



Investor Presentation

August 2017



Safe Harbor



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About PNB Housing Finance



One of the Leading Housing Finance Company...



Strong Parentage, Independent Professional Management and an Autonomous Board

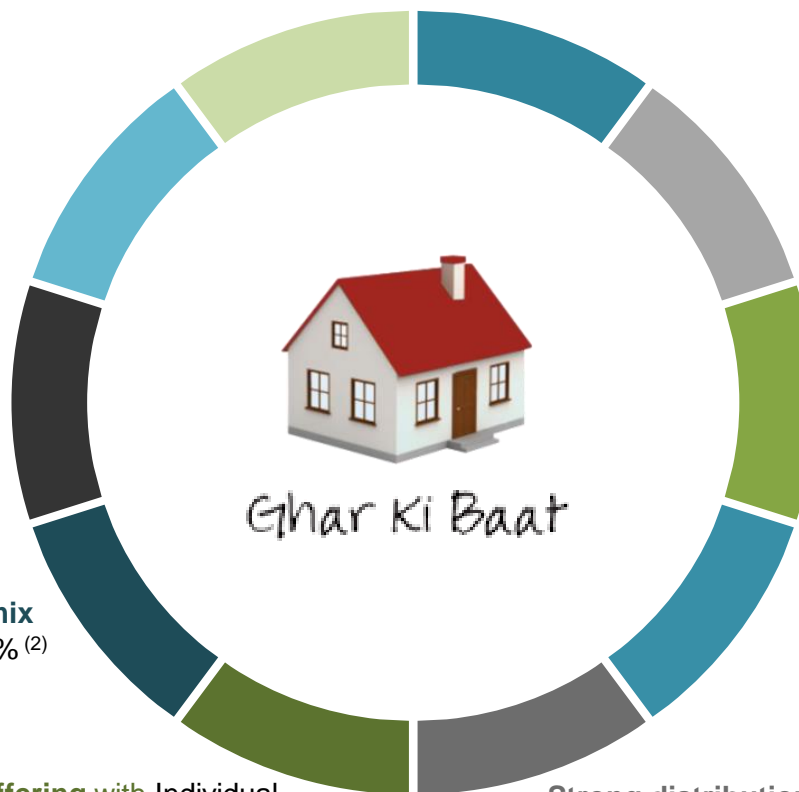
5th largest by Loan Assets and **2nd largest by deposits** ⁽¹⁾

Efficient capital utilization and delivering **healthy RoEs**

Loan Assets of **INR 44,003 Crore** ⁽²⁾

Robust Asset Quality with one of the lowest Gross NPAs at 0.43%⁽⁴⁾

Fastest growing HFC amongst the Top 5 HFCs in India ⁽³⁾



Diverse and cost effective funding mix with average cost of borrowing at 8.09% ⁽²⁾

Robust and scalable technology-enabled target operating model

Wide product offering with Individual housing loans, Construction Finance, LAP, Corporate Term Loans

Strong distribution network with pan India presence and over 10,500 ⁽²⁾ channel partners across India

3. Source: ICRA Industry Update for 2017; Based on growth rate of Loan Assets as on Mar-17 over Mar-16
4. As a % of total Loan Assets on 30-Jun-17

1. Source: ICRA Industry Update for FY2017 (amongst housing finance companies)
2. As of 30-Jun-17

...started in 1988



Business process re-engineering sponsored by the Parent

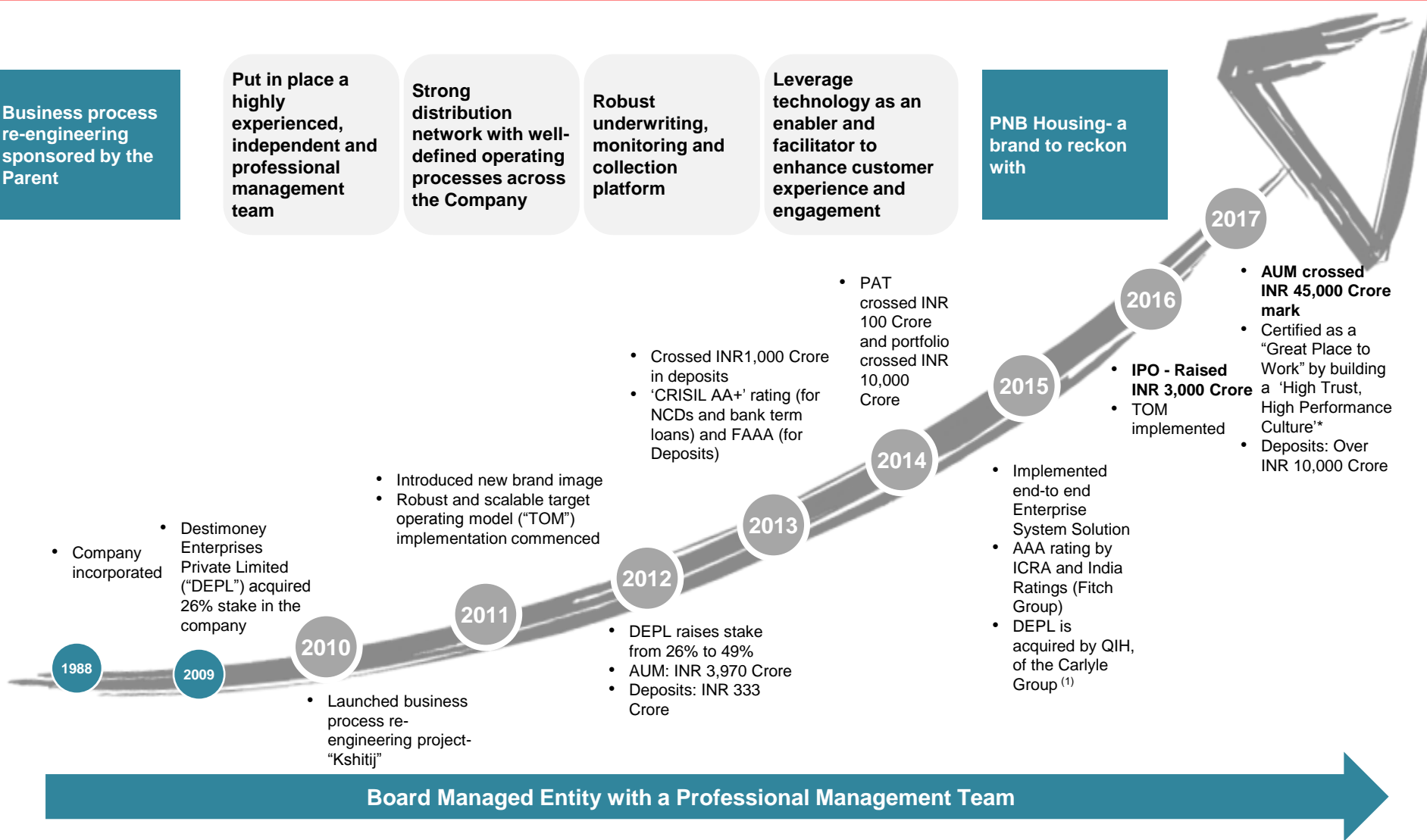
Put in place a highly experienced, independent and professional management team

Strong distribution network with well-defined operating processes across the Company

Robust underwriting, monitoring and collection platform

Leverage technology as an enabler and facilitator to enhance customer experience and engagement

PNB Housing- a brand to reckon with



1988

2009

2010

2011

2012

2013

2014

2015

2016

2017

- Company incorporated

- Destimoney Enterprises Private Limited ("DEPL") acquired 26% stake in the company

- Launched business process re-engineering project- "Kshitij"

- Introduced new brand image
- Robust and scalable target operating model ("TOM") implementation commenced

- DEPL raises stake from 26% to 49%
- AUM: INR 3,970 Crore
- Deposits: INR 333 Crore

- Crossed INR 1,000 Crore in deposits
- 'CRISIL AA+' rating (for NCDs and bank term loans) and FAAA (for Deposits)

- PAT crossed INR 100 Crore and portfolio crossed INR 10,000 Crore

- Implemented end-to end Enterprise System Solution
- AAA rating by ICRA and India Ratings (Fitch Group)
- DEPL is acquired by QIH, of the Carlyle Group ⁽¹⁾

- IPO - Raised INR 3,000 Crore
- TOM implemented

- AUM crossed INR 45,000 Crore mark
- Certified as a "Great Place to Work" by building a 'High Trust, High Performance Culture'*
- Deposits: Over INR 10,000 Crore

Board Managed Entity with a Professional Management Team

1 QIH (Quality Investment Holdings) is an affiliate of Carlyle Asia Partners IV, L.P.

*Source: Great Place to Work Institute (GPTW)



HFC Sector well placed...

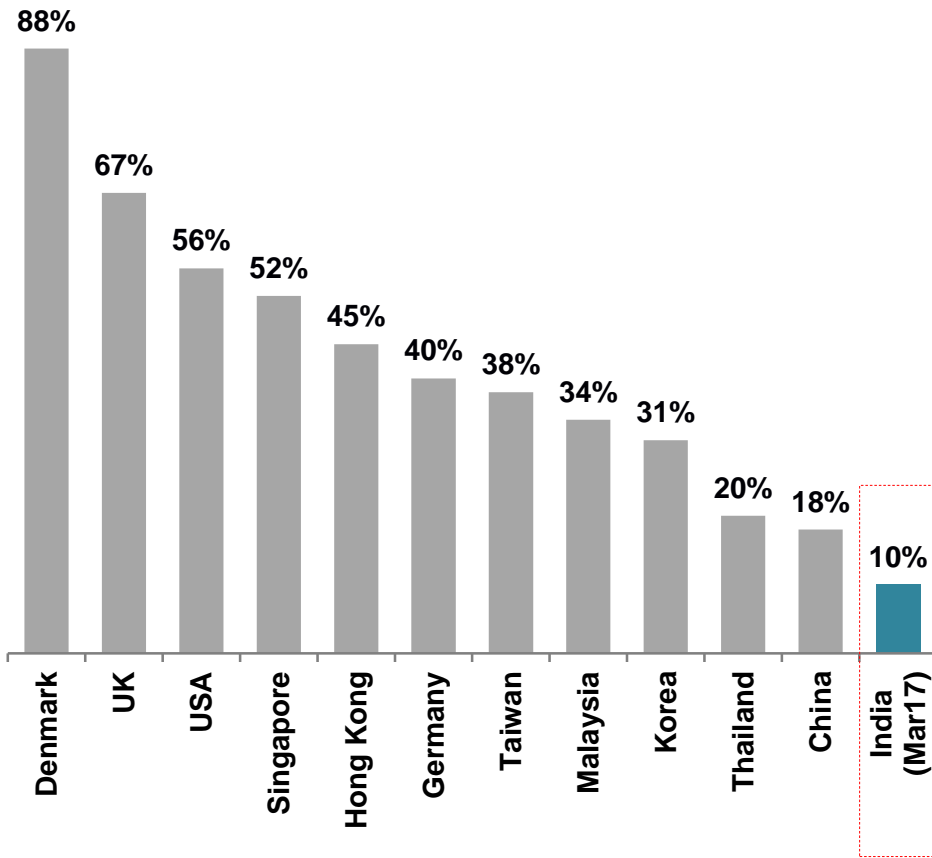


India's Mortgage Market...



Indian Mortgage Market is Significantly Under-penetrated

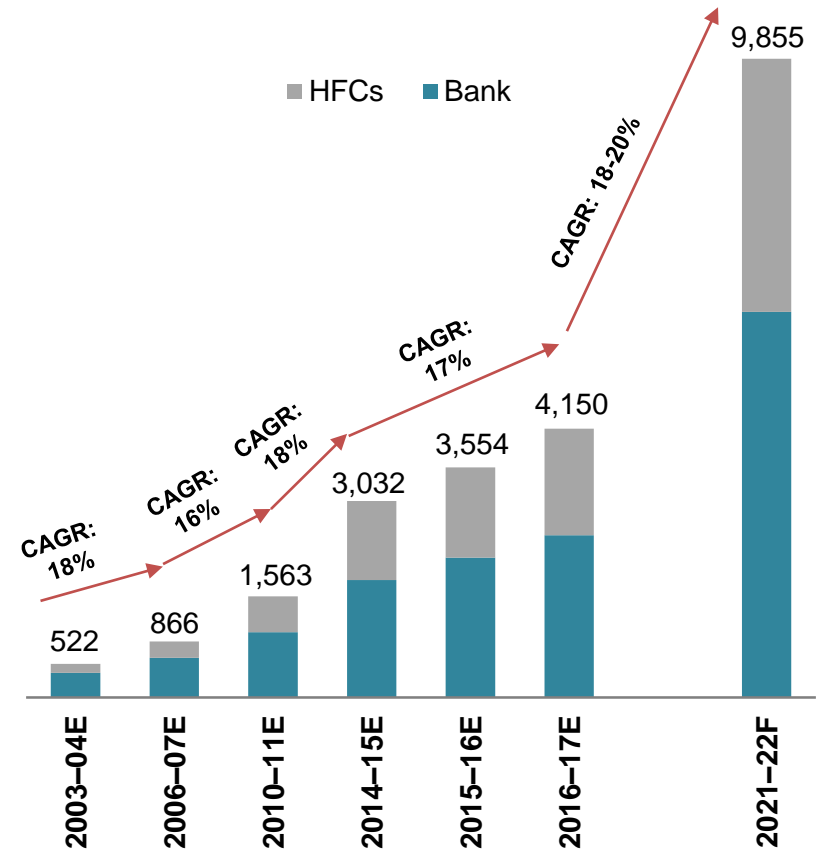
Mortgage to GDP Ratio for CY2015 (%)



Note: India data for FY17, Other countries data for CY15
Source: European Mortgage Federation, HOFINET, CRISIL Research

Ramp-up Opportunity for Mortgage Market in India

Annual Disbursements (INR Bn)



E- Estimated

F- Forecast

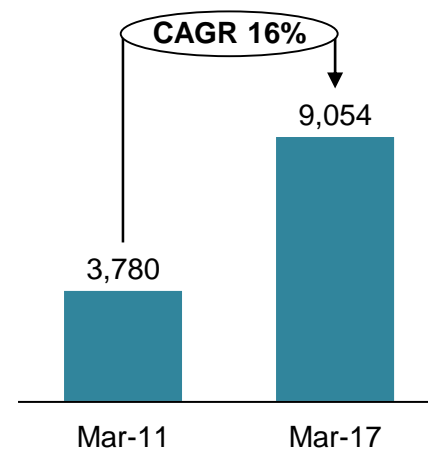
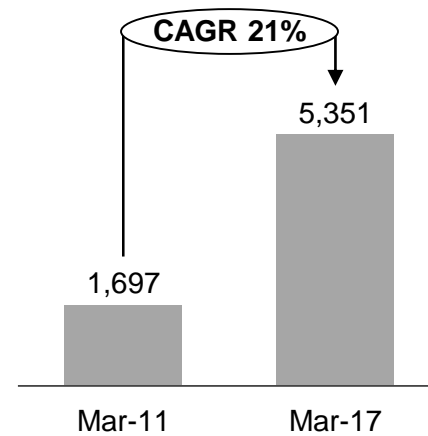
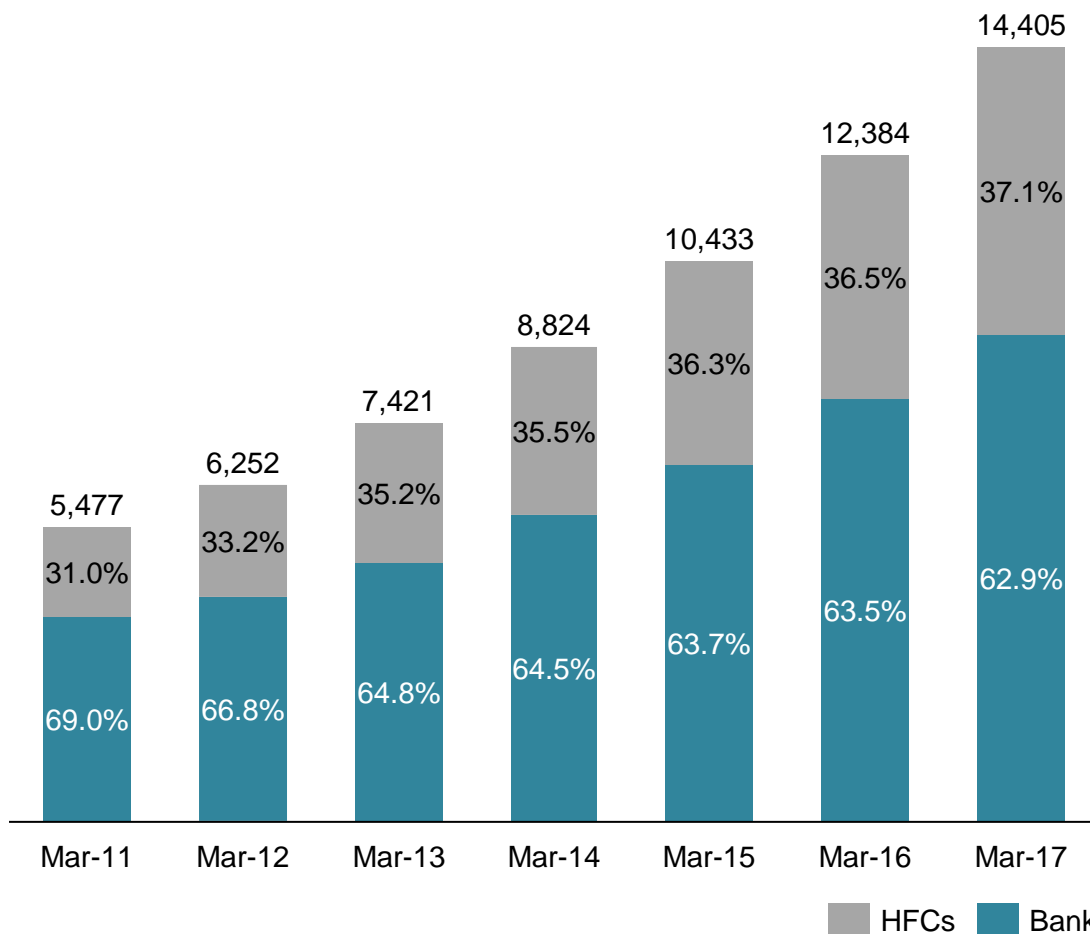
Source: CRISIL Research

...outpacing traditional channels with...



Increasing HFCs Share in a Steadily Expanding Home Loan Portfolio

(INR Bn)

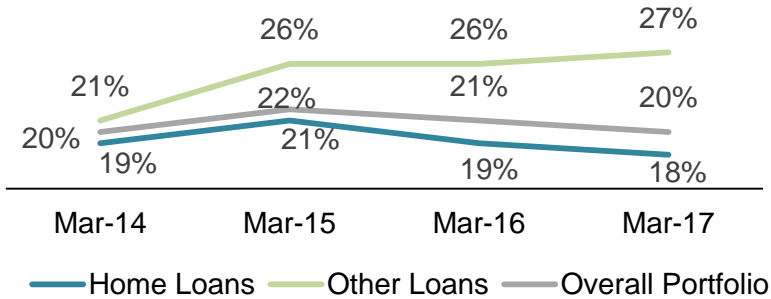


Source: ICRA Industry Update for Mar-2017

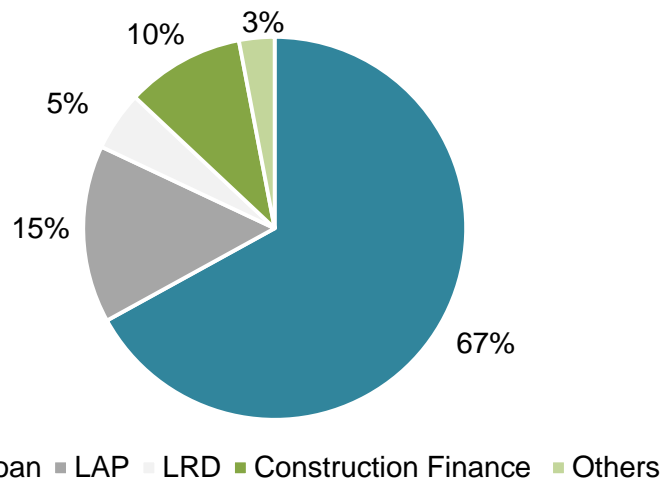
....Sustainable Growth of HFCs



Portfolio Growth of HFCs

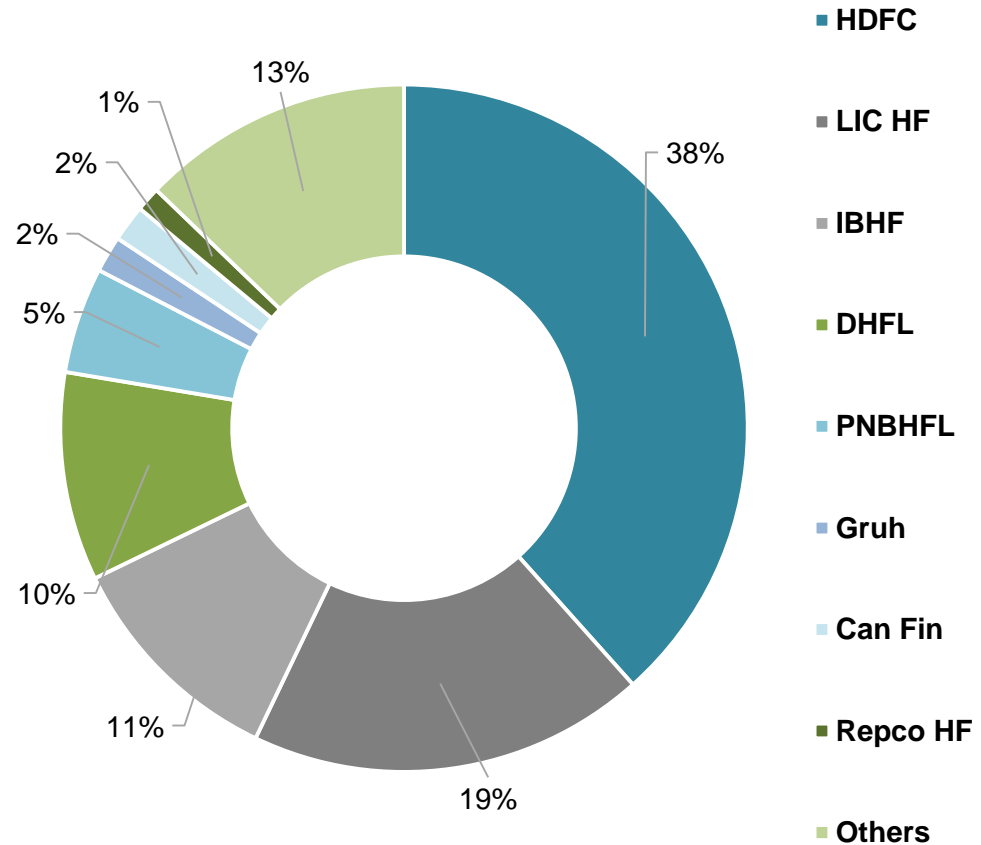


Portfolio Composition of All HFCs as on 31-Mar-17



Source: ICRA Industry Update for Mar- 2017

Total Loan of all HFCs: INR 7,722 Bn as on 31-Mar-17





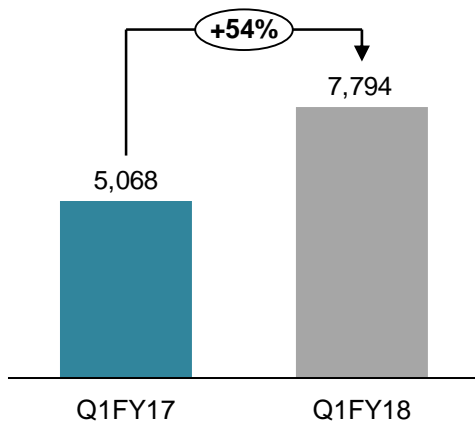
Financial Performance of the Company



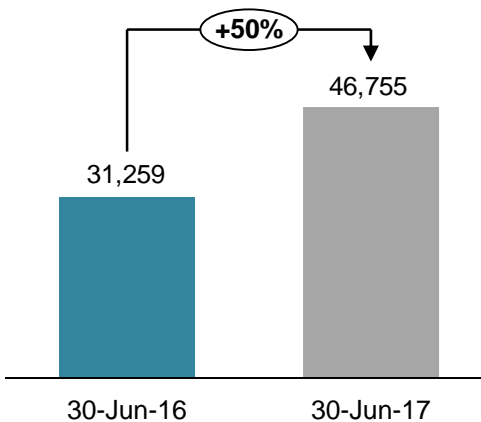
Key Highlights – Q1 FY18 vs Q1 FY17



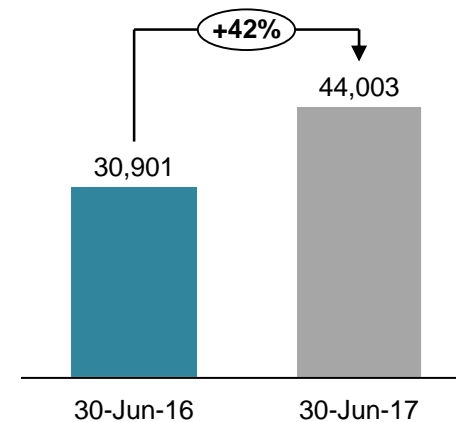
Disbursement (INR Crore)



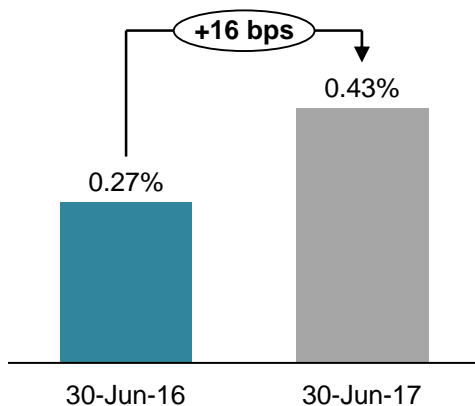
AUM (INR Crore)



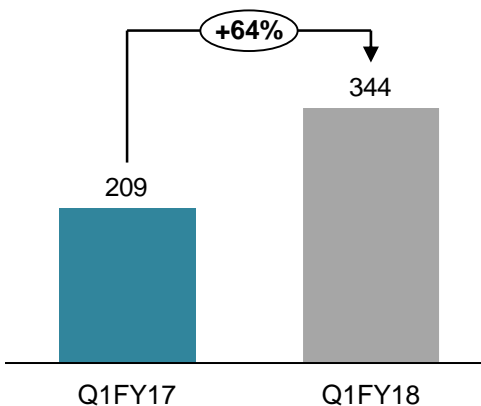
Loan Assets (INR Crore)



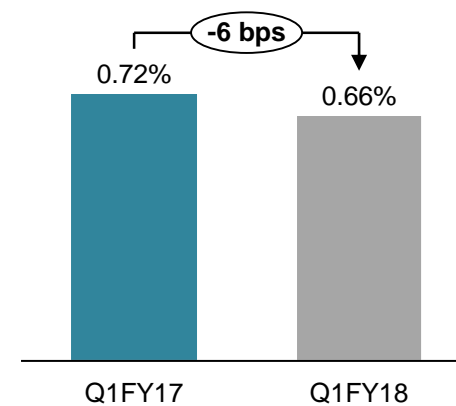
GNPA* (%)



NII (INR Crore)



Opex to ATA (%)



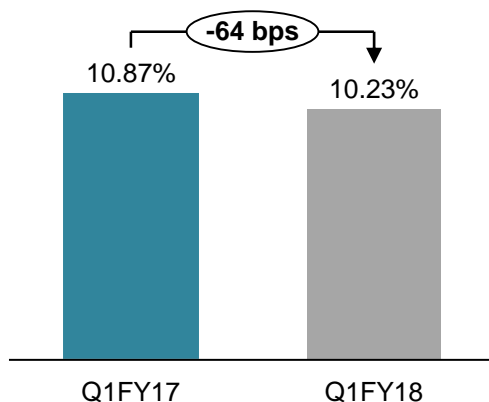
Ratios are calculated on Monthly Average
1 crore = 10 million

*GNPA as a % of Loan Assets

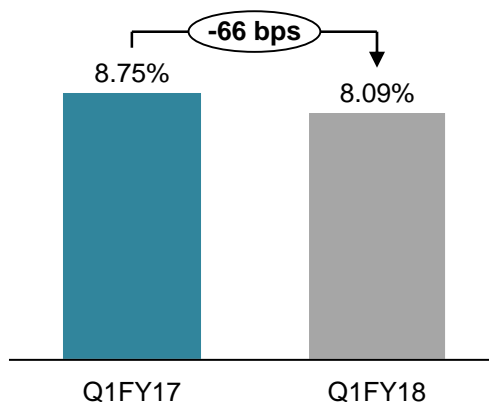
Key Highlights – Q1 FY18 vs Q1 FY17



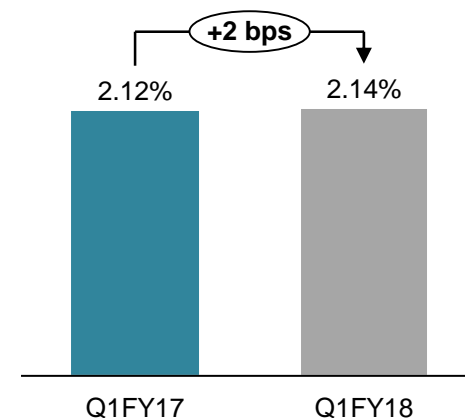
Average Yield (%)



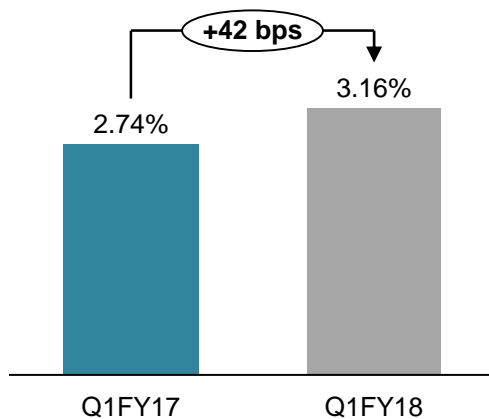
Average Cost of Borrowings (%)



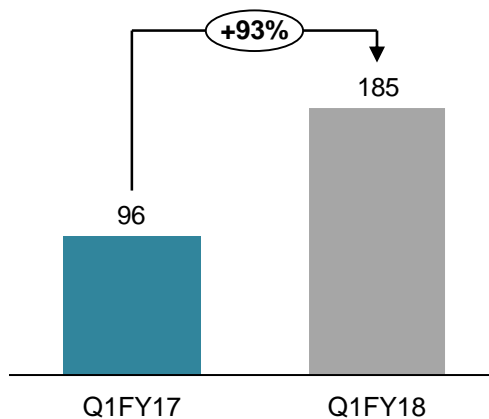
Spread (%)



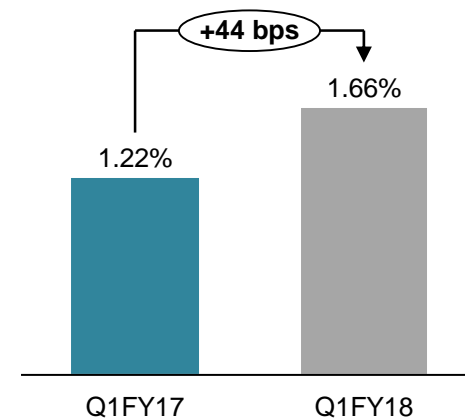
NIM (%)



PAT (INR Crore)



ROA (%)



Ratios are calculated on Monthly Average
1 crore = 10 million



Expansion Led Growth and Robust TOM

Expanding Footprints...

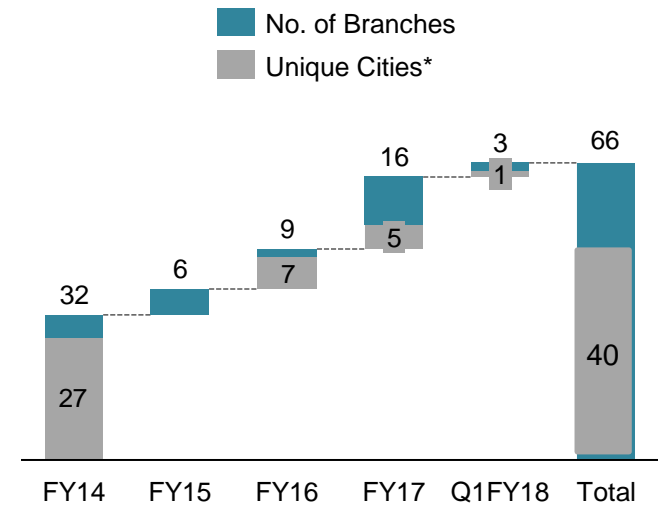


Branches – Point of Sales & Services
Processing Hubs – Fountain head for Decision Making
Zonal Hubs - Guides, Supervises & Monitors the HUB

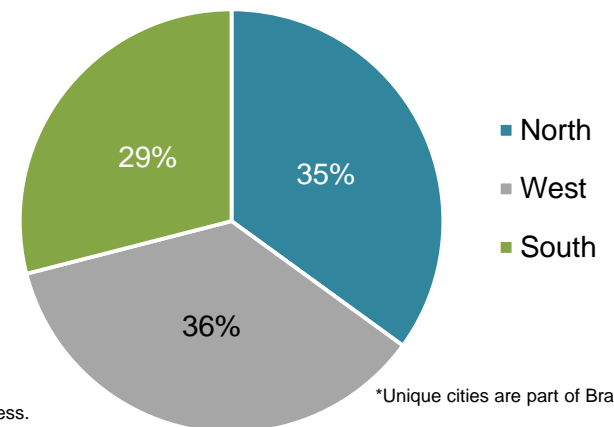
OUR OFFICE NETWORK



No. of Branches



AUM- Geographical Distribution



*Unique cities are part of Branches

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-Jun-17

...with Robust Delivery Model...



Robust Delivery Model...

Hub and Spoke Branch Model



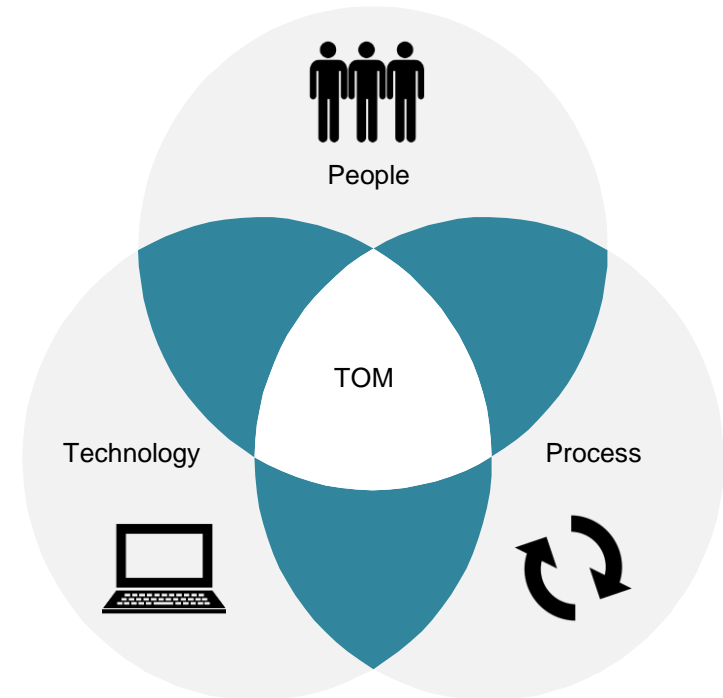
In-House Sales Team



Third Party DSA and Market Aggregators



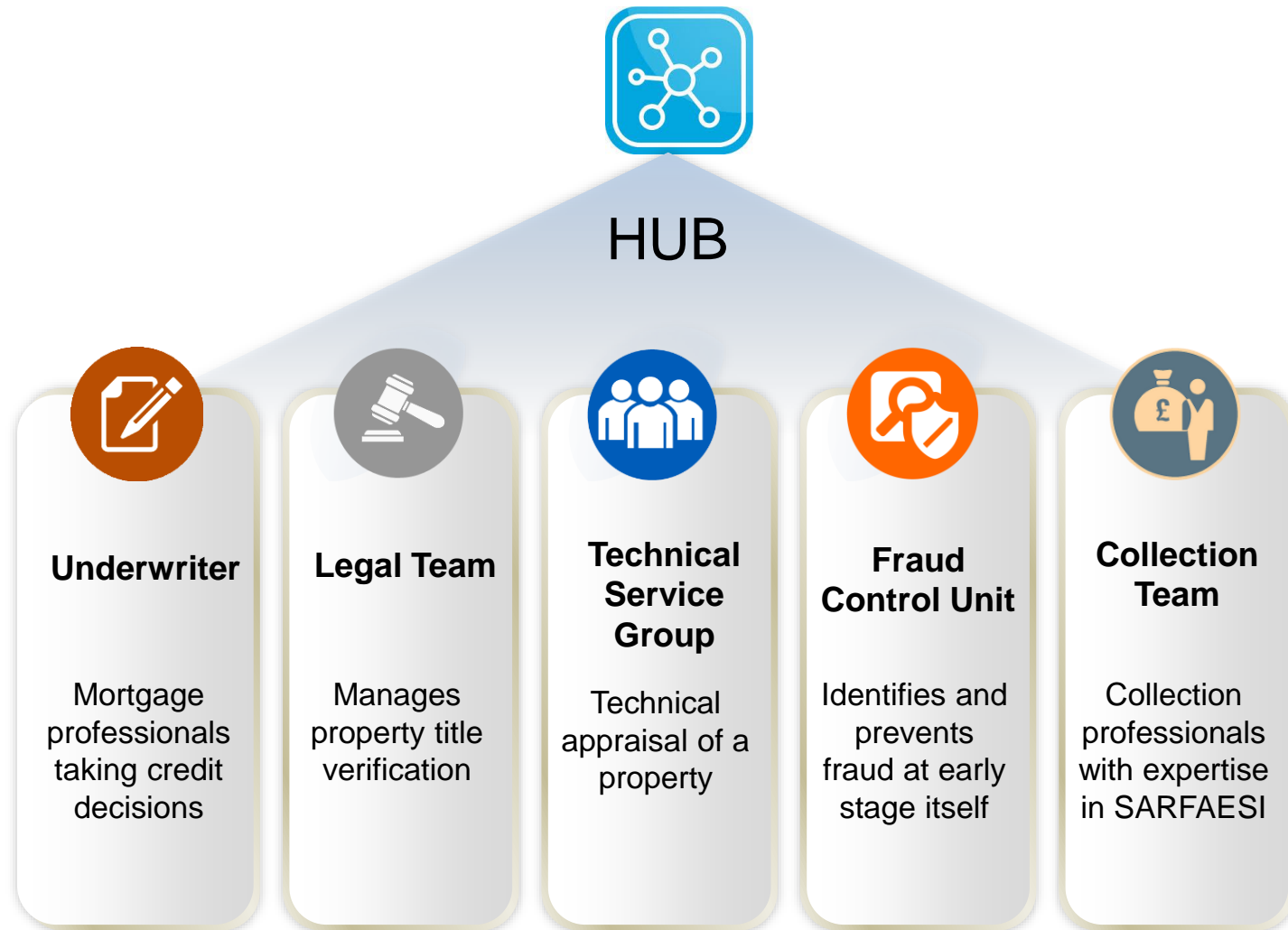
Developer Relationships



Focus on quality, efficiency and productivity

Supported by End-to-End Technology

...and strong Credit Underwriting Processes and Control

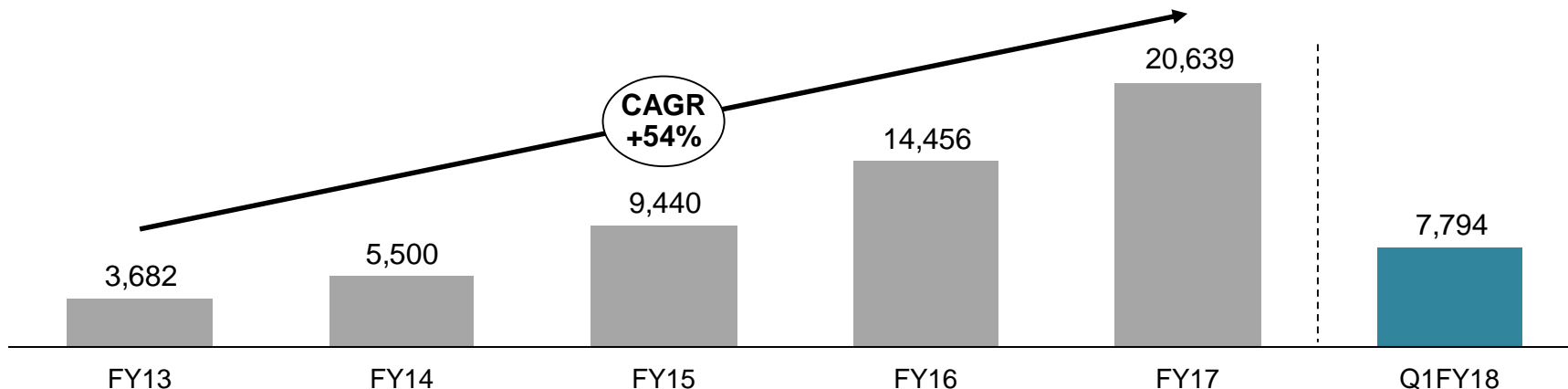


...leading to Disbursement and Asset growth...

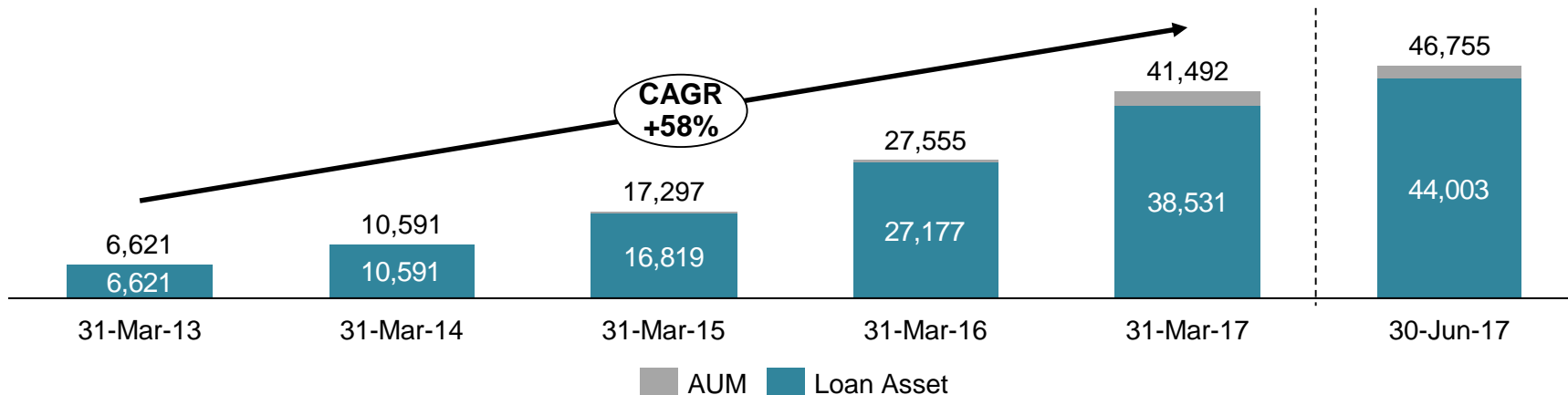


(INR Crore)

Disbursement



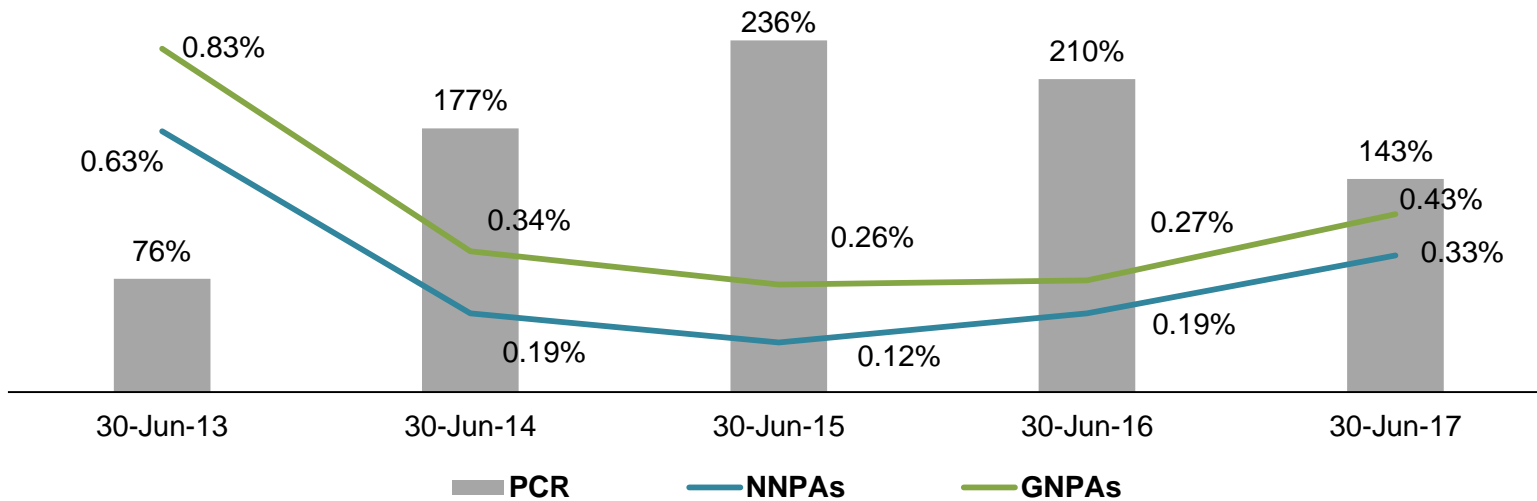
Asset



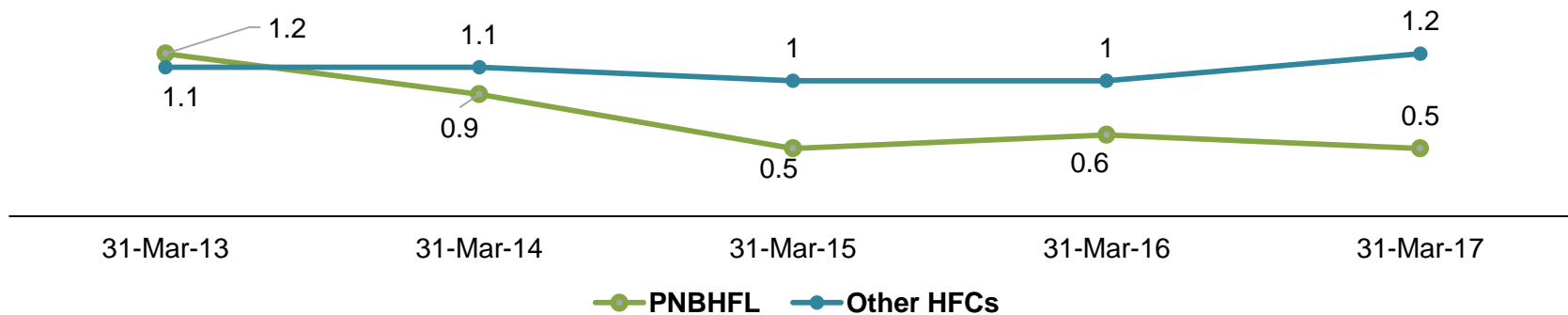
■ AUM ■ Loan Asset

1 crore = 10 million

...with Lower NPAs...



2 years Lagged NPA*



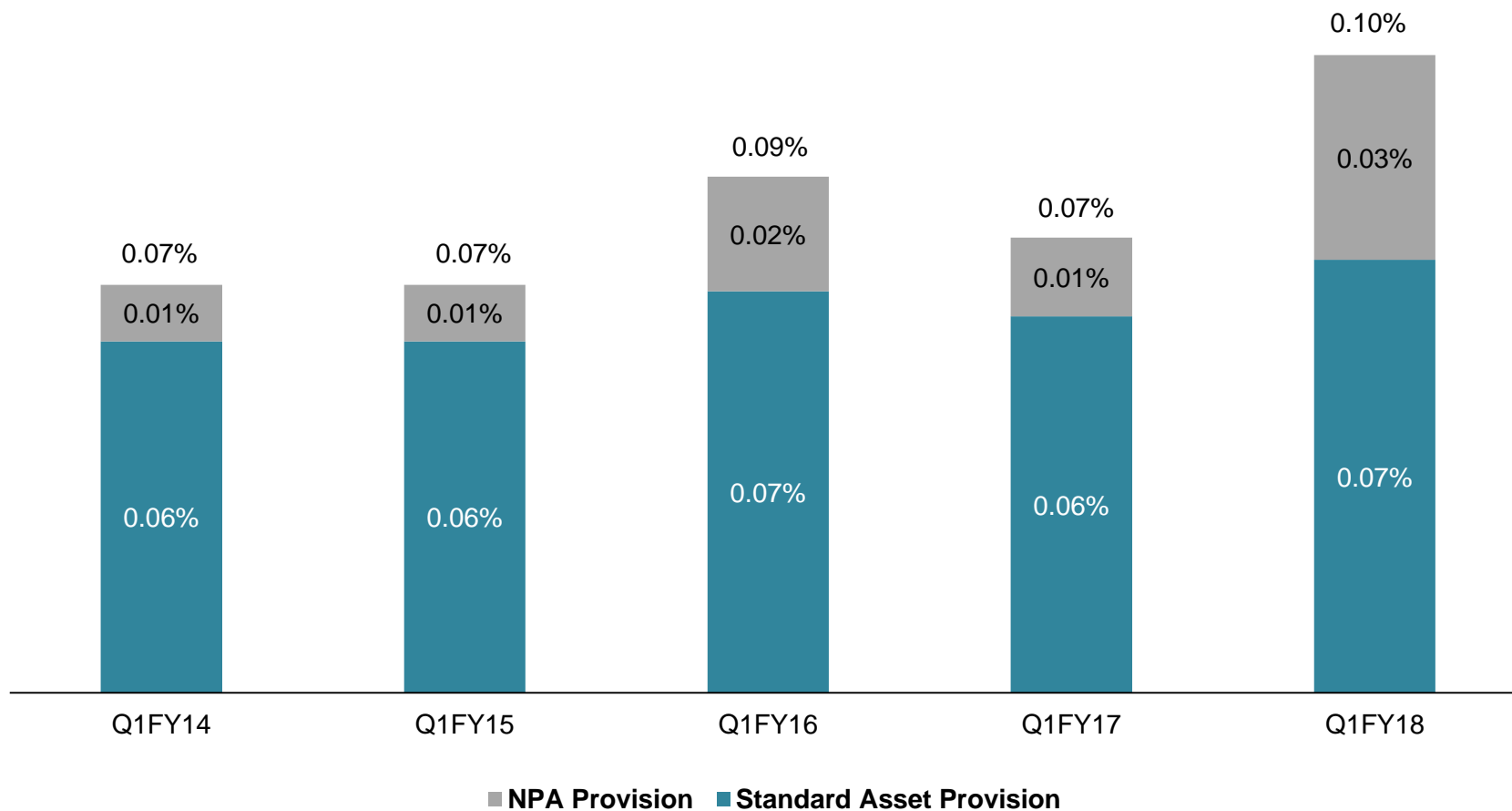
Provision Coverage Ratio is calculated as Total Provisions for NPA & Standard Asset as % of GNPA
 2 years Lagged NPA is calculated as Gross NPA as on 'T' divided by Loan Assets as on 'T-2'

*Source: CRISIL

...and Credit Cost



Credit Costs* (% of Loan Assets)



*Credit Cost: defined as total of Standard Asset provision and NPA provision for the quarter as a % of Loan Assets



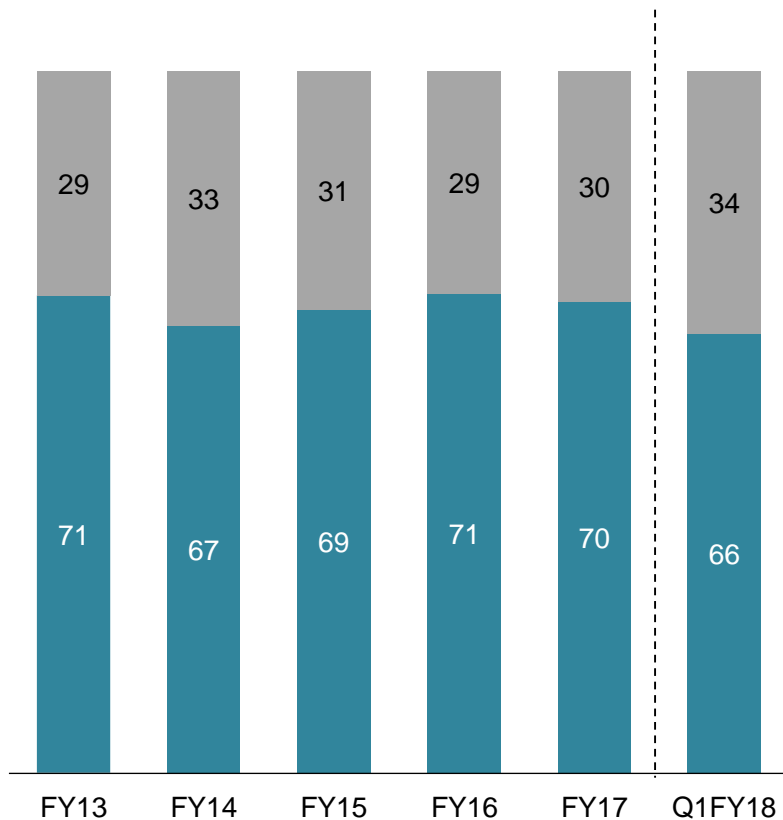
Sustainable Portfolio Mix



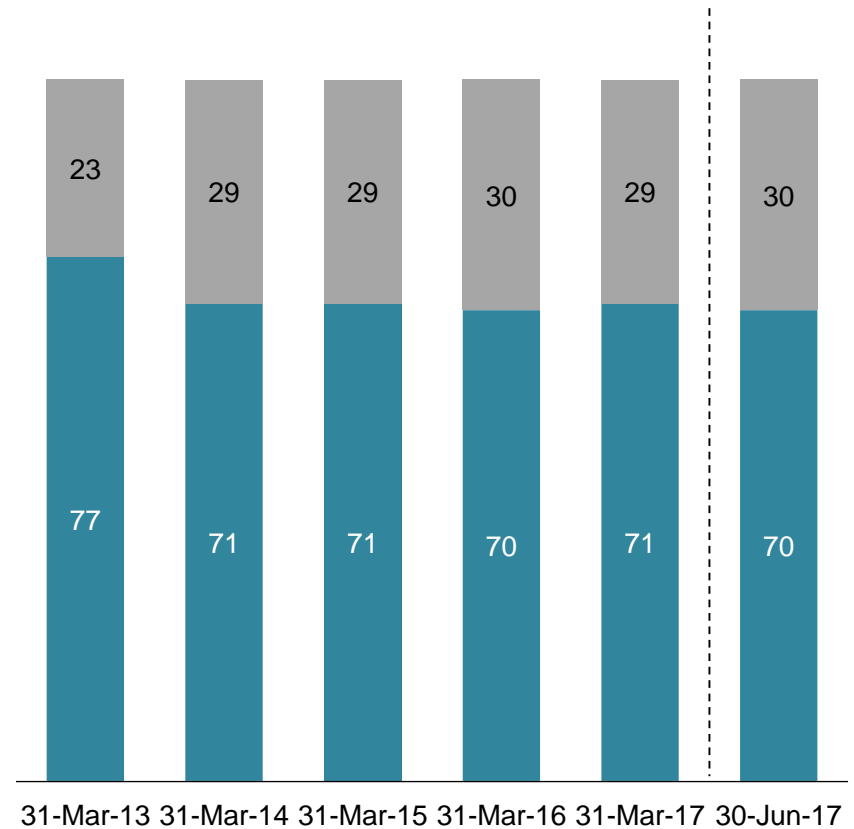
Sustainable Portfolio Mix



**Share of Housing Loans
(% of Annual Disbursements)**



**Wide Product Offering
(% of Loan Assets)**



■ Non-Housing ■ Housing

Housing Loan Assets Distribution

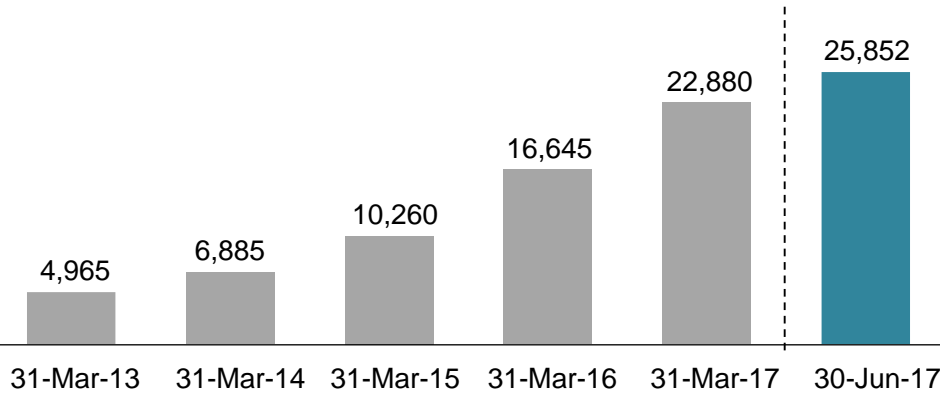


Housing Loan – 69.8% (1)

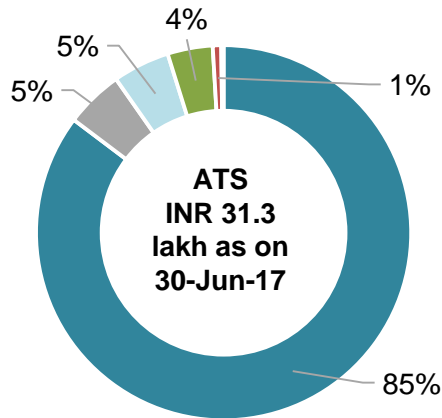
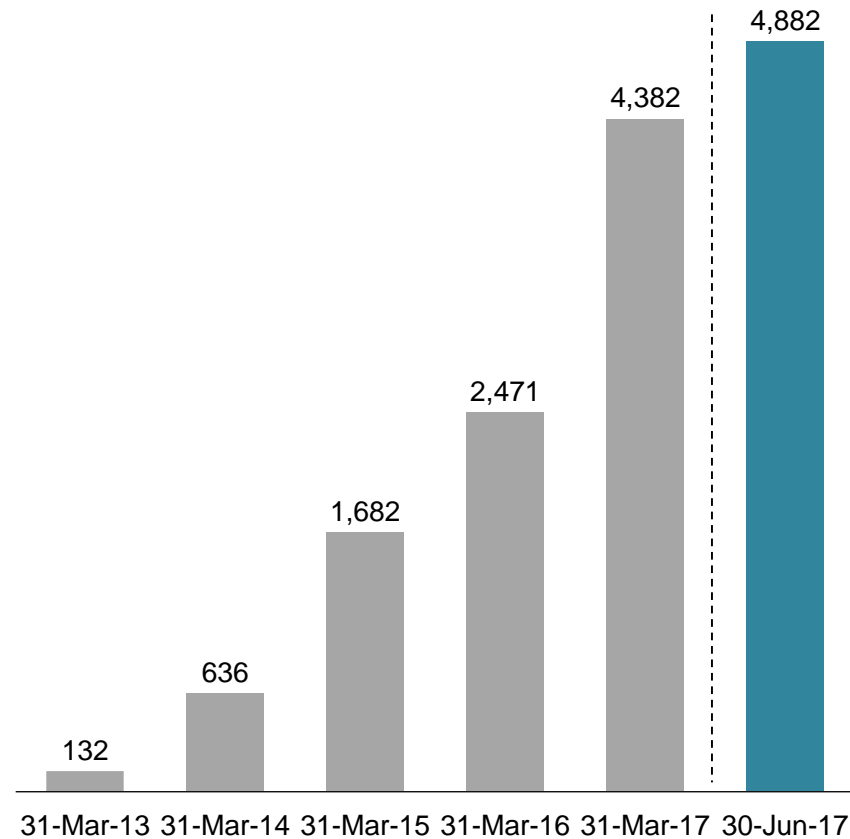
Individual Housing Loan (1) – 58.8%

Construction Finance Loan (1) – 11.1%

INR Crore



INR Crore



ATS
INR 31.3
lakh as on
30-Jun-17

- Home Purchase Loans
- Residential Plot Loans
- Residential Plot cum Construction Loans
- Self Construction Loans
- Home Improvement Loans
- Home Extension Loans

1. As a % of Loan Assets on 30-Jun-17
1 crore = 10 million

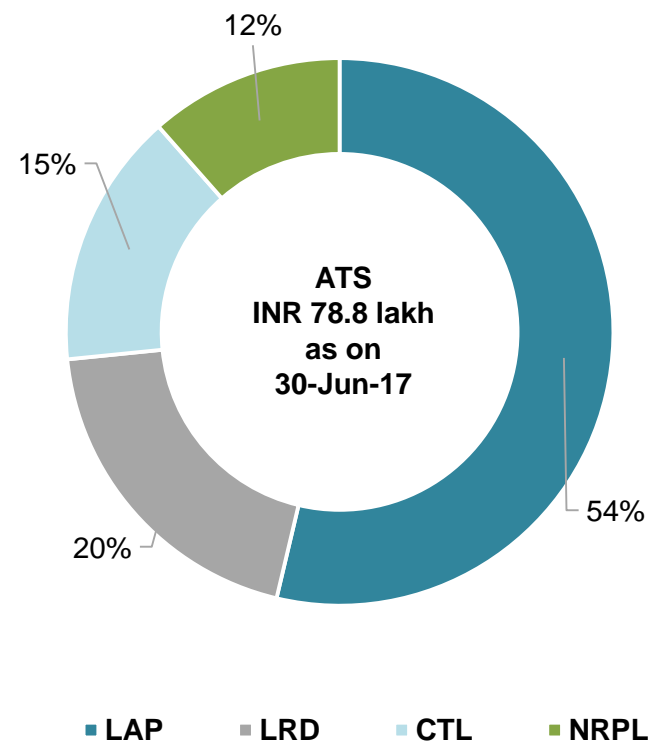
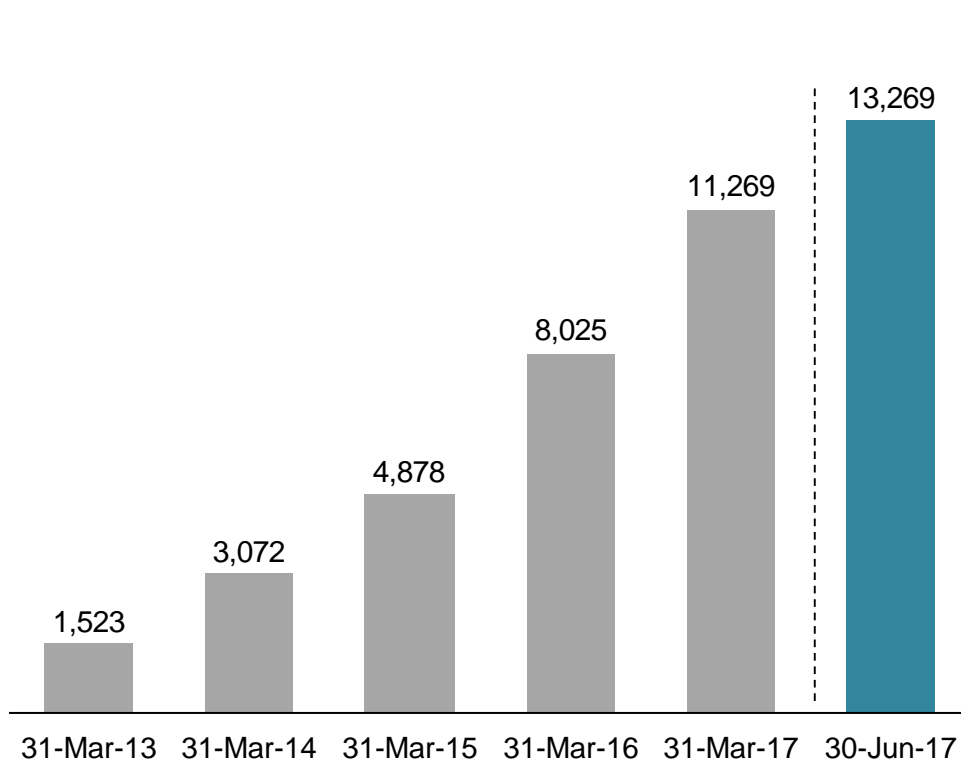
ATS: Average Ticket Size

Non- Housing Loan Assets Distribution



Non-Housing Loan⁽¹⁾ - 30.2%

INR Crore



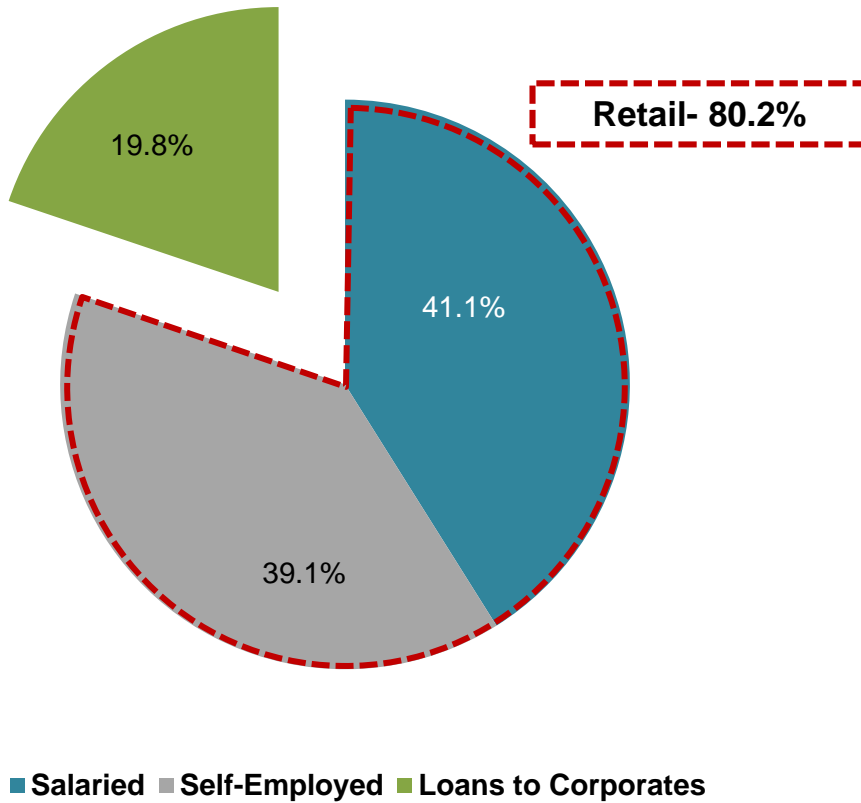
1. As a % of Loan Assets on 30-Jun-17
2. 1 crore = 10 million

ATS: Average Ticket Size

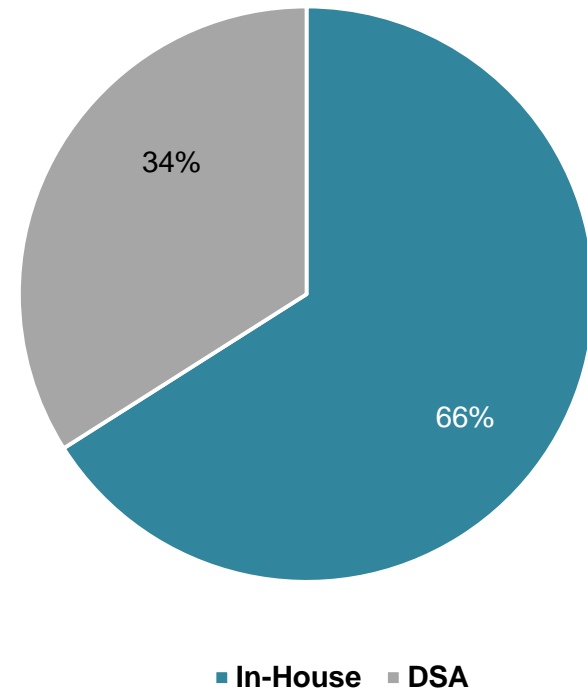


Customer Segment & Origination

Loan Asset Composition (%)
As on 30-Jun-2017



Disbursement Origination (%)
For Q1FY18





Operational and Financial Performance

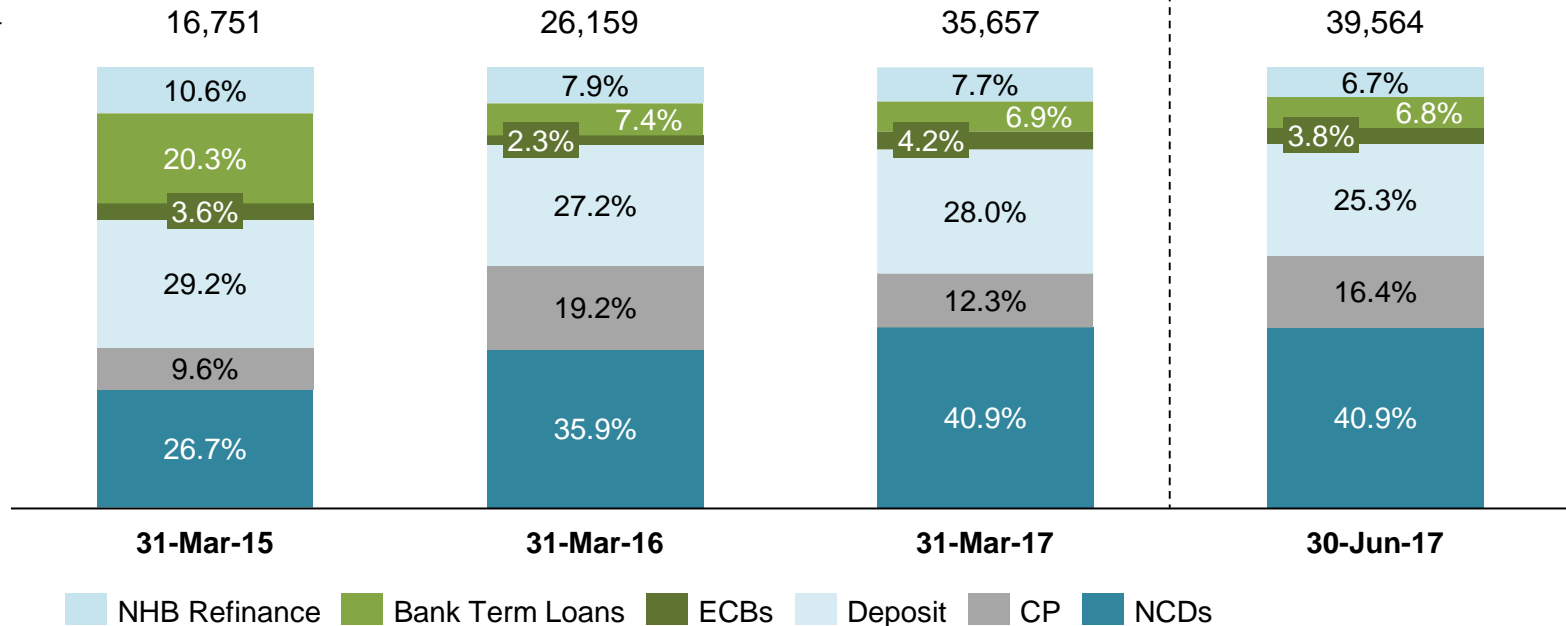




Well Diversified Borrowing Profile

Access to a Diverse Base of Funding...

Total Borrowing
(INR Crore)



Credit Rating

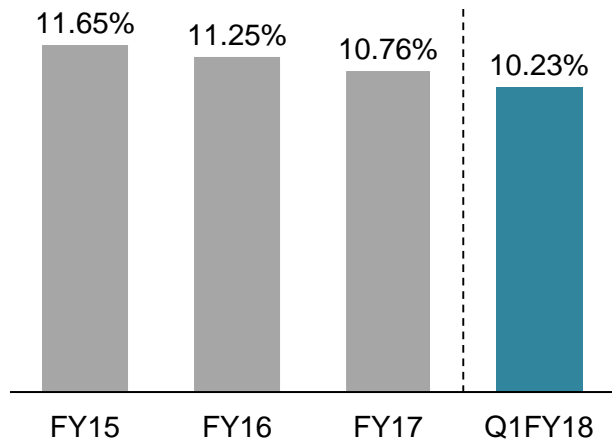
- Fixed Deposit has been rated “FAAA” by CRISIL and “AAA” by CARE. The rating of “FAAA” and “AAA” indicates “High Safety” with regards to the repayment of interest and principal.
- Commercial Paper is rated at “A1(+)” by CARE & CRISIL and Non-Convertible Debenture (NCD) are rated at “AAA” by CARE, “AAA” by India Ratings, “AA+” by CRISIL and “AA+” by ICRA
- Bank Loans Long Term Rating is rated at “AAA” by CARE and “AA+” by CRISIL

1 crore = 10 million

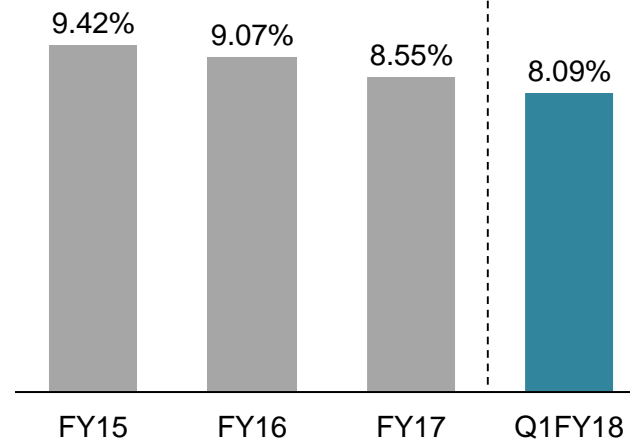
Margin Analysis



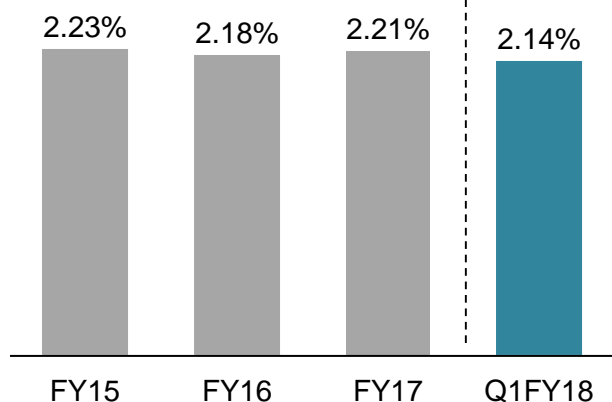
Average Yield (%)



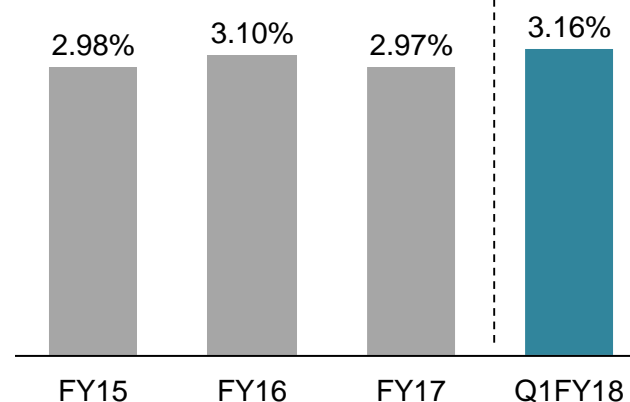
Average Cost of Borrowings (%)



Spread (%)



NIM (%)

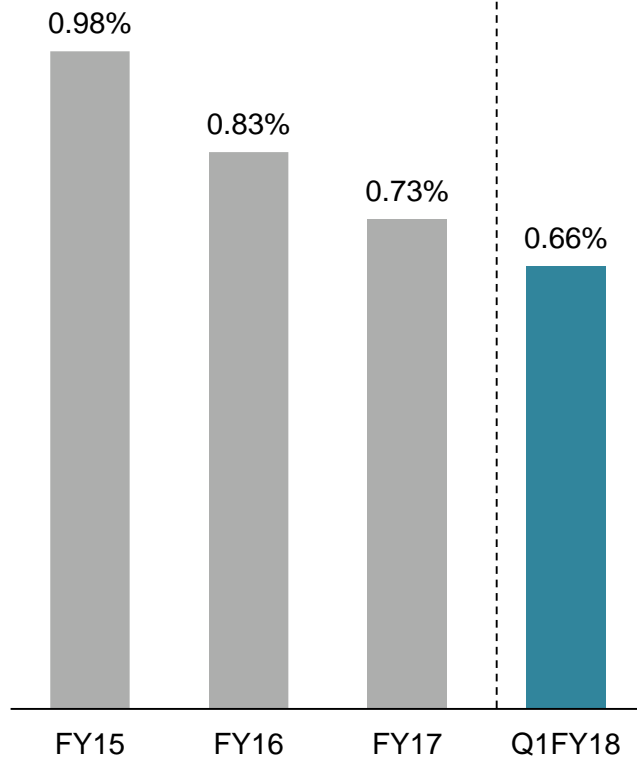


Ratios are calculated on Monthly Average

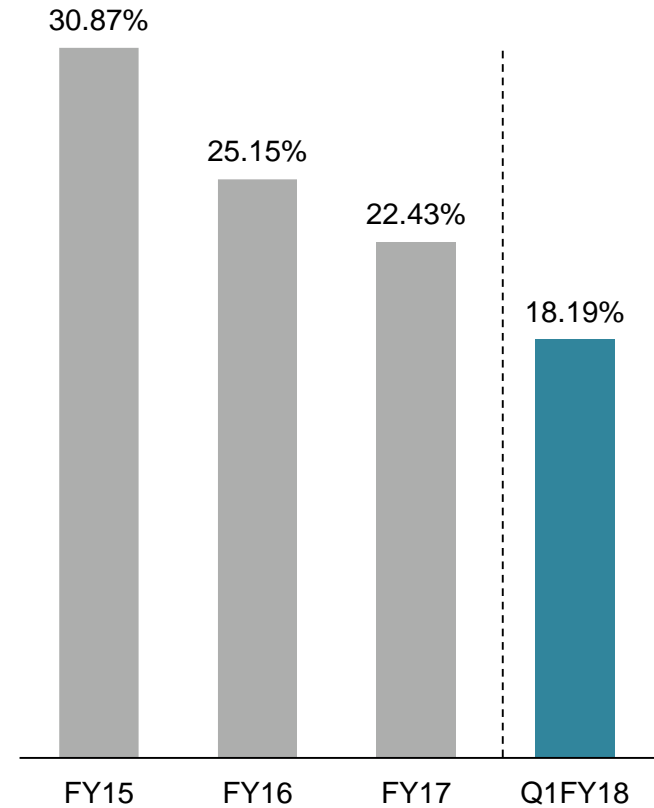
Operating Leverage playing out



Opex to ATA Ratio (%)



Cost to Income Ratio (%)

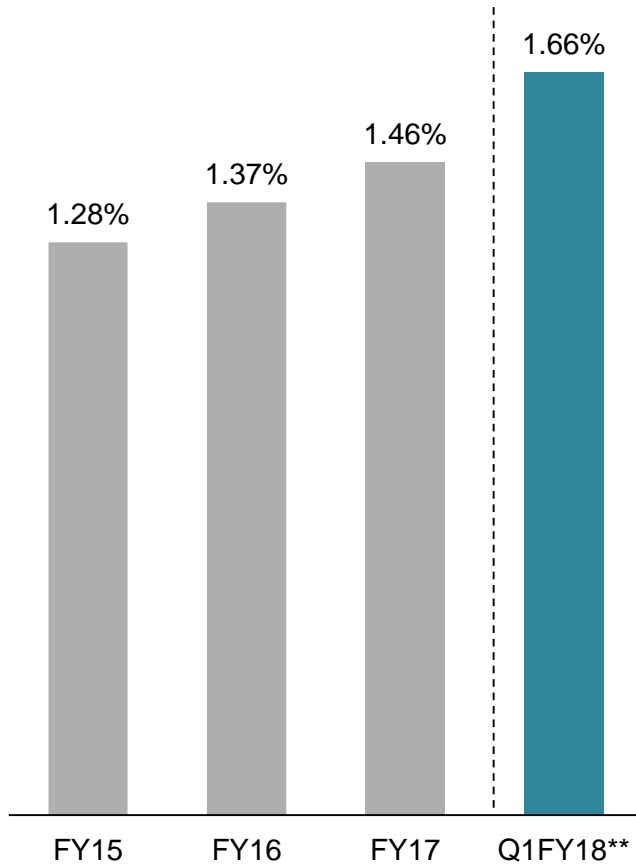


Ratios are calculated on Monthly Average
Opex to ATA is calculated as Operating Expenditure/Average Total Assets as per Balance sheet

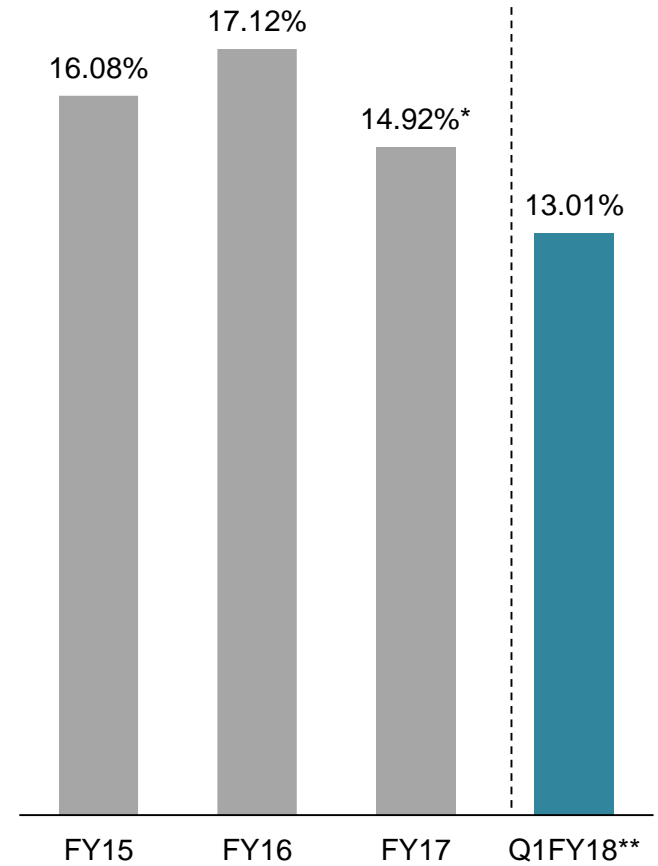
Return Efficiencies



ROA (%)



ROE (%)



Ratios are calculated on Monthly Average
Return on Asset is on Average Total Assets as per Balance sheet

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



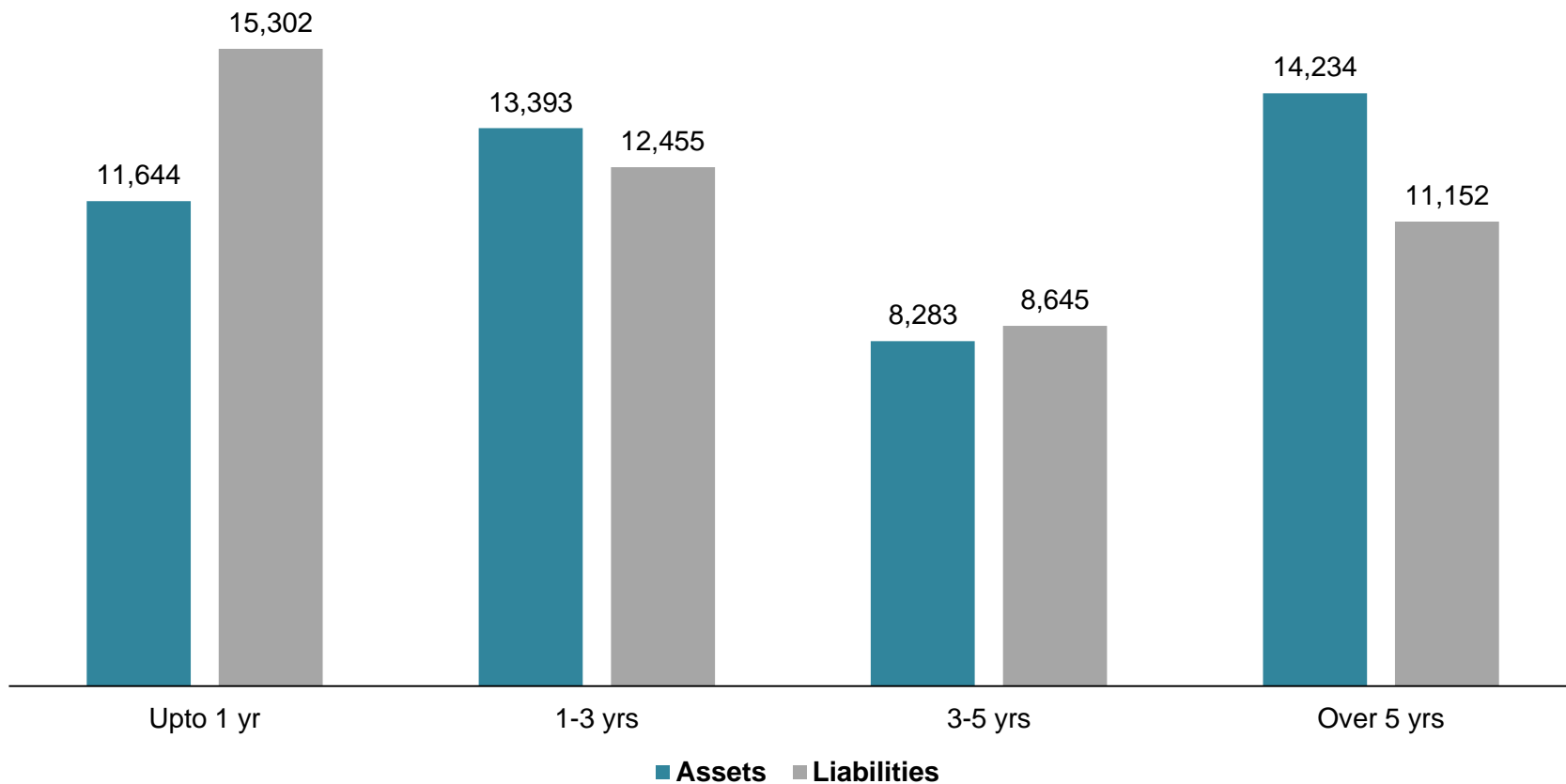
Maintaining Prudence...



...with balanced Asset Liability management...



(INR Crore)

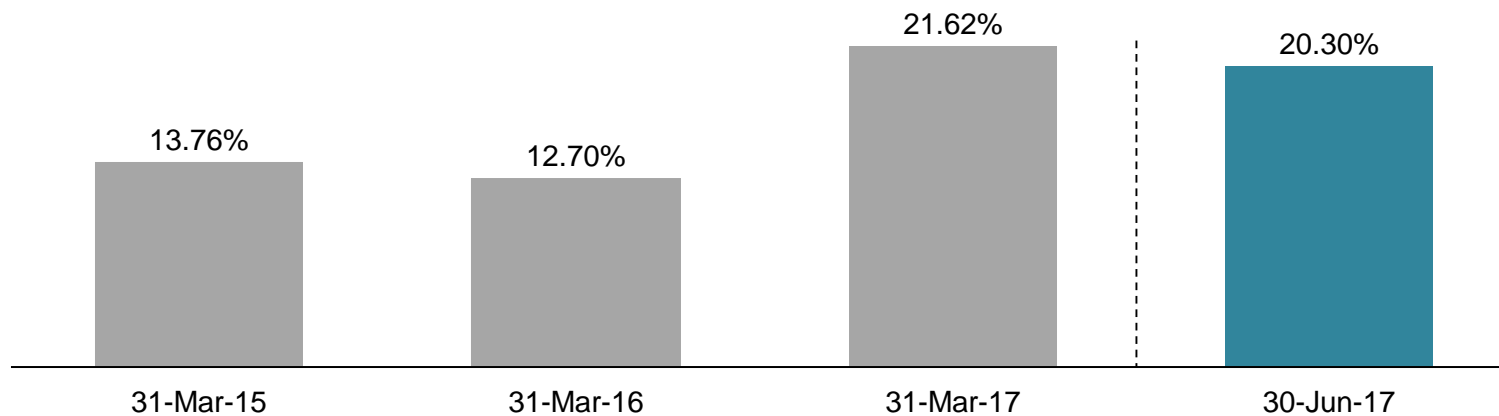


Data as on 30-Jun-17
1 crore = 10 million

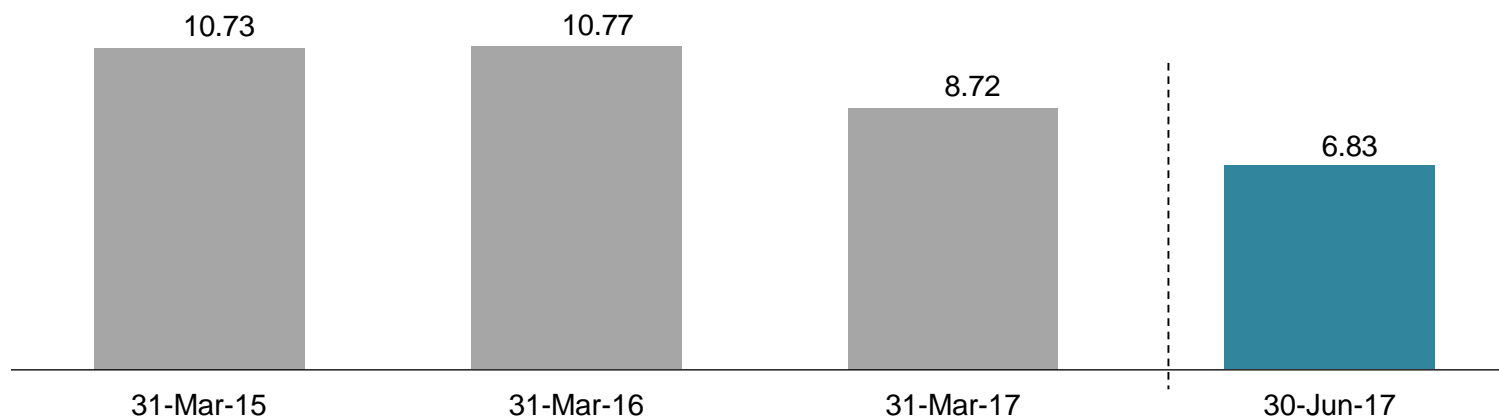
...and adequate Capital & Comfortable Gearing



Capital to Risk Asset Ratio (%)



Gearing Ratio (x)



Ratio is calculated on Monthly Average



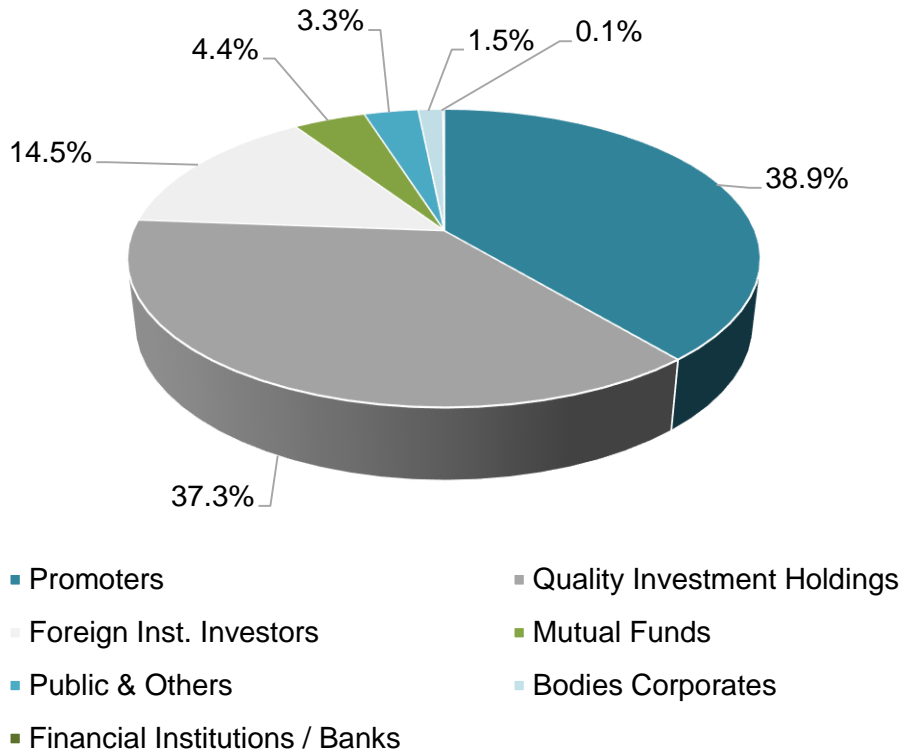
Shareholding



Shareholding



Shareholding as on 30-Jun-17



Key Anchor Book

General Atlantic Singapore Fund,
Wasatch, Government of Singapore,
Motilal Oswal MF, Birla Sunlife MF, SBI
Life Insurance, Fidelity Investments, BNP
Paribas Mutual Fund, HDFC Standard
Life Insurance Company, ICICI Prudential
Mutual Fund

IPO Proceeds to fuel Future GROWTH

“More than 20 Times Oversubscribed”



Detailed Financials



Profit & Loss Statement



Particulars (INR Crore)	Q1 FY18	Q1 FY17	Y-o-Y	Q4 FY17	Q-o-Q	FY17	FY16	Y-o-Y
Revenue from Operations	1,192	863	38%	1,076	11%	3,908	2,698	45%
Other Income	0	0		0		0	1	
Total Revenue	1,192	863	38%	1,076	11%	3,908	2,699	45%
Expenditure:								
Finance Cost	753	608	24%	678	11%	2,644	1,860	42%
Employee Benefit Expenses	29	22	31%	28	5%	101	75	35%
Other Expenses	74	53	40%	57	29%	237	162	47%
Depreciation Expense	5	4	14%	5	5%	19	15	24%
Provisions and Write-Offs	48	28	72%	67	(28%)	103	83	24%
Total Expenditure	909	716	27%	834	9%	3,104	2,196	41%
Profit Before Tax	283	147	92%	242	17%	804	503	60%
Tax Expenses	98	51		89		280	177	
Net Profit After Tax	185	96	93%	152	21%	524	326	60%
EPS (Basic)	11.12	7.56		9.2		36.7	27.5	

1 crore = 10 million

Balance Sheet



Particulars (INR Crore)	Mar-17	Mar-16
Equity and Liabilities		
Shareholder's Funds	5,577	2,146
Share Capital	166	127
Reserves and Surplus	5,412	2,019
Non-Current Liabilities	24,477	16,938
Long-Term Borrowings	24,084	16,646
Deferred Tax Liabilities (Net)	47	30
Other Long-Term Liabilities	104	101
Long-Term Provisions	242	161
Current Liabilities	12,905	10,587
Short-Term Borrowings	7,947	7,448
Short-Term Provisions	28	71
Trade Payables	94	75
Other Current Liabilities	4,836	2,992
Total	42,960	29,671

Particulars (INR Crore)	Mar-17	Mar-16
Assets		
Non-Current Assets	37,744	26,656
Fixed Assets	60	62
-Tangible Assets	48	48
-Intangible Assets	11	10
-Capital Work-in-Progress	2	4
Non-Current Investments	961	782
Loans and Advances	36,444	25,624
Other Non-Current Assets	278	188
Current Assets	5,216	3,015
Current Investments	2,318	840
Cash and Bank Balances	151	249
Short-Term Loans and Advances	40	18
Other Current Assets	2,706	1,908
Total	42,960	29,671

1 crore = 10 million



Saksham – Contributing to the Society



Glimpses of Social Interventions



Enhancing Human Potential

- Partnered with The Confederation of Real Estate Developers Association of India (CREDAI) to conduct on the job skill training programmes for construction workers



Reaching Out, Reaching Far

- Collaborated with Mobile Creches and various real estate developers to offer day care services to the children of construction workers on various construction sites and provide them with education, hygiene and nutrition

Investing in Education

- Partnered with VIDYA, a NGO working for the underprivileged children
- Adopted two school with Vidya- Rainbow Montessori School (Bal Vihar) and Primary School of South Delhi Municipal Corporation



...winning Awards & Accolades



Awarded '**Best Project Finance Company of the Year**' at Construction Times Builders Award. The honour was bestowed by Shri Vijay Shivtare, Hon'ble Minister of State, Water Resources and Water Conservation, Maharashtra and Shri Rahul Shiwale, Hon'ble Member of Parliament, in a grand ceremony in Mumbai.

Awarded '**Excellence in Customer Relation**' at GIHED CREDAI Property Show 2017. This award testaments our belief in customer relations.



Our IPO has been awarded "**IPO of the Year**" by Finance Monthly Magazine (M&A Award) - a leading international business publication. This award is a testimony of investor confidence in our Organisation and recognition of 'Kshitij – Our transformation journey over last 6 years'.

Honored in the field of "**IT Security**" at **CSO 100 Awards** organized by CSO 100 Award and IDG Security. This accreditation is a testament of our dedication and commitment to serve our customers and stakeholders by giving them an unparalleled security.





Strong Management Team...



...with Extensive Industry Experience...



Sanjaya Gupta
Managing Director

Age : 54 Years

No. of Years with PNBHF : 7 Years

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



Shaji Varghese
ED - Business Development

Age : 45 Years

No. of Years with
PNBHF : 5 Years

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



Ajay Gupta
ED - Risk Management

Age : 51 Years

No. of Years with
PNBHF : 5 Years

Prior Engagements :
Religare Finvest Ltd
GE Money Indiabulls
Financial Services



Nitant Desai
Chief Centralised Operation &
Technology Officer

Age : 55 Years

No. of Years with
PNBHF : 6 Years

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



Jayesh Jain
Chief Financial Officer

Age : 39 Years

No. of Years with
PNBHF : 3 Years

Prior Engagements :
Gruh Finance Limited



Sanjay Jain
Company Secretary & Head
Compliance

Age : 53 Years

No. of Years with
PNBHF : 22 Years

Prior Engagements :
Ansal Group



Anshul Bhargava
Chief People Officer

Age : 50 Years

No. of Years with
PNBHF : 6 Years

Prior Engagements :
ARMS (Arcil)
Indian Army

...under the Aegis of a Highly Experienced Board



Mr. Sunil Mehta
Chairman – Non Executive

Age:

57 Years

Current Position:

MD & CEO of PNB



Dr. Ram S. Sangapure
Non Executive Director

Age:

59 Years

Current Position:

Executive Director
of PNB



Sunil Kaul
Non Executive Director

Age:

57 Years

Current Position:

MD, Carlyle
Head, SE Asia, FIG,
Carlyle



Shital Kumar Jain
Independent Director

Age:

77 Years

Current Position:

Ex Banker & Credit
Head India,
Citigroup



Gourav Vallabh
Independent Director

Age:

39 Years

Current Position:

Professor of
Finance, XLRI



R Chandrasekaran
Independent Director

Age:

59 Years

Current Position:

Founder and
Executive Vice
Chairman, Cognizant



Nilesh S. Vikamsey
Independent Director

Age:

52 Years

Current Position:

Sr. Partner, Khimji
Kunverji and Co
President-ICAI



Ashwani Kumar Gupta
Independent Director

Age:

62 Years

Current Position:

Financial Consultant



Shubhalakshmi Panse
Independent Director

Age:

63 Years

Current Position:

Ex-Banker, CMD,
Allahabad Bank



Sanjaya Gupta
Managing Director

Age:

54 Years

Current Position:

MD, PNB Housing
Finance

Key Takeaways



Strong Distribution Network and Robust TOM

Strong distribution network with pan India presence and over 10,500 channel partners across India

01

Improving Cost to Income Ratio

Operating leverage playing out, thereby improving our C/I Ratio

05

Growth in Loan Assets

5th largest by Loan Assets and 2nd largest by deposits⁽¹⁾

Loans Assets of INR 44,003 Crore⁽²⁾

02



Efficient Capital Mix

Diverse and cost effective funding mix with average cost of borrowing at 8.09%

04

One of the Lowest NPA's amongst HFC's

Robust Asset Quality with one of the lowest Gross NPAs at 0.43%⁽²⁾

03

1. Source : ICRA Industry Update for March- 2017 (amongst housing finance companies)
2. As of 30-Jun-2017



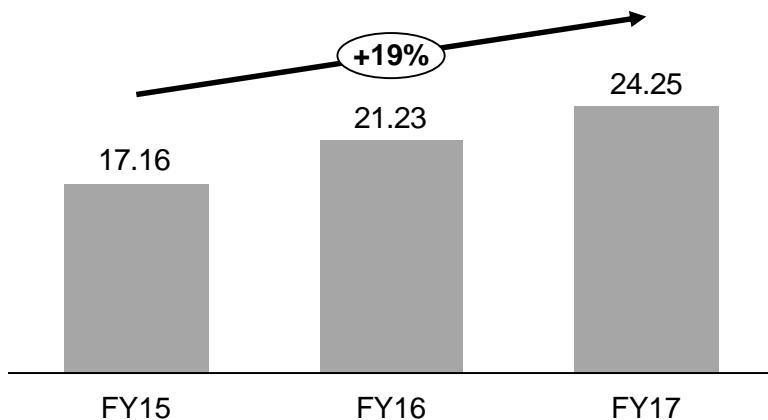
Annexure



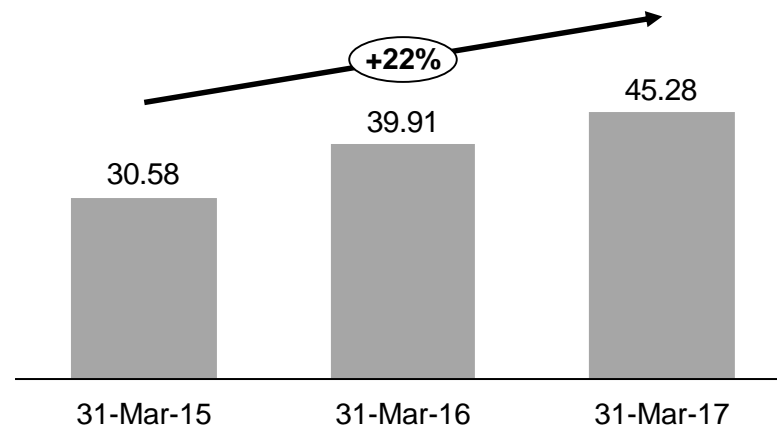
Employee Efficiency



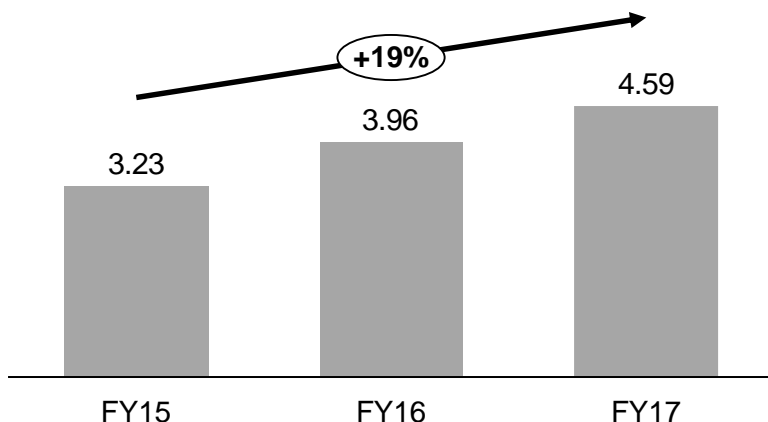
Disbursement / Employee (INR Crore / Employee)



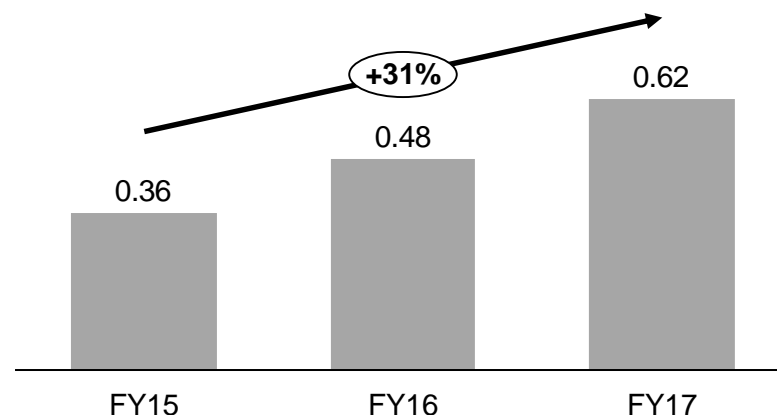
Loans Outstanding / Employee (INR Crore / Employee)



Total Revenue / Employee (INR Crore / Employee)



Profitability / Employee (INR Crore / Employee)



Calculated on Average employee for the Year

Glossary



ATA	Average Total Assets	HFCs	Housing Finance Companies
ATS	Average Ticket Size	LAP	Loan against Property
AUM	Asset Under Management	LRD	Lease Rental Discounting
BVPS	Book-value per Share	NCDs	Non-Convertible Debentures
C/I	Cost to Income	NII	Net Interest Income
CAR	Capital Adequacy Ratio	NIM	Net Interest Margin
CP	Commercial Paper	NNPA	Net Non-Performing Asset
CTLs	Corporate Term Loans	NPA	Non-Performing Asset
DPS	Dividend per Share	NRPLs	Non-Residential Premises Loans
DSA	Direct Selling Agents	PAT	Profit After Tax
ECBs	External Commercial Borrowings	PCR	Provision Coverage Ratio
EPS	Earning per Share	ROA	Return on Asset
GNPA	Gross Non-Performing Asset	ROE	Return on Equity



Thank You

Company:

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CIN: L65922DL1988PLC033856

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