

Press Release

For Immediate Release

09th August, 2018, New Delhi

Consolidated Unaudited Financial Results for Q1 FY 2018-19 Ended 30th June, 2018

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Unaudited Financial Results for the quarter ended 30th June, 2018. The accounts have been subjected to a limited review by the Company's Statutory Auditors in line with the regulatory guidelines. As per the notifications issued by the Ministry of Corporate Affairs and National Housing Bank, the Company has adopted Indian Accounting Standards i.e. IndAS from 1st April 2018. The financial numbers for Q1 FY17-18 and Q1 FY18-19 are based in IndAS.

Financial performance (Q1 FY18-19 vs Q1 FY17-18)

- Net Interest Income at INR 432.8 crore vs INR 339.3 crore registering a growth of 28%.
- Profit after Tax increased by 50% to INR 255.8 crore from INR 170.1 crore.
- The spread on loans for Q1 FY18-19 stood at 2.11% compared to 2.15% for Q1 FY17-18.
- Net Interest Margin for Q1 FY18-19 stood at 2.74% compared to 3.10% for Q1 FY17-18.
- Gross Margin, net of acquisition cost, for Q1 FY18-19 stood at 3.21%.
- The cumulative ECL provision as on 30th June 2018 is INR 329.5 crore. In addition to the ECL provision, the Company has maintained INR 145.54 crore as a steady state provisions for unforeseeable macro-economic factors.
- Return on Asset is maintained at 1.54% on an average gearing of 8.66 against 6.46 during Q1 FY17-18 resulting in expansion in Return on Equity to 15.75% for Q1 FY2018-19 vis a vis 11.85% for Q1 FY2017-18.

Business Operations

- Disbursements increased by 25% to INR 9,767.3 crore during Q1 FY18-19 from INR 7,793.9 crore over Q1 FY17-18.
- Asset under Management (AUM) is at INR 68,577.5 crore as on 30th June, 2018 from INR 46,755.2 crore as on 30th June, 2017 registering a growth of 47% during the period. The Housing Loans consists of 70% and Non Housing 30% of the AUM.
- Loan Outstanding grew by a healthy rate of 45% YoY to INR 63,905.8 crore as on 30th June, 2018.

Borrowings

- Total borrowings is at INR 60,439.7 crore as on 30th June, 2018 from INR 39,563.8 crore as on 30th June 2017 registering a growth of 53% during the period.
- The Deposit portfolio grew by 17% to INR 11,723.7 crore as on 30th June, 2018 from INR 10,025.2 crore as on 30th June, 2017.
- The total outstanding loans assigned amounted to INR 4,671.7 crore as on 30th June, 2018.

Distribution and Service Network

- As on 30th June, 2018 the Company has 85 branches with presence in 48 unique cities and 21 Hubs. This includes 1 branch, which was made operational during the quarter. The Company also services the customers through 34 outreach locations.

Asset Quality

- Gross Non-Performing Assets (NPA) stood at 0.43% of the Loan Assets as on 30th June, 2018 against 0.43% as on 30th June, 2017. At an AUM level the Gross NPA falls further to 0.41%.

- Net NPA stood at 0.33% of the Loan Assets as on 30th June, 2018 against 0.33% as on 30th June, 2017.

Capital to Risk Asset Ratio (CRAR)

- The Company's CRAR as on 30th June, 2018 stood at 14.87%, of which Tier I capital was 11.41% and Tier II capital was 3.46%. As per the regulatory norms, the minimum requirement for the CRAR and Tier I capital is 12% and 6% respectively.

Credit Rating

- PNB Housing Finance Fixed Deposit programme has been rated "FAAA" by CRISIL and "AAA" by CARE. The rating of "FAAA" and "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 "AAA" by CARE, "AAA (RWN)" by India Ratings, "AA+" by CRISIL and "AA+" by ICRA. Further the bank loans long term rating is rated at "AAA" by CARE and AA+ by CRISIL.

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

'We continue to register a strong double digit growth in all our business and financial vectors. We are the fastest growing HFC amongst the top 5 HFCs in India. However, we believe in a profitable growth hence pre-empting the interest rate scenario, increased our lending rates on the book as well as on incremental disbursements.

We are in the midst of a stake sale whereby our promoter i.e. Punjab National Bank and our second largest shareholder i.e. Quality Investment Holdings, the Carlyle group, have started the process to sell the controlling stake in the Company. While the process is underway, we continue to focus on our business and growth strategy."

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 offer its retail customers “housing and non-housing loans”. The Company is also into construction finance loans to real estate developers for residential housing. PNB Housing Finance is a deposit taking Housing Finance Company.

Safe Harbour Statement

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**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER
ENDED JUNE 30, 2018**

(₹ in crores)	
Particulars	Quarter ended 30.06.2018 (Unaudited)
Income:	
Revenue from operations	1,648.11
Other Income	0.20
Total Income	1,648.31
Expenditure:	
Finance Cost	1,099.75
Employee Benefit Expenses	50.58
Other Expenses	72.00
Depreciation Expense	6.72
Provisions for Expected Credit Loss and Write-offs	44.01
Total Expenditure	1,273.06
Profit Before Tax	375.25
Tax Expenses	119.46
Profit After Tax	255.79
Other Comprehensive Income (net of tax)	
i. Items that will not be reclassified to Profit or Loss	0.22
ii. Items that will be reclassified to Profit or Loss	-
Total Comprehensive Income	256.01
Net Profit After Tax Attributable to:	
Owners of the Holding Company	255.79
Non-Controlling Interests	-
Other Comprehensive Income Attributable to:	
Owners of the Holding Company	0.22
Non-Controlling Interests	-
Total Comprehensive Income Attributable to:	
Owners of the Holding Company	256.01
Non-Controlling Interests	-
Earnings Per Share (of ₹ 10/- each) (not annualised)	
Basic (₹)	15.31
Diluted (₹)	15.19
Paid up Equity Share Capital (Face value of ₹ 10/- each)	167.44

Notes:

- PNB Housing Finance Limited (the "Holding Company") and its subsidiary are together referred to as "the Group" in the following notes. 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 Holding Company has adopted Indian Accounting Standards ('Ind AS') from April 01, 2018 and the effective date of such transition is April 01, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the National Housing Bank ('NHB') (Collectively referred to

as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2017.

These financial results have been drawn up on the basis of Ind AS accounting standards that are applicable to the Company as at June 30, 2018 based on MCA Notification G.S.R. 111(E) and G.S.R. 365(E) dated February 16, 2015 and March 30, 2016 respectively. Any application guidance/ clarifications/ directions issued by NHB or other regulators are adopted/ implemented as and when they are issued/ applicable. The financials results have been subjected to limited review by Statutory Auditors of the Company.

3. Previous quarter figures for the consolidated financial statements has not been provided as the subsidiary Company was incorporated during second quarter of FY18.
4. During the quarter ended June 30, 2018, there were no transactions in the nature of exceptional or extraordinary items.

The consolidated results for the quarter ended June 30, 2018 are reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at the meeting held on August 9, 2018.

For PNB Housing Finance Limited

August 9, 2018
New Delhi

Sanjaya Gupta
Managing Director
DIN 02939128

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER
ENDED JUNE 30, 2018**

(₹ in crores)

Particulars	Quarter ended 30.06.2018	Quarter ended 30.06.2017
Income:		
Revenue from operations	1,615.83	1,160.09
Other Income	0.20	0.12
Total Income	1,616.03	1,160.21
Expenditure:		
Finance Cost	1,099.75	750.47
Employee Benefit Expenses	44.85	32.08
Other Expenses	75.08	59.02
Depreciation Expense	6.72	5.08
Provisions for Expected Credit Loss and Write-offs	44.01	68.12
Total Expenditure	1,270.41	914.77
Profit Before Tax	345.62	245.44
Tax Expenses	110.57	75.37
Profit After Tax	235.05	170.07
Other Comprehensive Income (net of tax)		
i. Items that will not be reclassified to Profit or Loss	0.22	(0.22)
ii. Items that will be reclassified to Profit or Loss	-	-
Total Comprehensive Income	235.27	169.85
Earnings Per Share (of ₹ 10/- each) (not annualised)		
Basic (₹)	14.06	10.23
Diluted (₹)	13.96	10.12
Paid-up Equity Share Capital (Face value of ₹ 10/- each)	167.44	166.59

Notes:

- The Company has adopted Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 01, 2018 and the effective date of such transition is April 01, 2017. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the National Housing Bank ('NHB') (Collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2017. The corresponding figures presented in these results have been prepared on the basis of the previously published results under previous GAAP for the relevant periods, duly re-stated to Ind AS.
- The Financial results of the Company for the quarter ended June 30, 2018 are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) and have been subjected to limited review by Statutory Auditors of the Company. The Ind AS compliant corresponding figures for the previous period have not been subjected to review by Statutory Auditors, however, the management has exercised necessary due diligence to ensure that financial results provides a true and fair view of its affairs.
- Assets under management (AUM) have increased from ₹ 46,755 crores as on June 30, 2017 to ₹ 68,577 crores as on June 30, 2018 registering a growth of 47%. Loan Assets have increased from ₹ 44,003 crores as on June 30, 2017 to ₹ 63,906 crores as on June 30, 2018 registering a growth of 45%.

4. The Revenue from Operations for three months ended June 30, 2018 include Interest Income of ₹ 1,532.56 crores (₹ 1,088.49 crores for three months ended June 30, 2017) and Fees and Other Operating Income of ₹ 83.27 crores (₹ 71.60 crore for three months ended June 30, 2017).
5. Gross NPA as a percent of Loan Assets is at similar levels of 0.43% as on 30th June, 2018 and 30th June, 2017
6. As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported, net of tax, under previous GAAP and Ind AS is given below:

(₹ in crores)

Particulars	Quarter ended June 30, 2017
Net Profit reported as per Previous GAAP	184.75
Add / (Less): Adjustments as per Ind AS on account of:	
-Reclassification of net Actuarial Valuation of Employee Benefits obligation to Other Comprehensive Income (OCI)	0.33
- Fair valuation of Employee Stock Options	(3.49)
- Fair valuation of Investments	(6.26)
- Effective Interest Rate on financial assets and liabilities recognised at amortised cost / interest on credit impaired loans	3.58
- Excess Interest Spread gain / net Servicing fees on assignment transactions	(10.50)
- Expected Credit Loss provision	(21.37)
- Reversal of Deferred tax liability on Special Reserve created u/s 36(1)(viii)	11.18
- Deferred Tax impact on above adjustments	11.85
Net Profit before Other Comprehensive Income as per Ind AS	170.07
Other Comprehensive Income (net of tax)	(0.22)
Total Comprehensive Income as per Ind AS	169.85

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. During the quarter ended June 30, 2018, there were no transactions in the nature of exceptional or extraordinary items.
9. During the quarter ended June 30, 2018 the Company has allotted 8,55,659 equity shares of ₹ 10 each pursuant to exercise of stock options by employees and Directors.

The standalone results for the quarter ended June 30, 2018 are reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at the meeting held on August 9, 2018.

For PNB Housing Finance Limited

August 9, 2018
New Delhi

Sanjaya Gupta
Managing Director
DIN 02939128