

**Press Release**

For Immediate Release

**24<sup>th</sup> October, 2019, New Delhi**

**Consolidated Unaudited Financial Results for Q2 & H1 FY 2019-20 Ended 30<sup>th</sup> September, 2019**

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Unaudited Financial Results for the quarter ended 30<sup>th</sup> September, 2019. The accounts have been subjected to a limited review by the Company's Statutory Auditors in line with the regulatory guidelines. The financial numbers are based on IndAS.

**Financial performance (Q2 FY19-20 vs Q2 FY18-19)**

- Net Interest Income at INR 628.4 crore vs INR 462.8 crore registering a growth of 36%.
- Profit after Tax increased by 45% to INR 366.8 crore from INR 253.0 crore.
- The Spread on loans for Q2 FY19-20 stood at 2.61% compared to 2.22% for Q2 FY18-19.
- Net Interest Margin for Q2 FY19-20 stood at 3.19% compared to 2.72% for Q2 FY18-19.
- Gross Margin, net of acquisition cost, for Q2 FY19-20 stood at 3.42%.
- Added INR 12 crore to steady state provision for unforeseeable macro-economic factors during Q2 FY19-20.

**Financial performance (H1 FY19-20 vs H1 FY18-19)**

- Net Interest Income at INR 1,253.9 crore vs INR 895.6 crore registering a growth of 40%.
- Profit after Tax increased by 28% to INR 651.3 crore from INR 508.8 crore.
- The Spread on loans for H1 FY19-20 stood at 2.56% compared to 2.15% for H1 FY18-19. Excluding the assignment income and other Ind AS adjustment i.e. as per IGAAP the Spread on loans for H1 of 2019-20 is 206 basis points.
- Net Interest Margin for H1 FY19-20 stood at 3.16% compared to 2.74% for H1 FY18-19.
- Gross Margin, net of acquisition cost, for H1 FY19-20 stood at 3.44%.
- The net worth as on 30<sup>th</sup> September, 2019 stood at INR 8,035 crore.
- The cumulative ECL provision as on 30<sup>th</sup> September, 2019 is INR 725 crore. In addition to the ECL provision, the Company has maintained INR 169 crore as a steady state provisions for unforeseeable macro-economic factors.
- Return on Asset is maintained at 1.58% on an average gearing of 9.20x against 8.89x during H1 FY18-19 resulting in expansion of Return on Equity to 16.74% for H1 FY2019-20 vis a vis 15.45% for H1 FY2018-19.

**Business Operations**

- Disbursements stood at INR 12,603.5 crore during H1 FY19-20 compared to INR 18,172.2 crore in H1 FY18-19. Retail disbursement degrew by 10% YoY to INR 11,748 crore during H1 FY19-20. Corporate disbursement degrew by 83% YoY to INR 856 crore during H1 FY19-20.
- Asset under Management (AUM) is at INR 89,470.6 crore as on 30<sup>th</sup> September, 2019 moved from INR 73,481.5 crore as on 30<sup>th</sup> September, 2018 registering a growth of 22% during the period with share of Retail Loans being 81% and Corporate being 19% of the AUM.
- Loan Asset grew by 11% YoY to INR 74,352.9 crore as on 30<sup>th</sup> September, 2019 from INR 66,792.1 crore as on 30<sup>th</sup> September 2018.

**Borrowings**

- Total borrowings are at INR 71,456.9 crore as on 30<sup>th</sup> September, 2019 expanded from INR 63,626.8 crore as on 30<sup>th</sup> September, 2018 registering a growth of 12% during the period.

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CIN: L65922DL1988PLC033856

- The Deposit portfolio grew by 38% to INR 17,178.9 crore as on 30<sup>th</sup> September, 2019 from INR 12,457.5 crore as on 30<sup>th</sup> September, 2018 with expanding retail penetration.
- Total assigned loans outstanding as on 30<sup>th</sup> September, 2019 is at INR 15,117.8 crore.

#### **Distribution and Service Network**

- As on 30<sup>th</sup> September, 2019 the Company has 105 branches with presence in 64 unique cities and 23 Hubs. This includes 3 branches, which were made operational during the year including 1<sup>st</sup> ever deposit branch opened during the quarter.
- The Company also services the customers through 30 outreach locations.

#### **Asset Quality**

- Gross Non-Performing Assets (NPA) at an AUM level is at 0.73% as on 30<sup>th</sup> September, 2019.
- GNPA stood at 0.84% of the Loan Assets as on 30<sup>th</sup> September, 2019 against 0.45% as on 30<sup>th</sup> September, 2018. Retail GNPA stood at 0.84% and Corporate GNPA stood at 0.83%.
- Net NPA stood at 0.65% of the Loan Assets as on 30<sup>th</sup> September, 2019 against 0.35% as on 30<sup>th</sup> September, 2018.

#### **Capital to Risk Asset Ratio (CRAR)**

- The Company's CRAR based on IGAAP stood at 15.67% as on 30<sup>th</sup> September, 2019, of which Tier I capital was 12.69% and Tier II capital was 2.98% compared to 13.98% with Tier I at 11.00% and Tier II at 2.98% as on 31<sup>st</sup> March 2019.
- The risk-weighted assets as on 30<sup>th</sup> September, 2019 stood at INR 54,634.2 crore.

#### **Credit Rating**

- PNB Housing Finance Fixed Deposit programme has been rated "FAAA" by CRISIL. The rating of "AAA" indicates 'High Safety' with regards to the repayment of interest and principal. The Company's Commercial Paper (CP) is rated at "A1(+)" by CARE & CRISIL and Non-Convertible Debenture (NCD) are rated at "AA+" by CARE, India Ratings, CRISIL and ICRA. Further the bank loans long term rating is "AA+" by CARE and CRISIL.

#### **Commenting on the performance Mr. Sanjaya Gupta, Managing Director said:**

"With testing times continuing for the sector, the Company maintained its focussed approach towards contained business growth, portfolio quality and financial performance. As a prudent practice, the Company created excess provisions out of the profits arising on account of Corporate tax rate cut announced recently by the Government.

We look forward to continue our journey with focus on raising equity capital, efficient utilisation of resources, improvement in costs, maintain robust asset quality and reducing gearing levels."

### **About PNB Housing Finance Limited**

PNB Housing Finance Limited (NSE: PNBHOUSING, BSE: 540173) is promoted by Punjab National Bank and is a registered Housing Finance Company with National Housing Bank (NHB). The Company got listed on the Indian stock exchanges on 7<sup>th</sup> November, 2016. The Company's asset base comprises of retail loans and corporate loans. The retail business focusses on organized mass housing segment financing for acquisition or construction of houses. In addition, it also provides loan against properties and loans for purchase & construction of non-residential premises. Corporate loans are mainly to developers for construction of residential / commercial properties, corporate term loans and lease rental discounting.

PNB Housing Finance is a deposit taking Housing Finance Company.

### **Safe Harbour Statement**

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**Statement of Consolidated Financial Results for the Quarter and half year Ended September 30, 2019**

(₹ in

Crore)

S.no.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
	<b>Revenue from Operations</b>						
(i)	Interest Income	2,015.88	1,979.41	1,612.09	3,995.29	3,135.90	6,792.86
(ii)	Fees and commission Income	80.00	92.77	116.43	172.77	231.96	449.44
(iii)	Net gain on fair value changes	23.97	39.43	18.01	63.40	26.78	128.93
(iv)	Income on derecognised (assigned) loans	109.86	119.32	61.73	229.18	61.73	308.09
<b>I</b>	<b>Total Revenue from Operations</b>	<b>2,229.71</b>	<b>2,230.93</b>	<b>1,808.26</b>	<b>4,460.64</b>	<b>3,456.37</b>	<b>7,679.32</b>
<b>II</b>	<b>Other Income</b>	<b>0.63</b>	<b>1.65</b>	<b>-</b>	<b>2.28</b>	<b>0.20</b>	<b>3.90</b>
<b>III</b>	<b>Total Income (I+II)</b>	<b>2,230.34</b>	<b>2,232.58</b>	<b>1,808.26</b>	<b>4,462.92</b>	<b>3,456.57</b>	<b>7,683.22</b>
	<b>Expenses</b>						
(i)	Finance Cost	1,521.27	1,512.68	1,228.86	3,033.95	2,328.61	5,166.37
(ii)	Impairment on financial instruments & Write-offs	151.58	164.16	64.69	315.74	108.70	188.95
(iii)	Employee Benefit Expenses	70.98	67.97	80.89	138.95	131.47	303.88
(iv)	Depreciation and Amortisation	16.79	16.39	7.91	33.18	14.63	31.37
(v)	Fees and commission expense	2.65	3.47	15.62	6.12	33.73	54.62
(vi)	Other Expenses	41.10	53.88	37.81	94.98	91.70	203.64
<b>IV</b>	<b>Total Expenses</b>	<b>1,804.37</b>	<b>1,818.55</b>	<b>1,435.78</b>	<b>3,622.92</b>	<b>2,708.84</b>	<b>5,948.83</b>
<b>V</b>	<b>Profit Before Tax (III-IV)</b>	<b>425.97</b>	<b>414.03</b>	<b>372.48</b>	<b>840.00</b>	<b>747.73</b>	<b>1,734.39</b>
	Tax Expense:						
	-Current Tax	72.12	137.95	114.73	210.07	252.28	503.48
	-Deferred Tax (net)	(12.96)	(8.39)	4.76	(21.35)	(13.33)	39.39
<b>VI</b>	<b>Total Tax Expense</b>	<b>59.16</b>	<b>129.56</b>	<b>119.49</b>	<b>188.72</b>	<b>238.95</b>	<b>542.87</b>
<b>VII</b>	<b>Net Profit after Tax (V-VI)</b>	<b>366.81</b>	<b>284.47</b>	<b>252.99</b>	<b>651.28</b>	<b>508.78</b>	<b>1,191.52</b>
<b>VIII</b>	<b>Other Comprehensive Income (net of taxes)</b>	<b>(43.53)</b>	<b>27.00</b>	<b>1.35</b>	<b>(16.53)</b>	<b>1.57</b>	<b>(102.33)</b>
<b>IX</b>	<b>Total Comprehensive Income (VII+VIII)</b>	<b>323.28</b>	<b>311.47</b>	<b>254.34</b>	<b>634.75</b>	<b>510.35</b>	<b>1,089.19</b>
	<b>Earnings per Share (of ₹ 10 each)*</b>						
	-Basic (₹)	21.82	16.95	15.11	38.78	30.41	71.19
	-Diluted (₹)	21.75	16.89	15.00	38.66	30.19	70.76
	Paid-up Equity Share Capital (Face value ₹ 10)	168.12	168.06	167.46	168.12	167.46	167.47
	Reserve excluding Revaluation Reserves as at March 31						7,376.43

\* EPS for the quarters / half year are not annualised

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**Notes:**

**1. Consolidated Statement of Assets and Liabilities**

(₹ in Crore)

S.no.	Particulars	As at		
		30-Sep-19	30-Sep-18	31-Mar-19
		(Reviewed)		(Audited)
<b>ASSETS</b>				
1	<b>Financial Assets</b>			
(a)	Cash and cash equivalents	4,330.10	4,071.23	4,033.96
(b)	Bank Balance other than (a) above	0.05	0.04	0.11
(c)	Derivative financial instruments	-	130.05	-
(d)	Trade Receivables	27.41	31.47	38.88
(e)	Loans	74,269.12	66,949.23	74,287.88
(f)	Investments	1,916.97	1,566.51	4,560.67
(g)	Other Financial Assets	696.14	392.13	512.99
	<b>Sub Total - Financial Assets</b>	<b>81,239.79</b>	<b>73,140.66</b>	<b>83,434.49</b>
2	<b>Non - Financial Assets</b>			
(a)	Current tax assets (Net)	143.93	61.87	115.60
(b)	Deferred tax Assets (Net)	65.28	40.34	60.99
(c)	Investment Property	0.80	0.82	0.56
(d)	Property, Plant and Equipment	77.83	67.50	78.34
(e)	Capital work-in-progress	11.34	5.54	3.81
(f)	Other Intangible assets	160.16	19.30	24.21
(g)	Intangible assets under developments	-	-	1.36
(h)	Other non-financial assets	37.83	138.20	18.52
(i)	Assets held for sale	203.14	155.53	131.11
	<b>Sub Total - Non - Financial Assets</b>	<b>700.31</b>	<b>489.10</b>	<b>434.50</b>
	<b>TOTAL - ASSETS</b>	<b>81,940.10</b>	<b>73,629.76</b>	<b>83,868.99</b>
<b>LIABILITIES</b>				
1	<b>Financial Liabilities</b>			
(a)	Derivative financial instruments	172.90	-	210.80
(b)	Payables			
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	114.41	125.92	127.16
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
(c)	Debt Securities	21,894.47	22,043.53	29,604.94

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S.no.	Particulars	As at		
		30-Sep-19	30-Sep-18	31-Mar-19
		(Reviewed)		(Audited)
(d)	Borrowings (Other than Debt Securities)	30,830.15	27,672.91	26,793.19
(e)	Deposits	16,549.44	11,998.49	14,023.04
(f)	Subordinated Liabilities	1,438.58	1,399.00	1,437.68
(g)	Other financial liabilities	1,818.30	1,890.38	2,091.26
	<b>Sub Total - Financial Liabilities</b>	<b>72,818.25</b>	<b>65,130.23</b>	<b>74,288.07</b>
2	<b>Non-Financial Liabilities</b>			
(a)	Provisions	35.51	20.51	25.26
(b)	Other non-financial liabilities	1,051.07	1,559.39	2,011.76
	<b>Sub Total - Non Financial Liabilities</b>	<b>1,086.58</b>	<b>1,579.90</b>	<b>2,037.02</b>
3	<b>EQUITY</b>			
(a)	Equity Share capital	168.12	167.46	167.47
(b)	Other Equity	7,867.15	6,752.17	7,376.43
	<b>Sub Total - Equity</b>	<b>8,035.27</b>	<b>6,919.63</b>	<b>7,543.90</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>81,940.10</b>	<b>73,629.76</b>	<b>83,868.99</b>

## 2. Consolidated Statement of Cash Flow

Cash flow from operating activities	Half year ended 30-Sep-19	Half year ended 30-Sep-18
Profit before tax	840.00	747.73
<b>Adjustment to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation	33.18	14.63
Loss on sale of property, plant and equipment	0.41	-
Impairment on financial instruments	300.75	98.16
Impairment/ (reversal of impairment) on assets held for sale	2.83	(1.38)
Net loss on financial asset at fair value through profit and loss	(0.67)	(3.28)
Share based payment expense	16.85	15.62
Effective interest rate on loans and investments	46.83	(18.52)
Effective interest rate on borrowings	38.86	198.41
Net gain on derecognition of financial instruments under amortised cost category	177.24	46.46
Derivative impact of external commercial borrowings	(31.97)	(166.47)
Leases	(3.98)	-
Bad debts Written-off	14.99	11.92
Operating profits before changes in working capital	595.32	195.55
<b>Working Capital changes</b>	1,435.32	943.28
Trade payables	(12.75)	6.32
Provision	9.05	1.31
Financial liabilities	(451.46)	895.78
Non-financial liabilities	(1,112.54)	(79.69)
Loans at amortised cost	(173.08)	(9,734.19)
Trade receivable	11.47	(31.14)
Other financial asset	(360.38)	(197.77)
Other non-financial asset	(19.31)	(118.04)
Investments (Net)	2,644.13	848.87
Asset held for sale	(74.85)	24.34

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<b>Cash flow from operating activities</b>	<b>Half year ended 30-Sep-19</b>	<b>Half year ended 30-Sep-18</b>
Right of use asset	(151.85)	-
Other bank balances	0.06	(0.01)
<b>Cash used in operations</b>	<b>308.49</b>	<b>(8,384.22)</b>
Taxes paid (net of refunds)	(238.39)	(265.69)
<b>Net cash from / (used) in operating activities</b>	<b>1,743.80</b>	<b>(7,440.94)</b>
<b>Cash flow from investing activities</b>		
Purchase of property plant and equipment and other intangible assets	(17.25)	(26.18)
Capital work-in-progress and intangible assets under development (net)	(6.17)	(9.61)
Sale of property plant and equipment and other intangible assets	0.04	-
<b>Net cash used in investing activities</b>	<b>(23.38)</b>	<b>(35.79)</b>
<b>Cash flow from financing activities</b>		
<b>Proceeds from borrowings</b>		
Debt securities & subordinated liabilities	500.00	1,165.99
Borrowings from bank	10,120.75	12,668.54
Deposits (net)	2,516.21	651.72
Lease	151.85	-
<b>Repayment of borrowings</b>		
Commercial paper	(3,444.00)	(2,150.00)
Debt securities & subordinated liabilities	(4,868.00)	-
Borrowings from bank	(6,010.02)	(3,197.38)
Proceeds from issue of share capital	0.65	0.87
Share premium received	29.02	38.65
Dividend paid (including dividend distribution tax)	(182.37)	(181.69)
<b>Net cash (used) / from financing activities</b>	<b>(1,185.89)</b>	<b>8,996.70</b>
<b>Net changes in cash &amp; cash equivalents</b>	<b>296.14</b>	<b>1,254.28</b>
Cash or cash equivalents at the beginning of the period	4,033.96	2,816.95
Cash or cash equivalents at the end the of the period	4,330.10	4,071.23
<b>Net increase / (decrease) of cash &amp; cash equivalents during the period</b>	<b>296.14</b>	<b>1,254.28</b>

Note: Figures in bracket denotes application of cash

- The consolidated financial results have been prepared in accordance with Ind AS 110 – Consolidated Financial Statements, prescribed under section 133 of the Companies Act, 2013 (the “Act”) read with the relevant rules issued thereunder and the other relevant provisions of the Act.
- Assets under management (AUM) have increased from ₹ 73,482 crores as on September 30, 2018 to ₹ 89,471 crores as on September 30, 2019 registering a growth of 22%. Loan book have increased from ₹ 66,792 crores as on September 30, 2018 to ₹ 74,353 crores as on September 30, 2019 registering a growth of 11%.
- Gross NPA as on September 30, 2019 is 0.84% as against 0.45% as on September 30, 2018.
- Effective April 01, 2019, the Company adopted Ind AS 116 “Leases” as notified by the Ministry of Corporate Affairs (MCA) and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method on the date of initial application. Consequently, the Company recorded the lease liability and right of use assets at the present value of the lease payments discounted at the incremental borrowing as on date of initial

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application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. Ind AS 116 will result in an increase in cash inflows from operating activities and increase in cash outflows from financing activities on account of lease payments. The overall impact on the profit for the period is insignificant.

7. The Company is principally engaged in the business of providing loans for purchase or construction of residential houses. All other activities of the Company revolve around the main business and accordingly, there are no separate reportable segments, as per the Ind AS 108 "Operating Segment" specified under section 133 of the Companies Act, 2013.
8. Pursuant to Taxation Laws (Amendment) Ordinance 2019, dated September 20, 2019, the Company intends to exercise the option permitted u/s 115BAA of the Income Tax Act, 1961 to compute income tax at the revised rate (i.e. 25.17%) from the current financial year. The tax expense for the quarter and half year ended September 30, 2019 is after considering the impact of the revised tax rates. The impact on account of remeasurement of deferred tax asset basis revised tax rate is insignificant.
9. During the quarter ended September 30, 2019, the Company has allotted 60,600 equity shares of ₹ 10 each pursuant to exercise of stock options by employees.
10. During the quarter ended September 30, 2019, there were no transactions in the nature of exceptional or extraordinary items.
11. Figures for the previous periods have been regrouped wherever necessary in order to make them comparable.

The Statutory Auditors of the Company have carried out limited review of the consolidated financial results for the quarter and half year ended September 30, 2019 in compliance of Regulation 33 of SEBI (LODR) Regulations, 2015. The above consolidated financial results has been reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at their meeting held on October 24, 2019.

**For PNB Housing Finance Limited**

**October 24, 2019**  
**New Delhi**

**Sanjaya Gupta**  
**Managing Director**  
**DIN 02939128**