



# Tech in Mind Service at Heart

*Smart Loans for Affordable Homes!*



Investor Presentation – Q3 FY22

This presentation and the accompanying slides (the "Presentation"), which have been prepared by **Home First Finance Company India Ltd.** (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

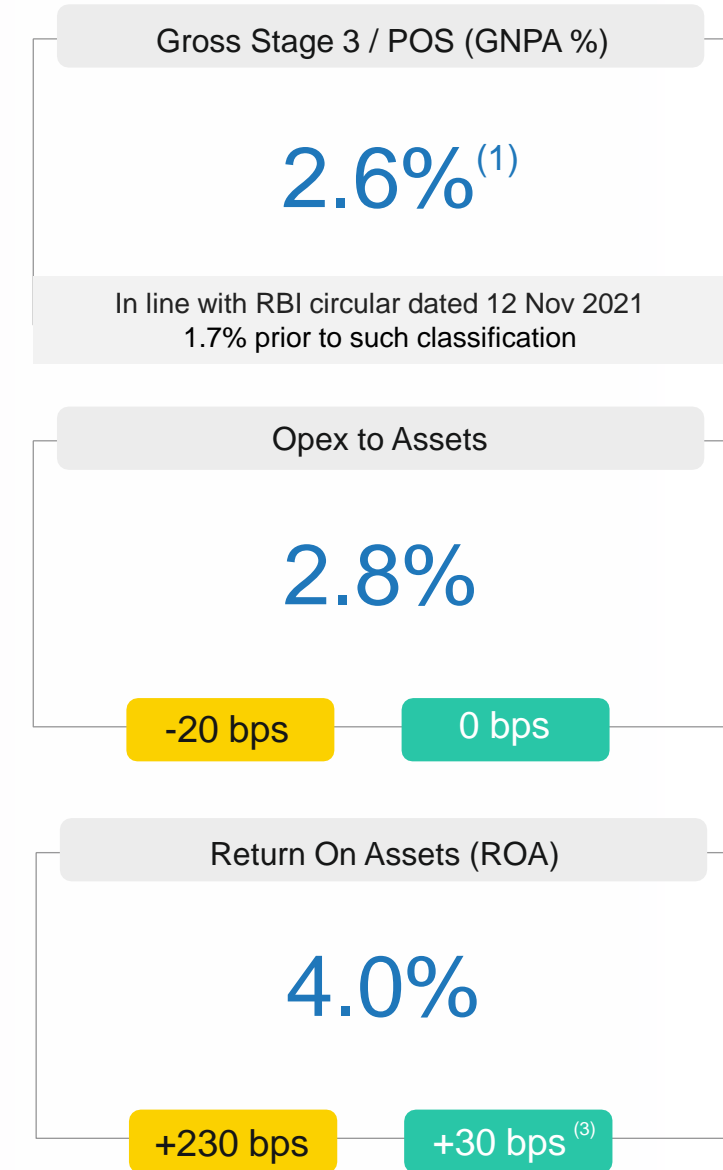
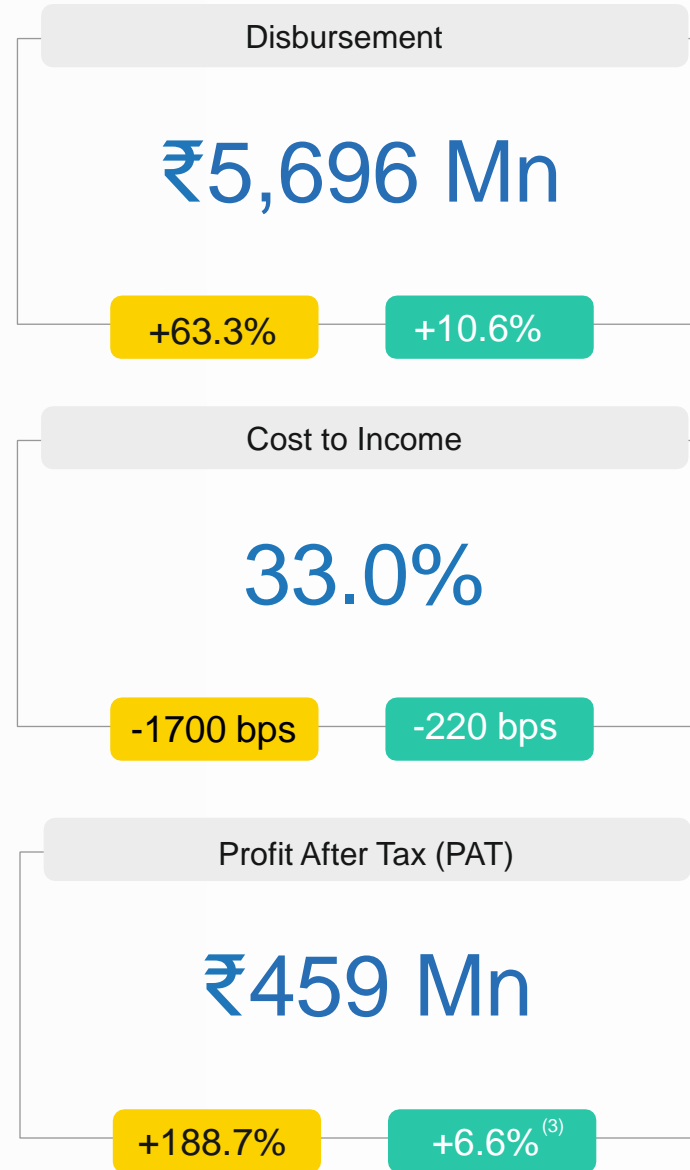
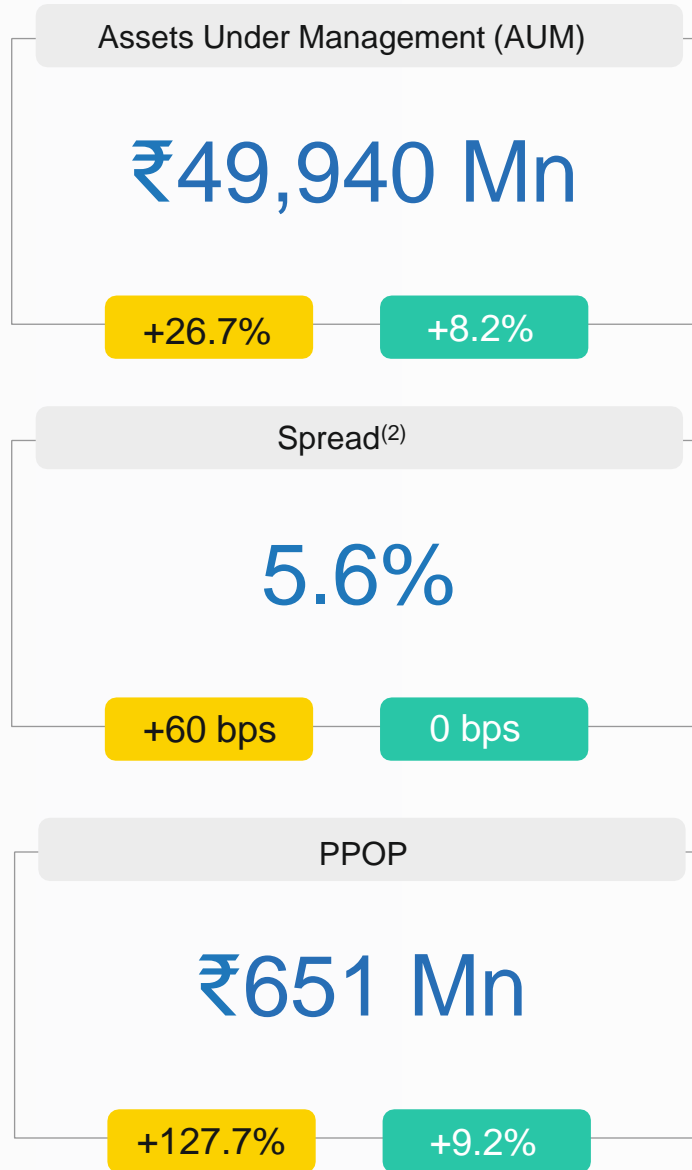
This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

This presentation contains certain forward looking statements concerning the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



■ y-o-y ■ q-o-q

## Executive Summary | Q3FY22



**Long term credit outlook improved to A+ Positive by ICRA**

(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%.

(2) As per IGAAP

(3) QoQ growth in PAT and RoA computed considering Adjusted PAT for Q2FY22 without the impact of one-time deferred tax liability adjustment



## HomeFirst – Who we are

- Technology driven affordable housing finance company with pan India presence
- Home loans to first time home buyers with predominant focus on salaried individuals having income < ₹50k p.m
- 91% of book comprise of housing loans with average ticket size of ₹1.0Mn
- Strong liquidity pipeline with positive ALM and zero commercial papers
- Data science backed centralized underwriting with in-depth understanding of local property markets



76  
Branches

13  
States/UT

92  
Districts

187  
Touchpoints

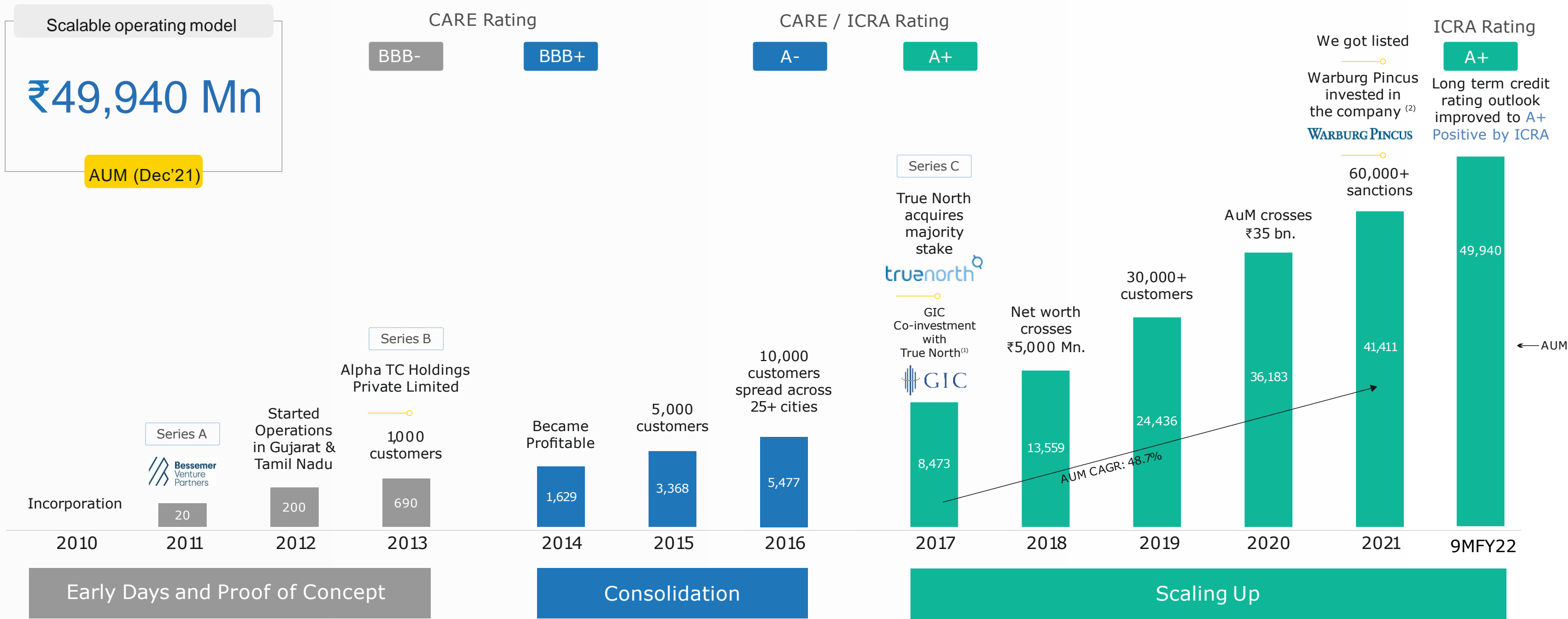
58,254  
Active customer  
accounts

73% salaried  
Occupation Mix of  
AUM (Q3FY22)

₹14,050 Mn  
Liquidity Buffer as on Dec'21

830  
Number of  
employees  
(Q3FY22)

# Our Journey

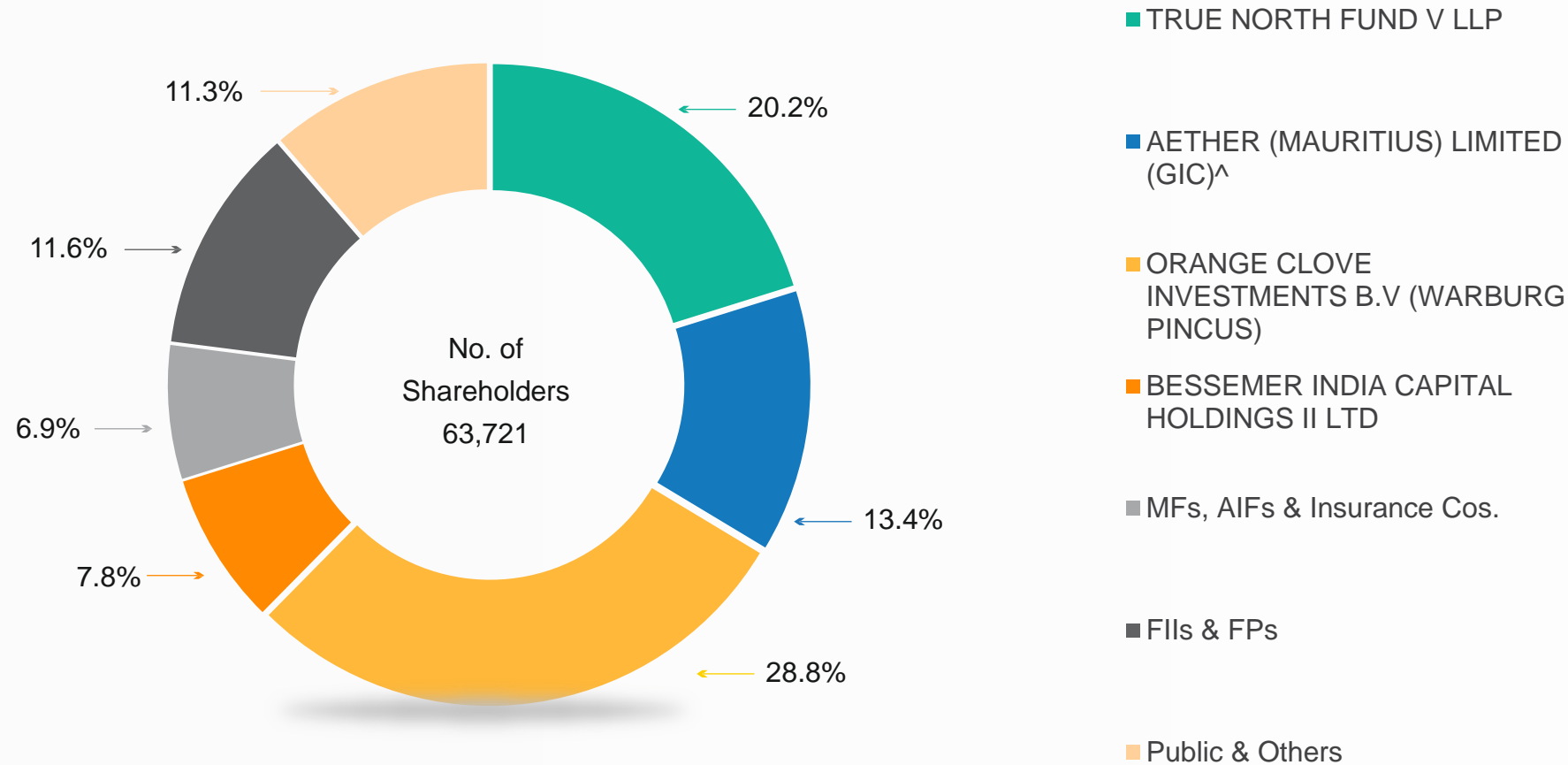


Note: AUM in INR Million

(1) Aether has co-invested with True North. Waverly owns 100% of Aether Class B Shares. Waverly is a wholly-owned indirect subsidiary of GIC (Ventures) Pte. Ltd

(2) Investment by Orange Clove Investments B.V (an affiliate of Warburg Pincus). Warburg Invested on 1st October 2020

## Share Holding as on 21 Jan'22



<sup>^</sup>Waverly owns 100% of Aether Class B Shares. Waverly is a wholly-owned indirect subsidiary of GIC (Ventures) Pte. Ltd

PROMOTER & PROMOTER GROUP		% Holding
TRUE NORTH FUND V LLP		20.2
AETHER (MAURITIUS) LIMITED (GIC)^		13.4
KEY INVESTORS		% Holding
ORANGE CLOVE INVESTMENTS B.V (WARBURG PINCUS)		28.8
BESSEMER INDIA CAPITAL HOLDINGS II LTD		7.8
MFs & AIFs		% Holding*
SUNDARAM MF		2.1
MOTILAL OSWAL AIF		1.5
ICICI Pru MF		0.9
ADITYA BIRLA SUNLIFE		0.6
FIIs & FPIs		% Holding*
KUWAIT INVESTMENT AUTHORITY FUND		1.7
BUENA VISTA		1.7
GOLDMAN SACHS ASSET MGMT		1.3
MORGAN STANLEY		0.9
AL MEHWAR COMMERCIAL INVESTMENTS		0.7
NOMURA AM		0.7
CRESTWOOD		0.7
GRANDEUR PEAK		0.6
FIDELITY INTERNATIONAL		0.5
TT ASIA - PACIFIC EQUITY FUND		0.4

\* Holding through various schemes and funds

## Distinguished Board of Directors

Chairman  
&  
Independent Director



**Deepak Satwalekar**  
*Ex MD, CEO - HDFC Life*

Independent Directors



**Geeta Goel**  
*Country Director -  
Dell Foundation*

Michael and  
Susan Dell  
Foundation



**Anuj Srivastava**  
*CEO - Livspace*

LIVSPACE



**Sucharita Mukherjee**  
*CEO – Kaleidofin Pvt Ltd*

kaleidofin

Nominee Directors



**Divya Sehgal**  
*Partner – True North*

truenorth



**Maninder Singh Juneja**  
*Partner – True North*

truenorth



**Narendra Ostawal**  
*MD – Warburg Pincus*

WARBURG PINCUS



**Vishal Gupta**  
*MD – Bessemer India*

Bessemer  
Venture  
Partners

Executive Director



**Manoj Viswanathan**  
*MD & CEO - HomeFirst*

homefirst  
We'll take you home

## Experienced Management Team



**Manoj Viswanathan**

*MD & CEO*

24+ years in Consumer Lending. 11 years with Citigroup.



**Ajay Khetan**

*Chief Business Officer*

19+ years in Consumer Lending & Technology at Macquarie Group, HP Financial Services and Citigroup



**Gaurav Mohta**

*Chief Marketing Officer*

17+ years in Consumer Lending and Product Management with Kotak Bank, Citigroup & RPG-Foodworld



**Vilasini Subramaniam**

*Head – Strategic Alliances*

16+ years in Product Development, Analytics, & Business Strategy at Citigroup & Janalakshmi Financial Services



**Nutan Gaba Patwari**

*Chief Financial Officer*

14+ years in Business Finance, Operation Management at HUL, ITC and Philip Morris



**Ramakrishna Vyamajala**

*Chief Human Resources Officer*

15+ years in HR operations at IDFC Bank and Vedanta



**Abhijeet Jamkhindikar**

*Business Head- Maharashtra*

19+ Years in Project & Developer Financing at HDFC Ltd



**Arunchandra Jupalli**

*Business Head - South*

17+ Years in Consumer Lending and Mortgage at Citigroup and Karvy Financial Services



**Dharmvir Singh**

*Chief Technology Officer*

15+ years in digital transformation, defining & implementing technology solutions in TCS, Birlasoft, IBM & Wipro



**Ashishkumar Darji**

*Chief Risk Officer*

16+ years experience in financial risk management domain at KPMG, SBI & Kotak Securities



## Meet our customers

### Formal Salaried

Customer 1  
Age:44 / Location: KR Puram (suburbs of Bangalore)



Teacher with several years of experience and monthly family income of ₹49,000

73%  
Salaried

### Informal Salaried

Customer 2  
Age: 32 / Location: Sayan (suburbs of Surat)



Diamond polisher for 10+ years with monthly family income of ₹29,000

27%  
Self employed

### Self Employed

Customer 3  
Age: 36 / Location: Avadi (suburbs of Chennai)



Owens an iron fabricating shop for 15years with monthly income of ₹40,000

Who are they?

What is their story?

COVID  
Experience

- Salary credit in bank was ₹19,348 with additional income through private tuitions in cash
- Husband is a maintenance officer earning ₹13,000 p.m
- Assessment based on total income (salary + tuition income) unlike traditional financiers who will consider only salary income
- Home Loan sanctioned: ₹1.5mn at RoI of 13% and EMI of ₹17,600
- Resilient. Has not missed a single payment through COVID and is regular with her payments.

- Cash salary of ₹20,000 p.m. His wife earned a salary of ₹9,000 also in cash.
- Found it challenging to approach a bank for a housing loan due to cash income
- Workplace verification to confirm income sources along with discussions with owner / boss to assess expertise, craftsmanship and job stability
- Home Loan sanctioned: ₹0.8mn at RoI of 13.5% and EMI of ~ ₹9,700
- Resilient. Has not missed a single payment through COVID and is regular with his payments.

- Faced difficulty with lengthy documentation process at banks; taking time out of his workshop meant loss of a day's business
- Door step service and workplace verification to confirm scale of business, reference checks with neighboring shops and home verification
- Home Loan sanctioned: ₹0.93mn at RoI of 14.5% and EMI of ₹11,900 (loan sanction in 4 hours from submission of documents)
- He has been resilient through COVID wave1. However, he's been impacted by COVID wave 2 and lagging behind with 2 EMIs overdue.

Data for the period Q3FY22

## Our unique value proposition to our customers

### Who are our customers...

- Salaried and self-employed individuals
- 75%+ Customers with annual household income level less than ₹0.6 mn
- First time home buyers
- 34% customers are new to credit

### What do our customers need

- Home loan requirement primarily in the ₹0.5 -1.5 mn range <sup>(1)</sup>
- Access to formal housing finance
- Minimal disruption to daily work routine

### What challenges do they face

- Inability to meet documentation requirements of traditional lenders
- Time consuming loan sanction process
- Dealing with middle men

NPS

78

For Q3 FY22

### Our Value Proposition

#### Access

- Understanding customer's needs via well educated & trained RMs
- Right-size the loan through a holistic evaluation of all formal/informal sources of income
- Alternative documents (Life insurance policies, property deeds etc.) used for evaluation

#### Speed

- 48 Hr Turn Around Time for Approval
- Centralised & consistent underwriting
- Mobility solutions for our customers, employees and sales channels for quick and efficient processes and service

#### Transparency

- Mandatory counselling sessions for customers on loan and insurance terms
- Digital access to loan documents for the customer
- No prepayment charges and easy prepayment options

#### Service

- Home visits coupled with paperless process to ensure minimal disruption to daily customer routine
- Dedicated Service Manager for every customer
- Customer app for easy access to loan statements, prepayments and raising service requests

Note: Data for the period Q3FY22 (1) 65%+ loans with Average ticket size between INR 0.5-1.5mn as of Q3FY22

● 0 - 4 ● 4-7 ● 7 - 15

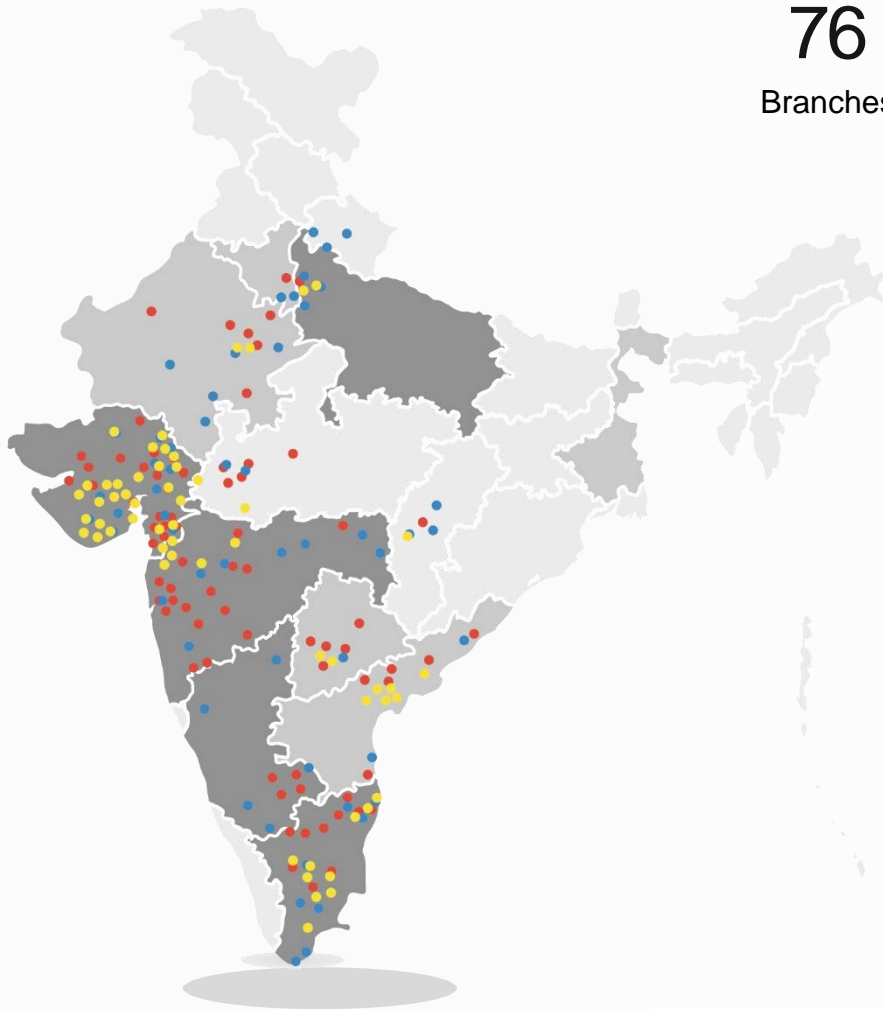
Contribution to India's GDP FY'21 (%)

- Existing branches - 76
- New branch locations - 54
- Digital branches - 57

Pan India Distribution driven by strategic market selection & contiguous expansion

**76** Branches | **92** Districts | **13** States/UT | **187** Touchpoints

Geographic Expansion



Business commenced in **4** new physical branches and **7** new branch locations.  
 In addition, **15** new digital branches have been launched.  
 Taking the total number of touchpoints to **187**

States/Territories	Number of		Percentage of gross loan assets as on			
	Branches	Districts	Q3FY22	FY21	FY20	FY19
Gujarat	20	22	37.0%	38.2%	39.7%	40.8%
Maharashtra	17	15	16.7%	19.2%	21.7%	28.4%
Tamil Nadu	11	16	12.0%	11.1%	9.9%	8.5%
Karnataka	4	5	8.3%	9.1%	9.0%	8.2%
Rajasthan	6	5	5.7%	5.5%	5.0%	3.8%
Telangana	5	4	6.8%	5.5%	4.9%	3.2%
Madhya Pradesh	5	6	4.7%	4.4%	3.9%	2.6%
Uttar Pradesh & Uttarakhand	1	6	3.6%	2.9%	2.6%	2.0%
Haryana & NCR	1	3	0.9%	1.0%	1.1%	1.3%
Chhattisgarh	1	4	1.4%	1.2%	0.9%	0.8%
Andhra Pradesh	5	6	2.9%	1.9%	1.3%	0.4%
<b>Total</b>	<b>76</b>	<b>92</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

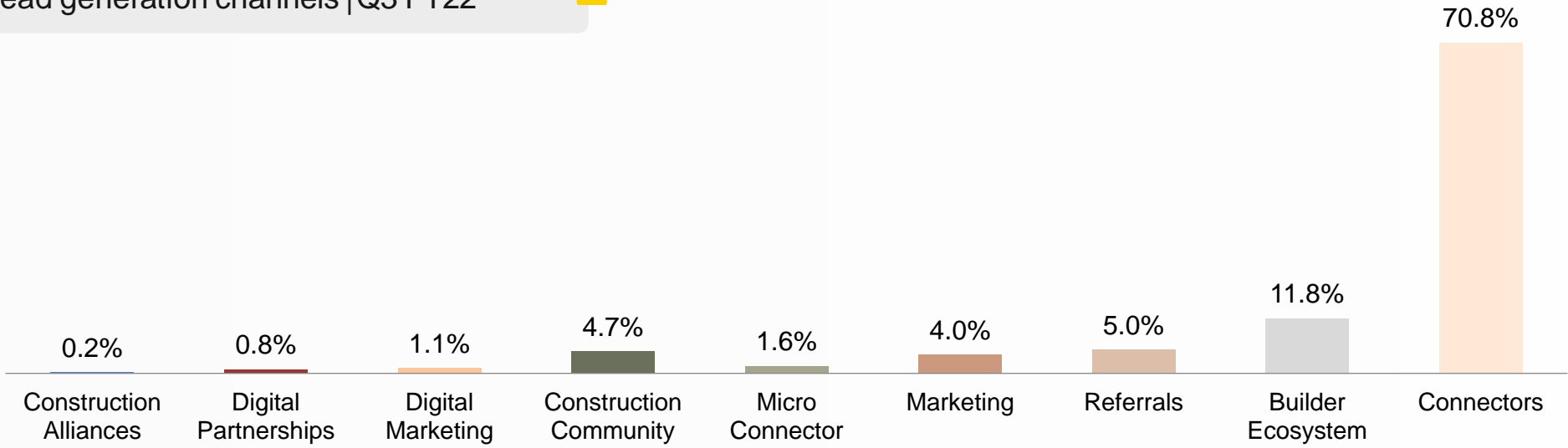
States/UT include states/UT from where we source loans irrespective of physical presence of a branch in those states/UT

Note: Source for Contribution of states to India's GDP: NSO, MOSPI

Disclaimer :Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

# Omni channel lead generation driving sourcing

## Diversified lead generation channels | Q3 FY22

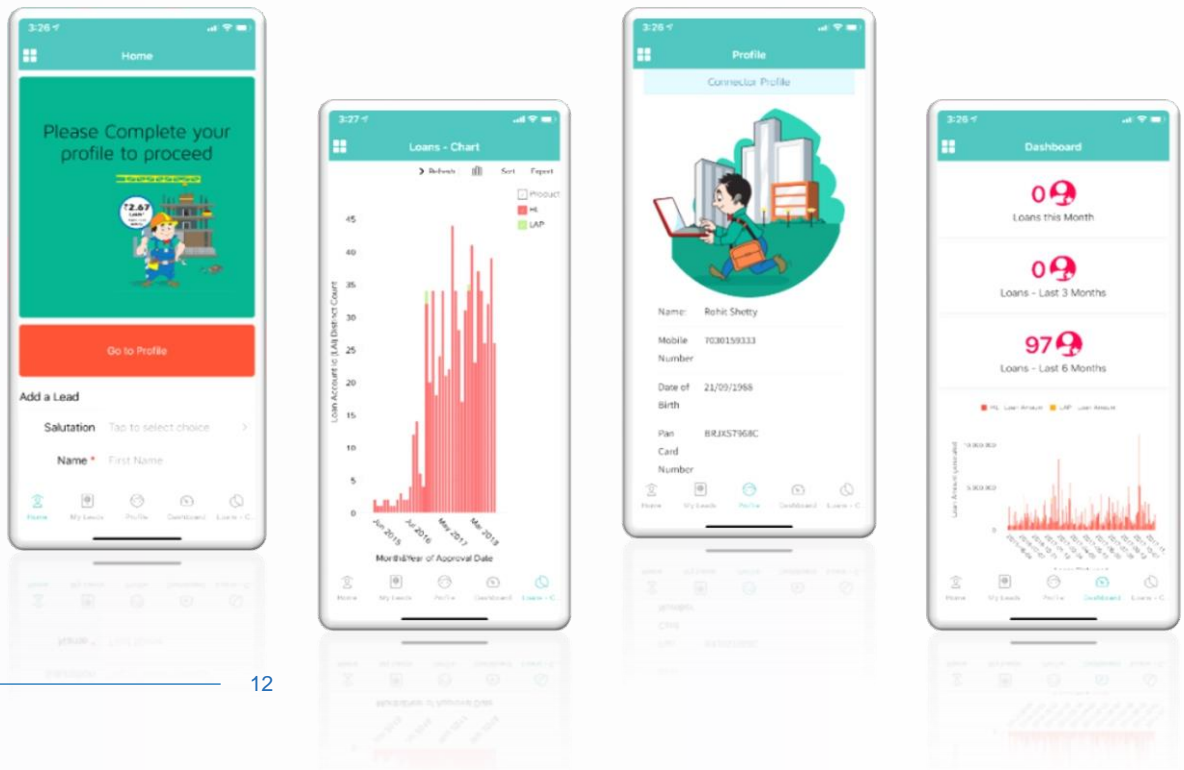


Diversified channels for generating leads such as connectors, builder ecosystem, digital, etc.

100% in-house conversion by HomeFirst RMs.

## ...effectively managed via connector app

Scan and Download



95.8% connectors registered on the Connector App



# Data Science backed centralized underwriting



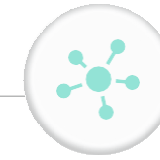
## Risk Management Design

- Salaried customers
- Build detailed understanding of customer via field visits by RM
- In-depth understanding of operating geographies and property types
- Low under construction exposure and low LTV



## Tech-Led

- 100+ data points & digitally captured data for all customers
- API integration with third party independent sources like Hunter, Perfios etc.
- All customer and internal communication, documents, photographs, videos available on a single cloud based system



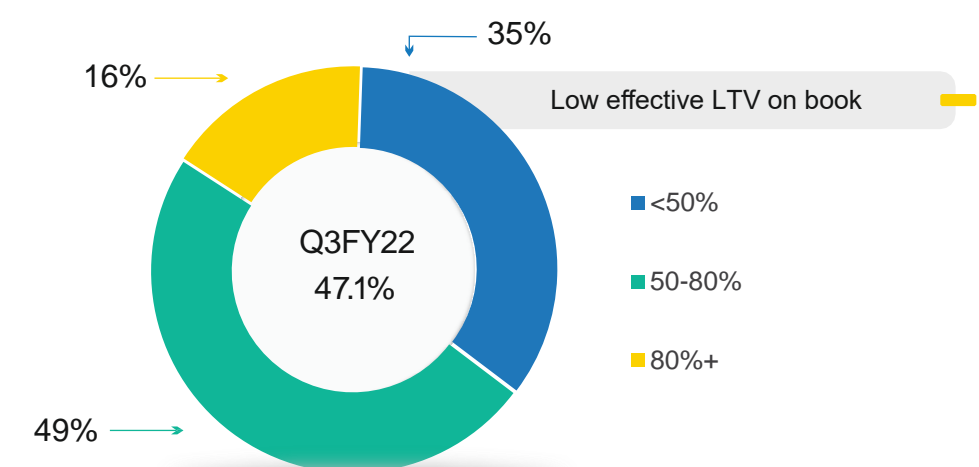
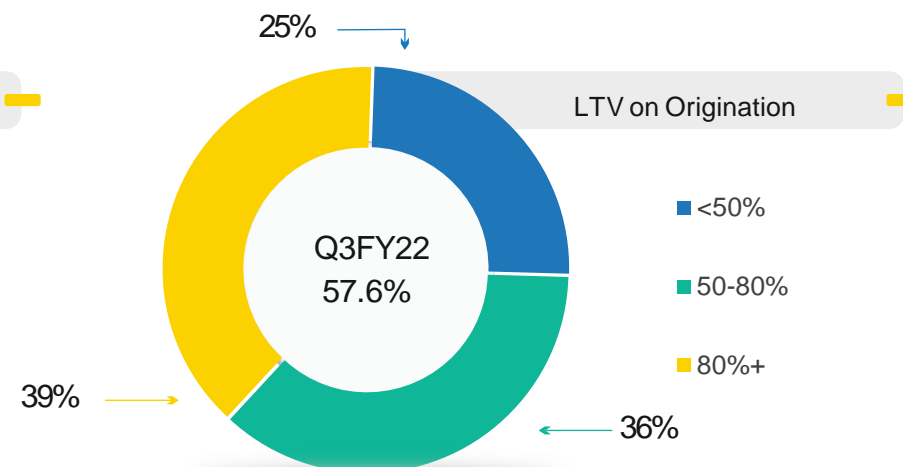
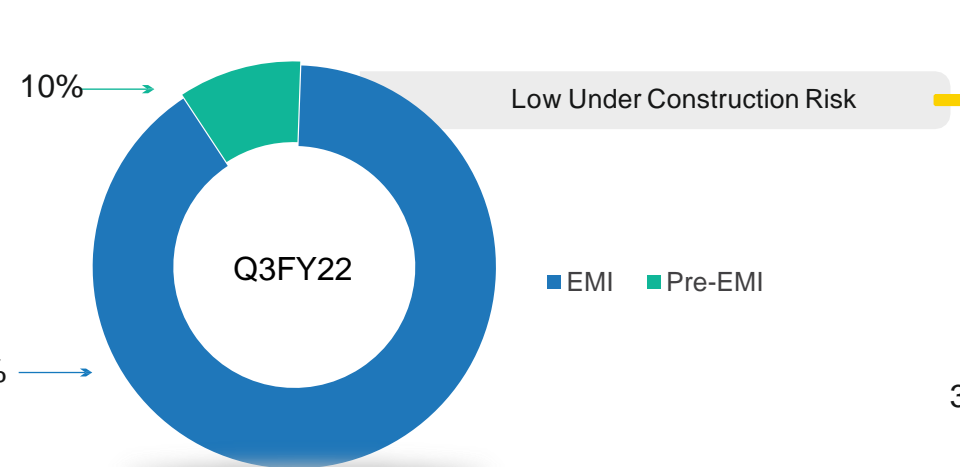
## Centralised

- Consistency in underwriting
- Integrated CRM and Loan Management System on cloud based platform
- Proprietary Machine learning & Customer scoring models used for credit decision

Loans approved within 48 hrs

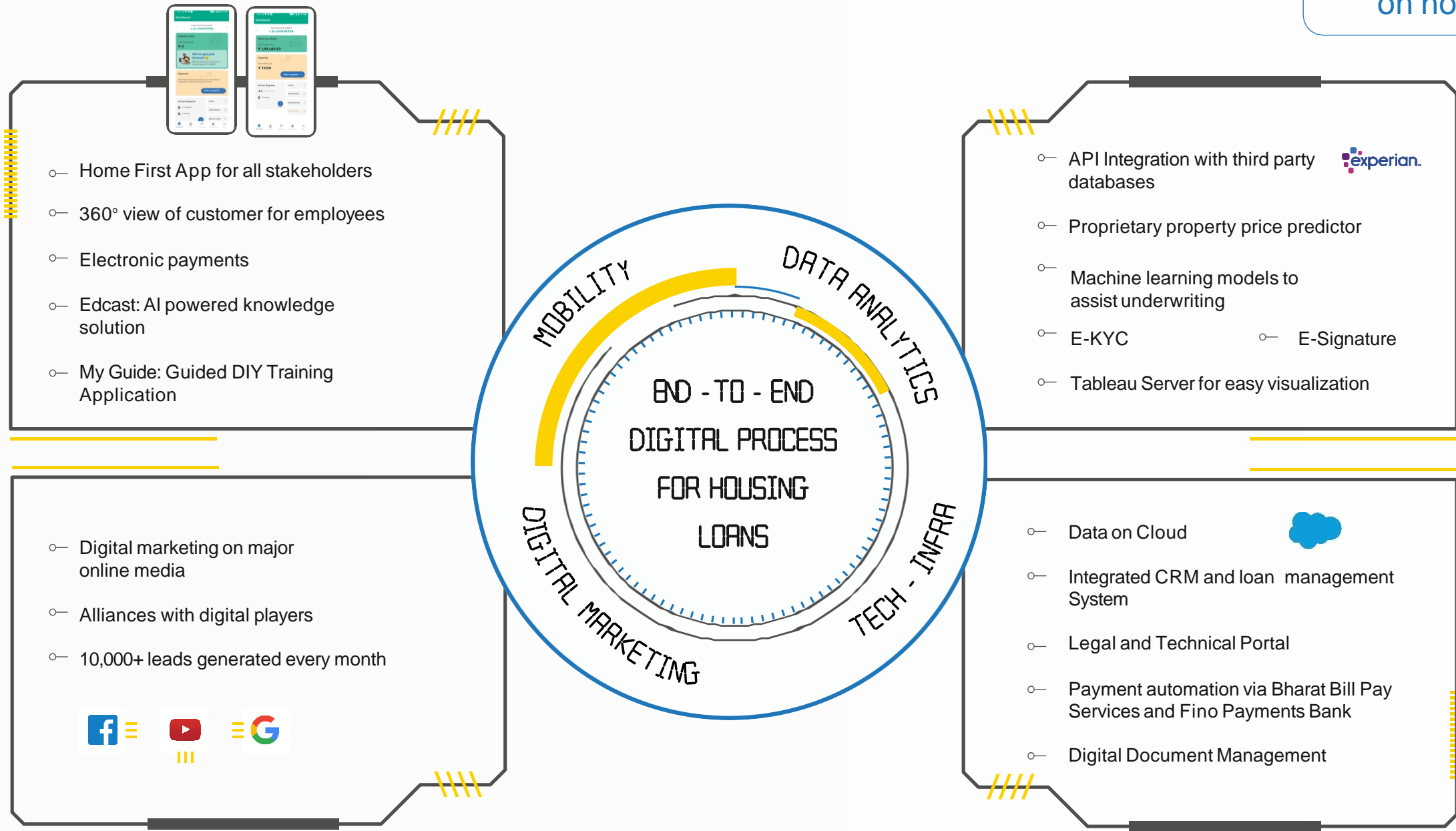
90%

For Q3 FY22



Note: "EMI" are loans where the construction is completed hence loan is fully disbursed and EMI on loan is being collected. "Pre -EMI" are loans where property is under construction hence loans are partially disbursed accordingly only interest is being collected from the customer. EMI collection will start once full disbursements happen.

# Scalable operating model built on holistic technology usage



## Tech Interventions

- E-NACH
- E- Sign
- E- Vault
- E-Stamp paper
- Instant Soft Approval on App
- Biometric authentication on Customer App

Customers registered on app

76%

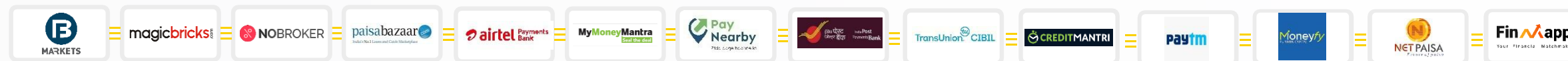
As of 31 Dec'21

Google rating of Homefirst Customer App

4.1

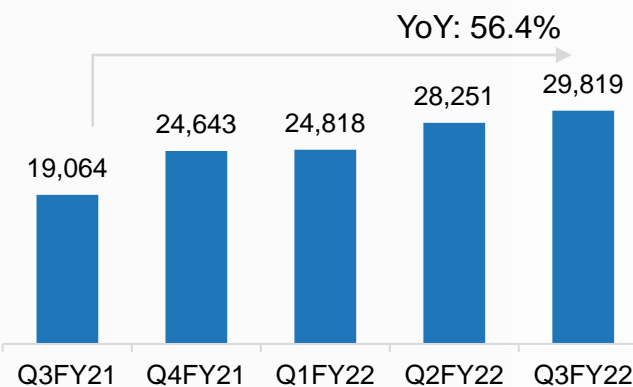


As of 18 Jan'22

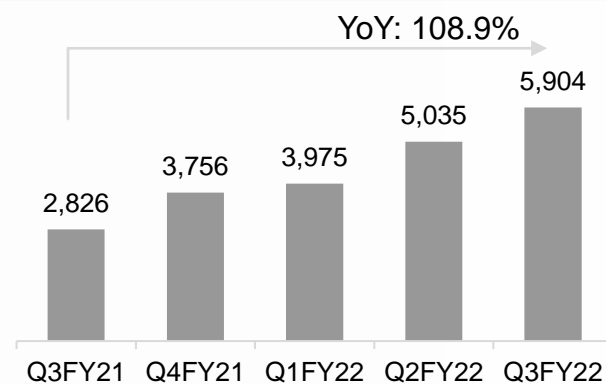


## Digital Adoption

### App logins



### Unique Users making Payment via App



Avg time spent by user on the app

**1m 59 sec**

For Q3 FY22

%of unique user logins of active customers

**51.2%**

For Q3 FY22

% of service requests raised on app

**76.0%**

For Q3 FY22

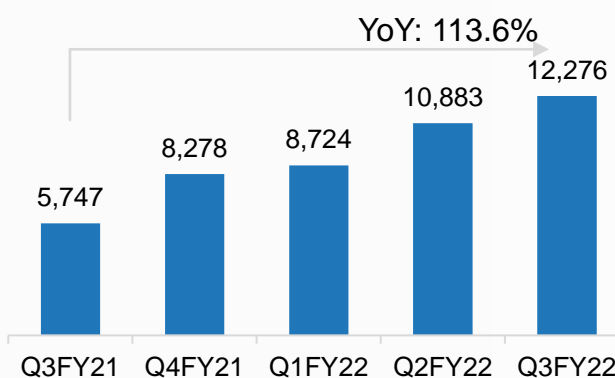
Average payment per user on app

**₹29,204**

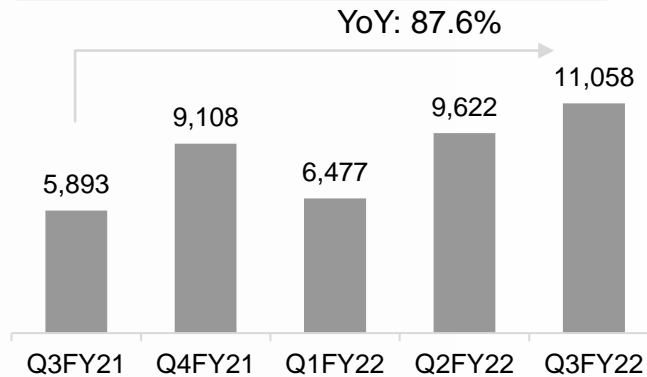
For Q3 FY22

DIGITAL DASHBOARD

### No of Payments via Customer App



### Service requests raised on app



Source: HomeFirst App Database



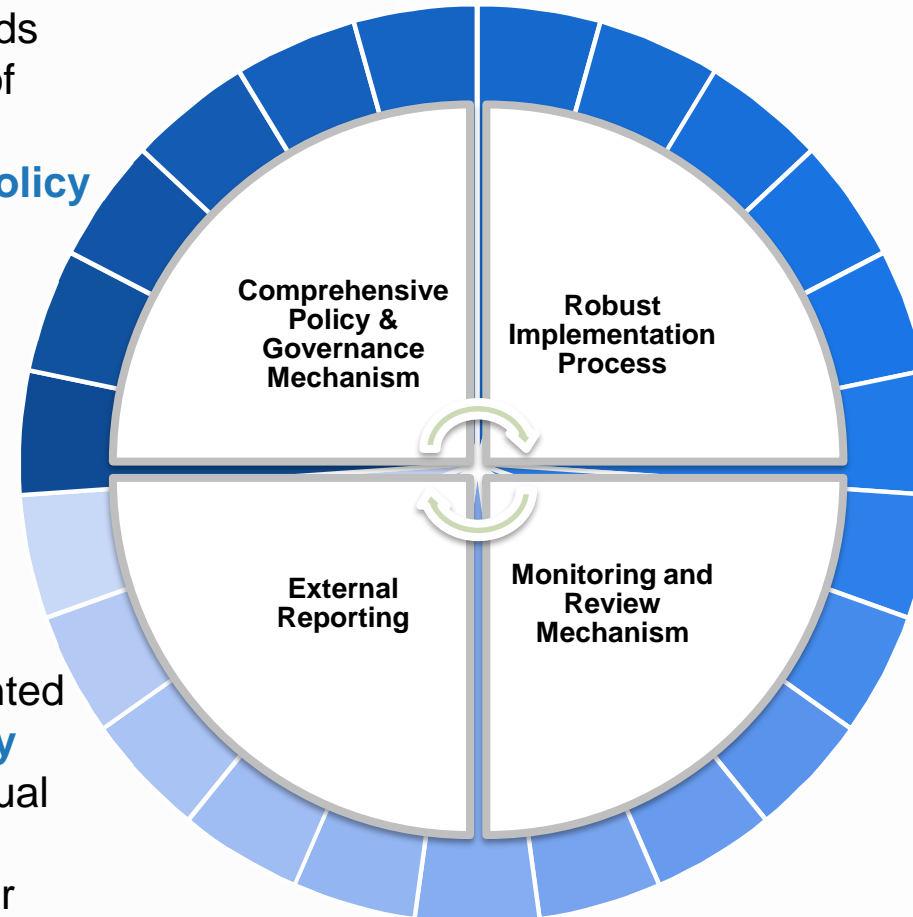
# ESG at HomeFirst

*Putting sustainability at core of operations*



## ESG Framework

The Company understands the growing importance of ESG and has adopted a **Board approved ESG Policy**



An **ESG Execution Team** with management team participation has been created to ensure implementation of the ESG Policy

The company has presented **Business Responsibility Report** as part of its Annual Report in FY20-21. The company is gearing up for detailed ESG reporting in FY22

12 areas have been identified for immediate focus. Parameters for measurement and metrics for various **ESG focus areas** are being developed

Digital Processes from start to finish reduces carbon footprint

## Green Operations

### Operational Eco-efficiency & Climate Resilience

HomeFirst has a deeply ingrained Ideology of all processes being **paperless** across the product cycle.

### Implemented Electronic processes even for traditional activities such as

- Procuring KYC documents
- Digitally agreements signing (18% of total in 3M & 9M)
- E-Stamping (55% and 41% of total in 3M & 9M)
- NACH mandates (50% in 3M & 43% in 9M)
- Payments (Refer Slide #15)

This results in saving of paper, time and energy.

### Mobile apps

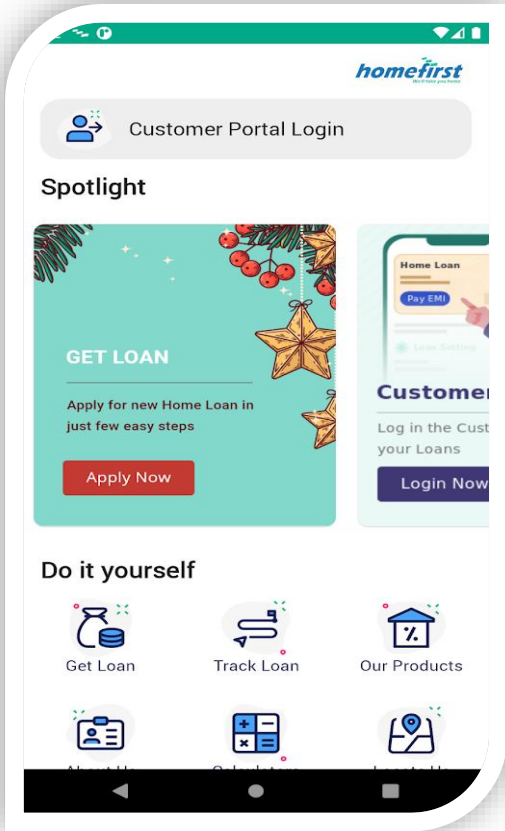
- Provided to customers, employees and connectors.
- This has helped cut down on branch visits, thereby saving time, fuel as well as energy.

### Other initiatives helped reduce use of electricity

- Cloud based loan management system and CRM.
- Open office structure in Head Office & Branches.

More information on our tech stack from slides 12 to 15.

## Customer App



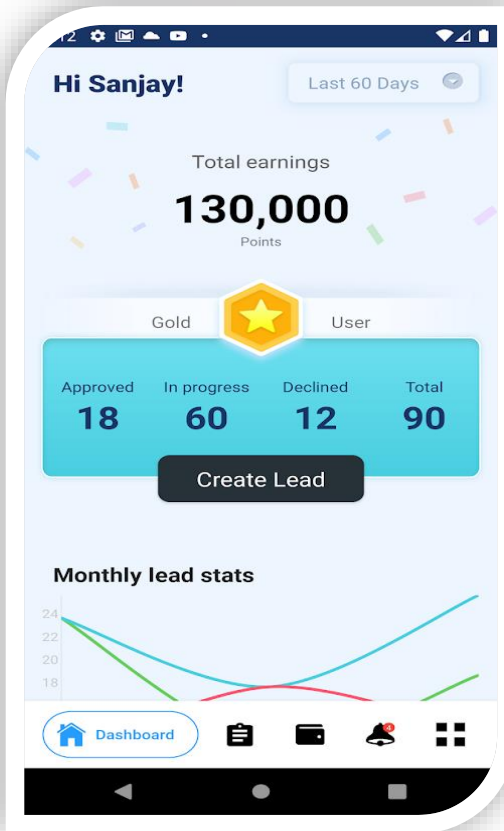
Google rating of Homefirst Customer App

**4.1**

★★★★☆

As of 18 Jan'22

## Connector App



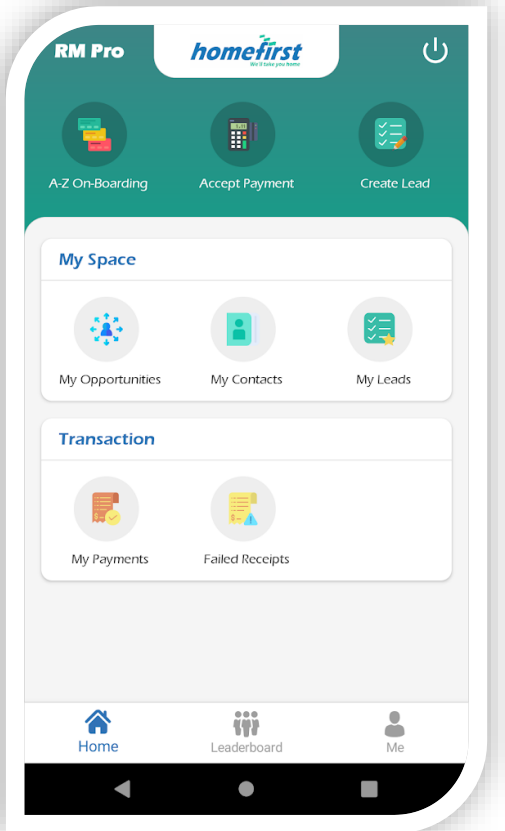
Google rating of Homefirst Connect App

**4.6**

★★★★☆

As of 18 Jan'22

## RM Pro App



Google rating of Homefirst RM Pro App

**4.7**

★★★★☆

As of 18 Jan'22

## Progress on Social Development

### Responsibility towards community

**Project “Sashakt”**, an initiative by HomeFirst to empower the households to uplift these households and bring an all-around improvement in their social, economic, and health of migrant factory workers living in Narol (Ahmedabad).

**“Mahila Shram Shakti Kendra”**, an initiative by HomeFirst in Ahmedabad & Surat to empower the women migrant workers facing extreme vulnerabilities.



### Commitment towards community

- 66 oxygen concentrator machines made available to help 173 covid affected patients.
- 960 foodkits distributed to covid impacted families across 5 cities of Surat, Ahmedabad, Rajkot, Ghaziabad and Mumbai.
- Donations to Seva Hospital (Surat), Satya Sai Hospital (Ahmedabad), Rajkot Cancer Society (Rajkot), Tata Memorial Hospital (Mumbai) and PM's National Relief Fund
- Facilitation of 1296 migrant workers back to workplace from Orissa to Gujarat for Power Loom industry, etc.

### Responsibility towards employees

**Certified as “Great Place To Work” by GPTW Institute for 2 successive years.**

#### Employee Training and Development

- Formal talent pipeline development strategy.
- During the period 9MFY22, 2857 manhours of training vs 4100 in 9MFY21 to employees through various courses. In FY21, provided 4770 manhours of training.

#### Employment & Labour Practices

Adopted policies for creating a safe and conducive as well as inclusive work environment for its employees:

- **HR Policy**
- **Equal Opportunity Policy**
- **Parental Leave Policy.**

This is reflected in the diverse employee base consisting of

- **~29% women overall**
- **55% women at head office**
- **20% women in senior management.**

#### Human Rights, Health & Safety

**Employee Development and Wellbeing:** We have conducted programs for Financial, Emotional and Physical wellness (50 Nos) for our employees.

### Responsibility towards customers

#### Customer Satisfaction

**Customer focus:** Playing a key role in **Financial inclusion** by facilitating affordable home loans and empowering women borrowers.

**EWS and LIG customers account for more than 75% of AUM.**

**Feature rich** mobile apps to provide seamless service and to track **NPS score** as a feedback mechanism. Our NPS score for Q3FY22 is 78.

**Prepayment facility** provided on the Customer App to “**nudge**” customers towards prudent finance management.

**76%** of active customers are registered on HomeFirst Customer Portal App. Android Rating is **4.1** (18Jan'22).

Helped **27052** customers to claim **PMAY subsidy**. Received **Rs 664 Crs** till date as PMAY subsidy which was credited to customers account.

**Grievance Redressal Policy** is in place to receive and respond to customer complaints. Link: <https://homefirstindia.com/policy/complaints-grievances/>

## Strong Governance Structure

### Work Sustainably & Ethically

#### Sustainable Finance

##### We promote Financial Inclusion.



HomeFirst in association with the “Ministry of Housing and Urban Affairs” conducted virtual conference to raise awareness on Affordable Housing segment ([blog link](#)). **Over 1,600 participants attended the webinar live.**

We have customers belonging to EWS and LIG categories which account for more than 75% of our book size.

##### Overall, 90% loans have woman as borrower

- Primary applicant in 20% of AUM
- +  
• At least 1 woman co-borrower in 70% of AUM.

#### Code of Conduct and Business Ethics

Company has **Code of Conduct for its employees** which has operational guidelines.

We have a **code of conduct for our connectors** : <https://homefirstindia.com/policy/code-of-conduct-for-connector/>

Continuous training and communication on **Whistle Blower and POSH (Prevention of Sexual Harassment)**.

### Governance at core

#### Corporate Governance

- **Core competencies of Independent Directors directly relevant to company’s operations.**
- **Diverse Board, Senior management and employee base.**
- **Stable senior management team.**

The Company has also adopted the following policies to ensure ethical, transparent and accountable conduct:

- Customer Grievance Policy ([Link](#))
- Code of Conduct for the Directors and Employees ([Link](#))
- Fair Practice Code ([Link](#))
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ([Link](#))
- Policy on Prevention of Sexual harassment Policy ([Link](#))
- Vigil Mechanism and Whistle blower ([Link](#))
- Know Your Customer (KYC) and Anti Money Laundering Measures Policy ([Link](#))
- Internal Guidelines on Corporate Governance ([Link](#))

Separate Chairman & Managing Director position

Experienced Board & Management with diversified expertise across Technology, Financial Inclusion & Risk Management

**8 of 9**  
Directors are non-executive

**4 of 9**  
Independent Directors

**2 of 9**  
Woman Directors

## Top-tier Corporate Governance

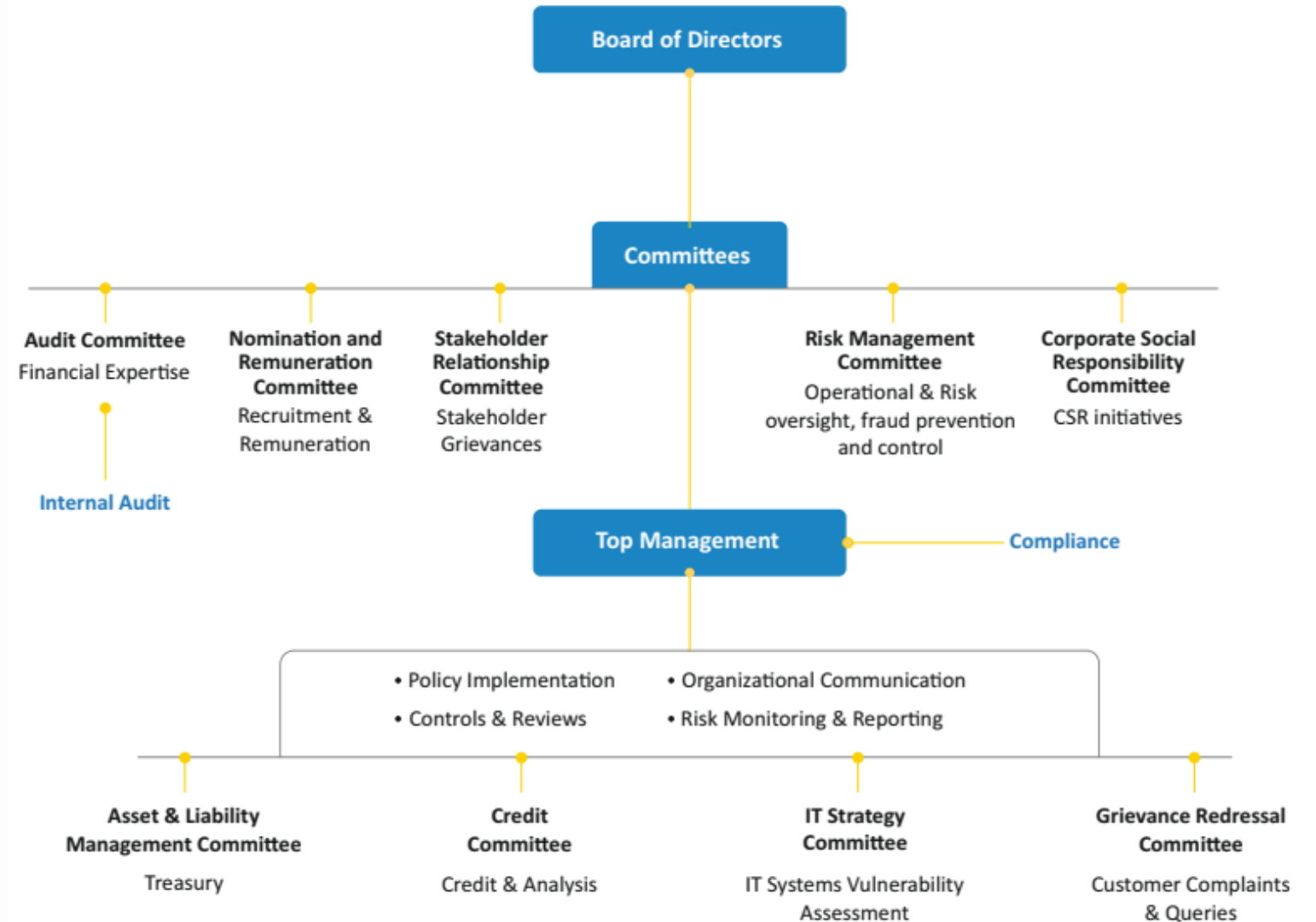
- **High Independent Directors representation in all Board Committees**
- **Highly experience Board & Management Team on Risk Management committee.**
- **Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee.**
- **“Risk Management Committee” meetings on matters including Operational, Risk oversight, fraud prevention and control.**

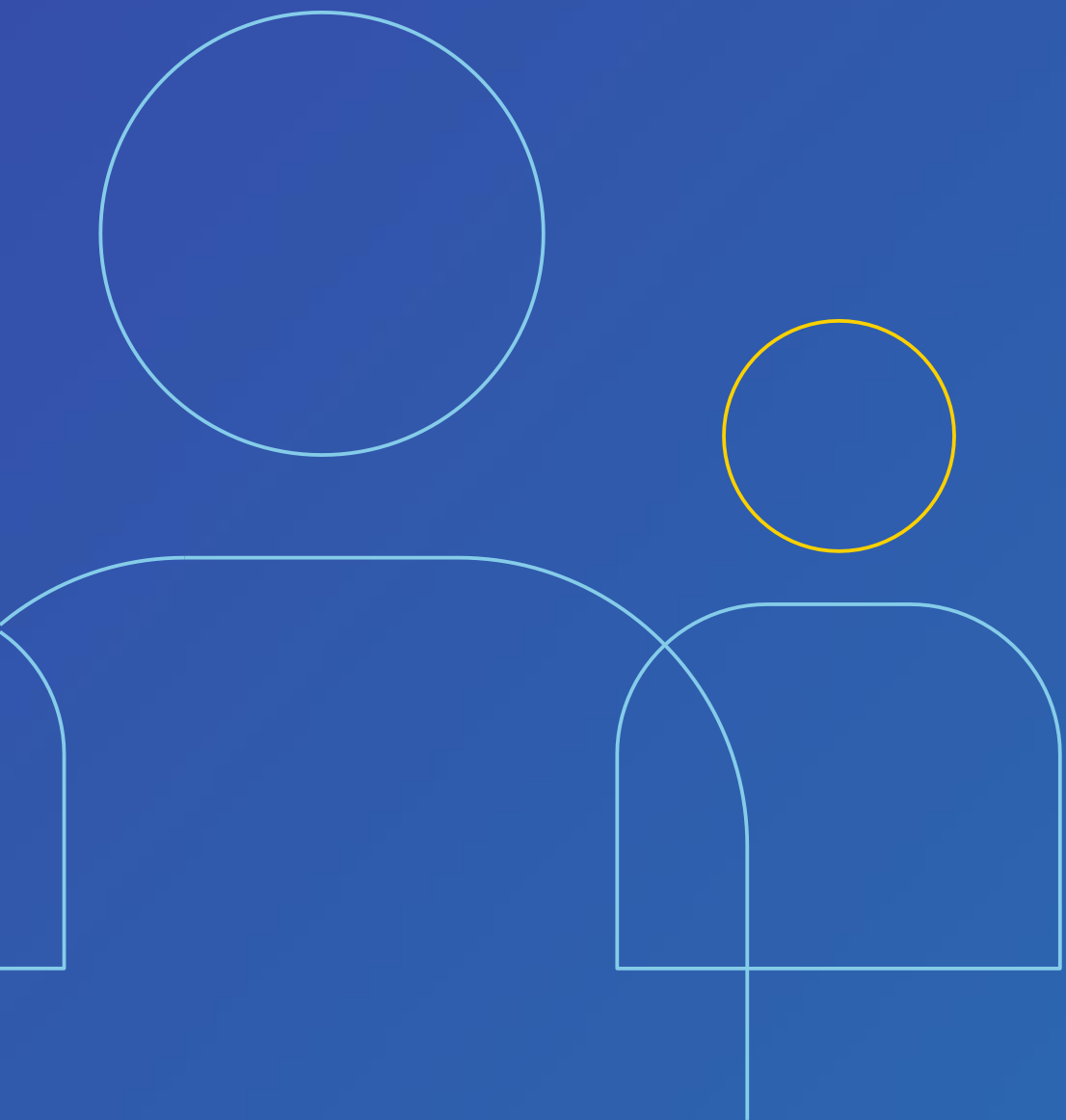
## Clean Track Record

- **NO Defaults.**
- **NO Auditor qualification.**
- **NO Re-statements of financials.**
- **NO Allegations of financial imprudence.**
- **Implemented 3 ESOP plans.**

## Corporate Governance Structure

Strong 5-tier corporate governance framework in place for effective risk management





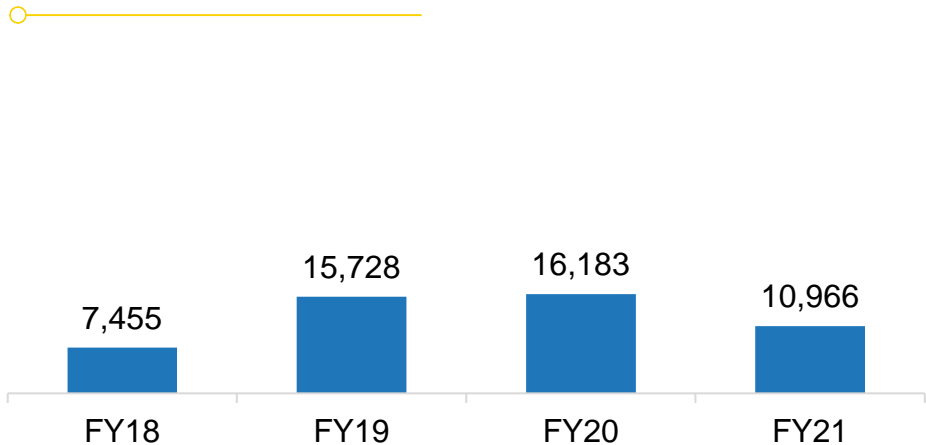
## Business Updates



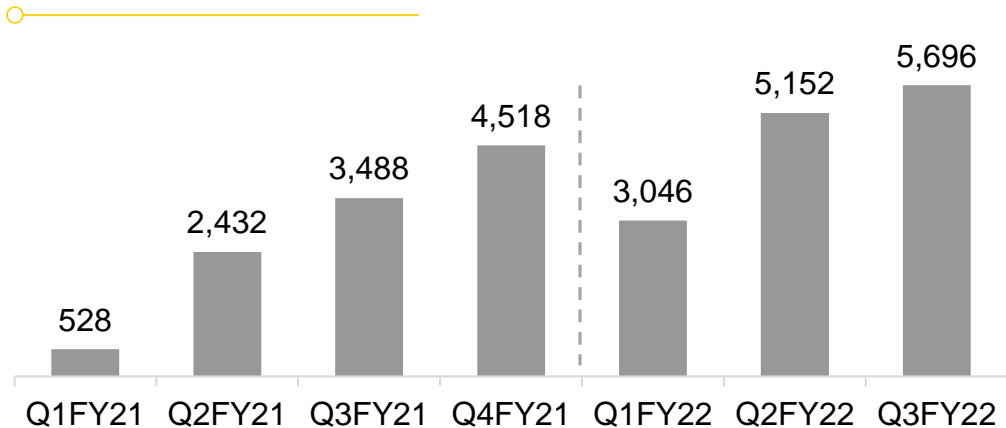
# Healthy Growth in Loan Book and Disbursements

## Disbursement ( ₹Mn )

Last 4 Years



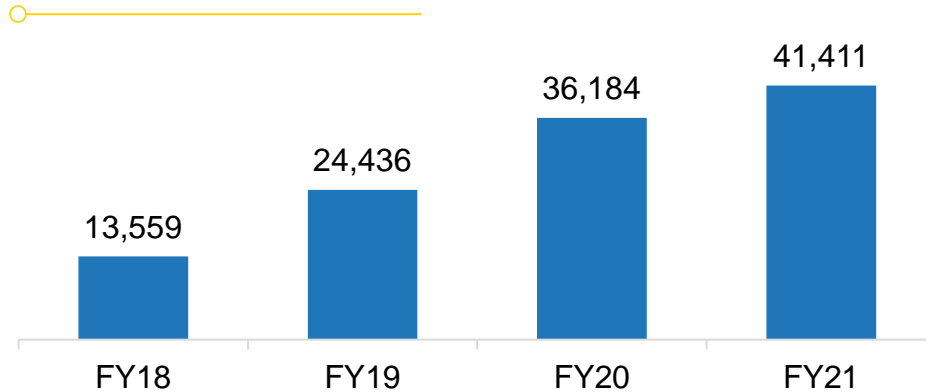
Last 7 Quarters



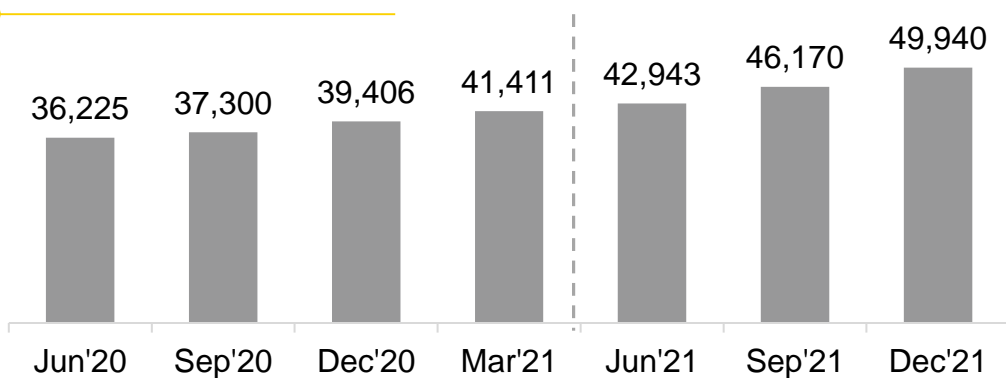
All time high disbursement for the quarter, y-o-y growth of 63.3%

## Assets Under Management ( ₹Mn )

Last 4 Years

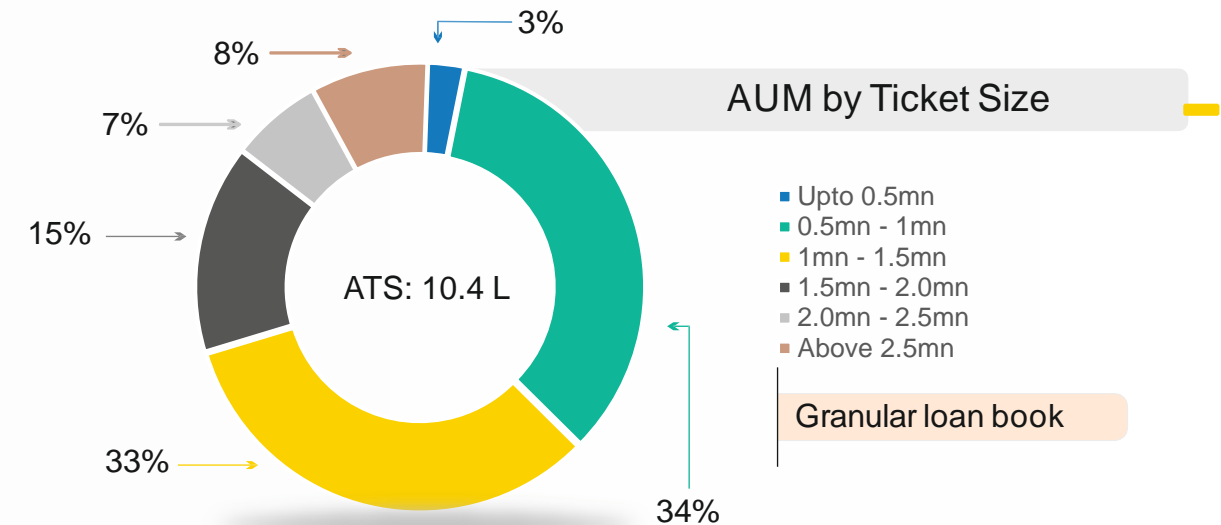
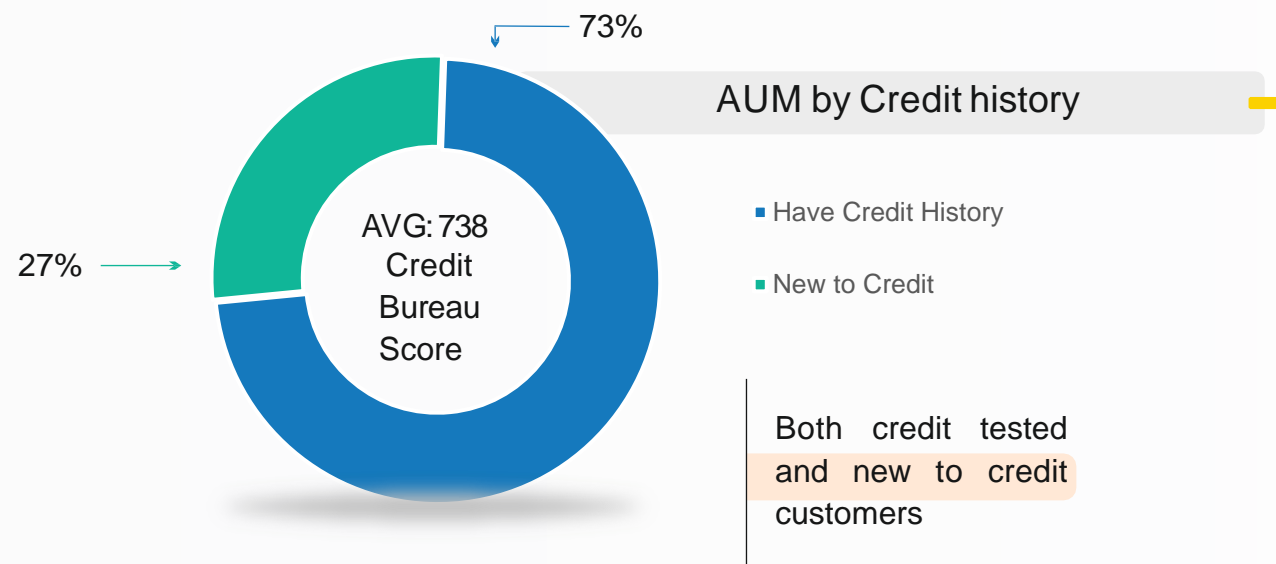
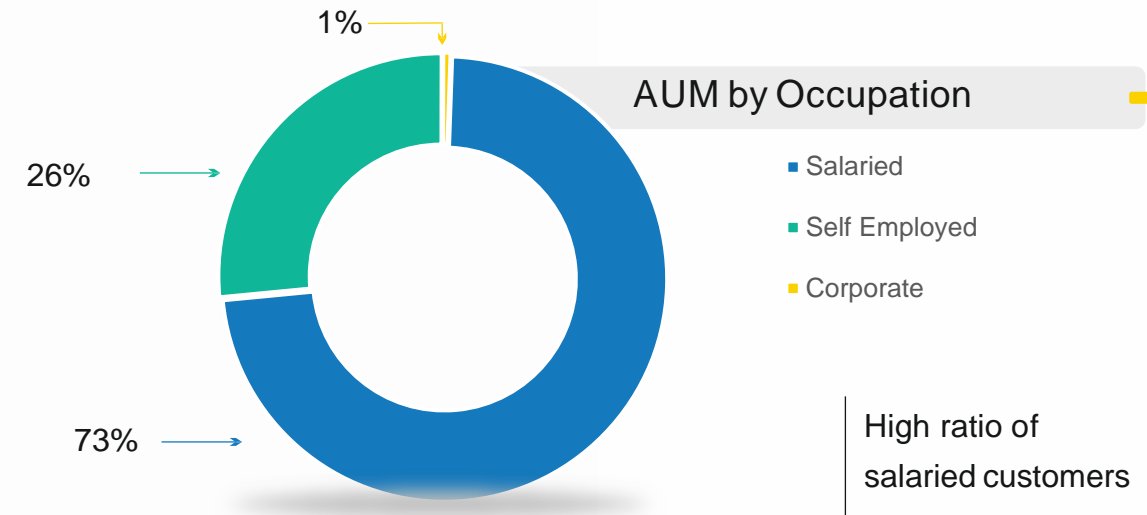
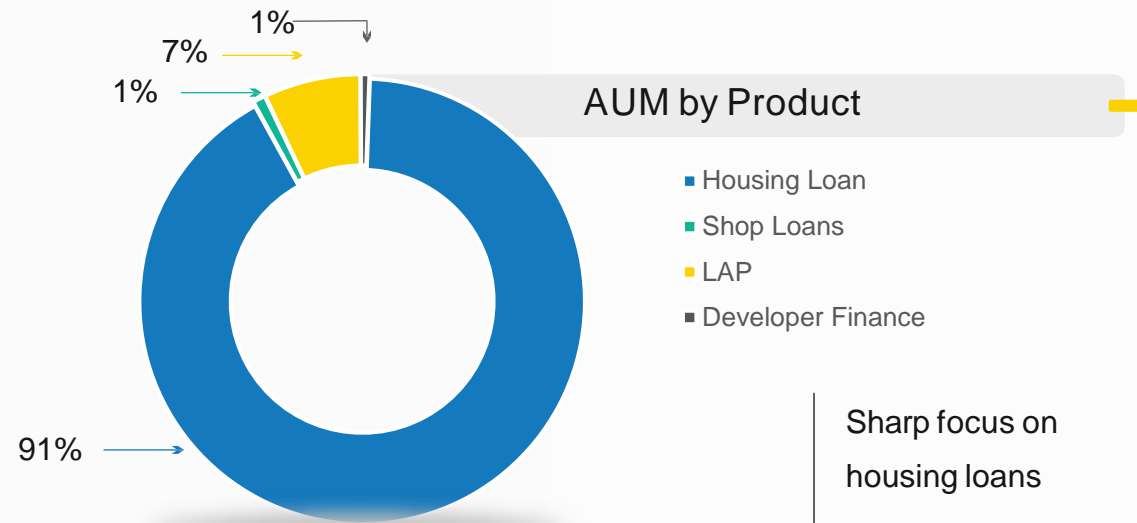


Last 7 Quarters



- 26.7% growth y-o-y
- 8.2% growth q-o-q
- 45% CAGR (3 Years FY18-FY21)
- 5.0% BT Out rate for Q3FY22 (annualized)

# Consistent Portfolio Metrics | Dec'21



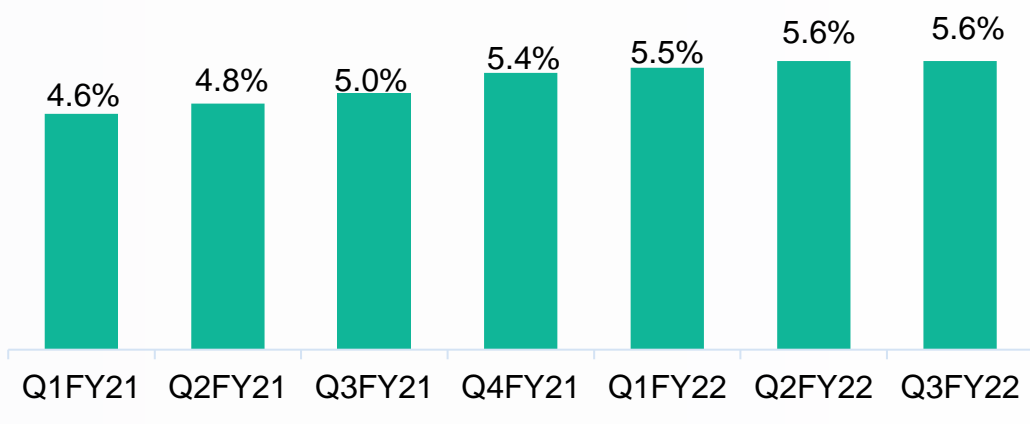
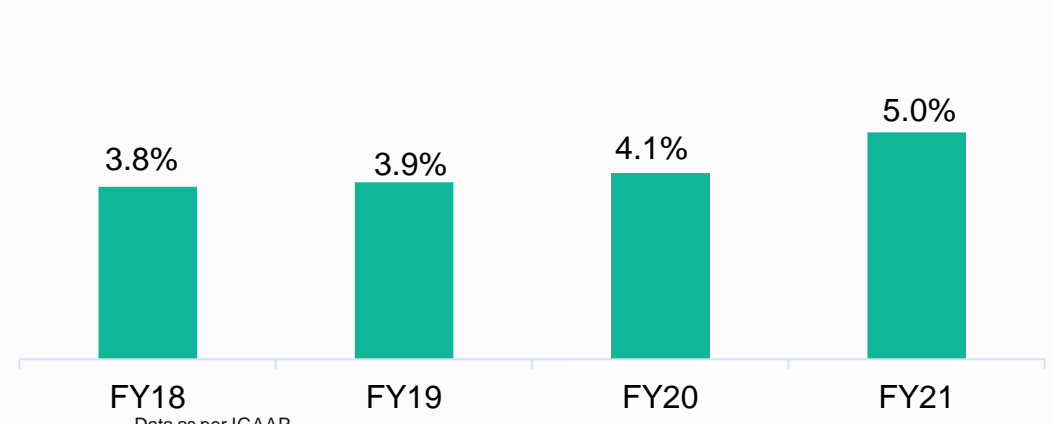
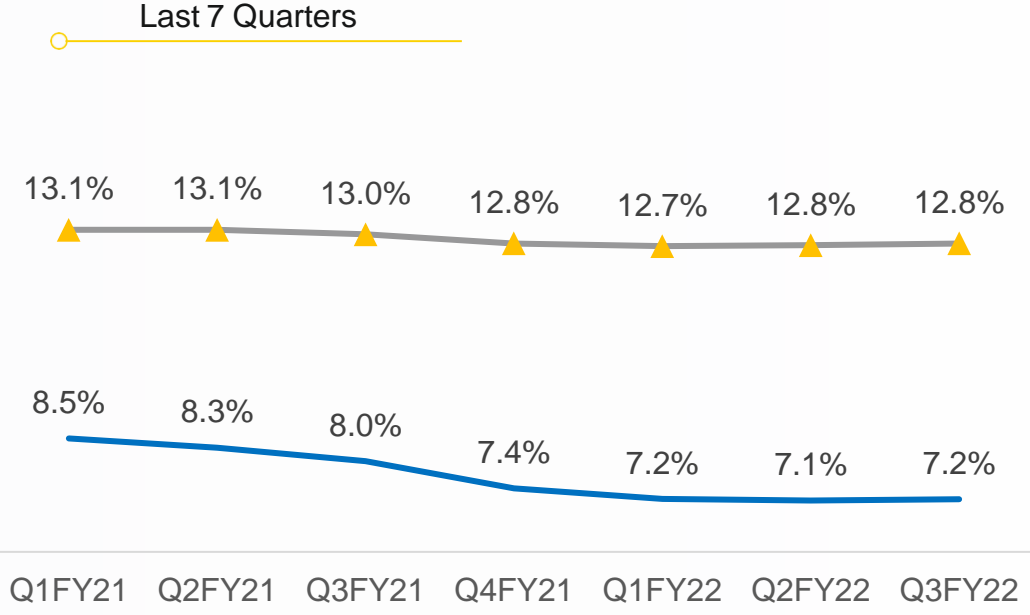
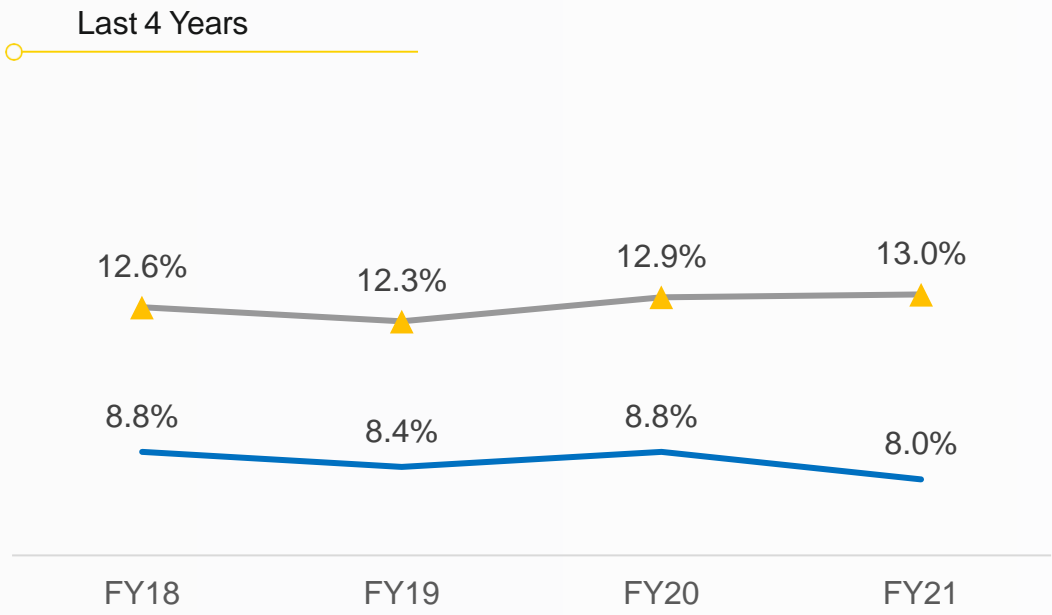
All figures as of Dec21



# Expansion in Spreads

- ▲ Portfolio Yield
- COB
- Spread

## Net Interest Spread Movement



Sustained Cost of Borrowing

Incremental yield for Q3FY22 stood at **13.1%**

Marginal COB for Q3FY22 stood at **7.6%**

Data as per IGAAP

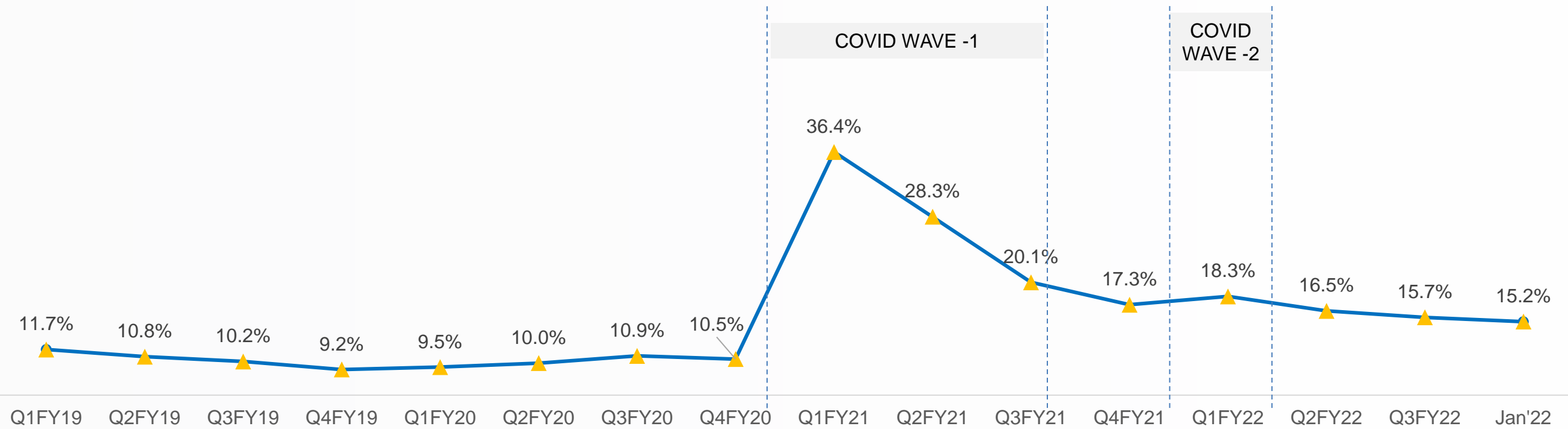


Bounce rate

# Healthy Leading Indicators

Bounce rate :On the day of EMI presentation

Bounce rates normalising

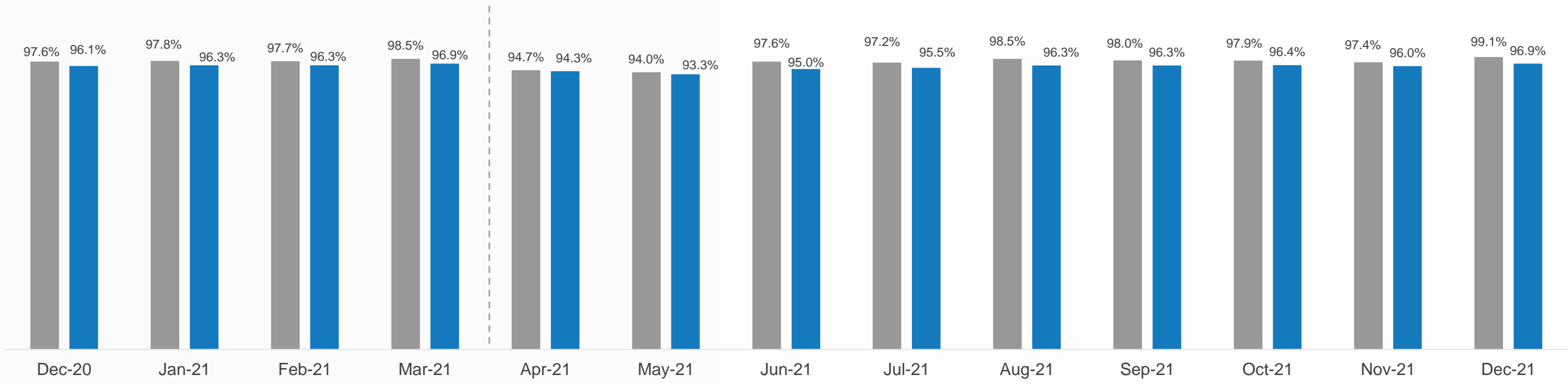


# Healthy Leading Indicators

- Collection Efficiency <sup>(1)</sup>
- Unique Customers <sup>(2)</sup>

## Collection Efficiency

Collection efficiency trending back to normal levels

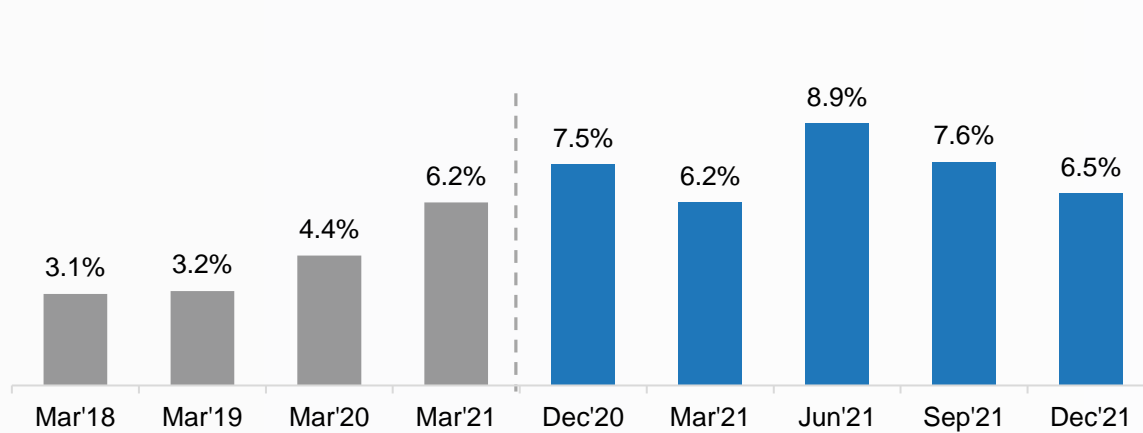


Note: (1) Collection Efficiency = Total # of EMLs received in the month (including arrears of previous months) / Total # of loan accounts whose EMLs are due in the month  
 (2) Unique customers = # of customers who made at least one payment in the month / Total # of Customers whose EMLs are due in the month

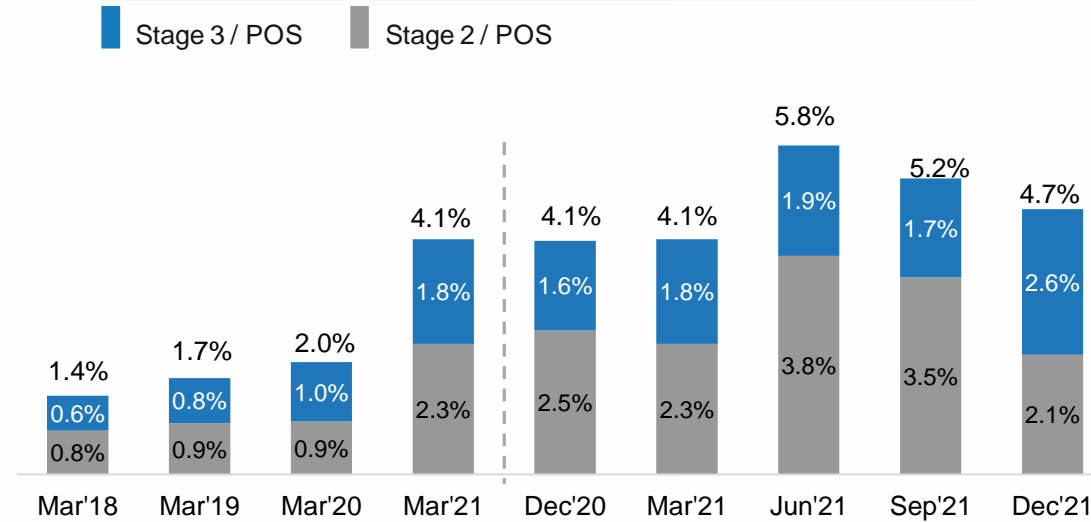


## Sound Credit Indicators

### DPD 1+ / POS



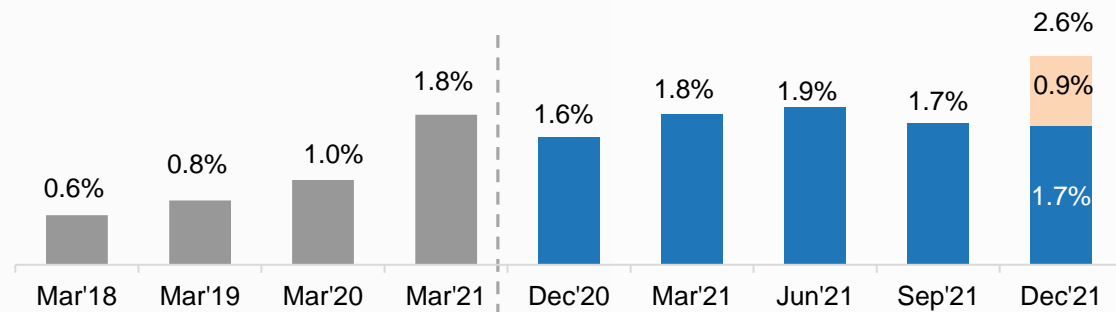
### DPD 30+ / POS %



Significant improvement in 1+ & 30+ DPD

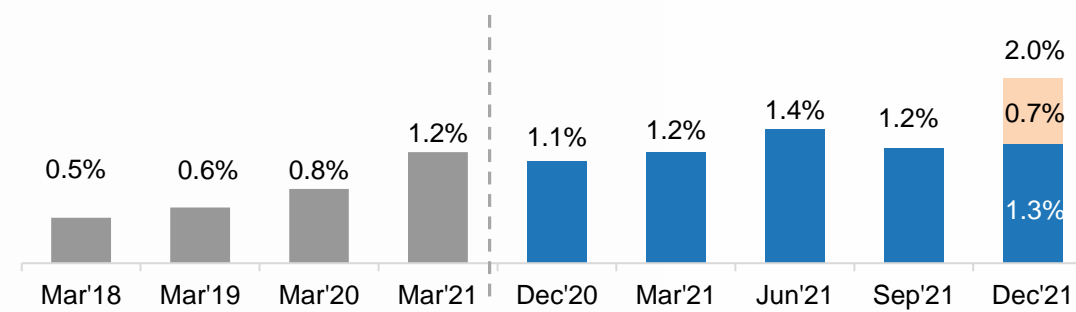
### Gross Stage 3 / POS (GNPA) %

Re-classification due to RBI circular



### Net Stage 3 / Net POS (NNPA) %

Re-classification due to RBI circular



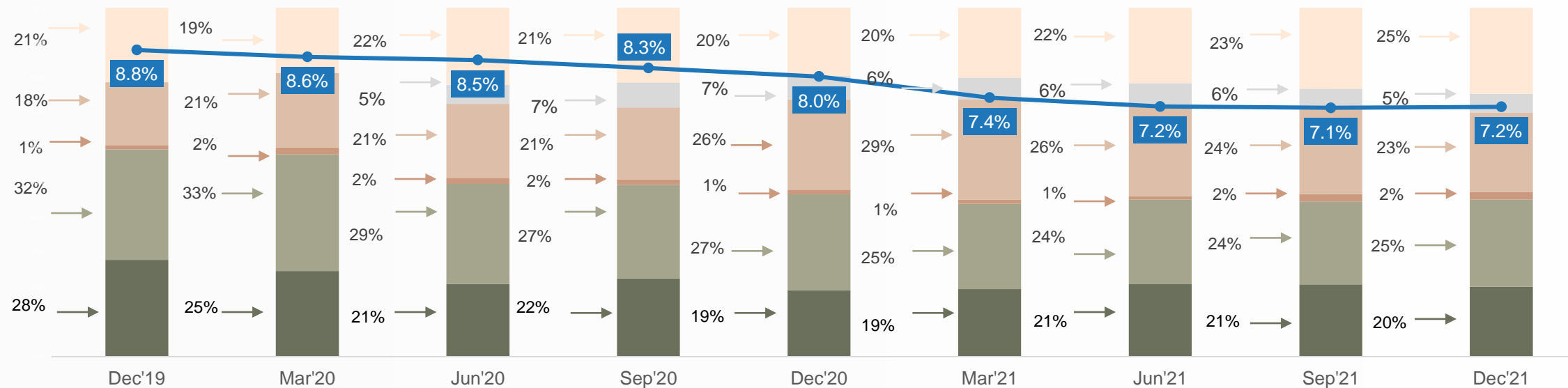
Recovery from SARFAESI continues

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.

# Diversified Funding Profile at competitive cost of borrowing

- DA
- NCD
- NHB Refinance
- NBFC
- Public Sector Banks
- Pvt Sector Banks
- COB% (Represents quarterly avg.)

## Borrowings Mix and Cost of Borrowing trend



ICRA revises the long-term credit rating outlook from A+ 'Stable' to A+ 'Positive'

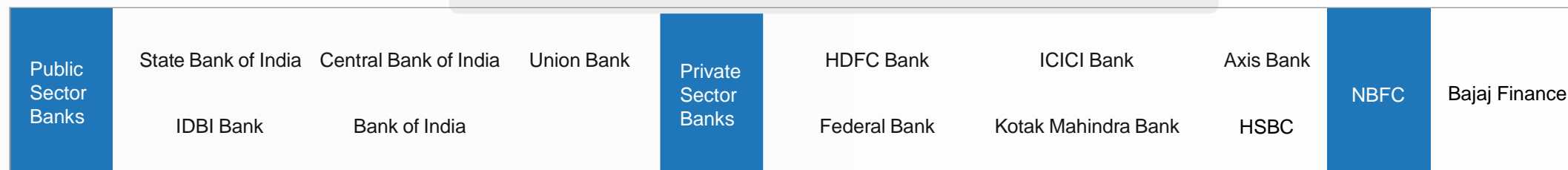
NCD placed with ICICI Prudential Mutual Fund of ₹ 99 Crs

**ZERO** borrowing through commercial papers

Short term rating of A1+ (ICRA and India Ratings)

Long term rating of A+ Stable CARE

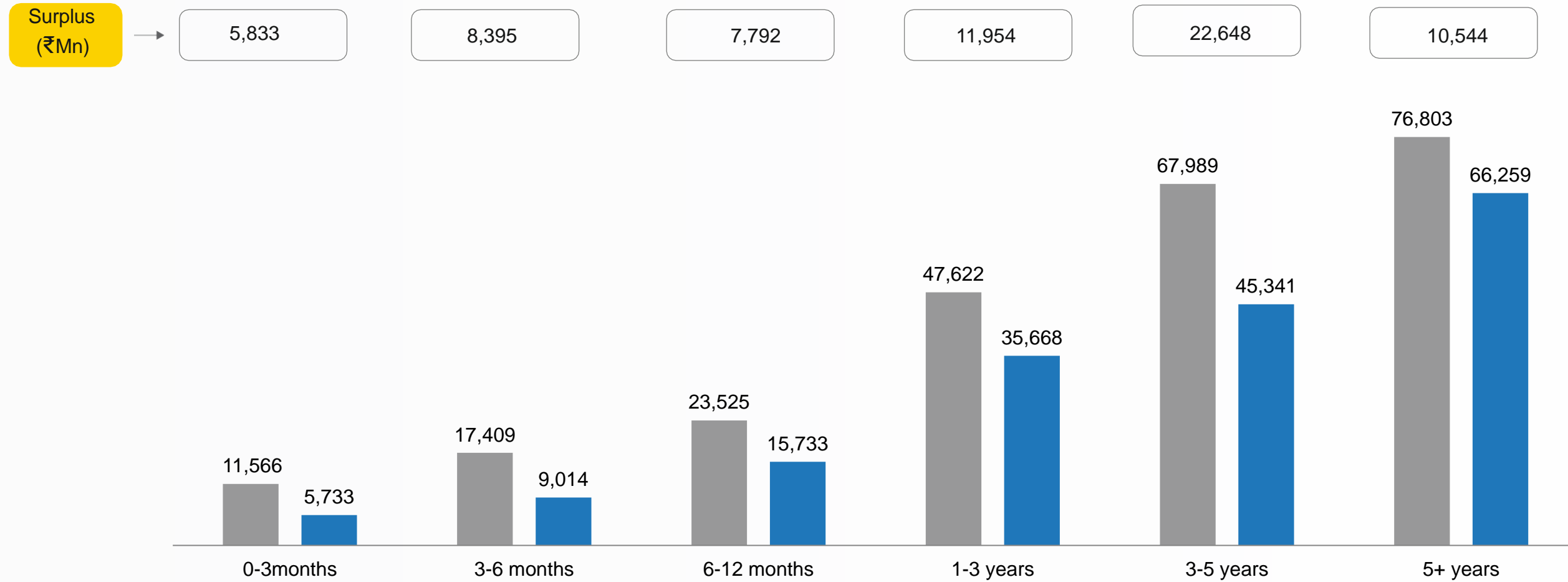
## Some of our Strong and longstanding banking relationships



Validation by NHB - Single largest lender with ₹ 9,098.1 Mn outstanding 20+ lines

■ Inflow ■ Outflow

## ALM Position as of Dec'21 Cumulative

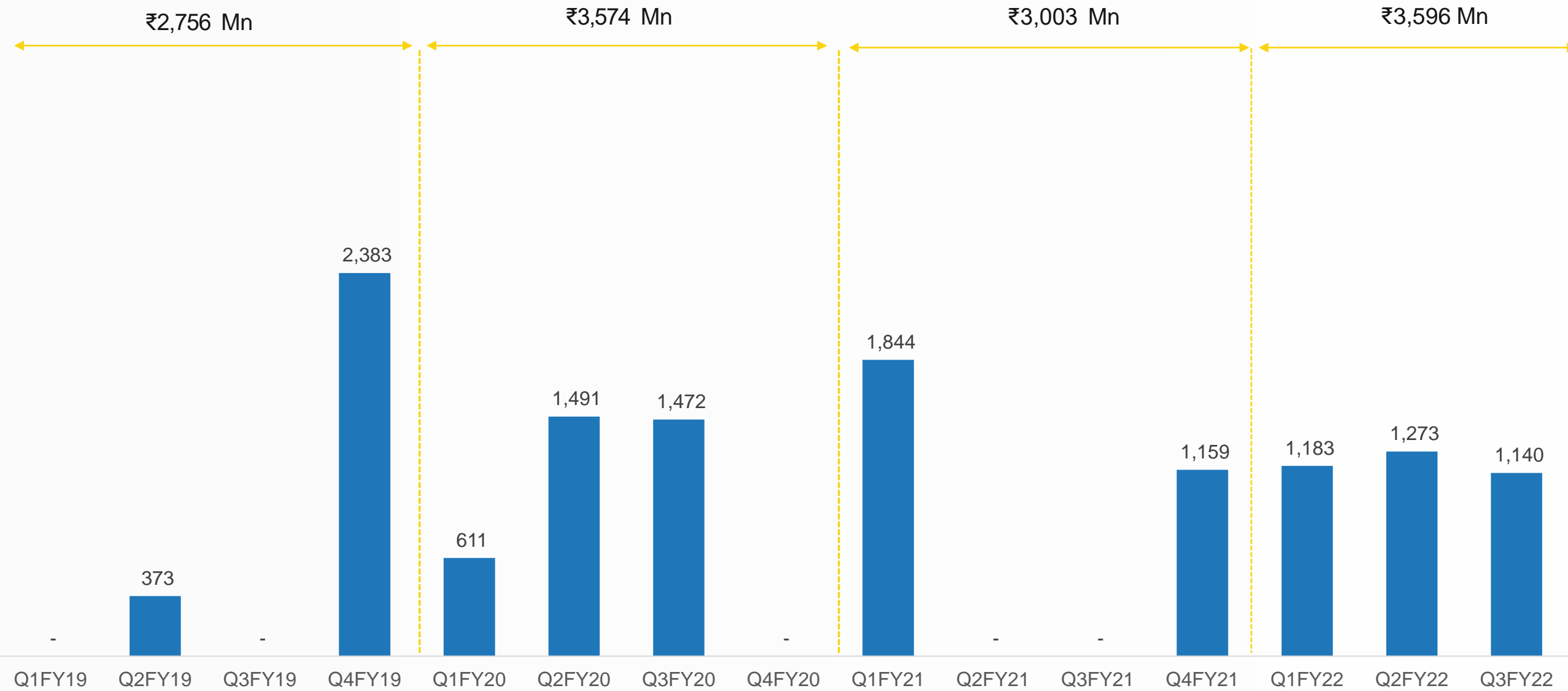


Robust ALM profile ensuring sufficient liquidity buffers

Cumulative Positive flows across all the time buckets

Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Company for compiling the detailed ALM return submitted to NHB.

## Assignment Volume



Consistent demand for assignment of the company's portfolio

## Strong Liquidity Position

### Liquidity Buffer as on Dec'21 (in ₹Mn)

Unencumbered Cash and Cash equivalent	4810
Un-availed Sanction from NHB	-
Un-availed Sanction from Banks	9240

**Total- 14,050**

Particulars (in ₹Mn)	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Opening Liquidity	14,050	14,275	14,887	15,284
<u>Add:</u> Principal Collections & Surplus from Operations	3,138	3,144	3,040	2,989
<u>Less:</u> Debt Repayments	2,913	2,532	2,643	3,520
Closing Liquidity	14,275	14,887	15,284	14,753

# ₹15,731 million

Liquidity raised during 9M FY22

Data as per IGAAP



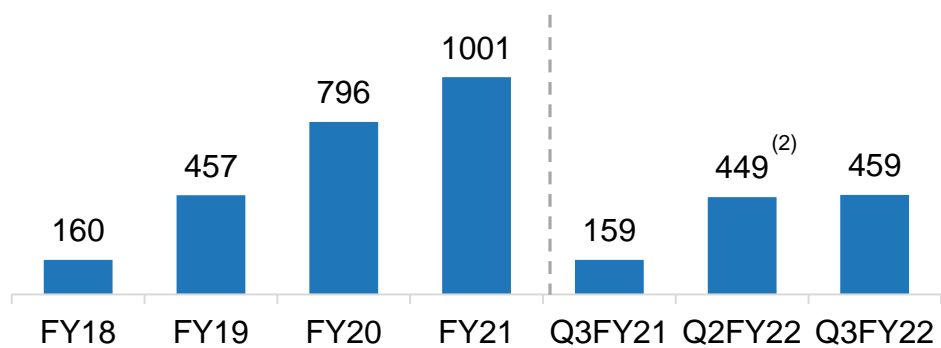


# Financial Updates



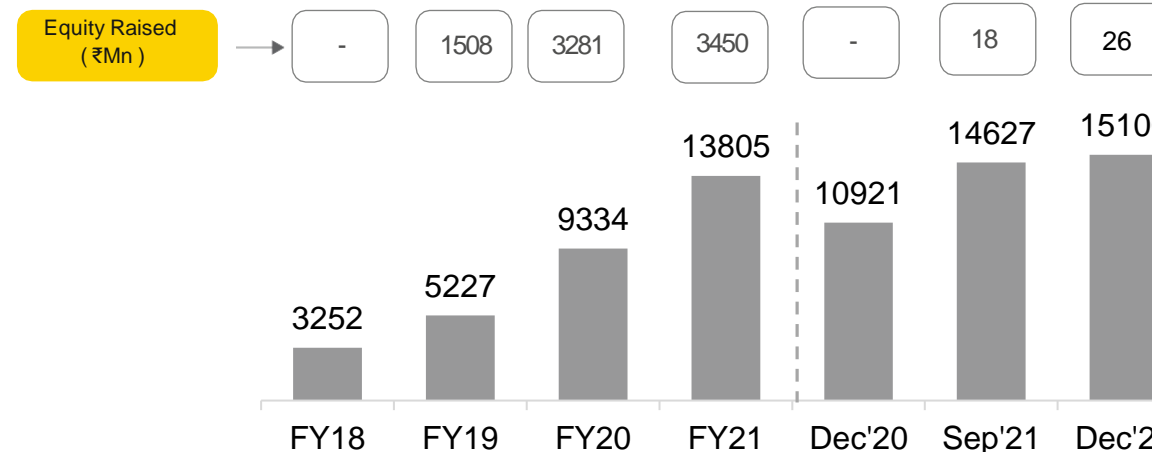
# Financial Highlights

## Profit After Tax ( ₹Mn )



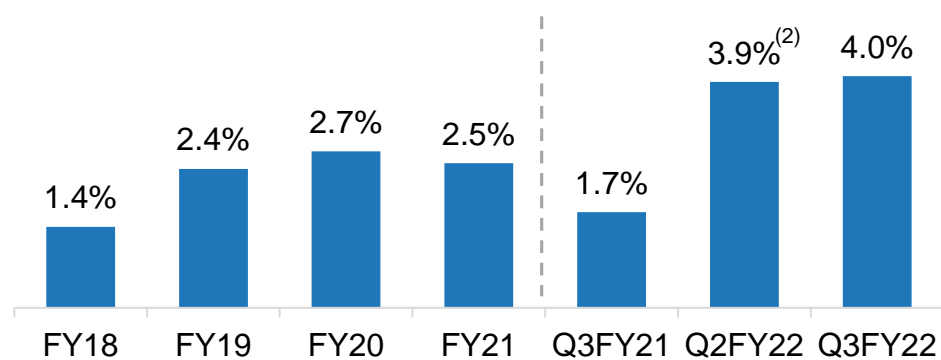
Strong profit growth despite maintaining high liquidity and conservative COVID provisioning

## Net worth ( ₹Mn )<sup>(1)</sup>

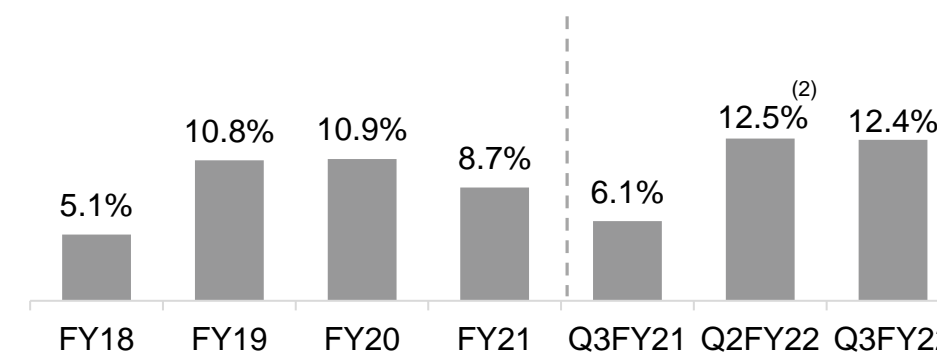


Robust NW to support growth

## Return on Average Assets<sup>(1)</sup>



## Return on Average Equity<sup>(1)</sup>



Note: Fiscal year ending Mar31. A/E – Average Total Assets / Average Equity.

(1) Data for FY18 is as per restated financial statements

(2) Adjusted PAT at Rs 431 mn, Adjusted RoA at 3.7% and Adjusted RoE at 12.0% computed considering Adjusted PAT for Q2FY22 without the impact of one-time deferred tax liability adjustment

## ECL Provisions Summary

Particulars (in ₹Mn)	Stage 1	Stage 2	Stage 3	Loan Commitment	Total
<b>For period ended Dec'21</b>					
Loans – Principal Outstanding	38,110.1	870.3	1,023.6		40,004.0
ECL Provision	132.0	100.1	232.0	8.9	473.1
Net Loans – Principal Outstanding	37,978.1	770.2	791.6		39,530.9
ECL Provision %	0.3%	11.5%	22.7%		1.2%
<b>For period ended Sep'21</b>					
Loans – Principal Outstanding	34,941.7	1,276.8	640.4		36,858.9
ECL Provision	142.6	154.7	189.6	8.9	495.8
Net Loans – Principal Outstanding	34,799.2	1,122.0	450.8		36,363.1
ECL Provision %	0.4%	12.1%	29.6%		1.3%
<b>For period ended Dec'20</b>					
Loans – Principal Outstanding	31,187.6	821.3	510.7		32,519.6
ECL Provision	194.3	111.9	146.0	9.6	461.8
Net Loans – Principal Outstanding	30,993.3	709.4	364.7		32,057.7
ECL Provision %	0.6%	13.6%	28.6%		1.4%

Provision Coverage Ratio

46.2% Dec'21

77.4% Sep'21

90.4% Dec'20

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.

# Annexures



## Quarterly and Annual Profit & Loss Statement

Particulars (in ₹Mn)	Q3FY22	Q2FY22	Q3FY21	QoQ	YoY	FY21	FY20	YoY
Interest Income on term loans	1202.2	1142.5	1013.8	5.2%	18.6%	4,026.0	3,425.0	17.5%
Net gain on DA	175.8	170.7	-			439.4	371.2	
Income other than interest income on term loans <sup>(1)</sup>	139.0	148.2	89.1			421.2	400.6	
<b>Total Income</b>	<b>1517.0</b>	<b>1461.4</b>	<b>1,102.9</b>	<b>3.8%</b>	<b>37.6%</b>	<b>4,886.5</b>	<b>4,196.8</b>	<b>16.6%</b>
Interest expense	544.5	540.8	531.6			2,165.8	1,912.2	13.3%
<b>Net Interest Income</b>	<b>657.7</b>	<b>601.7</b>	<b>482.2</b>	<b>9.3%</b>	<b>36.4%</b>	<b>1,860.2</b>	<b>1,512.8</b>	<b>23.0%</b>
<b>Net Total Income</b>	<b>972.5</b>	<b>920.6</b>	<b>571.3</b>	<b>5.6%</b>	<b>70.2%</b>	<b>2,720.7</b>	<b>2,284.6</b>	<b>19.3%</b>
Operating Expenses <sup>(2)</sup>	321.3	324.2	285.4			1,058.7	1,046.2	
<b>PPOP</b>	<b>651.2</b>	<b>596.4</b>	<b>285.9</b>	<b>9.2%</b>	<b>127.7%</b>	<b>1,662.0</b>	<b>1,238.4</b>	<b>34.2%</b>
Credit Cost	59.7	33.3	73.9			321.5	165.0	
<b>Profit before tax</b>	<b>591.5</b>	<b>563.1</b>	<b>212.0</b>	<b>5.0%</b>	<b>179.0%</b>	<b>1,340.4</b>	<b>1,073.3</b>	<b>24.9%</b>
Tax expense	132.1	132.1	52.9			339.0	277.8	
One-time tax adjustment <sup>(3)</sup>		(17.7)	-			-	-	
<b>Profit after tax</b>	<b>459.4</b>	<b>448.7</b>	<b>159.1</b>	<b>6.6%</b> <sup>(4)</sup>	<b>188.7%</b>	<b>1001.4</b>	<b>795.5</b>	<b>25.9%</b>
Basic EPS	5.2	5.1	1.9			12.4	10.8	
Diluted EPS	5.1	5.0	1.9			12.2	10.6	

(1) Income other than interest income on term loans includes interest on bank deposits, other interest income, fees and commission income, other operating income and other income

(2) Operating Expenses is the sum of Employee Benefits Expenses, Depreciation and Amortization, Interest on lease liability, Bank charges and other Expenses for the relevant year or period as per the financial statements.

(3) In Q2FY22, the Company has reversed Rs 17.7 mn of DTL created on the amount transferred to special reserve for the quarter ended June 21.

(4) QoQ growth in PAT computed considering Adjusted PAT for Q2FY22 without the impact of one-time deferred tax liability adjustment

## RoE Tree

Particulars	Q3 FY22	Q2 FY22	Q3 FY21	FY21	FY20
Interest Income on term loans / Average total assets	10.4%	9.9%	10.5%	10.1%	11.5%
Net Gain on DA / Average total Assets	1.5%	1.5%	-	1.1%	1.2%
Income other than interest income on term loans/ Average total assets	1.2%	1.3%	0.9%	1.1%	1.4%
<b>Total Income / Average total assets</b>	<b>13.1%</b>	<b>12.7%</b>	<b>11.4%</b>	<b>12.2%</b>	<b>14.1%</b>
Interest on borrowings and debt securities / Average total assets	4.7%	4.7%	5.5%	5.4%	6.4%
<b>Net Interest Margin</b>	<b>5.7%</b>	<b>5.2%</b>	<b>5.0%</b>	<b>4.7%</b>	<b>5.1%</b>
<b>Net Total Income / Average total assets</b>	<b>8.4%</b>	<b>8.0%</b>	<b>5.9%</b>	<b>6.8%</b>	<b>7.7%</b>
Operating Expenses / Average total assets	2.8%	2.8%	3.0%	2.7%	3.5%
<b>PPOP/ Average total assets</b>	<b>5.6%</b>	<b>5.2%</b>	<b>3.0%</b>	<b>4.2%</b>	<b>4.2%</b>
Credit Cost / Average total assets	0.5%	0.3%	0.8%	0.8%	0.6%
Profit before tax / Average total assets	5.1%	4.9%	2.2%	3.4%	3.6%
Tax expense / Average total assets	1.1%	1.1%	0.5%	0.8%	0.9%
One-time tax adjustment/ Average total assets	-	(0.2%)	-	-	-
<b>Profit after tax on average total assets (ROA)</b>	<b>4.0%</b>	<b>3.9%<sup>(1)</sup></b>	<b>1.7%</b>	<b>2.5%</b>	<b>2.7%</b>
Leverage (Average total assets / average Equity or average Net worth)	3.1	3.2	3.7	3.5	4.1
<b>Profit after tax on average equity or average Net worth (ROE)</b>	<b>12.4%</b>	<b>12.5%<sup>(1)</sup></b>	<b>6.1%</b>	<b>8.7%</b>	<b>10.9%</b>
Average interest earning assets as % of average total assets	83.0%	77.4%	81.0%	80.3%	87.0%
Average interest bearing liabilities as % of average total assets	65.8%	66.9%	70.8%	69.4%	74.1%

Interest Earning Assets represents Loans – Principal outstanding (Gross) for the relevant year or period. Interest bearing liabilities represents borrowings (including debt securities) for the relevant year or period.

(1) Q2FY22 Adjusted RoA at 3.7% and Adjusted RoE at 12.0% computed considering Adjusted PAT without the impact of one-time deferred tax liability adjustment

## Key Financial Ratios

Particulars	Q3 FY22	Q2 FY22	Q3 FY21	FY21	FY20
Profit after tax on average total assets (ROA)	4.0%	3.9% <sup>(1)</sup>	1.7%	2.5%	2.7%
Leverage (Average total assets / average Equity or average Net worth)	3.1	3.2	3.7	3.5	4.1
Profit after tax on average equity or average Net worth (ROE)	12.4%	12.5% <sup>(1)</sup>	6.1%	8.7%	10.9%
Cost to Income Ratio (Operating Expenses / Net Total Income)	33.0%	35.2%	50.0%	38.9%	45.8%
Operating Expenses / Average total assets	2.8%	2.8%	3.0%	2.7%	3.5%
Debt to equity ratio	2.0	2.1	2.6	2.2	2.7
CRAR (%)	59.0%	56.4%	52.3%	56.2%	49.0%
CRAR - Tier I Capital	57.8%	55.2%	51.0%	55.2%	47.7%
CRAR - Tier II Capital	1.2%	1.2%	1.3%	0.9%	1.3%
Book Value Per Share	172.4	167.1	132.7	158.0	119.2

(1) Q2FY22 Adjusted RoA at 3.7% and Adjusted RoE at 12.0% computed considering Adjusted PAT without the impact of one-time deferred tax liability adjustment

## Balance Sheet

Particulars (in ₹Mn)	Dec'21	FY21	Dec'20
<b>ASSETS</b>			
Cash & cash equivalents and Other bank balance	4,100.1	6,798.7	4,635.4
Loans	39,539.9	33,265.0	32,067.3
Investments	1,214.2	3,750.2	2,439.3
Other financial assets	1,123.6	1,011.7	711.8
Property, plant and Equipment*	192.7	164.0	160.2
Non-financial assets other than PPE	139.6	112.1	70.2
<b>TOTAL ASSETS</b>	<b>46,310.1</b>	<b>45,101.6</b>	<b>40,084.2</b>
<b>LIABILITIES &amp; EQUITY</b>			
Payables	0.7	4.1	1.1
Debt Securities	2,187.7	2,395.9	2,395.2
Borrowings	28,048.1	28,141.0	25,998.3
Other financial liabilities	648.8	534.8	586.4
Provisions	107.1	76.7	86.4
Deferred Tax Liabilities (Net)	148.7	79.6	35.9
Other non-financial liabilities	68.7	64.0	60.4
Equity	15,100.3	13,805.4	10,920.5
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>46,310.1</b>	<b>45,101.6</b>	<b>40,084.2</b>

Note: Balance sheet for period ended December 31, 2021 is reviewed.

\* Including right to use assets.



## Board of Directors

### Mr. Deepak Satwalekar

*Chairman/ Independent/ Non-Executive Director*

Previously, he was associated with HDFC Limited as MD and HDFC Standard Life Insurance Company Limited as MD & CEO. Currently he is associated with Asian Paints Limited and Wipro Limited as an Independent Director. He has also been recognized as a distinguished alumnus by the Indian Institute of Technology, Bombay. He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Bombay and a master's degree in business administration from the American University, Washington DC.

### Ms. Geeta Dutta Goel

*Independent/ Non-Executive Director*

Ms. Geeta Dutta Goel is Country Director for Dell Foundation in India. 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. 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 IIM, Ahmedabad.

### Mr. Anuj Srivastava

*Independent/ Non-Executive Director*

Anuj Srivastava is the co-founder and Chief Executive Officer of Livspace - a home interiors and renovation platform. 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 IIT Kanpur and holds an MBA degree from London Business School.

### Ms. Sucharita Mukherjee

*Independent/ Non-Executive Director*

She is co-founder of Kaleidofin, a neo-bank that provides financial solutions to underbanked customers in India. Prior to Kaleidofin, she co-founded IFMR Group and most recently was the group CEO of IFMR Holdings. She 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. She is an alumnus of IIM Ahmedabad and holds an undergraduate degree in economics from Lady Shri Ram College, Delhi University. She has also worked with Deutsche Bank and Morgan Stanley in London.

### Mr. Divya Sehgal

*Nominee/ Non-Executive Director*

He is a Partner at True North and leads their investments in the Financial Services industry. Divya holds a Bachelor's degree in Electrical Engineering from IIT, Delhi and holds a Post Graduate Diploma in Management from IIM, Bengaluru. Prior to joining True North, he was Founder and COO of Apollo Health Street, a leading healthcare outsourcing firm and one of the top five in its space globally. Before that he worked as a consultant with McKinsey, with the corporate finance team at ANZ and as an entrepreneur at Emedlife which eventually merged with the Apollo Group.

### Mr. Maninder Singh Juneja

*Nominee/ Non-Executive Director*

An MBA from IIM Lucknow, Maninder has worked across industries and carries vast experience. Prior to True North, Maninder was the Group Head for ICICI Bank's Retail Banking group, covering Strategy, Products, Small Business Loans, Branch Banking and distribution channels. He was also leading the bank's various efforts in the area of payments and service innovations, many of which are industry firsts. He started his career with Godrej and has worked with Godrej GE Appliances.

### Mr. Vishal Gupta

*Nominee/ Non-Executive Director*

Vishal is MD at Bessemer Venture Partners (BVP) and spearheads India operations. He brings more than 15 years of experience in consumer internet, financial technology and healthcare technology. He is an MBA from IIM Calcutta and a Chartered Accountant. He has vast experience in IT and has played critical role in the areas like digital platforms and data analytics over the years. Prior to joining BVP India, Mr. Gupta was a senior manager in the treasurer's office at Reliance Group, where he helped the in establishing a Private equity firm.

### Mr. Narendra Ostawal

*Nominee/ Non-Executive Director*

Narendra joined Warburg Pincus in 2007 and is currently designated as Managing Director for healthcare and financial services. Prior to joining Warburg Pincus, Mr. Ostawal has worked with 3i India and McKinsey & Company. He is a Director of Avanse Financial Services Limited, Carmel Point Investments India Private Limited, Computer Age Management Services Limited, Fusion Micro Finance Private Limited and IndiaFirst Life Insurance Company Limited. Mr. Ostawal is a Chartered Accountancy and an MBA from IIM, Bangalore.

### Mr. Manoj Viswanathan

*Managing Director and CEO*

Manoj Viswanathan holds a Bachelor's degree in Electrical & Electronics Engineering from BITS, Pilani and an MBA from XLRI Jamshedpur. He possesses experience of more than 25 years in consumer lending, encompassing sectors such as automobile loans, mortgages, and unsecured lending. He is considered to have played an important role in building the branch-based consumer-lending model for Citigroup in India. He is the Managing Director and CEO of Home First Finance Company.

# Thank You

For further information, please contact

## Company

---

CIN: L65990MH2010PLC240703

Mr. Manish Kayal, Head - Investor Relations

✉ [manish.kayal@homefirstindia.com](mailto:manish.kayal@homefirstindia.com)

Investor Relations - HomeFirst

✉ [investor.relations@homefirstindia.com](mailto:investor.relations@homefirstindia.com)

## Investor Relations Advisors

---

Mr Ashish Chovatia

☎ +91 9930044680

✉ [ashish.chovatia@linkintime.co.in](mailto:ashish.chovatia@linkintime.co.in)

Terms	Explanation
<b>POS - Principal Outstanding</b>	Loans – Principal outstanding represents gross principal outstanding of loans as of the last day of the relevant period or year as per the restated financial statements.
<b>NII - Net Interest Income</b>	Net Interest Income represents interest income on term loans minus Interest on borrowings and Interest on debt securities for the relevant year or period
<b>NIMs - Net Interest Margin</b>	Net Interest Income / Average total assets
<b>DA - Direct Assignment / Assigned Assets</b>	Assigned Assets represents the aggregate of current principal outstanding and overdue principal outstanding, if any, for all loan assets which have been transferred by the Company by way of assignment as of the last day of the relevant year or period. The Assigned Assets represent the direct assignments and not pass through certificate.
<b>AUM - Assets Under Management</b>	Assets Under Management/Gross Loan Assets represents the aggregate of current principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant year or period as well as loan assets which have been transferred by the Company by way of assignment and are outstanding as of the last day of the relevant year or period.
<b>DPD - Days Past Due</b>	
<b>Opex to Assets</b>	Operating Expenses / Average Total Assets
<b>Cost to Income</b>	Operating Expenses / Net Total Income
<b>Gross Stage 3 / POS %</b>	% Stage 3 loan assets / Loans - Principal Outstanding
<b>DPD 30+</b>	DPD 30+ represents sum of Stage 2 loan assets and Stage 3 loan assets at the end of the relevant year or period as per financial statements as per ECL methodology under IndAS guidelines.