

***Indiabulls***  
**HOUSING FINANCE**

# Safe Harbour Statement

*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 accounting standards, 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. It may also be noted that Indian Accounting Standards [IndAS] have been adopted with effect from April 1, 2017. Thus all restated numbers in this document pertaining to period from March 31, 2017 are unaudited. There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by Ministry of Corporate Affairs and NHB / RBI or changes in the use of one or more optional assumptions from full retrospective application of certain Ind AS permitted under Ind AS 101.*

*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.*

## **Investor Contact**

Ramnath Shenoy

[indiabulls.update@indiabulls.com](mailto:indiabulls.update@indiabulls.com)

+91 22 6189 1444

## **Media Contact**

Rahat Ahmed

[mediaquery@indiabulls.com](mailto:mediaquery@indiabulls.com)

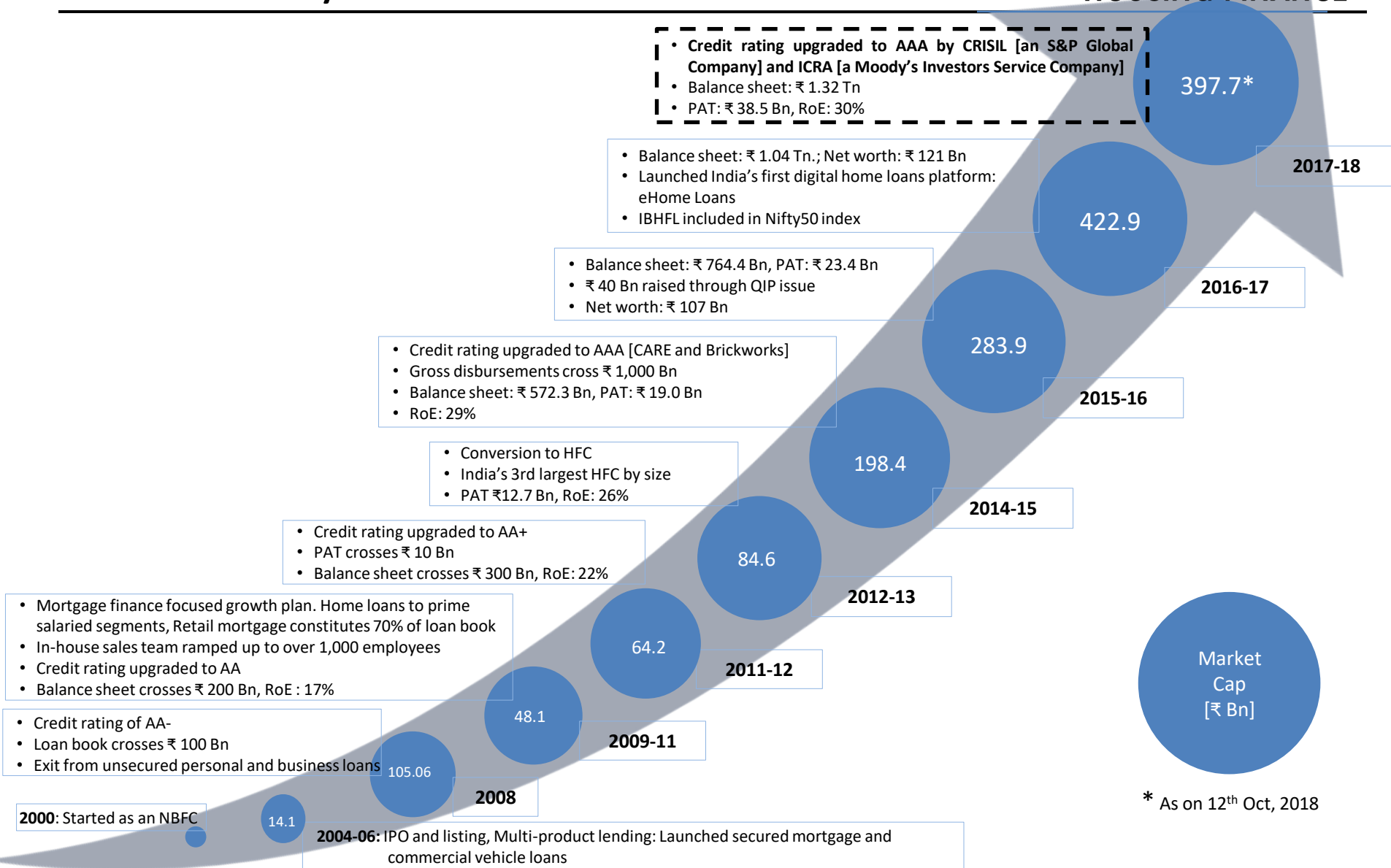
+91 22 6189 1155

# Contents

	<u>Pg. No.</u>
1. Business Update	04
2. Indiabulls Housing Finance's Liquidity Standards	10
3. Indian Home Loans Market	13
4. Financial and Operational Highlights	23
5. Home Loans Distribution Model	33
6. Conservative Loan Against Property Portfolio	42
7. LAP Grading	46
8. Static Credit Performance Analysis of LAP and HL Pools	52
9. Liabilities Profile	60
10. Corporate Social Responsibility	65
11. Board of Directors, Ratings, Business Value Proposition, Key Ratios, Valuations and Shareholding	67
12. Detailed Financials	75

# Business Update

# Our Journey



\* As on 12<sup>th</sup> Oct, 2018

# Business Update

Key Financial Highlights: H1 FY 18-19 vs H1 FY 17-18 as per Indian Accounting Standards [IndAS]

	H1 FY 18-19	H1 FY 17-18	YoY Growth [%]
Balance Sheet	1,398.04	1,161.31	20.4%
Loan Assets	1,289.08	1,000.12	28.9%
Net Worth	173.50	143.28	21.1%
Total Revenues	83.27	67.41	23.5%
PBT	27.89	21.70	28.5%
PAT	20.99	16.71	25.6%

Key Financial Highlights: Q2 FY 18-19 vs Q2 FY 17-18 as per Indian Accounting Standards [IndAS]

	Q2 FY 18-19	Q2 FY 17-18	YoY Growth [%]
Total Revenues	42.55	34.52	23.3%
PBT	13.87	11.08	25.1%
PAT	10.44	8.61	21.2%

Amount in ₹ Bn

# Profit and Loss Statement Under IndAS

Amounts in ₹ Bn	Q2FY19	H1FY19
Interest Income & Fees	41.88	82.11
Interest Expense	25.56	48.92
<b>Net Interest Income</b>	<b>16.31</b>	<b>33.20</b>
Net gain on excess interest spread on assignment transactions for the quarter	0.68	1.15
<b>Total Net Income</b>	<b>16.99</b>	<b>34.35</b>
<b>Less: Operating Expenses</b>	<b>2.72</b>	<b>5.41</b>
Staff & Other Expenses	2.34	4.65
Adjustment due to Fair Value of Options	0.27	0.57
Depreciation & Amortisation Expenses	0.11	0.19
<b>Less: Credit Costs</b>	<b>0.40</b>	<b>1.05</b>
<b>Profit Before Tax</b>	<b>13.87</b>	<b>27.89</b>
Tax Expenses [net of deferred tax]	3.52	7.05
Other Income	0.09	0.15
<b>Profit After Tax</b>	<b>10.44</b>	<b>20.99</b>

# Reconciliation of Consolidated Profit with Indian GAAP: Q2 FY 2017-18

	Q2 FY 18
Profit after tax as per previous GAAP	8.61
<u>IndAS adjustment:</u>	
Adjustment on account of effective interest rate for financial assets and liabilities recognised at amortised cost	[1.00]
Adjustment on account of net gain on excess interest spread on assignment transactions for the quarter	1.13
Adjustment on account of Expected Credit Loss	[0.18]
Adjustment due to fair valuation of employee stock options	[0.17]
Other Adjustments	0.16
Tax Impact on above including reversal of Deferred Tax Liability on 36 [1] [viii] for the quarter	0.06
<b>Net profit after tax as per IndAS</b>	<b>8.61</b>

*Amounts in ₹ Bn*



# Conservative ECL Provisions and Stable Asset Quality

As per IndAS	Q2 FY19	Q2 FY18
Gross Stage 3	9.9	7.8
% Portfolio in Stage 3	0.77%	0.78%
ECL Provision Stage 3	2.5	2.3
Net Stage 3	7.5	5.6
Coverage Ratio % Stage 3	25%	29%
Gross Stage 1&2	1,279.1	992.3
% Portfolio in Stage 1&2	99.23%	99.22%
ECL Provision Stage 1&2	3.7	2.3

Amounts in ₹ Bn

- On total loan assets of ₹ 1,289.1 Bn, the loan assets in loan stage 1 & 2 are ₹ 1,279.1 Bn representing 99.2% of the total assets. The ECL provisions taken on assets in stage 1 & 2 are ₹ 3.7 Bn [As per Indian Accounting Standards [IndAS], all assets less than 90 dpd are standard assets classified in stage 1 & 2]
- On total loan assets of ₹ 1,289.1 Bn, the loan assets in stage 3 are ₹ 9.9 Bn representing 0.77% of the total loan assets. The ECL provision taken on loan assets in stage 3 are ₹ 2.5 Bn representing 25% of the loan assets in stage 3 [as per IndAS, all assets that are more than 90 dpd are impaired or non-performing assets and are classified as NPA].

Gross NPA: 0.77%

Net NPA: 0.58%

# Indiabulls Housing Finance's Liquidity Standards

# IBHFL Follows a Liquidity Framework Guided by Basel III and in Line with Liquidity Ratios Prescribed for Banks



High Quality Liquid Assets	
	Amount [₹ Bn]
Cash and bank balance	40.7
Liquid investments including investments in Govt securities, PSU/tax-free bonds	171.8
<b>High Quality Liquid Assets [HQLA]</b>	<b>212.5</b>

30-day Net Outflows	
	Amount [₹ Bn]
<b>Outflows</b>	<b>81.7</b>
Debt repayment	69.2
Other liabilities	12.5
<b>Inflows</b>	<b>28.8</b>
Loan portfolio repayments [Contracted]	14.0
Interest repayment and income from mutual funds investments etc	14.8
<b>30-day Net Outflows</b>	<b>52.9</b>

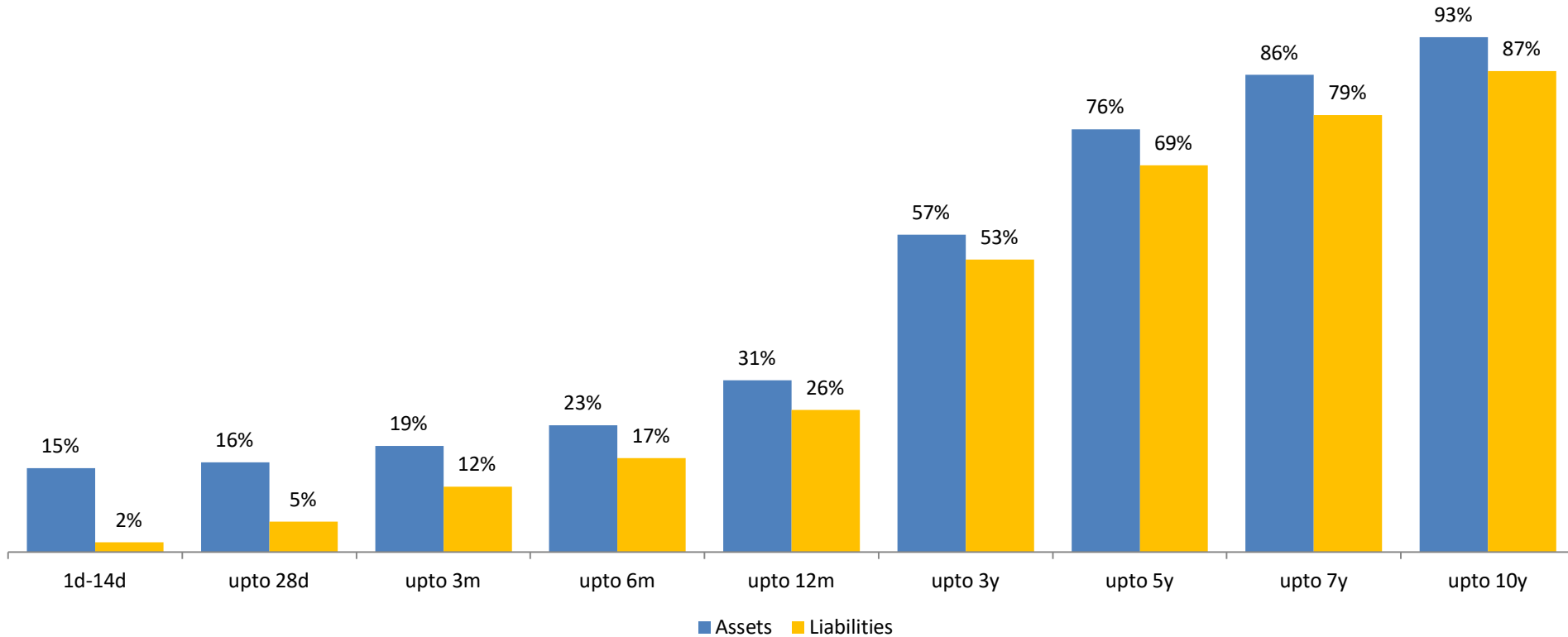
<b>30-day Liquidity Coverage Ratio = HQLA ÷ 30-day Net Outflows</b>	<b>401%</b>
---	-------------

Figures as of Sep 30, 2018

IBHFL is the only non-bank company in India to follow strict and conservative practice of repayments through a third-party trust managed by Axis Bank Trustee wherein all scheduled repayments are transferred to the Trust 7 days in advance on a rolling basis, thereby ensuring timely, fail-proof repayment discipline of all obligations

# Granular Asset Liability Maturity Management

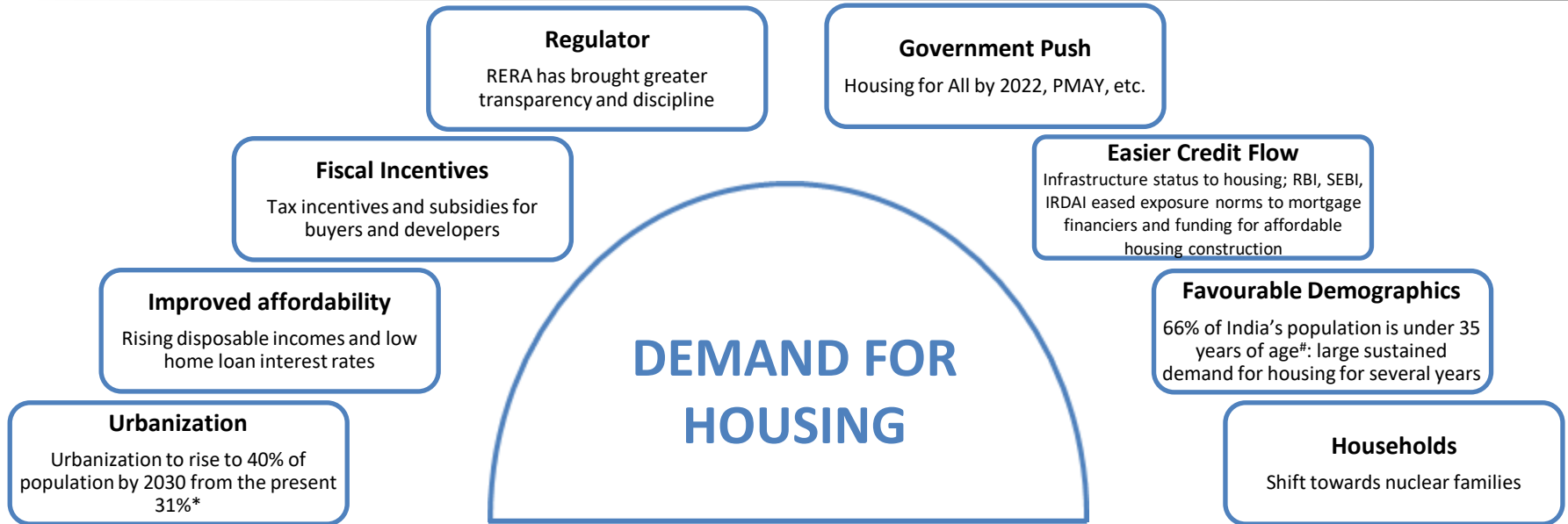
ALM: Fully matched for all buckets. 135% cover for 6 months' liabilities outflows



*The ALM above is shown on a cumulative basis up to each bucket  
Figures as of Sep 30, 2018*

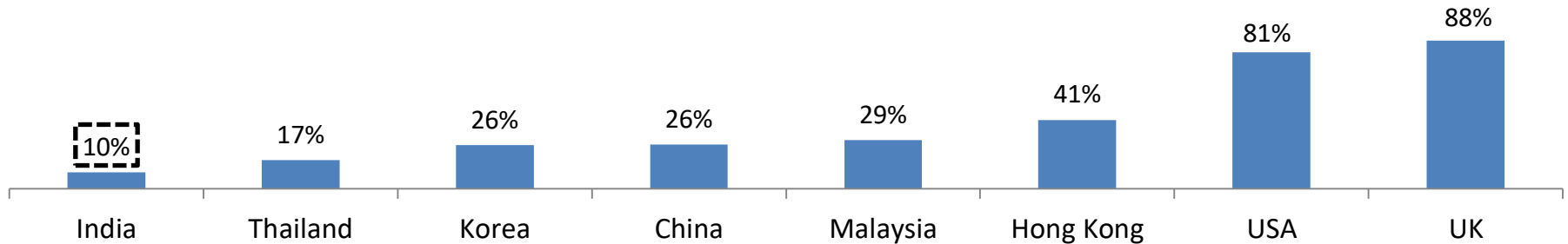
# Indian Home Loans Market

# Indian Housing Landscape



Effective Mortgage rates in India are the lowest in the world

Low mortgage penetration in comparison with advanced and emerging economies implies vast opportunity for growth



Source: ICRA HFC Report, Jun 2017 and Mar 2018

China's individual mortgage loan market at \$3.5 Tn is 14x that of India's at \$ 245 Bn, contrasted with respective GDPs, where China's GDP is 5x that of India's.

\* Source: RBI Deputy Governor speech, 2014

# Source: Ministry of Statistics and Programme Implementation

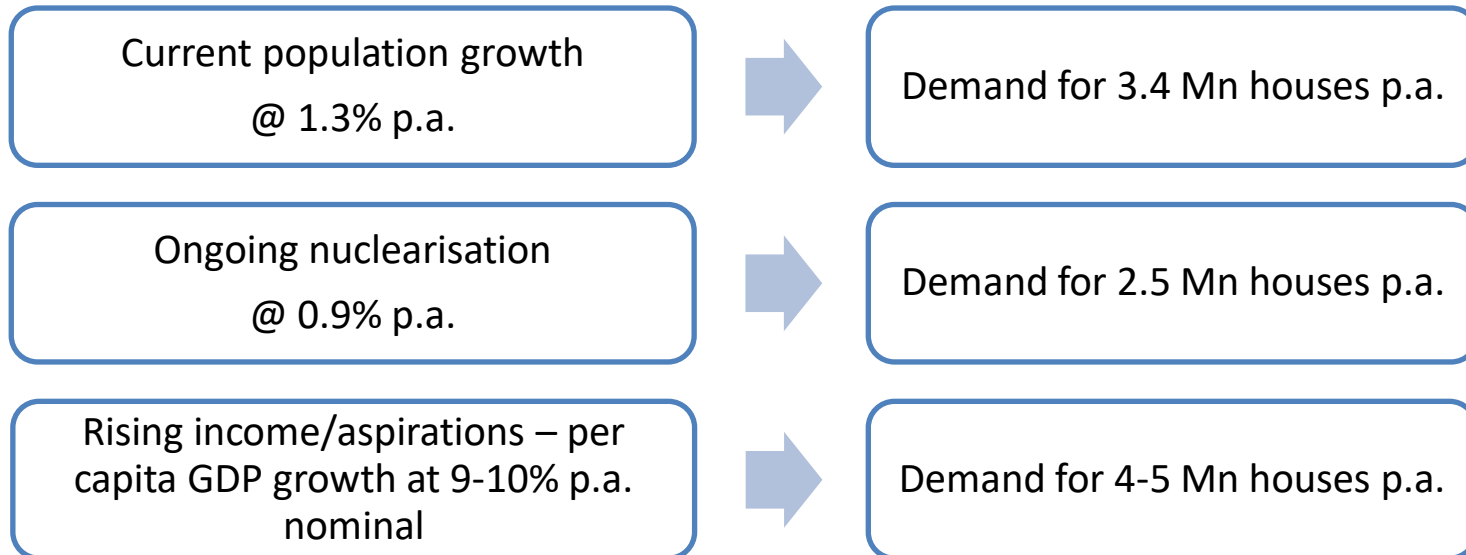
PMAY: Pradhan Mantri Awas Yojana

IRDAI: Insurance Regulatory and Development Authority of India

RERA: Real Estate Regulatory Act

# Housing Demand in India

- Estimated housing shortage: ~ 40 Mn houses
- Drivers of incremental demand:



- Total incremental demand for houses over 10 Mn p.a.
- **Total opportunity over the next 7 years expected to be ~70 Mn houses**

# Housing: From Social Objective to Centrepiece Economic Policy

Housing sector has the ability to propel rural and urban economic activity

- Housing sector: Country's 4<sup>th</sup> largest employment provider\* employing both semi-skilled and unskilled labour
- Housing and the larger real estate sector has a high growth multiplier effect on the economy with linkages to over 250 ancillary industries
- Housing sector accounts for ~5% of GDP

## Coordinated policy measures aimed at all sections of the housing market

Home Buyers	<ul style="list-style-type: none"> <li>• Incentives from PMAY subsidy and tax deductions</li> <li>• Increase in carpet area of houses eligible for interest subsidy</li> <li>• Home loan rates in affordable housing at 0.66%</li> <li>• RERA in place: transparency and delivery visibility to buyers</li> <li>• 90% of government-run pension fund EPFO can be withdrawn for house purchase</li> </ul>
Real Estate Developers	<ul style="list-style-type: none"> <li>• 100% corporate tax exemption on profits from affordable housing construction</li> <li>• Quicker building permissions</li> <li>• RERA in place: transparency and delivery visibility to buyers will aid sales</li> </ul>
Housing Finance Companies	<ul style="list-style-type: none"> <li>• Infrastructure status for affordable housing, easing access to institutional credit</li> <li>• RBI, SEBI and IRDAI have coordinated policies to ease access to funding</li> <li>• Reduction in risk weights and easing of LTV caps</li> <li>• Increased access to ECBs; ticket sizes to qualify as PSL lending for banks broadened</li> </ul>



# PMAY and Tax Incentives for Mid-Income Affordable Housing

Illustration for Indiabulls Housing's average Home Loan at headline yield of 8.80%

- 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 [@ 8.80%]	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	189,293	150,000	104,842	234,452
2	2,019,844	175,548	150,000	100,594	224,954
3	1,869,844	161,802	150,000	96,347	215,455
4	1,719,844	148,057	150,000	92,099	205,957
5	1,569,844	134,311	150,000	87,852	196,459
6	1,419,844	120,565	150,000	83,605	186,961
7	1,269,844	106,820	150,000	79,357	177,462
8	1,119,844	93,074	150,000	75,110	167,964
9	969,844	79,328	151,605	70,862	160,071
10	818,240	65,436	165,497	66,570	164,364
11	652,742	50,270	180,663	61,883	169,050
12	472,079	33,714	197,219	56,768	174,165
13	274,860	15,642	215,291	51,183	179,750
14	59,569	916	59,569	18,690	41,795
<b>Total</b>		<b>1,374,775</b>	<b>2,169,844</b>	<b>1,045,762</b>	<b>2,498,857</b>

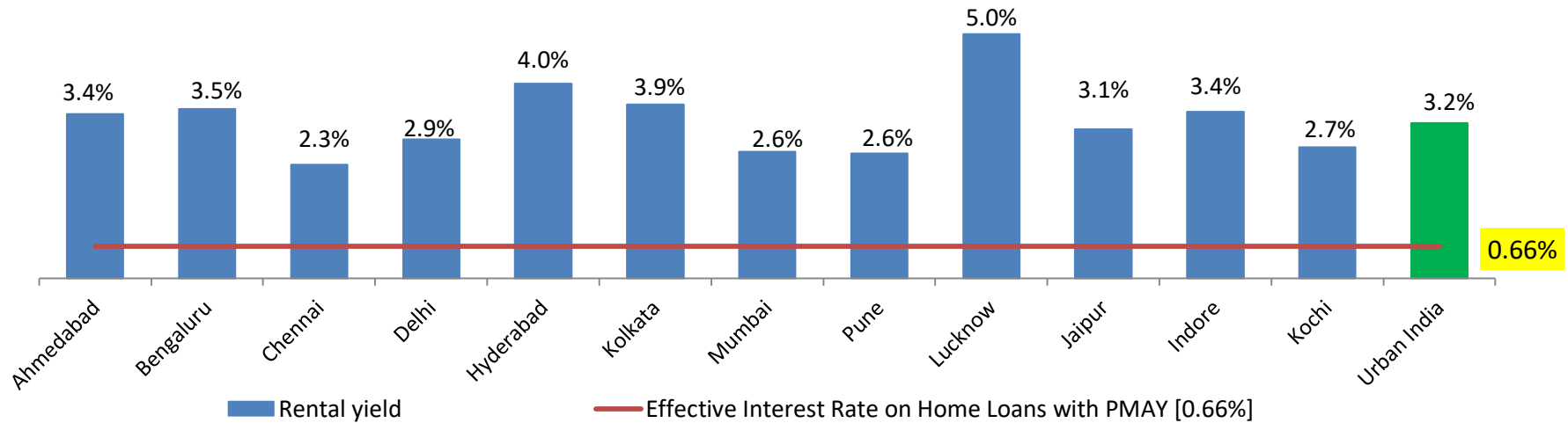
\* Tax saved = 30.90% of [interest paid up to ₹ 250,000 + principal paid up to ₹ 150,000]

Effective Interest Rate on Home Loan	0.66% p.a.
--------------------------------------	------------

- Interest subsidy benefit under PMAY scheme extended up till March 2019

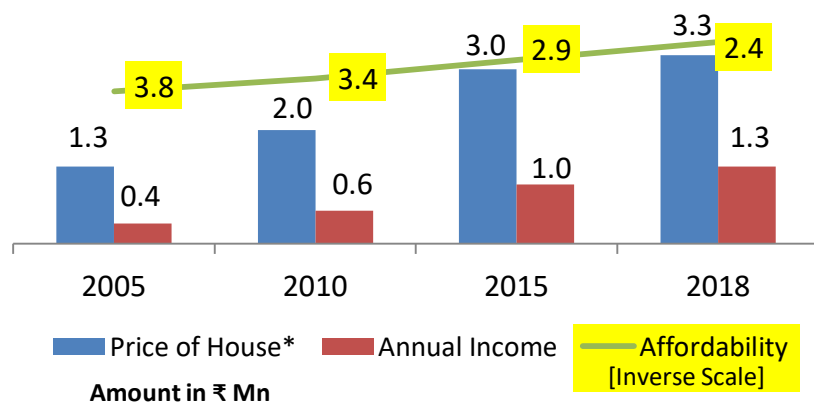
# EMI Smaller than Rent Cheque: PMAY and Tax Incentive for Mid-Income Affordable Housing

### Rental Yield v/s Home Loan Cost



Source: NHB; Industry reports

### Increasing Affordability



- The effective home loan rate is only 0.66% against rental yield of 3.2% in the top-12 Indian cities
- Home ownership is very lucrative and much cheaper than renting property

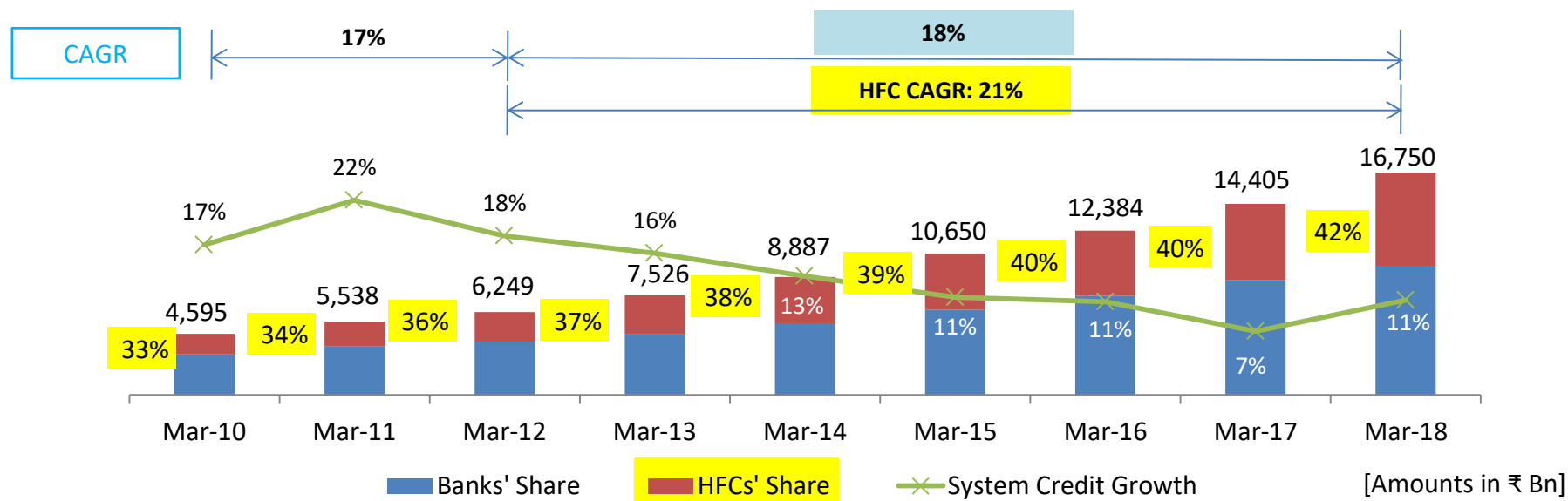
Affordability is defined as "Price of House" divided by the "Annual Income"

\* Source: NHB; Industry reports

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

# Mortgage Market Growth

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



ICRA expects HFCs to grow at 23-25% and banks to grow by 13-15%

- ICRA's report of Mar 2018 states that mortgage penetration has increased steadily from ~7% as on March 31<sup>st</sup>, 2007 to ~10%
- Housing finance market to double over the next 5 years, pushing mortgage penetration levels up by around 300-500 bps
- HFCs reported a 21% YoY growth for the year ended Mar 18 [18% in FY17]
- GNPA of HFC's home loan portfolios stable at 0.7%, while that of total portfolio reduced to 1.1% in Mar 18 from 1.2% in Dec 17

# Growth Momentum in Residential Real Estate



## Sales Pick-up

- Housing sales across top seven Indian cities recorded a 15% jump YoY in Q3CY18<sup>1</sup>
  - Bengaluru, Kolkata, Mumbai and Pune have witnessed more than 20% jump in YoY sales
- New housing supply increased 51% in Q3 CY18 over Q2 CY18, with affordable housing accounting for 65% of the supply<sup>1</sup>
- Over 64,000 residential units were sold in H1CY18 across India vs. 96,000 in CY17<sup>2</sup>



## Launches

- Launches up 46% in H1CY18 over H1CY17 across India<sup>3</sup>
  - Mumbai: 128%, Pune: 78%, Hyderabad: 44%
- Number of new launches crossed 40,000 mark after eight quarters in Q2 CY 2018<sup>2</sup>
- 77% of launches in Q2CY18 were in affordable [<4 Mn] and mid-segment housing [< 8 Mn]<sup>4</sup>
- Housing for All by 2022 to attract \$1.3 Tn investments into residential real estate by 2025<sup>4</sup>



## Premium Market Uptick

- Bengaluru witnessed a 45% spike in demand for premium residential units<sup>5</sup>
- Uptick in HIG sales was driven by Mumbai and NCR registering over 20% YoY growth in H2CY17<sup>6</sup>



## Increasing Affordability

- Residential price inflation for FY18 was moderate in top 10 cities at 6.7%<sup>7</sup>
- Effective price drop of 10-15% in H1CY18 in cities like Mumbai, NCR, Pune and Kolkata<sup>3</sup>
- Average price of housing units in most cities are now inching closer or below the Knight Frank Affordability Benchmark of 4.5 times the annual household income<sup>8</sup>

# Commercial Office Space Absorption



## Pick-up in Leasing

- Leasing activity in top eight cities grew 56% over the past five years<sup>1</sup>
- Tech corporates, BFSI sector and e-commerce contributed to 64% of the leasing<sup>2</sup>
- 32 mn sq. ft. leased during 9M CY18 across top eight cities, up 7% YoY<sup>3</sup>
  - Mumbai, Bengaluru, Hyderabad and NCR account for ~80% of leasing activity



## Increasing Rentals

- Rents saw appreciation in most major markets with growth of 5% YoY<sup>4</sup>
- Bengaluru saw 7% QoQ increase in office rentals in Q2CY18 and now tops the Knight-Frank office-rent index in Asia-Pacific<sup>5</sup>
- Rentals to grow between 5%–8% YoY in high demand micro–markets of top 8 cities<sup>2</sup>



## Low Vacancy

- Vacancy down from 19.4% in H1 2013 to 12.1% in H1 2018<sup>6</sup>
- Vacancy rates in key micro-markets of Bangalore, Pune and Chennai likely to remain low at 6-9% over 2018-20<sup>7</sup>



## Addition in Supply

- ~16 million sq. ft. of office space supply added in top nine cities during H1CY18, ~40% higher than H1CY17<sup>8</sup>
- 42 Mn sq. ft. of commercial office space to be added in CY18, vs. 26 Mn sq. ft. in CY17<sup>9</sup>
- Grade-A office space to surpass 700 Mn sq. ft. by 2022 from the present 530 Mn sq. ft.<sup>9</sup>
- Supply in top 8 Indian cities estimated to grow by 15% CAGR from 2017-20<sup>2</sup>



## PE Funding

- PE inflows in real estate rose 15% YoY to \$3 Bn in Mar quarter and is expected to grow to \$ 100 Bn by 2026; Indian real estate market expected to touch \$ 1 Tn by 2030<sup>10</sup>
- Average PE investment per deal in H1CY18 stood at \$157 Mn, 3x that of CY16<sup>11</sup>
- PE inflows in Commercial and IT real estate since 2014 is 1.5x of previous 7 year's inflows<sup>9</sup>
- Institutional Investments in Indian realty touched \$4 Bn in 9M CY18<sup>11</sup>

1: JLL Report, Jun 18

2: JLL Report, Feb 18

3: CBRE Report, Sep 18

4: CIRIL Research

5: Knight Frank, Q2 CY18

6: Knight Frank, Jun 18

7: Colliers Report, Apr 18

8: CBRE Report, Jul 18

9: JLL Report, Sep 18

10: KPMG, NARDECO, APREA, Sep 18

11: KPMG Report, Sep 18

# Strong Structural Drivers and Government Focus



## Measures in the last 30 months: Boost to the Housing Sector

Pradhan Mantri Awas Yojana [PMAY]	Subsidy eligibility under Pradhan Mantri Awas Yojana [PMAY] covers up to ₹ 12 lakh of home loan – reduces effective home loan rates to 0.66% for mid-income affordable housing
EPF Corpus Withdrawal	Homebuyers can withdraw from their accumulated EPF corpus for both the down payment on their house as well as for paying their home loan EMIs
Regulator	Real Estate [Regulatory & Development] Act, 2016 enables a structured, transparent and disciplined sector
Tax Incentives	Increased tax incentives and PMAY subsidies reduces effective home loan yields to 0.66% for a 8.80% home loan
Budget 2016-17	100% tax exemption on profits from construction of affordable housing will attract organized developers and increase supply
Fiscal Incentives	PMAY projects to be out of purview of GST. Service tax exemption on construction of affordable housing projects will lead to reduction in prices, increasing affordability

## Key Structural Drivers of Housing Growth

Favorable Demographics	66% of India's population is under 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, low 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 IRDAI – regulatory focus on increasing funding avenues to HFCs; Distribution tax on securitization abolished

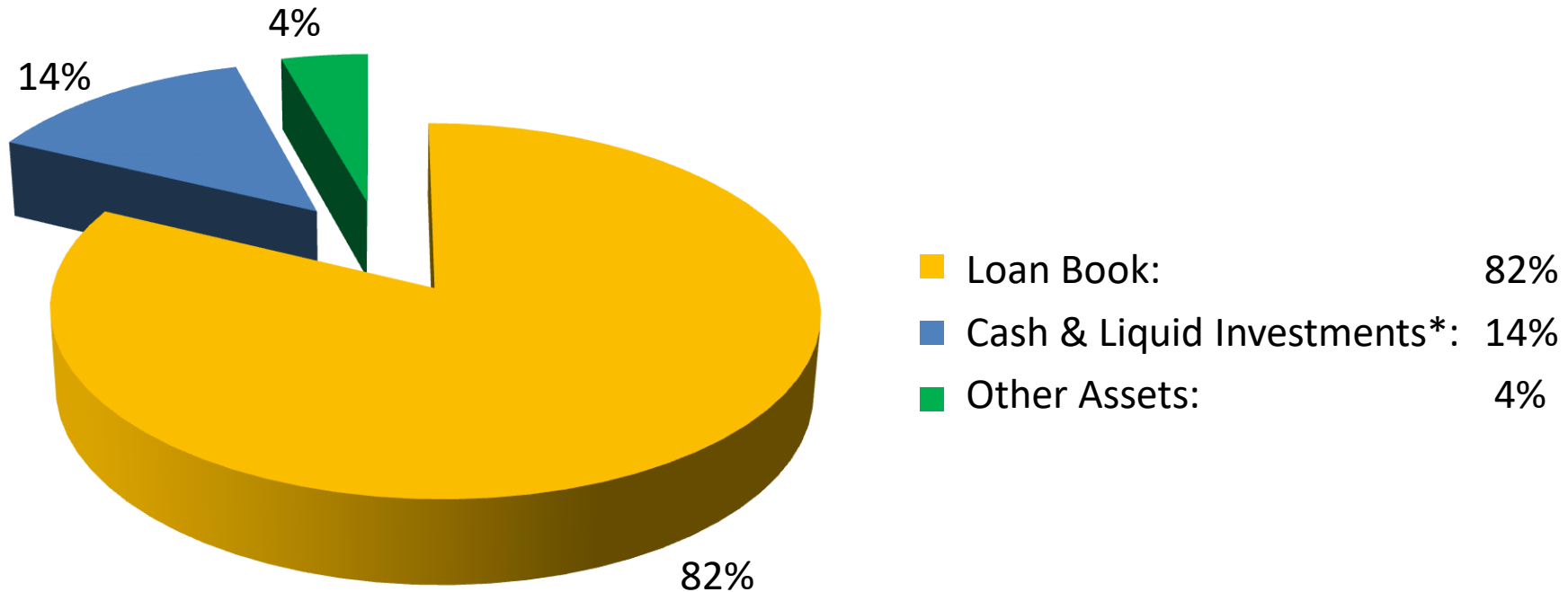
# Financial and Operational Highlights

# Business Summary

- Balance Sheet : ₹ 1.40 Tn
- Loans Outstanding : ₹ 1.29 Tn  
: [US\$ 17.90 Bn]
- Loan Assets CAGR [7 years] : 27%
- Cumulative Loans to Retail Customers : 1,095,710
- Cumulative Loans Disbursed till date : ₹ 2.36 Tn  
: [US\$ 32.73 Bn]
- Cost to Income Ratio [FY18] : 12.5%
- Profit After Tax CAGR [7 years] : 25%



# Balance Sheet Assets

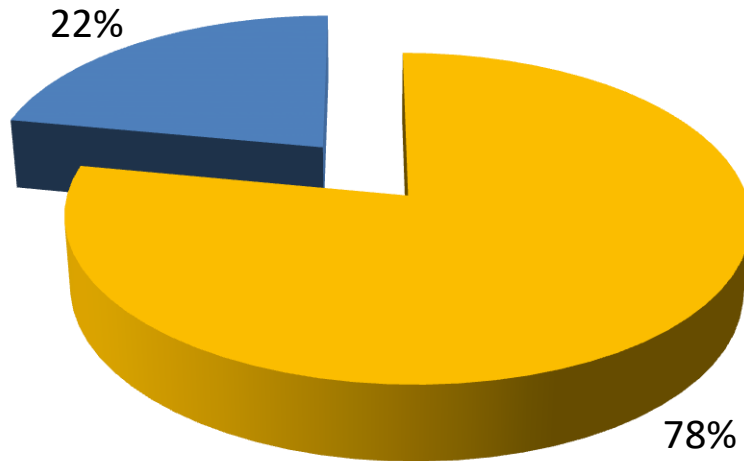


Total Assets	
As at Sep 30, 2018	₹ 1.40 Tn [US\$ 19.42 Bn]
As at Sep 30, 2017	₹ 1.16 Tn [US\$ 16.13 Bn]

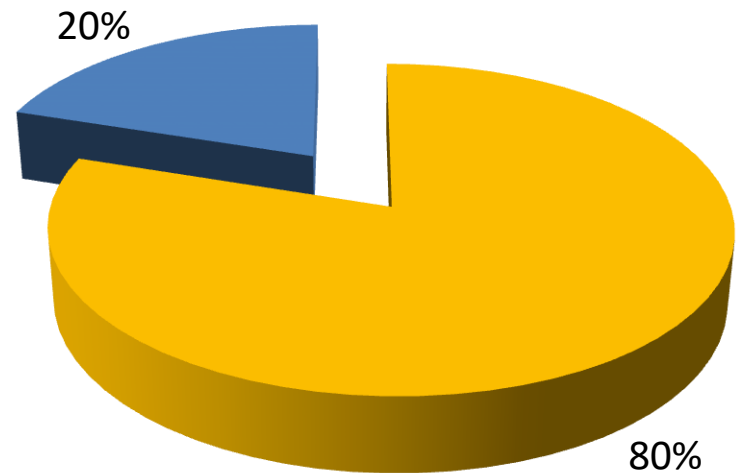
\*Cash, Cash Equivalents and Investments in Liquid Debt Instruments  
 US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 72

# Asset Composition

Q2 FY 17-18



Q2 FY 18-19

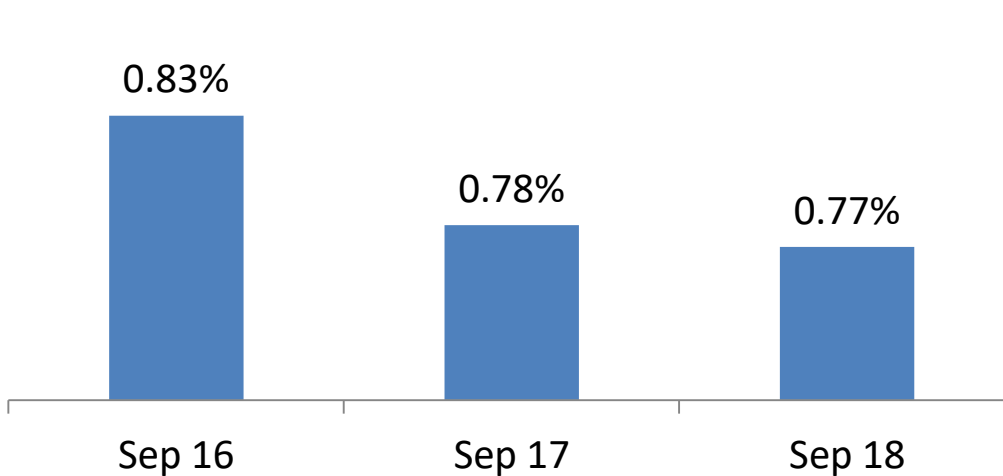


■ Mortgage Loans   ■ Corporate Mortgage Loans

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

# Asset Quality

## Gross NPA



### As at Sep 30, 2018 [IndAS]

	[in ₹ Bn]	% of Total Loan Assets
GNPA :	9.94	0.77%
Stage 3 ECL Provisions:	2.47	0.19%
NNPA:	7.47	0.58%

- The stage 1&2 ECL provisions of ₹ 3.7 Bn have not been taken into account while calculating the Net NPA

# Home Loan Profile:

## Focus on Mid-Income Affordable Housing



Average Loan Size	₹ 2.4 Mn
Maximum Loan to Value	80%
Average Loan to Value	73% [at origination]
Average Loan Term	15 years
Average Customer Age	38 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

- PMAY covers 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 2,153 Sq. Ft.
- Effective home loan rate for ₹ 2.4 Mn home loan, IBHFL's average ticket size, is only 0.66%

# Smart City Home Loan: Technology-led cost-effective Geographical Expansion through eHome Loans platform



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
Average Customer Age	39 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing

- 100 Smart City Home Loan branches in new towns and cities now contribute 13% to incremental home loans' disburseals
- Smart City Home Loans rides on the eHome Loans infrastructure with lean spoke branches logging in digital/ scanned loan applications, these are underwritten at centralised regional credit hubs
- Smart City Home Loans is driving expansion into geographies with low competitive intensity, contributing better margins at low cost-to-income without dilution in credit standards

# Consumer Focused Mid-Income Housing Loans: Granular, Low-risk, Prime Home Loans



Ticket Size	Core Customer Segment	Typical Annual Household Income	Distribution	
			Count	Amount
₹ 1.5 Mn – ₹ 5 Mn [\$ 21,000 - \$ 69,500]	Urban Mid-Income Affordable Home Loans Prime mid-income, tier I city, salaried	₹ 0.6 – ₹ 1.8 Mn [\$ 8,500 - \$ 25,000]	51%	56%
< ₹ 1.5 Mn [\$ 21,000]	Smart City Home Loans Prime mid-income, tier II town, salaried	₹ 0.4 Mn – ₹ 1.0 Mn [\$ 5,500 - \$ 14,000]	42%	15%
> ₹ 5 Mn [\$ 69,500]	Self-employed Home Loans Small business owner, established business track record	> ₹ 1.8 Mn [\$ 25,000]	7%	29%

## Mid-income granular home loans: volume driven business

- Most scalable opportunity: Mid-income home loan disbursements for the industry grew by 33% in FY17
- Customer acquisition + long-term relationship rather than single-loan engagement: On-going cross-sell and fee generation

# Loan Against Property Product 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
Average Age of Business	7 years
Basis of Credit Appraisal	Business cash flow analysis based

**Cash flow based underwriting:** *Loan repayment is from underlying business cash flows and not from refinancing*

# Corporate Mortgage Loans

Over 70% of Corporate Loan Book is supported by Lease Rental Discounting [LRD]

- **Loan repayments are from business cash flows with demonstrated repayment ability, and not from refinancing**
- **Developer bankruptcy-remote repayment structure:** *rental and sale cash flow comes directly into an escrow account*
- **Assets are exclusively mortgaged to IBHFL:** *IBHFL does not do loans with others with pari-passu charge*
- **Cross-collateralization:** *Residential Construction Finance loans are generally cross-collateralized with LRD facilities*

## Lease Rental Discounting

- Focus on tier I markets with moderate and sustainable rentals
  - Portfolio average rental: ₹ 56 per sq. ft. per month
  - Range: ₹ 35 to ₹ 85 per sq. ft. per month
- Escrow account mechanism: rents are deposited by lessees directly into escrow account under an irrevocable structure
- Escalation in rent is not considered while discounting rental cash flows to arrive at the loan amount
- Low average LTV of 45%
- Rent-to-EMI cover of > 1.2x
- 90% of LRD is backed by leased out commercial office building with multiple tenants
- Lessees are typically marquee international names, MNCs and top Indian companies

## Residential Construction Finance

- Residential Construction Finance loans are generally cross-collateralized with LRD facilities
- Encumbrance-free land comes in as upfront equity
- Complete Financial Closure at Sanction = 
$$\frac{[\text{Future receivables from presales area} + \text{Loan inflow} - \text{Balance costs}]}{\text{Loan Amount}} > 1x$$
- Escrow account mechanism: customer collections come into an escrow account and first goes towards loan repayment servicing
- Average cash flow cover computed taking into account unsold units: 3x to 4x
- Residential construction finance for residential projects of leading developers in top-6 cities
  - Top-5 to 7 developers in the top-6 cities
  - Loan disbursements done after all requisite permissions are received
  - Projects aimed at upper middle class clientele
  - Land value typically forms 50-70% of the project cost, locking in huge equity
  - Construction stage linked disbursements
  - Loan appraisal focuses on execution track record of the developer



# Home Loans Distribution Model:

Analytics and Technology-led Next Phase of Growth

# Evolution of Home Loans Distribution Model Thus Far

## Pre 2005: Branch-based Fulfillment [Dominance of PSBs]

- Entirely branch based. Multiple customer visits to the branch.
- Long-drawn process usually taking 20+ days
- Tedious process for subsequent disbursements
- Multiple visits for on-going loan management, tax documents etc

## 2005-16: Point-of-Sale Fulfillment [Advantage Private Lenders]

- Lead generation at residential construction sites
- Doorstep service and loan fulfillment
- **For Banks: Branches became merely CASA servicing points as branches lost ability to source home loans**
- End-to-end process down to 7 to 10 days
- Online components ease loan management

# Indiabulls Digital Home Loan Technology Platform



## Digital Home Loan Technology Platform

Customers



One app for all needs

Analytics



Automated underwriting

Social Media Integration



Product personalisation

Access to Source Data



Real-time access to GST, tax info

Developers and DSAs



Shorter working capital cycles

Fee Generation



Cross-sell: Insurance, MFs

## Operational Impact

Customer delight: Reduced TAT. Round-the-clock access

Increased customer engagement and touchpoints

Enhanced productivity and operating efficiencies

Collapse developer working capital cycle

Proportion of self-employed segment maintained

Enhanced DSA productivity and earning opportunities

## Financial Targets

Long-term sustained loan book growth: 20% - 25%

Sustained earnings growth: 20% - 25%

Reduced credit costs:  $\leq 0.50\%$

Low cost-to-income:  $< 8.0\%$

Increased fee generation: 2%+ from present 1.6%

Greater developer loyalty: 20% more loans/project

# Comprehensive Customer Coverage; Scalable Processing Capacity and Robust Risk Management

Ring of touchpoints encircling target customers

**Digital Channels**

- eHomeLoans
- Online marketing and social media

**Feet-on-street:**

4,300 on-rolls DST  
Presence on construction sites

**Brick & Mortar:**  
Pan-India Branch Network

**Customer Outreach**  
Inbound/Outbound  
Contact Centre

**External Channel Partners:** DSAs

**BTL Outreach:**  
Loan Melas, Kiosks



Technology-driven, elastic, scalable loan processing capacity

**Approved Project Funding [APF]**

65% of disbursements

**Scoring Model: Instant turnaround [August 2018]**

- Based on banking history, income and credit bureau data

**eHomeLoans: 1-day turnaround**

- End-to-end home loan app: loan application, document upload and eSign

**Digitized Workflow: 2-day turnaround**

- Scanned application, digital workflow

**Non - APF**

35% of disbursements

Field Investigation

Fraud Control Unit

Hub & Spoke

Spoke Sourcing

Regional hub decisioning

Legal Team

Technical Service Group

Digital app-enabled workforce and workflow

Robust credit underwriting rigour, risk management practices and process integrity

**Credit Decisioning Hierarchy**

Branch

Service Centre

Master Service Centre

Central Credit Committee

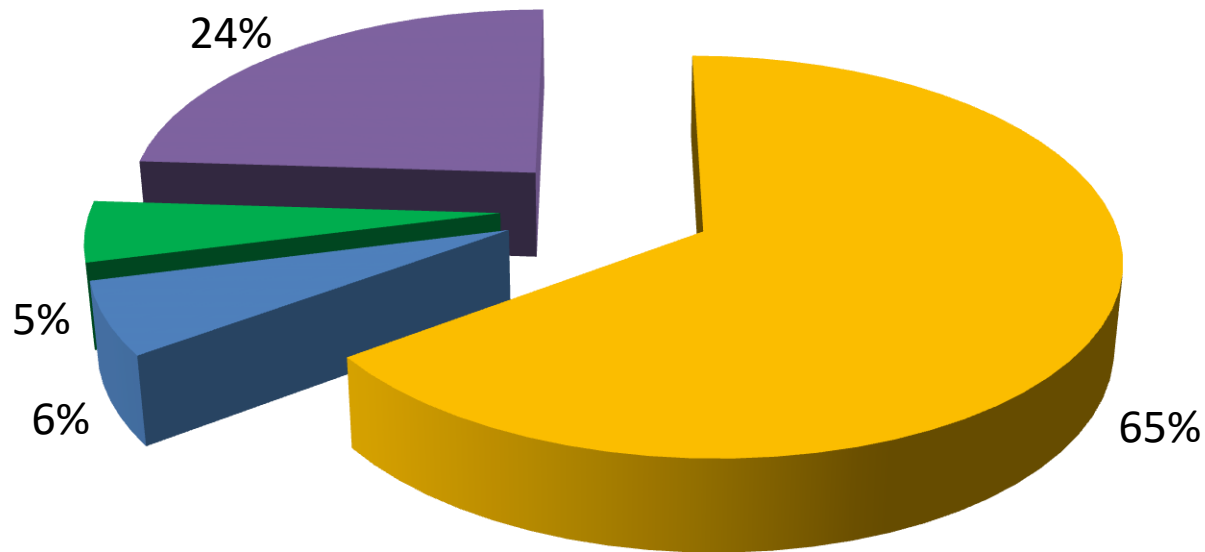
ISO certified key departments and processes

- Loan operations
- Customer care
- Data centre
- Administration
- Human Resources
- Credit underwriting
- Environment Management Services

Operational risk mitigation

- Outsourced or digital document storage

# Retail Mortgage Loans' Sourcing



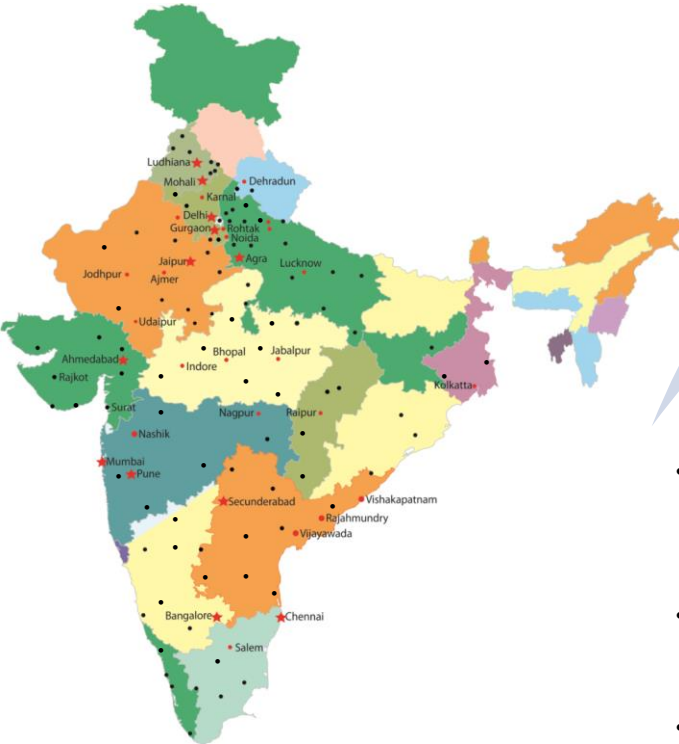
■ Direct Sales Team ■ External Channels ■ Branch Walk-ins ■ eHome Loans

- 29% of home loans' sourcing is now through eHome Loans. Including LAP, 24% of all retail mortgage loans' sourcing is now through eHome Loans
- Over 90% of incremental sourcing is done in-house by on-rolls employees and eHome Loans

# Pan-India Brick-and-Mortar Branch Network

## Smart City Home Loan Branches

September 2018: Successfully set up 100 smart city home loans branches as of Q2FY19



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

Note: Map not as per scale. The branch locations shown are for representative purposes only and doesn't reflect all branches of the company

### Smart City Branches

- Technology enabled lean branches with only sales staff
- Online 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

## Awards and Accolades

**Ranked #13 in the Forbes Global 2000 – Growth Champions 2018:** World's Largest Consumer Finance Company list for 2018. One of the only two Indian companies on the list.

Best Social Media Brand



SAMMIE Awards 2018

Award for Branding



PRCI Corporate Collateral Awards 2018

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



BW Digital India Summit 2017

Excellence in Cost Management



ICAI 14<sup>th</sup> National Awards 2017

# Unique Franchise in Indian Mortgage Market



## Consumer focused scalable lending model

### Strengths similar to Banks

- Access to deep pools of capital: debt and equity
- Funding efficiencies from highest AAA credit rating
- Evolved regulations, processes and risk management practices

### Scalability of Mortgage

- Focused on the most scalable and secure asset class: Home Loans
- India's mortgage-to-GDP of only 9.7%
- China's mortgage market is 14x that of India's while its GDP is only 5x

Focus on prime, mid-income customer segment with steadily rising disposable incomes

Focus on customer acquisition rather than single-loan relationship  
Strong fee generation opportunities through distribution of risk-cover and investment products

Product suite spanning home loans and other mortgage loans to individuals and businesses  
Demonstrated track of sustained 3%+ spreads and RoEs of 25%+

### Technology leadership

Analytics and technology-led innovation to deliver superior customer experience along with enhanced earning opportunities and operating efficiencies

# eHome Loans: Digitised Workflow, Analytics driven Underwriting and Digital Payments Infrastructure

Customer Touchpoints	eHome Loan App and Portal			IB Systems
	Application form	Document upload	e-sign	
<b>Lead Sources</b> Website App E-mail Social Media Chat bots SMS Channel Sales/ Branch References Partners Aggregators	Basic information filled by one-click interactive options: <ul style="list-style-type: none"> <li>• Loan Details</li> <li>• Property Details</li> <li>• Employment details</li> </ul> Online Processing fee payment options	Income proof directly from bank's system: using Perfios facility  One click document upload from <ul style="list-style-type: none"> <li>• Diglocker</li> <li>• Google Drive</li> <li>• Dropbox</li> </ul>	Digitally enabled e-signs replace 70+ physical signatures  	Data directly flows to multiple systems of IB for action  Automatically Triggers: <ul style="list-style-type: none"> <li>• Decision Engine</li> <li>• Verification reports</li> </ul>

## Third party integrations

Email fraud detection

Online payment

Financial data

Government certified document storage



# eHome Loans: Digitised Workflow, Analytics driven Underwriting and Digital Payments Infrastructure

## Sanctioning

### Verifications

Parallel reports triggered:

- Property legal and technical checks
- Field verification

On the go reports: Teams can file real time reports through the integrated app

### Automated Credit Decisioning

Post application the following are triggered automatically:

- Detailed credit history from credit bureaus
- Bank statement analysis
- Deduplication
- Verification reports
- Business Rule engine for scoring



**Auto credit decision for majority applicants**

All the above information goes into the decision engine for auto decision

## e-sign and instant Disbursement

On request for disbursement, customer can e-sign the complete loan kit



Host -to-host integration with sponsor banks for direct and instant disbursement to customer/ builders

- IMPS
- RTGS
- NEFT

Provide instant digital insurance certificate of aggregator insurance companies

Digital mandate for auto debit for equated monthly installment for loan servicing

## Servicing

Self Service

65% of service requests can be instantly resolved on following multiple customer touch points

- Facebook
- Twitter
- Customer app/ portal
- Kiosk
- AI enabled Chat BOT
- Voice Recognition

Intimation of Payment demands raised by builder will come instantly to IB

Remind and Follow up service to meet builder payment demands

## Third party integrations

All reports and tracking on app



Email fraud detection



Financial data analysis



Instant Disbursal **IMPS**  
**RTGS/NEFT**



Digital mandate for debit

e-Insurance



Builder on IB platform

# Conservative Loan Against Property Portfolio

# Loan Against Property Product Profile

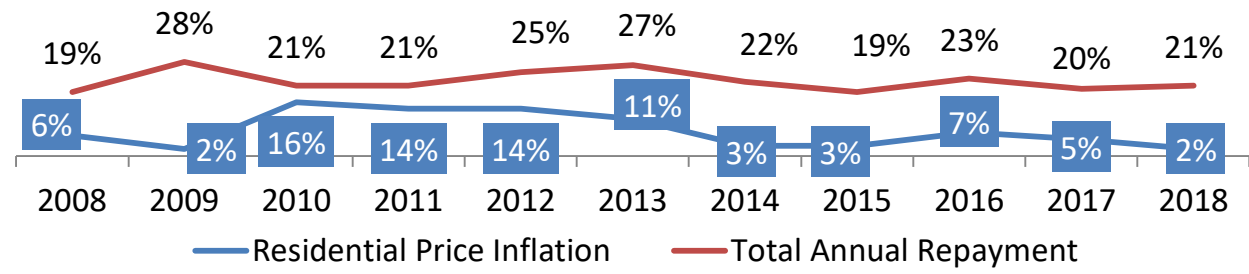
Average Loan Size	₹ 7.3 Mn
Maximum Loan to Value	65%
Average Loan to Value	49% [at origination]
Average Loan Term	7 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing
Average Age of Business	7 years
Basis of Credit Appraisal	Business cash flow analysis based

- IBHFL LAP loans are underwritten on a cash flow based appraisal model
- **For three years now IBHFL has been getting all of its incremental LAP loans graded by CRISIL [an S&P Global Company] and ICRA [a Moody's Investors Service Company]**
  - ICRA grades the loans on aspects such as past payment track record; nature of business and financial parameters; nature of property; and loan attributes like ticket size, sourcing channel, lending scheme, loan tenure, etc.
  - CRISIL grades the 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 ICRA in Q2FY16

# Loan Against Property: Cashflow based underwriting



## Loan repayments are immune from fluctuations in residential price inflation



3-Year Amortization Experience for IBHFL	
Contracted Amortization	23%
Actual Amortization	51%

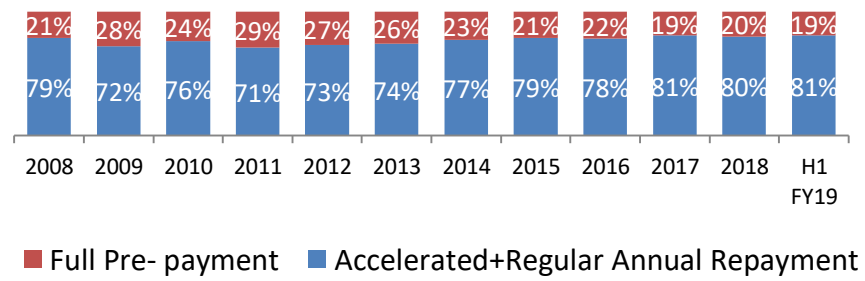
Residential price inflation is from NHB Residex weighed with population of constituent cities

Fluctuation in property price inflation has no direct correlation with the repayment capability of LAP borrowers

## Low LTVs ensure adequate asset cover

	At Disbursal	2 Years Later	
Property Value	100	70	Price deflation by 30% over 2 years
Loan Amount	50	32	Repayment of 20% per annum
LTV <sup>2</sup>	50%	46%	Real LTV

## LAP Repayment in not driven by refinance



- Assuming an extreme case 30% price deflation over a two year period, repayment rate of 20% per annum will mean that actual LTV will not rise

- Full pre-payment, a proxy for refinance, has been low
- An average of 76% of repayments are from clients' business cash flows, not from loans being refinanced

NHB: National Housing Bank, sector regulator for housing finance institutions  
LTV: Loan to value

# Static Performance of LAP Portfolio

- Four cycles are through for the LAP product where average repayment period is about 3 years
- Pre-FY11 LAP portfolio has amortised 94%, is of 8 years' vintage with 90+DPD% (incl. write-off) of only 0.24%

## Evident in Portfolio Performance

	Disbursal (₹ Bn)	POS (₹ Bn)	Amortization	Average LTV	Avg MoB	90+DPD (incl. write off) (₹ Mn)	90+DPD% (of disbursal)
FY 2007	7.5	-	100.0%	48.0%	138.0	-	-
FY 2008	21.4	0.3	98.7%	51.1%	124.7	-	-
FY 2009	10.6	0.3	96.8%	55.5%	120.0	11	0.10%
FY 2010	25.5	1.8	92.9%	50.9%	106.6	36	0.14%
FY 2011	41.9	3.9	90.6%	46.7%	91.4	134	0.32%
<b>LAP Pre-FY11</b>	<b>106.8</b>	<b>6.4</b>	<b>94.0%</b>	<b>48.6%</b>	<b>98.6</b>	<b>180</b>	<b>0.24%</b>
FY 2012	37.0	5.9	83.9%	47.7%	82.1	172	0.46%
FY 2013	36.7	8.6	76.5%	43.7%	70.6	256	0.70%
FY 2014	37.8	11.5	69.6%	46.0%	58.6	254	0.67%
FY 2015	56.9	25.1	55.8%	49.6%	46.6	253	0.45%
FY 2016	64.4	36.9	42.6%	50.1%	34.1	139	0.22%
FY 2017	66.9	46.4	30.6%	50.3%	21.0	60	0.09%
FY 2018	79.3	66.5	16.1%	49.7%	10.3	7	0.01%
H1 FY19	34.5	33.2	3.8%	44.7%	3.1	-	-
<b>LAP Post-FY11</b>	<b>413.4</b>	<b>234.2</b>	<b>43.3%</b>	<b>48.7%</b>	<b>25.5</b>	<b>1,141</b>	<b>0.26%</b>
<b>Grand Total</b>	<b>520.2</b>	<b>240.6</b>	<b>53.7%</b>	<b>48.7%</b>	<b>27.4</b>	<b>1,321</b>	<b>0.25%</b>

# LAP Grading

A Pioneering Initiative for Improved Risk Management and Greater Transparency

# Loan Against Property Grading from CRISIL

---

- 14<sup>th</sup> quarter of industry-pioneering LAP grading initiative
- Sourcing quality sustained through transition to GST
- LAP grading engagement with CRISIL [an S&P Global 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.
  - Engagement with CRISIL was initiated three years ago in Q1FY16
- Concurrent grading by multiple rating agencies
  - Offers IBHFL a broader and deeper perspective and a means to further improve loan portfolio
  - Rating agencies are important stakeholders: exercise will increase comfort and transparency on the asset class
- Grading exercise has been built into a comprehensive risk model
  - Learnings from the grading exercise is being used to develop an analytical credit scoring 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>



# CRISIL LAP Grading

Grading			Segment Characteristics			
Grading Scale	Quality of LAP Loans <sup>#</sup>	Disbursals Apr 15 – Sep 18	Interest Service Coverage Ratio [ISCR]	Total Outstanding Liabilities/ Total Networth	Loan to Value [LTV]	EBITDA Margins
LAP1	Highest	8.48%	10.4 – 13.5	1.3 – 1.4	49%	15% – 19%
LAP2	High	82.19%	8.2– 10.3	2.0 – 2.1	50%	12% – 16%
LAP3	Average	8.94%	7.9 – 9.9	2.8 – 3.0	53%	9% – 12%
LAP4	Below Average	0.18%	13.4 – 18.2	1.7 – 1.8	47%	13% – 16%
LAP5	Poor	0.22%	8.8– 11.4	2.3 – 2.4	50%	12% - 16%

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

- For three years now, incremental LAP loans are graded by CRISIL Ratings
- Sourcing quality sustained through demonetisation and GST transition
- 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

\* CRISIL LAP grading engagement began in Q1FY16 and up till the publication of this earnings update, CRISIL had graded 86% of the disbursals from Apr 15 to Sep 18

# Adjudged by CRISIL in relation to other LAP loans extended to other borrowers

# ICRA LAP Grading Methodology

## [2<sup>nd</sup> rating agency to grade LAP loans]

- Three years ago in H1FY16, 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 LAP loan on a ICRA developed customised scale

### Grading Assessment Parameters

#### Business and Business Owner

- Fixed obligation to income ratio [FOIR]
- Past payment track record
- Credit bureau check
- Nature of business and financial parameters
- Due diligence checks
  - Field credit investigation
  - Personal discussion
  - Reference checks

#### Collateral Quality and Enforceability

- Loan to value ratio [LTV]
- Nature of property
  - Residential
  - Commercial
- Usage of property
  - Self occupied
  - Rented
  - Vacant
- Property location
- Quality of construction
- Adherence to sanction plans

#### Loan Attributes

- Ticket Size
- Sourcing channel
- Lending scheme
- Loan tenure

# ICRA LAP Grading

Grading			Characteristics	
Grading Scale	Level of credit worthiness	Grading Distribution	Median LTV	Median FOIR
LAP1	Excellent	12.2%	25%	32%
LAP2	Good	67.5%	54%	50%
LAP3	Average	20.1%	65%	58%
LAP4	Below Average	0.1%	61%	64%
LAP5	Inadequate	-	-	-

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

- For nearly three years, incremental LAP loans are graded by ICRA
- Sourcing quality sustained through demonetisation and GST transition
- 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

## Static Credit Performance Analysis of LAP and HL Pools

# Monthly Monitoring Report of ₹ 255.6 Bn of Sold Down Portfolio as on 30<sup>th</sup> September, 2018

Summary	Number of Pools	Initial Pool Details		Months on Book	Pool Principal [₹ Bn]	Amortisation#	of Initial POS		CCR	MCR	QCR
		Disbursement [₹ Bn]	Sold Down Principal [₹ Bn]				90+ dpd %	180+ dpd %			
HL Pools	65	155.3	130.8	32	74.9	52%	0.02%	0.01%	99.9%	100.0%	100.1%
LAP Pools	47	150.8	124.8	36	60.3	60%	0.04%	0.03%	99.8%	100.6%	100.2%
<b>Total</b>	<b>112</b>	<b>306.1</b>	<b>255.6</b>	<b>34</b>	<b>135.2</b>	<b>56%</b>	<b>0.03%</b>	<b>0.02%</b>	<b>99.8%</b>	<b>100.3%</b>	<b>100.2%</b>

## Home Loans [HL]

- Average vintage of sold down pools of ₹ 130.8 Bn of principal is 32 months
- The pools have amortised 52% since disbursement
- The cumulative collection ratio [CCR] is at 99.9%
- Monthly collection ratio [MCR] is in line with CCR at 100.0%
- Quarterly collection ratio [QCR] is at 100.1%

## Loan against Property [LAP]

- Average vintage of sold down pools of ₹ 124.8 Bn of principal is 36 months
- The pools have amortised 60% since disbursement
- The cumulative collection ratio [CCR] is at 99.8%
- Monthly collection ratio [MCR] is in line with CCR at 100.6%
- Quarterly collection ratio [QCR] is at 100.2%

# Monthly Monitoring Report of ₹ 255.6 Bn of Sold Down Portfolio as on 30<sup>th</sup> September, 2018

## Monthly monitoring of sold down pool performance

- CRISIL, a Standard & Poor's Company, ICRA, a Moody's Investors Service Company and CARE publishes pool performance of 14 PTC pools rated by them
- CRISIL publishes pool performance for DA Pools. This engagement ensures that all pools are monitored on a monthly basis
- Pool collections monitored at an account level
  - Number of live pools: 112
  - Sold down principal of live pools: ₹ 255.6 Bn
  - Current principal outstanding: ₹ 135.2 Bn

Rating Agency	Number of Pools	Sold Down Principal [₹ Bn]
ICRA	3	12.5
CRISIL*	106	236.1
CARE	3	6.9

\* The number of pools monitored by CRISIL include both DA and PTC

# 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	QCR
		Sold Down Date	Disbursement [₹ Mn]	Sold Down Principal [₹ Mn]				90+ dpd %	180+ dpd %				
1	Bank 4	20-Mar-14	3,451.6	2,923.4	54	461.2	85%	0.00%	0.00%	100.0%	97.3%	100.7%	
2	Bank 5	28-Mar-14	2,119.7	1,677.5	54	159.4	92%	0.00%	0.00%	100.0%	100.0%	100.0%	
3	Bank 5	27-Jun-14	1,072.1	900.0	50	140.9	85%	0.00%	0.00%	100.0%	102.9%	102.9%	
4	Bank 6	30-Jul-14	1,023.7	800.1	50	153.4	82%	0.00%	0.00%	99.9%	97.4%	103.2%	
5	Bank 5	30-Sep-14	1,299.1	965.7	47	82.3	93%	0.00%	0.00%	99.9%	98.0%	99.3%	
6	Bank 8	24-Sep-15	1,164.0	1,001.4	35	410.8	61%	0.09%	0.09%	99.9%	100.7%	100.1%	
7	Bank 9	31-Dec-15	4,496.4	3,742.3	32	1,043.2	74%	0.10%	0.06%	100.0%	100.4%	100.1%	
8	Bank 8	29-Feb-16	1,053.0	894.0	30	220.8	77%	0.00%	0.00%	100.0%	98.4%	99.5%	
9	Bank 8	28-Mar-16	620.4	530.4	29	189.3	66%	0.00%	0.00%	99.9%	99.6%	99.8%	
10	Bank 4	29-Oct-13	1,654.5	1,351.3	58	101.4	93%	0.00%	0.00%	100.0%	103.1%	102.0%	
11	Bank 4	27-Dec-13	2,731.5	2,309.9	56	202.8	92%	0.00%	0.00%	100.0%	101.7%	101.7%	
12	Bank 3	31-Dec-13	857.1	717.0	56	261.2	66%	0.00%	0.00%	99.9%	99.2%	99.2%	
13	Bank 6	28-Mar-14	1,011.2	826.5	54	126.4	85%	0.00%	0.00%	99.9%	100.9%	100.9%	
14	Bank 5	26-Dec-14	840.8	679.6	45	79.4	90%	0.00%	0.00%	100.0%	97.3%	99.1%	
15	Bank 4	30-Dec-14	2,345.9	1,982.9	44	127.7	94%	0.11%	0.00%	100.0%	97.2%	100.4%	
16	Bank 4	01-Mar-15	1,877.0	1,563.1	42	221.6	87%	0.04%	0.04%	99.9%	103.3%	100.2%	
17	Bank 4	11-Jun-15	1,000.3	855.2	40	116.1	87%	0.00%	0.00%	99.9%	102.6%	110.4%	
18	Bank 4	23-Jun-15	2,328.0	1,869.1	39	253.2	88%	0.11%	0.00%	99.9%	99.2%	100.7%	
19	Bank 7	29-Jun-15	999.8	845.3	38	104.5	88%	0.10%	0.00%	99.9%	99.0%	99.1%	
20	Bank 8	25-Aug-15	729.1	613.4	37	189.1	71%	0.15%	0.00%	100.0%	99.2%	99.7%	
21	Bank 7	01-Sep-15	1,380.1	1,159.3	36	158.3	87%	0.00%	0.00%	99.9%	105.2%	101.6%	
22	Bank 7	28-Sep-15	1,167.8	964.4	35	121.2	88%	0.00%	0.00%	100.0%	98.9%	102.6%	
23	Bank 8	31-Dec-15	1,178.5	986.5	32	240.4	77%	0.23%	0.23%	99.9%	99.1%	98.7%	
24	Bank 7	23-Dec-15	528.5	451.4	32	56.3	88%	0.00%	0.00%	100.0%	106.6%	102.6%	
25	Bank 9	23-Mar-16	1,341.8	1,125.2	29	449.4	63%	0.19%	0.19%	99.9%	99.9%	99.6%	
26	Bank 8	31-Mar-16	597.8	506.4	29	125.0	77%	0.00%	0.00%	100.0%	100.0%	100.4%	
27	Bank 6	21-Mar-16	2,818.3	2,345.3	29	306.3	88%	0.00%	0.00%	100.0%	101.4%	100.2%	
28	Bank 6	21-Mar-16	973.8	793.5	29	60.2	93%	0.00%	0.00%	100.0%	107.8%	101.7%	
29	Bank 8	30-Jun-16	1,864.9	1,574.5	26	587.1	65%	0.13%	0.00%	99.8%	98.8%	100.6%	

MPS: Months post securitisation  
CCR: Cumulative collection ratio

MCR: Monthly collection ratio  
QCR- Quarterly collection ratio

# Amortisation is calculated on Disbursement  
dpd: days past due

Data is for Sep 2018 payouts

# 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	QCR
		Sold Down Date	Disbursement [₹ Mn]	Sold Down Principal [₹ Mn]				90+ dpd %	180+ dpd %			
30	Bank 9	30-Jun-16	1,153.7	976.9	26	484.1	53%	0.10%	0.10%	99.9%	100.7%	99.8%
31	Bank 6	30-Jun-16	1,119.6	935.2	26	147.0	85%	0.00%	0.00%	99.9%	97.1%	100.4%
32	Bank 10	30-Jun-16	1,358.3	1,128.3	26	300.3	75%	0.00%	0.00%	99.9%	97.2%	99.1%
33	Bank 8	28-Sep-16	2,564.5	2,164.3	23	618.8	73%	0.00%	0.00%	99.9%	99.3%	99.5%
34	Bank 11	29-Sep-16	1,286.2	1,082.1	23	399.7	65%	0.00%	0.00%	99.9%	100.0%	100.1%
35	Bank 9	28-Sep-16	1,189.4	1,003.1	23	554.1	48%	0.00%	0.00%	100.0%	99.9%	99.9%
36	Bank 15	29-Sep-16	7,334.6	6,120.0	17	2,650.9	60%	0.04%	0.00%	99.9%	99.7%	99.6%
37	Bank 14	23-Jun-17	1,955.3	1,592.5	14	1,098.1	38%	0.14%	0.00%	99.4%	98.4%	99.5%
38	Bank 15	23-Jun-17	4,600.7	3,874.2	14	1,760.9	57%	0.00%	0.00%	99.9%	99.7%	100.0%
39	Bank 8	30-Jun-17	2,123.7	1,769.9	14	1,245.9	35%	0.10%	0.10%	99.9%	100.3%	100.0%
40	Bank 8	26-Sep-17	2,007.5	1,680.7	11	1,454.2	20%	0.00%	0.00%	99.9%	100.4%	99.9%
41	Bank 15	27-Sep-17	9,098.2	7,601.8	11	5,997.6	27%	0.00%	0.00%	99.9%	99.8%	99.8%
42	Bank 15	22-Dec-17	8,786.2	7,355.1	8	6,166.9	22%	0.00%	0.00%	99.8%	99.8%	99.8%
43	Bank 16	22-Dec-17	2,253.7	1,788.4	8	1,529.7	25%	0.00%	0.00%	99.8%	99.3%	99.9%
44	Bank 8	22-Dec-17	1,264.9	1,042.3	8	926.7	19%	0.00%	0.00%	99.9%	100.0%	99.9%
45	Bank 1	22-Mar-18	3,585.4	2,890.7	6	2,701.5	16%	0.00%	0.00%	99.8%	99.8%	99.8%
46	Bank 1	27-Mar-18	2,228.6	1,849.6	6	1,725.5	14%	0.00%	0.00%	99.9%	99.7%	99.9%
47	Bank 8	28-Mar-18	3,371.0	2,705.9	6	2,502.2	18%	0.00%	0.00%	99.9%	100.0%	99.9%
48	Bank 15	05-Mar-18	6,011.1	5,040.3	6	4,524.7	16%	0.00%	0.00%	99.8%	100.1%	99.8%
49	Bank 16	09-Mar-18	4,832.4	3,942.5	6	3,579.0	18%	0.00%	0.00%	99.2%	99.6%	99.7%
50	Bank 15	04-May-18	4,138.6	3,490.2	4	3,131.0	16%	0.00%	0.00%	99.9%	100.0%	99.9%
51	Bank 8	30-Apr-18	1,745.7	1,461.4	5	1,376.5	12%	0.00%	0.00%	99.7%	99.8%	99.7%
52	Bank 16	26-Mar-18	4,809.1	4,042.6	6	3,654.8	16%	0.00%	0.00%	99.8%	100.0%	99.9%
53	Bank 15	17-May-18	2,699.5	2,247.7	4	2,247.7	16%	0.00%	0.00%	99.9%	100.0%	99.9%
54	Bank 8	18-May-18	1,098.2	913.8	4	913.8	12%	0.00%	0.00%	99.8%	100.1%	99.8%
55	Bank 8	27-Jun-18	1,349.0	1,128.2	3	1,128.1	10%	0.00%	0.00%	99.8%	99.8%	99.8%
56	Bank 15	22-Jun-18	5,970.2	5,027.7	3	5,027.7	11%	0.00%	0.00%	100.0%	99.9%	100.0%
57	Bank 8	31-Jul-18	1,093.8	903.5	1	903.5	9%	0.00%	0.00%	100.0%	100.0%	100.0%
58	Bank 15	25-Jul-18	3,277.9	2,751.2	2	2,751.2	9%	0.00%	0.00%	100.0%	100.0%	100.0%



# LAP Pool Performance Factsheet: CRISIL Direct Assignments [Sold Down]

Sr. No	Investor	Initial Pool Details			MPS	Pool Principal [₹ Mn]	Amortisation#	of Initial POS			CCR	MCR	QCR
		Sold Down Date	Disbursement [₹ Mn]	Sold Down Principal [₹ Mn]				90+ dpd %	180+ dpd %				
1	Bank 3	31-Dec-13	2,244.2	1,786.4	56	96.1	95%	0.01%	0.00%	100.0%	97.5%	97.5%	
2	Bank 10	07-Feb-14	4,298.2	3,298.3	56	311.9	92%	0.01%	0.01%	99.9%	100.6%	101.9%	
3	Bank 4	28-Mar-14	2,716.0	2,144.5	54	193.9	92%	0.00%	0.00%	99.9%	110.2%	102.9%	
4	Bank 4	20-Jun-14	2,310.9	1,893.7	50	160.1	92%	0.07%	0.07%	99.8%	97.2%	101.9%	
5	Bank 4	27-Jun-14	1,854.7	1,535.7	50	312.5	81%	0.11%	0.11%	99.9%	99.0%	101.1%	
6	Bank 10	29-Dec-14	4,540.4	3,716.1	44	618.2	85%	0.13%	0.13%	99.9%	102.4%	101.1%	
7	Bank 2	30-Mar-15	10,671.9	8,695.3	41	1,913.2	80%	0.06%	0.06%	99.9%	100.5%	100.5%	
8	Bank 4	30-Jun-15	1,450.6	1,127.7	38	198.5	85%	0.09%	0.00%	100.0%	99.1%	101.1%	
9	Bank 12	28-Sep-15	2,201.9	1,807.1	35	371.7	81%	0.00%	0.00%	100.0%	100.0%	102.7%	
10	Bank 12	28-Sep-15	2,345.4	2,002.8	35	541.0	74%	0.27%	0.27%	99.8%	104.3%	100.1%	
11	Bank 1	28-Sep-15	3,594.8	2,849.6	35	600.7	81%	0.00%	0.00%	99.9%	99.7%	101.7%	
12	Bank 8	29-Sep-15	4,302.8	3,641.3	36	845.4	78%	0.17%	0.17%	99.8%	97.0%	98.5%	
13	Bank 12	09-Dec-15	333.1	241.5	33	52.1	83%	0.00%	0.00%	99.9%	100.0%	101.5%	
14	Bank 12	09-Dec-15	506.3	434.9	33	176.0	61%	0.00%	0.00%	100.0%	100.0%	100.0%	
15	Bank 12	23-Dec-15	1,561.8	1,336.9	32	325.6	77%	0.00%	0.00%	99.9%	100.0%	101.6%	
16	Bank 1	31-Dec-15	1,203.8	997.7	33	275.1	75%	0.00%	0.00%	99.9%	100.9%	99.4%	
17	Bank 1	31-Dec-15	2,785.4	2,224.8	33	486.0	81%	0.00%	0.00%	99.7%	107.1%	104.5%	
18	Bank 1	03-Mar-16	956.7	774.4	30	239.4	72%	0.00%	0.00%	99.9%	100.0%	100.0%	
19	Bank 12	10-Mar-16	1,753.5	1,499.8	30	373.5	76%	0.00%	0.00%	99.9%	99.6%	101.9%	
20	Bank 9	30-Jun-16	2,503.4	2,094.0	26	881.5	61%	0.37%	0.37%	99.7%	98.6%	98.6%	
21	Bank 10	30-Jun-16	4,059.2	3,314.6	26	1,221.6	67%	0.36%	0.14%	99.9%	99.4%	100.0%	
22	Bank 13	26-Sep-16	1,523.7	1,248.0	24	507.8	63%	0.00%	0.00%	99.7%	97.0%	97.9%	
23	Bank 13	26-Sep-16	2,162.9	1,748.0	24	444.2	77%	0.00%	0.00%	100.0%	100.0%	100.3%	
24	Bank 8	30-Sep-16	3,311.7	2,733.2	23	981.8	67%	0.04%	0.00%	99.8%	98.7%	102.4%	
25	Bank 14	30-Mar-17	4,158.7	3,405.1	17	1,918.2	49%	0.00%	0.00%	99.8%	99.5%	99.9%	
26	Bank 1	20-Mar-12	2,360.3	2,223.4	78	123.1	95%	0.00%	0.00%	100.0%	112.6%	103.2%	
27	Bank 8	30-Jun-17	4,060.1	3,327.2	15	2,301.5	37%	0.00%	0.00%	99.74%	99.57%	98.1%	

# 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	QCR
28	Bank 10	28-Jun-17	6,265.8	4,694.4	14	2,805.5	50%	0.00%	0.00%	99.7%	100.2%	99.4%
29	Bank 5	26-Sep-17	12,376.8	9,477.0	11	6,630.0	40%	0.07%	0.00%	99.7%	99.6%	99.6%
30	Bank 5	26-Sep-17	7,061.2	5,808.2	11	3,813.3	40%	0.00%	0.00%	99.7%	100.3%	100.4%
31	Bank 5	29-Dec-17	4,367.6	3,569.0	8	2,835.0	28%	0.00%	0.00%	99.5%	99.2%	99.7%
32	Bank 5	29-Dec-17	4,445.9	3,539.8	8	2,939.2	27%	0.03%	0.00%	98.3%	97.0%	97.7%
33	Bank 12	29-Dec-17	1,606.3	1,298.1	8	1,076.9	26%	0.00%	0.00%	99.8%	98.2%	99.4%
34	Bank 12	29-Dec-17	2,171.3	1,719.8	8	1,082.6	45%	0.00%	0.00%	99.9%	105.6%	100.0%
35	Bank 12	01-Mar-18	1,365.6	1,154.3	6	974.4	21%	0.00%	0.00%	100.0%	100.0%	100.0%
36	Bank 12	01-Mar-18	895.0	713.9	6	610.2	24%	0.00%	0.00%	100.0%	100.0%	100.0%
37	Bank 15	29-Jun-18	5,152.9	4,281.4	3	4,091.5	12%	0.00%	0.00%	99.7%	100.1%	99.7%
38	Bank 12	29-Jun-18	1,960.1	1,663.3	3	1,601.5	9%	0.00%	0.00%	99.9%	99.7%	99.9%
39	Bank 12	29-Jun-18	1,825.8	1,477.1	3	1,412.8	14%	0.00%	0.00%	99.5%	99.5%	99.5%
40	Bank 8	28-Jun-18	1,127.5	865.4	3	817.6	19%	0.00%	0.00%	99.7%	99.4%	99.7%

# Home Loans and LAP Pool Performance Factsheet

## Pass-Through Certificates

### HL Pools

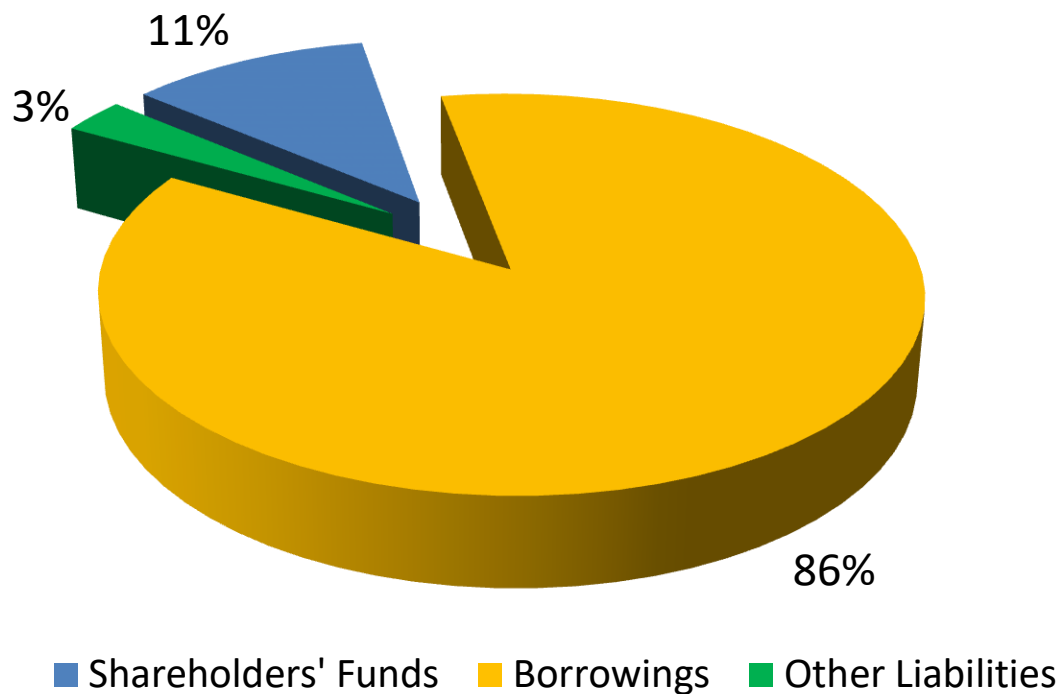
Sr No	Investor	Initial Pool Details				of Initial POS							
		Sold Down Date	Disbursement [₹ Mn]	Sold Down Principal [₹ Mn]	MPS	Pool Principal [₹ Mn]	Amortisation#	90+ dpd %	180+ dpd %	CCR	MCR	QCR	Outstanding Rating from
1	Bank 2	20-Mar-14	3,353.9	3,151.7	54	1,243.0	63%	0.00%	0.00%	100.0%	100.4%	100.2%	ICRA
2	Bank 9	29-Jun-17	3,544.7	3,299.6	14	2,505.4	29%	0.00%	0.00%	99.2%	100.1%	100.0%	ICRA
3	Bank 2	30-Dec-13	1,095.9	993.3	57	306.2	72%	0.00%	0.00%	100.0%	101.1%	100.2%	CRISIL
4	Bank 14	01-Mar-15	2,940.5	2,724.4	43	1,026.4	65%	0.00%	0.00%	100.0%	100.1%	100.0%	CRISIL
5	Bank 3	31-Dec-12	1,286.5	1,186.2	69	256.4	80%	0.00%	0.00%	99.9%	101.1%	100.2%	CRISIL
6	Bank 3	28-Mar-13	1,146.0	1,070.9	66	335.8	71%	0.00%	0.00%	100.0%	100.0%	100.0%	CRISIL
7	Bank 14	27-Sep-13	3,119.0	2,864.4	60	816.6	74%	0.00%	0.00%	99.9%	100.0%	100.1%	CRISIL

### LAP Pools

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	QCR	Outstanding Rating from
1	Bank 2	30-Dec-13	1,114.1	986.0	57	132.3	88%	0.00%	0.00%	99.8%	108.3%	100.1%	CARE
2	Bank 2	20-Mar-14	4,403.3	3,850.0	54	481.8	89%	0.00%	0.00%	99.7%	103.6%	97.8%	CARE
3	Bank 3	31-Mar-16	2,279.9	2,091.0	29	894.9	61%	0.00%	0.00%	99.8%	101.6%	100.2%	CARE
4	Bank 9	27-Sep-17	6,640.4	6,096.8	11	5,194.1	22%	0.00%	0.00%	99.8%	99.9%	99.8%	ICRA
5	Bank 14	30-Sep-16	1,437.3	1,359.8	23	515.1	64%	0.00%	0.00%	99.6%	98.2%	99.2%	CRISIL
6	Bank 9	30-Dec-16	5,458.2	5,126.9	20	3,217.8	41%	0.00%	0.00%	99.8%	99.7%	100.4%	CRISIL
7	Bank 9	27-Mar-17	3,100.7	2,923.5	17	2,064.9	33%	0.00%	0.00%	99.9%	100.6%	100.4%	CRISIL

# Liabilities Profile

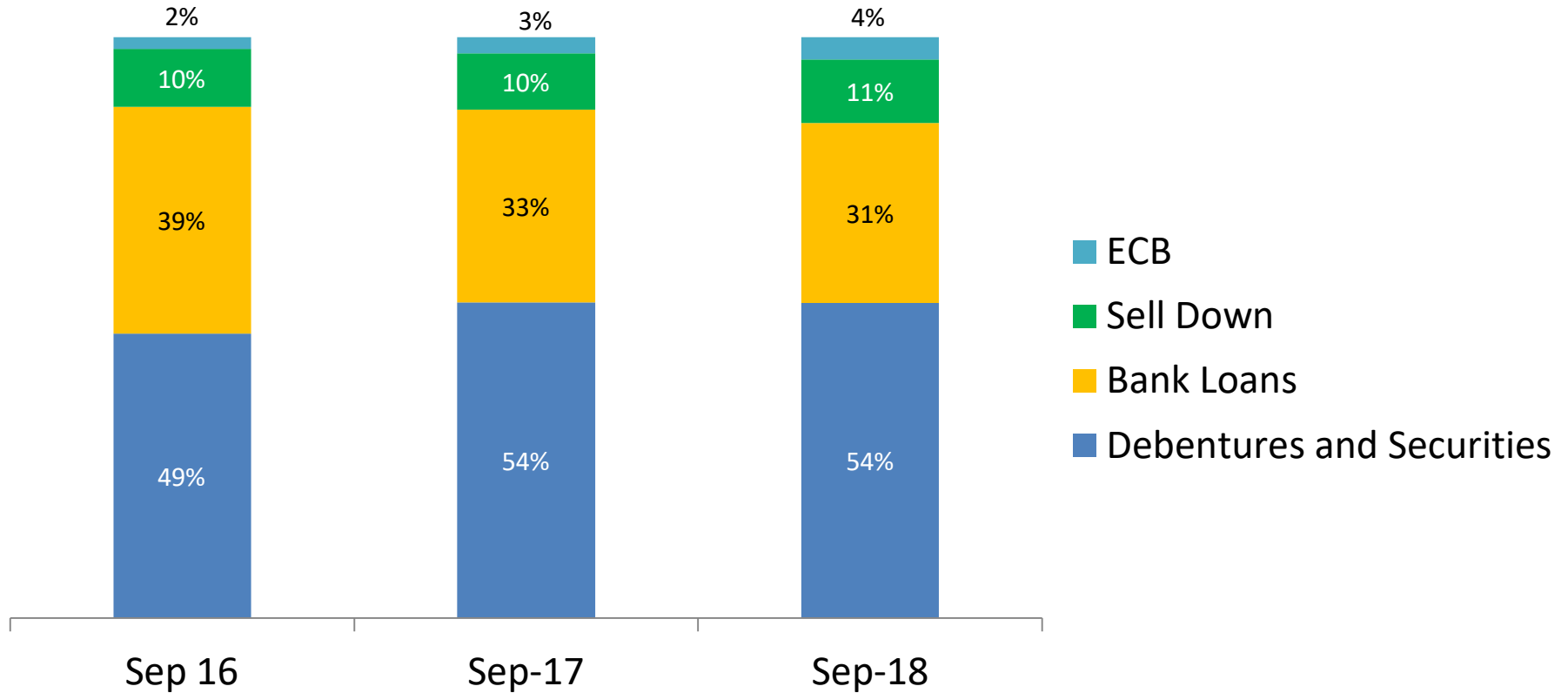
# Liabilities



<b>Total Liabilities</b>	
As at Sep 30, 2018	₹ 1.40 Tn [US\$ 19.42 Bn]
As at Sep 30, 2017	₹ 1.16 Tn [US\$ 16.13 Bn]

US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 72

# Funding Mix

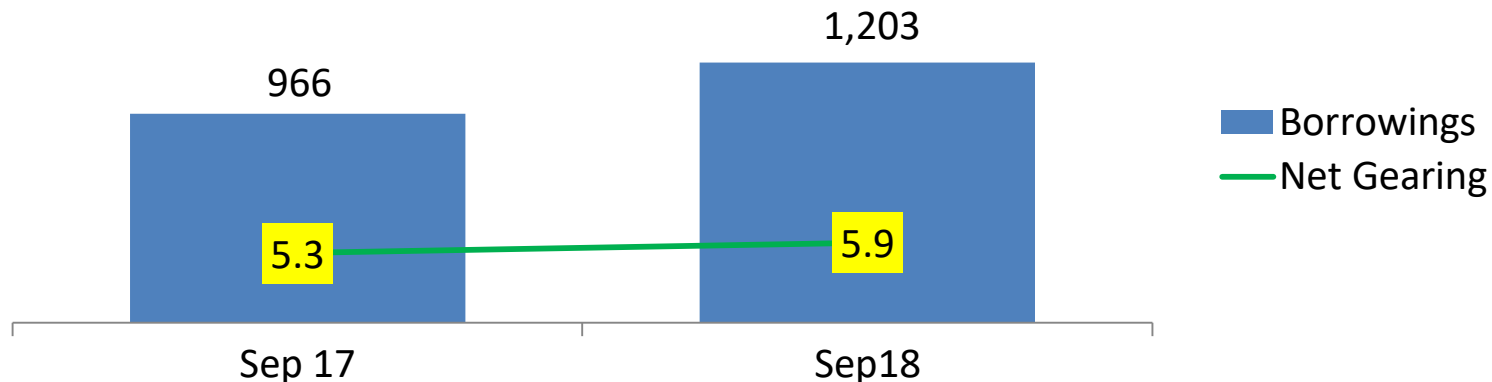


<b>Total Borrowings</b>	
As at Sep 30, 2018	₹ 1.20 Tn [US\$ 16.71 Bn]
As at Sep 30, 2017	₹ 0.97 Tn [US\$ 13.42 Bn]

US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 72

ECB: External Commercial Borrowing

# Strengthening Liability Profile



	Total Funding [₹ Bn]		Net Incremental in 12 Months	Contribution to Incremental Borrowings in last 12 Months
	Sep 18	Sep 17		
Bank Loans	418.0	378.3	39.7	14.1%
Debentures and Securities	732.8	558.4	174.4	61.9%
ECB	52.3	29.5	22.8	8.1%
<b>Total Borrowing</b>	<b>1,203.1</b>	<b>966.2</b>	<b>236.9</b>	<b>84.1%</b>
Sell Down	147.7	102.9	44.8	15.9%
<b>Total</b>	<b>1,350.8</b>	<b>1,069.1</b>	<b>281.7</b>	<b>100.0%</b>

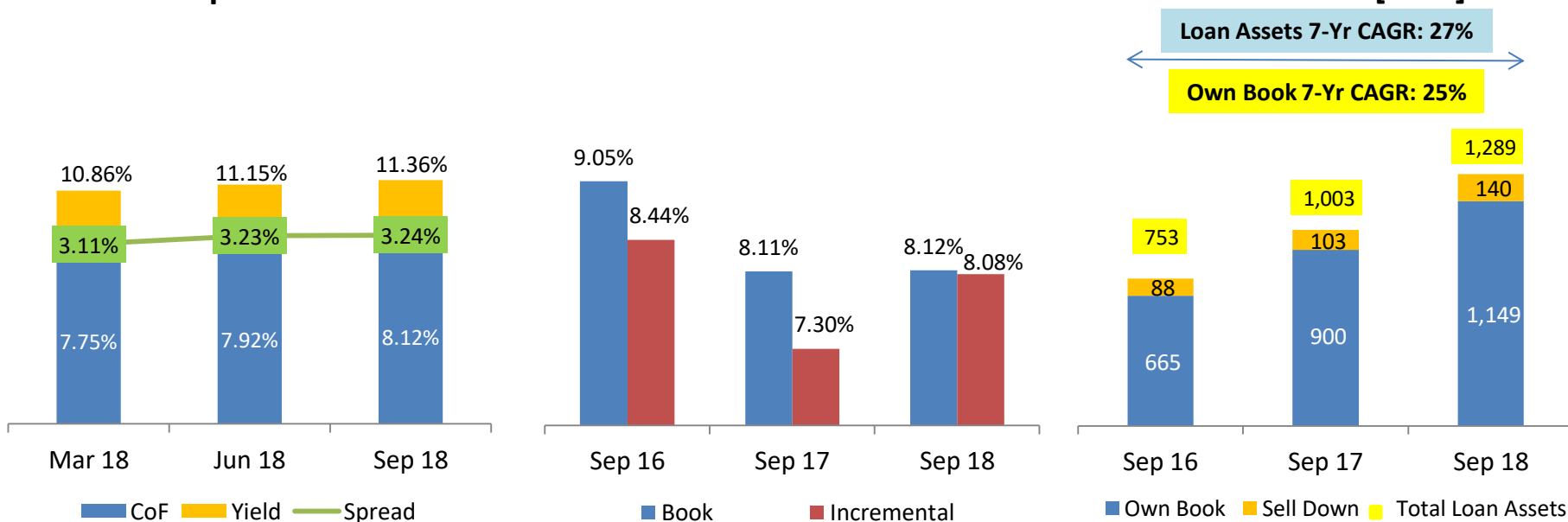
- Sell down of loans contributes to 15.9% of the incremental borrowings in last 12 months
- Amongst its lenders, the company now counts 606 strong relationships: 21 PSU banks, 24 Private and Foreign banks and 561 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and Corporates

# Spreads Within Guided Range as Home Loan Share Increases

## Spreads

## Cost of Funds

## Loan Assets [₹ Bn]



- Spread on loan assets are at the higher end of the guided range [between 300 and 325 bps] after pass through of rate hikes to customers
- Growth of on-balance sheet loan assets [7-year CAGR: 25%] is slower than growth in total loan assets [7-year CAGR: 27%] facilitating RoE expansion

### Trend of spread on stock of loans and incremental loans

	Sep 18	Jun 18	Mar 18	Dec 17	Sep 17	Jun 17	Mar 17
A. Spread on Stock of loans	3.24%	3.23%	3.11%	3.22%	3.25%	3.24%	3.24%
B. Spread on Incremental Loans	2.80%	2.81%	2.77%	2.78%	2.99%	2.97%	2.76%
Difference [A-B]	0.44%	0.42%	0.34%	0.44%	0.26%	0.27%	0.48%
10 Year G-Sec Yield	8.02%	7.90%	7.40%	7.33%	6.66%	6.51%	6.68%

It is typical of the industry to book incremental loans at a spread that is, on an average, 30 to 40 bps lower than spread on stock of loans and rate increases are passed on in an increasing rate cycle. In this manner, IBHFL's spread on stock of loans has remained within the guided range of 300 to 325 bps despite sourcing incremental loans at 30 to 40 bps lower spread



# Corporate Social Responsibility

# Indiabulls Foundation: Corporate Social Responsibility

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

## Health



### Free Mobile Medical Vans

- Free primary healthcare facility provided at the doorsteps for the underprivileged
- 4 vans added to existing fleet of 30
- 372,641 patients diagnosed this quarter
- Total 2,204,897 patients benefitted since inception

### Free Charitable Medical Clinic

- 55,221 patients have benefitted from 15 clinics in this quarter
- 294,649 patients benefitted since inception

### Free Dialysis Treatment

- 10,000 free dialysis treatment to be provided
- 2,745 dialysis done in this quarter
- 8,905 dialysis done since inception

## Transforming Mokhada, Shahapur & Trimbakeshwar

- Above stated talukas in Maharashtra are adopted for holistic development through mobile medical vans, clinics, health camps, nutrition supplement, sanitary napkins, awareness, etc.
- 163,222 people benefitted in this quarter
- 619,690 people benefitted since inception

## Solar Plants

- 10 ashram schools have been provided with 24x7 free electricity for minimum 20 years
- 11,570 students have benefitted from this project so far

## Transforming Talukas



## Renewable Energy



## Sanitation



### Kumud

- Sanitary napkins distributed to over 7,364 women and adolescent girls in this quarter
- Hygiene awareness sessions conducted
- Total 77,584 beneficiaries till date

## Kerala Flood Relief

30,000 kits comprising of Pashtik Ahar- nutrition supplement, Kumud- sanitary napkin, first aid box, slippers, seating mats, blankets, undergarments, toiletries, steel utensils, clothing etc. were mobilized and sent to worst flood-affected places in Kerala

## Disaster Management



## Nutrition



### Paushtik Aahar

- Free nutrition supplements distributed to the underprivileged and malnourished
- 150,000 individuals benefitted in this quarter
- 669,582 individuals benefitted since the start

## Scholarship Program

178 underprivileged students in this quarter and 1,206 students since inception awarded scholarship for higher education

## Skill Development

987 school dropouts between 18-30 years of age trained in various domains such as GDA, electrical, tailoring, automobiles, welding, etc.

## Education



Board of Directors, Ratings, Business Value  
Proposition, Key Ratios, Valuations, and  
Shareholding

# 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, Managing Director and CEO
- Mr. S.S. Mundra : Former Deputy Governor, The Reserve Bank of India
- 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
- Mr. Samsher 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 : Chief Operating Officer

# Credit Ratings

	Long Term Credit Rating
<b>CRISIL [an S&amp;P Global Company]</b> Reaffirmed on: September 25, 2018	AAA
<b>ICRA [a Moody's Investors Service Company]</b> Reaffirmed on: September 21, 2018	AAA
<b>CARE Ratings</b> Reaffirmed on: September 21, 2018	AAA
<b>Brickwork Ratings</b> Reaffirmed on: September 24, 2018	AAA

# Business Value Proposition

Growing economy/ low mortgage penetration, increasing market share

Focus on affordable housing. Nationwide network with expanding footprint

Technology leveraged scalable capacity. Thrust on digital presence – exploiting digital opportunity

Healthy capitalization: CRAR of 23%  
Highest AAA Long term credit rating  
Liquidity buffer of 15-20% of balance sheet

Leading player in self-employed mortgage lending – underwriting resilience demonstrated through multiple cycles and through demonetization and GST

Young staff: better connect with increasingly younger home buyer

Focus on profitability in each business segment

Robust risk management, low NPA levels

High operating efficiencies, low cost-to-income

**Scalable and Sustainable Value Creation**

# Rising Productivity Ratios

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
No. of Employees	4,512	4,243	4,072	4,099	4,840	5,453	6,388	8,111
Profit per employee [₹ Mn]	1.7	2.4	3.1	3.8	3.9	4.3	4.6	4.7
Asset per employee [₹ Mn]	37.1	58.5	80.9	108.4	118.2	140.2	162.3	162.6
Cost-to-Income Ratio	21.0%	18.7%	18.0%	17.1%	16.4%	14.3%	13.3%	12.5%

# Key Financial Metrics

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Pre Tax RoAA [%]	5.5%	4.9%	4.9%	4.8%	4.9%	4.9%	4.6%	4.3%
Post Tax RoAA [%]	4.1%	3.7%	3.8%	3.8%	3.7%	3.7%	3.6%	3.3%
RoE [%]	17.2%	22%	26%	27%	29%	26%	26%	30%
Capital Adequacy [%] <sup>#</sup>	23.87%	19.96%	18.58%	20.47%	19.60%	23.38%	20.91%	20.82%
- Tier I <sup>#</sup>	23.63%	19.27%	15.05%	16.10%	16.28%	20.36%	17.25%	15.07%
- Tier II <sup>#</sup>	0.24%	0.69 %	3.53%	4.37%	3.32%	3.02%	3.66%	5.76%

# Adjusted for mutual fund investments

RoAA: Return on Average Assets  
RoE: Return on Equity



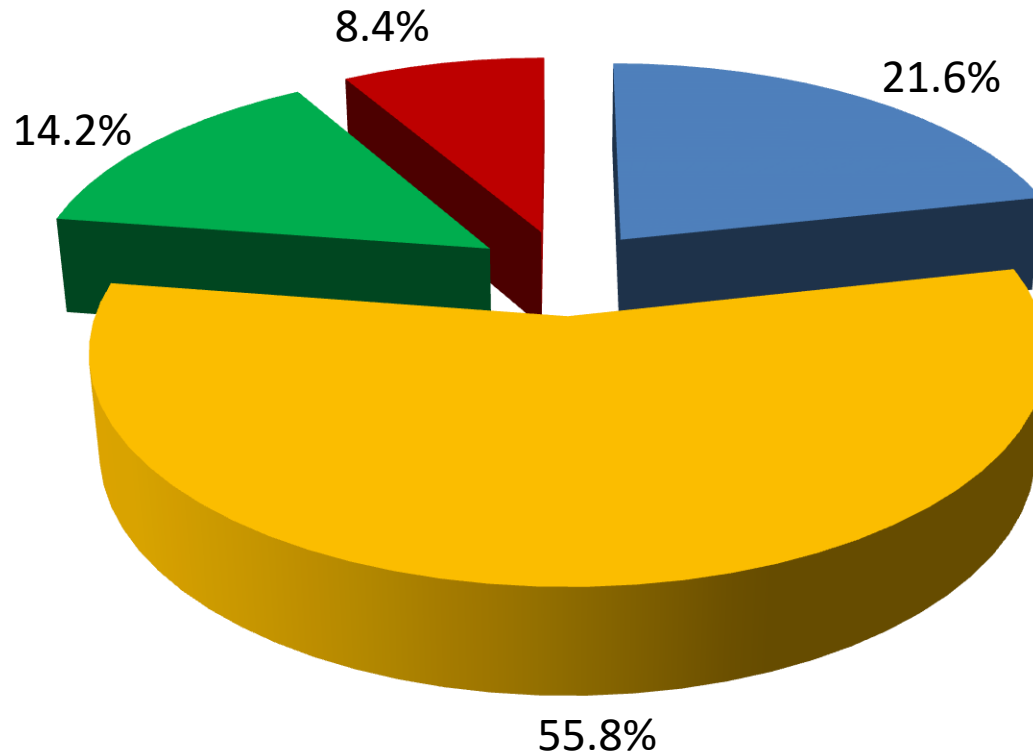
# Valuations and Returns

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Sep-18
Market Price per Share [₹]	155	207	272	286	558	674	998	1,194	932*
Market Capitalisation [₹ Bn]	48.1	64.5	84.9	95.4	198.4	284.0	422.9	509.3	397.7
Net Worth [₹ Bn]	45.4	49.1	53.2	57.1	66.3	106.9	124.7	154.2	173.5
Price-to-Book [times]	1.1	1.3	1.6	1.7	3.0	2.7	3.4	3.3	2.3
PE Ratio [times]	6.5	6.5	6.8	6.0	10.2	11.3	14.5	13.2	9.5
Dividend per Share [₹] #	10	13	20	29	35	36	36	42	10
Dividend Yield	6.5%	6.3%	7.4%	10.2%	6.3%	5.3%	3.6%	3.5%	2.1%
Foreign Institutional Shareholding [%]	43.5%	38.7%	45.2%	41.1%	51.8%	58.9%	63.6%	53.9%	55.8%
Domestic Institutional Shareholding [%]	3.3%	2.4%	3.6%	3.4%	3.3%	2.7%	4.8%	14.3%	14.2%

IBHFL is a part of Nifty 50, MSCI India and FTSE4Good indices



# Shareholding Pattern



■ Founder ■ Foreign Institutional Shareholding ■ MFs/Banks/IFI ■ Public

# Detailed Financials

# Consolidated Balance Sheet

Statement of Assets and Liabilities:	(₹ Billions)
Particulars	As at 30.09.18 (Unaudited)
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	1.13
Goodwill on Consolidation	0.58
Other Intangible	0.15
<b>Financial assets</b>	
-Investments	29.48
-Loans	1,025.72
Other Financial Assets	11.74
Deferred tax assets (net)	4.11
Other non-current assets	4.27
<b>Sub-total - Non-current assets</b>	<b>1,077.17</b>
<b>Current assets</b>	
-Investments	147.98
-Trade Receivables	0.35
-Cash and cash equivalents	36.57
-Bank Balances other than above	4.17
-Loans	116.61
-Other financial assets	8.20
Current tax assets	4.91
Other current assets	2.08
<b>Sub-total - Current assets</b>	<b>320.86</b>
<b>TOTAL- ASSETS</b>	<b>1,398.04</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Equity</b>	
Equity share capital	0.85
Other equity	153.84
<b>Total Equity</b>	<b>154.69</b>
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
<b>Financial Liabilities</b>	
- Borrowings	704.06
- Other financial liabilities	4.24
Provisions	1.50
Other non current liabilities	3.04
<b>Sub-total - Non-Current Liabilities</b>	<b>712.83</b>
<b>Current liabilities</b>	
<b>Financial Liabilities</b>	
- Borrowings	322.48
- Trade Payables	0.29
- Other financial liabilities	206.08
Other current liabilities	0.95
Current tax liabilities (net)	0.61
Provisions	0.09
<b>Sub-total - Current Liabilities</b>	<b>530.51</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,398.04</b>

₹ 212.5 Bn of Cash & Cash Equivalents and Investments in Liquid Debt Instruments

Includes ₹ 23.78 Bn of Investments in liquid debt instruments like GSecs and Qualified PSU bonds with maturity greater than 1 year categorized in the balance sheet as Non-current Investments

The company had cash, cash equivalents and investments in liquid debt instruments of ₹ 212.5 Bn as at 30<sup>th</sup> Sep, 2018. 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

		(₹ Billions)				
Particulars	Quarter ended			Six Months ended		
	30.09.18	30.06.18	30.09.17	30.09.18	30.09.17	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
1	Revenue from operations	39.80	38.90	31.56	78.71	61.72
2	Other income	2.75	1.81	2.97	4.56	5.69
3	<b>Total revenue (1+2)</b>	<b>42.55</b>	<b>40.71</b>	<b>34.52</b>	<b>83.27</b>	<b>67.41</b>
4	<b>Expenses</b>					
	Employee benefits expense	1.96	2.09	1.78	4.05	3.14
	Finance costs	25.56	23.35	19.11	48.92	37.52
	Depreciation and amortisation expense	0.11	0.08	0.08	0.19	0.15
	Other expenses	1.05	1.16	2.47	2.21	4.89
	<b>Total expenses</b>	<b>28.69</b>	<b>26.69</b>	<b>23.44</b>	<b>55.38</b>	<b>45.71</b>
5	<b>Profit before tax (3-4)</b>	<b>13.87</b>	<b>14.02</b>	<b>11.08</b>	<b>27.89</b>	<b>21.70</b>
6	<b>Tax expense</b>					
	Current tax expense (Net of MAT credit entitlement)	4.45	3.23	1.40	7.68	3.74
	Deferred Tax (Credit) / Charge	(0.94)	0.31	1.16	(0.63)	1.39
	<b>Total Tax Expense</b>	<b>3.52</b>	<b>3.54</b>	<b>2.56</b>	<b>7.05</b>	<b>5.13</b>
7	<b>Profit for the Period / Year (5-6)</b>	<b>10.35</b>	<b>10.49</b>	<b>8.52</b>	<b>20.84</b>	<b>16.57</b>
8	Add: Share of Profit / (Loss) of Associate	0.09	0.06	0.09	0.15	0.14
9	<b>Profit for the period / year attributable to Minority Interest (7+8)</b>	<b>10.44</b>	<b>10.55</b>	<b>8.61</b>	<b>20.99</b>	<b>16.71</b>
10	Less: Share of Profit attributable to Minority Interest	-	-	-	-	-
11	<b>Profit for the period / year attributable to the Shareholders of the Company (9-10)</b>	<b>10.44</b>	<b>10.55</b>	<b>8.61</b>	<b>20.99</b>	<b>16.71</b>
12	<b>Other comprehensive income</b>					
	Other comprehensive income / loss (net of tax)	0.90	(0.17)	(0.22)	0.74	(0.53)
13	<b>Total comprehensive income (after tax) (11+12)</b>	<b>11.35</b>	<b>10.38</b>	<b>8.40</b>	<b>21.73</b>	<b>16.17</b>
14	Paid-up Equity Share Capital	0.85	0.85	0.85	0.85	0.85
15	Earnings per Share (EPS) before extraordinary items <i>*(EPS for the quarters and six months are not annualised)</i>					
	-Basic (Amount in ₹)	24.48	24.73	20.30	49.20	39.38
	-Diluted (Amount in ₹)	24.25	24.48	20.04	48.73	38.90
	-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 and six months are not annualised)</i>					
	-Basic (Amount in ₹)	24.48	24.73	20.30	49.20	39.38
	-Diluted (Amount in ₹)	24.25	24.48	20.04	48.73	38.90
	-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 ₹ 212.5 Bn as at 30<sup>th</sup> Sep, 2018. 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'

Thank you