


CFHRO SE CS LODR 121/2019

04/11/2019

ONLINE SUBMISSION

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

Sub: Submission of Investor Presentation - Post Q2 FY20 results  
Ref: Our letter CFHRO SE CS LODR 117/2019 dated 04/11/2019  
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Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching the Investor Presentation, post Q2 FY20 results.

The investor presentation is also made available on [www.canfinhomes.com](http://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  
AGM & Company Secretary

Encl: As above.



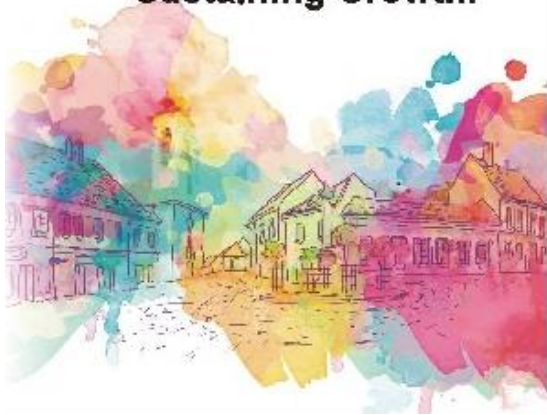


# Can Fin Homes Ltd. .. at a Glance

32 years of vision, passion and progress

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

Capitalising on Opportunities.  
**Sustaining Growth.**



**Information to Investors**

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**2QFY20 ended  
September 2019**

# About us



## Legacy

- 32 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 business) as at September 2019

## 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 (@ September 2019: 87.93% of loan book for Housing; 12.07% 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 159 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. 6 branches added during the HY

## 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
	Sri Girish Kousgi	Managing Director & CEO	Managing Director & CEO
	Shri Debashish Mukherjee	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	Director (Independent)	Former Dy. Managing Director State Bank of India
	Shri S Subramanian	Director (Promoter)	General Manager Canara Bank



## Performance Highlights – Q2 FY20

- ✓ Loan Book surpassed the Rs.19,600 crore mark with a clientele base of 1.55 lakh
- ✓ Y-o-Y Loan Book Growth of 16%
- ✓ PBT & PAT for Q2FY19 rose by 15% & 15% (Y-o-Y) respectively
- ✓ NIM: 3.21%, RoAA\*: 1.88%, RoE\*: 19.10% and EPS: Rs.13.41 \* Annualised
- ✓ Cost to Income Ratio : 15.58%.
- ✓ Gross NPA & Net NPA stood at 0.79% & 0.58%.
- ✓ 70.81% of fresh loan approvals were to Salaried & Professionals while 29.19% were to SENP segment in Q2
- ✓ 71% of the outstanding loan book as at Sep'19 comes from Salaried & Professionals; 90% from HL



## Performance Highlights – Q2 FY20

Amount in Rs. Crore

Sl. No.	Particulars	As per IND AS			As per IND AS	
		SEP'19 (3m)	Jun'19 (3m)	SEP'18 (3m)	SEP'19 (6m)	SEP'18 (6m)
1	New Approvals	1,424	1,289	1,522	2,713	2,731
2	Disbursements	1,334	1,276	1,443	2,610	2,607
3	<b>Outstanding Loan Book</b>	<b>596</b>	<b>622</b>	<b>739</b>	<b>19,600</b>	<b>16,928</b>
4	Interest Income	493.97	477.24	414.19	971.21	810.56
7	Fees & Other Income	6.70	6.90	7.64	13.60	13.91
6	<b>Total Income</b>	<b>500.67</b>	<b>484.14</b>	<b>421.83</b>	<b>984.81</b>	<b>824.47</b>
7	Interest Expenditure	337.86	328.64	283.81	666.50	553.87
8	Other Expenditure	25.64	23.94	17.64	49.59	37.59
9	<b>Total Expenditure</b>	<b>363.50</b>	<b>352.58</b>	<b>301.45</b>	<b>716.08</b>	<b>591.45</b>
10	<b>Profit Before Tax &amp; Provisions</b>	<b>137.17</b>	<b>131.56</b>	<b>120.38</b>	<b>268.72</b>	<b>233.01</b>
11	<b>Net Interest Income</b>	<b>156.11</b>	<b>148.60</b>	<b>130.39</b>	<b>304.71</b>	<b>256.69</b>
12	<b>Cost to Income Ratio (%)</b> (excluding Bad debts)	<b>15.58%</b>	<b>15.40%</b>	<b>13.89%</b>	<b>15.58%</b>	<b>13.89%</b>



## Performance Highlights – Q2 FY20

Sl. No.	Particulars	As per IND AS			Amount in Rs. Crore	
		SEP'19 (3m)	Jun'19 (3m)	SEP'18 (3m)	As per IND AS SEP'19 (6m)	As per IND AS SEP'18 (6m)
13	<b>Profit Before Tax &amp; Provisions</b>	<b>137.17</b>	<b>131.56</b>	<b>120.38</b>	<b>268.72</b>	<b>233.01</b>
14	Provision for SA & NPA	6.27	8.66	0.00	14.93	0.00
15	<b>Profit Before Tax</b>	<b>130.89</b>	<b>122.90</b>	<b>120.38</b>	<b>253.79</b>	<b>233.01</b>
16	Provision for Taxation & DTL	33.27	41.92	38.82	75.19	78.23
17	<b>Profit After Tax</b>	<b>97.62</b>	<b>80.98</b>	<b>81.56</b>	<b>178.60</b>	<b>154.79</b>
18	Other Comprehensive Income (net of tax)	0.50	0.51	-0.76	1.01	-0.87
19	<b>Total Comprehensive income</b>	<b>97.12</b>	<b>80.47</b>	<b>82.32</b>	<b>177.59</b>	<b>155.65</b>
20	Earnings per share*	7.33	6.08	6.12	13.41	11.62
21	Gross NPA	154.77	139.32	107.29	154.77	107.29
22	<b>Gross NPA Ratio (%)</b>	<b>0.79%</b>	<b>0.73%</b>	<b>0.63%</b>	<b>0.79%</b>	<b>0.63%</b>
23	Net NPA	113.19	98.57	71.42	113.19	71.42
24	<b>Net NPA Ratio (%)</b>	<b>0.58%</b>	<b>0.52%</b>	<b>0.42%</b>	<b>0.58%</b>	0.42%



## Key Financial Ratios – Q2 FY20

Amount in Rs. Crore

Sl. No.	Particulars	PERIOD ENDED		
		Sep '19	Jun'19	Sep'18
1	<b>Return on Avg Assets (Annualised)</b>	<b>1.88%</b>	<b>1.73%</b>	<b>1.91%</b>
2	<b>Return on Avg Equity (Annualised)</b>	<b>19.10%</b>	<b>17.64%</b>	<b>20.05%</b>
3	Earning Per Share (Rs.)	13.41	6.08	11.62
4	<b>Net Interest Margin (%)</b>	<b>3.21%</b>	<b>3.18%</b>	<b>3.17%</b>
5	Yield (%)	10.23%	10.22%	10.02%
6	Cost (%)	7.95%	7.93%	7.85%
7	Spread (%)	2.28%	2.30%	2.17%
8	Avg. Business Per Branch	108.27	108.30	107.25
9	Avg. Business per Employee	23.63	24.64	25.25
10	<b>Cost Income Ratio (%)</b>	<b>15.58%</b>	<b>15.40%</b>	<b>13.89%</b>
11	<b>DER</b>	<b>8.91</b>	<b>8.97</b>	<b>9.23</b>
12	<b>Capital Adequacy Ratio (%)</b>	<b>18.82</b>	<b>19.59</b>	<b>18.70</b>
13	of this Tier I Ratio (%)	17.29	17.96	16.72



# Lending Basket

## Category-wise Product-wise Distribution of Loan Book

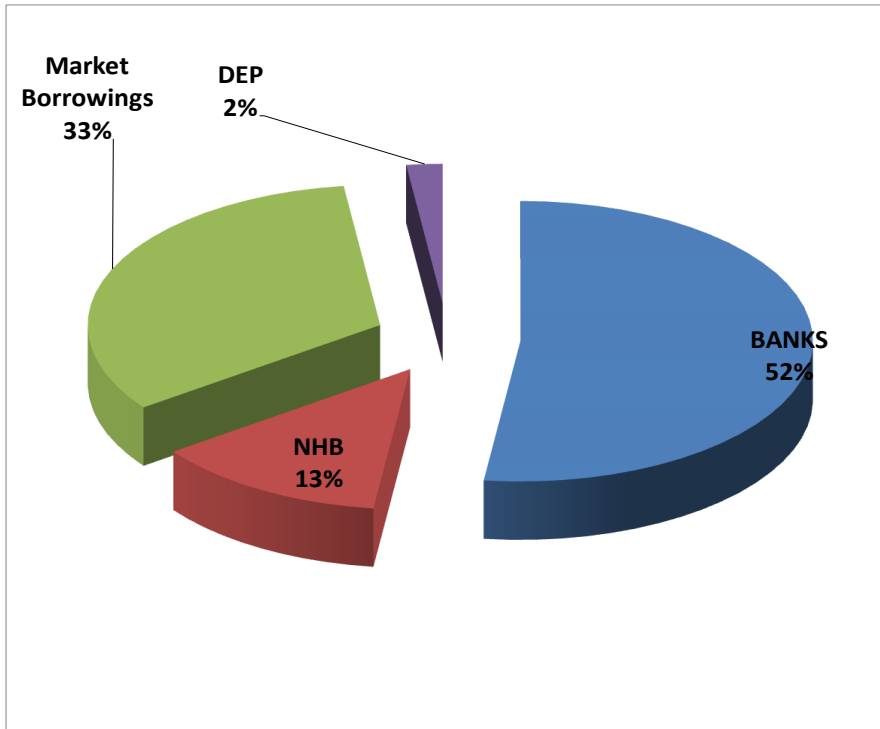


Sl. No.	Category/Product		June-18	Sept-18	Dec-18	Mar-19	Sep-19
			O/s Amt.	O/s Amt.	O/s Amt.	O/s Amt.	O/s Amt.
1	Salaried & Professionals						
	i)	Housing Loans	10,915	11,294	11,624	12012	12860
	ii)	Top-up Personal Loans	346	369	388	412	445
	iii)	Mortgage Loans/ Flexilap	359	370	371	379	381
	iv)	Loans for Sites	127	130	138	234	164
	v)	Others	36	38	38	27	39
	<b>Sub Total</b>		<b>11,783</b>	<b>12,201</b>	<b>12,559</b>	<b>13,064</b>	<b>13,889</b>
	(As a % to total)		73%	72%	71%	71%	71%
2	Non Salaried Class- Self Employed & Non Professionals						
	i)	Housing Loans	3,673	3,939	4,169	4407	4792
	ii)	Top-up Personal Loans	174	193	209	222	241
	iii)	Mortgage Loans/Flexi Lap	440	463	485	508	524
	iv)	Loans for Sites	50	54	59	96	70
	v)	Others	55	58	59	56	61
	<b>Sub Total</b>		<b>4,392</b>	<b>4,707</b>	<b>4,981</b>	<b>5289</b>	<b>5688</b>
	(As a % to total)		27%	28%	28%	29%	29%
3	Builder Loans		7	10	12	11	6
	(As a % to total)		0.04%	0.06%	0.06%	0.06%	0.03%
4	Staff Loans		17	17	17	17	17
	<b>Grand Total</b>		<b>16,199</b>	<b>16,935</b>	<b>17,569</b>	<b>18,381</b>	<b>19,600</b>

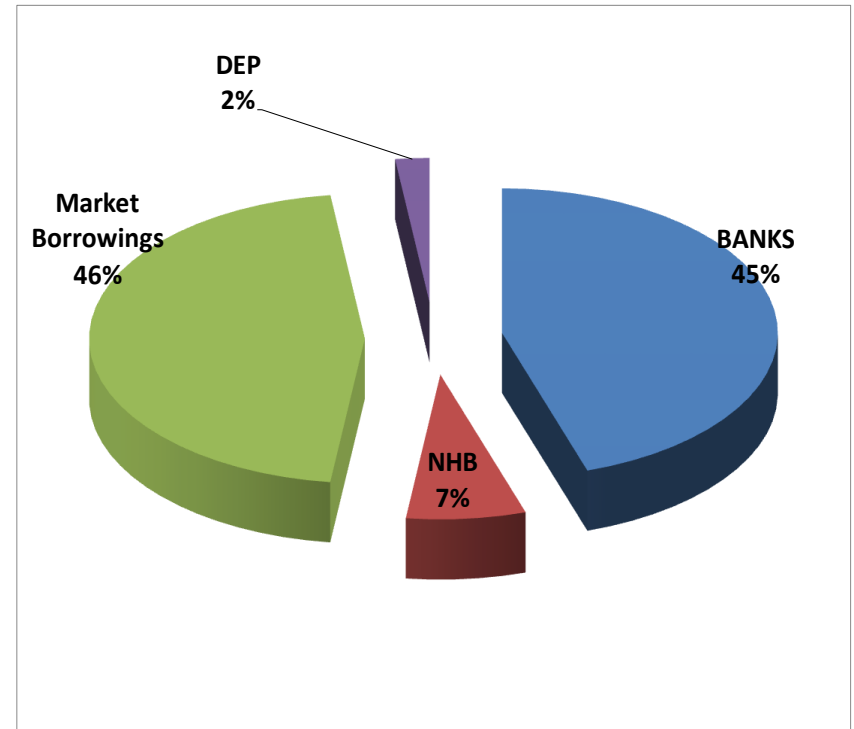


# Funding Basket

Funding Mix @ Sept 2019



Funding Mix @ Sept 2018

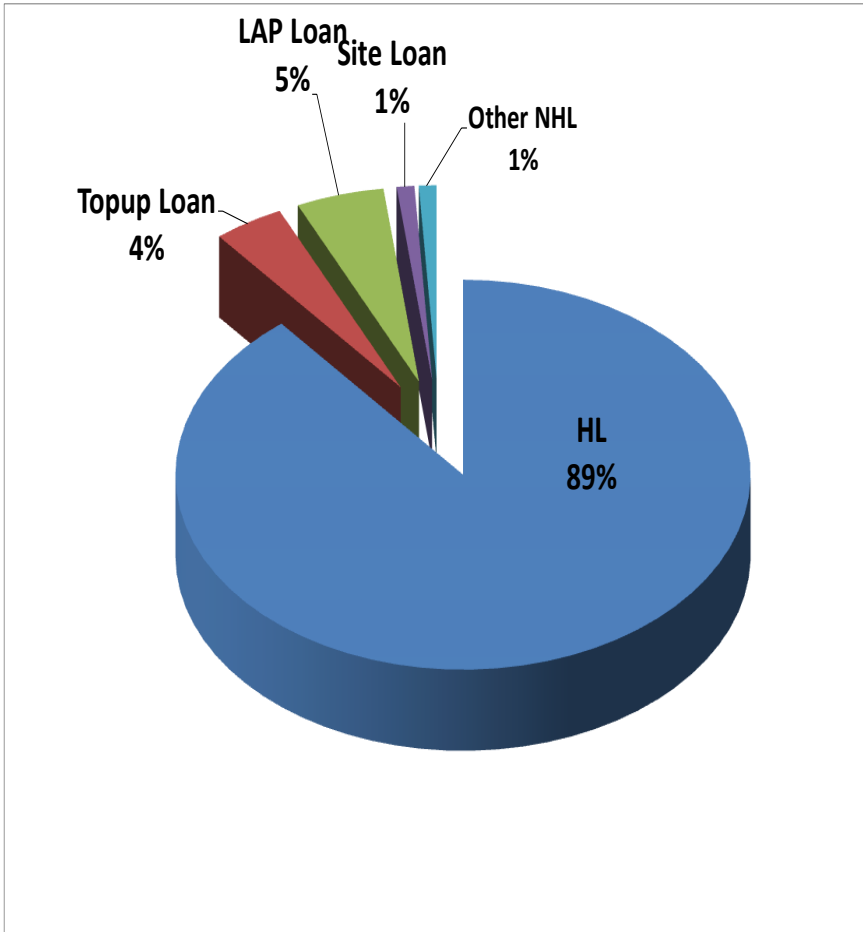


- Cost of borrowings contained at 7.95 % ( vs 7.90% in Mar 19 & 7.90% in Sep'18,)

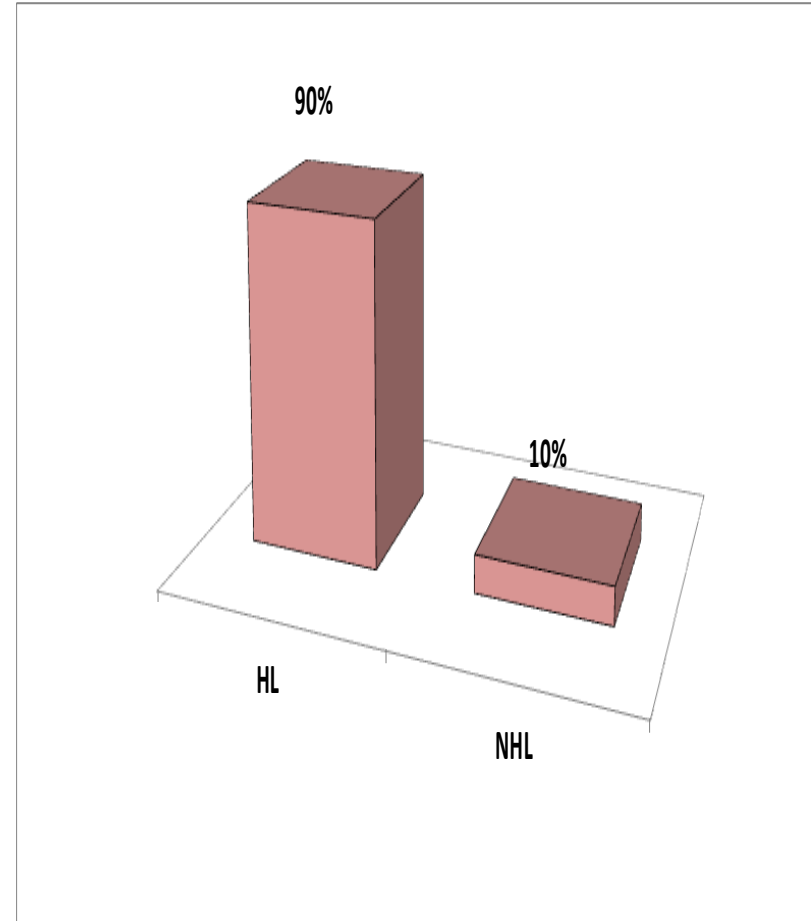


# Portfolio Details

## Product Wise Portfolio Break-up



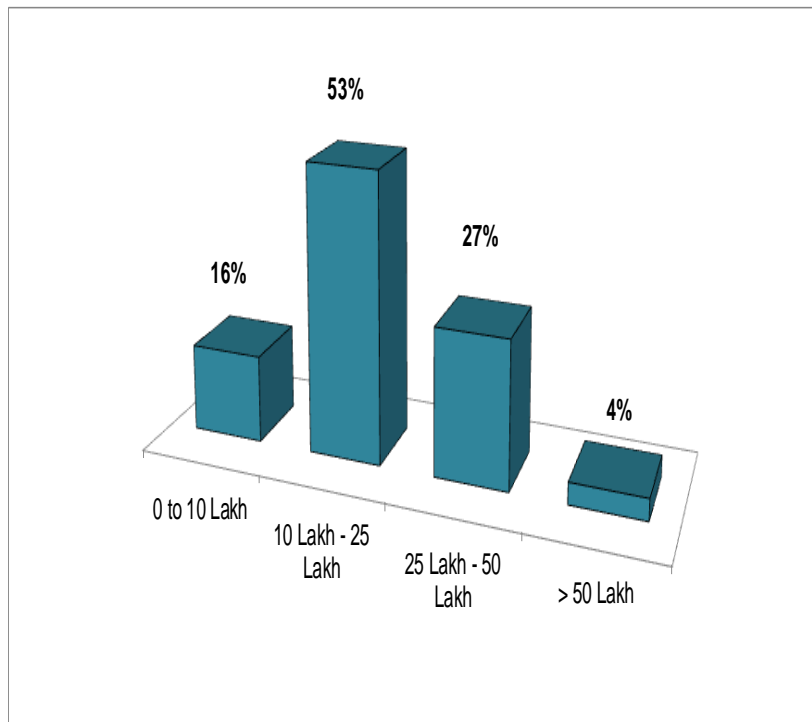
## HL - NHL Bifurcation



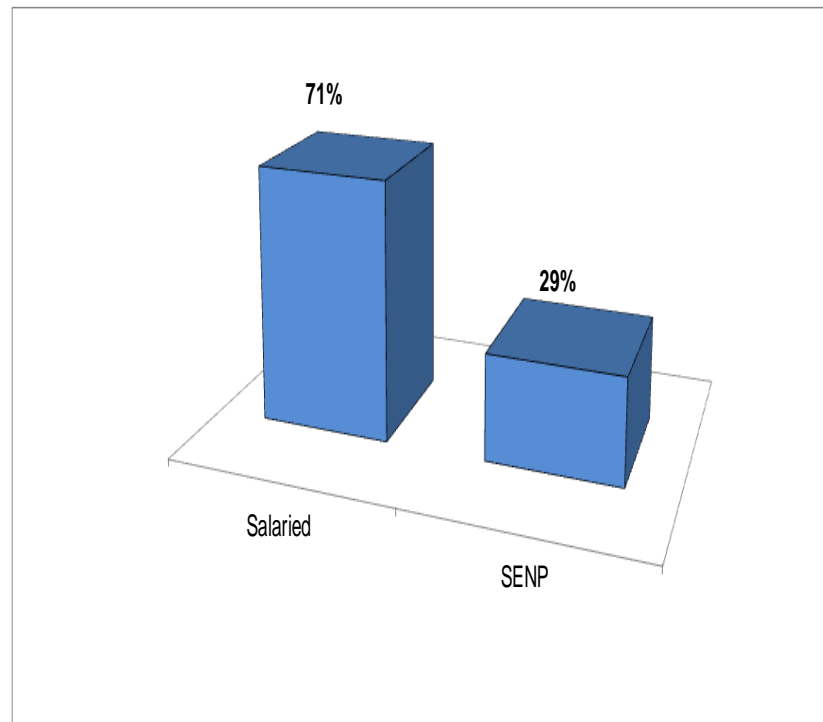


# Average Ticket Size and Profile of customer

## Average Ticket Size



## Profile of Customers





## Liquidity Position

Amount in Rs. Crore

Particulars	For Q3FY20 ending Dec.19	For Q4FY20 ending Mar.20	For Q1FY21 ending Jun.20
Un-availed limits as on 30/09/2019 (Opening Balance)	<b>2,921.88</b>	<b>1,786.85</b>	<b>1,382.94</b>
Add: Collections	1,500.00	1,600.00	1,700.00
Less: Interest and principal repayment on borrowings	1,985.03	1,653.91	1,464.77
Less: Disbursements	1,650.00	1,850.00	1,850.00
Add: Future borrowings	1,000.00	1,500.00	1,500.00
Surplus/(Deficit) – (Closing Balance)	<b>1,786.85</b>	<b>1,382.94</b>	<b>1,268.17</b>

In addition to the above, the Company has un-availed limit of Rs.4,688 Crore with money market

# Branch network (195 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, Bellari

**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, Pollachi, Thanjavur , Theni

**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, Srikakulam

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

**Delhi** - Nehru Place, Pitampura

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



## 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 194 now (180 Br/AHLCs + 14 SOs)

Of this Non- South network increased from 18 branches at Mar'11 .. to 40 at Mar'16 .. to 75 presently (75 Br/AHLCs +1 SO)

✓ **Contribution of Non-South branches to New Business/Approvals increased from 23% for FY16 to 29% for Q2FY20**

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

Pop Group	No. of Branches			Share in Sanctions		Share in loan book		YoY Gr for FY 20
	Mar.16	New Add	Sep19	Mar 16	Sep 19	Mar.16	Sep 19	Loan Book
<b>Metro</b>	<b>54</b>	<b>12</b>	<b>66</b>	<b>72%</b>	<b>55%</b>	<b>77%</b>	<b>65%</b>	<b>10%</b>
<b>Non Metro</b>	<b>56</b>	<b>58</b>	<b>114</b>	<b>28%</b>	<b>45%</b>	<b>23%</b>	<b>35%</b>	<b>28%</b>



## Future Outlook

### Vision 2022 :

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

### Branch Expansion Plan for 2019-20:

- ✓ **20 New Branches to be opened in growth centres**
- ✓ **Total Network (Branch/AHLC & SOs) to reach 200 by Mar'20**
- ✓ **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**