

Indiabulls

Indiabulls Housing Finance Limited
Unaudited Financial Results – Q1 FY 2013-14

July 18, 2013



Safe Harbour Statement

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

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

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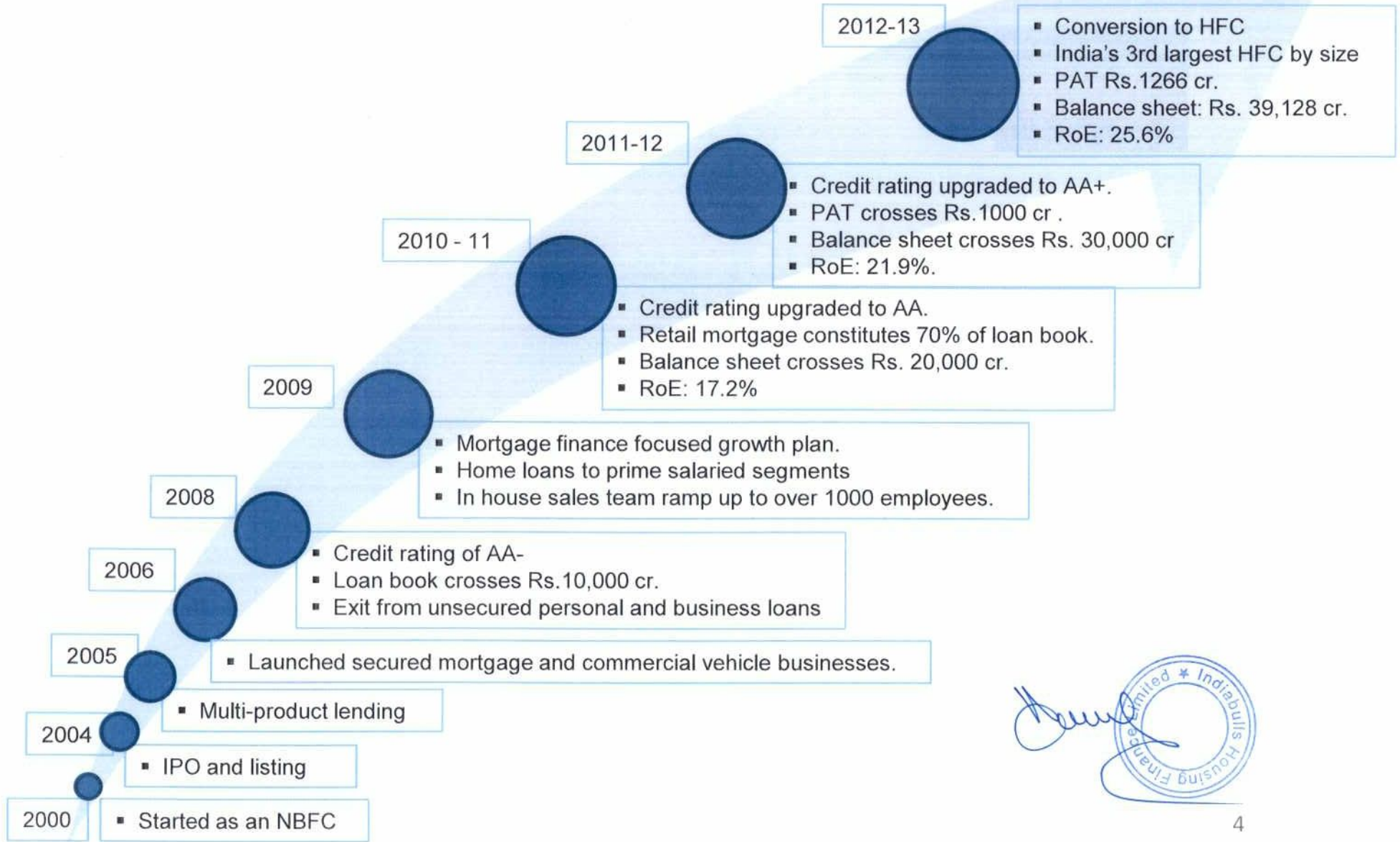
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A blue ink signature is written over a circular stamp. The stamp contains the text "Indiabulls Housing Finance Limited" around the perimeter and a star symbol in the center.

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Our Journey



Business Update



Business Update

Key Financial Highlights: Q1 FY13-14

	Q1 FY 13-14	Q1 FY 12-13	Growth (%)
Total Revenues (Rs. Cr.)	1,344.0	1,050.4	27.95%
PBT (Rs. Cr.)	471.1	351.9	33.87%
PAT (Rs. Cr.)	351.5	267.6	31.35%
EPS (Rs.)	11.15	8.50	31.18%
RoE%	26.97%	21.6%	

- *IBHFL will get listed on the stock exchanges in the week beginning July 22, 2013*
- *An interim dividend of Rs. 6 per share has been declared*



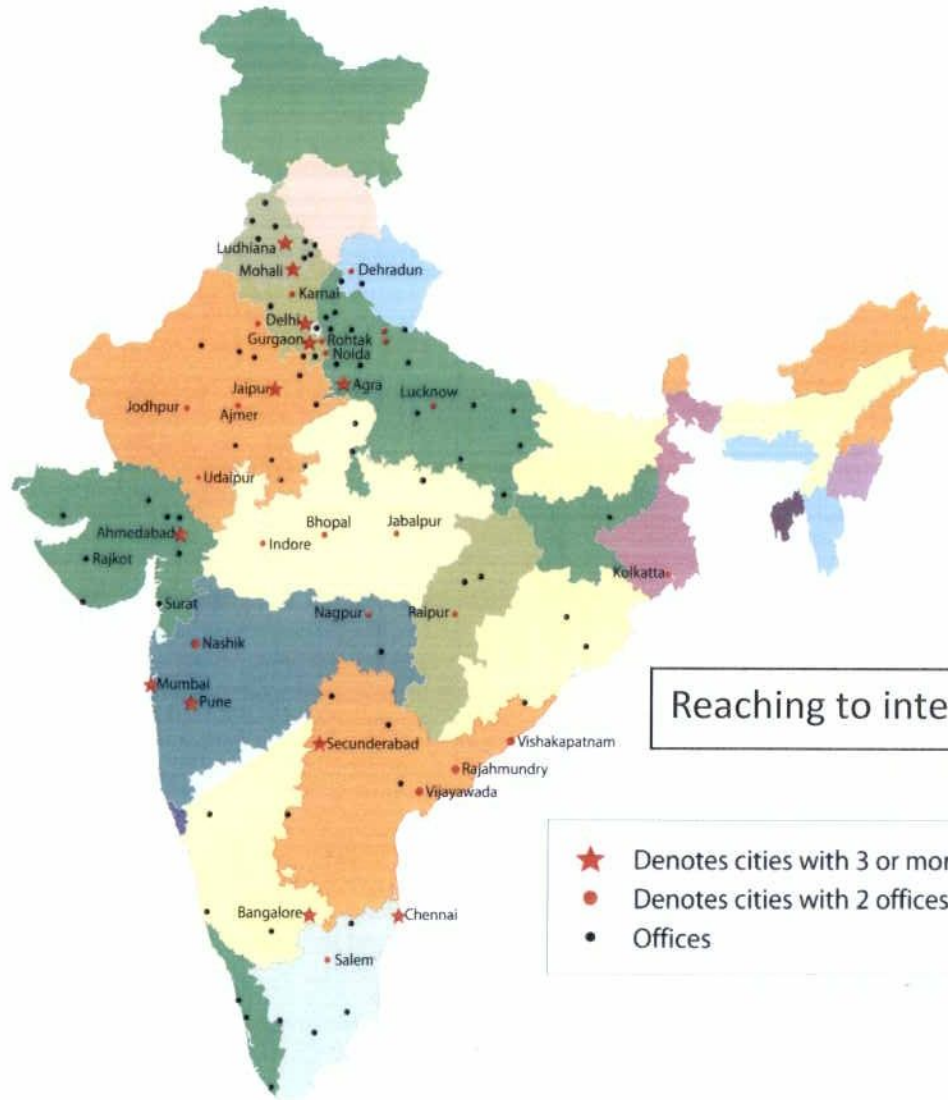
Business Summary

- Loans Outstanding : Rs. 36,874 Cr
(June 30, 2013) : (US\$ 6.25bn)
- Loan Book CAGR (5 years) : 26%
- Cumulative Loans given to retail Customers : 5.62 Lakh
(up till 30th June, 2013)
- Cumulative Loans Disbursed till date : Rs. 76,000 Cr
(up till 30th June, 2013) : (US\$ 12.88 bn)
- Cost to Income Ratio (FY 2013) : 18.0%
- Profit After Tax CAGR (5 years) : 19%

US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 59



Country-wide Reach



Number of Outlets

FY10	140
FY11	163
FY12	180
FY13	200
Q1 FY14	205

Tier I	58
Tier II	89
Tier III	58
Total	205

Reaching to international markets: Tie-up with Doha Bank

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

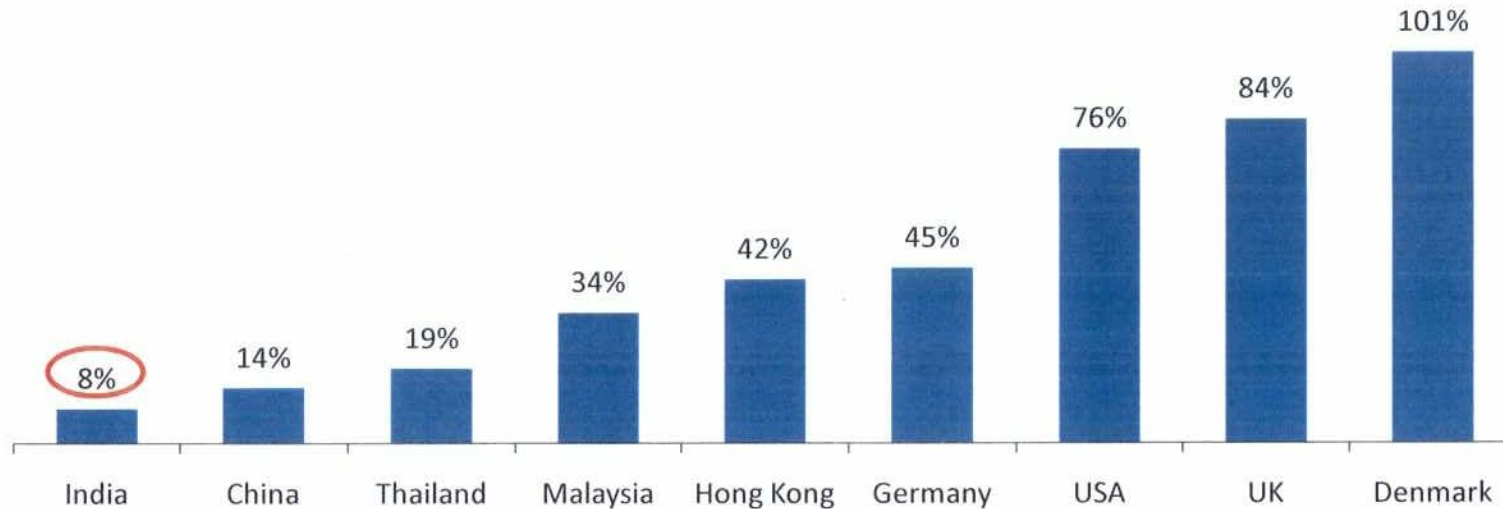


Indian Mortgage Market



Indian Mortgage Market

Headroom for Growth - Low Mortgage Penetration



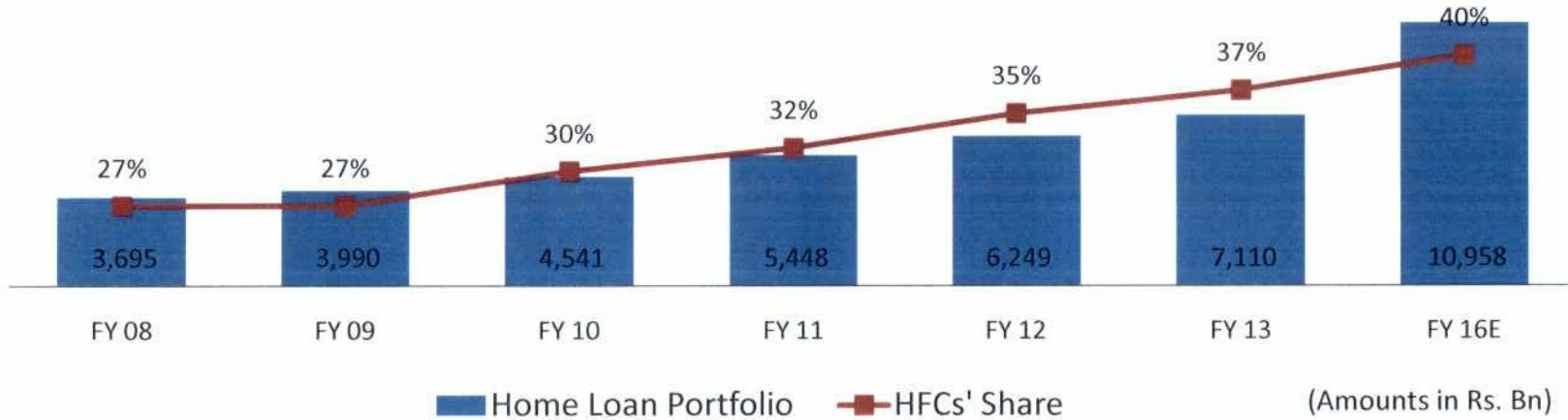
Source: European Mortgage Federation, 2011, HOFINET, 2011 & market estimates for India

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



Indian Mortgage Market

Growing HFC Market Share in a Steadily Expanding Home Loans Market



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

High demand growth driven by:

- Increasing Affordability: Rising disposable incomes coupled with low effective interest rate of only 5.69%
- Average age of house owner has reduced to 35 years from 43 years in FY2000²
- Urbanisation to rise to 40% of population by 2025 from the current 31%¹
- Urban Housing Shortage: estimated at 31.9 million units by 2016²
- Favourable Demographics: 60% of the country's population is below 30 years of age³

1 – NHB Report, 2012
 2 – CRISIL Report
 3 – Census 2011



Indian Mortgage Market

Tax Incentives – Low Effective Interest Rates

Particular	2013	2010	2000
Loan Amt (Rs)	2,500,000	2,500,000	2,500,000
Nominal Interest Rate(%)	10.15%	9.25%	13.25%
Max deduction for interest allowed *	250,000	150,000	75,000
Deduction Principal	100,000	100,000	20,000
Tax Rate applicable	30.90%	30.90%	34.50%
Tenor(Yrs)	15	15	15
Total amount paid per year	350,333	327,878	384,521
Interest component	250,333	227,878	327,893
Principal component	100,000	100,000	56,628
Tax amount saved	108,150	77,250	32,775
Effective Interest paid on home loan	142,183	150,628	295,118
Effective interest rate on home loan	5.69%	6.03%	11.80%

Tax Exemption for Home Loans:

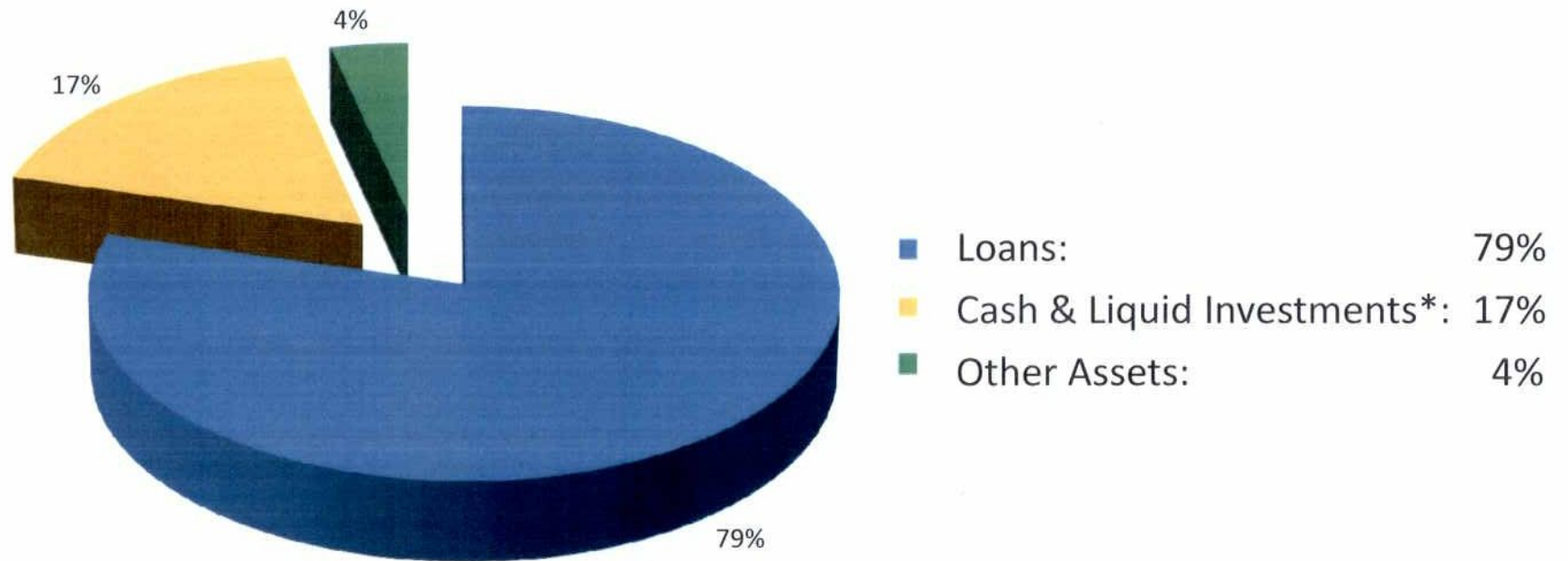
- For first-time home buyers, an additional tax exemption of Rs. 1 Lac has been announced in Budget 2013-14



Financial and Operational Highlights



Balance Sheet Assets

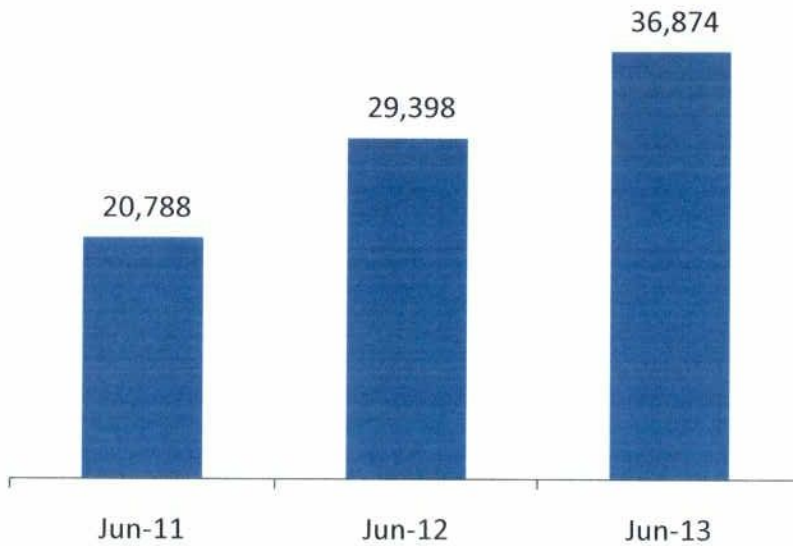


Total Assets	
As at June 30, 2013	Rs. 41,566 Cr. (US\$ 7.04 bn)
As at June 30, 2012	Rs. 34,518 Cr. (US\$ 5.85 bn)

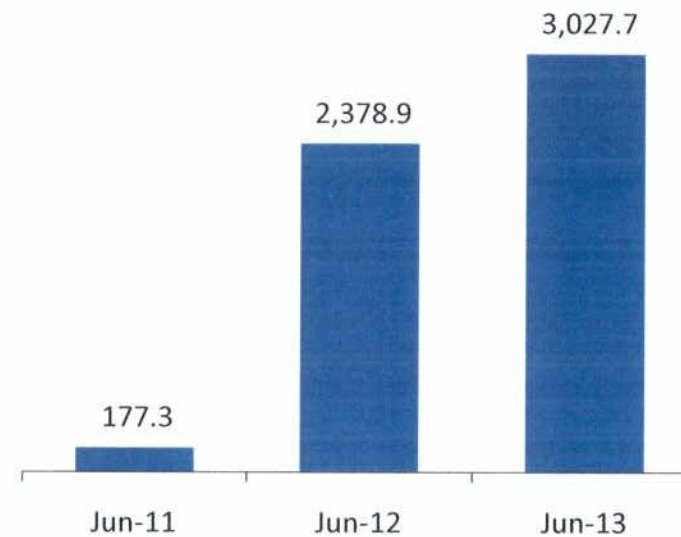
* Cash, Cash Equivalents and Investments in Liquid Debt Instruments
 US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 59

Loan Book Growth

Total Loan Assets (Rs. Cr.)



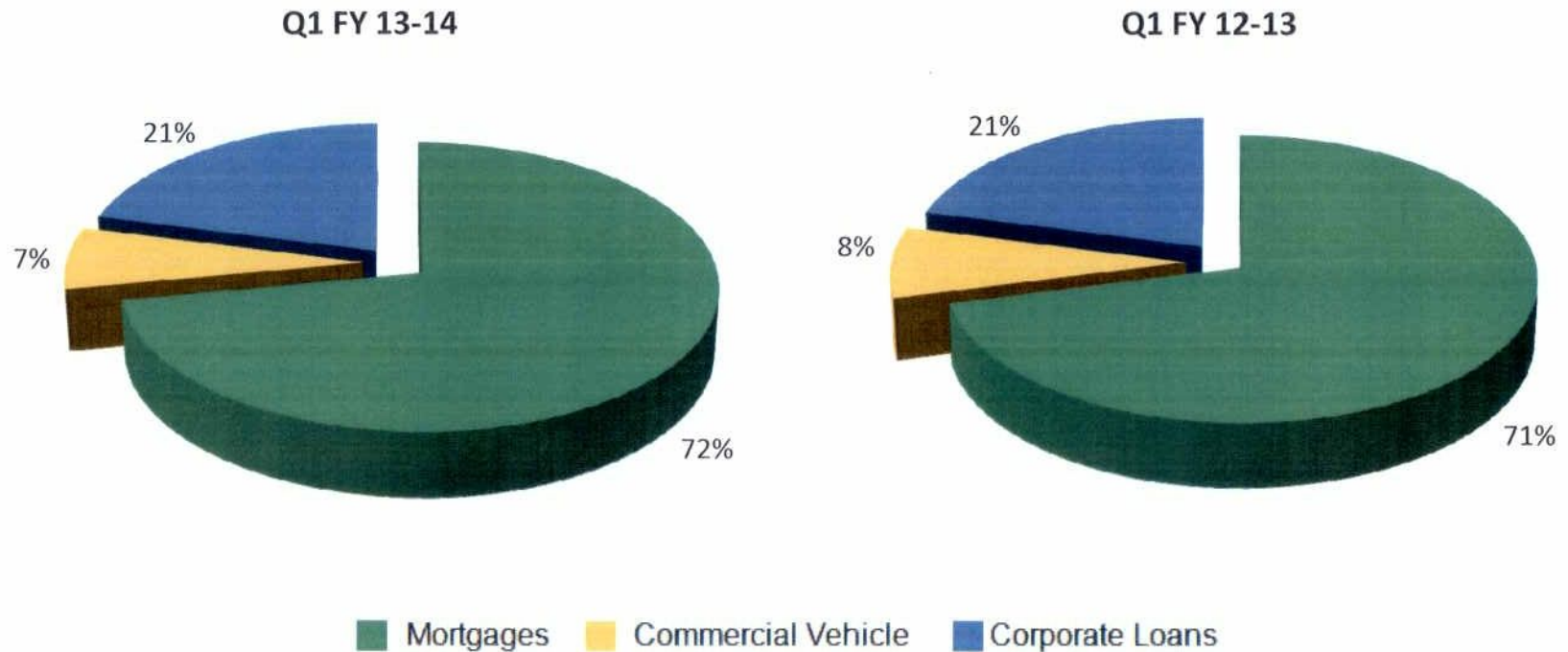
**Loans Sold (Rs. Cr.)
(in preceding 12 months)**



- The growth in the loan book inclusive of loans sold in the previous 12 months is 25%
- Loans sold (outstanding as on 30th June, 2013): Rs. 3,909.6 Cr. – on which spread at 3.1% p.a. is to be earned over the life of the loan



Asset Composition

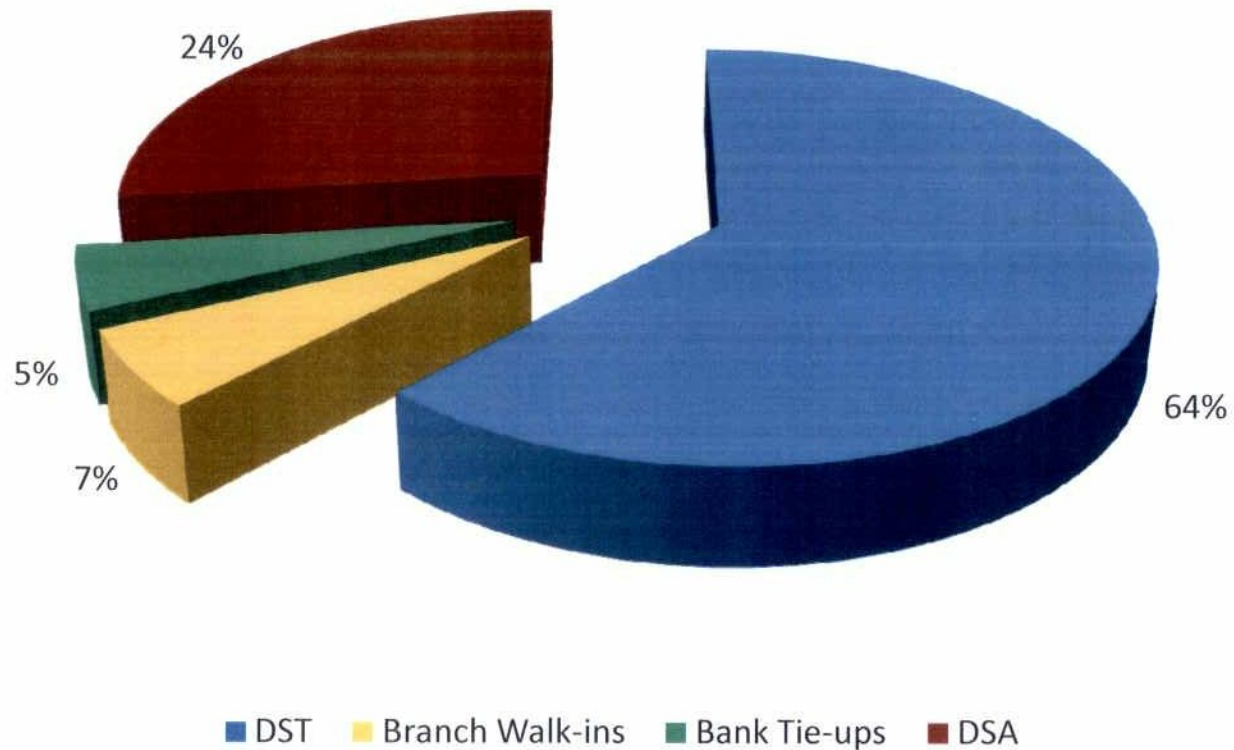


- Home loans, which forms the majority of incremental disburseals, are disbursed at an average ticket size of Rs. 24 lacs; average LTV of 66% (at origination)



Mortgage Loans' Sourcing

71% of Mortgage loans are sourced in-house



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Indiabulls Housing Finance Limited

Conservative Home Loan Profile

Average Loan Size	24 Lacs
Maximum Loan to Value	80%
Average Loan to Value	66% (at origination)
Average Loan Term	13 years
Primary Security	Mortgage of property financed
Repayment Type	Monthly amortizing



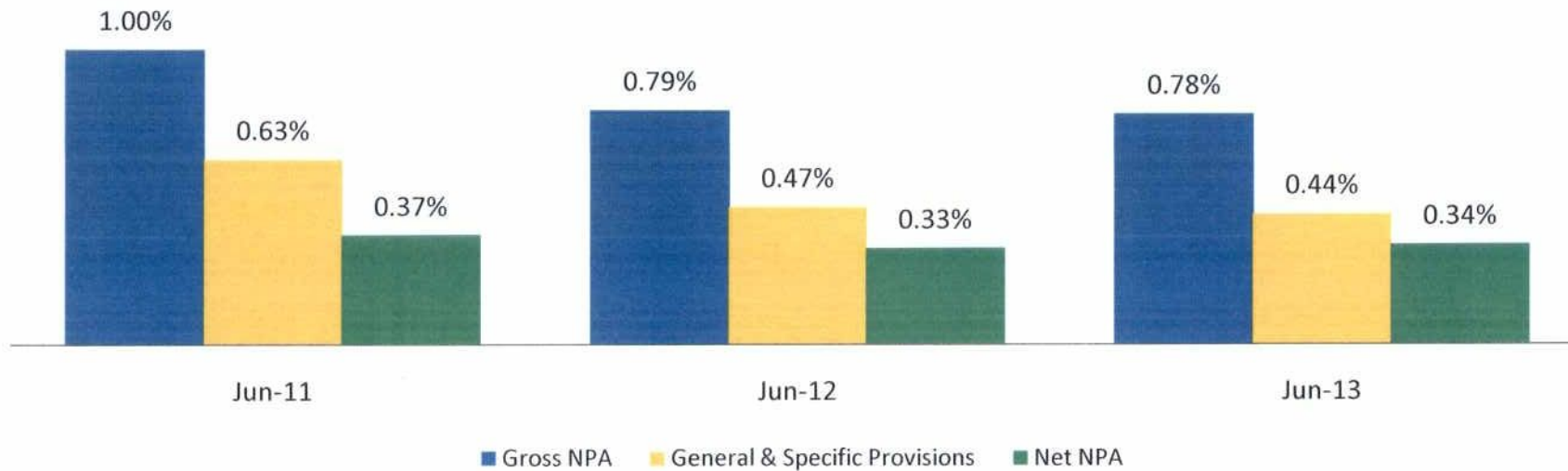
Conservative Loan Against Property Profile

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



Asset Quality

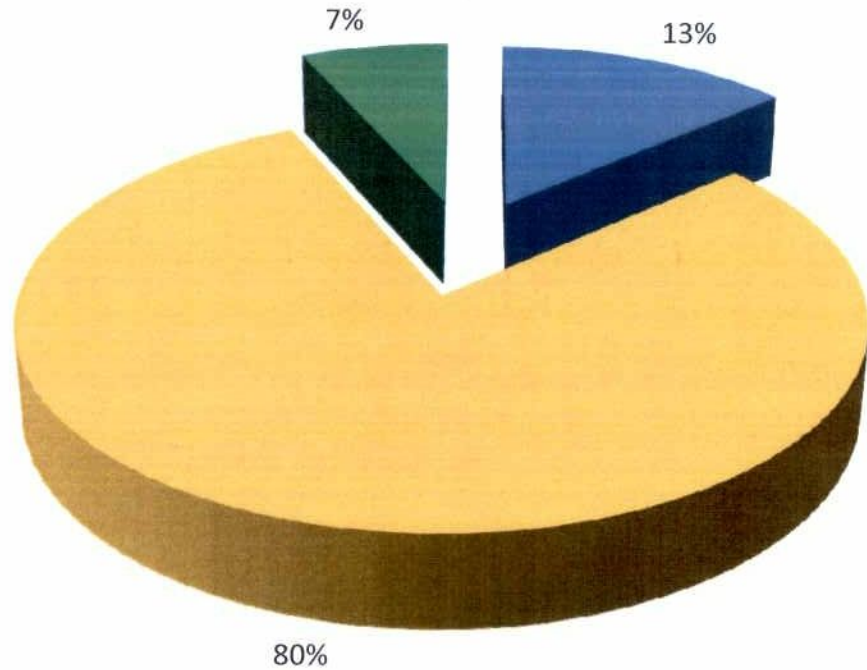
(as % of Total Loan Book)



- Focus on underwriting Low risk mortgage assets at low LTV's with emphasis on cash flows of borrowers has allowed the company to maintain low NPA levels
- Standard Asset Provision pool of Rs. 306.40 Cr. is over and above General and Specific Provision pool and is not netted off against Gross NPAs in calculation of Net NPAs



Liabilities



■ Share Holder's Funds:	Rs. 5,362 Cr. (US\$ 0.91 bn)
■ Borrowings:	Rs. 33,372 Cr. (US\$ 5.66 bn)
■ Other Liabilities:	Rs. 2,832 Cr. (US\$ 0.48 bn)

Total Liabilities:

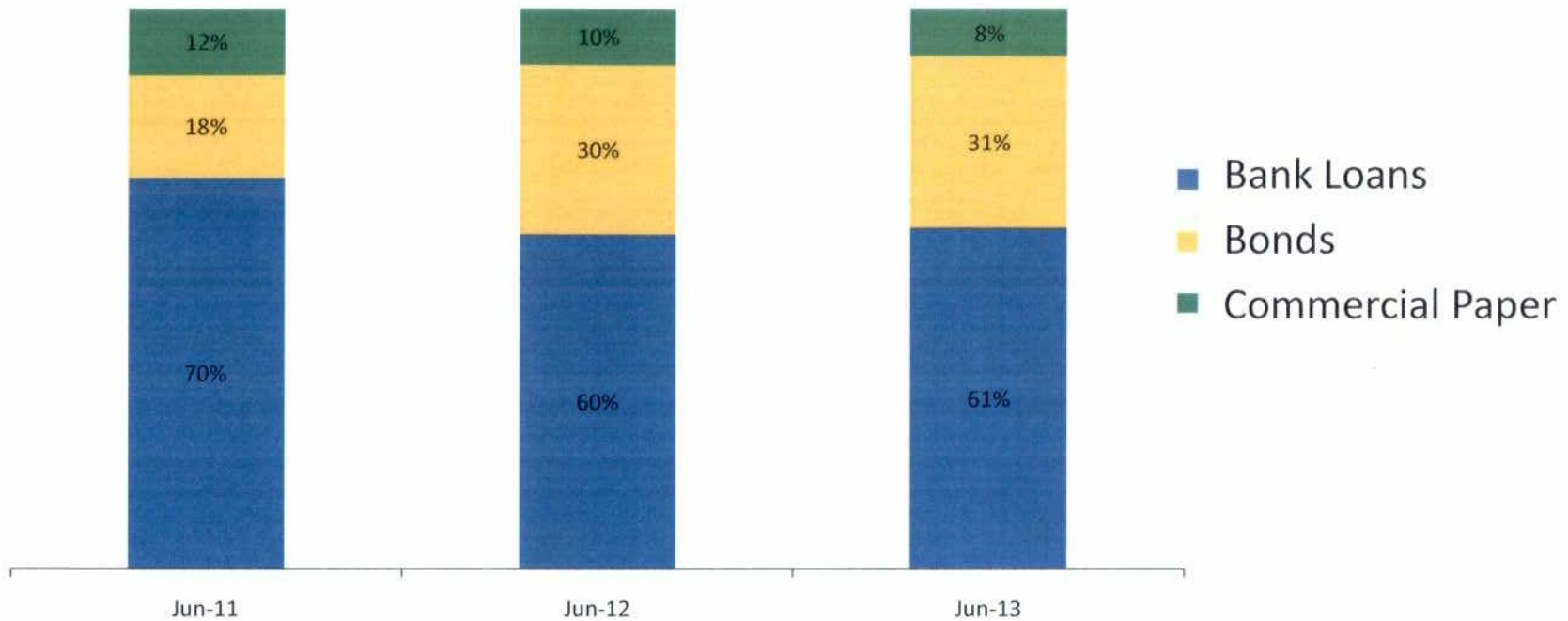
As of June 30, 2013: Rs. 41,566 Cr. (US\$ 7.04 bn)

As of June 30, 2012: Rs. 34,518 Cr. (US\$ 5.85 bn)

US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 59



Diversified Borrowing Programme



Total Borrowings:

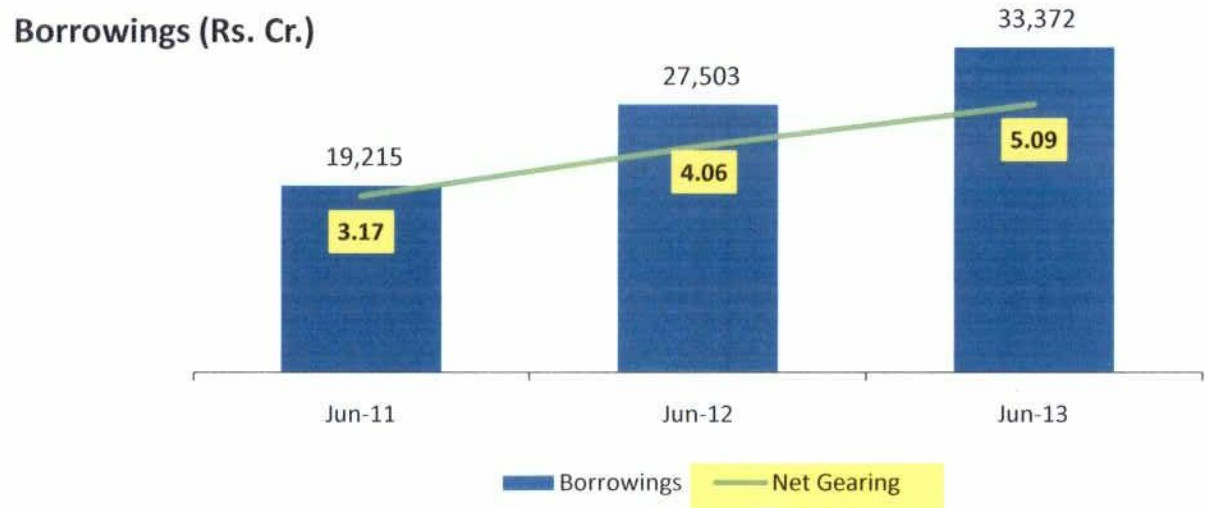
As of June 30, 2013: Rs. 33,372 Cr. (US\$ 5.7 bn)

As of June 30, 2012: Rs. 27,503 Cr. (US\$ 4.7 bn)

US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 59



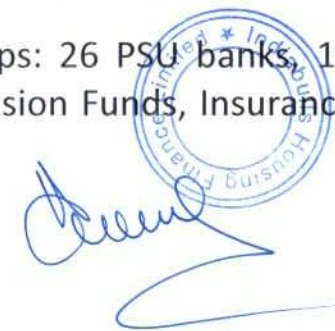
Diversified Borrowing Programme



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

	Total Borrowings (Rs. Cr.)		Contribution in Incremental Borrowing
	Jun-13	Jun-12	Last 12 months
Bank Loans	20,352	16,446	67%
Bonds	10,200	8,325	32%
CP	2,820	2,732	1%
Total	33,372	27,503	100%

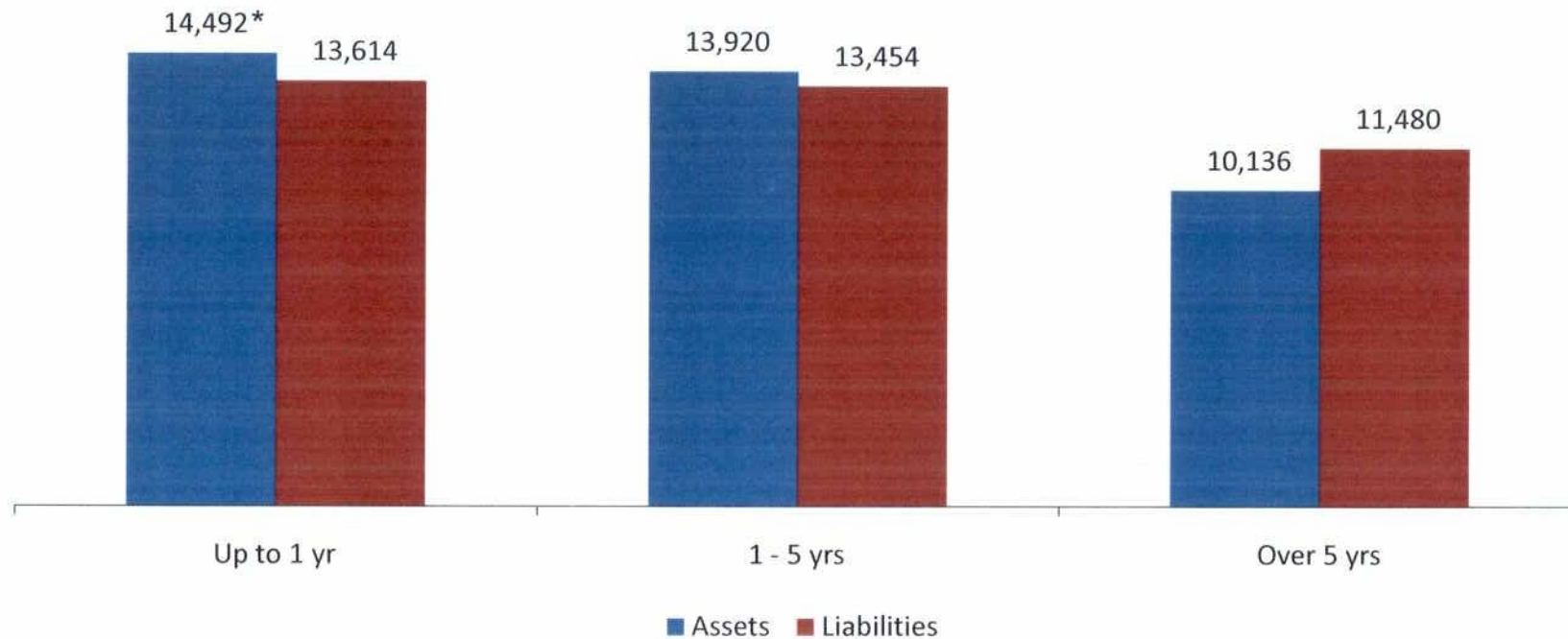
- Amongst its lenders, the company now counts 98 strong relationships: 26 PSU banks, 15 Private and Foreign banks and 57 Mutual Funds, Provident Funds, Pension Funds, Insurance Companies and others



Optimally Matched Balance Sheet

Maturity Profile

(As of March 31, 2013)



(Amounts in Rs. Cr.)

- * Assets in the 'Up to 1 Yr' bucket includes Rs. 7,196.0 Cr. of Cash, Cash equivalents and investments in liquid debt instrument
- The maturity profile reflects adjustments for prepayments and renewals in accordance with the guidelines issued by National Housing Bank



Our Strengths

Home Loan Strengths

- In-house sourcing & collection teams – low and stable NPA levels
- Low average loan to value ratios
- Emphasis on borrower cash flow stability during loan appraisal
- Experienced underwriting team - company has cumulatively disbursed approx. Rs. 76,000 Cr since FY06

Corporate Strengths

- Stable and experienced management team
- Technology driven quality customer service
- Headroom to grow: Net gearing: 5.09
- Steady book growth over last 16 quarters
- Declining cost to income ratio: 18.0% (for FY 2012-13)
- In-house collections team, facilitates portfolio stability

Awards and Accolades

HFC of the Year



Best Employer Brand

A blue ink signature and a circular blue stamp containing the text "Indiabulls Housing Finance Limited".

Rising Productivity Ratios

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



Key Financial Metrics

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



Valuations and Shareholding



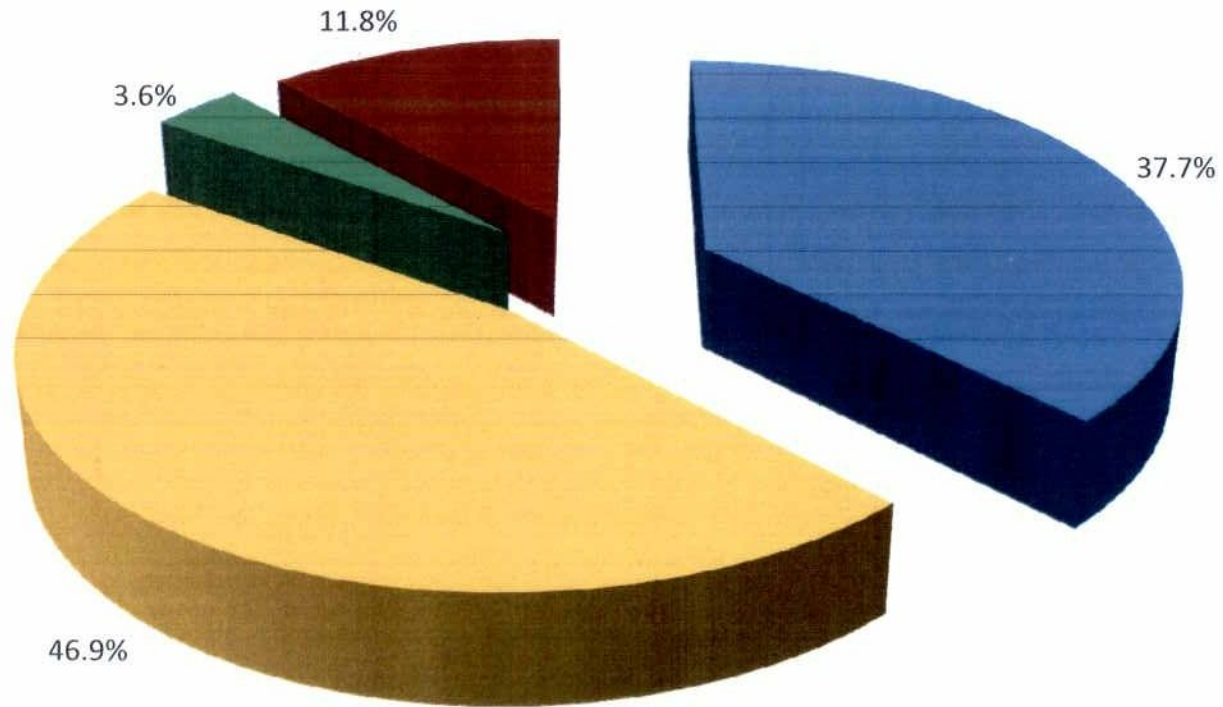
Valuations and Returns

	Jun-13	Mar-13	Mar-12	Mar-11
Market Price per share (Rs.)	271.8*	271.8*	207.1	154.8
Dividend per share (Rs.)	6	20	13	10
Market Capitalisation (US\$ Bn)	1.44	1.44	1.09	0.82
PE Ratio (times)	6.1	6.8	6.5	6.5
Book Value per share (Rs.)	167	165	158	146
Price to Book Ratio (times)	1.6	1.6	1.3	1.1
Foreign Shareholding (%)	46.9%	46.9%	38.7%	43.5%



*Shares of erstwhile parent Indiabulls Financial Services Limited, has been delisted since March 18, 2013 following the reverse merger with IBHFL. IBHFL will get listed on BSE & NSE in the week beginning July 22nd, 2013.
 US \$ amounts are converted based on the exchange rate of US \$1 = Rs. 59

Shareholding Pattern



■ Promoters ■ Foreign Shareholding ■ MFs/Banks/IFI ■ Public

MF: Mutual Funds
IFI: Indian Financial Institutions



Detailed Financials



Consolidated Balance Sheet

Statement of Assets and Liabilities Particulars	(Rupees in Crore)	
	30.06.13 (Unaudited)	31.03.13 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	62.50	62.50
(b) Reserves and Surplus	5,038.66	4,993.26
(c) Money received against share warrants	112.82	112.82
(2) Minority Interest	147.92	144.87
(3) Non-Current Liabilities		
(a) Long-term borrowings	18,943.40	18,234.46
(b) Other Long term liabilities	7.84	7.84
(c) Long term provisions	397.91	369.99
(4) Current Liabilities		
(a) Short-term borrowings	7,158.11	6,581.01
(b) Trade payables	7.11	2.85
(c) Other current liabilities	8,790.42	7,794.35
(d) Short-term provisions	899.75	824.87
Total	41,566.44	39,128.82
II.Assets		
(5) Non-current assets		
(a) Fixed assets	45.61	45.61
(b) Non-current investments	15.16	15.16
(c) Deferred tax assets (net)	169.37	164.13
(d) Long term loans and advances	28,662.00	27,154.75
(e) Other non-current assets	437.71	483.73
(6) Current assets		
(a) Current investments	3,802.46	2,292.73
(b) Trade receivables	2.10	2.24
(c) Cash and cash equivalents	3,295.55	4,888.18
(d) Short-term loans and advances	4,685.17	3,726.05
(e) Other current assets	451.31	356.24
Total	41,566.44	39,128.82

**Rs. 7,098.0 Cr of
Cash & Cash
Equivalents and
Investments in
Liquid Debt
Instruments**



Consolidated Income Statement

Particulars		(Rupees in Crore)		
		Quarter ended		Year ended
		30.06.13 (Unaudited)	31.03.13 (Unaudited)	31.03.13 (Audited)
1	Income from Operations			
	a) Income from Operations	1,201.62	1,212.98	4,452.42
	b) Other Operating Income	110.76	110.46	277.00
	Total Income from Operations (net)	1,312.39	1,323.44	4,729.42
2	Expenses			
	a) Employee Benefits Expense	69.35	52.23	224.55
	b) Depreciation and Amortisation Expense	2.07	2.07	9.38
	c) Other Expenses	87.83	103.81	289.79
	Total Expenses	159.25	158.12	523.73
3	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	1,153.13	1,165.32	4,205.69
4	Other Income	31.57	10.45	48.46
5	Profit from ordinary activities before Finance costs & Exceptional Items (3+4)	1,184.71	1,175.77	4,254.15
6	Finance Costs	713.63	694.70	2,599.09
7	Profit from ordinary activities after Finance costs but before Exceptional Items (5-6)	471.08	481.07	1,655.06
8	Exceptional Items	-	-	-
9	Profit from Ordinary Activities before Tax (7-8)	471.08	481.07	1,655.06
10	Tax Expense (including Deferred Tax)	119.58	113.48	389.07
11	Net Profit from Ordinary Activities after Tax (9-10)	351.50	367.59	1,265.99
12	Extraordinary Items (net of tax expenses Rs. NIL)	-	-	-
13	Net Profit for the period / year (11-12)	351.50	367.59	1,265.99
14	Share of Profit of Associate	-	0.00	0.08
15	Minority Interest for the period / year	3.05	(3.03)	7.62
16	Net Profit from Ordinary Activities after Tax, Share of Profit of Associate and Minority Interest (13+14-15)	348.45	370.62	1,258.44
17	Paid-up Equity Share Capital	62.50	62.50	62.50
18	Reserves excluding Revaluation Reserves as per Balance Sheet as on March 31, 2013			4,993.26
19	Minority Interest	147.92	144.87	144.87
20	Earnings per Share (EPS) before extraordinary items <i>*(EPS for the quarters are not annualised)</i>			
	-Basic (Amount in Rs.)	11.15*	11.73*	40.19
	-Diluted (Amount in Rs.)	10.65*	11.21*	38.94
	-Face Value (Amount in Rs.)	2.00	2.00	2.00
	Earnings per Share (EPS) after extraordinary items <i>*(EPS for the quarters are not annualised)</i>			
	-Basic (Amount in Rs.)	11.15*	11.73*	40.19
	-Diluted (Amount in Rs.)	10.65*	11.21*	38.94
	-Face Value (Amount in Rs.)	2.00	2.00	2.00



Thank you

