Management Discussion and Analysis

A YEAR OF STUPENDOUS GROWTH

The global economy grappled with challenges such as geopolitical conflicts and high inflation. However, the Indian economy demonstrated another year of stupendous growth, driven by buoyant domestic consumption, favourable demographics, and increasing disposable incomes. Further, the Government of India's favourable policy reforms, incentives for consumers, and sustained investments in augmenting the country's physical and digital infrastructure helped create a foundation for robust growth.

According to the second advance estimates of NSO and MoSPI, the Indian economy reported 8.2% output in FY24, against the 7% reported in FY23. The Gross Value Added (GVA) for all sub-sectors reported strong growth during the year under review, except the agriculture and allied sectors, which reported marginal growth owing to erratic rainfall. High income growth in urban centres increased consumer confidence levels, resulting in robust consumption expenditure. CPI inflation rate in FY24 largely remained lower than FY23 average, resulting prolonged pause by the RBI.

Credit growth exhibited significant strength during the fiscal year under review, with bank credit projected to reach approximately 16% in FY24. Notably, credit expansion in India has consistently exceeded deposit growth by a substantial margin. This growth has been primarily driven by personal loans, bolstered by enhanced digitalisation and prominently supported by the non-banking financial company (NBFC) sector.

Driven by better-than-expected performance of the advanced economies, especially the US, the global economic outlook remains stable for 2024. However, continued geopolitical conflicts, remain key risk to the outlook. India is expected to continue its position as an outlier in the global scenario and register a growth of 7% in FY25. The optimism stems from both public and private investments and an anticipated recovery in rural income owing to the anticipated normalcy in the monsoon cycle. Further, a healthy balance sheet of the corporate sector is expected to drive upward financial cycle. To sum up, India is expected to continue being one of the fastest-growing economies in the world.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Housing finance companies experienced massive growth

The upward growth trajectory witnessed in the country's economic also reflected its impact on the real estate sector. The year 2023 set new milestones for the residential property sector, with the top seven cities registering record-breaking home sales as well as lowest-ever inventory.

Combined residential unit sales in top seven cities

FY23

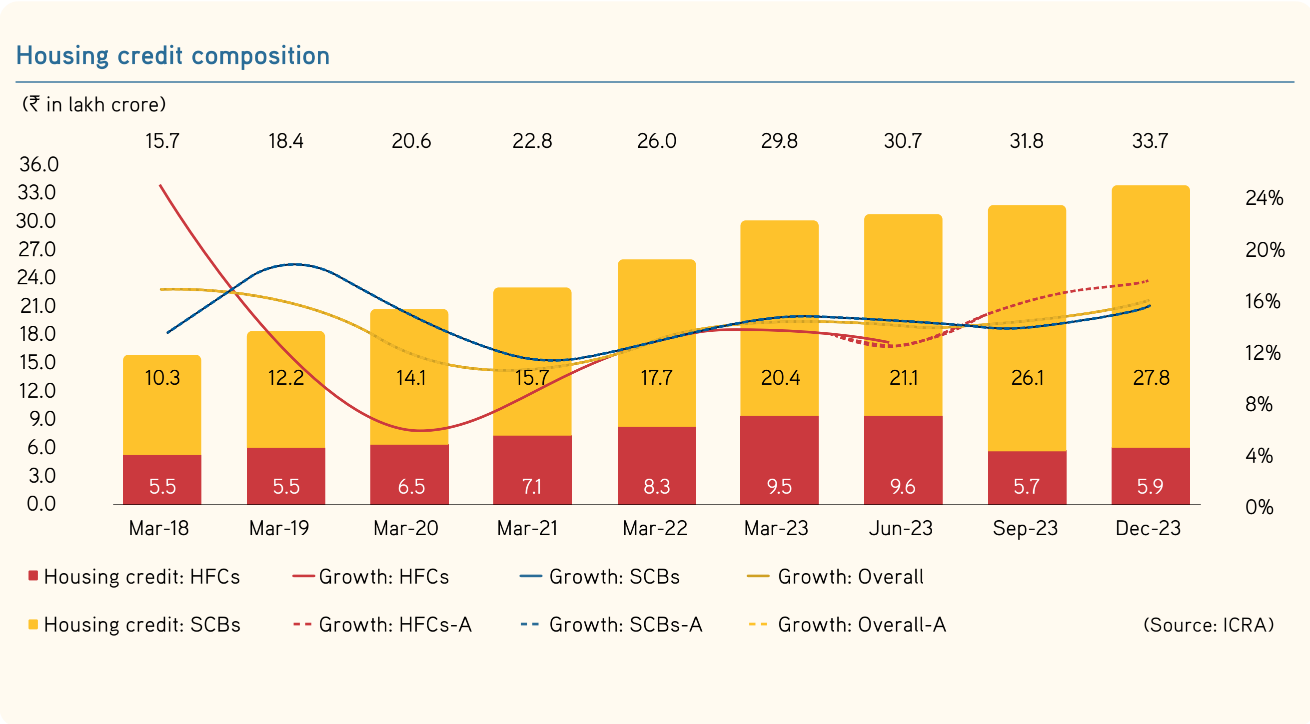
3.64 lakh units → FY24 **4.76 lakh units**

New residential units launched in top seven cities

3.57 lakh units → **4.45 lakh units**

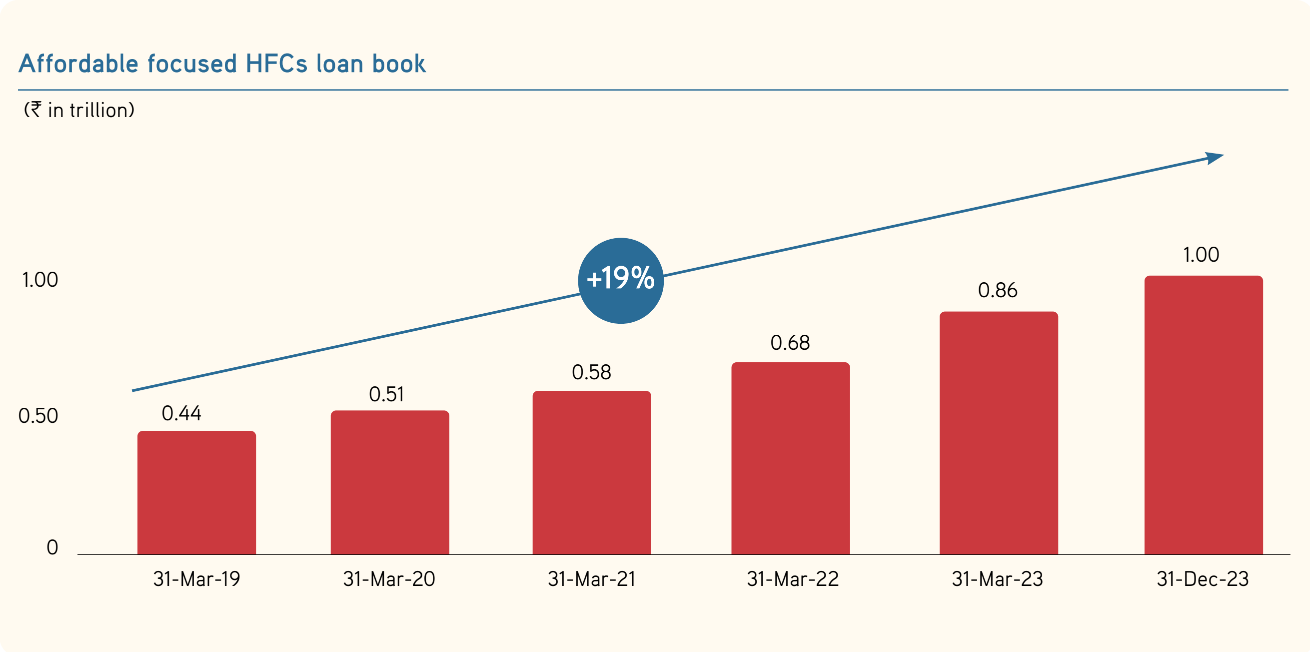
(Source: Anarock)

Driven by a buoyant real estate sector, India's home loan market is expected to fare better in FY24, with an anticipated 12-14% growth in the on-book portfolio. As of 31st December 2023, the aggregate on-book housing loan portfolio of NBFCs/HFCs and banks stood at approximately ₹33.7 lakh crore. HFCs' housing portfolio (after adjusting HDFC Limited as a part of banks as on 31st December 2022) experienced a slightly higher growth of 18% year-on-year in their housing portfolio, against 16% growth in Scheduled Commercial Banks (SCBs) housing portfolio. Housing credit increased at a compound annual growth rate (CAGR) of ~14% from March 2019 to December 2023.


Housing credit composition
(₹ in lakh crore)
15.7
18.4
20.6
22.8
26.0
29.8
30.7
31.8
33.7
36.0
33.0
30.0
27.0
24.0
21.0
18.0
15.0
12.0
9.0
6.0
3.0
0.0
24%
20%
16%
12%
8%
4%
0%
10.3
12.2
14.1
15.7
17.7
20.4
21.1
26.1
27.8
5.5
5.5
6.5
7.1
8.3
9.5
9.6
5.7
5.9
Mar-18
Mar-19
Mar-20
Mar-21
Mar-22
Mar-23
Jun-23
Sep-23
Dec-23
Housing credit: HFCs
Growth: HFCs
Growth: SCBs
Growth: Overall
Housing credit: SCBs
Growth: HFCs-A
Growth: SCBs-A
Growth: Overall-A
(Source: ICRA)

Growth trajectory of affordable housing segment

Significant housing shortage and lower mortgage penetration augurs well for the growth of the affordable housing finance companies (AHFCs) in India. AHFCs, with a geographically diversified portfolio, deep distribution focus, niche customer segment and granular underwriting model, are attractively positioned to capture the opportunity. Further, the Government impetus on "Housing for All" along with multiple initiatives to drive home ownership mean a conducive growth environment for the AHFCs. They have shown robust growth compared to HFCs, driven by a lower base and stronger demand. AHFCs reported a loan book of ₹1 lakh crore as on 31st December 2023 registering a YoY growth of ~27%. The long-term outlook for AHFCs remains positive, supported by a large underserved market, favourable demographics, housing shortage, and government incentives like tax benefits and subsidies.



(Source: ICRA housing finance report, April 2024; CIBIL)

Affordable housing continues to be a focus area for the Government

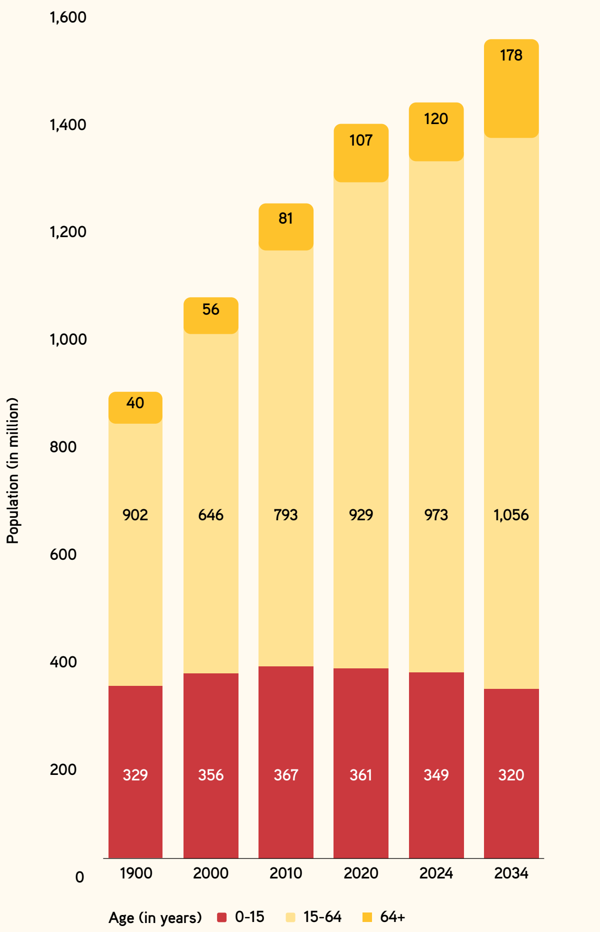
The Pradhan Mantri Awas Yojana (Urban), launched in 2015, aims to address the urban housing shortage among the poor and middle-income groups, including slum dwellers, by ensuring a pucca house for all eligible urban households. Recently, the Government of India has undertaken the ambitious initiative to facilitate the construction of 3 crore homes across both rural and urban areas under the PMAY scheme.

Key factors driving the housing sector growth

Demography

India, with an estimated population of 1.4 billion, boasts of the world's largest share of young people. As of 2023, the average age in India is 28 years, projected to increase to 31 years by 2034. By 2034, an estimated 1 billion Indians will fall within the 15-64 years working age bracket.

Demography



[Source: World Bank, Knight Frank Research]

Growing income levels

A Standard Chartered Bank Report estimates India's per capita income to grow to USD 4,000 by 2030 from USD 2,450 in fiscal 2023.

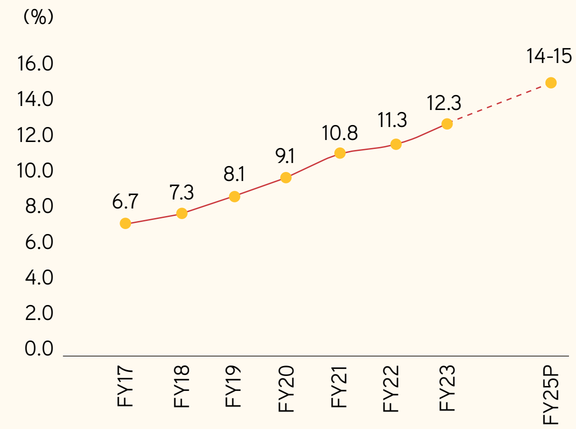
Socio-cultural trends observed after the COVID-19

Owning a house is being thought of as having security for the family. Millennials and young working population, who generally prefer rental houses, are also preferring to buy houses after the pandemic months.

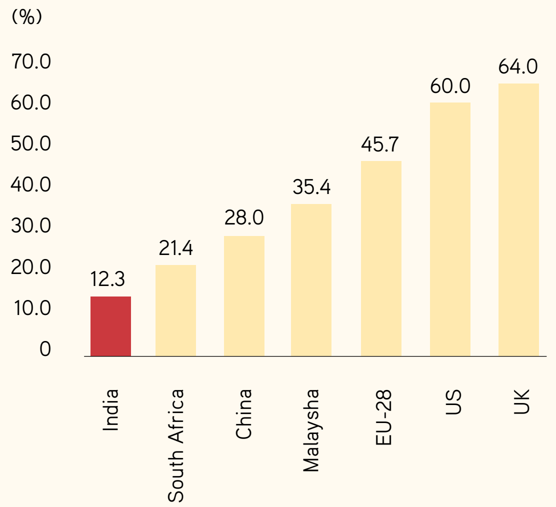
Low mortgage penetration

India's low mortgage penetration rate compared to other emerging markets provides significant growth opportunities.

Lower Mortgage-to-GDP ratio of India vs. other emerging markets



(Source: NHB, World Bank, CRISIL MI&A estimates)



(Source: HOFINET, European Mortgage Federation, NHB, CRISIL MI&A)

BUSINESS OVERVIEW

About the Company

PNB Housing Finance is a trusted brand in the housing financing sector with more than three and a half decades of specialised experience in enabling dreams of home ownership for millions of Indians. The Company offers a range of home loans and related financial products, such as housing loans for individuals to purchase, construct, repair, and upgrade houses as well as loans for commercial spaces, loans against property, and loans for the purchase of residential plots.

Promoted by Punjab National Bank – India's first Swadeshi bank, PNB Housing Finance is registered with National Housing Bank (NHB). We made our initial public offering (IPO) in November 2016, and our equity shares have been listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) since 7th November 2016.

We have a network of 300 branches/outreaches across the country, with 160 branches/outreaches dedicated to Roshni, the Company's flagship offering in the affordable housing segment. Furthermore, we have invested in creating intuitive digital interface (both web and mobile app-based) for our customers to seamlessly avail our products and services.

The past two years have been period of transition for us as we focused on building our retail book, add new segments viz affordable and emerging markets, strengthen distribution network, streamlining our systems and processes to strengthen our offerings to prime customers, design focused products for the affordable segments, reduce our corporate exposure, improve asset quality, and diversify liability mix with restarting of NHB refinance and debt market funding. Further, we have introduced processes to enhance customer experience, and improved risk management to create a robust foundation to drive accelerated growth. During the first quarter of the year, we raised ₹2,493.76 crore through a successful Rights Issue, to fund our growth aspirations. Our improved financial metrics and robust strategy for growth have earned us rating upgrades to AA+ from three major credit rating agencies in the country.

A year of robust performance

During FY24, we witnessed all-round growth across parameters. We sanctioned 88,465 loan applications, an increase of 23% over the previous year. Strong sectoral demand along with a focused approach helped us disburse loans to the tune of ₹17,583 crore, an increase of 17.5% over the previous year. Overall, loan asset for the year stood at ₹65,358 crore (as per IndAS), an increase of 10.3% over ₹59,273 crore loan asset as on 31st March 2023. The focus of the year was on building the retail business. The retail loan asset grew by 14.1% YoY to ₹63,306 crore as on 31st March 2024. The retail loan asset is 97% of the total loan asset. Focusing on the affordable segment, we commenced business in January 2023 and reached a loan book of ₹1,790 crore as on 31st March 2024. Driven by stringent cost optimisation measures, better risk management and process efficiency, our margins and return on assets reported expansion during the year.

The gross NPA during the year reduced by 233 bps to 1.50% as on 31st March 2024 from 3.83% as on 31st March 2023. The net NPA reduced to less than 1% to 0.95% as on 31st March 2024.

The incremental cost of funds during the year stood at 7.91%, while the average cost of borrowing was at 8.01% for FY24. The Company restarted its borrowing from the debt market and NHB during FY24. Our deposit mobilisation initiatives witnessed improved traction, helping us source around 70,392 deposit applications, amounting to total of ₹6,263.56 crore in FY24.

During the year under review, we further strengthened our balance sheet by way of raising capital through Rights Issue during the first quarter of the financial year. The Rights Issue helped us in reducing the gearing and improving Capital Risk Adequacy Ratio (CRAR).

Key developments of FY24

Capital raise

Successful completion of the rights issue, providing us with the growth capital

Retail at the core

Increased contribution of retail at **97%** of loan asset against **94%** of loan asset a year ago

Expanded distribution network

Expanded presence to **300** branches/ outreaches to tap a wider customer base

Improvement in asset quality

- Focused approach drastically improved GNPA to **1.50%** from **3.83%** a year ago
- Reduced GNPA by **₹1,286 crore**

Rating upgrade

Driven by a stronger balance sheet, rating upgrade by three agencies

Strategic focus areas and progress

Reduced corporate book

Reduced corporate book to ₹2,052 crore as on 31st March 24 from ₹3,802 crore as on 31st March 23

Growing retail book

Achieved 14.1% growth in FY24, contributing to 97% of the total loan book

Digitalisation

Achieved end-to-end customer journey with digital footprints

Focus on prime segment

Set up emerging markets vertical with 50 dedicated branches/outreaches

Capital raise

Successfully raised ~₹2,494 crore through Rights Issue

Augment affordable business

Achieved loan book of ₹1,790 crore in FY24; 160 dedicated Roshni branches

Optimised returns

Return on asset of 2.20% in FY24

Expand reach

Added 111 new branches during the year across business segments

Rating upgrade

Rating upgraded to AA+ by India Ratings, ICRA & CARE

Enhance asset quality

Achieved GNPA of 1.5%; resolved big corporate NPA of ₹784 crore through focused collection measures

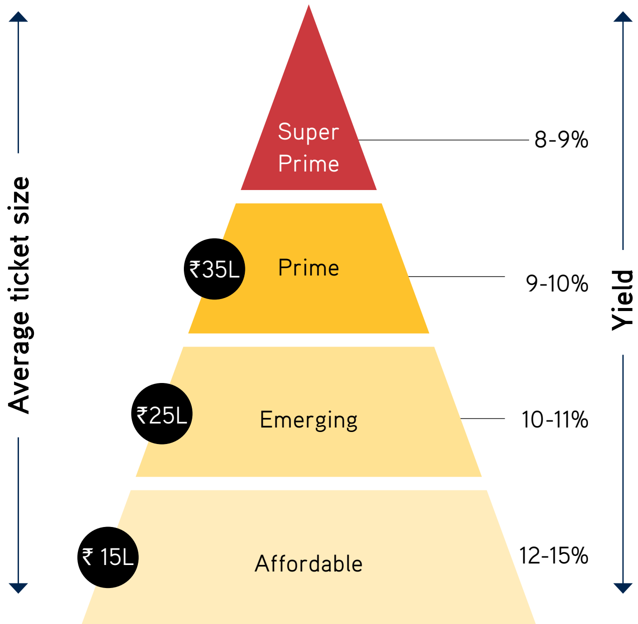
Read more on page 18

Retail loan on accelerate growth phase

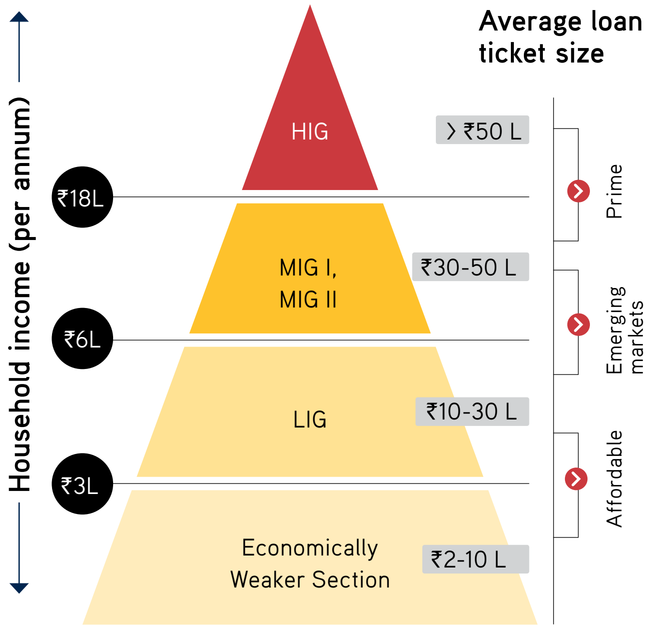
Over the last few years, the Company has focused on building its retail loan assets. The focused approach resulted in 97% share of retail in the total loan book in FY24, against 87% in FY22. Our retail loan book comprises the Prime segment and Affordable segment, termed 'Roshni'. The Company at the start of FY25 carved out Emerging Markets segment from Prime segment.

Driven by a leadership team with deep retail business experience at the helm, we are attractively positioned to stay ahead in the market. We aim to continue our accelerated growth trajectory in the affordable segment, aided by a dedicated distribution strategy. By focusing on higher yielding emerging markets, we are tapping into new opportunities for expansion. Further, the legacy of our parentage puts us advantageously in the market. Our emphasis on technology is aimed at enhancing operational efficiency, deliver superior services to our customers, maintain asset quality and drive sustainable growth.

A top-down approach with focus on profitability



Going down the affordability pyramid



RETAIL PRIME LOANS

During the year, to capitalise on the broader market with higher yields, we created a dedicated Emerging Markets segment within the Prime segment. We have dedicated 50 branches for this segment in Q4 FY24, creating separate teams responsible for sales, credit, collections, and operations to capitalise on the potential in these markets.

Individual housing loans

The individual loan segment targets prime customers in both salaried and self-employed categories. To drive accelerated growth, we expanded our team and distribution network. During the year, we added 33 branches primarily in tier 2 and 3 cities, focusing on granularising the loan book with an average ticket size (ATS) of ₹29 lakh. The salaried segment constituted 70.5% of our individual housing loan portfolio.

70%

Average loan-to-value in FY24

Retail non-housing loans

During the year, disbursements for retail non housing loans increased 22.6% to reach ₹4,510 crore. This segment contributed 26% to total disbursements. The average ticket size for the segment was ₹31.1 lakh, with a weighted average loan-to-value (LTV) ratio of 47.83%. The self-employed category constitutes 46.85% of the retail non housing segment.

26%

Segment contribution to total disbursements

RETAIL AFFORDABLE LOANS

Accelerating our affordable business through Roshni

Our journey in affordable segment under Roshni has been a remarkable one. With our value proposition, we created a distinct strategy to drive growth in this business. We commenced disbursements in this segment from January 2023 and became one of the fastest in the sector to cross the milestone of ₹1,000 crore of loan book within the first year of operations and closed the year with a loan book of ₹1,790 crore. Roshni follows a customer-centric approach characterised by tailored financial products, innovative technology and seamless experiences, to meet the unique needs of individuals seeking affordable housing finance solutions.

Our dedicated Roshni branches enable customers to access our products and realise their home ownership dreams. During the year, we expanded our Roshni branch network to 160 across 13 states. Going forward, we expect to continue our branch expansion for Roshni business year on year and expand to 140 districts across our targeted states.

₹1,653 crore

Loans disbursed under Roshni during FY24

11.5%

Average yield in FY24

CORPORATE LOANS

Construction finance loan

The focus during the year was to reduce the corporate book and resolve the delinquent accounts. The construction finance loan book registered a decline by 46% to ₹2,052 crore as on 31st March 2024. The decline in the book was on account of book run down, ARC sale, write off etc. The book is now 3% of the total loan asset, spread across 12 developers. With continuous efforts the gross NPA in the corporate book reduced from ₹846 crore as on 31st March 2023 to ₹68 crore as on 31st March 2024.

Driven by strong economic tailwinds, domain experience and builder connects, we plan to restart our corporate book in FY25, with focus on select builders and geographies, lending in construction finance and restricting the overall corporate loan book at 10% of the total loan book.

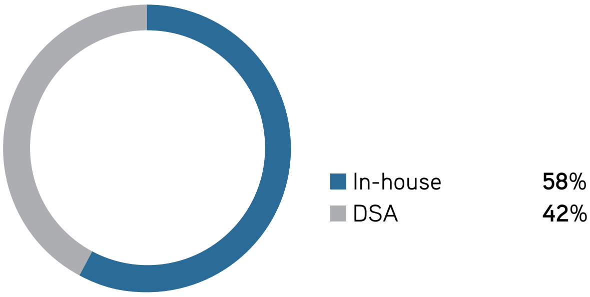
Widening our reach through a multi-pronged distribution channel

We have a multi-channel sourcing strategy to capture a wider range of customers across our focused markets. We have a dedicated in-house team and a network of Direct Selling Agents (DSAs) for sourcing both loan and deposit customers. Furthermore, we have more than 14,000 channel partners across the country.

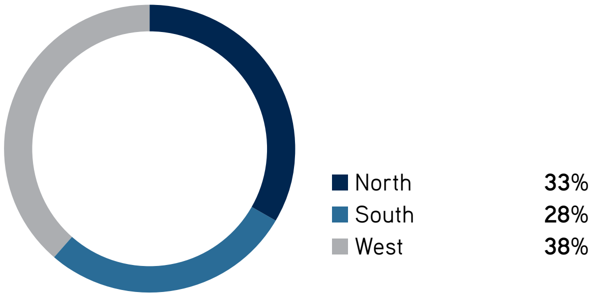
To drive better engagements with the channel partners we embarked on several relationship building activities such as DSA meets and contests. Furthermore, we have empowered the DSAs with digital tools to share customer documents, a step towards creating paperless environment.

Our affordable segment, Roshni, has dedicated branches, manpower and channel network across select cities to drive the business. Further, to promote diversity and empower women financially, we inaugurated our first-ever all-women Roshni branch in Tambaram (Tamil Nadu), consisting entirely of female staff to manage the operations. Incidentally, it also marked our 100th branch under Roshni.

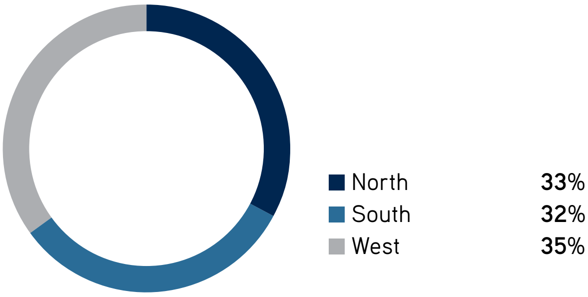
Retail Disbursement origination



Affordable Disbursement geographical breakup

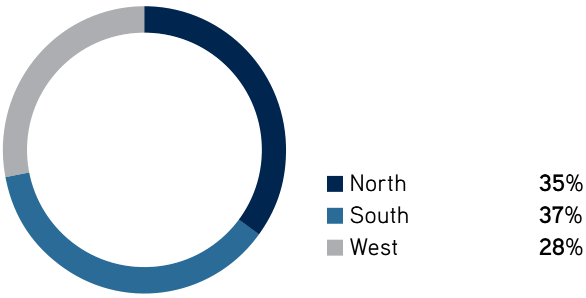


Retail Loan Asset geographical breakup



During the year, we expanded our retail branches for both Prime and Roshni segment. While we added 78 branches in Roshni segment, our reach in the Prime segment bolstered by adding 33 new branches during the year. Further, we empowered our DSAs with digital tools, seamlessly integrated with our core systems for digital enablement of sales process. With a focus on improving the productivity of our salesforce, we have implemented Salesforce in our Loan Origination System (LOS) and CRM.

Retail Disbursement geographical breakup

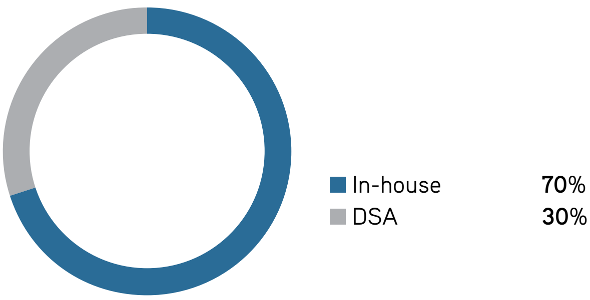


14,000+
Active channel partners

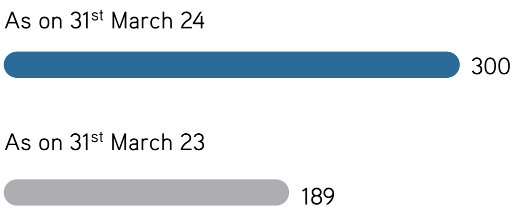
Supported by

5,500+
Strong team members

Affordable Disbursement origination



Branches/Outreach



PHFL HOME LOANS & SERVICES LIMITED (PHFL)

PHFL, a wholly-owned subsidiary of PNB Housing Finance, was floated to reduce the dependence on external sources for new customer acquisition. During the year, more than 76% of our new customer sourcing was done through PHFL.

PHFL actively supported the Authorised Officers of PNB Housing Finance in auction sales of the properties acquired under the provisions of SARFAESI Act. Our revised strategy for selling repossessed properties included creating customer awareness, that resulted in successful auction of more than 282 properties during the year as compared to 98 properties in FY23. The team also supported the buyers from facilitating the purchase to registration of the property.

Further, we focused on creating a secured career path and a career progression program to support the growth for our PHFL employees. We are grooming our employees to create a talent pool that meets the demand from the parent company. We've enhanced benefits such as family health coverage to create a sense of unity and foster long-term relationships with our PHFL employees.

Centralised operations

Our centralised operations drive operational excellence, optimise costs and reduce duplication of efforts. The business is divided into two units: Central Processing Centre (CPC) and Centralised Operations (COPS).

- Our Central Processing Centres (CPCs) are situated in Mumbai, Bengaluru, and Noida, serving as repositories for customer documents, including loan files, deposit applications, and repayment pouches. Each CPC is capable of managing over 23,000 service requests monthly. We have digitised customer records, where documents for all 2.8 lakh customers will now be accessible via cloud storage, enabling faster service and reducing the risk of original document loss or transit damage.
- The COPS team manages deposit insurance reconciliation, pay-outs, vendor bill processing, customer correspondence, and channel partner empanelment in a paperless environment using electronic payments and image processing. In FY24, we mobilised fixed deposits from 72,509 customers with an average TAT of t+1 days from cheque clearance to FD receipt issuance.

Leveraging digitisation to drive efficiency

Over the past years, we have been investing in Information Technology (IT), transitioning from legacy systems to modern digital platforms. This shift has led to a substantial increase in digitisation, benefiting both internal operations and interactions with external stakeholders. One primary focus has been enhancing our underwriting capabilities, building on our cyber security initiatives from the previous year and expanding our cloud adoption, with significant share of our portfolio now running on cloud infrastructure. This adoption has had a massive impact, with a 100% adoption rate and noticeable improvements in system uptime, leading to a 14-15% reduction in service tickets managed by the platform.

To minimise security threats, our IT team has implemented robust security infrastructure, ensuring network integrity and operational continuity.

Regarding specific achievements, we launched a comprehensive cloud based Customer Relationship Management (CRM) platform for enhancing customer service capabilities. The automated service request feature has seen 16% adoption of self service feature. The 360 degree view of the platform helped in service agent productivity increase by 10%. During the year, we introduced predictive dialer for improving customer outbound capabilities and reduce leakages. We also launched a new website, WhatsApp chatbot and website bot feature as accelerated digital channels for customer service.

These initiatives have significantly reduced turnaround times and facilitated strategic partnerships with digital fintech firms.

On the IT innovation front, we established an Innovation Hub in Noida, where teams explore new technologies with a focus on ROI-driven solutions. Our goal is to scale these innovations from a handful of projects to a broader portfolio.

Our strategic investments emphasise leveraging generative artificial intelligence (AI) capabilities at scale, aiming for an adoption rate of 80% across key operational processes like sales and disbursement. The transition towards end-to-end digitisation processes underscores our commitment to embracing modern technologies to drive efficiency and growth. Our RO mobile app, launched last year, has helped improve lead conversion during the year.

Investments in technology and analytics

Sourcing channels

- DSA
- Connectors
- DST
- Revamped website
- Social platforms

» Omni-channel presence

» Faster time-to-market for products

Tech platforms

- V-Connect
- U-Connect
- Mobile app
- ACE

» Digital enablement of sales process

» Seamless integration with core systems

Business processing and underwriting

- Revamped LOS - Salesforce
- Underwriting scorecards
- Business Rule Engine (BRE)

» Credit Approval Memo (CAM) automation

» Straight Through Process (STP)

» Analytics

Customer service

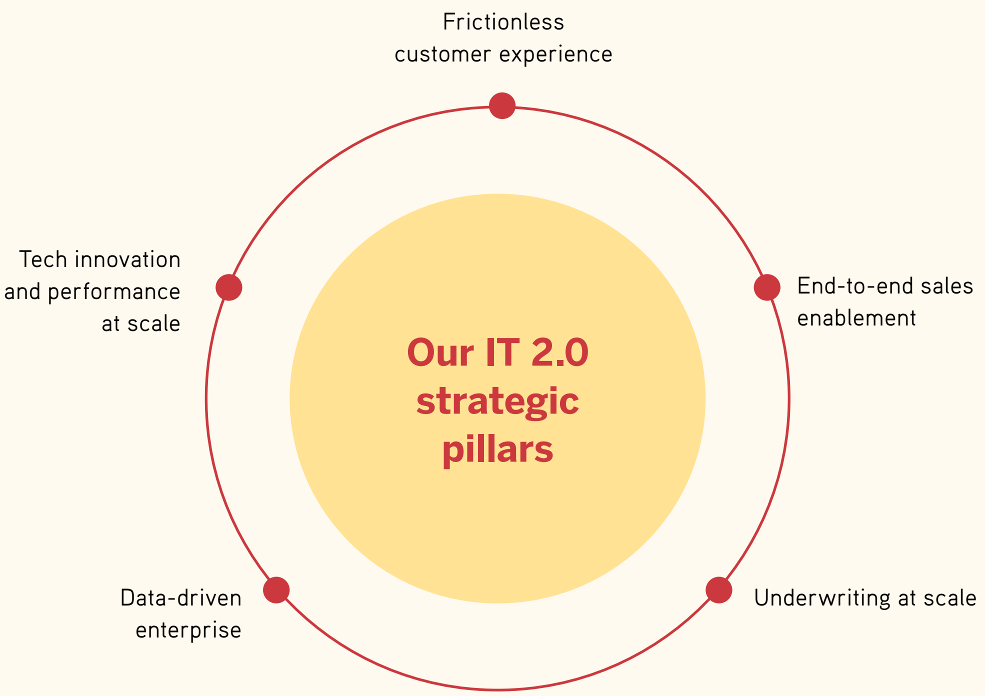
- CRM
- Cloud-based dialer
- Pre-emptive retention
- WhatsApp chatbot

» Better TAT

» Superior customer experience

» Minimum touchpoints

As we embark on a journey of accelerated growth, we have revamped our IT strategy with the aspiration to become a major digital player in the HFC ecosystem. By collaborating and partnering with fintech, banks, market aggregators, and others, we aim to leverage synergy and scale through platforms. Our goal is to offer personalised products and ease of service, promoting high levels of adoption.



Excelling in our customer experience journey

At PNB Housing Finance, creating a seamless customer experience is critical for our success. We continuously work on initiatives to enhance customer experience across origination, onboarding, disbursement and post-disbursement services.

Our new CRM system represents a significant leap forward in customer service excellence. Powered by Salesforce, this cutting-edge technology enables seamless and faster customer interactions while eliminating redundancies. With tools like chatbots and an upgraded VR system, we are enhancing customer engagement across all touchpoints. We have introduced generic text-to-video messaging for onboarding, creating a gamified experience with a more appealing UI to engage better and retain customers.

Our willingness and ability to retain customers is paramount, reflected in our balanced transfer rates and efforts to maintain attrition (reduced from 20% in 2022 to 17% presently, our efforts continue for further reduction).

This continuous shift to digital modes has streamlined our processes, from customer engagement to documentation delivery, ensuring a seamless and efficient experience. These initiatives exemplify our commitment to elevating customer interactions and maintaining enduring relationships through innovative technologies and customer-centric strategies.

10%

Increase in service agent productivity achieved through the 360 degree view of the new CRM platform

For Roshni branches, we have enabled branch payments using dynamic QR codes. The project is being tested in selected branches and will soon be rolled out to other Roshni branches. eKYC approvals are swiftly confirmed with notifications sent via email and text in the morning. Any required changes can be made by updating details and uploading necessary documents. We have maintained higher customer engagement through WhatsApp, chatbot, personalised content and marketing automation. Further, our revamped website, launched during the year, has helped in better engagement with customers through improved UI/UX designs.

Financial performance

(₹ in crore)

Particulars	FY24	FY23	Change
Net interest income	2,516.07	2,345.55	7.3%
Fee and commission income (net of fees and commission expense)	260.55	271.74	-4.1%
Other income	7.01	2.33	-
Gross income	2,783.63	2,619.62	6.3%
Operating expenditure	658.61	519.78	26.7%
Impairment on assets held for sale	-	47.65	-
Operating profit	2,125.02	2,052.19	3.5%
Impairment of financial instruments and write-offs	171.12	691.28	-75.2%
Profit before tax	1,953.90	1,360.91	43.6%
Profit after tax	1,508.01	1,046.00	44.2%
Other comprehensive income (net of taxes)	-16.25	77.06	-
Total comprehensive income	1,491.76	1,123.06	32.8%
Basic earnings per share (₹)	58.37	53.21*	-

*adjusted for rights issue

Net interest margin: Net Interest Margin (NIM) grew by 7.3%, primarily due to loan book growth. The loan book grew by 10.3% YoY to ₹65,358 crore as of 31st March 2024.

Operating expenditure: Opex grew by 26.7% YoY to ₹659 crore driven primarily by investment in affordable business driven by expansion, strengthening employee base and technological upgradation investments. During the year, we have strengthened our presence to 300 branches/outreaches as against 189 branches/outreach as on 31st March 2023.

Impairment of financial Instruments and write-offs: In FY24, the credit cost improved to 25 bps from 107 bps in FY23. This improvement is primarily attributed to improved collections and recovery. Collections efficiency improved to 99.4% in FY24 from 98.6% in FY23. We focused on recovery through one-time settlements, ARC sale, property sale amongst others.

Profit Before Tax (PBT) & Profit After Tax (PAT) - PBT improved by 43.6% YoY and PAT improved by 44.2% YoY on account of growth and improved credit cost.

Capital adequacy ratio: CRAR improved to 29.26% from 24.43% as on 31st March, 2023 on account of tier I capital raise. In May 2023, the Company has raised ~₹2,494 crore via Rights issue

Key financial ratios

Particulars	FY24	FY23	Change
Average yield	10.35%	10.28%	7bps
Average cost of borrowing	8.01%	7.47%	54bps
Spread	2.34%	2.81%	-47bps
NIM	3.74%	3.73%	1bps
Cost-to-income	22.83%	19.13%	370bps
Return on asset	2.20%	1.61%	59bps
Return on equity	10.90%	9.98%	92bps
Total provision/Total asset ratio	1.91%	2.42%	-51bps
Gearing (x)	3.68*	4.87	-119bps
Book value per share	577*	652	-
CRAR	29.26%	24.43%	483bps
Tier-I capital	27.90%	22.40%	550bps
Tier-II capital	1.36%	2.03%	-67bps
Risk-weighted asset (₹ in crore)	48,508	42,289	15%
Net worth (₹ in crore)	14,794*	11,014	-

*Post Rights Issue

Amplifying our visibility

Considering the dynamic landscape of the housing finance industry today, our marketing strategy has played a pivotal role in maximising growth opportunities for us. We have been at the forefront of navigating through the competitive environment and evolving consumer behavior with our creative strategy, data-driven approach and consistent messaging, unlocking new avenues throughout the year.

Grounded with a deep understanding of the customers' needs, choices and preferences, we set our marketing goal post to drive sustainable growth, deliver value to customers and become the 'lender of choice' in our respective consumer segments. We leveraged the key pillars of marketing through our brand building, corporate reputation management and digital communication strategies to strengthen our brand positioning.

Our cross-functional collaboration and support was targeted to capture consumer attention across all touchpoints, both online and offline. We leveraged the visual communication medium to launch our first-ever testimonial video series, highlighting the journeys of our customers in achieving their dreams of home ownership with us. In an industry-first development, we executed repossessed property expo in multiple cities, featuring 200+ repossessed properties. This initiative generated a positive response from consumers and led to significant increase in property sales for the organization.

One of the key pillars this year was elevating our employee experience and strengthening the people culture through various employer branding initiatives. We harnessed the power of storytelling by introducing 'Achiev-Her' – a special series showcasing inspiring stories of our women employees who are breaking barriers, driving change and leading by example in their own right. Additionally, we launched our first-ever brand anthem, embodying our commitment to home ownership for customers and serving as a unifying force that captures our core attributes and values.

As an organisation focused on enhancing customer experience, we recognise the importance of using the right tools and platforms to cater to our evolving marketing efforts and data-driven customer outreach. We upgraded our digital stack by revamping our website, launching WhatsApp and chatbot services for customers, and introducing the sales mobile app for our employees to streamline lead generation and conversion. These efforts have unified our customer database across mediums, enabling us to strategise and execute more personalised, omnichannel marketing campaigns.

Our ISO-certified contact centre has become a crucial channel for customers to get quick service, handling everything from enquiries to complaints to fraud reporting. We have a strong team of 70+ executives that source pre-filtered leads for the in-house sales channel, generating over sixty thousand OTP-verified loan enquiries per month. Additionally, collaborate with new-age online business partners like Paisabazaar, LoanTap, NoBroker, Andromeda, Spoctree to generate new leads from their customer base.

Our impact in the home loan journey multiplier effect across Acquisition, Service and Collections

Acquisition
- Always-on digital lead generation
- Integrated multimedia campaigns
- On-ground activations

Service
- Online reputation management and handling grievances
- Driving adoption of new-age service channels to customers
- New offers promotion

Collection
- Customer awareness and education about the repossessed properties
- Property expos across locations

How we plan to do it

Performance-led acquisition strategy
Blogs, SEO, SEM, emails, affiliate marketing, social media marketing

Community building
Social media and moment marketing-based video content for high engagement and brand love to enhance brand imagery

Reputation management
Sustained efforts for building a positive reputation through PR engagement

Affinity-based media
High affinity media selection based on geographical location - print, TV, radio, OOH and digital

Multi-platform marketing campaigns
Leveraging both online and offline platforms to generate better visibility for the brand

Golocal
Content localisation and focus on regional media for improved consideration levels

Bringing transformative change in underwriting

Our underwriting performance has been pivotal, marked by four consecutive quarters of consistent growth. We attribute this success to strategic quality initiatives and enhancements, particularly our intensified focus on the salaried segment and retail business, resulting in notable growth in volume and value alongside streamlined processing and portfolio management.

Our evolution in processing involved transitioning from a hub-and-spoke model to a hybrid decentralised approach, expanding the presence of underwriters across branches nationwide. This approach facilitated timely sales support, ensuring the acquisition of high-quality business through personalised interaction and hands-on evaluation. Our investment in this underwriting model significantly supported business volume, enabling efficient delivery without compromising quality.

The introduction of Straight Through Processing (STP) has been transformative, delivering visible benefits through enhanced system efficiency and uniformity across the country. Equipped with intelligent rule engines, our STP system processes customer files swiftly, analysing credit history, collateral and essential checkpoints to issue rapid sanctions. Approximately 30% of salaried loans now flow through our STP system, validated by underwriters before sanction letters are issued, thereby positively impacting efficiency and customer experience without additional resource investment.

In terms of Turn-around Time (TAT), we have achieved remarkable milestones, sanctioning 80% of the cases within three working days—a 25% improvement and a cornerstone of our operational excellence.

Looking ahead to FY25, we are committed to leveraging digital tools further, anticipating substantial volume increase while maintaining service level agreements (SLAs) and sustaining a zero-tolerance approach to early delinquencies. Decentralising our underwriting team by deploying underwriters at each branch will enhance responsiveness, while plans to elevate STP capabilities reflect our dedication to continuous improvement and customer-centricity.

Our six-pronged strategy driving retail underwriting

Automated underwriting

- Business Rule Management Engine (BRME)-aided decision making
- Salaried Straight Through Process for automated sanctions to eligible base
- Standardised underwriting with product templates for higher efficiencies

Digital enablers

Use of APIs to verify documents and KYC

- Bank statement analyser
- Alternate identity check
- Email ID check
- Dedupe check
- Fraud triggers

Customer experience

- Digital onboarding of customers
- Faster TAT; wing to wing in <2 days for salaried and <5 days for self-employed
- In-person discussion done by underwriting team for all self-employed customers

Widespread presence

- Decentralised approach to cater to the business
- SMEs in each region with better understanding of geography-specific nuances

Building a sustainable business

- Focus on mid-ticket loans with 90%+ of sanctioned cases are up to ₹1 crore
- Modified credit guidelines and approach to business in line with a versatile market
- In-house developed app (u-connect) leading to better control and management

Portfolio management

- About 85% of the fresh onboardings have bureau score of 700 and above
- Early mortality monitoring: ₹30,444 crore disbursed in last two financial years; 90+ is 0.08%
- Continuous training and upskilling of teams

COLLECTIONS AND RECOVERY

Retail segment

During the year, we focused on resolving the delinquent accounts and realign our collection process to reduce forward flows and improve asset quality. In order to do so, we strategically segregated pour collections process in 4 verticals viz X-bucket, pre-NPA, NPA and recovery. We carved out separate teams for each vertical supported by technology and data analytics resulted in improved asset quality. With our concentrated efforts we not only reduced Gross NPA by 233 bps but also reduced forward flows from one bucket to another. Further, we registered increase in our recovery through One time Settlements with the customers and property auctions.

Throughout the year, our focus has been on addressing key challenges

» Swift action on early delinquencies resulted in a remarkable shift, virtually eliminating early defaults. Our team's dedication led to a 99% resolution rate, effectively controlling flow rates and mitigating further damage.

» We strategically managed vintage portfolios and maintained asset quality of disbursements of the year. By dissecting NPAs and strategically repositioning assets with legal support, we achieved record levels of property possession and auctions, tripling asset sales over the last three years. Collaborating with our marketing team, property auctions garnered substantial interest, leading to quick sales and robust recoveries, with a success rate of more than 20%.

» Proactive measures like pre-delinquency management, leveraging digital tools, and deploying smart collection apps empowered our on-ground teams. Real-time tracking and geo-tagging of collection efforts have strengthened our ability to manage early bucket collections effectively.

Our focus areas emphasise meticulous care in managing early delinquencies, strengthening cash collections, and leveraging legal resources to address vintage customer issues decisively. Our Property Service Group is actively engaged in resolving NPA challenges, aiming for a substantial reduction in NPAs and a steep recovery trajectory. The team conducted property sale expos, which garnered attention from property buyers. During the year, the team's concerted efforts led to one of the highest property auctions in our history. These efforts are poised to drive continued success in our goal of reducing NPAs and strengthening financial stability.

99.4%
Retail collection efficiency

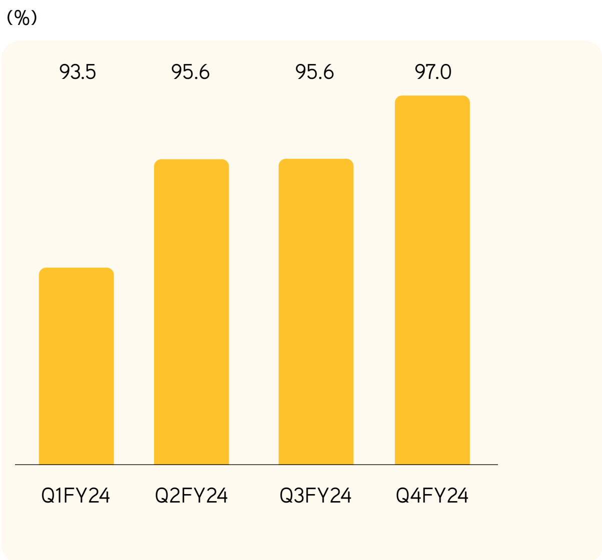
1.45%
Retail Gross NPA for FY24

▼ 112 bps

Verticalisation of collection team to improve asset quality

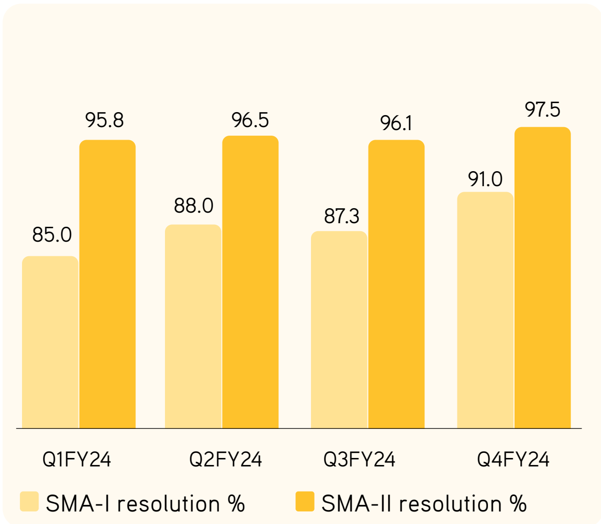
X-bucket resolution

We prioritised contactless collections, emphasised tele-calling and conducted regular field visits to drive resolution.



Pre-NPA resolution

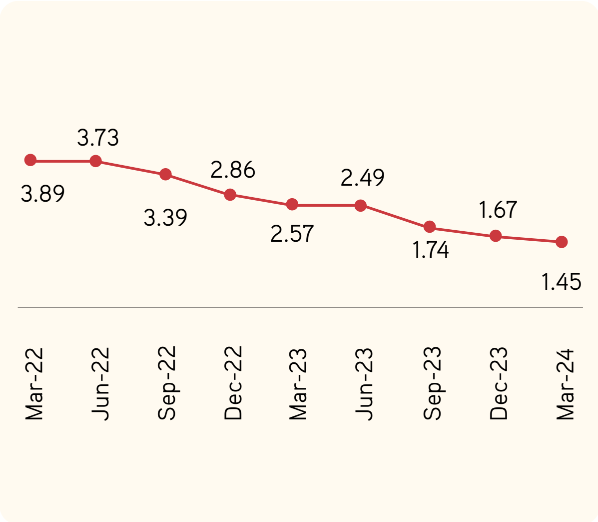
We focused on rollback and stabilisation efforts to limit forward flow, ensuring effective resolution and maintaining financial health.



Consistent NPA reduction

We reduced NPAs through focused early bucket cash collection, legal support and SARFAESI, one-time settlements, and auctioning and selling properties effectively.

(%)



Corporate segment

In the corporate segment, using various measures, we reduced gross NPA from 22.25% as of 31st March 2023 to 3.31% as of 31st March 2024. During the year, the Company resolved one large NPA account through ARC sale.

3.31%

Corporate gross NPA for FY24

▼ 1,894 bps

Credit loss provision

With the increased resolutions, the credit cost for FY24 reduced to 25 bps as compared to 107 bps in FY23. As on 31st March 2024, the Company has total provision of ₹1,250 crore accounting for 1.91% of the total assets, against ₹1,433 crore reported on 31st March 2023 (2.42% of the total assets). The provision coverage ratio for Stage 3 is 37.4% as on 31st March 2024.

BORROWING MIX

As a responsible housing finance company, we have successfully diversified our funding mix, incorporating various components to strengthen our financial stability. During the financial year, in order to restart borrowing from debt market, the Company worked with the mutual funds, insurance companies etc to get added in their credit list and start borrowing through the debt instruments viz NCD and Commercial Paper. The Company also applied for refinance facility to NHB and was able to raise ₹3,000 crore. The Company focussed on rebuilding its deposit book, which is the largest deposit book by an HFC in India. During the financial year, the borrowing mix changed with higher percent from Commercial Paper and NHB and reduction in ECB borrowing due to maturity. The borrowing mix as on 31st March 2024 includes bank borrowings accounting for 40.2%, deposits (32.3%), debt market instruments, non-convertible debentures (NCDs) (9.6%), Commercial Paper (6.0%) National Housing Bank refinance (9.2%) and external commercial borrowings (2.6%) of our total borrowing. Of the total borrowing of the Company, 71% is in the floating category, enabling us to replace and reprice as opportunities arise.

During the review period, our cost of borrowing stood at 8.01% with incremental cost at 7.91%.

We closed the year with credit rating upgrades from multiple rating agencies viz India Ratings, ICRA and CARE to AA+ with Stable outlook. The rating upgrade is on account of business growth, improvement in asset quality.

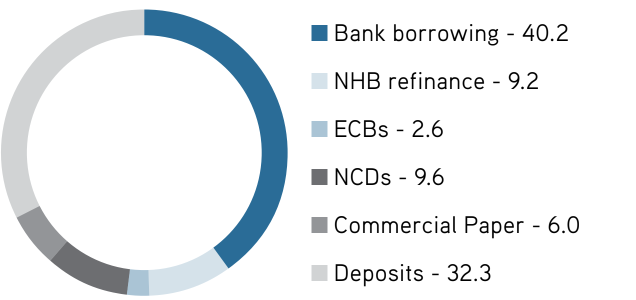
8.01%

Average cost of borrowing for FY24

262%

Liquidity coverage ratio for FY24

Borrowing mix (%)



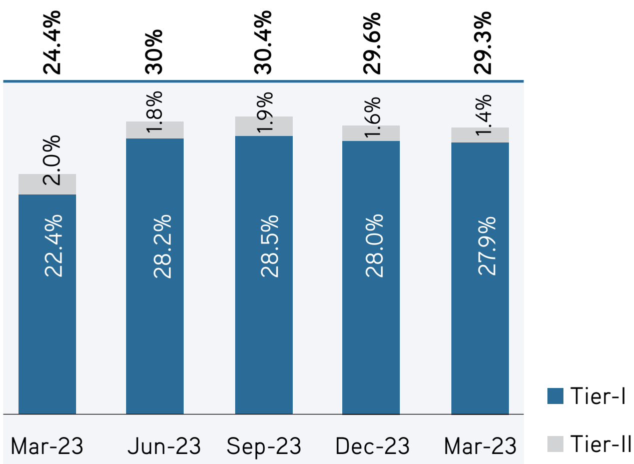
Bank borrowings

During the year under review, we borrowed ₹7,495 crore as long-term loans from private and public sector banks against ₹11,738 crore raised during the previous financial year. We onboarded four new lenders which helped in diversification of our counterparty exposure.

The fresh borrowings raised during the year were done at competitive rates. Along with repayment of ₹8,257 crore of high-cost loans during the year, we reduced the spread/ rate on existing borrowings helping us optimise overall interest cost.

We have over ₹5,700 crore of sanction but undrawn lines from various banks. Our total outstanding bank loans as on 31st March 2024 stood at ₹22,131 crore, against ₹22,654 crore as on 31st March 2023.

CRAR



Deposits

Deposit was one of the focus areas for fund mobilisation during the year, as we witnessed increasing traction. We upgraded digital tools as well as focused on our broker channel to mobilise fixed deposits. With a portfolio of about ₹17,798 crore, we are the largest deposit bookholder housing finance company in the country and also provide loan against deposits. During the year, we sourced deposits to the tune of ₹6,264 crore against ₹6,068 crore raised in FY23. This continues to be an important channel to raise funds and we will continue to optimise this channel for borrowing and cost.

Non-convertible debentures

During the year, we restarted borrowing from NCD route. The Company was added in the credit list of all the major mutual funds and insurance company that helped in mobilising ₹1,451 crore against ₹150 crore in FY23 through the issuance of secured, rated and listed NCDs.

Commercial papers

With the focus on wholesale debt market and thought to reduce the cost of borrowing, the Company restarted its borrowing through Commercial paper. During the year, the Company raised gross amount of ₹10,100 crore through Commercial Paper, which helped in diversifying our borrowing profile and reducing the cost of borrowing.

NHB refinancing

After a gap of 2 years, we got a refinance sanction of ₹3,000 crore from NHB. NHB refinancing comes at a better cost and will help us further reduce our cost of borrowings. We availed the sanction amount during the year under review.

External commercial borrowings

During the year, with the elevated rates and exchange rate, the Company did not borrowed any funds through ECB. Further, ₹4,114 crore of high cost ECBs matured and as a result the ECB percent reduced to 2.6% as on 31st March 2024 from 10.2% as on 31st March 2023.

Liquidity and asset-liability management (ALM)

We used a combination of source of funds to drive our growth during the year. We explored debt market to augment our debt profile. We maintained sufficient liquidity throughout the year. As of 31st March 2024, the total liquidity buffer including LCR and SLR is ₹6,800 crore and additional sanctioned but undrawn lines of over ₹5,700 crore. We maintained ALM well below the Board-mandated tolerance levels.

During the year, the Company deployed RPA based automation tool for the preparation of various ALM reports. This helps in faster and accurate submission of reports.

Rights issue

During May 2023, we had raised ₹2,493.76 crore through Rights Issue comprising 9,06,81,828 fully paid-up equity shares of face value of ₹10 each at a price of ₹275 per equity share (at a premium of ₹265 per share). The purpose of the issue was funding business growth plans, and the same was utilised for the said purpose. The issue was subscribed 1.21 times and registered participation from all the large investors.

EFFECTIVELY BALANCING BETWEEN RISK AND OPPORTUNITIES

Our robust risk management framework is overseen by the Board, reviewed periodically by the Risk Management Committee of the Board and managed by the Executive Risk Management Committee with appropriate expertise. We take measured risks aligned with the risk appetite set by the Board. Risk limits are established and regularly assessed by these committees.

Our risk assessments are crafted to harmonise regulatory capital demands with shareholder expectations for risk-adjusted returns. They enable us to strategically manage our capital, liquidity and funding distributions to drive business transformation and growth, all while upholding stakeholder confidence. We consistently enhance our management of intricate strategic and non-financial risks that emerge as we pursue growth initiatives aimed at delivering value to all stakeholders. This proactive approach ensures that we effectively balance risk and opportunity in pursuit of sustainable business advancement and enduring stakeholder satisfaction.

PNB Housing Finance has been classified as upper layer NBFC by the Reserve Bank of India and shall be regulated by scale based regulations. Our comprehensive risk management strategy leverages processes, information, and technology to identify, assess, monitor, and mitigate various risks proactively, including credit risk, market risk, liquidity risk, interest rate risk, technology risk, cyber security risk and operational risk.

PNB Housing Finance's risk management process integrates scale-based regulations, stringent compliance, and robust governance. The three lines of defence model ensures accountability, while data analytics enhances risk assessment. We put a strong focus on managing operational risk, underpinning the Company's resilience and stability.

We have adopted risk-based capital adequacy assessment process and holding more than adequate capital. Stress testing allows us to evaluate our resilience under realistically stressful conditions. Our risk exposures are actively tracked and reported to management levels, enabling timely risk mitigation actions. Importantly, our risk management function operates independently from the business and reports directly to the Board.

Three lines of defence model

PNB Housing uses "Three Lines of Defence model" to manage risk and internal controls internally.

First line

Business units manage risks directly. The first line of defence consists of managers and staff responsible for identifying and managing risk.

Second line

Risk management and compliance functions provide oversight and support. The second line provides the policies, frameworks, tools, and techniques to support risk and compliance management.

Third line

Internal audit independently assesses risk management effectiveness. The third line, provided by internal audit, ensures that the first two lines operate effectively and advises how we could improve them.

Data analytics in risk management

Data analytics is used to provide actionable insights through the application of various analytical techniques. It is used to influence/support business decisions, find trends in the data, and draw conclusions. Data analytics helps PNB Housing optimise its performance, perform more efficiently, maximise profit, or make more strategically guided decisions.

Risk identification

Integrating internal and external data points to identify emerging risks

Risk assessment

Quantifying risks using analytics-based methodologies

Risk mitigation

Monitoring risk indicators using data-driven insights

Key risks	Mitigation measures
Credit risk Credit risk is the significant financial loss that arises when customers or counterparties fail to fully honour their obligations to the Company, including making full and timely payments of principal, interest, and other receivables.	» We have a robust framework to identify, assess, measure, monitor, control and report credit risks in an effective manner. » We have made business units accountable for effective credit risk governance and customising risk measurement approaches for various portfolio segments/sub-segments to ensure the risk is appropriately assessed. » We have deployed tools to observe early warning signs of delinquency and taking proactive measures to maintain asset quality. » We are consistently reviewing Key Risk Indicators (KRIs) of concentration and delinquency to stay ahead of potential risks, and reviewing and aligning underwriting policies and processes with the dynamics of the business environment at micro levels to ensure risk mitigation strategies are up to date. » We are leveraging data through various pre-delinquency management models to arrest early delinquencies. » We have made significant advancements in Probability of Default (PD) and Loss Given Default (LGD) models On Interval basis we undertake portfolio evaluations
Interest rate risk Interest Rate risk refers to the impact of rate change on the asset and liability of the Company. This risk emanates from the external economic scenario, RBI policies etc.	» For effective Interest rate management, we invested in short-term Fixed Deposits (FDs), short duration Mutual Funds like Overnight Funds, Liquid Funds and high rated short term papers. » We implement controlling measures, utilise robust forecasting tools and establish a regular review mechanism to ensure timely adjustments and maintain financial stability. » We have a mix of floating and fixed rates in its borrowing that will help in reducing the impact. » Continuous monitoring of Board-approved ratios and stress testing keeps a track of any impact. » We implemented adequate systems and standards for measuring Interest Rate Risk in the Banking Book (IRRBB) to ensure effective mitigation.
Liquidity risk Failing to meet financial obligations due to insufficient financing requires proactive risk management. Effective risk management can prevent financial disruptions and ensure ongoing operational support.	» We maintain optimal liquidity levels to manage our business requirements and maturing debt obligations. » The Company has Board approved stock ratios and Early warning signals to continuously monitor the liquidity in the system. » Further, we have deployed digital tools to continuously manage asset liability mismatch. » ALCO discusses on periodical basis ongoing trends in money market, portfolio performance, competition etc. to ascertain right mix of liabilities and pricing criteria. » Conducting regular liquidity risk assessments and reporting to senior management and the board of directors to ensure effective oversight and governance of liquidity risk.
Technology risk Inability to stay updated with latest technology may expose us to inefficiency, system failures and the evolving cyber threat landscape.	» We are continuously investing in upgrading our technology. » We are monitoring systems constantly for uptime and health, and disaster recovery sites have been created for seamless operations in case of system failure. » During the year, we have invested in upgrading our CRM.

Key risks	Mitigation measures
Reputation risk Reputation risk refers to the impact of actions, decisions, or events on the trust and perception of our brand. This impact can stem from various factors, such as sub-par customer service, ethical lapses, negative media attention, or association with controversial activities.	» We have a dedicated customer relations team to handle customer complaints and resolve them in a time-bound manner. » Our engagement with stakeholders, including employees, customers, suppliers, and media, helps identify potential risks and implement preventive measures. » A mechanism for recording and reporting risks helps us track the risk exposure and develop effective mitigation strategies.
Cybersecurity risk Potential adversities resulting from vulnerabilities, threats, or attacks targeting digital systems, networks, or data.	» We use new-age Preventive, Detective and Corrective cyber security controls to ensure that our stakeholder personal information is safeguarded with utmost care. » We conduct vulnerability assessment and penetration testing of our infrastructure, applications and supporting network components. » As data protection strategy we ensure that all our customer information is encrypted and stored securely within India jurisdiction. » We have implemented EDR solution, ensure encryption of data and movement of data is monitored & restricted through DLP. » Our network access is done using Zero Trust Network Access, Next Generation network & web application firewalls, and Intrusion detection & prevention systems. » We have enabled 24x7 monitoring of incidents. » We have initiated cyber security training and awareness programmes for our employees.
Operational risk Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events.	» Implementing robust internal controls and procedures to mitigate operational risk, including segregation of duties, regular reconciliations, and transaction monitoring. » Conducting regular risk assessment to identify potential operational risk, assess their impact and prioritise mitigation efforts accordingly. » Developing and implementing a comprehensive business continuity of critical operations in the event of disruptions or disasters. » Establishing effective incident reporting mechanisms to promptly identify, escalate and address operational incidents or breaches. » Adhering to regulatory requirements and guidelines related to operational risk management, including reporting obligations and compliance with industry best practices. » Providing adequate training and awareness programmes for employees to enhance their understanding of operational risk and promote a strong risk culture within the organisation. » Engaging with third-party service providers to ensure they adhere to robust operational risk management practices and monitor their performance regularly.

Safeguarding information in the digital age

Our cybersecurity strategy prioritises customer information as the core of our ecosystem.

Core principles

- Use of preventive, detective, and corrective controls
- Adherence to regulatory and statutory requirements

In-depth defence

Security controls at all layers - network, endpoint, perimeter, application, data, and human

Focus areas

Information security | Cloud security | Cyber crisis | Digital personal data protection

Governance

IT Strategy Committee and Information Security Committee chaired by Independent Directors

Vulnerability management

- Regular vulnerability assessment and penetration testing
- Continuous improvement of cyber posture

Data protection

- Data encryption and secure storage within India
- Controlled data movement and monitoring
- Data classification and rights management
- Data obfuscation for internal stakeholders

Security

Endpoint security

- End-Point Detection and Response (EDR)
- Encrypted Data on Endpoints
- Data Loss Prevention (DLP) and restricted access
- Regular security patches and enabled endpoint firewall

Network security

- Zero Trust Network Access (ZTNA)
- Next-gen firewalls and intrusion detection/prevention
- Network segmentation
- Web application firewall and multi-factor authentication

Monitoring and incident response

- 24x7 Security Operations Centre (SOC)
- Monitoring social media and dark web for data leaks
- Restricted server communication

Disaster recovery and business continuity

- Established disaster recovery and business continuity plant
- Regular information security training and simulation exercises

ENGAGING WITH OUR INVESTORS

At PNB Housing Finance, we prioritise continuous engagement with investors to understand and meet their needs. Our robust investor outreach programme aligns with their requirements through regular interactions, including updates, conferences, calls, meetings and roadshows. Our dedicated investor relations (IR) team actively engages with investors, meeting with numerous funds and research houses during the year through one-on-one, group meetings and conferences. We communicate our quarterly, half-yearly, and annual results through emails to stock exchanges, accompanied by detailed investor presentations and press releases. Quarterly earnings calls and investor meetings provide management updates and Q&A sessions. Visit our website's 'Investor Relations' section for a concise company overview.

INTERNAL CONTROL SYSTEM

In order to maintain growth and minimise deviation, we believe it is crucial for our internal audit function to apply a systematic, disciplined approach to evaluate the effectiveness of controls and risk management processes across our organisation. Our internal audit processes include disbursement and docket audit, which are audited by external legal firms with their findings shared monthly and audit reports issued quarterly.

We have also shifted our portal filings online in compliance with regulatory guidance, and our auditors conduct regular branch and hub audits for functions such as accounts, deposits, general administration, IT, HR, and customer service twice a year. Transaction audits are completed according to scope and in a timely manner.

In addition, functions at the Central Support Office (CSO) are audited by an external auditor on a quarterly basis, while corporate finance, compliance, CSR, COPS, CPC, central recovery, and IT are audited by our in-house internal auditors at specified intervals. We make sure to apprise our ACB of any key issues identified during audits on a quarterly basis, to ensure that we maintain the highest levels of accountability and transparency.

FOCUSED ON NURTURING OUR HUMAN CAPITAL

At PNB Housing Finance, we nurture our human capital to create a future-ready organisation, employing 5,500+ individuals as of year-end. We enhanced our onboarding process with pre-joining communication to acclimate new hires to our culture. Our "Aikyam" initiative promotes inclusivity and diversity, boosting our gender ratio to 16.3% from 15.3% last year. We launched a Women Leader Development program to increase leadership diversity. Recognised as a 'Great Place to Work,' we foster a 'High Trust, High Performance' culture. Employee engagement initiatives include regular town halls with the Managing Director and sessions with top executives. We implemented instant recognition programs, such as the MD's Star Circle Awards, to honour top performers. Our training programs are aligned with organisational and individual goals, ensuring our human capital is future-ready. We have digitised our human resource management system, allowing employees to access critical information, stay updated on corporate communications, and participate in digital training programs. These efforts highlight our commitment to a supportive, inclusive, and high-performance work environment.

OUTLOOK FOR FY25

Considering the industry structure, opportunities and threats, risks and concerns, mitigating tools, internal control, inclusive human capital, etc. discussed in detail above, PNB Housing Finance has a huge potential for growth and poised to leap forward in FY25 in meeting the housing needs of millions of individuals. The Company will have consistent focus on ethical practices, driving quality growth, maintaining a good asset quality and liquidity, enhancing profitability and maintaining highest governance standards.

CAUTIONARY STATEMENT

This Annual Report contains forward-looking statements that relate to the implementation of strategic initiatives and provide information on our business development and commercial performance. While we believe these statements reflect our judgement and future expectations, it's important to note that a range of factors beyond our control could cause actual results to differ materially from what we anticipate. These factors include economic conditions, government regulations, natural disasters, and other important considerations. As a result, PNB Housing Finance cannot guarantee the accuracy of these forward-looking statements, and we undertake no obligation to revise them to reflect future events or circumstances.