Ref: PNBHFL/SE/EQ/FY2026-27/14
April 25, 2026

BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
Scrip Code: 540173

National Stock Exchange of India Limited
Listing Department
Exchange Plaza
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
Symbol: PNBHOUSING

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call held on April 21, 2026 – Q4FY26
Ref: *Our letters (i) PNBHFL/SE/EQ/FY2026-27/05 dated April 13, 2026 (Earnings call invitee)*
(ii) PNBHFL/SE/EQ/FY2026-27/10 dated April 21, 2026 (Audio Link)

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please find attached the transcript pertaining to the earnings call held on April 21, 2026 on Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and financial year ended March 31, 2026.

This intimation is pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same shall also be available on the website of the Company at www.pnbhousing.com

Kindly take the above document on record.

Thanking You,

Yours faithfully,
For **PNB Housing Finance Limited**
Veena Kamath
Digitally signed by Veena Kamath
Date: 2026.04.25 15:59:26 +05'30'

Veena G Kamath
Company Secretary

Encl: As above.

"PNB Housing Finance Limited

Q4 & FY 25-26 Earnings Conference Call"

April 21, 2026

MANAGEMENT: MR. AJAI KUMAR SHUKLA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – PNB HOUSING FINANCE LIMITED
MR. VINAY GUPTA – CHIEF FINANCIAL OFFICER – PNB HOUSING FINANCE LIMITED
MR. CHAITANYA YADAV – NATIONAL HEAD, CORPORATE PLANNING AND INVESTOR RELATIONS – PNB HOUSING FINANCE LIMITED

Moderator: Ladies and gentlemen. Good day and welcome to PNB Housing Finance Limited Q4 and FY 2025-26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Chaitanya Yadav, National Head, Corporate Planning and Investor Relations. Thank you and over to you, Mr. Yadav.

Chaitanya Yadav: Thank you, Renju. Good morning and welcome everyone. We are here to discuss PNB Housing Finance Q4 and FY 25-26 results. You must have seen our business and financial numbers in the presentation and the press release shared with the Indian Stock Exchanges and are also available on our website.

With me, we have our management team led by Mr. Ajai Kumar Shukla, Managing Director and CEO of the company. We will begin this call with the performance update by the management team, followed by an interactive Q&A session.

Please note this call may contain forward-looking statements which exemplify our judgment and future expectations concerning the development of our business. These forward-looking statements involve risks and uncertainties that may cause actual developments and results to differ materially from our expectations. PNB Housing Finance undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances. A detailed disclaimer is on slide 46 of the investor presentation.

With this, I will now hand over the call to our MD and CEO, Mr. Ajai Kumar Shukla. Over to you, sir.

Ajai Kumar Shukla: Good morning everyone. So it's a pleasure to address you today as we reflect on the significant developments shaping India's housing finance landscape and share our performance for the quarter and the full year. FY 26 has been a pivotal year for the housing finance industry. The sector continued to benefit from strong structural drivers - rising urbanization, improving affordability and a clear shift toward home ownership across income categories. Tier 2 and Tier 3 cities in particular remained strong demand centers supported by improved infrastructure and increasing economic activity.

Government initiatives and supportive regulatory measures have further strengthened the environment for affordable housing. A softening interest rate cycle supported by steady economic activity has helped sustain healthy credit growth across the sector. It may also be worth noting that the ongoing geopolitical conflicts may have an impact on growth projections for all sectors including housing finance sector.

The crude oil prices may keep inflation and interest rates elevated and may also marginally impact asset quality. However, if the situation remains contained, the overall impact is likely to be moderate and transient with underlying housing demand remaining structurally resilient. Overall, the industry is on a strong growth trajectory with particularly high potential in the affordable and emerging market segments. These are the areas where we have built strong capabilities and remain strategically well positioned.

Now talking about the PNB Housing Finance. Despite the pricing pressure in the market, the company has shown a strong and balanced growth during the year. The retail loan book grew by 16% Y-o-Y to INR 86,946 crores as on 31st March 2026. The total loan book of the company stood at INR 87,347 crores as on 31 March 2026. The affordable and emerging market segments continue to increase their share in retail loan asset and is at 40% as on 31st March '26 compared to 37% as on 31st March '25.

The disbursement during Q4 grew by 36% Y-o-Y and 50% Q-o-Q to INR 9,355 crores. During the quarter, overall retail segment disbursement grew by 32% Y-o-Y to INR 9,020 crores.

Within this, the Affordable rebounded and grew by 59% sequentially to INR 1,249 crores which is largely flat as Q4 '25. We are back on growth path for affordable segment and expect to deliver similar performance going forward.

The Emerging Market segment continued to outperform, delivering a strong 34% Y-o-Y growth in disbursement.

The Prime segment delivered 43% Y-o-Y growth despite the broader pressure on yield following the rate cuts.

Overall retail disbursement growth for full year came in at 19%.

Happy to share that we have facilitated 5,000 subsidies under PMAY marking a significant milestone in our journey towards enabling affordable housing and supporting the Government of India housing for all mission supported by National Housing Bank.

The company restarted corporate segment with disbursement of INR 335 crores in Q4 FY26. The corporate loan book stood at INR 401 crores as on 31 March 2026.

Presently our digital channels generate nearly 15% of our overall leads.

With focus digital transformation, we further enhanced our onboarding process with the launch of infinity application which is in-house developed by our team. This fully digitized paperless workflow is now fully adopted by our in-house sales team and is helping us materially reduce turnaround times and operating costs while significantly improving customer experience. We are also in the process of onboarding all our direct selling agents to the platform.

In addition, we deployed an AI-enabled calling solution for sanctioned but not disbursed cases, engaging 70% of our identified pool and securing disbursement confirmation from 50% through intelligent outreach and targeted WhatsApp follow-ups.

We continue to embed AI led initiatives across the end-to-end loan processing lifecycle. During the quarter, multiple use cases were successfully completed pilot run including AI driven calling for Re-KYC, pre-delinquency management, top up offering and fresh sales lead conversion.

As far as geographical presence is concerned, as planned we opened 35 branches taking the total network to 393 branches including 229 in affordable segment, 87 in emerging market segment.

Our extensive pan-India footprint enabled us to effectively capitalize on the growing opportunities in the affordable and emerging market segments, particularly across high potential Tier 2 and Tier 3 locations. In future also we will keep on focusing on increasing distribution but priority is to bring existing distribution or branches more productive.

Asset quality: I am pleased to share that we achieved a significant milestone during the year. Our GNPA continues to improve and is now below 1% mark, standing at 0.93% as of 31 March 2026. This improvement is a direct result of our strengthened collection infrastructure and continued emphasize on portfolio quality across both retail and corporate segment.

Recoveries remained strong driven by focused collection and resolution efforts. In Q4 '26 we recovered INR 24 crores from retail return off pool and INR 143 crores from corporate return off pool. For the full year FY’26, total recoveries from return off pool accounts stood at INR 332 crores resulting in a negative credit cost of 45 bps. Operationally, momentum strengthened further with the sale of 689 retail properties during the year compared to 537 in FY’25, underscoring improved execution across recoveries.

The company has a remaining written-off pool of around INR 500 crores in corporate and around INR 325 crores in retail.

As far as margin is concerned, spread reduced by 10 bps Q-o-Q from 2.22% to 2.12% due to lower incremental yield and BT pressure in prime business. In our view, the yield have bottomed out and should start improving from Q1 FY’27.

Net interest margin improved by 6 bps Q-o-Q in Q4 FY’26 to 3.69%.

As far as profitability is concerned, in FY’26, Profit after tax increased by 18% Y-o-Y to INR 2,291 crores leading to an ROA of 2.66% and ROE of 12.73%. The capital adequacy ratio is 27.26% and Tier 1 is 26.89% as on 31 March 2026.

Glad to share the Board of Directors recommended a dividend of INR 8 per equity share having face value of INR 10/- for FY’26, subject to the shareholder’s approval during next AGM.

I would like to present the guidance for FY 2026-27.

Given the industry outlook and our business performance so far, the guidance would be:

We are looking for loan book to cross more than INR 1 lakh crores mark in FY’27.

Retail loan book projected to grow between 18% to 20%.

NIM would be in the range of 3.55% to 3.65%.

Credit cost continue to be benign due to recoveries from written-off pool, and

ROA would be in the range of 2.4% to 2.5%.

With this I would like to hand over the call back to Chaitanya. Thank you so much.

Chaitanya Yadav: Thank you, sir. I will now request Mr. Vinay Gupta, our CFO, to talk about the financials.

Vinay Gupta: Good morning, everyone and very warm welcome to our earnings call. I am pleased to share our strong Q4 and FY 2025-26 financial performance, reflecting continued focus on execution and the underlying resilience of our operating fundamentals.

Let me begin with business growth as highlighted by MD sir during his opening remarks. Q4 FY'26 has been one of the best quarters in terms of disbursements as we achieved 36% growth year-on-year in the current quarter. Similarly, our loan book also grew 15% YoY including retail disbursement growth of 16% YoY.

Moving to key financial parameters.

So, you would have seen net interest income has grown 11% during Q4 FY'26 and 13% for the full year FY'26.

Yields moderated this quarter by 25 bps to 9.47%. This is largely due to lower incremental yield versus book yield and higher run-offs. It seems that yield has now bottomed out and should start improving from Q1 with higher mix of Emerging and Affordable business.

On the liability side, cost of borrowing improved by 15 bps sequentially to 7.35% in Q4 FY'26, supported by gradual repricing with banks and transmission of policy rate cuts. For the full year, cost of borrowing improved by 29 bps to 7.57% in FY26 compared to 7.86% in FY25.

However, the incremental cost of borrowing edged up slightly to 7.23% in Q4 FY'26 from 7.2% during previous quarter, in line with the current prevailing liquidity and market conditions. As a result, spread moderated by 10 bps to 2.12% in Q4 FY'26 compared to 2.22% in Q3 FY'26 while remaining broadly stable at 2.2% for full year FY'26.

Net interest margin improved by 6 bps in Q4 FY'26 to 3.69% compared to 3.63% during previous quarter. This one-off inverse relationship between spread and NIM is due to difference in methodology. The spread is measured on a daily interest convention whereas NIM benefits from monthly averaging. This should smooth out from the next quarter onwards.

Operating expenses grew by 13% YoY to INR 920 crores compared to INR 813 crores in FY25. This was largely driven by branch additions that we did in the later part of FY'25 and onetime impact of implementation of new Labor Code. We added 35 branches in Q4 FY'26. The full cost of which will be visible from next financial year onwards. However, we expect operating leverage and' scale benefits to kick in from existing business to partially offset these costs.

Our opex to ATA is for Q4 FY'26 is at 1.08% and full year is at 1.05%. We expect it to remain range bound between 1% to 1.1%.

Pleased to report a successful recovery of around INR 167 crores in Q4 FY'26 and around INR330 crores during full year FY26 which translated into a credit cost of - 78 bps in Q4 FY'26 and -45 bps in FY26.

Our GNPA improved further crossing the milestone of sub <1% level and now stands at 0.93%. Further there is marked improvement across all segments in 30 plus and 90 plus metrics. Affordable business is also now showing signs of stabilization across all delinquency metrics.

Profitability remains strong. The reported PAT for Q4 FY'26 is INR 656 crores marking a 19% year-on-year growth and 26% sequential growth. For full year our net profit grew 18% to INR 2,291 crores.

ROA improved to 2.66% for FY'26 compared to 2.55% in FY'25. ROE stands at 12.73 in FY'26.

Our total CRAR stands at 27.26% with Tier 1 at 26.89%.

As of March, our net worth stood at INR19,219 crores and our book value increased to INR 738 per share. Thank you for your continued support and I now hand over the call back to Chaitanya.

Chaitanya Yadav: Thank you, Vinay. Renju, we can now open the call for the Q&A please.

Moderator: Thank you. The first question comes from the line of Sucrit D Patil with Eyesight Fintrade Private Limited. Please go ahead.

Sucrit D Patil: Good morning to the team. I have two questions. My first question to Mr. Shukla is, what are your key priorities for PNB Housing in the year ahead or in the quarters ahead to be very specific? Specifically, how do you plan to expand lending reach, improve customer service and use digital platforms to make housing finance more accessible and transparent to all? That's my first question. I'll ask my second question after this. Thank you.

Ajai Kumar Shukla: Yes, Sucrit**.** Thank you so much. I think partly the answer was embedded in your question itself that how can we improve our footprint and increase the business. So, first of all, the use of digital and automation would be the key success mantra.

As I explained in my talk that we have started using infinity app, which is an end to end on-boarding app which will save a lot of time of feet on street staff. And at the same time, the LOS which is a loan origination system will also help in fast processing.

So, we have now introduced digital end-to-end solution from sourcing to processing to disbursement. There will be no paperwork involved which will save a lot of time of my field force so that they are more in the field and generate more number of leads. In fact, they need not to visit the office for deposit of files for processing.

So it means whenever they are meeting with the customer, they can complete the work at one place and then they can move to the other customer. So that will give the efficiency not only in terms of sourcing, but processing also. The key priorities would be definitely, as we said that we are looking for the growth of 18% to 20% in AUM.

The mantra would be growth with quality. We have reduced our GNPA from 1% to 0.93%. We will put up more focus on to improve it further. And also, the third key priority would be to make our existing branches and distribution more productive because we have almost 393 branches as of now and we can easily scale up our business by using this current infrastructure.

Sucrit D Patil: Thank you. My second question to Mr. Gupta is, again a forward looking one. How are you approaching risks such as rising funding cost, regulatory compliances that keeps on changing over the time and credit defaults, while ensuring profitability remains steady and growth remains constant for the company? Thank you.

Vinay Gupta: Sucrit, thank you for the questions. See, in Q4, you would have seen that we were able to still reduce our borrowing cost by around 15 bps and it's now stands at around 7.35%. We still have some scope as our incremental cost, it is still lower than the overall portfolio cost. So, there is still some scope.

We are also working with credit rating agencies as there is an opportunity for improvement in the credit rating as well based on the performance, that will further help on the cost of borrowing. At the same time, we are keeping adequate liquidity buffers and, keeping the adequate LCR to ensure that the company has adequate liquidity cover in the times of need.

And at the same time, we are also working with enhancing our distribution and our resource profile by adding more banks and going more towards debt market and diversifying our funding.

Moderator: Thank you. Next question comes from the line of Viral Shah with IIFL Capital. Please go ahead.

Viral Shah: Yes, hi. Congratulations on a good set of numbers and thank you for this opportunity. Ajai, I had two questions. One is can you give say more details of your growth guidance at a segment level. Specifically, how you are thinking about say the Affordable and the Emerging segment and also the disbursement growth kind of outlook over there?

And the second question is if you can give some more color on the corporate disbursements that we did of INR 335 crores this quarter. Like what is, is this just one single account or multiple ones? Yields, which kind of geography is the builder in or the project is in? Thank you.

Ajai Kumar Shukla: Yes, so thank you, Viral. If I talk about segment wise we will grow almost 50% in Affordable segment. That's what we are targeting. So, like we did almost INR 3,800 crores disbursement in FY'26. We are expecting to grow by 50%. Our overall composition of Affordable plus Emerging currently is at 40%. We grew from 37% to 40%. Two years down the line, we are expecting that we should be having composition of 50%/50%.

So, growth in Emerging plus Affordable would be high. More particularly ,the Affordable growth will be much higher than Emerging. If I talk about sequentially the growth in Prime would be lesser. Further the growth in Emerging would be high and Affordable, it will be the highest growth. And that is not only AUM but also in terms of disbursement.

If I talk about corporate disbursal last year, we disbursed one case of almost INR 360 crores- 370 crores which is primarily of Mumbai.

So, our focus would be more on reputed good builders of the cities. We will be targeting almost seven to eight top category cities where the market is good, sell ability is high and the quality of developer is also, good. So, if I talk about geographical presence, we will be having presence in Pune, Bombay, Bangalore, Chennai, Hyderabad, Delhi.

These are the typical cities wherein we will be focusing as far as our corporate business is concerned . But still our focus on retail segment will be much high. Even if we have entered into Corporate finance business, it will not be more than 3% of my overall book in the FY’27

Viral Shah: Right. And can you just also mention the yields at which this loan was given, the corporate loan?

Ajai Kumar Shukla: See, the Corporate business, the idea of ours is to maintain the overall yield of almost 11.75% to 12% because we don't want to go beyond that price band. Because if we go beyond this price band then that means we have to focus more on Tier C and Tier B kind of builders which we don't want. So, it would be in the range of 11.5% to 12% only.

Viral Shah: Got it. And if I may, can I ask one more question?

Ajai Kumar Shukla: Yes, please.

Viral Shah: Vinay, so basically on the margin front, just wanted to check how are you thinking first of all given how the market rates are, the bond markets. First of all, on cost of funds and secondly given now the book mix probably will be changing, especially with the re-entry into the corporate finance segment, is there a scope for say some higher margins versus what was guided?

Vinay Gupta: Yes, Viral. So, as we mentioned, on the yield front, we expect, you know, that the yields have now bottomed out and it should start improving from here because now our incremental yield and book yield has coincided. With the higher mix coming in from Affordable Emerging and Corporate now, so I should see our yields improving going forward. On the cost of borrowing front there are certain headwinds right now considering the current liquidity conditions and most of the benefits that we were supposed to get we have realized from the rate cut cycle.

So going forward, that is where it is going to remain stable or maybe 5 bps to 10 bps improvement. So hence, overall there are upsides which are expected. So, you know, it all depends on the current economic, geopolitical situations. If that stabilizes there is definitely a scope to do better but otherwise it should remain range bound.

Moderator: We have lost the line of the participant. We'll promote the next that is Gaurav Toshniwal with ICICI Securities.

Renish: Hello. Yes, hi sir. This is Renish here from ICICI. Just two things. So, one on this disbursement pickup in Q4. So, you highlighted about transformation, helping us getting better volumes but when we are guiding for 18% to 20% growth in retail assets how we ensure the improvement which we saw in Q4 will sustain in FY’27. So can you just briefly tell us let us say two three major changes you might have done at ground level which is helping us getting these volumes and which is a sustainable going forward?

Ajai Kumar Shukla: So Renish, you know, I think largely I would say the idea was to engage more on the field. So we did some events which were related to our distribution and partners in some top four-five cities of the country where we invited even surrounding cities distribution also. So the idea was to engage more with the partners who are doing housing finance business in the market. They might be doing lesser volume of business with us, but with the engagement, I think the commitment was high.

So overall what happened, it helped us to grow this volume by way of engaging the partners. Entire team was also fully engaged with visiting the branches, understanding the challenges of the market and getting them solved at very high pace. So that was one thing, I think that has helped really us very well and we will keep on focusing on that distribution engagement from April itself I would say going forward for the full year.

So engagement will always be there. And this is the success mantra of the retail business. You keep on engaging with the people and you will keep on getting business from the market. I think that's the only new thing which has happened, otherwise the focus was on to sort out the challenges which team was facing at the ground with speed.

Renish: Got it. So basically, what you're trying to say sir is that there is no big bang changes we have done but it is just that more engagement with ground is sort of motivating them and helping us to get better volumes?

Ajai Kumar Shukla: Yes, so market is there. See we are third largest player in this industry, market is very large. Housing finance industry is very large, is going by pace of 12% to 13%. And so there is a opportunity if you keep on engaging with the market and the people, I think business will definitely flow into your kitty.

Renish: Got it, got it. And sir, just last clarification on the credit side. So you did mention about retail asset growth being at 18%-20% but since we have also entered into corporate business in Q4 and obviously we'll do some more in FY '27, so does that mean the overall book growth could be touching 20%?

Ajai Kumar Shukla: Yes, so it will be in the range of 18% to 20%. I think overall growth should come. While corporate finance composition will be 3% of my book, but the focus will remain on Emerging and Affordable.

Renish: Got it. But it will still help us do better numbers on the blended basis?

Ajai Kumar Shukla: Definitely, yes. Because my Emerging plus Affordable would be higher than my Prime business. So that is how it will help in improving my overall margins.

Renish: Okay, got it sir. Thank you so much and best of luck sir.

Moderator: Thank you. Next question comes from the line of Kunal Shah with Citi Group. Please go ahead.

Kunal Shah: Yes, thanks for taking the question. So firstly, with respect to the yields on the affordable housing side, that seems to be down almost 75 basis points quarter-on-quarter when the disbursements have actually picked up. So, was this maybe what Vinay was also indicating in terms of catching up with the lower incremental yields or there would be more re-pricing and maybe we will continue to operate at this level of yields in the affordable housing, that has come down to as low as 11.35%, so just wanted to check if thats the level which we will operate in Affordable housing?

Ajai Kumar Shukla: So Kunal, I think it's a combination of both I would say, in fact while the overall yield is looking low, but if you see we are able to maintain our NIM because we also got the benefit of cost. So when the repo rate went down by almost 1.25% last year, the yield has also gone down in this business and so is true with the market.

But we were able to compensate by way of cost of fund which has also given us benefit and yes there was intense competition in terms of pricing especially in the last quarter in the market. And that is how you have to deal with that. But I think since we are able to maintain our NIM, it is not impacting much to us. This is on Affordable I am talking about this thing.

Kunal Shah: Sure. So the question was also on affordable products. And when we look in terms of the recoveries which we anticipate getting into FY'27, if you can quantify that you indicated that that will help the overall credit cost, but how much is the recovery we are expecting?

Vinay Gupta: For FY’27 we are expecting around INR 200 crores to INR 250 crores recovery in total.

Kunal Shah: In this year. any reason for increase in 30 plus in Prime. It has gone up by almost 30 basis points to 3.31%?

Ajai Kumar Shukla: No specific reason, if you see year-on-year it is stable. It was 3.4 last year and it is still 3.3. The Q3 numbers were aberration actually.

Vinay Gupta: No even 30-plus I think it has gone down from 3.4% to 2.72, . The 30+ DPD figures presented for Q4 FY’26 across all verticals in the Investor Presentation reflect Stage-2 numbers, which include accounts flagged under SICR. On a like-for-like basis, excluding SICR and consistent with the methodology followed in previous quarters, the Q4 FY’26 30+ DPD ratios are 2.72% for Prime, 2.11% for Emerging, and 1.32% for Affordable

Kunal Shah: Sure.

Moderator: Next question comes from the line of Prithviraj Patil with Investec. Please go ahead.

Prithviraj Patil: So I have a couple of questions. So the first question is on the NIM. So in the opening question we mentioned that the NIM would converge with the spread. So the ROA that looks higher this quarter, it's largely because of accounting and that will sort of move over next quarter or like how do we look at the NIM going forward? And the second question is on the SR as mentioned in one of the footnotes in our financial statement. So what is the fair value gain that we have booked on sale of these SR?

Vinay Gupta: See, actually, on the SR bit, this is one account which we have fully realized. So this is not like a fair value gain, it is a cash receipt that has happened and hence SR is closed fully. So that is the recovery which has come, that is on the corporate side. And on the NIM, as I mentioned it is more of a aberration or the methodology, which has led to this change. It will normalize next quarter. But at the same time, next quarter, as I mentioned, we should see some benefits on the overall key trajectory. And hence, we should be able to maintain the current NIM trajectory that we have to the gap of between 5 to 10 basis.

Moderator: Next question comes from the line of Avinash Singh with Emkay Global Financial Services Limited. Please go ahead.

Avinash Singh: Hi, good morning. Thanks for the opportunity. Couple of questions. The first one, when you are guiding kind of odd 2.4% to 2.5% ROA for next year, what kind of credit cost is being built into decision and my question is basically that if I were to look at, say, last year's ROA 2.66%, of course, that has a kind of a 35 basis point negative credit cost. So, if we were to build a normalized case, possibly the ROAs are more into a 2-point full year. I mean, for the last quarter, it will come closer to maybe 2.1 odd percent.

And if we were kind of looking in a normalized case, 30, 40 basis point improvement in ROA that heavy lifting has to be done by yields and maybe some bit on the cost of funds if you were to see a rating upgrade. So in this context, just wanted because opex is at very optimal level already.

So just if you can help us what kind of credit cost will be there for 2.4% to 2.5% kind of ROA? And I mean, going forward, June FY '27, when recovering kind of nearly goes away and you swing to more like a 20, 30 basis point whatever ideal credit cost will build. I mean how are you going to start on a deliver 2.4% to 2.5% ROA that's one.

Second one on the product front, are there some products? I mean, now you are there into Affordable, Emerging as well as the developer side of these loans. Are there some product offering yet to be launch or you see, I mean, particularly in the non-housing side, will you be looking for Micro LAP in a category, say, 8 lakh, 10 lakh, 12 lakh something in near future?

Ajai Kumar Shukla: So, I will answer the second question first, then Vinay will take over. As far as this product development is concerned, we are already in the segment of Emerging and Affordable. Yes, you are right,we are looking the segment which is between 14% to 16%, where we are going to start operation and the branches, where my affordable business were already present. So, it would be not only Micro LAP, it will be micro housing also. That introduction will happen in the Q1 itself. On the financial aspect Vinay if you can give.

Vinay Gupta: Yes, on the overall ROA tree, as you mentioned, so the guidance is around 2.4% to 2.5% and even for next year, we expect the benefit on the recoveries from the written off tool to continue. So, we still expect the credit cost to remain negative next year in the range of around 15 to 20 bps. So, this is what is factored in. And overall improvement and ensuring that it remains sustainable.

Also, as you also rightly mentioned in your query itself that it has to be picked up through the higher mix of Emerging, Affordable and Corporate. So this is where we are working on. Currently we are at 40%, we expect in the next 2 to 3 years this mix to move towards 50+% and with higher mix of Corporate as well.

So, the benefit is going to come on the NIM over a period of next 2 to 3 years to cover up the gap which we have on the credit cost and it should ensure that we maintain the similar trajectory on a longer run.

Moderator: Next question comes from the line of Gaurav Khandelwal with JP Morgan.

Gaurav Khandelwal: I've got a couple of questions. I'll ask those one by one. First if I can just understand that our focus is to grow Affordable, but if I look at the disbursements on Affordable side it was quite weak in FY 26, 4Q in fact affordable disbursements came down minus 3% visa-vis Prime which is not our key focus area but we still see higher disbursements. Is this something to do with the ongoing rates in the market or is this more to do with asset quality?

Ajai Kumar Shukla: So Gaurav, Affordable has started shaping up now. In last quarter we disbursed almost similar what we disbursed last year. As far as Prime business, basically, Prime business is nothing but the replenishment of what book you lost during the year. If you see my growth on Prime business is only 9%, while Affordable growth is very high.

So, whatever book you lose in the Prime segment during the year, you replenish it. And that is why the growth looks high in the Prime in terms of disbursement, but actually the growth is not very high. So, focus will remain on Affordable business.

It is not related or any significant relevance with the quality because quality you see in Affordable is good. We are now below 0.6% in our GNPA. Our bouncing is under control. Our 30+ is under control now. In all the parameters of quality in Affordable, we are under control.

Gaurav Khandelwal: Got it. In that case sir, is it fair to say that because the incremental yields have been so low at minus 75 bps Q-o-Q, that was one of the key reasons of disbursing Affordable at a slower pace?

Ajai Kumar Shukla: No, I think disbursal was not in slow pace. I would say that there were some challenges which we faced during mid of the year which we corrected. And that is why, deliberately we wanted to check those markets first and then we wanted to grow. Now, as we have checked those markets and we found that those issues were temporary which we overcome now.

The yield dip is not because of, as I said in my earlier conversation also, yield dip was because of drop in the repo rate. That is how now going forward when we are entering into segment of micro housing and Micro LAP, we will overcome with that and we will try to improve overall yield of Affordable business.

Gaurav Khandelwal: My other question is, can you share some early indicators of how the bounce rates are shaping up in the first half of April?

Ajai Kumar Shukla: First half of April? I think the bounce in April is more or less similar to what it was in March. So there is no significant jump in the bounce this year. There was one set of customer which we identified by way of doing some data science analysis that some customer of government's employee segment got EMI their bounce because maybe and that got even paid a very next day. When we deep dive into that we found that because March is generally a month of taxation, people have to clear that their taxes within March itself.

So might be their planning was not as per their requirement and that is why there could be some shortfall in their banking. But very next day, most of them paid. So that was the only one indicator which came and since they paid very next day, so I think other than that there nothing which we found significant.

Gaurav Khandelwal: Got it. Effectively no early signs of asset quality stress due to the ongoing geopolitical issues and what have you?

Ajai Kumar Shukla: I don't think so as of now.

Moderator: Next question comes from the line of Nischint Chawathe with Kotak.

Nischint Chawathe: One was on the yield side, when you mentioned that we expect that yields have bottomed out and will go up from here on. What gives you that confidence? You know given the fact that your incremental yields are going down, I understand the book composition but apart from that?

Ajai Kumar Shukla: So I think Nischint, why I am saying that it has bottomed out because one is that there is no change in repo rate in last few months. Because whenever there is change in repo rate you know the tendency of people is to do the BT out from your portfolio. Rather I would say I think there is some upside in the market in the rate of interest. So, the chances of dropping the rate doesn't seem to be there. And that is why the BT out will be restricted. When BT out will be restricted you know your overall yield will maintain. That's how I think.

Nischint Chawathe: Sure. Any color you could give as to how the BT out ratios have trended over the last four quarters?

Ajai Kumar Shukla: I think overall if I talk about, BT out of my entire portfolio is almost for the full year is 8%. And for the Q4, it was 8.6%. So it's a hardly a half percent difference between Q4 and overall.

Vinay Gupta: And just to add Nischint, Q4 has actually improved from Q3. Q3 it was 8.95%.

Ajai Kumar Shukla: So it means we have acquired more new customers than balance transfer.

Nischint Chawathe: So I think basically you are saying that balance transfer trends are on an improvement, and which kind of gives you this confidence.

Ajai Kumar Shukla: From Q3, Q4 has improved.

Nischint Chawathe: Sure. Got it, got it. And sir, I just missed your guidance on the overall loan growth. I think you mentioned something like INR1 lakh crores plus, but what exactly are you really looking at?

Ajai Kumar Shukla: We are looking at 18% to 20% growth in loan book.

Nischint Chawathe: Got it, got it. Thank you very much.

Moderator: Next question comes from the line of Nidesh with Investec. Please go ahead.

Nidesh: Thanks for the opportunity. Sir, my question is on the loan growth and loan mix. If we look at this quarter there is a sharp increase in non-individual home loans. And I think it grew some 12% QoQ as per our calculation, while housing loan growth was relatively soft at 3% QoQ. So what is happening here and what is our strategy in terms of loan mix going forward?

Ajai Kumar Shukla: So, loan mix, I think well it would be more in non-home loan in this quarter. But overall the non-housing versus housing would be around the range of 38% to 40% overall at vertical level. It will be in the same range. You know in Q4 our non-housing loan grew from Q3, I would say 32.4% from 30.6%. So while there is a increase but increase is not very large I would say. It is hardly 2% growth which we witness.

Overall yearly basis, I would say that we grew by almost 3.5% and it was you know to keep in mind that we have to improve our NIM also. You know, keeping under consideration the regulatory norms are also met. So that is how we are focusing on that, because we have scope to do more non housing loan but we are also keeping our watch that there should not be any breach on regulation which will help us in longer term to improve our margin.

Nidesh: From PBC criteria, what is the share of retail home loans? At what percentage we are operating at right now?

Vinay Gupta: We are at 65% Nidesh.

Nidesh: Okay, so there is significant room to reduce it. And the last question is on corporate loans. How do you see growth and share of corporate loans let's say 12 months down the line and 24 months down the line in overall loan mix?

Ajai Kumar Shukla: So this year, I think we will be having almost 3% of our book would be corporate loan book. We will be very moderate on that, we will not be focusing very high on corporate book because we want to go into this business in a very calibrated and sustainable way, I would say. So if I talk about first year, it would be around 3%, second year it would be around 5% to 6% of my overall book. Maybe down the line 3 year it will be in the range of 8% to 9% of my overall book.

Nidesh: And sir what is the incremental yield on corporate book?

Ajai Kumar Shukla: It would be in the range of 11.5% to 12%. 12% almost.

Nidesh: Sure, sure. Thank you sir, that's it from my side.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question and answer session. I now hand the conference over to Chaitanya Yadav for closing comments.

Chaitanya Yadav: Thank you everyone for joining us on the call. If you have any questions unanswered, please feel free to get in touch with Investor Relations. The transcript of this call will be uploaded on our website, that is www.pnbhousing.com. Thank you everyone.

Moderator: Thank you. On behalf of PNB Housing Finance Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.