



Ref: PNBHFL/SE/EQ/FY25/24  
Date: May 22, 2024

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

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

Dear Sir(s),

**Sub: Investor & Analyst Day of the Company - Investor Presentation - Update**

**Ref:** Our letter PNBHFL/SE/EQ/FY25/21 dated May 17, 2024

In continuation of our letter cited above, please find attached the Investor Presentation, which will be referred by the Company for discussions during interaction.

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

This update is pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Kindly take the above on record.

Thanking You,

Yours faithfully,  
**For PNB Housing Finance Limited**

**Veena G Kamath**  
**Company Secretary**

Enclosure: As above

# READY FOR THE NEXT LEAP

Investor & Analyst Day  
Presentation

22nd May, 2024



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Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. All forward-looking statements are based on judgments derived from the information available to the Company at this time. Forward-looking statements can be identified by terminology such as such as "potential," "opportunity," "expected," "will," "planned," "estimated", "targeted", "continue", "on-going" or similar terms. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, natural calamities, inflation, deflation, the performance of the financial markets in India and globally, changes in Indian laws and regulations, including tax, accounting and housing finance companies regulations, changes in competition and the pricing environment in India, and regional or general changes in asset valuations, the Company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections. Given these uncertainties and other factors, viewers of this Presentation are cautioned not to place undue reliance on these forward-looking statements. The information in this Presentation does not constitute financial advice (nor investment, tax, accounting or legal advice) and does not take into account an investor's individual investment objectives, including the merits and risks involved in an investment in the Company or its securities, or an investor's financial situation, tax position or particular needs. Past performance information in this Presentation should not be relied upon as an indication of (and is not an indicator of) future performance.

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- 02 Industry Overview
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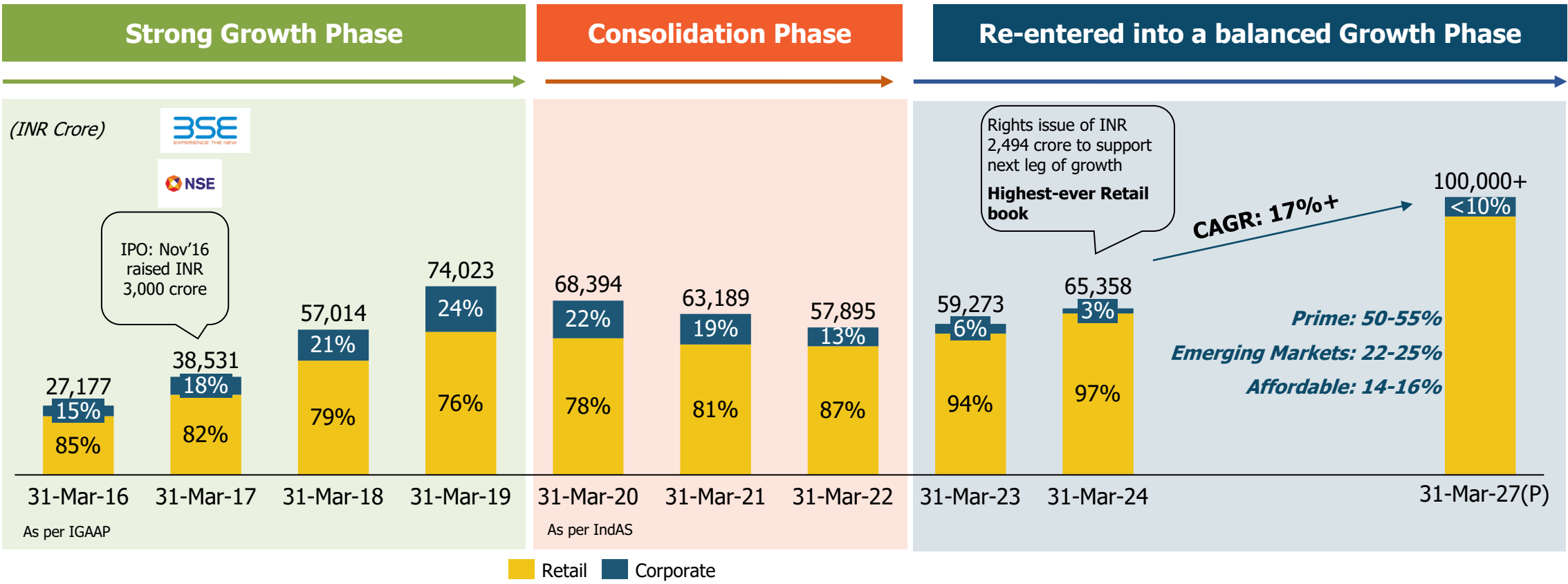
# Agenda





# Company Overview

# Back on Growth trajectory



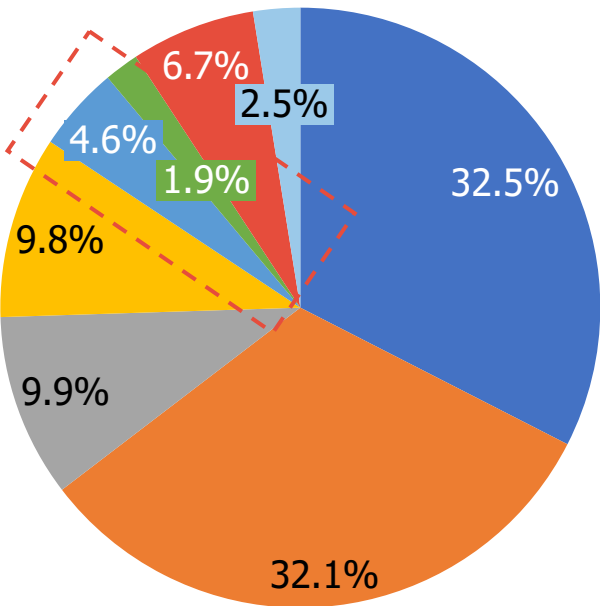
- Strong growth in retail and corporate segment
- Loan book crosses INR 70,000 crore

- Focus on building Retail Segment
- Reduction in Corporate Book

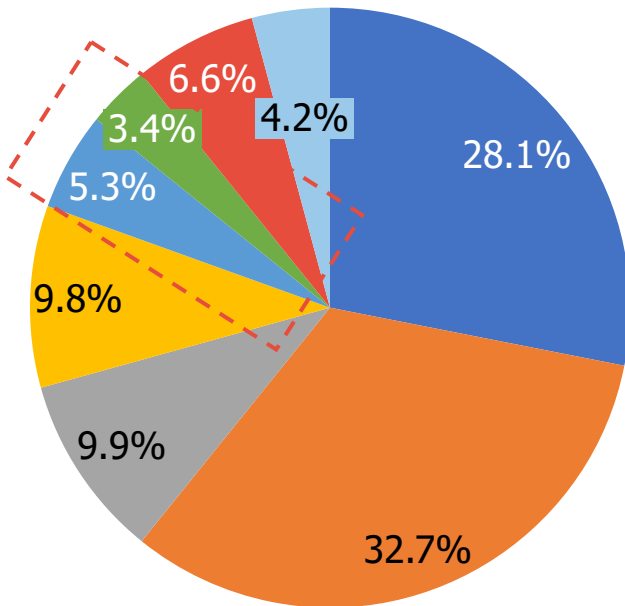
- Launch of affordable vertical – one of the fastest Company to reach INR 1,000 crore loan book
- Distribution network expanded to 300 branches/outreaches
- Focus on high yielding emerging markets segment
- Improving asset quality
- Rating upgrade from multiple credit rating agencies

# Shareholding Pattern : Increase in Institutional Shareholding

**31-Mar-23**



**31-Mar-24**



**Outstanding Shares**

**16,88,55,818 shares**

**25,97,23,886 shares**

- Promoters
- Quality Investment Holdings PPC (Carlyle)
- Asia Opportunities V (Mauritius) Limited
- General Atlantic Singapore Fund Fii Pte Ltd
- Foreign Inst. Investors
- Mutual Funds
- Public & Others
- Bodies Corporates

**FII, MF and Bodies Corp shareholding increased**

**Market Cap INR 19,234 crore\***

**Raised INR 2,494 crore via. Rights Issue in May 2023**

**No. of Shareholders 1,35,956**

**Book Value INR 577**

Data as on 31-Mar-24  
\*as on 21-May-24

# PNB Housing Finance – At a Glance



**3<sup>rd</sup> largest HFC by Loan Book<sup>(1)</sup>**  
Largest in terms of deposits  
35+ years of operating history



**Punjab National Bank**  
Promoter of PNB Housing Finance  
with 28.1% holding



**300 Branches<sup>(2)</sup>**  
With 14,000+ active channel  
partners for loans and deposits



**>5,500**  
No. of employees  
(PNBHFL + PHFL)



**INR 65,358 crore | INR  
71,243 crore**  
Loan Book | AUM



**97%**  
Retail loan book



**500k+**  
Active Loan & Deposit  
Accounts



**1.50% | 1.45%**  
GNPA | Retail GNPA



**0.95%**  
NNPA



**29.26% / 27.90%**  
Capital adequacy ratio / Tier-I  
Capital



**2.20%**  
Return on average assets  
(FY24)



**INR 577<sup>(3)</sup>**  
Book Value per Share

**Rating upgrade to AA+ by India Ratings, ICRA and CARE**













Notes: All data-points are for the period ending 31-Mar-24; HFC – Housing finance company, AUM – Assets under management, <sup>1</sup> Source : as on 31-Mar-24; Company's report

<sup>2</sup>Includes branches and outreaches

<sup>3</sup>Post Rights Issue in May 2023



# Key Performance Update

	<u>31-Mar-22</u>	<u>31-Mar-24</u>		<u>31-Mar-22</u>	<u>31-Mar-24</u>
 <b>Disbursement</b>	INR 11,246 crore	INR 17,583 crore	 <b>Gross NPA</b>	8.13%	1.50%
 <b>Loan Book</b>	INR 57,895 crore	INR 65,358 crore	 <b>Net NPA</b>	5.06%	0.95%
 <b>AUM</b>	INR 66,983 crore	INR 71,243 crore	 <b>ROA</b>	1.24%	2.20%
 <b>Retail (%) Loan Book</b>	87%	97%	 <b>ROE</b>	8.92%	10.90%*
 <b>Retail Loan Book growth</b>	-1.3% YoY	14.1% YoY	 <b>Capital Adequacy</b>	23.40%	29.26%*
 <b>Deposits</b>	INR 17,684 crore	INR 17,798 crore	 <b>Gearing Ratio</b>	5.37x	3.68x*

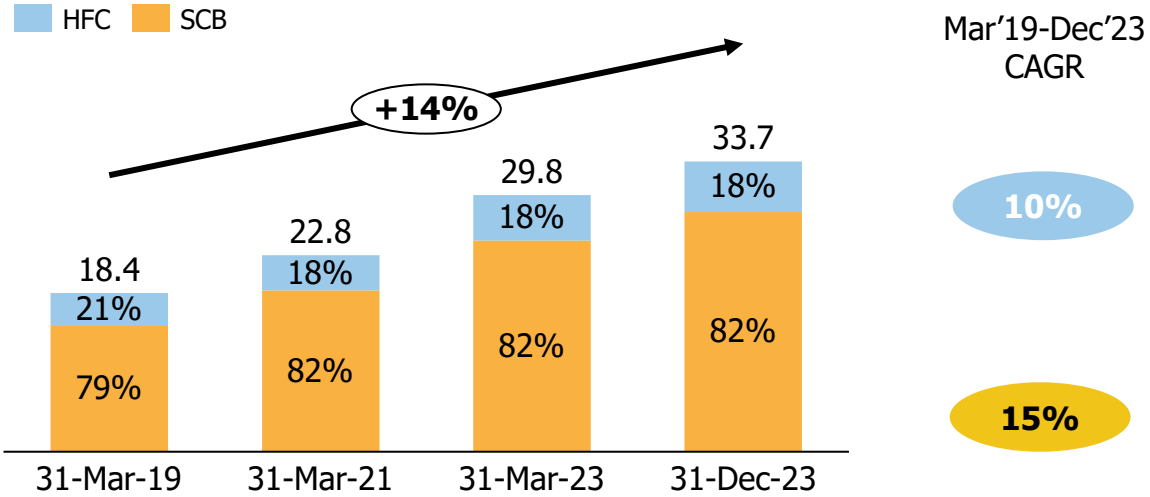
\*Post Rights Issue in May 2023

# Industry Overview

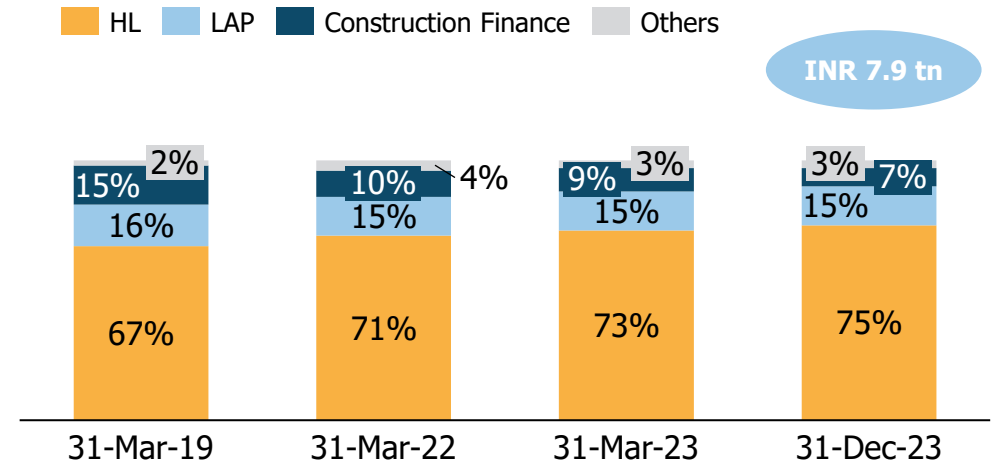


# Individual Housing Loan landscape in India

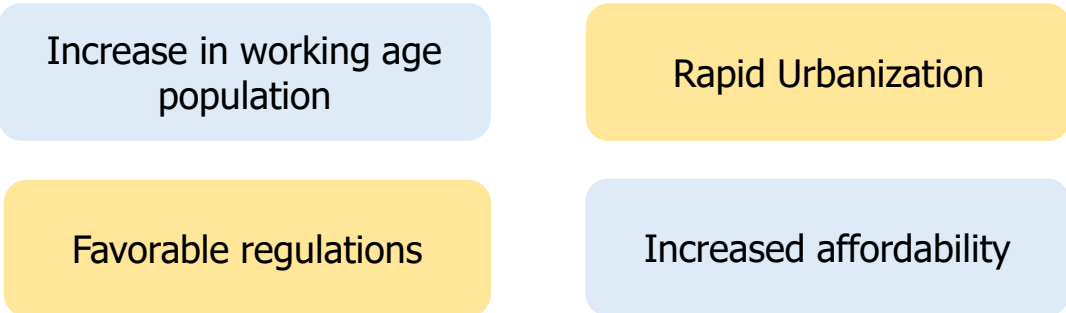
## IHL Mortgage Market (INR Trillion)



## HFCs – Portfolio mix



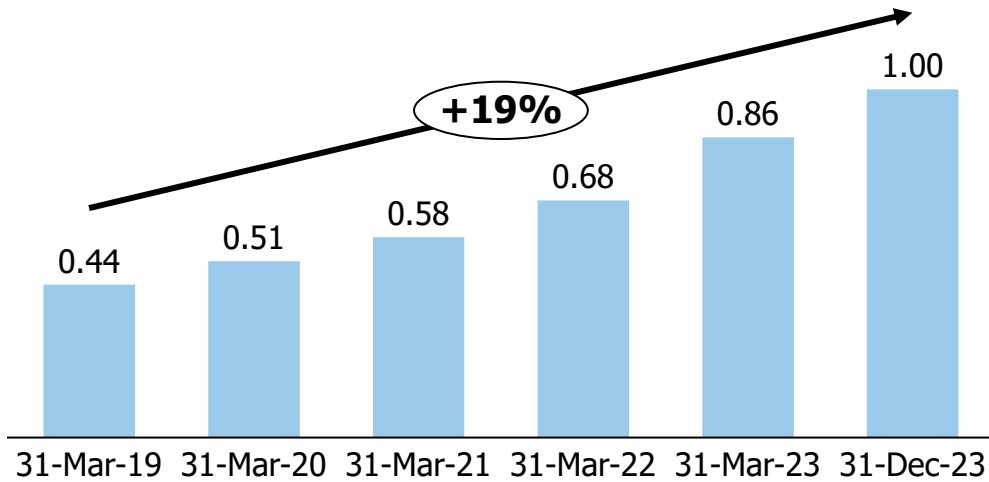
## Drivers for mortgage penetration



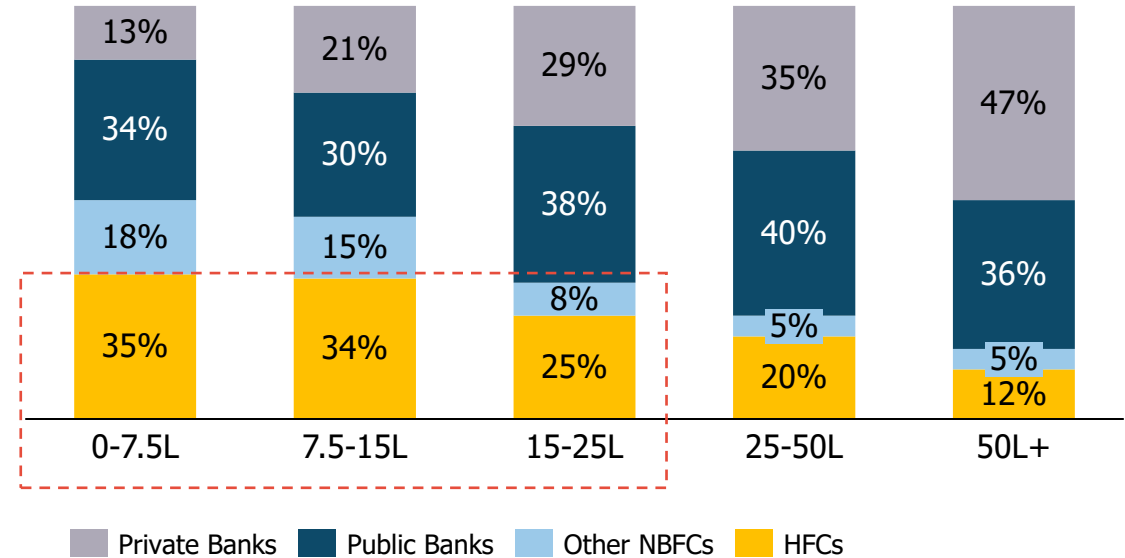
- Stable growth of Mortgage industry, driven by improving macroeconomic factors and increasing demand
- Increase in share of HL, reduction in share of construction finance – HFCs have become more cautious and have improved asset quality

# HFCs have a strong right to win in Affordable Housing

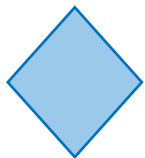
**Affordable focused HFCs Loan book (INR Trillion)**



**Market share by ticket size (FY23)**



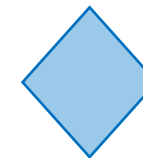
- Affordable Housing focused HFCs have grown at 19% CAGR from FY19-Dec'23, faster than overall Mortgage growth
- HFCs are gaining share in Affordable housing and lower ticket size segments. Right to win for HFCs:



Focused approach for specialized segment



Strong underwriting capabilities for informal segment



Tech integration to optimize process and increase productivity






**Over the last 12 months, we have leveraged our capabilities in the prime segment to accelerate growth in affordable segment and to set up new emerging markets segment**

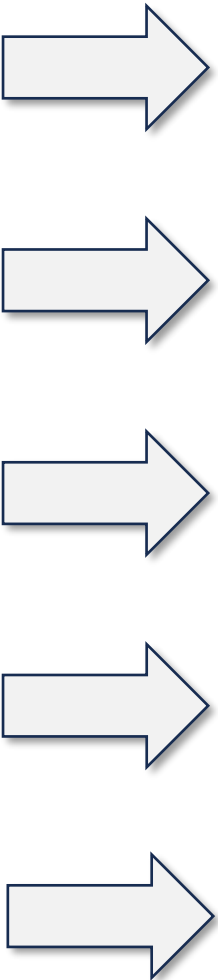


# Business and Strategy






# Medium-term strategic priorities...

## Journey so far

-  Focus on Retail business with Retail Loan Book growth of 14% in FY24; contributes 97% of the Loan Book
-  Prime back on growth path; Set-up separate emerging markets vertical with 50 dedicated branches
-  Scale-up of affordable book to INR 1,000 crore in less than 1 year and closed ~INR 1,800 crore as on 31st March 2024
-  Expanded to 300 branches/outreaches for country wide presence
-  Better collection efficiency led to Gross NPA at 1.50%




## Journey going forward: 3 Year Plan

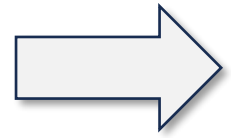
-  Grow Retail book by 17% YoY over next 3 years
-  Shift to high yielding Emerging markets Segment; to contribute 22-25% of Loan Book
-  Affordable to contribute 14-16% of loan book
-  Expand by 40-50 branches/outreaches annually for next three years
-  Leverage advanced analytics and digital tools to maintain industry best in class asset quality; ~1% overall GNPA


# Medium-term strategic priorities...


## Journey so far

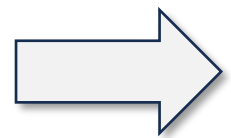
## Journey going forward: 3 Year Plan


 Resolved big corporate NPA account of INR 784 crore and recovered ~INR 100 crore from written-off pool in FY24




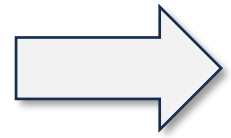
 Continue to focus on recovery from written off pool in corporate & retail book


 End to End customer journey with digital footprints




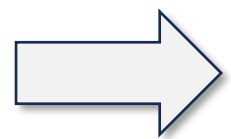
 Higher efficiency and productivity driven by tech transformation


 Raised INR 2494 crore through Rights Issue, Rating upgrade to AA+



 Comfortably placed on capital

 Return on Equity of 10.90% in FY24



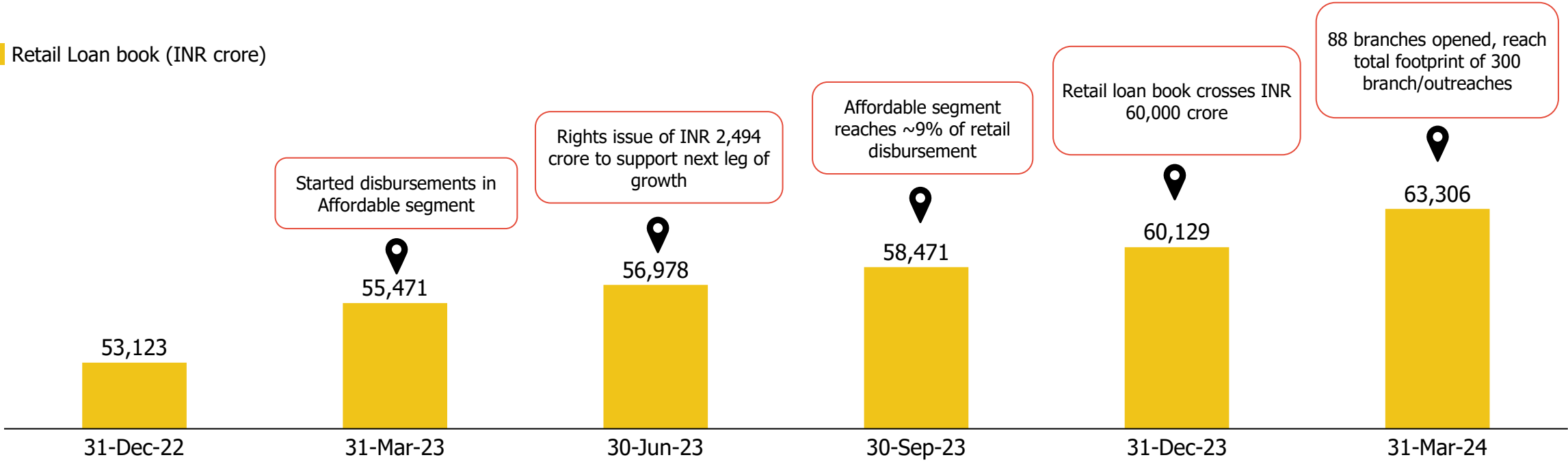
 Improve Return on Equity to **15%+ on a steady state basis**

# Retail strategy ramping up well

## Retail Growth strategy and objectives...



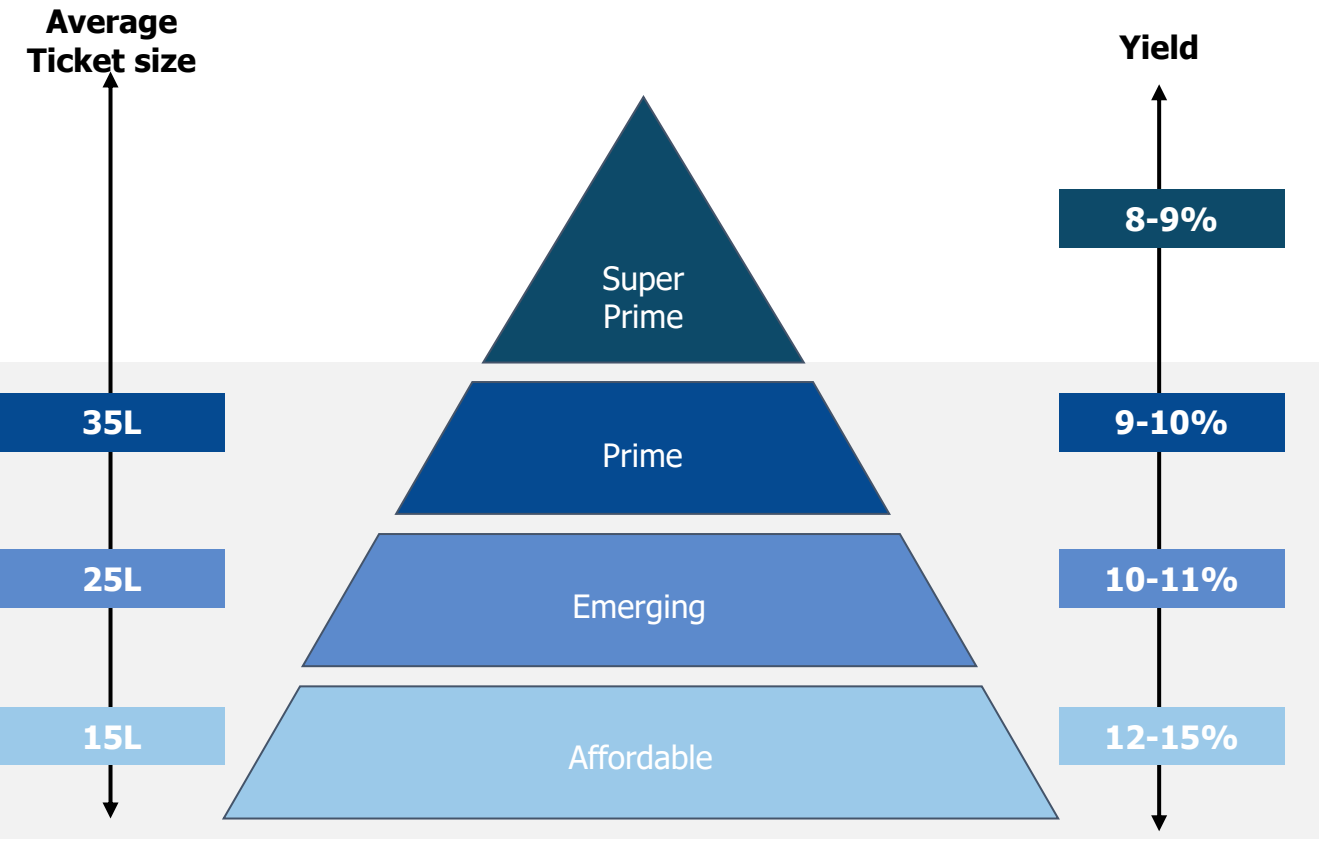
■ Retail Loan book (INR crore)





# Leveraging Prime segment experience to grow Emerging Markets and Affordable

## Moving down the affordability pyramid...



*Increased focus on Emerging Markets and Affordable segments, leveraging long experience of successful retail growth*

**Key building blocks in place – People, Product, Process, Distribution and Brand**

## Experience brings advantages...



### **Strong brand recall**

Trusted brand with long history and PNB parentage



### **Pan India presence**

30+ years of experience across 20 states and UT



### **10+ years of proprietary data**

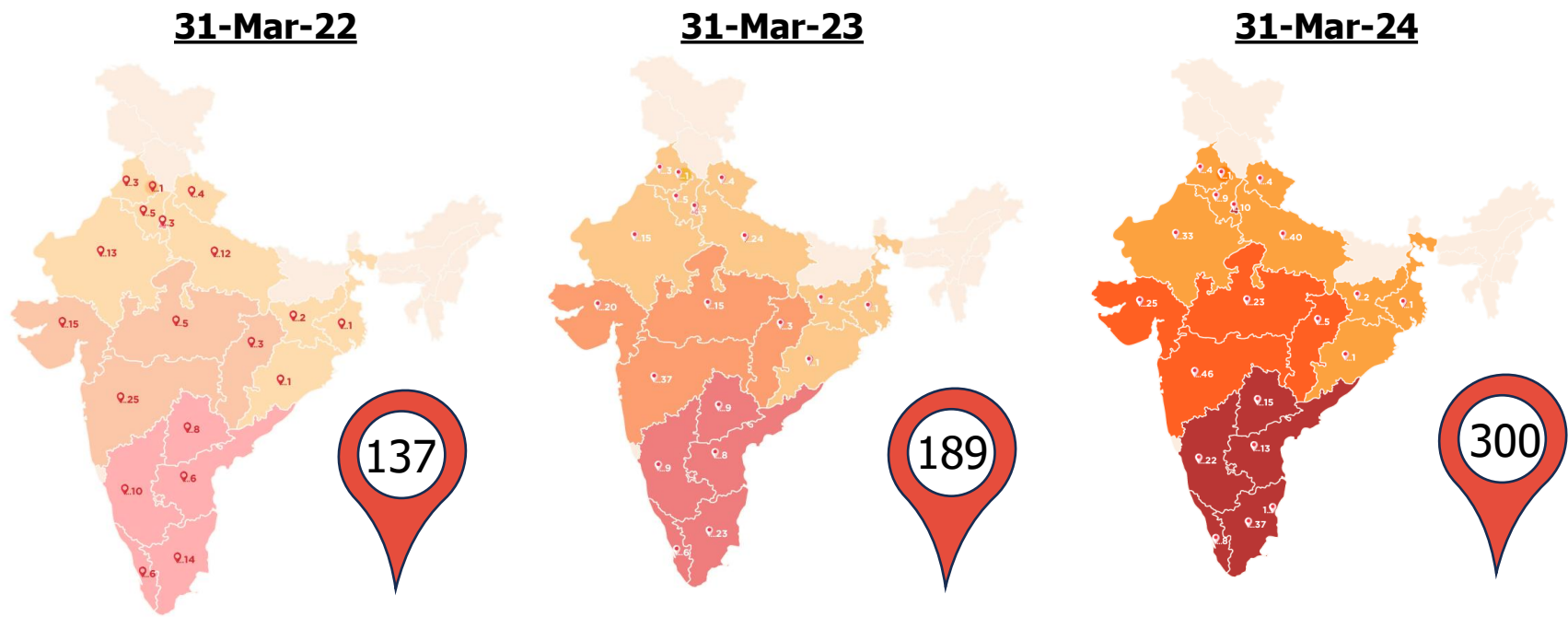
Strong understanding of customers across markets and credit cycles



### **One PNBHF platform**

Shared resources and experience across Tech, operations and analytics

# Retail Business Focus Areas



<b><u>LOAN BOOK (INR crore)*</u></b>	<b>31-Mar-22</b>	<b>31-Mar-23</b>	<b>31-Mar-24</b>
<b>Prime</b>	42,380	45,671	49,828
<b>Emerging Markets</b>	8,140	9,662	11,688
<b>Affordable</b>	-	138	1,790
<b><u>No of Branches</u></b>			
<b>Prime</b>	90	70	90
<b>Emerging Markets</b>	47	37	50
<b>Affordable</b>	-	82	160

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

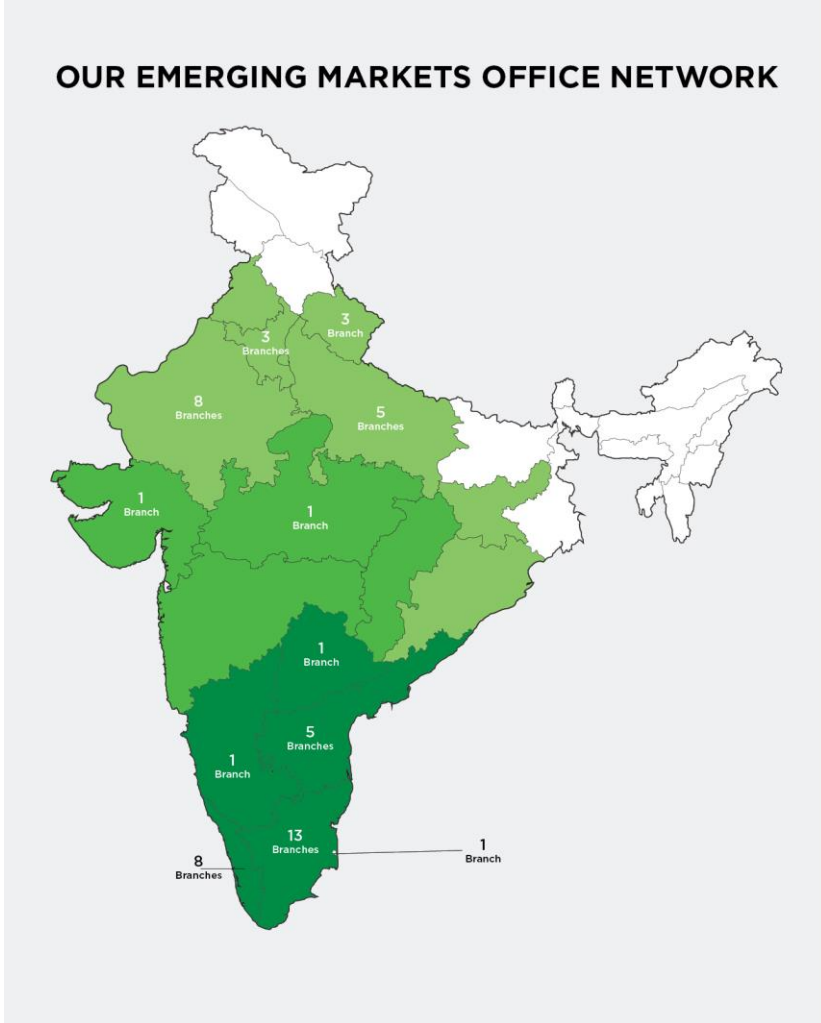
# Retail Segment Snapshot - Going Forward

	<b>Prime</b>	<b>Emerging Markets</b>	<b>Affordable</b>
<b>Sourcing Mix</b>	In House 58%: DSA 42%	In House 65%: DSA 35%	In House 70%: DSA 30%
<b>Profile Mix</b>	Sal (65%) : SE (35%)	Sal (60%) : SE (40%)	Sal (50%) : SE (50%)
<b>ATS</b>	INR 35 Lakh	INR 25 Lakh	INR 14 Lakh
<b>Yield</b>	9%-10%	10%-11%	12%-15%
<b>Key Focus Markets</b>	Tier I (Top 10 cities)	Tier II/III (Next 40 cities)	Tier II, III & IV (Next 100 cities)
<b>No. of Branches (31-Mar-24)</b>	90	50	160
<b>No. of Employees (Team size) (31-Mar-24)</b>	997	265	333

All data is expected unless mentioned

# Carved out high yielding Emerging Markets Segment

## Distribution Network



## Focus Area

Focus on Tier II/III cities for emerging business

Dedicated 50 branches across 12 states

Separate vertical with sales, underwriting, branches earmarked for the segment

Focus on higher yield customer profile and properties

Plan to increase distribution network to ~60 branches/outreaches in FY25

## Right to win



**Deep experience in retail segment:**  
Proven track record of building high quality retail loan book



**Sharp focus:** Key segment for growth going forward, area of high focus for business



**Verticalization:** Separate vertical viz. sales, credit, collections & operations for each segment

# Affordable Segment Strategy



## Moving towards high yielding segments on the incremental basis

	FY24
Salaried Formal	59%
Salaried Informal	4%
Self employed Formal	16%
Self employed Informal	21%

### Target mix in medium term

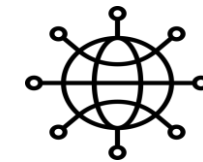
- Formal: Informal**  
~40%:60%
- Salaried: Self-employed**  
~50%:50%
- Targeted Yield in FY27**  
13%+

## Right to win



### **Strong brand recall**

*Trusted brand with long history and PNB parentage*



**Pan-India Distribution Network:** presence across 160 location in 13 states; Expanding Branch presence as Fulcrum of Business growth



**Verticalization:** Separate vertical for Affordable Segment viz. sales, credit, collections & operations

# Retail Collection Strategy

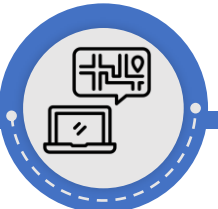
## Collections supported by Technology, Data & Analytics



**Analytics based case allocation**



**Geo-allocation**



**Real Time Field Force Tracking**



**Delinquency Prediction Modelling**

## Verticalization of Collection Team to Improve Asset Quality

### X-Bucket Resolution

X- Bucket resolution through

- Contact less Collections
- Emphasis on Tele-calling
- Regular Field Visits

**97% resolution in Bucket X in March 24**

### Pre-NPA Resolution

Pre-NPA resolution through

- Focus on rollback / stabilization
- Focus to limit forward flow

**99.6% resolution in SMA II in March 24**

### Consistent NPA Reduction

NPA reduction through

- Focused early bucket cash collection
- Support from Legal machinery & SARFAESI
- One-time Settlements
- Auction & Sale of properties

**Retail Gross NPA reduced to 1.45% as on 31-Mar-24**

### Emphasis on Recovery on written-off pool

Recovery through

- OTS and property sale of written-off pool
- Auction & Sale of property - auctioned 296 properties in FY24 (98 in FY23)

**Recovery of INR 68 crore from written-off pool in FY24**

## Legacy Corporate Book

Outstanding Book as on 31<sup>st</sup> Mar 2024  
INR 2,052 crore

### Reduced legacy Corporate Book

*Reduced Corporate Book from ~INR 18,000 crore as on 31-Mar-19 to INR 2,052 as on 31-Mar-24*

### Reduction of Corporate GNPA through multi-pronged strategy

*Gross NPA reduced from INR 2,738 crore as on 31-Mar-22 to INR 68 crore as on 31-Mar-24 on account of ARC sale, new developer onboarding, SWAMIH fund and write-offs*



**De-risked the Legacy Corporate Book**

## Corporate Book 2.0

To re-start Corporate Book in FY25

**Corporate Book to be less than 10% of Loan Book**

### Key Parameters

**Target select builders and geographies**

**Focus on being a sole financier**

**Ticket size: INR 100-200 crore**

**Lending in construction finance**

### Core advantages for building Corporate 2.0

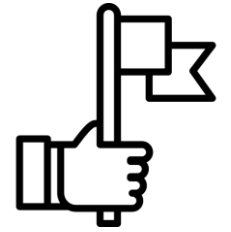
Riding on macro tailwinds

Experienced team with domain knowledge

Wide builder connects

# Digital Intervention across Loan Life Cycle

## Loan Life Cycle driven by Analytics



**Origination**

**Management**

**Servicing**

**Collections**

**LOS**

**RO App**

**Website**

**LMS**

**STP**

**CRM**

**Chatbot**

**Collection App**

**Digital Collection Module**



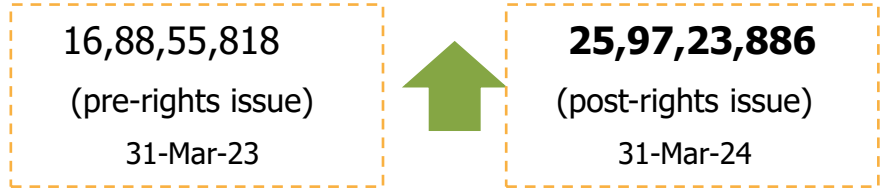
# Comfortably placed on Capital and Well diversified Resource Profile

## Successfully completed Capital Raise

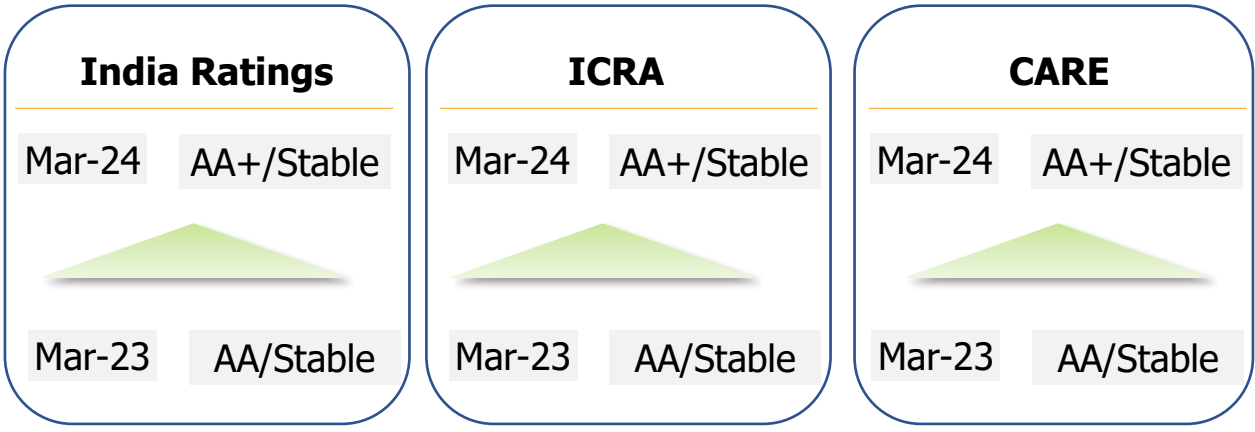


Successful completed of Right Issue in May 2023 of ~INR 2,494 Crore with ~1.21 times subscription

**Outstanding Equity Shares**

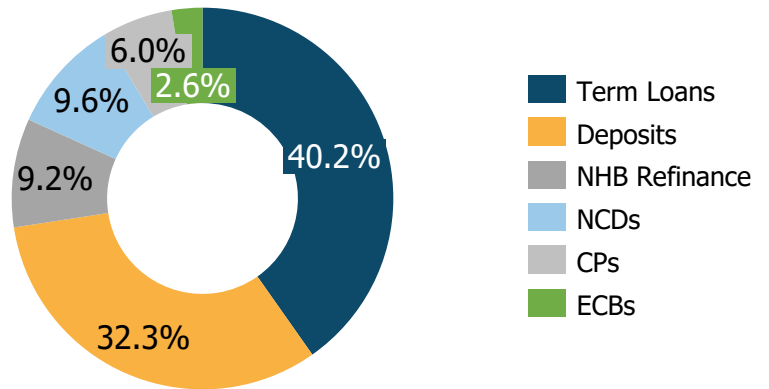


## Multiple Ratings Upgrades during the year

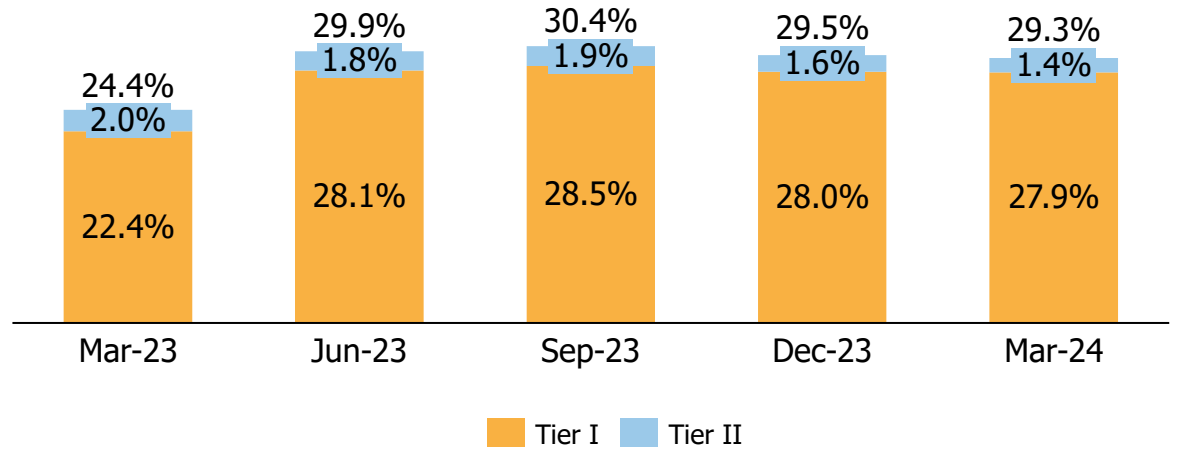


## Well-diversified Borrowing Mix

Total Borrowing INR 55,057 Crore



## Improved Capital Adequacy

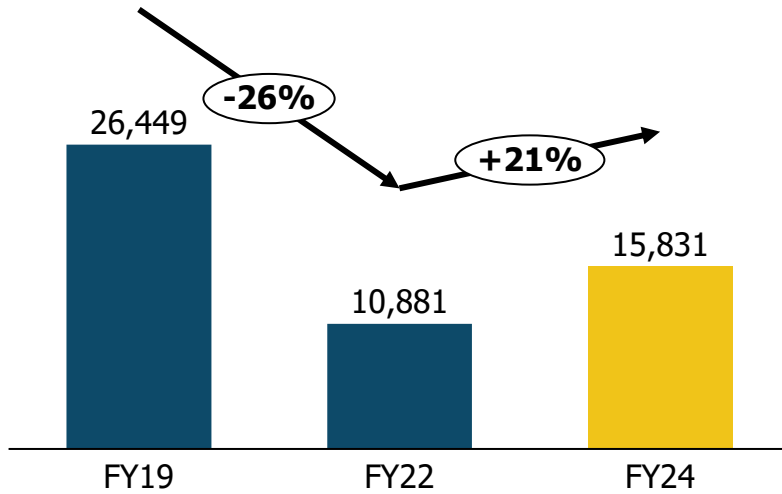


- Re-started raising from debt market through NCDs and CPs in FY24
- Received NHB refinance of INR 3,000 crore

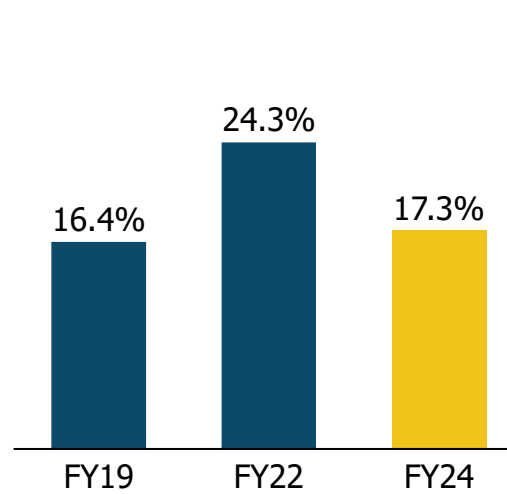
# Prime & Emerging Markets Segment

# Retail Prime Loan book is back on Growth path

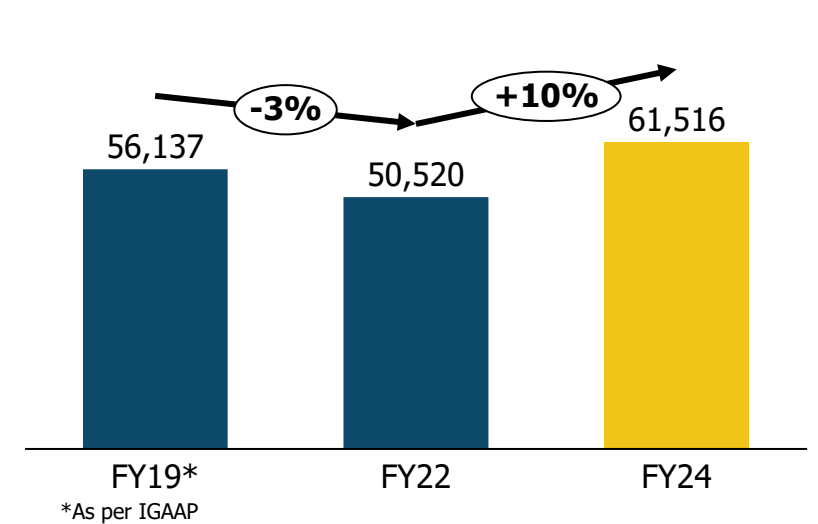
**Retail disbursement (INR Cr.)**



**Retail runoff %**

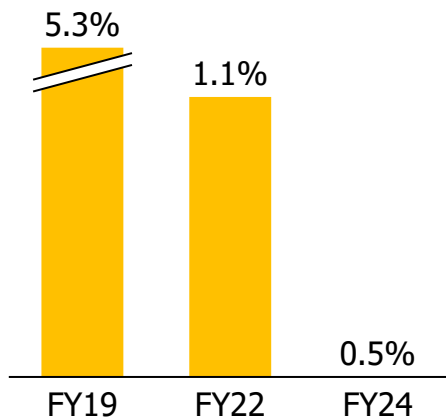


**Retail Loan book (INR Cr.)**

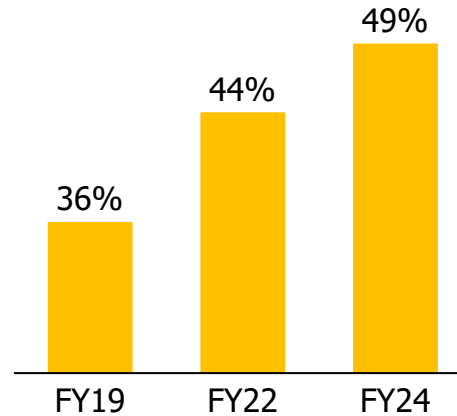


...with focus on granularization and non-metros

**Ticket size > 5 crore**



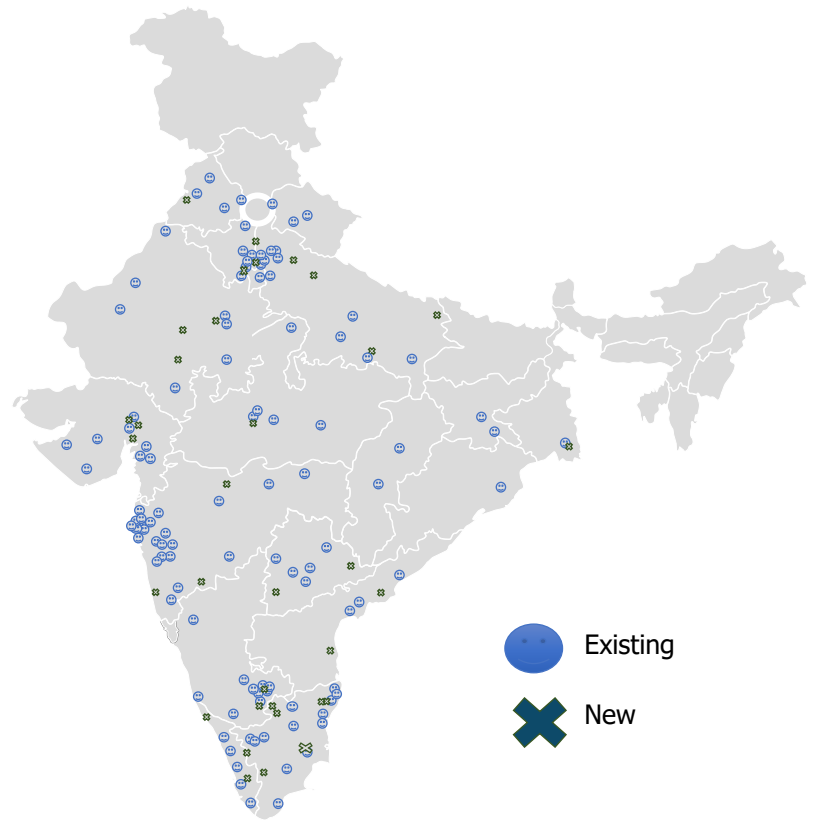
**Non-Metro cities %**



- **Highest ever retail loan book as on 31-March-24**
- Retail loan book has grown at 10% CAGR over the last 2 years because of higher disbursements and controlled run-offs

# Growth strategy: Geographical footprint expansion and productivity improvement

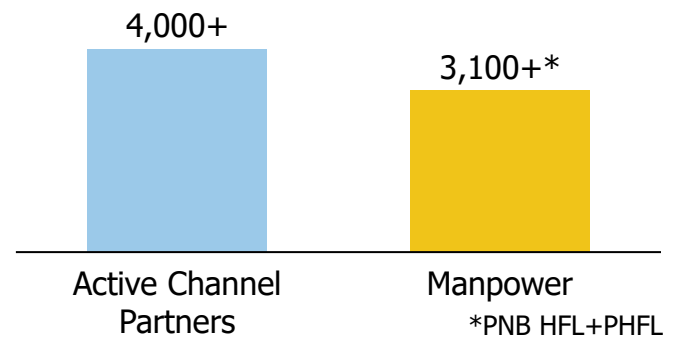
## 1. Branch network



**Opened 33 new branches for Prime & Emerging markets Segment**

## 2. Human Capital network

**Wide network of Channel Partners and Employees**

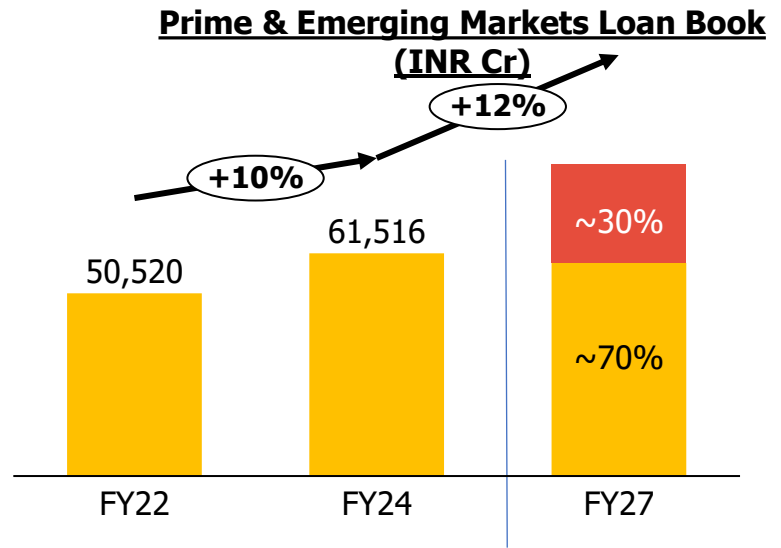
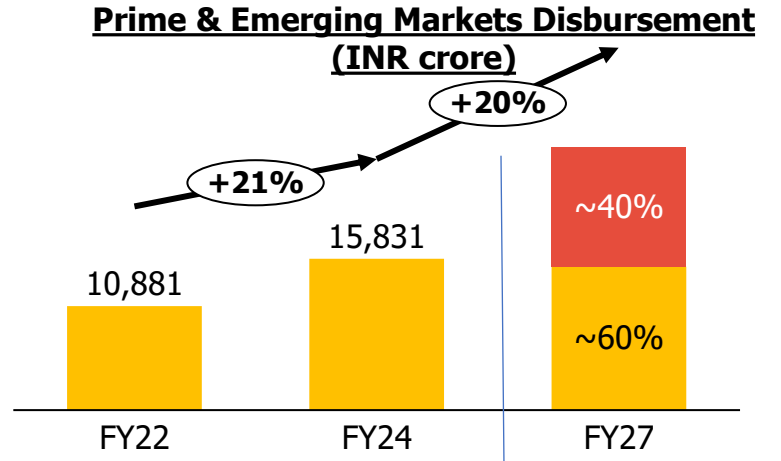


Created new tech platform for DSAs and connectors

## 3. Productivity improvements

- RO Mobile App
- Implementation of Salesforce in LOS
- Implementation of Salesforce CRM

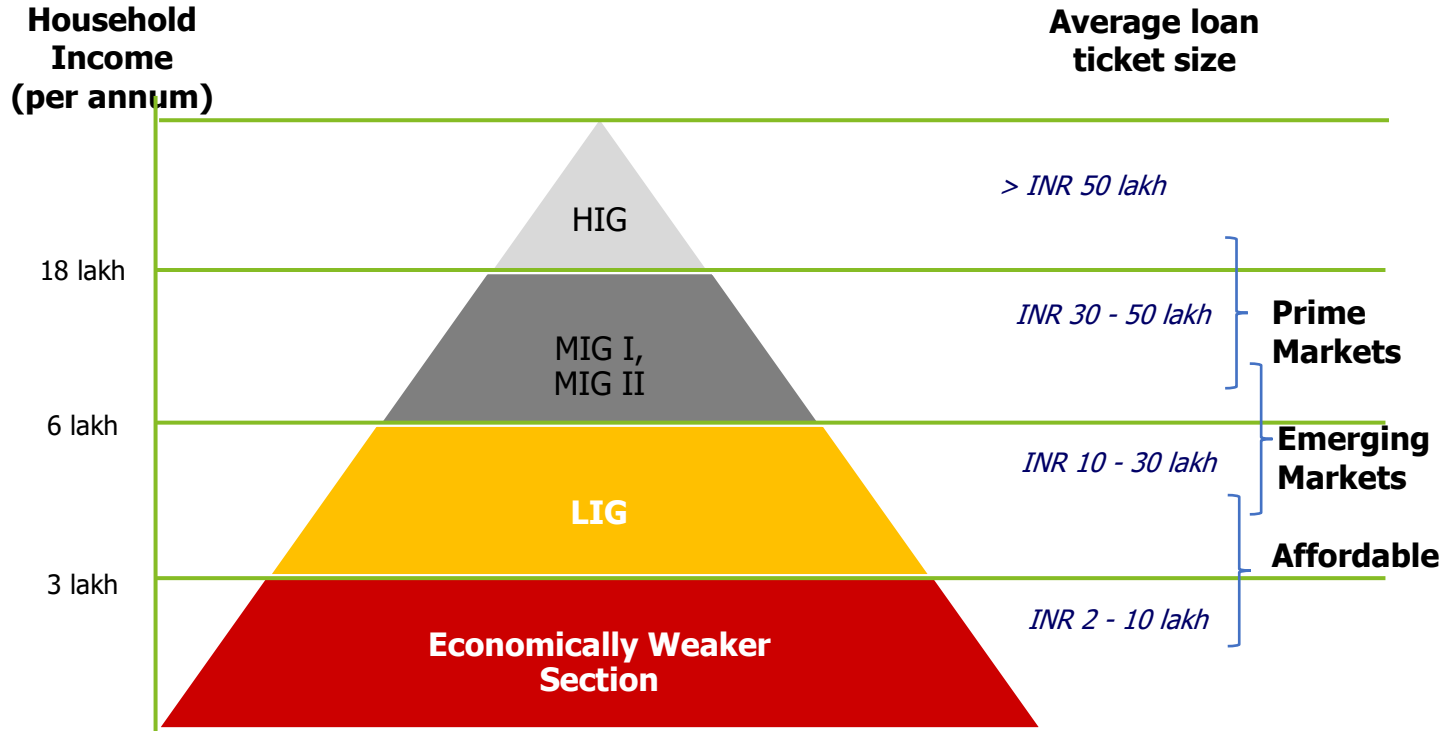
## Target for FY27



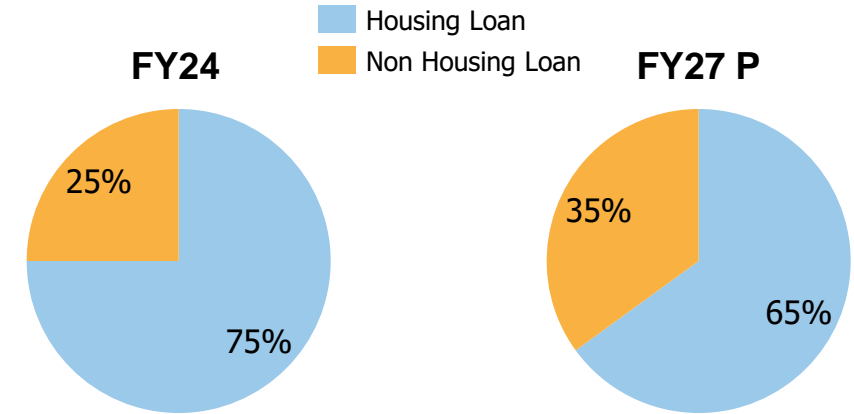
Prime Emerging

# Margin improvement strategy

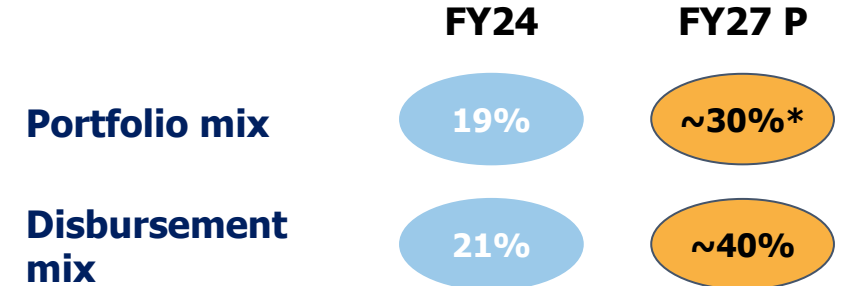
## 1. Going down affordability pyramid



## 2. Incremental Product mix: Increase share of Non Housing Loan



## 3. Higher share of Emerging markets within Prime



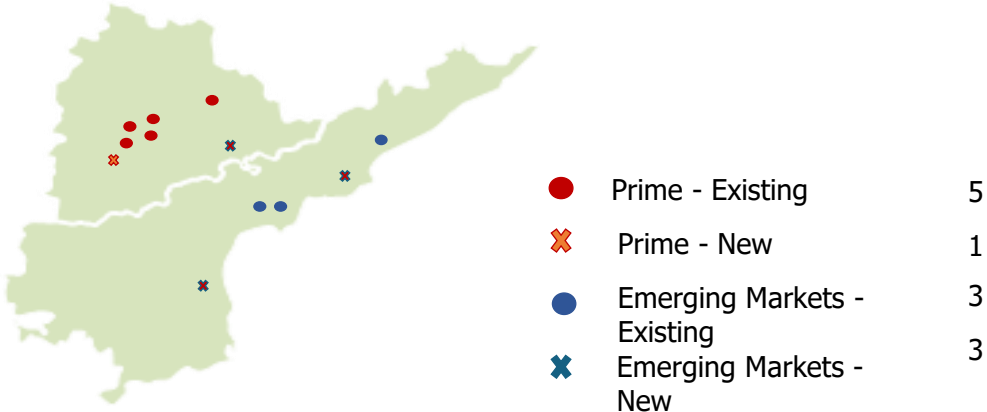
\*Emerging Markets book is expected to be in a range of 22-25% of Loan book

Focus on higher LAP share and increased mix in Emerging markets to increase Yield by 50-75 bps

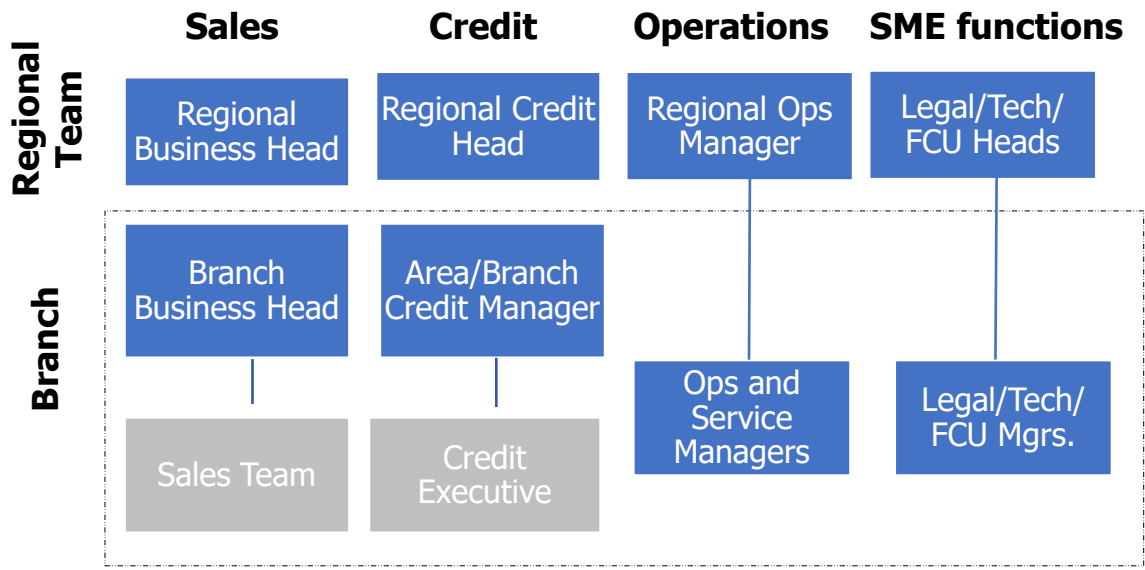
# Operating model to enable growth with better control/governance

- ✓ Separate business verticals across Sales, Credit, Operations, Collections and FCU
- ✓ Decentralized underwriting with presence across 100+ branches for better control and proximity to market
- ✓ Separate Prime and Emerging Markets team for better focus

## Illustration - Andhra Pradesh & Telangana

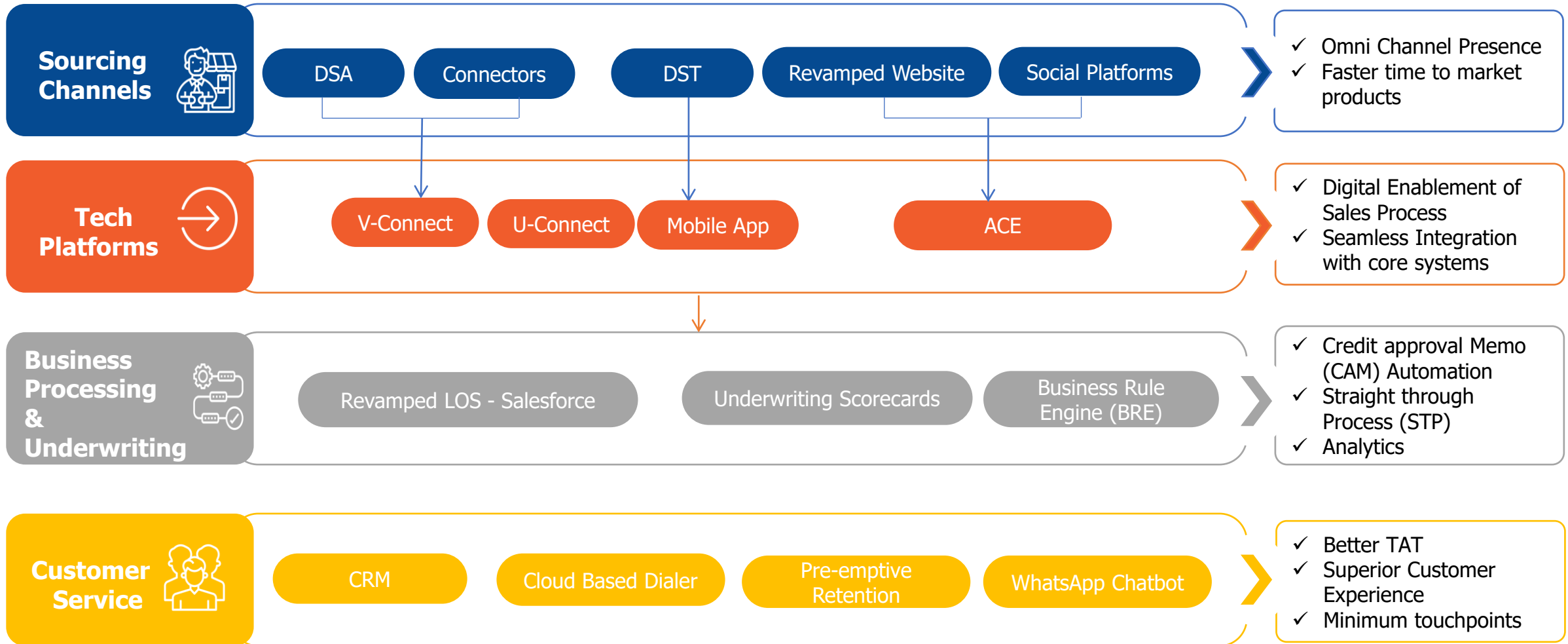


### Operating Model



- ✓ 8 Branches increased to 12; 3 branches opened in Emerging Markets, 1 opened in Prime
- ✓ Geography has 2 set of parallel organizations – across business and control functions (Telangana and Andhra Pradesh) – for prime and emerging markets

# Investments in Technology and Analytics to strengthen core



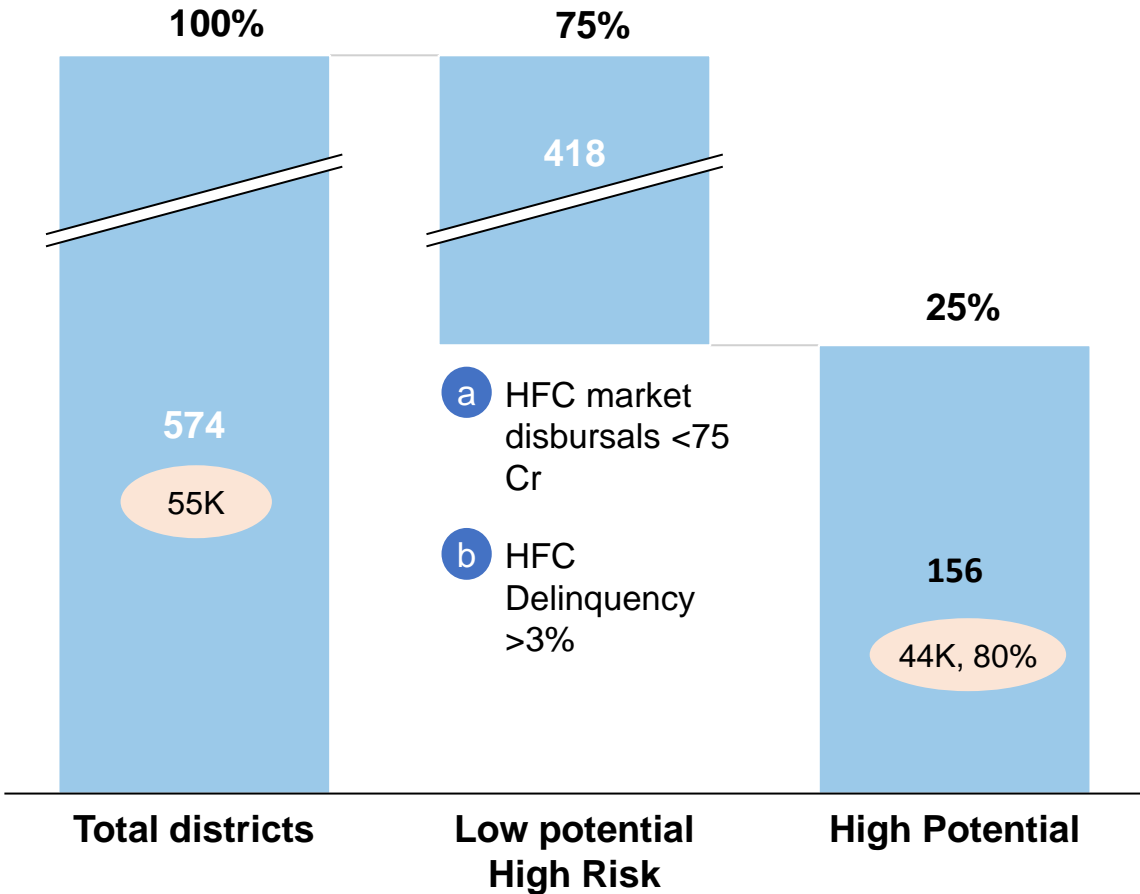


# Affordable Segment



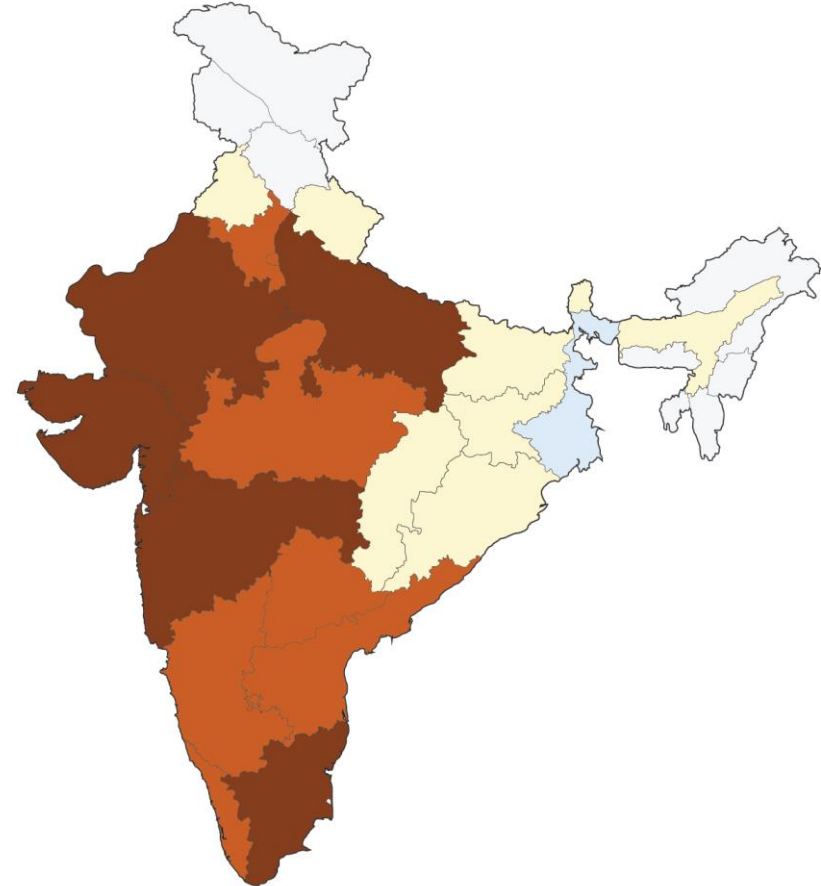
# 156 high potential districts were identified for Affordable Segment

## Ticket size: Rs 5-20 lakh



~140 out of 156 districts are concentrated in 14 states and account for ~75% of the overall market

Top 50% Next 20% Next 10%  
 Depiction of Hi-Potential market : 80% market

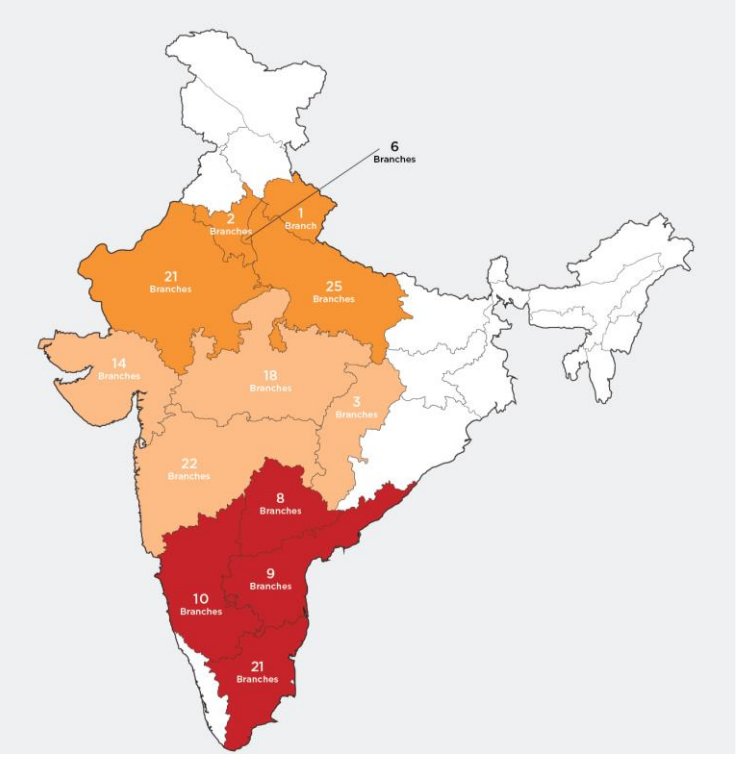


Source: Trans Union

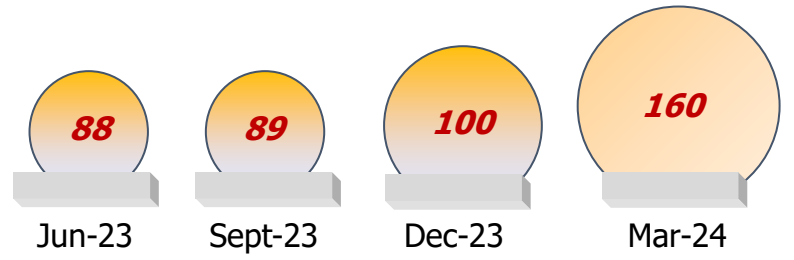
Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

# Ramp-up in Affordable segment

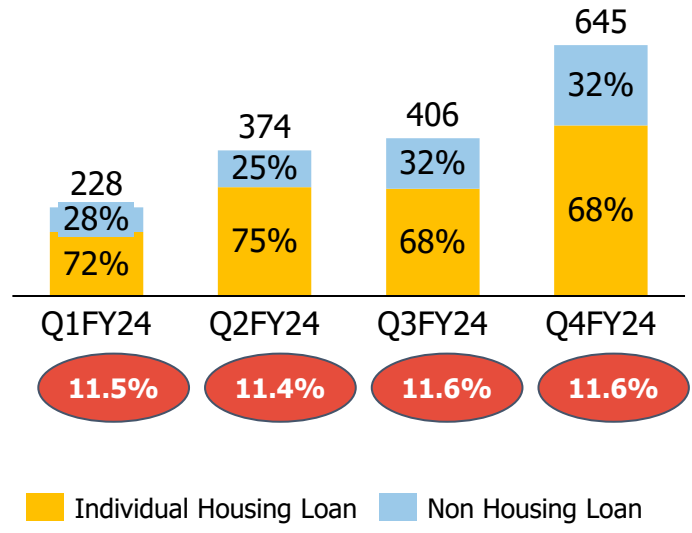
## Distribution Network



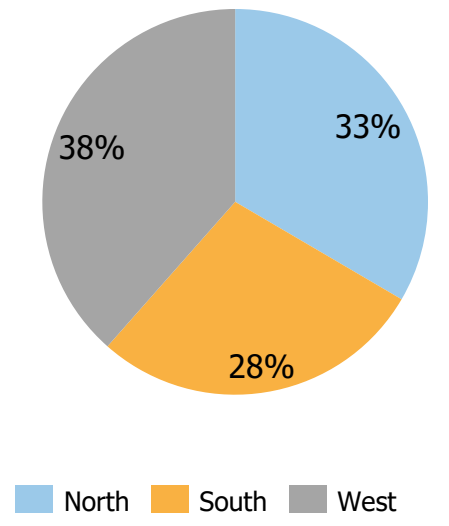
## Number of Branches / Outreaches



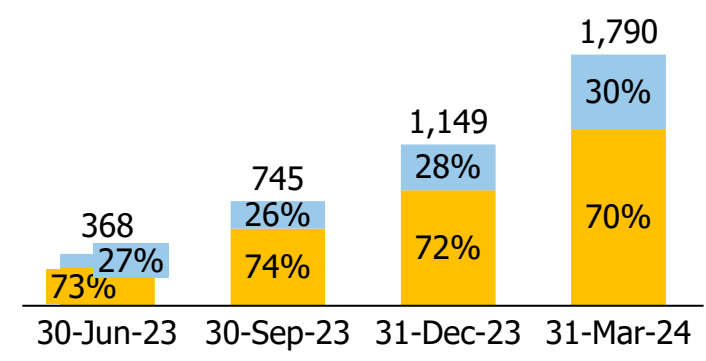
## Disbursement (INR crore)



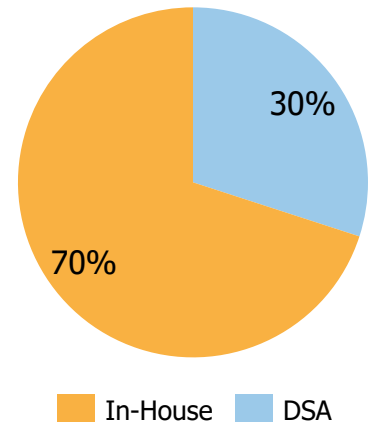
## Disbursement Geographical Mix FY24



## Loan Book (INR crore)



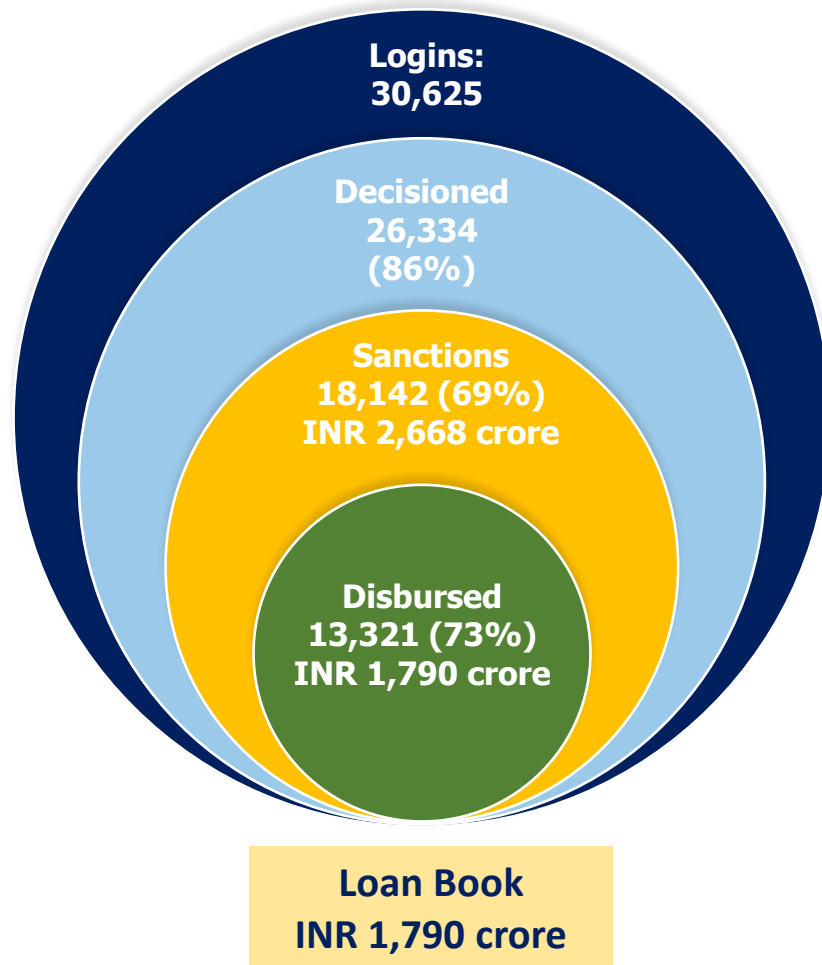
## Sourcing Mix



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

# Affordable Segment – Key Metrics

## Business Upto Date (Jan'23-Mar'24)



## Key Highlights

<b>9</b>	<b>69%</b>
<b>Regions</b>	<b>Approval Rate</b>
<b>36</b>	<b>15</b>
<b>Clusters</b>	<b>ATS sanction (INR lakh)</b>
<b>160</b>	<b>11.5%</b>
<b>Branches</b>	<b>Incremental Yield</b>
<b>Salaried – 62%</b> <b>SE – 38%</b>	<b>0.02%</b>
<b>Customer Profile</b>	<b>30+ Delinquency</b>

# Customer Profiles

## **Formal Salaried**

Govt. Primary teacher  
**PEDDAPURAM,  
ANDHRA PRADESH**



- Applicant is working as teacher in a Govt. primary for last 10 years.
- Applicant's monthly salary is INR 62,168 and her spouse, Co-applicant is also working in a Private firm.
- Assessment based on the formal income of the primary applicant.
- Home Loan sanctioned: INR 15.47 lakh
- Current status: standard

## **Informal Salaried**

Medicare Worker  
**THANE, MAHARASHTRA**



- Applicant is residing at a chawl, Near Sujata industries, Thane with his wife, 3 children & Brother in parental house.
- Applicant is working in Medicare hospital as OT assistance for 10 years.
- Applicant's monthly salary is INR 28,500
- Home Loan sanctioned: INR 14.16 lakh
- Current status: standard

## **Self Employed**

Vegetables and fruits seller  
**CHITTORGARH,  
RAJASTHAN**



- Applicant doing business of selling vegetables & fruits in Chittorgarh
- Applicant's income from business is INR 28,000 pm from his business, Applicant's wife also selling sarees from her residents and earning - INR 10,000 pm
- Assessment based on informal income
- Home Loan sanctioned INR10 lakh
- Current status: standard

# Affordable Business – Salary Portfolio

## Govt. Salary



State Government : Police, Hospitals, electricity
Central Govt. – Defense, Railway, Post office
Other Undertaking – Nagar Nigam, Education & Universities

## Private Salary



IT, ITES
NBFCs & Banks
Others/ Cat D Companies

## Cash Salary



Jewellers, Bakery & Chemist shops
Employee of Hotel & Restaurants
Working at Transport, shops etc.

**Avg. Income**

55-60K

35-40K

25-30K

**ATS**

17 lakh

14 lakh

9 lakh

**Yield**

10-11%

10-11%

12-13%

**Median CIBIL**

757

758

753

**NTC**

24%

24%

35%

# Affordable Business – Self-Employed Portfolio

## Self Employed – Formal & Professional



Driver, Transporter & Repairing shop, Doctor, Account advisor etc.

Optical. Kirana. Medical & Furniture shop etc.

Tailor, Boutique & Beauty parlor etc.

## Self Employed - Informal



Milk Dairy, Poultry, Studio, Grain merchant

Fruit & Vegetable vendor, Gram Merchant,

Transporter, Sofa shop, Tea stall, Saree center.

**Avg. Income**

38-42K

42-47K

**ATS**

13 lakh

12 lakh

**Yield**

12-13%

14-15%

**Median CIBIL**

752

748

**NTC**

22%

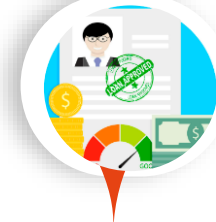
26.00%

# Prudent Underwriting – Self Employed Informal Customer Journey



## Self-employed Informal Customer Journey

Ambarnath branch, Maharashtra



### Sourcing Details

- DST sourcing through connector
- Loan amount required INR 9 lakh
- File logged in May-23
- Applicant wanted to buy a new home
- Property located at Taluka Bhiwandi, Thane

### Customer Profile

- Self employed running a Paan and beverages shop for last 5 yrs.
- Applicant age 24 yrs. & co-app. is mother (age 54 yrs).
- Staying in a rented premises
- New To Credit (NTC)
- First home for Self use

### Loan Appraisal

- Personal Discussion conducted by BCM
- Appraised income of INR 39k per month basis shop location, customer footfall, UPI transactions & rough record of materials purchased & sold
- Positive resident & business verification
- BCM & BM visited property
- Sanctioned within 7 days of login

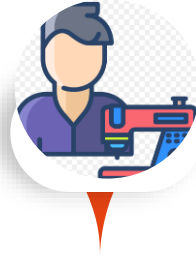
### Disbursement

- Property value provided by valuer : INR 12 lakh
- Loan Amount approved INR 9.3 lakh (Including Insurance)
- Disbursement in May-23
- ROI : 14.25%
- Tenure 240 months
- LTV : 78%

# Prudent Underwriting – Self Employed Informal Customer Journey

## Self-employed Informal Customer Journey

Ratlam branch, Madhya Pradesh



### Sourcing Details

- DST sourcing case
- Loan amt. required ~ INR 6 lakh
- File logged in Jan-23
- HL construction case
- Property located at Khacharod, MP

### Customer Profile

- Applicant is a Tailor by profession, having experience of 15 yrs. & running business at current rented residential cum business setup for last 3 yrs
- Applicant stitches shirts-trousers & also making bags in bulk to sell & co-applicant is also helping in the business
- Applicant age 44 yrs. & co-applicant ie spouse age is 37yrs.
- New To Credit (NTC)

### Loan Appraisal

- Personal Discussion conducted by BCM
- Appraised income of INR 21.5k pm. Basis 2 tailoring & 1 interlock machines, business stock & market references
- Positive resident cum business verification
- BM visited property
- Sanctioned within 7 days of login

### Disbursement

- Property value considered INR 13 lakh
- Loan Amount approved INR 5.24 lakh (Including Insurance)
- Disbursement in Feb-23
- ROI : 14.0%
- Tenure 271 months
- LTV : 40%



# Prudent Underwriting - Salaried – Informal (Cash Salaried) Customer Journey



## **Salaried – Informal (Cash Salaried)**

Chennai branch, Tamilnadu



### **Sourcing Details**

- DSA sourcing case
- Loan amount required INR 11.8 lakh
- File logged in Feb-23
- Applied for self-construction loan on own land with the estimated value of INR 20 lakh
- Property located at Old Ambattur taluk

### **Customer Profile**

- Age 41 yrs. 10th passed and working in a lab product manufacturing company since 2019 and getting cash salary of ~INR 24k pm.
- Co-applicant is spouse with age of 45yrs, working as delivery boy and earning ~INR 22k pm
- CIBIL score 776 & 196

### **Loan Appraisal**

- Personal Discussion conducted by BCM
- Combined cash salary of ~INR 40K, but salary considered is INR 30k pm
- BCM met with the employers
- BCM & BM visited property
- Positive residential & employee verification
- Sanctioned within 7 days under self-construction loan scheme

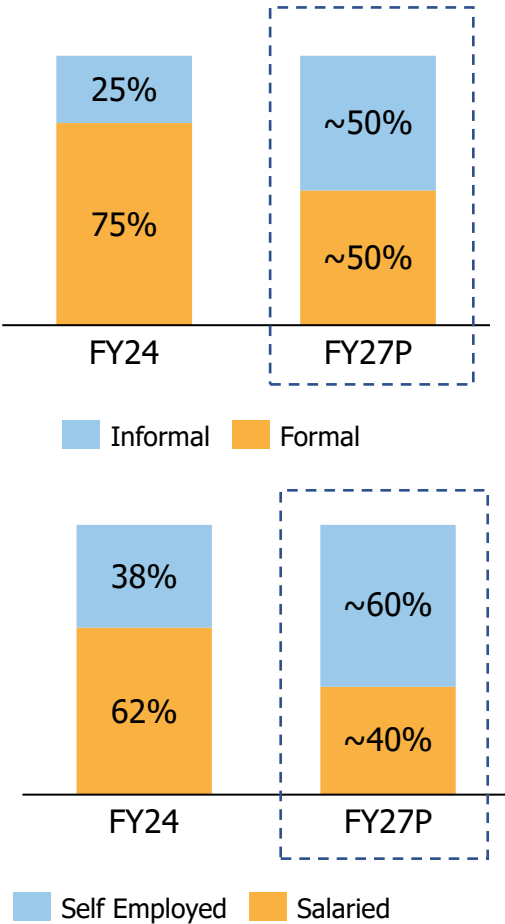
### **Disbursement**

- Cost of construction given by valuer INR 20.24 lakh
- Loan Amount approved INR 12.3 lakh- (Including Insurance)
- Disbursement in Apr-23
- ROI : 13.8%
- Tenure 204 months
- LTV : 60%

# Shift in Product & Customer mix to improve yield

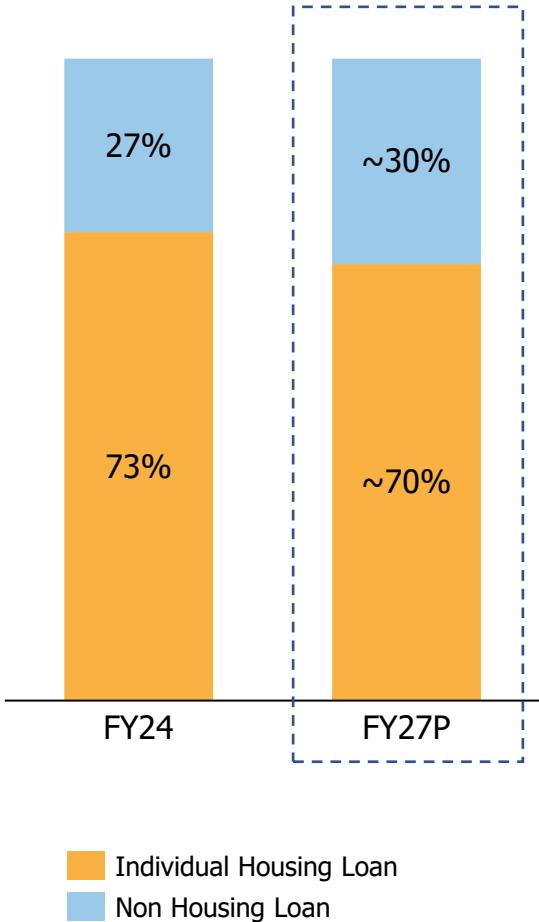
## Customer segment mix

Increased focus towards informal self-employed and informal salaried profiles



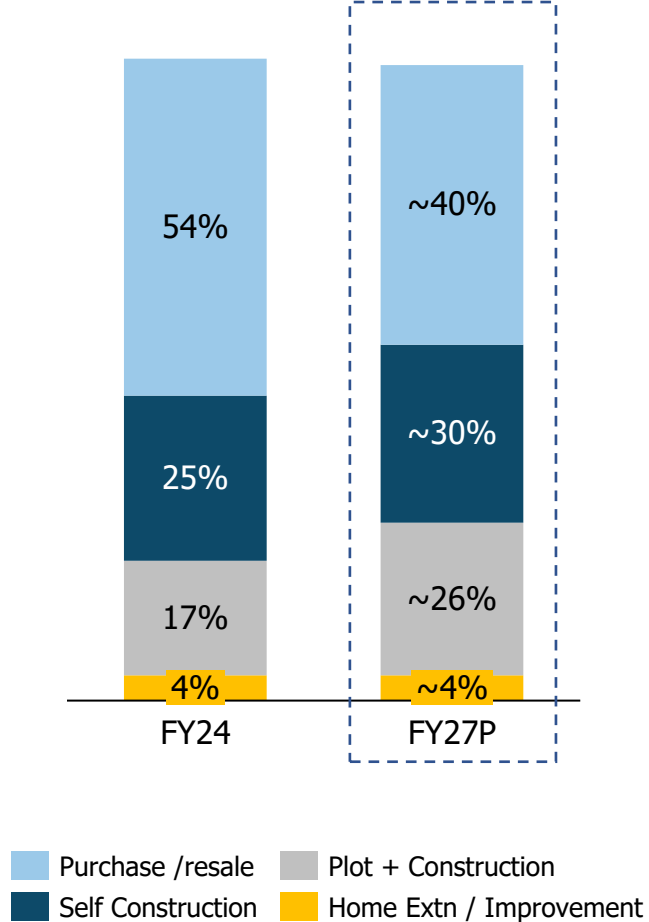
## Loan Product mix

Increase in share of Non-housing



## Individual Housing Loan purpose mix

Increase in share of Self construction and plot purchase + self-construction loans





# Underwriting and Collections

# Prudent Retail Underwriting



## Automated underwriting

- Business Rule Management Engine (**BRME**) for decision making
- **Salaried Straight Through Process (STP)** for automated sanctions to eligible customer
- Standardized underwriting with product templates for higher efficiencies



## Digital enablers

- APIs** being used to verify the documents and KYC:
- Bank statement analyzer
  - Alternate Identity check
  - Email ID check
  - Dedupe check
  - Fraud triggers



## Customer experience

- **Digital onboarding** of customers.
- **Faster Turn around time;** wing to wing in < 2 days for salaried and < 5 days for self-employed



## Widespread presence

- **Decentralized approach** to cater the business
- **In person discussion** done by underwriting team for all self-employed customers
- **SMEs in each region** having better understanding of geography specific nuances



## Building Sustainable Business

- Focus on **mid ticket loans; greater than 90% of sanctioned cases are upto INR 1 crore**
- **Modified credit guidelines** and approach to business in line with versatile market
- **In-house developed app (u-connect)** leading to better control and management



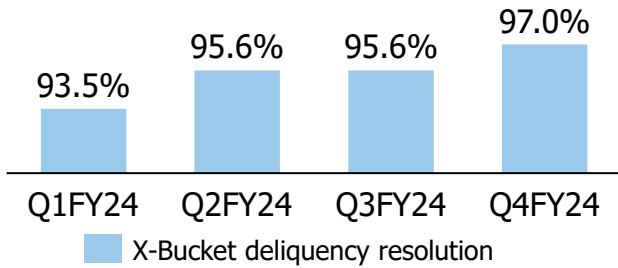
## Portfolio management

- ~85% of the fresh onboardings have **bureau score of 700** and above
- **Early mortality** monitoring: INR 30.444 crore disbursed in last two financial years; **90+ is 0.08%**
- Continuous **training** and upskilling of teams

## Continuous efforts to improve asset quality through multi-pronged strategy

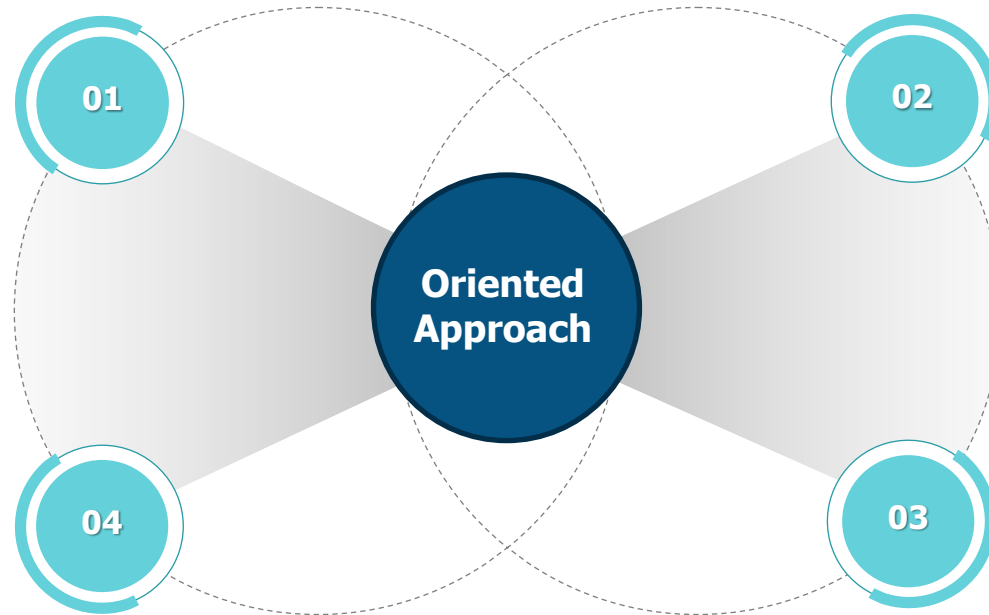
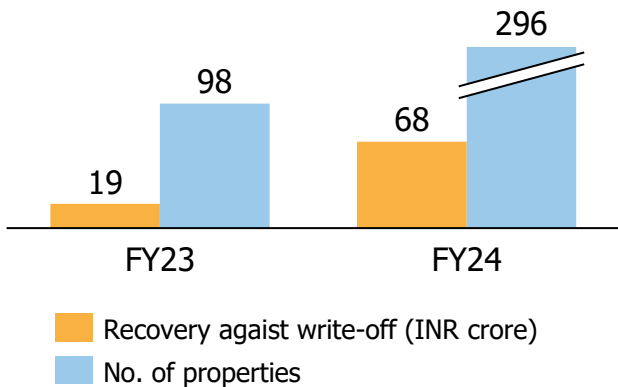
### X-Bucket

Higher resolution in early bucket with increased resolutions through self cure and controlled bounce rates



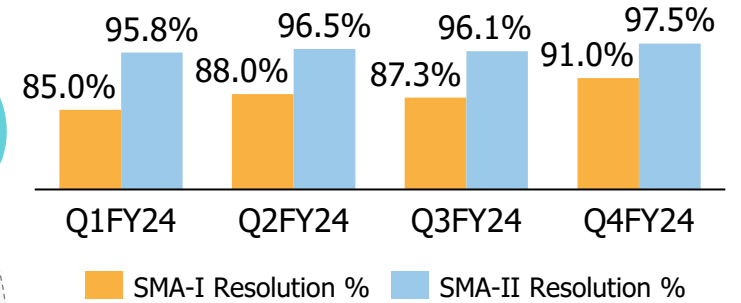
### Recovery

Dedicated team to focus on recovery through settlements and property auctions



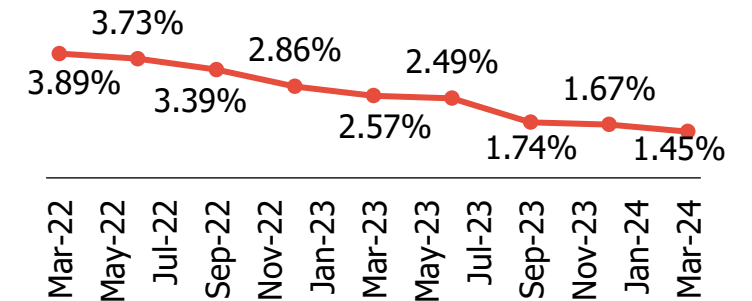
### Pre-NPA

Restrict forward flows across buckets through dedicated call centres and increased rigor



### NPA Reduction

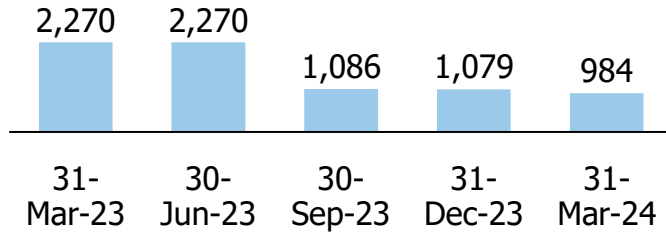
Targeted efforts for NPA resolutions of high-ticket and obstinate accounts



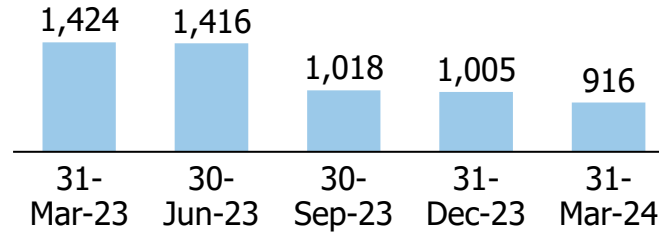
# Improving Asset Quality

## GNPA (INR Crore)

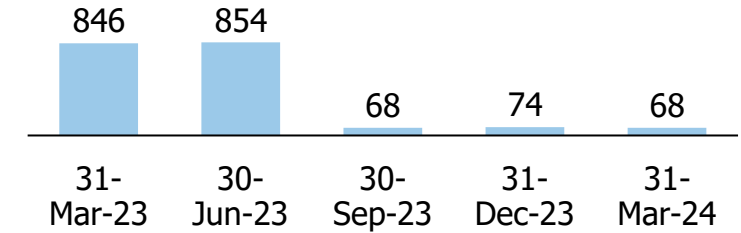
### Overall



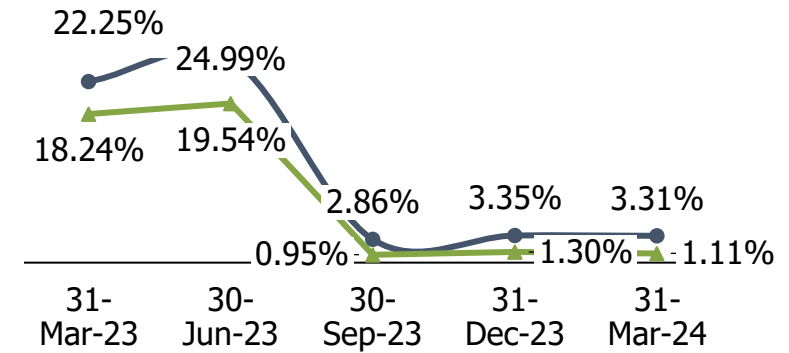
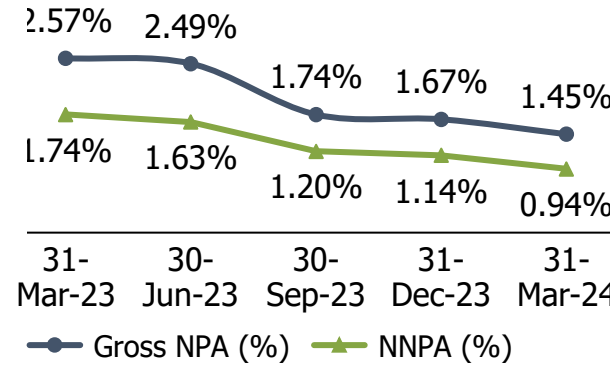
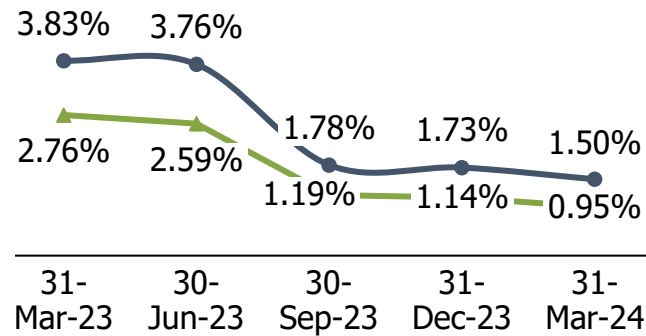
### Retail



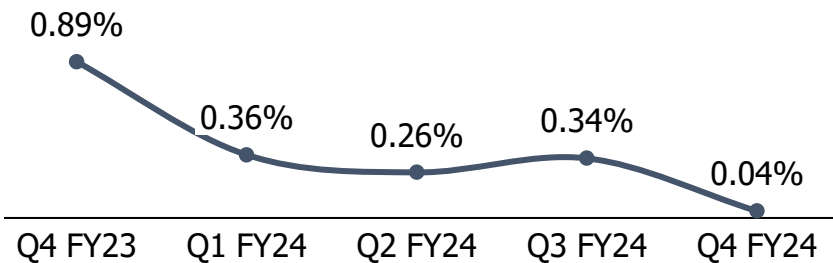
### Corporate



## GNPA & NNPA (%)



## Credit Cost



- Gross NPA is expected to be ~1%
- Credit Cost on yearly basis to expected to be at 25-30 bps



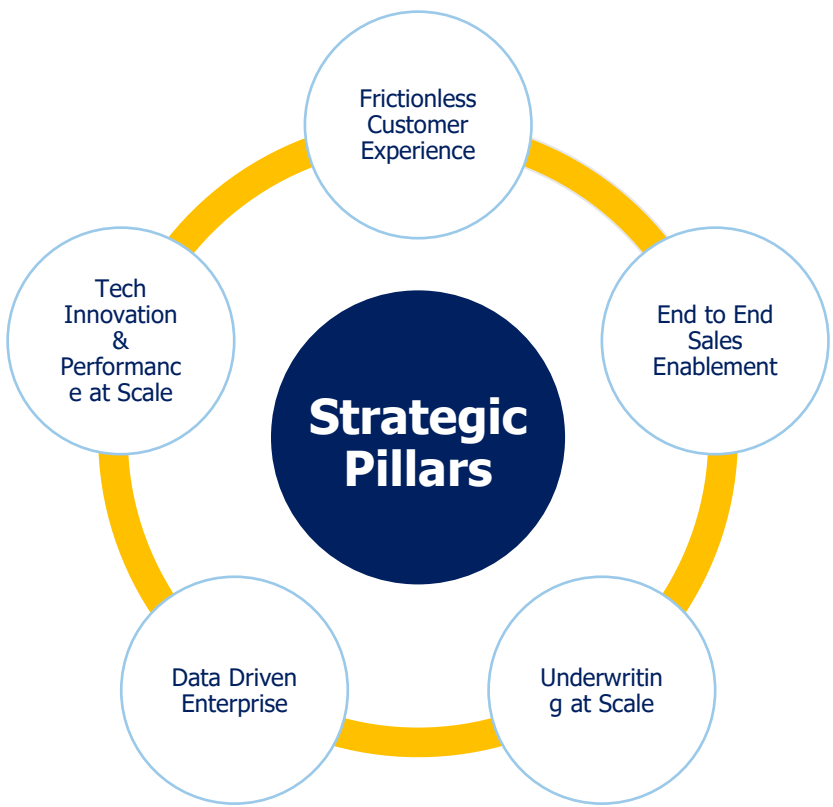
# Technology Update



## Tech Vision

PNBHFL to be a large **Digital player** in the **HFC ecosystem** collaborating and partnering with fintech, banks, market aggregators etc., leveraging synergy & scale through **platforms**, offering personalised products and **ease of services** promoting **high levels of adoption**.

### IT 2.0: Embracing disruptive digital, data power and changing customer preferences



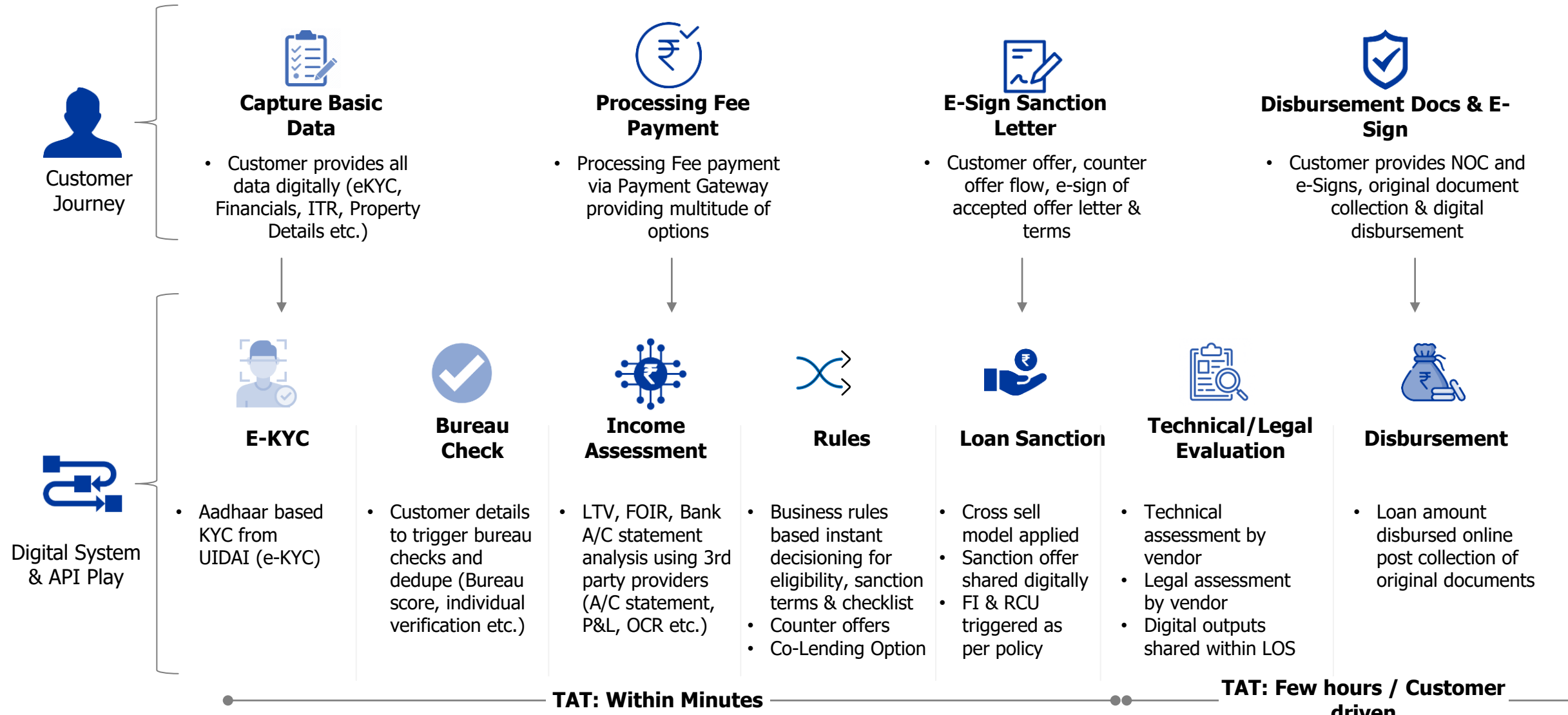
### Tech foundations for enabling all strategic pillars

<b>Strengthening Core Tech Foundations</b>	<b>Embracing Cloud</b> Implementing & leveraging Cloud workloads (SaaS, PaaS and IaaS)		<b>API Journey</b> Vast APIfication of micro capabilities and services for seamless digital integrations	
	<b>Robust security and resilience</b>	<b>Hybrid IT Setup</b> Balancing cost, scale and performance considerations	<b>24x7 Monitoring</b> AI/ML based security monitoring & events correlation	<b>Backup &amp; DR capabilities</b> Building resiliency for business continuity
<b>Enabling Tech for Tech</b>	<b>DevSecOps</b> Engineering capabilities scaled with integrated DevSecOps toolset driven pipeline		<b>IT Service Management</b> Integrated IT service management and automation across application landscape	
	<b>RPA driven Automation</b> Leveraging RPA for routine tasks and test automation			



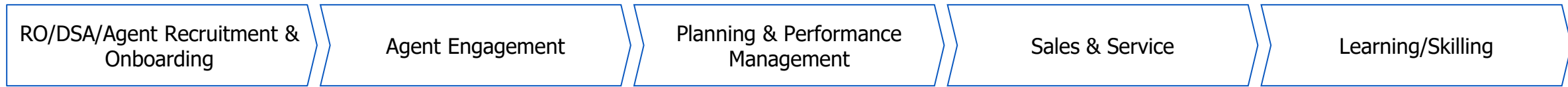
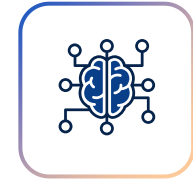
# IT 2.0 – Transforming to superior tech driven capabilities

**Sales, Customer Engagement & Service Platforms**













**RO App+Customer Portal + Rule Engine + Underwriting Platform + LOS + LMS**




# End to End Sales Channel Enablement Platform (DSA/RO)





Sales Enablement

-  **Prospect management**
-  **Profile based recruitment**  
(Selection grid)
-  **Digital pitch books**  
(across agent segments)
-  **Digitized Onboarding**
-  **Assisted onboarding**

-  **Sales 360 View**
  - RO portfolio
  - RO info
  - RO Performance
  - Commission/ R&R Tracker
-  **Meeting tracker** with geo & call tagging
-  **Cloud based dialer** integration
-  **RO delight** (messaging ability on birthday, training recommendations)
-  **Virtual meeting aids**

-  **Performance 360**
  - KPI Scorecard
  - Other key metrics with drilldown and filters
  - Monthly/Daily/YTD/Period.
-  **Next best action**
  - SM performance triggers
  - Agent performance triggers
-  **Incentive calculator**  
(e.g. league table)

-  **Product pitchbooks**  
(key products features, terms, doc reqd)
-  **Service request tracking & management**
-  **Product / policy updates**

-  **Training modules (LMS)**
-  **Personalized L&D recommendations**

**Leverages data & Analytics**

# Business benefits of Tech Transformation

## Transformation KPIs

- Reduction in TAT from login to Submission
- Decrease in manual data entry fields by employees
- Productivity enhancement and ease of Underwriting
- Reduction in physical documents
- Increase in fully Digital Processes
- Operational Efficiency: Productivity, Retention, CSAT

## PNBHFL Technology Landscape

**85%**

Cloud based workloads

**300**

Locations supported

**150+**

APIs enabled for digital journeys

**5,500+**

Users across functions

**#4**

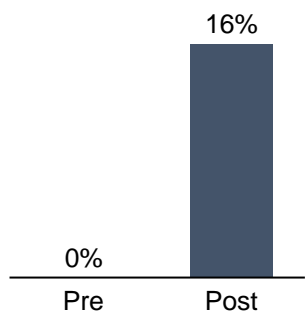
Digitally integrated partnerships

**6+**

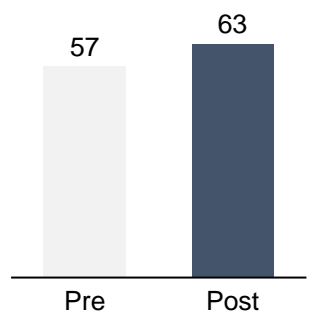
In House Engineering Platforms & apps

### Salesforce CRM

Automated Service Request (Self Service)



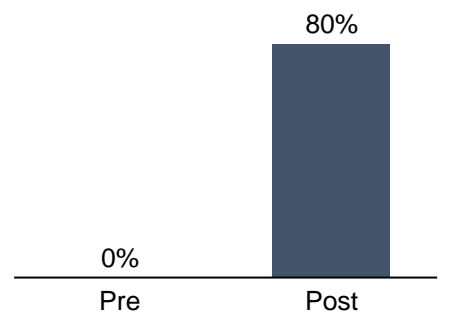
No. of calls handled per agent per day



### RO Mobile Application – Phase I

#### Phase I

% Adoption

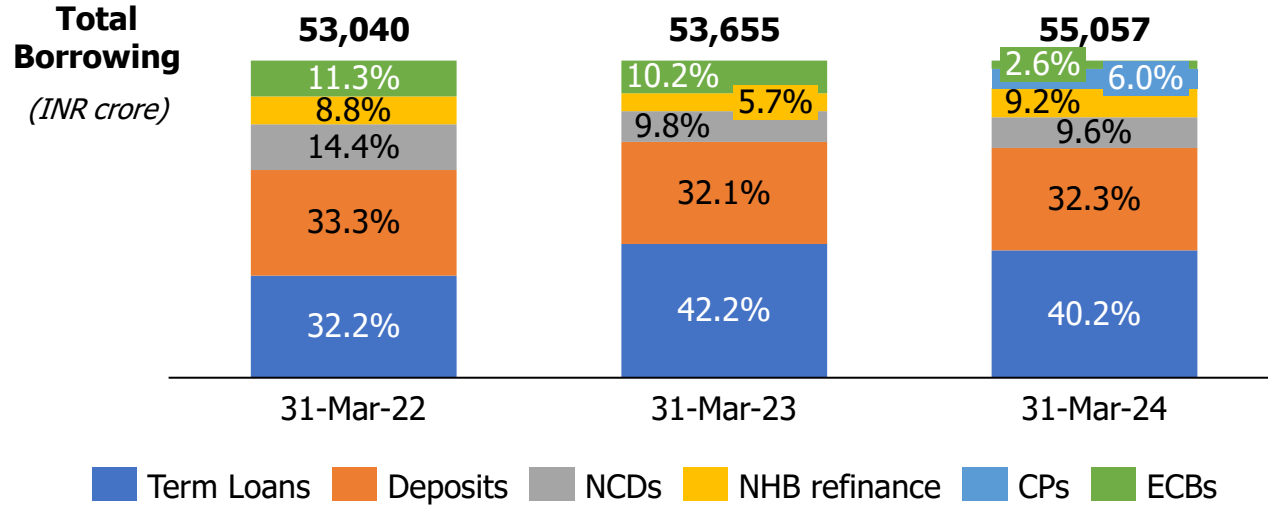




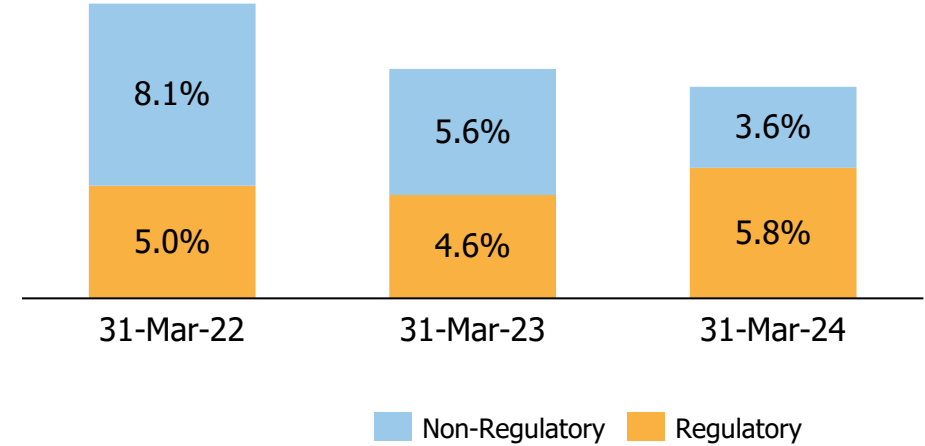
# Financial Performance

# Diversified & Prudent Borrowing

## Borrowing Mix

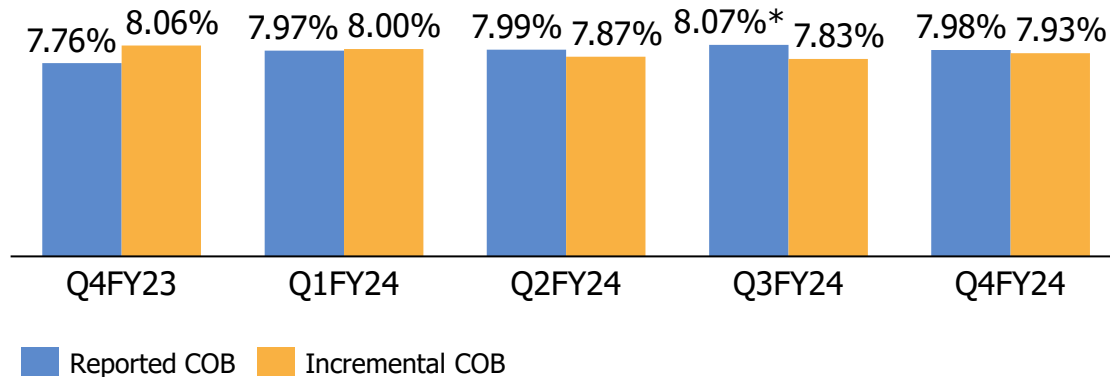


## Liquidity as a % of Total Asset



*Continuous reduction in Liquidity with improved macro environment; reduces negative carry*

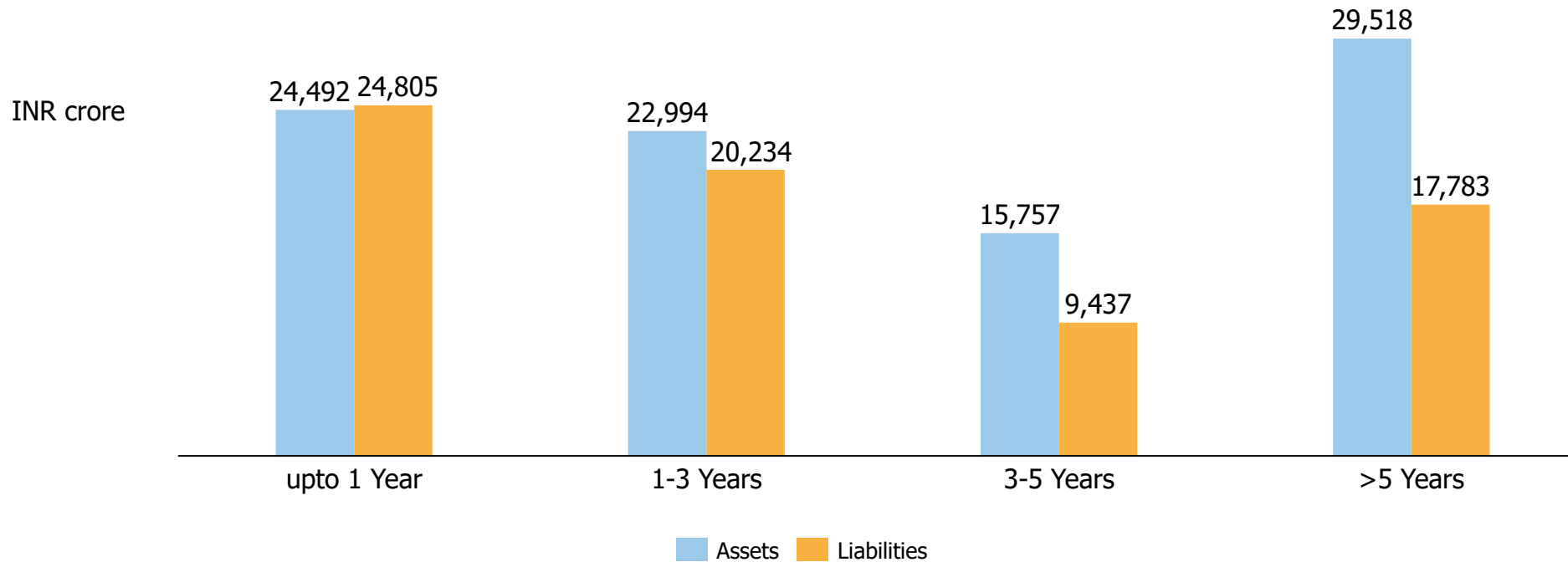
## Cost of Borrowing



- Opportunity to reduce the cost of incremental borrowing post rating upgrade
  - Higher share of NHB and debt market
  - Renegotiation of Spread or benchmark on existing borrowing lines,
  - Increase in the number of lenders

\*In Q3FY24, there is a one-off of INR 11.79 crore on account of ECB hedging rate

# Comfortably placed Asset Liability profile



- All buckets are with-in the Board approved policy defined limits
- Maintain SLR of 15.6% as on 31-Mar-24 v/s regulatory limits of 13%
- Average daily Liquidity Coverage Ratio maintained at ~105% (excluding 80% of SLR) for FY24 v/s regulatory limits of 85%

Particulars	FY24	FY23	FY22
Yield	10.35%	10.28%	9.42%
Cost of Borrowing	8.01%	7.47%	7.30%
Spread	2.34%	2.81%	2.12%
<b>NIMs</b>	<b>3.74%</b>	<b>3.73%</b>	<b>2.80%</b>
GIMs	4.02%	4.06%	3.16%
Opex to ATA	0.93%	0.81%	0.68%
Credit Cost to ATA	0.25%	1.07%	0.86%
<b>ROA</b>	<b>2.20%</b>	<b>1.61%</b>	<b>1.24%</b>
Leverage(x)	3.68	4.87	5.37
<b>ROE</b>	<b>10.90%</b>	<b>9.98%</b>	<b>8.92%</b>
Cost to Income Ratio	22.83%	19.13%	20.41%
<b>CRAR</b>	<b>29.26%</b>	<b>24.43%</b>	<b>23.40%</b>
<i>Tier- I</i>	27.90%	22.40%	20.73%
<i>Tier-II</i>	1.36%	2.03%	2.67%
<b>Book Value per share*</b>	<b>577*</b>	<b>652</b>	<b>586</b>

### Improved ROA Profile driven by:

- Margin Improvement
- Increase in Fee Income
- Reduction in Credit Cost

	Current (FY'24)	FY'27
<b>Incremental Share of Emerging Markets + Affordable</b>	28%	~ 50%
<b>Loan Book Share of Emerging Markets + Affordable</b>	~20%	~40%
<b>Gross Margin</b>	4.02%	++ 70 bps
<b>OpEx / ATA</b>	1.00%	▼ 10 bps
<b>Credit Cost</b>	0.25%	◀ ▶
<b>RoA</b>	2.2%	2.4% - 2.6%
<b>Upside in Recovery from write-off Pool</b>	-	++





# Human Capital

# Human Capital

## Strong Leadership (Senior level)

- Total Experience (Avg) – 21.5 yrs
- Tenure in Company (Avg) – 5 yrs
- Pedigree – 79% qualified as MBA, CA & CS



## Talent Management

- Employee first approach.
  - 10% employees elevated to bigger roles
- Strong people initiatives for Onboarding, employee connect, recognition, engagement
- Comprehensive wellness coverage



## Employer of Choice

- Diversity Ratio-16.20%
- Leadership diversity ratio-16.30%
- Young Workforce: Average Age-35 yrs
- Voluntary Attrition- 17.27%



## Capability Building

- Learning hours - 45,000+ hrs
- Leveraging internal SMEs for Functional programs
- Developing women leaders
- Blended learning approach
- 100% coverage of compliance training

**Certified as a  
"Great Place to Work"**



# Key Takeaways

# Key Takeaways

## Growth

- Target to reach **INR 1 lakh+ crore** by Mar-27(P)
- Ramp up Affordable Business; to contribute **14-16% of the Loan Book by Mar-27(P)**
- Focus on Emerging Markets Segment; to contribute **22-25% of the Loan Book** by Mar-27 (P)



## Asset Quality

- Asset Quality to be **Best in Class** in the industry
- Build book with **superior risk profile**



## Profitability

- Improve margins with **change in business mix**
- ROA to improve to **2.4-2.6% by FY27 (P)**



## Sustainability

- Maintain strong Compliance & Risk management
- Leverage **IT/Digital Transformation**

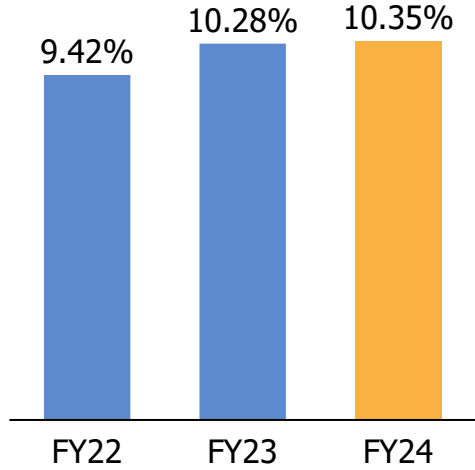




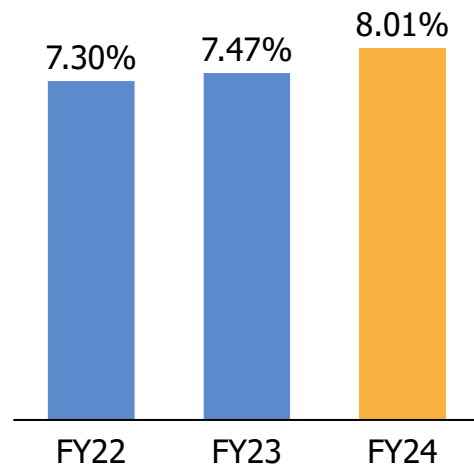
# Annexure

# Key Metrics

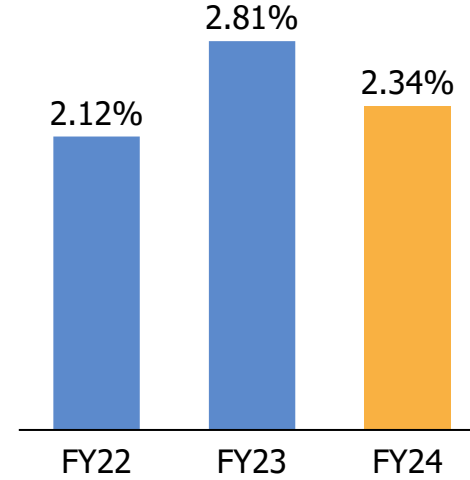
## Average Yield (%)



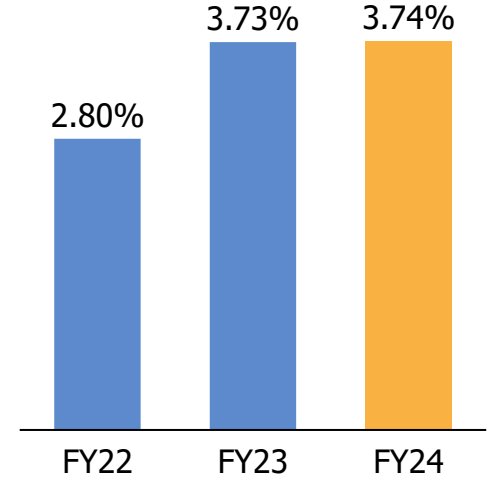
## Average Cost of Borrowings (%)



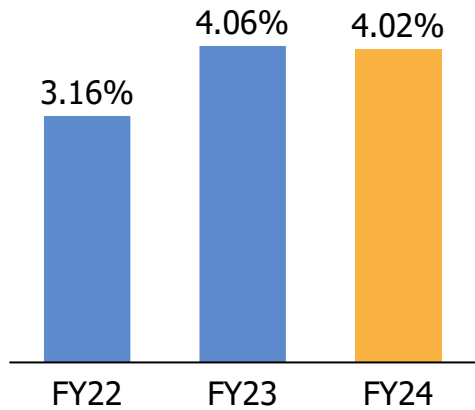
## Spread (%)



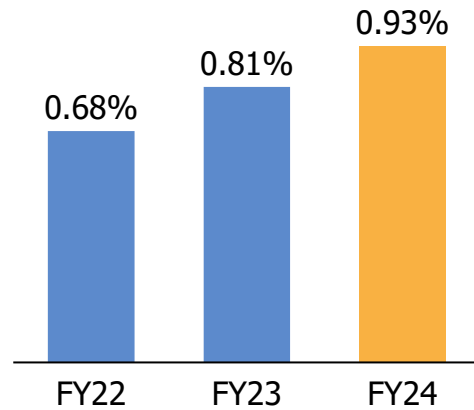
## Net Interest Margin (%)



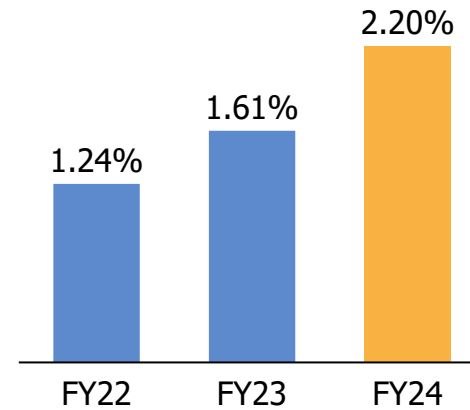
## Gross Interest Margin (%)



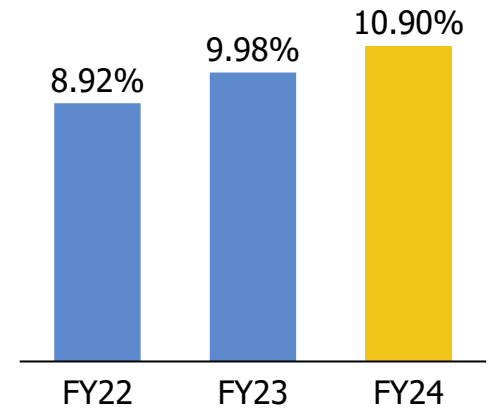
## Opex to ATA Ratio (%)



## Return on Asset (%)



## Return on Equity (%)



# Consolidated Profit & Loss Statement

Particulars (INR Crore)	FY24	FY23	FY22
Interest Income	6,742	6,199	5,822
Add: Net gain on fair value changes	35	34	111
Add: Income on derecognized (assigned) loans	-	11	-
Less: Finance Cost	4,261	3,899	4,064
<b>Net Interest Income</b>	<b>2,516</b>	<b>2,346</b>	<b>1,869</b>
Net Fees and other Income	268	274	256
<b>Gross Income</b>	<b>2,784</b>	<b>2,620</b>	<b>2,125</b>
Operating Expenses			
Less: Employee Benefit Expenses	337	266	217
Net loss on fair value changes			-
Less: Other Expenses	270	202	187
Less: Impairment on assets held for sale	-	48	8
Less: Depreciation and Amortisation	51	51	53
<b>Operating Profit</b>	<b>2,125</b>	<b>2,052</b>	<b>1,660</b>
Less: Impairment on financial instruments & Write-offs (Expected Credit Loss)	171	691	576
<b>Profit Before Tax</b>	<b>1,954</b>	<b>1,361</b>	<b>1,084</b>
Less: Tax Expense	446	315	247
<b>Net Profit after Tax</b>	<b>1,508</b>	<b>1,046</b>	<b>836</b>
Add: Other Comprehensive Income	-16	77	97
<b>Total Comprehensive Income</b>	<b>1,492</b>	<b>1,123</b>	<b>934</b>
EPS (Basic)	58.37	53.21	49.6

# Consolidated Balance Sheet

	Particulars (INR Crore)	31-Mar-24	31-Mar-23	31-Mar-22
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments			-
(b)	Debt Securities	7,852	3,994	6,202
(c)	Borrowings (Other than Debt Securities)	28,667	31,175	27,716
(d)	Deposits	17,758	17,214	17,605
(e)	Subordinated Liabilities	739	1,238	1,438
(f)	Other financial liabilities	2,200	1,993	2,581
	<b>Sub Total - Financial Liabilities</b>	<b>57,216</b>	<b>55,615</b>	<b>55,542</b>
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current Tax Liabilities	-	-	-
(b)	Provisions	20	18	17
(c)	Other non-financial liabilities	194	227	299
	<b>Sub Total - Non-Financial Liabilities</b>	<b>214</b>	<b>245</b>	<b>316</b>
<b>3</b>	<b>EQUITY</b>			
(a)	Equity Share capital	260	169	169
(b)	Other Equity	14,715	10,845	9,703
	<b>Sub Total - Equity</b>	<b>14,974</b>	<b>11,014</b>	<b>9,872</b>
	<b>TOTAL – EQUITY &amp; LIABILITIES</b>	<b>72,405</b>	<b>66,874</b>	<b>65,730</b>

	Particulars (INR Crore)	31-Mar-24	31-Mar-23	31-Mar-22
	<b>ASSETS</b>			
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	2,142	3,678	5,066
(b)	Loans	64,108	57,840	55,336
(c)	Investments	4,346	3,196	3,483
(d)	Other Financial Assets	1,221	1,546	1,109
	<b>Sub Total - Financial Assets</b>	<b>71,818</b>	<b>66,260</b>	<b>64,994</b>
<b>2</b>	<b>Non - Financial Assets</b>			
(a)	Tax Assets (Net)	313	410	446
(b)	Property, Plant and Equipment	67	66	71
(c)	Right of use assets	123	66	60
(d)	Other Intangible assets	17	14	18
(e)	Other non-financial assets	68	58	31
(f)	Assets held for sale	-	-	109
	<b>Sub Total - Non - Financial Assets</b>	<b>587</b>	<b>614</b>	<b>736</b>
	<b>TOTAL - ASSETS</b>	<b>72,405</b>	<b>66,874</b>	<b>65,730</b>



# Distinguished Board of Directors



**Atul Kumar Goel**  
*Non-Executive Nominee Director*

Punjab National Bank, UCO Bank, Union Bank



**Sunil Kaul**  
*Non-Executive Nominee Director*

Carlyle Singapore Investment Advisors Pte. Limited (Managing Director), Citigroup



**R Chandrasekaran**  
*Independent Director*

Cognizant Technology Solutions India, Tata Consultancy Services



**Nilesh Shivji Vikamsey**  
*Independent Director*

KKC & Associates LLP



**Tejendra Mohan Bhasin**  
*Independent Director*

Indian Bank, Central Vigilance Commission



**Sudarshan Sen**  
*Independent Director*

Reserve Bank of India



**Neeraj Madan Vyas**  
*Non-Executive Non-Independent Director*

State Bank of India



**Kapil Modi**  
*Non-Executive Nominee Director*

Carlyle India Advisors Private Limited (Managing Director)



**Gita Nayyar**  
*Independent Director*

Taj Sats Air Catering, Transport Corporation of India, Oriental Hotels, Glenmark Life Sciences



**Pavan Kaushal**  
*Independent Director*

Fullerton India Credit Company, IDFC First Bank



**Dilip Kumar Jain**  
*Non-Executive Nominee Director*

Punjab National Bank



**Girish Kousgi**  
*Managing Director and CEO*

Can Fin Homes, ICICI Bank, IDFC Bank, Tata Capital Financial Services

Notes: Entities mentioned below respective names indicate other current / previous associations

# Experienced and Professional Management Team



**Girish Kousgi**  
Managing Director and CEO



**Vinay Gupta**  
Chief Financial Officer



**Anujai Saxena**  
Chief Transformation Officer



**Amit Singh**  
Chief People Officer



**Jatul Anand**  
Chief Credit & Collections Officer



**Dilip Vaitheeswaran**  
Chief Sales Officer - Retail



**Ajay Kumar Mohanty**  
Head - Internal Audit and Chief of Internal Vigilance



**Krishna Kant**  
Chief Compliance Officer



**Anubhav Rajput**  
Chief Information Officer



**Veena Kamath**  
Company Secretary



**Valli Sekar**  
Chief Sales & Collection Officer - Affordable



**Anshul Dalela**  
Head – Customer Service & Operations



**Neeraj Manchanda**  
Chief Risk Officer



Regulations      Good Practices      Policies



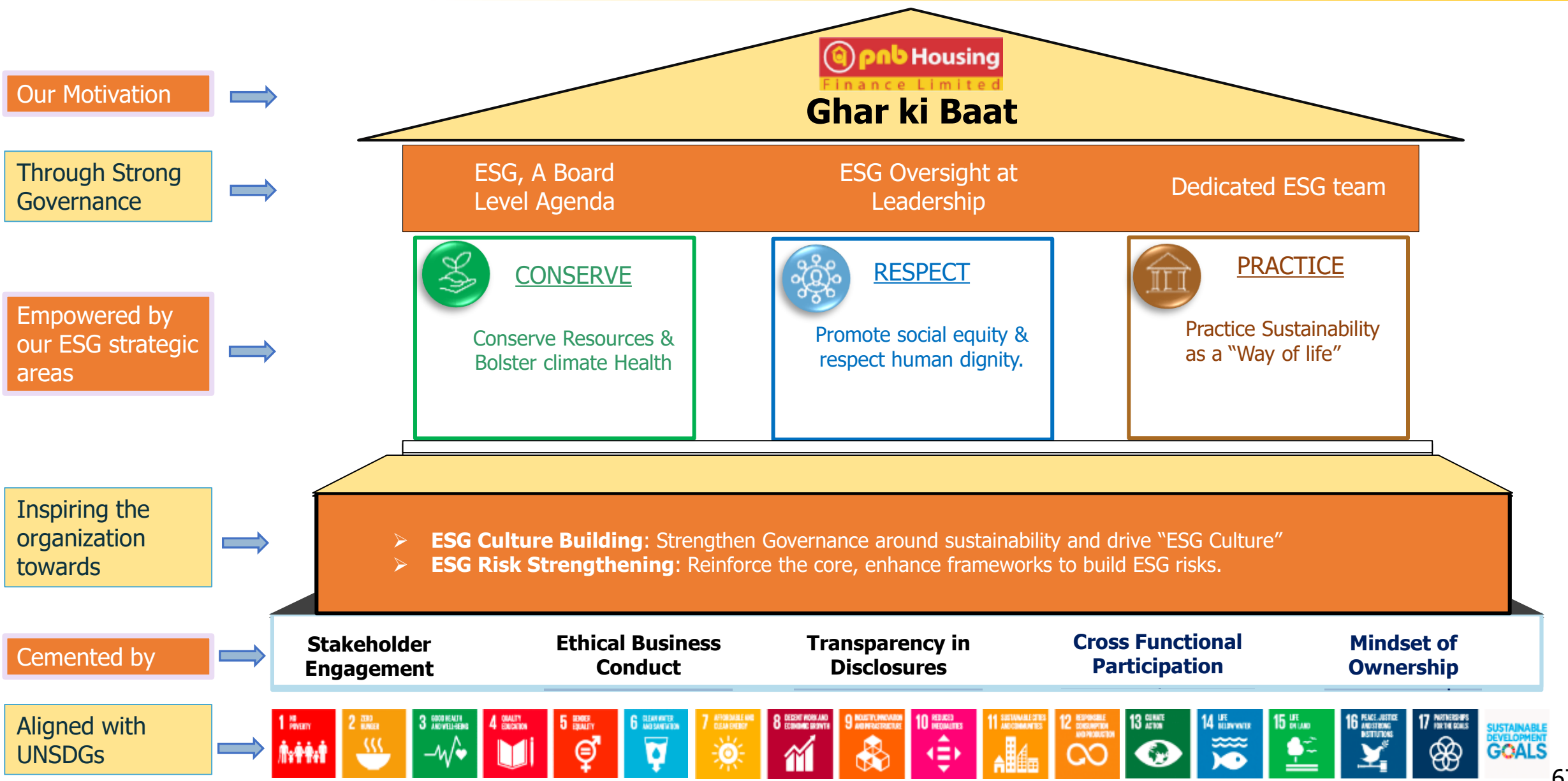
**Key Enablers**

People/Awareness      Data      Technology/Systems

**Key Features of Governance**

- RMC of the Board oversee the company's Risk Management practices and approve the Risk Management Framework of the company
- Executive RMC Comprising of senior members review risk management framework
- Business units are accountable for effective management of risk of their unit
- Internal audit to independently assess the Internal controls and Risk Management Framework
- Compliance function independently monitors the Regulatory compliances

# Overarching ESG Framework



# Awards and Accolades



**4th Great Indian BFSI Awards – CEO of the Year**



**4th Great Indian BFSI Awards – Financial Inclusion Initiative of the Year**



**4th Great Indian BFSI Awards – Best Website**



**BW Marketing Excel Awards – Regional Communication Campaign**



**Elets BFSI CXO Award – Excellence in Strategic Leadership**



**ET Edge Best BFSI Brands 2024**



**Elets BFSI CXO Award – Outstanding Leadership in NBFCs**



**BW Marketing Excel Awards – Specialized BFSI Campaign**



# Thank You

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**Company:**

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**PNB Housing Finance Limited**

CIN: L65922DL1988PLC033856

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