DHFL

Changing Rules Changing Lives

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

About the Company

Overview

More than 3 decades of experience in affordable housing finance

Presence in 352 branches, with significant penetration in Tier 2/3 towns

Only pan India HFC with focus on Lower & Middle Income (LMI) customer segment

Healthy asset quality reinforced by AAA credit rating by CARE and Brickworks

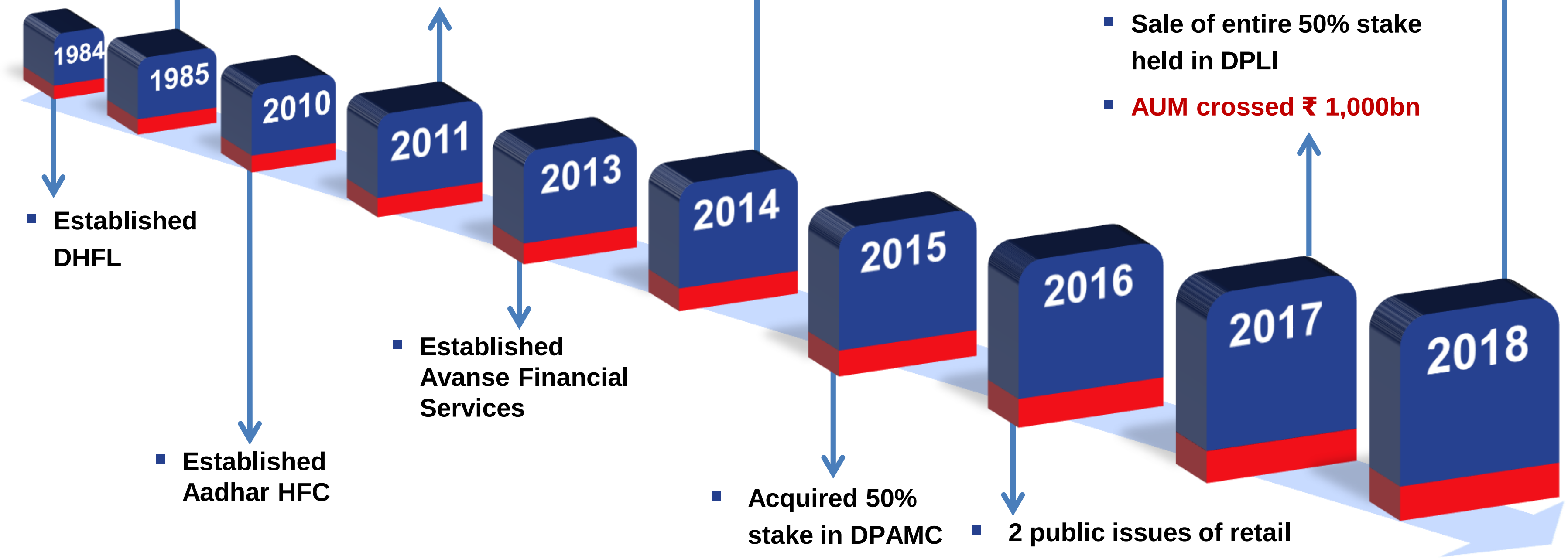
Strong growth opportunity demonstrated by healthy CAGR in AUM and Profitability

Credit appraisal process aligned to target LMI customer segment

Strong management team supported by active Board of Directors

Key Milestones

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



- Established DHFL

- DHFL IPO

- Established Aadhar HFC

- Acquired First Blue HFC

- Established Avanse Financial Services

- Acquired 50% stake in DPLI
- Long term credit rating upgraded to AAA by CARE
- SME Loans business launched
- AUM crosses ₹ 500bn

- Acquired 50% stake in DPAMC

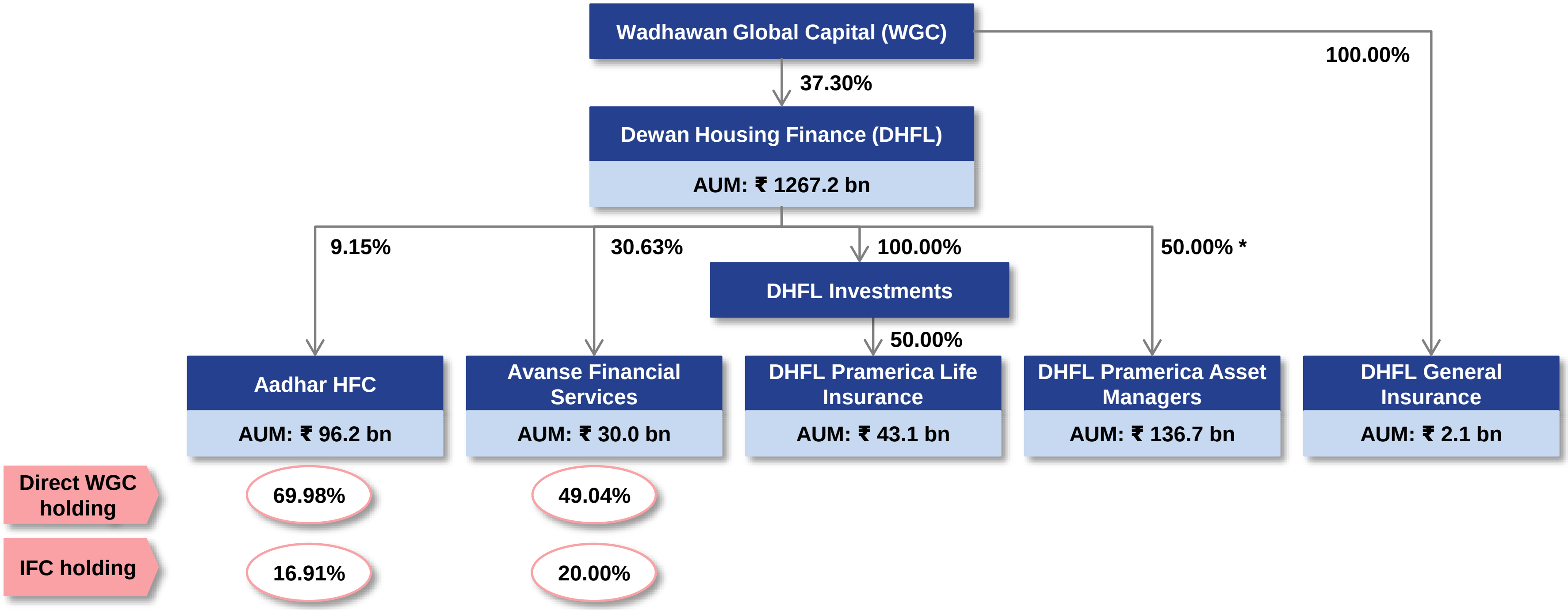
- 2 public issues of retail NCDs (cumulative ₹ 140bn)

- Sale of entire 50% stake held in DPLI
- AUM crossed ₹ 1,000bn

- Public issue of retail NCD (₹ 109.5bn)
- 1st Masala Bond issued by DHFL (US$150mn)

DPLI stands for DHFL Pramerica Life Insurance Co, DPAMC stands for DHFL Pramerica Asset Management Co

DHFL Financial Services Group



Wadhawan Global Capital (WGC)

37.30%

100.00%

Dewan Housing Finance (DHFL)

AUM: ₹ 1267.2 bn

9.15%

30.63%

100.00%

50.00% *

DHFL Investments

50.00%

	Aadhar HFC	Avanse Financial Services	DHFL Pramerica Life Insurance	DHFL Pramerica Asset Managers	DHFL General Insurance
	AUM: ₹ 96.2 bn	AUM: ₹ 30.0 bn	AUM: ₹ 43.1 bn	AUM: ₹ 136.7 bn	AUM: ₹ 2.1 bn
Direct WGC holding	69.98%	49.04%			
IFC holding	16.91%	20.00%			

Equity investors / partners

IFC
Pramerica
LAZARD
RARE ENTERPRISES Insight | Intellect | Integrity
Dimensional
Vanguard
NEUBERGER BERMAN
LIC भारतीय जीवन बीमा निगम LIFE INSURANCE CORPORATION OF INDIA
FRANKLIN TEMPLETON INVESTMENTS

Lenders & Debt investors

IFC
KDB
AFRASIA bank different
بنك أبوظبي التجاري ADCB
KFW DEG
CTBC BANK 中國信託銀行
合作金庫銀行 TAIWAN COOPERATIVE BANK

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

AUM and shareholding as at Dec 31, 2018

** Total of direct and indirect holding*

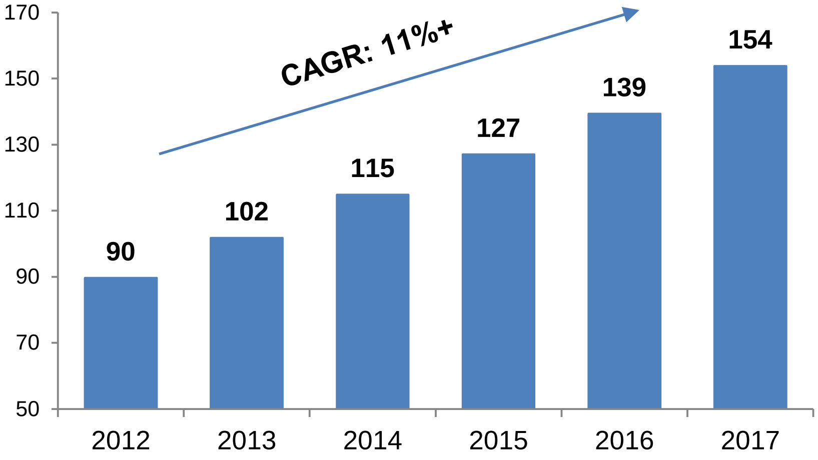
Section 2

Housing Finance Market Opportunity

Housing Demand Growth Drivers

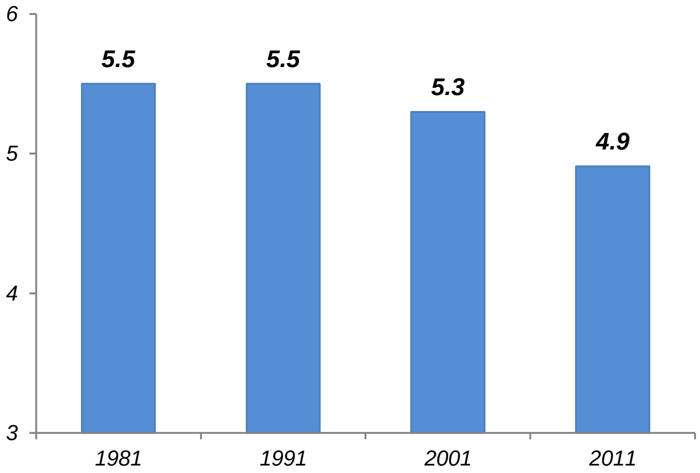
- **Increasing disposable income and rising emergence of nuclear families creating a perfect mix for housing demand**

India Gross National Disposable Income (INR trillion)



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

Average Household Size



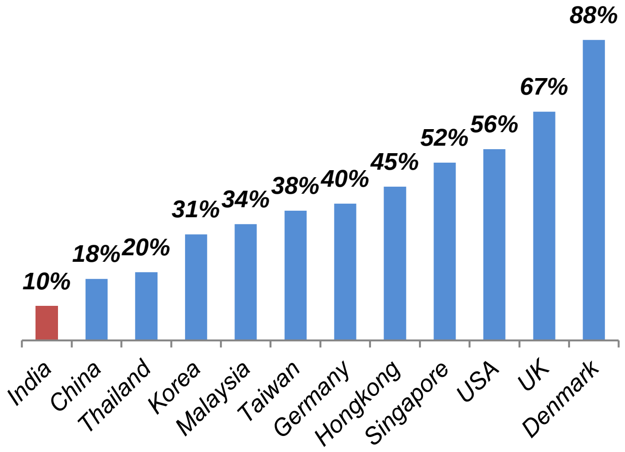
Source: Census data, 2011

Housing Demand Growth Drivers

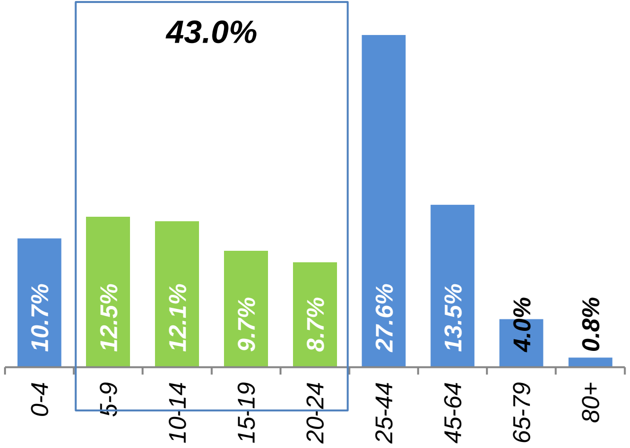
- **Significant under penetration of mortgages in India (10%) vis a vis other countries - implies a favourable industry growth environment**

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

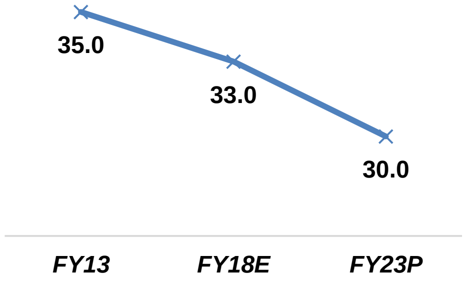
Mortgage Penetration (% of GDP)



Age wise demographics



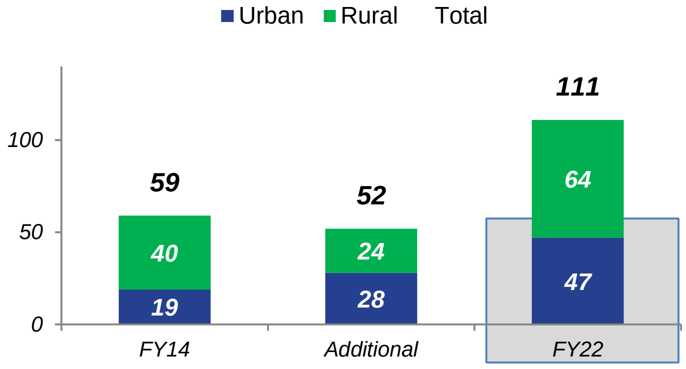
Average age of home loan borrower (years)



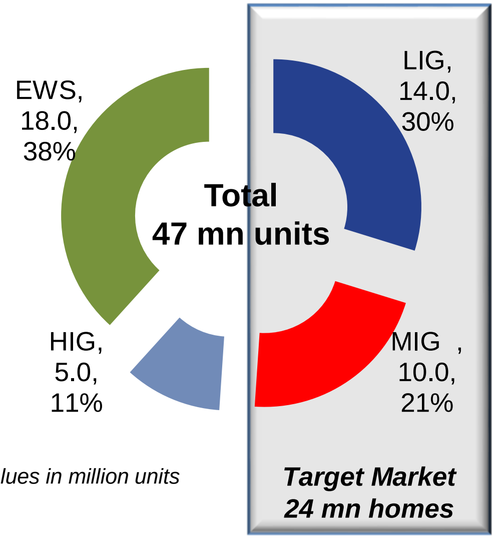
Sources: CRISIL Retail Finance (Housing) Report, Jun 2018 & Census data, 2011

Opportunity in the Housing Finance Space

Housing units shortfall in India

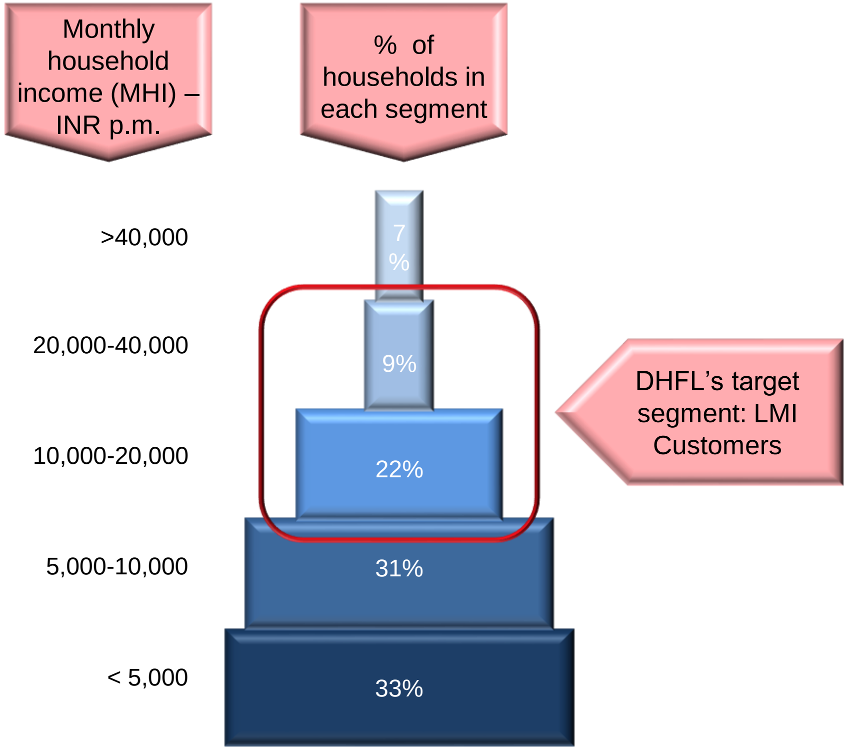


All values in million units



All values in million units

Customer segments in housing space

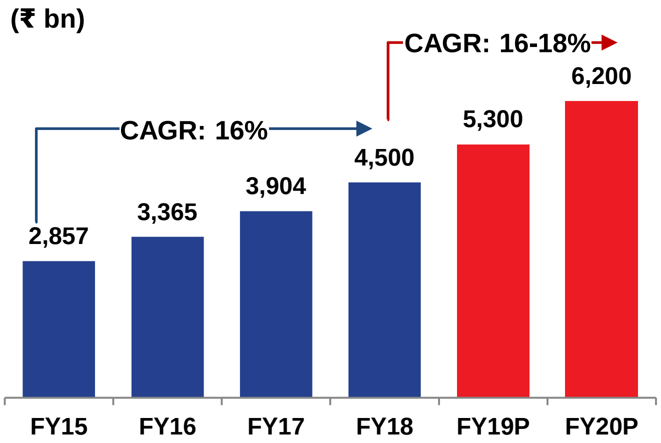


- Current investment in housing: **INR 7 trillion p.a.**
- Investment of INR 120 trillion required to address housing shortage **(~INR 15 trillion p.a.)**

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 (<INR 0.1 mn pa), LIG (INR 0.1-0.2 mn pa)

Significant Presence of HFCs

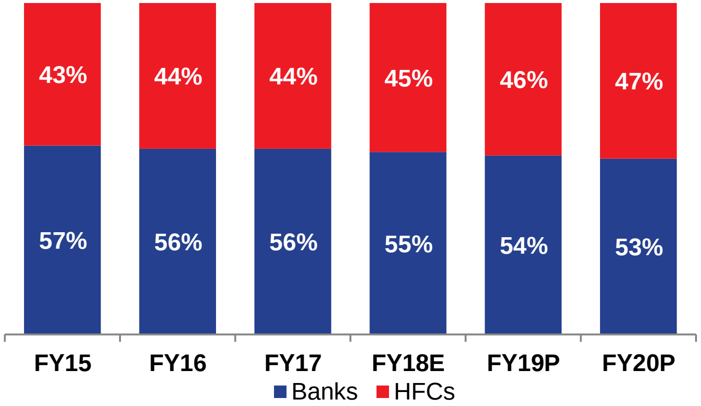
Housing Loan Disbursement



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**

Source: CRISIL Retail Finance (Housing) Report, Jun 2018

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

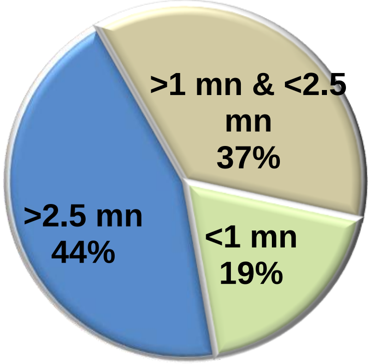
- ✓ Outskirts of metro/urban cities and semi-urban (Tier 2/3) towns
- ✓ Mix of salaried and self employed customers
- ✓ Significant share of undisclosed income
- ✓ Some kind of ID or residence proof available
- ✓ **Lending rates 75-100 bps higher than base rate**
- ✓ Pricing competition more at upper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

Source: CRISIL Housing Finance (Low Cost) Report, October 2016

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 3

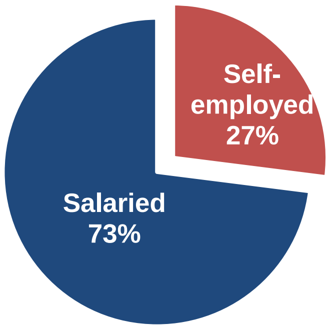
DHFL Business Overview

DHFL – Leading player in the LMI segment

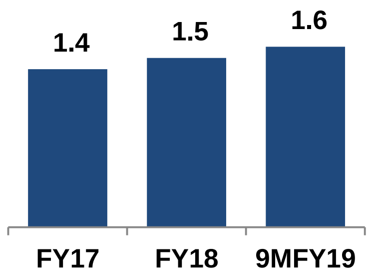
DHFL has developed a core competency in serving the housing needs of the LMI segment

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

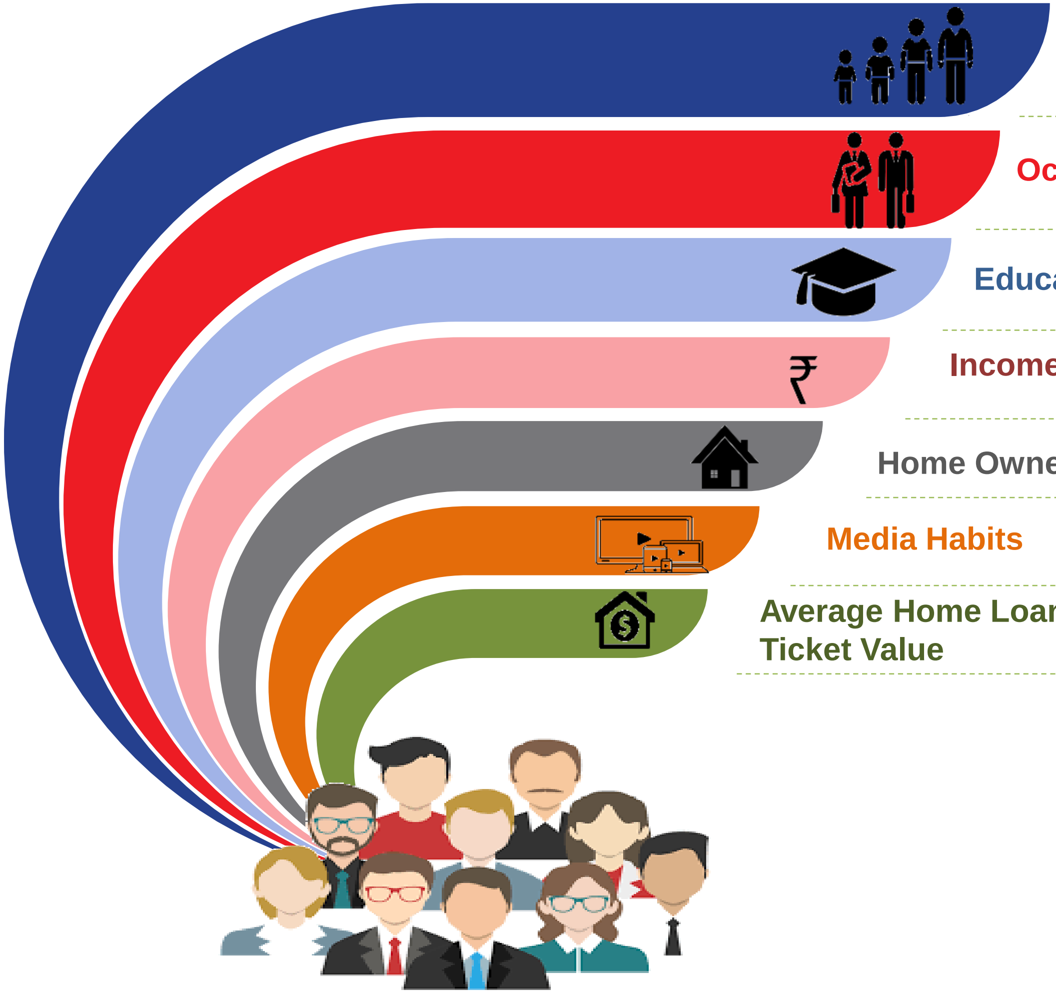
1	30+ years experience	Expertise in underwriting credit for LMI and self employed customers
2	Distribution	Tier II / III town focused multi-channel distribution strategy
3	Customer	Carved niche in the MIG and LIG customer segment
4	Credit	Healthy portfolio backed by robust credit appraisal

** As on Dec 31, 2018*

SME - Small and Medium Enterprises, ATS – Average Ticket Size.

Who is our Customer?

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



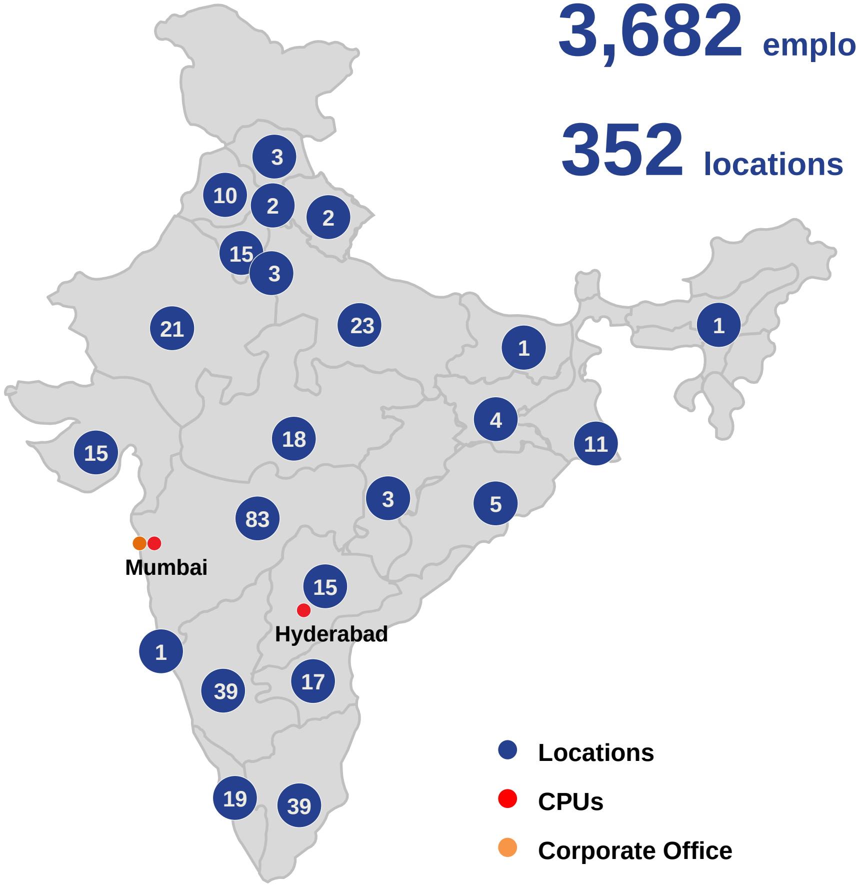
Age	30 – 45 years
Occupation	Salaried / self employed, drivers, shop owners, policemen, army
Education	Graduate / Below graduate
Income	₹ 25,000 to 35,000 per month
Home Ownership	In most cases, 1st time home buyers; Currently staying on rent
Media Habits	TV followed by print and digital
Average Home Loan Ticket Value	₹ 1.5 – 2.0 mn

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



3,682 employees

352 locations

● Locations

● CPUs

● Corporate Office

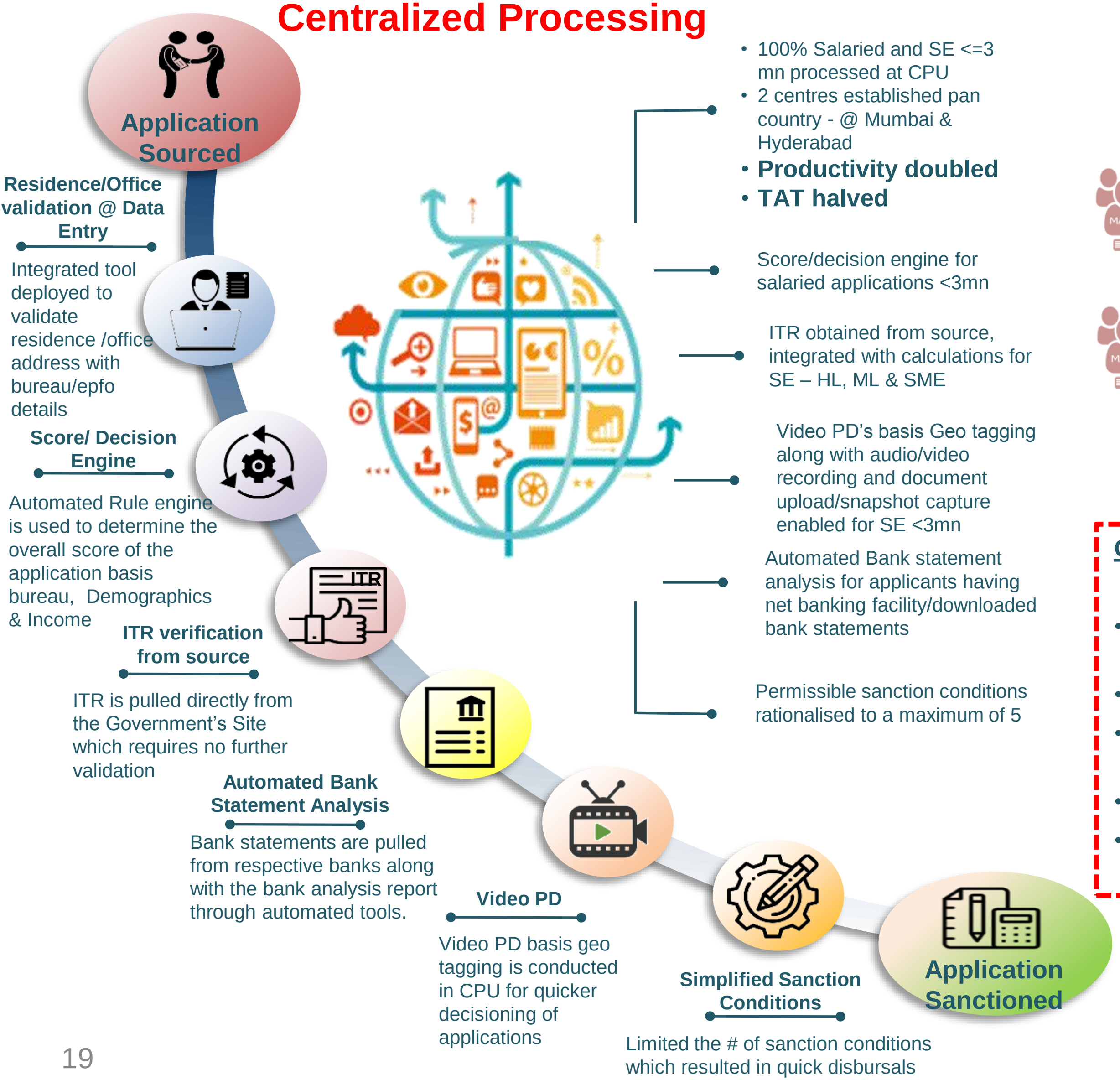
Designed to tap the growing potential of the LMI segment

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

As at Dec 31, 2018; Locations include 1 representative office each in Dubai and London.

Business Enablers:
Robust Credit Appraisal Process

Centralized Processing



Residence/Office validation @ Data Entry

Integrated tool deployed to validate residence /office address with bureau/epfo details

Score/ Decision Engine

Automated Rule engine is used to determine the overall score of the application basis bureau, Demographics & Income

ITR verification from source

ITR is pulled directly from the Government's Site which requires no further validation

Automated Bank Statement Analysis

Bank statements are pulled from respective banks along with the bank analysis report through automated tools.

Video PD

Video PD basis geo tagging is conducted in CPU for quicker decisioning of applications

Simplified Sanction Conditions

Limited the # of sanction conditions which resulted in quick disbursals

- 100% Salaried and SE <=3 mn processed at CPU
- 2 centres established pan country - @ Mumbai & Hyderabad
- **Productivity doubled**
- **TAT halved**

Score/decision engine for salaried applications <3mn

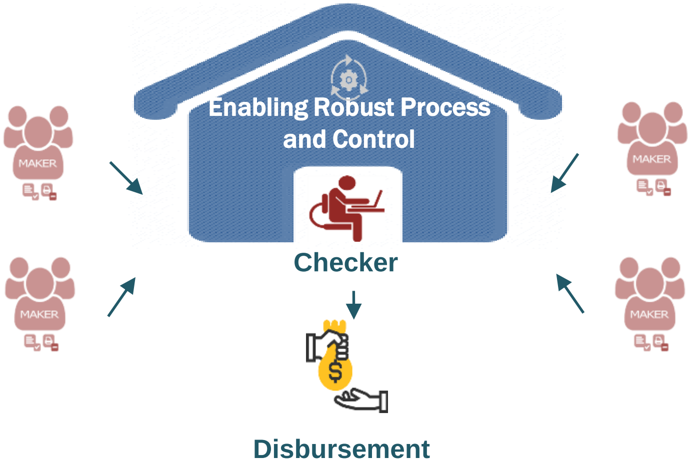
ITR obtained from source, integrated with calculations for SE – HL, ML & SME

Video PD's basis Geo tagging along with audio/video recording and document upload/snapshot capture enabled for SE <3mn

Automated Bank statement analysis for applicants having net banking facility/downloaded bank statements

Permissible sanction conditions rationalised to a maximum of 5

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

प्रधानमंत्री
आवास योजना

Griha Utsav

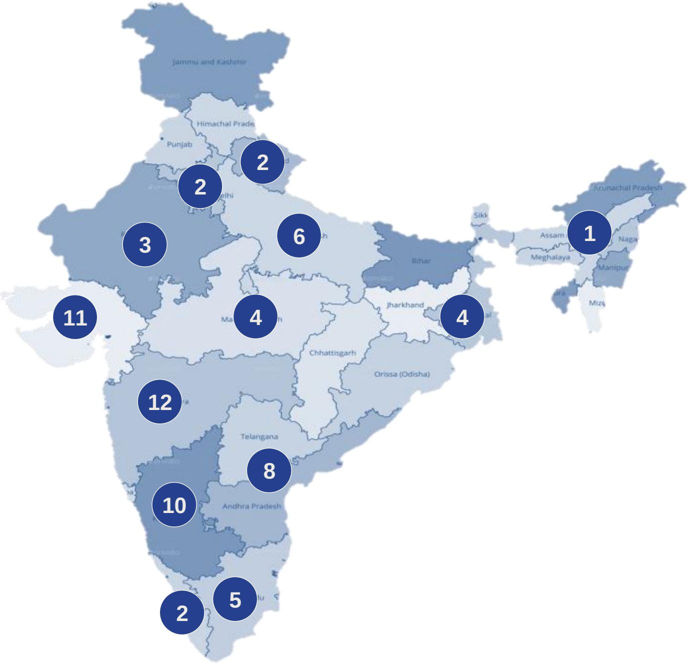
- Promote PMAY through Griha Utsav's concentrated in approved town codes of PMAY
- **Organised in <u>70</u> locations**

Approved Project Scheme

- Focus on projects approvals in pin codes mapped to PMAY
- Increased penetration of the approved projects in the Tier 2 and 3 cities
- **<u>4933</u>** APS projects approved **across 21 states**

Data Validation to reduce leakage

Griha Utsav - Locations



Overall Process Flow

Sales	Credit	Technical Validation	Disbursement	Post -Disbursement	NHB
Front line team to source as per applicable product program	Credit Team to validate product details and sanction as per PMAY policy	Technical Team visit's the property and confirms: • Carpet area as per defined guidelines • Pin code/Town code in Approve locations • Check for Urban Authority Approval	Complete documentation check prior to disbursement	Ancestral Property Investigation : Residential Verification / CERSAI / Personal Discussion / CIBIL	Technical team to validate all the details before sending the application to NHB for releasing subsidy

DHFL – Market leader in PMAY CLSS implementation

No of cases processed under PMAY (till Dec 2018)

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

Subsidy amount received for cases under PMAY (till Dec 2018) **(₹ mn)**

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

- **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

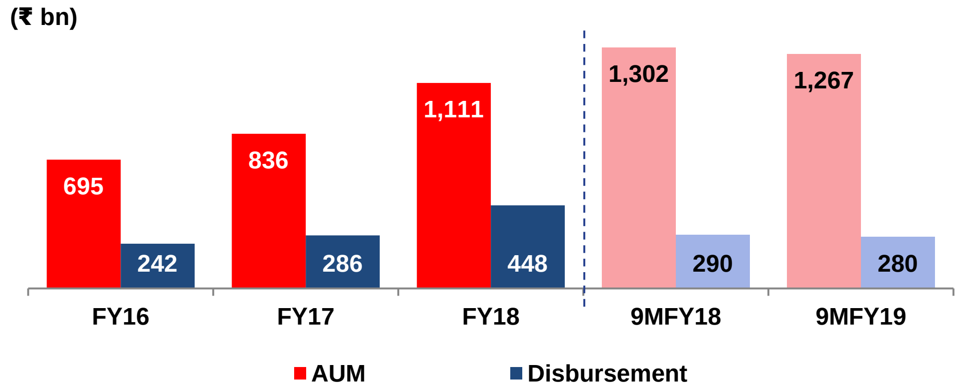
- 'ECCE United' – coalition of ECCE launched in June 2018
- Collaboration with CECED Ambedkar University to host National Conference on "Every Child's Right to Early Childhood Development: Evolving Inclusive Practices"
- Presentation on Foundation's work in first ever India Policy Forum organized by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

Section 4

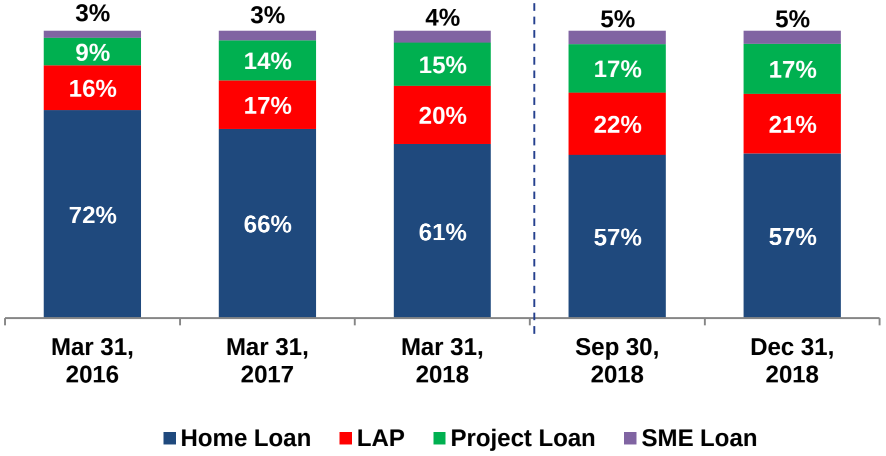
Business Strategy and Financial Performance

Diversified Portfolio Mix

Assets Under Management (AUM) *



Product Mix



Retail portfolio growth driven by focus on LMI customer segment

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

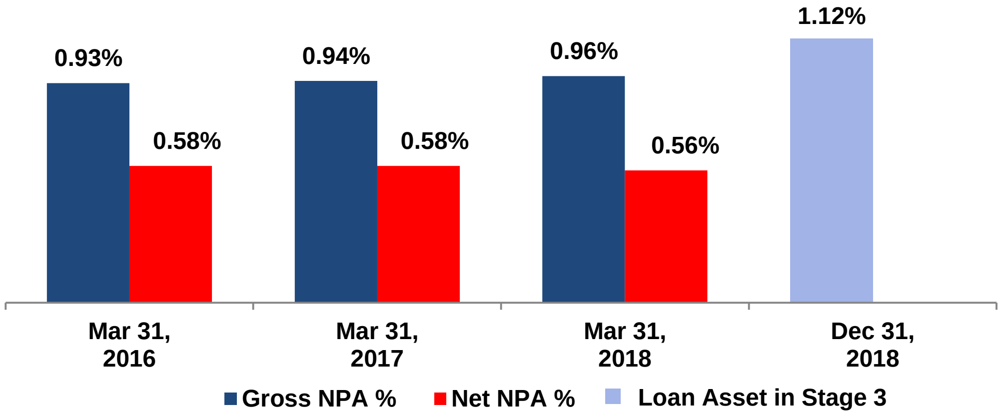
Affordable housing to lead growth, spurred by government focus and targeted subsidy schemes

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

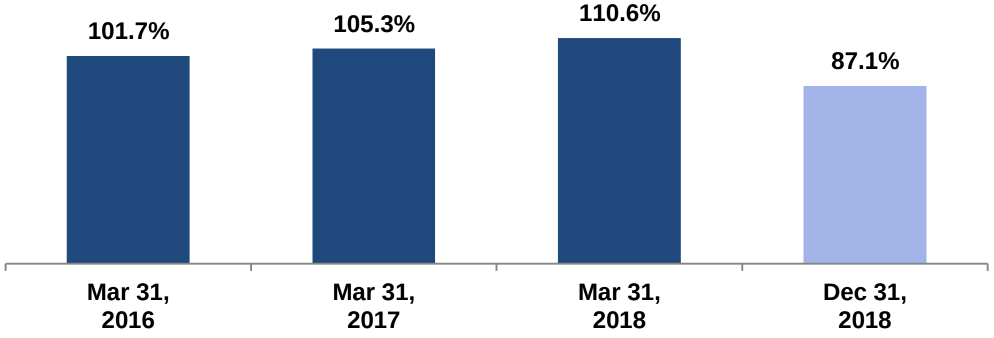
Notes: All values based on DHFL standalone accounts. FY16, FY17 and FY18 as per IGAAP; 9MFY18 and 9MFY19 as per IndAS.
** AUM figures as at the last day of the respective period whereas disbursements is for the respective period.*

Healthy Asset Quality

Asset quality



Provisioning



Technology-led robust credit appraisal maintaining healthy asset quality

CPUs and centralized disbursals reducing TAT and enabling better controls

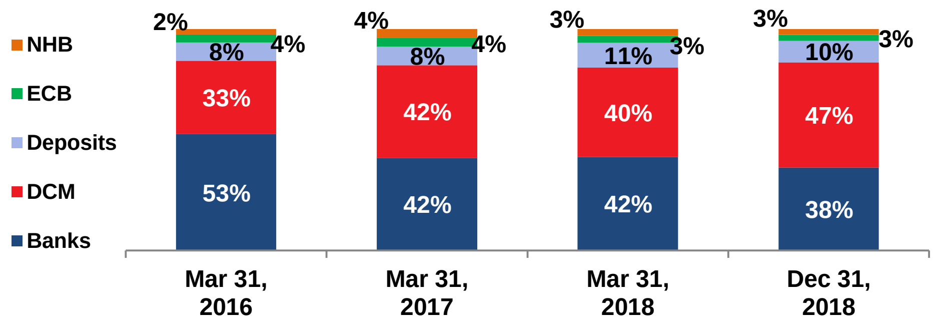
Advanced collection processes with close monitoring of accounts

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.

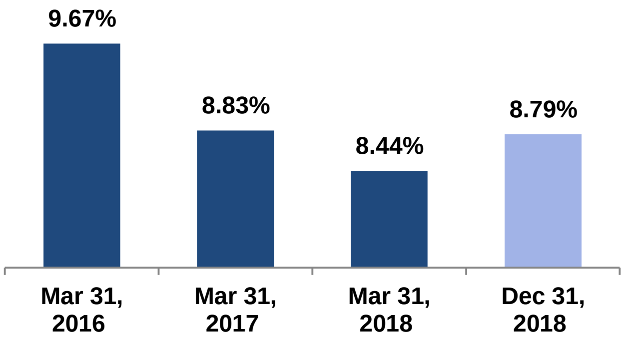
Well Diversified Sources of Borrowings

Liability Mix



Borrowings O/S (₹ bn)	611	813	927	1,002

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 3rd retail NCD issue in Q1FY19

Raised US$150mn through 1st Masala medium term note issue

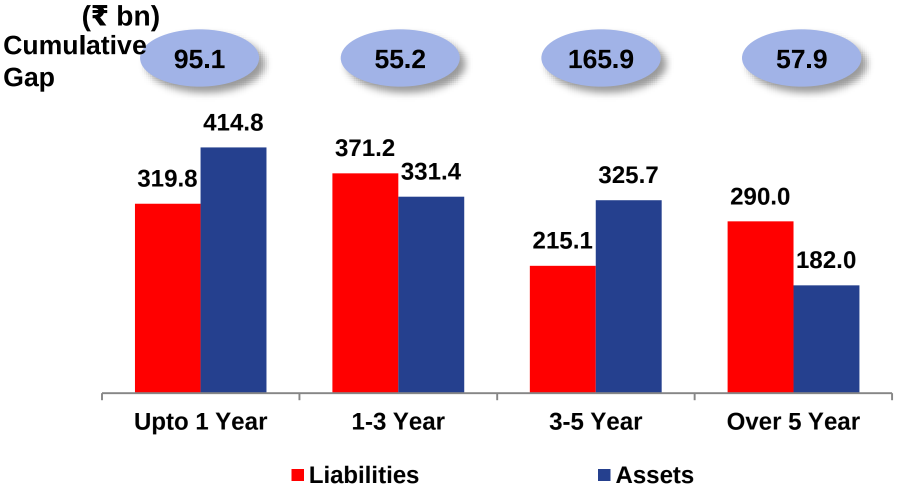
Optimize COF by continuous diversification of liabilities and proactive fund management

Notes: All values based on DHFL standalone accounts. Borrowings till Mar 31, 2018 as per IGAAP; for Dec 31, 2018 as per IndAS

Superior Risk Management via Asset Liability Matching

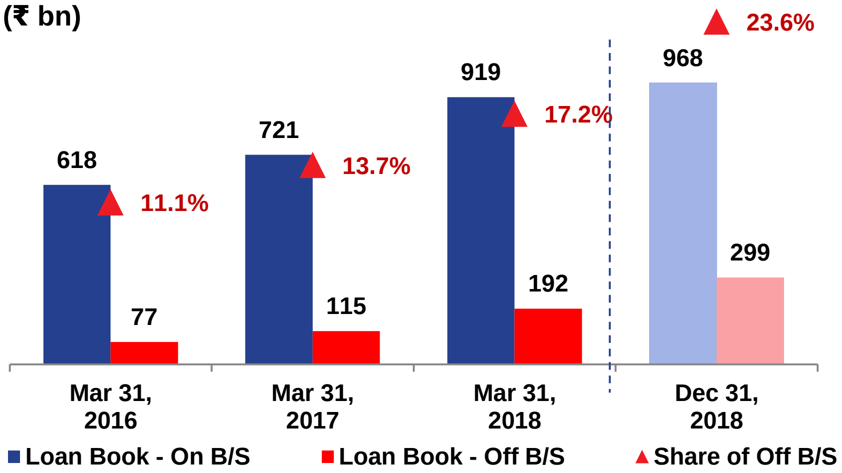
Strong risk management processes leading to no asset liability mismatch in the short and medium term

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

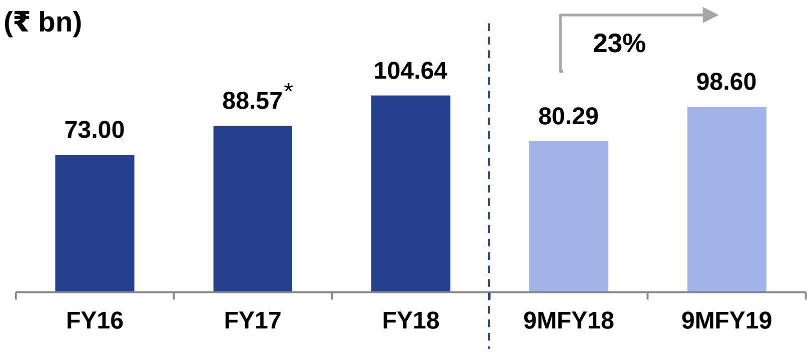
Fresh Securitisation (Gross) @ ₹ 178.6 bn in 9MFY19; share of Off B/S loan assets at 24% of total AUM

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

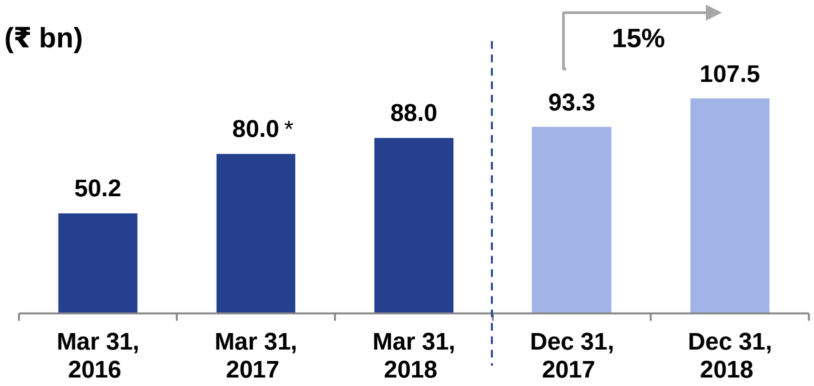
All values based on DHFL standalone accounts

Financial Statements (Summary)

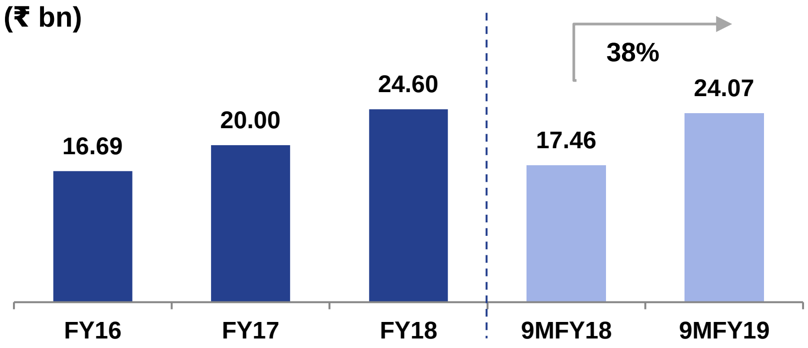
Total Income



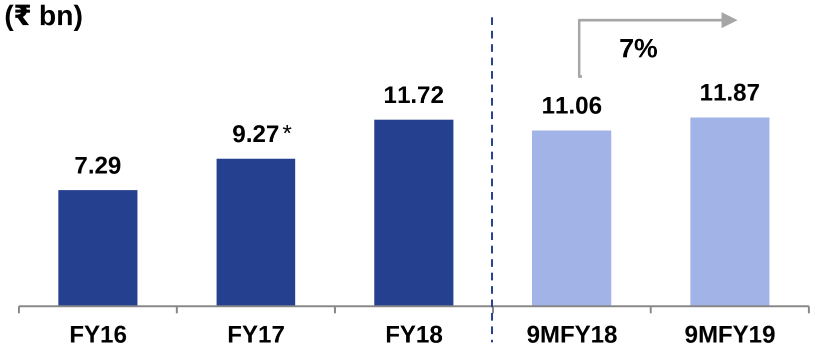
Net Worth



Net Interest Income (NII)



Profit After Tax

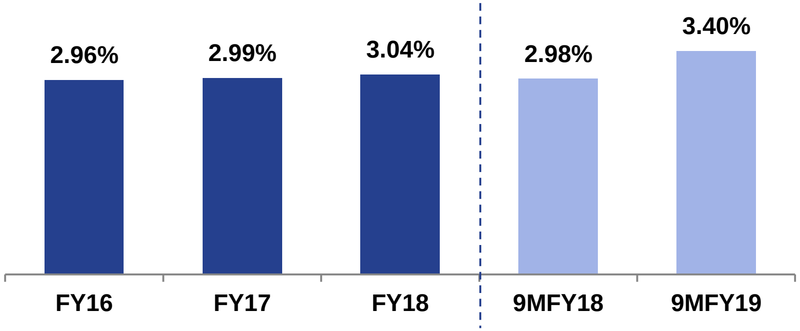


All values based on DHFL Standalone Accounts. Numbers for FY16, FY17 and FY18 as per IGAAP; for 9MFY18 and 9MFY19 as per IndAS.

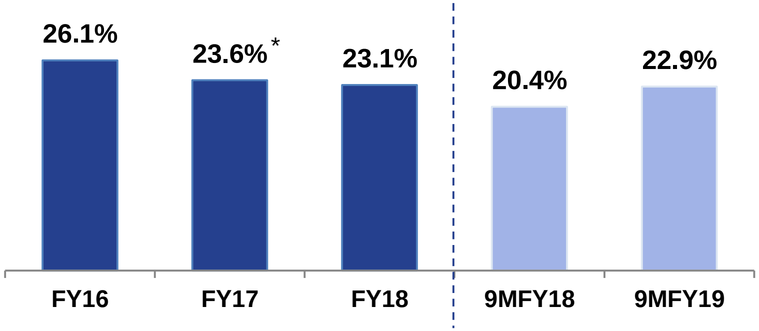
** Impact of stake sale of DPLI by DHFL in FY17 (₹19.69bn) excluded in Total Income and PAT and included in Net Worth*

Key Financial Metrics

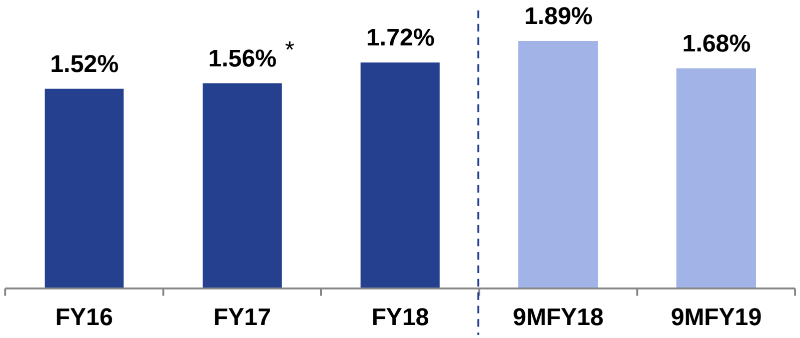
Net Interest Margin (NIM)



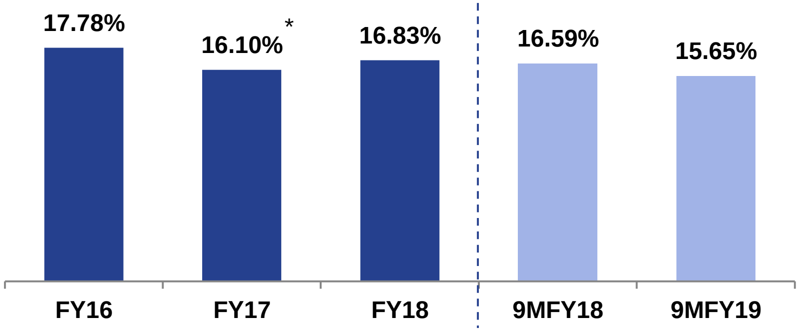
Cost / Income Ratio



Return on Average Assets (RoAA)



Return on Average Equity (RoAE)



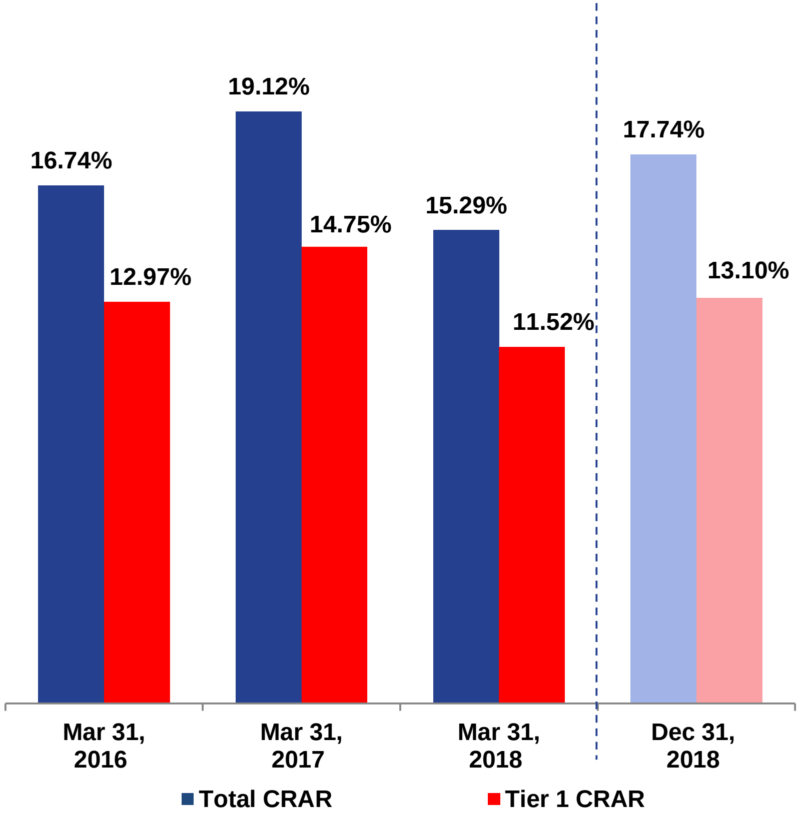
Notes: All values based on DHFL Standalone Accounts. Numbers for FY16, FY17 and FY18 as per IGAAP; 9MFY18 and 9MFY19 as per IndAS.

** 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.*

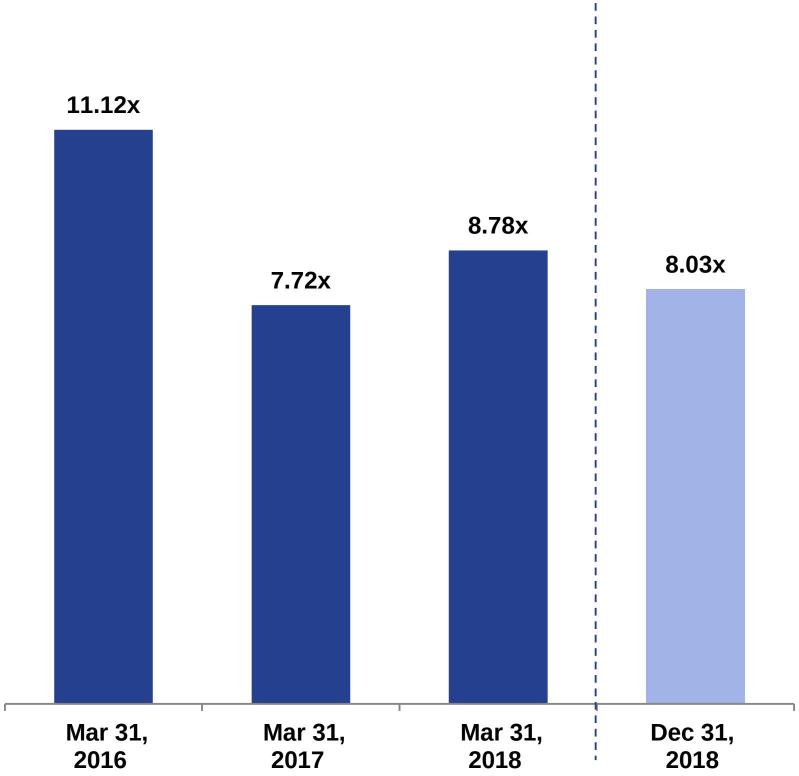
Key Financial Metrics

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

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

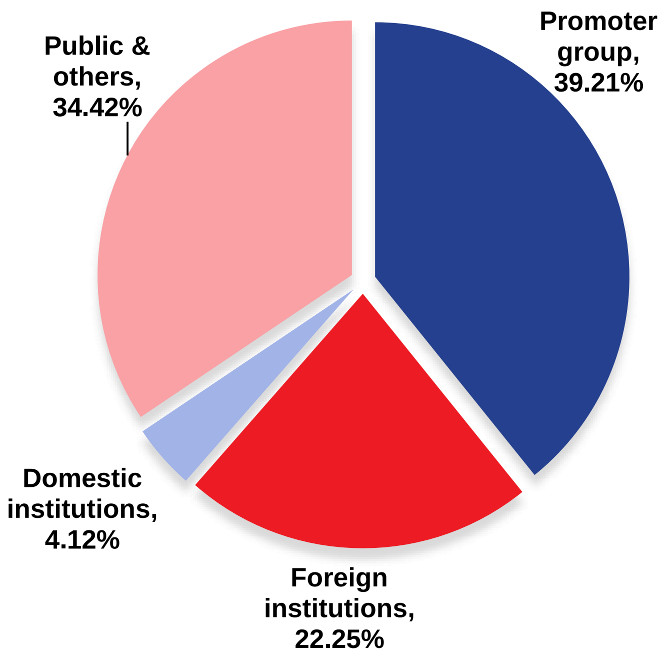
Enhance RoE through profitable growth and cost efficiencies

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 FIIs and DIIs accounting for 25%+ stake with participation from marquee investors**

Shareholding overview *



Key shareholders *

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

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

** As on 31 Dec, 2018*

Section 5

Liquidity Management

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
LIABILITY OUTFLOWS	
Commercial Paper (CP) ^	99.65
Term Loans / ECB / NHB	43.06
NCD	16.57
Fixed Deposits (FD) *	19.48
Total	**178.76**

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
FRESH FUNDING MOBILISED	
Portfolio Sell down*	118.73
NCD	27.50
Commercial Paper (CP)	5.75
Bank Borrowings	5.00
Fixed Deposits (FD)	5.92
Total	**162.90**

**** Indicates net amount received***

Section 6

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
Net Profit After Tax as per previous IGAAP	**3,059.5**	**8,597.3**
Adjustments on account of		
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
Net profit After Tax as per IndAS	**4,954.4**	**11,056.4**
Other Comprehensive Income (net of tax)	221.2	32.5
Total Comprehensive Income (net of tax) as per IndAS	**5,175.6**	**11,088.9**

Expected Credit Loss (ECL)

(₹ mn)

	Q3FY19
Gross Stage 3	10,893
% Portfolio in Stage 3	1.12%
ECL Provision – Stage 3	3,212
Net Stage 3	7,681
Coverage ratio in Stage 3	**29.48%**
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
Provision Coverage Ratio (PCR)	**87.1%**
Gross NPA % (On B/S)	**1.12%**
Gross NPA % (AUM)	**0.91%**

Annexure 1

Financial Statements – 9M FY19

Financial Statement

(₹ bn)

	FY18	Q3FY18	Q2FY19	Q3FY19	Q3FY19 yoy growth	9MFY18	9MFY19	9MFY19 yoy growth
INCOME STATEMENT								
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%
BALANCE SHEET								
Net Worth	87.96	93.29	104.01	107.53		93.29	107.53	

Financials for FY18 as per IGAAP; for Q3FY18, Q2FY19, Q3FY19, 9MFY18 and 9MFY19 as per IndAS

Based on DHFL Standalone Accounts

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

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 Bhadauria
Head – Retail Liability

Shared Services


Santosh Sharma
Chief Financial Officer


Vivek Kannan
Chief Operating Officer


Jyothirlatha 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
 **Harshil Mehta**	*Joint MD and CEO*	Former MD & CEO of Aadhar HFC Former MD & CEO of ICICI Home Finance & previously worked with ICICI bank for 10 years Has been on the Board of DHFL since Sep 01, 2017
 **Dheeraj Wadhawan**	*Non Executive Director*	11+ years of experience in real estate and construction industry Has been on the Board of DHFL since May 12, 2008
 **G.P. Kohli**	*Independent Director*	Former MD of Life Insurance Corp (LIC) of India Has been on the Board of DHFL since May 23, 2001
 **Vijaya Sampath**	*Independent Director*	Senior Partner in law firm, Lakshmikumaran & Sridharan and ombudsperson for the Bharti Group Has been on the Board of DHFL since Aug 26, 2014
 **Vijay Kumar Chopra**	*Independent Director*	Former Chairman & MD of Corporation Bank and SIDBI and former whole time member of SEBI Has been on the Board of DHFL since May 12, 2008
 **Mannil Venugopalan**	*Independent Director*	Former Chairman and MD of Bank of India and MD and CEO of Federal Bank Has been on the Board of DHFL since Feb 25, 2013

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

- COMMITTEES OF THE BOARD

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’)

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

FY18

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

FY17

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

Annexure 3

DHFL Group Associates

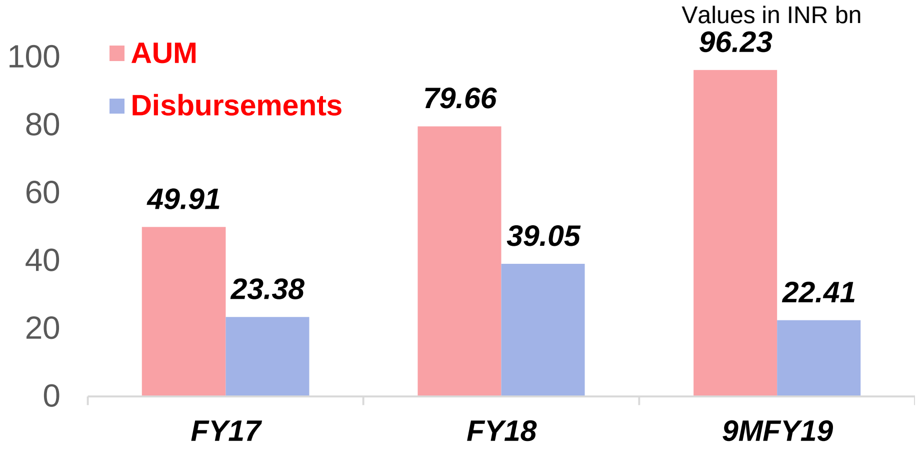
Associate Companies: Aadhar Housing Finance

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

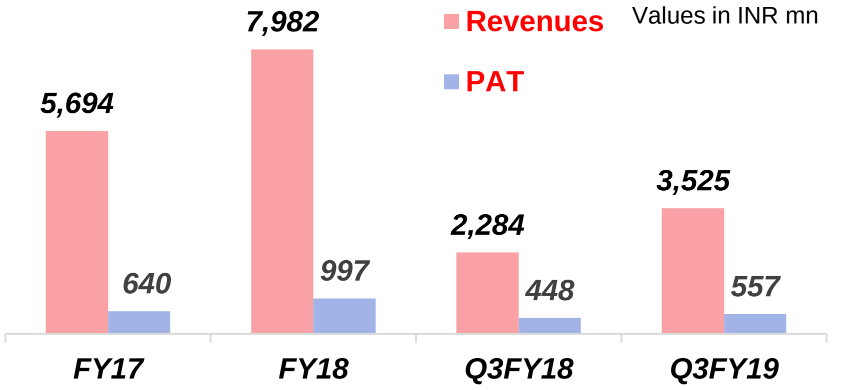
After merger with DHFL Vysya, business operations spread across India with a network of 318 branches

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

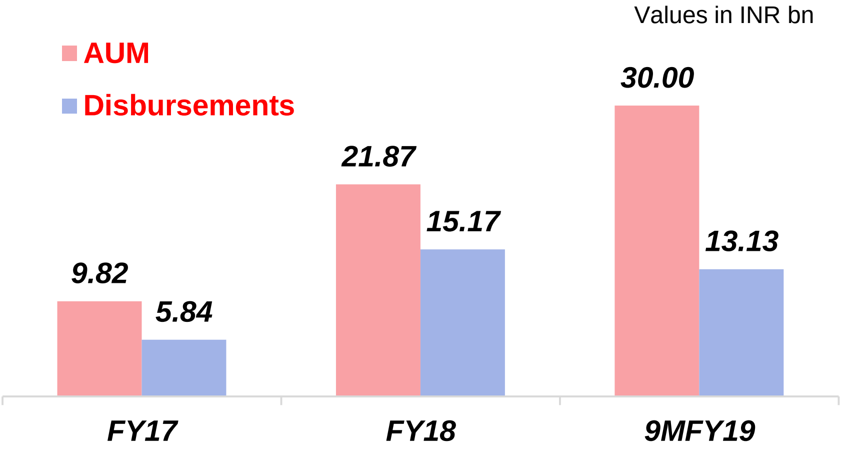
Launched in 2013 and now India's second largest education loan financing NBFC

Product wise breakup of AUM
- Domestic Education Loans: 9%
- Overseas Education Loans : 45%
- Other Loans: 45%

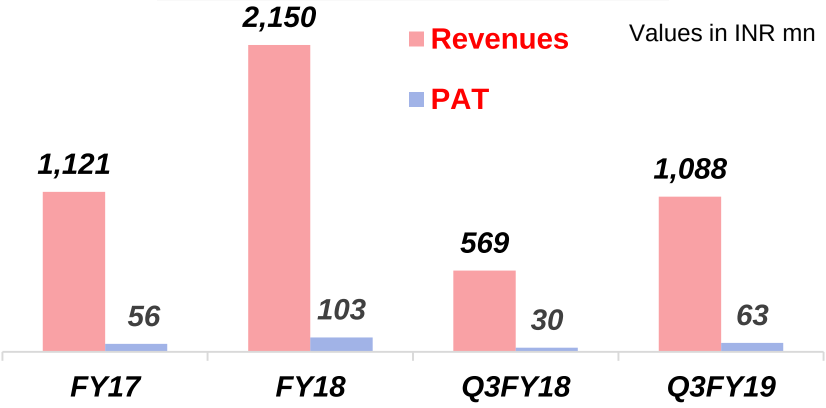
Business coverage across 17 major educational markets of the country with additional coverage through 184 DHFL Centres

IFC has 20% equity stake in the company

BUSINESS PERFORMANCE



FINANCIAL PERFORMANCE



Financials as per IGAAP

Associate Companies:
DHFL Pramerica Life Insurance (DPLI)

JV with Prudential Financial Inc.* of United States

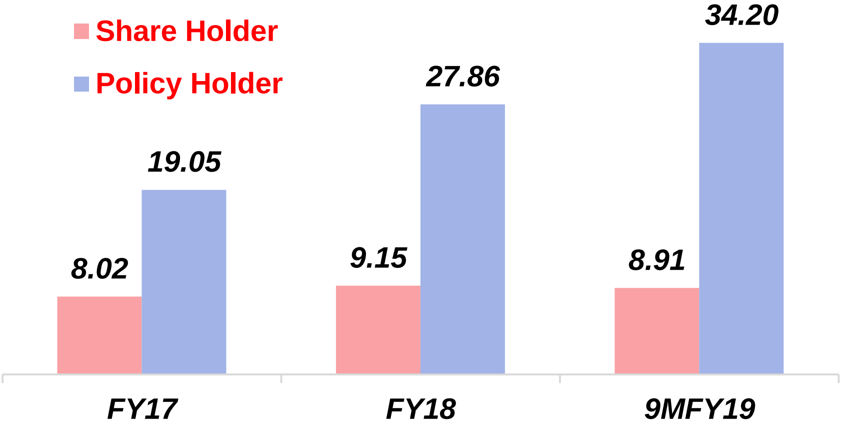
Presence in life insurance business with focus on traditional products

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

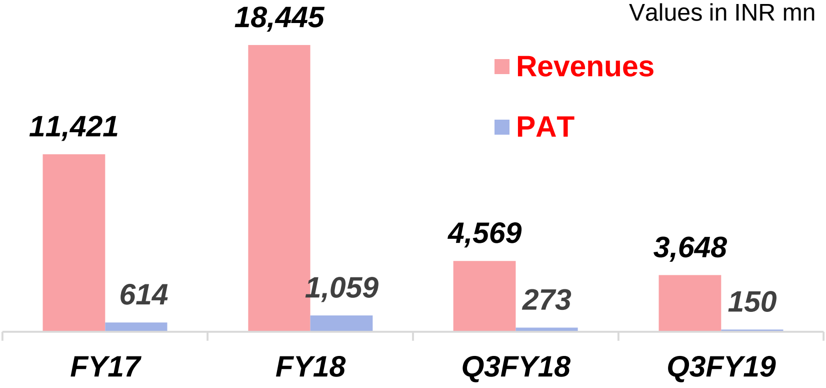
ASSETS UNDER MANAGEMENT (AUM)

Values in INR bn



FINANCIAL PERFORMANCE

Values in INR mn



Financials as per IGAAP

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Associate Companies:
DHFL Pramerica Asset Management (DPAMC)

JV with Prudential Financial Inc.* of United States

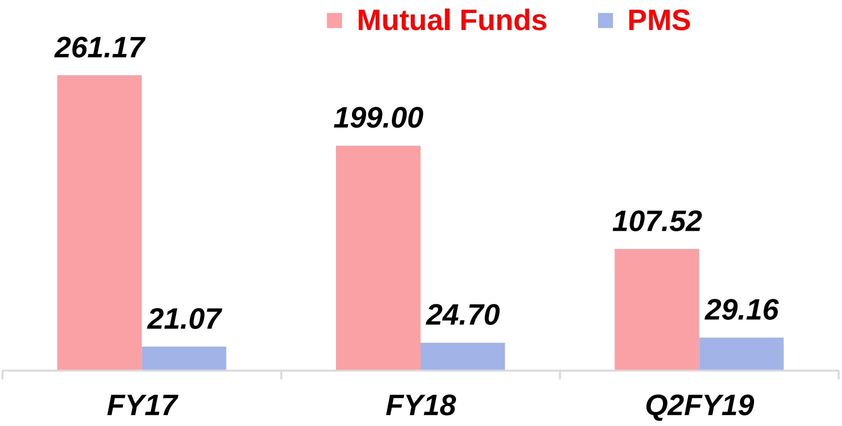
Launched Mutual Fund (MF) business in 2010 and Portfolio Management Services (PMS) in 2013. Acquired Deutsche AMC in 2016.

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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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 Financial Statements for FY2016 and FY2017, FY2018 & FY2019 YTD 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.

Thank You

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Investor.relations@dhfl.com