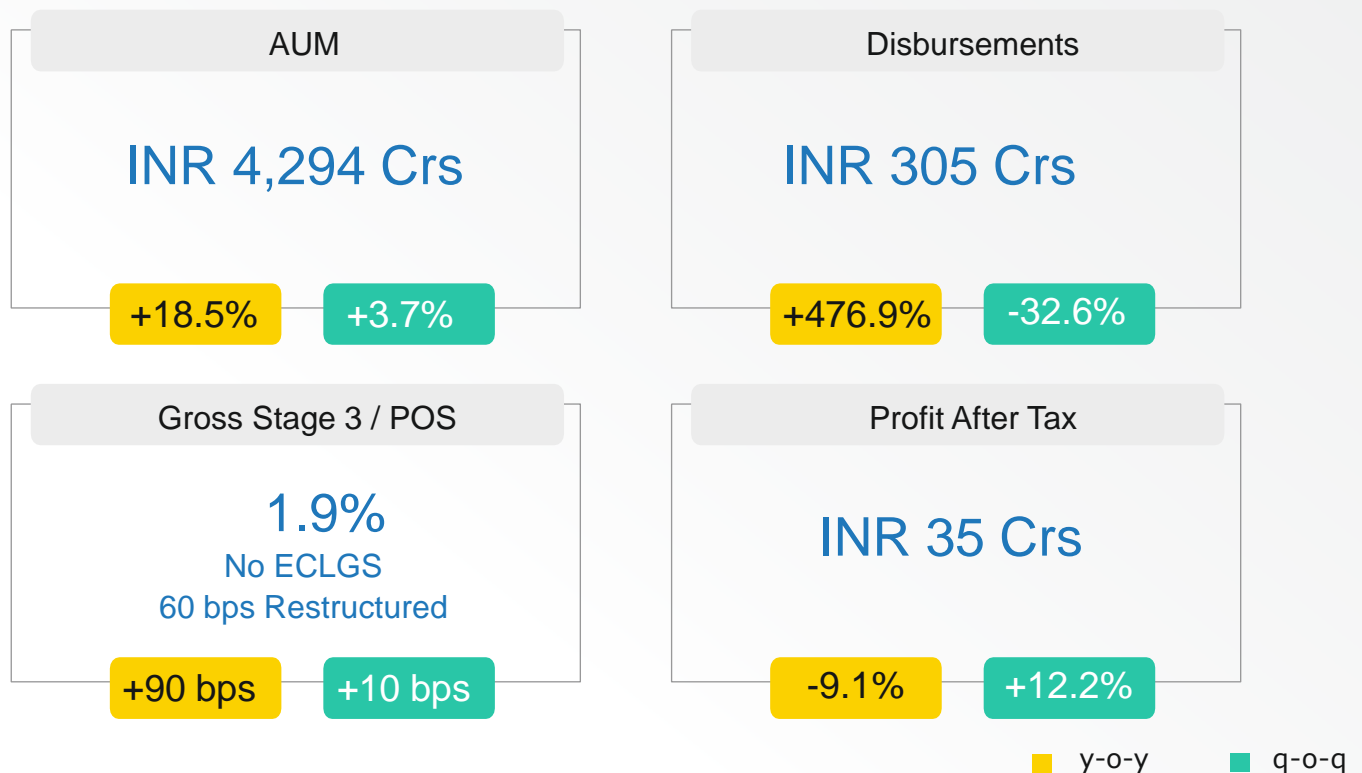


Home First Finance Company India Limited

Disbursements at INR 305 Crs, at 67% of Q4 levels despite Wave 2 impact

AUM of INR 4,294 Crs; growth of 18.5% y-o-y

Stage 3 maintained at 1.9%, restructuring of just 60 bps and NIL ECGLS



Q1 FY22 Press Release: 29th July 2021, Mumbai

HomeFirst is a technology driven affordable housing finance company that targets first time buyers in low and middle - income groups. The company was listed in Feb'21 on Bombay Stock Exchange & National Stock Exchange of India.

Particulars	Q1FY22	Q1FY21	YoY	Q4FY21	QoQ
AUM (INR Crs) [^]	4294	3623	+18.5%	4141	+3.7%
Disbursement (INR Crs)	305	53	+476.9%	452	-32.6%
Total Income (INR Crs)	142	134	+5.8%	136	+4.8%
PAT (INR Crs)	35	39	-9.1%	31	+12.2%
Spread (%) [*]	5.5%	4.6%	+90 bps	5.4%	+10 bps
ROA (%)	3.1%	4.3%	-120 bps	2.9%	+20 bps
Gross Stage 3 (%) [^]	1.9%	1.0%	+90 bps	1.8%	+10 bps
Cost to Income (%)	32.1%	28.8%	+330 bps	38.0%	-590 bps

*IGAAP basis. [^] Data as on period end.

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

Key Highlights for Q1 FY22:

Vaccination

- 97.3% of the employees are now vaccinated with at least one dose.
- All employees remained safe across Wave-1 and Wave-2.

Asset under Management (AUM):

- INR 4,294 Crs, growth of 18.5% over Q1 FY21.
- Sharp focus on housing loans that contribute 92.4% of AUM and EWS / LIG category that forms ~77% of the customer base.

Distribution:

- As on Jun'21, the Company has 72 branches with presence in 12 States and 1 Union Territory.
- Business commenced in 10 new branch locations. In addition, 12 new digital branches have been launched taking the total number of touchpoints to 137.

Disbursements:

- Disbursements of INR 305 Crs in Q1 FY22, at 67.4% of Q4 FY21 levels, y-o-y growth of 476.9%.

Collection Efficiency:

- Collection Efficiency has improved to 97.6% in Jun'21 after dips in April and May, compared to 98.5% in Mar'21.
- Bounce rates have improved to 16.1% in Jul'21 from 18.3% in Q1 FY22 (17.3% in Q4 FY21).

Asset Quality:

- Gross Stage 3 is at 1.9% and Net Stage 3 is at 1.4% with 0.6% of POS being restructured.

Provisions:

- ECL provision as on Jun'21 is INR 47 Crs; resulting in total provision to loans outstanding ratio at 1.4%; and the Stage 3 provision coverage ratio is at 70.3%.

Borrowings:

- Total borrowings including debt securities are at INR 3,083 Crs as on Jun'21 up from INR 2,654 Crs as on Jun'20. The company continues to carry a liquidity of INR 1,480 Crs as on Jun'21.
- Cost of borrowings reduced further from 7.4% in Q4 FY21 to 7.2% in Q1 FY22. It is lower by 130 bps compared to Q1 FY21 which stood at 8.5%.

Spread:

- Spread on loans stood at 5.5% in Q1 FY22 compared to 4.6% in Q1 FY21.

Strong Capital Adequacy will drive growth going forward:

- Tier I capital stands at 55.2% as on June'21. IPO fund raise of INR 265 Crs is being utilized for future growth.
- Networth as of Jun'21 is at INR 1417 Crs vis-à-vis INR. 973 Crs as on Jun'20.

Financial Performance:

- Q1 FY22 Total Income at INR 142 Crs; y-o-y growth of 5.8% from INR 134 Crs in Q1 FY21, sequential increase of 4.8% over Q4 FY21 of INR 136 Crs.
- Q1 FY22 PAT at INR 35 Crs, sequentially up by 12.2% from INR 31 Crs in Q4 FY21.

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

“Our Q1 FY22 performance was strong, considering that we had to deal with a severe second wave of Covid. We recorded an AUM growth of 18.5% y-o-y and a sequential growth in PAT of 12.2%. Wave 2 of Covid had a bigger impact on health, while livelihoods and incomes were broadly protected. Industries were allowed to function by maintaining strict Covid protocols. Construction work and industrial units were operational and in-fact exports reached a historical high during Q1. Increasing vaccination is seen as a strong counter to fatalities and this has led to the positive momentum in businesses. **At HomeFirst, 97.3% of our employees are vaccinated with at-least one dose.**

We expect the upward trend to continue as the overall opportunity remains large; supported by low interest rates and muted house prices, driving strong business growth. Also, people realized the importance of home ownership in the past 18 months, more than ever before. Affordable Housing Finance sector remains one of the most resilient segments, validated through better collection efficiencies compared to other segments. Besides, the inherent resilience of this sector, our focus on the salaried segment in industrialized and urbanized states helped us stay on course through these difficult times.

Digital adoption has also accelerated during Covid times. Usage of the customer app for various activities has increased. 67% of our customers are registered on our app as on Jun'21 compared to 48% in Jun'20. **Payments received via the app have gone up by 135% in the same period.**

Our collection efficiency improved in June to 97.6% (April & May at 94.7% & 94.0% respectively). Bounce rates improved in July'21 to 16.1% (Q1 FY22 - 18.3%, Q4 FY21 - 17.3%). **Our Gross Stage 3 inched up marginally by 10 bps to 1.9% and restructuring under the RBI framework during the quarter was just 60 bps.**

Q1 Disbursement at INR 305 Crs is at a commendable run-rate of 67.4% vis-à-vis Q4 FY21 levels (y-o-y growth of 476.9%). This is further enhanced by the fact that this growth is broad based across all our markets.

On Direct Assignment (DA), we have completed a transaction worth INR 118 Crs during this quarter. Like in the past, company continues to explore these transactions which will help optimize the capital usage, bring down leverage, improve cost of funds as well as balance the existing liquidity position of the company.

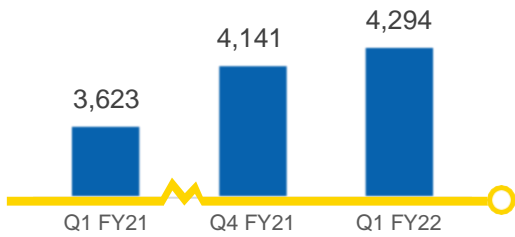
We remain committed to our strong tech-led operating model in the housing finance space and continue to invest in building a trusted brand that delivers superior service to customers with industry leading turnaround times.”



Q1 FY22 Quarterly Financials

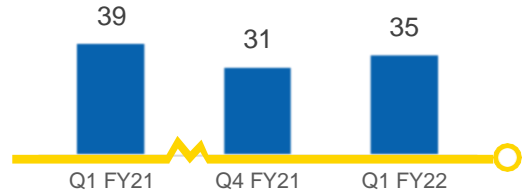
Assets Under Management

INR Crs

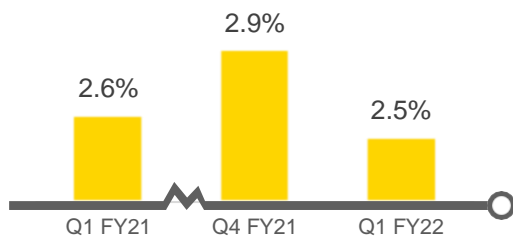


Profit After Tax

INR Crs

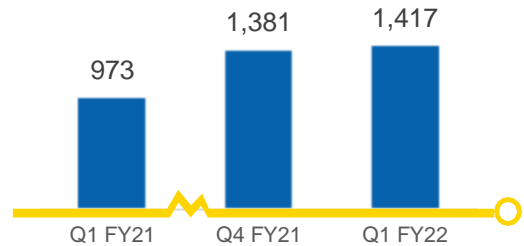


Opex To Asset



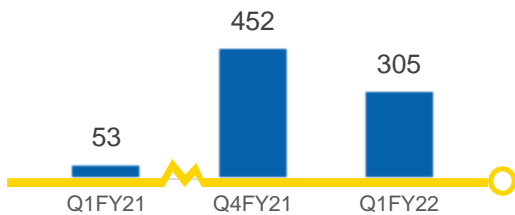
Net worth

INR Crs

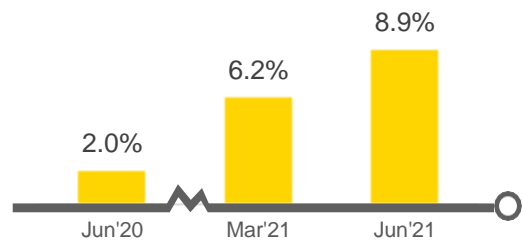


Disbursement

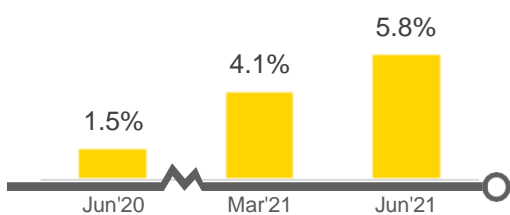
INR Crs



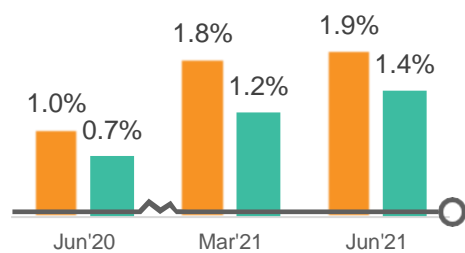
DPD 1+



DPD 30+



Gross / Net Stage 3



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 72 branches with presence in 12 states and 1 union territory in India, with a significant presence in urbanized regions in the states of Gujarat, Maharashtra, Karnataka and Tamil Nadu. The company has diversified lead generating channels with wide a 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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