

# “Indian Mortgages: Only the tip of the Iceberg”



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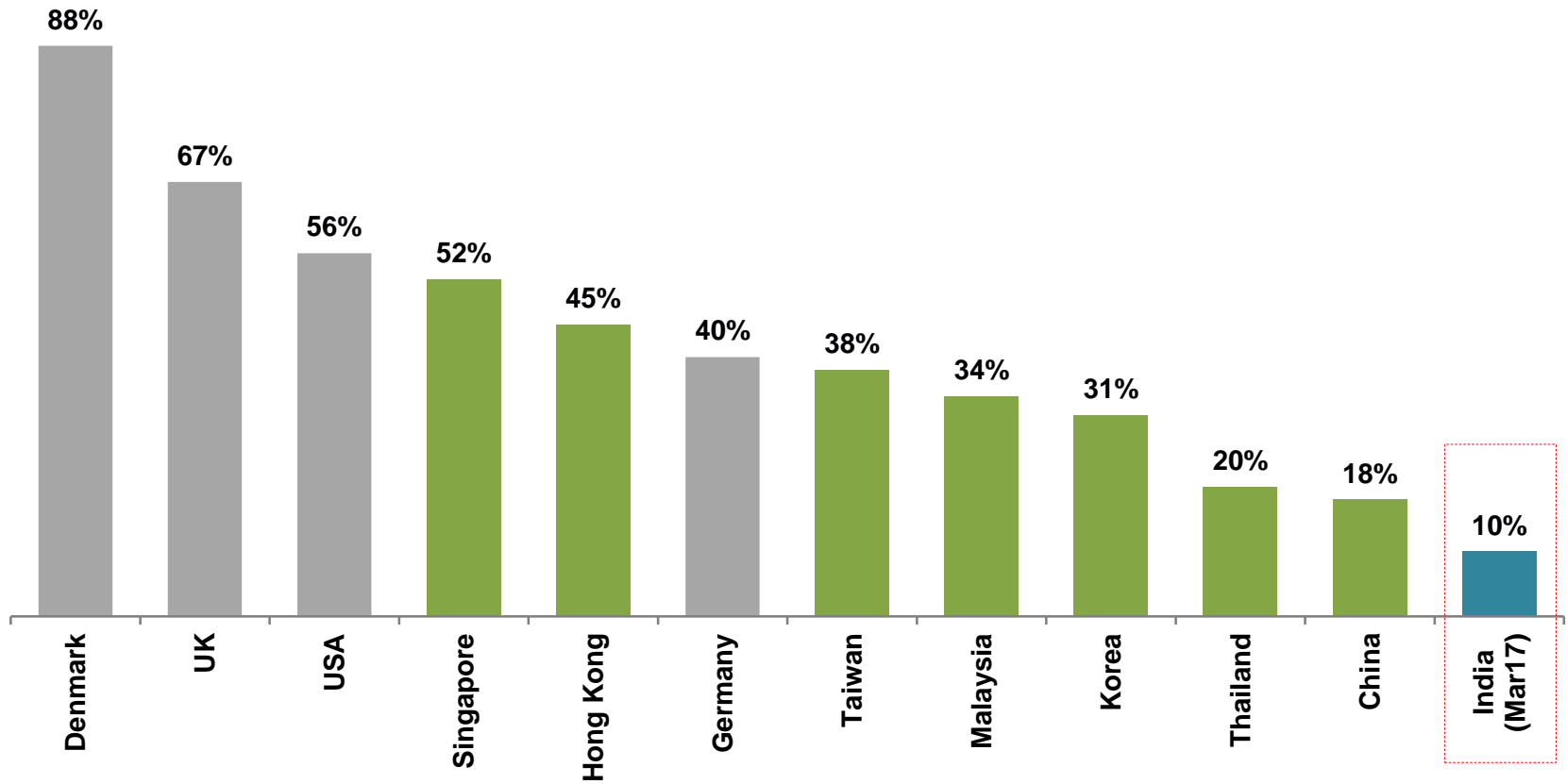
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# India's Mortgage Market Overview

## Indian Mortgage Market is Significantly Under-penetrated

Mortgage to GDP Ratio for CY2015 (%)



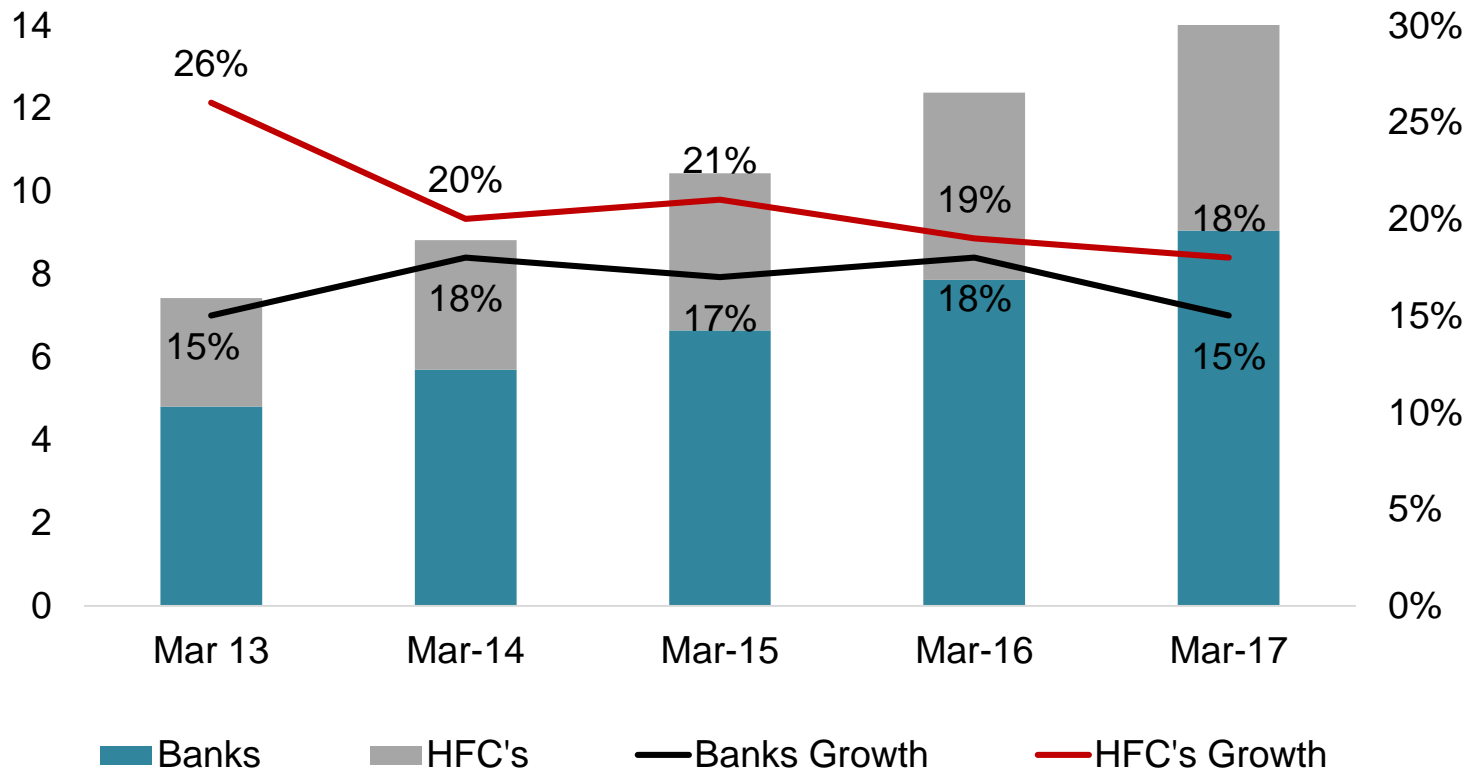
Asian Countries

Note: India data for FY17, Other countries data for CY15  
Source: European Mortgage Federation, HOFINET, CRISIL Research

# HFCs Outpacing Traditional Channels

## Increasing HFCs Share in a Steadily Expanding Home Loan Portfolio

(INR Lakh Crore)



# Sustainable Growth of HFCs

## Key HFC Metrics (March 2017)

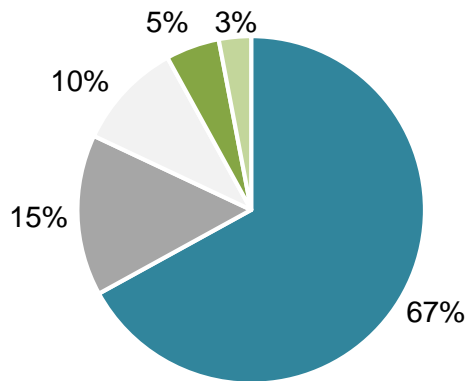
Total No. of HFCs: 85

Deposit taking HFCs: 18

Total Loan: INR 7.7 Lakh Crore

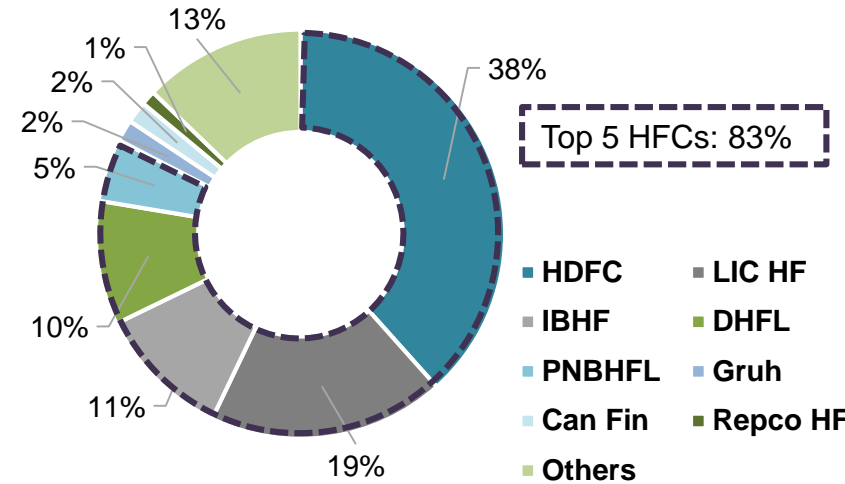
5 Years CAGR: 20.82%

## Portfolio Composition of All HFCs as on 31-Mar-17

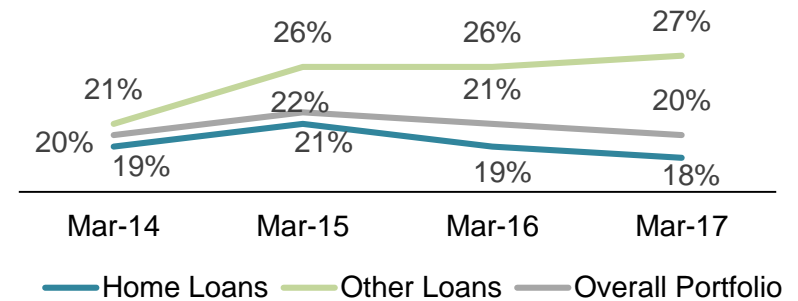


■ Home Loan ■ LAP ■ Construction Finance ■ LRD ■ Others

## Total Loan of all HFCs as on 31-Mar-17

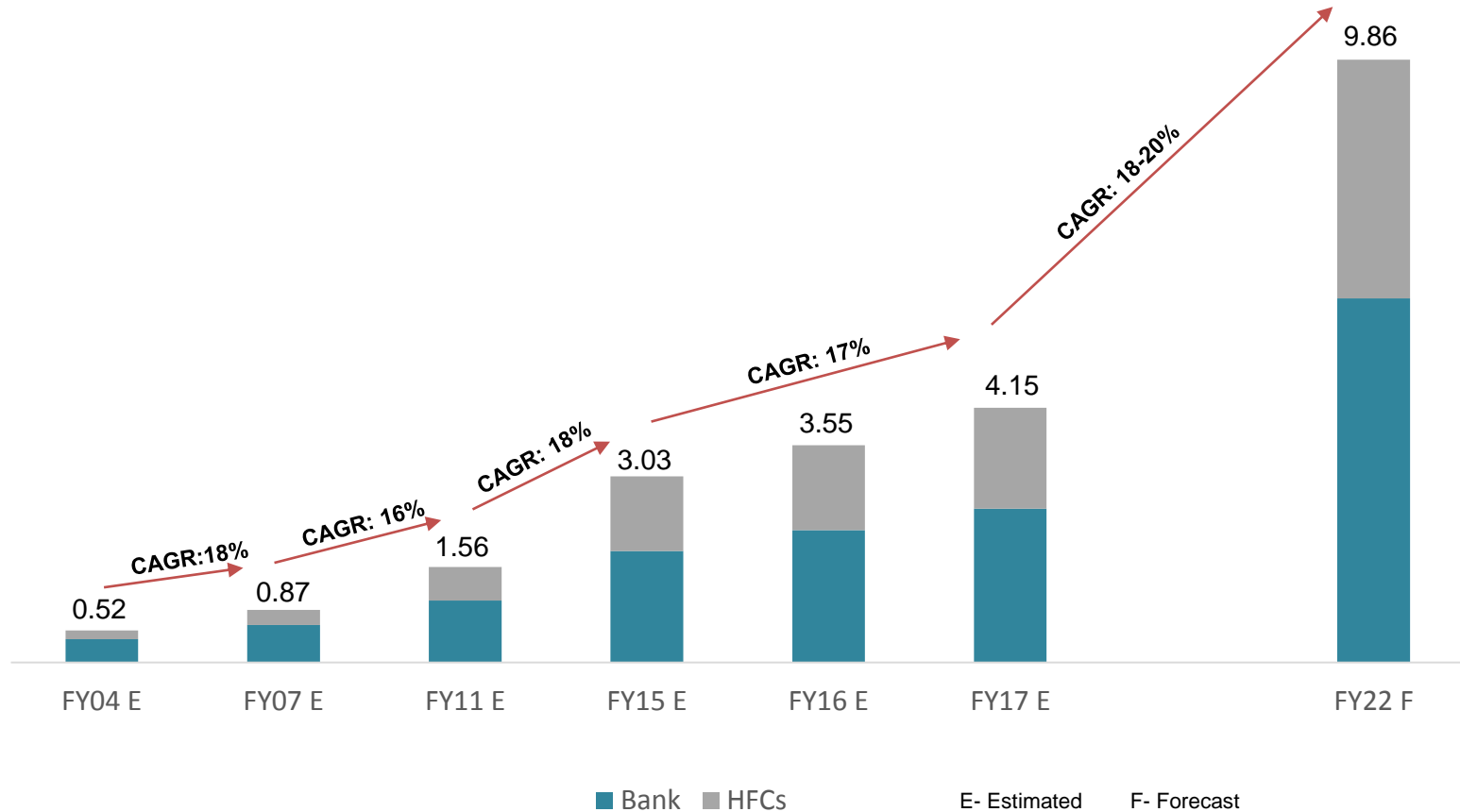


## Portfolio Growth of HFCs



# Ramp-up Opportunity for Mortgage Market in India

Annual Disbursements (INR Lakh Crore)



Source: CRISIL Research

# Government Schemes - PMAY

- **Changes/inclusion in the scheme effective 01.01.2017**
  - Existing scheme renamed as PMAY-CLSS for EWS/LIG
  - Maximum tenure changed from 15 to 20 years
  - Scheme extended to Middle Income Group (MIG)

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	20	20	20	20
Carpet Area (Sq. Mtr)	30	60	90	110
NPV Discount Rate (%)	9%	9%	9%	9%
Maximum Interest Subsidy Amount (INR)	267,280	267,280	235,068	230,156

**Around 7 lakh new housing units have been approved for construction  
Effective Interest Rate of ~2.63% post PMAY and Tax Benefit**

# Government Schemes - RERA

- RERA - A Game Changer
  - Short term should pose some challenges; in the long run customer sentiments should be positive
  - Brings in accountability and functions in a more transparent manner

## Customer's Benefit

- Raising the transparency levels
- Likely to restore confidence of buyers and investors in the real-estate sector
- Securing Customers Interest- 70% of the amount deposited shall be withdrawn by the promoter in proportion to the % completion of the project along with architect, engineer and chartered accountant certificate



## Developer's Benefit

- Access to funds at competitive rates, which will lead to rationalization of prices within the sector
- The Act will lead to consolidation among players within the sector going forward







Ghar Ki Baat



## About the Company



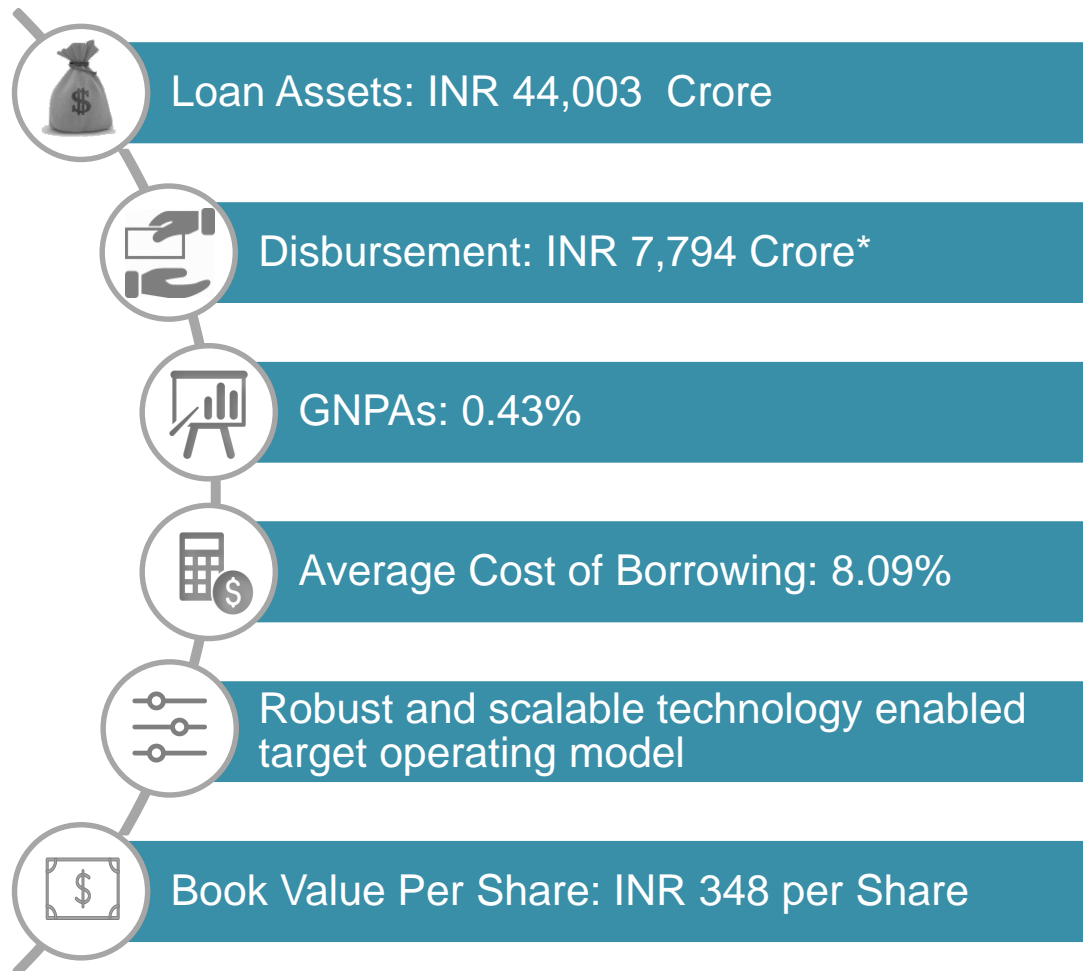
# Overview



Ghar Ki Baat



Ghar Ki Baat



**Fastest growing HFC amongst the Top 5 HFCs in India**

Data as on 30-Jun-17  
\*Data for Q1 FY17-18  
1 crore= 10 million

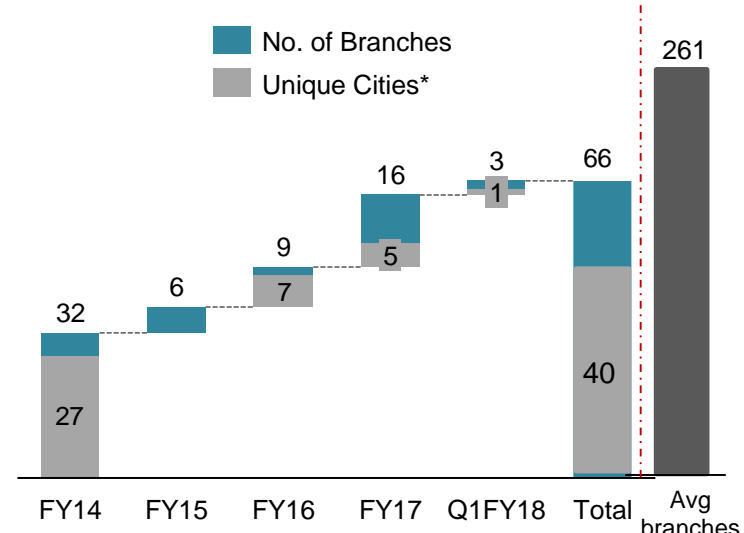
# Expanding Footprint...

**Branches** – Point of Sales & Services  
**Processing Hubs** – Fountain head for Decision Making  
**Zonal Hubs** - Guides, Supervises & Monitors the HUB

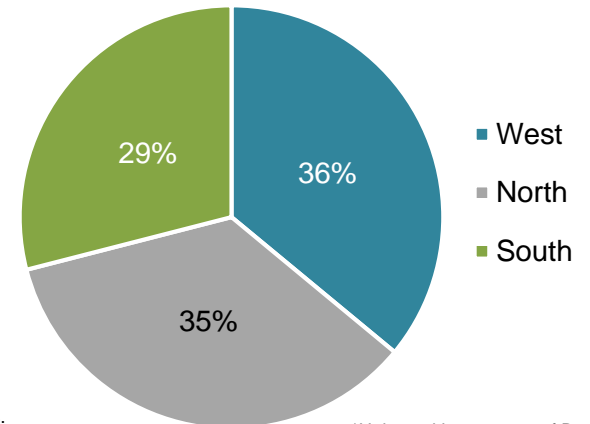
## OUR OFFICE NETWORK



## No. of Branches



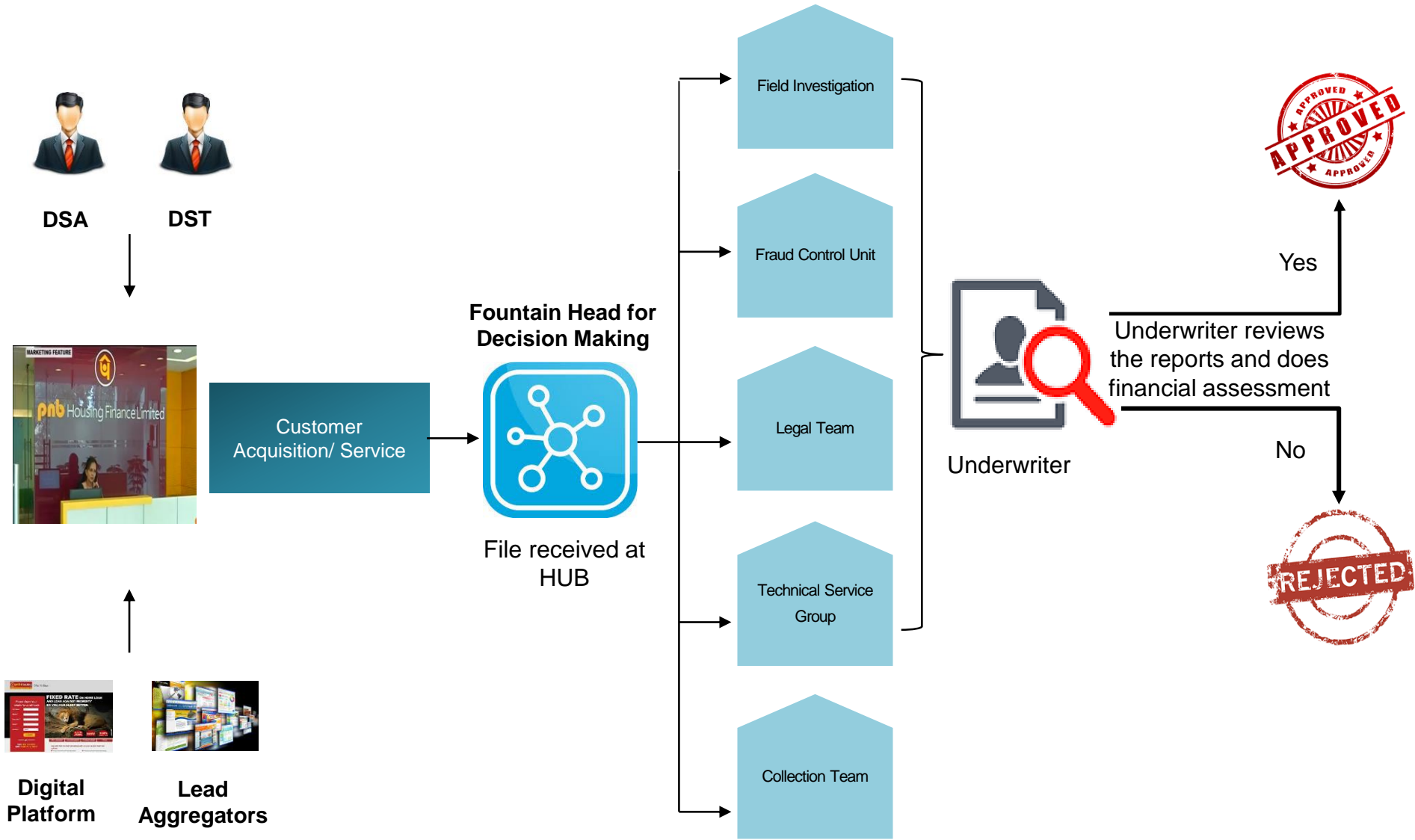
## AUM- Geographical Distribution



Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness. Data as on 30-Jun-17

\*Unique cities are part of Branches  
\*\* Data as on Mar-17 from respective annual reports

# ...with Hub and Spoke Target Operating Model...



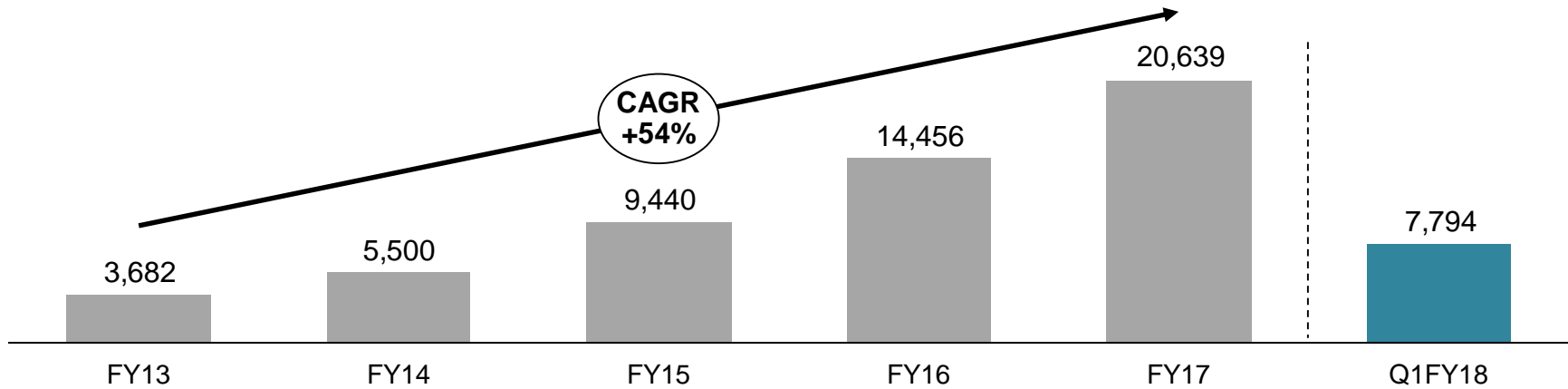
**Digital Platform**

**Lead Aggregators**

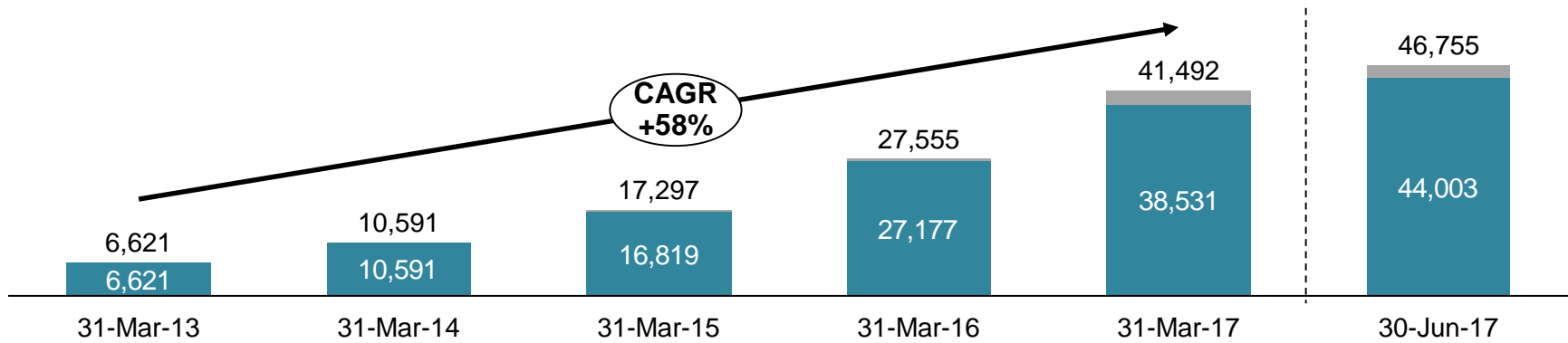
# ...leading to Disbursement and Asset Growth

(INR Crore)

## Disbursement



## Asset

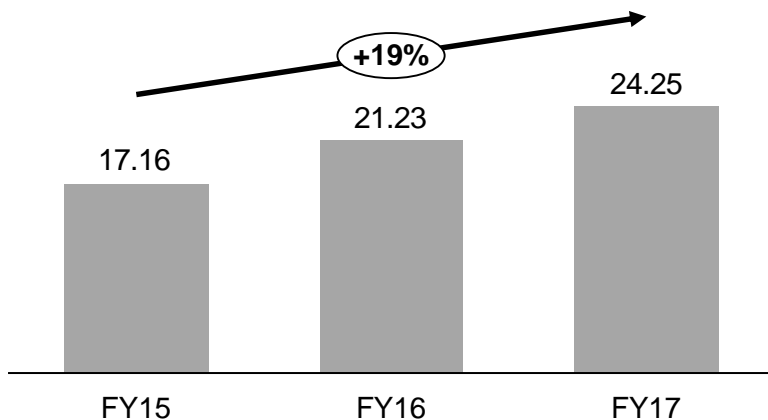


■ AUM ■ Loan Asset

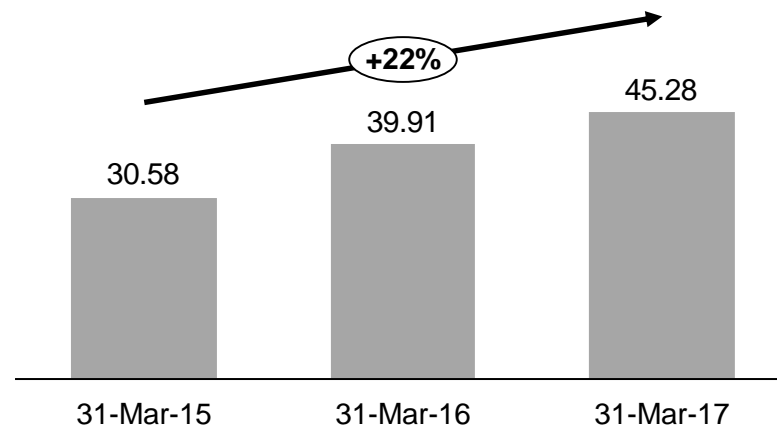
1 crore = 10 million

# Employee Efficiency

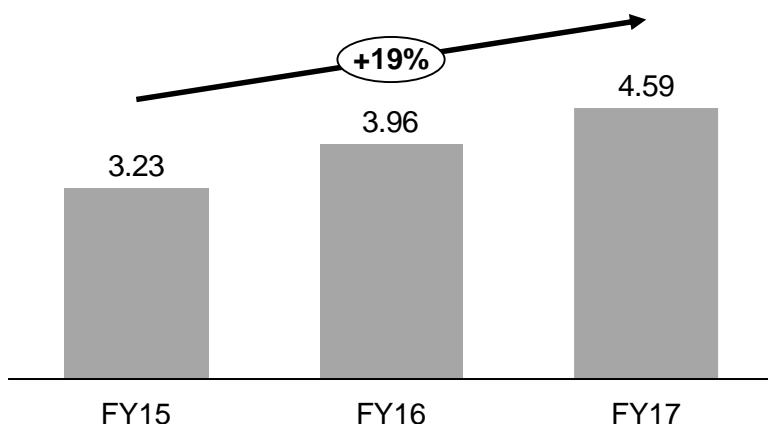
## Disbursement / Employee (INR Crore / Employee)



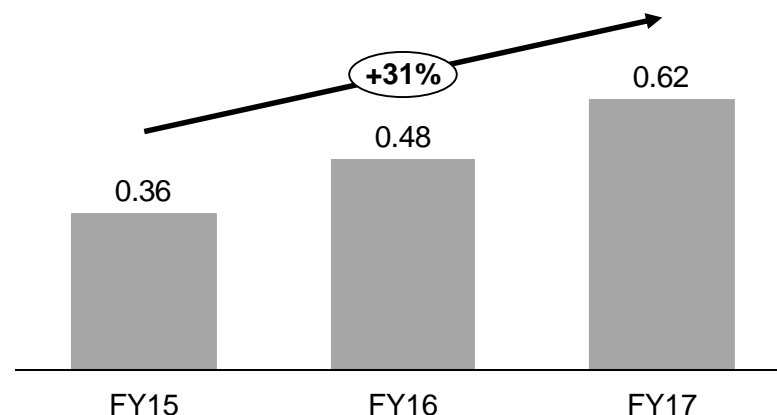
## Loans Outstanding / Employee (INR Crore / Employee)



## Total Revenue / Employee (INR Crore / Employee)



## Profitability / Employee (INR Crore / Employee)



Calculated on Average employee for the Year



Ghar Ki Baat

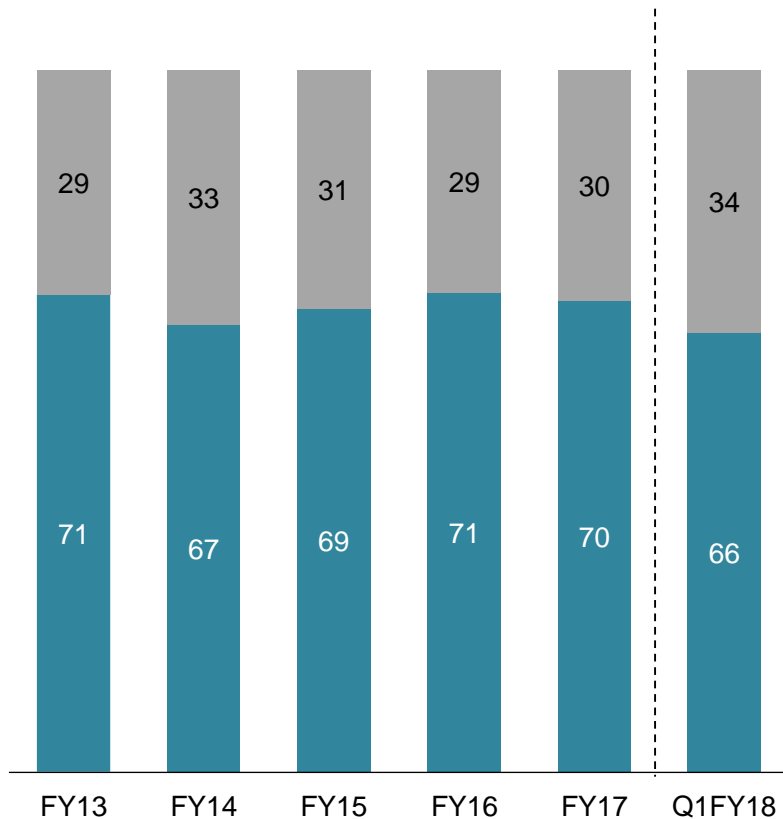


## Sustainable Portfolio Mix

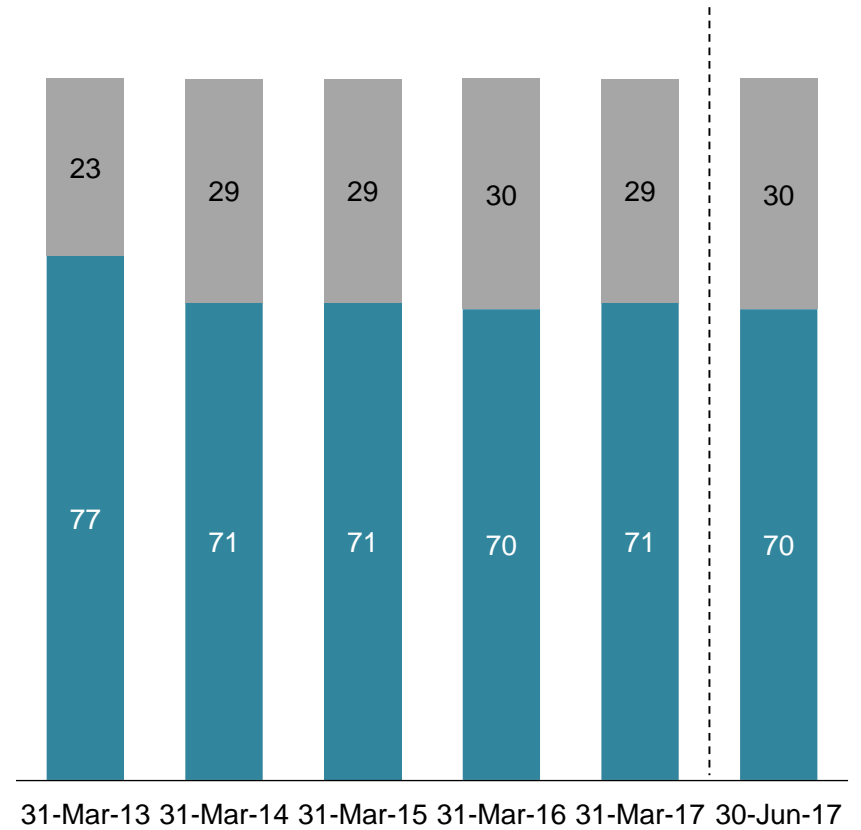


# Sustainable Portfolio Mix

**Share of Housing Loans  
(% of Annual Disbursements)**



**Wide Product Offering  
(% of Loan Assets)**



■ Non-Housing ■ Housing

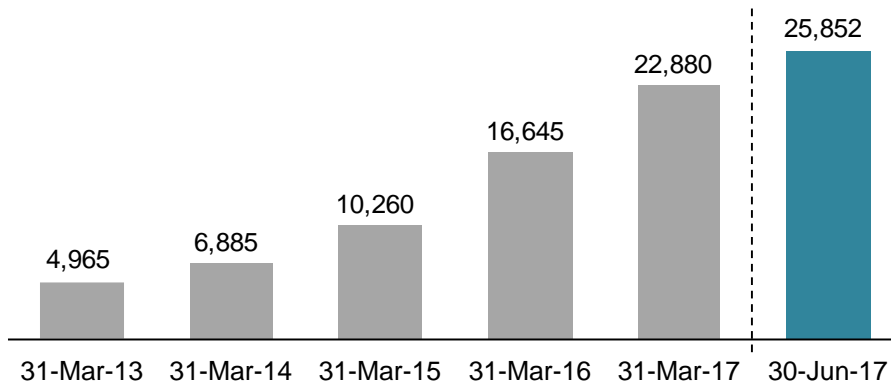


# Loan Assets Distribution

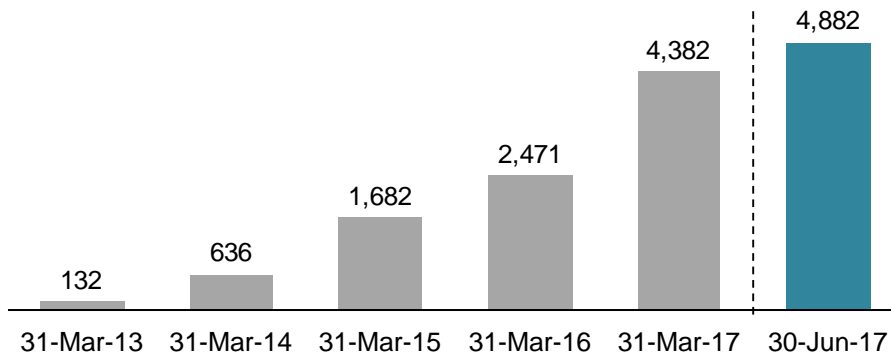
## Housing Loan – 69.8% (1)

INR Crore

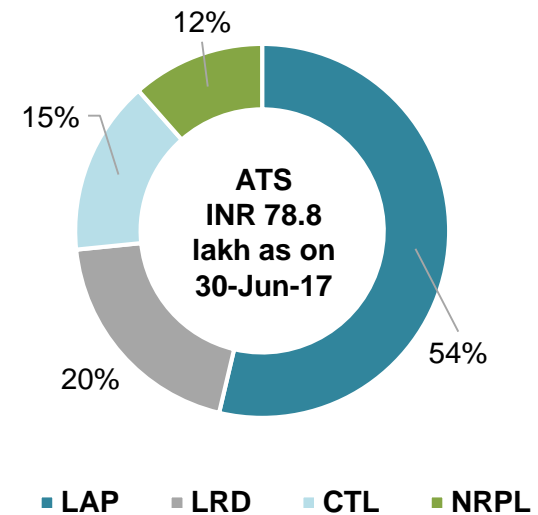
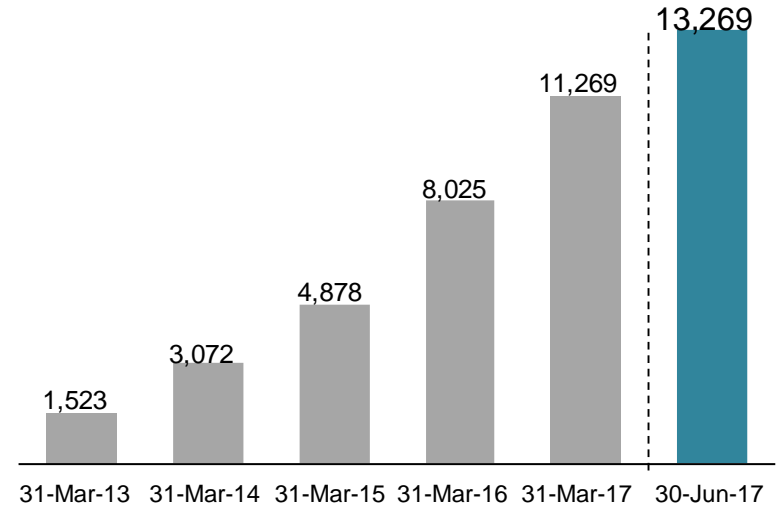
### Individual Housing Loan (1) – 58.8%



### Construction Finance Loan (1) – 11.1%



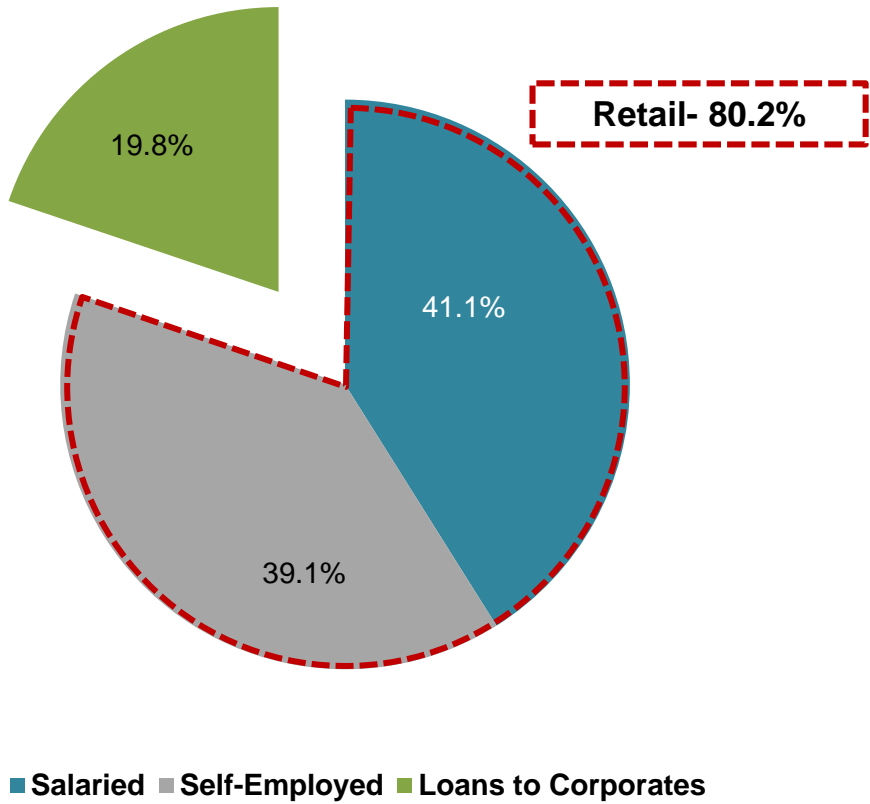
## Non-Housing Loan(1) – 30.2%



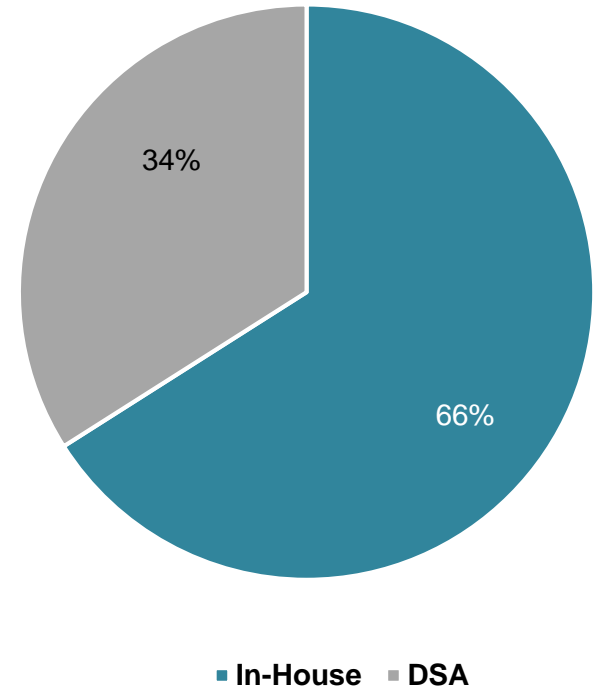
1. As a % of Loan Assets on 30-Jun-17  
1 crore = 10 million

# Customer Segment & Origination

**Loan Asset Composition (%)**  
**As on 30-Jun-17**



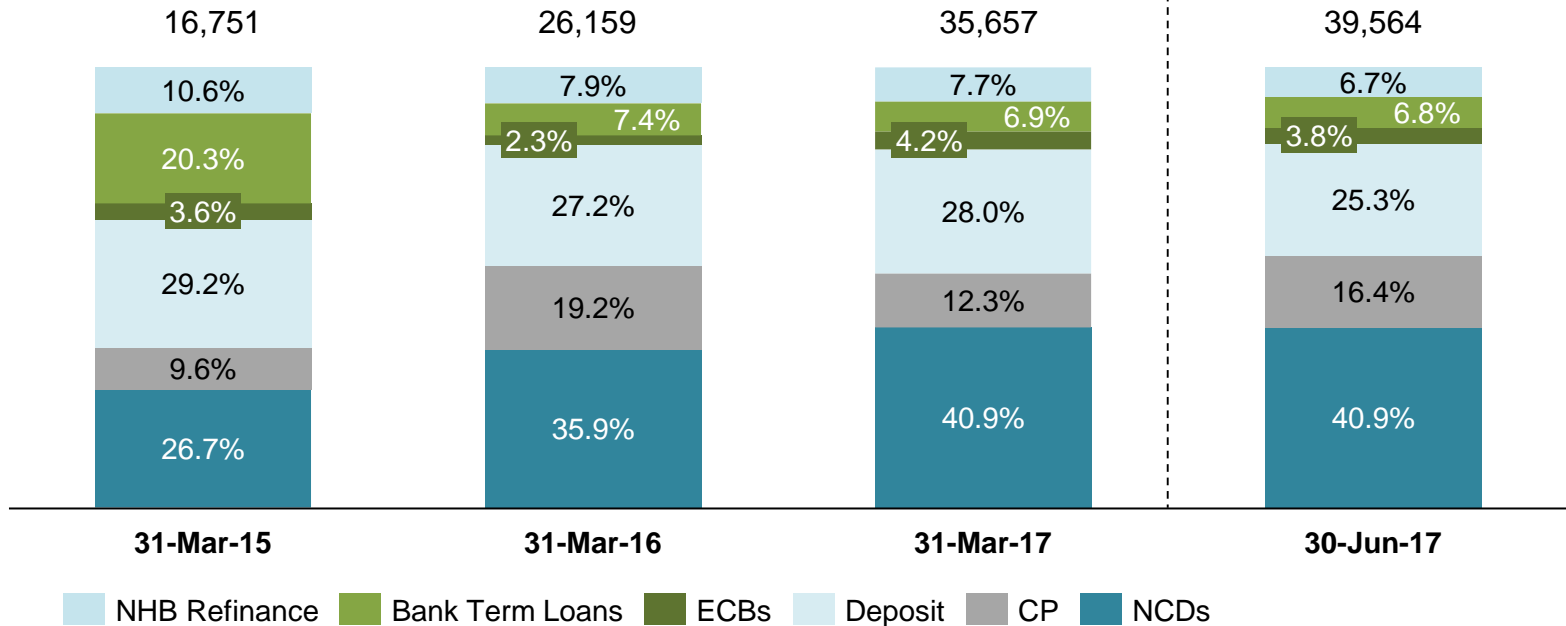
**Disbursement Origination (%)**  
**For Q1FY18**



# Well Diversified Borrowing Profile

## Access to a Diverse Base of Funding...

Total Borrowing  
(INR Crore)

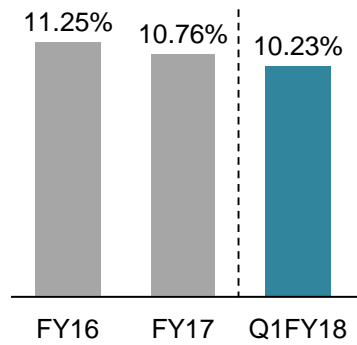


### Credit Rating

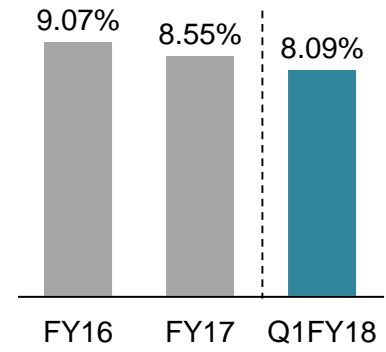
- Fixed Deposit has been rated “FAAA” by CRISIL and “AAA” by CARE. The rating of “FAAA” and “AAA” indicates “High Safety” with regards to the repayment of interest and principal.
- Commercial Paper is rated at “A1(+)” by CARE & CRISIL and Non-Convertible Debenture (NCD) are rated at “AAA” by CARE, “AAA”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

# Financial Highlights

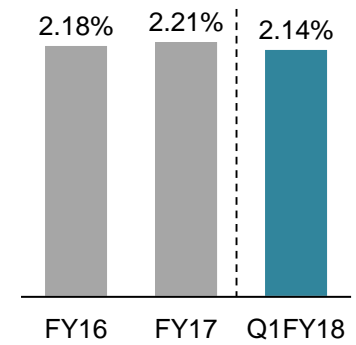
**Average Yield (%)**



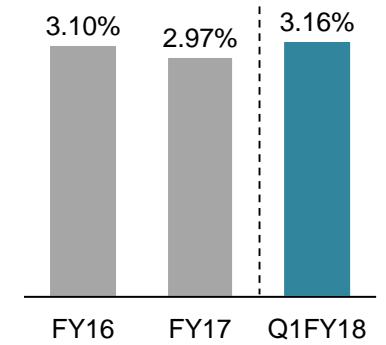
**Average Cost of Borrowings (%)**



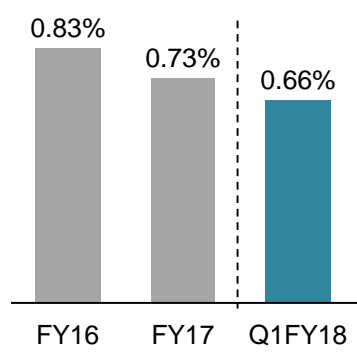
**Spread (%)**



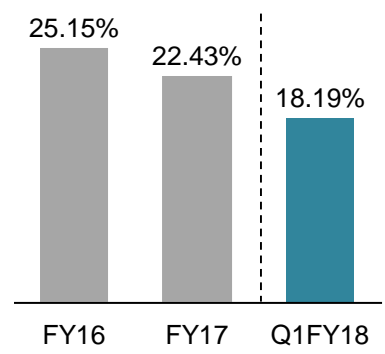
**NIM (%)**



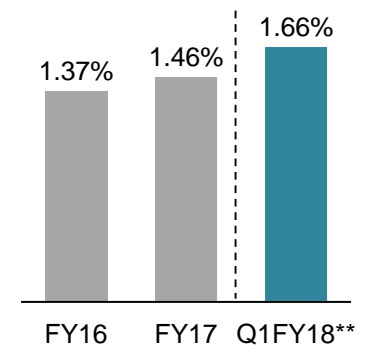
**Opex to ATA Ratio (%)**



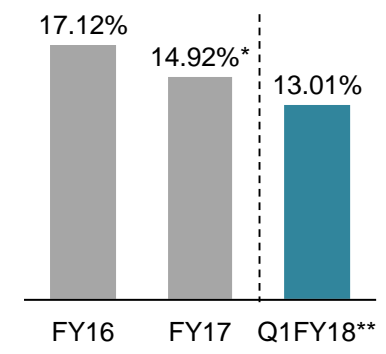
**Cost to Income Ratio (%)**



**ROA (%)**



**ROE (%)**



Ratios are calculated on Monthly Average

Opex to ATA is calculated as Operating Expenditure/Average Total Assets as per Balance sheet

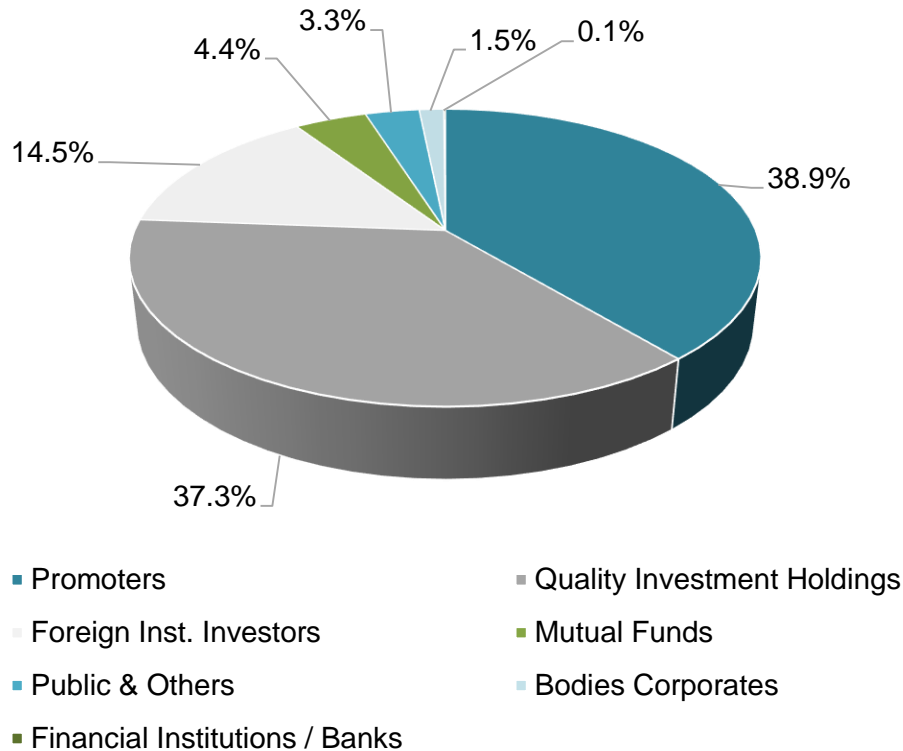
Return on Asset is on Average Total Assets as per Balance sheet

\* Capital of INR 3,000 Crore raised through IPO of 3,87,19,309 fresh equity shares

\*\* Annualized

# Shareholding

Shareholding as on 30-Jun-17



## Key Anchor Book

General Atlantic Singapore Fund, Wasatch, Government of Singapore, Motilal Oswal MF, Birla Sunlife MF, SBI Life Insurance, Fidelity Investments, BNP Paribas Mutual Fund, HDFC Standard Life Insurance Company, ICICI Prudential Mutual Fund

## IPO Proceeds to fuel Future GROWTH

“More than 20 Times Oversubscribed”

# Experienced Management



**Sanjaya Gupta**  
Managing Director

Age : 54 Years

No. of Years with PNBHF : 7 Years

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



**Shaji Varghese**  
ED - Business Development

Age : 45 Years

No. of Years with  
PNBHF : 5 Years

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



**Ajay Gupta**  
ED - Risk Management

Age : 51 Years

No. of Years with  
PNBHF : 5 Years

Prior Engagements :  
Religare Finvest Ltd  
GE Money Indiabulls  
Financial Services



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

Age : 55 Years

No. of Years with  
PNBHF : 6 Years

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



**Jayesh Jain**  
Chief Financial Officer

Age : 39 Years

No. of Years with  
PNBHF : 3 Years

Prior Engagements :  
Gruh Finance Limited



**Sanjay Jain**  
Company Secretary & Head  
Compliance

Age : 53 Years

No. of Years with  
PNBHF : 22 Years

Prior Engagements :  
Ansal Group



**Anshul Bhargava**  
Chief People Officer

Age : 50 Years

No. of Years with  
PNBHF : 6 Years

Prior Engagements :  
ARMS (Arcil)  
Indian Army

# Profit & Loss Statement

Particulars (INR Crore)	Q1 FY18	Q1 FY17	Y-o-Y	Q4 FY17	Q-o-Q	FY17	FY16	Y-o-Y
Interest Income	1,097	817	34%	1,011	8.5%	3,678	2,570	43%
Fees & Other Operating Income	96	46	109%	65	48%	229	128	79%
Other Income	0	0		0		0	1	
<b>Total Revenue</b>	<b>1,192</b>	<b>863</b>	<b>38%</b>	<b>1,076</b>	<b>11%</b>	<b>3,908</b>	<b>2,699</b>	<b>45%</b>
Expenditure:								
Finance Cost	753	608	24%	678	11%	2,644	1,860	42%
Employee Benefit Expenses	29	22	31%	28	5%	101	75	35%
Other Expenses	74	53	40%	57	29%	237	162	47%
Depreciation Expense	5	4	14%	5	5%	19	15	24%
Provisions and Write-Offs	48	28	72%	67	(28%)	103	83	24%
<b>Total Expenditure</b>	<b>909</b>	<b>716</b>	<b>27%</b>	<b>834</b>	<b>9%</b>	<b>3,104</b>	<b>2,196</b>	<b>41%</b>
<b>Profit Before Tax</b>	<b>283</b>	<b>147</b>	<b>92%</b>	<b>242</b>	<b>17%</b>	<b>804</b>	<b>503</b>	<b>60%</b>
Tax Expenses	98	51		89		280	177	
<b>Net Profit After Tax</b>	<b>185</b>	<b>96</b>	<b>93%</b>	<b>152</b>	<b>22%</b>	<b>524</b>	<b>326</b>	<b>60%</b>
<b>EPS (Basic)</b>	<b>11.12</b>	<b>7.56</b>		<b>9.2</b>		<b>36.7</b>	<b>27.5</b>	

1 crore = 10 million

# Thank You

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**Company:**

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[www.pnbhousing.com](http://www.pnbhousing.com)

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