



Ghar Ki Baat

# Capital Raise

31<sup>st</sup> May 2021

# Capital Raise Update

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The Board of the Company approved a capital raise plan of INR 4,000 crore through preferential issue of equity shares and warrants

The Capital Raise is led by Carlyle contributing 80% of the capital raise with the remaining amount coming from our other existing shareholders viz funds managed by Ares SSG and General Atlantic

Salisbury Investments, family investment vehicle of Mr. Aditya Puri, former CEO & MD of HDFC Bank is also investing in the capital raise; Mr. Puri is expected to be nominated to the Board by Carlyle in due course

The key objective of the Capital raise is to Augment capital adequacy, Reduce gearing and Accelerate growth in retail segment. It shall help achieve the 'New Agenda' set out by the Company in January 2021

# Capital Raise Structure

- Preferential issue of equity shares and warrants
- Issue price of equity shares & warrants INR 390/share Vs. SEBI floor price of INR 385/share

Structure	Amount (INR Crore)
Preferential Equity Shares (80% of the capital raise)	3,200
Warrants (20% of the capital raise)	800
<b>Total</b>	<b>4,000</b>

Name of the Proposed Investor	Capital Raise Amount (INR Crore)	Proposed Allocation (# of Shares in Crore)			Shareholding %		
		Equity Shares	Warrants	Total	Current	Post Equity allotment	Post Warrant allotment
Pluto Investments (Carlyle group)	3,185	6.53	1.63	8.16		26.1%	30.2%
Salisbury Investments Pvt Ltd	25	0.05	0.01	0.06		0.2%	0.2%
General Atlantic Singapore	390	0.80	0.20	1.00	9.9%	9.8%	9.8%
Alpha Investments (Fund managed by SSG Group)	400	0.82	0.21	1.03		3.3%	3.8%
<b>Total</b>	<b>4,000</b>	<b>8.20</b>	<b>2.05</b>	<b>10.25</b>			

The capital raise is subject to regulatory and shareholders' approvals.  
Extra-ordinary General Meeting on June 22, 2021

# Way Forward

<b>Improve CRAR and Gearing</b>	<ul style="list-style-type: none"> <li>Augment CRAR; presently at 18.7% - to increase to above 28%*</li> <li>Improve Gearing; presently at 6.7x – to reduce below 5x*</li> </ul>
<b>Accelerate Growth</b>	<ul style="list-style-type: none"> <li>Tap growth opportunities in the housing finance sector with predominantly retail focus</li> <li>Increased focus on fast growing affordable home loan segment through Unnati, while remaining disciplined on risk</li> <li>Leverage existing differentiated origination, underwriting and customer servicing capabilities to drive growth in self-employed &amp; LAP segments where the Company has traditionally been a market leader</li> <li>Use co-lending model for greater price competitiveness. Company has already signed a co-lending agreement with Yes Bank and is in discussions with a few others</li> </ul>
<b>Improve Cost of Funds</b>	<ul style="list-style-type: none"> <li>Continued focus on key drivers for credit rating improvement and diversify funding sources to enable reduction in borrowing costs</li> </ul>
<b>Cost Management</b>	<ul style="list-style-type: none"> <li>Focus on cost efficiency and productivity improvement</li> </ul>
<b>Digitization &amp; Analytics Focus</b>	<ul style="list-style-type: none"> <li>Drive efficiency through digital interventions across the value chain with increase in digital sourcing, automation of straight through underwriting processes and bringing in analytics across the organization including in sourcing, collections and credit</li> </ul>
<b>Transformation Project</b>	<ul style="list-style-type: none"> <li>Company has initiated an end-to-end business transformation project with a leading global consulting firm</li> </ul>
<b>Capital Buffer</b>	<ul style="list-style-type: none"> <li>This capital raise provides enough capital buffer to strengthen the Company's balance sheet to face any potential stress from second or subsequent Covid waves</li> </ul>
<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>Continue strengthening governance and risk management with selective additions to the Board and Management</li> </ul>

\*Reinstating balance sheet ratios with capital infusion on/before 31<sup>st</sup> March 2021



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THANK YOU