



May 31, 2021

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 Board Approves Capital Raise Proposal of INR 4,000 crore Led by Carlyle “

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

PNB Housing Finance Board Approves Capital Raise Proposal of INR 4,000 crore Led by Carlyle

PNB Housing Finance accelerating strategic priorities to benefit from growth in India's mortgage industry

New Delhi, May 31, 2021 – PNB Housing Finance Limited (NSE: PNBHOUSING, BSE: 540173), one of the largest housing finance companies in India, today announced that its Board has approved a capital raise of up to INR 4,000 crore, led by entities affiliated to The Carlyle Group Inc (NASDAQ: CG, “Carlyle”).

Pluto Investments S.a.r.l., an affiliated entity of Carlyle Asia Partners IV, L.P. and Carlyle Asia Partners V, L.P. (together, “Carlyle”) has agreed to invest up to INR 3,185 crore through a preferential allotment of equity shares and warrants, at a price of INR 390 per share. Existing shareholders of the Company, funds managed by Ares SSG and General Atlantic, are also participating in the capital raise. PNB will continue to be the Promoter and a key stakeholder in the Company.

The transaction is subject to customary regulatory approvals as well as shareholder approval. Pursuant to the Securities and Exchange Board of India's Takeover Regulations, the proposed transaction will trigger a mandatory open offer by Pluto Investments S.a.r.l. for the purchase of up to 26% equity shares of PNB Housing Finance from public shareholders.

As part of this transaction, Salisbury Investments Pvt. Ltd., the family investment vehicle of Aditya Puri, Senior Advisor for Carlyle in Asia and the former CEO & Managing Director of HDFC Bank, will also invest in the capital raise. Aditya Puri is expected to be nominated to the PNB Housing Finance Board as a Carlyle nominee Director in due course. Over his 26 year tenure leading HDFC Bank, Mr. Puri grew the bank into the largest private sector bank in India and has been recognized globally as one of the world's leading businesspersons.

Established in 1988, PNB Housing Finance is the fourth largest housing finance company in India in terms of Loan Assets (INR 62,255 crore as of March 31, 2021), and the second largest in deposits (INR 17,129 crore as of March 31, 2021). Favorable demographics, rising urbanization, lower interest rates, continued improvement in housing affordability and supportive government policies are promoting growth across the industry which is expected to continue into the near future.

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CIN: L65922DL1988PLC033856

The key objective of raising capital is to augment capital adequacy, reduce gearing and accelerate growth with a focus on retail housing including self-employed and affordable housing loans such as the Unnati segment. Assuming full capital infusion (including warrants) and no other change to the March 31, 2021 financials, the capital adequacy ratio of the Company as of March 31, 2021 would increase from 18.7% to over 28% and gearing as of March 31, 2021 will decline from 6.7x to less than 5x.

Hardayal Prasad, Managing Director and CEO of PNB Housing Finance, said, “This fund raise, and Carlyle’s continued support, puts us in a strong position to benefit from the growing opportunities in the housing finance sector including in the affordable housing loans and self-employed segments, where we have developed differentiated capabilities in terms of distribution, underwriting and customer service. The current fund raise and planned strengthening of the Board and management team will enable us to accelerate our strategic priorities, including further expanding our footprint, driving the Company’s digitalization, improving our operating model and customer engagement.”

Mallikarjuna Rao, Managing Director and CEO of Punjab National Bank, said, “This capital raise will significantly strengthen PNB Housing Finance’s capital base. We’re delighted for them to reach this milestone, and to see the encouraging improvement in industry dynamics. We are strongly committed to supporting PNB Housing Finance’s future success, and look forward to continuing our partnership with Carlyle, and PNB Housing Finance”

Sunil Kaul, Managing Director of the Carlyle Asia advisory team, said, “We have developed a strong partnership with PNB Housing Finance since our investment six years ago, leveraging our industry expertise and networks to help the Company navigate sector headwinds, strengthen its business, and position it for future growth. This substantial additional investment reflects Carlyle’s strong commitment to India as a core market. We look forward to continuing our partnership with a leading bank like PNB to support the Company as it embarks on a new growth journey.”

Aditya Puri, Senior Advisor for Carlyle in Asia and the former CEO & Managing Director of HDFC Bank, said, “I believe PNB Housing Finance with its enhanced capital base is very well positioned to meet the growing demand in its areas of operation. I look forward to helping the Company in this exciting journey.”

PNB is the second largest public sector bank in India, both in terms of business and branch network. Since its establishment in 1895, seven banks have merged with PNB, including United Bank of India and Oriental Bank of Commerce in 2020, giving PNB a wider geographical reach which enables it to serve its customers more effectively and efficiently.

Carlyle has deep experience in investing in the financial services sector, both in India and globally, and has a deep understanding of the markets which, coupled with its operational and industry expertise, allows close partnerships with management and other major shareholders. In India alone, affiliates of Carlyle have invested more than US\$1.7 billion of equity in a total of eight financial services companies as of March 31, 2021, and US\$3.2 billion in India overall.

Ares SSG is one of the largest alternative asset managers in Asia-Pacific with approximately US\$7.0 billion in assets under management as of March 31, 2021. Led by a highly experienced management team, Ares SSG leverages its broad geographical footprint and extensive infrastructure in the region to make credit, private equity and special situations investments on behalf of its institutional client base. Ares SSG is a subsidiary of Ares Management Corporation (NYSE: ARES), a leading global alternative investment manager operating integrated groups across Credit, Private Equity, Real Estate and Strategic Initiatives.

General Atlantic is a leading global growth equity firm providing capital and strategic support for growth companies. Established in 1980, General Atlantic combines a collaborative global approach, sector specific expertise, a long-term investment horizon, and a deep understanding of growth drivers to partner with great entrepreneurs and management teams to build market-leading businesses worldwide. General Atlantic has more than 175 investment professionals based in 14 locations globally.

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 offers to 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.

Disclaimer

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