

**Press Release**

For Immediate Release

**27<sup>th</sup> January 2021, New Delhi**

**Consolidated Unaudited Financial Results for Q3 & 9M FY 2020-21 Ended 31<sup>st</sup> December 2020**

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Unaudited Financial Results for the quarter and nine months ended 31<sup>st</sup> December 2020. 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 (Q3 FY20-21 vs Q3 FY19-20)**

- Total Revenue of INR 1,896 crore vs INR 2,075 crore registering a decline of 9%.
- Operating Expenditure declined by 26% to INR 100 crore vs INR 135 crore.
- Pre provision Operating Profit increased by 15% to INR 550 crore vs INR 479 crore.
- Profit after Tax is maintained at INR 232 crore vs INR 237 crore.
- Spread stood at 2.90% as compared to 2.53%.
- Net Interest Margin stood at 3.2% as compared to 3.0%.
- Gross Margin, net of acquisition cost, stood at 3.5% compared to 3.0%.

**Financial performance (9M FY20-21 vs 9M FY19-20)**

- Total Revenue at INR 5,790 crore vs INR 6,538 crore registering a decline of 11%.
- Operating Expenditure at INR 311 crore vs INR 408 crore registering a decline of 24%.
- Pre provision Operating Profit reduced by 6% to INR 1,530 crore from INR 1,635 crore.
- Profit after Tax is at INR 803 crore vs INR 888 crore registering a decline of 10%.
- The Spread on loans stood at 2.8% compared to 2.6%. Excluding the net positive impact of securitization, Spread for 9M FY20-21 is 2.6% vs 2.1% for 9M FY19-20.
- Net Interest Margin is maintained at similar levels of 3.1%
- Gross Margin, net of acquisition cost, is at 3.2% compared to 3.3% YoY.
- The ECL provision as on 31<sup>st</sup> December 2020 is INR 2,243 crore resulting in total provision to assets ratio at 3.5%. The total and Stage 3 provision coverage ratio is at 131% and 47% respectively.
- Return on Asset is maintained YoY at 1.4% during 9M FY20-21.
- Gearing as on 31<sup>st</sup> December 2020 is 7.3x compared to 8.5x as on 31<sup>st</sup> December 2019.
- Return on Equity at 12.8% for 9M FY20-21 vis a vis 15.0% for 9M FY19-20.

### **Business Operations**

- The disbursements stood at INR 3,203 crore (Retail INR 3,156 crore) during Q3 FY20-21 compared to INR 2,444 crore (Retail INR 2,296 crore) during Q2 FY20-21 and INR 3,196 crore (Retail INR 2,758 crore) during Q3 FY19-20. The disbursements during the quarter witnessed steady pick up, primarily in the retail segment, which grew by 14% over Q3 FY19-20.
- Asset under Management (AUM) is at INR 77,769 crore as on 31<sup>st</sup> December 2020. Retail Loans contribute 83% and Corporate loans reduced by one percent on account of sell down/accelerated payment/schedule repayment to 17% of the AUM.
- Loan Assets stood at INR 64,584 crore as on 31<sup>st</sup> December 2020 from INR 69,194 crore as on 31<sup>st</sup> December 2019.

### **Distribution and Service Network**

- As on 31<sup>st</sup> December 2020, 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 2.26% while it is 2.64% at Loan Assets as on 31<sup>st</sup> December 2020. Proforma GNPA is at 4.5%.
- Net NPA stood at 1.41% of the Loan Assets as on 31<sup>st</sup> December 2020.

### **Borrowings**

- Total borrowings are at INR 64,131 crore as on 31<sup>st</sup> December 2020 from INR 70,559 crore as on 31<sup>st</sup> December 2019 registering a decline of 9%.
- The Deposit portfolio is maintained at INR 16,512 crore as on 31<sup>st</sup> December 2020 as compared to INR 16,470 crore as on 31<sup>st</sup> December 2019.
- Total assigned loans outstanding as on 31<sup>st</sup> December 2020 is at INR 13,186 crore as compared to INR 17,103 crore as on 31<sup>st</sup> December 2019 registering a decline of 23%.

### **Capital to Risk Asset Ratio (CRAR)**

- The Company's CRAR based on IndAS stood at 20.06% as on 31<sup>st</sup> December 2020, of which Tier I capital was 17.42% and Tier II capital was 2.64%.
- The risk-weighted assets as on 31<sup>st</sup> December 2020 stood at INR 49,033 crore.

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

“With focus on retail segment, the Company achieved 14% growth in retail disbursements in Q3 FY21 as compared to Q3 FY20. The Company has also registered substantial reduction in its cost of borrowing resulting in 20 basis point increase in the Net Interest Margin to 3.2% in Q3 FY21 as

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CIN: L65922DL1988PLC033856

compared to 3.0% in Q3 FY20. Post RBI moratorium, the Company witnessed an impact on collection efficiency however, the situation is improving and with various measures under taken, we expect to reach pre-Covid efficiency levels in near term.

The Company has set out its new agenda with focus upon Strengthening the core, Driving efficiency and Accelerating Growth. These are built upon 7 core pillars viz Management, Capital Position, Risk Management, Cost Management, Digital Drive, Retail Focussed Lending and Grow Affordable Housing.”

### **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 7<sup>th</sup> 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 and nine months ended December 31, 2020

(₹ in Crore)

S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
		(Reviewed)			(Reviewed)		(Audited)
	<b>Revenue from operations</b>						
(i)	Interest income	1,757.86	1,960.31	1,890.35	5,519.69	5,885.64	7,688.21
(ii)	Fees and commission income	50.80	24.62	47.69	94.17	220.46	298.84
(iii)	Net gain on fair value changes	42.82	30.58	32.50	123.19	95.90	158.64
(iv)	Income on derecognised (assigned) loans	35.19	-	104.22	35.19	333.40	336.15
<b>I</b>	<b>Total revenue from operations</b>	<b>1,886.67</b>	<b>2,015.51</b>	<b>2,074.76</b>	<b>5,772.24</b>	<b>6,535.40</b>	<b>8,481.84</b>
<b>II</b>	<b>Other income</b>	<b>9.68</b>	<b>5.99</b>	<b>0.03</b>	<b>17.94</b>	<b>2.31</b>	<b>7.71</b>
<b>III</b>	<b>Total income (I+II)</b>	<b>1,896</b>	<b>2,021.50</b>	<b>2,075</b>	<b>5,790.18</b>	<b>6,537.71</b>	<b>8,489.55</b>
	<b>Expenses</b>						
(i)	Finance cost	1,246.22	1,339.67	1,461.03	3,949.42	4,494.98	5,874.95
(ii)	Impairment on financial instruments & write-offs	256.66	179.55	180.79	511.30	496.53	1,251.37
(iii)	Employee benefits expenses	42.68	55.02	58.87	158.70	197.82	233.06
(iv)	Depreciation and amortisation	14.04	14.63	18.13	44.66	51.31	65.85
(v)	Fees and commission expense	1.17	1.14	0.95	3.19	7.07	8.92
(vi)	Other expenses	41.74	35.92	56.77	104.02	151.75	244.39
<b>IV</b>	<b>Total expenses</b>	<b>1,602.51</b>	<b>1,625.93</b>	<b>1,776.54</b>	<b>4,771.29</b>	<b>5,399.46</b>	<b>7,678.54</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>293.84</b>	<b>395.57</b>	<b>298.25</b>	<b>1,018.89</b>	<b>1,138.25</b>	<b>811.01</b>
	Tax expense:						
	-Current tax	109.53	105.81	91.20	317.75	301.27	389.24
	-Deferred tax ((credit)/charge)	(48.09)	(23.53)	(29.97)	(101.73)	(51.32)	(224.47)
<b>VI</b>	<b>Total tax expense</b>	<b>61.44</b>	<b>82.28</b>	<b>61.23</b>	<b>216.02</b>	<b>249.95</b>	<b>164.77</b>
<b>VII</b>	<b>Net profit after tax (V-VI)</b>	<b>232.40</b>	<b>313.29</b>	<b>237.02</b>	<b>802.87</b>	<b>888.30</b>	<b>646.24</b>
<b>VIII</b>	<b>Other comprehensive income (net of taxes)</b>	<b>6.22</b>	<b>19.50</b>	<b>43.18</b>	<b>(60.28)</b>	<b>26.65</b>	<b>(55.30)</b>
<b>IX</b>	<b>Total comprehensive income (VII+VIII)</b>	<b>238.62</b>	<b>332.79</b>	<b>280.20</b>	<b>742.59</b>	<b>914.95</b>	<b>590.94</b>
	<b>Earnings per share (of ₹ 10 each)*</b>						
	- Basic (₹)	13.82	18.63	14.10	47.74	52.87	38.45
	- Diluted (₹)	13.82	18.63	14.06	47.74	52.75	38.41
	Paid-up equity share capital (Face value of ₹ 10)	168.19	168.19	168.19	168.19	168.19	168.19
	Reserve (excluding revaluation reserves) as at				8,583.89	8,156.94	7,829.58

\* EPS for the quarters / nine months ended 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 laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of 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. Assets under management (AUM) have decreased from ₹ 86,297 crore as on December 31, 2019 to ₹ 77,770 crore as on December 31, 2020 registering a decline of 10%. Loan Assets have decreased from ₹ 69,194 crore as on December 31, 2019 to ₹ 64,584 crore as on December 31, 2020 registering a decline of 7%.
4. Gross NPA to the loan assets as on December 31, 2020 is 2.64% as against 1.75% as on December 31, 2019. Net NPA to the loan assets as on December 31, 2020 is 1.41% as against 1.25% as on December 31, 2019.
5. 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.
6. The extent to which the COVID 19 pandemic will impact the Company’s future results will depend on economic situation, which are highly unpredictable, including among other thing, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by the Company. 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.  
  
Hon'ble Supreme Court, in a public interest litigation vide an interim order dated September 03, 2020 (“interim order”), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court decides on the matter. However, as a matter of prudence, higher provision has been considered for such accounts.
7. During the quarter ended December 31, 2020, the Company has allotted 5,500 equity shares of ₹ 10 each pursuant to exercise of stock options by employees.
8. During the quarter ended December 31, 2020, there were no transactions in the nature of exceptional items.
9. Figures for the previous periods have been regrouped wherever necessary in order to make them comparable with the current period.

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Ghar Ki Baat

The Statutory Auditors of the Company have reviewed the consolidated financial results for the quarter and nine months ended December 31, 2020, 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 January 27, 2021.

For and on behalf of the Board of Directors

Date: January 27, 2021  
Place: New Delhi

Hardayal Prasad  
Managing Director & CEO  
DIN: 08024303