

February 17, 2018

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 Sir,

Sub: Communication by PNB Housing Finance Limited (Company)

Please find attached herewith a communication by the Company with respect to the fraud reported by its promoter viz Punjab National Bank. This communication is issued to put at rest some concerns that our stakeholders might have with respect to any impact on the operations of PNB Housing Finance Limited.

Thanking You,
For PNB Housing Finance Limited


Sanjay Jain
Company Secretary & Head Compliance



Encl: a/a

Date: 17th February 2018

TO WHOMSOEVER IT MAY CONCERN

In the last few days, some concerns have been raised after Punjab National Bank ("PNB") has reported a fraud in the bank.

Through this communication, we would like to put at rest anxieties/ concerns that the stakeholders might have with respect to operations of PNB Housing Finance Limited.

PNB and PNB Housing Finance Limited

PNB Housing Finance Limited is a registered housing finance company with National Housing Bank (NHB). It was incorporated under the Companies Act, 1956 and has commenced its operations on November 11, 1988. PNB Housing Finance Limited is a listed entity on BSE and NSE with market capitalization of around INR 20,000 crore at present.

PNB Housing Finance Limited was promoted by PNB, whose present shareholding in our Company is 32.96%. Out of 32.96%, shareholding equivalent to 20% is locked up till 7th November 2019 as per SEBI Regulations.

About PNB Housing Finance Limited

PNB Housing Finance Limited is a professionally managed and a progressive entity, having a very strong internal control systems and processes. It has a young, dynamic and professional manpower.

PNB Housing Finance Limited works on the state of art technology system (ESS), which supports all its operations. It operates through an independent network of 80 branches and 21 credit decision making hubs as on 31st Dec, 2017 across the country. We are a customer centric Company, which has a family of over 3 lacs loans and deposit customers. These customers are serviced on PNB Housing's own state of the art Central Processing Centre and Central Operations.

PNB Housing Finance Limited though share a common brand with PNB yet has an arm's length relationship with PNB and it does not share any branch network with PNB.



Our Technology and Operations

PNB Housing Finance Limited has taken multiple technological initiatives, such as development of its own web customer interaction, vendor portal, loans recovery portal etc. The technology ecosystem including Core Enterprise System, Datacentres & Network links along with IT Operations and System Administration of PNB Housing Finance Limited are owned by it. The appointment & engagement with IT partners, System & Cyber Auditors are independent.

PNB Housing Finance Limited network, data center, branch network and customers are independent.

Our Treasury

PNB Housing Finance Limited has a versatile and large treasury operations. Our treasury is independent and we raise financial resources from multiple sources viz. NCDs, Refinance from National Housing Bank (owned by Reserve Bank of India), Deposits, Term loans/ OD, CP, ECB etc. PNB Housing Finance Limited has raised foreign currency borrowings from multilateral agencies viz. International Finance Corporation and Asian Development Bank.

We have an arm's length relationship with PNB for raising of financial resources.

The rating agencies have reposed strong faith in us. Our fixed deposits are rated by CRISIL (FAAA /Stable) and CARE (AAA). The long-term instruments have been rated between AAA and AA+ by the different rating agencies.

Our Business and Financial Operations

PNB Housing Finance Limited had undertaken Business Process Re-engineering project 6 years ago and has revamped all its systems and processes. The Company has made significant investments in manpower and technology. Consequently, the business and financial results of PNB Housing Finance Limited speak for itself. We are the 5th largest HFC in terms of loan assets and 2nd largest deposit taking HFC. PNB Housing Finance Limited has maintained good quality of loan assets with one of the lowest NPAs in the industry. Company's results can be referred at our website www.pnbhousing.com.


(Sanjay Jain)
Company Secretary & Head Compliance

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