

**Press Release**

For Immediate Release

09<sup>th</sup> May, 2019, New Delhi

**Consolidated Audited Financial Results for Q4 and Financial Year Ended 31<sup>st</sup> March, 2019**

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Audited Financial Results for the quarter and financial year ended 31<sup>st</sup> March, 2019. 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 1<sup>st</sup> April 2018. The corresponding financial numbers are also based on IndAS.

**Financial performance (Q4 FY18-19 vs Q4 FY17-18)**

- Net Interest Income registered a growth of 13% to INR 609.7 crore from INR 540.8 crore.
- Profit after Tax grew by 51% to INR 379.7 crore from INR 251.6 crore.
- The Spread on loans for Q4 FY18-19 stood at 2.59% compared to 2.98% for Q4 FY17-18.
- Net Interest Margin for Q4 FY18-19 stood at 3.18% compared to 3.59% for Q4 FY17-18.
- Gross Margin, net of acquisition cost but including fees, for Q4 FY18-19 stood at 3.51% compared to 3.78% for Q4 FY17-18.

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

- Net Interest Income at INR 2,063.5 crore vs INR 1,659.9 crore registering a growth of 24%.
- Profit after Tax grew by 42% to INR 1,191.5 crore from INR 841.2 crore.
- The Spread on loans for FY18-19 stood at 2.35% compared to 2.54% for FY17-18.
- Net Interest Margin for FY18-19 stood at 2.93% compared to 3.19% for FY17-18.
- Gross Margin, net of acquisition cost but including fees, for FY18-19 stood at 3.34% compared to 3.50% for FY17-18.
- The net worth as on 31<sup>st</sup> March, 2019 stood at INR 7,543.9 crore.
- The cumulative ECL provision as on 31<sup>st</sup> March, 2019 is INR 437.6 crore. In addition to the ECL provision, the Company has INR 156.5 crore as a steady state provision for unforeseeable macro-economic factors.
- Return on Asset is at 1.61% on an average gearing of 9.3x against 1.56% on an average gearing of 7.6x during FY17-18 resulting in an expansion of Return on Equity to 17.44% for FY18-19 vis a vis 14.20% for FY17-18.

**Dividend**

- The Board of Directors recommended final dividend of INR 9.0 per equity share of INR 10/- for FY18-19. Dividend Payout ratio for the year inclusive of dividend distribution tax is 16.8%.

**Business Operations**

- Disbursements grew by 9% to INR 36,079.4 crore during FY18-19 from INR 33,194.7 crore over FY17-18.
- Asset under Management (AUM) is at INR 84,721.9 crore as on 31<sup>st</sup> March, 2019 moved from INR 62,252.0 crore as on 31<sup>st</sup> March, 2018 registering a growth of 36% during the period with share of Housing Loans being 71% and Non Housing being 29% of the AUM.
- Loan Asset grew by 30% YoY to INR 74,023.0 crore as on 31<sup>st</sup> March, 2019 from INR 57,014 crore as on 31<sup>st</sup> March 2018.

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CIN: L65922DL1988PLC033856

### **Borrowings**

- Total borrowings are at INR 72,362.0 crore as on 31<sup>st</sup> March, 2019 expanded from INR 54,268.3 crore as on 31<sup>st</sup> March, 2018 registering a growth of 33% during the period.
- The Deposit portfolio grew by 24% to INR 14,315.0 crore as on 31<sup>st</sup> March, 2019 from INR 11,586.2 crore as on 31<sup>st</sup> March, 2018 with expanding retail penetration.
- Total outstanding, loans assigned, amounted to INR 10,698.9 crore as on 31<sup>st</sup> March, 2019.

### **Distribution and Service Network**

- As on 31<sup>st</sup> March, 2019 the Company has 102 branches with presence in 62 unique cities and 23 Hubs. This includes 18 branches, which were made operational during the year. The Company also services the customers through 29 outreach locations.

### **Asset Quality**

- Gross Non-Performing Assets (NPA) stood at 0.48% of the Loan Assets as on 31<sup>st</sup> March, 2019 against 0.33% as on 31<sup>st</sup> March, 2018. At an AUM level the Gross NPA is at 0.44%.
- Net NPA stood at 0.38% of the Loan Assets as on 31<sup>st</sup> March, 2019 against 0.23% as on 31<sup>st</sup> March, 2018.

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

- The Company's CRAR based on IGAAP stood at 13.98% as on 31<sup>st</sup> March, 2019, of which Tier I capital was 11% and Tier II capital was 2.98%. 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, "AA+" 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:**

"FY18-19 was a challenging year with tight liquidity, which impacted the overall Indian financial and real estate sectors. Amid such environment, we continued our focus on maintaining adequate liquidity, balanced ALM, efficient operations and robust asset quality. This resulted in double digit growth across all the businesses and financial vectors. Our PAT for the year crossed a landmark of INR 1,100 crore for the financial year 18-19.

We would continue to maintain a balanced approach to business, with focus on asset quality, and improving profitability."

### **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 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.

### **Safe Harbour Statement**

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**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

(₹ in Crore)

	PARTICULARS	Quarter ended			Year ended	
		31-Mar-19 (Audited)	31-Dec-18 (Reviewed)	31-Mar-18 (Audited)	31-Mar-19 (Audited)	31-Mar-18 (Audited)
	<b>Revenue from Operations</b>					
(i)	Interest Income	1,892.89	1,764.07	1,424.12	6,792.86	5,046.70
(ii)	Fees and commission Income	108.00	109.48	71.69	449.44	292.26
(iii)	Net gain on fair value changes	50.39	51.76	26.14	128.93	33.53
(iv)	Income on derecognised (assigned) loans	93.93	152.43	116.22	308.09	116.22
<b>I</b>	<b>Total Revenue from Operations</b>	<b>2,145.21</b>	<b>2,077.74</b>	<b>1,638.17</b>	<b>7,679.32</b>	<b>5,488.71</b>
<b>II</b>	<b>Other Income</b>	<b>2.98</b>	<b>0.72</b>	<b>0.31</b>	<b>3.90</b>	<b>0.63</b>
<b>III</b>	<b>Total Income (I+II)</b>	<b>2,148.19</b>	<b>2,078.46</b>	<b>1,638.48</b>	<b>7,683.22</b>	<b>5,489.34</b>
	<b>Expenses</b>					
(i)	Finance Cost	1,427.51	1,410.25	1,025.62	5,166.37	3,536.56
(ii)	Impairment on financial instruments & Write-offs	10.11	70.14	84.70	188.95	276.57
(iii)	Employee Benefit Expenses	91.31	81.10	45.56	303.88	144.14
(iv)	Depreciation and Amortisation	9.15	7.59	7.03	31.37	24.13
(v)	Fees and commission expense	7.94	12.95	21.77	54.62	83.47
(vi)	Other Expenses	57.10	54.84	76.41	203.64	189.89
<b>IV</b>	<b>Total Expenses</b>	<b>1,603.12</b>	<b>1,636.87</b>	<b>1,261.09</b>	<b>5,948.83</b>	<b>4,254.76</b>
<b>V</b>	<b>Profit Before Tax (III-IV)</b>	<b>545.07</b>	<b>441.59</b>	<b>377.39</b>	<b>1,734.39</b>	<b>1,234.58</b>
	Tax Expense:					
	-Current Tax	133.65	117.55	109.83	503.48	437.87
	-Deferred Tax (net)	31.65	21.07	15.98	39.39	(44.44)
<b>VI</b>	<b>Total Tax Expense</b>	<b>165.30</b>	<b>138.62</b>	<b>125.81</b>	<b>542.87</b>	<b>393.43</b>
<b>VII</b>	<b>Net Profit after Tax (V-VI)</b>	<b>379.77</b>	<b>302.97</b>	<b>251.58</b>	<b>1,191.52</b>	<b>841.15</b>
<b>VIII</b>	<b>Other Comprehensive Income (net of taxes)</b>	<b>(31.33)</b>	<b>(72.57)</b>	<b>13.43</b>	<b>(102.33)</b>	<b>(2.16)</b>
<b>IX</b>	<b>Total Comprehensive Income (VII+VIII)</b>	<b>348.44</b>	<b>230.40</b>	<b>265.01</b>	<b>1,089.19</b>	<b>838.99</b>
	<b>Earnings per Share (of ₹ 10 each)*</b>					
	-Basic (₹)	22.68	18.09	15.10	71.19	50.52
	-Diluted (₹)	22.54	17.97	14.93	70.76	49.94
	Paid-up Equity Share Capital (Face value ₹ 10)	167.47	167.47	166.59	167.47	166.59
	Reserve excluding Revaluation Reserves as at March 31	-	-	-	7,376.43	6,400.75

\* EPS for the quarters are 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 1, 2018 and the effective date of such transition is April 1, 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 1, 2017. The corresponding figures presented in these results have been prepared on the basis of the previously published results under previous GAAP for the relevant periods, duly re-stated to Ind AS. The financials results have been audited by the Statutory Auditors of the Company.

These financial results have been drawn up on the basis of Ind AS accounting standards that are applicable to the group as at March 31, 2019 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.

**3. Consolidated Statement of Assets and Liabilities:**

Particulars	As at	
	31-Mar-19	31-Mar-18
	(Audited)	
(₹ in Crore)		
<b>ASSETS</b>		
<b>1 Financial Assets</b>		
(a) Cash and cash equivalents	4,033.96	2,816.95
(b) Bank Balance other than (a) above	0.11	0.03
(c) Receivables		
(i) Trade Receivables	38.88	0.33
(ii) Other Receivables	-	-
(d) Loans	74,287.88	57,164.80
(e) Investments	4,560.67	2,412.95
(f) Other Financial Assets	512.99	240.82
<b>Sub Total - Financial Assets</b>	<b>83,434.49</b>	<b>62,635.88</b>
<b>2 Non - Financial Assets</b>		
(a) Current tax assets (Net)	115.60	48.46
(b) Deferred tax Assets (Net)	60.99	45.46
(c) Investment Property	0.56	0.57
(d) Property, Plant and Equipment	78.34	58.41
(e) Capital work-in-progress	3.81	8.23
(f) Other Intangible assets	24.21	17.14

Particulars	As at	
	31-Mar-19	31-Mar-18
	(Audited)	
(g) Intangible assets under developments	1.36	1.46
(h) Other non-financial assets	18.52	20.16
(i) Assets held for sale	131.11	178.70
<b>Sub Total - Non - Financial Assets</b>	<b>434.50</b>	<b>378.59</b>
<b>TOTAL – ASSETS</b>	<b>83,868.99</b>	<b>63,014.47</b>
<b>LIABILITIES</b>		
<b>1 Financial Liabilities</b>		
(a) Derivative financial instruments	210.80	38.55
(b) 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	127.16	119.60
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c) Debt Securities	29,604.94	31,088.30
(d) Borrowings (Other than Debt Securities)	26,793.19	9,950.72
(e) Deposits	14,023.04	11,339.75
(f) Subordinated Liabilities	1,437.68	1,397.93
(g) Other financial liabilities	2,091.26	854.46
<b>Sub Total - Financial Liabilities</b>	<b>74,288.07</b>	<b>54,789.31</b>
<b>2 Non-Financial Liabilities</b>		
(a) Provisions	25.26	18.74
(b) Other non-financial liabilities	2,011.76	1,639.08
<b>Sub Total - Non Financial Liabilities</b>	<b>2,037.02</b>	<b>1,657.82</b>
<b>3 EQUITY</b>		
(a) Equity Share capital	167.47	166.59
(b) Other Equity	7,376.43	6,400.75
<b>Sub Total – Equity</b>	<b>7,543.90</b>	<b>6,567.34</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>83,868.99</b>	<b>63,014.47</b>

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 Crore)

Particulars	Quarter ended 31-Mar-2018	Year ended 31-Mar-2018
<b>Net Profit reported as per Previous GAAP</b>	<b>219.21</b>	<b>829.41</b>
<b>Add / (Less): Adjustments as per Ind AS on account of:</b>		
-Reclassification of net Actuarial Valuation of Employee Benefits obligation to Other Comprehensive Income (OCI)	(0.46)	(0.13)
- Fair valuation of Employee Stock Options	(4.07)	(17.15)
- Fair valuation of Investments	1.44	(7.51)
- Effective Interest Rate on financial assets and liabilities recognised at amortised cost / interest on credit impaired loans	(19.39)	(4.67)
- Excess Interest Spread gain / net Servicing fees on assignment transactions	108.34	78.57
- Expected Credit Loss provision	(50.79)	(93.22)
- Reversal of Deferred tax liability on Special Reserve created u/s 36(1)(viii)	14.47	51.91
- Deferred Tax impact on above adjustments	(17.17)	3.94
<b>Net Profit before Other Comprehensive Income as per Ind AS</b>	<b>251.58</b>	<b>841.15</b>
Other Comprehensive Income (net of tax)	13.43	(2.16)
<b>Total Comprehensive Income as per Ind AS</b>	<b>265.01</b>	<b>838.99</b>

5. Reconciliation of equity attributable to the shareholders of the Company:

(₹ in Crore)

Particulars	Year ended 31-Mar-2018
Total equity reported under previous GAAP	6,305.54
-Reclassification of net Actuarial Valuation of Employee Benefits obligation to Other Comprehensive Income (OCI)	(0.13)
- Fair valuation of Investments	3.60
- Effective Interest Rate on financial assets and liabilities recognised at amortised cost / interest on credit impaired loans	0.22
- Excess Interest Spread gain / net Servicing fees on assignment transactions	220.17
- Expected Credit Loss provision	(7.04)
- Reversal of Deferred tax liability on Special Reserve created u/s 36(1)(viii)	165.89
- Deferred Tax impact on above adjustments	(76.05)
Net Equity Reserve before Other Comprehensive Income as per Ind AS	6,612.20
Other Comprehensive Income (net of taxes)	(44.86)
<b>Total equity under Ind AS</b>	<b>6,567.34</b>

6. During the quarter ended March 31, 2019, there were no transactions in the nature of exceptional or extraordinary items.

7. Figures for the quarter ended March 31, 2019 and March 31, 2018 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 respective financial years.
8. The Company is identified as a Large corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 and has submitted the following disclosure to stock exchange on April 30, 2019.

(₹ in Crore)

S. No.	Particulars	Details
1	Name of the Company	PNB Housing Finance Limited
2	CIN	L65922DL1988PLC033856
3	Outstanding borrowing of Company as on March 31, 2019	₹ 56020*
4	Highest Credit Rating during the FY along with name of the Credit Rating Agency	<b><u>Deposits:</u></b>
		CRISIL – FAAA
		CARE – CARE AAA
		<b><u>Commercial Paper:</u></b>
		CARE – CARE A1+
		CRISIL – CRISIL A1+
		<b><u>Non-Convertible Debentures/ Subordinated Debt:</u></b>
		CARE – CARE AAA
		CRISIL – CRISIL AA+
		India Ratings – IND AA+
		ICRA Limited – ICRA AA+
<b><u>Bank Facilities:</u></b>		
CARE – CARE AAA		
CRISIL - CRISIL AA+		
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited

\*Outstanding borrowings with original maturity of more than 1 year excluding External Commercial Borrowings

The consolidated results for the quarter and year ended March 31, 2019 are reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at their meeting held on May 09, 2019.

May 09, 2019  
New Delhi

Sanjaya Gupta  
Managing Director  
DIN 02939128