

Press Release

For Immediate Release

24th January, 2019, New Delhi

Consolidated Unaudited Financial Results for Q3 and Nine Months Ended 31st December, 2018

The Board of Directors of PNB Housing Finance Limited today approved the Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December, 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 (Q3 FY18-19 vs Q3 FY17-18)

- Net Interest Income registered a growth of 35% to INR 558.2 crore from INR 412.2 crore.
- Profit after Tax grew by 32% to INR 303.0 crore from INR 229.5 crore.
- The Spread on loans for Q3 FY18-19 stood at 2.56% similar to Q3 FY17-18 levels.
- Net Interest Margin for Q3 FY18-19 stood at 3.06% compared to 3.02% for Q3 FY17-18.
- Gross Margin, net of acquisition cost and including fees, for Q3 FY18-19 stood at 3.39% compared to 3.34% for Q3 FY17-18
- Added INR 11 crore as a steady state provision for unforeseeable macro-economic factors during Q3 FY18-19

Financial performance (9M FY18-19 vs 9M FY17-18)

- Net Interest Income at INR 1,453.8 crore vs INR 1,119.0 crore registering a growth of 30%.
- Profit after Tax grew by 38% to INR 811.8 crore from INR 589.6 crore.
- The Spread on loans for 9M FY18-19 stood at 2.27% compared to 2.32% for 9M FY17-18.
- Net Interest Margin for 9M FY18-19 stood at 2.85% compared to 3.04% for 9M FY17-18.
- Gross Margin, net of acquisition cost and including fees, for 9M FY18-19 stood at 3.26% compared to 3.38% for 9M FY17-18
- The net worth as on 31st December, 2018 stood at INR 7,162.2 crore.
- The cumulative ECL provision as on 31st December, 2018 is INR 435.6 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 1.51% on an average gearing of 9.2x against 1.56% on an average gearing of 7.2x during 9M FY17-18 resulting in an expansion of Return on Equity to 16.2% for 9M FY18-19 vis a vis 13.3% for 9M FY17-18.

Business Operations

- Disbursements grew by 13% to INR 27,517.6 crore during 9M FY18-19 from INR 24,455.3 crore over 9M FY17-18.
- Asset under Management (AUM) is at INR 79,736.6 crore as on 31st December, 2018 from INR 57,668.5 crore as on 31st December, 2017 registering a growth of 38% during the period. Housing Loans consists of 70% and Non Housing 30% of the AUM.
- Loan Portfolio grew by 28% YoY to INR 70,717.2 crore as on 31st December, 2018.

Borrowings

- Total borrowings is at INR 69,165.6 crore as on 31st December, 2018 from INR 50,751.0 crore as on 31st December, 2017 registering a growth of 36% during the period.

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- The Deposit portfolio grew by 23% to INR 13,085.7 crore as on 31st December, 2018 from INR 10,668.5 crore as on 31st December, 2017.
- The total outstanding loans assigned amounted to INR 9,019.4 crore as on 31st December, 2018.

Distribution and Service Network

- As on 31st December, 2018 the Company has 100 branches with presence in 60 unique cities and 23 Hubs. This includes 16 branches, which were made operational during Nine month FY18-19. The Company also services the customers through 26 outreach locations.

Asset Quality

- Gross Non-Performing Assets (NPA) stood at 0.47% of the Loan Assets as on 31st December, 2018 against 0.42% as on 31st December, 2017. At an AUM level the Gross NPA is at 0.45%.
- Net NPA stood at 0.37% of the Loan Assets as on 31st December, 2018 against 0.31% as on 31st December, 2017.

Capital to Risk Asset Ratio (CRAR)

- The Company's CRAR based on IGAAP stood at 14.49% as on 31st December, 2018, of which Tier I capital was 11.37% and Tier II capital was 3.12%. 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:

"Despite higher volatility and liquidity tightening we continued to disburse loans on a business as usual mode with a cautious eye on the market during Q3 FY18-19. This is due to the proactive approach of maintaining excess liquidity on the balance sheet, efficient treasury management and operational rigor of the Company. During the quarter, we raised over INR 22,500 crore through multiple avenues viz NHB refinance, ECB, Direct Assignment, Deposit, Commercial Papers etc and disbursed in aggregate INR 9,345 crores across loan products and customer segments. Sticking to fundamentals we continue to maintain a balanced approach to business and growth."

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.

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Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2018

(As per Schedule III notified by the Ministry of Corporate Affairs on October 11, 2018 for Non-Banking Financial Companies)

(₹ in crores)

PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Nine Months ended	Nine Months ended
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17
	Reviewed	Reviewed	Unaudited	Reviewed	Unaudited
Revenue from Operations					
(i) Interest Income	1,764.07	1,612.09	1,335.57	4,899.97	3,622.58
(ii) Fees and commission Income	109.48	116.43	78.51	341.44	220.57
(iii) Net gain on fair value changes	51.76	18.01	2.00	78.54	7.39
(iv) Income on derecognised (assigned) loans	152.43	61.73	-	214.16	-
I Total Revenue from Operations	2,077.74	1,808.26	1,416.08	5,534.11	3,850.54
II Other Income	0.72	-	0.13	0.92	0.32
III Total Income (I+II)	2,078.46	1,808.26	1,416.21	5,535.03	3,850.86
Expenses					
(i) Finance Cost	1,410.25	1,228.86	925.66	3,738.86	2,510.94
(ii) Impairment on financial instruments & Write-offs (Expected Credit Loss)	70.14	64.69	48.15	178.84	191.87
(iii) Employee Benefit Expenses	81.10	80.89	36.83	212.57	98.58
(iv) Depreciation and Amortisation	7.59	7.91	6.77	22.22	17.10
(v) Fees and commission expense	12.95	15.62	19.73	46.68	61.70
(vi) Other Expenses	54.84	37.81	43.27	146.54	113.48
IV Total Expenses (IV)	1,636.87	1,435.78	1,080.41	4,345.71	2,993.67
V Profit Before Tax (III-IV)	441.59	372.48	335.80	1,189.32	857.19
Tax Expense					
-Current Tax	117.55	114.73	120.55	369.83	328.04
-Deferred Tax	21.07	4.76	(14.20)	7.74	(60.42)
VI Total Tax Expense	138.62	119.49	106.35	377.57	267.62
VII Net Profit after Tax (V-VI)	302.97	252.99	229.45	811.75	589.57
VIII Other Comprehensive Income	(72.57)	1.35	6.57	(71.00)	(15.59)
IX Total Comprehensive Income (VIII+IX)	230.40	254.34	236.02	740.75	573.98
Earnings per Share (of ₹ 10 each)*					
-Basic	18.09	15.11	13.77	48.51	35.42
-Diluted	17.97	15.00	13.60	48.18	34.97
Paid-up Equity Share Capital (Face value ₹ 10)	167.47	167.46	166.59	167.47	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 December 31, 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.

3. 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 31-Dec-17	Nine Months ended 31-Dec-17
Net Profit reported as per Previous GAAP	217.46	610.20
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)	0.33
- Fair valuation of Employee Stock Options	(5.77)	(13.08)
- Fair valuation of Investments	(3.68)	(8.95)
- Effective Interest Rate on financial assets and liabilities recognised at amortised cost / interest on credit impaired loans	14.94	14.72
- Excess Interest Spread gain / net Servicing fees on assignment transactions	(9.28)	(29.77)
- Expected Credit Loss provision	6.09	(42.43)
- Reversal of Deferred tax liability on Special Reserve created u/s 36(1)(viii)	13.74	37.44
- Deferred Tax impact on above adjustments	(3.71)	21.11
Net Profit before Other Comprehensive Income as per Ind AS	229.45	589.57
Other Comprehensive Income (net of tax)	6.57	(15.59)
Total Comprehensive Income as per Ind AS	236.02	573.98

4. During the quarter ended December 31, 2018, there were no transactions in the nature of exceptional or extraordinary items.



The consolidated results for the quarter and nine months ended December 31, 2018 are reviewed and recommended by the Audit Committee of Board and subsequently approved by Board of Directors at their meeting held on January 24, 2019.

For PNB Housing Finance Limited

January 24, 2019
New Delhi

Sanjaya Gupta
Managing Director
DIN 02939128