

Home First Finance Company India Limited

- Quarter witnessed disbursement milestone of Rs 1000 Crs. Overall growth of 29.1% on y-o-y.
- Strong financial results with ROE of 15.8% (+20 bps q-o-q); with industry leading home loan mix of 86%.
- AUM crossed Rs 9,000 Crs, grew by 33.5% on y-o-y & 7.7% on q-o-q basis. Asset quality remains strong.

Q3FY24 Assets Under Mgmt (AUM)

₹ 9,014 Crs

+33.5%

+7.7%

Q3FY24 Disbursement

₹ 1,007 Crs

+29.1%

+5.0%

Q3FY24 Gross Stage 3 / POS (GNPA %)

1.7⁽¹⁾

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

-10 bps

0 bps

Q3FY24 Profit After Tax (PAT)

₹ 79 Crs

+34.2%

+6.1%

y-o-y

q-o-q

Press Release: 18th Jan 2024, Mumbai.

Key Performance Indicators for Q3 FY24

Particulars	Q3FY24	Q3FY23	y-o-y	Q2FY24	q-o-q
AUM (Rs Crs)	9,014	6,751	33.5%	8,365	7.7%
Disbursement (Rs Crs)	1,007	780	29.1%	959	5.0%
Total Income (Rs Crs)	301	206	46.4%	278	8.3%
PAT (Rs Crs)	79	59	34.2%	74	6.1%
Spread (%) ⁽²⁾	5.3%	5.7%	-40 bps	5.5%	-20 bps
ROA (%)	3.7%	3.8%	-10 bps	3.8%	-10 bps
Gross Stage 3 (%)	1.7%	1.8%	-10 bps	1.7%	-
Cost to Income (%)	35.9%	35.3%	+60 bps	35.2%	+70 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 ₹435.52 millions as Gross Stage 3 (GNPA) as at Dec'23 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Dec'23 is 1.1%.

(2) IGAAP basis.

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

“We are happy to continue the growth momentum in Q3FY24. HomeFirst’s performance has been strong across all operating and financial parameters. We delivered PAT growth of 34.2% on y-o-y & 6.1% on q-o-q basis leading to ROE of 15.8% in an high interest rate environment. We believe the level of consistent and superior returns is a testimony to our strong risk management, use of right technology and scalability of our differentiated business model.

We continue to build distribution by simultaneously entering new markets and deepening our presence in existing markets. States of Uttar Pradesh & Madhya Pradesh are emerging as large affordable housing markets and we have taken steps to strengthen our presence and expand distribution in these states. Overall, we have added 3 branches in Q3 and now have 123 physical branches. Including potential & digital branches, we now do business across 305 touchpoints across Tier 1 to Tier 5 markets in 13 states / UT of India.

Disbursement in Q3 at Rs 1,007 Cr grew by 29.1% on y-o-y basis, leading to an AUM growth of 33.5% on y-o-y basis to Rs 9,014 Cr. Spreads remain healthy at 5.3%. PAT at Rs. 79 Cr and ROA is range bound at 3.7%.

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

- 1+ DPD is at 4.5% (+10 bps on y-o-y and flat on q-o-q basis).
- 30+ DPD at 3.0% (flat on y-o-y and +10 bps on q-o-q basis).
- Gross Stage 3 (GNPA) is at 1.7% (-10bps on y-o-y and flat on q-o-q basis). Prior to RBI classification circular of Nov’21, it stands at 1.1% (flat on y-o-y and q-o-q basis).
- Our credit cost at 30bps (-10bps on y-o-y & q-o-q basis).

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 Dec’23. Unique User Logins was 54% in Q3FY24. Service requests raised on app was stable at 88%.

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 Q3 FY24:

Distribution:

- The Company has 123 branches with presence in 13 States / UT (+3 branches q-o-q).
- Total touchpoints increased to 305 (+10 from Sep'23 and +44 from Dec'22).

Q3 Disbursements:

- Disbursements of Rs 1,007 Crs in Q3, y-o-y growth of 29.1% and 5.5% on q-o-q basis.

Asset under Management (AUM):

- Rs 9,014 Crs, growth of 33.5% on y-o-y basis and 7.7% q-o-q basis.
- Focus on housing loans that contribute 86% of AUM
- EWS / LIG category that forms ~65% of the customer base.

Asset Quality:

- Bounce rates increased to 15.1% from 14.2% on q-o-q basis.
- 1+ DPD & 30+ DPD remained range bound at 4.5% and 3.0% respectively.
- Gross Stage 3 (GNPA) at 1.7%. Prior to RBI classification circular of Nov'21, it stands at 1.1%.
- Our credit cost is at 30bps for the quarter.

Provisions:

- ECL provision as on Dec'23 is Rs 68 Crs; resulting in total provision to loans outstanding ratio at 0.9%; and the GNPA to total provision coverage ratio (PCR) is at 52.4% in Dec'23 vs 53.6% in Dec'22 (total PCR without considering the impact of RBI circular is 79.0% in Dec'23 vs 87.4% in Dec'22).

Borrowings:

- Total borrowings including debt securities are at Rs 6,846 Crs as on Dec'23. The company continues to carry a liquidity of Rs 2,468 Crs as on Dec'23.
- Cost of borrowings at 8.2% increased by 10 bps on q-o-q basis.

Spread:

- Spread on loans stood at 5.3% in Q3FY24, decrease of 20bps on q-o-q basis.

Capital Adequacy:

- Total CRAR at 40.9%⁽¹⁾. Tier I capital stands at 40.5% as on Dec'23.
- Networth as on Dec'23 is at Rs 2,032 Crs vis-à-vis Rs 1,817 Crs as on Mar'23.

Q3FY24 Financial Performance:

- Total Income at Rs 301 Crs; y-o-y growth of 46.4%.
- PPOP stands at Rs 110 Crs, growth of 34.3% on y-o-y basis.
- PAT at Rs 79 Crs, up by 34.2% on y-o-y basis.
- ROA at 3.7% decrease of 10bps on q-o-q and y-o-y basis.
- ROE at 15.8% increased by 20bps on q-o-q and 210 bps on y-o-y basis.

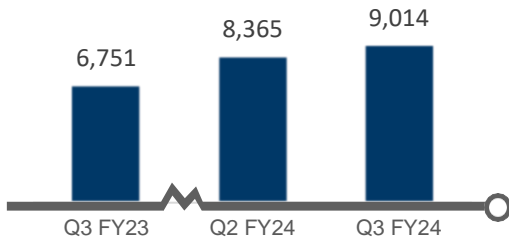
(1) Applicability of the RBI circular dated 16th Nov'23 on 'Regulatory measures towards consumer credit and bank credit' is under evaluation

HomeFirst Financial Highlights

Q3FY24 Performance Summary

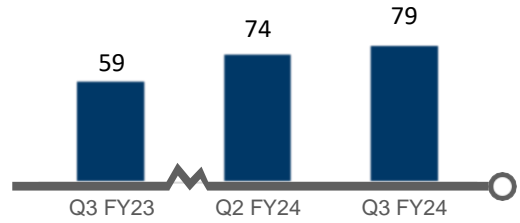
Assets Under Management

Rs Crs

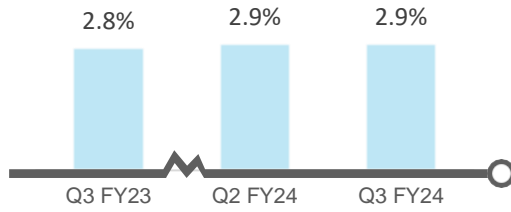


Profit After Tax

Rs Crs

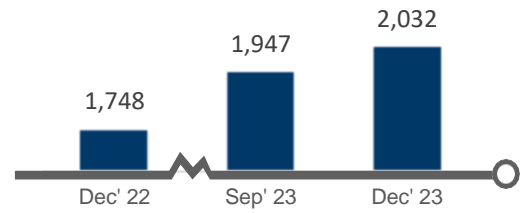


Opex To Asset



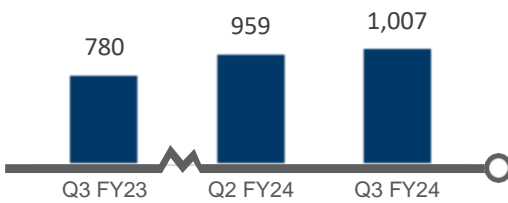
Net worth

Rs Crs

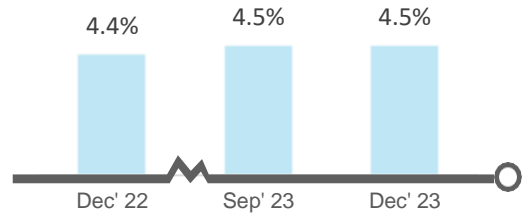


Disbursement

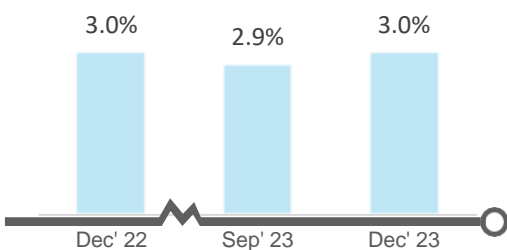
Rs Crs



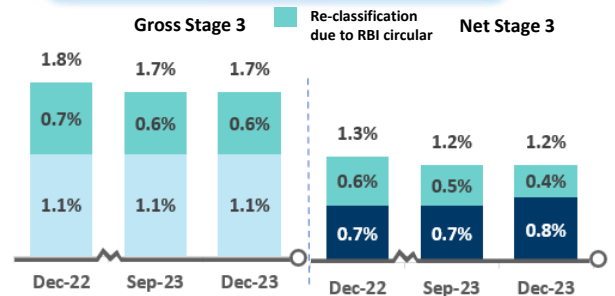
DPD 1+



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 123 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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