



Indiabulls Housing Finance Limited announces its Q2 FY22 Financial Results

Q2 FY22 PBT of ₹ 390 Cr vs Q1 FY22 PBT of ₹ 369 Cr

Q2 FY22 PAT of ₹ 286 Cr vs Q1 FY22 PAT of ₹ 282 Cr

For Immediate Use

Mumbai, 11th November 2021: The Board of Directors of Indiabulls Housing Finance Ltd. (IBH) announced its unaudited financial results for the quarter ended September 30th 2021.

IBH Key Financials:

Particulars	Q2 FY21-22	Q1 FY21-22	Q4 FY20-21
CRAR	31.2%	30.9%	30.7%
Tier 1	24.9%	24.3%	24.0%
Net Gearing	3.0x	3.1x	3.4x
PBT	390	369	357
PAT	286	282	276

Highlights:

- PAT for Q2FY22 is ₹ 286 Cr, up 1.7% QoQ over Q1FY22 PAT of ₹ 282 Cr. Quarterly earnings have stabilized and is showing trend of growth
- Gross NPAs have declined to 2.69% in Q2FY22 from 2.86% in Q1FY22
- Stable Net NPA at 1.53%. Provisions at 4.0x of regulatory requirements and 152% of Gross NPAs. Provisions to loan book at a very healthy 4.9%
- Total loans restructured under the RBI's Resolution Framework [OTR 1.0 & 2.0], amounted to only 0.15% of the loan book
- Total loans disbursed as at September 30, 2021 under the Emergency Credit Line Guarantee Scheme [ECLGS] stood at ₹ 176 Cr, amounting to only 0.27% of the loan book
- Capital adequacy stands at 31.2% and Tier 1 at 24.9%
- Net gearing has further moderated to 3.0x
- The Company disbursed retail loans of ₹ 325 Cr in the month of September 2021 through its co-lending tie-ups
- Collection efficiency has normalized to pre-COVID levels
- The Company raised USD 165 Mn through issuance of a Foreign Currency Convertible Bond [FCCB]
- Raised ₹ 792 Cr through public issue of NCDs in September 2021, the issue was subscribed roughly 4x of the base issue size
- ICRA, a Moody's Investors Service Company, has revised upwards the rating outlook of the Company to AA [Stable]. In March 2021, CRISIL, an S&P Global Company, had revised the Company's rating outlook to AA [Stable]



Co-Lending Gaining Traction

The Company entered into co-lending partnerships with Canara Bank, Punjab & Sind Bank and Indian Bank for sourcing home loans and secured MSME loans at competitive rates.

IBH has now signed up with a total of 7 co-lending partners: HDFC Ltd., Central Bank of India, Yes Bank, RBL Bank, Canara Bank, Punjab & Sind Bank and Indian Bank.

With co-lending partnerships in place, retail disbursement growth has gained momentum in FY22.

The Company disbursed retail loans of ₹ 325 Cr through co-lending in the month of Sep-21. This will scale up to ₹ 500 Cr of monthly disbursements by Dec-21 and ₹ 800 Cr of monthly disbursements by Mar-22.

The Company is on track to disburse ₹ 1,000 Cr of retail loans through co-lending in Q3FY22.

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 and resultant lockdowns. Gross NPAs stands reduced to 2.69% from 2.86% in the previous quarter. Balance sheet has been strengthened by shoring up provisions on balance sheet to ₹ 3,153 Cr, which is 4x times of the regulatory requirement and equivalent to a healthy 4.9% of our loan book and 152% of Gross NPAs.

Stage 3 provision coverage ratio stands at 43% of gross NPAs.

The Net NPAs are down to ₹ 1,179 Cr from ₹ 1,487 Cr in Q2FY21.

The Company restructured loans of ₹ 96.7 Cr, equivalent to 0.15% of its loan book, under the Restructuring Frameworks 1.0 & 2.0 combined.

Total loans disbursed by the Company as at September 30, 2021 under the Emergency Credit Line Guarantee Scheme [ECLGS] stood at ₹ 176 Cr, amounting to 0.27% of the loan book

Collection efficiency has now normalized to pre-COVID levels.

Stable Funding Access

Over the past 1 year, the Company raised USD 716 Mn of equity/ quasi-equity capital through QIP, FCCB issuances and stake sale in Oak North Bank.

The Company also raised ₹ 792 Cr through public issue of NCDs in September 2021. The issue was subscribed roughly 4x of the base issue size.

In H1FY22, the Company has raised monies of ₹ 12,186 Cr across instruments and tenors.

Credit Rating back on Upwards Trajectory

ICRA, a Moody's Investors Service Company, has revised upwards the rating outlook of the Company to AA [Stable] in September 2021. Prior to this, CRISIL, an S&P Global Company, had revised the Company's rating outlook to AA [Stable] in March 2021.

Strong Growth Momentum in Residential Real Estate

As per a Knight Frank Report, housing sales in Q3 CY2021 recorded an impressive 92% YoY growth in the top 8 Indian property markets with strong sales being recorded across price segments.

Property registrations in Mumbai, India's costliest property market, recorded 10 year highs in September and October 2021.

Overall, residential sales in top 8 Indian cities exceeded the pre-pandemic 2019 average quarterly sales by 4%.

Unsold residential inventory levels came down sharply. Markets such as Chennai, Hyderabad and Kolkata have even seen prices increase marginally during the quarter.

Residential project launches in Q3 CY2021 recorded a 90% YoY increase, with micro markets of Hyderabad, Ahmedabad & NCR showing year-on-year growth in units launched of 650%, 193% and 119% respectively.

Overall, residential unit launches in top 8 Indian cities in Q3 CY2021 exceeded the pre-pandemic 2019 quarterly average by 6%.

Improving Commercial Office Space Absorption

Commercial office market, which had been in doldrums ever since the beginning of the pandemic on account of the work from home practice adopted by most companies, has started to see gradual recovery.

As per a Knight Frank Report, Q3 CY2021 has been the strongest quarter of the year with 12.5 million sq ft of office space transacted, a 168% growth in YoY terms and which is 83% of the average quarterly volume transacted during 2019, the pre-pandemic year, which was a record year for office transactions.

Among the larger markets, transacted volumes in Q3 CY2021 in Bengaluru and Chennai have exceeded their 2019 quarterly average.