

Press Release

For Immediate Release

12th May, 2017, New Delhi

Audited Financial Results for Q4 and FY 2016-17 Ended 31st March, 2017

The Board of Directors of PNB Housing Finance Limited today approved the Audited Financial Results for the financial year 2016-17 ended 31st March, 2017.

Financial performance (Q4 FY16-17 vs Q4 FY15-16)

- Net Interest Income registered a growth of 51% to INR 332.7 crore from INR 219.9 crore.
- Profit after Tax increased by 49% to INR 152.4 crore from INR 102.6 crore.
- The spread is 2.37% and Net Interest Margin is 3.38% for Q4 FY16-17.

Financial performance (FY16-17 vs FY15-16)

- Net Interest Income surpassed INR 1,000 crore at INR 1,034.8 crore vs INR 710.1 crore registering a growth of 46%.
- Profit after Tax increased by 60% to INR 523.7 crore from INR 326.5 crore.
- The spread on loans for FY16-17 stood at 2.21% compared to 2.18% for FY15-16.
- Net Interest Margin for FY16-17 marginally declined to 2.97% compared to 3.10% for FY15-16.
- The cumulative provision for non-performing assets and standard assets is INR 26.78 crore and INR 193.97 crore respectively as on 31st March, 2017. During the year, the Company made additional provision for contingencies of INR 15 crore. The cumulative provision for contingencies is INR 39.48 crore, over and above the provisions required to be maintained as per NHB Directions.

Dividend

- The Board of Directors recommended final dividend of INR 6 per equity share of INR 10/- for FY16-17. Dividend Payout ratio for the year inclusive of dividend distribution tax is 22.84%.

Business Operations

- Disbursements increased by 43% to INR 20,639 crore during FY16-17 from INR 14,456 crore over FY15-16. Disbursements towards housing loan accounted for 70.1% and non-housing loan at 29.9%. Disbursement for Q4 FY16-17 was INR 6,047 crore
- Asset under Management (AUM) crossed INR 40,000 crore at INR 41,492 crore as on 31st March, 2017 from INR 27,555 crore as on 31st March, 2016 registering a growth of 51% during the period.
- The Company sold loans worth INR 3,377 crore under loan assignment route during the FY16-17. The Outstanding Loans Sold/Assigned amounted to INR 2,960 crore as on 31st March, 2017.
- Loan Outstanding grew by a healthy rate of 42% YoY to INR 38,531 crore as on 31st March, 2017 of which Housing Loans consists 71% and Non Housing is 29%.

Deposits

- The Deposit portfolio grew by 40% to INR 9,987 crore as on 31st March, 2017 from INR 7,121 crore as on 31st March, 2016.

Service Network

- As on 31st March, 2017 the Company has 63 branches with presence in 39 unique cities and 18 Hubs. This includes 16 new branches and 2 new hubs made operational during the year. The Company also services the customers through 27 outreach locations.

Asset Quality

- Gross Non-Performing Assets (NPA) stood at 0.22% of the Loan Assets as on 31st March, 2017 against 0.22% as on 31st March, 2016. The Gross NPAs on AUM basis were 0.21% as on 31st March, 2017.
- Net NPA stood at 0.15% of the Loan Assets as on 31st March, 2017 against 0.14% as on 31st March, 2016.

Capital to Risk Asset Ratio (CRAR)

- The Company's CRAR as on 31st March, 2017 stood at 21.62%, of which Tier I capital was 16.48% and Tier II capital was 5.14%. As per the regulatory norms, the minimum requirement for the CAR 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" 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:

"This was an eventful year for the Company with PNB Housing Finance becoming a publicly listed entity on 7th November, 2016. We would like to thank all our stakeholders for their support in our Initial Public Offer.

The Company declared double digit growth in all the key parameters during the Financial Year 2016-17 vs the previous financial year. The Asset under Management crossed INR 40,000 crore as on 31st March, 2017 while the disbursement were over INR 20,000 crore during the year. We look forward to continue our growth journey with focus on expansion and cost improvement while maintaining robust asset quality and an efficient borrowing mix."

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

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

Audited Financial Results for the Quarter and Financial Year ended March 31, 2017

(₹ in crore)

Particulars	Quarter ended 31.03.2017	Quarter ended 31.12.2016	Quarter ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Income:	(Unaudited)			(Audited)	
Revenue from operations	1,075.93	998.75	785.18	3,907.70	2,697.92
Other Income	0.05	-	0.12	0.15	0.75
Total Revenue	1,075.98	998.75	785.30	3,907.85	2,698.67
Expenses:					
Finance Cost	677.90	673.08	524.85	2,643.65	1,860.29
Employee Benefit Expenses	27.59	24.97	15.88	101.26	75.28
Other Expenses	57.36	57.22	52.65	237.39	161.76
Depreciation Expense	4.83	4.77	4.17	18.63	15.04
Provisions and Write-offs	66.66	30.78	31.22	102.91	83.21
Total Expenses	834.34	790.82	628.77	3,103.84	2,195.58
Profit Before Tax	241.64	207.93	156.53	804.01	503.09
Tax Expenses	89.24	70.15	53.97	280.28	176.62
Profit for the period	152.40	137.78	102.56	523.73	326.47
Earning Per Share (of ₹ 10/- each)					
-Basic	9.20	9.18	8.08	36.72	27.48
-Diluted	9.08	9.04	8.08	36.15	27.48
Paid up Equity Capital (Face value ₹ 10/-)	165.64	165.64	126.92	165.64	126.92
Reserves excluding Revaluation Reserves as at 31 st March				5,411.67	2,018.98

Notes:

- Assets under management (AUM) have increased from ₹ 27,555 crore as on March 31, 2016 to ₹ 41,492 crore as on March 31, 2017 registering a growth of 51%. Loan Assets have increased from ₹ 27,177 crore as on March 31, 2016 to ₹ 38,531 crore as on March 31, 2017 registering a growth of 42%.
- The Gross NPAs, as on March 31, 2017, are maintained at same level as that of March 31, 2016, at 0.22%. Net NPAs of the Company are 0.15% of the Loan Assets as on March 31, 2017, against 0.14% of the Loan Assets as on March 31, 2016.
- During the year ended March 31, 2017, the Company has raised capital of ₹ 3,000 crore through Initial Public Offer (IPO) of 3,87,19,309 equity shares of ₹ 10/- each. The equity shares of the Company are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited.
- Vide circular NHB (ND)/DRS/Policy Circular 65 / 2014-15 dated August 22, 2014, the National Housing Bank ("NHB") has directed Housing Finance Companies (HFCs) to provide for a deferred

Regd. Office: 9th Floor, Antriksh Bhavan, 22 Kasturba Gandhi Marg, New Delhi – 110 001

Phone: 011 – 23736857, E-mail: loans@pnbhfl.com, Website: www.pnbhfl.com

CIN: L65922DL1988PLC033856

tax liability in respect of amount transferred to "Special Reserve" created under section 36(1) (viii) of the Income Tax Act, 1961. Accordingly, the Company has charged its Statement of Profit & Loss for the year ended March 31, 2017 with the deferred tax liability on additional amount appropriated towards Special Reserve out of profits. This amount is reflected under the head "Tax Expenses".

As per the above circular, NHB has advised HFCs to create deferred tax liability in respect of accumulated balance of Special Reserve as on April 1, 2014 from the reserves over a period of 3 years starting with financial year 2014-15, in a phased manner in the ratio of 25:25:50. Accordingly, the Company has adjusted the balance in General Reserves by ₹ 26.00 crore (Previous year ₹ 13.23 crore) with respect to third and final tranche of deferred tax liability on Special Reserve balance as at April 01, 2014.

5. The Board of Directors have proposed a dividend of ₹ 6.00 per share (Previous year ₹ 3.40 per share), subject to the approval of the members at the ensuing Annual General Meeting. In terms of the revised Accounting Standards, AS-4 "Contingencies and Events Occurring after the Balance Sheet Date" as notified by the Ministry of Corporate Affairs through amendments to the Companies (Accounting Standards) Rules, 2016, the Company has not appropriated the proposed final dividend (including tax) from the Statement of Profit and Loss for the year ended March 31, 2017.

6. During the quarter / year ended March 31, 2017 & corresponding previous periods, there were no transactions in the nature of exceptional or extra ordinary items.

7. Statement of Assets and Liabilities:

	(₹ in crore)	
	As at March 31,	
	2017	2016
<u>EQUITY AND LIABILITIES</u>		
Shareholder's Funds		
Share Capital	165.64	126.92
Reserves and Surplus	5,411.67	2,018.98
	5,577.31	2,145.90
Non-Current Liabilities		
Long-Term Borrowings	24,083.96	16,646.21
Deferred Tax Liabilities (Net)	46.86	30.47
Other Long-Term Liabilities	103.90	100.79
Long-Term Provisions	242.45	160.93
	24,477.17	16,938.40
Current Liabilities		
Short-Term Borrowings	7,947.41	7,448.41
Trade Payables	93.56	75.24
Other Current Liabilities	4,836.06	2,991.87
Short-Term Provisions	28.04	71.12
	12,905.07	10,586.64
TOTAL	42,959.55	29,670.94
<u>ASSETS</u>		
Non-Current Assets		
Fixed Assets (including Capital Work in Progress)	60.43	62.16
Non-Current Investments	961.35	782.10
Loans and Advances	36,443.79	25,623.56

	<i>Ghar Ki Baat</i>	
Other Non-Current Assets	278.43	188.01
	37,744.00	26,655.83
Current Assets		
Current Investments	2,318.21	840.17
Cash and Cash Equivalents	151.47	248.53
Short-Term Loans and Advances	39.94	18.01
Other Current Assets*	2,705.93	1,908.40
	5,215.55	3,015.11
TOTAL	42,959.55	29,670.94

*Other Current Assets includes Current maturities of Long-Term Loans and Advances of ₹ 2,087.54 crore (Previous year ₹ 1,553.71 crore).

8. The main business of the Company is to provide 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 Accounting Standard on 'Segment Reporting' (AS 17) issued by the Institute of Chartered Accountants of India.
9. Figures of the quarter ended March 31 are the balancing figures between audited figures of the Company in respect of full financial year and the published reviewed year to date figures upto nine months ended December 31 of the respective year.
10. Previous period/year figures have been regrouped or reclassified, wherever necessary, to make them comparable with the current period figures.

The Statutory Auditors of the Company have audited the financial results for the year ended March 31, 2017. The above results were reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at the meeting held on May 12, 2017.

For PNB Housing Finance Limited

May 12, 2017
New Delhi

Sanjaya Gupta
Managing Director
DIN 02939128