



**Indiabulls Housing Finance Limited**

***Unaudited Financial Results – Q3 FY 2013-14***

***January 22, 2014***

# Safe Harbour Statement

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*This document contains certain forward-looking statements based on current expectations of Indiabulls management. Actual results may vary significantly from the forward-looking statements in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, and outside India, volatility in interest rates and in Securities markets, new regulations and government policies that might impact the business of Indiabulls, the general state of the Indian economy and the management's ability to implement the company's strategy. Indiabulls doesn't undertake any obligation to update these forward-looking statements.*

*This document does not constitute an offer or recommendation to buy or sell any securities of Indiabulls or any of its subsidiaries or associate companies. This document also doesn't constitute an offer or recommendation to buy or sell any financial products offered by Indiabulls.*

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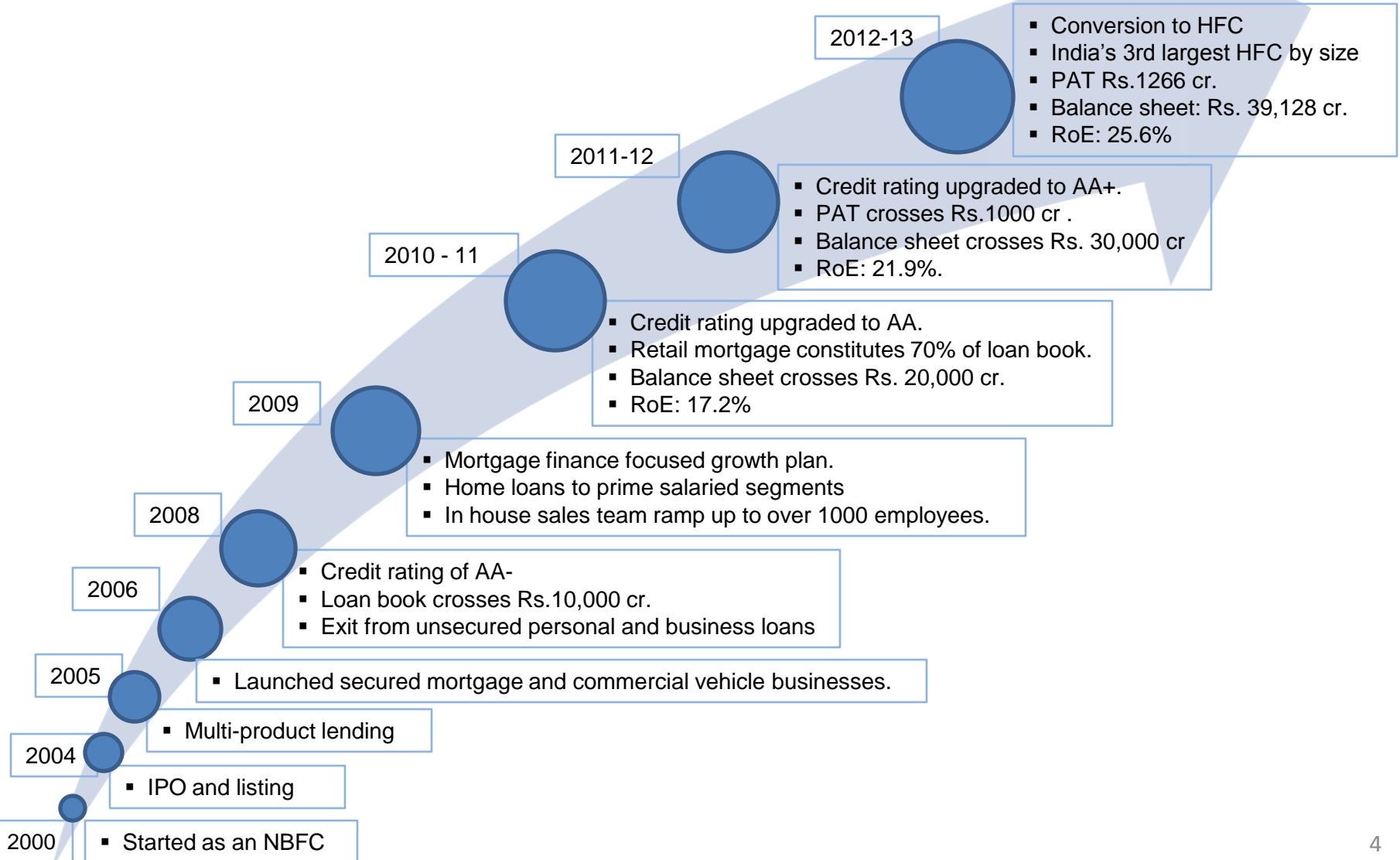
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## Our Journey



# **Business Update**

# Business Update

## Year-on-Year (Y-o-Y) Comparison – Key Financial Highlights Q3 FY13-14 v/s Q3 FY12-13

	Q3 FY 13-14	Q3 FY 12-13	Growth (%)
Total Revenues (Rs. Cr.)	1,574.6	1,215.1	29.59%
NII (Rs. Cr.)	659.0	539.7	22.10%
PBT (Rs. Cr.)	536.2	432.9	23.86%
PAT (Rs. Cr.)	395.1	327.2	20.75%
EPS (Rs.)	11.9	10.4	14.42%

*For Q3FY14, an interim dividend of Rs. 7/- per share of face value of Rs. 2/-, amounting to 350%, has been declared*

## 9M FY 13-14 Key Financial Highlights (9M FY 13-14 v/s 9M FY 12-13)

	9M FY 13-14	9M FY 12-13	Growth (%)
Total Revenues (Rs. Cr.)	4,392.7	3,444.0	27.55%
NII (Rs. Cr.)	1,902.6	1,501.1	26.75%
PBT (Rs. Cr.)	1,512.6	1,174.1	28.83%
PAT (Rs. Cr.)	1,117.0	898.5	24.32%
EPS (Rs.)	34.4	28.5	20.70%

## Return on Equity (RoE)

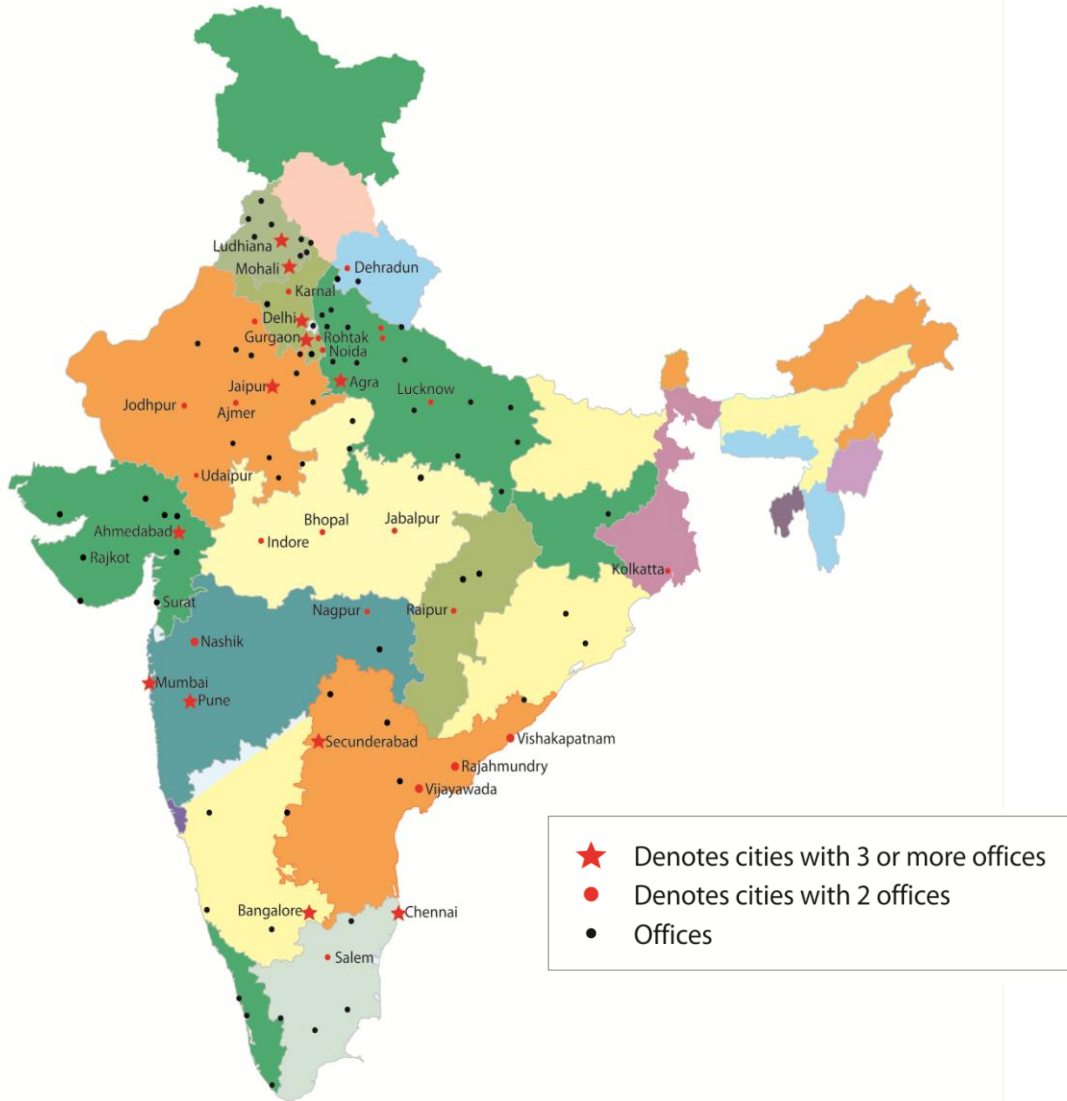
	9M FY 13-14	9M FY 12-13
RoE (annualised)	26.57%	22.59%

# Business Summary

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- |                     |   |                |
|---------------------|---|----------------|
| • Loans Outstanding | : | Rs. 39,069 Cr  |
| (December 31, 2013) | : | (US\$ 6.30 bn) |
  
- |                            |   |     |
|----------------------------|---|-----|
| • Loan Book CAGR (5 years) | : | 26% |
|----------------------------|---|-----|
  
- |  |   |           |
|--|---|-----------|
| • Cumulative Loans given to retail Customers | : | 5.84 Lakh |
| (up till 31 <sup>st</sup> December, 2013)    |   |           |
  
- |   |   |                 |
|---|---|-----------------|
| • Cumulative Loans Disbursed till date    | : | Rs. 82,400 Cr   |
| (up till 31 <sup>st</sup> December, 2013) |   | (US\$ 13.29 bn) |
  
- |                                  |   |       |
|----------------------------------|---|-------|
| • Cost to Income Ratio (FY 2013) | : | 18.0% |
|----------------------------------|---|-------|
  
- |                                   |   |     |
|-----------------------------------|---|-----|
| • Profit After Tax CAGR (5 years) | : | 19% |
|-----------------------------------|---|-----|

# Country-wide Reach



## Number of Outlets

FY10	140
FY11	163
FY12	180
FY13	200
Q3 FY14	205

Tier I	58
Tier II	89
Tier III	58
Total	205

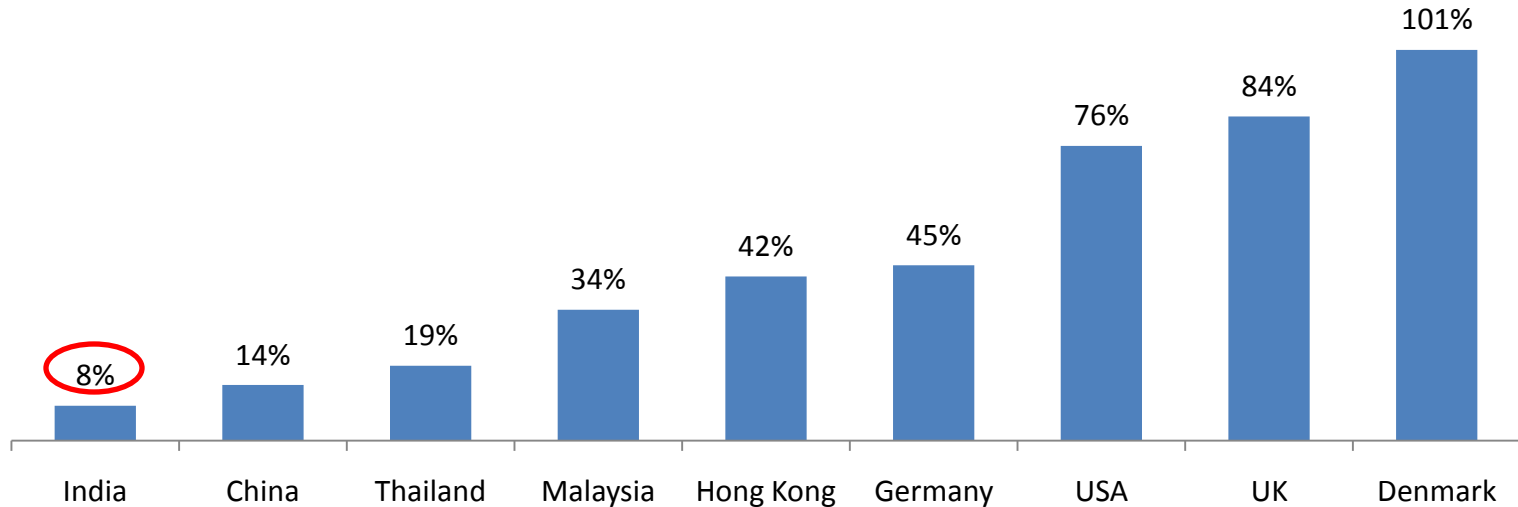
- ★ Denotes cities with 3 or more offices
- Denotes cities with 2 offices
- Offices



# **Indian Mortgage Market**

# Indian Mortgage Market

## Headroom for Growth - Low Mortgage Penetration

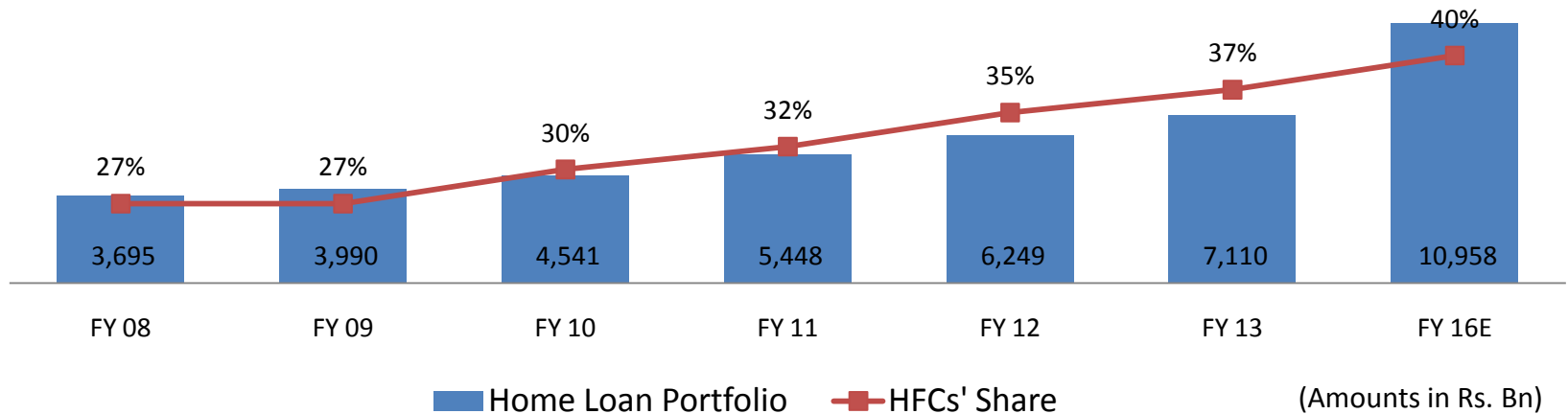


Source: European Mortgage Federation, 2011, HOFINET, 2011 & market estimates for India

- Lower mortgage penetration compared to advanced and emerging economies implies huge opportunity for growth
- Mortgage to GDP Ratio expected to improve to 12% by FY 15, supported by
  - Increasing Urbanization
  - Improved Affordability

# Indian Mortgage Market

## Growing HFC Market Share in a Steadily Expanding Home Loans Market



Source: RBI Database, NHB Reports, CRISIL, & ICRA Estimates

### High demand growth driven by:

- Increasing Affordability: Rising disposable incomes coupled with low effective interest rate of only 5.69%
- Average age of house owner has reduced to 35 years from 43 years in FY2000<sup>2</sup>
- Urbanisation to rise to 40% of population by 2025 from the current 31%<sup>1</sup>
- Urban Housing Shortage: estimated at 31.9 million units by 2016<sup>2</sup>
- Favourable Demographics: 60% of the country's population is below 30 years of age<sup>3</sup>

1 – NHB Report, 2012

2 – CRISIL Report

3 – Census 2011

# Indian Mortgage Market

## Tax Incentives – Low Effective Interest Rates

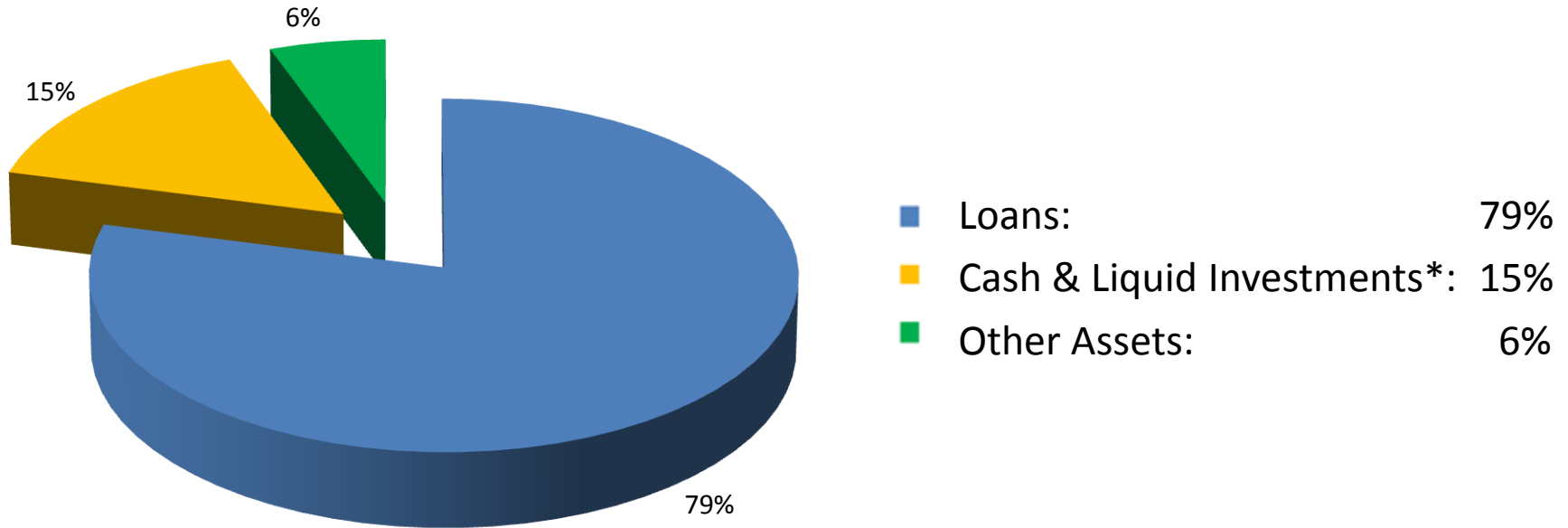
Particular	2013	2010	2000
Loan Amt (Rs)	2,500,000	2,500,000	2,500,000
<b>Nominal Interest Rate(%)</b>	<b>10.25%</b>	<b>9.25%</b>	<b>13.25%</b>
Max deduction for interest allowed *	250,000	150,000	75,000
Deduction Principal	100,000	100,000	20,000
<b>Tax Rate applicable</b>	<b>30.90%</b>	<b>30.90%</b>	<b>34.50%</b>
Tenor(Yrs)	15	15	15
Total amount paid per year	326,985	327,878	384,521
Interest component	252,830	227,878	327,893
Principal component	74,155	100,000	56,628
Tax amount saved	100,164	77,250	32,775
Effective Interest paid on home loan	152,666	150,628	295,118
<b>Effective interest rate on home loan</b>	<b>6.11%</b>	<b>6.03%</b>	<b>11.80%</b>

### Tax Exemption for Home Loans:

- For first-time home buyers, an additional tax exemption of Rs. 1 Lac has been announced in Budget 2013-14

# **Financial and Operational Highlights**

# Balance Sheet Assets

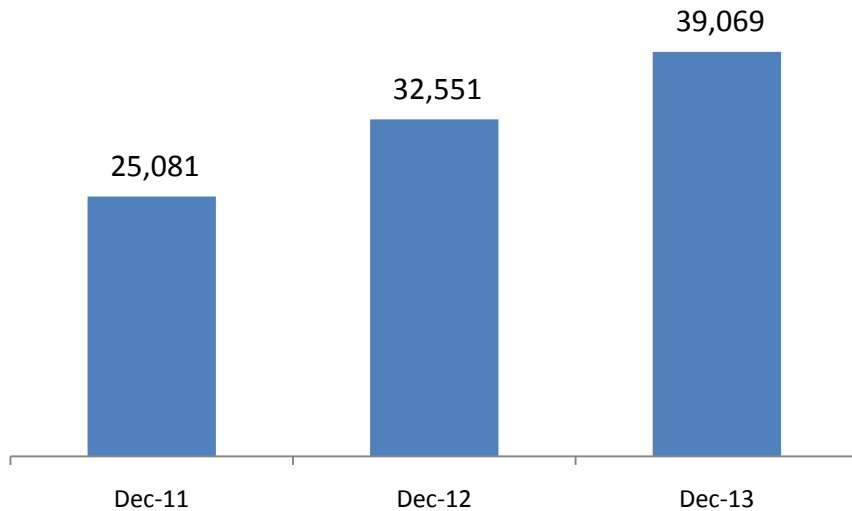


Total Assets	
As at Dec 31, 2013	Rs. Cr. 43,819 (US\$ 7.07bn)
As at Dec 31, 2012	Rs. Cr. 36,724 (US\$ 5.92bn)

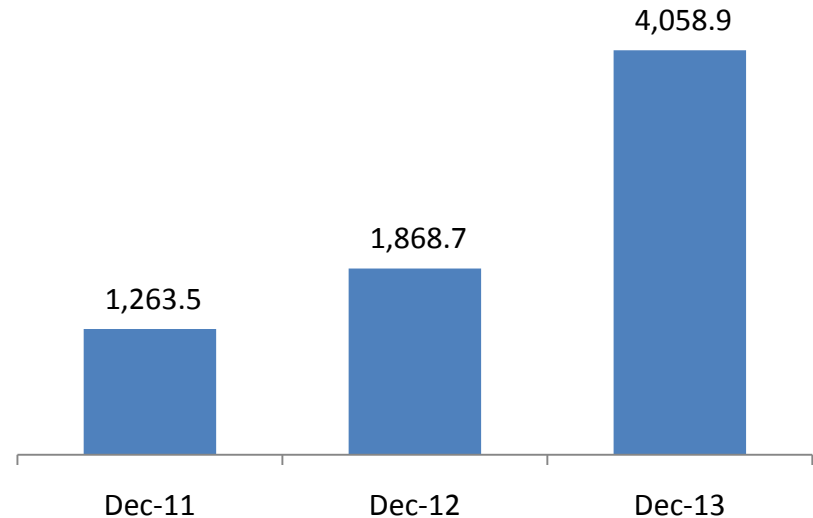
\* Cash, Cash Equivalents and Investments in Liquid Debt Instruments  
 US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 62

# Loan Book Growth

**Total Loan Assets (Rs. Cr.)**



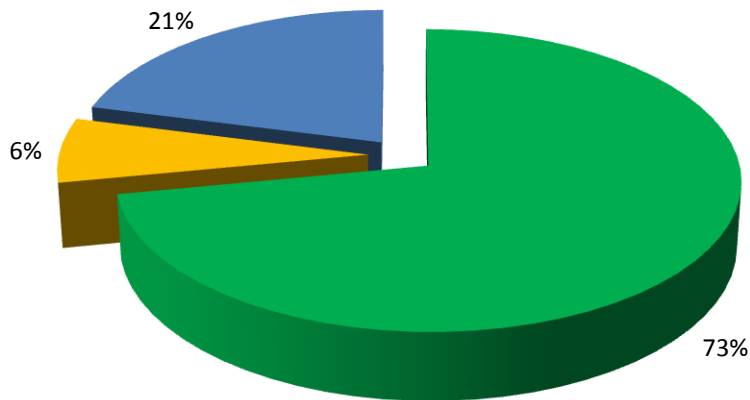
**Loans Sold (Rs. Cr.)**  
(in preceding 12 months)



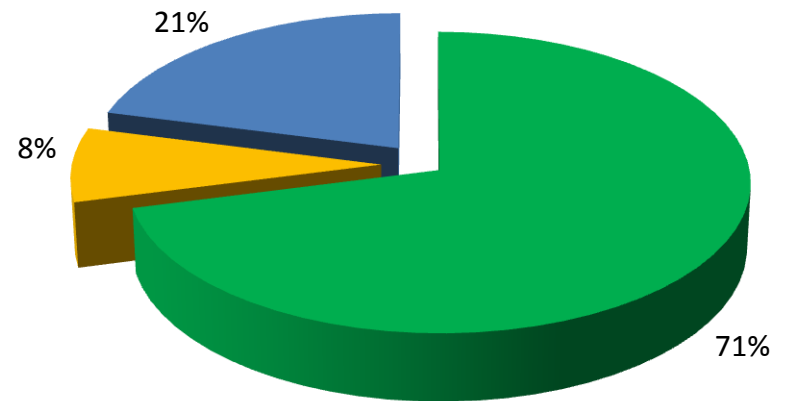
- The growth in the loan book inclusive of loans sold in the previous 12 months is 20%
- Loans sold (outstanding as on 31<sup>st</sup> December, 2013): Rs. 4,506.2 Cr. – on which spread at 3.1% p.a. is to be earned over the life of the loan

# Asset Composition

Q3 FY 13-14



Q3 FY 12-13



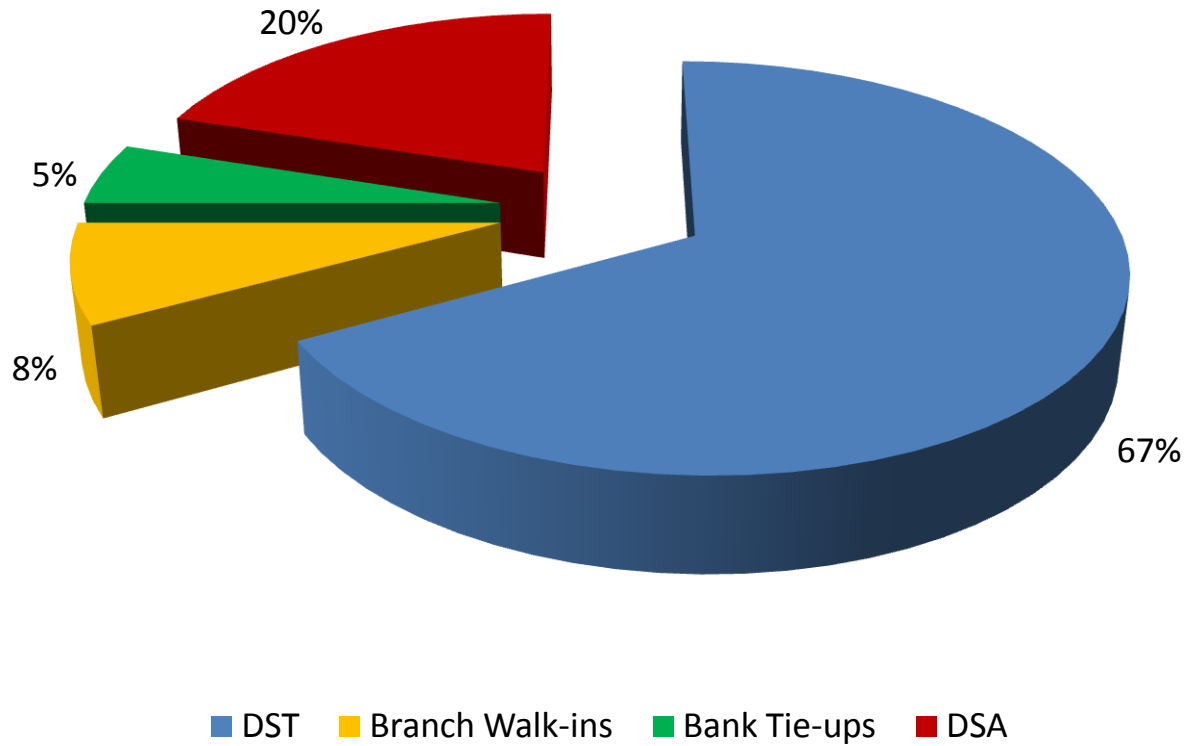
■ Mortgages ■ Commercial Vehicle ■ Corporate Loans

- Home loans, which forms the majority of incremental disbursements, are disbursed at an average ticket size of Rs. 24 lacs; average LTV of 68% (at origination)



# Mortgage Loans' Sourcing

75% of Mortgage loans are sourced in-house



# Conservative Home Loan Profile

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Average Loan Size	24 Lacs
Maximum Loan to Value	80%
Average Loan to Value	68% (at origination)
Average Loan Term	13 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

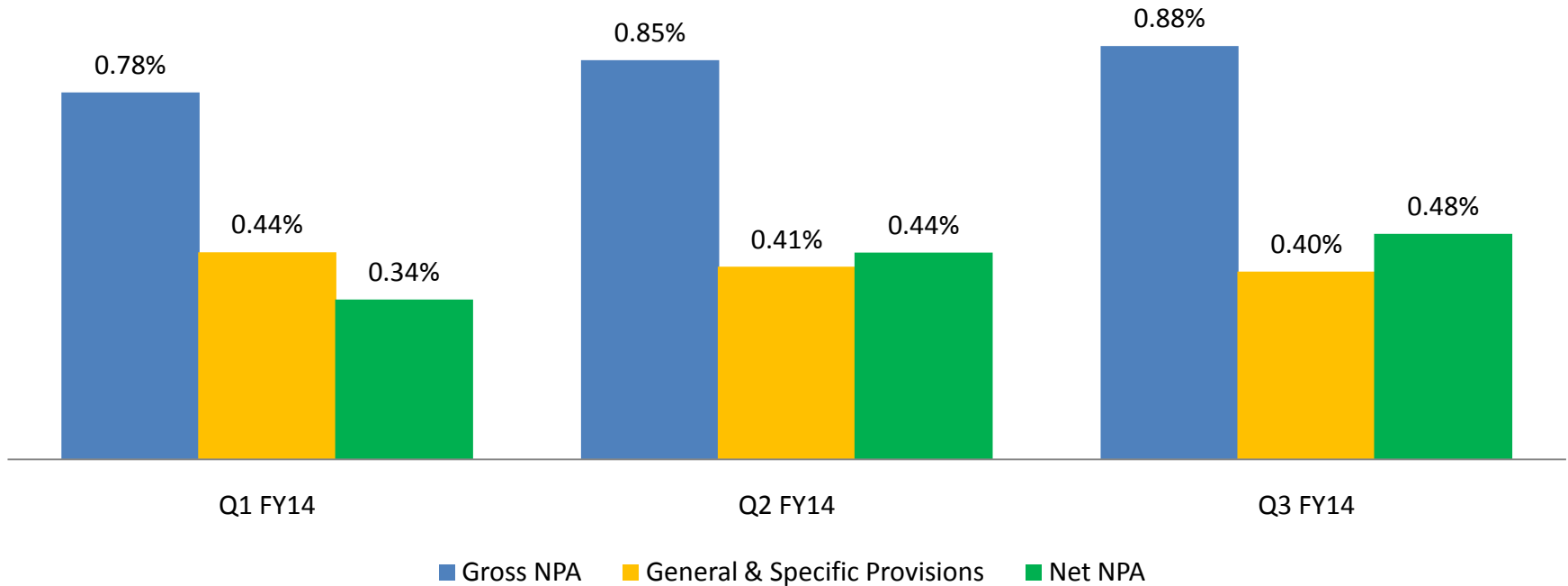
# Conservative Loan Against Property Profile

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Average Loan Size	65 Lacs
Maximum Loan to Value	65%
Average Loan to Value	48% (at origination)
Average Loan Term	7 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

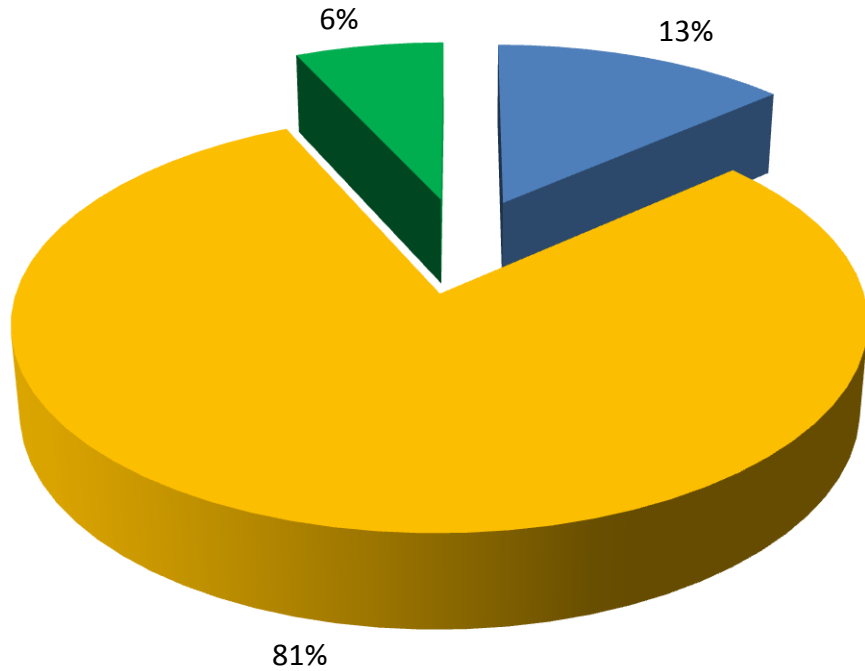
# Asset Quality

*(as % of Total Loan Book)*



- NPA's continue to remain within the target range despite a prolonged depressed economic environment and a resultant weak phase of the credit cycle
- Standard Asset Provision pool of Rs. 307.57 Cr. is over and above General and Specific Provision pool and is not netted off against Gross NPAs in calculation of Net NPAs

# Liabilities



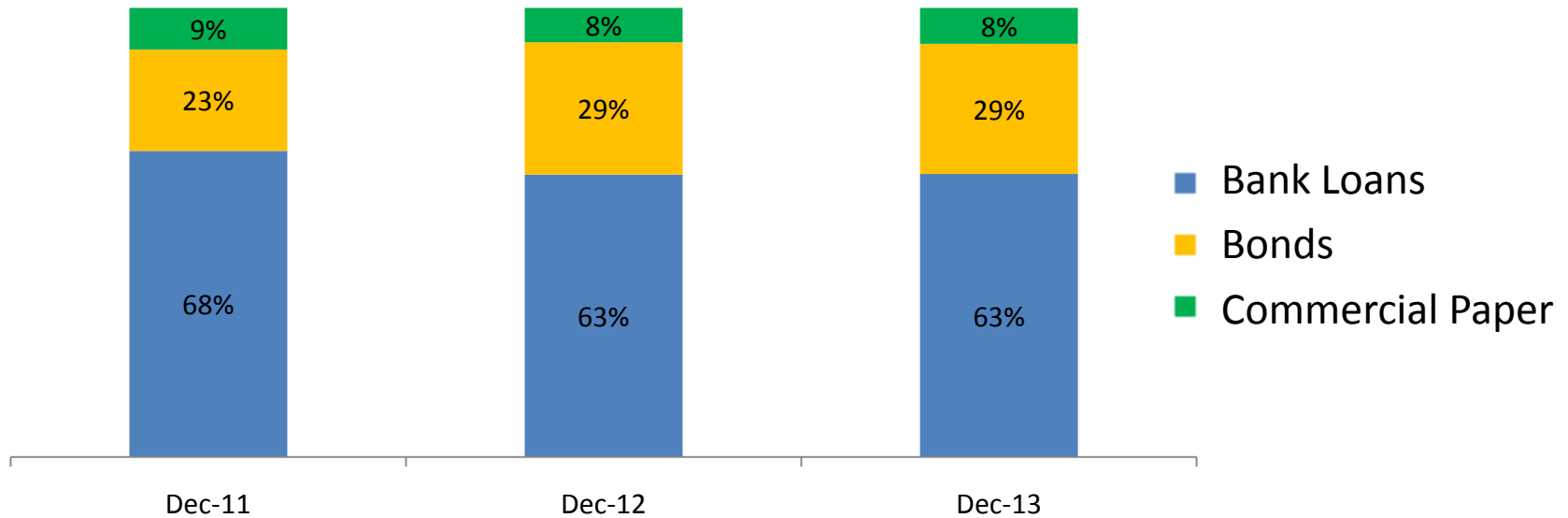
■ Share Holder's Funds:	Rs. 5,585 Cr. (US\$ 0.90 bn)
■ Borrowings:	Rs. 35,539 Cr. (US\$ 5.73 bn)
■ Other Liabilities:	Rs. 2,695 Cr. (US\$ 0.43 bn)

## Total Liabilities:

As of December 31, 2013: Rs. 43,819 Cr. (US\$ 7.07 bn)

As of December 31, 2012: Rs. 36,724 Cr. (US\$ 5.92 bn)

# Diversified Borrowing Programme

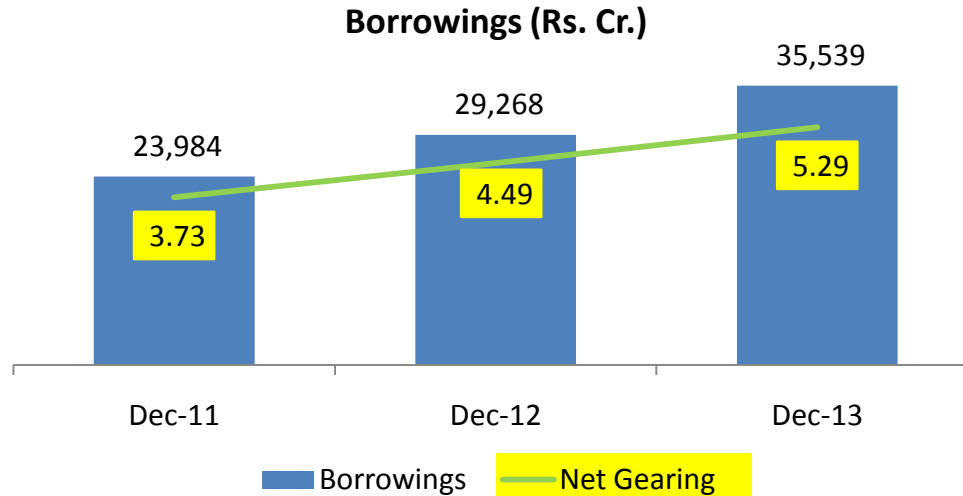


## Total Borrowings:

As of December 31, 2013: Rs. Cr. 35,539 (US\$ 5.73 bn)

As of December 31, 2012: Rs. Cr. 29,268 (US\$ 4.72 bn)

# Diversified Borrowing Programme



*Net Gearing: Borrowings Net of 'Cash & Cash Equivalents' and 'Investments in Liquid Debt Instruments'*

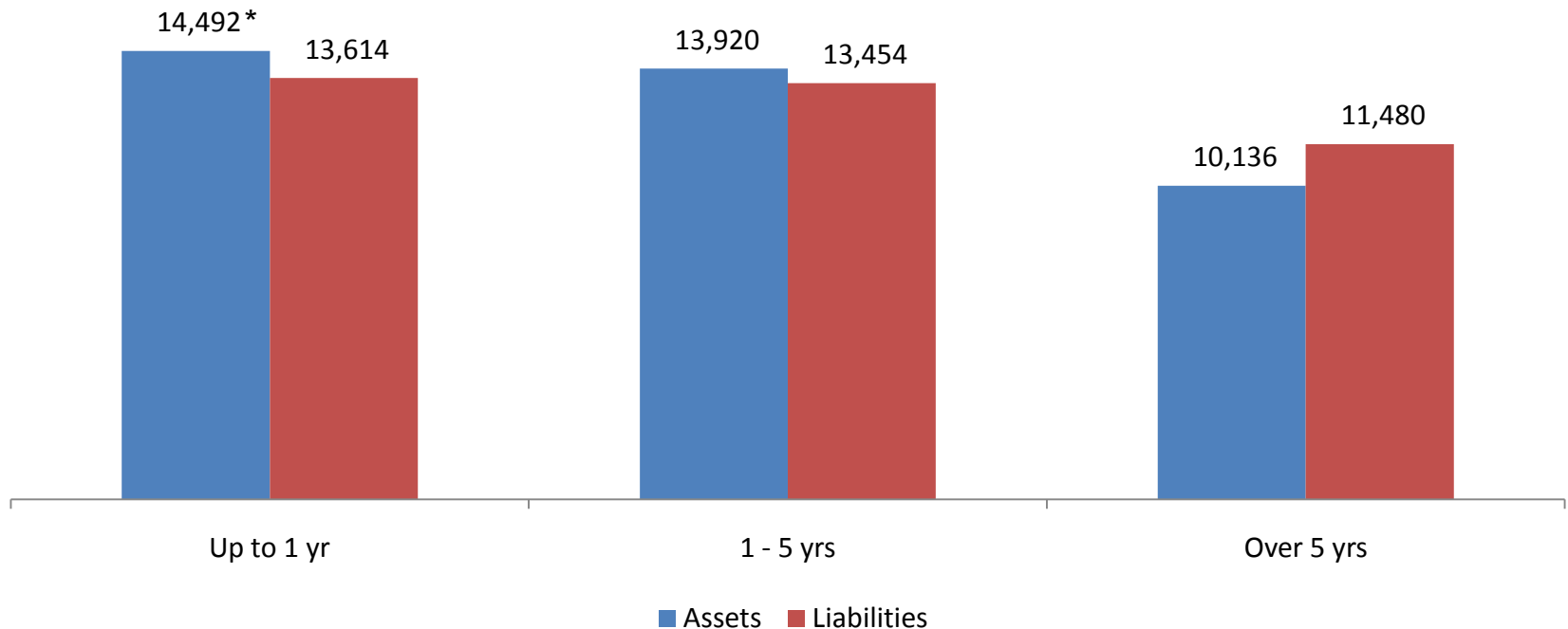
	Total Borrowings (Rs. Cr.)		Contribution in Incremental Borrowing
	Dec-13	Dec-12	Last 12 months
Bank Loans	22,195	18,416	60%
Bonds	10,379	8,614	28%
CP	2,965	2,238	12%
<b>Total</b>	<b>35,539</b>	<b>29,268</b>	<b>100%</b>

- Amongst its lenders, the company now counts 105 strong relationships: 26 PSU banks, 16 Private and Foreign banks and 63 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and others

# Optimally Matched Balance Sheet

## Maturity Profile

(As of March 31,2013)



(Amounts in Rs. Cr.)

- \* Assets in the 'Up to 1 Yr' bucket includes Rs. 7,180.9 Cr. of Cash, Cash equivalents and investments in liquid debt instrument
- The maturity profile reflects adjustments for prepayments and renewals in accordance with the guidelines issued by National Housing Bank



# Our Strengths

## Home Loan Strengths

- In-house sourcing & collection teams – low and stable NPA levels
- Low average loan to value ratios
- Emphasis on borrower cash flow stability during loan appraisal
- Experienced underwriting team - company has cumulatively disbursed approx. Rs. 82,400 Cr since FY06

## Corporate Strengths

- Stable and experienced management team
- Technology driven quality customer service
- Headroom to grow: Net gearing: 5.29
- Steady book growth over last 18 quarters
- Declining cost to income ratio: 18.0% (for FY 2012-13)
- In-house collections team, facilitates portfolio stability

### Awards and Accolades

HFC of the Year



Best Employer Brand



# Home Loans: Expanding Regional Reach

అందుబాటులో గృహ వసతి కల్పించుకోవాలన్న మీ కల ఇప్పుడు వాస్తవమవుతోంది. ఇండియబల్స్ హోమ్ లోన్స్ @

**10.25%\***

ప్రత్యేక ఆఫర్  
పరిమితి 25 లాక్ష్ వరకు  
48 గంటల్లో

**Indiabulls HOME LOANS**  
ఇక రండి మీ ఇంటికే

HELPLINE: 1800 200 7777 | SMS 'HOME' TO 56677

**Indiabulls HOME LOANS**  
Ab Ghar Aa Jao

ఇండియబల్స్ హోమ్ లోన్స్

**BEST OFFER ON HOME LOANS UPTO 25 LACS**

APPLICABLE FOR NEW AND EXISTING HOME LOANS

Loan sanction in 48 hrs\*      Vast array of pre-approved projects

For doorstep service, contact: HELPLINE: 1800 200 7777 | SMS 'HOME' to 56677

తమె పరపకనారా ధరను తమారు సపను హవే సాకార తశో. ఇండియబల్స్ హోమ్ లోన్స్ @

**10.25%\***

విశేష ఆఫర్  
48 గంటల్లో  
25 లాక్ష్ వరకు  
సులభంగా

**Indiabulls HOME LOANS**  
హవే ధరె సాచీ జానో

HELPLINE: 1800 200 7777 | SMS 'HOME' TO 56677

- The company is widening the scope of its reach by launching regional language campaigns in the states of Gujarat, Karnataka, Maharashtra, Orissa and Andhra Pradesh
- The company also rolled out its flagship *Aawas -2013* property shows across Tier II and Tier III cities of India

## Rising Productivity Ratios

	FY 2013	FY 2012	FY 2011
No. Of Employees	4,072	4,243	4,512
No. Of Outlets	200	181	163
Profit Per employee (Rs. Cr.)	0.31	0.24	0.17
Asset Per employee (Rs. Cr.)	8.09	5.85	3.71
Cost Income Ratio	18.0%	18.7%	23.4%

## Key Financial Metrics

	FY 2013	FY 2012	FY 2011
Pre Tax ROAA (%)	4.9%	4.9%	5.5%
Post Tax ROAA (%)	3.8%	3.7%	4.1%
ROE (%)	25.6%	21.9%	17.2%
Capital Adequacy (%)	18.47%	18.86%	20.09%
- <i>Of which Tier I</i>	14.96%	18.21%	19.89%
- <i>Tier II</i>	3.51%	0.65%	0.20%

# **Valuations and Shareholding**

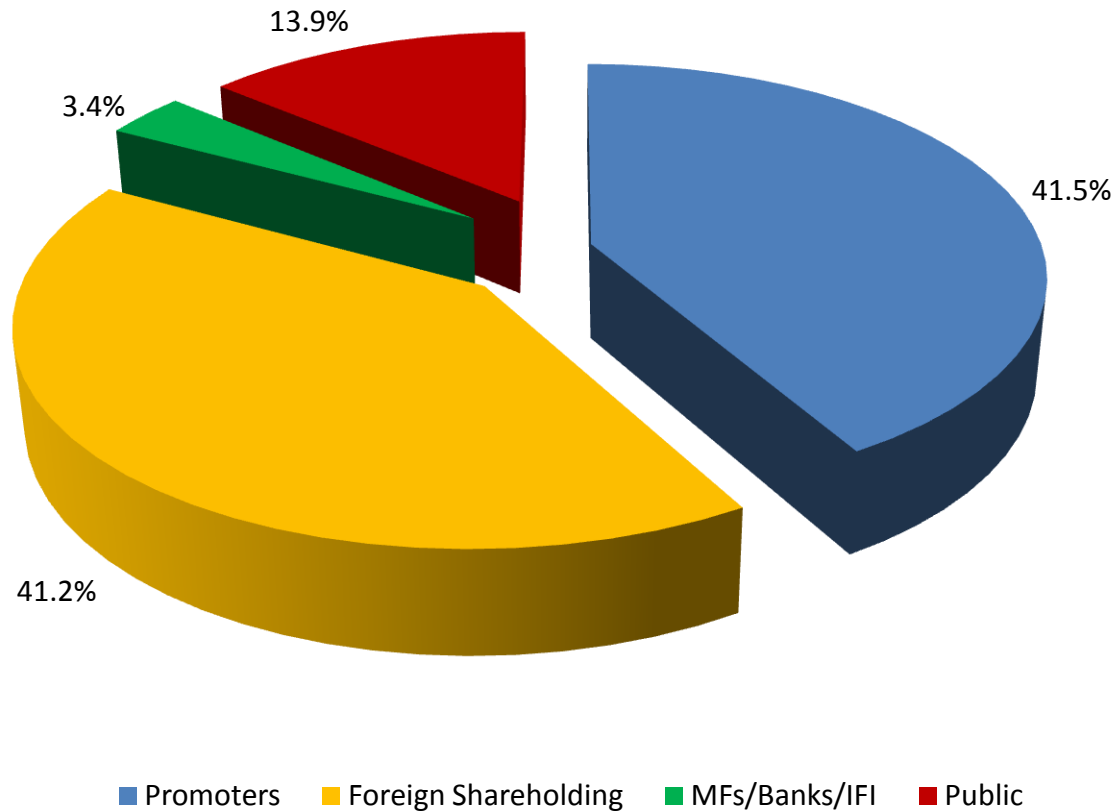
# Valuations and Returns

	Dec-13	Mar-13	Mar-12	Mar-11
Market Price per share (Rs.)	238.5*	271.8	207.1	154.8
Dividend per share (Rs.)	20	20	13	10
Market Capitalisation (US\$ Bn)	1.28	1.37	1.04	0.78
PE Ratio (times)	5.2	6.8	6.5	6.5
Book Value per share (Rs.)	167	165	158	146
Price to Book Ratio (times)	1.4	1.6	1.3	1.1
Foreign Shareholding (%)	41.2%	46.9%	38.7%	43.5%

\* Closing Price as of 31<sup>st</sup> December, 2013 on the National Stock Exchange

US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 62

# Shareholding Pattern



MF: Mutual Funds  
IFI: Indian Financial Institutions

# Detailed Financials



# Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	(Rupees in Crore)	
	As at	
	31.12.13 (Unaudited)	31.03.13 (Audited)
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's Funds</b>		
(a) Share Capital	66.74	62.50
(b) Reserves and Surplus	5,582.31	4,993.26
(c) Money received against share warrants	-	112.82
<b>(2) Share application money pending allotment</b>	2.59	-
<b>(3) Minority Interest</b>	1.85	144.87
<b>(4) Non-Current Liabilities</b>		
(a) Long-term borrowings	20,427.15	18,234.46
(b) Other Long term liabilities	20.21	7.84
(c) Long term provisions	320.28	369.99
<b>(5) Current Liabilities</b>		
(a) Short-term borrowings	9,190.07	6,581.01
(b) Trade payables	5.94	2.85
(c) Other current liabilities	7,346.58	7,794.35
(d) Short-term provisions	855.33	824.87
<b>Total</b>	<b>43,819.05</b>	<b>39,128.82</b>
<b>II.Assets</b>		
<b>(6) Goodwill on Consolidation</b>	68.56	-
<b>(7) Non-current assets</b>		
(a) Fixed assets	47.69	45.61
(b) Non-current investments	1,021.31	15.16
(c) Deferred tax assets (net)	169.49	164.13
(d) Long term loans and advances	30,221.23	27,154.75
(e) Other non-current assets	549.85	483.73
<b>(8) Current assets</b>		
(a) Current investments	3,438.47	2,292.73
(b) Trade receivables	0.44	2.24
(c) Cash and cash equivalents	3,308.40	4,888.18
(d) Short-term loans and advances	4,493.32	3,726.05
(e) Other current assets	500.29	356.24
<b>Total</b>	<b>43,819.05</b>	<b>39,128.82</b>

**Rs. 6,746.87 Cr**  
of Cash & Cash  
Equivalents and  
Investments in  
Liquid Debt  
Instruments

# Consolidated Income Statement

		(Rupees in Crore)			
	Particulars	Quarter ended		Nine Months ended	Year ended
		31.12.13	30.09.13	31.12.13	31.03.13
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Income from Operations</b>				
	a) Income from Operations	1,480.62	1,388.04	4,070.28	4,452.42
	b) Other Operating Income	85.18	66.59	262.54	277.00
	<b>Total Income from operations (net)</b>	<b>1,565.80</b>	<b>1,454.64</b>	<b>4,332.82</b>	<b>4,729.42</b>
2	<b>Expenses</b>				
	a) Employee Benefits Expense	68.76	67.32	205.44	224.55
	b) Depreciation and Amortisation Expense	2.01	1.99	6.08	9.38
	c) Other Expenses	60.82	89.70	238.35	289.79
	<b>Total Expenses</b>	<b>131.59</b>	<b>159.01</b>	<b>449.86</b>	<b>523.73</b>
3	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	1,434.21	1,295.62	3,882.96	4,205.69
4	Other Income	8.77	19.51	59.86	48.46
5	Profit from ordinary activities before Finance costs & Exceptional Items (3+4)	1,442.98	1,315.14	3,942.82	4,254.15
6	Finance Costs	906.77	809.79	2,430.18	2,599.09
7	Profit from ordinary activities after Finance costs but before Exceptional Items (5-6)	536.21	505.35	1,512.64	1,655.06
8	Exceptional Items	-	-	-	-
9	<b>Profit from Ordinary Activities before Tax (7-8)</b>	<b>536.21</b>	<b>505.35</b>	<b>1,512.64</b>	<b>1,655.06</b>
10	Tax Expense (including Deferred Tax)	141.07	134.96	395.61	389.07
11	<b>Net Profit from Ordinary Activities after Tax (9-10)</b>	<b>395.15</b>	<b>370.39</b>	<b>1,117.03</b>	<b>1,265.99</b>
12	Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-	-
13	<b>Net Profit for the period / year (11-12)</b>	<b>395.15</b>	<b>370.39</b>	<b>1,117.03</b>	<b>1,265.99</b>
14	Share of Profit of Associate	-	-	-	0.08
15	Minority Interest for the period / year	0.00	1.27	4.32	7.62
16	<b>Net Profit from Ordinary Activities after Tax, Share of Profit of Associate and Minority Interest (13+14-15)</b>	<b>395.15</b>	<b>369.12</b>	<b>1,112.71</b>	<b>1,258.44</b>
17	Paid-up Equity Share Capital	66.74	66.02	66.74	62.50
18	Reserves excluding Revaluation Reserves as per Balance Sheet as on March 31, 2013				4,993.26
19	Minority Interest	1.85	149.19	1.85	144.87
20	Earnings per Share (EPS) before extraordinary items <i>*(EPS for the quarter and nine months are not annualised)</i>				
	-Basic (Amount in Rs.)	11.89*	11.33*	34.39*	40.19
	-Diluted (Amount in Rs.)	11.81*	11.23*	33.99*	38.94
	Earnings per Share (EPS) after extraordinary items <i>*(EPS for the quarter and nine months are not annualised)</i>				
	-Basic (Amount in Rs.)	11.89*	11.33*	34.39*	40.19
	-Diluted (Amount in Rs.)	11.81*	11.23*	33.99*	38.94

Thank you