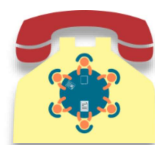


Repco Home Finance

BSE Sensex **S&P**
CNX
80,623
24,596

Conference Call Details



Date: 08th August 2025

Time: 16:00 HRS IST

Dial-in details:

[Link](#)

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	6.8	7.2	8.0
PPP	5.5	5.8	6.4
PAT	4.4	4.2	4.6
EPS (INR)	70.2	67.5	73.9
EPS Gr. (%)	11	-4	9
BV/Sh. (INR)	530	593	662
Ratios			
NIM (%)	5.0	4.8	4.9
C/I ratio (%)	27.5	29.4	28.7
RoAA (%)	3.1	2.8	2.7
RoE (%)	14.2	12.0	11.8
Payout (%)	5.7	6.6	6.6
Valuation			
P/E (x)	5.5	5.7	5.2
P/BV (x)	0.7	0.7	0.6
P/ABV (x)	0.8	0.7	0.6
Div. Yield (%)	1.0	1.1	1.3

CMP: INR388

Neutral

Muted loan growth; asset quality stable despite seasonality

Earnings beat; reported NIM stable QoQ

- Repco's 1QFY26 PAT grew 2% YoY to INR1.1b (6% beat). NII in 1QFY26 grew ~8% YoY to ~INR1.8b (in line). Other income was broadly flat YoY at INR150m. Opex rose ~17% YoY to INR530m (~8% lower than MOFSLe).
- PPOP grew ~4% YoY to INR1.4b (~7% beat). Provisions write-backs for the quarter stood at ~INR27m, translating into annualized credit costs of -7bp (PY: 4bp and PQ: -65bp).
- Repco reported an RoA/RoE of 2.9%/14.0% in 1QFY26.

Muted loan growth; disbursements rise ~22% YoY

- Disbursements grew ~22% YoY to INR8.3b in 1QFY26. Loan book grew ~7% YoY to ~INR147b. Run-offs were higher, with repayment rates increasing ~280bp YoY to ~18% (PY: ~17.2%).
- As of Jun'25, loans to the non-salaried segment accounted for 52% of the outstanding loan book, while loans for the salaried segment accounted for 48% share.
- Housing loans accounted for 72% of the loans, while Home Equity accounted for 28% of the loan book.

Reported NIM stable QoQ; yields dip ~20bp QoQ

- The reported yields/COB declined ~20bp each QoQ to ~12%/8.7%. This led to stable spreads QoQ at ~3.3%. Reported NIM was stable QoQ at 5.2%.
- The cost-to-income ratio declined ~4pp QoQ to ~26.9%. (PY: ~24.7% and PQ: ~30.9%).

Asset quality broadly stable despite seasonality

- GNPA rose ~5bp QoQ to ~3.3%, while NNPA dipped ~10bp QoQ to ~1.2%. The company increased the PCR on S3 loans by ~220bp QoQ to ~62%.
- For the book that originated from Apr'22, GS2 stood at 5% (v/s 9.7% for the overall book) and GS3 stood at 1.1% (vs. 3.3% for the overall book).
- CRAR was healthy at ~38.7% in 1QFY26.

Valuation and view

- It will be interesting to hear from the management about expected loan growth and credit cost expectations in FY26.
- Repco trades at 0.6x FY27E P/BV. We will look forward to the management's commentary on the demand environment and its strategies for increasing disbursements and reducing balance transfers to banks/HFCs in the current declining interest rate environment. The trade-off between loan growth and NIM will be an important monitorable for the company. We may review our estimates after the earnings conference call on 8th Aug'25.

Quarterly performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	1Q FY26E	Act v/s est (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Interest Income	4,007	4,051	4,258	4,166	4,257	4,330	4,390	4,378	16,482	17,356	4,229	1
Interest Expenses	2,330	2,396	2,475	2,458	2,441	2,485	2,517	2,664	9,659	10,106	2,475	-1
Net Income	1,677	1,656	1,783	1,708	1,816	1,845	1,873	1,715	6,823	7,250	1,754	4
YoY Growth (%)	8.5	-2.3	9.0	4.9	8.3	11.5	5.1	0.4	4.9	6.2	4.6	
Other income	155	229	196	184	150	210	220	352	764	932	170	-12
Total Income	1,833	1,884	1,978	1,892	1,966	2,055	2,093	2,066	7,587	8,181	1,924	2
YoY Growth (%)	11.8	6.8	11.2	6.9	7.3	9.1	5.8	9.2	9.1	7.8	5.0	
Operating Expenses	452	517	535	584	530	546	562	769	2,088	2,407	578	-8
YoY Growth (%)	15.4	21.2	30.5	21.0	17.2	5.6	5.2	31.7	22.1	15.3	27.8	
Operating Profits	1,380	1,367	1,443	1,308	1,436	1,510	1,531	1,297	5,499	5,775	1,346	7
YoY Growth (%)	10.7	2.2	5.4	1.6	4.1	10.4	6.1	-0.8	4.9	5.0	-2.5	
Provisions	14	-160	3	-233	-27	-19	38	135	-376	127	11	-
Profit before Tax	1,366	1,528	1,440	1,541	1,463	1,528	1,493	1,163	5,875	5,648	1,335	10
Tax Provisions	312	403	375	392	384	382	388	269	1,481	1,423	314	22
Profit after tax	1,054	1,125	1,066	1,149	1,080	1,146	1,105	894	4,394	4,224	1,021	6
YoY Growth (%)	18.4	14.7	7.2	6.4	2.4	1.9	3.7	-22.2	11.3	-3.9	-3.1	
Loan growth (%)	8.3	8.1	7.4	7.2	7.2	7.7	8.0	8.7	8.2	9.7	7.3	
Cost to Income Ratio (%)	24.7	27.4	27.0	30.9	26.9	26.6	26.9	37.2	27.5	29.4	30.0	
Tax Rate (%)	22.8	26.3	26.0	25.4	26.2	25.0	26.0	23.1	25.2	25.2	23.5	

Key Parameters (%)

Yield on loans (Cal)	11.8	11.7	12.1	11.6	11.7				12.1	11.7		
Cost of funds (Cal)	8.6	8.6	8.8	8.8	8.8				8.8	8.7		
Spreads (Cal)	3.2	3.1	3.3	2.8	2.9				3.3	3.1		
NIMs (Reported)	5.1	5.1	5.5	5.2	5.2				5.0	4.8		
Credit Cost	0.04	-0.46	0.01	-0.65	-0.07				-0.3	0.1		
Cost to Income Ratio	24.7	27.4	27.0	30.9	26.9				27.5	29.4		
Tax Rate	22.8	26.3	26.0	25.4	26.2				25.2	25.2		

Balance Sheet

AUM (INR B)	137.0	139.6	141.6	144.9	146.9				144.9	157.5		
Change YoY (%)	8.3	8.1	7.4	7.2	7.2				7.2	8.7		
AUM Mix (%)												
Non-Salaried	51.6	51.8	52.1	52.2	52.3				51.0	51.3		
Salaried	48.4	48.2	47.9	47.8	47.7				49.0	48.7		
AUM Mix (%)												
Home loans	74.3	73.8	74.0	73.0	72.4				73.0	72.0		
LAP	25.7	26.2	26.0	27.0	27.6				27.0	28.0		
Disbursements (INR B)	6.8	8.7	7.6	9.8	8.3				32.8	37.1		
Change YoY (%)	-0.6	8.8	0.3	9.0	21.8				4.8	13.0		
Borrowings (INR B)	109.1	114.6	110.8	111.5	110.7				111.4	122.0		
Change YoY (%)	10.2	14.1	6.9	4.2	1.5				4.1	9.5		
Loans/Borrowings (%)	125.5	121.8	127.8	130.0	132.6				130.1	129.1		
Borrowings Mix (%)												
Banks	79.8	81.4	82.2	82.9	82.1				75.6	77.7		
NHB	10.6	9.5	8.5	7.9	8.4				13.1	12.0		
Repco Bank	9.6	9.1	9.3	9.2	8.2				11.4	10.3		
NCD	0.0	0.0	0.0	0.0	0.0				0.0	0.0		
CP	0.0	0.0	0.0	0.0	1.3				0.0	0.0		

Asset Quality

GS 3 (INR B)	5.8	5.5	5.5	4.7	4.9				4.7	4.2		
Gross Stage 3 (% on Assets)	4.25	3.96	3.86	3.26	3.30				3.3	2.7		
NS 3 (INR B)	2.23	2.17	2.09	1.91	1.72				1.9	1.5		
Net Stage 3 (% on Assets)	1.7	1.61	1.53	1.36	1.2				1.4	1.0		
PCR (%)	61.8	60.7	61.8	59.6	64.7				59.6	64.0		

Return Ratios (%)

ROA (Rep)	3.1	3.3	3.1	3.3	2.9				3.1	2.8		
ROE (Rep)	16.3	16.0	14.6	15.1	14.0				14.2	12.0		

E: MOFSL Estimates