

The following table shows the split and description of our branches and sales offices according to type as of December 31, 2023:

	Type	Loan Disbursement Per Annum	Typical Manpower	Number*	Percentage
1.	Main branch	More than ₹ 240 million	A team consisting of (i) a branch or cluster manager, (ii) sales team based on target, and (iii) one to two staff from each of the credit team, technical team and operations team.	131	26.9%
2.	Small branch	₹ 120 million to ₹ 240 million	A team consisting of (i) a branch manager, (ii) a credit officer overseeing credit and operations, (iii) a sales team based on the target, and (iv) a technical and collection team.	136	27.9%
3.	Micro branch	₹ 70 million to ₹ 120 million	A team consisting of (i) a branch manager, with either (a) three to four DSTs or (b) two to three DSTs, with (ii) one relationship manager, and (iii) one credit officer overseeing credit and operations.	87	17.9%
4.	Ultra-micro branch	₹ 50 million to ₹ 70 million	A team consisting of (i) sales managers, and (ii) two to three DSTs or two relationship managers.	24	4.9%
5.	Sales Offices (also known as deep impact branches)	₹ 50 million to ₹ 70 million	(i) One branch in-charge, and (ii) three to four DSTs.	109	22.4%
<b>Total</b>				<b>487</b>	<b>100.0%</b>

\* The number of branches does not include regional offices and corporate offices.

### Our Customer Base

Our target customer segment comprises individuals from the economically weaker and low-to-middle income segments in urban and semi-urban areas who have limited access to formal banking credit. We offer loans to both salaried and self-employed individuals in the formal and informal segments. We cater to customers from informal employment sectors who do not have formal income proofs, pay slips, or income tax returns, and hence may be excluded from being served by banks or large financial institutions. For the income-wise split of our formal and informal customers, see “– *Competitive Strengths – HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India with the highest AUM and net worth among our analyzed peers in FY2021, FY2022, FY2023 and nine months ended December 31, 2022 and December 31, 2023*” on page 154. As a result of our expertise, experience and business model, we believe that we are able to effectively serve such customers and grow our business, while monitoring and mitigating risks. We have developed detailed customer interviews as part of our personal discussion process, which provide us deep insights into behavioral traits and other data points which substitute some of the traditional data.

### Key Parameters of our loan products: LTV Ratio, EMI and Tenure of our Home Loans

The RBI Master Directions – HFC prescribe the thresholds of loans that can be provided to housing loan customers. A property with market value of up to ₹3.0 million is permitted to have a maximum loan-to-value (“LTV”) of up to 90.0%, property with market value between ₹3.0 million and ₹7.5 million is permitted to have maximum LTV ratio of up to 80.0% and property with market value above ₹7.5 million is permitted to have maximum LTV ratio of up to 75.0%. The following table sets forth details of our average LTVs, at the time of the sanctioning of the loan, as of the dates indicated:

	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Average LTV - Home loans	61.9%	62.5%	63.7%	63.4%	64.7%
Average LTV - Non-home loans	41.1%	42.9%	44.6%	44.5%	45.5%
Average LTV – Gross AUM (excluding project finance loans)	57.0%	57.5%	57.8%	57.7%	58.3%

While approving a loan application, we review the customer's repayment capacity, which is determined by factors such as the customer's age, educational qualification, number of dependents and the stability and continuity of the customer's income. If applicable, we also review a co-applicant's income, assets and liabilities, and cash flows, as required. The amount of the loan is determined on the basis of our evaluation of the repayment capacity of a customer and the value of the relevant property, and is also subject to regulatory limits. Loans are required to be repaid in equated monthly instalments (“EMIs”) over an agreed period. The size of the EMI depends on the size of loan, interest rate and tenure of loan. The tenure of our home loans can be for a period up to 30 years and vary according to the purpose of the loan, the customer's age and the customer segment.