



Indiabulls Housing Finance Limited announces its Q2 FY20 Financial Results; PAT of ₹ 710 Cr.

For Immediate Use

Mumbai, 6th November 2019: The Board of Directors of Indiabulls Housing Finance Ltd. (IBH), India's second largest housing finance company, announced its unaudited financial results for the quarter ended September 30th, 2019.

The numbers are reported under Indian Accounting Standards (Ind AS).

IBH's Profit :

<i>Particulars (₹ Cr.)</i>	<i>H1 FY20</i>	<i>H1 FY19</i>	<i>Q2 FY20</i>	<i>Q1 FY20</i>
PAT	1,511	2,099	710	802

An interim dividend of ₹ 7.0 per share of face value ₹ 2/-, amounting to 350%, has been declared in the board meeting held on November 6th, 2019.

Highlights:

- Balance sheet size at the end of Q2 FY20 is at ₹ 1,11,618 Cr., and the on balance sheet loan book stands at ₹ 82,135 Cr.
- Net worth stands at ₹ 18,700 Cr
- PAT for H1 FY20 is ₹ 1,511 Cr. and for Q2 FY20 is ₹ 710 Cr.
- Gross NPA stood at ₹ 1,611 at the end of Q2 FY20 which is 1.51% of total loan assets. The Gross NPA is down from ₹ 1,662 Cr. (1.47%) at the end of Q1 FY20
- Net NPA is down to ₹ 1,139 Cr. which is 1.07%, this is down from ₹ 1,246 (1.10%) at the end of Q1 FY20. Thus the Net NPA are lower both on absolute number and as a percentage
- Capital adequacy stands at 28.93%
- Our liquidity coverage ratio is at 783%, which is 16 times of what RBI has stipulated for NBFCs from December, 2020 onwards.

Key Financials:

Particulars (₹ Cr.)	Q2 FY20	Q1 FY20
Balance Sheet	1,11,618	1,20,947
NII	1,252	1,523
PAT	710	802
EPS (₹)	17	19
GNPA (%)	1.51%	1.47%
NNPA (%)	1.07%	1.10%
CRAR	28.93%	27.81%

IBH is on very strong footing

We are now exclusively retail loans focused and will disburse a minimum of ₹ 30,000 Cr. of retail loans over the next 12 months. We will leverage on our extensive capabilities: a 4,500+ sales and credit team; India's first e-Home loans technology platform; strong capitalization of 28.93% CRAR

Through everything that the sector has gone through and all the challenges that IBH has had to face, way the business has held up through what can only be described as a hyper-stress test

- We have the highest capital adequacy amongst all our large NBFC/HFC peers. Our capital adequacy at the end of September 2019 stands at 28.93% compared with an average of 18.3% for the top 5 NBFC/HFC (excluding us)
- We are one of the least levered in the NBFC/HFC sector, with a net leverage of only 3.6x, compared with an average of 6.1x for the top 5 NBFC/HFCs
- Despite the book running down the business continues to deliver RoA's in excess of 2.5% and has consistently delivered RoE's of over 20%
- Despite a tough credit and business environment across the board, our asset quality has held up. Gross NPA at the end of September 2019 stood 1.51% and Net NPA at 1.07%, compared with this the average GNPA for the top 4 HFCs is 1.67%. Please note that all manner of scrutiny be it from regulators, statutory auditors and government agencies, has got much tighter in the last 12 months, so these NPA levels are tightly scrubbed and are doubly verified numbers

In the last 12 months, all sort of allegations have been made and we have been subject to thorough scrutiny, these are also unfounded rumours that additional checks from a myriad of Government agencies will also follow. We are open to all of this as the company is confident of the business it has built. Further, we have also done the following to fight the rumour mongering:

- We have addressed all allegations through public disclosures in leading newspapers
- Blackmailers have been arrested and subsequently issued a public apology
- We filed a case of perjury against the unfounded allegations made in the courts which the court has admitted

Asset Liability Management and Strong Liquidity Position

IBH closed September 2019 with cash and liquid investments of ₹ 21,583 Cr.

We have the highest level of on-balance sheet liquidity at 19.4% of the balance sheet in cash and liquid investments compared with 5% for the top five NBFC/HFCs. We thus have nearly four times the level of liquidity our peers carry. Maintaining liquidity at 15% to 20% of the balance sheet in cash and liquid investments is a strict self-imposed discipline we have been following for over 10 years now, since 2008.

Our cash and Liquid investments comfortably cover our next 12 months of debt repayments of ₹ 20,151 Cr.

IBH reduced CP borrowings to ₹ 500 Cr. which now constitutes to only 0.4% of its funding. This is in-line with our operating principle to cap CPs at 5% of funding. The Net Gearing for H1 FY20 stood at 3.6x.

Our focus over the last many quarters in raising long term borrowings has translated into a spread out borrowings repayment schedule. Healthy liquidity on balance sheet combined with quarterly customer repayments has ensured that our ALM is significantly positive for every quarter for the next 10 years.

Co-origination Model:

- IBH has entered into co-origination agreements with a few public sector banks
- Loans originated by IBH team under a jointly drawn up credit policy. IBH will also service the loan account through the life of the loan
- 80% of the loan will be on the bank's balance sheet and remainder 20% on IBH's
- IBH and the bank charge different rates linked to their respective benchmarks on their respective portion of the loan

Mr. Gagan Banga, Vice Chairman and MD, IBH commented that,

“At a minimum we are now looking at disbursing ₹ 30,000 Cr. of retail home loans and LAP over the next 12 months. The business is otherwise on extremely strong footing. Our asset quality, which has been tightly scrutinized by regulators and auditors, is stable at 1.51% of GNPA and 1.07% of Net NPA. Our CRAR is the highest amongst large non-banks at 28.93% versus 18.30% for top five NBFCs. Our liquidity coverage is at 20% versus 5% for top five NBFCs and 16 times as stipulated by RBI”

About Indiabulls Housing Finance Limited

IBH is India's 2nd largest Housing Finance Company. IBH enjoys the highest long-term credit rating of AA+ from all of the four leading rating agencies in India. IBH has a balance sheet size of ₹ 1,11,618 Cr. and provides quick, convenient and competitively priced home loans in the affordable housing segment