



**Corporate Office :** TCG Financial Center,  
10th Floor, BKC Road, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400098.  
T: (022) 66006999  
F: (022) 66006998

DHFL/CSD/2018-19/1316

Date: 25<sup>th</sup> January, 2019

The Manager Listing Department The BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001.	The Manager Listing Department National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai- 400 051.
Fax No. 2272 2082 / 3132	Fax No. 26598237 / 38
Kind Attn. DCS -CRD	Kind Attn. Head - Listing
<b>Stock Code : 511072</b>	<b>Stock Code : DHFL</b>

Dear Sir/Madam,

**Sub: Schedule of Investors' call with the institutional investors /analysts of the Company**

**Ref: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In continuation to our intimation dated 9<sup>th</sup> January, 2019, we wish to inform you that an investors' call with the institutional investors/ analysts of the Company is scheduled to be held on Friday, 25<sup>th</sup> January, 2019 at 4:30 p.m. (16:30 Hrs) IST.

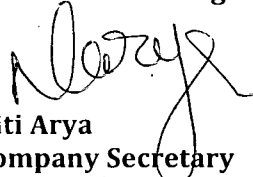
The subject call will be to discuss the Company's performance for the third quarter / nine months ended 31<sup>st</sup> December, 2018, as per the un-audited financial results approved by the Board of Directors of the Company at its meeting held on Friday, 25<sup>th</sup> January, 2019.

Copy of investor's presentation for the said call is attached herewith and is being uploaded on the Company's website under 'Investors Section'.

Request you to kindly take note of the same.

Thanking you,

Yours sincerely,  
for **Dewan Housing Finance Corporation Limited**

  
**Niti Arya**  
**Company Secretary**  
**FCS No- 5586**  
Encl.: as above



# Turning dreams into reality



January 2019

“

I want  
every Indian  
to own a home  
of his own

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

”



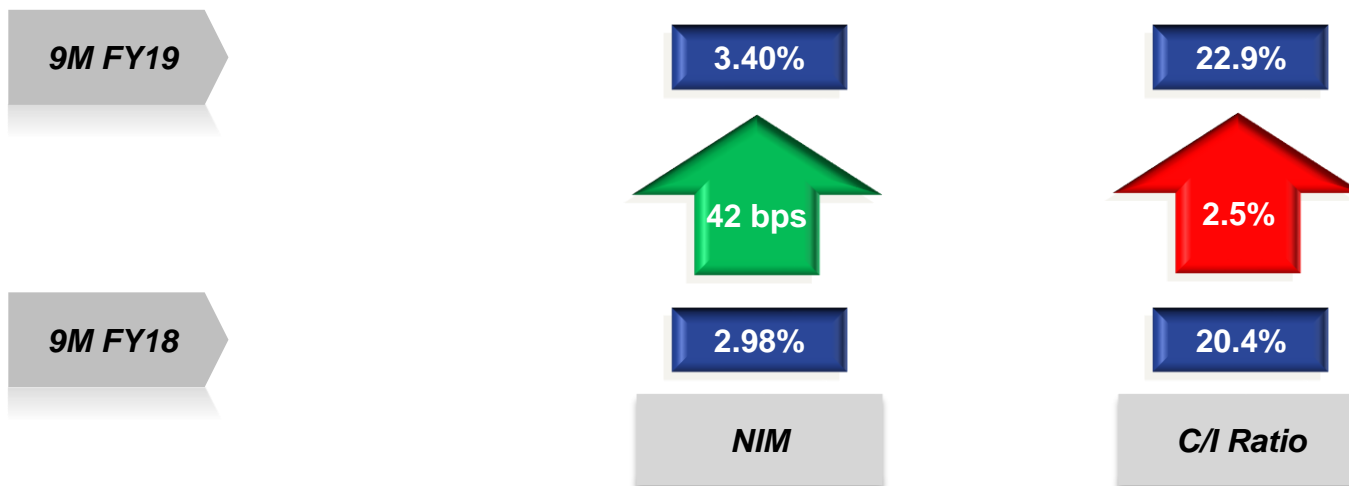
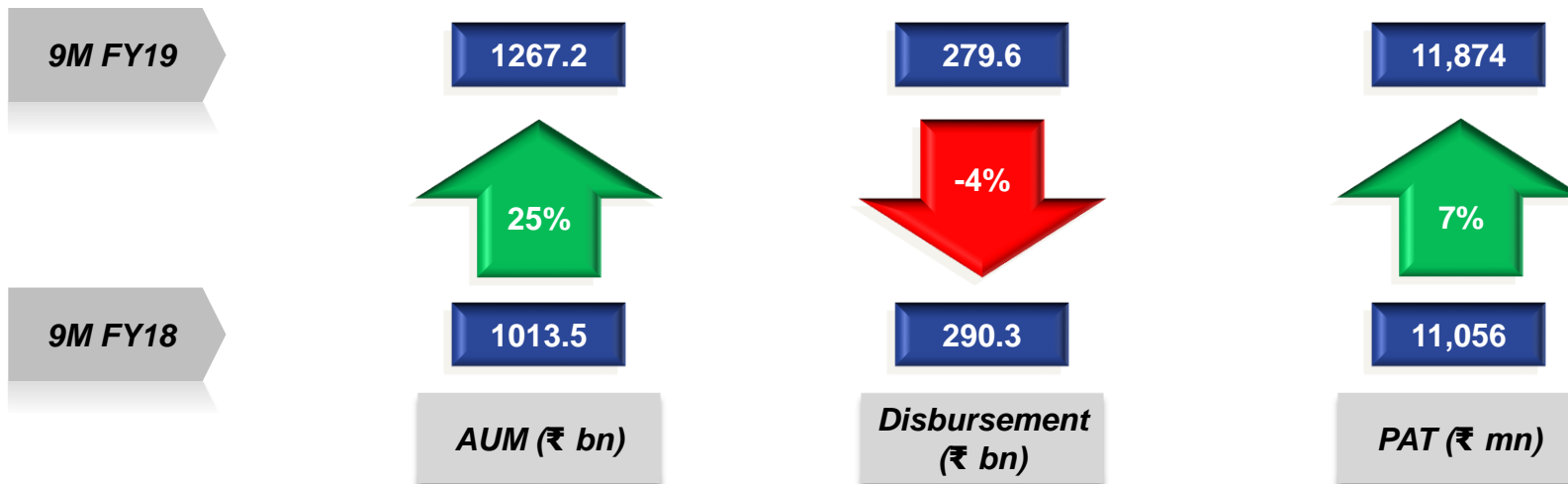
***Our vision is to transform the lives of Indian households  
by enabling access to home ownership.***

# Section 1

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## Earnings Update & Liquidity Management

# Financial Performance – 9M FY19



# Liquidity Management

## Liability Outflows

- DHFL has successfully repaid ₹ 178.76 bn of liabilities from 24 Sep to 31 Dec, 2018
- This includes ₹ 99.65 bn of Commercial Paper (CP) repayments and ₹ 59.63 bn of Bank, ECB and NCD repayment

(₹ bn)

	24 Sep - 31 Dec '18
<b>LIABILITY OUTFLOWS</b>	
Commercial Paper (CP) ^	99.65
Term Loans / ECB / NHB	43.06
NCD	16.57
Fixed Deposits (FD) *	19.48
<b>Total</b>	<b>178.76</b>

*Includes interest payment for the instruments*

*^ CP amount assumed at face value irrespective of prepayment*

*\* FD includes premature redemptions*

# Liquidity Management

## Fresh Funding Mobilised

- Sell down of Retail Loans (including Home Loans, LAP and SME Loans) – Sold net pool of ₹ 118.73 bn in less than 100 days to various banks and financial institutions
- Demonstrated the granular nature of loan portfolio and strength of DHFL Retail Finance franchise

(₹ bn)

	24 Sep - 31 Dec '18
<b>FRESH FUNDING MOBILISED</b>	
Portfolio Sell down*	118.73
NCD	27.50
Commercial Paper (CP)	5.75
Bank Borrowings	5.00
Fixed Deposits (FD)	5.92
<b>Total</b>	<b>162.90</b>

\* Indicates net amount received

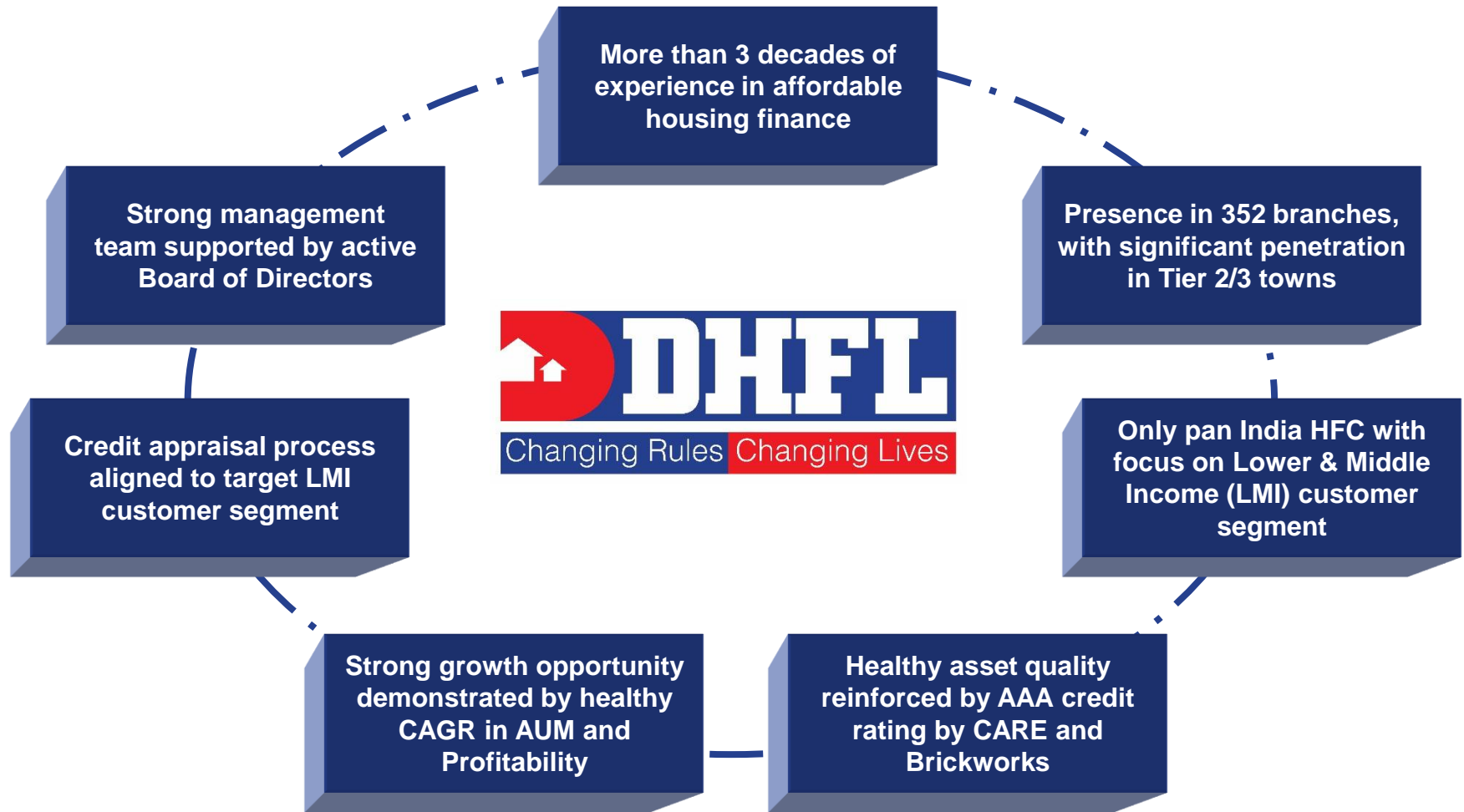
# Section 2

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About the Company

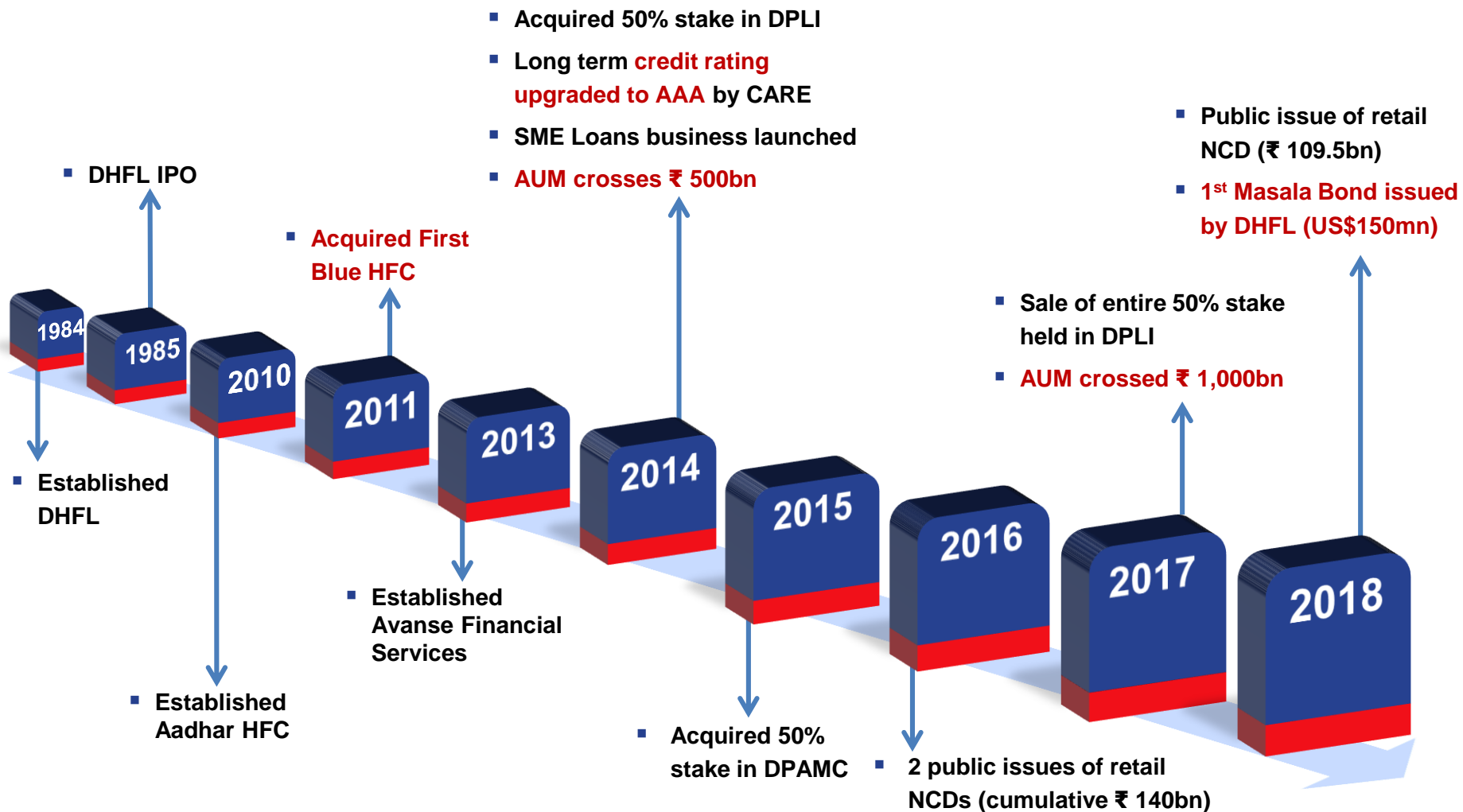


# Overview

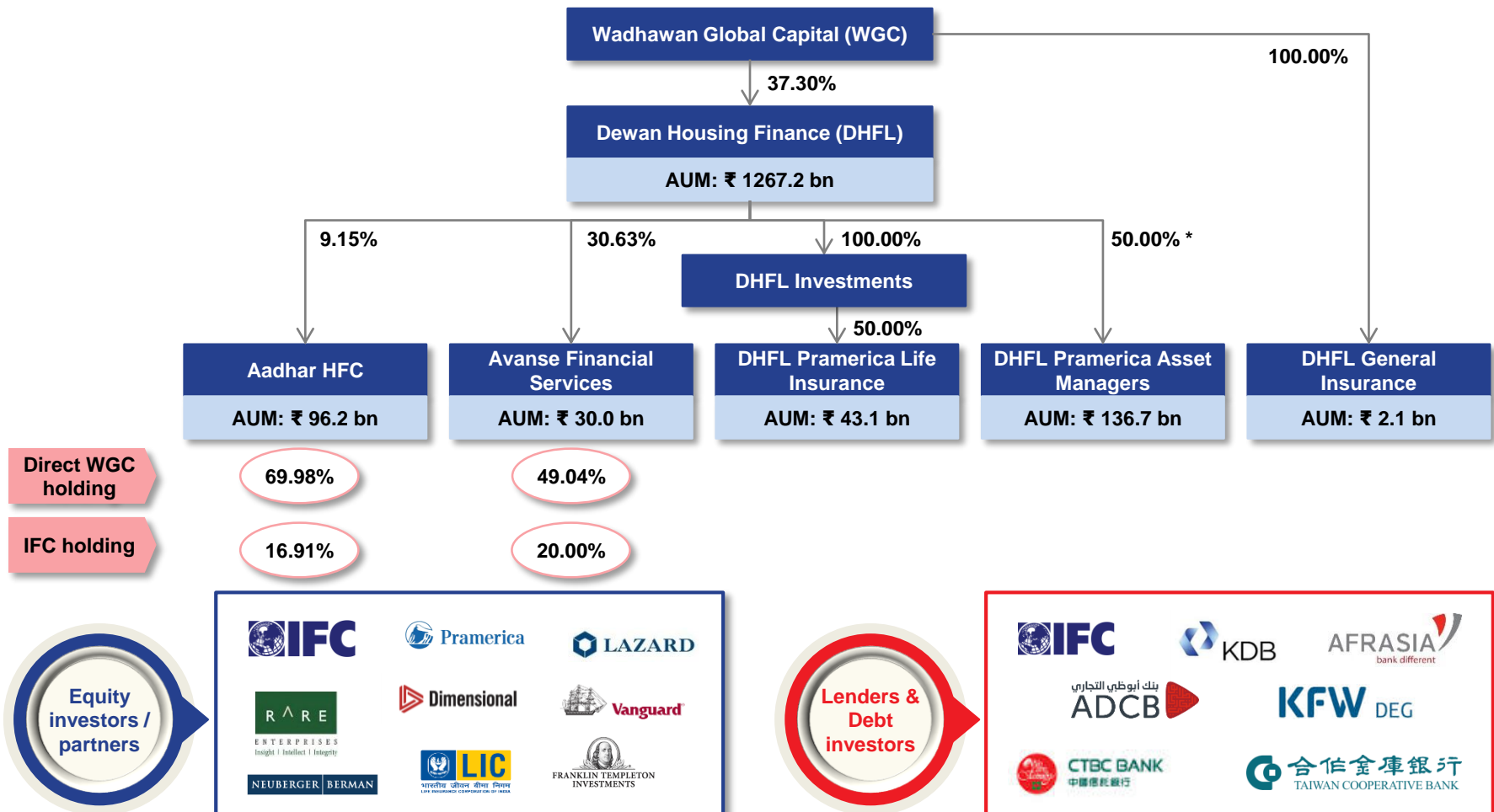


# Key Milestones

Established in 1984, DHFL has evolved into one of the leading player in the affordable housing finance space



# DHFL Financial Services Group



- **LMI focused** financial services group
- Group companies with **potential for significant value unlocking**
- Partners with marquee organisations like **IFC, Prudential Financial Inc. (Pramerica)**

# Section 3

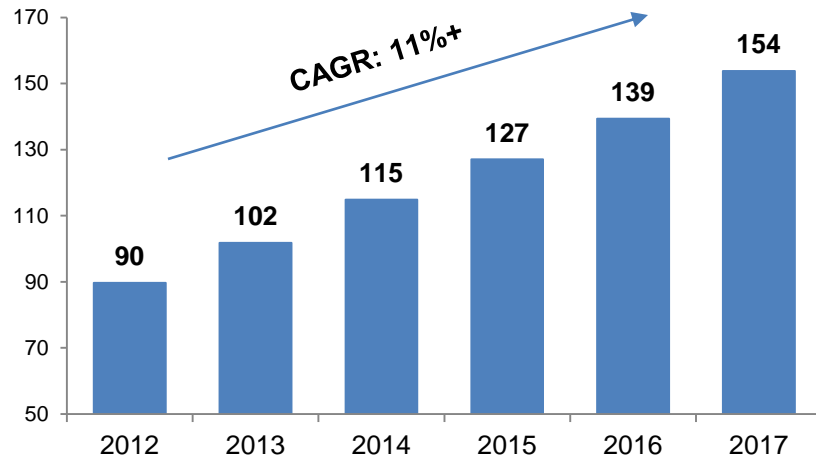
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## Housing Finance Market Opportunity

# Housing Demand Growth Drivers

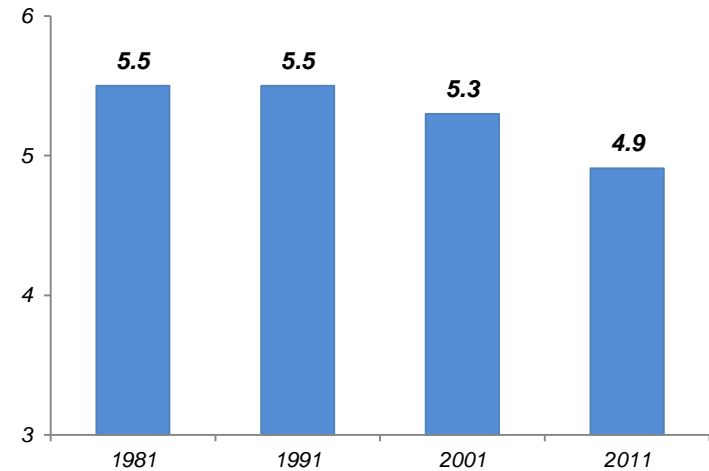
↑ Increasing disposable income and rising emergence of nuclear families creating a perfect mix for housing demand

India Gross National Disposable Income (INR trillion)



Source: RBI, Handbook of Statistics on Indian Economy, 2017

Average Household Size



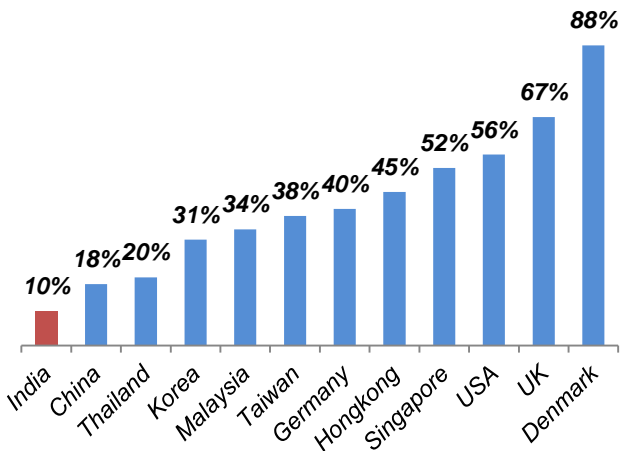
Source: Census data, 2011

# Housing Demand Growth Drivers

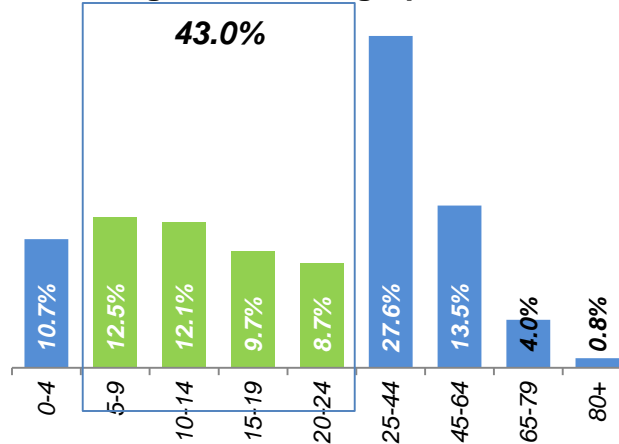
▲ Significant under penetration of mortgages in India (10%) vis a vis other countries - implies a favourable industry growth environment

▲ Almost 2/3rd of the population below 35 years implying a significant portion of promising home purchasing consumers

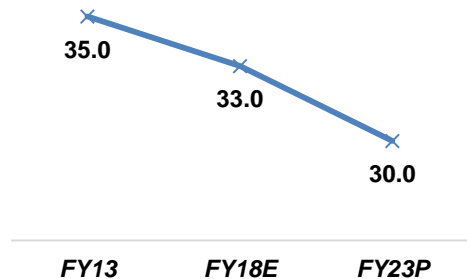
Mortgage Penetration (% of GDP)



Age wise demographics

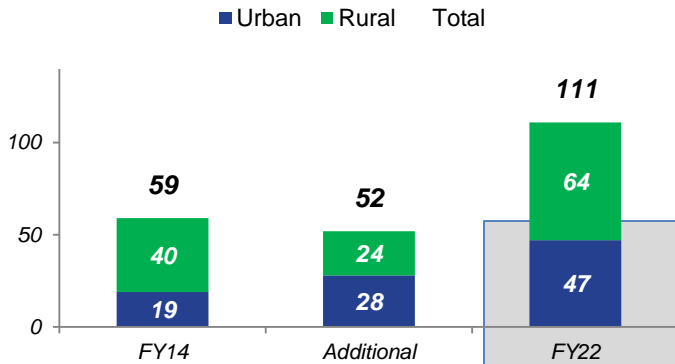


Average age of home loan borrower (years)

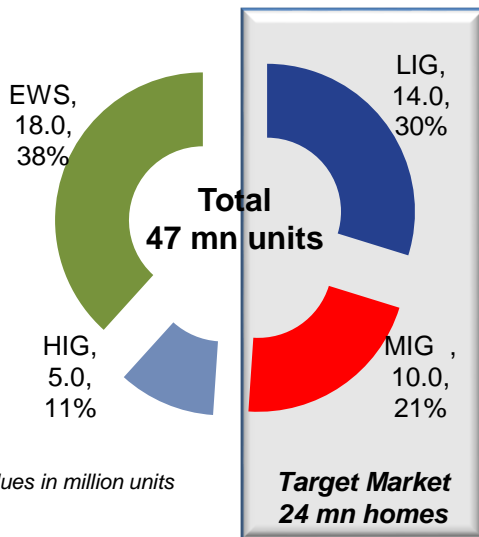


# Opportunity in the Housing Finance Space

## Housing units shortfall in India

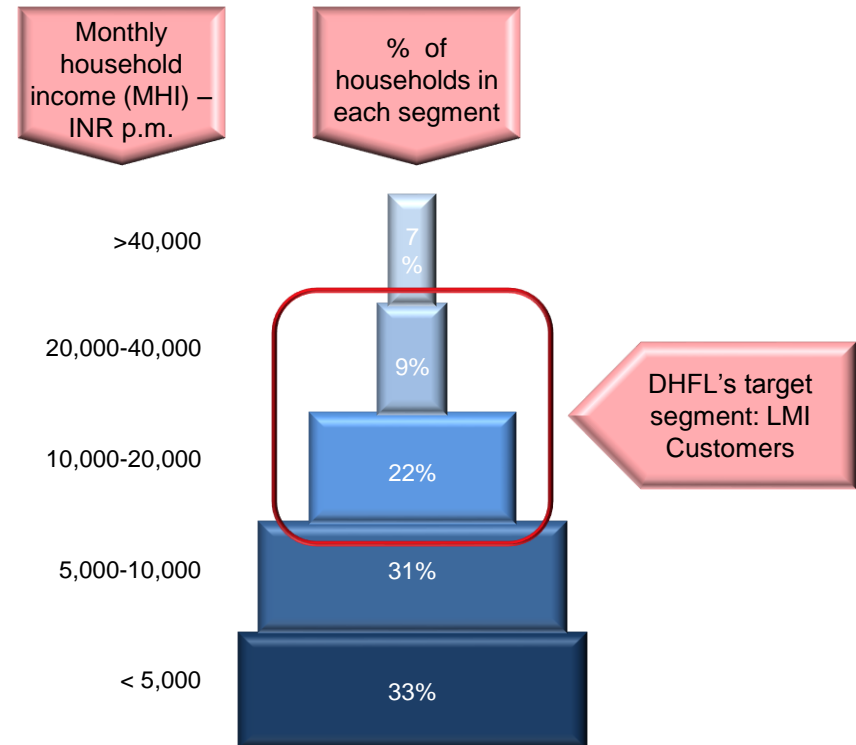


All values in million units



All values in million units

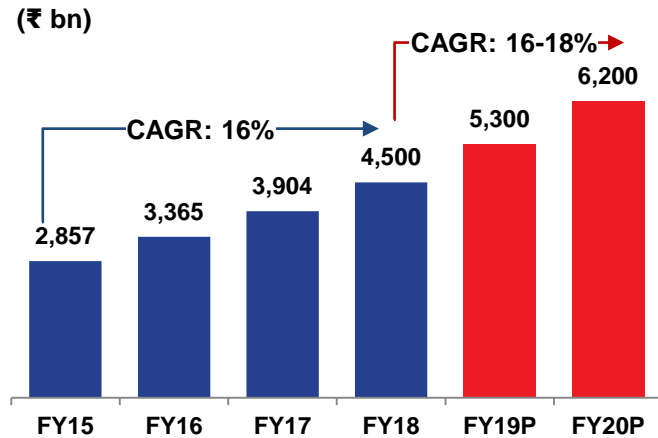
## Customer segments in housing space



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

# Significant Presence of HFCs

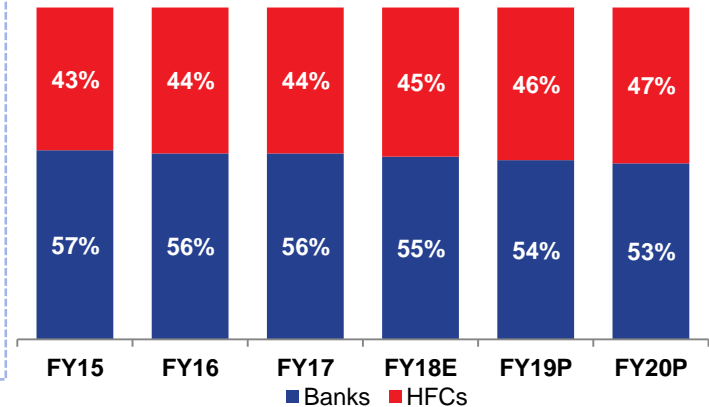
## Housing Loan Disbursement



### Growth Drivers

- Increasing mortgage penetration
- Improving affordability
- Urbanization
- Demand/Incentives for affordable housing
- Greater transparency driven by regulations

## Increasing share of HFCs



## Key Trends in Housing Finance

- ✓ HFCs have established strong presence in tier II / III towns
- ✓ 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



# Opportunity in the Affordable Housing Segment

**ATS > INR 2.5 mn**

- ✓ Metro/urban markets
- ✓ Salaried customers
- ✓ Salary with pay slip, Income Tax filings, formal ID and residence proof, Operative bank ac available
- ✓ Standard and easy underwriting process
- ✓ **Lending done at base rate**
- ✓ Dominated by large banks/HFCs

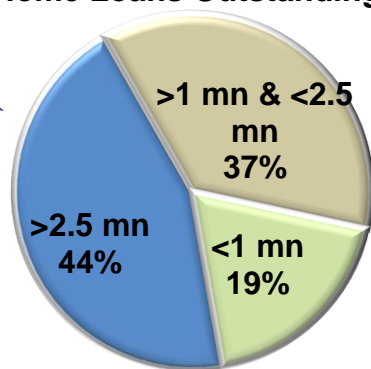
**ATS > INR 1 mn & < INR 2.5 mn**

- ✓ Outskirts of metro/urban cities and semi-urban (Tier 2/3) towns
- ✓ Mix of salaried and self employed customers
- ✓ Significant share of undisclosed income
- ✓ Some kind of ID or residence proof available
- ✓ **Lending rates 75-100 bps higher than base rate**
- ✓ Pricing competition more at upper end of market
- ✓ Large and mid size HFCs

**ATS < INR 1 mn**

- ✓ Rural and semi-urban (Tier 3/4) towns
- ✓ Low income housing
- ✓ Customers with cash income
- ✓ No formal ID, residence or income documents available
- ✓ Need differentiated customer reach / assessment skills for underwriting
- ✓ **Lending rates 150-350 bps higher than base rate**
- ✓ Niche HFC / NBFC

**Proportion of Home Loans Outstanding**



**55% of home loan market in the sub INR 2.5 mn space**

## DHFL

- Focus on ATS of INR 1-2.5 mn
- Presence in metro outskirts and Tier 2/3 towns

## Aadhar HFC

- Focus on ATS of less than INR 1 mn
- Presence in Tier 3/4 towns

# Government Push for Affordable Housing

## INCENTIVES FOR CUSTOMERS



- Real Estate (Regulatory & Development) Act, 2016 implemented
- Housing loan limits for PSL eligibility hiked to INR 3.5 mn (in locations with 1 mn+ pop.) and INR 2.5 mn in other locations
- Income tax deductions for home loan borrowers retained
- EPFO members can withdraw upto 90% of their EPF balance for house purchase
- Significant fund allocation for housing subsidy schemes (PMAY, CLSS, GJRHFS, etc)

## INCENTIVES FOR DEVELOPERS



- Affordable housing granted 'infrastructure' status
  - Affordable housing projects eligible to raise ECB upto US\$750 mn per year under automatic route
- Discounted rate of 8% GST for under construction houses financed through various Govt. schemes for affordable housing (including PMAY CLSS)
- Tax exemption of 100% of profits from construction of affordable housing

## INCENTIVES FOR HFCs



- SEBI allows Debt MFs to invest in AA and above rated HFCs upto 40% exposure limit vs 25% for other sectors
- NHB reduces standard asset provisioning on individual home loans from 0.40% to 0.25% and risk weightage on home loan (upto INR 7.5 mn) to 35%
- IRDA exempted investments in AAA rated HFCs from sectoral cap
- RBI reduced risk weight on bank lending to AAA rated HFCs from 100% to 20%

# Pradhan Mantri Awas Yojana: Housing For All By 2022

## OBJECTIVES

- Aims to construct more than 20 million houses across India by 2022
- Focus on Economic Weaker Section (EWS) and Low Income Group (LIG) groups in urban areas
- **Launched in June 2015**

## KEY FEATURES

- Central Govt grant of INR 1,00,000 per house under slum-rehabilitation programme
- Interest subsidy of 6.5% for EWS/LIG customers for loans <INR 0.6 mn (NPV for 20 years paid upfront)
- Preference to female/differently abled/older family members during allotment
- Discounted rate of 8% GST (instead of standard rate of 12%) extended to under construction houses under PMAY CLSS

## Benefits extended to Middle Income Group (MIG) in Mar 2017

## PMAY SCHEME FOR MIG CUSTOMERS

- Maximum limit for income and house carpet area set at INR 1.2 mn pa and 160 sqm. (1,722 sqft) for MIG-I category of customers. For MIG-II category, the same parameters set @INR 1.8 mn pa and 200 sqm. (2,153 sqft)
- No cap on loan amount; Loan eligible for subsidy capped at INR 1.2 mn
- Upfront subsidy upto INR 235 thousand available under the PMAY scheme
- NHB nodal agency for HFCs for availing subsidies

# Section 4

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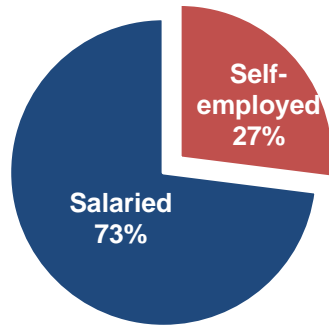
## DHFL Business Overview

# DHFL – Leading player in the LMI segment

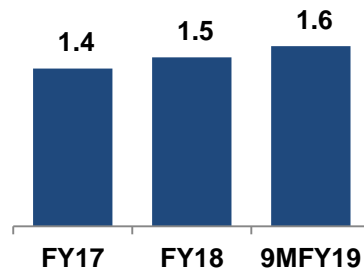
DHFL has developed a core competency in serving the housing needs of the LMI segment

## Focus on LMI segments

Home Loan Customer Profile \*



ATS of Total Portfolio (₹ mn)



## With customized product offerings

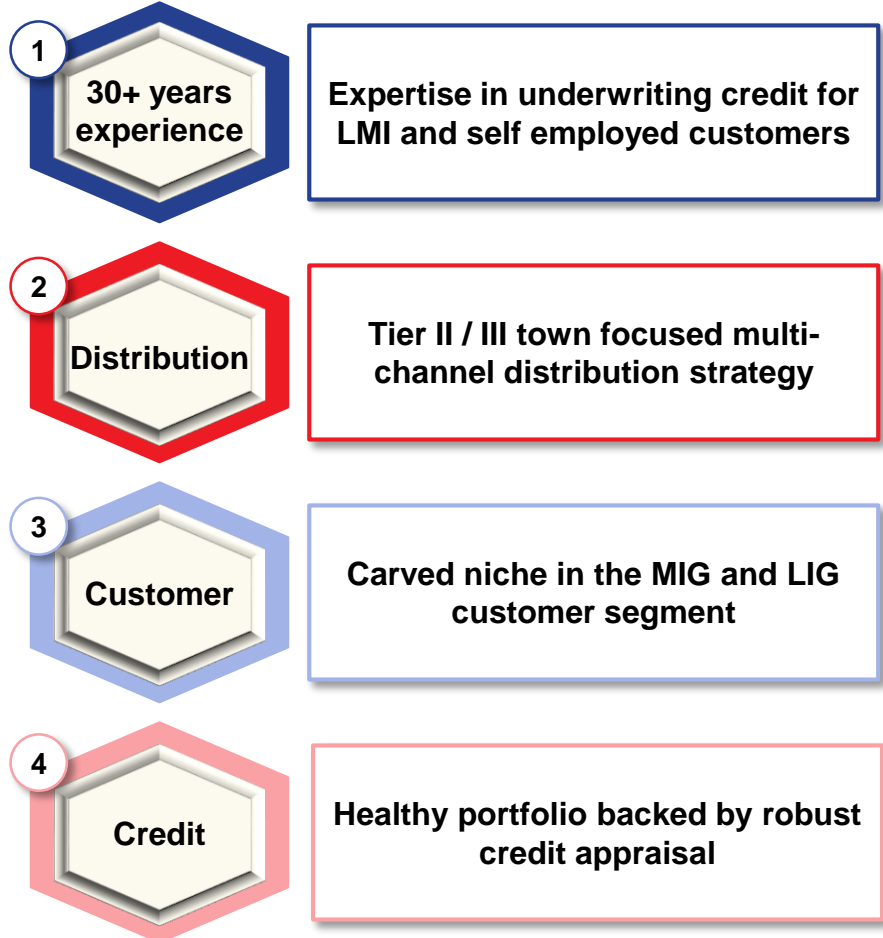
### Housing loans

- ✓ House Purchase
- ✓ Home extension and improvement
- ✓ Resale property
- ✓ Construction

### Non-housing loans

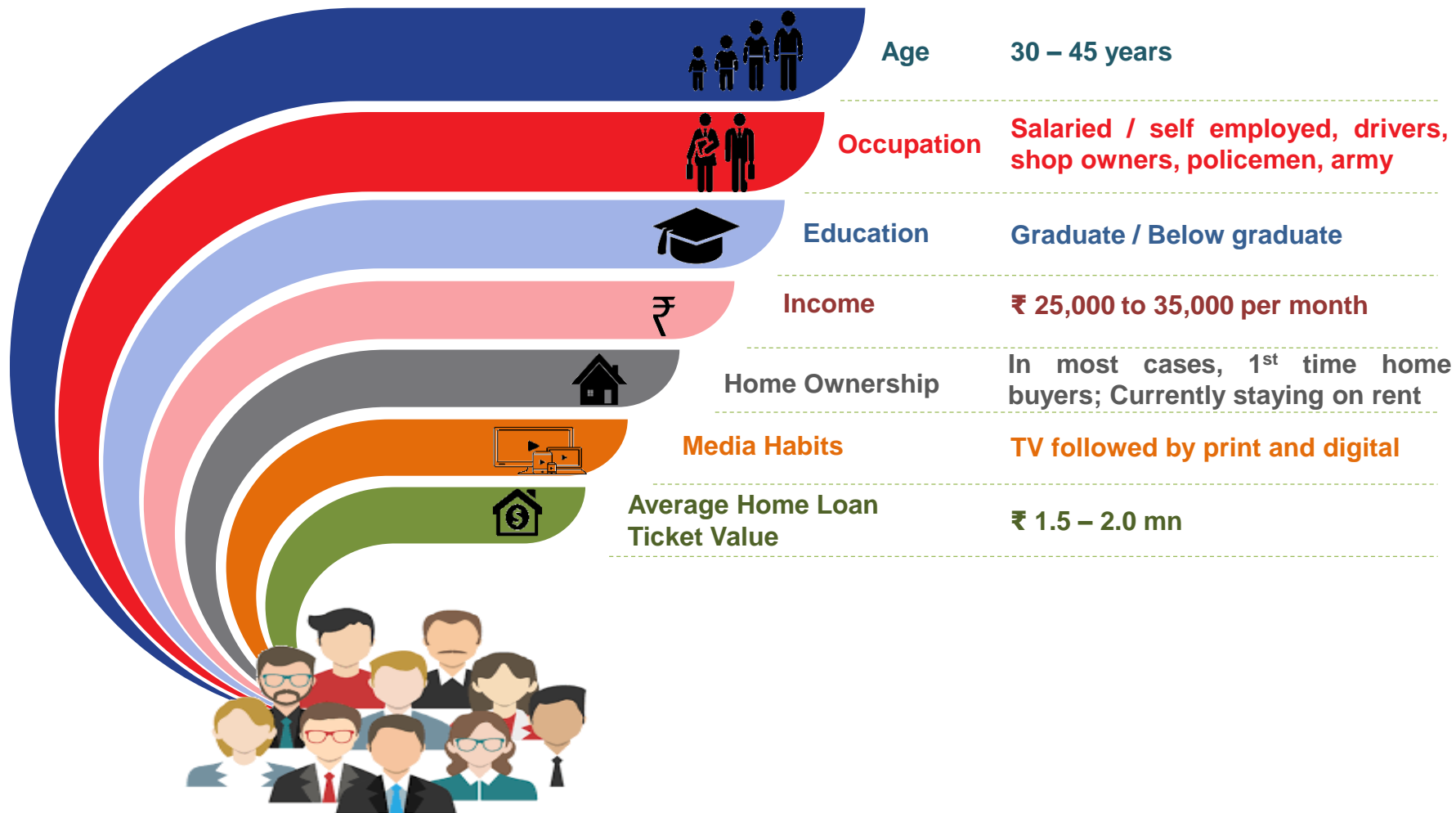
- ✓ Loan Against Property
- ✓ Lease Rental Financing
- ✓ Purchase of Commercial Premises
- ✓ SME Loans
- ✓ Project Loans

## Key differentiators of DHFL



# Who is our Customer?

Good understanding of customer to ensure strong business momentum while maintaining portfolio quality

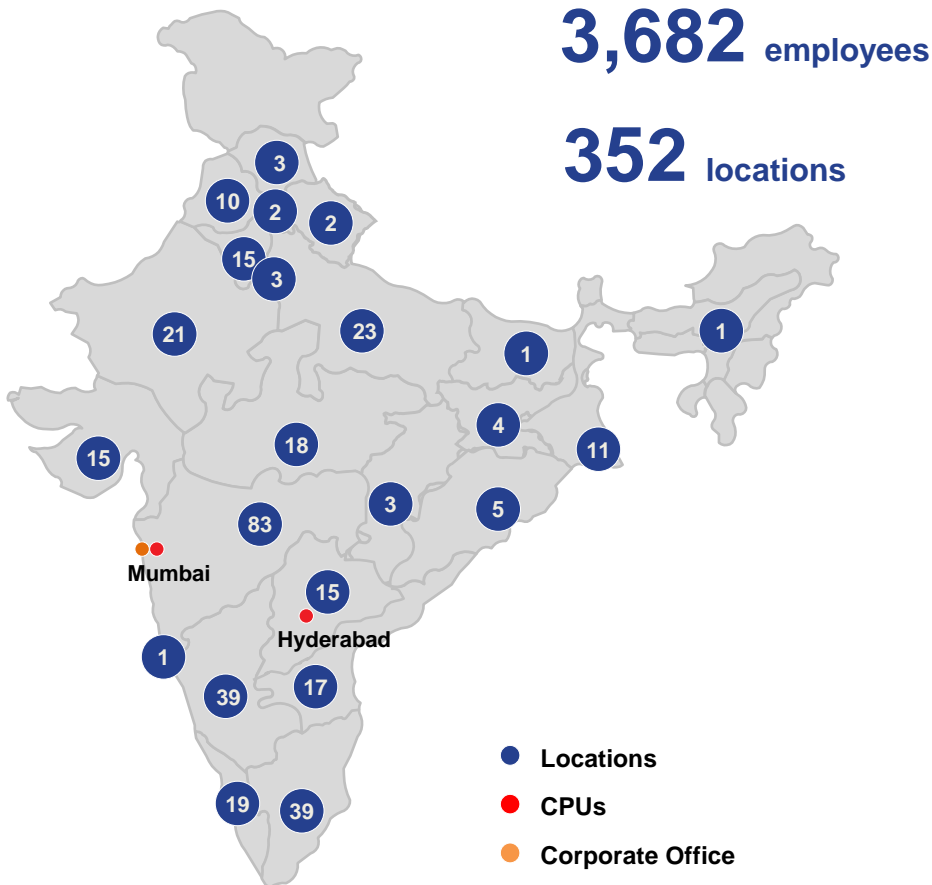


90% of incremental home loans have ticket sizes of less than ₹ 3 mn

# Pan-India distribution network, with high tier II / III town penetration

Strong distribution network with 352 locations primarily spread across tier II / III towns and outskirts of metros

## Pan – India geographic presence

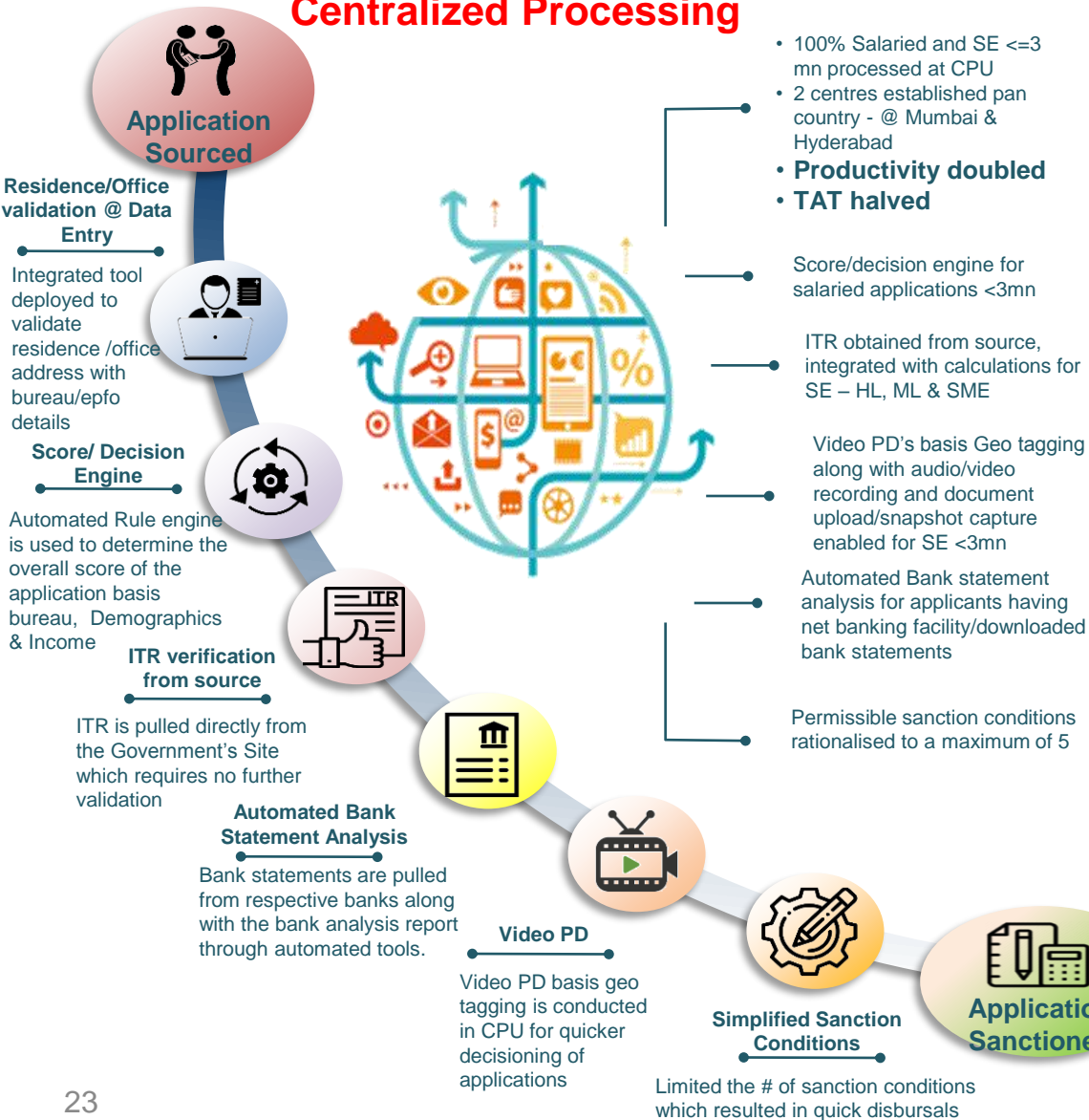


Designed to tap the growing potential of the LMI segment

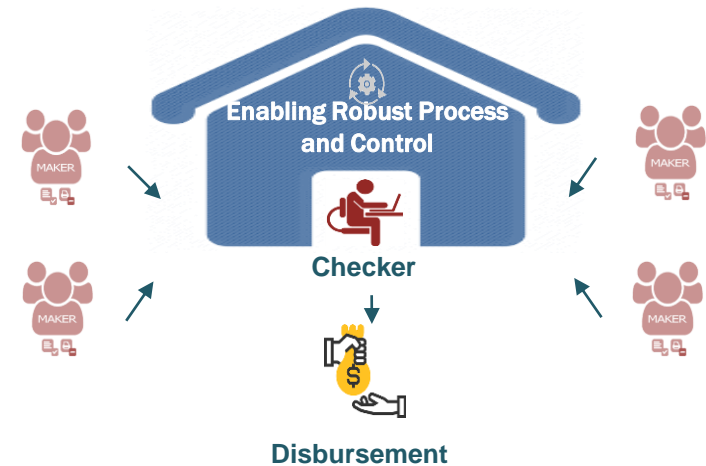
Grouped in zones and regions spread across tier II / III towns and outskirts of metros

# Business Enablers: Robust Credit Appraisal Process

## Centralized Processing



## Centralized Disbursals

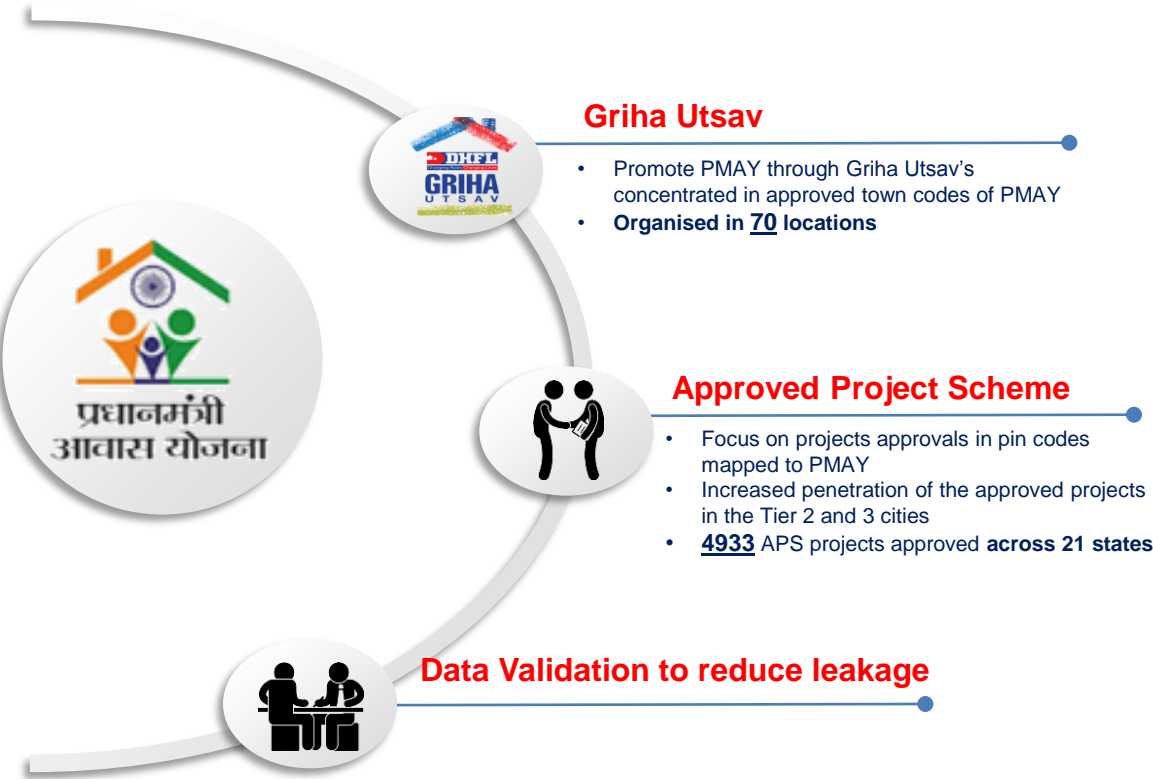


### Centralized Disbursements:

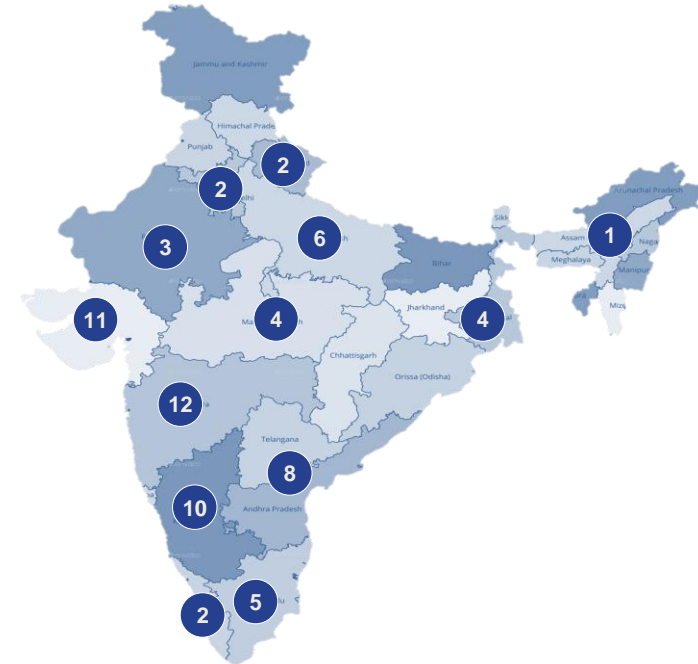
- Centralized Disbursement process launched at Mumbai Processing Hub
- Scanned based uploads and authorization
- Decentralized maker at branches and centralize maker of checkers
- Independent maker checker enabling better controls
- Standard & robust process control across all branches



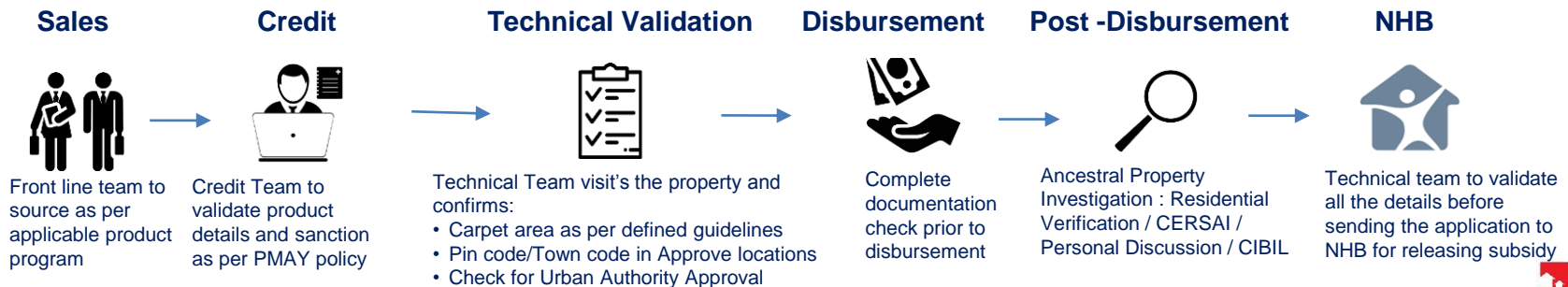
# EXECUTION @ ground level



## Griha Utsav - Locations



## Overall Process Flow



## DHFL – Market leader in PMAY CLSS implementation

### No of cases processed under PMAY (till Dec 2018)

	<i>EWS / LIG</i>	<i>MIG 1</i>	<i>MIG 2</i>	<i>Total</i>
Subsidy received	18,809	2,652	808	<b>22,269</b>
Submitted and pending receipt	12,812	10,425	570	<b>23,807</b>
Identified and pending submission	39,458	3,117	0	<b>42,575</b>
<b>Total</b>	<b>71,079</b>	<b>16,194</b>	<b>1,378</b>	<b>88,651</b>

### Subsidy amount received for cases under PMAY (till Dec 2018)

(₹ mn)

	<i>EWS/LIG</i>	<i>MIG1</i>	<i>MIG2</i>	<i>Total</i>
Subsidy received	4,657	570	166	<b>5,394</b>
Submitted and pending receipt	2,652	2,189	115	<b>4,956</b>
Identified and pending submission	8,078	445	0	<b>8,523</b>
<b>Total</b>	<b>15,387</b>	<b>3,205</b>	<b>281</b>	<b>18,872</b>

📌 **DHFL awarded” The Best Performing Primary Lending Institution under CLSS for MIG” for facilitating highest no of subsidies for MIG1/2 under PMAY scheme**

# DHFL Corporate Social Responsibility



## Early Childhood Care & Education (ECCE)

- Flagship CSR programme – Project Sneh implemented by DHFL Changing Lives Foundation
- Project Sneh impacts 3569+ anganwadis across Maharashtra, Jharkhand and Madhya Pradesh

## Skills Development

- 1,847+ youth trained till date this year
- 38% women
- 26 community live projects executed by students
- Innovative hub-n-spoke model through sub-centres & satellite centres for greater reach



## Village Transformation project with focus on drought mitigation

- Holistic watershed development project
- Inaugurated Library in Waghola village
- Tobacco Control Programme: 81 families & 6 Schools became tobacco free

## Economic empowerment through Financial Literacy & Inclusive Growth

- Programme implemented in Jaipur, Varanasi, Ranchi and Raipur
- Impacting 40,000+ households
- Radio programme across five locations
- Research on welfare schemes of 10 states and made accessible through mobile interface



## Scholarships Support

- R K Wadhawan Sasakawa Leprosy Scholarship – Nursing scholarship to 60 students from leprosy affected communities

# DHFL Changing Lives Foundation



## Early Childhood Care & Education (ECCE)

- A system strengthening initiative to ensure holistic development of children
- Reach: 1886+ Anganwadis in Palghar, Maharashtra, 465+ Anganwadis in Bokaro, Jharkhand and 157+ Anganwadis in Ranchi, Jharkhand, 1200+ in Khargone and Burhanpur, Madhya Pradesh
- Delivered with the Department of Women & Child Development, District Administration of respective project locations



## Creating a strong Foundation – Impact Labs

- 60% AWH facilitate educational activities
- 40% AWC have their own doll houses
- 30% AWWs developed teaching aids using their creativity and skills
- 160 groups of adolescent girls formed and sensitised on health and nutrition
- 563 Mata Samitis activated to build community participation and ownership
- ‘Snehangans’ – Visit undertaken by student team for recce and finalization of model
- Music and Learning: 30 AWWs/AWHs trained on using music to teach children
- TB Control Programme: 3624 screened for Tuberculosis and 22 patients are referred for treatment



## Collective Action

- ‘ECCE United’ – coalition of ECCE launched in June 2018
- Collaboration with CECED Ambedkar University to host National Conference on “Every Child’s Right to Early Childhood Development: Evolving Inclusive Practices”
- Presentation on Foundation’s work in first ever India Policy Forum organized by AVPN with Mr. Rai Mahimapat Ray, Deputy Commissioner - Ranchi



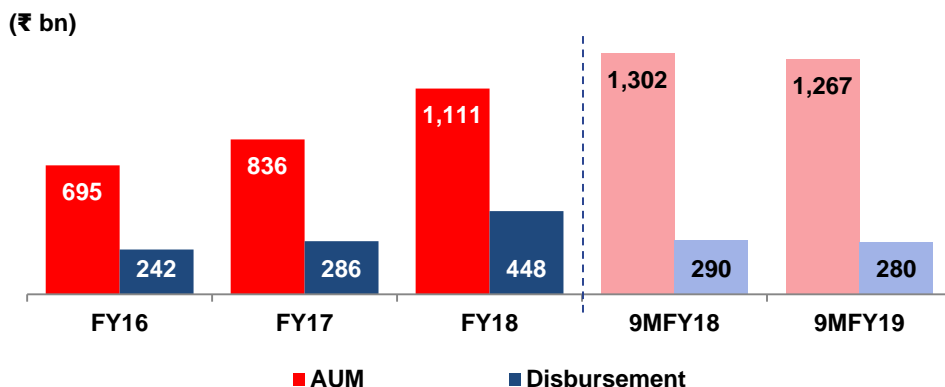
# Section 5

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## Business Strategy and Financial Performance

# Diversified Portfolio Mix

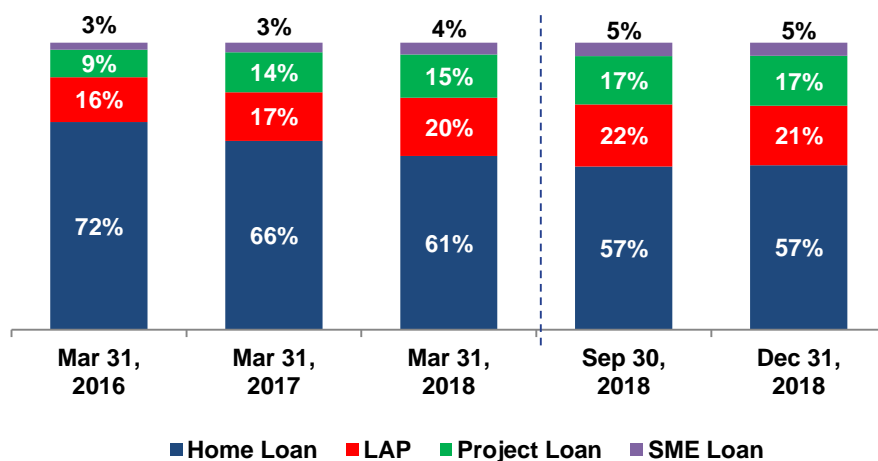
## Assets Under Management (AUM) \*



Retail portfolio growth driven by focus on LMI customer segment

Housing loans to maintain dominant share of DHFL's product offerings

## Product Mix

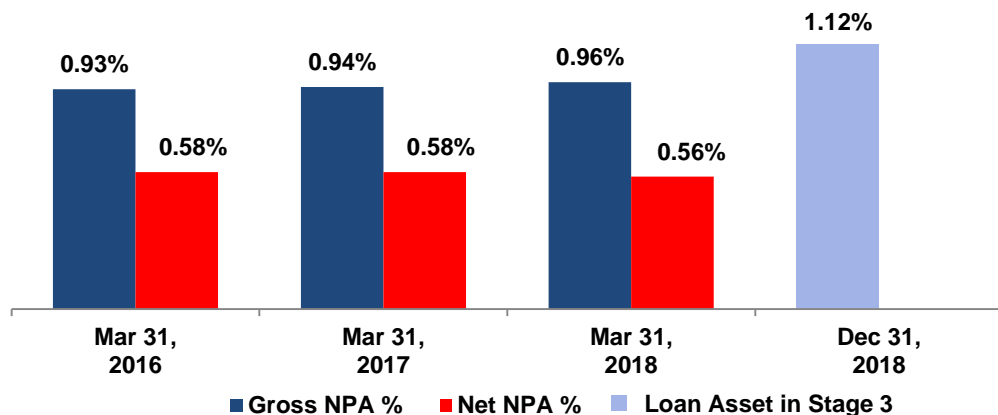


Affordable housing to lead growth, spurred by government focus and targeted subsidy schemes

Significant distribution footprint in Tier 2/3 locations; Tech initiatives to increase penetration with the existing physical infrastructure

# Healthy Asset Quality

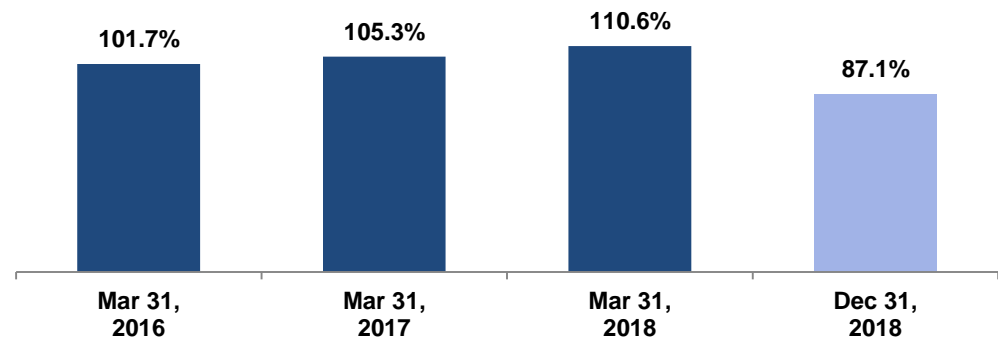
## Asset quality



Technology-led robust credit appraisal maintaining healthy asset quality

CPUs and centralized disbursements reducing TAT and enabling better controls

## Provisioning



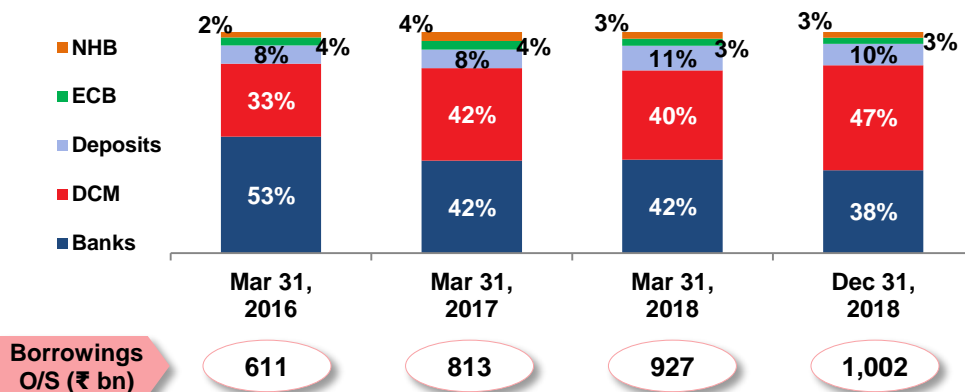
Advanced collection processes with close monitoring of accounts

Utilizes effective risk management tools to mitigate fraud risks

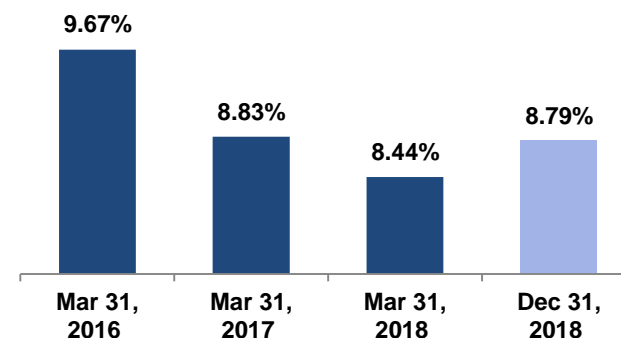
Notes: All values based on DHFL standalone accounts. Nos till Mar 31, 2018 as per IGAAP; for Dec 31, 2018 as per IndAS.  
TAT - Turn Around Time, CPU - Centralized Processing Units.

# Well Diversified Sources of Borrowings

## Liability Mix



## Cost of funds (On balance sheet) \*



\* COF in % p.a. as on closing day of the period.

## Credit Rating

Nature of borrowing	Rating / outlook			
	Care	Brickwork	ICRA	CRISIL
Commercial Paper	A1+	–	A1+	A1+
Public FDs / ST Deposits	AAA (FD)	FAAA	–	A1+
Subordinated debt	AA+	AAA	–	–
NCDs	AAA	AAA	–	–
IPDIs	AA	AA+	–	–
Long-term bank loans	AAA	–	–	–

**Raised ₹ 109.5bn through 3<sup>rd</sup> retail NCD issue in Q1FY19**

**Raised US\$150mn through 1<sup>st</sup> Masala medium term note issue**

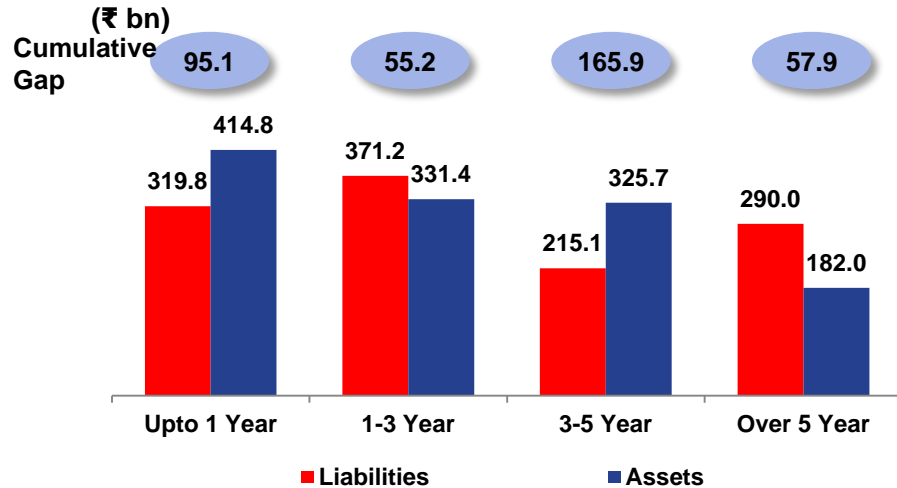
**Optimize COF by continuous diversification of liabilities and proactive fund management**



# Superior Risk Management via Asset Liability Matching

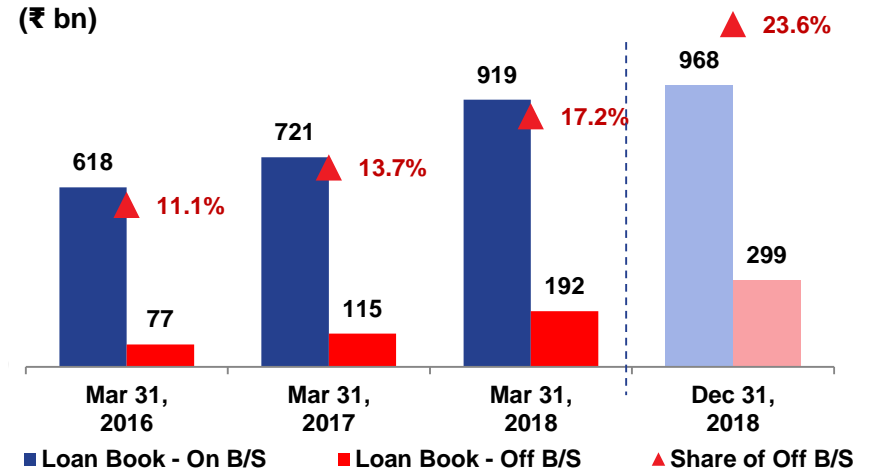
Strong risk management processes leading to no asset liability mismatch in the short and medium term

## Well Managed Asset Liability



As on Dec 31, 2018 (as per IndAS)

## On / Off Balance Sheet Loan Book



Nos till Mar 31, 2018 as per IGAAP; for Dec 31, 2018 as per IndAS

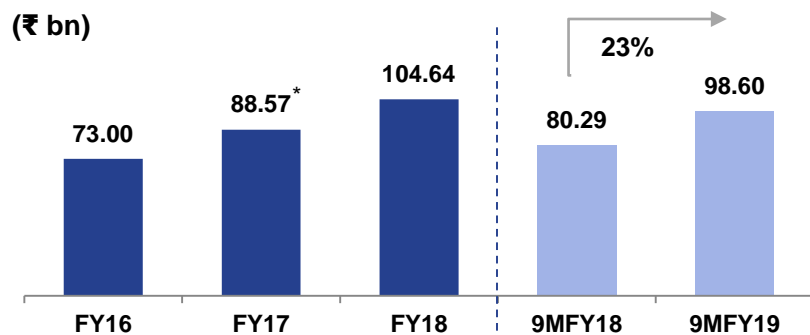
No Asset Liability Mismatch in short and medium term buckets

Fresh Securitisation (Gross) @ ₹ 178.6 bn in 9MFY19; share of Off B/S loan assets at 24% of total AUM

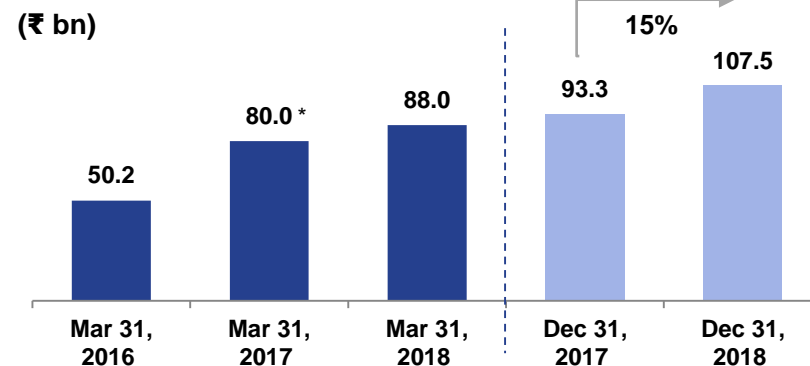
Focus on maximizing capital efficiency and increasing profitability via securitisation / assignment of loans

# Financial Statements (Summary)

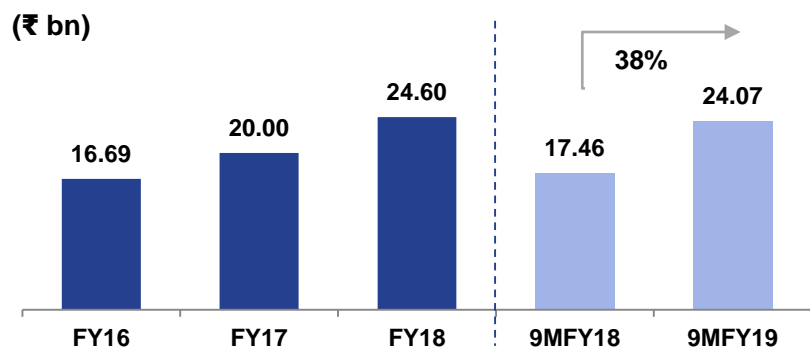
## Total Income



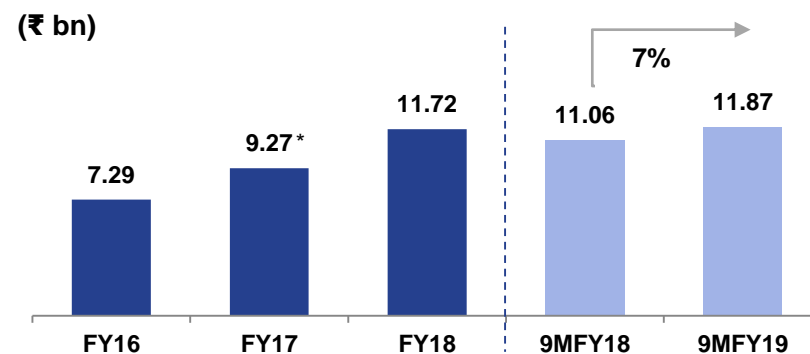
## Net Worth



## Net Interest Income (NII)



## Profit After Tax

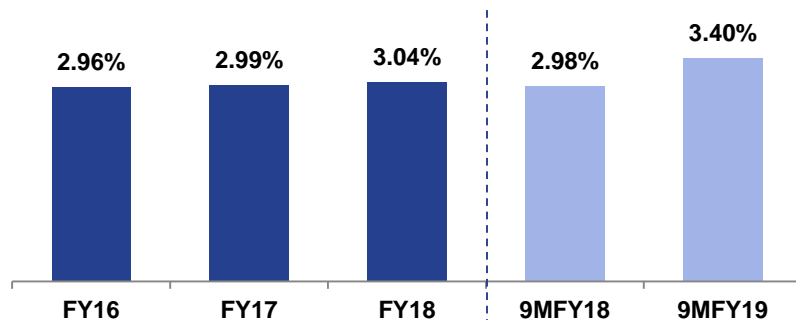


All values based on DHFL Standalone Accounts. Numbers for FY16, FY17 and FY18 as per IGAAP; for 9MFY18 and 9MFY19 as per IndAS.

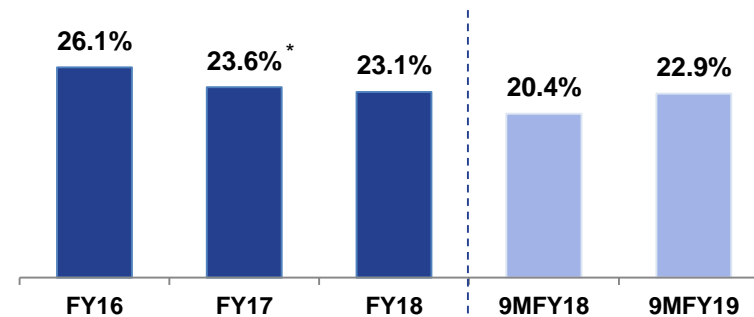
\* Impact of stake sale of DPLI by DHFL in FY17 (₹19.69bn) excluded in Total Income and PAT and included in Net Worth

# Key Financial Metrics

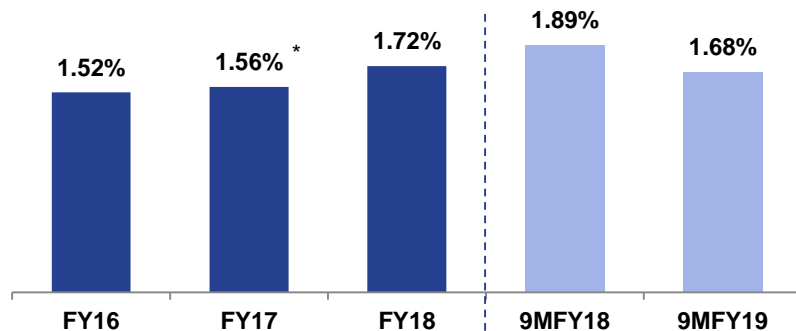
## Net Interest Margin (NIM)



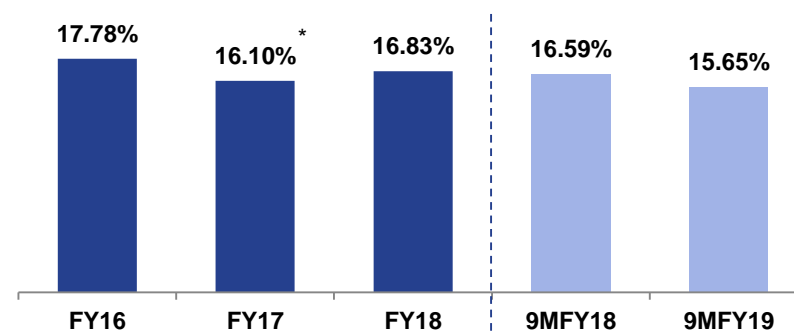
## Cost / Income Ratio



## Return on Average Assets (RoAA)



## Return on Average Equity (RoAE)



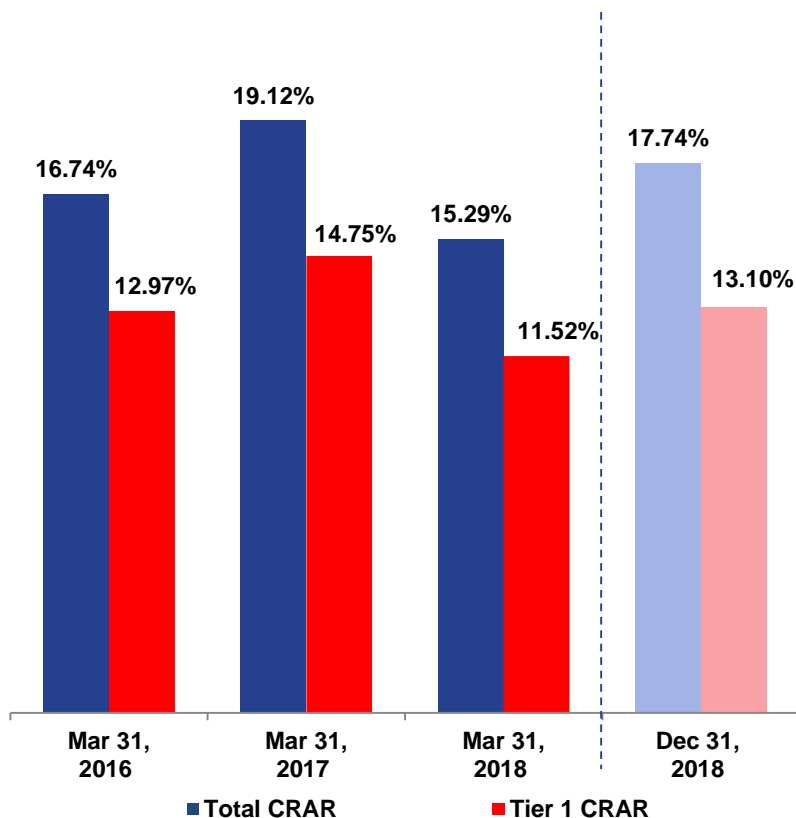
Notes: All values based on DHFL Standalone Accounts. Numbers for FY16, FY17 and FY18 as per IGAAP; 9MFY18 and 9MFY19 as per IndAS.

34 \* Impact of stake sale of DPLI by DHFL (₹19.69 bn) in FY17 included in net worth but excluded from PAT and Income in calculation of ratios.

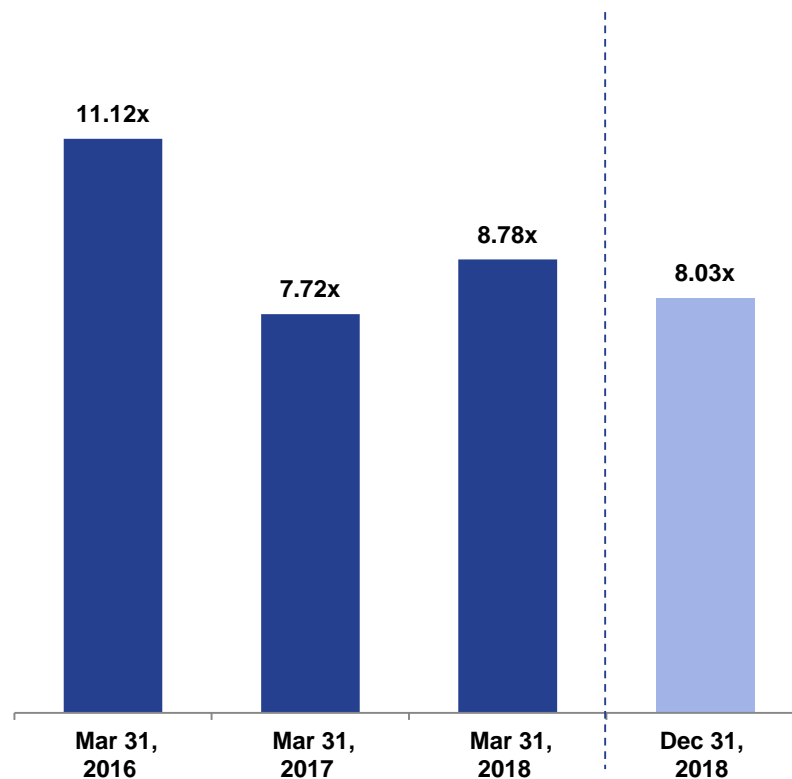
# Key Financial Metrics

Healthy Capital Adequacy ratio; Net Debt/Equity ratio on a declining trend

Capital Adequacy Ratio (CRAR)



Net Debt Equity Ratio \*



\* Net of Cash & Bank Balance and Treasury Investments

## Way Forward

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**DHFL to be completely retail focussed entity**

**Bring Project Finance to 5% of AUM**

**Sell-down focussed retail strategy to enhance capital efficiency and liquidity**

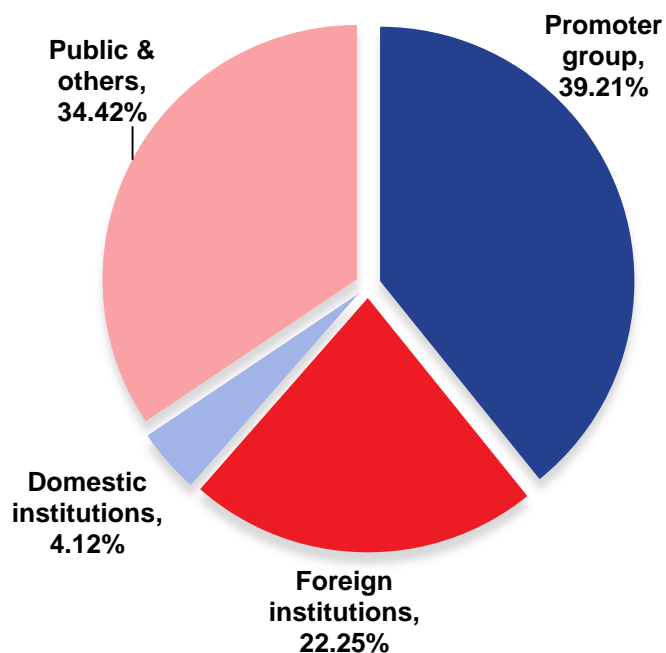
**Enhance RoE through profitable growth and cost efficiencies**

**Divest non core investments to bring non dilutive capital**

# Shareholding

- Flagship company of Wadhawan Global Capital which holds 37.30% stake as promoter
- Active participation from FII's and DII's accounting for 25%+ stake with participation from marquee investors

## Shareholding overview \*



## Key shareholders \*

S.No	Name of investor	% holding
1	BNP Paribas <sup>1</sup>	4.65%
2	Life Insurance Corp. of India	3.44%
3	Rakesh Jhunjhunwala <sup>1</sup>	2.46%
4	Neuberger Berman <sup>1,2</sup>	2.06%
5	Vanguard <sup>1</sup>	2.00%
6	Dimensional Funds <sup>1,2</sup>	1.94%
7	Lazard <sup>1</sup>	1.51%
8	Danske Invest <sup>1</sup>	1.34%
9	Franklin Templeton Investments <sup>1,2</sup>	1.17%
10	Mentor Capital <sup>1</sup>	0.98%

1. Held through multiple folio numbers/schemes.
2. Managed or owned.

# Section 6

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## Transition from IGAAP to IndAS

# IndAS Transition - Key Impact Areas

Key changes	Impacted Item	IGAAP	IndAS
1 Expected Credit Loss (ECL)	Provisions and Write Off	Provisions made based on NHB guidelines (rules based incurred losses model)	Loan book classified into 3 stages and provisions made based on expected future credit losses
2 Effective Interest Rate (EIR) accounting	Interest Income, Interest Expenses & Other Expenses	Fee income and commission/DSA expenses recognised upfront	Fee income and commission/DSA expenses amortised over residual tenure and included in interest income/expenses
3 Redemption premium on NCD/securities	Interest Expenses	Charged from share premium reserves	Charge to P&L as part of EIR
4 Income on Direct Assignment	Interest Income	Excess Interest Spread (EIS) amortised over life of asset	Upfront recognition of NPV of EIS on Direct Assignment
5 Share based employee remuneration (ESOP/ESAR)	Employee Expenses	Intrinsic value charged to P&L	Fair valuation of options granted Charge to P&L
6 Investment in Mutual Funds, G-Secs & Debt Securities	Treasury Income	Accounted at cost and provision for diminution charged to P&L	Accounted at fair value through profit or loss
7 Deferred Tax Liability (DTL) on Special Reserve	Taxes	DTL created in P&L	Not required; Existing DTL reversed



## Q3FY18 and 9MFY18 PAT Reconciliation

(₹ mn)

	Q3FY18	9MFY18
<b>Net Profit After Tax as per previous IGAAP</b>	<b>3,059.5</b>	<b>8,597.3</b>
<b>Adjustments on account of</b>		
Effective Interest Rate for financial assets and liabilities recognised at amortised cost/net interest on credit impaired loans	(514.0)	(1,270.0)
Income on derecognized (assigned) loans	1,973.7	2,945.9
Application of Expected Credit Loss (ECL)	160.8	239.5
Fair valuation of investments	(3.6)	(24.4)
Fair valuation of employee stock options/employee stock appreciation rights (ESOP/ESAR)	(44.5)	(101.7)
Reclassification of actuarial gains and losses on employee benefit plans to other comprehensive income	5.4	16.3
Reversal of Deferred Tax Liability (DTL) on Special Reserve [Sec 36(1)(viii)]	317.1	653.5
<b>Net profit After Tax as per IndAS</b>	<b>4,954.4</b>	<b>11,056.4</b>
Other Comprehensive Income (net of tax)	221.2	32.5
<b>Total Comprehensive Income (net of tax) as per IndAS</b>	<b>5,175.6</b>	<b>11,088.9</b>

## Expected Credit Loss (ECL)

	(₹ mn)
	<b>Q3FY19</b>
Gross Stage 3	10,893
% Portfolio in Stage 3	1.12%
ECL Provision – Stage 3	3,212
Net Stage 3	7,681
<b>Coverage ratio in Stage 3</b>	<b>29.48%</b>
Gross Stage 1 & 2	957,496
% Portfolio in Stage 1 & 2	98.88%
ECL Provision – Stage 1 & 2	6,281
Net Stage 1 & 2	951,215
<b>Provision Coverage Ratio (PCR)</b>	<b>87.1%</b>
<b>Gross NPA % (On B/S)</b>	<b>1.12%</b>
<b>Gross NPA % (AUM)</b>	<b>0.91%</b>

# Annexure 1

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## Financial Statements – 9M FY19

# Financial Statement

(₹ bn)

	FY18	Q3FY18	Q2FY19	Q3FY19	Q3FY19 yoy growth	9MFY18	9MFY19	9MFY19 yoy growth
<b>INCOME STATEMENT</b>								
Interest Income	100.25	25.64	32.71	31.62	23%	74.57	94.51	27%
(-) Interest Expenses	75.65	19.35	24.40	24.10	25%	57.11	70.44	23%
Net Interest Income (NII)	24.60	6.29	8.31	7.52	20%	17.46	24.07	38%
(+) Non Interest Income	4.40	3.33	1.97	0.69	-79%	5.72	4.09	-28%
(-) Operating Expenses	6.95	1.99	2.50	2.04	3%	5.24	6.85	31%
(-) Depreciation	0.28	0.07	0.12	0.13	80%	0.20	0.34	68%
(-) Provisioning	4.20	0.78	1.33	1.32	70%	2.57	3.56	39%
Profit Before Tax	17.57	6.77	6.33	4.72	-30%	15.17	17.43	15%
(-) Taxes	5.84	1.82	1.94	1.58	-13%	4.11	5.55	35%
Profit After Tax	11.72	4.95	4.39	3.14	-37%	11.06	11.87	7%
Total Comprehensive Income	N/A	5.18	4.68	2.87	-45%	11.09	12.26	11%
<b>BALANCE SHEET</b>								
Net Worth	87.96	93.29	104.01	107.53		93.29	107.53	

## Key Financial Ratios

	FY18	Q3FY18	Q2FY19	Q3FY19	9MFY18	9MFY19
Net Interest Income (NIM)	3.04%	3.04%	3.15%	2.91%	2.98%	3.40%
Cost/Income Ratio	23.06%	17.94%	22.30%	24.75%	20.36%	22.85%
Stage 3 Assets/ Gross NPA (% on B/S)	0.96%	0.96%	0.96%	1.12%	0.96%	1.12%
Stage 3 Assets / Gross NPA (% of AUM)	0.84%	0.84%	0.86%	0.91%	0.84%	0.91%
Return on Assets (RoA)	1.72%	2.40%	1.66%	1.21%	1.89%	1.68%
Return on Equity (RoE)	16.83%	21.72%	17.30%	11.86%	16.59%	15.65%
Earnings per share (₹/share)	37.39	15.80	13.98	10.00	35.27	37.84
Dividend per share (₹/share)	5.50					
Dividend Payout %	14.7%					

Financials for FY18 as per IGAAP; for Q3FY18, Q2FY19, Q3FY19, 9MFY18 and 9MFY19 as per IndAS  
Based on DHFL Standalone Accounts

# Annexure 2

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## Management Team

# Leadership Team

DHFL has a highly experienced and cohesive leadership team

## Executive Leadership



**Kapil Wadhawan**  
Chairman and Managing Director



**Harshil Mehta**  
Joint Managing Director & CEO

## Senior Leadership

### Business Functions



**Santosh Nair**  
Chief Business Officer



**Rajendra Mirashie**  
President – Project Finance



**Pradeep Bhaduria**  
Head – Retail Liability

### Shared Services



**Santosh Sharma**  
Chief Financial Officer



**Vivek Kannan**  
Chief Operating Officer



**Jyothiritha B**  
Chief Technology Officer



**Rajendra Mehta**  
Chief People Officer



**Bharat Pareek**  
Head – Treasury



**Vikas Arora**  
Head – Risk & Collections



**Niti Arya**  
Company Secretary & Compliance Officer



**Pranab Goel**  
Head – Investor Relations



**Asish Saraf**  
Head – Management Assurance & Audit



**Pradeep Sawant**  
Head – Corporate Legal


# Experienced Board of Directors

Distinct and delineated responsibilities to ensure good corporate governance

## Kapil Wadhawan (Chairman & Managing Director)



- Joined DHFL in 1996 and appointed Chairman & Managing Director in 2009
- 22+ years of experience in the financial services industry
- MBA from Edith Cowan University, Australia

Name	Designation	Description
 <b>Harshil Mehta</b>	<i>Joint MD and CEO</i>	<ul style="list-style-type: none"> <li>▪ Former MD &amp; CEO of Aadhar HFC</li> <li>▪ Former MD &amp; CEO of ICICI Home Finance &amp; previously worked with ICICI bank for 10 years</li> <li>▪ Has been on the Board of DHFL since Sep 01, 2017</li> </ul>
 <b>Dheeraj Wadhawan</b>	<i>Non Executive Director</i>	<ul style="list-style-type: none"> <li>▪ 11+ years of experience in real estate and construction industry</li> <li>▪ Has been on the Board of DHFL since May 12, 2008</li> </ul>
 <b>G.P. Kohli</b>	<i>Independent Director</i>	<ul style="list-style-type: none"> <li>▪ Former MD of Life Insurance Corp (LIC) of India</li> <li>▪ Has been on the Board of DHFL since May 23, 2001</li> </ul>
 <b>Vijaya Sampath</b>	<i>Independent Director</i>	<ul style="list-style-type: none"> <li>▪ Senior Partner in law firm, Lakshmikumaran &amp; Sridharan and ombudsperson for the Bharti Group</li> <li>▪ Has been on the Board of DHFL since Aug 26, 2014</li> </ul>
 <b>Vijay Kumar Chopra</b>	<i>Independent Director</i>	<ul style="list-style-type: none"> <li>▪ Former Chairman &amp; MD of Corporation Bank and SIDBI and former whole time member of SEBI</li> <li>▪ Has been on the Board of DHFL since May 12, 2008</li> </ul>
 <b>Mannil Venugopalan</b>	<i>Independent Director</i>	<ul style="list-style-type: none"> <li>▪ Former Chairman and MD of Bank of India and MD and CEO of Federal Bank</li> <li>▪ Has been on the Board of DHFL since Feb 25, 2013</li> </ul>

Deloitte Haskins & Sells LLP and Chaturvedi & Shah are joint statutory auditors of DHFL



# Sound Corporate Governance

## BOARD OF DIRECTORS

- Comprises 7 members: 2 executive directors, 1 non executive director and 4 independent directors

## AUDIT COMMITTEE

- Comprises 3 independent directors; Minimum 4 meetings are held annually

## NOMINATION & REMUNERATION COMMITTEE (NRC)

- Comprises 3 independent directors

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

- Comprises 4 members; 2 independent directors and 2 executive directors ('CMD' and 'JMD & CEO')

## FINANCE COMMITTEE

- Comprises 3 members; 1 independent director, 1 non executive director and 1 executive director ('CMD')

## RISK MANAGEMENT COMMITTEE (RMC)

- Oversee various types of risks. Comprises 4 members; 2 independent directors, and 2 executive directors

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

- Comprises 3 members; 1 independent director and 2 executive directors ('CMD' and 'JMD & CEO')

## REVIEW COMMITTEE

- Comprises 5 members; including 2 independent director, and 1 executive director ('JMD & CEO')

### • COMMITTEES OF THE BOARD

# Awards and Recognition

**FY19**

*DHFL awarded "Housing Finance Company of the Year" at Asia's Banking, Financial Services and Insurance Excellence Awards held in Singapore*

*DHFL awarded "The Best Performing Primary Lending Institution under CLSS for MIG" by the Ministry of Housing and Urban Affairs*

*DHFL awarded as the Leading Housing Finance Company of the Year by Times Network*

*DHFL awarded The Economic Times Iconic Brand Award 2018*



*Kapil Wadhawan awarded as the Best CEO in Financial Service by Business Today*

*DHFL awarded as Leading Housing Finance Company in the National Awards for Best Housing Finance Companies organised by CMO Asia and World Federation of Marketing*

*DHFL awarded "The Best Performing Primary Lending Institution under CLSS for MIG" by My Liveable City and knowledge partner National Housing Bank.*

*DHFL has been awarded the 'Dream Companies to work for' in the Housing Finance Sector by World HRD Congress and CHRO Asia*



**FY18**

*DHFL won the Industry Award for the excellence in the Home Loan Banking*

*DHFL and Mr. Kapil Wadhawan honored with the India's Greatest Brands and Leaders Award 2015-2016 organised by AsiaOne and URS Media Consulting Private Limited*

*DHFL wins the Golden Peacock Innovative Product and Service Award 2016 for its innovative "Wealth2Health Fixed Deposit" product*



**FY17**

# Annexure 3

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## DHFL Group Associates

# Associate Companies: Aadhar Housing Finance

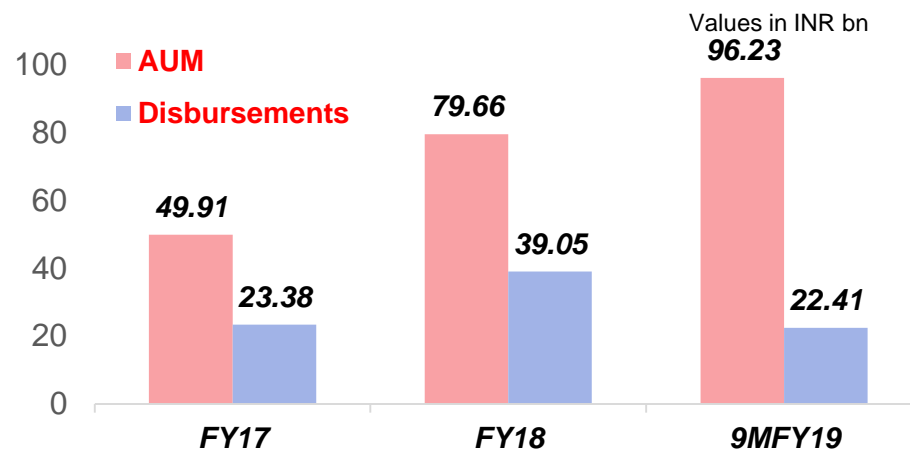


Focus on Economically Weaker Section (EWS) and Low Income (LIG) customer segments

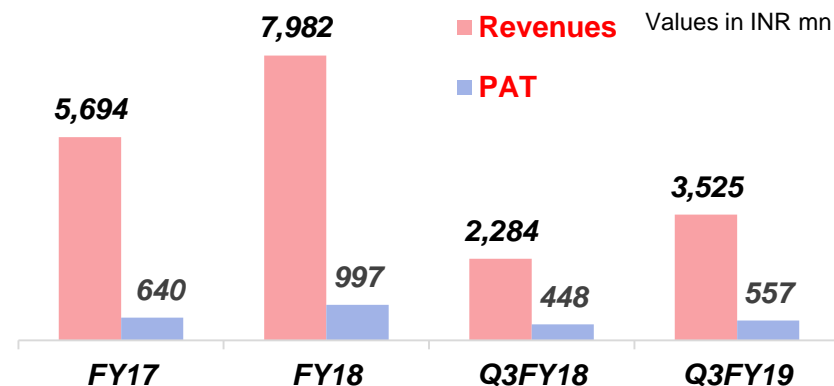
After merger with DHFL Vysya, business operations spread across India with a network of 318 branches

IFC has 16.91% equity stake in the merged entity

## BUSINESS PERFORMANCE



## FINANCIAL PERFORMANCE



Financials for FY17 and FY18 as per IGAAP; for Q3FY18 and Q3FY19 as per IndAS

Aadhar HFC and DHFL Vysya HFC merged in Q3FY18

For FY17, the numbers are combined for Aadhar HFC & DHFL Vysya HFC while for FY18 and FY19 YTD, the numbers are of the merged entity

# Associate Companies: Avanse Financial Services



Launched in 2013 and now India's second largest education loan financing NBFC

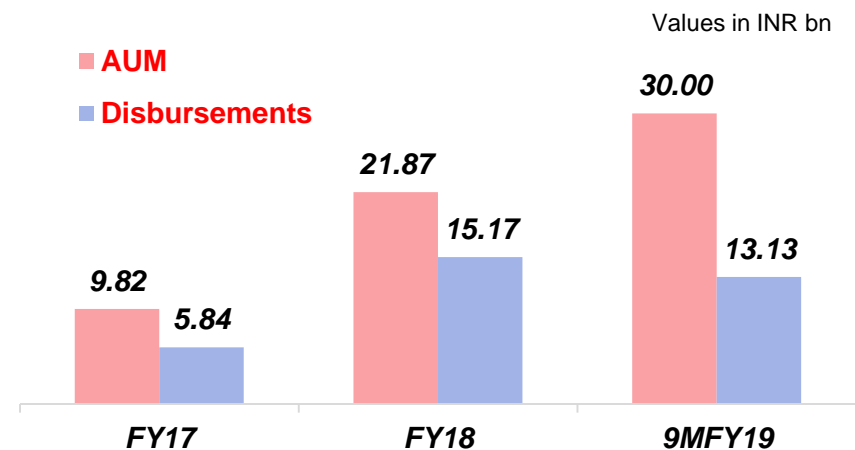
Product wise breakup of AUM

- Domestic Education Loans: 9%
- Overseas Education Loans : 45%
- Other Loans: 45%

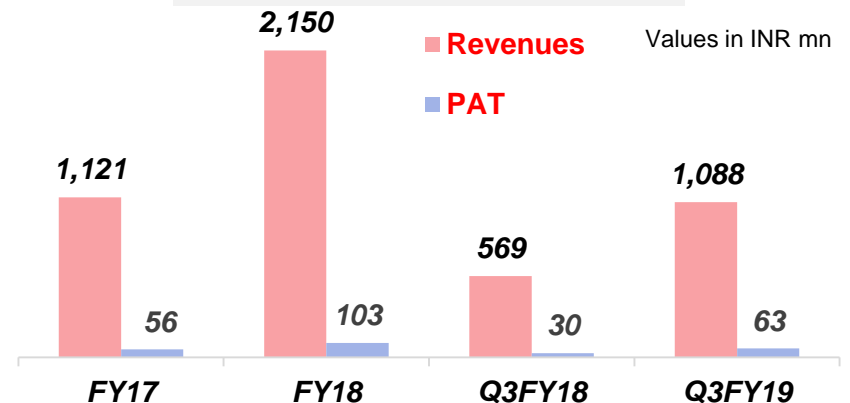
Business coverage across 17 major educational markets of the country with additional coverage through 184 DHFL Centres

IFC has 20% equity stake in the company

## BUSINESS PERFORMANCE



## FINANCIAL PERFORMANCE



# Associate Companies: DHFL Pramerica Life Insurance (DPLI)



LIFE INSURANCE

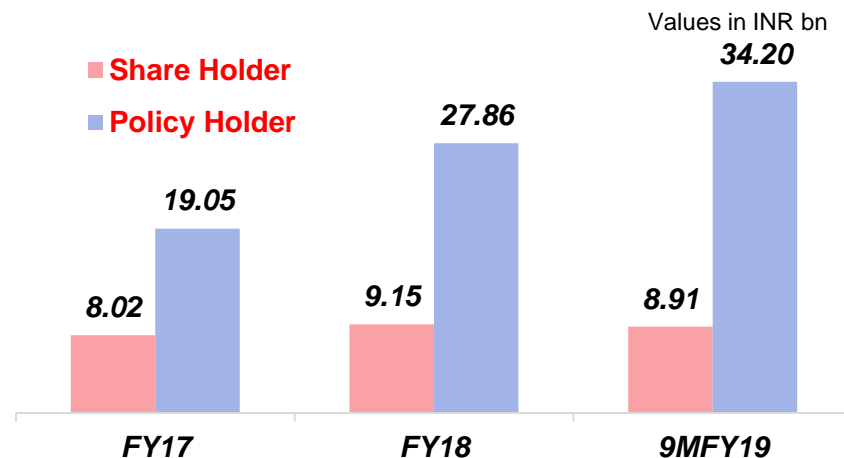
JV with Prudential Financial Inc.\* of United States

Presence in life insurance business with focus on traditional products

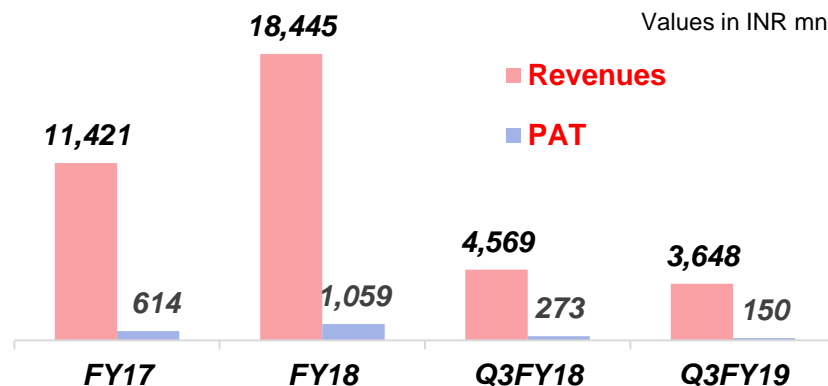
Transaction involving sale of 50% stake of DHFL in DPLI to a WOS (DHFL Investments Ltd) concluded in Mar 2017

Network of 126 branches and 13,000+ agents

## ASSETS UNDER MANAGEMENT (AUM)



## FINANCIAL PERFORMANCE



Financials as per IGAAP

\* Pramerica is the brand name used by Prudential Financial, Inc. ("PFI") of the USA and its affiliates in select countries outside the USA. Neither PFI nor any of the Pramerica entities are affiliated in any manner with Prudential PLC, a company incorporated in the United Kingdom.

# Associate Companies: DHFL Pramerica Asset Management (DPAMC)



JV with Prudential Financial Inc.\* of United States

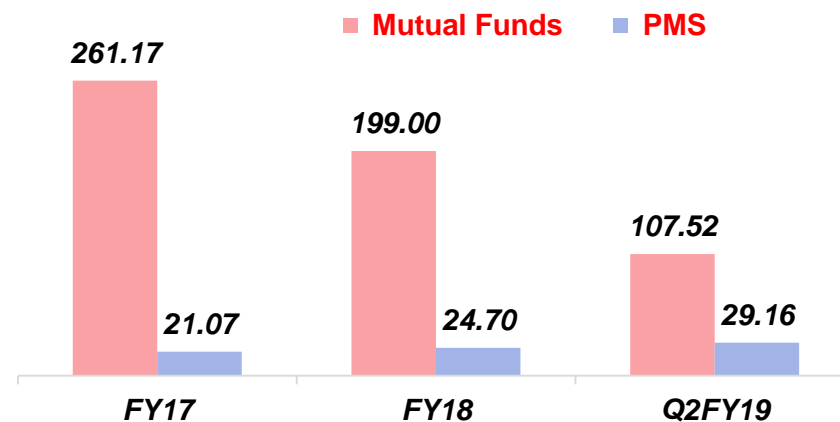
Launched Mutual Fund (MF) business in 2010 and Portfolio Management Services (PMS) in 2013. Acquired Deutsche AMC in 2016.

Network of 9,000+ empanelled distributors and 1,00,000+ active folios

Headquartered in Mumbai with presence in 24 cities

## ASSETS UNDER MANAGEMENT (AUM)

Values in INR bn



PMS includes Discretionary & Advisory AUM

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**Thank You**

**Contact**

Investor.relations@dhfl.com