

Press Release

For Immediate Release

27th October 2022, New Delhi

Consolidated Unaudited Financial Results for Q2 & H1 FY2022-23 Ended 30th September 2022

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Unaudited Financial Results for the quarter and half year ended 30th September 2022. 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 FY22-23 vs Q2 FY21-22 and Q1 FY22-23)

- Profit after Tax increased by 12% YoY and 12% QoQ to INR 263 crore.
- Net Interest Income improved by 29% YoY and 75% QoQ to INR 649 crore. During the quarter, there was a net positive impact of INR 109 crore on assigned loans.
- Operating expenditure increased by 15% YoY and 11% QoQ to INR 136 crore.
- Pre provision Operating Profit improved by 35% YoY and 62% QoQ to INR 584 crore.
- Spread on loans stood at 3.38% in Q2 FY23 as compared to 2.40% in Q2 FY22 and 1.42% in Q1 FY23. Excluding the net positive impact on assigned loans, the Spread for Q2 FY22-23 is 2.61%.
- Net Interest Margin stood at 4.14% in Q2 FY23 as compared to 3.01% in Q2 FY22 and 2.36% in Q1 FY23.
- Gross Margin, net of acquisition cost, stood at 4.47% in Q2 FY23 as compared to 3.26% in Q2 FY22 and 3.00% in Q1 FY23.

Financial performance (H1 FY22-23 vs H1 FY21-22)

- Profit after Tax is at INR 498 crore vs INR 479 crore registering an increase of 4% YoY.
- Net Interest Income stood at INR 1,019 crore compared to INR 1,053 crore registering a decline of 3%.
- Operating Expenditure is at INR 258 crore vs INR 234 crore registering an increase of 10%.
- Pre provision Operating Profit increased by 4% to INR 943 crore from INR 908 crore.
- ECL provision as on 30th Sept 2022 is INR 2,162 crore resulting in total provision to assets ratio at 3.74%.
- Spread on loans stood at 2.39% compared to 2.53% for H1 FY21-22. Excluding the net positive impact on assigned loan, the Spread for H1 FY22-23 is 2.12%.
- Net Interest Margin stood at 3.25% as compared to 3.10% in H1 FY22.
- Gross Margin, net of acquisition cost, is at 3.74% as compare to 3.31% in H1 FY22.
- Return on Asset (annualized) is at 1.56% as compared to 1.24% in FY22.
- Gearing, as on 30th Sept 2022, reduced to 5.0x compared to 5.89x as on 30th Sept 2021 and 5.1x as on 30th June 2022
- Return on Equity (annualized) at 9.75% as compared to 8.92% for FY22

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CIN: L65922DL1988PLC033856

Business Operations

- The disbursements during H1 FY22-23 grew by 49% YoY to INR 7,045 crore. For Q2 FY22-23 stood at INR 3,594 crore compared to INR 2,961 crore in Q2 FY21-22 registering an increase of 21%.
 - Retail disbursement was 98% of total disbursements in H1 FY22-23.
 - During H1 FY22-23, the Company disbursed gross amount of INR 225 crore under Co-lending in 20:80 ratio.
- Asset under Management (AUM) is at INR 65,730 crore as on 30th Sept 2022 as compared to INR 70,870 crore as on 30th Sept 2021 (as per IndAS).
- The Loan Asset stood at INR 57,832 crore as on 30th Sept 2022 as compared to INR 60,342 crore as on 30th Sept 2021 and INR 57,287 crore as on 30th June 2022 (as per IndAS).
 - Retail loans are at INR 52,124 crore as on 30th Sept 2022, registering an increase of 4% compared to 30th Sept 2021 and 2% compared to 30th June 2022.
 - Corporate loans are at INR 5,708 crore as on 30th Sept 2022, reduced by 44% as compared to 30th Sept 2021 and 8% compared to 30th Jun 2022.
- As on 30th Sept 2022, INR 2,147 crore has been restructured under the RBI's resolution framework for Covid19 related stress.

Distribution and Service Network

- The Company has 105 branches with presence in 74 cities, 46 outreach locations and 22 Hubs.
 - The Company has 39 Affordable segment locations in Tier 2 and 3 cities as on 30th Sept 2022

Asset Quality

- Gross Non-Performing Assets (as per IndAS) reduced by 3.7% QoQ to INR 3,502 crore as on 30th Sept 2022. The GNPA as a percent of Loan Asset (IndAS) is 6.06% as on 30th Sept 2022 as compared to 6.35% as on 30th June 2022.
 - Retail GNPA reduced by 7.2% during the quarter to INR 1,769 crore (3.39% of Retail Loan Asset) as on 30th Sept 2022
 - Corporate GNPA remained stable QoQ to INR 1,734 crore (30.37% of Corporate Loan Asset) as on 30th Sept 2022.
- Net NPA, as per IndAS, stood at 3.59% of the Loan Assets as on 30th Sept 2022 as compared to 4.26% as on 30th June 2022.

Capital to Risk Asset Ratio (CRAR)

- The Company's CRAR based on IndAS stood at 24.1%% as on 30th Sept 2022, of which Tier I capital was 21.8% and Tier II was 2.3% as compared to 20.7% as on 30th Sept 2021, of which Tier I capital was 17.8% and Tier II capital was 2.8%.
- CRISIL revised the outlook of credit rating for Non-Convertible Debentures to 'Stable' from Negative on 22nd October 2022.

Commenting on the performance Mr. Girish Kousgi, Managing Director & CEO said:

“The demand in the mortgage industry continues to remain robust. As we capitalize on the retail sector, we are also focusing on affordable segment. We have 39 locations operationalized as on 30th Sept 2022, which we intend to expand to over 65 locations by the end of the financial year 2023. The Company is steadfast in its commitment of growing its retail loan asset, improving asset quality while being profitable.”

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 7th November 2016. The Company's asset base comprises 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.

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and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of factors, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions in India. This communication is for general information purpose only, without regard to specific objectives, financial situations and needs of any particular person. This release does not constitute an offer or invitation to purchase or subscribe for any shares in the Company and neither any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The Company may alter, modify or otherwise change in any manner the content of this release, without obligation to notify any person of such revision or changes.

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Statement of consolidated financial results for the quarter ended September 30, 2022

(₹ in crore)

S.no.	Particulars	Quarter ended			Half year ended		Year ended
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
		(Unaudited)			(Unaudited)		(Audited)
	Revenue from operations						
(i)	Interest income	1,597.54	1,298.66	1,499.88	2,896.20	3,111.28	5,822.00
(ii)	Fees and commission income	71.90	110.06	45.53	181.96	84.18	262.55
(iii)	Net gain on fair value changes	6.05	-	37.91	6.05	79.67	111.38
(iv)	Income on derecognised (assigned) loans	8.92	1.98	-	10.90	-	-
I	Total revenue from operations	1,684.41	1,410.70	1,583.32	3,095.11	3,275.13	6,195.93
II	Other income	(0.98)	1.29	3.09	0.31	4.16	4.80
III	Total income (I+II)	1,683.43	1,411.99	1,586.41	3,095.42	3,279.29	6,200.73
	Expenses						
(i)	Finance cost	963.87	930.26	1,034.78	1,894.13	2,137.66	4,064.46
(ii)	Impairment on financial instruments & write-offs	243.23	48.28	141.83	291.51	301.34	576.36
(iii)	Employee benefits expenses	68.38	61.12	56.50	129.50	112.33	216.61
(iv)	Net loss on fair value changes	(0.94)	0.94	-	-	-	-
(v)	Depreciation and amortisation	13.18	13.03	13.43	26.21	26.25	53.39
(vi)	Fees and commission expense	1.59	3.41	0.73	5.00	2.41	11.12
(vii)	Other expenses	53.69	43.85	47.94	97.54	92.85	194.83
IV	Total expenses	1,343.00	1,100.89	1,295.21	2,443.89	2,672.84	5,116.77
V	Profit before tax (III-IV)	340.43	311.10	291.20	651.53	606.45	1,083.96
	Tax expense:						
	-Current tax	85.01	38.89	74.91	123.90	192.93	249.15
	-Deferred tax ((credit)/charge)	(7.21)	37.25	(18.92)	30.04	(64.97)	(1.67)
VI	Total tax expense	77.80	76.14	55.99	153.94	127.96	247.48
VII	Net profit after tax (V-VI)	262.63	234.96	235.21	497.59	478.49	836.48
VIII	Other comprehensive income						
	A (i) Items that will not be reclassified to profit or loss:						
	Remeasurement gain/ (loss) on defined benefit plan	(1.74)	1.80	(1.70)	0.06	(0.54)	1.34
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.44	(0.45)	0.43	(0.01)	0.14	(0.34)
	B (i) Items that will be reclassified to profit or loss:						
	Cash flow hedge	70.01	11.83	17.21	81.84	2.05	128.69
	(ii) Income tax relating to items that will be reclassified to profit or loss	(17.62)	(2.98)	(4.34)	(20.60)	(0.52)	(32.39)
IX	Total comprehensive income (VII+VIII)	313.72	245.16	246.81	558.88	479.62	933.78
	Earnings per share (of ₹ 10 each)*						
	-Basic (₹)	15.57	13.94	13.96	29.51	28.41	49.64
	-Diluted (₹)	15.55	13.92	13.92	29.47	28.34	49.53
	Paid-up equity share capital (Face value of ₹ 10)	168.62	168.61	168.58	168.62	168.58	168.60
	Reserves (excluding revaluation reserves) as at March 31						9,703.03

* EPS for the quarters are not annualised

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Consolidated Statement of Assets and Liabilities

(₹ in crore)

S.no.	Particulars	As at		
		30-Sep-22	30-Sep-21	31-Mar-22
		(Unaudited)		(Audited)
	ASSETS			
1	Financial assets			
(a)	Cash and cash equivalents	3,245.78	5,693.17	5,065.62
(b)	Bank balance other than (a) above	0.07	0.07	150.47
(c)	Derivative financial instruments	645.40	13.64	242.25
(d)	Trade receivables	23.23	10.06	42.80
(e)	Loans	55,670.10	57,514.71	55,335.94
(f)	Investments	3,343.71	2,201.01	3,482.70
(g)	Other financial assets	748.16	818.15	673.91
	Sub total - financial assets	63,676.45	66,250.81	64,993.69
2	Non - financial assets			
(a)	Current tax assets (net)	138.97	-	47.30
(b)	Deferred tax assets (net)	348.26	494.06	398.90
(c)	Investment property	0.52	0.54	0.53
(d)	Property, plant and equipment	68.18	74.67	71.38
(e)	Right of use assets	65.35	71.48	60.47
(f)	Capital work-in-progress	-	0.14	-
(g)	Other Intangible assets	16.13	17.41	18.02
(h)	Intangible assets under developments	1.19	2.48	3.54
(i)	Other non-financial assets	43.27	34.76	26.95
(j)	Assets held for sale	106.97	124.03	108.83
	Sub total - non - financial assets	788.84	819.57	735.92
	TOTAL - ASSETS	64,465.29	67,070.38	65,729.61
	LIABILITIES			
1	Financial liabilities			
(a)	Derivative financial instruments	-	-	-
(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	21.94	17.61	16.29
	(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	4,073.08	7,742.07	6,201.97
(d)	Borrowings (other than debt securities)	28,919.12	29,001.82	27,715.84
(e)	Deposits	17,367.47	16,774.47	17,648.98
(f)	Subordinated liabilities	1,438.27	1,438.70	1,438.18
(g)	Other financial liabilities	2,047.47	2,422.71	2,520.79
	Sub total - financial liabilities	53,867.35	57,397.38	55,542.05
2	Non financial liabilities			
(a)	Current tax liabilities	-	52.17	-
(b)	Provisions	22.37	25.46	17.33
(c)	Other non-financial liabilities	137.27	178.12	298.60
	Sub total - non financial liabilities	159.64	255.75	315.93
3	EQUITY			
(a)	Equity share capital	168.62	168.58	168.60
(b)	Other equity	10,269.68	9,248.67	9,703.03
	Subtotal - equity	10,438.30	9,417.25	9,871.63
	TOTAL - EQUITY AND LIABILITIES	64,465.29	67,070.38	65,729.61

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Notes:

- The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other accounting principles generally accepted in India and are in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
- 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.
- The Company's main business is to provide loans against/for purchase, construction, repairs & renovations of houses/flats/commercial properties etc. All other activities of the Company revolve around the main business. As such, there are no separate reportable segment, as per the Operating Segments (Ind AS 108), notified by the Companies (Accounting Standard) Rules, 2015.
- Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below.

(₹ in crore)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) (\$)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year (@)
Personal Loans*	2,088.20	389.51	-	38.71	1,909.40
Corporate persons					
of which, MSMEs					
Others^	331.89	6.30	-	1.74	237.79
Total	2,420.09	395.81	-	120.45	2,147.19

* Retail loans

\$ Principal outstanding as at the end of the previous half year (i.e. as on March 31, 2022).

@ Principal outstanding (including capitalised interest, disbursement) for the live restructured accounts as on Sep 30, 2022.

^Corporate finance loans

- Disclosure of loans transferred / acquired during the quarter and half year ended September 30, 2022, pursuant to RBI Notification dated September 24, 2021 on "Transfer of Loan Exposures" are given below:

(i) Details of loans not in default transferred:

(₹ in crore)

Particulars	Colending	
	Quarter ended	
	30-Jun-22	30-Sep-22
Total amount of loans transferred through colending (₹ in crore)	61.26	118.76
Weighted average residual maturity (in months)	215	221
Weighted average holding period (in months)	5	8
Retention of beneficial economic interest	20%	20%

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Coverage of tangible security coverage	100%	100%
Rating-wise distribution of rated loans	unrated	unrated

(ii) Details of stressed loans transferred:

(₹ in crore)

Particulars	To Asset Reconstruction Companies (ARC) - NPA	
	Quarter ended	
	30-Jun-2022*	30-Sep-22
Number of accounts	2	35
Aggregate principal outstanding of loan transferred	186.96	62.52
Weighted average residual tenor of the loans transferred (years)	6.55	12.66
Net book value of loans transferred (at the time of transfer)	61.46	43.76
Aggregate consideration	140.00	31.26
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Excess provisions reversed to the profit and loss account on account of sale	-	-

* Security Receipts are unrated and ARC shall obtain initial recovery rating of Security Receipts from an approved credit rating agency within a period of 6 months from the date of acquisition.

(iii) The Company has not acquired any stressed loan or "loans not in default".

6. During the quarter ended September 30, 2022, the Company has allotted 2,140 equity shares of ₹ 10 each pursuant to exercise of stock options by employees.

7. Figures for the previous periods have been regrouped wherever necessary in order to make them comparable with the current period.

The Joint Statutory Auditors of the Company have reviewed the consolidated financial results for the quarter and period ended September 30, 2022, in compliance of Regulations 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. 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 27, 2022.

For and on behalf of the Board of Directors

Girish Kousgi
Managing Director & CEO
DIN: 08524205

Date: October 27, 2022

Place: New Delhi