

**April 20, 2018**

**Scrip Code – 535789**

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI – 400 001

**IBULHSGFIN/EQ**

National Stock Exchange of India Limited  
“Exchange Plaza”,  
Bandra-Kurla Complex, Bandra (E).  
MUMBAI – 400 051

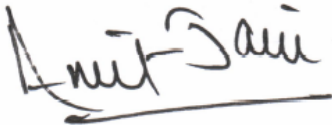
**Sub: Earnings Update for the financial year ended March 31, 2018**

Dear Sir,

Please find enclosed an Earnings Update of Indiabulls Housing Finance Limited for the financial year ended March 31, 2018, for your information and record.

Thanking you,

Yours truly,  
for **Indiabulls Housing Finance Limited**



Amit Jain  
Company Secretary

*Enclosure: as above*

CC:

**Luxembourg Stock Exchange, Luxembourg**  
**Singapore Exchange Securities Trading Limited, Singapore**



Audited Financial Results – FY 2017-18  
April 20, 2018

# 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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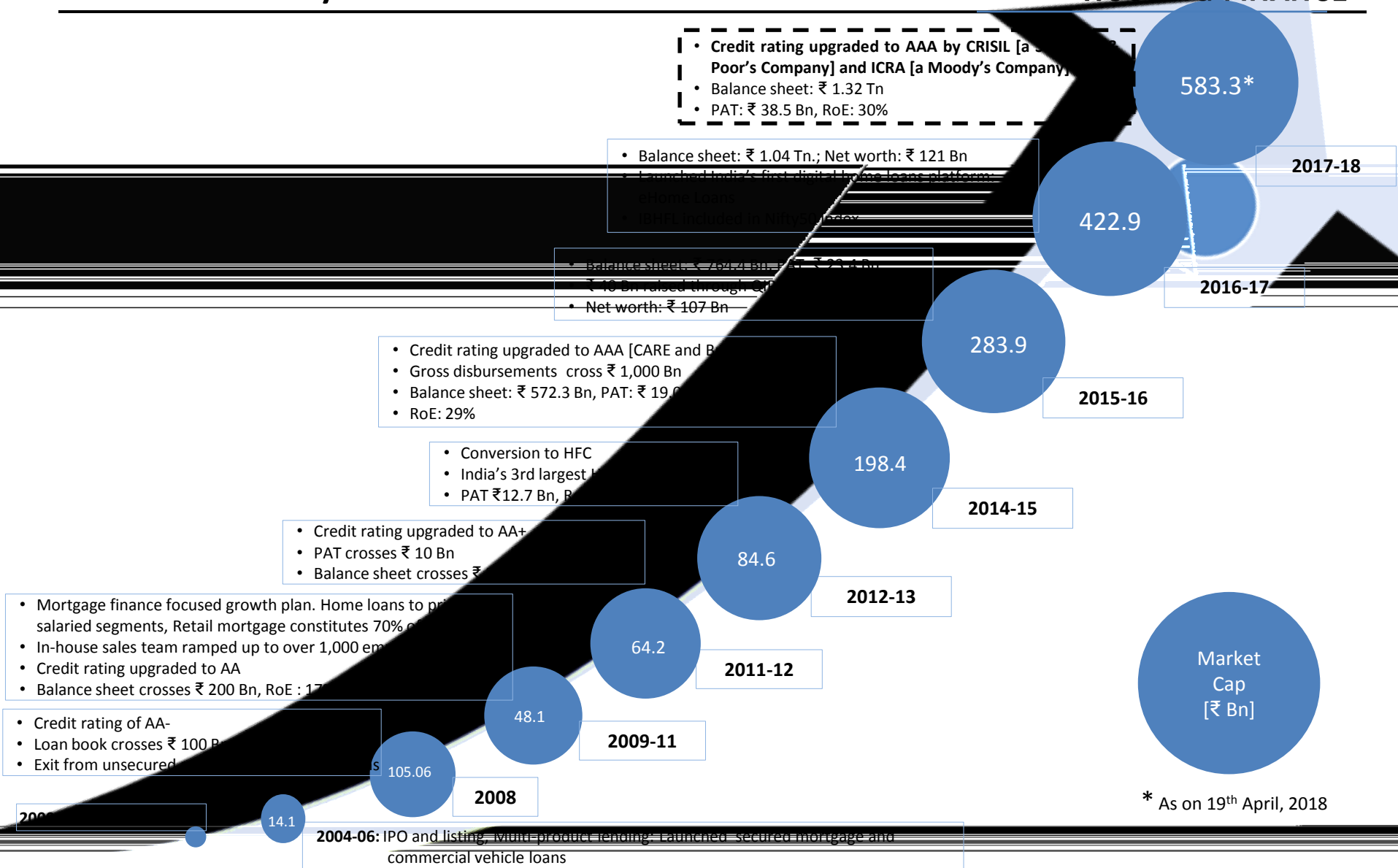
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# Business Update

# Our Journey



# Business Update

## Key Financial Highlights: FY 17-18

	FY 17-18	FY 16-17	YoY Growth [%]
Balance Sheet [₹ Bn]	1,319.03	1,037.05	27.2%
Loan Assets [₹ Bn]	1,225.78	913.01	34.3%
Total Revenues [₹ Bn]	146.40	117.02	25.1%
NII [₹ Bn]	57.85	47.68	21.3%
PAT [₹ Bn]	38.47	29.06	32.4%
EPS [₹]	90.51	68.80	31.6%

## Year-on-Year Comparison: Q4 FY17-18 vs Q4 FY16-17

	Q4 FY 17-18	Q4 FY 16-17	YoY Growth [%]
Total Revenues [₹ Bn]	39.67	32.25	23.0%
NII [₹ Bn]	16.61	13.60	22.2%
PAT [₹ Bn]	10.30	8.41	22.6%
EPS [₹]	24.16	19.83	21.8%

- An interim dividend of ₹ 10 per share of face value ₹ 2/-, amounting to 500%, has been declared in the board meeting held on April 20, 2018

# 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%+

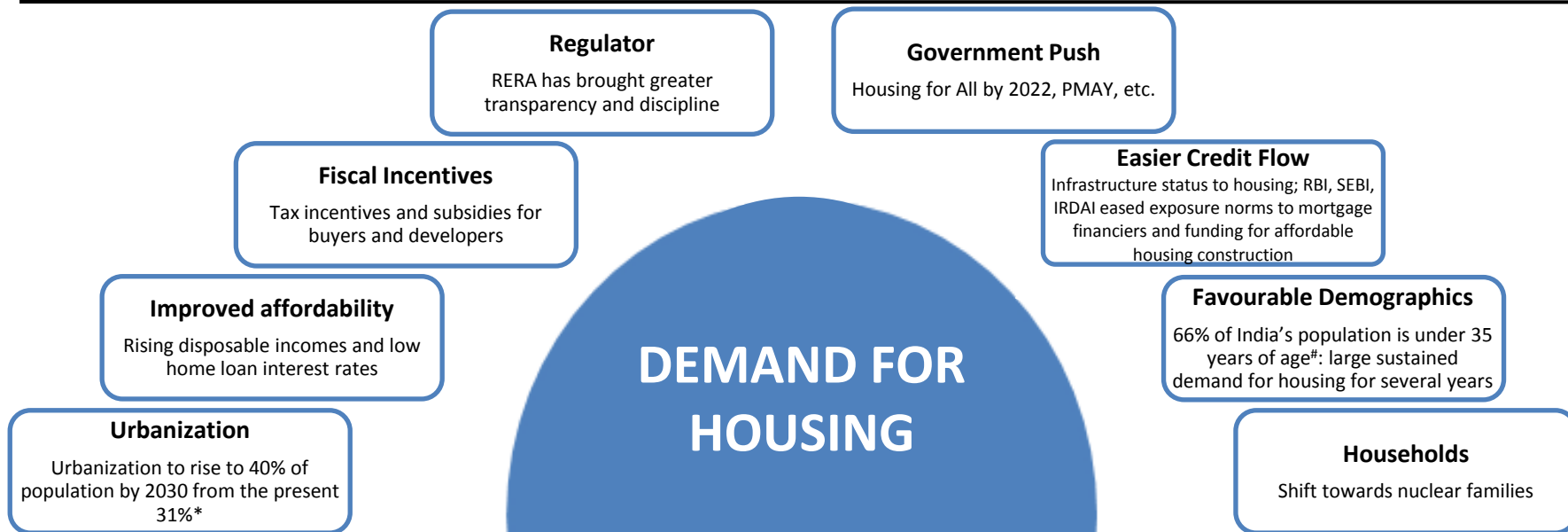
### Technology leadership

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



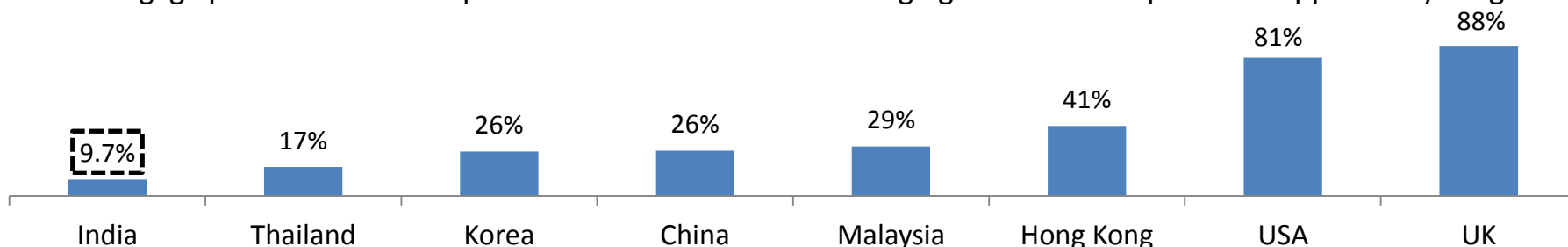
# Indian Home Loans Market

# 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 Jan 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

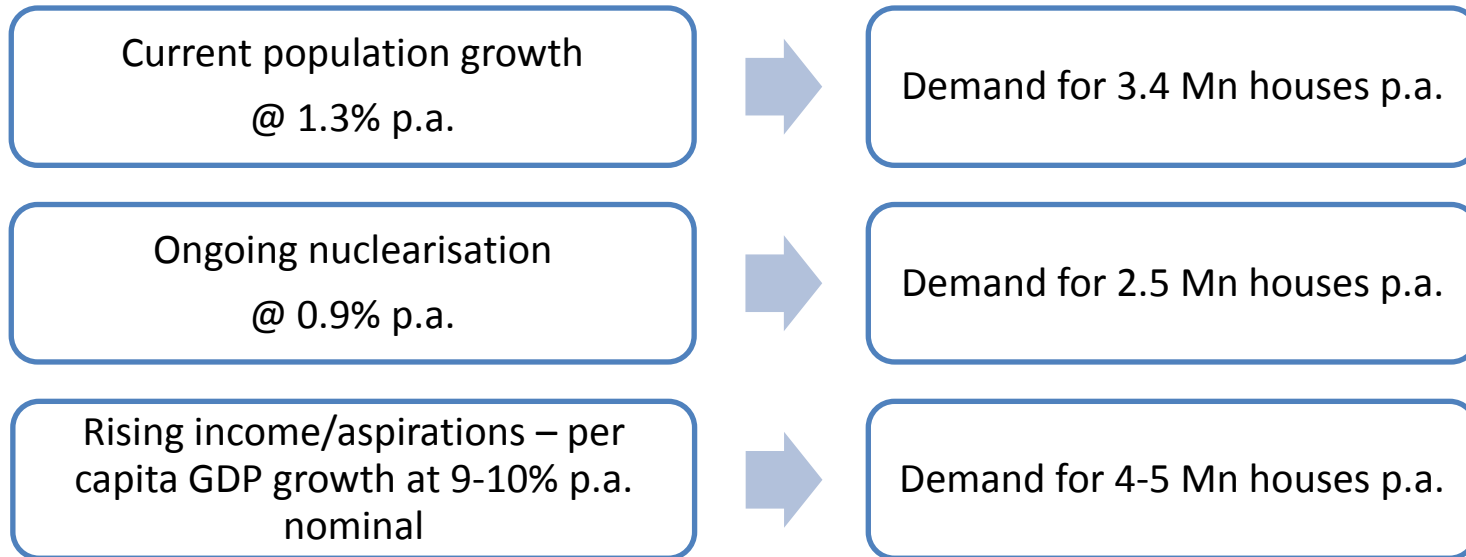
PMAY: Pradhan Mantri Awas Yojana

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

- Incentives from PMAY subsidy and tax deductions
- Home loan rates in affordable housing at 0.34%
- RERA in place: transparency and delivery visibility to buyers
- 90% of government-run pension fund EPFO can be withdrawn for house purchase

### Real Estate Developers

- 100% corporate tax exemption on profits from affordable housing construction
- Quicker building permissions
- RERA in place: transparency and delivery visibility to buyers will aid sales

### Housing Finance Companies

- Infrastructure status for affordable housing, easing access to institutional credit
- RBI, SEBI and IRDAI have coordinated policies to ease access to funding
- Reduction in risk weights and easing of LTV caps

*\* Source: National Council of Applied Economic Research*

# PMAY and Tax Incentives for Mid-Income Affordable Housing

## Illustration for Indiabulls Housing's average Home Loan

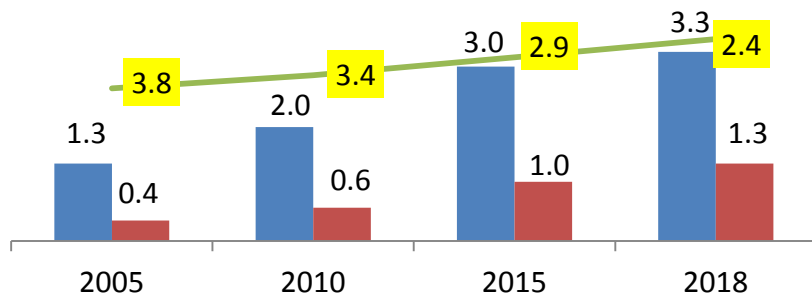
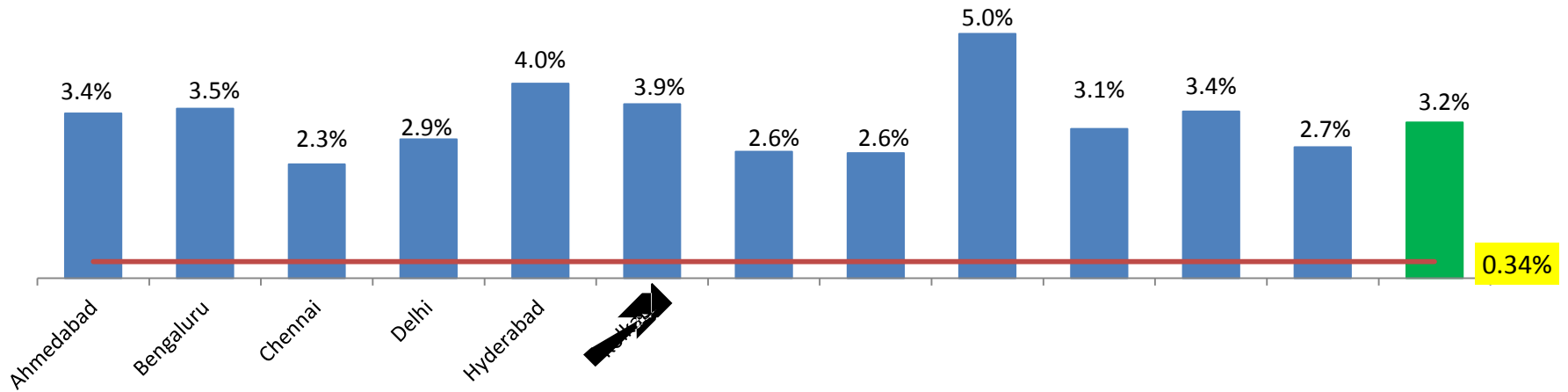
- House value : ₹ 3,500,000
- Home loan amount : ₹ 2,400,000 [Loan to value of 70%]
- PMAY subsidy : ₹ 230,156
- Net loan amount : ₹ 2,169,844

Years	Opening Loan Principal	Interest Payment [@ 8.40%]	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	180,610	150,000	102,158	228,451
2	2,019,844	167,513	150,000	98,111	219,401
3	1,869,844	154,416	150,000	94,065	210,352
4	1,719,844	141,320	150,000	90,018	201,302
5	1,569,844	128,223	150,000	85,971	192,252
6	1,419,844	115,127	150,000	81,924	183,202
7	1,269,844	102,030	150,000	77,877	174,153
8	1,119,844	88,933	150,000	73,830	165,103
9	969,844	75,837	150,000	69,784	156,053
10	819,844	62,740	161,580	65,737	158,583
11	658,265	48,633	175,687	61,377	162,942
12	482,578	33,293	191,027	56,638	167,682
13	291,551	16,614	207,705	51,484	172,836
14	83,846	1,658	83,846	26,421	59,083
<b>Total</b>		<b>1,316,947</b>	<b>2,169,844</b>	<b>1,035,395</b>	<b>2,451,396</b>

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

Effective Interest Rate on Home Loan	0.34% p.a.
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- Interest subsidy benefit under PMAY scheme extended by up till March 2019

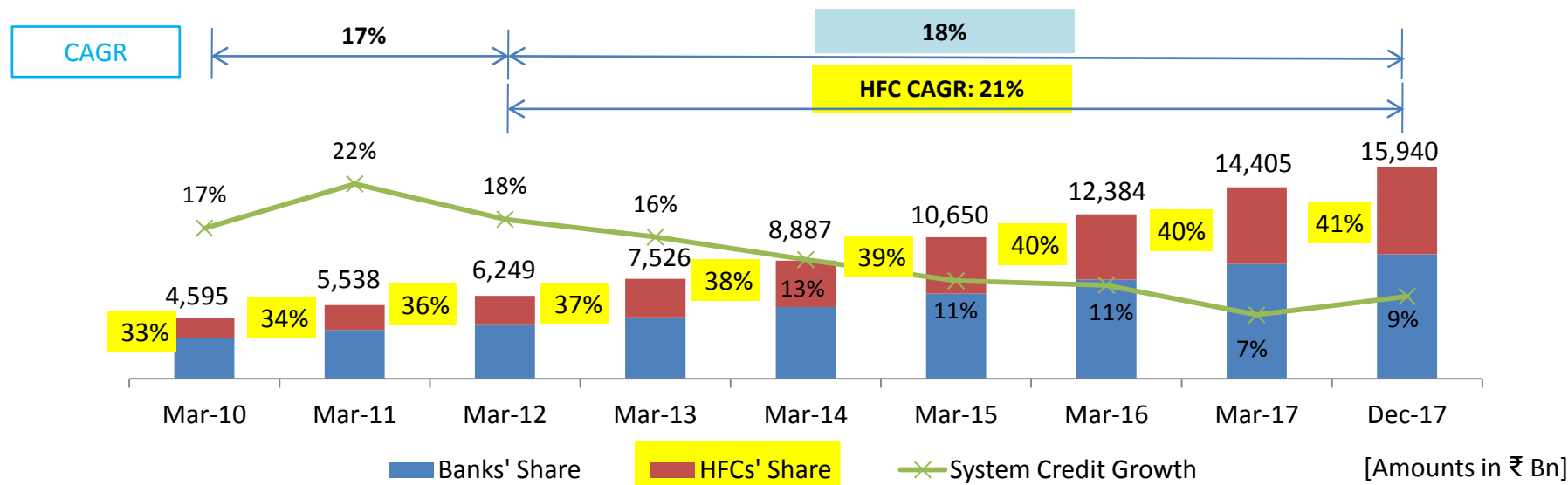


■ Price of House\* 
 ■ Annual Income 
 — Affordability [Inverse Scale]

Rental yield Effective Interest Rate on Home Loans with PMAY [0.34%] 13 The effective home loan

# Mortgage Market Growth

Growing HFC Market Share in a Steadily Expanding Home Loans Market



ICRA expects banks to grow by 16-18% and HFCs to grow at 20-23%

- ICRA's report of Dec 2017 states that mortgage penetration has increased steadily from ~7% as on March 31<sup>st</sup>, 2007 to ~9.7%
- Housing finance market to double over the next 5 years, pushing mortgage penetration levels up by around 300-500 bps
- HFCs reported a 23% YoY growth for the year ended Dec 17
- GNPA of HFC's home loan portfolios stable at 0.6%, while that of non-home loan portfolio grew to 2.3% in Dec 17 from 1.4% in Mar 17

# Strong Growth in Mid-Income Affordable Housing

- Affordable housing sales registers huge momentum in top 8 cities across sub-categories
  - Residential sales in sub ₹ 3.0 Mn category saw a jump of 33% YoY in H2CY17<sup>1</sup>
  - Share of sub ₹ 3.0 Mn category housing in overall residential sales increased to 27% in H2CY17 from 24% in H2CY16<sup>1</sup>
  - Residential sales in MMR and NCR-Delhi market grew by 32% and 28% YoY respectively in H2CY17<sup>1</sup>
- Traction in launches of mid-income affordable housing segment
  - 44% of launches in CY17 were in the affordable housing category with houses priced under ₹ 4.0 Mn<sup>2</sup>
  - Launches in mid and affordable segment continued its domination in Q4FY18, with 74% of units launched at a price tag of under ₹ 8.0 Mn<sup>2</sup>

1: Liases Foras Q3FY18 Residential Report, 2018

2: Anarock Report, 2018



# Growth Momentum in Residential Real Estate



## Sales Pick-up

- Housing sales across top 7 cities rose 12% Q-o-Q sequentially in Q4FY18 over Q3FY18<sup>1</sup>
- Unsold inventory levels have fallen 24% YoY as at end of CY17<sup>2</sup>
- Time required to sell unsold inventory has reduced by 6 months in Q3FY18, compared with Q4FY17<sup>2</sup>



## Launches

- Launches up 27% Q-o-Q in Q4FY18 across top 7 cities of India<sup>1</sup>
- Share of Tier I developers in Q4FY18 increased to 40% from 35% in Q3FY18, increasing share of organized developers <sup>1</sup>



## Premium Market Uptick

- Bengaluru witnessed a 45% spike in demand for premium residential units<sup>3</sup>
- Uptick in HIG sales was driven by Mumbai and NCR registering over 20% YoY growth in H2CY17<sup>4</sup>



## Increasing Affordability

- Property price inflation remained at low single-digits across top 8 cities<sup>4</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>2</sup>

# Commercial Office Space Absorption



## Pick-up in Leasing

- Leasing activity grew 25% YoY in Q1CY18 with 10.8 million sq. ft. leased<sup>1</sup>
- Tech corporates, BFSI sector and e-commerce contributed to 64% of the leasing<sup>2</sup>



## Increasing Rentals

- Rents saw appreciation in most major markets with growth of 5% YoY<sup>3</sup>
- Rentals expected to grow between 5%–8% YoY in high demand micro-markets of top 8 cities<sup>2</sup>



## Low Vacancy

- Overall office space vacancy in India at 10-year low in CY17<sup>4</sup>
- Key Indian IT hubs such as Bengaluru, Pune and Hyderabad have vacancy in mid-single digit levels<sup>4</sup>



## Addition in Supply

- Office space addition grew 3x YoY to 9.7 million sq. ft. during Q1CY18<sup>1</sup>
- Supply in top 8 Indian cities estimated to grow by 15% CAGR from 2017-20<sup>2</sup>



## PE Funding

- Private equity investments in real estate reached a 9-year high to ₹ 428 Bn in CY17<sup>5</sup>
- PE investment in office sector grew three-fold to ₹ 132 Bn in CY17 from ₹ 40 Bn in CY16<sup>5</sup>

# Strong Structural Drivers and Government Focus



## Measures in the last 24 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 0.34% 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 0.34% for a 8.40% 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

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

Parameters		HFCs	Banks
NPA Recognition		90 dpd	90 dpd
CRAR		12%	9%
- Tier 1		6%	6%
Standard Asset Provisions	Housing Loans	0.4% [0.25% incrementally]	0.4% [0.25% incrementally]
	Others	1%	0.25-1%
SARFAESI Coverage		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

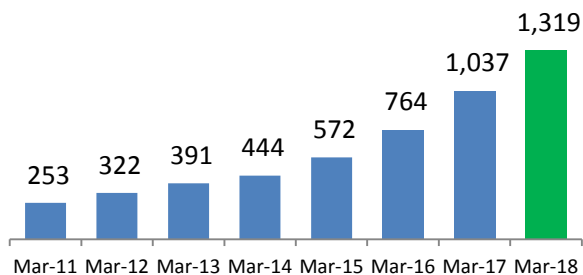
# Business Summary

• Balance Sheet	:	₹ 1.32 Tn
• Loans Outstanding	:	₹ 1.23 Tn
[March 31, 2018]	:	[US\$ 18.86 Bn]
• Loan Assets CAGR [7 years]	:	30%
• Cumulative Loans to Retail Customers	:	1,042,534
• Cumulative Loans Disbursed till date	:	₹ 1.97 Tn
		[US\$ 30.33 Bn]
• Cost to Income Ratio [FY18]	:	12.5%
• Profit After Tax CAGR [7 years]	:	26%

# Consistent Track Record

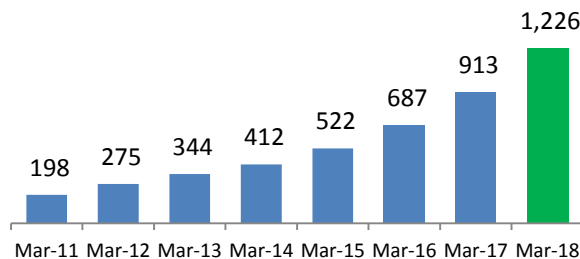
## Balance Sheet

CAGR: 27%



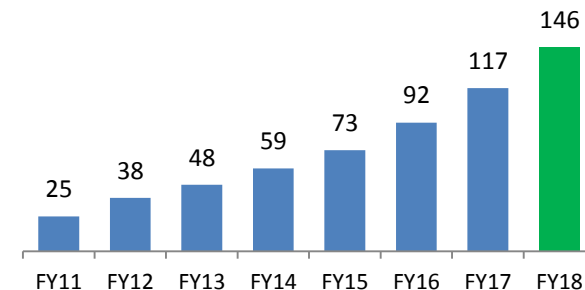
## Loan Assets

CAGR: 30%



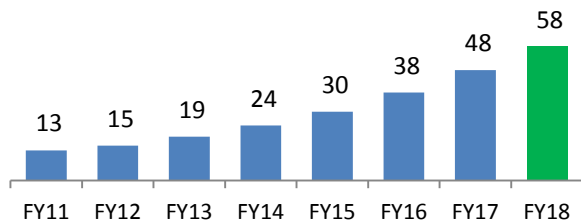
## Revenue

CAGR: 29%



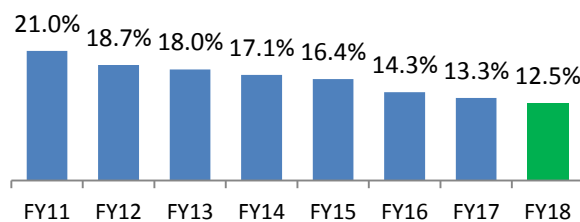
## NII

CAGR: 24%



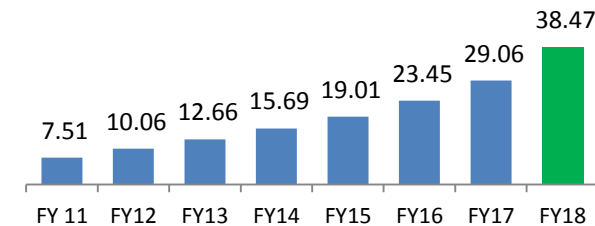
## Cost-to-Income Ratio

121 bps of average annual decline

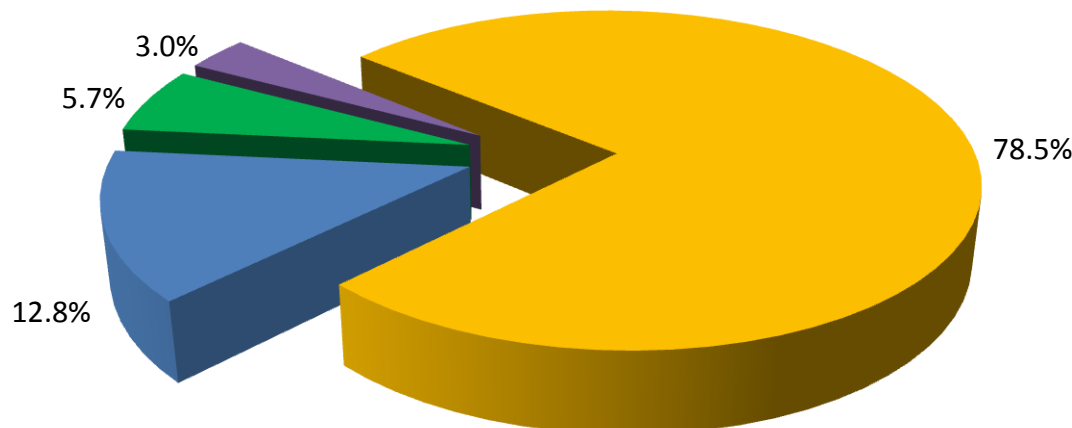


## PAT

CAGR: 26%



# Broad-based Sources of Revenue



■ Interest Income from on-balance sheet loan book [11.3% papm\*]

■ Income from Investments [7.0% papm]

■ Fee Income [1.6% of disbursements], penal interest and recovery

■ Income on Sold Down book and Loan Syndication [3.0% papm]

## Fee Income

[~1.6 % of disbursals]

- SME LAP and Corporate Mortgage Loans: Processing fees of 1.5% to 2.0% + Pre-payment charges
- Attachment of insurance products: 85% penetration in new loans. Increasing proportion of renewal insurance from loan book
- Fee income, including all of the above, to grow from the present 1.6%
- Besides fee income, total revenue also includes penal interest charges, and loan recoveries of principal and accumulated interest

## Loan Sell Down

[~3% spread]

- IBHFL is one of the largest sellers of mortgage pools: Sold Rs. 101.0 Bn of loans in FY18 compared with ₹ 42.2 Bn in FY17
- Interest income from loan syndication is an additional source of revenue
- Sell down releases capital, hence RoE accretive, and is an additional source of funding: Locks in a healthy spread [3.0%] with perfectly matched, co-terminus funding. IBHFL accrues the spread over the course of the loan tenure and does not upfront sell-down income
- Banks, the primary investors, buy both PSL and Non-PSL retail pools from both home loans and LAP

## Liquidity Buffer

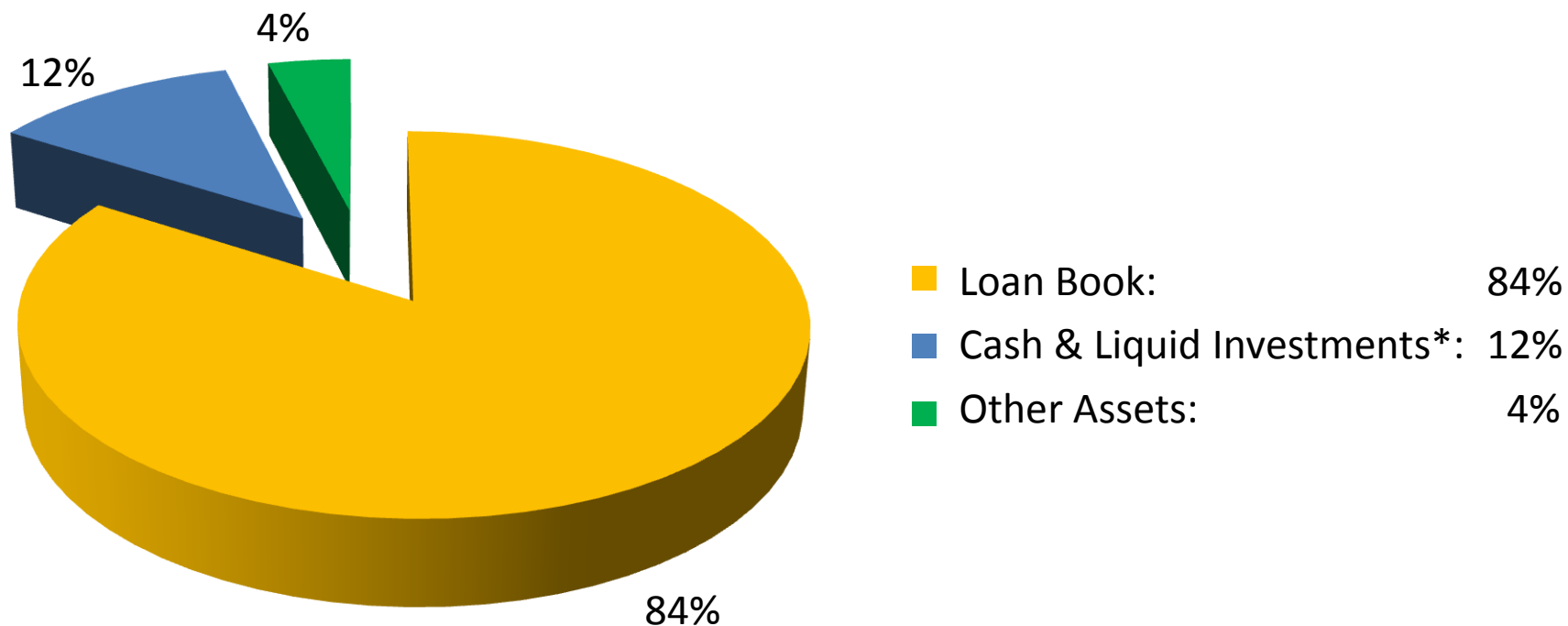
[~7% from investments]

- A prudent measure and generates investment income
- Assurance of ready high liquidity with active treasury minimizing carry
- Flexibility to ward-off impact from any sudden changes in the funding landscape

\* Average yield on on-balance sheet book during FY18



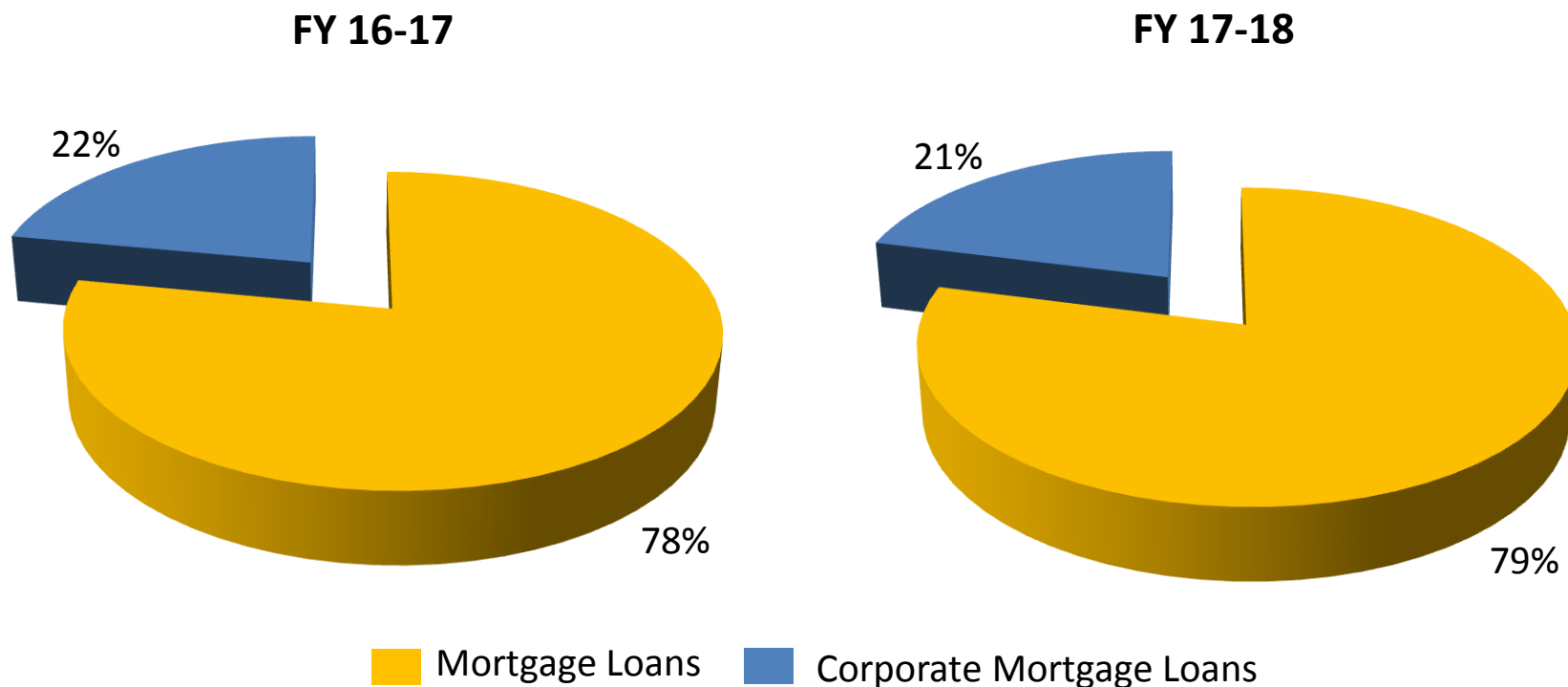
# Balance Sheet Assets



Total Assets	
As at March 31, 2018	₹ 1.32 Tn [US\$ 20.29 Bn]
As at March 31, 2017	₹ 1.04 Tn [US\$ 15.95 Bn]

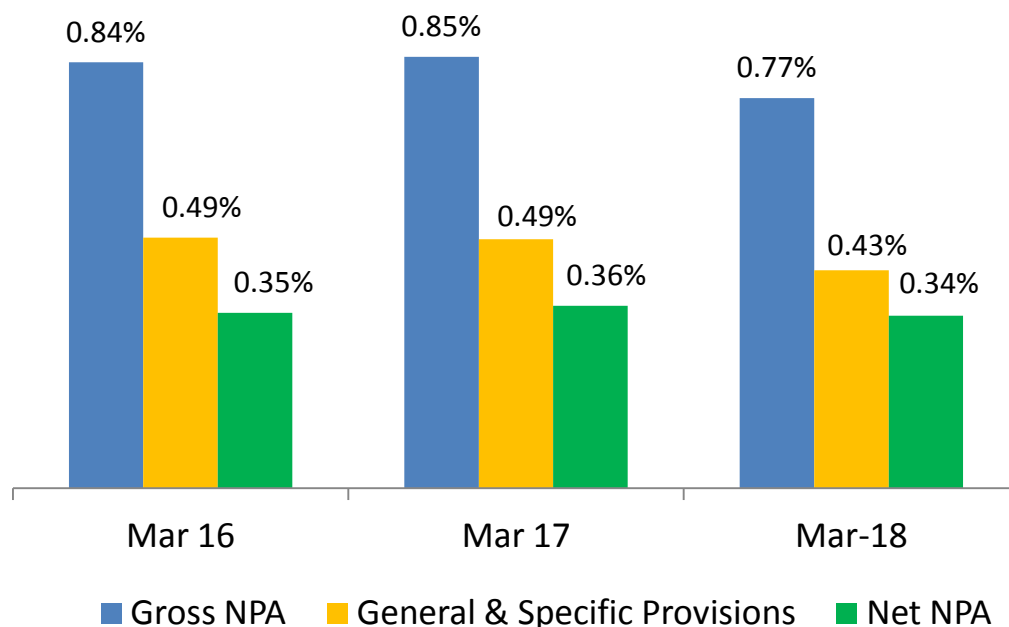
\*Cash, Cash Equivalents and Investments in Liquid Debt Instruments  
US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 65

# Asset Composition



- 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



*[as % of Total Loan Assets]*

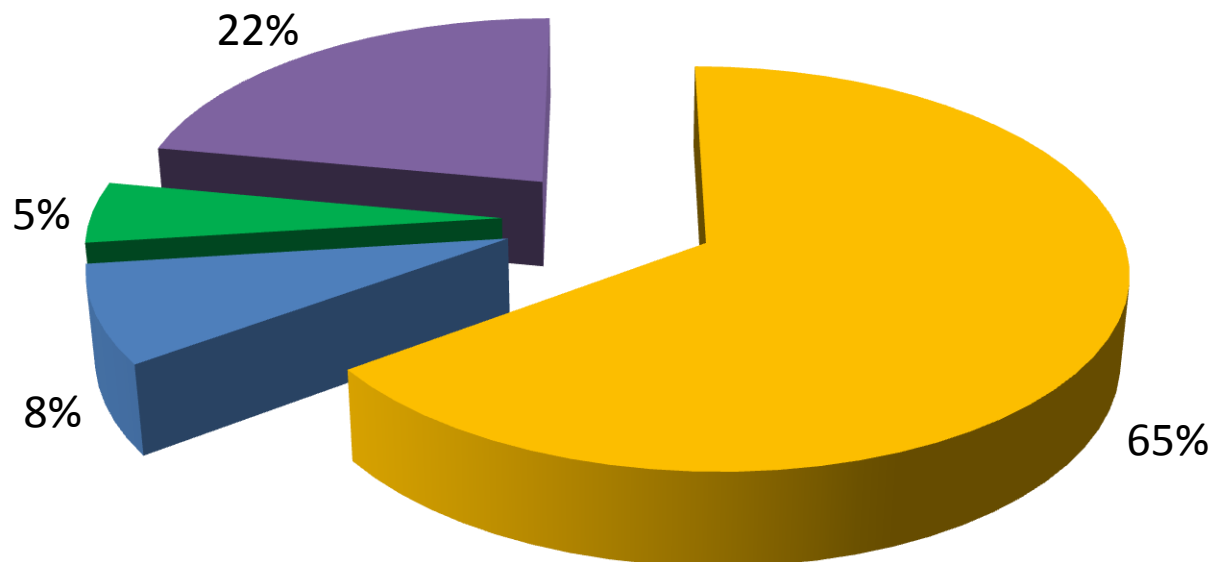
**As at Mar 31, 2018**

	<i>[in ₹ Bn]</i>
NPA [90+ dpd*]:	9.48
Provisions for Contingencies:	17.58
Of which	
NPAs:	5.28
Other provisioning:	12.30
Regulatory Provisioning:	8.92
Excess Provisioning over Regulatory Provisioning:	8.66

**Provisioning Cover : 185% of GNPA**

- ₹ 4 Bn of counter-cyclical provisioning stock
- 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
- Standard asset provisioning rates are 0.4% for housing loans [incrementally 0.25%] and 1.0% for non-housing loans

# Retail Mortgage Loans' Sourcing



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

- 27% of home loans' sourcing is now through eHome Loans. Including LAP, 22% 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

# 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 [\$ 23,000 - \$ 77,000]	Urban Mid-Income Affordable Home Loans Prime mid-income, tier I city, salaried	₹ 0.6 – ₹ 1.8 Mn [\$9,000 - \$ 27,500]	50%	55%
< ₹ 1.5 Mn [\$ 23,000]	Smart City Home Loans Prime mid-income, tier II town, salaried	₹ 0.4 Mn – ₹ 1.0 Mn [\$6,000 - \$ 15,000]	43%	16%
> ₹ 5 Mn [\$ 77,000]	Self-employed Home Loans Small business owner, established business track record	> ₹ 1.8 Mn [\$ 27,500]	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

# 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 1,615 Sq. Ft.
- Effective home loan rate for ₹ 2.4 Mn home loan, IBHFL's average ticket size, is only 0.34%

# 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

- 80 Smart City Home Loan branches in new towns and cities now contribute 11% to incremental home loans' disburseals. On track to have 100 Smart City Home Loan branches by Sep 2018
- 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

## 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
Average Age of Business	7 years
Basis of Credit Appraisal	Business cash flow analysis based



# 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 Integrated Home Loan Technology Platform



## Integrated 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 Outcomes

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 Impact 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:  
3,500 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



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## 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

Hub & Spoke

Fraud  
Control  
Unit

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

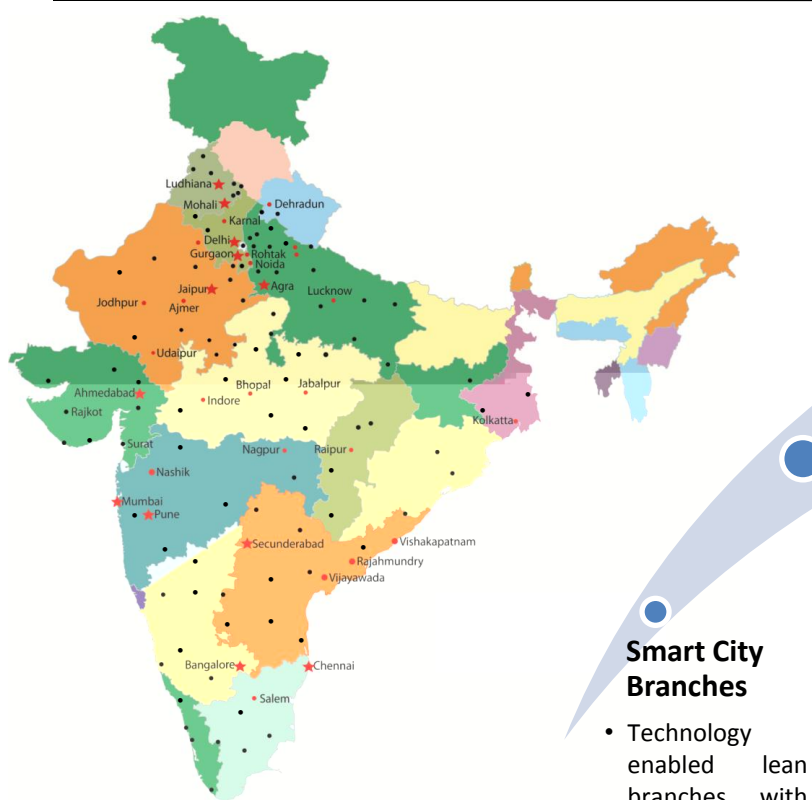
### ISO certified key departments and processes

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

### Operational risk mitigation

- Outsourced or digital document storage

# Pan-India Brick-and-Mortar Branch Network



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

## 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

## Smart City Home Loan Branches

September 2018: 100 smart city home loans branches from 80 branches at the end of FY18

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

Touch points for customers	e Home 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	Auto population of demographics through Aadhaar: <ul style="list-style-type: none"> <li>Name</li> <li>Date of Birth</li> <li>Address</li> <li>Father's name</li> <li>Spouse name</li> </ul> Other minimal 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> KYC Validation via Aadhaar Aadhaar e-KYC also provides: <ul style="list-style-type: none"> <li>Photograph, ID and Address proof</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>	Aadhaar enabled e-signs replace 70+ physical signatures    OTP and Biometric facility	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



KYC – biometric/ OTP



Email fraud detection



Online payment



Financial data



Government certified document storage



e-sign – biometric/ OTP

# eHome Loans: Digitised Workflow, Analytics driven Underwriting, Aadhaar 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



e-sign – biometric/ OTP



Digital mandate for debit

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

e-Insurance



**Builder on IB platform**

# LAP Grading

A Pioneering Initiative for Improved Risk Management and Greater Transparency



# Loan Against Property Grading from CRISIL and ICRA

- 12<sup>th</sup> quarter of industry-pioneering LAP grading initiative
- Sourcing quality sustained through transition to GST
- 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 and ICRA was initiated nearly 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 exercises 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>

# 12<sup>th</sup> Report updated as of Apr 16, 2018

## CRISIL LAP Grading



Grading			Segment Characteristics			
Grading Scale	Quality of LAP Loans <sup>#</sup>	Disbursals Apr 15 – Mar 18	Interest Service Coverage Ratio [ISCR]	Total Outstanding Liabilities/ Total Networth	Loan to Value [LTV]	EBITDA Margins
LAP1	Highest	9.59%	10.6 – 13.5	1.3 – 1.4	49%	15% – 18%
LAP2	High	82.24%	8.5– 10.5	2.1 – 2.2	50%	12% – 15%
LAP3	Average	7.70%	8.6 – 11.1	2.9 – 3.1	53%	9% – 12%
LAP4	Below Average	0.21%	14.1– 19.1	1.6 – 1.7	47%	13% – 16%
LAP5	Poor	0.26%	9.2– 11.8	2.3 – 2.4	51%	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 84% of the disbursals from Apr 15 to Mar 18

<sup>#</sup> 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]

- Nearly 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	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>

# 10<sup>th</sup> Report updated as of Apr 12, 2018

## 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 ₹ 215.2 Bn of Sold Down Portfolio: from Rating Agencies CRISIL, ICRA and CARE

## 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
- Both CRISIL and ICRA publish 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: 94
  - Sold down principal of live pools: ₹ 215.2 Bn
  - Current principal outstanding: ₹ 105.4 Bn

Rating Agency	Number of Pools	Sold Down Principal [₹ Bn]
ICRA*	83	190.0
CRISIL*	81	163.4
CARE	3	6.9

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

\* The exercise excludes pools sold down in the immediate preceding quarter [Q4 FY 2017-18]

DA: Direct Assignment

PTC: Pass Through Certificates

# Monthly Monitoring Report of ₹ 215.2 Bn of Sold Down Portfolio as on March 31, 2018

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	53	119.4	100.6	39	45.2	62%	0.02%	0.01%	99.9%	100.1%
LAP Pools	41	138.5	114.6	35	60.2	57%	0.07%	0.03%	99.7%	100.9%
<b>Total</b>	<b>94</b>	<b>257.9</b>	<b>215.2</b>	<b>37</b>	<b>105.4</b>	<b>59%</b>	<b>0.05%</b>	<b>0.02%</b>	<b>99.8%</b>	<b>100.5%</b>

## Home Loans [HL]

- Average vintage of sold down pools of ₹ 100.6 Bn of principal is 39 months
- The pools have amortised 62% since disbursal
- The cumulative collection ratio [CCR] is at 99.9%
- Monthly collection ratio [MCR] is in line with CCR at 100.1%

## Loan against Property [LAP]

- Average vintage of sold down pools of ₹ 114.6 Bn of principal is 35 months
- The pools have amortised 57% since disbursal
- The cumulative collection ratio [CCR] is at 99.7%
- Monthly collection ratio [MCR] is in line with CCR at 100.9%



# Home Loans Pool Performance Factsheet: CRISIL and ICRA 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 4	20-Mar-14	3,451.6	2,923.4	48	557.6	82%	0.00%	0.00%	99.9%	101.6%
2	Bank 5	28-Mar-14*	2,119.7	1,677.5	48	229.4	88%	0.00%	0.00%	99.9%	98.3%
3	Bank 5	27-Jun-14*	1,072.1	900.0	44	178.4	82%	0.00%	0.00%	99.5%	99.0%
4	Bank 6	30-Jul-14	1,023.7	800.1	44	187.9	78%	0.00%	0.00%	99.9%	99.7%
5	Bank 5	30-Sep-14	1,299.1	965.7	41	96.7	92%	0.00%	0.00%	100.0%	98.2%
6	Bank 8	24-Sep-15	1,164.0	1,001.4	29	456.6	56%	0.09%	0.09%	99.9%	99.5%
7	Bank 9	31-Dec-15	4,496.4	3,742.3	26	1,225.9	70%	0.12%	0.06%	99.9%	99.5%
8	Bank 8	29-Feb-16	1,053.0	894.0	24	268.7	72%	0.00%	0.00%	99.9%	98.5%
9	Bank 8	28-Mar-16	620.4	530.4	23	223.9	60%	0.00%	0.00%	99.9%	100.4%
10	Bank 14	28-Jun-13*	8,001.1	6,303.0	56	657.2	91%	0.07%	0.04%	99.9%	99.0%
11	Bank 4	29-Oct-13	1,654.5	1,351.3	52	135.3	91%	0.00%	0.00%	99.9%	98.9%
12	Bank 10	31-Dec-13*	2,319.7	1,921.8	50	319.1	85%	0.00%	0.00%	99.9%	100.0%
13	Bank 4	27-Dec-13	2,731.5	2,309.9	50	267.3	89%	0.00%	0.00%	99.9%	99.4%
14	Bank 3	31-Dec-13*	857.1	717.0	50	296.3	62%	0.00%	0.00%	99.9%	101.9%
15	Bank 6	28-Mar-14*	1,011.2	826.5	48	148.4	83%	0.00%	0.00%	99.9%	99.3%
16	Bank 5	26-Dec-14	840.8	679.6	39	86.4	89%	0.00%	0.00%	100.0%	100.0%
17	Bank 4	30-Dec-14	2,345.9	1,982.9	38	144.6	93%	0.00%	0.00%	100.0%	112.6%
18	Bank 4	01-Mar-15	1,877.0	1,563.1	36	268.5	84%	0.05%	0.05%	99.9%	107.8%
19	Bank 4	11-Jun-15	1,000.3	855.2	34	172.1	81%	0.00%	0.00%	99.8%	99.0%
20	Bank 4	23-Jun-15	2,328.0	1,869.1	33	308.9	85%	0.12%	0.12%	99.9%	101.0%
21	Bank 7	29-Jun-15	999.8	845.3	32	118.0	87%	0.00%	0.00%	99.9%	100.0%
22	Bank 8	25-Aug-15	729.1	613.4	31	225.3	66%	0.00%	0.00%	100.0%	99.7%
23	Bank 7	01-Sep-15	1,380.1	1,159.3	30	193.0	84%	0.00%	0.00%	99.9%	101.9%

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**HOUSING FINANCE**

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# LAP Pool Performance Factsheet: CRISIL and ICRA

## 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 3	31-Dec-13*	2,244.2	1,786.4	50	195.2	90%	0.00%	0.00%	99.9%	109.2%
2	Bank 10	07-Feb-14	4,298.2	3,298.3	50	395.4	90%	0.10%	0.01%	99.9%	104.2%
3	Bank 4	28-Mar-14	2,716.0	2,144.5	48	240.9	90%	0.00%	0.00%	99.9%	98.3%
4	Bank 4	20-Jun-14	2,310.9	1,893.7	44	201.7	90%	0.07%	0.07%	99.9%	102.6%
5	Bank 4	27-Jun-14	1,854.7	1,535.7	44	344.2	79%	0.12%	0.12%	99.9%	99.3%
6	Bank 10	29-Dec-14	4,540.4	3,716.1	38	697.8	83%	0.15%	0.15%	99.9%	105.3%
7	Bank 2	30-Mar-15	10,671.9	8,695.3	35	2,398.7	75%	0.25%	0.06%	99.8%	99.3%
8	Bank 4	30-Jun-15	1,450.6	1,127.7	32	263.8	80%	0.00%	0.00%	100.0%	100.0%
9	Bank 12	28-Sep-15	2,201.9	1,807.1	29	505.1	75%	0.00%	0.00%	99.9%	99.9%
10	Bank 12	28-Sep-15	2,345.4	2,002.8	29	648.6	69%	0.00%	0.00%	99.8%	98.6%
11	Bank 1	28-Sep-15	3,594.8	2,849.6	29	733.5	77%	0.00%	0.00%	99.8%	107.6%
12	Bank 8	29-Sep-15	4,302.8	3,641.3	30	989.2	74%	0.26%	0.00%	99.8%	98.3%
13	Bank 12	09-Dec-15	333.1	241.5	27	57.2	81%	0.00%	0.00%	99.9%	98.6%
14	Bank 12	09-Dec-15	506.3	434.9	27	201.1	56%	0.00%	0.00%	100.0%	100.0%
15	Bank 12	23-Dec-15	1,561.8	1,336.9	26	411.0	71%	0.00%	0.00%	99.9%	100.3%
16	Bank 1	31-Dec-15	1,203.8	997.7	27	321.7	70%	0.00%	0.00%	99.9%	104.6%
17	Bank 1	31-Dec-15	2,785.4	2,224.8	27	652.1	74%	0.00%	0.00%	99.7%	104.9%
18	Bank 1	03-Mar-16	956.7	774.4	24	282.1	67%	0.00%	0.00%	99.9%	98.7%
19	Bank 12	10-Mar-16	1,753.5	1,499.8	24	473.1	70%	0.00%	0.00%	99.9%	101.1%
20	Bank 9	30-Jun-16	2,503.4	2,094.0	20	1,038.2	54%	0.37%	0.37%	99.7%	100.1%
21	Bank 10	30-Jun-16	4,059.2	3,314.6	20	1,511.8	59%	0.41%	0.41%	99.8%	99.4%
22	Bank 13	26-Sep-16	1,523.7	1,248.0	18	624.9	54%	0.00%	0.00%	99.7%	100.0%
23	Bank 13	26-Sep-16	2,162.9	1,748.0	18	599.1	69%	0.00%	0.00%	100.0%	103.0%
24	Bank 8	30-Sep-16	3,311.7	2,733.2	17	1,255.1	58%	0.44%	0.00%	99.7%	99.1%
25	Bank 14	30-Mar-17	4,158.7	3,405.1	11	2,296.4	39%	0.00%	0.00%	99.9%	100.2%
26	Bank 1	20-Mar-12	2,360.3	2,223.4	72	146.7	94%	0.00%	0.00%	99.9%	105.9%
27	Bank 8	30-Jun-17	4,060.1	3,327.2	9	2,696.9	26%	0.00%	0.00%	99.4%	98.7%
28	Bank 10	28-Jun-17	6,265.8	4,694.4	8	3,385.9	40%	0.00%	0.00%	99.8%	100.3%
29	Bank 5	26-Sep-17	12,376.8	9,477.0	5	8,094.3	27%	0.00%	0.00%	99.6%	99.9%
30	Bank 5	26-Sep-17	7,061.2	5,808.2	5	4,787.9	25%	0.00%	0.00%	99.0%	99.0%
31	Bank 5	29-Dec-17	4,367.6	3,569.0	2	3,364.8	14%	0.00%	0.00%	99.4%	99.8%
32	Bank 5	29-Dec-17	4,445.9	3,539.8	2	3,330.4	17%	0.00%	0.00%	100.0%	99.9%
33	Bank 12	29-Dec-17	1,606.3	1,298.1	2	1,169.6	19%	0.00%	0.00%	100.0%	100.0%
34	Bank 12	29-Dec-17	2,171.3	1,719.8	2	1,472.5	25%	0.00%	0.00%	100.0%	100.0%

MPS: Months post securitisation  
CCR: Cumulative collection ratio

MCR: Monthly collection ratio  
dpd: days past due

# Amortisation is calculated on Disbursement  
\*Pool monitored only by ICRA

Data is for Mar 2018 payouts

# Home Loans and LAP Pool Performance Factsheet

## Pass-Through Certificates

### HL Pools

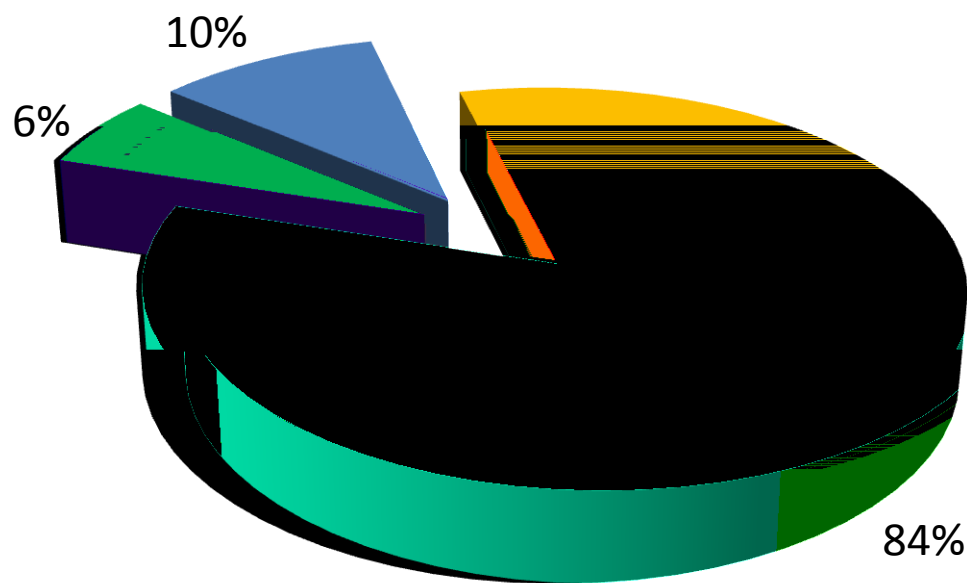
Sr No	Investor	Initial Pool Details			MPS	Pool Principal [₹ Mn]	Amortisation*	of Initial POS		CCR	MCR	Outstanding Rating from
		Sold Down Date	Disbursement [₹ Mn]	Sold Down Principal [₹ Mn]				90+ dpd %	180+ dpd %			
1	Bank 2	20-Mar-14	3,353.9	3,151.7	48	1,417.4	58%	0.00%	0.00%	100.0%	99.5%	ICRA
2	Bank 9	29-Jun-17	3,544.7	3,299.6	8	2,864.7	19%	0.00%	0.00%	98.7%	98.8%	ICRA
3	Bank 2	30-Dec-13	1,095.9	993.3	51	352.6	68%	0.00%	0.00%	100.0%	99.8%	CRISIL
4	Bank 14	01-Mar-15	2,940.5	2,724.4	37	1,153.1	61%	0.00%	0.00%	100.0%	99.7%	CRISIL
5	Bank 3	31-Dec-12	1,286.5	1,186.2	63	298.5	77%	0.00%	0.00%	99.9%	100.2%	CRISIL
6	Bank 3	28-Mar-13	1,146.0	1,070.9	60	380.7	67%	0.00%	0.00%	100.0%	99.8%	CRISIL
7	Bank 14	27-Sep-13	3,119.0	2,864.4	54	953.0	69%	0.00%	0.00%	99.9%	99.8%	CRISIL

### LAP Pools

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	1,114.1	986.0	50	149.1	87%	0.00%	0.00%	99.8%	101.0%	CARE
2	Bank 2	20-Mar-14	4,403.3	3,850.0	48	628.6	86%	0.00%	0.00%	99.9%	107.1%	CARE
3	Bank 3	31-Mar-16	2,279.9	2,091.0	23	1,116.4	51%	0.00%	0.00%	99.7%	99.8%	CARE
4	Bank 9	27-Sep-17	6,640.4	6,096.8	5	5,690.3	14%	0.00%	0.00%	99.7%	99.6%	ICRA
5	Bank 14	30-Sep-16	1,437.3	1,359.8	17	666.8	54%	0.00%	0.00%	99.6%	99.8%	CRISIL
6	Bank 9	30-Dec-16	5,458.2	5,126.9	14	3,855.3	29%	0.00%	0.00%	99.6%	99.9%	CRISIL
7	Bank 9	27-Mar-17	3,100.7	2,923.5	11	2,334.2	25%	0.00%	0.00%	99.8%	99.5%	CRISIL

# Liabilities Profile

# Liabilities

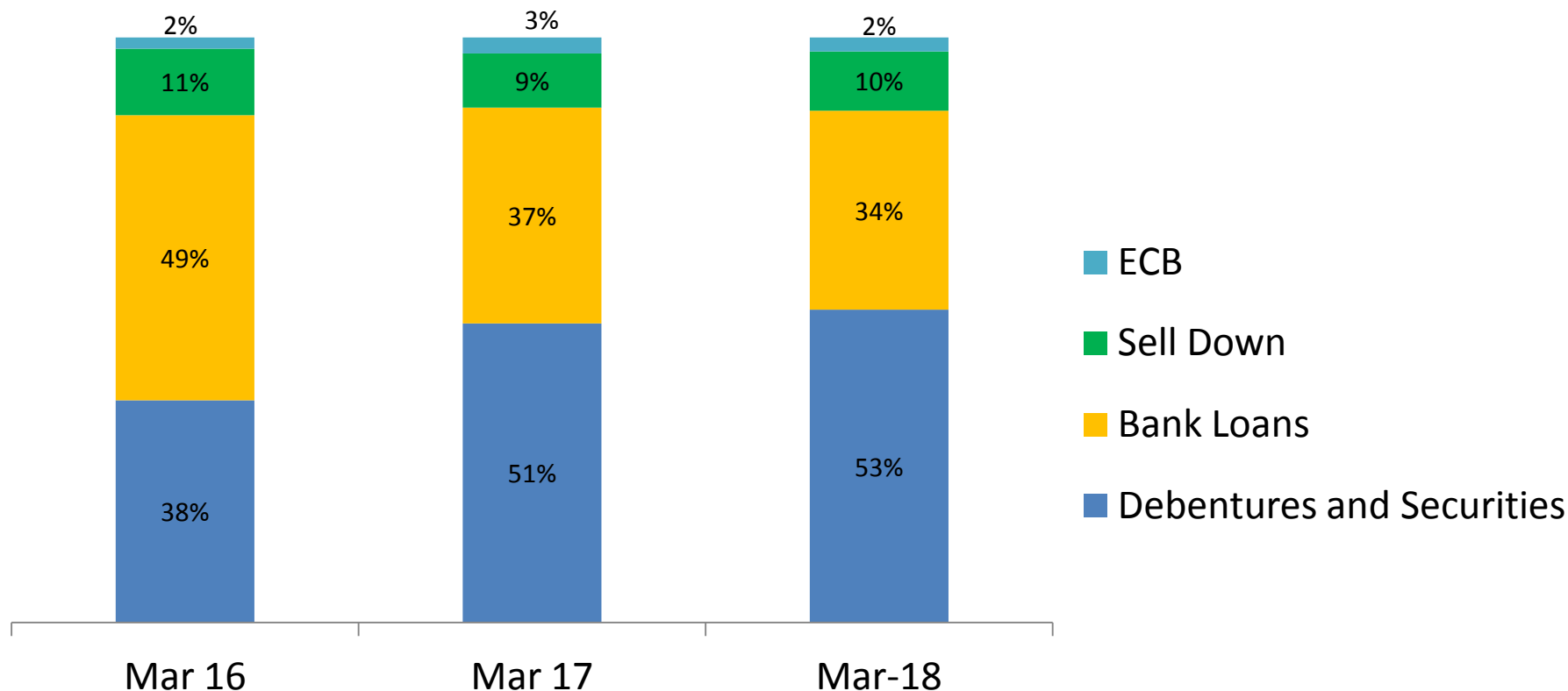


■ Shareholders' Funds   ■ Borrowings   ■ Other Liabilities

Total Liabilities	
As at March 31, 2018	₹ 1.32 Tn [US\$ 20.29 Bn]
As at March 31, 2017	₹ 1.04 Tn [US\$ 15.95 Bn]

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

# Funding Mix

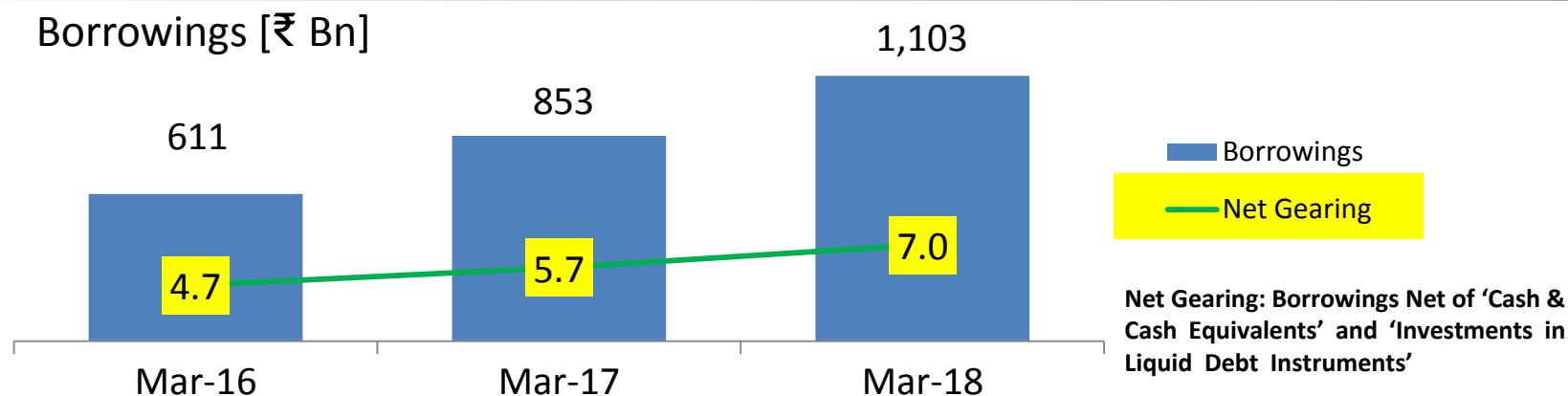


Total Borrowings	
As at March 31, 2018	₹ 1.10 Tn [US\$ 16.96 Bn]
As at March 31, 2017	₹ 0.85 Tn [US\$ 13.12 Bn]

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

ECB: External Commercial Borrowing

# Strengthening Liability Profile



Total Funding [₹ Bn]			Net Incremental in 12 Months	Contribution to Incremental Borrowings in last 12 Months
	Mar 18	Mar 17		
Bank Loans	417.1	346.6	70.6	24.6%
Debentures and Securities	656.2	480.5	175.7	61.2%
ECB	29.3	25.9	3.3	1.2%
<b>Total Borrowing</b>	<b>1,102.6</b>	<b>853.0</b>	<b>249.6</b>	<b>87.0%</b>
Sell Down	124.2	86.9	37.3	13.0%
<b>Total</b>	<b>1,226.8</b>	<b>939.9</b>	<b>286.9</b>	<b>100.0%</b>

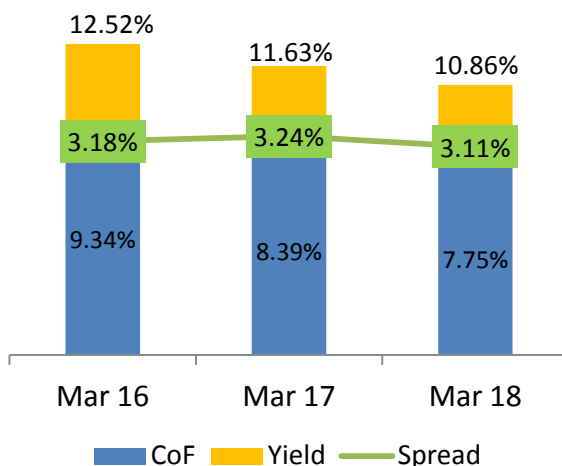
- ₹ 536.2 Bn of debentures and securities raised in 24 months since March 2016 is 2.4 times of ₹ 220 Bn raised in 36 months spanning FY 14 to FY 16.
- Issued ₹ 27.5 Bn of tier II bonds in FY 18
- Issued India's 1st Social Affordable Housing Offshore[Masala] Bond aggregating to ₹ 3.15 Bn, will conform to the Social Bond Principles 2017 issued by ICMA; with assurance provided by KPMG. Social Affordable Housing Bond's aggregating to ₹ 15.4 Bn issued in FY 18 have been fully allocated towards affordable housing
- Amongst its lenders, the company now counts 507 strong relationships: 21 PSU banks, 22 Private and Foreign banks and 464 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and Corporates



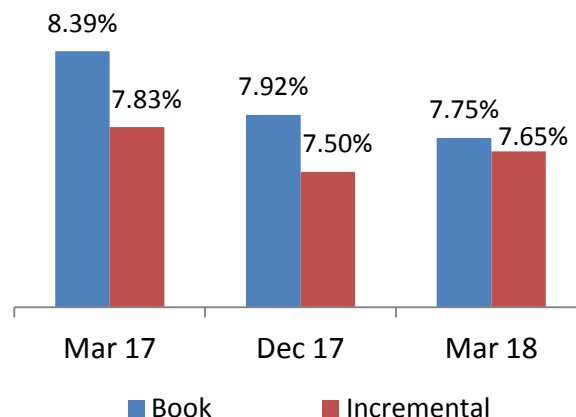
# Spreads Within Guided Range as Home Loan Share Increases

## Spreads

Since end of Q4, from 1<sup>st</sup> April, 2018, IBPLR has increased by 20 bps



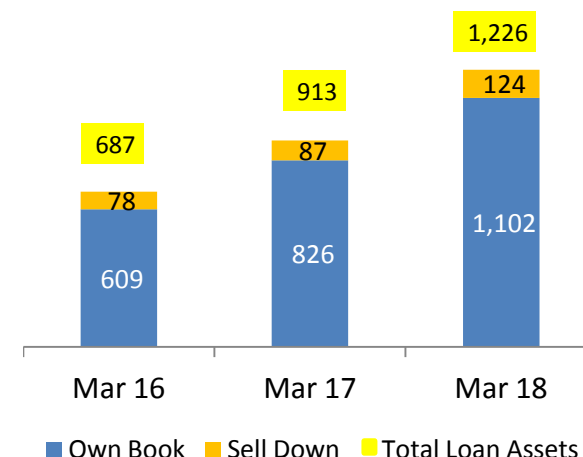
## Cost of Funds



## Loan Assets [₹ Bn]

Loan Assets 7-Yr CAGR: 30%

Own Book 7-Yr CAGR: 28%

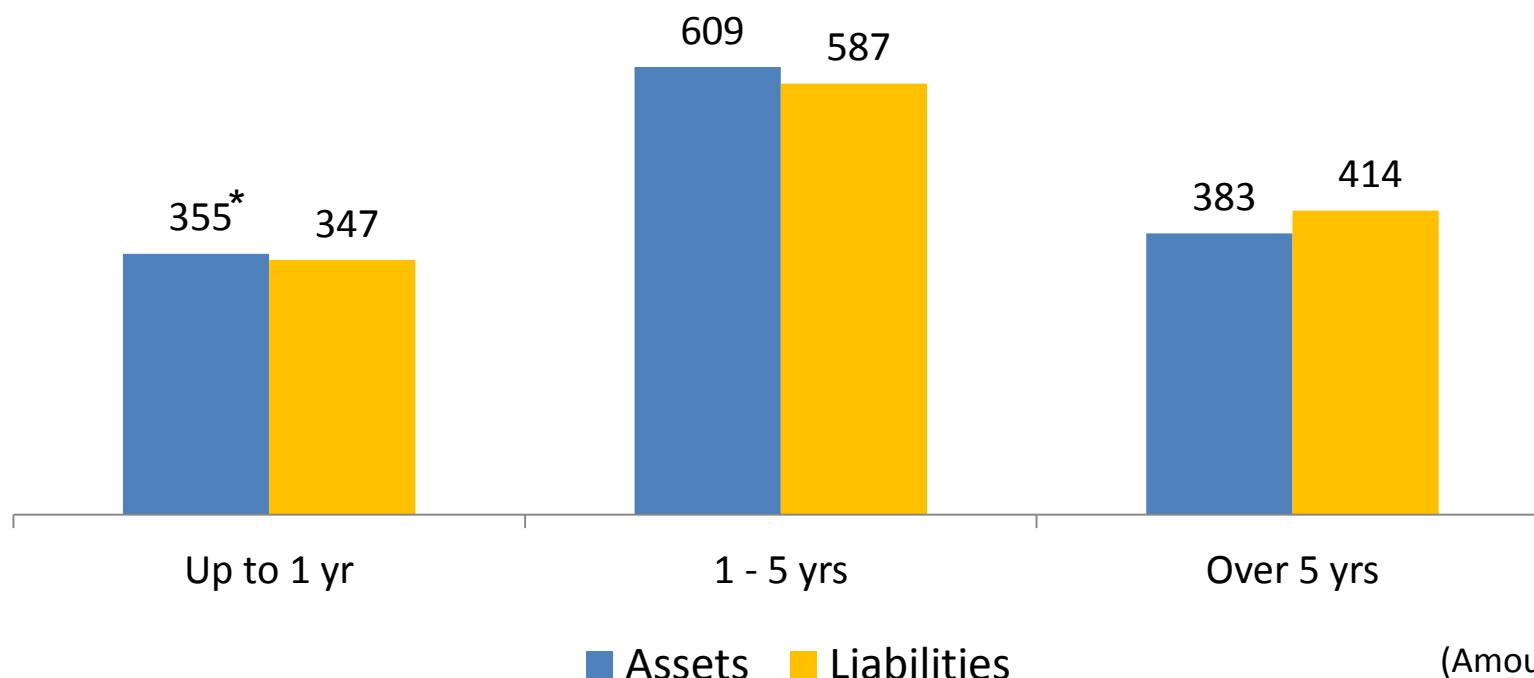


- Home loan PLRs have been increased by 20 bps effective April 1, 2018 and has immediately added to the Q4FY18 book spread of 311 bps
- Despite upward movement of interest rates, IBHFL's spread was resilient at 311 bps, within the guided range
- Growth of on-balance sheet loan assets [7-year CAGR: 28%] is slower than growth in total loan assets [7-year CAGR: 30%] facilitating RoE expansion
- Driven by increasing share of home loans, the ratio of risk weighted assets [RWA] to loan book has dropped to 78% at the end of FY18 from 83% last year. RWA to loan book is a strong indicator of risk being underwritten and, a declining ratio is also indicative of frugal capital utilization

# Optimally Matched Balance Sheet

## Maturity Profile

(As of March 31, 2018)



- \*Assets in the 'Up to 1 Yr' bucket includes ₹ 165.35 Bn (as of March 31, 2018) 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 ₹ 165.35 Bn as at 31<sup>st</sup> Mar, 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'*

# 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 doorstep healthcare facility
- 4 vans added to existing fleet of 26
- 2,37,789 patients diagnosed this quarter
- Total 16,31,018 patients successfully treated

### Free Charitable Medical Clinic

- 5 free clinics treated over 25,423 patients

### Health Check-up Camp

- Conducted in Thane, Raigad and Palghar districts with 8,329 beneficiaries this quarter

### Free Dialysis Treatment

- 10,000 free dialysis treatment to be provided; 2,570 provided this quarter; 3,499 till date

## Transforming Mokhada [a taluka adopted to bring about sustainable change]

- 3 mobile medical vans and 1 clinic benefitting 31,153 beneficiaries this quarter
- Mini health camps every month benefitting 5,787 individuals till date
- Focus majorly on improving nutritional condition of children, pregnant women and lactating mothers
  - 44,983 beneficiaries this quarter
  - 2,44,083 beneficiaries till date

## Mokhada



## Sanitation



### Kumud:

- Sanitary napkins distributed to over 9,116 women and adolescent girls this quarter
- Hygiene awareness sessions conducted
- Total 70,220 beneficiaries till date

### Renewable Energy Plants:

- Free of cost round-the-clock seamless electricity to 6 tribal ashram schools, 4 schools in pipeline
- Benefits 3,920 tribals students every year
- 13,400 beneficiaries till date

## Renewable Energy



## Nutrition



### Paushtik Aahar:

- Free nutrition supplements to the underprivileged and malnourished
- 30,000 individuals per month
- 90,000 beneficiaries in this quarter
- 4,29,485 beneficiaries till date

### Women Empowerment:

- 600 rural women from 7 states trained
- 3-month professional training certified by National Skill Development Corporation
- Over 75% of them have been placed in hospitals and nursing homes with

## Skill Development



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

# Eminent and Experienced Board of Directors

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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
- 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 : Chief Operating Officer

# Credit Ratings

	Long Term Credit Rating
CRISIL [a Standard & Poor's Company]	AAA
ICRA [a Moody's Investor Service Company]	AAA
CARE Ratings	AAA
Brickwork Ratings	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 21%  
Highest AAA Long term credit rating  
Liquidity buffer of 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

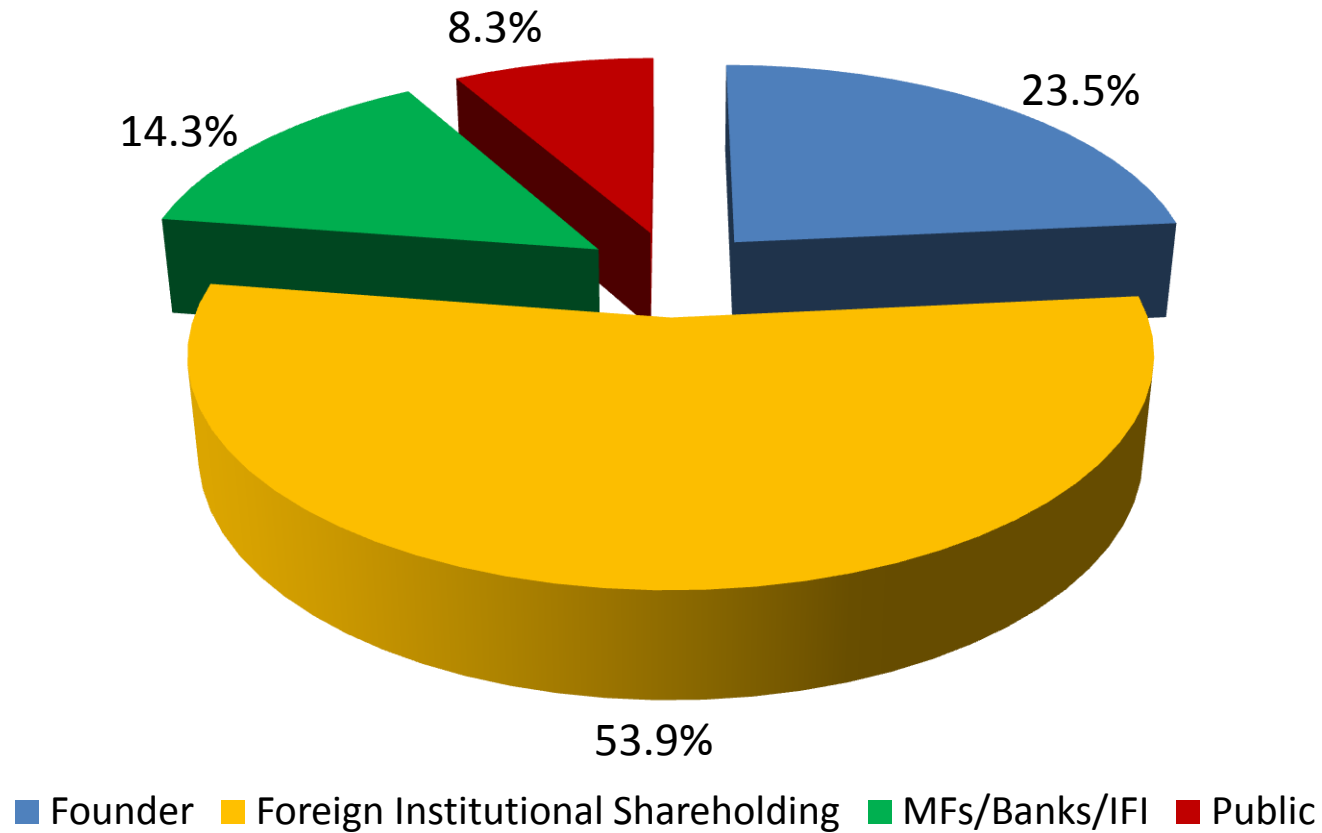
# Valuations and Returns

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
Market Price per Share [₹]	155	207	272	286	558	674	998	1,368*
Market Capitalisation [₹ Bn]	48.1	64.5	84.9	95.4	198.4	284.0	422.9	583.3
PE Ratio [times]	6.5	6.5	6.8	6.0	10.2	11.3	14.5	15.1
Dividend per Share [₹] #	10	13	20	29	35	36	36	42
Dividend Yield	6.5%	6.3%	7.4%	10.2%	6.3%	5.3%	3.6%	3.1%
Foreign Institutional Shareholding [%]	43.5%	38.7%	45.2%	41.1%	51.8%	58.9%	63.6%	53.9%
Domestic Institutional Shareholding [%]	3.3%	2.4%	3.6%	3.4%	3.3%	2.7%	4.8%	14.3%

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



# Shareholding Pattern



- Domestic institutional shareholding has increased 5.3x to 14.3% from 2.7% in March 2016

# Detailed Financials

# Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	(₹ in Billion)	
	As at 31.03.18 (Audited)	As at 31.03.17 (Audited)
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's Funds</b>		
(a) Share Capital	0.85	0.85
(b) Reserves and Surplus	133.38	120.37
<b>(2) Non-Current Liabilities</b>		
(a) Long-term borrowings	691.04	541.16
(b) Deferred tax Liabilities (net)	1.23	1.18
(c) Other Long term liabilities	4.02	1.59
(d) Long term provisions	10.87	7.85
<b>(3) Current Liabilities</b>		
(a) Short-term borrowings	247.04	180.33
(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	0.29	0.06
(c) Other current liabilities	227.58	180.75
(d) Short-term provisions	2.73	2.91
<b>Total</b>	<b>1,319.03</b>	<b>1,037.05</b>
<b>II. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets	1.00	0.90
(ii) Intangible assets	0.12	0.11
(b) Goodwill on Consolidation (Net)	0.58	0.68
(c) Non-current investments	30.84	7.97
(d) Deferred tax assets (net)	0.10	0.08
(e) Long term loans and advances	998.97	743.08
(f) Other non-current assets	3.57	2.32
<b>(2) Current assets</b>		
(a) Current investments	117.87	128.20
(b) Trade receivables	0.31	0.14
(c) Cash and cash equivalents	47.48	56.83
(d) Short-term loans and advances	106.63	87.80
(e) Other current assets	11.56	8.95
<b>Total</b>	<b>1,319.03</b>	<b>1,037.05</b>

**₹ 165.35 Bn of**  
Cash & Cash  
Equivalents and  
Investments in  
Liquid Debt  
Instruments

The company had cash, cash equivalents and investments in liquid debt instruments of ₹ 165.35 Bn as at 31<sup>st</sup> Mar, 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

		(₹ in Billion)				
Particulars		Quarter ended			Year ended	
		31.03.18	31.12.17	31.03.17	31.03.18	31.03.17
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Revenue from operations	36.90	33.49	29.31	130.62	103.99
2	Other income	2.78	7.56	2.93	15.78	13.03
3	<b>Total revenue (1+2)</b>	<b>39.67</b>	<b>41.06</b>	<b>32.25</b>	<b>146.40</b>	<b>117.02</b>
4	<b>Expenses</b>					
	Employee benefits expense	1.39	1.56	1.14	5.81	5.00
	Finance costs	20.93	19.53	17.39	76.54	64.11
	Depreciation and amortisation expense	0.14	0.08	0.07	0.37	0.23
	Other expenses	4.79	4.29	3.96	13.93	9.96
	<b>Total expenses</b>	<b>27.25</b>	<b>25.46</b>	<b>22.55</b>	<b>96.65</b>	<b>79.30</b>
5	<b>Profit before tax (3-4)</b>	<b>12.43</b>	<b>15.59</b>	<b>9.70</b>	<b>49.76</b>	<b>37.72</b>
6	<b>Tax expense</b>					
	Current tax expense (Net of MAT credit entitlement)	2.54	3.80	1.77	10.08	8.29
	Deferred Tax (Credit) / Charge	(0.36)	0.14	(0.45)	1.42	0.34
	<b>Total Tax Expense</b>	<b>2.18</b>	<b>3.94</b>	<b>1.32</b>	<b>11.50</b>	<b>8.63</b>
7	<b>Profit for the Period / Year (5-6)</b>	<b>10.24</b>	<b>11.65</b>	<b>8.37</b>	<b>38.26</b>	<b>29.09</b>
8	Add: Share of Profit / (Loss) of Associate	0.06	0.02	0.03	0.22	(0.02)
9	<b>Profit for the period / year attributable to Minority Interest (7+8)</b>	<b>10.30</b>	<b>11.68</b>	<b>8.41</b>	<b>38.47</b>	<b>29.06</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>10.30</b>	<b>11.68</b>	<b>8.41</b>	<b>38.47</b>	<b>29.06</b>
12	Paid-up Equity Share Capital	0.85	0.85	0.85	0.85	0.85
13	Reserves excluding Revaluation Reserves as per Balance Sheet as on March 31, 2018				133.38	120.37
14	Earnings per Share (EPS) before extraordinary items					
	*(EPS for the quarters are not annualised)					
	-Basic (Amount in ₹)	24.16*	27.45*	19.83*	90.51	68.80
	-Diluted (Amount in ₹)	23.91*	27.13*	19.63*	89.43	67.98
	-Face Value (Amount in ₹)	2.00	2.00	2.00	2.00	2.00
	Earnings per Share (EPS) after extraordinary items					
	*(EPS for the quarters are not annualised)					
	-Basic (Amount in ₹)	24.16*	27.45*	19.83*	90.51	68.80
	-Diluted (Amount in ₹)	23.91*	27.13*	19.63*	89.43	67.98
	-Face Value (Amount in ₹)	2.00	2.00	2.00	2.00	2.00

In Nov 2017, IBHFL sold ~10% stake in OakNorth Bank for a consideration of ₹ 7.68 Bn, recording a one-off pre-tax profit on sale of Investment of ₹ 5.43 Bn. As a prudent means IBHFL has utilised 33% of the one-off pre-tax gain, to make an additional special provision, in the form of counter-cyclical provisions, of ₹ 1.8 Bn.

The company had cash, cash equivalents and investments in liquid debt instruments of ₹ 165.35 Bn as at 31<sup>st</sup> Mar, 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'

# Update on OakNorth Bank



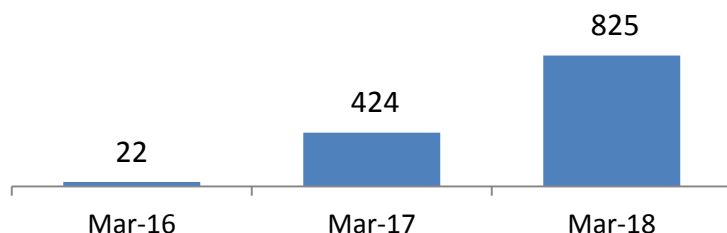
# Update on OakNorth Bank

- Within two years of operations, OakNorth Bank's deposits have risen to \$ 825 Mn and loan assets crossed the \$ 1 Bn milestone to stand at \$ 1.06 Bn
- In Q3 FY18, OakNorth Bank raised investment of \$ 215 Mn through primary round for a 17% stake at a valuation of \$ 1.26 Bn, and facilitated secondary round of \$ 125 Mn in which IBHFL sold shares worth \$ 121 Mn to GIC
- NIM on existing book is ~6.8%, cost of fund is ~1.7% and gross yield is ~8.4% on the loan book

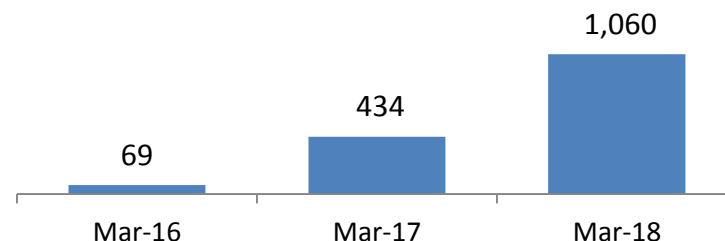
- Summary of IBHFL investment

		Value of IBHFL's Stake	Enterprise Value of OakNorth Bank
Nov 15	Investment for 39.8% stake	\$ 100 Mn	\$ 250 Mn
Nov 17	Sold 9.9% stake	\$ 121 Mn	\$ 1.26 Bn
Mar 18	Value of residual 19.4% holding	\$ 236 Mn	

Deposits [\$ Mn]



Loan Assets [\$ Mn]



Thank you