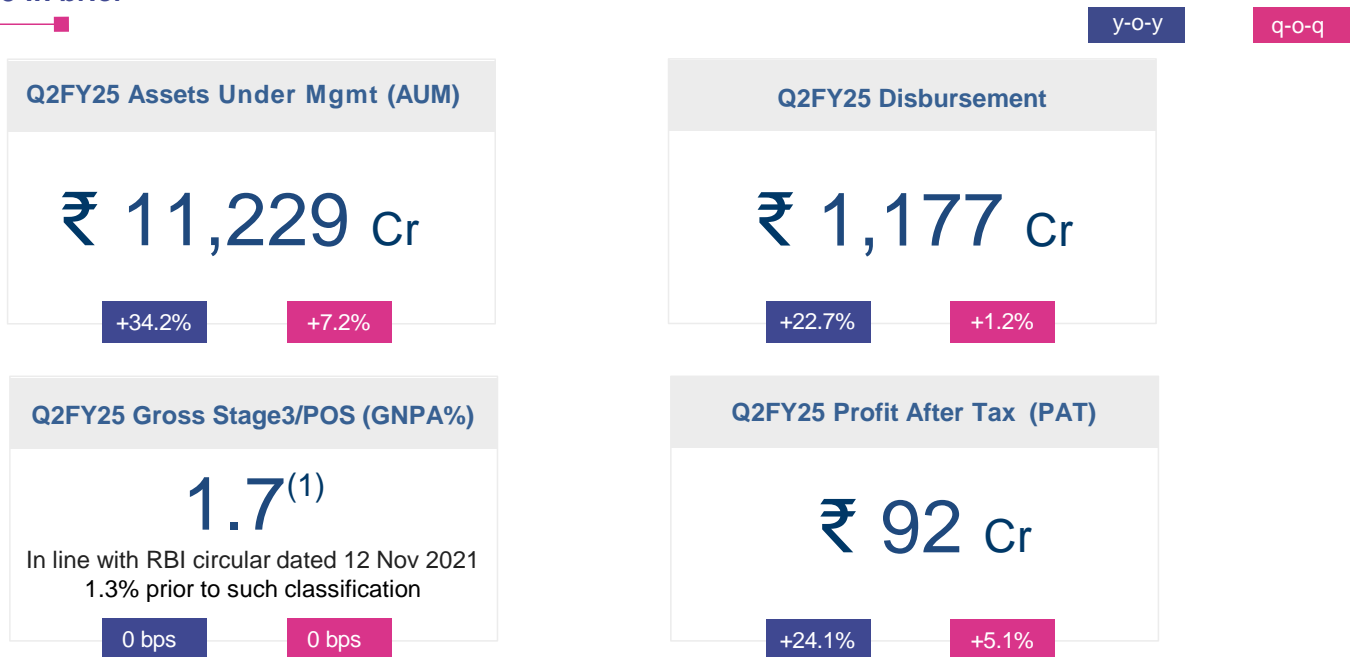


Home First Finance Company India Limited

Press Release: 24th October 2024, Mumbai

- **AUM at Rs 11,229 Cr, Up 34.2% y-o-y; 7.2% q-o-q**
- **ROE at 16.5% continues to improve. Up 90 bps y-o-y and by 20 bps q-o-q**
- **Asset quality remains strong. 30+ DPD at 2.8%; improvement of 10bps, GS3 at 1.7% status quo.**
- **Borrowings further diversified to add USD funding through ECB.**

Q2 FY25 in brief



Key Performance Indicators for Q2 FY25

Particulars	Q2FY25	Q2FY24	y-o-y	Q1FY25	q-o-q
AUM (Rs Cr)	11,229	8,365	34.2%	10,478	7.2%
Disbursement (Rs Cr)	1,177	959	22.7%	1,163	1.2%
Total Income (Rs Cr)	374	278	34.6%	341	9.6%
PAT (Rs Cr)	92	74	24.1%	88	5.1%
Spread (%) ⁽²⁾	5.3%	5.6%	-30 bps	5.2%	+10 bps
ROA (%)	3.4%	3.8%	-40 bps	3.6%	-20 bps
Gross Stage 3 (%)	1.7%	1.7%	0 bps	1.7%	0 bps
Cost to Income (%)	36.7%	35.2%	+150 bps	35.6%	+110 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.40 crores as Gross Stage 3 (GNPA) as at Sep'24 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Sept'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,

“We are pleased with the company’s strong performance during the quarter. We continue to expand deeper into our existing markets with the addition of 9 branches and 8 touch points in Q2 taking the total branch count to 142 branches and touch point count to 351 touch points across 138 districts in 13 states/UTs. Disbursements grew by 22.7% y-o-y, to an all time high of 1,177 Cr resulting in an AUM of Rs. 11,229 Cr with a growth of 34.2% y-o-y. Employee strength has grown from 1249 in Mar’24 to 1642 in Sep’24 with the objective of driving further expansion.

Our funding channels have expanded well with addition of 2 banks in Q2 and a first drawdown has been completed; out of the sanctioned USD 75 million from US Development Finance Corporation (DFC). The DFC proceeds will be utilized to provide affordable housing and mortgage financing to women borrowers thereby advancing gender equity in India.

Spreads ex-co-lending moved up to 5.3% (+10bps q-o-q) as a result of increase in PLR effective 1st August. PAT at Rs. 92 Cr grew by 24.1% y-o-y leading to ROA of 3.4%. We achieved an ROE of 16.5% in this quarter. The continued improvement in our return on equity reflects our focus on sustainable growth, operational efficiency and strong credit quality.

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

- 1+ DPD is at 4.5% (flat on q-o-q basis).
- 30+ DPD at 2.8% (decrease of 10 bps on q-o-q basis).
- 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 (decreased by 20 bps on y-o-y and remained flat on q-o-q basis). We continue to maintain our conservative credit cost guidance of 30 to 40 bps.

Digital adoption continues to be strong and a key area of our focus as we grow. 95% of our customers are registered on our app as on Sep’24. Unique User Logins were 50% in Q2FY25. Service requests raised on app was at 89%.

During the quarter, the Ministry of Housing and Urban Affairs has released the initial operational guidelines for Pradhan Mantri Awas Yojana - Urban 2.0 (PMAY-U 2.0). This scheme aims to address the housing needs of 1 crore economically weaker sections (EWS), low-income groups (LIG), and middle-income groups (MIG) individuals seeking affordable housing. This revamped scheme will provide an impetus to the growth of the affordable housing segment.

We remain focused on building HomeFirst as a preferred brand name in the affordable housing segment, renowned for its speed and service. As we move forward with the support of diverse funding sources and effective risk management, we remain committed to provide loans for affordable housing, driven by technology and a strong execution mindset. We will continue to deliver strong 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 FY25

Distribution:

- The Company has 142 branches with presence in 13 States / UT.
- Total touchpoints increased to 351 (+8 from Jun'24 and +56 from Sep'23).

Q2FY25 Disbursements:

- Disbursements of Rs 1,177 Cr, y-o-y growth of 22.7% basis.

Asset under Management (AUM):

- Rs 11,229 Cr, growth of 34.2% on y-o-y basis and 7.2% 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. Oct'24 witnessed bounce rate of 15.6%.
- 1+ DPD is at 4.5% (flat on q-o-q).
- 30+ DPD at 2.8% (decrease 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 Sep'24 is Rs 79 Cr; 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 Sep'24 vs 52.3% in Sep'23.

Borrowings:

- Total borrowings including debt securities are at Rs 8,867 Cr as on Sep'24. The company continues to carry a liquidity of Rs. 3,262 Cr as on Sep'24.
- Cost of borrowings at 8.4% increased by 10bps q-o-q.

Spread:

- Ex-CL Spread on loans stood at 5.3% in Q2FY25, increase of 10bps q-o-q.

Capital Adequacy:

- Total CRAR at 36.4%. Tier I capital stands at 36.0% as on Sep'24.
- Networth as on Sep'24 is at Rs 2,289 Cr vis-à-vis Rs 2,188 Cr as on Jun'24.

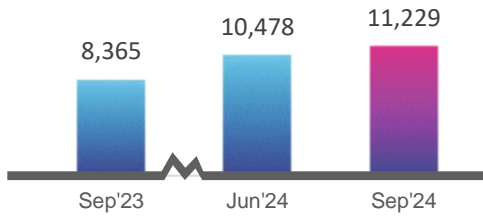
Q2FY25 Financial Performance:

- Total Income at Rs 374 Cr; y-o-y growth of 34.6%.
- PPOP stands at Rs 126 Cr, growth of 20.7% YoY.
- PAT at Rs 92 Cr, up by 24.1% YoY.
- ROA is at 3.4%
- ROE at 16.5% increased by 20 bps QoQ.

Q2FY25 Performance Summary

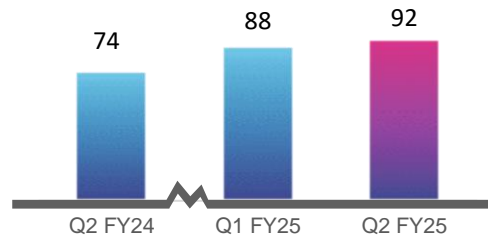
Assets Under Management

in ₹Cr

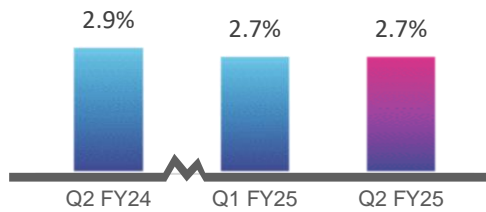


Profit After Tax

in ₹Cr

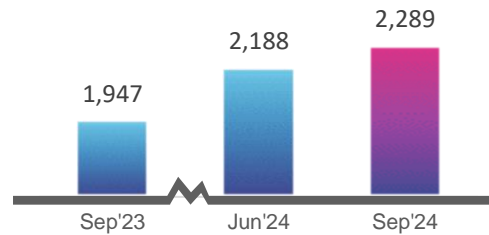


Opex to Asset



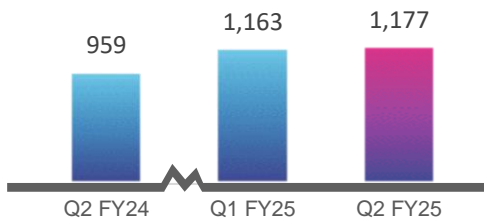
Net Worth

in ₹Cr

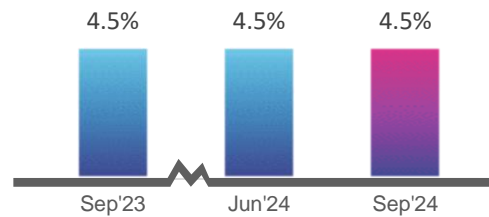


Disbursement

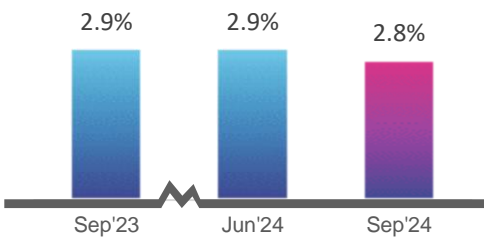
in ₹Cr



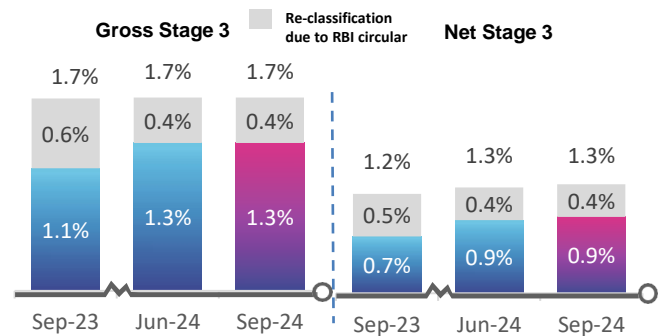
DPD 1+



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 large housing finance markets with a network of 142 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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