

Press Release

DHFL Q2 Net Profit up by 52% at ₹ 439 Crore

~Assets Under Management (AUM) grew by 38% year-on-year, reaching ₹ 1,30,182 crore~

~Keeping up a robust retail growth of 32% Y-o-Y~

Highlights of Q2 FY19 for Quarter ended September 30, 2018 on Y-o-Y basis

- Net profit increased by 52% to ₹ 439 crore for the quarter ended September 30, 2018
- Profit before tax rose by 61% to ₹ 633 crore for the quarter ended September 30, 2018
- Total income rose by 32% to ₹ 3,468 crore for the quarter ended September 30, 2018
- Loan Book Outstanding grew 35% to ₹ 1,10,093 crore YOY for the quarter ended September 30, 2018
- Asset Under Management (AUM) grew 38% to ₹ 1,30,182 crore for the quarter ended September 30, 2018
- Gross NPA stood at 0.96% for the quarter ended September 30, 2018
- Net Interest Margin stood at 3.15% for the quarter ended September 30, 2018

Note - Current Quarter Results are based on Ind AS

Mumbai, November 21, 2018: DHFL, one of India's leading housing finance company, today announced its Q2 results for the second quarter ended September 30, 2018. The company registered a net profit growth of 52% to ₹ 439 crore for the quarter ended September 30, 2018.

Assets Under Management (AUM) grew by 38% year-on-year, reaching ₹ 1,30,182 crore from ₹ 94,079 crore as on September 30, 2018.

Commenting on the company's financial performance in the Quarter, Mr. Kapil Wadhawan, Chairman and Managing Director, DHFL said, "Over the past few weeks, the financial services sector specifically NBFCs, witnessed an unexpected, temporary slump and liquidity tightening. DHFL has taken every step towards mitigating these issues. The company has been diligent towards all its repayments and fulfilled every financial obligation. DHFL immediately reiterated its strong positions on credit quality, credit ratings, no ALM mismatch, robust asset quality, strong liquidity and the company's commitment towards all its repayment records. Since September 24 2018, DHFL has repaid liabilities of nearly ₹ 14,000 crores which includes more than ₹ 9,000 crores of CP repayments. This target was met by the company through internal liquidity generation and minimal external borrowings. DHFL's low-ticket retail housing portfolio with clear and strong asset quality is evidenced through net sell-down/assignment of more than ₹ 7,400 crores of retail pools in a short span of 50 days to 8 banks and financial institutions.

Mr. Kapil Wadhawan added, "Over the past three decades DHFL, has witnessed various business and market cycles but have remained undeterred and realigned our business strategies. We have successfully navigated such cycles and through it all we maintained our commitment to our vision of transforming lives through home ownership and emerged much stronger as an organisation.

Mr. Wadhawan continued, *“Our performance this quarter is well in line with our QoQ growth momentum. During the quarter in review DHFL maintained robust performance led by loan growth disbursements in the affordable housing segment. Considering that two-thirds of DHFL’s home loan portfolio is retail home loans wherein our average home loan ticket size is below 11 lakhs, DHFL has endeavored to protect margins at 300 to 305 bps. DHFL’s business is differentiated by several factors of which customer friendly service and our heritage in the affordable space, continues to lead the business. We are actively expanding our loan book and committed to creating value for our stakeholders by delivering strong business growth. We continue to drive several growth-oriented initiatives aimed at developing an equitable society through wider financial access. Our business fundamentals are strong and we continue to be optimistic of future progress.”*

Performance Details for the quarter ended September 30, 2018 as compared to the corresponding quarter of the previous year:

- Net profit increased by 52% to ₹ 439 crore for the quarter ended September 30, 2018 as against ₹ 288 crore in the corresponding quarter of the previous year
- Profit before tax rose by 61% to ₹ 633 crore for the quarter ended September 30, 2018 as against ₹ 394 crore in the corresponding quarter of the previous year
- Loan book outstanding grew 35% to ₹ 1,10,093 crore during the quarter ended September 30, 2018 as against ₹ 81,380 crore in the corresponding quarter of the previous year
- Loan disbursements were ₹ 13,870 crore for the quarter ended September 30, 2018, showing an increase of 39% over the corresponding quarter of the previous year
- Total Income was up by 32% to ₹ 3,468 crore during the quarter ended September 30, 2018 as against ₹ 2,632 crore in the corresponding quarter of the previous year
- Gross NPA stood at 0.96%.
- Net Interest Margin stood at 3.15%.

Note - Current Quarter results are based on Ind AS, so comparative figures of previous corresponding quarter have been restated as per Ind AS.

Financial services sector witnessed a slowdown but the organization undertook the following steps:-

- DHFL has neither defaulted on any bonds or repayment of its financial obligations, nor has there been any instance of delay on any repayment of any liability.
- DHFL has repaid nearly ₹ 14,000 crores of Liability from September 24th 2018 till date, which includes CP repayment of over ₹ 9,000 crores.
- DHFL has successfully implemented a securitization transaction of over ₹ 7,400 crores.
- DHFL CP book is nearly 1.50% of our total borrowings and the total assets and liability book is over INR 1 Lakh crore.
- The Company is extremely well-matched in case of the ALM position.
- DHFL’s borrowing is well diversified with a banking consortium of 31 banks, NCDs, CPs, ECB and masala bonds. DHFL is one of the leading deposit taking HFCs.
- Promoters of DHFL have not pledged any shares nor have they availed any loan against shares of DHFL.
- Considering that two-thirds of DHFL’s home loan portfolio is retail home loans wherein DHFL’s average home loan ticket size is below 11 lakhs, DHFL has always endeavored to protect the margins at 300 to 305 bps.
- DHFL maintains strong asset quality and registered one of the lowest NPAs in the industry. Reported Gross Stage 3 Loan Assets (equivalent to Gross NPA %) at 0.96%.



DHFL holds a leadership position in the affordable housing sector with majority of its home loan portfolio catering to the Lower and Middle Income (LMI) segment. 80% of DHFL's home loan disbursements are in the affordable housing category with majority being first time home buyers availing housing finance to fulfill their homeownership dream. DHFL's average loan ticket size at the portfolio level stands at INR 17 lakhs. DHFL's robust performance continues to be driven by its strong focus on the LMI segment in Tier 2 and 3 markets. The company 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.

Distribution Network

DHFL is today one of India's leading housing finance companies reporting steady growth year-on-year. It also has one of the largest distribution networks in the country, across 352 locations spanning metros, Tier 2 and 3 towns. With the help of such penetration, in-depth consumer insights, localized talent, focused marketing and sales initiatives, DHFL has been providing meaningful financial access to customers. To further expand customer outreach, DHFL also partners with public and private sector banks

DHFL

DHFL was founded in 1984 by Late Shri Rajesh Kumar Wadhawan, with a vision to provide financial accessibility to lower and middle income customer segments among semi-urban and rural populace in India. Led by Mr. Kapil Wadhawan, Chairman and Managing Director, DHFL is one of the leading housing finance companies in India with a large network across the country that caters to millions of customers in the LMI category. DHFL has been rated CARE AAA (Triple A) and assigned BWR AAA from Brickworks Rating.

Over the last 34 years, DHFL has provided customers with a vast array of home loan products including loans on homes, residential plots, construction, LAP or loan against property as also mortgage, non-residential and project loans. The company's wide network, deep understanding of customer needs gathered over time, enables DHFL to offer customized financial access to LMI customers in India's smallest towns. With strong business fundamentals and proven industry expertise, DHFL is a highly respected and trusted financial services company with a concerted focus towards enabling home ownership to the LMI customer segment in India. DHFL's CSR efforts are an integral part of the Company's ethos, fulfilling critical societal needs through Economic Empowerment through Financial Literacy, Skill Development, Rural Development with focus on Drought Mitigation and Early Childhood Care and Education (ECCE), implemented with measurable outcomes. DHFL also has representative offices in Dubai, London and the UAE. For further information, please visit 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
