

Indiabulls Housing Finance Limited announces its Q2FY24 and H1FY24 Results

PAT of ₹ 298 Crs v/s ₹ 296 Crs in Q1FY24 and ₹ 289 Crs in Q2FY23

PAT of ₹ 594 Crs in H1FY24 v/s ₹ 576 Crs in H1FY23

Lowest Gross and Net NPA in 12 quarters

Since FY2022, retail disbursements of ₹ 15,864 Cr done under asset-light model

Mumbai, 14th November 2023: The Board of Directors of Indiabulls Housing Finance Ltd. (IBH) announced its audited financial results for the quarter and half year ended September 30th 2023.

IBH Key Financials:

Particulars	Q2FY24	Q2FY23	H1FY24	H1FY23
Net Worth	18,428	16,928	18,428	16,928
NII	893	821	1,454	1,404
PBT	422	393	818	779
PAT	298	289	594	576
NIM	4.8%	4.2%		
RoA	1.6%	1.5%		
Spread	3.3%	3.1%		
Net Gearing	1.6	2.5		
CRAR%	35.7%	33.5%		
Tier 1 Capital%	31.2%	27.6%		
Stage 2	3,083	13,510		
Stage 2 %	4.9%	18.7%		
GNPA	1,830	2,123		
GNPA%	2.88%	2.94%		
NNPA	1,056	1,227		
NNPA%	1.66%	1.70%		

NII: Net Interest Income

Highlights:

- Balance sheet has stabilized: ~73,000 Cr. Retail disbursements under the asset-light model stands at ₹ 4,807 Cr for H1 FY24. Disbursements of ₹ 15,864 Cr under asset-light model since FY2022
- PAT for Q2 FY24 is ₹ 298 Cr, compared to ₹ 296 Cr in Q1 FY24, and ₹ 289 Cr in Q2FY23. PAT for H1FY24 is ₹ 594 Cr, compared to ₹ 576 Cr in H1FY23
- Net Interest Income (NII) come in at ₹ 893 Cr for Q2 FY24 and ₹ 1,454 Cr for H1 FY24, compared to ₹ 821 Cr for Q2 FY23 and ₹ 1,404 Cr for H1 FY23
- Gross NPAs were at ₹ 1,830 Cr [2.9%] and net NPAs at ₹ 1,056 Cr [1.7%]. Gross and Net NPAs are the lowest they have been for 12 quarters
- Rating of AA/Stable from CRISIL and ICRA. CRISIL reaffirmed the Company's rating on November 3, 2023
- Annualized Net Interest Margin is at 4.8%

- RoA is on the rise, and expanded to 1.6% at the end of September 2023, from 1.4% at the end of March 2023
- Spread up to 3.3% from 3.1% a year ago
- Capital adequacy stands at 35.7% and Tier 1 at 31.2%, compared with the regulatory requirement of 15%
- Net debt to equity at ~1.6x
- The Company's Liquidity Coverage Ratio [LCR] as on March 2023 stands at 925% against a regulatory requirement of 60%.
- Recoveries from written-off portfolio stood at ₹ 546 Cr in H1FY24. Recoveries and upgradations were higher than new NPA formation resulting in reduction in NPAs and increase of provisions.
- Along with existing provisions and expected recoveries/write-backs, the Company has a ~3.4x cover on NPAs

Positive ALM to accelerate disbursements. Fully capacitated on manpower and branch network to take disbursements under asset-light model to ₹ 1,200 Crs per month by March 2024 from present ₹ 700 Crs per month

- Q2FY24 was a turn-around quarter as it was the last quarter of bunched up repayments
- In Q2FY24 we repaid debt of ~₹ 5,067 Crs at a gross level, and for the 12 months ended Sep 30, 2023, we repaid gross debt of ~₹ 19,305 Crs and net debt of ~₹ 6,851 Crs
- Since September 2018, we have repaid gross debt of ~₹ 1,64,473 Crs and net debt of ~₹ 85,587 Crs, which translates to gross and net debt repayment of ~₹ 32,895 Crs and ~₹ 17,117 Crs respectively every year
- Contrasted with ~₹ 19,305 Crs we repaid in 12 months ending Sep 2023, and ~₹ 5,067 Crs repaid in Q2, our debt repayments for the next 12 months are only ~₹ 4,704 Crs, for the next 24 months they are ~₹ 10,267 Crs, and ~₹ 15,871 Crs for the next 36 months
- Thus, our debt repayment is only about ~₹ 400 Crs per month. Against this our repayment inflows from our loan portfolio will be between ~₹ 800 to ~₹ 1,000 Crs per month
- This translates to an excess liquidity from the ALM of between ~₹ 1,200 to ~₹ 1,800 Crs a quarter, this along with incremental borrowings is now fully available for retail AUM growth
- With the ALM turning positive we are in a position now to step up disbursements under the asset-light model. From presently about ~₹ 700 Crs a month, by March 2024 we will be at about ~₹ 1200 Crs per month
- In anticipation of this degree of freedom afforded by liquidity from a positive ALM, we have now 5,423 people and 221 branches, a level we were at in FY2017, when we used to disburse an average of ~₹ 3,000 Crs a month

NPA lowest in last 12 quarters. Recoveries + Upgradation greater than new NPA formation

- Recoveries from written-off portfolio stood at ₹ 546 Crs in H1FY24.
- Recoveries and upgradations were higher than new NPA formation resulting in reduction in GNPA's and increase of provisions.
- Gross and Net NPAs lowest in 12 quarters



- Stage 2 loans are ₹ 3,083 Cr [5% of AUM] down from ₹ 22,601 Cr [24.3% of AUM] at end of March 2020
- Provision buffer supported by ~₹ 4,100 Cr of expected recovery – this will be realized over 4 years, we are already at a run-rate of ~₹ 1,000 Crs a year. Total imputed provision buffer ₹ 6,213 Cr [12.2% of book]. Imputed provisions are thus at 3.4x of gross NPAs

Significant continuing traction on asset-light retail origination

- Since FY2022, retail disbursements of ₹ 15,846 Cr done under asset-light model. 90+ delinquency at under 0.15%
- 41% of AUM is now funded by CLM/sell downs; up from 10% in FY18
- Realising 3%+ RoAs on retail loans sourced since FY2022 under asset-light model
- Retail business to deliver mid-teen RoEs by FY26
- Strategic and sizable sourcing partner for 8 banks.
- Expanding franchise: Branch Count: 221 [up from 136 branches in Mar 2021]; Manpower: 5,423 [up from 3,480 employees in Mar 2021]
- Investment in people and branches to continue through FY24/25