

DHFL Q4 FY17 Net Profit up by 31% at INR 248 Crore

FY 17 Highlights

- Net profit increased by 27% to Rs 927 crore for the year ended March 31, 2017
- Profit before tax rose by 27% to Rs 1,402 crore for the year ended March 31, 2017
- Total income rose by 21% to Rs 8,857 crore for the year ended March 31, 2017
- Loan Book Outstanding grew 17% to Rs 72,096 crore YOY for the year ended March 31, 2017
- Asset Under Management (AUM) grew 20 % to 83,560 crore for the year ended March 31, 2017
- Gross NPA stood at 0.94%
- Net Interest Margin stood at 536 Crore in Q4 FY17 as compared to 438 crore in Q4 FY16

Mumbai, May 03, 2017: DHFL, one of India's leading housing finance company, today announced its annual results for the year ended March 31, 2017. The company registered a net profit growth of 27% to Rs 927 crore for the year ended March 31, 2017.

Assets Under Management (AUM) grew by 20% year-on-year, reaching Rs 83,560 crore from Rs 69,524 crore as on March 31, 2016.

Commenting on the company's financial performance, Mr. Kapil Wadhawan, Chairman and Managing Director, DHFL said, "***DHFL has registered a robust growth in business in the fourth quarter as we continue to take several proactive steps towards the fulfillment of DHFL's mission built over three decades to enable every Indian to own a home of his own. On an overall basis FY 2017 has been encouraging for the housing finance sector which witnessed several growth oriented initiatives and industry defining policy measures undertaken by the government. Over the past quarter, the government continued the reform momentum introducing various interest subvention schemes that has will provide a tremendous impetus to the affordable housing industry acknowledging the potential of the segment at the bottom of the pyramid and steering the industry towards meeting its objective of Housing for All by 2022.***

He further added, "***DHFL has been very responsive and agile in leveraging these advantages to expand customer outreach and introduce unique housing finance solutions. With our wider national footprint we are well poised to capitalise on growth opportunities.. The government has paved the way through several path-breaking initiatives to expand financial inclusion across India. As we progress, I am confident that DHFL will continue to deliver higher performance and undertake initiatives with more far reaching impact.***"

Performance Details for the year ended March 31, 2017 as compared to the corresponding period of the previous year

- Net profit increased by 27% to Rs. 927 crore for the year ended March 31, 2017 as against Rs. 729 crore in FY16
- Profit before tax rose by 27 % to Rs. 1,402 crore for the year ended March 31, 2017 as against Rs. 1,102 crore in FY16
- Loan Book Outstanding grew 17% to Rs. 72,096 crore for the year ended March 31, 2017 as against Rs. 61,775 crore in FY16
- Total Income up by 21 % to Rs 8,857 crore for the year ended March 31, 2017 as against Rs. 7,300 crore in FY16
- Gross NPA stood at 0.94 %
- Net Interest Margin stood at 2.99%

Performance Details for the quarter ended March 31, 2017 as compared to the corresponding period of the previous year:

- Net profit increased by 31% to 248 crore for the quarter ended March 31, 2017 as against Rs 190 crore in the corresponding quarter of the previous year
- Profit before tax rose by 33 % to Rs 376 crore for the quarter ended March 31, 2017 as against Rs 283 crore in the corresponding quarter of the previous year
- Loan book outstanding grew 17 % to Rs. 72,096 crore during the quarter ended March 31, 2017 as against Rs 61,775 crore in the corresponding quarter of the previous year
- Loan disbursements and sanctions were Rs 8,699 crore and Rs 13,149 crore, respectively for the quarter ended March 31, 2017, showing an increase of 11% and 3% respectively, over the corresponding period of the previous year
- Total Income was up by 21% to Rs. 2,378 crore during the quarter ended March 31, 2017 as against Rs 1,960 crore in the corresponding quarter of the previous year
- Gross NPA stood at 0.94%

DHFL's average loan ticket size at the portfolio level stands at Rs 13.99 lakhs. DHFL offers a range of home loan products including home loan, home extension loan, home improvement loan, plot loans, mortgage loan, project loan, SME Loan and non-residential property loan to all customer segments across India, retaining its concerted focus on the low and middle income segment.

Future of Housing Finance – Outlook

- The sector has witnessed significant growth in the past one decade on the back of the steady economic growth, growing acceptability of home finance and stronger market penetration of housing finance companies in various micro markets
- The current low mortgage penetration offers a huge opportunity for the sector to grow, supported by India's sustainable development cycle and the socio-economic transformation through long-term programs like Smart Cities, Make in India, that have already been set in motion
- The Union Budget 2017 also had a strong infrastructure flavour with the focus on real estate, rural and urban housing thrust, encouraging insurance companies to mandate higher investments in housing are clear indicators of strengthening the domestic economy

- The announcements made by the Prime Minister under Pradhan Mantri Awas Yojna for Economically Weaker section (EWS) and Low Income Group (LIG) to boost mass housing in peripheral areas with attractive interest subventions have provided further impetus to the affordable housing industry also acknowledging the potential of the segment at the bottom of the pyramid, where growth and potential exists
- The Government's announcement is a timely acknowledgment of the inherent industry potential as well as strong steps to achieve its Housing For All objective. This, together with the Credit Guarantee for SMEs will enable small business owners and the middle class salaried customer to make better progress in their businesses, take a step towards higher aspirations and seek to move into their own houses
- The technology transition associated is also expected to boost the ability of housing finance institutions to lend credit through shorter and friendly processes to assess eligibility and faster underwriting. With several benefits associated, advantages of digital documents, fewer intermediaries, cost of finance is expected to come down, which can be passed onto the customer
- Securitization of home loan portfolio together with appropriate ratings and guarantee structures are imperative to support the growing resource needs of the financial system. Also, as a regulator of Housing Finance industry, the role of NHB is going to be extremely crucial in the evolution of the Housing Finance sector – adapting a market-maker approach
- As the debt market in India deepens, we foresee a very vibrant secondary mortgage market, which along with securitization; will be critical in taking care of the burgeoning demand for housing finance
- We foresee 'Specialization' as key driver in financial services with RBI paving the way for entry of specialized banking. We also anticipate Mortgage Banks to be recognized as one of the critical contributors to the overall finance ecosystem
- In conclusion, how well we structure these building blocks, adopting a transformative approach within the socio economic fabric of India, will be crucial to ensure a self sustaining mortgage finance sector in the India financial system and play a pivotal role in economic growth

Awards & Recognition

- 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 awarded the Best Housing Finance Company in the Financial Services Sector by CMO Asia and Stars Group
- DHFL won the Dream Companies to work in Housing Finance Sector organised by Times Ascent and World HRD Congress
- DHFL won the Industry Award for the excellence in the Home Loan Banking
- The DHFL Home Loan Dilse Campaign won the 11th Indy's award for the most creative Ad on television in the BFSI sector
- DHFL Awarded the Marketing Campaign of the year for its "HomeLoanDilSe" Campaign at the Global Marketing Excellence Awards endorsed by World Federation of Marketing Professionals and CMO Asia
- DHFL Won 'Gold' at the Asia Pacific Customer Engagement Forum & Awards for the Most Admired Customer Engaged Brand
- DHFL Won 'Gold' at the Asia Pacific Customer Engagement Forum & Awards for Excellence in CSR
- DHFL's "Bahana Campaign" was awarded the Marketing Campaign of the year in the BFSI Sector presented and endorsed by CMO Asia

- DHFL's "Bahana Campaign" was 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
- DHFL's "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
- DHFL Won 'Gold' at the Asia Pacific Customer Engagement Forum & Awards for its Bahana Campaign
- DHFL won the Golden Peacock Innovative Product and Service Award 2016 for its innovative "Wealth2Health Fixed Deposit" product

The Lending product portfolio

- DHFL offers a range of home loan products including home loan, home extension loan, home improvement loan, plot loans, mortgage loan and project loans to all customer segments across India, retaining its concerted focus on the low and middle income segment
- The company also offers loan solutions to Small and Medium enterprises through financing plant and machinery and medical equipment besides Non-residential property loans for meeting their business needs
- The Company's average loan ticket size at the portfolio level stands at Rs 13.99 lakhs. It also offers project loans essentially for development of low and middle income housing projects
- This is besides the value-added and customized insurance solutions, along with its home loan products

The Fixed Deposit Focus

- The company offers an array of Fixed Deposit Products for public including individuals and trust investors that ensures high yield, safety and liquidity
- DHFL Fixed Deposit Products for individual investors come with free accidental insurance cover of Rs. 1 Lakh
- Company Fixed Deposit Products are rated CARE AAA and BWR (FAAA) ensuring high safety
- Company launched its corporate deposit products during the quarter that would provide access to the surplus funds available with Corporates

DHFL CSR Note for the Q4FY17 Press Release

DHFL has been encouraging equal opportunity and maximising human development through its Corporate Social Responsibility (CSR) programmes in the areas of:

I. Early Childhood Care & Education (ECCE)

A transformation initiative through Anganwadis targeting wholesome growth of children in the age group of 3 to 6 years. Currently the programme impacts about 1000 Anganwadis & benefits 50,000+ children in the Palghar district of Maharashtra.

II. Skill development

Development of Skills in Banking, Financial Services and Insurance (BFSI) sector and Construction sector, through NSDC accredited Skill Development Programme and Centers in Kolhapur & Chandrapur, Maharashtra, to train 2000+ Youth per year. Started

in the year 2016, the programme has enabled employment to 80% students who passed out in the first year, with 40% improvement in household income.

III. Rural development with focus on drought mitigation

A holistic programme for water conservation and prevention of soil erosion, enabling 'Village Transformation' through supporting initiatives in multi cropping, village infrastructure development and environment issues, covering 5 villages and benefiting over 20,000 villagers / farmers. Positive impact on water retention, prevention of soil erosion and multi-cropping.

IV. Financial inclusion and empowerment of the vulnerable section through financial literacy programmes

The initiative under the banner of 'Sharmaji ke Sawal. Vinodji ke Jawab.' has enabled people to move from informal to formal housing under Pradhan Mantri Awas Yojana (PMAY) programme, along with other benefits like linkage to livelihood programmes (Mudra scheme benefits), and linking beneficiaries to other Government welfare schemes.

About DHFL

DHFL was founded in 1984 by Late Shri Rajesh Kumar Wadhawan with a vision to provide financial access for Indians to own a home of their own. Today, led by Mr. Kapil Wadhawan, CMD, DHFL, the company is CARE AAA rated and reckoned as one of India's leading financial institutions with a large presence across the country, in addition to representative offices in Dubai and London.

Throughout its years of growth, DHFL has stayed true to its core vision of financial inclusion, especially to the low and middle income customers across India. The company's wide network, coupled with insights into local customer needs, has enabled the company to provide meaningful financial access to customers even in India's smallest towns. With a strong business foundation, an extensive distribution network, proven industry expertise and a deep understanding of the Indian customer, DHFL is a respected and trusted financial services company in India with a concerted focus towards enabling home ownership to the low and middle income customer. For further information, please [visit www.dhfl.com](http://www.dhfl.com).