



Investor Presentation

January 2017



Safe Harbor



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About PNB Housing



One of the Leading Housing Finance Company...



Strong Parentage, Independent Professional Management and an Autonomous Board

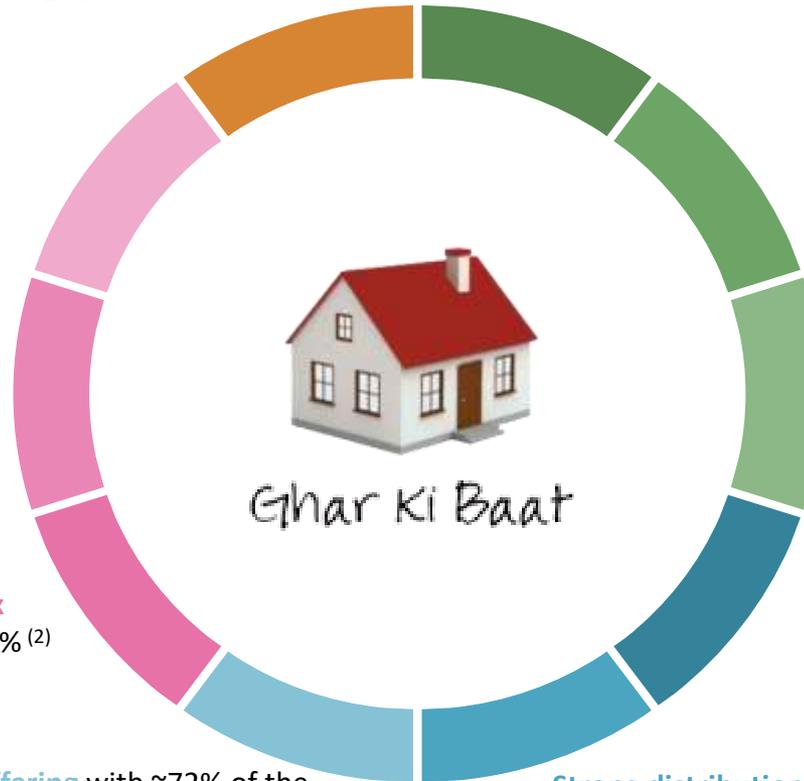
5th largest by Loan Assets and **2nd largest** by deposits ⁽¹⁾

Efficient capital utilization and delivering **healthy RoEs** consistently

Loans Assets of **INR 343bn** ⁽²⁾

Robust Asset Quality with one of the lowest Gross NPAs at 0.37%⁽⁴⁾

Fastest growing HFC amongst the Top 5 HFCs in India ⁽³⁾



Diverse and cost effective funding mix with average cost of borrowing at 8.81% ⁽²⁾

Robust and scalable technology-enabled target operating model

Wide product offering with ~72% of the loan assets as housing loans

Strong distribution network with pan India presence and over 9,600⁽²⁾ channel partners across India

Ghar Ki Baat



3. Source: IMACS; Based on CAGR of Loan assets during FY2012-2016
4. As a % of total loan assets as of 31st December, 2016
NPA: Non-Performing Assets

1. Source: CRISIL; 5th largest by loan assets as of 31st March, 2016 and 2nd largest by deposits as of 31 March, 2015 (amongst housing finance companies)
2. As of 31st December, 2016

...Commenced Journey in 1988



Business process re-engineering sponsored by Parent

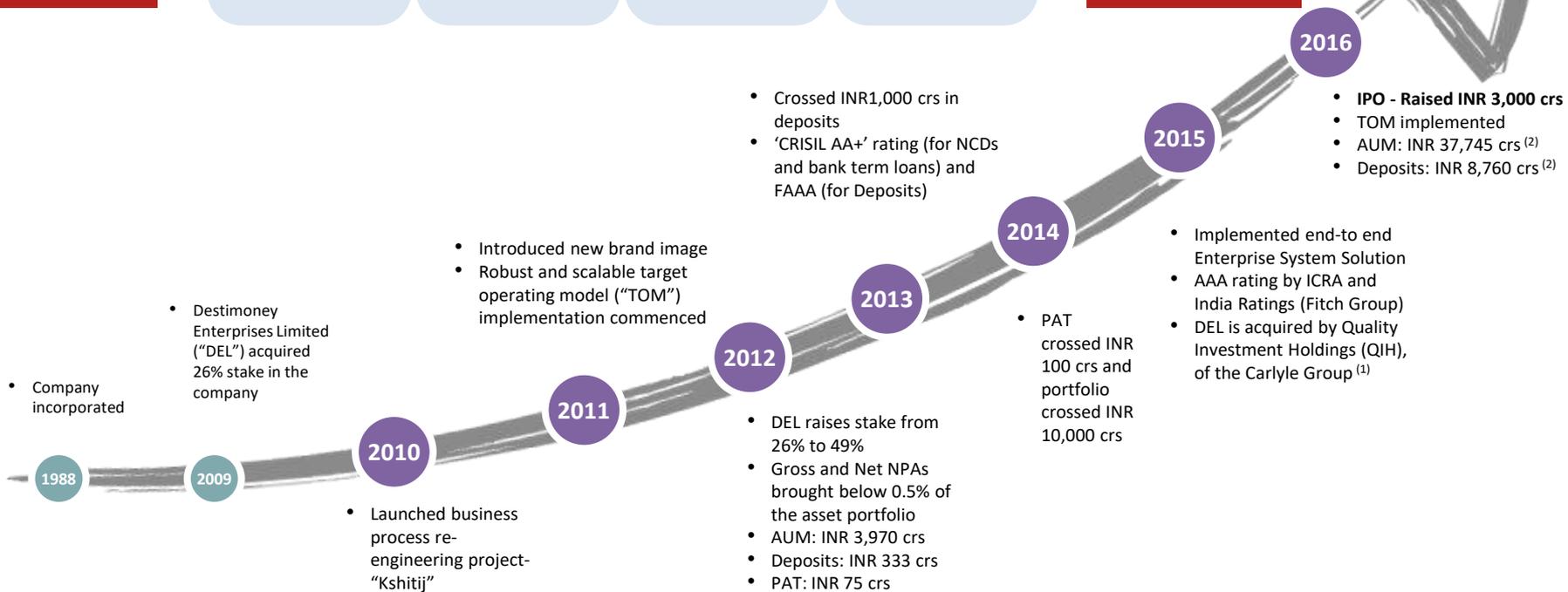
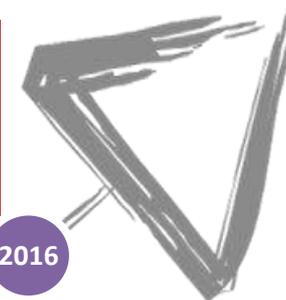
Put in place a highly experienced, independent and professional management team

Strong distribution network with well-defined operating procedures across the Company

Robust underwriting, monitoring and collection platform

Leverage technology as enabler and facilitator to enhance customer experience and engagement

PNB Housing - a brand to reckon with



Board Managed Entity with a Professional Management Team

1 QIH is an affiliate of Carlyle Asia Partners IV, L.P.
 2 As of and for the year ending 31st December, 2016



Operational and Financial Performance



Key Highlights – 9M FY17 vs 9M FY16



Disbursements

INR 14,592crs
42% ↑

Asset Under Management as on 31st December, 2016

INR 37,745crs
53% ↑

Loan Assets as on 31st December, 2016

INR 34,330crs
41% ↑

Gross NPA to the Loan Assets as on 31st December, 2016

0.37% vs
0.35%

Net Interest Income

INR 702crs
43% ↑

Profit After Tax

INR 371crs
66% ↑

Return on Total Asset

1.49%
11bps ↑

Opex to Average Total Assets

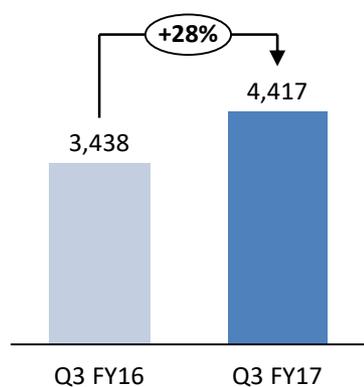
0.74%
13 bps ↓

Ratios are Calculated on Monthly Average

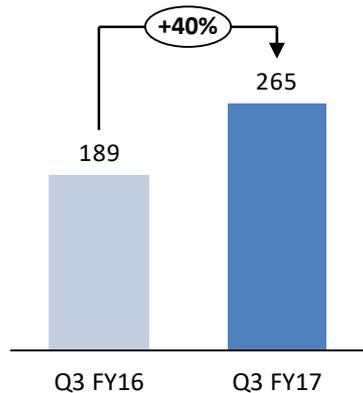
Key Highlights – Q3 FY17 vs Q3 FY16



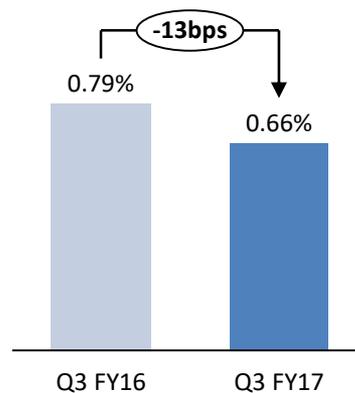
Disbursement (INR crs)



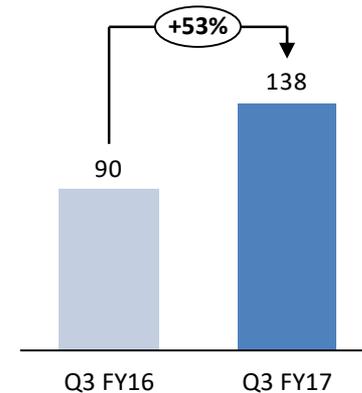
NII (INR crs)



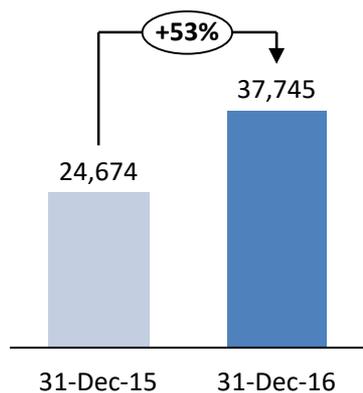
Opex to ATA (%)



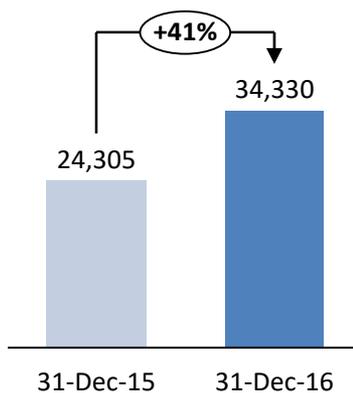
PAT (INR crs)



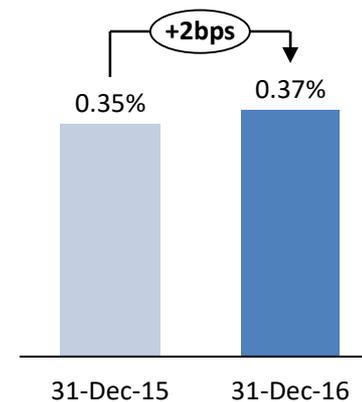
AUM (INR crs)



Loan Asset (INR crs)



GNPA (%)

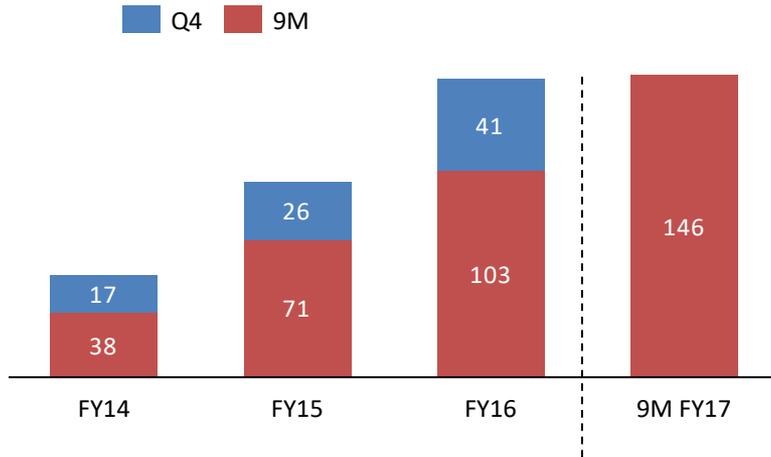


Ratios are Calculated on Monthly Average

Strong Growth and Best in Class Asset Quality



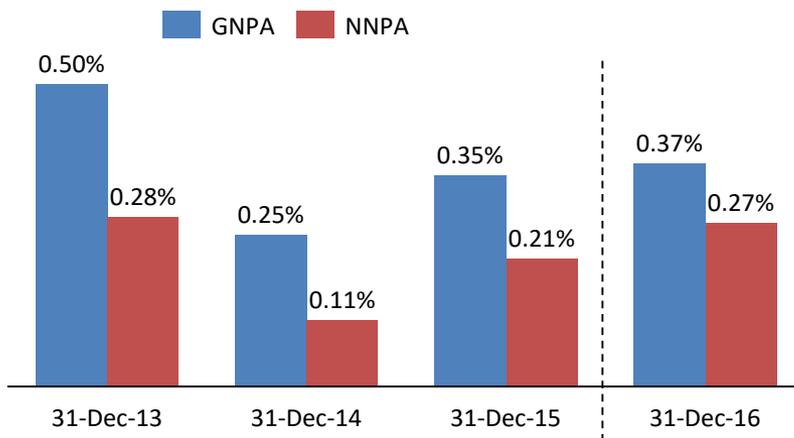
Disbursements (INR bn)



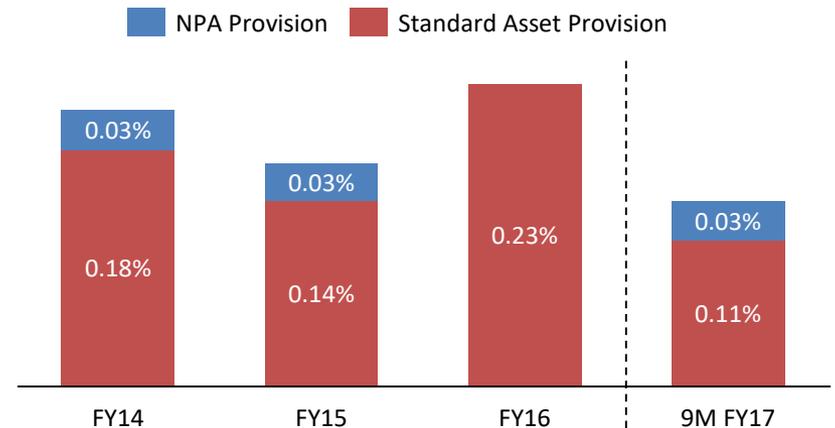
Loan Assets (INR bn)



Asset Quality (% of Loan Assets)



Credit Costs (% of Loan Assets)⁽¹⁾



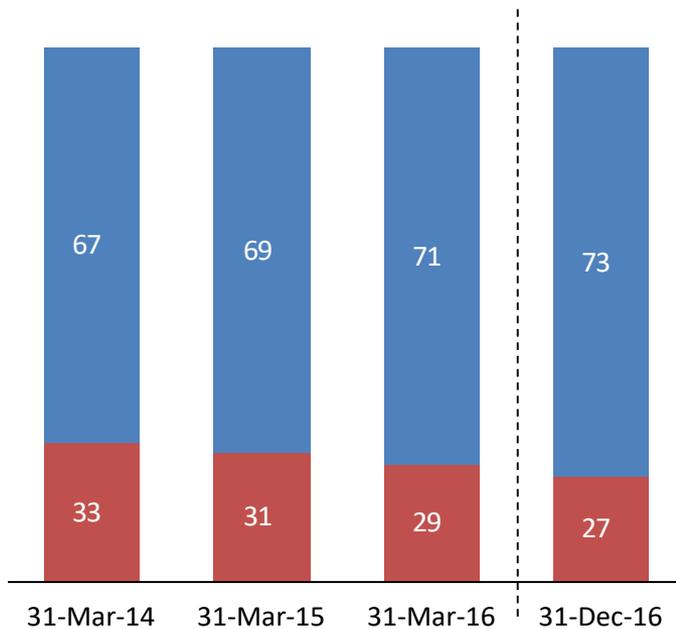
¹ Expenses on account of "Standard Asset and NPA Provisions"

Product Portfolio



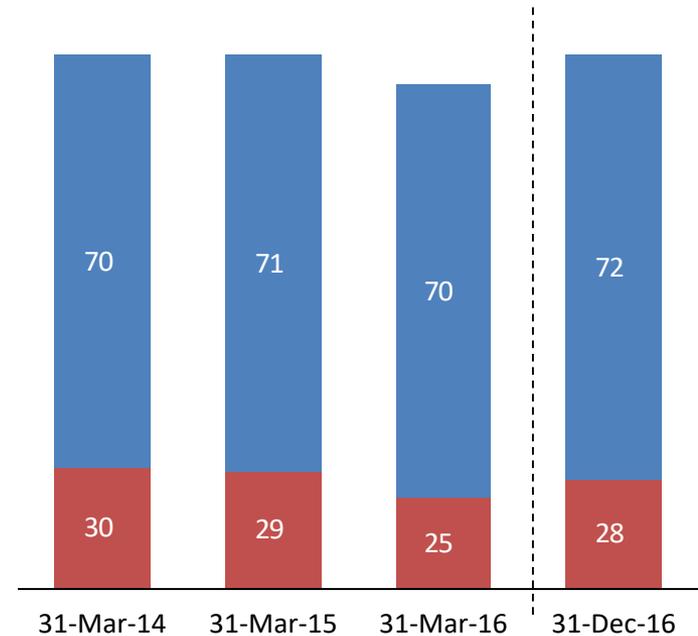
Share of Housing Loans (% of Total Disbursements)

■ Housing ■ Non-Housing



Wide Product Offering (% of Total Loan Assets)

■ Housing ■ Non-Housing

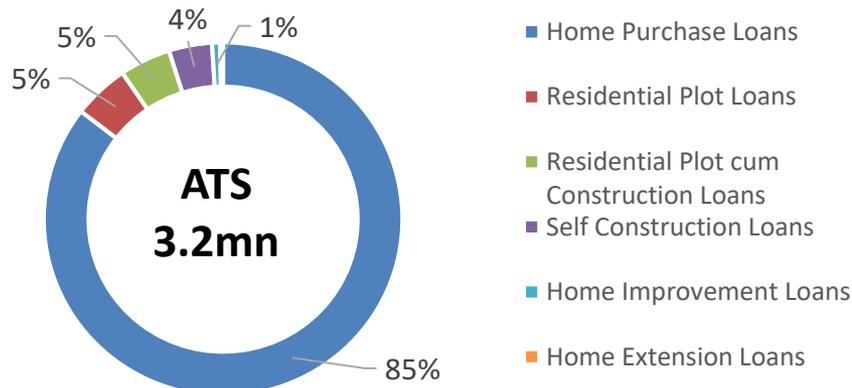
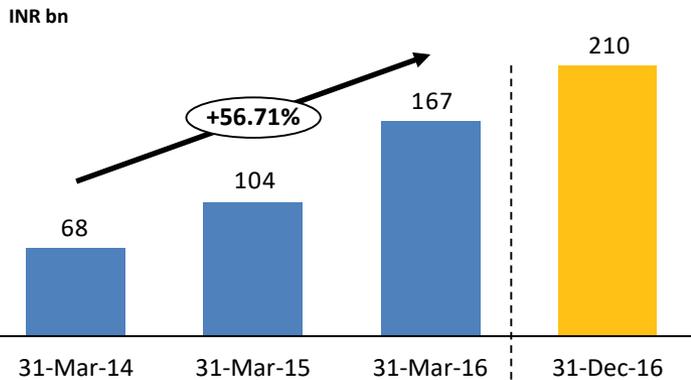


Housing Loan Assets Distribution

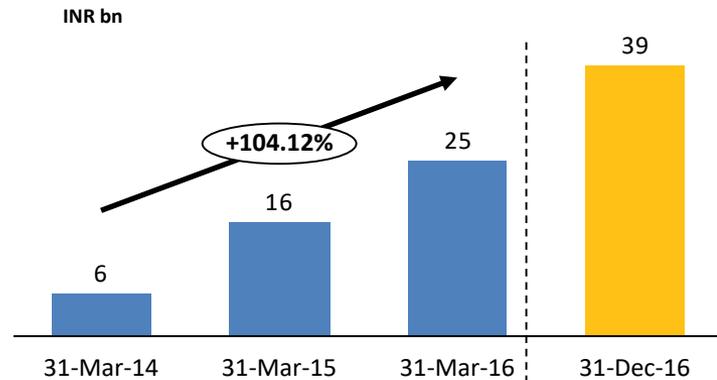


Housing Loan – 72.4% ⁽¹⁾

Individual Housing Loan ⁽¹⁾ – 61.2%



Construction Finance Loans ⁽¹⁾ – 11.2%



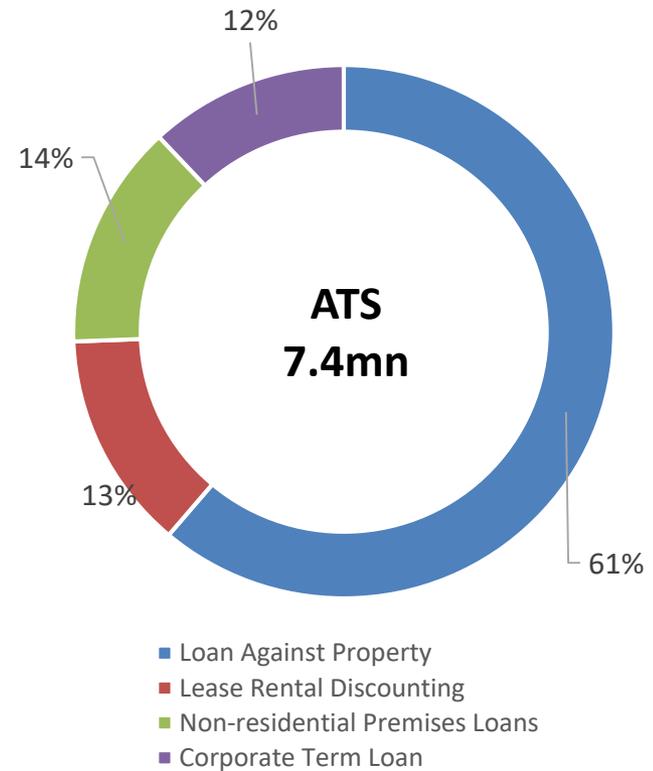
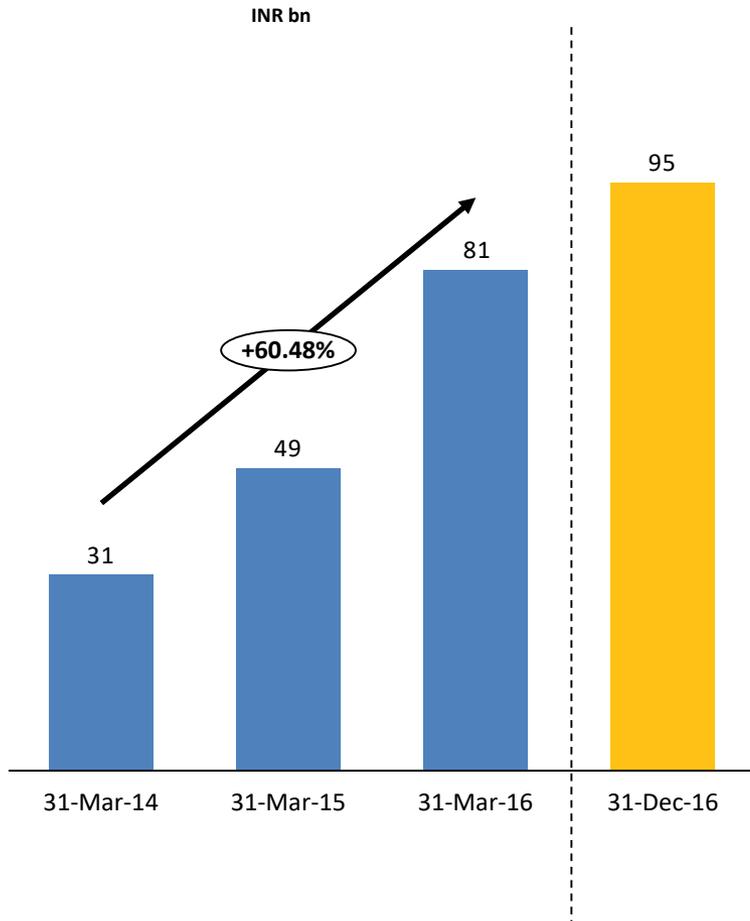
1. As a % of loan assets on 31st December, 2016

ATS: Average Ticket Size

Non- Housing Loan Assets Distribution



Non-Housing Loan⁽¹⁾
27.6%



1. As a % of loan assets on 31st December, 2016

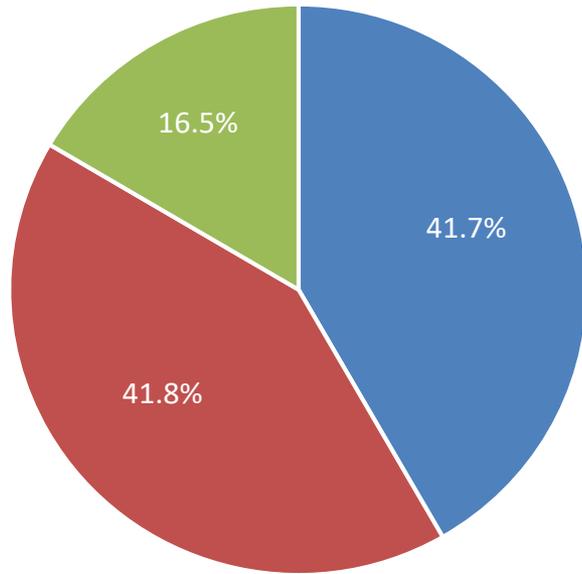
ATS: Average Ticket Size



Loan Book Composition & Origination

Loan Book Composition

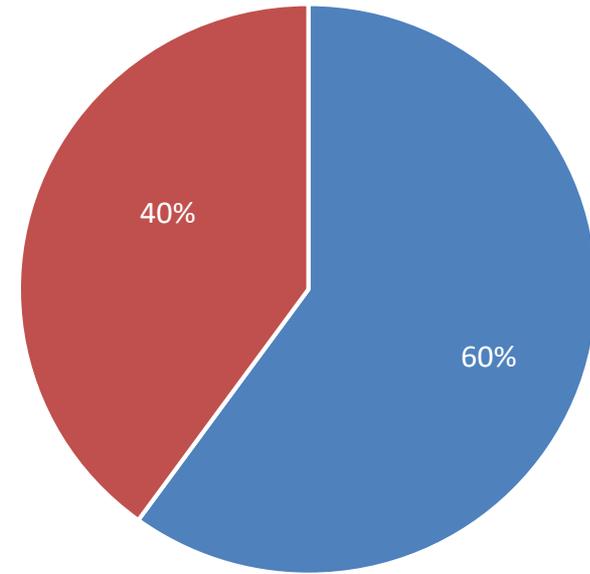
(%)



■ Salaried ■ Self-Employed ■ Loan to Corporates

Origination

(%)



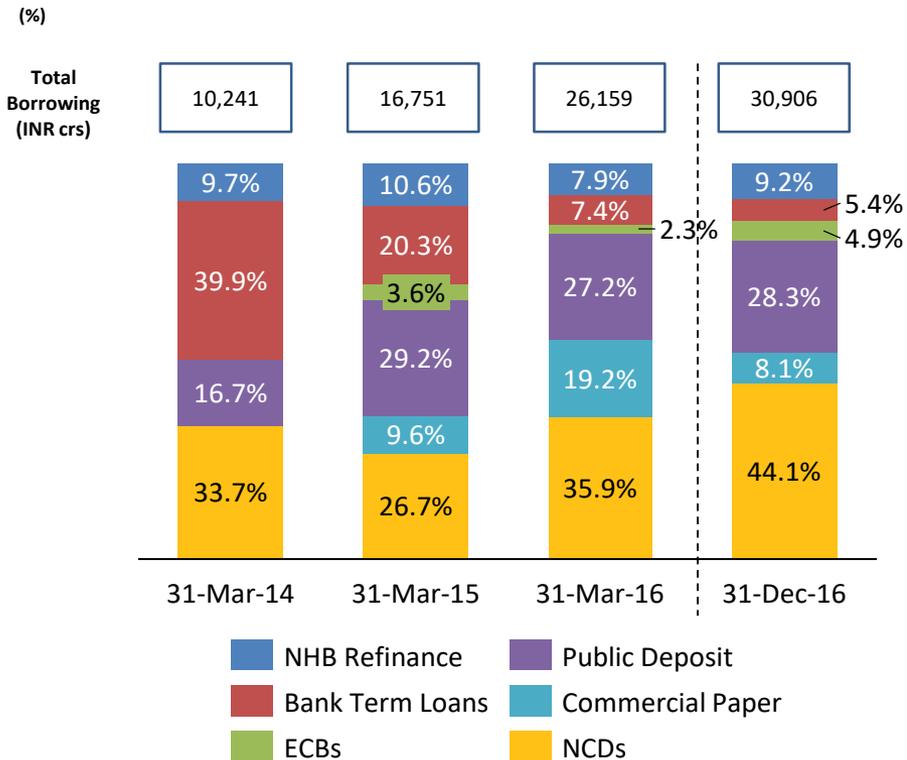
■ In-house ■ DSA

Data as on 31st December, 2016

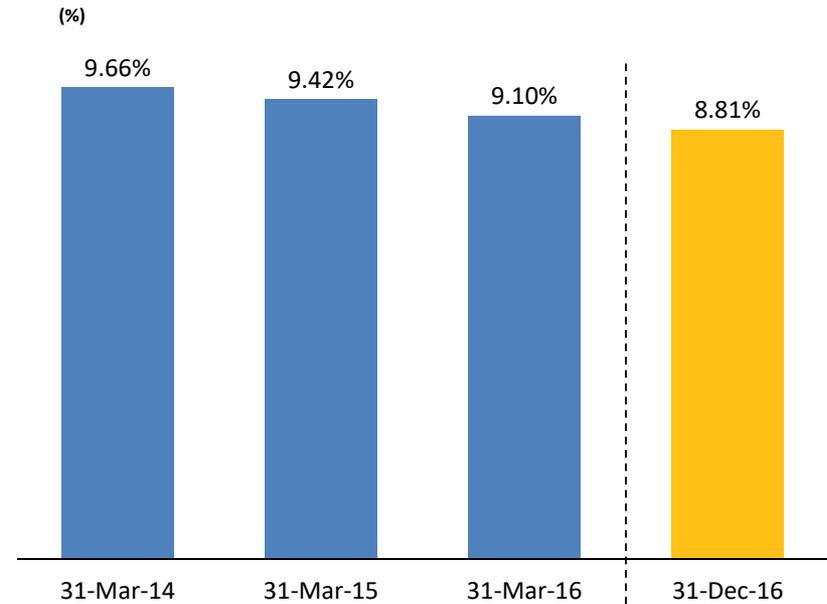


One Of The Most Diversified Liability Profiles

Access to a Diverse Base of Funding...



...leading to decline in Cost of Borrowings



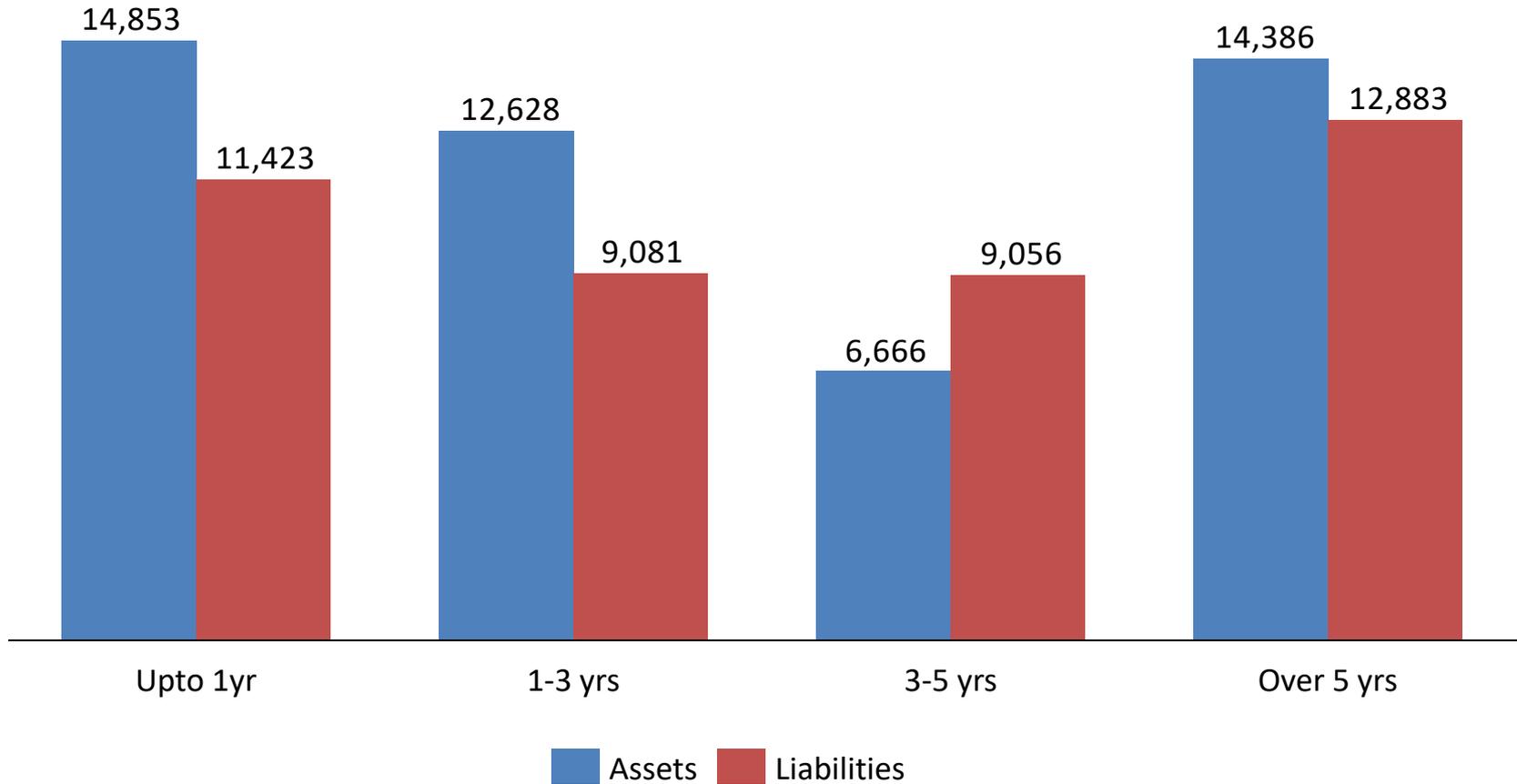
Credit Rating

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

Asset Liability Maturity Profile



(INR crs)

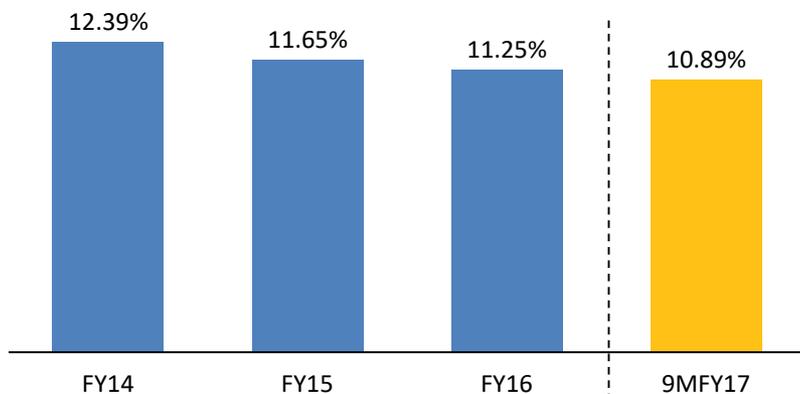


Data as on 31st December, 2016

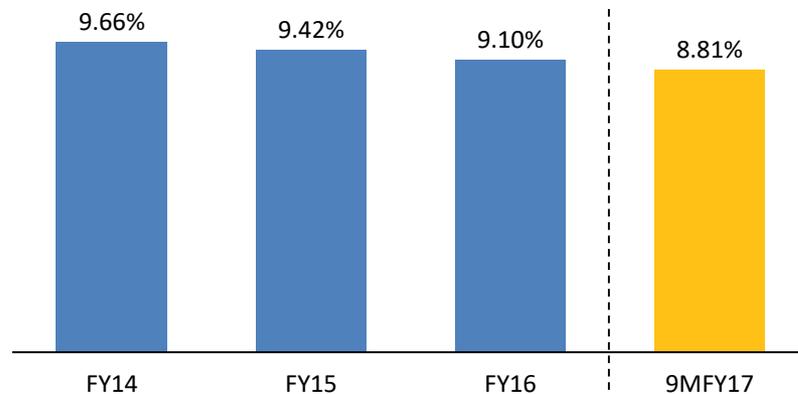
Margin Analysis



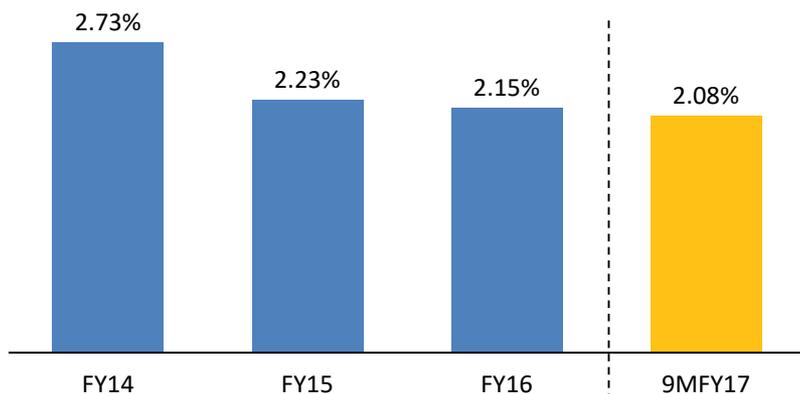
Average Yield (%)



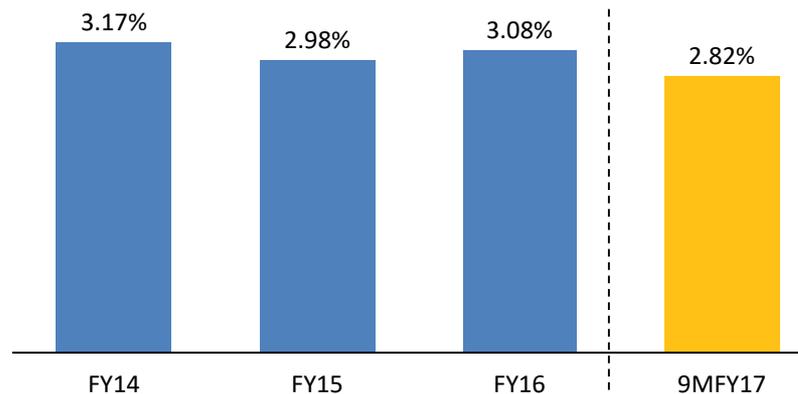
Average Cost of Borrowings (%)



Spread (%)



NIM (%)

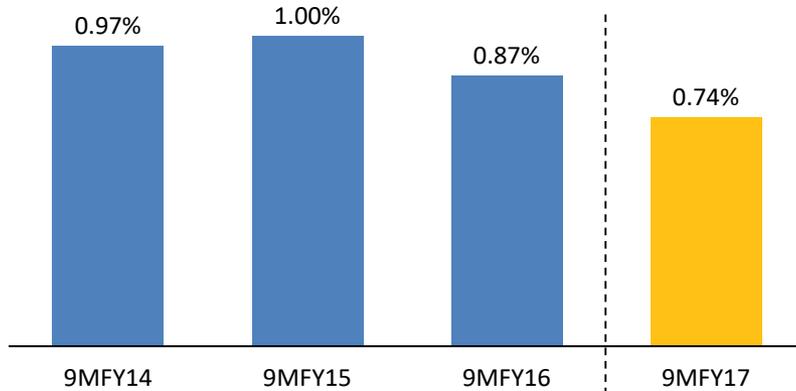


Ratios are Calculated on Monthly Average

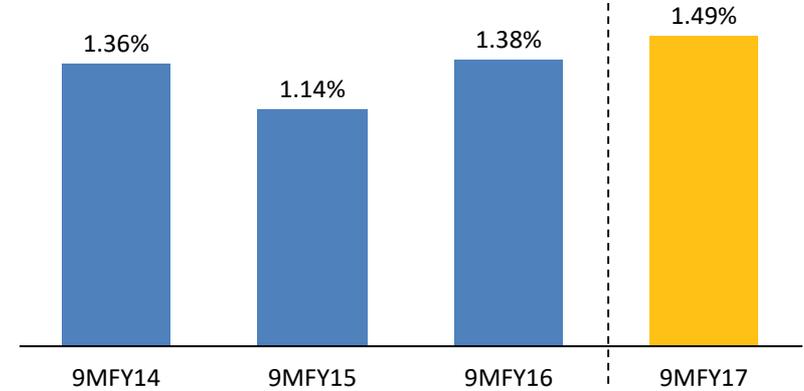
Operating Leverage Playing Out



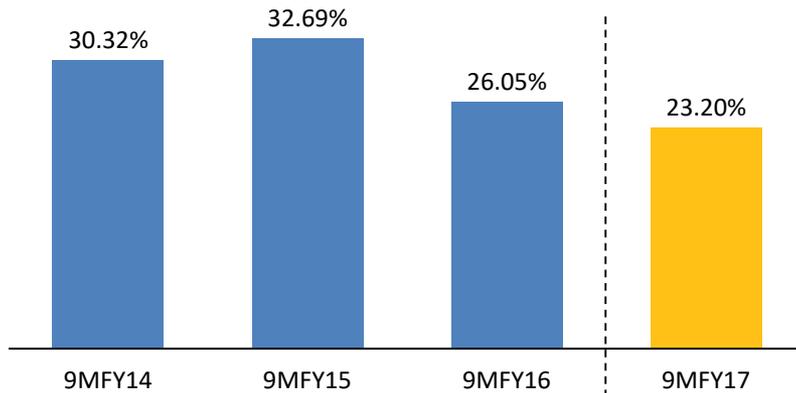
Opex to Average Total Assets Ratio (%)



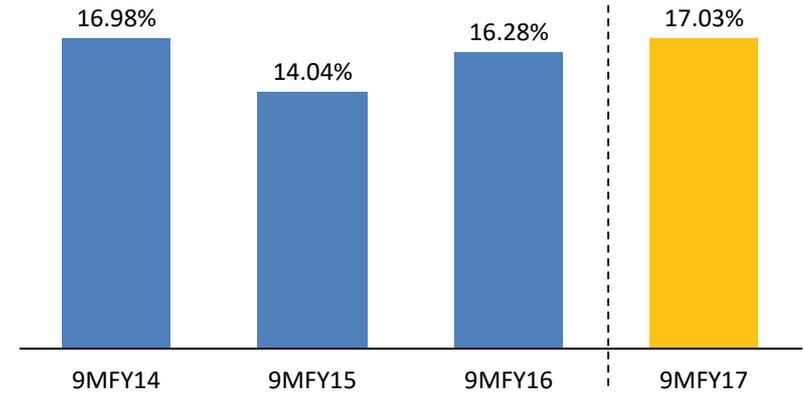
Return on Assets (%)



Cost Income Ratio (%)



Return on Equity (%)



Ratios are Calculated on Monthly Average

Profit & Loss Statement



Particulars (INR crs)	Q3 FY17	Q3 FY16	Y-o-Y	Q2 FY17	Q-o-Q	9M FY17	9M FY16	Y-o-Y	FY16
Interest Income	938	675	38.9%	913	2.7%	2,668	1,826	46.1%	2,568
Fees & Other Operating Income	61	34	80.6%	57	7.0%	164	87	88.0%	128
Income from Operations	999	709	40.8%	970	2.9%	2,832	1,913	48.0%	2,696
Expenditure:									
Finance Cost	673	487	38.3%	685	-1.7%	1,966	1,335	47.2%	1,860
Employee Benefit Expenses	25	20	23.6%	27	-6.1%	74	59	24.0%	75
Other Expenses	57	37	54.8%	70	-17.9%	180	109	65.0%	162
Depreciation Expense	5	4	10.9%	5	4.6%	14	11	27.0%	15
Provisions and Write-Offs	31	16	94.1%	-23	-236.7%	36	52	-30.3%	81
Total Expenditure	791	564	40.2%	763	3.7%	2,270	1,567	44.8%	2,194
Profit Before Other Income	208	145	43.3%	207	0.3%	562	346	62.5%	502
Other Income	0	1	-	0	-	0	1	-84.1%	1
Profit Before Tax	208	146	42.6%	207	0.3%	562	347	62.3%	503
Tax Expenses	70	55	26.5%	70	0.8%	191	123	55.8%	177
Net Profit After Tax	138	90	52.5%	138	0.1%	371	224	65.8%	326
EPS (Basic)	9.2	7.1		10.9		27.6	19.3		27.5



Our Business Model



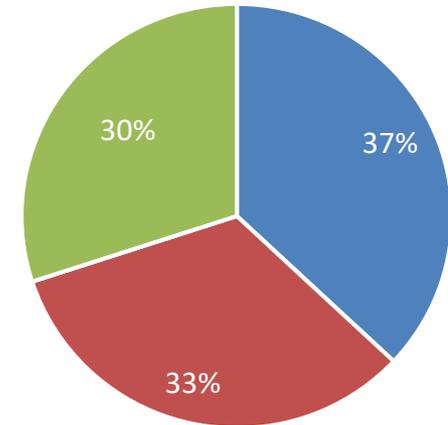
Geographical Presence



Branches – Point of Sales & Services

HUBs – Fountain head for Decision Making

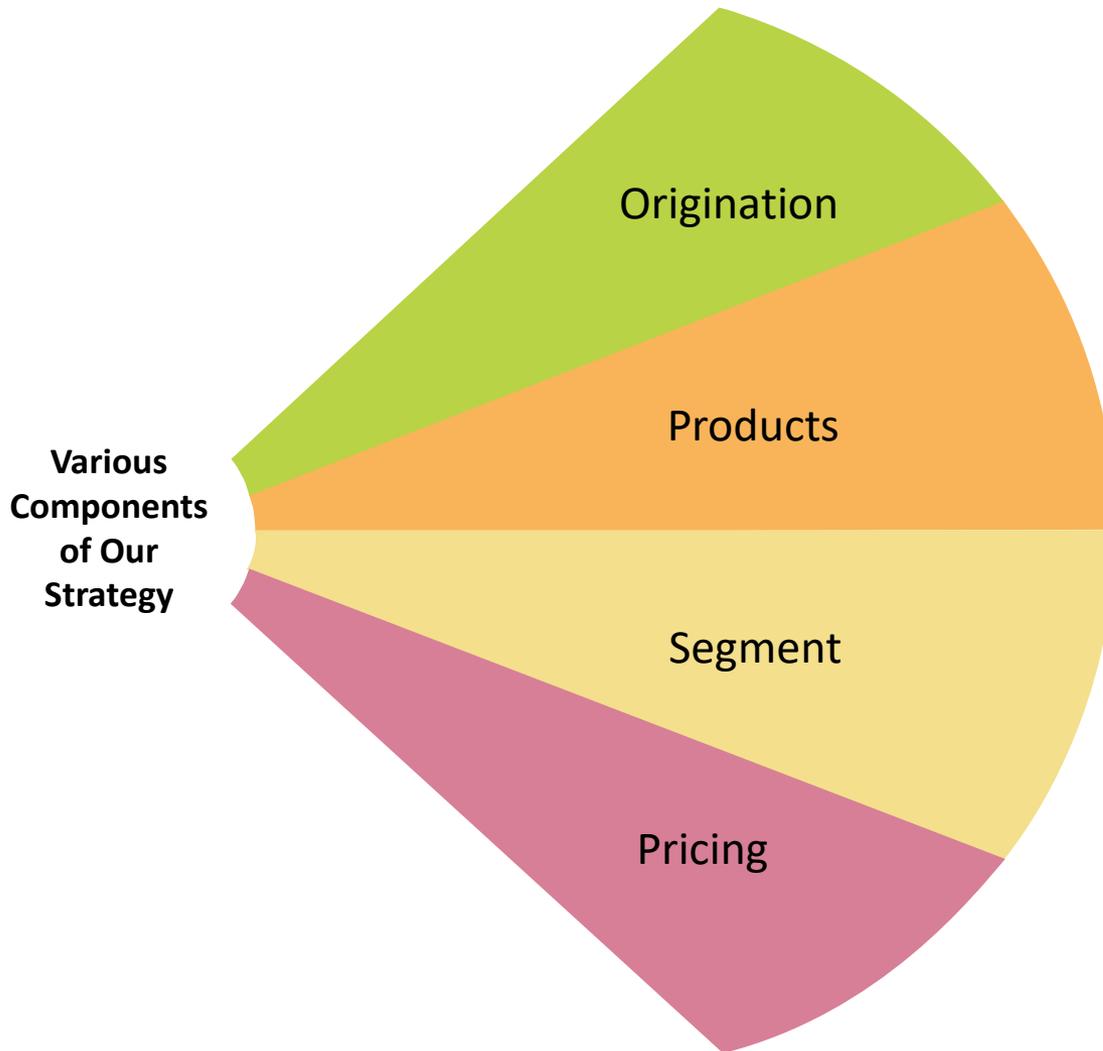
Zonal Hubs - Guides, Supervises & Monitors the HUB



■ North ■ West ■ South

- ✓ In-depth analysis of demographics and growth prospects
- ✓ Market deepening strategy
- ✓ Track operational break-even for each establishment
- ✓ Establish branches as per business potential
- ✓ Hubs aid and support branch expansion

...With a well-thought Strategy



01 ➤ • In-house channels, third party channels including DMAs, market aggregators

02 ➤ • Wide product basket to cater to needs of customers
• Achieving growth across segments to maintain a diversified portfolio

03 ➤ • Product programs, capabilities around serving the self-employed segment

04 ➤ • Pricing as per the customer segment and product category
• Differentiated pricing for salaried and self employed segments

Robust Delivery Model...



Robust Delivery Model...

Hub and Spoke Branch Model



In-House Sales Team



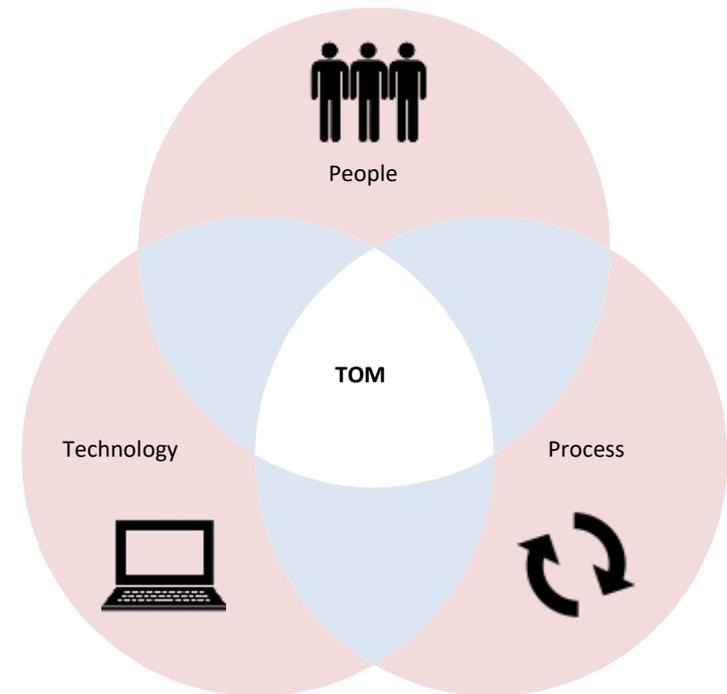
Third Party DMAs and Market Aggregators



Developer Relationships



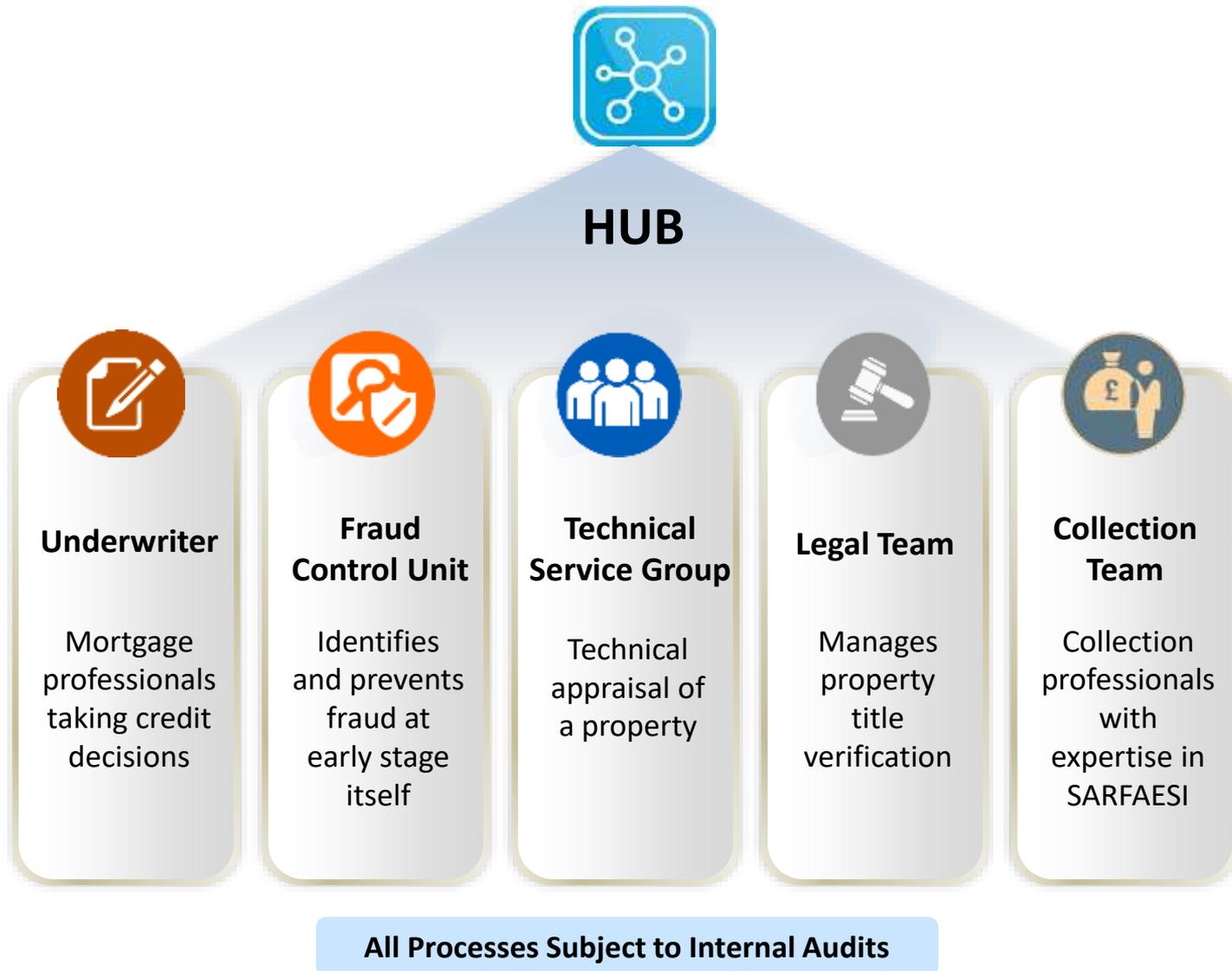
Target Operating Model (TOM)



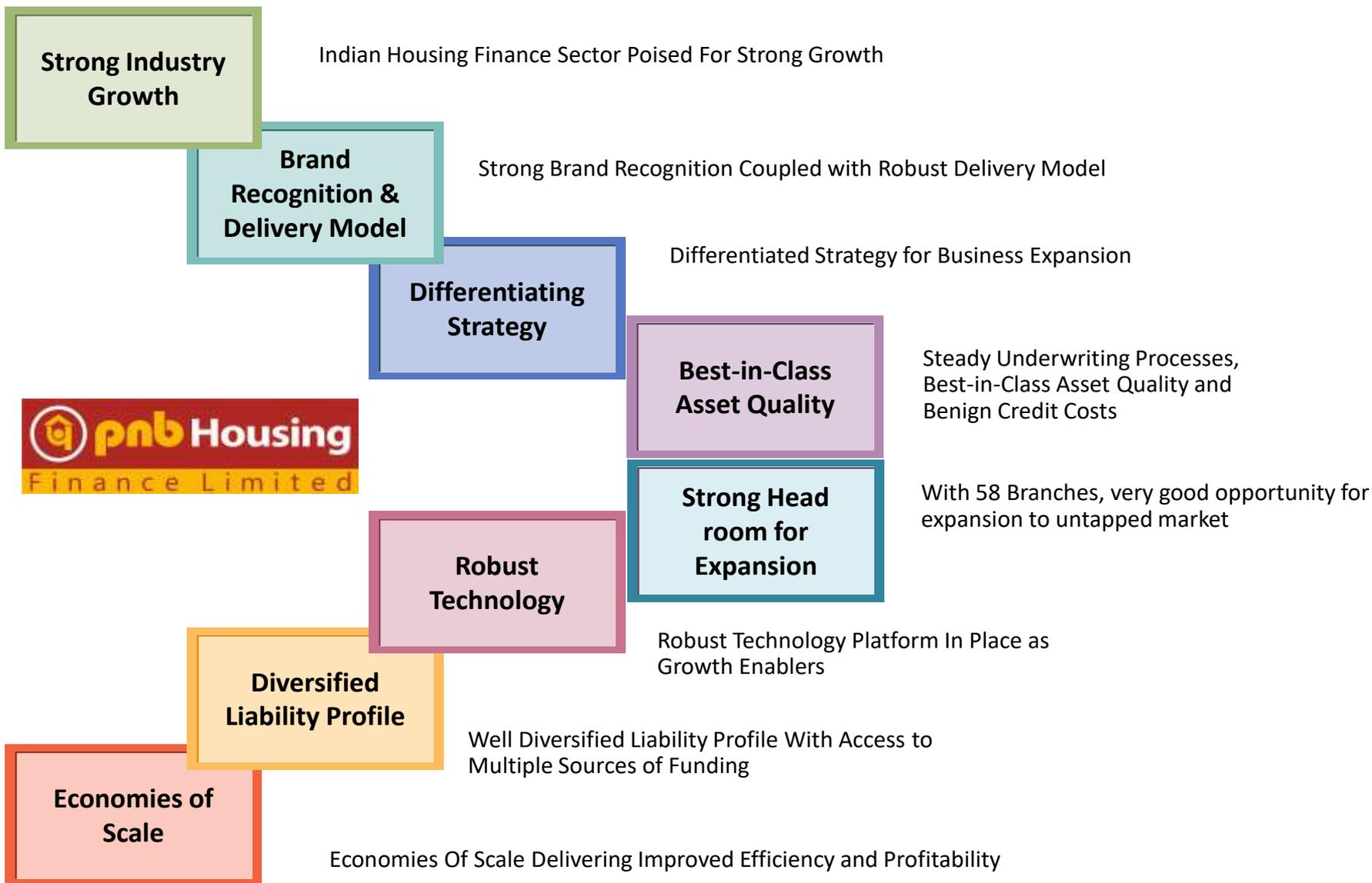
Focus on productivity, efficiency and quality

Supported by End-to-End Technology

...Robust Credit Underwriting Processes and Control...



...A Platform with Significant Growth Potential

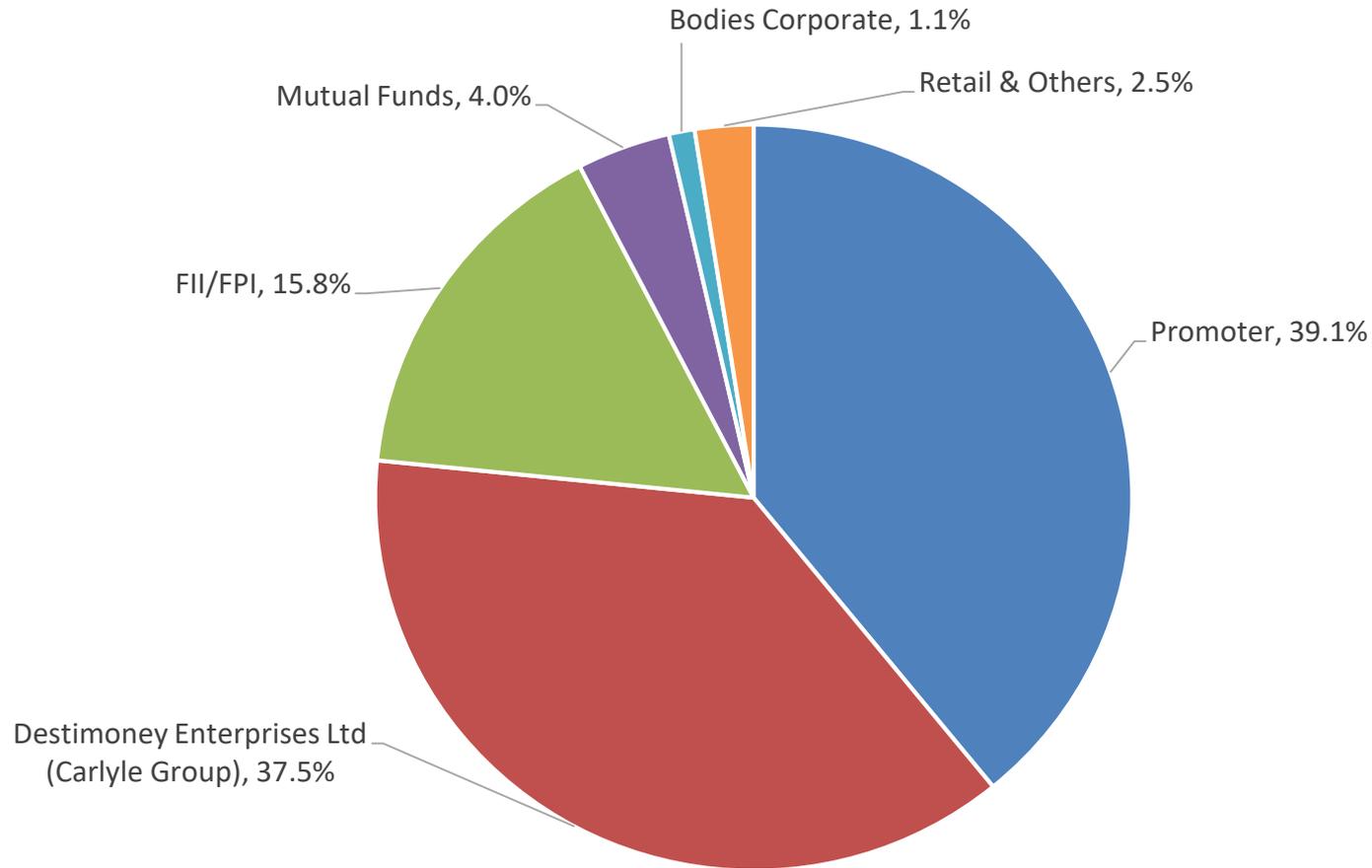




Shareholding Pattern



Shareholding Pattern



Data as on 31st December, 2016



Management and Board of Directors



Strong Team with Extensive Industry Experience...



**Sanjaya Gupta -
Managing Director**

Age : 54 Years

No. of Years with PNB HF : 7 Years

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



Age : 45 Years

**No. of Years with PNB
HF :** 5 Years

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

Shaji Varghese – Business Head



Age : 51 Years

**No. of Years with PNB
HF :** 5 Years

Prior Engagements :
Religare Finvest Ltd
GE Money Indiabulls
Financial Services

Ajay Gupta - Chief Risk Officer



Age : 55 Years

**No. of Years with PNB
HF :** 6 Years

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

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



Age : 39 Years

**No. of Years with PNB
HF :** 3 Years

Prior Engagements :
Gruh Finance Limited

Jayesh Jain – Chief Financial officer



Age : 53 Years

**No. of Years with PNB
HF :** 22 Years

Prior Engagements :
Ansal Buildwell Limited

**Sanjay Jain - Company Secretary &
Head Compliance**



Age : 50 Years

**No. of Years with PNB
HF :** 6 Years

Prior Engagements :
ARMS (Arcil)
Indian Army

Anshul Bhargava - Chief People Officer

... And Overlooked by Highly Experienced Board



Usha Ananthasubramanian
Chairperson – Non Executive

Age:

58 Years

Current Position:

MD & CEO of PNB



Dr. Ram S. Sangapure
Non Executive Director

Age:

58 Years

Current Position:

Executive Director at PNB



Sunil Kaul
Non Executive Director

Age:

56 Years

Current Position:

MD, Carlyle
Head, SE Asia, FIG, Carlyle



Devijit Singh
Non Executive Director

Age:

50 Years

Current Position:

MD, Carlyle



Shital Kumar Jain
Independent Director

Age:

77 Years

Current Position:

Retired



R Chandrasekaran
Independent Director

Age:

59 Years

Current Position:

Founder and Executive Vice Chairman, Cognizant



Nilesh S. Vikamsey
Independent Director

Age:

52 Years

Current Position:

Partner, Khimji Kunverji and Co



Gourav Vallabh
Independent Director

Age:

39 Years

Current Position:

Professor



Sanjaya Gupta
Managing Director

Age:

54 Years

Current Position:

MD, PNB Housing Finance



Thank You