

Home First Finance Company India Limited

- HomeFirst's QoQ disbursement momentum continues (36.6% y-o-y, 7.1% q-o-q); witnessed broad based growth across markets
- Strong financial results with ROE of 15.6% (+60bps q-o-q); with industry leading home loan mix of 87%.
- AUM at Rs ~84bn (33.3% y-o-y, 7.6% on q-o-q). Asset quality remains strong.

Q2FY24 Assets Under Mgmt (AUM)

₹ 8,365 Crs

+33.3%

+7.6%

Q2FY24 Disbursement

₹ 959 Crs

+36.6%

+7.1%

Q2FY24 Gross Stage 3 / POS (GNPA)

1.7%⁽¹⁾

In line with RBI circular dated 12 Nov 2021
1.1% prior to such classification

-20 bps

+10 bps

Q2FY24 Profit After Tax (PAT)

₹ 74 Crs

+36.9%

+7.5%

y-o-y

q-o-q

Press Release: 26th Oct 2023, Mumbai.

Key Performance Indicators for Q2 FY24

Particulars	Q2FY24	Q2FY23	y-o-y	Q1FY24	q-o-q
AUM (Rs Crs)	8,365	6,275	33.3%	7,776	7.6%
Disbursement (Rs Crs)	959	702	36.6%	895	7.1%
Total Income (Rs Crs)	278	189	46.8%	260	7.0%
PAT (Rs Crs)	74	54	36.9%	69	7.5%
Spread (%) ⁽²⁾	5.5%	5.8%	-30 bps	5.7%	-20 bps
ROA (%)	3.8%	3.8%	-	3.9%	-10 bps
Gross Stage 3 (%)	1.7%	1.9%	-20 bps	1.6%	-10 bps
Cost to Income (%)	35.2%	37.4%	-220 bps	36.3%	-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 ₹470.41 millions as Gross Stage 3 (GNPA) as at Sep'23 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Sep'23 is 1.1%.

(2) IGAAP basis.

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,

“Q2FY24 performance has been strong across all operating and financial parameters. We have delivered an ROE of 15.6% in an inflationary and peak interest rate environment. This level of consistent and superior returns is a testimony to our strong risk management, use of right technology and scalability of our model. We continue to build distribution by simultaneously entering new markets and deepening our presence in existing markets. We added 7 branches in Q2 and now have 120 physical branches. Including potential & digital branches, we now do business across 295 touchpoints across Tier 1 to Tier 3 markets in 13 states / UT.

Disbursement in Q2 at Rs 959 Cr was higher than Q1, with a growth of 36.6% on y-o-y basis and 7.1% on q-o-q basis, leading to an AUM growth of 33.3% on y-o-y basis to Rs 8,365 Cr. **Spreads at 5.5% remain ahead of our guided levels of 5.25%**. PAT at Rs. 74 Cr was up 36.9% y-o-y and 7.5% q-o-q. ROA is range bound at 3.8%.

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

- 1+ DPD is at 4.5% (Q1FY24 - 4.3%, Q2FY23 - 4.7%).
- 30+ DPD is flat at 2.9% in Q2; decline of 40 bps on y-o-y basis.
- Gross Stage 3 (GNPA) is at 1.7% (Q1FY24 - 1.6%, Q2FY23 - 1.9%). Prior to RBI classification circular of Nov'21, it stands at 1.1% up 10 bps from Q1FY24.
- Our credit cost is at 40bps for the quarter.

Digital adoption continues to be strong and a key area of our focus as we grow. 94% of our customers are registered on our app as on Sep'23. Unique User Logins was 54% in Q2FY24. Service requests raised on app was stable at 90%.

We continue to stay focused on providing loans for affordable housing, led by distribution and use of technology, backed by diversified funding and strong risk management. We believe that 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.”**

Key Highlights for Q2 FY24:

Distribution:

- The Company has 120 branches with presence in 13 States / UT (+7 branches from Jun'23).
- Total touchpoints increased to 295 (+13 from Jun'23 and +46 from Sep'22).

Q2 Disbursements:

- Disbursements of Rs 959 Crs in Q2, y-o-y growth of 36.6% and 7.1% on q-o-q basis.

Asset under Management (AUM):

- Rs 8,365 Crs, growth of 33.3% on y-o-y basis and 7.6% q-o-q basis.
- Focus on housing loans that contribute 87% of AUM
- EWS / LIG category that forms ~66% of the customer base.

Asset Quality:

- Bounce rates improved to 14.2% from 15.0% on q-o-q basis.
- 1+ DPD remained range bound at 4.5% (Q1FY24 - 4.3%, Q2FY23 - 4.7%).
- 30+ DPD is flat at 2.9% in Q2; decline of 40 bps on y-o-y basis.
- Gross Stage 3 (GNPA) range bound at 1.7% (Q1FY24 - 1.6%, Q2FY23 - 1.9%). Prior to RBI classification circular of Nov'21, it stands at 1.1% up 10 bps from Q1FY24.
- Our credit cost is at 40bps for the quarter.

Provisions:

- ECL provision as on Sep'23 is Rs 65 Crs; resulting in total provision to loans outstanding ratio at 0.9%; and the GNPA to total provision coverage ratio (PCR) is at 52.3% in Sep'23 vs 50.8% in Sep'22 (total PCR without considering the impact of RBI circular is 84.6% in Sep'23 vs 91.0% in Sep'22).

Borrowings:

- Total borrowings including debt securities are at Rs 6,002 Crs as on Sep'23 up from Rs 4,154 Crs as on Sep'22. The company continues to carry a liquidity of Rs 2,617 Crs as on Sep'23.
- Cost of borrowings at 8.1% in Q2FY24, increased by 10 bps compared to 8.0% in Q1FY24.

Spread:

- Spread on loans stood at 5.5% in Q2FY24, decrease of 20bps over Q1FY24.

Capital Adequacy:

- Total CRAR at 45.5%. Tier I capital stands at 45.0% as on Sep'23.
- Networth as on Sep'23 is at Rs 1,947 Crs vis-à-vis Rs 1,817 Crs as on Mar'23.

Q2FY24 Financial Performance:

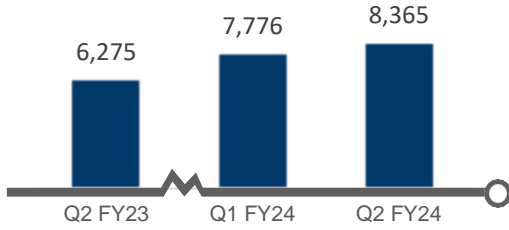
- Total Income at Rs 278 Crs; y-o-y growth of 46.8%.
- PPOP stands at Rs 104 Crs, growth of 40.9% on y-o-y basis.
- PAT at Rs 74 Crs, up by 36.9% from Rs 54 Crs in Q2FY23.
- ROA at 3.8% stable on y-o-y basis.
- ROE at 15.6% increased by 60bps on q-o-q and 250bps on y-o-y basis.

HomeFirst Financial Highlights

Q2FY24 Performance Summary

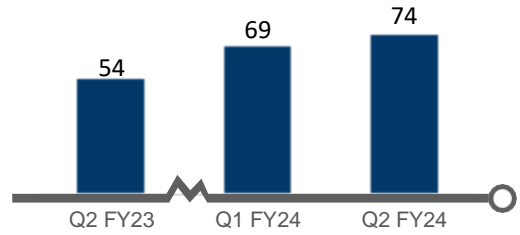
Assets Under Management

Rs Crs

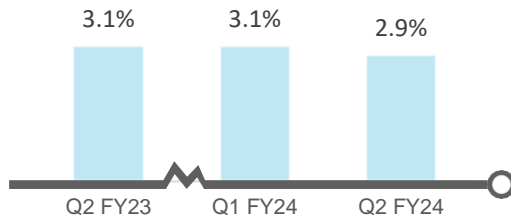


Profit After Tax

Rs Crs

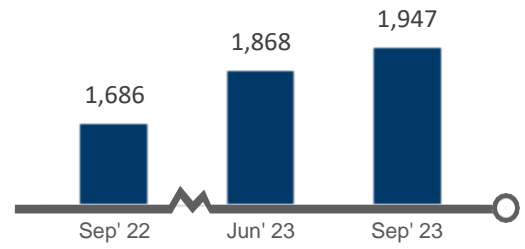


Opex To Asset



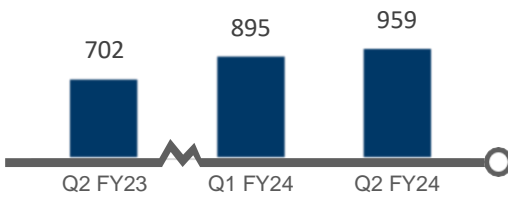
Net worth

Rs Crs

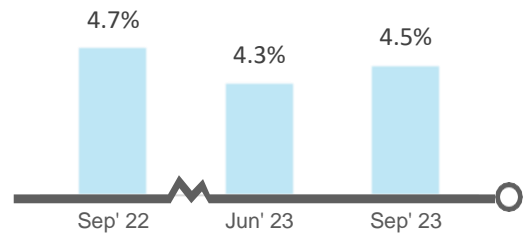


Disbursement

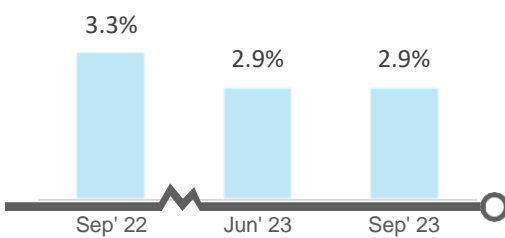
Rs Crs



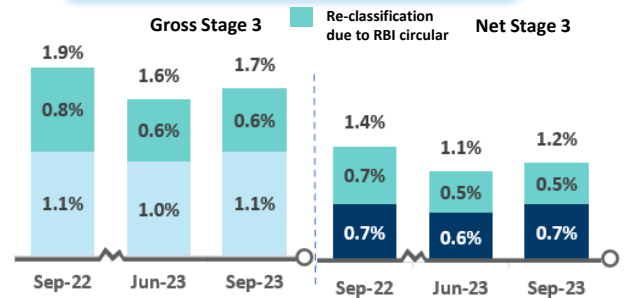
DPD 1+



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 120 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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