



July 9, 2020

The BSE Limited,
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited,
Listing Department
“Exchange Plaza”
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code: 540173

Symbol: PNBHOUSING

Dear Sirs,

Sub: Press Release

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the press release of the Company titled as

“PNB Housing Finance Limited FY 2021 Business Plan”

This is for your information and records.

Thanking You,

For PNB Housing Finance Limited

Sanjay Jain
Company Secretary and Head Compliance

Encl: a/a

Press Release
For Immediate Release

9th July 2020, New Delhi

PNB Housing Finance Ltd, on 23rd January 2020, during its earnings call mentioned about its future growth plans. Post January 2020, the entire world was hit by the Covid-19 pandemic and that required a change in the strategy for the organisations. As a result, PNB Housing also reworked on its FY2020-21 business plan and presented to its Board and the Board approved the business plan for FY 2020-21. The key considerations and outcome are mentioned below for better understanding on the Company's plans for FY 2020-21.

With Covid-19 and the resultant lockdown, the impact was visible on the disbursements in Q4 FY2019-20 and Q1 FY2020-21. However, the numbers are visibly improving month on month but on the overall basis the disbursements are expected to degrow during the year. The focus will be on the mass housing lower risk weighted retail segment. In the mass housing segment, the Company will also disburse loans to high yielding Unnati segment (Individual housing) with average ticket size of around INR 17 lakh. Unnati segment will account for 10-15% of the total disbursements planned for FY 2020-21.

Asset under Management is expected to maintain the similar trajectory in FY 2020-21 as was in FY 2019-20. With focus on retail segment, the retail loans are expected to further increase beyond 85% of the total AUM as on 31st March 2021.

The efforts will be on maintaining neat Spreads anywhere between 210-220 basis points for FY 2020-21 with no plans of any major securitization of retail loans during the year.

Including the fee and other operating income, the Gross margin is expected to be in a range of 300-315 basis points for FY 2020-21.

The operating expenses is expected to reduce by 5-10% in FY 2020-21 in absolute terms as compared to FY 2019-20 with focused effort on cost rationalization and efficiencies across all functions in the organization. The Company had built adequate provisions during FY 2019-20 and hence the credit cost is expected to be lower during the year compared to FY 2019-20 subject to uncertainty which might arise due to COVID-19. However, led by Government measures there are early signs of real estate sector bottoming out after 7 years of muted performance.

Company is actively looking down to further sell down its corporate asset and make the balance sheet further asset light. With focus on lower risk weighted retail loans, cost rationalisation, contained credit costs, the Return on Asset is expected to be in a range of 140 - 160 basis points while maintaining an average gearing of around 7 times during the year post planned capital raise of upto INR 1,700 crore.

PNB, promoter of PNB Housing, has stated its objective of maintaining minimum stake of 26% (current shareholding 32.65%) in the Company, continue to be the promoter and provide brand support. Further, on the Capital raise, the Company has approached its promoter for their participation and is awaiting their response on the same.

Please note, these estimates are based on current market conditions and are subject to change in future.

The Company in Q1 FY 2020-21 disbursed ~INR 800 crore of loans and maintained cash and bank balance of around INR 7,000 crore as on 30th June 2020. Further, there is a healthy pipeline of fresh

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borrowing which the Company is actively progressing with multiple lenders. As on 30th June 2020, the Retail Loans under moratorium phase 2 account for ~29% of the Retail AUM and on over all basis, ~39% of the AUM is under moratorium.

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 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.

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