

## Indiabulls Housing Finance Limited Announces its Q2 FY 17-18 Financial Results. Highest ever quarterly PAT of ₹ 861.1 Cr., up 26%.

### For Immediate Use

Mumbai, 23<sup>rd</sup> October 2017: The Board of Directors of Indiabulls Housing Finance Ltd (IBHFL), India's second largest housing finance company, announced its financial results for the quarter ended September 30<sup>th</sup>, 2017.

### IBHFL's Profit after Tax (PAT):

H1 FY18 (₹ Cr.)	H1 FY17 (₹ Cr.)	Growth %	Q2 FY18 (₹ Cr.)	Q2 FY17 (₹ Cr.)	Growth %
1,649.3	1,314.4	25.5%	861.1	684.3	26%

### Highlights Q2 FY17-18

- Balance sheet size at the end of Q2FY18 is at ₹ 1,15,752.6 Crs., up 26.7 % from ₹ 91,330.4 Crs. at the end of Q2FY17
- Total loan assets crossed ₹ 1,00,000 Crs. and stood at ₹ 1,00,257.2 Crs at the end of September'17 up 33.1% from ₹ 75,313.2 Crs at the end of September'16
- NII for Q2 FY 18 is ₹ 1389.5 Crs., up by 27.1%
- Highest ever quarterly PAT for Q2 FY18 at ₹ 861.1 Crs. is up 26% over Q2 FY17's PAT of ₹ 684.3 Crs. PAT for H1 FY 18 is ₹ 1,649.3 Crs. up 25.5% over H1 FY 17 PAT of ₹ 1,314.4 Crs
- Total disbursement for Q2FY18 was ₹ 9,504.2 Crs. up 41.8%
- NPAs have reduced significantly with Gross NPA dropping to its lowest level in over 20 quarters to 0.78% as compared to 0.83% in Q2 FY 17 and Net NPAs stood at 0.31% down from 0.34% as at the end of Q2 FY17
- Spreads have expanded; spread on stock of loans now stand at 325 bps up from 320 bps in Sept 2016

For Q2 FY 18, dividend of ₹ 9/- per share has been declared.

### Key Financials:

Particulars (₹ Crs.)	Q2 FY 18	Q2 FY 17	Y-o-Y Growth (%)
Balance Sheet	1,15,752.6	91,330.4	26.7%
Total Loan Asset	1,00,257.2	75,313.3	33.1%
NII	1,389.5	1,093.3	27.1%
PAT	861.1	684.3	26%
EPS (₹)	20.3	16.2	
Gross NPA (%)	0.78%	0.83%	
Net NPA (%)	0.31%	0.34%	
CRAR	21.72%	20.91%	

H1 FY 18	H1 FY 17	Y-o-Y Growth (%)
2,713.3	2,146.2	26.4%
1,649.3	1,314.4	25.5%
38.9	31.2	

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### **Strong growth in mid-income affordable housing on the back of PMAY subsidies**

The government reiterated its support for affordable housing to mid-income (MIG) housing by extending the interest subsidy benefit under PMAY by a further 15 months, until March 2019.

Affordable housing sales and launches have shown very strong growth and during H1 CY 17, top 7 cities recorded more than 60% of total residential units supply in the affordable segment.

Propelled by the growth in the affordable housing segment, IBHFL's home loan disbursements grew strongly YoY and stood at ₹ 5,718.3 Crs for Q2FY18, growing by 36.4% over the ₹ 4,191.5 Crs of home loans disbursed in Q2FY17.

### **Significant reduction in Gross and Net NPAs**

NPAs have reduced significantly with Gross NPA dropping to its lowest level in over 20 quarters at 0.78% as compared to 0.83% in Q2 FY 17 and Net NPAs at 0.31% from 0.34% as at the end of Q2 FY17

### **Evolution of distribution model: eHome loans, Smart City Home loans and Analytics driven sourcing**

Digitization of home loan sourcing and underwriting is driving a change in sourcing pattern. As we expand into smaller towns through smart city home loans, we will be optimally positioned to catch the next wave of growth in home loans off take. The competitive intensity is also much lesser and margins healthier. Digitization gives us the opportunity to expand into these tier II and tier III markets in a cost effective manner, with underwriting standards upheld but at healthier spreads.

The next evolution in home loans sourcing and distribution will be analytics driven. Increasing digitization and the information convergence driven by Aadhar makes a scoring model for home loan credit decisioning eminent. From the present 8 working hours that we need to approve salaried home loans, credit decisioning will be instantaneous for the applications decided by this model.

Big data analytics enables data gathering and analysis on an unprecedented scale. It will be possible to generate a base of prospective home buyers and even generate pre-approved home loan offers for these customers.

**Since its inception in FY 17, IBHFL expanded presence into 59 new tier-II and III towns and cities for Smart City Home Loans – this has already begun contributing to 9% of incremental home loan disbursements.**

**Mr. Gagan Banga, Vice Chairman and MD, IBHFL commented that,** "Technology is driving the evolution of our distribution model and by 2020 50% of our home loan sourcing will come from outside of the top 20 cities, which is now at 30%. Analytics driven sourcing and credit decisioning represent the next stage in this evolution and our strategy thrust is in this direction."

### **Update on OakNorth Bank**

OakNorth Bank raised USD 203 Mn of investment for a 16% stake at a valuation of USD 8.27 Bn. With this, IBHFL's stake is now valued at USD 380 Mn multiplying our USD 100 Mn of investment 3.8x in under 2 years.



### **About Indiabulls Housing Finance Limited**

IBHFL is India's 2<sup>nd</sup> largest Housing Finance Company. IBHFL has a balance sheet size of ₹ 1,15,752.6 Crs. and provides quick, convenient and competitively priced home loans in the affordable housing segment. IBHFL enjoys the highest long-term credit rating of AAA from multiple credit rating agencies