

For Immediate Use

Mumbai, 25th April 2016: The Board of Directors of Indiabulls Housing Finance Ltd (IBHFL), India's second largest housing finance company, announced its audited results for the financial year ended March 31st, 2016.

IBHFL's Profit After Tax (PAT):

FY 2015-16 (Rs. Cr.)	FY 2014-15 (Rs. Cr.)	Growth %	Q4 FY16 (Rs. Cr.)	Q4 FY15 (Rs. Cr.)	Growth %
2,344.7	1,901.2	23.3%	675.5	551.1	22.6%

Highlights FY15-16

- PAT for FY16 is at Rs. 2,344.7 Crs., up 23.3% over FY15's PAT of Rs. 1,901.2 Crs. Only the 2nd private non-bank company in the Indian finance sector to cross Rs. 2,000 Crs. of annual profits.
- The spread on loan assets expanded and was at 318 bps up from 316 bps
- Balance sheet size crosses Rs. 75,000 Crs. and is up 33.6% to Rs. 76,436 Crs.
- NII up 27.8% to Rs. 3,793.5 Crs.
- Fee income for FY16 is Rs. 522.7 Crs., up 34.8% over Rs. 387.7 Crs. in FY15
- Capital adequacy at the end of FY16 was 23.33% compared to 19.60% at the end of FY15.
- Tie-up with HDFC Life to distribute its retail life, health and pension products in addition to the existing tie-up for 'Credit Protect Plus' – risk cover on loans
- Gross NPA and Net NPA lower at 0.84% and 0.35% respectively, compared to 0.85% and 0.36% respectively at the end of FY15
- Provision cover of 144% on Gross NPA
- As per guidance, the credit costs for FY16 is at 74 bps

Highlights Q4 FY15-16

- PAT of Rs. 675.5 Crs., up by 22.6%
- NII in Q4FY16 was at Rs. 1,116.2 Crs, a sequential growth over Q3FY16 of 14.9%. This is higher than the loan assets growth of 10.3% and is a result of an expansion in spreads
- Fee income for Q4FY16 is Rs. 189.5 Crs., up 30.9% over Rs. 144.8 Crs. in Q4FY15

Key Financials:

Particulars (Rs. Crs.)	FY 16	FY 15	Y-o-Y Growth (%)
Balance Sheet	76,436.0	57,231.2	33.6%
Loan Assets	68,682.5	52,235.0	31.5%
Total Revenues	9,225.6	7,253.4	27.2%
NII	3,793.5	2,967.4	27.8%
PAT	2,344.7	1,901.2	23.3%
EPS (INR)	59.84	54.95	
Gross NPA (%)	0.84%	0.85%	
Net NPA (%)	0.35%	0.36%	

Q4 FY 16	Q3 FY 16	Sequential Q-o-Q Growth (%)
76,436.0	71,199.2	7.4%
68,682.5	62,264.6	10.3%
2,647.2	2,307.7	14.7%
1,116.2	971.3	14.9%
675.5	602.4	12.1%
16.04	14.34	



Increasing efficiencies in key components of the business:

- Compared to peers, IBHFL has a larger proportion of variable rate liabilities. RBI's norms to address liquidity at the longer end of the yield curve will lead to softening of rates, which IBHFL will be best placed to capitalize on.
- The share of bonds in the total borrowing mix is increasing and bonds along with ECB and sell down contributed 66% of incremental funding for FY16. Bonds represent the most cost efficient means of funding and an increasing proportion of bonds has helped IBHFL comfortably maintain spreads.
- IBHFL sold down Rs. 3,971.2 Crs. of loans in FY16 compared with Rs. 2,545.5 Crs in all of FY15. The sold down portfolio at the end of FY16 stood at Rs. 7,818.7 Crs.
- Our operating efficiencies have been continuously increasing both from increasing employee productivity and increasing scale of business. Cost-to-income has resultantly dropped to 14.3% for FY16 from 16.4% for FY15

Uptick in mortgage markets:

Very important developments in the fiscal year gone by have put in place key accelerators for the housing sector.

- For builders, 100% tax exemption on profits from building affordable housing will mean that the profit margins from this segment of housing will overtake that from more premium segments. This will result in organized developers' focus on affordable housing and will also attract efficient finance to the sector. All of which will result in an increase in supply and a moderation in prices.
- Real estate bill will bring positive structural changes to the sector resulting in timely delivery of projects and boosting consumer confidence
- Increase in tax deduction limits for first time home buyers will result in reduction of effective housing loan yields. The average rental yield in urban India averages at 3.1%. With the fall in lending rates in the coming years, effective housing loan yield will slip below rental yields which will lead to a spurt in residential sales.

Efficient Capital Deployment:

Sell down transactions represent the most efficient utilization of capital. An extremely positive development, especially for IBHFL, is the removal of distribution tax on pass through securitization cashflows. IBHFL is one of the largest sellers of mortgage pools in the market. Clarification of tax on PTC structures will attract large monies from long-term investment seekers like insurance companies, provident and pension funds to PTC transactions, softening yields and expanding our margins on sell down transactions.

**HDFC Life Tie-up:**

IBHFL has expanded its tie-up with HDFC Life by signing an agreement to distribute retail life, health and pension products. This is in addition to the already existing association to distribute 'Credit Protect Plus', which covers loan repayment in the event of death of the customer. The tie-up will translate to maximum value being offered to clients by making available comprehensive risk coverage solutions. For IBHFL, this will open up new fee income avenues and also help it minimize risks. The tie-up is a testament to IBHFL's execution capabilities and an outcome of our focus on insurance where the penetration is over 80%.

Mr. Gagan Banga, Vice Chairman and MD, IBHFL commented that, "Our margins have begun expanding and was higher for Q4FY16 compared with Q3FY16. With the budget and the real estate bill, the first four months of calendar year 2016 have been exceptional for the housing sector. As IBHFL's employee productivity, operations and distribution reach near-optimum levels, we are perfectly poised to make the most of the opportunity in the housing sector and outpace market growth."

About Indiabulls Housing Finance Limited

IBHFL is only the second private non-bank company to cross Rs. 2,000 Crs. of profit in the financial history of India. IBHFL has a balance sheet size of Rs. 76,436 Crs. and a network of 225 branches with over 5,400 employees. It provides quick, convenient and competitively priced home loans in the affordable housing segment. IBHFL enjoys a AAA long-term rating.