

July 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 ended June 30, 2020.

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.

Thanking You.

For PNB Housing Finance Limited

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



# PNB Housing Finance Limited Investor Presentation July 2020





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## About PNB Housing Finance



# Leading Housing Finance Company



Disbursement <b>INR 694 Crore*</b> (US\$ 92 mn)		Asset Under Management <b>INR 83,495 Crore</b> (US\$ 11,055 mn)		Write-offs since Inception (on cumulative disbursement) <b>10 bps</b>
	Average Cost of Borrowing <b>8.13%*</b>		GNPA <b>2.32%</b> on AUM <b>2.76%</b> on Loan Assets	
4 delivery /processing units <b>ISO certified 9001</b>		Retail Loans <b>82%</b> of the AUM		Deposits <b>INR 16,203 Crore</b> 2 <sup>nd</sup> largest deposit taking HFC
	Book Value Per Share <b>INR 485.74</b>		<b>103 branches</b> with presence in <b>64 unique cities</b>	

**Moratorium reduced from 56% under Phase I to 39% in Phase II**

All US\$ numbers in the presentation are converted at 1US\$ = INR 75.53

1 Crore= 10 mn

Data as on 30-Jun-20

\*Data for Q1FY21

# FY21 Outlook



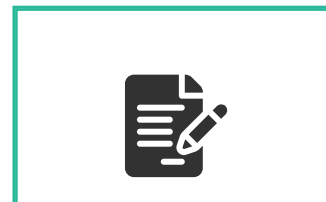
**Disbursement**

Focus on lower risk weighted retail segment



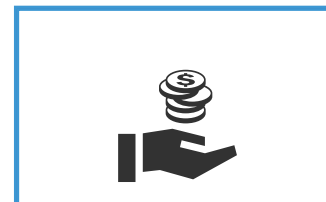
**AUM**

Similar trajectory as in FY 2019-20



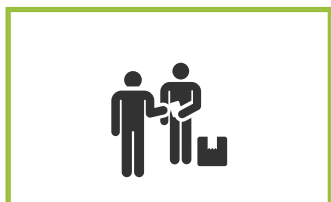
**Retail AUM**

>85% of Total AUM



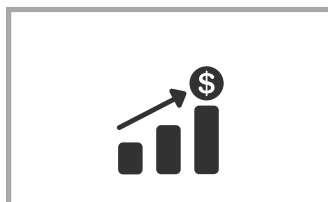
**Operating Expenses**

5-10% reduction on absolute basis compared to FY19-20



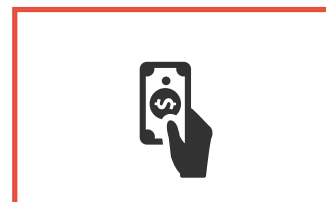
**Spread**

210-220 bps



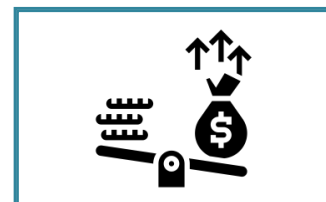
**Gross Margin**

300-315 bps



**ROA**

140-160 bps



**Strengthening Balance Sheet**

Improving Leverage & Capital Adequacy

# Corporate book Initiatives undertaken in FY21



## Remedial Management Group

Created under Managing Director to focus on resolution and management of corporate book accounts

Comprises cross functional team from various verticals

Mandate to identify, discuss, plan and resolve accounts through various available options

**Corporate Book expected to be less than 15% of AUM by end of FY21**



HFC Sector well placed...





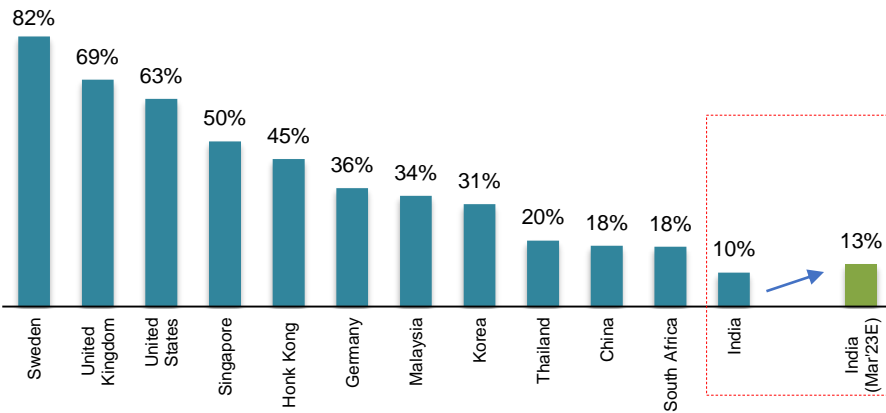
# India's Mortgage Market



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

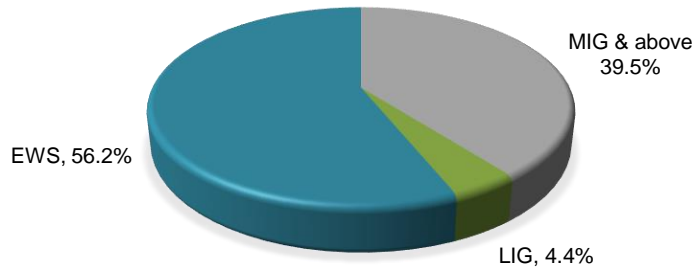
Mortgage to GDP Ratio (%)



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

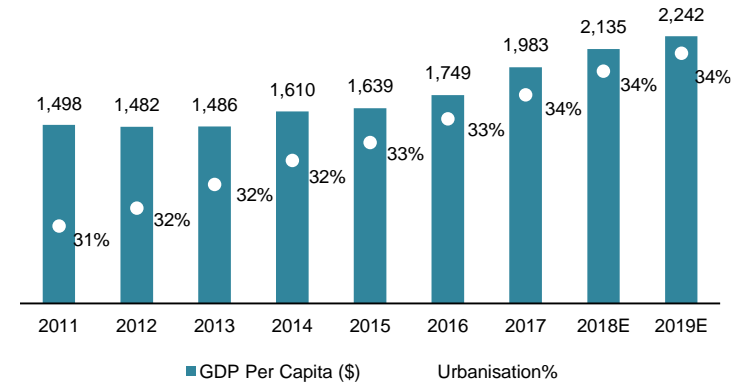
## Significant urban housing shortage

Split of Urban Housing Shortage in FY2012 – 18.8 mn units



Source: Ministry of Housing and Urban Poverty Alleviation

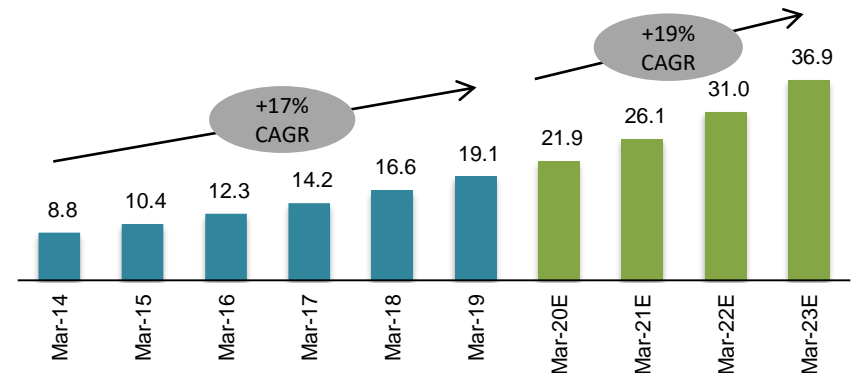
## Trend in urbanization of population



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

## Ramp-up expected in Indian mortgage market

Loan Assets (INR trillion)

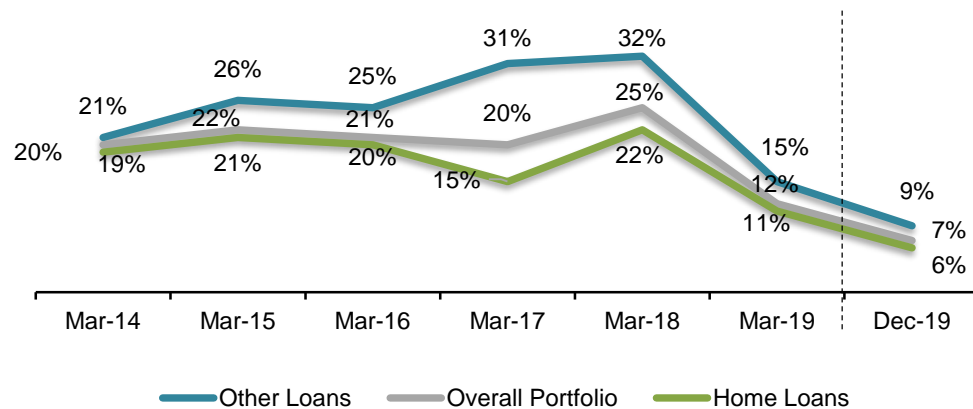


Source: ICRA, Moody's Indian subsidiary, Reports

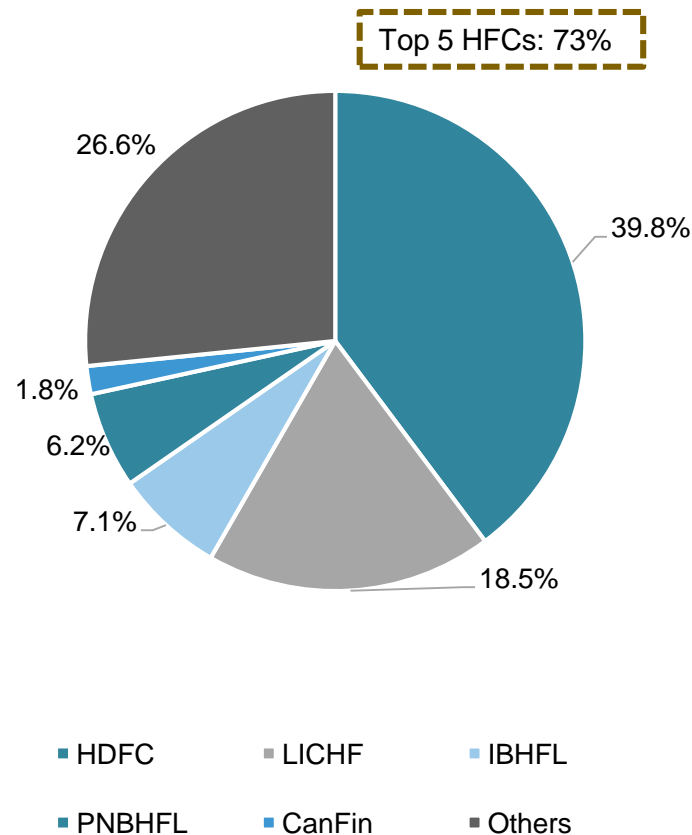
# Sustainable Growth of HFCs



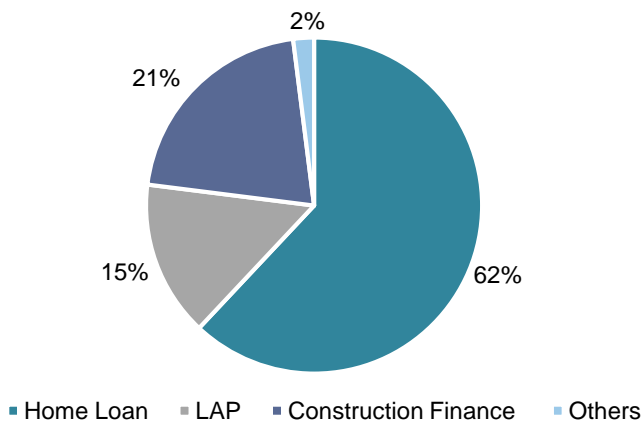
**Portfolio Growth of HFCs**



**Total Loan of all HFCs: INR 11.1 trillion as on Dec-19**



**Portfolio Composition of all HFCs as on Dec-19**



Source: ICRA Indian Mortgage Finance Market Update for April 2020  
% Change is YoY



Update for Q1 FY21



## Business Operations

- All branches are operational following hygiene and safe distancing protocols and teams are working on rotation basis to ensure business continuity

## Disbursements

- Q1 FY21 disbursements were at INR 694 crore; registered increasing trend month on month

## Collection Efficiencies

- Despite Covid-19, collection efficiency for retail (excluding moratorium) maintained at 97% in Q1 FY21

## Moratorium

- AUM under moratorium has reduced to 39% under Phase 2 as on 30<sup>th</sup> June 2020 from 56% under Phase 1
  - Retail book moratorium reduced to 29% under Phase 2 as on 30<sup>th</sup> June 2020 from 49% under Phase 1

## ECL Provisions

- Maintained ECL provision of INR 1,837.08 crore as on 30 June 2020; total provision to total asset at 2.7%

## Cost Rationalization

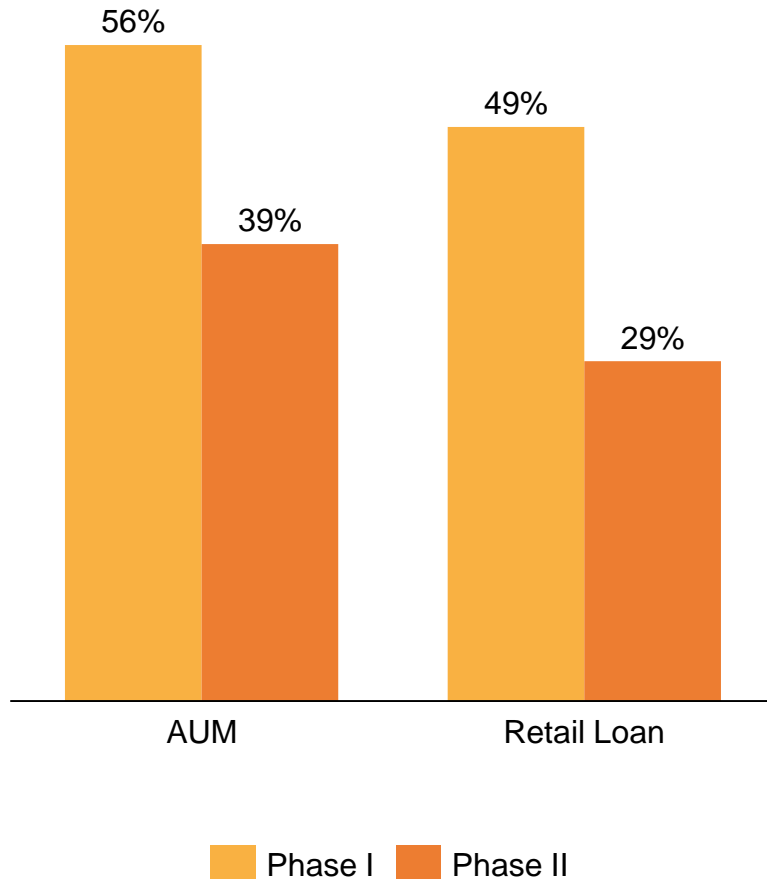
- Merged two branches resulting in total number to 103 as on 30<sup>th</sup> June 2020
- Rental negotiations and resource rationalisation shall result in cost savings in coming quarters

## Liquidity Management

- Maintained sufficient Cash and liquid investments of around INR 7,076 crore as on 30<sup>th</sup> June 2020. Additionally sanctioned but undrawn lines are of INR 5,475 crore



## Improving Trend



## Initiatives Undertaken

Communication with customers through extensive calling



SMS to customers in a vernacular language on the impact of EMI moratorium



Tie-up with CIBIL for customer engagement drive

**Continuous education resulted in around 5,000 customers reversing their moratorium decision**

# Measures undertaken in Q1 FY20-21



**April-20**

**May-20**

**June-20**



**Sourcing**

- Involved in recovery activities for delinquent cases
- Reference Generation of 1163 customers
- Pre-approved top-up loans offered to the customers
- Imparting Training to employees and DSA for better engagement.

- In-principle online sanctioning of loans
- Resumption of on ground business
- Deposits sourcing by branches
- Digital knowledge snippets shared with customers regularly to promote our digital channels.

- All branches opened and started contributing to business volumes.
- Teams/Partners/Customers getting adjusted to the “New Normal”.
- Development of the new digital channel for sourcing loans, which will be launched soon; pilot started.

# Measures undertaken in Q1 FY20-21



## April-20

## May-20

## June-20



### Underwriting

- Extensive training webinars conducted on credit policy and our product offerings
- Catering to subsequent disbursement of existing customers
- Involved in recovery activities for delinquent cases

- Underwriting of cases sourced online
- Development of the new digital channel for sourcing and reviewing loan applications

- Tightened the credit guidelines including norms on target customers / industries, methods of accessing income and tightening of key policy parameters
- Increased direct interaction with Self employed customers for personal discussions



### Recovery

- Recovery through digital mode

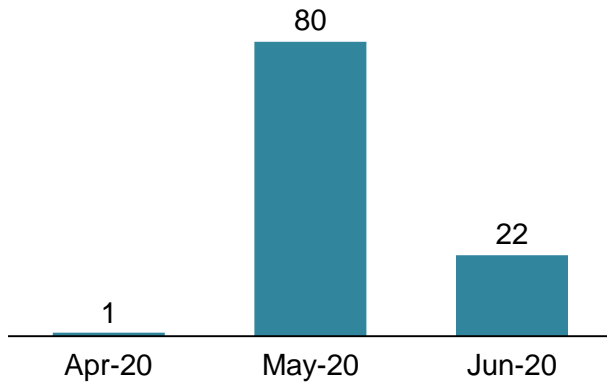
- On ground collections started in non-containment zones
- Collections app updated with Geo tagging feature
- Use of analytics to prioritize the collection efforts

- Increased engagement with moratorium customers
- Tie up with CIBIL for customer engagement on moratorium pitfalls and benefits
- Use of AI based Voice-bot system, in the existing resolution set-up to facilitate timely payment of EMIs post moratorium

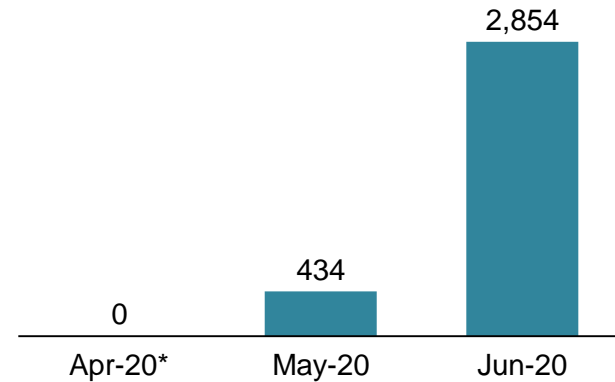
# Business trends in Q1 FY20-21



## No. of Branches re-opened

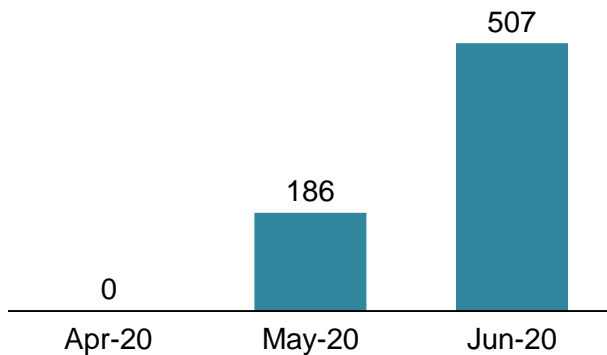


## No. of Sanctions

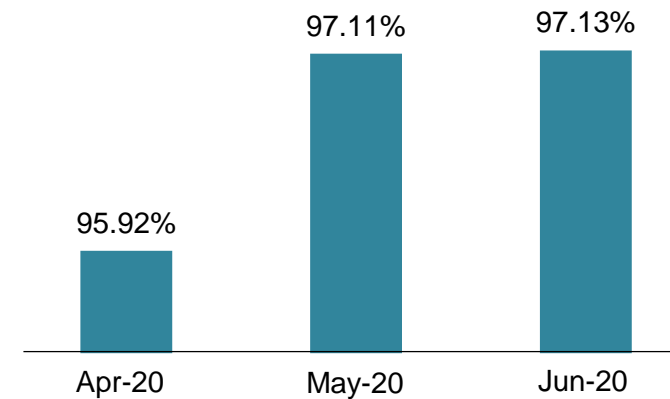


\* Pipeline of 538 accounts with in-principle online sanctions

## Disbursement (INR Crore)



## Collection Efficiency (%)





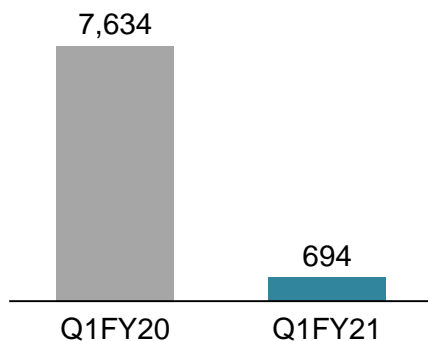


## Financial Performance of the Company

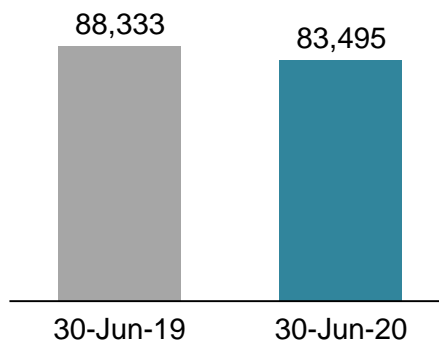
# Financial Highlights



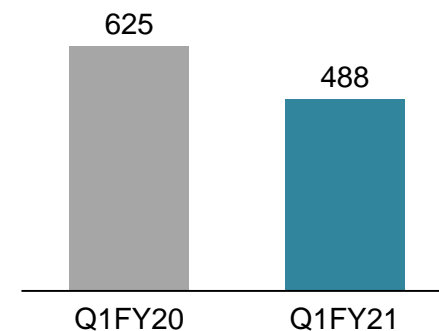
## Disbursement (INR Crore)



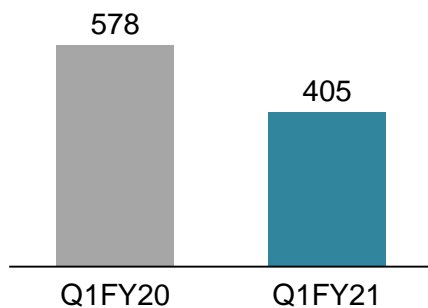
## AUM (INR Crore)



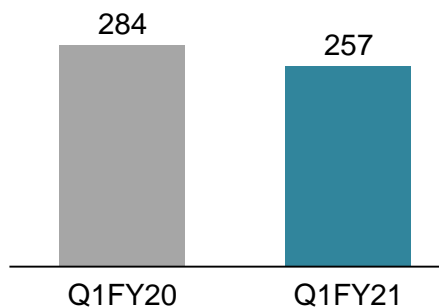
## NII (INR Crore)



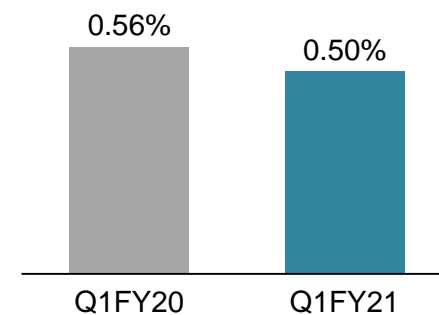
## Pre-provision Operating Profit (INR Crore)



## PAT (INR Crore)



## Opex to ATA



Ratios are calculated on Monthly Average

P&L numbers are as per Ind AS

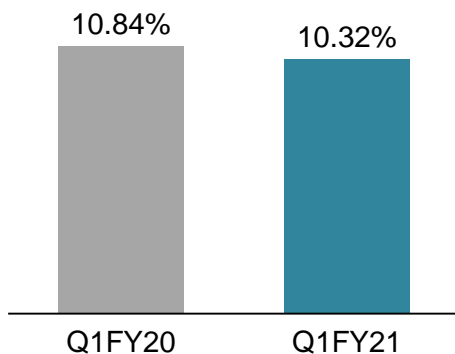
Opex to ATA is calculated as Operating Expenditure(Employee Cost + Other Expenses + Depreciation - Acquisition Cost - ESOP cost - CSR cost)/Average Total Assets as per Balance sheet

1 Crore = 10 mn

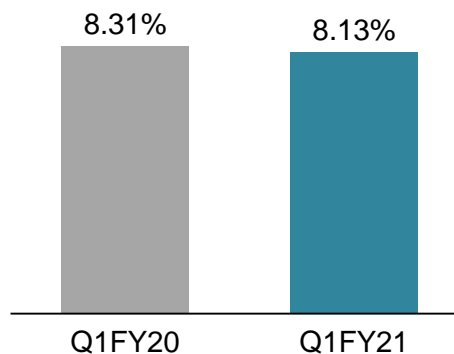
# Financial Highlights



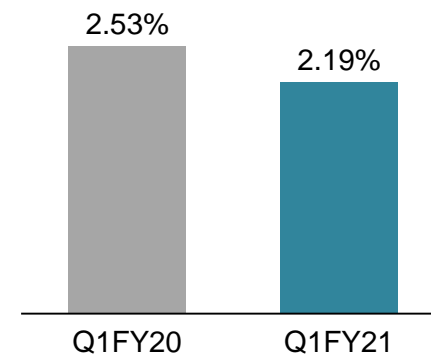
## Average Yield



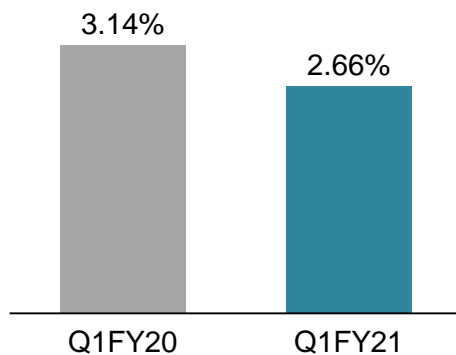
## Average Cost of Borrowing



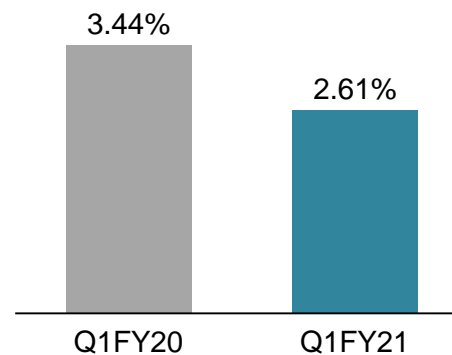
## Spread



## 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

# Long Term Fund Mobilisation

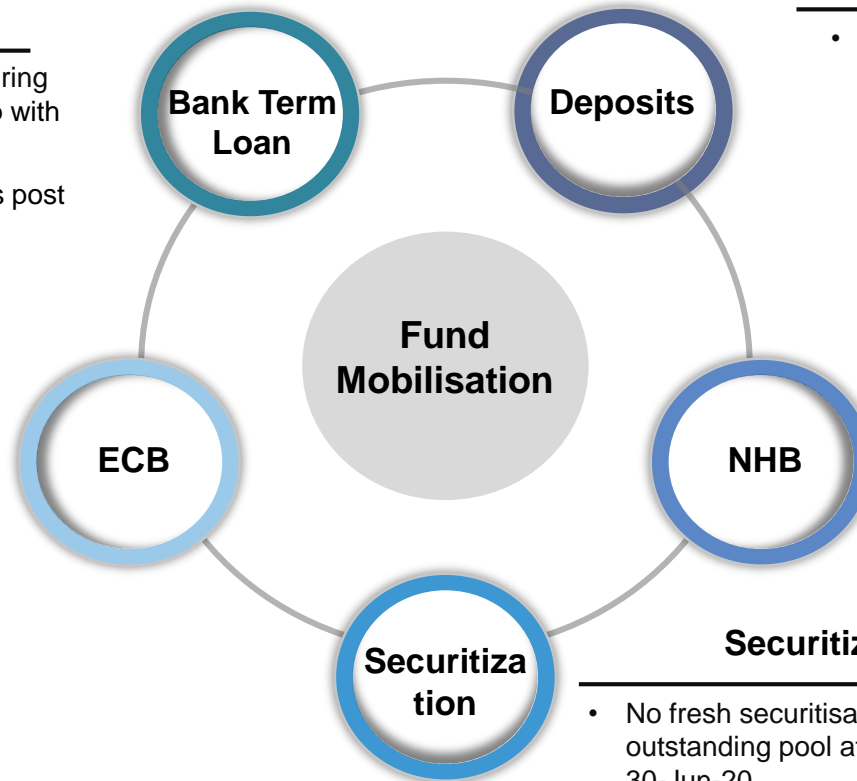


## Bank Term Loan

- Borrowed INR 1,377 crore during Q1FY21; existing relationship with 28 banks
- The relationship with banks is post merger

## Deposits

- 2nd highest deposit mobilizer among HFCs; mobilized INR 993 crore during Q1FY21



## NHB-refinance

- NHB-refinance of INR 2,250 crore; includes INR 750 crore under Special Refinance Facility

## ECB

- Raised INR 189 crore from Citi; part of JICA sanction
- First HFC to sign an ECB of USD 75 million with JICA in India

## Securitization

- No fresh securitisation in Q1 FY20-21; outstanding pool at INR 15,486 crore as on 30-Jun-20

*Incremental fund mobilisation of INR 5,484 crore in Q1FY21*

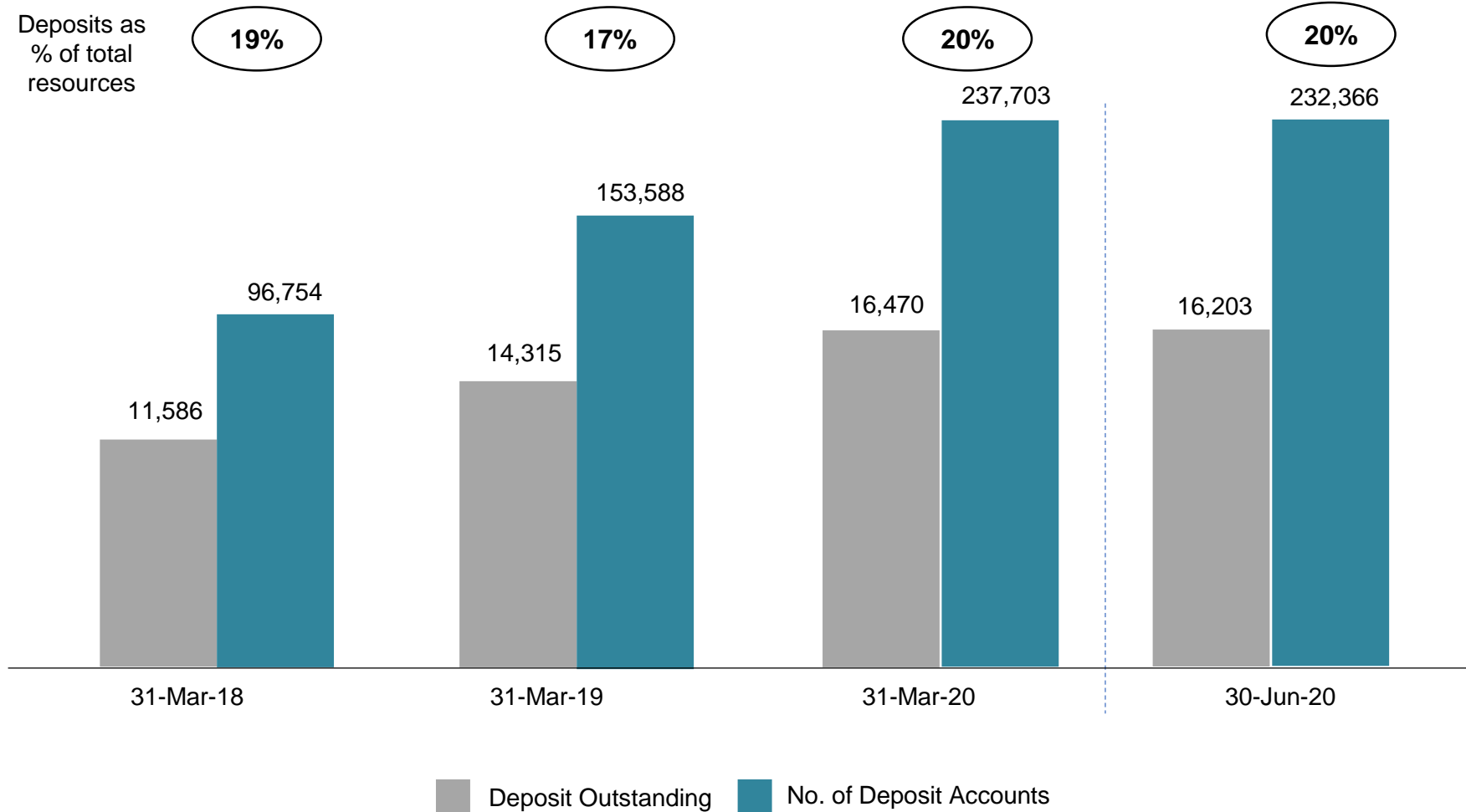
*Maintained adequate Cash & Liquid Investments of INR 7,076 Crore as on 30-Jun-20; Additional sanctioned but undrawn lines are INR 5,475 Crore*

# Deposits



(INR Crore)

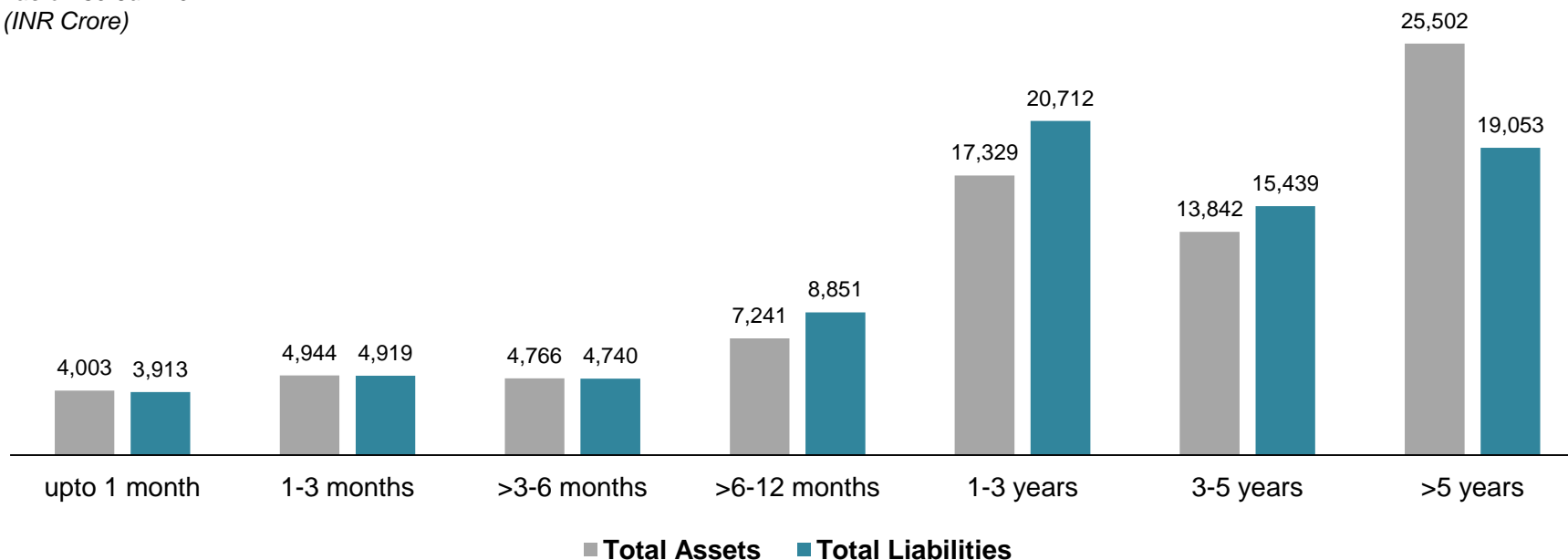
Deposits as  
% of total  
resources



# Asset Liability Maturity profile



Graph as on 30-Jun-20  
(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)	30-Jun-20	90	115	142	(1,469)	(4,852)	(6,449)	0
<b>Moratorium given to the customers have resulted in lower cash inflows Didn't avail moratorium from lenders</b>								

# Expected Credit Loss (ECL) Provisions



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

Particulars (INR Crore)	30-June-19	31-Mar-20	30-June-20
Gross Stage 3 (GNPA)	645.10	1,856.23	1,878.87
% portfolio in Stage 3 (GNPA%)	0.85%	2.75%	2.76%
ECL Provision Stage 3*	149.8	672.45	745.56
Net Stage 3	495.40	1,183.79	1,133.30
<b>Coverage Ratio % Stage 3</b>	<b>23.21%</b>	<b>36.23%</b>	<b>39.68%</b>
Gross Stage 1 & 2	75,287.90	65,714.58	66,129.69
% portfolio in stage 1 & 2	99.15%	97.25%	97.24%
ECL Provision Stage 1 & 2	448.3	1,093.17	1,091.52
Net Stage 1 & 2	74,839.70	64,621.41	65,038.17
<b>ECL Provision % Stage 1 &amp; 2</b>	<b>0.60%</b>	<b>1.66%</b>	<b>1.65%</b>
Total Assets	75,933.00	67,570.81	68,008.56
% portfolio	100.00%	100.00%	100.00%
ECL Provision	598.00	1,765.62	1,837.08
Net Stage	75,335.00	65,805.19	66,171.47
<b>Total ECL Provision %</b>	<b>0.79%</b>	<b>2.61%</b>	<b>2.70%</b>
Steady State Provision	156.5	0.00	0.00
Total Provision (including Steady state Provision)	754.5	1,765.60	1,837.08
<b>Total Provision (including Steady state) / Total Assets (%)</b>	<b>0.99%</b>	<b>2.61%</b>	<b>2.70%</b>
<b>Provision Coverage Ratio (%)</b>	<b>117%</b>	<b>95%</b>	<b>98%</b>

**ECL provision of INR 1,837.1 crore; higher by INR 1,175 crore as compared to regulatory provision**



## Business Update and Operating Model



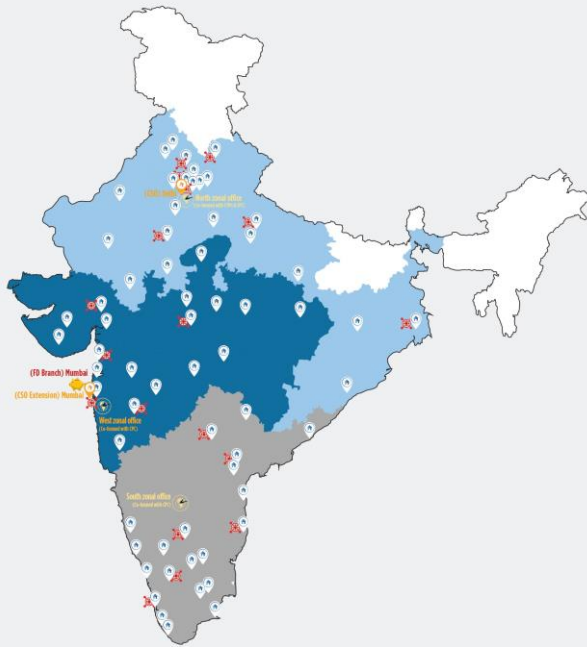
# Business Operations



**Branches** – Point of Sales & Services

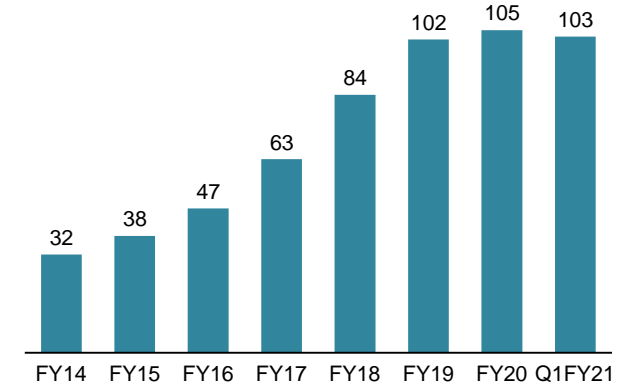
**Hubs** – Fountain head for Decision Making

## OUR OFFICE NETWORK



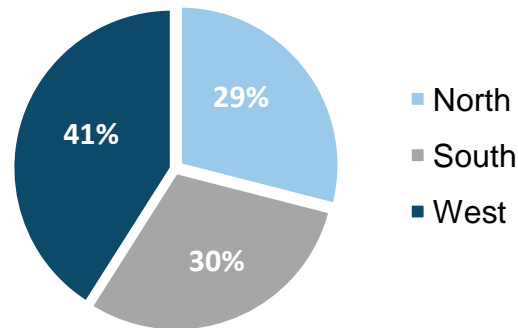
Geography	Hub	Branches
North	8	33
South	8	33
West	7	37

## No. of Branches

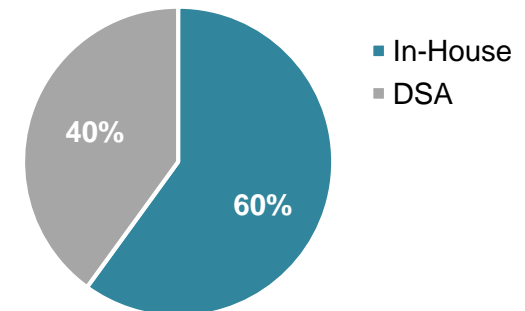


In Q1 FY20-21, 2 branches merged with existing; Unique cities maintained at 64

## AUM - Geographical Distribution



## Disbursement Origination (Q1FY21)



Central Support Office

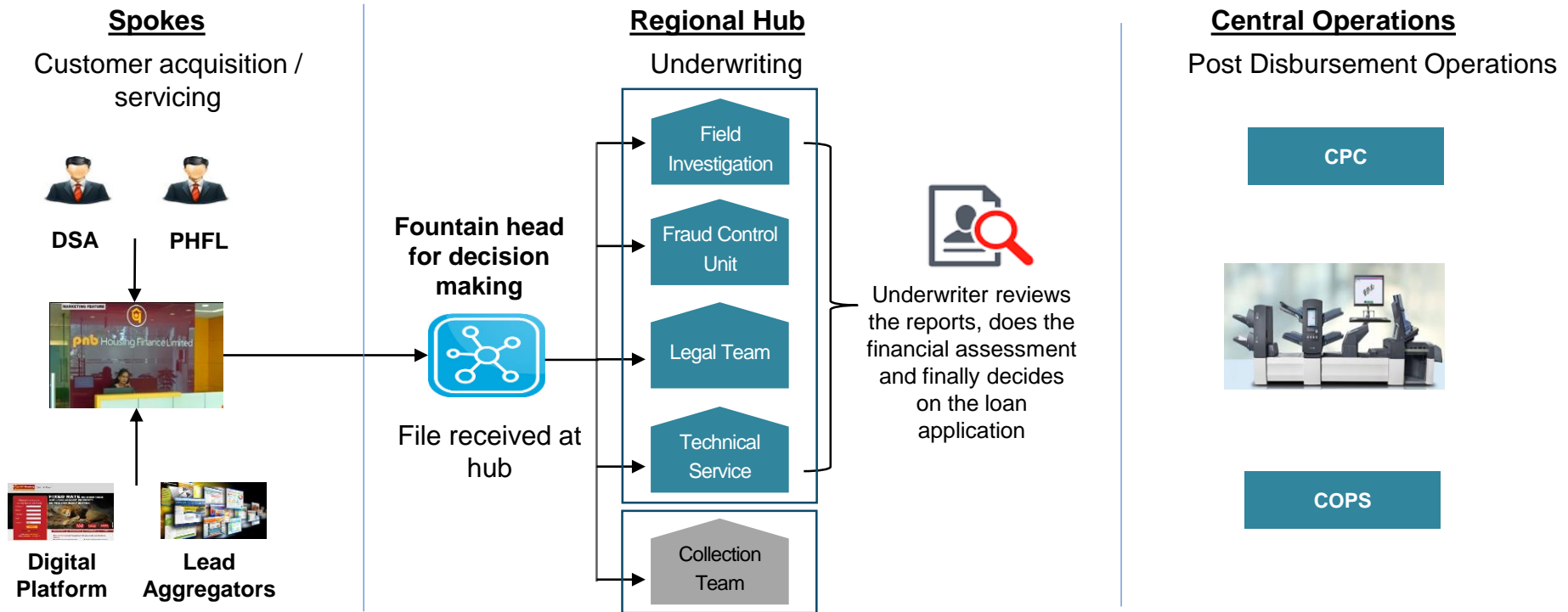
Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

\*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



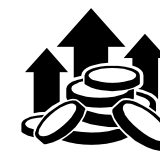
### Customer profiling

- 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

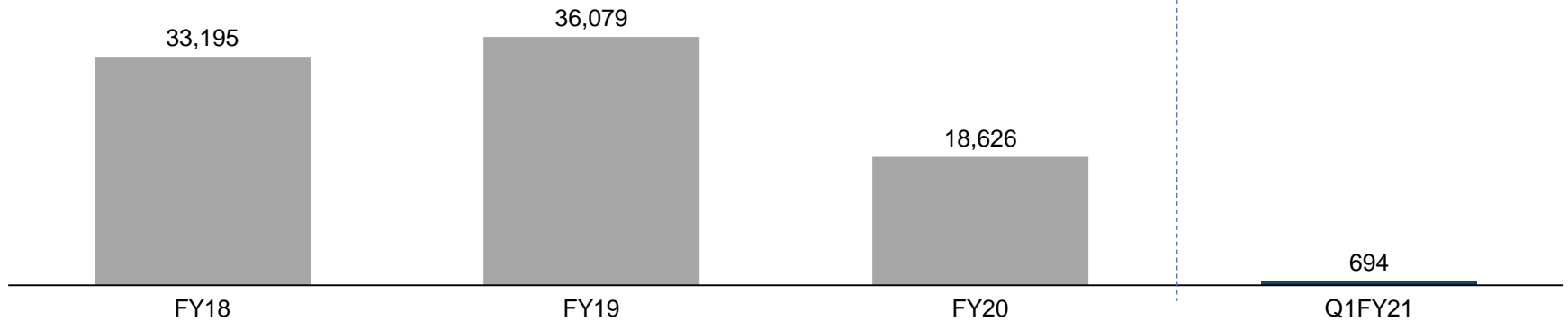
Enterprise Risk Management framework

# Business Update

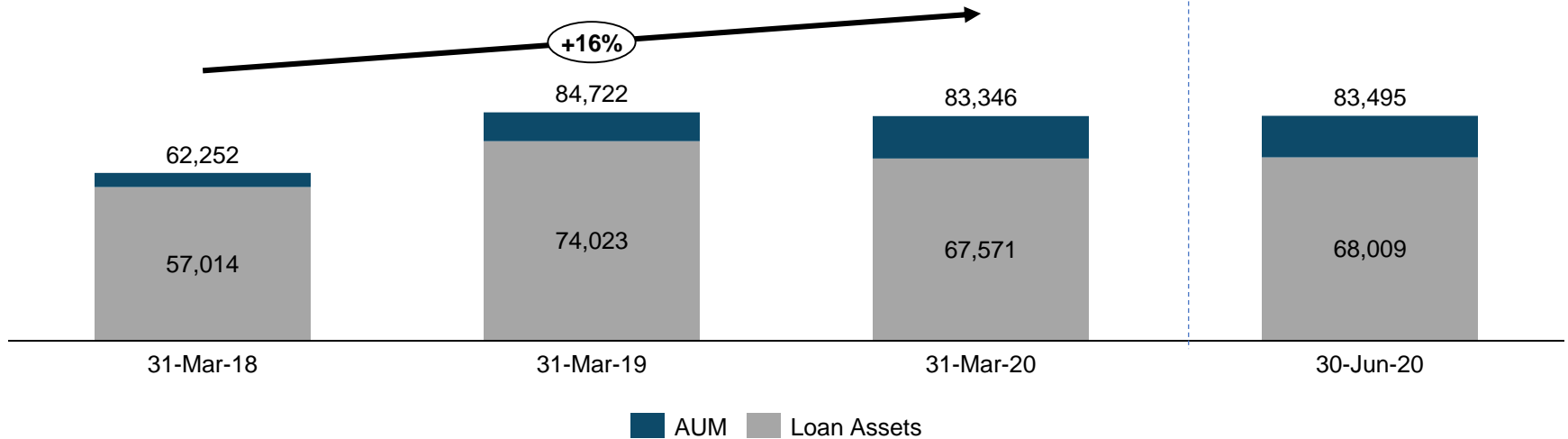


(INR Crore)

## Disbursement



## Asset

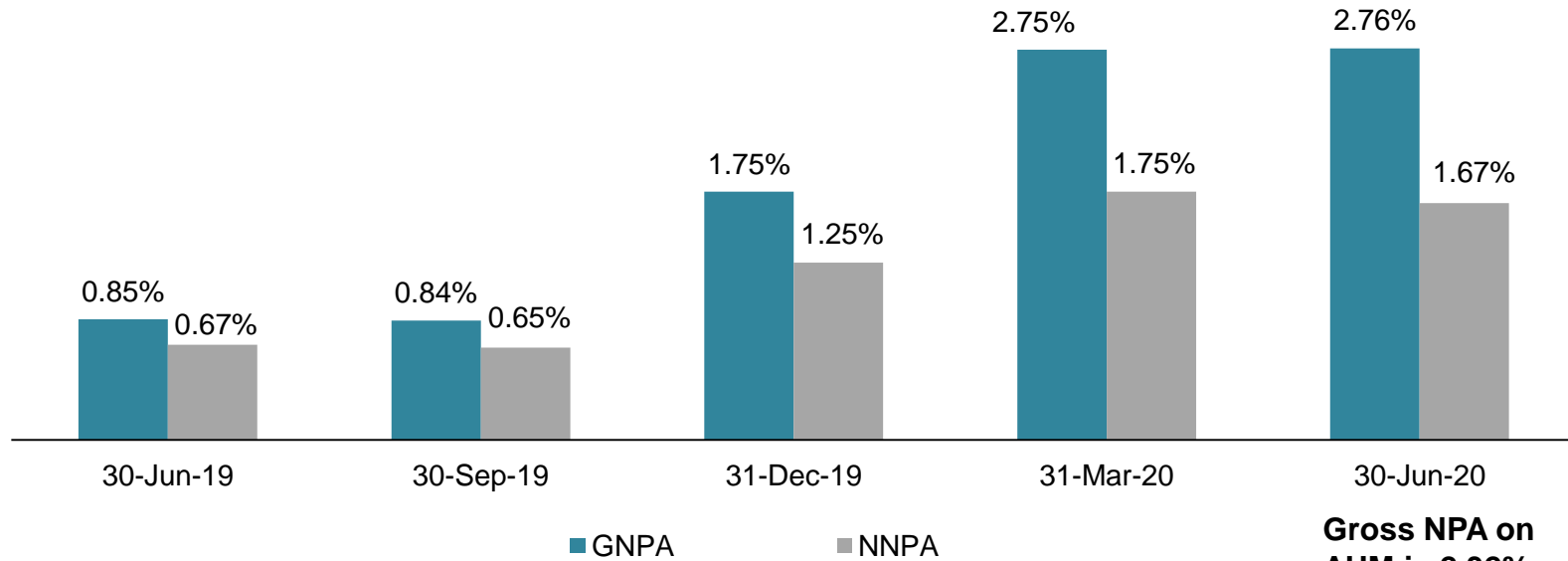


1 Crore = 10 mn

# Gross Non-Performing Assets



## Non-Performing Assets



**Gross NPA on  
AUM is 2.32%**

### As on 30-June-2020

	INR Crore
Gross NPA	1,878.9
ECL Provision	1,837.1
Regulatory provision including Standard asset and NPA	662.4

1 Crore = 10 mn



## Sustainable Portfolio Mix

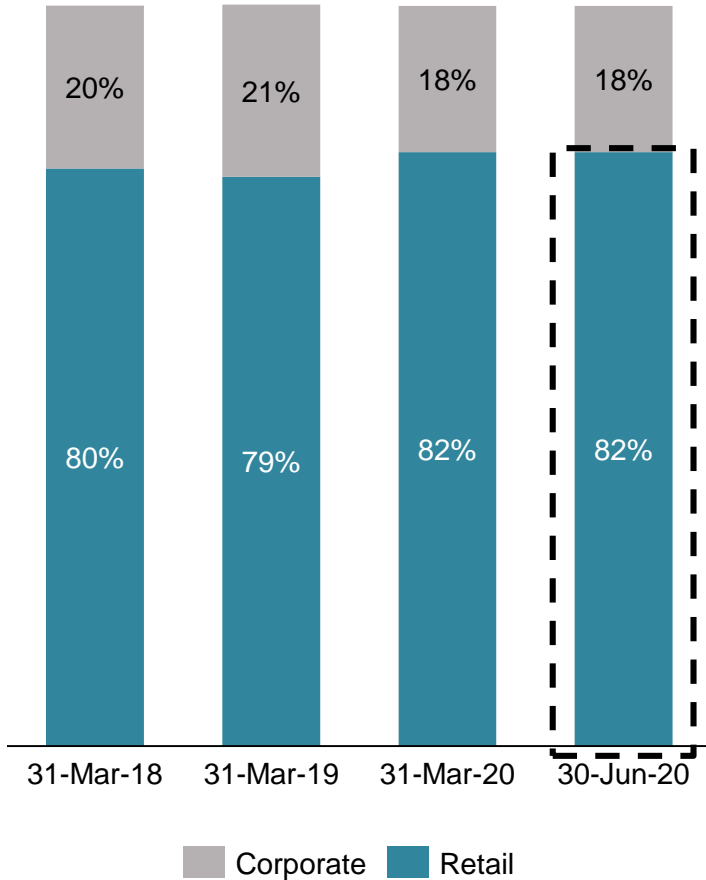


# Asset Under Management

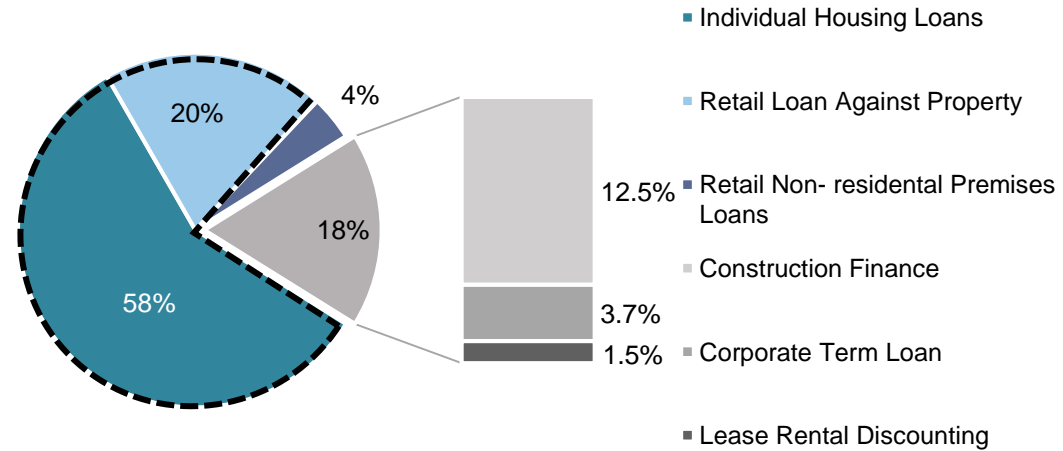


As % to AUM

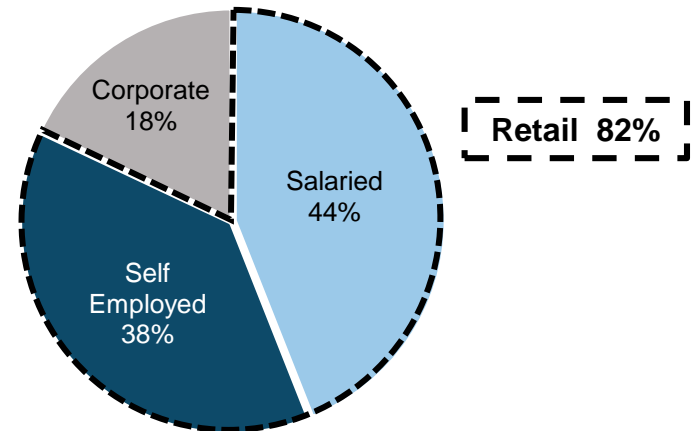
## Consistent Segment Mix



## Product-wise Break-up



## Segment-wise Breakup

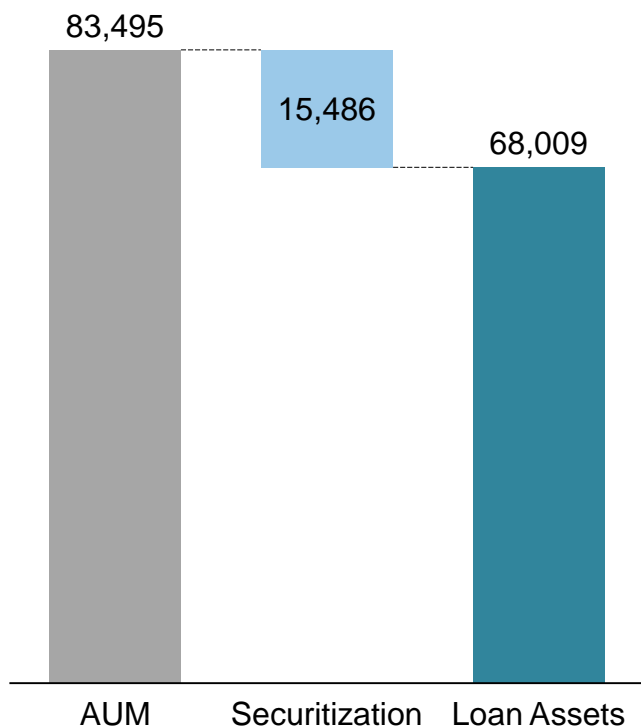


Data as on 30-Jun-20

# Loan Assets Walk and Securitized Pool Highlights



## Asset Bridge (INR Crore)



## Highlights of Securitized Pool

- Developed expertise in Securitization
- Securitization done through Direct Assignment Route
- Securitized book (IHL and LAP) outstanding at 18.5% of AUM
- Substantial demand from public / private sector Banks & NBFCs for pool buyout
- Superior asset quality; GNPA at 0.37% with average MOB of 42 months as on 30-Jun-20



# Retail Focused Lending Operations



Retail segment contribute 97% of the Q1FY21 disbursement

Loans given as Individual Housing Loans, Loan Against Property and Non Residential Premises Loans

**Focus on mass housing and capital efficient product segment**

**Focus on completed properties**

**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

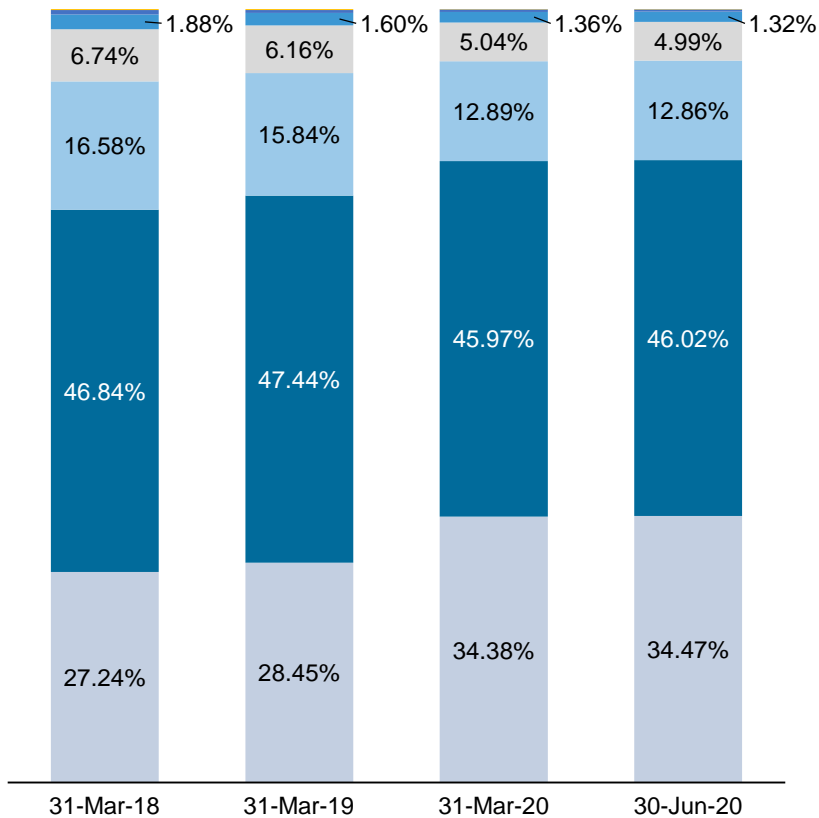
**Digitisation of processes at various stages of loan resulting into increased efficiencies**

Quality of Loan Portfolio stress tested **thrice** in the last 3 years through Demonetisation, GST and tight Liquidity

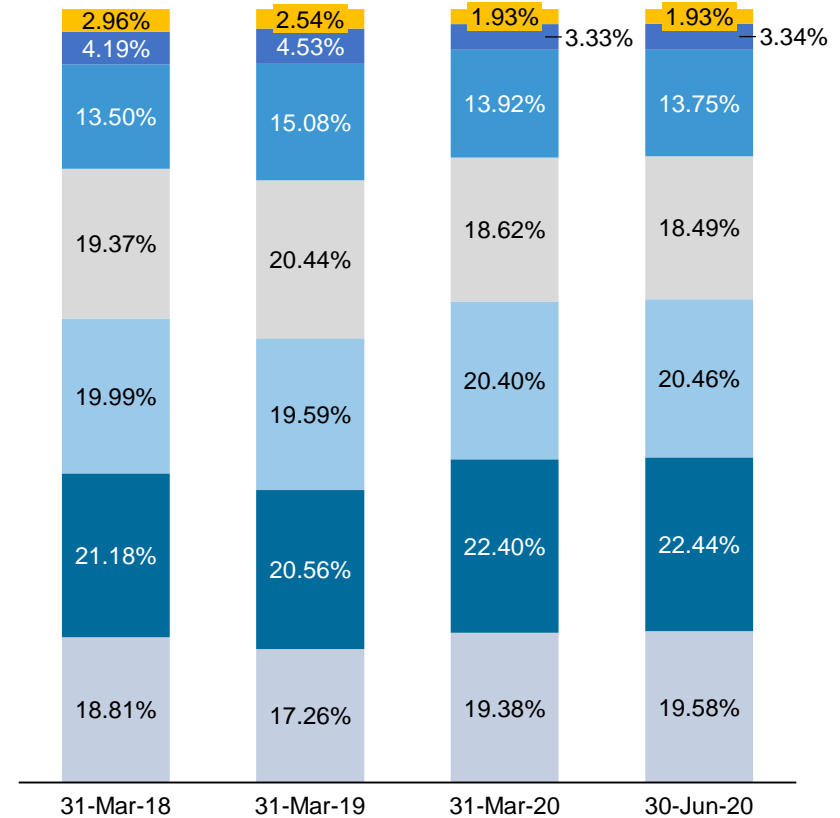
# Average Ticket size (ATS) Range



## Individual Housing Loan



## Retail Loan Against Property



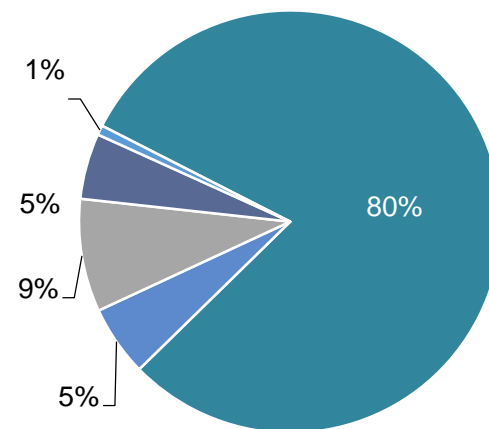
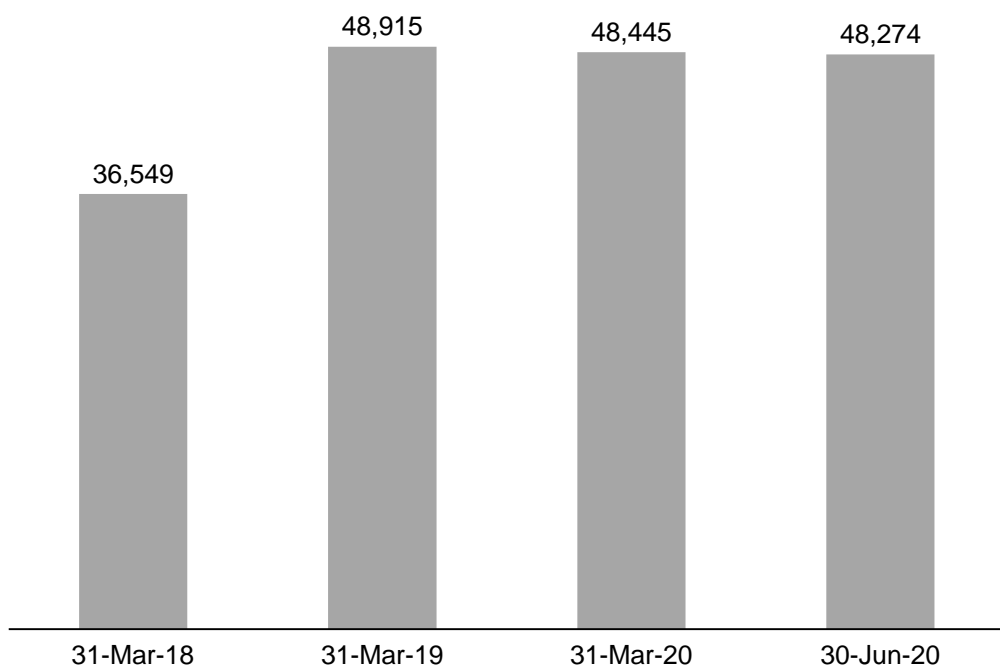
■ >15 Crore 
 ■ 10-15 Crore 
 ■ 5-10 Crore 
 ■ 2-5 Crore 
 ■ 75 Lakh -2 Crore 
 ■ 25-75 Lakh 
 ■ Upto 25 Lakh

# Individual Housing Loans breakup



(INR Crore)

**Individual Housing Loans**  
58% of AUM

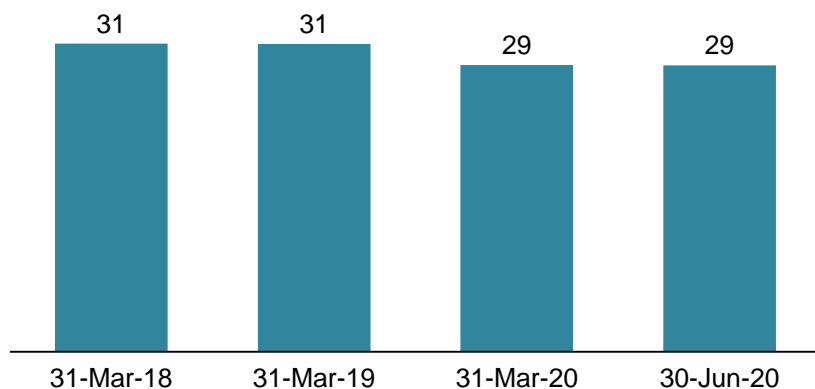


- Home Purchase
- Residential Plot
- Residential Plot cum Constrn
- Self Construction
- Home Improvement/Extn

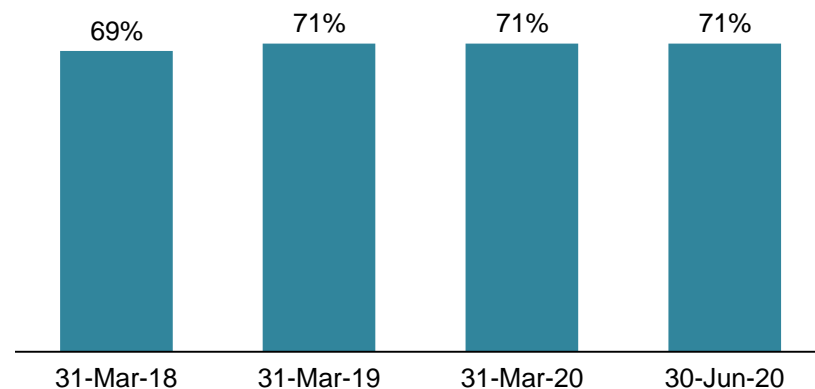
# Individual Housing Loan key Loan Profile



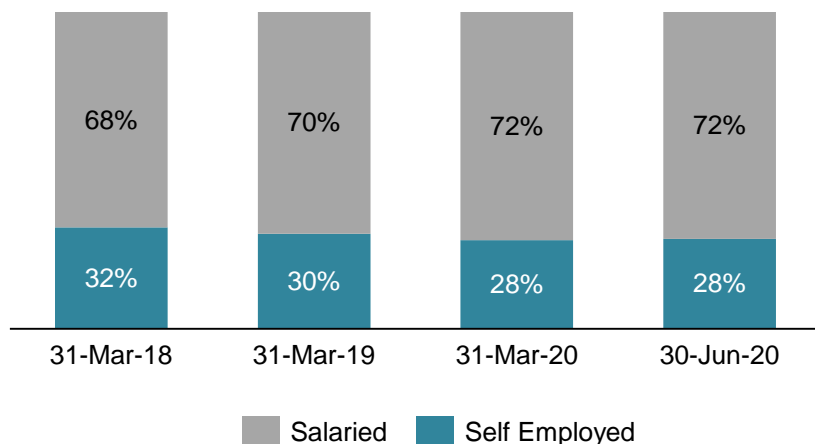
**Average Ticket Size**



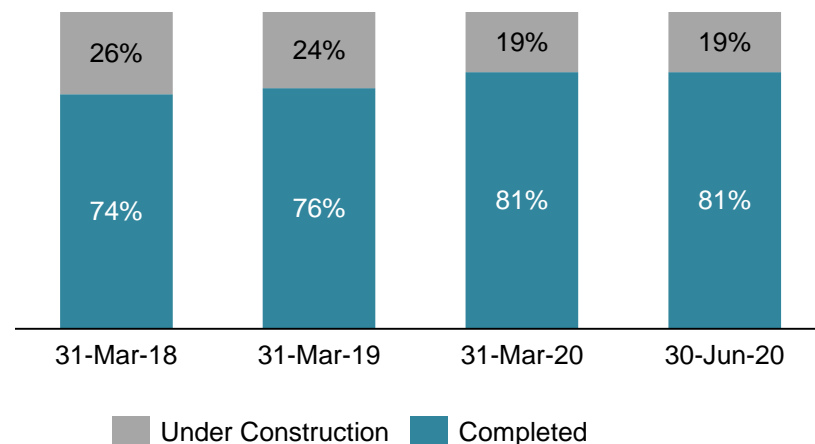
**Weighted Average Loan to Value (at Origination)**



**Salaried vs Self-Employed**



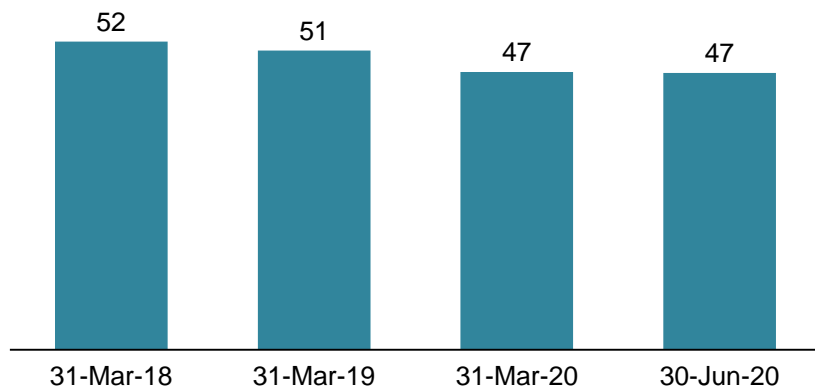
**Under construction vs Completed**



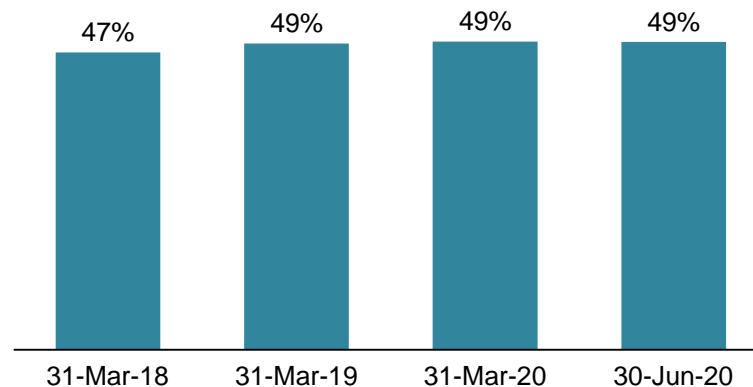
# Retail Loan Against Property key Loan Profile



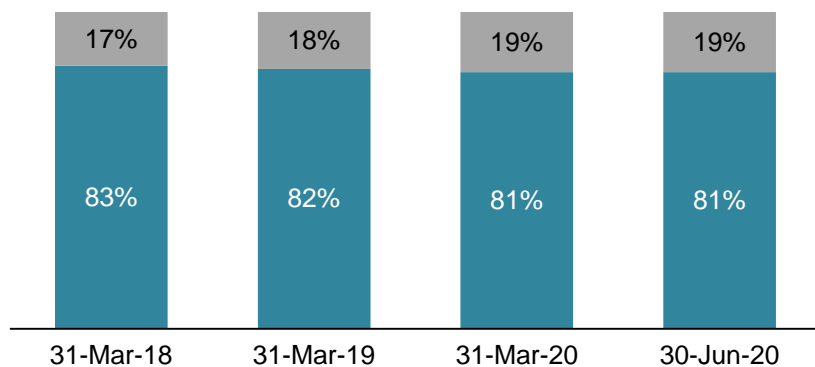
## Average Ticket Size



## Weighted Average Loan to Value (at Origination)



## Salaried vs Self-Employed



■ Salaried ■ Self Employed

- Average Ticket Size reduced over last 4 years to less than INR 50 lakh
- Conservative underwriting with LTV maintained at less than 50%



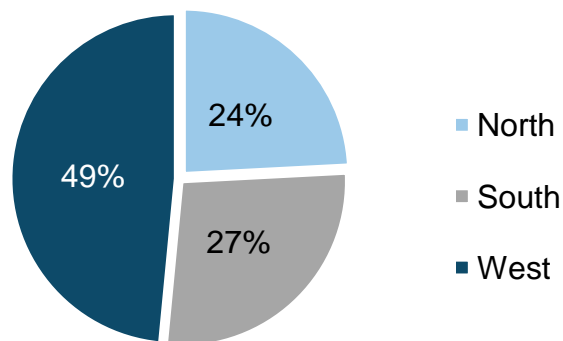
Corporate Book

# Corporate Book Summary

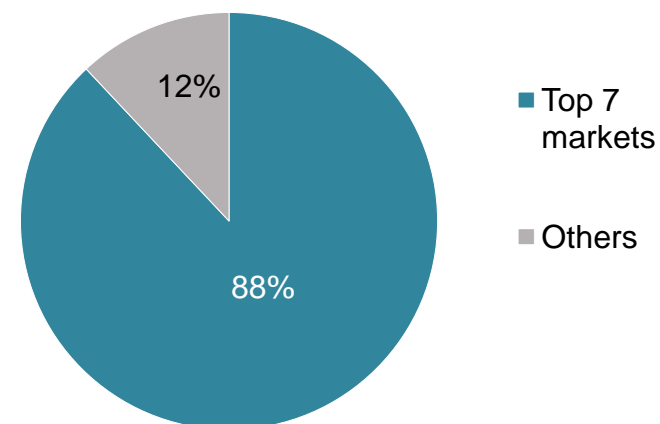


Product Segment	AUM (INR Crore)	% of AUM	Unique Corporate houses ATS INR Crore (US\$ mn)	No. of Unique Corporate houses	No. of Loan Accounts
Construction Finance	10,453	12.5%	147.9 (19.6)	140	162
Corporate Term Loan	3,126	3.7%	104.1 (13.8)		64
Lease Rental Discounting	1,229	1.5%	98.1 (13.0)		18

## Geographical Distribution



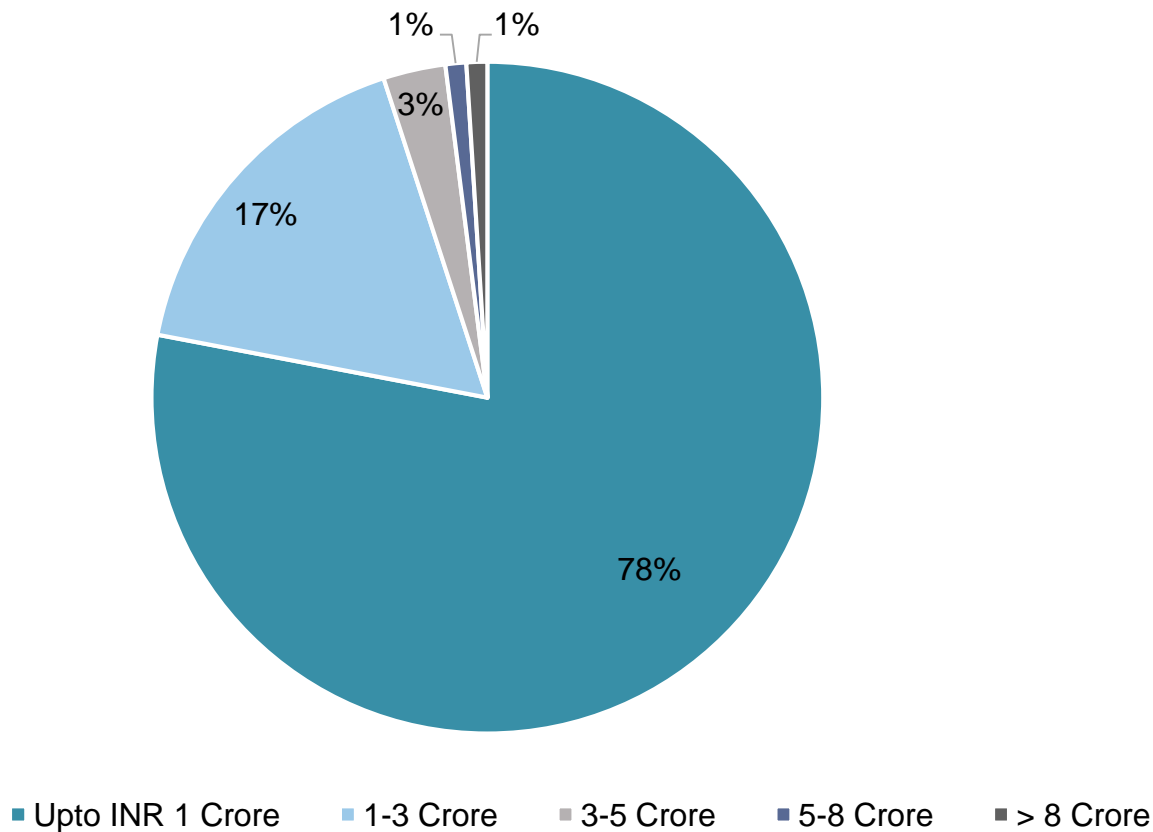
## City Concentration



# Corporate Book – primarily exposed to Mass Housing



## Classification of Units funded by ticket size



Data as on 31-Mar-20

Includes Construction Finance and Corporate Term Loan



# 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
- Stress test at the start of a relationship with clear guidelines
- Construction linked disbursement

## Credit Covenants



- Over 86% developers are rated by external rating agencies
- Minimum Average Security Coverage Ratio of **1.5x**
  - Weighted average as on 30-Jun-20 is 2.16x
- 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
- Management team Interacted with most of the developers during Lockdown

# Construction Finance Loan



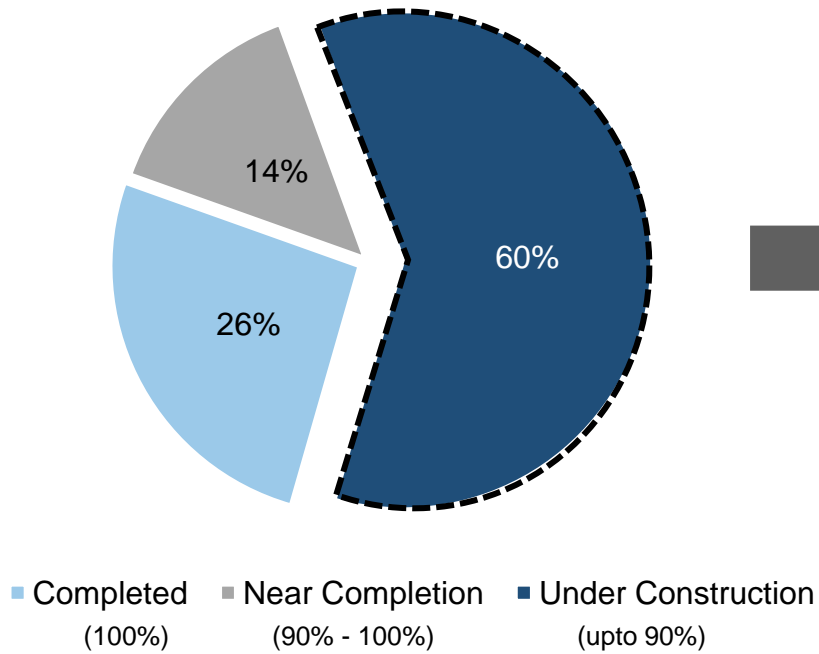
Constitutes 12.5% of the Asset under Management

Spread across 107 reputed developers

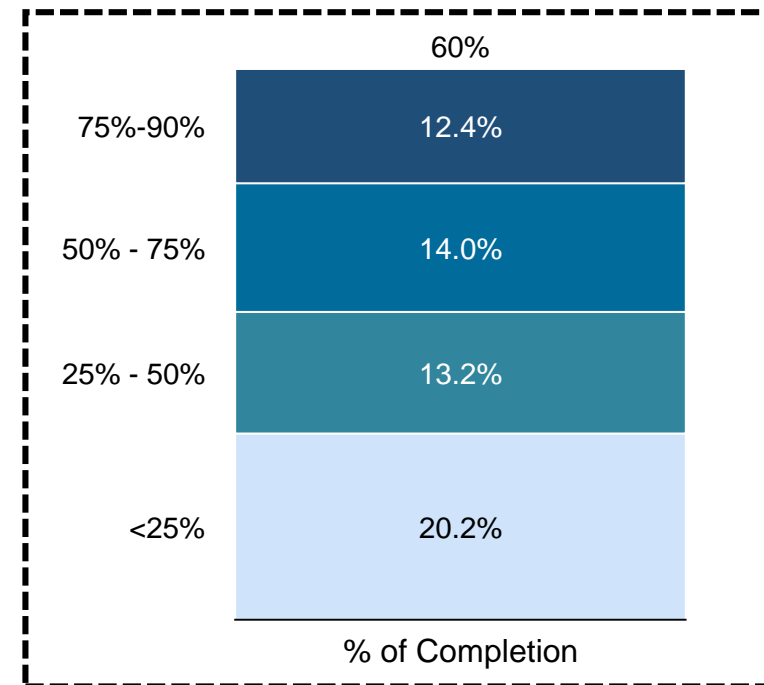
100% residential loans\*

Top 7 markets contributes 88% of the AUM

Total as on 31-Mar-2020



Under construction further Break-up



\*As per NHB definition



## Corporate Term Loans

- Constitutes 3.7% of AUM
- Spread across 46 reputed developers
- Top 7 markets contributes over 87%
- Residential : Commercial – 67:33
- Earmarked/Identified cashflows



## Lease Rental Discounting

- Constitutes 1.5% of AUM
- Spread across 13 reputed developers
- Presence in 7 large cities
- 100% of LRD are backed by leased out commercial building with multiple tenants
- Marquee property/tenant

# Corporate Book Remedial Actions on Key NPA accounts



## Accounts Resolved

- ✓ **Ireo Pvt. Ltd.** - INR 101 crore; successfully sold one part of the mortgage land through auction and received 25% earnest money. Before the second auction, the developer paid INR 25 crore in July 2020 and the account is expected to close in next 3 months
- ✓ **Pate Developers** - INR 20.25 crore; An MOU has been executed with leading developer of Pune who has paid 10% payment earnest money. Balance amount is expected in Q2FY21
- ✓ **Other NPA account** - INR 1.56 crore fully recovered and closed with nil haircut

## Resolution Underway

- ✓ **Supertech Ltd.** - INR 244 Cr; started legal proceeding under SARFAESI, auction planned in next 1 month
- ✓ **Ornate Pvt. Ltd.** - INR 181 Cr; initiated legal proceeding. The case is now gone to NCLT
- ✓ **Vipul Ltd.** - INR 356 Cr; got symbolic possession of the project, auction planned next month
- ✓ **Radius** - INR 259 Cr; initiated legal proceedings under SARFAESI and is working with the co-lender for auction
- ✓ Resolution ongoing including auction in three more accounts with outstanding of INR 21.5 crore



## Operational and Financial Performance

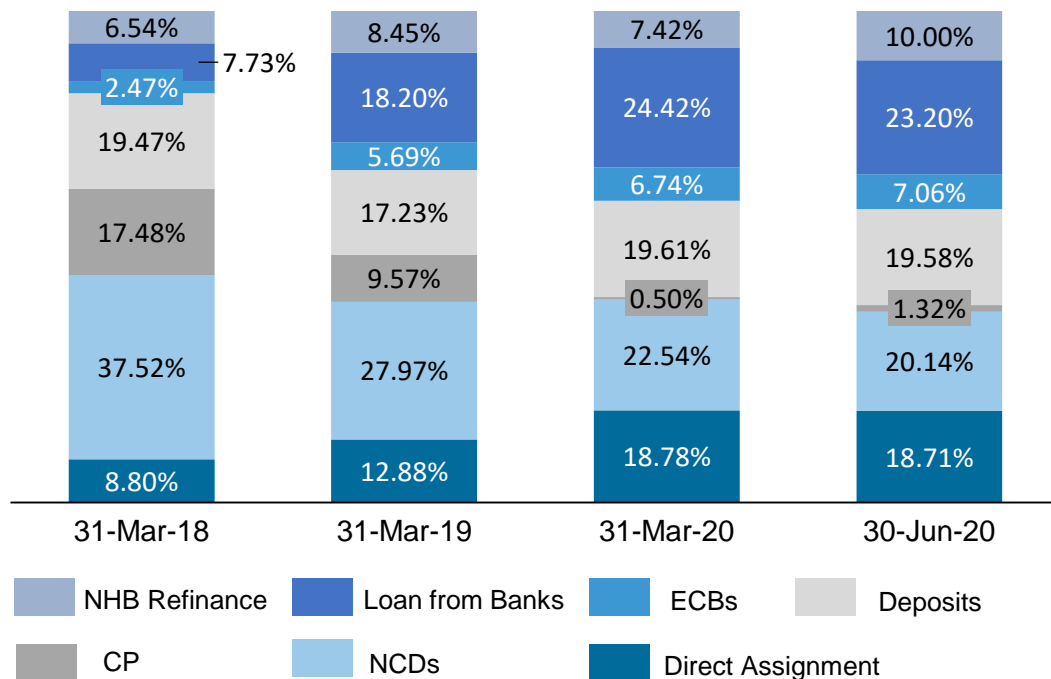


# Well Diversified Resource Profile



(INR Crore)

## Access to a Diverse Base of Funding



## Relationships with multiple lending partners



28 Banks  
(undertakes the impact of bank merger)



28 Pension Funds



482 Provident Funds



3 Multilateral Agencies



27 Insurance Companies



Over 2,00,000 Deposit Account



7 Mutual Funds



3 Foreign Portfolio Investors

As on (INR Crore)	Borrowings	Assignment	Total Resource
31-Mar-18	54,268	5,238	59,506
31-Mar-19	72,362	10,699	83,061
31-Mar-20	68,216	15,775	83,991
30-Jun-20	67,283	15,486	82,769

### Credit Rating

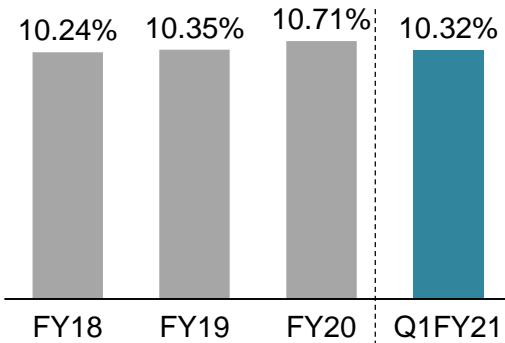
- Fixed Deposit has been rated “FAA+” by CRISIL and “AA” by CARE.
- Commercial Paper is rated at “A1(+)” by CARE & CRISIL and Non-Convertible Debentures (NCDs) are rated “AA” by CARE, India Ratings, CRISIL and ICRA
- Bank Loans (Long Term) is rated at “AA” by CARE and CRISIL

1 Crore = 10 million

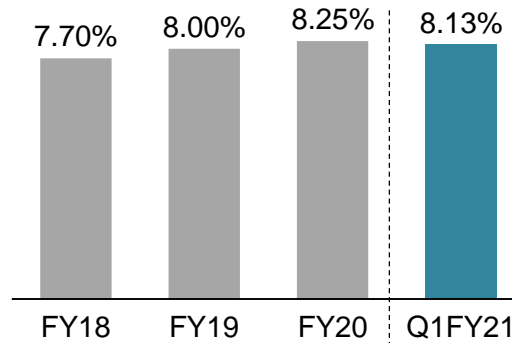
# Margin Analysis



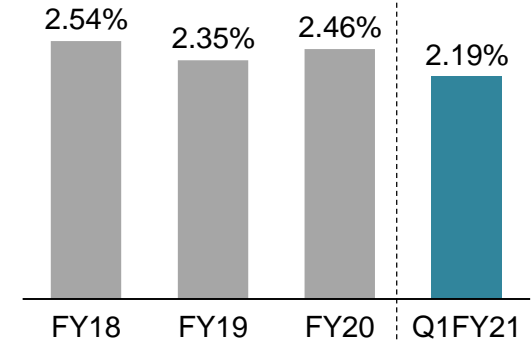
## Average Yield



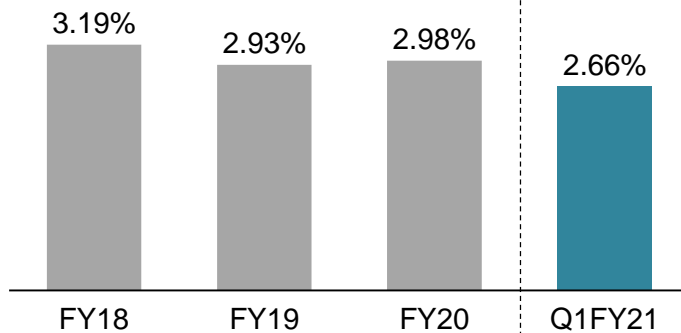
## Average Cost of Borrowings



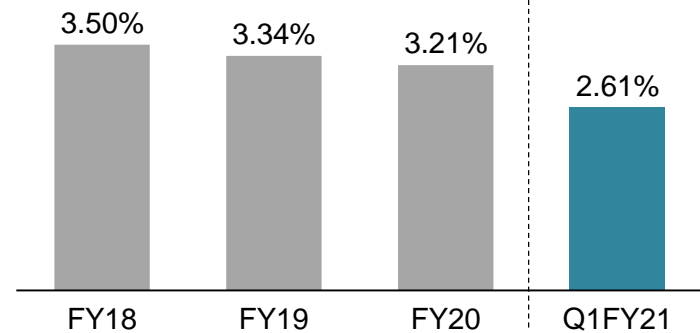
## Spread



## NIM



## Gross Margin

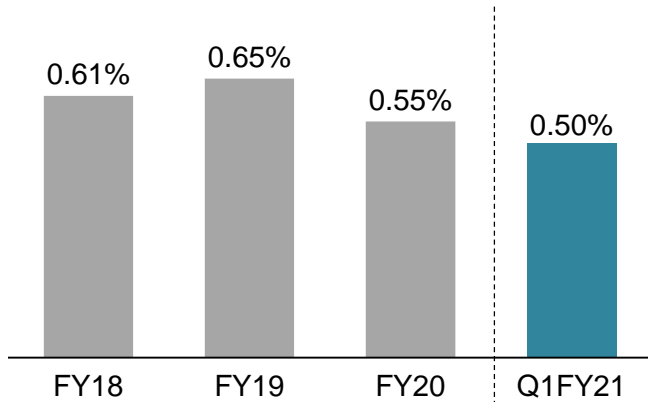


Ratios are calculated on Monthly Average  
Gross Margin is net of acquisition cost  
As per IndAS

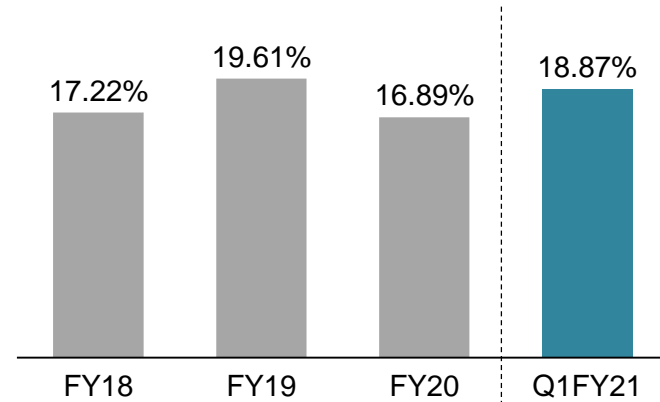
# Operating Leverage and Return Profile



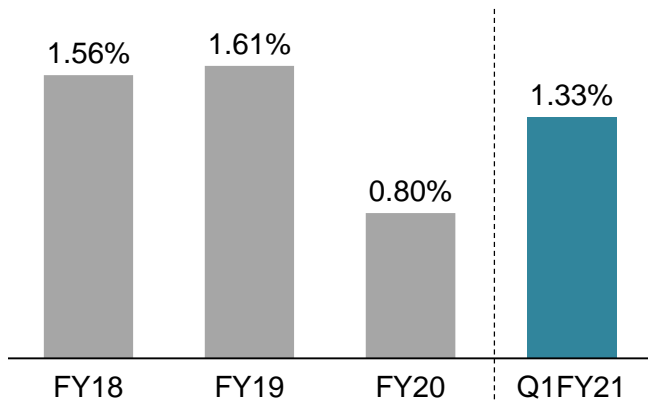
## Opex to ATA Ratio



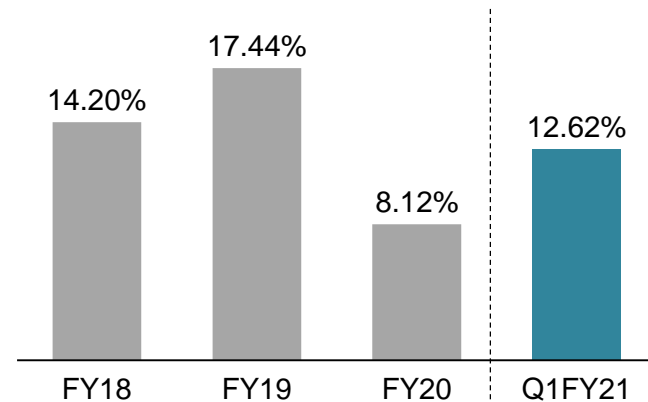
## Cost to Income Ratio



## Return on Asset



## Return on Equity



Ratios are calculated on Monthly Average  
As per IndAS

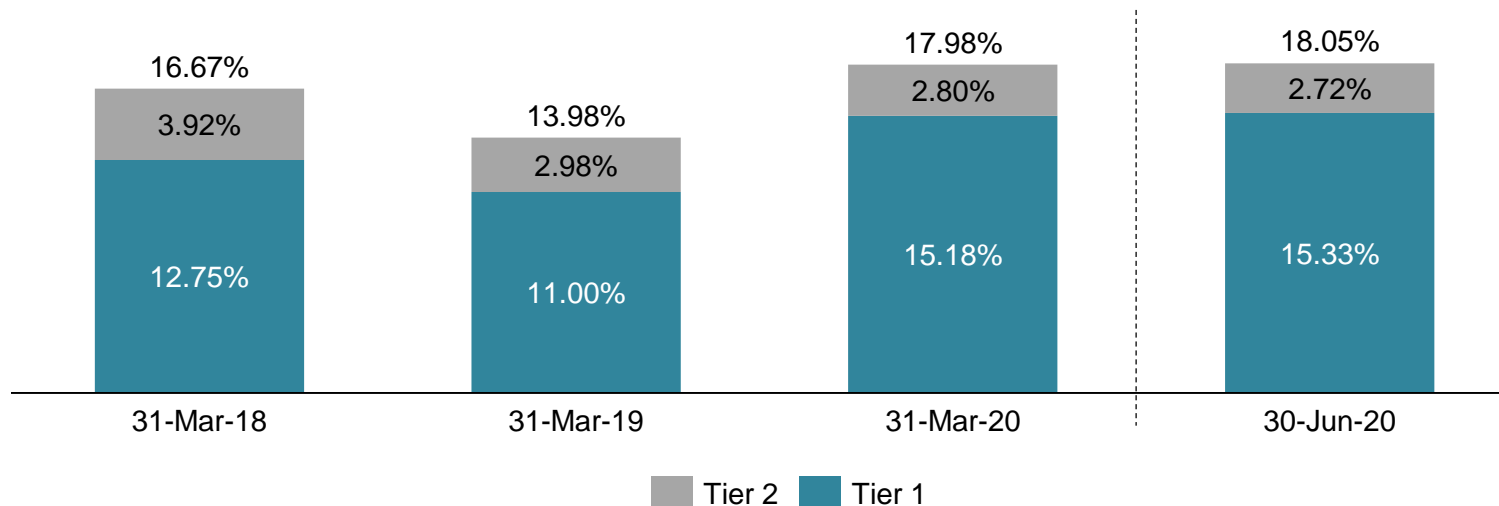
Opex to ATA is calculated as Operating Expenditure(Employee Cost + Other Expenses + Depreciation - Acquisition Cost - ESOP cost - CSR cost)/Average Total Assets as per Balance sheet



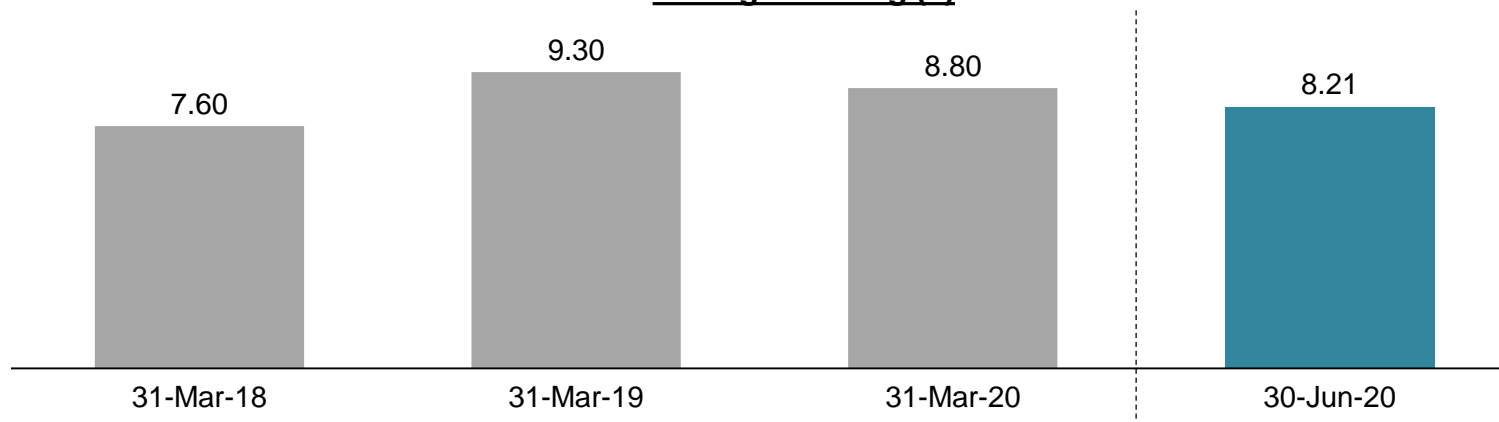
# CRAR and Gearing



## Capital to Risk Asset Ratio\*



## Average Gearing (x)



Ratio is calculated on Monthly Average  
\*Based on IGAAP numbers



## Detailed Financials and Valuations



# Consolidated Profit & Loss Statement



Particulars (INR Crore)	Q1 FY21	Q1 FY20	YoY	Q4 FY20	QoQ	FY20	FY19	YoY
Interest Income	1,801.5	1,979.4		1,802.6		7,688.2	6,792.9	
Add: Net gain on fair value changes	49.8	39.4		62.7		158.6	128.9	
Add: Income on derecognized (assigned) loans	0.0	119.3		2.8		336.2	308.1	
Less: Finance Cost	1,363.5	1,512.7		1,380.0		5,875.0	5,166.4	
<b>Net Interest Income</b>	<b>487.8</b>	<b>625.5</b>	<b>-22%</b>	<b>488.1</b>	<b>0%</b>	<b>2,308.1</b>	<b>2,063.5</b>	<b>12%</b>
Add: Fees and commission Income	18.8	92.8		78.4		298.8	449.4	
Less: Fees and commission expense	0.9	3.5		1.9		8.9	54.6	
Add: Other Income	2.3	1.7		5.4		7.7	3.9	
<b>Gross Income</b>	<b>508.0</b>	<b>716.4</b>	<b>-29%</b>	<b>570.0</b>	<b>-11%</b>	<b>2,605.7</b>	<b>2,462.2</b>	<b>6%</b>
Operating Expenses								
Less: Employee Benefit Expenses	61.0	68.0		35.2		233.1	303.9	
Less: Other Expenses	26.4	53.9		92.6		244.4	203.6	
Less: Depreciation and Amortisation	16.0	16.4		14.5		65.8	31.4	
<b>Operating Profit</b>	<b>404.6</b>	<b>578.2</b>	<b>-30%</b>	<b>427.6</b>	<b>-5%</b>	<b>2,062.4</b>	<b>1,923.3</b>	<b>7%</b>
Less: Impairment on financial instruments & Write-offs (Expected Credit Loss)	75.1	164.2		754.8		1,251.4	188.9	
<b>Profit Before Tax</b>	<b>329.5</b>	<b>414.0</b>	<b>-20%</b>	<b>-327.2</b>	<b>-</b>	<b>811.0</b>	<b>1,734.4</b>	<b>-53%</b>
Tax Expense								
-Current Tax	102.4	138.0		88.0		389.2	503.5	
-Deferred Tax	-30.1	-8.4		-173.2		-224.5	39.4	
Less: Total Tax Expense	72.3	129.6		-85.2		164.8	542.9	
<b>Net Profit after Tax</b>	<b>257.2</b>	<b>284.5</b>	<b>-10%</b>	<b>-242.1</b>	<b>-</b>	<b>646.2</b>	<b>1,191.5</b>	<b>-46%</b>
Add: Other Comprehensive Income	-86.0	27.0		-82.0		-55.3	-102.3	
<b>Total Comprehensive Income</b>	<b>171.2</b>	<b>311.5</b>		<b>-324.0</b>		<b>590.9</b>	<b>1,089.2</b>	
<b>EPS (Basic)</b>	<b>15.3</b>	<b>17.0</b>		<b>-14.39</b>		<b>38.45</b>	<b>71.19</b>	

As per IND AS  
1 Crore = 10 mn

# Consolidated Balance Sheet



	Particulars (INR Crore)	31-Mar-20	31-Mar-19
	<b>LIABILITIES</b>		
<b>1</b>	<b>Financial Liabilities</b>		
(a)	Derivative financial instruments	0.0	210.8
(b)	Payables		
	(l) Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.0	0.0
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	86.9	127.2
(c)	Debt Securities	17,836.5	29,604.9
(d)	Borrowings (Other than Debt Securities)	32,328.1	26,793.2
(e)	Deposits	16,131.9	14,023.0
(f)	Subordinated Liabilities	1,438.6	1,437.7
(g)	Other financial liabilities	1,690.0	2,091.3
	<b>Sub Total - Financial Liabilities</b>	<b>69,512.0</b>	<b>74,288.1</b>
<b>2</b>	<b>Non-Financial Liabilities</b>		
(a)	Provisions	18.9	25.2
(b)	Other non-financial liabilities	1,401.0	2,011.8
	<b>Sub Total - Non-Financial Liabilities</b>	<b>1,420.0</b>	<b>2,037.0</b>
<b>3</b>	<b>EQUITY</b>		
(a)	Equity Share capital	168.2	167.5
(b)	Other Equity	7,829.6	7,376.4
	<b>Equity attributable to equity holders of the parent</b>	<b>7,997.8</b>	<b>7,543.9</b>
	Non-controlling interest		-
	<b>TOTAL – EQUITY &amp; LIABILITIES</b>	<b>78,929.7</b>	<b>83,869.0</b>

	Particulars (INR Crore)	31-Mar-20	31-Mar-19
	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
(a)	Cash and cash equivalents	8,514.3	4,034.0
(b)	Bank Balance other than (a) above	0.1	0.1
(c)	Derivative Financial instruments	125.7	0.0
(d)	Trade Receivables	44.9	38.8
(e)	Loans	66,628.0	74,287.9
(f)	Investments	2,075.7	4,560.7
(g)	Other Financial Assets	701.7	513.0
	<b>Sub Total - Financial Assets</b>	<b>78,090.4</b>	<b>83,434.5</b>
<b>2</b>	<b>Non - Financial Assets</b>		
(a)	Current tax assets (Net)	61.0	115.6
(b)	Deferred tax Assets (Net)	285.9	61.0
(c)	Investment Property	0.6	0.6
(d)	Property, Plant and Equipment	105.3	78.3
(e)	Right of use assets	119.8	0
(f)	Capital work-in-progress	1.23	3.8
(g)	Other Intangible assets	25.4	24.2
(h)	Intangible assets under development	2.8	1.4
(i)	Other non-financial assets	30.7	18.5
(j)	Assets held for sale	206.6	131.1
	<b>Sub Total - Non - Financial Assets</b>	<b>839.3</b>	<b>434.5</b>
	<b>TOTAL - ASSETS</b>	<b>78,929.7</b>	<b>83,869.0</b>

As per IND AS  
1 Crore = 10 mn

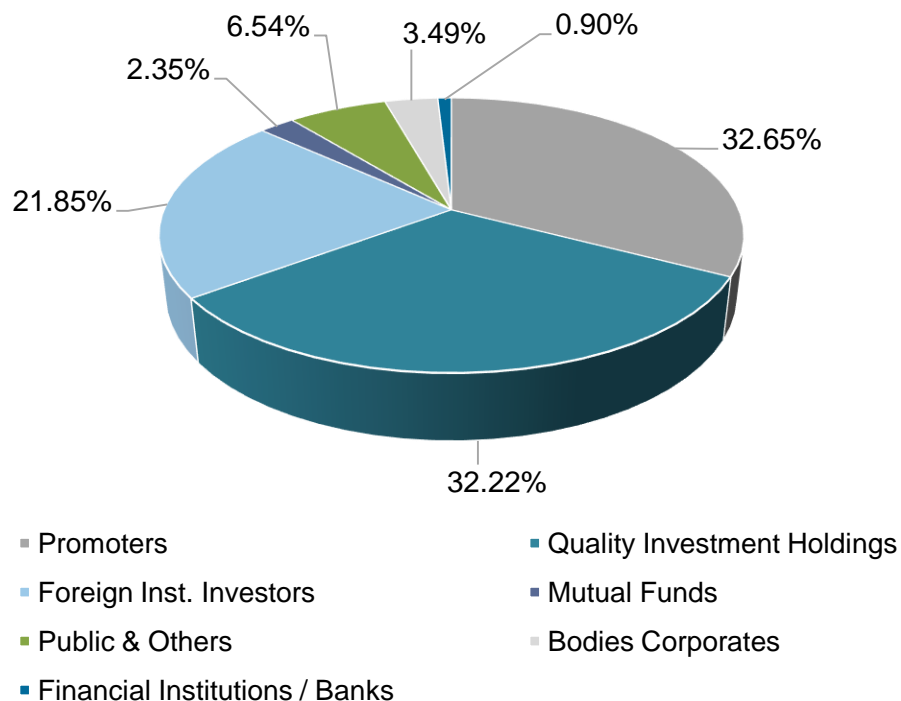


## Shareholding





## Shareholding as on 30-Jun-20



**Outstanding Shares – 16,81,86,908 shares**

### PNB stated position

- Continue to be the promoter of the Company.
- Maintain a minimum shareholding in PNB Housing at 26%.
- PNB Housing Finance shall continue to use the PNB brand.

### Top Shareholders

General Atlantic Singapore Fund, SSG Capital, Franklin Templeton MF, Malabar Investments, Vanguard, HDFC Standard Life Insurance Company, Reliance Capital MF, United India Insurance, ICICI Lombard General Insurance Company Ltd, Edelweiss Trusteeship MF



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



Saksham – Contributing to the Society



# Glimpses of Social Interventions



## Enhancing Human Potential

- Partnered with CREDAI to conduct Onsite & Offsite skill enhancement training for 13,000+ construction workers
- Launched construction worker skills enhancement training in partnership with NAREDCO



## Reaching Out, Reaching Far

- Collaborated with various NGOs & real estate developers to establish 52 day care centres at construction sites where children were provided with health services, education and nutritional food



## Investing in Education

- Adopted two schools with VIDYA to provide quality education to the underprivileged children
- Higher education scholarship program for underprivileged
- In partnership, initiated a badminton training programme for sports development in 20 Government schools



## Improving Access to Health Care

- Supported operational cost to run cancer patient helpline and outreach clinic
- Launched a reproductive health and hygiene programme for young adolescent girls in five villages in UP
- Partnered with HelpAge India for mobile health unit
- Donated advanced equipment to various hospitals



*Incorporated Pehel foundation to implement various CSR programs*

CREDAI: Confederation of Real Estate Developers Association of India, NAREDCO: National Real Estate Development Council)



# Winning Awards & Accolades



Recognized as one of the **Iconic Brands of India for 2020** by The Economic Times



Won **Gold Award for Annual Report FY2018-19** at the 10th Public Relations Council of India (PRCI) Excellence Awards in Bengaluru



Won the **Gold award** at Outlook Money Awards 2019 under the '**Home Loan (overall) Provider of the Year**' category



Won the **Gold Award at the League of American Communications Professionals LLC (LACP) Vision Awards 2018-19** for the Annual Report and has been ranked 37th among top 100 Annual Reports worldwide



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



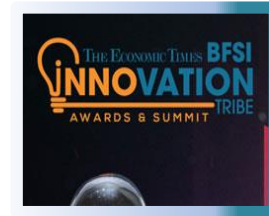
Awarded for **Excellence in Project Management 2019** by Talisma(leading provider of digital customer) amongst 1,700 existing clients



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.



Conferred bronze award at the SKOCH Awards 2018. The award was felicitated for **µConnect**, a collaborative service platform for underwriting partners.



Management Team...



# ...with Extensive Industry Experience



Age : 62 Years  
No. of Years with  
PNBHF : 1\*\* Year  
Prior Engagements :  
State Bank of India

**Neeraj Vyas**  
**Managing Director & CEO\***



Age : 54 Years  
No. of Years with  
PNBHF : 7 Years  
Prior Engagements :  
Religare Finvest Ltd  
GE Money Indiabulls  
Financial Services

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



Age : 58 Years  
No. of Years with  
PNBHF : 9 Years  
Prior Engagements : HDFC  
Standard Life Insurance, Union  
National Bank, ICICI Bank

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



Age : 47 Years  
No. of Years with  
PNBHF : 2 Years  
Prior Engagements :  
Xander Finance, Au  
Small Finance Bank,  
ICICI Prudential Life  
Insurance, Deutsche  
Bank

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



Age : 56 Years  
No. of Years with  
PNBHF : 25 Years

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



Age : 53 Years  
No. of Years with  
PNBHF : 8 Years  
Prior Engagements :  
ARMS (Arcil)  
Indian Army

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

\* interim, \*\*as Independent Director on Board

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



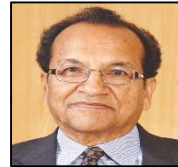
**Sh CH. S. S. Mallikarjuna Rao**  
Non Executive Chairman

Age: 58 Years  
MD & CEO of PNB



**Sunil Kaul**  
Non Executive Director

Age: 60 Years  
MD, Carlyle  
Head, SE Asia, FIG,  
Carlyle



**Shital Kumar Jain**  
Independent Director

Age: 80 Years  
Former Banker & Credit  
Head India, Citi



**Gourav Vallabh**  
Independent Director

Age: 42 Years  
Professor of Finance,  
XLRI



**R Chandrasekaran**  
Independent Director

Age: 62 Years  
Founder and Former  
Executive Vice  
Chairman,  
Cognizant



**Nilesh S. Vikamsey**  
Independent Director

Age: 55 Years  
Sr. Partner, Khimji  
Kunverji and Co  
Past President-ICAI



**Ashwani Kumar Gupta**  
Independent Director

Age: 65 Years  
Financial Consultant



**Shubhalakshmi Panse**  
Independent Director

Age: 66 Years  
Former Banker, CMD,  
Allahabad Bank



**Tejendra Mohan Bhasin**  
Independent Director

Age: 64 Years  
Former CMD Indian  
Bank



**Neeraj Vyas**  
Managing Director & CEO\*

Age: 62 Years  
MD & CEO, PNB  
Housing Finance

\* interim

# Corporate Governance



## Board of Directors

It has 10 members, 1 non-executive chairman, 1 non-executive director, 7 independent directors and Managing Director

## Audit Committee (ACB)

It has 3 members, all are independent directors

## Risk Management Committee (RMC)

It has 5 members, 2 are independent directors, 2 are non-executive directors and Managing Director

## Credit Committee of the Board (CCB)

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

## Nomination and Remuneration Committee (NRC)

It has 4 members, 2 are independent directors and 2 are non-executive directors

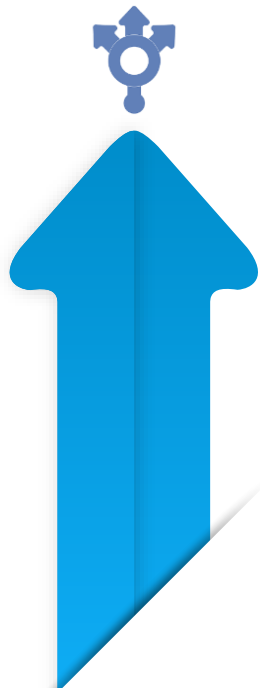
## Stakeholders Relationship Committee (SRC)

It has 5 members, 2 are independent directors, 2 are non-executive directors and Managing Director

## Corporate Social Responsibility Committee (CSR)

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

# Key Takeaways



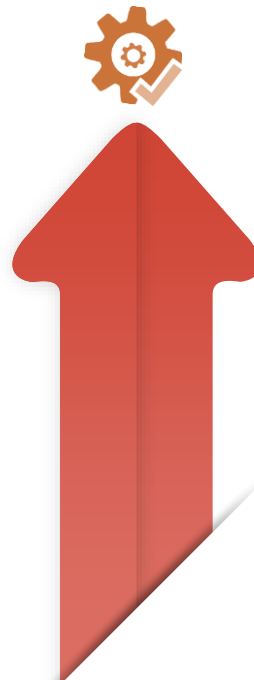
Wide Spread Retail Distribution Network and Unique Operating Model

Wide spread retail distribution network with pan India presence and over 22,000 channel partners across India



Focus on Retail

Focus on Retail business with 82% of the AUM as retail as on 30<sup>th</sup> June 2020



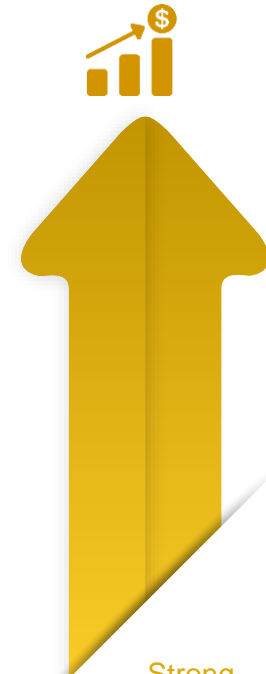
Diversified Borrowing Mix with balanced ALM

Diverse funding mix with average cost of borrowing at 8.13%<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 Q1FY21



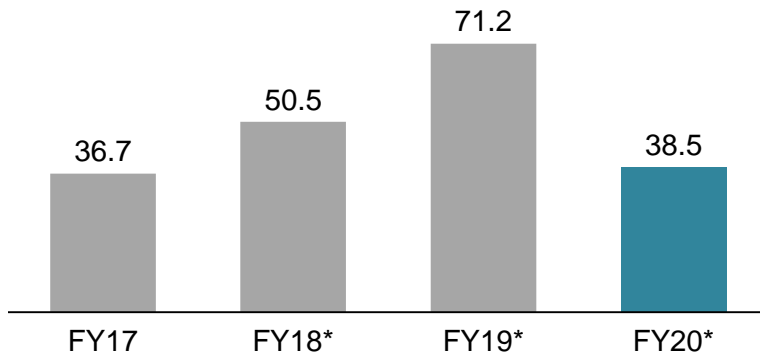
## Annexure



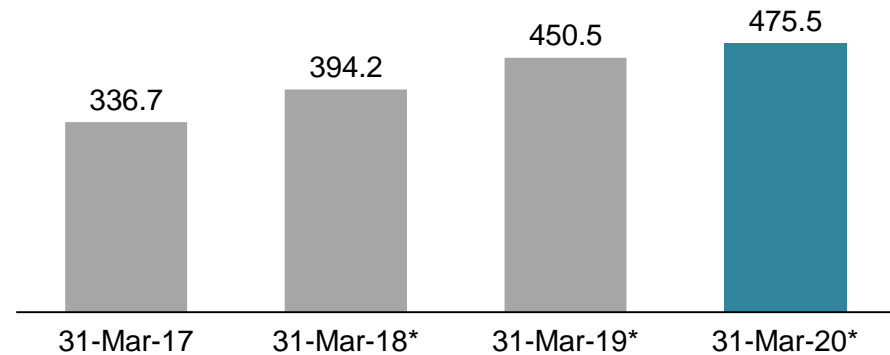
# Return to Shareholders



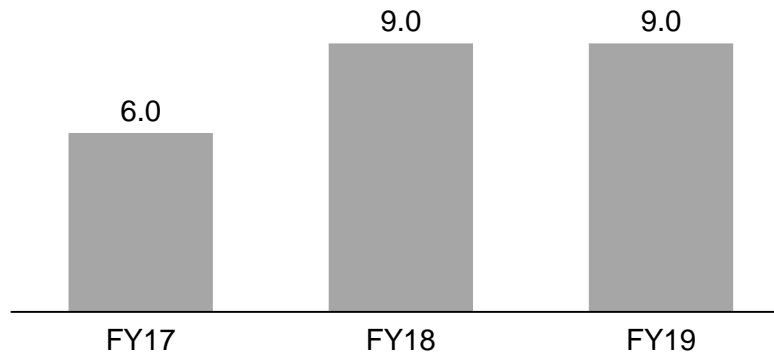
## Earnings Per Share (INR)



## Book Value Per Share (INR)



## Dividend Per Share (INR)



Considering the current economic scenario and in order to conserve capital, the Company has not declared dividend for FY19-20

\*As per IND AS

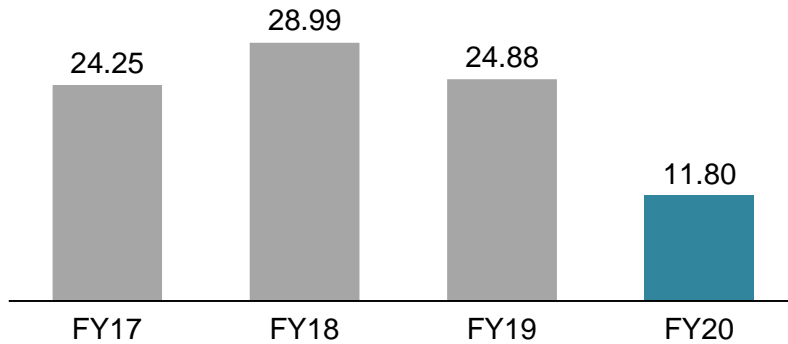


# Employee Efficiency

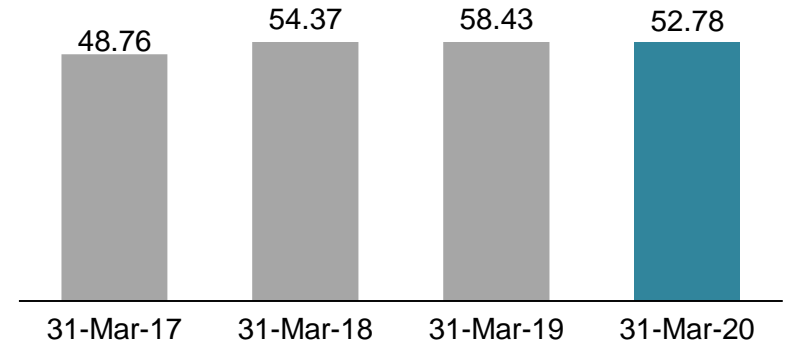


(INR Crore)

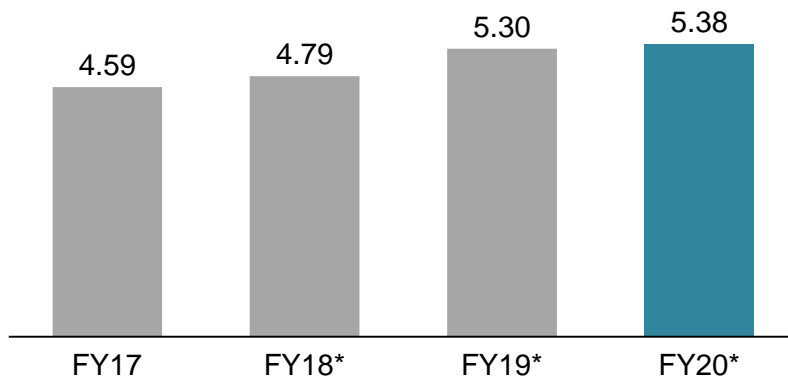
## Disbursement / Employee



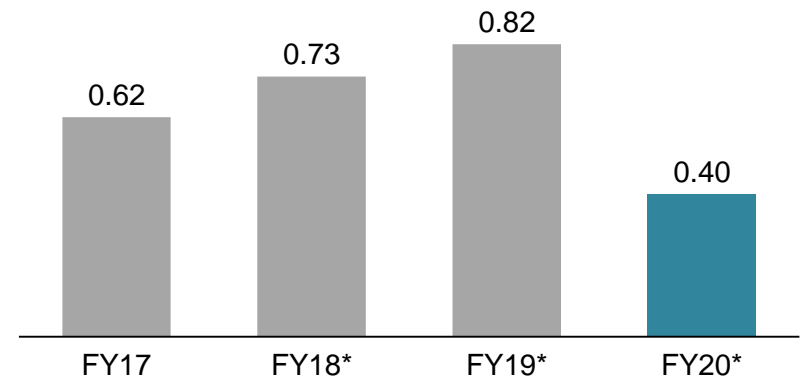
## Asset under Management / Employee



## Total Revenue / Employee



## Profitability / Employee



Calculated on average number of employee for the year  
Average no. of employee for FY20: 1,579

1 Crore = 10 mn  
\*As per IND AS

# 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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