

Press Release

For Immediate Release

04th August 2021, New Delhi

Consolidated Unaudited Financial Results for Q1 FY2021-22 Ended 30th June 2021

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Unaudited Financial Results for the quarter ended 30th June 2021. 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

- The Board of Directors of the Company approved preferential issue of INR 4,000 crore through equity shares and warrants on 31st May 2021. The issue is subject to legal, shareholders and regulatory approvals.
- The Company on 20th June, 2021 filed an appeal before the Securities Appellate Tribunal (SAT) against the letter issued by the SEBI. The case is currently sub-judiced under hon'ble Securities Appellate Tribunal with final order awaited.

Financial performance (Q1 FY21-22 vs Q1 FY20-21)

- Profit after Tax stood at INR 243 crore vs INR 257 crore registering a degrowth of 5%.
- Spread stood at 2.7% as compared to 2.2%. Net Interest Margin stood at 3.2% as compared to 2.7%.
- Gross Margin, net of acquisition cost, stood at 3.3% compared to 2.6%.
- Net Interest Income improved by 13% to INR 550 crore compared to INR 488 crore.
- Operating Expenditure increased by 11% to INR 115 crore vs INR 102 crore.
- Pre provision Operating Profit increased by 17% to INR 475 crore vs INR 405 crore.
- The ECL provision as on 30th June 2021 is INR 2,700 crore resulting in total provision to assets ratio at 4.5%. The Stage 3 provision coverage ratio is at 39.7%.
- Return on Asset is at 1.4% as compared to 1.3%.
- Gearing as on 30th June 2021 reduced considerably to 6.4x compared to 8.2x as on 30th June 2020.
- Return on Equity at 10.7% as compared to 12.6%.

Business Operations

- The disbursements during Q1 FY22 stood at INR 1,759 crore compared to INR 694 crore in Q1 FY21 registering an increase of 153%. Retail disbursements were 94% of the total disbursements in Q1FY22.

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CIN: L65922DL1988PLC033856

- Asset under Management (AUM) is at INR 71,828 crore as on 30th June 2021. Retail Loans contribute 85% and Corporate loans 15% of the AUM down from 18% of the AUM as on 30th June 2020.
- Loan Assets stood at INR 60,438 crore as on 30th June 2021 from INR 68,009 crore as on 30th June 2020.

Distribution and Service Network

- As on 30th June 2021, the Company has 94 branches with presence in 64 cities and 22 Hubs.
- The Company also services the customers through 17 outreach locations.

Asset Quality

- Gross Non-Performing Assets (NPA) at an AUM level is at 5.5% while it is 6.0% at Loan Assets as on 30th June 2021.
- Net NPA stood at 3.6% of the Loan Assets as on 30th June 2021.

Borrowings

- Total borrowings are at INR 58,338 crore as on 30th June 2021 as against INR 67,283 crore as on 30th June 2020 registering a decline of 13%.
- The Deposit portfolio stood at INR 17,181 crore as on 30th June 2021 as compared to INR 16,203 crore as on 30th June 2020 registering an increase of 6%.
- Total assigned loans outstanding as on 30th June 2021 is at INR 11,390 crore as compared to INR 15,486 crore as on 30th June 2020 registering a decline of 26%.

Capital to Risk Asset Ratio (CRAR)

- The Company's CRAR based on IndAS stood at 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 2021 stood at INR 45,730 crore.

Covid-19 Update

As advised by various State and Central Government, PNB Housing has complied with all the directives issued wrt Covid-19. All the offices of the Company are currently open for business while taking necessary precautions.

The Company, during the quarter, started a vaccination drive, which resulted in 81% of employees currently vaccinated with at least one Dose.

As on 30th June 2021, INR 1,733 crore (2.87% of Loan Asset) has been restructured under the RBI's resolution framework for Covid19 related stress i.e OTR 1 & 2. Upto 30th June 2021, disbursed INR 315 crore under Emergency Credit Line Guarantee Scheme (ECLGS).

The Company is carrying sufficient liquidity of INR 7,085 crore as on 30th June 2021. The Company continue to raise funds from diverse source viz banks, refinancing from NHB and fixed deposits.

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

“The second wave of Covid 19 impacted the business performance of the Company as compared to last quarter. Despite this, the Company recorded healthy profits and margins during the quarter. The Company continues to focus on increasing its digital footprints, grow retail business with efficient underwriting and collection models and optimize costs in order to create value for all its stakeholders.”

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.

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Statement of consolidated financial results for the quarter ended June 30, 2021

(₹ in crore)

S.no.	Particulars	Quarter ended			Year ended
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		(Reviewed)	(Audited)	(Reviewed)	(Audited)
	Revenue from operations				
(i)	Interest income	1,611.40	1,670.14	1,801.52	7,189.83
(ii)	Fees and commission income	38.65	87.06	18.75	181.23
(iii)	Net gain on fair value changes	41.76	39.14	49.79	162.33
(iv)	Income on derecognised (assigned) loans	-	35.34	-	70.53
I	Total revenue from operations	1,691.81	1,831.68	1,870.06	7,603.92
II	Other income	1.07	2.22	2.27	20.16
III	Total income (I+II)	1,692.88	1,833.90	1,872.33	7,624.08
	Expenses				
(i)	Finance cost	1,102.88	1,150.36	1,363.53	5,099.78
(ii)	Impairment on financial instruments & write-offs	159.51	350.60	75.09	861.90
(iii)	Employee benefits expenses	55.83	52.59	61.00	211.29
(iv)	Depreciation and amortisation	12.82	14.35	15.99	59.01
(v)	Fees and commission expense	1.68	8.42	0.88	11.61
(vi)	Other expenses	44.91	69.44	26.36	173.46
IV	Total expenses	1,377.63	1,645.76	1,542.85	6,417.05
V	Profit before tax (III-IV)	315.25	188.14	329.48	1,207.03
	Tax expense:				
	-Current tax	118.02	95.50	102.41	413.25
	-Deferred tax ((credit)/charge)	(46.05)	(34.39)	(30.11)	(136.12)
VI	Total tax expense	71.97	61.11	72.30	277.13
VII	Net profit after tax (V-VI)	243.28	127.03	257.18	929.90
VIII	Other comprehensive income				
	A (i) Items that will not be reclassified to profit or loss	1.16	2.27	(0.19)	2.43
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.29)	(0.57)	0.05	(0.61)
	B (i) Items that will be reclassified to profit or loss	(15.16)	50.63	(114.74)	(30.08)
	(ii) Income tax relating to items that will be reclassified to profit or loss	3.82	(12.74)	28.88	7.57
IX	Total comprehensive income (VII+VIII)	232.81	166.62	171.18	909.21
	Earnings per share (of ₹ 10 each)*				
	-Basic (₹)	14.45	7.55	15.29	55.29
	-Diluted (₹)	14.44	7.55	15.29	55.26
	Paid-up equity share capital (Face value of ₹ 10)	168.51	168.27	168.19	168.27
	Reserves (excluding revaluation reserves) as at March 31				8,754.76

* EPS for the quarters 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. 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. The financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles prescribed under Section 133 of the the Companies Act, 2013, and other recognised accounting practices generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).
3. 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.
4. During the quarter ended June 30, 2021, due to second wave of COVID-19 pandemic, the government re-imposed lockdown in various parts of the country during the month April and May 2021. Lockdown was lifted by the government in a gradual manner during June 2021. Second wave of COVID-19 pandemic has impacted the economic activities.

The extent to which the COVID 19 pandemic, including the current “second wave” will impact the Company’s future results will depend on economic situation, which is highly unpredictable. The Company will continue to closely monitor any material changes to future economic conditions. However, operating in the secured mortgage asset business we believe we hold a much stable asset class which can withstand the pandemic relatively better compared other asset classes.

5. 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	(A) Number of accounts where resolution plan has been implemented under this window	(B) Exposure to accounts mentioned at (A) before implementation of the plan #	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution
Personal Loans*	2,444	1,359.41	Nil	Nil	135.68
Corporate persons	14	341.14	Nil	Nil	22.94
of which, MSMEs	Nil	Nil	Nil	Nil	Nil
Others^	14	341.14	Nil	Nil	22.94
Total	2,458	1,700.55	Nil	Nil	158.62

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*Covid restructured assets of retail portfolio, ^Covid restructured assets of corporate finance portfolio.

#Exposure to accounts before implementation of plan is to September 2020.

6. During the quarter ended June 30, 2021, the Company has allotted 2,40,482 equity shares of ₹ 10 each pursuant to exercise of stock options by employees.
7. During the quarter ended June 30, 2021, there were no transactions in the nature of exceptional items.
8. Figures for the quarter ended March 31 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.
9. Figures for the previous periods have been regrouped wherever necessary in order to make them comparable with the current period.

The Statutory Auditors of the Company have reviewed the consolidated financial results for the quarter ended June 30, 2021, in compliance of Regulations 33 of SEBI (LODR) 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 August 04, 2021.

For and on behalf of the Board of Directors

Date: August 04, 2021
Place: New Delhi

Hardayal Prasad
Managing Director & CEO
DIN: 08024303