

Press Release

For Immediate Release

30th July, 2019, New Delhi

Consolidated Unaudited Financial Results for Q1 FY 2019-20 Ended 30th June, 2019

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Unaudited Financial Results for the quarter ended 30th June, 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 (Q1 FY19-20 vs Q1 FY18-19)

- Net Interest Income registered a growth of 45% to INR 625.5 crore from INR 432.8 crore.
- Profit after Tax grew by 11% to INR 284.5 crore from INR 255.8 crore.
- The Spread on loans for Q1 FY19-20 stood at 2.53% compared to 2.11% for Q1 FY18-19. The Spread based on IGAAP i.e. excluding the income on derecognized (assigned) loans and other Ind AS adjustment is 2.01 % for Q1 FY19-20.
- Net Interest Margin for Q1 FY19-20 stood at 3.14% compared to 2.74% for Q1 FY18-19.
- Gross Margin, net of acquisition cost but including fees, for Q1 FY19-20 stood at 3.44% compared to 3.21% for Q1 FY18-19.
- The cumulative ECL provision as on 30th June, 2019 is INR 598.0 crore. In addition to the ECL provision, the Company has INR 156.5 crore as a steady state provision for unforeseeable macro-economic factors. The total provision to Asset stands at 0.99% as on 30th June, 2019 compared to 0.74% as on 30th June, 2018.
- Return on Asset is at 1.37% on an average gearing of 9.4x against 1.54% on an average gearing of 8.7x during Q1 FY18-19 resulting in a Return on Equity of 14.8% for Q1 FY19-20 vis a vis 15.8% for Q1 FY18-19.

Business Operations

- Disbursements stood at INR 7,634.3 crore during Q1 FY19-20 compared to INR 9,767.3 crore in Q1 FY18-19 with 92% disbursement in retail segment. Retail disbursement grew by 7% from INR 6,595.2 crore in Q1 FY18-19 to INR 7,029.8 crore during Q1 FY19-20. Corporate disbursement degrew by 81% from INR 3,172.0 crore in Q1 FY18-19 to INR 604.5 crore during Q1 FY19-20.
- Asset under Management (AUM) is at INR 88,332.9 crore as on 30th June, 2019 moved from INR 68,577.5 crore as on 30th June, 2018 registering a growth of 29% during the period with share of Housing Loans being 72% and Non Housing being 28% of the AUM.
- Loan Asset grew by 19% YoY to INR 75,933.0 crore as on 30th June, 2019 from INR 63,905.8 crore as on 30th June 2018.

Borrowings

- Total borrowings are at INR 72,261.4 crore as on 30th June, 2019 expanded from INR 60,439.7 crore as on 30th June, 2018 registering a growth of 20% during the period.
- The Deposit portfolio grew by 32% to INR 15,445.5 crore as on 30th June, 2019 from INR 11,723.7 crore as on 30th June, 2018 with expanding retail penetration.
- Total outstanding loans assigned amounts to INR 12,399.8 crore as on 30th June, 2019.

Distribution and Service Network

- As on 30th June, 2019 the Company has 104 branches with presence in 64 unique cities and 23 Hubs. This includes 2 branches, which were made operational during the year. The Company also services the customers through 30 outreach locations.

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Asset Quality

- Gross Non-Performing Assets (NPA) stood at 0.85% of the Loan Assets as on 30th June, 2019 against 0.43% as on 30th June, 2018. At an AUM level the Gross NPA is at 0.76%.
- Net NPA stood at 0.67% of the Loan Assets as on 30th June, 2019 against 0.33% as on 30th June, 2018.

Capital to Risk Asset Ratio (CRAR)

- The Company's CRAR based on IGAAP stood at 15.13% as on 30th June, 2019, of which Tier I capital was 12.04% and Tier II capital was 3.09% compared to 13.98% with Tier I at 11.00% and Tier II at 2.98% as on 31st March 2019.

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:

"Amidst the macro economic challenges, the Company continue to register growth across business and financial vectors. In the current environment, we are cautious on lending to Corporate houses and focusing more on retail business, cost efficiencies, maintaining adequate liquidity, diversified borrowings and healthy asset quality across segments. To be adequately capitalized for the future, the Board has approved the capital raise plan of the Company to raise upto INR 2,000 crore in FY19-20."

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 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.

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Statement of Consolidated Financial Results for the Quarter Ended June 30, 2019

(₹ in Crore)

S. No.	Particulars	Quarter ended			Year ended
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
	Revenue from Operations				
(i)	Interest Income	1,979.41	1,892.89	1,523.81	6,792.86
(ii)	Fees and commission Income	92.77	108.00	115.53	449.44
(iii)	Net gain on fair value changes	39.43	50.39	8.77	128.93
(iv)	Income on derecognised (assigned) loans	119.32	93.93	-	308.09
I	Total Revenue from Operations	2,230.93	2,145.21	1,648.11	7,679.32
II	Other Income	1.65	2.98	0.20	3.90
III	Total Income (I+II)	2,232.58	2,148.19	1,648.31	7,683.22
	Expenses				
(i)	Finance Cost	1,512.68	1,427.51	1,099.75	5,166.37
(ii)	Impairment on financial instruments & Write-offs	164.16	10.11	44.01	188.95
(iii)	Employee Benefit Expenses	67.97	91.31	50.58	303.88
(iv)	Depreciation and Amortisation	16.39	9.15	6.72	31.37
(v)	Fees and commission expense	3.47	7.94	18.11	54.62
(vi)	Other Expenses	53.88	57.10	53.89	203.64
IV	Total Expenses	1,818.55	1,603.12	1,273.06	5,948.83
V	Profit Before Tax (III-IV)	414.03	545.07	375.25	1,734.39
	Tax Expense:				
	-Current Tax	137.95	133.65	137.55	503.48
	-Deferred Tax (net)	(8.39)	31.65	(18.09)	39.39
VI	Total Tax Expense	129.56	165.30	119.46	542.87
VII	Net Profit after Tax (V-VI)	284.47	379.77	255.79	1,191.52
VIII	Other Comprehensive Income (net of taxes)	27.00	(31.33)	0.22	(102.33)
IX	Total Comprehensive Income (VII+VIII)	311.47	348.44	256.01	1,089.19
	Earnings per Share (of ₹ 10 each)*				
	-Basic (₹)	16.95	22.68	15.31	71.19
	-Diluted (₹)	16.89	22.54	15.19	70.76
	Paid-up Equity Share Capital (Face value ₹ 10)	168.06	167.47	167.44	167.47
	Reserve excluding Revaluation Reserves as at March 31				7,376.43

* EPS for the quarters are not annualised

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.

2. 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 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 quarter is insignificant.
3. During the quarter ended June 30, 2019, there were no transactions in the nature of exceptional or extraordinary items.
4. Figures for the quarter ended March 31, 2019 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.

The Statutory Auditors of the Company have carried out limited review of the consolidated financial results for the quarter ended June 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 July 30, 2019.

For PNB Housing Finance Limited

July 30, 2019
New Delhi

Sanjaya Gupta
Managing Director
DIN 02939128