

## Indiabulls Housing Finance Limited announces its Q3 and 9M FY19 Financial Results

Quarter PBT of ₹ 1,388 Cr. up by 23.1%; PAT of ₹ 985.5 Cr. up by 8.9%

*\*Please note that the P&L for Q3 FY18 and 9M FY18 are not directly comparable with the P&L of Q3 FY19 and 9M FY19 due to one-time gain of ₹ 542.4 Cr. from sale of investment in OakNorth Bank to GIC of Singapore, in Nov 2017. Also, in Q3FY19 there is a one-time tax incidence of ₹ 217 Cr. [spread across Q3 & Q4 of current FY] on account of redemption of long-term units of debt mutual funds*

### For Immediate Use

Mumbai, 31<sup>st</sup> January 2019: The Board of Directors of Indiabulls Housing Finance Ltd. (IBH), India's second largest housing finance company, announced its unaudited financial results for the year ended December 31, 2018.

The numbers are reported under Indian Accounting Standards (Ind AS).

### IBH's Profit after Tax (PAT):

Particulars (₹ Cr.)	9M FY19	9M FY18	YoY Growth (%)	Q3 FY19	Q3 FY18	YoY Growth (%)
PAT	3,084.4	2,576.2 <sup>^</sup>	19.7%	985.5	905.3 <sup>^</sup>	8.9%

<sup>^</sup> The above PAT for 9M FY18 and Q3 FY18 have been adjusted for profit from sale of stake in OakNorth Bank to GIC of Singapore, in Nov 2017. Also, in Q3FY19 there is a one-time tax incidence of ₹ 217 Cr. [spread across Q3 & Q4 of current FY] on account of redemption of long-term units of debt mutual funds

#### Note:

Full Corporate Social Responsibility [CSR] expenses of ₹ 69.2 Cr. for FY 2018-19 have been taken in Q3FY19, adjusted for CSR and credit costs, operating expenses for Q3FY19 was ₹ 255.0 Cr. compared with ₹ 261.1 Cr. in Q2FY19

An interim dividend of ₹ 10 per share of face value ₹ 2/-, amounting to 500%, has been declared in the board meeting held on January 31<sup>st</sup>, 2019. IBH is amongst the Top 15 dividend paying private companies in the country.

#### Highlights 9M FY18-19

- PAT for 9M FY19 is at ₹ 3,084.4 Cr. up 19.7% from 9M FY18 PAT of ₹ 2,576.2 Cr.
- Loan Assets are at ₹ 1,24,271.1 Cr., growth of 16.2% from ₹ 1,06,971.3 Cr. in 9M FY18
- Balance sheet size as at end of 9M FY19 is at ₹ 1,28,750.4 Cr.
- 3-month commercial paper is down to ₹ 4,670 Cr. which is only 4% of borrowings
- GNPA stable at 0.79%
- Capital adequacy stands at 22.75%

#### Highlights Q3 FY18-19

- PAT for Q3 FY19 is at ₹ 985.5 Cr.
- Gross sell down of ₹ 14,587 Cr. and net sell down of ₹ 12,055 Cr. in Q3 FY19
- Adjusted for CSR and credit costs, the operating expenses for Q3FY19 is ₹ 255.0 Cr., down 2.4% sequentially from Q2FY19 operating expenses of ₹ 261.1 Cr.

### Business Going Forward

- IBH is on track to deliver 15%-16% PAT growth the current financial year
- For the next financial year FY2019-20 PAT will grow at between 17% and 19%
- The core strategy of IBH's business is to sell down pools of loans while retaining a spread door-to-door over the entire length of the loan
- While total assets under management are expected to grow 20% - 25%, balance sheet growth is expected to be around 10%, this strategy will not only allow the company to grow its business without raising fresh equity capital, but will also boost RoEs
- As on date, the sell down pool principal outstanding is ₹ 25,822 Cr. [we earn a spread of 2.4%] representing 21% of total assets under management of IBH. If these assets were on the balance sheet of the company, based on the conservative gearing with which the company operates, an additional equity capital of ₹ 4,300 Cr. would have been required

### Key Financials:

Particulars (₹ Cr.)	Q3 FY19			Q3 FY18			YoY Growth (%)
	Q3 FY19	Q3 FY18	YoY Growth (%)	9M FY19	9M FY18	YoY Growth (%)	
<b>Total Loan Asset</b>	1,24,271.1	1,06,971.3	16.2%				
<b>PAT</b>	985.5	905.3 <sup>^</sup>	8.9%	3,084.4	2,576.2 <sup>^</sup>	19.7%	
<b>Gross NPA (%)</b>	0.79%	0.77%					
<b>Net NPA (%)</b>	0.59%	0.56%					
<b>CRAR</b>	22.75%	21.35%					

<sup>^</sup> The above PAT for 9M FY18 and Q3 FY18 have been adjusted for profit from sale of stake in OakNorth Bank to GIC of Singapore, in Nov 2017. Also, in Q3FY19 there is a one-time tax incidence of ₹ 217 Cr. [spread across Q3 & Q4 of current FY] on account of redemption of long-term units of debt mutual funds

### Asset Liability Management and Strong Liquidity Position

IBH closed December 2018 with cash and liquid investments of ₹ 21,090 Cr., in line with its principle of maintaining high liquidity on its balance sheet.

IBH reduced its 3-months CP outstanding to ₹ 4,670 Cr. which now constitutes to only 4% of its total borrowings, ensuring a long-term fully matched ALM.

As an operating principle, from Q4FY19 the total 3-month CPs of the company will not exceed 5% of its borrowings.

Over the past 36 months IBH has demonstrated the depth of its diversified liabilities franchise by moving nimbly across instruments such as securitization, institutional bonds, retail bonds, ECB's, Masala Bonds and Bank Term Loans based on macro conditions around liquidity and interest rates



Customer repayments in Q3FY19 were ₹ 7,431 Cr. The average customer repayments per quarter in the 3 quarters of this financial year is ₹ 6,523 Cr.

**Mr. Gagan Banga, Vice Chairman and MD, IBH commented that,**

“We are on track to deliver 15%-16% PAT growth the current financial year. For the next financial year FY2019-20 PAT will grow at between 17% and 19%.

The core strategy of IBH’s business is to sell down pools of loans while retaining a spread door-to-door over the entire length of the loan. While total assets under management are expected to grow 20% - 25%, balance sheet growth is expected to be around 10%, this strategy will permit the company to maintain conservative leverage but at the same time allow it to deliver healthy RoEs.”

**About Indiabulls Housing Finance Limited**

IBH is India’s 2nd largest Housing Finance Company. IBH enjoys the highest long-term credit rating of AAA from all of the four leading rating agencies in India. IBH has a balance sheet size of ₹ 1,28,750.4 Cr. and provides quick, convenient and competitively priced home loans in the affordable housing segment