



Smart Loans for Affordable Homes | HomeFirst



# Investor Presentation

— | Q1 – FY23 | —



Tech



Growth



Productivity



Risk Management



Funding



ESG



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# Executive Summary

y-o-y q-o-q

Assets Under Management (AUM)

₹ 58,319 Mn

+35.8%

+8.4%

Disbursement

₹6,612 Mn

+117.0%

+3.1%

Gross Stage 3 / POS (GNPA %)

2.1<sup>(1)</sup>

In line with RBI circular dated 12 Nov 2021  
1.2% prior to such classification

- 20 bps

Spread<sup>(2)</sup>

5.8%

+20 bps

+20 bps

Cost to Income

35.8%

+390 bps

+10 bps

Opex to Assets

2.9%

+40 bps

-10 bps

PPOP

₹699 Mn

+15.2%

+6.1%

Profit After Tax (PAT)<sup>(3)</sup>

₹512 Mn

+46.0%

+6.4%

Return On Assets (ROA)<sup>(3)</sup>

3.9%

+80 bps

-10 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 aligned its definition of default and taken steps to comply with the norms/ changes for regulatory reporting, as applicable. Such alignment has resulted in classification of loans amounting to 443.62 millions as Gross Stage 3 (GNPA) as at Jun'22 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Jun'22 is 1.2%.

(2) As per IGAAP

(3) QoQ growth in PAT and RoA computed considering Adjusted PAT for Q4FY22 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
- 90% of book comprise of housing loans with average ticket size of ₹ 1.07Mn
- Strong liquidity pipeline with positive ALM and zero commercial papers
- Data science backed centralized underwriting with in-depth understanding of local property markets



**93** Branches  
**13** States/UT  
**102** Districts  
**224** Touchpoints

**65,254**  
Customers

**72%**  
salaried occupation mix  
of AUM (Q1FY23)

**₹8,040 Mn**  
Liquidity Buffer as on Jun'22

**905**  
No of employees (Q1FY23)

# — Our Journey

Assets Under Management (AUM)

₹ 58,319 Mn

As of Jun'22

CARE Rating

BBB-

BBB+

CARE / ICRA Rating

A-

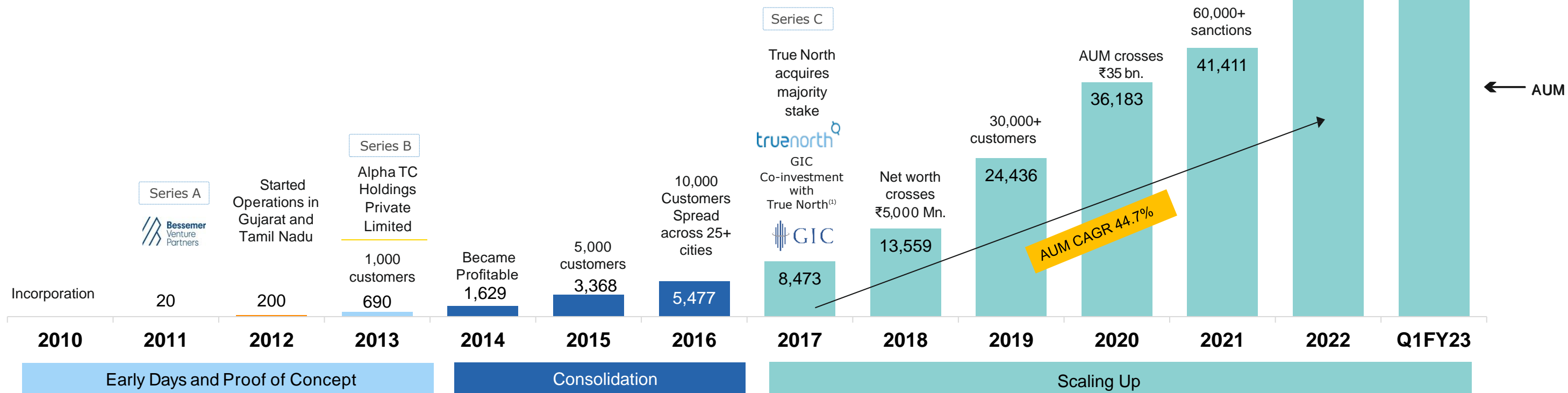
A+

AA-

AA-

India Ratings: Assigned Long Term Credit Facilities Rating AA- Stable

ICRA & CARE Upgraded Long Term Credit Facilities Rating to AA- Stable

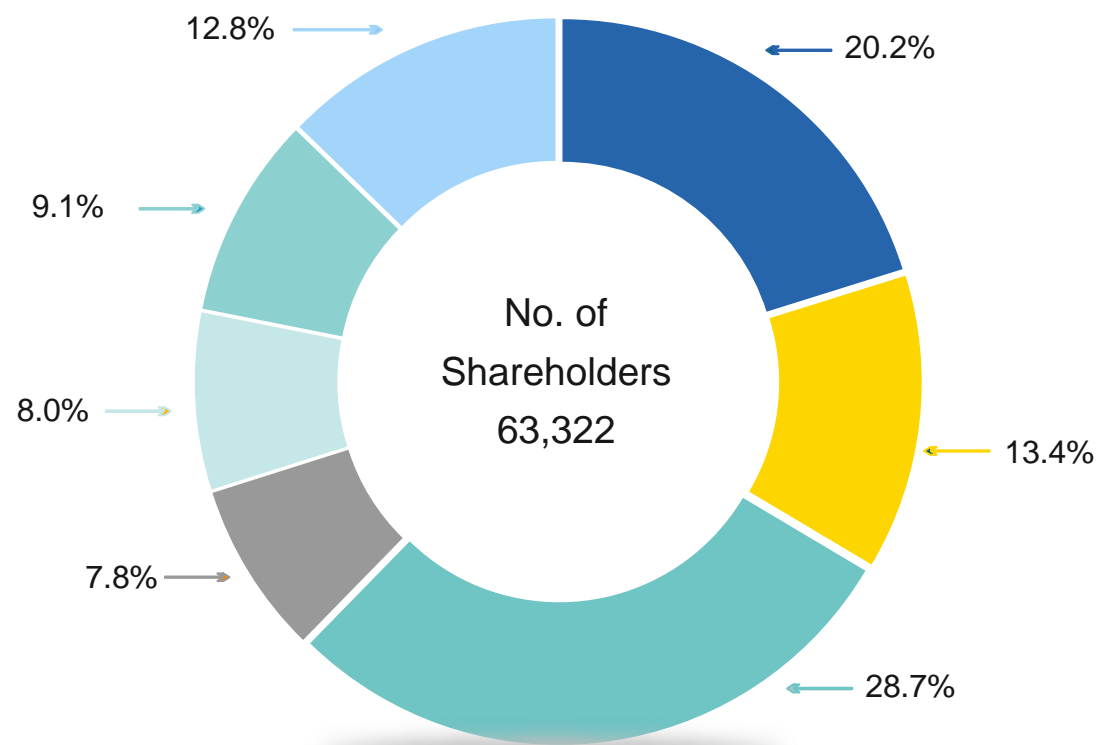


Note: AUM in INR Million

(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

# — Shareholding as on 22 Jul'22



- TRUE NORTH FUND V LLP
- AETHER (MAURITIUS) LIMITED (GIC)^
- ORANGE CLOVE INVESTMENTS B.V (WARBURG PINCUS)
- BESSEMER INDIA CAPITAL HOLDINGS II LTD
- MFs, AIFs & Insurance Cos.
- FII's & FPIs
- Public & Others

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)		28.7
BESSEMER INDIA CAPITAL HOLDINGS II LTD		7.8
MFs & AIFs		% Holding*
SUNDARAM MF		1.8
ICICI PRUDENTIAL MF		1.4
MOTILAL OSWAL AIF		1.2
INVESCO INDIA MF		0.9
ADITYA BIRLA SUNLIFE MF		0.6
FIIs & FPIs		% Holding*
KUWAIT INVESTMENT AUTHORITY FUND F239		1.7
GOLDMAN SACHS INDIA EQUITY		1.3
BUENA VISTA ASIAN OPPORTUNITIES MASTER FUND		1.1
MORGAN STANLEY INVESTMENT MANAGEMENT		0.7
TAIYO GREATER INDIA FUND		0.7
CRESTWOOD CAPITAL MASTER FUND		0.7
NOMURA INDIA STOCK MOTHER FUND		0.7
GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND		0.6

\* Holding through various schemes and funds

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



## — Distinguished Board of Directors



**Deepak Satwalekar**

Chairman / Independent /  
Non-Executive Director



**Geeta Dutta Goel**

Independent /  
Non-Executive Director



**Anuj Srivastava**

Independent /  
Non-Executive Director



**Sucharita Mukherjee**

Independent /  
Non-Executive Director



**Divya Sehgal**

Nominee /  
Non-Executive Director



**Maninder Singh Juneja**

Nominee /  
Non-Executive Director



**Narendra Ostawal**

Nominee /  
Non-Executive Director



**Manoj Viswanathan**

Managing Director  
and CEO

# — Experienced Management Team



**Manoj Viswanathan**

MD & CEO



**Ajay Khetan**

Chief Business Officer



**Gaurav Mohta**

Chief Marketing Officer



**Vilasini Subramaniam**

Head - Strategic Alliances



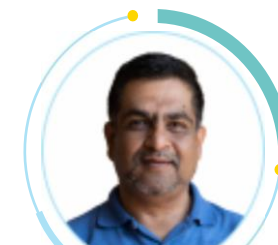
**Nutan Gaba Patwari**

Chief Financial Officer



**Ramakrishna Vyamajala**

Chief Human Resource Officer



**Abhijeet Jamkhindikar**

Business Head - Maharashtra



**Arunchandra Jupalli**

Business Head - South



**Dharmvir Singh**

Chief Technology Officer



**Ashishkumar Darji**

Chief Risk Officer



# — Meet Our Customers

Who are they?

What is their story?

COVID Experience

## Formal Salaried

### Customer 1

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



72%  
Salaried

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

- 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.

## Informal Salaried

### Customer 2

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



28%  
Self Employed

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

- 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. .

## Self Employed

### Customer 3

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



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

- 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 1 EMI overdue.

Data for the period Q1FY23

# — 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
- 31% 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

80

For Q1FY23

## 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

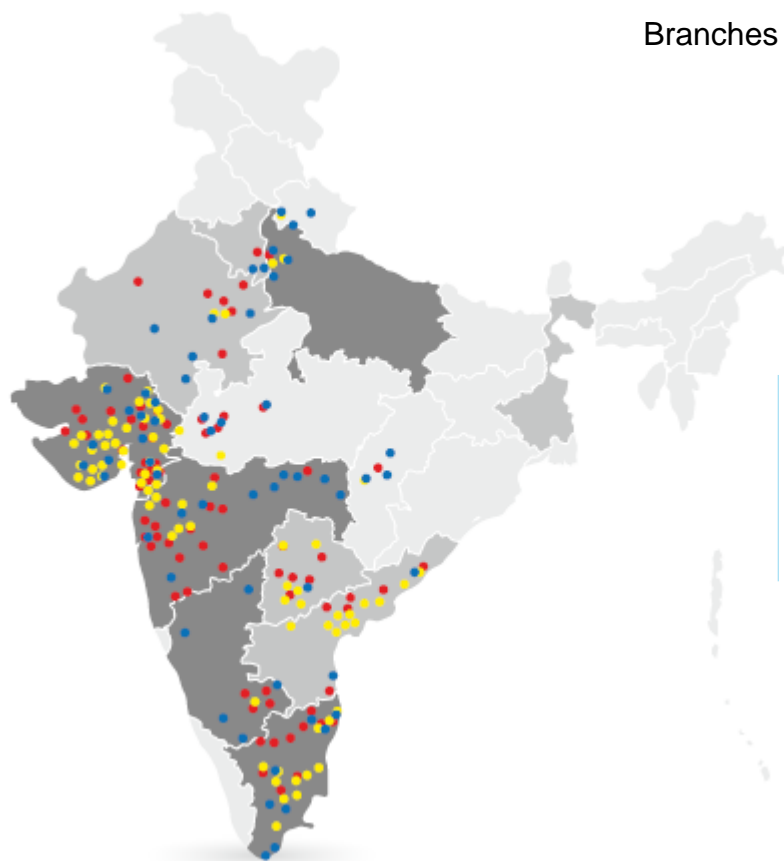
Note: Data for the period Q1FY23 (1) –65% loans with Average ticket size between INR 0.5-1.5mn as of Q1FY23

# — Distribution Strategy

● 0 - 4   ● 4-7   ● 7 - 15

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

- Existing branches - 93
- New branch locations - 50
- Digital branches - 81



Pan India Distribution driven by strategic market selection & contiguous expansion

**93** Branches | **102** Districts | **13** States/UT | **224** Touchpoints

Business commenced in **13** new physical branches  
Increased presence in **4** new districts

Geographic Expansion

States/Territories	Number of		Percentage of gross loan assets as on			
	Branches	Districts	Q1FY23	Q1FY22	FY22	FY21
Gujarat	22	22	35.0%	38.2%	36.0%	38.2%
Maharashtra	18	16	15.7%	18.7%	16.1%	19.2%
Tamil Nadu	18	19	12.6%	11.4%	12.2%	11.1%
Karnataka	5	5	7.8%	8.9%	8.1%	9.1%
Rajasthan	7	5	5.8%	5.3%	5.7%	5.5%
Telangana	7	7	8.0%	5.8%	7.5%	5.5%
Madhya Pradesh	5	6	5.0%	4.5%	4.9%	4.4%
Uttar Pradesh & Uttarakhand	1	8	4.1%	3.0%	3.9%	2.9%
Haryana & NCR	1	2	0.8%	0.9%	0.9%	1.0%
Chhattisgarh	2	4	1.6%	1.2%	1.5%	1.2%
Andhra Pradesh	7	8	3.6%	2.2%	3.2%	1.9%
<b>Total</b>	<b>93</b>	<b>102</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

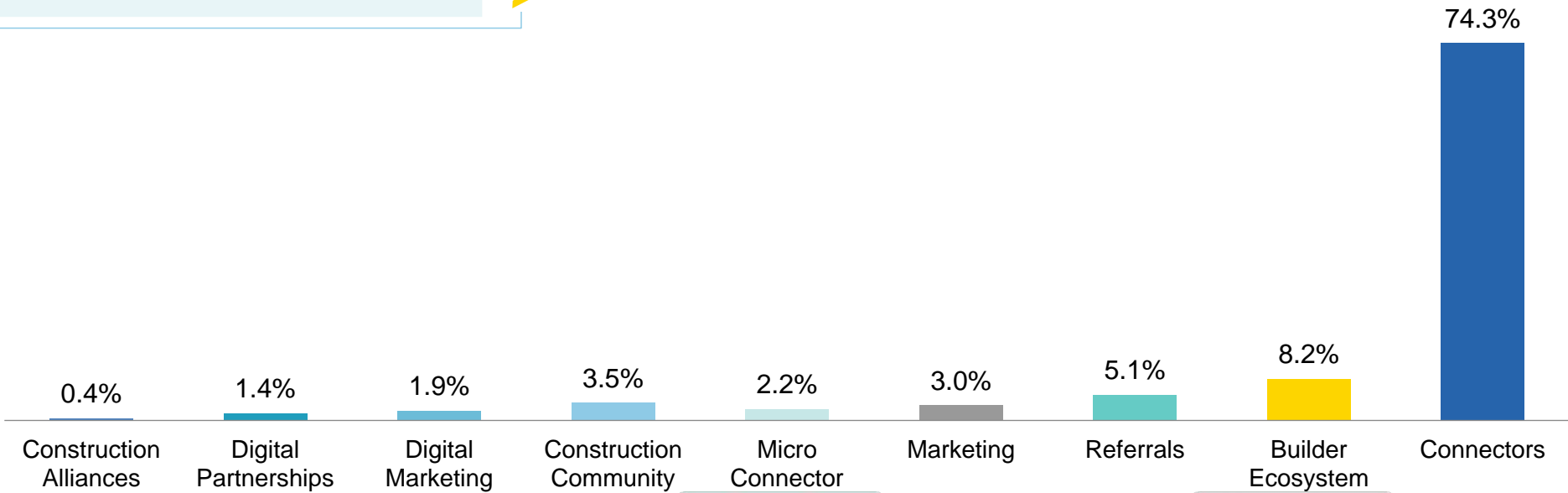
Note: Source for Contribution of states to India's GDP: NSO, MOSPI

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

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

# — Omni Channel Lead Generation Strategy

Diversified lead generation channels | Q1 FY23

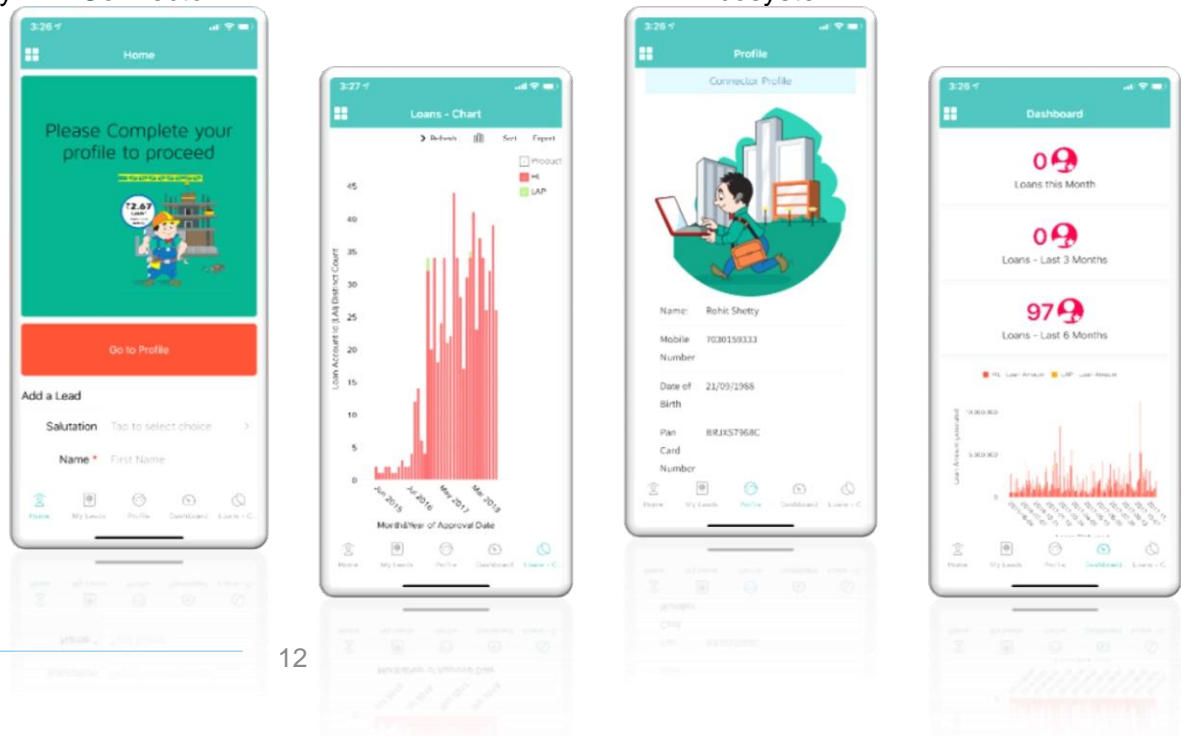


Diversified channels for generating leads such as connectors, builder ecosystem, digital, etc.

100% in-house conversion by HomeFirst RMs.

...effectively managed via connector app

Scan and Download



95.7% connectors registered on the Connector App

# — Data Science Backed Centralised 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

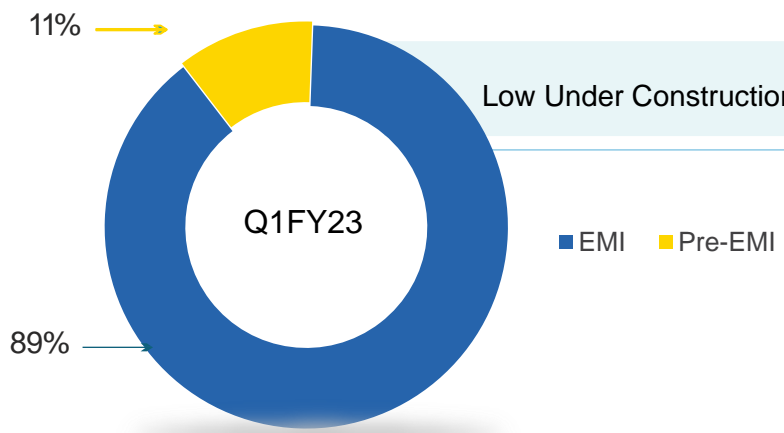
## Centralised

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

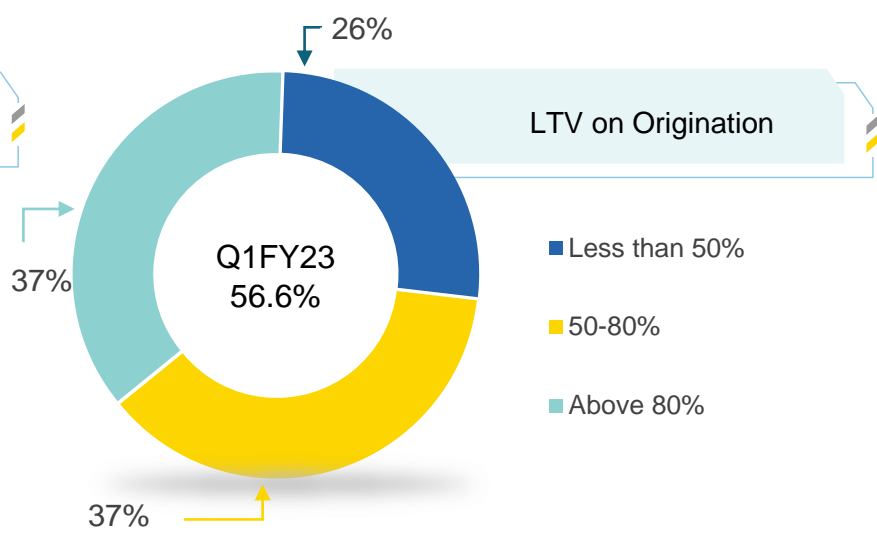
Loans Approved within 48hrs

90%

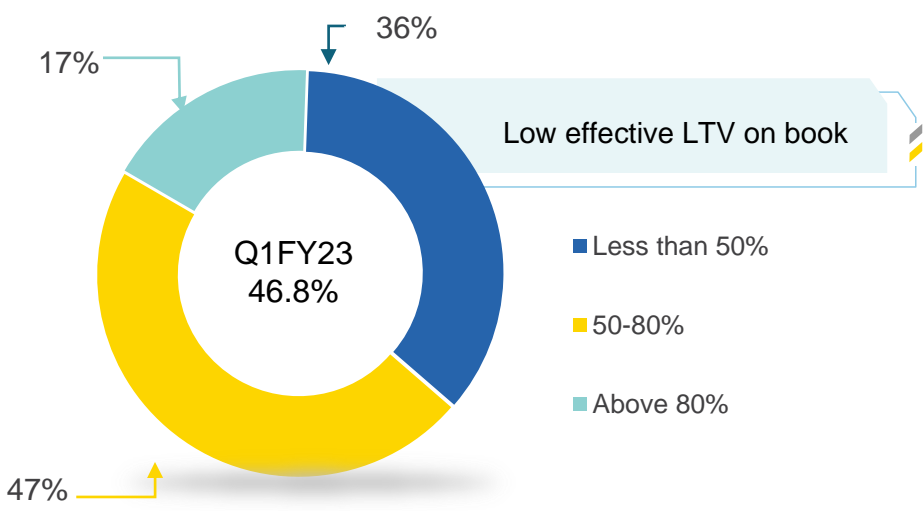
For Q1FY23



Low Under Construction Risk



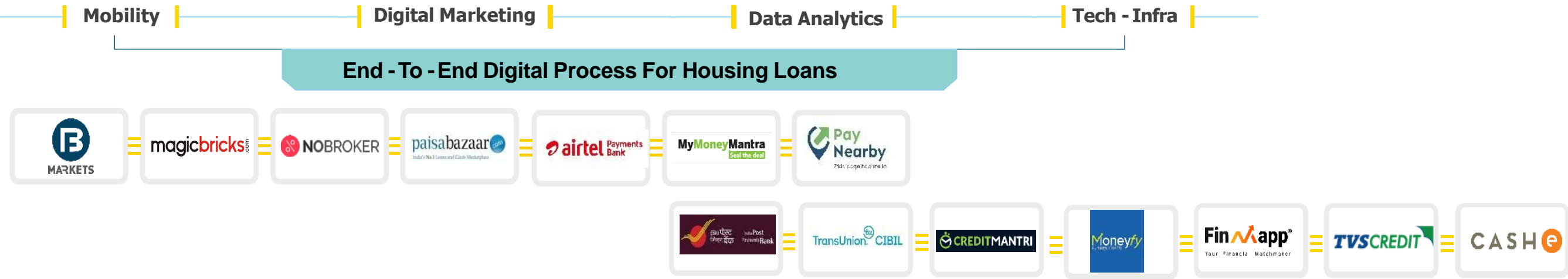
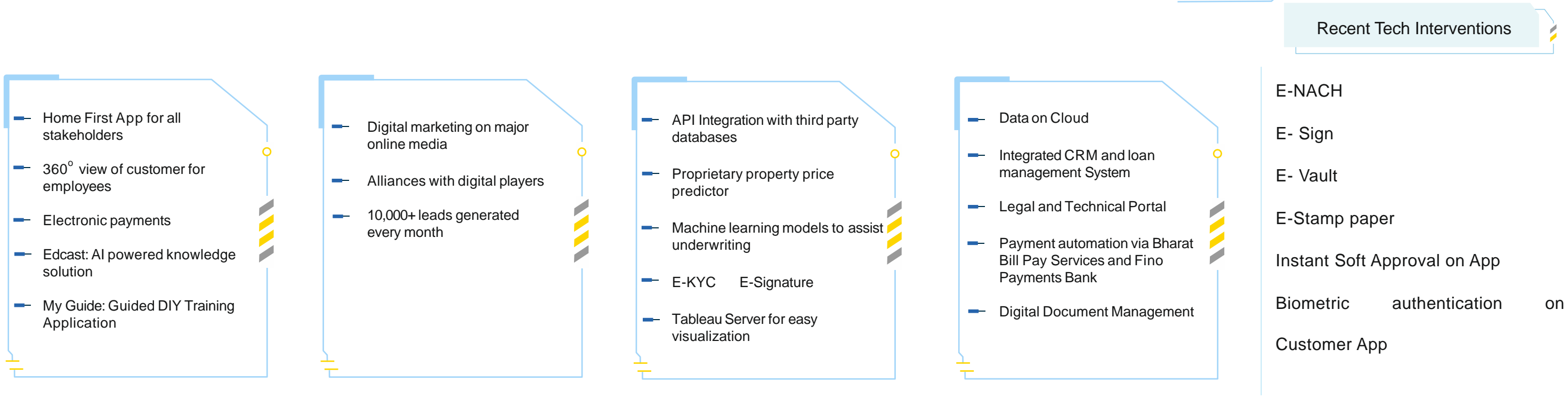
LTV on Origination



Low effective LTV on book



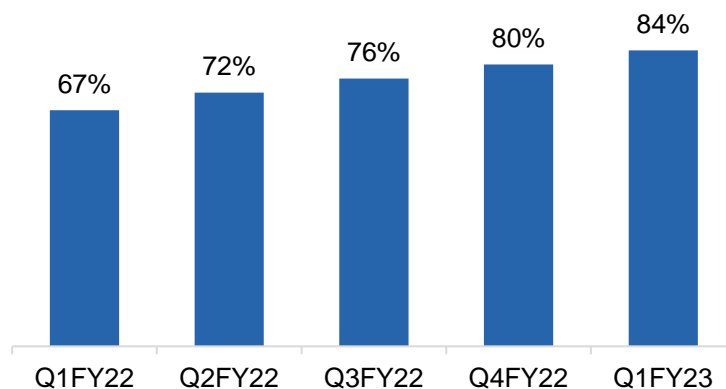
# Scalable Operating Model built on Holistic Technology Usage



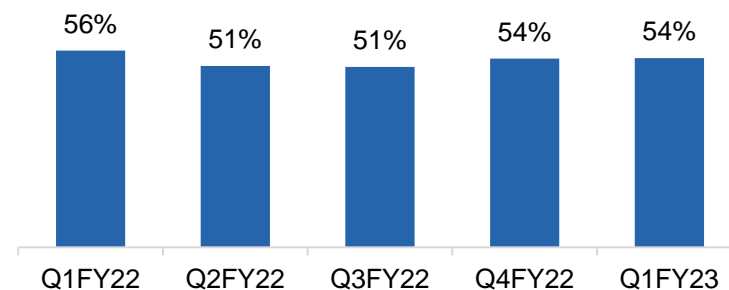


# Digital Adoption

% Customers registered on App



Unique user logins as % of active customers



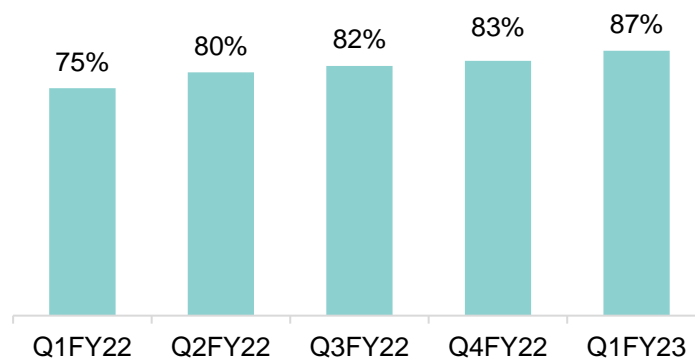
Customer Rating on Google Playstore

3.9

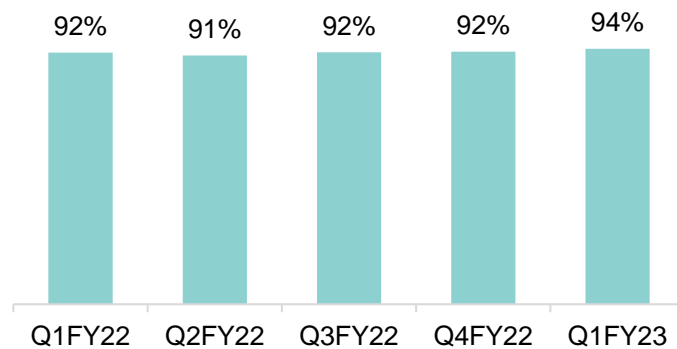


As of 23 Jul'22

% of Service Requests raised on App



% Non-cash collections



Avg time spent by user on the app per session

1m 51 sec

For Q1FY23

Average payment per user on app

₹31,232

For Q1FY23

No of Payments via Customer App

15,850

For Q1FY23

Source: HomeFirst App Database

Note: Service requests raised are a count of unique requests made by the customers on the app.



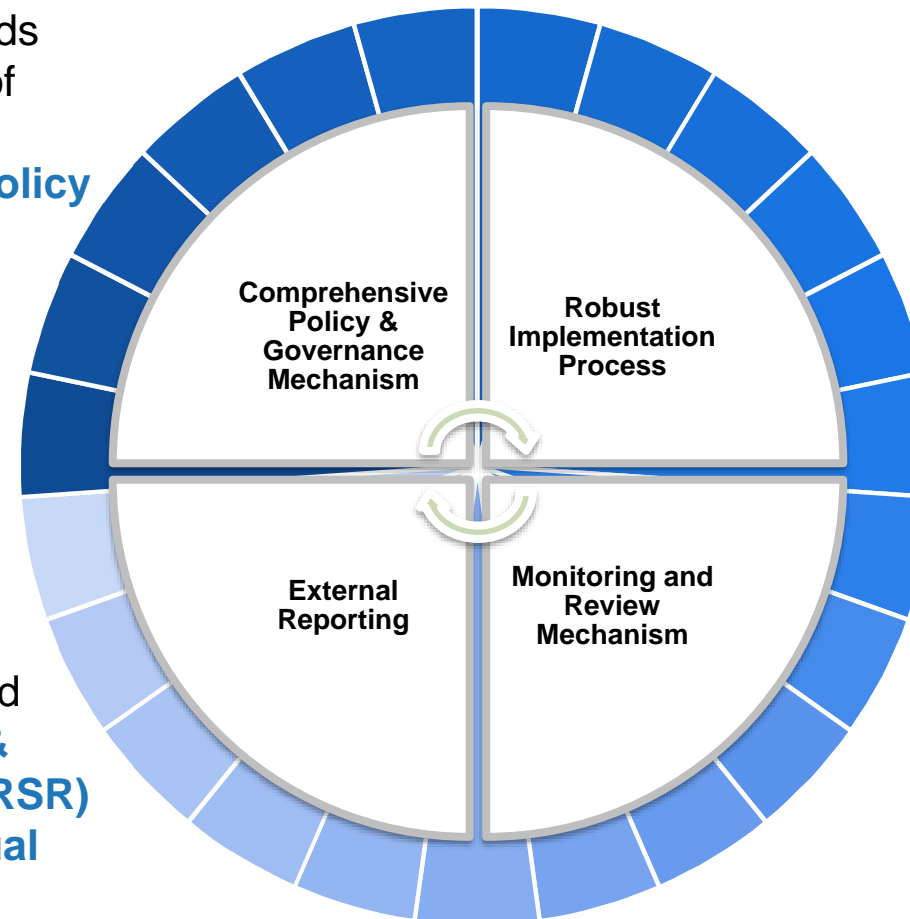
# ESG at HomeFirst

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 published **Business Sustainability & Responsibility Report (BRSR)** as part of **Integrated Annual Report** for FY21-22.

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 to reduce 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 (40% of total in Q1FY23)
- E-Stamping (57% of total in Q1FY23)
- E-NACH mandates (60% in Q1FY23)

This results in saving of paper, time and energy.

#### Mobile apps

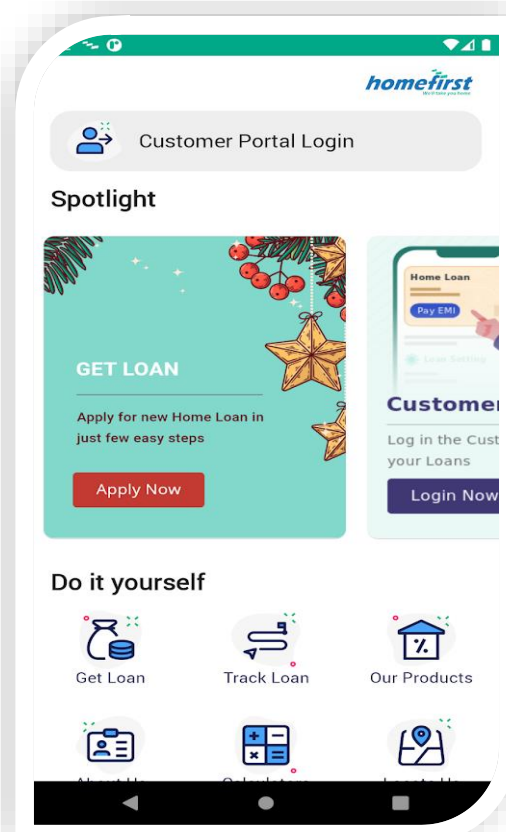
- Provided to customers, employees and connectors.
- This has helped cut down on branch visits, thereby saving time, fuel as well as energy.

#### 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 13 to 15.

## Customer App



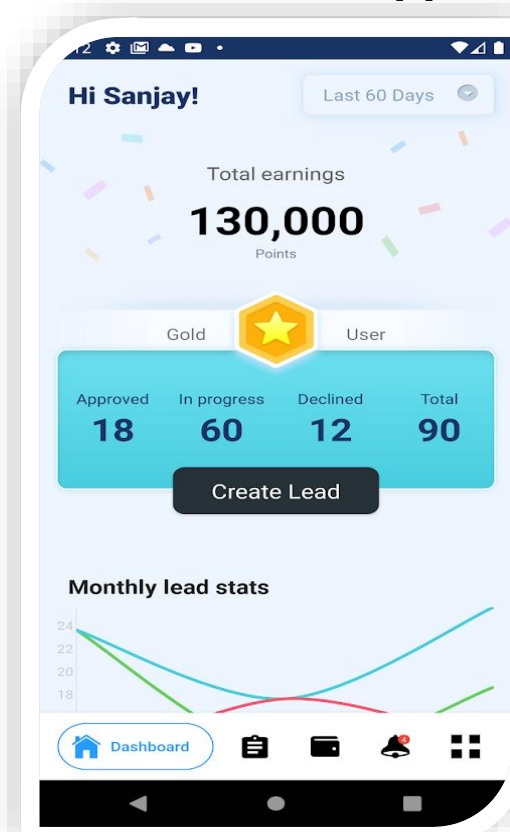
Google rating of Homefirst  
Customer App

3.9



As of 23 Jul'22

## Connector App



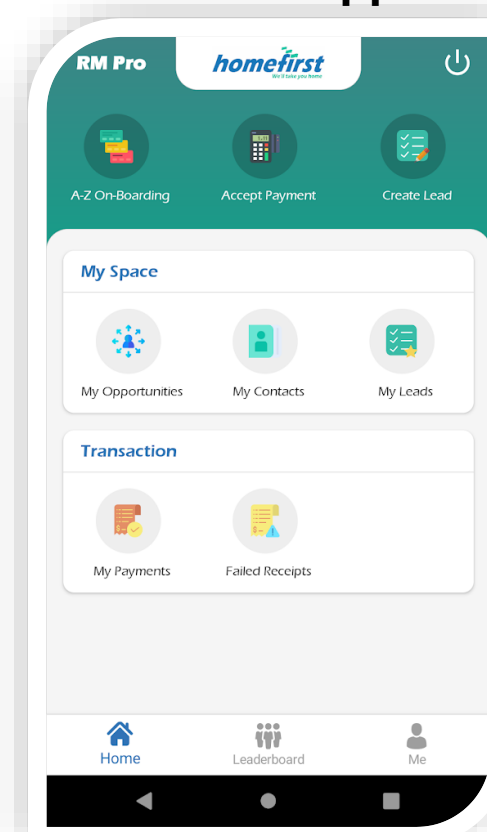
Google rating of Homefirst  
Connect App

4.6



As of 23 Jul'22

## RM Pro App



Google rating of Homefirst  
RM Pro App

4.6



As of 23 Jul'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).

- **120 beneficiaries** were enrolled; 100+ attended the classes and **67** appeared for the final exam and cleared
- **NSDC (National Skill Development Corporation) certificates** were awarded to **32 Beauty Therapist; 26 Tailors; 7 in GST with Tally and 2 Data Operator**
- **9 OPDs and 240+ general check-ups** were done in the quarter

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

- **200+ women construction workers** were registered under (BoCW) Bureau of Construction Workers scheme
- **20 Legal workshops** were conducted across 3 centres attended by 250+ beneficiaries
- 1 week **Masika Mahotsav** was celebrated with 1300+ women construction workers. Mass awareness drives were conducted on **menstrual hygiene**

## 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 Q1FY23, **2,069 manhours** of training to employees through various courses.

### 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

- **~26% women overall**
- **51% women at head office**
- **20% women in senior management.**

### Employee Ownership

As of 19 Jul'22, **293 employees** are covered under ESOP programs – comprising of **32.4%** of employee base.

### Human Rights, Health & Safety

**Employee Development and Wellbeing:** We have conducted programs for Financial, Emotional and Physical wellness (21 sessions for Q1FY23) for our employees.





# — Progress on Social Development

## 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 Q1FY23 is 80.
- **Prepayment facility** provided on the Customer App to “**nudge**” customers towards prudent finance management.
- **84%** of active customers are registered on HomeFirst Customer Portal App. Android Rating is **3.9** (23Jul'22).
- **Grievance Redressal Policy** is in place to receive and respond to customer complaints. Link: <https://homefirstindia.com/policy/complaints-grievances/>

## ESG Initiatives conducted & in pipeline

- The company published first ever **Sustainability Report** for the year FY21-22 as part of its Integrated Annual Report.  
Link: [https://homefirstindia.com/files/Sustainability%20Report\\_HomeFirst\\_FY22.pdf](https://homefirstindia.com/files/Sustainability%20Report_HomeFirst_FY22.pdf)
- Conducted **Townhall session** for candid interaction between employees and management on the year it was and plan ahead.
- The Company received a **Certificate of Merit in PMAY Empowering India Awards 2022**
- Implementation of **aerator taps** in order to promote water conservation.



HomeFirst receiving the 'Certificate of Merit' from Jury Members – 'PMAY Empowering India Awards 2022'.





# — Strong Governance Structure

## Work Sustainably & Ethically

### Sustainable Finance

#### We promote Financial Inclusion.

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 18% of AUM
- +  
• Atleast 1 woman co-borrower in 73% 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:

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

Separate Chairman & Managing Director position

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

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

**4 of 8**  
Independent Directors

**2 of 8**  
Woman Directors

# — Strong Governance Practice

## Top-tier Corporate Governance

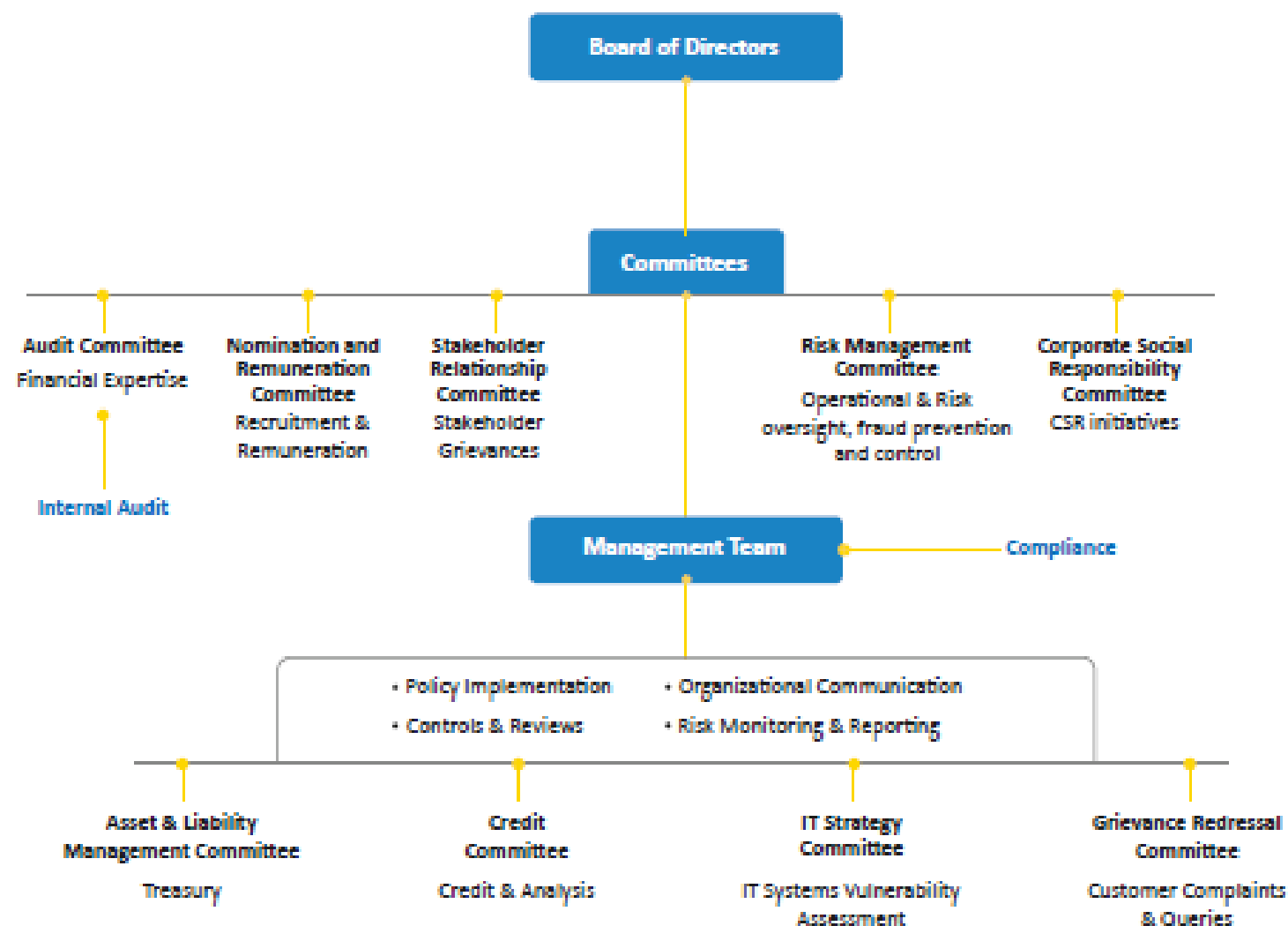
- High Independent Directors representation in all Board Committees
- Highly experience Board & Management Team on Risk Management committee.
- Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and 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

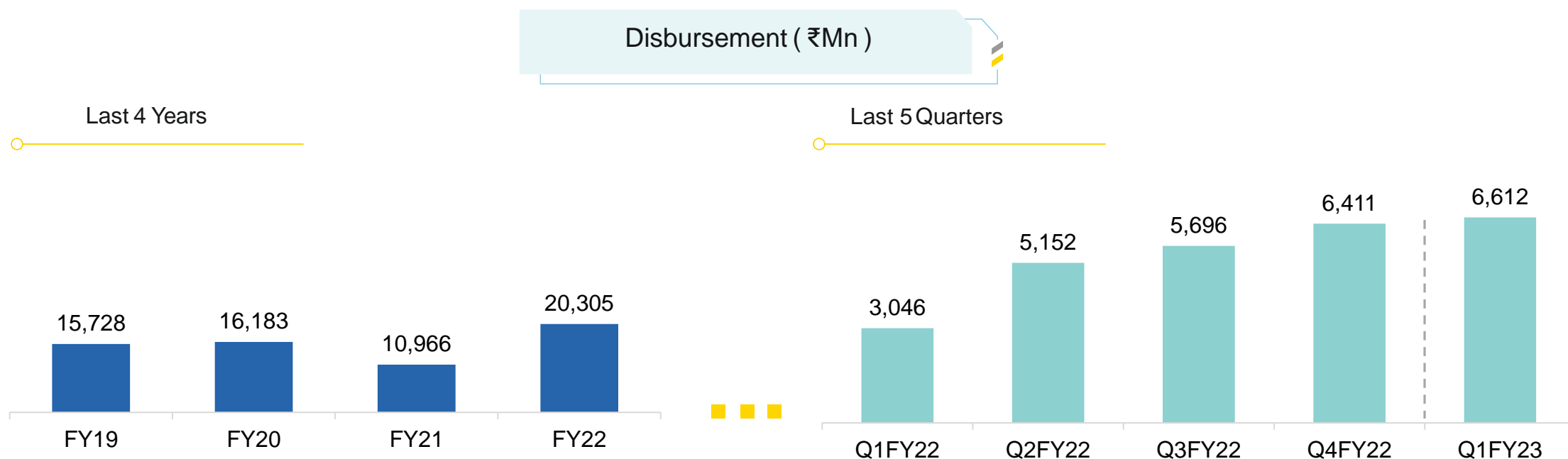
Strong 5-tier corporate governance framework in place for effective risk management



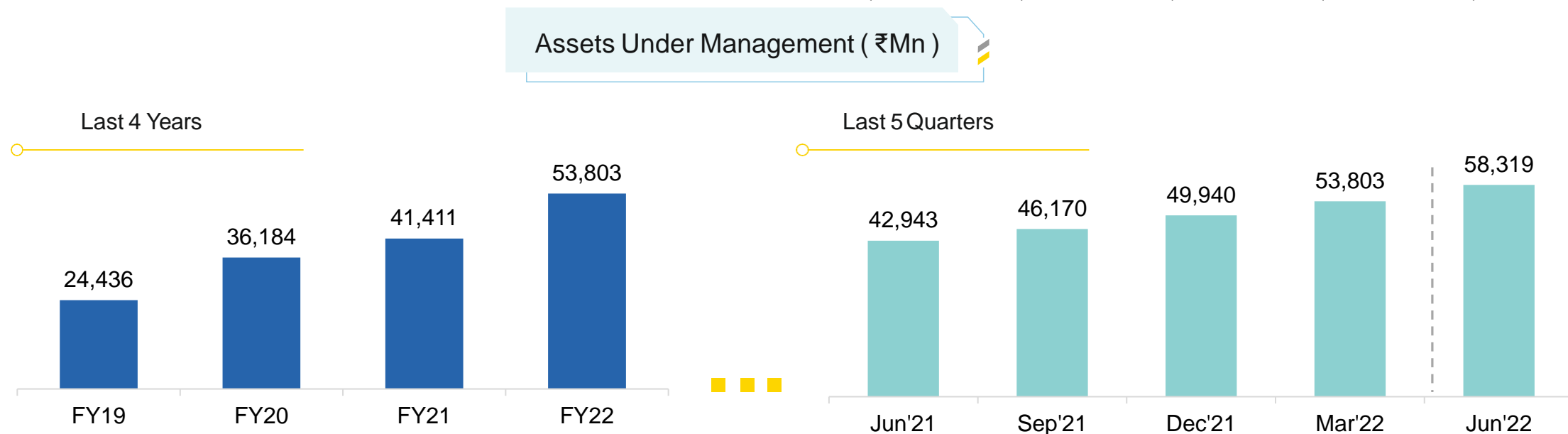


**Business Updates**

# — Healthy Growth in Loan Book and Disbursements

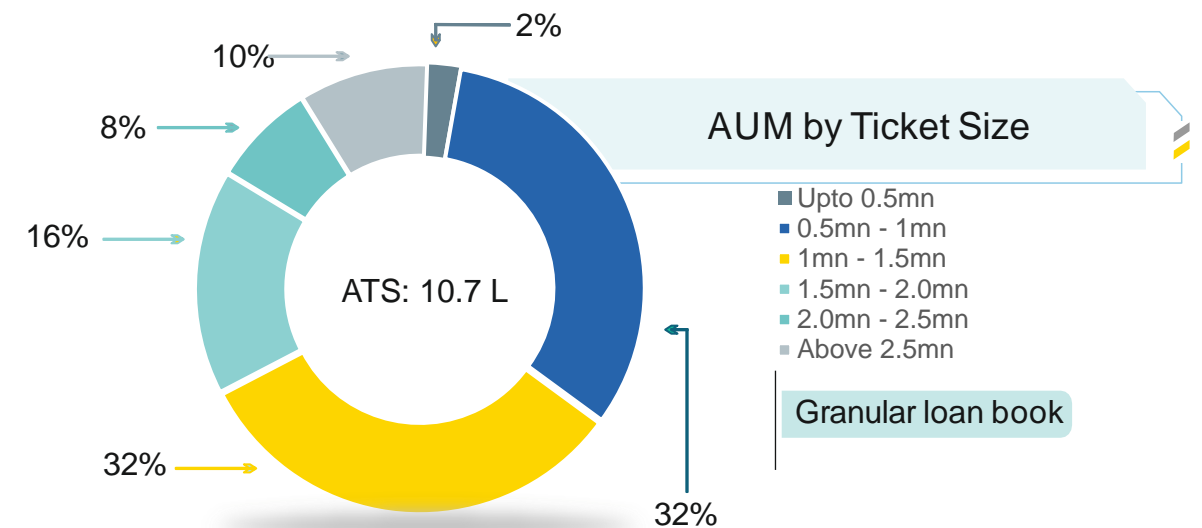
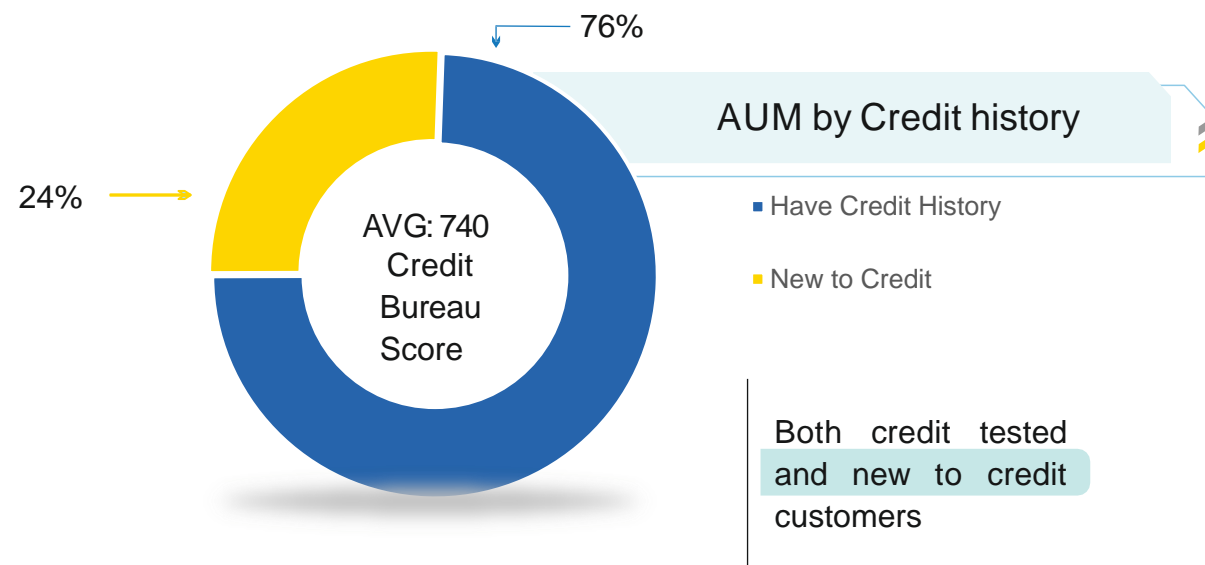
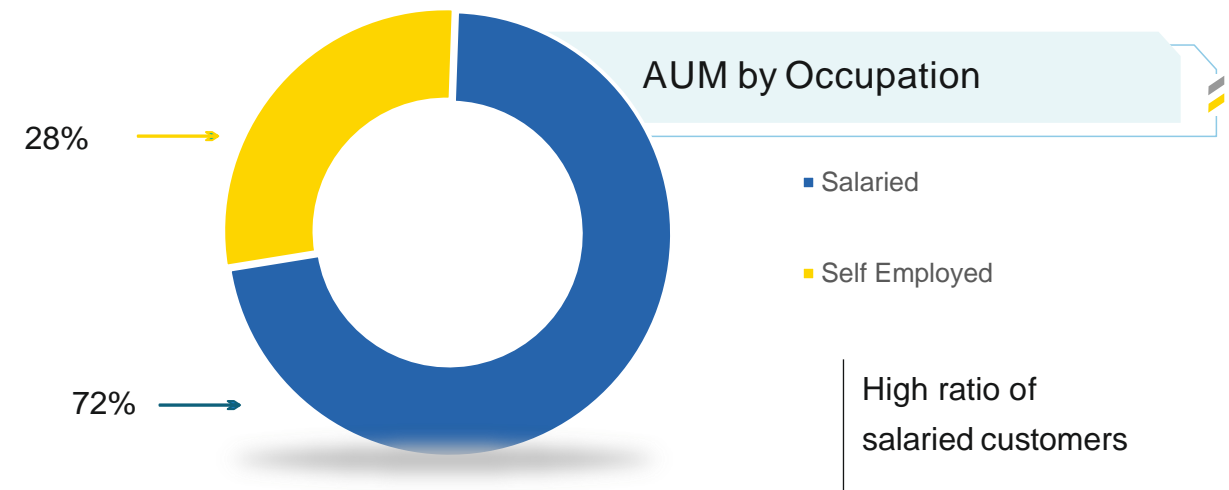
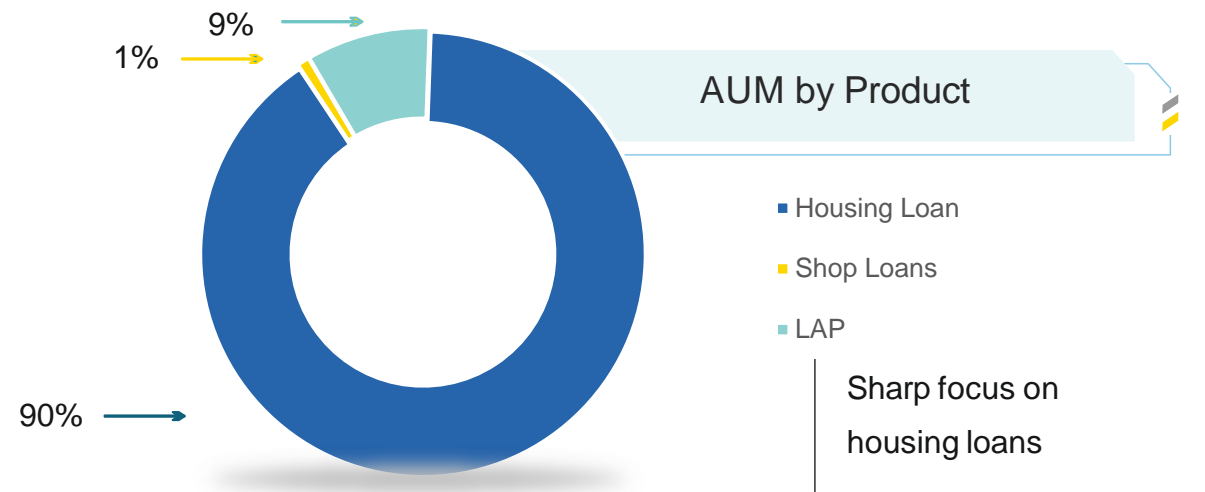


All time high disbursement in the quarter, q-o-q growth of 3.1%



35.8% growth y-o-y  
 8.4% growth q-o-q  
 30% CAGR (3 Years FY19-FY22)  
 5.6% BT Out rate for Q1FY23 (annualized)

## — Consistent Portfolio Metrics | Jun'22

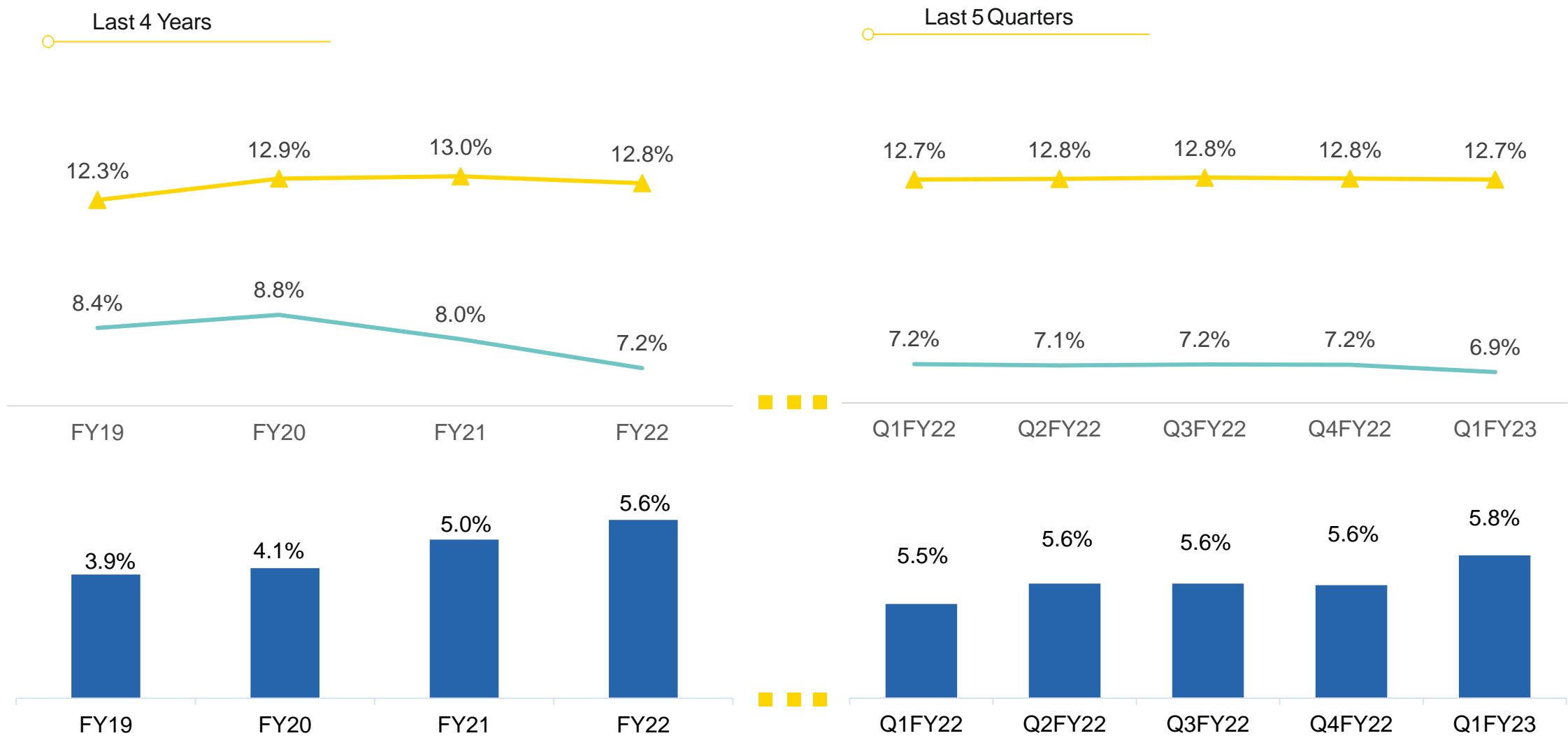


All figures as of Jun'22

# Expansion in Spreads

- Portfolio Yield
- COB
- Spread

Net Interest Spread Movement



Sustained Cost of Borrowing

Incremental yield for Q1FY23 stood at 13.2%

Marginal COB for Q1FY23 stood at 7.7%



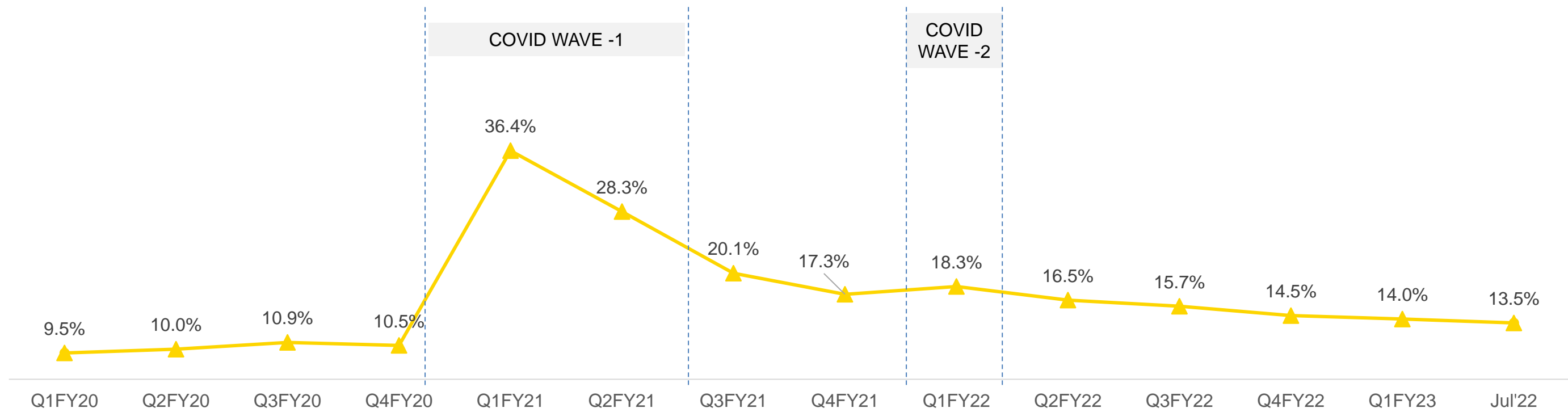


# — Healthy Leading Indicators

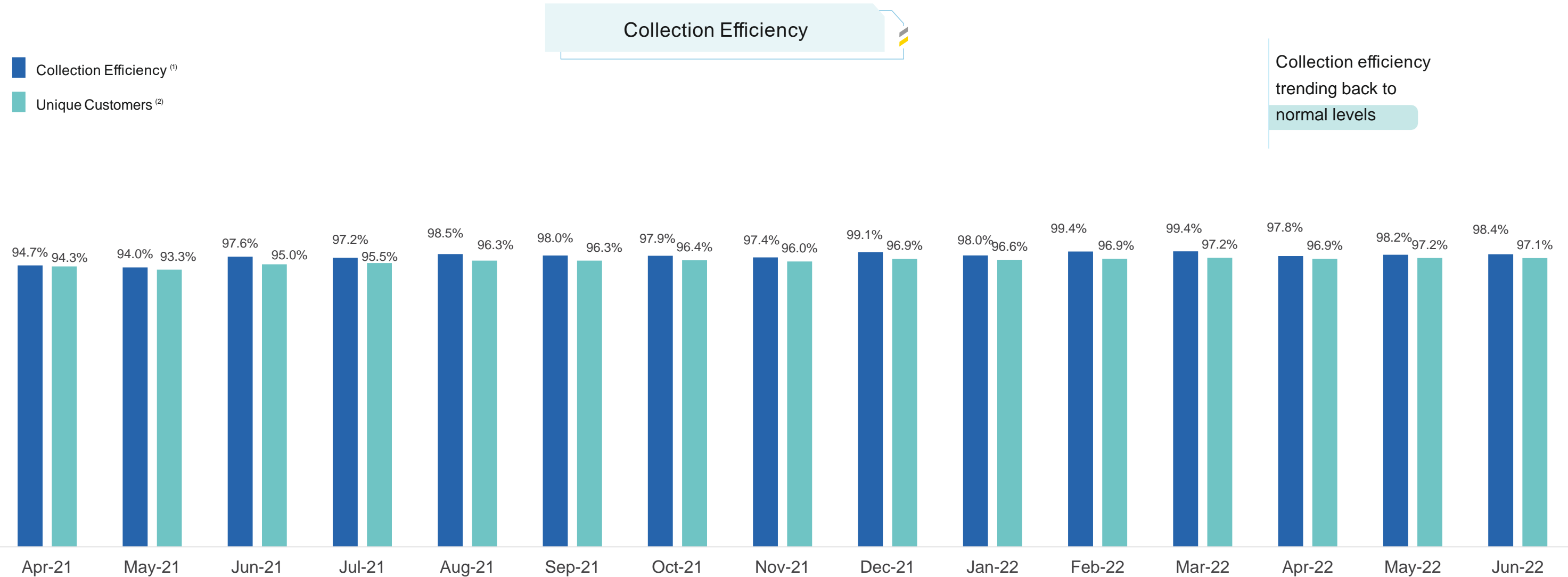
Bounce rate :On the day of EMI presentation

▲ Bounce rate

Bounce rates normalising



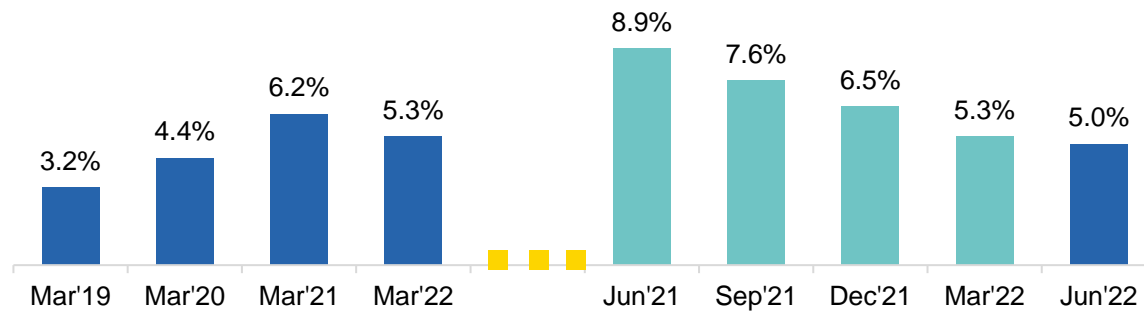
# — Healthy Leading Indicators



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

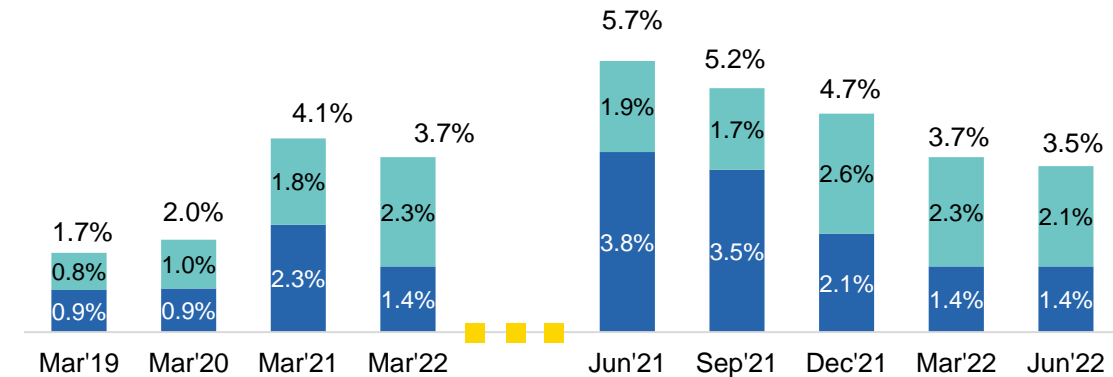
# — Sound Credit Indicators

DPD 1+ / POS



DPD 30+ / POS %

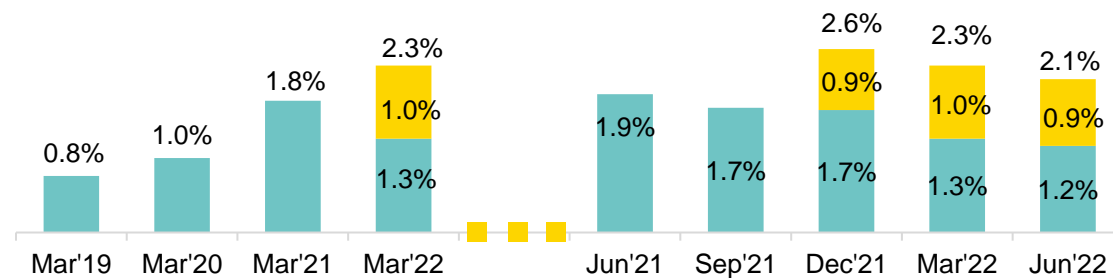
Stage 3 / POS Stage 2 / POS



Improvement continues in 1+ & 30+ DPD

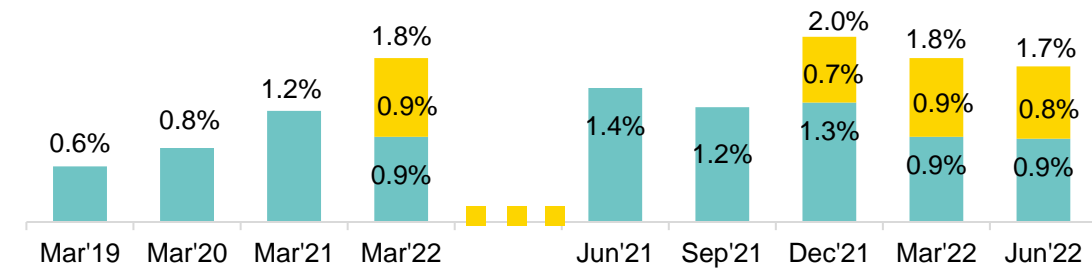
Gross Stage 3 / POS (GNPA) %

Re-classification due to RBI circular



Net Stage 3 / Net POS (NNPA) %

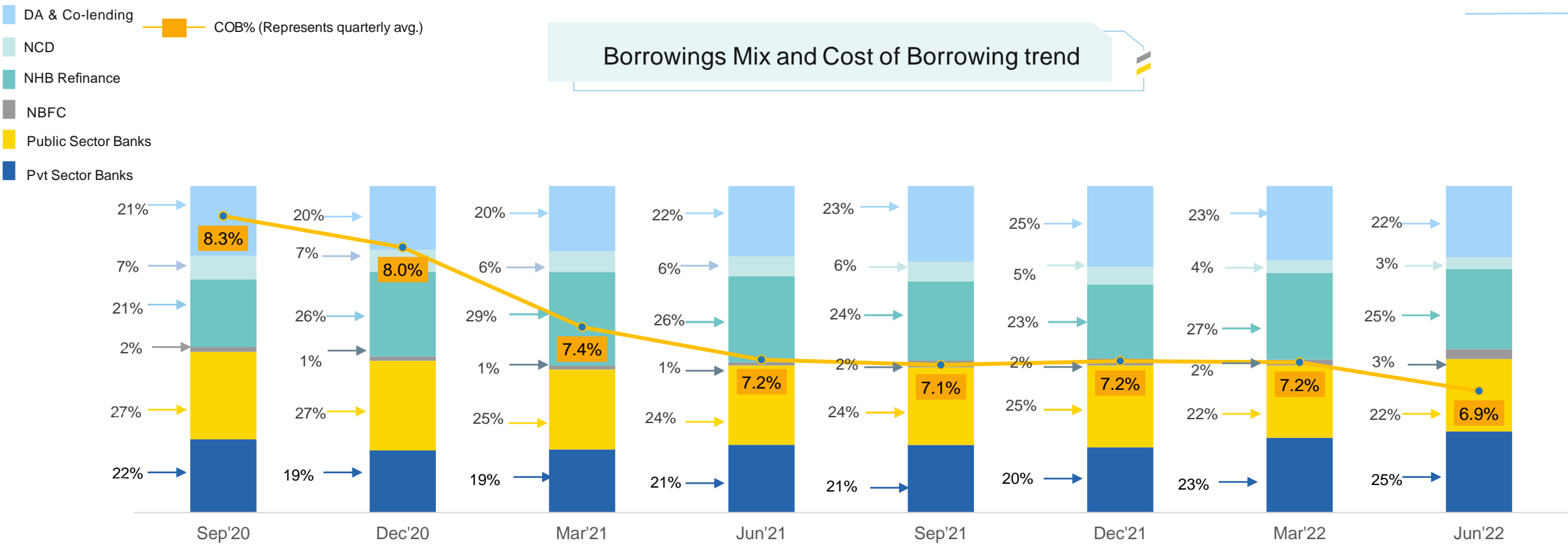
Re-classification due to RBI circular



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 aligned its definition of default and taken steps to comply with the norms/ changes for regulatory reporting, as applicable. Such alignment has resulted in classification of loans amounting to ₹443.62 millions as Gross Stage 3 (GNPA) as at Jun'22 in accordance with regulatory requirements.

# Diversified funding profile at competitive Cost of Borrowing



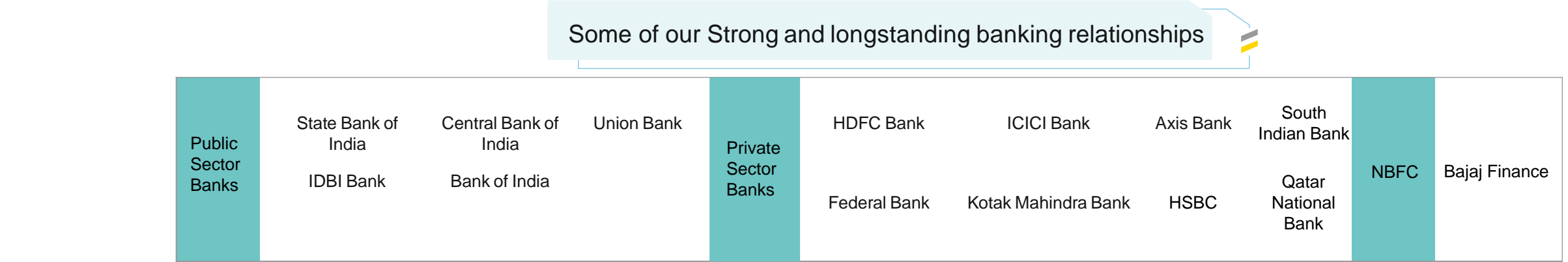
Credit Rating upgraded from [ICRA] A+ 'Positive' to [ICRA] **AA- 'Stable'**

Credit Rating upgraded from CARE A+ 'Stable' to **CARE AA- 'Stable'**

**ZERO** borrowing through commercial papers

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

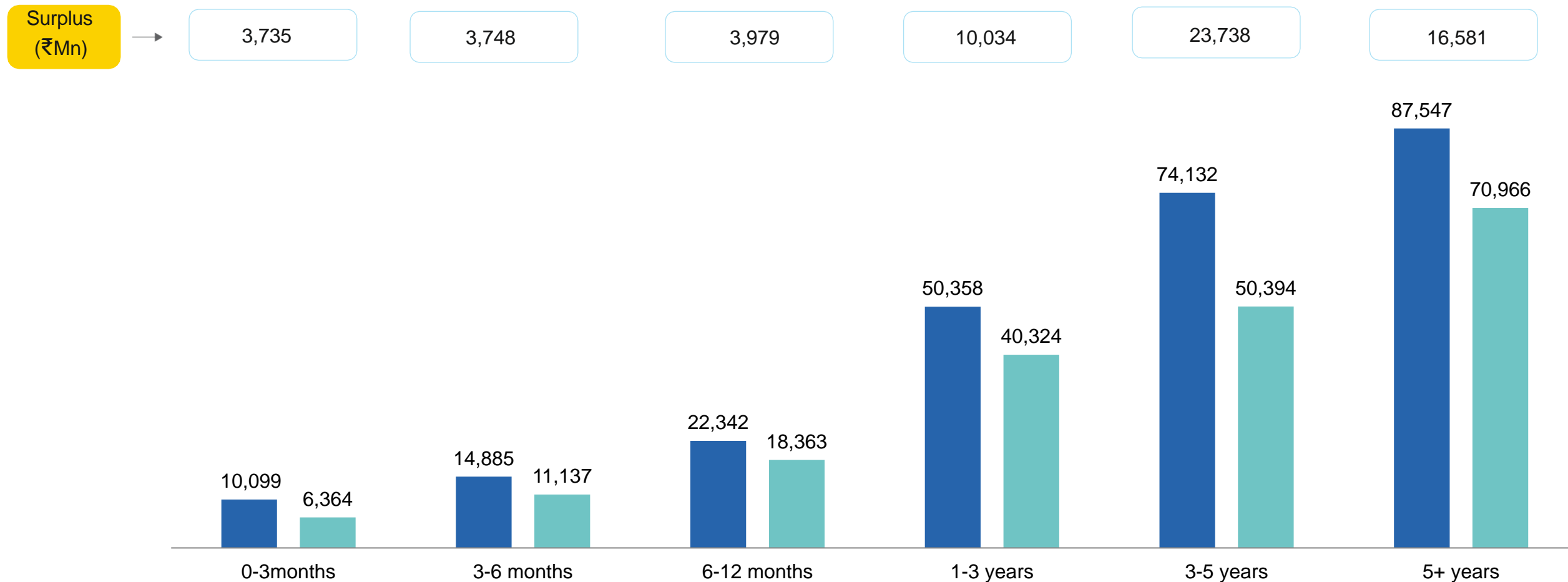
Diversified borrowing sources with inclusion of **Qatar National Bank** and **South Indian Bank**



Validation by NHB - Single largest lender with ₹ 11,886.9 Mn outstanding 20+ lines

# — ALM Position as of Jun'22 - Cumulative

■ Inflow ■ Outflow



Robust ALM profile ensuring sufficient liquidity buffers

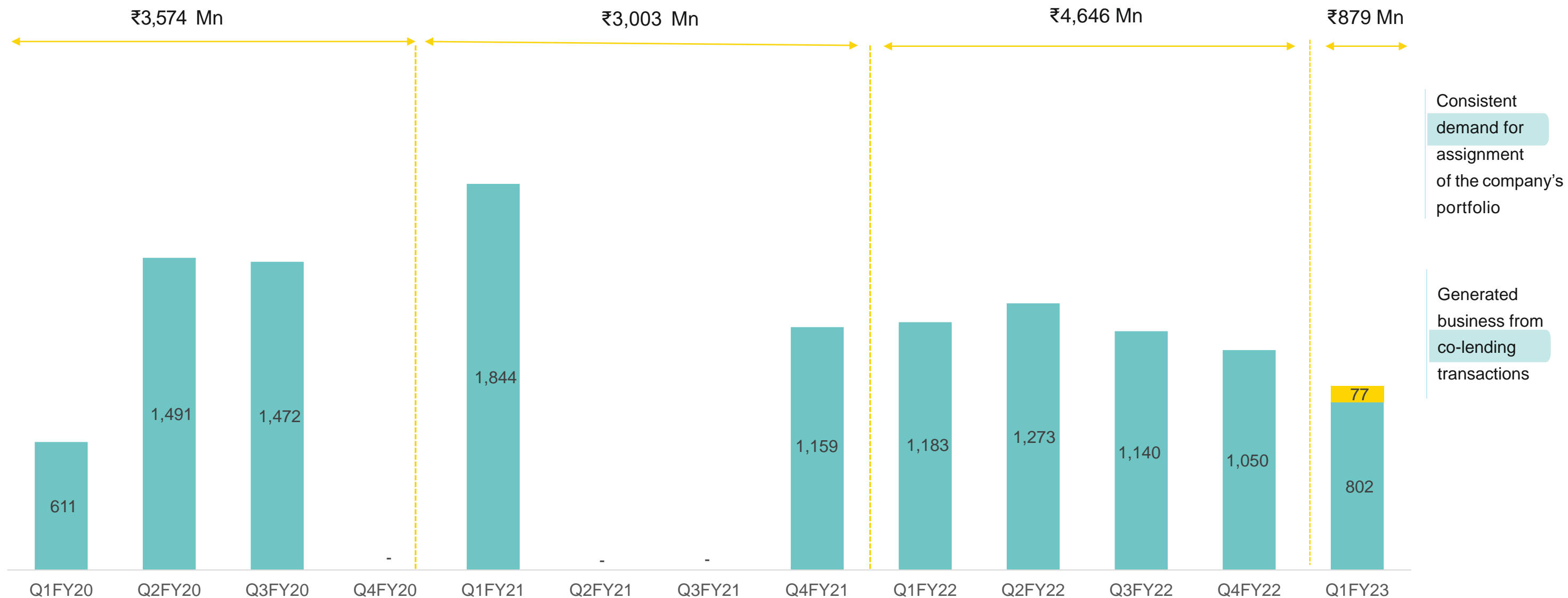
Cumulative Positive flows across all the time buckets

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 and Co-lending Transactions

Direct Assignment Transactions

Co-Lending Transaction





## — Strong Liquidity Position

### Liquidity Buffer as on Jun'22 (in ₹Mn)

Unencumbered Cash and Cash equivalent	5,855
Un-availed Sanction from NHB	-
Un-availed Sanction from Banks	2,185
<b>Total</b>	<b>8,040</b>

Particulars (in ₹Mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24
Opening Liquidity	8,040	8,752	8,497	9,061
Add: Principal Collections & Surplus Operations	3,610	3,611	3,530	3,473
Less: Debt Repayments	2,898	3,866	2,966	3,586
Closing Liquidity	8,752	8,497	9,061	8,948

₹ 3,200 million

Liquidity raised during Q1FY23

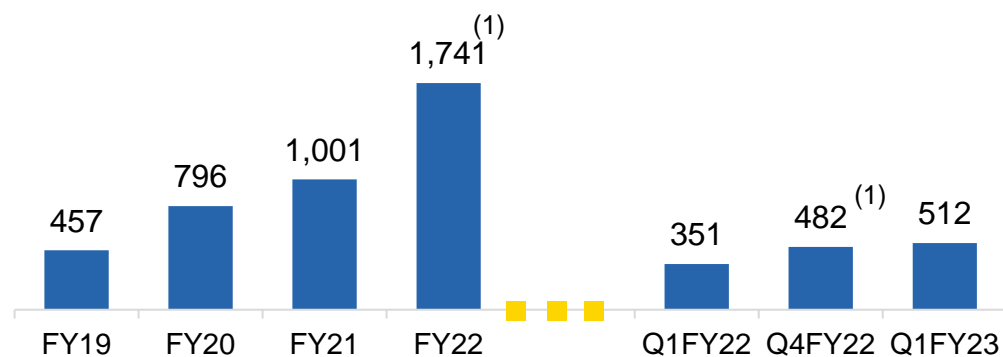
Data as per IGAAP



# Financial Updates

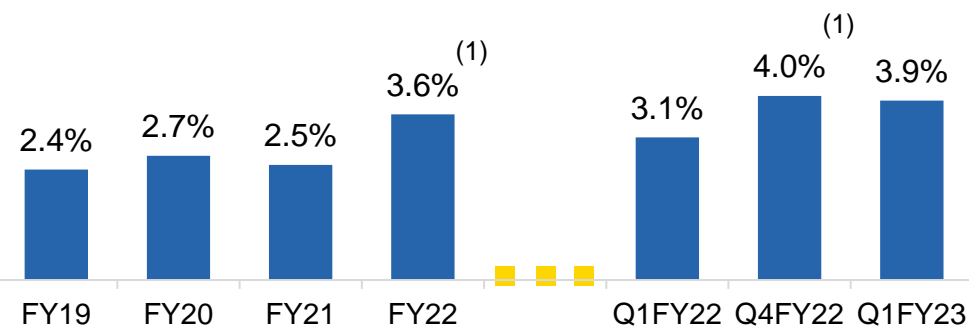
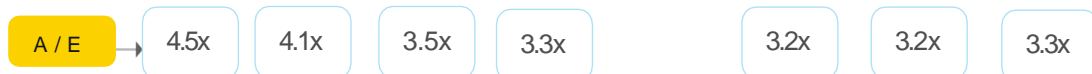
# Financial Highlights

## Profit After Tax ( ₹Mn )



Strong profit growth

## Return on Average Assets

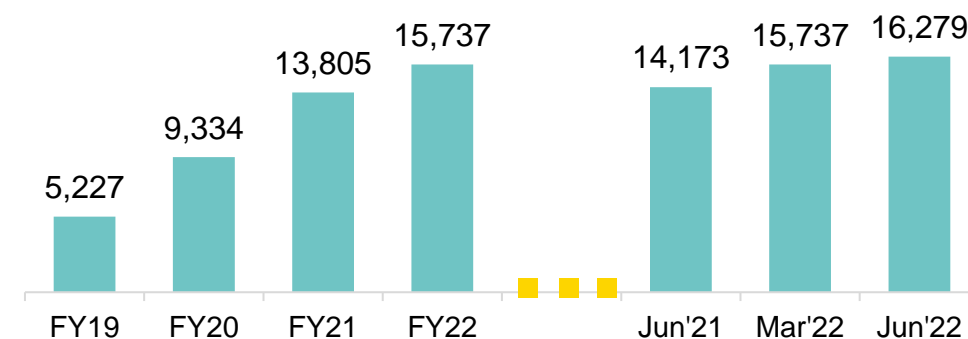


Note: Fiscal year ending 31<sup>st</sup> March. A/E – Average Total Assets / Average Equity.

(1) Adjusted PAT, Adjusted RoA and Adjusted RoE for Q4FY22 and FY22 is computed considering Adjusted PAT without the impact of one-time deferred tax liability adjustment

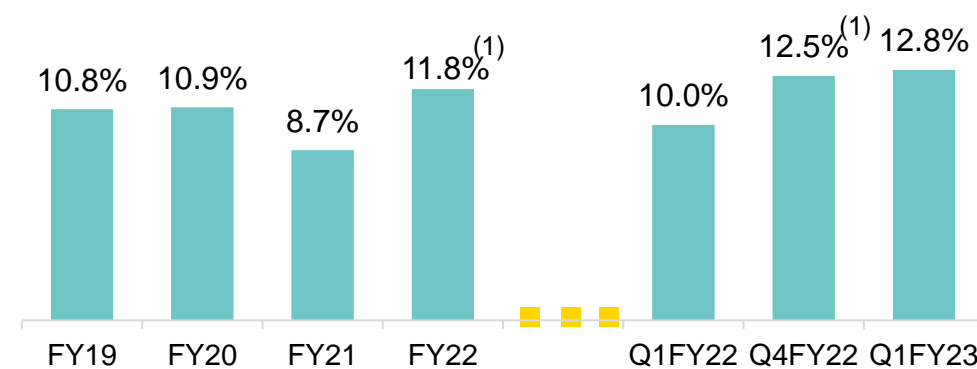
## Net worth ( ₹Mn )

Equity Raised ( ₹Mn )



Robust NW to support growth

## Return on Average Equity



## — ECL Provisions Summary

Particulars (in ₹Mn)	Stage 1	Stage 2	Stage 3	Loan Commitment	Total
<b>For period ended Jun'22</b>					
Loans – Principal Outstanding	46,000.9	656.8	1,020.0		47,677.7
ECL Provision	150.1	76.5	228.8	11.6	467.0
Net Loans – Principal Outstanding	45,850.8	580.3	791.2		47,210.7
ECL Provision %	0.3%	11.6%	22.4%		1.0%
<b>For period ended Mar'22</b>					
Loans – Principal Outstanding	41,926.5	573.5	1,015.2		43,515.2
ECL Provision	143.0	71.0	252.5	11.3	477.8
Net Loans – Principal Outstanding	41,783.5	502.5	762.7		43,037.4
ECL Provision %	0.3%	12.4%	24.9%		1.1%
<b>For period ended Jun'21</b>					
Loans – Principal Outstanding	32,424.8	1,320.7	665.5		34,411.0
ECL Provision	131.9	153.5	174.3	8.3	467.9
Net Loans – Principal Outstanding	32,292.9	1,167.2	491.2		33,943.1
ECL Provision %	0.4%	11.6%	26.2%		1.4%

Total Provision Coverage Ratio

45.8%	Jun'22	(81.0% Pre-RBI circular)
47.1%	Mar'22	(83.6% Pre-RBI circular)
70.3%	Jun'21	

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 aligned its definition of default and taken steps to comply with the norms/ changes for regulatory reporting, as applicable. Such alignment has resulted in classification of loans amounting to ₹443.62 millions as non-performing assets (Stage 3) as at 30 Jun 2022 in accordance with regulatory requirements.

Data for the period ended Jun'22 and Mar'22 is post classification as per RBI Circular dated 12 Nov 2021



Annexures

## — Quarterly and Annual Profit and Loss Statement

Particulars (in ₹Mn)	Q1FY23	Q4FY22	Q1FY22	QoQ	YoY
Interest Income on term loans	1,449.9	1,310.3	1,091.3	<b>10.7%</b>	<b>32.9%</b>
Net gain on DA	99.0	138.2	193.7		
Income other than interest income on term loans <sup>(1)</sup>	144.5	112.4	133.0		
<b>Total Income</b>	<b>1693.4</b>	<b>1,560.9</b>	<b>1417.9</b>	<b>8.5%</b>	<b>19.4%</b>
Interest expense	604.6	535.9	526.9		
<b>Net Interest Income</b>	<b>845.3</b>	<b>774.4</b>	<b>564.4</b>	<b>9.2%</b>	<b>49.8%</b>
<b>Net Total Income</b>	<b>1,088.8</b>	<b>1,025.0</b>	<b>891.0</b>	<b>6.2%</b>	<b>22.2%</b>
Operating Expenses <sup>(2)</sup>	389.7	366.0	284.3		
<b>PPOP</b>	<b>699.1</b>	<b>659.0</b>	<b>606.7</b>	<b>6.1%</b>	<b>15.2%</b>
Credit Cost	36.1	26.8	130.4		
<b>Profit before tax</b>	<b>663.0</b>	<b>632.2</b>	<b>476.3</b>	<b>4.9%</b>	<b>39.2%</b>
Tax expense	150.5	150.4	125.2		
One-time tax adjustment <sup>(3)</sup>		(120.1)			
<b>Profit after tax</b>	<b>512.5</b>	<b>601.9</b>	<b>351.1</b>		
<b>Adjusted PAT<sup>(4)</sup></b>	<b>512.5</b>	<b>481.7</b>	<b>351.1</b>	<b>6.4%</b>	<b>46.0%</b>
Basic EPS	5.8	6.9	4.0		
Diluted EPS	5.7	6.7	3.9		

FY22	FY21	YoY
4,770.5	4,061.3	<b>17.5%</b>
678.4	439.3	
508.2	390.9	
<b>5,957.1</b>	<b>4,891.5</b>	<b>21.8%</b>
2,148.2	2,165.8	<b>-0.8%</b>
<b>2,622.3</b>	<b>1,895.5</b>	<b>38.3%</b>
<b>3,808.9</b>	<b>2,725.7</b>	<b>39.7%</b>
1,295.7	1,063.8	
<b>2,513.2</b>	<b>1,661.9</b>	<b>51.2%</b>
250.2	321.5	
<b>2,263.0</b>	<b>1,340.4</b>	<b>68.8%</b>
522.1	339.0	
(120.1)	-	
<b>1,861.0</b>	<b>1001.4</b>	
<b>1,740.8</b>	<b>1001.4</b>	<b>73.8%</b>
21.3	12.4	
20.9	12.2	

(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 Q4FY22, the Company has reversed DTL created on the amount transferred to special reserve.

(4) QoQ growth and YoY growth in PAT computed considering Adjusted PAT for Q4FY22 and FY22 respectively without the impact of one-time deferred tax liability adjustment



## — RoE Tree

Particulars	Q1 FY23	Q4 FY22	Q1 FY22	FY22	FY21
Interest Income on term loans / Average total assets	10.9%	10.8%	9.6%	9.9%	10.2%
Net Gain on DA / Average total Assets	0.8%	1.1%	1.7%	1.4%	1.1%
Income other than interest income on term loans/ Average total assets	1.1%	0.9%	1.2%	1.1%	1.0%
<b>Total Income / Average total assets</b>	<b>12.8%</b>	<b>12.8%</b>	<b>12.5%</b>	<b>12.4%</b>	<b>12.2%</b>
Interest on borrowings and debt securities / Average total assets	4.6%	4.4%	4.6%	4.5%	5.4%
<b>Net Interest Margin</b>	<b>6.4%</b>	<b>6.4%</b>	<b>5.0%</b>	<b>5.4%</b>	<b>4.7%</b>
<b>Net Total Income / Average total assets</b>	<b>8.2%</b>	<b>8.4%</b>	<b>7.8%</b>	<b>7.9%</b>	<b>6.8%</b>
Operating Expenses / Average total assets	2.9%	3.0%	2.5%	2.7%	2.7%
<b>PPOP/ Average total assets</b>	<b>5.3%</b>	<b>5.4%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>4.2%</b>
Credit Cost / Average total assets	0.3%	0.2%	1.1%	0.5%	0.8%
Profit before tax / Average total assets	5.0%	5.2%	4.2%	4.7%	3.4%
Tax expense / Average total assets	1.1%	1.2%	1.1%	1.1%	0.8%
One-time tax adjustment/ Average total assets		(1.0%)		(0.2%)	-
<b>Profit after tax on average total assets</b>	<b>3.9%</b>	<b>4.9%</b>	<b>3.1%</b>	<b>3.9%</b>	<b>2.5%</b>
<b>Adjusted PAT on average total assets (ROA)<sup>(1)</sup></b>	<b>3.9%</b>	<b>4.0%</b>	<b>3.1%</b>	<b>3.6%</b>	<b>2.5%</b>
Leverage (Average total assets / average Equity or average Net worth)	3.3	3.2	3.2	3.3	3.5
<b>Profit after tax on average equity or average Net worth (ROE)<sup>(1)</sup></b>	<b>12.8%</b>	<b>12.5%</b>	<b>10.0%</b>	<b>11.8%</b>	<b>8.7%</b>
Average interest earning assets as % of average total assets	85.9%	85.7%	75.0%	80.2%	80.3%
Average interest bearing liabilities as % of average total assets	68.3%	66.6%	67.5%	67.7%	69.4%

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) Adjusted RoA and Adjusted RoE for Q4FY22 and FY22 is computed considering Adjusted PAT for Q4FY22 and FY22 respectively without the impact of one-time deferred tax liability adjustment

## — Key Financial Ratios

Particulars	Q1FY23	Q4FY22	Q1FY22	FY22	FY21
Profit after tax on average total assets (ROA)	3.9%	4.0% <sup>(1)</sup>	3.1%	3.6% <sup>(1)</sup>	2.5%
Leverage (Average total assets / average Equity or average Net worth)	3.3	3.2	3.2	3.3	3.5
Profit after tax on average equity or average Net worth (ROE)	12.8%	12.5% <sup>(1)</sup>	10.0%	11.8% <sup>(1)</sup>	8.7%
Cost to Income Ratio (Operating Expenses / Net Total Income)	35.8%	35.7%	31.9%	34.0%	39.0%
Operating Expenses / Average total assets	2.9%	3.0%	2.5%	2.7%	2.7%
Debt to equity ratio	2.3	2.2	2.2	2.2	2.2
CRAR (%)	52.3%	58.6%	56.4%	58.6%	56.2%
CRAR - Tier I Capital	51.8%	58.0%	55.2%	58.0%	55.2%
CRAR - Tier II Capital	0.5%	0.6%	1.1%	0.6%	1.0%
Book Value Per Share	185.7	179.6	162.0	179.6	158.0

(1) Adjusted RoA and Adjusted RoE for Q4FY22 and FY22 is computed considering Adjusted PAT without the impact of one-time deferred tax liability adjustment

## — Balance Sheet

Particulars (in ₹Mn)	Q1FY23	FY22	FY21
<b>ASSETS</b>			
Cash & cash equivalents and Other bank balance	3,004.3	6,678.5	6,798.7
Loans	47,222.3	43,048.7	33,265.0
Investments	3,266.8	-	3,750.1
Other financial assets	1,167.7	1,150.0	1,011.7
Property, plant and Equipment*	202.5	200.0	164.0
Non-financial assets other than PPE	79.5	91.5	112.1
<b>TOTAL ASSETS</b>	<b>54,943.1</b>	<b>51,168.7</b>	<b>45,101.6</b>
<b>LIABILITIES &amp; EQUITY</b>			
Payables	57.7	62.0	48.5
Debt Securities	1,688.2	1,687.8	2,395.9
Borrowings	36,115.1	32,979.9	28,141.0
Other financial liabilities	611.7	569.1	534.8
Provisions	56.7	45.4	32.4
Deferred Tax Liabilities (Net)	11.2	17.4	79.6
Other non-financial liabilities	123.3	70.2	64.0
Equity	16,279.2	15,736.9	13,805.4
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>54,943.1</b>	<b>51,168.7</b>	<b>45,101.6</b>

\* Including right to use assets.

## — Experienced and Diverse Board

### **Mr. Deepak Satwalekar**

*Chairman/ Independent/ Non-Executive Director*

Mr. Deepak Satwalekar was associated with HDFC Limited as a Director and HDFC Standard Life Insurance Company Limited as the 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. Appointed as an Independent Director w.e.f. October 23, 2019

### **Ms. Geeta Dutta Goel**

*Independent/ Non-Executive Director*

Ms. Geeta Dutta Goel is Country Director for Michael and Susan 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*

Mr. 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*

Ms. Sucharita Mukherjee 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*

Mr. Divya Sehgal 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*

Mr. Maninder Singh Juneja is an MBA from IIM Lucknow, Maninder has over 26 years experience across industries. 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 and GE Transportation financial services.

### **Mr. Narendra Ostawal**

*Nominee/ Non-Executive Director*

Mr. Narendra Ostawal 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 Accountant and an MBA from IIM, Bangalore.

### **Mr. Manoj Viswanathan**

*Managing Director and CEO*

Mr. 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 24 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

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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)

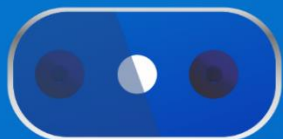
## Investor Relations Advisors

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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