

HFFCIL/BSE/NSE/EQ/53/2021-22

Date: 05-08-2021

To, BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001. Scip Code- 543259	To, The National Stock Exchange of India Limited, The Listing Department, Bandra Kurla Complex, Mumbai 400 051. Scrip Symbol- HOMEFIRST
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Subject: Presentation by MD & CEO at the 12th Annual General Meeting of the Company

Dear Sir / Madam

Please find enclosed herewith the presentation given by Mr. Manoj Viswanathan (Managing Director and Chief Executive Officer) at the 12th Annual General Meeting of the Company held on August 5, 2021 from 11.00 A.M. held through Video Conferencing ("VC") or other Audio-Visual means ("OAVM").

We request you to kindly take the aforesaid on record.

Thanking You,

For **Home First Finance Company India Limited**

Shreyans Bachhawat
Company Secretary and Compliance Officer
ACS NO: A26700



12th Annual General Meeting

Presentation by Manoj Viswanathan, MD & CEO

Tech in Mind. Service at Heart.
Smart Loans for Affordable Homes!

Agenda

Who We Are

FY21 Executive Summary

Opportunity & Drivers

Distribution Reach

Digital & Tech Stack

Portfolio Metrics

Underwriting

Asset Quality

Liabilities & ALM

Financial Highlights

Looking Ahead

Serving Our Communities



- 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
- 92% of book comprise of housing loans with average ticket size of ₹1.0Mn
- Strong liquidity pipeline with positive ALM and zero commercial papers
- Data science backed centralized underwriting with in-depth understanding of local property markets

HomeFirst – Who we are



72
Branches

13
States/UT

76
Districts

137
Touchpoints

51,718
Active customer
accounts

74% salaried
Occupation Mix of
AUM (Q1FY22)

₹14,802 Mn
Liquidity Buffer as on Jun'21

709
Number of
employees
(Q1FY22)

Data as on Jun'21

Our Journey

Scalable operating model

₹42,943 Mn

AuM (Jun'21)

CARE Rating

BBB-

BBB+

CARE / ICRA Rating

A-

A+

We got listed

Warburg Pincus invested in the company ⁽²⁾

WARBURG PINCUS

60,000+ sanctions

AuM crosses ₹35 bn.

30,000+ customers

Net worth crosses ₹5,000 Mn.

Series C
True North acquires majority stake

GIC Co-investment with True North⁽¹⁾

10,000 customers spread across 25+ cities

5,000 customers

Became Profitable

Series B
Alpha TC Holdings Private Limited

Started Operations in Gujarat & Tamil Nadu

Series A
Bessemer Venture Partners

Incorporation

2010

2011

2012

2013

2014

2015

2016

2017

2018

2019

2020

2021

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

Assets Under Management (AUM)

₹41,411 Mn

+14.4%

Disbursement

₹10,966 Mn

-32.2%

Gross Stage 3 / POS

1.8%

+80 bps

Spread *

5.0%

+90 bps

Cost to Income

39.0%

-680 bps

Opex to Assets

2.7%

-80 bps

Profit After Tax (PAT)

₹1,001 Mn

+25.9%

Return On Assets (ROA)

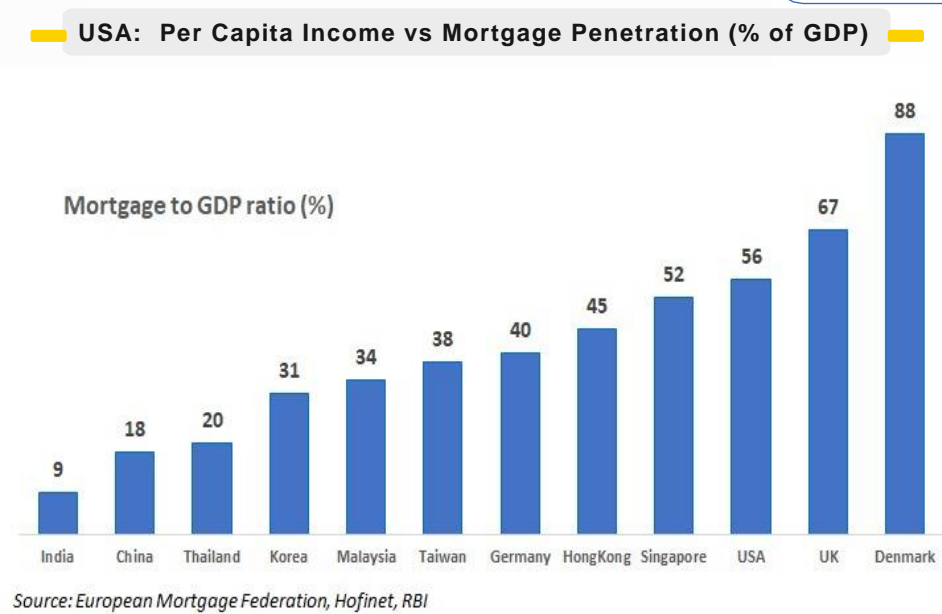
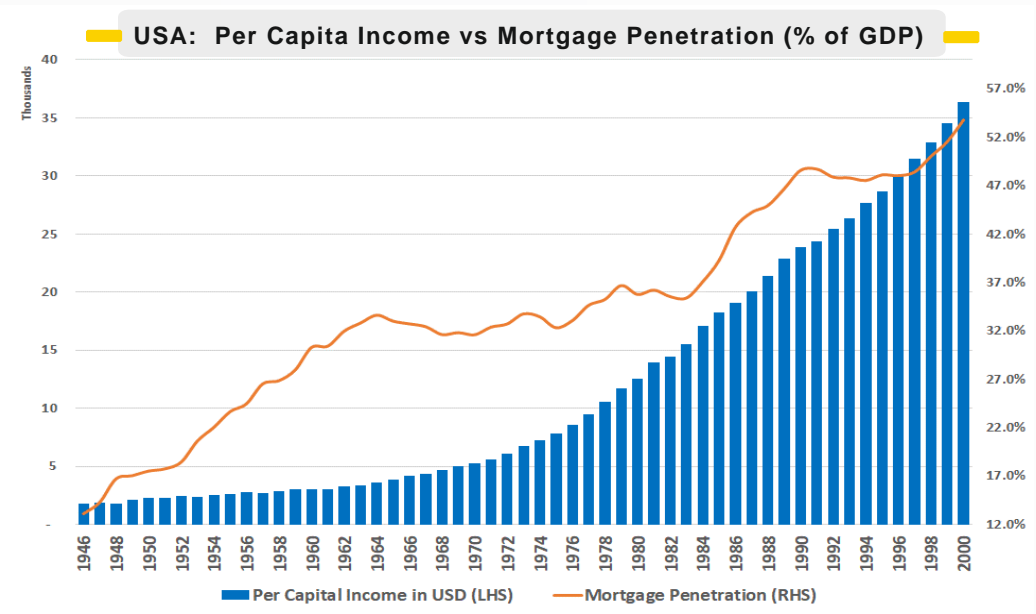
2.5%

-20 bps

Return On Equity (ROE)

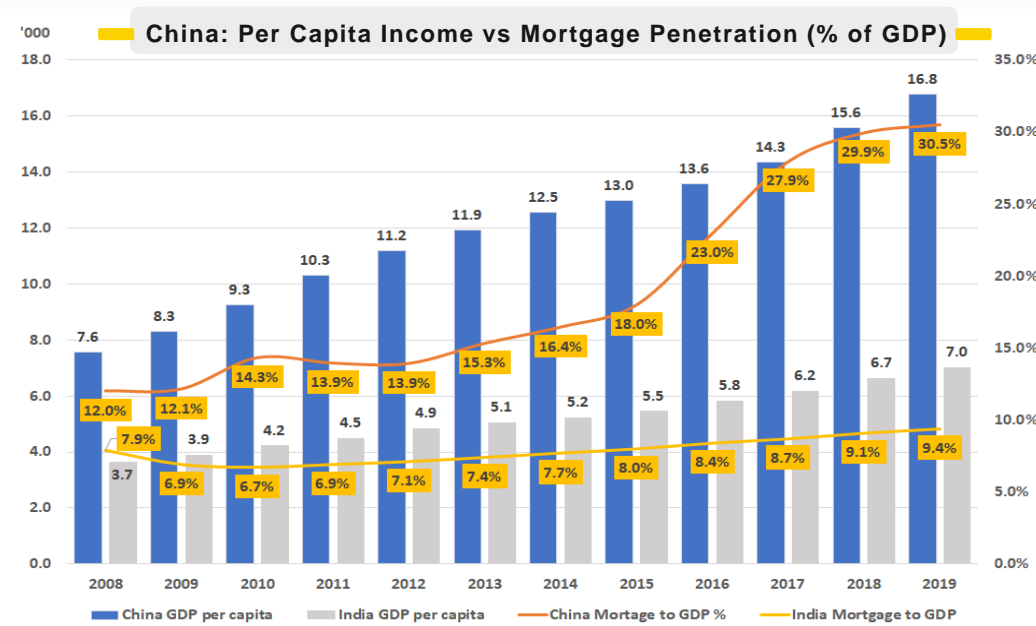
8.7%

-220 bps

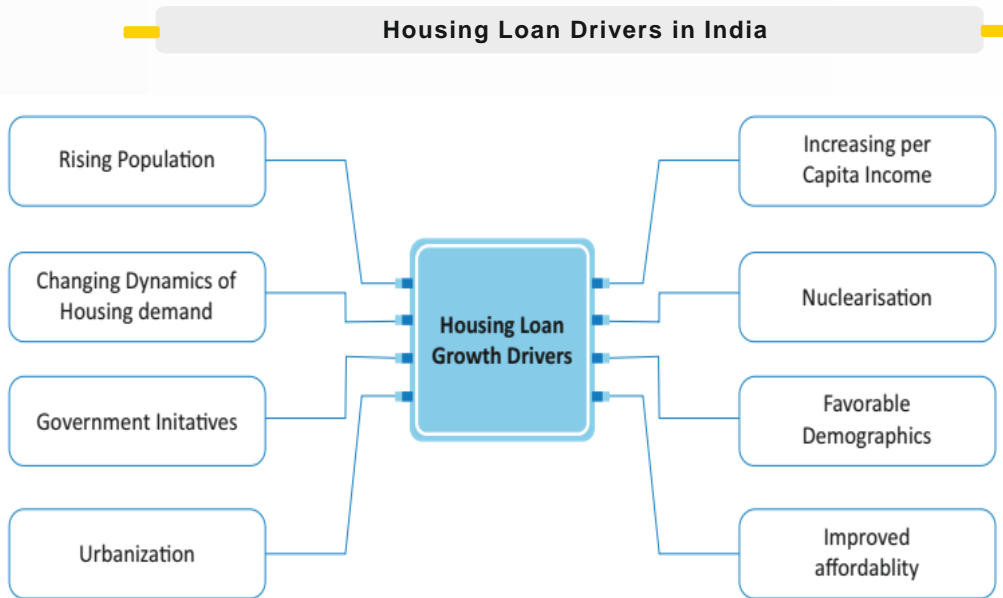


Affordable Housing demand generated per year

2 Mn Units



Source: World Bank, US Federal Bank & Other sources



Housing demand goes hand in hand with per-capita income

Multiple factors favour a huge increase in mortgage penetration in the country

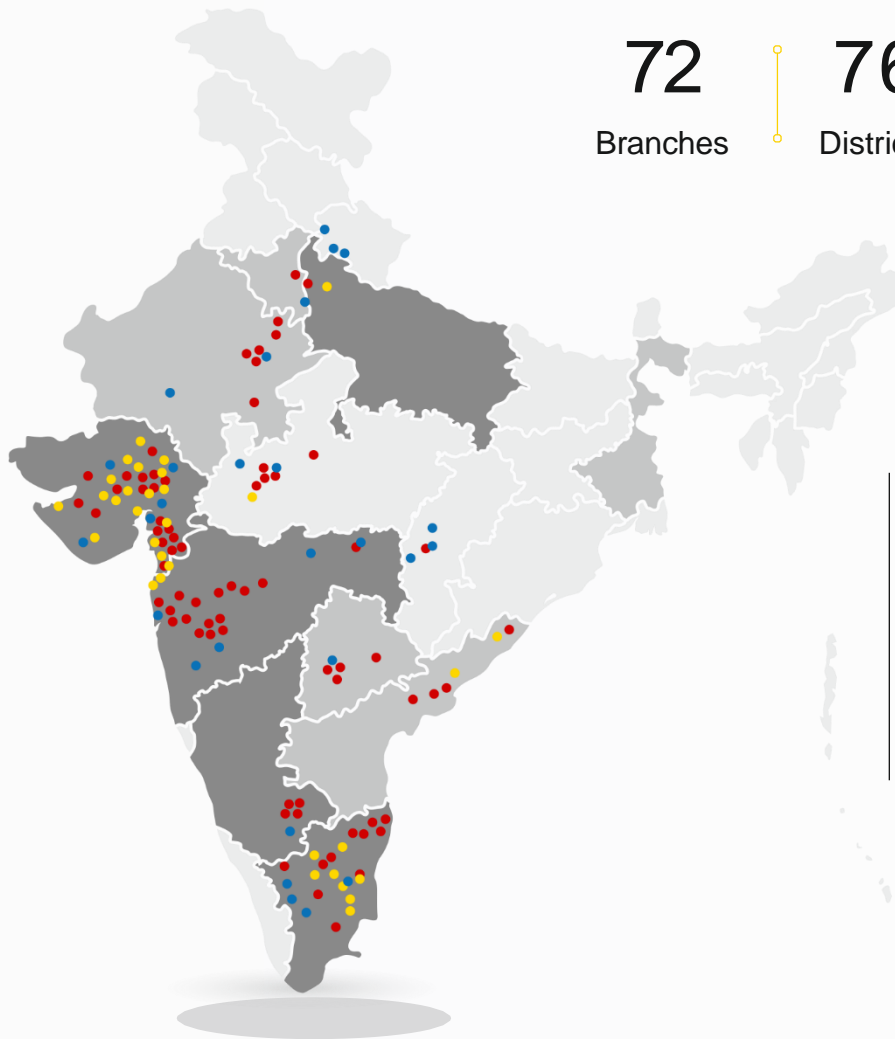
0 - 4 4-7 7 - 15

Contribution to India's GDP FY'20 (%)

- Existing branches - 72
- New branch locations - 33
- Digital branches - 32

Pan India Distribution driven by strategic market selection & contiguous expansion

72 76 12 01 137
Branches Districts States UT Touchpoints



Business commenced in 10 new branch locations.
In addition, 12 new digital branches have been launched.
Taking the total number of touchpoints to 137

Distribution Strategy

- Go deeper in existing States
- Existing States contribute 75% of India's GDP and 79% of AHF credit outstanding*
- Digital sourcing and servicing

Data as on Jun'21

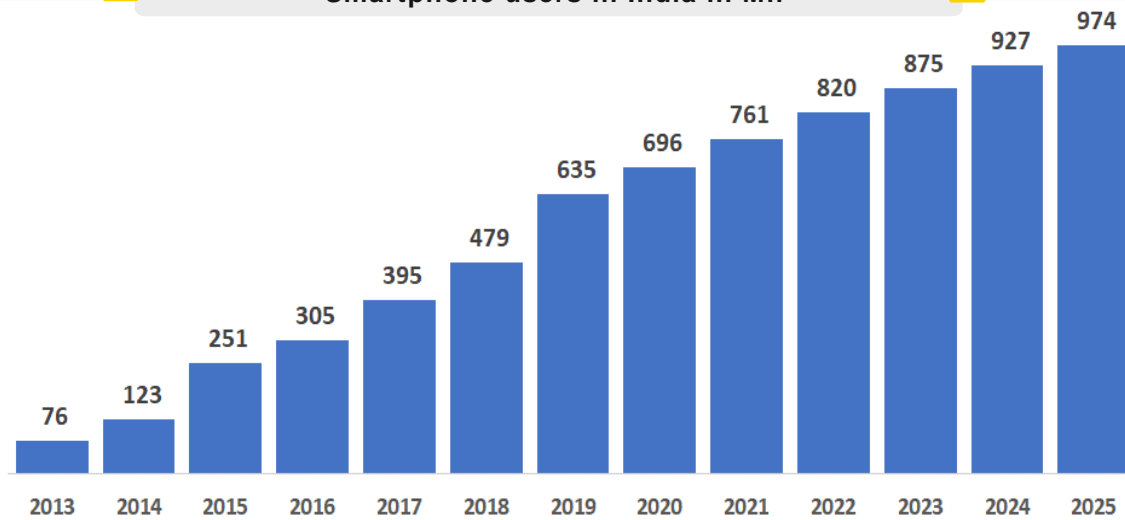
Note: Source for Contribution of states to India's GDP: NSO, MOSPI

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

* AHF credit outstanding is for Rs 5-25 Lakh affordable housing segment as on Mar'21.

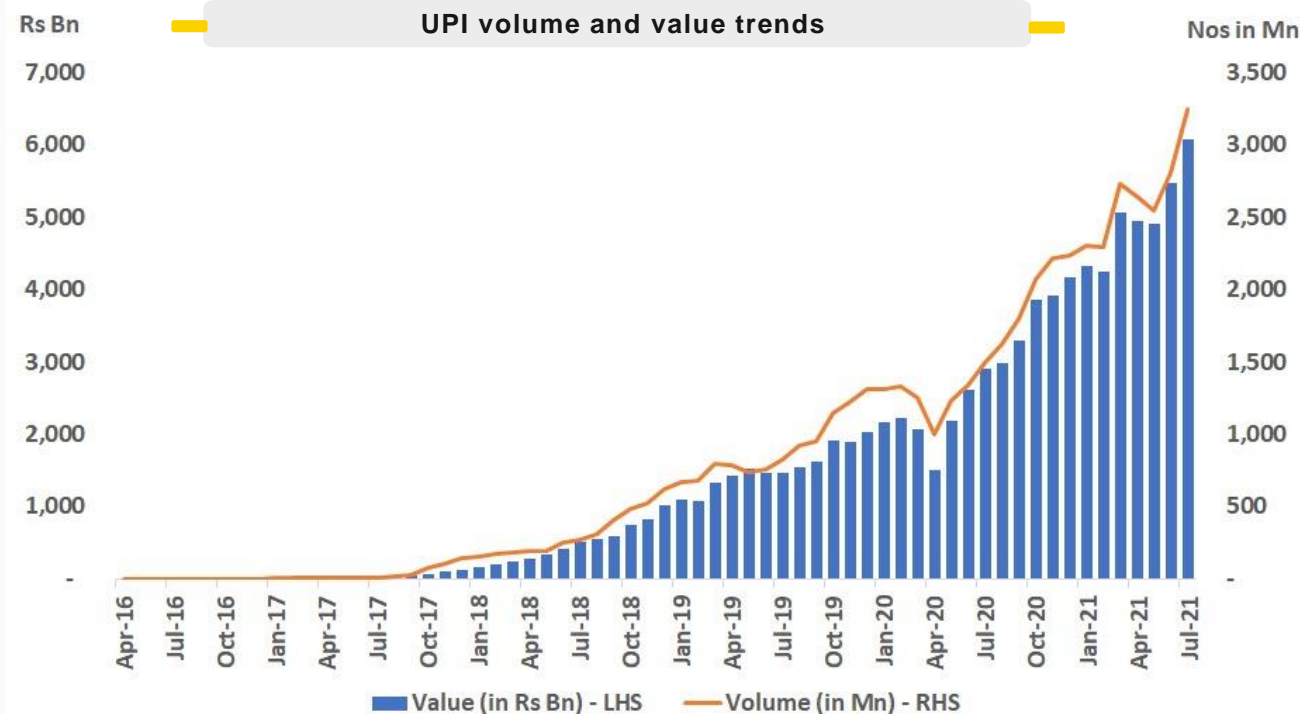
Smartphone users in India in Mn



Source: Statista, <https://www.statista.com/statistics/467163/forecast-of-smartphone-users-in-india/>

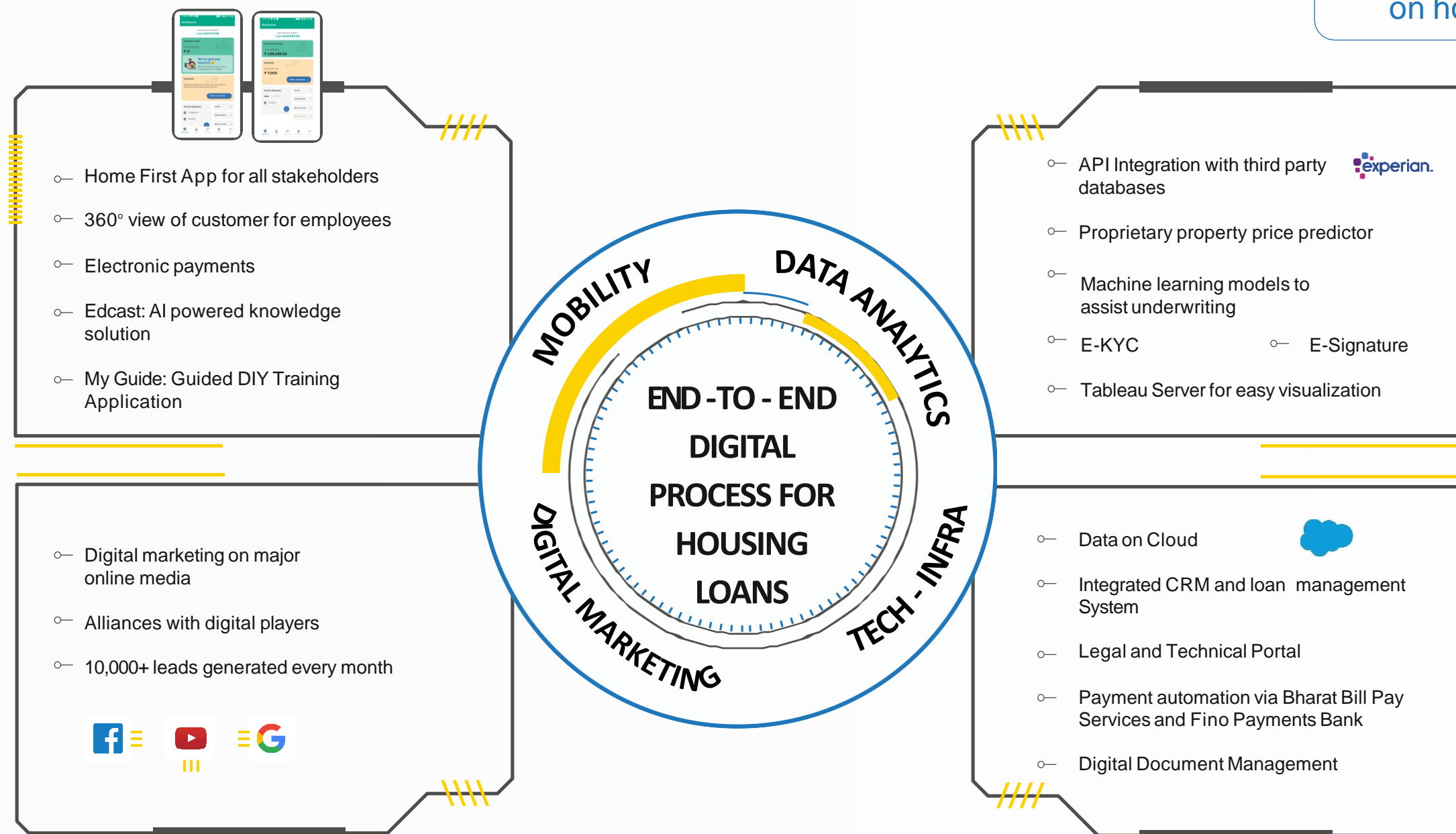
Increasing Smartphone Penetration a key driver for digital lending

UPI a gamechanger for payments processes



Source: NPCI

Scalable operating model built on holistic technology usage



Tech Interventions

E-NACH
E- Sign
E- Vault
E-Stamp paper

Customers registered on app

67%

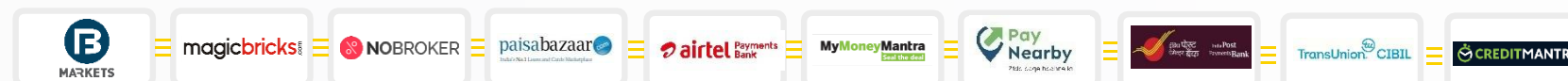
As of 30 Jun'21

Google rating of Homefirst Customer App

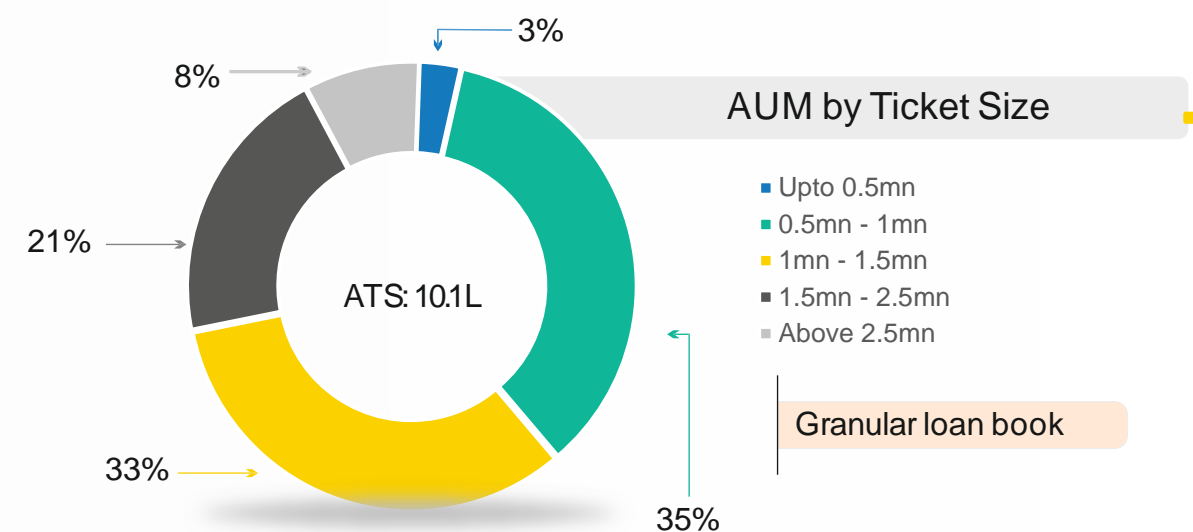
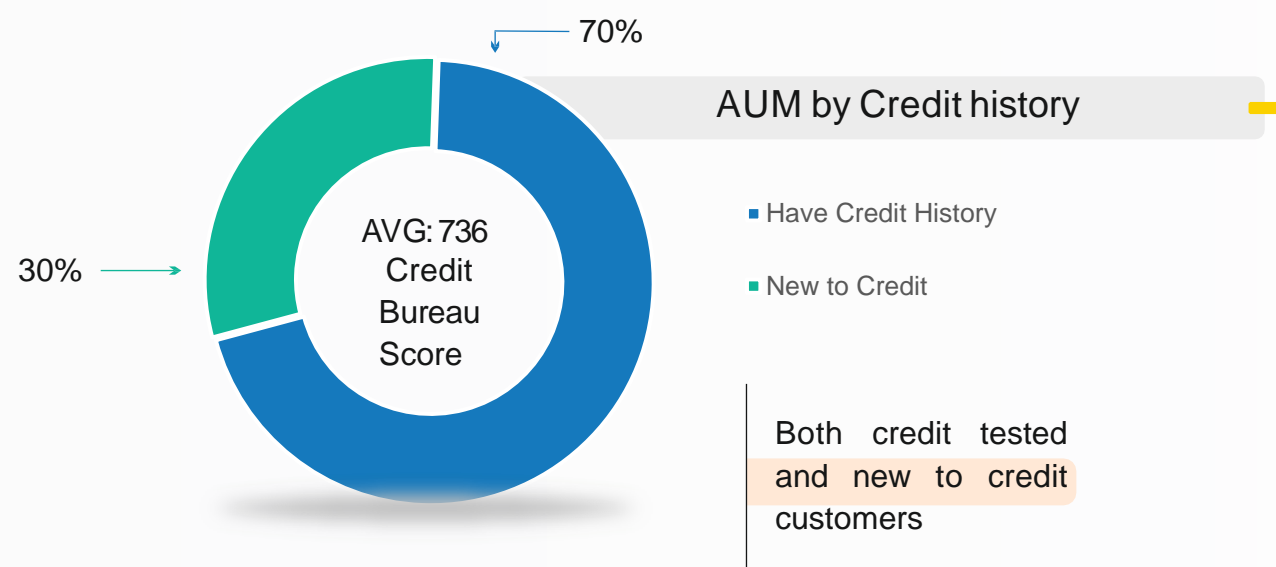
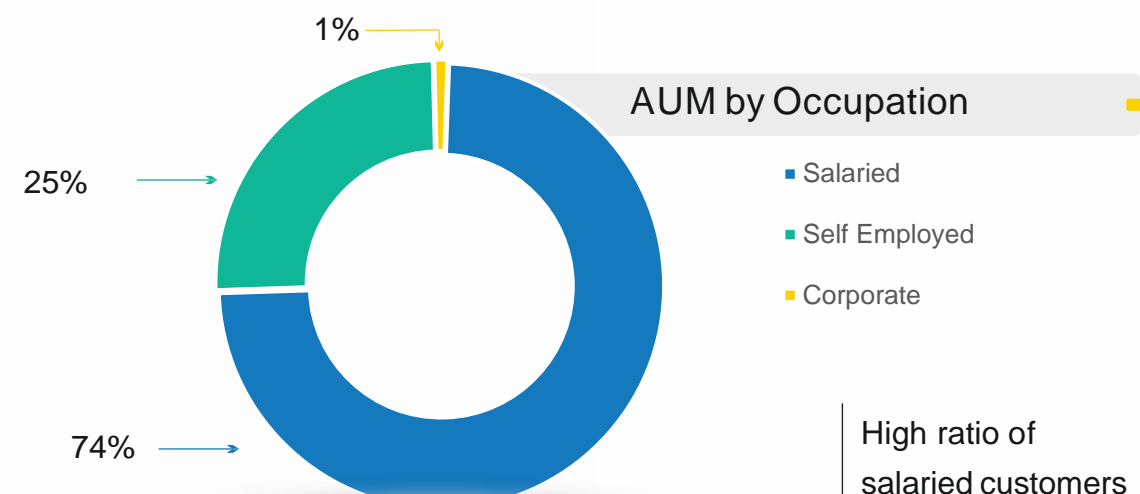
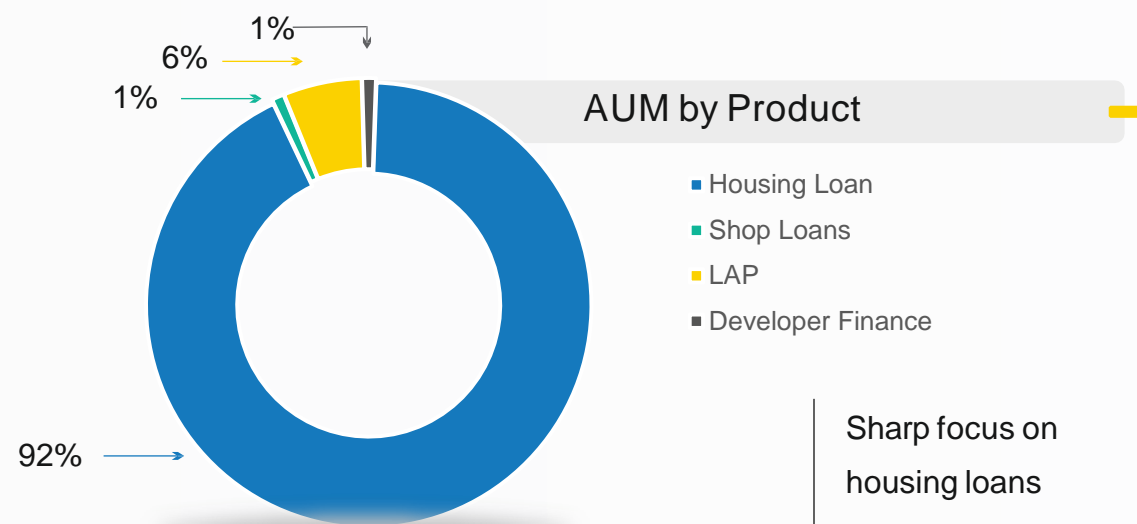
4.2

★★★★☆

As of 29 Jul'21



Consistent Portfolio Metrics | Jun'21



All figures as of Jun'21



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



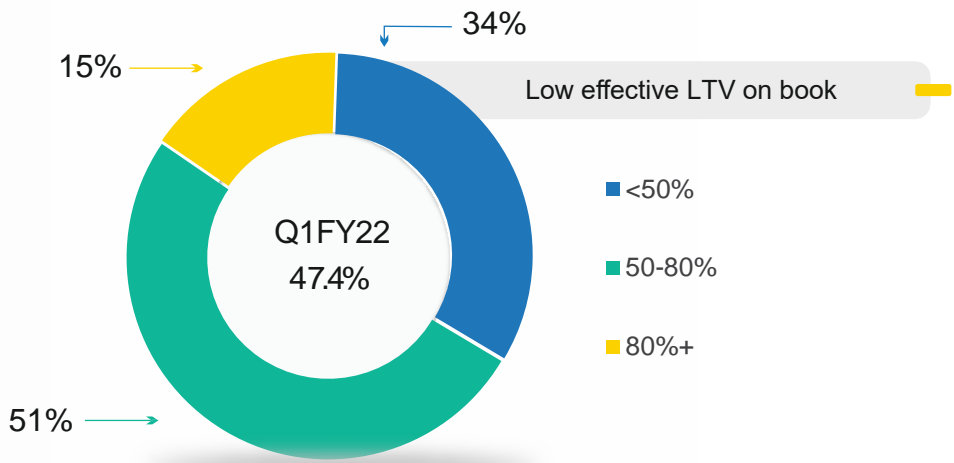
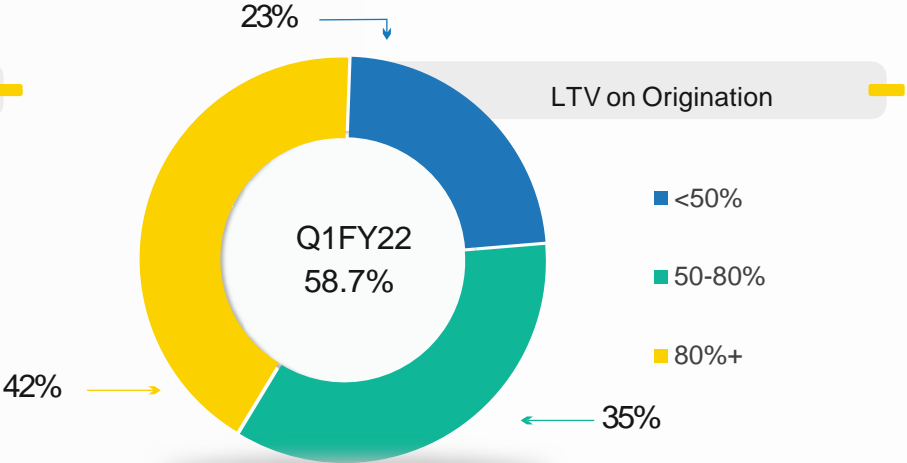
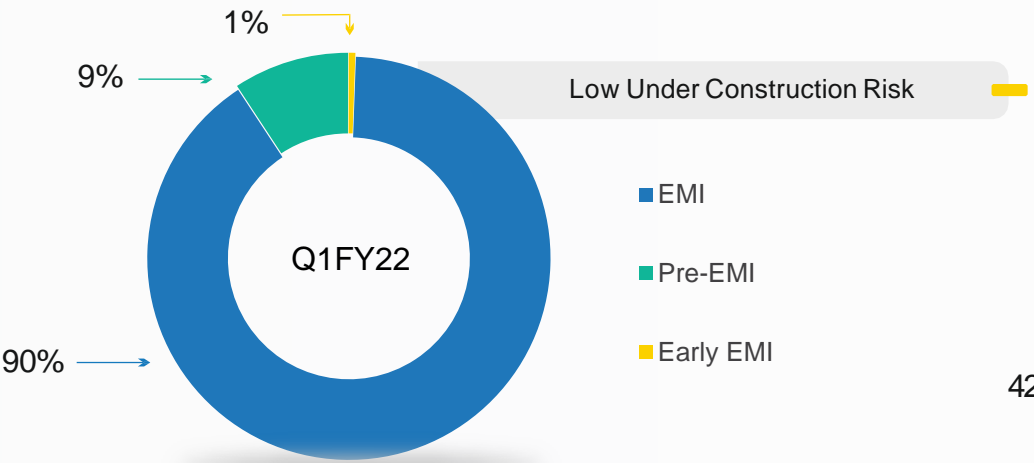
Centralised

- 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 48 hrs

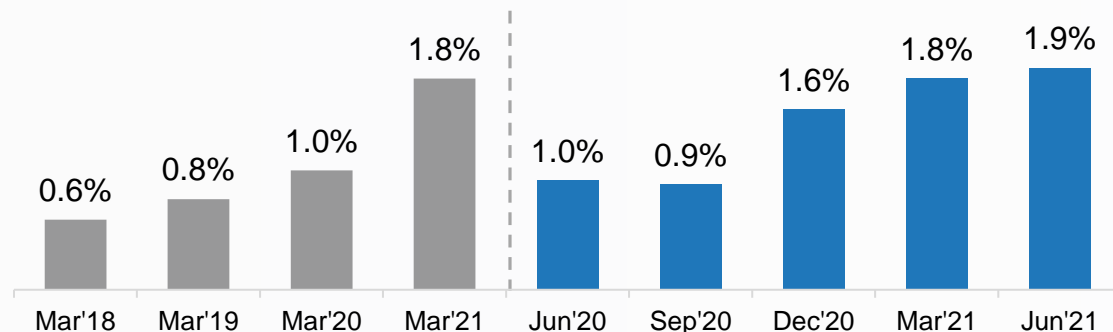
91%

For Q1 FY22

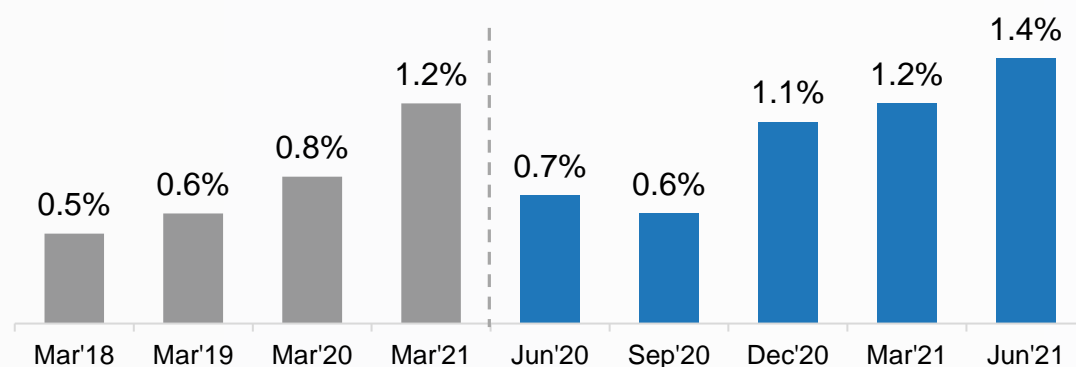


Note: "EMI" are loans where the construction is completed hence loan is fully disbursed and EMI on loan is being collected. "Pre -EMI" are loans where property is under construction hence loans are partially disbursed accordingly only interest is being collected from the customer. EMI collection will start full disbursements happen. "Early EMI" are loans where property is under construction hence loans are partially disbursed however EMI has started on request of customers.

Gross Stage 3 / POS %



Net Stage 3 / Net POS %



No ECGLS

0.6% of POS restructured (208 borrowers) in Q1FY22 under Resolution Framework 2.0. NIL restructuring under Resolution Framework 1.0

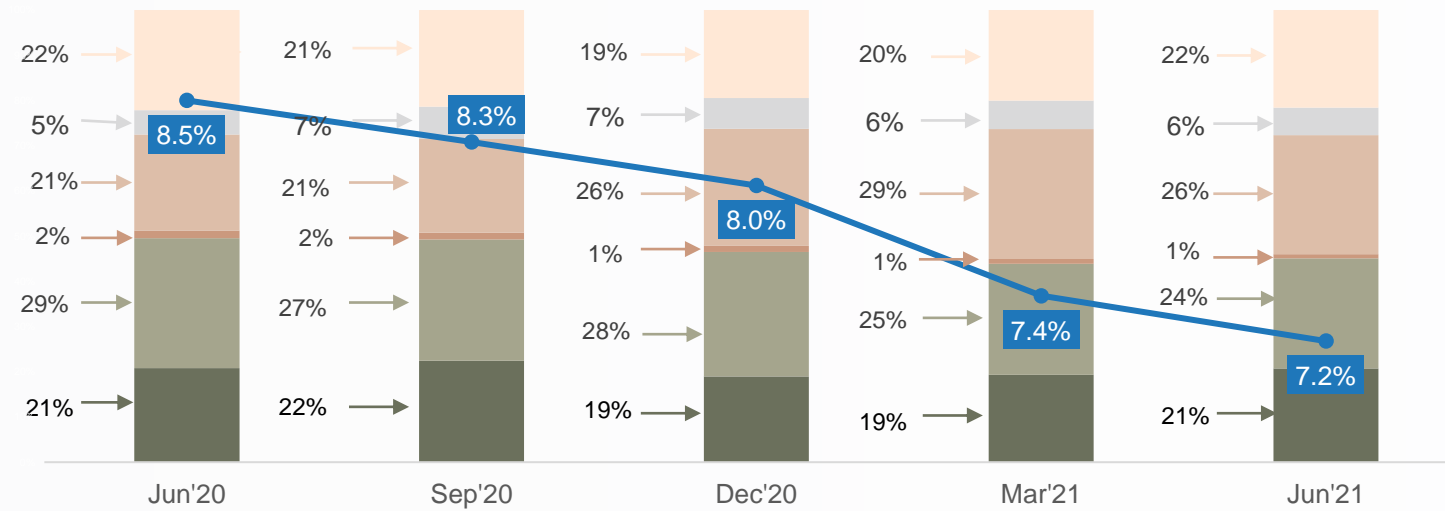
Stage 3% range bound, SARFAESI recovery process has commenced

- DA
- NCD
- NHB Refinance
- NBFC
- Public Sector Banks
- Pvt Sector Banks

COB% (Represents quarterly avg.)

Diversified Funding Profile at competitive cost of borrowing

Borrowings Mix and Cost of Borrowing trend

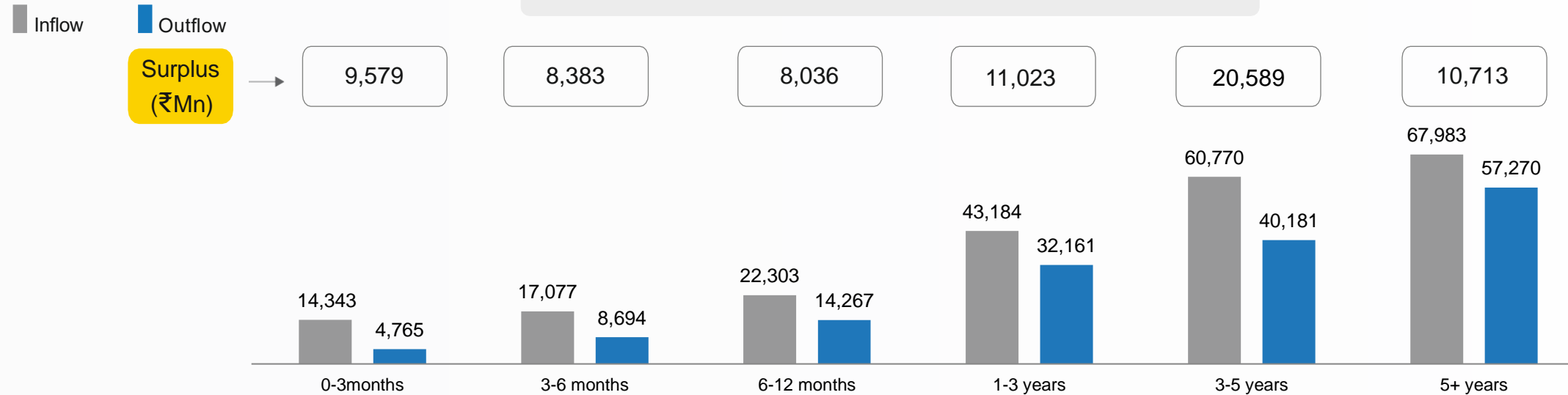


Diversified mix of 19* marquee Lenders

ZERO borrowing through commercial papers

Cost of borrowing trending down

ALM Position as of Jun'21 Cumulative

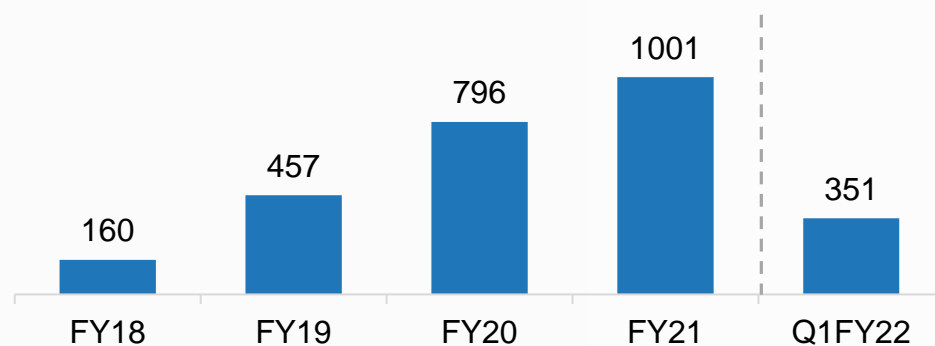


Short term rating of A1+ (ICRA and India Ratings)

Long term rating of A+ Stable (ICRA and CARE)

Financial Highlights

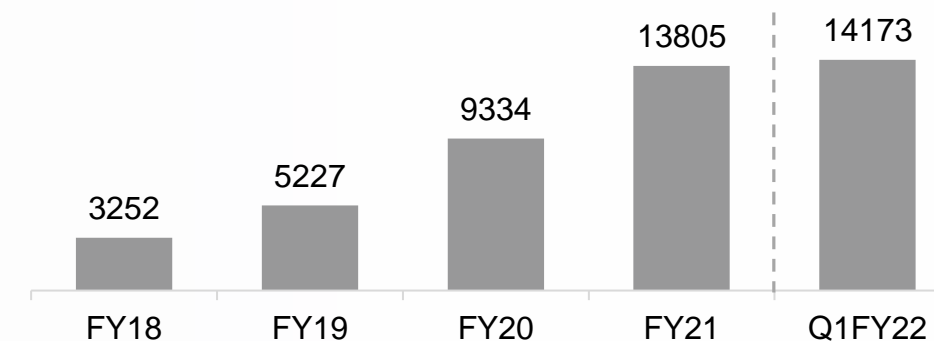
Profit After Tax (₹Mn)



Strong profit growth despite maintaining high liquidity and conservative COVID provisioning

Net worth (₹Mn)⁽¹⁾

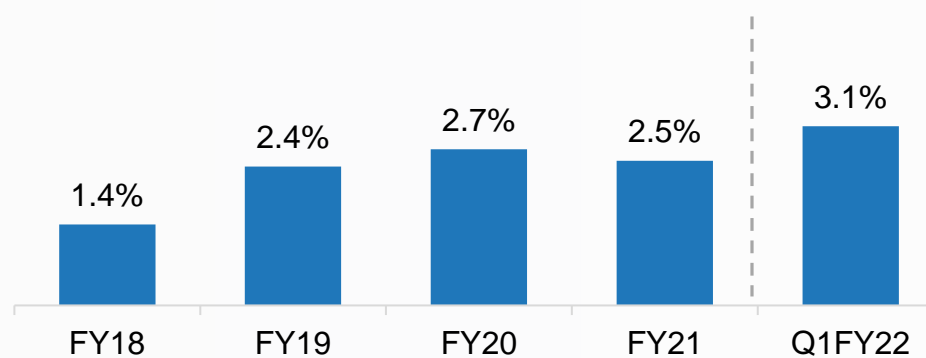
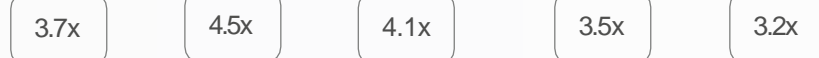
Equity Raised (₹Mn)



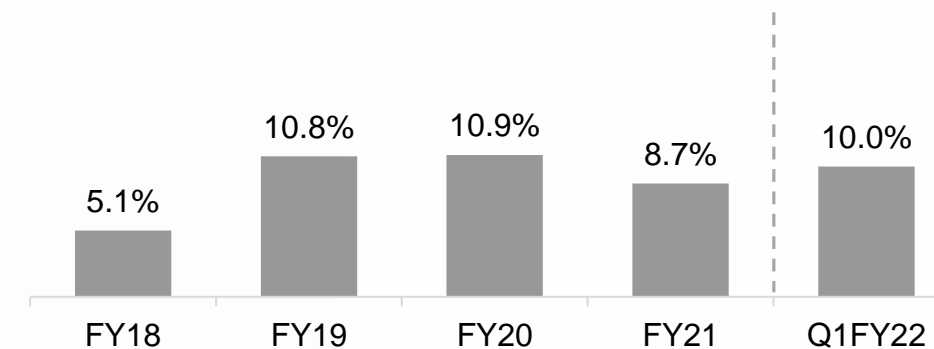
Strong NW, and low A/E to support growth

Return on Average Assets⁽¹⁾

A / E



Return on Average Equity⁽¹⁾



Note: Fiscal year ending Mar'31. A/E – Average Total Assets / Average Equity.

(1) Data for FY18 is as per restated financial statements (2) Equity raised in Q1FY22 is on account of ESOPs exercised



Our CSR initiatives revolved around 3 distinct areas:

Disaster Management



Healthcare & Hygiene



Socio-economic Development

Assistance to 1296 workers to travel back from their villages to their factories

Oxygen concentrators deployed in 11 cities

Food kits for covid affected families

Financial support to hospitals



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Thank You

For further information, please contact

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