

January 24, 2019

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**

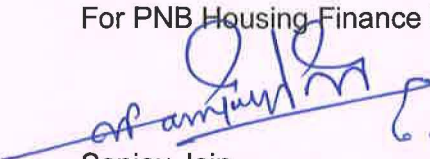
Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find attached herewith the Investor Presentation of the Company for the quarter and nine months ended December 31, 2018.

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 2019



# Safe Harbor



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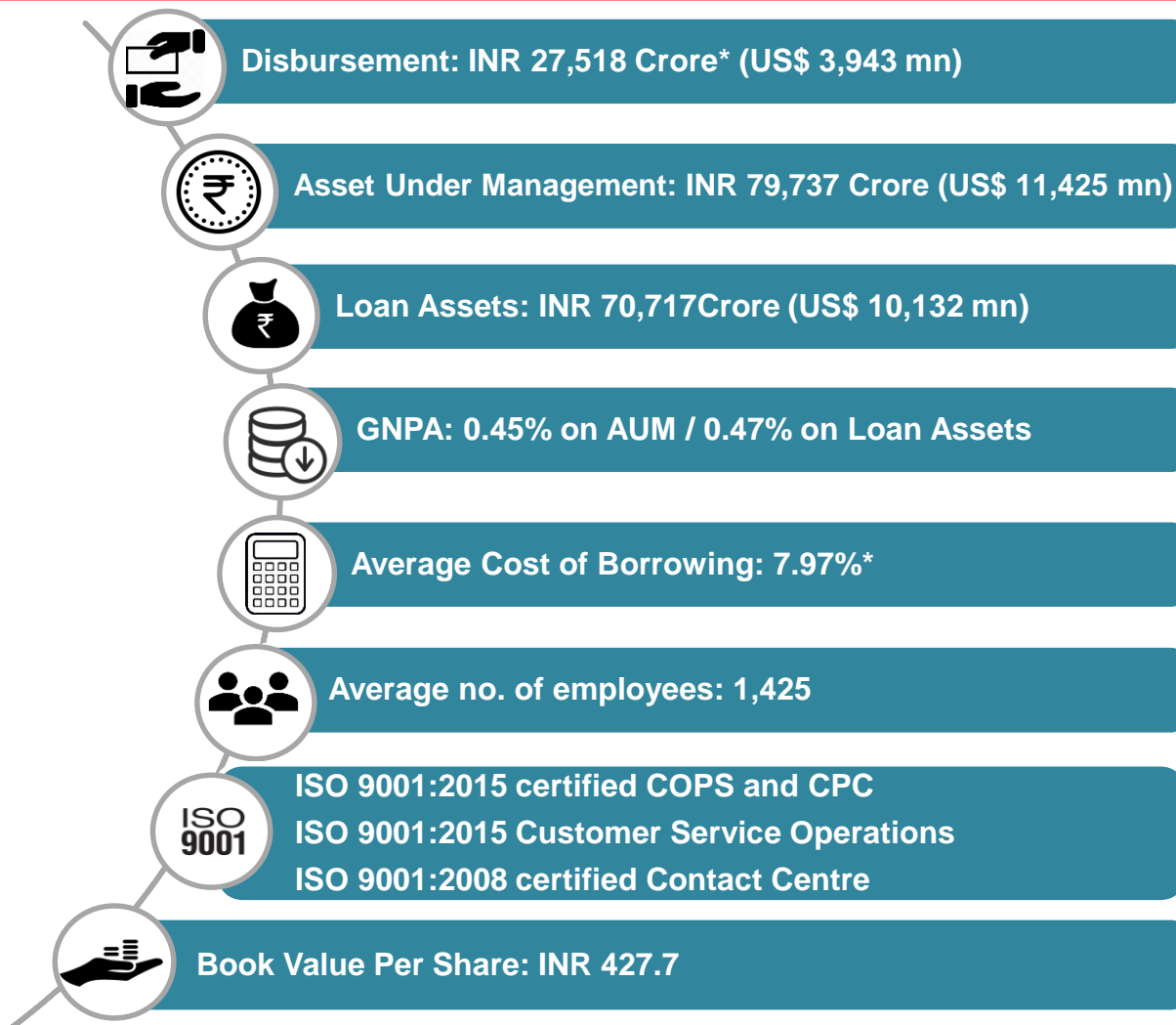


About PNB Housing Finance

# Leading Housing Finance Company...



Ghar Ki Baat

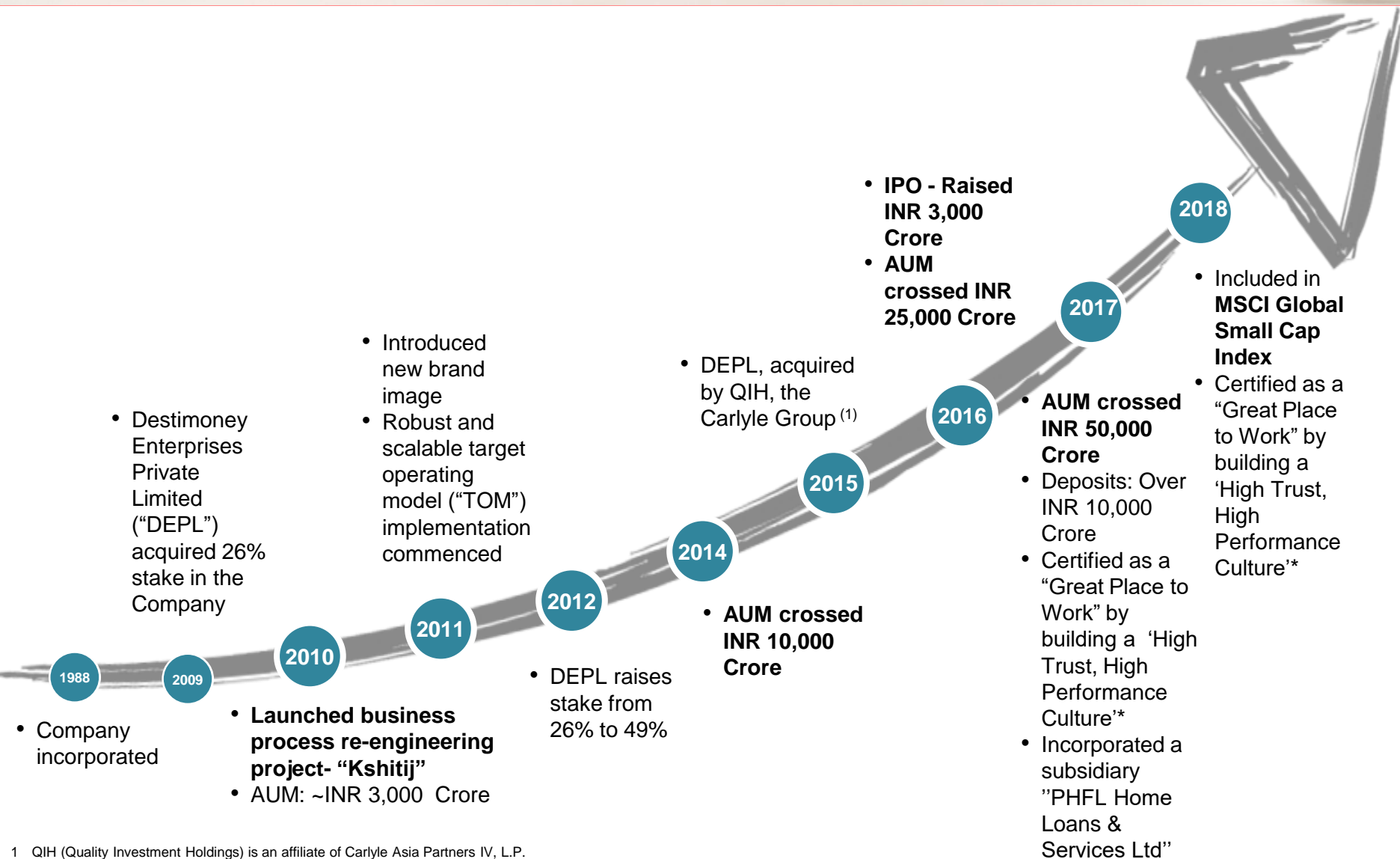


**Fastest growing HFC amongst the Top 5 HFCs in India**

All US\$ numbers in the presentation are converted at 1US\$ = INR 69.79      1 Crore= 10 mn      Data as on 31-Dec-18      \*Data for 9MFY19 annualised      COPS: Central Operations, CPC: Central Processing Center



# ...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...



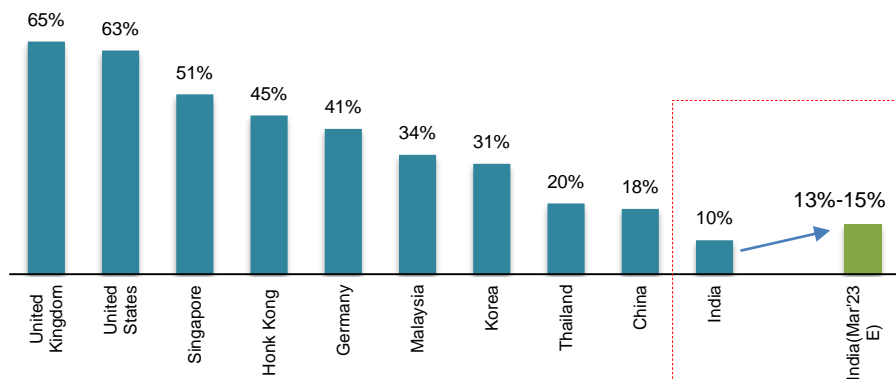
# India's Mortgage Market



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

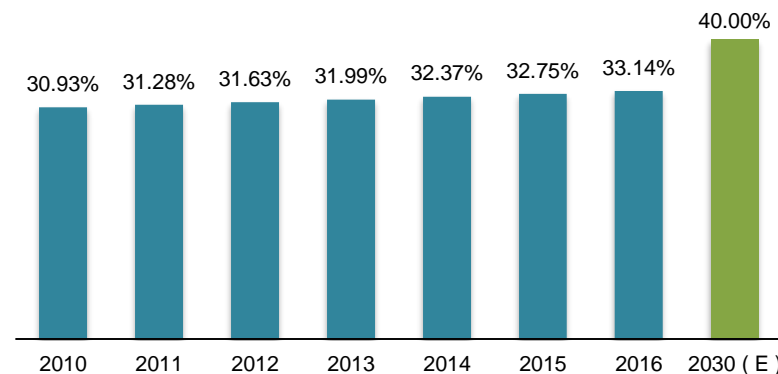
## Indian mortgage market is significantly under-penetrated

Mortgage to GDP Ratio (%)



Source: ICRA Indian Mortgage Finance Market Update for FY2018

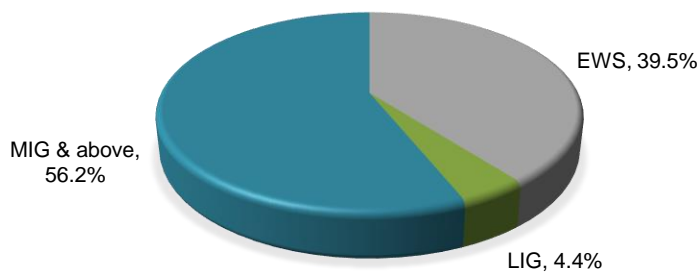
## Increasing urban population



Source: NHB, RBI, CRISIL Research

## Significant urban housing shortage

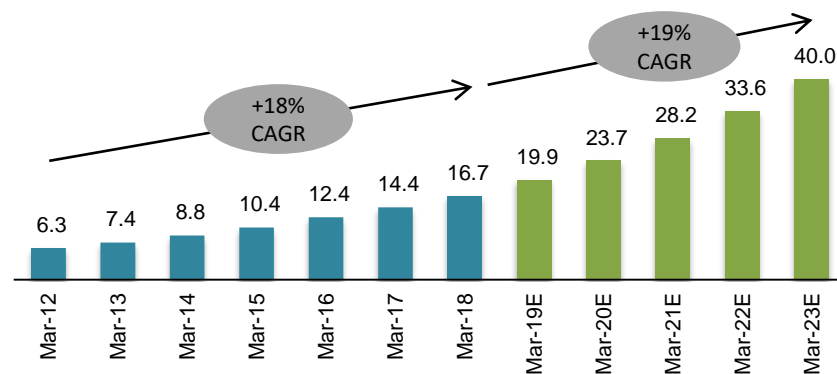
Split of Urban Housing Shortage in FY2012 – 18.8 mn units



Source: Ministry of Housing and Urban Poverty Alleviation

## Ramp-up expected in Indian mortgage market

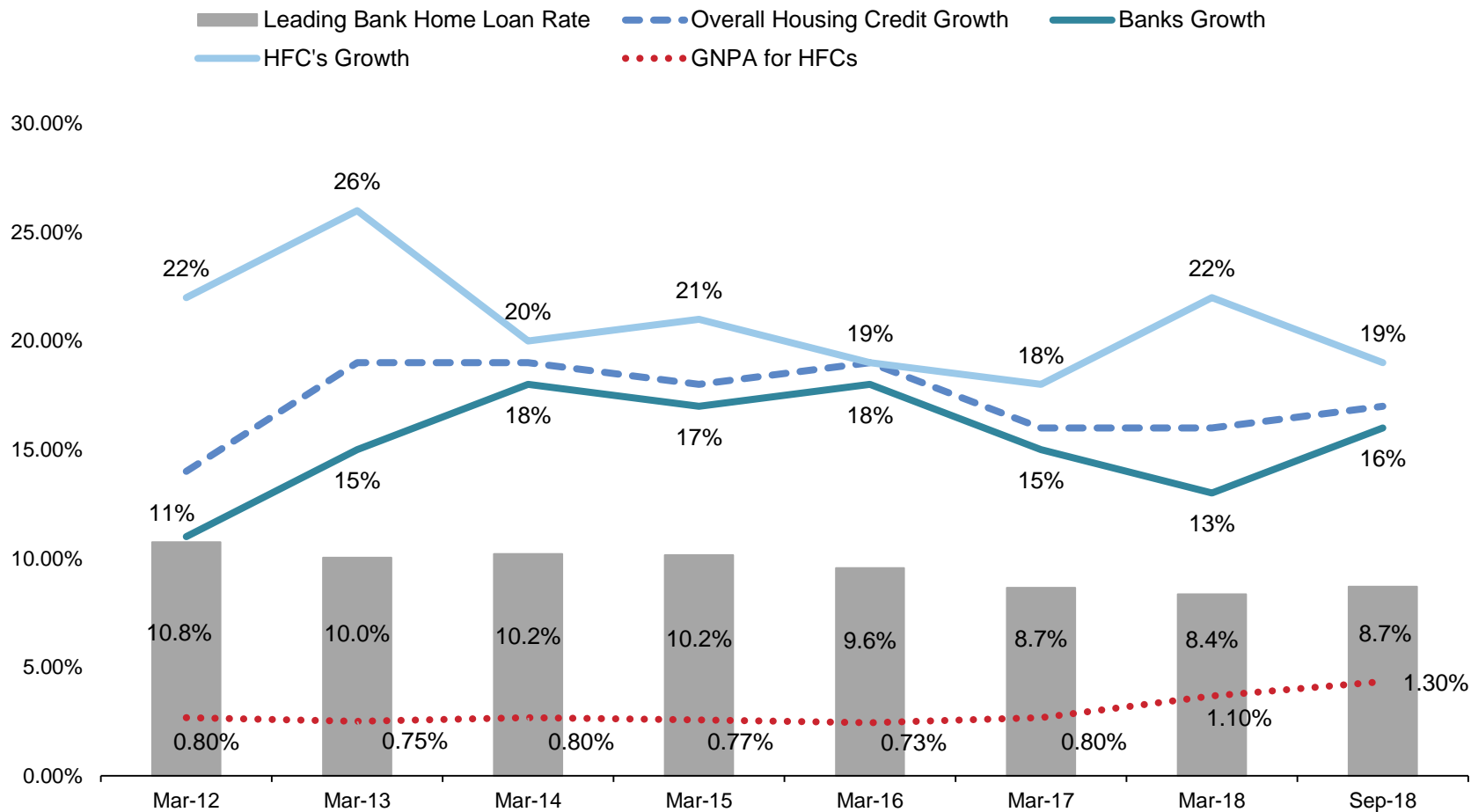
Loan Assets (INR trillion)



Source: ICRA Indian Mortgage Finance Market Update for FY2018



# Mortgage Sector Growth: Limited Interest Rate Sensitivity

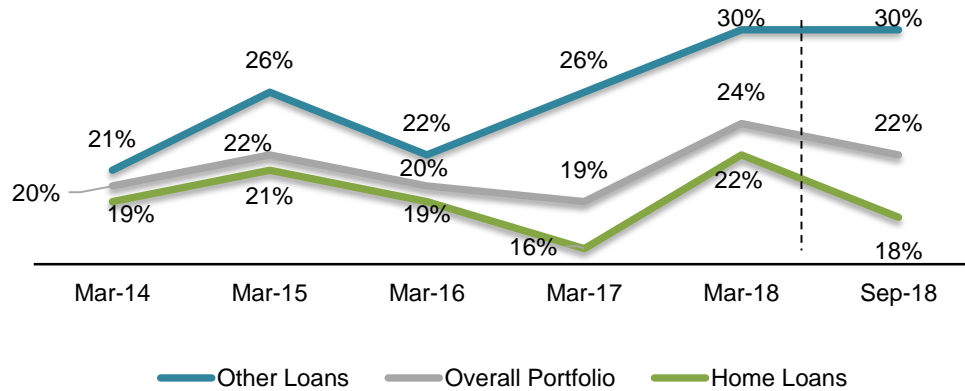


*Lower Credit Growth despite easing interest rate cycle and abundant liquidity*

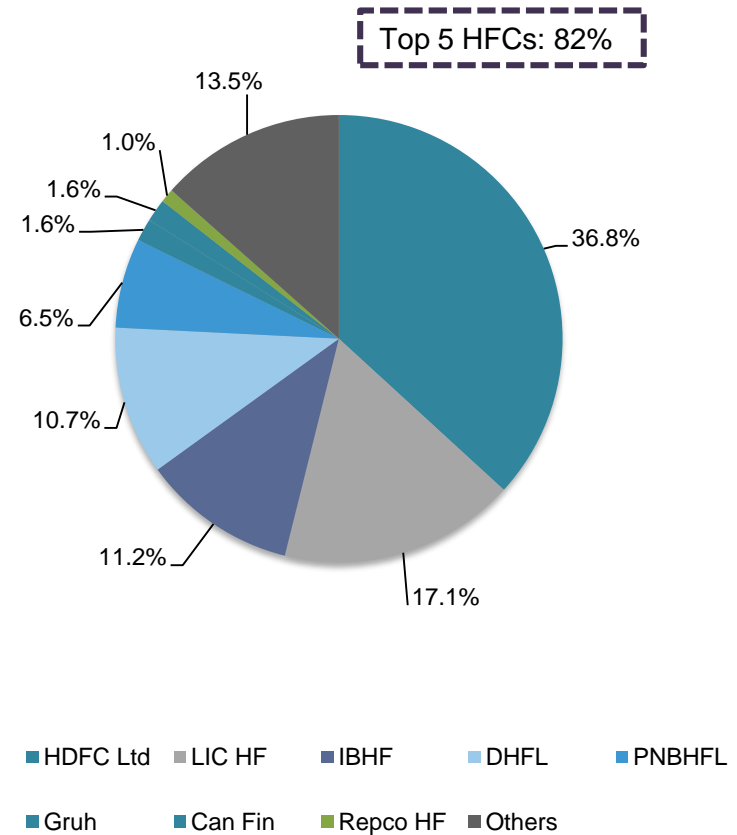
# Sustainable Growth of HFCs



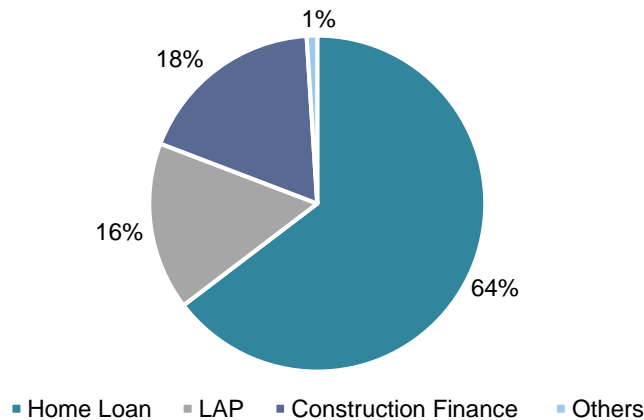
**Portfolio Growth of HFCs**



**Total Loan of all HFCs: INR 10.3 trillion as on 30-Sep-18**



**Portfolio Composition of all HFCs as on 30-Sep-18**



Source: ICRA Indian Mortgage Finance Market Update for H1FY2019  
% Change is YoY



## Government Initiatives



# Growth Drivers



Urbanization



Improved Affordability



Favourable Demographics

Home Buyers

- Incentives from PMAY subsidy and tax deductions
- RERA : transparency and delivery visibility to buyers
- 90% of government run pension fund EPFO can be withdrawn for house purchase

Developers

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

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 and provisioning norms
- More effective recovery law

# PMAY-CLSS



## 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 Group (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	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



## Liquidity Position



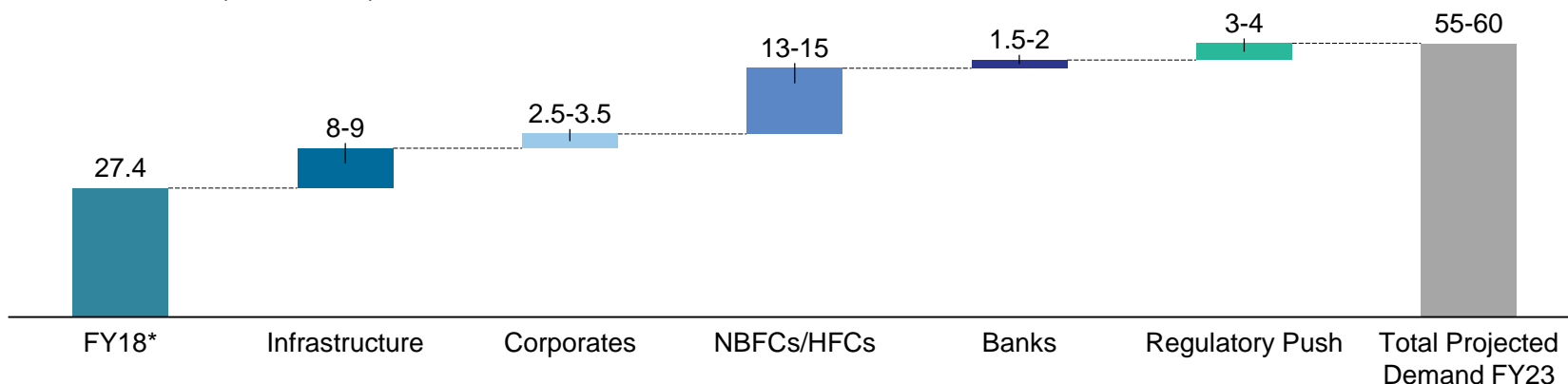


# Projected Bond Market Liquidity



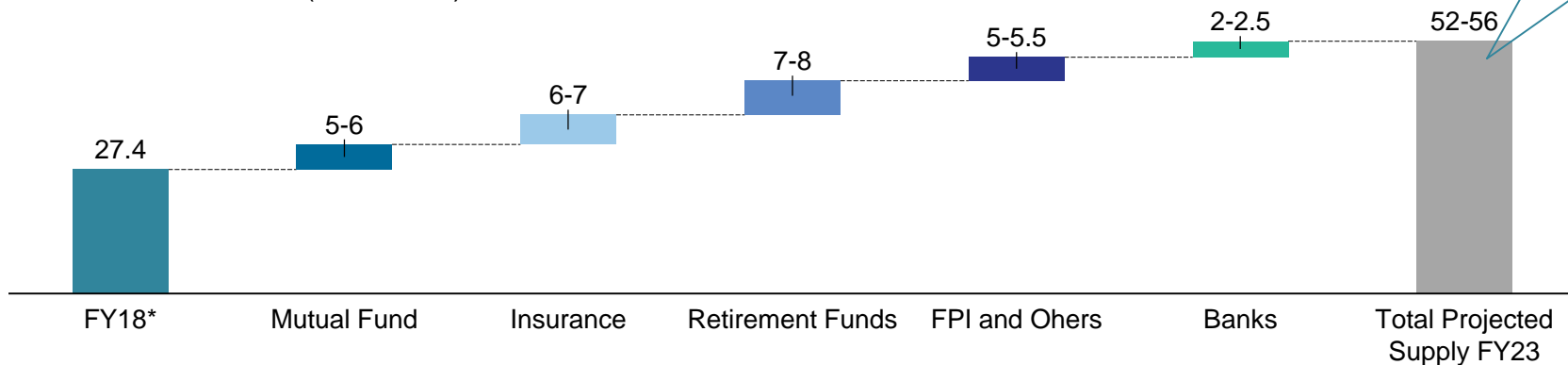
## Expected Demand for Corporate Bonds (Issuer)

(INR trillion)



## Expected Supply for Corporate Bonds (Investor)

(INR trillion)



\*Outstanding  
Source- CRISIL Research

# Long Term Resource Mobilisation

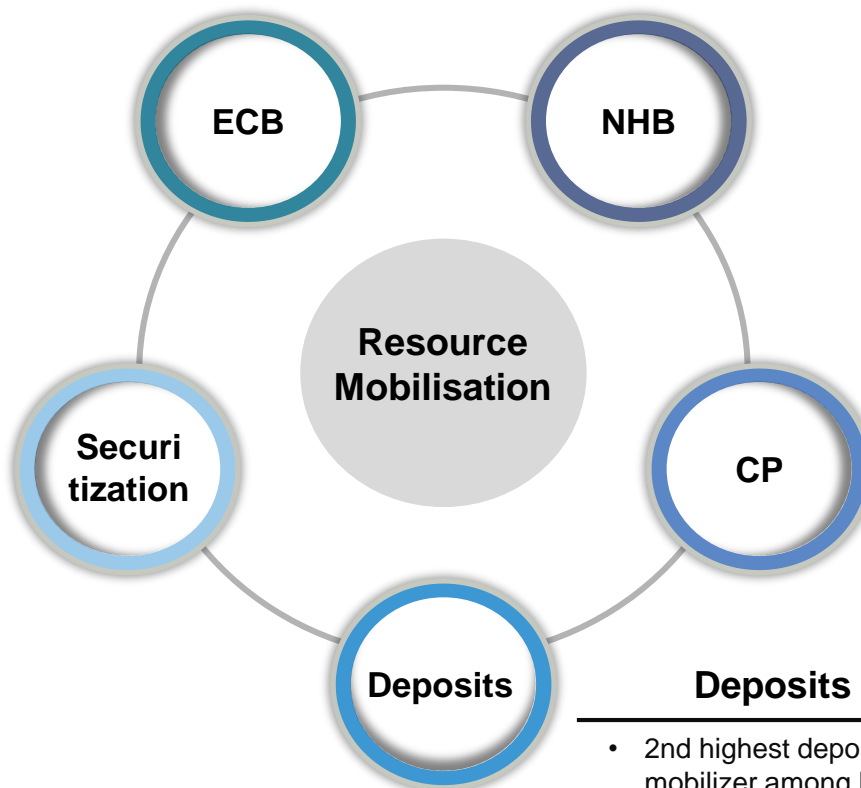


## ECB

- Raised US\$ 465 mn (INR 3,324 Crore)
- Fully hedged for 5 year tenure

## Securitization

- Securitized INR 2,709 Crore
- Total Securitized pool at INR 9,019 Crore as on 31- Dec-18
- Securitization done through direct assignment



## NHB Refinance

- Received refinance sanction of INR 3,500 Crore from NHB
- Drawdown of INR 2,000 Crore during Q3 FY18-19

## Commercial Paper (CP)

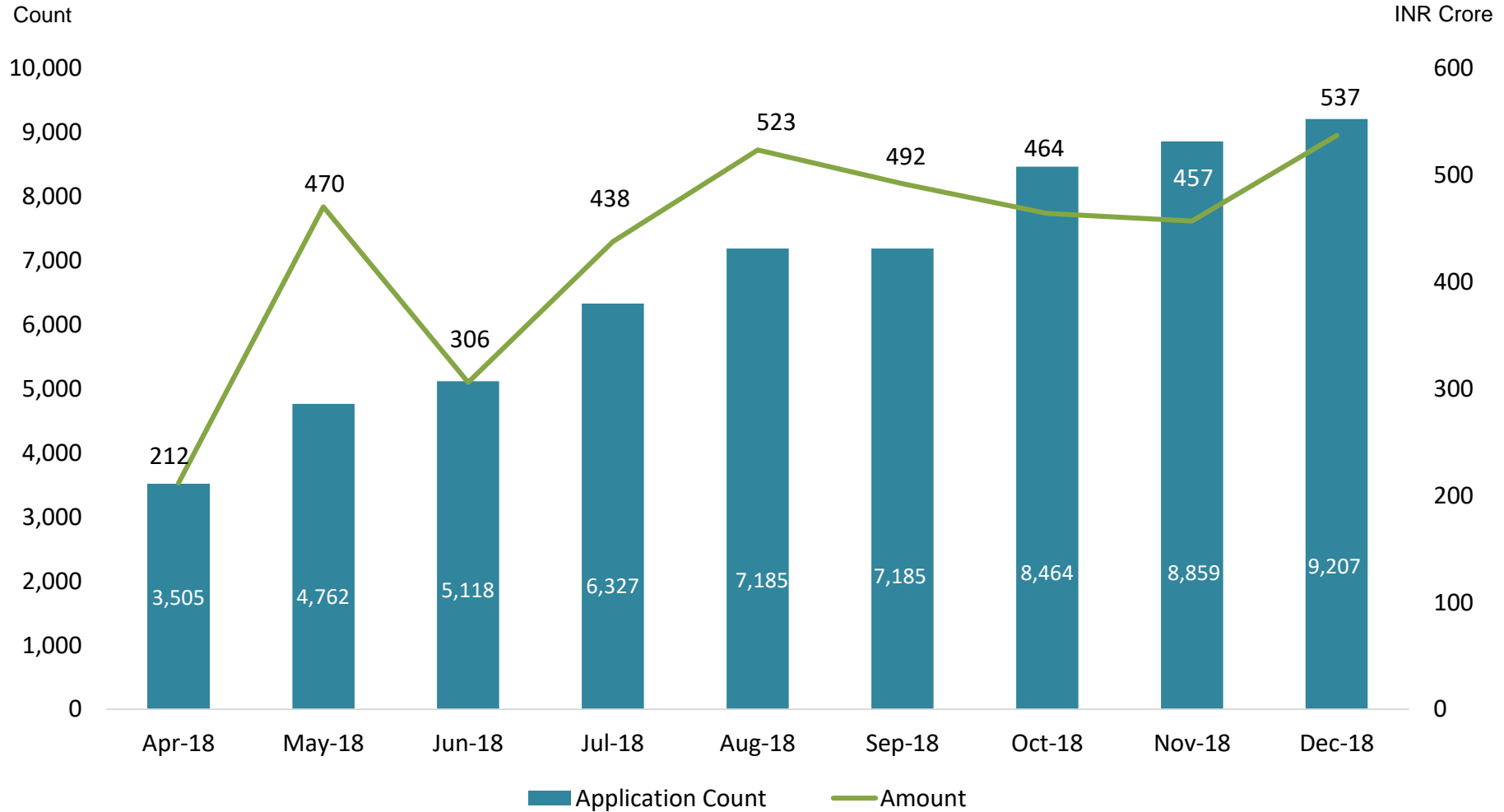
- Rolled over INR 9,000 Crore
- Placed with Mutual Funds and Banks
- Continue to maintain CPs at 11-13%

## Deposits

- 2nd highest deposit mobilizer among HFCs
- Over 2.5x increase in retail deposit volume since April 2018

*Maintained Cash and Liquid Investments of over INR 6,000 Crore as on 31-Dec-18*

# Deposit Mobilisation



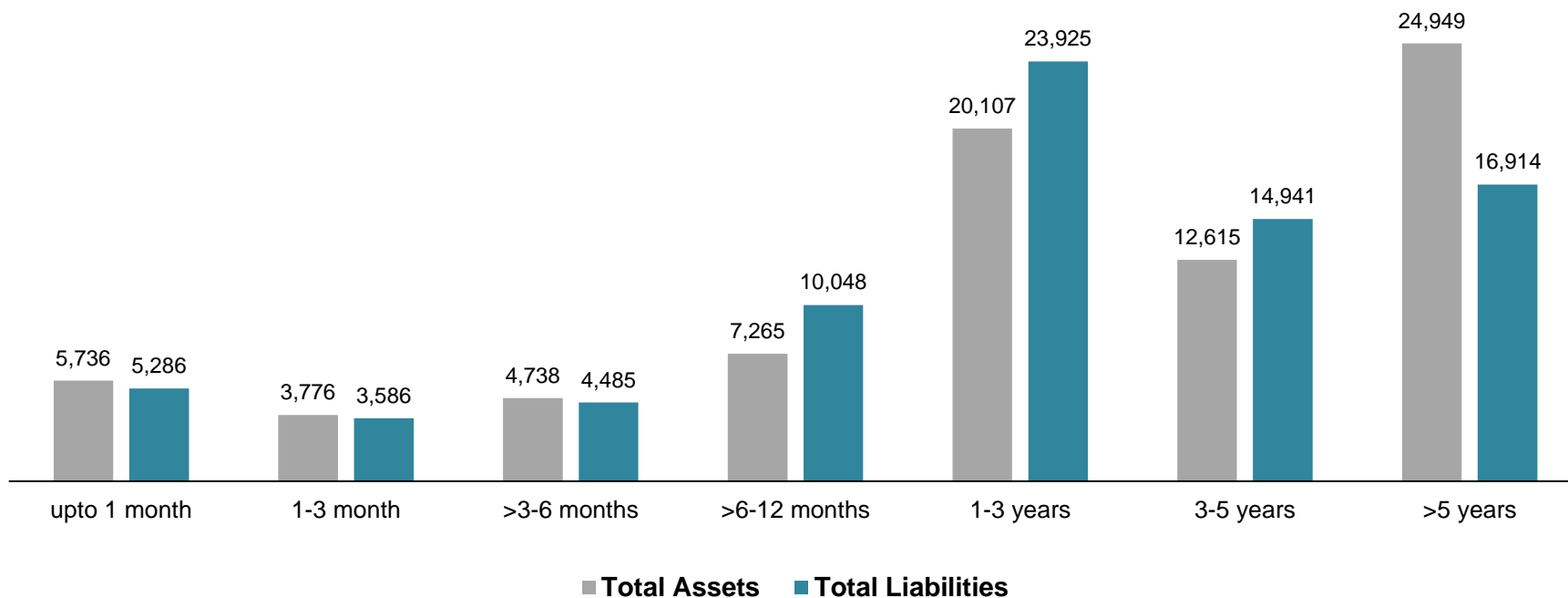
**2<sup>nd</sup> Largest Deposit taking HFC with Strong Retail Confidence**

1 Crore = 10 mn

# Asset Liability Maturity profile



(INR Crore)



Particulars	upto 1 month	1-3 months	>3-6 months	>6-12 months	1-3 years	3-5 years	>5 years
Cumulative Inflow/(Outflow)	449	640	892	(1,891)	(5,709)	(8,035)	0

Data as on 31<sup>st</sup> Dec 2018  
Based on standalone INDAS  
1 Crore = 10 mn

# Rating Action by India Ratings



Date of Change	Instrument Type	Size of Issue	Rating/Outlook (Previous)	Rating/Outlook (Current)
9th January, 2019	NCDs	INR 280 bn	INDAAA/RWN	IND AA+/Stable

## Rationale

### Change in Ind-Ra's rating approach

#### Current Approach

Credit assessment is based on the standalone intrinsic credit profile of PNBHFL

#### Previous Approach

Credit assessment had factored in the credit strength of the sponsor Punjab National Bank (PNB; 'INDAA+' / Negative; owns 32.8% in PNBHFL) under Ind-Ra's rating criteria for FI Subsidiaries and Holding Companies

Change in the rating approach is in light of the weakened credit profile of the sponsor as well as its stated intention to divest its stake in the Company



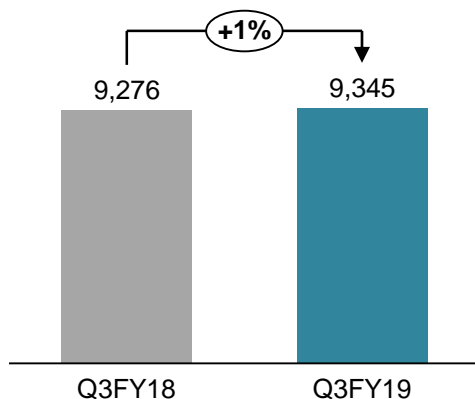
## Financial Performance of the Company



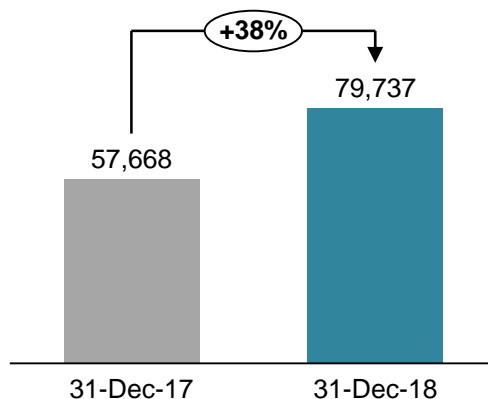
# Highlights – Q3FY19 vs Q3FY18



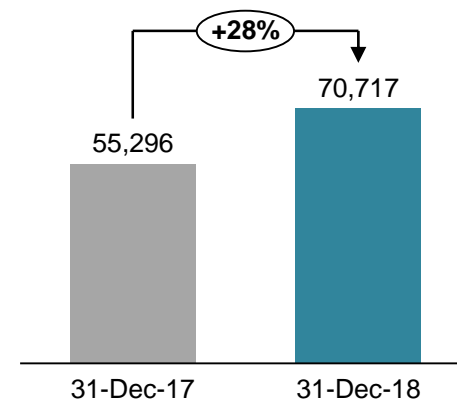
## Disbursement (INR Crore)



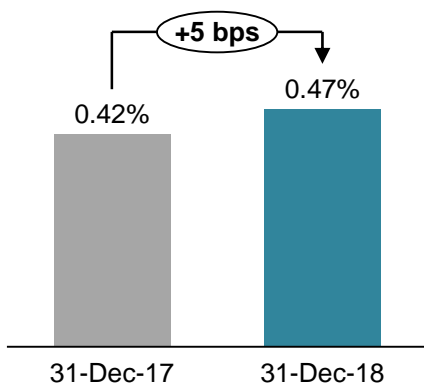
## AUM (INR Crore)



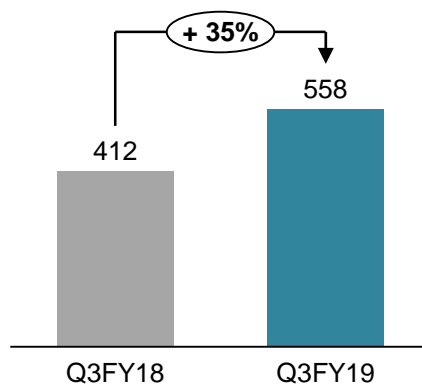
## Loan Assets (INR Crore)



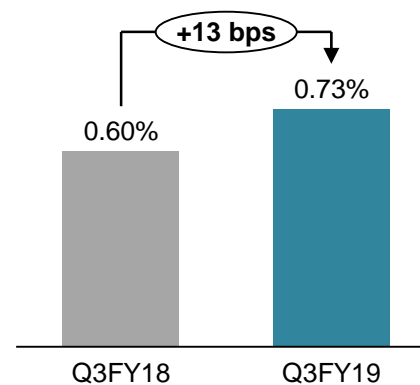
## GNPA\*



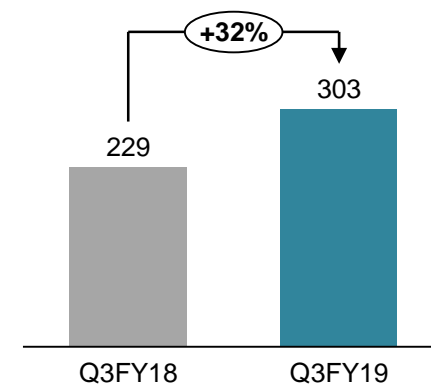
## NII (INR Crore)



## Opex to ATA



## PAT (INR Crore)



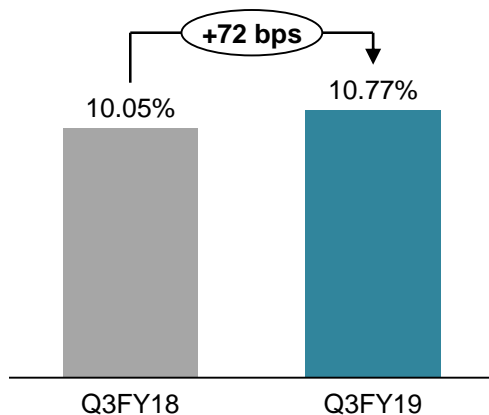
Ratios are calculated on Monthly Average  
 P&L numbers are as per Ind AS; For the calculation of ratios P&L numbers are considered as per Ind AS  
 Opex to ATA incl. ESOP cost; Excl. ESOP cost Opex to ATA for Q3FY19 will be 0.67%  
 1 Crore = 10 mn

\*GNPA as a % of Loan Assets

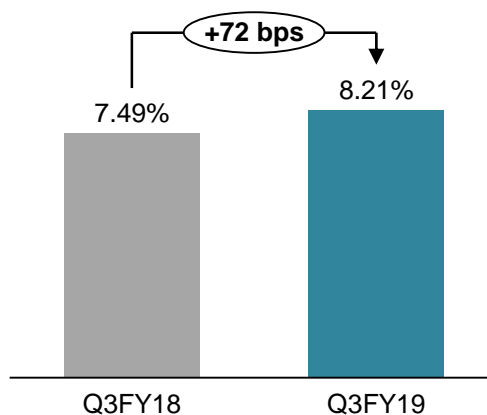
# Highlights – Q3FY19 vs Q3FY18



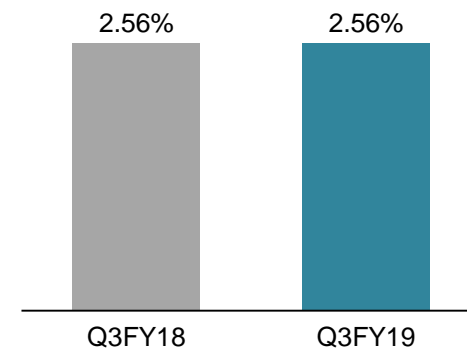
## Average Yield



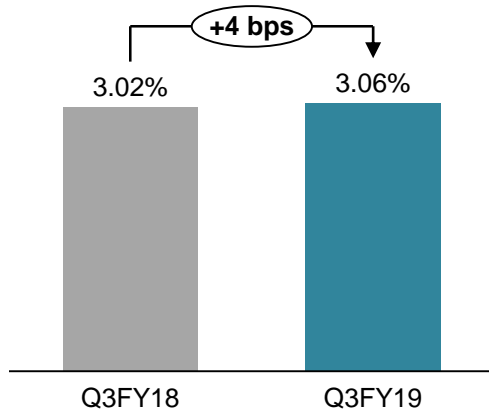
## Average Cost of Borrowing



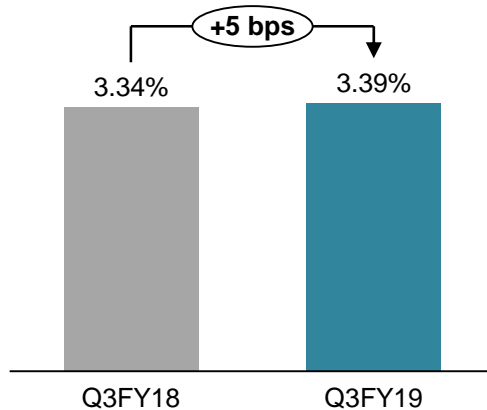
## Spread



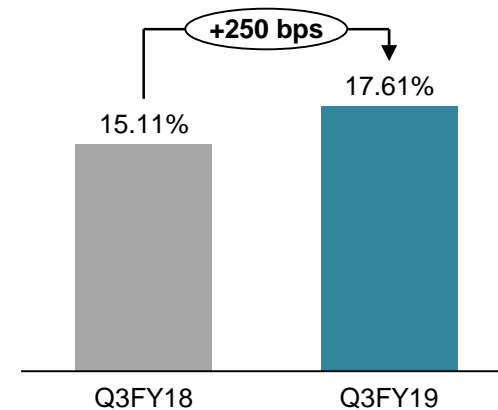
## NIM



## Gross Margin



## ROE



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  
1 Crore = 10 mn



## Ind AS Transition



# PAT Reconciliation for Previous Financial Year



Particulars	9M FY18 (INR Crore)	Q3 FY18 (INR Crore)
<b>Net Profit as per IGAAP</b>	610.20	217.46
<b><u>Add / (Less) : Adjustments as per Ind AS on account of:</u></b>		
Reclassification of net Actuarial Valuation of Employee Benefits obligation to Other comprehensive income (OCI)	0.33	(0.34)
Fair valuation of employee stock options (ESOP)	(13.08)	(5.77)
Fair valuation of Investment	(8.95)	(3.68)
Effective Interest Rate (EIR) on financial assets and liabilities recognized at amortised cost / interest on credit impaired loans	14.72	14.94
Excess Interest Spread gain / net Servicing fees on assignment transactions	(29.77)	(9.28)
Expected Credit Loss (ECL) provision	(42.43)	6.09
Reversal of Deferred tax liability (DTL) on 36(1)(viii)	37.44	13.74
Deferred Tax impact on above adjustments	21.11	(3.71)
<b>Net Profit Before Other Comprehensive Income as per Ind AS</b>	<b>589.57</b>	<b>229.45</b>
Other Comprehensive Income after Tax	(15.59)	6.57
<b>Total Comprehensive Income as per Ind AS</b>	<b>573.98</b>	<b>236.02</b>

1 Crore = 10 mn

# Expected Credit Loss (ECL) Provisions



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

Particulars (INR Crore)	31-Dec-18	31-Dec-17
Gross Stage 3 (GNPA)	335.36	230.45
% portfolio in Stage 3 (GNPA%)	0.47%	0.42%
ECL Provision Stage 3*	76.19	61.36
Net Stage 3	259.17	169.09
Coverage Ratio % Stage 3	22.72%	26.63%
Gross Stage 1 & 2	70,381.89	55,065.32
% portfolio in stage 1 & 2	99.53%	99.58%
ECL Provision Stage 1 & 2#	359.44	178.88
Net Stage 1 & 2	70,022.45	54,886.44
ECL Provision % Stage 1 & 2	0.51%	0.32%
Total Assets	70,717.25	55,295.77
% portfolio	100.00%	100.00%
ECL Provision	435.63	240.24
Net Stage	70,281.62	55,055.53
ECL Provision %	0.62%	0.43%

In addition to the ECL provision, the Company has maintained INR 156.5 crore as a steady state provisions for unforeseeable macro-economic factors as permissible under Ind AS.

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

# For ECL computation, interest overdue and interest receivable is considered.

1 Crore = 10 mn



Expansion Led Growth and Robust TOM

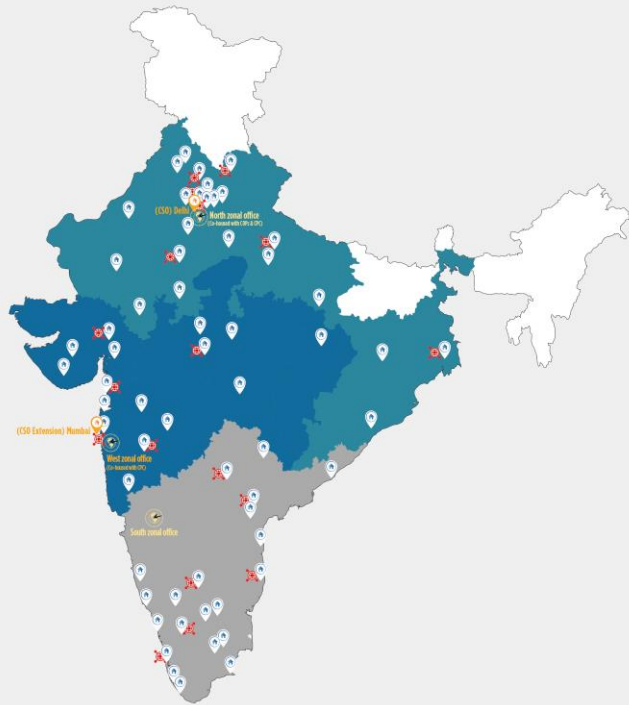


# Expanding Footprints...



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

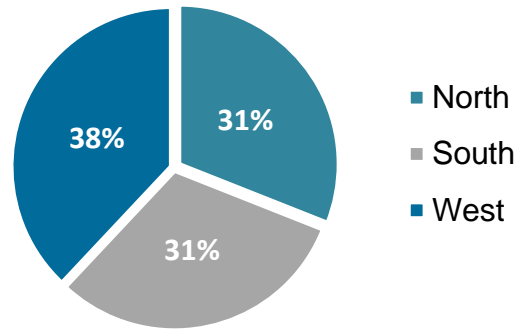
## OUR OFFICE NETWORK



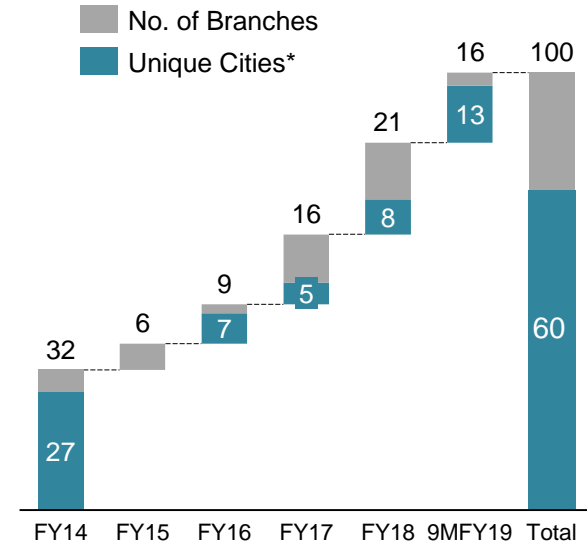
Geography	Hub	Branches
North	8	33
South	8	34
West	7	33

**New Branches<sup>^</sup> contributes  
 ~30% of Retail Disbursement**

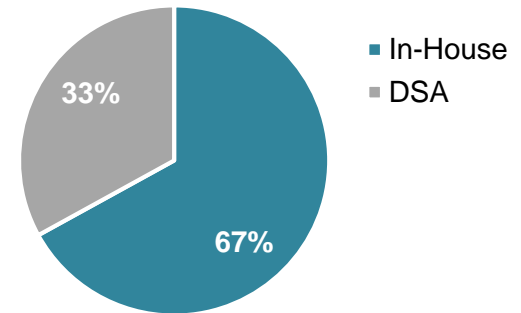
## AUM- Geographical Distribution



## No. of Branches



## Disbursement Origination (9MFY19)

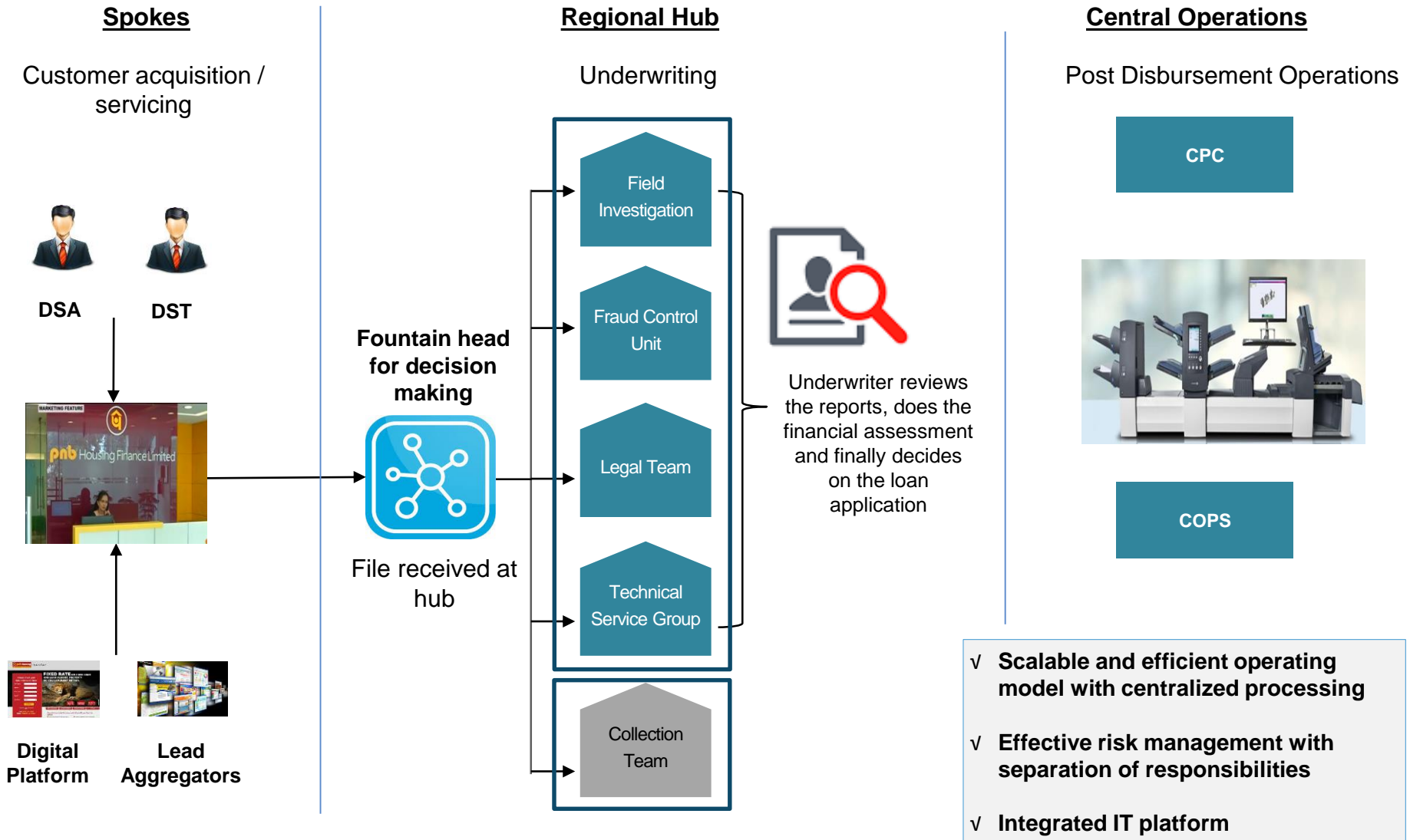


Central Support Office

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  
<sup>^</sup>Branches made operational in current FY and two FY prior i.e. FY17 onwards

# ...driven by Scalable Hub & Spoke Model



DSA: Direct Sales Agent; DST: Direct Sales Team

# ...and Robust Risk Buying Processes



## Underwriting to Collections



### Specialization

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



### Customer profiling

- Selective approach to customer profiling and their business model
- 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 centre with payment gateway integration
- Special cadre of professionals for resolution through legal tools
- Collections on-the-go through mobility for effective supervision
- Adherence to regulatory framework

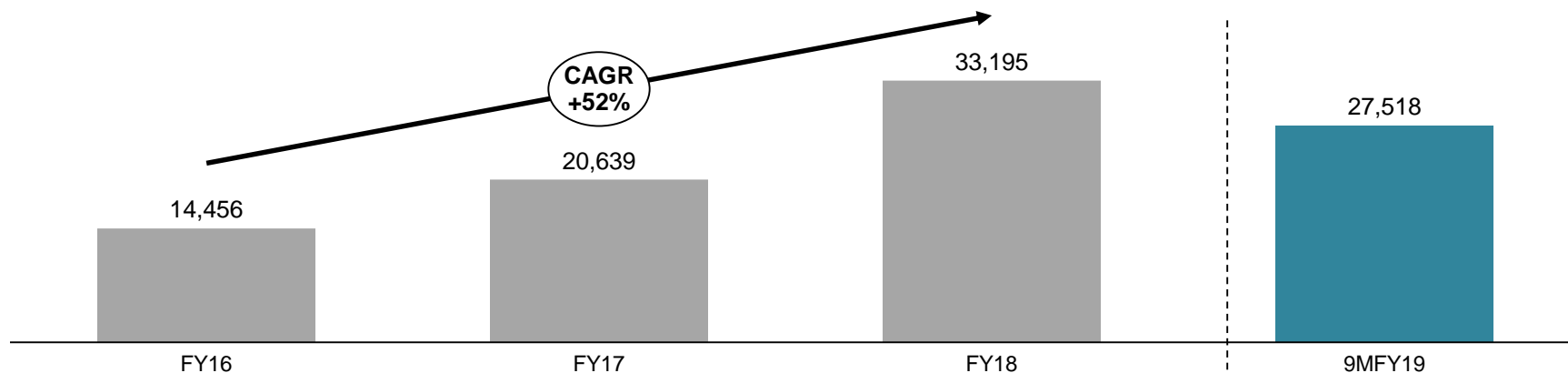
- An independent audit function for all departments and processes, directly reporting to Audit Committee of Board
  - Multi pronged control mechanism coupled with regular portfolio review
    - Enterprise Risk Management framework

# ...leading to Strong Business growth

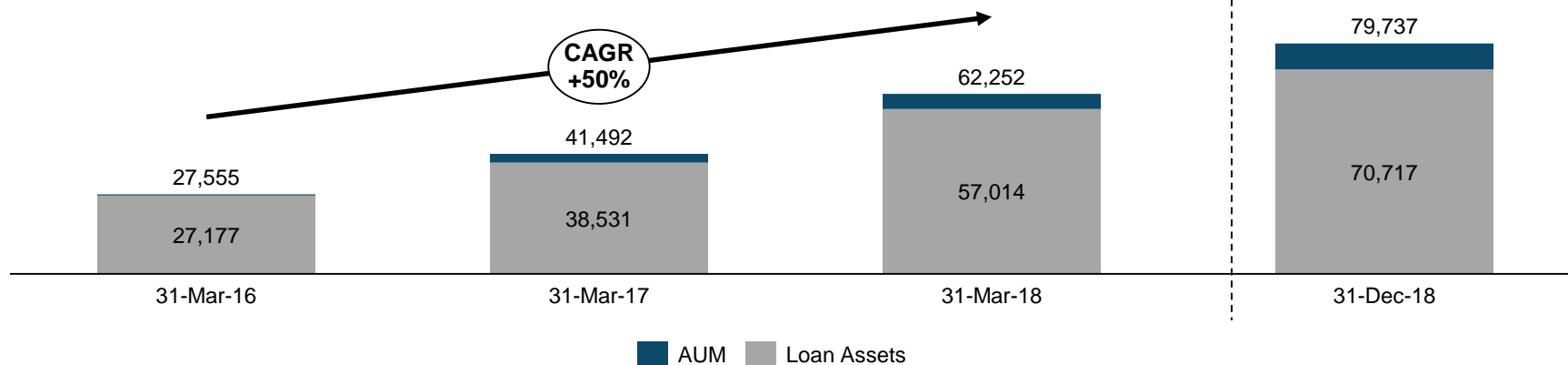


(INR Crore)

## Disbursement



## Asset



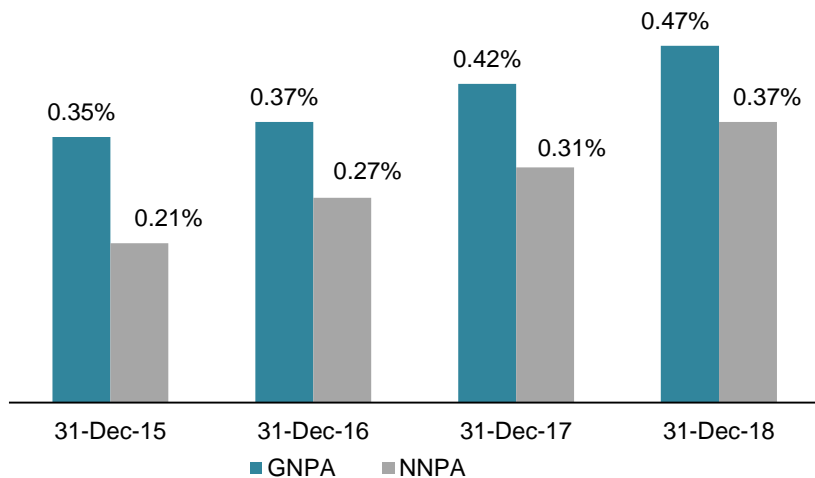
1 Crore = 10 mn

# ...with Lower NPAs and Adequate Credit Cost

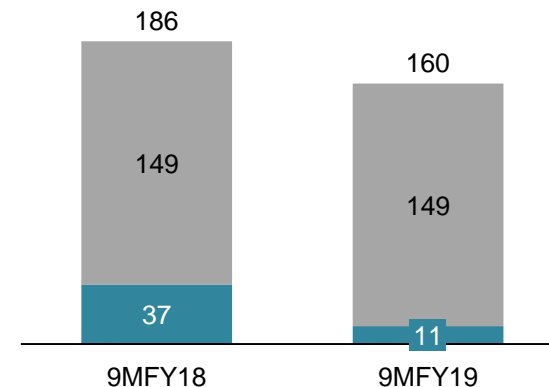


(INR Crore)

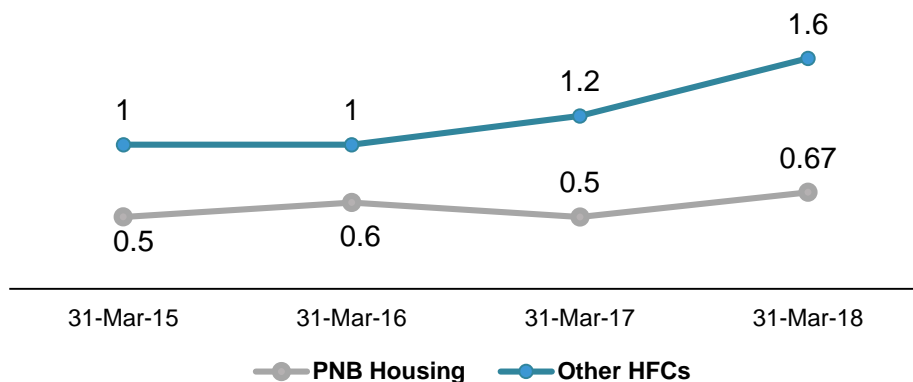
## Non-Performing Assets



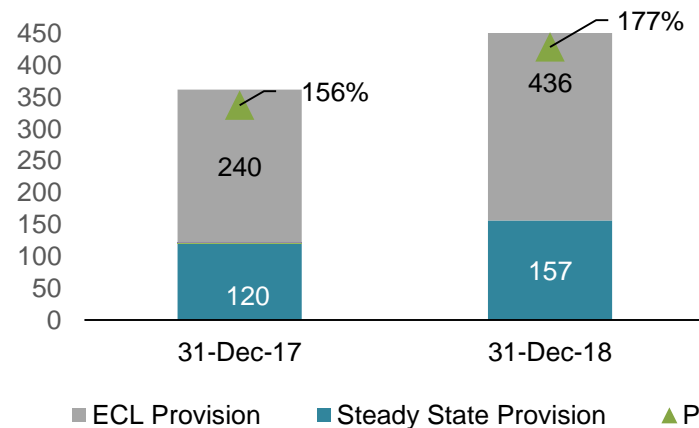
## Credit Cost (ECL Provision)



## 2-years lagged NPA\*



## Total Provisions



\*Source: CRISIL

1 Crore = 10 million



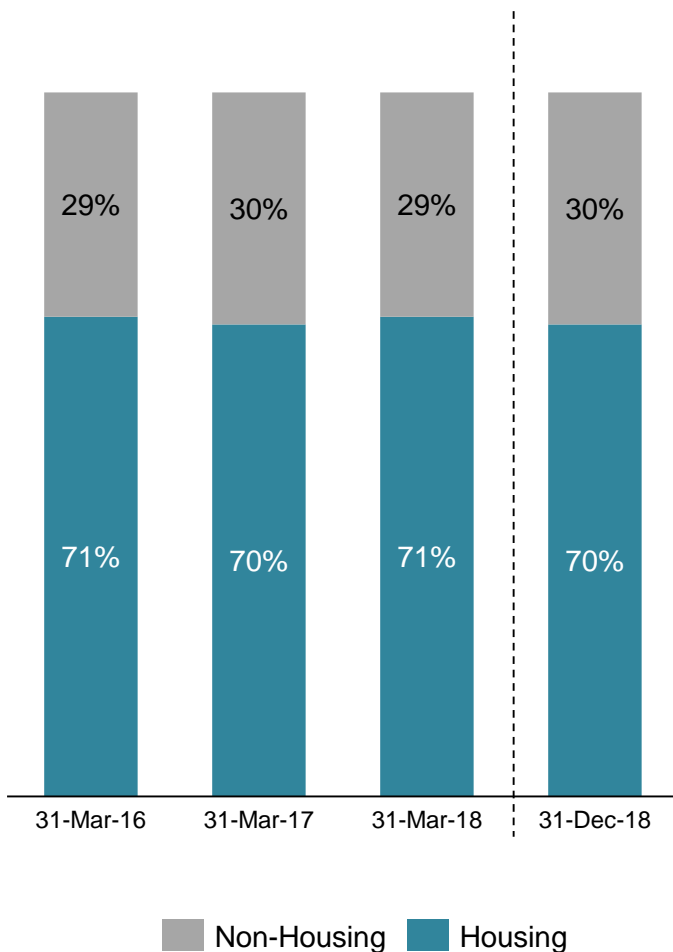
## Sustainable Portfolio Mix



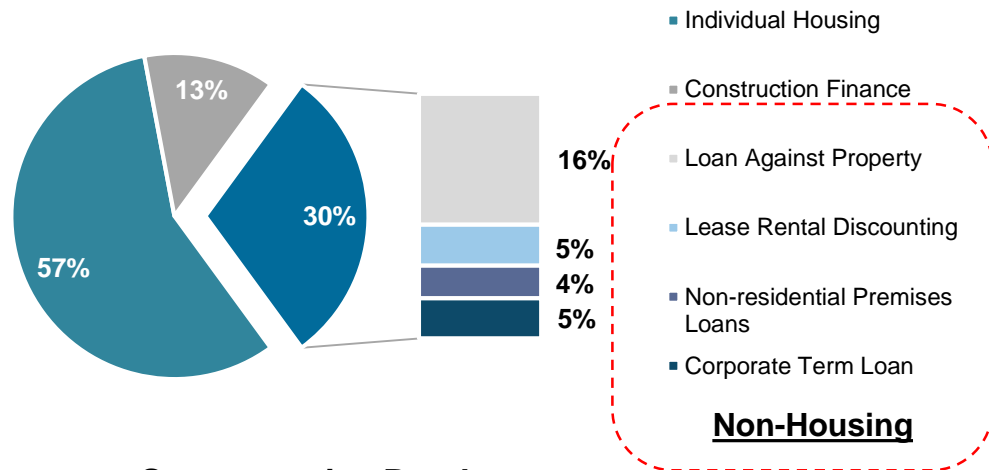
# Asset Under Management



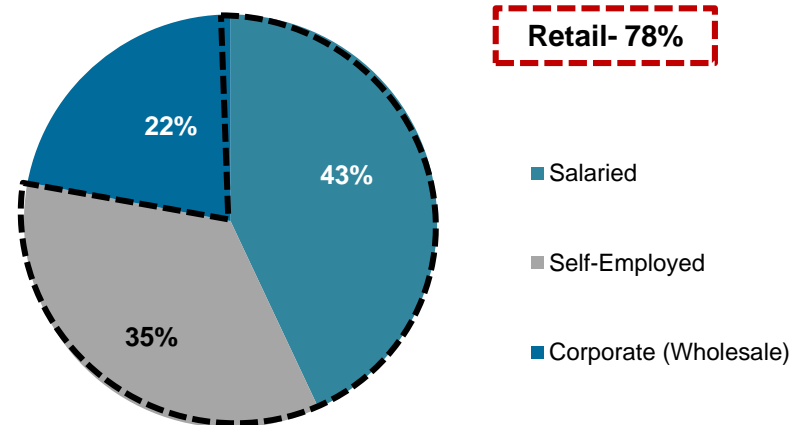
**Consistent Product Mix**  
(% of AUM)



**Product-wise Break-up**  
(As on 31-Dec-18)



**Segment-wise Breakup**  
(As on 31-Dec-18)

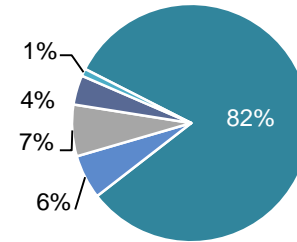
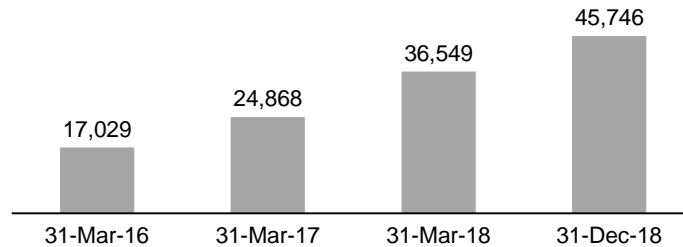


# Well Balanced Growth Across Products

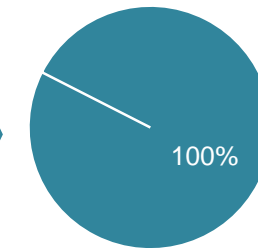
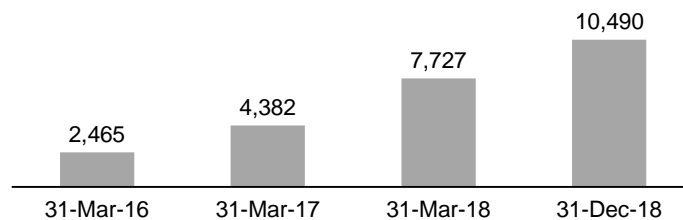


Housing Loans	<b>Individual Housing Loans</b> <i>57% of AUM</i>
	<b>Construction Finance Loans</b> <i>13% of AUM</i>
Non-Housing Loans	<b>Non-Housing Loans</b> <i>30% of AUM</i>

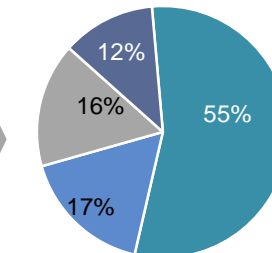
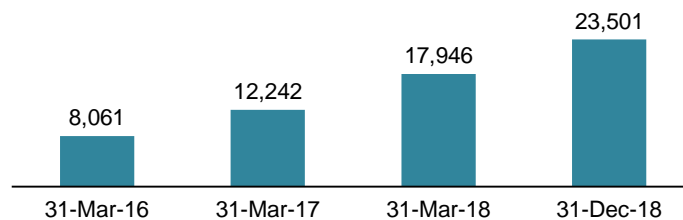
(INR Crore)



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



- Residential



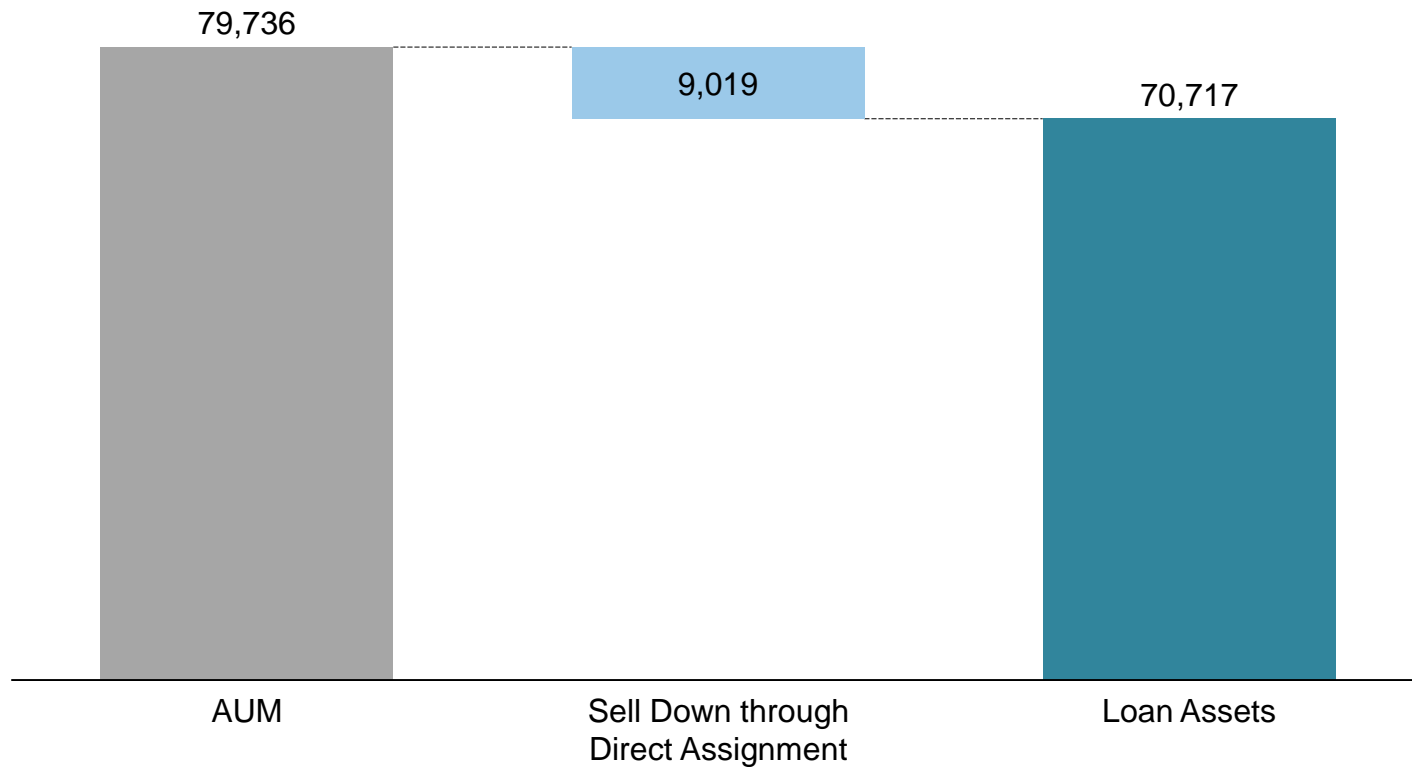
- Loan Against Property
- Lease Rental Discounting
- Corporate Term Loan
- Non-Residential Premises Loan



# Loan Assets Walk



## Asset Bridge (INR Crore)



# Key Loan Profile



## Individual Housing Loans

## Loan Against Property

## Construction Finance

Average Ticket Size

INR 31 Lakh  
(US\$ 44.4 k)

INR 47 Lakh  
(US\$ 67.3 k)

Average Ticket Size

INR 79 Core  
(US\$ 11.3 mn)

Weighted Average Loan to Value (at Origination)

70.4%

49.5%

Security Coverage

> 1.5x of specific security

Salaried vs Self-Employed

70% : 30%

19% : 81%

Debt Service Coverage

>1.5x on receivables

Number of Unique Developers

177

Weighted Average Tenure\*

19.9 Years

13 Years

Number of Loan Accounts

202

Weighted Average Tenure\*

4.0 years

Primary Security

Mortgage of Property Financed

Mortgage of Property Financed

Collection Methodology

Escrow Mechanism

*Focus on Mass Housing*

*Robust Credit Underwriting Process*

*Conservative Lending Processes*

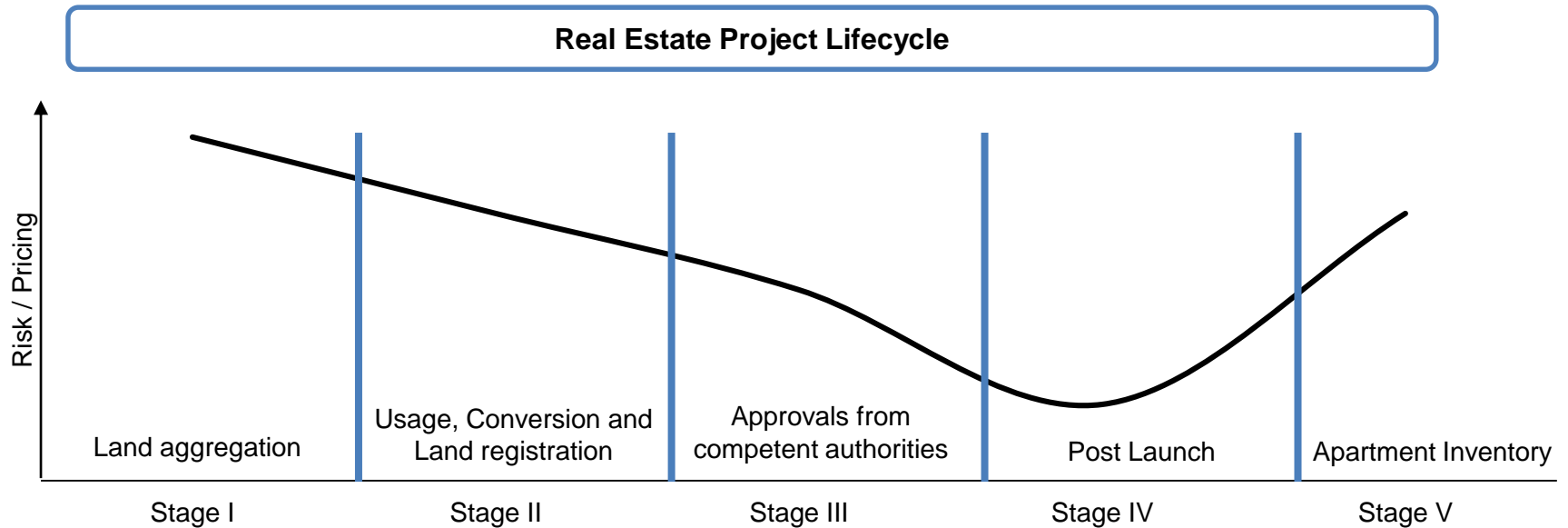
\*Residual Contracted tenure  
Data as on 31-Dec-18



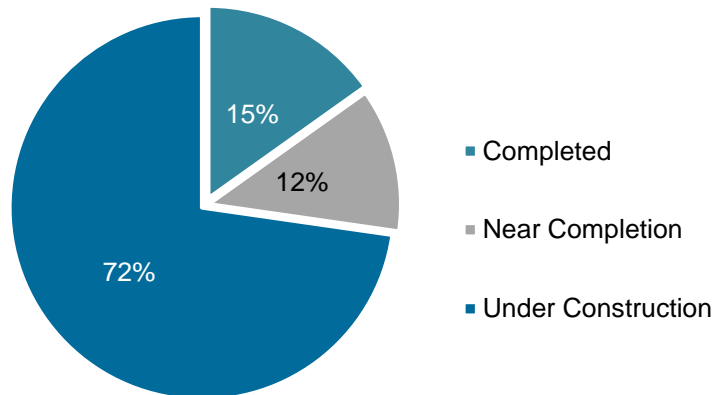
**Wholesale Book – 22% of AUM**



# Distinct Stages of Real Estate Project



**PNB Housing Construction Finance Book**



**Over 99% of Construction Finance loans are in Stage IV**

# Risk Buying and Review Mechanism



## Risk Buying

- Over 85% loans approved by Credit Committee of the Board
- External valuation and legal title checks to supplement inhouse expertise
- Centralised inhouse team with specialisation across Acquisition, Technical, Legal, Credit, Operations
- ROC and CERSAI charge created for all the loans at sanction
- Effective risk management with segregation of responsibilities
- Stress test at the start of a relationship with clear guidelines
- Construction linked disbursement



## Credit Covenants

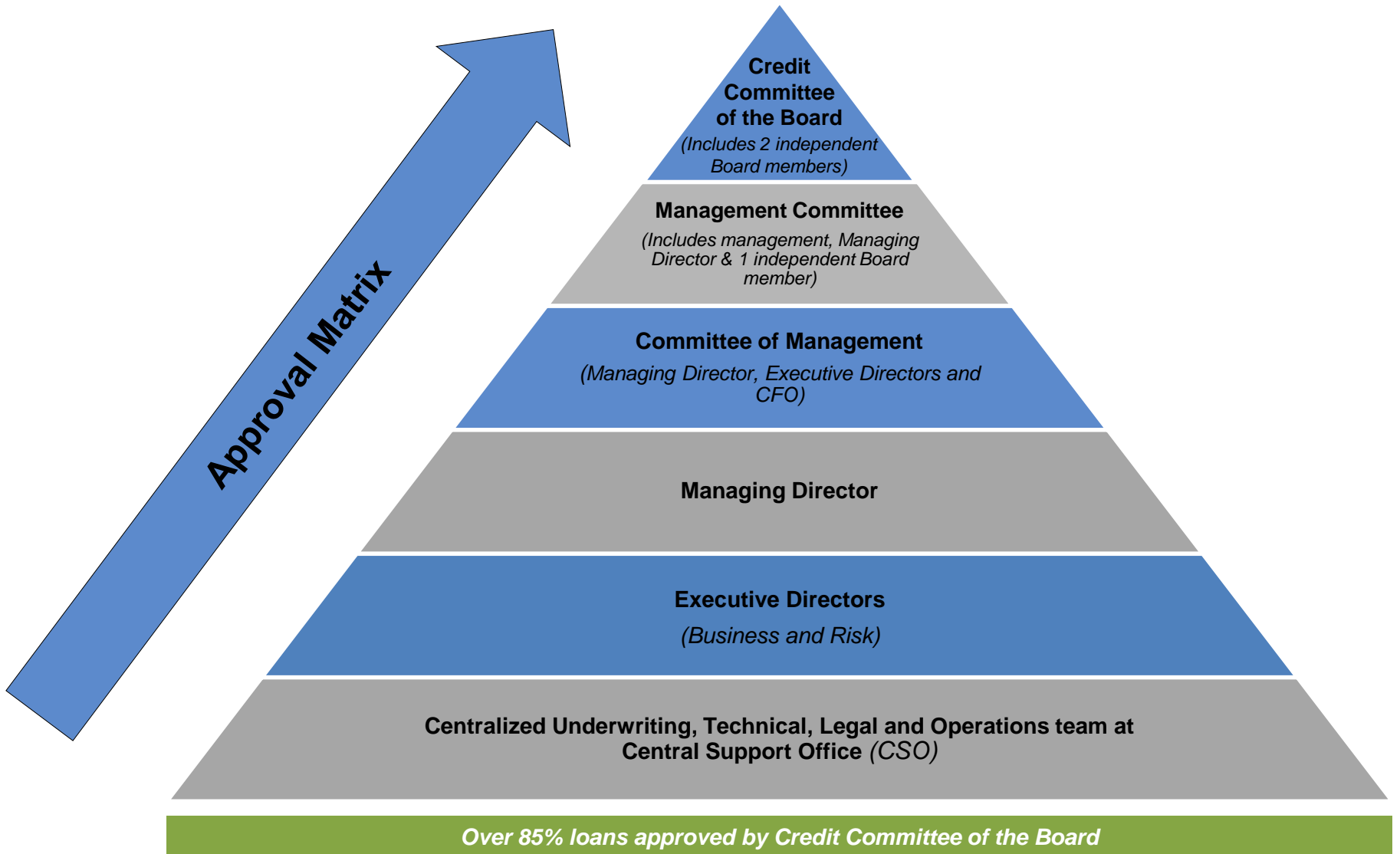
- Over 90% developers are rated by external rating agencies
- Developer own contribution of ~20% in over 85% CF loans
- Security Coverage Ratio of over 1.5x
- Cash Receivable Coverage (net off project expense) of 1.5x
- Collections through escrow mechanism



## Monitoring

- 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
- Regular monitoring helps in early warning signals to take timely corrective measures

# Robust Loan Approval Process

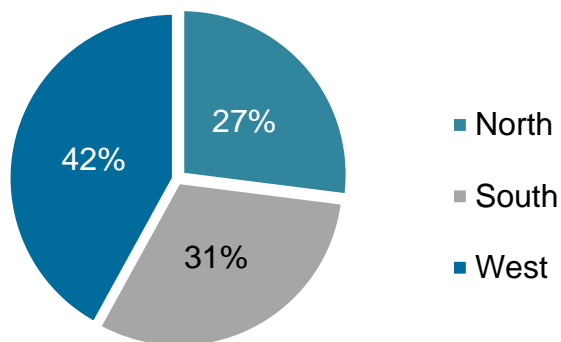


# Wholesale Book Summary

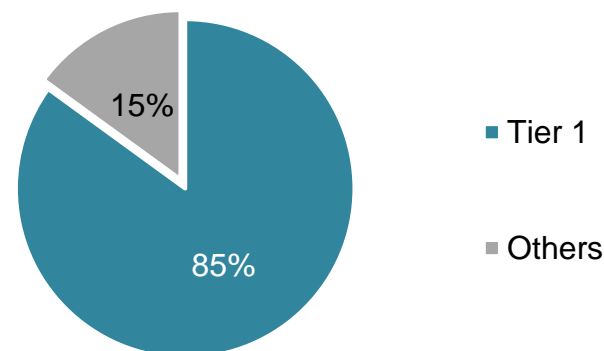


Product Segment	% of Wholesale Book	% of AUM	ATS INR Cr (US\$ mn)	No. of Unique Corporate houses	No. of Loan Accounts	Weight Avg. Tenure*
Construction Finance	60%	13%	79.1 (11.3)	177	202	4.0
Lease Rental Discounting	18%	4%	159.8 (22.9)		23	13.6
Corporate Term Loan	22%	5%	80.2 (11.5)		76	4.8

## Geographical Distribution



## City Concentration



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

\*Residual Contracted tenure



## Corporate Term Loans

- Constitutes 5% of AUM
- Spread across 56 reputed developers
- Tier I cities contributes over 80%
- Residential : Commercial – 62:38
- Earmarked/Identified cashflows



## Lease Rental Discounting

- Constitutes 4% of AUM
- Spread across 17 reputed developers
- Presence in 9 large cities
- 100% of LRD is backed by leased out commercial office building with multiple tenants
- Class “A” property and tenants





## Operational and Financial Performance

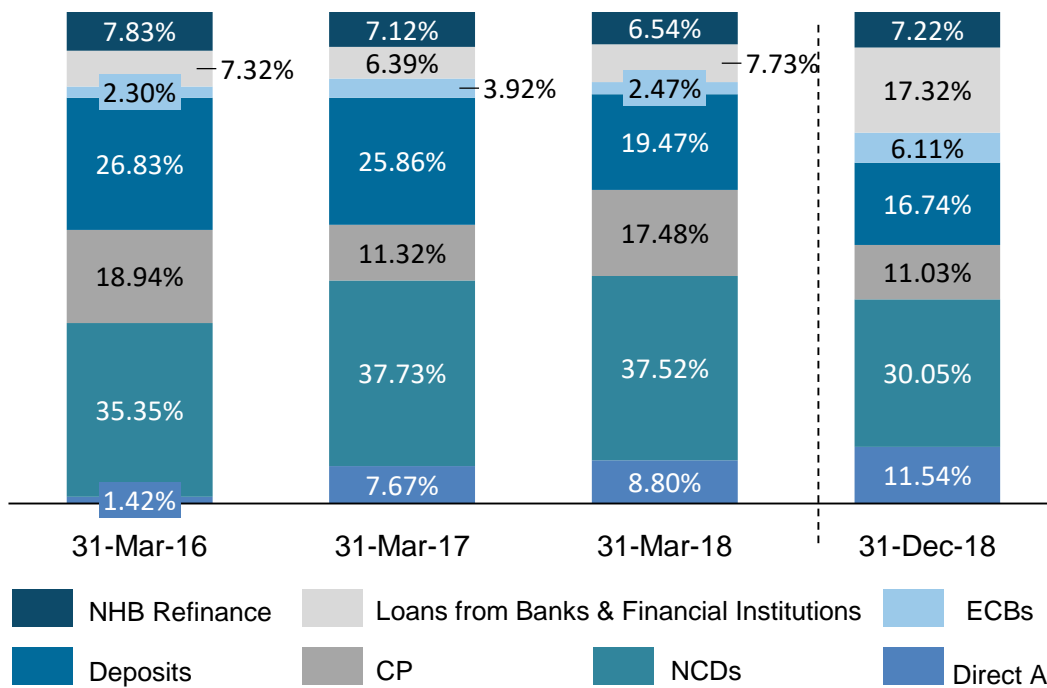


# Well Diversified Resource Profile



(INR Crore)

## Access to a Diverse Base of Funding



## Relationships with multiple lending partners



As on (INR Crore)	Borrowings	Assignment	Total Resource
31-Mar-16	26,159	378	26,537
31-Mar-17	35,657	2,961	38,618
31-Mar-18	54,268	5,238	59,506
31-Dec-18	69,166	9,019	78,185

### Credit Rating

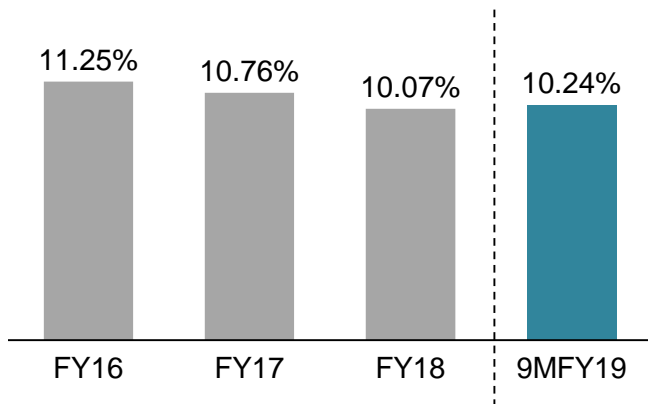
- Fixed Deposit has been rated "FAAA" by CRISIL and "AAA" by CARE. The rating of "FAAA" and "AAA" indicates "High Safety" with regards to the repayment of interest and principal.
- Commercial Paper is rated at "A1(+)" by CARE & CRISIL and Non-Convertible Debenture (NCD) are rated at "AAA" by CARE, "AA+"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

1 Crore = 10 million

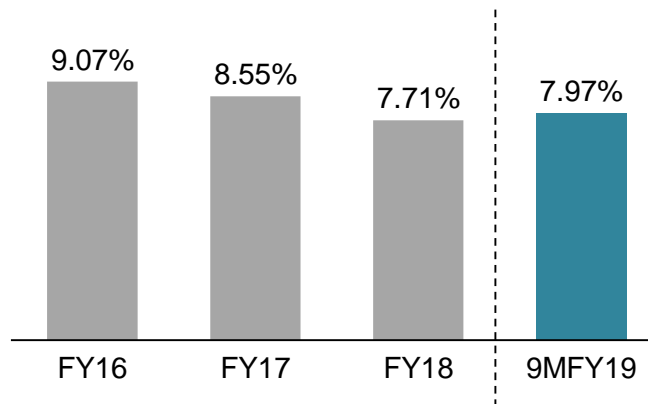
# Margin Analysis



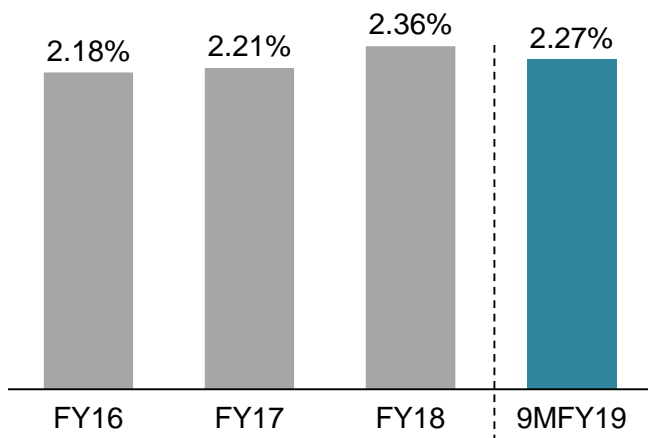
## Average Yield



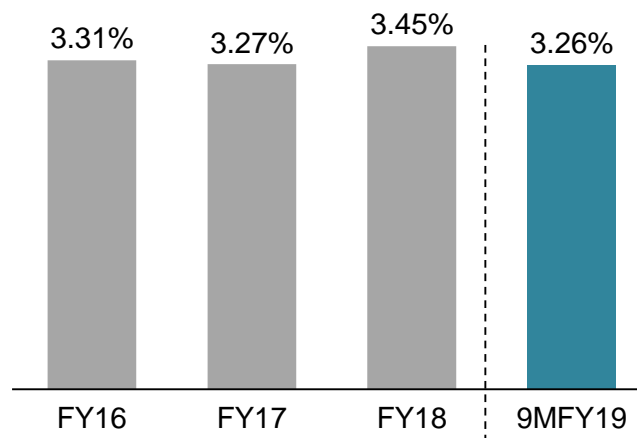
## Average Cost of Borrowings



## Spread



## Gross Margin



Ratios are calculated on Monthly Average

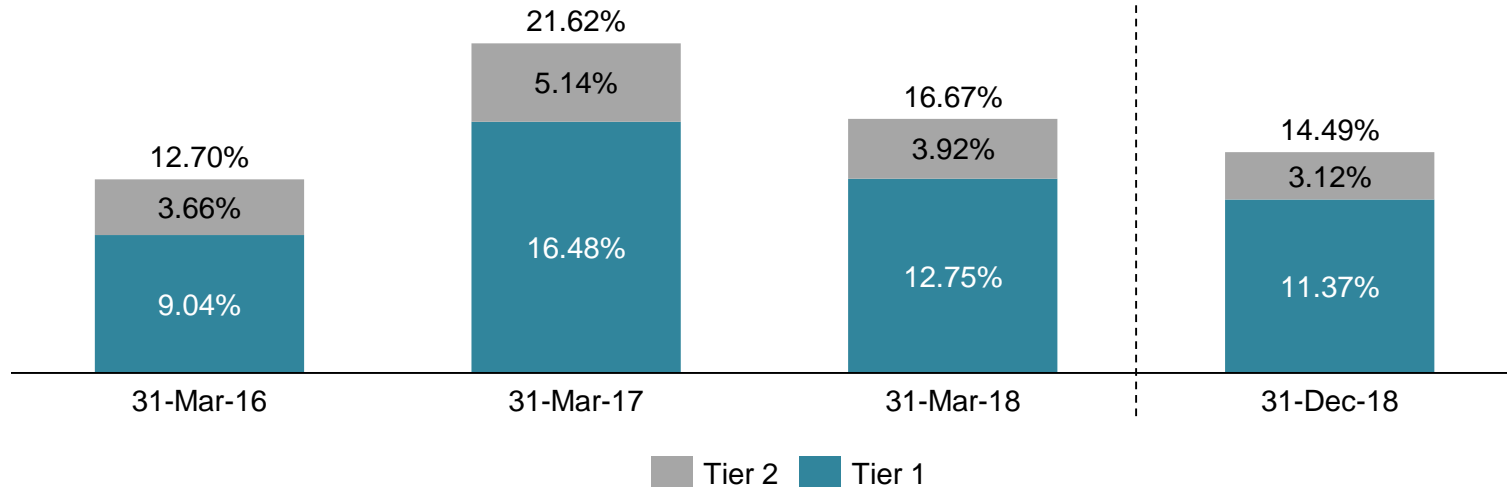
Gross Margin is net of acquisition cost

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

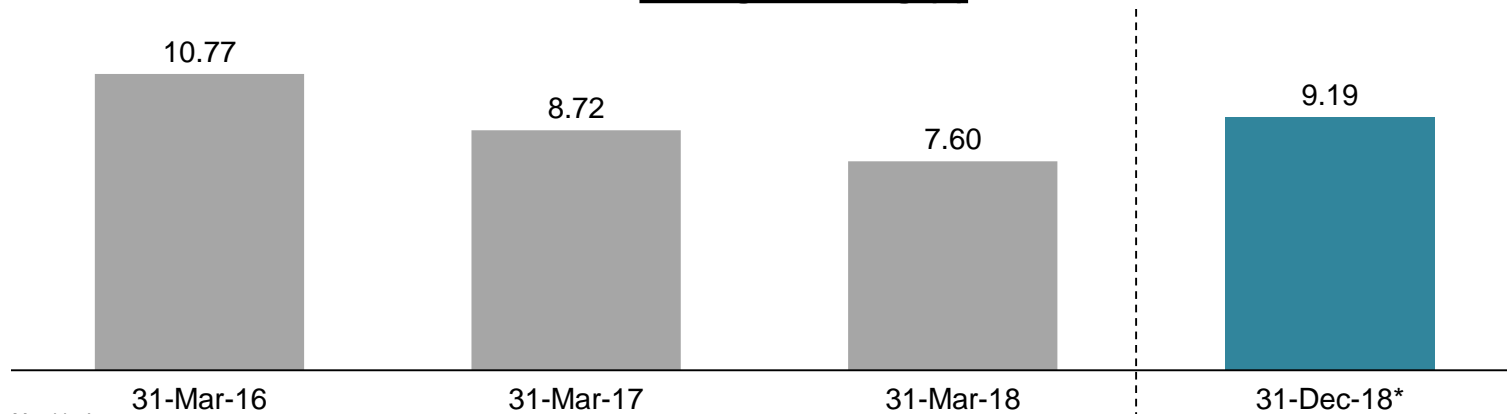
# CRAR and Gearing



## Capital to Risk Asset Ratio



## Average Gearing (x)



Ratio is calculated on Monthly Average

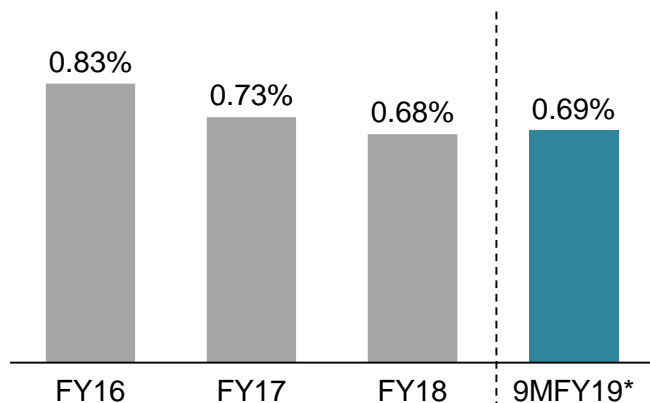
Based on IGAAP numbers

\*Average Gearing is based on IndAS network

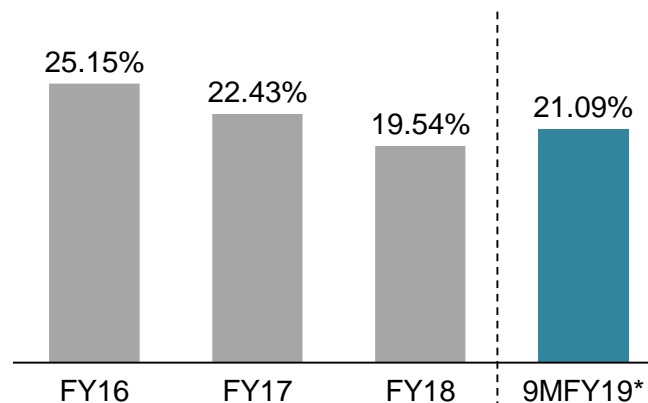
# Operating Leverage playing out with Better Return Profile



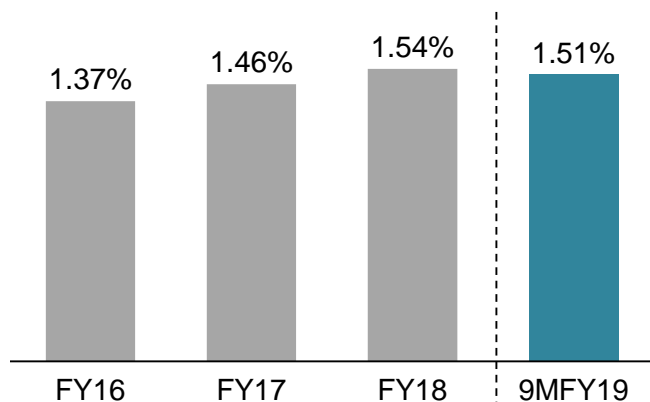
**Opex to ATA Ratio**



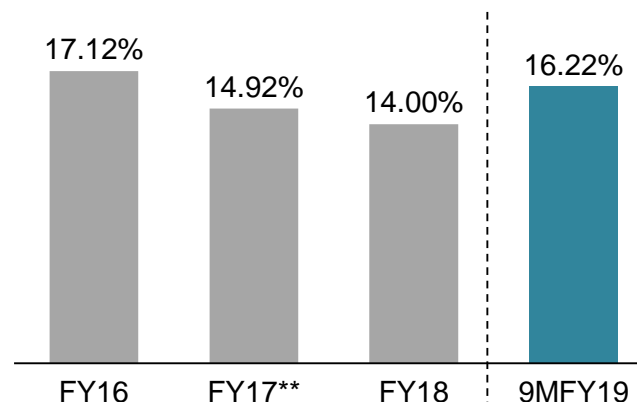
**Cost to Income Ratio**



**Return on Asset**



**Return on Equity**



Ratios are calculated on Monthly Average

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

\* Includes ESOP cost; excluding ESOP cost the Opex to ATA will be 0.64% and Cost to Income ratio will be 19.50%

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

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



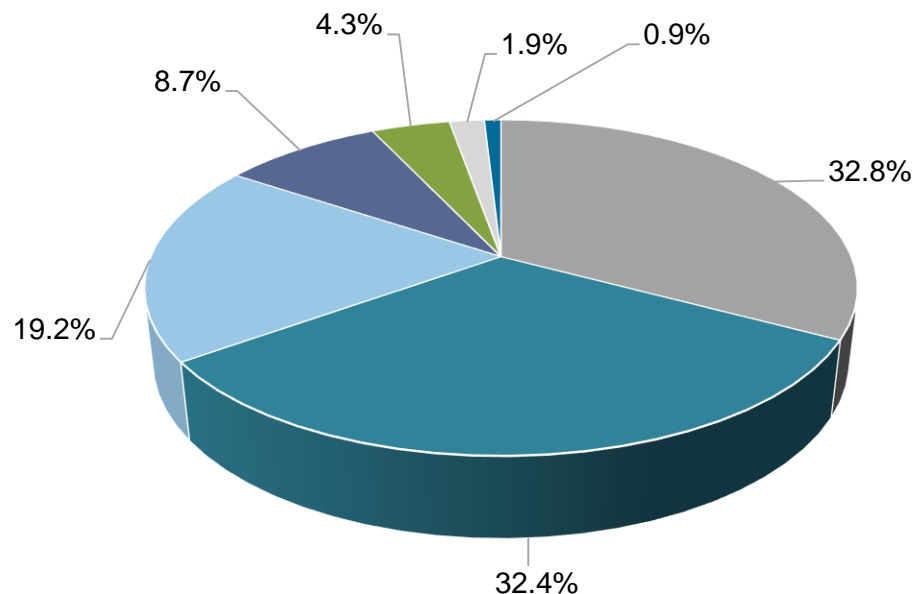
## Shareholding



# Shareholding



## Shareholding as on 31-Dec-18



- Promoters (PNB)
- Foreign Inst. Investors
- Public & Others
- Financial Institutions / Banks
- Quality Investment Holdings (The Carlyle Group)
- Mutual Funds
- Bodies Corporates

**Outstanding Shares – 16,74,64,666 shares**

## Top Shareholders

General Atlantic Singapore Fund, Birla Sunlife MF, Motilal Oswal MF, Reliance MF, SBI MF, Malabar Investments, Invesco, Vanguard, BNP Paribas, Wasatch



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



## Detailed Financials





# Consolidated Profit & Loss Statement



Particulars (INR Crore)	Q3 FY19	Q3 FY18	YoY	Q2 FY19	QoQ	9M FY19	9M FY18	YoY
<b>Revenue from Operations</b>								
Interest Income	1,764.1	1,335.6	32.1%	1,612.1	9.4%	4,900.0	3,622.6	35.3%
Fees and commission Income	109.5	78.5		116.4		341.4	220.6	
Net gain on fair value changes	51.8	2.0		18.0		78.5	7.4	
Income on derecognised (assigned) loans	152.4	0.0		61.7		214.2	0.0	
<b>Total Revenue from Operations</b>	<b>2,077.7</b>	<b>1,416.1</b>	<b>46.7%</b>	<b>1,808.3</b>	<b>14.9%</b>	<b>5,534.1</b>	<b>3,850.5</b>	<b>43.7%</b>
Other Income	0.7	0.1		-		0.9	0.3	
<b>Total Income</b>	<b>2,078.5</b>	<b>1,416.2</b>		<b>1,808.3</b>		<b>5,535.0</b>	<b>3,850.9</b>	
Expenses								
Finance Cost	1,410.3	925.7		1,228.9		3,738.9	2,510.9	
Employee Benefit Expenses	81.1	36.8		80.9		212.6	98.6	
Fees and commission expense	13.0	19.7		15.6		46.7	61.7	
Other Expenses	54.8	43.3		37.8		146.5	113.5	
Impairment on financial instruments & Write-offs (Expected Credit Loss)	70.1	48.2		64.7		178.8	191.9	
Depreciation and Amortisation	7.6	6.8		7.9		22.2	17.1	
<b>Total Expenses</b>	<b>1,636.9</b>	<b>1,080.4</b>	<b>51.5%</b>	<b>1,435.8</b>	<b>14.0%</b>	<b>4,345.7</b>	<b>2,993.7</b>	<b>45.2%</b>
<b>Profit Before Tax</b>	<b>441.6</b>	<b>335.8</b>		<b>372.5</b>		<b>1,189.3</b>	<b>857.2</b>	
Tax Expense								
-Current Tax	117.6	120.6		114.7		369.8	328.0	
-Deferred Tax	21.1	-14.2		4.8		7.7	-60.4	
Total Tax Expense	138.6	106.4	30.3%	119.5	16.0%	377.6	267.6	41.1%
<b>Net Profit after Tax</b>	<b>303.0</b>	<b>229.5</b>	<b>32.0%</b>	<b>253.0</b>	<b>19.8%</b>	<b>811.8</b>	<b>589.6</b>	<b>37.7%</b>
Other Comprehensive Income	-72.6	6.6		1.4		-71.0	-15.6	
<b>Total Comprehensive Income</b>	<b>230.4</b>	<b>236.0</b>		<b>254.3</b>		<b>740.8</b>	<b>574.0</b>	
EPS (Basic)	18.09	13.77		15.1		48.51	35.42	

As per IND AS  
1 Crore = 10 mn

# Consolidated Balance Sheet



	Particulars (INR Crore)	30-Sep-18
	<b>LIABILITIES</b>	
<b>1</b>	<b>Financial Liabilities</b>	
(a)	Payables	
	(I) 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	125.9
	(II) Other Payables	
	(i) total outstanding dues of micro enterprises and small enterprises	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-
(b)	Debt Securities	22,043.5
(c)	Borrowings (Other than Debt Securities)	27,672.9
(d)	Deposits	11,998.5
(e)	Subordinated Liabilities	1,399.0
(f)	Other financial liabilities	1,890.4
	<b>Sub Total - Financial Liabilities</b>	<b>65,130.2</b>
<b>2</b>	<b>Non-Financial Liabilities</b>	
(a)	Provisions	20.5
(b)	Other non-financial liabilities	1,559.4
	<b>Sub Total - Non-Financial Liabilities</b>	<b>1,579.9</b>
<b>3</b>	<b>EQUITY</b>	
(a)	Equity Share capital	167.5
(b)	Other Equity	6,752.2
	<b>Sub Total – Equity</b>	<b>6,919.6</b>
	<b>TOTAL – EQUITY &amp; LIABILITIES</b>	<b>73,629.8</b>

	Particulars (INR Crore)	30-Sep-18
	<b>ASSETS</b>	
<b>1</b>	<b>Financial Assets</b>	
(a)	Cash and cash equivalents	4,071.2
(b)	Bank Balance other than (a) above	0.0
(c)	Derivative financial instruments	130.1
(d)	Receivables	
	(i) Trade Receivables	31.5
	(ii) Other Receivables	-
(e)	Loans	66,949.2
(f)	Investments	1,566.5
(g)	Other Financial Assets	392.1
	<b>Sub Total - Financial Assets</b>	<b>73,140.7</b>
<b>2</b>	<b>Non - Financial Assets</b>	
(a)	Current tax assets (Net)	61.9
(b)	Deferred tax Assets (Net)	40.3
(c)	Investment Property	0.8
(d)	Property, Plant and Equipment	67.5
(e)	Capital work-in-progress	5.5
(f)	Other Intangible assets	19.3
(g)	Other non-financial assets	138.2
(h)	Assets held for sale	155.5
	<b>Sub Total - Non - Financial Assets</b>	<b>489.1</b>
	<b>TOTAL - ASSETS</b>	<b>73,629.8</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 33 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

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



## Improving Access to Health Care

- Supported two government hospitals with an aim to improve infrastructure
- 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



# Winning Awards & Accolades



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  $\mu$ Connect, 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.



Bagged award at **Trescon BIG 50 BFSI Leaders Awards**. The award recognises leaders who identify need of the hour and leverage emerging technologies to provide holistic solutions.



Jointly received the 'Best Stand-out IR' award in the 'Large Cap' category by the prestigious IR Society of India in association with Bloomberg and BNY Mellon."



The Penguin TV Commercial has bagged the Gold Award at FICCI's Best Animated Frames (BAF) Awards 2018.



Conferred as the **'Best Housing Finance Company of the Year'** by ET Now Rise with India – BFSI Awards. This is a testament to our persistent efforts towards realizing the dreams of our fellow citizens of owning a home



Recognized as **'Symbol of Excellence in the BFSI Sector'** at The Economic Times Best BFSI Brands 2018.



**"Leading Housing Finance Company 2017"** at National Awards for Best Housing Finance Companies organized by CMO Asia



Bagged bronze award from ABCI (Association of business communication of India) for Annual Report of FY17



**Mr. Nitant Desai** awarded amongst **Top 100 CIOs of India**



Honored for **"IT Security"** at **CSO 100 Awards** organized by CSO 100 Award & IDG Security



Awarded **"IPO of the Year"** by Finance Monthly Magazine (M&A Award)- a testimony of investor confidence in the Organization





Management Team...



# ...with Extensive Industry Experience



**Sanjaya Gupta**  
**Managing Director**

Age : 56 Years

No. of Years with PNBHF : 8 Years

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



**Shaji Varghese**  
**ED - Business Development**

Age : 46 Years

No. of Years with  
PNBHF : 6 Years

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



**Ajay Gupta**  
**ED - Risk Management**

Age : 53 Years

No. of Years with  
PNBHF : 6 Years

Prior Engagements :  
Religare Finvest Ltd  
GE Money Indiabulls  
Financial Services



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

Age : 56 Years

No. of Years with  
PNBHF : 7 Years

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



**Kapish Jain**  
**Chief Financial Officer**

Age : 46 Years

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



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

Age : 55 Years

No. of Years with  
PNBHF : 23 Years

Prior Engagements :  
Ansal Group



**Anshul Bhargava**  
**Chief People Officer**

Age : 52 Years

No. of Years with  
PNBHF : 7 Years

Prior Engagements :  
ARMS (Arcil)  
Indian Army

# ...under the Aegis of a Highly Experienced Board



**Sunil Mehta**  
Chairman – Non Executive

**Age:**  
59 Years  
**Current Position:**  
MD & CEO of PNB



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

**Age:**  
56 Years  
**Current Position:**  
Executive Director  
PNB



**Sunil Kaul**  
Non Executive Director

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



**Shital Kumar Jain**  
Independent Director

**Age:**  
79 Years  
**Current Position:** Ex  
Banker & Credit  
Head India, Citigroup



**Gourav Vallabh**  
Independent Director

**Age:**  
41 Years  
**Current Position:**  
Professor of Finance,  
XLRI



**R Chandrasekaran**  
Independent Director

**Age:**  
61 Years  
**Current Position:**  
Founder and Executive  
Vice Chairman,  
Cognizant



**Nilesch S. Vikamsey**  
Independent Director

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



**Ashwani Kumar Gupta**  
Independent Director

**Age:**  
64 Years  
**Current Position:**  
Financial Consultant



**Shubhalakshmi Panse**  
Independent Director

**Age:**  
64 Years  
**Current Position:**  
Ex-Banker, CMD,  
Allahabad Bank



**Sanjaya Gupta**  
Managing Director

**Age:**  
56 Years  
**Current Position:**  
MD, PNB Housing  
Finance



# Corporate Governance



## Board of Directors

It has 10 members, 3 are non-executive directors, 6 are 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 director

## Corporate Social Responsibility Committee (CSR)

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

## Credit Committee of the Board (CCB)

It has 3 members, 2 are independent directors and Managing Director

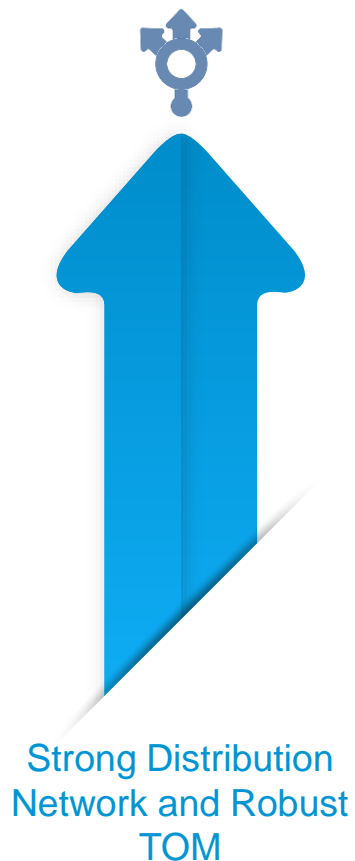
## Stakeholders Relationship Committee (SRC)

It has 3 members, 2 are independent 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



Strong distribution network with pan India presence and over 17,500 channel partners across India



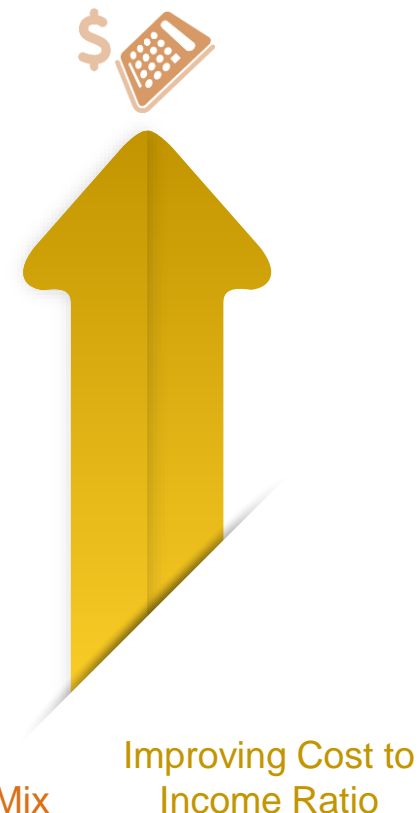
5th largest by Loan Assets <sup>(1)</sup> and 2nd largest by deposits. <sup>(2)</sup>  
Consistent product mix



Robust Asset Quality with one of the lowest GNPA's at 0.47<sup>(3)</sup>



Diverse and cost effective funding mix with average cost of borrowing at 7.97%<sup>(4)</sup>



Operating leverage playing out, thereby improving C/I Ratio

1. Source: : ICRA Indian Mortgage Finance Market Update for H1FY2019  
2. As on 30-Sep-18  
3. As on 31-Dec-18  
4. For 9M FY18-19



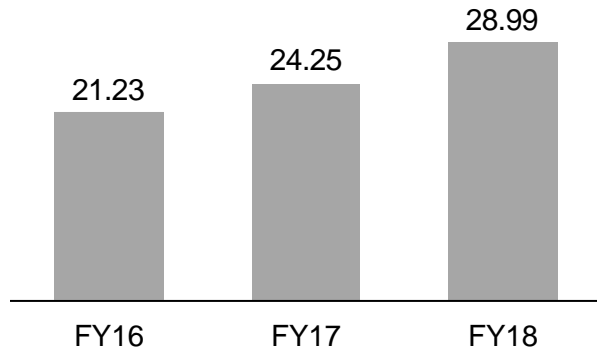
Annexure

# Employee Efficiency

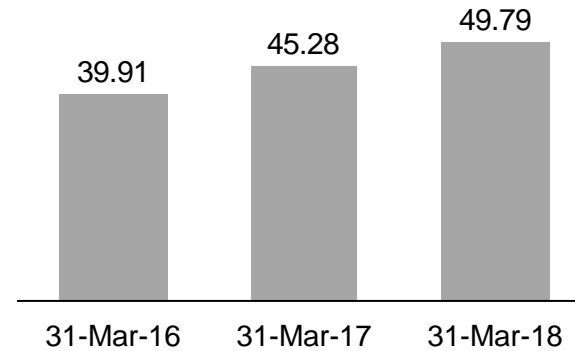


(INR Crore)

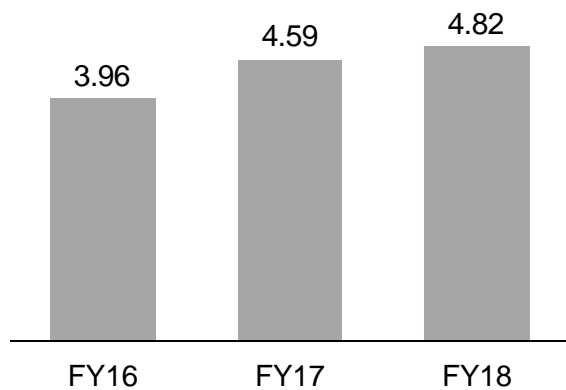
## Disbursement / Employee



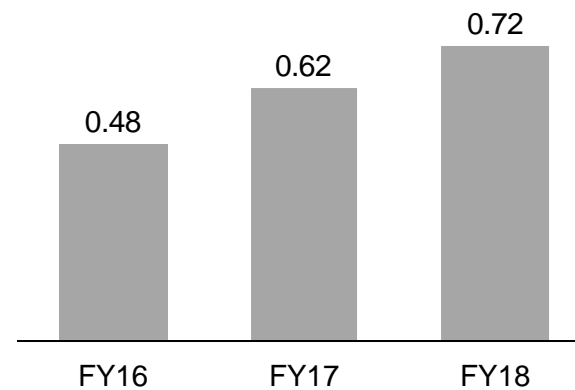
## Loans Outstanding / Employee



## Total Revenue / Employee



## Profitability / Employee

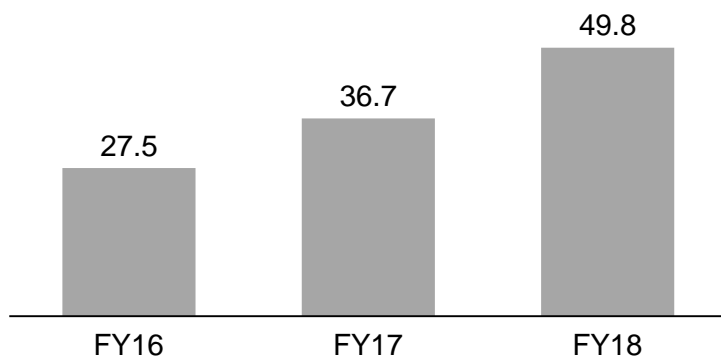


Calculated on average number of employee for the year  
1 Crore = 10 mn

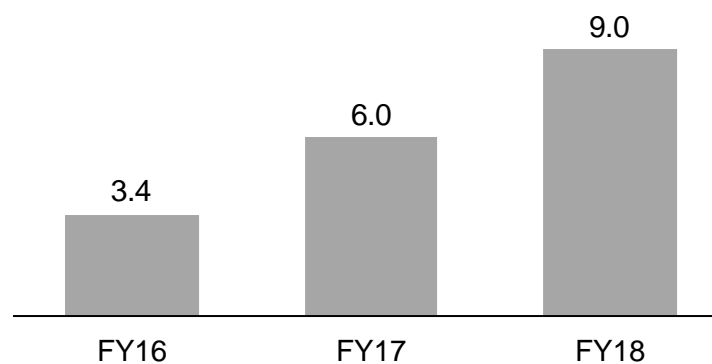
# Return to Shareholders



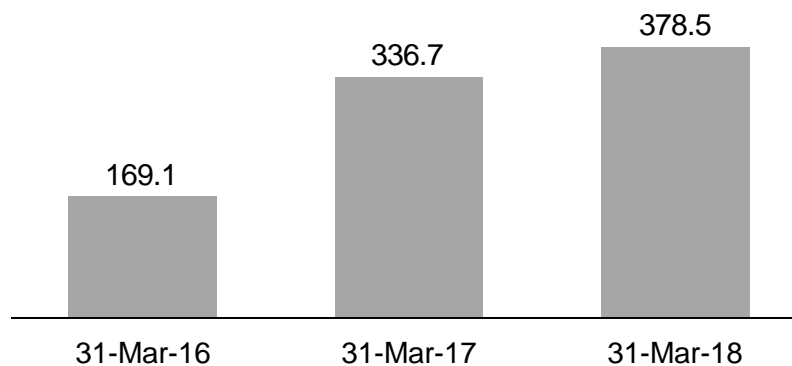
## Earnings Per Share (INR)



## Dividend Per Share (INR)



## Book Value Per Share (INR)



# 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	LRD	Lease Rental Discounting
C/I	Cost to Income	NCDs	Non-Convertible Debentures
CRAR	Capital to Risk Asset Ratio	NII	Net Interest Income
CP	Commercial Paper	NIM	Net Interest Margin
CTL	Corporate Term Loan	NNPA	Net Non-Performing Asset
DPS	Dividend per Share	NPA	Non-Performing Asset
DSA	Direct Selling Agents	NRPLs	Non-Residential Premises Loans
ECB	External Commercial Borrowing	PAT	Profit After Tax
ECL	Expected Credit Loss	PCR	Provision Coverage Ratio
EIR	Effective Interest Rate	ROA	Return on Asset
EPS	Earning Per Share	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 on Loans / Average Loan Assets
Cost to Income (%)	Operating Expenditure(Employee Cost + Other Expenses + Depreciation - Acquisition Cost - CSR cost) / (Net Revenue-Acquisition Cost)
Gross Margin (%)	Total Net Income excluding acquisition cost/Average Total Assets as per Balance sheet
NII (INR)	Interest Income - Interest Expenses
NIM (%)	NII / Average Earning Assets
Opex to ATA (%)	Operating Expenditure(Employee Cost + Other Expenses + Depreciation - Acquisition Cost - CSR cost)/Average Total Assets as per Balance sheet
PCR (%)	ECL Provision and 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

Ratio is calculated on Monthly Average



# Thank You

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**Company:**

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