

DHFL Q2 FY18 Net Profit up by 26.1% at INR 293.3 Crore

Highlights for Q2 FY18 ended September 30, 2017 on YOY basis.

- Net profit increased by 26.1% to Rs 293.3 crore for the quarter ended September 30, 2017
- Profit before tax rose by 23.2% to Rs 434.1 crore for the quarter ended September 30, 2017
- Total income rose by 21.0% to Rs 2,614.2 crore for the quarter ended September 30, 2017
- Asset Under Management (AUM) grew 25.1% to 94,089 crore for the quarter ended September 30, 2017
- Gross NPA stood at 0.96 %
- Net Interest Margin stood at 3.05 %

Mumbai, October 16, 2017: DHFL, one of India's leading housing finance companies, today announced its results for the second quarter ended September 30, 2017. The company registered a net profit growth of 26.1% to Rs 293.3 crore for the quarter ended September 30, 2017.

- Assets under Management (AUM) grew by 25.1% yoy reaching to Rs 94,089 crore for the quarter ended September 30, 2017 from Rs 75,223 crore in the corresponding quarter of the previous year.
- Loan Book Outstanding grew 24.6% to Rs 81,390 crore for the quarter ended September 30, 2017

Commenting on the company's financial performance, **Mr. Kapil Wadhawan, Chairman and Managing Director, DHFL** said, *"DHFL has been reporting a steady growth in its AUM which reflects the success of its business strategies and the company is on course towards its growth targets for FY 18. On an overall basis, the affordable housing industry continues to be on a high growth trajectory supported by the several steps taken by the government to achieve its Housing for All objective by 2022. Over the last few months, DHFL has already undertaken several key growth-oriented initiatives to capitalize on industry opportunities and it continues to implement those efforts to fulfill its mission of enabling home ownership across India."* The quarter was also marked by the adoption of the new GST regime as India adopts a more efficient, transparent and a leaner taxation environment, which is expected to spur growth prospects of all key sectors of the economy.

Mr. Wadhawan added, *"For DHFL the second quarter has been another period of commendable growth. The company remained focused on expanding its customer outreach strategies in Tier 2 /3 towns through the unique DHFL Griha Utsav in a first-time initiative which is well aligned to the Government's vision of Housing For All by 2022. We also put in place measures to enhance internal efficiencies through the establishment of Central Processing Unit in Mumbai & Hyderabad. This will significantly expand the bandwidth of the sales team enabling them to concentrate on their sales activities, allowing a faster turnaround time, strengthening risk management and more importantly enable respective teams to focus on enhancing core competencies. With strong business fundamentals*



and core organizational growth drivers in place, DHFL is actively implementing its business growth strategies to bring positive transformational changes in the lives of its customers.”

Performance Details for the quarter ended September 30, 2017 as compared to the corresponding quarter of the previous year:

- Net profit increased by 26.1% to 293.3 crore for the quarter ended September 30, 2017 as against Rs 232.6 crore in the corresponding quarter of the previous year
- Profit before tax rose by 23.2% to Rs 434.1 crore for the quarter ended September 30, 2017 as against Rs 352.2 crore in the corresponding quarter of the previous year
- Loan book outstanding grew 24.6% to Rs.81,390 crore during the quarter ended September 30, 2017 as against Rs 75,223 crore in the corresponding quarter of the previous year
- Loan disbursements and sanctions were Rs 9,950 crore and Rs 14,201 crore, respectively for the quarter ended September 30, 2017, showing an increase of 50.6% and 68.3% respectively, over the corresponding period of the previous year
- Total Income was up by 21.0 % to Rs. 2,614.2 crore during the quarter ended September 30, 2017 as against Rs 2,161.4 crore in the corresponding quarter of the previous year
- Gross NPA stood at 0.96 % amounting to Rs 783.4 crore
- Net Interest Margin stood at 3.05 %

DHFL's average loan ticket size at the portfolio level stands at Rs 14.6 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.

Key highlights over the last 2 quarters:

- **DHFL Griha Utsav:** A unique housing cum finance exhibition in tier 2 and 3 locations to provide the LMI segment, easy access to affordable finance and housing options. Successfully implemented over 15 Griha Utsav exhibitions this quarter, which saw overwhelming participation from local customers and several affordable housing developers. Also brings attractive offers including waivers on processing fees, spot sanctions on home loans and interest rate starting at 8.35%, while introducing the DHFL brand to LMI customers across India. This all-India scheme has established a great platform for home buyers to select from hundreds of properties being showcased at DHFL's Griha Utsav exhibitions and aligned to the Prime Minister's vision of enabling home ownership.
- **Strengthens senior leadership team:** As DHFL progresses towards it's a higher phase of growth we have taken other critical steps to ensure that over all organizational performance is well on course. DHFL has been steadily building its leadership team at strategic levels through several key talent acquisitions to ensure successful execution.
- **Technology-led investments:** As an important step towards growth, we made significant investment in next -generation IT infrastructure to build a robust, scalable and flexible

technology landscape. The digital and technology transformation program is to usher enhanced customer, partner & employee experience, reduced turnaround time, improved efficiency and higher productivity.

- **Aggressive marketing initiative to supplement customer reach-out through new TVC:** Unveiled new campaign “Aisa Desh Ho Mera” presented by the most favourite Shah Rukh Khan. The campaign is based on the “Housing for All’ scheme and is unique as it urges customers to believe in their dreams of an India where owning a home can easily become a reality and “Saste, aasan home loans par sabka haq ho”. The campaign reiterates that ‘aspirations of a beautiful, peaceful and prosperous India are great positive forces’ that will propel each of us towards greater progress. DHFL continues to play a dominant role in this transformation.
- **DHFL moves to new premises:** DHFL Group braces itself for the next level of growth. To ensure that better synergies within all business verticals, DHFL has relocated to the dynamic new work environment of the DHFL House. DHFL House will support it’s staff with the best professional facilities to enhance efficiency, an environment that nurtures well-being, opening communication lines to drive agility, action, ownership and accountability. Aid team in bringing forth greater motivation to serve millions of diverse customers across all businesses.

Future of Housing Finance – Outlook

- The Indian housing finance industry is growing rapidly. Mortgage lending is a strong driver of growth for both housing demand and construction of houses in the country, driven by urbanization especially in the affordable segment. Consequently, housing finance companies (HFCs) have witnessed an increase in total outstanding loans with a CAGR of 26% between financial year 2009-2010 and 2014-2015.
- The resilience of the HFC segment can be pinned to strong asset quality, with gross non-performing assets as low as 0.8%. Over time, HFCs have gained a strong understanding of the focused segment, developed strong under writing skills and have been able to successfully leverage their commitment to the segment and hence deep understanding of customers. This is also supported by factors such as nature of the asset class, the customer profile (around 80% home loans are to salaried customer), practices like direct debit/ cheque being the primary mode of payment, and the fact that the average loan to value (LTV) is around 75%. This has enabled HFCs to maintain low credit costs and – coupled with low operating expenses – that has ensured profitability.
- As urbanization in India gallops, home loan disbursements are expected to record a 5-year CAGR of 17-18% to reach Rs.9.0 trillion by 2020-21, driven by higher finance penetration, improving affordability, urbanization and demand for affordable housing.
- With expanding urbanization, understanding the underpenetrated opportunity of Tier 2 & 3 towns as India’s new wave metros and mini-metros, have become critical for housing finance companies to devise their growth strategies in these hotspots that are clearly India’s new growth centers. The real estate markets in these new regions are maturing as consumers become aware of the benefits offered by the Government in affordable housing and move up the value chain from rentals to ownership.
- The announcements made earlier 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 great impetus to the



affordable housing industry, while also acknowledging the potential of the segment at the bottom of the pyramid, where growth and potential exists.

- The Government's regulatory initiatives have also been a timely acknowledgment of the inherent industry potential as well as strong steps to achieve its 'Housing For All' objective.

Awards & Recognition

- DHFL won the Gold at ACEF award for Best use of BTL activation to drive financial inclusion for DHFL Griha Utsav
- DHFL won the Gold at ACEF award for the Marketing campaign of the year 'Home Loan Dilse'
- DHFL has been awarded the 'Dream Companies to work for' in the Housing Finance Sector by World HRD Congress and CHRO Asia.
- DHFL awarded the marketing campaign of the year for the campaign 'Home Loan Dilse' at the National Awards form Marketing Excellence presented by Times Network
- DHFL won the Gold award for the CSR Campaign Delivering Hope at the Asia Pacific Customer Engagement Forum
- DHFL won the Gold at the ACEF awards for the best use of Celebrity Endorsement for Home Loan Dil Se campaign
- DHFL won the Golden Globe Tigers Award 2017 for the Most Admired Service Provider in the Financial Sector held in Kuala Lumpur, Malaysia
- 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

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 14.6 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

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).

Wadhawan Global Capital Pvt. Ltd (WGC)

Wadhawan Global Capital Private Limited (WGC) is a leading financial services group in India. WGC manages over US\$ 19 billion of assets through its lending, investment and insurance platforms. WGC has partnered with leading financial institutions such as International Finance Corporation (IFC), Washington, Prudential Financial Inc., United States. WGC is the promoter entity of Dewan Housing Finance Corporation Limited (DHFL) and parent company to some of the most prominent brands in India. Its flagship company, DHFL is a market leader with over three decades of experience in financing affordable housing. Other Notable brands owned by WGC are Aadhar Housing Finance, Avanse



Financial Services, and DHFL General Insurance. The company also has a London-based wholly-owned subsidiary Wadhawan Global Capital (UK) Ltd.

For more information, please visit www.wgcworld.com
