

Home First Finance Company India Limited

- Strong business momentum continues. FY23 disbursements cross Rs 30bn (+48% y-o-y).
- AUM crosses Rs 70bn (growth of 34% y-o-y).
- Asset Quality sees sharp improvement of 70bps on y-o-y basis. Pre-RBI GNPA lower than Mar'20 levels.
- Reached the milestone of serving 1,00,000 customers since inception.

Assets Under Management (AUM)⁽¹⁾

₹ 71,980 Mn

+33.8%

+6.6%

FY23 Disbursement

₹30,129 Mn

+48.4%

Gross Stage 3 / POS (GNPA %)

1.6⁽²⁾

In line with RBI circular dated 12 Nov 2021
0.9% prior to such classification

- 70 bps

- 20 bps

FY23 Profit After Tax (PAT)

₹2,283 Mn

+31.1%

y-o-y

q-o-q

Press Release: 2nd May 2023, Mumbai.

Key Performance Indicators for Q4 FY23

Particulars	Q4FY23	Q4FY22	y-o-y	Q3FY23	q-o-q	FY23	FY22	y-o-y
AUM (INR Crs)	7,198	5,380	+33.8% ⁽¹⁾	6,751	+6.6% ⁽¹⁾	7,198	5,380	+33.8% ⁽¹⁾
Disbursement (INR Crs)	869	641	35.6%	780	11.4%	3,013	2,031	48.4%
Total Income (INR Crs)	231	156	48.2%	206	12.5%	796	596	33.6%
PAT (INR Crs)	64	48 ⁽⁴⁾	32.9%	59	9.0%	228	174 ⁽⁴⁾	31.1%
Spread (%) ⁽³⁾	5.5%	5.6%	-10 bps	5.7%	-20 bps	5.7%	5.6%	+10 bps
ROA (%)	3.9%	4.0% ⁽⁴⁾	-10 bps	3.8%	+10 bps	3.9%	3.6% ⁽⁴⁾	+30 bps
Gross Stage 3 (%)	1.6% ⁽²⁾	2.3%	-70 bps	1.8%	-20 bps	1.6%	2.3%	-70 bps
Cost to Income (%)	34.4%	35.7%	-130 bps	35.3%	-90 bps	35.7%	34.0%	+170 bps

(1) Excluding PMAY CLSS subsidy, AUM growth y-o-y is 36.6% and q-o-q is 8.5%. (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 ₹421.32 millions as Gross Stage 3 (GNPA) as at Mar'23 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Mar'23 is 0.9%. (3) IGAAP basis. (4) YoY growth in PAT and ROA computed considering Adjusted PAT for FY22 without the impact of one-time deferred tax liability adjustment

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

“FY23 year was a year of several notable milestones for the Company. We can now take pride in having served 1,00,000 customers since inception with total housing loans disbursed in excess of 10,000 Cr. Our physical branch office distribution crossed 100 branches (111 branches as of 31 Mar, 2023) and disbursed more than Rs 3,000 Crs in this financial year which is the highest ever since the commencement of business. This year also saw the entry of International Finance Corporation (a member of World Bank Group) as a lending partner to the Company with the issue of NCDs aggregating to Rs 280 Cr. We also received a “low risk” ESG rating from Morningstar’s Sustainalytics, a testament to our best-in-class business practices.

We continue to expand our distribution in large affordable housing markets in States where we are already present, going deeper in a contiguous manner. We now do business across 265 touchpoints (increase of 65 from Mar’22 levels) across Tier 1, Tier 2 and Tier 3 markets in 13 states/ UT.

HomeFirst’s disbursements momentum increased from Rs 2,031 in FY22 to Rs 3,013 Crs in FY23, another high for HomeFirst, leading to AUM growth of 33.8% from Rs 5,380 Crs to Rs 7198 Crs.

Our focus on early bucket collections has further progressed in FY23. 1+ DPD improved from 5.3% to 4.0% on y-o-y basis. 30+ DPD improved from 3.7% to 2.7% on y-o-y basis. Gross Stage 3 (GNPA) as per RBI circular dated 12 Nov 2021, improved from 2.3% to 1.6% on y-o-y basis. Prior to such classification, it stands at 0.9% (Mar’22: 1.3%).

Digital adoption has further improved. 93% of our customers are registered on our app as on Mar’23 compared to 91% in Dec’22 & 80% in Mar’22. Unique User Logins improved from 54% in Q4FY22 to 57% in Q4FY23. Service requests raised on app have improved from 83% to 91% on a y-o-y basis.

During FY23, Profit After Tax increased by 31% from Rs 174 Crs to Rs 228 Crs. ROE improved sharply by 170 bps to 13.5% in FY23 over FY22’s 11.8%. Q4FY23 witnessed ROE of 14.4% vs 12.5% for Q4FY22. Improvement in ROE was backed by strong NIMs (6.4% vs 5.4% y-o-y), optimal use of cash and judicious operating costs. We believe ROE’s can improve further as we scale and operating leverage benefits continue to flow through.

Overall, FY23 was a very good year and we look forward to an even better FY24 given the tailwinds of the housing sector supported by overall economic growth momentum and strong execution mindset of the company. 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.”**

* Excluding PMAY CLSS subsidy, AUM growth y-o-y is 36.6% and q-o-q is 8.5%

Key Highlights for Q4 & FY23:

Distribution:

- As on Mar'23, the Company has 111 branches with presence in 13 States / UT.
- Total touchpoints increased to 265 in Mar'23 from 261 in Dec'22 & 200 in Mar'22.

Disbursements:

- Quarterly disbursements of INR 869 Crs in Q4 FY23, y-o-y growth of 35.6% and 11.4% on q-o-q basis.
- Yearly disbursements of INR 3013 Crs in FY23, y-o-y growth of 48.4%.

Asset under Management (AUM):

- INR 7,198 Crs, growth of 33.8% over Mar'22.
- Focus on housing loans that contribute 88% of AUM and EWS / LIG category that forms ~68% of the customer base.

Asset Quality:

- Bounce rates improved to 13.6% in Q4FY23 from 14.9% in Q3 FY23.
- 1+ DPD improved to 4.0% from 4.4% on q-o-q basis and 5.3% on y-o-y basis.
- 30+ DPD improved to 2.7% from 3.0% on q-o-q basis and 3.7% on y-o-y basis.
- Gross Stage 3 (GNPA) in line with RBI circular dated 12 Nov 2021, improved by 20bps to 1.6% from 1.8% on q-o-q basis and by 70 bps on y-o-y basis. Prior to such classification it stands at 0.9% in Mar'23.

Provisions:

- ECL provision as on Mar'23 is INR 58 Crs; resulting in total provision to loans outstanding ratio at 1.0%; and the GNPA total provision coverage ratio (PCR) is at 59.5% in Mar'23 vs 47.1% in Mar'22 (total PCR without considering the impact of RBI circular is 104.8% in Mar'23 vs 83.6% in Mar'22).

Borrowings:

- Total borrowings including debt securities are at INR 4,814 Crs as on Mar'23 up from INR 3,467 Crs as on Mar'22. The company continues to carry a liquidity of INR 1,802 Crs as on Mar'23.
- Cost of borrowings at 7.4% in FY23, increased by 20 bps compared to 7.2% in FY22.

Spread:

- Spread on loans stood at 5.7% in FY23, increase of 10bps over FY22.

Capital Adequacy:

- Total CRAR at 49.4%. Tier I capital stands at 48.9% as on Mar'23.
- Networth as on Mar'23 is at INR 1,817 Crs vis-à-vis INR. 1,574 Crs as on Mar'22.

FY23 Financial Performance:

- Total Income at INR 796 Crs; y-o-y growth of 33.6%.
- PPOP stands at INR 317 Crs, growth of 26.0% on y-o-y basis.
- Adjusted PAT at INR 228 Crs, up by 31.1% from INR 174 Crs in FY22.

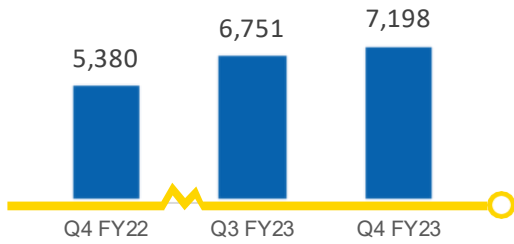
* Excluding PMAY CLSS subsidy, AUM growth y-o-y is 36.6% and q-o-q is 8.5%

HomeFirst Financial Highlights

Q4FY23 Quarter Performance

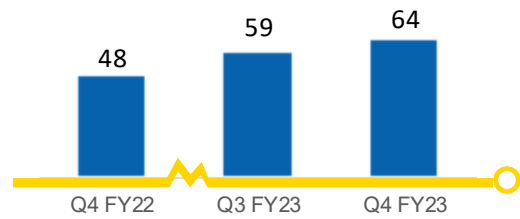
Assets Under Management

INR Qs

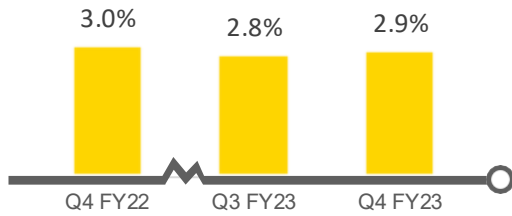


Profit After Tax

INR Qs

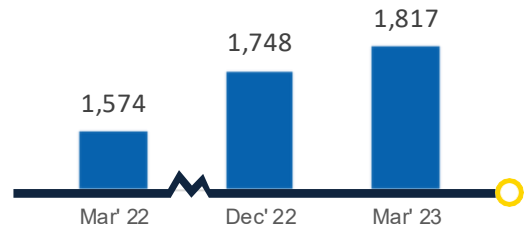


Opex To Asset



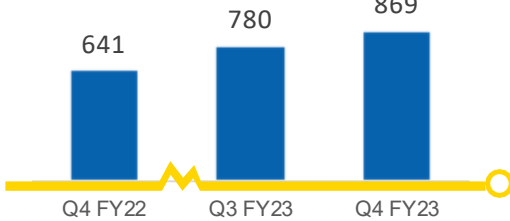
Net worth

INR Qs

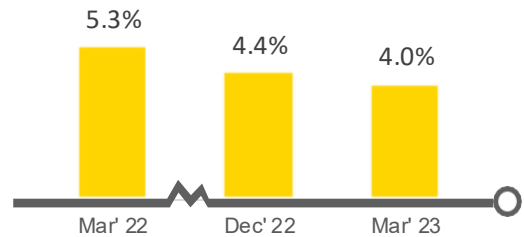


Disbursement

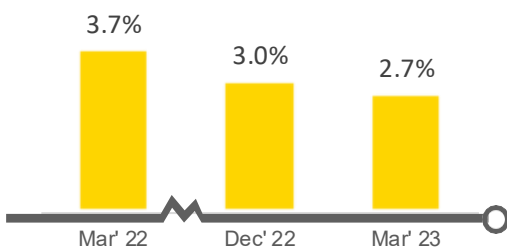
INR Qs



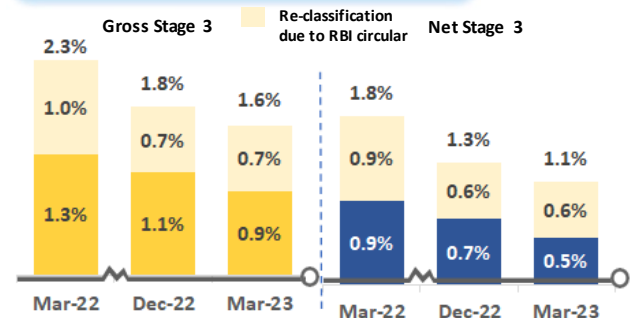
DPD 1+



DPD 30+



Gross / Net Stage 3 (GNPA/NNPA)

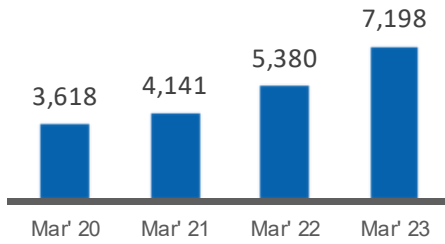


Financial Highlights

FY23 Annual Performance

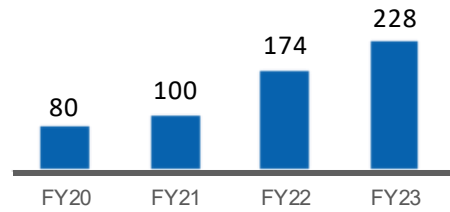
Assets Under Management

INR Qs

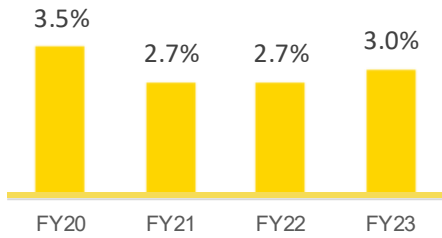


Profit After Tax

INR Qs

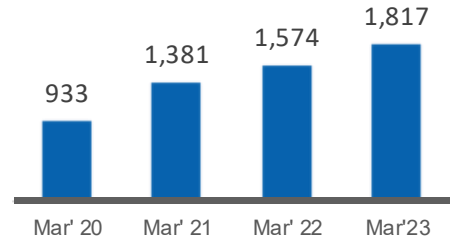


Opex To Asset



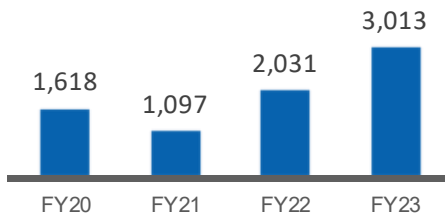
Net worth

INR Qs

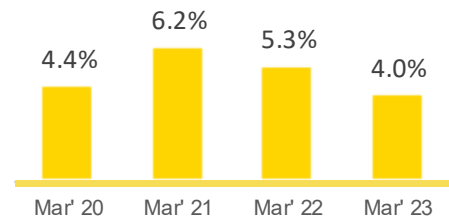


Disbursement

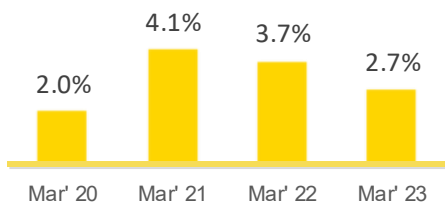
INR Qs



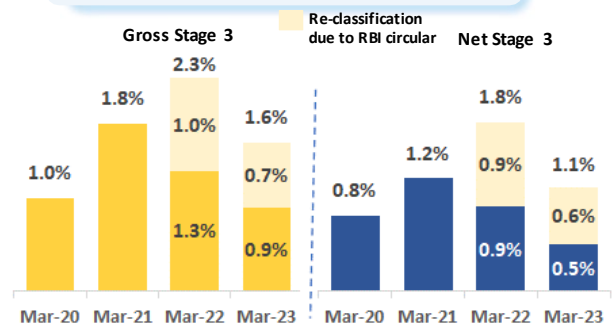
DPD 1+



DPD 30+



Gross / Net Stage 3 (GNPA/NNPA)



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 111 branches with presence in 13 States / UT in India, with a significant presence in emerging urban 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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