

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 and subject to change.

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

+91 22 6189 1444

Media Contact

Rahat Ahmed

mediaquery@indiabulls.com

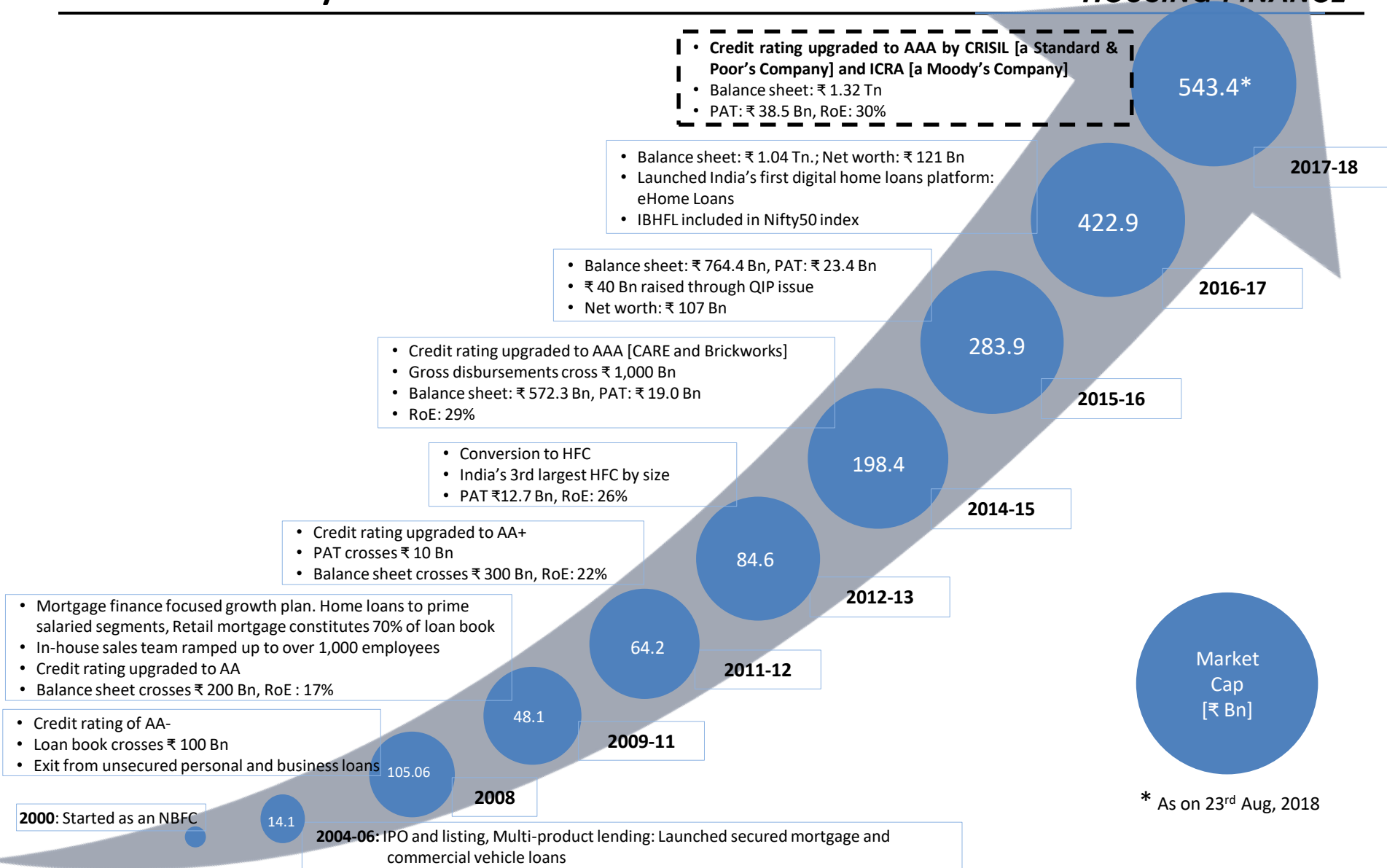
+91 22 6189 1155

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Business Update

Our Journey



Business Update

Key Financial Highlights: Q1 FY 2018-19 vs Q1 FY 2017-18 as per Indian Accounting Standards [IndAS]

	Q1 FY 18-19	Q1 FY 17-18	YoY Growth [%]
Balance Sheet [₹ Bn]	1,382.36	1,066.12	29.7%
Loan Assets [₹ Bn]	1,259.63	944.51	33.4%
Total Revenues [₹ Bn]	40.72	32.88	23.8%
*NII [₹ Bn]	16.90	13.84	22.1%
PBT [₹ Bn]	14.02	10.62	32.1%
PAT [₹ Bn]	10.55	8.10	30.3%



Indiabulls Housing Finance ranked by Forbes Global 2000 as 13th Largest Consumer Finance Company Globally

- An interim dividend of ₹ 10 per share of face value ₹ 2/-, amounting to 500%, has been declared in the board meeting held on August 2, 2018
- Indiabulls Housing Finance Ltd. is amongst the top 15 dividend paying private companies in India

* NII does not include net gain on excess interest spread on assignment transactions for the quarter

Profit and Loss Statement Under IndAS

Amounts in ₹ Bn	Quarter ended June 30, 2018
	IndAS
Interest Income & Fees	40.25
Interest Expense	23.35
Net Interest Income	16.90
Net gain on excess interest spread on assignment transactions for the quarter	0.47
Total Net Income	17.37
Less: Operating Expenses	2.70
Staff & Other Expenses	2.32
Adjustment due to Fair Value of Options	0.30
Depreciation & Amortisation Expenses	0.08
Less: Credit Costs	0.65
Profit Before Tax	14.02
Tax Expenses [net of deferred tax]	3.54
Other Income	0.06
Profit After Tax	10.55

Reconciliation of Consolidated Profit with Indian GAAP: Q1 FY 2017-18

Amounts in ₹ Bn

	Q1 FY 18
Profit after tax as per previous GAAP	7.88
<u>IndAS adjustment:</u>	
Adjustment on account of effective interest rate for financial assets and liabilities recognised at amortised cost	[0.72]
Adjustment on account of net gain on excess interest spread on assignment transactions for the quarter	0.64
Adjustment on account of Expected Credit Loss	0.09
Adjustment due to fair valuation of employee stock options	[0.04]
Other Adjustments	0.04
Tax Impact on above including reversal of Deferred Tax Liability on 36 (1) (viii) for the quarter	0.19
Net profit after tax as per IndAS	8.10

Conservative ECL Provisions and Stable Asset Quality

Amounts in ₹ Bn

As per IndAS	Q1 FY19	Q1FY18
Gross Stage 3	9.8	7.6
% Portfolio in Stage 3	0.78%	0.80%
ECL Provision Stage 3	2.4	1.8
Net Stage 3	7.4	5.7
Coverage Ratio % Stage 3	25%	24%
Gross Stage 1&2	1,249.8	936.9
% Portfolio in Stage 1&2	99.22%	99.20%
ECL Provision Stage 1&2	3.2	2.7

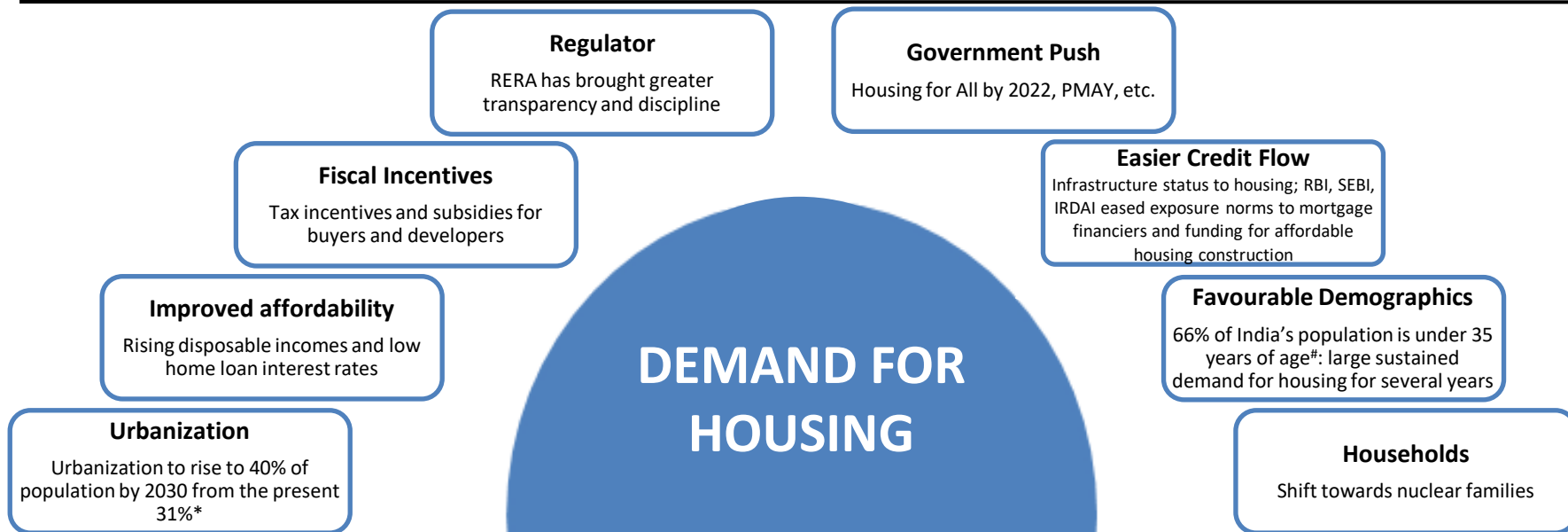
- On total loan assets of ₹ 1,259.6 Bn, the loan assets in loan stage 1 & 2 are ₹ 1,249.8 Bn representing 99.2% of the total assets. The ECL provisions taken on assets in stage 1 & 2 are ₹ 3.2 Bn [As per Indian Accounting Standards [IndAS], all assets less than 90 dpd are standard assets classified in stage 1 & 2]
- On total loan assets of ₹ 1,259.6 Bn, the loan assets in stage 3 are ₹ 9.8 Bn representing 0.78% of the total loan assets. The ECL provision taken on loan assets in stage 3 are ₹ 2.4 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].
- The company has taken a conservative approach towards ECL policy and additionally opted to retain ₹ 10.5 Bn as adhoc provisions [The ₹ 10.5 Bn were extra provisions done earlier as per Indian GAAP, the old accounting standard] instead of taking these as profits in IndAS, the new accounting standard. Also, these adhoc provisions are not taken into account while arriving at Net NPAs.

Gross NPA: 0.78%

Net NPA: 0.59%

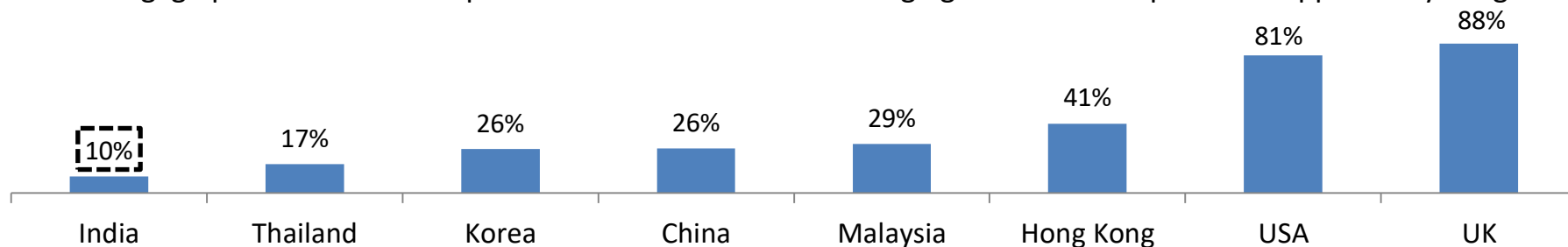
Indian Home Loans Market

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

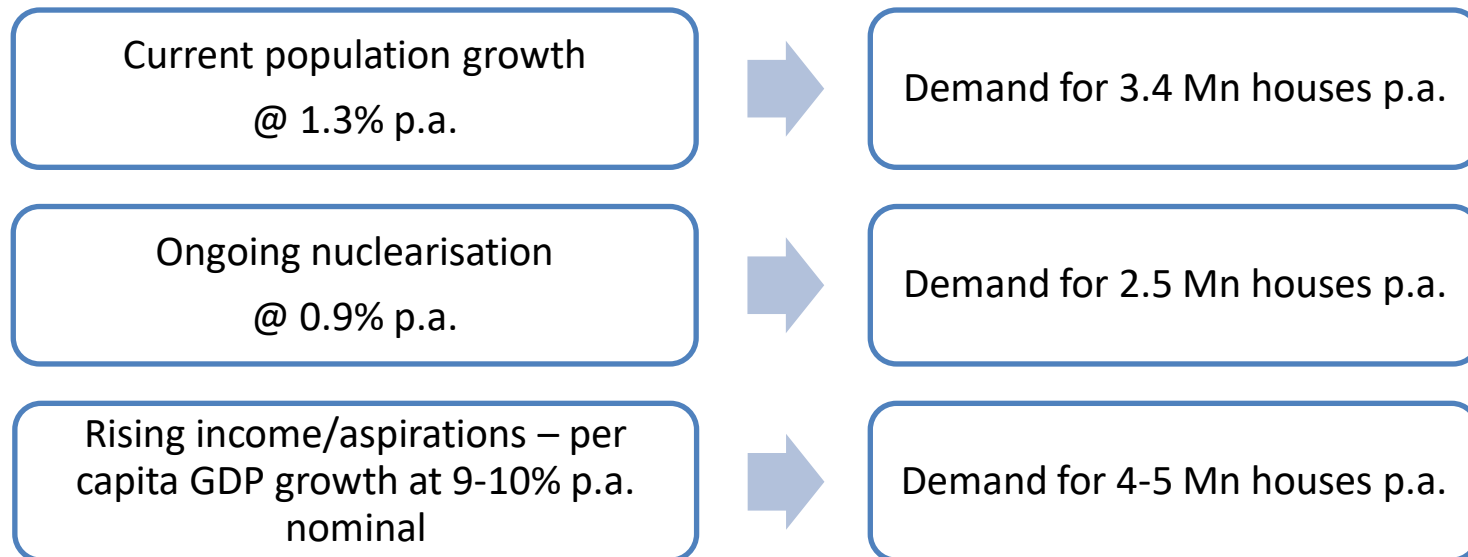
PMAY: Pradhan Mantri Awas Yojana

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 4th 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 0.58%
- 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 [@ 8.70%]	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	21,69,844	1,87,122	1,50,000	1,04,171	2,32,951
2	20,19,844	1,73,539	1,50,000	99,974	2,23,565
3	18,69,844	1,59,956	1,50,000	95,776	2,14,179
4	17,19,844	1,46,373	1,50,000	91,579	2,04,793
5	15,69,844	1,32,789	1,50,000	87,382	1,95,407
6	14,19,844	1,19,206	1,50,000	83,185	1,86,022
7	12,69,844	1,05,623	1,50,000	78,988	1,76,636
8	11,19,844	92,040	1,50,000	74,790	1,67,250
9	9,69,844	78,457	1,50,815	70,593	1,58,679
10	8,19,029	64,800	1,64,472	66,373	1,62,899
11	6,54,558	49,906	1,79,365	61,771	1,67,501
12	4,75,192	33,664	1,95,608	56,752	1,72,520
13	2,79,584	15,951	2,13,321	51,279	1,77,993
14	66,263	1,108	66,263	20,818	46,553
Total		13,60,533	21,69,844	10,43,430	2,486,947

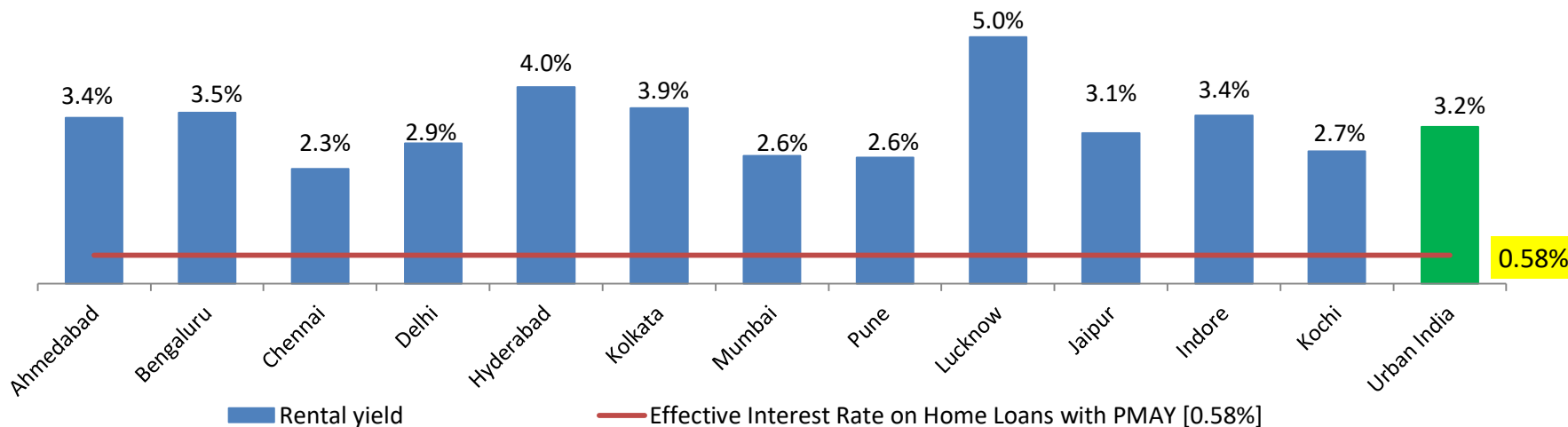
* Tax saved = 30.90% of [interest paid up to ₹ 250,000 + principal paid up to ₹ 150,000]

Effective Interest Rate on Home Loan	0.58% p.a.
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- Interest subsidy benefit under PMAY scheme extended up till March 2019

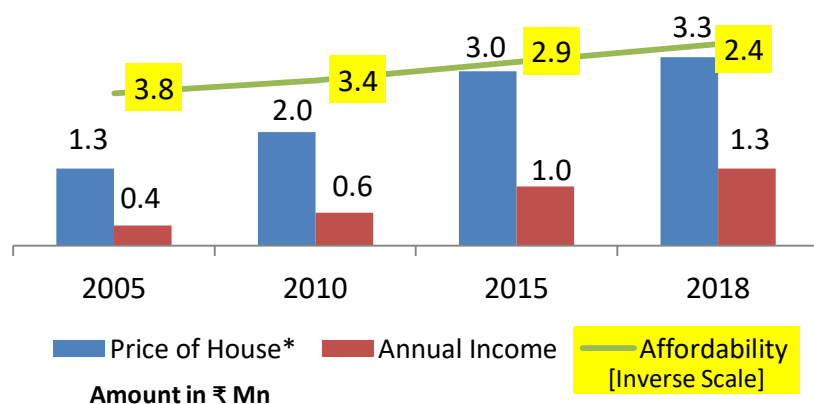
EMI Smaller than Rent Cheque: PMAY and Tax Incentive for Mid-Income Affordable Housing

Rental Yield v/s Home Loan Cost



Source: NHB; Industry reports

Increasing Affordability



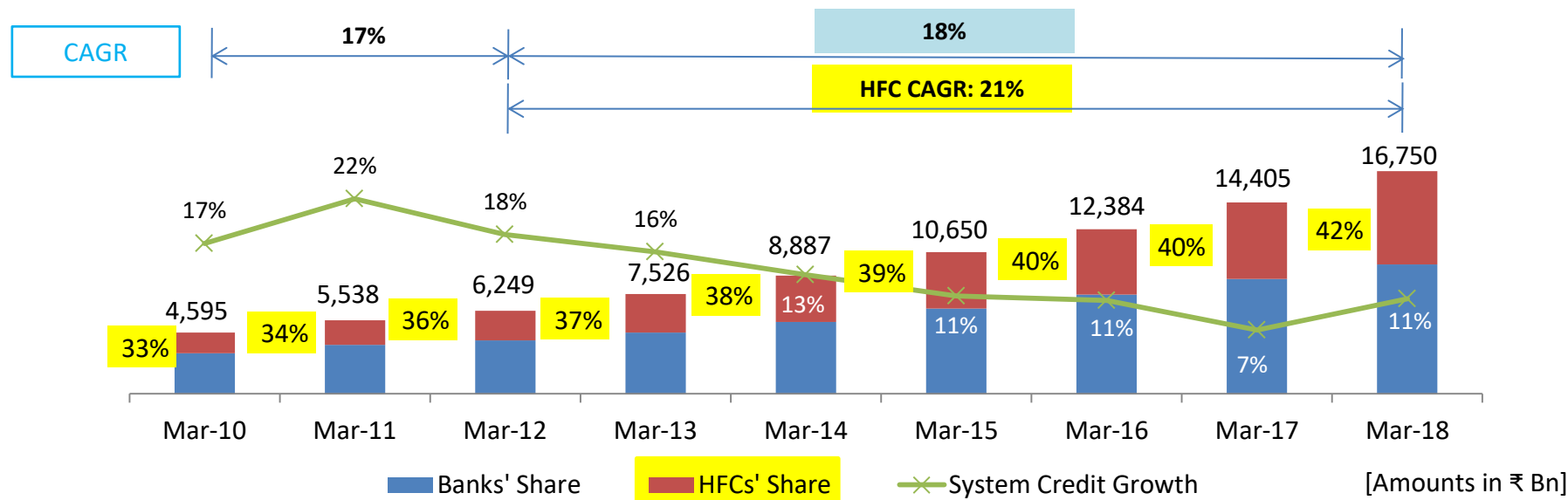
Affordability is defined as "Price of House" divided by the "Annual Income"

* Source: NHB; Industry reports

- The effective home loan rate is only 0.58% against rental yield of 3.2% in the top-12 Indian cities
- Home ownership is very lucrative and much cheaper than renting property

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 31st, 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

- The government has approved a 33-percent increase in carpet area of houses eligible for interest subsidy under PMAY-U
 - Eligible carpet area has been increased to 1,722 sq. ft. from 1,291 sq. ft. for MIG-I, and to 2,153 sq. ft. from 1,614 sq. ft. in case of MIG –II
- Home loan ticket sizes to qualify as priority sector lending by banks have been broadened to provide a fillip to low-cost housing for the EWS and LIG
 - Extended from existing ₹ 2.8 Mn to Rs 3.5 Mn in metropolitan centers, and from existing ₹ 2.0 Mn to ₹ 2.5 Mn in other centers, provided the overall cost of the dwelling unit does not exceed ₹ 4.5 Mn and ₹ 3.0 Mn, respectively
- RBI relaxed ECB norms in April, allowing HFCs to now raise monies through ECBs in all tracks under the automatic route, opening access to deep pools of capital from both foreign banks and FIIs
 - ECBs can be raised by HFCs both as term loans and USD bonds from offshore markets up to \$ 750 Mn per institution under the automatic route
 - Additional capital can be raised through ECBs with approval from RBI

Growth Momentum in Residential Real Estate



Sales Pick-up

- Housing sales across top eight Indian cities recorded a 13% jump in FY18, vs 5% in FY17¹
 - MMR: 25%, Delhi-NCR: 19%, Hyderabad: 17%
- Sales in top seven cities rose 24% in Q2CY18 over Q1CY18²
 - Bengaluru: 27%, MMR – 26%
- Supply of affordable housing increased 100% in Q2CY18 over Q1CY18, accounting for 46% of total new launches²



Launches

- Launches up 50% in Q2CY18 over Q1CY18 in top seven cities, led by increased supply in affordable housing²
 - Pune: 214%, Hyderabad: 109%, MMR: 58%
- Share of Tier I developers in Q4FY18 increased to 40% from 35% in Q3FY18, increasing share of organized developers³



Premium Market Uptick

- Bengaluru witnessed a 45% spike in demand for premium residential units⁴
- Uptick in HIG sales was driven by Mumbai and NCR registering over 20% YoY growth in H2CY17⁵



Increasing Affordability

- Residential price inflation for FY18 was moderate in top 10 cities at 6.7%⁶
- Weighted average prices have fallen an average of 3% across cities with Mumbai seeing the most decline at 9% YoY⁷
- 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 income⁸

Commercial Office Space Absorption



Pick-up in Leasing

- Leasing activity in top eight cities grew 56% over the past five years¹
- Leasing activity grew 27% YoY in H1CY18 with 24 million sq. ft. leased²
- Tech corporates, BFSI sector and e-commerce contributed to 64% of the leasing³



Increasing Rentals

- Rents saw appreciation in most major markets with growth of 5% YoY⁴
- Rentals expected to grow between 5%–8% YoY in high demand micro-markets of top 8 cities³



Low Vacancy

- Vacancy down from 19.4% in H1 2013 to 12.1% in H1 2018⁵
- Overall office space vacancy in India at 10-year low in CY17⁶
- Vacancy rates in key micro-markets of Bangalore, Pune and Chennai likely to remain low at 6-9% over 2018-20⁷



Addition in Supply

- ~16 million sq. ft. of office space supply added in top nine cities during H1CY18, ~40% higher than H1YC17⁸
- Supply in top 8 Indian cities estimated to grow by 15% CAGR from 2017-20³



PE Funding

- PE inflows in real estate rose 15% YoY to \$2.6 Bn in Mar quarter, eclipsing the first quarter of the past 11 years⁹
- PE inflows into the residential sector more than doubled to \$1.32 billion in Mar quarter⁹
- PE inflows into the office sector grew 26% YoY in H1CY18 to \$2.4 Bn²

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 0.58% 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 0.58% for a 8.70% 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

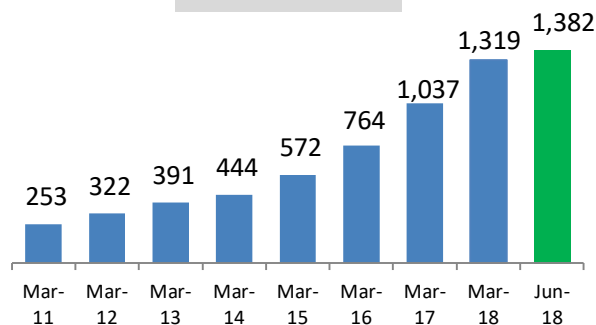
Business Summary

• Balance Sheet	:	₹ 1.38 Tn
• Loans Outstanding	:	₹ 1.26 Tn
[March 31, 2018]	:	[US\$ 18.8 Bn]
• Loan Assets CAGR [7 years]	:	29%
• Cumulative Loans to Retail Customers	:	1,067,667
• Cumulative Loans Disbursed till date	:	₹ 2.25 Tn
		[US\$ 33.6 Bn]
• Cost to Income Ratio [FY18]	:	12.5%
• Profit After Tax CAGR [7 years]	:	26%

Consistent Track Record

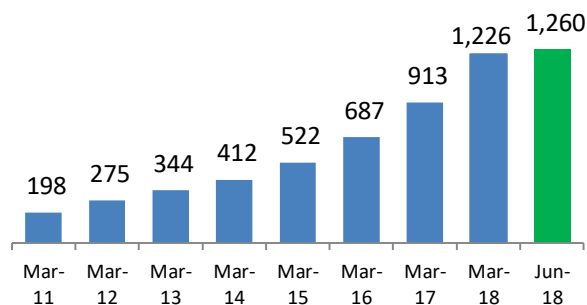
Balance Sheet

CAGR: 27%



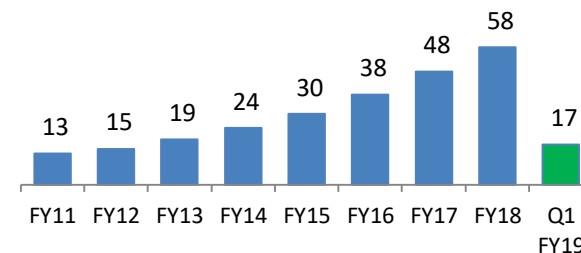
Loan Assets

CAGR: 30%



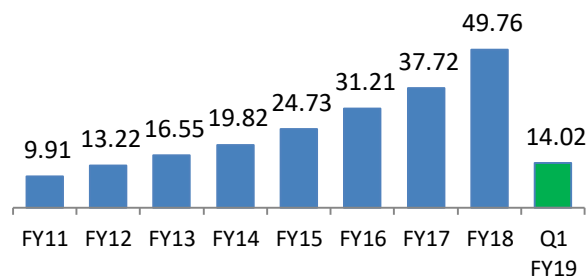
NII

CAGR: 24%



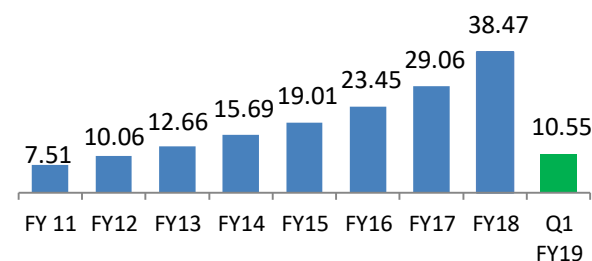
PBT

CAGR: 26%



PAT

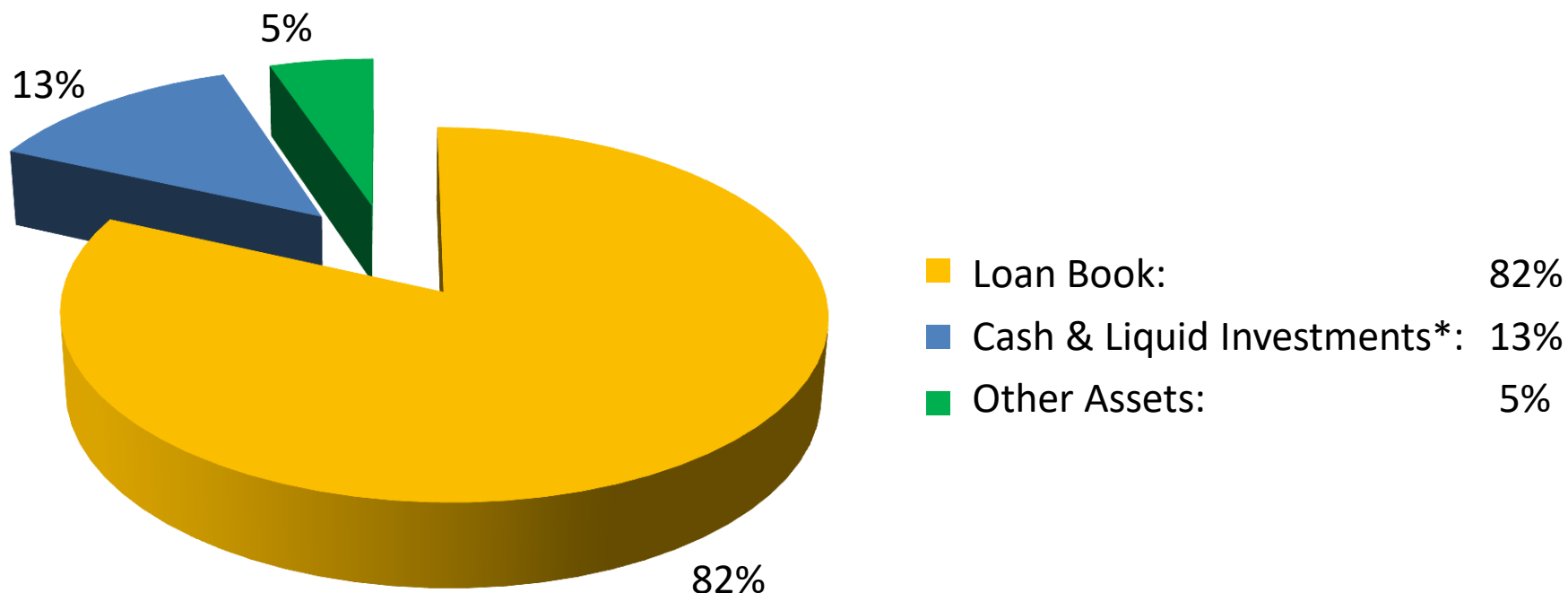
CAGR: 26%



Amounts in ₹ Bn

Q1 FY2018-19 numbers are as per Indian Accounting Standards [IndAS]. Previous period numbers are as per Indian GAAP

Balance Sheet Assets

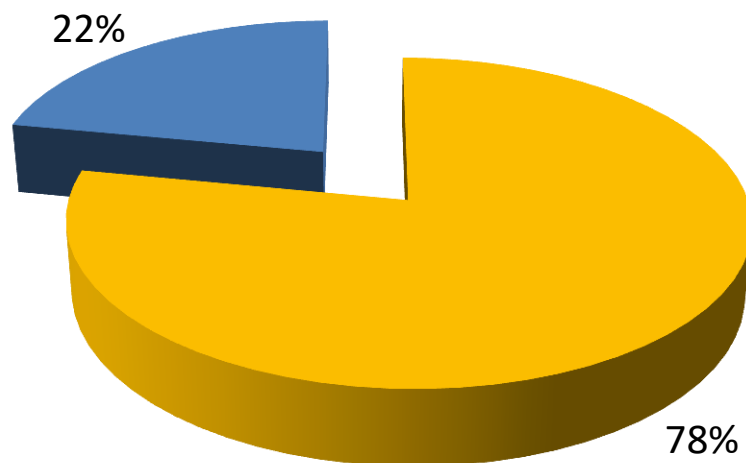


Total Assets	
As at June 30, 2018	₹ 1.38 Tn [US\$ 20.63 Bn]
As at June 30, 2017	₹ 1.07 Tn [US\$ 15.91 Bn]

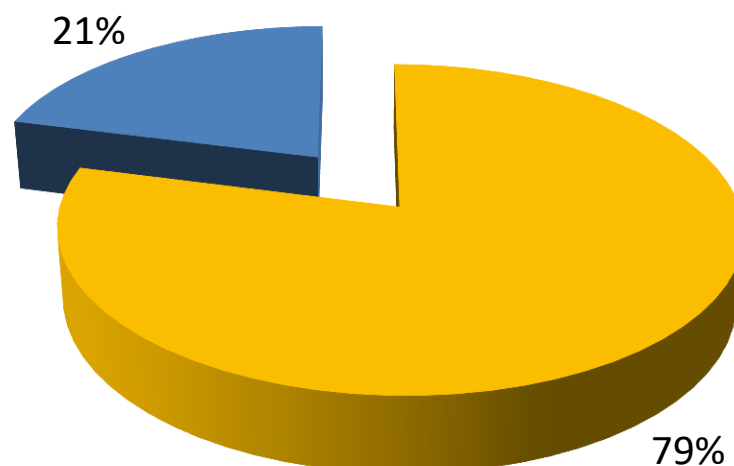
*Cash, Cash Equivalents and Investments in Liquid Debt Instruments
US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 67

Asset Composition

Q1 FY 17-18



Q1 FY 18-19

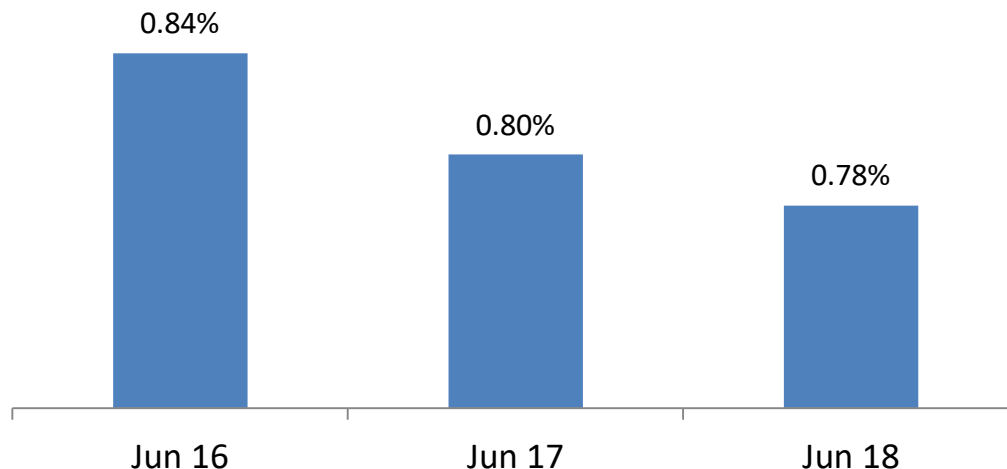


■ Mortgage Loans ■ Corporate Mortgage Loans

- 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

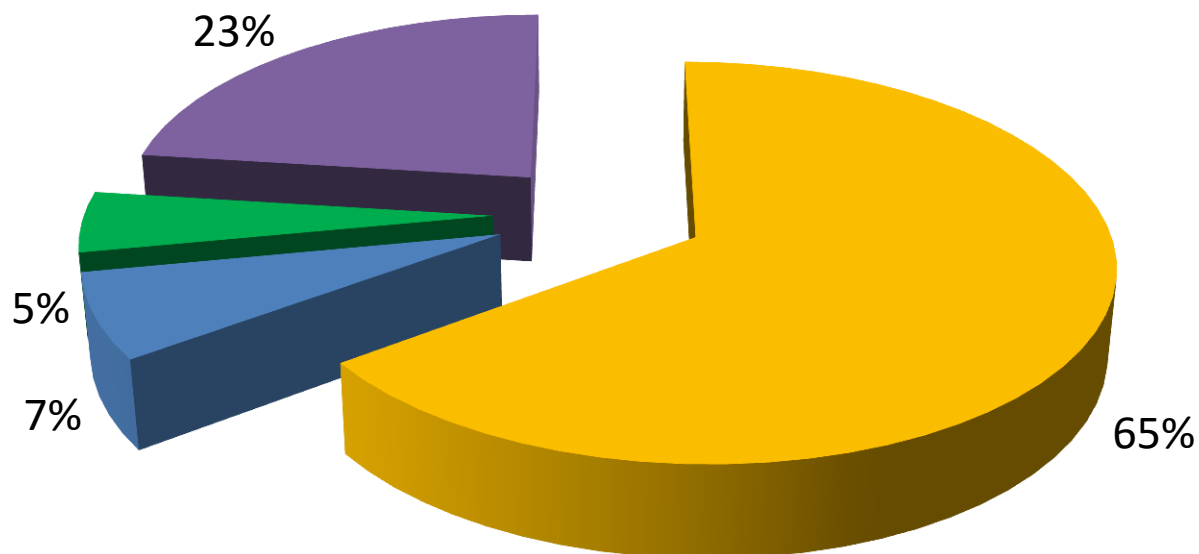


As at Jun 30, 2018 [IndAS]

	[in ₹ Bn]	% of Total Loan Assets
GNPA :	9.80	0.78%
Stage 3 ECL Provisions:	2.45	0.19%
NNPA:	7.35	0.59%

- The stage 1&2 ECL provisions of ₹ 3.2 Bn have not been taken into account while calculating the Net NPA
- The company has taken a conservative approach towards ECL policy and additionally opted to retain ₹ 10.5 Bn as adhoc provisions [The ₹ 10.5 Bn were extra provisions done earlier as per Indian GAAP, the old accounting standard] instead of taking these as profits in IndAS, the new accounting standard. Also, these adhoc provisions are not taken into account while arriving at Net NPAs.

Retail Mortgage Loans' Sourcing



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

- 28% of home loans' sourcing is now through eHome Loans. Including LAP, 23% 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 [\$ 22,400 - \$ 75,000]	Urban Mid-Income Affordable Home Loans Prime mid-income, tier I city, salaried	₹ 0.6 – ₹ 1.8 Mn [\$9,000 - \$ 27,000]	51%	55%
< ₹ 1.5 Mn [\$ 22,400]	Smart City Home Loans Prime mid-income, tier II town, salaried	₹ 0.4 Mn – ₹ 1.0 Mn [\$6,000 - \$ 15,000]	42%	16%
> ₹ 5 Mn [\$ 75,000]	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 2,153 Sq. Ft.
- Effective home loan rate for ₹ 2.4 Mn home loan, IBHFL's average ticket size, is only 0.58%

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

- 89 Smart City Home Loan branches in new towns and cities now contribute 12% 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 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:

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

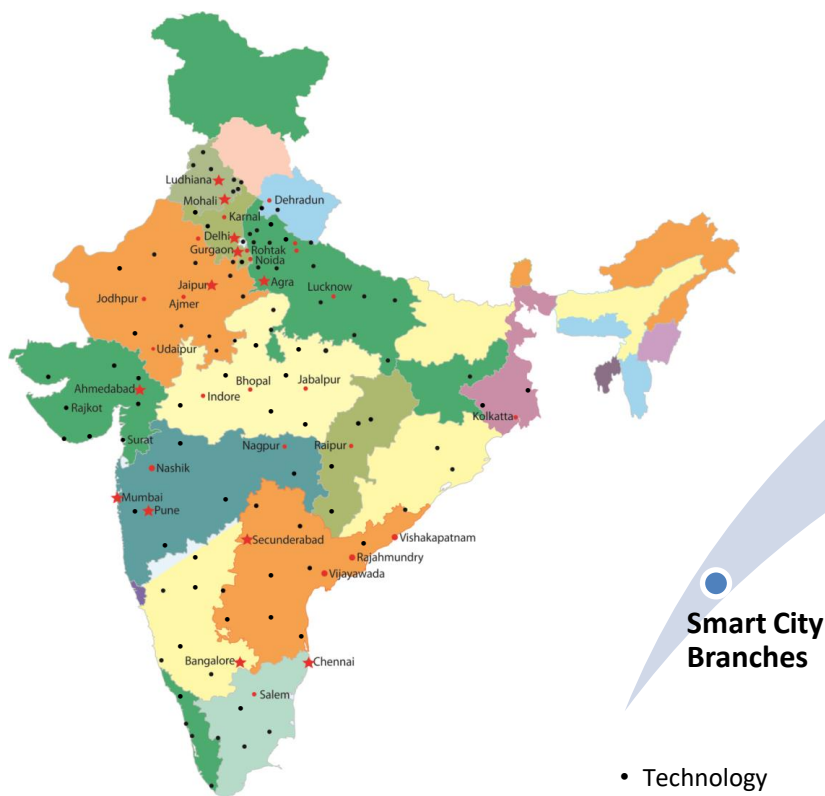
- Loan operations
- Customer care
- Data centre
- Administration
- Human Resources
- Credit underwriting
- Environment Management Services

Operational risk mitigation

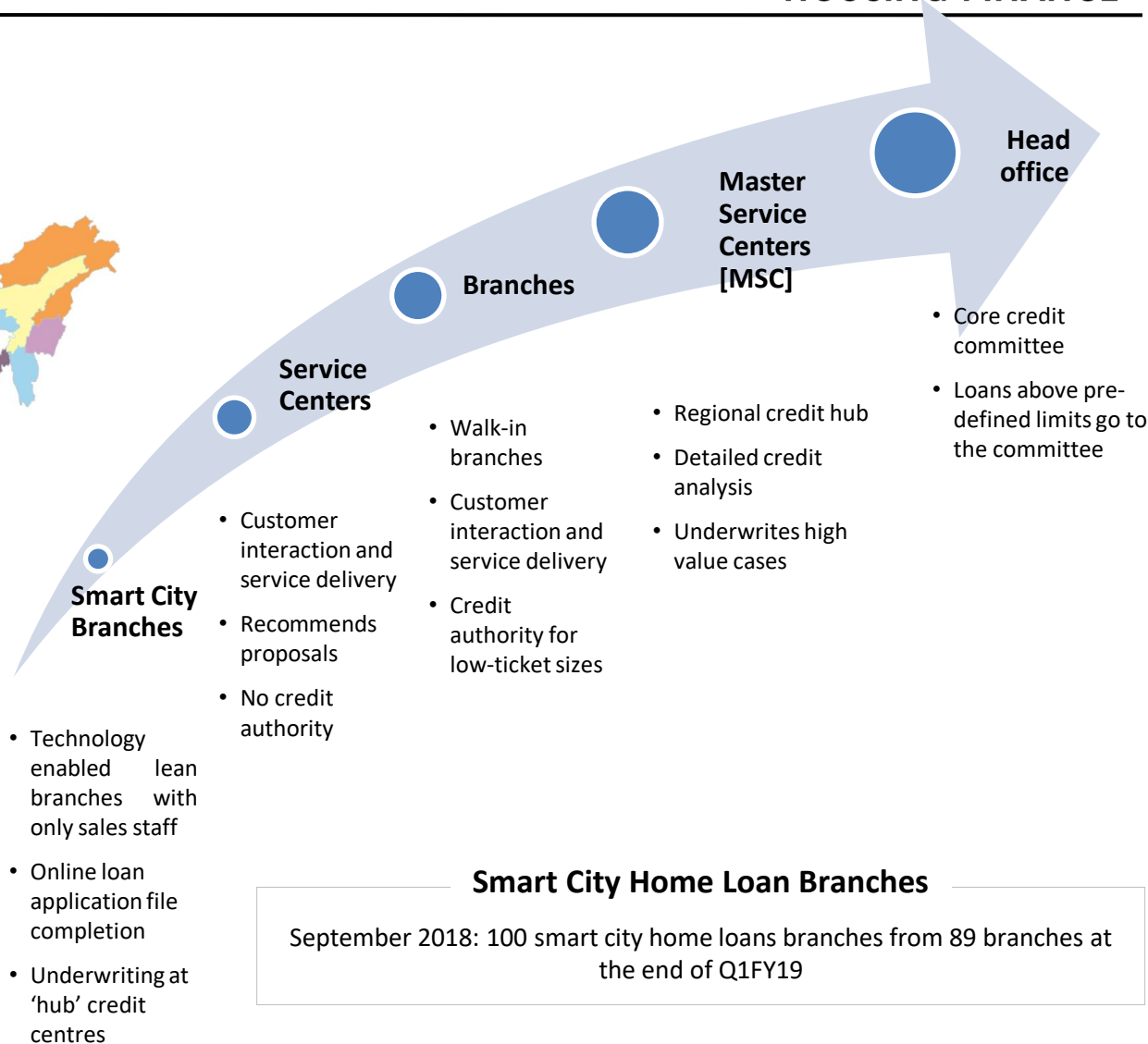
- Outsourced or digital document storage

Indiabulls Integrated Home Loan Technology Platform

Pan-India Brick-and-Mortar Branch Network



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



Smart City Home Loan Branches

September 2018: 100 smart city home loans branches from 89 branches at the end of Q1FY19

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, Aadhaar and Digital Payments Infrastructure

Customer Toughpoints	eHome Loan App and Portal			IB Systems
	Application form	Document upload	e-sign	
Lead Sources Website App E-mail Social Media Chat bots SMS Channel Sales/ Branch References Partners Aggregators	Auto population of demographics through Aadhaar: - Name - Date of Birth - Address - Father's name - Spouse name Other minimal information filled by one-click interactive options: - Loan Details - Property Details - Employment details KYC Validation via Aadhaar Aadhaar e-KYC also provides: - Photograph, ID and Address proof Online Processing fee payment options	Income proof directly from bank's system: using Perfios facility One click document upload from - Diglocker - Google Drive - Dropbox	Aadhaar enabled e-signs replace 70+ physical signatures  OTP and Biometric facility	Data directly flows to multiple systems of IB for action  Automatically Triggers: - Decision Engine - Verification reports

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

- 13th 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 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
• Interest and debt service cover • Revenues, margin and profitability • Networth and leverage • Growth track of key financial parameters	• Business sector and sectoral prospects • Business duration and track record • Debt service track record • Experience and qualification of promoters and proprietors • Management strength and experience
Collateral Quality	Underwriting Process Adherence
• Property type and location • Valuation of property • Ownership and title chain of property • Adherence to local zoning and planning permissions	• Independent verification and valuation • Third party database checks – CERSAI – Registrar of companies – Credit bureau checks – CIBIL mortgage checks – RBI willful defaulter list – Experian Hunter fraud check

CRISIL LAP Grading

Grading			Segment Characteristics			
Grading Scale	Quality of LAP Loans [#]	Disbursals Apr 15 – Jun 18	Interest Service Coverage Ratio [ISCR]	Total Outstanding Liabilities/ Total Networth	Loan to Value [LTV]	EBITDA Margins
LAP1	Highest	8.90%	10.4 – 13.4	1.3 – 1.4	48%	15% – 19%
LAP2	High	82.05%	8.2– 10.4	2.1 – 2.2	50%	12% – 15%
LAP3	Average	8.64%	7.9 – 10.2	2.8 – 3.0	53%	9% – 12%
LAP4	Below Average	0.18%	13.9– 19.2	1.6 – 1.7	47%	13% – 16%
LAP5	Poor	0.23%	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 85% of the disbursals from Apr 15 to Jun 18

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

ICRA LAP Grading Methodology

[2nd 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

- 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 ₹ 242.5 Bn of Sold Down Portfolio as on 30th June, 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
- 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: 104
 - Sold down principal of live pools: ₹ 242.5 Bn
 - Current principal outstanding: ₹ 122.8 Bn

Rating Agency	Number of Pools	Sold Down Principal [₹ Bn]
ICRA*	93	217.3
CRISIL*	91	208.9
CARE	3	6.9

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

Monthly Monitoring Report of ₹ 242.5 Bn of Sold Down Portfolio as on 30th June, 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	61	150.2	126.0	32	66.3	56%	0.02%	0.01%	99.8%	99.8%
LAP Pools	43	140.8	116.5	35	56.5	60%	0.05%	0.02%	99.8%	99.8%
Total	104	290.9	242.5	33	122.8	58%	0.04%	0.01%	99.8%	99.8%

Home Loans [HL]

- Average vintage of sold down pools of ₹ 126.0 Bn of principal is 32 months
- The pools have amortised 56% since disbursal
- The cumulative collection ratio [CCR] is at 99.8%
- Monthly collection ratio [MCR] is in line with CCR at 99.8%

Loan against Property [LAP]

- Average vintage of sold down pools of ₹ 116.5 Bn of principal is 35 months
- The pools have amortised 60% since disbursal
- The cumulative collection ratio [CCR] is at 99.8%
- Monthly collection ratio [MCR] is in line with CCR at 99.8%

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	51	515.9	83%	0.00%	0.00%	100.0%	100.1%
2	Bank 5	28-Mar-14*	2,119.7	1,677.5	51	199.1	90%	0.00%	0.00%	100.0%	101.3%
3	Bank 5	27-Jun-14*	1,072.1	900.0	47	158.3	84%	0.00%	0.00%	99.5%	101.5%
4	Bank 6	30-Jul-14	1,023.7	800.1	47	171.9	80%	0.00%	0.00%	99.9%	97.2%
5	Bank 5	30-Sep-14	1,299.1	965.7	44	84.1	93%	0.00%	0.00%	100.0%	97.3%
6	Bank 8	24-Sep-15	1,164.0	1,001.4	32	428.0	59%	0.09%	0.00%	99.9%	98.5%
7	Bank 9	31-Dec-15	4,496.4	3,742.3	29	1,135.9	72%	0.13%	0.08%	100.0%	99.9%
8	Bank 8	29-Feb-16	1,053.0	894.0	27	238.2	75%	0.00%	0.00%	100.0%	101.2%
9	Bank 8	28-Mar-16	620.4	530.4	26	208.2	63%	0.00%	0.00%	99.9%	99.9%
10	Bank 14	28-Jun-13*	8,001.1	6,303.0	59	575.2	92%	0.06%	0.00%	99.9%	99.4%
11	Bank 4	29-Oct-13	1,654.5	1,351.3	55	107.2	93%	0.00%	0.00%	100.0%	101.8%
12	Bank 10	31-Dec-13*	2,319.7	1,921.8	53	293.7	86%	0.00%	0.00%	100.0%	102.5%
13	Bank 4	27-Dec-13	2,731.5	2,309.9	53	218.3	91%	0.00%	0.00%	99.9%	98.2%
14	Bank 3	31-Dec-13*	857.1	717.0	53	283.6	63%	0.00%	0.00%	99.9%	97.9%
15	Bank 6	28-Mar-14*	1,011.2	826.5	51	135.8	84%	0.00%	0.00%	99.9%	98.3%
16	Bank 5	26-Dec-14	840.8	679.6	42	82.8	89%	0.00%	0.00%	100.0%	100.0%
17	Bank 4	30-Dec-14	2,345.9	1,982.9	41	129.4	94%	0.16%	0.04%	100.0%	98.9%
18	Bank 4	01-Mar-15	1,877.0	1,563.1	39	233.5	86%	0.04%	0.00%	99.9%	100.5%
19	Bank 4	11-Jun-15	1,000.3	855.2	37	149.7	83%	0.00%	0.00%	99.8%	99.8%
20	Bank 4	23-Jun-15	2,328.0	1,869.1	36	267.7	87%	0.05%	0.00%	99.9%	99.9%
21	Bank 7	29-Jun-15	999.8	845.3	35	111.8	88%	0.00%	0.00%	100.0%	97.3%
22	Bank 8	25-Aug-15	729.1	613.4	34	207.6	68%	0.00%	0.00%	100.0%	99.6%
23	Bank 7	01-Sep-15	1,380.1	1,159.3	33	171.9	86%	0.06%	0.00%	99.9%	97.4%
24	Bank 7	28-Sep-15	1,167.8	964.4	32	134.6	87%	0.00%	0.00%	99.9%	97.6%
25	Bank 8	31-Dec-15	1,178.5	986.5	29	258.4	76%	0.23%	0.00%	99.9%	99.1%
26	Bank 7	23-Dec-15	528.5	451.4	29	58.3	88%	0.00%	0.00%	100.0%	99.5%
27	Bank 9	23-Mar-16	1,341.8	1,125.2	26	474.0	61%	0.19%	0.19%	99.9%	99.9%

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 %		
28	Bank 8	31-Mar-16	597.8	506.4	26	129.8	76%	0.00%	0.00%	100.0%	100.0%
29	Bank 6	21-Mar-16	2,818.3	2,345.3	26	337.9	87%	0.00%	0.00%	100.0%	102.0%
30	Bank 6	21-Mar-16	973.8	793.5	26	65.8	92%	0.00%	0.00%	100.0%	99.0%
31	Bank 8	30-Jun-16	1,864.9	1,574.5	23	623.7	63%	0.13%	0.13%	99.8%	99.6%
32	Bank 9	30-Jun-16	1,153.7	976.9	23	507.0	51%	0.10%	0.00%	99.9%	99.3%
33	Bank 6	30-Jun-16	1,119.6	935.2	23	165.7	84%	0.00%	0.00%	99.9%	97.6%
34	Bank 10	30-Jun-16	1,358.3	1,128.3	23	350.2	71%	0.00%	0.00%	99.9%	106.6%
35	Bank 8	28-Sep-16	2,564.5	2,164.3	20	663.0	71%	0.00%	0.00%	100.0%	100.6%
36	Bank 11	29-Sep-16	1,286.2	1,082.1	20	431.1	63%	0.00%	0.00%	99.9%	100.0%
37	Bank 9	28-Sep-16	1,189.4	1,003.1	20	577.4	46%	0.00%	0.00%	100.0%	99.8%
38	Bank 15	29-Sep-16	7,334.6	6,120.0	14	2,810.5	57%	0.04%	0.00%	99.9%	100.4%
39	Bank 14	23-Jun-17	1,955.3	1,592.5	11	1,148.8	35%	0.00%	0.00%	99.4%	98.7%
40	Bank 15	23-Jun-17	4,600.7	3,874.2	11	1,880.6	55%	0.00%	0.00%	99.9%	99.7%
41	Bank 8	30-Jun-17	2,123.7	1,769.9	11	1,307.0	32%	0.10%	0.00%	99.8%	100.1%
42	Bank 8	26-Sep-17	2,007.5	1,680.7	8	1,509.3	16%	0.00%	0.00%	99.9%	99.9%
43	Bank 15	27-Sep-17	9,098.2	7,601.8	8	6,356.3	22%	0.00%	0.00%	99.9%	99.9%
44	Bank 15	22-Dec-17	8,786.2	7,355.1	5	6,520.6	18%	0.00%	0.00%	99.8%	99.5%
45	Bank 16	22-Dec-17	2,253.7	1,788.4	5	1,622.0	20%	0.00%	0.00%	99.8%	99.9%
46	Bank 8	22-Dec-17	1,264.9	1,042.3	5	960.3	16%	0.00%	0.00%	99.9%	99.8%
47	Bank 1	22-Mar-18	3,585.4	2,890.7	3	2,787.8	14%	0.00%	0.00%	99.9%	99.8%
48	Bank 1	27-Mar-18	2,228.6	1,849.6	3	1,806.4	10%	0.00%	0.00%	99.9%	99.7%
49	Bank 8	28-Mar-18	3,371.0	2,705.9	3	2,603.9	14%	0.00%	0.00%	99.9%	99.9%
50	Bank 15	05-Mar-18	6,011.1	5,040.3	3	4,763.3	12%	0.00%	0.00%	99.8%	99.7%
51	Bank 16	09-Mar-18	4,832.4	3,942.5	3	3,740.7	14%	0.00%	0.00%	99.1%	98.8%
52	Bank 15	04-May-18	4,138.6	3,490.2	1	3,377.6	9%	0.00%	0.00%	100.0%	100.0%
53	Bank 8	30-Apr-18	1,745.7	1,461.4	2	1,445.4	8%	0.00%	0.00%	99.5%	99.5%
54	Bank 16	26-Mar-18	4,809.1	4,042.6	3	3,884.3	10%	0.00%	0.00%	99.8%	99.7%

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	53	167.1	92%	0.00%	0.00%	99.9%	97.4%
2	Bank 10	07-Feb-14	4,298.2	3,298.3	53	351.5	91%	0.02%	0.00%	99.9%	97.1%
3	Bank 4	28-Mar-14	2,716.0	2,144.5	51	209.5	91%	0.00%	0.00%	99.9%	97.2%
4	Bank 4	20-Jun-14	2,310.9	1,893.7	47	181.2	91%	0.07%	0.07%	99.9%	97.3%
5	Bank 4	27-Jun-14	1,854.7	1,535.7	47	325.4	81%	0.11%	0.00%	99.9%	97.0%
6	Bank 10	29-Dec-14	4,540.4	3,716.1	41	652.5	84%	0.13%	0.00%	99.9%	99.7%
7	Bank 2	30-Mar-15	10,671.9	8,695.3	38	2,130.7	78%	0.06%	0.04%	99.9%	98.5%
8	Bank 4	30-Jun-15	1,450.6	1,127.7	35	221.9	83%	0.00%	0.00%	100.0%	99.7%
9	Bank 12	28-Sep-15	2,201.9	1,807.1	32	416.8	79%	0.19%	0.00%	99.9%	98.7%
10	Bank 12	28-Sep-15	2,345.4	2,002.8	32	605.1	71%	0.27%	0.00%	99.8%	100.4%
11	Bank 1	28-Sep-15	3,594.8	2,849.6	32	657.4	80%	0.03%	0.00%	99.8%	102.1%
12	Bank 8	29-Sep-15	4,302.8	3,641.3	33	886.2	77%	0.17%	0.17%	99.8%	101.0%
13	Bank 12	09-Dec-15	333.1	241.5	30	56.2	81%	0.00%	0.00%	99.9%	100.0%
14	Bank 12	09-Dec-15	506.3	434.9	30	178.5	61%	0.00%	0.00%	100.0%	100.0%
15	Bank 12	23-Dec-15	1,561.8	1,336.9	29	389.8	72%	0.00%	0.00%	99.9%	97.2%
16	Bank 1	31-Dec-15	1,203.8	997.7	30	283.2	74%	0.00%	0.00%	99.9%	99.4%
17	Bank 1	31-Dec-15	2,785.4	2,224.8	30	596.8	76%	0.00%	0.00%	99.6%	97.4%
18	Bank 1	03-Mar-16	956.7	774.4	27	269.1	69%	0.00%	0.00%	99.9%	97.8%
19	Bank 12	10-Mar-16	1,753.5	1,499.8	27	381.3	76%	0.00%	0.00%	99.9%	97.1%
20	Bank 9	30-Jun-16	2,503.4	2,094.0	23	945.3	58%	0.37%	0.37%	99.8%	100.2%
21	Bank 10	30-Jun-16	4,059.2	3,314.6	23	1,333.0	64%	0.35%	0.00%	99.9%	99.6%
22	Bank 13	26-Sep-16	1,523.7	1,248.0	21	565.1	59%	0.00%	0.00%	99.8%	99.1%
23	Bank 13	26-Sep-16	2,162.9	1,748.0	21	514.7	74%	0.00%	0.00%	99.9%	98.0%
24	Bank 8	30-Sep-16	3,311.7	2,733.2	20	1,088.0	63%	0.08%	0.00%	99.7%	99.9%
25	Bank 14	30-Mar-17	4,158.7	3,405.1	14	2,085.6	44%	0.00%	0.00%	99.8%	99.4%
26	Bank 1	20-Mar-12	2,360.3	2,223.4	75	129.1	95%	0.00%	0.00%	100.0%	107.8%
27	Bank 8	30-Jun-17	4,060.1	3,327.2	12	2,452.8	33%	0.00%	0.00%	99.74%	99.57%
28	Bank 10	28-Jun-17	6,265.8	4,694.4	11	3,089.7	45%	0.00%	0.00%	99.8%	98.8%
29	Bank 5	26-Sep-17	12,376.8	9,477.0	8	7,417.7	33%	0.12%	0.00%	99.8%	101.7%
30	Bank 5	26-Sep-17	7,061.2	5,808.2	8	4,272.5	33%	0.00%	0.00%	99.4%	98.1%
31	Bank 5	29-Dec-17	4,367.6	3,569.0	5	3,136.4	20%	0.00%	0.00%	99.4%	98.8%
32	Bank 5	29-Dec-17	4,445.9	3,539.8	5	3,076.7	23%	0.00%	0.00%	99.0%	98.0%
33	Bank 12	29-Dec-17	1,606.3	1,298.1	5	1,109.9	23%	0.00%	0.00%	100.0%	100.0%
34	Bank 12	29-Dec-17	2,171.3	1,719.8	5	1,283.5	34%	0.00%	0.00%	99.8%	100.7%
35	Bank 12	01-Mar-18	1,365.6	1,154.3	3	1,039.4	15%	0.00%	0.00%	100.0%	100.0%
36	Bank 12	01-Mar-18	895.0	713.9	3	672.7	16%	0.00%	0.00%	100.0%	100.0%

MPS: Months post securitisation

MCR: Monthly collection ratio

Amortisation is calculated on Disbursement

CCR: Cumulative collection ratio

dpd: days past due

*Pools monitored only by ICRA

Data is for Jun 2018 payouts

Home Loans and LAP Pool Performance Factsheet

Pass-Through Certificates

HL Pools

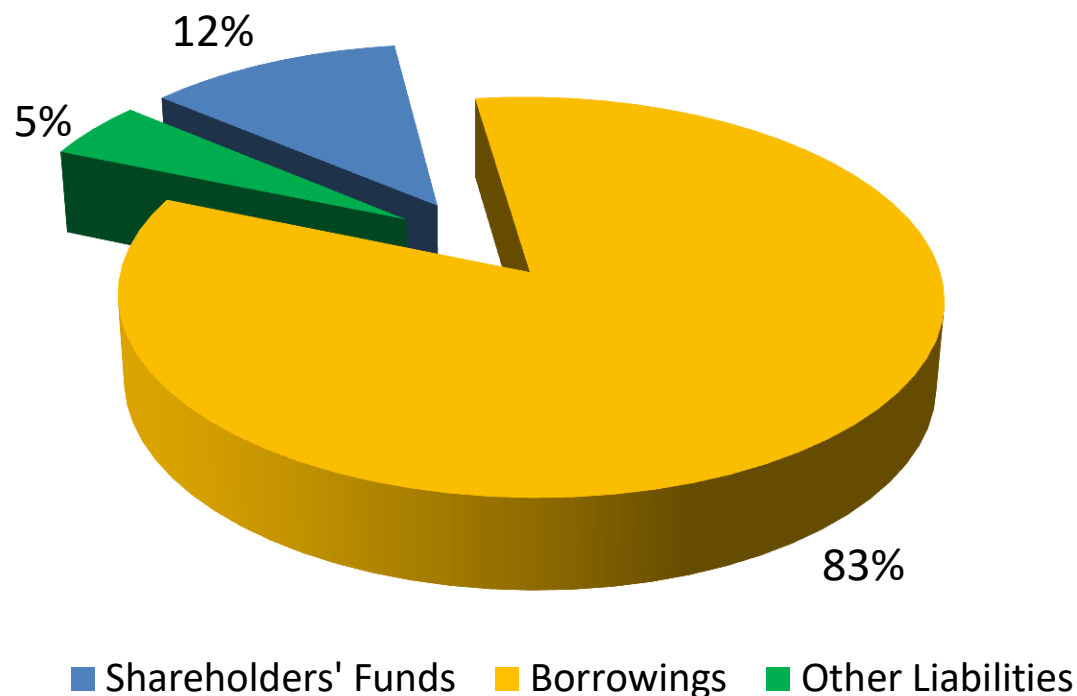
Sr No	Investor	Initial Pool Details			MPS	Pool Principal [₹ Mn]	Amortisation#	of Initial POS		CCR	MCR	Outstanding Rating from
		Sold Down Date	Disbursement [₹ Mn]	Sold Down Principal [₹ Mn]				90+ dpd %	180+ dpd %			
1	Bank 2	20-Mar-14	3,353.9	3,151.7	51	1,326.6	60%	0.00%	0.00%	100.0%	99.7%	ICRA
2	Bank 9	29-Jun-17	3,544.7	3,299.6	11	2,661.2	25%	0.00%	0.00%	99.0%	100.1%	ICRA
3	Bank 2	30-Dec-13	1,095.9	993.3	54	331.0	70%	0.00%	0.00%	99.9%	98.8%	CRISIL
4	Bank 14	01-Mar-15	2,940.5	2,724.4	40	1,084.5	63%	0.00%	0.00%	100.0%	99.9%	CRISIL
5	Bank 3	31-Dec-12	1,286.5	1,186.2	66	270.5	79%	0.00%	0.00%	99.9%	101.0%	CRISIL
6	Bank 3	28-Mar-13	1,146.0	1,070.9	63	350.9	69%	0.00%	0.00%	100.0%	100.2%	CRISIL
7	Bank 14	27-Sep-13	3,119.0	2,864.4	57	879.9	72%	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	53	139.2	88%	0.00%	0.00%	99.8%	110.43%	CARE
2	Bank 2	20-Mar-14	4,403.3	3,850.0	50	516.8	88%	0.00%	0.00%	99.8%	106.10%	CARE
3	Bank 3	31-Mar-16	2,279.9	2,091.0	26	992.2	56%	0.00%	0.00%	99.8%	102.04%	CARE
4	Bank 9	27-Sep-17	6,640.4	6,096.8	8	5,432.9	18%	0.00%	0.00%	99.8%	99.8%	ICRA
5	Bank 14	30-Sep-16	1,437.3	1,359.8	20	559.9	61%	0.00%	0.00%	99.5%	97.8%	CRISIL
6	Bank 9	30-Dec-16	5,458.2	5,126.9	17	3,500.7	36%	0.00%	0.00%	99.7%	100.3%	CRISIL
7	Bank 9	27-Mar-17	3,100.7	2,923.5	14	2,192.5	29%	0.00%	0.00%	99.8%	99.6%	CRISIL

Liabilities Profile

Liabilities

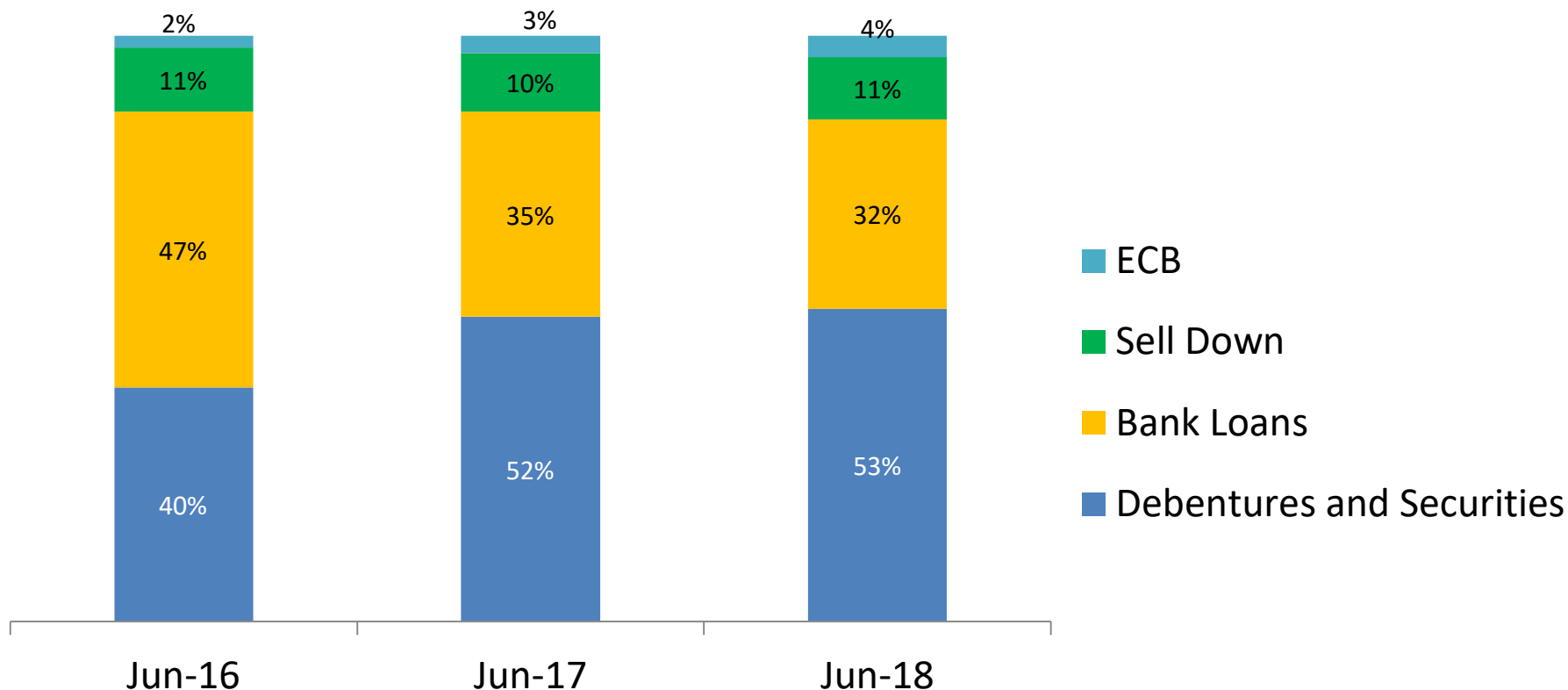


Net worth at the end of Q1FY19 stands at ₹ 164 Bn

Total Liabilities	
As at June 30, 2018	₹ 1.38 Tn [US\$ 20.63 Bn]
As at June 30, 2017	₹ 1.07 Tn [US\$ 15.91 Bn]

US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 67

Funding Mix

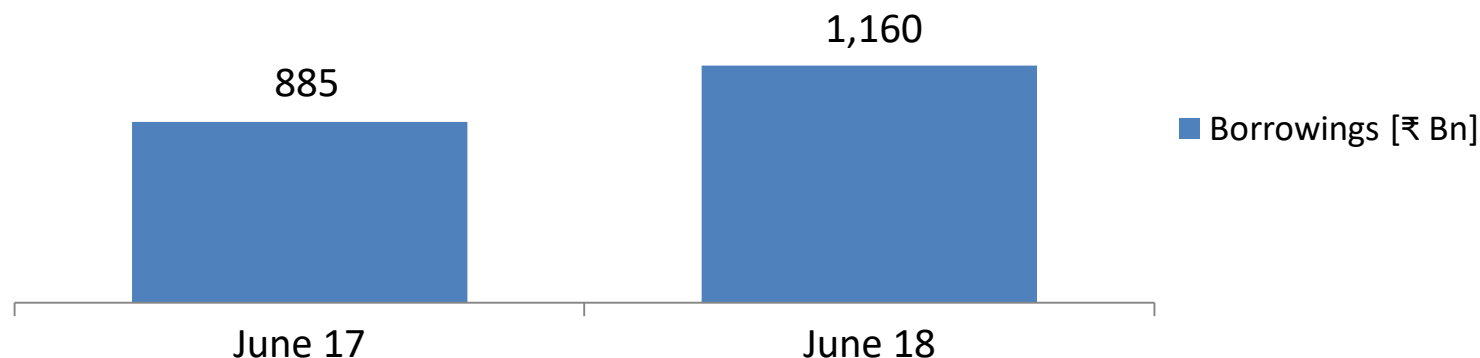


Total Borrowings	
As at June 30, 2018	₹ 1.16 Bn [US\$ 17.31 Bn]
As at June 30, 2017	₹ 0.88 Bn [US\$ 13.20 Bn]

US \$ amounts are converted based on the exchange rate of US \$1 = ₹ 67

ECB: External Commercial Borrowing

Strengthening Liability Profile

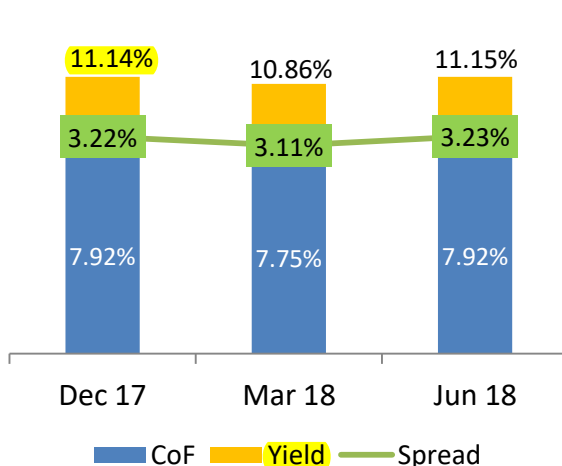


Total Funding [₹ Bn]			Net Incremental in 3 Months	Contribution to Incremental Borrowings in last 3 Months
	Jun 18	Mar 18		
Bank Loans	417.1	417.1	-	-
Debentures and Securities	695.5	656.2	39.3	55.6%
ECB	47.3	29.3	18.0	25.5%
Total Borrowing	1,159.9	1,102.6	57.3	81.1%
Sell Down	137.6	124.2	13.4	18.9%
Total	1,297.5	1,226.8	70.7	100.0%

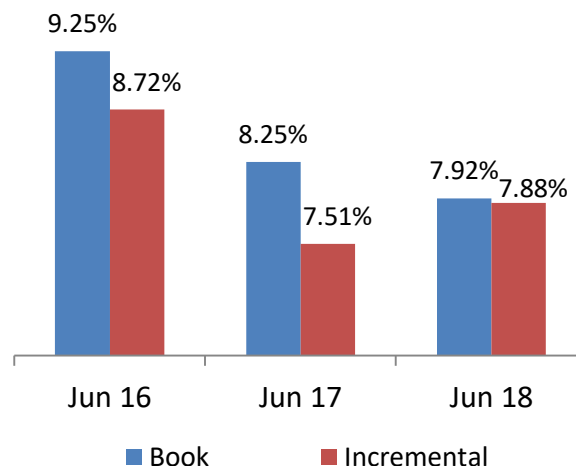
- 1st HFC in the country to avail of ECB under automatic route notified by RBI for HFCs on 27th April 2018
- Sell down of loans contributes to 19% of the incremental borrowings for the quarter
- Amongst its lenders, the company now counts 535 strong relationships: 21 PSU banks, 24 Private and Foreign banks and 490 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and Corporates

Spreads Within Guided Range as Home Loan Share Increases

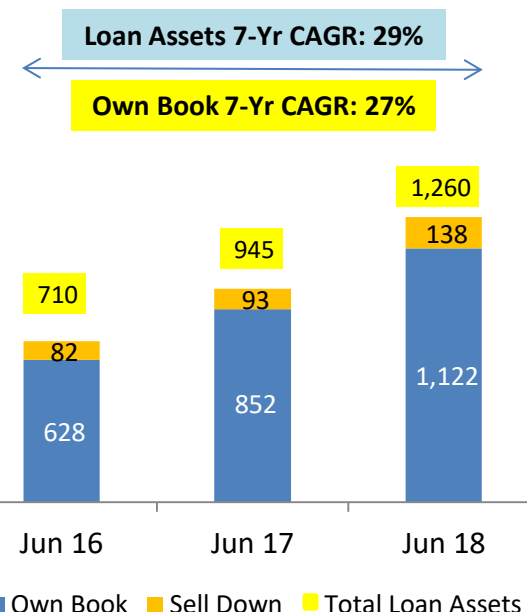
Spreads



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: 27%] is slower than growth in total loan assets [7-year CAGR: 29%] facilitating RoE expansion

Trend of spread on stock of loans and incremental loans

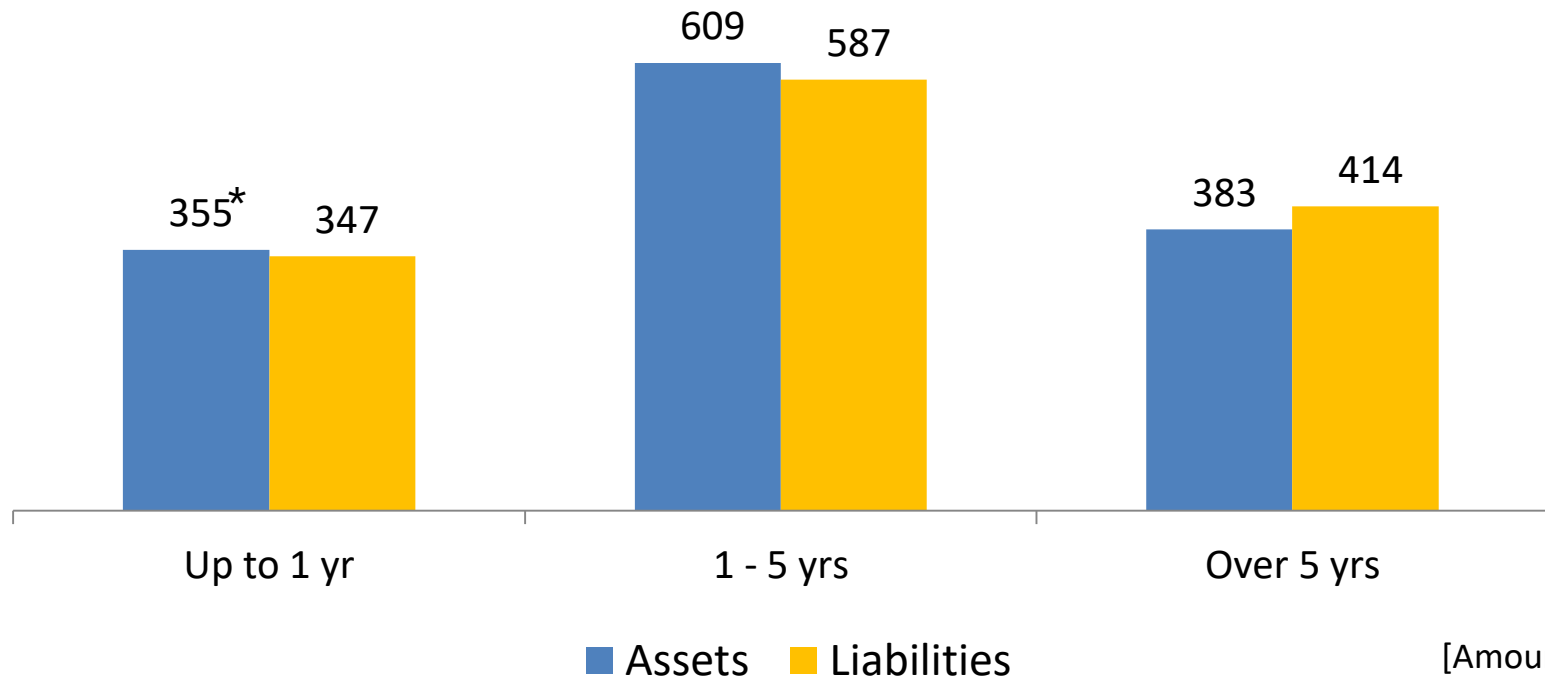
	Jun 18	Mar 18	Dec 17	Sep 17	Jun 17	Mar 17
A. Spread on Stock of loans	3.23%	3.11%	3.22%	3.25%	3.24%	3.24%
B. Spread on Incremental Loans	2.81%	2.77%	2.78%	2.99%	2.97%	2.76%
Difference (A-B)	0.42%	0.34%	0.44%	0.26%	0.27%	0.48%
10 Year G-Sec Yield	7.90%	7.40%	7.33%	6.66%	6.51%	6.68%

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

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.

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
- 2,46,900 patients diagnosed this quarter
- Total 18,77,918 patients successfully treated

Free Charitable Medical Clinic

- 2,40,491 patients have benefitted from this program since inception

Health Check-up Camp

- 54,338 beneficiaries since inception

Free Dialysis Treatment

- 10,000 free dialysis treatment to be provided
- 2,733 beneficiaries in this quarter and 6,160 beneficiaries since inception

HDFC Cancer Relief Fund:

- Invested ₹200 Mn in HDFC Cancer Relief Fund
- 100% of the dividends from this fund has been utilized by the Indian Cancer Society for the treatment costs of needy and underprivileged cancer patients

Cataract Surgeries :

- In partnership with K. B. Haji Bachooali Charitable Ophthalmic & E.N.T. Hospital , rural and tribal people of Alibaug are provided with free comprehensive eye care services
- 78 people have benefitted since inception

Community Care



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

Green-Sole:

- Distributed free footwear designed from refurbished soles to 6,700 beneficiaries since inception
- Reduced 12,150 lbs. of Carbon Emission in the atmosphere

Green-Sole



Nutrition



Paushtik Aahar:

- Free nutrition supplements to the underprivileged and malnourished
- 30,000 individuals benefitted per month
- 90,000 beneficiaries in this quarter
- 5,19,582 beneficiaries till date

Skill Development at Walwanda:

- 687 school dropouts between 18-30 years of age trained since inception

Indiabulls Foundation Scholarship Program

- 1,031 students from economically challenged families have benefitted since inception

Skill Development



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
- 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. 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
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 24%
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 [%] [#]	23.87%	19.96%	18.58%	20.47%	19.60%	23.38%	20.91%	20.82%
- Tier I [#]	23.63%	19.27%	15.05%	16.10%	16.28%	20.36%	17.25%	15.07%
- Tier II [#]	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

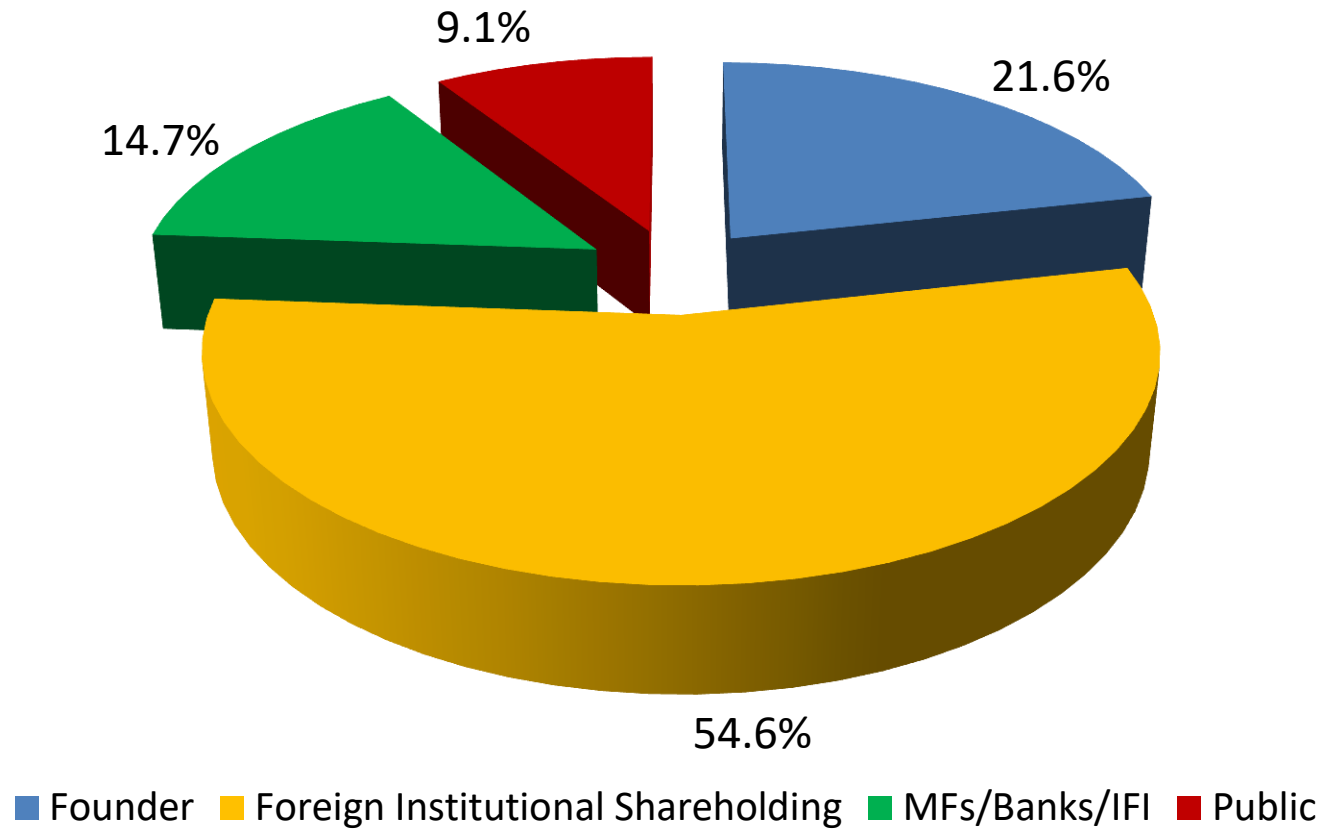
Valuations and Returns

	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Jun-18
Market Price per Share [₹]	155	207	272	286	558	674	998	1,194	1,274*
Market Capitalisation [₹ Bn]	48.1	64.5	84.9	95.4	198.4	284.0	422.9	509.3	543.4
Net Worth [₹ Bn]	45.4	49.1	53.2	57.1	66.3	106.9	124.7	154.2	164.2
Price-to-Book [times]	1.1	1.3	1.6	1.7	3.0	2.7	3.4	3.3	3.3
PE Ratio [times]	6.5	6.5	6.8	6.0	10.2	11.3	14.5	13.2	12.9
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%	3.1%
Foreign Institutional Shareholding [%]	43.5%	38.7%	45.2%	41.1%	51.8%	58.9%	63.6%	53.9%	54.6%
Domestic Institutional Shareholding [%]	3.3%	2.4%	3.6%	3.4%	3.3%	2.7%	4.8%	14.3%	14.7%

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



Shareholding Pattern



Thank you