



Indiabulls Housing Finance Limited announces its Q4 FY23 and FY23 Financial Results

Retail disburseals under the asset-light model has risen 2.5x times in FY23 over FY22
FY23 PAT of ₹ 1,128 Cr, Q4 FY23 PAT of ₹ 261 Cr

Mumbai, 22nd May 2023: The Board of Directors of Indiabulls Housing Finance Ltd. (IBH) announced its audited financial results for the quarter and year ended March 31st 2023.

IBH Key Financials:

Particulars	FY22-23	Q4 FY22-23
NII	3,089	735
PAT	1,128	261
Net Gearing	2.2x	
Net Worth	17,361	
CRAR	31.2%	
Tier-1	26.7%	

NII: Net Interest Income

Highlights:

- AUM has stabilised at ~₹ 72,000 Cr level
- Balance sheet has grown to ₹ 74,945 Crs at end of Q4FY23 from ₹ 74,106 Crs at end of Q3FY23
- Loan book has risen to ₹ 54,276 Cr
- Co-lending disburseals at ₹ 7,844 Crs for FY23 are 2.5x of that in FY22
- PAT for FY23 is ₹ 1,128 Cr, and for ₹ 261 Cr for Q4FY23
- Net Interest Income (NII) come in at ₹ 3,089 Cr for FY23 and ₹ 735 Cr for Q4FY23
- NPAs lowest in 6 quarters. Gross NPAs were at 2.86% and net NPAs at 1.90%.
- Annualised Net Interest Margin came in at 4.0%
- RoA is on the rise, and expanded to 1.4% at the end of March 2023
- Spread up to 3.5% from 2.4% a year ago
- Capital adequacy stands at 31.2% and Tier 1 at 26.7%
- Net debt to equity continues to remains low at 2.2x
- The Company's Liquidity Coverage Ratio [LCR] as on March 2023 stands at 108% against a regulatory requirement of 60%.
- Recovery trend is strong. Additional ₹ 2,500 Cr of recoveries expected in next 6 to 8 quarters
- Along with existing provisions and expected recoveries/write-backs, the Company has a ~3.5x cover on NPAs and a ~85% cover on Stage2+Stage3 loans

Focus for the Company while continuing to deliver on numbers, delivering growth, and maintaining asset quality:

Reorganization and Rebranding

a) Reorganization:

- Will create a larger NBFC focused on retail origination

- Dedicated vehicle for retail and wholesale origination
- Reorganization to result in:
 - o Greater consolidation
 - o Higher CRAR
 - o Lower gearing
 - o Dedicated vehicles for retail and wholesale businesses
- This is subject to requisite approvals from shareholders, lenders, regulators, and other statutory bodies

b) **Rebranding:** New corporate identity will be unveiled in the next 90 days

Significant continuing traction on asset-light retail origination

- **Retail disbursements under the asset-light model have increased 2.5x times in FY23 v/s FY22**
- 34% of AUM is now funded by CLM/sell downs; up from 10% in FY18
- Realising 3%+ RoAs on retail loans sourced under asset-light model
- Retail business to deliver mid-teen RoEs by FY26
- Since FY2022, retail disbursements of ₹ 11,053 Cr done under asset-light model. 90+ delinquency at under 0.10%
- Strategic and sizable sourcing partner for 8 banks
- Expanding franchise: Branch Count: 217 [up from 174 branches in March 2022]; Manpower: 5,318 [up from 4,603 employees in March 2022]
- Investment in people and branches to continue through FY24/25

Proactive ALM Management

- Second tranche of voluntary reserve fund FD of ₹ 483 Cr created in April 2023 for repayment of USD 270 Mn ECBs due in August 2023 – ₹ 966 Cr [50% of due amount] already has been set aside
- Similarly, the Company has voluntarily created reserve fund for repayment of USD 150 Mn FCCB due in FY24 & FY25 – first tranche of reserve fund FD of ₹ 314 Cr created in April 2023
- ₹ 1,000 Cr bonds prepaid in FY23
- Since Sep 2018, IBH has repaid debt of ₹ 1,52,242 Cr on gross basis, and ₹ 70,314 Cr on net basis: Largest debt repayment by a corporate in India across financial/non-financial companies
- ₹ 4,443 Cr of liquidity on balance sheet [excluding undrawn facilities]. Positive cash of ₹ 6,833 Cr at the end of 1 year
- Liquidity Coverage Ratio [LCR] as at end of March 2023 stands at 108% against regulatory requirement of 60% [This is only RBI defined High Quality Liquid Assets HQLA]