

Home First Finance Company India Limited

Press Release: 28th January 2025, Mumbai

- Strong AUM growth of 32.6% y-o-y and 6.4% q-o-q. Asset Quality stable.
- Strong Financial results - ROA 3.4% / ROE 16.6%; with industry leading home loan mix of 84%.
- Expanding distribution with 149 branches (+26 y-o-y basis) across 13 states.

Q3 FY25 in brief

y-o-y

q-o-q

Q3FY25 Assets Under Mgmt (AUM)

₹ 11,949 cr

+32.6%

+6.4%

Q3FY25 Disbursement

₹ 1,193 cr

+18.4%

+1.4%

Q3FY25 Gross Stage3/POS (GNPA%)

1.7⁽¹⁾

In line with RBI circular dated 12 Nov 2021
1.4% prior to such classification

0 bps

0 bps

Q3FY25 Profit After Tax (PAT)

₹ 97 cr

+23.5%

+5.6%

Key Performance Indicators for Q3 FY25

Particulars	Q3FY25	Q3FY24	y-o-y	Q2FY25	q-o-q
AUM (Rs Cr)	11,949	9,014	32.6%	11,229	6.4%
Disbursement (Rs Cr)	1,193	1,007	18.4%	1,177	1.4%
Total Income (Rs Cr)	407	301	35.4%	374	8.9%
PAT (Rs Cr)	97	79	23.5%	92	5.6%
Spread (%) ⁽²⁾	5.2%	5.5%	-30 bps	5.3%	-10 bps
ROA (%)	3.4%	3.7%	-30 bps	3.4%	0 bps
Gross Stage 3 (%)	1.7%	1.7%	0 bps	1.7%	0 bps
Cost to Income (%)	35.2%	35.9%	-70 bps	36.7%	-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.32 crores as Gross Stage 3 (GNPA) as at Dec'24 in accordance with regulatory requirements. Gross Stage 3 prior to such classification for Dec'24 is 1.4%.

(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 delighted to report another quarter of strong performance. Our AUM grew to Rs. 11,949 Cr, reflecting a robust y-o-y growth of 32.6% and q-o-q growth of 6.4%. PAT increased by 23.5% on a y-o-y basis to Rs. 97 Cr leading to RoA of 3.4%. We achieved an ROE of 16.6% in Q3FY25; in a high-interest rate environment. The continued improvement in our return on equity reflects our focus on sustainable growth, operational efficiency and strong credit quality. Our strong liability profile and timely availability of competitive cost of borrowing enabled us to contain the cost of borrowing. We further expanded our network, adding 7 branches and 8 touch points, taking our total branch count to 149 and touchpoints to 359. Employee strength has grown from 1,249 in Mar’24 to 1,704 in Dec’24 with the objective of driving further expansion.

To enable further support of the vision of the company and achieve our medium-term ambition of AUM of Rs. 20,000 Cr by Mar’27, the Board has also passed an enabling resolution to raise equity capital into the company of upto Rs. 1,250 Cr. This reflects a strong confidence in our ability to drive our growth plans and gain market share in the affordable housing finance segment.

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

- 1+ DPD is at 4.8% (increase of 30 bps on q-o-q).
- 30+ DPD at 3.1% (increase of 30 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 1.4%.
- Our credit cost at 30bps (remained flat on y-o-y and increased by 10 bps on q-o-q basis). We continue to maintain our conservative credit cost guidance of 30 to 40 bps.

Technology remains central to our strategy. Digital adoption continues to be strong and a key area of our focus as we grow. Account aggregator adoption has improved to 61% amongst new approvals. Digital fulfillment has reached ~80% with the use of digital agreements and E-NACH mandates. 96% of our customers are registered on our app as on Dec’24 and 88% of Service requests being raised on the app.

To further our commitment to the vision of "Housing for All," we are proud to share our partnership with MoHUA and NHB to spearhead the ISS vertical of the PMAY initiative. As part of this collaboration, we have successfully conducted initial pilot projects in our regions. At HomeFirst, we remain steadfast in our dedication to making this initiative a resounding success.

Our S&P Global ESG Score has improved significantly from 34 in FY23 to 45 in FY24, reflecting our unwavering dedication to environmental, social, and governance excellence. This remarkable progress underscores our commitment to sustainable business practices, fostering a positive impact on the environment, empowering communities, and maintaining the highest standards of governance.

We are excited about the opportunities ahead, especially with the continued push for affordable housing under government initiatives like PMAY-U 2.0. We remain committed to our mission of providing fast, transparent and efficient home finance solutions to the aspiring middle class.”

Key Highlights for Q3 FY25

Distribution:

- The Company has 149 branches with presence in 13 States / UT.
- Total touchpoints increased to 359 (+8 from Sep'24 and +54 from Dec'23).

Q3FY25 Disbursements:

- Disbursements of Rs 1,193 Cr, y-o-y growth of 18.4% basis.

Asset under Management (AUM):

- Rs 11,949 Cr, growth of 32.6% on y-o-y basis and 6.4% on q-o-q basis.
- Focus on housing loans that contribute 84% of AUM
- EWS / LIG category that forms ~61% of the customer base.

Asset Quality:

- Bounce rates range-bound. Jan'25 witnessed bounce rate of 16.0%.
- 1+ DPD is at 4.8% (increase of 30 bps on q-o-q).
- 30+ DPD at 3.1% (increase of 30 bps on q-o-q).
- Gross Stage 3 (GNPA) at 1.7%. Prior to RBI classification circular of Nov'21, it stands at 1.4%.
- Our credit cost is at 30bps for the quarter.

Provisions:

- ECL provision as on Dec'24 is Rs 84 Cr; resulting in total provision to loans outstanding ratio at 0.8%; and the GNPA to total provision coverage ratio (PCR) is at 47.3% in Dec'24 vs 52.4% in Dec'23.

Borrowings:

- Total borrowings including debt securities are at Rs 9,213 Cr as on Dec'24. The company continues to carry a liquidity of Rs. 3,486 Cr as on Dec'24.
- Cost of borrowings at 8.4% (flat on q-o-q basis).

Spread:

- Ex-CL Spread on loans stood at 5.2% in Q3FY25, decrease of 10bps q-o-q.

Capital Adequacy:

- Total CRAR at 33.1%. Tier I capital stands at 32.7% as on Dec'24.
- Networth as on Dec'24 is at Rs 2,408 Cr vis-à-vis Rs 2,289 Cr as on Sep'24.

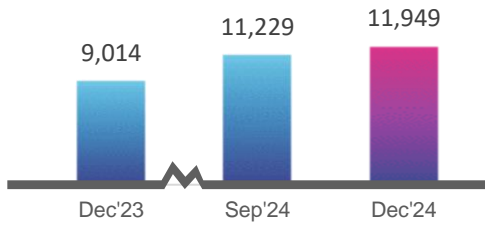
Q3FY25 Financial Performance:

- Total Income at Rs 407 Cr; y-o-y growth of 35.4%.
- PPOP stands at Rs 140 Cr, growth of 27.2% YoY.
- PAT at Rs 97 Cr, up by 23.5% YoY.
- ROA is at 3.4%; flat q-o-q.
- ROE at 16.6% increased by 10 bps QoQ.

Q3FY25 Performance Summary

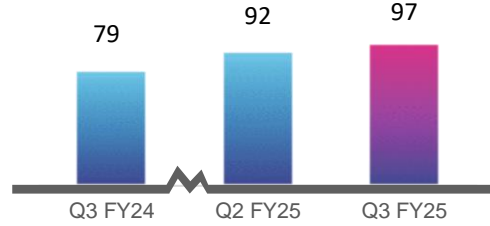
Assets Under Management

in ₹Cr

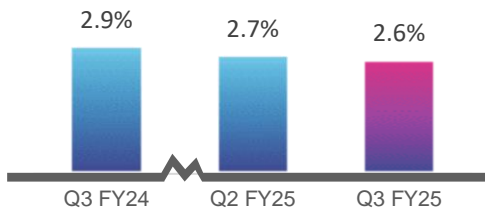


Profit After Tax

in ₹Cr

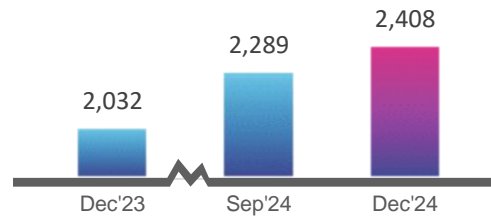


Opex to Asset



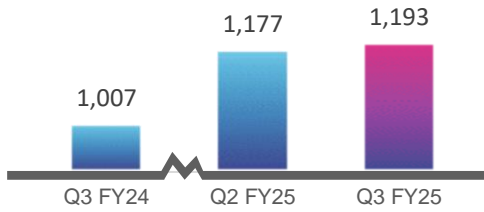
Net Worth

in ₹Cr

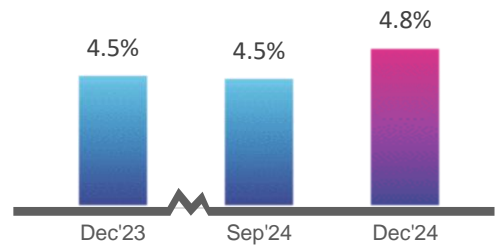


Disbursement

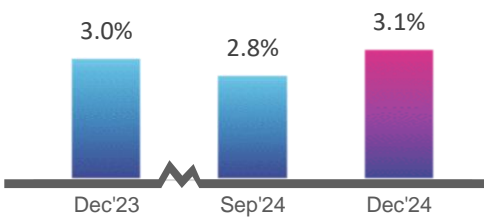
in ₹Cr



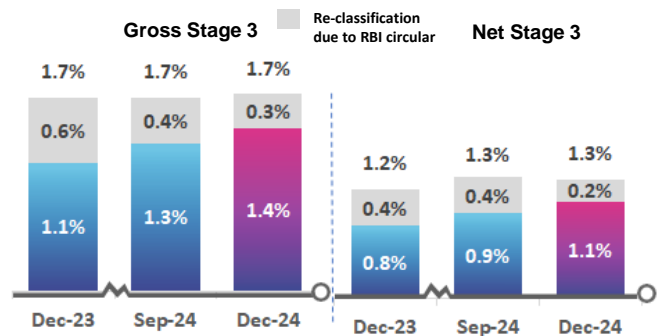
DPD 1+



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 149 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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