

Home First Finance Company India Limited

AUM grows by ~36% y-o-y to reach INR 5832 Crs in Jun'22.

Business momentum continues with highest ever quarterly disbursements of INR 661 Crs.

Asset quality improves further. GNPA reduced by 20bps (q-o-q basis) to 2.1% as of Jun'22.

Assets Under Management (AUM)

INR 5,832 Crs

+35.8% (y-o-y) | +8.4% (q-o-q)

Disbursement

INR 661 Crs

+117.0% (y-o-y) | +3.1% (q-o-q)

Gross Stage 3 / POS (GNPA %)

2.1⁽¹⁾

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

- 20 bps (q-o-q)

Profit After Tax (PAT)⁽²⁾

INR 51 Crs

+46.0% (y-o-y) | +6.4% (q-o-q)

y-o-y

q-o-q

Press Release: 27th July 2022, Mumbai.

Key Performance Indicators for Q1 FY23

Particulars	Q1FY23	Q1FY22	y-o-y	Q4FY22	q-o-q
AUM (INR Crs)	5832	4,294	+35.8%	5380	+8.4%
Disbursement (INR Crs)	661	305	+117.0%	641	+3.1%
Total Income (INR Crs)	169	142	+19.4%	156	+8.5%
PAT (INR Crs)	51	35	+46.0%	48 ⁽²⁾	+6.4%
Spread (%) ⁽³⁾	5.8%	5.6%	+20 bps	5.6%	+20 bps
ROA (%)	3.9%	3.1%	+80 bps	4.0% ⁽²⁾	-10 bps
Gross Stage 3 (%)	2.1% ⁽¹⁾	1.9% ⁽¹⁾	NA	2.3% ⁽¹⁾	-20 bps
Cost to Income (%)	35.8%	31.9%	+390 bps	35.7%	+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) QoQ growth in PAT and RoA computed considering Adjusted PAT for Q4FY22 without the impact of one-time deferred tax liability adjustment. (3) IGAAP basis.

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

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

“HomeFirst continues with the growth momentum in Q1FY23. AUM grew by 8.4% on q-o-q and 35.8% on y-o-y basis, disbursements grew by 3.1% on q-o-q basis. PAT grew by 46.0% on y-o-y basis. We have expanded our footprint by adding 13 new physical branches and increased our touchpoints from 200 in Mar’22 to 224 in Jun’22. This is in-line with our aim to increase our presence in large affordable housing finance markets. We are pleased to report that during the quarter, we have done the first transaction under the co-lending tie-up.

During the quarter, we received an rating upgrade on long term credit facilities by ICRA (from A+ Positive to AA- Stable) and Care Rating (from A+ Stable to AA- Stable). This is in addition to AA- Stable rating assigned by India Ratings on our long term credit facilities in Mar’22. This endorses HomeFirst’s strong financial profile along with its ability to maintain adequate liquidity and exhibit efficient capital management. Amidst the tough environment, we have added 2 new banks i.e. South Indian Bank and Qatar National Bank to diversify our borrowing fund sources.

Improvement in asset quality continues across all buckets. Bounce rates improved in Jul’22 to 13.5% (Q1 FY23 – 14.0%, Q4 FY22 – 14.5%). 1+ DPD improved from 5.3% to 5.0% on q-o-q basis. 30+ DPD improved from 3.7% to 3.5% on q-o-q basis. Our Gross Stage 3 (GNPA) as per RBI circular dated 12 Nov 2021, improved from 2.3% to 2.1% on q-o-q basis. Prior to such classification, it stands at 1.2% (Mar’22: 1.3%).

During Q1FY23, our PAT at INR 51 Crs witnessed growth of 46.0% on y-o-y basis and ROE improved by 30 bps to 12.8% over Q4FY22.

Digital adoption has further improved. Usage of the customer app for various activities has increased. 84% of our customers are registered on our app as on Jun’22 compared to 80% in Mar’22. Payments received via the app have gone up by 82% y-o-y.

Overall, Q1 FY23 was a good quarter and within our expectation. With the tailwinds of the sector coupled with overall economic growth and a strong execution mindset, we will continue to deliver excellent results while staying true to our mission of being the *Fastest Provider of Home Finance for the Aspiring Middle Class, delivered with Ease and Transparency.* “

Key Highlights for Q1 FY23:

Asset under Management (AUM):

- INR 5,832 Crs, growth of 35.8% over Q1FY22.
- Focus on housing loans that contribute 90% of AUM and EWS / LIG category that forms ~75% of the customer base.

Distribution:

- As on Jun'23, the Company has 93 branches with presence in 13 States / UT.
- 13 new physical branches added. Total touchpoints increased by 24 from 200 in Mar'22 to 224 in Jun'22.

Disbursements:

- Disbursements of INR 661 Crs in Q1 FY23, y-o-y growth of 117% and 3.1% on q-o-q basis.

Asset Quality:

- Bounce rates improved to 13.5% in Jul'22 from 14.0% in Q1 FY23 and 14.5% in Q4 FY22.
- 1+ DPD improved from 5.3% to 5.0% on q-o-q basis.
- 30+ DPD improved from 3.7% to 3.5% on q-o-q basis.
- Gross Stage 3 (GNPA) in line with RBI circular dated 12 Nov 2021, improved by 20bps to 2.1% from 2.3% on q-o-q basis. Prior to such classification it stands at 1.2% in Jun'22, an improvement of 10bps from 1.3% in Mar'22.

Provisions:

- ECL provision as on Jun'22 is INR 46.7 Crs; resulting in total provision to loans outstanding ratio at 1.0%; and the GNPA total provision coverage ratio (PCR) is at 45.8% in Jun'22 vs 47.1% in Mar'22 (total PCR without considering the impact of RBI circular is 81.0% in Jun'22 vs 83.6% in Mar'22 and 69.1% in Dec'21).

Borrowings:

- Total borrowings including debt securities are at INR 3,780 Crs as on Jun'22 up from INR 3,467 Crs as on Mar'22. The company continues to carry a liquidity of INR 804 Crs as on Jun'22.
- Cost of borrowings at 6.9% in Q1 FY23, lower by 30 bps compared to Q4 FY22.

Spread:

- Spread on loans stood at 5.8% in Q1 FY23, increase of 20bps on y-o-y and q-o-q basis.

Capital Adequacy:

- Total CRAR at 52.3%. Tier I capital stands at 51.8% as on Jun'22.
- Networth as on Jun'22 is at INR 1,628 Crs vis-à-vis INR. 1,574 Crs as on Mar'22.

Financial Performance:

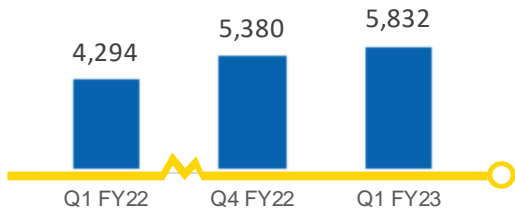
- Q1 FY23 Total Income at INR 169 Crs; y-o-y growth of 19.4% from INR 142 Crs in Q1 FY22, sequential increase of 8.5% over Q4 FY22 of INR 156 Crs.
- PPOP stands at INR 70 Crs, growth of 6.1% on q-o-q basis and 15.2% on y-o-y basis.
- Q1FY23 PAT at INR 51 Crs, up by 6.4% from INR 48 Crs in Q4 FY22 and by 46.0% from INR 35 Crs in Q1 FY22.
- Q1FY23 ROA at 3.9% improved by 80 bps on y-o-y basis and decline of 10bps on q-o-q basis.

HomeFirst Financial Highlights

Quarterly Performance

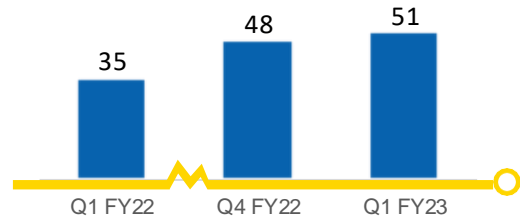
Assets Under Management

INR Qs

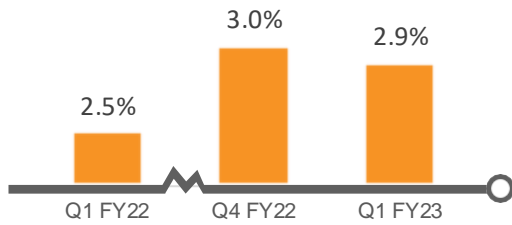


Profit After Tax

INR Qs

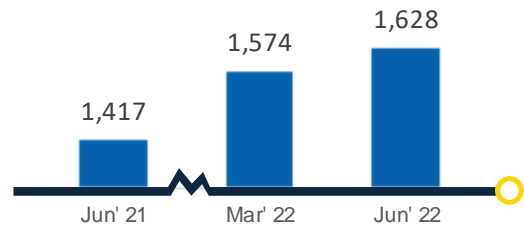


Opex To Asset



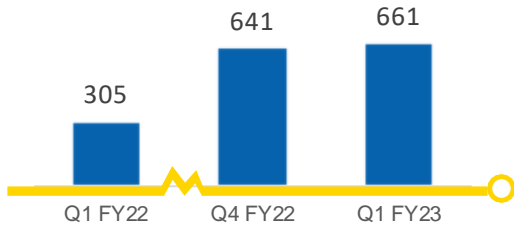
Net worth

INR Qs

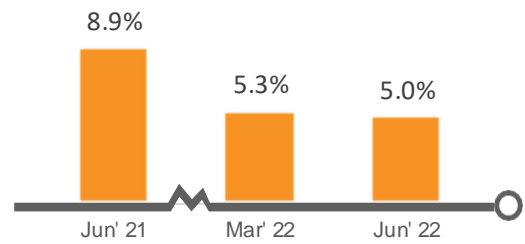


Disbursement

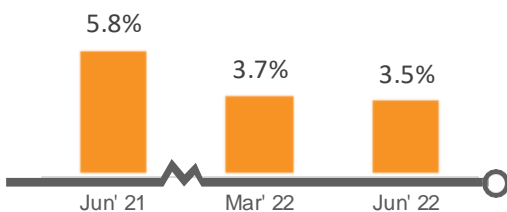
INR Qs



DPD 1+

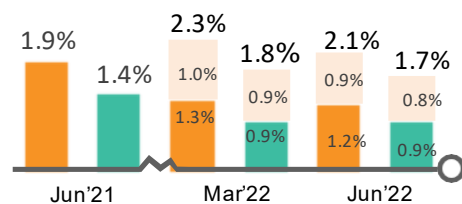


DPD 30+



Gross / Net Stage 3 (GNPA/NNPA)

■ Gross
 ■ Net
 ■ Re-classification due to RBI circular



About Home First Finance Company India Limited

Home First Finance Company India Limited (HomeFirst) is a technology driven affordable housing finance company that targets first time home buyers in low and middle-income groups. It primarily offers housing loans for the purchase or construction of homes. The Company has deep penetration in the largest housing finance markets with a network of 93 branches with presence in 13 States / UT in India, with a significant presence in urbanized regions in the states of Gujarat, Maharashtra, Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. The company has diversified lead generating channels with a wide network of connectors.

Safe Harbor Statement

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

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