



Indiabulls Housing Finance Limited announces its Q1 FY23 Financial Results

Q1 FY23 PBT of ₹ 386 Cr vs Q1 FY22 PBT of ₹ 369 Cr, up by 4.4% YoY

Q1 FY23 PAT of ₹ 287 Cr vs Q1 FY22 PAT of ₹ 282 Cr, up by 1.8% YoY

For Immediate Use

Mumbai, 10th August 2022: The Board of Directors of Indiabulls Housing Finance Ltd. (IBH) announced its unaudited financial results for the quarter ended June 30th 2022.

IBH Key Financials:

Particulars	Q1 FY22-23	Q1 FY21-22
PAT	287	282
Borrowings	47,174	60,399
CRAR	34.0%	30.9%
Tier 1	27.5%	24.3%
Net Gearing	2.5x	3.1x

Amounts in ₹ Cr

Highlights:

- PAT for Q1FY23 is ₹ 287 Cr, up 1.8% over Q1FY22 PAT of ₹ 282 Cr.
- The Company disbursed ₹ 2,260 Cr in Q1FY23 through co-lending and sell down at RoA of 3%+
- Assignment/ Securitization/ Co-lending constituted 31% of IBH's funding mix as at end of Q1FY23, which is at an all-time high due to increasing co-lending and sell down traction
- Gross NPAs at 2.96% in Q1FY23. Net NPAs at 1.71%.
- Total provisions at ₹ 2,080 Cr [3.5% of loan book], which is 2.8x times of the regulatory requirement and 96% of Gross NPAs. Stage 3 provision coverage ratio at 42%
- Capital adequacy stands at 34.0% and Tier 1 at 27.5%.
- Net gearing at 2.5x at the end of Q1FY23. Net gearing will stabilise at 2.5x level as new book adds in. Will remain stable at these levels as incremental business will be done in an asset-light model
- The Company's Liquidity Coverage Ratio stood at 246% against a regulatory requirement of only 50%.
- The Company successfully repaid its dollar bond obligations of USD 350 million due on 28 May, 2022 utilizing the proceeds of the voluntarily pre-funded fixed deposits. The Company will be setting up similar arrangements for its ECB repayment in FY24 and FCCB repayments in FY24 and FY25
- Reference rates on Housing Loans and Loans Against Property raised by 140 bps and on wholesale loans by 160 bps
- Book spread expanded to 2.7% at end of Q1FY23 from 2.4% at end of Q4FY22
- Opened 9 new branches in Q1FY23
- Tech integrations completed with 3 co-lending partners



Scaling up of Disbursals under Retail Asset-Light Model

The Company disbursed retail loans of ₹ 2,260 Cr under the asset-light model in Q1FY23, scaling up from its quarterly disbursement run-rate of ₹ 1,500 Cr in H2FY22. The Company has completed co-lending tech integration with 3 partners and expect to complete the tech integration with the remaining 4 partners within FY23 itself.

In-line with its guidance, the AUM of the Company is now on the growth trajectory. The Company expects AUM to grow at ~10% in FY23. Under the asset-light model, the AUM will keep compounding while balance-sheet size and on-balance sheet loan book will stay flat or decline sometimes.

Increase in Reference Rate and Expansion of Spreads

With the increase in repo rate by the RBI and in-line with other industry peers, the Company raised reference rates on housing loans and loans against property by 140 bps and on wholesale loans by 160 bps. Of the total, 40 bps of rate increase was passed on in Q1FY23 and the rest in Q2FY23. The raise increase resulted in the Company's book spread expanding from 2.4% at the end of Q4FY22 to 2.7% at the end of Q1FY23.

An increasing interest rate cycle is always beneficial for the Company's spreads, as over 99% of its advances are on floating rate, wherein the Company passes on the rate increase almost instantaneously, while a large part of its funding mix is on a fixed rate basis. The rate increases will thus help improve the Company's spreads and NIMs going ahead.

Institutionalisation of the Company: Towards a Board-led, Professionally Managed Company

The de-promoterization of Mr. Sameer Gehlaut and his group companies has been approved by the lead lender of the Company's working capital lender consortium. This was a key step in the overall process. The Company expects the complete process of de-promoterization to be completed within CY 2022, subject to receipt of other requisite approvals.

Stable Asset Quality and Strong Provisioning Buffer

Asset quality has shown great resilience despite a period of acute macro-economic stress brought about by the COVID-19 pandemic. Gross NPA now stands at 2.96%. Provisions at ₹ 2,080 Cr are at 3.5% of loan book, and at 2.8x of regulatory requirements and 96% of Gross NPAs.

Stage 3 provision coverage ratio stands at 42% of gross NPAs.

The Net NPAs at ₹ 1,252 Cr is at 1.71%.

Retail collection efficiency on a cumulative basis stood at 98.7% during Q1FY23

Since FY 2022, retail disbursements of ₹ 5,500 Cr have been done under the asset-light model. 90+ delinquency for these loans have been at under 0.10%