



Smart Loans for Affordable Homes | HomeFirst



Investor Presentation

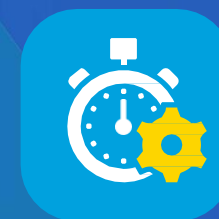
— | Q3 – FY23 | —



Tech



Growth



Productivity



Risk Management



Funding



ESG



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Executive Summary

y-o-y q-o-q

Assets Under Management (AUM) ⁽¹⁾

₹ 67,512 Mn

+35.2% +7.6%

Disbursement

₹7,804 Mn

+37.0% +11.1%

Gross Stage 3 / POS (GNPA %)

1.8⁽²⁾

In line with RBI circular dated 12 Nov 2021
1.1% prior to such classification

-80 bps -10 bps

Spread⁽³⁾

5.7%

+10 bps -10 bps

Cost to Income

35.3%

+230 bps -210 bps

DPD 30+ / POS %

3.0

-170 bps -30 bps

Opex to Assets

2.8%

+0 bps -30 bps

Profit After Tax (PAT)

₹587 Mn

+27.9% +8.2%

Return On Assets (ROA)

3.8%

-20 bps +0 bps

(1) Excluding the impact of PMAY CLSS Subsidy, AUM growth y-o-y is 36.4% and q-o-q is 8.8%

(2) 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 ₹ 390.28 millions as Gross Stage 3 (GNPA) as at Dec'22 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Dec'22 is 1.1%.

(3) As per IGAAP

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
- 88% of book comprise of housing loans with average ticket size of ₹ 1.10Mn
- Strong liquidity pipeline with positive ALM and zero commercial papers
- Data science backed centralized underwriting with in-depth understanding of local property markets



102 | 13 | 117 | 261
Branches | States/UT | Districts | Touchpoints

73,149
Customers

70%
Salaried occupation mix
of AUM (Q3FY23)

₹15,237 Mn
Liquidity Buffer as on Dec'22

ESG Risk Rating
by MorningStar Sustainalytics
*'Amongst Leading
Ratings in BFSI Sector'*

16.2
Low Risk

Strong Risk Management

977



No of employees
(Q3FY23)

GPTW 3 years in a row

— Our Journey

Assets Under Management (AUM)

₹ 67,512 Mn

As of Dec'22

CARE Rating

BBB-

BBB+

CARE / ICRA Rating

A-

A+

AA-

ICRA & CARE
Upgraded
Long Term
Credit
Facilities
Rating to
AA- Stable
Crossed 100
Physical
Branches

AA-

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

We got listed

Warburg Pincus
invested in
the company ⁽²⁾

WARBURG PINCUS

Series C

True North
acquires
majority
stake

truenorth

GIC
Co-investment
with
True North ⁽¹⁾

GIC

30,000+
customers

Net worth
crosses
₹5,000 Mn.

AUM crosses
₹35 bn.

60,000+
sanctions

AUM CAGR 44.7%

← AUM

Incorporation

Series A

Bessemer
Venture
Partners

Started
Operations in
Gujarat and
Tamil Nadu

Series B

Alpha TC
Holdings
Private
Limited

1,000
customers
690

Became
Profitable
1,629

5,000
customers
3,368

10,000
Customers
Spread
across 25+
cities
5,477

8,473

13,559

24,436

36,183

41,411

53,803

67,512

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

9MFY23

Early Days and Proof of Concept

Consolidation

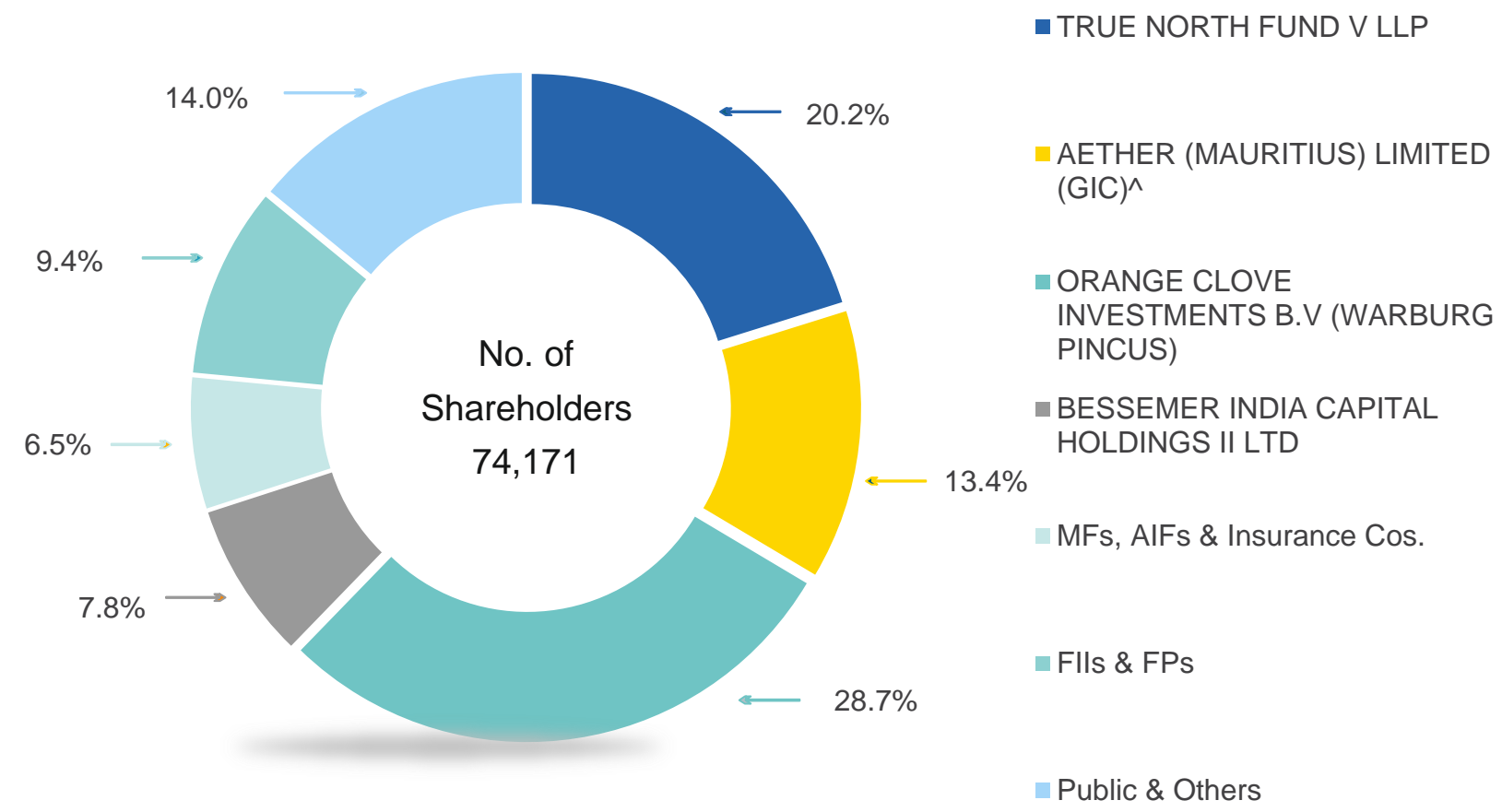
Scaling Up

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 20 Jan'23



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	1.4
INVESCO INDIA MF	1.1
ADITYA BIRLA SUNLIFE MF	0.8
MOTILAL OSWAL AIF	0.8
ICICI Prudential AMC (AIF)	0.5
FIIS & FPIS	% Holding*
GOLDMAN SACHS INDIA EQUITY	1.5
KUWAIT INVESTMENT AUTHORITY FUND F239	1.5
TAIYO GREATER INDIA FUND	0.9
CRESTWOOD CAPITAL MASTER FUND	0.8
MORGAN STANLEY INVESTMENT MANAGEMENT	0.6
AL MEHWAR COMMERCIAL INVESTMENTS	0.5
NOMURA INDIA STOCK MOTHER FUND	0.5

* Holding through various schemes and funds including advisory mandates

^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



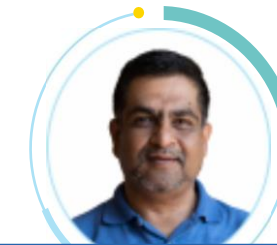
Nutan Gaba Patwari

Chief Financial Officer



Ramakrishna Vyamajala

Chief Human Resource Officer



Abhijeet Jamkhindikar

Business Head - Maharashtra



Arunchandra Jupalli

Business Head - South



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)



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.

Salaried
70%

Informal Salaried

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



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 was regular with his payments. In Nov'22 prepaid the entire loan (after 5years since origination) through own funds.

Self Employed
30%

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 2 EMI overdue.

Data for the period Q3FY23

— 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 comprising 70% of AUM
- First time home buyers
- 29% customers are new to credit contributing to 22% of AUM

What do our customers need

- Home loan requirement primarily in the ₹0.5 -1.5 mn range ⁽¹⁾
- 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

82

For Q3FY23

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 Q3FY23 (1) ~61% loans with Average ticket size between INR 0.5-1.5mn as of Q3FY23

Distribution Strategy

● 0 - 4 ● 4-7 ● 7 - 15

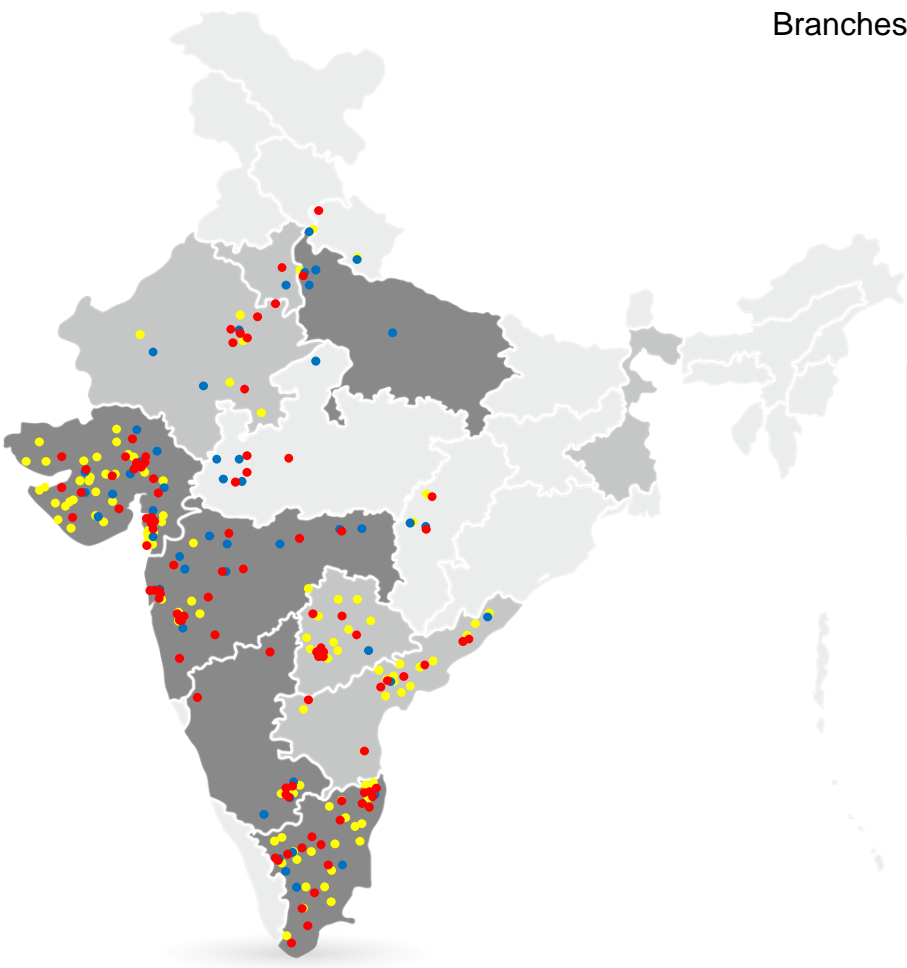
Contribution to India's GDP FY'22 (%)

- Existing branches - 102
- New branch locations - 54
- Digital branches - 105

Pan India Distribution driven by strategic market selection & contiguous expansion

102 Branches 117 Districts 13 States/UT 261 Touchpoints

Geographic Expansion



Business commenced in 1 new physical branch
Increased presence in 5 new districts

States/Territories	Number of		Percentage of gross loan assets as on			
	Branches	Districts	Q3FY23	Q3FY22	FY22	FY21
Gujarat	23	22	33.2%	37.0%	36.0%	38.2%
Maharashtra	19	17	14.8%	16.7%	16.1%	19.2%
Tamil Nadu	21	24	13.5%	12.0%	12.2%	11.1%
Telangana	8	12	8.6%	6.8%	7.5%	5.5%
Andhra Pradesh	8	9	4.2%	2.9%	3.2%	1.9%
Karnataka	6	6	7.5%	8.3%	8.1%	9.1%
Rajasthan	7	6	5.8%	5.7%	5.7%	5.5%
Madhya Pradesh	5	7	5.1%	4.7%	4.9%	4.4%
Uttar Pradesh & Uttarakhand	2	8	4.7%	3.6%	3.9%	2.9%
Chhattisgarh	2	4	1.8%	1.4%	1.5%	1.2%
Haryana & NCR	1	2	0.8%	0.9%	0.9%	1.0%
Total	102	117	100.0%	100.0%	100.0%	100.0%

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

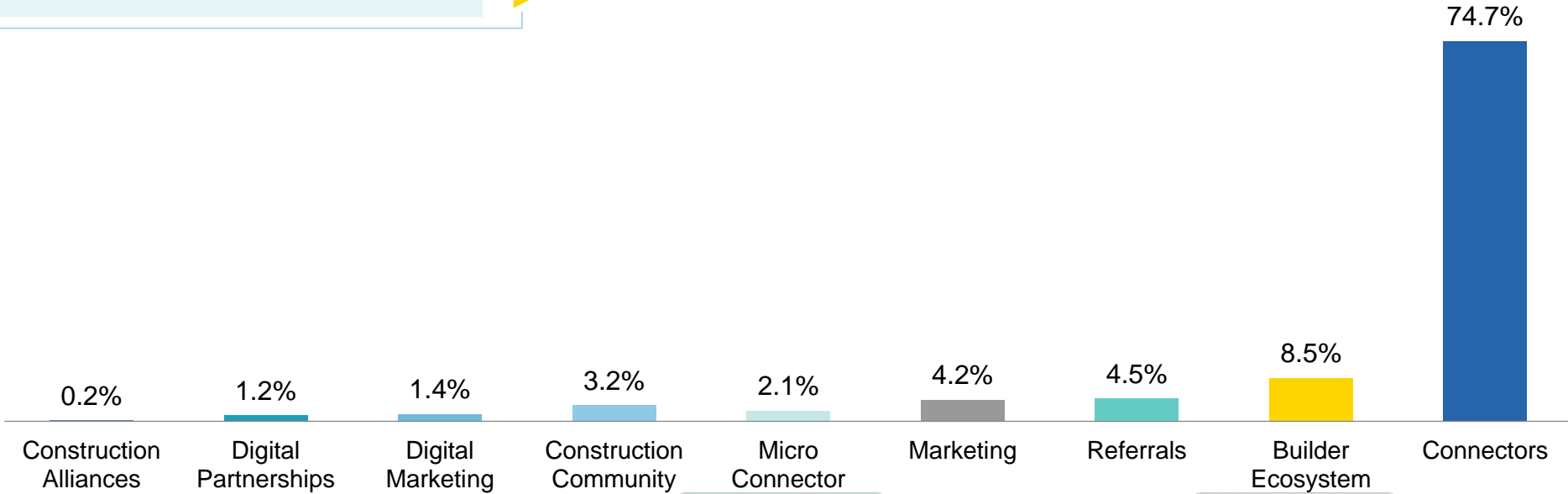
Note: Source for Contribution of states to India's GDP: NSO, MOSPI

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 Strategy

Diversified lead generation channels | Q3 FY23

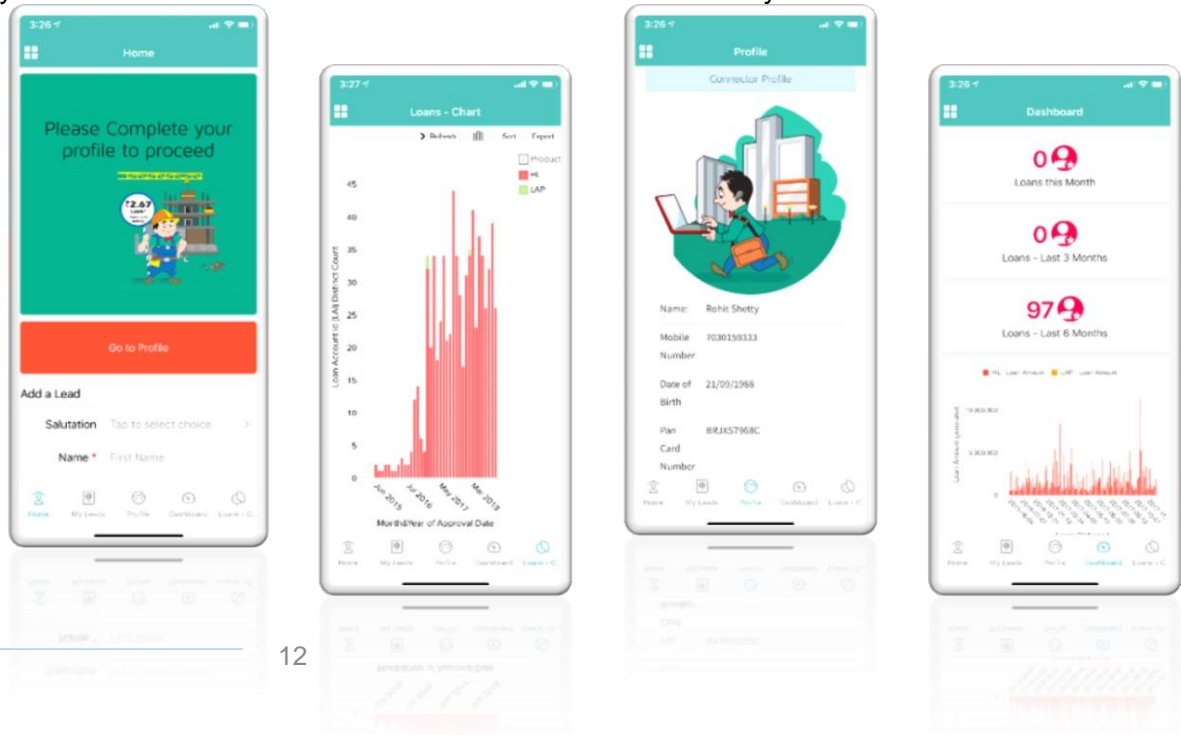


Diversified channels for generating leads such as connectors, builder ecosystem, digital, etc.

100% in-house conversion by HomeFirst RMs.

...effectively managed via connector app

Scan and Download



95.9% 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

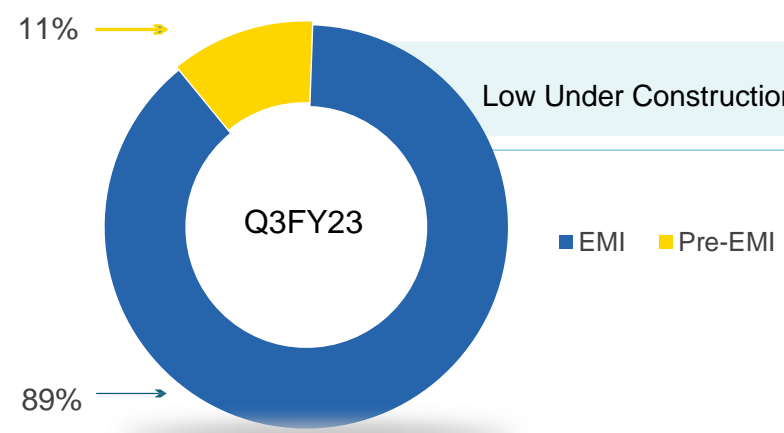
Centralised

- 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

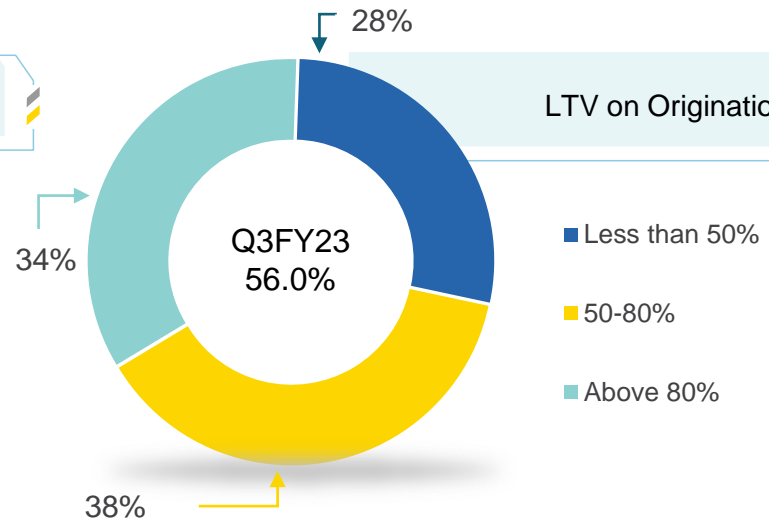
90%

For Q3FY23



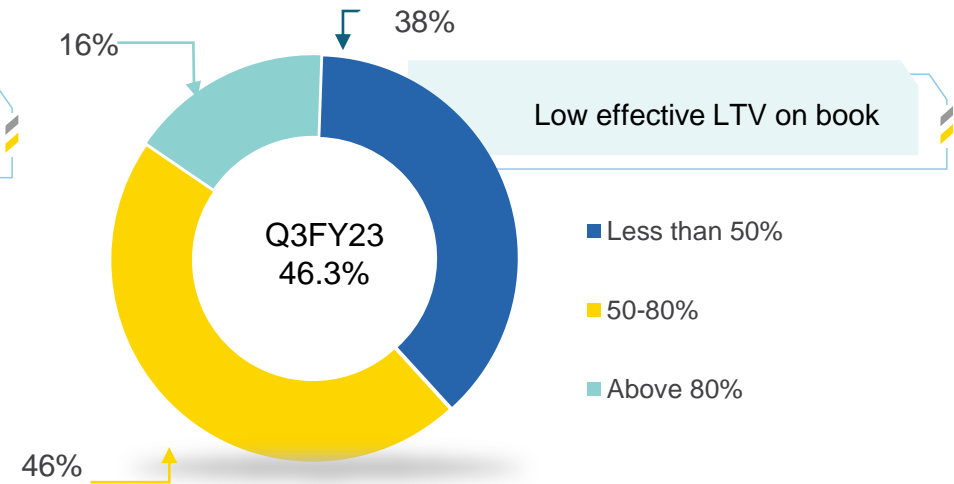
Low Under Construction Risk

■ EMI ■ Pre-EMI



LTV on Origination

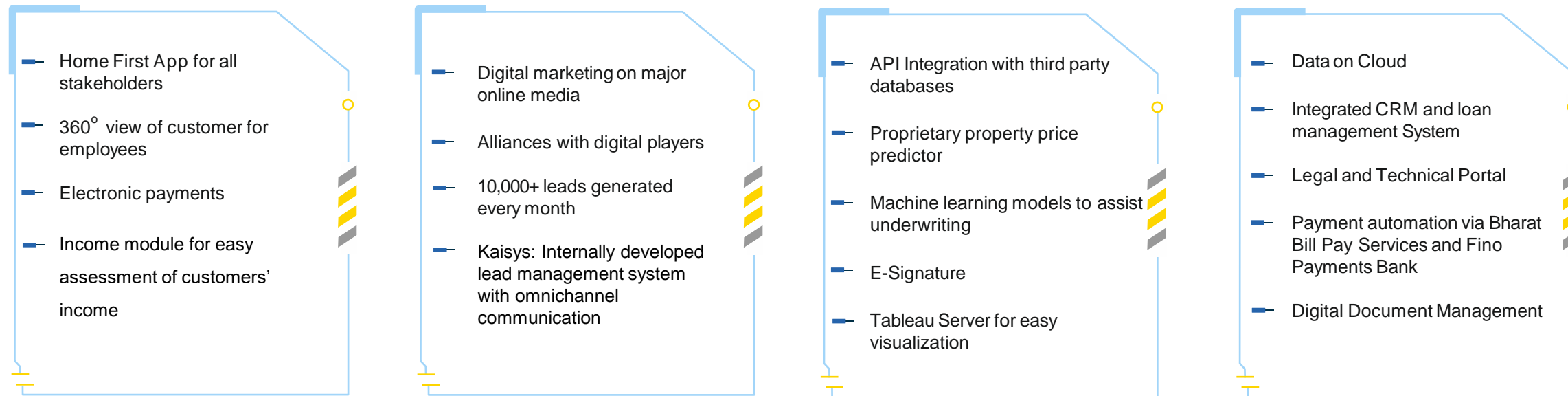
■ Less than 50%
■ 50-80%
■ Above 80%



Low effective LTV on book

■ Less than 50%
■ 50-80%
■ Above 80%

— Scalable Operating Model built on Holistic Technology Usage

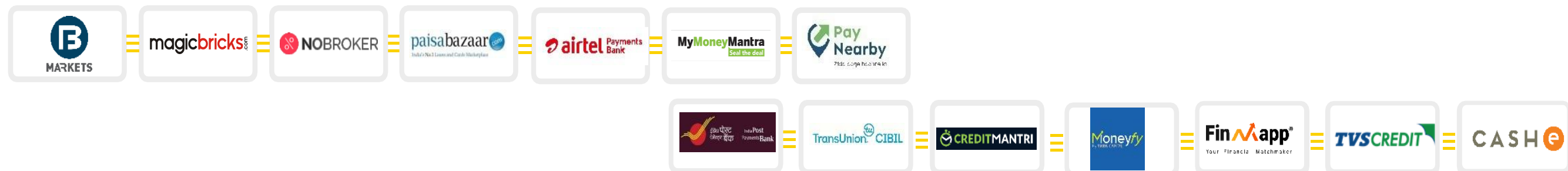


Recent Tech Interventions

- E-NACH
- E- Sign
- E- Vault
- E-Stamp paper
- Instant Soft Approval on App
- Biometric authentication on Customer App
- Kaisys: Internally developed lead management system with omnichannel communication and personalized sales journey, integrated with bureau and third party data sources

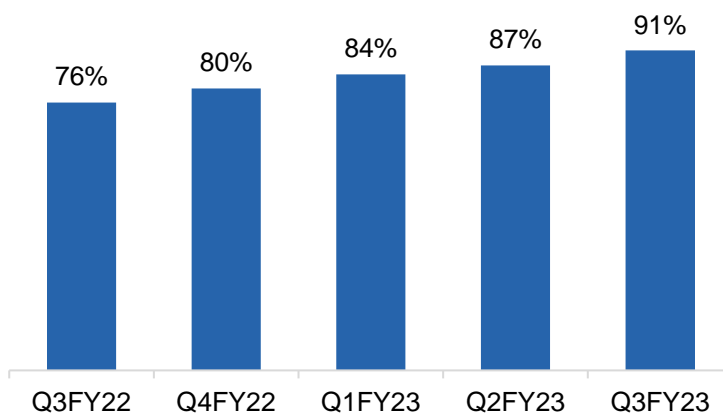
Mobility | Digital Marketing | Data Analytics | Tech - Infra

End - To - End Digital Process For Housing Loans

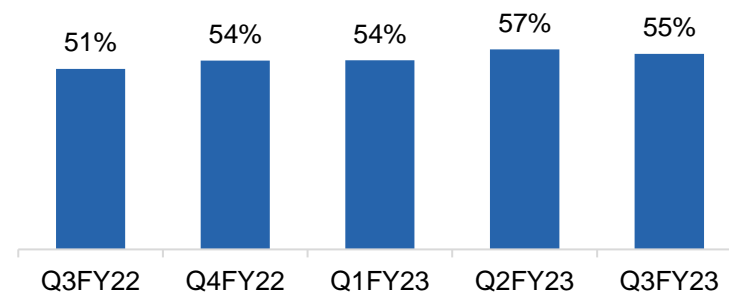


Digital Adoption

% Customers registered on App



Unique user logins as % of active customers



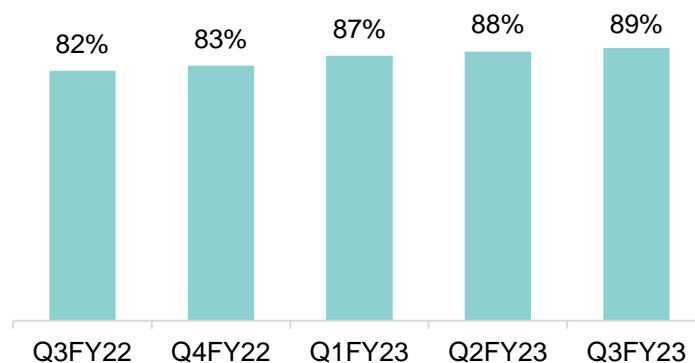
Customer Rating on Google Playstore

4.1

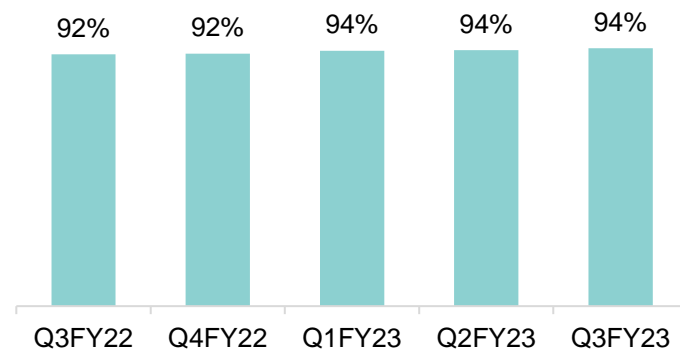


As of 20 Jan'23

% of Service Requests raised on App



% Non-cash collections



Avg time spent by user on the app per session

1m 58 sec

For Q3FY23

Average payment per user on app

₹32,653

For Q3FY23

No of Payments via Customer App

16,531

For Q3FY23

Source: HomeFirst App Database

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



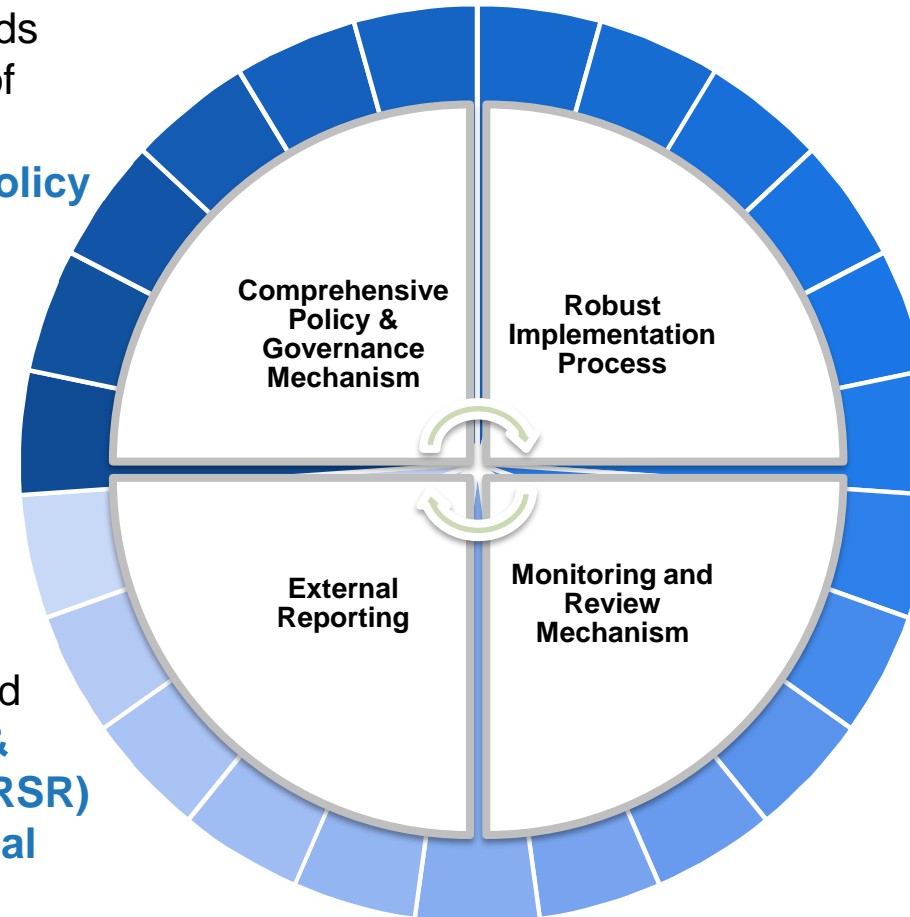
ESG at HomeFirst

Putting sustainability at core of operations

ESG Framework

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

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



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

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

- Capturing KYC documents
- Agreements signed digitally (47% of total in Q3FY23)
- E-Stamping (57% of total in Q3FY23)
- E-NACH mandates (63% of total in Q3FY23)

This results in saving of paper, time and energy.

Mobile apps

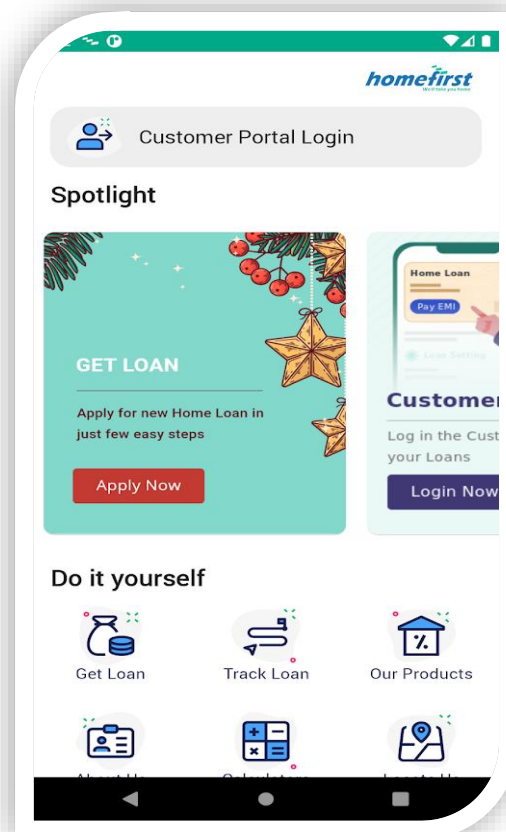
- Provided to customers, employees and connectors.
- This has helped cut down on branch visits, thereby saving time, fuel as well as energy.

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



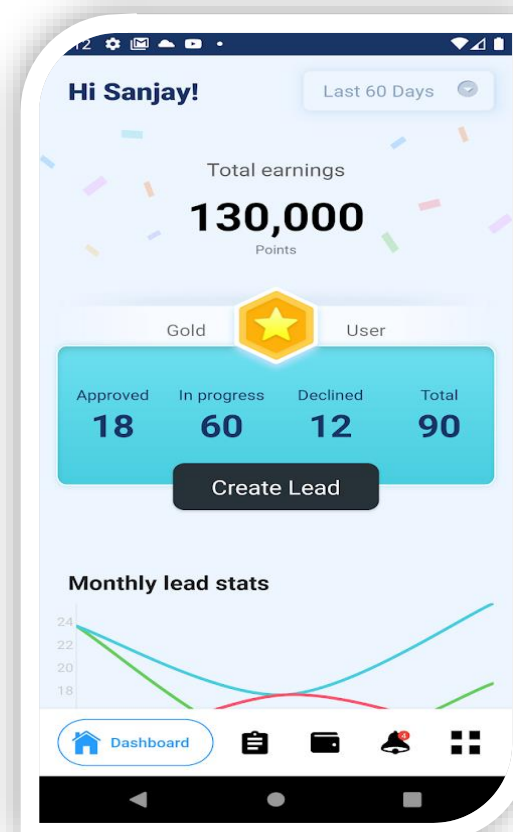
Google rating of Homefirst
Customer App

4.1



As of 20 Jan'23

Connector App



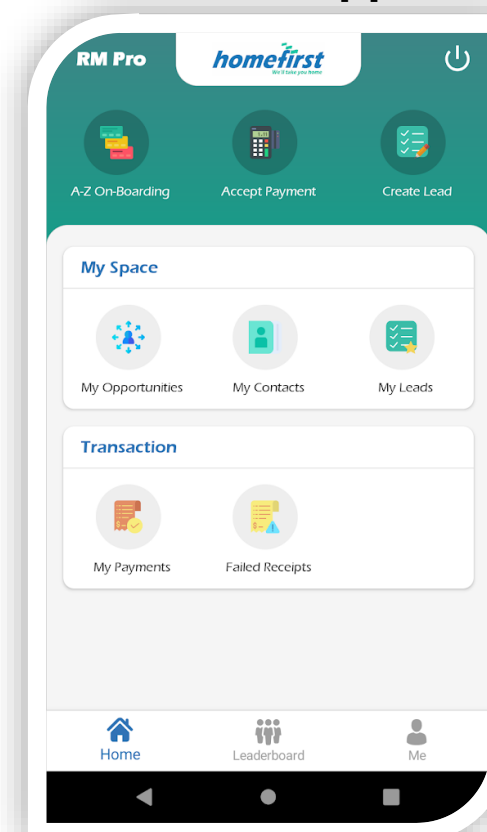
Google rating of Homefirst
Connect App

4.6



As of 20 Jan'23

RM Pro App



Google rating of Homefirst
RM Pro App

4.7



As of 20 Jan'23

Progress on Social Development

Responsibility towards community

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

500 new families were added under this project in this quarter, taking the **total to 1,500+ Beneficiary families** now.

We started our **Sashakt Skilling centre** for our beneficiaries with **250 enrollments** spread across four occupations 1) Beautician 2) Tailoring 3) Data Entry 4) GST/Tally

Inaugrated **HomeFirst Sashakt Science Labs** at 4 schools and provided practical knowledge sharing sessions to 4,000+ students across Narol Area.

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

We conducted various awareness sessions at nakas and colonies to help migrant workers with linkage to different social security and BoCW schemes. In Q3FY23 we linked **292 workers with e-nirman card**.

Responsibility towards employees



Certified as “Great Place To Work” by GPTW Institute for 3 successive years

Employee Training and Development

Formal talent pipeline development strategy. During the period Q3FY23, **3546 manhours** of training was provided 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

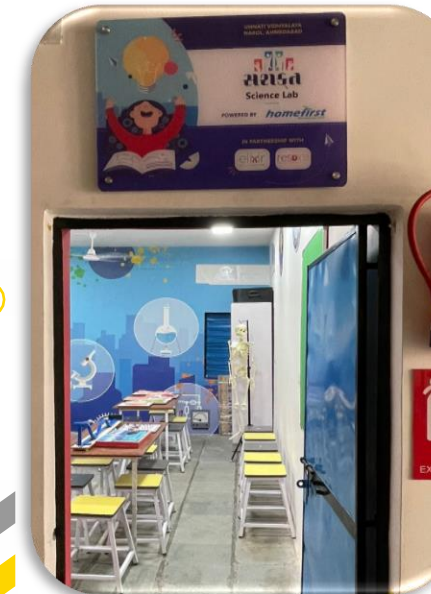
- **25% women overall**
- **51% women at head office**
- **~22% women in senior management**

Employee Ownership

As of 31 Dec'22, **256 employees** are covered under ESOP programs – comprising of **26.2%** of employee base

Human Rights, Health & Safety

Employee Development and Wellbeing: We have conducted programs for Financial, Emotional and Physical wellness (16 sessions for Q3FY23) 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 ~70% of AUM.**
- **Feature rich** mobile apps to provide seamless service and to track **NPS score** as a feedback mechanism. Our NPS score for Q3FY23 is 82.
- **Prepayment facility** provided on the Customer App to “**nudge**” customers towards prudent finance management.
- **91%** of active customers are registered on HomeFirst Customer Portal App. Android Rating is **4.1 (20 Jan'23)**.
- Helped **33,143** customers to claim **PMAY subsidy**. Received **Rs 829.5 Crs** till 31st Dec'22 as PMAY subsidy which was credited to customers account. This has helped **reduce ~26%** of Loan Amount for those customers.
- **Grievance Redressal Policy** is in place to receive and respond to customer complaints. Link: <https://homefirstindia.com/policy/complaints-grievances/>

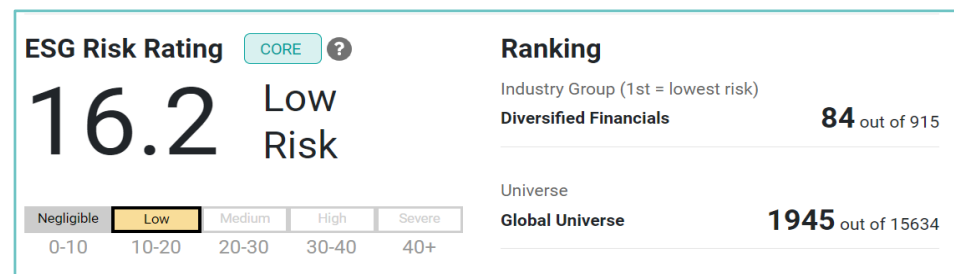
ESG Initiatives conducted during the year

Sustainable Finance

- **Funds raised from IFC to finance affordable housing and green housing.** HomeFirst raised Rs 280 crores from International Finance Corp (IFC) through up to 7-year debt. [Link](#)
- **Funds approved from DFC to support women borrowers for financing affordable housing.** U.S. International Development Finance Corporation (DFC) Board of Directors approved a \$75 million loan to HomeFirst to support affordable housing mortgage loans to women low-income borrowers. [Link](#)

ESG Risk Rating - Amongst best in the BFSI Industry in India

- MorningStar Sustainalytics rated HomeFirst an **ESG Risk Rating of 16.2 with Low Risk and Strong rating for ESG Risk Management.** [Link](#)



- 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.
- The Company received a **Certificate of Merit in PMAY Empowering India Awards 2022**
- Enhanced training measures by implementing training sessions for Prevention of Sexual Harassment (POSH) and Human Safety

— 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 70% of our book size.

Overall, 90% loans have woman as borrower

- **Primary applicant in 16% of AUM**
- +
 - **Atleast 1 woman co-borrower in 74% of AUM**

Code of Conduct and Business Ethics

- Company has **Code of Conduct for its employees** which has operational guidelines. [Link](#)
- We have a **code of conduct for our connectors** [Link](#)
- 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.**

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

- Customer Grievance Policy [Link](#)
- Code of Conduct for the Board of Directors and Senior Management Personnel [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 [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

7 of 8
Directors are non-executive

4 of 8
Independent Directors

2 of 8
Woman Directors

— Strong Governance Practice

Top-tier Corporate Governance

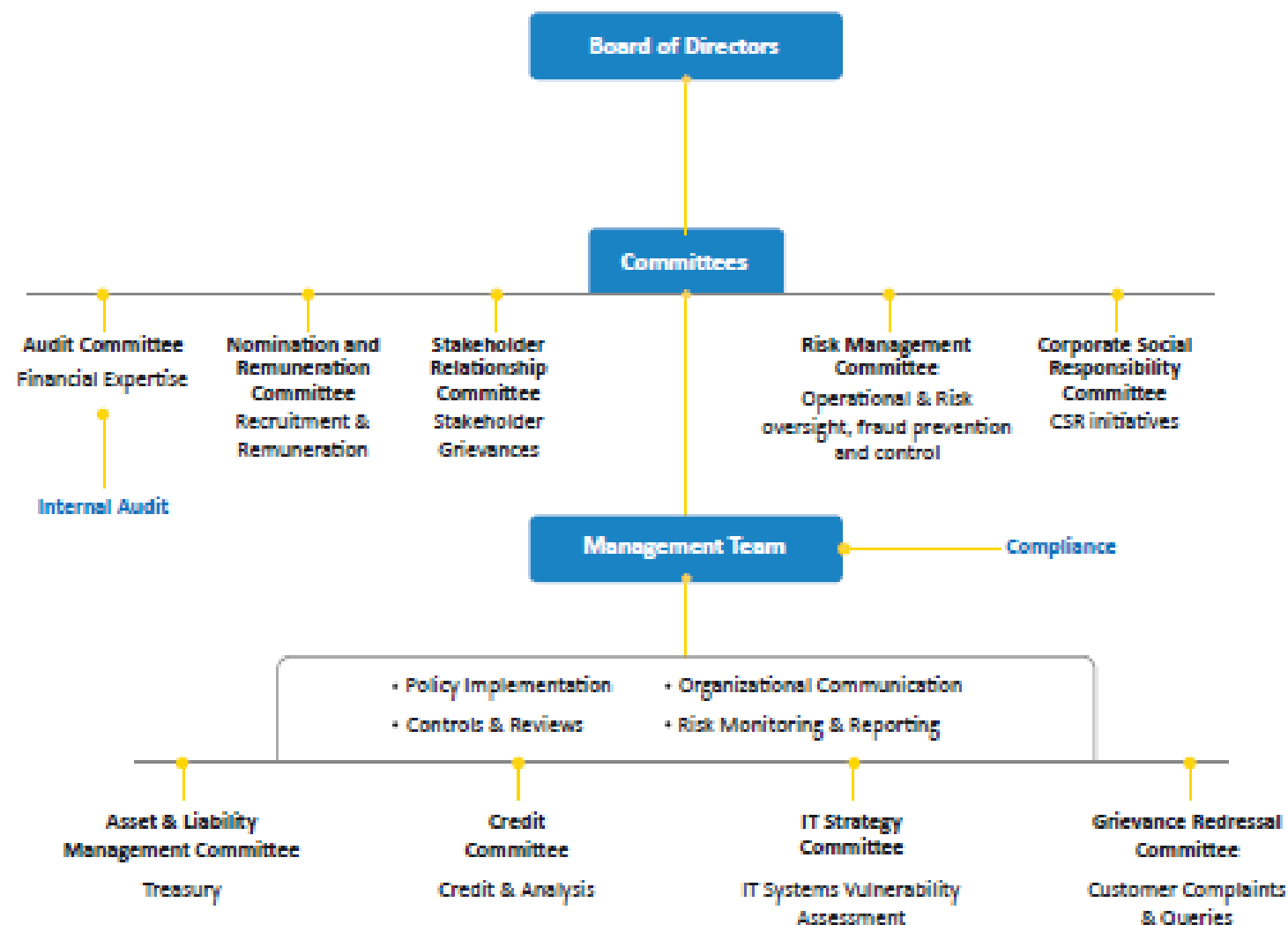
- High Independent Directors representation in all Board Committees
- Highly experience Board & Management Team on Risk Management committee.
- Company's risk management framework is driven by its Board and its subcommittees including the Audit Committee, the Asset Liability Management Committee and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

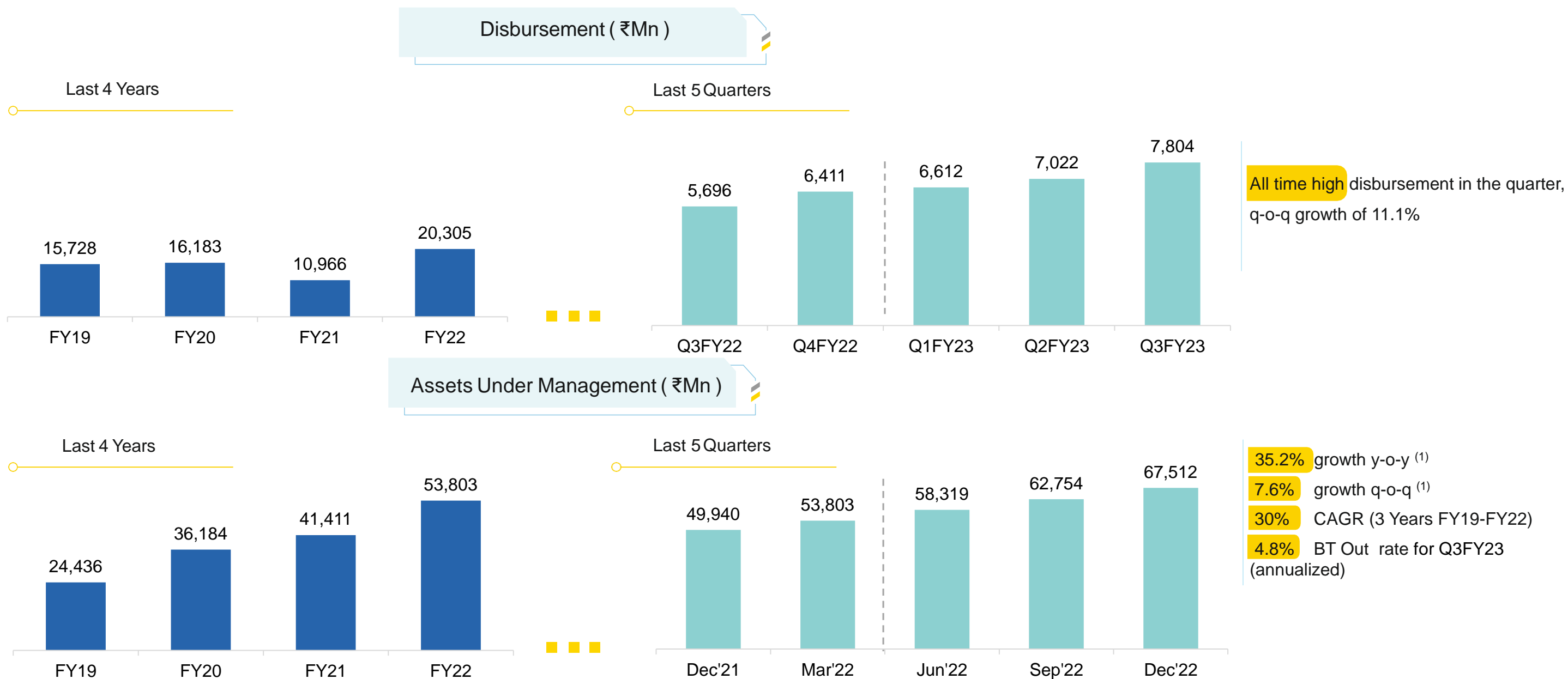
Strong 5-tier corporate governance framework in place for effective risk management





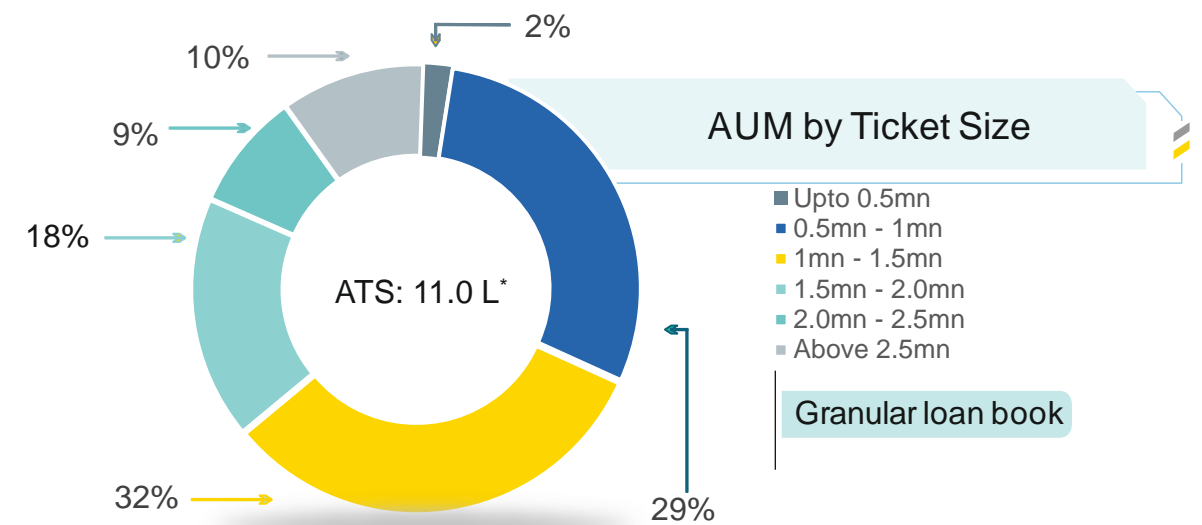
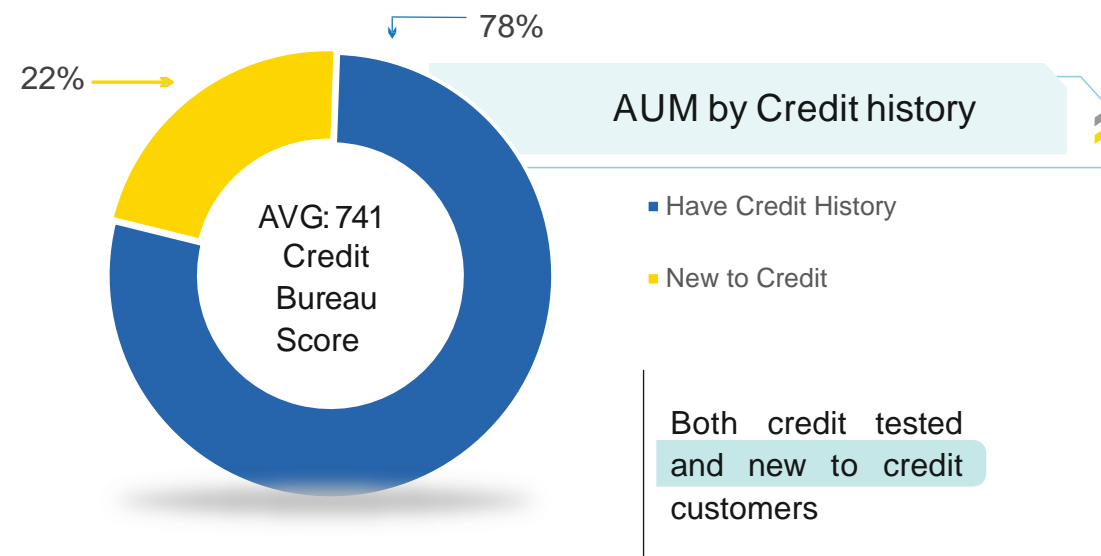
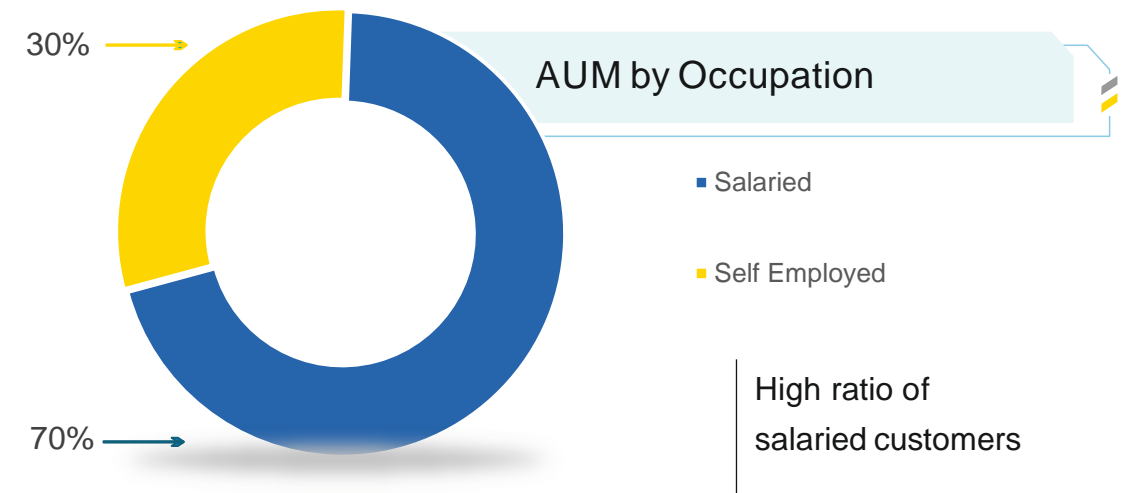
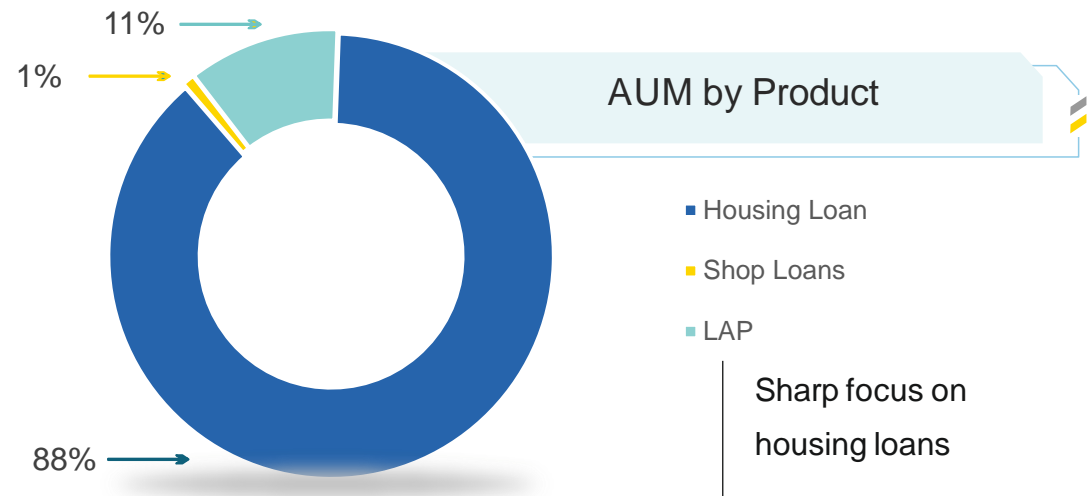
Business Updates

— Healthy Growth in Loan Book and Disbursements



(1) Excluding the impact of PMAY CLSS subsidy, AUM growth y-o-y is 36.4% and q-o-q is 8.8%

Consistent Portfolio Metrics | Dec'22



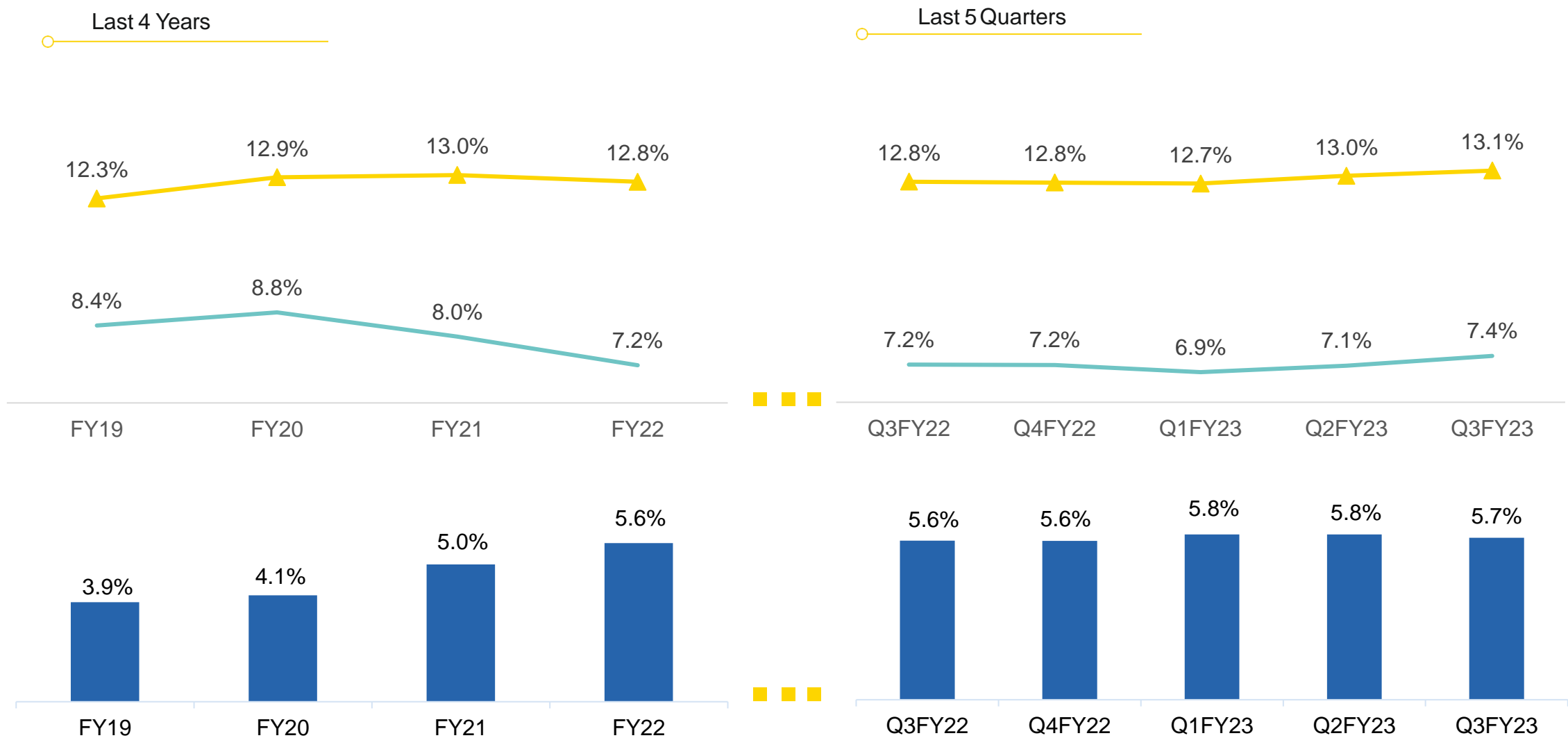
All figures as of Dec'22

* Loans originated for Co-Lending are excluded while computing ATS

Competitive Spreads

- Portfolio Yield
- COB
- Spread

Net Interest Spread Movement



Competitive Cost of Borrowing

Incremental yield for Q3FY23 stood at 13.2%*

Marginal COB for Q3FY23 stood at 8.5%

* Loans originated for Co-Lending are excluded while computing Incremental Yield for Q3FY23

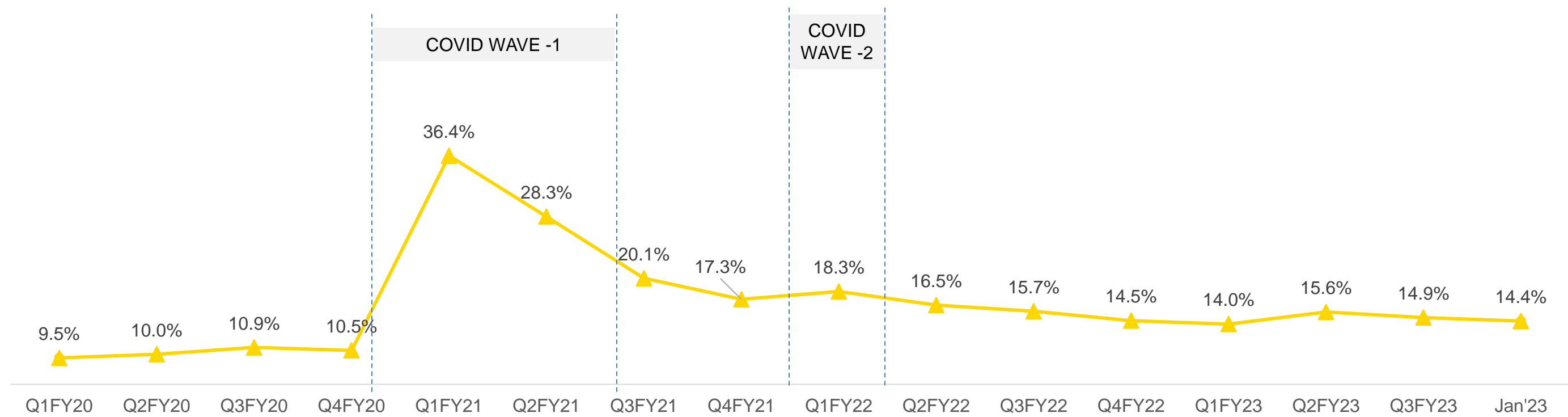


— Healthy Leading Indicators

Bounce rate :On the day of EMI presentation

▲ Bounce rate

Bounce rates normalising

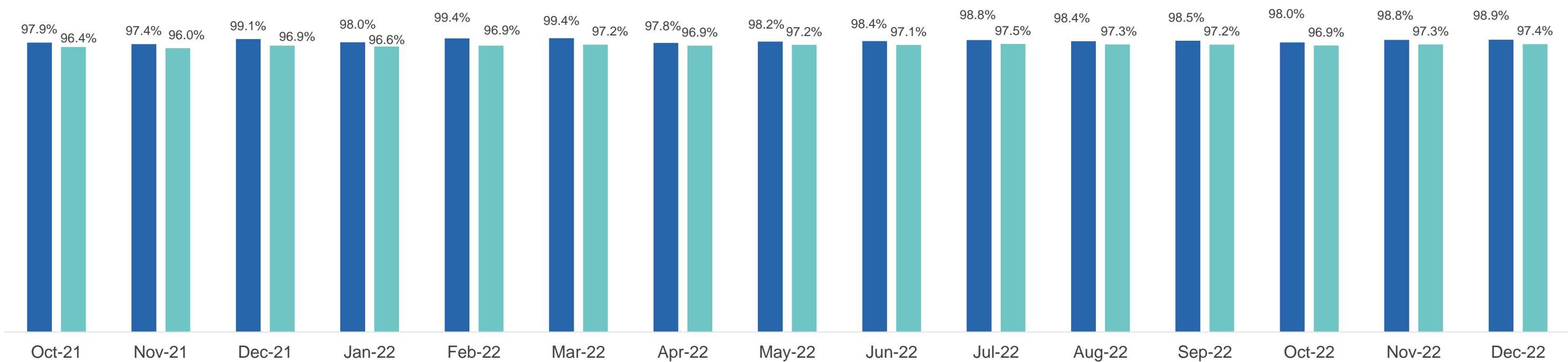


— Healthy Leading Indicators

Collection Efficiency

Collection Efficiency ⁽¹⁾
Unique Customers ⁽²⁾

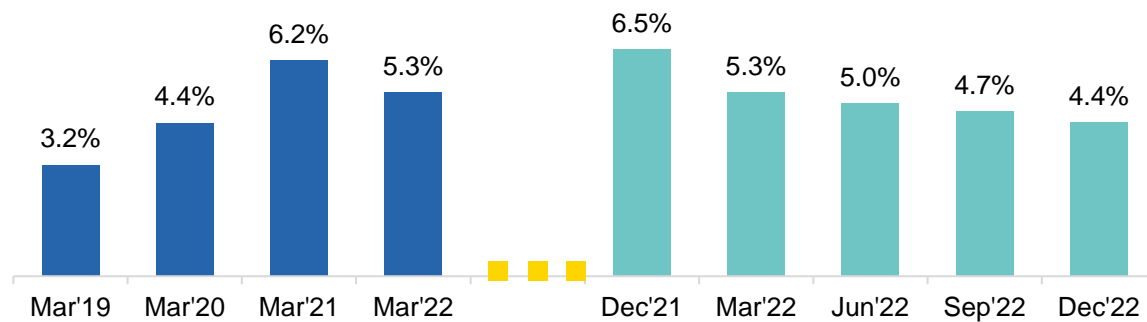
Collection efficiency
trending back to
normal levels



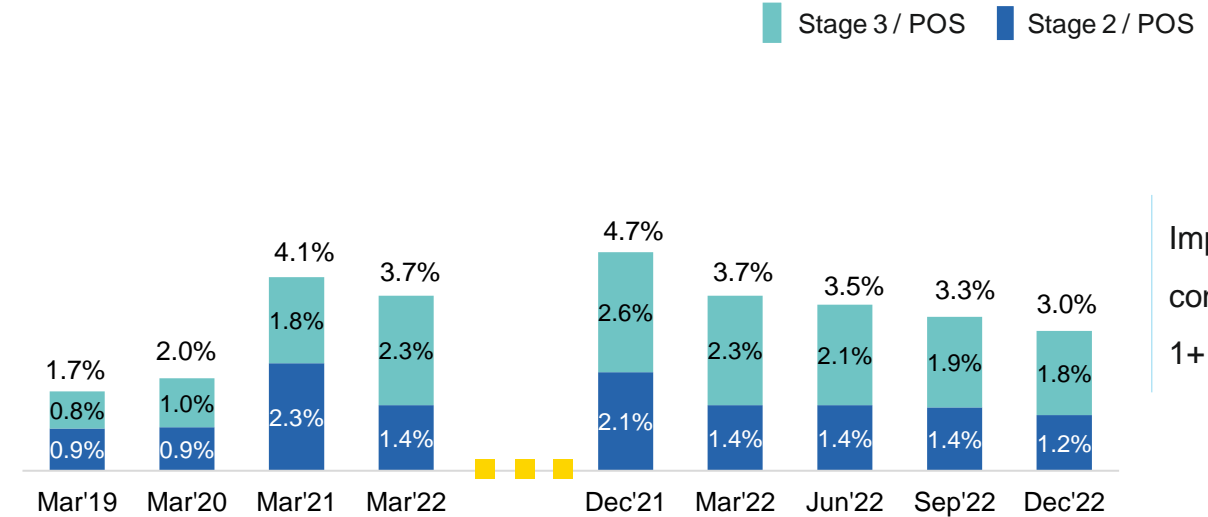
Note: (1) Collection Efficiency = Total # of EMLs received in the month (including arrears of previous months) / Total # of loan accounts whose EMLs are due in the month
(2) Unique customers = # of customers who made at least one payment in the month / Total # of Customers whose EMLs are due in the month

— Sound Credit Indicators

DPD 1+ / POS

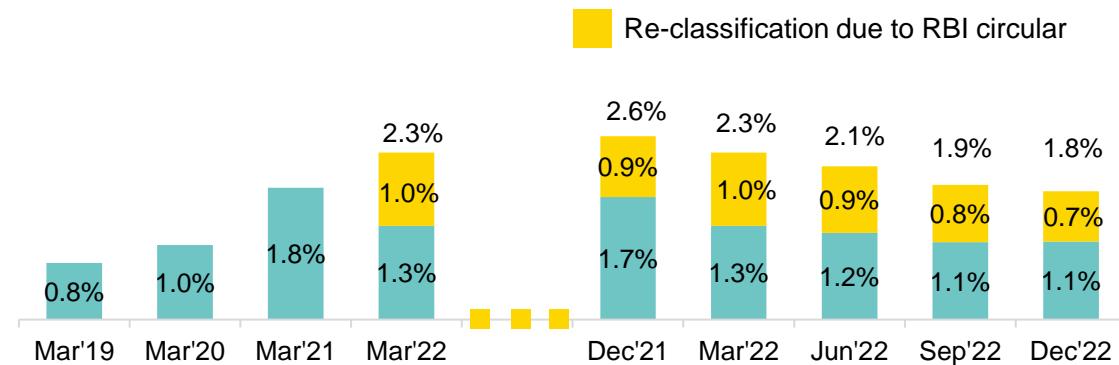


DPD 30+ / POS %

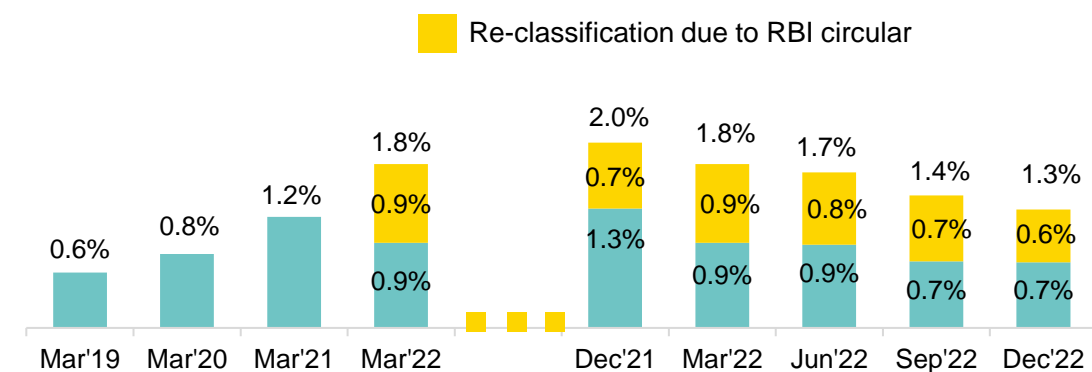


Improvement continues in 1+ & 30+ DPD

Gross Stage 3 / POS (GNPA) %



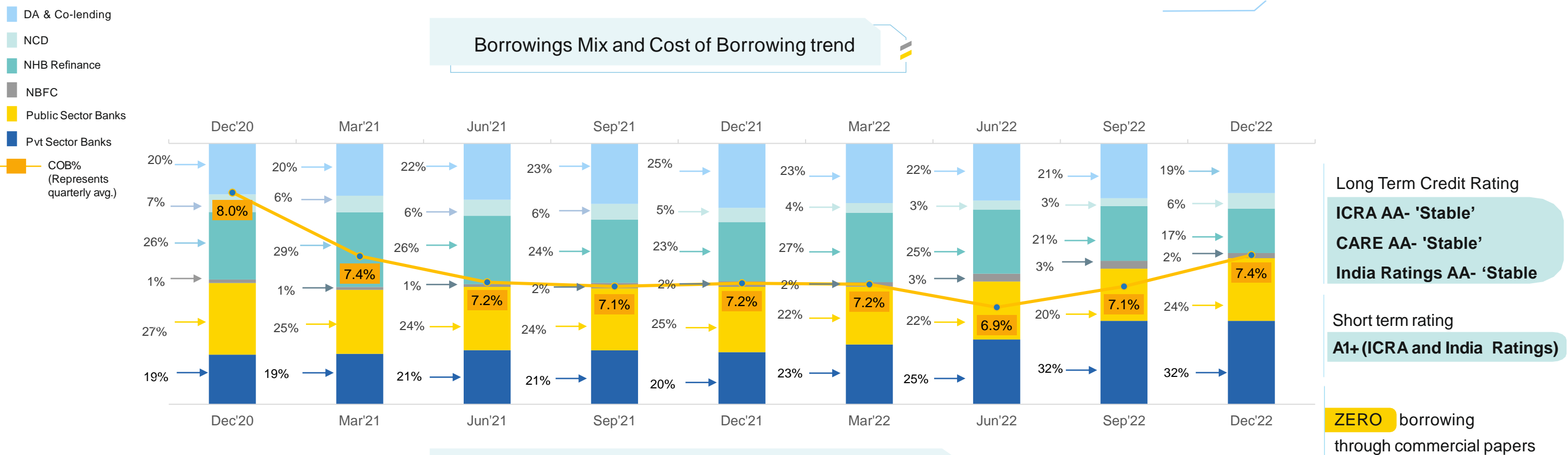
Net Stage 3 / Net POS (NNPA) %



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 ₹390.28 millions as Gross Stage 3 (GNPA) as at Dec'22 in accordance with regulatory requirements.

Diversified funding profile at competitive Cost of Borrowing



Some of our Strong and longstanding banking relationships

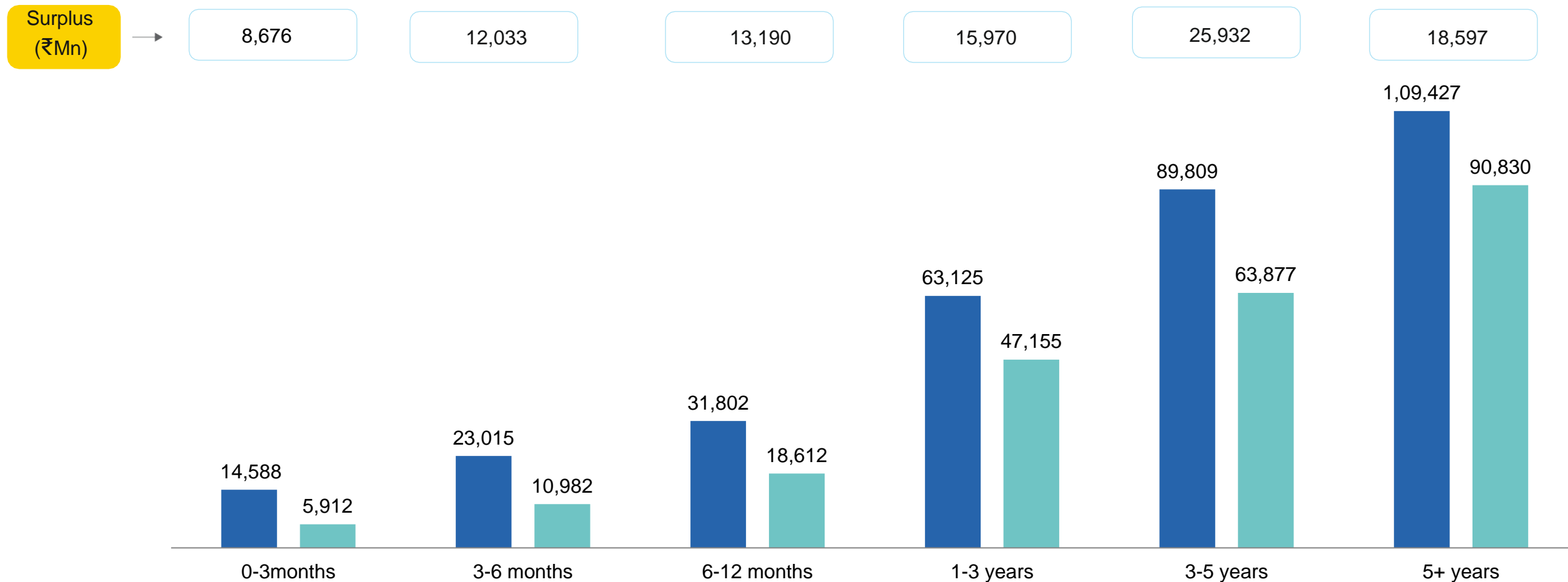
Public Sector Banks	State Bank of India	Central Bank of India	Union Bank	Private Sector Banks	HDFC Bank	ICICI Bank	Axis Bank	South Indian Bank	Karnataka Bank	NBFC	Bajaj Finance
	IDBI Bank	Bank of India			Federal Bank	Kotak Mahindra Bank	HSBC	Qatar National Bank	Yes Bank		

Validation by NHB - Single largest lender with ₹ 9,912.9 Mn outstanding 20+ lines

NCDs worth Rs. 280 Crs placed with **International Finance Corporation (IFC)**

— ALM Position as of Dec'22 - Cumulative

■ Inflow ■ Outflow



Robust ALM profile ensuring sufficient liquidity buffers

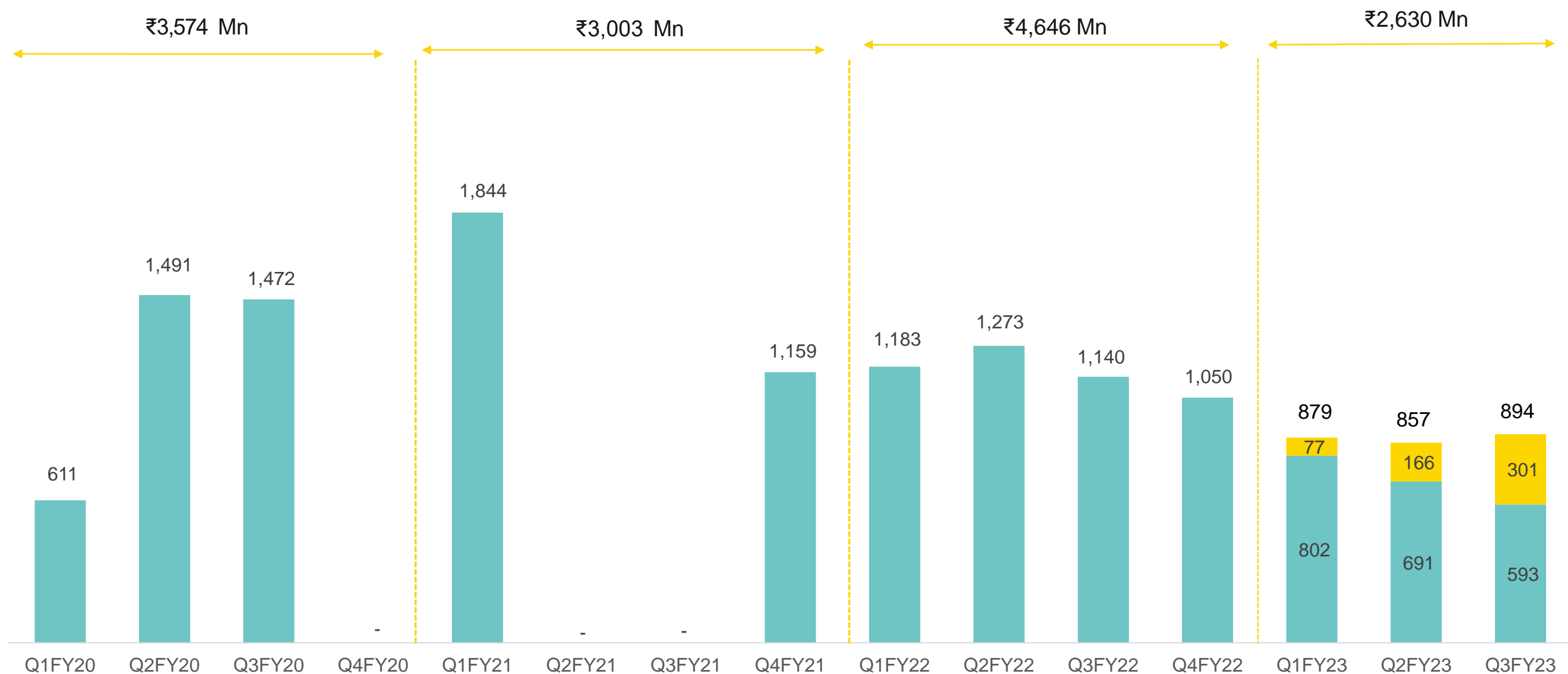
Cumulative Positive flows across all the time buckets

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



Consistent demand for assignment of the company's portfolio

Generated business from co-lending transactions

— Strong Liquidity Position

Liquidity Buffer as on Dec'22 (in ₹Mn)

Unencumbered Cash and Cash equivalent	7,592
Un-availed Sanction from NHB	6,000
Un-availed Sanction from Banks	1,645
Total	15,237

Particulars (in ₹Mn)	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Opening Liquidity	15,237	16,732	16,727	17,165
Add: Principal Collections & Surplus Operations	4,210	4,252	4,053	3,985
Less: Debt Repayments	2,715	4,257	3,615	3,513
Closing Liquidity	16,732	16,727	17,165	17,637

₹ 26,122 million

Liquidity raised during 9M FY23

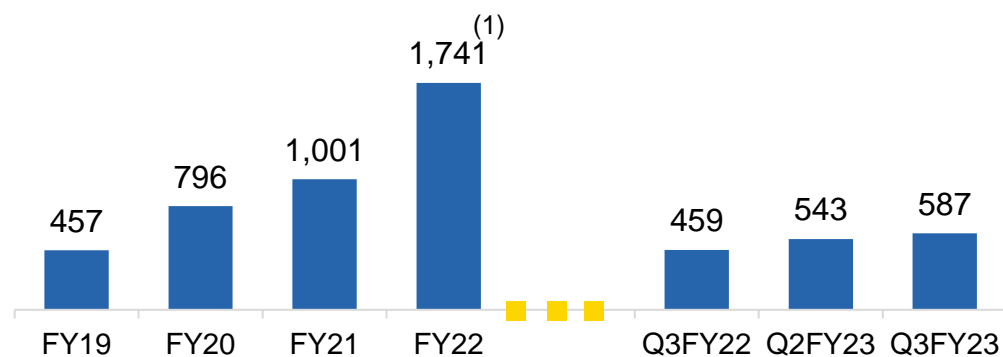
Data as per IGAAP



Financial Updates

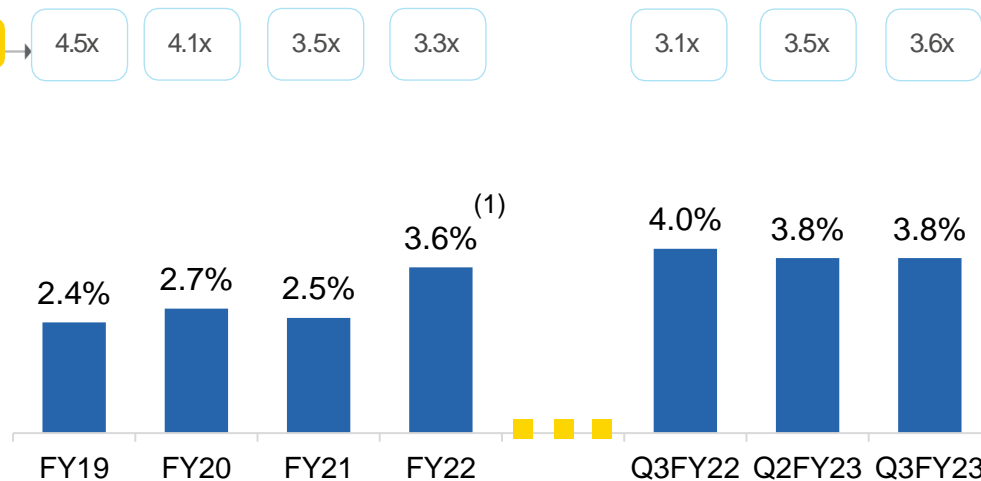
Financial Highlights

Profit After Tax (₹Mn)



Strong profit growth

Return on Average Assets

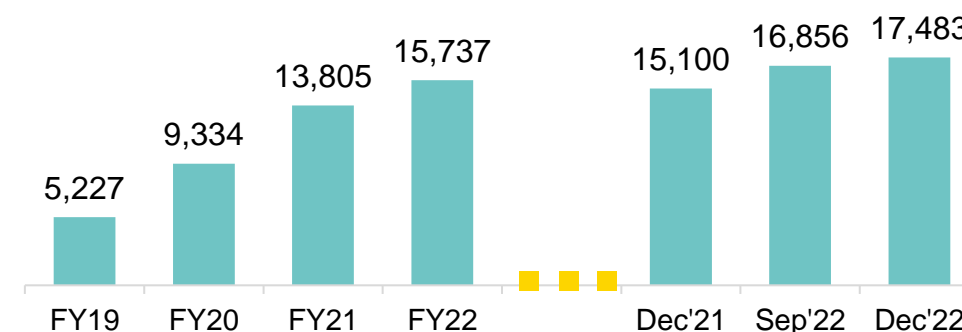


Note: Fiscal year ending 31st March. A/E – Average Total Assets / Average Equity.

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

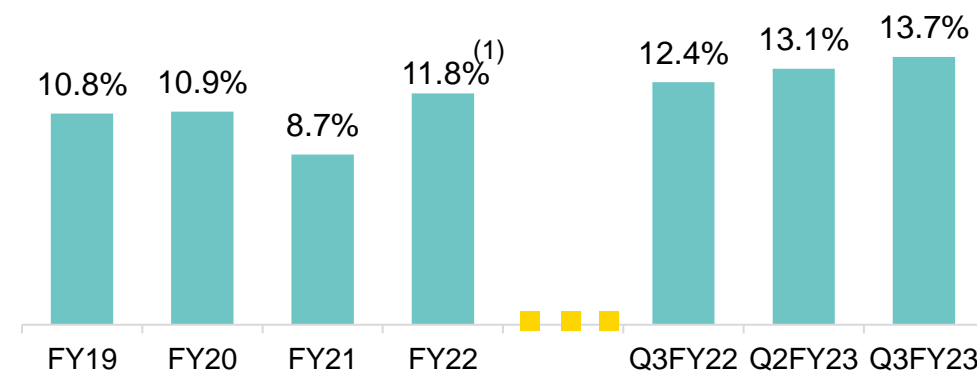
Net worth (₹Mn)

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
For period ended Dec'22					
Loans – Principal Outstanding	54,803.7	669.4	1,007.9		56,481.0
ECL Provision	156.7	76.3	293.1	13.8	539.9
Net Loans – Principal Outstanding	54,647.0	593.1	714.8		55,941.1
ECL Provision %	0.3%	11.4%	29.1%		1.0%
For period ended Sep'22					
Loans – Principal Outstanding	50,259.4	690.4	1,001.1		51,950.9
ECL Provision	153.9	78.1	264.5	12.1	508.5
Net Loans – Principal Outstanding	50,105.5	612.3	736.6		51,442.4
ECL Provision %	0.3%	11.3%	26.4%		1.0%
For period ended Dec'21					
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%

Total Provision Coverage Ratio

Dec'22	53.6%	(87.4% Pre-RBI circular)
Sep'22	50.8%	(91.0% Pre-RBI circular)
Dec'21	46.2%	(69.1% Pre-RBI circular)

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 ₹390.28 millions as non-performing assets (Stage 3) as at 31 Dec 2022 in accordance with regulatory requirements.



Annexures

— Quarterly and Annual Profit and Loss Statement

Particulars (in ₹Mn)	Q3FY23	Q2FY23	Q3FY22	QoQ	YoY
Interest Income on term loans	1,800.7	1,637.2	1,214.5	10.0%	48.3%
Net gain on DA	76.0	93.3	175.8		
Income other than interest income on term loans ⁽¹⁾	178.7	163.6	126.7		
Total Income	2,055.4	1,894.1	1,517.0	8.5%	35.5%
Interest expense	793.0	709.0	544.5		
Net Interest Income	1,007.7	928.2	670.0	8.6%	50.4%
Net Total Income	1,262.4	1,185.1	972.5	6.5%	29.8%
Operating Expenses ⁽²⁾	445.1	443.7	321.3		
PPOP	817.3	741.4	651.2	10.2%	25.5%
Credit Cost	59.9	49.7	59.7		
Profit before tax	757.4	691.7	591.5	9.5%	28.1%
Tax expense	170.0	149.0	132.1		
One-time tax adjustment					
Profit after tax	587.4	542.7	459.4		
Adjusted PAT⁽³⁾	587.4	542.7	459.4	8.2%	27.9%
Basic EPS	6.7	6.2	5.2		
Diluted EPS	6.5	6.0	5.1		

FY22	FY21	YoY
4,770.5	4,061.3	17.5%
678.4	439.3	
508.2	390.9	
5,957.1	4,891.5	21.8%
2,148.2	2,165.8	-0.8%
2,622.3	1,895.5	38.3%
3,808.9	2,725.7	39.7%
1,295.7	1,063.8	
2,513.2	1,661.9	51.2%
250.2	321.5	
2,263.0	1,340.4	68.8%
522.1	339.0	
(120.1)	-	
1,861.0	1001.4	
1,740.8	1001.4	73.8%
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) YoY growth in PAT computed considering Adjusted PAT for FY22 without the impact of one-time deferred tax liability adjustment

— RoE Tree

Particulars	Q3 FY23	Q2 FY23	Q3 FY22	FY22	FY21
Interest Income on term loans / Average total assets	11.5%	11.4%	10.5%	9.9%	10.2%
Net Gain on DA / Average total Assets	0.5%	0.7%	1.5%	1.4%	1.1%
Income other than interest income on term loans/ Average total assets	1.1%	1.1%	1.1%	1.1%	1.0%
Total Income / Average total assets	13.1%	13.2%	13.1%	12.4%	12.2%
Interest on borrowings and debt securities / Average total assets	5.1%	5.0%	4.7%	4.5%	5.4%
Net Interest Margin	6.4%	6.5%	5.8%	5.4%	4.7%
Net Total Income / Average total assets	8.0%	8.3%	8.4%	7.9%	6.8%
Operating Expenses / Average total assets	2.8%	3.1%	2.8%	2.7%	2.7%
PPOP/ Average total assets	5.2%	5.2%	5.6%	5.2%	4.2%
Credit Cost / Average total assets	0.4%	0.3%	0.5%	0.5%	0.8%
Profit before tax / Average total assets	4.8%	4.8%	5.1%	4.7%	3.4%
Tax expense / Average total assets	1.0%	1.0%	1.1%	1.1%	0.8%
One-time tax adjustment/ Average total assets				(0.2%)	-
Profit after tax on average total assets	3.8%	3.8%	4.0%	3.9%	2.5%
Adjusted PAT on average total assets (ROA)⁽¹⁾	3.8%	3.8%	4.0%	3.6%	2.5%
Leverage (Average total assets / average Equity or average Net worth)	3.6	3.5	3.1	3.3	3.5
Profit after tax on average equity or average Net worth (ROE)⁽¹⁾	13.7%	13.1%	12.4%	11.8%	8.7%
Average interest earning assets as % of average total assets	86.7%	87.0%	83.0%	80.2%	80.3%
Average interest bearing liabilities as % of average total assets	70.8%	69.3%	65.8%	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 FY22 is computed considering Adjusted PAT FY22 without the impact of one-time deferred tax liability adjustment

— Key Financial Ratios

Particulars	Q3FY23	Q2FY23	Q3FY22	FY22	FY21
Profit after tax on average total assets (ROA)	3.8%	3.8%	4.0%	3.6% ⁽¹⁾	2.5%
Leverage (Average total assets / average Equity or average Net worth)	3.6	3.5	3.1	3.3	3.5
Profit after tax on average equity or average Net worth (ROE)	13.7%	13.1%	12.4%	11.8% ⁽¹⁾	8.7%
Cost to Income Ratio (Operating Expenses / Net Total Income)	35.3%	37.4%	33.0%	34.0%	39.0%
Operating Expenses / Average total assets	2.8%	3.1%	2.8%	2.7%	2.7%
Debt to equity ratio	2.7	2.5	2.0	2.2	2.2
CRAR (%)	49.6%	50.7%	59.0%	58.6%	56.2%
CRAR - Tier I Capital	49.1%	50.2%	57.8%	58.0%	55.2%
CRAR - Tier II Capital	0.5%	0.5%	1.2%	0.6%	1.0%
Book Value Per Share	199.0	192.1	172.4	179.6	158.0

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

Balance Sheet

Particulars (in ₹Mn)	Q3FY23	FY22	FY21
ASSETS			
Cash & cash equivalents and Other bank balance	3,675.6	6,678.5	6,798.7
Loans	55,954.9	43,048.7	33,265.0
Investments	4,338.4	-	3,750.1
Other financial assets	1,158.2	1,150.0	1,011.7
Property, plant and Equipment*	223.1	200.0	164.0
Non-financial assets other than PPE	126.8	91.5	112.1
TOTAL ASSETS	65,477.0	51,168.7	45,101.6
LIABILITIES & EQUITY			
Payables	95.0	62.0	48.5
Debt Securities	3,467.8	1,687.8	2,395.9
Borrowings	43,546.1	32,979.9	28,141.0
Other financial liabilities	738.3	569.1	534.8
Provisions	72.3	45.4	32.4
Deferred Tax Liabilities (Net)	0.0	17.4	79.6
Other non-financial liabilities	74.2	70.2	64.0
Equity	17,483.3	15,736.9	13,805.4
TOTAL LIABILITIES & EQUITY	65,477.0	51,168.7	45,101.6

* 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

CIN: L65990MH2010PLC240703

Mr. Manish Kayal, Head - Investor Relations

✉ manish.kayal@homefirstindia.com

Investor Relations - HomeFirst

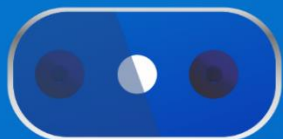
✉ investor.relations@homefirstindia.com

Investor Relations Advisors

Mr Ashish Chovatia

☎ +91 9930044680

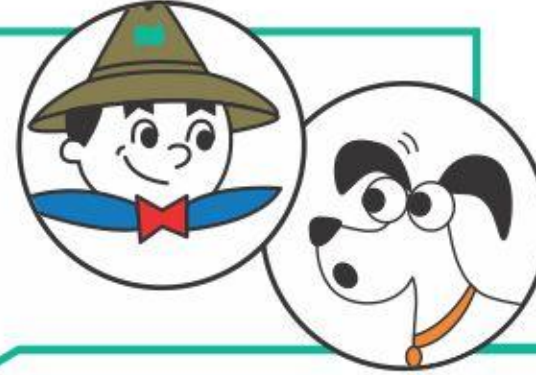
✉ ashish.chovatia@linkintime.co.in



Terms	Explanation
AUM - Assets Under Management	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.
POS - Principal Outstanding	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.
NII - Net Interest Income	Net Interest Income represents interest income on term loans minus Interest on borrowings and Interest on debt securities for the relevant year or period
NIMs - Net Interest Margin	Net Interest Income / Average total assets
DA - Direct Assignment / Assigned Assets	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.
DPD - Days Past Due	
DPD 30+	DPD 30+ represents sum of Stage 2 loan assets and Stage 3 loan assets at the end of the relevant year or period
Gross Stage 3 / POS %	% Stage 3 loan assets / Loans - Principal Outstanding
Opex to Assets	Operating Expenses / Average Total Assets
Cost to Income	Operating Expenses / Net Total Income

GREEN SPACE

by *homefirst*



GS005

