

**Press Release**

For Immediate Release

**23<sup>rd</sup> January 2020, New Delhi**

**Consolidated Unaudited Financial Results for Q3 & 9M FY 2019-20 Ended 31<sup>st</sup> December 2019**

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Unaudited Financial Results for the quarter ended 31<sup>st</sup> December 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.

**Capital Raise Update**

The following is an update on Capital raise:

- PNB will maintain a minimum shareholding in PNB Housing at 26%. Further, PNB has confirmed that its stated objective is to continue to hold a minimum 26% shareholding in the Company and continue to be the promoter of the Company.
- PNB does not plan to sell any of its current holding.
- PNB Housing Finance Ltd. shall continue to use the PNB brand.

**Financial performance (Q3 FY19-20 vs Q3 FY18-19)**

- Net Interest Income at INR 566.1 crore vs INR 558.2 crore registering a growth of 1.4%.
- Profit after Tax degrew by 22% to INR 237.0 crore from INR 303.0 crore.
- The Spread on loans for Q3 FY19-20 stood at 2.53% compared to 2.56% for Q3 FY18-19.
- Net Interest Margin for Q3 FY19-20 stood at 2.98% compared to 3.06% for Q3 FY18-19.
- Gross Margin, net of acquisition cost, for Q3 FY19-20 stood at 3.04% compared to 3.39% for Q3 FY18-19.

**Financial performance (9M FY19-20 vs 9M FY18-19)**

- Net Interest Income at INR 1,820.0 crore vs INR 1,453.8 crore registering a growth of 25%.
- Profit after Tax increased by 9.42% to INR 888.3 crore from INR 811.8 crore.
- The Spread on loans for 9M FY19-20 stood at 2.56% compared to 2.27% for 9M FY18-19. Excluding the assignment income and other Ind AS adjustment i.e. as per IGAAP the Spread on loans for 9M of 2019-20 is 2.12 % compared to 1.93% for 9M FY18-19.
- Net Interest Margin for 9M FY19-20 stood at 3.11% compared to 2.85% for 9M FY18-19.
- Gross Margin, net of acquisition cost, for 9M FY19-20 stood at 3.31% compared to 3.26% for 9M FY18-19.
- The net worth as on 31<sup>st</sup> December 2019 stood at INR 8,325 crore.
- The cumulative ECL provision as on 31<sup>st</sup> December 2019 is INR 885 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 at 1.44% during 9M FY19-20 as compared to 1.51% during 9M FY18-19
- Gearing as on 31<sup>st</sup> December 2019 was 8.48 x compared to 9.66 x as on 31<sup>st</sup> December 2018.
- Return on Equity of 14.99% for 9M FY2019-20 vis a vis 16.22% for 9M FY2018-19.

**Business Operations**

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CIN: L65922DL1988PLC033856

- Disbursements stood at INR 15,800 crore during 9M FY19-20 compared to INR 27,518 crore in 9M FY18-19. Retail disbursements degrew by 26% YoY to INR 14,506 crore during 9M FY19-20. Corporate Finance disbursements degrew by 84% YoY to INR 1,293 crore during 9M FY19-20.
- Asset under Management (AUM) is at INR 86,297 crore as on 31<sup>st</sup> December 2019 moved from INR 79,737 crore as on 31<sup>st</sup> December 2018 registering a growth of 8% during the period with share of Retail Loans being 82% and Corporate loans being 18% of the AUM. During 9M FY19-20, the Company sold corporate book loans worth INR 1,963 crore. The AUM reported is net of the Sell down portfolio.
- Loan Assets degrew by 2% YoY to INR 69,194 crore as on 31<sup>st</sup> December 2019 from INR 70,717 crore as on 31<sup>st</sup> December 2018.

### **Borrowings**

- Total borrowings are at INR 70,559 crore as on 31<sup>st</sup> December 2019 expanded from INR 69,165.6 crore as on 31<sup>st</sup> December 2018 registering a growth of 2% during the period.
  - Share of commercial papers in the total borrowing reduced from INR 8,625 crore as on 31<sup>st</sup> December 2018 to INR 2,591 crore as on 31<sup>st</sup> December 2019.
- The Deposit portfolio grew by 26% to INR 16,470.4 crore as on 31<sup>st</sup> December 2019 from INR 13,085.7 crore as on 31<sup>st</sup> December 2018 with expanding retail penetration.
- Total assigned loans outstanding as on 31<sup>st</sup> December 2019 is at INR 17,103 crore.

### **Distribution and Service Network**

- As on 31<sup>st</sup> December 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 second quarter.
- The Company also services the customers through 27 outreach locations.

### **Asset Quality**

- Gross Non-Performing Assets (NPA) at an AUM level is at 1.45% as on 31<sup>st</sup> December 2019.
- GNPA stood at 1.75% of the Loan Assets as on 31<sup>st</sup> December 2019 against 0.47% as on 31<sup>st</sup> December 2018. Retail GNPA stood at 1.06% and Corporate GNPA stood at 4.17%.
- Net NPA stood at 1.25% of the Loan Assets as on 31<sup>st</sup> December 2019 against 0.37% as on 31<sup>st</sup> December 2018.

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

- The Company's CRAR based on IGAAP stood at 17.06% as on 31<sup>st</sup> December 2019, of which Tier I capital was 14.09% and Tier II capital was 2.97% compared to 15.67% with Tier I at 12.69% and Tier II at 2.98% as on 31<sup>st</sup> December 2019.
- The risk-weighted assets as on 31<sup>st</sup> December 2019 stood at INR 51,168 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:**

"Considering the external market scenario, the Company focussed towards conserving Tier 1 Capital, Liquidity, ALM, resolution of corporate loan book accounts and capital raise. As a result, the Capital

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adequacy ratio expanded to 17.06% and gearing improved to 8.47% as on 31<sup>st</sup> December 2019. Company also maintained healthy liquidity of INR 9,258 crore as of 31<sup>st</sup> December 2019.

While maintaining muted disbursements for rest of the current fiscal, we would continue to focus on raising Tier-1 capital, maintain adequate liquidity, resolution of corporate accounts and further reduce 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 9 months Ended  
December 31, 2019**

(₹ in Crore)

S.no.	Particulars	Quarter ended			Nine Months ended		Year ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Audited)
	<b>Revenue from Operations</b>						
(i)	Interest Income	1,890.35	2,015.88	1,764.07	5,885.64	4,899.97	6,792.86
(ii)	Fees and commission Income	47.69	80.00	109.48	220.46	341.44	449.44
(iii)	Net gain on fair value changes	32.50	23.97	51.76	95.90	78.54	128.93
(iv)	Income on derecognised (assigned) loans	104.22	109.86	152.43	333.40	214.16	308.09
<b>I</b>	<b>Total Revenue from Operations</b>	<b>2,074.76</b>	<b>2,229.71</b>	<b>2,077.74</b>	<b>6,535.40</b>	<b>5,534.11</b>	<b>7,679.32</b>
<b>II</b>	<b>Other Income</b>	<b>0.03</b>	<b>0.63</b>	<b>0.72</b>	<b>2.31</b>	<b>0.92</b>	<b>3.90</b>
<b>III</b>	<b>Total Income (I+II)</b>	<b>2,074.79</b>	<b>2,230.34</b>	<b>2,078.46</b>	<b>6,537.71</b>	<b>5,535.03</b>	<b>7,683.22</b>
	<b>Expenses</b>						
(i)	Finance Cost	1,461.03	1,521.27	1,410.25	4,494.98	3,738.86	5,166.37
(ii)	Impairment on financial instruments & Write-offs	180.79	151.58	70.14	496.53	178.84	188.95
(iii)	Employee Benefit Expenses	58.87	70.98	81.10	197.82	212.57	303.88
(iv)	Depreciation and Amortisation	18.13	16.79	7.59	51.31	22.22	31.37
(v)	Fees and commission expense	0.95	2.65	12.95	7.07	46.68	54.62
(vi)	Other Expenses	56.77	41.10	54.84	151.75	146.54	203.64
<b>IV</b>	<b>Total Expenses</b>	<b>1,776.54</b>	<b>1,804.37</b>	<b>1,636.87</b>	<b>5,399.46</b>	<b>4,345.71</b>	<b>5,948.83</b>
<b>V</b>	<b>Profit Before Tax (III-IV)</b>	<b>298.25</b>	<b>425.97</b>	<b>441.59</b>	<b>1,138.25</b>	<b>1,189.32</b>	<b>1,734.39</b>
	Tax Expense:						
	-Current Tax	91.20	72.12	117.55	301.27	369.83	503.48
	-Deferred Tax (net)	(29.97)	(12.96)	21.07	(51.32)	7.74	39.39
<b>VI</b>	<b>Total Tax Expense</b>	<b>61.23</b>	<b>59.16</b>	<b>138.62</b>	<b>249.95</b>	<b>377.57</b>	<b>542.87</b>
<b>VII</b>	<b>Net Profit after Tax (V-VI)</b>	<b>237.02</b>	<b>366.81</b>	<b>302.97</b>	<b>888.30</b>	<b>811.75</b>	<b>1,191.52</b>
<b>VIII</b>	<b>Other Comprehensive Income (net of taxes)</b>	<b>43.18</b>	<b>(43.53)</b>	<b>(72.57)</b>	<b>26.65</b>	<b>(71.00)</b>	<b>(102.33)</b>
<b>IX</b>	<b>Total Comprehensive Income (VII+VIII)</b>	<b>280.20</b>	<b>323.28</b>	<b>230.40</b>	<b>914.95</b>	<b>740.75</b>	<b>1,089.19</b>
	<b>Earnings per Share (of ₹ 10 each)*</b>						
	-Basic (₹)	14.10	21.82	18.09	52.87	48.51	71.19
	-Diluted (₹)	14.06	21.76	17.97	52.75	48.18	70.76
	Paid-up Equity Share Capital (Face value ₹ 10)	168.19	168.12	167.47	168.19	167.47	167.47
	Reserve excluding Revaluation Reserves as at March 31						7,376.43

\* EPS for the quarters / nine months ended are not annualised

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**Notes:**

1. 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.
2. Assets under management (AUM) have increased from ₹ 79,737 crores as on December 31, 2018 to ₹ 86,297 crores as on December 31, 2019 registering a growth of 8%. Loan Assets have decreased from ₹ 70,717 crores as on December 31, 2018 to ₹ 69,194 crores as on December 31, 2019 registering a decline of 2%.
3. Gross NPA as on December 31, 2019 is 1.75% as against 0.47% as on December 31, 2018.
4. 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 application. Comparatives as at and for the year ended March 31, 2019
5. 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.
6. 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 nine month ended December 31, 2019 is after considering the impact of the revised tax rates.
7. During the quarter ended December 31, 2019, the Company has allotted 62,145 equity shares of ₹ 10 each pursuant to exercise of stock options by employees.
8. During the quarter ended December 31, 2019, there were no transactions in the nature of exceptional or extraordinary items.
9. 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 nine month ended December 31, 2019 in compliance of Regulation 33 of SEBI (LODR) Regulations, 2015. The above consolidated financial results have been reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at their meeting held on January 23, 2020.

**For PNB Housing Finance Limited**

**January 23, 2020**  
**New Delhi**

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