

Press Release

For Immediate Release

05th November, 2018, New Delhi

Consolidated Financial Results for Q2 and H1 FY 2018-19 Ended 30th September, 2018

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Financial Results for the quarter and half year ended 30th September, 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 corresponding financial numbers are also based on IndAS.

Financial performance (Q2 FY18-19 vs Q2 FY17-18)

- Net Interest Income at INR 462.8 crore vs INR 368.8 crore registering a growth of 25%.
- Profit after Tax increased by 33% to INR 253.0 crore from INR 190.1 crore.
- The Spread on loans for Q2 FY18-19 stood at 2.22% compared to 2.27% for Q2 FY17-18.
- Net Interest Margin for Q2 FY18-19 stood at 2.72% compared to 3.01% for Q2 FY17-18.
- Gross Margin, net of acquisition cost, for Q2 FY18-19 stood at 3.15%.

Financial performance (H1 FY18-19 vs H1 FY17-18)

- Net Interest Income at INR 895.6 crore vs INR 706.8 crore registering a growth of 27%.
- Profit after Tax increased by 41% to INR 508.8 crore from INR 360.1 crore.
- The Spread on loans for H1 FY18-19 stood at 2.15% compared to 2.22% for H1 FY17-18.
- Net Interest Margin for H1 FY18-19 stood at 2.74% compared to 3.05% for H1 FY17-18.
- Gross Margin, net of acquisition cost, for H1 FY18-19 stood at 3.19%.
- The net worth as on 30th September, 2018 stood at INR 6,920 crore.
- The cumulative ECL provision as on 30th September, 2018 is INR 385 crore. In addition to the ECL provision, the Company has maintained INR 145.5 crore as a steady state provisions for unforeseeable macro-economic factors.
- Return on Asset is maintained at 1.47% on an average gearing of 8.89x against 6.77x during H1 FY17-18 resulting in expansion in Return on Equity to 15.45% for H1 FY2018-19 vis a vis 12.31% for H1 FY2017-18.

Business Operations

- Disbursements increased by 20% to INR 18,172.2 crore during H1 FY18-19 from INR 15,179.0 crore over H1 FY17-18.
- Asset under Management (AUM) is at INR 73,481.5 crore as on 30th September, 2018 from INR 51,320.4 crore as on 30th September, 2017 registering a growth of 43% during the period. Housing Loans consists of 70% and Non Housing 30% of the AUM.
- Loan Outstanding grew by 37% YoY to INR 66,792.1 crore as on 30th September, 2018.

Borrowings

- Total borrowings is at INR 63,626.8 crore as on 30th September, 2018 from INR 45,071.5 crore as on 30th September, 2017 registering a growth of 41% during the period.
- The Deposit portfolio grew by 20% to INR 12,457.5 crore as on 30th September, 2018 from INR 10,404.9 crore as on 30th September, 2017.
- The total outstanding loans assigned amounted to INR 6,689.5 crore as on 30th September, 2018.

Distribution and Service Network

- As on 30th September, 2018 the Company has 96 branches with presence in 57 unique cities and 22 Hubs. This includes 12 branch, which were made operational during H1 FY18-19. The Company also services the customers through 29 outreach locations.

Asset Quality

- Gross Non-Performing Assets (NPA) stood at 0.45% of the Loan Assets as on 30th September, 2018 against 0.34% as on 30th September, 2017. At an AUM level the Gross NPA falls further to 0.42%.
- Net NPA stood at 0.35% of the Loan Assets as on 30th September, 2018 against 0.27% as on 30th September, 2017.

Capital to Risk Asset Ratio (CRAR)

- The Company's CRAR based on IGAAP stood at 14.85% as on 30th September, 2018, of which Tier I capital was 11.38% and Tier II capital was 3.47%. 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:

"Financial Sector volatility that started in H1 FY18-19 continue to exist in the market especially with respect to liquidity. We envisaged tighter liquidity scenario and maintained higher cash and liquid investments on our balance sheet all throughout H1 FY18-19 and also reduced our dependency on short term paper to 11.7% as of 30th Sept 2018 from 17.5% as of 31st March 2018. We continue to do our business with focus on asset quality, profitability and a balanced portfolio."

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. PNB Housing Finance is a deposit taking Housing Finance Company.

Safe Harbour Statement

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 herein. 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. This release cannot be copied and/or disseminated in any manner.

For more Information, please contact:

PNB Housing Finance Limited

Investor Relations

Deepika Gupta Padhi, Head - IR
Phone: +91 11 23445214, +91 98106 80316
Email: Investor.relations@pnbhousing.com

Media

Isha Srivastava
Phone: +91 11 23736857, +91 95999 59276
Email: isha.srivastava@pnbhousing.com

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2018

(₹ in crores)

PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Six Months ended	Six Months ended
	30-Sep-18	30-Jun-18	30-Sep-17	30-Sep-18	30-Sep-17
	Reviewed	Reviewed	Unaudited	Reviewed	Unaudited
Revenue from Operations					
(i) Interest Income	1,612.09	1,523.81	1,197.19	3,135.90	2,287.01
(ii) Fees and commission Income	116.43	115.53	70.46	231.96	142.06
(iii) Net gain on fair value changes	18.01	8.77	6.72	26.78	5.39
(iv) Income on derecognised (assigned) loans	61.73	-	-	61.73	-
I Total Revenue from Operations	1,808.26	1,648.11	1,274.37	3,456.37	2,434.46
II Other Income	-	0.20	0.07	0.20	0.19
III Total Income (I+II)	1,808.26	1,648.31	1,274.44	3,456.57	2,434.65
Expenses					
(i) Finance Cost	1,228.86	1,099.75	834.81	2,328.61	1,585.28
(ii) Impairment on financial instruments & Write-offs (Expected Credit Loss)	64.69	44.01	75.60	108.70	143.72
(iii) Employee Benefit Expenses	80.89	50.58	29.67	131.47	61.75
(iv) Depreciation and Amortisation	7.91	6.72	5.25	14.63	10.33
(v) Fees and commission expense	15.62	18.11	18.40	33.73	41.97
(vi) Other Expenses	37.81	53.89	34.76	91.70	70.21
IV Total Expenses (IV)	1,435.78	1,273.06	998.49	2,708.84	1,913.26
V Profit Before Tax (III-IV)	372.48	375.25	275.95	747.73	521.39
Tax Expense					
-Current Tax	114.73	137.55	108.49	252.28	207.49
-Deferred Tax	4.76	(18.09)	(22.59)	(13.33)	(46.22)
VI Total Tax Expense	119.49	119.46	85.90	238.95	161.27
VII Net Profit after Tax (V-VI)	252.99	255.79	190.05	508.78	360.12
VIII Other Comprehensive Income	1.35	0.22	(21.94)	1.57	(22.16)
IX Total Comprehensive Income (VIII+IX)	254.34	256.01	168.11	510.35	337.96
Earnings per Share (of ₹ 10 each)*					
-Basic	15.11	15.31	11.41	30.41	21.64
-Diluted	15.00	15.19	11.27	30.19	21.37
Paid-up Equity Share Capital (Face value ₹ 10)	167.46	167.44	166.59	167.46	166.59

* Not annualised

Notes:

1. 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.

2. 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 September 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.

The results have been prepared based on the notified Schedule III for Non-Banking Financial Companies issued by the Ministry of Corporates Affairs on October 11, 2018.

3. Consolidated Statement of Assets and Liabilities

(₹ in crores)	
PARTICULARS	As at 30-Sep-18 (Unaudited)
ASSETS	
1 Financial Assets	
(a) Cash and cash equivalents	4,071.23
(b) Bank Balance other than (a) above	0.04
(c) Derivative financial instruments	130.05
(d) Receivables	
(i) Trade Receivables	31.47
(ii) Other Receivables	-
(e) Loans	66,949.23
(f) Investments	1,566.51
(g) Other Financial Assets	392.13
Sub Total - Financial Assets	73,140.66
2 Non - Financial Assets	
(a) Current tax assets (Net)	61.87
(b) Deferred tax Assets (Net)	40.34
(c) Investment Property	0.82
(d) Property, Plant and Equipment	67.50
(e) Capital work-in-progress	5.54
(f) Other Intangible assets	19.30
(g) Other non-financial assets	138.20
(h) Assets held for sale	155.53
Sub Total - Non - Financial Assets	489.10
TOTAL - ASSETS	73,629.76
LIABILITIES	
1 Financial Liabilities	
(a) 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	125.92
(II) Other Payables	

Ghar Ki Baat

(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-
(b) Debt Securities	22,043.53
(c) Borrowings (Other than Debt Securities)	27,672.91
(d) Deposits	11,998.49
(e) Subordinated Liabilities	1,399.00
(f) Other financial liabilities	1,890.38
Sub Total - Financial Liabilities	65,130.23
2 Non-Financial Liabilities	
(a) Provisions	20.51
(b) Other non-financial liabilities	1,559.39
Sub Total - Non-Financial Liabilities	1,579.90
3 EQUITY	
(a) Equity Share capital	167.46
(b) Other Equity	6,752.17
Sub Total – Equity	6,919.63
TOTAL - EQUITY AND LIABILITIES	73,629.76

4. 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 30-Sep-17	Half Year ended 30-Sep-17
Net Profit reported as per Previous GAAP	207.99	392.74
Add / (Less): Adjustments as per Ind AS on account of:		
-Reclassification of net Actuarial Valuation of Employee Benefits obligation to Other Comprehensive Income (OCI)	0.34	0.67
- Fair valuation of Employee Stock Options	(3.82)	(7.31)
- Fair valuation of Investments	0.99	(5.27)
- Effective Interest Rate on financial assets and liabilities recognised at amortised cost / interest on credit impaired loans	(3.80)	(0.22)
- Excess Interest Spread gain / net Servicing fees on assignment transactions	(9.99)	(20.49)
- Expected Credit Loss provision	(27.15)	(48.52)
- Reversal of Deferred tax liability on Special Reserve created u/s 36(1)(viii)	12.52	23.70
- Deferred Tax impact on above adjustments	12.97	24.82
Net Profit before Other Comprehensive Income as per Ind AS	190.05	360.12
Other Comprehensive Income (net of tax)	(21.94)	(22.16)
Total Comprehensive Income as per Ind AS	168.11	337.96

5. During the quarter ended September 30, 2018, there were no transactions in the nature of exceptional or extraordinary items.



Ghar Ki Baat

The consolidated results for the quarter and half year ended September 30, 2018 are reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at their meeting held on November 5, 2018.

For PNB Housing Finance Limited

November 5, 2018
New Delhi

Sanjaya Gupta
Managing Director
DIN 02939128