

## Indiabulls Housing Finance Limited Announces its Q1 FY 17-18 Financial Results. Quarter PAT of ₹ 788.2 Cr., up by 25.1%

### For Immediate Use

Mumbai, 24 July 2017: The Board of Directors of Indiabulls Housing Finance Ltd (IBHFL), India's second largest housing finance company, announced its audited financial results for the quarter ended June 30<sup>th</sup>, 2017.

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

Q1 FY18 (₹ Cr.)	Q1 FY17 (₹ Cr.)	Growth %
788.2	630.1	25.1%

### Highlights Q1 FY17-18

- Long-term credit rating upgraded to the highest rating of AAA by ICRA, a Moody's Investors Service Company. With this IBHFL has the highest long-term credit rating of AAA from three rating agencies.
- PAT for Q1 FY18 is at Rs. 788.2 Crs., up 25.1% over Q1 FY17's PAT of Rs. 630.1 Cr.
- Balance sheet size at the end of Q1FY18 is at ₹ 1,06,611.8 Crs., up 30% from ₹ 82,069.2 Crs. at the end of Q1FY17
- Total disbursements for Q1FY18 was ₹ 6,798.6 Crs., up 29% on disbursements of Q1FY17
- Margins on both the stock of loans as well as on incremental disbursements have expanded, driven by increasing funding efficiencies from ICRA rating upgrade to AAA
- Both gross and net NPAs have declined significantly to 0.80% and 0.31% respectively, down from 0.84% and 0.36% at the end of FY17
- Cost-to-income for Q1FY18 is down by 40 bps to 12.9%, compared with a decline of 100 bps for the whole of FY17. Decline in cost-to-income has accelerated due to increasing share of disbursements from online eHome Loans and technology enabled cost effective expansion into tier II and tier III towns and cities with Smart City Home Loans.

### Key Financials:

Balance sheet size at ₹ 1,06,611.8 Cr.

Particulars (₹ Crs.)	Q1 FY 18	Q1 FY 17	Y-o-Y Growth (%)
<b>Total Revenues</b>	3,225.0	2,597.5	24.2%
<b>NII</b>	1,323.8	1,053.0	25.7%
<b>PAT</b>	788.2	630.1	25.1%
<b>EPS (₹)</b>	18.58	14.95	
<b>Gross NPA (%)</b>	0.80%	0.84%	
<b>Net NPA (%)</b>	0.31%	0.36%	

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

Disbursals grew strongly to ₹ 6,799 Crs. up 29% over Q1FY17 disbursals of ₹ 5,251 Crs. in Q1FY18. Disbursal growth is propelled by growth in mid-income affordable housing segment. According to recent data from National Housing Bank (NHB) on home loan disbursals for FY17, disbursements of home loans of less than ₹ 2.5 Mn in value - the segment IBHFL caters to - grew by 33% over the previous year pushing growth in overall home loan disbursals to 23%. Disbursals of sub ₹ 2.5 Mn home loans now form 76% of overall home loan disbursals, up from 70% last year.

### **Expansion in margins**

Margins on both the stock of loans as well as on incremental disbursals have expanded, driven by increasing funding efficiencies from the ICRA rating upgrade to AAA in June 2017. Margins are now at the higher end of the guided range and are expected to remain there as benefits from the upgrade continue to accrue. With the ICRA upgrade, IBHFL now has the highest long term credit rating of AAA from three rating agencies.

### **Highest ever sell downs in a first quarter**

In Q1FY18, we sold down ₹ 2,025 Crs. of loan assets. This was the highest ever loan sell down in a first quarter of a financial year, and was equivalent to 64% of the incremental loan assets added in Q1FY18. Securitization is extremely capital efficient, requiring only 10% of the capital required if the loans were to be on books. Moreover, as margins on the sold down book is retained, sell downs are very RoE accretive.

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

Gross and Net NPAs at the end of Q1FY18 were significantly lower at 0.80% and 0.31% respectively, from 0.85% and 0.36% at the end of FY17. On the back of increasing share of low-risk home loans to the mid-income segment, NPAs have declined.

### **eHome Loans and Smart City Home Loans:**

#### **IBHFL very favourably placed to make the most of the opportunity in mid-income affordable housing**

Two initiatives launched in FY2017 are gaining traction helping IBHFL expand its market footprint. eHome Loans, an industry-pioneering end-to-end online home loan fulfilment platform, now contributes to 22% of incremental home loan disbursals. A further 34% of home loan applicants use one or more of the many components of eHome Loans - like online document upload, e-sign etc.

In FY2017, we also launched Smart City Home Loans. Through which we began catering to demand for mid-income affordable home loans in tier-II & III towns and cities through technology-enabled lean branch network. Smart City Home Loan branches also use the eHome Loans infrastructure to log in digital/ scanned home loan applications. These loan applications flow through a hub-and-spoke model with credit decisioning centralised at regional hubs while lean upcountry branches are manned by minimal sales and support staff.



**Over FY17 and Q1FY18, IBHFL expanded presence into 47 new tier-II and III towns and cities for Smart City Home Loans – this has already begun contributing to 8% of incremental home loan disbursements.**

Increasing scale and technology deployment has led to enhanced efficiencies at every step of the loan lifecycle. This decline is gathering momentum as both eHome Loans and Smart City Home Loans are contributing to an increasing share of disbursements every quarter. Consequently, cost-to-income for Q1FY18 is down by 40 bps to 12.9%, compared with a decline of 100 bps for the whole of FY17.

**Mr. Gagan Banga, Vice Chairman and MD, IBHFL commented that, “Our margins on both the stock of loans as well as on incremental loans are at the higher end of the guided range where I expect it to remain. Margins have expanded due to funding efficiencies from the upgrade in our long-term credit rating to the highest AAA rating by rating agency ICRA. We now enjoy the highest long-term AAA rating from three rating agencies. We are confident of sustaining loan amount growth at over 30%, propelled by growth in home loan disbursements for mid-income housing.”**

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

IBHFL is India’s 2<sup>nd</sup> largest Housing Finance Company. IBHFL has a balance sheet size of ₹ 1,06,611.8 Cr. and provides quick, convenient and competitively priced home loans in the affordable housing segment. IBHFL enjoys the highest long-term credit rating of AAA.