



Indiabulls Housing Finance Limited Revises its Growth Target by 1-3%

- ***Demonetization of High Currency Notes Presents Huge Positives for Existing Business and Future Demand***
- ***Growth Target for Following Financial Year Revised to 5-7%***

Mumbai, November 11, 2016: Indiabulls Housing Finance Limited (IBHFL), the 2nd largest housing finance company in the country today announced a revision of its growth target by 1-3%. This comes on the back of the Government's decision to demonetize high currency notes, which IBHFL believes will present huge positives to its existing business and future demand in the housing finance sector.

Assets

- Of the USD 215 Bn currency in circulation (CIC), 86% is now demonetised. This cash economy will be replaced by formal channels of financial intermediation. An estimated 50% of the demonetised monies - USD 93 Bn - was for essential needs of owning a house or for working capital requirements, which will now be met through lenders like IBHFL. We are at the forefront of LAP and Home Loan leading and stand to gain the most from this.
- Measures will lead to easing of inflationary pressures due to lower consumption and demand, leading to interest rate cuts. This will be a huge boost to home ownership as well as increased margins for small businesses behind our lap product making it more robust and scalable.

Liabilities

- Lower interest rates will lower the bank borrowing rates of IBHFL, i.e. linked to bank base rates/ MCLR, which still constitute 39% of IBHFL's borrowings. Our spreads will increase by 10 to 25 basis points in the medium term.

Collections

- Construction finance product, which constitutes 10% of IBHFL's loan assets, becomes more robust and secure as developers can't take cash from customers and all monies from home buyers would come directly through the banking channel to escrow account of IBHFL.
- This move has automatically enabled the most robust collection system from all of our non-salaried borrowers. With no cash dealings no leakage will happen and additional inflows into the escrow account of the borrowers will make our LTV on the loan go down in a much accelerated manner

About Indiabulls Housing Finance Limited (IBHFL)

IBHFL is India's 2nd largest Housing Finance Company by profits and network in the private sector. IBHFL has a balance sheet size of Rs. 91,326 Cr. It provides quick, convenient and competitively priced home loans in the affordable housing segment. IBHFL enjoys a AAA long-term credit rating.