

REPCO HOME FINANCE LIMITED

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



Earnings Presentation Q2FY18



www.repcohome.com

◆ Q2FY18 Performance

- ▶ Business summary.....
- ▶ Financial performance for Q2FY18
- ▶ Borrowing profile.....

◆ Geographic Presence

- ▶ Footprint.....
- ▶ Region-wise loan book.....

◆ Annexure

Q2FY18 Performance

Business Summary

Repco Home Finance Limited

• Loans outstanding (Sep 30, 2017)	Rs. 93,212 mn
• Net worth (Sep 30, 2017)	Rs. 11,585 mn
• Capital adequacy ratio (Provisional)	22.1%
• Average loan per unit	Rs. 1.4 mn
• Number of live accounts	78,804
• Current Employee Strength	695
• Gross NPA (%) (Sep 30, 2017)	3.4%
• Net NPA (%) (Sep 30, 2017)	1.9%

Sequential improvement – recovery in the works

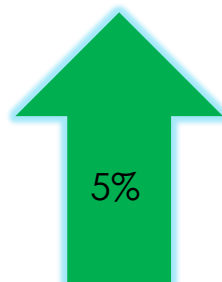
Repco Home Finance Limited

Figures in Rs million

Income from operations

Q2FY18

2,790

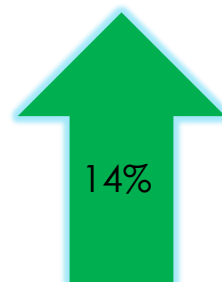


Q1FY18

2,657

Net interest income

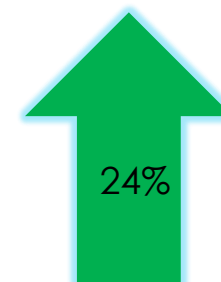
1,093



959

Profit after tax

559



452

Sanctions

Q2FY18

7,645

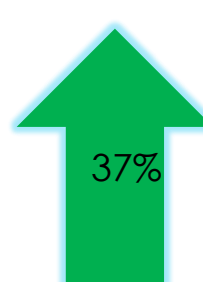


Q1FY18

6,198

Disbursements

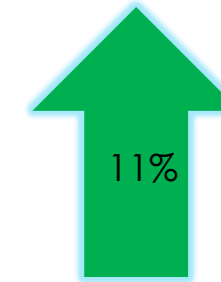
7,525



5,484

Change in loan book

14%**



3%**

**annualized %

Q2FY18 Performance

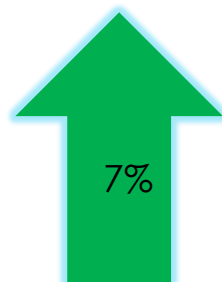
Repco Home Finance Limited

Figures in Rs million

Income from operations

Q2FY18

2,790

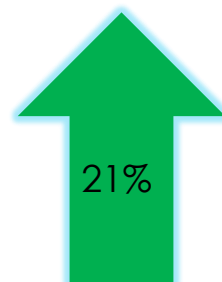


Q2FY17

2,596

Net Interest Income

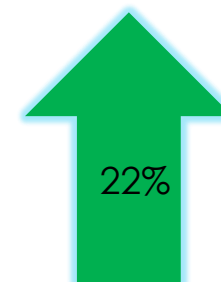
1,093



902

Profit after Tax

559

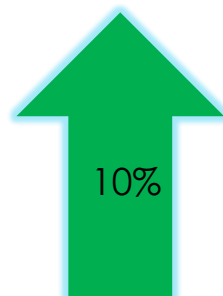


457

Loan book

Q2FY18

93,212

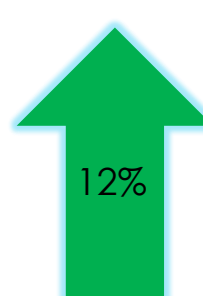


Q2FY17

84,688

Home loans

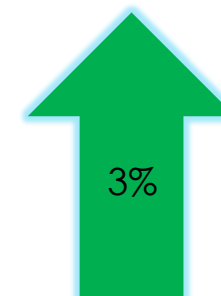
75,100



67,159

Loans against property

18,112



17,529

Relative performance – Q2FY18

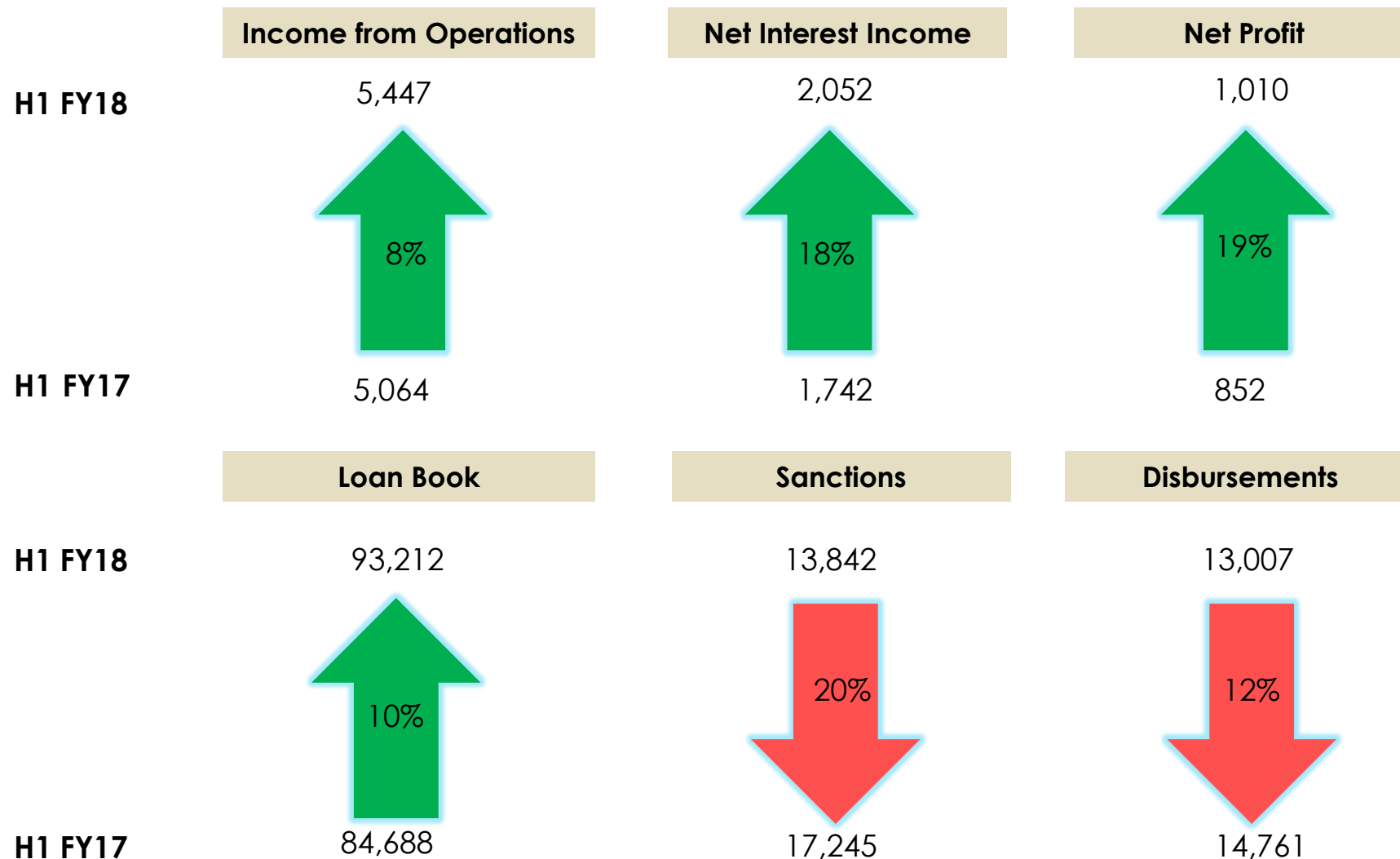
Repco Home Finance Limited

Particulars	Units	Q2FY17	Q1FY18	Q2FY18
Sanctions	Rs. Mn	10,461	6,198	7,645
Disbursements	Rs. Mn	8,764	5,484	7,525
Net interest income	Rs. Mn	902	959	1,093
PAT	Rs. Mn	457	452	559
NIM	%	4.4	4.3	4.8
Yield on assets	%	12.2	11.5	11.9
Cost of funds	%	9.2	8.6	8.4
Spread	%	3.0	2.9	3.4
Cost to income ratio	%	16.3	16.6	15.0
Return of assets	%	2.2	2.0	2.4
Return on equity	%	18.8	16.4	19.6

H1FY18 performance

Repco Home Finance Limited

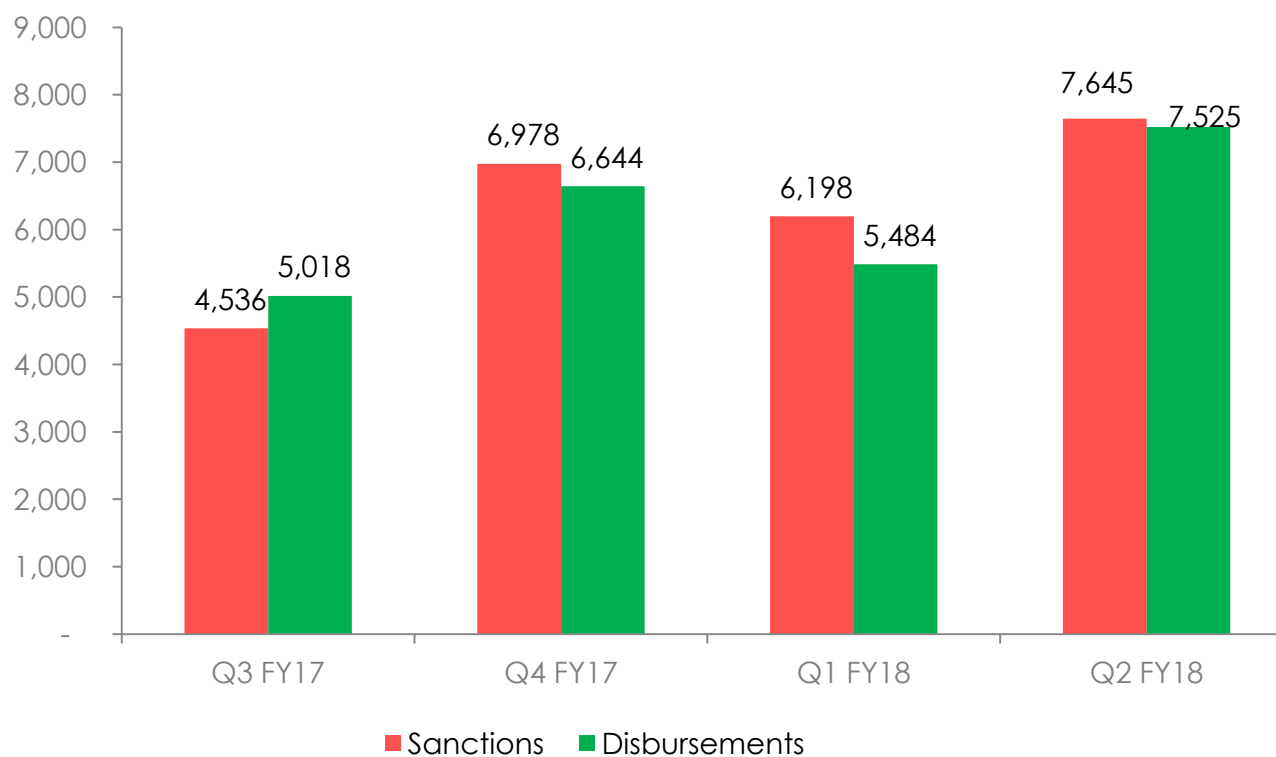
Figures in Rs million



Trends in sanctions & disbursements - last 4 quarters

Repco Home Finance Limited

Figures in Rs million

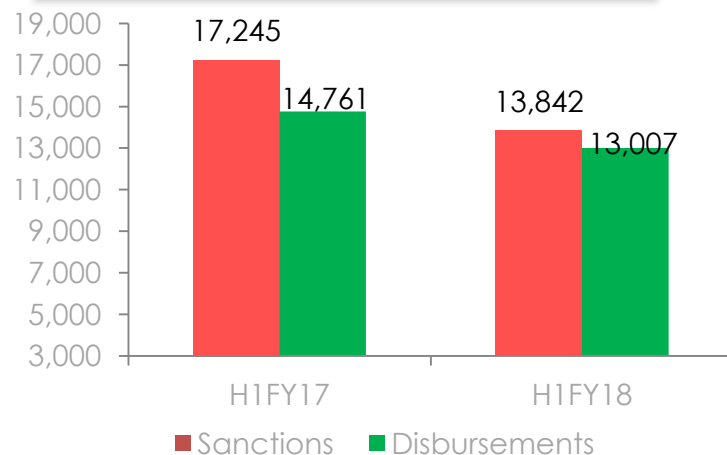


Asset book

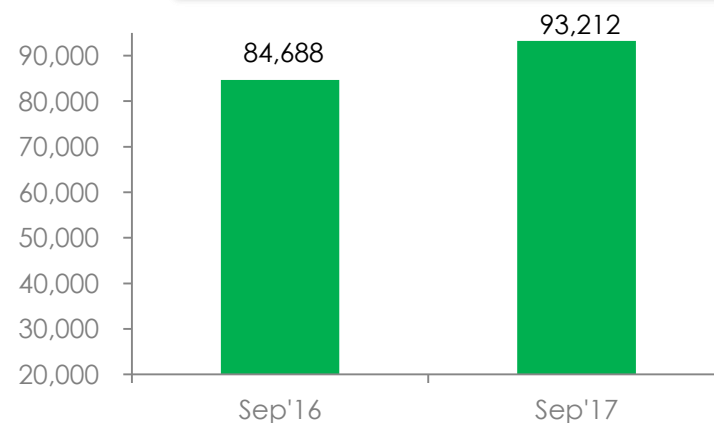
Repco Home Finance Limited

Figures in Rs million

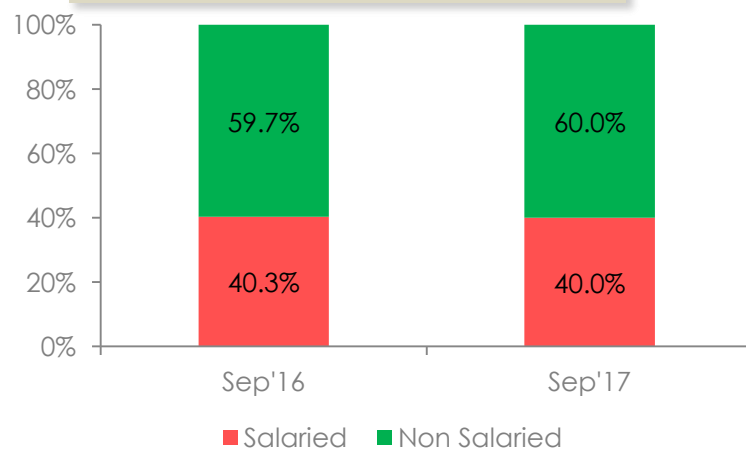
Sanctions and disbursements



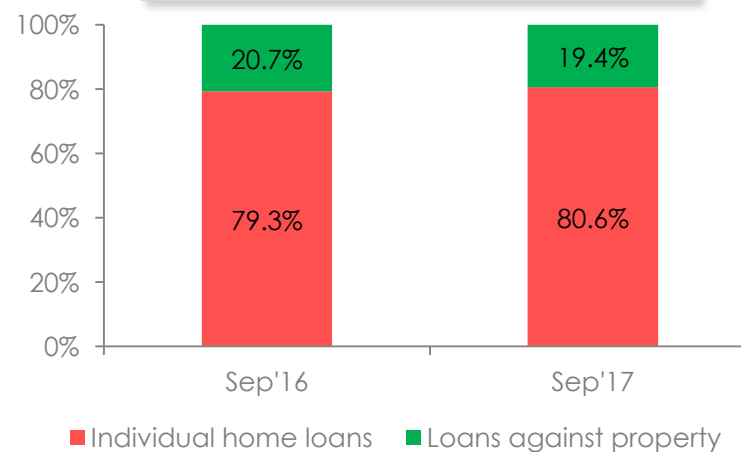
Loan Book



Loan book composition



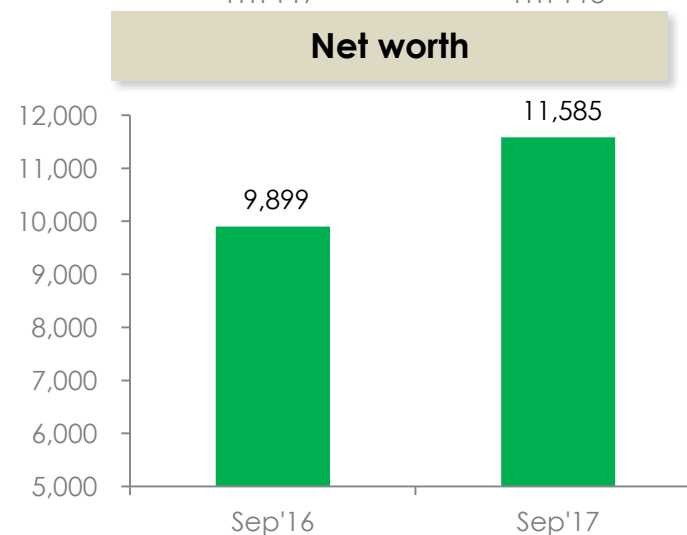
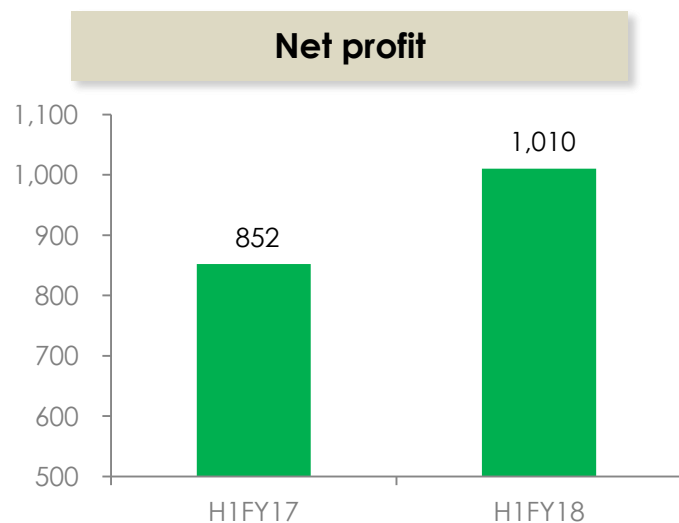
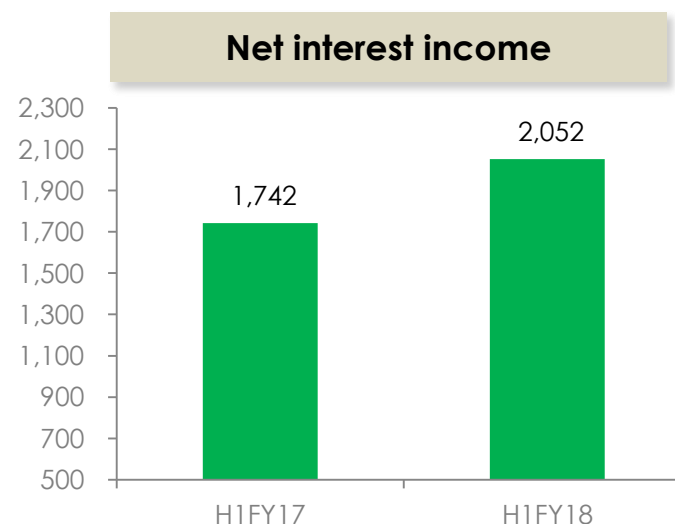
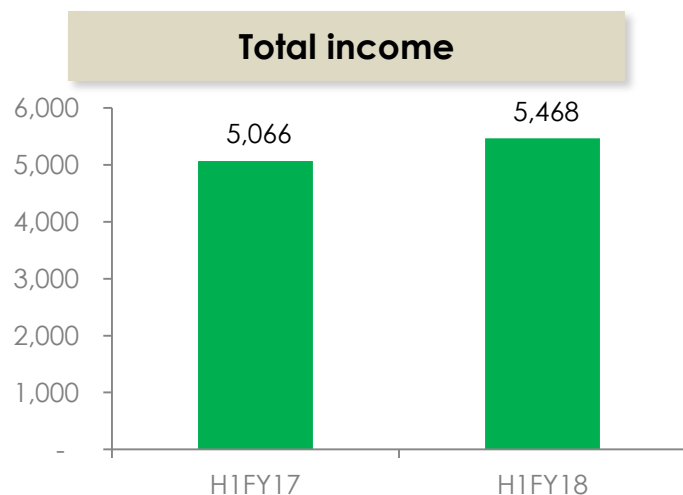
Mix of loan portfolio



Income and earnings growth

Repco Home Finance Limited

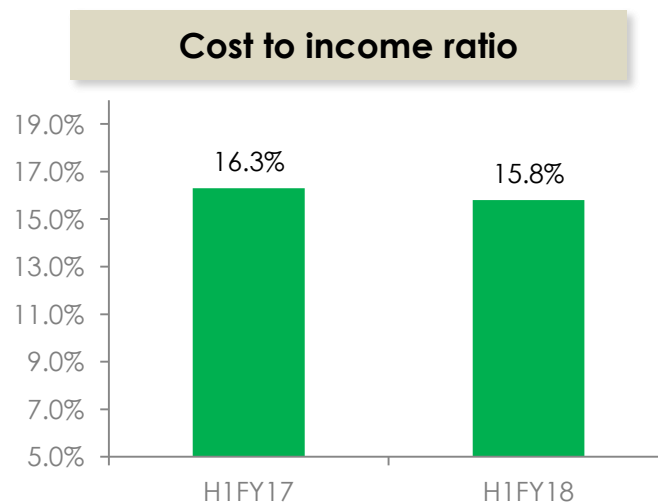
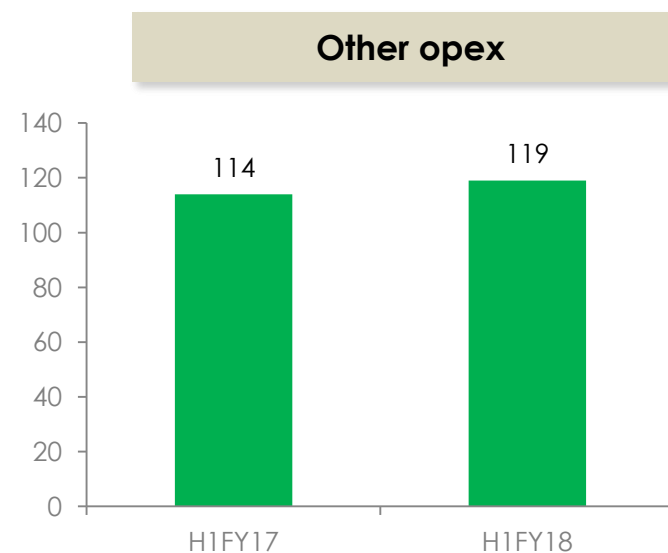
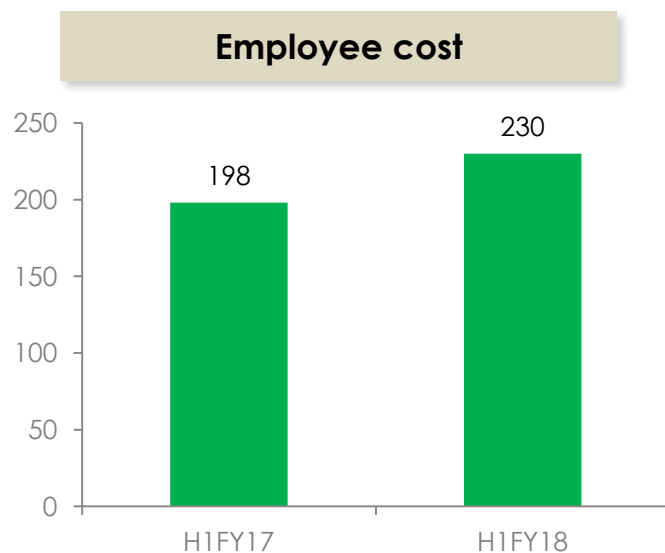
Figures in Rs million



Operating cost

Repco Home Finance Limited

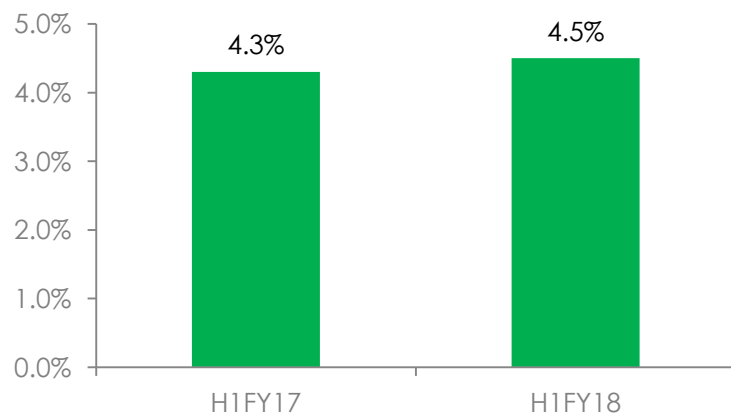
Figures in Rs million



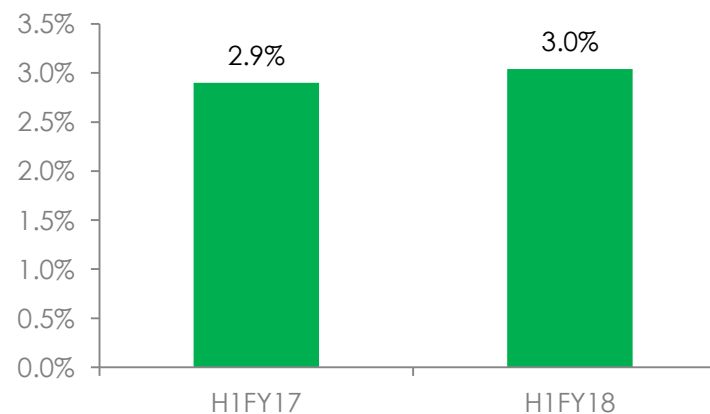
Profitability ratios

Repco Home Finance Limited

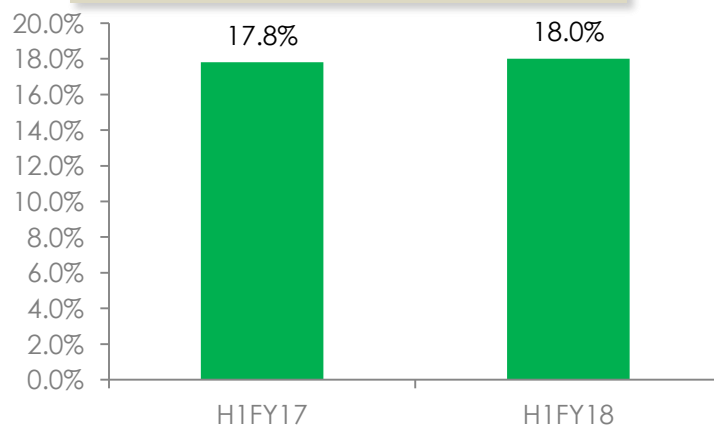
Net interest margin



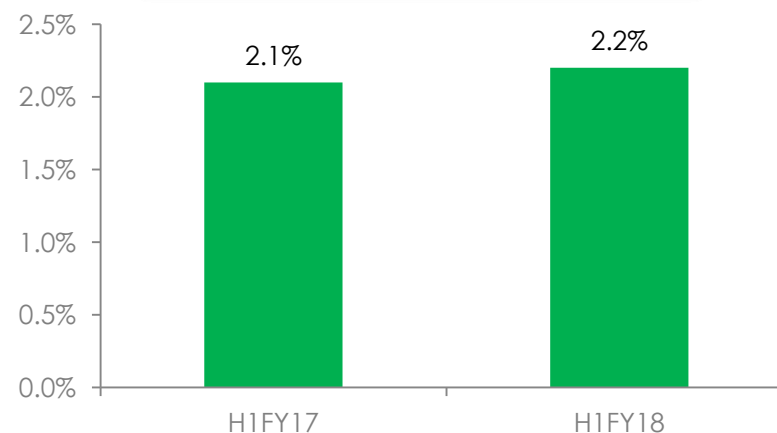
Spread



Return on equity



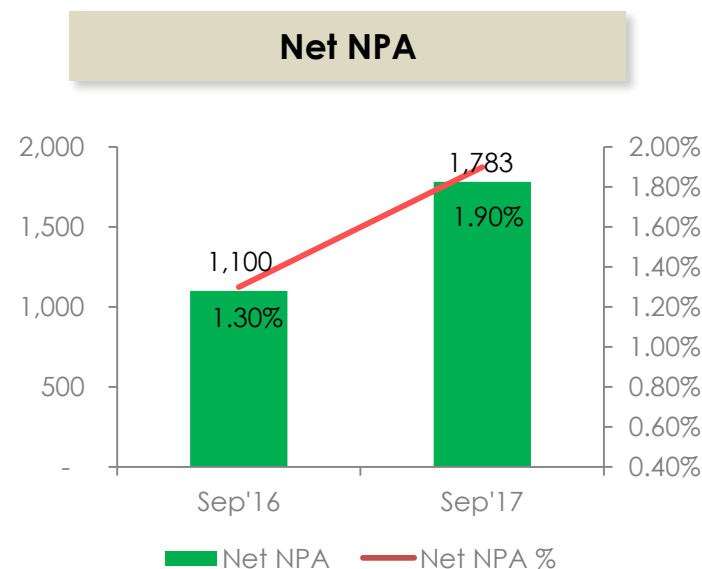
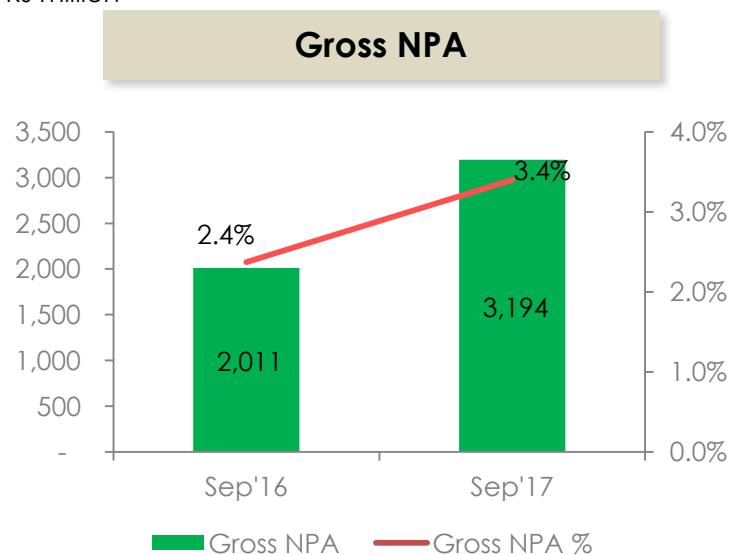
Return on assets



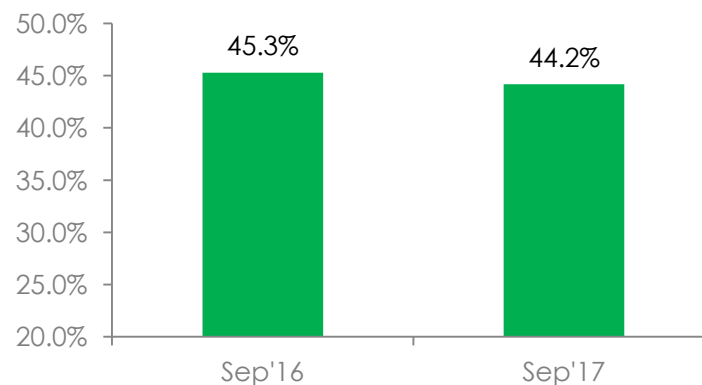
Asset quality & provisioning

Repco Home Finance Limited

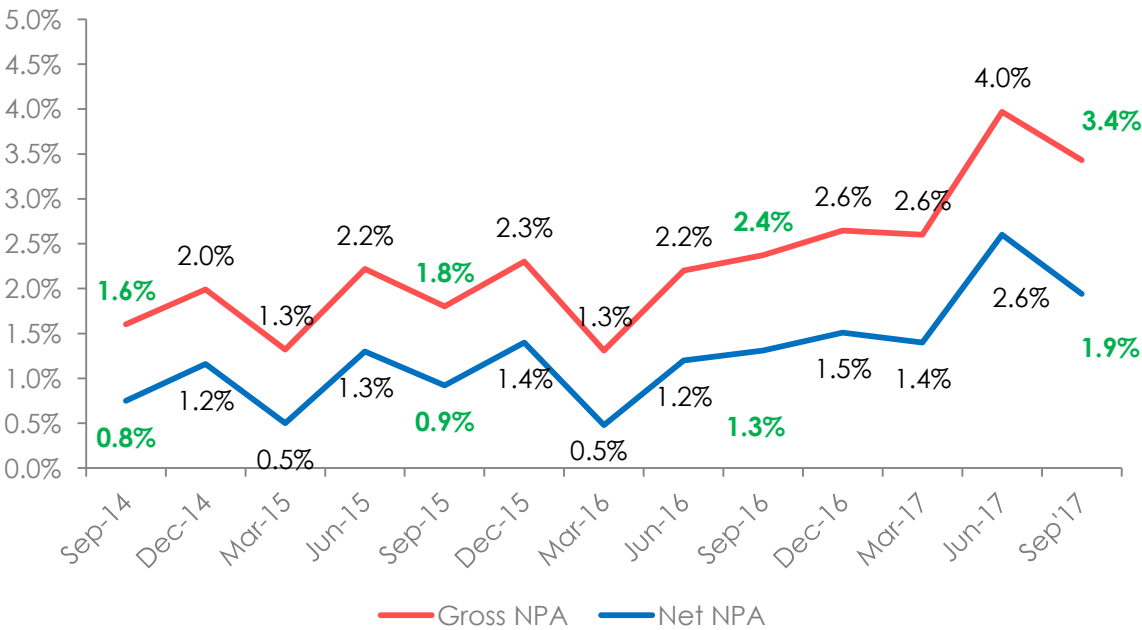
Figures in Rs million



Provision coverage ratio

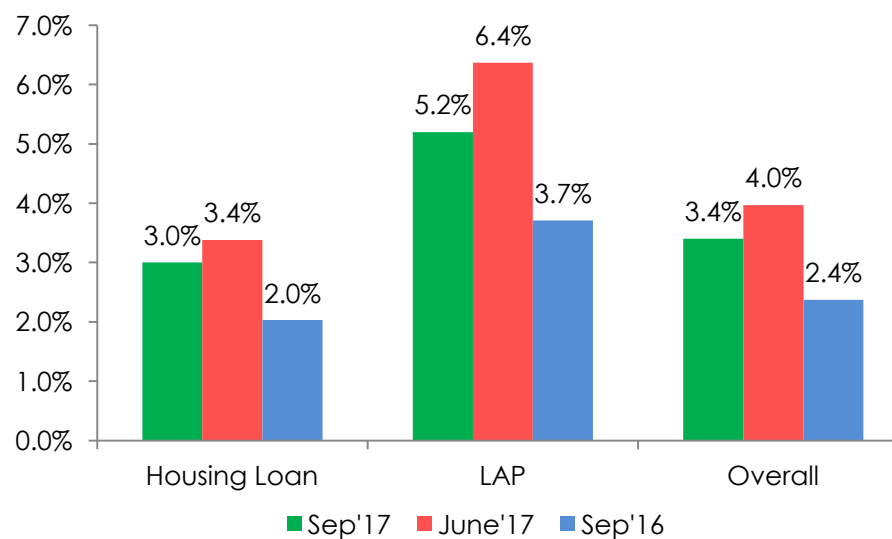
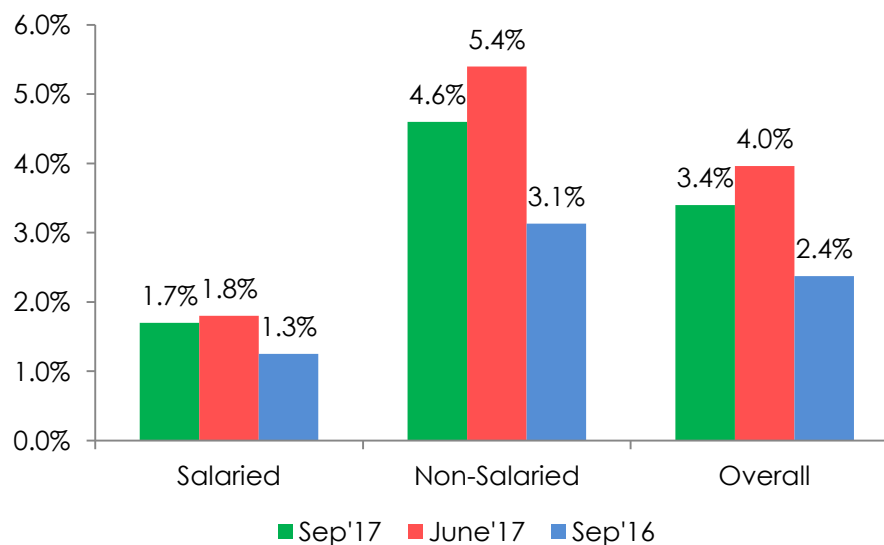


Movement in NPAs



Mix/Product-wise GNPA (%)

Repco Home Finance Limited



Provision coverage ratio trajectory – an illustration

Repco Home Finance Limited

NPA provision carried in Balance Sheet

As on	Rs. mn
March 31, 2017	1,101
Sep 30, 2017	1,411
March 31, 2018 (extrapolated, including floating provisions)	1,721

Company's extant provisioning policy

Asset category	Repco Home	Regulatory prescription
Sub-standard	20%	15%
Doubtful 1	75%	25%
Doubtful 2	100%	40%
Doubtful 3	100%	75%
Loss	100%	100%

Possible PCR under various scenarios for book size & asset quality in Mar'18

Mar'17

GNPA – 2.6%
PCR – 47.3%

**Loan book of
Rs. 1,00,000
million**

GNPA – 2.5%
PCR – 68.8%

GNPA – 2.0%
PCR – 86.0%

GNPA – 1.5%
PCR – 114.7%

**Loan book of
Rs. 1,05,000
million**

GNPA – 2.5%
PCR – 65.6%

GNPA – 2.0%
PCR – 82.0%

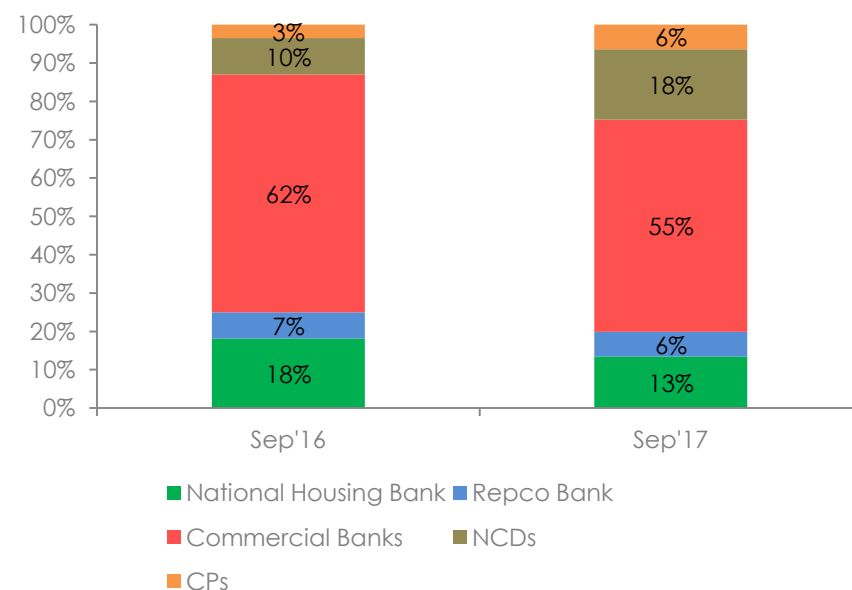
GNPA – 1.5%
PCR – 109.3%

Company has reached a stage where it needs to rely less on accelerated provisioning and more on asset quality improvement to shore up PCR. Credit cost should trend down after 100% PCR is achieved.

Diversified borrowing profile

Repco Home Finance Limited

Source (Rs mn)	Cost*	Sep'16	Sep'17	% change
National Housing Bank	7.7%	12,983	10,536	-19%
Repco Bank	8.3%	4,924	4,982	1%
Commercial Banks	8.4%	44,485	43,243	-3%
NCDs	8.6%	6,850	14,370	110%
CPs	6.6%	2,500	5,000	100%
Total	8.2%	71,742	78,131	9%

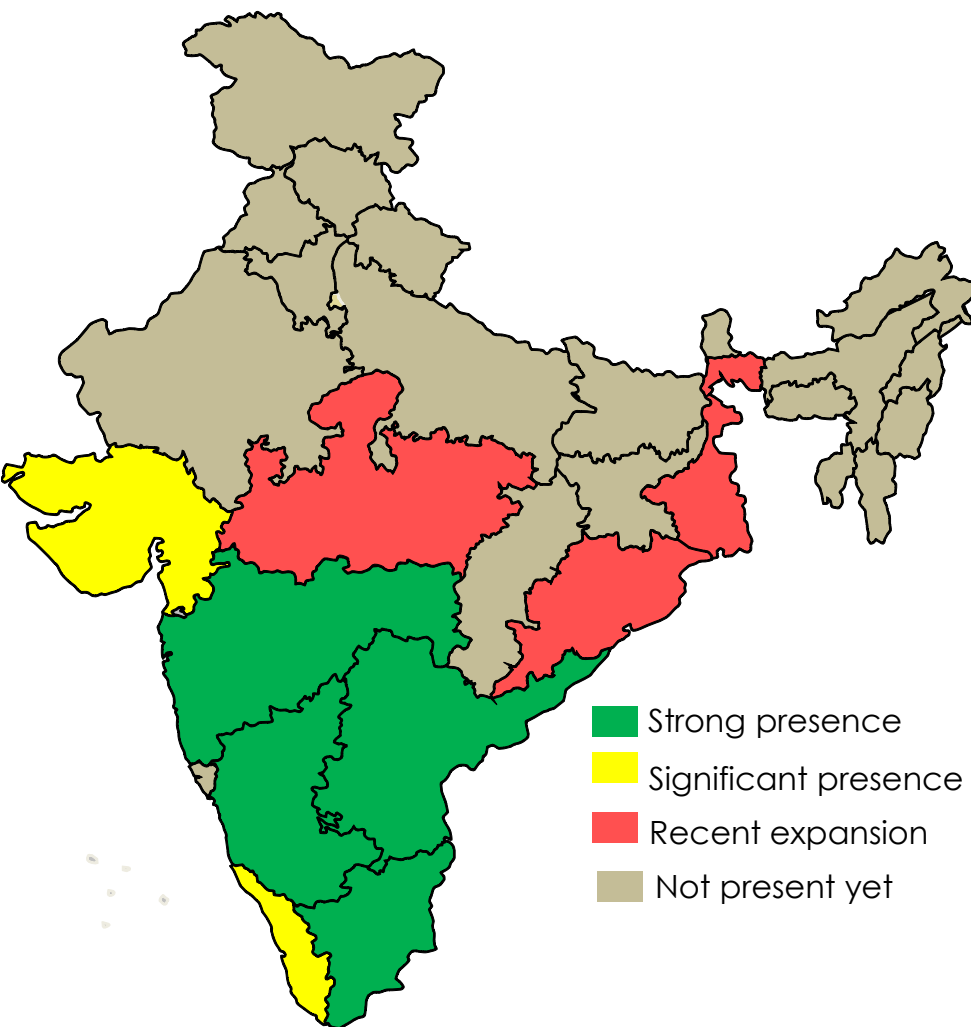


*Weighted average cost as of the Balance Sheet date

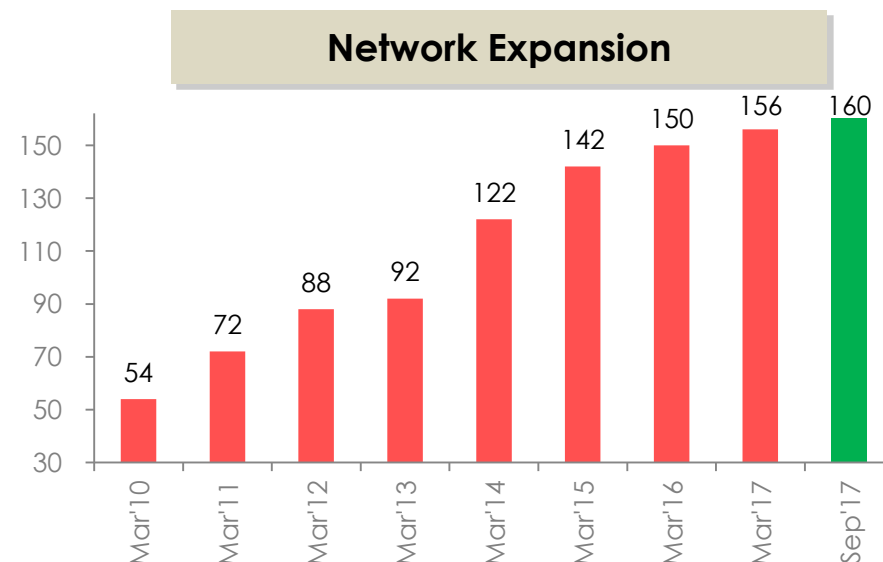
Geographic Presence

Footprint

Repco Home Finance Limited

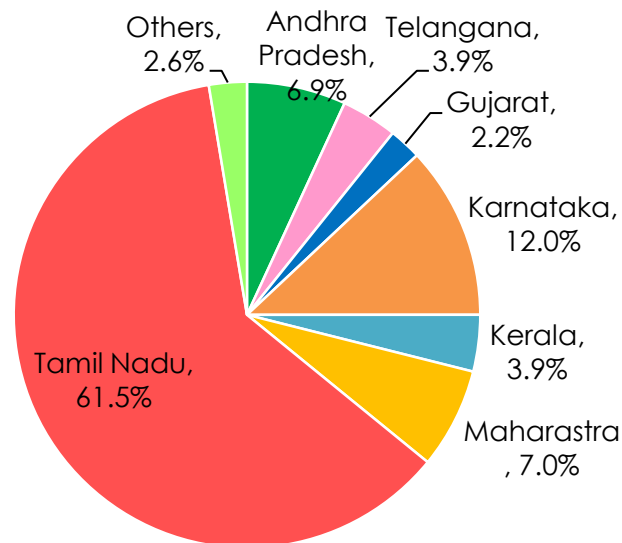


- ◆ Presence in 11 states and 1 Union Territory with 129 branches and 31 satellite centers.
- ◆ Presence beyond South: branches in West Bengal, Orissa, Maharashtra, Gujarat, Madhya Pradesh and Jharkhand.
- ◆ Focus in FY18 will be to increase penetration in existing regions and selectively enter new regions.



Region-wise loan book

Repco Home Finance Limited



States	Exposure			YoY growth	QoQ growth
	Sep'16	June'17	Sep'17		
Andhra Pradesh	7.4%	6.9%	6.9%	3%	10%
Telangana	3.6%	3.8%	3.9%	19%	20%
Gujarat	2.1%	2.2%	2.2%	16%	30%
Karnataka	12.4%	12.2%	12.0%	7%	8%
Kerala	3.8%	3.9%	3.9%	13%	18%
Maharashtra	5.9%	6.7%	7.0%	30%	31%
Tamil Nadu	62.6%	61.8%	61.5%	8%	12%
Others	2.3%	2.5%	2.6%	26%	32%
Total	100%	100%	100%	10%	14%

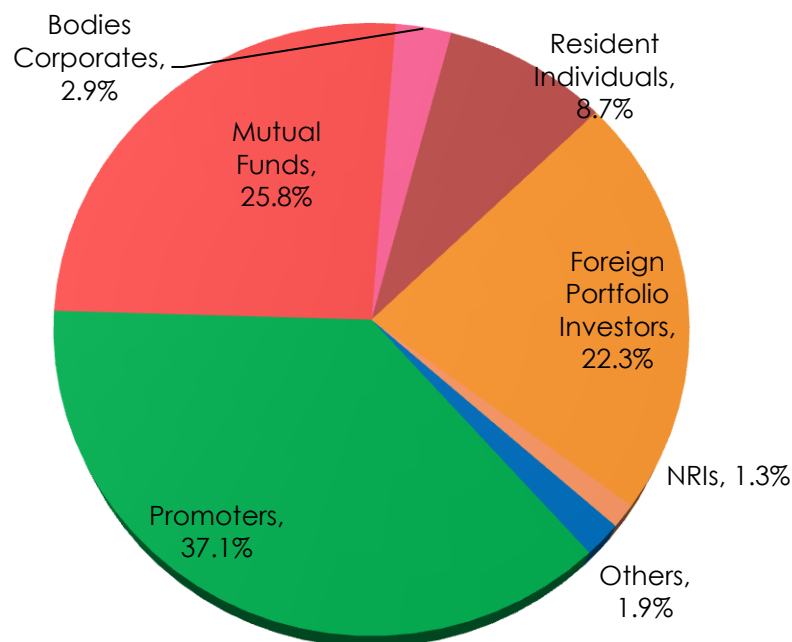
Annualized

Annexure

Shareholding pattern

Repco Home Finance Limited

Outstanding shares – 62.56 mn



Major non-promoter shareholders

	% shareholding
Birla Sun Life Mutual Fund	7.2%
Franklin Templeton Mutual Fund	6.8%
DSP Blackrock Mutual Fund	5.9%
Parvest Equity India	3.0%
Nomura India Investment Fund	2.9%
India Capital Fund	2.2%
Alliance Bernstein India Growth Fund	1.8%
Sundaram Mutual Fund	1.6%
HSBC Global Investment Fund	1.4%
TVF Fund	1.0%

Profit and loss statement

Repco Home Finance Limited

(Rs. million)	Q2 Y18	Q2FY17	YoY (%)	Q1 FY18	QOQ (%)	H1FY18	H1 FY17	YoY (%)	FY17
<u>Income:</u>									
Revenue from operations	2,790	2,596	7%	2,657	5%	5447	5064	8%	10442
Other income	20	1	1450%	1	1804%	21	2	784%	17
Total Income	2,810	2,597	8%	2,658	6%	5,468	5,066	8%	10,459
<u>Expenses:</u>									
Interest and other financial charges	1,622	1,597	2%	1,628	0%	3250	3146	3%	6463
Employee benefit expense	118	100	18%	112	5%	230	198	16%	431
Depreciation and amortization expense	8	9	-6%	8	5%	16	17	-6%	36
Other expenses	53	55	-4%	51	3%	104	98	6%	209
Provision for non-performing assets	157	100	57%	153	3%	310	270	15%	460
Contingency provisions against standard assets	4	25	-83%	14	-68%	18	33	-45%	53
Bad-debts written off	5	2	138%	0	100%	5	3	49%	5
Total Expenses	1,967	1,887	4%	1,966	0%	3,932	3,765	4%	7,657
Profit before tax	843	710	19%	692	22%	1536	1302	18%	2802
<u>Tax expense:</u>									
Current tax	275	244	12%	240	14%	515	469	10%	940
Deferred Tax	10	9	13%	0	100%	10	-19	-153%	39
Net Profit/(Loss)	559	457	22%	452	24%	1,010	852	19%	1,823

Note – Other income includes dividend received from Repco Micro Finance to the tune of Rs. 18.7 million.

Balance sheet

Repco Home Finance Limited

(Rs. million)	As on Sep 30, 2017	As on Sep 30, 2016
EQUITY AND LIABILITIES:		
Shareholder's Funds	12,232	10,401
Share Capital	626	626
Reserves and Surplus	11,606	9,776
Non-Current Liabilities	55,946	56,648
Long-term borrowings	53,529	54,748
Deferred Tax Liabilities (Net)	450	381
Other long term liabilities	83	190
Long term provisions	1,884	1,329
Current Liabilities	26,221	18,462
Short-term borrowings	11,490	8,370
Other current liabilities	14,570	10,050
Short-term provisions	162	42
Total	94,400	85,511
ASSETS:		
Non-current assets	87,186	79,390
Fixed assets		
Tangible assets	72	65
Intangible assets	16	19
Non-current investments	156	124
Long term loans and advances	86,943	79,181
Current assets	7,213	6,121
Cash and Bank Balances	316	242
Short-term loans and advances	6,483	5,681
Other current assets	414	199
Total	94,400	85,511

Key metrics and relative performance – H1FY18

Repco Home Finance Limited

Particulars	Units	H1 FY17	FY17	H1 FY18
Outstanding Loan Book	Rs. Mn	84,688	89,399	93,212
Sanctions	Rs. Mn	17,245	28,758	13,842
Disbursements	Rs. Mn	14,761	26,424	13,007
Net Interest Income	Rs. Mn	1,742	3,678	2,052
PAT	Rs. Mn	852	1,823	1,010
Yield on assets	%	12.1	12.2	11.6
Cost of funds	%	9.2	9.1	8.6
Spread	%	2.9	3.1	3.0
Net interest margin	%	4.3	4.4	4.5
Cost to income ratio	%	16.3	16.9	15.8
Return of assets	%	2.1	2.2	2.2
Return on equity	%	17.8	18.2	18.0

Repco Micro Finance – performance highlights

Repco Home Finance Limited

Figures in Rs million

Particulars	FY15	FY16	FY17	CAGR
Loan outstanding	2,221	3,355	4,725	46%
Disbursements	2,496	3,545	4,969	41%
Net NPA %	0%	0%	0%	-
Total income	347	544	776	49%
Net profit	71.3	125.6	182.5	60%
Branch network	47	65	75	26%
Net interest margin	>9%	>9%	>9%	-

Shareholding –

Repco Bank – 68%

Repco Home Finance – 32%

For any Investor Relations queries, please contact:

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