

DHFL/CSD/2016/569

**Date : 23<sup>rd</sup> August, 2016**

The Manager Listing Department Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001 Fax no. 2272 2082 / 3132/ 3121	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. 26598237 / 38
<b>Script Code : 511072</b>	<b>Script Code : DHFL</b>

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

Dear Sir/Madam,

This is to inform you that the Company shall present the attached investor's presentation during their prospective meetings with the institutional investors / analysts.

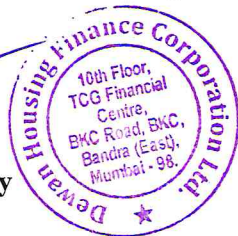
The said presentation is also uploaded on the Company's website viz. [www.dhfl.com](http://www.dhfl.com) under Investors Section.

This is for your information and records.

Thanking you,  
Yours sincerely,

**for Dewan Housing Finance Corporation Limited**

  
**Niti Arya**  
**Company Secretary**  
**FCS No- 5586**



Encl: as above



# Turning dreams into reality



“

I want  
every Indian  
to own a home  
of his own

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

”



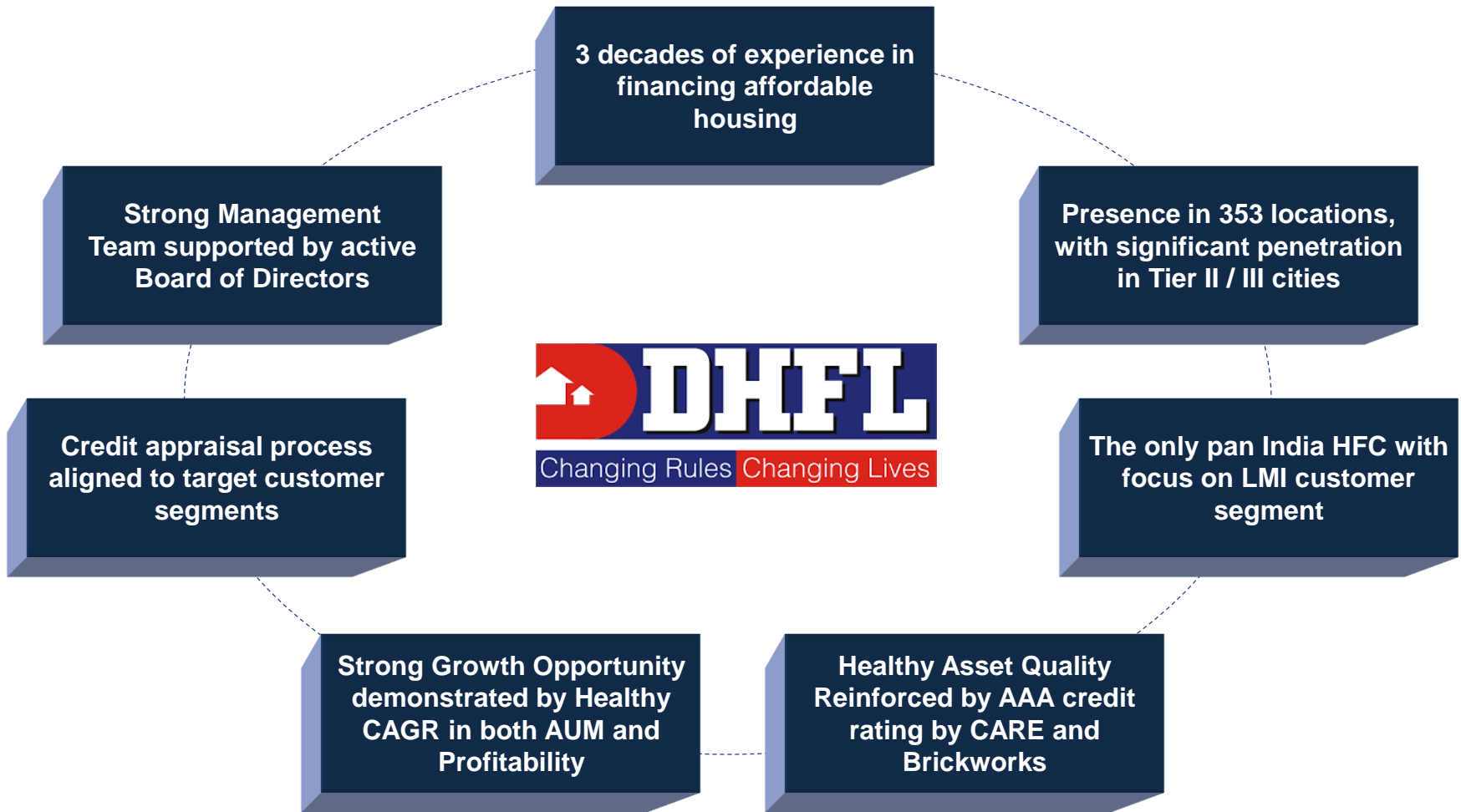
***Our vision is to transform the lives of Indian households  
by enabling access to home ownership.***

# Section 1

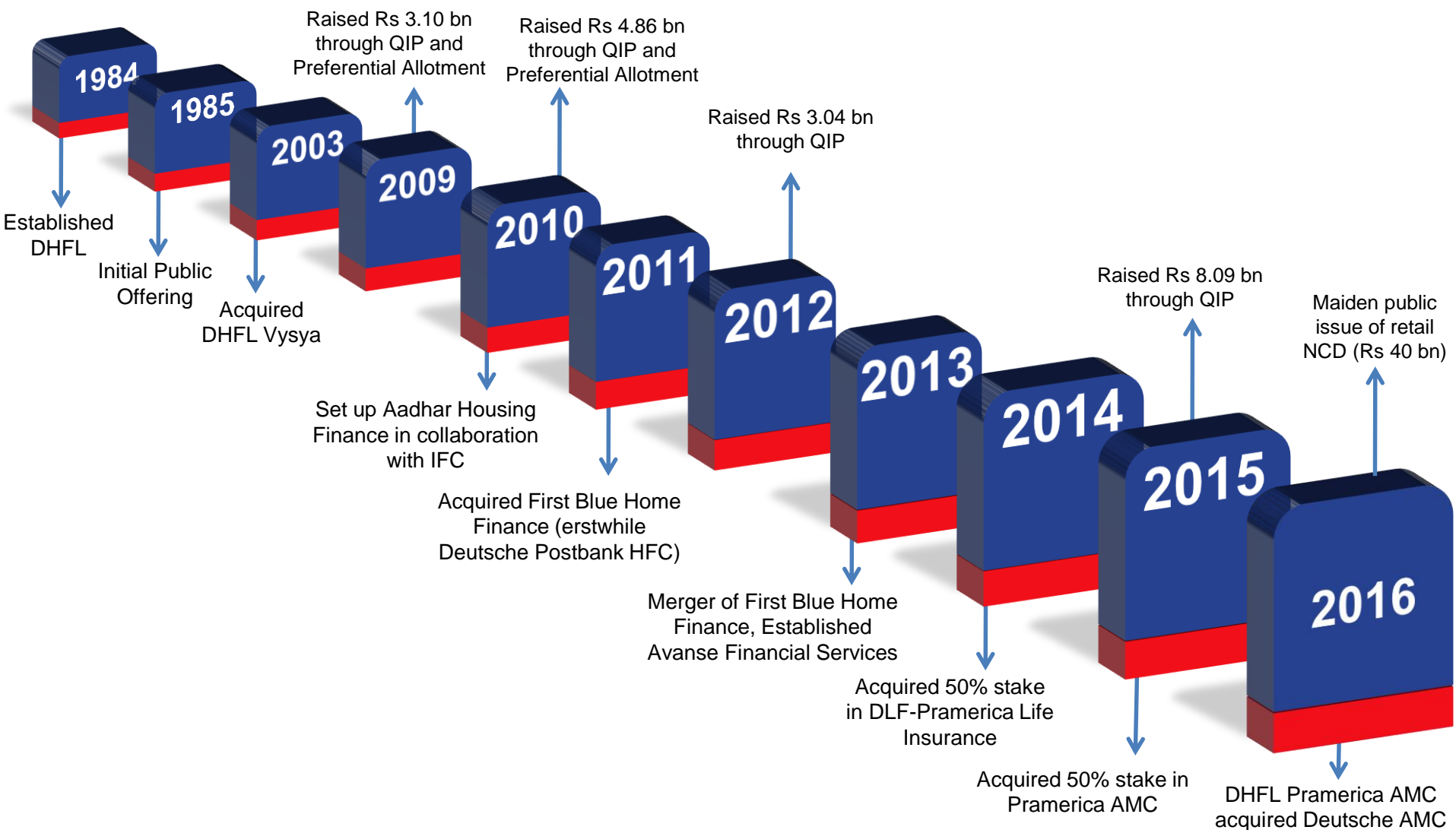
---

About the Company

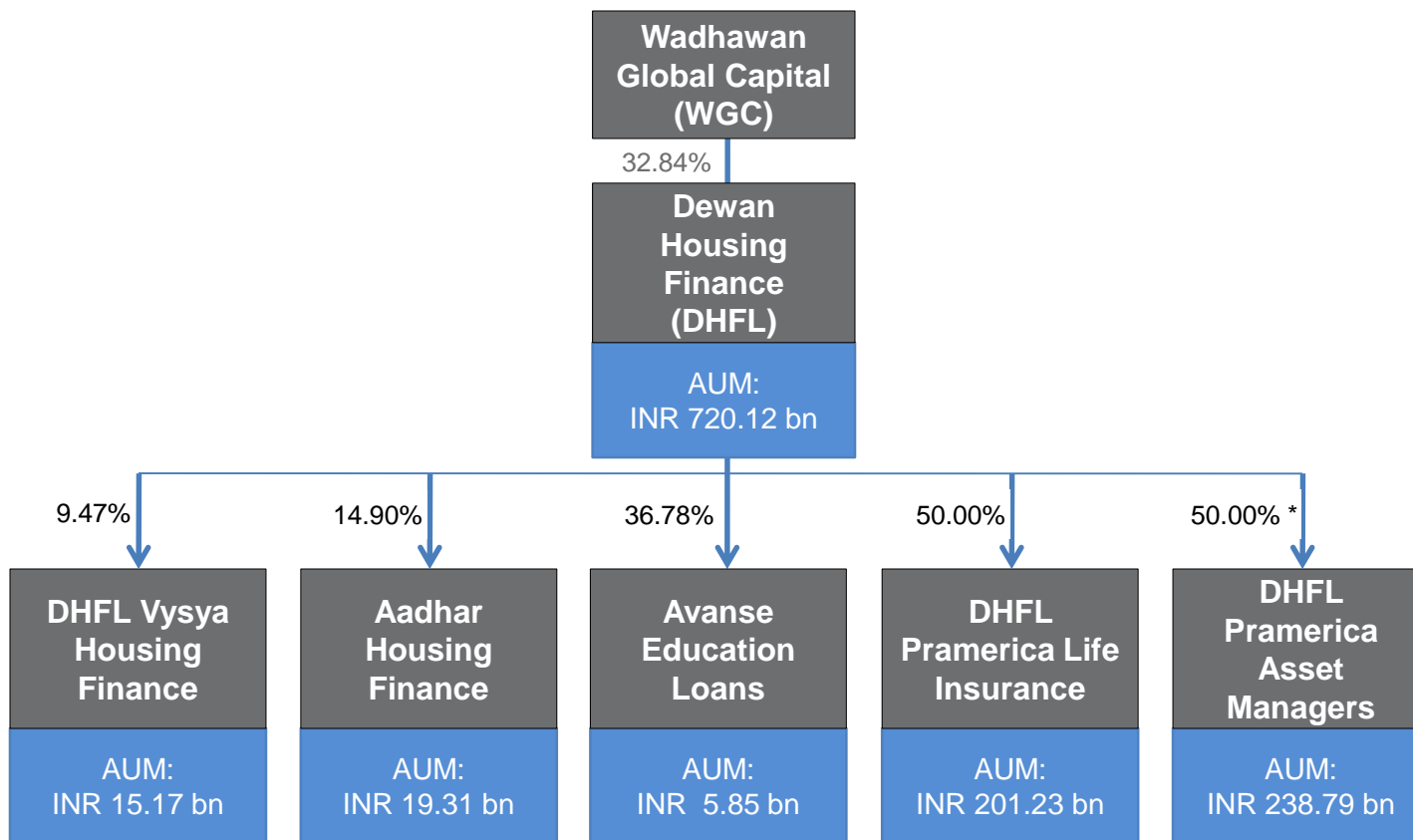
# Overview



# Key Milestones in the Group Journey



# 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)**, etc.

AUM and shareholding as on 30 June 2016  
 \* Combining direct and indirect shareholding

# Section 2

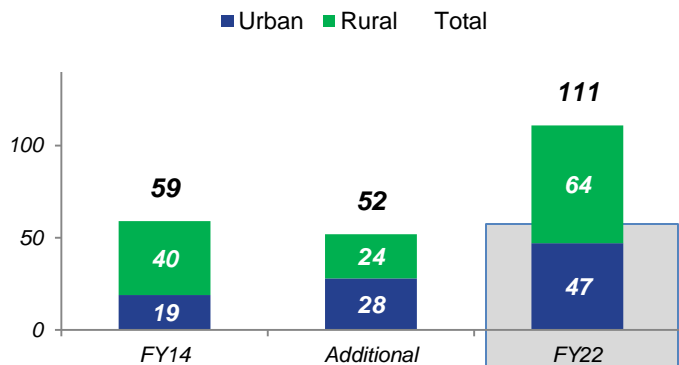
---

## Market and Business Overview

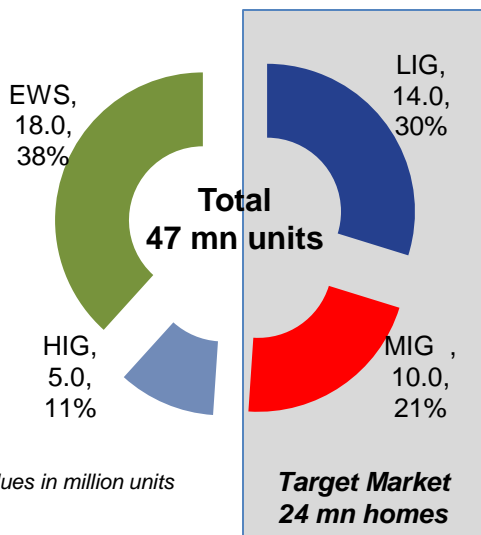


# Opportunity in the Affordable Housing Space

## Housing units shortfall in India

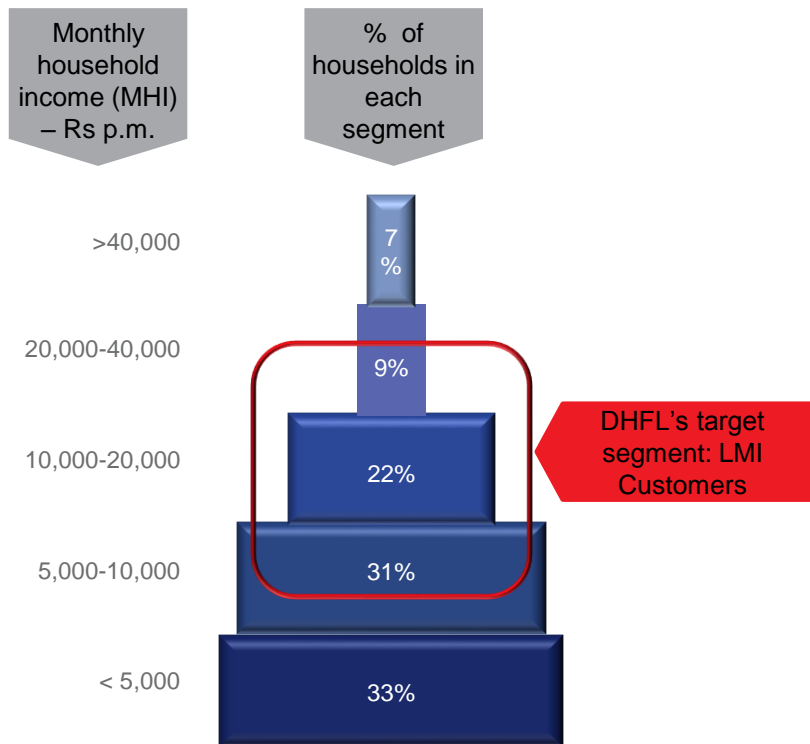


All values in million units



All values in million units

## Customer segments in housing space



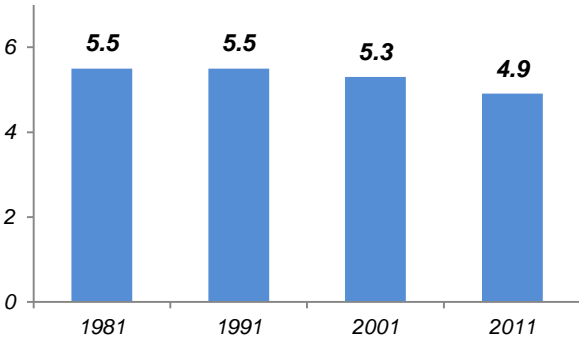
DHFL's target segment: LMI Customers

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

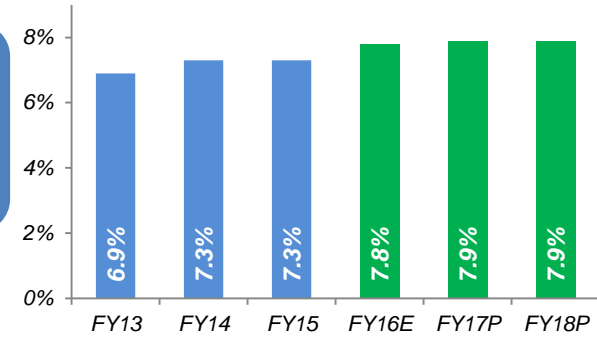
# Housing Demand Growth Drivers

Average Household Size



Source: Census data, 2011

GDP Growth Rate (real)



Source: World Bank

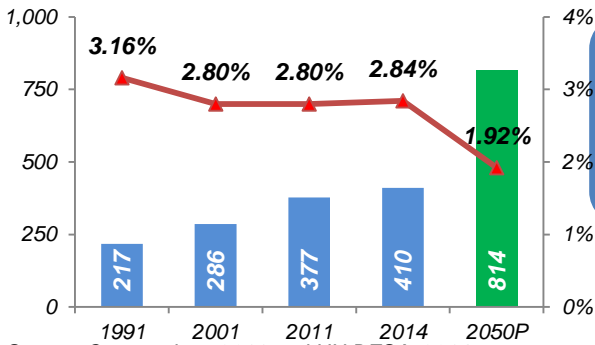
Increase in affordability driven by sustained GDP growth rate and stable property prices

Decrease in household size and emergence of nuclear families

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

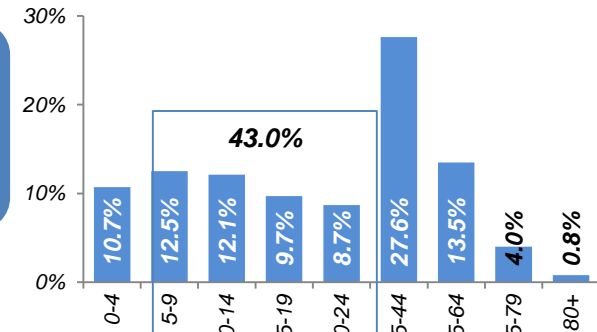
Increasing urbanization led by rural-urban migration and reclassification of rural towns

Urban Population (mn) CAGR



Source: Census data, 2011 and UN DESA, 2014

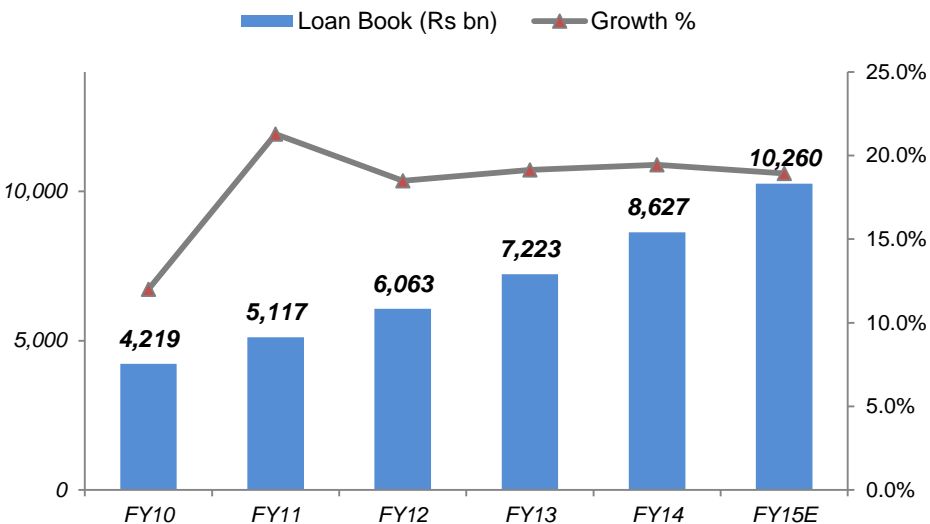
Age wise demographics



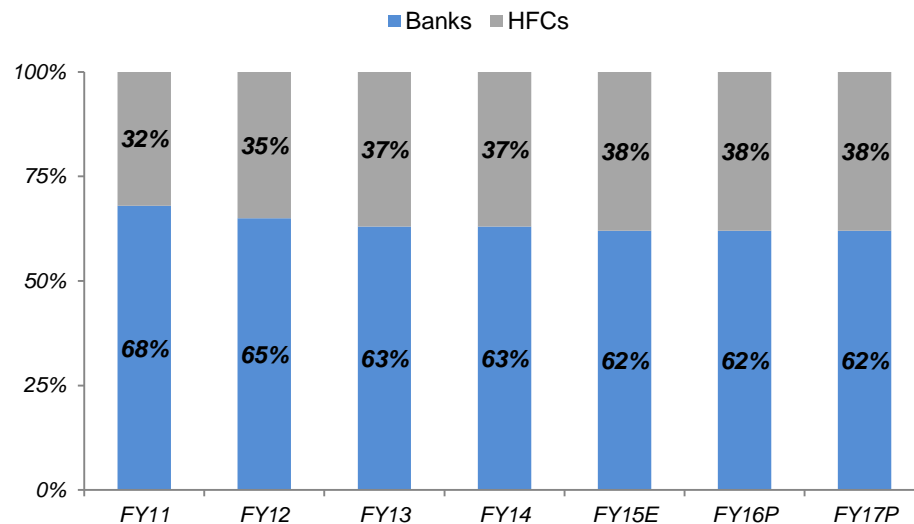
Source: Census data, 2011

# Increasing Presence of HFCs

## Growth of housing loans (Banks + HFCs)



## Increasing share of HFCs

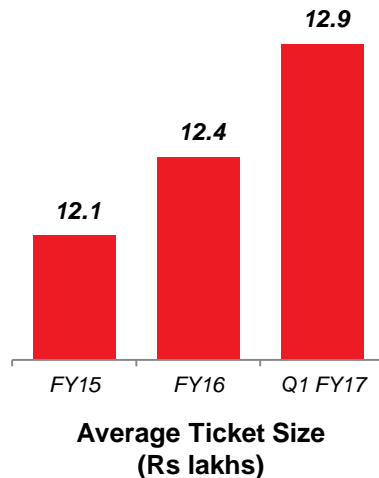
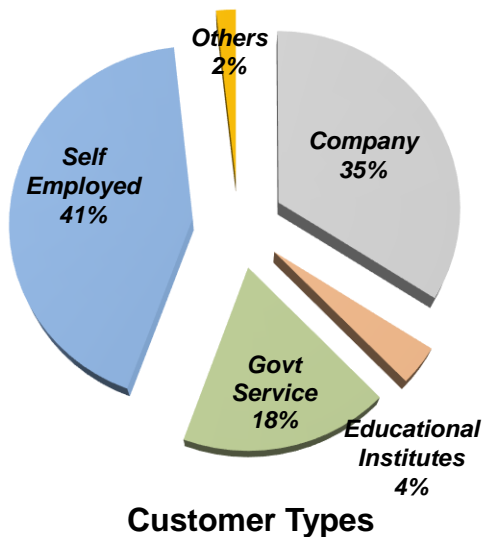


## Key Trends in Housing Finance

- ▲ 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

# DHFL – Market Leader in LMI segment

## Focus on LMI segments



## 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

As on 30 June 2016

## DHFL – Key Differentiators

- 🏠 More than 3 decades of expertise in underwriting credit for LMI and self employed customers
- 🏠 Tier II / III cities 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

# Customer Profile



Profession: Teacher  
Monthly HH income:~ Rs 25,000 pm  
Family size: ~5 (Parents & 2 Siblings)  
Stayed in a 1 room-kitchen



Profession: Farming and other allied  
Monthly HH income:~ Rs 15,000 pm  
Family size: ~4 (Husband & 2 Children)  
Stayed in a rented 1 room-kitchen



Profession: Owner, super market  
Monthly HH income:~ Rs 30,000 pm  
Family size: ~5 (Wife & 3 Children)  
Stayed in a rented 1 BHK

*Every Indian should have a home of his own*

# 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 <sup>1</sup>



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 30 June, 2016

<sup>1</sup> Include two representative offices in London and Dubai

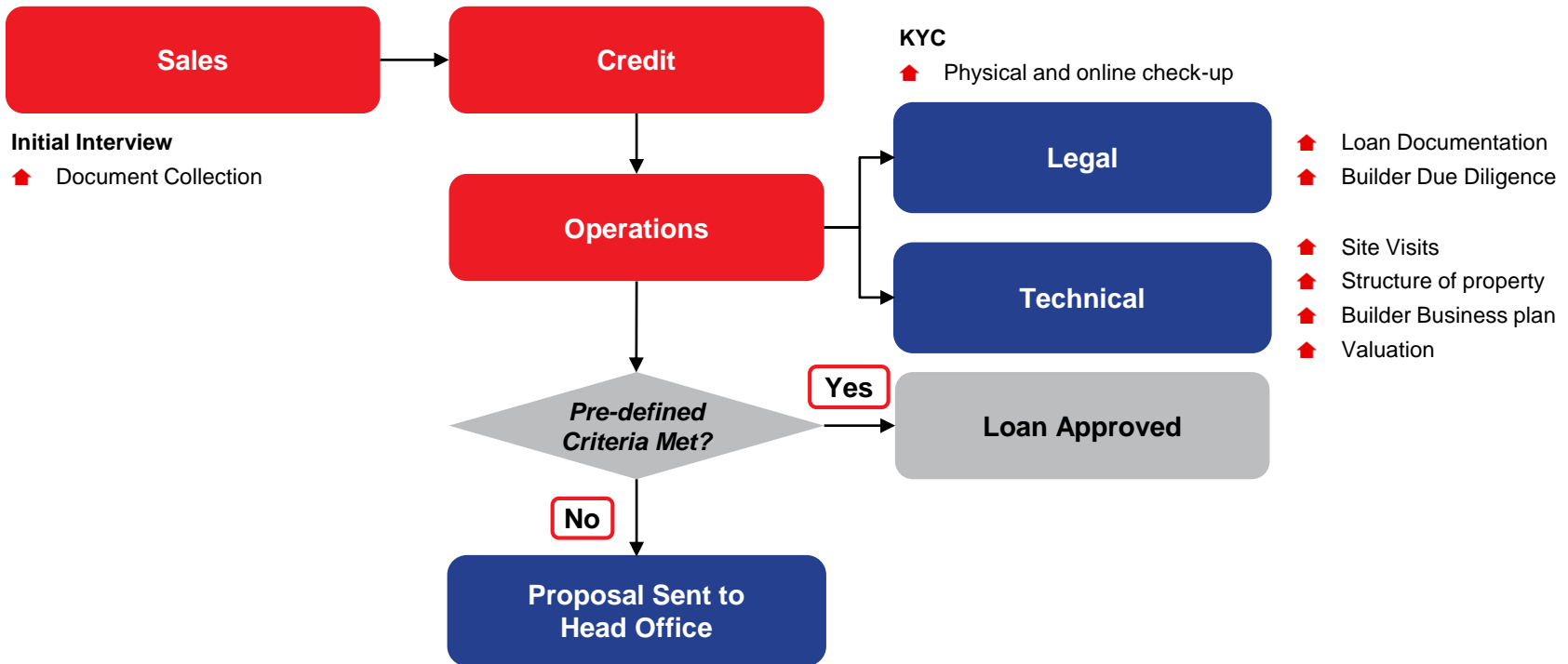
# Business Enablers: Robust credit appraisal process

## Leads generated from

- 📌 Own Branches
- 📌 Developers
- 📌 Brokers/DSA
- 📌 Banks
- 📌 Call centers

## Key Documents

- 📌 Income Tax Return
- 📌 Salary Slip
- 📌 Form 16
- 📌 Bank Statement



- 📌 **Centralised processing centres** 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**

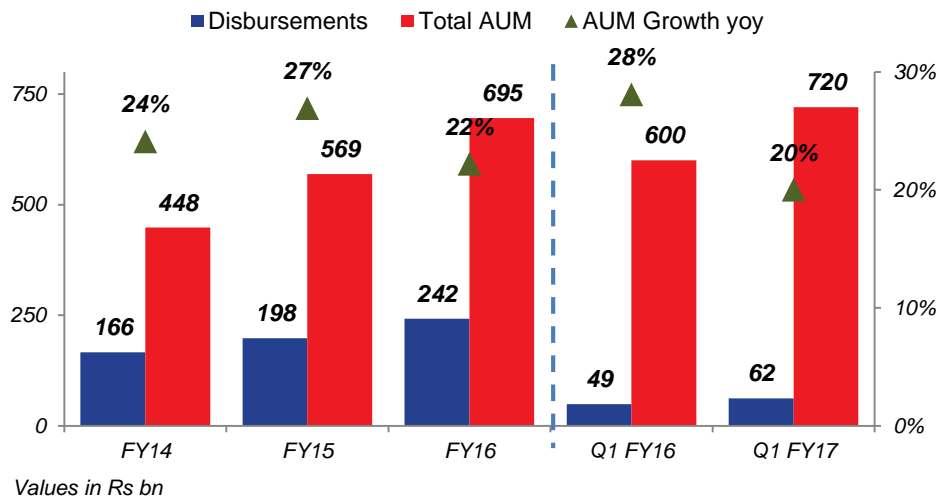
# Section 3

---

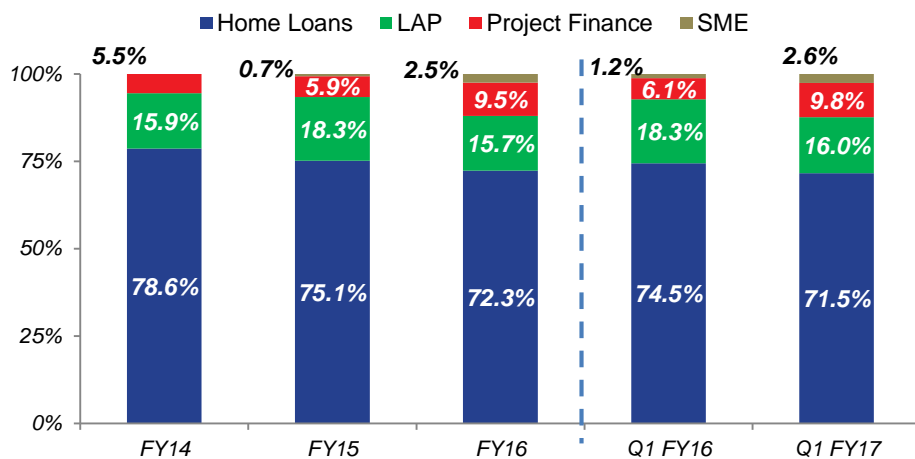
## Business Strategy and Financial Performance



# Robust AUM Growth



## Product Portfolio Breakup



- Housing Loans to maintain dominant share of DHFL's product offerings
- Continued focus on LMI customer segment to drive growth
- Significant presence in Tier II /III cities, which are expected to drive the next phase of housing finance growth
- Loan book growth to be driven through better utilization of existing network – network expansion done in last 3 years

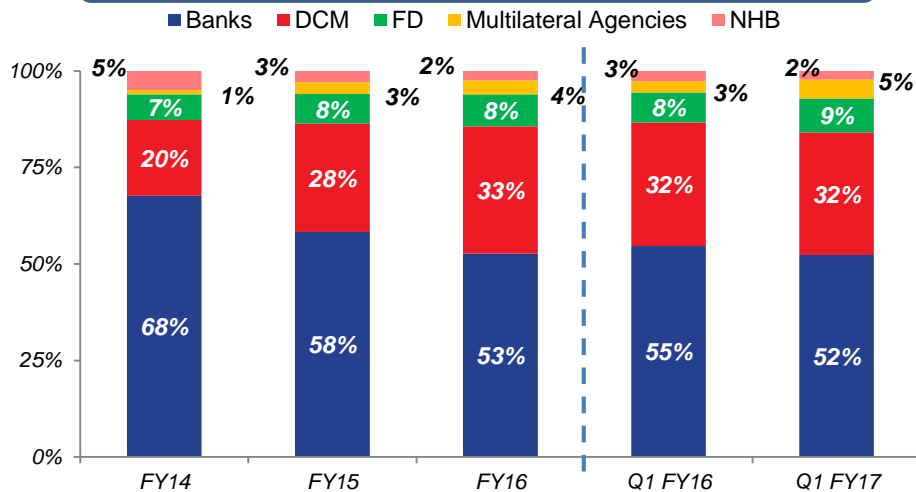
# Steady Reduction in Cost of Funds

COST OF FUNDS	FY14	FY15	FY16	Q1 FY17
Banks	11.0%	10.81%	10.10%	10.05%
DCM	9.84%	9.49%	9.28%	9.06%
FD	10.56%	10.34%	9.52%	9.35%
Multilateral agencies	10.73%	8.56%	8.71%	8.92%
NHB	8.04%	7.93%	7.59%	7.59%
<b>Total</b>	<b>10.59%</b>	<b>10.28%</b>	<b>9.67%</b>	<b>9.56%</b>

Maiden public issue of Retail NCDs of Rs 40 bn in Q2 FY17  
Subscription of more than Rs 187 bn

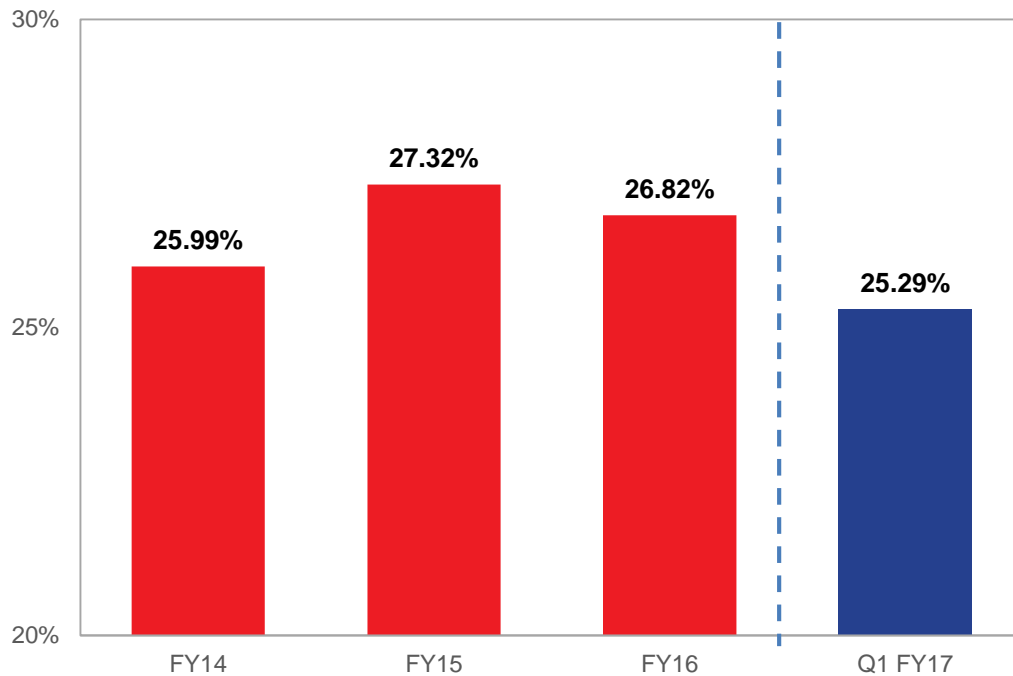
- Continued focus on diversification of sources of funds
- Continue to increase share of Debt Capital Markets (DCM) and decrease share of bank funding- share of bank funding reduced from 68% to 52% over last 2 years
- Grow Retail Fixed Deposits (FD) through innovative product offerings, expanding distribution channels and leveraging technology
- Expand presence in retail NCD market by leveraging the success of the maiden public issue

## Liability Profile Breakup



# Declining Cost / Income Ratio

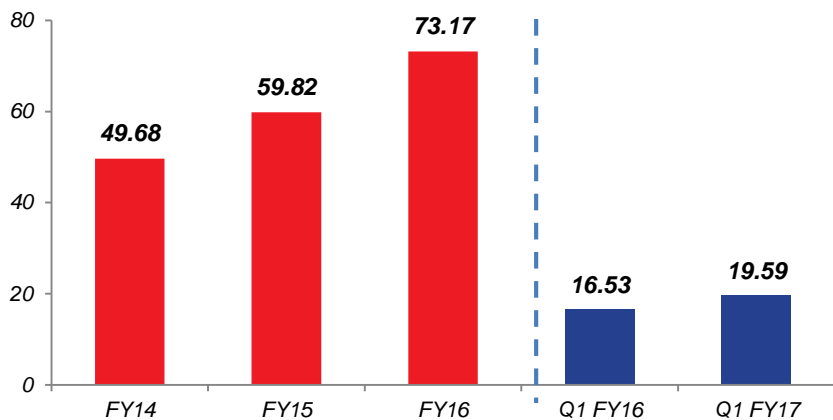
Cost / Income Ratio



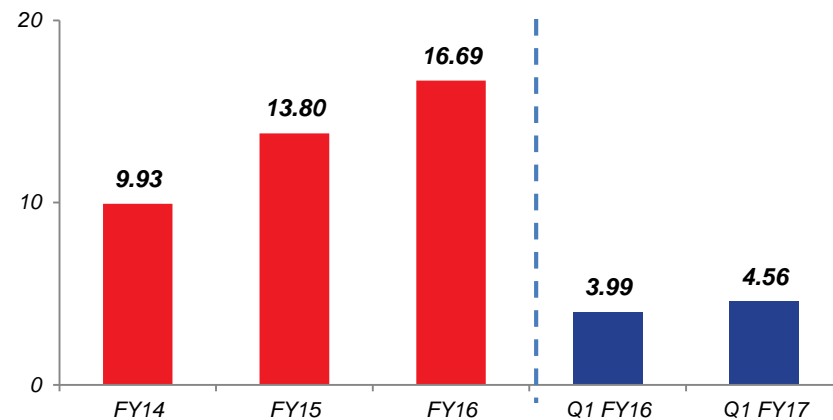
- ▲ Significant investment in last 3 years to drive network expansion and improve brand visibility
- ▲ Target reduction in Cost/Income Ratio through focus on efficiency improvement and technology led initiatives

# Financial Statement (Summary)

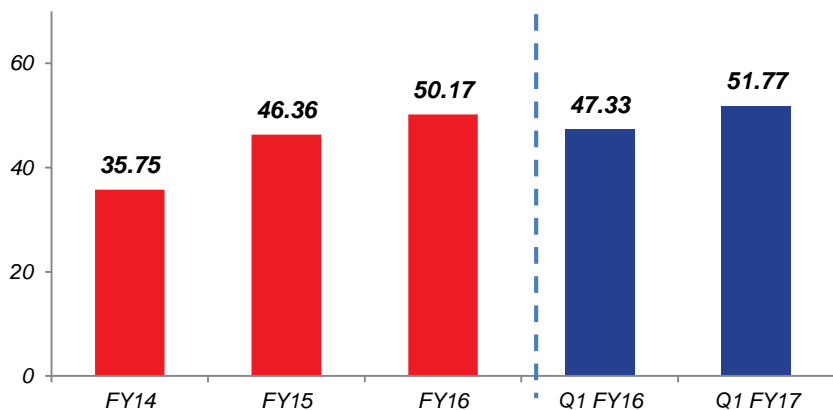
### Total Income



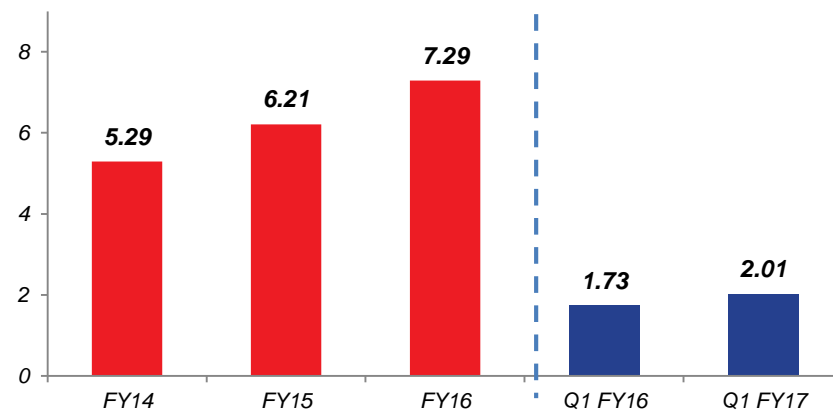
### Net Interest Income (NII)



### Net Worth



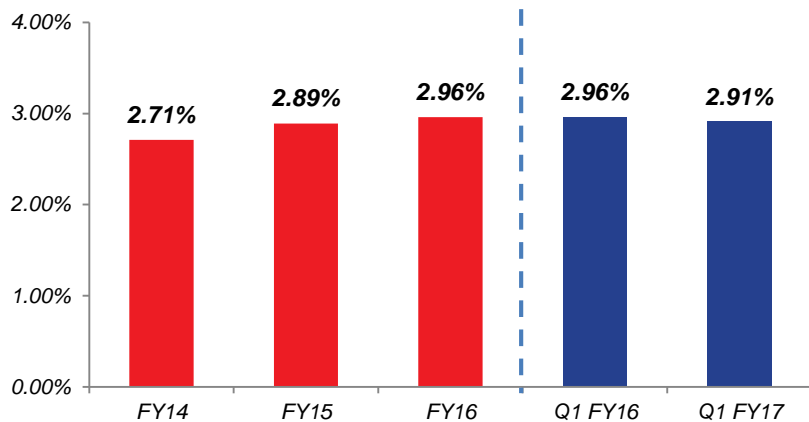
### Profit After Tax



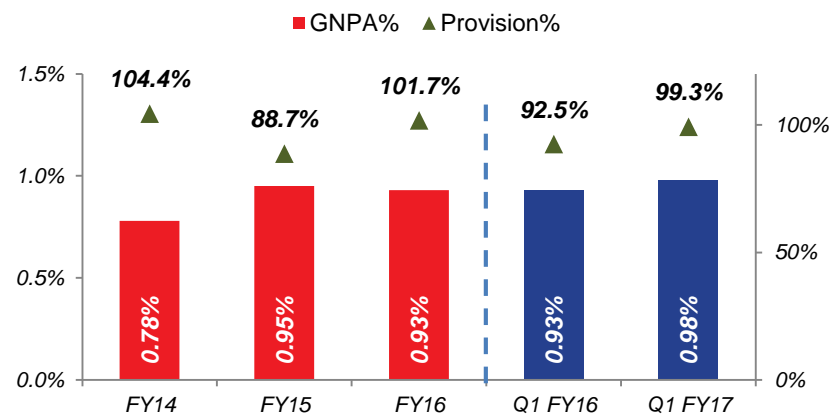
All values in Rs bn and based on DHFL Standalone Accounts

# Key Financial Ratios

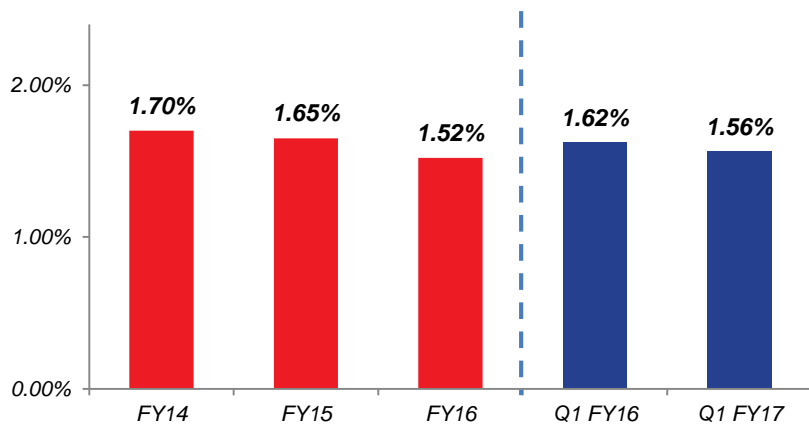
### Net Interest Margin (NIM)



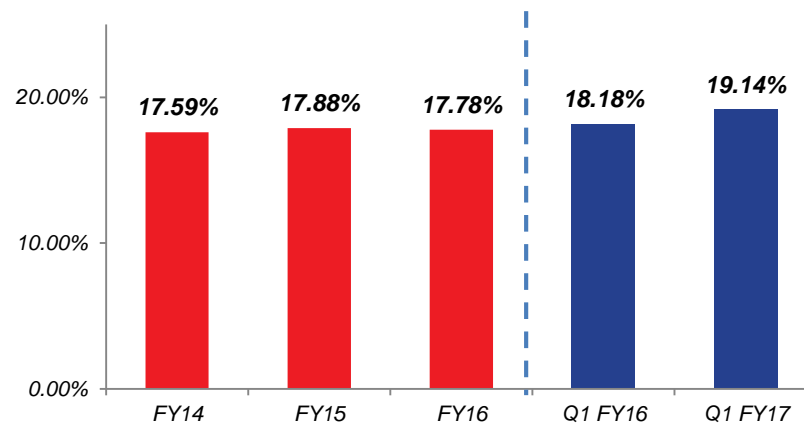
### NPA & Provisions



### Return on Assets (RoA)



### Return on Equity (RoE)



All values based on DHFL Standalone Accounts

## Way Forward

---

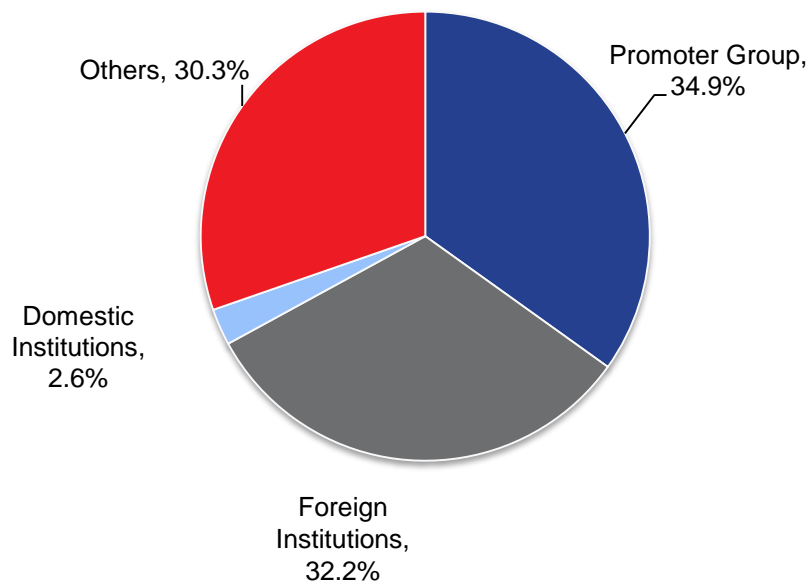
Reduction in Cost of Funds through Liability mix change leading to NIM expansion

Moderation in operating expenses through efficiency improvement leading to reduction in C/I ratio

Improvement in profitability parameters (both RoA & RoE) through a combination of lower COF and lower opex ratio

# Shareholding

## Shareholding Overview



## Key Shareholders

SN	Name of Investor	% Holding
1	Rakesh Jhunjhunwala	3.68%
2	Acacia Partners <sup>1</sup>	3.29%
3	Lazard <sup>1</sup>	1.91%
4	Neuberger Berman <sup>1</sup>	1.90%
5	Government Of Singapore <sup>1</sup>	1.71%
6	Jupiter Asset Management <sup>1</sup>	1.68%
7	Morgan Stanley Investment Mgmt <sup>1</sup>	1.53%
8	Macquarie	1.29%
9	Vanguard <sup>1</sup>	1.25%
10	Templeton <sup>1</sup>	1.22%

As on 30<sup>th</sup> June, 2016

<sup>1</sup> Held through multiple funds/schemes

# Annexure 1

---

## Financial Statements



# Financial Statement

	FY14	FY15	FY16	Q1 FY16	Q1 FY17	YoY Growth (Q1FY17 v Q1FY16)
<b>INCOME STATEMENT</b>						
Interest Income	47.76	58.39	71.59	16.33	19.32	18%
(-) Interest Expenses	37.83	44.60	54.90	12.34	14.75	20%
Net Interest Income (NII)	9.93	13.80	16.69	3.99	4.57	14%
(+) Non Interest Income	1.92	1.42	1.57	0.20	0.28	37%
(-) Operating Expenses	3.69	4.49	5.25	1.20	1.30	8%
(-) Depreciation	0.11	0.26	0.24	0.06	0.07	12%
(-) Provisioning	0.70	1.05	1.75	0.32	0.45	41%
Profit Before Tax	7.35	9.43	11.02	2.61	3.03	16%
(-) Taxes	2.06	3.22	3.73	0.88	1.02	15%
Profit After Tax	5.29	6.21	7.29	1.73	2.01	16%
<b>BALANCE SHEET</b>						
Net Worth	35.75	46.36	50.17	47.33	51.77	
Borrowings	394.87	489.21	611.04	530.14	638.19	

All values in Rs bn and based on DHFL Standalone Accounts

## Key Financial Ratios

	FY14	FY15	FY16	Q1 FY16	Q1 FY17
Net Interest Income (NIM)	2.71%	2.89%	2.96%	2.96%	2.91%
Cost/Income Ratio	25.99%	27.32%	26.82%	26.77%	25.29%
Gross NPA %	0.78%	0.95%	0.93%	0.93%	0.98%
Provision Coverage Ratio (PCR)	104.36%	88.68%	101.74%	92.45%	99.31%
Total CRAR	17.16%	16.56%	16.74%	15.78%	17.45%
Tier 1 CRAR	11.94%	12.53%	12.97%	12.00%	12.74%
Net Debt/Equity Ratio	10.42	10.14	11.23	10.55	11.27
Return on Assets (RoA)	1.70%	1.65%	1.52%	1.62%	1.56%
Return on Equity (RoE)	17.59%	17.88%	17.78%	18.18%	19.14%
Earnings per share (Rs/share)	41.23 <sup>2</sup>	23.88	25.00	5.94	6.90
Dividend per share (Rs/share)	8.0 <sup>1</sup>	6.0 <sup>3</sup>	8.0	-	-
Dividend payout %	19.4% <sup>1</sup>	12.5% <sup>3</sup>	32.0%	N/A	N/A

Note:

All values based on DHFL Standalone Accounts

<sup>1</sup> Includes Special 30th Anniversary Celebration Dividend @ Rs 3 per share

<sup>2</sup> 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

<sup>3</sup> FY15 DPS and Dividend payout % not adjusted for Bonus issue of 1:1 done in FY16

# Annexure 2

---

Management Team

# 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

# Vastly Experienced Board of Directors



## Kapil Wadhawan, CMD

- ◆ MBA from Edith Cowan University, Australia
- ◆ Appointed MD in 2000 and CMD in 2009
- ◆ 2 decades of experience in the housing finance industry



## 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

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



## Dr. Rajiv Kumar, Independent Director

- ◆ Senior Fellow at Centre for Policy Research
- ◆ Former Secretary General of FICCI
- ◆ Chancellor of Gokhale Institute of Economics and Politics
- ◆ Ex Member of India's National Security Advisory Board
- ◆ Former Chief Economist of CII

# 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



# Awards and Recognition

**FY17**

“Bahana Campaign” awarded “Marketing Campaign of the Year” in the BFSI Sector at the National Awards for Marketing Excellence endorsed by World CSR day, Stars Group and CMO Asia



**FY17**

“Wealth2Health Fixed Deposit” product awarded the “Brand Extension Award” in the BFSI Sector at the National Awards for Marketing Excellence endorsed by World CSR day, Stars Group and CMO Asia

**FY17**

DHFL Wins 'Gold' at the Asia Pacific Customer Engagement Forum & Awards for its Bahana Campaign



**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



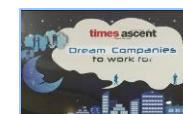
**FY16**

"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 Star Group endorsed by CMO Asia.



**FY16**

Amongst the Top 50 Dream Companies to work for organized 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



# Annexure 3

---

DHFL Group Associates



# 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 9.4 lakhs in Q1 FY17
- ▲ Has operations majorly in South India, viz., Karnataka, Andhra Pradesh, Telangana, Tamil Nadu & Kerala as well as in Maharashtra and Uttar Pradesh
- ▲ Network across 41 branches and 21 Service Centres
- ▲ Company made home loan disbursements of Rs 1.24 bn in Q1 FY17

## Aadhar Housing Finance

*Serves the most Underserved segment*



- ▲ The Average Ticket size stood at Rs 7.35 lakhs in Q1 FY17
- ▲ Generates business through 13 low income states in India viz; UP, MP, Bihar, Chhattisgarh, Jharkhand, West Bengal, Orissa, Gujarat and Rajasthan, Maharashtra, Uttarakhand, Punjab and Haryana
- ▲ Presence in 117 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 11 major educational markets of the country – includes Mumbai, Delhi & Pune being exclusive Avanse branches, with additional coverage through 180 DHFL Centres

## Highlights of Q1 FY17

- Outstanding Portfolio – Rs 5.85 bn
- Loans Sanctioned – Rs 4.74 bn
- Loans disbursed – Rs 0.74 bn
- Average Ticket size – Rs 14.4 lakhs
- Product Mix:
  - Domestic : Rs 1.04 bn
  - Abroad : Rs 3.95 bn
  - Project Finance: Rs 0.86 bn
- Total Income – Rs 235.6 mn in Q1 FY17

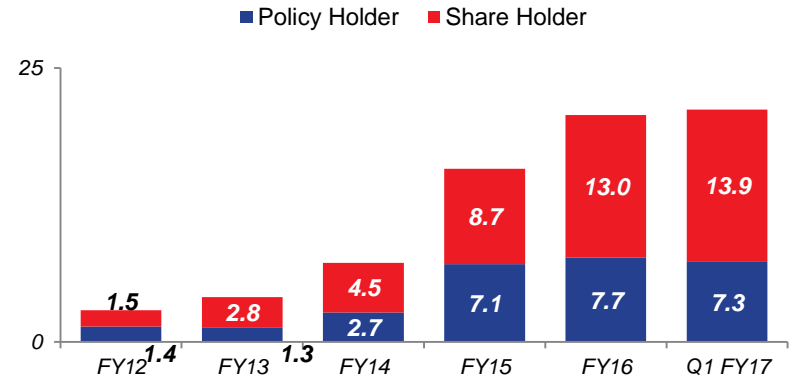
# DHFL Pramerica Life Insurance (JV with Prudential Financial)



LIFE INSURANCE

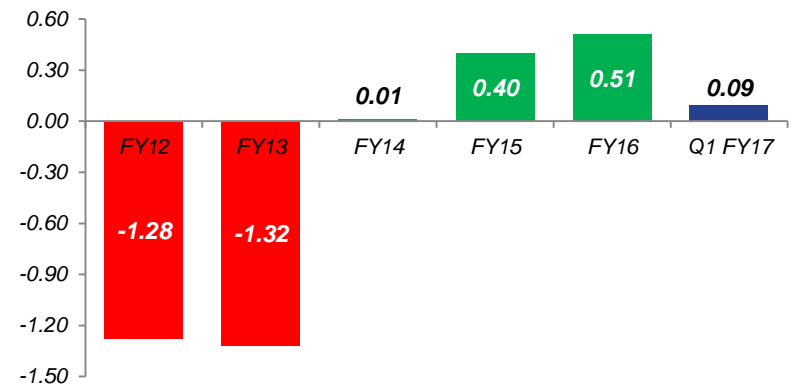
- 74:26 joint venture between DHFL Ltd. (DHFL) and its Promoters and Prudential Financial Inc (PFI) <sup>1</sup> catering to the Life Insurance segment
- ~5,275 part-time + full time agents as on 30 June 2016

## Assets Under Management



All values in Rs bn as on closing date

## Net Profit



All values in Rs bn

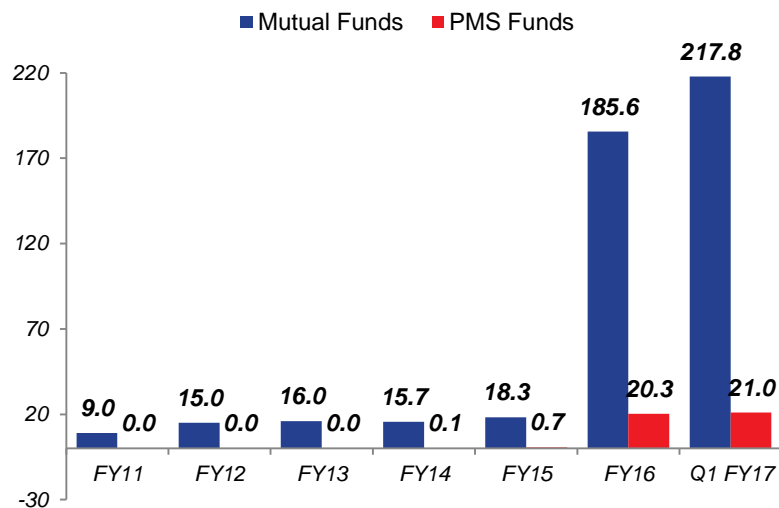
<sup>1</sup> Pramerica is the brand name used by Prudential Financial, Inc. ("PFI") of the United States and its affiliates in select countries outside of the United States. Neither PFI nor any of the named Pramerica entities are affiliated in any manner with Prudential plc, a company incorporated in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

# DHFL Pramerica Asset Managers (JV with Prudential Financial)



- ▲ 50:50 joint venture between DHFL Ltd. (DHFL) Prudential Financial Inc , USA (PFI)<sup>1</sup> 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
- ▲ 101,270 active folios and 4,736 empanelled distributors as on 30 Jun, 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 closing date  
PMS includes Discretionary & Advisory AUM

<sup>1</sup> 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.

# Disclaimer

---

This presentation may contain statements about events and expectations that may be “forward-looking,” including those relating to general business plans and strategy of Dewan Housing Finance Corporation Ltd. (“DHFL”) and its associates/subsidiaries/JVs, its future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of risks and uncertainties, including future changes or developments in DHFL and its associates/subsidiaries/JVs business, its competitive environment, its ability to implement its strategies and initiatives and respond to technological changes and political, economic, regulatory and social conditions in India. All financial data in this presentation is obtained from the Unaudited Financial Statement for the quarter ended 30 June, 2016 and Audited Financial Statements for the year ended March 31, 2014, March 31, 2015 and March 31, 2016, basis which the ratios are calculated. This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer invitation or a solicitation of any offer to purchase or sell, any shares of DHFL should not be considered or construed in any manner whatsoever as a recommendation that any person should subscribe for or purchase any of DHFL's shares. None of the projections, expectations, estimates or prospects in this presentation should be construed as a forecast implying any indicative assurance or guarantee of future performance, nor that the assumptions on which such future projections, expectations, estimates, or prospects have been prepared are complete or comprehensive.

By accepting this presentation, the recipient agrees that this presentation is strictly confidential and shall not be copied, published, distributed or transmitted to any person, in whole or in part, by any means, in any form under any circumstances whatsoever. The recipient further represents and warrants that: (i) it is lawfully able to receive this presentation under the laws of the jurisdiction in which it is located and / or any other applicable laws, (ii) it is not a U.S. person, (iii) this presentation is furnished to it and has been received outside of the United States, and (iv) it will not reproduce, publish, disclose, redistribute or transmit this presentation.

**Thank You**

**Contact**

Investor.relations@dhfl.com