CAN FIN HOMES LTD
Registered Office
No. 29/1, 1st Floor, M N Krishna Rao Road
Basavanagudi, BENGALURU – 560 004
E-mail: compsec@canfinhomes.com
Tel : 080 26564259 Fax :080 26565746
Web: www.canfinhomes.com
CIN:L85110KA1987PLC008699

CFHRO SE CS LODR 116/2018
22/10/2018

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 Q2 FY19 results
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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 FY19 results.

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

The above intimation and documents 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

2QFY19 ended September 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 September 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 (@ Sep 2018: 90.1% of loan book for Housing; 9.9% 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 152 branches, 21 Affordable Housing Loan Centers & 14 Satellite Offices as on date; spread across 21 States / Union Territories
- Added 136 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 - Q2 FY19

- ✓ **Disbursements for Q2 up by 7% Y-o-Y (vs a flat growth for Q1)**
- ✓ **Highest disbursement in last 4 Quarters**

  Q2FY19 : 1443 Cr, Q1FY19: 1164 Cr, Q4FY18: 1386 Cr, Q3FY18: 1321 Cr
- ✓ **Loan Book reached Rs.16,935 crore with a clientele base of 1.35 lakh**
- ✓ **Y-o-Y Loan Book growth of 17% despite a sluggish growth in our home state**

  Minus Karnataka, Fresh approvals: +9%, Disbursements: +15%, Loan Book: + 23%
- ✓ **PBT & PAT for H1FY19 rose by 9% each (Y-o-Y); For Q2: PBT +12%, PAT +8%**
- ✓ **NIM: 3.17%, RoAA*:1.88%, RoE*: 21.63% and EPS: Rs.11.49** * Annualised
- ✓ **Cost to Income Ratio improved further to 13.75% (14.87% at June'18 & 15.21% at Mar'18)**
- ✓ **Gross NPA & Net NPA improved to 0.63% & 0.42% respectively (0.66% & 0.44% at Jun'18)**
- ✓ **88.7% of fresh loan approvals during H1 were for Housing & 11.3% for Non-Housing**
- ✓ **65.8% of fresh loan approvals were to Salaried & Professionals while 34.2% were to SENP segment**
- ✓ **72.1% of the outstanding loan book as at Sept'18 comes from Salaried & Professionals; 90.1% from HL**

Performance Highlights - Q2 FY19

Amount in Rs. Crore

Sl. No.	Particulars	QUARTER ENDED			HYr ENDED	
		SEP'18 (3m)	Jun'18 (3m)	SEP'17 (3m)	SEP'18 (6m)	SEP'17 (6m)
1	New Approvals	1521	1209	1575	2731	2760
2	Disbursements	1443	1164	1347	2607	2499
3	**Outstanding Loan Book**	**16935**	**16,199**	**14463**	**16935**	**14463**
4	Interest Income	**414.19**	396.36	369.24	810.56	725.83
7	Fees & Other Income	8.85	7.78	**9.30**	16.63	17.90
6	**Total Income**	**423.04**	**404.14**	**378.54**	**827.18**	**743.74**
7	Interest Expenditure	**283.81**	270.06	**241.39**	553.87	474.80
8	Other Expenditure	**17.64**	19.94	**20.56**	37.59	41.07
9	**Total Expenditure**	**301.45**	**290.00**	**261.95**	**591.46**	**515.87**
10	**Profit Before Tax & Provisions**	**121.59**	**114.13**	**116.59**	**235.73**	**227.86**
11	**Net Interest Income**	**130.39**	**126.30**	**127.86**	**256.69**	**251.03**
12	**Cost to Income Ratio (%)** (excluding Bad debts)	**13.75**	**14.87**	**15.27**	**13.75**	**15.27**

Performance Highlights - Q2 FY19

Amount in Rs. Crore

Sl. No.	Particulars	QUARTER ENDED			HYr ENDED	
		SEP'18 (3m)	Jun'18 (3m)	SEP'17 (3m)	SEP'18 (6m)	SEP'17 (6m)
13	**Profit Before Tax & Provisions**	**121.59**	**114.13**	**116.59**	**235.73**	**227.86**
14	Provision for SA & NPA	--	--	4.15	--	12.11
15	**Profit Before Tax**	**121.59**	**114.13**	**108.63**	**235.73**	**215.75**
16	Provision for Taxation & DTL	44.76	38.88	37.20	83.65	75.75
17	**Profit After Tax**	**76.83**	**75.25**	**71.42**	**152.08**	**140.00**
18	Other Comprehensive Income (net of tax)	(0.76)	(0.10)	--	(0.87)	(0.10)
19	**Total Comprehensive income**	**77.59**	**75.35**	**71.42**	**152.95**	**140.11**
20	Earnings per share*	5.83	5.66	5.36	11.48	10.52
21	Gross NPA	107.29	107.30	57.98	107.29	57.98
22	**Gross NPA Ratio (%)**	**0.63**	**0.66**	**0.40**	**0.63**	**0.40**
23	Net NPA	71.43	71.43	25.92	71.43	25.92
24	**Net NPA Ratio**(%)	**0.42**	**0.44**	**0.18**	**0.42**	**0.18**

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

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

Amount in Rs. Crore

Sl. No.	Particulars	HYr ended Sep 30, 2017
1	**Net Profit reported as per erstwhile Indian GAAP**	**146.21**
2	**Amortisation of processing fees**	**0.00**
a.	Impact due to amortisation of processing fee over term of loan	(9.03)
b.	Deemed Interest Income due to fair valuation of Security Deposits	0.09
c.	Lease Expenses due to straightlining of Lease Expenses	(0.09)
d.	Reversal of Lease Rent due to discounting of Security Deposits	(0.18)
e.	Reversal of transaction costs on non-covertible debentures	(0.25)
f.	Recognition of interest on non-convertible debentures as per EIR	--
g.	Reclassification of actuarial gains and losses to OCI	(0.16)
h,	Deferred tax on Ind AS Adjustments	3.42
i.	**Total**	**(6.21)**
3	**Net Profit as per Ind AS**	**140.00**
4	Other Comprehensive Income	
a.	Reclassification of actuarial gains and losses to OCI	**0.16**
b.	Deferred Tax on OCI	**(0.06)**
5	**Total Comprehensive Income**	**140.11**

Key Financial Ratios - Q2 FY19

Amount in Rs. Crore

Sl. No.	Particulars	PERIOD ENDED		
		SEP'18	JUN'18	SEP'17
1	**Return on Avg Assets (Annualised)**	**1.88**	**1.89**	**2.03**
2	**Return on Avg Equity (Annualised)**	**21.63**	**21.75**	**24.71**
3	Earning Per Share (Rs.) (Annualised)	11.48	5.66	10.52
4	**Net Interest Margin (%)**	**3.17**	**3.18**	**3.64**
5	Yield (%)	9.99	10.00	10.49
6	Cost (%)	7.83	7.73	7.76
7	Spread (%)	2.16	2.27	2.73
8	Avg Business Per Branch (Rs. Crore)	107.35	105.43	104.83
9	Avg Business per Employee (Rs. Crore)	24.94	24.82	23.53
10	**Cost Income Ratio (%)**	**13.75**	**14.87**	**15.27**
11	**DER (%)**	**10.19**	**10.03**	**10.83**
12	**Capital Adequacy Ratio (%)**	**19.07**	**18.70**	**18.79**
13	of this Tier I Ratio (%)	17.16	16.72	16.51

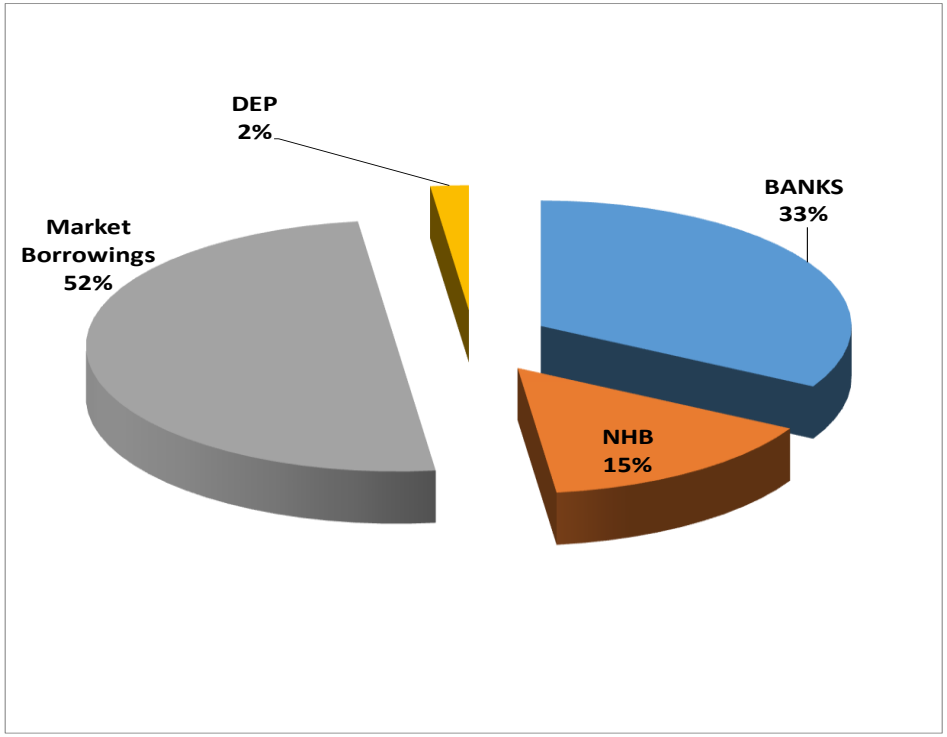
Lending Basket

Category-wise Product-wise Distribution of Loan Book

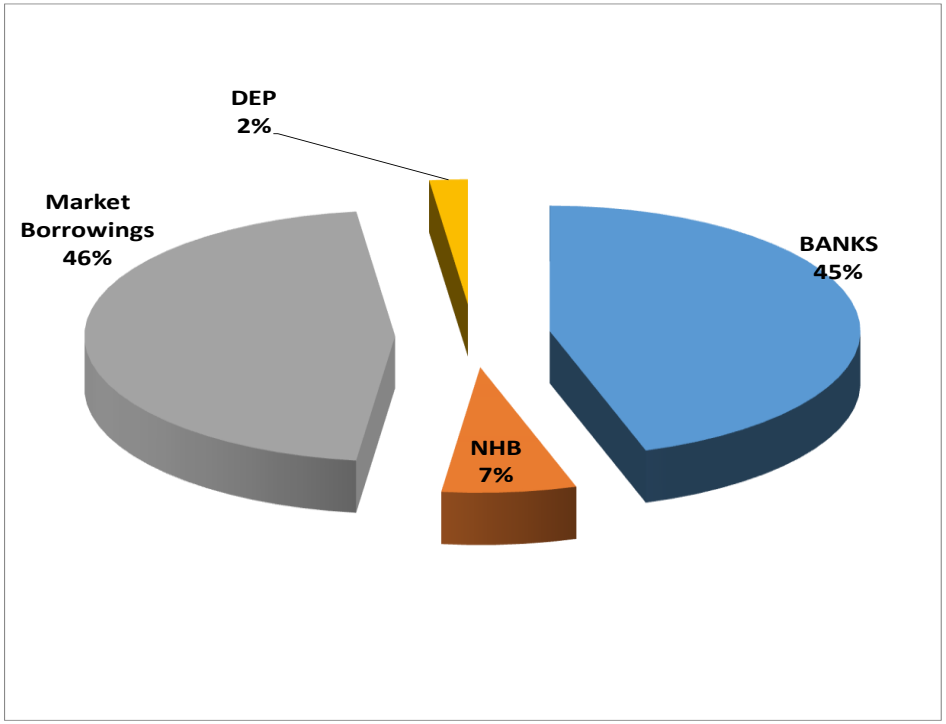
Sl. No.	Category/Product		June-17	Sept-17	Dec-17	Mar-18	Sep-18
			O/s Amt.	O/s Amt.	O/s Amt.	O/s Amt.	O/s Amt.
1	Salaried & Professionals						
	i)	Housing Loans	9,450	9,814	10,195	10,665	11,294
	ii)	Top-up Personal Loans	298	314	304	338	369
	iii)	Mortgage Loans/ Flexilap	378	378	376	369	370
	iv)	Loans for Sites	135	133	132	131	130
	v)	Others	45	46	66	24	38
		Sub Total	**10,306**	**10,685**	**11,073**	**11,527**	**12,201**
		(As a % to total)	*75%*	*74%*	*74%*	*73%*	*72%*
2	Non Salaried Class- Self Employed & Non Professionals						
	i)	Housing Loans	2,793	3,045	3,264	3,493	3,939
	ii)	Top-up Personal Loans	125	140	148	163	193
	iii)	Mortgage Loans/Flexi Lap	435	445	442	439	463
	iv)	Loans for Sites	56	55	51	49	54
	v)	Others	62	60	59	54	58
		Sub Total	**3,471**	**3,746**	**3,964**	**4,198**	**4,707**
		(As a % to total)	*25%*	*26%*	*26%*	*27%*	*28%*
3	Builder Loans		14	7	2	0.37	10
		(As a % to total)	*0.09%*	*0.05%*	*0.01%*	-	*0.06%*
4	Staff Loans		17	18	19	18	17
		Grand Total	**13,808**	**14,456**	**15,058**	**15,743**	**16,935**

Funding Basket

Funding Mix @ Sept 2017 (as %)



Funding Mix @ Sept 2018 (as %)



- Backed by strong AAA ratings for our borrowing/NCD & A1+ for CP programs
- Cost of borrowings contained at 7.83% (vs 7.73% at Jun'18, 7.70% at Mar'18 and 7.76% at Sept'17)

Liquidity Position

Amount in Rs. Crore

Particulars	For Q3FY19 ending Dec.18	For Q4FY19 ending Mar.19	For Q1FY20 ending Jun.19
Un-availed limits as on 30/9/2018 (Opening Balnace)	1,626.34	856.34	706.34
Add: Collections	1,200.00	1350.00	1700.00
Less: Interest and principal repayment on borrowings	2420.00	2500.00	751.00
Less: Disbursements	1,350.00	1500.00	1800.00
Add: Future borrowings	1800.00	2500.00	1500.00
Surplus/(Deficit) – (Closing Balance)	856.34	706.34	1355.34

In addition to the above, the Company has secured fresh credit facility (un-availed) of term loans amounting Rs.1,500 crore during the month of October 2018 and another Rs.1,500 crore credit-line from Banks is in advanced stages of approval. This is apart from the permitted borrowing limits of Rs.6000 crore under NCDs.

Branch network

(152 branches + 21 AHLCs + 14 Satellite Offices)

Punjab – Jalandhar

Chandigarh

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

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

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 .. Planned 30 by year end**

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

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

- ✓ **Shares of the Company split to Rs.2/- each (October 2017)**

  Number of retail /individual shareholders increased to 91,045 @ Sep 2018 (vs 40,104 @ March 2017)

- ✓ **Foray in to distribution of Insurance Products through Corporate Agency**

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

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 187 now (173 Br/AHLCs + 14 SOs)

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

✓ **39 branches & 21 AHLCs opened since FY17 .. incl. 19 branches + 1 AHLC during Q2FY19**

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 H1FY19**

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

Branch Expansion FY19

Opened in Q2 FY19		Shortly Opening at
Haridwar (Uttarakhand)	Jhansi, Sagar (MP)	Jharusugudha (Orissa)
Rajkot, Jamnagar, Bhavnagar (Gujrat)	Aurangabad, Chakan, Kolhapur,	Jagatpura (Jaipur)
Bhimabharam, Kadappa (AP)	Hinjewadi (MH)	
Siddipet, Nizamabad (Telangana)	Alwar (Rajasthan)	
Bannerghatta (Karnataka)	Jalandhar (Punjab)	
Rewa (Madhya Pradesh)	Durgapur (West Bengal)	

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:

- ✓ Loan book size of Rs.19,500 Cr vs Rs.15,743 Cr at Mar'18 (+24%)

Branch Expansion Plan for 2018-19:

- ✓ 21 New Branches in growth centres (19 already opened in Q2)
- ✓ Total Network (Branch/AHLC & SOs) to reach 190 by Mar'19 (reached 187 as on 30.09.18)
- ✓ 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