

REPCO HOME FINANCE LIMITED

(Promoted by REPCO BANK - Govt. of India Enterprise)



Earnings Presentation Q4 & FY16



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◆ Q4 & FY16 Performance

- ▶ Business summary.....
- ▶ Financial performance for Q4 and FY16.....
- ▶ Asset quality.....
- ▶ Diversified source of funding.....

◆ Geographic Presence

- ▶ Expanding footprint.....
- ▶ Region-wise loan book.....

◆ Annexure

Q4FY16 and FY16 Performance

Business Summary

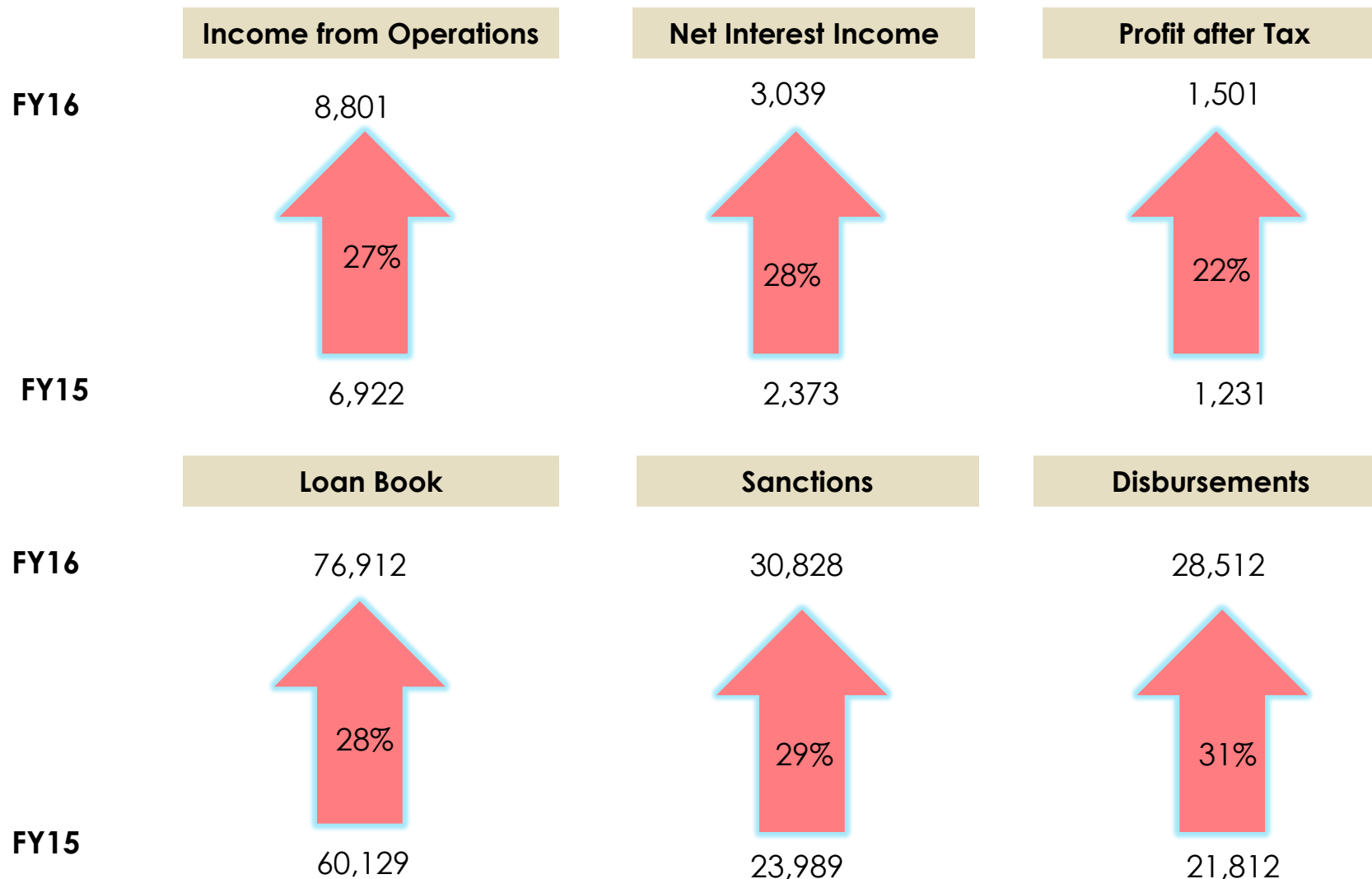
• Loans outstanding (Mar 31, 2016)	Rs. 76,912 mn
• Net worth (Mar 31, 2016)	Rs. 9,512 mn*
• Average loan per unit	Rs. 1.3 mn
• Number of live accounts	67,242
• Current Employee Strength	619
• Capital Adequacy Ratio	20.74% (Provisional)
• Gross NPA (%) (Mar 31, 2016)	1.3%
• Net NPA (%) (Mar 31, 2016)	0.5%

Net worth = Paid up capital + Reserves – Intangible assets. However, NHB has started advising HFCs to exclude Deferred Tax Assets from the calculation, in which case the Net Worth will be Rs. 9,162 mn (FY15 – Rs. 7,838 mn). This is used for all ratios involving net worth, - including CAR.

Growth story continued in FY16

Repco Home Finance Limited

Figures in Rs Million



Driven by strong Q4 FY16

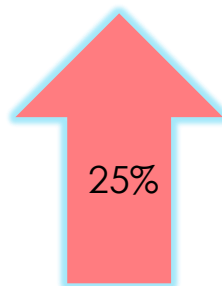
Repco Home Finance Limited

Figures in Rs Million

Income from Operations

Q4 FY16

2,400

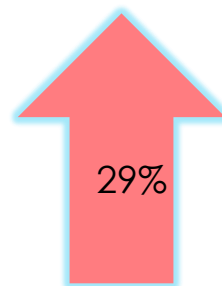


Q4 FY15

1,913

Net Interest Income

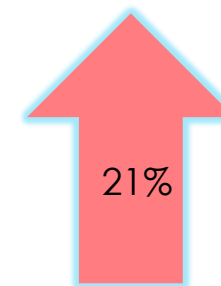
856



662

Profit after Tax

422

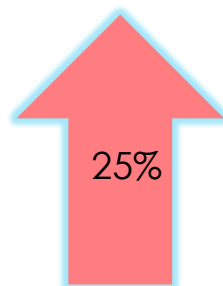


348

Total Income

Q4 FY16

2,403

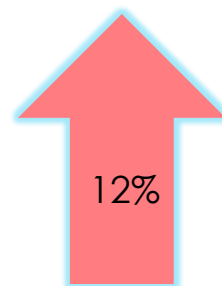


Q4 FY15

1,915

Sanctions

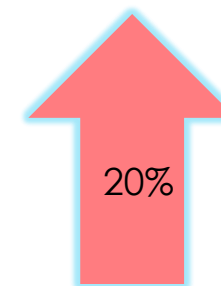
9,342



8,346

Disbursements

8,975

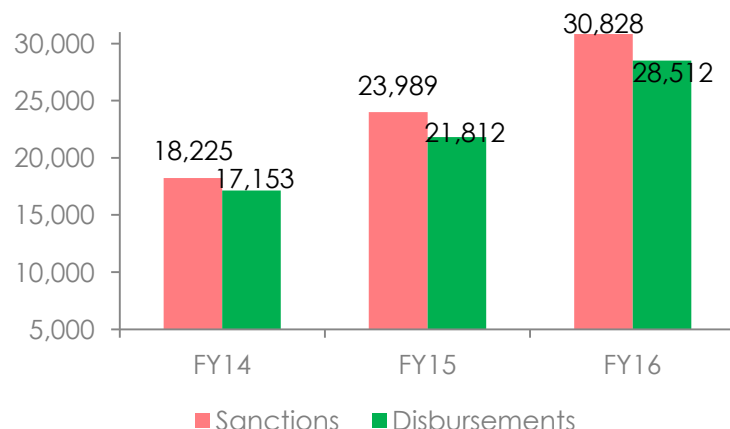


7,505

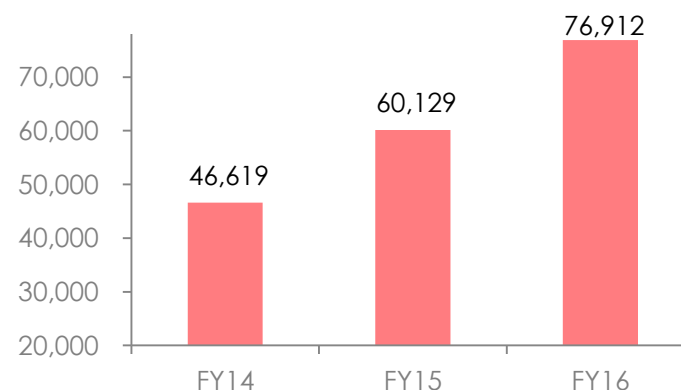
Steady growth in loan book with healthy customer mix

Figures in Rs million

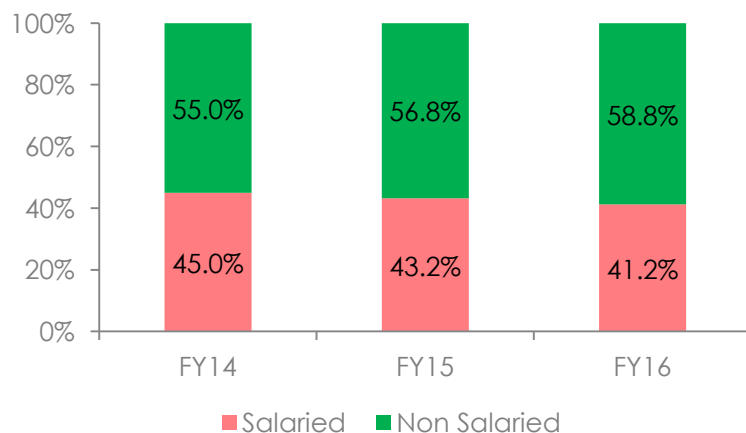
Sanctions and disbursements



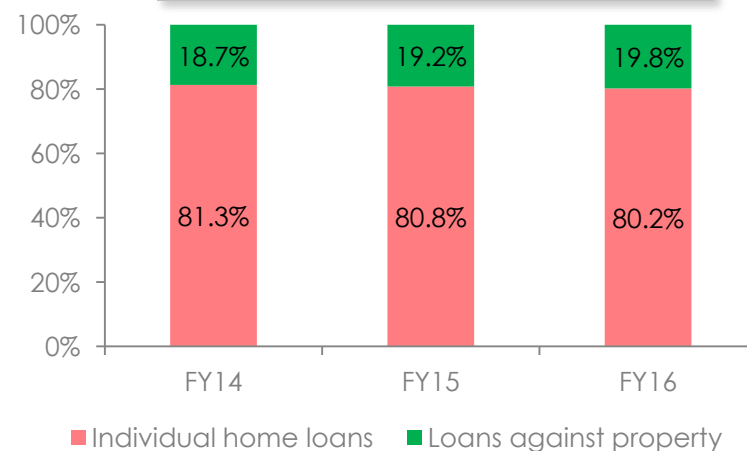
Loan Book



Loan book composition



Mix of loan portfolio

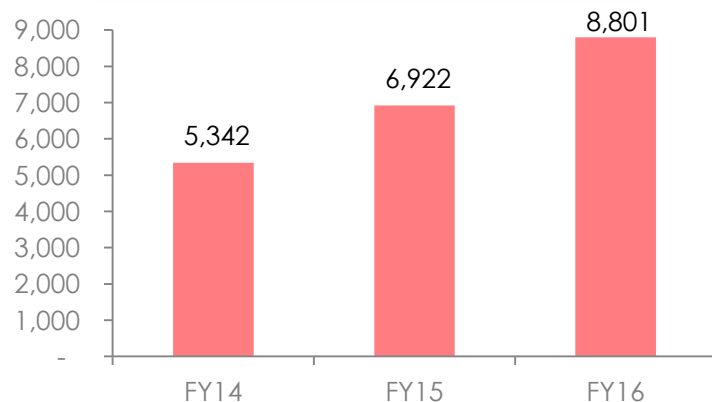


Driving robust income and earnings growth

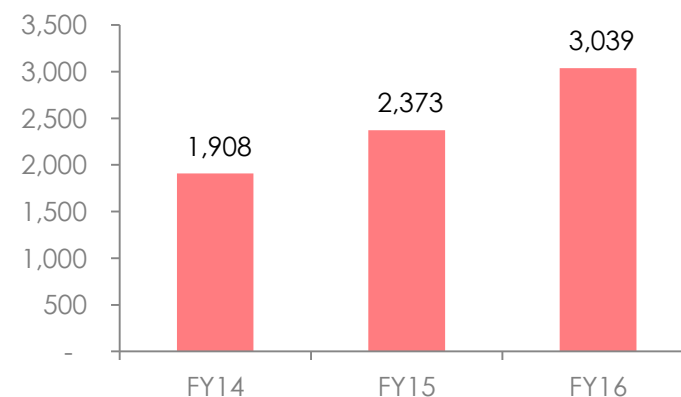
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Figures in Rs million

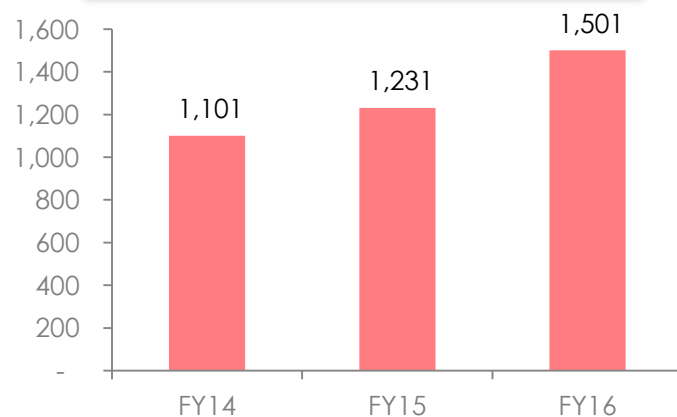
Income from operations



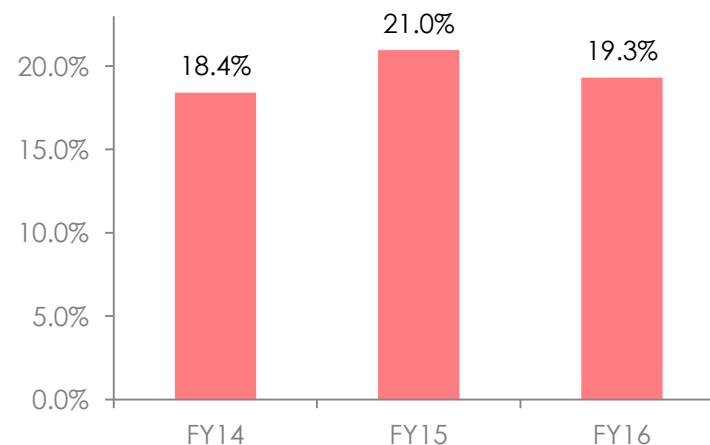
Net interest income



Net profit

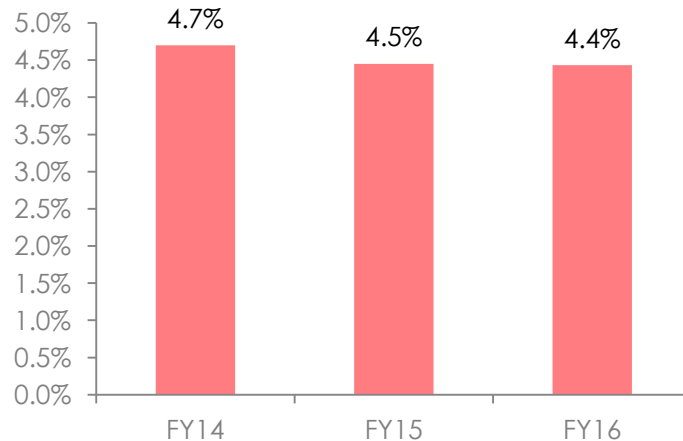


Cost to income ratio

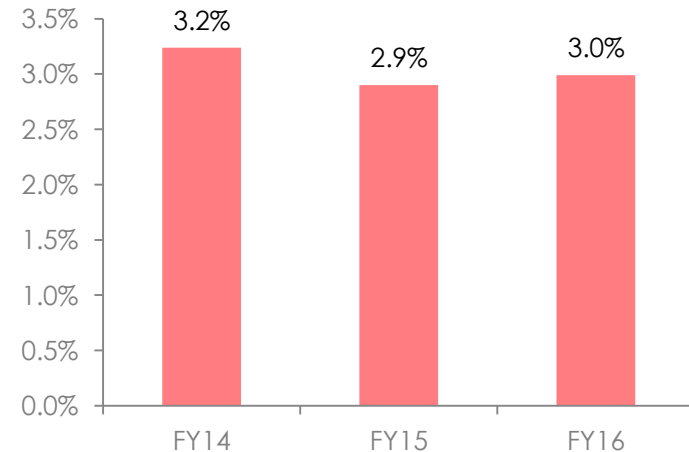


And steady profitability ratios

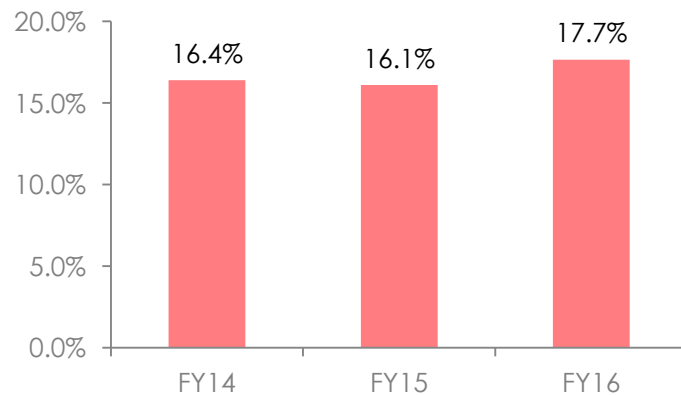
Net interest margin



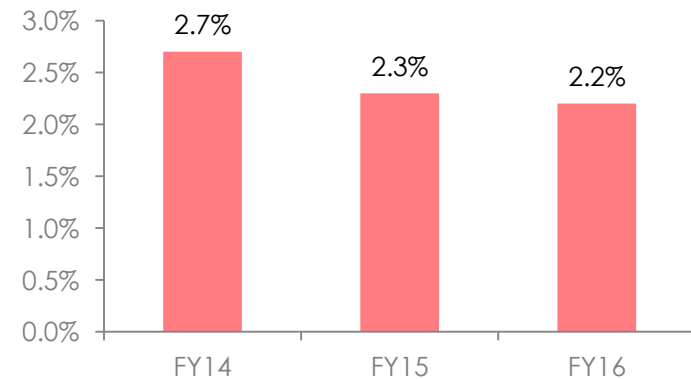
Spread



Return on average net worth



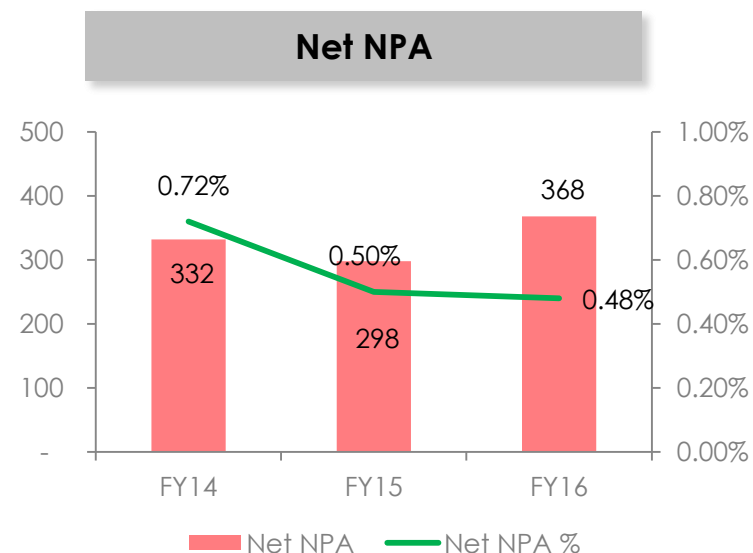
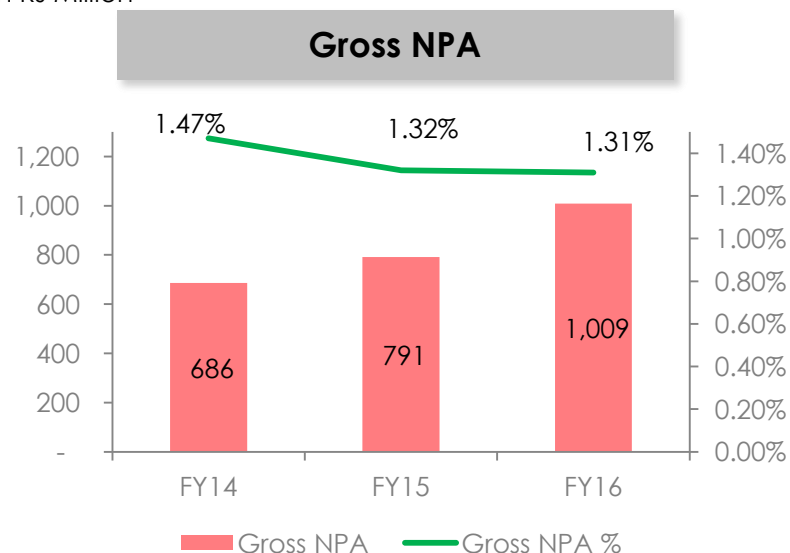
Return on assets



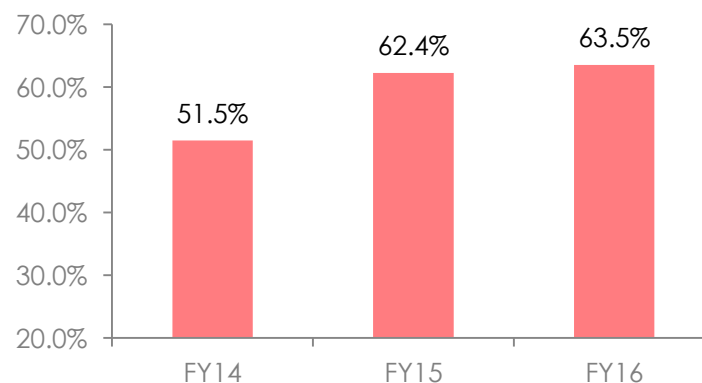
Asset quality & provisioning

Repco Home Finance Limited

Figures in Rs Million



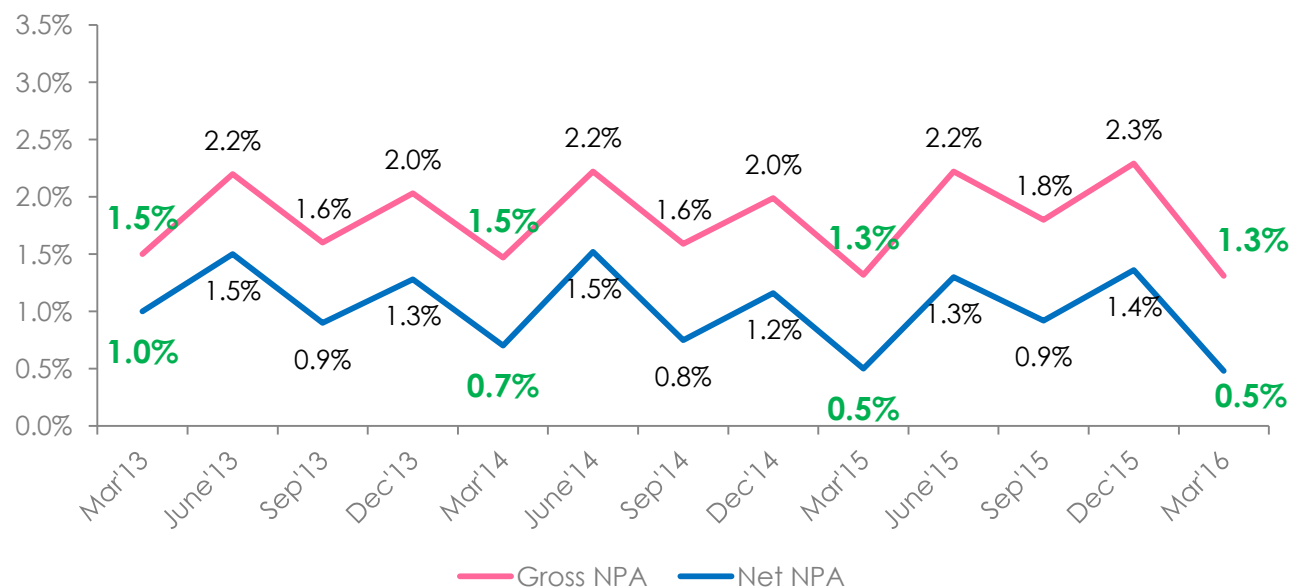
Provision coverage ratio



Stable asset quality

Repco Home Finance Limited

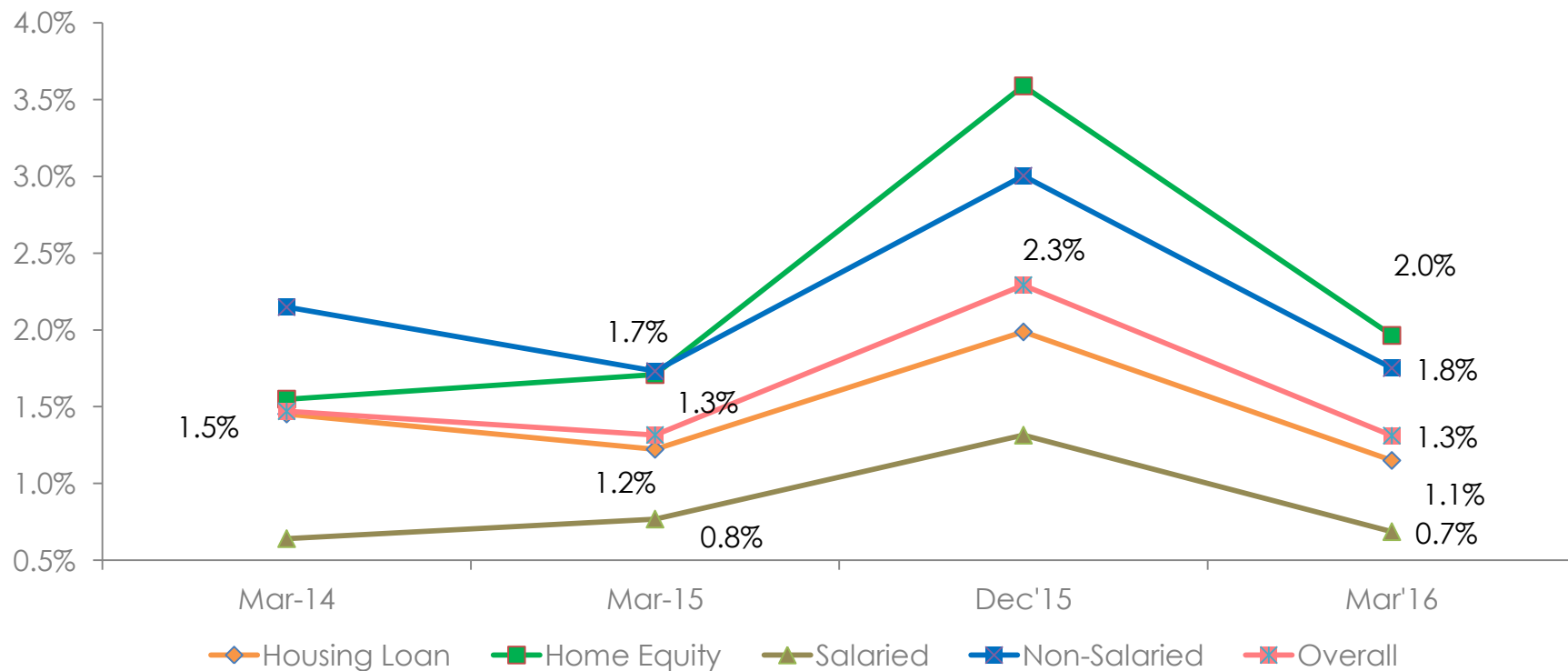
Movement in NPAs



- Stable asset quality despite material changes in loan book composition over the last 3 years; increased exposure to LAP and non-salaried segment in pursuit of better margins, resulting in technical spikes in asset quality

Mix/Product-wise asset quality

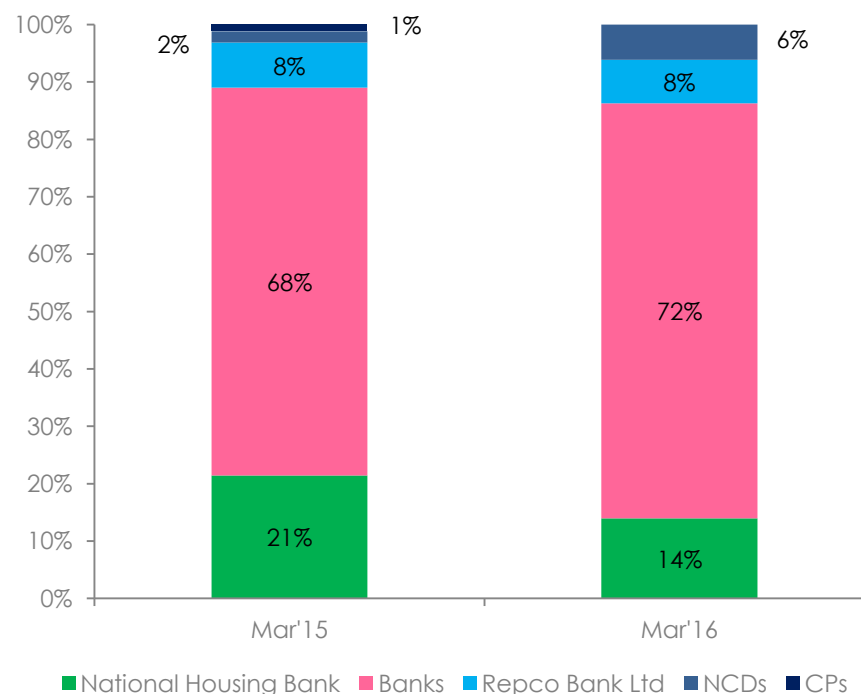
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Diversified borrowing profile

Repco Home Finance Limited

Source (Rs mn)	Mar'15	Mar'16
National housing Bank	10,948	9,109
Repco Bank	4,014	4,963
Commercial Banks	34,482	47,307
NCDs	1,000	4,000
CPs	600	0
Total	51,044	65,379

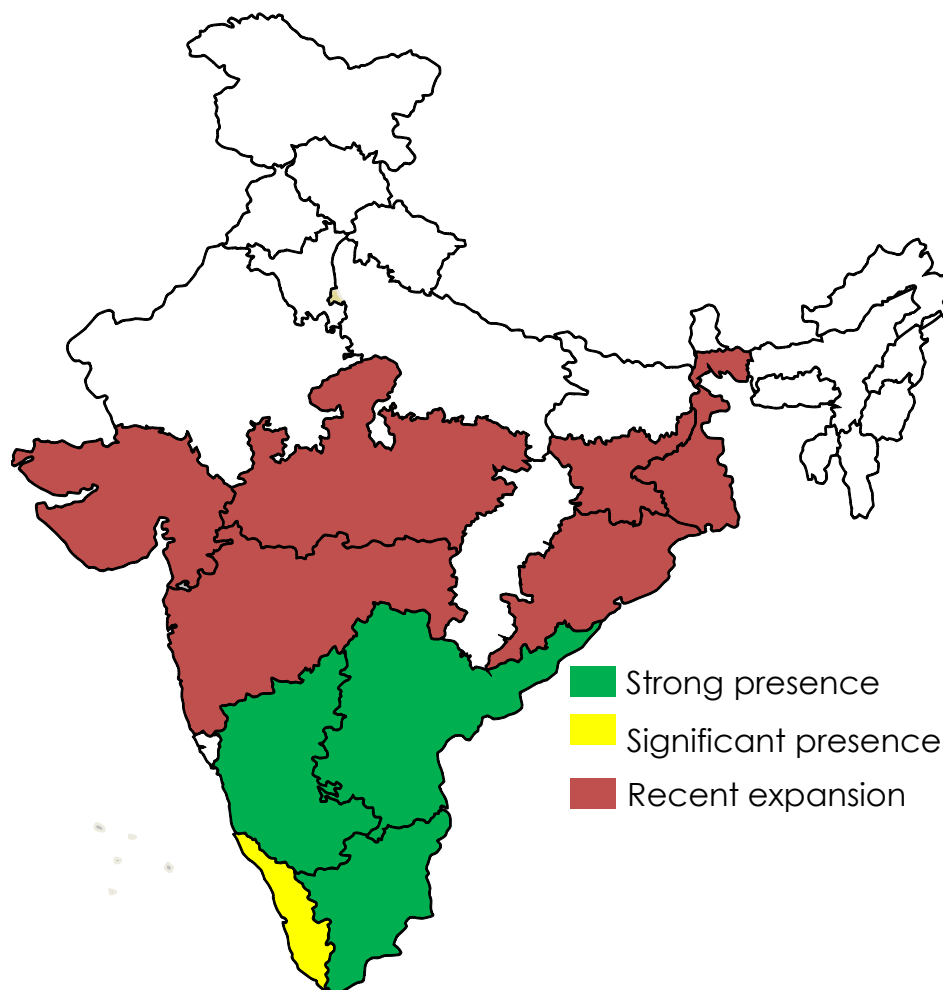


CPs were used to manage intra-quarter liquidity requirements in Q4FY16.

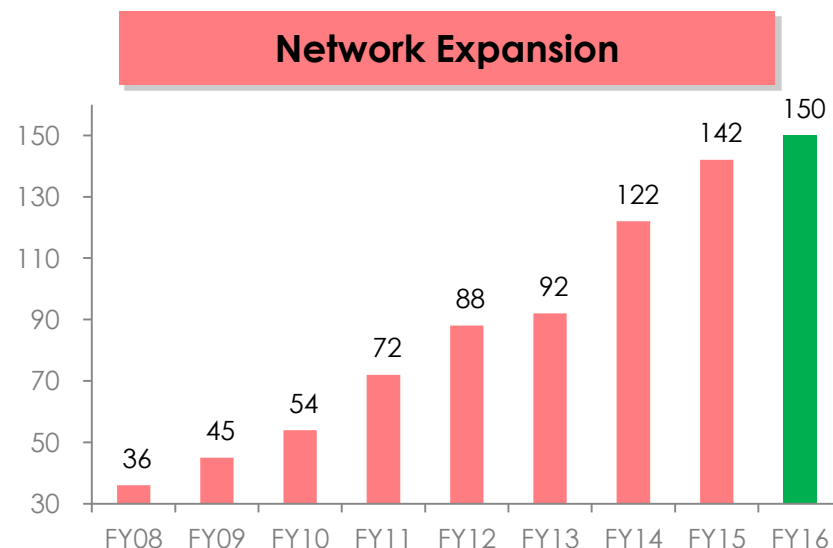
Geographic Presence

Expanding footprint

Repco Home Finance Limited

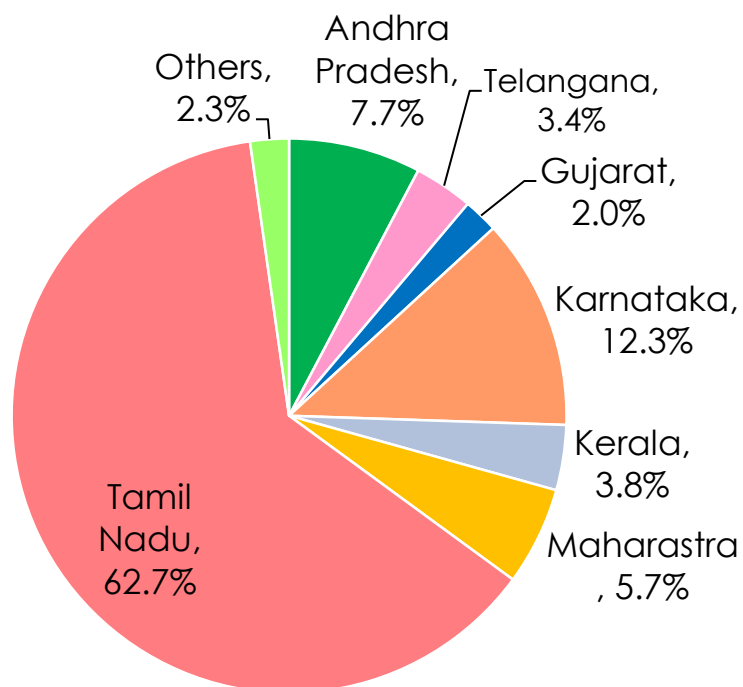


- ◆ Presence in 11 states and 1 Union Territory with 115 branches and 35 satellite centres
- ◆ Presence beyond South: branches in West Bengal, Orissa, Maharashtra, Gujarat, Madhya Pradesh and Jharkhand
- ◆ Focus in FY16 was to increase penetration in existing regions, which the company was able to achieve



Region-wise loan book

Repco Home Finance Limited



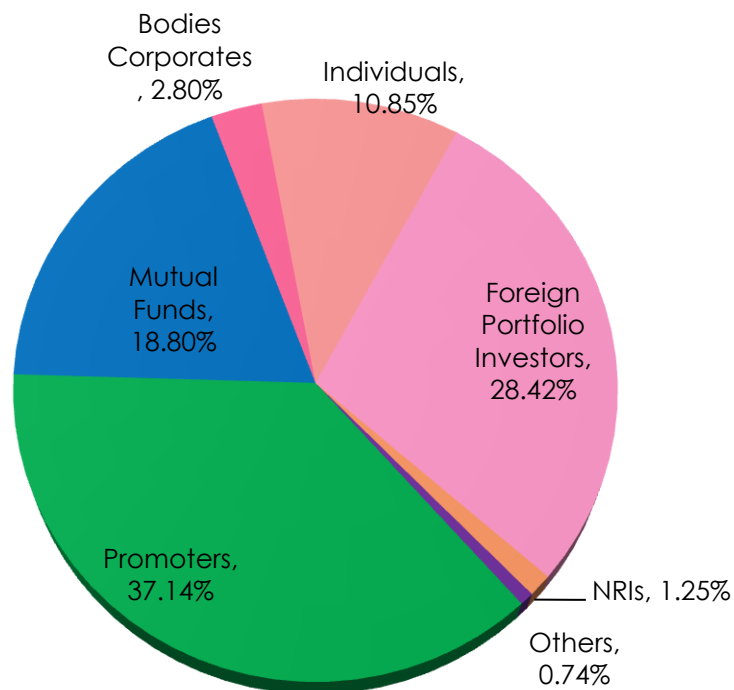
Key States	Exposure	
	FY15	FY16
Andhra Pradesh & Telangana	12.2%	11.2%
Gujarat	1.5%	2.0%
Karnataka	12.2%	12.3%
Kerala	3.7%	3.8%
Maharashtra	5.3%	5.7%
Tamil Nadu	62.9%	62.7%

Annexure

Shareholding pattern

Repco Home Finance Limited

Outstanding shares – 62.54 mn



Major Non-Promoter Shareholders

	% shareholding
Franklin Templeton Indiaprima Fund	4.3%
Birla Sun Life Balanced 95 Fund	4.0%
SBI Magnum Multiplier Fund	3.9%
Parvest Equity India	3.8%
India Capital Fund Limited	2.7%
Goldman Sachs India Fund Limited	2.6%
DSP Blackrock Micro Cap Fund	2.5%
Nomura India Investment Mother Fund	2.2%
TVF Fund Ltd	2.1%
GMO Emerging Domestic Opportunities Fund	1.2%
Wasatch Emerging Markets Small Cap Fund	1.2%
California Public Employees Retirement System	1.0%

Profit and loss statement

Repco Home Finance Limited

(Rs. million)	Q4 FY16	Q4 FY15	YoY (%)	Q3 FY16	QOQ (%)	FY16	FY15	YoY (%)
Income:								
Revenue from operations	2,400	1,913	25%	2,253	6%	8807	6922	27%
Other Income	3	1	85%	1	198%	12	8	41%
Total Income	2,403	1,915	25%	2,255	6%	8,818	6,930	27%
Expenses:								
Interest and other Financial Charges	1,456	1,168	25%	1,410	3%	5483	4318	27%
Employee benefit expense	88	105	-16%	102	-14%	409	335	22%
Depreciation and amortization expense	12	10	27%	9	37%	41	29	43%
Other expenses	53	50	6%	50	6%	192	183	5%
Provision for Non-Performing Assets	109	33	227%	65	66%	293	140	108%
Contingency Provisions against Standard Assets	28	28	0%	27	4%	95	62	55%
Bad-Debts Written Off	3	1	159%	0	100%	3	1	157%
Provision for diminution in value of Investments	1	0	100%	0	100%	1	0	100%
Total Expenses	1,749	1,395	25%	1,663	5%	6,518	5,068	29%
Profit before tax	650	520	25%	591	10%	2301	1862	24%
Tax expense:								
Current tax	187	156	20%	198	-6%	742	559	33%
Deferred Tax	40	16	150%	7	520%	58	72	-19%
Net Profit	422	348	21%	386	9%	1501	1231	22%

Balance sheet

(Rs. million)	As on Mar 31, 2016	As on Mar 31, 2015
EQUITY AND LIABILITIES:		
Shareholder's Funds	9,548	8,121
Share Capital	625	624
Reserves and Surplus	8,923	7,497
Non-Current Liabilities	51,676	39,902
Long-term borrowings	50,252	38,797
Deferred Tax Liability	400	342
Long term provisions	1,024	762
Current Liabilities	16,408	12,734
Short-term borrowings	4,970	4,848
Other current liabilities	11,244	7,750
Short-term provisions	194	136
Total	77,632	60,757
ASSETS:		
Non-current assets	72,247	56,488
Fixed assets		
Tangible assets	72	70
Intangible assets	21	19
Non-current investments	124	124
Long term loans and advances	72,030	56,275
Current assets	5,385	4,269
Cash and Bank Balances	200	175
Short-term loans and advances	5,019	3,954
Other current assets	166	139
Total	77,632	60,757

Key metrics

Key Ratios	March'14	March'15	March'16
Yield	12.6%	12.5%	12.4%
Cost of Debt	9.3%	9.6%	9.4%
Spread	3.2%	2.9%	3.0%
NIM	4.7%	4.5%	4.4%
Cost to Income	18.4%	21.0%	19.3%
Return on Assets	2.7%	2.3%	2.2%
Return on Equity	16.4%	16.1%	17.7%
Gross NPA	1.5%	1.3%	1.3%
Net NPA	0.7%	0.5%	0.5%
Provision Coverage	51.5%	62.4%	63.5%
CAR	24.5%	20.3%	20.7%
Outstanding loan book (% break up)			
- Non Salaried	55.0%	56.8%	58.8%
- Salaried	45.0%	43.2%	41.2%
- Individual Home Loans	81.3%	80.8%	80.2%
- Loans against Property	18.7%	19.2%	19.8%

Key metrics

Key metrics (Annualized)	Q4FY15	Q3FY16	Q4FY16
Yield	12.7%	12.5%	12.2%
Cost of Debt	9.6%	9.4%	9.2%
Spread	3.1%	3.1%	3.0%
NIM	4.6%	4.5%	4.6%
ROAA	2.4%	2.2%	2.3%
ROANW	17.4%	17.1%	18.7%

Historical performance at a glance

Repco Home Finance Limited

Particulars	Units	FY12	FY13	FY14	FY15	FY16	CAGR
Outstanding Loan Book	Rs mn	28,041	35,448	46,619	60,129	76,912	29%
Sanctions	Rs mn	11,116	12,848	18,225	23,989	30,828	29%
Disbursements	Rs mn	10,423	11,674	17,153	21,812	28,512	29%
Income from Operations	Rs mn	3,188	4,057	5,342	6,922	8,801	29%
Net Interest Income	Rs mn	1,032	1,256	1,908	2,373	3,039	31%
PAT	Rs mn	615	800	1,101	1,231	1,501	25%
Networth	Rs mn	2,953	6,233	7,193	8,102	9,512	34%
Debt	Rs mn	24,860	30,647	39,020	51,044	65,379	27%
<u>Ratios</u>							
NIM	%	4.2	4.0	4.7	4.5	4.4	
Gross NPA	%	1.4	1.5	1.5	1.3	1.3	
Net NPA	%	1.0	1.0	0.7	0.5	0.5	
ROAA	%	2.5	2.5	2.7	2.3	2.2	
ROANW	%	22.8	17.4	16.4	16.1	17.7	
CRAR	%	16.5	25.5	24.5	20.3	20.7	

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