



Indiabulls Housing Finance Limited announces its Q3 FY23 Financial Results

Retail disbursements under the asset-light model has risen 3.3x times in 9MFY23 over 9MFY22
9M FY23 PAT of ₹ 867 Cr, Q3 FY23 PAT of ₹ 291 Cr

Mumbai, 14th February 2023: The Board of Directors of Indiabulls Housing Finance Ltd. (IBH) announced its unaudited financial results for the quarter ended December 31st 2022.

IBH Key Financials:

Particulars	9M FY22-23	Q3 FY22-23
NII	2,354	950
PAT	867	291
Net Gearing	2.2x	
CRAR	33.8%	
Tier-1	28.5%	

PPOP: Pre-provision operating profit NII: Net Interest Income

Highlights:

- PAT for 9MFY23 is ₹ 867 Cr, and for ₹ 291 Cr for Q3FY23
- Net Interest Income (NII) come in at ₹ 2,354 Cr for 9M of FY23 and ₹ 950 Cr for Q3FY23
- Annualised Net Interest Margin came in at 4.1%
- RoA is on the rise, and expanded to 1.5% at the end of December 2022
- Spread up to 3.2% from 2.5% a year ago
- Gross NPAs were at 3.30% and net NPAs at 2.18%.
- Capital adequacy stands at 33.8% and Tier 1 at 28.5%.
- Net debt to equity continues to remains low at 2.3x
- The Company's Liquidity Coverage Ratio as on December 30, 2022 stands at 246% against a regulatory requirement of 60%.

Four areas of focus for the Company while continuing to deliver on numbers, delivering growth, and maintaining asset quality:

1. Significant continuing traction on asset-light retail origination

- **Retail disbursements under the asset-light model have increased 3.3x times in 9MFY23 v/s 9MFY22**
- 33% of AUM is now funded by CLM/sell downs; up from 10% in FY17
- Realising 3%+ RoAs on retail loans sourced under asset-light model
- Since FY2022, retail disbursements of ₹ 9,462 Cr done under asset-light model. 90+ delinquency at under 0.10%
- Strategic and sizable sourcing partner for 7 banks. Tech integration with all 7 will be completed within FY23
- Expanding franchise: Branch Count: 223 [up from 162 branches in Dec 2021]; Manpower: 5,373 [up from 4,401 employees in Dec 2021]

2. Continuous de-risking of wholesale loans

- Asset completion and monetization underway for three large assets

- Joint development partner inducted in 4 stuck/slow Mumbai projects. Full completion and loan repayment expected over FY25 and FY26
- Strong recovery track:
 - Over ₹ 10,000 Cr of life-to-date written off and NPA pool. ₹ 4,000 Cr+ of cumulative recovery expected over next 3 years [this is ~ 8% of loan book]
 - Strong recovery traction: recent recovery from large, beleaguered NCR-based developers
 - Recovery will sustain high provision cover: provisions + expected recoveries: 10+% of loan book

3. Proactive ALM Management

- ₹ 3,970 Cr of liquidity on balance sheet (excluding undrawn facilities). Positive cash of ₹ 7,786 Cr at the end of 1 year
- Liquidity Coverage Ratio [LCR] as at end of Dec 2022 stands at 246% against regulatory requirement of 60% [This is only RBI defined High Quality Liquid Assets HQLA]
- ₹ 1,000 Cr bonds prepaid in Q3FY23
- Voluntary reserve fund created for repayment of USD 270 Mn ECBs due in August 2023 – 25% of due amount to be set aside each quarter. First tranche of reserve fund FD of ₹ 483 Cr created in Nov 2022
- Similarly, the Company will voluntarily create reserve fund for repayment of FCCB in FY24 & FY25 from Q4FY23 onwards
- Since Sep 2018, IBH has repaid debt of ₹ 1,10,000 Cr on gross basis, and ₹ 76,870 Cr on net basis: Largest debt repayment by a corporate in India across financial/non-financial companies

4. Ongoing Institutionalisation

- Approvals received from: Shareholders, Bankers, other lenders etc. De-promoterization will be completed within Q4FY23
- Working on simplifying structure
- Will translate into efficient capital utilization. Sharper business focus
- Simplified supervision, regulation and compliance burden
- Rebranding to reflect: retail mortgages; board-run financial institution; and technology focus