

**HFFCIL/BSE/NSE/EQ/78/2021-22**

**Date: 25-10-2021**

To, <b>BSE Limited,</b> Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001. Scrip Code- <b>543259</b>	To, <b>The National Stock Exchange of India Limited,</b> The Listing Department, Bandra Kurla Complex, Mumbai- 400 051.  Scrip Symbol- <b>HOMEFIRST</b>
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**Sub: Investor Press Release on the Financial and Operational Performance of the Company for quarter and half year ended September 30, 2021**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith the Investor Press Release on the Financial and Operational performance of the Company for quarter and half year ended September 30, 2021.

This Investor Press Release may also be accessed on the website of the company at [www.homefirstindia.com](http://www.homefirstindia.com)

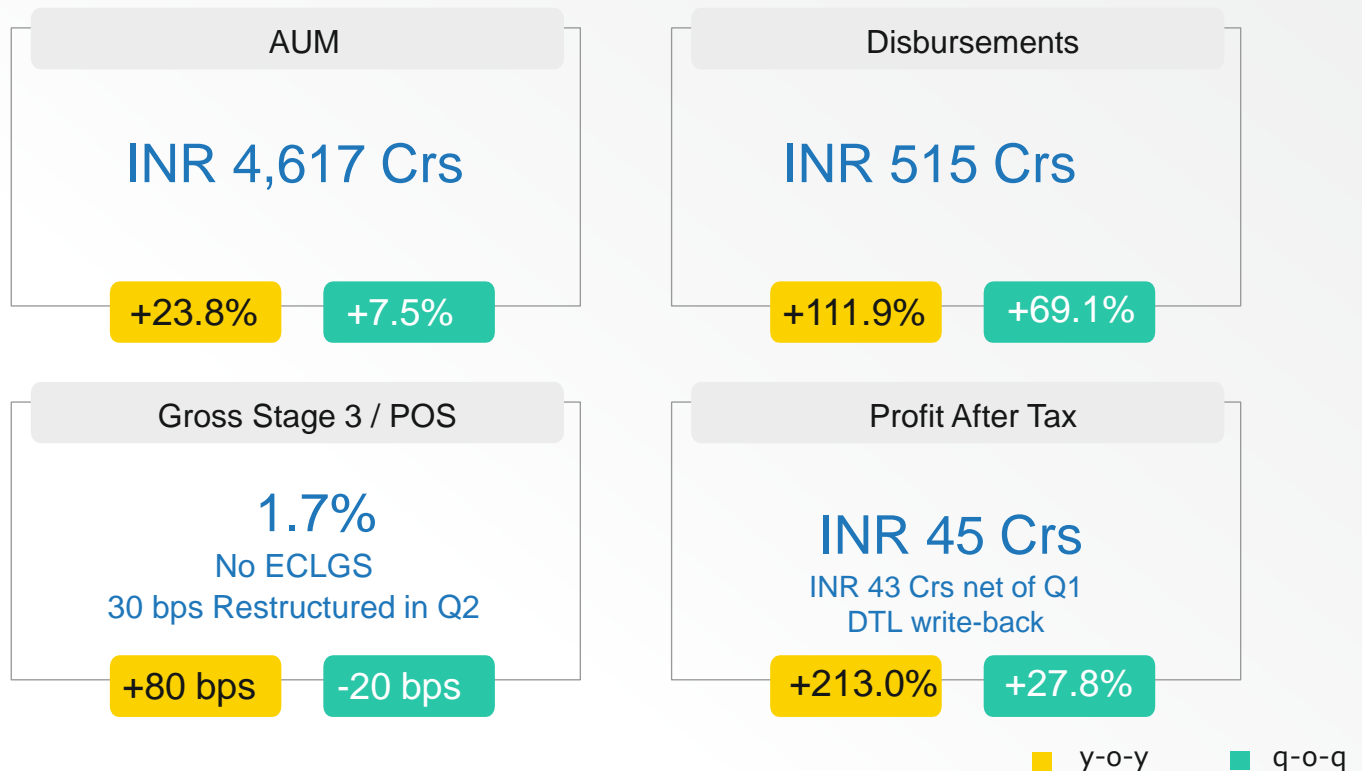
This is for your information and record.

For **Home First Finance Company India Limited**

**Shreyans Bachhawat**  
**Company Secretary and Compliance Officer**  
**ACS NO: 26700**

## Home First Finance Company India Limited

**Strong disbursements at INR 515 Crs (highest ever), Gross Stage 3 improved by 20 bps**  
**AUM of INR 4,617 Crs, growth of 23.8% on y-o-y basis**  
**New Independent Directors appointed to guide company's future expansion.**



**Q2 FY22 Press Release:** 25<sup>th</sup> October 2021, 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	Q2FY22	Q2FY21	y-o-y	Q1FY22	q-o-q
AUM (INR Crs) <sup>^</sup>	4617	3730	+23.8%	4294	+7.5%
Disbursement (INR Crs)	515	243	+111.9%	305	+69.1%
Total Income (INR Crs)	146	109	+34.3%	142	+3.1%
PAT (INR Crs)	45	14	+213.0%	35	+27.8%
Spread (%) <sup>*</sup>	5.6%	4.8%	+80 bps	5.5%	+10 bps
ROA (%)	3.9%	1.5%	+240 bps	3.1%	+80 bps
Gross Stage 3 (%) <sup>^</sup>	1.7%	0.9%	+80 bps	1.9%	-20 bps
Cost to Income (%)	35.2%	43.9%	-870 bps	31.9%	+330 bps

\*IGAAP basis. <sup>^</sup> Data as on period end.

Investors & Analyst can download the excel version of operational & financial numbers from our website [link](#).

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

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Our Q2 FY22 performance was better than our expectation, with disbursements crossing INR 500 Crs for the first time. We recorded an AUM growth of 23.8% y-o-y and a sequential growth in PAT of 27.8%. The government's focus on vaccination has been a strong counter to the spread of the virus and this has led to positive momentum in businesses across sectors.

We expect the upward trend to continue as the opportunity remains large; with low interest rates and muted home prices, driving strong business growth. 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.

Digital adoption has also accelerated during Covid times. Usage of the customer app for various activities has increased. 72% of our customers are registered on our app as on Sep'21 compared to 67% in Jun'21. **Payments received via the app have gone up by 118% y-o-y.**

Bounce rates improved in Oct'21 to 15.0% (Q2 FY22 – 16.5%, Q1 FY22 – 18.3%). **Our Gross Stage 3 declined in-line with expectation by around 20 bps to 1.7%.** We also supported 106 customers (0.3% of POS) with restructuring as they were impacted by Covid.

Two of the Independent Directors of the company who have steered Home First since over the last 10 years have decided to resign from the Board. Ms. Sujatha Venkatramanan has resigned from the Board due to increasing professional commitments and Mr. Sakti Prasad Ghosh has decided to step down due to his advanced age and a desire to reduce his overall responsibilities.

The Board of Directors, in line with the succession policy of the Company, based on the recommendation of the Nomination and Remuneration Committee and subject to shareholder approval, has approved the proposal for the appointment of Ms. Geeta Dutta Goel and Mr. Anuj Srivastava as Additional Directors on the Board of the Company to function as Non-Executive Independent Directors ; w.e.f. 1st Nov'21.

Ms. Goel's vast experience and expertise in the financial service industry will further enrich the Board. Her insights in philanthropy and impact investing will guide the Company towards better social commitment to all stakeholders. Mr. Srivastava's rich experience in the consumer-internet space will benefit HomeFirst in its journey to becoming a large mortgage fintech player.

Considering the new phase of growth and expansion, the company proposes to augment the management team with the appointment of a Chief Technology Officer (CTO) & Chief Risk Officer (CRO). Mr. Dharmvir Singh and Mr. Ashishkumar Darji will be joining the management team as CTO and CRO respectively. These appointments underline our focus and commitment to two critical factors that have contributed to the company's success in affordable housing finance viz. technology and risk management. With these appointments, we will further strengthen our approach to risk and enhance our tech-led focus in the affordable housing finance segment.

We remain committed to our strong tech-led operating model in the housing finance space and continue to invest in building a trusted brand that delivers superior service to customers with industry leading turnaround times.”

## Key Highlights for Q2 FY22:

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### **Asset under Management (AUM):**

- INR 4,617 Crs, growth of 23.8% over Q2 FY21.
- Sharp focus on housing loans that contribute 92% of AUM and EWS / LIG category that forms ~77% of the customer base.

### **Distribution:**

- As on Sep'21, the Company has 72 branches with presence in 12 States and 1 Union Territory.
- Business commenced in 14 new branch locations. In addition, 10 new digital branches have been launched taking the total number of touchpoints to 161.

### **Disbursements:**

- Disbursements of INR 515 Crs in Q2 FY22, y-o-y growth of 111.9%.

### **Asset Quality:**

- Bounce rates have improved to 15.0% in Oct'21 and 16.5% in Q2FY22 from 18.3% in Q1 FY22.
- 1+ DPD improved from 8.9% to 7.6% on q-o-q basis.
- 30+ DPD improved from 5.8% to 5.2% on q-o-q basis.
- Gross Stage 3 is at 1.7% and Net Stage 3 is at 1.2%
- 0.3% of POS restructured in Q2 FY22. Total Restructuring 2.0 at 0.8% as at Sep'21.

### **Provisions:**

- ECL provision as on Sep'21 is INR 49.6 Crs; resulting in total provision to loans outstanding ratio at 1.3%; and the Stage 3 provision coverage ratio is at 77.4%.

### **Borrowings:**

- Total borrowings including debt securities are at INR 3,075 Crs as on Sep'21 up from INR 2,637 Crs as on Sep'20. The company continues to carry a liquidity of INR 1,400 Crs as on Sep'21.
- Cost of borrowings reduced further from 7.2% in Q1 FY22 to 7.1% in Q2 FY22. It is lower by 120 bps compared to Q2 FY21 which stood at 8.3%.

### **Spread:**

- Spread on loans stood at 5.6% in Q2 FY22 compared to 5.5% in Q1 FY22 and 4.8% in Q2 FY21.

### **Capital Adequacy:**

- Total CRAR at 56.4%. Tier I capital stands at 55.2% as on Sep'21.
- Networth as on Sep'21 is at INR 1463 Crs vis-à-vis INR. 988 Crs as on Sep'20.

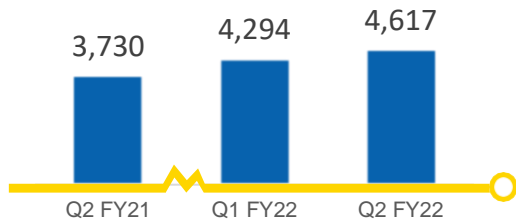
### **Financial Performance:**

- Q2 FY22 Total Income at INR 146 Crs; y-o-y growth of 34% from INR 109 Crs in Q2 FY21, sequential increase of 3.1% over Q1 FY22 of INR 142 Crs.
- Q2 FY22 PAT at INR 45 Crs, sequentially up by 27.8% from INR 35 Crs in Q1 FY22.

## Q2 FY22 Quarterly Financials

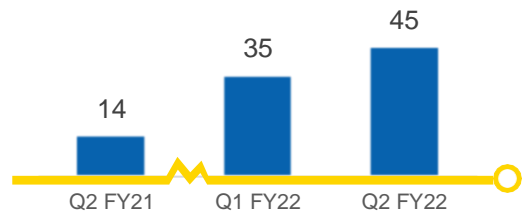
### Assets Under Management

INR Crs

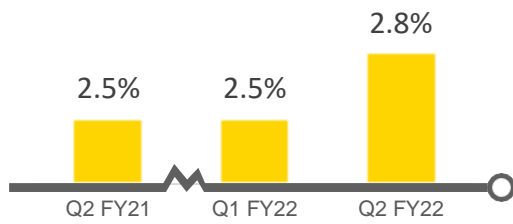


### Profit After Tax

INR Crs

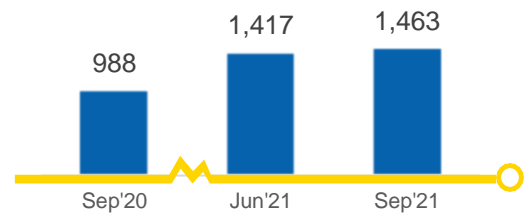


### Opex To Asset



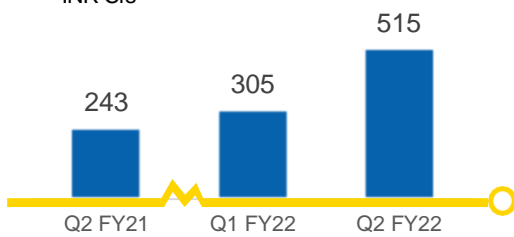
### Net worth

INR Crs

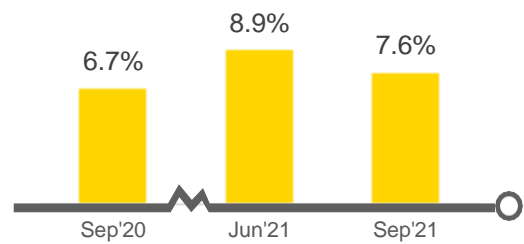


### Disbursement

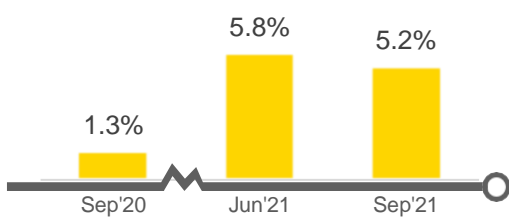
INR Crs



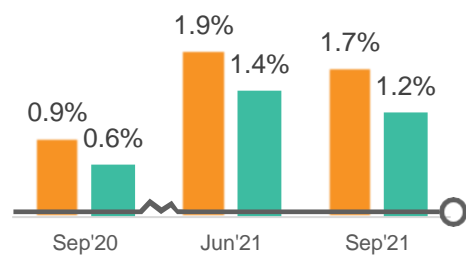
### DPD 1+



### DPD 30+



### Gross / Net Stage 3





**Ms. Geeta Dutta Goel**

Ms. Geeta Dutta Goel is a finance professional and Country Director for Michael & Susan Dell Foundation in India at present. She manages the strategy and implementation of the foundation's work in India in two key areas of Education and Family Economic Stability.

Geeta has served as the Chairperson of India's Impact Investors Council from 2017-2019, and has been on several taskforces on Responsible Finance with the World Bank's Consultative Group to Alleviate Poverty. In 2017, She was nominated by Business Today amongst the 30 Most Powerful Women in Impact and Forbes India nominated her as the 20 Power Women Changing the Game in 2020.

Geeta holds a bachelor's degree in economics from Lady Shri Ram College for Women, University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad.

Geeta has served on distinguished Boards such as Ujjivan Financial Services, Janalakshmi Financial Services, Micro Housing Finance Corporation, Swadhaar FinServe, Arohan Financial Services, Sonata Finance etc. Geeta's vast experience and expertise in the financial service industry will further enrich the Board. Her insights in philanthropy and impact investing will guide the Company towards better social commitment to all stakeholders



**Mr. Anuj Srivastava**

Anuj Srivastava is the co-founder and Chief Executive Officer of Livspace - a home interiors and renovation platform. Livspace has created an industry first design-to-manufacturing cloud platform that integrates the 3 marketplace participants - consumers, designers, and vendors to deliver homes, offices, co-working spaces and stores. Before setting up Livspace, Anuj was heading product marketing and growth at Google where he was responsible for building, launching and scaling products such as Google Wallet, Google AdSense, Google Local and Google Adwords. Anuj was also a lead on the integration team for Google's acquisition of DoubleClick.

Anuj has completed his BTech at the Indian Institute of Technology Kanpur and holds an MBA degree from London Business School.

Anuj's rich experience in the consumer-internet space will benefit HomeFirst in its journey to becoming a large mortgage fintech player.

# 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 72 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.

For further information, please contact



Company

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