

Home First Finance Company India Limited

- Momentum continues with disbursements of INR 702 Crs in Q2, crossed 100 physical branches.
- AUM crosses INR 6,000 Crs, grows by ~36% on y-o-y basis to reach INR 6,275 Crs in Q2 FY23.
- Asset quality improves further. GNPA reduced by 20bps (q-o-q basis) to 1.9% as of Sept'22.

Assets Under Management (AUM)

INR 6,275 Crs

+35.9% (y-o-y) | +7.6% (q-o-q)

Disbursement

INR 702 Crs

+36.3% (y-o-y) | +6.2% (q-o-q)

Gross Stage 3 / POS (GNPA %)

1.9⁽¹⁾

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

- 20 bps (q-o-q)

Profit After Tax (PAT)⁽²⁾

INR 54 Crs

+25.9% (y-o-y) | +5.9% (q-o-q)

y-o-y | q-o-q

Press Release: 19th Oct 2022, Mumbai.

Key Performance Indicators for Q2 FY23

Particulars	Q2FY23	Q2FY22	y-o-y	Q1FY23	q-o-q
AUM (INR Crs)	6,275	4,617	+35.9%	5832	+7.6%
Disbursement (INR Crs)	702	515	+36.3%	661	+6.2%
Total Income (INR Crs)	189	146	+29.6%	169	+11.8%
PAT (INR Crs)	54	43	+25.9%	51	+5.9%
Spread (%) ⁽³⁾	5.8%	5.6%	+20 bps	5.8%	No Change
ROA (%)	3.8%	3.7%	+10 bps	3.9%	-10 bps
Gross Stage 3 (%)	1.9% ⁽¹⁾	1.7% ⁽¹⁾	NA	2.1% ⁽¹⁾	-20 bps
Cost to Income (%)	37.4%	35.2%	+220 bps	35.8%	+160 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 ₹442.39 millions as Gross Stage 3 (GNPA) as at Sept'22 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Sept'22 is 1.1%. (2) YoY growth in PAT and RoA computed considering Adjusted PAT for Q2FY22 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:

“Q2FY23 also saw the momentum continuing on disbursements. We disbursed INR 702 Crs which grew by 36.3% on y-o-y basis and 6.2% on q-o-q basis, witnessed another high for HomeFirst. AUM at INR 6,275 Crs, grew by 7.6% on q-o-q and 35.9% on y-o-y basis. PAT grew by 25.9% on y-o-y basis.

In continuation of our strategy to expand distribution in large affordable housing markets, we have achieved another milestone in our journey by opening 100th physical branch in Nagpur city. Overall, we added 8 physical branches in the quarter, closing the quarter with 101 branches. As of today we do business from 249 touchpoints.

During the quarter, we have signed another Co-lending agreement with Central Bank of India. On Co-lending business, we executed a transaction of INR 166 Mn during the quarter and believe this will pick-up momentum in the medium term. We continue to focus on broadening our fund sources with a competitive cost of borrowing, thereby holding our spreads. Amidst the rising interest rate scenario, we have added 2 new banks i.e. Karnataka Bank and Yes Bank.

Improvement in asset quality continues across all buckets. 1+ DPD improved from 5.0% to 4.7% on q-o-q basis and 30+ DPD improved from 3.5% to 3.3% on q-o-q basis. Our Gross Stage 3 (GNPA) as per RBI circular dated 12 Nov 2021, improved from 2.1% to 1.9% on q-o-q basis. Prior to such classification, it stands at 1.1% (Mar'22: 1.3%).

During Q2FY23, our PAT at INR 54 Crs witnessed growth of 25.9% on y-o-y basis and ROE improved by 30 bps to 13.1% over Q1FY23.

Digital adoption has further improved. Usage of the customer app for various activities has increased. 87% of our customers are registered on our app as on Sept'22 compared to 84% in Jun'22 and Unique User Logins have also seen increase from 54% of our customers in Q1 FY23 to 57% in Q2 FY23.

Overall, Q2 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 Q2 FY23:

Distribution:

- Opened 100th physical branch in Q2 FY23 at Nagpur City.
- As on Sep'22, the Company has 101 branches with presence in 13 States / UT.
- 8 new physical branches added. Total touchpoints increased by 25 from 224 in Jun'22 to 249 in Sep'22.

Disbursements:

- Disbursements of INR 702 Crs in Q2 FY23, y-o-y growth of 36.3% and 6.2% on q-o-q basis.

Asset under Management (AUM):

- INR 6,275 Crs, growth of 35.9% over Q2FY22.
- Focus on housing loans that contribute 89% of AUM and EWS / LIG category that forms ~72% of the customer base.

Asset Quality:

- Bounce rates improved to 15.1% in Oct'22 from 15.6% in Q2 FY23. Q1 FY23 - 14.0%.
- 1+ DPD improved from 5.0% to 4.7% on q-o-q basis.
- 30+ DPD improved from 3.5% to 3.3% on q-o-q basis.
- Gross Stage 3 (GNPA) in line with RBI circular dated 12 Nov 2021, improved by 20bps to 1.9% from 2.1% on q-o-q basis. Prior to such classification it stands at 1.1% in Sep'22, an improvement of 10bps from 1.2% in Jun'22.

Provisions:

- ECL provision as on Sep'22 is INR 50.8 Crs; resulting in total provision to loans outstanding ratio at 1.0%; and the GNPA total provision coverage ratio (PCR) is at 50.8% in Sep'22 vs 45.8% in Jun'22 (total PCR without considering the impact of RBI circular is 91.0% in Sep'22 vs 81.0% in Jun'22).

Borrowings:

- Total borrowings including debt securities are at INR 4,154 Crs as on Sep'22 up from INR 3,780 Crs as on Jun'22. The company continues to carry a liquidity of INR 1,169 Crs as on Sep'22.
- Cost of borrowings at 7.1% in Q2 FY23, increased by 20 bps compared to 6.9% in Q1 FY23.

Spread:

- Spread on loans stood at 5.8% in Q2 FY23, flat on q-o-q basis and increase of 20bps on y-o-y basis.

Capital Adequacy:

- Total CRAR at 50.7%. Tier I capital stands at 50.2% as on Sep'22.
- Networth as on Sep'22 is at INR 1,686 Crs vis-à-vis INR. 1,628 Crs as on Jun'22.

Financial Performance:

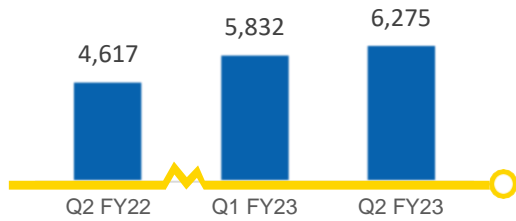
- Q2 FY23 Total Income at INR 189 Crs; y-o-y growth of 29.6% from INR 146 Crs in Q2 FY22, sequential increase of 11.8% over Q1 FY23 of INR 169 Crs.
- PPOP stands at INR 74 Crs, growth of 6.0% on q-o-q basis and 24.3% on y-o-y basis.
- Q2FY23 PAT at INR 54 Crs, up by 5.9% from INR 51 Crs in Q1 FY23 and by 25.9% from INR 43 Crs in Q2 FY22.
- Q2 FY23 ROA at 3.8% improved by 10 bps on y-o-y basis and decline of 10bps on q-o-q basis.

HomeFirst Financial Highlights

Quarterly Performance

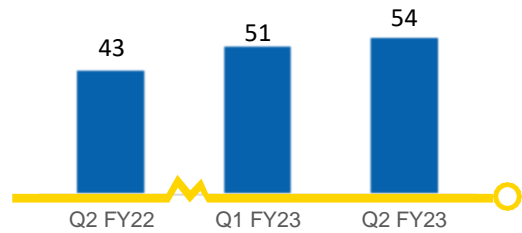
Assets Under Management

INR Crs

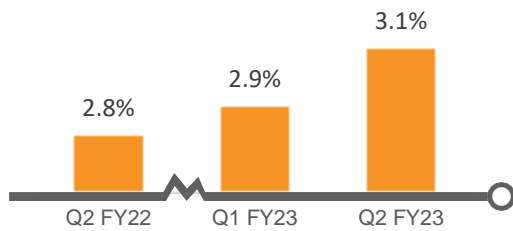


Profit After Tax

INR Crs

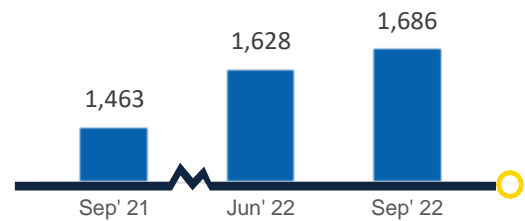


Opex To Asset



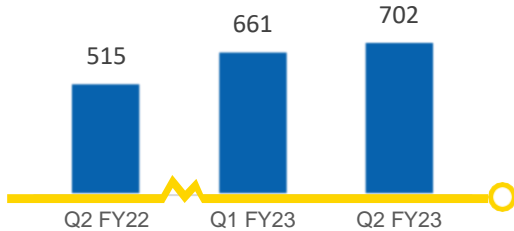
Net worth

INR Crs

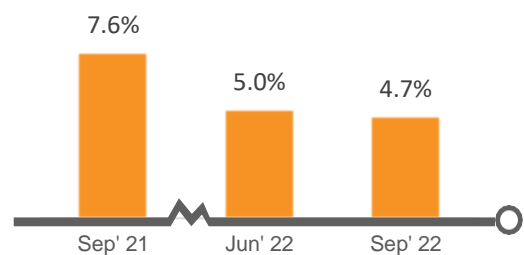


Disbursement

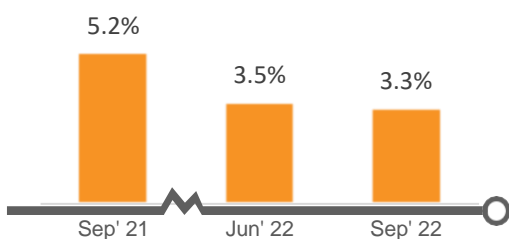
INR Crs



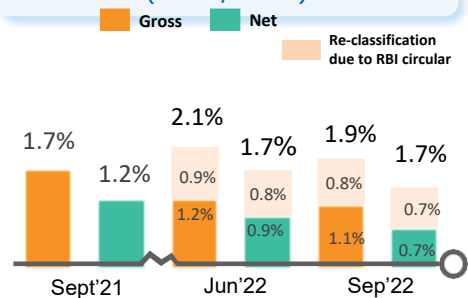
DPD 1+



DPD 30+



Gross / Net Stage 3 (GNPA/NNPA)



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 101 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.

For further information, please contact



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