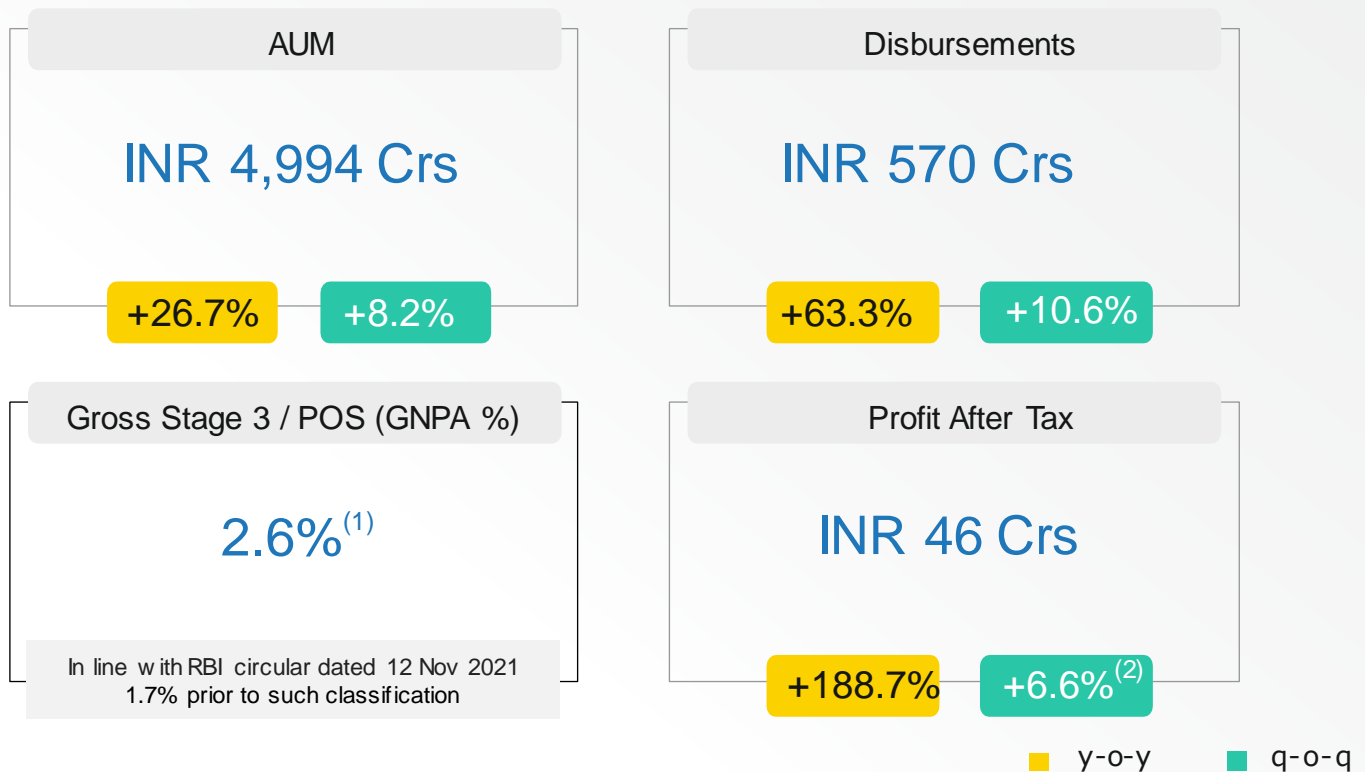


Home First Finance Company India Limited

HomeFirst reports highest ever disbursements of INR 570 Crs in Q3.

AUM crosses INR 5000 Crs in Jan 2022.

Independent Directors strength moves up to 4 with appointment of Ms. Sucharita Mukherjee.



Q3 FY22 Press Release: 27th January 2022, Mumbai

HomeFirst is a technology driven affordable housing finance company that targets first time buyers in low and middle - income groups. The company was listed in Feb'21 on Bombay Stock Exchange & National Stock Exchange of India.

Particulars	Q3FY22	Q3FY21	y-o-y	Q2FY22	q-o-q
AUM (INR Crs)	4994	3941	+26.7%	4617	+8.2%
Disbursement (INR Crs)	570	349	+63.3%	515	+10.6%
Total Income (INR Crs)	152	110	+37.6%	146	+3.8%
PAT (INR Crs)	46	16	+188.7%	45	+6.6% ⁽²⁾
Spread (%) ⁽³⁾	5.6%	5.0%	+60 bps	5.6%	0 bps
ROA (%)	4.0%	1.7%	+230 bps	3.9%	+30 bps ⁽²⁾
Gross Stage 3 (%)	2.6% ⁽¹⁾	1.6% ⁽¹⁾	NA	1.7% ⁽¹⁾	NA
Cost to Income (%)	33.0%	50.0%	-1700 bps	35.2%	-220 bps

(1) Pursuant to the RBI circular dated 12 Nov 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", the Company has changed its NPA definition to comply with the norms/ changes for regulatory reporting, as applicable. The Company has also on the basis of prudence to aligned Stage 3 definition to revised NPA definition. This is resulted in classification of loans amounting to ₹ 339.20 million as non-performing assets (Stage 3) as at 31 Dec 2021 in accordance with regulatory requirements. However, the said change does not have a material impact on the financial results for the quarter / nine months ended Dec'21. Gross Stage 3 prior to such classification for Dec'21 is 1.7%. Gross Stage 3 figures for Q3FY21 & Q2FY22 are prior to classification as per RBI circular. (2) Q2FY22 Adjusted PAT at Rs 431 mn, Adjusted RoA at 3.7% and Adjusted RoE at 12.0% computed without the impact of one-time deferred tax liability adjustment. (3) IGAAP basis.

Commenting on the performance Mr. Manoj Viswanathan, MD & CEO said,

“HomeFirst has crossed INR 5,000 Crores AUM in the month of January’2022. This is a significant milestone in the journey of HomeFirst. In its eleven-year journey, the company has provided housing loans to more than 60,000 customers across 13 States/UT in the country. We are grateful to our employees, customers, business partners, regulators and shareholders for placing their faith in us and encouraging us through our 12-year journey. Our objective has always been to simplify the home loan process for first-time homebuyers and provide them excellent service through state-of-the-art technology adoption.

Our Q3 FY22 performance was in-line with our internal expectations, with highest ever disbursements again at INR 570 Crs. We recorded an AUM growth of 26.7% y-o-y and a sequential growth in PAT of 6.6%. Q3 FY22 did not witness any major disruption from Covid and hence was a normal quarter for HomeFirst. We are also working to bring our asset quality to pre-covid levels. Significant improvements in 1+ DPD and 30+ DPD number for Q3 compared to Q2 indicates that it is progressing in the right direction. We are pleased to share that ICRA has revised the outlook on HomeFirst’s long term credit rating from A+ ‘Stable’ to A+ ‘Positive’.

Bounce rates improved in Jan’22 to 15.2% (Q3 FY22 – 15.7%, Q2 FY22 – 16.5%). 1+ DPD improved from 7.6% to 6.5% on q-o-q basis. 30+ DPD improved from 5.2% to 4.7% on q-o-q basis. Our Gross Stage 3 (GNPA) stands at 2.6% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 1.7% (Sep’21: 1.7%).

Digital adoption has further improved. Usage of the customer app for various activities has increased. 76% of our customers are registered on our app as on Dec’21 compared to 72% in Sept’21. Payments received via the app have gone up by 114% y-o-y. Over the years, we have made our systems more robust and constantly added meaningful features to enhance the customer experience - the latest being the addition of biometric login in our mobile app which greatly enhances the security for our customers.

We continue to strengthen our Board of Directors. After receiving shareholders approval for appointment of Ms. Geeta Dutta Goel and Mr. Anuj Srivastava as Additional Directors, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee (subject to shareholders approval), has approved the proposal for the appointment of Ms. Sucharita Mukherjee as Additional Director on the Board of the Company to function as Non-Executive Independent Director; w.e.f. 1st Feb’22. Ms. Mukherjee’s vast experience in financial inclusion and developing mass market financial solutions will further benefit HomeFirst and strengthen the Board.

We entered into a strategic co-lending partnership with Union Bank of India (UBI) to offer home loans to customers at competitive interest rates. The partnership aims at leveraging the strengths of both entities to provide a seamless experience to retail home loan customers.

We believe that the opportunity in the affordable housing space is very large and will span across multiple decades. Affordable Housing Finance sector remains one of the most resilient segments, validated through better collection efficiencies and asset quality compared to other segments. Besides, the inherent resilience of this sector, our focus on the salaried segment in industrialized and urbanized states helped us stay on course through these difficult times.

We aim to be a key player in this segment by continuously expanding our physical and digital presence. We are dedicated to our mission to be the fastest provider of home loans to aspiring middle-class customers. We remain committed to our strong tech-led operating model and continue to invest in building a trusted brand that delivers superior service to customers with industry leading turnaround times.”

Key Highlights for Q3 FY22:

Asset under Management (AUM):

- INR 4,994 Crs, growth of 26.7% over Q3 FY21.
- Sharp focus on housing loans that contribute 91% of AUM and EWS / LIG category that forms ~75% of the customer base.

Distribution:

- As on Dec'21, the Company has 76 branches with presence in 12 States and 1 Union Territory.
- 4 new physical branches added and business commenced in 7 new potential branch locations. In addition, 15 new digital branches have been launched taking the total number of touchpoints to 187.

Disbursements:

- Disbursements of INR 570 Crs in Q3 FY22, y-o-y growth of 63.3%.

Asset Quality:

- Bounce rates have improved to 15.2% in Jan'22 from 15.7% in Q3 FY22 from 16.5% in Q2 FY22.
- 1+ DPD improved from 7.6% to 6.5% on q-o-q basis.
- 30+ DPD improved from 5.2% to 4.7% on q-o-q basis.
- Gross Stage 3 (GNPA) stands at 2.6% in line with RBI circular dated 12 Nov 2021. Prior to such classification, it stands at 1.7% (Sep'21: 1.7%).

Provisions:

- ECL provision as on Dec'21 is INR 47.3 Crs; resulting in total provision to loans outstanding ratio at 1.2%; and the Stage 3 provision coverage ratio is at 46.2%.

Borrowings:

- Total borrowings including debt securities are at INR 3,024 Crs as on Dec'21 up from INR 2,839 Crs as on Dec'20. The company continues to carry a liquidity of INR 1,405 Crs as on Dec'21.
- Cost of borrowings remains low at 7.2% in Q3 FY22. It is lower by 80 bps compared to Q3 FY21 which stood at 8.0%.
- LCR as of Dec'21 stood at 389%.

Spread:

- Spread on loans stood at 5.6% in Q3 FY22, flat compared to Q2 FY22 and 60bps higher on y-o-y basis.

Capital Adequacy:

- Total CRAR at 59.0%. Tier I capital stands at 57.8% as on Dec'21.
- Networth as on Dec'21 is at INR 1510 Crs vis-à-vis INR. 1092 Crs as on Dec'20.

Financial Performance:

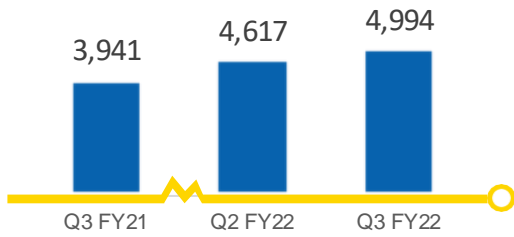
- Q3 FY22 Total Income at INR 152 Crs; y-o-y growth of 38% from INR 110 Crs in Q3 FY21, sequential increase of 3.8% over Q2 FY22 of INR 146 Crs.
- PPOP stands at Rs 65 Crs, growth of 9.2% on q-o-q basis and 127.7% on y-o-y basis.
- Q3 FY22 PAT at INR 46 Crs, sequentially up by 6.6%# from INR 45 Crs in Q2 FY22.
- ROA at 4.0% improved by 230bps on y-o-y basis and 30bps# on q-o-q basis.

#Q2FY22 Adjusted PAT at Rs 431 mn, Adjusted RoA at 3.7% and Adjusted RoE at 12.0% computed without the impact of one-time deferred tax liability adjustment.

Q3 FY22 Quarterly Financials

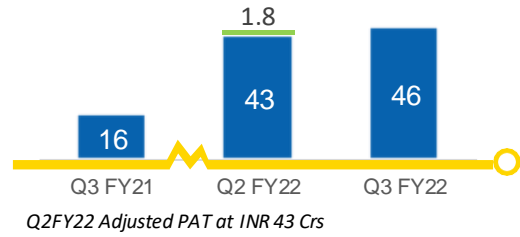
Assets Under Management

INR Crs

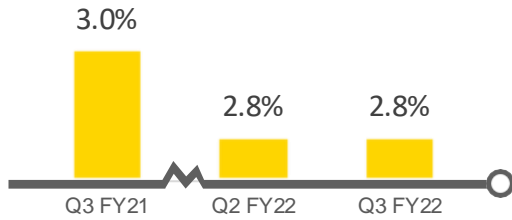


Profit After Tax

INR Crs

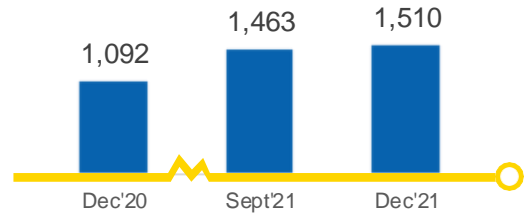


Opex To Asset



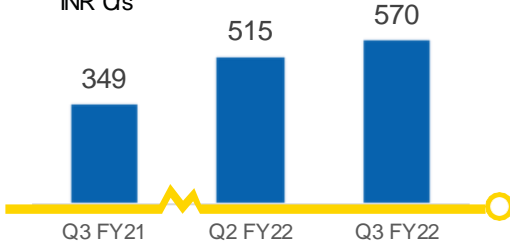
Net worth

INR Crs

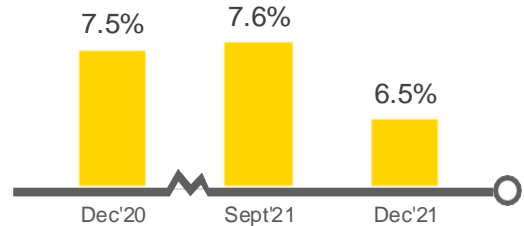


Disbursement

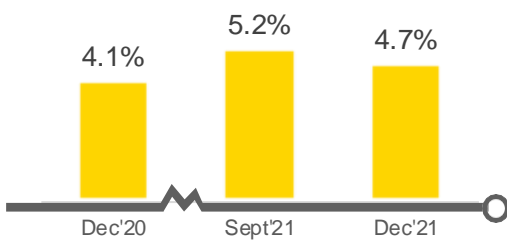
INR Crs



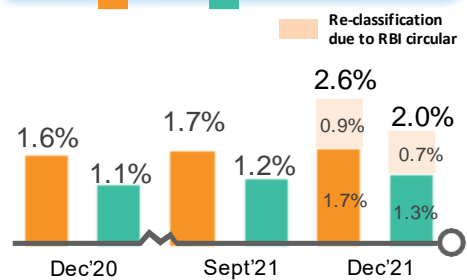
DPD 1+



DPD 30+



Gross / Net Stage 3 (GNPA/NNPA)





Ms. Sucharita Mukherjee

Sucharita is the Co-founder, whole-time director and CEO of Kaleidofin, a neo-bank that provides intuitive and tailored financial solutions to over a million underbanked customers in India. Prior to this, she co-founded the IFMR group and most recently was the group CEO of IFMR Holdings. She conceptualized and founded Northern Arc Capital, building capital markets access for financial inclusion and Northern Arc Investments, an alternatives fund management platform focused on informal sector finance.

Sucharita was recently chosen as a young global leader by the World Economic Forum. She was chosen as one of the “top 40 under forty” business leaders by Economic Times in 2016 and received the IIM Ahmedabad, Young Alumni Achievers Award in 2017.

Prior to her move to India, Sucharita was an investment banker at Morgan Stanley and Deutsche Bank in London, working primarily on credit derivatives structuring and sales.

She is an alumna of IIM Ahmedabad and holds an undergraduate degree in economics from Lady Shri Ram College, Delhi University.

About Home First Finance Company India Limited

Home First Finance Company India Limited (HomeFirst) is a technology driven affordable housing finance company that targets first time home buyers in low and middle-income groups. It primarily offers housing loans for the purchase or construction of homes. The Company has deep penetration in the largest housing finance markets with a network of 76 branches with presence in 12 states and 1 union territory in India, with a significant presence in urbanized regions in the states of Gujarat, Maharashtra, Karnataka and Tamil Nadu. The company has diversified lead generating channels with a wide network of connectors.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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