



Indiabulls Housing Finance Ltd. Releases Update Following Demonitisation

For Immediate Use

Mumbai, 22nd December 2016: Indiabulls Housing Finance Ltd (IBHFL) released its update following demonitisation. The update contains progress on key business parameters such as cost of funding, home loan off take and credit quality following the government's demonitisation announcement on 8th November 2016. **An important highlight of the release is the engagement with CRISIL to provide a monthly report, that will be made available to stakeholders, on detailed pool performance parameters of IBHFL's sold down pools.**

Key highlights from the update:

1. Tailwinds from reducing funding costs

Demonitisation has reduced cost of funding and expanded spreads:

- Funding costs on stock have reduced by 25 bps since Sep 2016 v/s zero reduction in base rates
- Incremental funding costs on stock have reduced by 31 bps since Sep 2016 v/s 20 bps reduction in MCLR
- Incremental funding costs have dropped by 73 bps since Mar 16 in line with the fall in AAA bond yields

2. Volumes for HFCs remain unimpacted

Enquiry data from India's largest credit bureau CIBIL reveals that for average enquiry volumes for 1st to 8th Nov and 9th to 30th Nov:

- HFCs are least impacted amongst all lender types with only a 1% drop in enquiries
- Average daily enquiries in the affordable housing segment of Rs. 15 lacs to Rs. 30 lacs home loans remains completely unimpacted. IBHFL's average ticket size for home loans is Rs. 25 Lacs

3. IBHFL's disbursements remain on target and the company reiterates its growth guidance of 30% loan asset growth for FY 2016-17

4. IBHFL's credit quality holds steady

IBHFL's customers are well-banked and credit tested. A "No cash" loan cycle from disbursement to collection has ensured that portfolio quality is upheld:

- Total collection efficiency holds steady at 99.88% for mortgage loans – home loans and LAP
- Incidence of dishonour of these repayment instruments (ECS, NACH, cheques) has not deteriorated from 3% levels in the past

5. Engagement with CRISIL for publication of monthly pool performance report

Engagement with rating agencies to publish detailed pool performance report for 80 pools sold down representing Rs. 15,946 Cr. of sold down principal

- CRISIL will publish monthly performance report for 73 pools

Pool performance report indicates that:

- Cumulative collection efficiency, the ratio of cumulative collection to cumulative billings, holds steady at 99.6%
- Monthly collection efficiency, the ratio of monthly collection to monthly billings, is in line at 99.5%