

January 23, 2024

**National Stock Exchange of India Limited**

Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra - Kurla Complex, Bandra (East),  
Mumbai - 400 051.

**BSE Limited**

Corporate Relations Department,  
1<sup>st</sup> Floor, New Trading Ring,  
P. J. Towers, Dalal Street,  
Mumbai - 400 001.

**Symbol: L&TFH**

**Security Code No.: 533519**

**Kind Attn: Head – Listing Department / Dept of Corporate Communications**

**Sub: Submission of investor / analyst presentation**

Dear Sir / Madam,

With reference to our letter dated January 16, 2024 and pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the presentation to be made to the investor(s) / analyst(s).

Further, as per Regulation 46 of the Listing Regulations, the said presentation would also be available on website of the Company i.e., [www.ltfs.com/investors](http://www.ltfs.com/investors).

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**

**Apurva Rathod**  
**Company Secretary and Compliance Officer**

Encl: As above

**L&T Finance Holdings Limited**

**Registered Office**

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# Retail Digital Sustainable



Strategy & Results Update – Q3FY24



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# Lakshya 2026

**RETAIL. DIGITAL. SUSTAINABLE.**

*To be a top-class 'digitally-enabled' retail finance company moving from 'product-focused' to 'customer-focused' approach*





# Agenda

## **A** Journey towards Lakshya 2026

Lakshya 2026 Update

Q3FY24 in Perspective

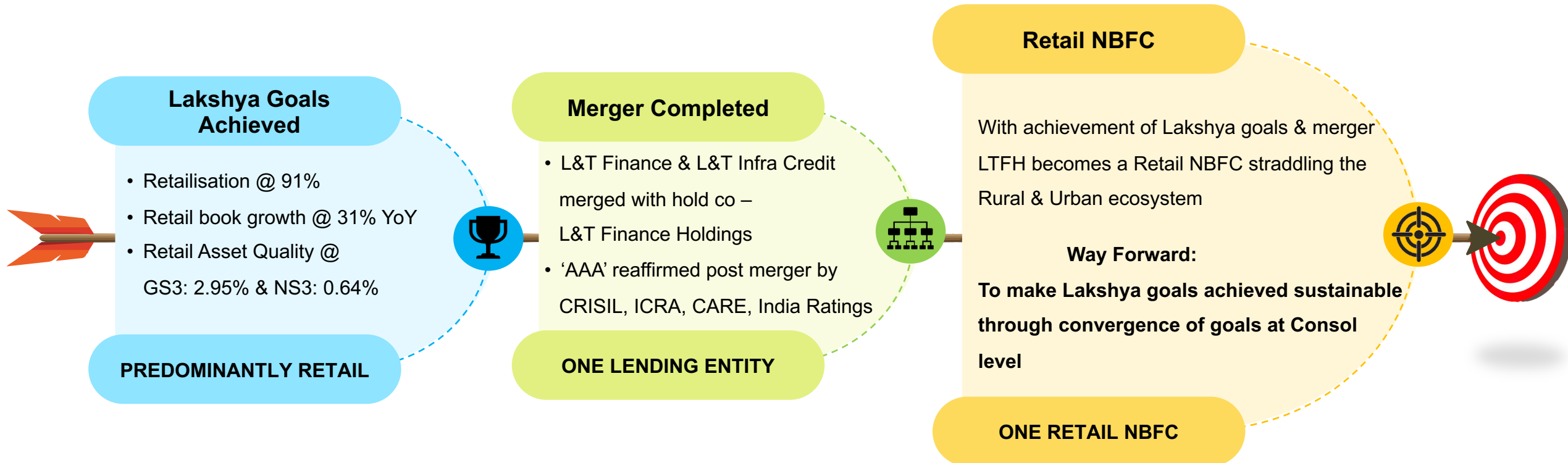
Fintech@Scale Update

## **B** Annexures

# Lakshya 2026 Goals - Achieved 2 years in advance



# L&T Finance Holdings transitions into a Retail NBFC

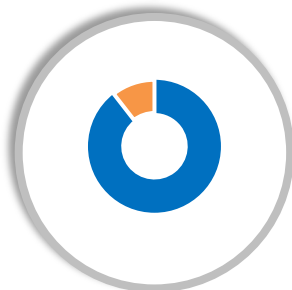




# Going forward...

## CONVERGENCE OF GOALS AT CONSOL LEVEL BY FY2026

Retailisation



>95%

Retail Growth



>25% CAGR

Consol  
Asset Quality



GS3 <3%  
NS3 <1%

Consol  
RoA



2.8% - 3%

THROUGH CYCLE ACHIEVEMENT OF THESE GOALS WILL MAKE PERFORMANCE AT L&T FINANCE CONSISTENT, PREDICTABLE & SUSTAINABLE

# 5 Pillars to creating a sustainable & predictable Retail franchise



**Enhancing  
Customer Acquisition**

**1**

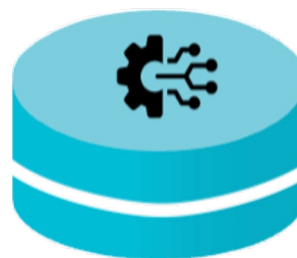
- Broadening customer funnel & velocity while increasing throughput
- Harvesting the customer & increasing cross-sell, while keeping risk under control
- Launching contiguous product offerings



**Sharpening  
Credit Underwriting**

**2**

- Building a self-learning credit engine based on bureau, account aggregator & alternate data signals to make underwriting more robust



**Implementing  
Futuristic Digital Architecture**

**3**

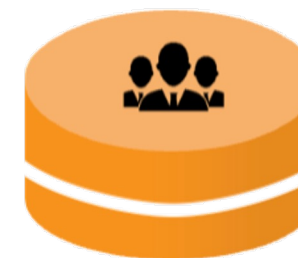
- Optimizing digital journeys to eliminate chokepoints & provide a superlative experience to customers
- In-house engineering for enhanced time to market



**Heightened  
Brand Visibility**

**4**

- Enhancing brand presence across channels
- Building salience & recall for brand 'L&T Finance'



**Capability  
Building**

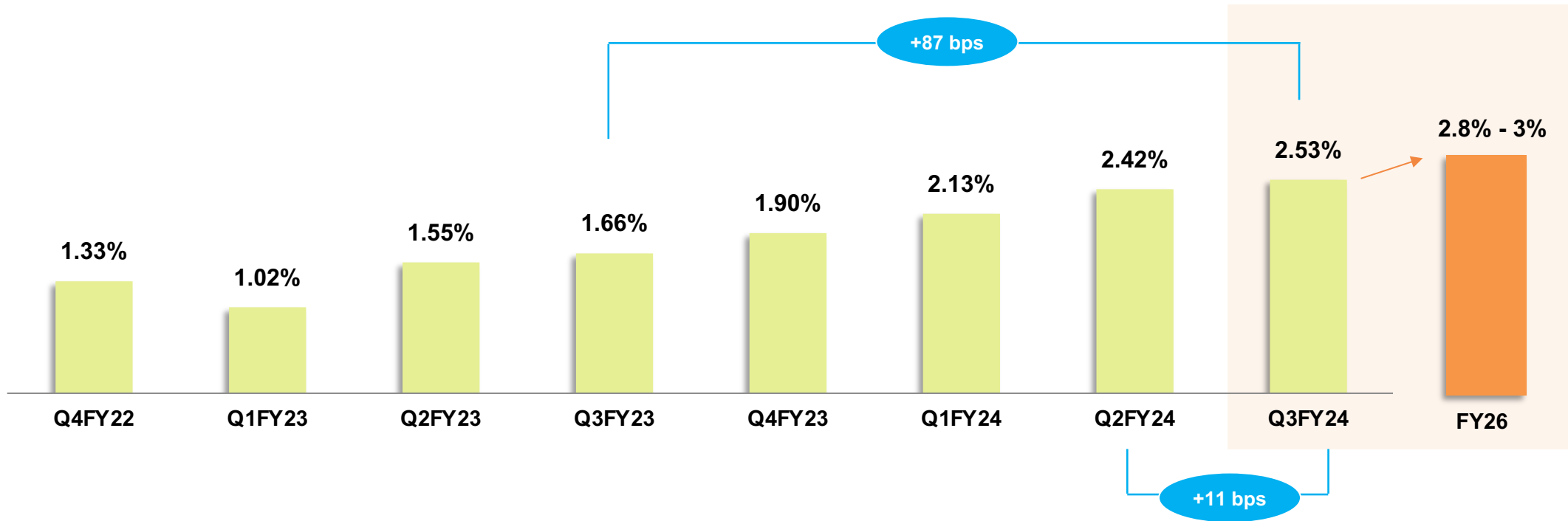
**5**

- Focused enhancement and optimization of talent pool in:
  - Artificial Intelligence / Machine Learning
  - Credit & Risk
  - Tech & Engineering

# Why are we confident of achieving convergence of goals at Consol level?



## CONSOL ROA



Post delivery of Consol RoA of 2.53% in Q3FY24, focus would be on reaching the threshold RoAs by FY26



# Agenda

## **A** Journey towards Lakshya 2026

Lakshya 2026 Update

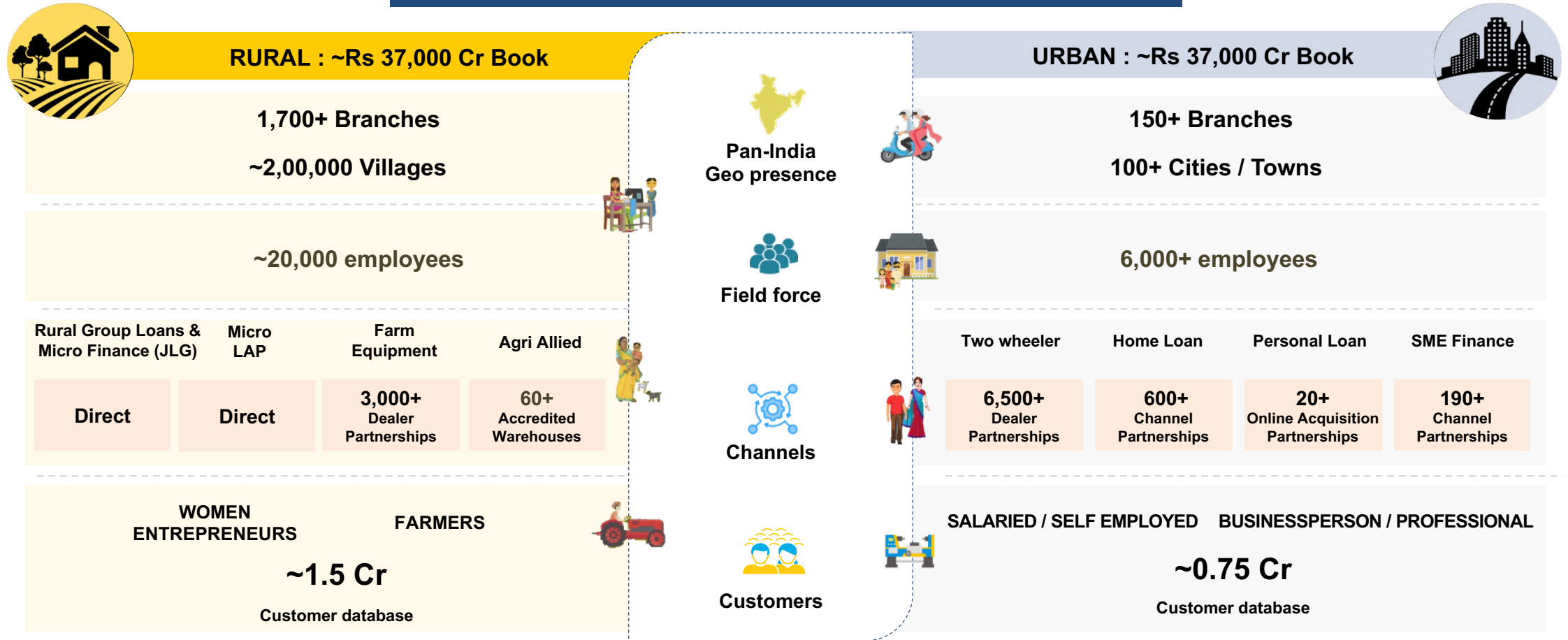
Q3FY24 in Perspective

Fintech@Scale Update

## **B** Annexures

# L&T Finance – ~Rs 75,000 Cr Retail digital franchise built over 15 years

## STRADDLING THE RURAL & URBAN ECOSYSTEM



Customer Franchise

Active customer franchise

93 Lac+

New customers disbursed to (in Q3)

6.8 Lac+

Share of up-sell in disbursement

33%

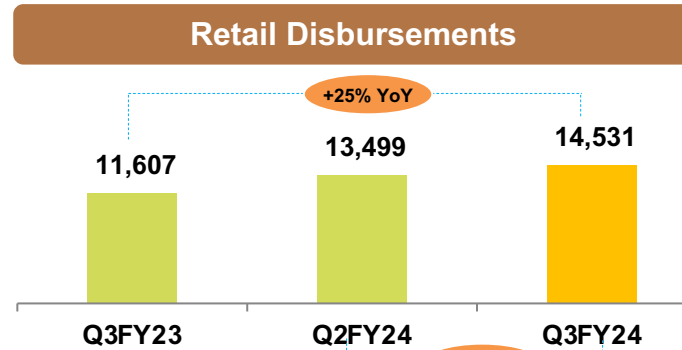
Disbursement per up-sell franchise

~Rs 86K

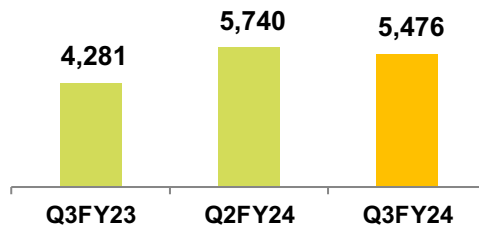
# Delivering a sustained Retail disbursement growth of 25% YoY (1/4)

Pivoted to highest ever quarterly disbursements of Rs. 14,531 Cr with growth across all segments

in Rs Cr



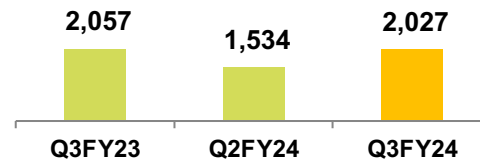
## Rural Business Finance



- Monthly disbursal run-rate of Rs. ~1,800 Cr maintained during the quarter
- Strengthening customer retention with a healthy share of vintage borrowers
- Maintaining optimal geo-mix by focusing on growth-identified geographies



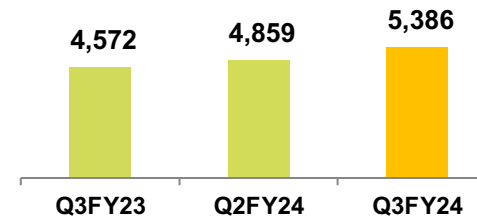
## Farmer Finance



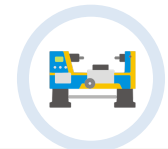
- Enhanced customer retention through upselling of Kisan Suvidha (accounting for 18% of disbursements), a top-up product
- Leveraging on the D2C autonomous Kisan Suvidha journey



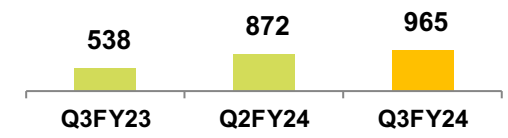
## Urban Finance



- Prime & EV segment in TW registered 7% YoY growth in disbursals owing to deepening & new tie ups with leading industry players
- Increased HL disbursements by building new distribution channels



## SME Finance



- Maintained monthly disbursal run rate of Rs. 300 Cr+
- Deepened geo presence by 56 new locations following hub & spoke model
- Expansion of channel ecosystem through digital & voice initiatives

Confident of sustaining Retail growth trajectory on the back of differentiated offerings & superior customer value



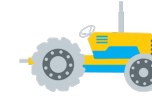
# Delivering a sustained Retail disbursement growth of 25% YoY (2/4)

Through optimum mix of customer retention & cross sell

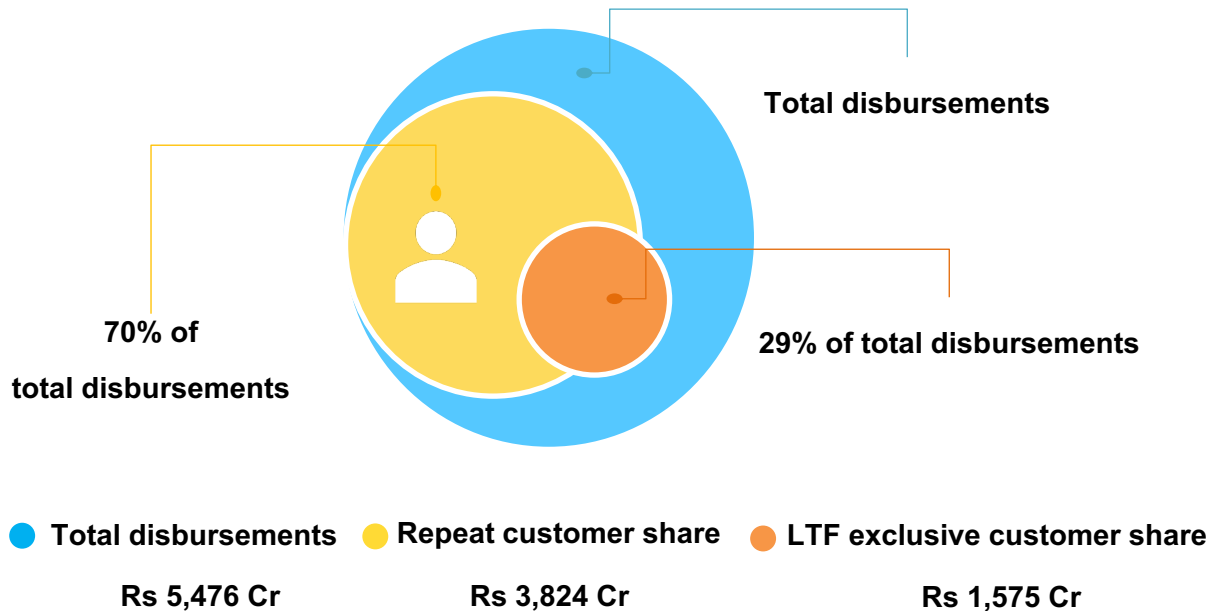


## Rural Group Loans & Micro Finance (JLG)

### RURAL

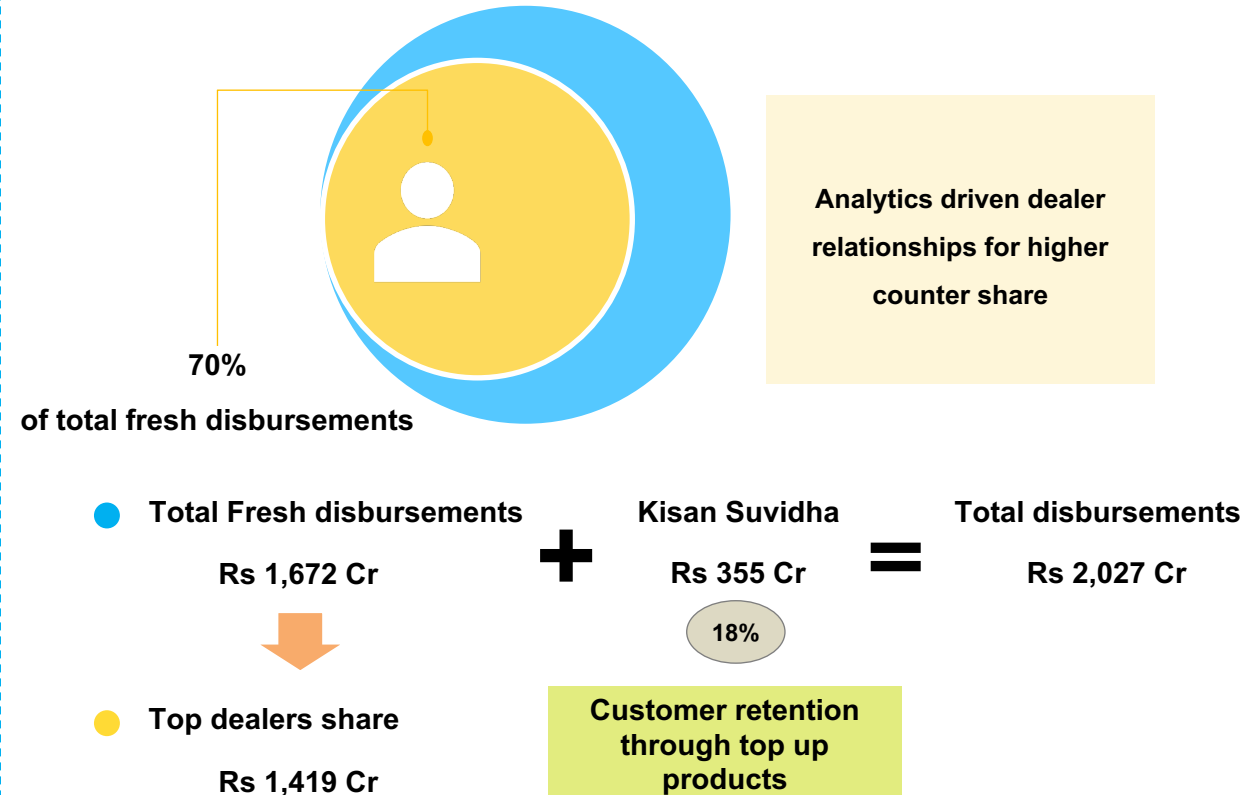


## Farm Equipment Finance



Repeat disbursements are only to '0 DPD' customers

Higher customer retention through focused targeting



# Delivering a sustained Retail disbursement growth of 25% YoY (3/4)

Through optimum mix of customer retention & cross sell

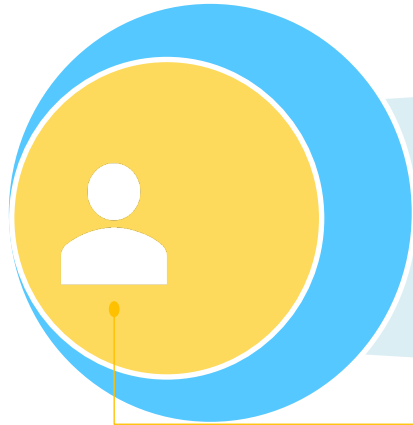


Two wheeler Finance

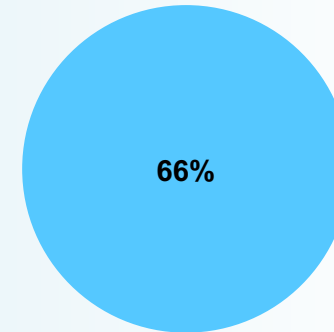
URBAN



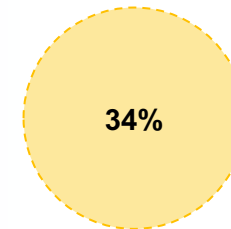
Personal Loans



Created Personal Loans  
product from 2W for  
cross sell / up sell



2W Loyalty / Top up  
customers / PLANET  
Rs 559 Cr



Online Acquisition  
Rs 288 Cr

Total  
disbursements  
Rs 847 Cr



Leveraging existing 2W  
customer database

50% of total disbursements

● Total disbursements

Rs 2,540 Cr

● Top dealers share

Rs 1,269 Cr

Analytics driven dealer relationships for higher counter share

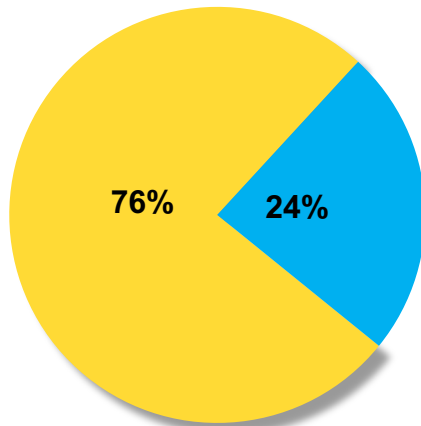
% of disbursements	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24
Prime customer share (2W)	35%	35%	37%	37%	41%

# Delivering a sustained Retail disbursement growth of 25% YoY (4/4)

Through optimum mix of customer focused products



## Home Loans & LAP



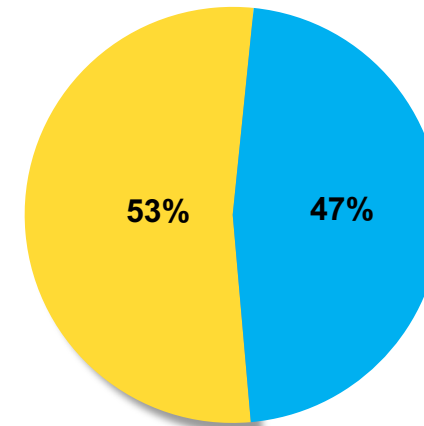
● Home Loans		● LAP		Total disbursements
Rs 1,512 Cr	+	Rs 487 Cr	=	Rs 1,998 Cr

Optimising returns through balanced portfolio

## URBAN



## SME Finance



● Term Loan		● Overdraft facility		Total disbursements
Rs 508 Cr	+	Rs 457 Cr	=	Rs 965 Cr

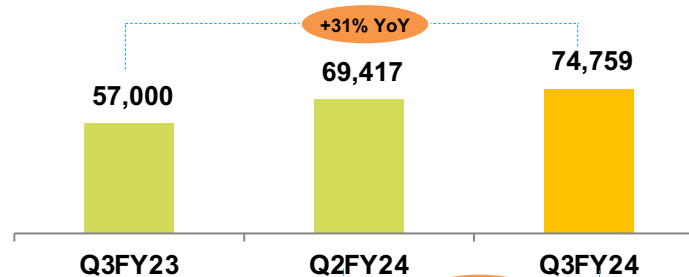
Leveraging channel partnerships & branch network to grow in desired segments



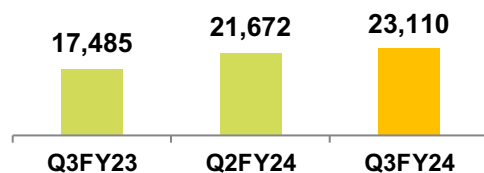
# Leading to Retail book growth of 31% YoY

in Rs Cr

## Retail Book



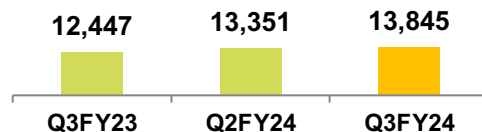
### Rural Business Finance



- Maintained robust growth momentum led by vertical as well as horizontal deepening & strong customer retention
- Augmented offerings to exclusive customers through Pragati loans



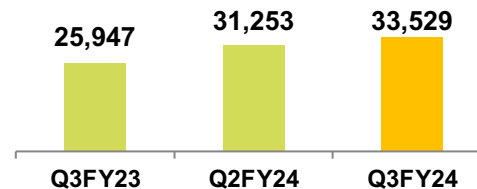
### Farmer Finance



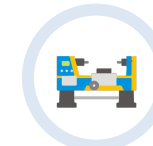
- Growth through proactive portfolio management using digital and data analytics
- Digital touch free collections reached 49% in Q3FY24 from 39% in Q3FY23



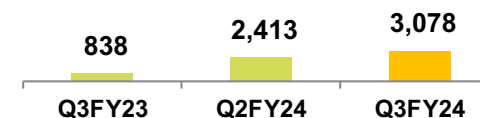
### Urban Finance



- Focusing on geographic expansion of mortgage & 2W product categories
- Optimising digital journeys across Urban products
- Moving to advance Bureau+ model (including account aggregator & credit insights) to enhance BRE



### SME Finance

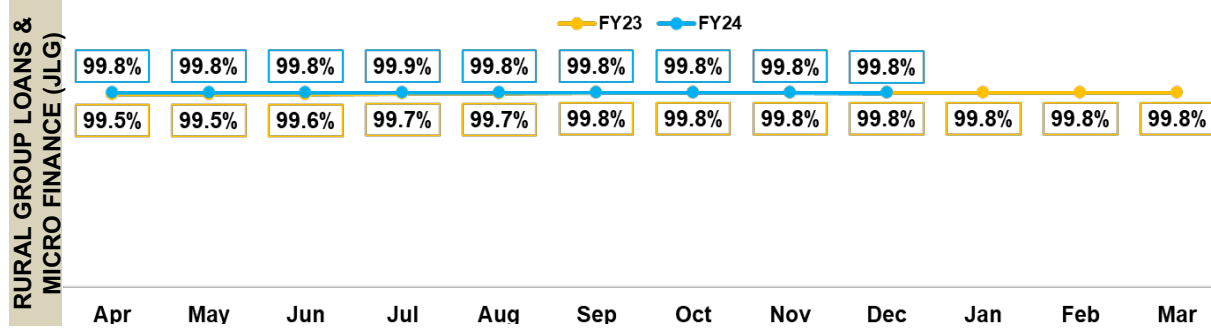


- Concerted efforts towards digitization & channel expansion helped scale-up
- Crossed the milestone booksize of Rs. 3,000 Cr
- Geo-expansion and focus on specific ticket segments to act as next levers for growth

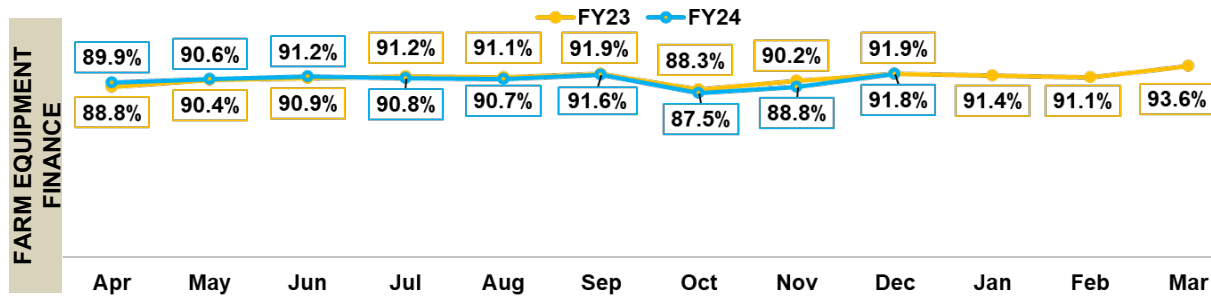
**Strong growth witnessed across all Retail segments**

# While displaying superior collection efficiencies over time

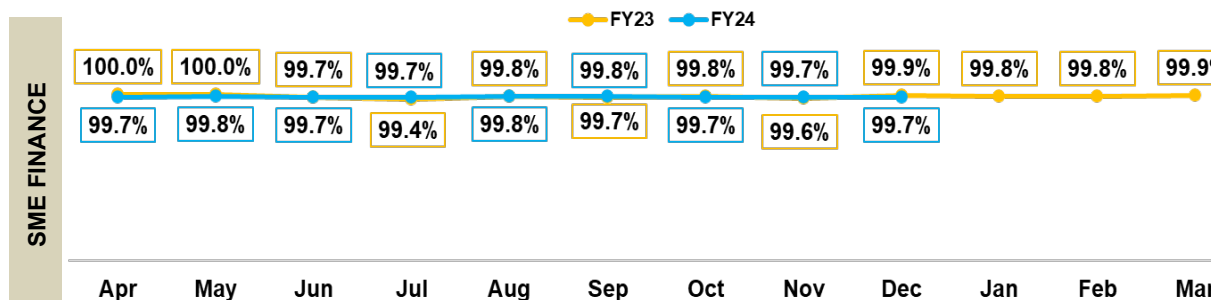
## RURAL BUSINESS FINANCE



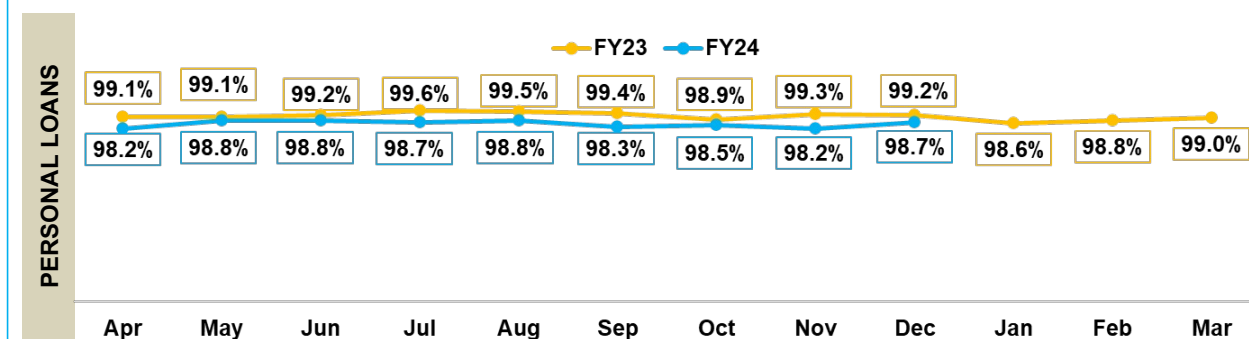
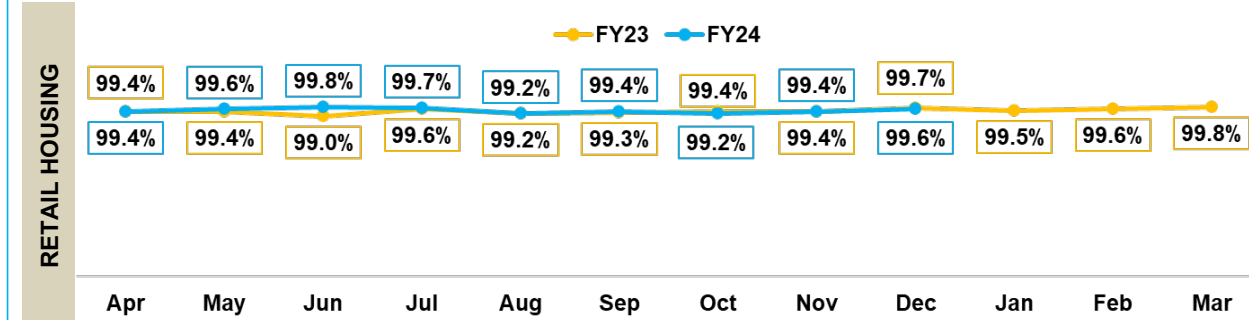
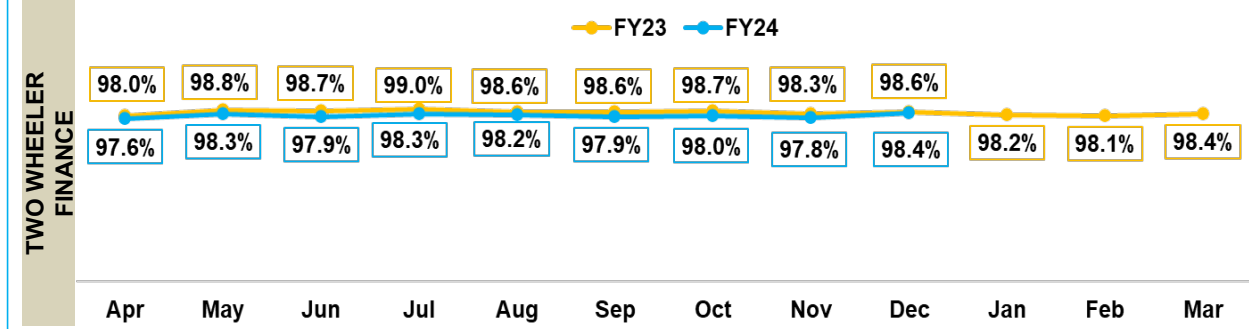
## FARMER FINANCE



## SME FINANCE – URBAN BUSINESS

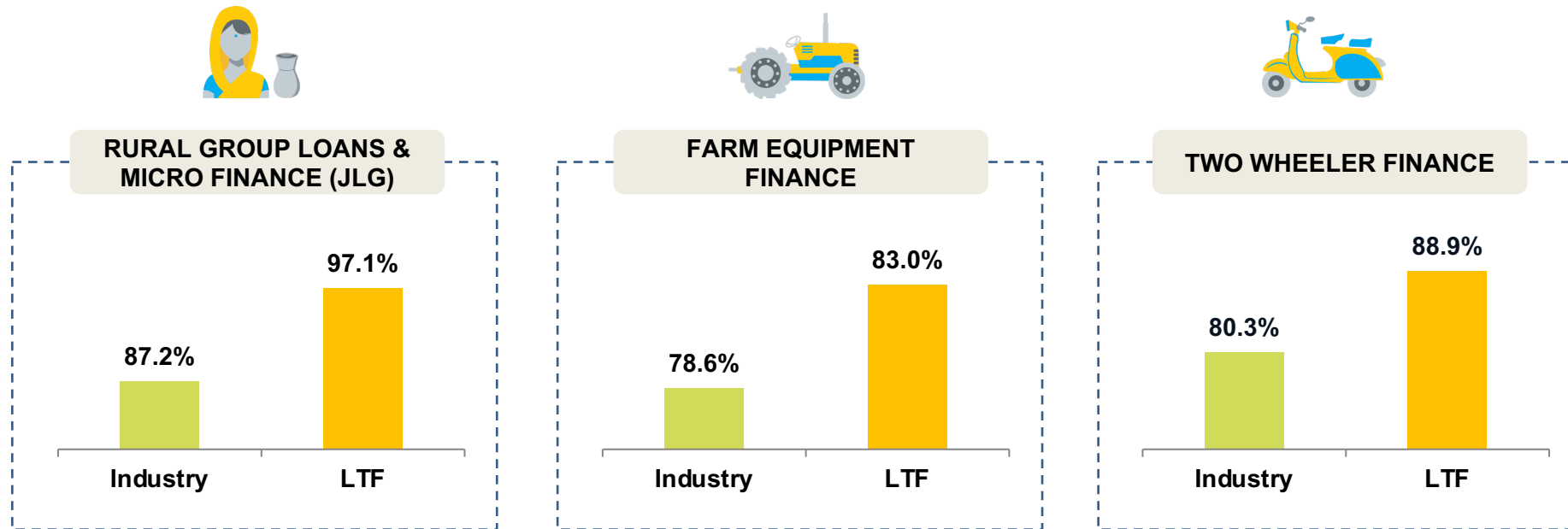


## URBAN FINANCE



Regular CE = cashflow received from 0 dpd customer for billing / billing of 0 dpd customer

## ...& best-in-class '0 DPD' across flagship products



Best-in-class 0 DPD portfolio of LTF vis-à-vis the Industry

# ... resulting in pristine Retail Asset Quality (1/2)

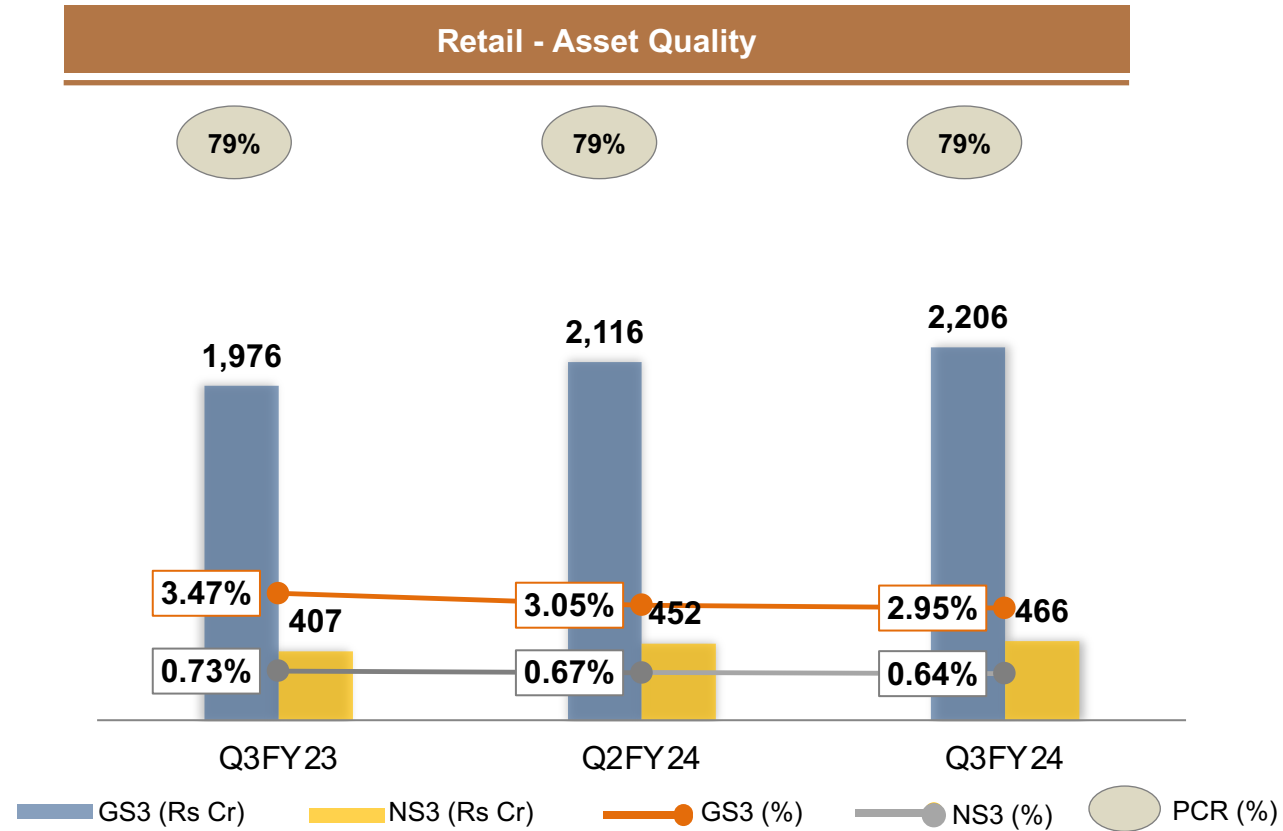
## Stagewise assets & provision summary

G R O S S  A S S E T S	Stage wise (in Rs Cr)	Q3FY23	Q3FY23 (% of Total)	Q2FY24	Q2FY24 (% of Total)	Q3FY24	Q3FY24 (% of Total)
	Stage 1	53,382	93.65%	65,433	94.26%	70,591	94.42%
	Stage 2	1,642	2.88%	1,868	2.69%	1,963	2.63%
	Stage 3	1,976	3.47%	2,116	3.05%	2,206	2.95%
	Total	57,000	100%	69,417	100%	74,759	100%
P R O V I S I O N	Stage wise (in Rs Cr)	Q3FY23	Q3FY23 (% PCR)	Q2FY24	Q2FY24 (% PCR)	Q3FY24	Q3FY24 (% PCR)
	Stage 1	304	0.57%	484	0.74%	471	0.67%
	Stage 2*	1,025	62.41%	1,261	67.51%	1,296	66.05%
	Stage 3	1,569	79.40%	1,665	78.65%	1,739	78.85%
	Total	2,897	5.08%	3,409	4.91%	3,507	4.69%
N E T  A S S E T S	Stage wise (in Rs Cr)	Q3FY23	Q3FY23 (% of Net Assets)	Q2FY24	Q2FY24 (% of Net Assets)	Q3FY24	Q3FY24 (% of Net Assets)
	Stage 1	53,079	93.62%	64,949	94.22%	70,120	94.39%
	Stage 2	617	1.10%	607	0.89%	666	0.91%
	Stage 3	407	0.73%	452	0.67%	466	0.64%

\*Stage 2 provisions include Macroprudential provisions

Stage wise book and corresponding provisions is based on customer dpd

## ... resulting in pristine Retail Asset Quality (2/2)



# Agenda

## **A** Journey towards Lakshya 2026

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Q3FY24 in Perspective

Fintech@Scale Update

## **B** Annexures



# App as a powerful digital channel for customer

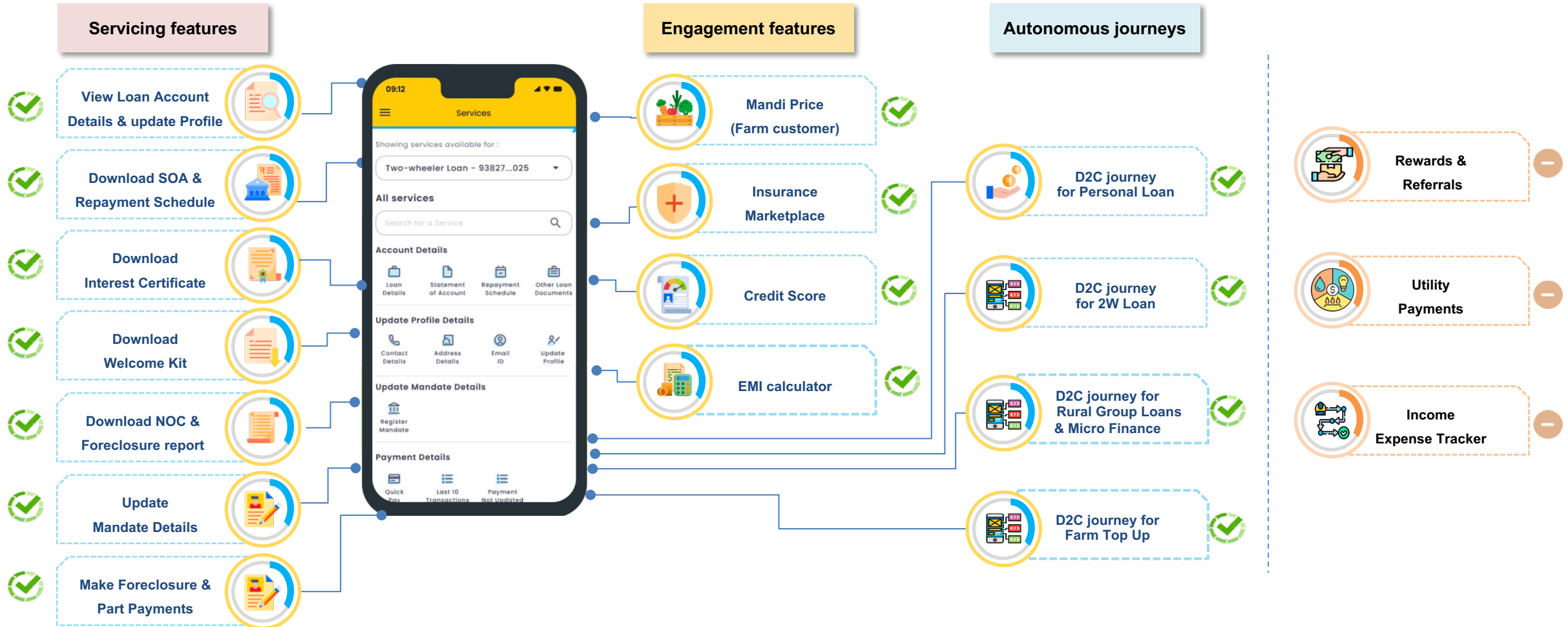
## PLANET App Features



### OUR 'PLANET' APP FEATURES

(Launched in March 2022)

✓ Completed — In Progress



Servicing channel enroute to becoming a geo-agnostic sourcing channel

# App as a powerful digital channel for customer (1/2)

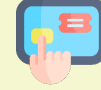
PLANET App: Service Measurement Metrics upto Q3FY24 Update



**Rs. 800 Cr+**  
Collections



**Rs. 4,600 Cr+**  
Sourcing





**130 Lac+**  
Servicing Experience

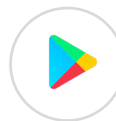


**9 Lac+**  
Rural Customers

*Rs in Cr*

		Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
	SOURCING	--	127	843	630	1,168	1,175	715
	COLLECTIONS	3	28	63	104	132	191	296
	SERVICING (%)	10%	29%	38%	42%	47%	47%	67%

**76,00,000+** Downloads



72,62,550  
Downloads 4.3 ★★★★★






3,80,972  
Downloads 4.3 ★★★★★

# App as a powerful digital channel for customer (2/2)

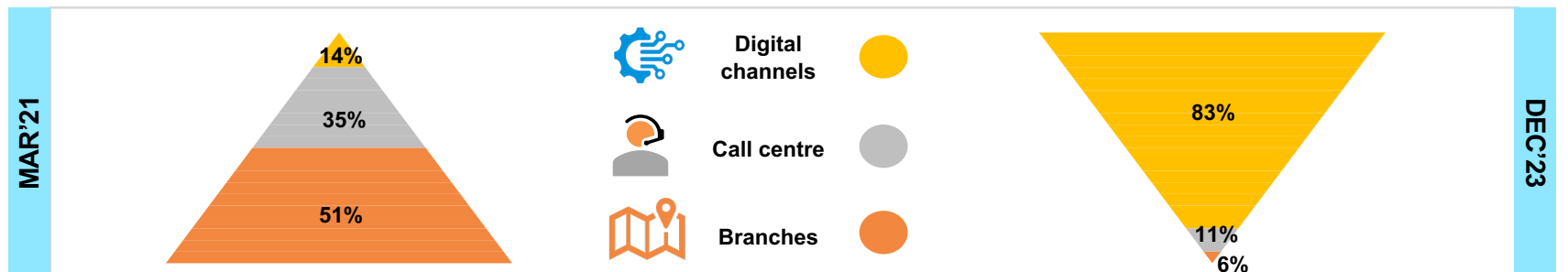
PLANET App: Service Measurement Metrics upto Q3FY24 Update

Count in lacs

		Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
 <b>SERVICING RESOLUTION</b> Mainly includes:	<b>SOA Downloads</b>	1.5	7.4	14.4	18.6	21.5	26.0	41.4
	<b>Repayment Schedule</b>	0.9	4.3	7.5	9.3	8.9	9.4	10.9
	<b>Payments</b>	0.6	2.9	5.8	6.0	6.0	7.6	6.6
	<b>Statutory Kits (Welcome, NOC etc)</b>	0.1	0.6	1.6	2.7	3.2	4.0	5.0
		-	0.1	0.3	0.9	2.6	4.3	8.5
 <b>Credit Score</b>		-	1.8	4.8	6.1	5.5	6.4	5.8

**Servicing channels**  
(% of interactions across channels)

**Inverting the Servicing Pyramid**



# Developing Digital Finance Delivery as a customer value proposition

Q3FY24 Update

Digital Delivery: Touching every part of the customer ecosystem



**100%**

Paperless Journey in  
Rural Group Loans,  
2W Finance,  
Farm Equip. Finance,  
Personal Loans



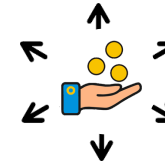
**100%**

Digital  
Disbursements  
(Rural + Urban)



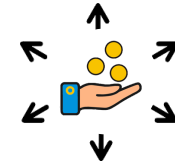
**95%**

eNACH  
Penetration  
(Urban)



**19%**

Digital  
Collections  
(Rural)

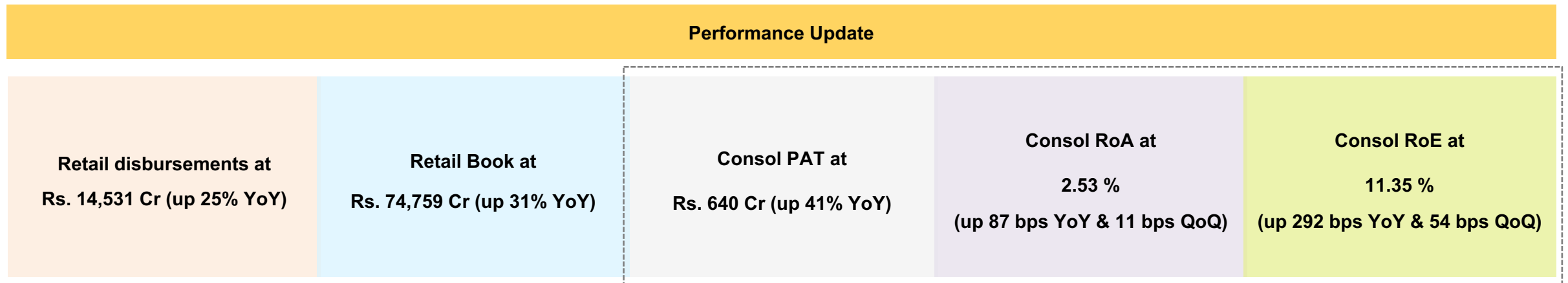


**94%**

Digital  
Collections  
(Urban)

Customer focused digital first approach in not only Urban but also in Rural

# Summing up Q3FY24 - Achieved Lakshya 2026 goals



# Annexures

# Index of Annexures

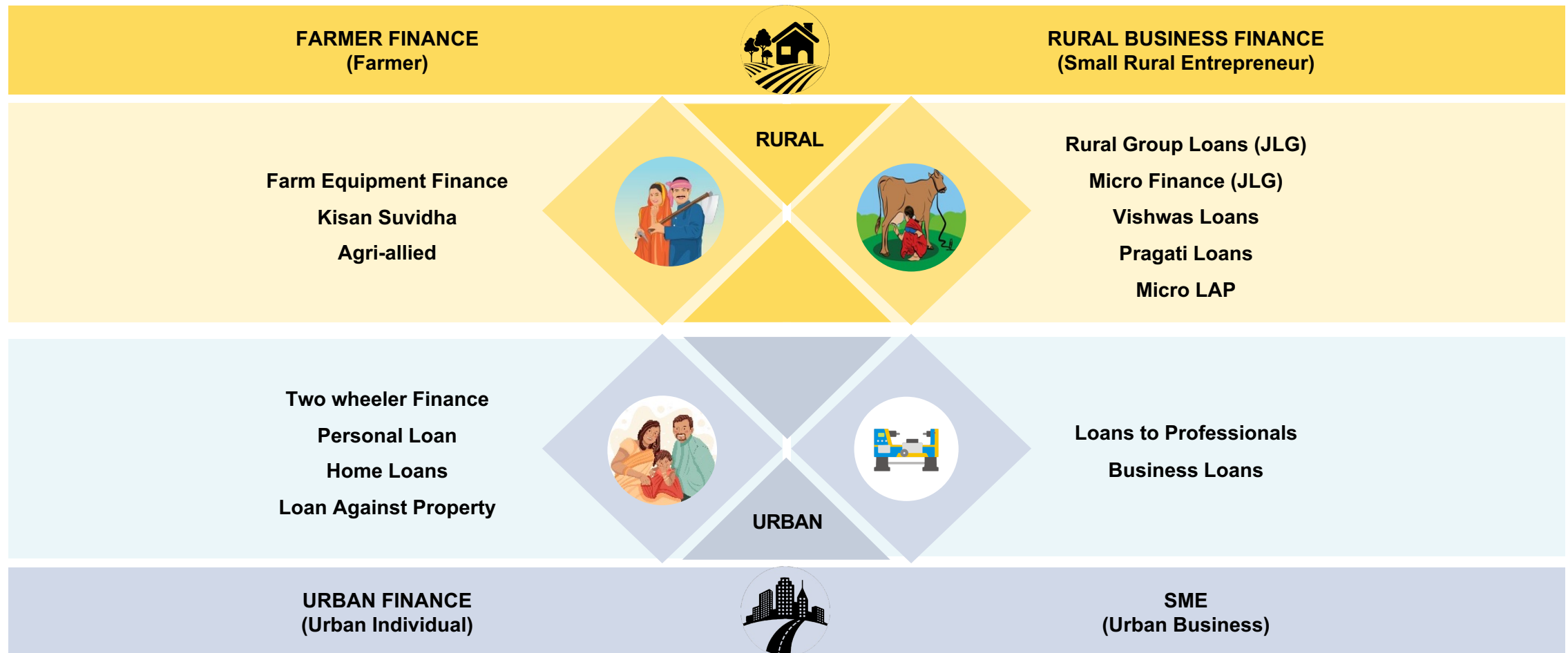
**I** Our dominant Retail Franchise built over a decade

**II** Financials

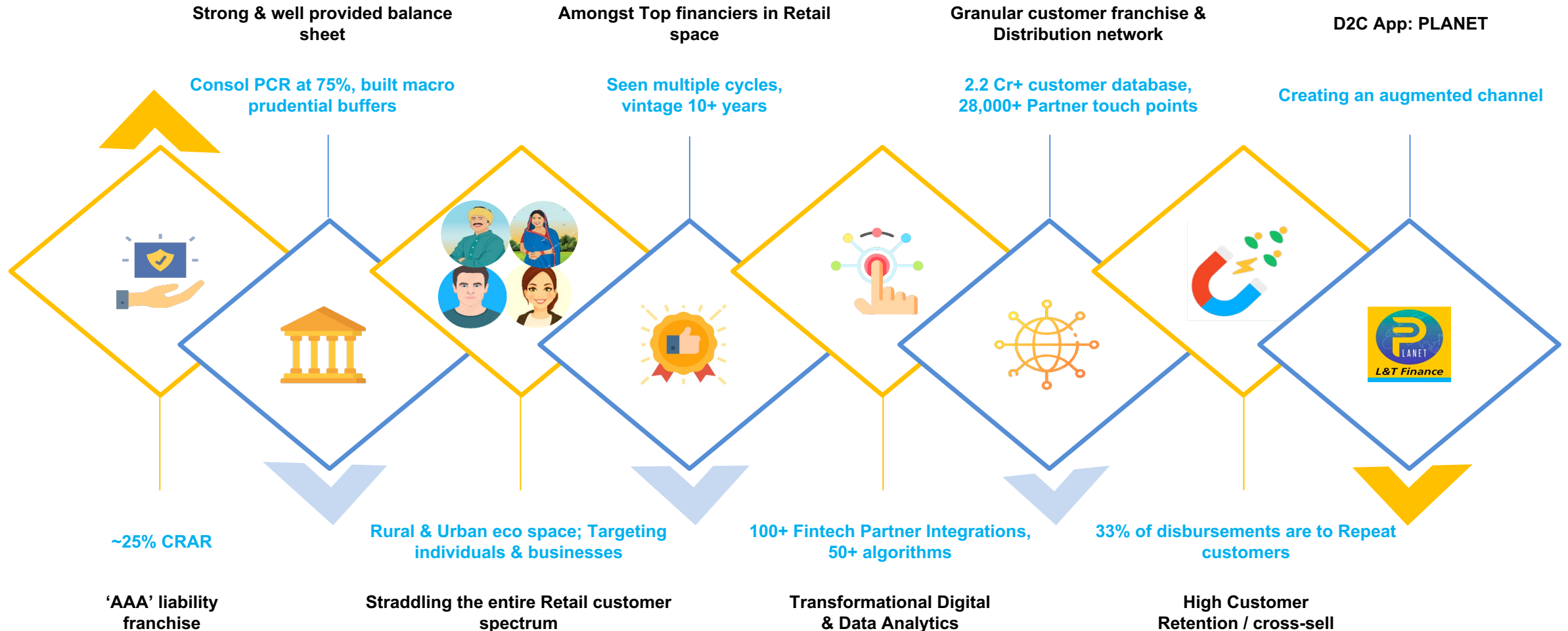
**III** Other Annexures



# A Retail franchise built over a decade



# ... backed by established sustainable differentiators



# Helped create market leadership in fulcrum products over a decade

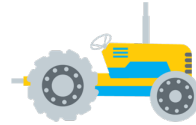
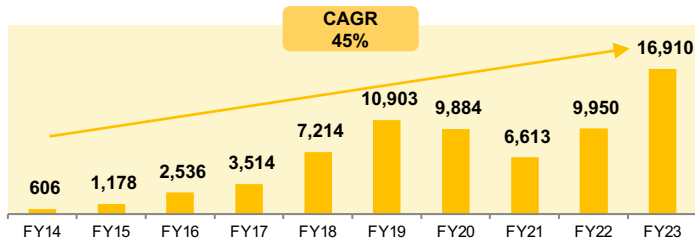
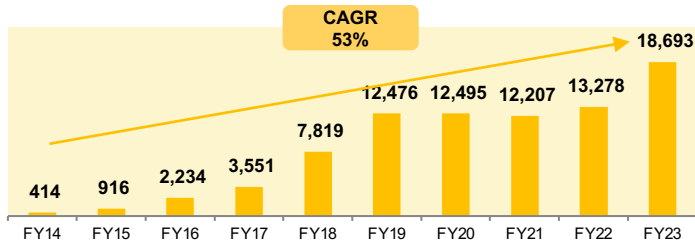
in Rs Cr



## Rural Group Loans & Micro Finance (JLG)

14+ years of Vintage

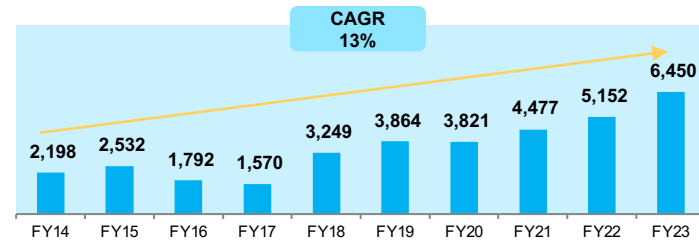
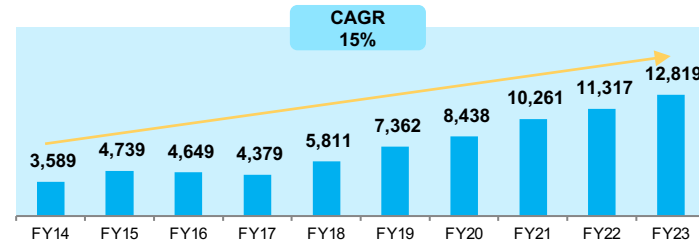
~1.4 Cr customers serviced in rural India



## Farm Equipment Finance

18+ years of Vintage

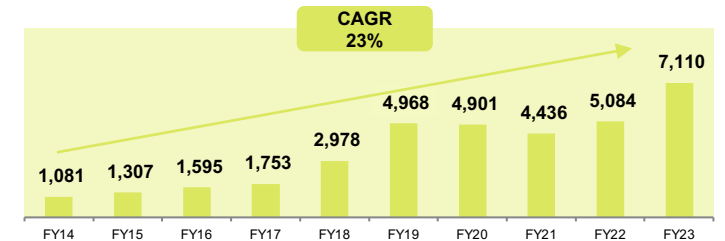
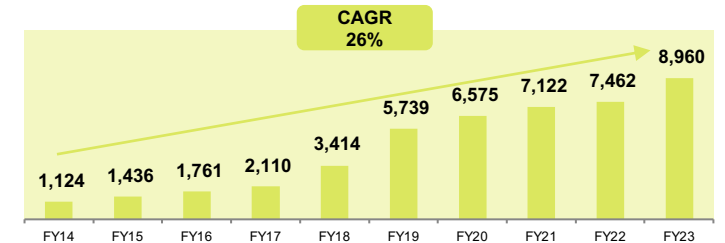
11 Lac+ customers serviced in rural India



## Two wheeler Finance

10+ years of Vintage

70 Lac+ customers serviced in urban India



# On the back of a granular distribution network

**18**  
States

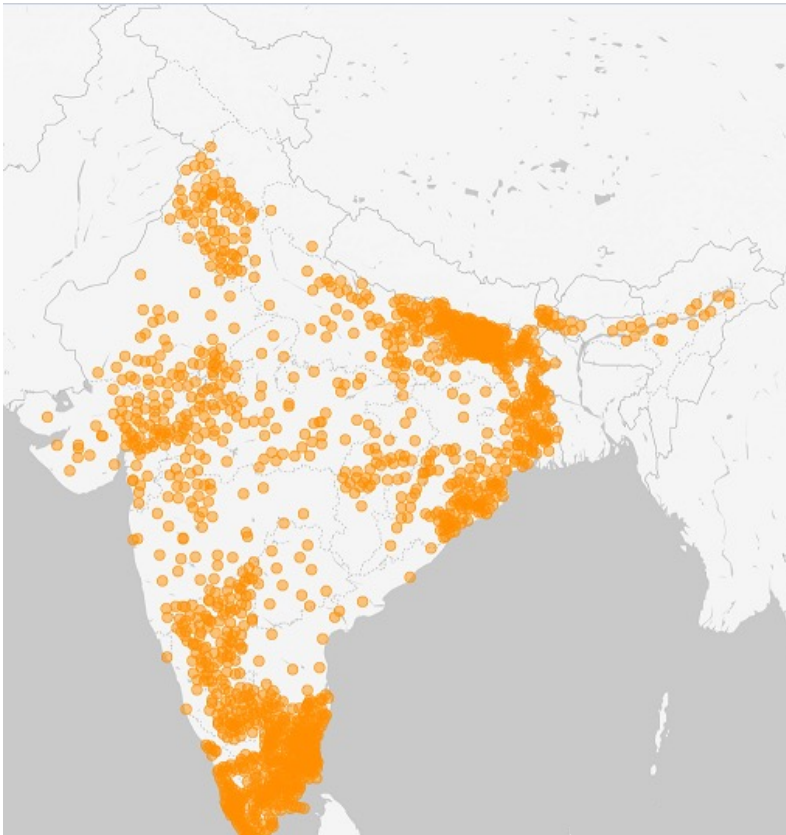
**1**  
UT

**~2,00,000**  
Villages

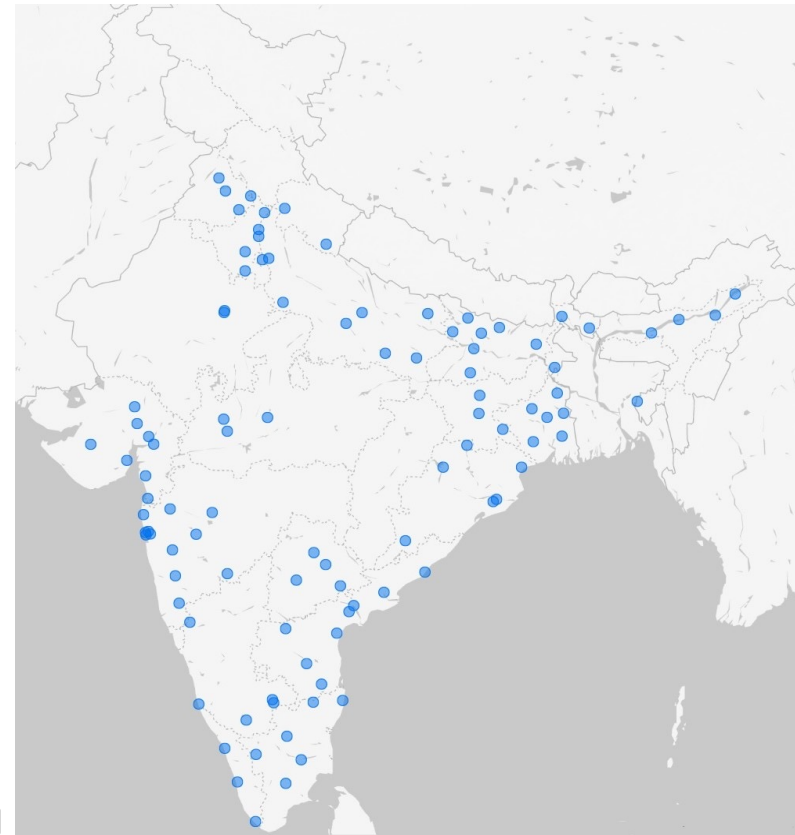
**20**  
States

**2**  
UT

**100+**  
Cities / Towns



**LTF Rural Network**



**LTF Urban Network**

State	Rural Branches	Urban Branches
Madhya Pradesh	93	14
Maharashtra	30	19
Uttar Pradesh	89	11
Gujarat	62	13
Karnataka	200	10
West Bengal	116	12
Andhra Pradesh	2	10
Telangana	5	6
Haryana	41	7
Rajasthan	62	8
Bihar	366	8
Punjab	45	4
Odisha	123	6
Tamil Nadu	374	7
Kerala	92	3
Others	49	15
<b>Pan India</b>	<b>1,749*</b>	<b>153</b>

**Total Branch Count: 206 (Rural – 53, Urban – 153)**

\*Rural Branches comprise of Rural Group Loans & Micro Finance meeting centres (1,696) and dedicated Farmer Finance branches (53)

# Leading to market dominance through fulcrum products

*Rural Group Loans and Micro Finance (JLG) - amongst the Leading Financiers*



## Well diversified footprint

- Vintage of 14+ years
- 16 states across 300+ districts, ~1,700 Meeting Centre Branches
- ~1.4 Cr customer database
- Key states: Bihar, Tamil Nadu & Karnataka



## Operational excellence

- Automated underwriting; geo-strategy based on women credit penetration
- Culture of '0 DPD'
- Collection-led disbursement; CE @ 99.8%
- Collection route-map tracking
- State of the art Risk Control Unit; Compulsory bureau check



## Customer Centricity

- LTF exclusive customers at ~40%#
- Best-in-class TAT: 60 secs
- Retention products – 70%\* retention
- Optimum customer leverage; avg. o/s on book ~Rs 36,500 /-



## Excellent Asset Quality; Conservative provisioning

- No additional top-up loans for delinquent customers
- 100% PCR on 90+ bucket
- Macro-prudential provisions



## Created Strong risk guardrails

- Financier association limit – maximum 3
- Continued exposure checks & FOIR norms
- Internal & External DPD checks for fresh & repeat customers
- Customer profiling - on-us, off-us
- Pincode selection basis PAR & customer leverage

# Leading to market dominance through fulcrum products

*Farm Equipment Finance – amongst the Leading Financiers*



## Well diversified footprint

- Vintage of 18+ years
- 170+ branches across 18 states & 1 UT
- 11 lac+ customer database
- Key states: Uttar Pradesh, Madhya Pradesh, Telangana, Karnataka



## Dealer / OEM Relationship

- 3,000+ Dealers
- Analytics driven TA limits for top dealers
- Non-captive distribution franchise
- Well penetrated across Top 5 OEMs



## Customer Centricity

- Retention products (Kisan Suvidha)
- Financing adjacencies through implement finance
- Paperless Digital Journey
- Best-in-class TAT: 24 hours



## Operational excellence

- Collection led disbursements; CE @ 91.8%
- Analytics-based scorecard for decision-making
- Culture of '0 DPD'



## Created Strong risk guardrails

- Water reservoir levels, Rainfall distribution
- State fiscal position
- Farm cash cycle, MSP, sowing pattern
- Tractor model / HP & other asset variables

# Leading to market dominance through fulcrum products

*Two wheeler Finance - amongst the Leading Financiers*



## Well diversified footprint

- Vintage of 10+ years
- 107 locations across India
- 70 lac+ customer database
- Key states: West Bengal, Maharashtra, Gujarat



## Dealer / OEM Relationship

- 6,500+ Dealers
- Algorithm based preapproved TA for top dealers
- Non-captive distribution franchise
- Analytics driven OEM cum Dealer business model



## Customer Centricity

- Straddle continuum from New To Credit to Prime customers
- Best-in-class TAT: 45 secs
- Paperless Digital Journey
- Innovative product offering
- Sabse Khaas Loan & Income Proof loans - 1<sup>st</sup> in Industry
- Building a sustainable franchise in EV financing



## Operational excellence

- Collection led disbursements; CE @ 98.4%
- Straight through processing
- Culture of '0 DPD'

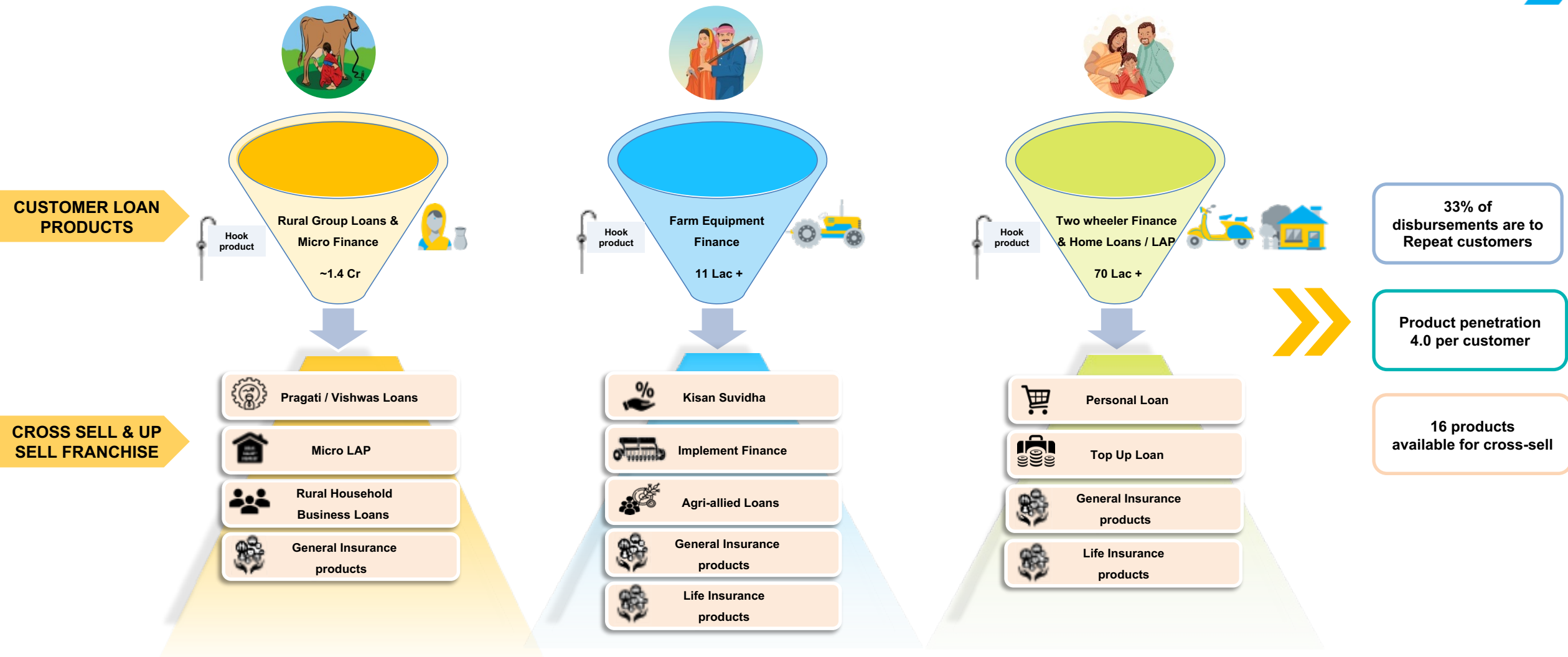


## Created Strong risk guardrails

- Customer profiling using lookalikes
- OEM model variables
- Pincode selection basis multivariate analysis
- Dealership performance



# Thereby creating a efficient cross-sell & up-sell franchise

















Harvesting our 2.2 Cr+ customer database

# Built on the foundation of Data science based digital delivery

*Building Next-Gen platform & expanding scope*

Deepen existing and create new analytical models through harvesting of data

Scorecards		PL	TW	HL	RBF	Farm	SME
							
	Propensity Model (Sourcing / Collection)	✓	✓	✓	✓	✓	✓
	App Scorecard	✓	✓	✓	WIP	✓	✓
	Risk Control Triggers	✓	✓	✓	✓	✓	✓
	Cross sell/ Up sell	✓	✓	✓	✓	✓	✓
	Bounce Prediction	✓	✓	✓	✓	✓	✓
	X-Bucket Bounced Customer Model	✓	✓	✓	✓	✓	WIP
	Normative Grid (asset based)	N.A.	✓	N.A.	N.A.	✓	N.A.
	Settlement Model	✓	✓	✓	WIP	✓	WIP



Live



WIP



Implemented during the quarter

# Built on the foundation of Data science based digital delivery

*Leveraging data analytics across practices*

## Sourcing Analytics



- Industry peer Benchmarking
- Market Penetration
- Delinquency Trends
- Collection Efficiencies



- State Fiscal Position
- Rainfall Distribution
- Water reservoir Levels
- Agro-Climatic Zone



- Soil Moisture Levels
- Sowing pattern
- MSP / Mandi Prices
- Cash & Harvest Cycle

## Underwriting Analytics



Asset related variables



Geographical parameters



Customer variables



Behavioural data



Risk Control variables

## Collections Analytics



Customer profiling & Segmentation



Personalized treatment strategy



Channel of initiation



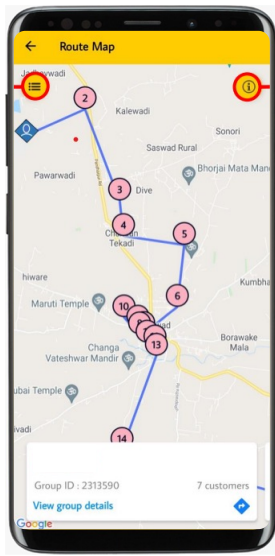
Right time for action

# ...through assisted apps & centralized underwriting

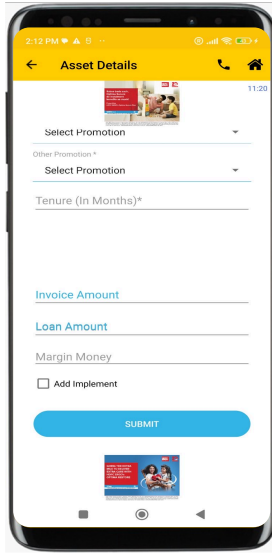
In the next phase, moved to developing assisted apps for customer loan delivery

## ASSISTED APPS PROVIDING END-TO-END DIGITAL LOAN JOURNEYS

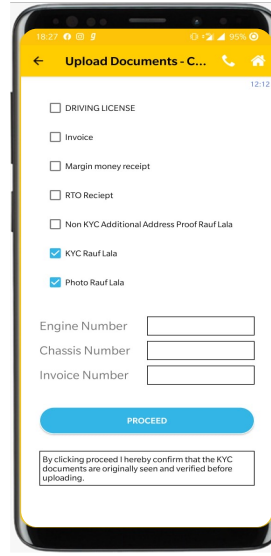
  
Rural Group Loans & Micro Finance



  
Farm Equipment Finance



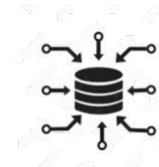
  
Two wheeler Finance



## DIGITAL INTERVENTIONS



KYC – DigiLocker /  
Aadhaar OCR / QR



Account Aggregator –  
customer consent-based FI



Selfie/Photo –  
Liveliness / Face Match



AI – Machine Learning Model /  
Scorecard



Video KYC



Online Income Assessment /  
Digital Income Computation



Multi Bureau Check



e-agreement

Used by Field level officers for Sourcing, Disbursements & Collections

Superlative Customer Experience

# To deliver a best in class Customer Value Proposition

## LEVERAGING CUSTOMISED DIGITAL CAPABILITIES WITH THE INDIA STACK



Liveness matching  
With OCR as KYC



Digilocker, fuzzy logic & penny  
credit



Video KYC



AI in face deduplication



AI in geo-spatial intelligence



Account Aggregator – customer  
consent-based FI



eNACH



e-Stamping



e-Sign



Auto population of customer  
details – Image processing



API integration with channel  
partners



Reimagined credit  
models



Cloud-based  
Infrastructure



3<sup>rd</sup> party API  
integration



Income estimation  
model



Application  
scorecard

## CENTRALISED AND DIGITAL UNDERWRITING

## LEADING TO BEST IN CLASS TAT



Farm  
Equipment

**24 hours**  
Industry avg: 4 days



Rural Group Loans  
& Micro Finance

**60 secs**



Two wheeler

**45 secs**

Industry avg: 10-15 min



Personal  
Loan

**18 mins**

Industry avg: 90 mins



Home Loan

**20 mins**

Industry avg: 1 hour

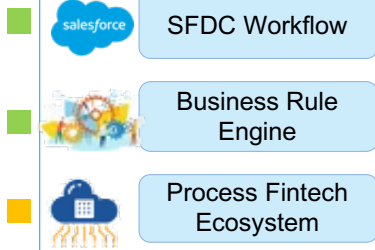
# To create a Fintech@Scale

*Fintech@Scale blueprint*

## Components to building a Fintech@Scale

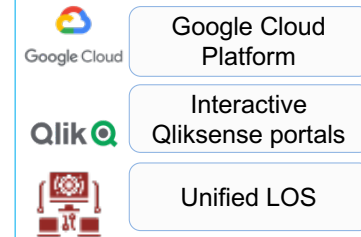
1

### Automated Process



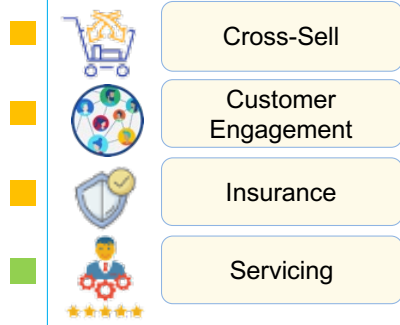
2

### Scalability



4

### Customer Journeys



3

### Security



Existing Strengthen Build

Leverage deep fintech capabilities to achieve Lakshya goals & beyond

# Index of Annexures

**I** Our dominant Retail Franchise built over a decade

**II** Financials

**III** Other Annexures

# Lending Business – Business wise disbursement split

Disbursement				
Q3FY23	Particulars (Rs Cr )	Q2FY24	Q3FY24	Y-o-Y (%)
	<b>Farmer Finance</b>			
2,057	Farm Equipment Finance	1,534	2,027	(1%)
	<b>Rural Business Finance</b>			
3,624	Rural Group Loans (JLG)	5,499	5,331	28%
657	Micro Finance (JLG)	242	144	
	<b>Urban Finance</b>			
2,146	Two wheeler Finance	1,817	2,540	18%
1,228	Personal Loan	1,308	847	(31%)
1,074	Home Loans	1,356	1,512	41%
125	LAP	378	487	-
538	<b>SME Finance</b>	872	965	79%
160	<b>Acquired Portfolio</b>	494	678	-
11,607	<b>Retail Finance</b>	13,499	14,531	25%
1,444	Infrastructure Finance	178	318	(78%)
104	Real Estate Finance	20	16	(85%)
1,548	<b>Wholesale Finance</b>	198	334	(78%)
13,155	<b>Focused Business</b>	13,696	14,865	13%
-	De-focused	-	-	-
13,155	<b>Total Disbursement</b>	13,696	14,865	13%



# Lending Business – Business wise book split

Book				
Q3FY23	Particulars (Rs Cr)	Q2FY24	Q3FY24	Y-o-Y (%)
	<b>Farmer Finance</b>			
12,447	Farm Equipment Finance	13,351	13,845	11%
	<b>Rural Business Finance</b>			
17,485	Rural Group Loans & Micro Finance (JLG)	21,672	23,110	32%
	<b>Urban Finance</b>			
8,716	Two wheeler Finance	9,518	10,447	20%
4,719	Personal Loan	6,481	6,427	36%
9,868	Home Loans	12,216	13,257	34%
2,645	LAP	3,038	3,397	28%
838	<b>SME Finance</b>	2,413	3,078	-
283	<b>Acquired Portfolio</b>	727	1,198	-
57,000	<b>Retail Finance</b>	69,417	74,759	31%
23,648	Infrastructure Finance	6,482	4,553	(81%)
7,362	Real Estate Finance	2,773	2,467	(66%)
31,010	<b>Wholesale Finance</b>	9,255	7,020	(77%)
88,010	<b>Focused Business</b>	78,672	81,780	(7%)
416	De-focused	62	-	(100%)
88,426	<b>Total Book</b>	78,734	81,780	(8%)

Consumer Loans has been renamed as Personal Loans

44 De-focused book is now NIL

# LTFH Consolidated – Summary financial performance

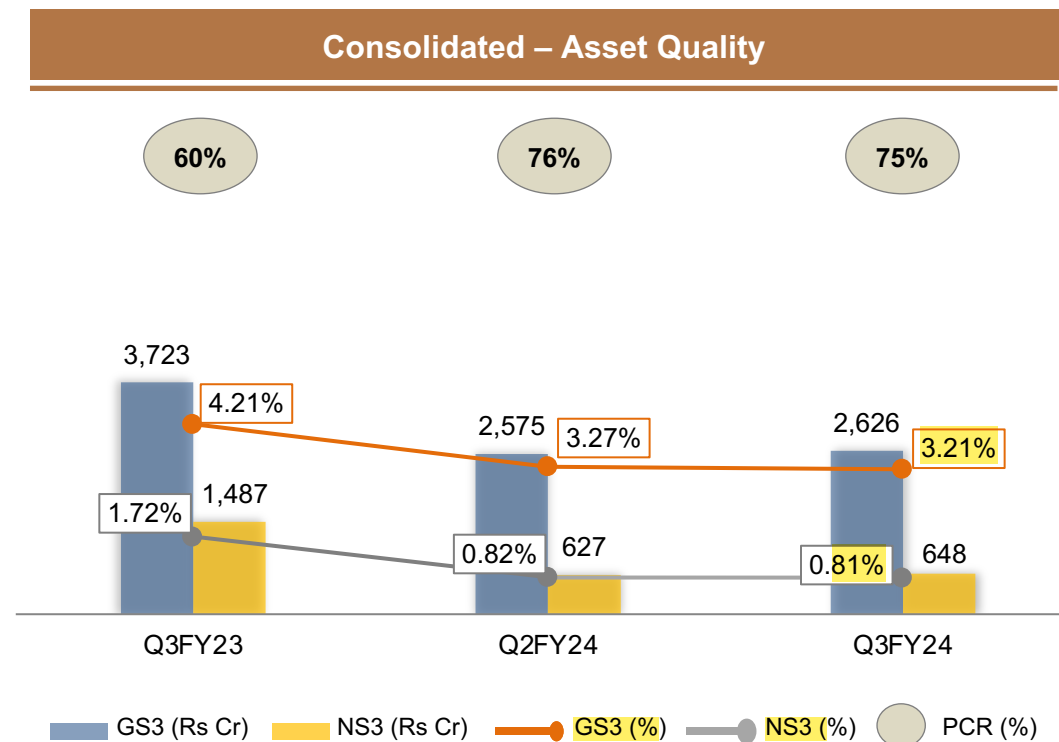
Performance Summary				
Q3FY23	Summary P&L (Rs Cr )	Q2FY24	Q3FY24	Y-o-Y (%)
3,194	Interest Income	3,054	3,186	0%
1,501	Interest Expense	1,325	1,353	(10%)
1,693	NIM	1,729	1,833	8%
318	Fee & Other Income	446	399	26%
2,011	Total Income	2,175	2,232	11%
769	Operating Expense	860	894	16%
1,242	Earnings before credit cost	1,315	1,338	8%
610	Credit Cost	517	514	(16%)
<b>632</b>	<b>PBT (Before Exceptional Items)</b>	<b>799</b>	<b>824</b>	<b>31%</b>
2,608	Capital Gain on sale of Mutual Fund	-	-	-
2,687	Provisions on change in business model	-	-	-
<b>553</b>	<b>PBT (After Exceptional Items)</b>	<b>799</b>	<b>824</b>	<b>49%</b>
<b>454</b>	<b>PAT</b>	<b>595</b>	<b>640</b>	<b>41%</b>
Q3FY23	Particulars (Rs Cr )	Q2FY24	Q3FY24	Y-o-Y(%)
88,426	Closing Book	78,734	81,780	(8%)
90,652	Average Book	79,791	81,269	(10%)
21,019	Networth	22,185	22,860	9%
84.8	Book Value per share (Rs)	89.3	91.9	8%
1.8	Basic Earning per share (Rs)	2.4	2.6	40%

# LTFH Consolidated – Key ratios

Key Ratios			
Q3FY23	Key Ratios	Q2FY24	Q3FY24
13.98%	Yield	15.23%	15.60%
7.41%	Net Interest Margin	8.62%	8.97%
1.39%	Fee & Other Income	2.22%	1.95%
8.80%	NIM + Fee & Other Income	10.84%	10.93%
3.37%	Operating Expenses	4.29%	4.37%
5.44%	Earnings before credit cost	6.56%	6.55%
2.67%	Credit Cost	2.58%	2.52%
1.66%	Return on Assets	2.42%	2.53%
4.10	Debt / Equity (Closing)	3.45	3.32
3.93	Debt / Equity (Average)	3.34	3.36
8.44%	Return on Equity	10.81%	11.35%

Particulars	Tier I	Tier II	CRAR
LTFH CRAR ratio	22.84%	2.09%	24.93%

# LTFH Consolidated - Asset quality



# Index of Annexures

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**Asset Liability Management**

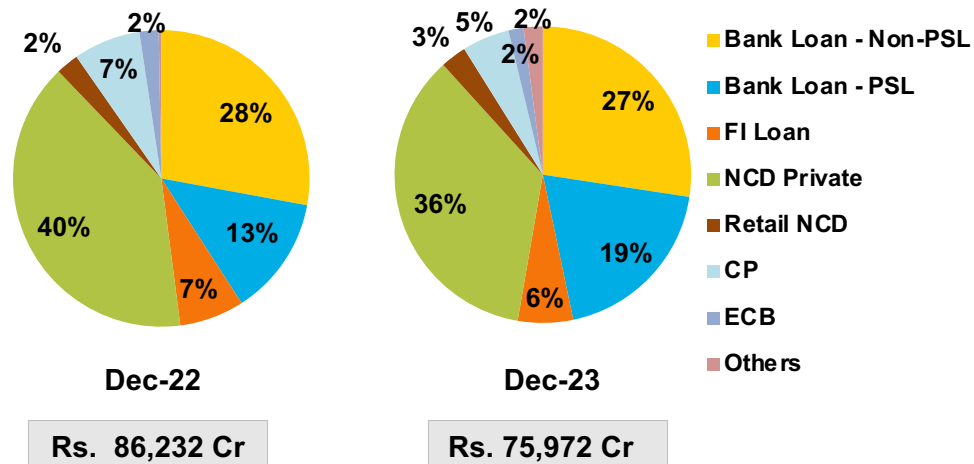
**Sustainability (ESG & CSR)**

**Board and Senior Management**

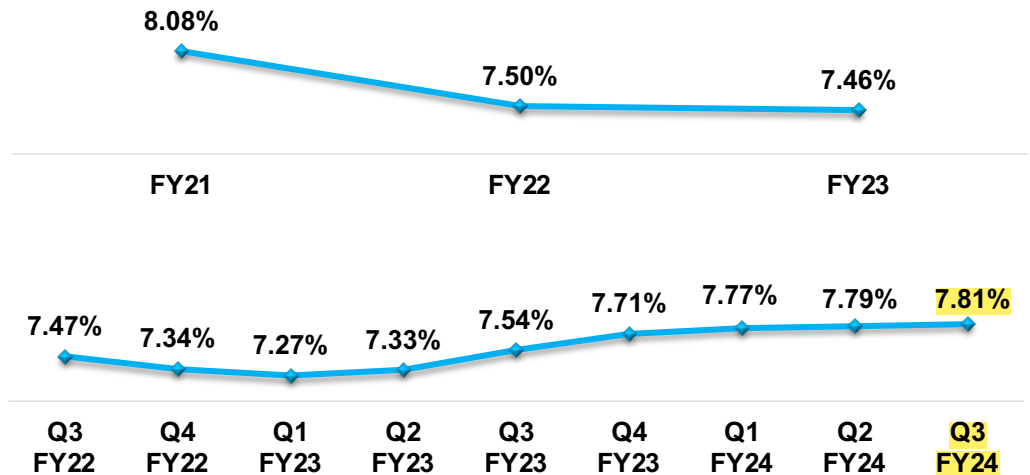
# Astute Asset Liability Management

## OUTPERFORMING IN TIMES OF RISING INTEREST RATE ENVIRONMENT

### DIVERSIFIED LIABILITY MIX



### WEIGHTED AVERAGE COST OF BORROWING (WAC)



'AAA' rating  
CRISIL, ICRA, CARE, India  
Ratings



Prudent ALM along with changing  
portfolio mix towards retail

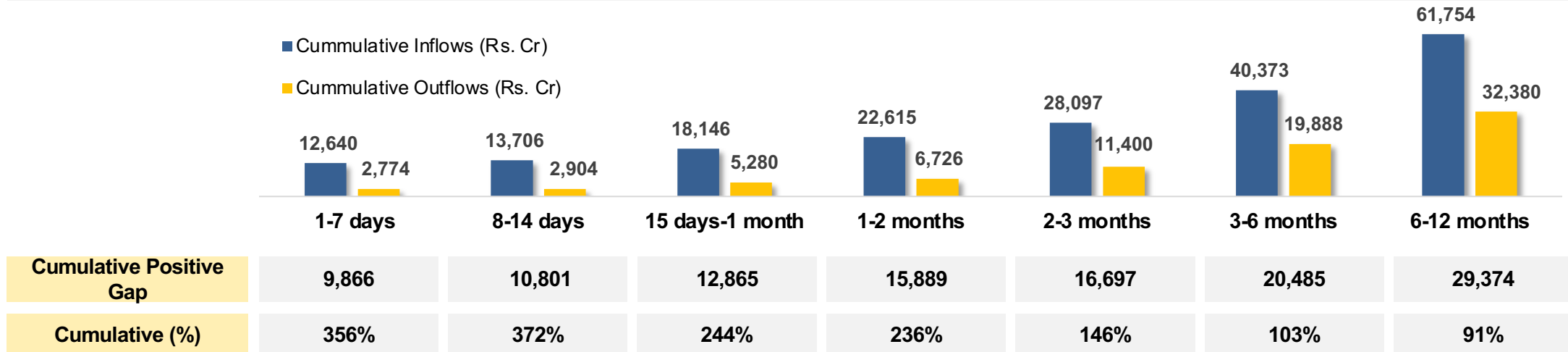


Leveraged Priority Sector Bank  
Loans

Diversified liability mix has enabled to contain increase in quarterly WAC on sequential basis at 2 bps in Q3FY24

# Prudent ALM - as on December 2023

## Structural Liquidity statement



## Interest Rate sensitivity statement

1 year Gap	Rs. Cr
Re-priceable assets	59,635
Re-priceable liabilities	46,471
<b>Positive</b>	<b>13,164</b>

Continue to maintain cumulative positive liquidity gaps

# AAA Credit Rating for LTFH

## Credit Ratings - LTFH

### Ratings Update

- Rating Agencies reviewed the ratings of LTFH post merger and reaffirmed the ratings of LTFH at 'AAA (Stable) / A1+':

Rating Agency	Long-term / Short-term Rating of LTFH
CRISIL Ratings	CRISIL AAA (Stable) / CRISIL A1+
ICRA	ICRA AAA (Stable) / ICRA A1+
India Ratings	IND AAA (Stable) / IND A1+
CARE Ratings	CARE AAA (Stable) / CARE A1+

## Key strengths highlighted by Rating Agencies

- Diversified business mix with strong presence across the financial services space
- Strategic importance and strong support to financial services business by the parent, Larsen and Toubro Ltd. (L&T: AAA)
- Strong resource raising ability and adequate capitalisation
- Comfortable liquidity position



# Index of Annexures

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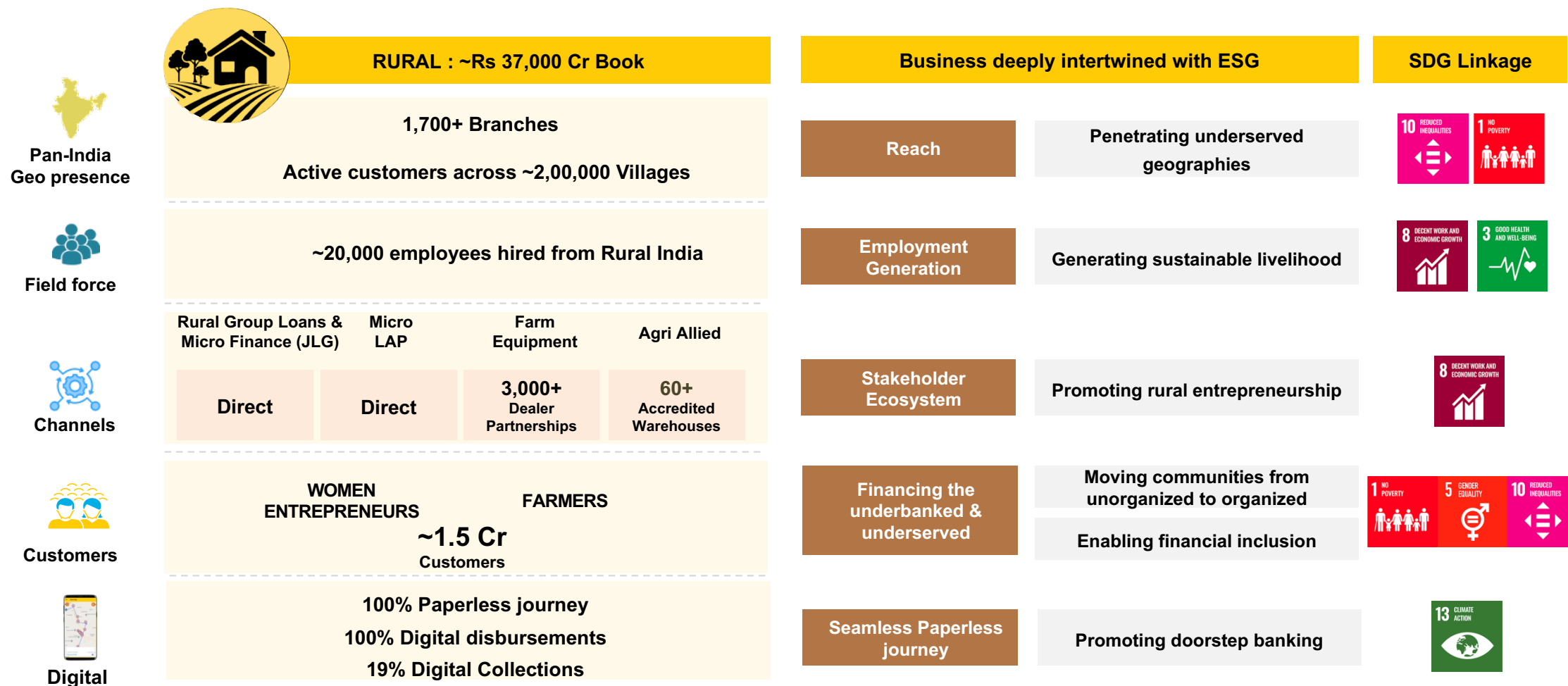
**III** Other Annexures

Asset Liability Management

Sustainability (ESG & CSR)

Board and Senior Management

# L&T Finance – Businesses aligned with Sustainability goals



SDG – Sustainable Development Goals

50% of the loan book franchise is towards financing sustainable livelihoods; 65% of workforce is employed from Rural

# ESG : Accelerating towards Lakshya (1/4)

Retail | Digital | Sustainable



## Environment

~1,306 tCO<sub>2</sub>e emission avoided by switching to green power across L&T Finance branches

Total of 25 Branches including HO converted to Green Power (36% of overall consumption)

First ~100% Renewable Energy operated branch in Tamil Nadu (Egmore)

~25,650 Electric Vehicles (EV) – Two wheelers financed

Zero Waste to Landfill (corporate office) – External certified vendor empaneled for disposal of 3,460 kgs of waste (2,525 kgs of dry waste & 935 kgs of wet waste)

3,315 kgs (Organizational) & 103 kgs (Daan Utsav) of E-waste recycled via authorized recycler

Initiatives on employee sensitization on food waste

Consumption of ~50% recycled paper in operations till Q3FY24



# ESG : Accelerating towards Lakshya (2/4)

Retail | Digital | Sustainable



## Social

### Sustainable Finance

- Launch of inaugural 'Sustainable Finance Framework' leveraging benefits of financial instruments and sustainability
- Framework independently reviewed and 2<sup>nd</sup> party opinion from CRISIL
- Social financing pact with a leading Multilateral Bank for USD 125 million to support financing in rural and peri-urban areas in India particularly for women borrowers

### DE&I Sensitization & Awareness:

- 1) **10 dedicated workshops** across **4 major locations** covering **167 operational leaders**
- 2) **Separate session for 140 senior leaders**

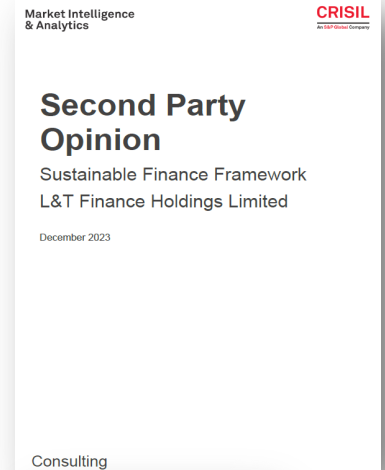
### Occupational Health & Safety measures:

- 1) **PAN India** hybrid training on HIRA (Hazard Identification & Risk Assessment) by external expert covering different departments
- 2) Assessment carried out at 5 locations including HO to identify the potential hazards and provide risk mitigation measures
- 3) Sensitization emailers to employees – 1) Workplace ergonomics; 2) Air Quality Alert

- Sale of handicrafts prepared by **underprivileged women & persons with disability** through stalls at a few company branch locations during festive season

- Active women borrowers **63,53,789** till date in FY24

- Reached **9,00,000+** community members through CSR initiatives till Q3 FY24



# ESG : Accelerating towards Lakshya (3/4)

Retail | Digital | Sustainable



## Governance

Enhanced transparency and strengthened governance by creating “**One Single Lending Entity**”

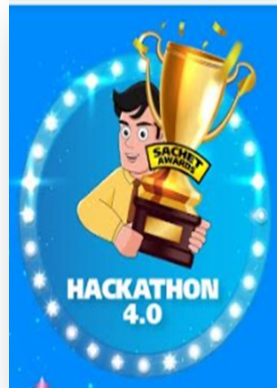
Recognition as “**Active Participation as Corporate Issuer on NSE Debt Platform**” by NSE India

Initiated tracking of ‘net promoter score’ for on boarding journey (Two Wheeler Loans) for assessing customer satisfaction

**1,66,112** of cyber threats identified & prevented till Q3 FY24

Fraud prevention and awareness creation under ‘*Jankaar Baniye Savdhaan Rahiye*’ campaign for employees and customers  
a) Cyberbullying; b) Fake Apps; c) Online Survey frauds; d) Digital security and habits

Launch of ‘Sachet Awards’ for pan India employees to drive fraud prevention culture within the organization



## ESG Ratings



**B**  
Significant improvement from D to B



S&P Global CSA Score - 50/93rd percentile



Sustainalytics

Continued to be in the “**Low Risk**” category



**BBB**

# ESG : Accelerating towards Lakshya (4/4)

Retail | Digital | Sustainable



## Awards



**Champions of ESG Award at Global Fintech Fest 2023**



**Mahatma Award for ESG Excellence Sept'23**



**UBS Forums Award under Sustainable Organisation Award Sept'23**



**"Best Company in Sustainable CSR" Award from Krypton Business Aug'23**



**Best "CSR Initiative" Award from Banking Frontiers Aug'23**



**FAME National Award for "Women Empowerment" in NBFC industry Sept'23**



# Corporate Social Responsibility

Transforming Lives, Sustaining Progress



## Digital & Financial Inclusion

- **9,00,000+** community members outreached under digital Sakhi project in Karnataka, Kerala, West Bengal, Odisha, Tamil Nadu, Uttar Pradesh and Bihar.
- Enabled **1,00,000+** community members to access and avail benefits of banking services and government schemes
- **Digital Sakhi Podcast** series highlighting success stories from ground zero (7 episodes) released on various podcast platforms (Earshot, Spotify, Gaana, Apple Music, etc.).
- Digital Sakhi Project bagged **2nd Edition of India Sustainability Conclave and Award 2023**



## Disaster Management

- **Relief kits** distributed to **10,000+** flood affected people in Chennai and Thoothukudi districts of Tamil Nadu.
- Undertaken capacity building **trainings of water user groups** in **85+** villages in Maharashtra.



## Other Initiatives

- **3 Multi-Speciality Health Camps** organized for tribal communities in Udaipur, Rajasthan benefited more than **500** people
- Initiated a dedicated **Road Safety awareness** campaign for 2-Wheeler Riders in Delhi
- Created **Road Safety awareness** amongst **5,500+** school children in 10+ municipal schools of Mumbai.



# Index of Annexures

**I** Our dominant Retail Franchise built over a decade

**II** Financials

**III** Other Annexures

Asset Liability Management

Sustainability (ESG & CSR)

Board and Senior Management



# Well experienced and diversified Board

## BOARD OF DIRECTORS



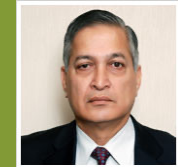
**S.N. Subrahmanyam**, *Non-Executive Director, Chairperson*

- Current Chairman & Managing Director of Larsen and Toubro Limited.
- Over 39 years of sterling experience in engineering, project management, transformative organizational leadership and a driver of digitalization.



**Dinanath Dubhashi**, *Whole-Time Director*

- Former Managing Director & CEO of L&T Finance
- Over 33 years of experience across multiple domains in BFSI such as Corporate Banking, Cash Management, Credit Ratings, Retail Lending and Rural Financing.



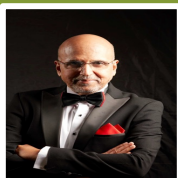
**P. V. Bhide**, *Independent Director*

- Retired IAS officer of the Andhra Pradesh Cadre (1973 Batch)
- Former Revenue Secretary;
- Over 42 years of experience across various positions in the Ministry of Finance.
- He has also held various other key positions across departments.



**S. V. Haribhakti**, *Independent Director*

- Over 42 years of experience in audit, tax and consulting.
- He is also on the Board of Directors of several public and private companies.



**Dr. R. Seetharaman**, *Independent Director*

- Former CEO of Doha Bank
- Over 40 years of experience in the banking industry
- Awarded the prestigious "Pravasi Bharatiya Samman", the highest civilian honor for overseas Indians, by the Government of India
- Named "Best CEO in Middle East" seven times in the last 15 years



**Sudipta Roy**, *Managing Director & CEO*

- Over 27 years of experience across multiple domains in BFSI such as Consumer/Retail Banking, Payments, Credit/Debit Cards, Sales Management, Marketing and Business Intelligence.



**R. Shankar Raman**, *Non-Executive Director*

- Current whole time director and Chief Financial Officer of Larsen and Toubro Limited.
- Over 39 years of experience in finance, including audit and capital markets.



**Thomas Mathew T.**, *Independent Director*

- Former Managing Director of Life Insurance Corporation of India.
- Over 42 years of experience in strategic leadership and operational experience in the Life Insurance Industry.



**Dr. Rajani Gupte**, *Independent Director*

- Current Vice Chancellor of Symbiosis International University, Pune.
- Over 42 years of experience in teaching and research at prestigious institutes.



**Pavninder Singh**, *Nominee Director*

- Managing Director with Bain Capital- Mumbai
- Earlier with Medrishi.com as Co-CEO and Consultant at Oliver Wyman.
- Over 25 years of experience.

# Management Team



**Sudipta Roy**  
Managing Director & CEO  
27 yrs exp, ICICI Bank, Citibank, Deutsche Bank



**Sachinn Joshi**  
CFO  
33 yrs exp, Aditya Birla  
Financial Services, Angel Broking,  
IL&FS



**Raju Dodti**  
CE – Wholesale & SME Finance  
25 yrs exp, IDFC, Rabo, ABN Amro,  
Soc Gen



**Rupa Rege Nitsure**  
Chief Economist  
35 yrs exp, ICICI, Bank of Baroda



**Santosh Parab**  
General Counsel  
31 yrs exp, IDBI, IDFC, Altico



**Sanjay Garyali**  
CE – Urban Finance  
28 yrs exp, Kotak Mahindra Bank, HDFC  
Bank, GE Consumer Finance



**Abhishek Sharma**  
Chief Digital Officer  
19 yrs exp, Indian Army



**Sonia Krishnankutty**  
CE – Rural Business Finance, Customer  
Service & Operations  
24 yrs exp, Bank of Baroda



**Apurva Rathod**  
Head - Secretarial & CSR and  
Sustainability  
22 yrs exp, Fidelity AMC, Kotak  
Mahindra AMC



**Asheesh Goel**  
CE – Farmer Finance  
29 yrs exp, Citibank NA

# Thank You