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

CAN FIN HOMES LTD
Registered Office
No. 29/1, 1st Floor, M N Krishna Rao Road
Basavanagudi, BENGALURU – 560 004
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Web: www.canfinhomes.com
CIN: L85110KA1987PLC008699

CFHRO SE CS LODR 053/2019
April 30, 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 Q4 FY19 results
Ref: Our letters CFHRO SE CS LODR 044/2019 dated April 30, 2019 and CFHRO SE CS LODR 051 dated April 12, 2019

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching the Investor Presentation, post Q4 FY19 results.

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

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. Regd. Off. No. 29/1, 1st Floor, M.N.K. Rao Road, BANGALORE-04

Can Fin Homes Ltd. .. at a Glance

31 years of vision, passion and progress

Offering home loans since 1987….. and the journey continues

Information to Investors

4QFY19 ended March 2019

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 (71% of Loan Book) as at March 2019

Focus

- To promote ownership in home lending across India, with the motto of friendship finance and good service - with focus on retail lending
- To focus on Housing loan to Individuals (@ March 2019: 88.21% of loan book for Housing; 11.79% 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 14 ~ Mar 19) :

  Fresh Approvals: 15%, Disbursements: 17%, Loan Book: 26%

  Net Interest Income: 32%, Operating Profit: 33%, PAT: 31%
- Successfully migrated to IND AS w.e.f. 01.04.2018 as prescribed U/S 133 of the Companies Act 2013

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)
	Shri Debashish Mukherjee	Additional Director (Promoter)	Executive Director Canara Bank
	Shri Shreekant M Bhandinad	Dy Managing Director	Dy General Manager Canara Bank (On Deputation to Can Fin Homes)
	Shri G Naganathan	Director (Independent)	Practicing Chartered Accountant
	Dr. Yeluri Vijayanand	Additional Director (Independent)	Former Dy. Managing Director State Bank of India
	Shri S Subramanian	Additional Director (Promoter)	General Manager Canara Bank

Performance Highlights - Q4 FY19

- ✓ **Disbursement in last 4 Quarters (in crore) of FY 19 amounted to Rs.5479 crore**

  Q4 FY19:1554 Cr (1385 Cr in Q4 FY18) Q3 FY19: 1318 Cr, Q2 FY19 : 1443 Cr, Q1 FY19: 1164 Cr

- ✓ **Loan Book Growth in FY19: Rs. 2,638 crore (vs Rs.2438 crore in FY18)**

  Q4 FY19: +812 Cr (+670 Cr in Q4 FY18) Q3 FY19: +634 Cr Q2 FY19: +739 Cr Q1 FY19: +453 Cr

- ✓ **Q4FY19 registered the best Quarterly Growth of recent times**

  Sanctions +20%, Disbursement:+12% & Loan Book Growth +21%

- ✓ **Loan Book reached Rs.18,382 crore (+16.7%) with a clientele base of 1.46 lakh**

- ✓ **Annual & Quarterly Financials restated as per IND-AS with an impact on PAT & Equity**

  NII: Rs.530 Cr (+4%), PBT: Rs.470 Cr (+9%) and PAT: Rs.297 Cr (+4%)

  NIM: 3.14%, RoAA: 1.76%, RoE: 18.16% and EPS: Rs.22.29

- ✓ **Cost to Income Ratio: 16.30%, DER: 9.37, CRAR: 19.56%**

- ✓ **Gross NPA & Net NPA improved to 0.62% & 0.43% resp. (0.71% & 0.51% in Q3).**

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

- ✓ **67% of fresh loan approvals were to Salaried & Professionals while 33% were to SENP segment**

- ✓ **71% of the outstanding loan book as at Mar'19 comes from Salaried & Professionals; 90% from HL**

Major Components impacting P&L of Q4FY19

- ✓ **The annual as well as Quarterly financials have been realigned/ restated as per Ind-AS. Major impact on P&L was on account of Amortisation of entire Processing Fee over the loan life.**
  - **Impact on FY19 Earnings vis-à-vis FY18: (-) Rs.3.51 crore**

    Rs.28.78 crore out of current year Fee Income amortised over subsequent years vis-à-vis Rs.25.27 crore for FY18

- ✓ **Other one-time components which have impacted the FY19 Expenses vis-à-vis FY18:**
  - **Previous Period Tax Expenses: (+) Rs.8.76 crore**

    Rs.5.42 crore charged to current year P&L vis-à-vis Rs.3.34 crore retrieval for FY18
  - **Increased CSR expenditure during the year: (+) Rs.2.68 crore**

    Rs.6.06 crore spent under CSR during the year vis-à-vis Rs.3.38 crore during FY18

- ✓ **Cumulative negative impact of above 3 components on FY19 P&L aggregates to Rs.15 crore which is reflected in the subdued PAT growth for the year.**

Performance Highlights - Q4 FY19

Amount in Rs. Crore

Sl. No.	Particulars	QUARTER ENDED			Yr ENDED	
		Mar'19 (3m)	Dec'18 (3m)	Mar'18 (3m)	Mar'19 (12)	Mar'18 (12m)
1	New Approvals	1,738	1,484	1,453	5,952	5,760
2	Disbursements	1,554	1,318	1,386	5,479	5,207
3	**Outstanding Loan Book**	**+812**	**+634**	**+685**	**18,381**	**15,743**
4	Interest Income	451.38	437.61	386.36	1699.55	1490.58
7	Fees & Other Income	12.43	5.45	6.90	31.80	31.40
6	**Total Income**	**463.81**	**443.07**	**393.26**	**1731.35**	**1521.98**
7	Interest Expenditure	313.73	301.54	255.13	1169.10	981.02
8	Other Expenditure	32.50	21.56	25.67	91.65	87.77
9	**Total Expenditure**	**346.23**	**323.06**	**280.80**	**1260.75**	**1068.80**
10	**Profit Before Tax & Provisions**	**117.58**	**120.00**	**112.46**	**470.60**	**453.18**
11	**Net Interest Income**	**137.65**	**136.08**	**131.23**	**530.45**	**509.56**
12	**Cost to Income Ratio (%)** (excluding Bad debts)	**16.30%**	**14.35%**	**16.23%**	**16.30%**	**16.23%**

* Financials for Previous Period realigned / restated as per revised Accounting Policy adopted under Ind-AS

Performance Highlights – Q4 FY19

Amount in Rs. Crore

Sl. No.	Particulars	QUARTER ENDED			YEAR ENDED		
		Mar'19 (3m)	Dec'18 (3m)	Mar'18 (3m)	Mar'19 (12m)	Mar'18 (12m)	YoY Gr
13	**Profit Before Tax & Provisions**	**117.58**	**120.00**	**112.46**	**470.60**	**453.18**	**3.84%**
14	Provision for SA & NPA	1.09	0.00	0.76	1.09	22.10	
15	**Profit Before Tax**	**116.49**	**120.00**	**111.70**	**469.51**	**431.08**	**8.91%**
16	Provision for Taxation & DTL	49.47	45.07	37.77	172.77	144.89	
17	**Profit After Tax**	**67.02**	**74.94**	**73.94**	**296.74**	**286.19**	**3.69%**
18	Other Comprehensive Income (net of tax)	0.78	1.61	(0.10)	0.03	0.42	
19	**Total Comprehensive income**	**67.79**	**73.33**	**74.03**	**296.77**	**286.61**	**3.54%**
20	Earnings per share*	5.09	5.51	5.56	22.29	21.50	
21	Gross NPA	113.51	124.95	67.49	113.51	67.49	
22	**Gross NPA Ratio (%)**	**0.62%**	**0.71%**	**0.43%**	**0.62%**	**0.43%**	**0.19%**
23	Net NPA	79.47	89.08	31.63	79.47	31.62	
24	**Net NPA Ratio**(%)	**0.43%**	**0.51%**	**0.20%**	0.43%	0.20%	**0.23%**

* Financials for Previous Period realigned / restated as per revised Accounting Policy adopted under Ind-AS

Reconciliation of PAT @ Mar'18 (GAAP ~ Ind AS)

Amount in Rs. Crore

Sl. No.	Particulars	Yr ended Mar 31, 2018
1	**Net Profit reported as per erstwhile Indian GAAP**	**301.77**
	Impact due to amortisation of processing fee over term of loan	-25.28
	Deemed Interest Income due to fair valuation of Security Deposits	0.17
	Amortisation of Prepaid Rent Expense due to fair valuation of Security Deposit	-0.19
	Rent Equalisation	-0.34
	Reclassification of actuarial gains and losses to OCI	-0.65
	Reversal of transaction costs and EIR on non-convertible debentures	-0.71
	Recognition of interest on SLR Investment as per EIR	0.01
	Net impact of fair valuing Employee Loans	0.01
	Deferred Tax Asset	8.89
	Current Tax adjustment on Special Reserve	-28.72
	Reversal of Deferred Tax Liability on Special Reserve	31.23
	Net Profit as per Ind AS	**286.19**
2	**Other Comprehensive Income**	
	Reclassification of actuarial gains and losses to OCI	0.65
	Deferred Tax Asset on OCI	-0.22
3	**Total Comprehensive Income as per Ind AS**	**286.61**

Key Financial Ratios - FY19

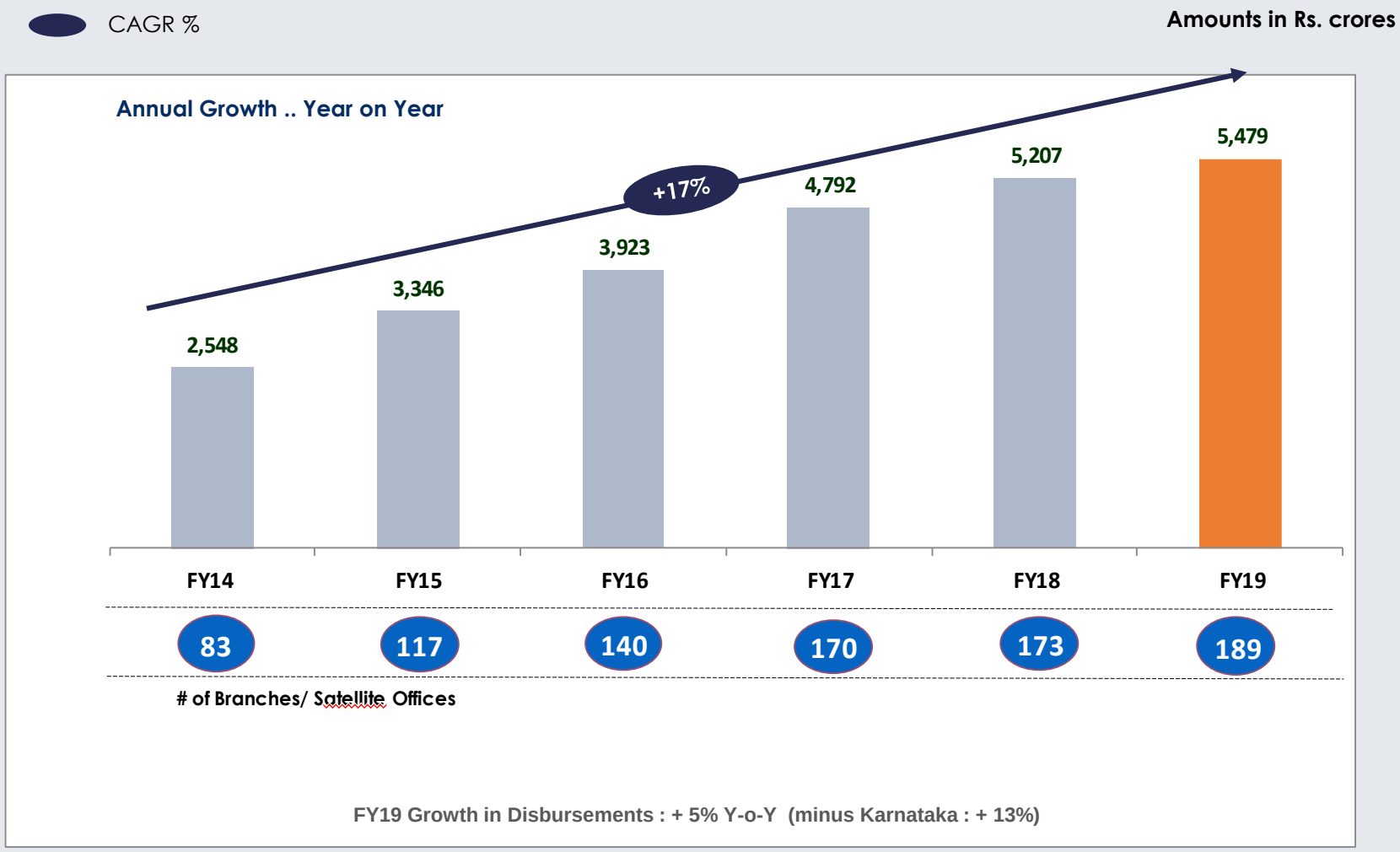
Amount in Rs. Crore

Sl. No.	Particulars	PERIOD ENDED		
		Mar'19	Dec'18	Mar'18
1	**Return on Avg Assets (Annualised)**	**1.76%**	**1.86%**	**1.98%**
2	**Return on Avg Equity (Annualised)**	**18.16%**	**17.85**	**21.30%**
3	Earning Per Share (Rs.)	22.29	17.20	21.50
4	**Net Interest Margin (%)**	**3.14%**	**3.18%**	**3.53%**
5	Yield (%)	10.06%	10.06%	10.33%
6	Cost (%)	7.90%	7.89%	7.70%
7	Spread (%)	2.17%	2.17%	2.63%
8	Avg Business Per Branch (Rs. Crore)	111.86	108.41	106.58
9	Avg Business per Employee (Rs. Crore)	25.99	23.03	23.92
10	**Cost Income Ratio (%)**	**16.30%**	**14.35%**	**16.23%**
11	**DER**	**9.37**	**9.06**	**9.36**
12	**Capital Adequacy Ratio (%)**	**19.56**	**19.39**	**19.08**
13	of this Tier I Ratio (%)	17.75	17.53	16.96

*** Financials for Previous Period realigned / restated as per revised Accounting Policy adopted under Ind-AS**

Fresh Approvals

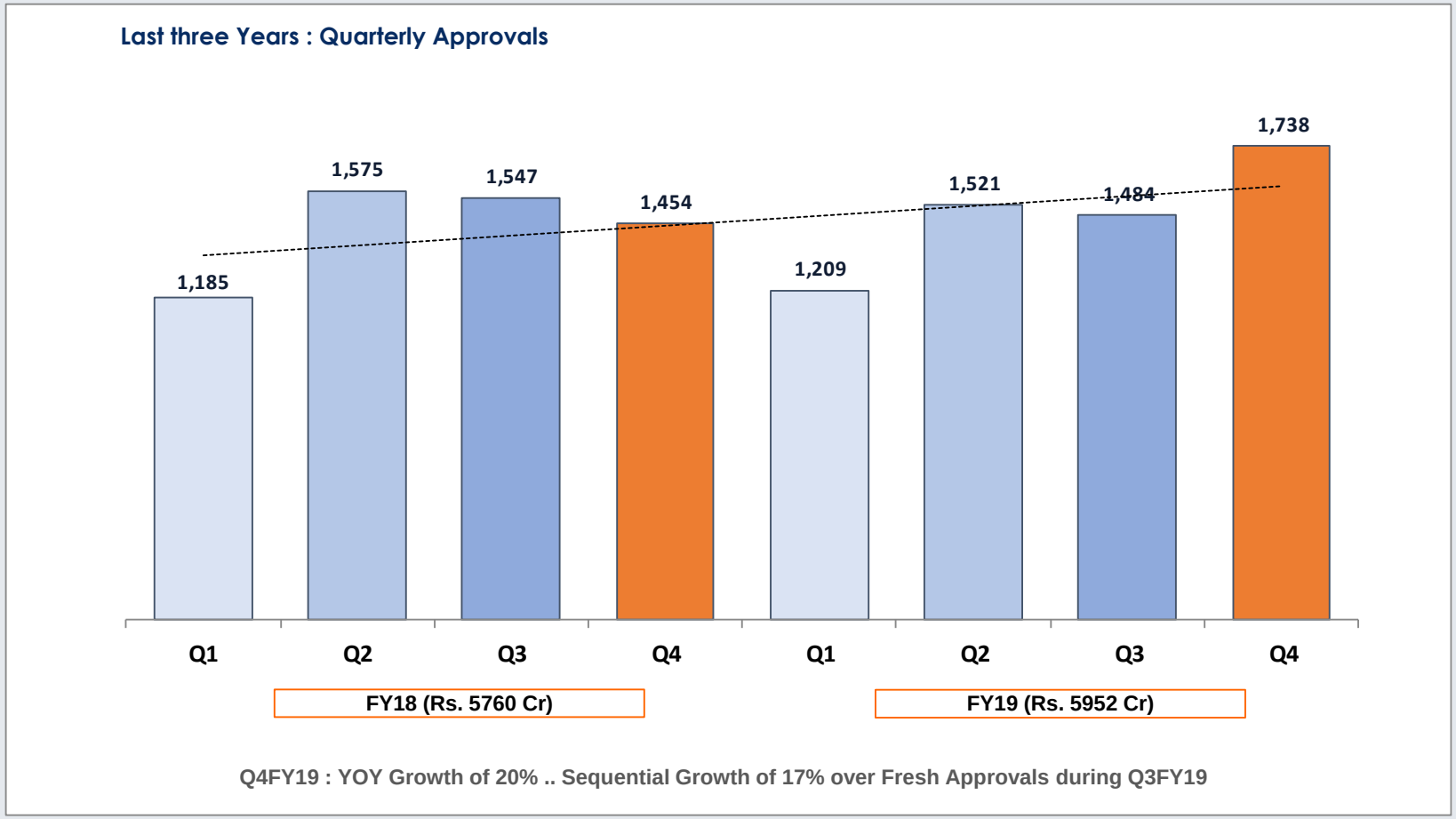
Disbursements



Loan Book Growth

Fresh Approvals (QoQ)

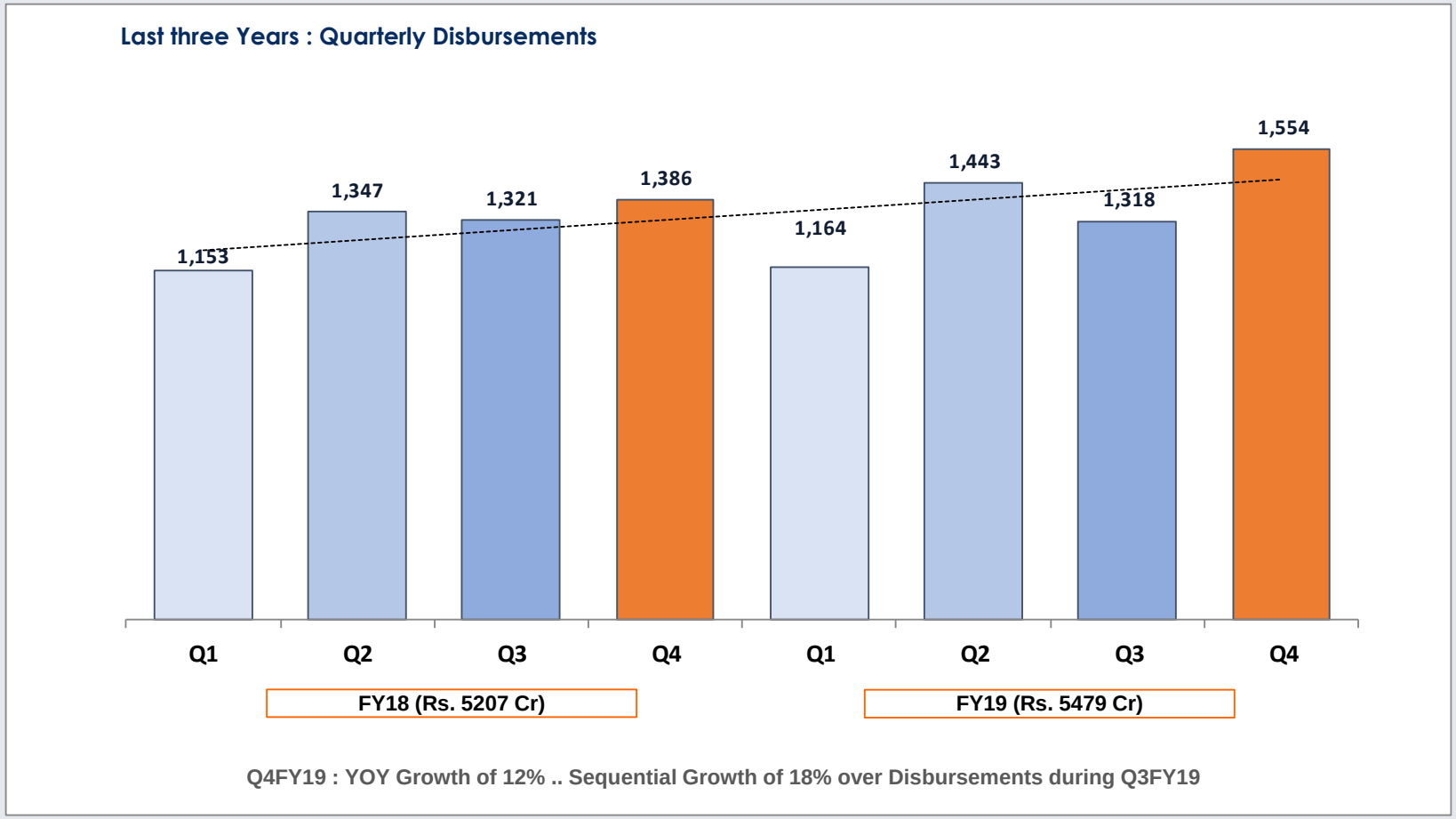
Amounts in Rs. crores



Q4FY19 : YOY Growth of 20% .. Sequential Growth of 17% over Fresh Approvals during Q3FY19

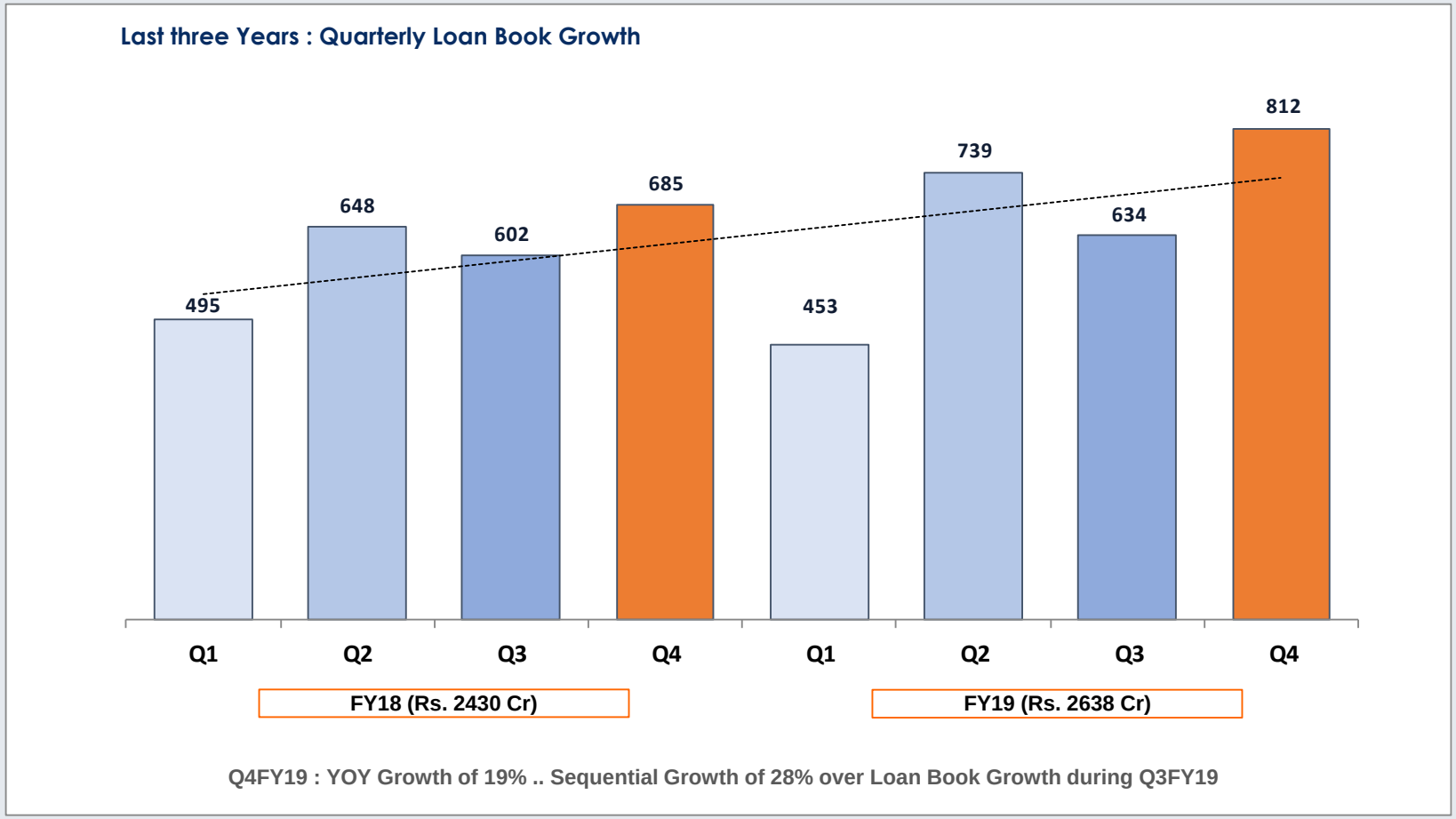
Disbursements (QoQ)

Amounts in Rs. crores



Loan Book Growth (QoQ)

Amounts in Rs. crores



Movement of NPA

Amount in Rs. Crore

Sl. No.	Particulars	Current Year	Previous Year
1	**Movement of NPAs (Gross)**		
	Opening balance	67.49	27.91
	Additions during the year	67.52	55.69
	Reductions during the year	21.50	16.11
	Closing balance	113.51	67.49
2	**Movement of provisions for NPAs**		
	Opening balance	35.87	27.91
	Provisions made during the year	17.43	34.88
	Write-off/write-back of provisions	19.25	26.93
	Closing balance	34.05	35.87

SARFAESI action initiated in 639 NPA accounts (Rs.95.56 crore); During the Year: 367 Accounts (60.31 crore)

Securities sold in 46 accounts (Rs 9.27 crore) + 307 accounts (Rs.38.24 crore) upgraded through recovery

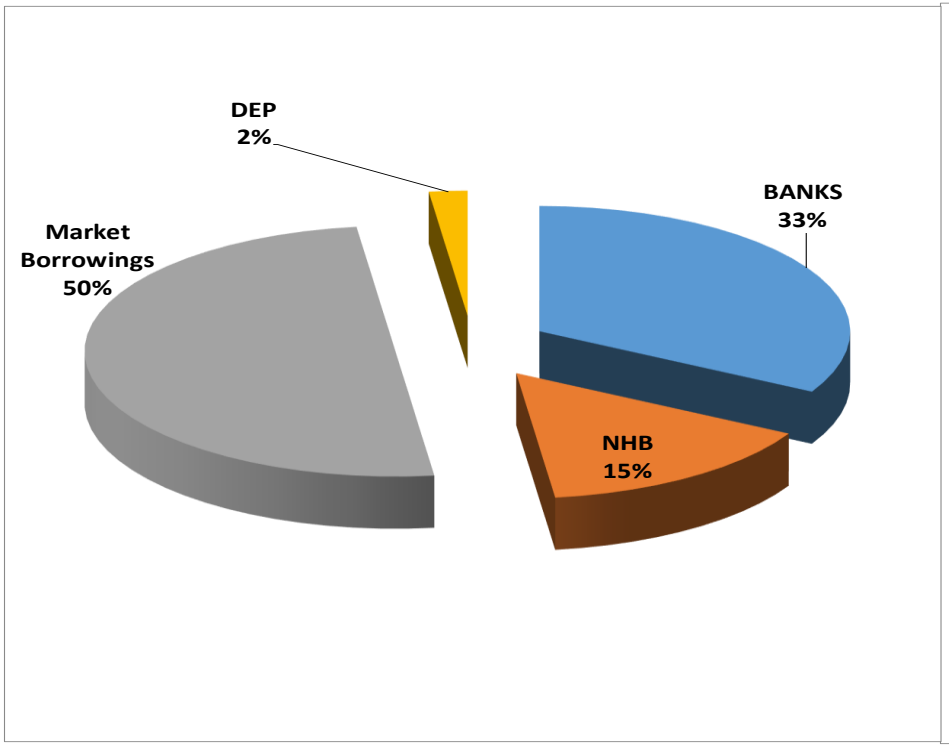
Lending Basket

Category-wise Product-wise Distribution of Loan Book

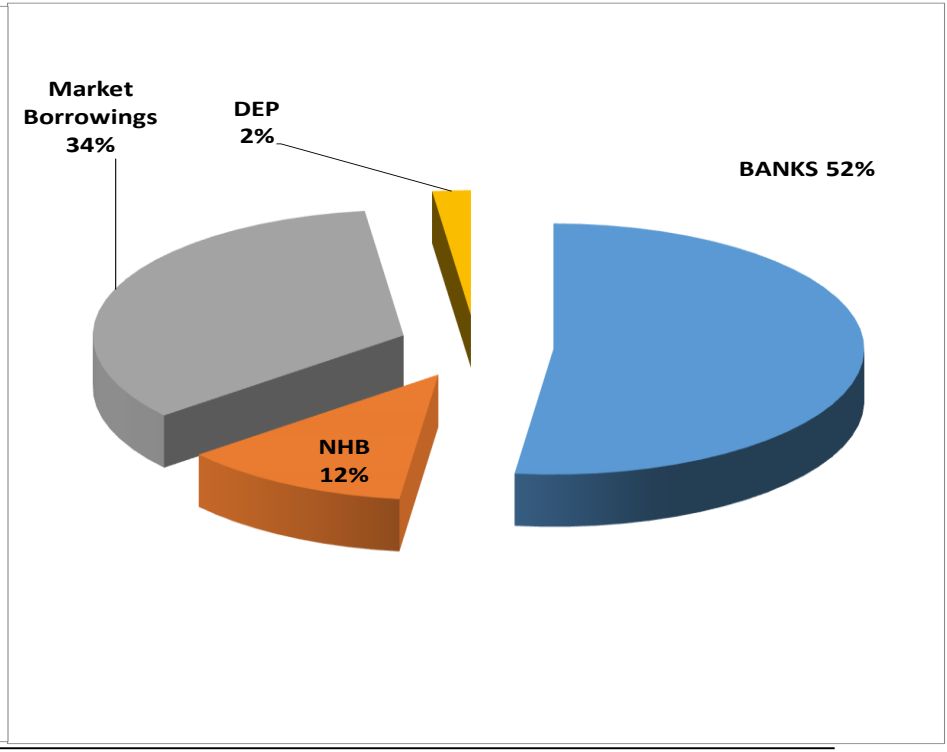
Sl. No.	Category/Product		Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
			O/s Amt.	O/s Amt.	O/s Amt.	O/s Amt.	O/s Amt.
1	Salaried & Professionals						
	i)	Housing Loans	10,665	10,915	11,294	11,624	12012
	ii)	Top-up Personal Loans	338	346	369	388	412
	iii)	Mortgage Loans/ Flexilap	369	359	370	371	379
	iv)	Loans for Sites	131	127	130	138	234
	v)	Others	24	36	38	38	27
		Sub Total	**11,527**	**11,783**	**12,201**	**12,559**	**13,064**
		(As a % to total)	*73%*	*73%*	*72%*	*71%*	*71%*
2	Non Salaried Class- Self Employed & Non Professionals						
	i)	Housing Loans	3,493	3,673	3,939	4,169	4407
	ii)	Top-up Personal Loans	163	174	193	209	222
	iii)	Mortgage Loans/Flexi Lap	439	440	463	485	508
	iv)	Loans for Sites	49	50	54	59	96
	v)	Others	54	55	58	59	56
		Sub Total	**4,198**	**4,392**	**4,707**	**4,981**	**5289**
		(As a % to total)	*27%*	*27%*	*28%*	*28%*	*29%*
3	Builder Loans		0.37	7	10	12	11
		(As a % to total)	-	*0.04%*	*0.06%*	*0.06%*	*0.06%*
4	Staff Loans		18	17	17	17	17
		Grand Total	**15,743**	**16,199**	**16,935**	**17,569**	**18,381**

Funding Basket

Funding Mix @ Mar 2018 (as %)



Funding Mix @ Mar 2019 (as %)



- **Cost of borrowings contained at 7.90 % (vs 7.89% in Dec'18, 7.83% in Sep'18, 7.73% in Jun'18 and 7.70% at Mar'18)**

Liquidity Position

Amount in Rs. Crore

Particulars	For Q4FY19 ending Jun.19	For Q4FY19 ending Sep.19	For Q1FY20 ending Dec.19
Un-availed limits as on 31/03/2019 (Opening Balance)	**1335.58**	**1361.31**	**1455.25**
Add: Collections	1700.00	1700.00	1750.00
Less: Interest and principal repayment on borrowings	1237.05	642.26	2778.86
Less: Disbursements	1800.00	1800.00	1800.00
Add: Future borrowings	1350	800.00	2728.86
Surplus/(Deficit) – (Closing Balance)	**1348.53**	**1419.05**	**1355.25**

In addition to the above, the Company has secured fresh credit facility of term loans amounting Rs.1,500 crore from Banks & NHB during the month of April 2019. This is apart from the permitted borrowing limits of Rs.6000 crore under NCDs.

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 at 31/03/19.**

  Upcountry units dedicated to cater to GRHS / LUH / CLSS (PMAY) .. opened by upgradation of erstwhile SOs

- ✓ **Introduction of the 2nd Centralised Processing Centre (CPC) at Hyderabad**

  In addition to the CPC at Bangalore, the 2nd one has been recently opened at Hyderabad

  CPC concept being extended to Delhi and Chennai shortly

- ✓ **Launch of our new website of the company with added features**

  With special focus on customer convenience and enhanced connect

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

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

- ✓ **Centralised Recovery hubs started in Bangalore and Chennai Metros to galvanize recovery efforts.**

- ✓ **Unique Scheme of 'Annual Resetting of Rate of Interest'**

  Customer benefit measure aimed at improved retention level

- ✓ **Distribution of both Life as well as General Insurance Products through Corporate Agencies**

  Provision of alternate insurance products to secure the health and assets of our customers.

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 70 now

- ✓ **41 branches & 21 AHLCs opened since FY17 ..**

  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 Q4 FY19**

  Share of these branches in Total Loan Book increased from 24% at March 2016 to 29% as at March 2019

- ✓ **As a strategic shift in our expansion plan we have rapidly grown to non-metro Tier 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 FY 19
	Mar.16	New Add	Mar 19	Mar 16	Mar.19	Mar.16	Mar 19	Loan Book
Metro	54	12	66	72%	60%	77%	67%	11%
Non Metro	56	53	109	28%	40%	23%	33%	30%

Actions initiated to open 20 more branches in potential Tier II/III 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 2019-20:

- ✓ Loan book size of Rs.23,000 Cr vs Rs.18,381 Cr at Mar'19 (+25%)

Branch Expansion Plan for 2019-20:

- ✓ 20 New Branches in Tier II/III growth centres during the first phase
- ✓ Total Network (Branch/AHLC & SOs) to be ahead of 200 by the year end
- ✓ Focus on Affordable Housing with a proper mix of Non-Housing segments
- ✓ 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