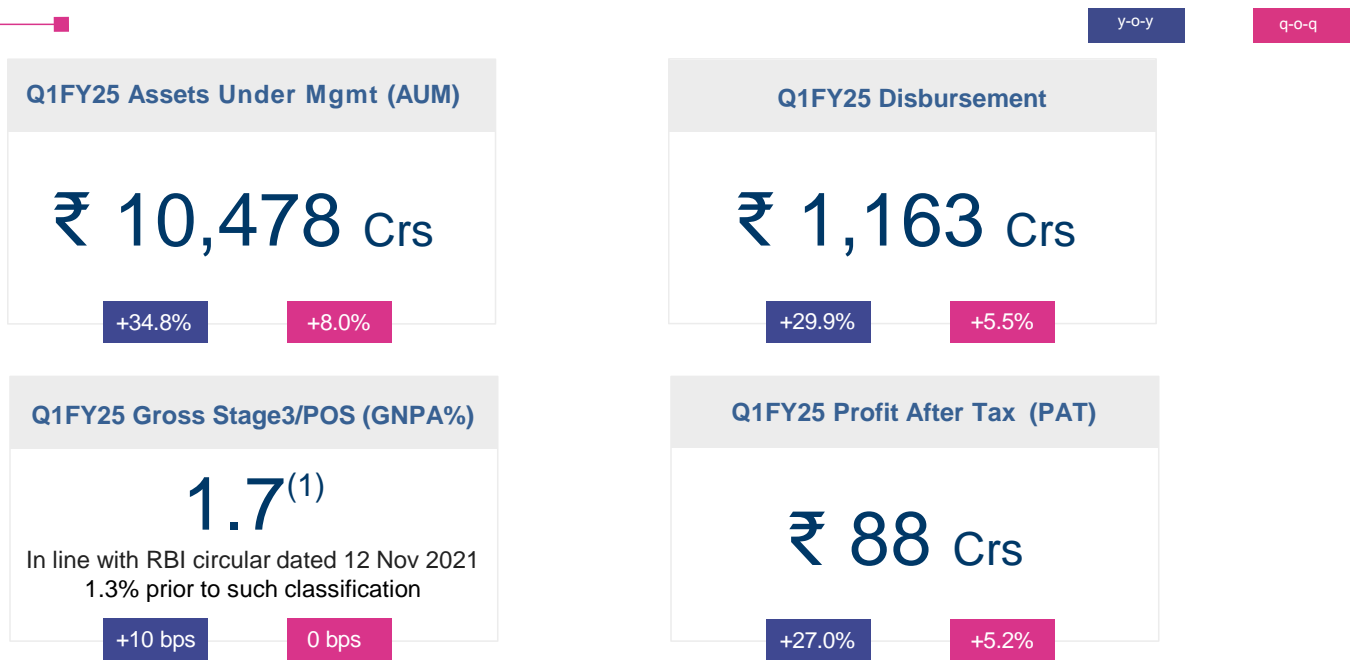


Home First Finance Company India Limited

Press Release: 25th July 2024, Mumbai

- Strong AUM growth of 34.8% y-o-y and 8.0% q-o-q. Asset Quality stable.
- Disbursal reaches new high of 1,163 Cr with a y-o-y growth of 29.9% and a q-o-q rise of 5.5%
- ROE improved by 130 bps on y-o-y basis and by 20 bps q-o-q to 16.3% in Q1FY25

Q1 FY25 in brief



Key Performance Indicators for Q1 FY25

Particulars	Q1FY25	Q1FY24	y-o-y	Q4FY24	q-o-q
AUM (Rs Crs)	10,478	7,776	34.8%	9,698	8.0%
Disbursement (Rs Crs)	1,163	895	29.9%	1,102	5.5%
Total Income (Rs Crs)	341	260	31.4%	318	7.4%
PAT (Rs Crs)	88	69	27.0%	83	5.2%
Spread (%) ⁽²⁾	5.2%	5.7%	-50 bps	5.4%	-20 bps
ROA (%)	3.6%	3.9%	-30 bps	3.6%	-
Gross Stage 3 (%)	1.7%	1.6%	+10 bps	1.7%	-
Cost to Income (%)	35.6%	36.3%	-70 bps	34.1%	+150 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 Rs.421.42 millions as Gross Stage 3 (GNPA) as at Jun'24 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Jun'24 is 1.3%.

(2) IGAAP basis and Excludes Co-Lending.

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,

“I am happy to share with you that we have crossed the milestone of Rs. 10,000 crore AUM. This achievement is a testament to HomeFirst’s commitment to excellence, driven by a differentiated business model with enhanced usage of technology driven solutions, high productivity standards, diversified funding and rigorous risk management practices.

Business momentum continues well into Q1FY25 with disbursal growth of 29.9% resulting in an AUM of Rs 10,478 Crs with a y-o-y growth of 34.8%. Spreads are healthy at 5.2%. PAT at Rs. 88 Cr grew by 27.0% on y-o-y basis leading to ROA of 3.6%. We achieved an ROE of 16.3% in this quarter.

We have added 22 new touchpoints in this quarter, taking the total tally to 343. We have increased presence in 4 new districts taking the total coverage to 135 districts. The company plans to open 20-25 new physical branches in this financial year.

Our asset quality continues to be strong with a focus on early delinquencies.

- 1+ DPD is at 4.5% (up by 30 bps on q-o-q).
- 30+ DPD at 2.9% (up by 10 bps on q-o-q).
- Gross Stage 3 (GNPA) is at 1.7% (flat on q-o-q). Prior to RBI classification circular of Nov’21, it stands at 1.3%.
- Our credit cost at 20bps (increased by 10 bps on q-o-q basis). We continue to maintain our credit cost guidance of 30 to 40 bps.

Technology remains central to our strategy. Account aggregator adoption has become mainstream with an adoption rate of 41% amongst new approvals (36% in Q4FY24). Digital penetration is strong with 95% of our customers registered on our app. Digital fulfilment has reached 70%+ with the use of digital agreements and e-NACH mandates. 90% of service requests are raised on the mobile app.

We are confident to continue the growth momentum led by a strong economic environment, rising middle class population, expanding distribution network and differentiated business model. We are focused on building HomeFirst as a preferred brand name in the affordable housing finance industry, known for its extraordinary speed and service. While we celebrate the achievement of Rs 10,000 Cr AUM and progress towards the next milestone, we will remain anchored to our fundamental principles of responsible lending, strong governance, compliance and prudent risk management.”

Key Highlights for Q1 FY25

Distribution:

- The Company has 133 branches with presence in 13 States / UT.
- Total touchpoints increased to 343 (+22 from Mar'24 and +61 from Jun'23).

Q1FY25 Disbursements:

- Disbursements of Rs 1,163 Crs, y-o-y growth of 29.9% and 5.5% on q-o-q basis.

Asset under Management (AUM):

- Rs 10,478 Crs, growth of 34.8% on y-o-y basis and 8.0% on q-o-q basis.
- Focus on housing loans that contribute 85% of AUM
- EWS / LIG category that forms ~62% of the customer base.

Asset Quality:

- Bounce rates range-bound. July'24 witnessed bounce rate of 14.5%.
- 1+ DPD is at 4.5% (increase of 30 bps on q-o-q).
- 30+ DPD at 2.9% (increase of 10 bps on q-o-q).
- Gross Stage 3 (GNPA) at 1.7%. Prior to RBI classification circular of Nov'21, it stands at 1.3%.
- Our credit cost is at 20bps for the quarter.

Provisions:

- ECL provision as on Jun'24 is Rs 74 Crs; resulting in total provision to loans outstanding ratio at 0.8%; and the GNPA to total provision coverage ratio (PCR) is at 48.0% in Jun'24 vs 50.9% in Mar'24 (total PCR without considering the impact of RBI circular is 66.0% in Jun'24 vs 75.7% in Mar'24).

Borrowings:

- Total borrowings including debt securities are at Rs 7,899 Crs as on Jun'24. The company continues to carry a liquidity of Rs 2,620 Crs as on Jun'24.
- Cost of borrowings at 8.3% increased by 30 bps on y-o-y basis.

Spread:

- Ex-CL Spread on loans stood at 5.2% in Q1FY25, decrease of 14bps on q-o-q basis.

Capital Adequacy:

- Total CRAR at 36.2%. Tier I capital stands at 35.8% as on Jun'24.
- Networth as on Jun'24 is at Rs 2,188 Crs vis-à-vis Rs 2,121 Crs as on Mar'24.

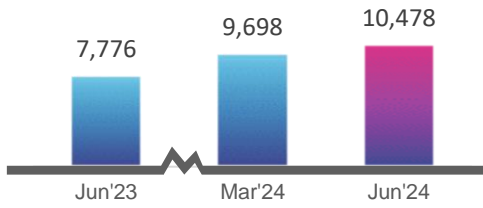
Q1FY25 Financial Performance:

- Total Income at Rs 341 Crs; y-o-y growth of 31.4%.
- PPOP stands at Rs 119 Crs, growth of 21.9% on y-o-y basis.
- PAT at Rs 88 Crs, up by 27.0% on y-o-y basis.
- ROA was maintained at 3.6%
- ROE at 16.3% increased by 20 bps on q-o-q basis.

Q1FY25 Performance Summary

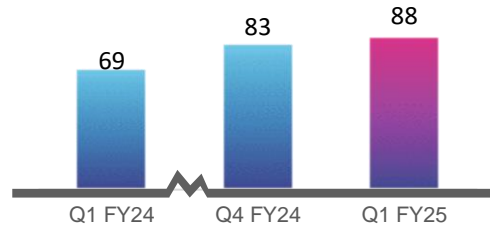
Assets Under Management

in ₹Cr



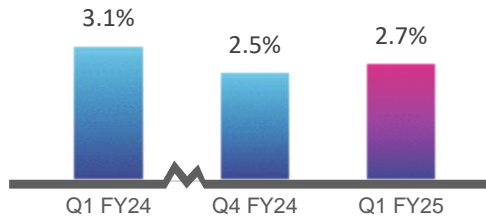
Profit After Tax

in ₹Cr



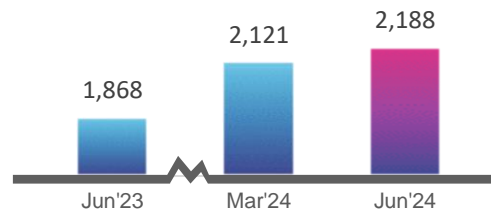
Opex to Asset

in ₹Cr



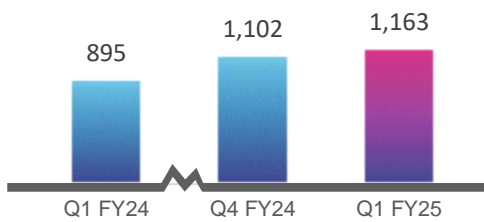
Net Worth

in ₹Cr



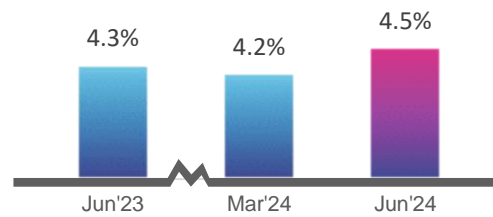
Disbursement

in ₹Cr



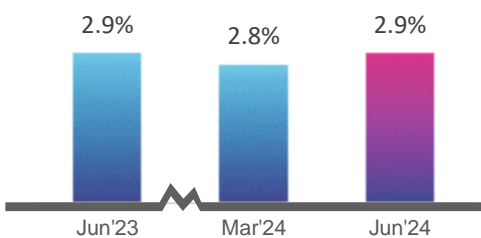
DPD 1+

in ₹Cr

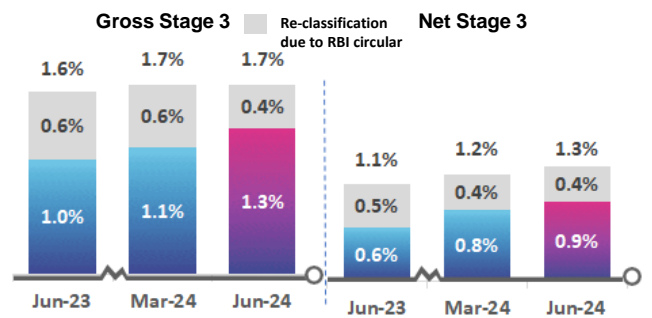


DPD 30+

in ₹Cr



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 large housing finance markets with a network of 133 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 and increasing presence in emerging affordable housing finance markets of Uttar Pradesh, Madhya Pradesh and Rajasthan. 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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