



Investor Presentation

Quarter Ended September 2022

27-October-2022

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1



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

2



Expand affordable Housing loan offering

3



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

4



Drive growth through digitisation to enhance efficiencies across verticals

5



Strengthen our capital position and risk management capabilities

Key Performance Highlights



Disbursement

Retail Segment

INR 6,992 Crore (H1 FY23)

(54.4% YoY)

INR 3,528 Crore (Q2 FY23)

(24.5% YoY | 3.9% QoQ)

Corporate Segment

INR 123 Crore (H1 FY23)

(-48.0% YoY)

INR 67 Crore (Q2 FY23)

(-48.0% YoY | 20.2% QoQ)



Loan Book

INR 52,124 Crore

(4.1% YoY | 2.0% QoQ)

INR 5,708 Crore

(-44.3% YoY | -7.6% QoQ)



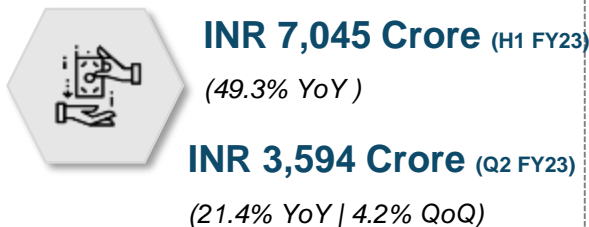
GNPA

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

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

Key Performance Highlights

Disbursement



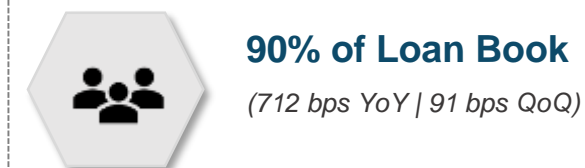
AUM



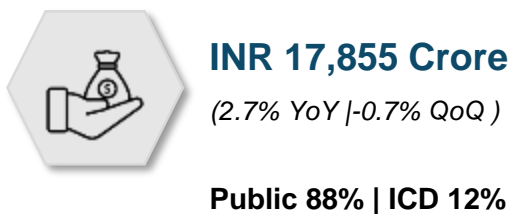
Loan Book



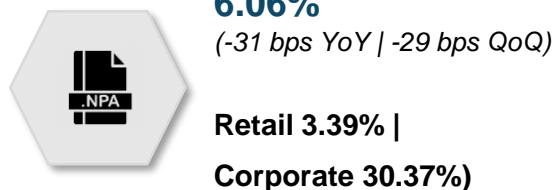
Retail Loan Book



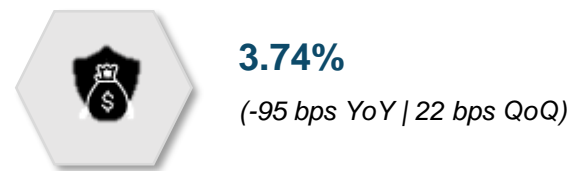
Deposits



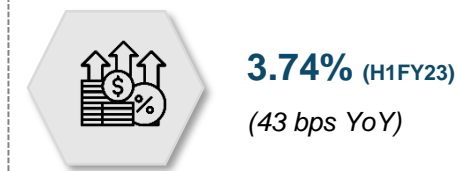
GNPA



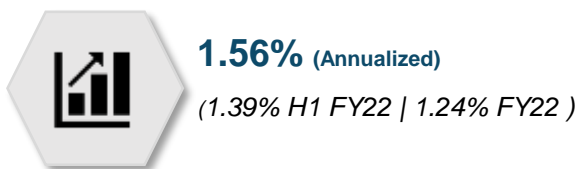
Total Provision/ Total Assets



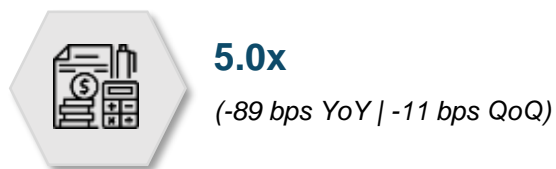
Gross Margin



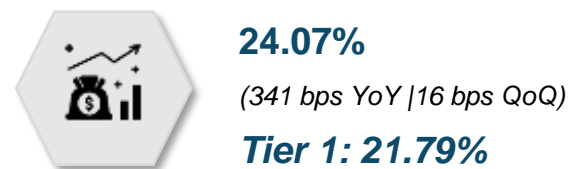
ROA



Gearing Ratio



Capital to Risk Asset Ratio



Book Value per Share

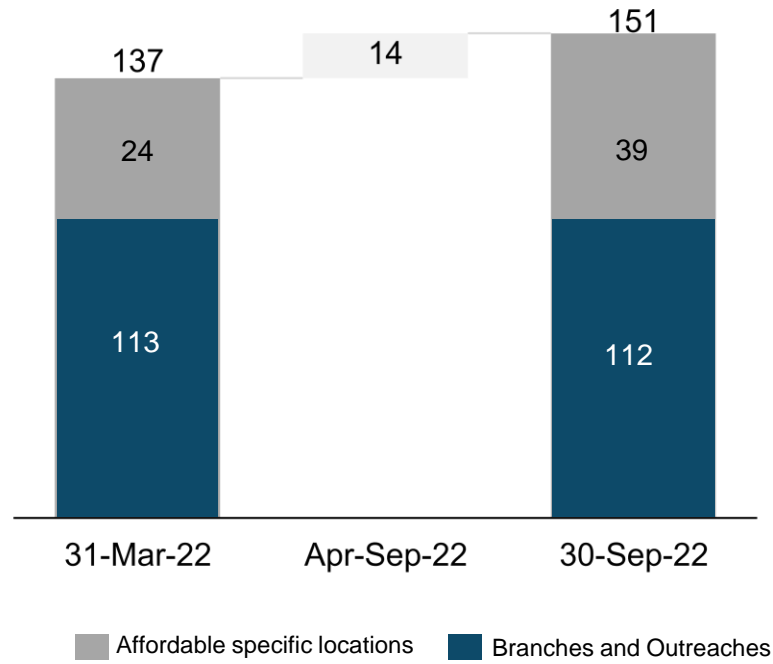
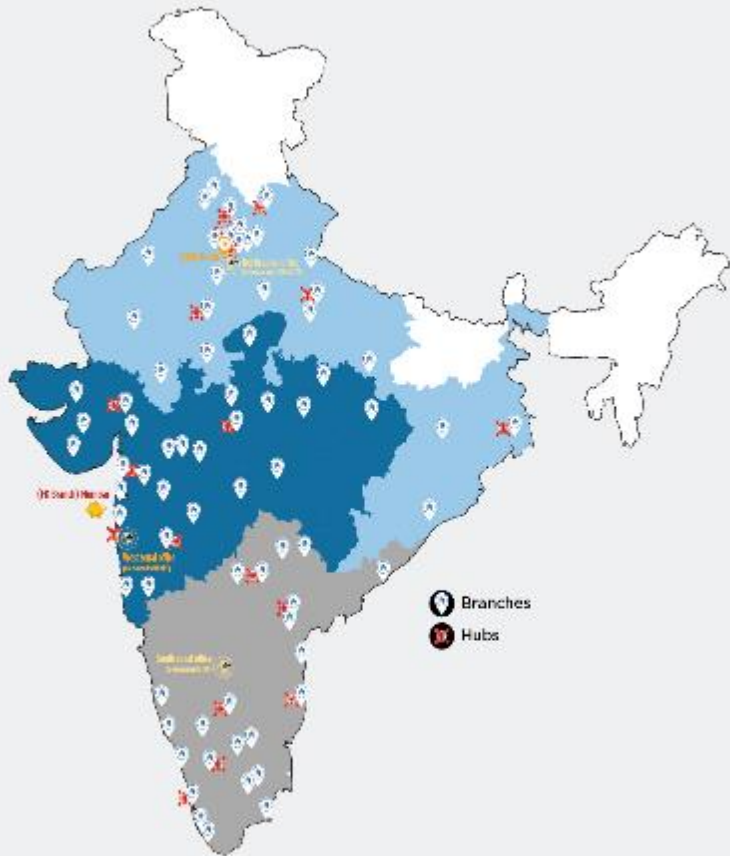


As per IndAS

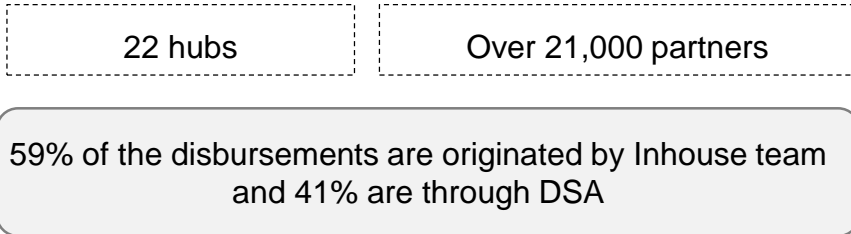
Data as on 30-Sep-2022

Wide Distribution Network

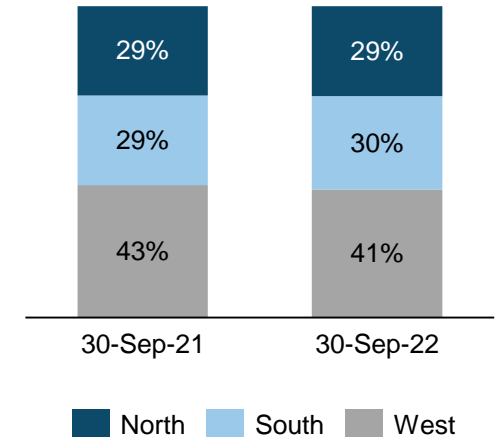
OUR OFFICE NETWORK



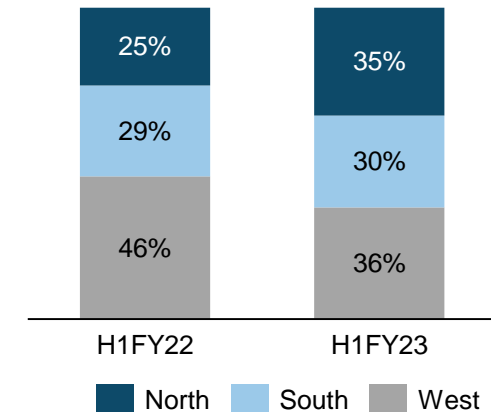
Network



AUM – Geographical Breakup



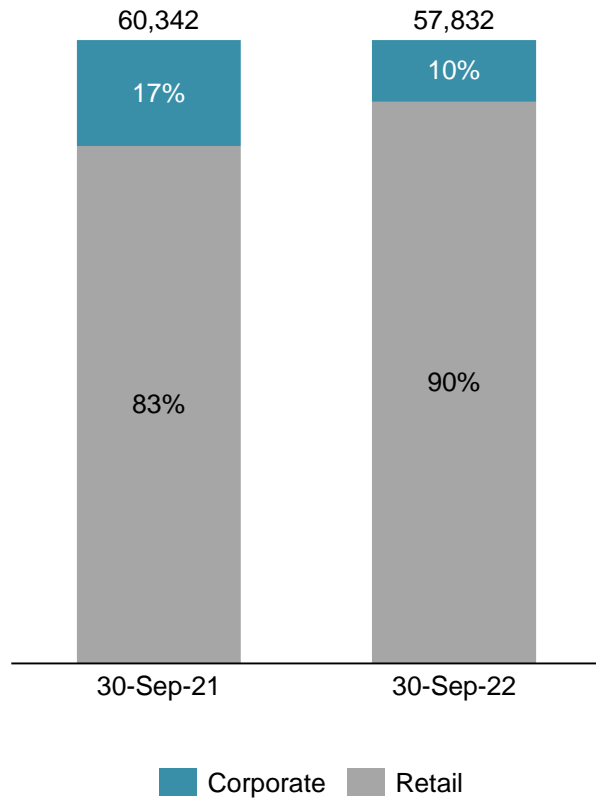
Disbursement Geographical Break-up



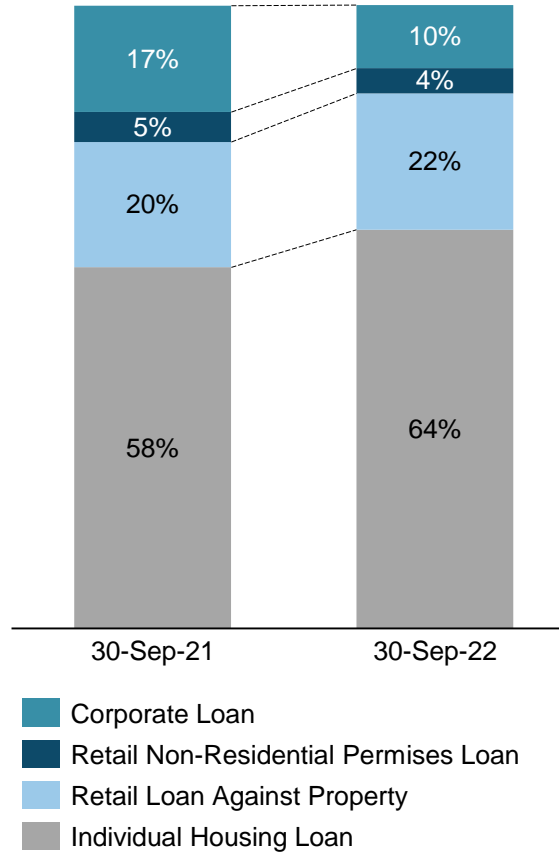
Improved Retail contribution in Loan Asset

(INR Crore)

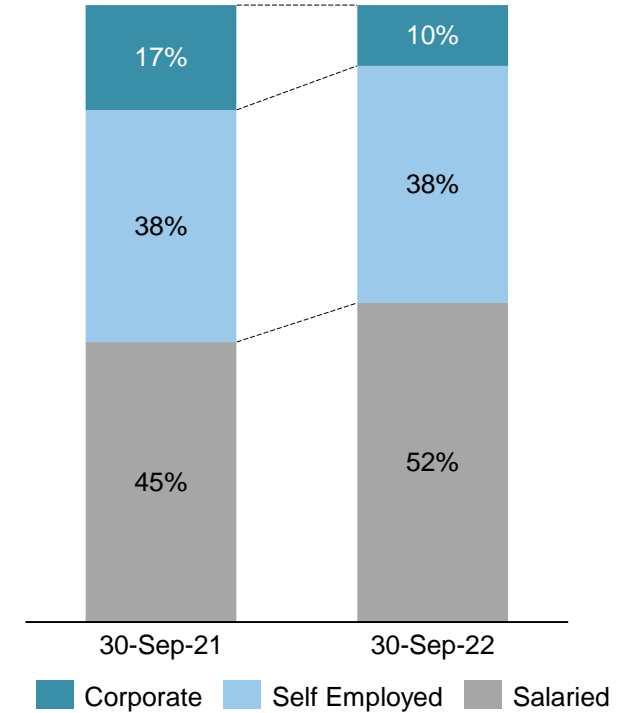
Loan Asset Mix



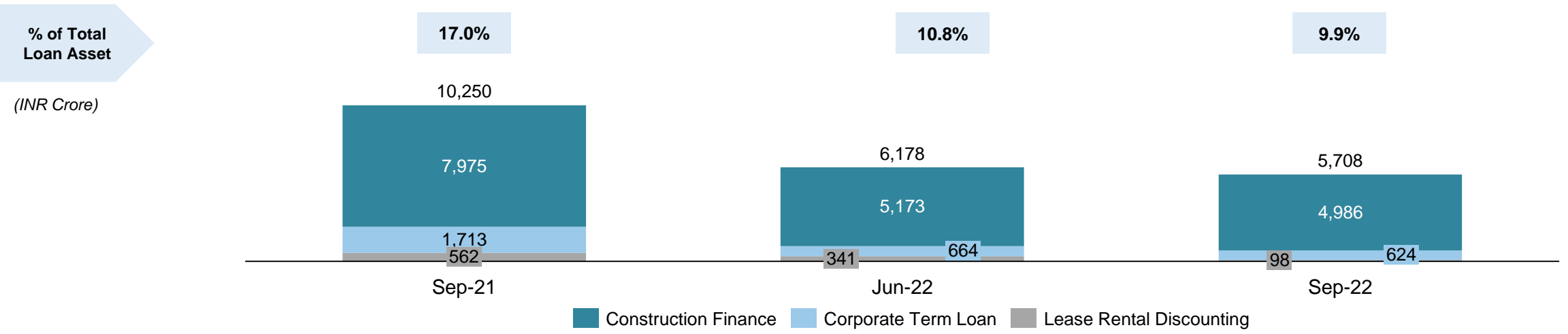
Product-wise Break-up



Segment-wise Breakup

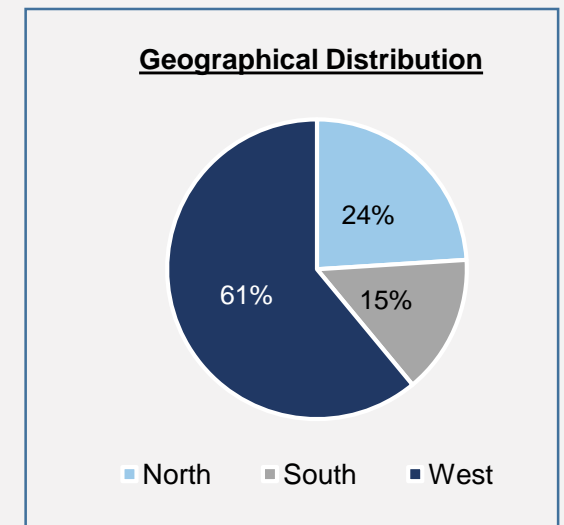
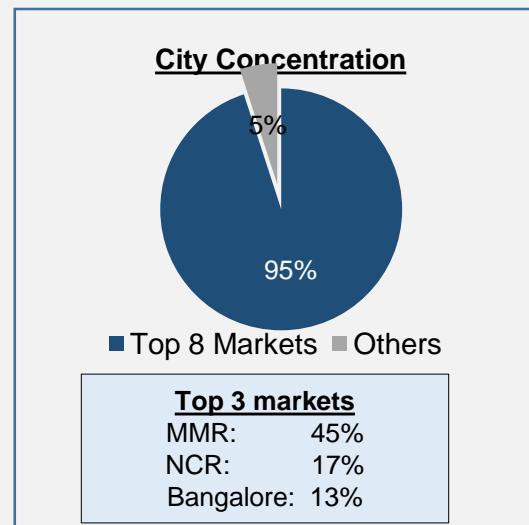


Significant Reduction in Corporate Book



Average Ticket Size (Unique Corporate Houses)

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

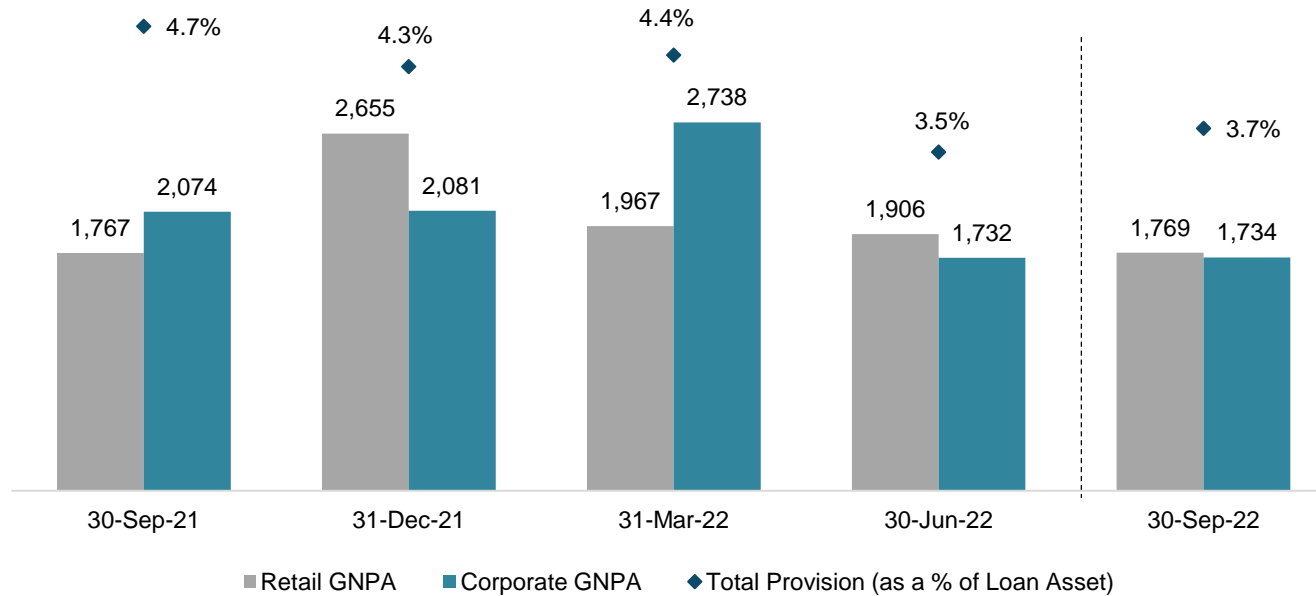


Non-Performing Assets

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

(INR Crore)

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



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

As per IND-AS

Consolidated Numbers

NPA as a % of Loan Asset

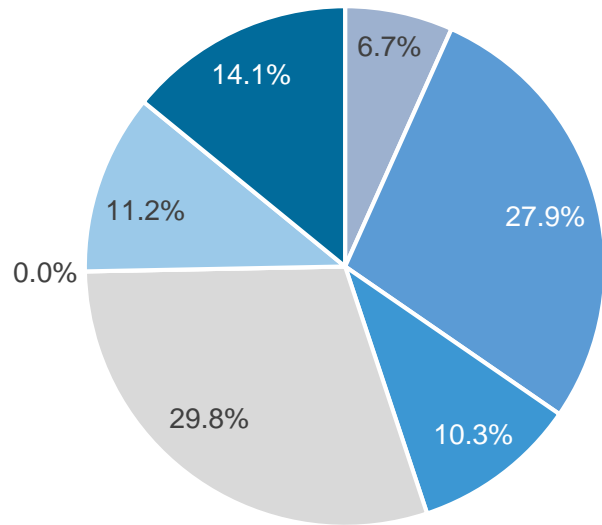
Expected Credit Loss (ECL) Provisions

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

Financial Performance

Well Diversified Resource Profile

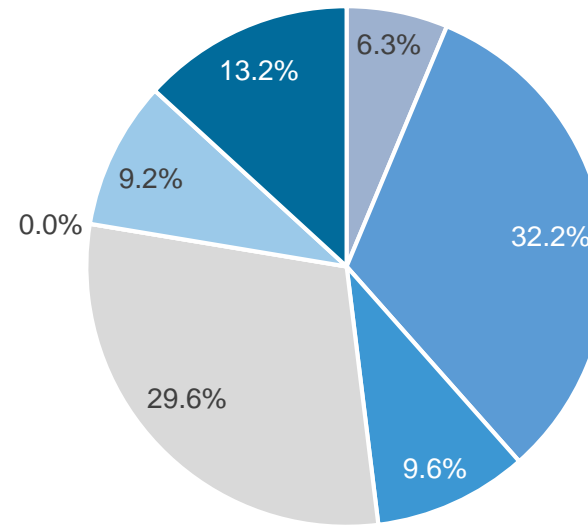
Funding Mix – 30-Jun-22 (%)



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

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

Funding Mix – 30-Sep-22 (%)



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

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

Credit Rating

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

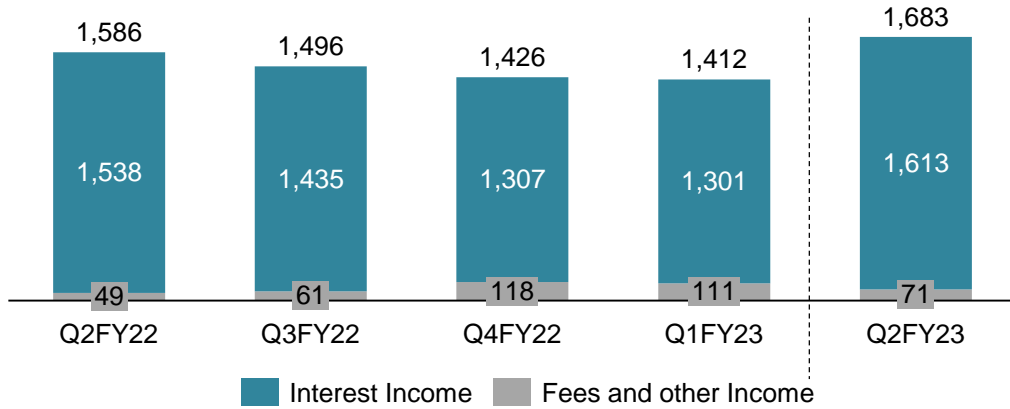
- 65% of the total borrowings is floating; giving opportunity for replacement & repricing
- Liquidity Coverage Ratio maintained at 109% as against stipulated 50%

CRISIL has revised NCD outlook to Stable from Negative

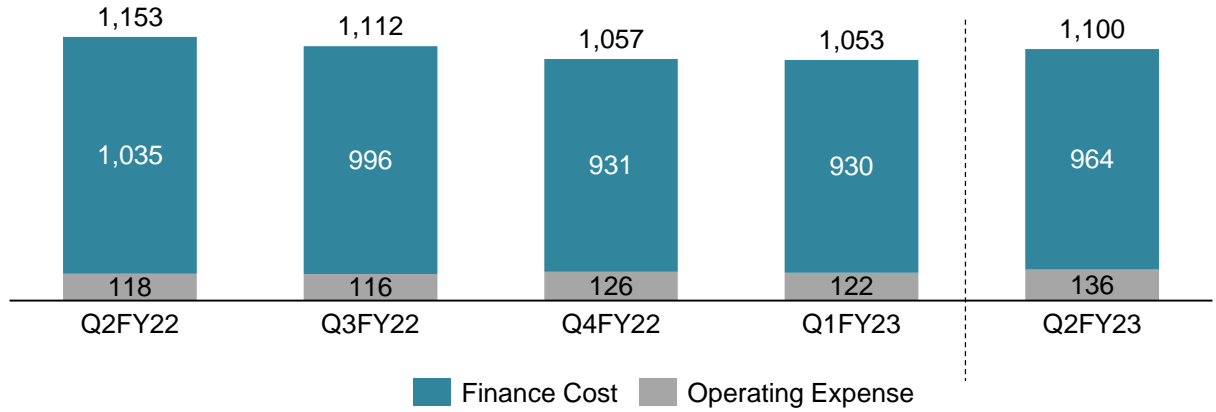
Financial Highlights – Quarter on Quarter

(INR Crore)

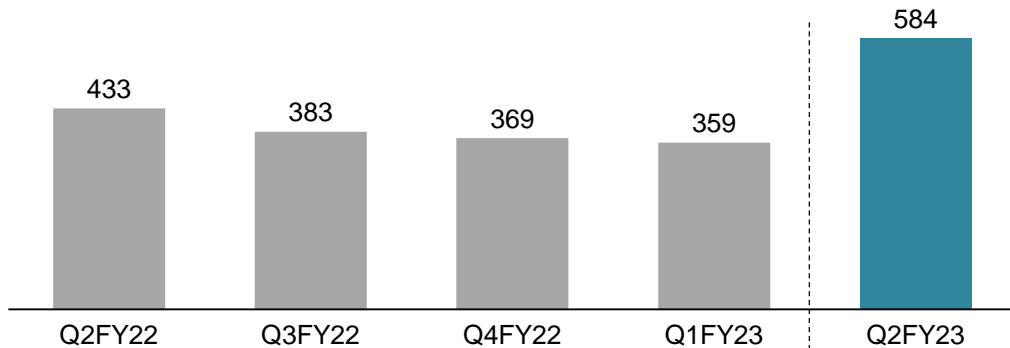
Revenue



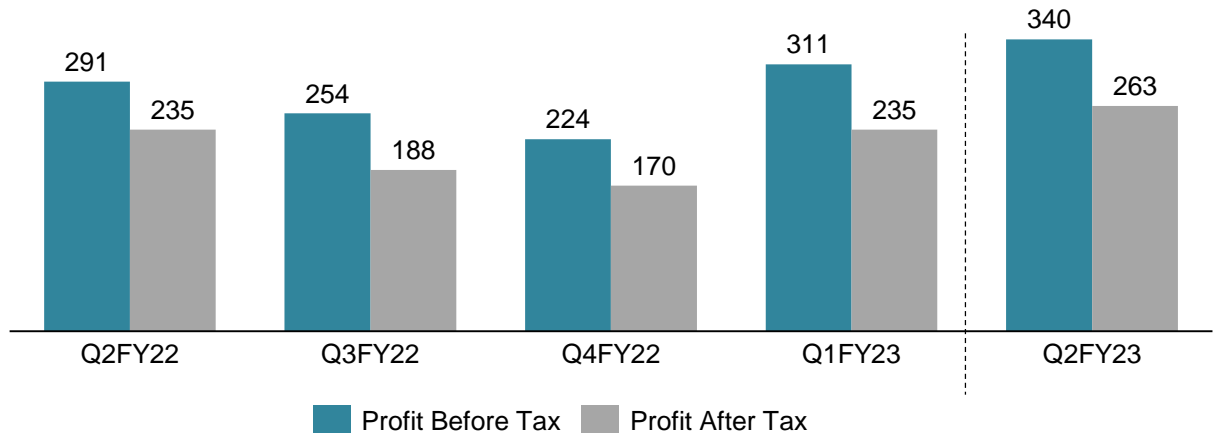
Expense



Pre-provision Operating Profit

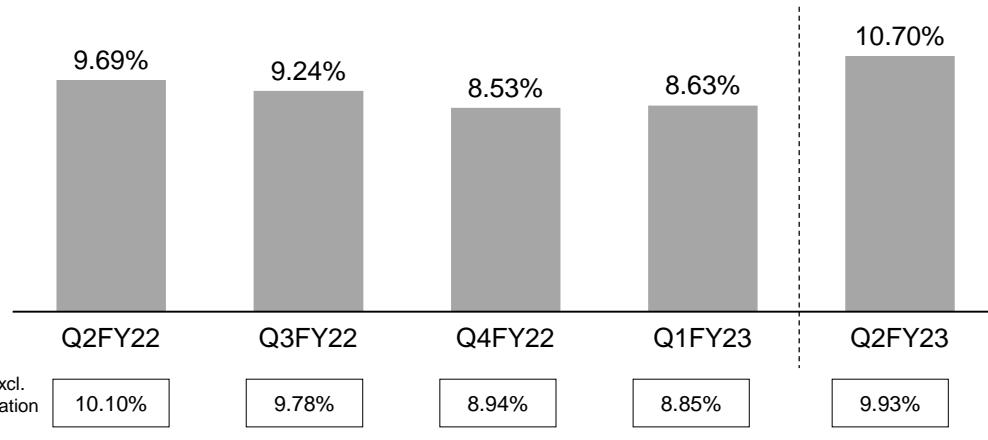


Profit Before Tax & Profit After Tax



Financial Ratio Highlights – Quarter on Quarter

Average Yield



Yield (Excl. Securitisation Income)

10.10%

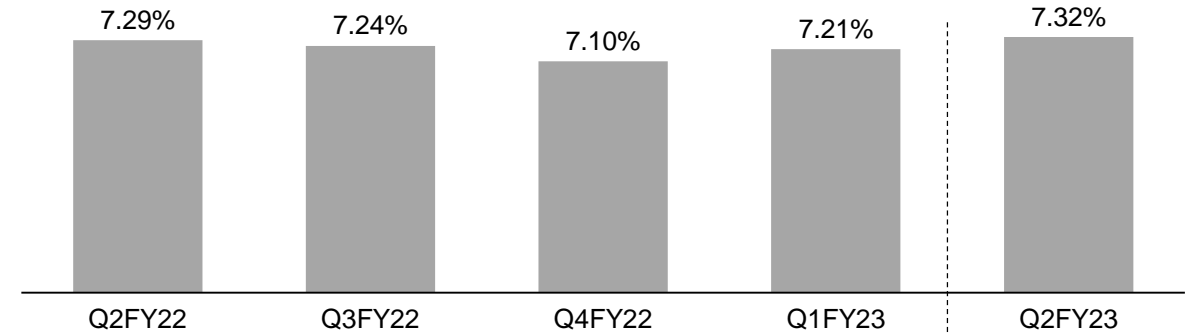
9.78%

8.94%

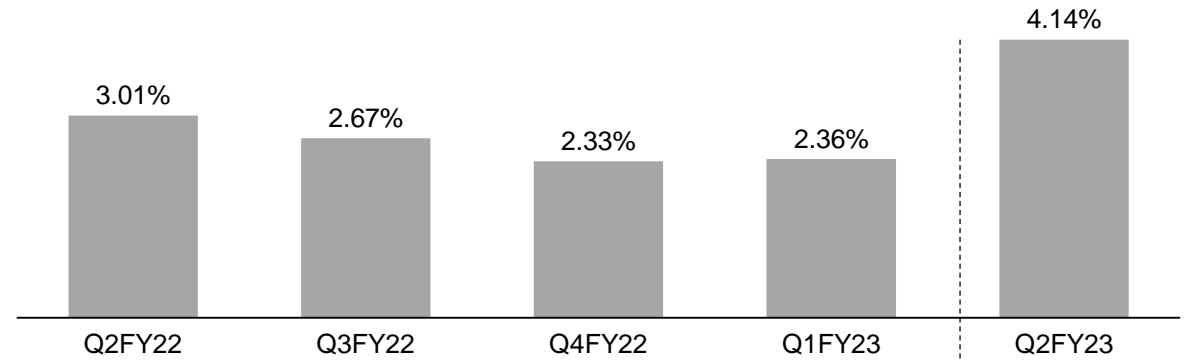
8.85%

9.93%

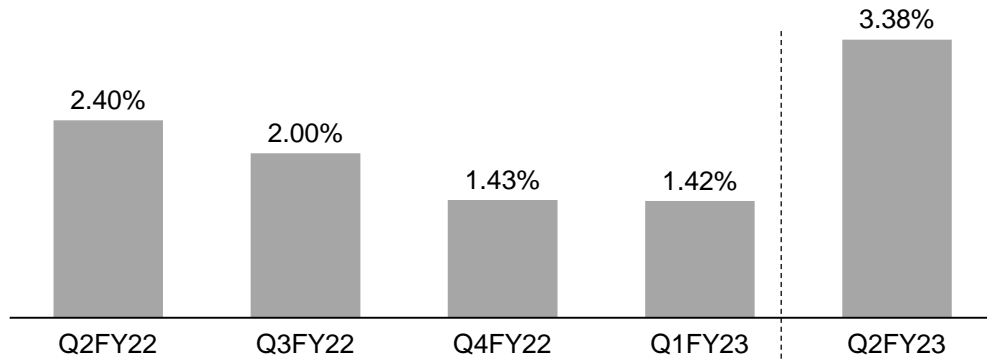
Average Cost of Borrowing



Net Interest Margin



Spread



Spread (Excl. Securitisation Income)

2.81%

2.54%

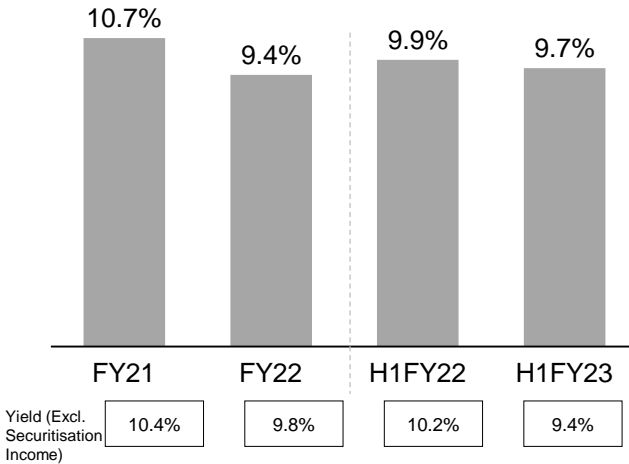
1.84%

1.64%

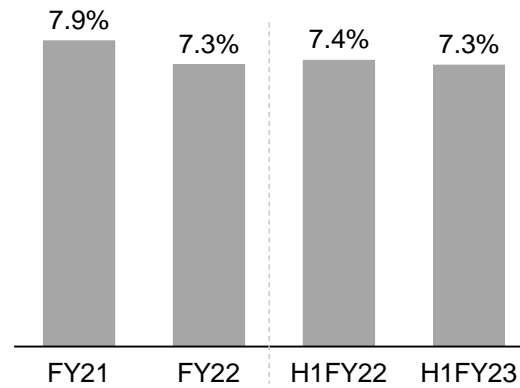
2.61%

Margin Analysis - Annual

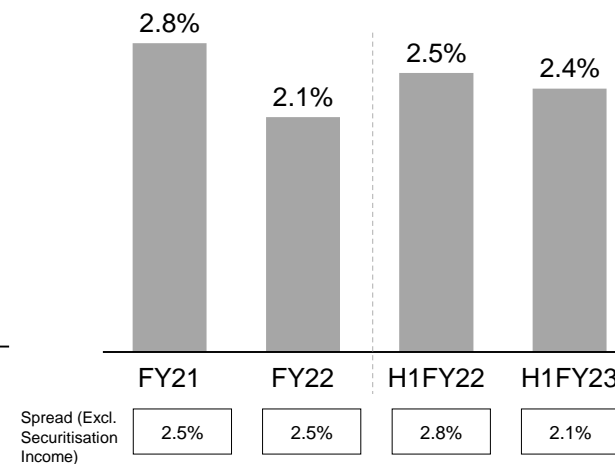
Average Yield



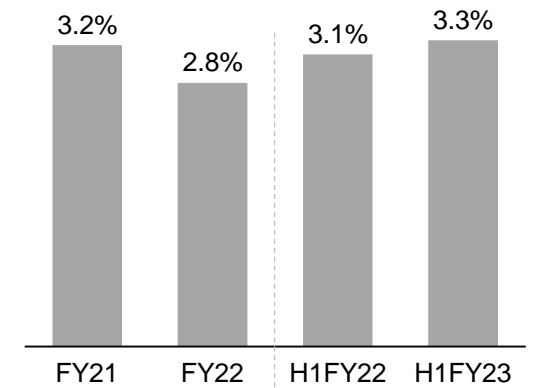
Average Cost of Borrowings



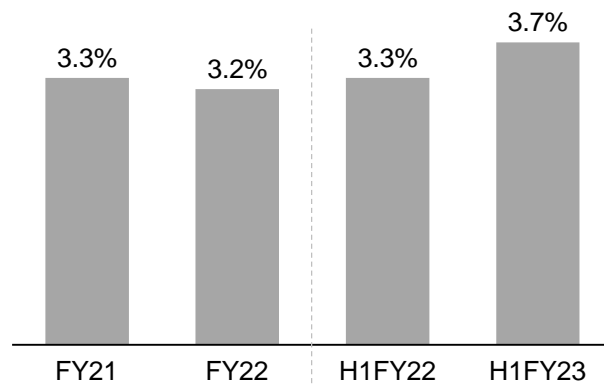
Spread



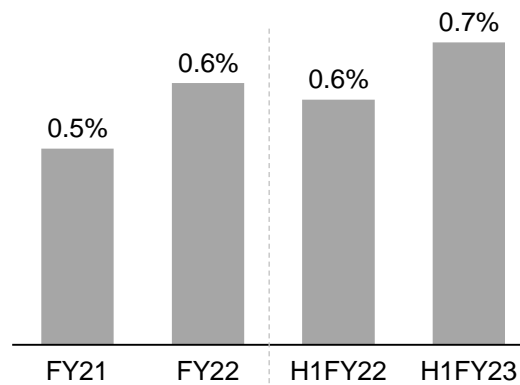
Net Interest Margin



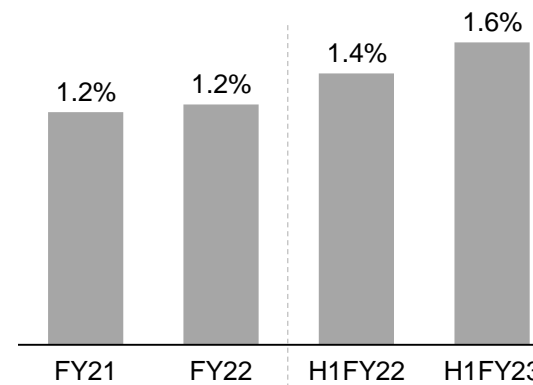
Gross Interest Margin



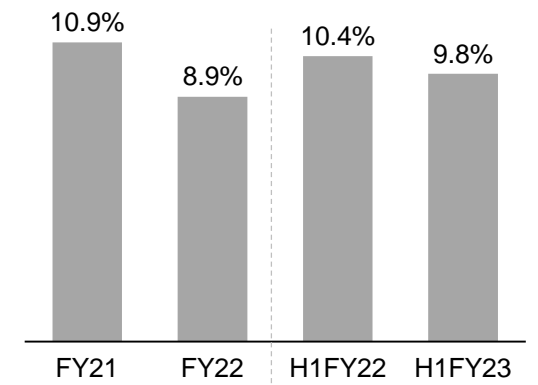
Opex to ATA Ratio



Return on Asset



Return on Equity

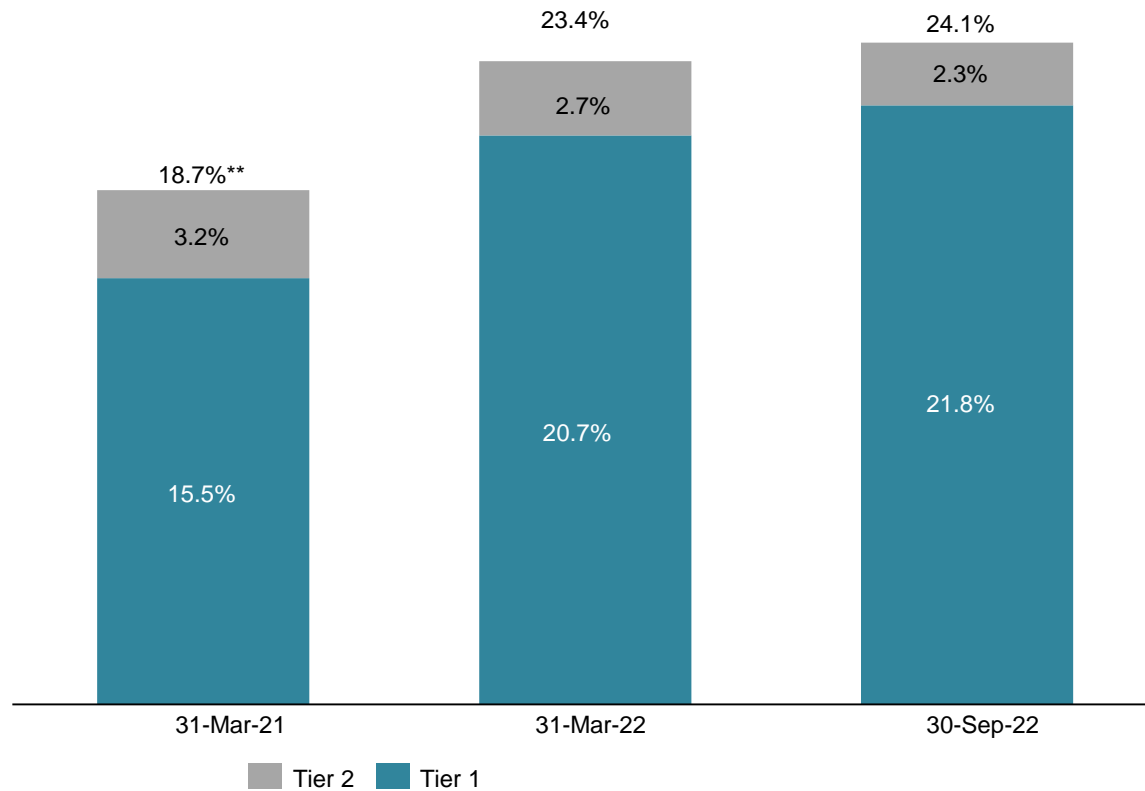


Ratios are calculated on Monthly Average
Gross Interest Margin is net of acquisition cost

Capital Position

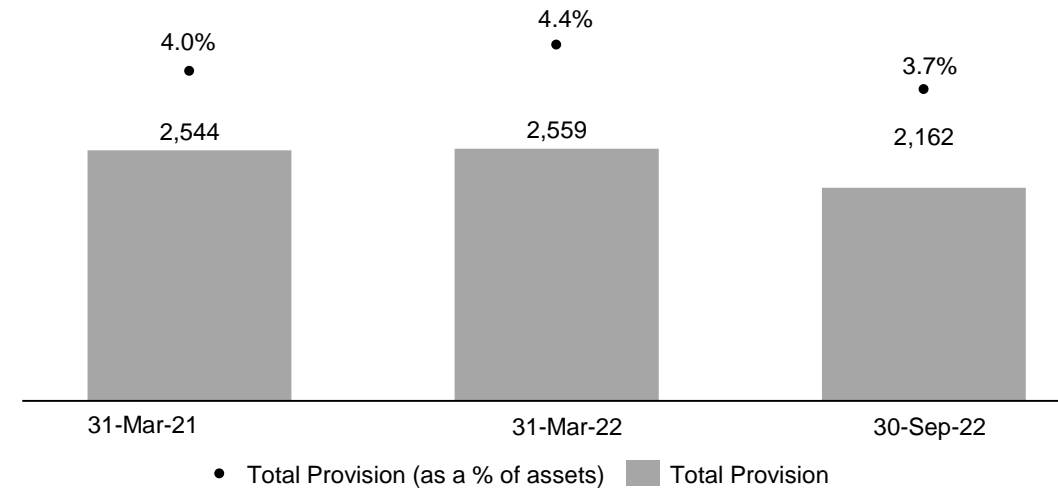
(INR Crore)

Capital to Risk Asset Ratio

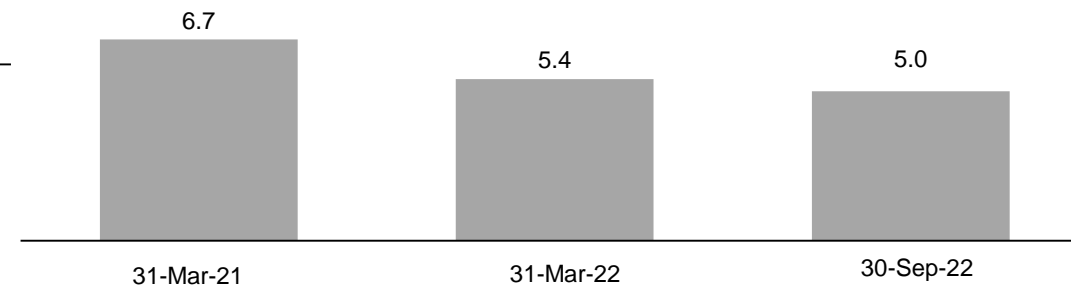


**Adjusted for deposits with companies in same group, which gets deducted from Net owned Funds, the CRAR would have been 20.6%.

Provisions



Gearing (x)



Consolidated Profit & Loss Statement

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

Consolidated Balance Sheet

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

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

Key Takeaways



Continue to operate in mass housing and merchant segment

Focus on high yielding affordable segment

Focus on Retail Segment



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

Enhance Underwriting Processes



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

Augment Collection efficiencies



Remedial management Group to focus on resolution of corporate accounts

Resolutions in Corporate Book



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

Strong Thrust on Digitization

Annexure



Environment

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



Social

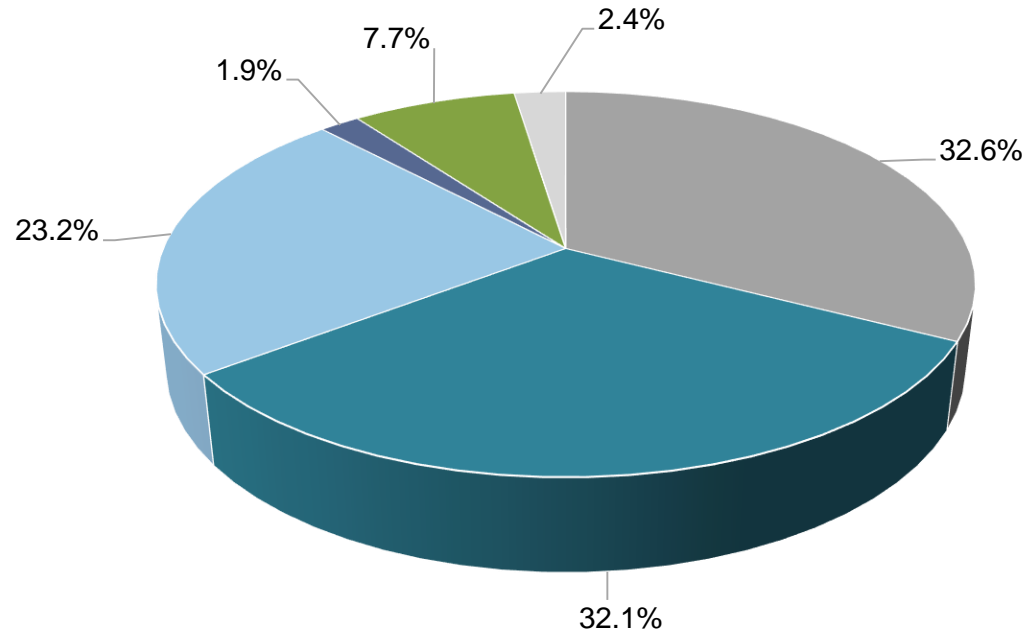
- Promoting quality education through infrastructure development; **17,000+** children were given education and skill development opportunities till date
- Bringing Holistic welfare for construction workers – supported more than **10,000** construction workers through two welfare schemes
- Promoting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



Governance

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

Shareholding as on 30-Sep-22



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

Outstanding Shares – 16,86,15,638 shares

Top Shareholders

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

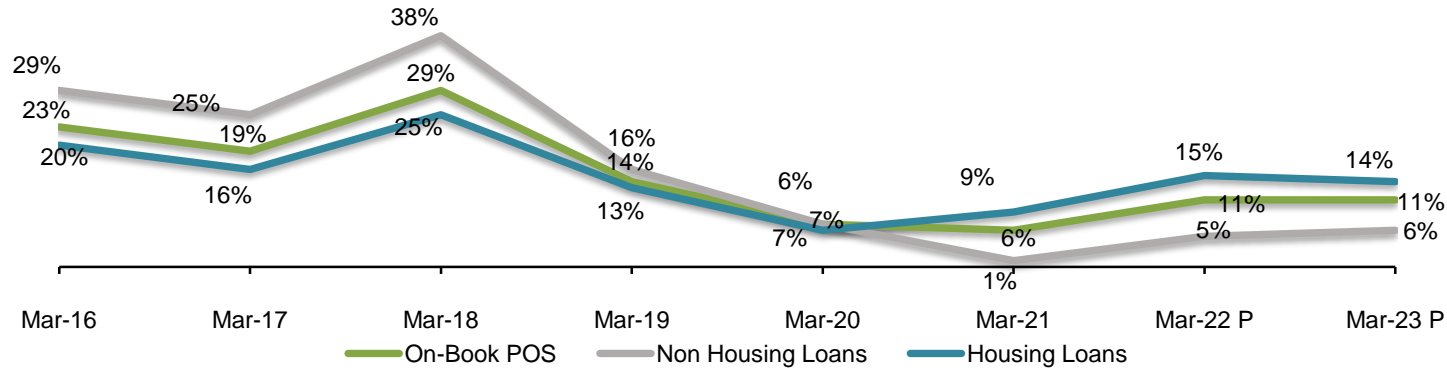
Inclusions in MSCI Indices



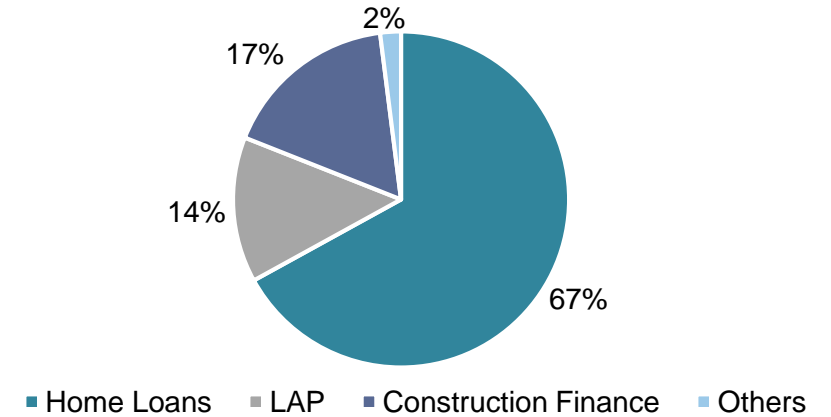
Index	Since
MSCI Emerging Markets IMI ESG Screened Index	Mar-21
MSCI ACWI IMI ex Controversial Weapons Index	Mar-21
MSCI ACWI IMI Climate Change Index	Mar-21
MSCI Global Small Cap Index	Nov-18

Growth of Housing Finance Sector

Portfolio Growth of HFCs

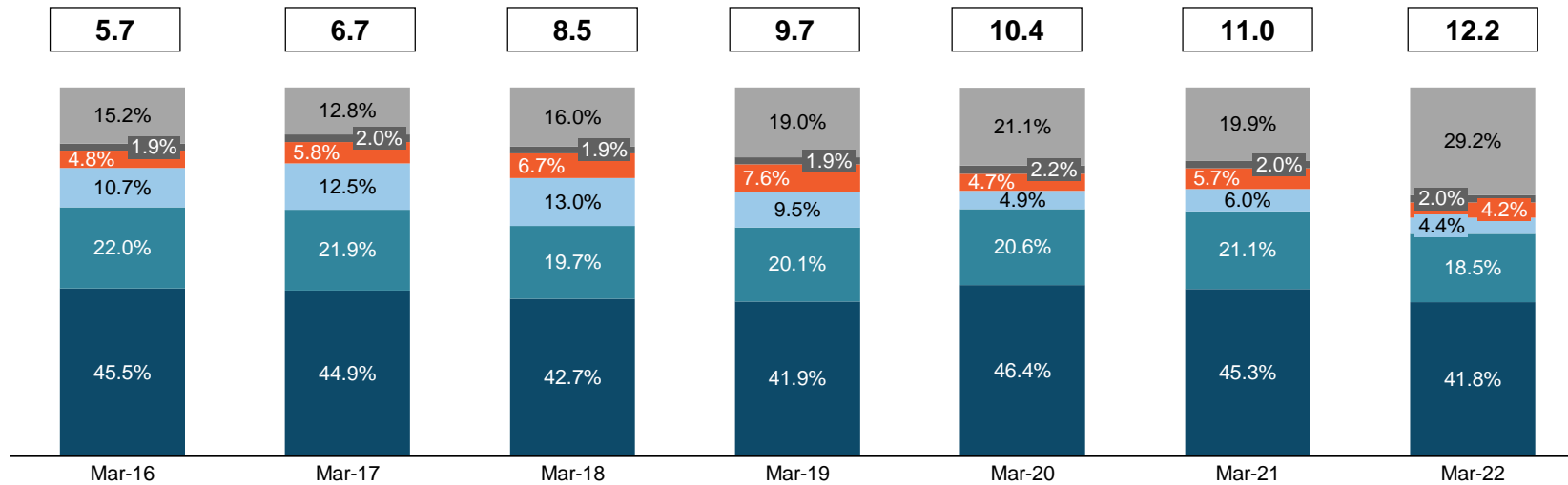


Portfolio Composition of HFCs*



HFCs Share

Total HFC Loans (INR trillion)



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

Glossary

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

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

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

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Thank You

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