



October 27, 2022

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

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

Dear Sir,

Sub: Investor Presentation for the Quarter and Half Year ended September 30, 2022

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find attached herewith the Investor Presentation of the Company for the Quarter and Half Year ended September 30, 2022.

A copy of the same is placed on the website of the Company <https://www.pnbhousing.com/>

This is for your information and records.

Thanking You

For **PNB Housing Finance Limited**

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



Investor Presentation

Quarter Ended September 2022

27-October-2022

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Accelerate growth by focussing on Retail Lending by leveraging our expertise in retail loan segment

2



Expand affordable Housing loan offering

3



Enhance underwriting and collection efficiencies and improve the credit quality of the portfolio

4



Drive growth through digitisation to enhance efficiencies across verticals

5



Strengthen our capital position and risk management capabilities

Key Performance Highlights



Disbursement

Retail Segment

INR 6,992 Crore (H1 FY23)

(54.4% YoY)

INR 3,528 Crore (Q2 FY23)

(24.5% YoY | 3.9% QoQ)

Corporate Segment

INR 123 Crore (H1 FY23)

(-48.0% YoY)

INR 67 Crore (Q2 FY23)

(-48.0% YoY | 20.2% QoQ)



Loan Book

INR 52,124 Crore

(4.1% YoY | 2.0% QoQ)

INR 5,708 Crore

(-44.3% YoY | -7.6% QoQ)



GNPA

3.39% (30-Sep-22) vs 3.73% (30-Jun-22)

30.37% (30-Sep-22) vs 28.03% (30-Jun-22)

Key Performance Highlights

Disbursement



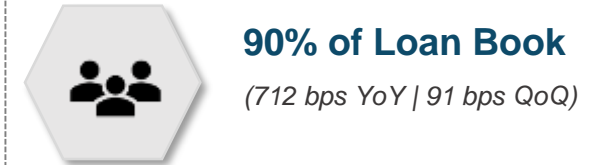
AUM



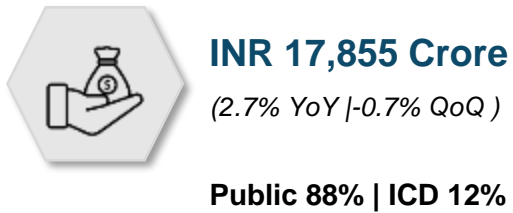
Loan Book



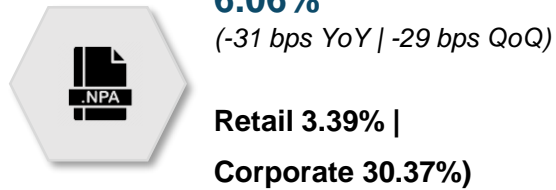
Retail Loan Book



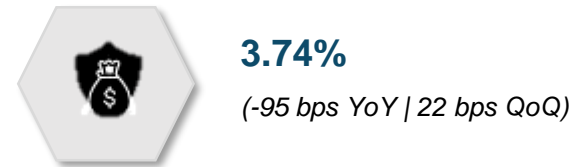
Deposits



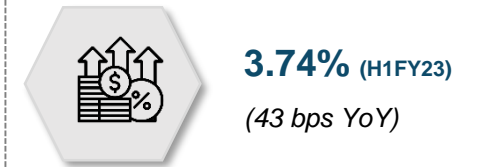
GNPA



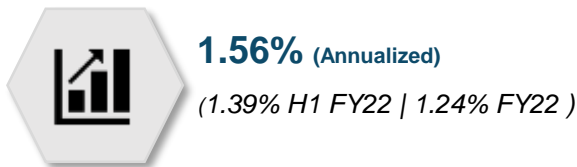
Total Provision/ Total Assets



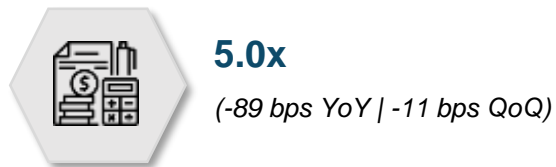
Gross Margin



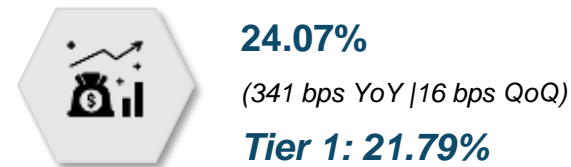
ROA



Gearing Ratio



Capital to Risk Asset Ratio



Book Value per Share

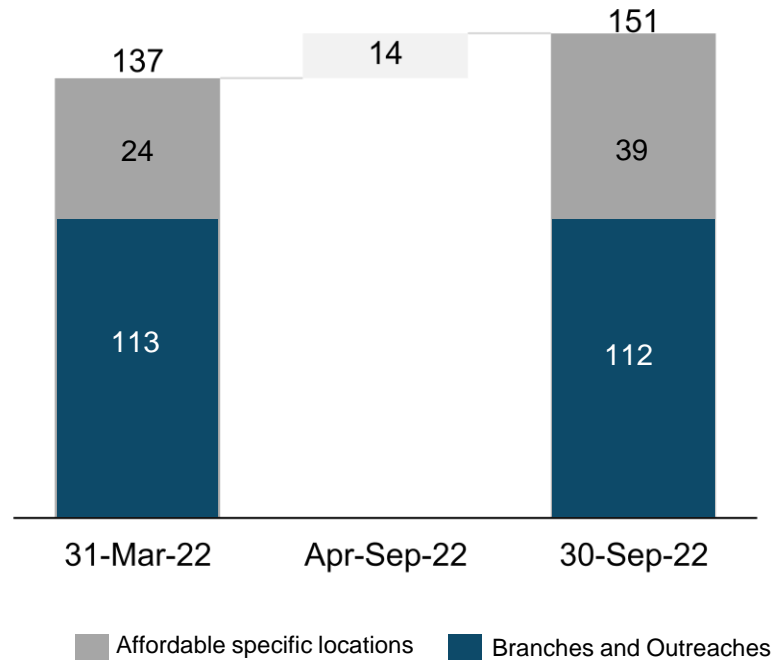
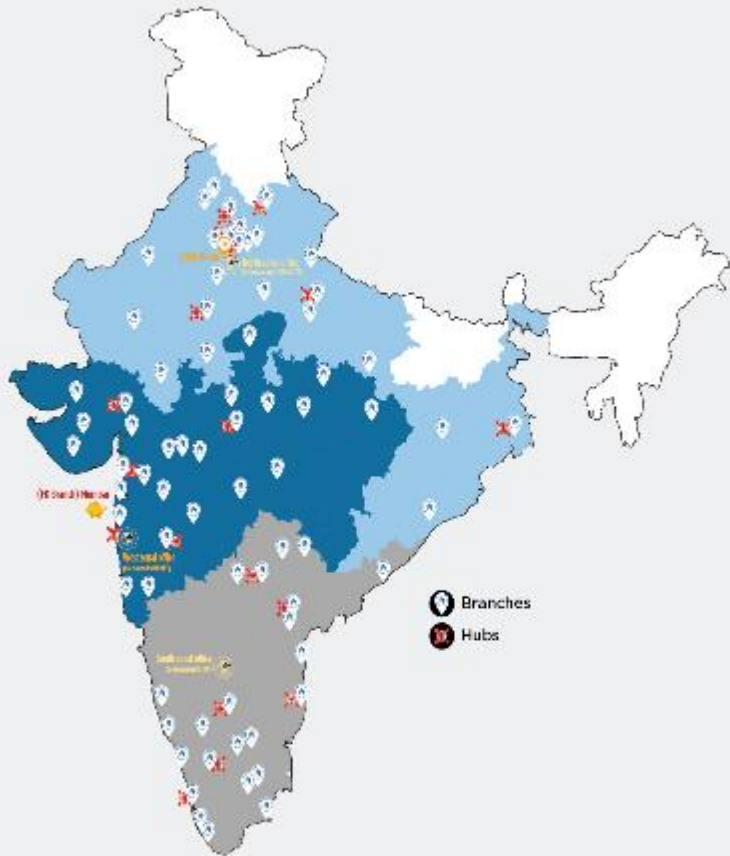


As per IndAS

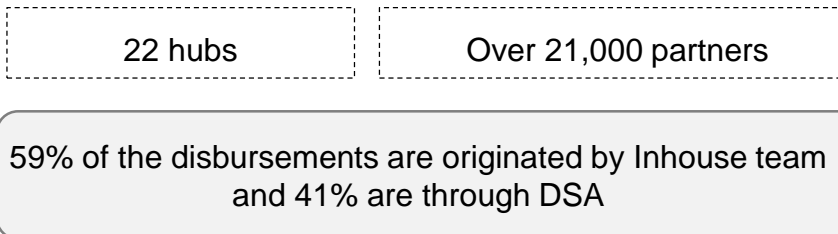
Data as on 30-Sep-2022

Wide Distribution Network

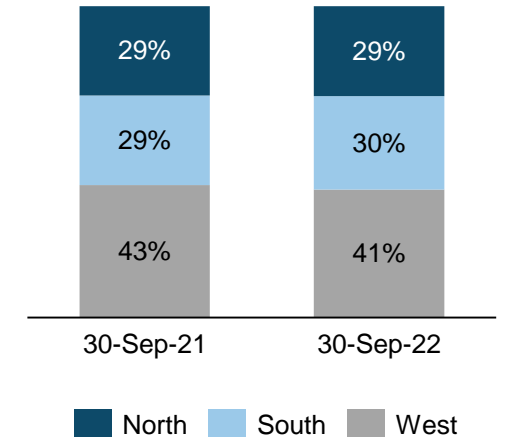
OUR OFFICE NETWORK



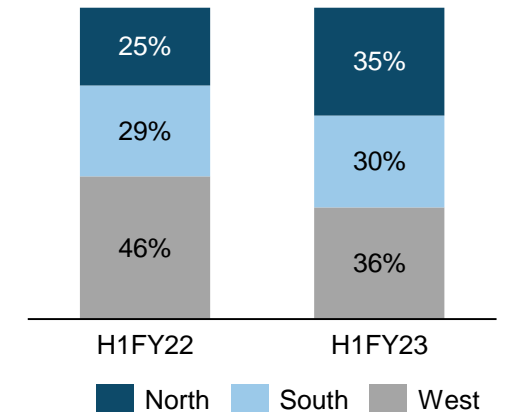
Network



AUM – Geographical Breakup



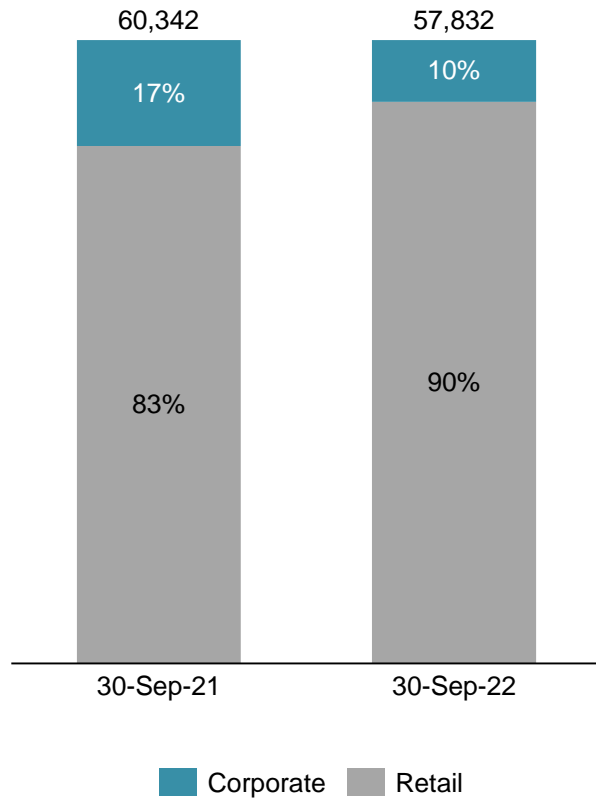
Disbursement Geographical Break-up



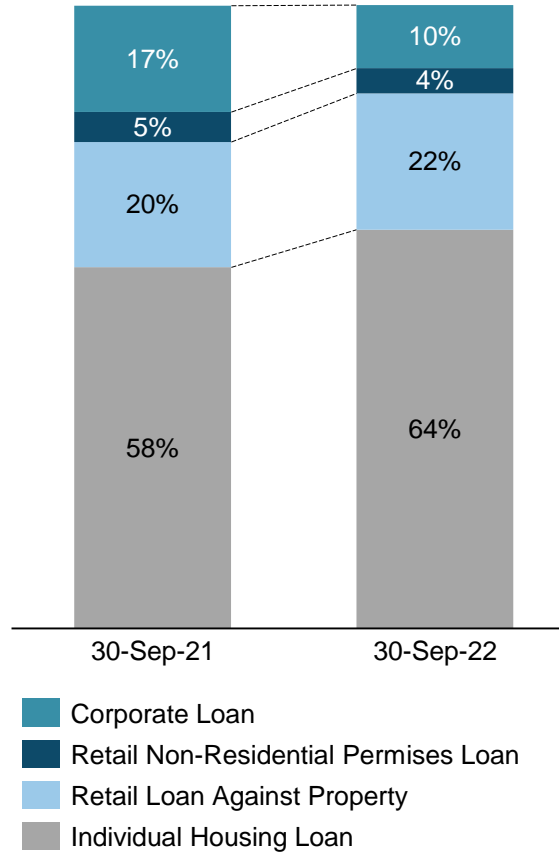
Improved Retail contribution in Loan Asset

(INR Crore)

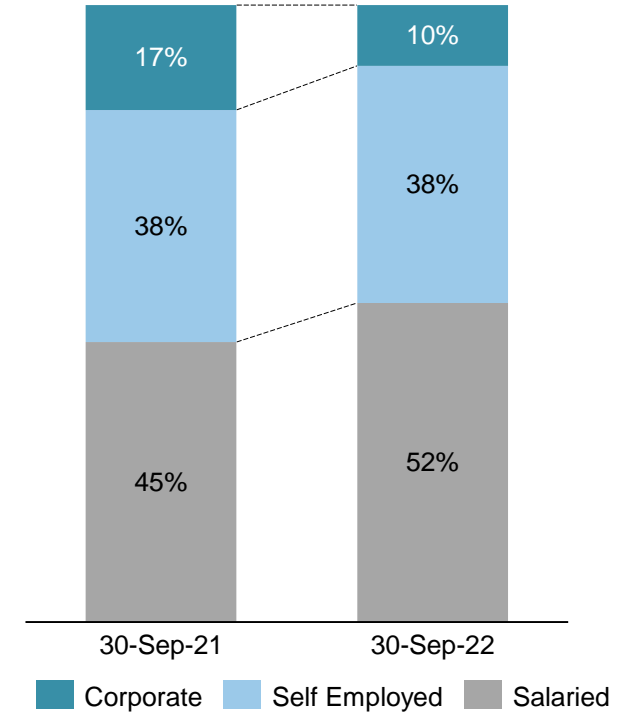
Loan Asset Mix



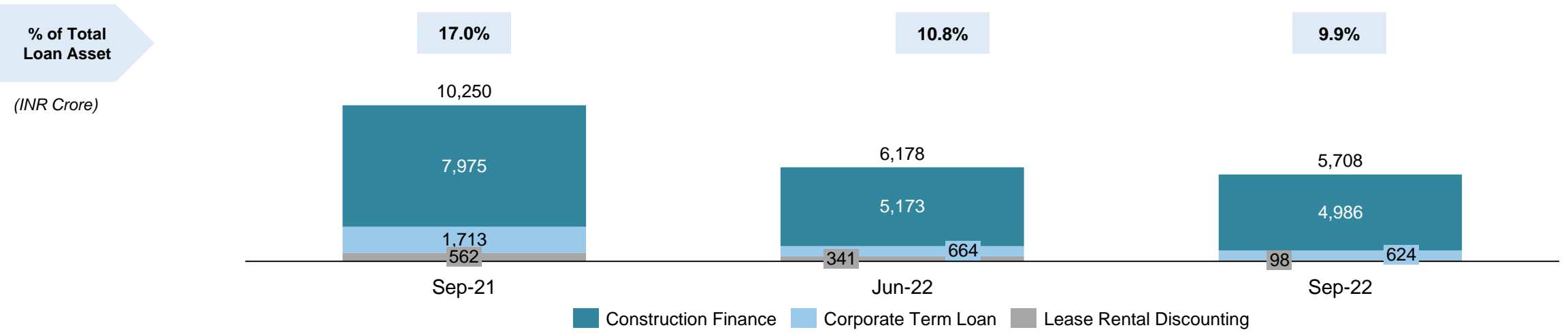
Product-wise Break-up



Segment-wise Breakup

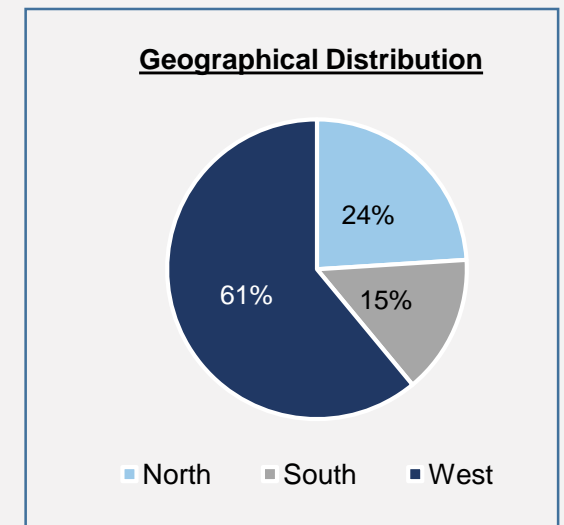
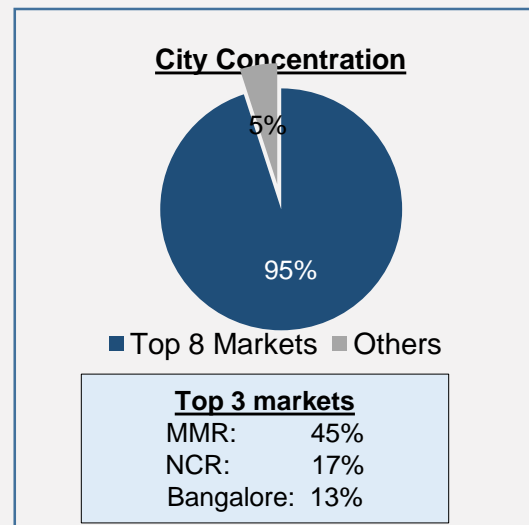


Significant Reduction in Corporate Book



Average Ticket Size (Unique Corporate Houses)

| Product Segment | ATS (INR Crore) |
|--------------------------|-----------------|
| Construction Finance | 224 |
| Corporate Term Loan | 107 |
| Lease Rental Discounting | 38 |

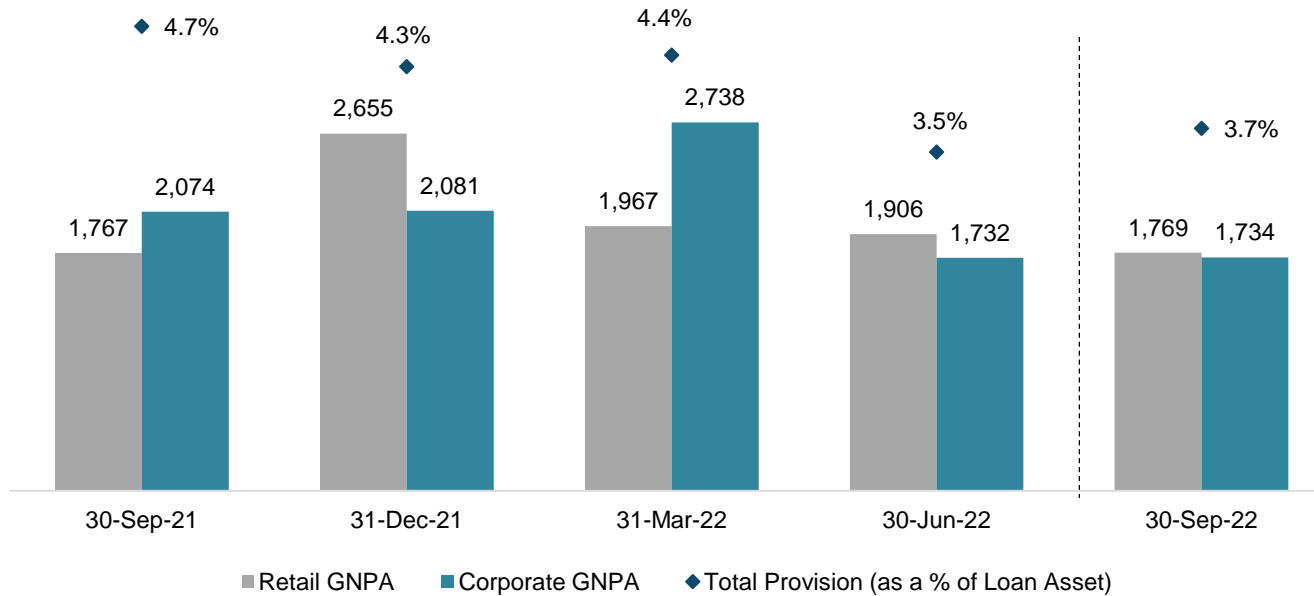


Non-Performing Assets

| | 30-Sep-21 | 31-Dec-21 | 31-Mar-22 | 30-Jun-22 | 30-Sep-22 |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Gross NPA | 3,842 | 4,736 | 4,705 | 3,638 | 3,502 |
| Loan Asset (IndAS) | 60,342 | 57,815 | 57,863 | 57,287 | 57,832 |
| Gross NPA (%) | 6.37% | 8.19% | 8.13% | 6.35% | 6.06% |
| Net NPA (%) | 3.81% | 5.46% | 5.06% | 4.26% | 3.59% |

(INR Crore)

| As on 30-Sep-22 | INR Crore |
|-----------------|-----------|
| Gross NPA | 3,502 |
| ECL Provision | 2,162 |



- Total provision to total asset at 3.74%
- Retail Collection Efficiency for Q2 FY23 is 98.8% vs 97.7% in Q1 FY23
- Covid Restructured loans of INR 2,147 Crore as on 30-Sep-22

As per IND-AS

Consolidated Numbers

NPA as a % of Loan Asset

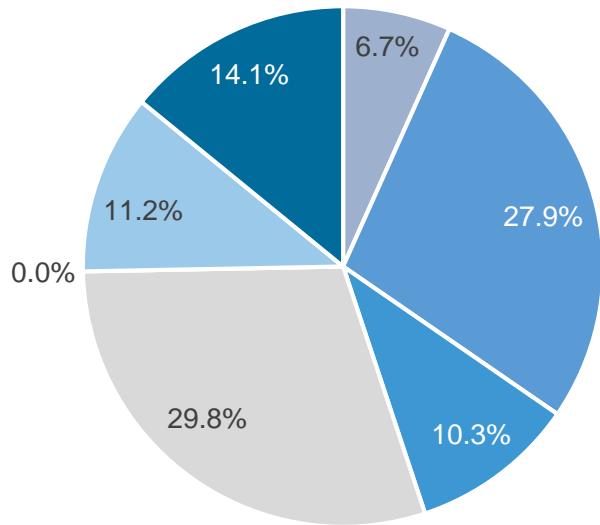
Expected Credit Loss (ECL) Provisions

| Particulars (INR Crore) | 30-Sep-22 | 30-Jun-22 | 30-Sep-21 |
|---|---------------|---------------|---------------|
| Gross Stage 1* | 52,438 | 51,554 | 52,677 |
| Gross Stage 1 as % to Loan Asset | 90.67% | 89.99% | 87.30% |
| ECL Provision Stage 1 | 539 | 600 | 699 |
| ECL Provision % Stage 1 | 1.03% | 1.16% | 1.33% |
| Gross Stage 2* | 1,892 | 2,095 | 3,824 |
| Gross Stage 2 as % to Loan Asset | 3.27% | 3.66% | 6.34% |
| ECL Provision Stage 2 | 199 | 217 | 585 |
| ECL Provision % Stage 2 | 10.50% | 10.36% | 15.31% |
| Gross Stage 3 | 3,502 | 3,638 | 3,842 |
| Gross Stage 3 as % to Loan Asset | 6.06% | 6.35% | 6.37% |
| ECL Provision Stage 3 | 1,425 | 1,199 | 1,543 |
| ECL Provision % Stage 3 | 40.69% | 32.95% | 40.17% |
| Total Assets | 57,832 | 57,287 | 60,342 |
| ECL Provision | 2,162 | 2,016 | 2,827 |
| Total ECL Provision / Total Assets (%) | 3.74% | 3.52% | 4.69% |

Financial Performance

Well Diversified Resource Profile

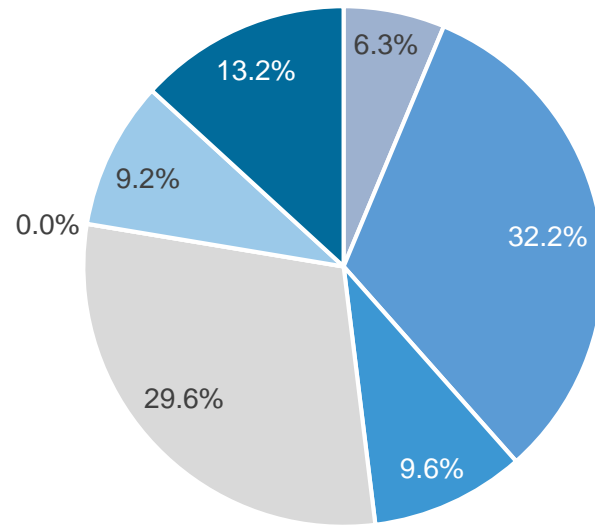
Funding Mix – 30-Jun-22 (%)



- NHB Refinance
- Loan from Banks
- ECBs
- Deposits
- CP
- NCDs
- Direct Assignment

Borrowings INR 51,845 Crore | Total Resource INR 60,334 Crore

Funding Mix – 30-Sep-22 (%)



- NHB Refinance
- Loan from Banks
- ECBs
- Deposits
- CP
- NCDs
- Direct Assignment

Borrowings INR 52,341 Crore | Total Resource INR 60,294 Crore

Credit Rating

- Fixed Deposit: “AA” by CRISIL and CARE.
- Commercial Paper: “A1(+)” by CARE & CRISIL
- Non-Convertible Debentures: “AA” by CARE, India Ratings, CRISIL and ICRA
- Bank Loans (Long Term): “AA” by CARE and CRISIL

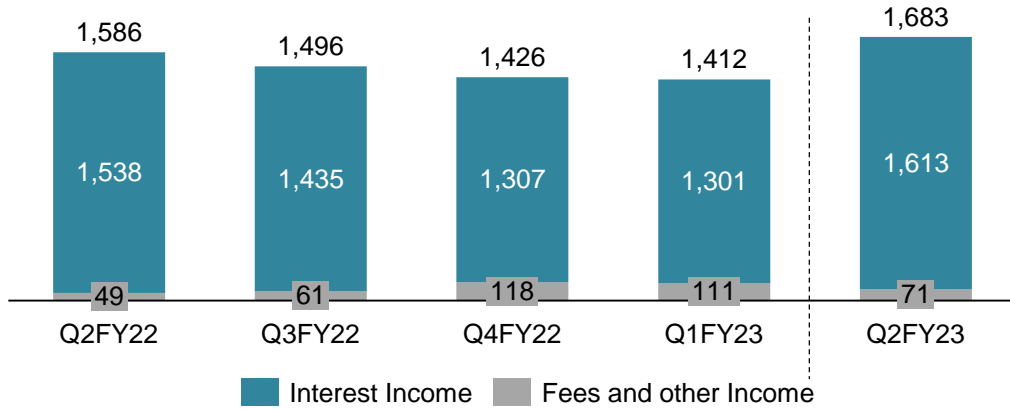
- 65% of the total borrowings is floating; giving opportunity for replacement & repricing
- Liquidity Coverage Ratio maintained at 109% as against stipulated 50%

CRISIL has revised NCD outlook to Stable from Negative

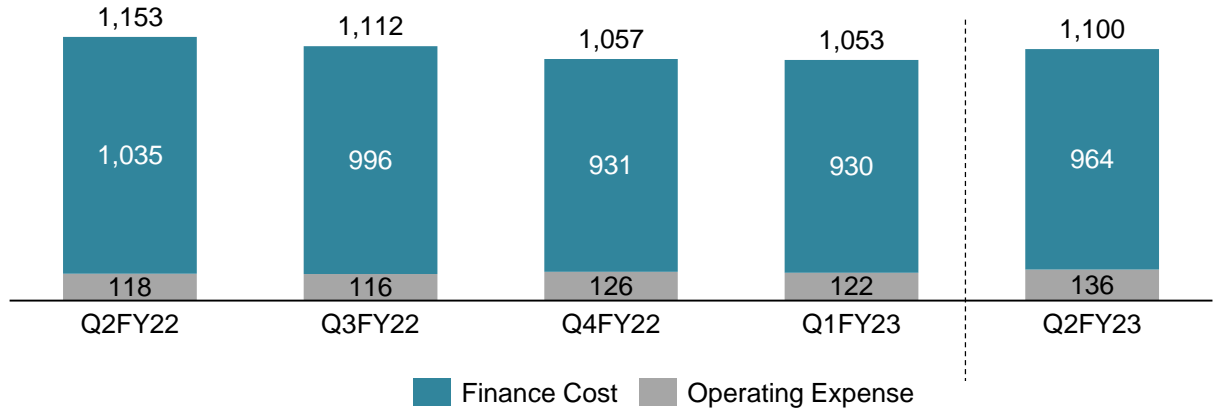
Financial Highlights – Quarter on Quarter

(INR Crore)

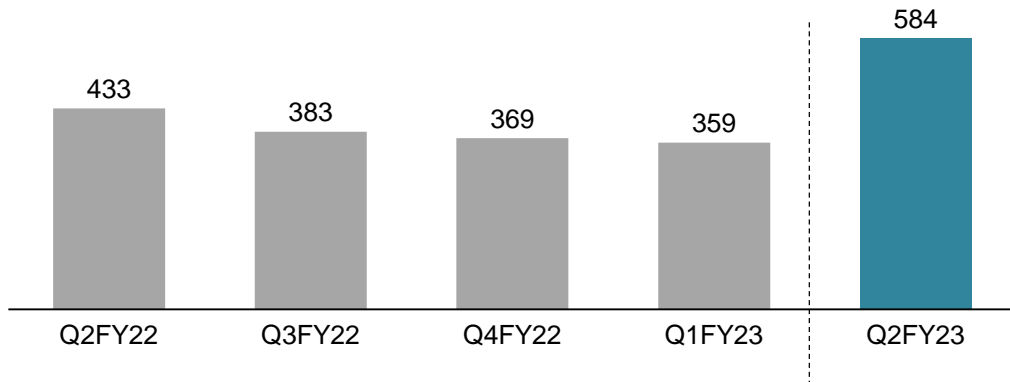
Revenue



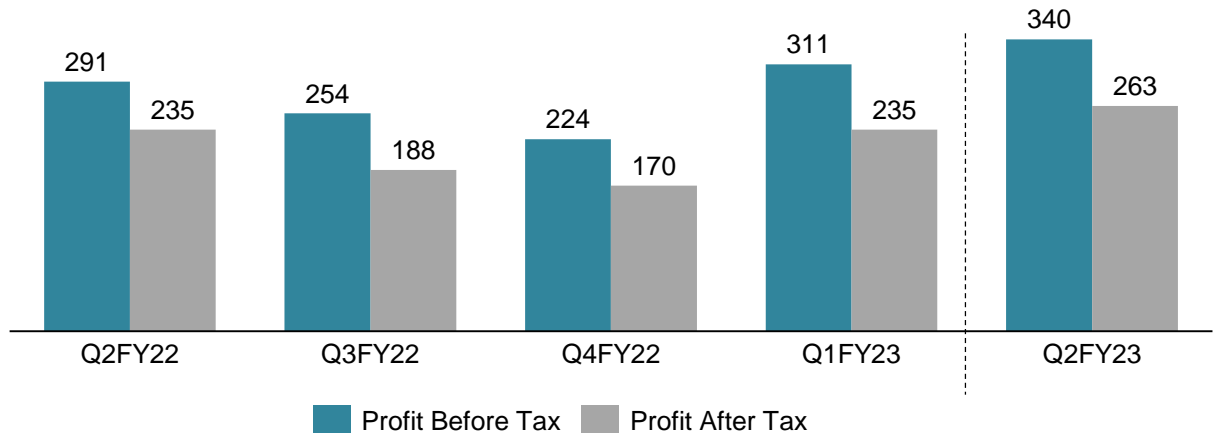
Expense



Pre-provision Operating Profit

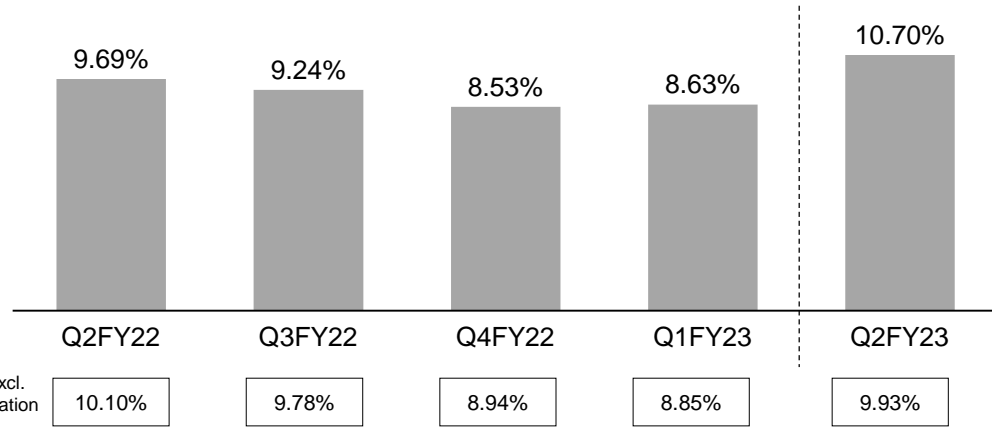


Profit Before Tax & Profit After Tax



Financial Ratio Highlights – Quarter on Quarter

Average Yield



Yield (Excl. Securitisation Income)

10.10%

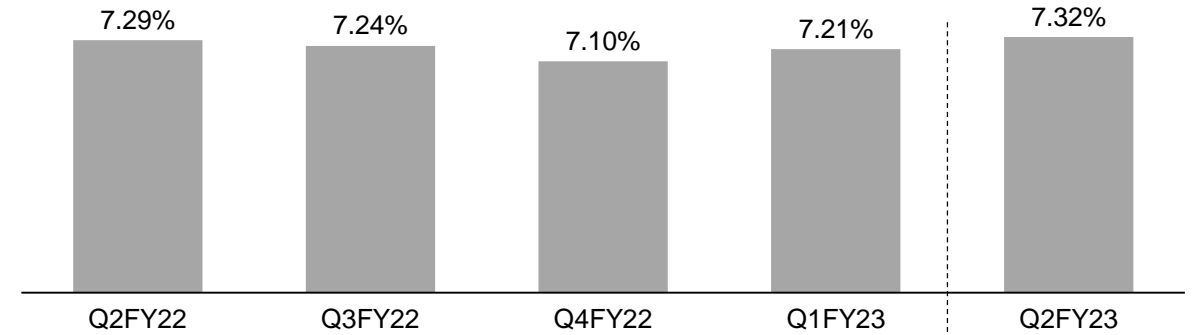
9.78%

8.94%

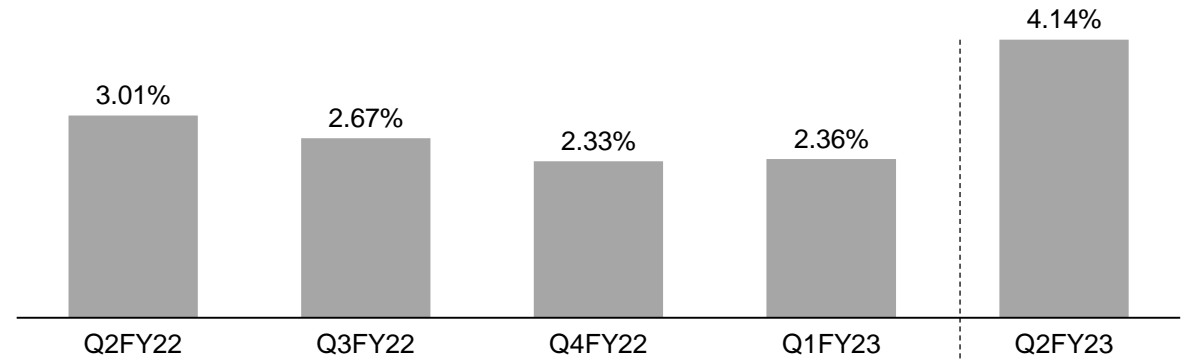
8.85%

9.93%

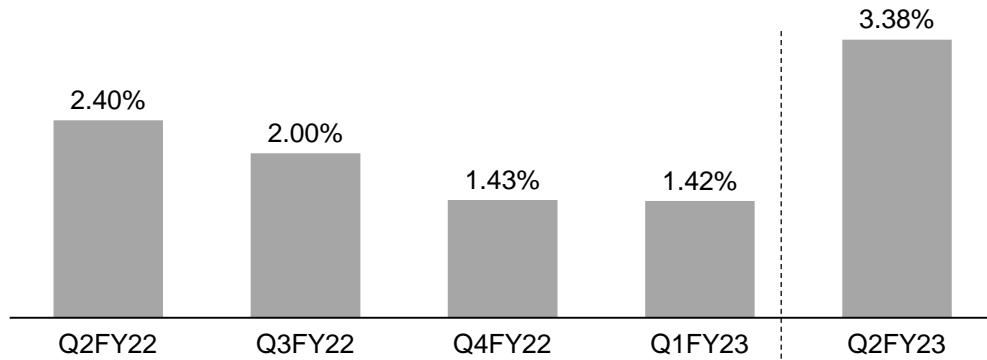
Average Cost of Borrowing



Net Interest Margin



Spread



Spread (Excl. Securitisation Income)

2.81%

2.54%

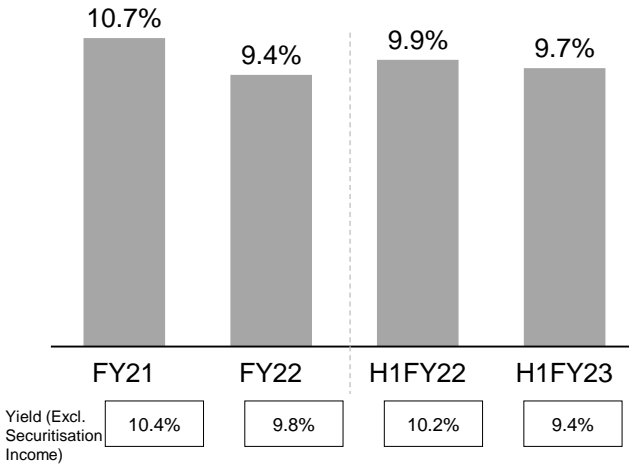
1.84%

1.64%

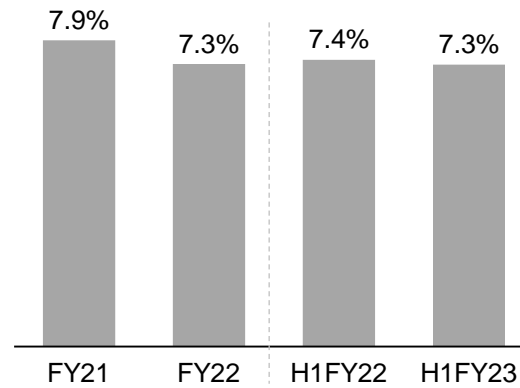
2.61%

Margin Analysis - Annual

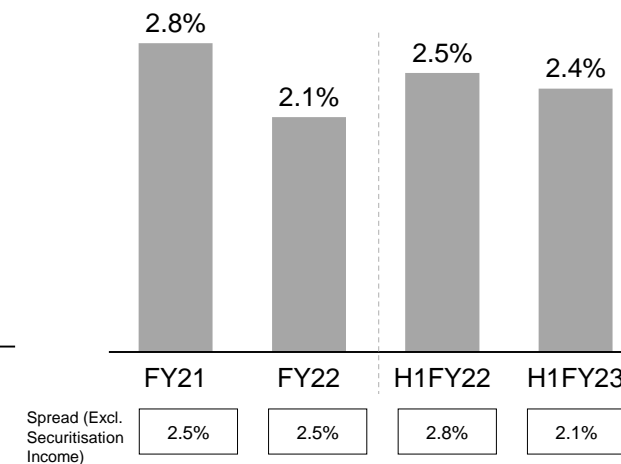
Average Yield



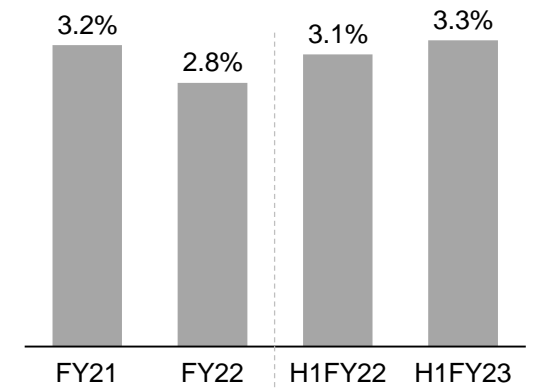
Average Cost of Borrowings



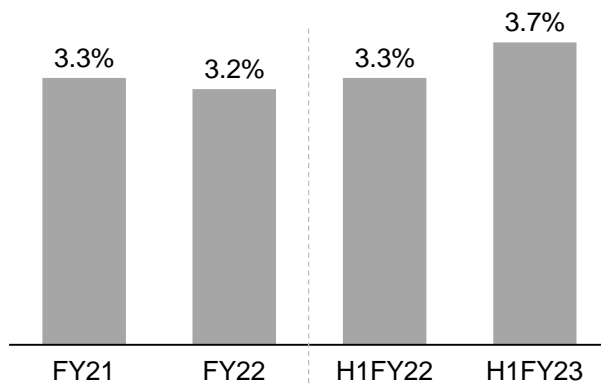
Spread



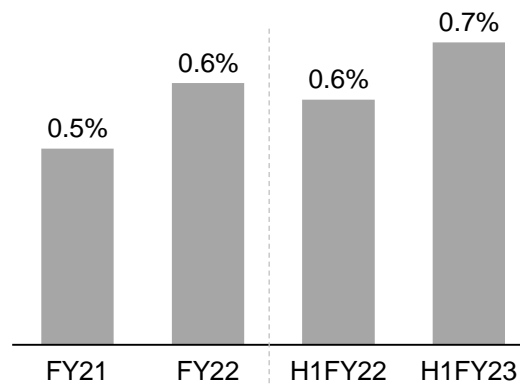
Net Interest Margin



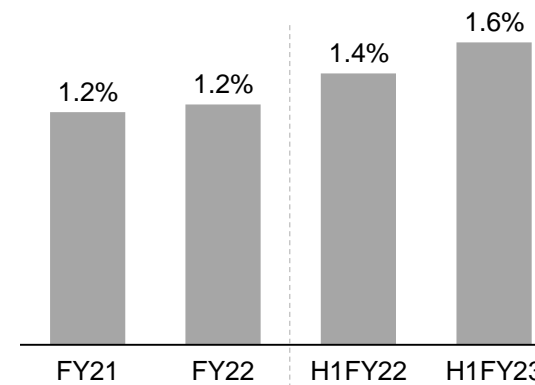
Gross Interest Margin



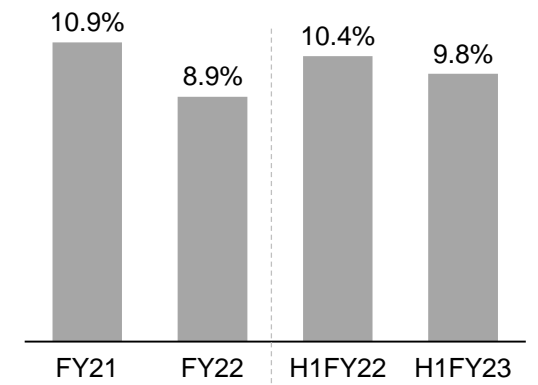
Opex to ATA Ratio



Return on Asset



Return on Equity

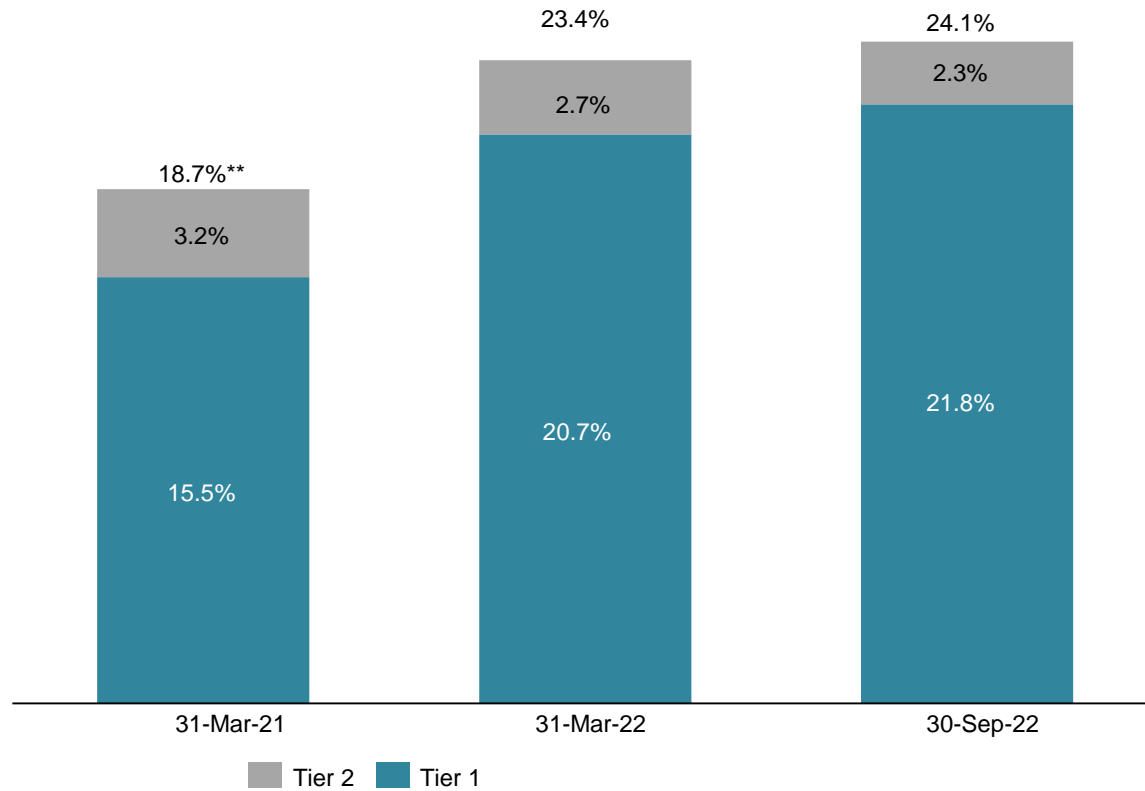


Ratios are calculated on Monthly Average
Gross Interest Margin is net of acquisition cost

Capital Position

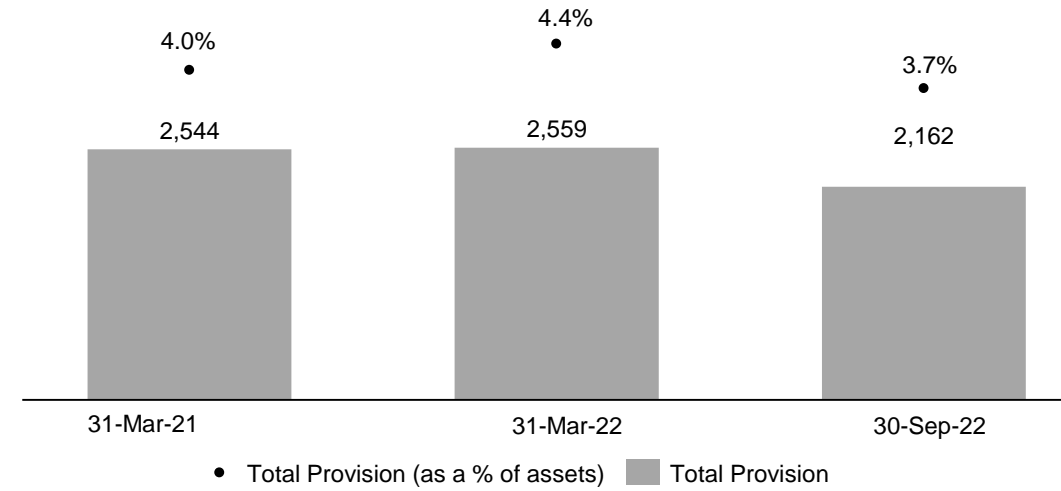
(INR Crore)

Capital to Risk Asset Ratio

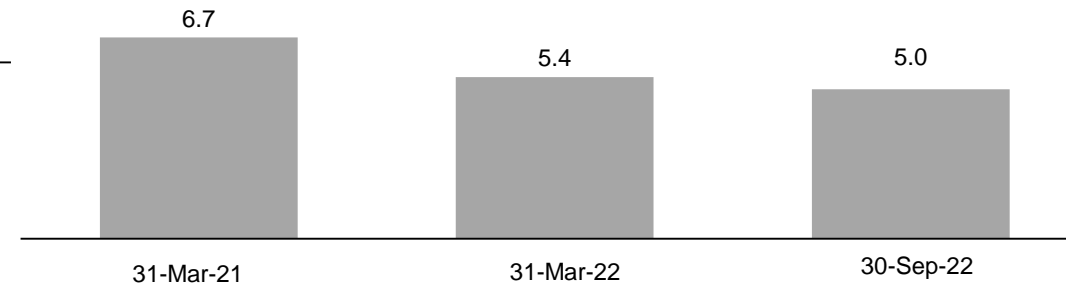


**Adjusted for deposits with companies in same group, which gets deducted from Net owned Funds, the CRAR would have been 20.6%.

Provisions



Gearing (x)



Consolidated Profit & Loss Statement

| Particulars (INR Crore) | Q2 FY23 | Q2 FY22 | YoY | Q1 FY23 | QoQ | H1FY23 | H1 FY22 | YoY | FY22 | FY21 | FY20 |
|---|------------|------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Interest Income | 1,598 | 1,500 | | 1,299 | | 2,896 | 3,111 | | 5,822 | 7,190 | 7,688 |
| Add: Net gain on fair value changes | 6 | 38 | | - | | 6 | 80 | | 111 | 162 | 159 |
| Add: Income on derecognized loans assigned during the period | 9 | - | | 2 | | 11 | - | | - | 71 | 336 |
| Less: Finance Cost | 964 | 1,035 | | 930 | | 1,894 | 2,138 | | 4,064 | 5,100 | 5,875 |
| Net Interest Income | 649 | 503 | 29.0% | 370 | 75.1% | 1,019 | 1,053 | -3.3% | 1,869 | 2,323 | 2,308 |
| Net Fees and other Income | 69 | 48 | | 108 | | 177 | 86 | | 256 | 190 | 298 |
| Gross Income | 718 | 551 | 30.3% | 478 | 50.1% | 1,196 | 1,139 | 5.0% | 2,125 | 2,513 | 2,606 |
| Operating Expenses | | | | | | | | | | | |
| Less: Employee Benefit Expenses | 68 | 57 | | 61 | | 130 | 112 | | 217 | 211 | 233 |
| Net loss on fair value changes | -1 | - | | 1 | | - | - | | - | - | - |
| Less: Other Expenses | 54 | 48 | | 44 | | 98 | 93 | | 195 | 173 | 245 |
| Less: Depreciation and Amortisation | 13 | 13 | | 13 | | 26 | 26 | | 53 | 59 | 66 |
| Operating Profit | 584 | 433 | 34.8% | 359 | 62.4% | 943 | 908 | 3.9% | 1,660 | 2,069 | 2,062 |
| Less: Impairment on financial instruments & Write-offs (Expected Credit Loss) | 243 | 142 | | 48 | | 292 | 301 | | 576 | 862 | 1,251 |
| Profit Before Tax | 340 | 291 | 16.9% | 311 | 9.4% | 652 | 606 | 7.4% | 1,084 | 1,207 | 811 |
| Less: Tax Expense | 78 | 56 | | 76 | | 154 | 128 | | 247 | 277 | 165 |
| Net Profit after Tax | 263 | 235 | 11.7% | 235 | 11.8% | 498 | 478 | 4.0% | 836 | 930 | 646 |
| Add: Other Comprehensive Income | 51 | 12 | | 10 | | 61 | 1 | | 97 | -21 | -55 |
| Total Comprehensive Income | 314 | 247 | 27.1% | 245 | 28.0% | 559 | 480 | 16.5% | 934 | 909 | 591 |
| EPS (Basic) | 15.6 | 14.0 | | 13.9 | | 29.5 | 28.4 | | 49.6 | 55.3 | 38.5 |

Consolidated Balance Sheet

| | Particulars (INR Crore) | 30-Sep-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
|----------|--|---------------|---------------|---------------|---------------|
| | LIABILITIES | | | | |
| 1 | Financial Liabilities | | | | |
| (a) | Derivative financial instruments | - | - | 51 | - |
| (b) | Debt Securities | 4,073 | 6,202 | 11,461 | 17,837 |
| (c) | Borrowings (Other than Debt Securities) | 28,919 | 27,716 | 29,746 | 32,328 |
| (d) | Deposits | 17,367 | 17,649 | 16,746 | 16,132 |
| (e) | Subordinated Liabilities | 1,438 | 1,438 | 1,439 | 1,439 |
| (f) | Other financial liabilities | 2,069 | 2,537 | 1,764 | 1,776 |
| | Sub Total - Financial Liabilities | 53,867 | 55,542 | 61,208 | 69,512 |
| 2 | Non-Financial Liabilities | | | | |
| (a) | Current Tax Liabilities | | - | 63 | - |
| (b) | Provisions | 22 | 17 | 18 | 19 |
| (c) | Other non-financial liabilities | 137 | 299 | 1,180 | 1,401 |
| | Sub Total - Non-Financial Liabilities | 160 | 316 | 1,261 | 1,420 |
| 3 | EQUITY | | | | |
| (a) | Equity Share capital | 169 | 169 | 168 | 168 |
| (b) | Other Equity | 10,270 | 9,703 | 8,755 | 7,830 |
| | Sub Total - Equity | 10,438 | 9,872 | 8,923 | 7,998 |
| | TOTAL – EQUITY & LIABILITIES | 64,465 | 65,730 | 71,392 | 78,930 |

| | Particulars (INR Crore) | 30-Sep-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
|----------|---|---------------|---------------|---------------|---------------|
| | ASSETS | | | | |
| 1 | Financial Assets | | | | |
| (a) | Cash and cash equivalents | 3,246 | 5,066 | 6,969 | 8,514 |
| (b) | Loans | 55,670 | 55,336 | 60,645 | 66,628 |
| (c) | Investments | 3,344 | 3,483 | 2,045 | 2,076 |
| (d) | Other Financial Assets | 1,417 | 1,109 | 952 | 872 |
| | Sub Total - Financial Assets | 63,676 | 64,994 | 70,610 | 78,090 |
| 2 | Non - Financial Assets | | | | |
| (a) | Tax Assets (Net) | 487 | 446 | 430 | 347 |
| (b) | Property, Plant and Equipment | 68 | 71 | 82 | 105 |
| (c) | Right of use assets | 65 | 60 | 78 | 120 |
| (d) | Other Intangible assets | 16 | 18 | 21 | 25 |
| (e) | Other non-financial assets | 45 | 31 | 35 | 35 |
| (f) | Assets held for sale | 107 | 109 | 136 | 207 |
| | Sub Total - Non - Financial Assets | 789 | 736 | 782 | 839 |
| | TOTAL - ASSETS | 64,465 | 65,730 | 71,392 | 78,930 |

Key Takeaways



Continue to operate in mass housing and merchant segment

Focus on high yielding affordable segment

Focus on Retail Segment



Leverage advance analytics and digital tools to automate credit appraisal journey in Salaried and enhance core capabilities in Self Employed

Enhance Underwriting Processes



Improve collection efficiencies through predictive analytics, automated workflow, digital tools etc

Augment Collection efficiencies



Remedial management Group to focus on resolution of corporate accounts

Resolutions in Corporate Book



Upgrade technology platforms for enhanced customer experience and higher efficiencies across the value chain

Strong Thrust on Digitization

Annexure



Environment

- **99%** EMI collections through digital mode
- The Company through its CSR initiative supported
 - Solar Electrification in 20 government school in Haryana & UP
 - Water Conservation in Rajasthan
 - Research and innovation in construction sector for environment friendly material



Social

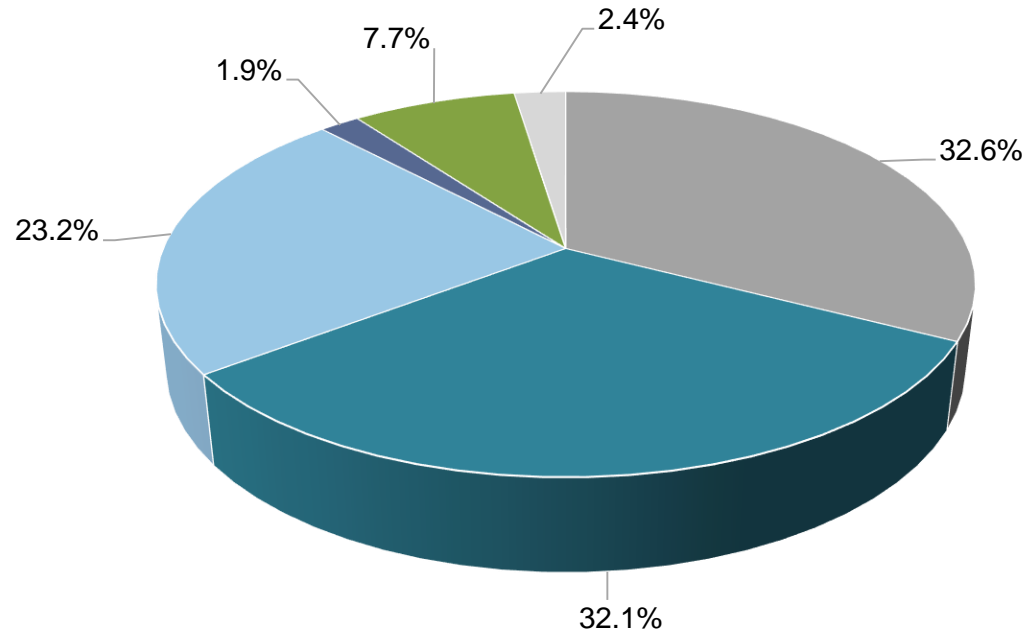
- Promoting quality education through infrastructure development; **17,000+** children were given education and skill development opportunities till date
- Bringing Holistic welfare for construction workers – supported more than **10,000** construction workers through two welfare schemes
- Promoting women entrepreneurship - set up women owned spice-based enterprises units at Udaipur and Baran, Rajasthan and Rudrapur, Uttarakhand



Governance

- Diversified & highly experienced Board
- All committees except CCB headed by Independent directors
- Strong and experienced management team with extensive industry experience
- Strong grievance addressal mechanism
- Over **90%** of customer requests resolved within TAT

Shareholding as on 30-Sep-22



- Promoters
- Mutual Funds
- Quality Investment Holdings PPC
- Public & Others
- Foreign Inst. Investors
- Bodies Corporates

Outstanding Shares – 16,86,15,638 shares

Top Shareholders

SSG Capital, General Atlantic Singapore Fund, Tata Mutual Fund, Vanguard, Blackrock (ETFs), United India Insurance, Dimensional Fund Advisors, Franklin Templeton MF, Bajaj Allianz Life Insurance

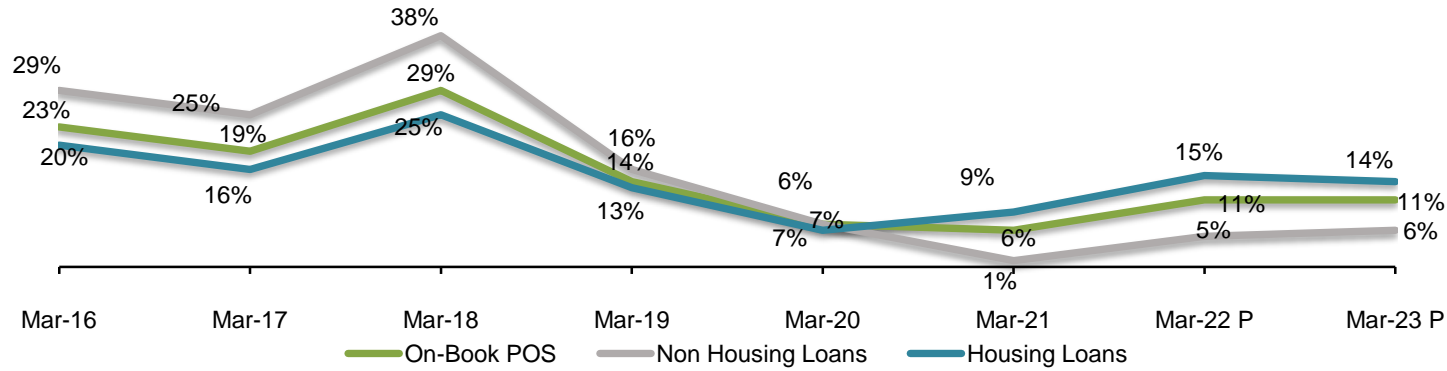
Inclusions in MSCI Indices



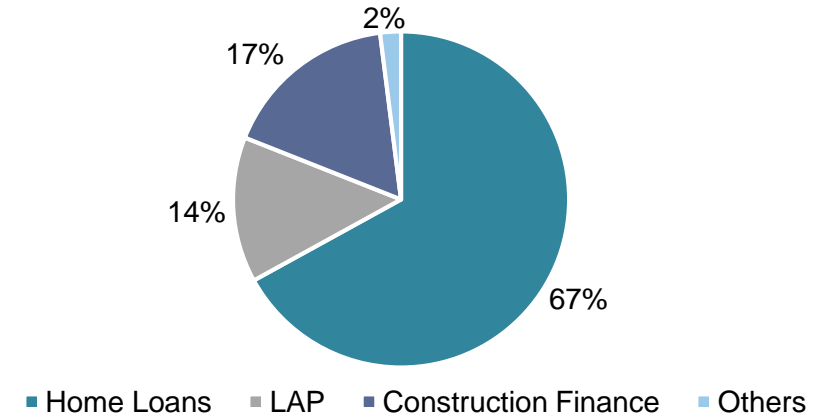
| Index | Since |
|--|--------|
| MSCI Emerging Markets IMI ESG Screened Index | Mar-21 |
| MSCI ACWI IMI ex Controversial Weapons Index | Mar-21 |
| MSCI ACWI IMI Climate Change Index | Mar-21 |
| MSCI Global Small Cap Index | Nov-18 |

Growth of Housing Finance Sector

Portfolio Growth of HFCs

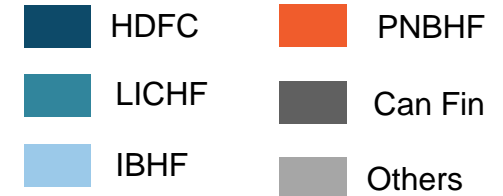
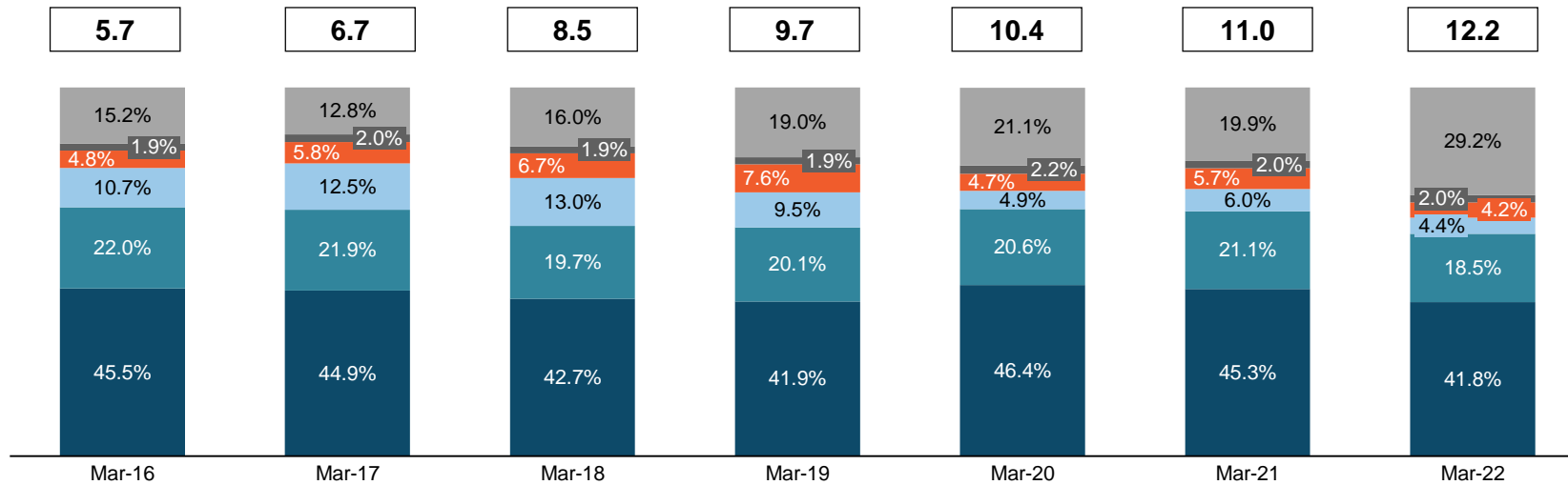


Portfolio Composition of HFCs*



HFCs Share

Total HFC Loans (INR trillion)



Source: ICRA Reports
*as on Mar -22
% Change is YoY

Glossary

| Ratios | Formulas Used |
|--------------------|--|
| Average Yield (%) | $(\text{Interest Income} + \text{Assignment Income}) \text{ on Loans} / \text{Average Loan Assets}$ |
| Cost to Income (%) | $\text{Operating Expenditure}(\text{Employee Cost} + \text{Other Expenses} + \text{Depreciation} - \text{Acquisition Cost} - \text{ESOP cost} - \text{CSR cost} - \text{Fair value on repossessed assets}) / (\text{Net Revenue} - \text{Acquisition Cost})$ |
| NIM (%) | $\text{Net Interest Income including assignment income} / \text{Average Earning Assets}$ |
| Opex to ATA (%) | $\text{Operating Expenditure}(\text{Employee Cost} + \text{Other Expenses} + \text{Depreciation} - \text{Acquisition Cost} - \text{ESOP cost} - \text{CSR cost} - \text{Fair value on repossessed assets}) / \text{Average Total Assets as per Balance sheet}$ |

| | |
|------|-------------------------------|
| AI | Artificial Intelligence |
| ATA | Average Total Assets |
| ATS | Average Ticket Size |
| AUM | Asset Under Management |
| BVPS | Book Value per Share |
| C/I | Cost to Income |
| CRAR | Capital to Risk Asset Ratio |
| CP | Commercial Paper |
| CTL | Corporate Term Loan |
| DPS | Dividend per Share |
| DSA | Direct Selling Agents |
| ECB | External Commercial Borrowing |
| ECL | Expected Credit Loss |
| EPS | Earning Per Share |
| EWS | Early Warning Signals |

| | |
|------|--------------------------------|
| GNPA | Gross Non-Performing Asset |
| HFCs | Housing Finance Companies |
| LAP | Loan against Property |
| LRD | Lease Rental Discounting |
| ML | Machine Learning |
| NCDs | Non-Convertible Debentures |
| NIM | Net Interest Margin |
| NNPA | Net Non-Performing Asset |
| NRPL | Non-Residential Premises Loans |
| PAT | Profit After Tax |
| PCR | Provision Coverage Ratio |
| ROA | Return on Asset |
| ROE | Return on Equity |
| RPA | Robotic Process Automation |

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Thank You

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