

## Shriram Housing Finance' AUM Crosses Rs 5000 Crores; Grows the Fastest Among Housing Finance Players

**Mumbai, March 7, 2022:** Shriram Housing Finance Limited, Mumbai based affordable housing finance company, promoted by Shriram City Union Finance Limited (Shriram City) and part of the Shriram Group announced today that the company's Assets Under Management (AUM) crossed Rs 5000 cr as of Feb-22. Shriram Housing Finance is now amongst the top 5 private sector affordable housing financiers in the country. The company is one of the few players that have crossed an AUM Rs 5000 cr, catering to the affordable housing finance niche. The company has grown the fastest among affordable housing finance players, growing the AUM by 47% in 9MFY22 & 45% in Apr-Feb 2022. The demand for housing at the bottom of the pyramid is surging ahead, with the rise in financial inclusion and a marked pick-up in the economy 2 years since the pandemic began.

A significant part of the demand is coming from the households that belong to the lower end of the income spectrum, especially where the sources of employment and income remain informal. Traditionally, the low-income segment has seen a wide gap in terms of supply versus demand for housing stock. The magnitude of shortage, and thus, increasing business viability has attracted focused players and lenders in this segment. The government and regulatory bodies have also launched several initiatives aimed to create an ecosystem where all the participants benefit socially and economically. This encourages the bottom of the economic pyramid segment to own a house, which has helped create a sizeable business opportunity for both the suppliers of affordable housing units and financiers.

Since its inception, Shriram Housing Finance has provided affordable home loans to over 1 lakh customers, starting long before the government's 'Housing For All' mission. The government policies have given the required fillip to customers from the low-income segment (emerging middle class) to own their homes. Consumer awareness in this section is now increasing and they are gradually moving away from unorganized lenders. The Company provides home loans with an average ticket size of Rs 16 lakh. The Company's ability to assess the new to credit customers, esp in the self-employed segment, is its key strength.

Commenting on the announcement **Mr Ravi Subramanian, MD & CEO, Shriram Housing Finance** said: "We have aimed to become one of the dominant players in the affordable housing finance segment. The company's AUM has grown ahead of the market to over 3x in the last 3 years, from Rs 1500 crore to cross Rs 5000 crore today. Our NPAs have dropped from 5.6% to under 1.5% during the same period. Despite Covid disruptions, disbursements grew by 95% in FY21 and 36% in 9MFY22, and NPAs dropped to the lowest in 8 years. We are extremely focused in our approach and see a huge potential for growth within the segment



**Shriram Housing Finance Ltd.**

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we operate. Our focus is on a few key states where we have stronger consumer understanding”.

He added, “For the next leg, we will be leveraging the Shriram Group’s infrastructure for business sourcing. There continues to be a huge opportunity in the emerging middle-class segment, and we would draw synergies from the distribution strength of our Groups’ network to reach out to this segment. We would continue to outpace the market growth rate.”

### **About Shriram Housing Finance Limited**

Shriram Housing Finance Limited, a Housing Finance Company registered with the National Housing Bank (NHB) and promoted by Shriram City Union Finance Ltd. The Company commenced operations in December 2011. Shriram Housing Finance Limited is amongst the fastest growing, profitable Affordable Housing Finance Company with a network of 94 branches, Assets Under Management (AUM) of INR 50 Bn as of Feb 2022. Shriram Housing Finance is **A Great Place to Work-Certified™** organisation.

### **About Shriram Group**

Shriram Group is India’s leading financial conglomerate with a dominant presence in commercial vehicle (CV) financing, retail financing, chit fund, equipment financing, housing finance, life insurance, general insurance, stockbroking, distribution of financial products, and wealth advisory services. The Group focuses on serving the underserved and is driven by its Financial Inclusion agenda of providing finance to low-income families and small businesses. Shriram Capital Limited is the holding company for the Financial Services (Shriram City Union Finance Limited & Shriram Transport Finance Limited) and Insurance entities (Shriram General Insurance Company Limited & Shriram Life Insurance Company Limited) of the Shriram Group. Shriram Housing Finance Limited is a subsidiary of Shriram City Union Finance Limited. The lending and insurance companies were created with the primary objective of optimizing the synergies across the Group’s entities.

Shriram Group together has an overall customer base of over 21.5 million, around 74,500 employees across 3,950 branches. Net profit of INR 49 billion with Assets Under Management (AUM) of over INR 1.75 trillion (FY21).

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