



## Indiabulls Housing Finance Limited Announces its Q1 FY 16-17 Financial Results

- Quarter PAT of ₹ 630.1 Cr., up by 23.2% (YoY)
- Launches India's First e-Home Loans

### For Immediate Use

**Mumbai, 25 July 2016:** 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 June 30<sup>th</sup>, 2016.

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

Q1 FY17 (₹ Cr.)	Q1 FY16 (₹ Cr.)	Growth %
630.1	511.3	23.2%

### Highlights Q1 FY16-17

- India's first e-Home Loans launched bringing Home loans to customer's mobile phones
- Technology partnership with UIDAI Aadhar, NSDL, Samsung, Perfios to offer cutting edge solution
- PAT at ₹ 630.1 Crs, up by 23.2%.
- Spread sustained at 318 bps
- Subordinate debt rating upgraded to the highest AAA rating
- Balance sheet size crosses ₹ 80,000 Crs. and is up 36.9% to ₹ 82,069.2 Crs.
- NII up 28.2% to ₹ 1,053 Crs.
- Fee income for Q1 FY17 is ₹ 129.4 Crs., up from ₹ 80.1 Crs. in Q1 FY16
- Gross NPA and Net NPA stand at 0.84% and 0.36% respectively, compared to 0.84% and 0.35% respectively at the end of Q4 FY16 and 0.85% and 0.36% respectively at the end of Q1 FY16
- Provision cover of 146% on Gross NPA

### Key Financials:

Particulars (₹ Crs.)	Q1 FY 17	Q1 FY 16	Y-o-Y Growth (%)
Balance Sheet	82,069.2	59,958.8	36.9%
Loan Assets	71,026.2	54,021.5	31.5%
Total Revenues	2,597.5	2,024.9	28.3%
NII	1,053.0	821.5	28.2%
PAT	630.1	511.3	23.2%
EPS (₹)	14.95	14.38	



Gross NPA (%)	0.84%	0.85%
Net NPA (%)	0.36%	0.36%

## e-Home Loans

Launching India's first e-Home Loans - cutting edge, technology enabled, paperless, home loan that can be end-to-end fulfilled from your mobile or computer. IBHFL is the first in the industry to launch this and it has manifold advantages to our customers and to Indiabulls Housing.

### Benefits to Customers:

- Branch in pocket - 24x7 access
- Aadhar enabled eSignature – no need for several signatures
- eKYC – biometric enabled, paper-free quick KYC
- Videos and multimedia based loan tutorials, click-to-call support

### Benefits to IBHFL:

- Leapfrogging headway in brand presence and relevance
- Cost-to-income reduction – reduced manpower, lean-branch loan fulfillment
- Unbound, branchless reach into tier II, III and IV towns
- Transformation to a technology-centric organisational culture

### Technology Partners:

- Unique Identification Authority of India (UIDAI) Aadhar: eSignature and eKYC
- Samsung for biometric retina scanners : eKYC
- National Security Depository Limited (NSDL): PAN verification
- Perfios: bank statement analysis and data capture



e-Home Loans has been made possible by the Prime Minister and the Government of India's Digital India campaign that seeks to electronically make available Government services to citizen and corporates. We are grateful to UIDAI and NSDL for partnering with us in making e-Home Loans a reality. The Digital India campaign is also driving creation of digital infrastructure by connecting rural areas with high speed internet networks. This push will help us penetrate tier II, III and IV towns meaningfully and make organized finance available.

## Upgrade of Subordinate-Debt to AAA:

IBHFL's subordinate debt rating has been upgraded to the highest AAA rating. With this upgrade we enter into the league of select few financial services companies that are AAA rated both on senior debt as well as sub-ordinate debt. This upgrade will allow IBHFL to raise tier II capital at fine rates and further enhance shareholder value by maximizing ROE in the long run.

## RoE Maximisation through Capital Conservation

Sell down continues to remain a key focus area and it has been an extremely important means of capital conservation and a source of both profitability and liquidity. In Q1 FY17, IBHFL sold down a total of ₹ 1,114 Crs. compared with ₹ 522 Crs in Q1 FY16. In the preceding 12 months we sold a total of ₹. 4,981 Cr. up from only ₹. 2,844 Cr. in the 12 months preceeding June 2015. Continuing with our focus on capital conservation,



IBHFL has raised Rs. 610 Crs. of subordinate debt in Q1FY17. Tier-II capital increases capital adequacy conserving equity capital and making it go a longer distance. The upgrade of subordinate debt rating to the highest AAA will further boost our tier II capital raising abilities helping us raise tier II capital fine rates.

#### **Uptick in housing sector / mortgage market:**

- In the residential real estate space, the top 6 cities in the country witnessed a strong uptick in H1 CY 2016 with Mumbai and Bengaluru leading the pack with 23% and 18% growth respectively over H1 CY 2015.
- Commercial real estate also maintained its positive momentum and posted a 12% Y-o-Y growth in transaction volumes.
- In the first five months of the calendar year, private equity investment in the sector crossed the 2007 levels and is expected to cross the previous high of 2008.
- Implementation of the 7th pay commission's recommendations will provide a tremendous boost to the housing sector increasing payouts to over 1 crore government employees by a total of over 1 lakh crore per annum.

#### **Increasing efficiencies in key components of the business:**

- Bond issuances have been healthy; capital market sources along with ECBs and sell down, contributed 68% of incremental funding in Q1 and 66% of the incremental funding since March 2015. Bonds represent the most cost efficient means of funding and an increasing proportion of bonds has helped IBHFL comfortably maintain spreads.
- IBHFL sold down ₹ 1,114 Crs. of loans in Q1 FY17, more than double that of ₹ 522 Crs in Q1 FY16. The sold down portfolio at the end of Q1 FY17 stood at ₹ 8,246.1 Crs.
- Our operating efficiencies have been continuously increasing both from increasing employee productivity and increasing scale of business. Cost-to-income has dropped to 13.7% for Q1 FY17 from 14.3% for FY16.

**Mr. Gagan Banga, Vice Chairman and MD, IBHFL commented that,** "I am immensely pleased with the launch of e-Home Loans. I truly believe this has the power to revolutionize the home loan industry and marks the next phase in the evolution of the home loan delivery model. It is essentially home loans on your mobile phone, cutting out tedious paper work and numerous meetings with loan executives. The cost saving and operational benefits to the organization are manifold and this lays a firm foundation for profitable, sustainable and scalable growth for IBHFL for the next several years."

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

IBHFL is India's 2<sup>nd</sup> largest Housing Finance Company by profits and networth in the private sector. IBHFL has a balance sheet size of Rs. 82,069.2 crore with over 5,600 employees. It provides quick, convenient and competitively priced home loans in the affordable housing segment. IBHFL enjoys a AAA long-term rating.