



Indiabulls Housing Finance Limited announces its Q1 FY22 Financial Results
Q1 FY22 PAT of ₹ 282 Cr vs Q1 FY21 PAT of ₹ 273 Cr

For Immediate Use

Mumbai, 05th August 2021: The Board of Directors of Indiabulls Housing Finance Ltd. (IBH) announced its unaudited financial results for the quarter ended June 30th 2021.

IBH Key Financials:

| Particulars | Q1 FY21-22 | Q1 FY20-21 |
|----------------------------|------------|------------|
| Loan Book [₹ Cr] | 65,438 | 73,129 |
| CRAR | 30.9% | 27.9% |
| Tier 1 | 24.3% | 21.1% |
| Net Gearing | 3.1x | 3.9x |
| Net Interest Income [₹ Cr] | 765 | 731 |
| PAT [₹ Cr] | 282 | 273 |

Highlights:

- PAT for Q1FY22 is ₹ 282 Cr, up 3.2% YoY over Q1FY21 PAT of ₹ 273 Cr. Quarterly earnings have grown for the first time since the Sep 2018 IL&FS default and the ensuing NBFC liquidity crisis
- Stable Net NPA at 1.55%. Provisions at 3.9x of regulatory requirements. Provisions to loan book at a very healthy 5.5%
- Capital adequacy stands at 30.9% and Tier 1 at 24.3%
- Net gearing has moderated to 3.1x
- The Company entered into co-lending agreements with Central Bank of India for sourcing home loans and secured MSME loans and with Yes Bank for sourcing home loans. Company is now sourcing loans through co-lending arrangements with 4 partners
- Collection efficiency has normalized in June and July and is at ~98%
- For prudent ALM management, the Company has voluntarily created a reserve fund for repayment of its USD 350 million dollar bonds maturing in May 2022. The Company will transfer a sum equivalent to 75% of the total maturity proceeds of these bonds, in multiple stages, to a debt repayment trust, which will be managed by IDBI Trustee. The first tranche of ₹ 682.6 Cr representing 25% of the total dollar bond repayment has already been paid into the trust

Strong Provisioning Buffer

The Company has shored up its provisions on balance sheet to ₹ 3,600 Cr [5.5% of loan book], which is 3.9x times of the regulatory requirement and 159% of Gross NPAs. The high provision cushion places the Company's portfolio in a strong position to negotiate any macroeconomic uncertainties stemming from second wave and expected third wave of the COVID-19 pandemic

Net NPAs are down to ₹ 1,227 Cr in Q1FY22 from ₹ 1,517 Cr in Q1FY21.



Average vintage of the retail loan book is now ~4 years – as loans have run down, borrower equity in the financed property has significantly increased leading to low current LTVs. Asset quality levels have hence stabilised for the portfolio, increasing resilience to the economic consequences of the second wave of COVID-19.

Real estate sector is in strong upward trajectory thereby providing high impetus to Company's borrowers in their business. Real estate registrations are at record all time high in most cities.

Had the Company not chosen to de-grow its book in the past 1 year, the above Gross NPAs of 2.86% would have been at 2.45%.

Subsequent to the second wave of COVID-19, collection efficiency has normalized in June and July and is now at ~98%.

Voluntary Reserve Fund for Dollar Bond Repayment

For prudent ALM management, the Company has voluntarily created a reserve fund for repayment of its USD 350 million dollar bonds maturing in May 2022. The Company will set aside a sum equivalent to 75% of the total maturity proceeds of these bonds as per following schedule:

| | % of Total Maturity | Amount |
|---|---------------------|----------------|
| August 4, 2021 [already transferred] | 25% | 682.6 |
| November 4, 2021 | 25% | 682.6 |
| February 4, 2022 | 25% | 682.6 |
| Total Reserve Fund | 75% | 2,047.8 |
| May 2022 [Final tranche] | 25% | 682.6 |
| Total Repayment | 100% | 2,730.4 |

Total repayment of ₹ 2,730.4 Cr will be made in May 2022 with ₹ 2,047.8 Cr of reserve fund and ₹ 682.6 Cr of final tranche paid by IBH in May 2022.

The Company has already implemented the above schedule for its lender repayment trust created to streamline its repayment obligations. IDBI Trusteeship Services Ltd. has been appointed as the trustee.

In addition to repurchase of ₹ 4,340 Cr of NCDs due in Sep 2021, this is another ALM management step wherein the company has utilized its excess liquidity to streamline and match its repayment obligations to its ECB lenders.

Previously, in Nov-20, the Company had deposited ₹ 315 Cr of full dues against Masala Bonds ahead of schedule of actual repayment in Feb-21



Co-Lending Tie-Ups

The Company entered into co-lending partnerships with Central Bank of India for offering housing loans and secured MSME loans, and with Yes Bank to offer housing loans to homebuyers at competitive rates.

IBH has now signed up with a total of 4 co-lending partners: HDFC Ltd., Central Bank of India, Yes Bank and RBL Bank.

These co-lending partnerships will enable IBH to cater to a wide gamut of customers across geography, ticket-size and yield spectrum. The partnerships will act as a cornerstone to IBH's new balance-sheet light growth business model. Moreover, technology led co-lending will help IBH offer convenient and seamless experience to its customers as well as help expand its reach to Tier III and IV towns of the country.

The Company will continue with its strategy of letting high-ticket Commercial Real Estate [CRE] loans and Business loans run off/ re-finance.