



Investor Presentation

January 2020



pnb Housing
SUNBELT CAPITAL LIMITED

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HOME LOAN | NON HOME LOANS | FIXED DEPOSIT

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Owning a home isn't just a byproduct of wealth, it's what gives us and our families, stability...
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A home purchase is probably the biggest financial decision and transaction in a person's financial life...
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- ◆ **How to choose a home loan lender**
Buying a dream home isn't something you do every day. The same goes for your home loan...
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- ◆ **A fine balance between EMI amount and Home Loan Tenure**
A home loan helps you realize your dream of having your own home. A home loan comes...
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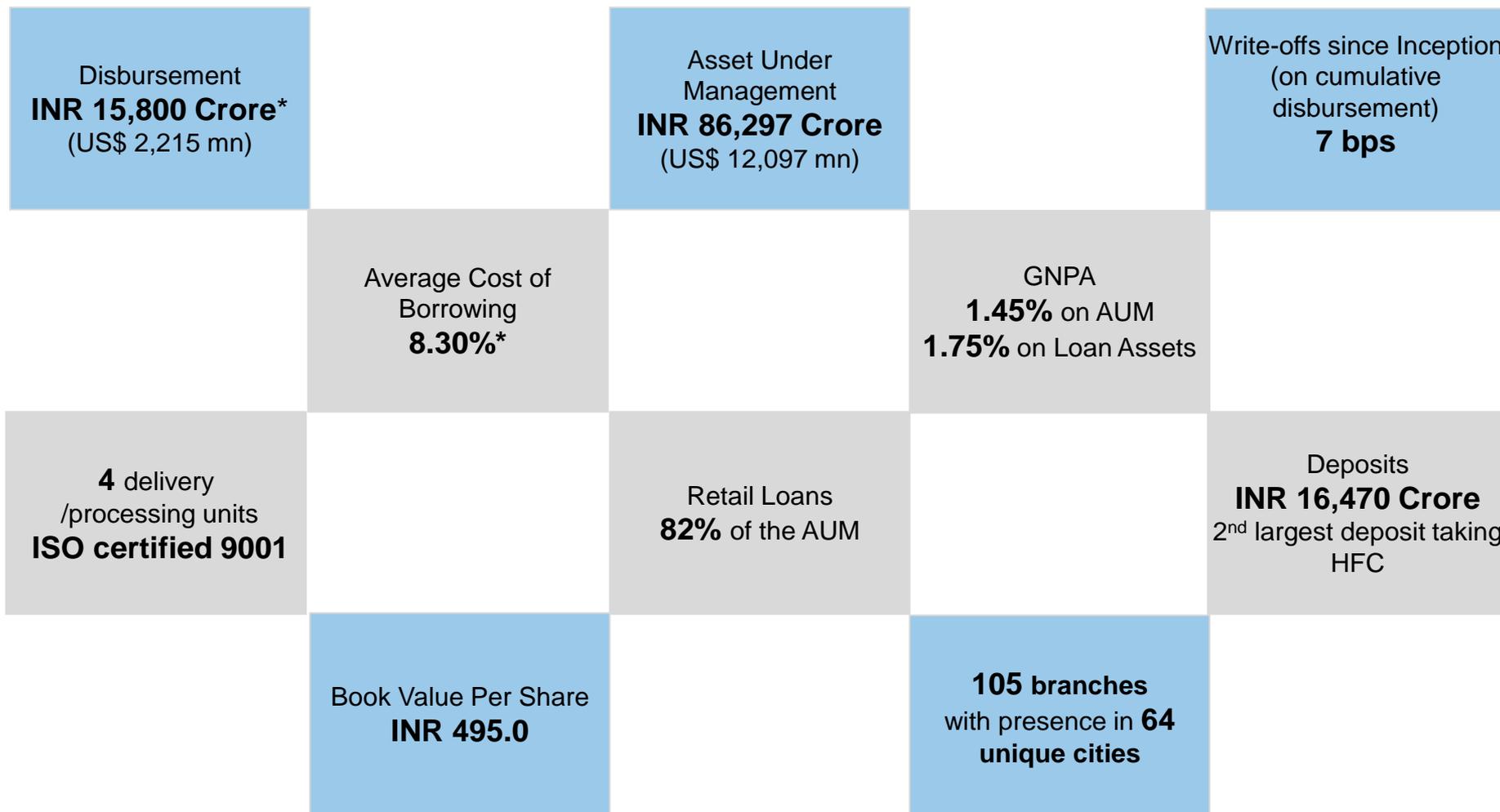
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About PNB Housing Finance



Leading Housing Finance Company...



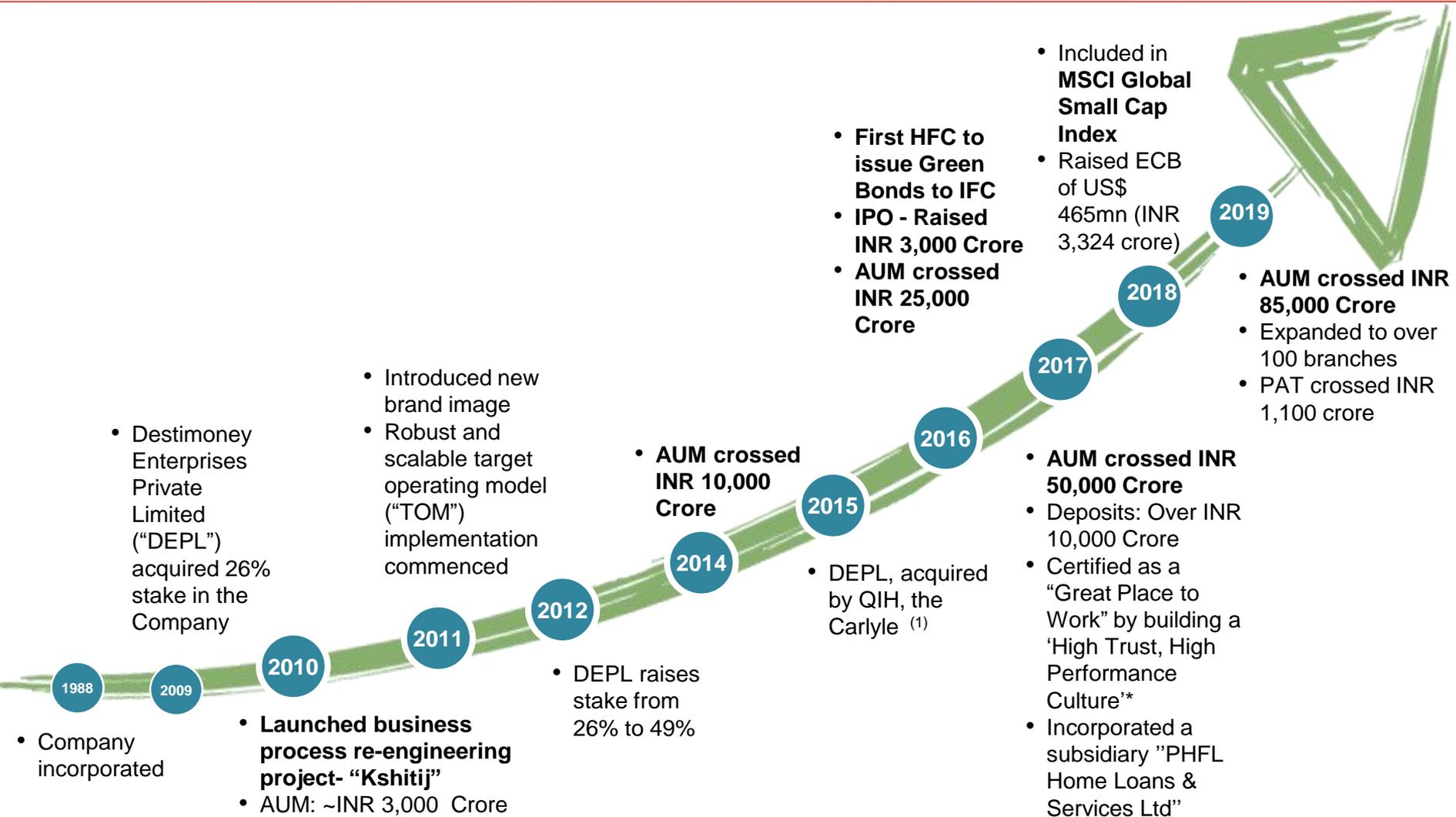
All US\$ numbers in the presentation are converted at 1US\$ = INR 71.34

1 Crore= 10 mn

Data as on 31-Dec-19

*Data for 9MFY20

...incorporated in 1988



1 QIH (Quality Investment Holdings) is an affiliate of Carlyle Asia Partners IV, L.P.

2 *Source: Great Place to Work Institute (GPTW)



HFC Sector well placed...



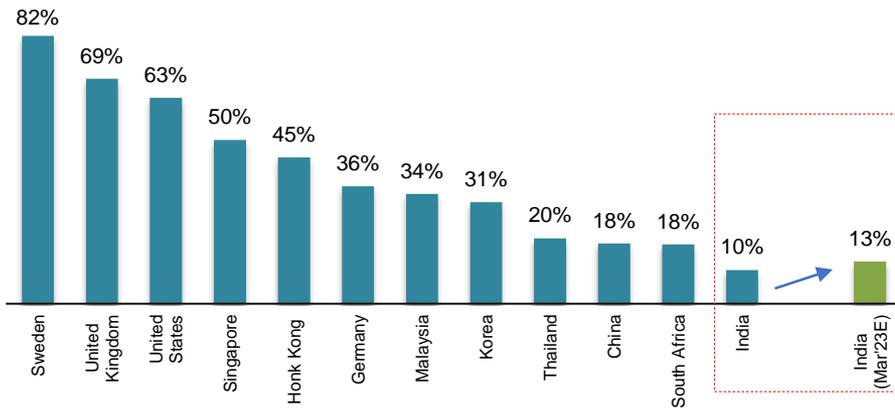
India's Mortgage Market



Under penetrated mortgage market, rising urbanization coupled with increase in housing demand is leading to mortgage market expansion

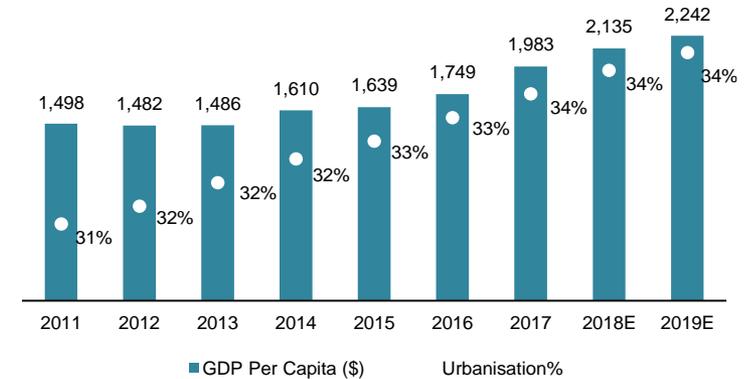
Indian mortgage market is significantly under-penetrated

Mortgage to GDP Ratio (%)



Source: ICRA (a division of Moody's) Reports

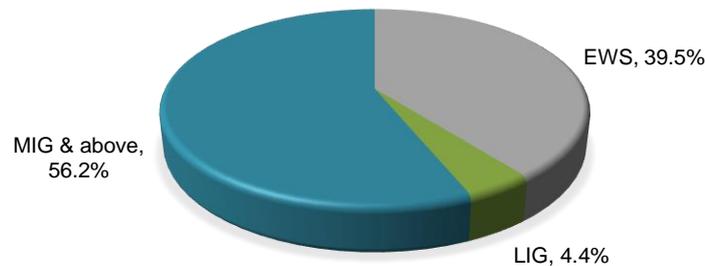
Trend in urbanization of population



Source: United Nations Department of Economic and Social affairs, IMF

Significant urban housing shortage

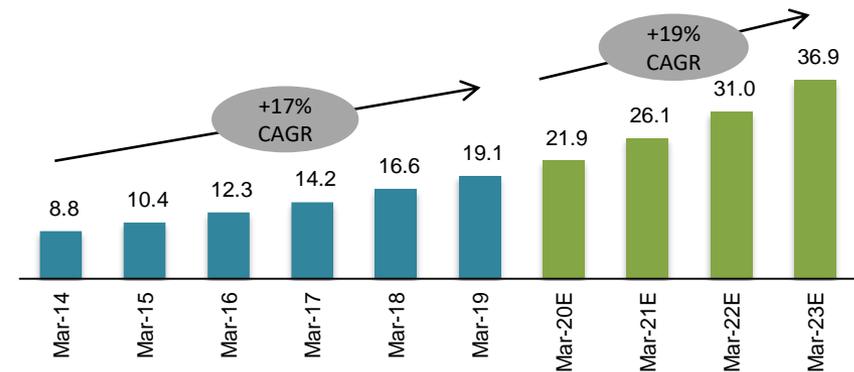
Split of Urban Housing Shortage in FY2012 – 18.8 mn units



Source: Ministry of Housing and Urban Poverty Alleviation

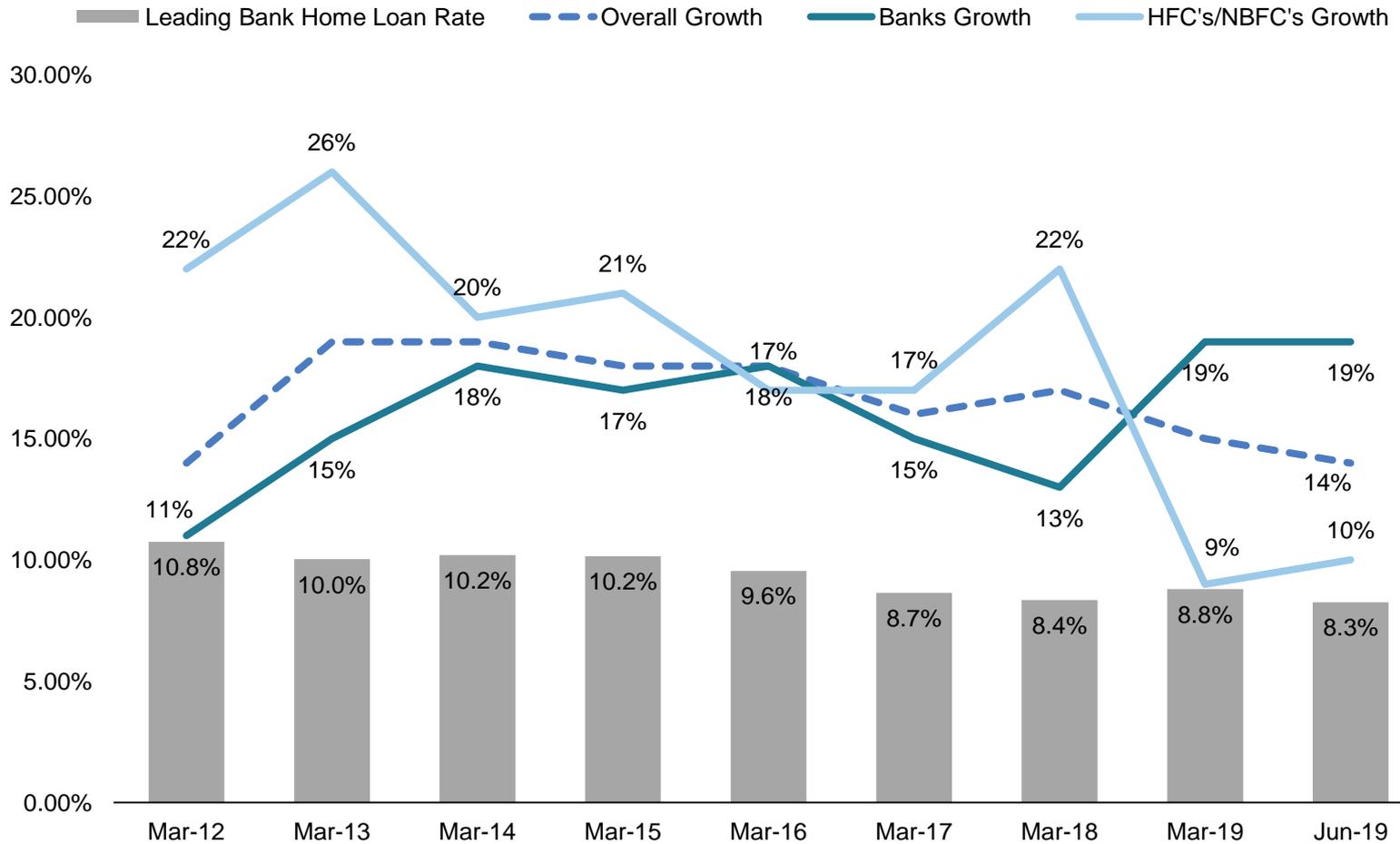
Ramp-up expected in Indian mortgage market

Loan Assets (INR trillion)



Source: ICRA, Moody's Indian subsidiary, Reports

Mortgage Sector Growth: Limited Interest Rate Sensitivity



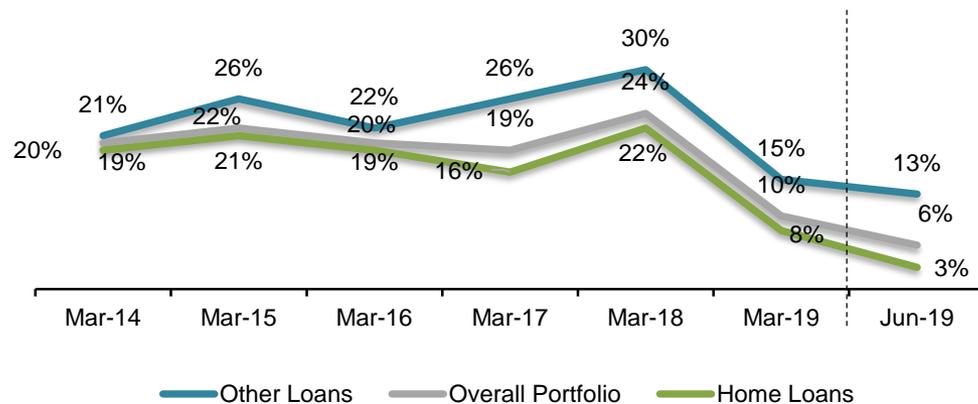
Lower Credit Growth despite easing interest rate cycle and abundant liquidity

Source: ICRA reports

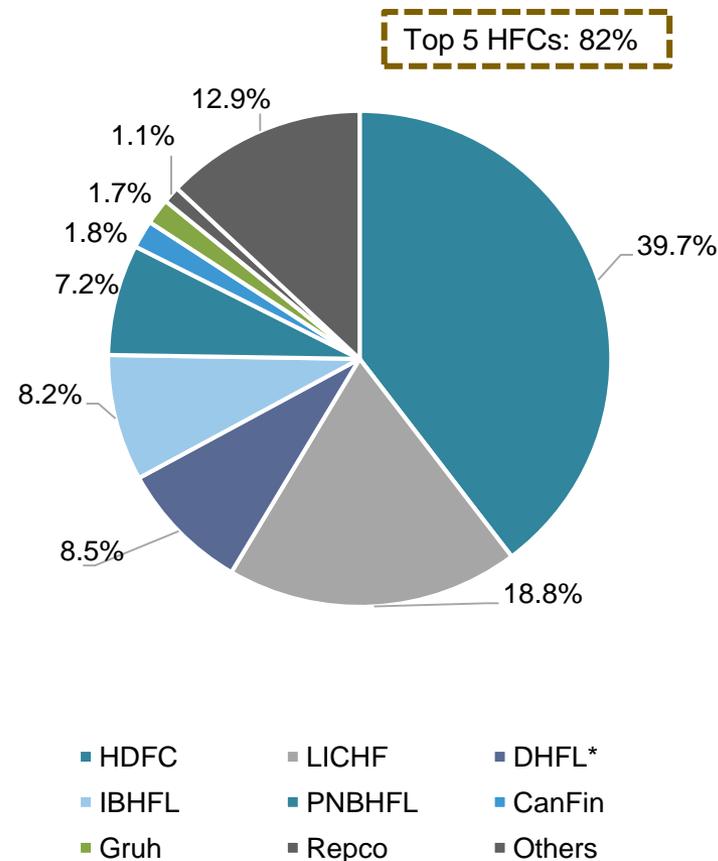
Sustainable Growth of HFCs



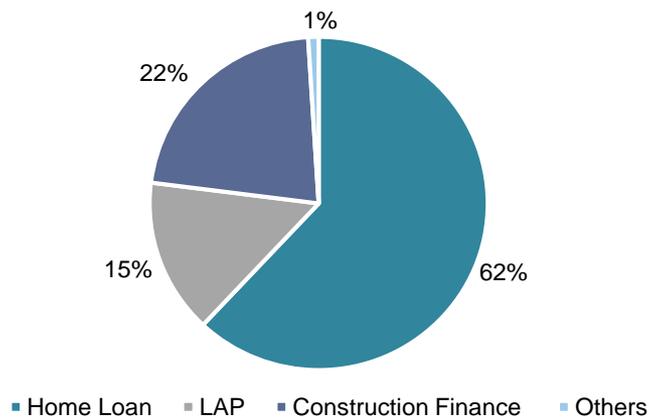
Portfolio Growth of HFCs



Total Loan of all HFCs: INR 10.5 trillion as on Jun-19



Portfolio Composition of all HFCs as on Jun-19



Source: ICRA Indian Mortgage Finance Market Update for June 2019
 % Change is YoY
 * As on March 2019



Government Initiatives



Growth Drivers



Urbanization



Improved Affordability



Changing Demographics

Home Buyers

- GST rate cut from 12% to 5% on under-construction property
- RERA enhances transparency and delivery visibility to buyers
- Incentives from PMAY subsidy and tax deductions
- 90% of government run pension fund EPFO can be withdrawn for house purchase

Developers

- RERA results in higher developers accountability
- 100% tax exemption on affordable housing construction for developers
- Faster building permissions

Financers

- Infrastructure status for affordable housing, enabling easier institutional credit
- RBI, SEBI and IRDA have coordinated policies to ease access to funding
- Reduction in risk weights
- NHB Regulation wrt Deposit to NoF, CRAR and Gearing
- More effective recovery law (SARFAESI)



Changes / Inclusion in the scheme effective 1-Jan-17

- Existing scheme renamed as PMAY-CLSS for EWS/LIG
- Maximum tenure changed from 15 to 20 years
- Scheme extended to Middle Income (MIG) available upto March 2020

| Category | EWS | LIG | MIG I | MIG II |
|--|---------|---------|---------|---------|
| Household Income (INR Lakhs per annum) | 3 | 6 | 12 | 18 |
| Loan Amount eligible for subsidy (INR Lakhs) | 6 | 6 | 9 | 12 |
| Interest Subsidy | 6.5% | 6.5% | 4% | 3% |
| Loan Tenure (Years) | 20 | 20 | 20 | 20 |
| Carpet Area (Sq. Mtr.) | 30* | 60* | 160 | 200 |
| NPV Discount Rate (%) | 9% | 9% | 9% | 9% |
| Maximum Interest Subsidy Amount (INR) | 267,280 | 267,280 | 235,068 | 230,156 |

Effective Interest Rate of ~2.63% post PMAY and Tax Benefit

* Applicable on Construction, Improvement, Extension

Source: ICRA, Report

Sector Initiatives by Government



Additional liquidity support of INR 10,000 Crore totalling to INR 30,000 Crore to NHB for further lending to HFCs



Relaxation in the minimum holding period to six months for securitisation



On-lending of housing loans upto INR 20 lakhs qualifies under PSL



Enhancement of bank's exposure limit to 20% of the Tier-I capital as against 15% for single NBFC



Relaxation in ECB end use to PMAY along with affordable segment



Reduction in Corporate tax rate by 10% from 34.9% to 25.17%



AIF of INR 25,000 Crore for real estate sector

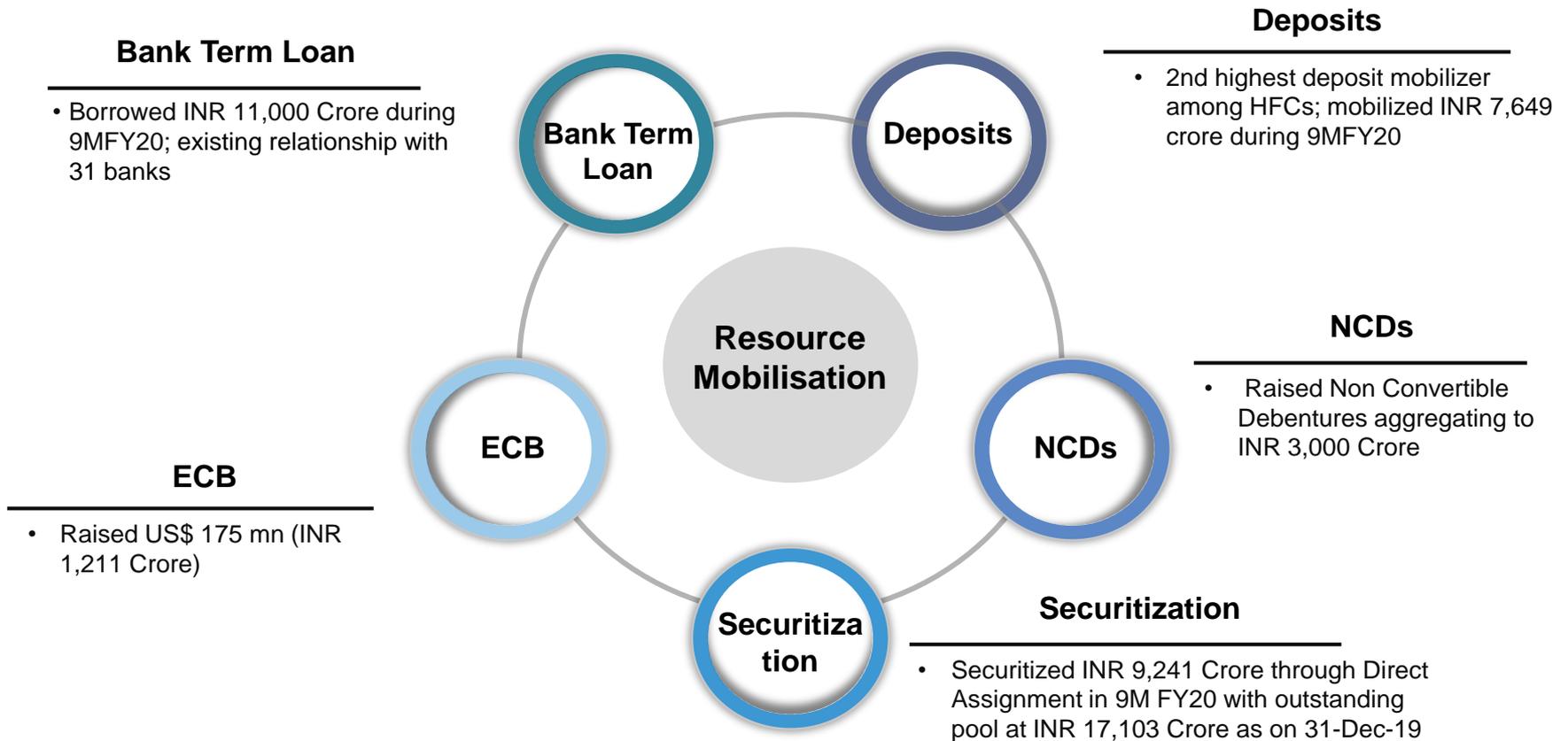
All these measures will boost liquidity in the HFC sector



Liquidity Position



Long Term Resource Mobilisation



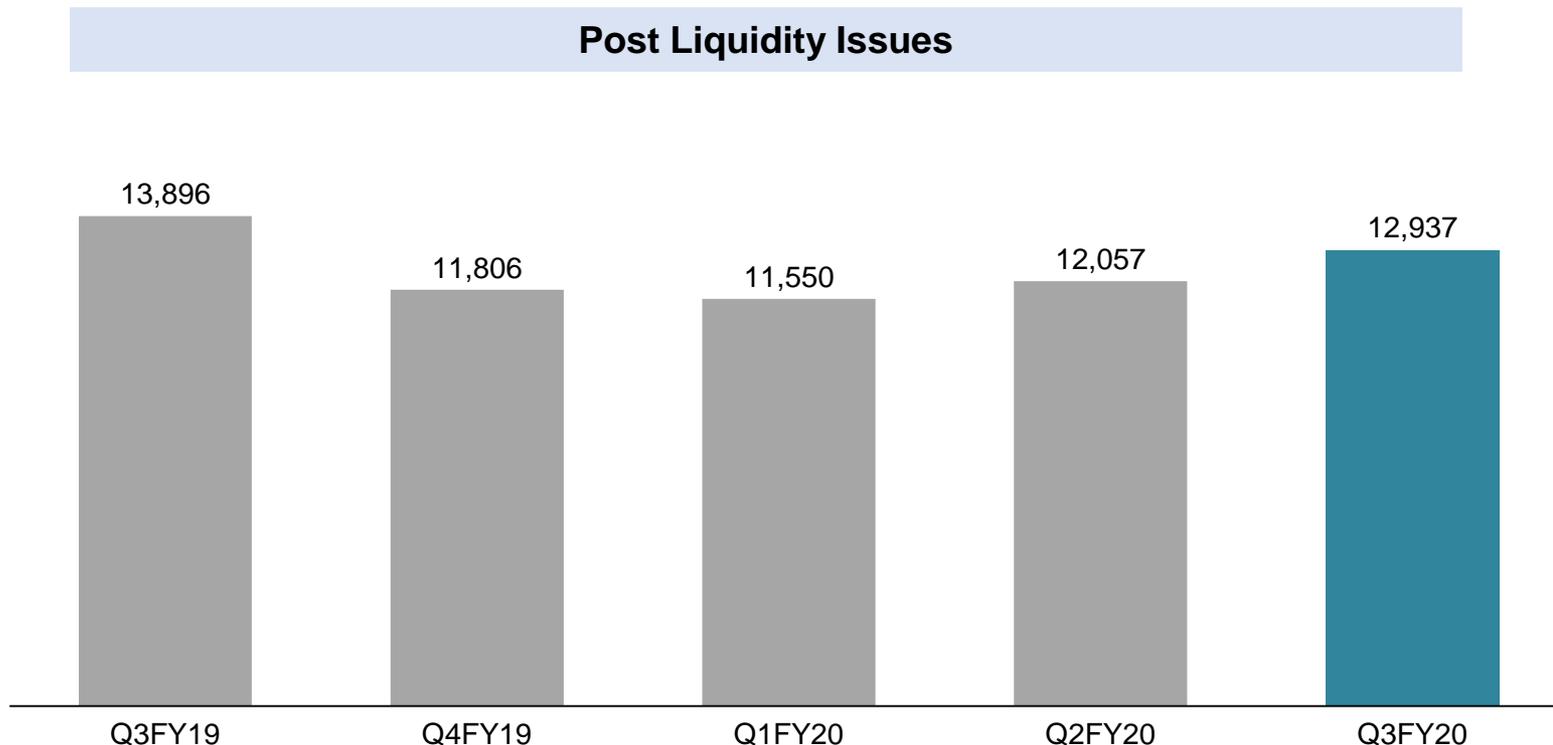
Incremental resource mobilization of INR 33,320 crore in 9M FY20

Maintained enough Cash & Liquid Investments of INR 9,258 Crore as on 31-Dec-19 with reduced exposure to Commercial Papers

Incremental Resource Mobilization



(INR Crore)



- Mobilized over INR 60,000 Crore in last 5 quarters
- Focus on Long term borrowing with Commercial Paper exposure reduced to 3% as on 31-Dec-19 from 12% as on 31-Dec-18

Multiple fund raising avenues led to Consistent resource mobilization Quarter on Quarter

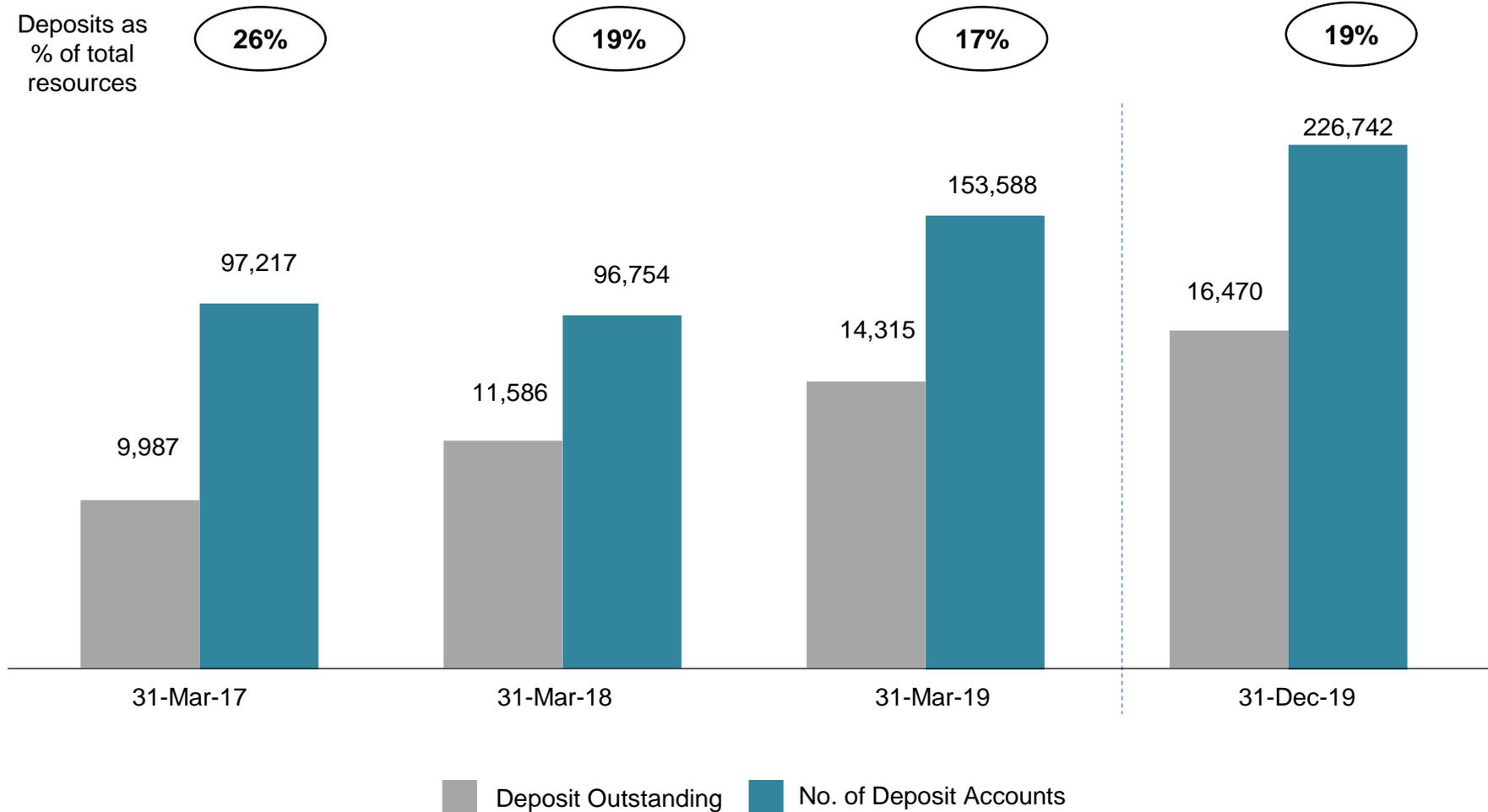
Includes quarter end Overdraft facility

Deposits



(INR Crore)

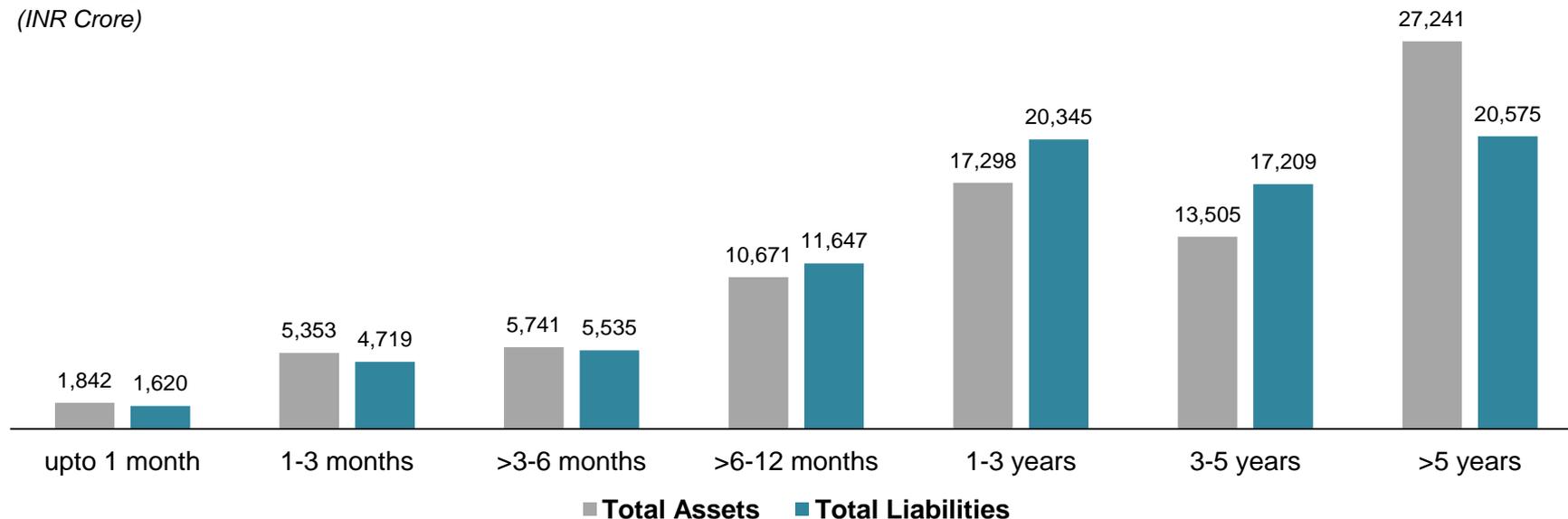
Deposits as
% of total
resources



Asset Liability Maturity profile



Graph as on 31-Dec-19
(INR Crore)



| Particulars | As On | upto 1 month | 1-3 months | >3-6 months | >6-12 months | 1-3 years | 3-5 years | >5 years |
|-----------------------------|-----------|--------------|------------|-------------|--------------|-----------|-----------|----------|
| Cumulative Inflow/(Outflow) | 31-Dec-19 | 221 | 856 | 1,062 | 85 | (2,962) | (6,666) | 0 |
| Cumulative Inflow/(Outflow) | 31-Mar-19 | 37 | 47 | (937) | (1,959) | (5,723) | (9,989) | 0 |

Significant reduction in short term ALM gaps through long term borrowings

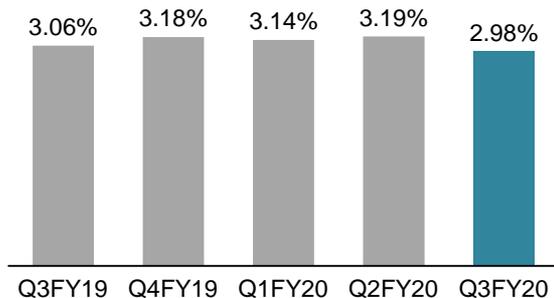


Financial Performance of the Company

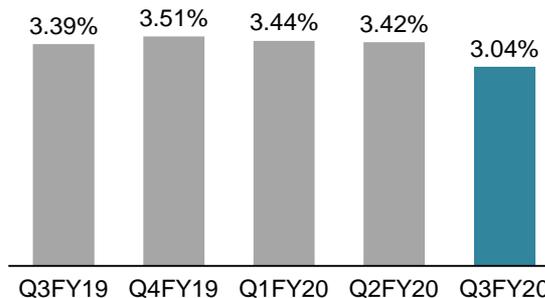
Stable Performance QoQ



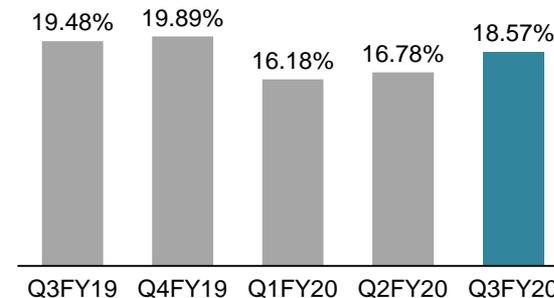
Stable NIM...



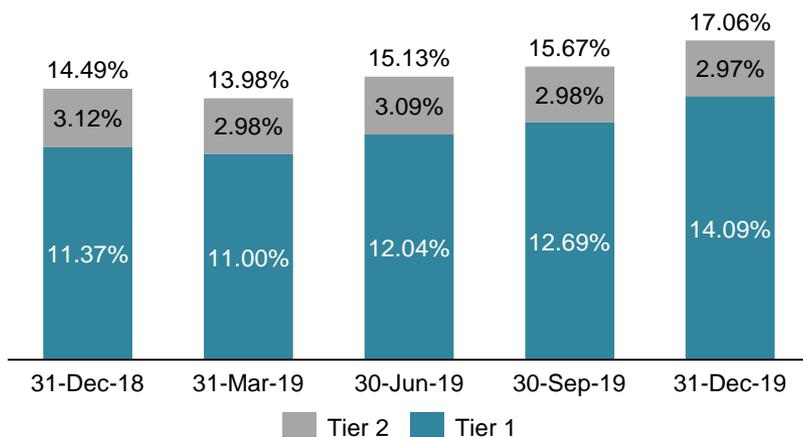
..and Gross Margin...



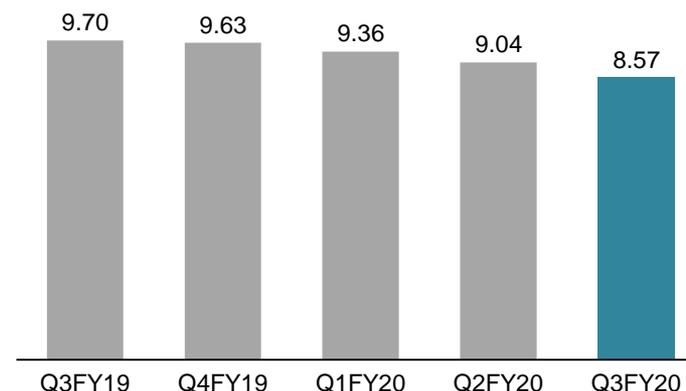
..supported by improving Cost To Income...



..with better Capital to Risk Asset Ratio#...



..and Average Gearing



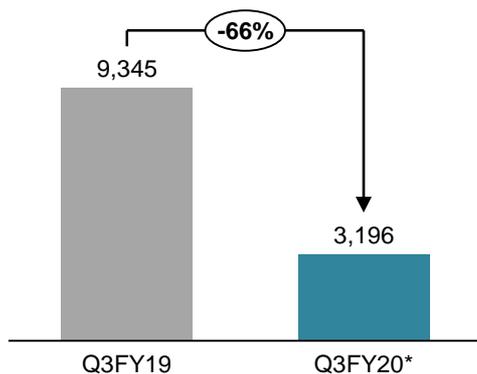
Gearing as on 31-Dec-19 is 8.48x

#CRAR based on I-GAAP Numbers

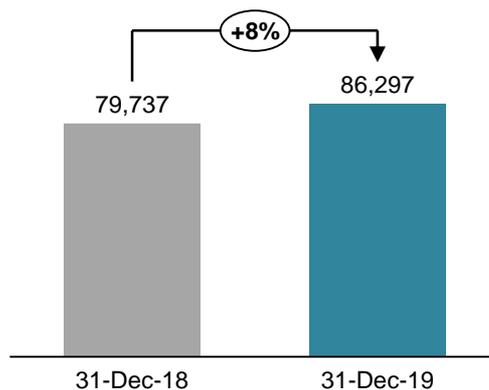
Highlights – Q3FY20 vs Q3FY19



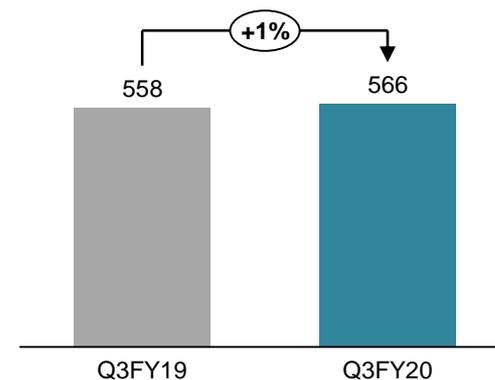
Disbursement (INR Crore)



AUM (INR Crore)

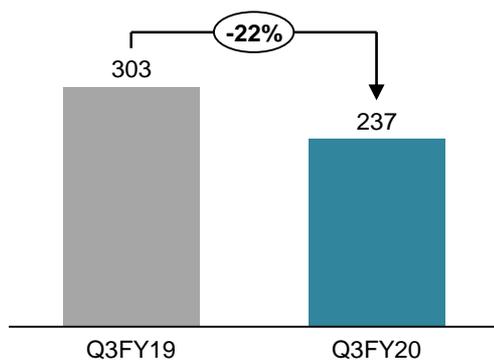


NII (INR Crore)

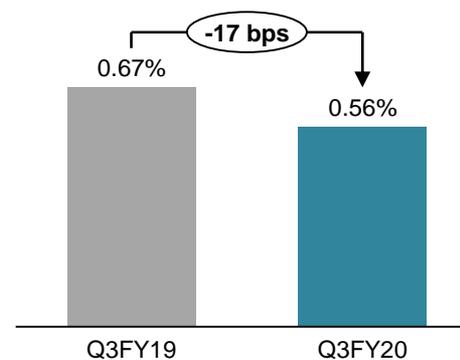


*Retail and Corporate disbursement degrew by 26% (YoY) and 84% (YoY) respectively

PAT (INR Crore)



Opex to ATA



Ratios are calculated on Monthly Average

Opex to ATA is calculated as Operating Expenditure(Employee Cost + Other Expenses + Depreciation - Acquisition Cost - ESOP cost - CSR cost)/Average Total Assets as per Balance sheet

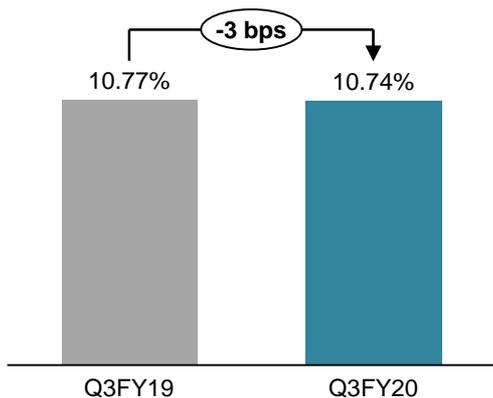
P&L numbers are as per Ind AS

1 Crore = 10 mn

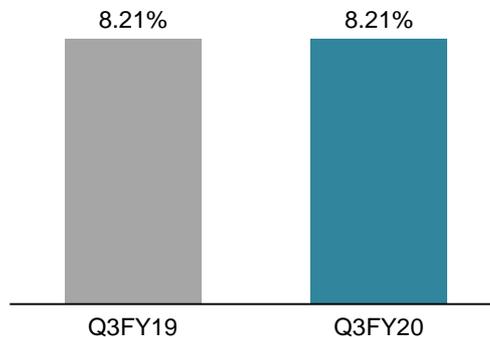
Highlights – Q3FY20 vs Q3FY19



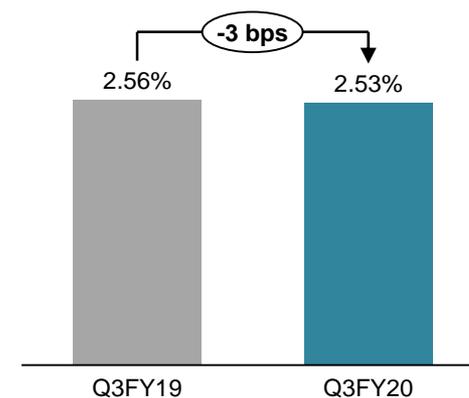
Average Yield



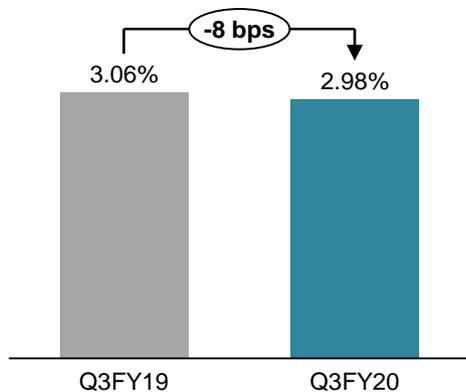
Average Cost of Borrowing



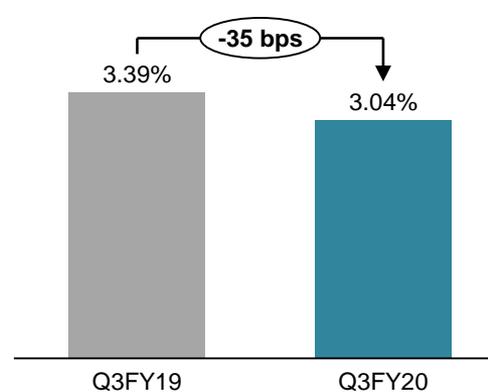
Spread



NIM



Gross Margin



Ratios are calculated on Monthly Average
Gross Margin is net of acquisition cost
For the calculation of ratios P&L numbers are considered as per Ind AS

Expected Credit Loss (ECL) Provisions



Classification of the Assets based on the ECL computation under Ind AS:

| Particulars (INR Crore) | 31-Dec-19 | 30-Sep-19 | 31-Dec-18 |
|--|---------------|---------------|---------------|
| Gross Stage 3 (GNPA) | 1,212.76 | 624.06 | 335.36 |
| % portfolio in Stage 3 (GNPA%) | 1.75% | 0.84% | 0.47% |
| ECL Provision Stage 3* | 344.83 | 138.93 | 76.19 |
| Net Stage 3 | 867.93 | 485.13 | 259.17 |
| Coverage Ratio % Stage 3 | 28.43% | 22.26% | 22.72% |
| Gross Stage 1 & 2 | 67,980.97 | 73,728.84 | 70,381.89 |
| % portfolio in stage 1 & 2 | 98.25% | 99.16% | 99.53% |
| ECL Provision Stage 1 & 2 | 540.04 | 586.21 | 359.44 |
| Net Stage 1 & 2 | 67,440.93 | 73,142.63 | 70,022.45 |
| ECL Provision % Stage 1 & 2 | 0.79% | 0.80% | 0.51% |
| Total Assets | 69,193.73 | 74,352.90 | 70,717.25 |
| % portfolio | 100.00% | 100.00% | 100.00% |
| ECL Provision | 884.87 | 725.14 | 435.63 |
| Net Stage | 68,308.86 | 73,627.75 | 70,281.62 |
| Total ECL Provision % | 1.28% | 0.98% | 0.62% |
| Steady State Provision | 168.54 | 168.54 | 156.54 |
| Total Provision (including Steady state Provision) | 1,052.87 | 893.68 | 592.17 |
| Total Provision (including Steady state) / Total Assets (%) | 1.52% | 1.20% | 0.84% |
| Provision Coverage Ratio (%) | 87% | 143% | 177% |

*For ECL computation, interest overdue upto reporting date is considered.

1 Crore = 10 mn



Expansion Led Growth and Unique Operating Model

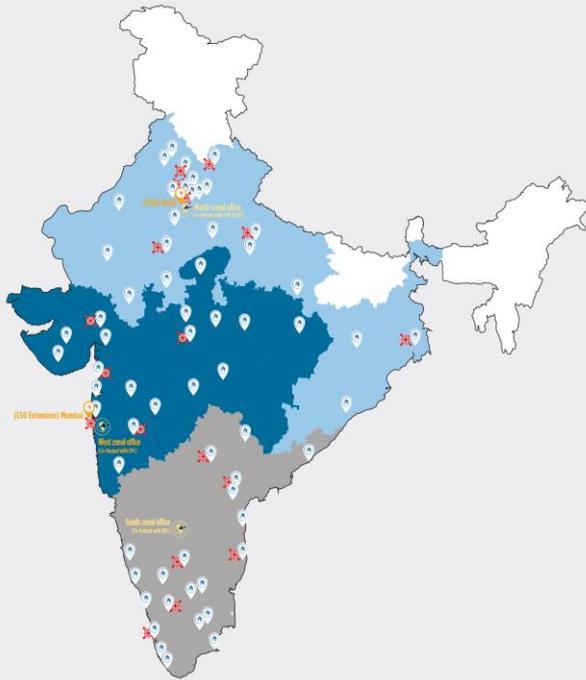
Business Operations



Branches – Point of Sales & Services

Hubs – Fountain head for Decision Making

OUR OFFICE NETWORK

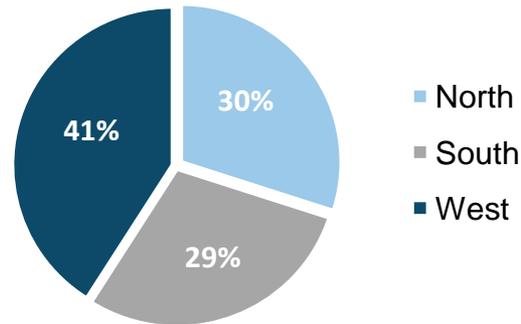


Central Support Office

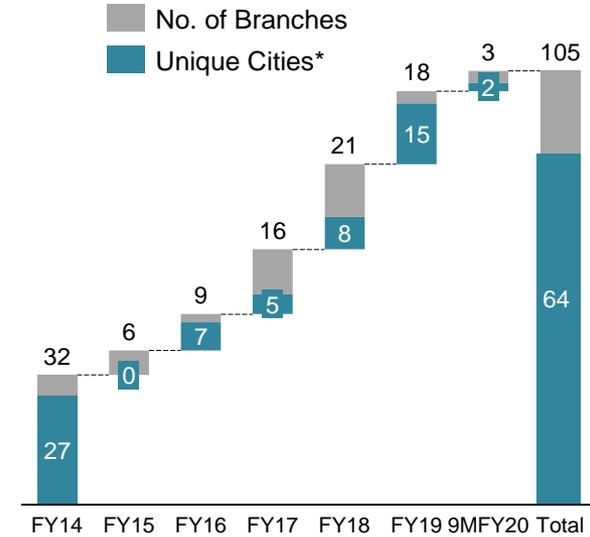
| Geography | Hub | Branches |
|-----------|-----|----------|
| North | 8 | 33 |
| South | 8 | 35 |
| West | 7 | 37 |

New Branches (opened in FY18, FY19 & 9MFY20) contribute ~23% of Retail Disbursement

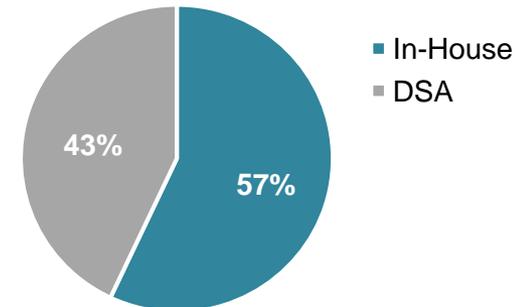
AUM - Geographical Distribution



No. of Branches



Disbursement Origination (9MFY20)



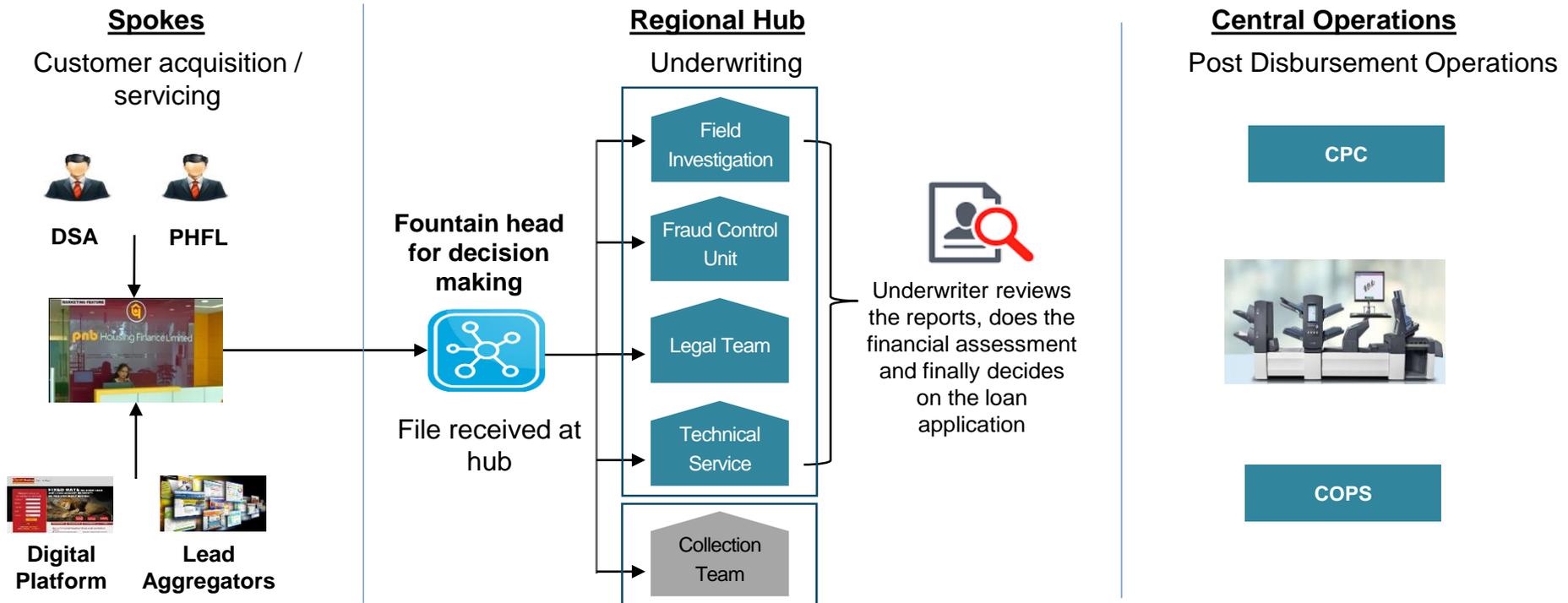
Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

*Unique cities are part of Branches

Consistency in Underwriting with advent of Technology



Scalable Hub and Spoke Model



DSA: Direct Sales Agent; DST: Direct Sales Team

Omni Channel CRM solution which integrates various modes of communication with the customers for better experience and faster resolution

Banking analytics tool to give indepth, easy & faster analysis for self employed retail customers
Fraud control to mitigate fraud incidence
Real time email verification to avoid mis identity of borrowers
Underwriting vendor platform to assist partners “on the go” through various tools viz geo tagging, click to upload etc

Digitisation; amalgamation of people, process and technology for customer convenience & eliminating transit risk
 Robotic intelligent mailing solution to ensure standard, confidential and accurate communication

Robust Risk Buying Processes



Underwriting to Collections



Specialization

- **Professionally qualified** with vast mortgage experience
- **Stable and vintage** cadre of senior personnel
- Specialized roles, **distinguished responsibilities** but collective decision making
- **Predictable** service standards



Customer profiling

- Selective approach to customer profiling
- **Evidence based** income assessment and established banking relationship
- Seasoned mass affluent customers with multiple assets and credit tested
- **Mandatory touch base** with self employed customer at their work premises



Other mitigating measures

- Mark to Market policies with **tailor made offering**
- **Multiple checks and balances** with maker-checker approach
- Workflow based assessment on **single IT platform**
- Use of technology in verification of customer data points and **geo tagging of properties**



3C Approach

- 3C approach: Counsel, Collect and Cure
- Periodical portfolio scrub for **early warning signals**
- Efficiencies through **centralised banking**
- In house contact center
- Special cadre for resolution through legal tools
- **Collections on-the-go** through mobility for effective supervision

An independent internal audit function for all departments and processes, directly reporting to Audit Committee of Board

Multi pronged control mechanism coupled with regular portfolio review

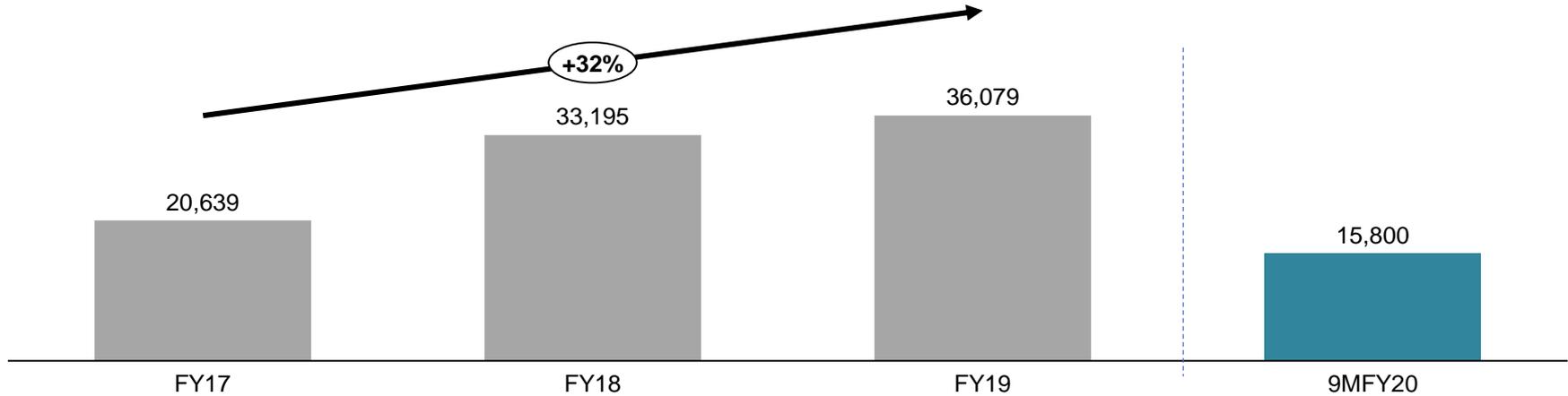
Enterprise Risk Management framework

Strong Business growth

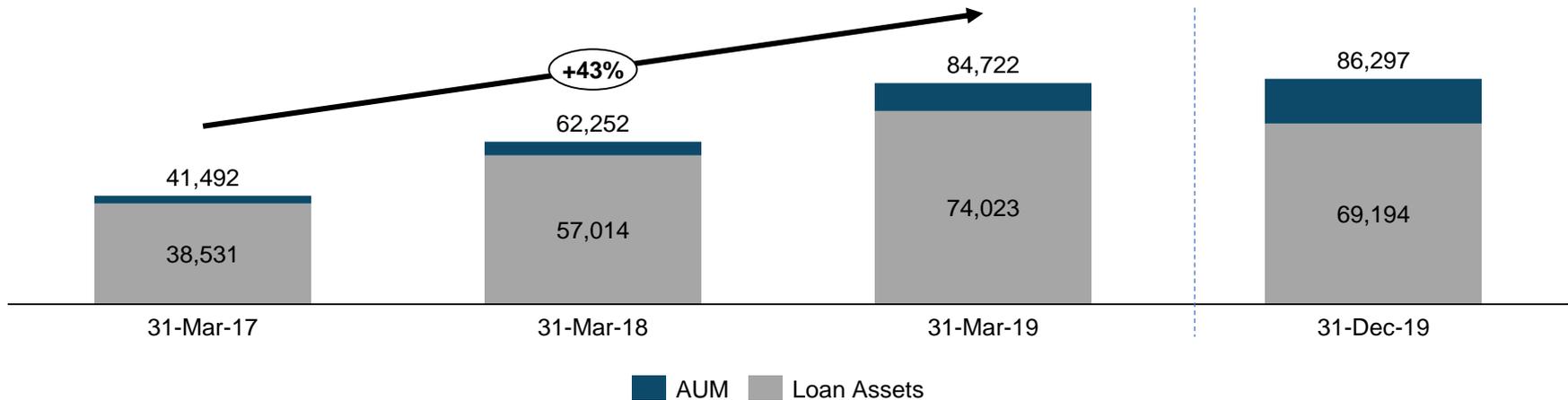


(INR Crore)

Disbursement



Asset



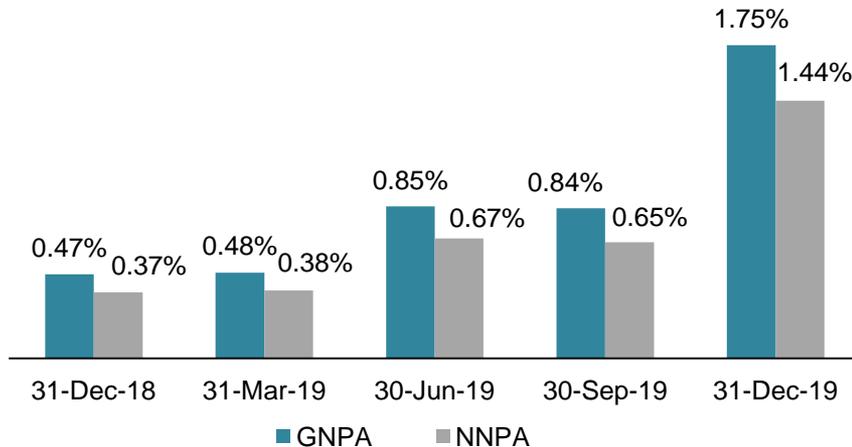
■ AUM ■ Loan Assets

1 Crore = 10 mn

Moderate NPAs in a seasoned Book

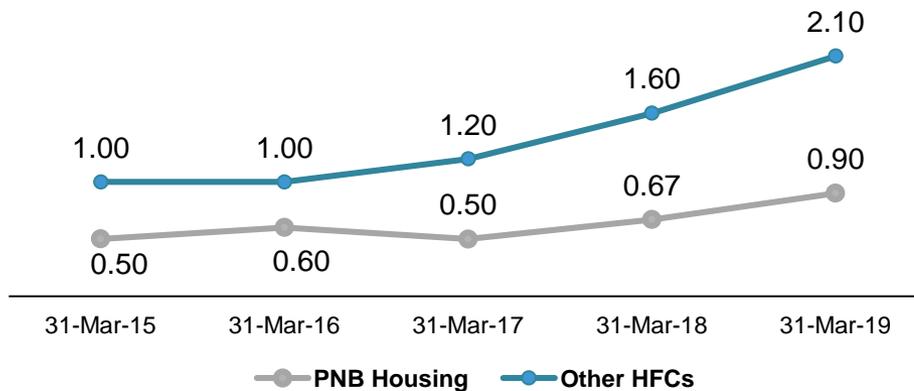


Non-Performing Assets



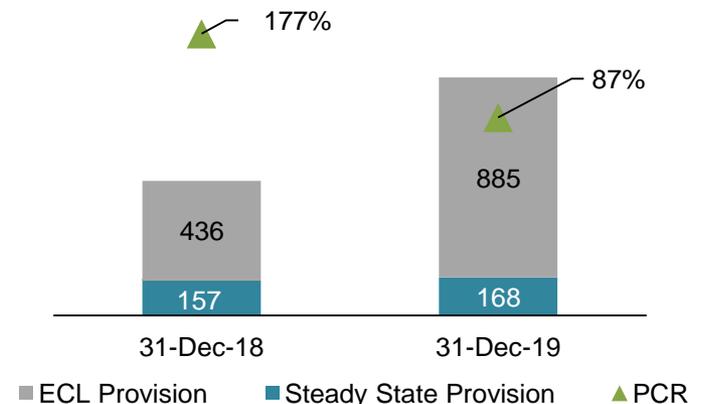
- Gross NPA on AUM at 1.45% and on Loan Assets at 1.75%
- Excluding the three corporate book accounts, which were that informed as stretched in May 2019, the Gross NPA is at 0.88% of Loan Assets
- Collection efficiency of 97.8% for 9M FY20
- Prudent approach towards building provisions

2-years lagged NPA*



Total Provisions

(INR Crore)



One of the lowest NPA among the leading HFCs while maintaining sufficient provisions

1 Crore = 10 mn

*Source: CRISIL



Sustainable Portfolio Mix

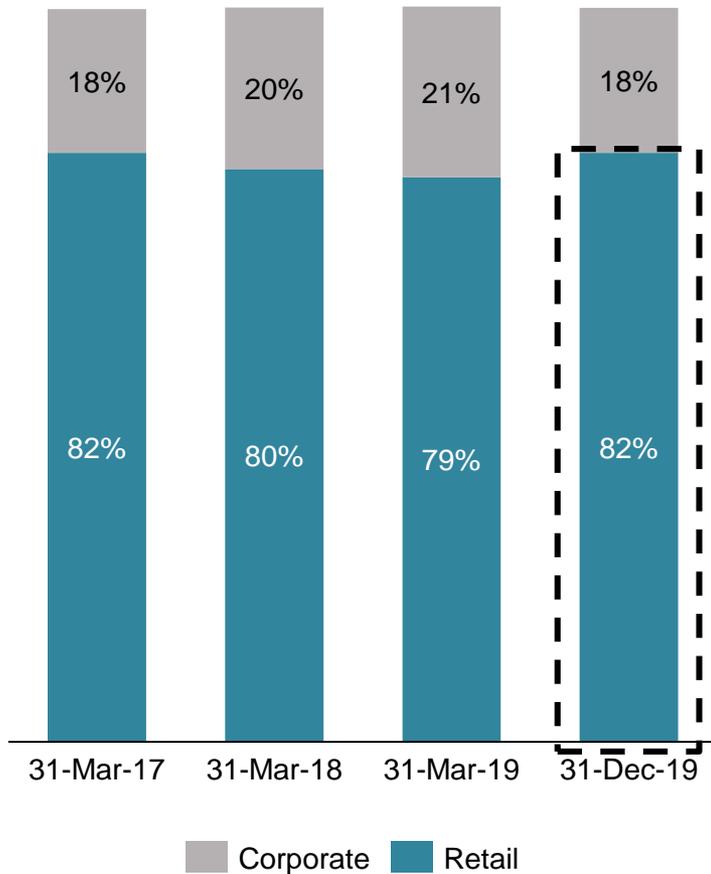


Asset Under Management

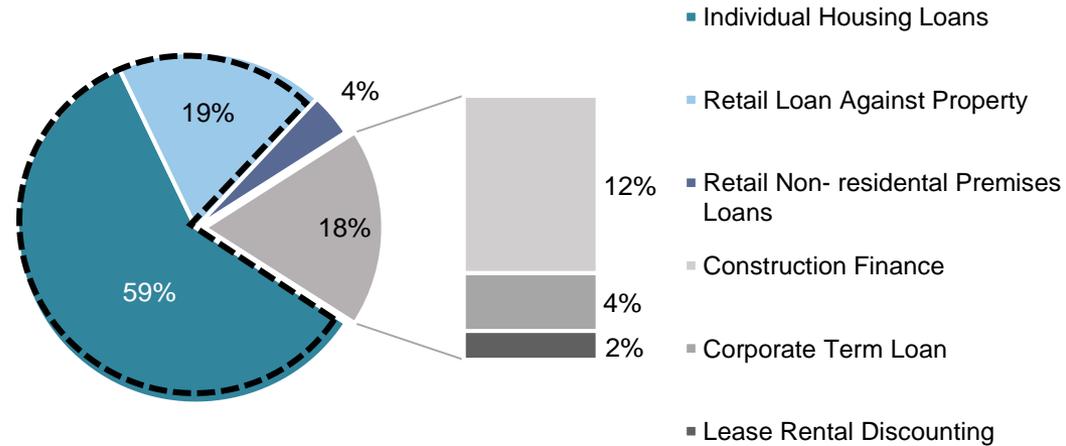


As % to AUM

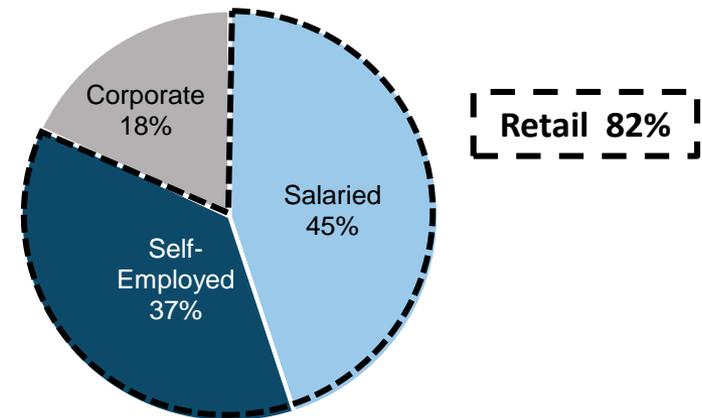
Consistent Segment Mix



Product-wise Break-up



Segment-wise Breakup

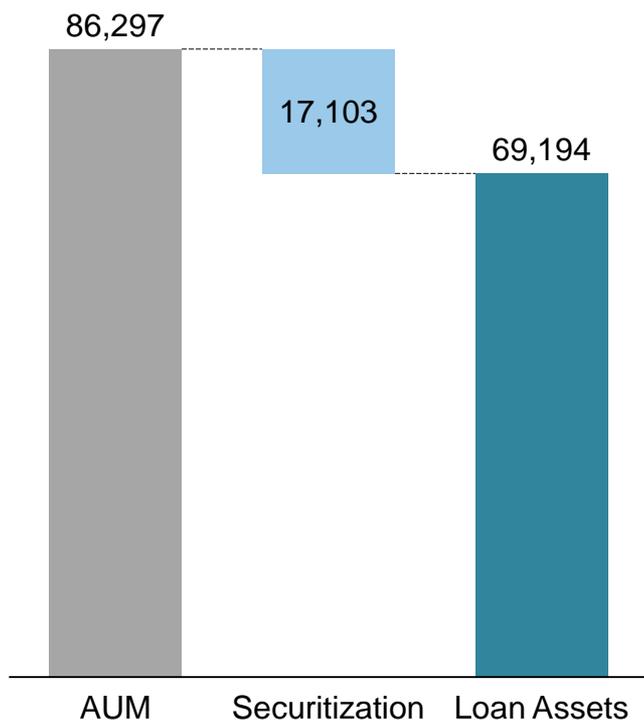


Data as on 31-Dec-19

Loan Assets Walk and Securitized Pool Highlights



Asset Bridge (INR Crore)



Highlights of Sold Portfolio

- Sold Corporate Finance portfolio worth INR 1,963 Crore during 9MFY20
 - Help in improving CRAR
- Reported AUM is net of Sell Down portfolio

Highlights of Securitized Pool

- Developed expertise in Securitization
- Securitization done through Direct Assignment Route
- Securitized book (IHL and LAP) outstanding at ~20% of AUM
- Substantial demand from public / private sector Banks & NBFCs for pool buyout
- Superior asset quality; GNPA at 0.20% with average MOB of 35 months as on 31-Dec-19

Retail Focused Lending Operations



Retail segment contribute 92% of the 9MFY20 disbursement

Loans given as Individual Housing Loans, Loan Against Property and Non Residential Premises Loans

Focus on mass housing segment

Focus on completed properties; under construction (APF) funding reduced from 40% to 15% of IHL

Established expertise in self employed segment; mandatory touch base with customers, evidence based income assessment and banking relations

Robust and scalable Hub and Spoke model resulting in **efficient underwriting** process

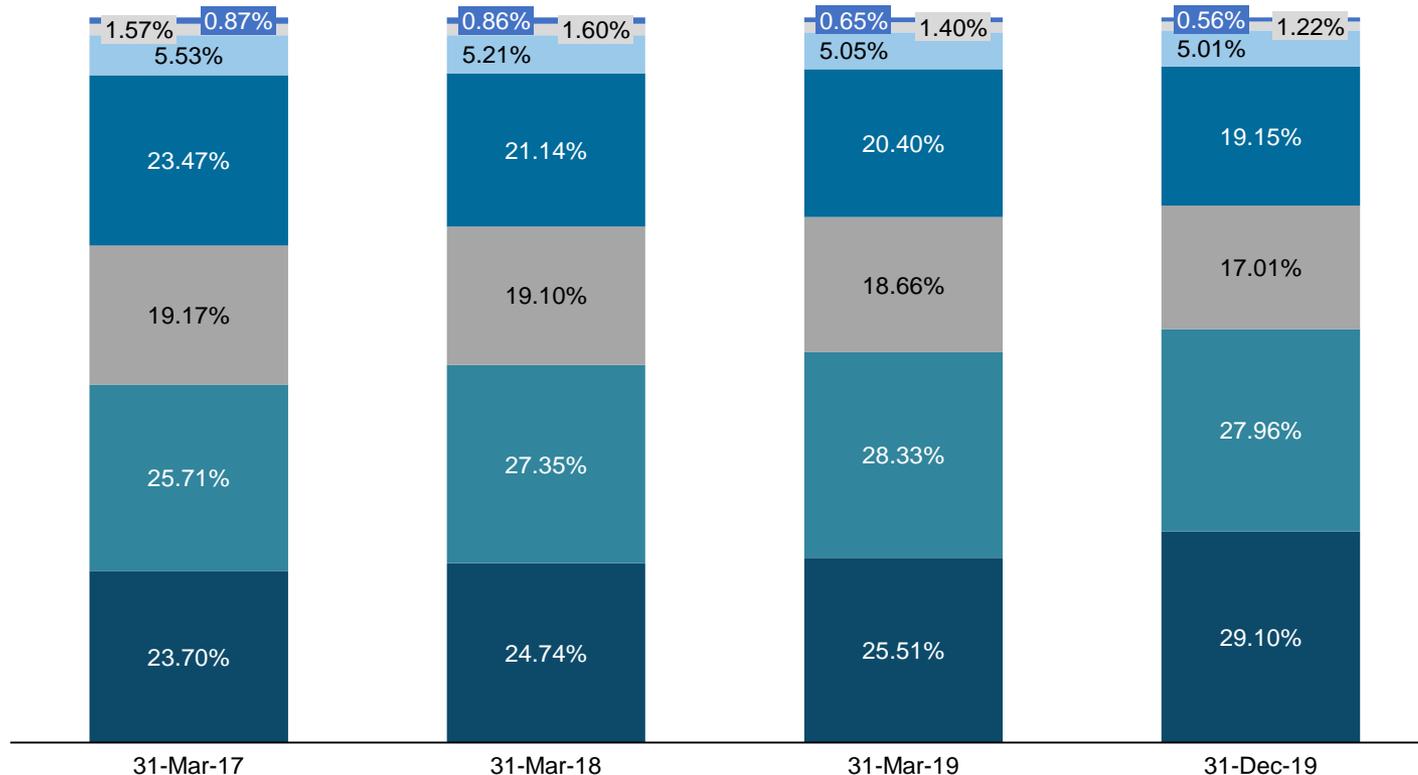
Digitisation of processes at various stages of loan resulting into increased efficiencies

Quality of Loan Portfolio stress tested **thrice** in the last 3 years through Demonetisation, GST and tight Liquidity

Retail Book Average Ticket size



Average Ticket Size Range



■ >15 Crore
 ■ 10-15 Crore
 ■ 5-10 Crore
 ■ 1-5 Crore
 ■ 50-100 Lakh
 ■ 25-50 Lakh
 ■ Up to 25 Lakh

~74% of retail loans below the ATS of INR 1 Crore

Key Loan Profile



Individual Housing Loans

Retail Loan Against Property

Average Ticket Size

INR 30 Lakh
(US\$ 42.1k)

INR 48 Lakh
(US\$ 67.3 k)

Weighted Average
Loan to Value (at
Origination)

71%

49%

Salaried vs Self-
Employed

72% : 28%

19% : 81%

Primary Security

Mortgage of Property Financed

Mortgage of Property Financed

Focus on Mass Housing

*Robust Credit Underwriting
Process*

Data as on 31-Dec-19



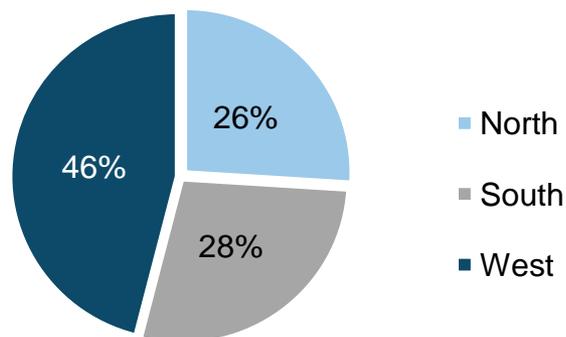
Corporate Book

Corporate Book Summary

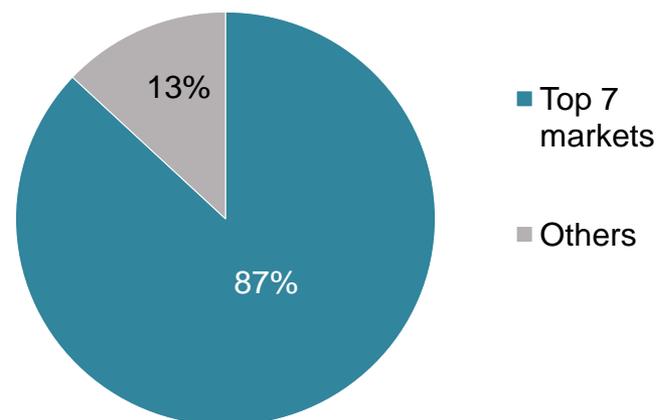


| Product Segment | AUM (INR Crore) | % of AUM | Unique Corporate houses ATS INR Crore (US\$ mn) | No. of Unique Corporate houses | No. of Loan Accounts |
|--------------------------|-----------------|----------|---|--------------------------------|----------------------|
| Construction Finance | 10,733 | 12% | 145.8 (20.4) | 150 | 180 |
| Corporate Term Loan | 3,126 | 4% | 98.8 (13.9) | | 66 |
| Lease Rental Discounting | 1,534 | 2% | 116.1 (16.3) | | 19 |

Geographical Distribution



City Concentration

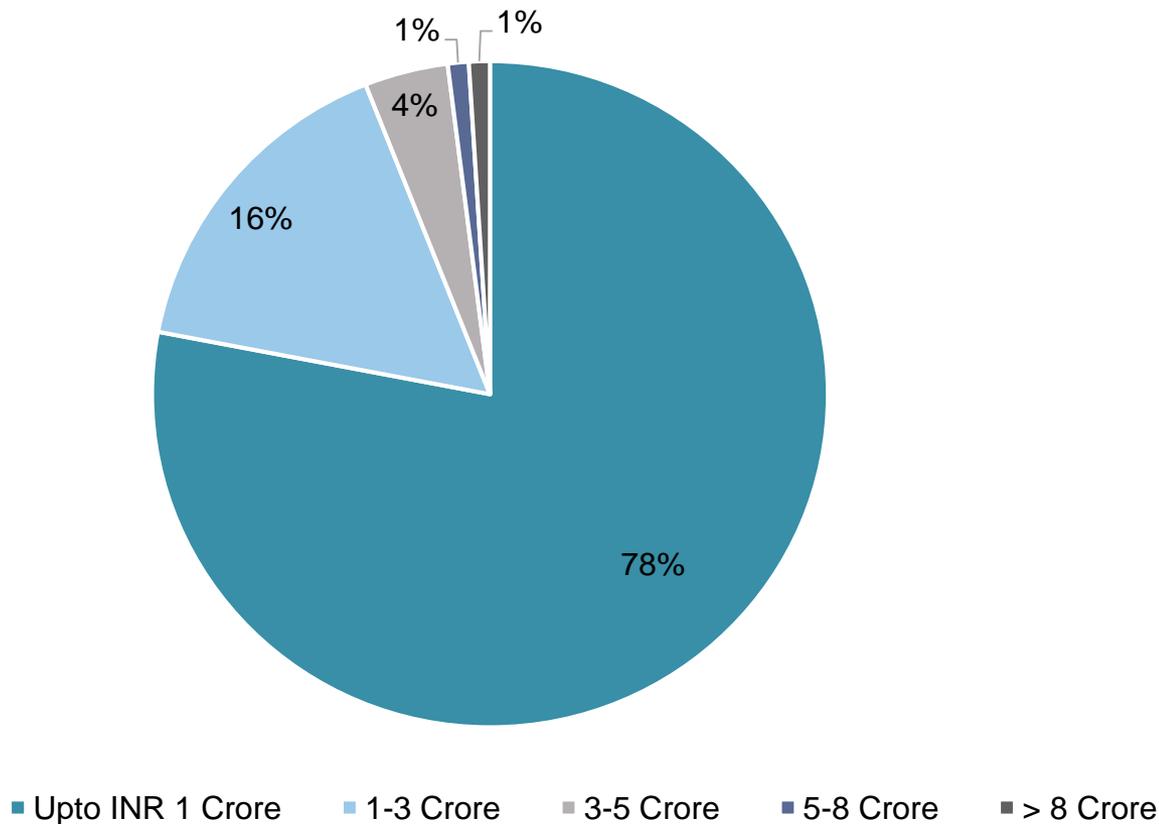


Funded over 150,000 sq mtr of saleable area

Corporate Book – primarily exposed to Mass Housing



Bifurcation of Units funded by ticket size



Corporate Book Risk Buying and Review Mechanism



Risk Buying



- External valuation and legal title checks to supplement inhouse expertise
- Centralised team with specialisation across Acquisition, Technical, Legal, Credit, Operations
- Effective risk management with segregation of responsibilities
- Stress test at the start of a relationship with clear guidelines
- Construction linked disbursement

Credit Covenants



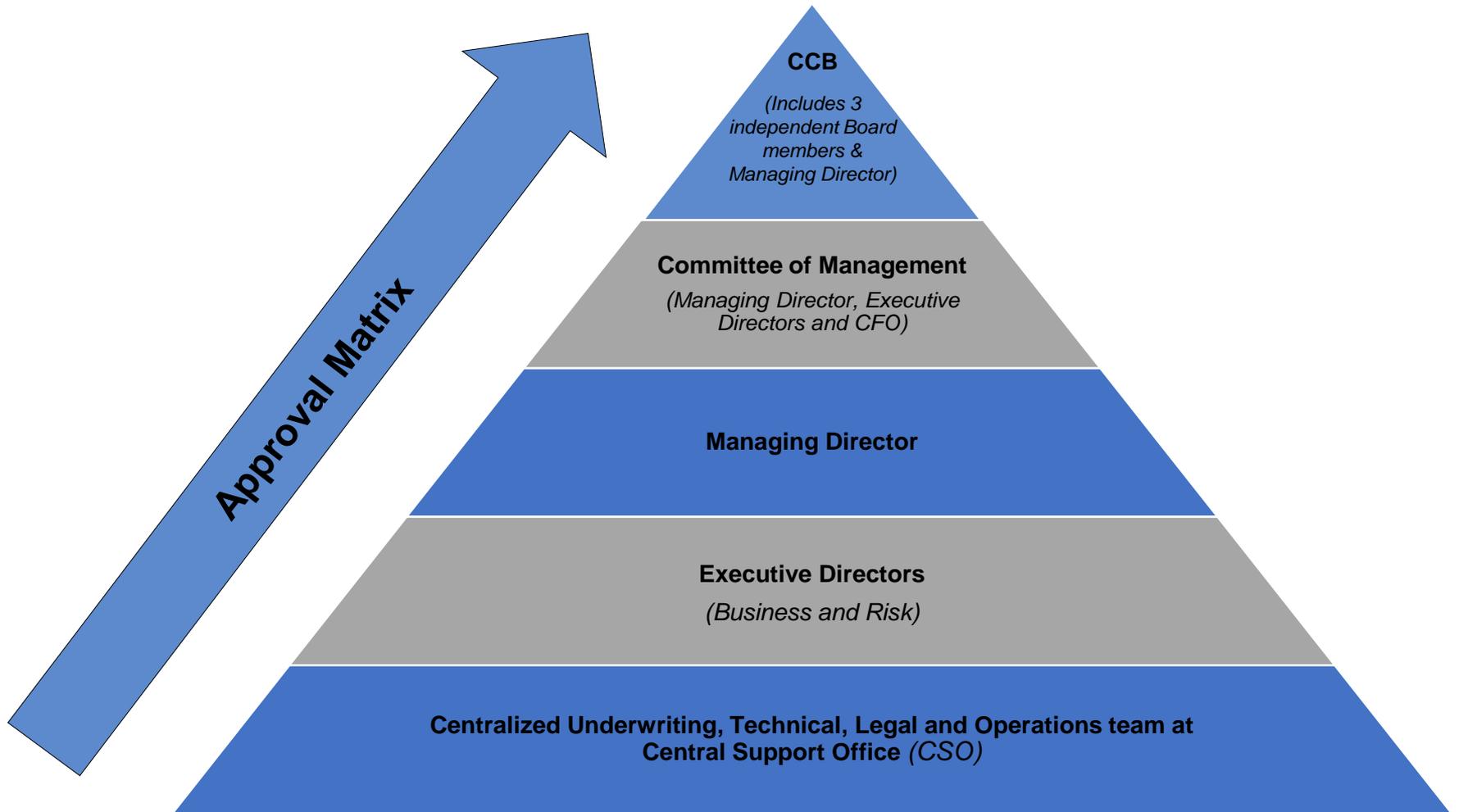
- Minimum Average Security Coverage Ratio of **1.5x**
 - Weighted average as on 31-Dec-19 is 2.25x
- Average Cash Receivable Coverage (net off project expense) of **1.5x**
- Collections through **escrow** mechanism

Monitoring



- Fund utilization, sales velocity, collection efficiency and escrow discipline
- Continuous Monitoring
 - At the time of every subsequent disbursement
 - RAG analysis on a regular basis; presented to the Board
- Helps in early warning signals to take timely corrective measures

Corporate Book Approval Process



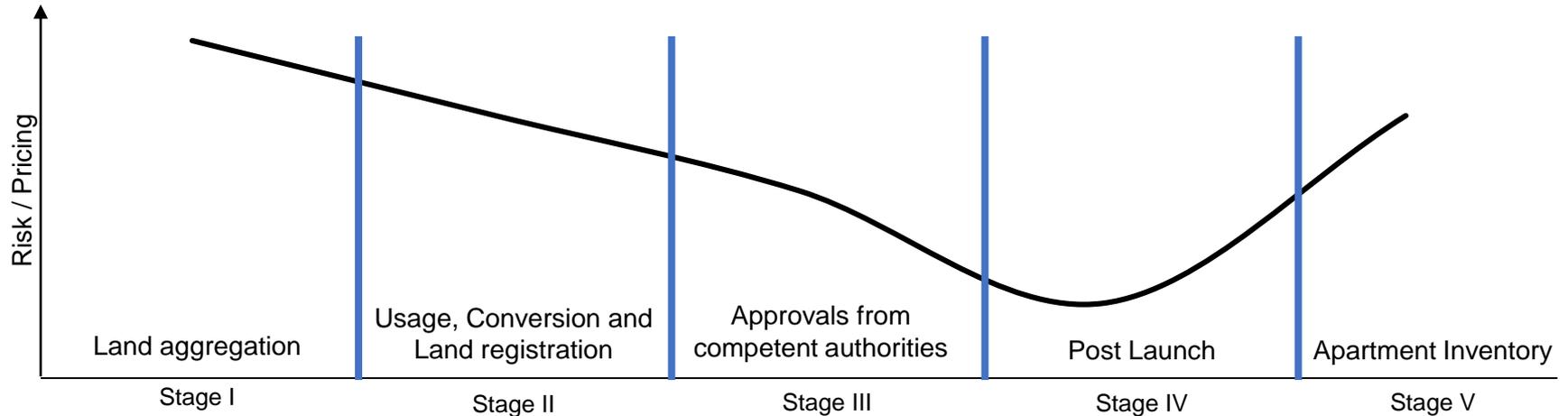
Robust loan approval process with >85% loans approved by Credit Committee of the Board

CCB: Credit Committee of Board

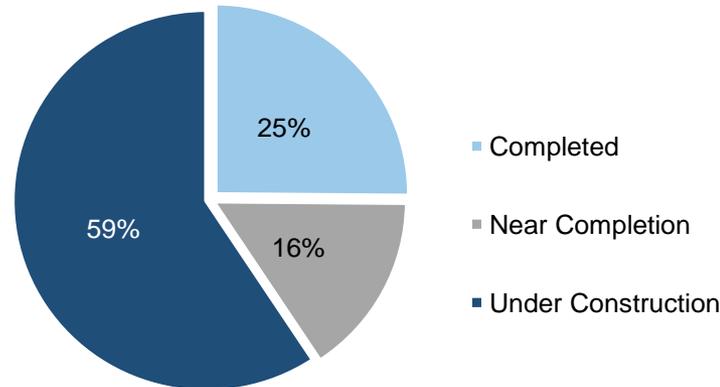
Construction Finance Loan Stages



Real Estate Project Lifecycle



PNB Housing Construction Finance Book



Conservative lending process with over 99% of Construction Finance loans funded at Stage IV



Corporate Term Loans

- Constitutes 4% of AUM
- Spread across 49 reputed developers
- Top 7 markets contributes over 87%
- Residential : Commercial – 60:40
- Earmarked/Identified cashflows



Lease Rental Discounting

- Constitutes 2% of AUM
- Spread across 14 reputed developers
- Presence in 8 large cities
- 100% of LRD are backed by leased out commercial office building with multiple tenants
- Class “A” property and tenants

Corporate Book Stretched Exposures under Corrective Measures



Exposure identified through Early warning Signals

2 Key Corporate Book Exposures

Issue:

- Increase in FSI resulting in scope change
- Aberration due to litigation

Status:

- Stronger partner expected to be on Board through sale or JV
- Sale of land parcels underway to potential buyers to clear dues

Weighted Average Security Coverage of over 2x

Gross Non Performing Assets

4 large* Exposures under GNPA

➤ Exposure 1:

- Project scope changed due to increase in FSI
- Under discussion with the co lenders and promoters; sufficient receivables available in the project

➤ Exposure 2:

- Slow sales and delay in infrastructure
- Ensured remoteness to bankruptcy; discussions ongoing to get funds and restart the project

➤ Exposure 3:

- Slower construction due to delay in completion of municipal infrastructure and inturn sales; Security coverage of ~3.5 times
- Another developer is in the process of taking over the project; expect cure by end of FY2020

➤ Exposure 4:

- Under Litigation at corporate level; Security coverage of over 2.5 times
- **Developer under the structured payment plan, made partial payment; expect cure in FY20**

Weighted Average Security Coverage of around 2x

Outstanding on these exposures reduced by 9% from 31-Mar-19 to 31-Dec-19

ECL Provision at 37%; additional Steady State Provision of INR 169 core

* refers to more than INR 10 crore



Operational and Financial Performance

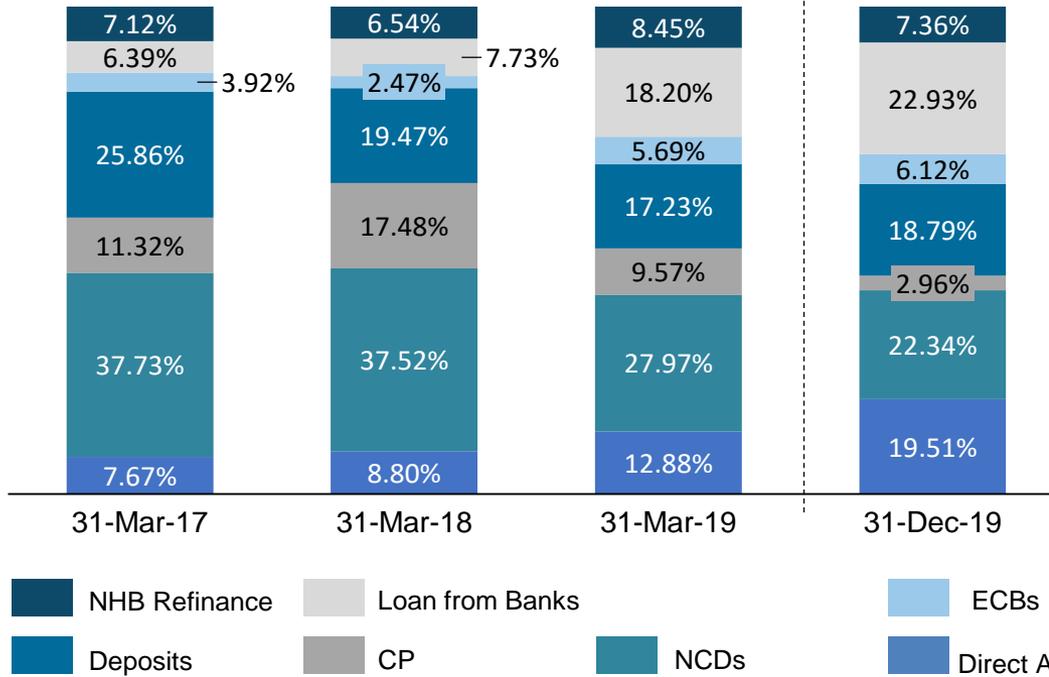


Well Diversified Resource Profile

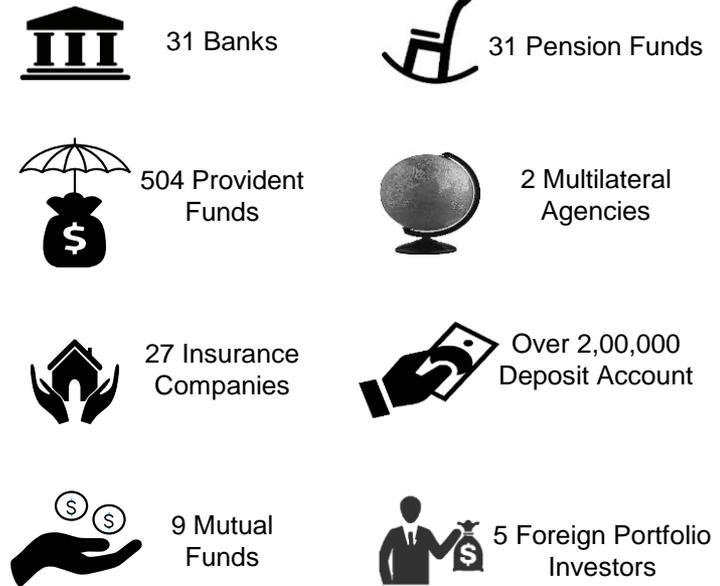


(INR Crore)

Access to a Diverse Base of Funding



Relationships with multiple lending partners



| As on (INR Crore) | Borrowings | Assignment | Total Resource |
|-------------------|------------|------------|----------------|
| 31-Mar-17 | 35,657 | 2,961 | 38,618 |
| 31-Mar-18 | 54,268 | 5,238 | 59,506 |
| 31-Mar-19 | 72,362 | 10,699 | 83,061 |
| 31-Dec-19 | 70,559 | 17,103 | 87,662 |

Credit Rating

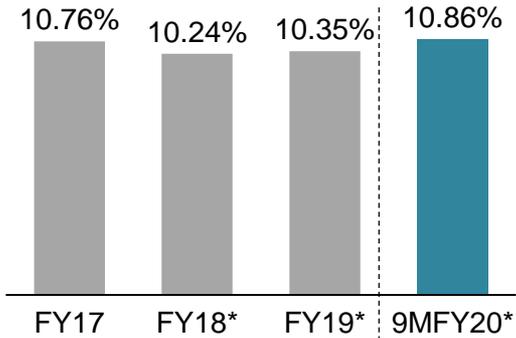
- Fixed Deposit has been rated "FAAA" by CRISIL. The rating of "FAAA" indicates "High Safety" with regards to the repayment of interest and principal.
- Commercial Paper is rated at "A1(+)" by CARE & CRISIL and Non-Convertible Debenture (NCD) are rated at "AA+" by CARE, India Ratings, CRISIL and ICRA.
- Bank Loans (Long Term) is rated at "AA+" by CARE and CRISIL.

1 Crore = 10 million

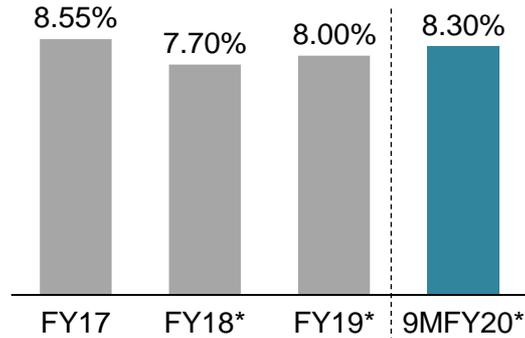
Margin Analysis



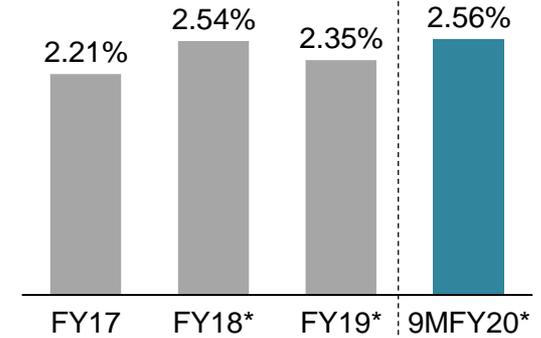
Average Yield



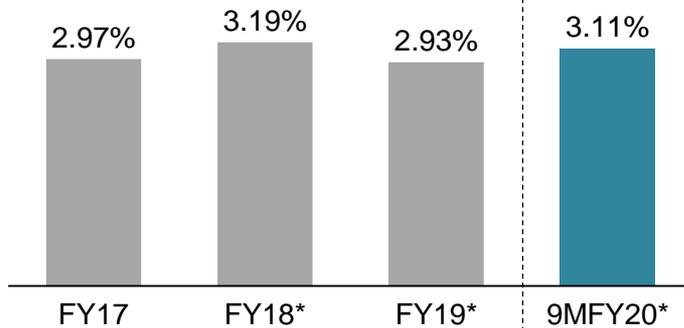
Average Cost of Borrowings



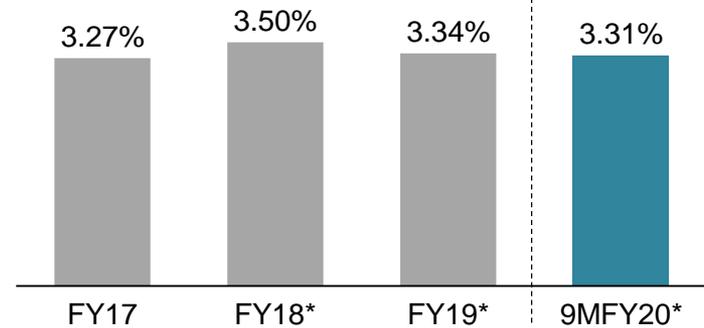
Spread



NIM



Gross Margin



Ratios are calculated on Monthly Average

Gross Margin is net of acquisition cost

*As per IndAS

For the calculation of ratios P&L numbers for FY18, FY19 & 9MFY20 are as per Ind AS

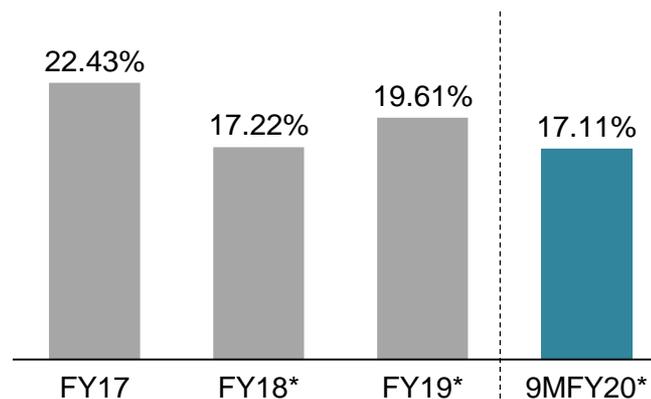
Operating Leverage playing out with Better Return Profile



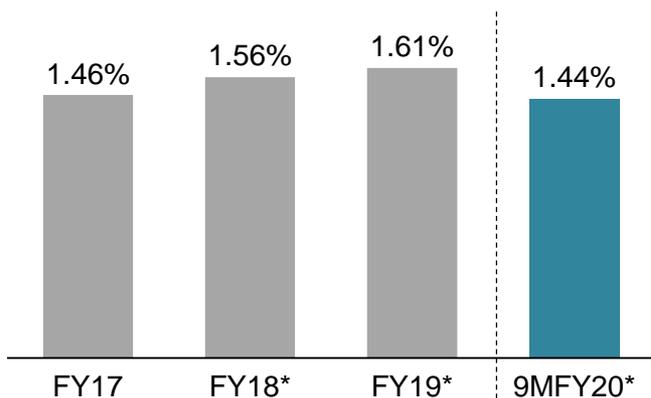
Opex to ATA Ratio



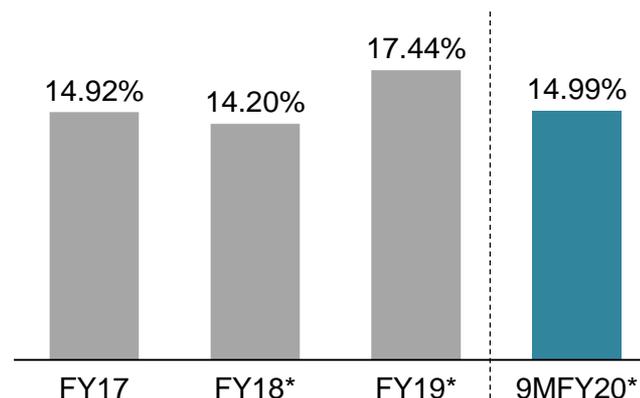
Cost to Income Ratio



Return on Asset



Return on Equity



Ratios are calculated on Monthly Average

*As per IndAS

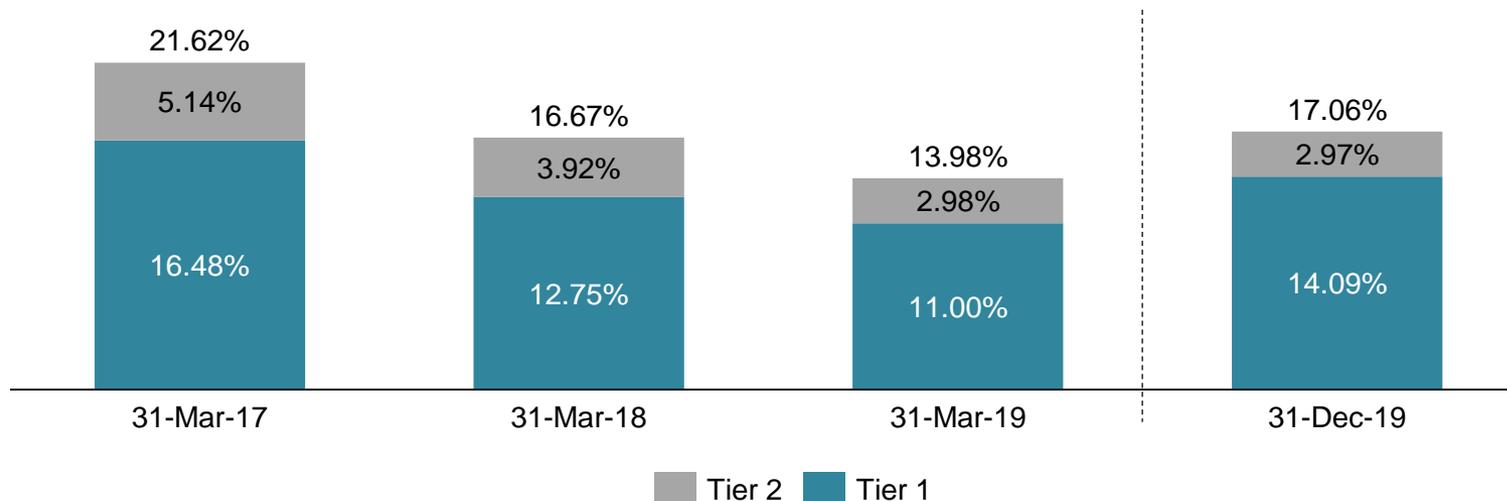
Opex to ATA is calculated as Operating Expenditure(Employee Cost + Other Expenses + Depreciation - Acquisition Cost - ESOP cost - CSR cost)/Average Total Assets as per Balance sheet

For the calculation of ratios P&L numbers for FY18, FY19 & 9MFY20 are as per Ind AS

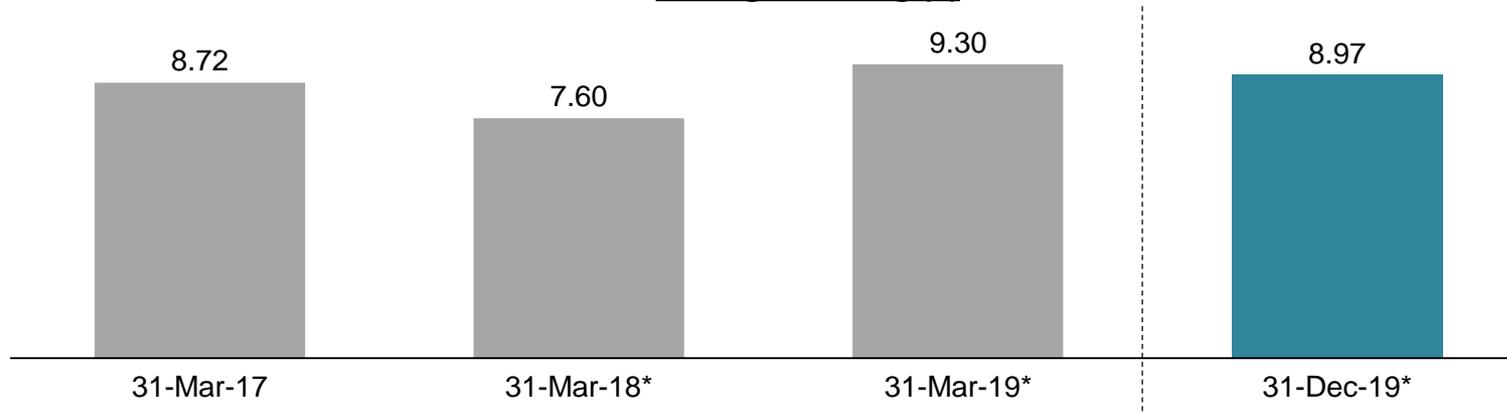
CRAR and Gearing



Capital to Risk Asset Ratio



Average Gearing (x)



Ratio is calculated on Monthly Average
Based on IGAAP numbers

*Average Gearing is based on IndAS network

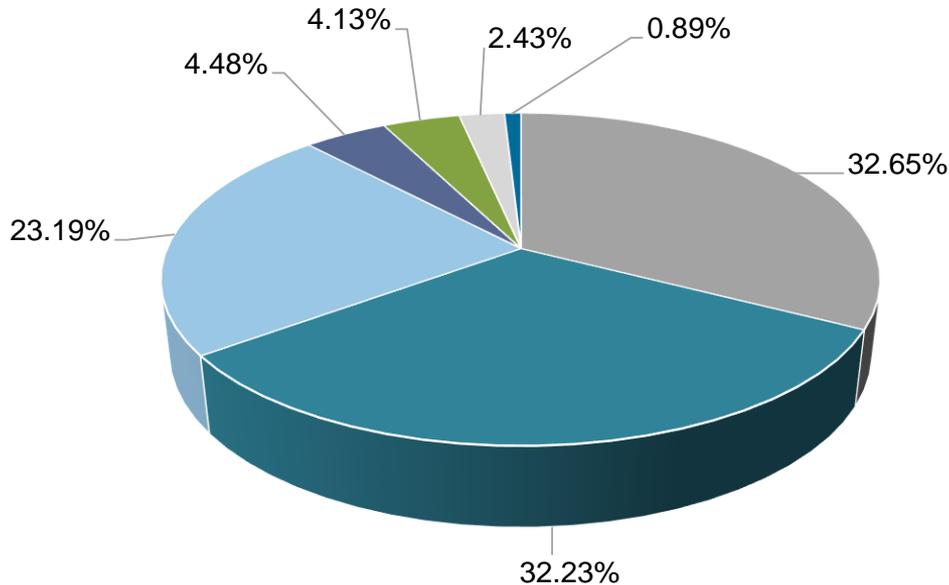


Shareholding





Shareholding as on 27-Dec-19



- Promoters
- Mutual Funds
- Financial Institutions / Banks
- Quality Investment Holdings
- Public & Others
- Foreign Inst. Investors
- Bodies Corporates

Outstanding Shares – 16,81,68,158 shares

Top Shareholders

General Atlantic Singapore Fund,
Franklin Templeton MF, Varde Holdings,
Fidelity International, Malabar
Investments, Auburn Ltd, Vanguard,
Reliance Capital MF, Birla MF, Blackrock
(ETF)



Included in
“MSCI Global Small Cap Index”
in November 2018



Detailed Financials and Valuations



Consolidated Profit & Loss Statement



| Particulars (INR Crore) | Q3 FY20 | Q3 FY19 | YoY | Q2 FY20 | QoQ | 9M FY20 | 9M FY19 | YoY | FY19 |
|---|--------------|--------------|------|--------------|------|----------------|----------------|-----|----------------|
| Interest Income | 1,890.4 | 1,764.1 | | 2,015.9 | | 5,885.6 | 4,900.0 | | 6,792.9 |
| Add: Net gain on fair value changes | 32.5 | 51.8 | | 24.0 | | 95.9 | 78.5 | | 128.9 |
| Add: Income on derecognized (assigned) loans | 104.2 | 152.4 | | 109.9 | | 333.4 | 214.2 | | 308.1 |
| Less: Finance Cost | 1,461.0 | 1,410.3 | | 1,521.3 | | 4,495.0 | 3,738.9 | | 5,116.4 |
| Net Interest Income | 566.1 | 558.0 | 1% | 628.5 | -10% | 1,820.0 | 1,453.8 | 25% | 2,063.5 |
| Add: Fees and commission Income | 47.7 | 109.5 | | 80.0 | | 220.5 | 341.4 | | 449.4 |
| Less: Fees and commission expense | 1.0 | 13.0 | | 2.7 | | 7.1 | 46.7 | | 54.6 |
| Add: Other Income | 0.0 | 0.7 | | 0.6 | | 2.3 | 0.9 | | 3.9 |
| Gross Income | 612.8 | 655.2 | -6% | 706.4 | -13% | 2,035.7 | 1,749.4 | 16% | 2,462.2 |
| Operating Expenses | | | | | | | | | |
| Less: Employee Benefit Expenses | 58.9 | 81.1 | | 71.0 | | 197.8 | 212.6 | | 303.9 |
| Less: Other Expenses | 56.8 | 54.8 | | 41.1 | | 151.7 | 146.5 | | 203.6 |
| Less: Depreciation and Amortisation | 18.1 | 7.6 | | 16.8 | | 51.3 | 22.2 | | 31.4 |
| Pre Provision Operating Profit | 479.0 | 511.7 | -6% | 577.6 | -17% | 1,634.8 | 1,368.1 | 19% | 1,923.3 |
| Less: Impairment on financial instruments & Write-offs (Expected Credit Loss) | 180.8 | 70.1 | | 151.6 | | 496.5 | 178.8 | | 188.9 |
| Profit Before Tax | 298.2 | 441.6 | -32% | 426.0 | -30% | 1,138.2 | 1,189.3 | -4% | 1,734.4 |
| Tax Expense | | | | | | | | | |
| -Current Tax | 91.2 | 117.6 | | 72.1 | | 301.3 | 369.8 | | 503.5 |
| -Deferred Tax | -30.0 | 21.1 | | -13.0 | | -51.3 | 7.7 | | 39.4 |
| Less: Total Tax Expense | 61.2 | 138.6 | | 59.1 | | 249.9 | 377.6 | | 542.9 |
| Net Profit after Tax | 237.0 | 303.0 | -22% | 366.9 | -35% | 888.3 | 811.8 | 9% | 1,191.5 |
| Add: Other Comprehensive Income | 43.2 | -72.6 | | -43.5 | | 26.7 | -71 | | -102.3 |
| Total Comprehensive Income | 280.2 | 230.4 | | 323.3 | | 915.0 | 740.8 | | 1,089.2 |
| EPS (Basic) | 14.10 | 18.09 | | 21.82 | | 52.87 | 48.51 | | 71.19 |

As per IND AS
1 Crore = 10 mn

Consolidated Balance Sheet



| | Particulars (INR Crore) | 30-Sep-19 | 31-Mar-19 |
|----------|---|-----------------|-----------------|
| | LIABILITIES | | |
| 1 | Financial Liabilities | | |
| (a) | Derivative financial instruments | 172.9 | 210.8 |
| (b) | Payables | | |
| | (l) Trade Payables | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 114.4 | 127.2 |
| (c) | Debt Securities | 21,894.5 | 29,604.9 |
| (d) | Borrowings (Other than Debt Securities) | 30,830.2 | 26,793.2 |
| (e) | Deposits | 16,549.4 | 14,023.0 |
| (f) | Subordinated Liabilities | 1,438.6 | 1,437.7 |
| (g) | Other financial liabilities | 1,818.2 | 2,091.3 |
| | Sub Total - Financial Liabilities | 72,818.2 | 74,288.1 |
| 2 | Non-Financial Liabilities | | |
| (a) | Provisions | 35.5 | 25.2 |
| (b) | Other non-financial liabilities | 1,051.1 | 2,011.8 |
| | Sub Total - Non-Financial Liabilities | 1,086.6 | 2,037.0 |
| 3 | EQUITY | | |
| (a) | Equity Share capital | 168.1 | 167.5 |
| (b) | Other Equity | 7,867.2 | 7,376.4 |
| | Equity attributable to equity holders of the parent | 8,035.3 | 7,543.9 |
| | Non-controlling interest | - | - |
| | TOTAL – EQUITY & LIABILITIES | 81,940.1 | 83,869.0 |

| | Particulars (INR Crore) | 30-Sep-19 | 31-Mar-19 |
|----------|---|-----------------|-----------------|
| | ASSETS | | |
| 1 | Financial Assets | | |
| (a) | Cash and cash equivalents | 4,330.1 | 4,034.0 |
| (b) | Bank Balance other than (a) above | 0.1 | 0.1 |
| (d) | Trade Receivables | 27.4 | 38.8 |
| (e) | Loans | 74,269.1 | 74,287.9 |
| (f) | Investments | 1,917.0 | 4,560.7 |
| (g) | Other Financial Assets | 696.1 | 513.0 |
| | Sub Total - Financial Assets | 81,239.8 | 83,434.5 |
| 2 | Non - Financial Assets | | |
| (a) | Current tax assets (Net) | 143.9 | 115.6 |
| (b) | Deferred tax Assets (Net) | 65.3 | 61.0 |
| (c) | Investment Property | 0.8 | 0.6 |
| (d) | Property, Plant and Equipment | 77.8 | 78.3 |
| (e) | Capital work-in-progress | 11.3 | 3.8 |
| (f) | Other Intangible assets | 160.2 | 24.2 |
| (g) | Intangible assets under development | - | 1.4 |
| (h) | Other non-financial assets | 37.8 | 18.5 |
| (i) | Assets held for sale | 203.1 | 131.1 |
| | Sub Total - Non - Financial Assets | 700.3 | 434.5 |
| | TOTAL - ASSETS | 81,940.1 | 83,869.0 |

As per IND AS
1 Crore = 10 mn



Saksham – Contributing to the Society



Glimpses of Social Interventions



Enhancing Human Potential

- Partnered with The Confederation of Real Estate Developers Association of India (CREDAI) to conduct Onsite & Offsite skill enhancement training programmes for construction workers



Reaching Out, Reaching Far

- Collaborated with various NGOs and real estate developers to establish 52 day care centres on various construction sites
- Children of construction workers are provided with education, hygiene and nutrition at these day care centres



Investing in Education

- Adopted two schools with VIDYA to provide quality education to the underprivileged children
- Scholarship program for underprivileged children
- In partnership, initiated a badminton training programme for sports development in Government schools



Improving Access to Health Care

- Supported operational cost to run cancer patient helpline and outreach clinic for the patients
- Launched a reproductive health and hygiene programme for young adolescent girls in five villages in UP
- Partnered with HelpAge India for mobile health unit



Incorporated Pehel foundation to implement various CSR programs

Winning Awards & Accolades



Felicitated as winner for **Excellence in Operations at the IDC India Insights Awards 2019** held in Bengaluru



Awarded for **Best Customer Engagement Initiative of the Year**- by a HFC and Best CSR Practice of the Year



Mr. Nitant Desai awarded amongst **Top 100 CIOs of India** for the fourth consecutive year



Recognized at the prestigious **6th CSR Awards**, organized by CSRBOX in association with Dalmia Bharat



Awarded for **Excellence in Project Management 2019** by Talisma (leading provider of digital customer) amongst 1,700 existing clients



Once again, awarded **Housing Finance Firm of the Year** at the 11th Annual Estate Awards in Delhi.



Recognized for the second time at the prestigious **The Economic Times Best BFSI Brands 2019** held at a grand event in Dubai.



Bagged **Gold** in **'Home Loan Provider of the Year 2018'**



Won **Silver** for **Annual Report FY2017-18**



Mr. Sanjaya Gupta recognised as One of the **'Most Promising Business Leaders of Asia 2019'** at the Economic Times' Asian Business Leaders Conclave.



Conferred **bronze** award at the SKOCH Awards 2018. The award was felicitated for **µConnect**, a collaborative service platform for underwriting partners.



Winner at **The Economic Times Innovation Tribe Awards 2018**; winning trophy in BFSI category for its innovative digital solution iBox.



Management Team...



...with Extensive Industry Experience



Sanjaya Gupta
Managing Director

Age : 57 Years

No. of Years with PNBHF : 9 Years

Prior Engagements : AIG, ABN Amro Bank N.V. and HDFC Limited



Shaji Varghese
ED - Business Development

Age : 47 Years

No. of Years with
PNBHF : 7 Years

Prior Engagements :
IndusInd Bank
ABN AMRO Bank NV
ICICI Bank Limited



Ajay Gupta
ED - Risk Management

Age : 54 Years

No. of Years with
PNBHF : 7 Years

Prior Engagements :
Religare Finvest Ltd
GE Money Indiabulls
Financial Services



Nitant Desai
**Chief Centralised Operation &
Technology Officer**

Age : 57 Years

No. of Years with
PNBHF : 8 Years

Prior Engagements :
HDFC Standard Life
Insurance, Union National
Bank, ICICI Bank



Kapish Jain
Chief Financial Officer

Age : 47 Years

No. of Years with
PNBHF : 1 Year

Prior Engagements :
Xander Finance, Au
Small Finance Bank,
ICICI Prudential Life
Insurance, Deutsche
Bank



Sanjay Jain
Company Secretary & Head Compliance

Age : 56 Years

No. of Years with
PNBHF : 24 Years



Anshul Bhargava
Chief People Officer

Age : 53 Years

No. of Years with
PNBHF : 8 Years

Prior Engagements :
ARMS (Arcil)
Indian Army

...under the Aegis of a Highly Experienced Board



Sh CH. S. S. Mallikarjuna Rao
Non Executive Chairman

Age:
57 Years
Current Position:
MD & CEO of PNB



Sh. Lingam Venkata Prabhakar
Non Executive Director

Age:
57 Years
Current Position:
Executive Director
PNB



Sunil Kaul
Non Executive Director

Age:
59 Years
Current Position:
MD, Carlyle
Head, SE Asia, FIG,
Carlyle



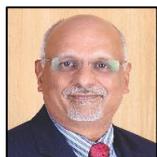
Shital Kumar Jain
Independent Director

Age:
80 Years
Current Position:
Former Banker &
Credit Head India,
Citi



Gourav Vallabh
Independent Director

Age:
42 Years
Current Position:
Professor of Finance,
XLRI



R Chandrasekaran
Independent Director

Age:
62 Years
Current Position:
Founder and Former
Executive Vice
Chairman, Cognizant



Nilesh S. Vikamsey
Independent Director

Age:
55 Years
Current Position:
Sr. Partner, Khimji
Kunverji and Co
Past President-ICAI



Ashwani Kumar Gupta
Independent Director

Age:
65 Years
Current Position:
Financial Consultant



Shubhalakshmi Panse
Independent Director

Age:
65 Years
Current Position:
Former Banker,
CMD, Allahabad
Bank



Neeraj Vyas
Independent Director

Age:
61 Years
Current Position:
Former Banker,
Dy. MD & COO, SBI



Sanjaya Gupta
Managing Director

Age:
57 Years
Current Position:
MD, PNB Housing
Finance

Corporate Governance



Board of Directors

It has 11 members, 1 non-executive chairman, 2 non-executive directors, 7 independent directors and Managing Director

Audit Committee (ACB)

It has 3 members, all are independent directors

Nomination and Remuneration Committee (NRC)

It has 4 members, 2 are independent directors and 2 are non-executive directors

Corporate Social Responsibility Committee (CSR)

It has 4 members, 2 are independent directors, 1 is non-executive director and Managing Director

Credit Committee of the Board (CCB)

It has 4 members, 3 are independent directors and Managing Director

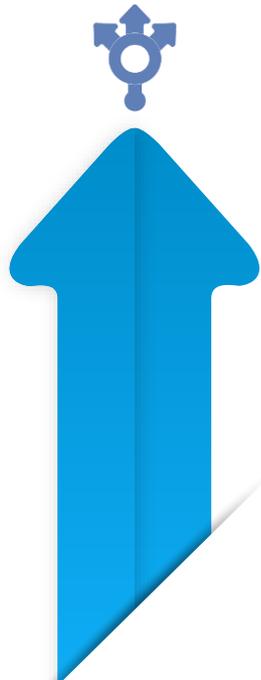
Stakeholders Relationship Committee (SRC)

It has 5 members, 2 are independent directors, 2 are non-executive directors and Managing Director

Risk Management Committee (RMC)

It has 5 members, 2 are independent directors, 2 are non-executive directors and Managing Director

Key Takeaways



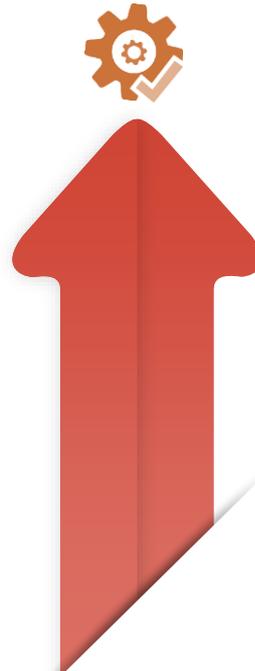
Wide Spread Retail
Distribution Network
and Unique
Operating Model

Wide spread retail
distribution network with
pan India presence and
over 22,000 channel
partners across India



Moderate NPA's in
a Seasoned Book

Moderate NPA in a
seasoned book with
focus on resolving
stretched corporate
accounts



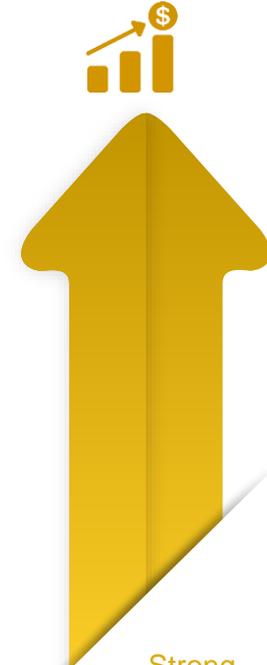
Diversified
Borrowing Mix with
balanced ALM

Diverse funding mix
with average cost of
borrowing at 8.31%⁽¹⁾



Improving Cost to
Income Ratio

Operating leverage
playing out, thereby
improving C/I Ratio



Strong
Balance Sheet

Conservative
provisioning to
withstand challenging
market dynamics

1. For 9MFY20



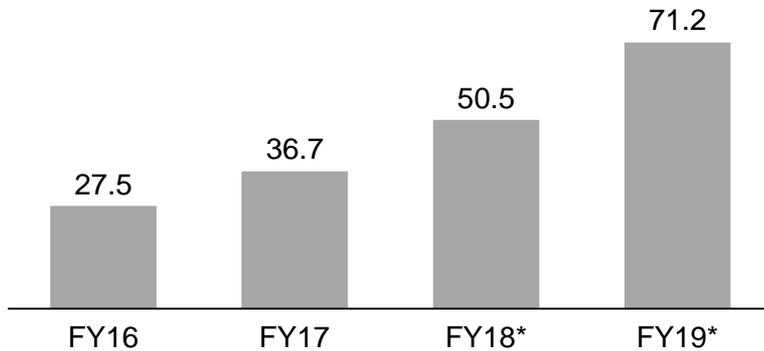
Annexure



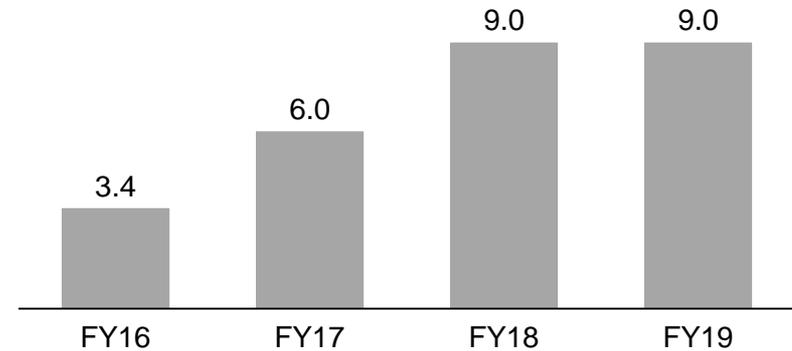
Return to Shareholders



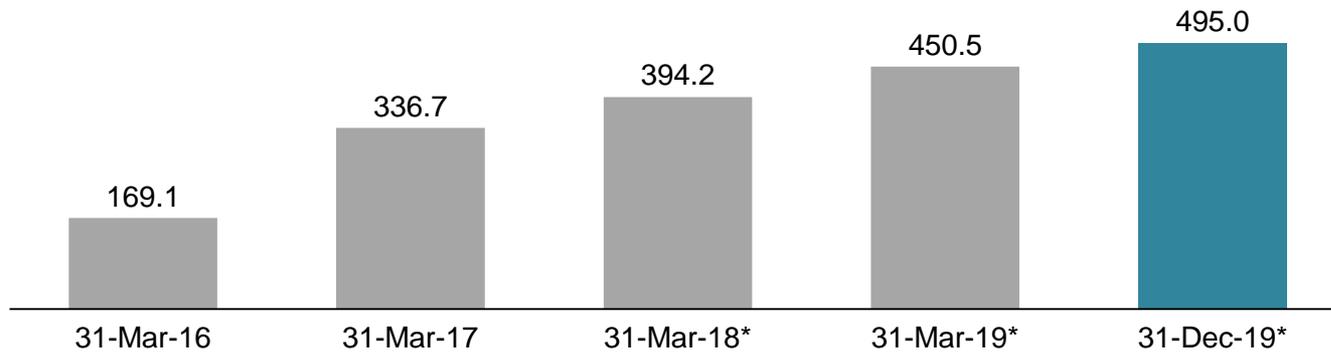
Earnings Per Share (INR)



Dividend Per Share (INR)



Book Value Per Share (INR)



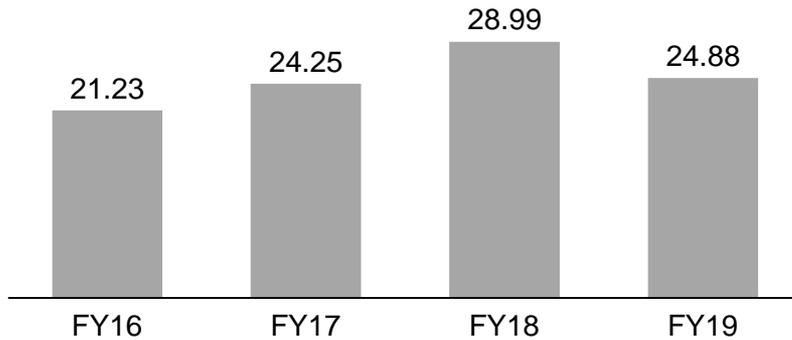
*As per IND AS

Employee Efficiency

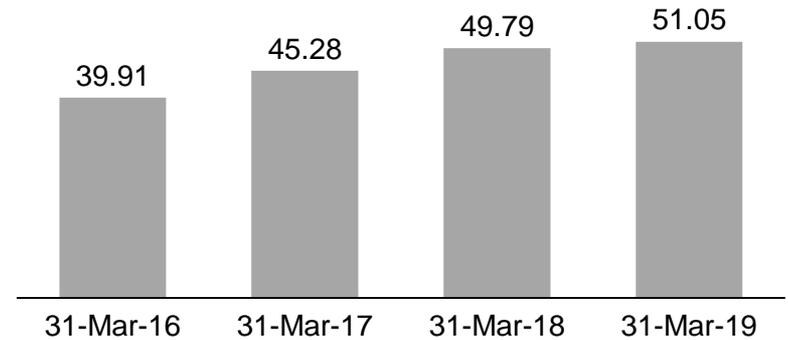


(INR Crore)

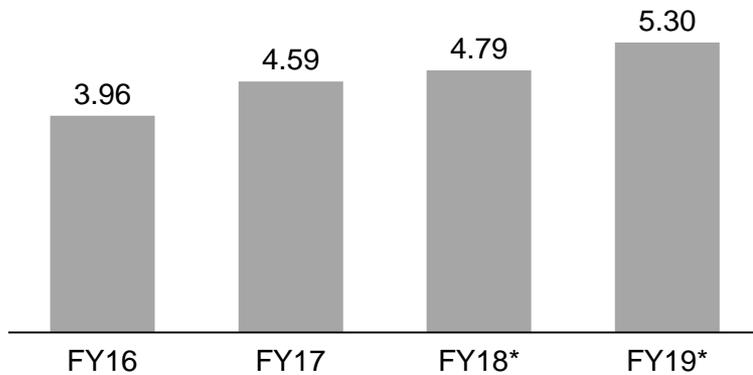
Disbursement / Employee



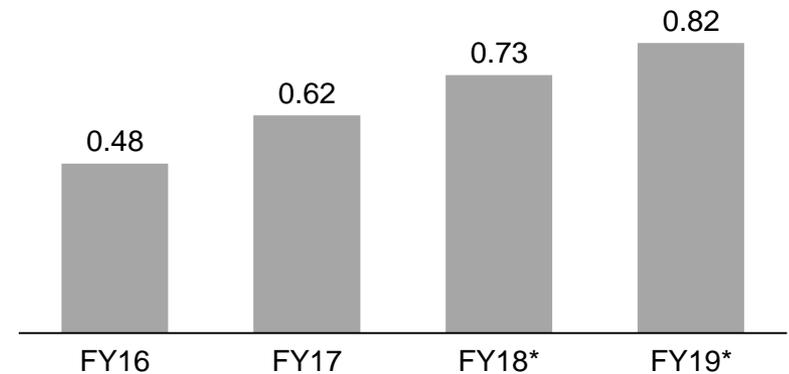
Loans Outstanding / Employee



Total Revenue / Employee



Profitability / Employee



Calculated on average number of employee for the year
Average no. of employee for FY19: 1,450

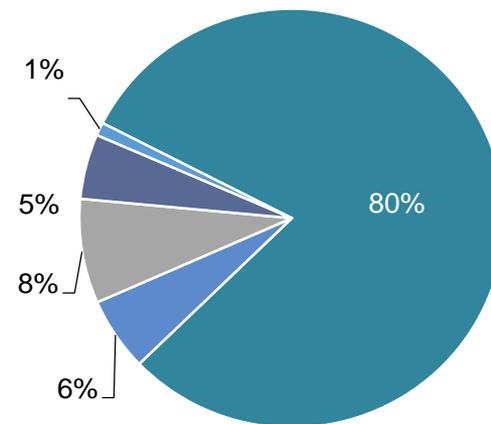
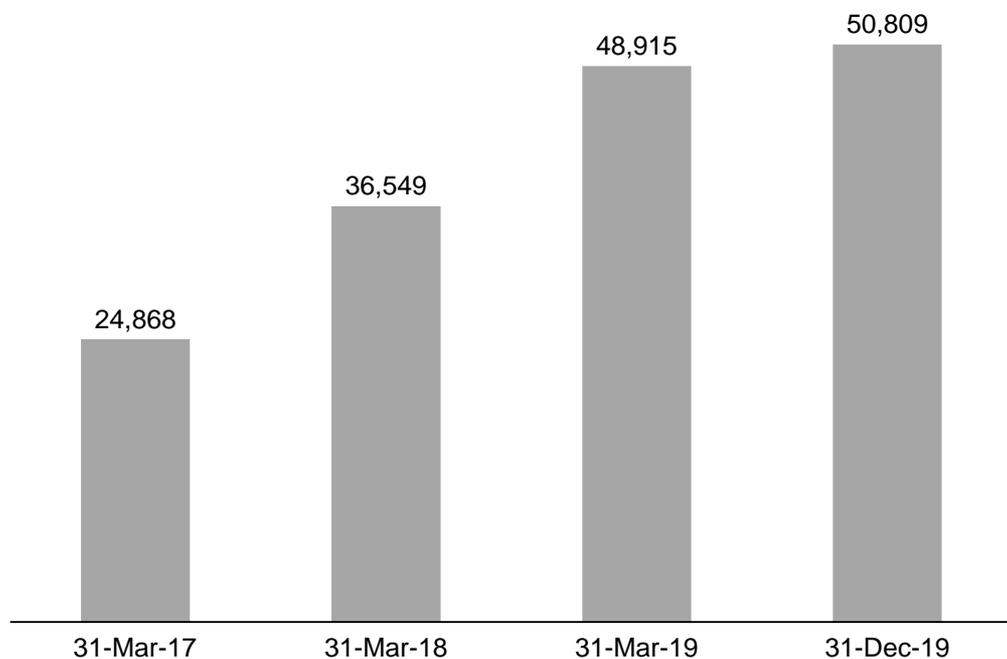
1 Crore = 10 mn
*As per IND AS

Additional Details – Individual Housing Loans



(INR Crore)

Individual Housing Loans 59% of AUM



- Home Purchase
- Residential Plot
- Residential Plot cum Constrn
- Self Construction
- Home Improvement/Extn

Glossary



| | | | |
|------|-------------------------------|-------|--------------------------------|
| ATA | Average Total Assets | GNPA | Gross Non-Performing Asset |
| ATS | Average Ticket Size | HFCs | Housing Finance Companies |
| AUM | Asset Under Management | LAP | Loan against Property |
| BVPS | Book Value per Share | LIG | Low Income Group |
| C/I | Cost to Income | LRD | Lease Rental Discounting |
| CRAR | Capital to Risk Asset Ratio | NCDs | Non-Convertible Debentures |
| CP | Commercial Paper | NII | Net Interest Income |
| CTL | Corporate Term Loan | NIM | Net Interest Margin |
| DPS | Dividend per Share | NNPA | Net Non-Performing Asset |
| DSA | Direct Selling Agents | NPA | Non-Performing Asset |
| ECB | External Commercial Borrowing | NRPLs | Non-Residential Premises Loans |
| ECL | Expected Credit Loss | PAT | Profit After Tax |
| EIR | Effective Interest Rate | PCR | Provision Coverage Ratio |
| EPS | Earning Per Share | ROA | Return on Asset |
| EWS | Economically Weaker Section | ROE | Return on Equity |

Formulas



| Ratios | Formulas Used |
|---------------------------|--|
| Average Borrowings (%) | Interest Expense / Average Borrowings |
| Average Gearing Ratio (x) | Average Borrowings / Average Net worth |
| Average Yield (%) | (Interest Income + Assignment Income) on Loans / Average Loan Assets |
| Cost to Income (%) | Operating Expenditure(Employee Cost + Other Expenses + Depreciation - Acquisition Cost – ESOP cost - CSR cost) / (Net Revenue-Acquisition Cost) |
| Gross Margin (%) | Total Net Income excluding acquisition cost / Average Total Assets as per Balance sheet |
| NIM (%) | Net Interest Income / Average Earning Assets |
| Opex to ATA (%) | Operating Expenditure(Employee Cost + Other Expenses + Depreciation - Acquisition Cost – ESOP cost - CSR cost) / Average Total Assets as per Balance sheet |
| PCR (%) | (ECL Provision + Steady state Provision) as a % of GNPA |
| ROA (%) | Profit After Tax / Average Total Assets |
| ROE (%) | Profit After Tax / Average Net worth |
| Spread (%) | Average Yield - Average Cost of Borrowings |



Thank You

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