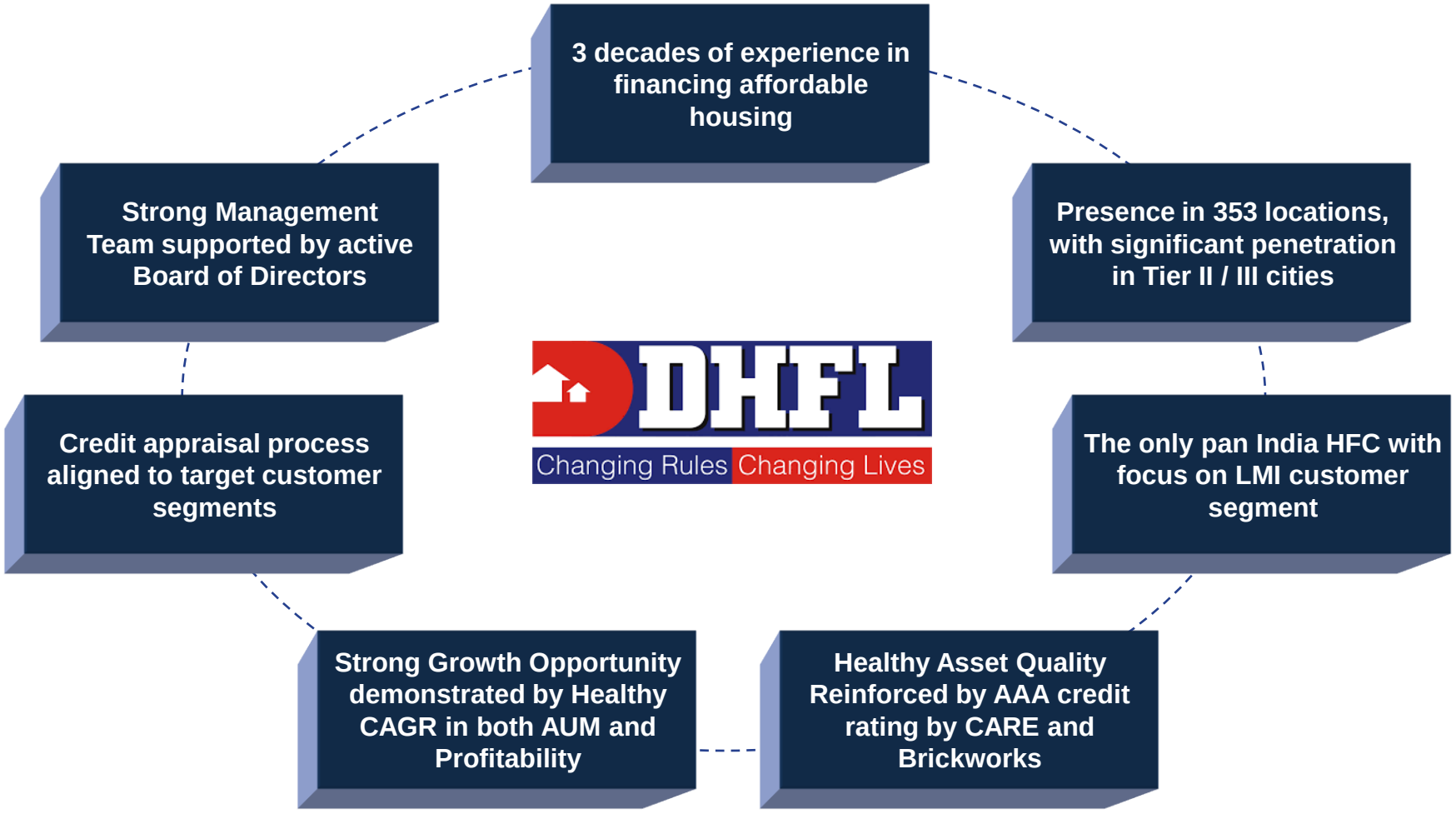
DHFL
Changing Rules Changing Lives

Section 1

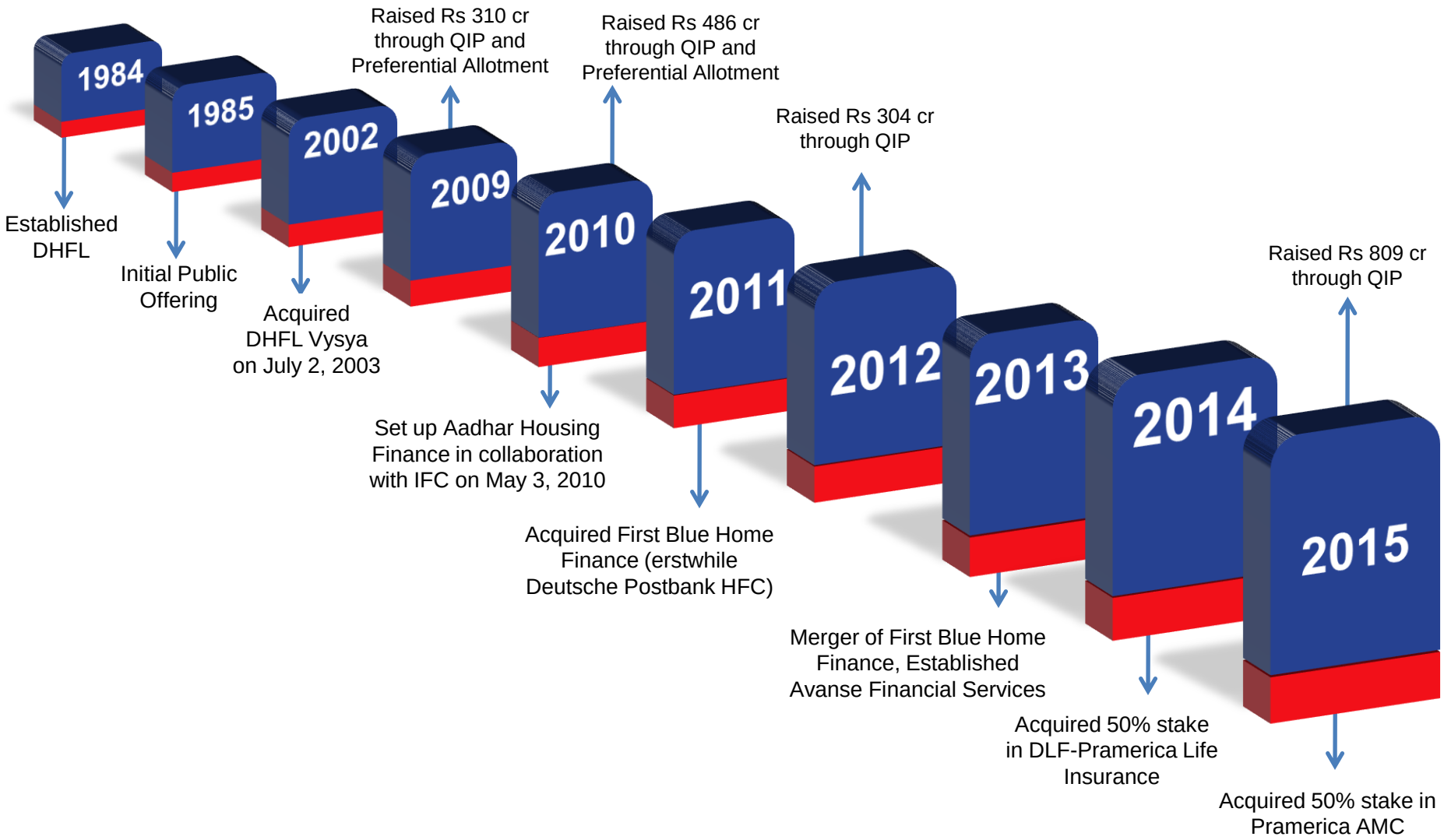
About the Company

DHFL
Changing Rules Changing Lives

Overview

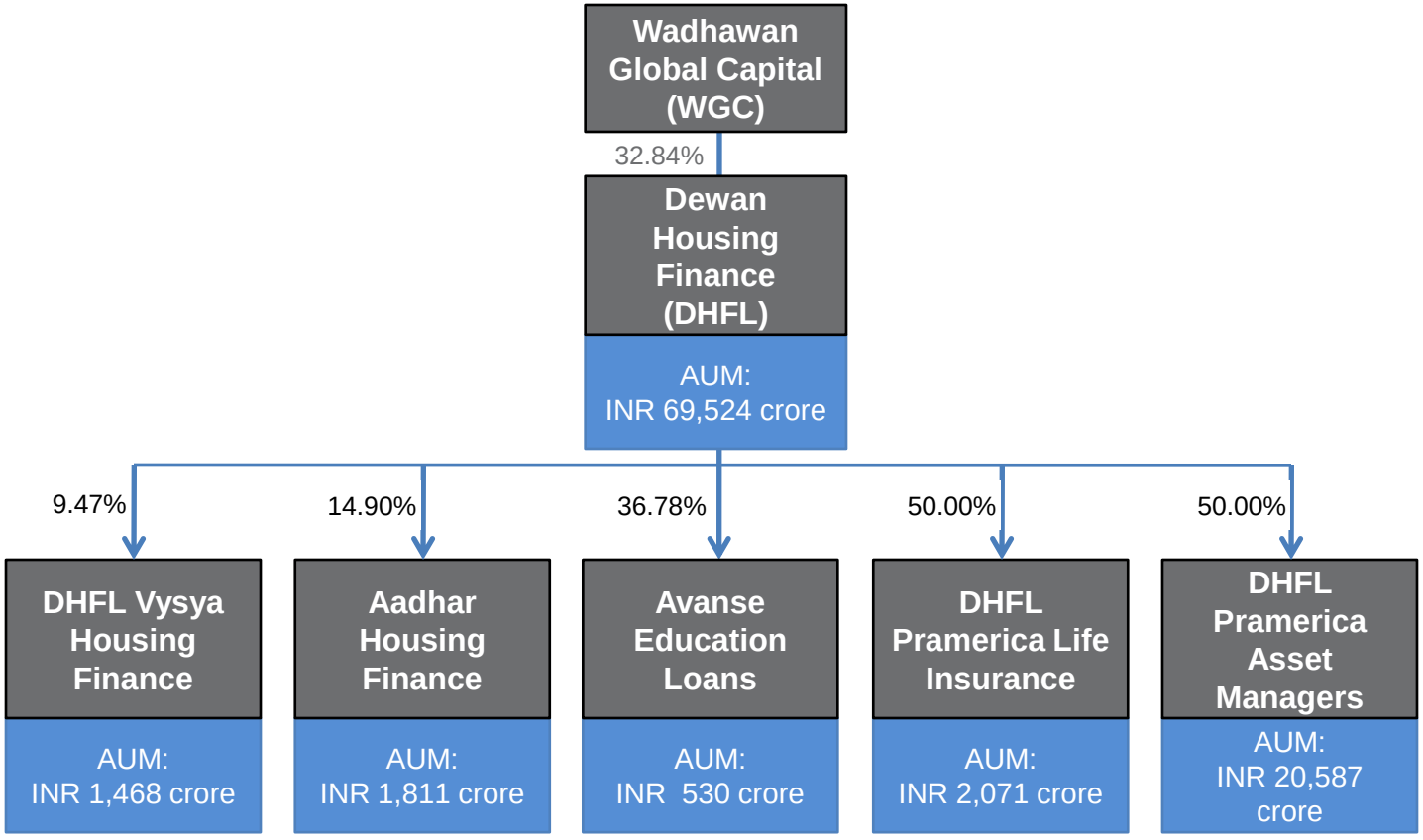

3 decades of experience in financing affordable housing
Strong Management Team supported by active Board of Directors
Presence in 353 locations, with significant penetration in Tier II / III cities
DHFL
Changing Rules Changing Lives
Credit appraisal process aligned to target customer segments
The only pan India HFC with focus on LMI customer segment
Strong Growth Opportunity demonstrated by Healthy CAGR in both AUM and Profitability
Healthy Asset Quality Reinforced by AAA credit rating by CARE and Brickworks

Key Milestones in the Group Journey



DHFL Changing Rules Changing Lives

DHFL Financial Services Group



Marquee equity investors

IFC, Pramerica, GIC, Lazard Asset Management, Morgan Stanley, Jupiter, GMO, Lord Abbett, Acacia Partners, HSBC, Neuberger Berman

Marquee debt investors

IFC, ADB, KDB, KfW, DEG, Mega International Commercial Bank, CTBC Bank, CHB Chang Hwa Bank, Taiwan Cooperative Bank

- **LMI Focused** Financial Services Group
- Group companies with **potential for significant value unlocking**
- Partners with Marquee organisations like **IFC, Prudential Financial Inc. (Pramerica),** etc.

AUM and shareholding as on 31 March 2016

DHFL Changing Rules Changing Lives

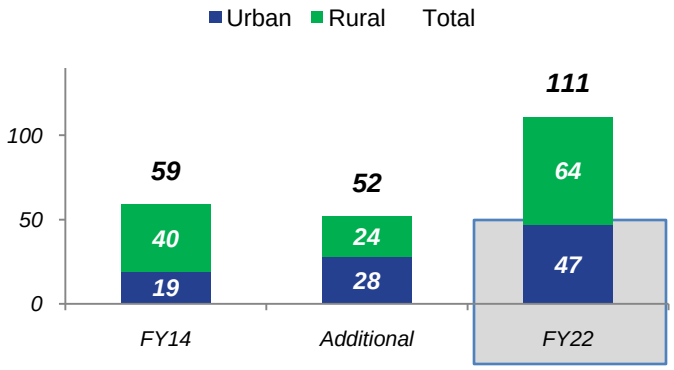
Section 2

Business Strategy

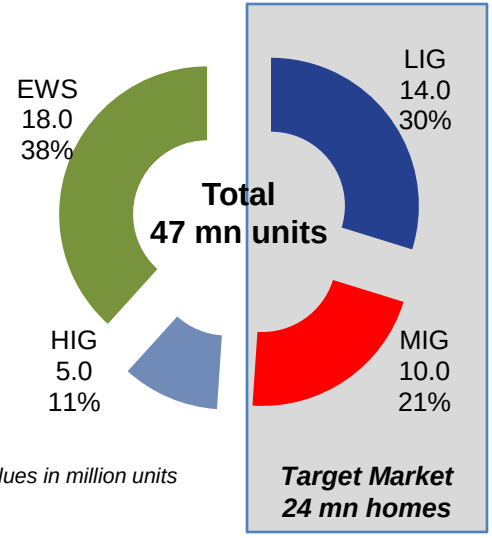
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Opportunity in the Affordable Housing Space

Housing units shortfall in India

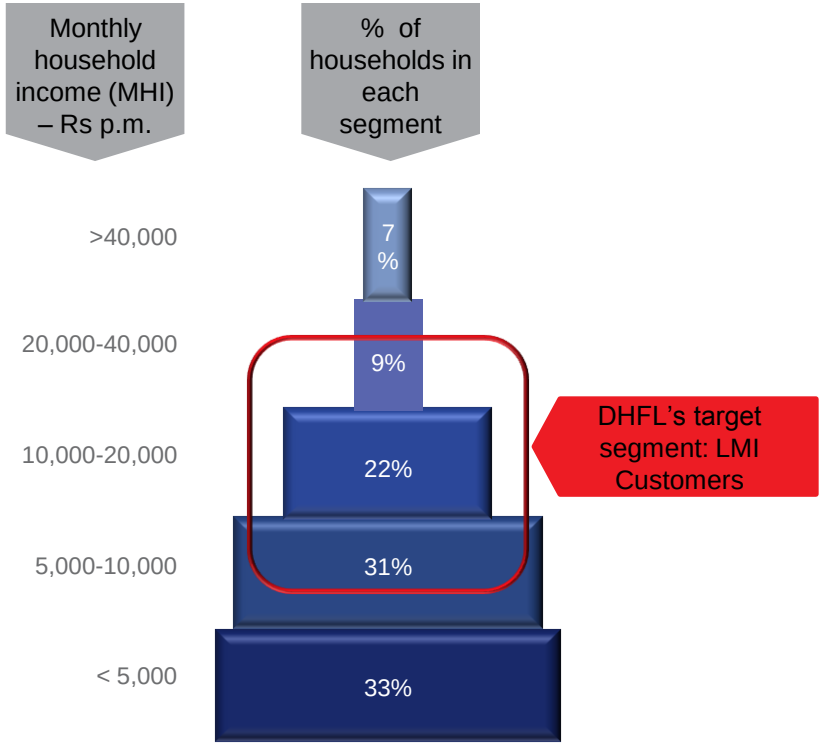


All values in million units



All values in million units

Customer segments in housing space



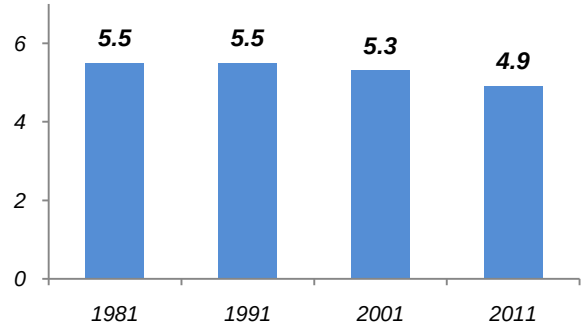
- Current investment in housing: **INR 7 lakh crore p.a.**
- Investment of INR 120 lakh crore required to address housing shortage **(~INR 15 lakh crore p.a.)**

Sources: Report of the technical urban group (TG-12) on urban housing shortage (2012-17),
Ministry of housing and urban poverty alleviation (Sep 2012) Funding the vision — Housing for all by 2022,
KPMG Housing Report, Monitor Deloitte Report
Income classification: EWS (<Rs 1 lakh pa), LIG (Rs 1-2 lakhs pa)

DHFL Changing Rules Changing Lives

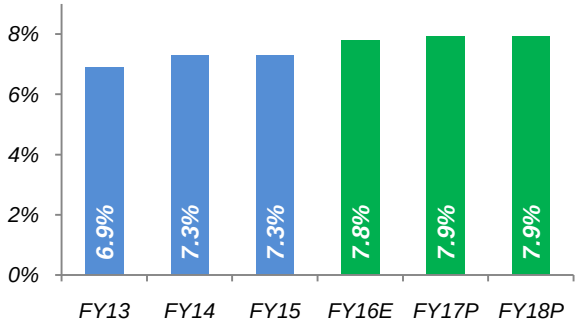
Housing Demand Growth Drivers

Average Household Size



Source: Census data, 2011

GDP Growth Rate (real)



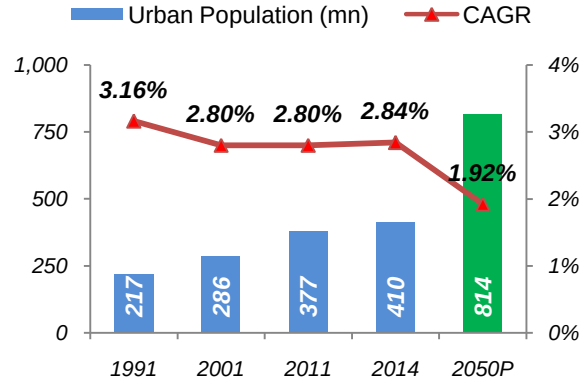
Source: World Bank

Increase in affordability driven by sustained GDP growth rate and stable property prices

Decrease in household size and emergence of nuclear families

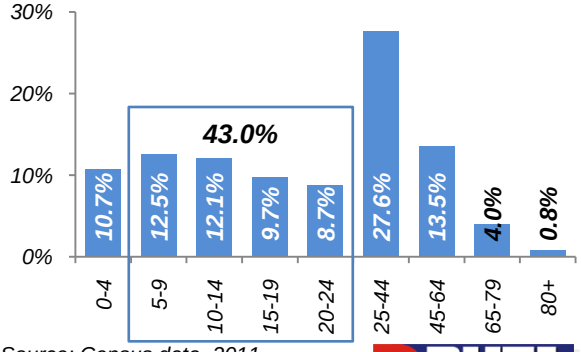
Increase in workforce to be driven by expected bulge in working age population

Increasing urbanization led by rural-urban migration and reclassification of rural towns



Source: Census data, 2011 and UN DESA, 2014

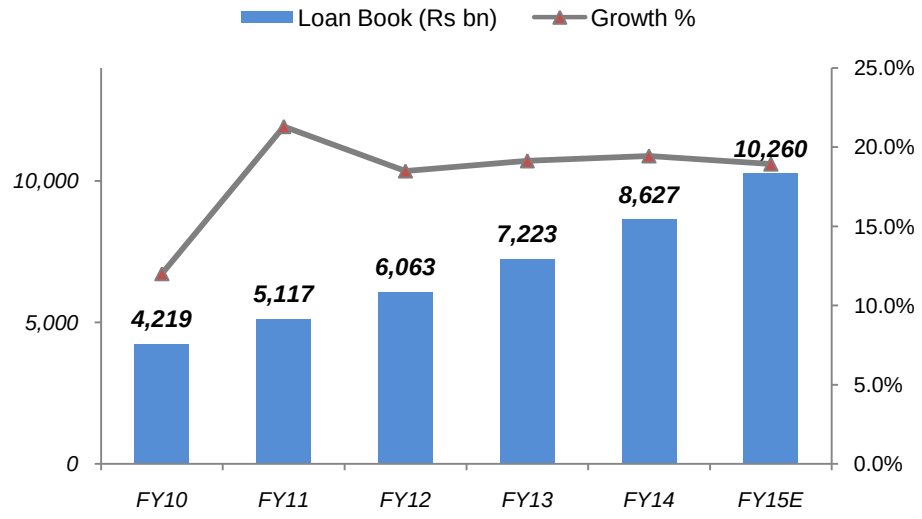
Age wise demographics



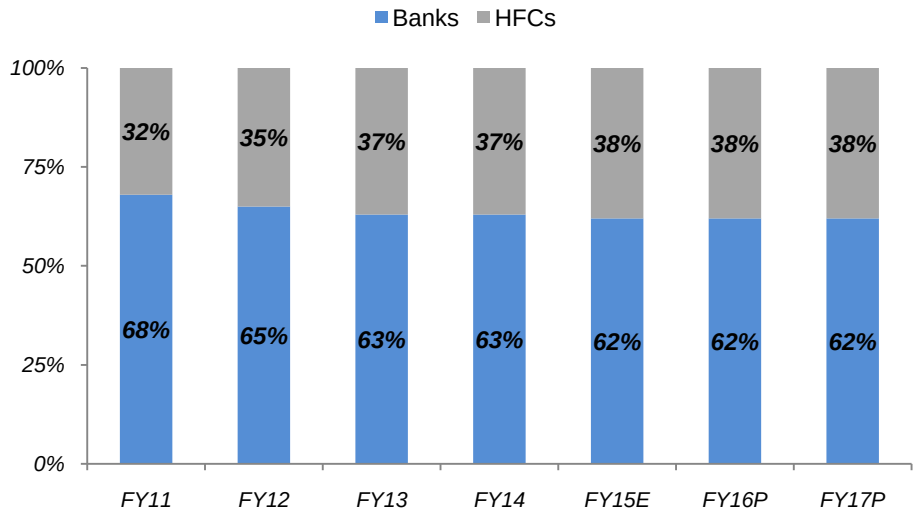
Source: Census data, 2011

Increasing Presence of HFCs

Growth of housing loans (Banks + HFCs)



Increasing share of HFCs



Key Trends in Housing Finance

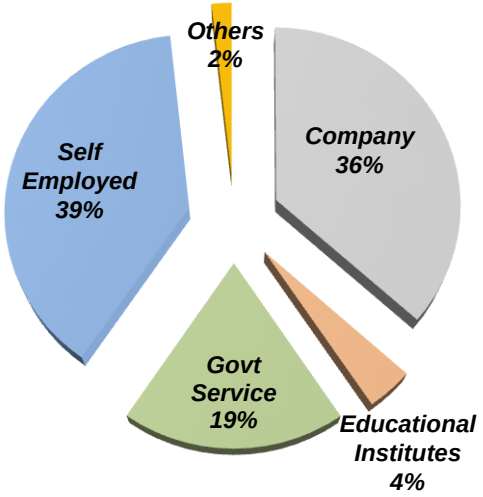
- HFCs have established strong presence in Tier II / III cities
  - More focussed on self employed customer segments
  - Credit appraisal process aligned to customer requirements
  - Superior customer servicing and effective recovery mechanisms
- HFCs expected to continue to witness rapid growth
  - Driven by demand for underlying assets, increasing financial penetration and steady property prices

Source: CRISIL NBFC Report, August 2015

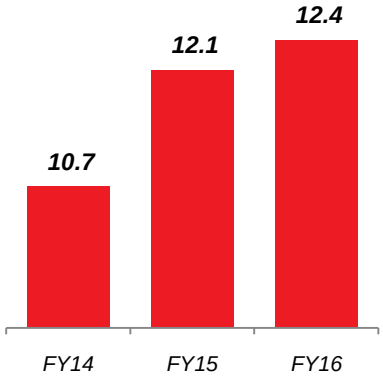
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DHFL – Market Leader in LMI segment

Focus on LMI segments



Customer Types



Average Ticket Size (Rs lakhs)

As on 31 March 2016

With customized product offerings

Housing loans

- Purchase of New House Property
- Purchase of Resale House Property
- Self Construction
- Extension & Improvement

Non-housing loans

- Loan Against Property
- Lease Rental Financing
- Purchase of Commercial Premises
- SME Loans

DHFL – Key Differentiators

- More than 3 decades of expertise in underwriting credit for LMI and self employed customers
- Tier II / III city focussed distribution network with a dual distribution strategy (in house + outsourced DSA)
- Carved niche in the MIG and LIG customer segment
- Maintained a healthy portfolio with low delinquency rates by following robust credit appraisal process

DHFL Changing Rules Changing Lives

Customer Profile



Profession: Teacher

Monthly HH income:~ INR25,000 pm

Family size: ~5 (Parents & 2 Siblings)

Stayed in a 1 room-kitchen



Profession: Farming and other allied

Monthly HH income:~ INR15,000 pm

Family size: ~4 (Husband & 2 Children)

Stayed in a rented 1 room-kitchen



Profession: Owner, super market

Monthly HH income:~ INR30,000 pm

Family size: ~5 (Wife & 3 Children)

Stayed in a rented 1 BHK

Every Indian should have a home of his own

DHFL Changing Rules Changing Lives

Business Enablers:
Pan India network with high Tier II / III city penetration

- Distribution footprint is primarily spread across Tier II / III cities and outside the municipal limits of the Metros
- Focus on increasing pan India presence and setting up branches in the untapped LMI markets
- Spread across 353 locations in India [1]



Note: Map not as per scale. The branch locations shown are for representative purposes only and doesn't reflect all branches of the company

As on 31 March, 2016

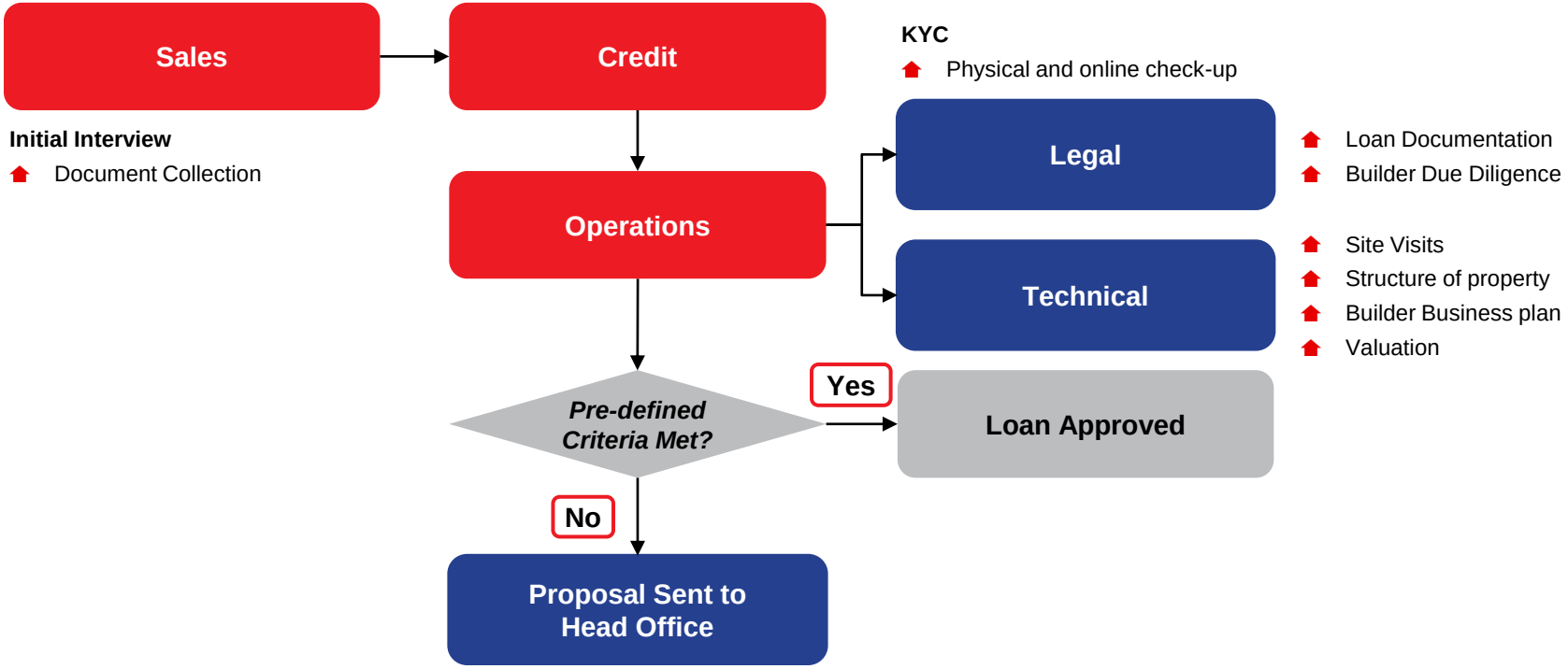
[1] Include two representative offices in London and Dubai

DHFL Changing Rules Changing Lives

Business Enablers:
Robust credit appraisal process

Leads generated from
- Own Branches
- Developers
- Brokers/DSA
- Banks
- Call centers

Key Documents
- Income Tax Return
- Salary Slip
- Form 16
- Bank Statement



- **Centralised processing centers** for greater efficiency and risk management
- **In-house legal and technical team** appraise applications and **In-house civil engineers team** conduct technical evaluation
- Bulk of collections done through **ECS and PDCs**

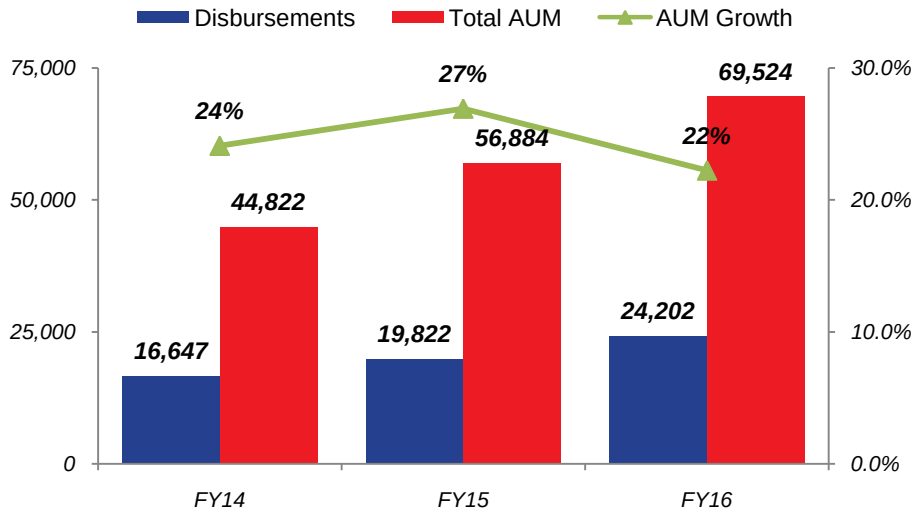
DHFL Changing Rules Changing Lives

Section 3

Business and Financial Performance – FY16

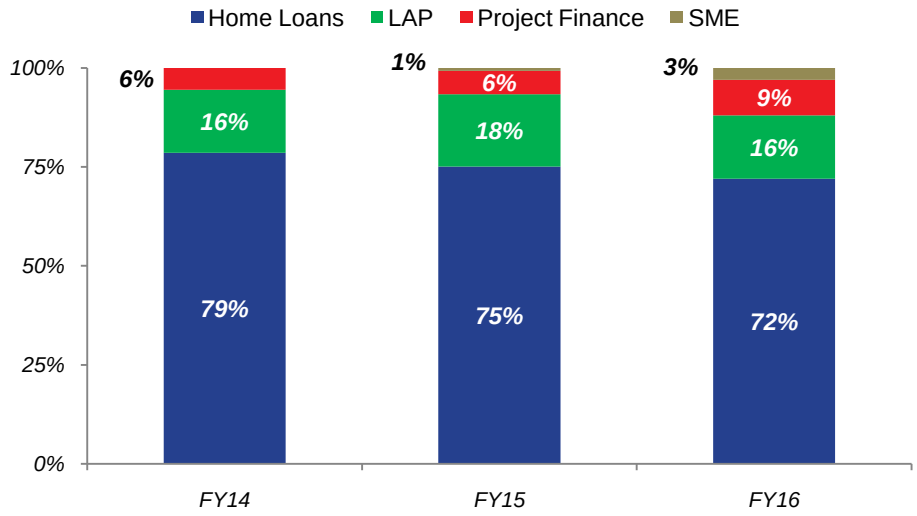
Strong Asset Growth with Diversified Product Mix

Strong loan book growth



All values in Rs crore

With a diversified product portfolio



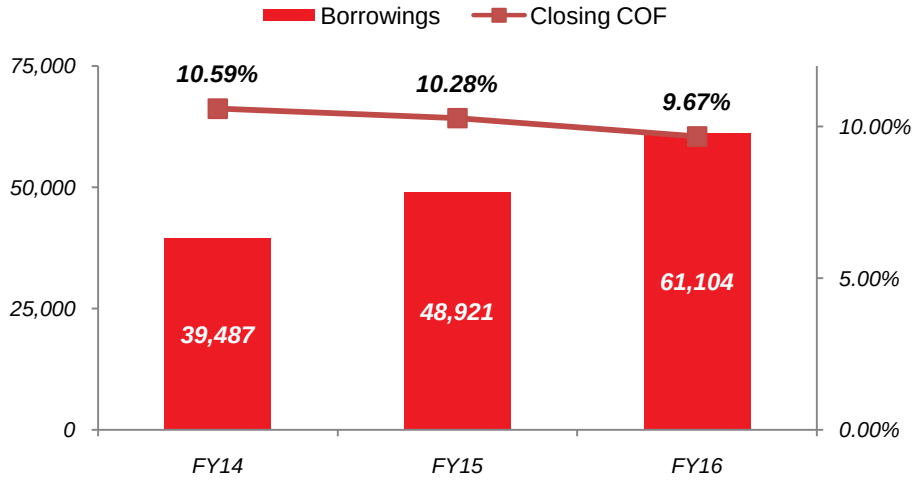
KEY HIGHLIGHTS

- Loan Sanctions of Rs 37,608 crore in FY16
- Disbursements and Total AUM increased at CAGR of 22% and 24% respectively in FY13-16
- Housing Loans comprise 4/5th of Total Loan Portfolio

DHFL Changing Rules Changing Lives

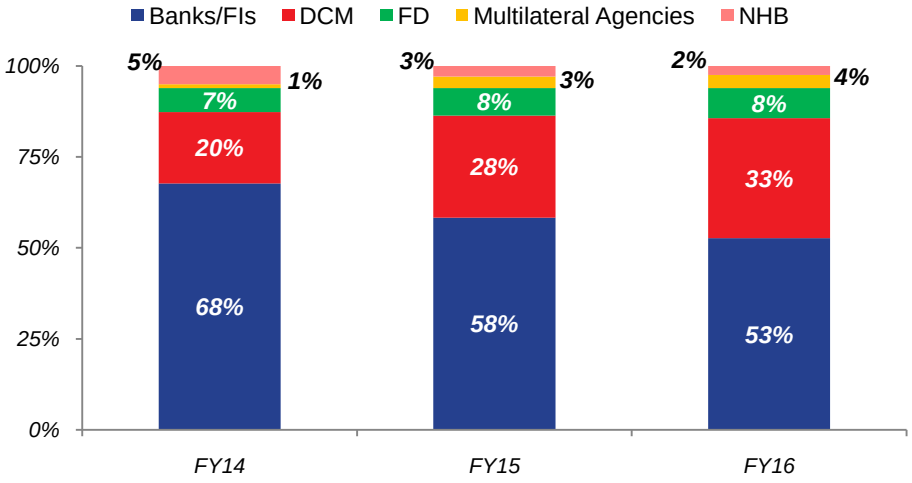
Decreasing Cost of Funding

Steady reduction in COF



All values in Rs crore

Driven by diversification in liability profile



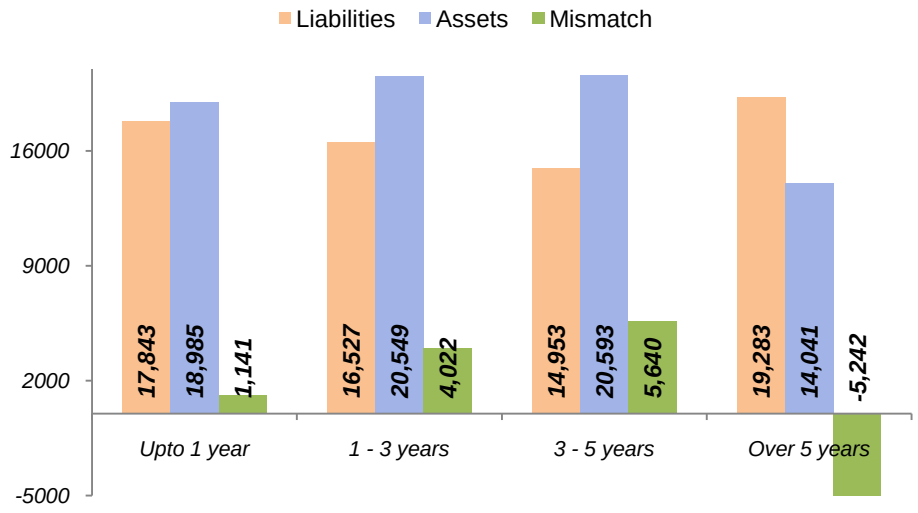
KEY HIGHLIGHTS

- Consortium of 37 banks with adequate limits to drive loan book growth without liquidity challenges
- Reduced cost of borrowings by increasing the share of Debt Capital Markets
- Highest rating of AAA by CARE and Brickworks for Secured, Long Term Debt and A1+ rating by CRISIL for Short Term Debt
- Increased focus on raising Public Deposits to raise sticky long term money from retail investors

DHFL Changing Rules Changing Lives

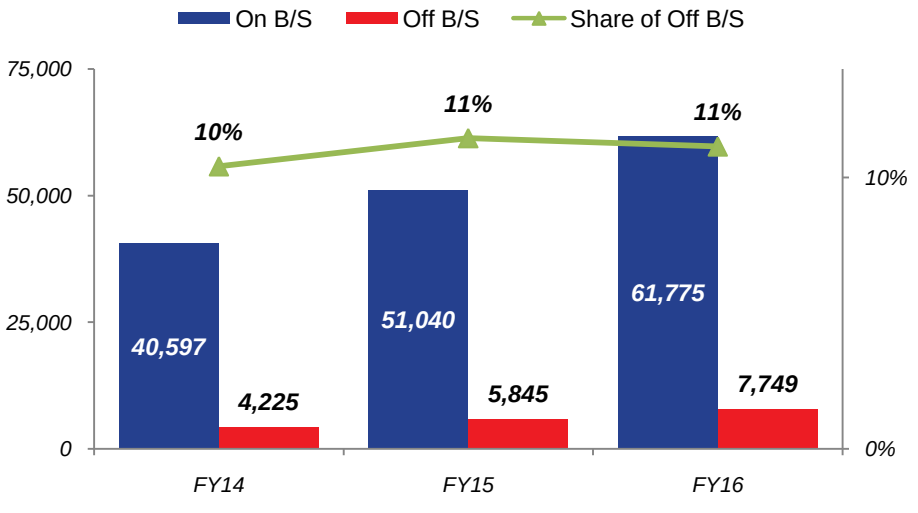
Superior Risk Management via Asset Liability Matching

No Asset Liability Mismatch



All values in Rs crore as on 31 March 2016

Stable Share of Off B-S Loan Book



All values in Rs crore

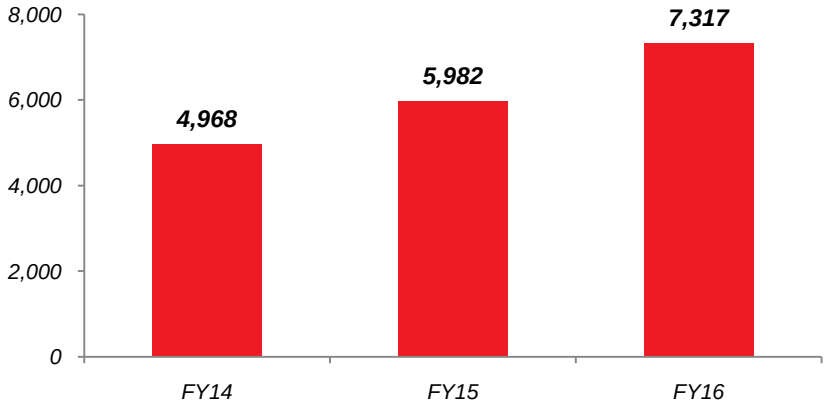
KEY HIGHLIGHTS

- No Asset Liability Mismatch in short term buckets
- Securitised Rs 4,001 crore in FY16 and maintained share of Off B/S Loan Assets at 11% of Total AUM
- Revised priority sector guidelines for affordable housing support DHFL strategy of increasing securitisation

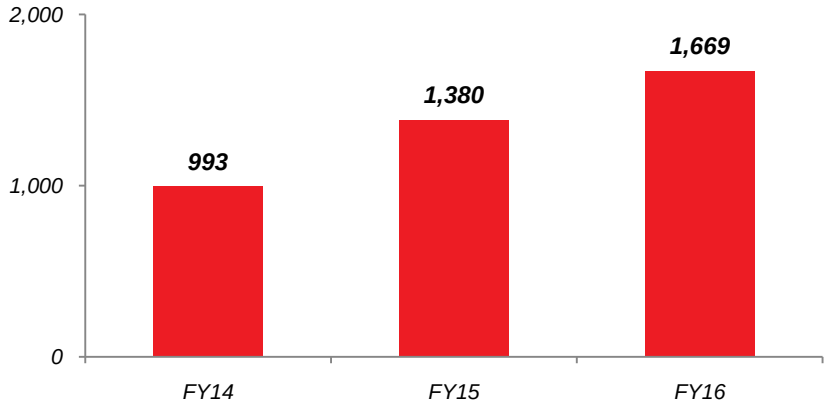
DHFL Changing Rules Changing Lives

Financial Statements (Summary)

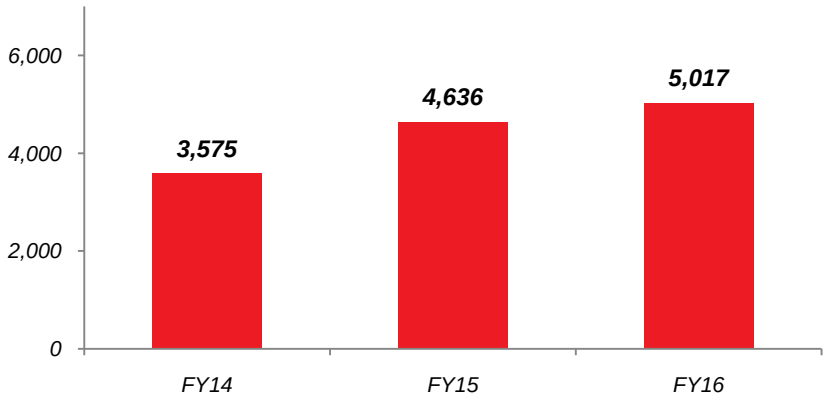
Total Income



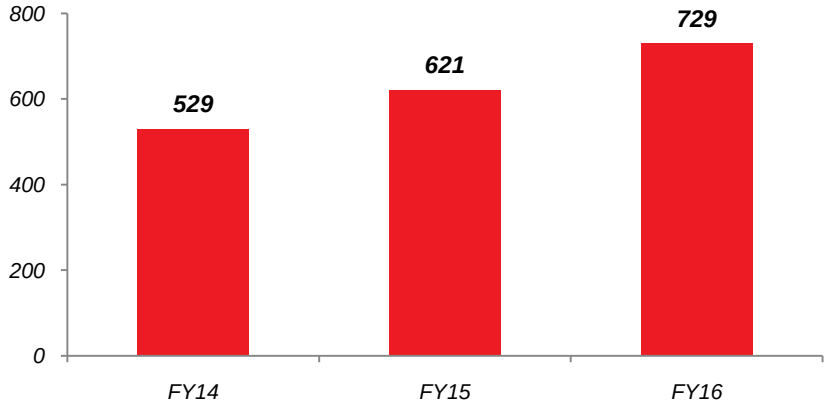
Net Interest Income (NII)



Net Worth



Profit After Tax

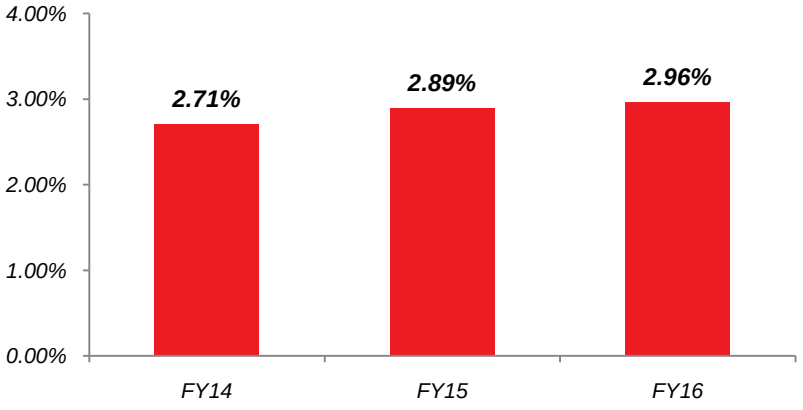


All values in Rs crore and based on DHFL Standalone Accounts

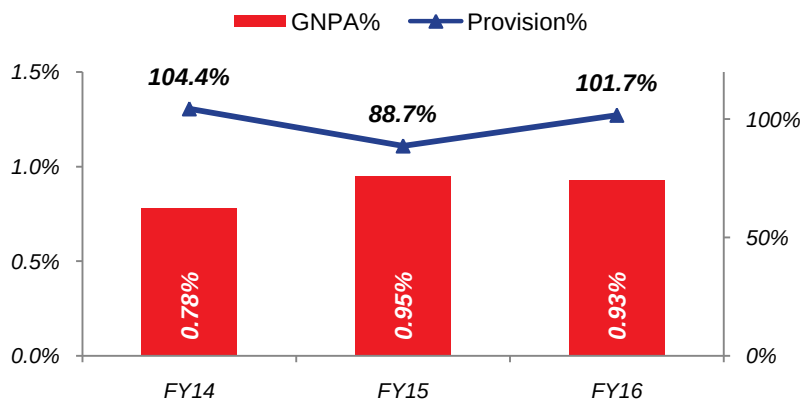
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Key Ratios

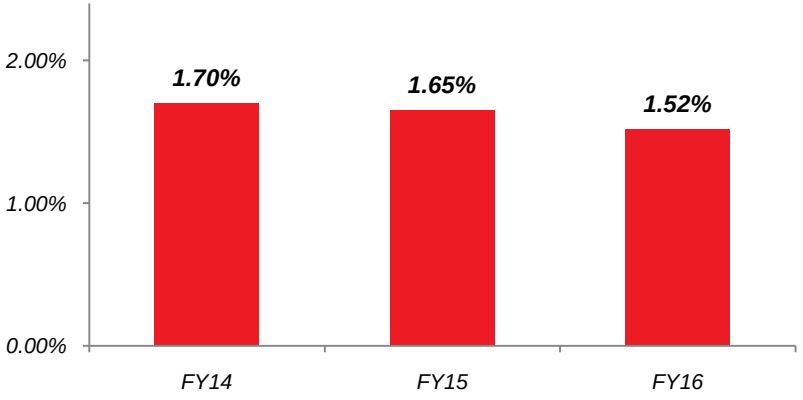
Net Interest Margin (NIM)



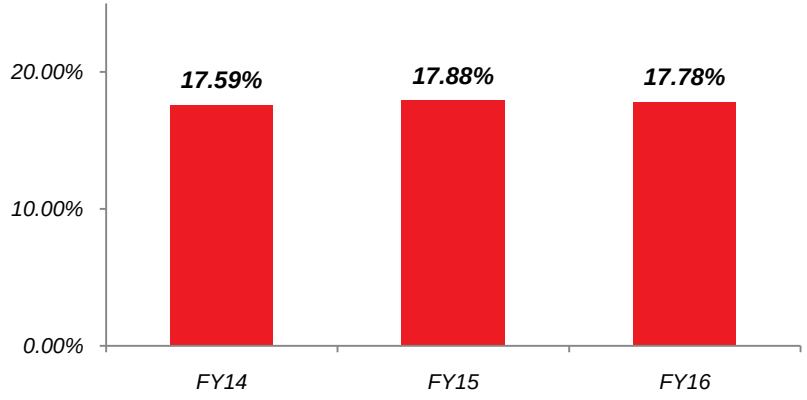
NPA & Provisions



Return on Assets (RoA)



Return on Equity (RoE)



All values based on DHFL Standalone Accounts

DHFL Changing Rules Changing Lives

Financial Performance – Financial Statements

	FY14	FY15	FY16	YoY Growth (FY16 v FY15)
INCOME STATEMENT				
Interest Income	4,775.8	5,839.4	7,159.3	23%
(-) Interest Expenses	3,782.6	4,459.6	5,490.0	23%
Net Interest Income (NII)	993.2	1,379.8	1,669.3	21%
(+) Non Interest Income	191.9	142.3	157.4	11%
(-) Operating Expenses	369.1	448.5	525.2	17%
(-) Depreciation	10.9	25.5	24.3	-5%
(-) Provisioning	70.0	105.0	175.0	67%
Profit Before Tax	735.1	943.0	1102.2	17%
(-) Taxes	206.1	321.7	373.0	16%
Profit After Tax	529.0	621.3	729.2	17%
BALANCE SHEET				
Net Worth	3,575.0	4,635.8	5,017.0	
Borrowings	39,486.9	48,920.7	61,103.7	

All values in Rs crore and based on DHFL Standalone Accounts

DHFL Changing Rules Changing Lives

Financial Performance – Key Ratios

	FY14	FY15	FY16
Net Interest Income (NIM)	2.71%	2.89%	2.96%
Cost/Income Ratio	25.99%	27.32%	26.82%
Gross NPA %	0.78%	0.95%	0.93%
Provision Coverage Ratio (PCR)	104.36%	88.68%	101.74%
Total CRAR	17.16%	16.56%	17.03%
Tier 1 CRAR	11.94%	12.53%	13.26%
Net Debt/Equity Ratio	10.42	10.14	11.23
Return on Assets (RoA)	1.70%	1.65%	1.52%
Return on Equity (RoE)	17.59%	17.88%	17.78%
Earnings per share (Rs/share)	41.23 [2]	23.88	25.0
Dividend per share (Rs/share)	8.0 [1]	6.0	8.0 [3]
Dividend payout %	19.4% [1]	12.5%	32.0%

Note:
All values based on DHFL Standalone Accounts
[1] Includes Special 30th Anniversary Celebration Dividend @ Rs 3 per share
[2] FY14 EPS not comparable with later periods (FY15 onwards) as the same is calculated without adjusting for Bonus issue of 1:1 done in FY16
[3] Interim dividend of Rs 6/share paid during the year. Board has recommended final dividend of Rs 2/share

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Section 4

Management Team and Shareholding

Strong Management Team

DHFL has a highly experienced and cohesive management team, with average 20+ years experience in relevant industries

EXECUTIVE LEADERSHIP



Mr. Kapil Wadhawan

Chairman and Managing DIrector



Mr. Harshil Mehta

CEO, DHFL

BUSINESS HEADS



Mr. Pravin Bansal

President Project Finance
30 years + experience



Mr. Pavan Gupta

Business Head – Housing Finance
15 years + experience



Mr. Rishi Anand

Business Head – Housing Loan
16 years + experience



Mr. Amit Gainda

President – SME and Mortgage Loan
17 years + experience

SHARED SERVICES



Mr. Santosh Sharma

Chief Financial Officer



Mr. Vikas Arora

Head – Collections and Recovery



Mr. Pradeep Sawant

Head - Legal



Mr. Satinder Gupta

Chief Risk Officer



Mr. Jayesh Shah

Head – Information Technology



Mr. C D Ramesh

Head – Human Resources



Mr. Anmol Gupta

Head – Corporate Planning

DHFL
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Vastly Experienced Board of Directors



Kapil Wadhawan, CMD

- MBA from Edith Cowan University, Australia
- MD in 2000 and CMD in 2009
- Instrumental in driving the Group from AUM of ₹ 5.8bn to ₹ 500bn over 6 years



Dheeraj Wadhawan, Non Executive Director

- Graduated in Construction Mgmt from Univ. of London
- Over 12 years of experience in housing development



G.P. Kohli, Independent Director

- Former MD, LIC
- Vast experience in insurance, housing, HRD, IT



M. Venugopal, Independent Director

- Former CMD, Bank of India
- Former MD & CEO, Federal Bank
- Vast experience in banking



V.K. Chopra, Independent Director

- Former CMD, Corporation Bank & SIDBI
- Former Executive Director, Oriental Bank of Commerce
- Former Whole Time Member, SEBI
- Vast experience in banking



Vijaya Sampath, Independent Director

- Senior Partner of law firm, Lakshmikumaran & Sridharan
- Ombudsperson for Bharti Group
- Over 30 yrs of Corporate and Legal experience



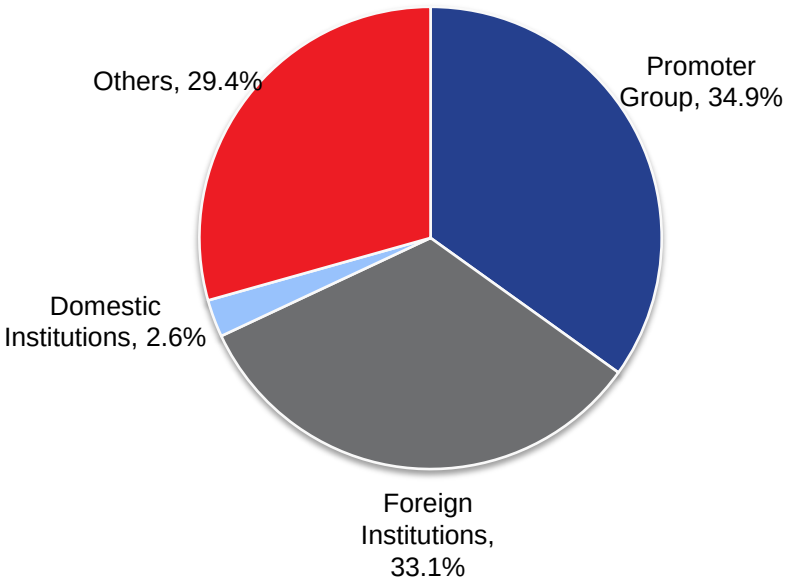
Dr. Rajiv Kumar, Additional (Independent) Director

- Senior fellow at Centre for Policy Research (CPR)
- Former Secretary General of FICCI
- Former Director & Chief Executive of ICRIER
- Former Chief Economist of CII

DHFL
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Shareholding

Shareholding Overview



Key Shareholders

SN	Name of Investor	% Holding
1	Rakesh Jhunjhunwala	3.43%
2	Acacia Partners [1]	3.29%
3	Lazard [1]	1.91%
4	Neuberger Berman [1]	1.87%
5	Government Of Singapore [1]	1.72%
6	Jupiter Asset Management [1]	1.68%
7	Morgan Stanley Investment Mgmt [1]	1.53%
8	Treasurer Of The State of North Carolina [1]	1.38%
9	Kotak Asset Management [1]	1.31%
10	HSBC Global Asset Management [1]	1.22%

As on 31 March, 2016

[1] Held through multiple funds/schemes

DHFL Changing Rules Changing Lives

Awards & Recognition

FY16	Mr. Kapil Wadhawan among the Top 100 CEO's in the Business Today Listing
FY16	India's Most Trusted Brand 2015 in the Housing Finance Category by IBC
FY16	Wins the Golden Peacock Innovative Product and Service Award 2016 for its innovative "Wealth2Health Fixed Deposit" product
FY16	"Bahana Campaign" the most creative Ad on TV in the Banking, Financial Services and Insurance Sector by INDY's presented by 94.3 My FM and Start Group endorsed by CMO Asia.
FY16	Amongst the Top 50 Dream Companies to work for organised by Times Ascent & World HRD Congress
FY16	Best Housing Finance Company by BFSI awards presented by ABP News and World HRD Congress and endorsed by Star Group
FY16	Best Corporate Brand 2015 by Economic Times
FY15	Mr. Kapil Wadhawan among the Top 100 CEO's in the Business Today Listing
FY14	Best Employer Brand Awards at IPE BFSI Awards
FY13	The Greatest Corporate Leaders of India – Leadership Awards in Financial Services by India's Greatest
FY12	Amongst India's 50 Biggest Financial Companies in India by Business World
FY11	DHFL is recognised as a Power Brand amongst the top 200 brands in India by M/S Planman Marcom
FY11	Second Asia's Best Employer Brand Award for Excellence in HR through Technology
FY10	India's Top 100 Best Companies to Work For: Great Place To Work Institute, India in Association with Economic Times

Annexure

DHFL Group Associates

Group Management Centre

Kapil Wadhawan (Chairman & Managing Director)

Group Management Center

- **Provides strategic direction and enhances synergistic value across the group**
- **Professionals with relevant expertise in respective fields and reputation for good governance**



G Ravishankar

- About 25 years of experience with Jet Airways, Geometric, GE Capital
- Former acting CEO and CFO at Jet Airways

Srinath Sridharan

- Over 18 yrs of experience in Strategy Management across Automobile, E- Commerce, Advertising, Consumer, Realty and Financial services industries





K Srinivas

- ~30 years experience in various entities including 14 years experience at Bajaj Auto Ltd
- Former Mgmt Committee member at Bajaj Auto, Former Head of HR, Retail Finance

M Suresh

- About 30 years of experience in sales & distribution with TATA AIA Life, HDFC Life, ITC
- Former MD and CEO at TATA AIA



DHFL Changing Rules Changing Lives

Entities Engaged in the LMI & the Underserved customer segments

DHFL Vysya Housing Finance

Engaged in the LMI Strata

- The Average Ticket size stood at Rs 9 lakhs as on FY16
- Has operations majorly in South India, viz., Karnataka, Andhra Pradesh, Telangana, Tamil Nadu & Kerala as well as in Maharashtra and Uttar Pradesh
- Presence in 33 locations
- As on FY16, the Company made home loan disbursements of Rs 442 crore

Aadhar Housing Finance

Serves the most Underserved segment

- Maximum ticket size capped at Rs 15 lakhs
- Generates business through 13 low income states in India viz; UP, MP, Bihar, Chhattisgarh, Jharkhand, West Bengal, Orissa, Gujarat and Rajasthan, Mahrashtra, Uttarakhand, Punjab and Haryana
- Presence in 101 locations
- IFC has 20% equity stake in the company

Avanse Financial Services Limited

Enabling education, Empowering youth

- Forayed into Education loans business in 2013

- IFC holds 20% stake in the Company



- Business Coverage across 8 major educational markets of the country – includes Mumbai, Delhi & Pune being exclusive Avanse branches, with additional coverage through 180 DHFL Centres

Highlights of FY16

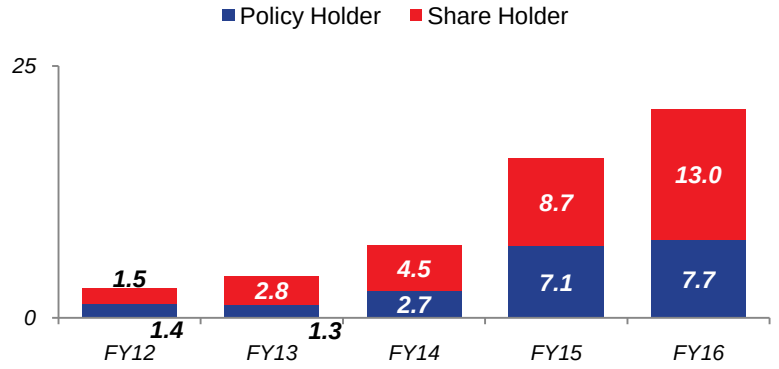
- Outstanding Portfolio – Rs 530 crore
- Loans Sanctioned – Rs 636 crore
- Loans disbursed – Rs 343 crore
- Average Ticket size – Rs 14.5 lakhs
- Product Mix:
  - Domestic : Rs 92 crore
  - Abroad : Rs 360 crore
  - Project Finance: Rs 78 crore
- Total Income – Rs 58.28 crore

DHFL Pramerica Life Insurance (JV with Prudential Financial)

DHFL Pramerica LIFE INSURANCE

- 74:26 joint venture between DHFL Ltd. (DHFL) and its Promoters and Prudential Financial Inc (PFI) [1] catering to the Life Insurance segment
- DHFL invested Re 1 in the venture and in the first quarter of operations, i.e. Q4FY14, DHFL Pramerica Life Insurance achieved the break even level
- ~5,000 part-time + full time agents as on 31 Mar 2016

Assets Under Management



All values in Rs bn as on Financial year closing

Net Profit



All values in Rs crore

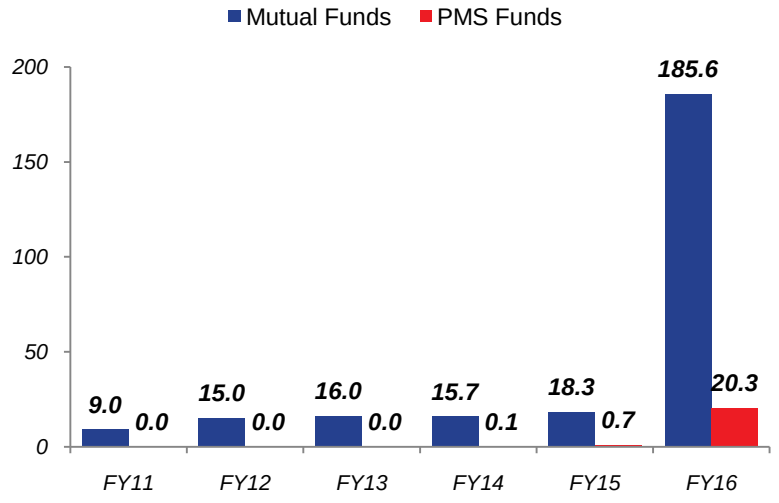
[1] Pramerica is the brand name used by Prudential Financial, Inc. ("PFI") of the United States and its affiliates in select countries outside of the United States. Neither PFI nor any of the named Pramerica entities are affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.

DHFL Pramerica Asset Managers (JV with Prudential Financial)

DHFL Pramerica MUTUAL FUND

- 50:50 joint venture between DHFL Ltd. (DHFL) Prudential Financial Inc , USA (PFI)[1] catering to the Mutual Fund & Portfolio Management Segment w.e.f. August 11, 2015
- Completed acquisition of Deutsche Mutual Fund on March 04, 2016
- Launched mutual fund business in 2010 and Portfolio Management Service in 2013
- Headquartered in Mumbai, presence in 19 cities
- Primary Distributor Focus – IFAs and National Distributors
- 103,911 active folios and 4,349 empanelled distributors as on 31 Mar, 2016
- Trained over 2,600 Individual Distributor across 25 Cities
- Created Differentiated Asset Allocation Solutions

Assets Under Management



All values in Rs bn as on Financial year closing
PMS includes Discretionary & Advisory AUM

[1] Pramerica is the brand name used by Prudential Financial, Inc. ("PFI") of the United States and its affiliates in select countries outside of the United States. Neither PFI nor any of the named Pramerica entities are affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.

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