



TPG to acquire Poonawalla Housing Finance at valuation of INR 39 billion

December 14, 2022

MUMBAI – December 14, 2022: TPG, a leading global alternative asset management firm, announced today that it has signed definitive documents with Poonawalla Fincorp Limited to acquire its subsidiary Poonawalla Housing Finance Limited (PHFL) for a pre-money equity valuation of INR 39 billion. The transaction is invested through TPG Capital Asia, the firm's Asia-focused private equity platform, subject to regulatory approvals and satisfaction of other customary conditions. In the near term, TPG will also infuse additional equity capital up to INR 10 billion to support growth.

PHFL is a leading pan-India player in the affordable housing finance segment with 153 branches spreading across 20 states. As of 09/22, PHFL's AUM of over INR 56 billion comprised affordable home loans (64%) and loans against property (36%) with an average ticket size of ~INR 1mn, to self-employed and salaried borrowers.

TPG is backing the existing management team led by Mr. Manish Jaiswal, Managing Director and Chief Executive Officer, who has previously worked at some of India's leading foreign and private banks, NBFCs and credit rating agencies. TPG looks forward to a strong partnership with the existing management team, drawing on their unique expertise built over several years of experience.

"As India's leading affordable housing finance provider, PHFL is uniquely positioned to grow in the fast-expanding affordable housing sector, which we believe is one of the most resilient asset classes across interest rate cycles," Puneet Bhatia, Co-Managing Partner of TPG Capital Asia, said. "Driven by tailwinds provided by the government's various initiatives such as the Pradhan Mantri Awas Yojana, National Housing Bank's affordable refinancing program, reduction in risk weights for housing loans, and increased regulatory compliance, a growing PHFL is expected to serve an even larger population to fulfil their aspiration of owning a house. PHFL has a deeply experienced management team, and we are excited to partner with them in its next growth phase."

PHFL is the latest addition to TPG Capital Asia's existing portfolio of fast-growing financial services companies across Asia, including Five Star Business Finance, Du Xiaoman Financial, Kakao Bank and Singlife. TPG Capital Asia operates a diverse team of more than 90 investment and operating professionals across Australia, China, Korea, India and Southeast Asia, providing local expertise and broad connectivity across the region.

Adar Poonawalla, Chairman of Poonawalla Group, said, "Since its inception, PHFL has played an important role in empowering lives of tens of thousands of Indians by being a trusted partner of every homeowner it serves. We have full confidence that it will continue to make a strong contribution to the affordable housing sector with our new partnership with TPG. As a global leading investment firm, TPG's experience in building and supporting leading financial services companies will add greater value to PHFL."

Manish Jaiswal, Managing Director & CEO at PHFL, said: "PHFL stands for providing dignity of living through home ownership to borrowers across India. PHFL's customer base has grown ~4x in the last 4 years given the low mortgage debt penetration, young demographics, family nuclearization and national mission of 'Housing for All'. We are excited to partner with TPG to build a robust and eminent affordable housing financing institution in the country."

Ambit Pvt. Ltd acted as exclusive Financial Advisor to Poonawalla Group on this transaction.

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About PHFL

Poonawalla Housing Finance Limited is a RBI registered, national scale affordable housing finance company. PHFL is a strongly rooted and geographically diversified housing finance company with a presence across the length and breadth of the country. PHFL is engaged in making the aspiration of home ownership a reality by supporting the underserved and underpenetrated sections of India. Visit <https://poonawallahousing.com/>

About TPG

TPG is a leading global alternative asset management firm, founded in San Francisco in 1992, with \$135 billion of assets under management and investment and operational teams in 12 offices globally. TPG invests across five multi-product platforms: Capital, Growth, Impact, Real Estate, and Market Solutions and our unique strategy is driven by collaboration, innovation, and inclusion. Our teams combine deep product and sector experience with broad capabilities and expertise to develop differentiated insights and add value for our fund investors, portfolio companies, management teams, and communities. For more information, visit www.tpg.com or @TPG on Twitter.

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