Dewan Housing Finance Corporation Ltd.

Poised for the next leap in a niche business

Earnings Update – December 2011

Bloomberg Tkr: DEWH IN | NSE Code: DEWANHOUS | BSE Code: 511072

DHFL
Changing Rules Changing Lives

Contents

* Erstwhile Deutsche Postbank Home Finance

Group Earnings Update – 9MFY12

DHFL

- Total Income up YoY by 72% to ₹17.49bn and NII up by 43% to ₹ 3.41bn
- Profit after Tax up YoY by 24% to ₹ 2.13bn
- Sanctions up YoY by 35% to ₹ 83.81bn and Disbursements up by 34% to ₹ 59.73bn
- Loan book up YoY by 50% to ₹ 185.37bn
- Net Interest Margin for 9MFY12 stood at 2.78%
- Gross and Net NPA's stood at 0.89% and 0.17% respectively as of end 9MFY12
- Complying with the latest provisioning norms issued by NHB, DHFL provided Rs.15crs by debiting the P&L in Q3FY12.

FBHFL

- FBHFL continued to deliver healthy performance and is poised to achieve its targets set for FY2012
- Total Income up YoY by 29% to ₹ 5.4bn and NII up by 32% to ₹ 1.48bn
- Profit after Tax up YoY by 29% to ₹ 740mn
- RoA improved to 1.73% from 1.59% as of Dec'10 and RoE improved to 16.7% from 15.5% as of Dec'10
- Sanctions up YoY by 8% to ₹ 20.92bn and Disbursements up by 11% to ₹ 15.9bn
- Loan book up YoY by 18% to ₹ 59.37bn
- Gross and Net NPA's stood at 0.96% and 0.01% respectively as of end 9MFY12

****FBHFL – First Blue Home Finance***

2

Group Profile

- Evolution Journey
- Corporate Profile
- Our Reach
- Experienced Management
- Opportunity Landscape

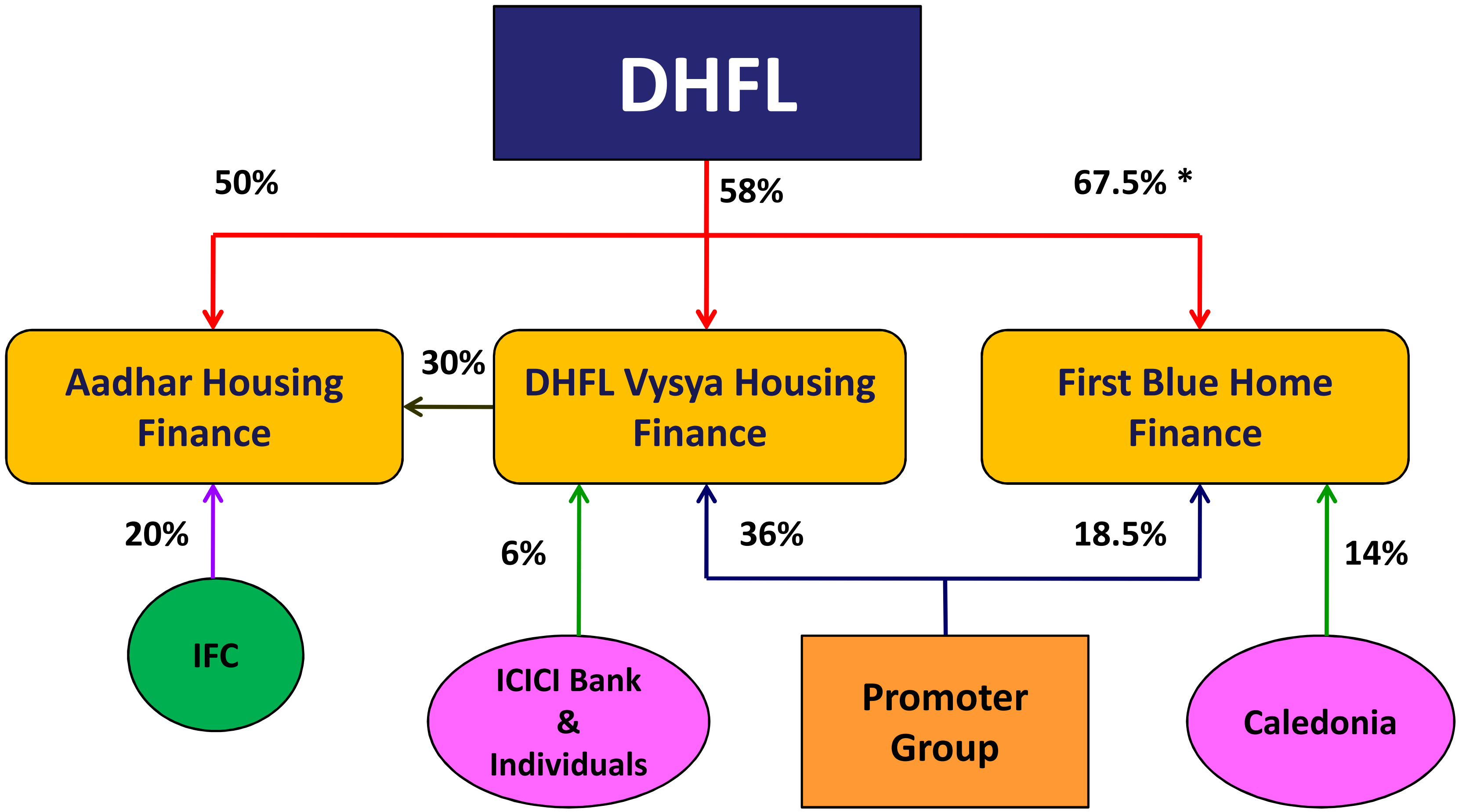
DHFL
Changing Rules Changing Lives

Evolution Journey

2011	• Acquired FBHFL* from Deutsche Post • Consol Loan book crosses Rs.250bn
2010	• Set up Aadhar Housing Finance in collaboration with IFC, Washington • Second QIP issuance raising Rs.4.86bn
2009	• First QIP issuance, raising Rs.3.01bn • Tie –up with Punjab & Sind bank and United Bank for Home Loan distribution
2006 - 07	• Cumulative Disbursement cross Rs.50bn • Cross Sell Insurance through ICICI Prudential • Annual Disbursement crosses Rs.10bn
2003	Acquired Vysya Housing Finance
1996	Cumulative Disbursements cross Rs.5bn
1985	IPO and Shares Listed on BSE
1984	Company Formed

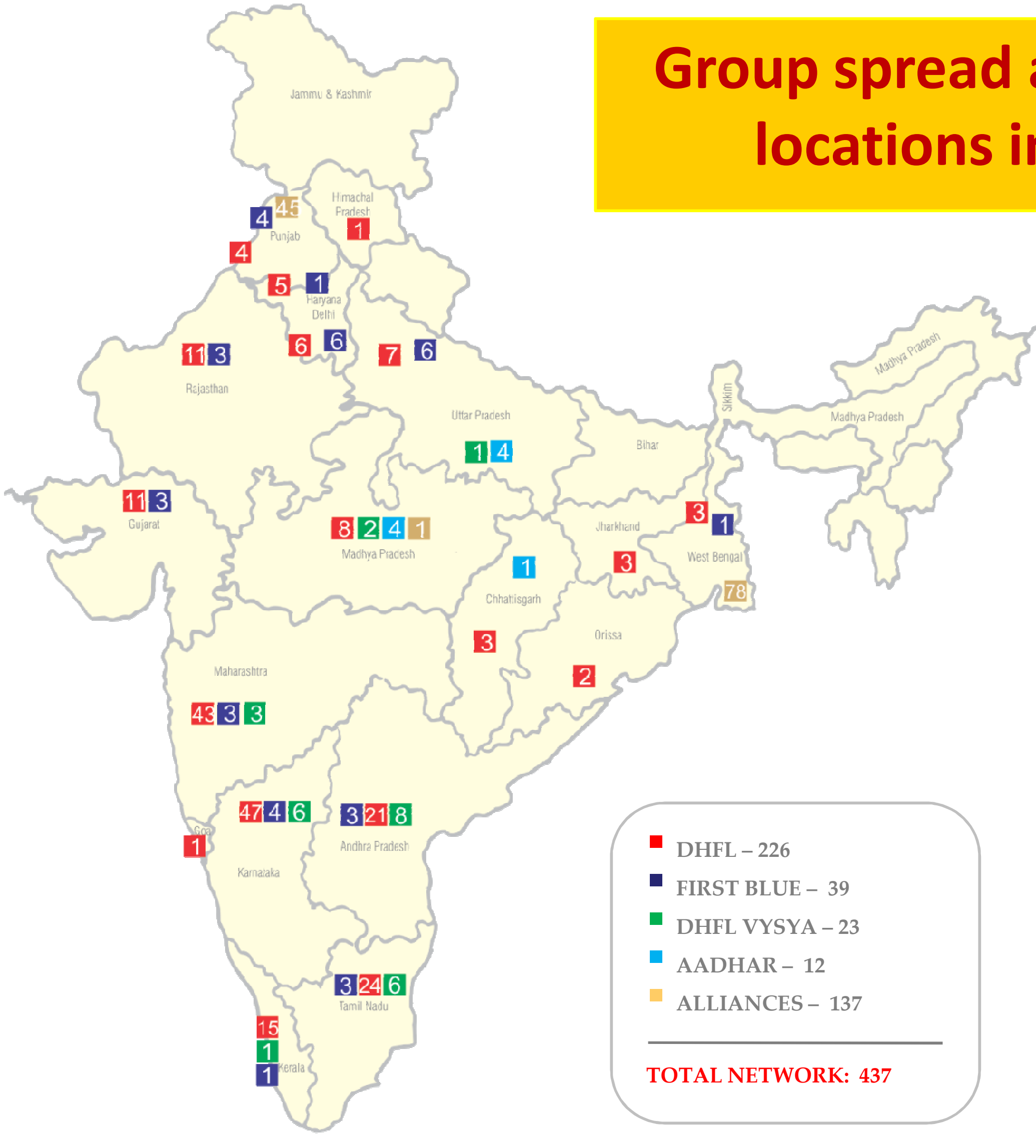
****FBHFL – First Blue Home Finance Ltd***

Corporate Profile



** Through fully owned SPV DHFL Holdings Pvt.Ltd.*

Pan India Presence



Group spread across 437 locations in India

- DHFL – 226
- FIRST BLUE – 39
- DHFL VYSYA – 23
- AADHAR – 12
- ALLIANCES – 137

TOTAL NETWORK: 437

Source: Company

DHFL Changing Rules Changing Lives

Eminent Professionals – Our Driving Force

Distinguished Board of Directors

Mr. Kapil Wadhawan	Chairman and Managing Director
Mr. Dheeraj Wadhawan	Non-Executive Director
Mr. Anthony Hambro	Nominee Director Caledonia Plc
Mr. R P Khosla	Independent Director
Mr. G P Kohli	Independent Director
Mr. R S Hugar	Independent Director
Mr. Ajay Vazirani	Independent Director
Mr. V K Chopra	Independent Director
Dr. P S Pasricha	Independent Director

Experienced Management Team

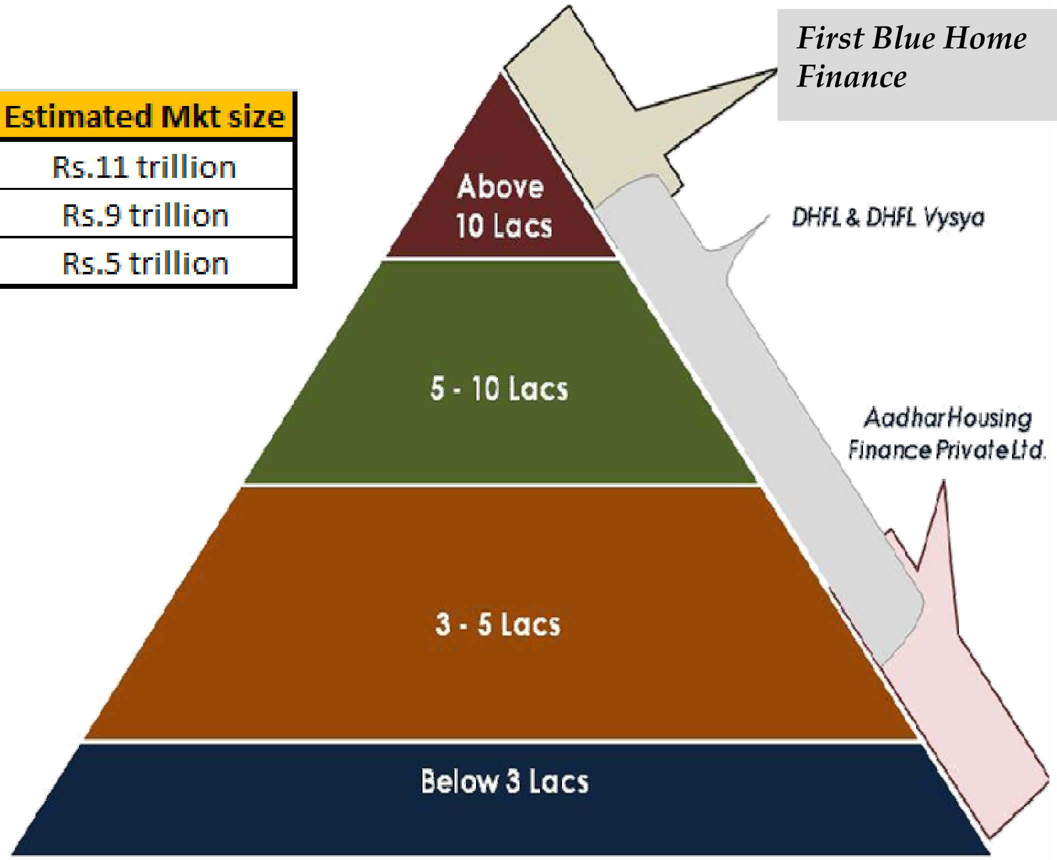
Mr. Kapil Wadhawan	Chairman and Managing Director
Mr.Anil Sachidanand	CEO DHFL
Mr. Michael Maybaum	JMD FBHFL
Mr.R. Nambirajan	MD DHFL Vysya
Mr.Harshil Mehta	CEO Aadhar HFL

Team DHFL	
Prashant Chaturvedi	- Head Finance
Rajiv Sathe	- COO
J N Shah	- Head Accounts & Tax
S. Ramratthinam	- Head Credit and Risk
S Y Sankhe	- Head Legal & Secretarial
Satish Kotian	- Head IT
S Krishnakumar	- Head Human Resources
Ganesan B	- Head Internal Audit

DHFL Changing Rules Changing Lives

Opportunity Landscape

Price per Dwelling Unit	Estimated Mkt size
Between Rs.3 to 10 lacs	Rs.11 trillion
Between Rs.10 to 25 lacs	Rs.9 trillion
Above Rs.25 lacs	Rs.5 trillion



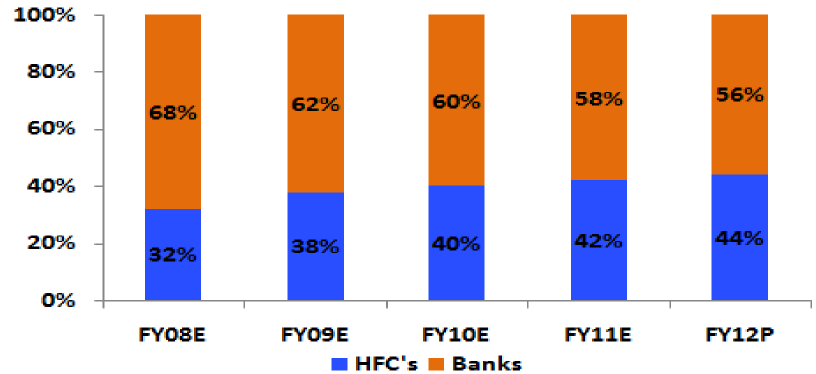
Pursuant to the acquisition of First Blue Home Finance and setting up of Aadhar Housing Finance in FY11, DHFL as a group is geared to serve customers across the housing finance spectrum, with each company serving a niche segment , resulting in minimal overlap

All Information Source: Monitor Group

Projected Industry Growth

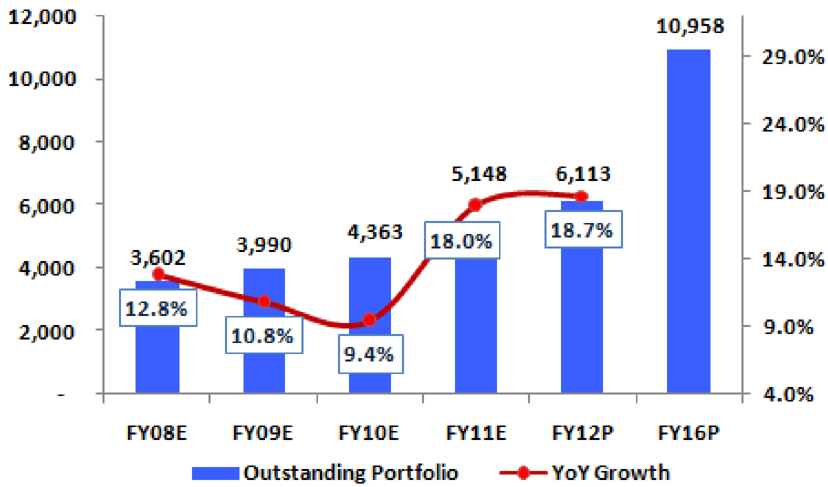
- CRISIL Research projects bank disbursements to grow by 13 percent in FY12, whereas HFCs are expected to register 18 percent disbursement growth
- This growth is supported by HFC's increasing presence in Urban areas, rise in ATS along with stable asset quality
- With reduction in balance transfer cases and uniformity in interest rates across players, CRISIL research estimates the shares of banks to drop to around 56% in FY12P

HFCs gaining higher market share



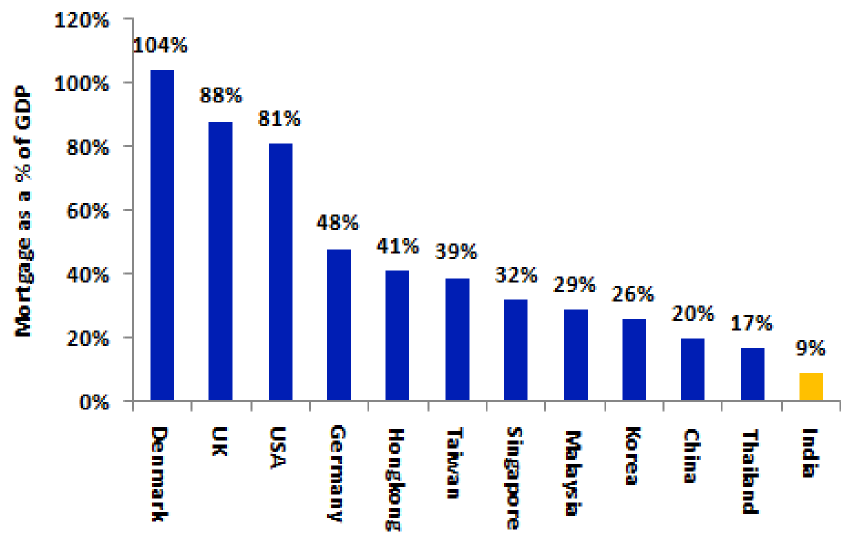
Information Source: CRISIL Research

Portfolio growth at 15.7% CAGR FY12P to FY16P



Information Source: CRISIL Research

Low Mortgage Penetration in India – A huge market potential



Information Source: Emkay Research

3

Dewan Housing Finance

- Dominant Player in the LMI Segment
- Differentiated Business Model
- Nurturing Diversification in Operations
- Performance

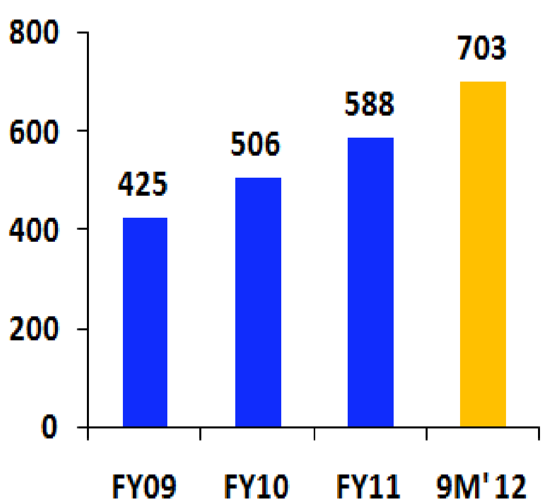
Dominant Player in LMI Segment

Our Vision

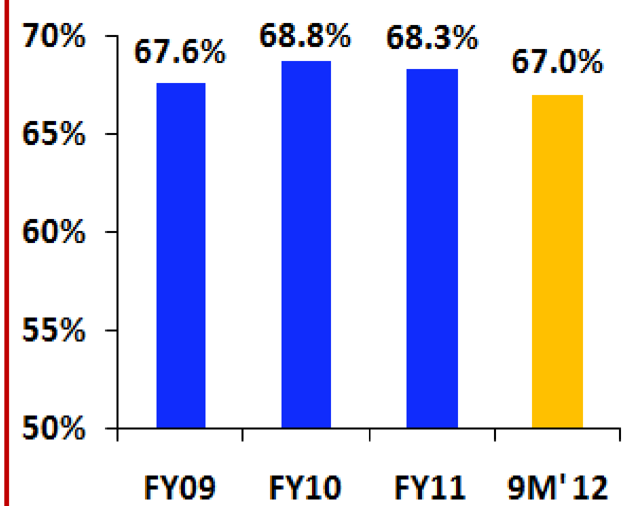
- DHFL was set up with a vision to transform the lives of millions of Indians living just beyond the consideration zone of the Mortgage industry, by giving them access to home loans
- DHFL has been unwavering in its commitment to serve the lower & middle income groups. Even after 27 years it remains a financial institution with the systems, processes and dedication to serve this socio-economic group

Key Statistics showcasing DHFL as a prominent LMI player

Avg Ticket Size (Rs'000)



Loan to Cost Ratio



Avg Installment to Income Ratio	40%
Avg Monthly Income of Clients	Rs.8K to 30K
Footprints across Tier II & III towns or outside municipal limits of main cities	~80%

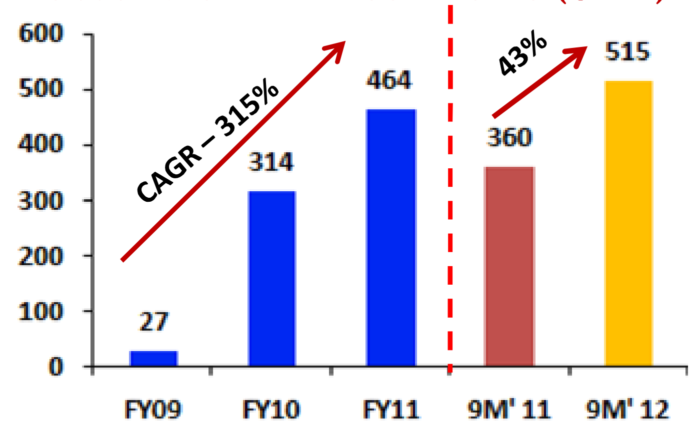
Differentiated Business Model

Business Model	Branch model as against DSA model of Peers.
Operations	7 RPU's catering to more than 80% of the branches in terms of volume
Sourcing	Business sourced majorly through own Branch network
Target	Individual customers in Tier II / III cities
Appraisal	In-house Credit & Legal team, appraising each application
Technical Evaluation	In-house team of Civil Engineers for Technical Evaluation
Collection	More than 85% collection is through ECS / PDC's

Strong Fee Income Verticals

Insurance Services	Cross-sell Insurance to own customers, in order to safeguard mutual interests
Technical Consultancy & Management	Provide TCM services to Developers and Self-Construction Clients in Tier II & III locations
Property Services	Provide Real Estate and Property Solutions to Individuals, Landlords, Developers etc.

Robust Growth in Fee Income (₹ mn)



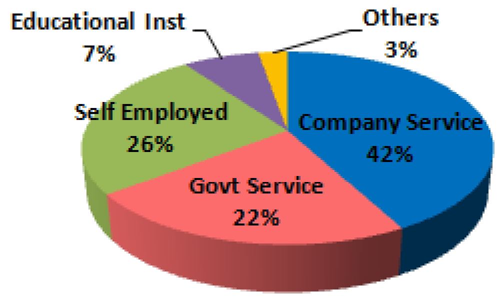
DHFL
Changing Rules Changing Lives

Nurturing Diversification in Operations

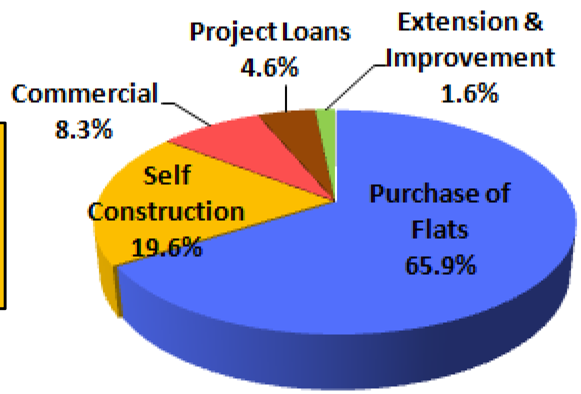
Product Offerings

Housing Loans	Non-Housing Loans
- Purchase of New Flat	- Loan Against Property
- Purchase of Resale Flat	- Lease Rental Financing
- Self Construction	- Purchase of Commercial Premises
- Extension &	
- Project Loans	

Customer Composition (Dec 11)



Portfolio Composition (Dec11)

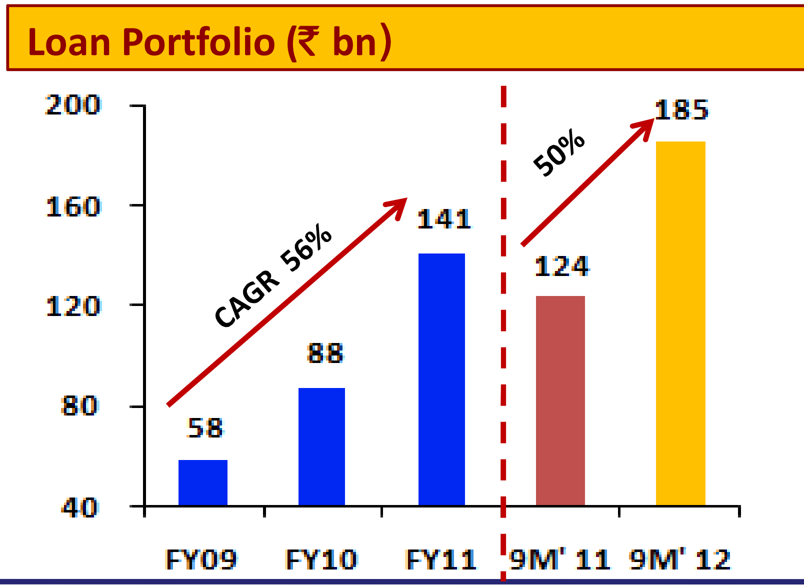


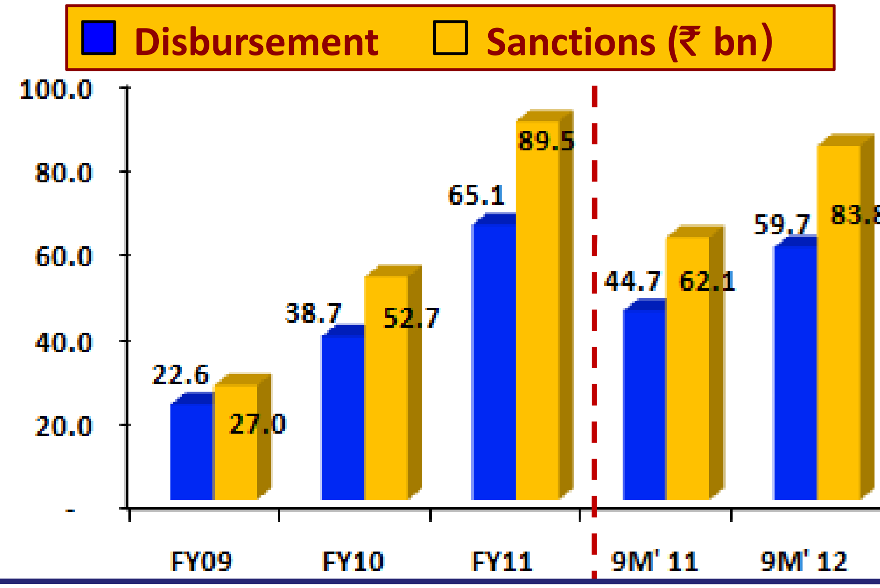
Loan Distribution

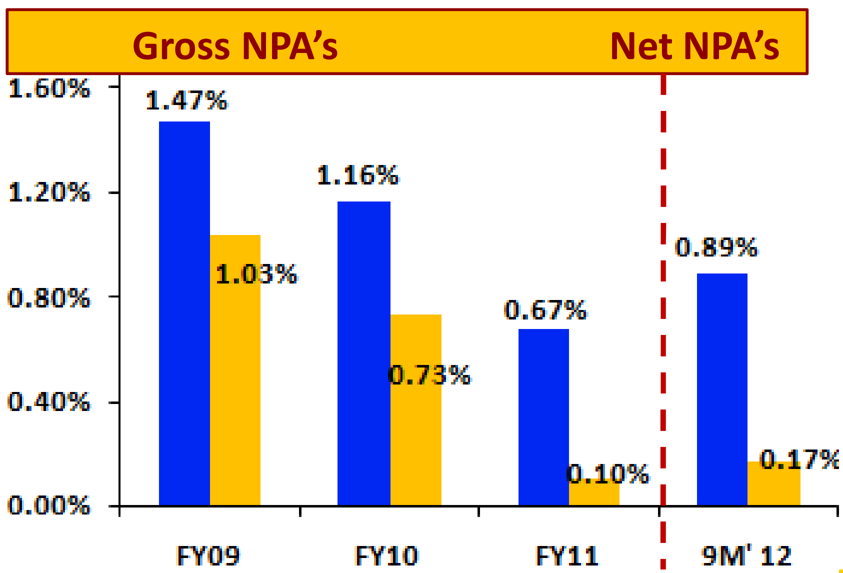
Partnered with multiple banks for Home Loan Distribution to their customers

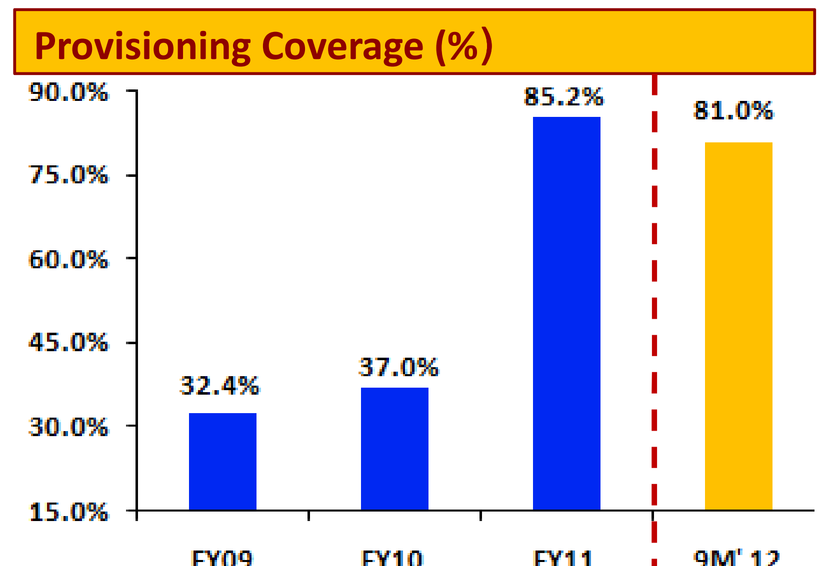
DHFL has been the industry pioneer in establishing long term relationships with multiple partners to fuel the growth engine as well as augment its income streams and feels extremely proud to win the trust of eminent and marquee names in the Finance world

Strong AUM Growth with Low NPA's



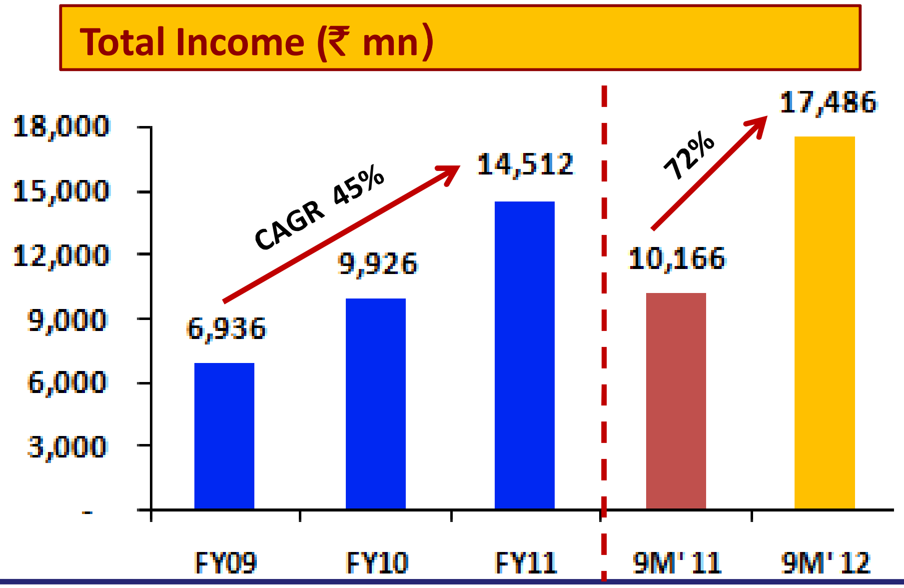


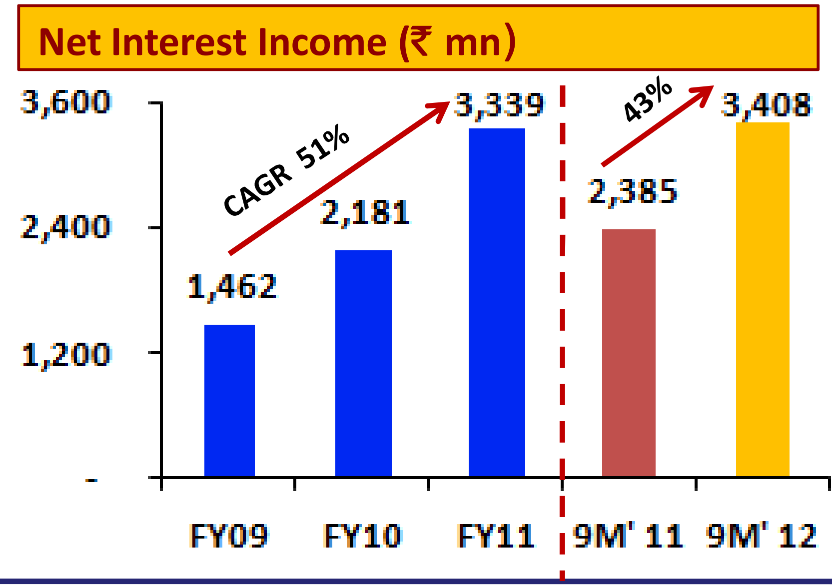


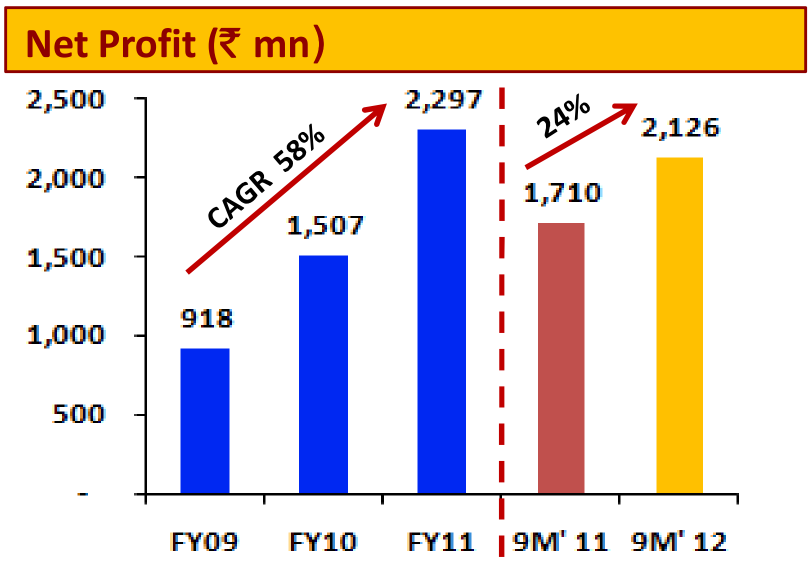


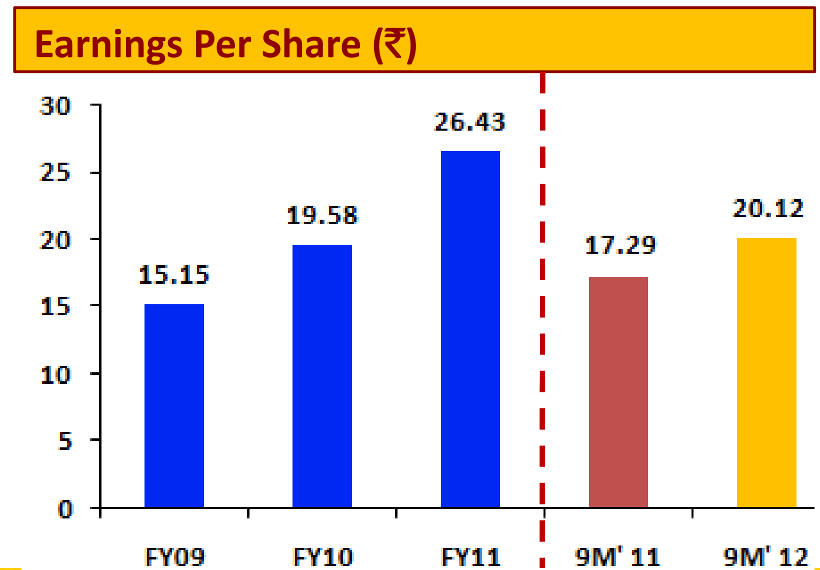
DHFL
Changing Rules Changing Lives

Resulting in - Robust Financial performance



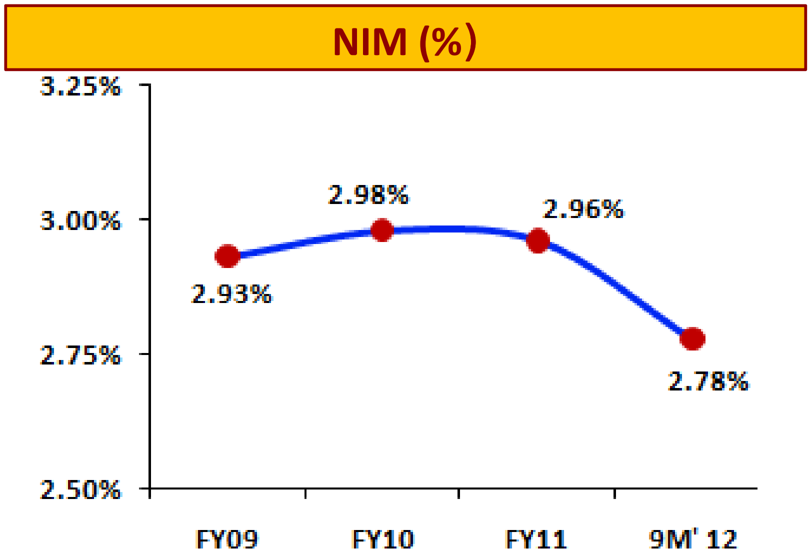


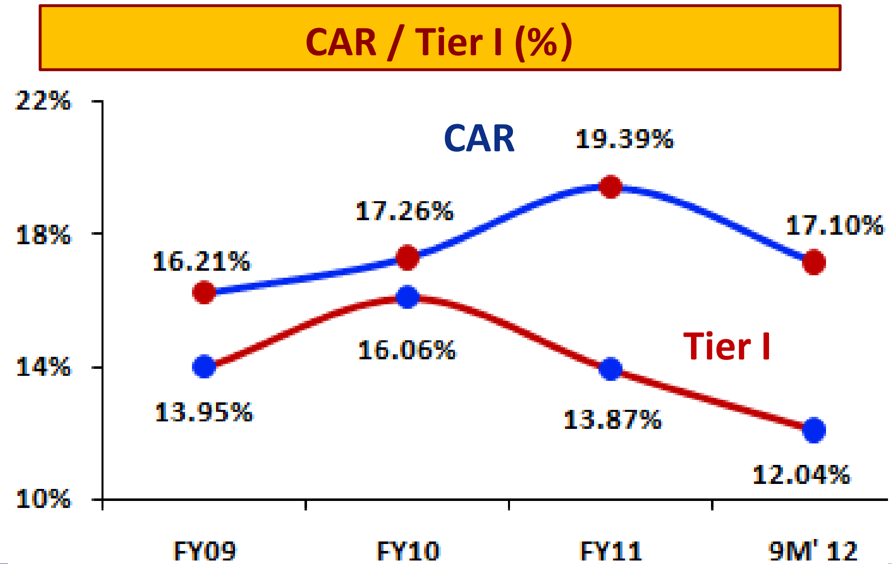


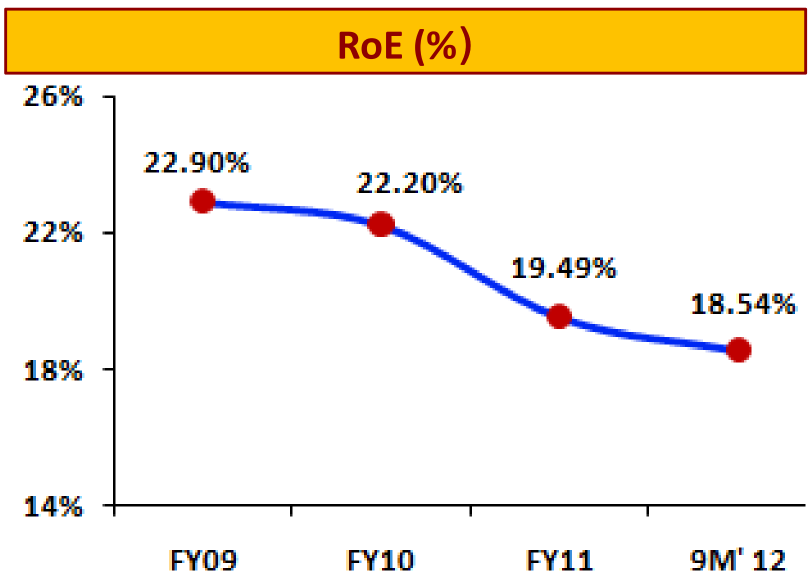


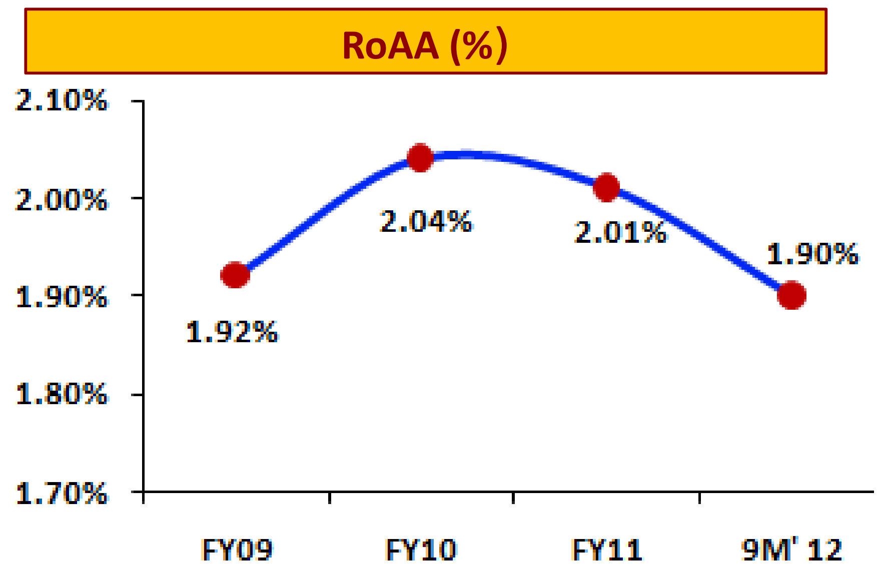
DHFL Changing Rules Changing Lives

……And Healthy Financial Ratios





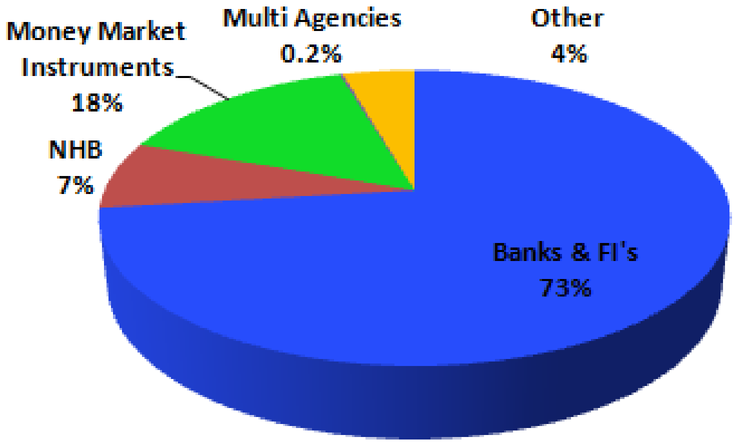




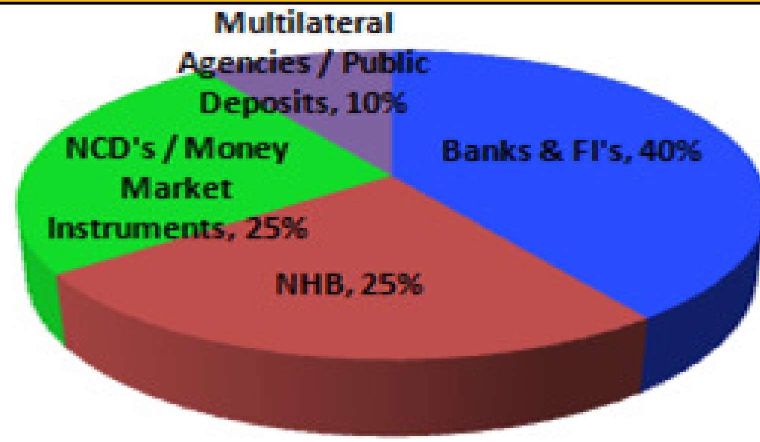
DHFL
Changing Rules Changing Lives

Diversifying the Borrowing Profile

Borrowings Composition



Target Borrowing Composition



**To be achieved over a period of 3 years*

Credit Ratings

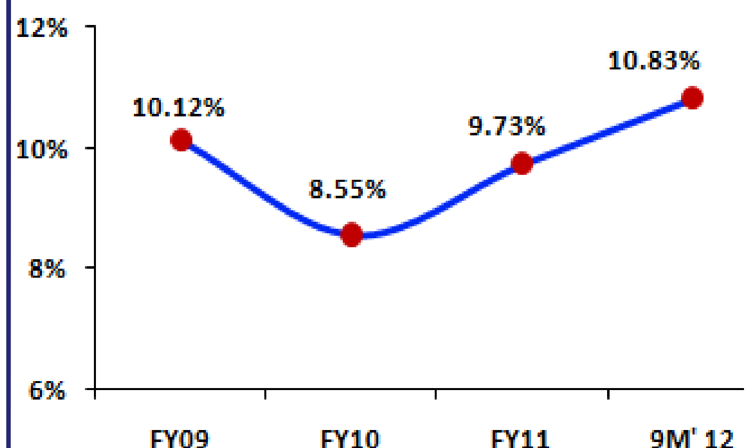
Long Term :
AA+ from CARE

Short Term :
A1+ from CRISIL

Borrowing Cost Composition

Borrowing Source	₹ mn	Cost %
Banks & FI's	132,960	11.45%
NHB	13,511	7.66%
Money Market Instruments	27,051	9.75%
Multilateral Agencies	367	8.93%
Others	8,043	9.87%
WACB	**181,933**	**10.83%**

Borrowing Cost Movement



DHFL
Changing Rules Changing Lives

Key Financial Metrics of DHFL

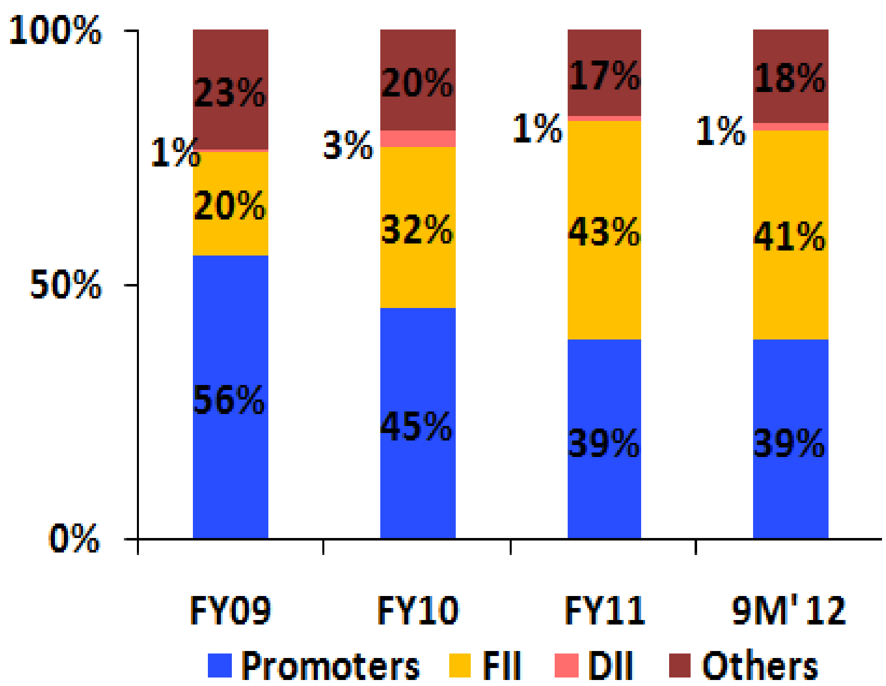
Financial Summary (₹ mn)	Period Ended			Quarter Ended			Growth	
	Dec, 2011	Dec, 2010	Growth	Dec, 2011	Dec, 2010	Sep, 2011	YoY	QoQ
Total Income	17,486	10,166	72%	6,619	3,869	5,890	71%	12%
Net Interest Income	3,408	2,385	43%	1,241	864	1,114	44%	11%
Processing & Other Fees	884	697	27%	357	253	295	41%	21%
TPP Fee Income	515	360	43%	233	126	191	84%	22%
Interest expenses	12,678	6,724	89%	4,788	2,625	4,290	82%	12%
Operating expense	1,735	1,135	53%	678	411	594	65%	14%
Provision for Contingencies	299	25	1097%	150	10	117	nm	29%
PBT (Before exceptional)	2,729	2,251	21%	988	811	867	22%	14%
PAT (Before exceptional)	2,126	1,710	24%	750	618	719	21%	4%
PAT (After exceptional)	2,126	2,065	3%	750	618	719	21%	4%
Loan Sanctioned	83,809	62,094	35%	31,895	22,142	31,128	44%	2%
Loan Disbursed	59,728	44,719	34%	22,798	15,279	21,386	49%	7%

Key Ratios for Period Ended	Dec, 2011	Dec, 2010	Sep, 2011
Gross NPA	0.89%	0.99%	0.97%
Net NPA	0.17%	0.39%	0.26%
NPA Coverage Ratio	81.04%	60.29%	73.02%
CAR (Approx.)	17.10%	23.54%	18.01%
NIM	2.78%	2.99%	2.79%
Cost Coverage Ratio	78.65%	90.65%	74.55%
Cost to Income Ratio	25.35%	22.52%	25.99%
Return on Assets	1.90%	2.12%	1.96%
Return on Equity	18.54%	19.50%	19.43%
Debt Equity Ratio	9.94	8.06	9.71
EPS ₹	20.12	17.29	13.16

DHFL Changing Rules Changing Lives

Diversified Investor Base

Shareholding Composition

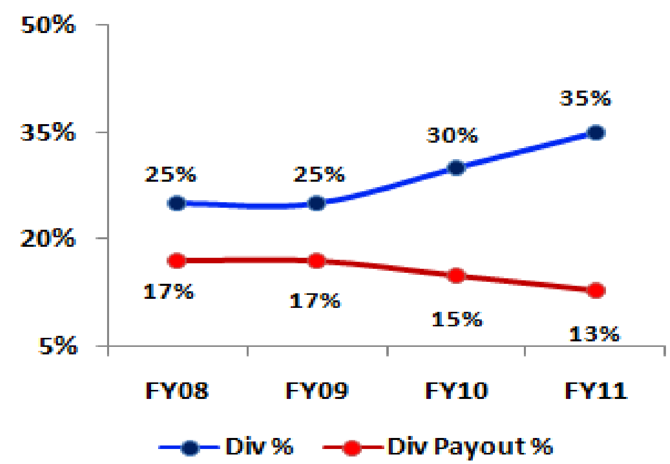


- Institutional Investors exhibit significant faith in the companies performance, as evident from their substantial increase in Holding % over a period of time
- Dividend paid consecutively for last 22 years, in 26 years of operation of company

Top 10 Institutional Investors as on 31st Dec 2011		
Sr.No.	Name of Investor	% Holding
1	CALEDONIA INVESTMENTS PLC	9.56%
2	IRONWOOD INVESTMENT HOLDINGS	4.51%
3	HSBC BANK (Mauritius) LTD	3.87%
4	ASIABRIDGE FUND I, LLC	3.41%
5	GOVERNMENT OF SINGAPORE *	2.91%
6	WASATCH EMERGING MARKET *	2.74%
7	IIFL INC A/C *	2.42%
8	EMERGING MARKET MANAGEMENT *	1.70%
9	MIRAE ASSET MANAGEMENT *	1.69%
10	STICHTING PENSIOENFONDS ABP	1.25%

* Through Multiple Funds / Schemes

Dividend and Payout Ratio



4

First Blue Home Finance*

- Synergistic Acquisition – Satisfactory Deliverables
- Financial Metrics

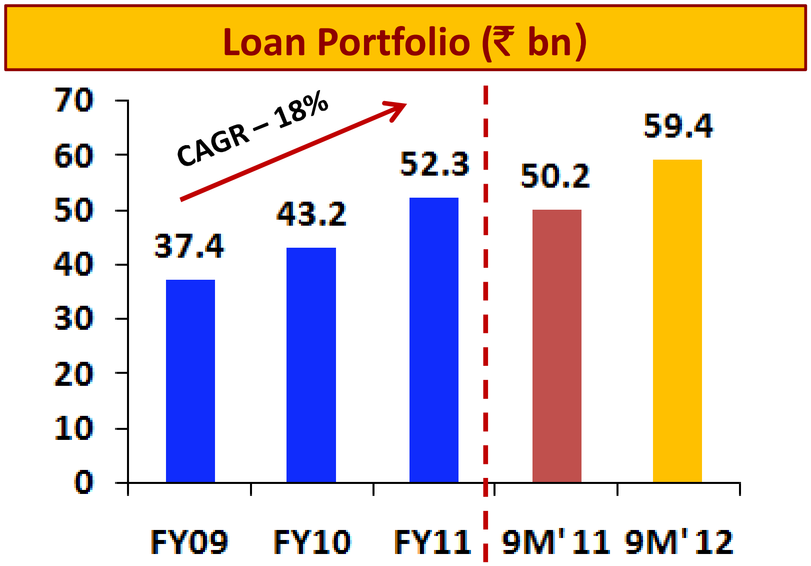
* Erstwhile Deutsche Postbank Home Finance

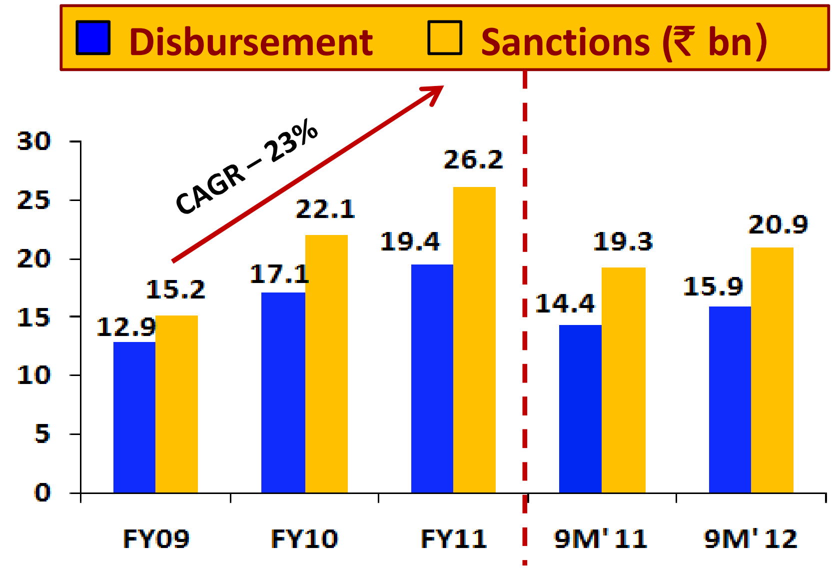
Synergistic Acquisition – Satisfactory Deliverables

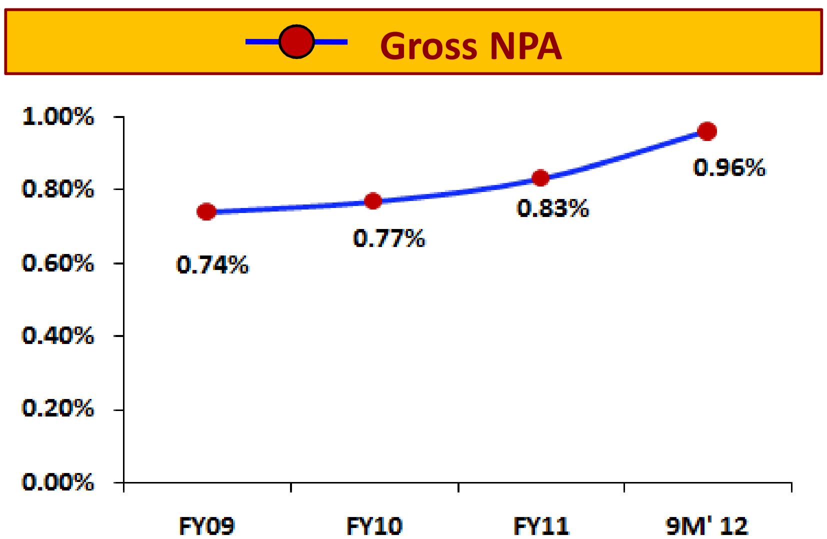
Access to niche customer segment	FBHFL caters to upper-mid income customers, as against LMI customers being serviced by DHFL. This acquisition will aid DHFL to service customers across the housing finance spectrum
Access to untapped geography	FBHFL conducts majority of its business through North India, where DHFL has minimal presence, providing it with necessary access to an important market
Impeccable Asset Quality	Adoption of sound credit policies and stringent collection procedures, resulting in Gross NPA's remaining below 1% and Net NPA's at 0%
Untapped Cross Selling Opportunity	DHFL's demonstrated experience of Cross-selling Insurance to the existing customers, will be ingrained in the DNA of FBHFL, where it is very marginal

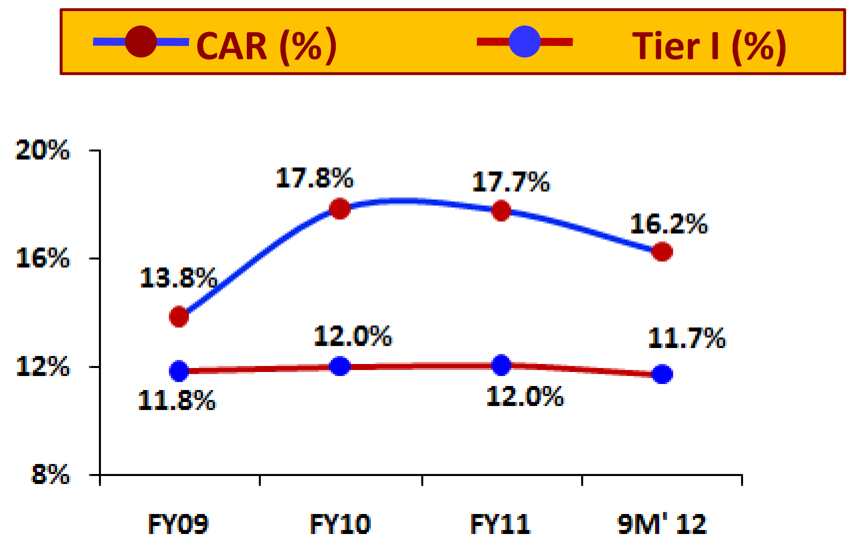
FBHFL continued its robust performance in the third quarter of FY12, with disbursements growing by 35% and sanctions by 34%, yoy . DHFL is confident of creating value for customers in the Metro / Tier I cities through the FBHFL platform in the future.

Healthy Growth with Healthy Assets

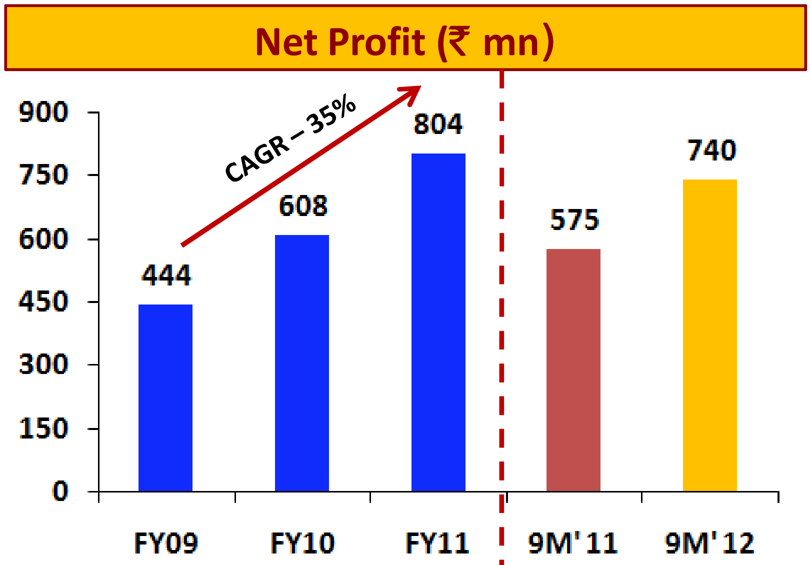


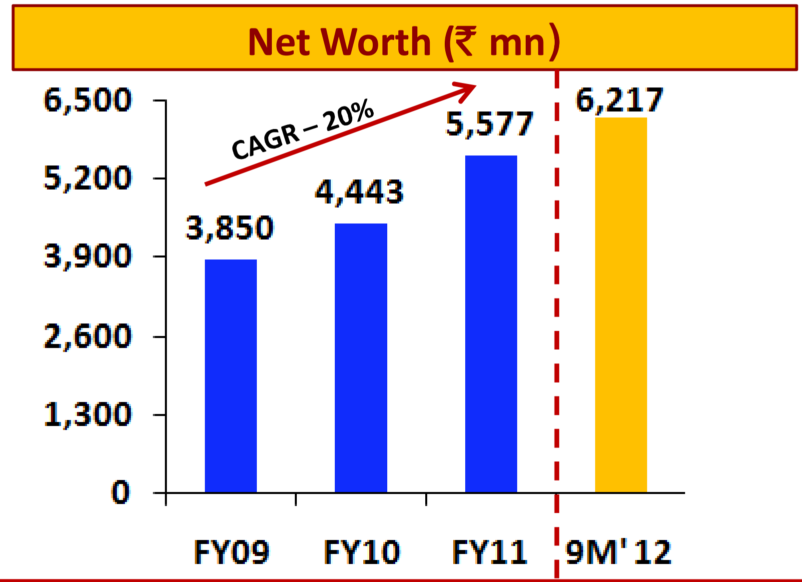


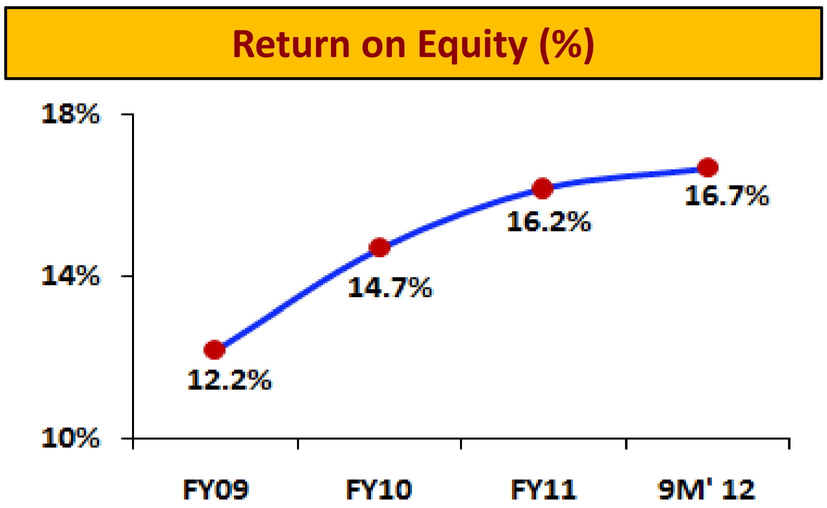


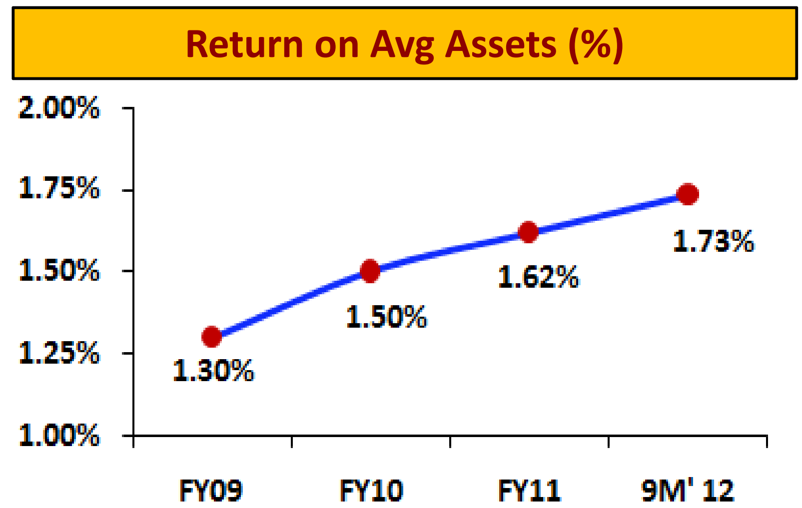


Steady Improvement in Financial Parameters



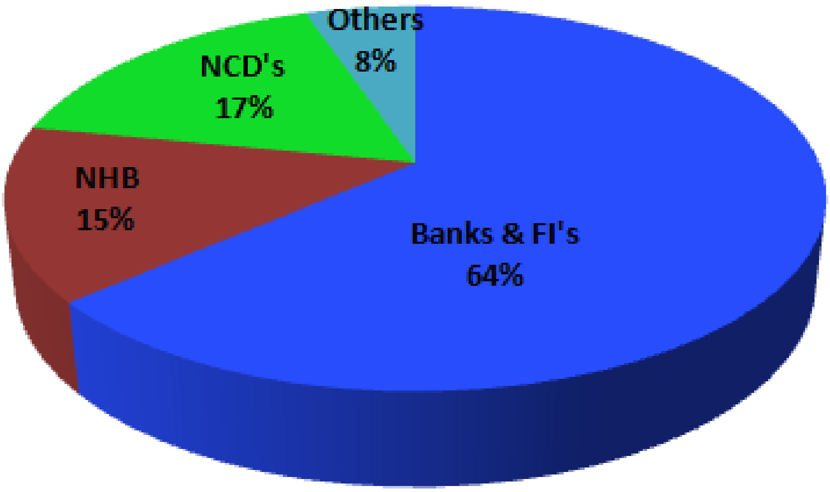






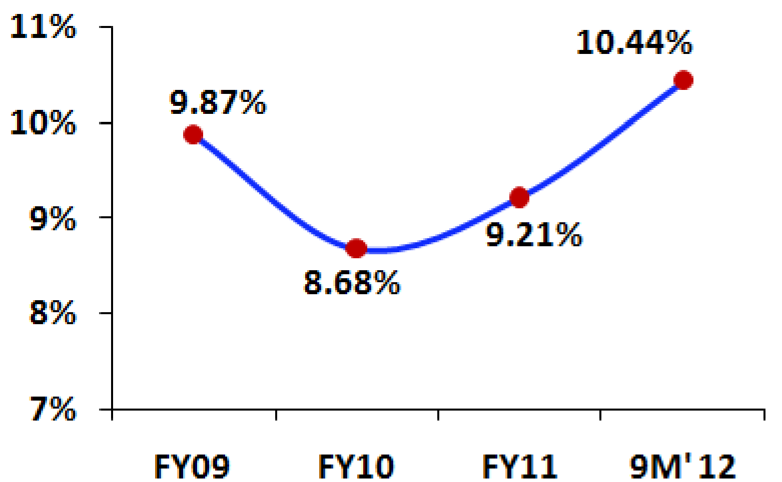
DHFL Changing Rules Changing Lives

Diversified Borrowing Profile

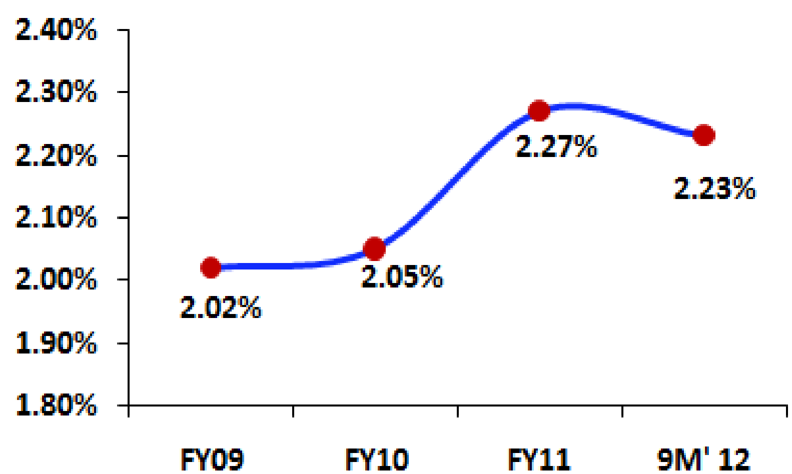


Weighted Average Borrowing Cost		
Borrowing Source	**₹ mn**	**Cost%**
Banks & FI's	33,654	11.35%
NHB	7,734	8.06%
NCD's	8,842	9.13%
Others	2,747	10.44%
Total Borrowings	**52,977**	**10.44%**

Borrowing Cost (%)



Healthy Portfolio Margin (%)



5

Aadhar Housing Finance

Business Synopsis

Business Synopsis

- **Serving the most underserved Segment** – Business generation through six low income states in India viz; UP, MP, Bihar, Chhattisgarh, Jharkhand, and Orissa, by focusing on Low income segment of customers
- **Ticket size capped to focus on the segment** – Maximum ticket size for the company is capped at Rs.0.6mn to maintain the focus on the low income segment
- **Partnered with IFC, Washington** – Aadhar Housing Finance feels proud to have IFC as one of its key allies in furthering its agenda of servicing the most underserved population in terms of Mortgage. IFC has picked up a 20% equity stake in the company
- **Uncompromising business principles** – Aadhar Housing Finance will continue to be guided by the robust and stringent business principles adopted by DHFL over years, and cautiously build its business brick by brick
- **Low Competition** – Abysmally Low presence of players from organised sector in this geography will aid Aadhar in establishing a strong foothold & gain meaningful market share
- **Gradually expanding footprints** – Within 8 months of operations Aadhar has set up 9 branches spread across three states and plans to have at least 15 branches by the financial year end

6

DHFL – FBHFL Merger Update

Merger Update

As communicated at the time of acquisition, DHFL will be merging FBHFL with itself in the near future. Various steps have already been taken in that direction, and the Merger process is well on track. Although legally FBHFL will merge with DHFL, however the business will continue to operate as a separate Strategic Business Unit (SBU) under the brand name of "First Blue", beneath the DHFL umbrella.

Key Steps accomplished in the Merger process

a) Announcement of SWAP ratio for Shareholders of FBHFL – The Boards of DHFL and FBHFL met on 28th September 2011, to adopt the Share SWAP ratio for minority shareholders. E&Y acted as the valuers for this transaction and Fairness opinion on the same was provided by Merchant Banking division of Standard Chartered Bank.

b) The Boards understood in detail the methodology adopted for arriving at the fair valuation of either companies and subsequently concurred to the adoption of SWAP ratio of, 10 shares of DHFL to be issued against every 97 shares of FBHFL

c) The minority shareholders together had invested Rs.3.5bn in FBHFL at the time of acquisition. Against this they will be receiving ~10.8mn shares of DHFL, once the scheme of amalgamation is approved by the High Courts.

d) The Cost of acquisition / share of DHFL to the minority shareholders of FBHFL comes to ~Rs.320

e) We have received the NOC from BSE and are hopeful of getting the same from NSE shortly, post which the Merger scheme will be filed with the respective High Courts

DHFL
Changing Rules Changing Lives

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 subsidiaries , 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 subsidiaries 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 Audited Financial Statements, 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 and 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 acknowledges and 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, directly or indirectly, into the United States or to any U.S. person either within or outside of the recipient's organization

Thank You

Contact

Investor.relations@dhfl.com