

MEDIA RELEASE

LIC Housing Finance announces its Q2 FY2022 results

Q2 FY2022 Profit After Tax of Rs. 247.86 crs
Individual Home Loan Disbursements Rs. 14330 crs up by 38%.
Outstanding Loan portfolio at Rs. 237660 crs up by 11%.
Net Interest Income Rs. 1173 crs

Mumbai, October 21, 2021: The Board of Directors of LIC Housing Finance Limited (LICHF) announced its unaudited results for the second quarter ended on September 30, 2021, following its approval by the Board of Directors in a meeting held in Mumbai on 21, October 2021.

	Quarter Ended September 30, 2021	Quarter Ended September 30, 2020	Variation %
Revenue from Operations	4708	4969	(5.25%)
Total Income Incl Other Income	4715	4982	(5.35%)
Net Interest Income	1173	1238	(5.25%)
Profit Before Tax	308.95	1009.26	(69.39%)
Net Profit after Tax	247.86	790.90	(68.66%)
Outstanding Loan Portfolio	237660	213349	11%

The results are in accordance with the Indian Accounting Standards i.e. IndAS notifications issued by the Ministry of Corporate Affairs and National Housing Bank in April 2018. There has been significant improvement in business in Q2 FY2022 compared to the corresponding previous quarter. With gradual lifting of restrictions post the second wave business operations marked a significant improvement.

Performance highlights at a glance - Q2 FY2022

(Figures in Rs. crores)

(1 crore =10 million)

Performance highlights for the quarter ended September 30, 2021:

There has been significant improvement in business in Q2 FY2022 compared to the corresponding previous quarter with gradual lifting of restrictions post the second wave.

During the quarter, total disbursements were Rs. 16110 crs as against Rs. 12443 crs at a growth of 29% and Individual Home Loan disbursements were Rs. 14330 crs as against Rs. 10373 crs up by 38%, whereas project loans were Rs. 353 crs as against Rs. 803 crs. Considering the disbursements for the Q2 FY22, the company has achieved 132% of pre-covid level of Q2 FY20.

The company's total income for Q2 FY2022 quarter was Rs. 4715 crs as compared to Rs. 4982 crs during the same period in the previous year. The revenue from operations were Rs. 4708 crs as against Rs. 4969 crs.

The Net Interest Income was Rs. 1173 crs, as against Rs.1238 crs for the same period in the previous year.

Profit before Tax for the quarter was Rs. 308.95 crs as against Rs. 1009.26 crs.

Net profit after tax stood at Rs. 247.86 crs as compared to Rs. 790.90 crs during the same period previous year.

The total loan portfolio stood at Rs. 237660 crs as against Rs. 213349 crs, a growth of 11 %, out of which Individual Home Loans grew at 15% from Rs. 163218 crs.to Rs.188348 crs.

Net Interest margins for Q2 ended September 30, 2021, were at 2.00% as against 2.20% for Q1 FY22.

Collection efficiency for regular customers for the month of September 2021 stood at 99%.

Under IndAS 16, asset classification and provisioning changes for future credit loss are reported on Expected Credit Loss (ECL) basis, as per the same methodology, the provisions for ECL stood at Rs.5354.90 crs with a coverage of 43.72% on Stage 3 as on September 30, 2021, as against Rs. 2771.92 crs as on September 30, 2020. The Stage 3 Exposure at Default as on September 30, 2021 stood at 5.14% as against 2.79% as on September 30, 2021 and 5.93% as on June 30 2021. Covid 19 related provision stood at Rs. 314.44 crs as on 30.09.2021.

Performance highlights at a glance-H1 FY2022

(Figures in Rs. Crores)

	Six Months Ended September 30,2021	Six Months Ended September 30, 2020	Variation %
Revenue from Operations	9565	9973	(4.09%)
Total Income Incl Other Income	9574	9959	(3.86%)
Net Interest Income	2455	2459	(0.12%)
Net Profit Before Tax	501.88	2026.93	(75.24%)
Net Profit after Tax	401.30	1608.38	(75.05%)

(1 crore =10 million)

During the six months ended September 30, 2021, the total disbursements for the Company stood at Rs. 24762 crs as against Rs. 16004 crs for the same period of the previous year showcasing a growth of 55%. Out of this Individual Home loan segment registered a disbursement of Rs. 21980 crs, as against Rs. 13407 for H1 ended September 30, 2020 up by 64%; whereas project loans were Rs. 590 crs as against Rs.962 crs for H1 ended September 30, 2020.

The company's total income was Rs. 9574 crs as against Rs. 9959 crs during the same period previous year. Revenue from operations were Rs. 9565 crs as against Rs. 9973 crs.

Net Interest Income (NII) for six months was Rs. 2455 crs as against Rs. 2459 crs during the same period previous year.

Net profit before tax (PBT) for H1 FY2022 was Rs. 501.88 crs as against Rs. 2026.93 crs during the same period previous year.

Net profit after tax for the six months ended September 30, 2021 was Rs. 401.30 crs as against Rs. 1608.38 crs during the same period previous year.

Net interest margins (NIM) for six months ended September 30, 2021 stood at 2.09% as against 2.32% for the corresponding period ended September 30, 2020.

During the quarter the Company raised Preferential Capital from promoter LIC of India to the tune of Rs. 2335 cr.

Speaking on the performance, Mr. Y. Viswanatha Gowd, MD & CEO, LIC Housing Finance said,

"Business gradually improved towards the end of first quarter in line with the overall sentiments. This is reflected in higher disbursements in Q2 and our impressive performance. The Company expects a better Q3 which coincides with the festival season and hopes to grow the business volumes in the quarters ahead. Collection efficiencies too witnessed recovery in Q2 FY2022 compared to previous quarter resulting in a decline in stage 3 assets. The recent RBI's monetary policy has once again reiterated the supportive posture taken. And will further improve the home buying activities in the forthcoming festive season".

Recent Initiatives

- i. LIC Housing Finance Ltd, (LICHFL) and Indian Post Payments Bank (IPPB) have entered into a strategic partnership for providing home loan products to over 4.5 crore customers of IPPB. The latter will make LICHFL's home loan products accessible to its customer's Pan-India leveraging its robust and extensive network of 650 branches and more than 136,000 banking access points. As part of the Memorandum of Understanding (MoU), LICHF will handle all home loans related credit underwriting, processing, and disbursement while IPPB will be responsible for sourcing. IPPB's on-ground workforce of nearly two lakh postal employees (Postmen and Gramin Dak Sevaks) will play a significant role in offering LICHFL's housing loans. The strategic MoU with IPPB will help LICHF to further deepen its market penetration and enable to increase its long-term growth potential from Tier 2 markets and beyond.
- ii. In a special offer, the Company has extended its lowest home loan rates of 6.66% for loans upto Rs 2 cr for all borrowers having CIBIL score of 700 and more irrespective of salaried or professional/self-employed. Loans sanctioned between September 22nd to November 30th will be eligible provided the first disbursement is availed on or before 31st December 2021. Further, as a special attraction, LICHF has discounted its processing fee to a maximum of Rs. 10,000 or 0.25% of the loan amount, whichever is lower for loans up to Rs.2 cr. All home loan products including Griha Varishtha (special scheme for borrowers covered under defined pension benefit scheme which includes waiver of 6 EMIs) are eligible for special home loan rate. This move is in tune with the demand for larger spaces and affordability. We also see a good traction of home loans in this ticket range. The HomY app launched by the Company facilitates applying for home loan digitally and get approvals online. Customers can track their loan applications without visiting LIC HFL offices. The company's endeavour is to deliver home loans at the customers' doorstep by leveraging the app.

About LIC Housing Finance Ltd

LIC Housing Finance Ltd is one of the largest housing finance companies in India having one of the widest networks of offices across the country and representative offices at Dubai & Kuwait. In addition, the Company also distributes its products through branches of its subsidiary LICHFL Financial Services Ltd. LIC Housing Finance Ltd was promoted by Life Insurance Corporation in 1989 and a public issue was made in 1994. It launched its maiden GDR offering in 2004. The company enjoys the highest rating from CRISIL & CARE indicating highest safety about the ability to service interest and repay principal.

For further information please visit the website www.lichousing.com or contact:

Mr. Y. Viswanatha Gowd
Managing Director & CEO
LIC Housing Finance Ltd.
Tel: 022-2217 8602

Mansi Sheth / Neha Sharma
Veritas Reputation PR
Tel: 9870631556 / 9664372349