

REPCO HOME FINANCE LIMITED

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



Earnings Presentation Q4FY19



◆ Q4FY19 Performance

- ▶ Business summary.....
- ▶ Financial performance for FY19
- ▶ Borrowing profile.....

◆ Geographic Presence

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

◆ Annexure

Q4FY19 Performance

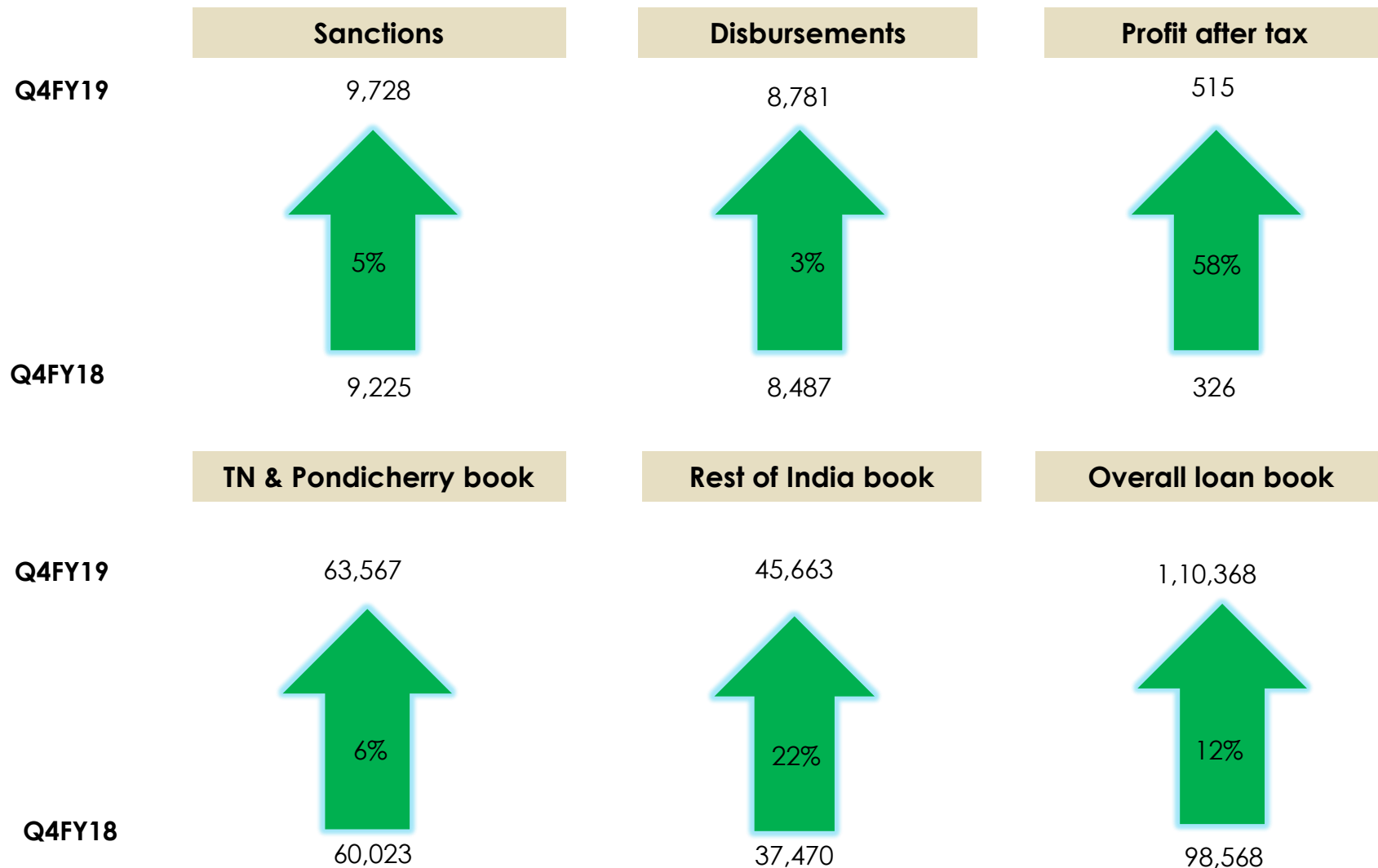
• Loans outstanding (Mar 31, 2019)	Rs. 1,10,368 mn
• Net worth (Mar 31, 2019)	Rs. 14,415 mn
• Tier 1 capital adequacy ratio	23.9%
• Average loan per unit	Rs. 1.4 mn
• Number of live accounts	93,467
• Current Employee Strength	929
• Gross NPA (%) (Mar 31, 2019)	2.95% (IGAAP)
• Expected credit loss (%) (Mar 31, 2019)	1.8%* (Pre technical write-off)
• Expected credit loss (%) (Mar 31, 2019)	1.5%* (Post technical write-off)

*More information on slide # 13 & 23

Q4FY19 performance

Repco Home Finance Limited

Figures in Rs million



FY19 performance

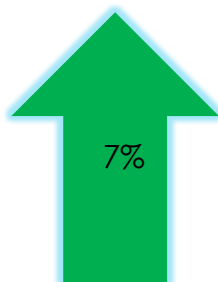
Repco Home Finance Limited

Figures in Rs million

Operating Income

FY19

11,893

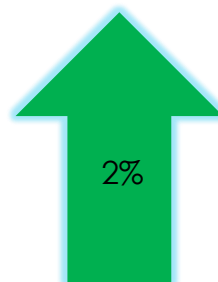


FY18

11,072

Net Interest Income

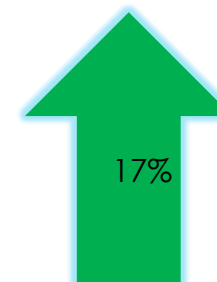
4,693



4,583

Profit after Tax

2,346

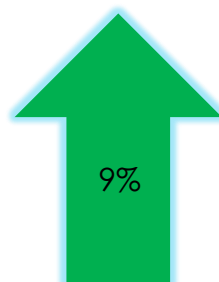


2,010

Sanctions

FY19

33,700

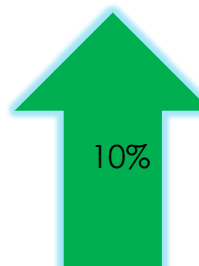


FY18

30,793

Disbursements

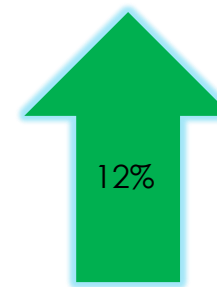
30,918



28,065

Loan book

1,10,368

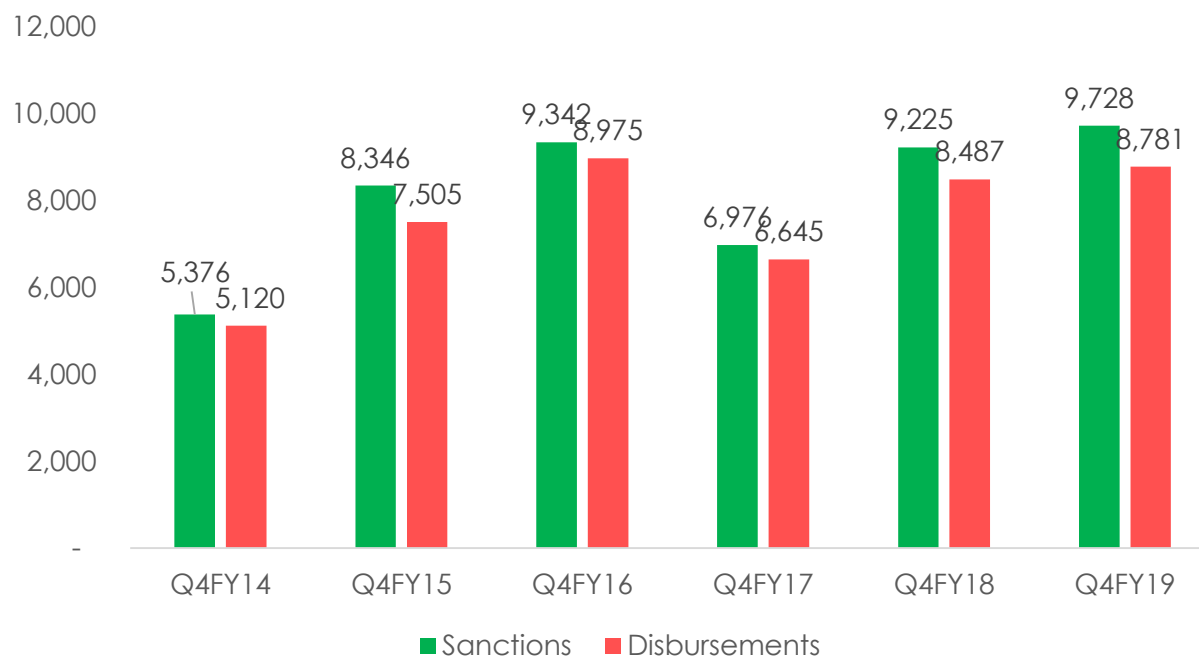


98,568

Trends in sanctions and disbursements

Repco Home Finance Limited

Figures in Rs million

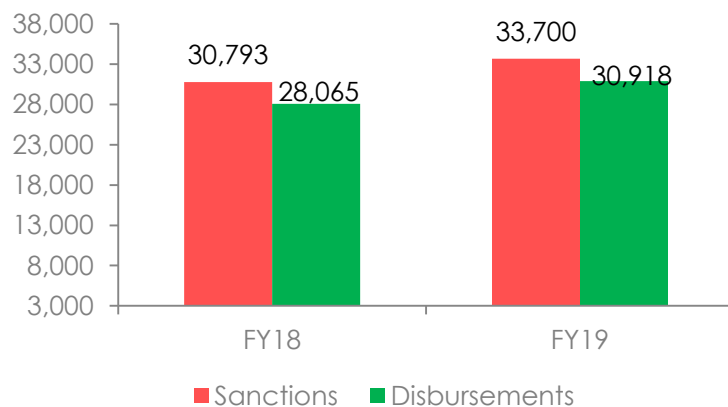


Asset book

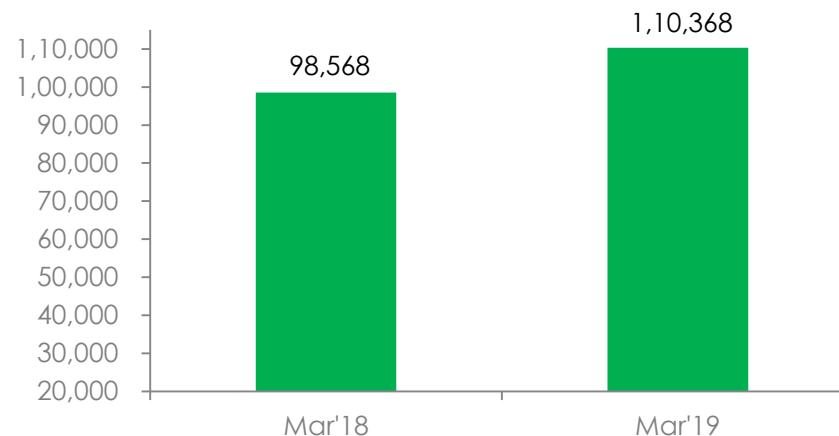
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Figures in Rs million

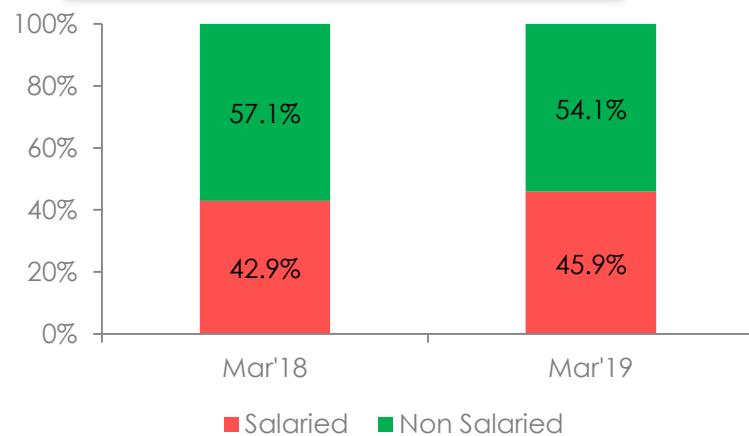
Sanctions and disbursements



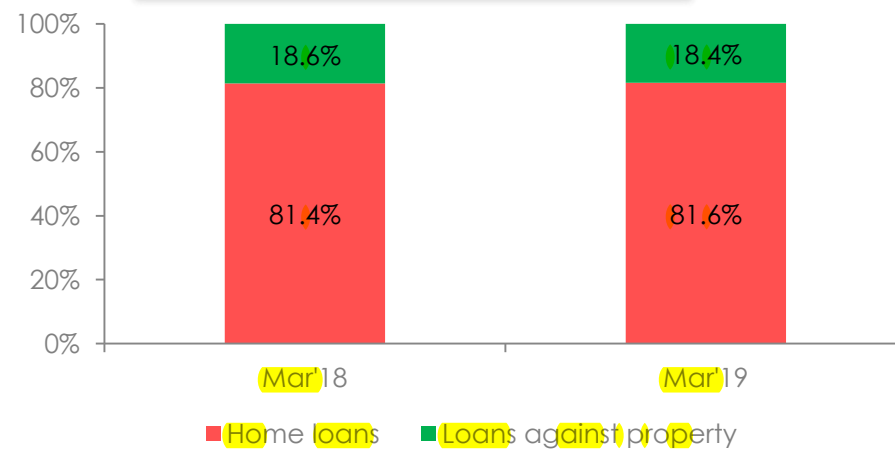
Loan Book



Loan book composition



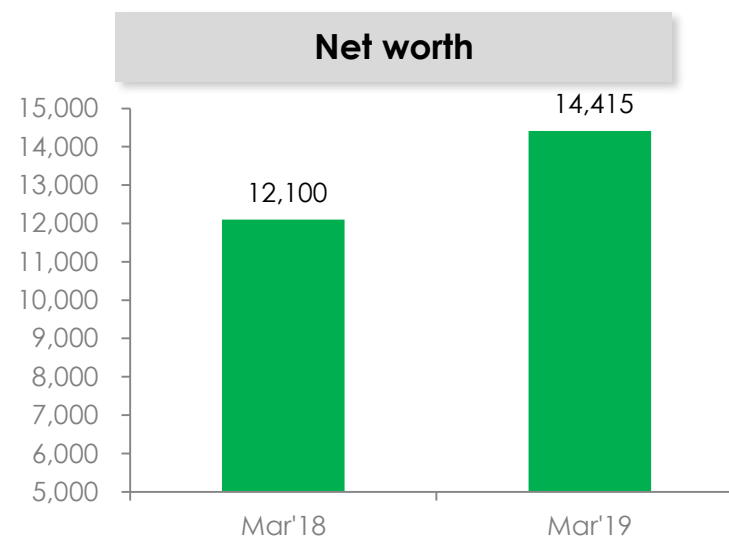
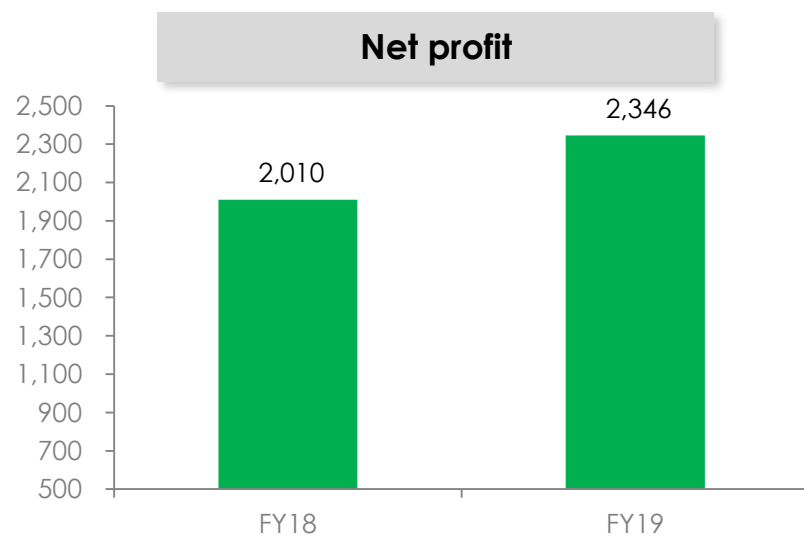
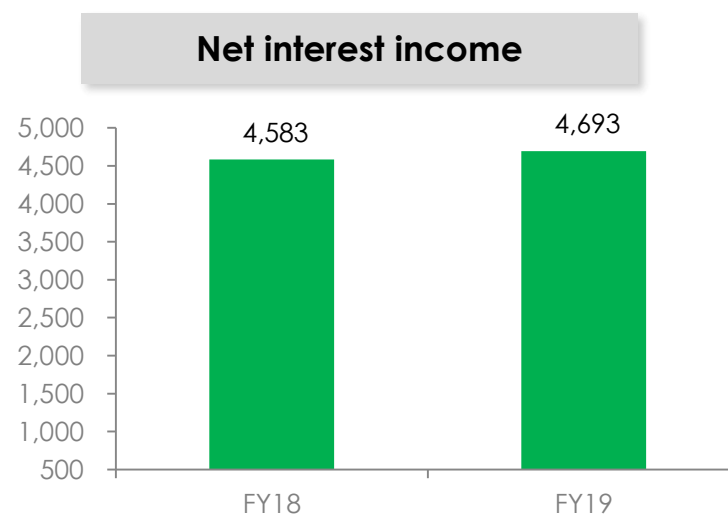
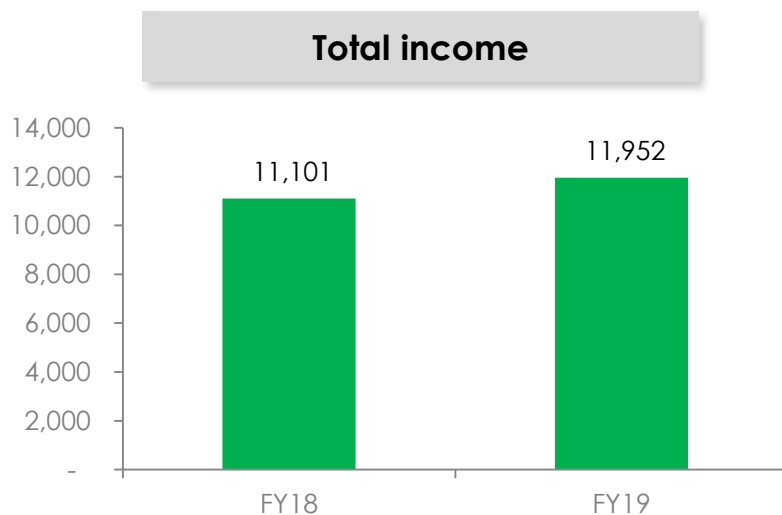
Mix of loan portfolio



Income and earnings growth

Repco Home Finance Limited

Figures in Rs million

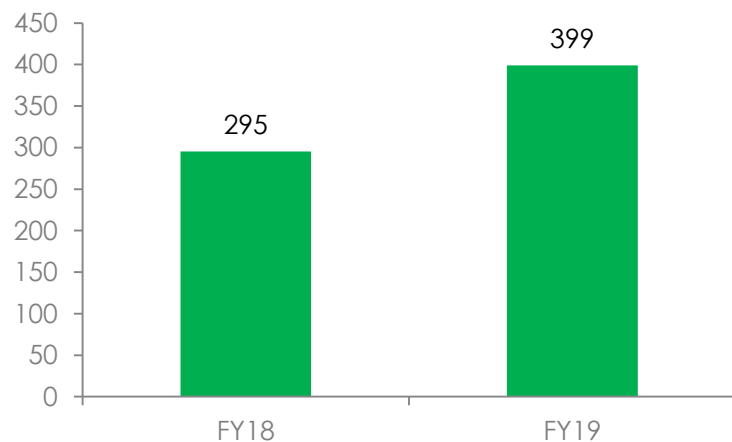


Operating cost

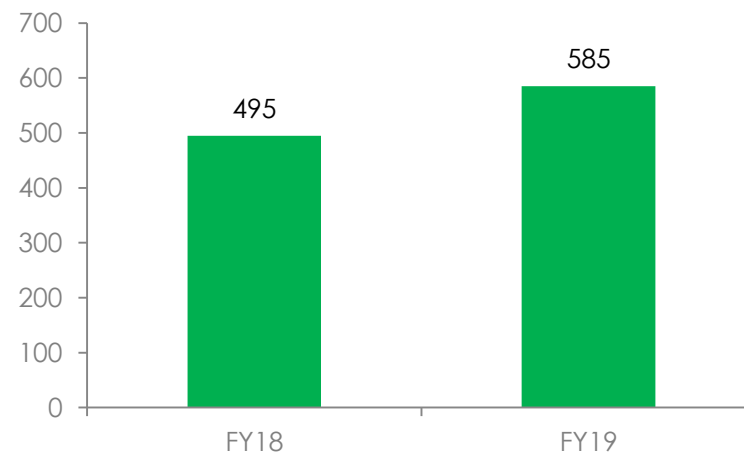
Repco Home Finance Limited

Figures in Rs million

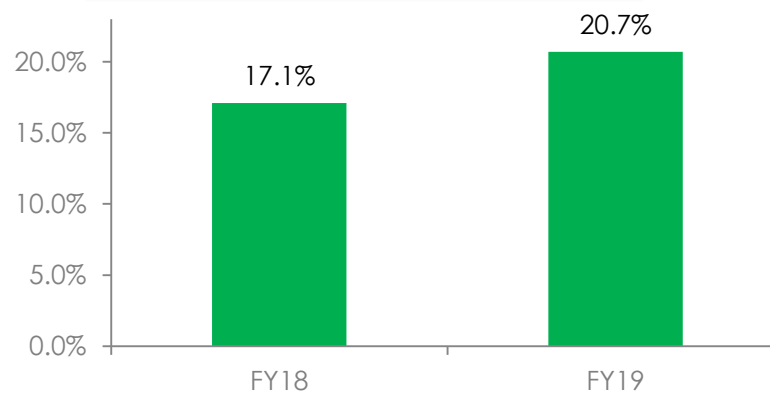
Employee cost



Other opex



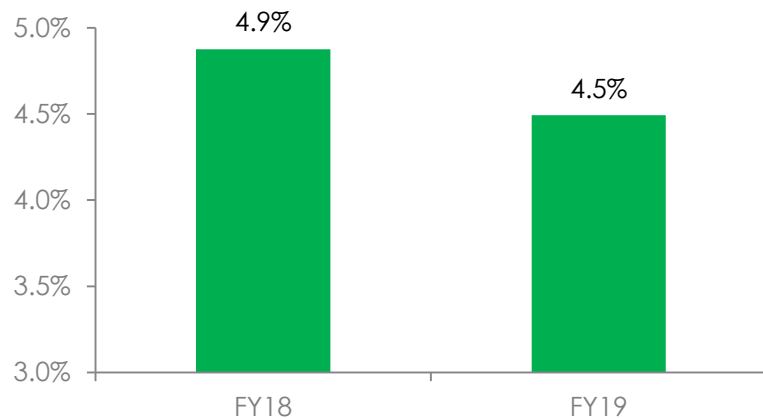
Cost to income ratio



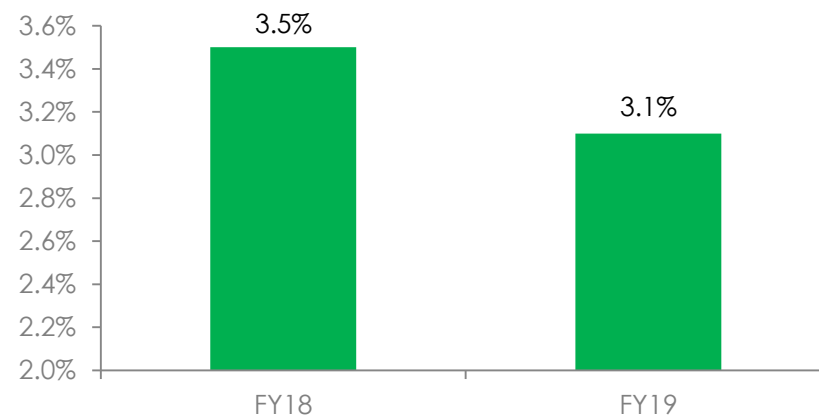
Profitability ratios

Repco Home Finance Limited

Net interest margin



Spread



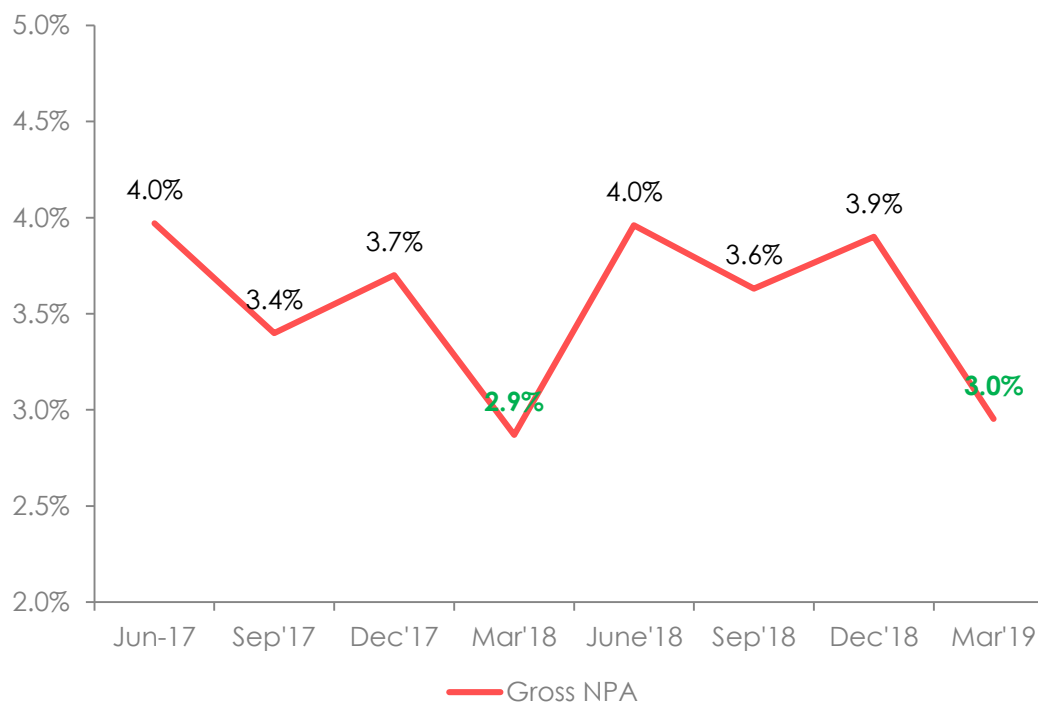
Return on equity



Return on assets



90+ dpd(%)



ECL Provisioning

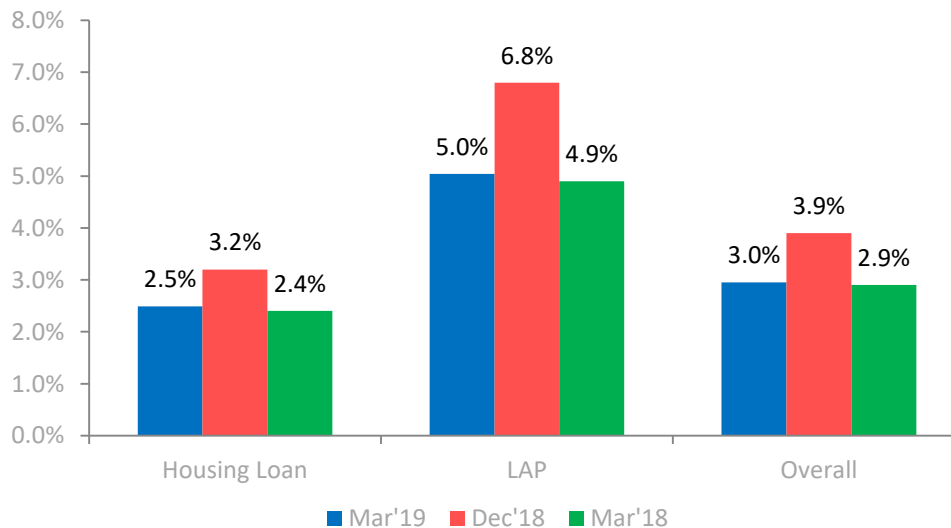
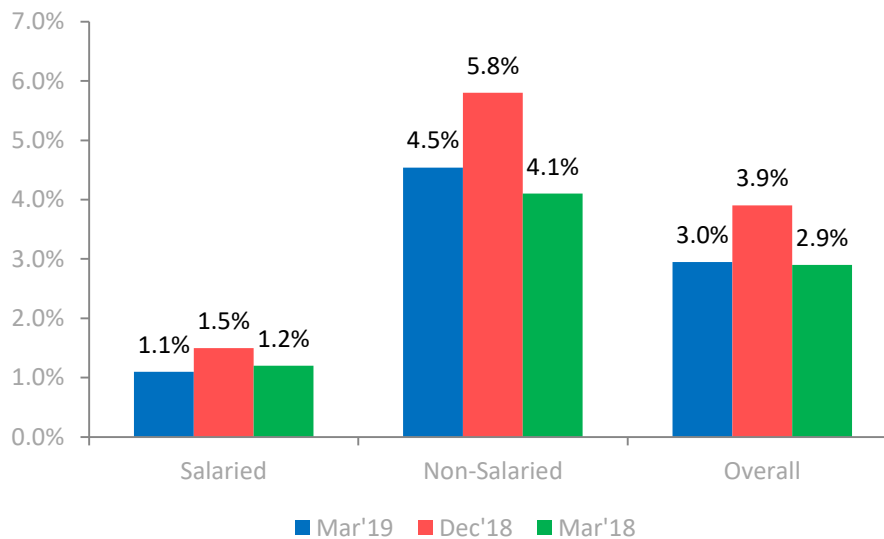
Figures in Rs million

	Q4FY18	Q4FY19
Gross Stage 3	283	326
% portfolio in Stage 3	2.87%	2.95%
ECL provision - Stage 3	132	118
Net - Stage 3	151	208
Coverage ratio - Stage 3	47%	36%
Gross Stage 1 & 2	9,574	10,711
% portfolio in Stage 1 & 2	97.13%	97.05%
ECL provision - Stage 1 & 2	49	47

Before technical write-off, Stage 3 coverage ratio was 42%

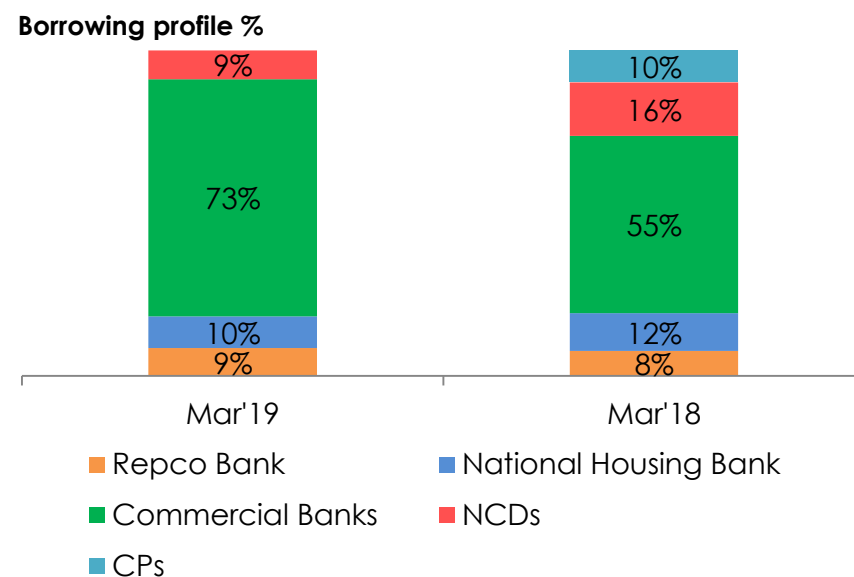
Mix/Product-wise GNPA (%)

Repco Home Finance Limited



Diversified borrowing profile

Source (Rs mn)	Average cost	Mar'19	Mar'18	% change
National Housing Bank	7.7%	9,036	9,423	-4%
Repco Bank	8.2%	7,987	6,227	28%
Commercial Banks	8.8%	67,497	44,350	52%
NCDs	8.2%	8,270	13,370	-38%
Commercial Papers	N.A	0	8,000	-100%
Total	8.6%	92,790	81,370	14%

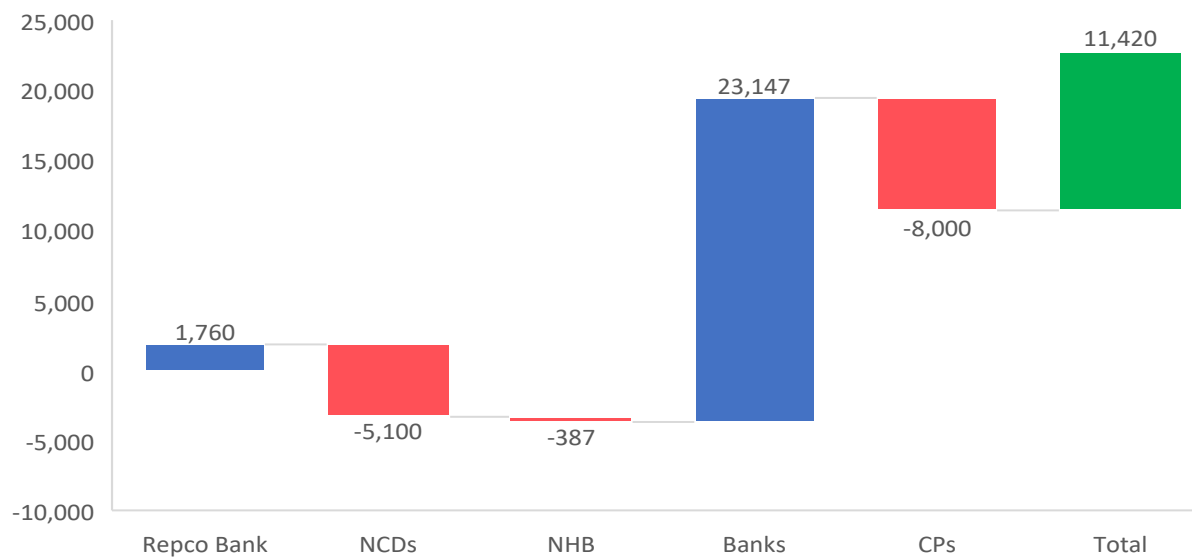


*Weighted average overall cost.

Borrowing profile movement- Mar'19 Vs Mar'18

Repco Home Finance Limited

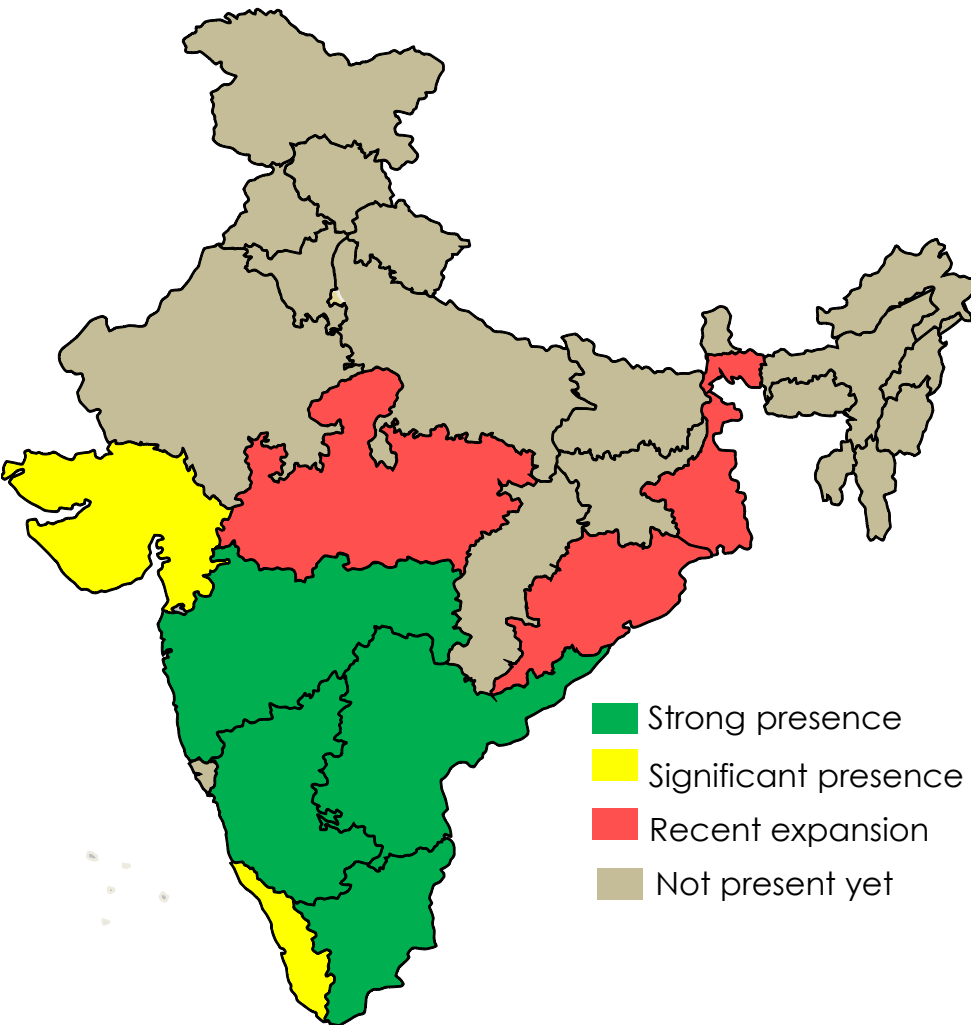
Figures in Rs million



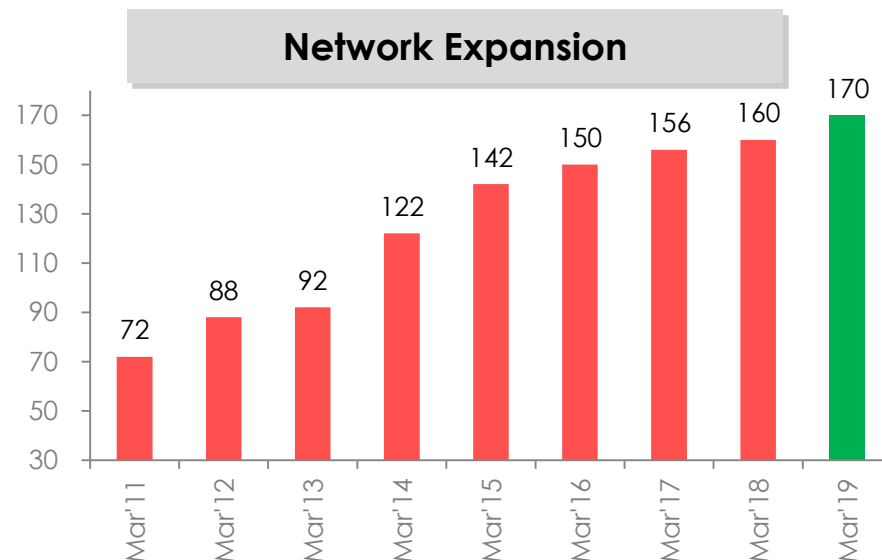
Company issues low cost (<8%) intra-quarter commercial papers regularly.

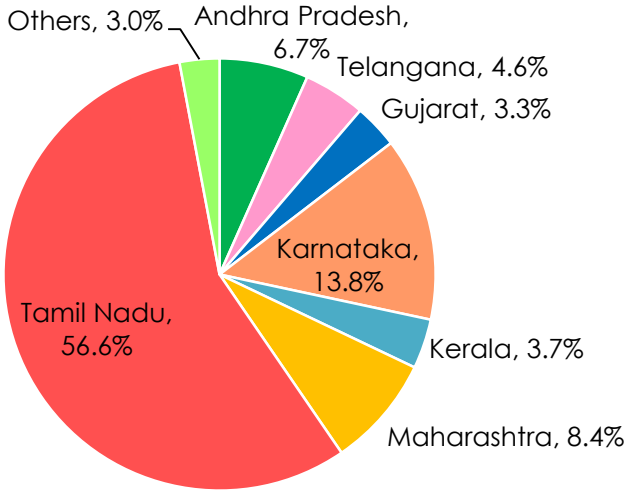
Geographic Presence

Footprint



- ◆ Presence in 11 states and 1 Union Territory with 143 branches and 24 satellite centers.
- ◆ Presence beyond South: branches in West Bengal, Orissa, Maharashtra, Gujarat and Madhya Pradesh.





Annualized

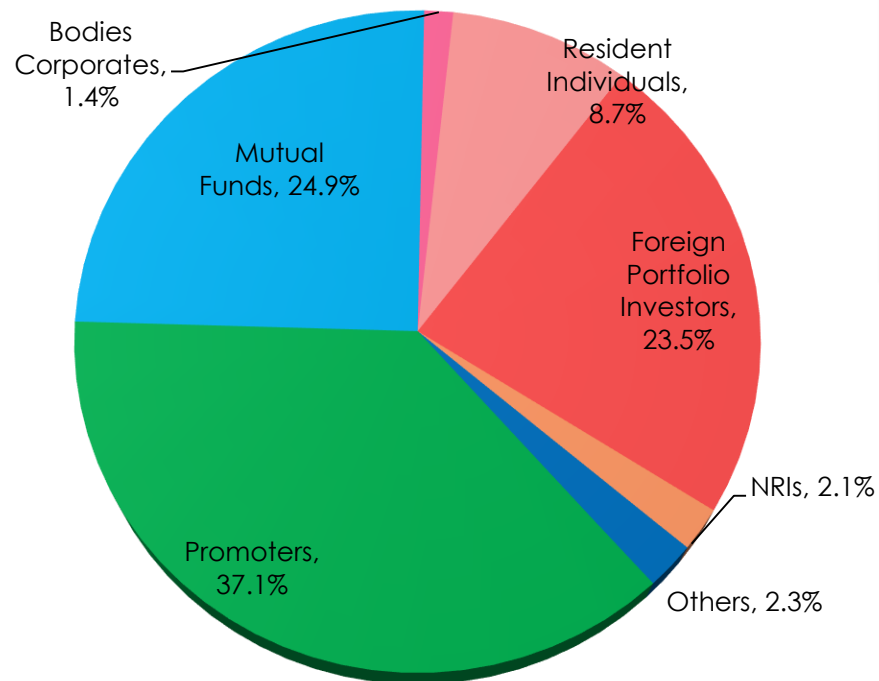
States	Exposure			YoY growth	QoQ growth
	Mar'19	Dec'18	Mar'18		
Andhra Pradesh	6.7%	6.6%	6.8%	9%	16%
Telangana	4.6%	4.5%	4.1%	26%	24%
Gujarat	3.3%	3.0%	2.5%	50%	50%
Karnataka	13.8%	13.5%	12.7%	22%	20%
Kerala	3.7%	3.8%	4.0%	5%	9%
Maharashtra	8.4%	8.1%	7.5%	26%	29%
Tamil Nadu	56.6%	57.6%	59.8%	6%	7%
Others	3.0%	2.9%	2.7%	24%	25%
Total	100%	100%	100%	12%	14%

Annexure

Shareholding pattern

Repco Home Finance Limited

Outstanding shares – 62.56 mn



Major non-promoter shareholders	% shareholding
HDFC Mutual Fund	7.2%
Aditya Birla Mutual Fund	6.6%
Franklin Templeton Mutual Fund	6.2%
India Capital Fund Limited	5.5%
DSP Mutual Fund	4.5%
Alliance Bernstein Funds	3.1%
Apax Global Fund	2.1%

Profit and loss statement

Figures in Rs million

(Rs. million)	Q4FY19	Q4FY18	YoY (%)	Q3FY19	QOQ (%)	FY19	FY18	YoY (%)
Income:								
Revenue from operations	3,077	2,748	12%	3,037	1%	11,893	11,072	7%
Other income	4	2	52%	2	107%	59	29	106%
Total Income	3,081	2,750	12%	3,039	1%	11,952	11,101	8%
Expenses:								
Interest and other financial charges	1,914	1,613	19%	1,848	4%	7,200	6,489	11%
Employee benefit expense	171	121	40%	147	16%	585	495	18%
Depreciation and amortization expense	13	8	68%	12	8%	50	31	63%
Other expenses	93	87	7%	94	0%	349	264	32%
Provisions & write-offs	-24	404	-106%	182	-113%	170	748	-77%
Total Expenses	2,166	2,233	-3%	2,282	-5%	8,354	8,027	4%
Profit before tax	915	517	77%	757	21%	3,598	3,074	17%
Tax expense:								
Current tax	228	249	-9%	247	-8%	1,017	1,024	-1%
Deferred Tax	172	-58	-396%	-46	-470%	235	40	492%
Net Profit/(Loss)	515	326	58%	556	-7%	2,346	2,010	17%
Other Comprehensive Income	3	1	433%	2	82%	8	2	265%
Total Comprehensive Income	518	327	59%	558	-7%	2,355	2,012	17%

Important points

- The Company has identified and made 100% provision on certain loan accounts to use up provisions created under the old accounting regime and to shore up provisioning under IND AS. As a result, ECL provisioning under IND AS before technical write-off increased from 0.8% in Dec'18 to 1.8% in Mar'19.
- As a natural consequence, income recognized until 9MFY19 on aforementioned accounts was reversed in Q4FY19 causing a flat Q-o-Q revenue and NII growth.
- The Company did a technical write-off to the tune of Rs. 322 mn on a few accounts carrying 100% provisions. As a result, the revised ECL provision now stands at 1.5%.
- The Company has decided to follow a more conservative approach in recognizing processing fee and administrative fee income over the life of loans. Until Dec'18, the company was trying out different possibilities. This has also contributed to flatness in sequential income growth.
- Included in Employee expenses is a one-off charge of about Rs. 16 mn relating to actuarial valuation of employee benefits.
- The Company has up-fronted all operating expenses- including DSA commissions, fee paid to KYC consultants and expenses on enforcement of security interest resulting in high cost to income ratio.

Balance Sheet

Figures in Rs million

(Rs. million)	As on March 31, 2019	As on March 31, 2018
EQUITY AND LIABILITIES:		
Shareholder's Funds	15,274	13,085
Share Capital	626	626
Reserves and Surplus	14,648	12,459
Financial liabilities	93,656	83,817
Debt securities	8,254	21,343
Other Borrowings	84,520	60,000
Other financial liabilities	882	2,474
Non-financial liabilities	640	408
Provisions	120	128
Deferred tax liabilities (net)	520	280
Total Liabilities	94,296	84,225
Total	1,09,570	97,310
ASSETS:		
Financial assets	1,09,318	96,990
Cash and cash equivalents	575	258
Bank balance other than cash and cash equivalents	1	1
Loans and advances	1,08,522	96,575
Investment in associate	220	156
Non-financial assets	252	319
Property, plant and equipment	136	123
Other intangible assets	19	12
Other non-financial assets	97	184
Total	1,09,570	97,310

Relative performance – Q4FY19

Repco Home Finance Limited

Particulars	Units	Q4FY18	Q4FY19
Sanctions	Rs. Mn	9,225	9,728
Disbursements	Rs. Mn	8,487	8,781
Net interest income	Rs. Mn	1,135	1,164
PAT	Rs. Mn	326	515
NIM	%	4.7	4.3
Yield on assets	%	11.4	11.3
Cost of funds	%	8.0	8.4
Spread	%	3.3	2.9
Return on assets	%	1.3	1.9
Return on equity	%	10.8	14.2

Relative performance – FY19

Particulars	Units	FY18	FY19
Sanctions	Rs. Mn	30,793	33,700
Disbursements	Rs. Mn	28,065	30,918
Net interest income	Rs. Mn	4,583	4,693
PAT	Rs. Mn	2,010	2,346
NIM	%	4.9	4.5
Yield on assets	%	11.9	11.4
Cost of funds	%	8.4	8.3
Spread	%	3.5	3.1
Return on assets	%	2.1	2.2
Return on equity	%	17.5	17.7

Repco MSME – Performance Snapshot

Repco Home Finance Limited

Figures in Rs million

	FY18	FY19	Growth
Balance Sheet	7,077	9,281	31%
Loans	7,023	9,072	29%
Equity	1,080	1,664	54%
Total Revenue	1,148	1,563	36%
Net Interest Income	621	870	40%
Profit After Tax	290	455	57%
Net interest Margin	10.6%	10.8%	
Return on Assets	4.9%	5.7%	
Return on Equity	29.9%	33.2%	
NPA%	0.8%	0.9%	

Note - Repco Home holds about 32% in Repco MSME

For any Investor Relations queries, please contact:

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