Can Fin Homes Ltd
(Sponsor: CANARA BANK)
HOME LOANS • DEPOSITS
Translating Dreams into Reality

CAN FIN HOMES LTD
Registered Office
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Basavanagudi, BENGALURU – 560 004
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Web: www.canfinhomes.com
CIN:L85110KA1987PLC008699

CFHRO SE CS LODR 010/2019
January 23, 2019

ONLINE SUBMISSION

National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 NSE Symbol: CANFINHOME	**BSE Limited** Corporate Relationship Department 25th Floor, P J Towers Dalal Street, Fort, Mumbai – 400 001 BSE Scrip Code: 511196

Dear Sirs,

Sub: Submission of Investor Presentation - Post Q3 FY19 results

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching the Investor Presentation, post Q3 FY19 results.

The investor presentation is also made available on www.canfinhomes.com the Company's website.

The above document may please be taken on record.

Thanking you,

Yours faithfully,
For Can Fin Homes Ltd.,

Veena G Kamath
Company Secretary

Encl: As above.

CAN FIN HOMES LTD. 29/1 BASAVANAGUDI BANGALORE

Can Fin Homes Ltd. .. at a Glance

31 years of vision, passion and progress

Offering home loans since 1987….. and it is just a beginning



Information to Investors

3QFY19 ended December 2018

About us

Legacy

- 31 year old institution registered as a deposit taking HFC with NHB
- Promoted by Canara Bank in the year 1987 with the shareholding of 30%
- Listed in 1991. Carries a legacy of an uninterrupted dividend payment since inception
- Dominance in South (72% of Loan Book) as at December 2018

Focus

- To promote ownership in home lending across India, with a motto of friendship finance and good service - with focus on retail lending
- To focus on Housing loan to Individuals (@ Dec 2018: 89.9% of loan book for Housing; 10.1% Non Housing)
- To have strong fundamentals with ethical & transparent practices and prudent underwriting

Reach

- Headquartered in Bangalore with 5 Clusters (Bangalore, Chennai, Hyderabad, Delhi & Mumbai)
- Pan-India presence with 154 branches, 21 Affordable Housing Loan Centers & 14 Satellite Offices as on date; spread across 21 States / Union Territories
- Added 138 branches/ Satellite Offices in the last Five years

Financials

- Last Five Year Growth /CAGR (Mar 13 ~ Mar 18) :
- Fresh Approvals: +22%, Disbursements: +23%, Loan Book: +31%
- Net Interest Income: +40%, Operating Profit: +45%, PAT: +41%
- AAA / A1+ ratings for Loans/ NCDs/ CP

Vision

- To reach the loan book size of Rs.40,000 Crore by March 2022 (CAGR of 26%) with high asset quality, transparent & best ethical practices and prudent risk management practices.

Board of Directors

	Name of the Director	Designation	Occupation
	Smt. Bharati Rao	Chairperson (Independent)	Former Dy. Managing Director State Bank of India
	Shri Sarada Kumar Hota	Managing Director	General Manager Canara Bank (On Deputation to Can Fin Homes)
	Smt P.V.Bharathi	Director (Canara Bank Nominee)	Executive Director Canara bank
	Shri G Naganathan	Director (Independent)	Practicing Chartered Accountant
	Shri Shreekant M Bhandinad	Dy Managing Director	Dy General Manager Canara Bank (On Deputation to Can Fin Homes)
	Dr. Yeluri Vijayanand	Additional Director (Independent)	Former Dy. Managing Director, State Bank of India
	Shri S Subramanian	Additional Director (Canara Bank Nominee)	General Manager Canara Bank

Performance Highlights - Q3 FY19

- ✓ **Disbursements during 9m of FY19 amounted to Rs.3,925 crore**

  Q3 FY19: 1318Cr, Q2FY19 : 1443 Cr, Q1FY19: 1164 Cr

- ✓ **Loan Book Growth in FY19: Rs. 1,826 crore (vs Rs.1745 crore in 9m of FY18)**

- ✓ **Loan Book reached Rs.17568 crore with a clientele base of 1.40 lakh**

- ✓ **Y-o-Y Loan Book growth of 16.67% despite a sluggish growth in our home state.**

  Minus Karnataka, Fresh approvals: +6%, Disbursements: +11%, Loan Book: + 22%

- ✓ **PBT & PAT for Q3FY19 rose by 11% & 13% resp (Y-o-Y); For Q3: PBT +16%, PAT +21%**

- ✓ **NIM: 3.18%, RoAA*:1.88%, RoE*: 21.43% and EPS: Rs.17.46** * Annualised

- ✓ **Cost to Income Ratio: 14.04% contained below 15% (vs 15.29% at Dec'17 & 15.21% at Mar'18)**

- ✓ **Gross NPA & Net NPA at 0.71% and 0.51% as against 0.63% & 0.42% at Sep'18**

- ✓ **88% of fresh loan approvals during 9m of FY19 were for Housing & 12% for Non-Housing**

- ✓ **66% of fresh loan approvals were to Salaried & Professionals while 34% were to SENP segment**

- ✓ **72% of the outstanding loan book as at Dec'18 comes from Salaried & Professionals; 90% from HL**

Performance Highlights – Q3 FY19

Amount in Rs. Crore

Sl. No.	Particulars	QUARTER ENDED			9 MONTHS ENDED	
		DEC'18 (3m)	SEP'18 (3m)	DEC'17 (3m)	DEC'18 (9m)	DEC'17 (9m)
1	New Approvals	1483	1521	1547	4214	4307
2	Disbursements	1318	1443	1321	3925	3821
3	**Outstanding Loan Book**	**17578**	**16935**	**15068**	**17578**	**15068**
4	Interest Income	437.61	414.19	378.41	1248.17	1104.24
7	Fees & Other Income	11.77	8.85	12.00	28.39	29.90
6	**Total Income**	**449.38**	**423.04**	**390.41**	**1276.56**	**1134.15**
7	Interest Expenditure	301.50	283.81	250.70	855.37	725.50
8	Other Expenditure	21.56	17.64	21.42	59.15	62.50
9	**Total Expenditure**	**323.06**	**301.45**	**272.13**	**914.52**	**788.00**
10	**Profit Before Tax & Provisions**	**126.31**	**121.59**	**118.28**	**362.04**	**346.15**
11	**Net Interest Income**	**136.11**	**130.39**	**127.71**	**392.79**	**378.34**
12	**Cost to Income Ratio (%)** (excluding Bad debts)	14.04	13.75	15.29	**14.04**	**15.29**

Performance Highlights – Q3 FY19

Amount in Rs. Crore

Sl. No.	Particulars	QUARTER ENDED			9 MONTHS ENDED	
		DEC'18 (3m)	SEP'18 (3m)	DEC'17 (3m)	DEC'18 (9m)	DEC'17 (9m)
13	**Profit Before Tax & Provisions**	**126.31**	**121.59**	**118.28**	**362.04**	**346.15**
14	Provision for SA & NPA	--	--	9.23	--	21.34
15	**Profit Before Tax**	**126.31**	**121.59**	**109.06**	**362.04**	**324.81**
16	Provision for Taxation & DTL	45.96	44.76	42.88	129.61	118.62
17	**Profit After Tax**	**80.35**	**76.83**	**66.18**	**232.43**	**206.18**
18	Other Comprehensive Income (net of tax)	1.62	0.76	-0.21	0.75	-0.32
19	**Total Comprehensive income**	**78.73**	**77.59**	**66.40**	**231.68**	**206.50**
20	Earnings per share*	5.92	5.37	4.97	17.39	15.50
21	Gross NPA	124.95	107.29	68.82	124.95	68.82
22	**Gross NPA Ratio (%)**	**0.71**	**0.63**	**0.46**	**0.71**	**0.46**
23	Net NPA	89.08	71.43	37.51	89.08	37.51
24	**Net NPA Ratio**(%)	**0.51**	**0.42**	**0.25**	**0.51**	**0.25**

* EPS for Jun'17 adjusted to Face Value of Rs.2/- per Equity Shares (Subdivision with effect from 13/10/2017)

Reconciliation of PAT @ Dec'17 (GAAP ~ Ind AS)

Amount in Rs. Crore

Sl. No.	Particulars	9 MONTHS ended DEC 31, 2017
1	**Net Profit reported as per erstwhile Indian GAAP**	**226.31**
2	**Amortisation of processing fees**	
a.	Impact due to amortisation of processing fee over term of loan	-13.53
b.	Deemed Interest Income due to fair valuation of Security Deposits	0.16
c.	Lease Expenses due to straightlining of Lease Expenses	-0.12
d.	Reversal of Lease Rent due to discounting of Security Deposits	-0.06
e.	Reversal of transaction costs on non-covertible debentures	-0.88
f.	Recognition of interest on non-convertible debentures as per EIR	0.00
g.	Interest income recognised as per EIR	0.00
h,	Reclassification of actuarial gains and losses to OCI	-0.49
i.	Deferred tax on Ind AS Adjustments	-5.21
	Total	-20.12
3	**Net Profit as per Ind AS**	**206.19**
4	Other Comprehensive Income	
a.	Reclassification of actuarial gains and losses to OCI	**0.49**
b.	Deferred Tax on OCI	-0.17
5	**Total Comprehensive Income**	**206.50**

Key Financial Ratios – Q3 FY19

Amount in Rs. Crore

Sl. No.	Particulars	PERIOD ENDED		
		DEC'18	SEP'18	DEC'17
1	**Return on Avg Assets (Annualised)**	**1.88**	**1.88**	**1.95**
2	**Return on Equity (Annualised)**	**21.43**	**20.74**	**23.43**
3	Earning Per Share* (Rs.)	17.39	11.43	15.50
4	**Net Interest Margin (%)**	**3.18**	**3.17**	**3.58**
5	Yield (%)	10.06	9.99	10.39
6	Cost (%)	7.89	7.83	7.73
7	Spread (%)	2.17	2.16	2.66
8	Avg Business Per Branch (Rs. Crore)	108.41	119.11	106.58
9	Avg Business per Employee (Rs. Crore)	23.03	22.67	23.92
10	**Cost Income Ratio (%)**	**14.04**	**13.75**	**15.29**
11	**DER (%)**	**10.05**	**10.19**	**10.64**
12	**Capital Adequacy Ratio (%)**	**19.39**	**19.07**	**19.17**
13	of this Tier I Ratio (%)	17.53	17.16	16.98

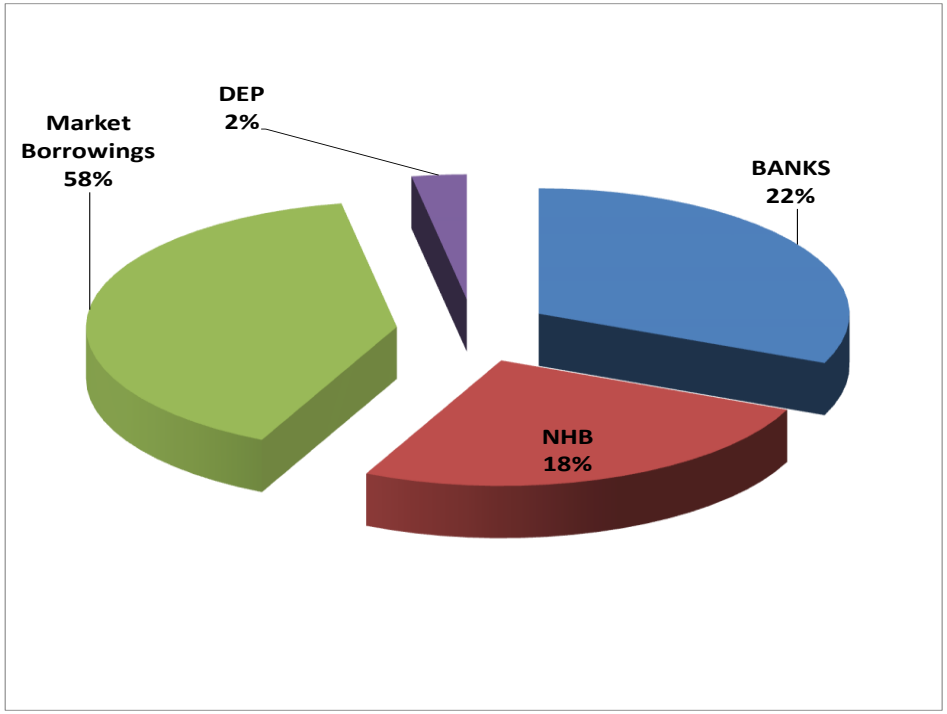
Lending Basket

Category-wise Product-wise Distribution of Loan Book

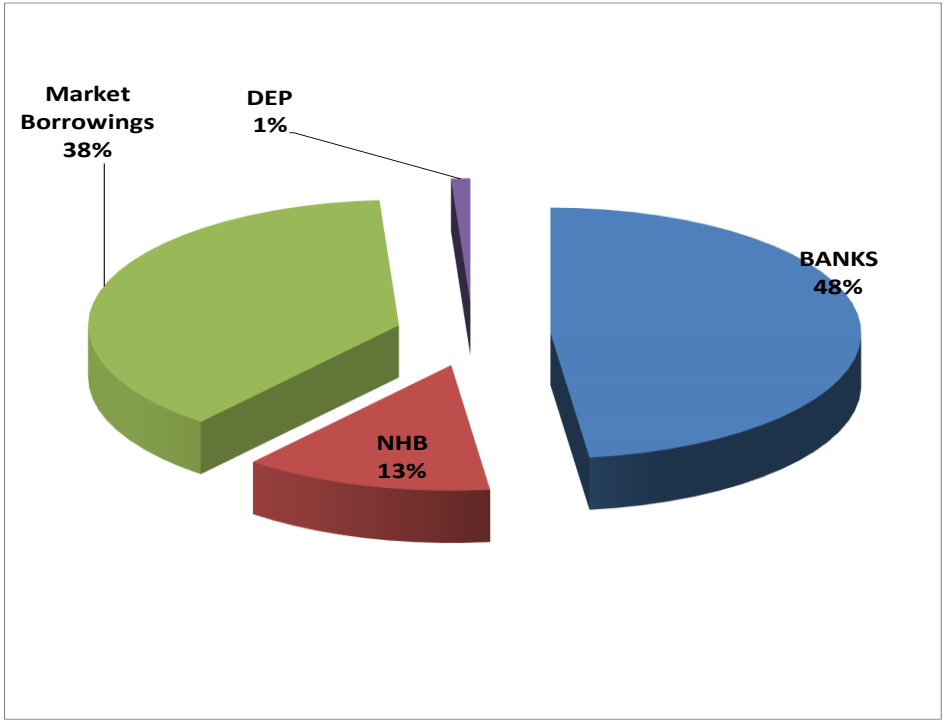
Sl . No.	Category/Product		Dec-17	Mar-18	June-18	Sep-18	Dec-18
			O/s Amt.	O/s Amt.	O/s Amt.	O/s Amt.	O/s Amt.
1	Salaried & Professionals						
	i)	Housing Loans	10,195	10,665	10,915	11,294	11,624
	ii)	Top-up Personal Loans	304	338	346	369	388
	iii)	Mortgage Loans/ Flexilap	376	369	359	370	371
	iv)	Loans for Sites	132	131	127	130	138
	v)	Others	66	24	36	38	38
		Sub Total	**11,073**	**11,527**	**11.783**	**12,201**	**12,559**
		(As a % to total)	*74%*	*73%*	*73%*	*72%*	*71%*
2	Non Salaried Class- Self Employed & Non Professionals						
	i)	Housing Loans	3,264	3,493	3,673	3,939	4,169
	ii)	Top-up Personal Loans	148	163	174	193	208
	iii)	Mortgage Loans/Flexi Lap	442	439	440	463	485
	iv)	Loans for Sites	51	49	50	54	59
	v)	Others	59	54	55	58	59
		Sub Total	**3,964**	**4,198**	**4392**	**4,707**	**4,980**
		(As a % to total)	*26%*	*27%*	*27%*	*28%*	*28%*
3	Builder Loans		2	0.37	7	10	12
		(As a % to total)	*0.01%*	-	*0.04%*	*0.06%*	*0.06%*
4	Staff Loans		19	18	17	17	17
		Grand Total	**15,058**	**15,743**	**16,199**	**16,935**	**17568**

Funding Basket

Funding Mix @ DEC 2017 (as %)



Funding Mix @ DEC 2018 (as %)



- Backed by strong AAA ratings for our borrowing/NCD & A1+ for CP programs
- Commercial Papers as on 31.12.2018 constituted 12% of total borrowings.
- Cost of borrowings contained at 7.89% (vs 7.70% at Mar'18 and 7.73% at Dec'17)

Liquidity Position

Amount in Rs. Crore

Particulars	For Q4FY19 ending Mar.19	For Q1FY20 ending Jun.19	For Q2FY20 ending Sep.19
Un-availed limits as on 31/12/2018 (Opening Balance)	2486.85	1335.58	1361.31
Add: Collections	1350.00	1700.00	1700.00
Less: Interest and principal repayment on borrowings	2651.27	1224.27	606.06
Less: Disbursements	1500.00	1800.00	1800.00
Add: Future borrowings	1650.00	1350.00	800.00
Surplus/(Deficit) – (Closing Balance)	1335.58	1361.31	1455.25

Apart from the above we have permitted borrowing limits of Rs.6,000 crore under NCDs (un-availed) and Rs.4,500 crore under Commercial Paper (un-availed Rs.2,250.00 crore).

Branch network

(154 branches + 21 AHLCs + 14 Satellite Offices)

Punjab – Jalandhar

Chandigarh

Rajasthan – Alwar, Jaipur, Mansarovar, Kota, Udaipur, Ajmer, Jodhpur, Jhotwara, Jagatpura

Gujarat - Ahmedabad, Vadodara, Surat, Rajkot, Jamnagar, Bhavnagar

MP - Bhopal, Gwalior, Indore, Mandideep, Jabalpur, Pithampur, Sagar Rewa

Chhattisgarh - Raipur, Bilaspur, Bhilai

Maharashtra – Kolhapur, Navi Mumbai, Mumbai, Nagpur, Panvel, Kalyan, Pune, Nashik, Boisar, Chakan, Hinjewadi, Aurangabad,

Karnataka - Bengaluru (21 branches), Belgaum, Davanagere, Hubli, Mysore, Mangalore, Mandya, Shimoga, Tumkur, Udupi, Hassan, Doddaballapur, Ramanagaram, Attibele, Thanisandra, Whitefield, Dharwad.

Kerala - Calicut, Kochi, Thiruvananthapuram, Thrissur, Shoranur, Neyyattinkara

Odisha - Bhubaneshwar, Berhampur Jharsuguda

Bihar - Patna



Tamilnadu - Hosur, Chennai (9 branches) , Madurai, Namakkal, Trichy, Coimbatore, Salem, Erode, Vellore, Thiruchengode, Dindigul, Karur, Virudhunagar, Tirunelveli, CBE- P N Palyam, Tirupur,, Kumbakonam, Thoothukudi, Gobichettipalayam, Thirumangalam, Batlagundu.

Goa

Pondicherry

West Bengal - Durgapur

Uttar Pradesh - Lucknow, Meerut, Noida, Greater Noida, Agra, Varanasi, Allahabad, Kanpur,Ghaziabad , Jhansi,

Uttarakhand – Dehradun, Haridwar

Andhra Pradesh – Bhimavaram, Kadapa,Nellore, Ongole, Tirupathi, Guntur, Kakinada, Vizag, Vijayawada, Vizag-Steel Plant, Rajahmundry, Kurnool, Vizianagaram, Gollapudi, Tenali , Eluru, Mangalagiri

Telangana - Hyderabad (8 branches), Siddipet, Warangal, Karimnagar, Khammam, Sangareddy,Ghatkesar, A S Rao Nagar.

Delhi - Nehru Place, Pitampura

Haryana - Gurgaon, Manesar, Sonepat, Faridabad, Dharuhera, Rewari, Karnal, Ambala, Rohtak, Palwal

Strategic Initiatives

- ✓ **Affordable Housing Loan Centres (AHLCs) .. 21 as of now ..**

  Upcountry outlets dedicated to cater to Affordable Housing Segment – (GRHS / LUH / CLSS-PMAY) .. opened by upgradation of erstwhile satellite offices

- ✓ **Introduction of Centralised Processing Centre (CPC) and Centralised Collection Centre (CCC) at Bangalore**

  Better risk management in big ticket loans @CPC: Better control over collections @CCC; Higher employee productivity

- ✓ **Induction of Specialist Officers (CA/CS/Legal/IT Professionals) & Management Trainees (MBAs)**

  HR initiative for Competency building in key functional areas and Succession Plan

- ✓ **Introduced 'Annual Resetting of Rate of Interest'**

  Customer benefit measure aimed at improved retention level

- ✓ **Foray in to distribution of Insurance Products, both Life and General, through Corporate Agency**

  Maiden initiative for alternate source of income apart from de-risking the portfolio

- ✓ **Initiatives taken to improve IT infrastructure of the company**

  Strengthening of network connectivity and revamping of the company's website being undertaken

Strategic Initiatives

✓ **Branch expansion focus on Tier II/III Growth Centres .. Pan India**

Network increased from 41 branches as at Mar'11 .. to 140 at Mar'16 .. to 189 now (175Br/AHLCs + 14 SOs)

Of this Non- South network increased from 18 branches at Mar'11 .. to 40 at Mar'16 .. to 69 now

✓ **41 branches & 21 AHLCs opened since FY17 .. incl. 2 branches in Q3FY19**

Of this, 27 branches & 6 AHLCs are in non-south growth centres

✓ **Contribution of Non-South units to New Business/ Approvals increased from 23% for FY16 to 31% for 3Q FY19**

Share of these branches in Total Loan Book increased from 24% at March 2016 to 28% as at December 2018

✓ **As a strategic shift in our expansion plan, we have rapidly grown to non-metro Tie II/III growth centres**

Growth in metro suffered due to increased competition from Banks and balance transfers.

Pop Group	No of Branches			Share in Sanctions		Share in Loan Book		YoY Gr for FY19
	Mar.16	New Add	Dec.18	Mar.16	Dec.18	Mar.16	Dec.18	Loan Book
Metro	54	12	66	72%	61%	77%	68%	11%
Non Metro	56	53	109	28%	39%	23%	32%	30%

✓ **Actions afoot to open 30 more branches in potential Tier III/IV centres during FY20**

Recognition





FE India's Best Bank Awards - Runner-Up in NBFC Category FY 17

Award received by Managing Director on 10th January 2019

Future Outlook

Vision 2022 :

- ✓ **Loan book size of Rs.40,000 Cr by the end of FY2022 (CAGR of 26%)**

Business Budget for 2018-19 (Revised):

- ✓ **Loan book size of Rs.18,500 Cr vs Rs.15,743 Cr at Mar'18 (+17.5%)**

  .. as against Rs 19,500 envisaged at the beginning of the year

Branch Expansion Plan for 2019-20:

- ✓ **30 New Branches in Tier II/III Growth Centres & Rationalization of existing branches in Metros**
- ✓ **Total Network (Branch/AHLC & SOs) - ahead of 200 mark by Mar'19 (189 as on 31.12.18)**
- ✓ **Focus on Affordable Housing Loans and Non-Housing loans**
- ✓ **Salaried & Professional class would continue to be our niche segments**
- ✓ **Raising of fresh equity upto Rs.1000 Crore through Rights Issue/QIP / Pref Share**

Being expressed during Investor/ Analyst Meet, TV Interviews, Press Releases, one-to-one interactions etc.

The forward looking statements and projections, if any, contained in this presentation are predictions and involve known and unknown risks, uncertainties and other factors including the future changes or developments, the competitive environment, ability to implement the strategies and initiatives, technological changes, political, economic, regulatory and social conditions in India etc. that may cause the actual results, performance and achievements of CFHL to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Thank You