The road less travelled.

Earnings Update – FY14

30th Apr, 2014

"I want
every Indian
to have a home
of his own"

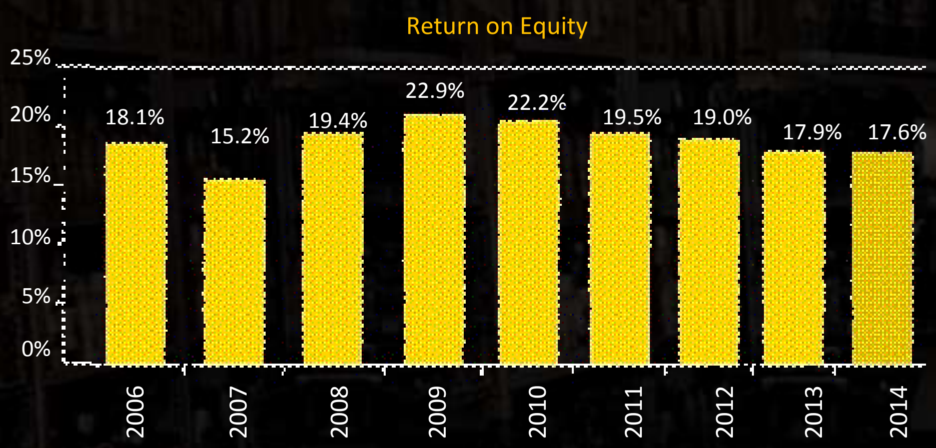
Late Shri Rajesh Kumar Wadhawan,
Founder Chairman.
(1949-2000)

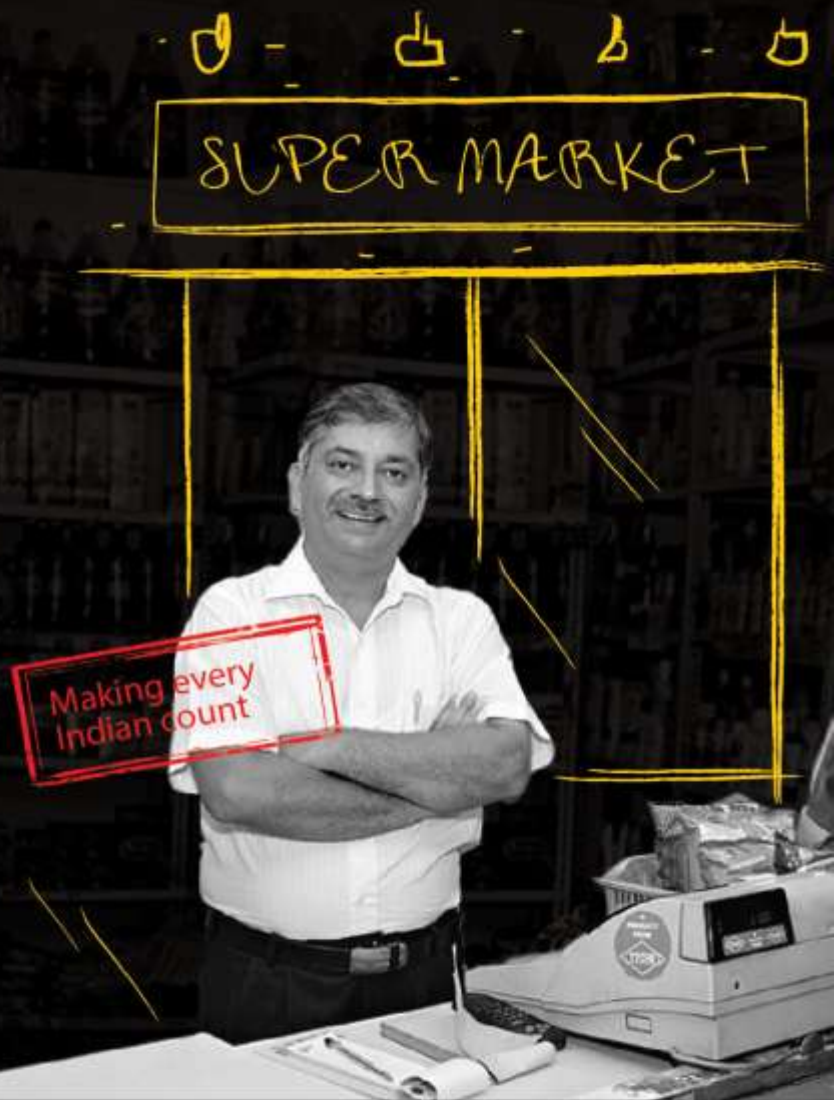
"Two roads diverged in a wood, and I -
I took the one less travelled by, And that has made all the difference." - Robert Frost

In 1984, when the founding Chairman started his journey, he was determined that he would build a company that would champion 'inclusive growth'. He believed that for a nation to progress, everybody has to be part of the story.

DHFL did that by disbursing funds from its own equity contribution, and had a return of less than 8% at a time, when the interest rates were about 18%.
3 decades later, DHFL is one of India's leading financial services company with a network of over 305 locations in India. It also has tie ups with leading public and private sector banks, and has set up offices in London and Dubai.

DHFL's exponential growth, has never compromised on its original vision of simplifying financial access for everybody. Because he believed that every Indian counts.





BUSINESS OVERVIEW

- Founded in 1984, DHFL was the second housing finance company in India's private sector, with a vision to transform the lives of every Indian households by enabling access to home ownership.

- DHFL has been unwavering in its commitment to serve the lower & middle income groups. Even after ~ 30 years, it remains a financial institution with the systems, processes and dedication to serve this socio-economic group. After the acquisition and merger of First Blue Home Finance, DHFL also now caters to the middle and upper-middle income group.

OPPORTUNITY LANDSCAPE

PRICE PER DWELLING UNIT	ESTIMATED MARKET SIZE#
Between INR 0.3 - 1.0 mn	INR 13 trillion
Between INR 1.0 - 2.5 mn	INR 9 trillion
Above INR 2.5 mn	INR 5 trillion

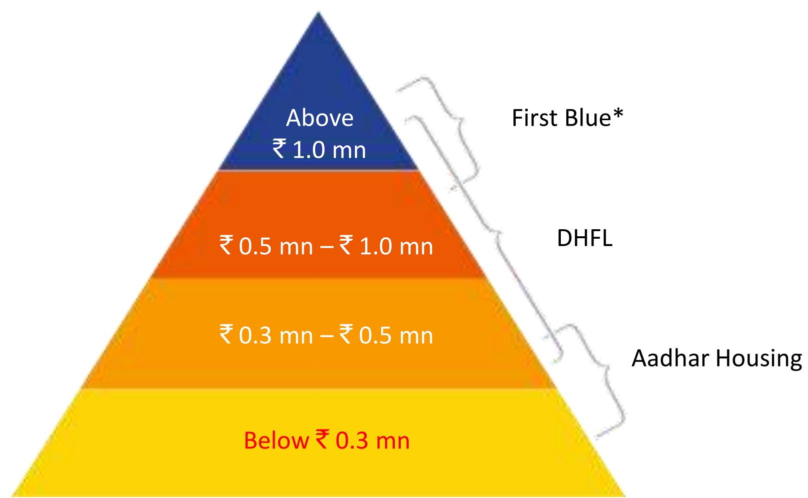
Pursuant to the merger of First Blue Home Finance and setting up of Aadhar Housing Finance in FY11, DHFL as a group is geared to serve customers across the housing finance spectrum, with each company serving a niche segment, resulting in minimal overlap.

*Operating as an independent brand under DHFL

#All Information Source: Monitor Group

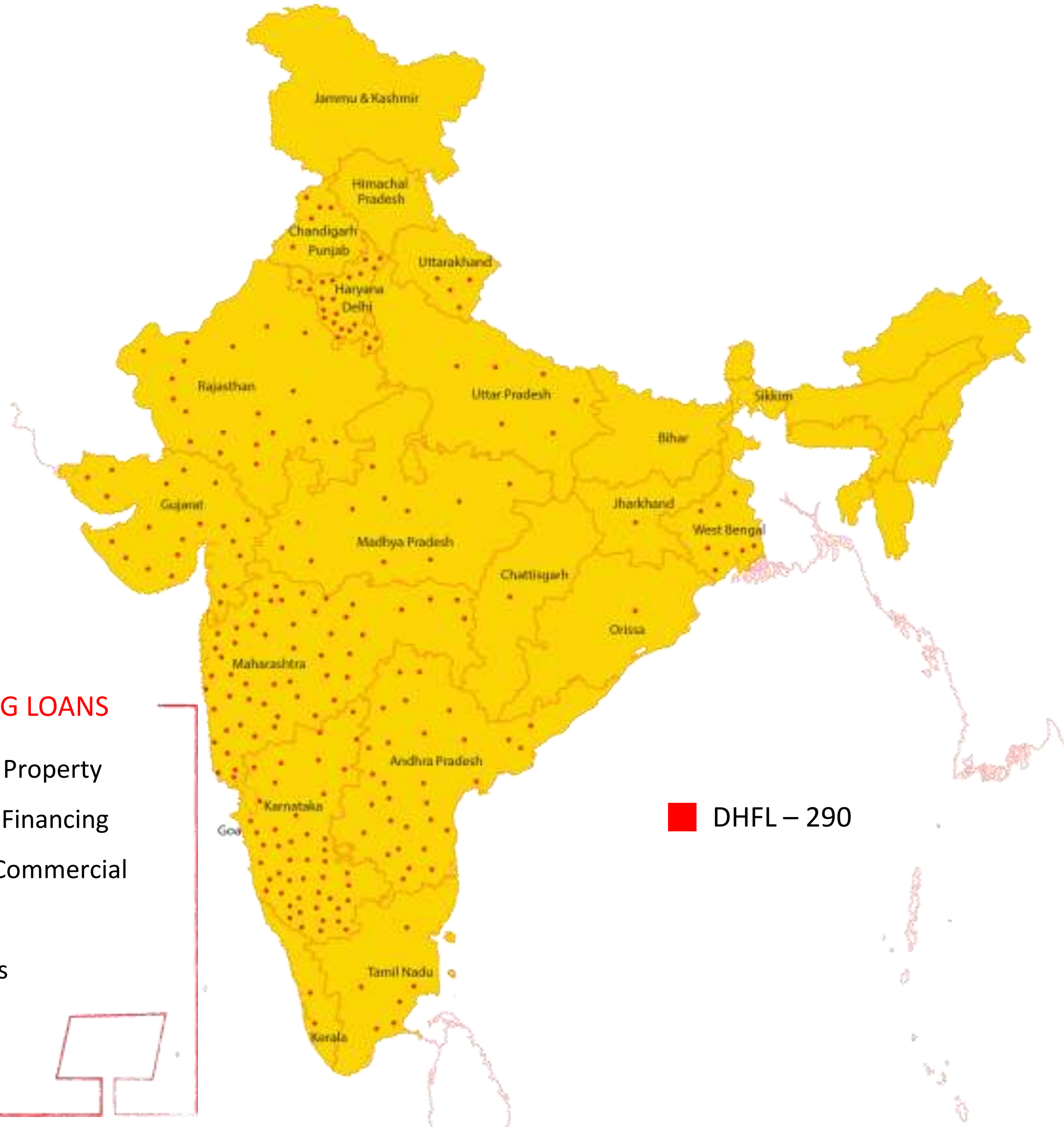
Treasure in Unlisted Companies

Entity	DHFL's Holding (%)	BVPS (₹)
DHFL Vysya Housing Finance	9.47%	85.13
Aadhar Housing Finance Ltd	14.90%	10.55
Avanse Education Loans	48.50%	31.22
DHFL Pramerica	50.00%	1.00



GEOGRAPHICAL PRESENCE

- Spread across 290* Company operated locations in India
- Additionally 151 alliances



PRODUCT OVERVIEW

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
- Top-Up Loans

* As on 31st March 2014, Company operated locations include 2 Representative Offices at London and Dubai and 18 Camp locations

DISTRIBUTION PARTNERS

Chandigarh, Punjab and Delhi NCR

West Bengal

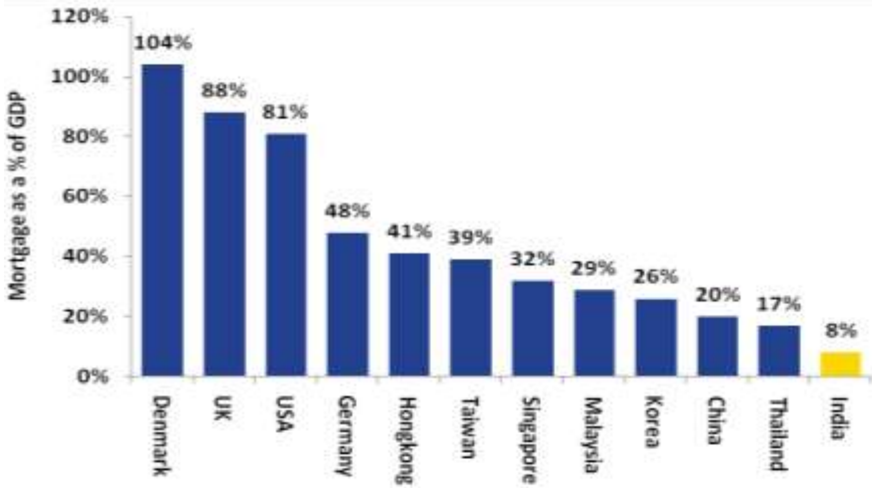
Madhya Pradesh

All India

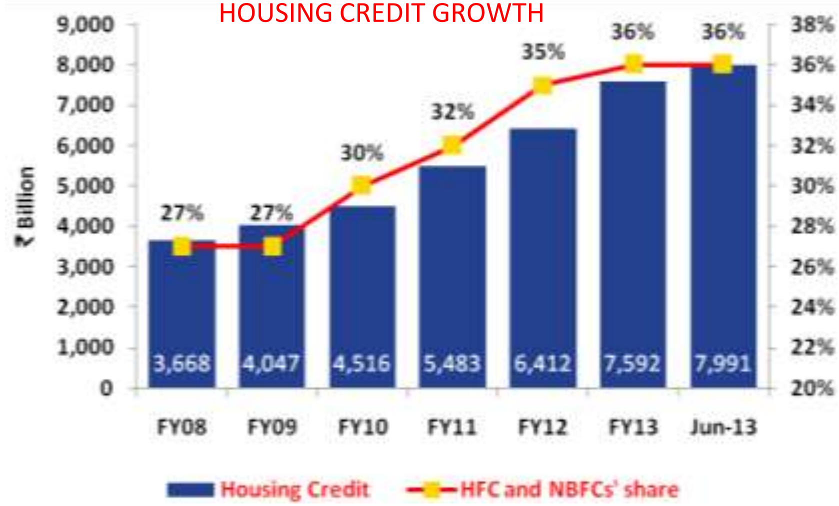
PARTNERING WITH LEADING BANKS
DHFL has been an industry pioneer in establishing long term relationships with leading commercial banks in distributing home loan products to their customers. This has helped in widening the geographic reach and also tap the potentials of a large customer base of these banks, thus acting as a valuable support of growth in business and income. DHFL feels extremely proud of this continuing trust from leading names in the Indian Financial system.

MORTGAGE FINANCE INDUSTRY - HUGE GROWTH OPPORTUNITY

LOW MORTGAGE PENETRATION IN INDIA –
A HUGE MARKET POTENTIAL

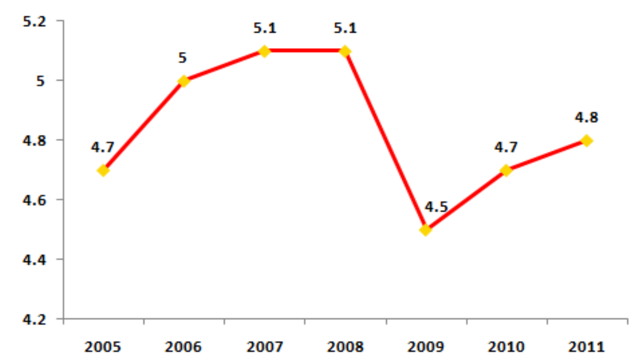


HFC's MARKET SHARE RISING ALONG WITH
HOUSING CREDIT GROWTH



GROWTH IN MORTGAGE PENETRATION –
TRANSLATING TO HIGHER INDUSTRY GROWTH

HOUSING AFFORDABILITY INDEX



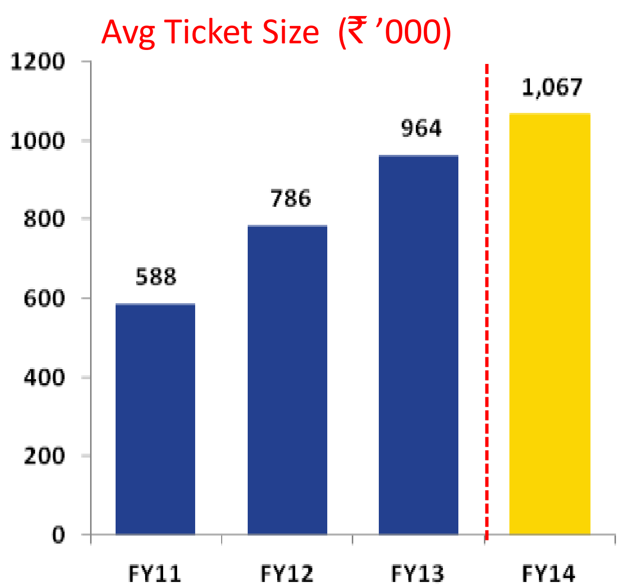
Key drivers: • Low penetration • Affordability • Old housing stock • Urbanization and Changing demography

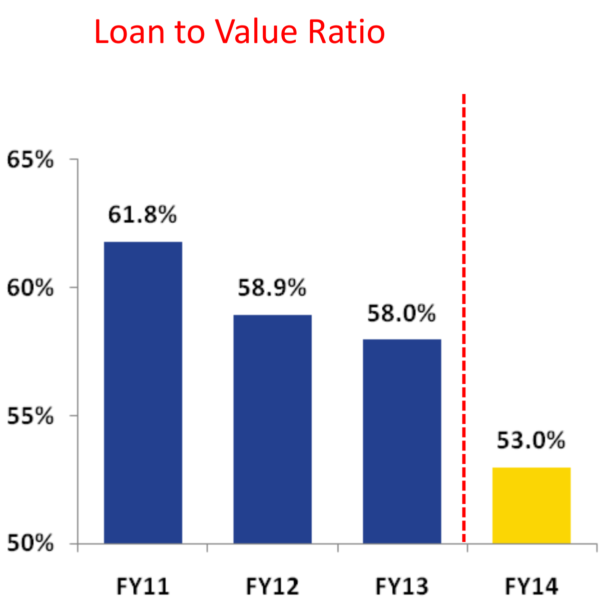
DHFL
Changing Rules Changing Lives

DIFFERENTIATED BUSINESS MODEL

DISTRIBUTION MODEL	De-risked dual channel distribution strategy – Pre-dominantly Direct Sales supplemented by DSA's
OPERATIONS	Centralized processing centres for greater efficiency and risk management - 14 Regional Processing Units catering to more than 80% of the branches in terms of volume
SOURCING	Business sourced majorly through own Branch network
TARGET	Customers across the spectrum with key focus on tier II/tier 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

DHFL – A PROMINENT LMI PLAYER





AVERAGE INSTALLMENT TO INCOME RATIO	39%
FOOTPRINTS ACROSS TIER II & III TOWNS OR OUTSIDE MUNICIPAL LIMITS OF MAIN CITIES	~80%
AVERAGE LTV, CONSIDERING CURRENT AMORTISED PORTFOLIO	41.1%

In the Presentation, FY13 and FY14 are Post Merger figures, while FY11 and FY12 are DHFL's Standalone figures

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PARTNERS IN GROWTH

International Finance Corporation
WORLD BANK GROUP

- Sanctioned an ECB limit of US$ 85 million. In March 2014, DHFL raised US$70mn under ECB route
- Invested 20% equity stake in Avanse Financial Services, DHFL's Associate Company in the education loan segment
- Invested 20% equity stake in Aadhar Housing Finance, DHFL's Associate Company

CALEDONIA INVESTMENTS

- London Stock exchange listed, self-managed UK investment trust with net assets of £1.3bn, as of 31st March, 2013
- Carry a long term investment approach – often over ten years – and have a predominantly 'value' style of investing
- Have invested in DHFL since March 2006, and as of March 2013, they hold 9.99% equity stake in DHFL

Pramerica

- Prudential Financial Inc., (PFI), a financial services leader with ~$1.1 trillion of AUM as of March 31, 2013
- PFI entered into a joint venture (JV) partnership with DHFL and its promoters' entities to provide life insurance products to customers in India
- Following the regulatory approval, in March 2014, DHFL acquired 50% equity stake interest in DLF Pramerica Life Insurance Company Ltd. (DPLI), with DHFL promoters' entities acquiring the remaining 24% equity stake

BUSINESS HIGHLIGHTS – FY14

Networth
₹ 35.7 billion
(₹ 32.4)

AUM
₹ 448.2 billion
(₹ 361.2)

PAT
₹ 5.3 billion
(₹ 4.5)

Disbursements
₹ 166.5 billion
(₹ 133.6)

Sanctions
₹ 223.8 billion
(₹ 173.4)

Gross NPA
0.78%
(0.71%)

Capital Adequacy Ratio (Approx.)
16.42%
(16.52%)

Figures in parenthesis are as on 31st March 2013

KEY FINANCIAL METRICS

Financial Summary (₹ mn)	Year Ended		
	Mar, 2014	Mar, 2013	Growth
Total Income	49,697	41,404	20%
Net Interest Income	9,932	7,637	30%
Non-Interest Income	1,939	2,573	-25%
Interest Expenses	37,826	31,194	21%
Operating Expense	3,711	3,569	4%
Provision for Contingencies	700	450	56%
PBT	7,351	6,107	20%
PAT	5,290	4,519	17%
Loan Sanctioned	2,23,776	1,73,369	29%
Loan Disbursed	1,66,475	1,33,577	25%

Key Ratios for Period Ended	Mar, 2014	Mar, 2013	Dec, 2013
Gross NPA	0.78%	0.71%	0.90%
NPA Coverage Ratio	104.36%	109.76%	90.98%
CAR (Approx.)	16.42%	16.52%	17.48%
NIM	2.71%	2.72%	2.71%
Cost Coverage Ratio	50.77%	70.44%	49.95%
Cost to Income Ratio	25.99%	29.05%	25.28%
Return on Assets	1.70%	1.71%	1.63%
Return on Equity	17.59%	17.86%	17.17%
Debt Equity Ratio	10.42	9.61	9.80
EPS ₹	41.23	38.47	30.23

NPA Coverage includes Standard assets provisions

DHFL Changing Rules Changing Lives

EARNINGS UPDATE – FY14

- Total Income for FY14 up 20% YoY to ₹ 49.7bn
- Profit after Tax for FY14 up 17% YoY to ₹ 5,290 mn
- For FY14; Sanctions and Disbursements were ₹ 223.8 bn and ₹ 166.5 bn, respectively
- Loan book as of year ended March'14, up YoY by 20% to ₹ 406.0 bn
- Net Interest Margin for FY14 stood at 2.71%
- RoA for FY14 was 1.70% and RoE for the same period stood at 17.59%
- Gross NPA's stood at 0.78% and the provisioning coverage was maintained at 104.36%
- EPS for FY14 stood at ₹ 41.23 per share
- The Board has proposed a final dividend on equity shares @ ₹ 2* per share and additional special 30th Anniversary celebration dividend @ ₹ 3* per equity share
- Raised US$ 70 mn from IFC under the external commercial borrowing (ECB) window
- DHFL has availed country's first ever mortgage guarantee with India Mortgage Guarantee Corporation

* The impact of Final Dividend has not been taken into account in arriving at various ratios wherever applicable

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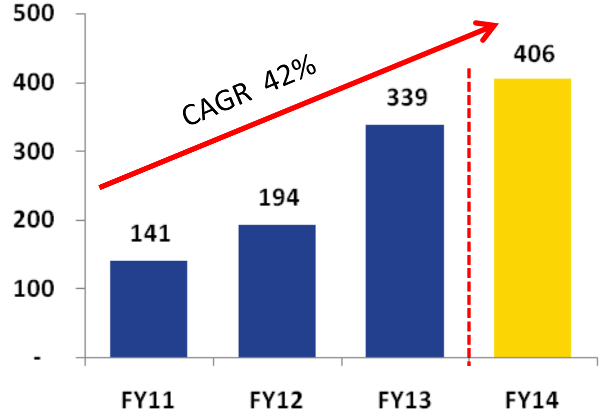
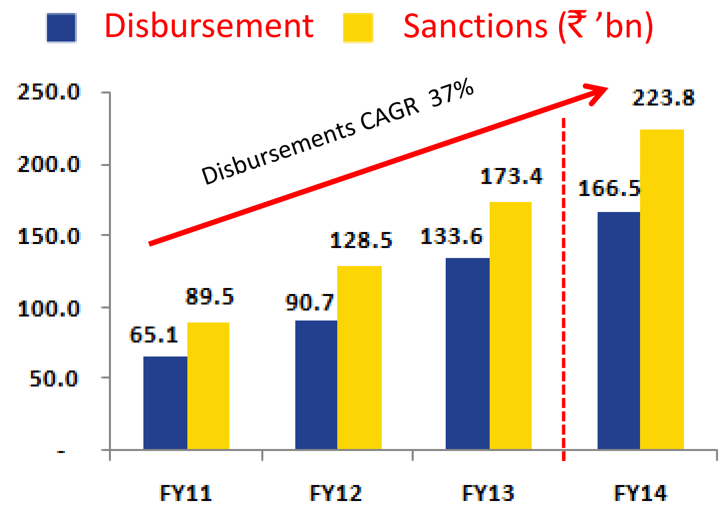
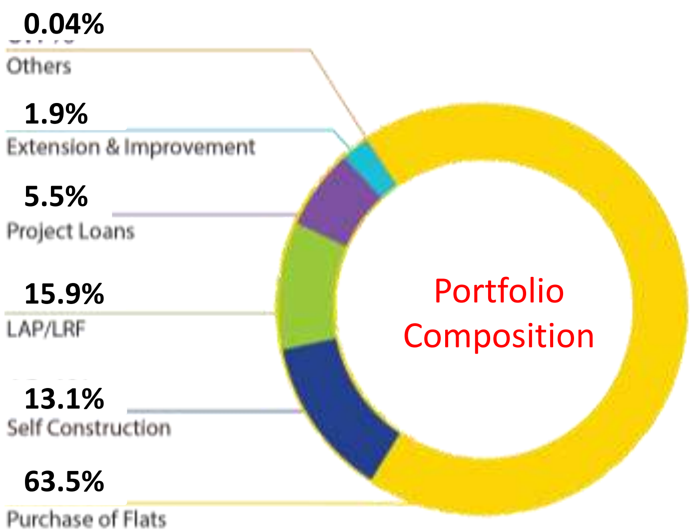
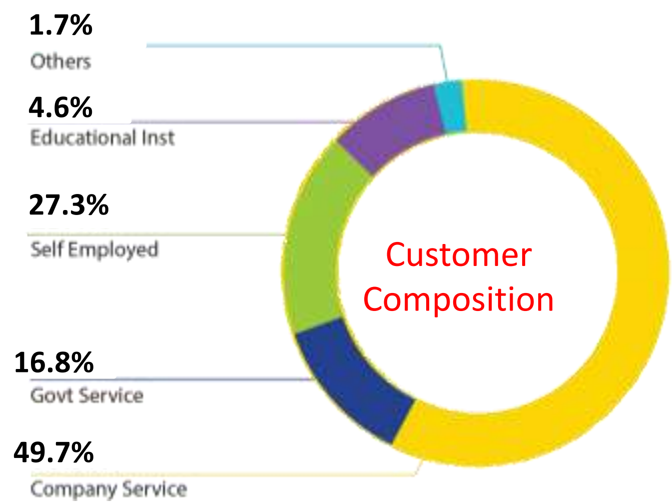
PORTFOLIO PROFILE

Loan Portfolio (₹ ’bn)









For the Year Ended 31st March 2014, Securitised Portfolio: ₹ 26,163 million

In the Presentation, FY13 and FY14 are Post Merger figures, while FY11 and FY12 are DHFL’s Standalone figures

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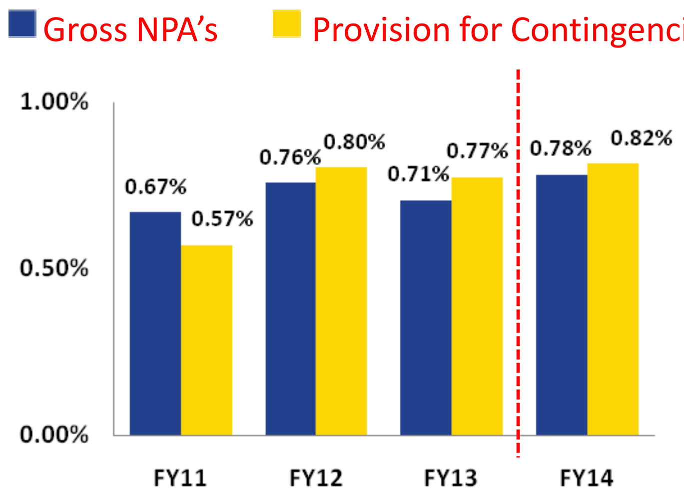
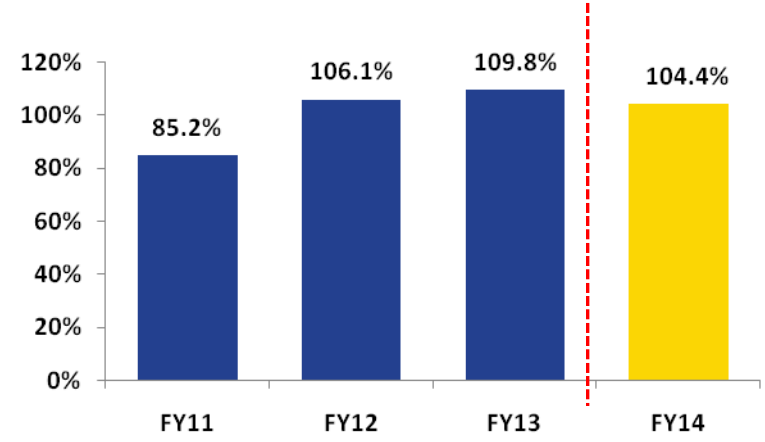
BUSINESS PARAMETERS

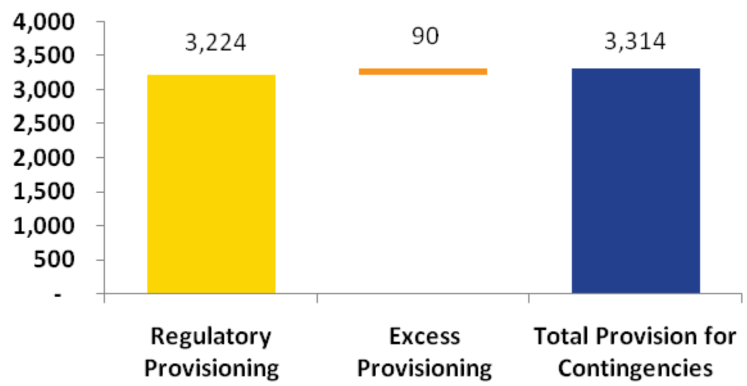


Provisioning Coverage (%)*



*Provision Coverage includes Standard assets provisions

Provision for Contingencies (₹ 'mn)



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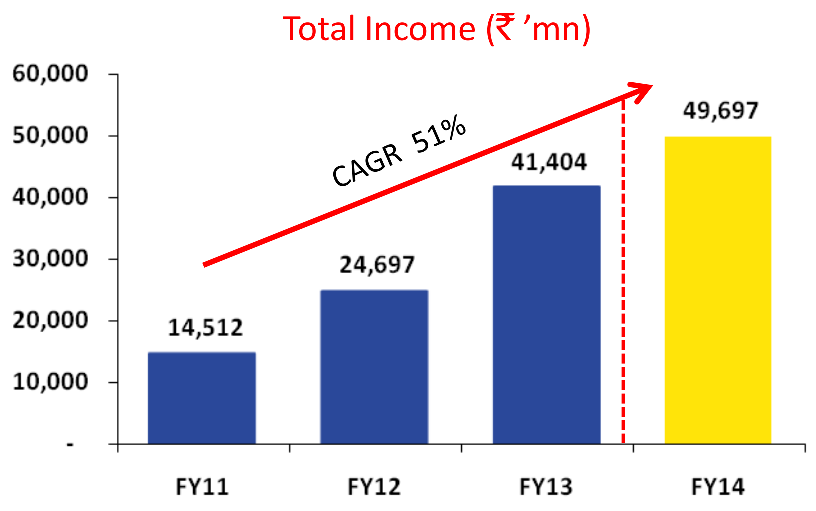
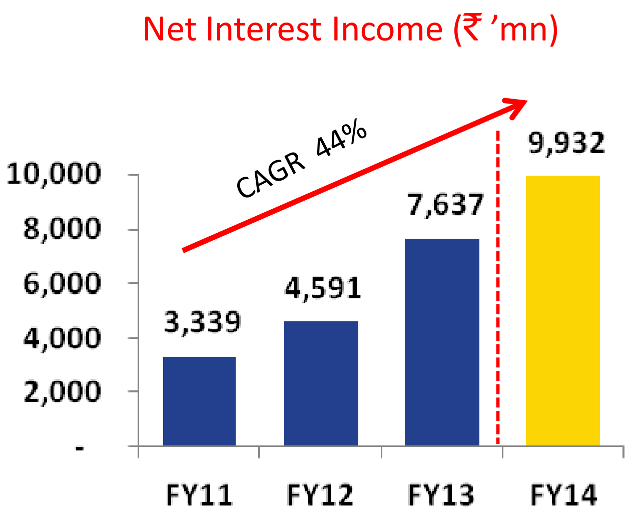
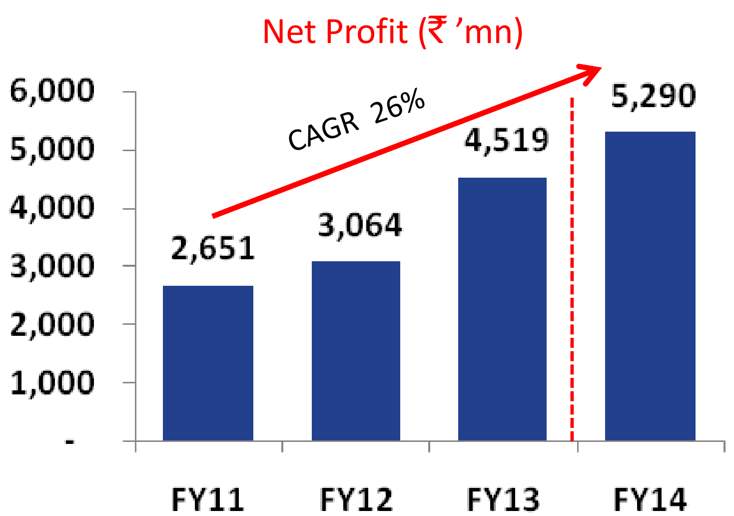
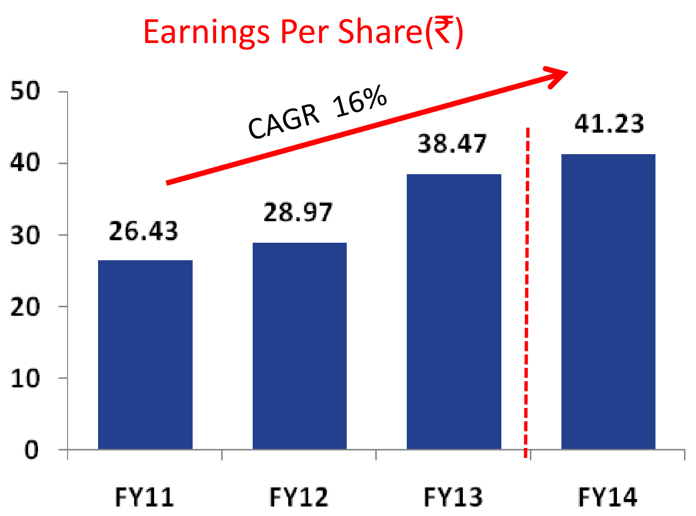
BUSINESS PARAMETERS









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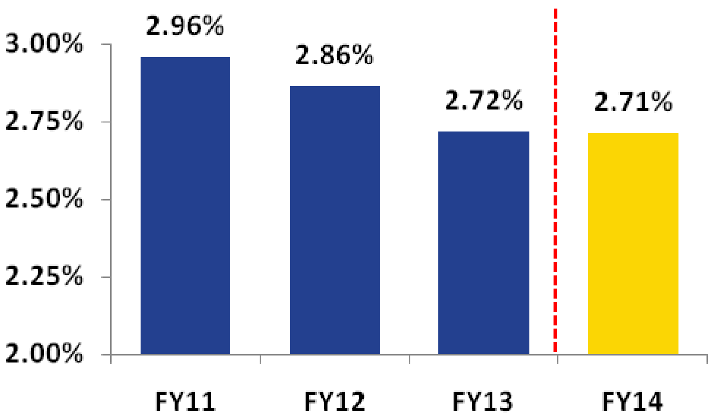
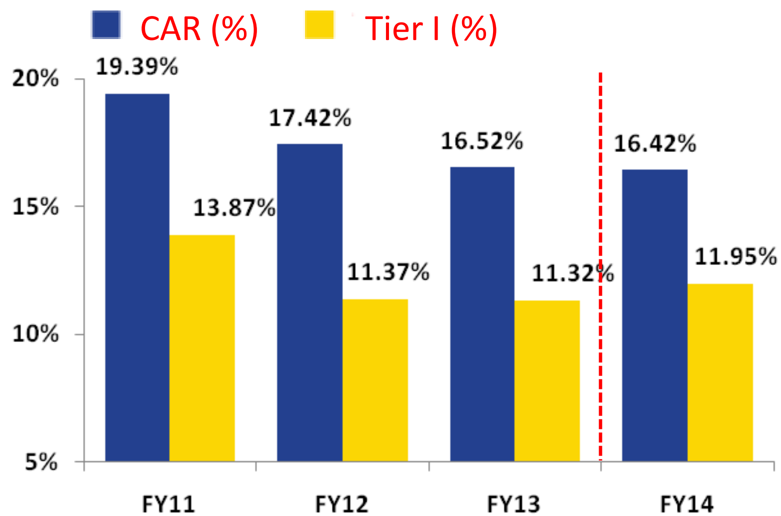
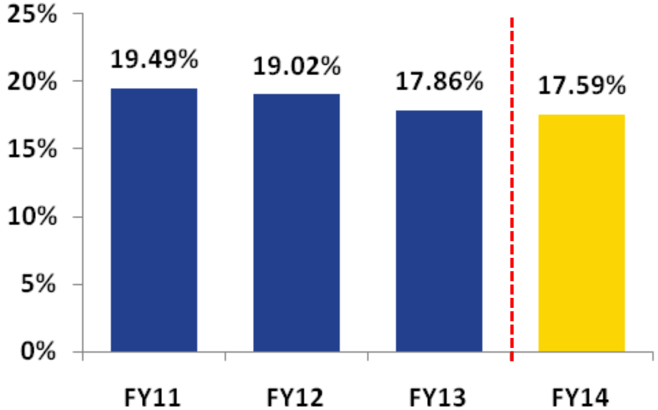
FINANCIAL RATIOS

NIM (%)

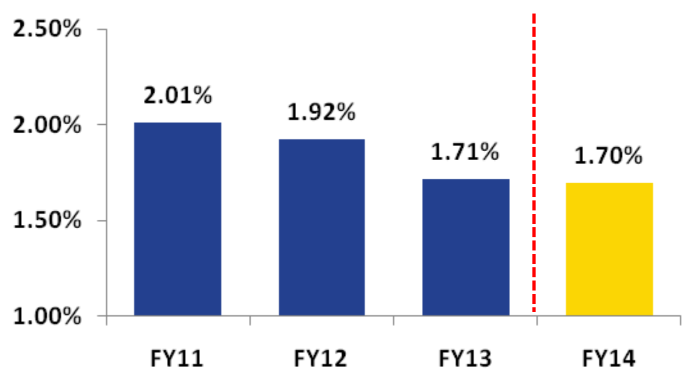




RoE (%)



RoAA (%)



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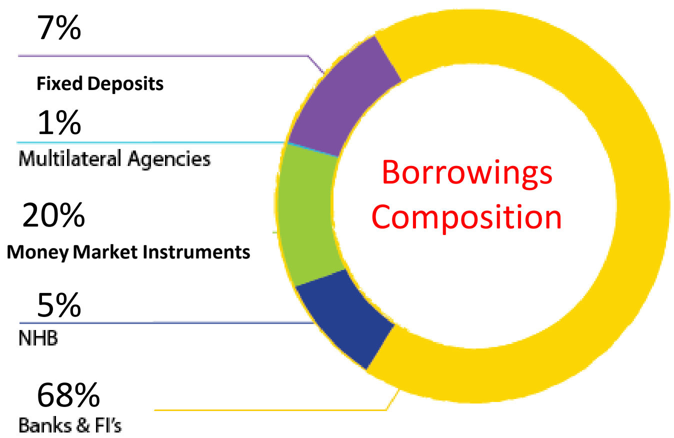
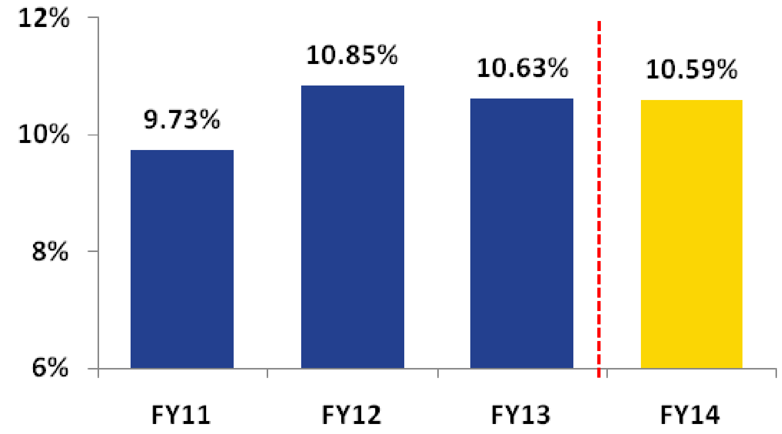
BORROWING PROFILE



Money Market Instruments include NCD's, subordinate debt, commercial paper and perpetual debt

Borrowing Cost Movement



BORROWINGS AND BORROWING COST COMPOSITION

CREDIT RATINGS

Long Term :

AA+ from CARE

Short Term :

A1+ from CRISIL

Borrowing Source	Mar, 2014 ₹ mn	Mar, 2014 Cost %	Dec, 2013 ₹ mn	Dec, 2013 Cost %	Net Increase	% of Incremental funding
Banks & FI's	2,67,252	11.00%	2,49,822	11.00%	17,430	63.26%
NHB	19,797	8.04%	22,411	8.02%	(2,615)	-9.49%
Money Market Instruments	77,561	9.84%	70,559	9.63%	7,001	25.41%
Multilateral Agencies	4,305	10.73%	122	9.98%	4,183	15.18%
Fixed Deposit	25,955	10.56%	24,401	10.56%	1,553	5.64%
WACB	3,94,869	10.59%	3,67,316	10.52%	27,553	100.00%

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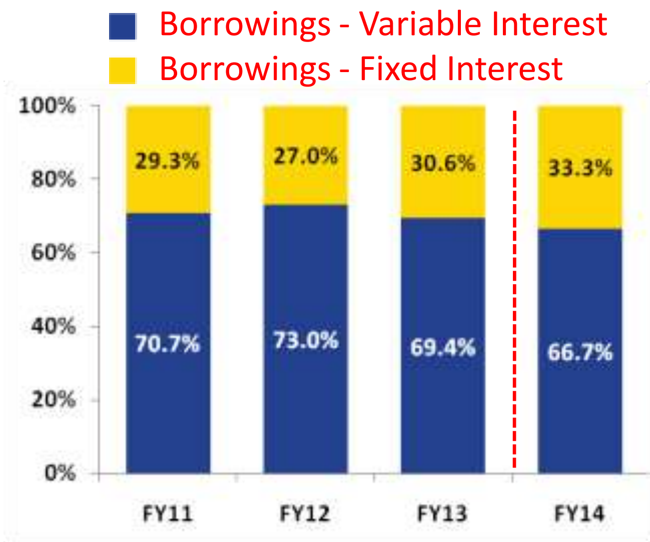
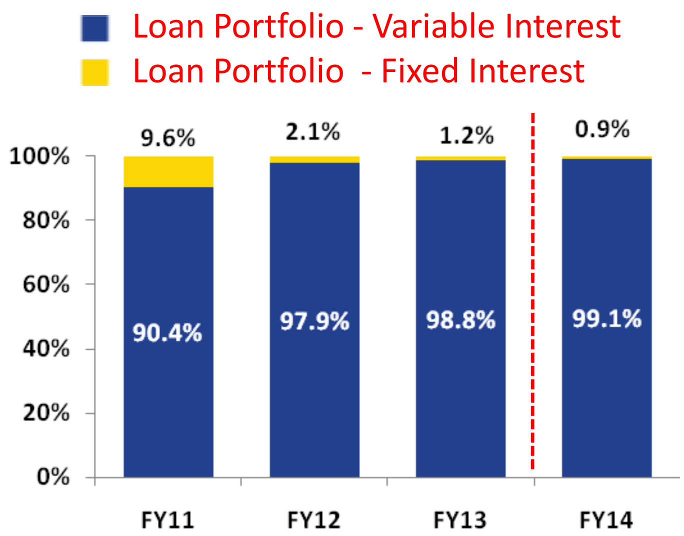
ASSET LIABILITY PROFILE





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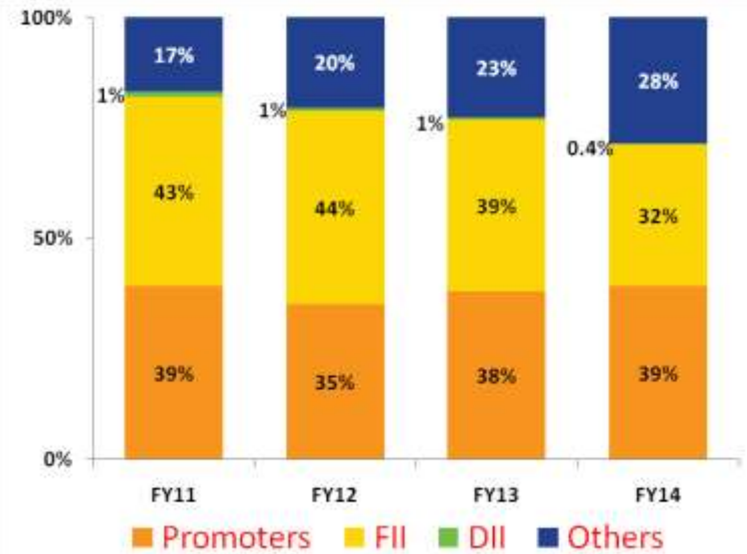
DIVERSIFIED INVESTOR BASE

SHAREHOLDING COMPOSITION

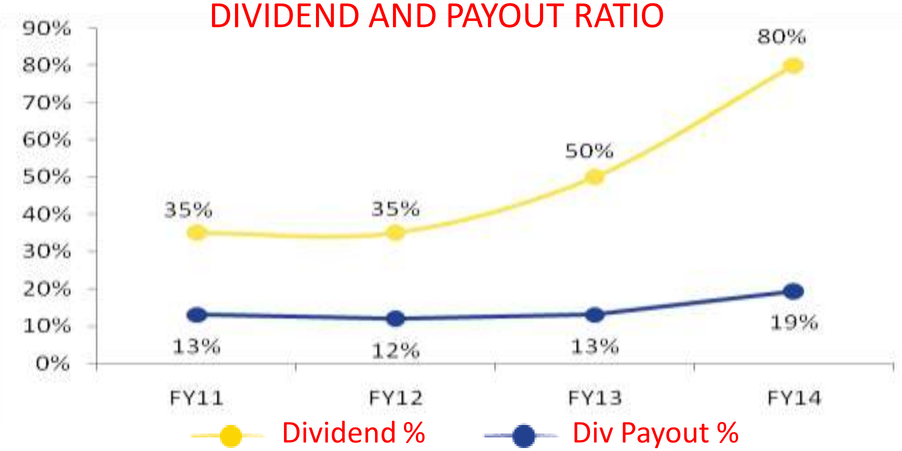


- Institutional Investors exhibit significant faith in the company's performance, as evident from their substantial share in Holding% over a period of time
- Gradually, Other public shareholders are exhibiting trust in the company's performance as evident from the increase in their holding %
- Dividend paid consecutively for last 26 years

Top 10 Investors as on 31st March 2014		
Sr.No.	Name of Investor	% Holding
1	CALEDONIA INVESTMENTS PLC	9.98%
2	RAKESH JHUNJHUNWALA	4.48%
3	IRONWOOD INVESTMENT HOLDINGS	4.05%
4	ASIABRIDGE FUND I, LLC	2.78%
5	GOVERNMENT OF SINGAPORE *	2.67%
6	GOVERNMENT PENSION FUND GLOBAL	2.12%
7	MORGAN STANLEY ASIA (SINGAPORE) PTE	1.18%
8	IVA INTERNATIONAL	0.90%
9	MV SCIF MAURITIUS	0.72%
10	ASHMORE SICAV INDIAN SMALL-CAP EQUITY FUND	0.65%

* Through Multiple Funds / Schemes

DIVIDEND AND PAYOUT RATIO



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Note:

Disclaimer

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