



Indiabulls Housing Finance Limited

# Safe Harbour Statement

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*This document contains certain forward-looking statements based on current expectations of Indiabulls Housing Finance Ltd.'s (CIN: L65922DL2005PLC136029) 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 the securities markets, new regulations and government policies that might impact the business of Indiabulls Housing Finance Ltd., the general state of the Indian economy and the management's ability to implement the company's strategy. Indiabulls Housing Finance Ltd. 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 Housing Finance Ltd. 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 Housing Finance Ltd.*

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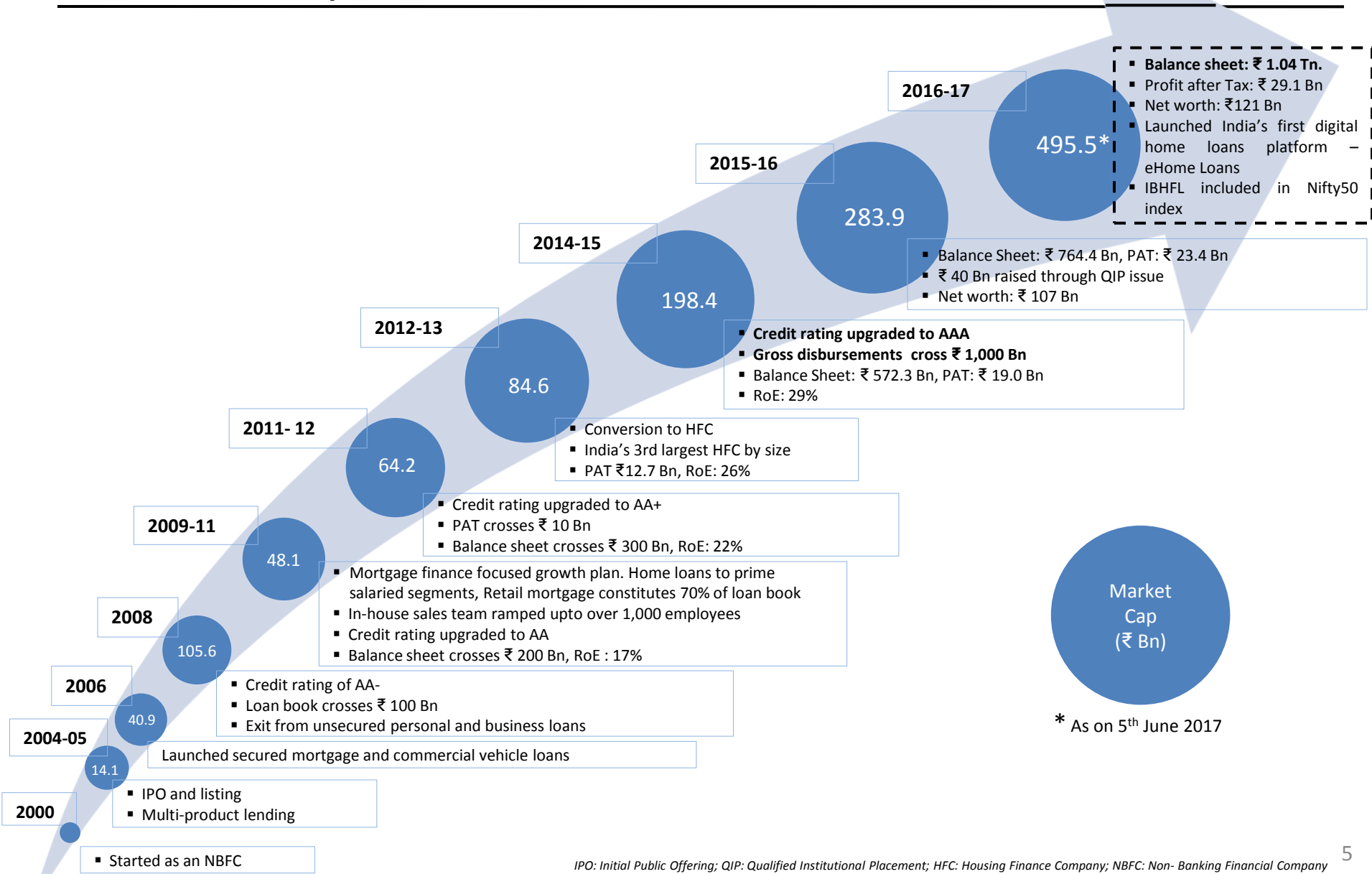
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# Business Update

# Our Journey



\* As on 5<sup>th</sup> June 2017

# Business Update

Key Financial Highlights: FY 16-17

(ending March 31, 2017)

	FY 16-17	FY 15-16	Y-o-Y Growth (%)
Balance Sheet (₹ Bn)	1,037.05	764.36	35.7%
Loan Assets (₹ Bn)	913.01	686.83	32.9%
Total Revenues (₹ Bn)	117.02	92.26	26.8%
NII (₹ Bn)	47.68	37.94	25.7%
PAT (₹ Bn)	29.06	23.45	24.0%

Year-on-Year (Y-o-Y) Comparison : Q4 FY16-17 vs Q4 FY15-16

	Q4 FY16-17	Q4 FY15-16	Y-o-Y Growth (%)
Total Revenues (₹ Bn)	32.25	26.47	21.8%
NII (₹ Bn)	13.60	11.16	21.8%
PAT (₹ Bn)	8.41	6.76	24.4%

# Rating Upgrade by ICRA, A Moody's Investor Service Company

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- **Long term credit rating upgraded to AAA**
- **After HDFC Ltd's upgrade to AAA in 1997, 20 years hence IBHFL is only the second independent non-bank company in India to be upgraded to AAA**
- **IBHFL will gain as cost of borrowing will come down due to this rating upgrade and align with those of established AAA rated corporates**

# Indian Home Loans Market



# Favourable Macros for Mid-Income Affordable Housing

## Strong structural drivers and government focus: “Housing for All by 2022”

- Mid-income mass housing demand covered under Pradhan Mantri Awas Yojana (PMAY) scheme notified in March 2017
- Home buyers can withdraw from their accumulated Employees’ Provident Fund (EPF) corpus for both the down payment on their house as well as to pay their home loan EMIs
- Budget 2017 has meaningfully enhanced the scope of ‘Affordable Housing’ & ‘PMAY’ for buyers, lenders and developers to include mass-market mid-income affordable housing

## With PMAY for mid-income affordable housing, effective interest rate at 0.30% for home loan of ₹ 2.4 Mn

- Effective home loan rates in the mid-income affordable housing segment is at near-zero levels. With rental yields at 3.2%, home ownership is very affordable and much cheaper than renting a house

# Favourable Macros for Mid-Income Affordable Housing

## RBI, SEBI and IRDA – All regulatory agencies working in tandem towards “Housing for All by 2022”

- SEBI has increased cap on additional exposure to AA (and above) rated HFCs from 25% to 40% in February 2017, **the only sector enjoying limit above 25% sectoral limit applicable for all other sectors**
- Affordable housing has been granted infrastructure status in the 2017 budget - **ECBs up to \$ 750 Mn per annum** can be raised under automatic route
- RBI has reduced risk weights on bank lending to AAA rated HFCs to 20% from 100% **enabling banks to lower the cost of funding to HFCs**
- IRDA has exempted investments in AAA rated HFCs from sectoral caps thereby **enabling insurance companies to freely invest in HFC debt instruments**

# Unlocking of EPF Corpus for Purchasing a House and Servicing Home Loan EMIs



- Employee Provident Fund Organisation (EPFO) members can withdraw up to 90% of their accumulated corpus for purchase or construction of a house
- The balance, unutilised EPF corpus can be further withdrawn to service home loan EMIs
- For the home buyer this means:
  - The 20% upfront amount for purchase of house can be paid from withdrawal of accumulated EPF corpus
  - Home loan amount eligibility increases as the EPF amount is now available for paying loan EMIs
- The total EPF corpus is ₹ 8.5 lakh Cr. (₹ 8.5 trillion) with a subscriber base of 50 million
- **Of the above, over 7.5 million\* subscribers are from the 'exempt' category where annual salaries are in excess of ₹ 250,000, and have been members for over 3 years, representing prime, mass-market house buyers eligible under this scheme**

\* EPFO Annual Report 2014-15

EPF: Employees' Provident Fund

Accumulated Corpus = employer's contribution + employee's contribution + accumulated interest

# PMAY and Tax Incentives for Mid-Income Affordable Housing

## **Tremendous boost from expansion of coverage to mid-income affordable housing under Pradhan Mantri Awas Yojana (PMAY)**

- People earning up to ₹ 150,000 per month now covered under the scheme for purchase of a house of carpet area up to 1,185 Sq. Ft.
- There is no cap on the value of the house being purchased
- Up to a home loan amount of ₹ 2,285,000 (property value of ₹ 3,265,000) the effective interest rate on the loan will be less than 0% - over the loan tenure, the borrower repays less than the loan amount
- Up to a home loan of ₹ 3,600,000 (property value of ₹ 5,140,000) the effective interest rate on the loan will be less than the rental yield, which averages 3.2% for the top-12 Indian cities
- Effective home loan rate for ₹ 2.4 Mn home loan, IBHFL's average ticket size, is 0.30%
- PMAY subsidies are promptly processed through the NHB and payments are received in 30 days

# PMAY and Tax Incentives for Mid-Income Affordable Housing

## Illustration for Indiabulls Housing's average Home Loan

- House value : ₹ 3,500,000
- Home loan amount : ₹ 2,400,000 (Loan to value of 70%)
- PMAY subsidy : ₹ 230,156
- Net loan amount : ₹ 2,169,844

Years	Opening Loan Principal	Interest Payment (@ 8.35%)	Principal Repayment (pre-payment at least up till ₹ 150,000 p.a. to maximise tax benefit)	Tax Saved*	Net Amount Paid (Net of Tax Savings)
1	2,169,844	179,524	150,000	101,823	227,701
2	2,019,844	166,509	150,000	97,801	218,708
3	1,869,844	153,493	150,000	93,779	209,714
4	1,719,844	140,477	150,000	89,758	200,720
5	1,569,844	127,462	150,000	85,736	191,726
6	1,419,844	114,446	150,000	81,714	182,732
7	1,269,844	101,431	150,000	77,692	173,738
8	1,119,844	88,415	150,000	73,670	164,745
9	969,844	75,399	150,000	69,648	155,751
10	819,844	62,384	161,115	65,627	157,873
11	658,729	48,403	175,096	61,307	162,192
12	483,633	33,210	190,289	56,612	166,887
13	293,344	16,699	206,800	51,510	171,989
14	86,544	1,748	86,544	27,282	61,010
<b>Total</b>		<b>1,309,600</b>	<b>2,169,844</b>	<b>1,033,959</b>	<b>2,445,486</b>

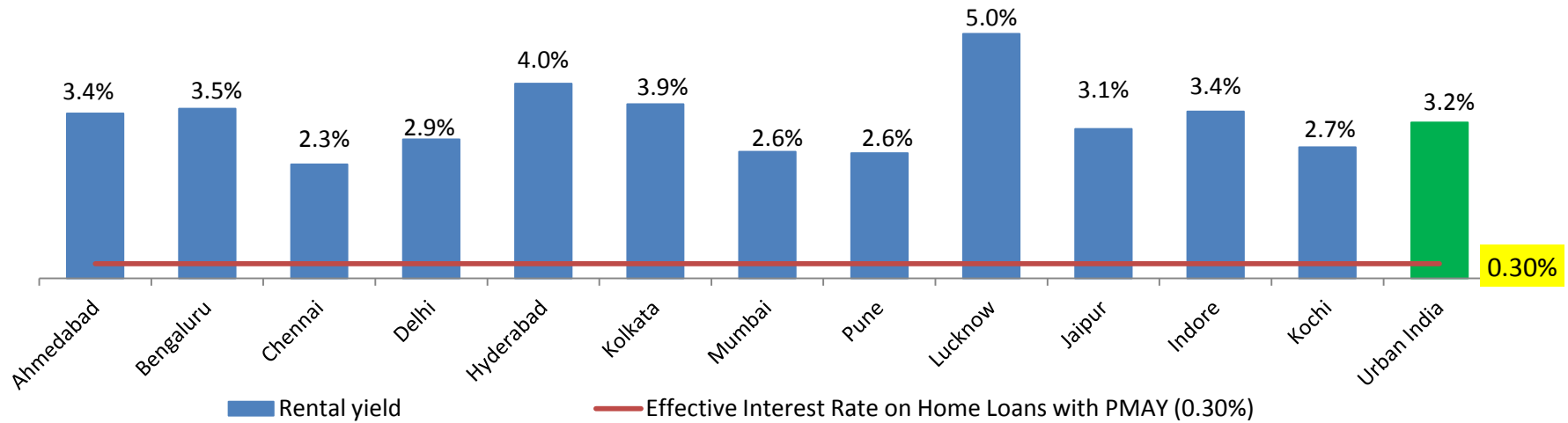
Effective Interest Rate on Home Loan	0.30% p.a.
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\* Tax saved = 30.90% of [interest paid up to ₹ 250,000 + principal paid up to ₹ 150,000]

# EMI Smaller than Rent Cheque:

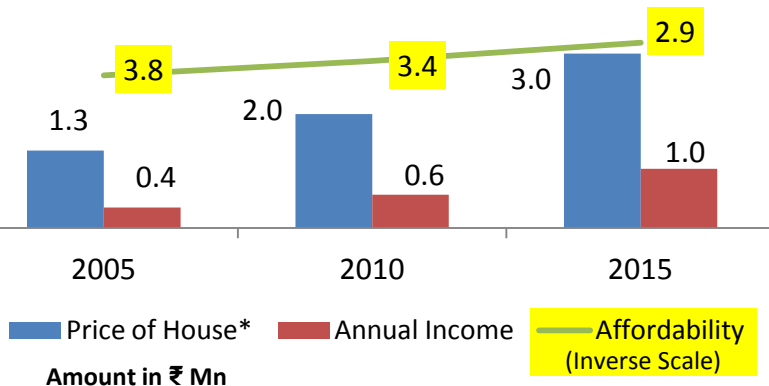
## PMAY and Tax Incentive for Mid-Income Affordable Housing **Indiabulls HOME LOANS**

Rental Yield v/s Home Loan Cost



Source: NHB; Industry reports

### Increasing Affordability



- The effective home loan rate is only 0.30% against rental yield of 3.2% in the top-12 Indian cities
- Home ownership is very lucrative and much cheaper than renting property

Affordability is defined as "Price of House" divided by the "Annual Income"

\* Source: NHB; Industry reports

EMI: Equated Monthly Installment. Equal monthly installments of a principal amortising loan  
PMAY: Pradhan Mantri Awas Yajana

# Growth Momentum in Mid-Income Affordable Housing

- RBI's All-India House Price Index (HPI), April 3, 2017: House prices hold steady and rise by 2.3% through demonetization phase of Q3 FY17, belying much touted expectations<sup>1</sup>  
[https://rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=40041](https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=40041)
- PMO directs state governments to build land banks for affordable housing projects
- Delhi Development Authority (DDA) clears pooling policy paving way for urbanization of 95 villages resulting in supply of 2.5 million affordable houses in NCR over next 10 years
- Sluggish home sales in premium-segment has got organized developers to focus on mid-income affordable housing
- Affordable housing market estimated at ₹ 6.25 trillion by 2022<sup>2</sup>



RBI, April 3, 2017

PMO directs all government departments to spot vacant lands to push affordable housing

The government wants to build a land bank to give a push to affordable housing initiative

Economic Times, April 7, 2017

**Affordable housing segment to grow at 30%, faster than industry: ICRA**

Government has increased focus on affordable housing by giving 39% higher allocations under PMAY compared to FY17

ET Realty, March 22, 2017

# Commercial Office Space Absorption

- Office space leasing at ₹ 50 to ₹ 70 per sq. ft. per month (~ 1 USD) is a lead indicator of housing demand. As a rule of thumb, 100 sq. ft. of office space requires almost 1,000 sq.ft. of residential space
- Commercial office space absorption at an all time high of 43 mn sq. ft. in CY2016<sup>1</sup>
  - Sustained leasing demand touched 9.3 mn. sq.ft. in Q1 CY 2017 – a 8% Y-o-Y growth <sup>2</sup>
  - Demand is secular across key-micro markets of the country
  - Sectorally broad-based demand led by IT, ITES, BFSI, engineering and manufacturing
- Office space vacancy is at a 8-year low. Office space vacancy in metros has slipped below 10%
  - Bangalore topped the list with only 4%<sup>3</sup> office space vacancy and it also saw highest leasing volumes in the Asia-Pacific region
  - Pune and Hyderabad recorded 6% and 9%<sup>3</sup> levels of office vacancy space respectively
- Leasing activity is highest in suburban and peripheral localities, which coincide with supply of mid-income affordable housing

## Office space leasing rises to 8 million sq ft in March quarter, new supply drops: Report

Office space leasing for top 8 cities rises to 8 mn sq.ft. for Q1 CY17

ET Realty, April 6, 2017

## PE investment in office assets to hit \$3.5 billion: Cushman & Wakefield

*Buoyed by stability in the commercial sector as well as potential to list under REITs, institutional investors have been keen to plough in funds in leased office assets*

Private Equity funding in Indian office assets to surge 4-fold to \$3.5 billion in 2017

ET Realty, Apr 3, 2017



# Home Sales Surge in Q4FY17

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- Primary residential sales across the country's top 8 cities increased 21% sequentially in Jan-Mar over the previous Oct-Dec quarter<sup>1</sup>
  - Kolkata – 47%, Hyderabad – 43%, Ahmedabad – 30%, Delhi – NCR region – 24.5%, Mumbai – 23.6%
  - Y-o-Y growth was still low at 5%, dragged down by weak markets in Chennai (-35%) and Bengaluru (-44%)
- Post demonetization, new home loan applications started growing from January with a 102% growth between December and March
- New launches indicate developers are catering more to the affordable housing bracket
  - 43% of new launches in ₹ 25 lakh to ₹ 50 lakh cost bracket
  - 71% of new launches in ₹ 25 lakh to ₹ 1 crore cost bracket
- Unsold stock has declined by 0.3%, attributed to healthy sales during the quarter

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**Home sales surge on cheaper loans,  
Modi government's affordable housing  
push**

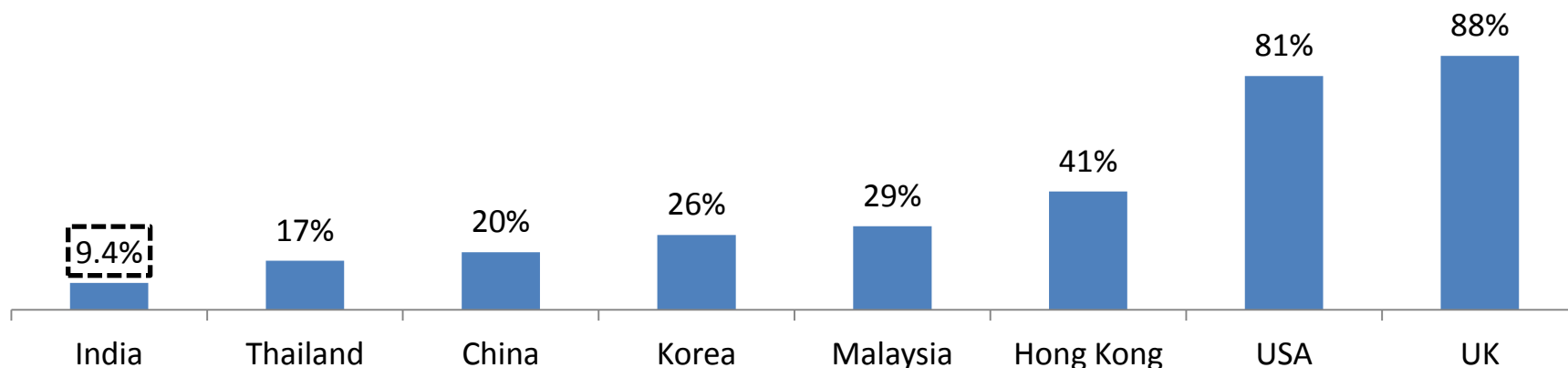
ET Realty, May 12, 2017

**India's top eight cities saw 21% surge in home sales  
in last quarter**

Business Insider, May 12, 2017

# Housing Potential: Driven by Favourable Demographics

- Urban housing requirement: estimated at 45 million units by 2022<sup>1</sup>
- Demand continues to increase due to rapid urbanization, which is expected to rise to 40% by 2030<sup>2</sup>, and growing trend of nuclear families



Source: ICRA HFC Report, March 2017

- Low mortgage penetration compared to advanced and emerging economies implies huge opportunity for growth
- Indian mortgage industry at an inflection point and is expected to grow five-fold in the next 10 years

# Strong Structural Drivers and Government Focus



## CY2016: Boost to the Housing Sector

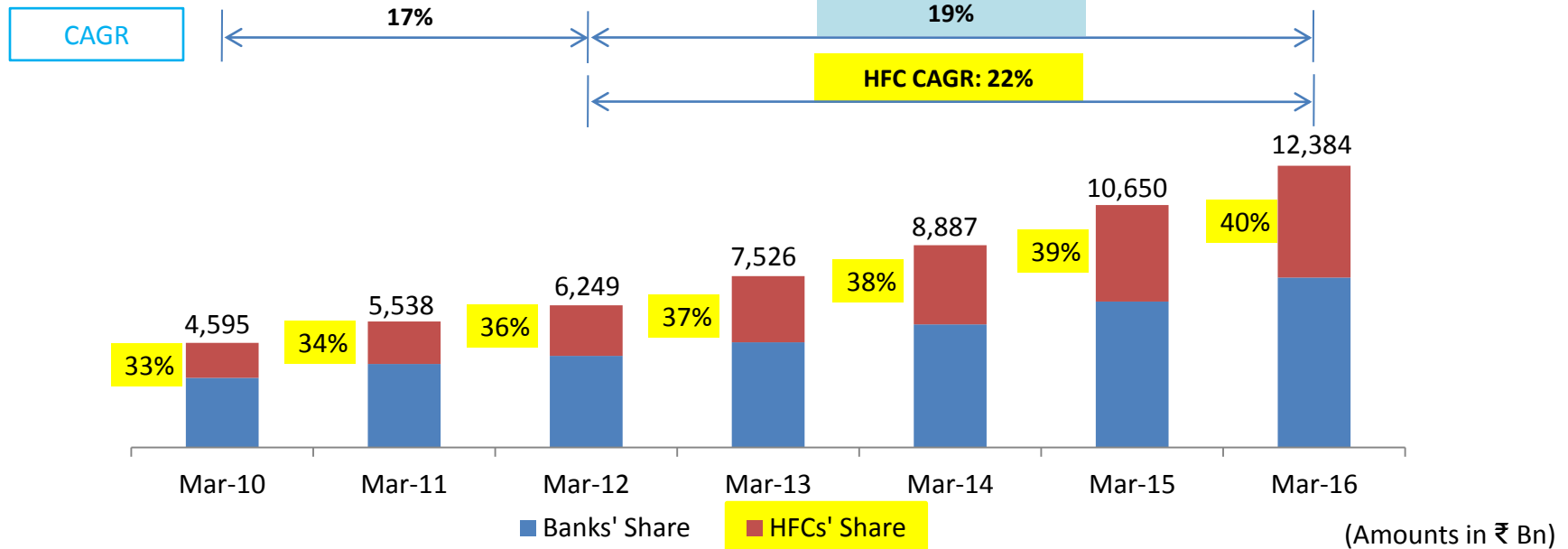
Pradhan Mantri Awas Yojana (PMAY)	Subsidy eligibility under Pradhan Mantri Awas Yojana (PMAY) enhanced to cover up to ₹ 12 lakh of home loan – reduces effective home loan rates to 0.30% for mid-income affordable housing
EPF Corpus Withdrawal	Home buyers can withdraw from their accumulated EPF corpus for both the down payment on their house as well as paying their home loan EMIs
Regulator	Real Estate (Regulatory & Development) Act, 2016 will lead to a structured, transparent and disciplined sector
Tax Incentives	Increased tax incentive reduces effective home loan yields to 0.30% for a 8.35% home loan
Budget 2016-17	100% tax exemption on profits from construction of affordable housing will attract organized developers and increase supply
Fiscal Incentives	Service tax exemption on construction of affordable housing will lead to reduction in prices, increasing affordability
7 <sup>th</sup> Pay Commission	Annual payout to 10 Mn government employees to go up by ₹ 1 Tn per annum. Increased disposable income will have positive impact on the housing sector

## Key Structural Drivers of Housing Growth

Favorable Demographics	66% of India's population is below 35 years of age. Urban housing requirement estimated to grow to 45 million units by 2022
Accelerating Urbanization	Urbanisation to rise to 40% of population by 2030 from the present 31%
Improving Affordability	Rising disposable income, affordable housing loan interest rates and tepid property price inflation resulting in rapidly increasing affordability
Government Policy Thrust	Housing for All by 2022; Smart cities plan; Atal Mission for Rejuvenation and Urban Transformation; Pradhan Mantri Awas Yojana (PMAY)
Funding Drivers	RBI, SEBI and IRDA – regulatory focus on increasing funding avenues to HFCs; Distribution tax on securitization abolished

# Mortgage Market Growth

Growing HFC Market Share in a Steadily Expanding Home Loans Market



Rating agency ICRA in their report published in Mar 2017 mentions that HFCs maintained their pace of growth through demonetization and highlighted strong growth prospects:

- For 9M ending Dec 16 HFCs grew y-o-y by 19% similar to their growth in FY16
- HFCs unimpacted by demonetization outpaced banks to capture incremental home loans' market share
- Large HFCs will benefit from a drop in MCLR by re-pricing their liabilities and thus reducing their funding costs
- Large HFCs have lower operating cost ratios and can better protect their profits than smaller HFCs

## No Regulatory Arbitrage: Regulatory Regime for HFCs at par with Banks

Parameters		HFCs	Banks	NBFCs
NPA Recognition		90 dpd	90 dpd	90 dpd (from FY18)
CRAR		12%	9%	15%
- Tier 1		6%	6%	7.5%
Standard Asset Provisions	Housing Loans	0.4%	0.4%	0.4% (from FY18)
	Others	1%	0.25-1%	0.4% (from FY18)
SARFAESI Coverage		Yes	Yes	Yes

- HFCs are regulated by National Housing Bank (NHB), a wholly owned subsidiary of the Reserve Bank of India (RBI)
- New regulatory guidelines are uniformly applied to both banks and HFCs

# Financial and Operational Highlights

# Business Summary

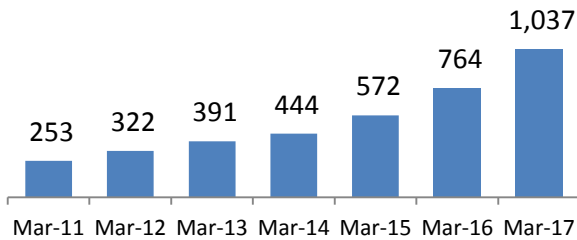
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• Balance Sheet	:	₹ 1.04 Trillion
• Loans Outstanding	:	₹ 913.01 Bn
(March 31, 2017)	:	(US\$ 14.05 Bn)
• Loan Assets CAGR (5 years)	:	27%
• Cumulative Loans given to retail Customers	:	919,183
• Cumulative Loans Disbursed till date	:	₹ 1.67 Tn
		(US\$ 25.61 Bn)
• Cost to Income Ratio (FY 17)	:	13.3%
• Profit After Tax CAGR (5 years)	:	24%

# Consistent Track Record

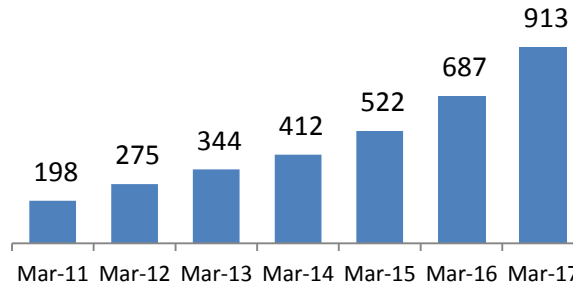
## Balance Sheet

CAGR: 27%



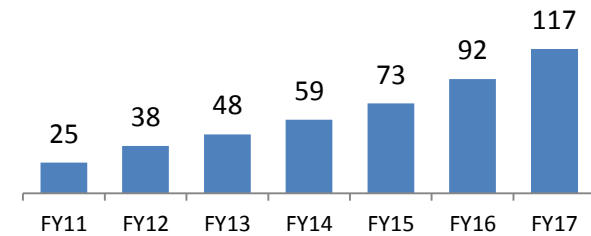
## Loan Assets

CAGR: 29%



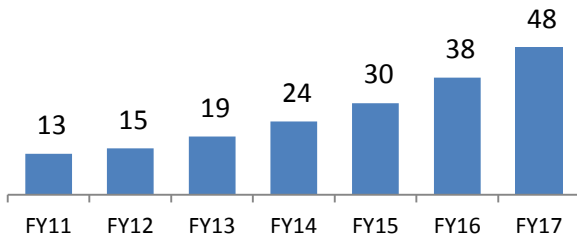
## Revenue

CAGR: 29%



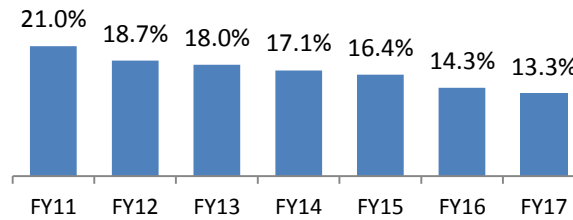
## NII

CAGR: 24%



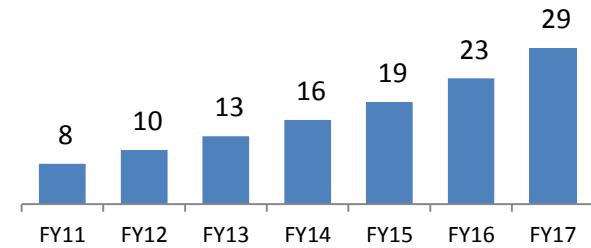
## Cost-to-Income Ratio

128 bps of average annual decline



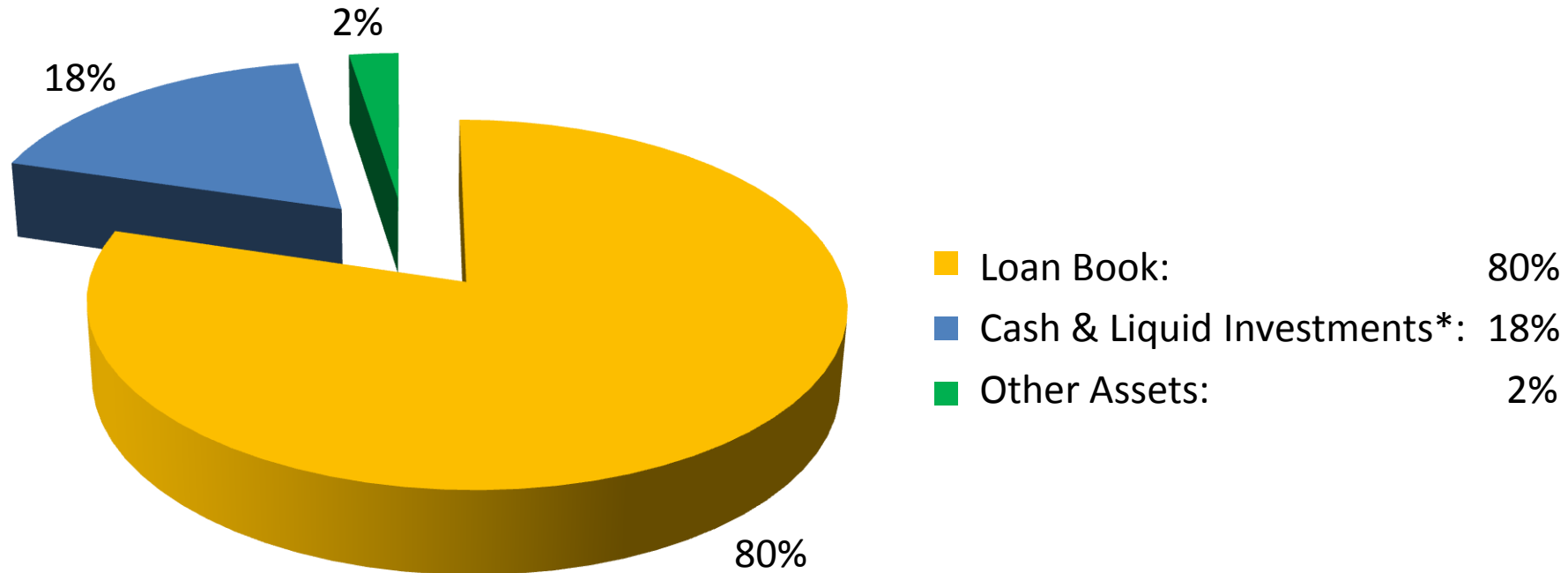
## PAT

CAGR: 25%





# Balance Sheet Assets



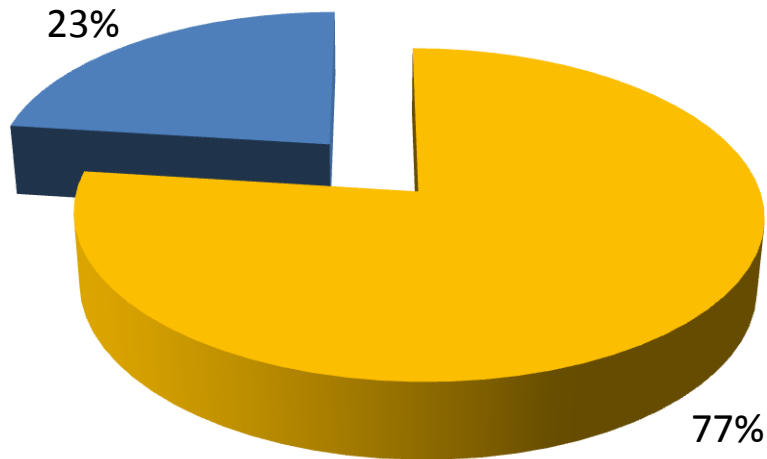
Total Assets	
As at March 31, 2017	₹ 1.04 Tn (US\$ 15.95 Bn)
As at March 31, 2016	₹ 764.4 Bn (US\$ 11.76 Bn)

\*Cash, Cash Equivalents and Investments in Liquid Debt Instruments

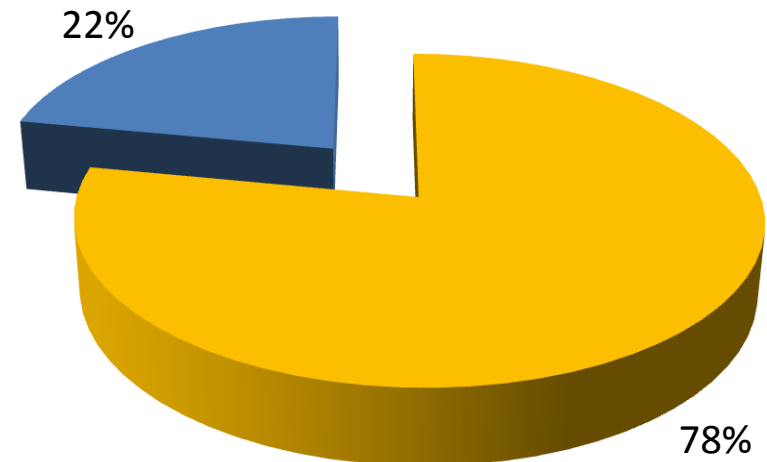
US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 65

# Asset Composition

FY 15-16



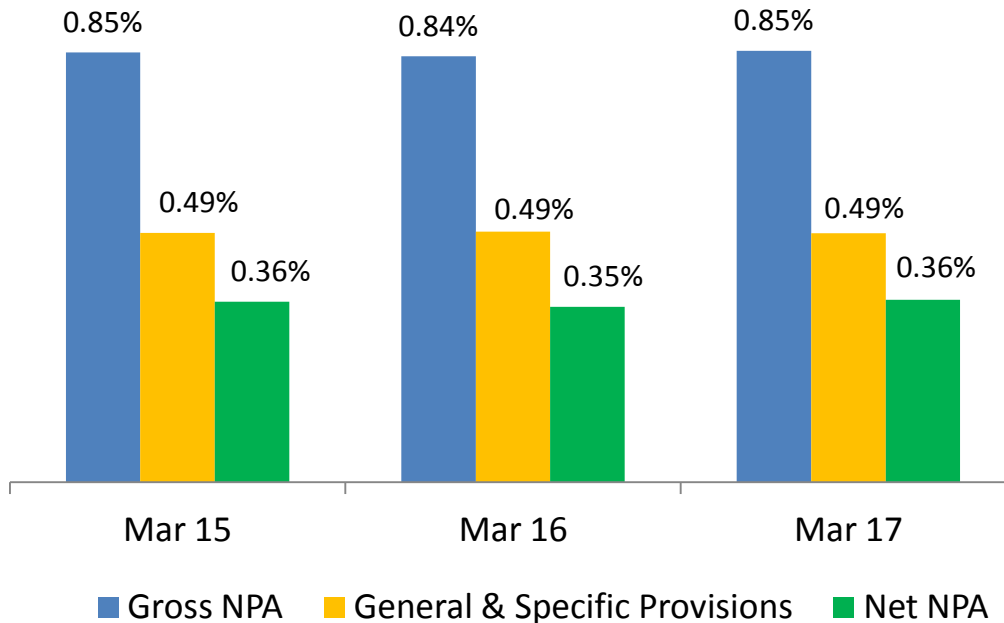
FY 16-17



■ Mortgage Loans   ■ Corporate Mortgage Loans

- Home loans, which form the majority of incremental disburseals, are disbursed at an average ticket size of ₹ 2.4 Mn; average LTV of 71% (at origination)

# Asset Quality



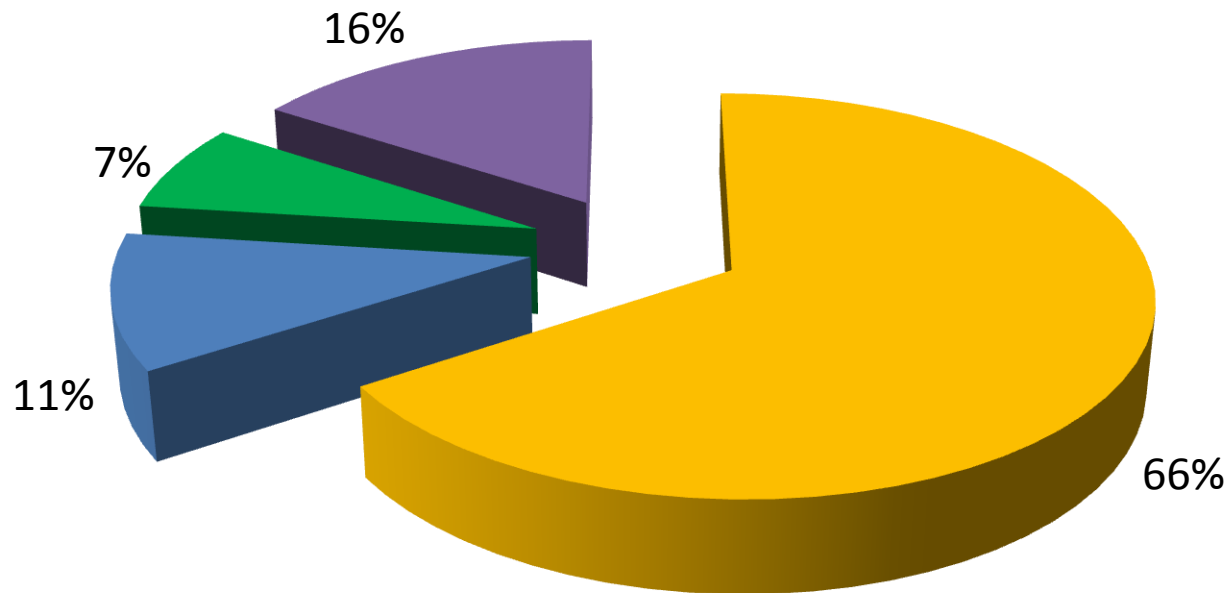
*(as % of Total Loan Assets)*

As at March 31, 2017	
	(in ₹ Bn)
NPA (90+ dpd):	7.77
Provisions for Contingencies:	11.49
<i>Of which</i>	
<i>NPAs:</i>	4.49
<i>Other provisioning:</i>	7.00
Regulatory Provisioning:	7.75
Excess Provisioning Over Regulatory Provisioning:	3.74

**Provisioning Cover : 148% of GNPA**

- NPAs have remained within the target range for the last 23 quarters
- Standard Asset Provision and Counter-cyclical Provisions are over and above General and Specific Provision pool and are not netted off against Gross NPAs in calculation of Net NPAs
- ₹ 3.74 Bn of excess provisioning over and above regulatory requirements
- Standard asset provisioning rates are 0.4% for housing loans and 1.0% for non-housing loans

# Retail Mortgage Loans' Sourcing



■ Direct Sales Team\* ■ External Channels ■ Branch Walk-ins ■ eHome Loans

- 20% of home loans' sourcing is now through eHome Loans
- 89% of incremental sourcing is done in-house between on-rolls employees and eHome Loans

# Home Loan Profile:

## Focus on Mid-Income Affordable Housing



Average Loan Size	₹ 2.4 Mn
Maximum Loan to Value	80%
Average Loan to Value	71% (at origination)
Average Loan Term	15 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

- PMAY extended to Middle Income Group (MIG) - defined as households with annual income up to ₹ 1.8 Mn - for purchase of a house of carpet area of up to 1,185 Sq. Ft.
- Effective home loan rate for ₹ 2.4 Mn home loan, IBHFL's average ticket size, is 0.30%

## Smart City Home Loan: New Initiative in FY17

- 43 new Smart City Home Loan branches have been added in FY17
- 7% of monthly incremental home loans' applications are being sourced from these branches

Minimum Loan Size	₹ 1.0 Mn
Average Loan Size	₹ 1.5 Mn
Maximum Loan Size	₹ 4.0 Mn
Maximum Loan to Value	80% (at origination)
Maximum Loan Term	20 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

# Conservative Loan Against Property Profile

Average Loan Size	₹ 7.3 Mn
Maximum Loan to Value	65%
Average Loan to Value	49% (at origination)
Average Loan Term	7 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing
Basis of Credit Appraisal	Business cash flow analysis based

# LAP Grading and Monitoring of Sold Down Pools

A Pioneering Initiative for Improved Risk Management and Greater Transparency



# Loan Against Property Grading from CRISIL and ICRA

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- LAP grading engagement with CRISIL (a Standard and Poor's Company) and ICRA (a Moody's Investors Service Company)
  - CRISIL grades LAP loans on aspects such as past payment track record; nature of business and financial performance; nature of property; and loan attributes like ticket size, lending scheme, loan tenure, etc.
  - ICRA grades LAP loans on aspects such as financial strength; business and management; collateral strength, quality and enforceability; and attributes of the loan itself
  - Engagement with CRISIL was initiated in Q1FY16 and with ICRA in Q2FY16
- Concurrent grading by multiple rating agencies
  - Offers IBHFL a broader and deeper perspective and means to further improve loan portfolio
  - Rating agencies are important stakeholders: exercise will increase comfort and transparency on the asset class
- Grading exercise is being built into a comprehensive risk model
  - Portfolio performance and delinquency is being tracked against loan grades
  - Proactive customer management: retention, upsell/ cross-sell, delinquency management
  - Learning is being fed back to improve loan underwriting and continuously upgrade lending policy

# CRISIL LAP Grading Methodology

Detailed assessment of key factors determining quality of LAP loans

Financial Strength	Business Management
<ul style="list-style-type: none"><li>• Interest and debt service cover</li><li>• Revenues, margin and profitability</li><li>• Networth and leverage</li><li>• Growth track of key financial parameters</li></ul>	<ul style="list-style-type: none"><li>• Business sector and sectoral prospects</li><li>• Business duration and track record</li><li>• Debt service track record</li><li>• Experience and qualification of promoters and proprietors</li><li>• Management strength and experience</li></ul>
Collateral Quality	Underwriting Process Adherence
<ul style="list-style-type: none"><li>• Property type and location</li><li>• Valuation of property</li><li>• Ownership and title chain of property</li><li>• Adherence to local zoning and planning permissions</li></ul>	<ul style="list-style-type: none"><li>• Independent verification and valuation</li><li>• Third party database checks<ul style="list-style-type: none"><li>– CERSAI</li><li>– Registrar of companies</li><li>– Credit bureau checks</li><li>– CIBIL mortgage checks</li><li>– RBI willful defaulter list</li><li>– Experian Hunter fraud check</li></ul></li></ul>

Grading			Segment Characteristics			
Grading Scale	Quality of LAP Loans <sup>#</sup>	Disbursals Apr 15 – Mar17	Interest Service Coverage Ratio (ISCR)	Total Outstanding Liabilities/ Total Networth	Loan to Value (LTV)	EBITDA Margins
LAP1	Highest	9.69%	11.2 – 14.4	1.4 – 1.6	49%	14% – 17%
LAP2	High	81.12%	10.1 – 12.6	2.1 – 2.3	51%	11% – 14%
LAP3	Average	8.65%	10.3 – 13.4	2.9 – 3.1	55%	9% – 11%
LAP4	Below Average	0.23%	13.5– 15.2	1.4 – 1.5	48%	12% – 15%
LAP5	Poor	0.31%	8.4– 9.3	2.0 – 2.1	53%	13% - 16%

99% of incremental LAP loans are within the top three grades

- For the last two years, incremental LAP loans are graded by CRISIL Ratings
- Grading is based on customized scale developed by CRISIL Ratings for IBHFL's LAP loans to small business owners
- CRISIL grades the loans on aspects such as financial strength; business and management; collateral; and underwriting process

# ICRA LAP Grading Methodology

## (2<sup>nd</sup> rating agency to grade LAP loans)



- In Q2 FY 2015-16, IBHFL tied up with rating agency ICRA to grade its incremental LAP loans
- ICRA LAP Grading reflects ICRA's assessment of the credit quality of the loan on a ICRA developed customised scale

### Grading Assessment Parameters

Business and Business Owner	Collateral Quality and Enforceability	Loan Attributes
<ul style="list-style-type: none"> <li>• Fixed obligation to income ratio (FOIR)</li> <li>• Past payment track record</li> <li>• Credit bureau check</li> <li>• Nature of business and financial parameters</li> <li>• Due diligence checks                             <ul style="list-style-type: none"> <li>– Field credit investigation</li> <li>– Personal discussion</li> <li>– Reference checks</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Loan to value ratio (LTV)</li> <li>• Nature of property                             <ul style="list-style-type: none"> <li>– Residential</li> <li>– Commercial</li> </ul> </li> <li>• Usage of property                             <ul style="list-style-type: none"> <li>– Self occupied</li> <li>– Rented</li> <li>– Vacant</li> </ul> </li> <li>• Property location</li> <li>• Quality of construction</li> <li>• Adherence to sanction plans</li> </ul>	<ul style="list-style-type: none"> <li>• Ticket Size</li> <li>• Sourcing channel</li> <li>• Lending scheme</li> <li>• Loan tenure</li> </ul>

# 6<sup>th</sup> Report

## ICRA LAP Grading: Updated for Q4 FY17



Grading			Characteristics	
Grading Scale	Level of credit worthiness	Grading Distribution	Median LTV	Median FOIR
LAP1	Excellent	15.6%	26%	33%
LAP2	Good	65.4%	53%	46%
LAP3	Average	18.7%	65%	58%
LAP4	Below Average	0.3%	61%	64%
LAP5	Inadequate	-	-	-

Over 99% of incremental LAP loans are within the top three grades

- For the last two years, incremental LAP loans are graded by ICRA
- Grading is based on customized scale developed by ICRA for IBHFL's LAP loans to small business owners
- ICRA grades the loans on aspects such as business and business owner quality; collateral quality enforceability; and loan strengths

# Monitoring Report of ₹ 164.6 Bn of Sold Down Portfolio – from Rating Agencies CRISIL, ICRA and CARE



- CRISIL, a Standard & Poor’s Company, publishes pool performance parameters for 74 of 81 sold down pools
- ICRA, a Moody’s Investors Service Company, and CARE publishes pool performance of 7 PTC pools rated by them
- Pool collections monitored at an account level
- Typically done only for PTC transactions. The engagement with CRISIL will now ensure that all pools are monitored on a monthly basis
  - Number of live pools: 81
  - **Sold down principal of live pools: ₹ 164.6 Bn**
  - Current principal outstanding: ₹ 88.9 Bn

Rating Agency	Number of Pools	Sold Down Principal (₹ Bn)
CRISIL	74	148.0
ICRA	1	3.2
CARE	6	13.4
<b>Total</b>	<b>81</b>	<b>164.6</b>

# Monitoring Report of ₹ 164.6 Bn of Sold Down Portfolio – from Rating Agencies CRISIL, ICRA and CARE



IBHFL's strong underwriting and portfolio quality is affirmed in the performance of ₹ 164.6 Bn of sold down portfolio as published by CRISIL, ICRA and CARE

Summary	Number of Pools	Initial Pool Details		Months on Book	Pool Principal (₹ Bn)	Amortisation	of Initial POS		CCR	MCR
		Disbursement (₹ Bn)	Sold Down Principal (₹ Bn)				90+ dpd %	180+ dpd %		
HL Pools	46	81.8	75.5	44	41.6	49%	0.05%	0.02%	99.9%	100.3%
LAP Pools	35	98.2	89.1	36	43.0	56%	0.09%	0.01%	99.6%	99.6%
<b>Total</b>	<b>81</b>	<b>180.1</b>	<b>164.6</b>	<b>40</b>	<b>84.5</b>	<b>53%</b>	<b>0.07%</b>	<b>0.01%</b>	<b>99.7%</b>	<b>99.9%</b>

## Home Loans

- Average vintage of sold down pools of ₹ 75.5 Bn of principal is 44 months
- The pools have amortised 49% since disbursal
- The cumulative collection ratio (CCR) is at 99.9%
- Monthly collection ratio (MCR) is in line with CCR at 100.3%

## Loan against Property (LAP)

- Average vintage of sold down pools of ₹ 89.1 Bn of principal is 36 months
- The pools have amortised 56% since disbursal
- The cumulative collection ratio (CCR) is at 99.6%
- Monthly collection ratio (MCR) is in line with CCR at 99.6%

# Home Loans Pool Performance Factsheet: CRISIL Direct Assignments (Sold Down)



Sr. No.	Investor	Initial Pool Details			MPS	Pool Principal (₹ Mn)	Amortisation	of Initial POS		CCR	MCR
		Sold Down Date	Disbursement (₹ Mn)	Sold Down Principal (₹ Mn)				90+ dpd %	180+ dpd %		
1	Bank 1	20-Mar-12	1,679.7	1,587.4	59	516.3	69%	0.00%	0.00%	100.0%	99.9%
2	Bank 2	21-Mar-12	1,427.4	1,371.8	59	379.4	73%	0.00%	0.00%	100.0%	100.0%
3	Bank 3	22-Mar-12	1,057.0	1,026.9	59	249.4	76%	0.00%	0.00%	100.0%	99.8%
4	Bank 4	29-Oct-13	1,654.5	1,501.5	40	377.5	77%	0.16%	0.00%	99.9%	99.9%
5	Bank 4	27-Dec-13	2,731.5	2,566.6	38	854.8	69%	0.00%	0.00%	99.4%	99.0%
6	Bank 3	31-Dec-13	857.1	796.7	38	408.2	52%	0.00%	0.00%	100.0%	100.0%
7	Bank 4	20-Mar-14	3,451.6	3,248.2	35	1,502.0	56%	0.11%	0.11%	99.8%	99.4%
8	Bank 5	28-Mar-14	2,119.7	1,873.7	35	615.5	71%	0.00%	0.00%	99.7%	110.1%
9	Bank 6	28-Mar-14	1,011.2	972.6	35	460.6	54%	0.00%	0.00%	99.9%	100.4%
10	Bank 5	27-Jun-14	1,072.1	1,000.4	32	386.0	64%	0.00%	0.00%	99.9%	99.7%
11	Bank 6	30-Jul-14	1,023.7	941.3	31	536.2	48%	0.00%	0.00%	99.9%	99.8%
12	Bank 5	30-Sep-14	1,299.1	1,073.0	29	323.2	75%	0.00%	0.00%	99.8%	101.4%
13	Bank 5	26-Dec-14	840.8	755.1	26	331.5	61%	0.00%	0.00%	100.0%	100.0%
14	Bank 4	30-Dec-14	2,345.9	2,203.2	26	1,197.2	49%	0.12%	0.00%	99.9%	99.8%
15	Bank 4	01-Mar-15	1,877.0	1,736.8	23	951.1	49%	0.10%	0.10%	99.9%	100.3%
16	Bank 4	11-Jun-15	1,000.3	950.3	20	650.3	35%	0.35%	0.35%	99.7%	98.5%
17	Bank 4	23-Jun-15	2,328.0	2,076.8	20	1,206.2	48%	0.27%	0.00%	99.9%	99.4%
18	Bank 7	29-Jun-15	999.8	939.2	20	556.1	44%	0.29%	0.29%	99.8%	98.9%
19	Bank 8	25-Aug-15	729.1	681.6	18	521.2	29%	0.00%	0.00%	100.0%	100.3%



# Home Loans Pool Performance Factsheet: CRISIL Direct Assignments (Sold Down)



Sr. No.	Investor	Initial Pool Details				of Initial POS					
		Sold Down Date	Disbursement (₹ Mn)	Sold Down Principal (₹ Mn)	MPS	Pool Principal (₹ Mn)	Amortisation	90+ dpd %	180+ dpd %	CCR	MCR
20	Bank 7	01-Sep-15	1,380.1	1,288.1	17	775.5	44%	0.39%	0.00%	99.9%	99.4%
21	Bank 8	24-Sep-15	1,164.0	1,112.7	17	936.4	20%	0.09%	0.09%	99.9%	100.0%
22	Bank 7	28-Sep-15	1,167.8	1,071.5	17	646.8	45%	0.00%	0.00%	100.0%	100.3%
23	Bank 7	23-Dec-15	528.5	501.6	14	314.1	41%	0.00%	0.00%	100.0%	100.0%
24	Bank 8	31-Dec-15	1,178.5	1,096.1	14	821.4	30%	0.00%	0.00%	99.9%	99.7%
25	Bank 9	31-Dec-15	4,496.4	4,158.1	14	3,560.3	21%	0.00%	0.00%	99.9%	99.9%
26	Bank 8	29-Feb-16	1,053.0	993.4	12	826.4	22%	0.00%	0.00%	99.9%	98.9%
27	Bank 6	21-Mar-16	2,818.3	2,605.9	11	1,964.3	30%	0.04%	0.04%	99.9%	100.5%
28	Bank 6	21-Mar-16	973.8	881.6	11	688.3	29%	0.00%	0.00%	99.9%	100.8%
29	Bank 9	23-Mar-16	1,341.8	1,250.2	11	982.3	27%	0.00%	0.00%	99.9%	99.9%
30	Bank 8	28-Mar-16	620.4	589.3	11	505.6	19%	0.00%	0.00%	99.9%	99.5%
31	Bank 8	31-Mar-16	597.8	562.7	11	436.2	27%	0.58%	0.00%	99.7%	99.9%
32	Bank 6	30-Jun-16	1,119.6	1,039.1	8	865.7	23%	0.00%	0.00%	99.9%	100.5%
33	Bank 8	30-Jun-16	1,864.9	1,749.4	8	1,509.6	19%	0.19%	0.00%	99.7%	99.9%
34	Bank 9	30-Jun-16	1,153.7	1,085.4	8	901.9	22%	0.00%	0.00%	99.9%	99.7%
35	Bank 10	30-Jun-16	1,358.3	1,253.7	8	941.2	31%	0.00%	0.00%	100.0%	100.1%
36	Bank 8	28-Sep-16	2,564.5	2,404.8	5	2,216.5	14%	0.15%	0.00%	99.8%	99.9%
37	Bank 9	28-Sep-16	1,189.4	1,114.6	5	942.3	21%	0.00%	0.00%	100.0%	100.0%
38	Bank 11	29-Sep-16	1,286.2	1,202.3	5	1,061.1	17%	0.00%	0.00%	99.9%	99.8%

# LAP Pool Performance Factsheet: CRISIL

## Direct Assignments (Sold Down)

Sr. No.	Investor	Initial Pool Details				of Initial POS					
		Sold Down Date	Disbursement (₹ Mn)	Sold Down Principal (₹ Mn)	MPS	Pool Principal (₹ Mn)	Amortisation	90+ dpd %	180+ dpd %	CCR	MCR
1	Bank 2	29-Sep-11	3,676.9	3,354.5	65	351.0	90%	0.00%	0.00%	99.8%	91.9%
2	Bank 2	28-Dec-11	2,674.5	2,502.9	62	256.6	90%	0.00%	0.00%	99.9%	99.9%
3	Bank 1	20-Mar-12	2,360.3	2,223.4	59	308.8	87%	0.00%	0.00%	99.8%	97.6%
4	Bank 2	22-Mar-12	2,852.1	2,596.1	59	263.9	91%	0.00%	0.00%	99.9%	91.7%
5	Bank 3	31-Dec-13	2,244.2	1,984.9	38	403.0	82%	0.00%	0.00%	100.0%	100.0%
6	Bank 10	07-Feb-14	4,298.2	3,664.8	36	774.3	82%	0.16%	0.16%	99.4%	105.7%
7	Bank 4	28-Mar-14	2,716.0	2,382.8	35	690.8	75%	0.00%	0.00%	99.8%	95.9%
8	Bank 4	20-Jun-14	2,310.9	2,104.1	32	508.9	78%	0.00%	0.00%	99.9%	99.3%
9	Bank 4	27-Jun-14	1,854.7	1,706.4	32	660.6	64%	0.12%	0.12%	99.5%	97.1%
10	Bank 10	29-Dec-14	4,540.4	4,129.0	26	1,621.7	64%	0.05%	0.00%	98.7%	100.7%
11	Bank 2	30-Mar-15	10,671.9	9,661.5	23	4,578.1	57%	0.35%	0.04%	99.6%	102.1%
12	Bank 4	30-Jun-15	1,450.6	1,253.0	20	647.6	55%	0.00%	0.00%	99.9%	102.9%
13	Bank 12	28-Sep-15	2,201.9	2,007.9	17	1,071.7	51%	0.00%	0.00%	99.3%	99.7%
14	Bank 12	28-Sep-15	2,345.4	2,225.4	17	1,407.0	40%	0.46%	0.00%	99.4%	99.6%
15	Bank 1	28-Sep-15	3,594.8	3,166.2	17	1,783.7	50%	0.00%	0.00%	99.3%	99.0%
16	Bank 8	29-Sep-15	4,302.8	4,045.8	17	2,297.5	47%	0.50%	0.00%	99.6%	99.0%
17	Bank 12	09-Dec-15	333.1	268.4	14	169.0	49%	0.00%	0.00%	99.7%	102.7%
18	Bank 12	09-Dec-15	506.3	483.2	14	383.6	24%	0.00%	0.00%	97.1%	93.5%
19	Bank 12	23-Dec-15	1,561.8	1,485.4	14	909.0	42%	0.35%	0.00%	99.7%	97.2%
20	Bank 1	31-Dec-15	1,203.8	1,108.6	14	780.7	35%	0.00%	0.00%	99.8%	101.5%
21	Bank 1	31-Dec-15	2,785.4	2,472.0	14	1,297.3	53%	0.00%	0.00%	99.5%	98.7%
22	Bank 1	03-Mar-16	956.7	860.5	11	449.7	53%	0.00%	0.00%	99.8%	100.0%
23	Bank 12	10-Mar-16	1,753.5	1,666.4	11	1,195.0	32%	0.00%	0.00%	99.7%	99.3%
24	Bank 9	30-Jun-16	2,503.4	2,326.7	8	1,811.0	28%	0.00%	0.00%	99.5%	101.1%
25	Bank 10	30-Jun-16	4,059.2	3,682.8	8	2,865.1	29%	0.00%	0.00%	99.4%	98.2%
26	Bank 13	26-Sep-16	1,523.7	1,386.7	5	1,178.0	23%	0.00%	0.00%	99.5%	98.5%
27	Bank 13	26-Sep-16	2,162.9	1,942.2	5	1,630.6	25%	0.00%	0.00%	99.8%	100.0%
28	Bank 8	30-Sep-16	3,311.7	3,036.9	5	2,640.0	20%	0.00%	0.00%	99.5%	99.8%

# Home Loans and LAP Pool Performance Factsheet

## Pass-Through Certificates

### Home Loan PTC Pools rated by CRISIL

Sr. No.	Investor	Initial Pool Details			MPS	Pool Principal (₹ Mn)	Amortisation	of Initial POS		CCR	MCR	Outstanding Rating from
		Sold Down Date	Disbursement (₹ Mn)	Sold Down Principal (₹ Mn)				90+ dpd %	180+ dpd %			
1	Bank 2	30-Dec-13	1,095.9	993.3	39	463.4	58%	0.00%	0.00%	99.9%	100.0%	CRISIL
2	Bank 14	01-Mar-15	2,940.5	2,724.4	25	1,969.2	33%	0.00%	0.00%	99.9%	99.9%	CRISIL
3	Bank 3	31-Dec-12	1,286.5	1,186.2	51	494.9	62%	0.00%	0.00%	99.9%	98.7%	CRISIL
4	FI 1	11-Mar-13	10,911.2	9,686.4	48	2,003.9	82%	0.00%	0.00%	99.8%	101.8%	CRISIL
5	Bank 3	28-Mar-13	1,146.0	1,070.9	48	494.6	57%	0.00%	0.00%	99.9%	99.8%	CRISIL
6	Bank 14	27-Sep-13	3,119.0	2,864.4	42	1,292.8	59%	0.00%	0.00%	99.9%	100.5%	CRISIL

### LAP PTC Pools rated by CRISIL

1	Bank 14	30-Sep-16	1,437.3	1,359.8	5	1,234.7	14%	0.00%	0.00%	99.9%	99.0%	CRISIL
2	Bank 9	30-Dec-16	5,458.2	5,126.9	2	4,908.9	10%	0.00%	0.00%	99.8%	99.7%	CRISIL

### Home Loan PTC Pools rated by ICRA and CARE

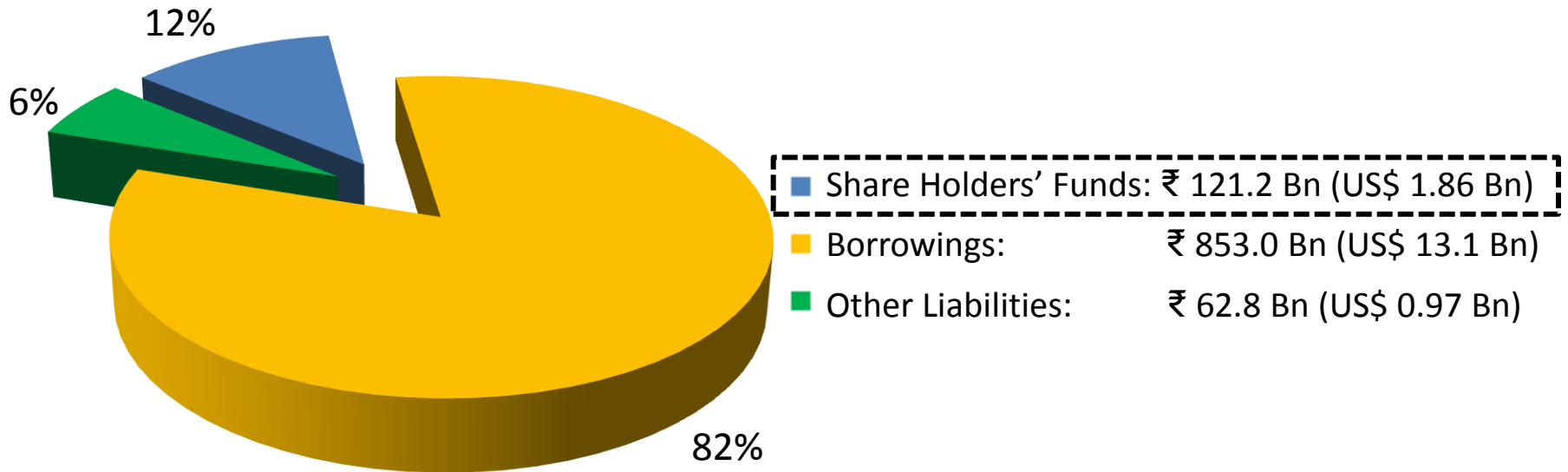
Sr. No.	Investor	Initial Pool Details			MPS	Pool Principal (₹ Mn)	Amortisation	of Initial POS		CCR	MCR	Outstanding Rating from
		Sold Down Date	Disbursement (₹ Mn)	Sold Down Principal (₹ Mn)				90+ dpd %	180+ dpd %			
1	Bank 2	20-Mar-14	3,353.9	3,151.7	35	1,761.4	47%	0.00%	0.00%	99.99%	99.88%	ICRA
2	Bank 3	28-Sep-12	616.0	549.0	53	165.5	73%	0.00%	0.00%	100.00%	100.1%	CARE

### LAP PTC Pools rated by CARE

1	Bank 3	28-Mar-13	5,686.6	4,932.0	47	915.8	84%	0.00%	0.00%	99.4%	101.1%	CARE
2	Bank 3	28-Mar-13	1,114.9	1,024.0	47	139.2	88%	0.00%	0.00%	99.5%	97.6%	CARE
3	Bank 2	30-Dec-13	1,114.1	986.0	38	261.6	77%	0.00%	0.00%	99.9%	108.5%	CARE
4	Bank 2	20-Mar-14	4,403.3	3,850.0	35	989.5	78%	0.00%	0.00%	99.8%	100.6%	CARE
5	Bank 3	31-Mar-16	2,279.9	2,091.0	11	1,587.3	30%	0.00%	0.00%	99.0%	98.9%	CARE

# Liabilities Profile

# Liabilities

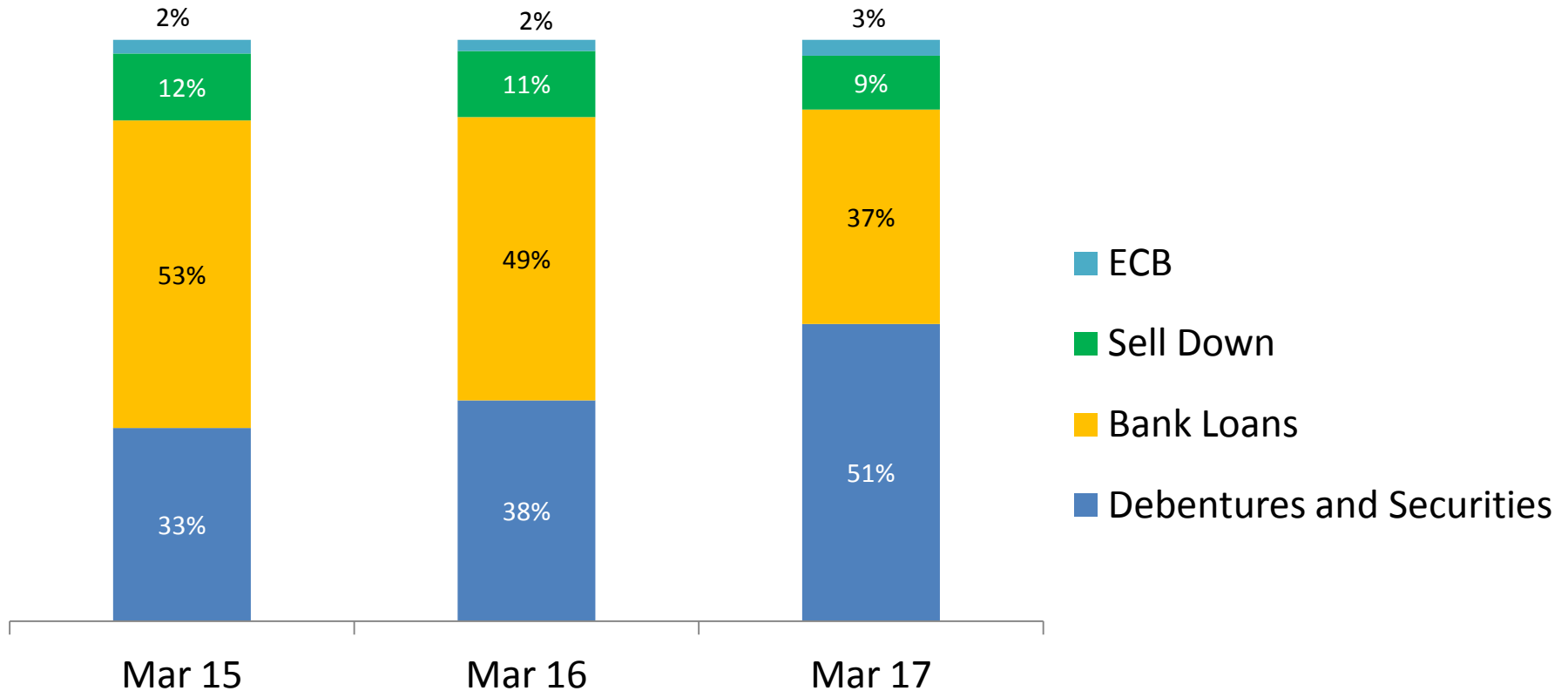


## Total Liabilities:

As of March 31, 2017: ₹ 1.04 Tn (US\$ 15.95 Bn)

As of March 31, 2016: ₹ 764.4 Bn (US\$ 11.76 Bn)

# Funding Mix



## Total Borrowings:

As of March 31, 2017: ₹ 853.0 Bn (US\$ 13.12 Bn)

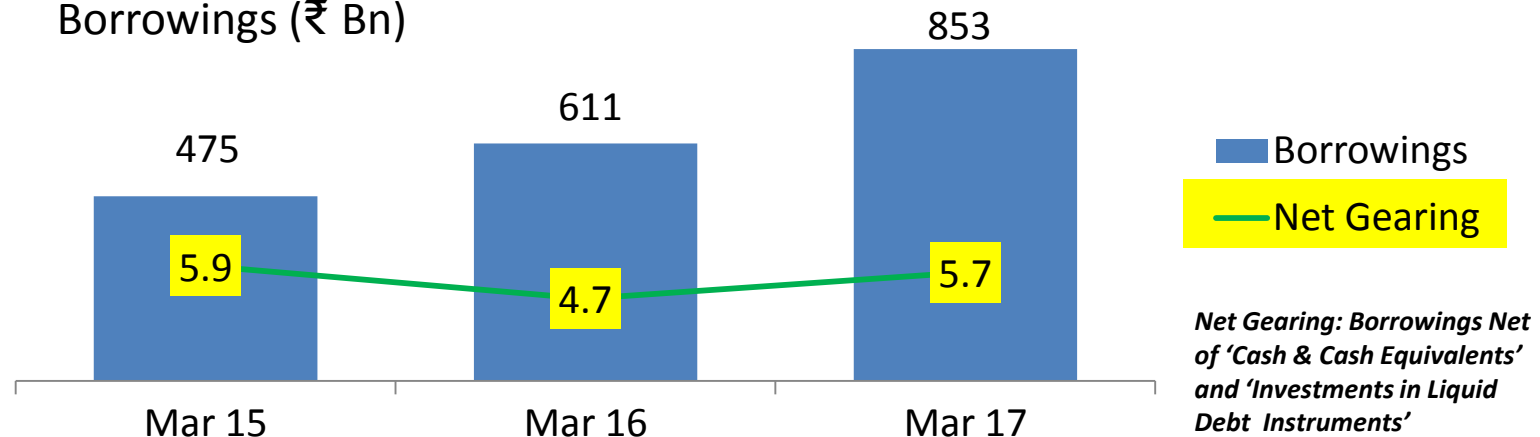
As of March 31, 2016 : ₹ 610.9 Bn (US\$ 9.40 Bn)

US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 65

ECB: External Commercial Borrowing

# Strengthening Liability Profile

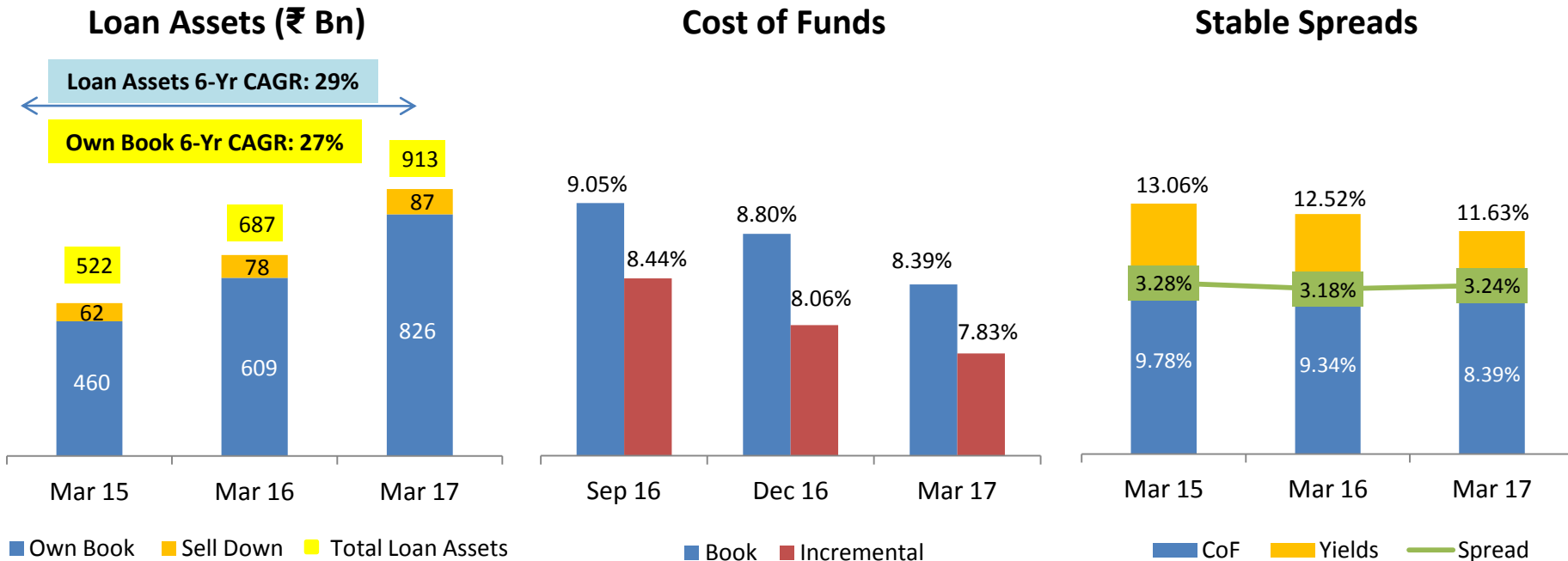
Borrowings (₹ Bn)



	Total Funding (₹ Bn)		Net Incremental in 12M	Contribution to Incremental Borrowings in last 12 Months
	Mar 17	Mar 16		
Bank Loans	346.6	335.7	10.9	4.3%
Debentures and Securities	480.5	261.9	218.6	87.1%
ECB	25.9	13.3	12.6	5.1%
<b>Total Borrowing</b>	<b>853.0</b>	<b>610.9</b>	<b>242.1</b>	<b>96.5%</b>
Sell Down	86.9	78.2	8.7	3.5%
<b>Total</b>	<b>939.9</b>	<b>689.1</b>	<b>250.8</b>	<b>100.0%</b>

- ₹ 276.5 Bn of debenture and securities raised in 12M 2016-17 was greater than ₹ 220.0 Bn raised in thirty-six months spanning FY 2013-14, FY 2014-15 and FY 2015-16; and more than 2x of that raised in FY 2015-16
- IBHFL is only the second HFC to successfully tap the masala bond market to raise \$ 200 Mn in FY17
- The company raised \$ 350 mn of ECBs in FY17, which saw strong participation from over 15 Japanese, Taiwanese and other lenders across Asia
- Amongst its lenders, the company now counts 375 strong relationships: 26 PSU banks, 20 Private and Foreign banks and 329 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and corporates

# RoE Maximization through Capital Conservation



- Total of ₹ 42 Bn loans sold down in preceding 12 months, equivalent to 19% of incremental loan assets
- 10% of total loan assets are sold down and growth of on-balance sheet loan assets (6-year CAGR: 27%) is slower than growth in total loan assets (6-year CAGR : 29%)
- While profits are driven by the spread on total loan assets, capital is required only for on-balance sheet book\*

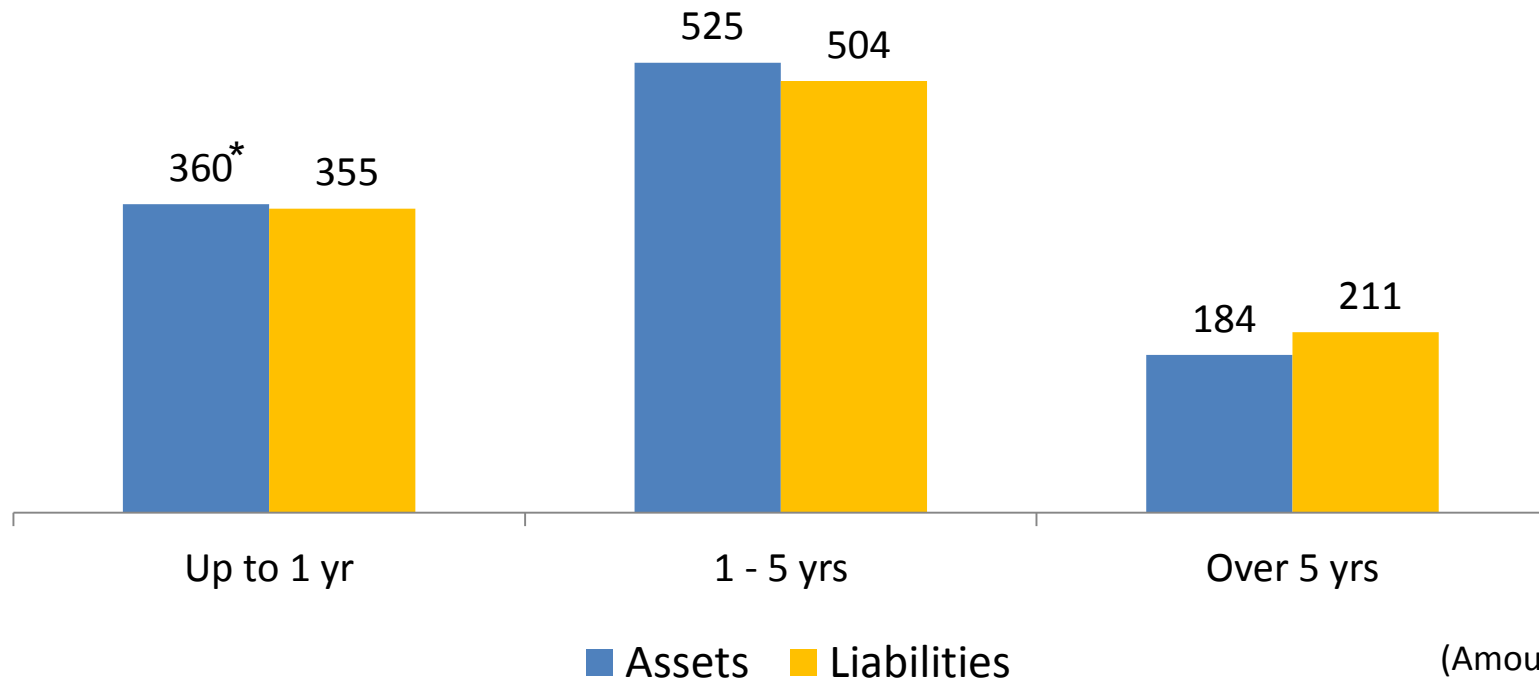
\*Minimal capital is required for sold down portfolio for the retained part of the pool or for the credit enhancement offered



# Optimally Matched Balance Sheet

## Maturity Profile

(As of March 31, 2017)



- \* Assets in the 'Up to 1 Yr' bucket includes ₹ 185.02 Bn (as of March 31, 2017) of Cash, Cash equivalents and investments in liquid debt instruments
- The maturity profile reflects adjustments for prepayments and renewals in accordance with the guidelines issued by the National Housing Bank

*The company had cash, cash equivalents and investments in liquid debt instruments of ₹ 185 Bn as at 31<sup>st</sup> Mar, 2017. The company receives income from its cash, cash equivalents and investments in liquid debt instruments through the quarter, most of which appears in 'Other Income'*

The logo for e-Home Loans features a green house icon above the letter 'e' in the word 'Home'. The text 'e-Home Loans' is written in a black, sans-serif font.

## Application & Document Completion



Online form filled at customer convenience  
 Click-of-button call centre support  
 Document upload and e-sign attestation  
 Video and multimedia access to information

## Credit Appraisal & Sanction



Focus on appraisal. No manual data entry  
 - Fields from application form  
 - Modules analyse submitted documents  
 Quick turnaround. Improved productivity  
 Digitally signed sanction letter

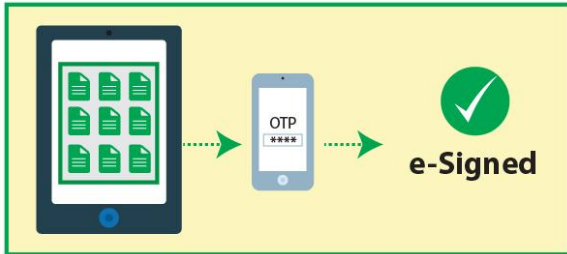
## Disbursal



No requirement to visit the branch  
 Loan agreement e-signed  
 Property documents collected from customer  
 RTGS to builder/ seller account

- Process at customer convenience - **24x7 access**
- Better access to loan information and education
- Loan turn-around time crunched to a few working hours
- Elimination of human error. Vastly improved data quality
- Savings from a paper-free process, no storage costs and no risk of loss of important documents

**OneGO e-Sign**



Single e-signature for multiple uploaded documents  
Replaces 70+ signatures required on physical application form

**Unified Payment Interface**



Money transfer as easy as sending a text message  
UPI integration offers the easiest means of EMI payments

**Facebook Integration**



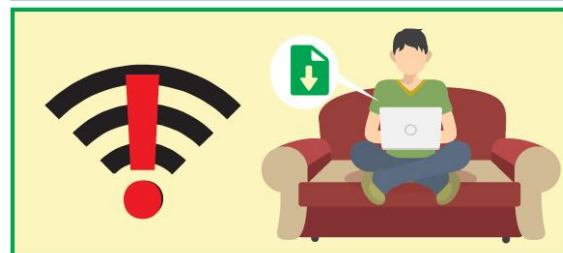
Lead generation through Facebook  
Application form filling through Facebook Chatbot  
Customer servicing, account statement and transaction confirmation

**DigiLocker Integration**



Customers increasingly store key documents in DigiLocker  
Integration with DigiLocker enables one-click submission of documents

**Offline Application Form**



Enables offline form filling  
Solution to deal with poor internet connectivity

**Application Form Hand-Holding**



Hand-holding for application form filling  
Big step towards paper-less loan processing and fulfilment

# Technology Leveraged Cost-Effective Growth

## Reduction in Processing Cost per File and Greater Credit Control

### e-Home Loans



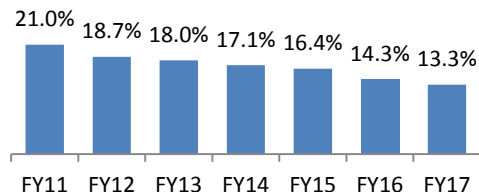
Home loans over a click [www.indiabullshomeloans.com](http://www.indiabullshomeloans.com)

- One Click Loan Approval
- One Click Application Tracker
- Easy Document Upload
- Mobile Loan A/C Management



- Smart city home loans driven through eHome loans led sourcing and credit appraisal
- Within 9 months of launch, **20%** of incremental home loans sourced through 'e-Home Loans'
- End-to-end technology enabled loan fulfillment
  - Application form filled in 15 minutes
  - Parallel credit processes: Appraisal, technical check, legal verification and fraud control
- Increased customer convenience **AND** increased thoroughness of credit appraisal
- Reduced scope for fraud and vastly improved information quality
  - UIDAI (Aadhar)\*: eSign and eKYC – Government database
  - NSDL\*\* : Tax filings, salary income – Tax authority database
  - Bank statements directly from banks
- Elimination of human and data entry error
- Credit focus on appraisal and underwriting, free from time-consuming data entry

## Declining Cost-to-Income Ratio



- **Cost-to-income ratio down by 100 bps to 13.3% for FY17**
- Increasing scale and effective technology deployment driving cost efficiencies
- Increasing share of home loans and cost-effective expansion into tier-II smart cities will lead to continuing decline in cost-to-income ratio

\*UIDAI(Aadhar): Government of India's secured biometric and demographic database for Indian citizens

\*\*NSDL: Online PAN (Permanent Account Number – Unique tax identification number for individuals) verification by authorized entities

# Eminent and Experienced Board of Directors

Board of Directors with pre-eminence and experience in diverse fields

- Mr. Sameer Gehlaut : Executive Chairman
- Mr. Gagan Banga : Vice Chairman and Managing Director
- Dr. K.C. Chakrabarty : Former Deputy Governor, The Reserve Bank of India
- Justice Gyan Sudha Misra : Retired Justice, Supreme Court of India
- Justice Bisheshwar Prasad Singh : Retired Justice, Supreme Court of India
- Mrs. Manjari Kacker : Former member of CBDT (Central Board of Direct Taxes)
- Brig. Labh Singh Sitara : Honoured with the Dhyan Chand Award by the President of India
- Mr. Samsheer Singh Ahlawat : 20 years of banking experience in senior management positions
- Mr. Prem Prakash Mirdha : Business background with expertise in SME sector
- Mr. Ashwini Kumar Hooda : Deputy Managing Director
- Mr. Ajit Kumar Mittal : Executive Director, Ex-Reserve Bank of India
- Mr. Sachin Chaudhary : Executive Director, Mortgage Business Head

# Corporate Social Responsibility

# Indiabulls Foundation: Corporate Social Responsibility



Best Overall Excellence in CSR award at National Awards for Excellence in CSR & Sustainability 2016

## Health



### Jan Swastha Kalyan Vahika (charitable medical vans):

- Free check-up
- Added 3 vans to existing fleet of 17
- More than 7,65,000 patients served

### Free Medical Clinic:

- 4 free medical clinics
- More than 119,538 treated

### Health Check-up Camp:

- Doorstep health check-up once a month
- More than 16,000 patients served

## Scholarship:

- To over 600 meritorious students

## Computer Literacy Program:

- 1,000 computers to tribal ashram schools, shelter homes and night schools

## Tie-up with ESHA foundation:

- Create awareness about online library of ESHA, helped 47,000 visually challenged

## Education



## Sanitation



### Green soles:

- Footwear distribution

### Kumud:

- Sanitary napkin distribution
- Hygiene for underprivileged rural women

## Renewable Energy Plants:

- Free of cost round-the-clock seamless electricity to 5 tribal ashram schools
- Benefits 3,400 tribals students every year

## Renewable Energy

## Nutrition



### Paushtik Aahar:

- Free nutrition supplements to the underprivileged and malnourished
- 5,000 individuals per month
- Over 85,000 children to date

## Water Wheel Project:

- Distributed more than 1,400 water wheels to underprivileged people
  - Over 7,700 villagers will benefit

## Rahat:

- Water project at 3 tribal ashram schools
- Over 2,500 children will benefit every year

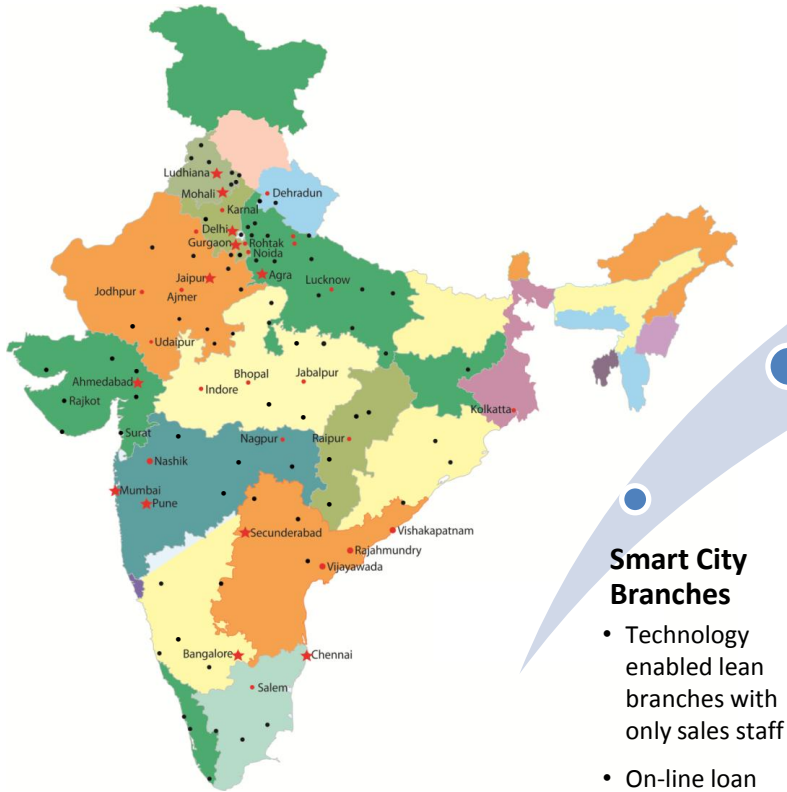
## Rural Empowerment





# Distribution Network, Ratings, Key Ratios, Valuations and Shareholding

## Country Wide Reach



### Smart City Branches

- Technology enabled lean branches with only sales staff
- On-line loan application file completion
- Underwriting at 'hub' credit centres

### Service Centers

- Customer interaction and service delivery
- Recommends proposals
- No credit authority

### Branches

- Walk-in branches
- Customer interaction and service delivery
- Credit authority for low-ticket sizes

### Master Service Centers (MSC)

- Regional credit hub
- Detailed credit analysis
- Underwrites high value cases

### Head office

- Core credit committee
- Loans above pre-defined limits go to the committee

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

### ISO 14001:2015

Certifies systematic compliance of IBHFL's environmental management systems

### Awards and Accolades

Certificate for Risk Management



Golden Peacock Awards 2017

Excellence in Home Loan Banking



My FM Stars Of Industry Awards 2017

Best Digital Innovators in Customer Experience



BFSI Digital Innovators Award 2016

Housing Finance Company of the year 2016



Navbharat Realty Business Achievers Award 2016

Sustainable Growth Silver Award



46th SKOCH Summit 2016

Certificate of Excellence



BFSI Tech Maestro Awards 2016

# Credit Ratings

	Long Term Rating	Short Term Rating
ICRA (A Moody's Investor Service Company)	AAA	A1+
CARE Ratings	AAA	A1+
Brickwork Ratings	AAA	
CRISIL (a Standard & Poor's Company)	AA+ [Outlook: Positive] Outlook revised upwards from 'Stable'	A1+
India Ratings & Research (a Fitch Group Company)		A1+

## Rising Productivity Ratios

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
No. of Employees	4,512	4,243	4,072	4,099	4,840	5,453	6,388
Profit per employee (₹ Mn)	1.7	2.4	3.1	3.8	3.9	4.3	4.6
Asset per employee (₹ Mn)	37.1	58.5	80.9	108.4	118.2	140.2	162.3
Cost-to-Income Ratio	21.0%	18.7%	18.0%	17.1%	16.4%	14.3%	13.3%

# Key Financial Metrics

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Pre Tax RoAA (%)	5.5%	4.9%	4.9%	4.8%	4.9%	4.9%	4.6%
Post Tax RoAA (%)	4.1%	3.7%	3.8%	3.8%	3.7%	3.7%	3.6%
RoE (%)^	17.2%	22%	26%	27%	29%	26%	26%
Capital Adequacy (%)#	23.87%	19.96%	18.58%	20.47%	19.60%	23.38%	20.91%
- Tier I#	23.63%	19.27%	15.05%	16.10%	16.28%	20.36%	17.25%
- Tier II#	0.24%	0.69%	3.53%	4.37%	3.32%	3.02%	3.66%

^ ₹ 40 Bn of equity was raised through a QIP in September, 2015

# Adjusted for mutual fund investments

RoAA: Return on Average Assets

RoE: Return on Equity

# Valuations and Returns

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17
Market Price per Share (₹)	154	207	271	285	557	674	1,169*
Market Capitalisation (₹ Bn)	48.1	64.5	84.9	95.4	198.4	284.0	495.5
PE Ratio (times)	6.5	6.5	6.8	6.0	10.2	11.3	17.0
Dividend per Share (₹) #	10	13	20	29	35	36	36
Dividend Yield	6.5%	6.3%	7.4%	10.2%	6.3%	5.3%	3.1%
Foreign Institutional Shareholding (%)	43.5%	38.7%	45.2%	41.1%	51.8%	58.9%	63.6%

IBHFL is a part of Nifty 50 and MSCI India indices



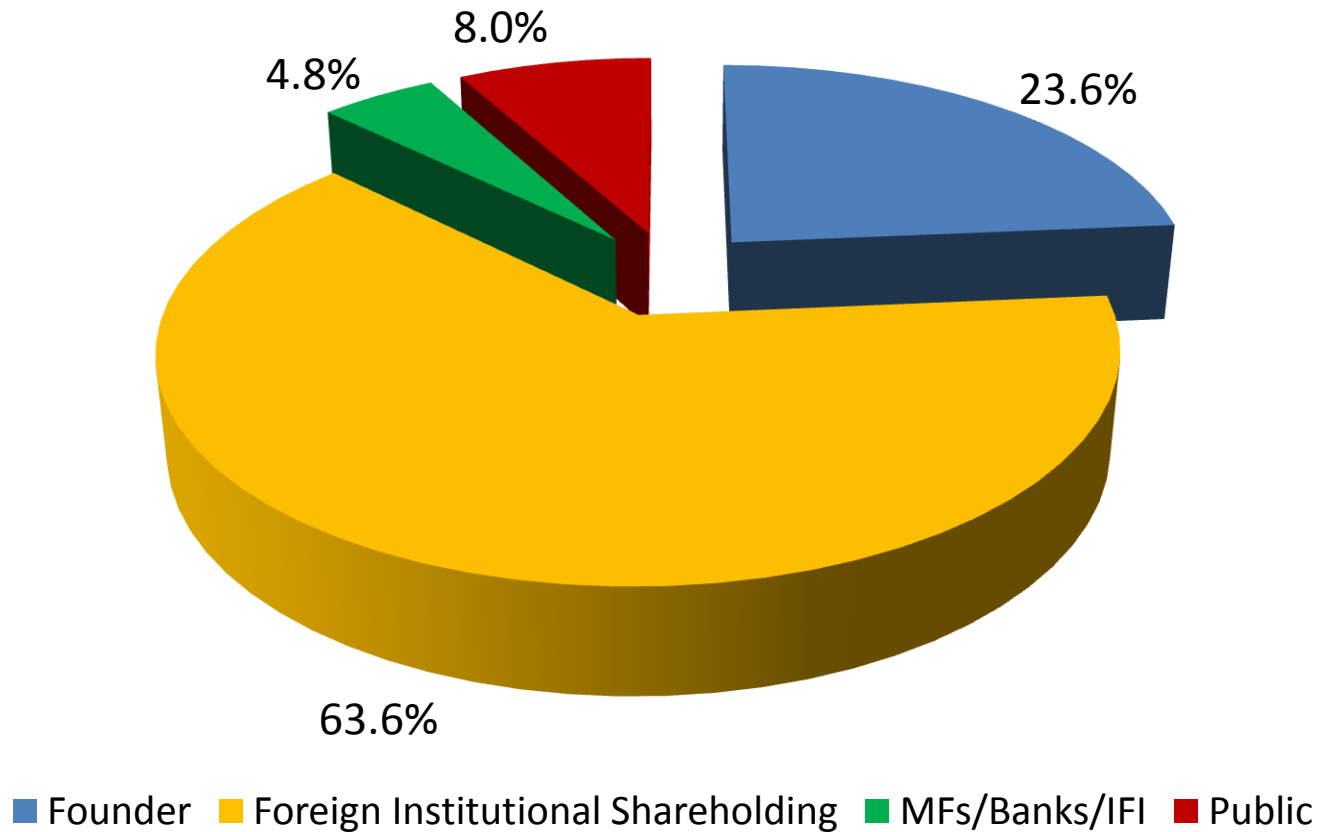
# Normalized to reflect periods the dividends pertain to

PE: Price to Earnings (12 months trailing)

US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 65

\*As on 5<sup>th</sup> June, 2017

# Shareholding Pattern



# Detailed Financials



# Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	As at (₹ in Billion)	
	31.03.17 (Audited)	31.03.16 (Audited)
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's Funds</b>		
(a) Share Capital	0.85	0.84
(b) Reserves and Surplus	120.37	106.10
<b>(2) Share application money pending allotment</b>	0.00	-
<b>(3) Non-Current Liabilities</b>		
(a) Long-term borrowings	541.16	355.21
(b) Deferred tax Liabilities (net)	1.18	0.81
(c) Other Long term liabilities	1.59	1.54
(d) Long term provisions	7.85	6.81
<b>(4) Current Liabilities</b>		
(a) Short-term borrowings	180.33	143.11
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.06	0.09
(c) Other current liabilities	180.75	140.58
(d) Short-term provisions	2.91	2.11
<b>Total</b>	<b>1,037.05</b>	<b>757.20</b>
<b>II. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets	0.90	0.67
(ii) Intangible assets	0.11	0.02
(b) Goodwill on Consolidation (Net)	0.68	0.67
(c) Non-current investments	7.97	7.24
(d) Deferred tax assets (net)	0.08	0.05
(e) Long term loans and advances	743.08	535.23
(f) Other non-current assets	2.32	4.14
<b>(2) Current assets</b>		
(a) Current investments	128.20	99.69
(b) Trade receivables	0.14	0.03
(c) Cash and cash equivalents	56.83	29.02
(d) Short-term loans and advances	87.80	73.79
(e) Other current assets	8.95	6.66
<b>Total</b>	<b>1,037.05</b>	<b>757.20</b>

**₹ 185.02 Bn of Cash & Cash Equivalents and Investments in Liquid Debt Instruments**

The company had cash, cash equivalents and investments in liquid debt instruments of ₹ 185.02 Bn as at 31<sup>st</sup> Mar, 2017. The company receives income from its cash, cash equivalents and investments in liquid debt instruments through the quarter, most of which appears in 'Other Income'

# Consolidated Income Statement

		(₹ in Billion)				
Particulars	Quarter ended			Year ended		
	31.03.17	31.12.16	31.03.16	31.03.17	31.03.16	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	
1	Revenue from operations	29.31	25.86	24.01	103.99	82.90
2	Other income	2.93	4.19	2.46	13.03	9.36
3	<b>Total revenue (1+2)</b>	<b>32.25</b>	<b>30.04</b>	<b>26.47</b>	<b>117.02</b>	<b>92.26</b>
4	<b>Expenses</b>					
	Employee benefits expense	1.14	1.32	1.15	5.00	4.13
	Finance costs	17.39	16.33	13.62	64.11	49.71
	Depreciation and amortisation expense	0.07	0.06	0.05	0.23	0.20
	Other expenses	3.96	2.28	2.76	9.96	6.92
	<b>Total expenses</b>	<b>22.55</b>	<b>19.99</b>	<b>17.57</b>	<b>79.30</b>	<b>60.97</b>
5	<b>Profit before tax (3-4)</b>	<b>9.70</b>	<b>10.06</b>	<b>8.90</b>	<b>37.72</b>	<b>31.29</b>
6	<b>Tax expense</b>					
	Current tax expense (Net of MAT credit entitlement)	1.77	2.00	2.07	8.29	6.97
	Deferred Tax	(0.45)	0.55	0.01	0.34	0.79
	<b>Total Tax Expense</b>	<b>1.32</b>	<b>2.56</b>	<b>2.08</b>	<b>8.63</b>	<b>7.76</b>
7	<b>Profit for the Year (5-6)</b>	<b>8.37</b>	<b>7.50</b>	<b>6.82</b>	<b>29.09</b>	<b>23.53</b>
8	Add: Share of Profit / (Loss) of Associate	0.03	0.01	(0.06)	(0.02)	(0.08)
9	<b>Profit for the year attributable to Minority Interest (7+8)</b>	<b>8.41</b>	<b>7.51</b>	<b>6.76</b>	<b>29.06</b>	<b>23.45</b>
10	Less: Share of Profit attributable to Minority Interest	-	-	-	-	0.00
11	<b>Profit for the year attributable to the Shareholders of the Company (9-10)</b>	<b>8.41</b>	<b>7.51</b>	<b>6.76</b>	<b>29.06</b>	<b>23.45</b>
12	Paid-up Equity Share Capital	0.85	0.85	0.84	0.85	0.84
13	Reserves excluding Revaluation Reserves as per Balance Sheet as on March 31, 2017				120.37	106.10
14	Earnings per Share (EPS) before extraordinary items <i>*(EPS for the quarters are not annualised)</i>					
	-Basic (Amount in ₹)	19.83*	17.77*	16.04*	68.80	59.84
	-Diluted (Amount in ₹)	19.63*	17.57*	15.85*	67.98	58.75
	-Face Value (Amount in ₹)	2.00	2.00	2.00	2.00	2.00
	Earnings per Share (EPS) after extraordinary items <i>*(EPS for the quarters are not annualised)</i>					
	-Basic (Amount in ₹)	19.83*	17.77*	16.04*	68.80	59.84
	-Diluted (Amount in ₹)	19.63*	17.57*	15.85*	67.98	58.75
	-Face Value (Amount in ₹)	2.00	2.00	2.00	2.00	2.00

The company had cash, cash equivalents and investments in liquid debt instruments of ₹ 185.02 Bn as at 31<sup>st</sup> Mar, 2017. The company receives income from its cash, cash equivalents and investments in liquid debt instruments through the quarter, most of which appears in 'Other Income'

# Update on OakNorth Bank

- IBHFL bought a 40% stake in OakNorth Bank at £ 80.6 per share in Nov 15
- In April 17, 18 months after IBHFL’s investment, OakNorth Bank raised equity capital at £ 119.4 per share, 50% higher than what IBHFL paid for its stake
- Last round investors (family investing entities of):
  - Mr. Stefano Pessina – Founder and Principal shareholder of Walgreens Boots Alliance, a USD 90 Bn market cap business
  - Mr. Mark Evans, Balderton Capital - One of the leading European tech investors
  - Mr. Gavyn Davies, Active Private Equity - Sold his previous fund to KKR and a former Chairman of BBC

- Key financials and ratios:

Loan Book (£ Mn)	280
Average Yield	8.5%
Average CoF	1.8%
NIM	6.7%

- OakNorth Bank has already achieved cash break-even and is expected to get to 25% RoE in next 3 years with a loan book of £ 2.5 Bn and net profits of £ 75 Mn

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**The Pool Performance Factsheet (“Factsheet”) has been prepared at the request of the Originator – Indiabulls Housing Finance Limited. The Factsheet for pools backed by Pass-Through Certificates (PTCs) and Direct Assignments (DAs) presented in this document is based on payouts made till March 2017 (collections till February 2017). For PTCs, the ratings mentioned in this document are outstanding as on March 31, 2017. Information on pool performance has been obtained by CRISIL from Indiabulls Housing Finance Limited for DA transactions and from the Trustee for PTCs. For DAs, CRISIL has received copies of Payment Advice covering Payouts till March 2017 (collections till February 2017).**

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