

January 23, 2020

The BSE Limited,  
Listing Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

National Stock Exchange of India Limited,  
Listing Department  
"Exchange Plaza"  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

Scrip Code: 540173

Symbol: PNBHOUSING

Dear Sirs,

**Sub: Investor Presentation**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached herewith the Investor Presentation of the Company for the quarter and nine months ended December 31, 2019.

A copy of the same is placed on the website of the Company [www.pnbhousing.com](http://www.pnbhousing.com)

You are requested to take note of the above and arrange to bring this to the notice of all concerned.

Thanking You.

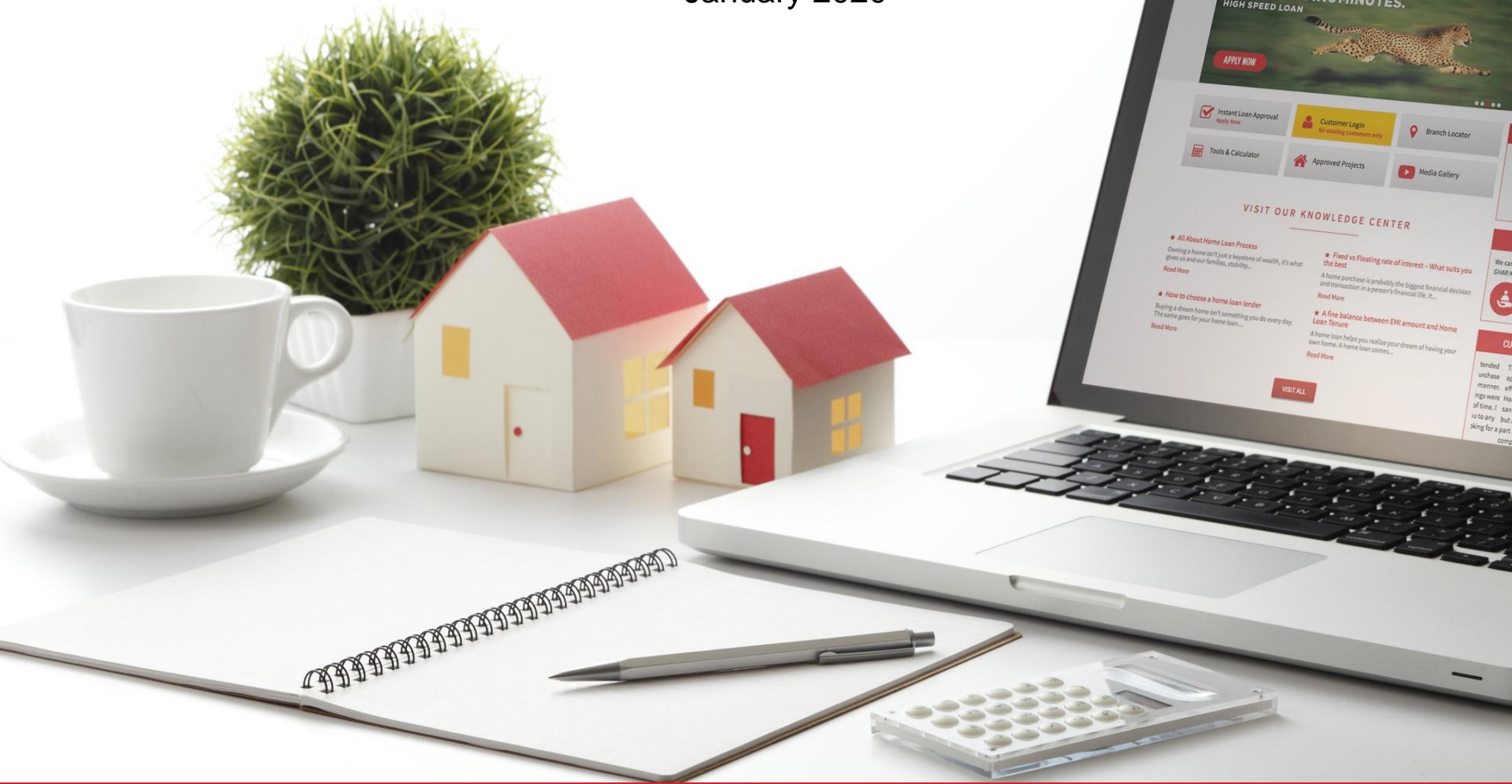
For PNB Housing Finance Limited

  
Sanjay Jain  
Company Secretary & Head Compliance  
Membership No.: F2642



# Investor Presentation

## January 2020



**pnb Housing**  
SUNBELT CAPITAL LIMITED

HOME | ABOUT US | FAQS | CAREERS | DOWNLOAD

HOME LOAN | NON HOME LOANS | FIXED DEPOSIT

### HOME LOAN IN 3 MINUTES. HIGH SPEED LOAN

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Instant Loan Approval  
[Apply Now](#)

Customer Login  
for existing customers only

Branch Locator

Tools & Calculator

Approved Projects

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#### VISIT OUR KNOWLEDGE CENTER

- ◆ **All About Home Loan Process**  
Owning a home isn't just a byproduct of wealth, it's what gives us and our families, stability...  
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- ◆ **Fixed vs Floating rate of interest - What suits you the best**  
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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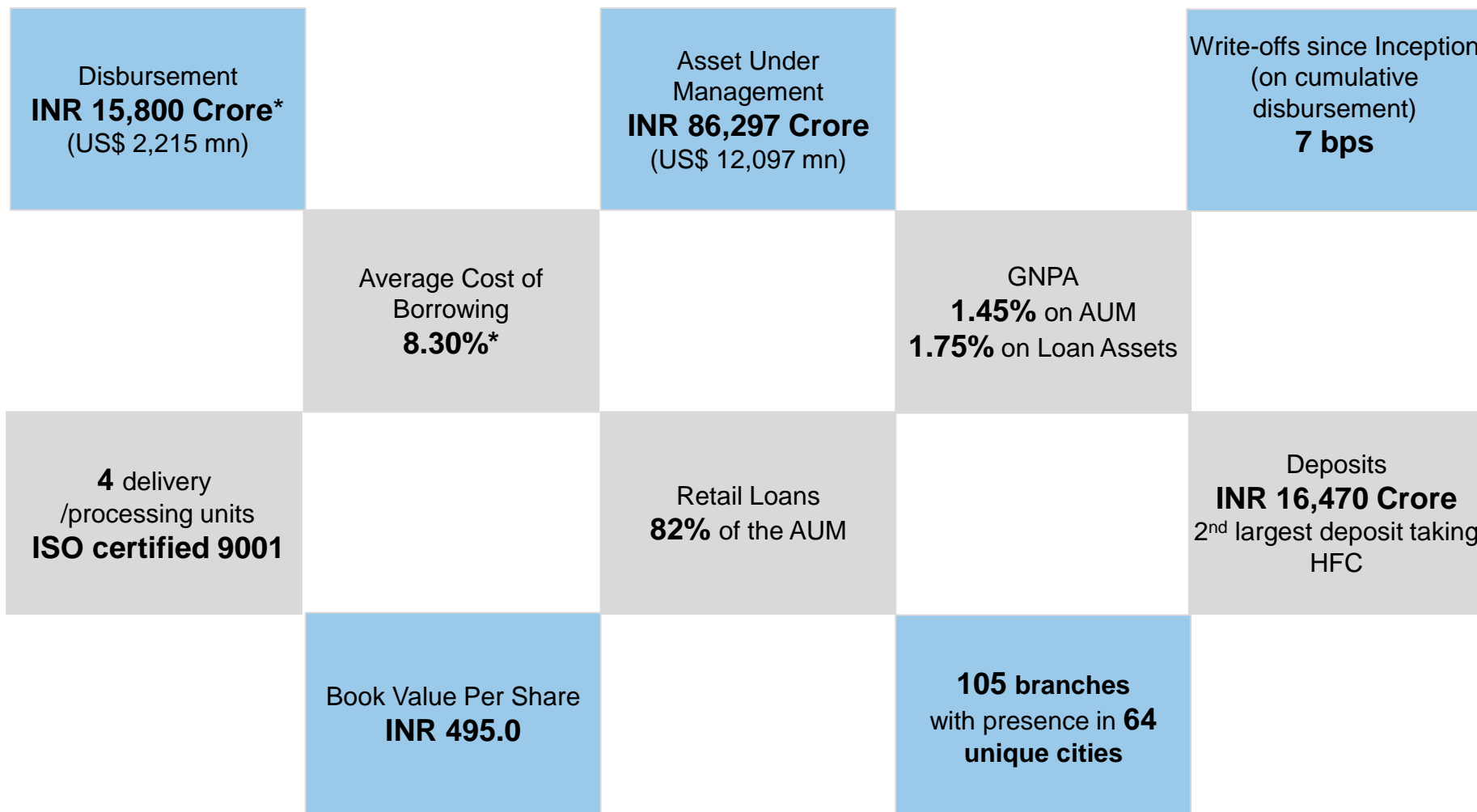
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## About PNB Housing Finance



# Leading Housing Finance Company...



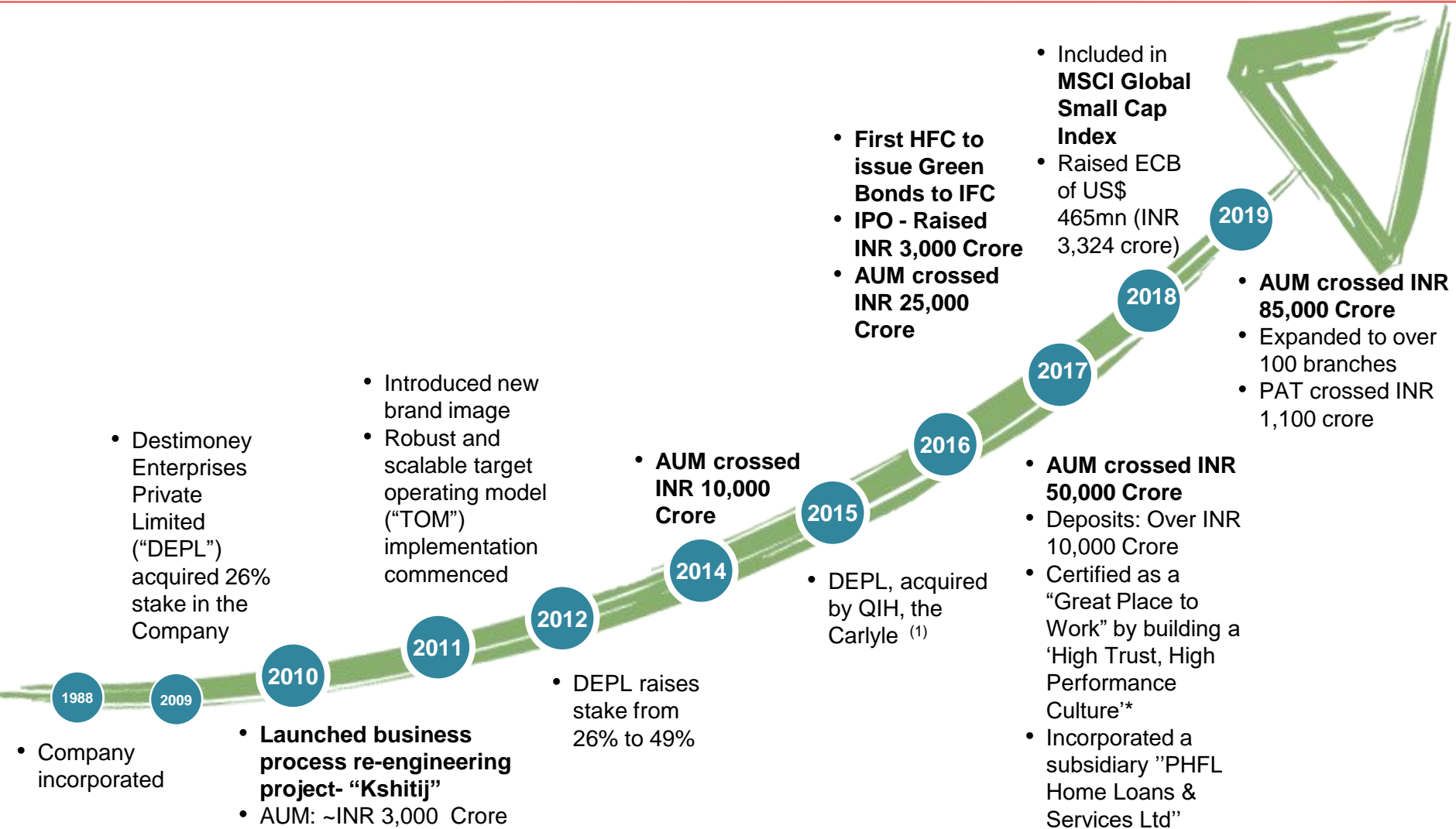
All US\$ numbers in the presentation are converted at 1US\$ = INR 71.34

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...



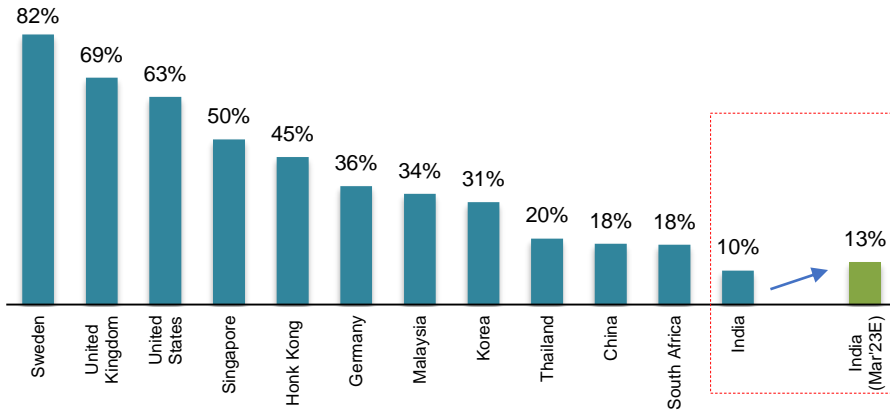
# India's Mortgage Market



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

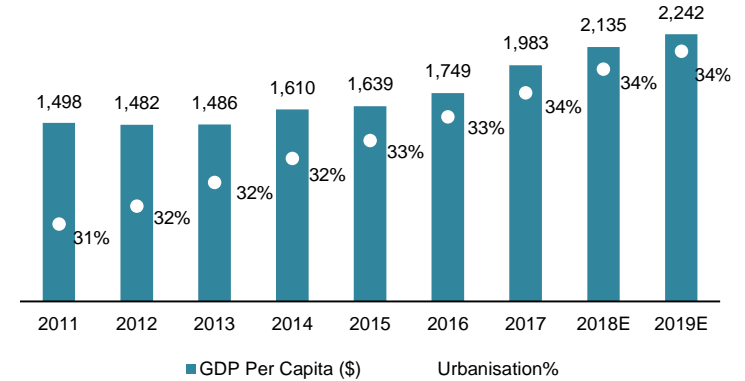
## Indian mortgage market is significantly under-penetrated

Mortgage to GDP Ratio (%)



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

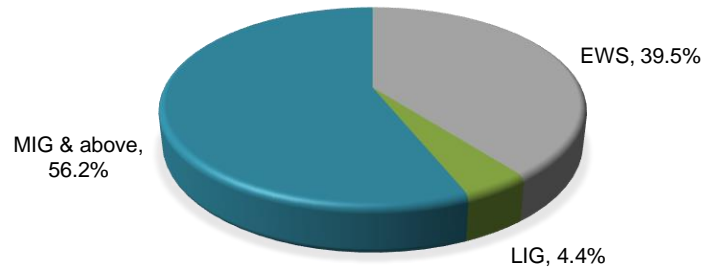
## Trend in urbanization of population



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

## Significant urban housing shortage

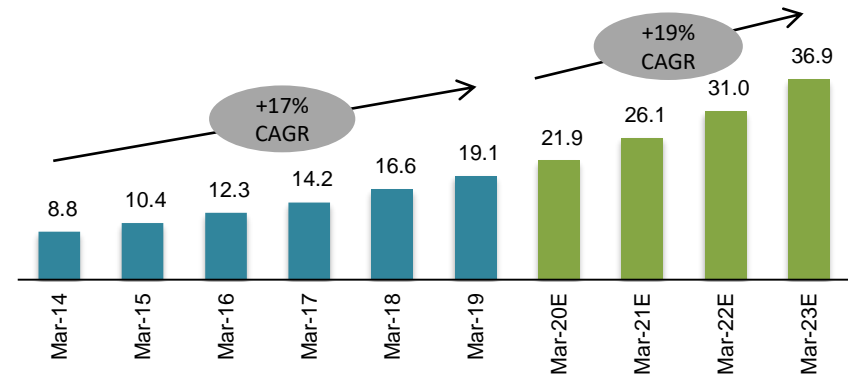
Split of Urban Housing Shortage in FY2012 – 18.8 mn units



Source: Ministry of Housing and Urban Poverty Alleviation

## Ramp-up expected in Indian mortgage market

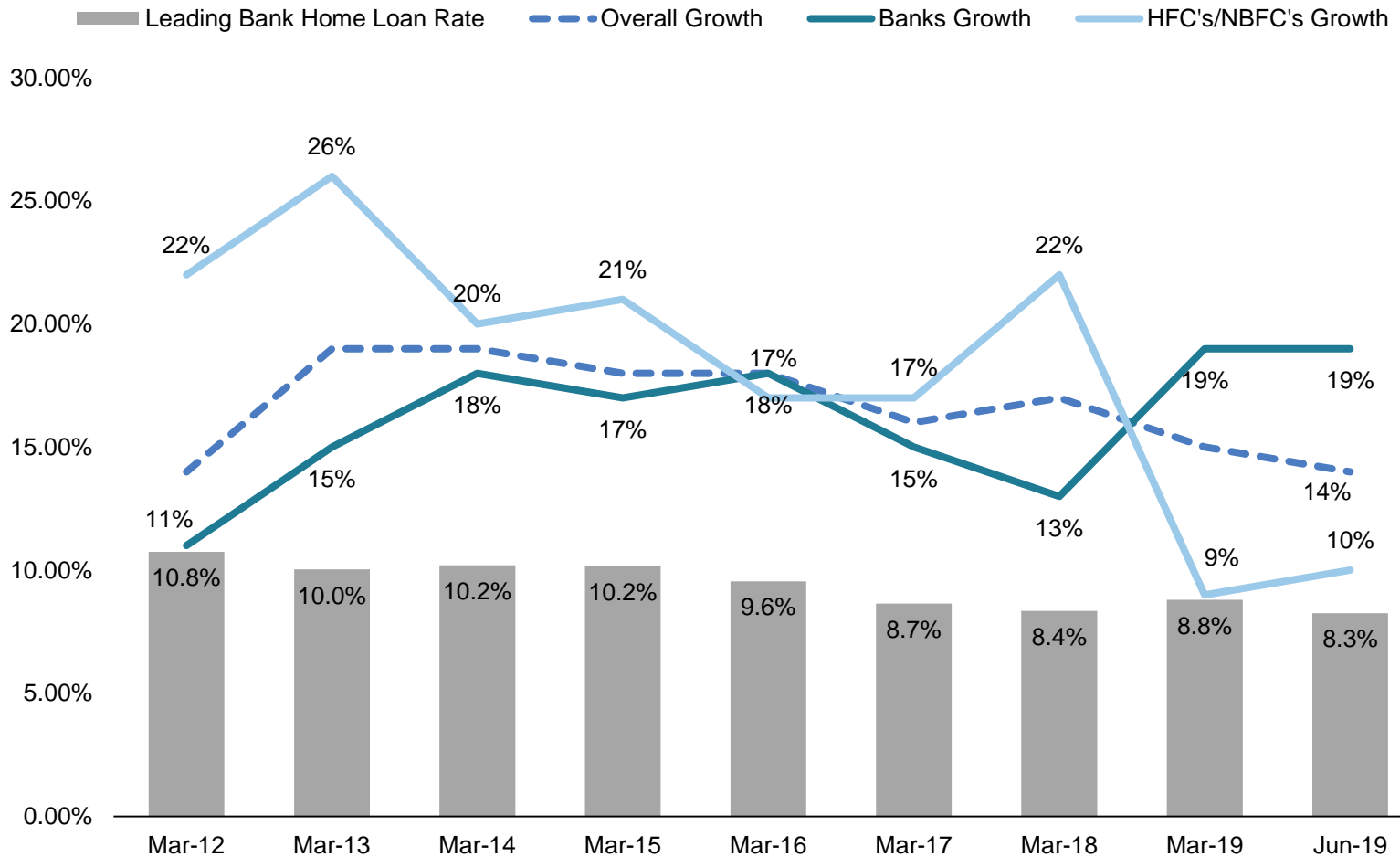
Loan Assets (INR trillion)



Source: ICRA, Moody's Indian subsidiary, Reports



# Mortgage Sector Growth: Limited Interest Rate Sensitivity



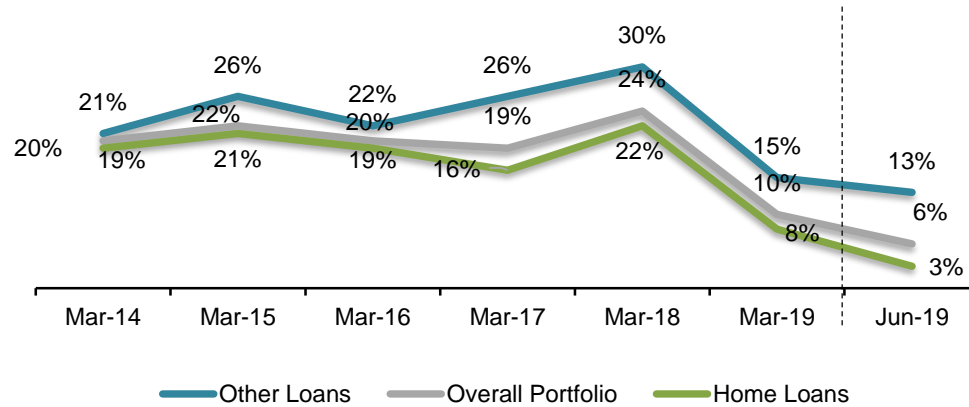
*Lower Credit Growth despite easing interest rate cycle and abundant liquidity*

Source: ICRA reports

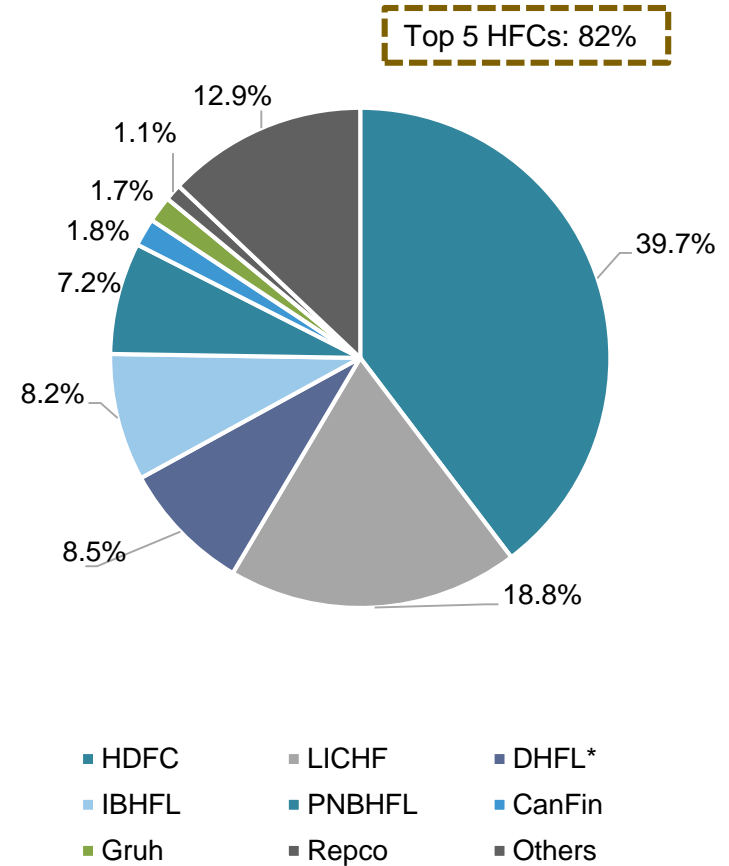
# Sustainable Growth of HFCs



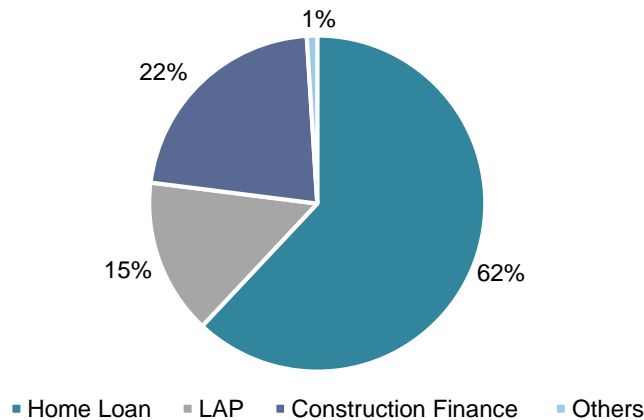
## Portfolio Growth of HFCs



## 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

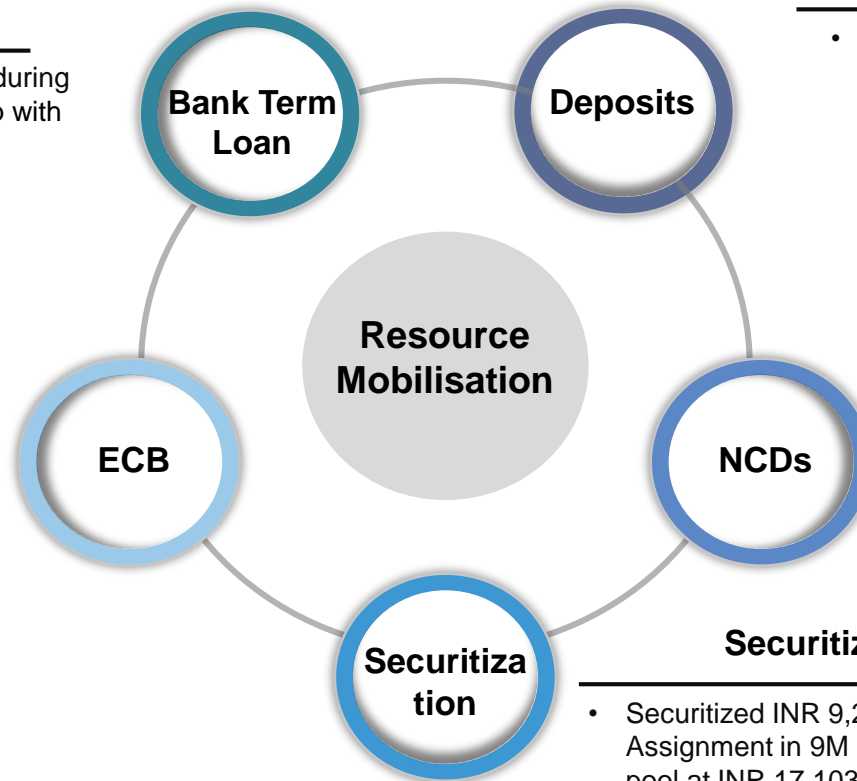


## Bank Term Loan

- Borrowed INR 11,000 Crore during 9MFY20; existing relationship with 31 banks

## Deposits

- 2nd highest deposit mobilizer among HFCs; mobilized INR 7,649 crore during 9MFY20



## ECB

- Raised US\$ 175 mn (INR 1,211 Crore)

## NCDs

- Raised Non Convertible Debentures aggregating to INR 3,000 Crore

## Securitization

- Securitized INR 9,241 Crore through Direct Assignment in 9M FY20 with outstanding pool at INR 17,103 Crore as on 31-Dec-19

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

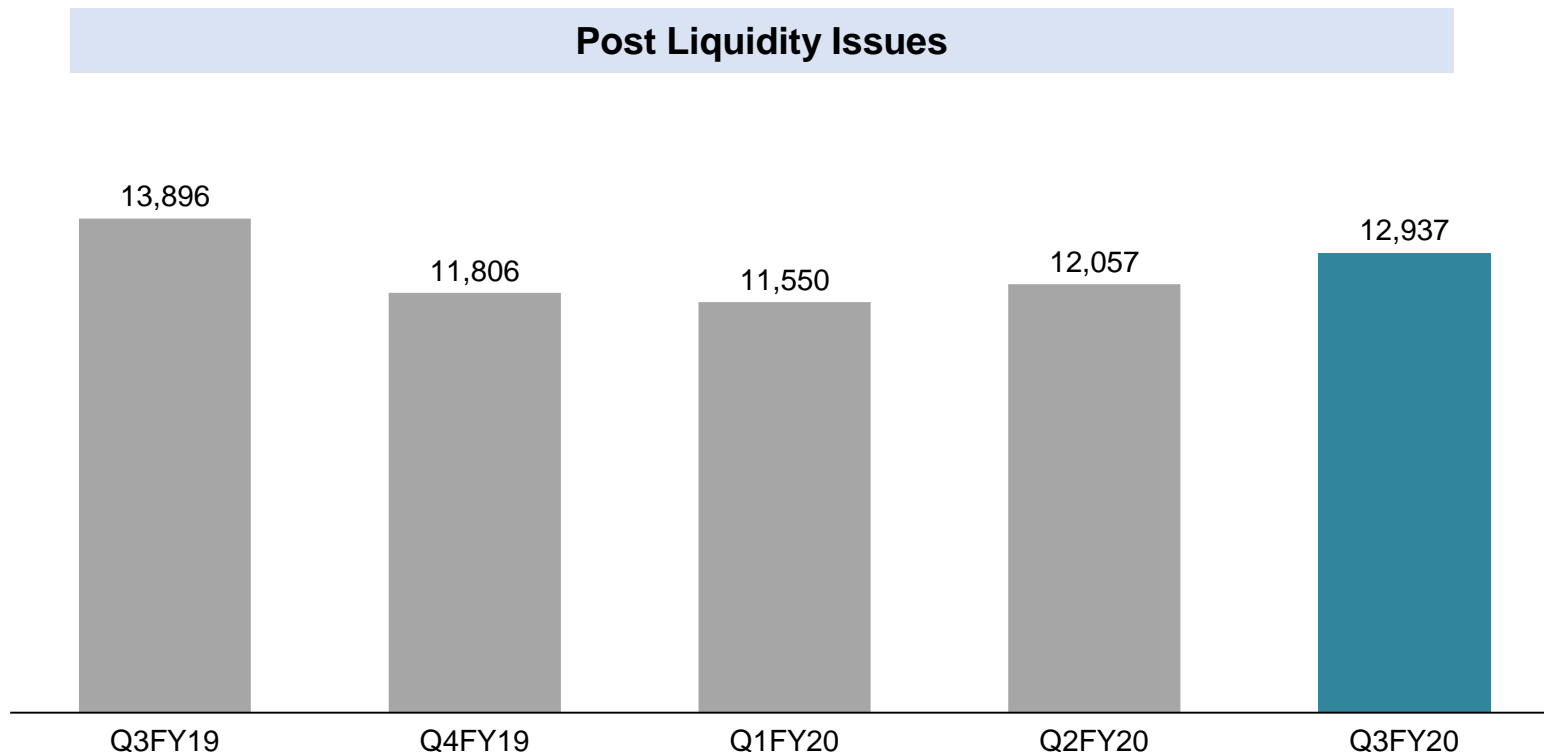
*Maintained enough Cash & Liquid Investments of INR 9,258 Crore as on 31-Dec-19 with reduced exposure to Commercial Papers*



# 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*

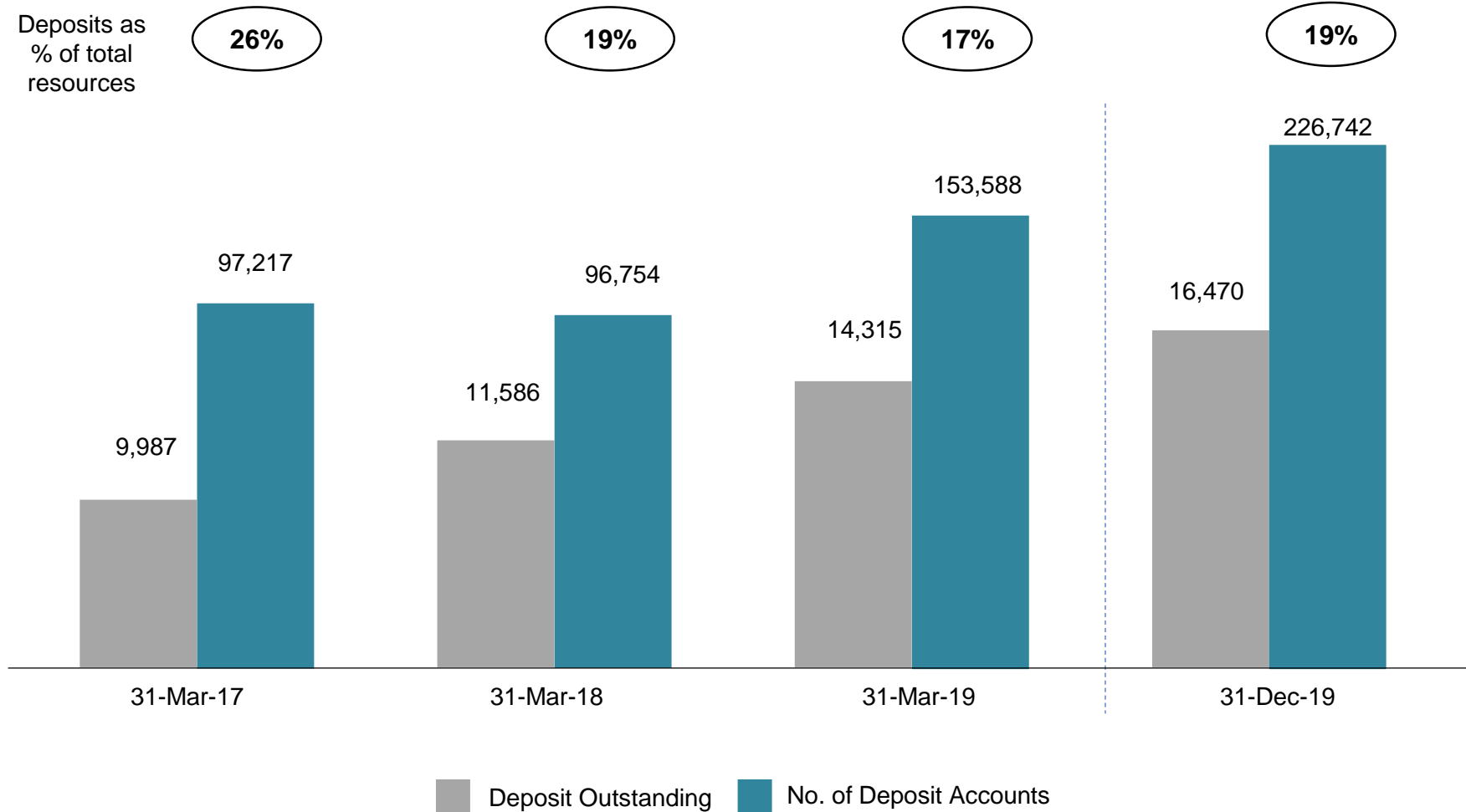
Includes quarter end Overdraft facility

# Deposits



(INR Crore)

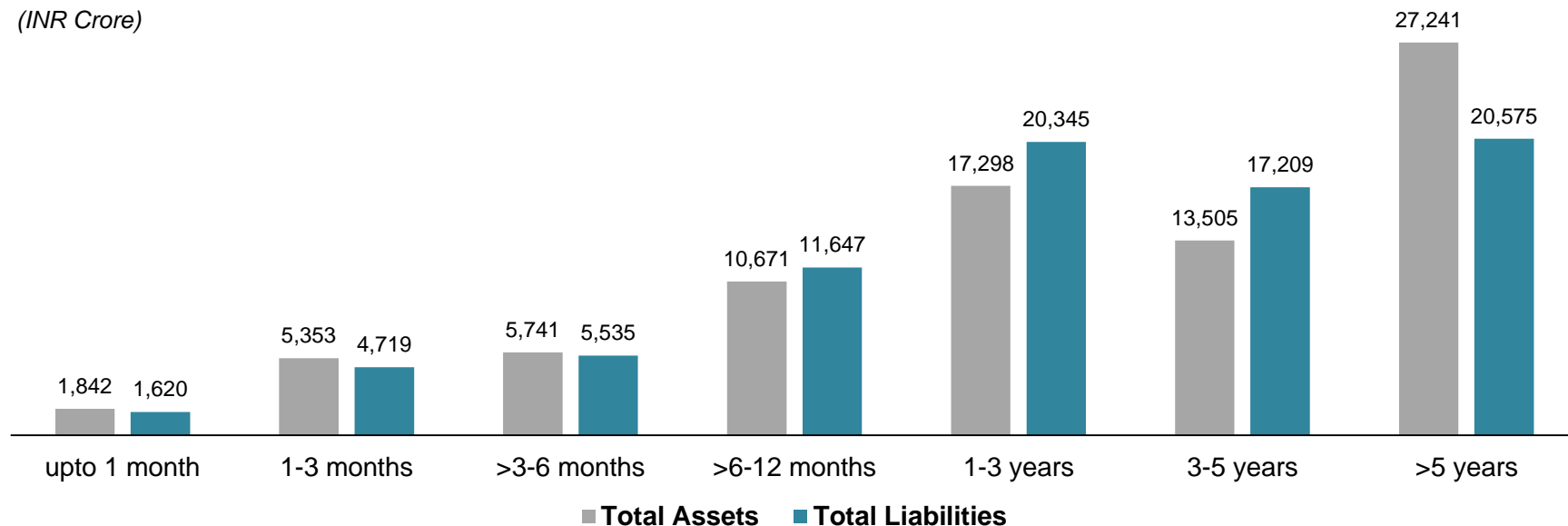
Deposits as  
% of total  
resources



# 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**

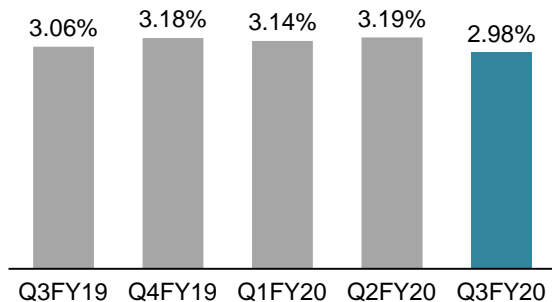


## Financial Performance of the Company

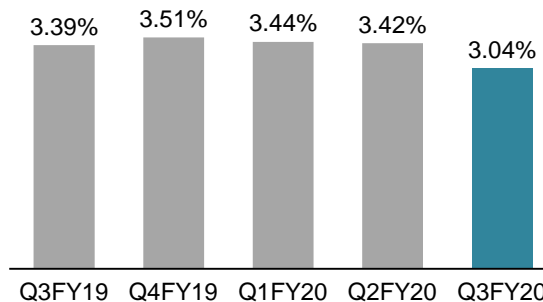
# Stable Performance QoQ



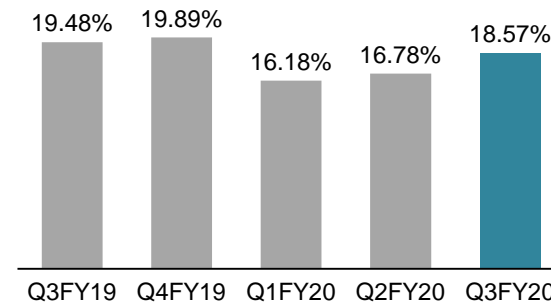
**Stable NIM...**



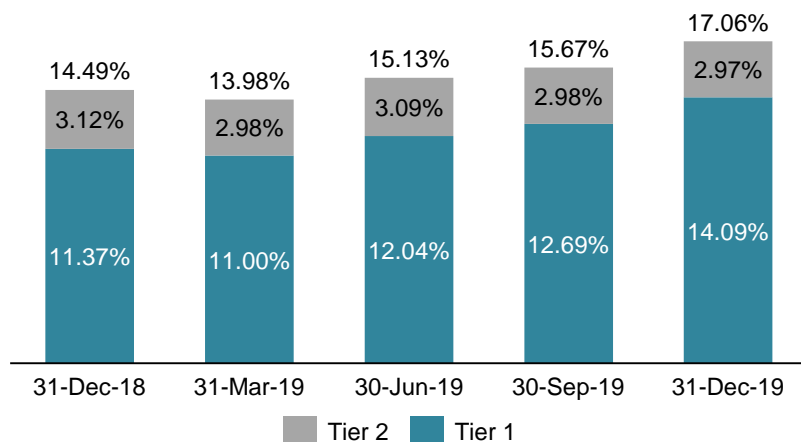
**..and Gross Margin...**



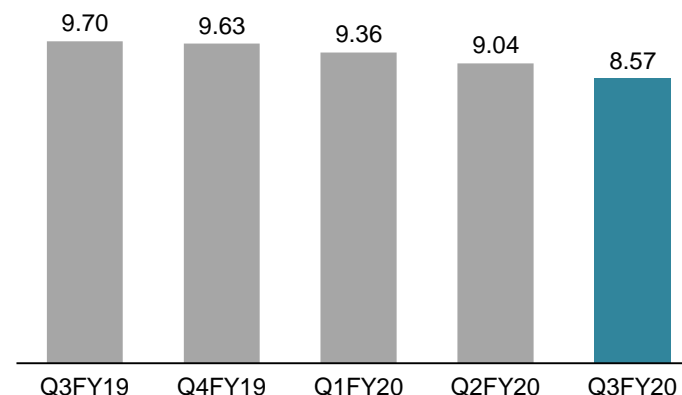
**..supported by improving Cost To Income...**



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



**..and Average Gearing**



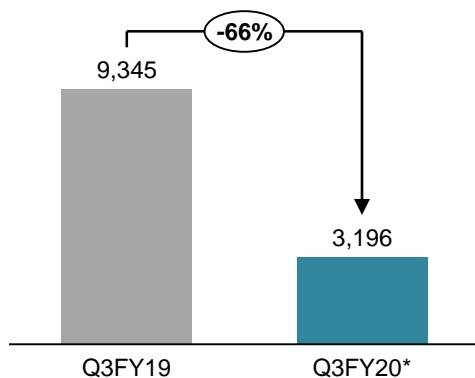
**Gearing as on 31-Dec-19 is 8.48x**

#CRAR based on I-GAAP Numbers

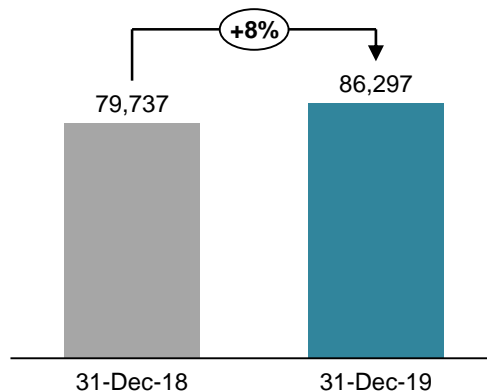
# Highlights – Q3FY20 vs Q3FY19



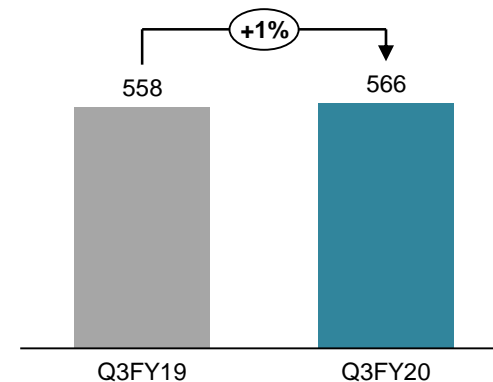
## Disbursement (INR Crore)



## AUM (INR Crore)

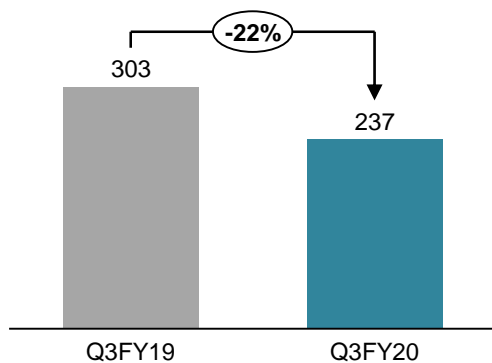


## NII (INR Crore)

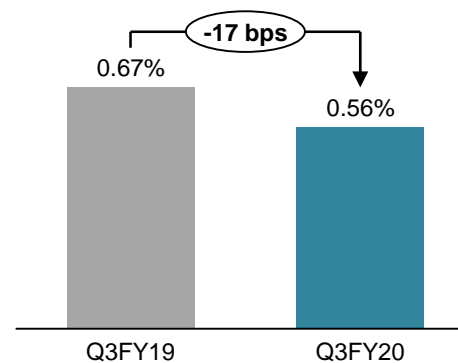


\*Retail and Corporate disbursement degrew by 26% (YoY) and 84% (YoY) respectively

## 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

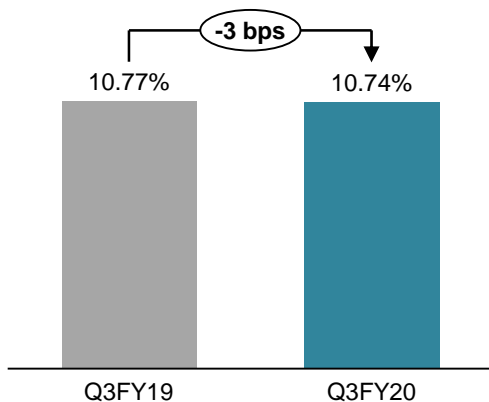
P&L numbers are as per Ind AS

1 Crore = 10 mn

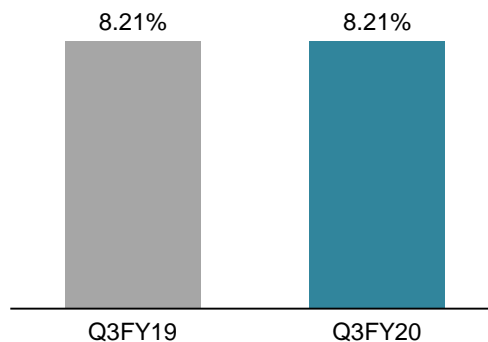
# Highlights – Q3FY20 vs Q3FY19



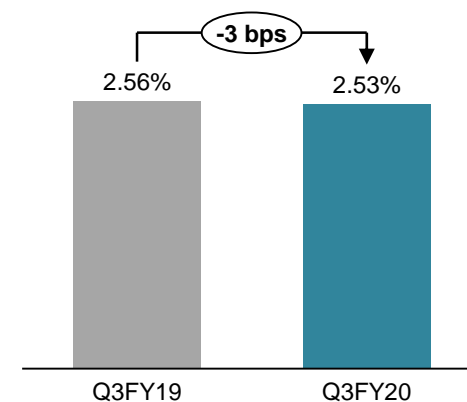
## Average Yield



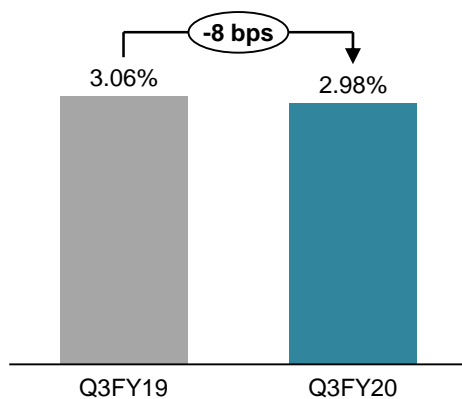
## Average Cost of Borrowing



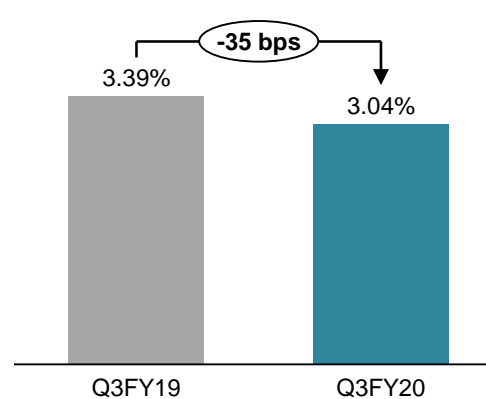
## Spread



## 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
<b>Coverage Ratio % Stage 3</b>	<b>28.43%</b>	<b>22.26%</b>	<b>22.72%</b>
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
<b>ECL Provision % Stage 1 &amp; 2</b>	<b>0.79%</b>	<b>0.80%</b>	<b>0.51%</b>
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
<b>Total ECL Provision %</b>	<b>1.28%</b>	<b>0.98%</b>	<b>0.62%</b>
Steady State Provision	168.00	168.54	156.54
Total Provision (including Steady state Provision)	1,052.87	893.68	592.17
<b>Total Provision (including Steady state) / Total Assets (%)</b>	<b>1.52%</b>	<b>1.20%</b>	<b>0.84%</b>
<b>Provision Coverage Ratio (%)</b>	<b>87%</b>	<b>143%</b>	<b>177%</b>

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





## Expansion Led Growth and Unique Operating Model

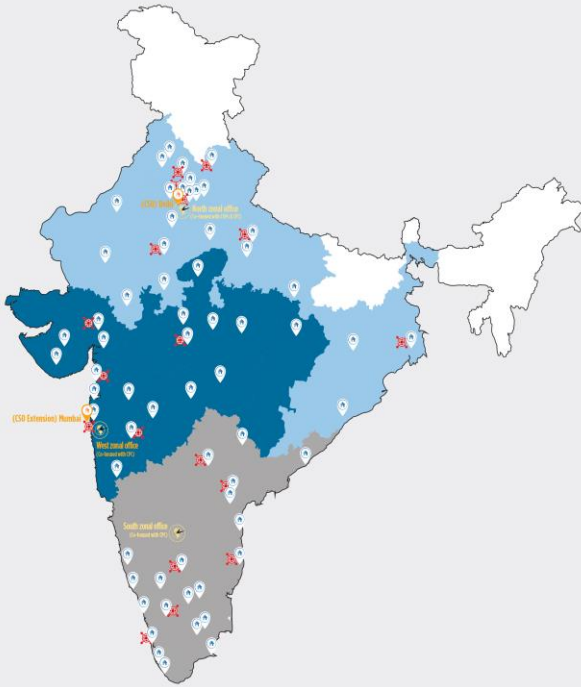
# Business Operations



**Branches** – Point of Sales & Services

**Hubs** – Fountain head for Decision Making

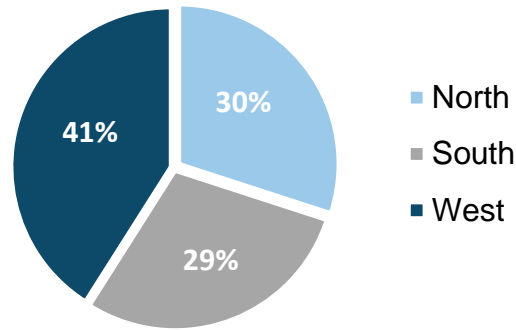
## OUR OFFICE NETWORK



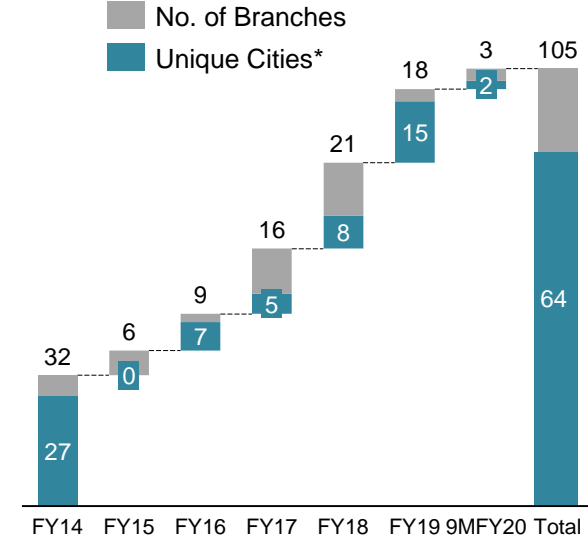
Geography	Hub	Branches
North	8	33
South	8	35
West	7	37

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

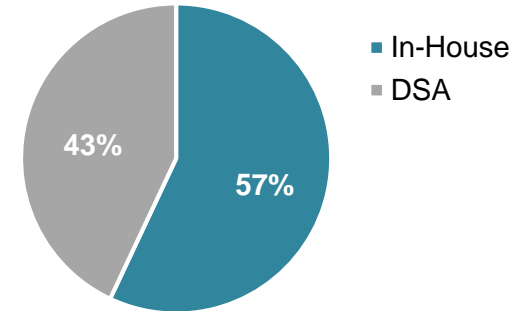
## AUM - Geographical Distribution



## No. of Branches



## Disbursement Origination (9MFY20)



Central Support Office

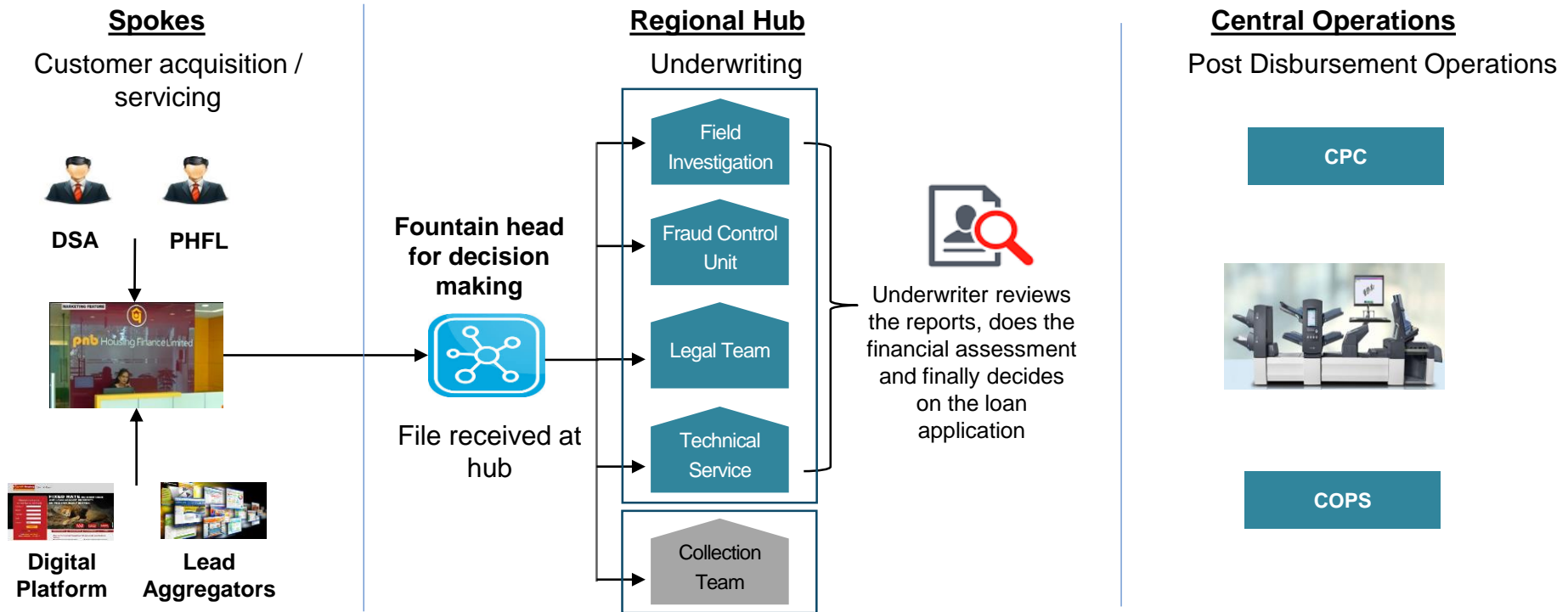
Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

\*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

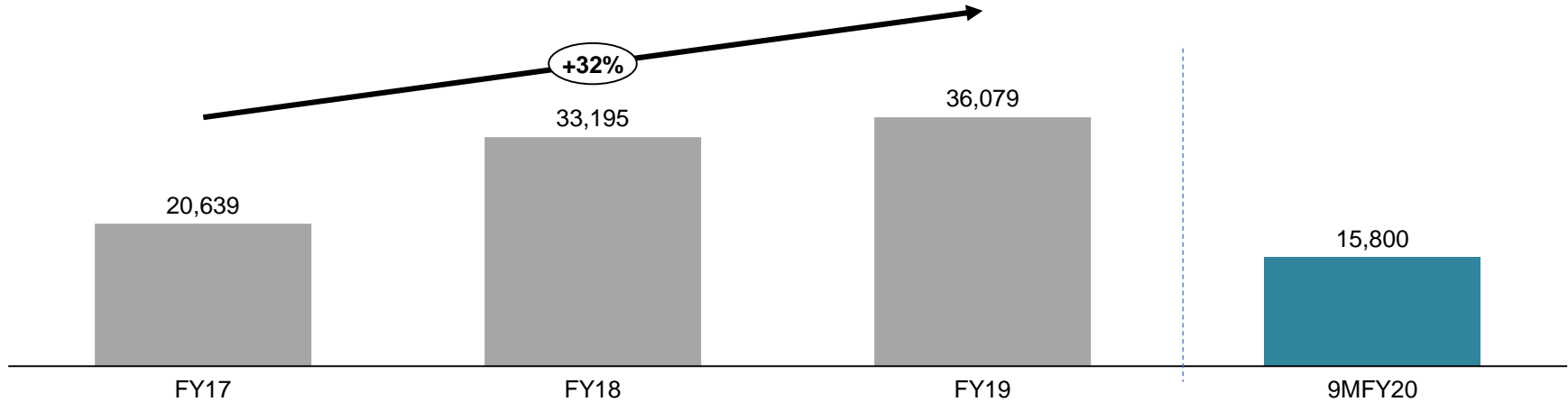
Enterprise Risk Management framework

# Strong Business growth

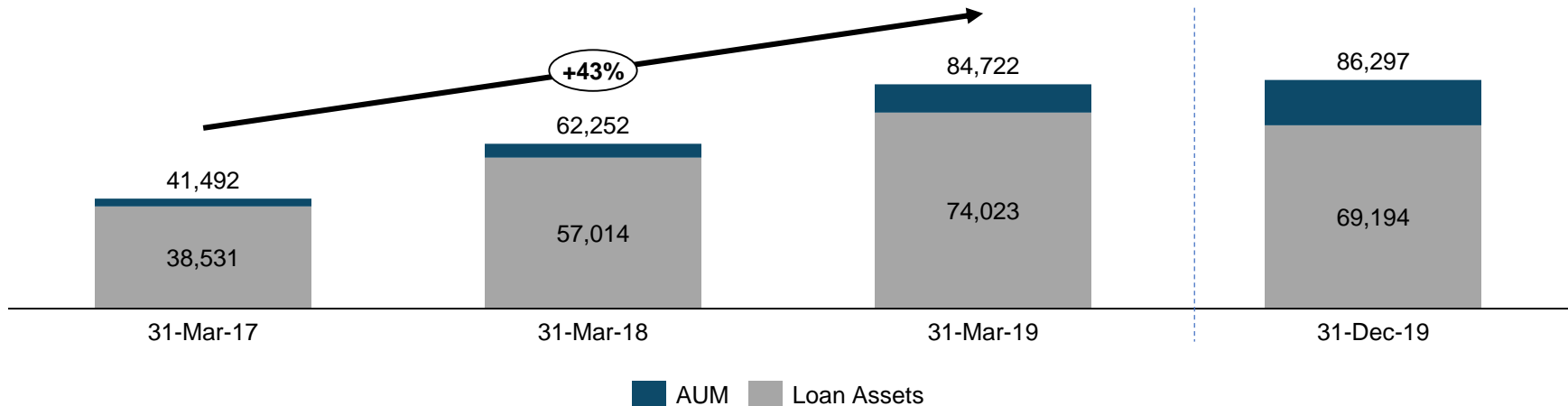


(INR Crore)

## Disbursement



## Asset

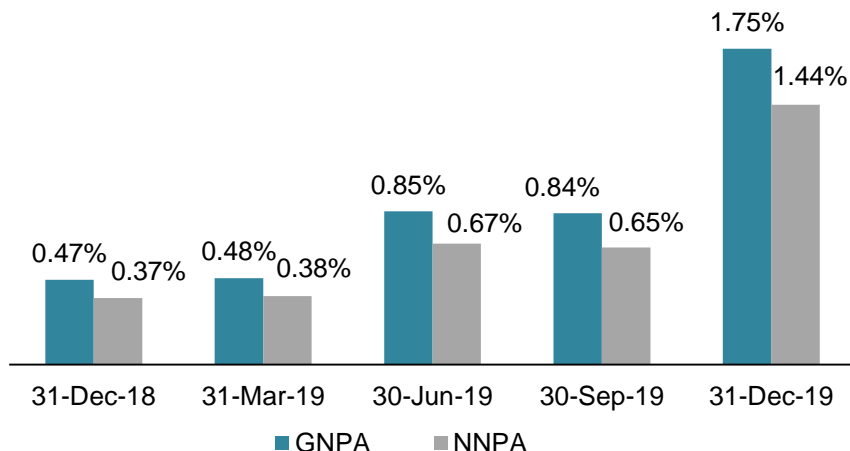


1 Crore = 10 mn

# Moderate NPAs in a seasoned Book

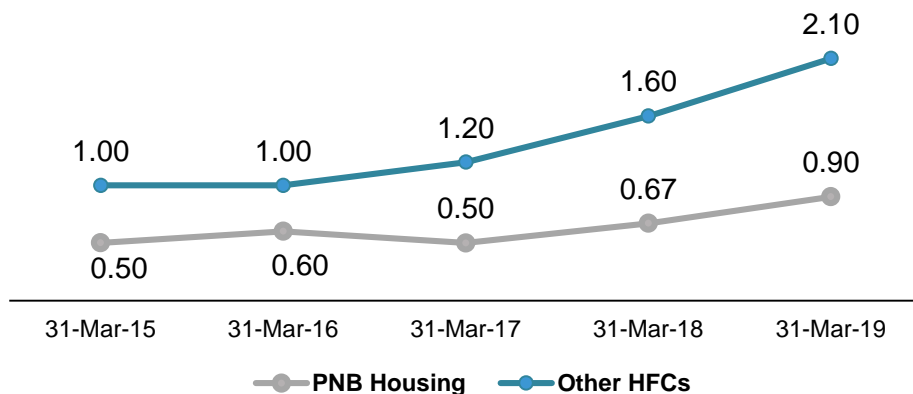


## Non-Performing Assets



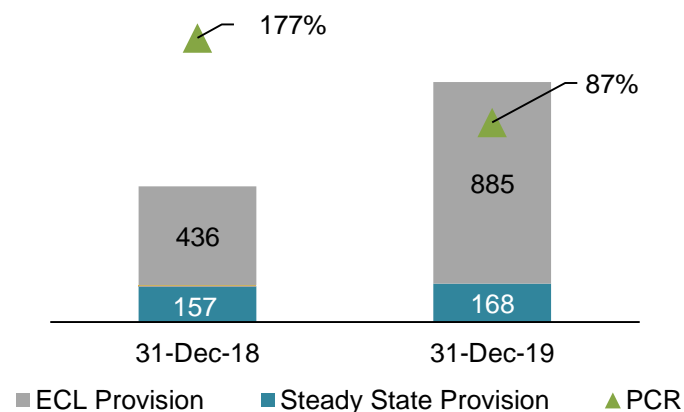
- Gross NPA on AUM at 1.45% and on Loan Assets at 1.75%
- Excluding the three corporate book accounts, which were that informed as stretched in May 2019, the Gross NPA is at 0.88% of Loan Assets
- Collection efficiency of 97.8% for 9M FY20
- Prudent approach towards building provisions

## 2-years lagged NPA\*



## Total Provisions

(INR Crore)



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

\*Source: CRISIL

1 Crore = 10 mn



## Sustainable Portfolio Mix

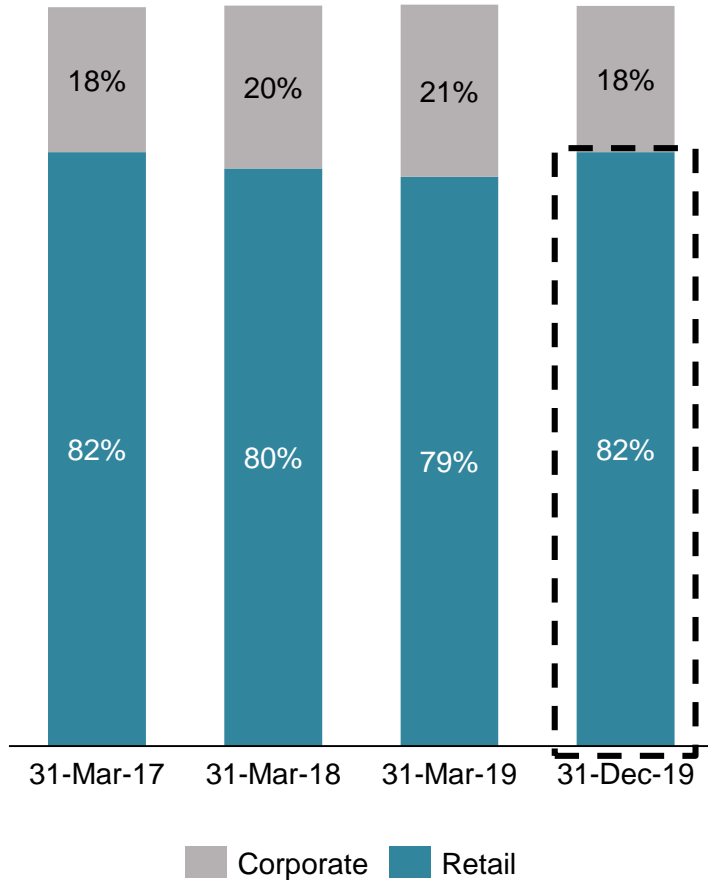


# Asset Under Management

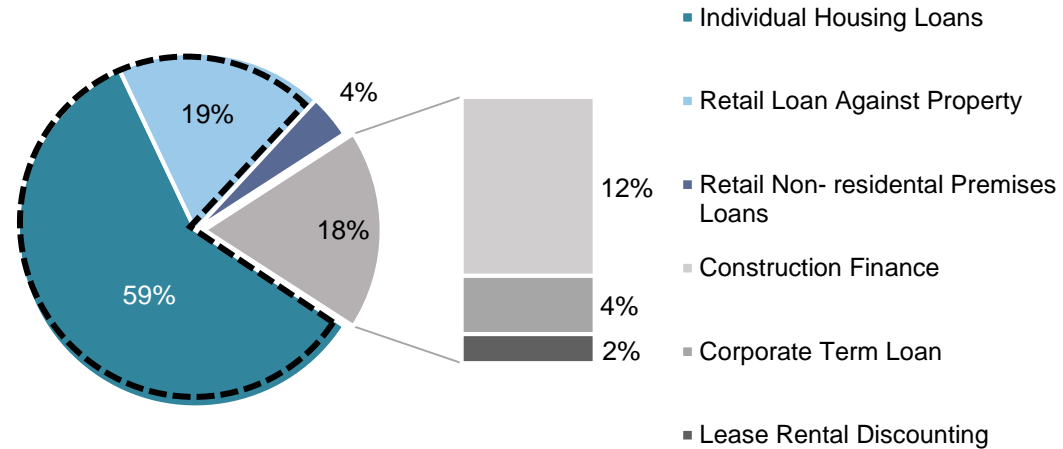


As % to AUM

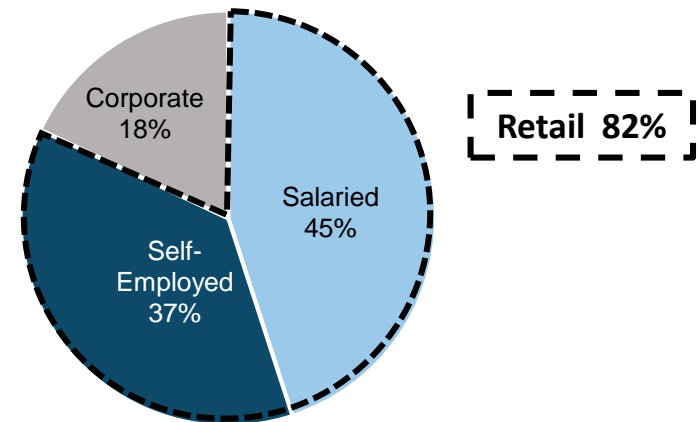
## Consistent Segment Mix



## Product-wise Break-up



## Segment-wise Breakup



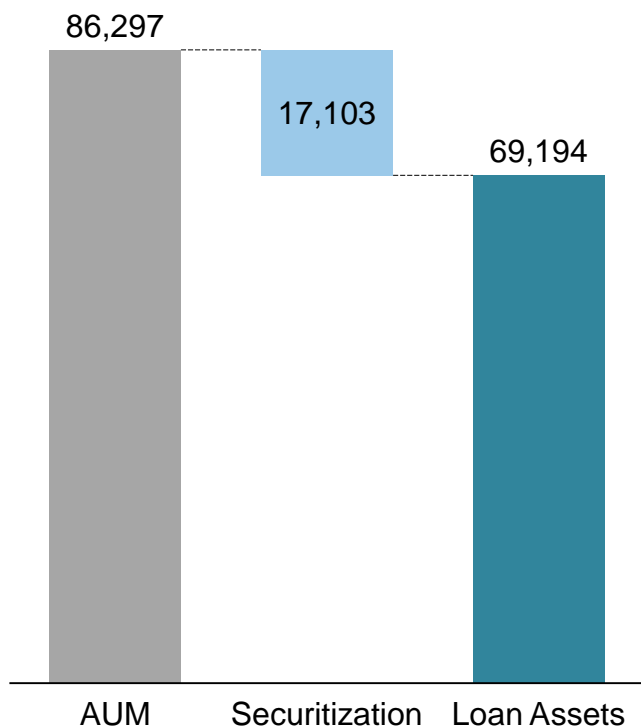
Data as on 31-Dec-19



# 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

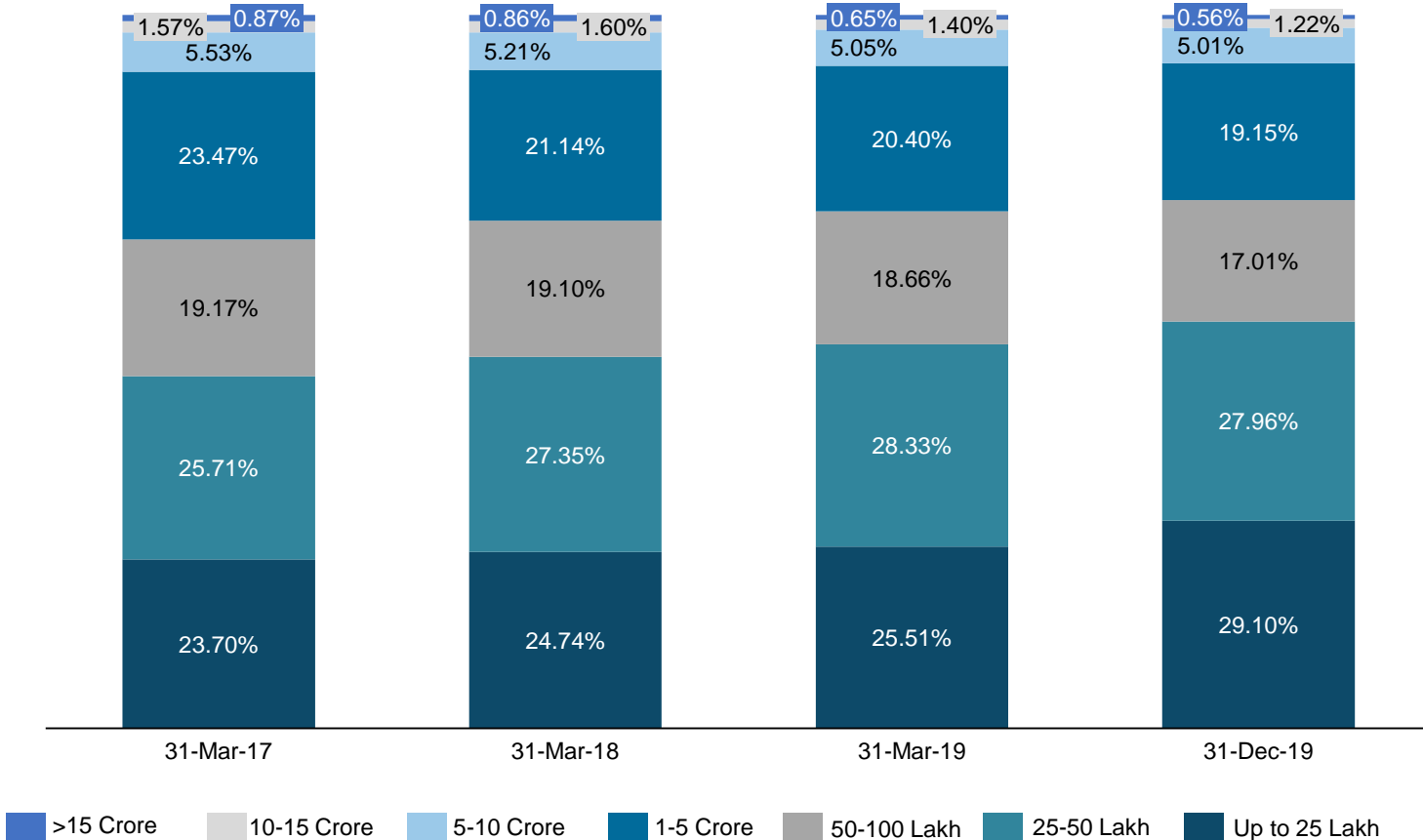
**Digitisation of processes at various stages of loan resulting into increased efficiencies**

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



**~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



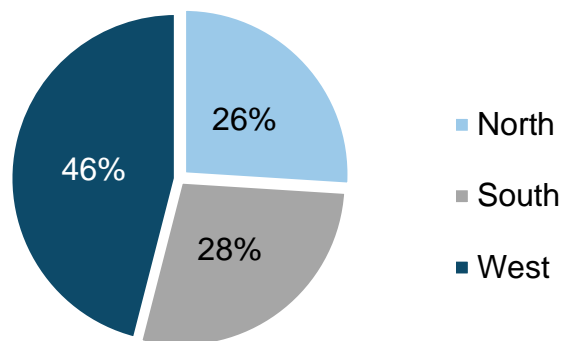
## Corporate Book

# Corporate Book Summary

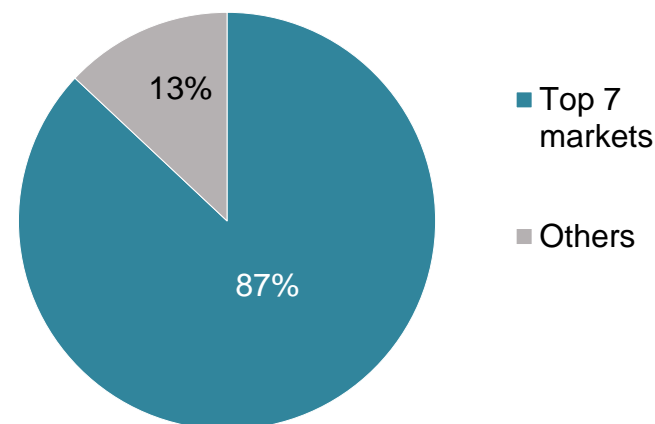


Product Segment	AUM (INR Crore)	% of AUM	Unique Corporate houses ATS INR Crore (US\$ mn)	No. of Unique Corporate houses	No. of Loan Accounts
Construction Finance	10,733	12%	145.8 (20.4)	150	180
Corporate Term Loan	3,126	4%	98.8 (13.9)		66
Lease Rental Discounting	1,534	2%	116.1 (16.3)		19

## Geographical Distribution



## City Concentration

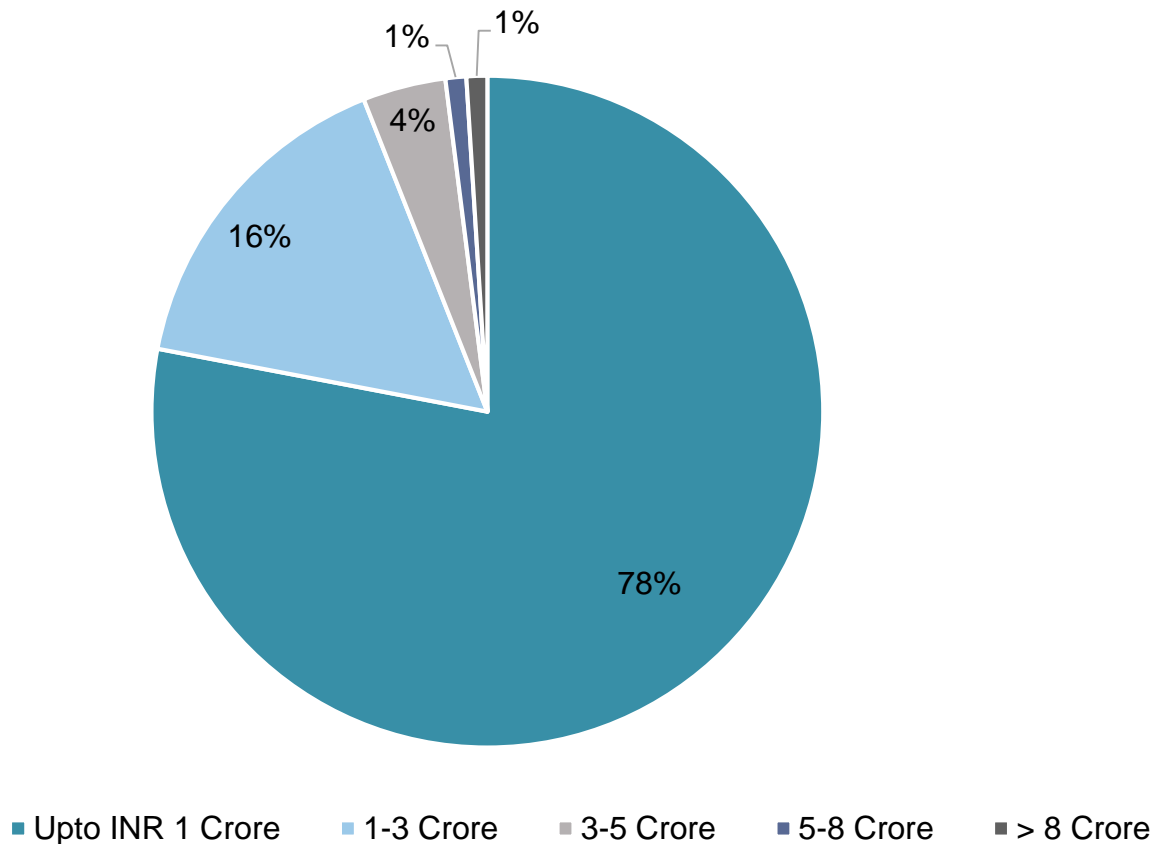


*Funded over 150,000 sq mtr of saleable area*

# 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

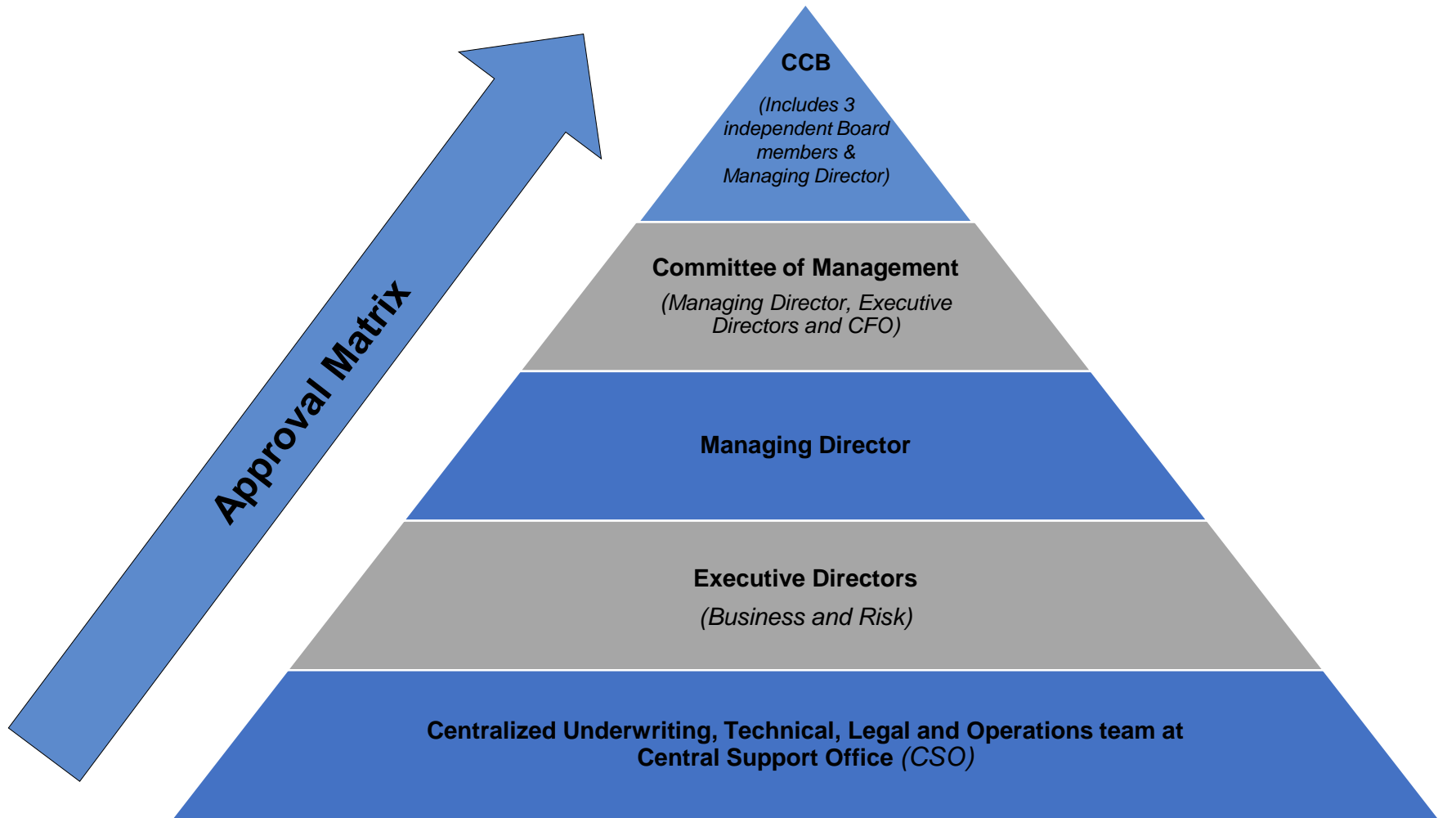
## Monitoring



- 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



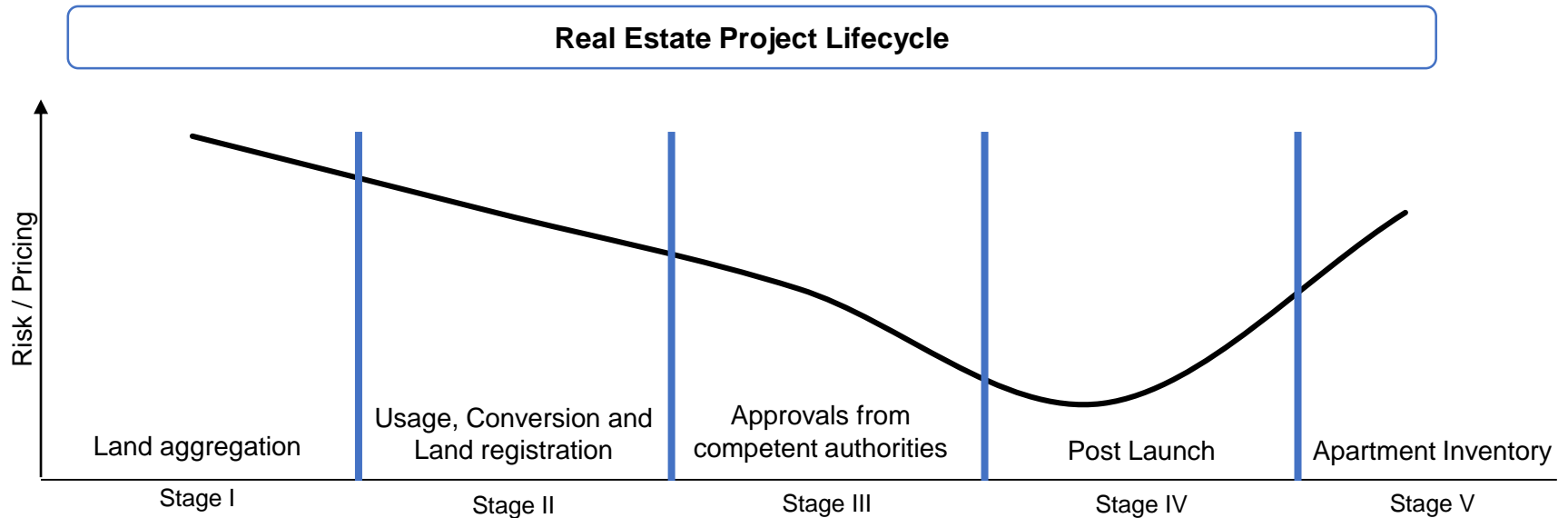
# Corporate Book Approval Process



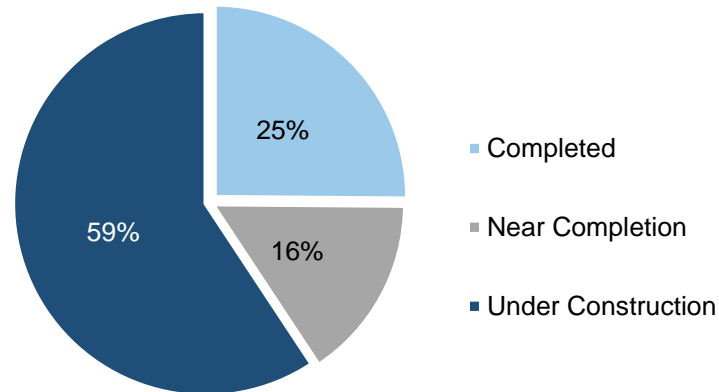
**Robust loan approval process with >85% loans approved by Credit Committee of the Board**

CCB: Credit Committee of Board

# Construction Finance Loan Stages



## 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 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*



## Operational and Financial Performance

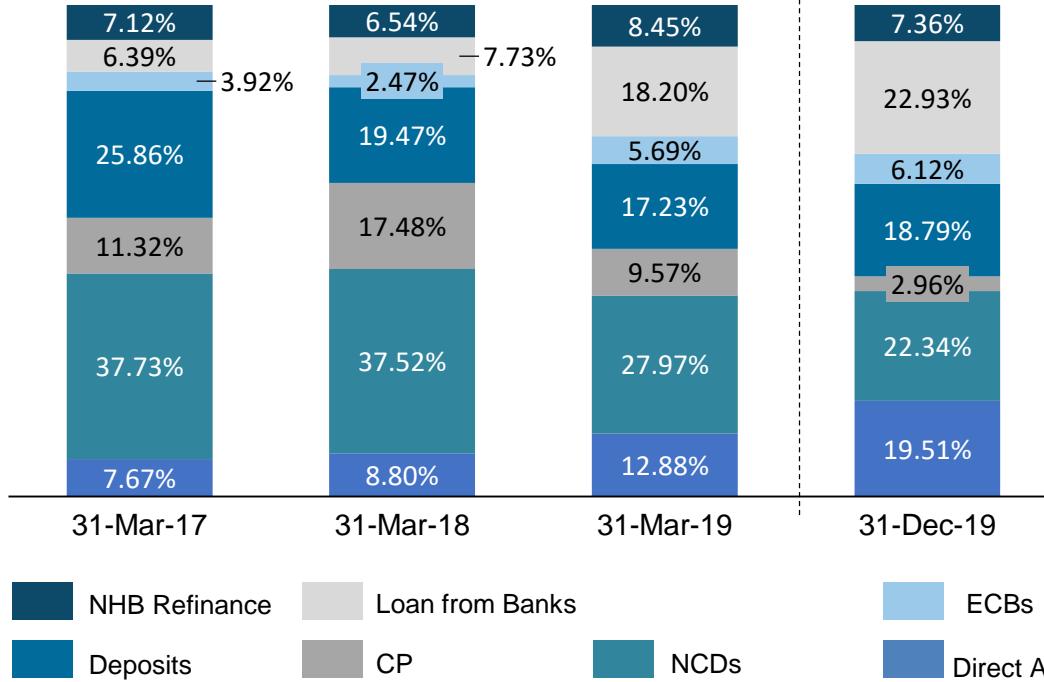


# Well Diversified Resource Profile

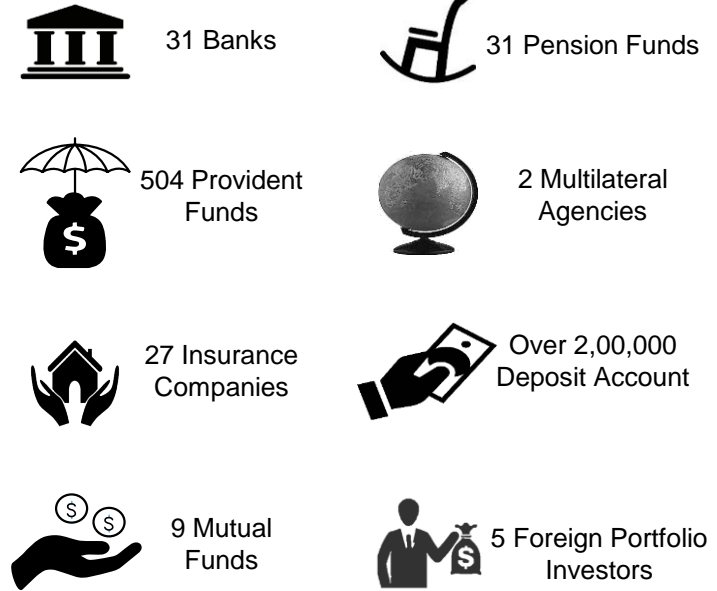


(INR Crore)

## 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

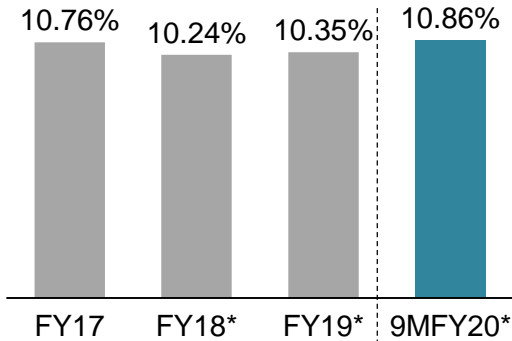
- Fixed Deposit has been rated "FAAA" by CRISIL. The rating of "FAAA" indicates "High Safety" with regards to the repayment of interest and principal.
- Commercial Paper is rated at "A1(+)" by CARE & CRISIL and Non-Convertible Debenture (NCD) are rated at "AA+" by CARE, India Ratings, CRISIL and ICRA.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

1 Crore = 10 million

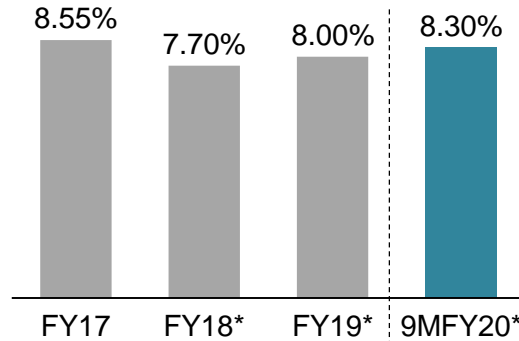
# Margin Analysis



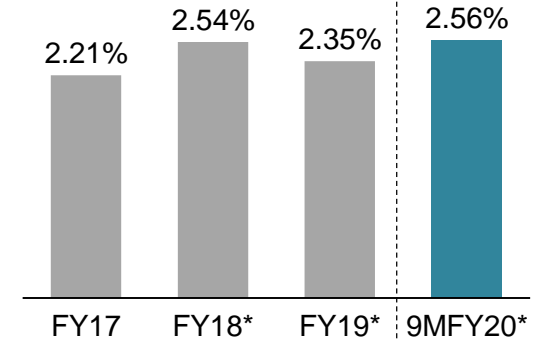
## Average Yield



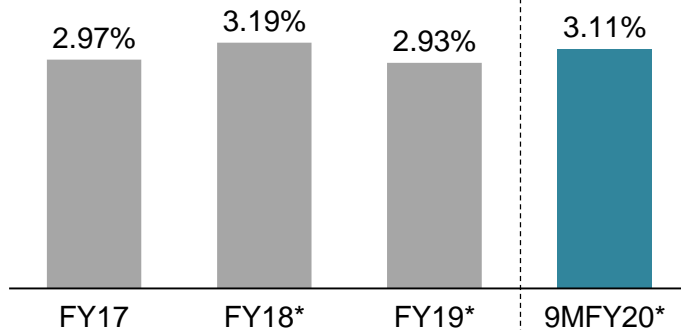
## Average Cost of Borrowings



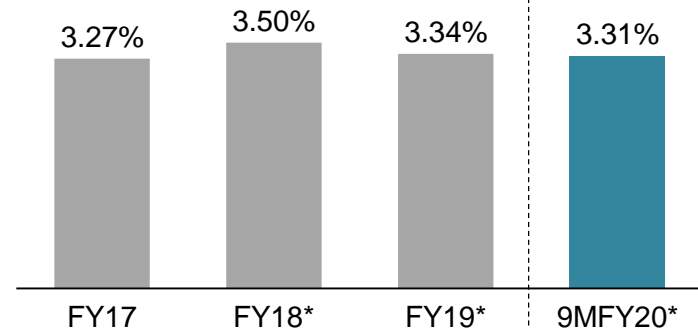
## Spread



## NIM



## Gross Margin



Ratios are calculated on Monthly Average

Gross Margin is net of acquisition cost

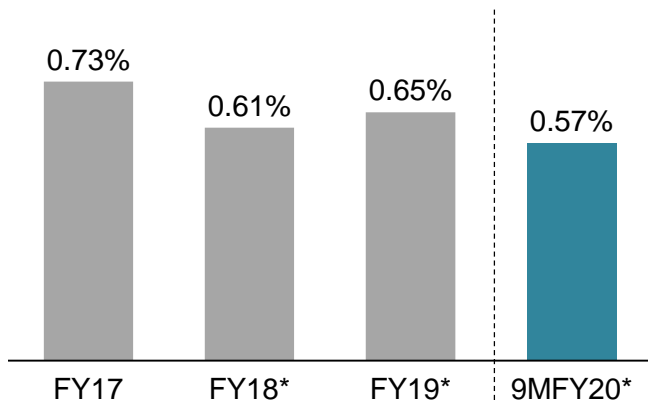
\*As per IndAS

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

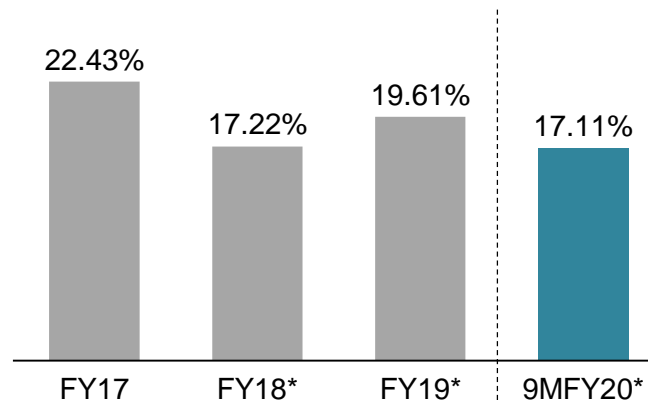
# Operating Leverage playing out with Better Return Profile



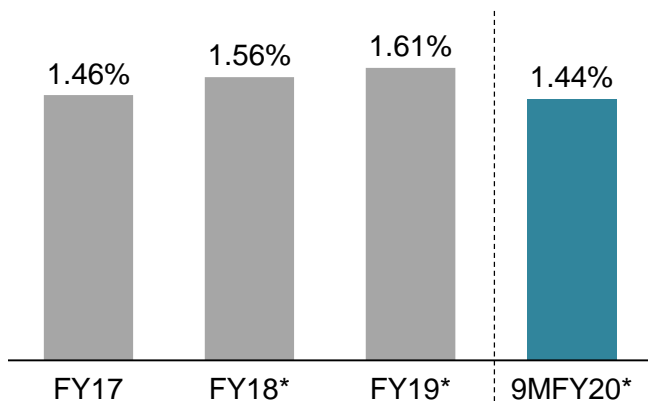
**Opex to ATA Ratio**



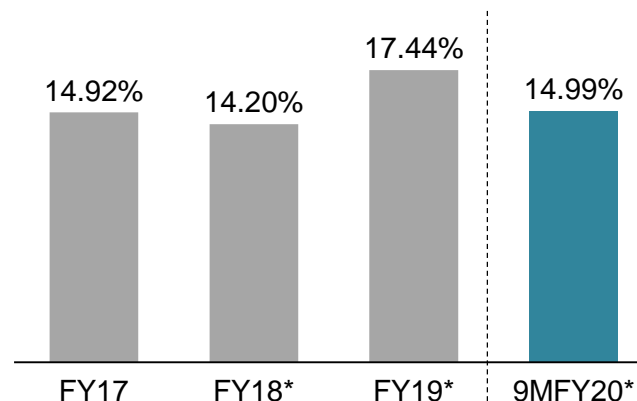
**Cost to Income Ratio**



**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

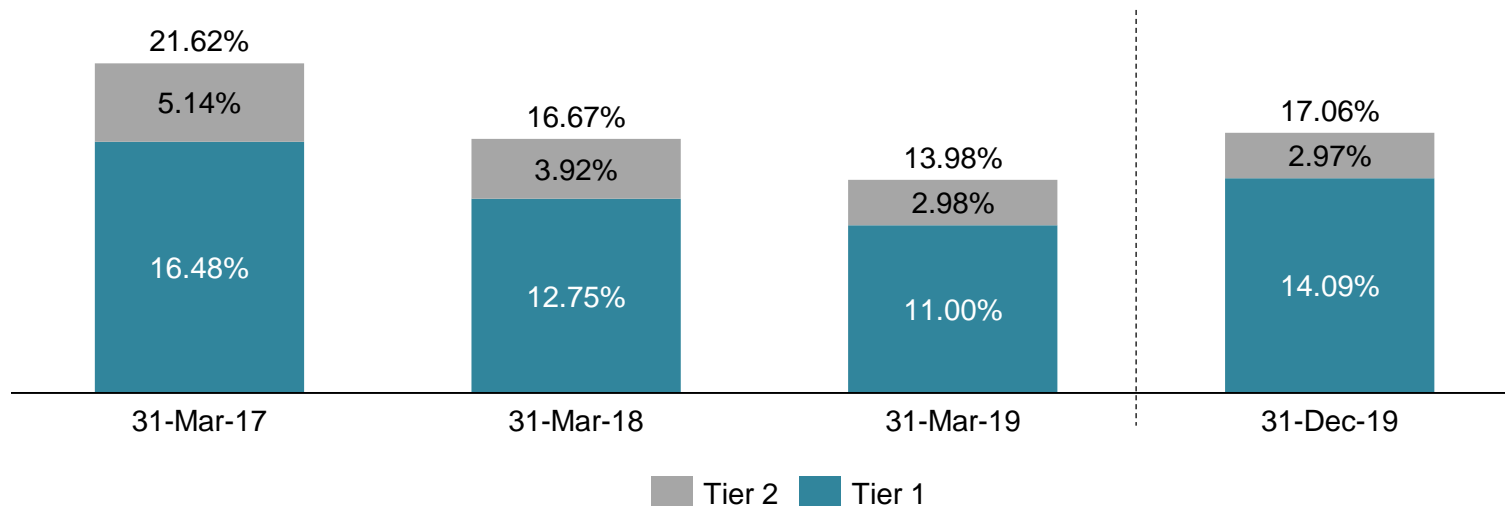
For the calculation of ratios P&L numbers for FY18, FY19 & 9MFY20 are as per Ind AS



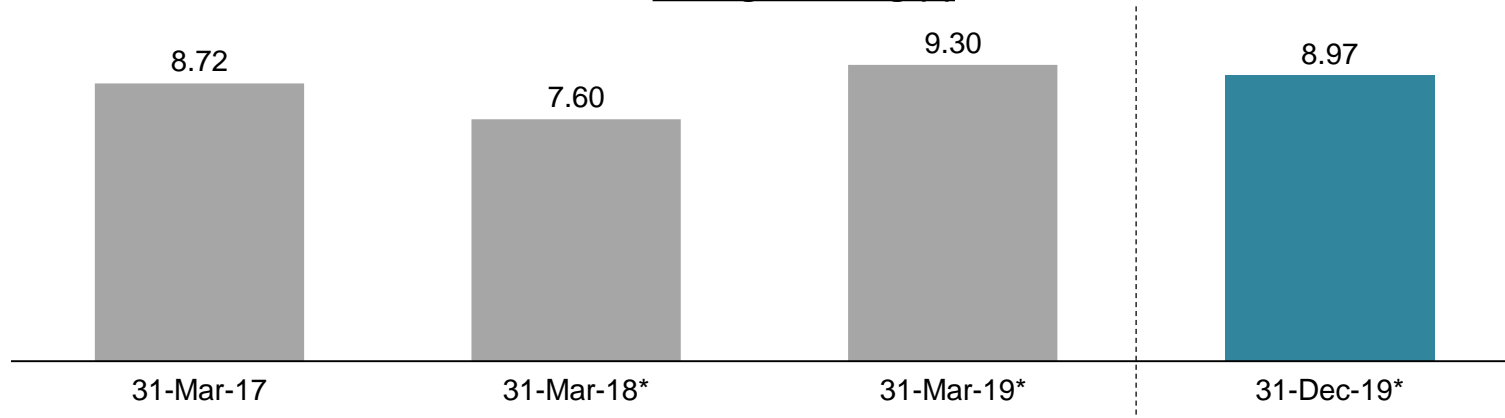
# CRAR and Gearing



## 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

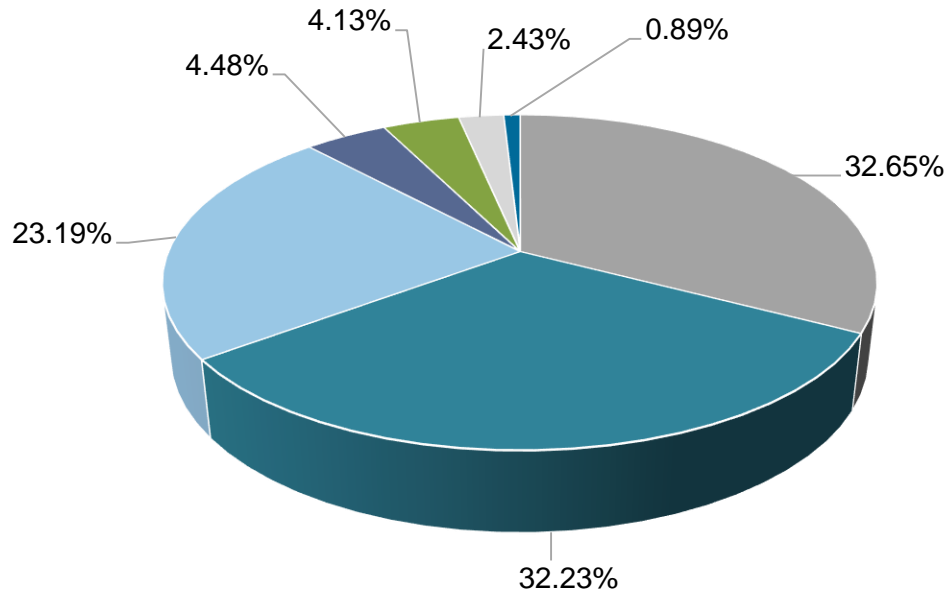


## Shareholding





## 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
<b>Net Interest Income</b>	<b>566.1</b>	<b>558.0</b>	1%	<b>628.5</b>	-10%	<b>1,820.0</b>	<b>1,453.8</b>	25%	<b>2,063.5</b>
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
<b>Gross Income</b>	<b>612.8</b>	<b>655.2</b>	-6%	<b>706.4</b>	-13%	<b>2,035.7</b>	<b>1,749.4</b>	16%	<b>2,462.2</b>
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
<b>Pre Provision Operating Profit</b>	<b>479.0</b>	<b>511.7</b>	-6%	<b>577.6</b>	-17%	<b>1,634.8</b>	<b>1,368.1</b>	19%	<b>1,923.3</b>
Less: Impairment on financial instruments & Write-offs (Expected Credit Loss)	180.8	70.1		151.6		496.5	178.8		188.9
<b>Profit Before Tax</b>	<b>298.2</b>	<b>441.6</b>	-32%	<b>426.0</b>	-30%	<b>1,138.2</b>	<b>1,189.3</b>	-4%	<b>1,734.4</b>
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
<b>Net Profit after Tax</b>	<b>237.0</b>	<b>303.0</b>	-22%	<b>366.9</b>	-35%	<b>888.3</b>	<b>811.8</b>	9%	<b>1,191.5</b>
Add: Other Comprehensive Income	43.2	-72.6		-43.5		26.7	-71		-102.3
<b>Total Comprehensive Income</b>	<b>280.2</b>	<b>230.4</b>		<b>323.3</b>		<b>915.0</b>	<b>740.8</b>		<b>1,089.2</b>
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
	<b>LIABILITIES</b>		
<b>1</b>	<b>Financial Liabilities</b>		
(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
	<b>Sub Total - Financial Liabilities</b>	<b>72,818.2</b>	<b>74,288.1</b>
<b>2</b>	<b>Non-Financial Liabilities</b>		
(a)	Provisions	35.5	25.2
(b)	Other non-financial liabilities	1,051.1	2,011.8
	<b>Sub Total - Non-Financial Liabilities</b>	<b>1,086.6</b>	<b>2,037.0</b>
<b>3</b>	<b>EQUITY</b>		
(a)	Equity Share capital	168.1	167.5
(b)	Other Equity	7,867.2	7,376.4
	<b>Equity attributable to equity holders of the parent</b>	<b>8,035.3</b>	<b>7,543.9</b>
	Non-controlling interest	-	-
	<b>TOTAL – EQUITY &amp; LIABILITIES</b>	<b>81,940.1</b>	<b>83,869.0</b>

	Particulars (INR Crore)	30-Sep-19	31-Mar-19
	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
(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
	<b>Sub Total - Financial Assets</b>	<b>81,239.8</b>	<b>83,434.5</b>
<b>2</b>	<b>Non - Financial Assets</b>		
(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
	<b>Sub Total - Non - Financial Assets</b>	<b>700.3</b>	<b>434.5</b>
	<b>TOTAL - ASSETS</b>	<b>81,940.1</b>	<b>83,869.0</b>

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

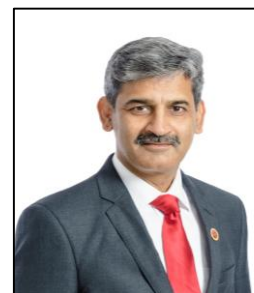
Prior Engagements :  
Xander Finance, Au  
Small Finance Bank,  
ICICI Prudential Life  
Insurance, Deutsche  
Bank



**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



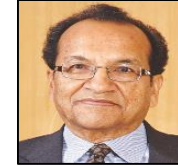
**Sh. Lingam Venkata Prabhakar**  
Non Executive Director

**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

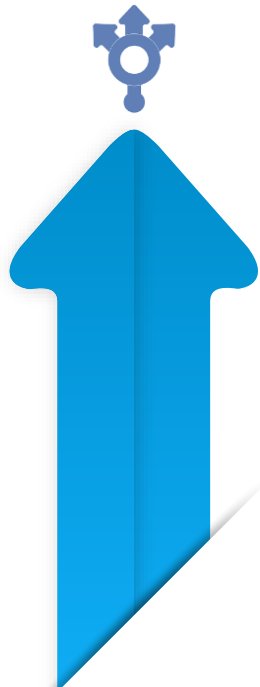
## Stakeholders Relationship Committee (SRC)

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



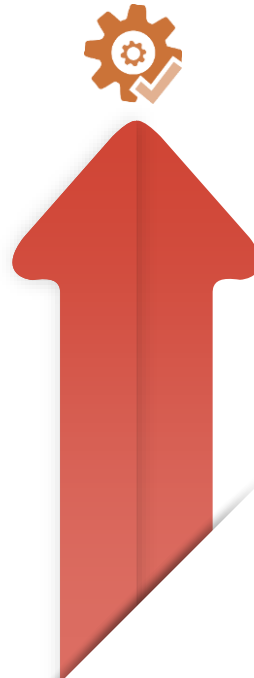
Wide Spread Retail  
Distribution Network  
and Unique  
Operating Model

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



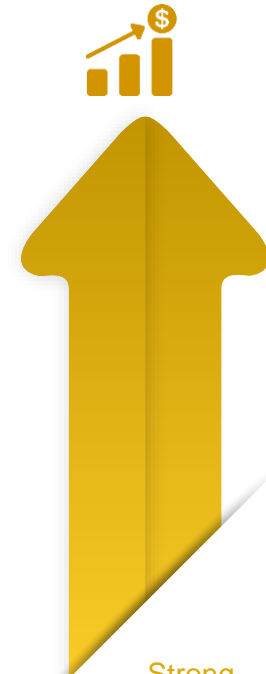
Diversified  
Borrowing Mix with  
balanced ALM

Diverse funding mix  
with average cost of  
borrowing at 8.31%<sup>(1)</sup>



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



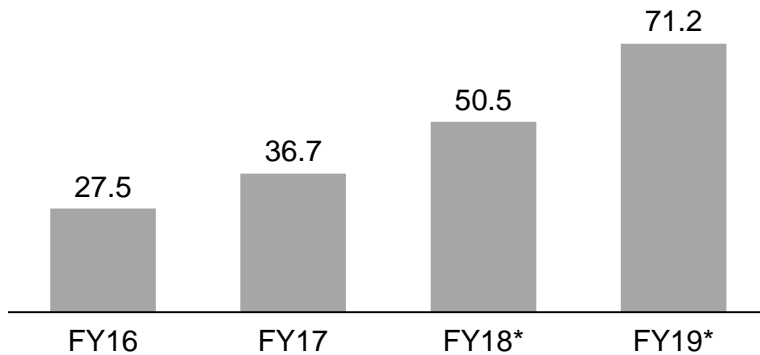
## Annexure



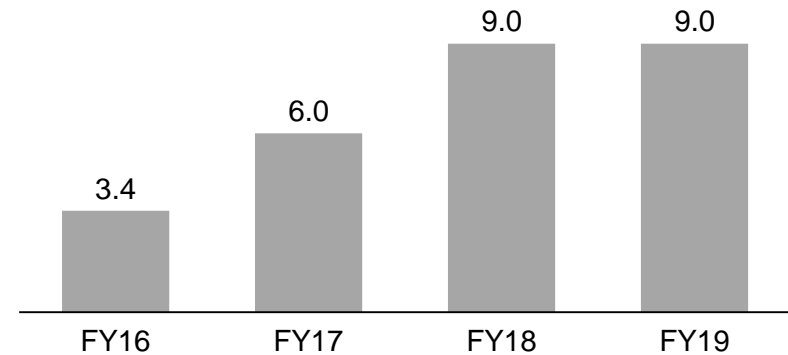
# Return to Shareholders



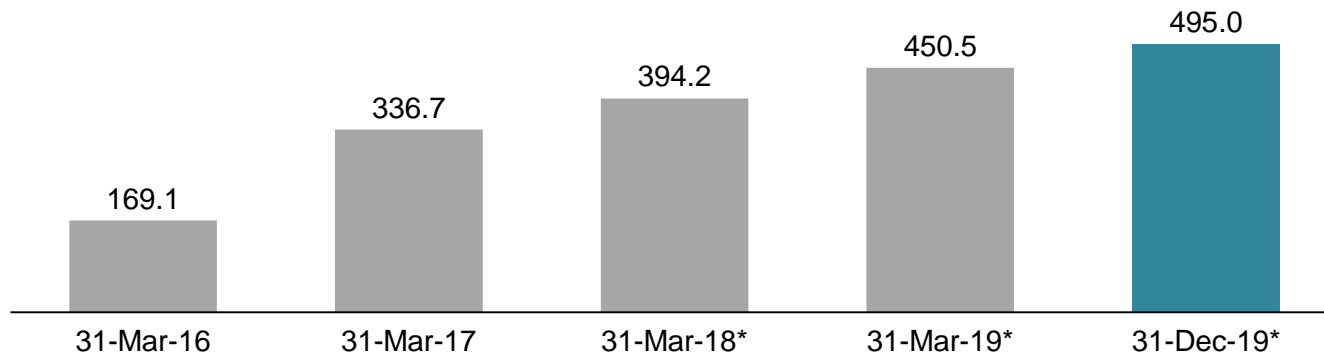
**Earnings Per Share (INR)**



**Dividend Per Share (INR)**



**Book Value Per Share (INR)**



\*As per IND AS

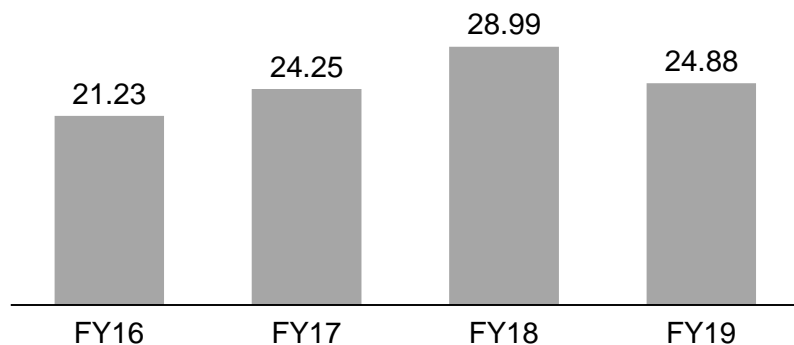


# Employee Efficiency

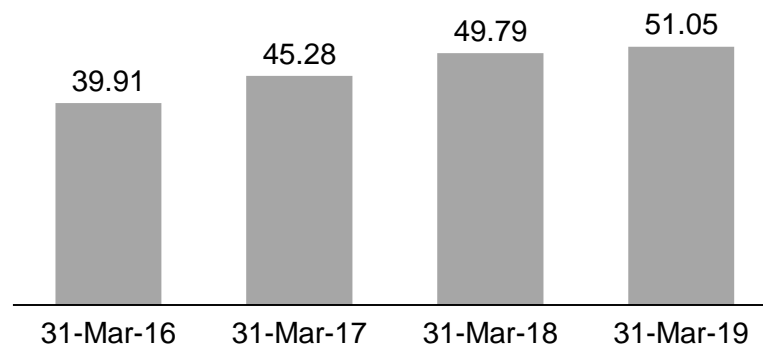


(INR Crore)

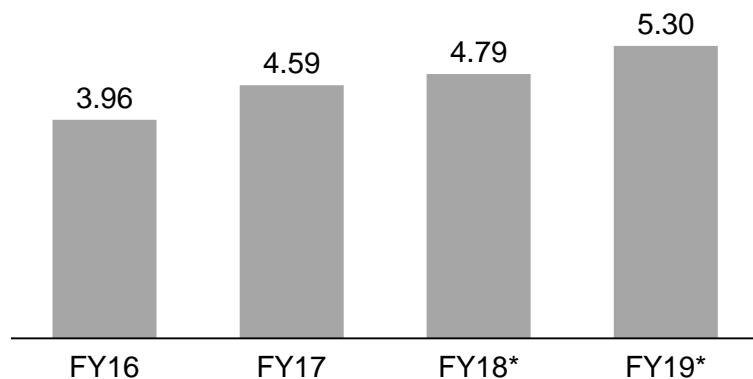
## Disbursement / Employee



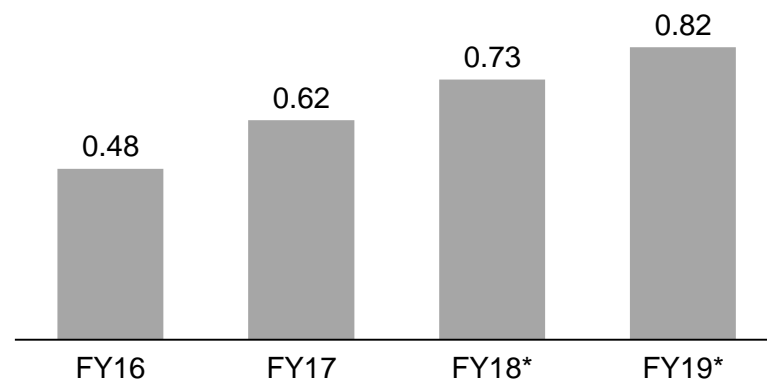
## Loans Outstanding / Employee



## Total Revenue / Employee



## Profitability / Employee



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

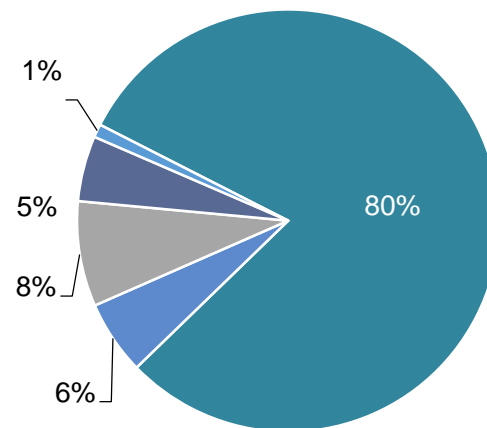
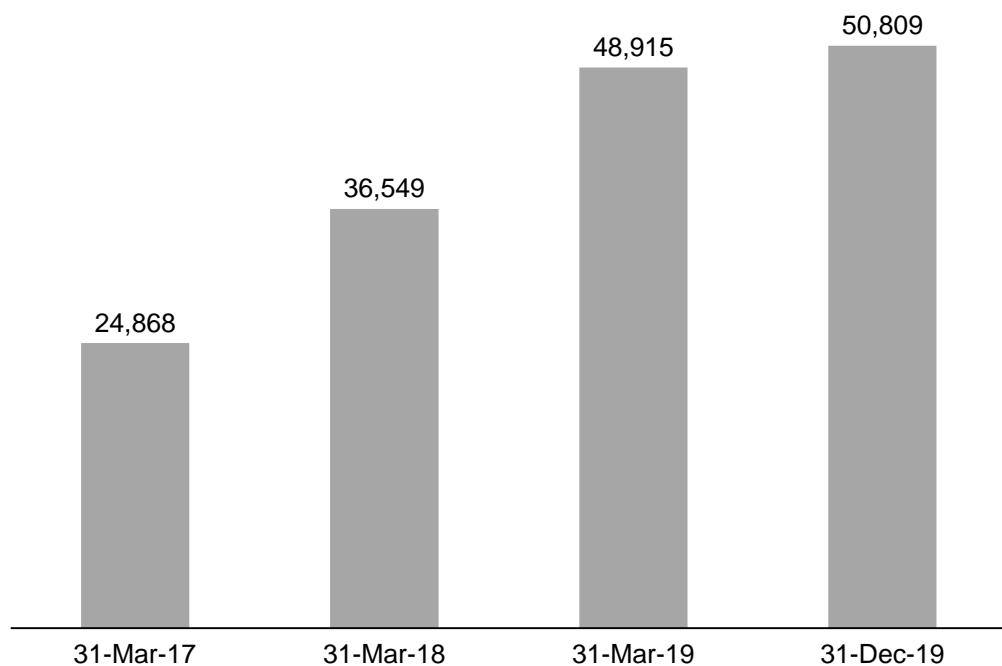
1 Crore = 10 mn  
\*As per IND AS

# 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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**Company:**

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**PNB Housing Finance Limited**

CIN: L65922DL1988PLC033856

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