



# INDOSTAR CAPITAL FINANCE LIMITED

Q3 & 9MFY20 Results Update

6 February 2020

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**Note : The figures for the previous period have been adjusted, wherever considered necessary to conform with the financial reporting requirements.**

## Discussion Summary

- ❖ **Brookfield investment in IndoStar Capital**
- ❖ Quarterly Results
- ❖ Shareholding Structure

- ✓ First Private Equity deal by Brookfield in the Indian Financial Services space
- ✓ Brookfield is a leading global alternative asset manager
  - ✓ AUM USD 510 bn
  - ✓ USD 18 bn already invested in India
- ✓ Brookfield to invest growth capital of ₹ 12,250 mn through primary issuance of
  - ✓ Equity Shares (₹ 8,750 mn)
  - ✓ Compulsorily Convertible Preference Shares (₹ 3,500 mn)
- ✓ Brookfield ownership will be 40% plus post open offer
- ✓ Brookfield will also be categorised as 'Promoter', along with IndoStar Capital Mauritius

# Strong positives of Brookfield investment



- ✓ Endorsement of Company's Business Model, Management Capability and Retail Franchise
- ✓ Further strengthens Capital Adequacy and Liquidity
- ✓ Strong catalyst for larger pools of Debt Capital
- ✓ Enables us to explore growth opportunities, both organic & inorganic
- ✓ Makes the business future proof with ability to grow 3x without any further capital

## Discussion Summary

- ❖ Brookfield investment in IndoStar Capital
- ❖ **Quarterly Results**
- ❖ Shareholding Structure



## Execution of Retailisation theme

- Strong retail franchise ~ 70% of AUM (from 30% in Jun-18)
  - 11x growth in CV AUM over Jun 18
  - 3x growth in Retail AUM over Jun 18
- Execution of ICICI partnership gaining momentum
  - AUM of ~ ₹ 5,000 mn
  - Monthly run rate of ~ ₹ 1,250 mn



## Strong Capitalisation & Liquidity

- Comfortable liquidity - cash and equivalents ₹ 8,751 mn
- Full repayment of IIFL acquisition financing
- CRAR 27.6% ; Tier 1 CRAR 26.7 %
- Debt: Equity ratio of 2x



## Financials

- Net Revenue from Operations ₹ 1,856 mn, +7% YoY
- Cost Income ratio - 40%
- Pre-provision Operating Profit ₹ 1,110 mn, -4% YoY
- Affirmative provisioning action

# Q3 & 9MFY20: Consolidated Profit & Loss Statement

Particulars (₹ mn)	Q3FY20	Q2 FY20	QoQ %	Q3FY19	YOY %	9MFY20	9MFY19	YoY %
Revenue from Operations	3,658	4,239	-14%	3,212	14%	12,088	8,800	37%
Interest Expenses	(1,801)	(2,042)	-12%	(1,474)	22%	(6,097)	(3,997)	53%
<b>Net Revenue from Operations</b>	<b>1,856</b>	<b>2,197</b>	<b>-16%</b>	<b>1,737</b>	<b>7%</b>	<b>5,991</b>	<b>4,802</b>	<b>25%</b>
People Costs	437	472	-7%	332	32%	1,385	1,111	25%
Operating Expenses	309	328	-6%	248	25%	906	701	29%
<b>Pre-provision Operating Profit</b>	<b>1,110</b>	<b>1,398</b>	<b>-21%</b>	<b>1,157</b>	<b>-4%</b>	<b>3,700</b>	<b>2,991</b>	<b>24%</b>
Credit Costs	1,107	722	53%	48	2186%	2,437	236	932%
One off Charges	-	-	n.a.	15	n.a.	-	154	n.a.
<b>Profit before Tax</b>	<b>3</b>	<b>676</b>	<b>n.a.</b>	<b>1,094</b>	<b>n.a.</b>	<b>1,263</b>	<b>2,600</b>	<b>-51%</b>
Tax	0	181	n.a.	382	n.a.	295	933	-68%
<b>Profit after Tax</b>	<b>2</b>	<b>494</b>	<b>n.a.</b>	<b>713</b>	<b>n.a.</b>	<b>968</b>	<b>1,667</b>	<b>-42%</b>

Key Metrics	Q3FY20	Q2 FY20	Q3FY19	9MFY20	9MFY19
Yield	14.5%	15.4%	14.3%	14.8%	13.9%
Cost of Borrowings	10.6%	10.5%	9.9%	10.5%	9.6%
Spread	3.9%	4.9%	4.4%	4.3%	4.3%
NIM	7.4%	8.0%	7.7%	7.3%	7.6%
Cost to Income	40.2%	36.4%	33.4%	38.2%	37.7%

# Consolidated Balance Sheet

Particulars (₹ mn)	Dec-19	Sep-19	QoQ %	Dec-18	YoY %
Equity	30,953	31,022	0%	29,282	6%
Borrowings	63,541	76,246	-17%	62,223	2%
Other Liabilities		320		384	
<b>Total Liabilities</b>	<b>94,494</b>	<b>107,588</b>	-12%	<b>91,889</b>	3%
Loan Assets	84,352	90,590	-7%	76,508	10%
Treasury Assets	5,591	13,121	-57%	14,683	-62%
Fixed Assets & Goodwill	4,383	3,877	13%	698	528%
Other Assets	168				
<b>Total Assets</b>	<b>94,494</b>	<b>107,588</b>	-12%	<b>91,889</b>	3%

Key Ratios	Q3FY20	Q2 FY20	Q3FY19
ROAA *	0.0%	1.8%	3.2%
Leverage	3.3x	3.6x	3.1x
ROAE *	0.0%	6.4%	9.8%

\* Annualised

# Q3FY20: Business Segment Performance

Particulars (₹ mn)	Corporate Lending	CV Finance	SME Finance	Housing Finance	Consolidated
Revenue from Operations	1,288	1,585	441	245	3,658
Interest Expenses	(648)	(613)	(260)	(121)	(1,801)
<b>Net Interest Income</b>	<b>640</b>	<b>971</b>	<b>181</b>	<b>124</b>	<b>1,856</b>
People Costs	40	206	45	58	437
Operating Expenses	9	119	33	31	309
<b>Pre-provision Operating Profit</b>	<b>591</b>	<b>647</b>	<b>103</b>	<b>36</b>	<b>1,110</b>
Credit Costs*	763	252	85	6	1,107
<b>Profit Before Tax</b>	<b>-172</b>	<b>394</b>	<b>17</b>	<b>30</b>	<b>3</b>

Particulars (₹ mn)	Corporate Lending	CV Finance	SME Finance	Housing Finance	Consolidated
Equity #	10,790	10,854	4,607	2,325	30,953
Borrowings	20,914	24,581	8,931	4,506	63,541
<b>Total Liabilities</b>	<b>31,704</b>	<b>35,435</b>	<b>13,538</b>	<b>6,831</b>	<b>94,494</b>
Loan Assets	31,646	32,374	13,513	6,819	84,352
Treasury Assets	-	-	-	-	5,591
Fixed Assets & Goodwill	-	3,002	-	-	4,383
Other Assets	58	59	25	13	168
<b>Total Assets</b>	<b>31,704</b>	<b>35,435</b>	<b>13,538</b>	<b>6,831</b>	<b>94,494</b>

# Allocated

\* Credit costs are expected loss provisions computed under IndAS plus write offs

^ Total of Segmental numbers does not tally with consolidated figures as costs of common functions are not shown under lending segments

# 9MFY20: Business Segment Performance

Particulars (₹ Mn)	Corporate Lending	CV Finance	SME Finance	Housing Finance	Consolidated
Revenue from Operations	4,457	4,772	1,708	723	12,088
Interest Expenses	(2,320)	(1,929)	(915)	(357)	(6,097)
<b>Net Interest Income</b>	<b>2,137</b>	<b>2,842</b>	<b>793</b>	<b>366</b>	<b>5,991</b>
People Costs	130	685	137	173	1,385
Operating Expenses	12	401	89	80	906
<b>Pre-provision Operating Profit</b>	<b>1,995</b>	<b>1,756</b>	<b>566</b>	<b>113</b>	<b>3,700</b>
Credit Costs *	1,403	778	245	12	2,437
<b>Profit Before Tax</b>	<b>593</b>	<b>978</b>	<b>322</b>	<b>101</b>	<b>1,263</b>

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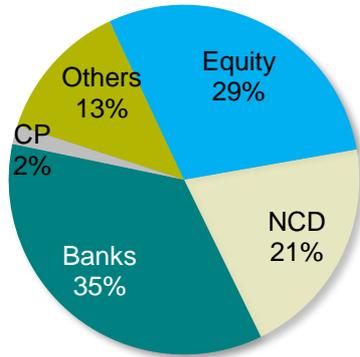
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# Allocated

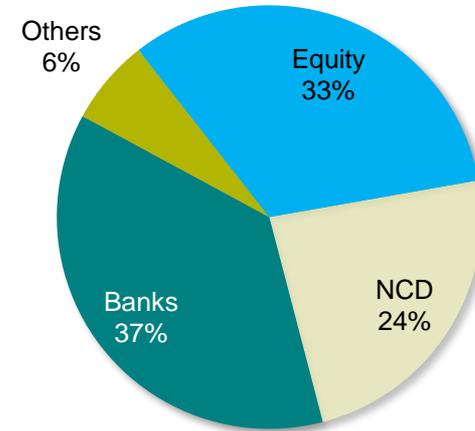
^ Total of Segmental numbers does not tally with consolidated figures as costs of common functions are not shown under lending segments

# Diversified Funding Profile

Funding Mix - Sep 2019



Funding Mix - Dec 2019



Incremental Funding mobilized

₹ mn	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Total
Banks	8,020	4,420	4,276	1,501	18,217
Markets	6,550	-	-	250	6,800
Assignments	1,629	1,224	2,965	238	6,056
Securitisation	-	2,400	2,120	2,042	6,562
Total	16,199	8,044	9,361	4,031	37,635

Strong Credit Ratings

Borrowing Type	Rating Firm	Ratings
Term Loans	INDIA RATINGS / CARE	AA (-)
Redeemable NCDs	INDIA RATINGS / CARE	AA (-)
CPs	CRISIL / CARE / ICRA	A1 (+)

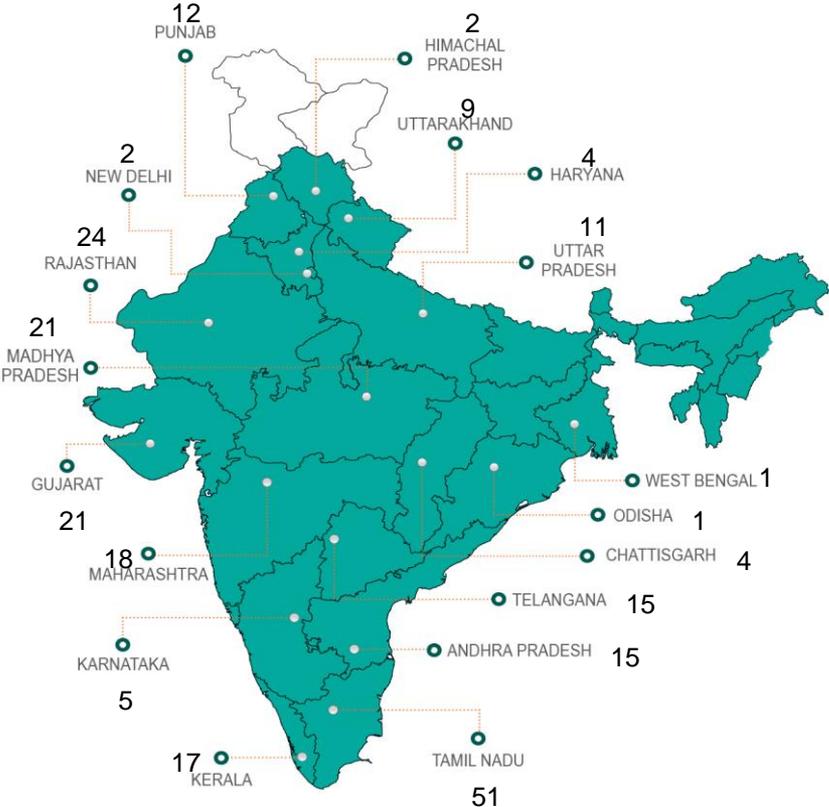
# Strong Liquidity Position

Particulars ₹ mn	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Opening Cash & Equivalents*	8,751	7,591	9,271	10,601	13,301
Loan repayment inflows [Principal]	4,030	5,720	5,580	6,300	5,540
<b>Total Inflow</b>	<b>12,781</b>	<b>13,311</b>	<b>14,851</b>	<b>16,901</b>	<b>18,841</b>
Liability Repayment [Principal]					
Commercial Paper	-	-	-	-	-
NCDs	750	250	-	500	3,750
IIFL Payouts	520	-	-	-	-
Term Loans & Others	3,920	3,790	4,250	3,100	3,300
<b>Total Outflow</b>	<b>5,190</b>	<b>4,040</b>	<b>4,250</b>	<b>3,600</b>	<b>7,050</b>
<b>Closing Cash &amp; Equivalents</b>	<b>7,591</b>	<b>9,271</b>	<b>10,601</b>	<b>13,301</b>	<b>11,791</b>

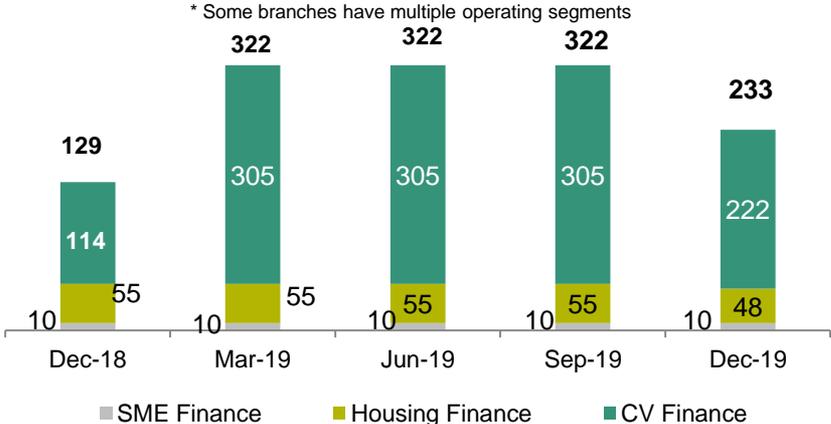
Particulars	₹ mn
Cash and bank Balance	2,322
Liquid Investment	
MFs	59
Term Deposits	1,660
Undrawn Banks Lines	4,710
<b>Total Cash &amp; Equivalents*</b>	<b>8,751</b>

- ✓ Loan drawdown of ₹ 5,830 mn in Jan 2020
- ✓ Positive ALM across all buckets

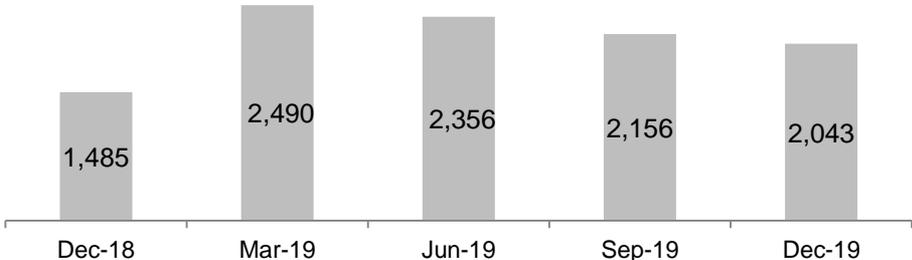
## Post integration branch rationalisation on course



233 branches across 18 states

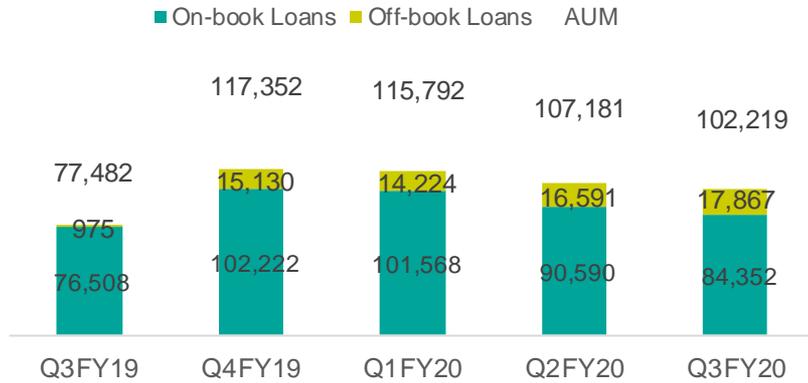


Retail Lending - Employee Base

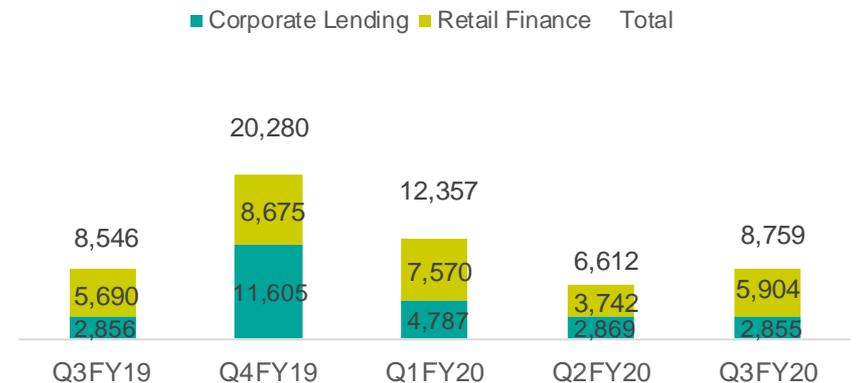


# Q3FY20: Quarterly Performance Trend (1/2)

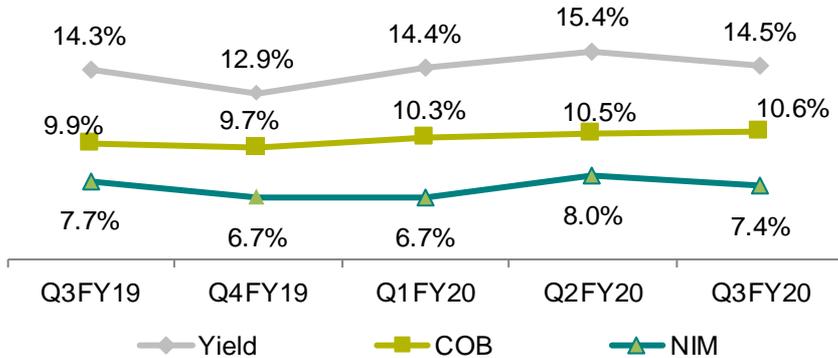
### AUM (₹ mn)



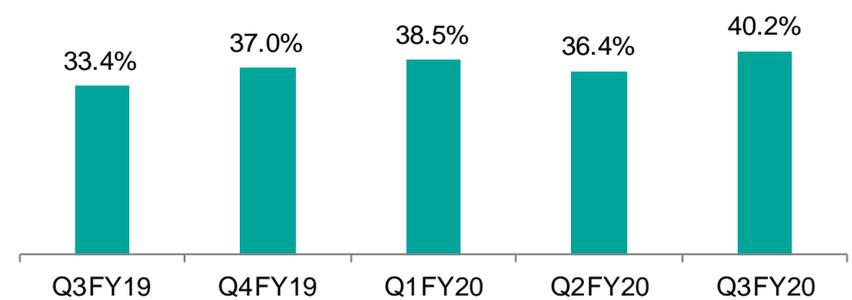
### Loan Disbursements (₹ mn)



### Margin Analysis (%)

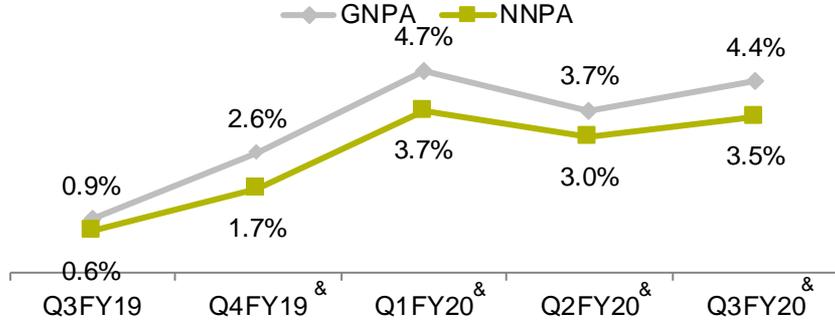


### Cost to Income Ratio (%)



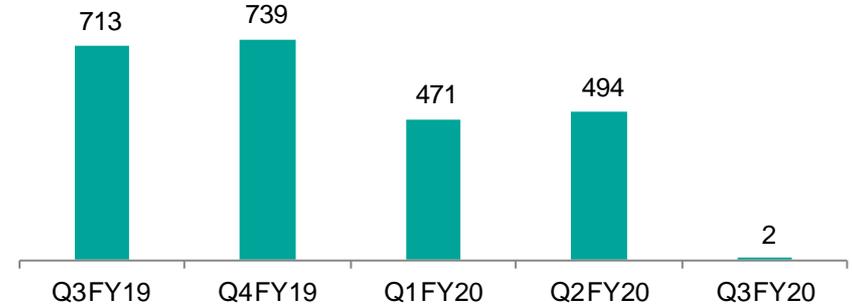
# Q3FY20: Quarterly Performance Trend (2/2)

### NPA\*

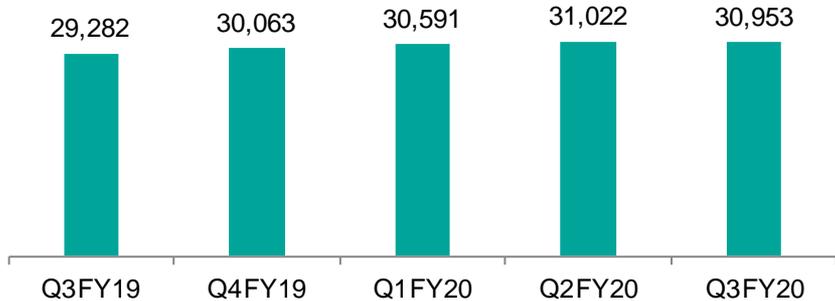


& Including NPAs from IIFL portfolio  
 \* GNPA & NNPA represents Stage 3 Assets

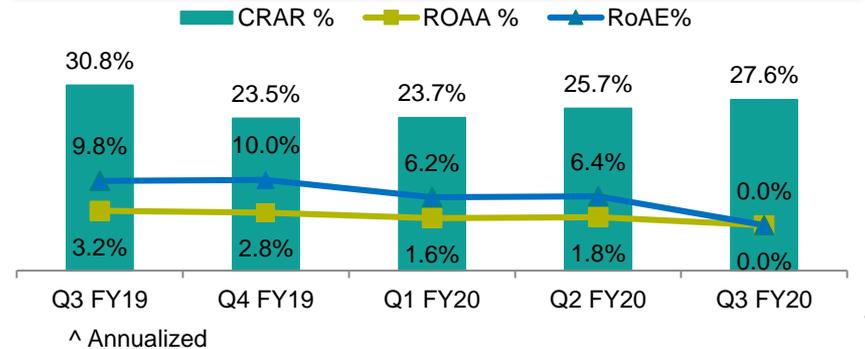
### PAT (₹ mn)



### Net worth (₹ mn)



### Return Ratios^ & Capital Adequacy (%)



## Asset Quality : Significant reduction in Retail NPAs

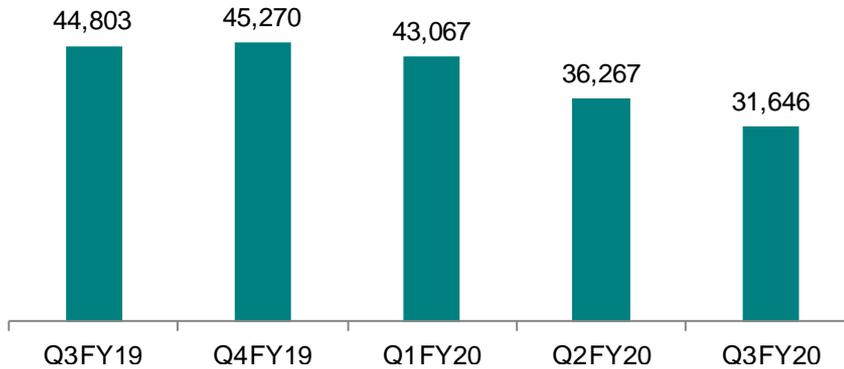
Gross NPA (₹ mn)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Corporate Lending	136	-	1,546	1,546	1,546
CV Finance	11	2,226	2,651	1,411	1,946
SME Finance	574	545	677	437	267
Housing Finance	3	7	19	26	51
Total	724	2,778	4,893	3,420	3,811

Net NPA (₹ mn)	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Corporate Lending	95		1,391	1,391	1,391
CV Finance	7	887	1,856	988	1,363
SME Finance	399	152	548	354	217
Housing Finance	2	2	16	21	41
Total	503	1,041	3,811	2,753	3,011

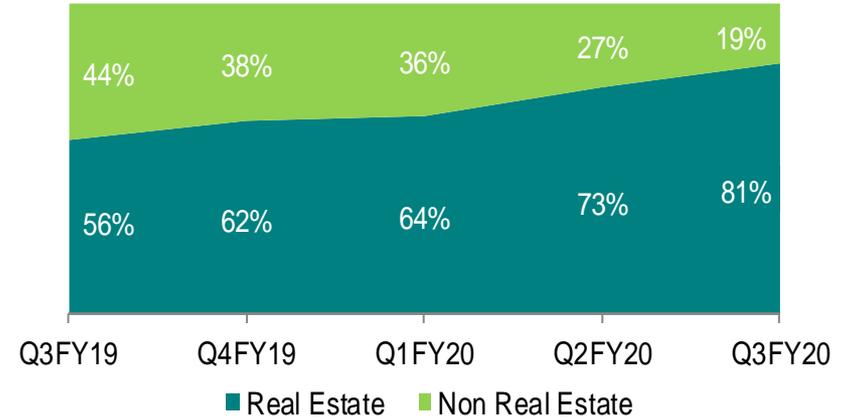
- Q3FY20 Specific coverage against NPAs 21%
- ECL on acquired portfolio ₹ 1,372 mn (8% of portfolio outstanding)

# Corporate Lending : Cautious approach continues (1/3)

Corporate Lending AUM (₹ mn)



AUM Breakup: RE vs. Non-RE



- Continued reduction in AUM ~ ₹ 21bn over Jun-18

## Corporate Lending: Profit and Loss (2/3)

Particulars (₹ mn)	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2 FY 20	Q3 FY 20
Revenue from Operations	1,940	1,817	1,676	1,494	1,288
Interest Expenses	(789)	(790)	(883)	(789)	(648)
<b>Net Interest Income</b>	<b>1,151</b>	<b>1,028</b>	<b>793</b>	<b>704</b>	<b>640</b>
People Costs	23	108	49	42	40
Operating Expenses	1	1	1	2	9
<b>Pre-provision Operating Profit</b>	<b>1,127</b>	<b>918</b>	<b>743</b>	<b>661</b>	<b>591</b>
Credit Costs *	-65	-121	59	581	763 <sup>&amp;</sup>
<b>Profit before Tax</b>	<b>1,192</b>	<b>1,039</b>	<b>685</b>	<b>81</b>	<b>-172</b>
Loan Assets	44,803	45,270	43,067	36,267	31,646
Equity ^	14,277	11,329	11,940	10,866	10,790

& Write-offs in Media and Fitness company exposure

\* Credit costs are expected loss provisions computed under Ind AS plus write offs

^ Allocated

## Corporate Lending : Key ratios (3/3)

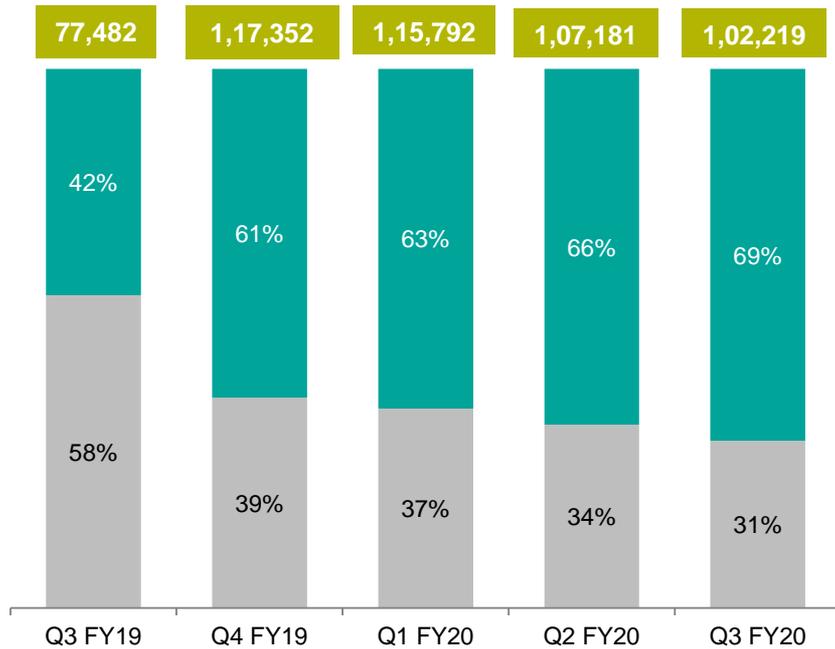
	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2 FY 20	Q3 FY 20
Revenue from Operations *	15.7%	15.6%	14.7%	14.9%	14.7%
<b>Net Interest Income *</b>	<b>9.3%</b>	<b>8.8%</b>	<b>6.9%</b>	<b>7.0%</b>	<b>7.3%</b>
Operating Expenses *	0.2%	0.9%	0.4%	0.4%	0.6%
Cost / Income	2.1%	10.7%	6.2%	6.1%	7.7%
<b>Pre-provision Operating Profit *</b>	<b>9.1%</b>	<b>7.9%</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.7%</b>
Credit Costs	-0.5%	-1.0%	0.5%	5.8%	8.7%
<b>GNPA</b>	<b>0.3%</b>	<b>0.0%</b>	<b>3.5%</b>	<b>4.2%</b>	<b>4.8%</b>
<b>NNPA</b>	<b>0.2%</b>	<b>0.0%</b>	<b>3.2%</b>	<b>3.8%</b>	<b>4.4%</b>
<b>ROAA ^</b>	<b>6.4%</b>	<b>5.5%</b>	<b>4.0%</b>	<b>0.2%</b>	<b>-1.8%</b>
Leverage	3.3x	4.0x	3.8x	3.5x	3.1x
<b>ROAE ^</b>	<b>20.9%</b>	<b>21.8%</b>	<b>15.2%</b>	<b>0.8%</b>	<b>-5.5%</b>

\* On daily average basis

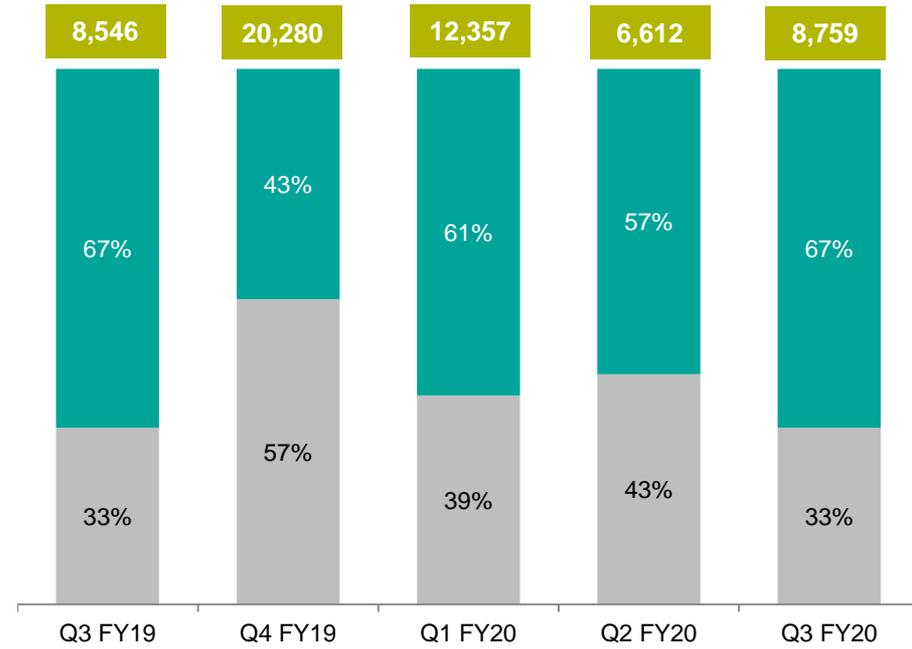
^ Annualized

# On track to attain 75-25 Retail Corporate AUM mix by March-20

**AUM: CL vs Retail (%)**



**Disbursements: CL vs Retail (%)**

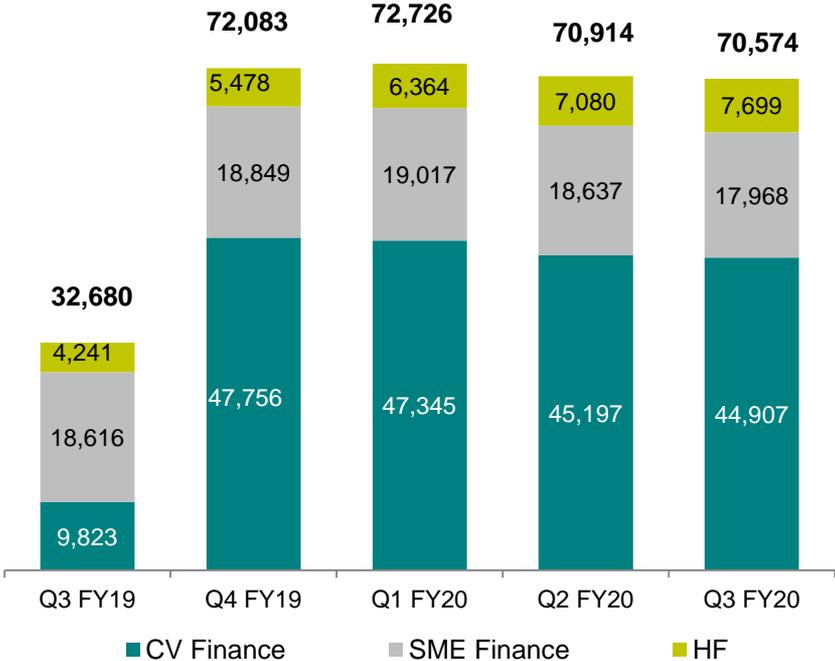


■ Total AUM (₹ Mn)   ■ CL   ■ Retail (CV Finance, SME , HF)

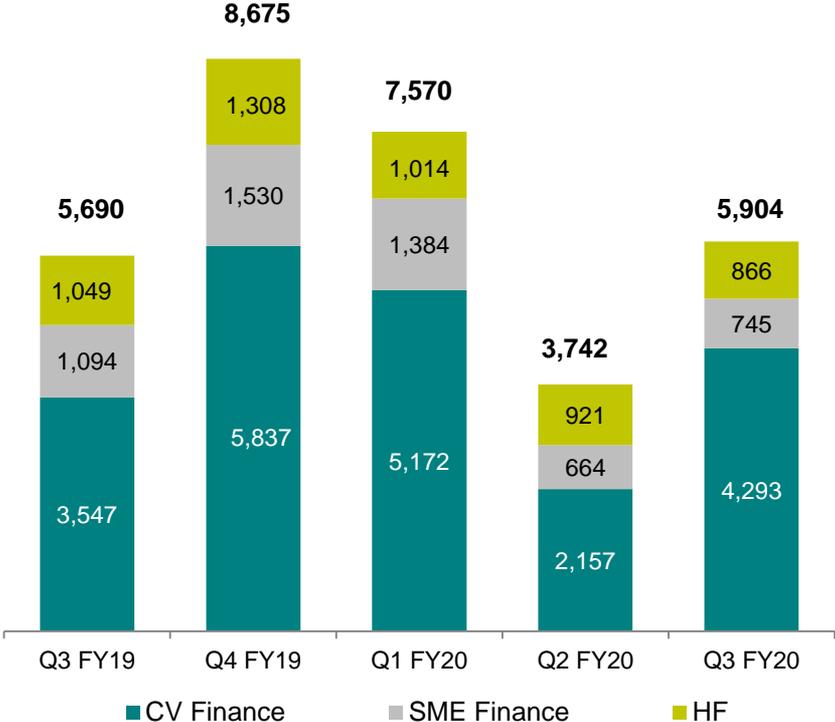
■ Total Disbursements (₹ Mn)   ■ CL   ■ Retail (CV Finance, SME , HF)

# Calibration in retail business volumes

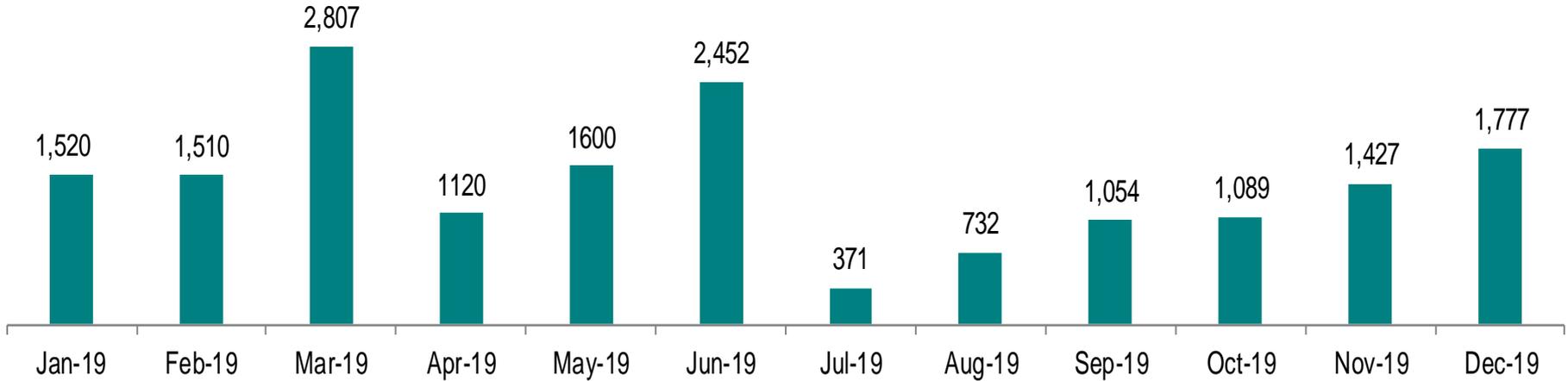
Retail AUM (₹ mn)



Retail Disbursements (₹ mn)



CV Finance – Monthly Disbursement Trend (₹ mn)



✓ CV Finance AUM ₹ 44,907 mn; Up nearly 5x YoY

✓ Loans disbursed under ICICI Bank tie-up in Q3FY20 ₹ 3,364 mn

## CV Finance : Profit and Loss (2/3)

Particulars (₹ mn)	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2FY20	Q3FY20
Revenue from Operations	346	542	1,506	1,681	1,585
Interest Expenses	(139)	(204)	(673)	(643)	(613)
<b>Net Interest Income</b>	<b>207</b>	<b>338</b>	<b>833</b>	<b>1,038</b>	<b>971</b>
People Costs	97	149	255	225	206
Operating Expenses	117	115	139	144	119
<b>Pre-provision Operating Profit</b>	<b>-7</b>	<b>75</b>	<b>439</b>	<b>670</b>	<b>647</b>
Credit Costs	49	68	484	42	252
<b>Profit before Tax</b>	<b>(56)</b>	<b>7</b>	<b>(45)</b>	<b>628</b>	<b>394</b>
<b>Loan Assets</b>	<b>9,823</b>	<b>34,328</b>	<b>35,895</b>	<b>34,128</b>	<b>32,374</b>
<b>Equity <sup>^</sup></b>	<b>3,130</b>	<b>8,591</b>	<b>10,154</b>	<b>9,912</b>	<b>10,854</b>

# CV Finance : Key ratios (3/3)

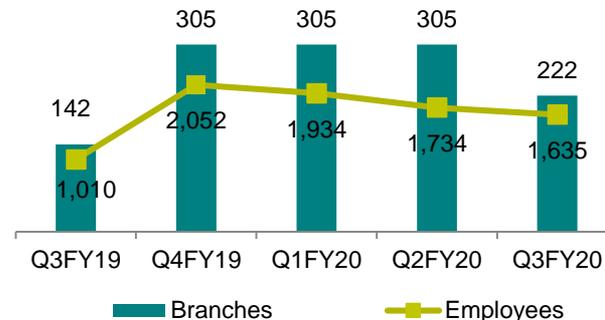
	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2FY20	Q3FY20
Revenue from Operations *	17.1%	18.7%	16.6%	18.4%	18.4%
<b>Net Interest Income *</b>	<b>10.3%</b>	<b>11.6%</b>	<b>9.2%</b>	<b>11.4%</b>	<b>11.3%</b>
Operating Expenses *	10.6%	9.1%	4.3%	4.0%	3.8%
Cost / Income	103.5%	77.8%	47.2%	35.5%	33.4%
<b>Pre-provision Operating Profit *</b>	<b>-0.4%</b>	<b>2.6%</b>	<b>4.8%</b>	<b>7.3%</b>	<b>7.5%</b>
<b>Credit Costs</b>	<b>2.4%</b>	<b>2.3%</b>	<b>5.3%</b>	<b>0.5%</b>	<b>2.9%</b>
<b>GNPA</b>	<b>0.1%</b>	<b>6.1%<sup>&amp;</sup></b>	<b>7.0%<sup>&amp;</sup></b>	<b>4.0%<sup>&amp;</sup></b>	<b>5.7%<sup>&amp;</sup></b>
<b>NNPA</b>	<b>0.1%</b>	<b>3.8%<sup>&amp;</sup></b>	<b>5.0%<sup>&amp;</sup></b>	<b>2.8%<sup>&amp;</sup></b>	<b>4.1%<sup>&amp;</sup></b>
<b>ROAA <sup>^</sup></b>	<b>-1.9%</b>	<b>0.1%</b>	<b>-0.3%</b>	<b>5.6%</b>	<b>4.1%</b>
Leverage	3.1x	3.8x	3.9x	3.8x	3.5x
<b>ROAE <sup>^</sup></b>	<b>-5.7%</b>	<b>0.2%</b>	<b>-1.3%</b>	<b>21.3%</b>	<b>14.4%</b>

<sup>&</sup> Gross and Net NPA (excluding IIFL) for Q4FY19 0.4% & 0.3%; Q1FY20 1.0% & 0.7%; Q2FY20 1.3% & 0.9%; Q3FY20 3.4% & 2.4%

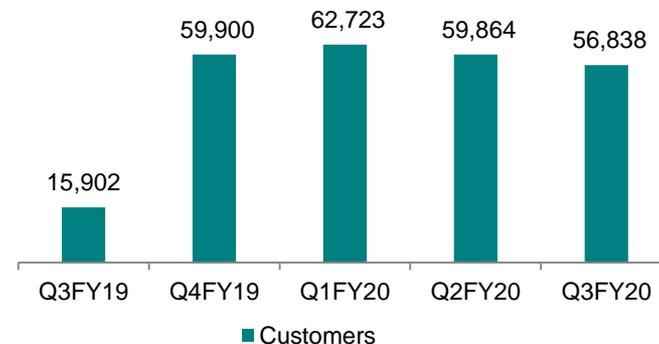
\* On daily average basis

<sup>^</sup> Annualized

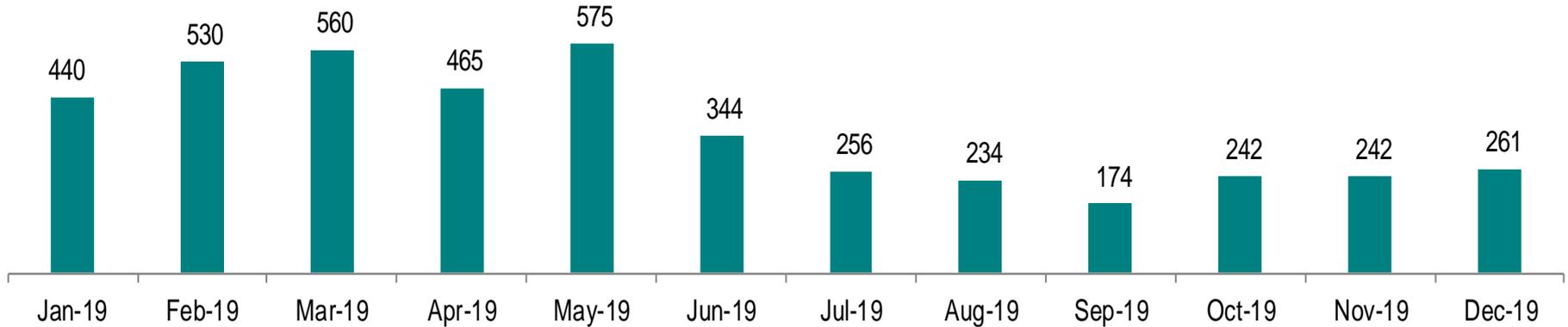
## Branches & Employees



## Customer Count



SME Finance – Monthly Disbursement Trend (₹ mn)



✓ Disbursement during Q3FY20 : ₹ 745 mn

✓ Loans assigned / securitised : ₹2,280 mn

Particulars (₹ mn)	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2 FY 20	Q3 FY 20
Revenue from Operations	594	585	587	679	441
Interest Expenses	(303)	(309)	(341)	(314)	(260)
<b>Net Interest Income</b>	<b>292</b>	<b>276</b>	<b>247</b>	<b>365</b>	<b>181</b>
People Costs	40	38	46	47	45
Operating Expenses	21	23	24	32	33
<b>Pre-provision Operating Profit</b>	<b>231</b>	<b>214</b>	<b>177</b>	<b>287</b>	<b>103</b>
Credit Costs	61	-26	61	98	85
<b>Profit before Tax</b>	<b>170</b>	<b>240</b>	<b>115</b>	<b>189</b>	<b>17</b>
Loan Assets	17,641	17,385	16,704	14,069	13,513
Equity <sup>^</sup>	5,622	4,351	4,631	4,215	4,607

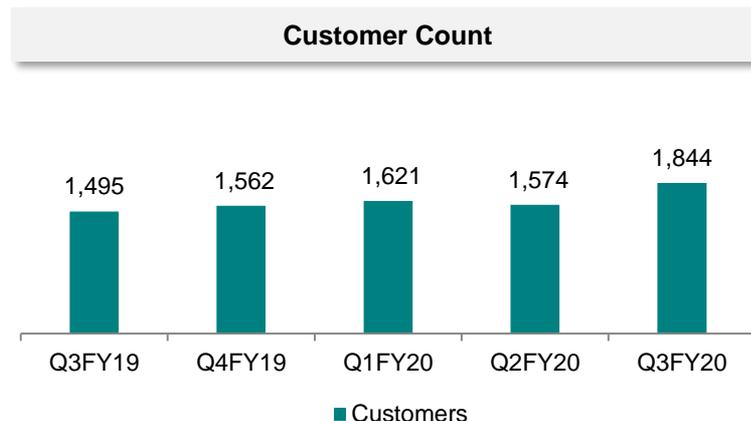
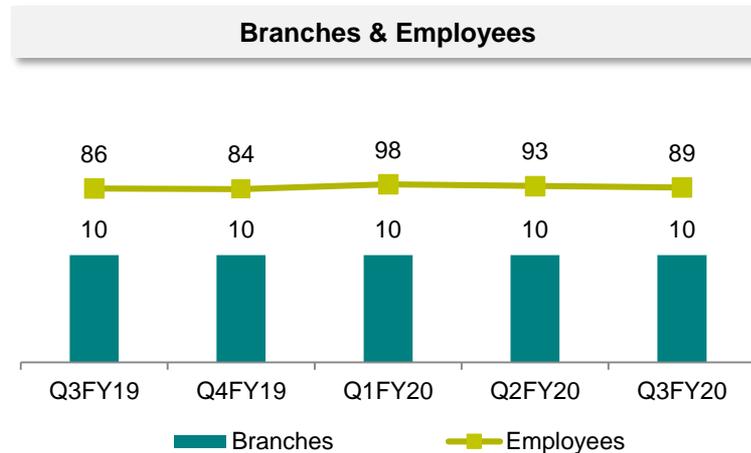
<sup>^</sup> Allocated

# SME Finance : Key ratios (3/3)

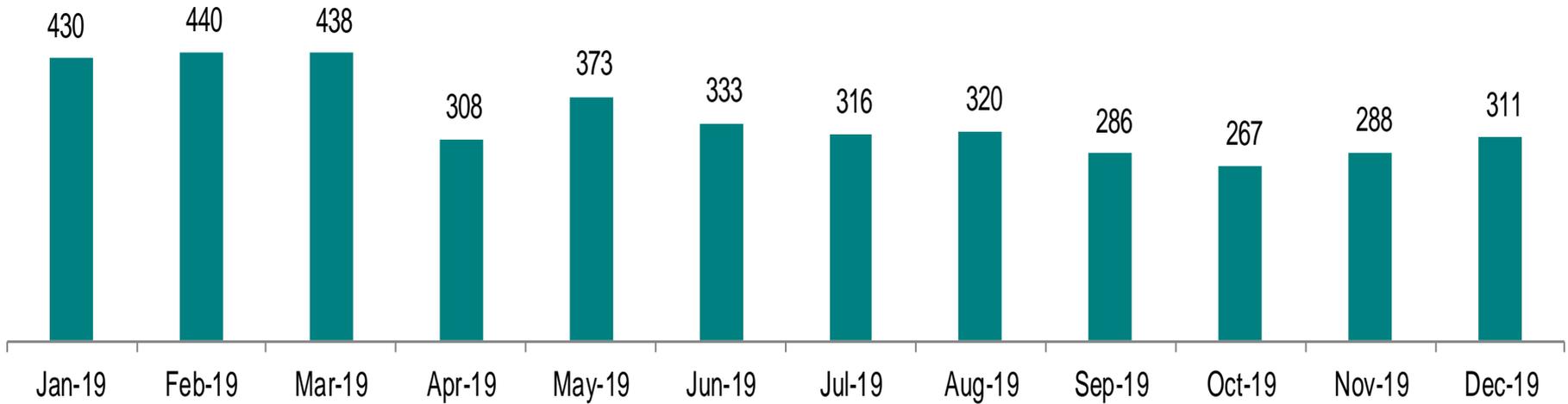
	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2 FY 20	Q3 FY 20
Revenue from Operations *	13.0%	13.3%	13.6%	17.1%	12.9%
<b>Net Interest Income *</b>	<b>6.4%</b>	<b>6.3%</b>	<b>5.7%</b>	<b>9.2%</b>	<b>5.3%</b>
Operating Expenses *	1.3%	1.4%	1.6%	2.0%	2.3%
Cost / Income	20.8%	22.3%	28.4%	21.5%	43.1%
<b>Pre-provision Operating Profit *</b>	<b>5.0%</b>	<b>4.9%</b>	<b>4.1%</b>	<b>7.2%</b>	<b>3.0%</b>
Credit Costs	1.3%	-0.6%	1.4%	2.5%	2.5%
<b>GNPA</b>	<b>3.2%</b>	<b>3.1%</b>	<b>4.0%</b>	<b>3.1%</b>	<b>2.0%</b>
<b>NNPA</b>	<b>2.3%</b>	<b>2.1%</b>	<b>3.3%</b>	<b>2.5%</b>	<b>1.6%</b>
<b>ROAA ^</b>	<b>2.5%</b>	<b>3.3%</b>	<b>1.8%</b>	<b>3.5%</b>	<b>0.5%</b>
Leverage	3.1x	3.5x	3.8x	3.5x	3.1x
<b>ROAE ^</b>	<b>7.6%</b>	<b>11.5%</b>	<b>6.8%</b>	<b>12.1%</b>	<b>1.4%</b>

\* On daily average basis

^ Annualized



Housing Finance – Monthly Disbursement Trend (₹ mn)



✓ Q3FY20 disbursements ₹ 866 mn

## Housing Finance: Profit and Loss (2/3)

Particulars (₹ mn)	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2FY20	Q3FY20
Revenue from Operations	133	189	220	259	245
Interest Expenses	(63)	(84)	(112)	(124)	(121)
<b>Net Interest Income</b>	<b>70</b>	<b>105</b>	<b>108</b>	<b>134</b>	<b>124</b>
People Costs	81	28	55	60	58
Operating Expenses	24	28	24	25	31
<b>Pre-provision Operating Profit</b>	<b>-34</b>	<b>49</b>	<b>28</b>	<b>49</b>	<b>36</b>
Credit Costs	3	4	4	2	6
<b>Profit before Tax</b>	<b>(37)</b>	<b>45</b>	<b>24</b>	<b>47</b>	<b>30</b>
<b>Loan Assets</b>	<b>4,241</b>	<b>5,239</b>	<b>5,903</b>	<b>6,126</b>	<b>6,819</b>
<b>Equity<sup>^</sup></b>	<b>1,351</b>	<b>1,311</b>	<b>1,637</b>	<b>1,835</b>	<b>2,325</b>

<sup>^</sup> Allocated

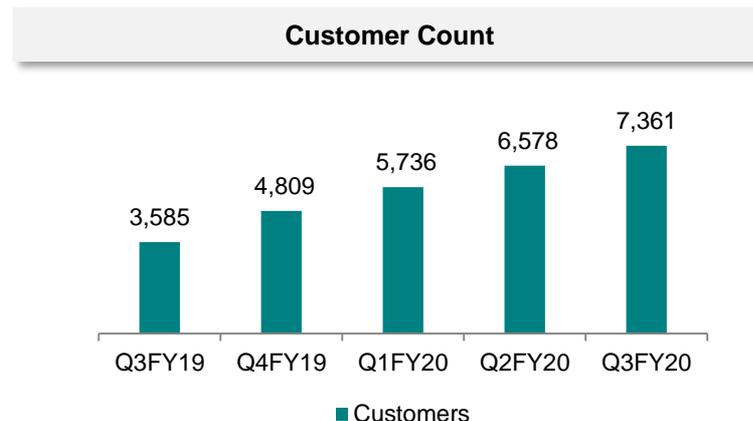
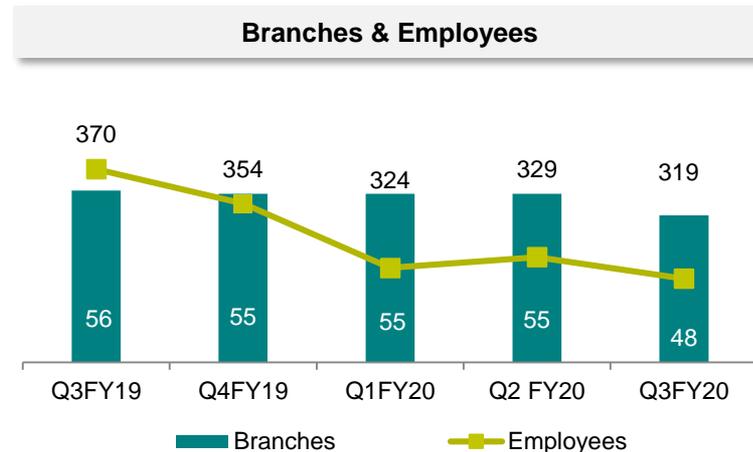
# Housing Finance : Key ratios (3/3)

	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2FY20	Q3FY20
Revenue from Operations *	14.3%	15.8%	15.7%	16.5%	15.3%
<b>Net Interest Income *</b>	<b>7.6%</b>	<b>8.8%</b>	<b>7.7%</b>	<b>8.6%</b>	<b>7.8%</b>
Operating Expenses *	11.3%	4.7%	5.7%	5.4%	5.5%
Cost / Income	148.3%	53.2%	74.1%	63.4%	71.1%
<b>Pre-provision Operating Profit *</b>	<b>-3.7%</b>	<b>4.1%</b>	<b>2.0%</b>	<b>3.1%</b>	<b>2.2%</b>
Credit Costs	0.3%	0.4%	0.3%	0.1%	0.4%
<b>GNPA</b>	<b>0.08%</b>	<b>0.10%</b>	<b>0.31%</b>	<b>0.43%</b>	<b>0.75%</b>
<b>NNPA</b>	<b>0.04%</b>	<b>0.10%</b>	<b>0.27%</b>	<b>0.34%</b>	<b>0.60%</b>
<b>ROAA ^</b>	<b>-4.0%</b>	<b>3.7%</b>	<b>6.9%<sup>#</sup></b>	<b>1.5%</b>	<b>1.7%</b>
Leverage	3.1x	3.6x	3.8x	3.5x	3.1x
<b>ROAE ^</b>	<b>-12.4%</b>	<b>13.3%</b>	<b>26.0%<sup>#</sup></b>	<b>5.3%</b>	<b>5.2%</b>

# ROAA & ROAE – reflects impact of one-off tax credit ₹ 76 mn

\* On daily average basis

^ Annualized



- ✓ Brookfield investment reaffirms confidence in our business model and management
- ✓ On track to achieve a Retail Corporate AUM mix of 75-25 by March-20
- ✓ Near-term economic climate will pressure growth and portfolio quality
- ✓ Proactively reducing Corporate Lending AUM
- ✓ Shoring up provisions and increased collection focus to address impact of macros
- ✓ Strong liquidity and capitalisation will support growth in medium to long term
- ✓ Retail to drive growth and profitability led by CV Finance
- ✓ ROE accretive partnership with ICICI Bank gaining traction

# Entrepreneurial Leadership Team with Strong Sponsor Backing

- ✓ Several years of experience and in-depth understanding of the specific industry and geographic regions
- ✓ Separate business & credit heads for each vertical
- ✓ Strong alignment through large ESOP program (8.5% of diluted shares)



**R. Sridhar**  
Executive VC  
& CEO

- 30+ years of experience in financial services industry
- Previously associated with various entities forming part of the Shriram group
- Previously served as the MD of Shriram Transport Finance Company



**Shailesh Shirali**  
Whole Time  
Director  
Head – Corporate  
Lending and  
Markets

- 20+ years of experience in the financial services sector
- Previously worked at Future Capital Holdings, Rabo Bank, ICICI & Merrill Lynch



**Prashant Joshi**  
Chief Operating  
Officer

- 20+ years of experience across SME, Retail & Corporate banking
- Previously worked with Deutsche Bank, Standard Chartered Bank, IDBI Bank & ICICI



**Pankaj Thapar**  
Director - Strategy

- 30+ years of experience in corporate finance
- Previously worked with Everstone Capital Advisors, Dentsu, Coca-Cola India, ANZ Grindlays Bank, Citibank & ICICI



**Amol Joshi**  
CFO

- 20+ years of leadership experience across all areas of finance in Banks and NBFCs
- Previously worked with Citicorp, Standard Chartered Bank, Amex and L&T Financial Services



**A. Gowthaman**  
Business Head  
Vehicle Finance

- 20+ years of experience in financial institutions
- Previously worked with Cholamandalam Investment & Finance Company, Shriram Transport Finance Company, Shriram Investments and others



**Hansraj Thakur**  
Business Head  
SME Finance

- Several years of experience in SME, commercial banking, and sales and relationship management
- Previously worked at IDFC Bank, Standard Chartered Bank, ICICI Bank and Development Credit Bank



**Shreejit Menon**  
Business Head  
Affordable HF

- Several years of experience with financial Institutions
- Previously worked with Religare Housing Development Finance Corporation, HSBC and Muthoot Housing Finance Company

# Entrepreneurial Leadership Team with Strong Sponsor Backing



**Siva S.**  
**National Credit**  
**Head – Vehicle Finance**

- 24 years of experience with financial Institutions
- Previously worked with Fullerton India, Citigroup, Equitas Small Finance Bank. Also worked in Ashok Leyland Limited



**Uday Narayan**  
**National Credit**  
**Head - SME**

- 20 years of experience with banks & financial Institutions
- Previously worked with Reliance Capital, Bajaj Finance, ICICI Bank, Axis Bank and L & T Finance



**Shripad Desai**  
**National Credit**  
**Head – Housing Finance**

- 21 years of experience with banks & financial Institutions
- Previously worked with IDBI Bank, Reliance Capital, ICICI Bank, Deutsche Bank and others



**Benaifer Palsetia**  
**Chief Human Resources**  
**Officer**

- More than 19 years of experience with banks and financial institutions
- Previously worked with IDFC Bank, Citibank and Credit Suisse



**Pradeep Kumar**  
**Chief Technology**  
**Officer**

- More than 20 years of IT experience with financial Institutions and IT Companies
- Previously worked with PNB Housing Finance Limited, BirlaSoft Limited, WNS, Tata Infotech



**N. Ramesh**  
**Group**  
**Head Operations**

- 31 years of experience with banks & financial Institutions
- Previously worked with GE Countrywide, Cholamandalam Investment & Finance Co. Ltd., Shriram City Union Limited, Equitas Small Finance Bank.



**Natraj P**  
**Chief Risk Officer**

- More than 20 years of experience with banks and financial institutions
- Previously worked with Cholamandalam & Equitas Small Finance Bank

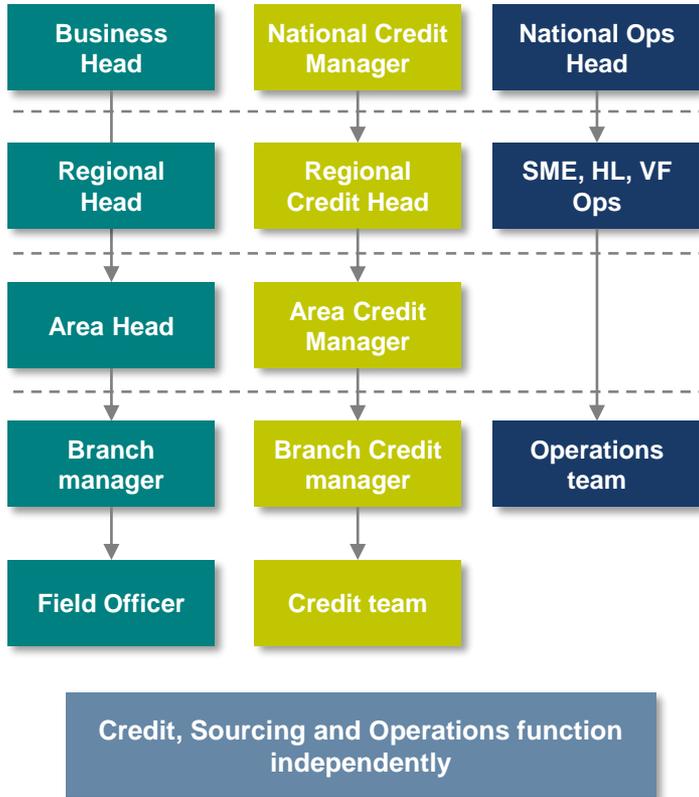
# Strong & Distinguished Board

- ✓ 13 committees composed of independent and non-independent directors and also employees<sup>1</sup>
- ✓ Distinct and delineated responsibilities to ensure good corporate governance
- ✓ Strong capital sponsorship also providing access to best industry practices and international corporate governance standards

Name	Designation	Description
 <b>Dhanpal Jhaveri</b>	Chairman & Non-Executive Director	<ul style="list-style-type: none"> <li>Director since 2010; Partner at Everstone Capital</li> <li>Experience in investing, corporate strategy, mergers and acquisitions and investment banking</li> <li>Previously worked with Vedanta Group, ICICI Securities, KPMG India</li> </ul>
 <b>R.Sridhar</b>	Executive Vice Chairman & CEO	<ul style="list-style-type: none"> <li>30+ years of experience in financial services industry</li> <li>Previously associated with various entities forming part of the Shriram group</li> </ul>
 <b>Shailesh Shirali</b>	Whole time Director	<ul style="list-style-type: none"> <li>20+ years of experience in financial services industry</li> <li>Previously worked at Future Capital Holdings, Rabo Bank, ICICI Bank and Merrill Lynch</li> </ul>
 <b>Alok Oberoi</b>	Non-Executive Director	<ul style="list-style-type: none"> <li>Director since 2011</li> <li>Experience in Investment and structuring international joint ventures and transactions</li> <li>Founder of ACPI investments, previously worked with Goldman Sachs</li> </ul>
 <b>Hemant Kaul</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>Several years of experience in the fields of banking and insurance</li> <li>Previously worked with Axis Bank and Bajaj Allianz General Insurance</li> </ul>
 <b>Dinesh Kumar Mehrotra</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>30+ years experience in insurance</li> <li>Previously served as the Chairman of Life Insurance Corporation of India</li> </ul>
 <b>Bobby Parikh</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>Director since 2011</li> <li>Several years of experience in finance</li> </ul>
 <b>Naina Krishna Murthy</b>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>17+ years of experience in the field of law</li> <li>Founder of India law firm K Law</li> </ul>

1. 13 committees include Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Asset Liability Management Committee, Risk Management Committee, Credit Committee, Management Committee, Corporate Lending Committee, Retail Lending Committee, Banking Committee and Debenture Committee

## Organizational Framework Aligned to Mitigate Risk



## Strong Credit / Underwriting Processes Followed by Robust Monitoring Mechanism

1

### Structured Credit Appraisal / Approvals

- Corporate: Pre-screened by corporate lending committee, prior to credit committee approval
- Retail / SME lending: Internal credit policy based loan approvals
- Loan Proposals sanctioned, disbursed and monitored through customized technology platform (i.e. **Omnifin for SME & Housing Finance and UNO for Vehicle Finance**)

2

### Monitoring mechanism

- Close monitoring mechanism ensures timely compliance of sanctioned terms
- Regular portfolio review allows timely corrective action

3

### Risk Management Policies

- Policies for KYC, AML, Investment & Loans, Underwriting risk guidelines, etc.
- Robust Collateral management

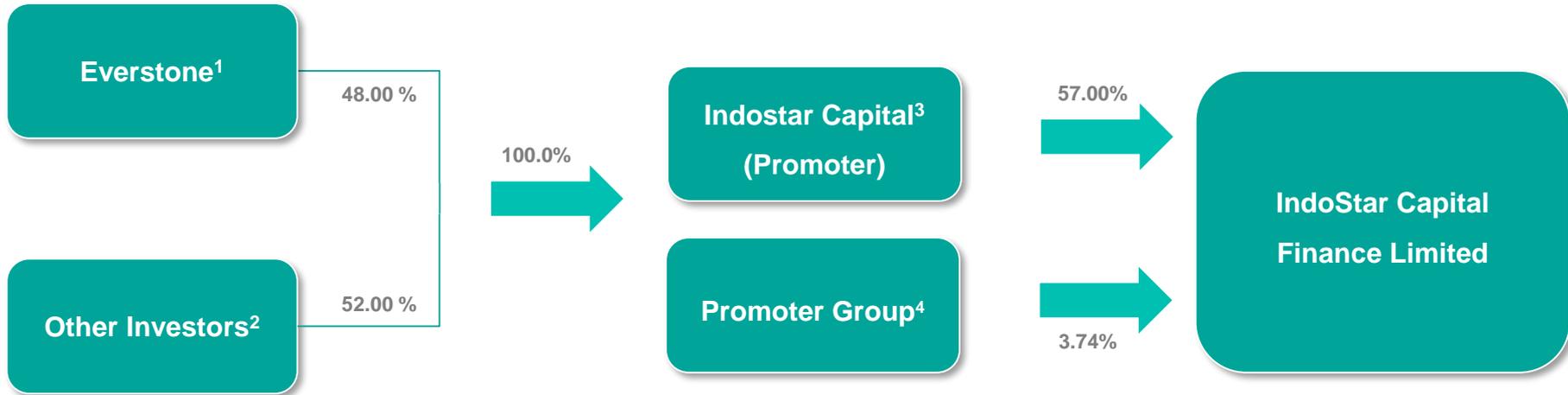
4

### Internal Controls and Processes

- Standard operating processes
- Regular internal audit - KPMG
- E&Y as statutory auditor
- Concurrent audit

## Discussion Summary

- ❖ Brookfield investment in IndoStar Capital
- ❖ Quarterly Results
- ❖ **Shareholding Structure**



## Strong capital sponsorship of Everstone Group



India and SEA  
focused

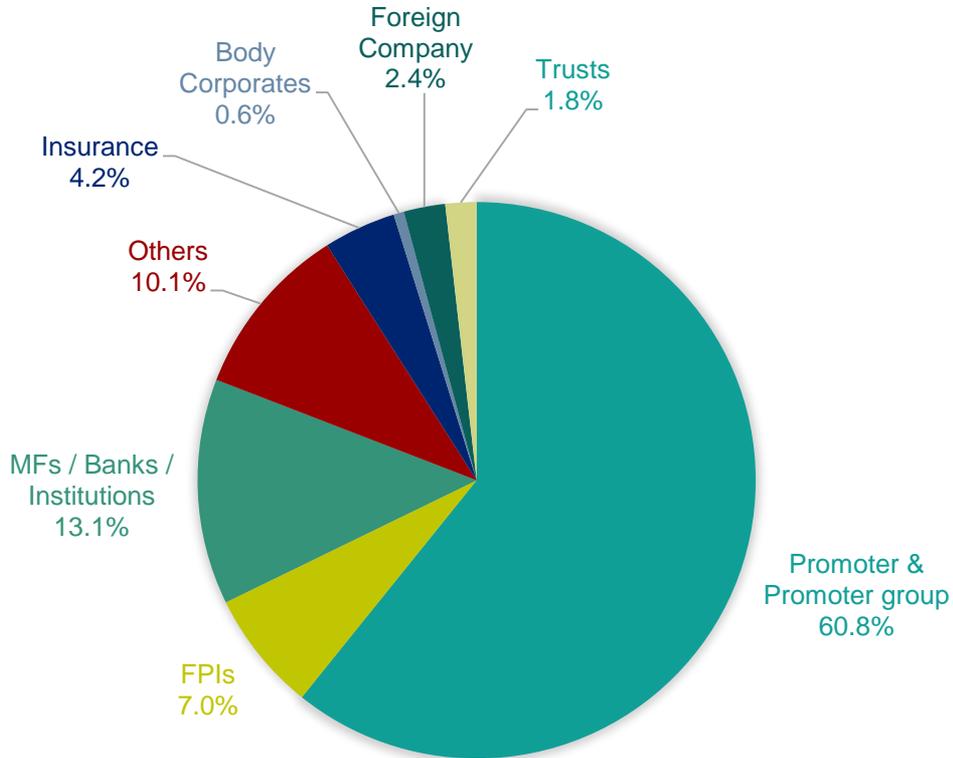
**US\$5.0bn**  
AuM



**'Private Equity Firm of the Year in India'**  
for 7 consecutive years <sup>5</sup>

1. Includes Indostar Everstone (36.24%) and Everstar Holdings Pte. Ltd. (11.76%). 2. Includes ACP Libra Limited (16.95%), Beacon India Private Equity Fund (11.92%), Beacon Light Group Limited (3.92%), Global Long Short Partners Mauritius I Limited (9.12%), Private Opportunities (Mauritius) I Limited (6.08%) and CDIB Capital Investment II Limited (4.00%). 3. Incorporated in Mauritius. 4. include Everstone Capital Partners II LLC (1.23%) and ECP III FVCI Pte Ltd. (2.51%) 5. Recognized as 'Private Equity Firm of the Year in India' by Private Equity International for seven consecutive years from 2011 to 2017.

## Shareholding @ 31 December 2019



### Major Shareholders

Promoter & Promoter Group
Management Team and Employees*
SBI MF
Lenarco (Advent)
ICICI Prudential Life Insurance
Fidelity Emerging Markets Fund
HDFC MF
SBI Amundi Funds
Edelweiss Alternative Investments
Jupiter
ICICI Lombard General Insurance
HDFC Standard Life Insurance
Aditya Birla MF
Sundaram MF
East Bridge Capital

# For Further Queries



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**Rajagopal Ramanathan**  
**IRO**  
Contact No: +91 22 4315 7068  
Email - [rramanathan@indostarcapital.com](mailto:rramanathan@indostarcapital.com)