

November 02, 2021

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 half year ended September 30, 2021.

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



# Investor Presentation

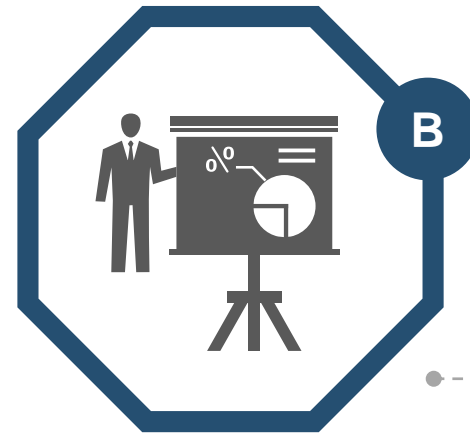
## Quarter Ended September 2021

02-November-2021





**Progress on the New Agenda**  
**Strategy Monitorables**



**Business & Financial Performance**  
**Digital Drive & Branch Network**  
**Shareholding and ESG Snapshot**  
**Growth in Housing Finance Sector**  
**Key Takeaways**



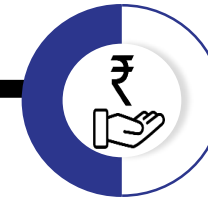
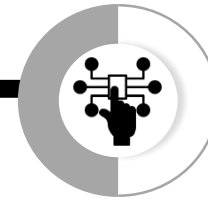
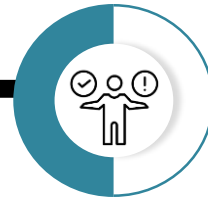
# Agenda envisaged in January 2021



## Strengthening the Core

## Drive Efficiency

## Accelerate Growth



### Management

- Strengthen leadership team with internal promotions & external hires
- On boarded senior talent in Collections, Business Transformation, Information security, Affordable Housing and Internal Audit
- Augment Risk & data analytics team
- Introduced incentive plan to retain talent
- Focus on upgrading skill sets

### Capital Position

- Improve capital and gearing
- Build significant provision
- Option to raise capital across different modes

### Risk Management

- Leverage advance analytics and new age technologies
- Automate credit appraisal journey with human touch
- Strengthen EWS to improve collection efficiencies
- Remedial Management Group to focus on resolution of corporate book

### Cost Management

- Rationalize operating model with focus on profitability
- Optimize cost and productivity
- Improve accountability across organization
- Product and segment level monitoring

### Digital Drive

- Accelerate digital transformation across the value chain
- Increase use of AI, ML, RPAs to augment business, underwriting and accelerate efficiencies
- Advanced analytics for portfolio management, risk, collection

### Retail Focused Lending




- Leverage expertise in mass housing and merchant category
- Increase fee income through cross sell, upsell and co-lending
- Retail to be the engine of growth

### Grow Affordable Housing "Unnati"

- Building higher yielding Unnati portfolio
- Focus on Average ticket size of ~INR 15 lakh
- Strengthen distribution network with increased presence in Tier 2 and 3 cities

# Strengthening the Core – Key Monitorables



| Pillars to Agenda  | Monitorables                                 | FY20     | FY21                    | H1FY22                  | Remarks  |
|--|--|----------|-------------------------|-------------------------|--|
| <br><b>Management Team</b>   | Key roles hired at senior level <sup>^</sup> |          | 5 hires and 2 promotion | 3 hires and 1 promotion | Strengthen the management team   |
|  | Incentive plan to retain talent              |          | RSU Allotment done      |                         | Annual appraisal completed   |
| <br><b>Capital Position</b>  | Leverage*                                    | 8.53x    | 6.72x                   | 5.89x                   | With reduction in Corporate Book by 15% since Mar'21 and healthy internal accruals   |
|  | CRAR*  | 17.98%** | 18.73%#                 | 20.66%                  | With focus on lower risk weight asset  |
|  | Total Provision to Total Asset*              | 2.61%    | 4.09%                   | 4.77%                   | Incremental provision of INR 128 crore created in Q2FY22   |
|  | Tier 1 Capital                               |          | In process              | In process              | With primary objective of raising capital, Board decided not to proceed with the preferential issue, other modes getting evaluated |
| <br><b>Risk Management</b> | % of loans sanctioned within stipulated TAT  | 85%      | 84%                     | 71%                     | With opening up of the restrictions and stabilization of our digital platform, TAT is expected to improve further                  |
|  | Collection Efficiencies                      | 98.5%    | 96.8%                   | 96.7%                   | Improved in Q2 FY22 to 98.3% from 95.4% in Q1 FY22   |

\* As on last day of the period



\*\*As per IGAAP

#Adjusted for deposit made with companies in same group, CRAR is 20.6%

<sup>^</sup>AGM and above

# Drive Efficiency – Key Monitorables



| Pillars to Agenda  | Monitorables   | FY20  | FY21                                    | H1FY22  | Remarks   |
|--|--|-------|---|---|---|
| <br><br><b>Cost Management</b> | Cost to Income Ratio   | 16.9% | 15.1%                                   | 18.4%   | Higher on account of increased investments to enhance business activities                                   |
|  | Incremental Cost of Borrowing  | 8.5%  | 6.8%                                    | 5.7%  | Supported by NHB  |
|  | Implement Transformation journey   |       | Project 'IGNITE' initiated              | Initiatives identified for Phase 2                          | Diagnostic phase completed; Phase 2 kick started  |
| <br><br><b>Digital Drive</b>  | Digital sourcing   | 9%    | 19%                                     | 47%   | Increased focus on digital sourcing; Ace-LOS integration made live in Q1 for smooth file flow in the system |
|  | Automate underwriting  |       | Vendors identified                      | Credit Appraisal Memo (CAM) Automation (web module) is live | Implementation of Rule management engine on track   |
|  | Advanced Analytics powered business intelligence framework across organisation |       | Advance stages of vendor identification | Potential solution providers shortlisted                    | Implementation in H2 FY22   |



# Accelerate Growth – Key Monitorables



## Pillars to Agenda



### Retail Focused Lending

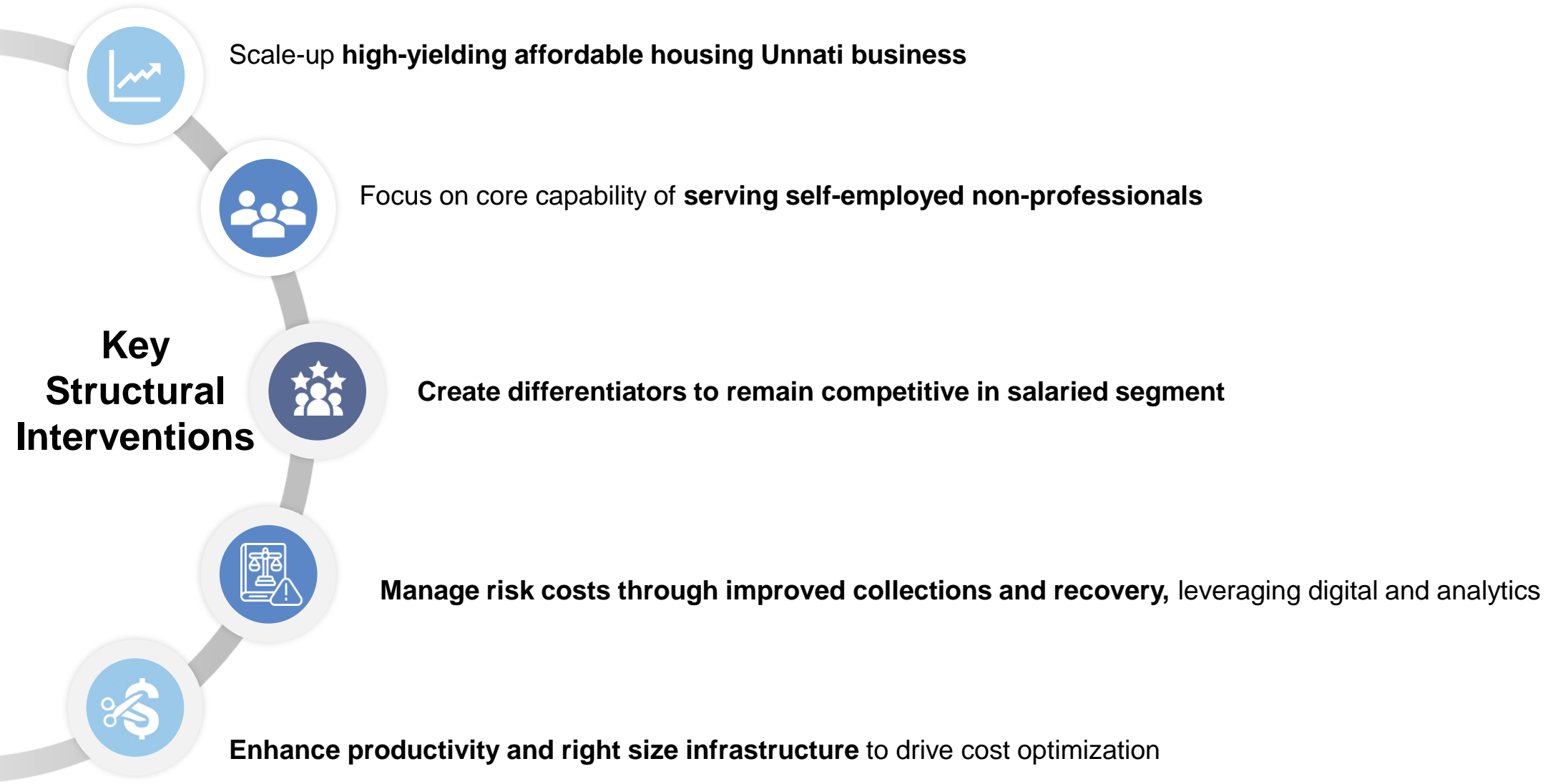


### Grow Affordable Housing "Unnati"

| Monitorables   | FY20                           | FY21                           | H1FY22                        | Remarks   |
|--|--------------------------------|--------------------------------|-------------------------------|---|
| Retail Loan Book (YoY)                                       | -6%                            | -5%                            | -6%                           | Disbursements grew by 50% in H1 FY22 (YoY)<br>Retail loan book degrowth arrested during the quarter |
| Building Granular book (Disbursement of upto INR 2 crore)    | 88.1%                          | 93.0%                          | 94.5%                         | Focus on lower ticket asset sourcing  |
| Corporate book*  | INR 14,614 Crore<br>18% of AUM | INR 11,786 Crore<br>16% of AUM | INR 9,985 Crore<br>14% of AUM | Sell down/accelerated payment of INR 1,214 Crore in H1 FY22   |
| Create separate vertical and open lean branch infrastructure | Existing branches              | Separate vertical created      | 13 locations identified       | 6 locations operationalized in October, balance to be operationalized during the year               |
| Unnati AUM*  | INR 2,607 Crore                | INR 2,985 Crore                | INR 3,043 Crore               | Focus on building Unnati book, registered disbursement growth of 36% in H1 FY22 (YoY)               |

\* As on last day of the period

# Update on Project “IGNITE”







# Business and Financial Performance

# Performance Highlights



|  |               |                                      |
|--|---------------|--------------------------------------|
|  | Disbursement* | <b>INR 4,720 Crore</b><br>(+50% YoY) |
|--|---------------|--------------------------------------|

|  |                        |                                       |
|--|------------------------|---------------------------------------|
|  | Asset Under Management | <b>INR 69,810 Crore</b><br>(-14% YoY) |
|--|------------------------|---------------------------------------|

|  |              |   |
|--|--------------|---|
|  | Retail Loans | <b>86% of the AUM</b><br>(82% of AUM as on 30-Sep-20) |
|--|--------------|---|

|  |          |                                      |
|--|----------|--------------------------------------|
|  | Deposits | <b>INR 17,383 Crore</b><br>(+5% YoY) |
|--|----------|--------------------------------------|

|  |               |                           |
|--|---------------|---------------------------|
|  | Gross Margin* | <b>3.3%</b><br>(3.1% YoY) |
|--|---------------|---------------------------|

|  |                       |                             |
|--|-----------------------|-----------------------------|
|  | Cost to Income Ratio* | <b>18.4%</b><br>(16.0% YoY) |
|--|-----------------------|-----------------------------|

|  |      |  |
|--|------|--|
|  | GNPA | <b>5.4% on AUM</b><br>(2.2% YoY)<br><b>5.9% on Loan Assets</b><br>(2.6% YoY) |
|--|------|--|

|  |                                  |                           |
|--|----------------------------------|---------------------------|
|  | Total Provision/<br>Total Assets | <b>4.8%</b><br>(3.0% YoY) |
|--|----------------------------------|---------------------------|

|  |                              |                               |
|--|------------------------------|-------------------------------|
|  | Write-offs since Inception** | <b>15 bps</b><br>(11 bps YoY) |
|--|------------------------------|-------------------------------|

|  |                      |                                 |
|--|----------------------|---------------------------------|
|  | Book Value Per Share | <b>INR 559</b><br>(INR 506 YoY) |
|--|----------------------|---------------------------------|

|  |               |                           |
|--|---------------|---------------------------|
|  | Gearing Ratio | <b>5.9x</b><br>(7.8x YoY) |
|--|---------------|---------------------------|

|  |                             |                             |
|--|-----------------------------|-----------------------------|
|  | Capital to Risk Asset Ratio | <b>20.7%</b><br>(18.7% YoY) |
|--|-----------------------------|-----------------------------|

Data as on 30-Sep-21

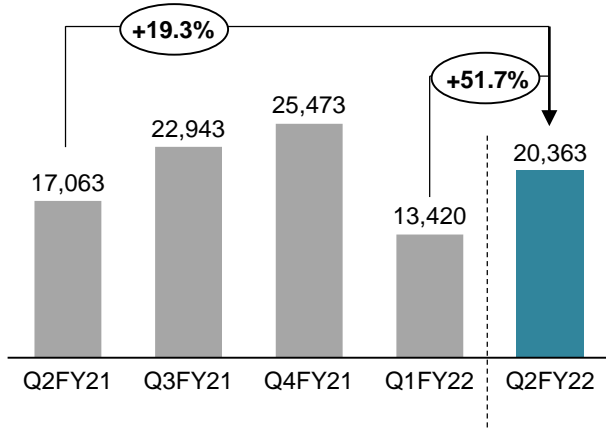
\*For H1 FY22

\*\*On cumulative disbursements

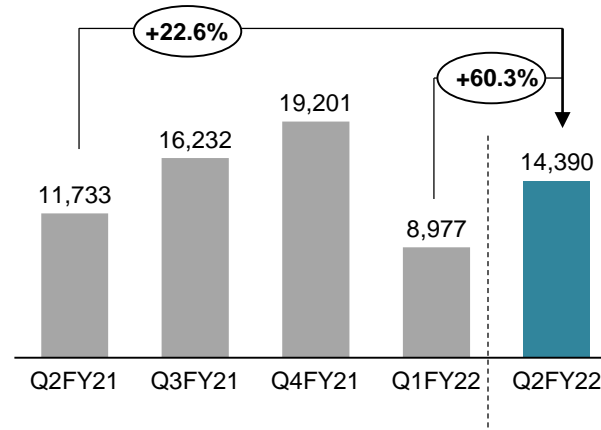
# Business Trends - Quarter on Quarter



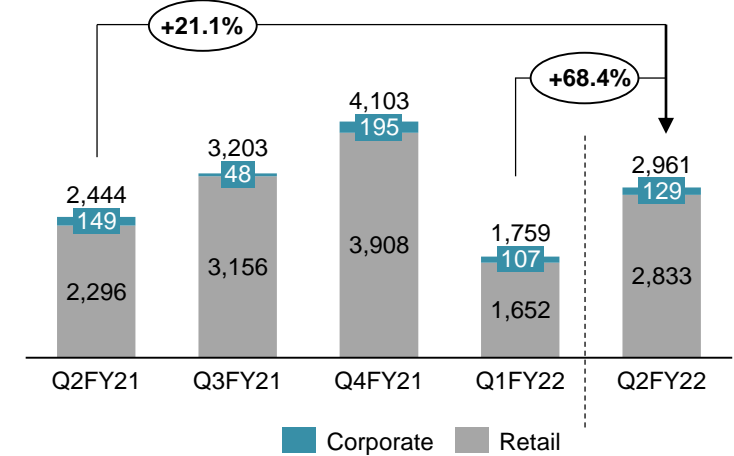
**No. of Logins**



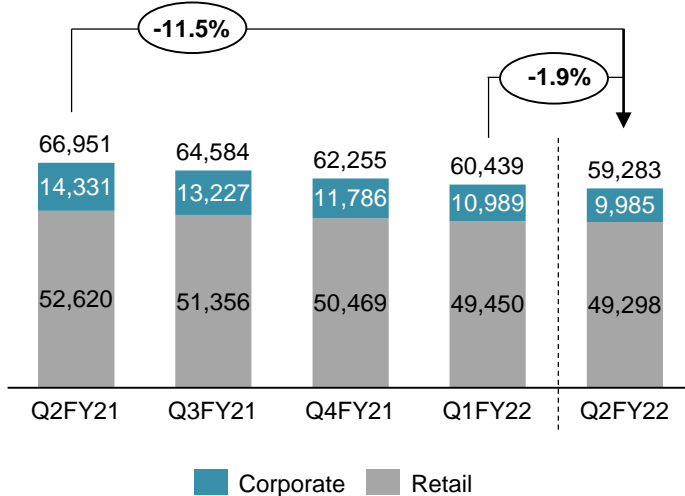
**No. of Sanctions**



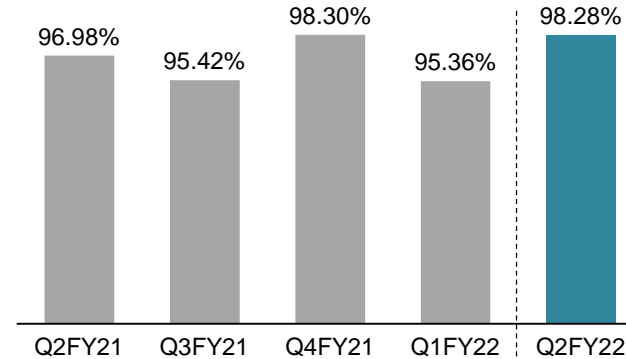
**Disbursement (INR Crore)**



**Loan Asset (INR Crore)**



**Collection Efficiency (Retail)**



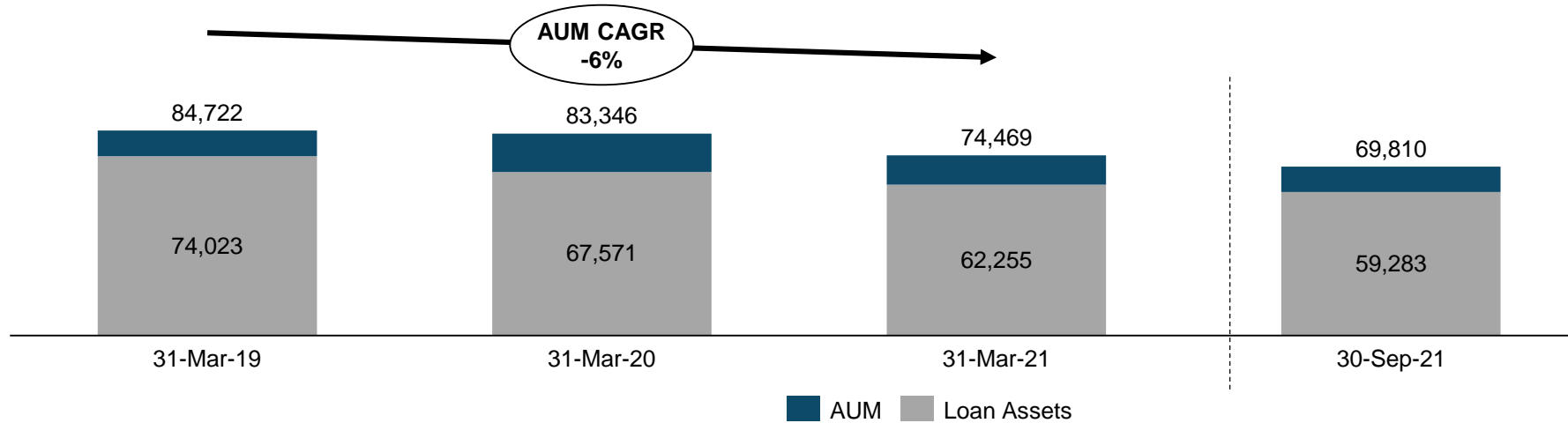
- Digital sourcing contributed 48% to total logins in Q2 FY22 as compared
- With focus on retail business, 96% of Q2 FY22 disbursements are in retail segment
- With economic activity getting back to pre-covid levels, Collection Efficiency improved significantly MoM to 98.6% in Sept 2021 from 96.6% in June 2021

# Business Update

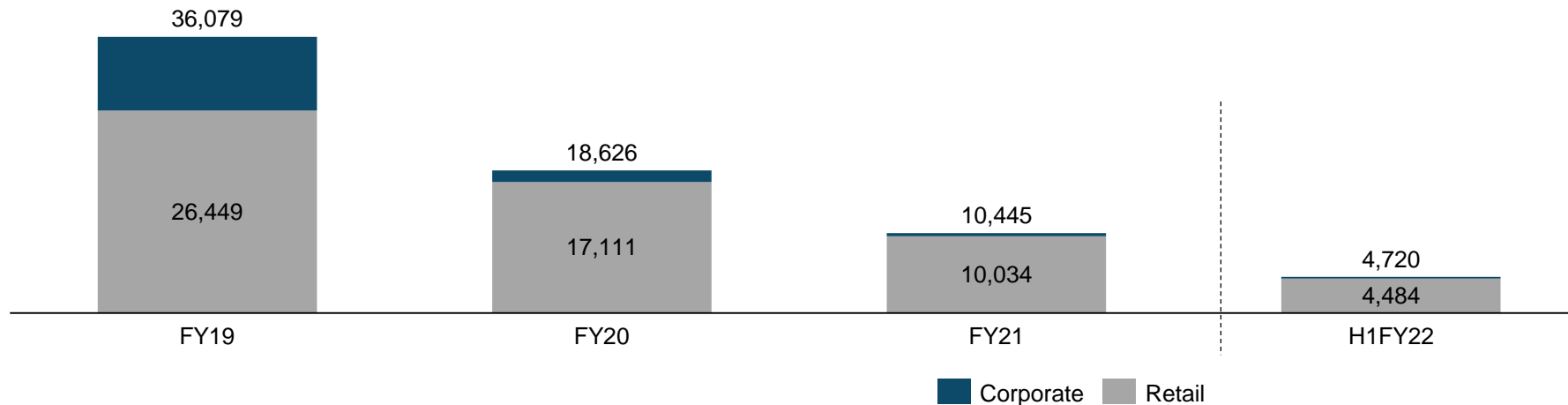


(INR Crore)

## Asset



## Disbursement



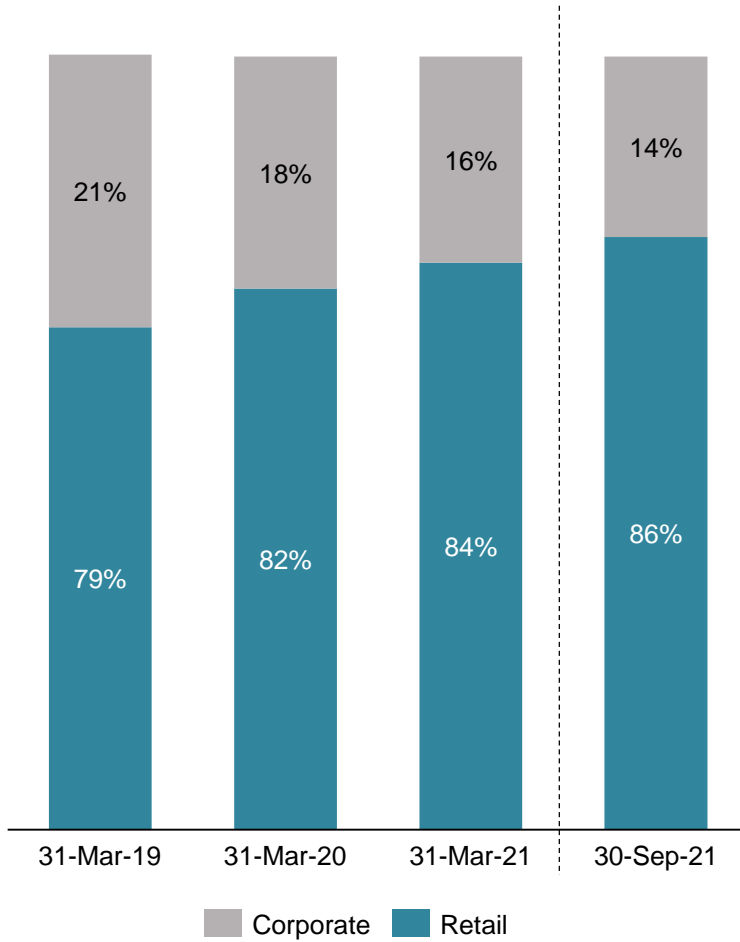
- As on 30-Sep-21, retail AUM is 86% of total AUM compared to 82% as on 30-Sep-20
- Covid Restructured loans of INR 2,408 Crore as on 30-Sep-21
  - OTR 1.0: INR 1,729 crore
  - OTR 2.0: INR 679 crore
- Disbursed INR 432 Crore under ECLGS scheme upto 30-Sep-21

Emergency Credit Line Guarantee Scheme, provided to mitigate the distress caused by Covid-19

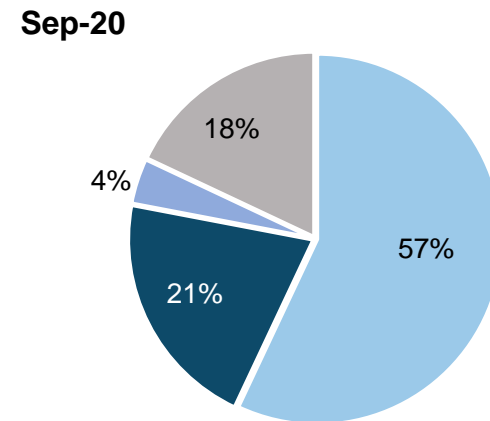
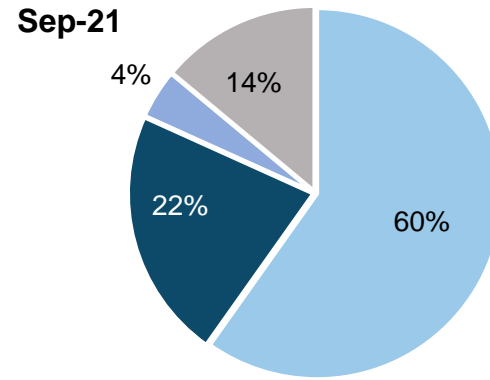
# Asset Under Management Mix



**AUM Mix**

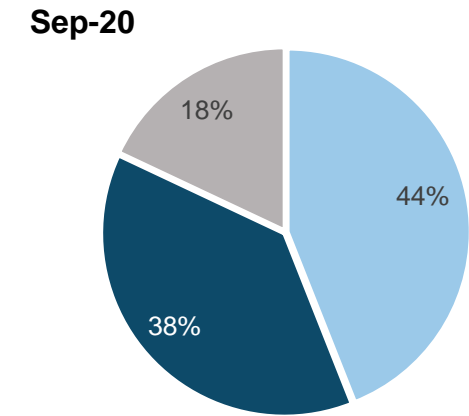
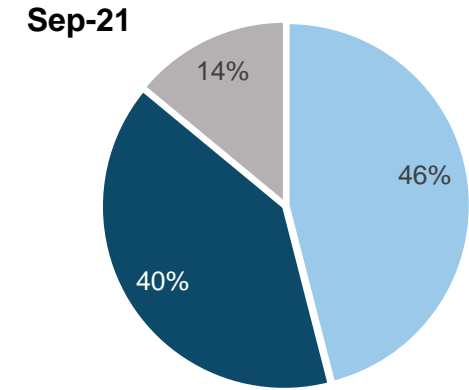


**Product-wise Break-up**



- Individual Housing Loan
- Retail Loan Against Property
- Retail Non-Residential Premises Loan
- Corporate Loan

**Segment-wise Breakup**

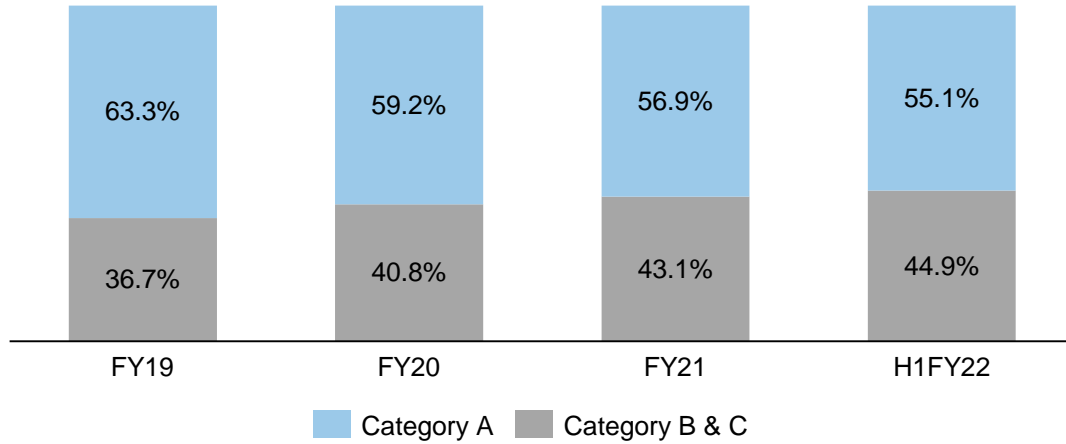


- Salaried
- Self-Employed
- Corporate Loan

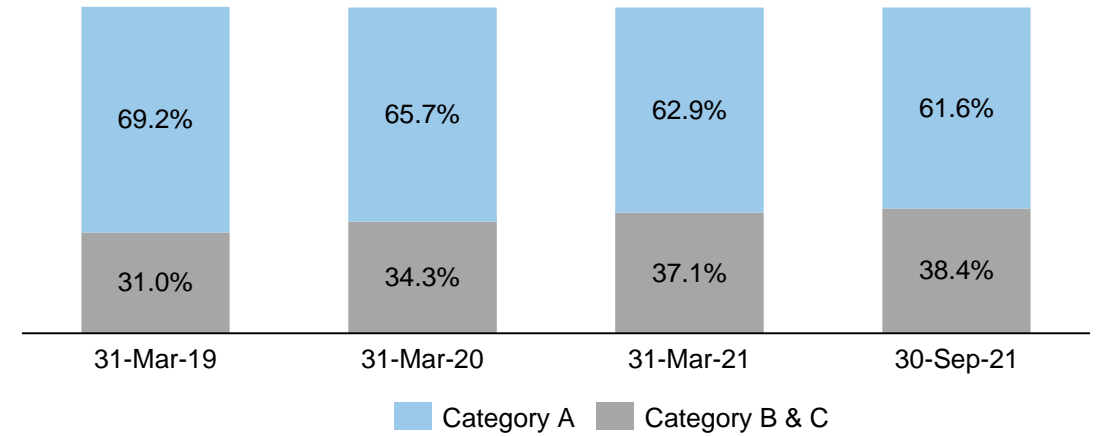
# Retail Segment Focus Areas



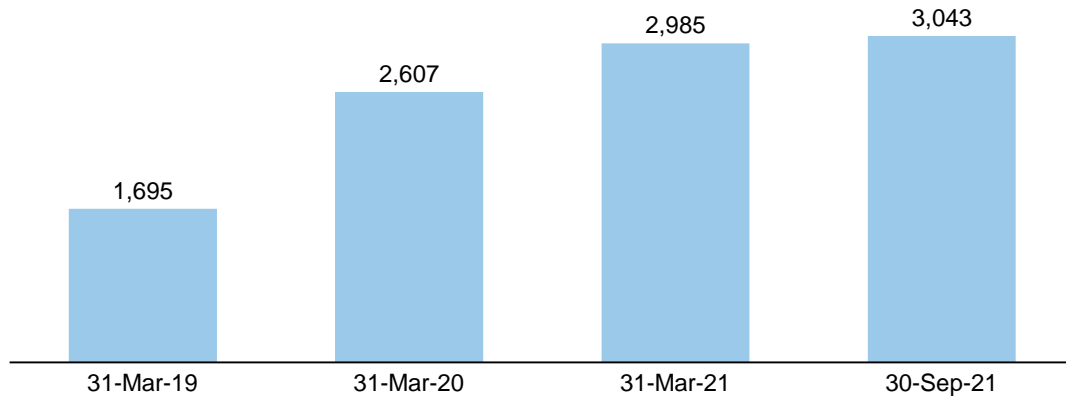
## Increasing Disbursement in Category B and C branches



## Increasing AUM from Category B & C branches



## Increasing Unnati Segment AUM (INR Crore)



- Higher focus on disbursements from category B & C resulting in increasing AUM from the respective branches
- Unnati AUM increased by 9% YoY in September 2021

Category A refers to branches in Metro and Large cities

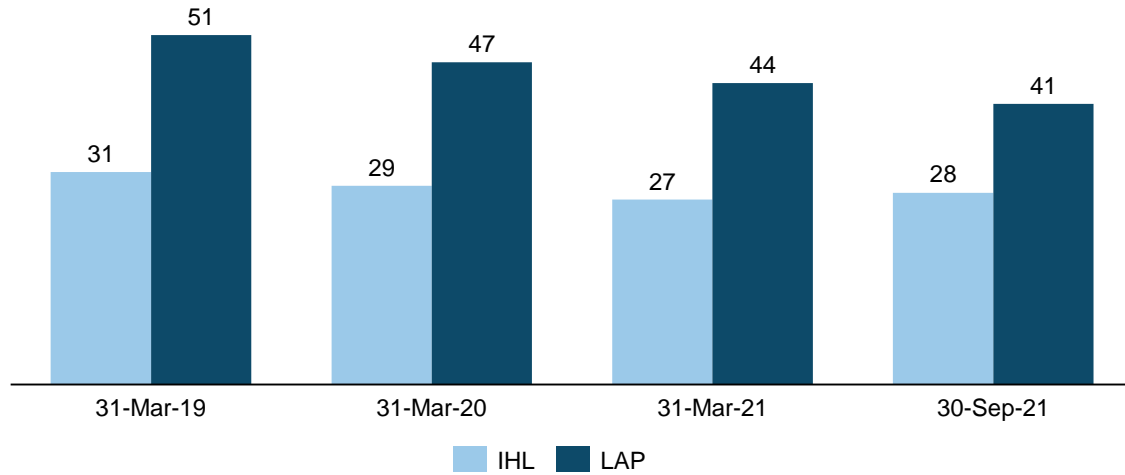


# Retail Loan Book – Key Attributes

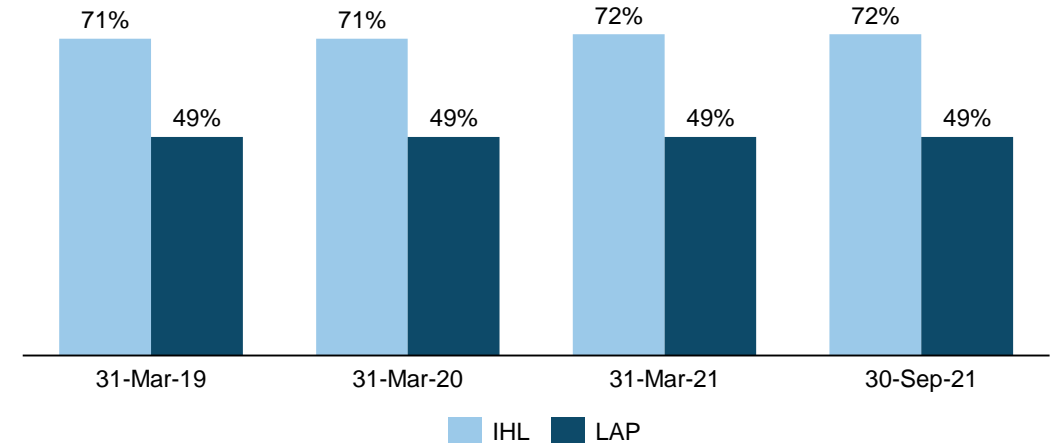


(INR Lakhs)

## Average Ticket Size



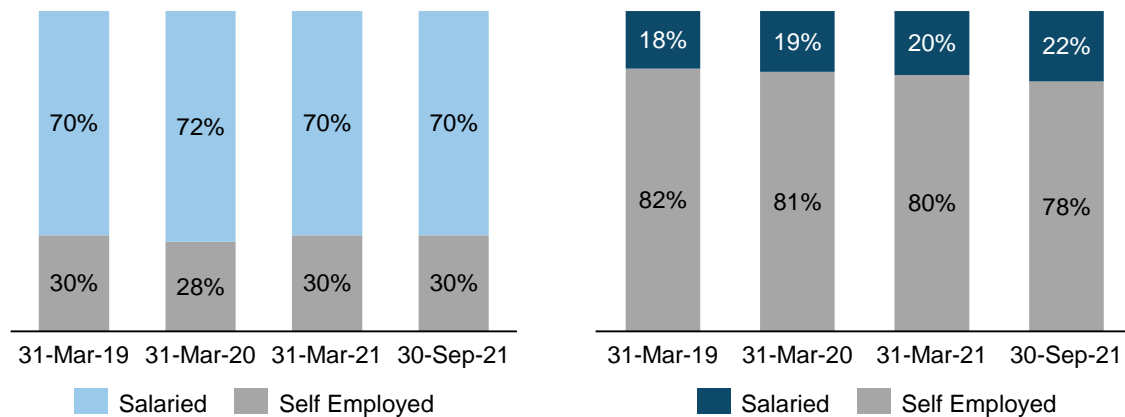
## Weighted Average Loan to Value



## Salaried vs Self-Employed

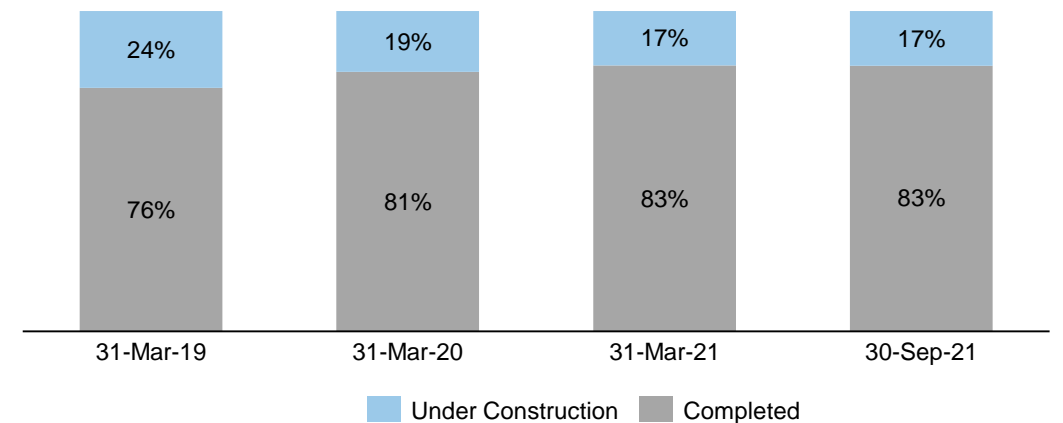
### Individual Housing Loan

### Loan Against Property



## Under construction vs Completed

### Individual Housing Loan

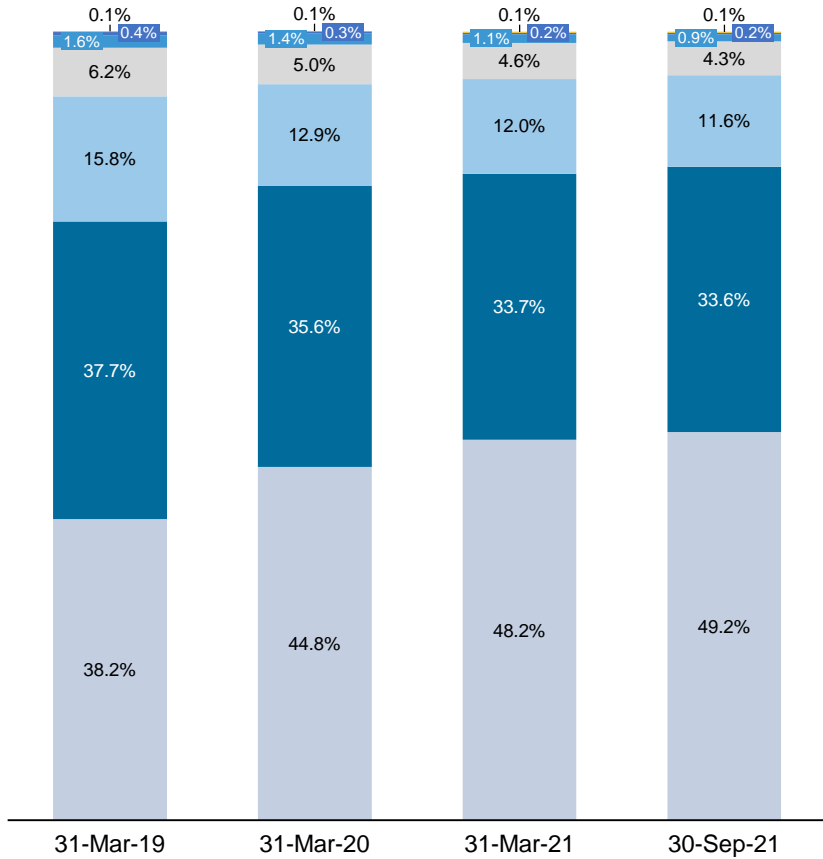


ATS and LTV at Origination

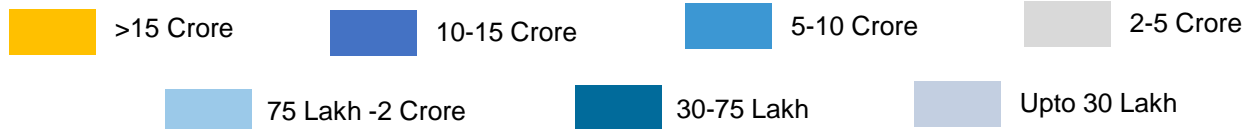
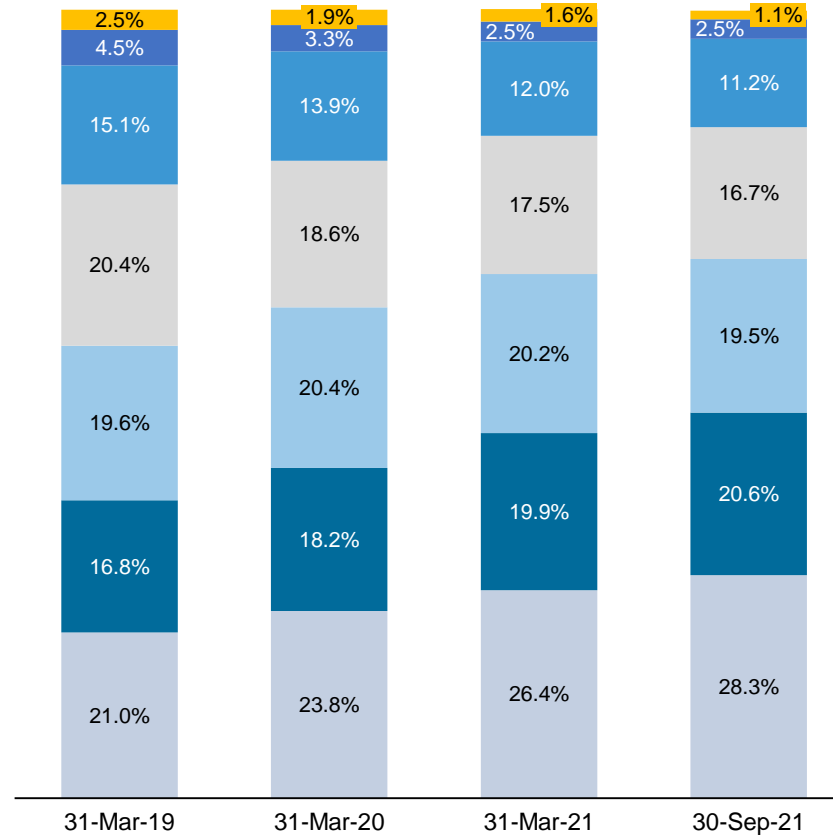
# Retail Loan Book – Average Ticket Size Range



**Individual Housing Loan**

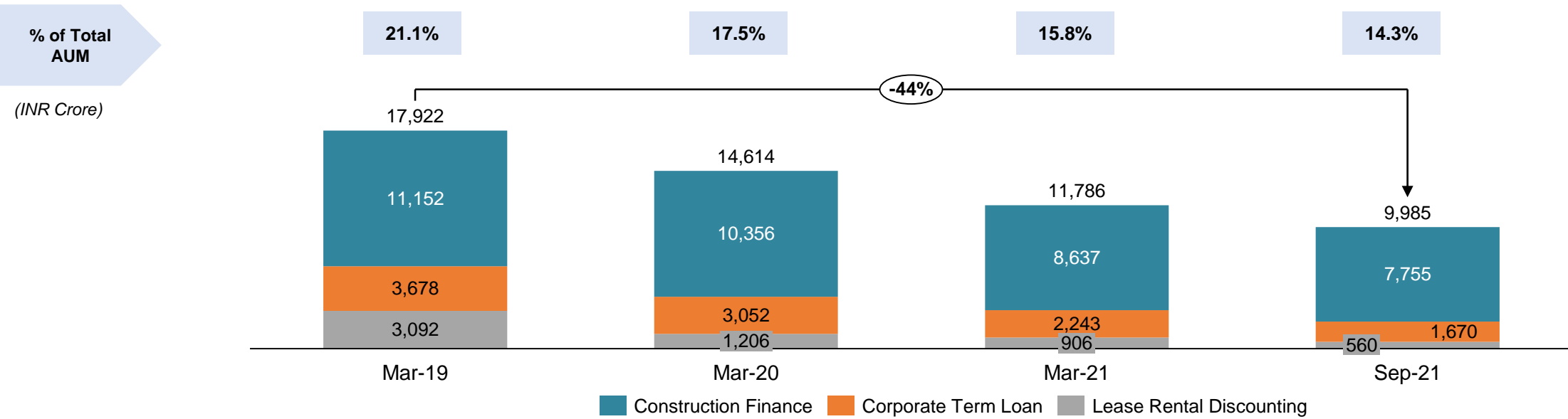


**Retail Loan Against Property**



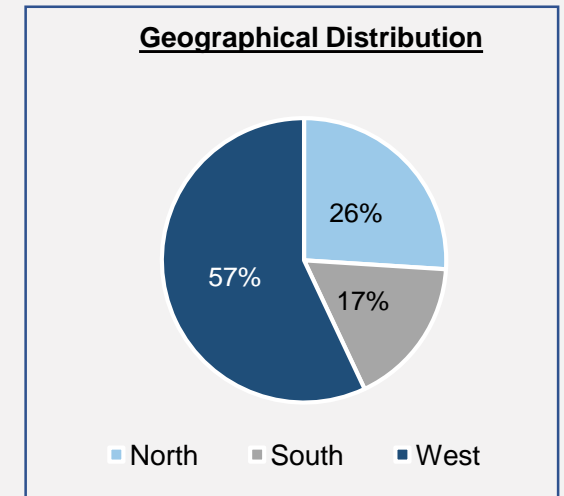
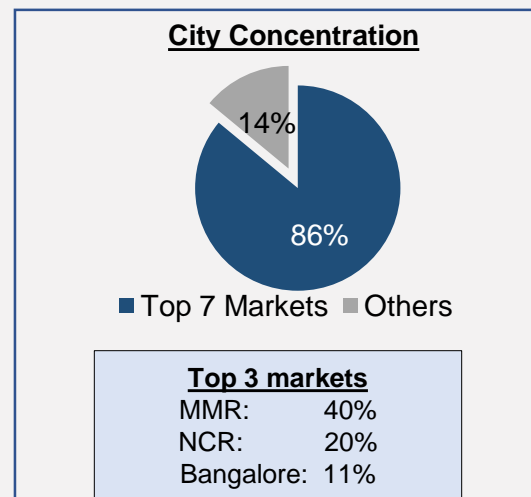
- Focus on granular book resulting in the increasing loan asset in lower ticket size loans
- LTV in LAP maintained below 50%

# Corporate Book Exposure



**Average Ticket Size (Unique Corporate Houses)**

| Product Segment          | ATS (INR Crore) |
|--------------------------|-----------------|
| Construction Finance     | 179             |
| Corporate Term Loan      | 91              |
| Lease Rental Discounting | 70              |



Data as on 30-Sep-21

# Corporate Book Performance



- 75% of the book is good which continues to be in Stage 1; majority backed by Tier 1 Developers
- 65% of the book is with Zero DPD on a declining base

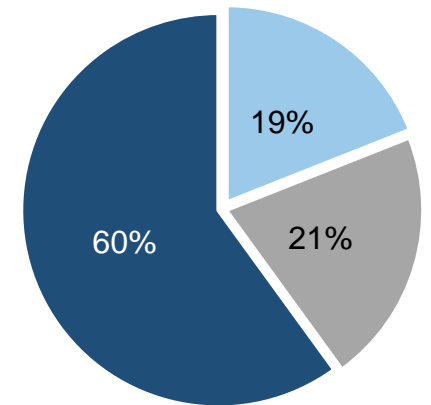
- Down Sell / Accelerated pre payment of INR 1,214 Crore in H1 FY22

- Deleveraged Top 20 developers' book
- Reduced by ~18% as on 30-Sep-21 as compared to 30-Sep-20

- Weighted average security coverage of the book is over 2.0x as on 30-Sep-21

- Stage 3 provision coverage ratio is 58%
- Overall provision coverage is 18.3% of Corporate book

**40% of the Construction Finance Book comprises completed and near completion projects**



- Completed
- Near Completion
- Under Construction

# Corporate Book Remedial Actions



## Resolutions Achieved

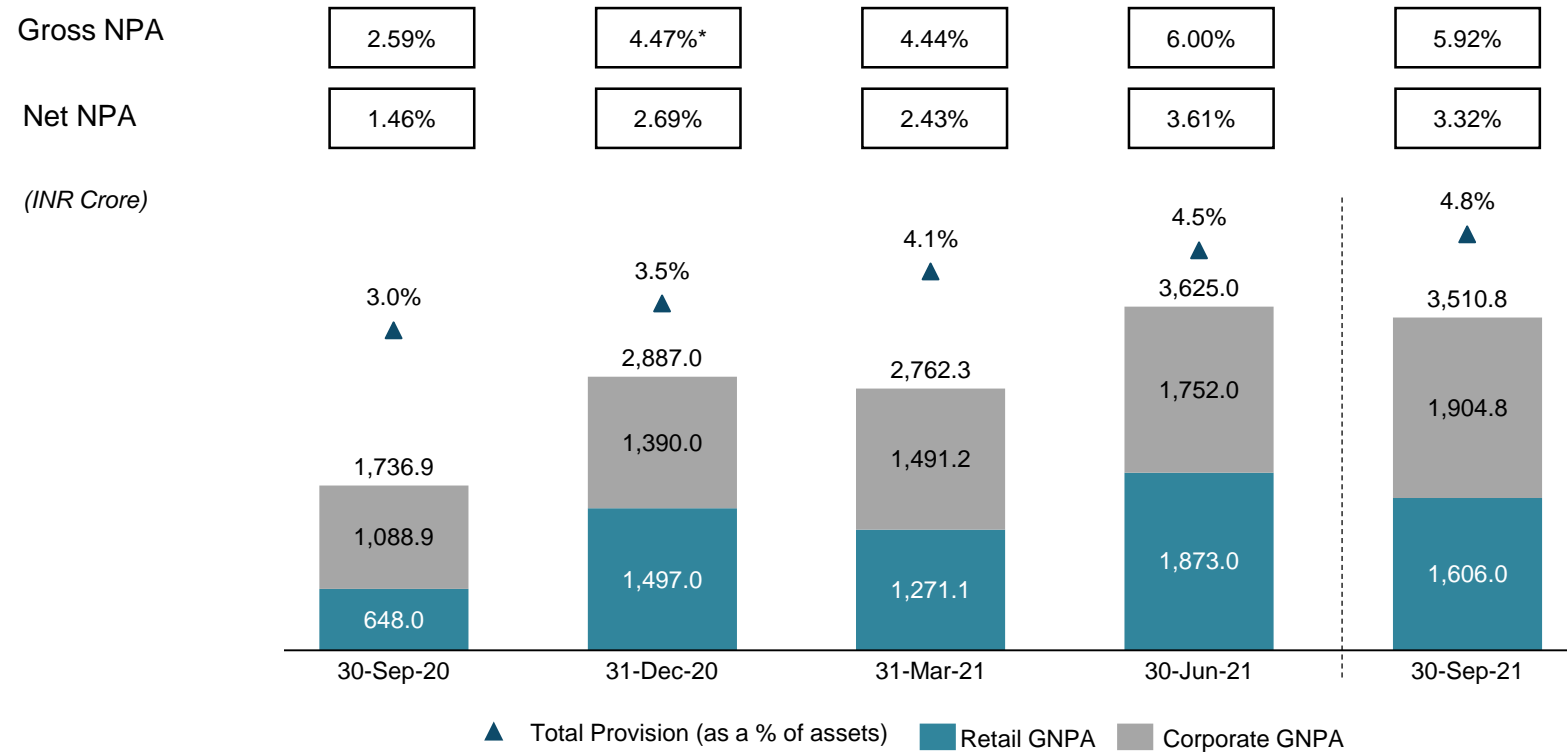
- **IREO Pvt Ltd with O/s of INR 150 crore** with nil haircut
- **Windlass Developers with O/s of INR 30 crore** through SWAMIH investment
- **Pate Developers with O/s of INR 20 crore** with nil haircut.
- **4 other NPA accounts with O/s of INR 6 crore** with nil credit loss

| City Based Developers | Final Stages of Resolution  | Resolutions Underway on few NPA Accounts  |
|-----------------------|---|---|
| Mumbai                | <ul style="list-style-type: none"> <li>• <b>Project with O/s of INR 181 crore</b> <ul style="list-style-type: none"> <li>✓ Resolution Plan from a prominent developer finalized by the Committee of Creditors in NCLT. NCLT approval in process</li> <li>✓ Resolution achieved however account will continue as NPA with adequate provision</li> </ul> </li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Project</b> with O/s of INR 259 crore                             <ul style="list-style-type: none"> <li>✓ Working with co-lender on resolution</li> </ul> </li> </ul>  |
| Delhi, NCR            | <ul style="list-style-type: none"> <li>• <b>Project with O/s of INR 353 crore</b> <ul style="list-style-type: none"> <li>✓ A renowned group to takeover the Project along with its liabilities including PNBHFL debt</li> <li>✓ PNBHFL has given its in-principle NOC for the transaction, which is expected to consummated in 2021</li> </ul> </li> <li>• <b>Project with O/s of INR 178 crore</b> <ul style="list-style-type: none"> <li>✓ Resolution Plans received from 6 developers; plans are under evaluation</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <b>Project with O/s of INR 244 crore</b> <ul style="list-style-type: none"> <li>✓ Company has started construction of launched part of Project; progress for outright sale of unlaunched phase of the Project to pare down debt</li> </ul> </li> </ul> |

# Gross Non-Performing Assets



% of Loan Asset



| As on 30-Sep-21                   | INR Crore |
|-----------------------------------|-----------|
| Gross NPA                         | 3,510.8   |
| ECL Provision                     | 2,827.5   |
| Regulatory provision (as per NHB) | 1,022.7   |

- The Company continues to hold adequate provision
- Incremental provision of INR 128 Crore created in Q2 FY22
- Total provision to total asset of 4.8%
- Decrease in Retail NPA due to opening of field movement and legal system
- Increase in Corporate NPA as one identified SICR account moved to NPA

\*Proforma GNPA  
Figures as on 30-Sep-21 unless mentioned



# Expected Credit Loss (ECL) Provisions – Overall



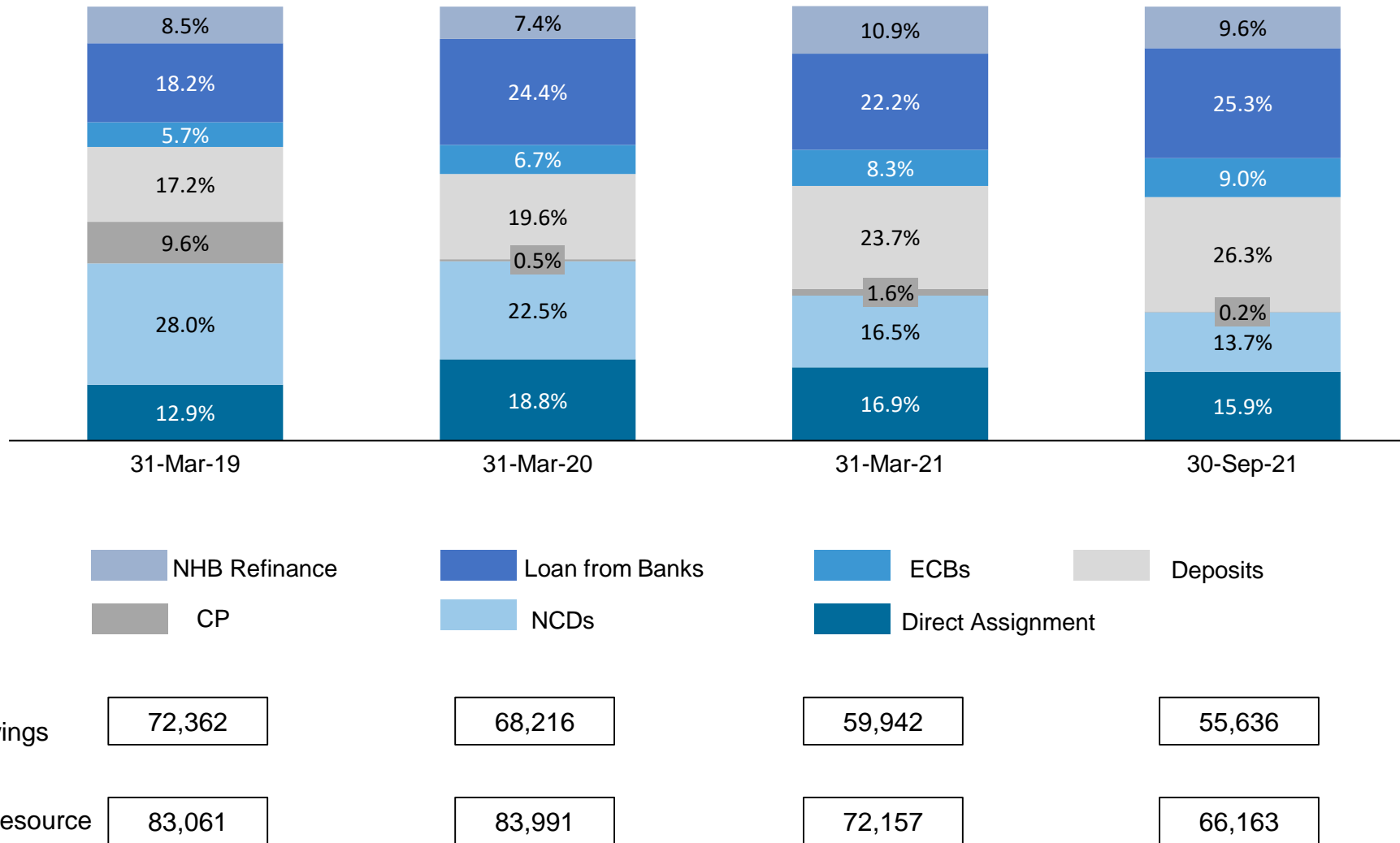
Classification of the Assets based on the ECL computation under Ind AS:

| Particulars (INR Crore)                       | 30-Sep-21    | 30-Jun-21    | 30-Sep-20    |
|---|--------------|--------------|--------------|
| Gross Stage 1                                 | 52,080       | 52,914       | 62,090       |
| % portfolio in stage 1                        | 87.8%        | 87.6%        | 92.7%        |
| ECL Provision Stage 1                         | 699          | 601          | 642          |
| Net Stage 1                                   | 51,381       | 52,314       | 61,448       |
| <b>ECL Provision % Stage 1</b>                | <b>1.3%</b>  | <b>1.1%</b>  | <b>1.0%</b>  |
| Gross Stage 2                                 | 3,692        | 3,898        | 3,124        |
| % portfolio in stage 2                        | 6.2%         | 6.5%         | 4.7%         |
| ECL Provision Stage 2                         | 585          | 659          | 600          |
| Net Stage 2                                   | 3,107        | 3,239        | 2,524        |
| <b>ECL Provision % Stage 2</b>                | <b>15.8%</b> | <b>16.9%</b> | <b>19.2%</b> |
| Gross Stage 3 (GNPA)                          | 3,511        | 3,625        | 1,737        |
| % portfolio in Stage 3 (GNPA%)                | 5.9%         | 6.0%         | 2.6%         |
| ECL Provision Stage 3                         | 1,544        | 1,441        | 763          |
| Net Stage 3                                   | 1,967        | 2,184        | 974          |
| <b>Coverage Ratio % Stage 3</b>               | <b>44.0%</b> | <b>39.7%</b> | <b>43.9%</b> |
| Total Assets                                  | 59,283       | 60,438       | 66,951       |
| ECL Provision                                 | 2,828        | 2,700        | 2,004        |
| Net Stage                                     | 56,455       | 57,737       | 64,947       |
| <b>Total ECL Provision / Total Assets (%)</b> | <b>4.8%</b>  | <b>4.5%</b>  | <b>3.0%</b>  |

# Well Diversified Resource Profile



(INR Crore)



- ~71% of the total resource is floating; giving opportunity for replacement & repricing

**Credit Rating**

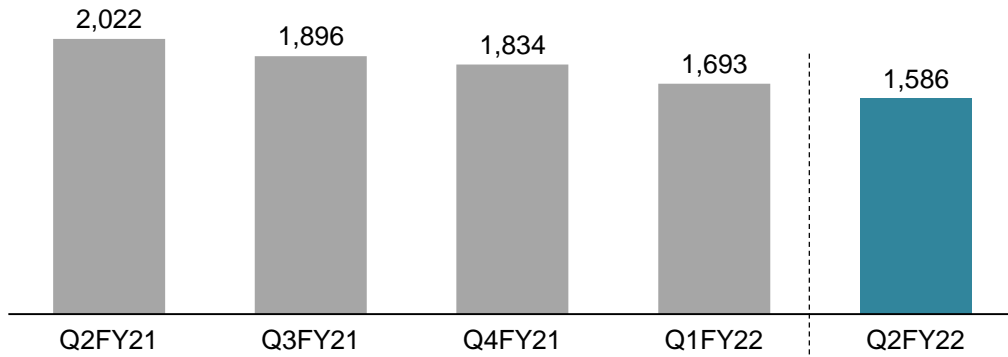
- Fixed Deposit: “FAA+” by CRISIL and “AA” by CARE.
- Commercial Paper: “A1(+)” by CARE & CRISIL
- Non-Convertible Debentures: “AA” by CARE, India Ratings, CRISIL and ICRA
- Bank Loans (Long Term): “AA” by CARE and CRISIL

# Financial Highlights – Quarter on Quarter

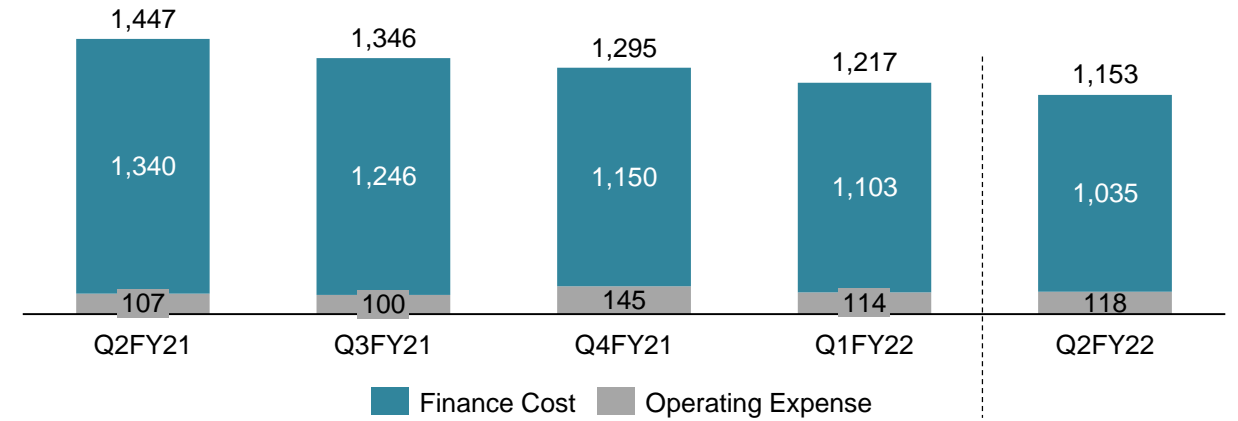


(INR Crore)

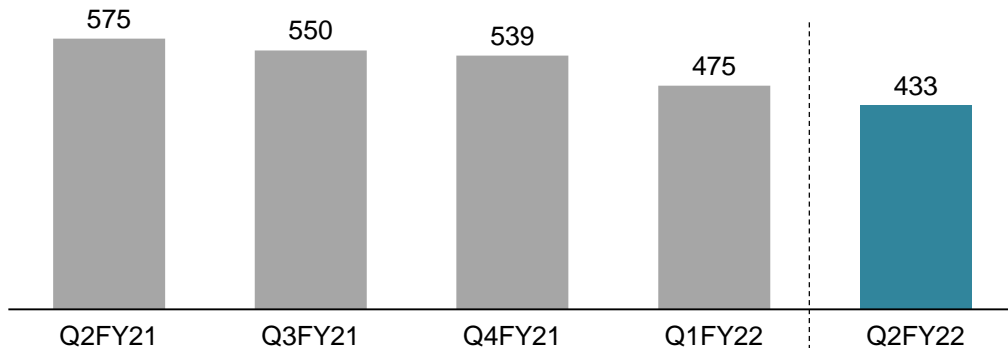
## Revenue



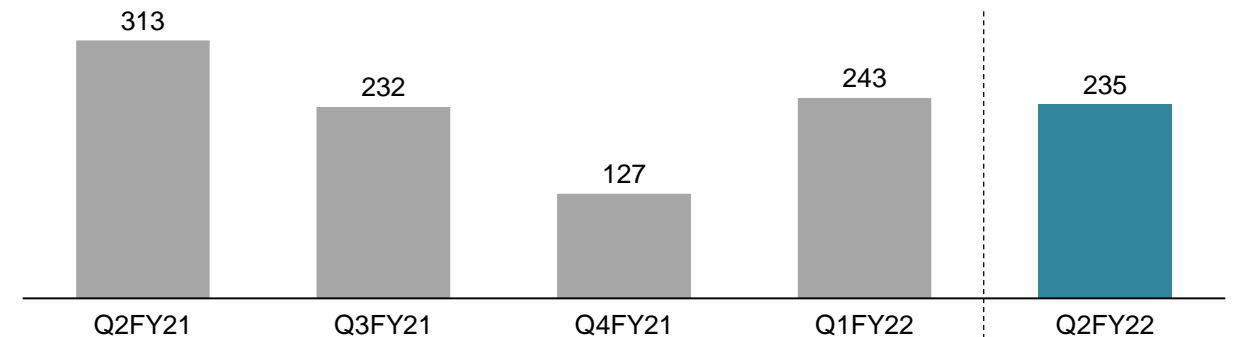
## Expense



## Pre-provision Operating Profit



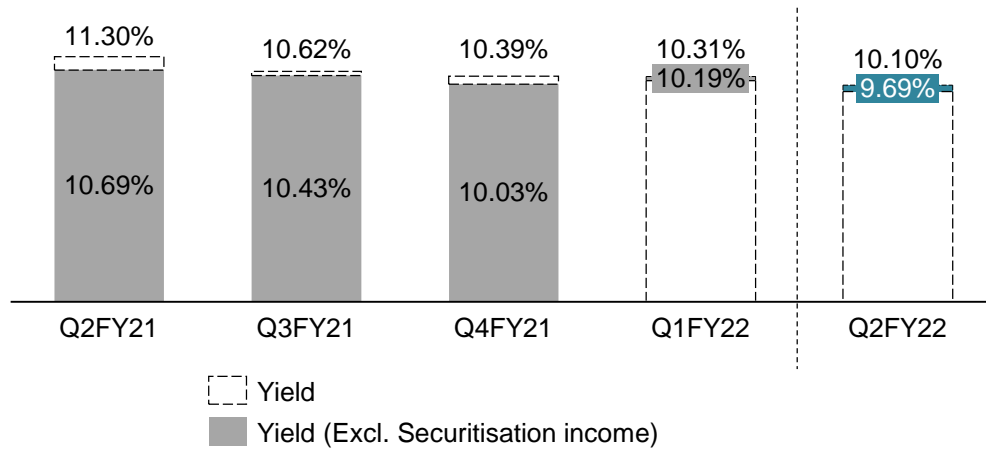
## Profit After Tax



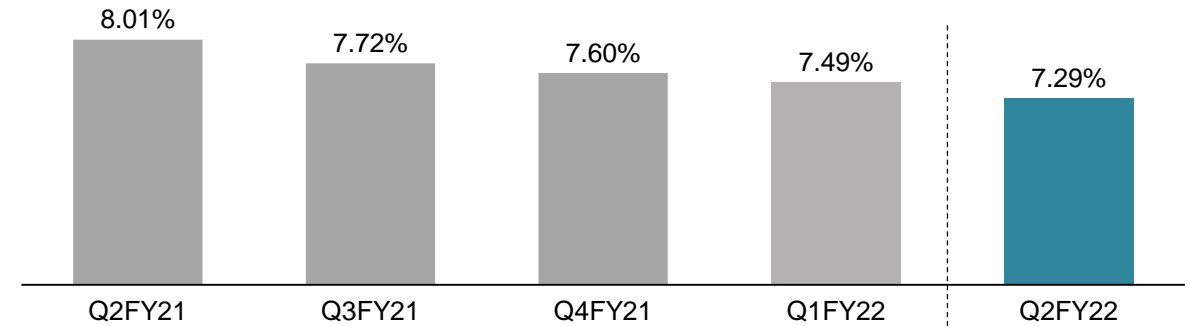
# Financial Ratio Highlights – Quarter on Quarter



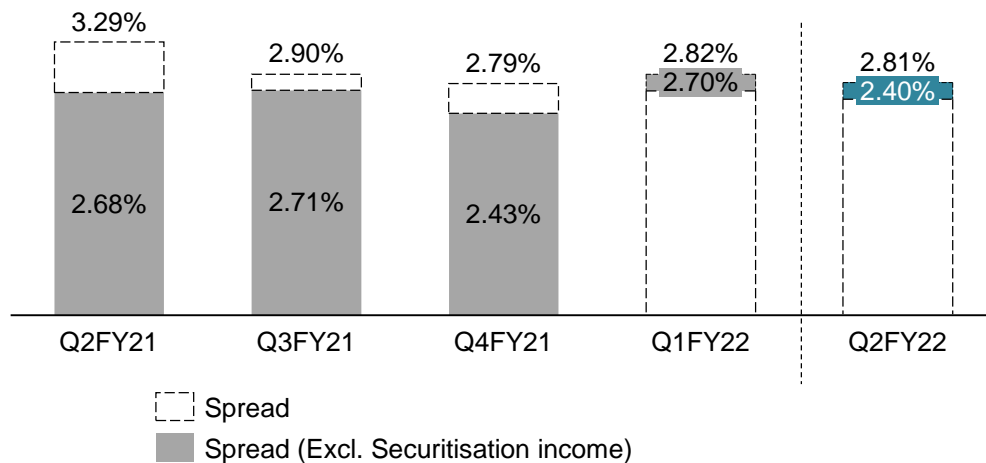
## Average Yield



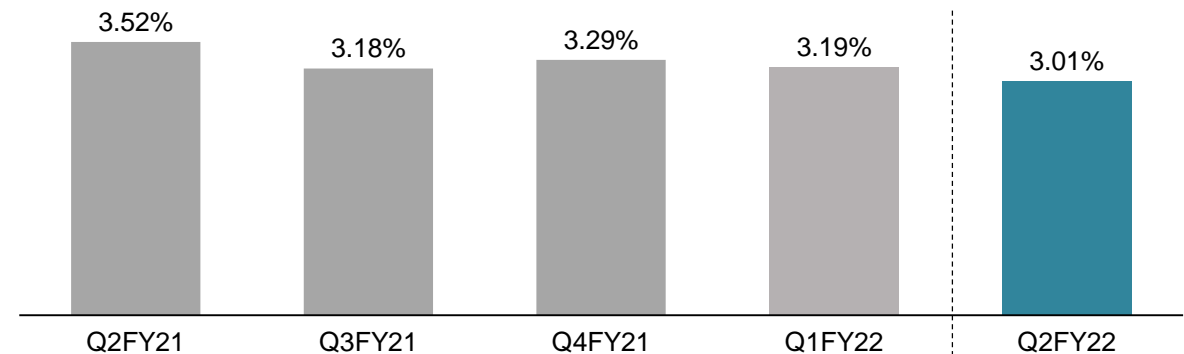
## Average Cost of Borrowing



## Spread



## Net Interest Margin

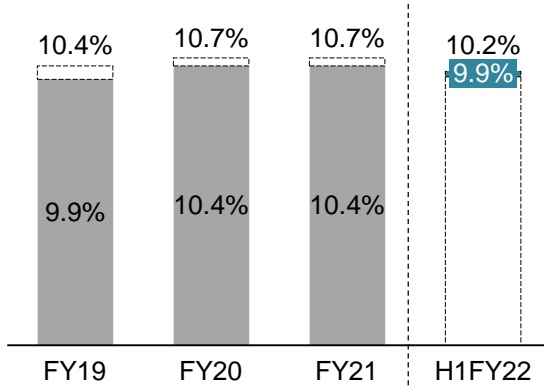


Ratios are calculated on Monthly Average

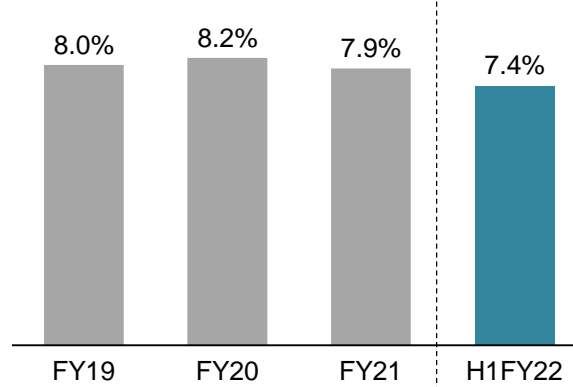
# Margin Analysis - Annual



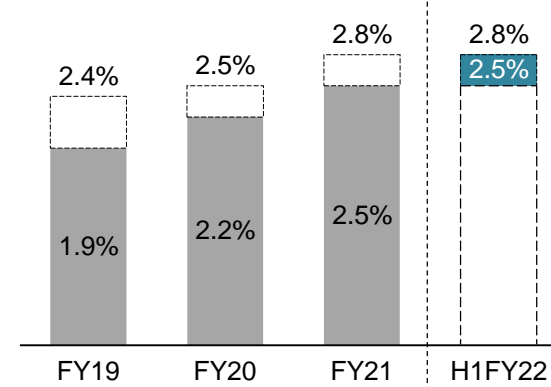
**Average Yield**



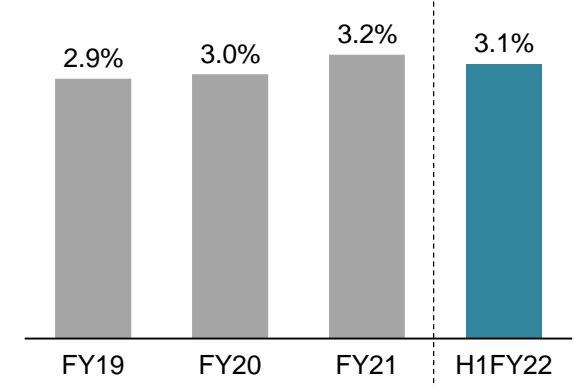
**Average Cost of Borrowings**



**Spread**



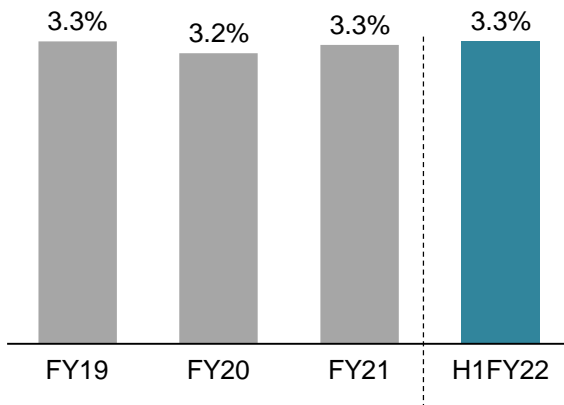
**Net Interest Margin**



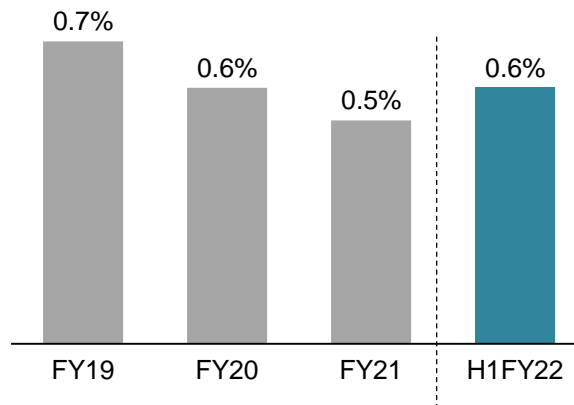
Yield  
 Yield (Excl. Securitisation income)

Spread  
 Spread (Excl. Securitisation income)

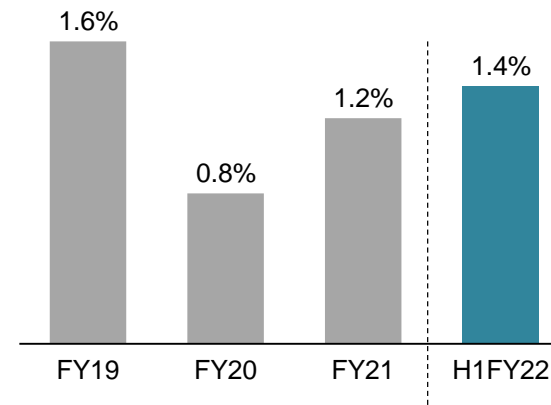
**Gross Interest Margin**



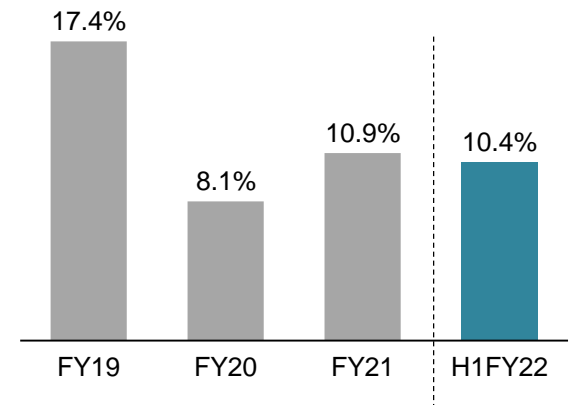
**Opex to ATA Ratio**



**Return on Asset**



**Return on Equity**



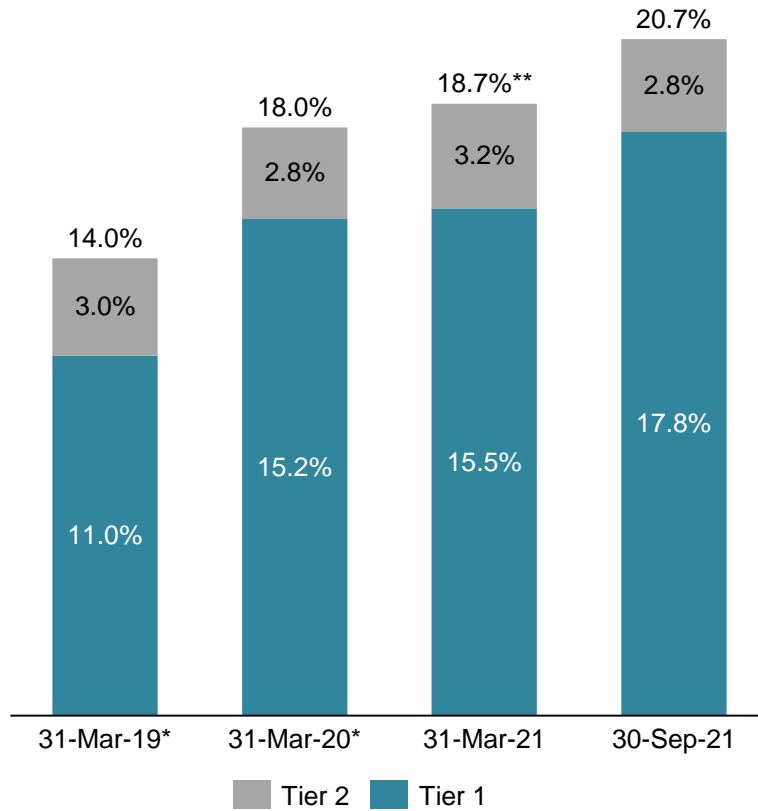
Ratios are calculated on Monthly Average  
Gross Interest Margin is net of acquisition cost

# Capital Position



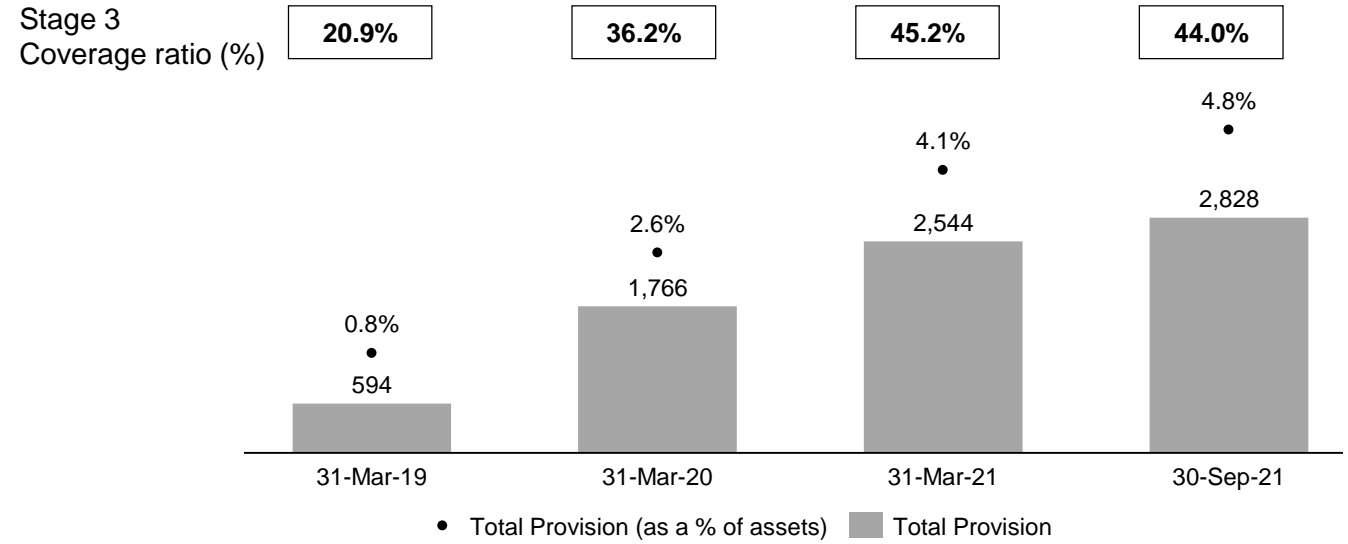
(INR Crore)

## Capital to Risk Asset Ratio

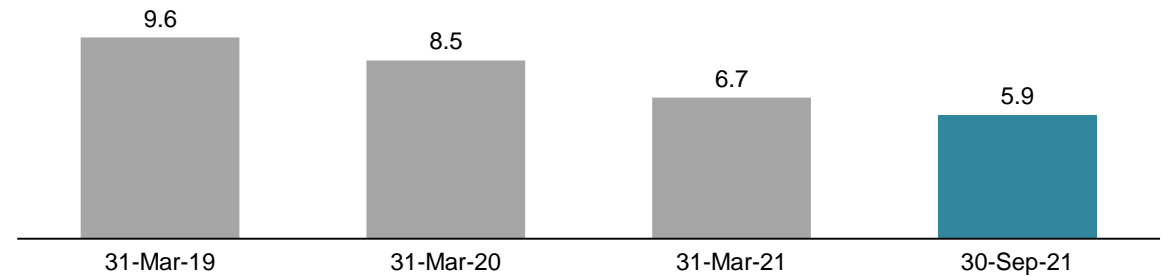


\*\*Adjusted for deposits with companies in same group, which gets deducted from Net owned Funds, the CRAR would have been 20.6%.

## Provisions



## Gearing (x)



**De-leveraged Balance Sheet with enhanced Provisions and reduced share of Corporate book**

Ratio is calculated on Monthly Average  
\*Based on IGAAP



# Consolidated Profit & Loss Statement



| Particulars (INR Crore)   | Q2 FY22    | Q2 FY21    | YoY           | Q1 FY22    | QoQ          | H1 FY22      | H1 FY21      | YoY           | FY21         | FY20         | FY19         |
|---|------------|------------|---------------|------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Interest Income*  | 1,500      | 1,960      |               | 1,611      |              | 3,111        | 3,762        |               | 7,190        | 7,688        | 6,793        |
| Add: Net gain on fair value changes   | 38         | 31         |               | 42         |              | 80           | 80           |               | 162          | 159          | 129          |
| Add: Income on derecognized loans assigned during the period                  | 0          | 0          |               | 0          |              | 0            | 0            |               | 71           | 336          | 308          |
| Less: Finance Cost  | 1,035      | 1,340      |               | 1,103      |              | 2,138        | 2,703        |               | 5,100        | 5,875        | 5,166        |
| <b>Net Interest Income</b>  | <b>503</b> | <b>651</b> | <b>-22.8%</b> | <b>550</b> | <b>-8.6%</b> | <b>1,053</b> | <b>1,139</b> | <b>-7.5%</b>  | <b>2,323</b> | <b>2,308</b> | <b>2,064</b> |
| Net Fees and other Income   | 48         | 29         |               | 38         |              | 86           | 50           |               | 190          | 298          | 399          |
| <b>Gross Income</b>   | <b>551</b> | <b>681</b> | <b>-19.1%</b> | <b>588</b> | <b>-6.4%</b> | <b>1,139</b> | <b>1,189</b> | <b>-4.2%</b>  | <b>2,513</b> | <b>2,606</b> | <b>2,462</b> |
| Operating Expenses  |            |            |               |            |              |              |              |               |              |              |              |
| Less: Employee Benefit Expenses   | 56         | 55         |               | 56         |              | 112          | 116          |               | 211          | 233          | 304          |
| Less: Other Expenses  | 48         | 36         |               | 45         |              | 92           | 62           |               | 173          | 245          | 204          |
| Less: Depreciation and Amortisation   | 13         | 15         |               | 13         |              | 26           | 31           |               | 59           | 66           | 31           |
| <b>Operating Profit</b>   | <b>433</b> | <b>575</b> | <b>-24.7%</b> | <b>475</b> | <b>-8.8%</b> | <b>908</b>   | <b>980</b>   | <b>-7.3%</b>  | <b>2,069</b> | <b>2,062</b> | <b>1,923</b> |
| Less: Impairment on financial instruments & Write-offs (Expected Credit Loss) | 142        | 180        |               | 160        |              | 301          | 255          |               | 862          | 1,251        | 189          |
| <b>Profit Before Tax</b>  | <b>291</b> | <b>396</b> | <b>-26.4%</b> | <b>315</b> | <b>-7.6%</b> | <b>606</b>   | <b>725</b>   | <b>-16.4%</b> | <b>1,207</b> | <b>811</b>   | <b>1,734</b> |
| Less: Tax Expense   | 56         | 82         |               | 72         |              | 128          | 155          |               | 277          | 165          | 543          |
| <b>Net Profit after Tax</b>   | <b>235</b> | <b>313</b> | <b>-24.9%</b> | <b>243</b> | <b>-3.3%</b> | <b>478</b>   | <b>570</b>   | <b>-16.1%</b> | <b>930</b>   | <b>646</b>   | <b>1,192</b> |
| Add: Other Comprehensive Income   | 12         | 20         |               | -10        |              | 1            | -67          |               | -21          | -55          | -102         |
| <b>Total Comprehensive Income</b>   | <b>247</b> | <b>333</b> | <b>-25.8%</b> | <b>233</b> | <b>6.0%</b>  | <b>480</b>   | <b>504</b>   | <b>-4.8%</b>  | <b>909</b>   | <b>591</b>   | <b>1,089</b> |
| EPS (Basic)   | 14.0       | 18.6       |               | 14.5       |              | 28.4         | 33.9         |               | 55.3         | 38.5         | 71.2         |

\*Includes net income reversal of INR 61 crore on derecognized loans due to unwinding impact of Spread contraction in Q2 FY22 as compared to INR 18 crore in Q1 FY22 resulting in declining interest income. During Q2 FY21, there was a net positive impact of INR 105 crore on derecognized loans due to fall in buying Banks' MCLR.

# Consolidated Balance Sheet



|          | Particulars (INR Crore)                      | 30-Sep-21     | 31-Mar-21     | 31-Mar-20     | 31-Mar-19     |
|----------|--|---------------|---------------|---------------|---------------|
|          | <b>LIABILITIES</b>                           |               |               |               |               |
| <b>1</b> | <b>Financial Liabilities</b>                 |               |               |               |               |
| (a)      | Derivative financial instruments             | -             | 51            | -             | 211           |
| (b)      | Debt Securities                              | 7,742         | 11,461        | 17,837        | 29,605        |
| (c)      | Borrowings (Other than Debt Securities)      | 29,002        | 29,746        | 32,328        | 26,793        |
| (d)      | Deposits                                     | 16,774        | 16,746        | 16,132        | 14,023        |
| (e)      | Subordinated Liabilities                     | 1,439         | 1,439         | 1,439         | 1,438         |
| (f)      | Other financial liabilities                  | 1,823         | 1,764         | 1,776         | 2,218         |
|          | <b>Sub Total - Financial Liabilities</b>     | <b>56,780</b> | <b>61,208</b> | <b>69,512</b> | <b>74,288</b> |
| <b>2</b> | <b>Non-Financial Liabilities</b>             |               |               |               |               |
| (a)      | Current Tax Liabilities                      | 52            | 63            | -             | -             |
| (b)      | Provisions                                   | 25            | 18            | 19            | 25            |
| (c)      | Other non-financial liabilities              | 796           | 1,180         | 1,401         | 2,012         |
|          | <b>Sub Total - Non-Financial Liabilities</b> | <b>873</b>    | <b>1,261</b>  | <b>1,420</b>  | <b>2,037</b>  |
| <b>3</b> | <b>EQUITY</b>                                |               |               |               |               |
| (a)      | Equity Share capital                         | 169           | 168           | 168           | 167           |
| (b)      | Other Equity                                 | 9,249         | 8,755         | 7,830         | 7,376         |
|          | <b>Sub Total - Equity</b>                    | <b>9,417</b>  | <b>8,923</b>  | <b>7,998</b>  | <b>7,544</b>  |
|          | <b>TOTAL – EQUITY &amp; LIABILITIES</b>      | <b>67,070</b> | <b>71,392</b> | <b>78,930</b> | <b>83,869</b> |

|          | Particulars (INR Crore)                   | 30-Sep-21     | 31-Mar-21     | 31-Mar-20     | 31-Mar-19     |
|----------|---|---------------|---------------|---------------|---------------|
|          | <b>ASSETS</b>                             |               |               |               |               |
| <b>1</b> | <b>Financial Assets</b>                   |               |               |               |               |
| (a)      | Cash and cash equivalents                 | 5,693         | 6,969         | 8,514         | 4,034         |
| (b)      | Loans                                     | 57,515        | 60,645        | 66,628        | 74,288        |
| (c)      | Investments                               | 2,201         | 2,045         | 2,076         | 4,561         |
| (d)      | Other Financial Assets                    | 842           | 952           | 872           | 552           |
|          | <b>Sub Total - Financial Assets</b>       | <b>66,251</b> | <b>70,610</b> | <b>78,090</b> | <b>83,434</b> |
| <b>2</b> | <b>Non - Financial Assets</b>             |               |               |               |               |
| (a)      | Tax Assets (Net)                          | 494           | 430           | 347           | 177           |
| (b)      | Property, Plant and Equipment             | 75            | 82            | 105           | 78            |
| (c)      | Right of use assets                       | 71            | 78            | 120           | -             |
| (d)      | Other Intangible assets                   | 20            | 21            | 25            | 24            |
| (e)      | Other non-financial assets                | 35            | 35            | 35            | 24            |
| (f)      | Assets held for sale                      | 124           | 136           | 207           | 131           |
|          | <b>Sub Total - Non - Financial Assets</b> | <b>819</b>    | <b>782</b>    | <b>839</b>    | <b>435</b>    |
|          | <b>TOTAL - ASSETS</b>                     | <b>67,070</b> | <b>71,392</b> | <b>78,930</b> | <b>83,869</b> |

# Digital Interventions across the Value Chain



## Tools & Collaborations



Fusion



Uconnect



Automated Mailing Machine



Email verification



Collection Tiger

TALISMA

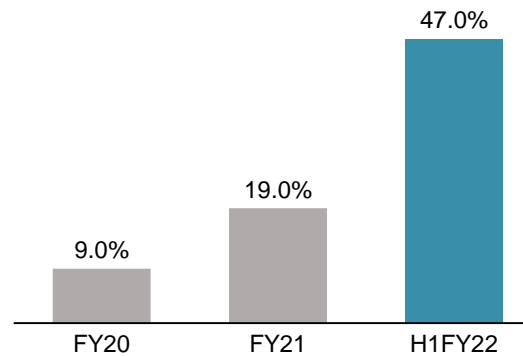


Payment collaborations with various Digital partners

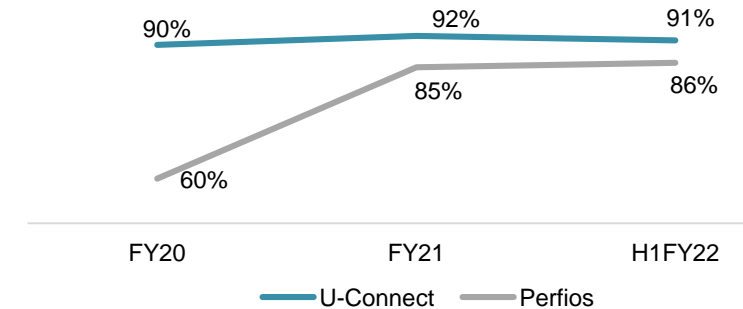
## Interventions

- Implemented cloud based Virtual System interface to ensure secure working from any location
- Integration of ACE (A Digital Onboarding Platform) with Loan Origination System (LOS) made live in Q1 for smooth flow of digital loan applications in business workflow without any human intervention.
- Part of NHB's "Automated Data Flow System (ADF)" project; pilot initiated
- Introduction of Robotic Process Automation (RPA) in Central Processing Center (CPC) to reduce human dependencies
- Introduced digital payment platform to support collections

## Digital Sourcing



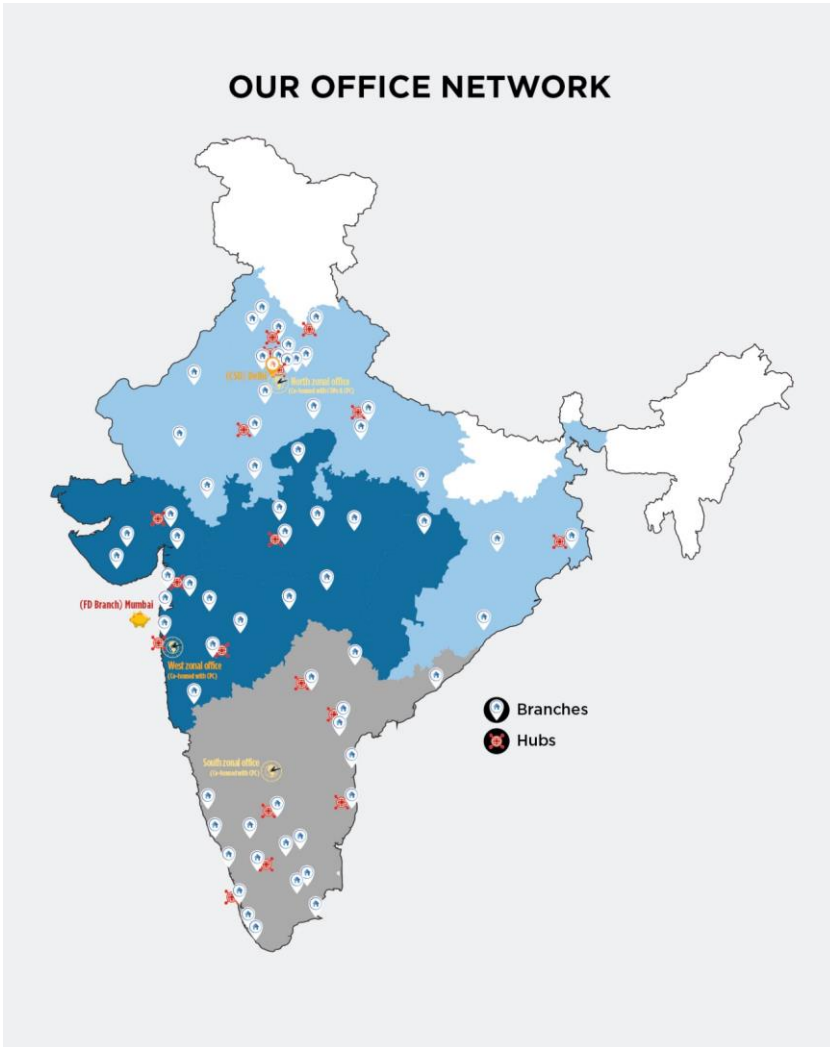
## Digital Underwriting Tools



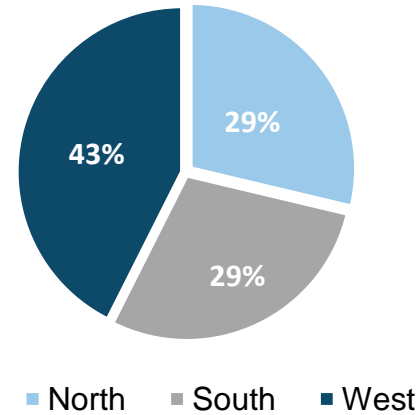
Accelerating Digital Journey

- Designing and Implementation under process to create smarter version of AI powered Chat Bot
- Automate credit decisioning for Salaried customers through STP
- Automate collection system with rule based engine and advance analytics

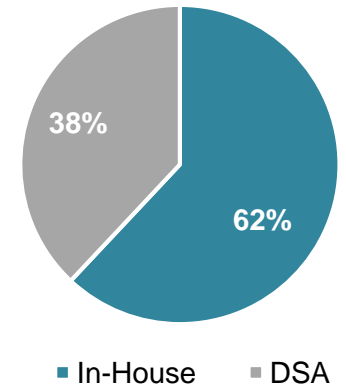
# Strong Distribution Network



## AUM – Geographical Breakup



## Disbursement Origination (H1 FY22)



## Network

- 94 branches with presence in 64 unique cities
- 17 outreach centers
- 22 decision making hubs
- Over 21,500 channel partners

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.

Data as on 30-Sep-21



## Environment

- 99% EMI collections through digital mode
- Introduced ACE for digital customer onboarding; digital penetration increased to 47% in H1FY22
- Over 79% customers on mobile app
- The Company through its CSR initiative supported
  - Water conservation in Rajasthan
  - Research and innovation in construction sector for environment friendly material
- Received the “Business Transformation Award 2021” by Mint (TECHCIRCLE) for its ACE technology platform



## Social

- Covid-19: Set up 70 bedded ICU Facility, provided oxygen concentrators, establish PSA based oxygen plant and provided ambulances for emergency pre-hospital care.
- Partnership with Madras Govt. Hospital Chennai, to set up a 3-D printing lab for their prosthetic department to provide free of cost digitally manufactured limbs to the disabled
- Strengthening of various education initiatives – refurbished infrastructure of seven government schools
- Enable access to healthcare:
  - Supported technology advancement in AIIMS Delhi and provided advanced equipment to PHCs in Karnataka
  - Infrastructure upgrade of the largest government facility in Pune
- Ensuring livelihood to women in EWS category through projects in Rajasthan and MP



## Human Capital

- Team of 1,393 employees as on 30<sup>th</sup> September 2021
  - Young organization with average age of 35 years
  - Average employee tenure is over 4 years
  - 17% women employees
- Learning & development (H1 FY22):
  - 1,320 unique employees trained
  - 616 number of training programme conducted



## Governance

- Diversified & highly experienced Board of 11 members with 6 independent directors
- All committees except CCB headed by Independent directors
- Systems in place to address stakeholder’s grievances viz customers, shareholders’, vendors etc.
- Strong and experienced management team with extensive industry experience
- Over 90% of customer requests resolved within TAT

# Experienced Management Team



## MANAGING DIRECTOR & CEO

- Years of Experience: 36+
- Years with PNBHF: 1

## CHIEF FINANCIAL OFFICER

- Years of Experience: 24+
- Years in Mortgage: 11+
- Years with PNBHF: 3

## CHIEF CENTRALIZED OPERATIONS & TECHNOLOGY

- Years of Experience: 35+
- Years in Mortgage: 25+
- Years with PNBHF: 10

## COMPANY SECRETARY & COMPLIANCE HEAD

- Years of Experience: 30+
- Years in Mortgage: 25+
- Years with PNBHF: 26

## BUSINESS HEAD – RETAIL

- Years of Experience: 18+
- Years in Mortgage: 15+
- Years with PNBHF: 10

## CREDIT HEAD – RETAIL

- Years of Experience: 19+
- Years in Mortgage: 18+
- Years With PNBHF: 8

## CHIEF RISK OFFICER

- Years of Experience: 17+
- Years in Mortgage: 17+
- Years with PNBHF: 8

## HEAD – COLLECTIONS

- Years of Experience: 22+
- Years in Mortgage: 15+
- Years with PNBHF: 1

## HEAD – REMEDIAL MANAGEMENT GROUP

- Years of Experience: 14+
- Years in Mortgage: 14+
- Years with PNBHF: 3

## HEAD – CUSTOMER SERVICE & OPERATIONS

- Years of Experience: 23+
- Years in Mortgage: 14+
- Years with PNBHF: 4

## HEAD – DEPOSIT AND CROSS SALES

- Years of Experience: 17+
- Years in Mortgage: 8+
- Years with PNBHF: 9

## HEAD – INVESTOR RELATIONS

- Years of Experience: 19+
- Years in Mortgage: 4+
- Years with PNBHF: 5

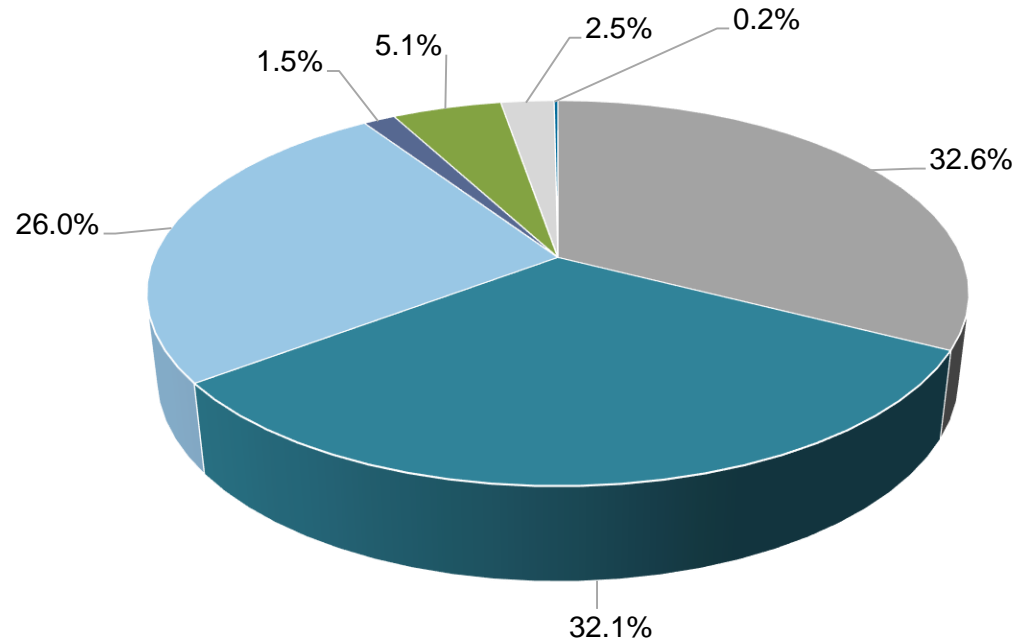
## HEAD – BUSINESS TRANSFORMATION PROJECT

- Years of Experience: 17+
- Years in Mortgage: 6+
- Years with PNBHF: <1





## Shareholding as on 30-Sep-21



- Promoters
- Mutual Funds
- Financial Institutions / Banks
- Quality Investment Holdings
- Public & Others
- Foreign Inst. Investors
- Bodies Corporates

**Outstanding Shares – 16,85,78,055 shares**

## Top Shareholders

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

## Inclusions in MSCI Indices

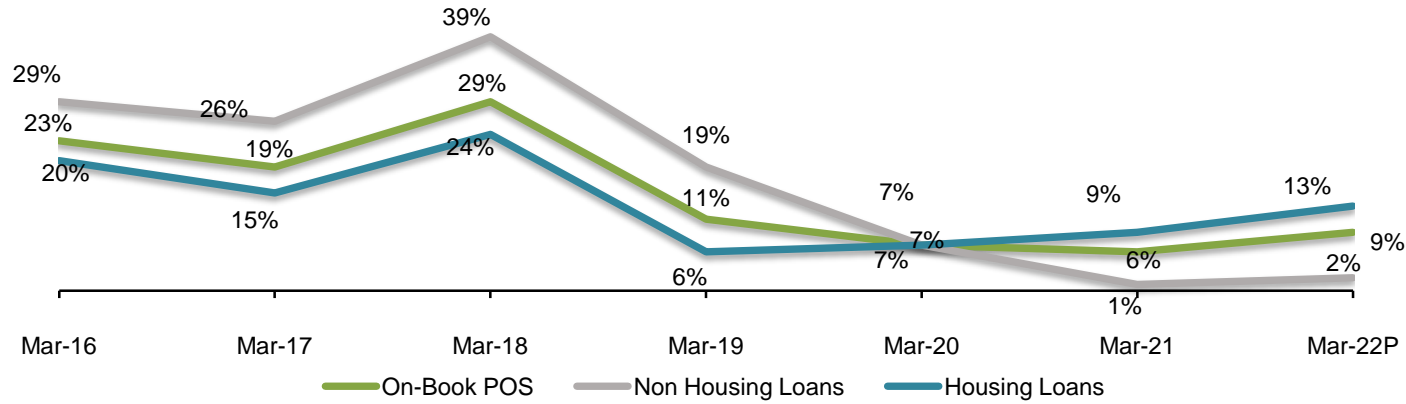


| Index  | Since  |
|--|--------|
| MSCI Emerging Markets IMI ESG Screened Index | Mar-21 |
| MSCI ACWI IMI ex Controversial Weapons Index | Mar-21 |
| MSCI ACWI IMI Climate Change Index           | Mar-21 |
| MSCI Global Small Cap Index                  | Nov-18 |

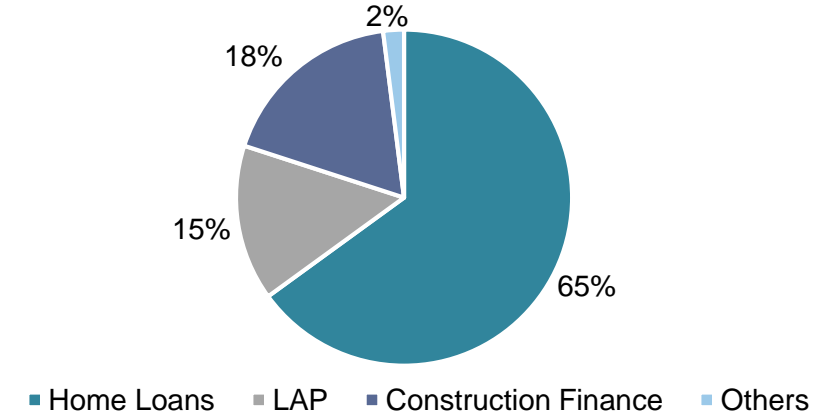
# Growth of Housing Finance Sector



**Portfolio Growth of HFCs**

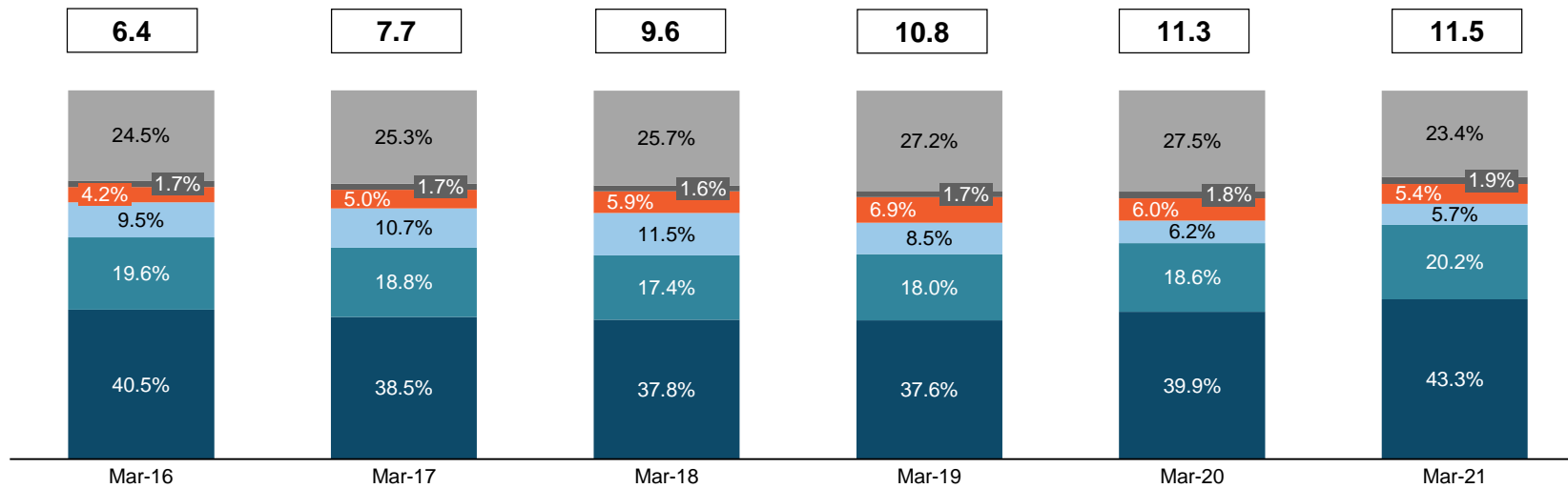


**Portfolio Composition of HFCs\***



**HFCs Share**

Total HFC Loans  
(INR trillion)



Source: ICRA Reports  
\*As on Mar-21  
% Change is YoY

# Key Takeaways



Robust and scalable  
Hub and Spoke model

Leverage advance  
analytics and digital  
tools to automate credit  
appraisal journey

**Robust 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**

Enhance productivity  
and right size  
infrastructure to  
drive cost  
optimization

**Cost-to-Income Ratio**

Strengthening digital  
presence across the  
value chain

**Strong Thrust on  
Digitization**

Continue to operate in  
mass housing and  
merchant segment

Focus on affordable  
housing including high  
yielding Unnati segment

**Focus on Retail Segment**

# Glossary



| Ratios             | Formulas Used   |
|--------------------|---|
| 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 - Fair value on repossessed assets) / (Net Revenue-Acquisition Cost)            |
| NIM (%)            | Net Interest Income including assignment income / Average Earning Assets  |
| Opex to ATA (%)    | Operating Expenditure(Employee Cost + Other Expenses + Depreciation - Acquisition Cost – ESOP cost - CSR cost - Fair value on repossessed assets) / Average Total Assets as per Balance sheet |
| PCR (%)            | ECL Provision as a % of GNPA  |

|      |                               |
|------|-------------------------------|
| 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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**PNB Housing Finance Limited**

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