

Date: July 28, 2022

BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
Scrip Code: 540173

National Stock Exchange of India Limited,
Listing Department
“Exchange Plaza”
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
Symbol: PNBHOUSING

Dear Sir/Madam,

Sub: Press Release on the Financial Performance of the Company for the quarter ended June 30, 2022

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find attached herewith the Press Release of the Company for the quarter ended June 30, 2022.

A copy of the same is placed on the website of the Company <https://www.pnbhousing.com/>

This is for your information and records.

Thanking You.

For **PNB Housing Finance Limited**



Sanjay Jain
Company Secretary & Head Compliance
Membership No. F2642
Encl: As above

Press Release

For Immediate Release

28th July 2022, New Delhi

Consolidated Unaudited Financial Results for Q1 FY2022-23 Ended 30th June 2022

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Unaudited Financial Results for the quarter ended 30th June 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.

Key Highlights (Q1 FY22-23)

- Disbursements grew by 96% YoY to INR 3,451 crore on account of retail segment
- Retail Loan Asset increased by 1.7% YoY and 1.1% QoQ to INR 50,295 crore
- Gross NPA decreased by 7.4% YoY and 22.7% QoQ to INR 3,639 crores primarily driven by corporate book.
- Gearing stood at 5.1x, improved by 122 bps YoY
- Capital Risk Adequacy Ratio, based on IndAS, stood at 23.9% as on 30th June 2022; Tier I capital was 21.4% and Tier II was 2.5%.

Financial performance (Q1 FY22-23 vs Q1 FY21-22 and Q4 FY21-22)

- Net Interest Income declined by 33% YoY and 2% QoQ to INR 370 crore on account of reduction in corporate book.
- Operating expenditure increased by 5% YoY and declined by 3% QoQ to INR 121 crore.
- Pre provision Operating Profit declined by 24% YoY and 2% QoQ to INR 360 crore.
- Profit after Tax decreased by 3% YoY and increased by 39% QoQ to INR 235 crore.
- Net Interest Margin stood at 2.4% in Q1 FY23 as compared to 3.2% in Q1 FY22 and 2.3% in Q4 FY22.
- Gross Margin, net of acquisition cost, stood at 3.0% in Q1 FY23 as compared to 3.3% in Q1 FY22 and 3.01% in Q4 FY22.
- The ECL provision as on 30th June 2022 is INR 2,016 crore resulting in total provision to assets ratio at 3.52%.
- Return on Asset (annualized) is at 1.47% as compared to 1.24% in FY22.
- Gearing, as on 30th June 2022, reduced considerably to 5.1x compared to 6.3x as on 30th June 2021 and 5.37x as on 31st March 2022
- Return on Equity (annualized) at 9.3% as compared to 8.9% for FY22.

Business Operations

- The disbursements during Q1 FY22-23 stood at INR 3,451 crore compared to INR 1,759 crore in Q1 FY21-22 registering an increase of 96%. Retail disbursement was 98% of total disbursements in Q1 FY22-23. During the quarter, the Company disbursed gross amount of INR 76.5 crore under Co-lending in 20:80 ratio.

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CIN: L65922DL1988PLC033856

- Asset under Management (AUM) is at INR 64,850 crore as on 30th June 2022 with Retail AUM at 91% of AUM as compared to 85% as on 30th June 2021. Corporate AUM declined by 45% YoY to INR 6,006 crore as on 30th June 2022 as compared to INR 10,989 crore as on 30th June 2021. The decline in Corporate AUM is primarily on account of sell down and accelerated payments.
- The Loan Asset stood at INR 56,301 crore as on 30th June 2022 as compared to INR 60,438 crore as on 30th June 2021 and INR 56,889 crore as on 31st March 2022.
 - Retail loans are at INR 50,295 crore as on 30th June 2022 compared to INR 49,450 crore as on 30th June 2021 and INR 49,730 crore as on 31st March 2022.
 - Corporate loans are at INR 6,006 crore as on 30th June 2022 compared to INR 10,989 crore as on 30th June 2021 and INR 7,159 crore as on 31st March 2022.

Distribution and Service Network

- The Company has 105 branches with presence in 73 cities, 42 outreach locations and 22 Hubs.
 - The Company opened 10 new Unnati locations in Tier 2 and 3 cities during Q1 FY22-23. Total Unnati locations is 34 as on 30th June 2022.

Asset Quality

- Gross Non-Performing Assets (as per IndAS) reduced by 7% YoY and 23% QoQ to INR 3,639 crore as on 30th June 2022. The GNPA as a percent of Loan Asset is 6.35% as on 30th June 2022 as compared to 6.40% as on 30th June 2021 and 8.12% as on 31st March 2022.
 - Retail GNPA reduced by 3% during the quarter to INR 1,907 crore (3.7% of Retail Loan Asset) as on 30th June 2022
 - Corporate GNPA reduced by 37% during the quarter to INR 1,732 crore (28% of Corporate Loan Asset) as on 30th June 2022.
- Net NPA, as per IndAS, stood at 4.26% of the Loan Assets as on 30th June 2022 as compared to 5.06% as on 31st March 2022.

Borrowings

- Total borrowings are at INR 51,845 crore as on 30th June 2022 as against INR 58,338 crore as on 30th June 2021.
 - The Deposit portfolio stood at INR 17,990 crore as on 30th June 2022 as compared to INR 17,181 crore as on 30th June 2021.
- Total assigned loans outstanding as on 30th June 2022 is at INR 8,488 crore as compared to INR 11,390 crore as on 30th June 2021. No new loan assignment is done in Q1FY23.

Capital to Risk Asset Ratio (CRAR)

- The Company's CRAR based on IndAS stood at 23.9% as on 30th June 2022, of which Tier I capital was 21.4% and Tier II was 2.5% as compared to 21.4% as on 30th June 2021, of which Tier I capital was 18.4% and Tier II capital was 3.0%.
- The risk-weighted assets as on 30th June 2022 stood at INR 40,806 crore.

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Capital Raise

- PNB secured RBI approval to participate in the Rights Issue upto INR 500 crore in order to maintain banks shareholding at 30% or below but above 26%, and to retain status as promoter.
- Company received a final settlement order on 19th July 2022 whereby issues raised under the SEBI letter dated 25th June 2021 wrt preferential issue have been settled in terms of the SEBI (Settlement Proceedings) Regulations, 2018.

Covid-19 Update

As advised by various State and Central Government, PNB Housing has complied with all the directives issued with respect to Covid-19. The Company's offices continue to adhere to the guidelines issued by various state and federal governments. Over 93% of our employees are fully vaccinated, and 100% are vaccinated with atleast one shot.

As on 30th June 2022, INR 2,330 crore (4.1% of Loan Asset) has been restructured under the RBI's resolution framework for Covid19 related stress.

As a socially responsible corporate, we continue to drive action towards sustainable development of communities around us by promoting quality education through infrastructure development and bringing Holistic welfare for construction workers. We have provided education and skill development opportunities to 17,000+ children till date. Through our welfare schemes we have worked towards upliftment of more than 10,000 construction worker till now.

Commenting on the performance Mr. Hardayal Prasad, Managing Director & CEO said:

“The demand for real estate sector remains robust with 9-11% growth expected by ICRA in FY23. To leverage this opportunity, we continue to concentrate on the retail sector to accelerate growth. Our retail disbursement during the quarter registered 106% increase YoY. During the quarter to expand our footprints in the affordable segment, we opened 10 new Unnati locations. We continue to remain persistent towards improving its asset quality, which has led to a reduction in gross NPA by 23% QoQ to INR 3,639 crore in Q1FY23.”

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.

Disclaimer

No representation or warranty, express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained in this release. The information contained in this release is only current as of its date. Certain statements made in this release may not be based on historical information or facts and may be "forward looking statements", including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects, and future developments in its industry and its competitive 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.

For more Information, please contact:

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

S.no.	Particulars	Quarter ended			Year ended
		30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
		(Unaudited)	(Audited) (Refer Note 7)	(Unaudited)	(Audited)
	Revenue from operations				
(i)	Interest income	1,298.66	1,299.48	1,611.40	5,822.00
(ii)	Fees and commission income	110.06	118.05	38.65	262.55
(iii)	Net gain on fair value changes	-	7.89	41.76	111.38
(iv)	Income on derecognised (assigned) loans	1.98	-	-	-
I	Total revenue from operations	1,410.70	1,425.42	1,691.81	6,195.93
II	Other income	1.29	0.41	1.07	4.80
III	Total income (I+II)	1,411.99	1,425.83	1,692.88	6,200.73
	Expenses				
(i)	Finance cost	930.26	930.69	1,102.88	4,064.46
(ii)	Impairment on financial instruments & write-offs	48.28	145.54	159.51	576.36
(iii)	Employee benefits expenses	61.12	54.27	55.83	216.61
(iv)	Net loss on fair value changes	0.94	-	-	-
(v)	Depreciation and amortisation	13.03	14.01	12.82	53.39
(vi)	Fees and commission expense	3.41	5.37	1.68	11.12
(vii)	Other expenses	43.85	52.17	44.91	194.83
IV	Total expenses	1,100.89	1,202.05	1,377.63	5,116.77
V	Profit before tax (III-IV)	311.10	223.78	315.25	1,083.96
	Tax expense:				
	-Current tax	38.89	59.15	118.02	249.15
	-Deferred tax ((credit)/charge)	37.25	(4.91)	(46.05)	(1.67)
VI	Total tax expense	76.14	54.24	71.97	247.48
VII	Net profit after tax (V-VI)	234.96	169.54	243.28	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	1.80	0.68	1.16	1.34
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.45)	(0.17)	(0.29)	(0.34)
	B (i) Items that will be reclassified to profit or loss: Cash flow hedge	11.83	95.01	(15.16)	128.69
	(ii) Income tax relating to items that will be reclassified to profit or loss	(2.98)	(23.91)	3.82	(32.39)
IX	Total comprehensive income (VII+VIII)	245.16	241.15	232.81	933.78
	Earnings per share (of ₹ 10 each)*				
	-Basic (₹)	13.94	10.06	14.45	49.64
	-Diluted (₹)	13.92	10.03	14.44	49.53
	Paid-up equity share capital (Face value of ₹ 10)	168.61	168.60	168.51	168.60
	Reserves (excluding revaluation reserves) as at March 31				9,703.03

* EPS for the quarters are not annualised

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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.
- Disclosure of loans transferred / acquired during the quarter ended June 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:

Particulars	Colending
Total amount of loans transferred through colending (₹ in crore)	61.26
Weighted average residual maturity (in months)	215
Weighted average holding period (in months)	5
Retention of beneficial economic interest	20%
Coverage of tangible security coverage	100%
Rating-wise distribution of rated loans	Unrated

(ii) Details of stressed loans transferred:

(₹ in crore)

Particulars	To Asset Reconstruction Companies (ARC)
	NPA
Number of accounts	2
Aggregate principal outstanding of loan transferred	186.96
Weighted average residual tenor of the loans transferred (years)	6.55
Net book value of loans transferred (at the time of transfer)	61.46
Aggregate consideration	140.00
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".

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5. Pursuant to the RBI circular dated November 12, 2021 "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has implemented the requirements and aligned its definition of default accordingly during the quarter ended December 31, 2021. On February 15, 2022, RBI allowed deferment till September 30, 2022 of para 10 of the above circular pertaining to upgrade of non-performing assets. However, the Company has not opted for this deferment. Such alignment has resulted in ₹ 63.23 crore as additional non-performing assets as at June 30, 2022 and provided as per norms.
6. During the quarter ended June 30, 2022, the Company has allotted 14,943 equity shares of ₹ 10 each pursuant to exercise of stock options by employees.
7. Figures for the quarter ended March 31, 2022 are the balancing figures between audited figures for the full financial year and the reviewed year to date figure upto the third quarter of the financial year.
8. 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 ended June 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 July 28, 2022.

For and on behalf of the Board of Directors

Date: July 28, 2022

Place: New Delhi

Hardayal Prasad

Managing Director & CEO

DIN: 08024303