

January 21, 2019

**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 8, 2019 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 presentation to be made to Institutional Investor(s) / Analyst(s).

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

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**

**L&T Finance Holdings Limited**

**Registered Office**

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CIN: L67120MH2008PLC181833

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**TRANSFORM**  
**F**  **OCUS**  
**DELIVER**  
*Redefined*

**Strategy & Results Update – Q3FY19**



***L&T Financial Services***

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The financial figures, information, data and ratios (audited and unaudited) other than consolidated PAT, provided in this presentation are management representation based on internal financial information system of the Company. These financial figures are based on restatement of certain line items in the consolidated financial statements of the Company and describe the manner in which the management of the Company monitors the financial performance of the Company. There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI or changes in the use of one or more optional exemptions from full retrospective application of certain IND AS permitted under IND AS-101.

**Risk Factors and Disclaimers pertaining to L&T Mutual Fund:** Mutual Fund investments are subject to market risks, read all scheme related documents carefully.



# **LTFH 2.0**

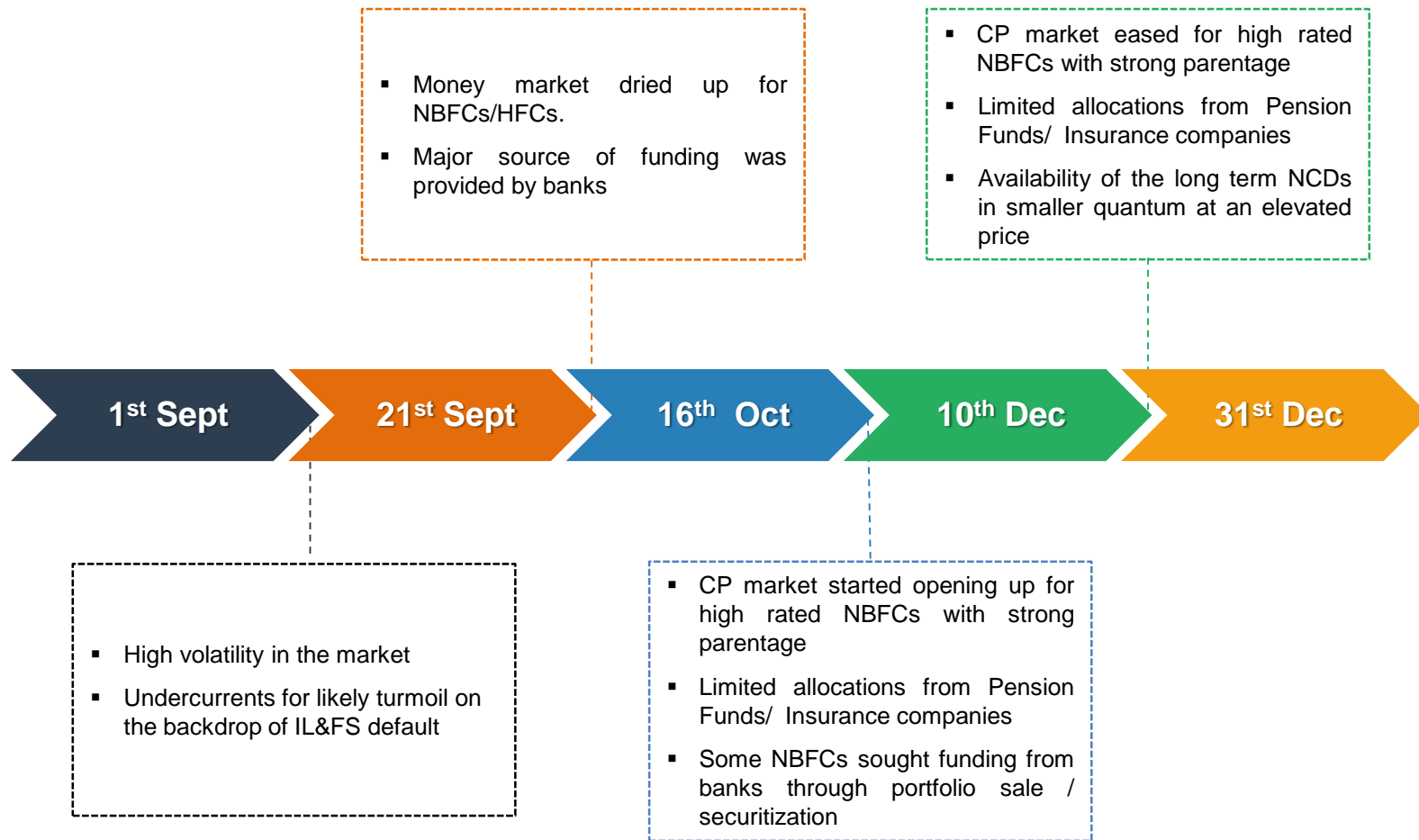
## *Our Commitment*

### **TO BE A COMPANY WHICH:**

- ✈ **Sustainably delivers top quartile RoE**
- ✈ **Has a clear Right to Win in each of the businesses**
- ✈ **Grows fearlessly with strong balance sheet and robust systems**
- ✈ **Uses Data Intelligence as a key to unlock RoE**
- ✈ **Has a culture of “Results” not “Reasons”**

## UPDATE ON LIQUIDITY

# 1.1 Timelines – Liquidity situation

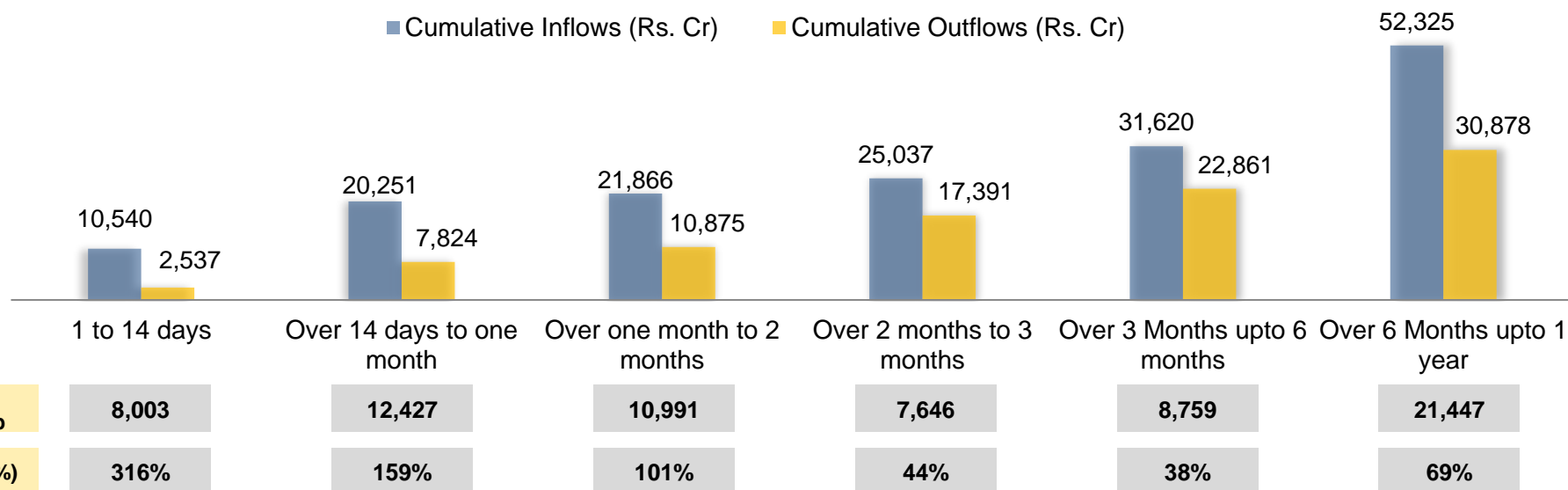


# 1.2 Prudent ALM Management

As on 31<sup>st</sup> December, 2018

## Structural Liquidity statement

■ Cumulative Inflows (Rs. Cr)    ■ Cumulative Outflows (Rs. Cr)



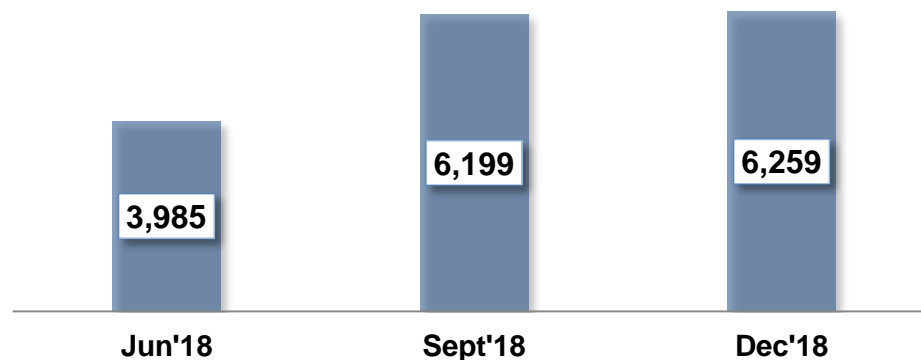
## Interest Rate sensitivity statement

1 year Gap	Rs. Cr
Re-priceable assets	74,185
Re-priceable liabilities	54,669
<b>Positive</b>	<b>19,516</b>

During Q3FY19, assets of ~Rs. 35,600 Cr were re-priced as against liabilities of ~Rs. 21,800 Cr that got re-priced

## 1.3 Structural Liquidity – Stress scenario

1 month positive gap in stress scenario



- Positive gaps maintained consistently even under '1 in 10' stress scenario in 1 month bucket
- As of 31st December, 2018, Rs. 15,662 Cr of liquidity is maintained through the following:
  - Rs. 4,173 Cr in the form of cash, FDs and other liquid instruments
  - Undrawn bank lines of Rs. 9,489 Cr
  - Back up line from L&T of Rs. 2,000 Cr

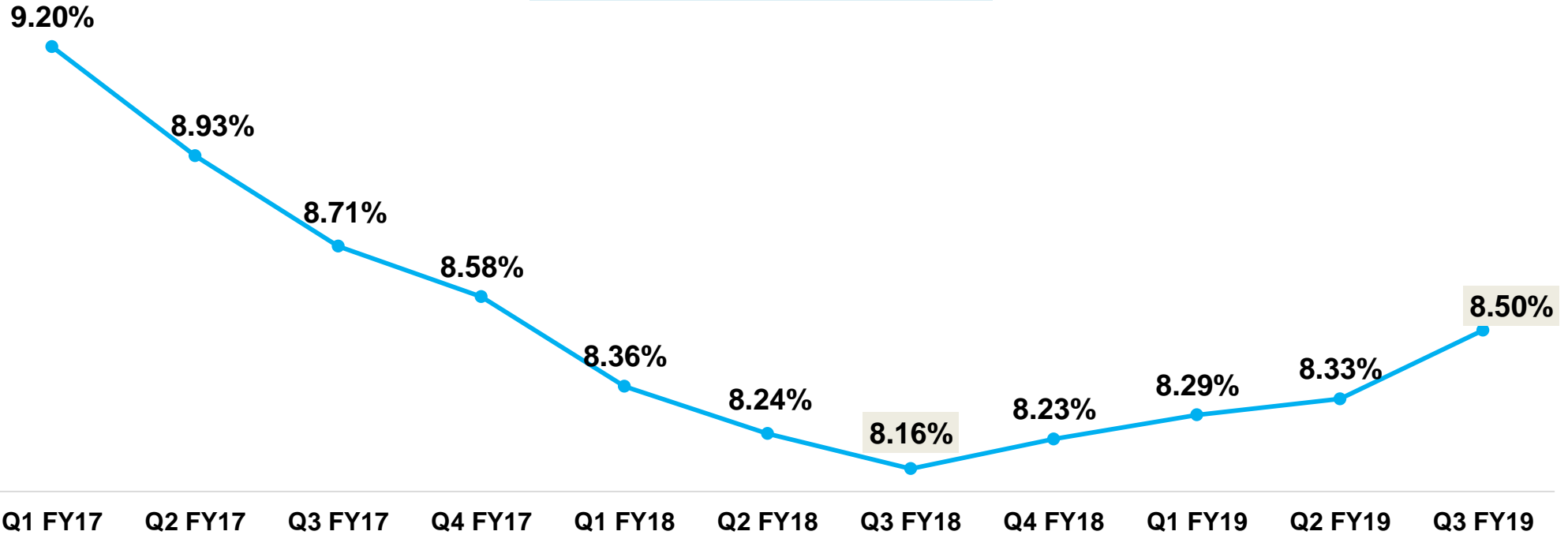
### '1 in 10 Stress Scenario' description

- Collections short-fall - 15%
- Back up lines hair cut- 40% (i.e. LTFH is able to draw only 60% of Back up lines)



# 1.4 Well managed liability cost

Q-o-Q movement in WAC



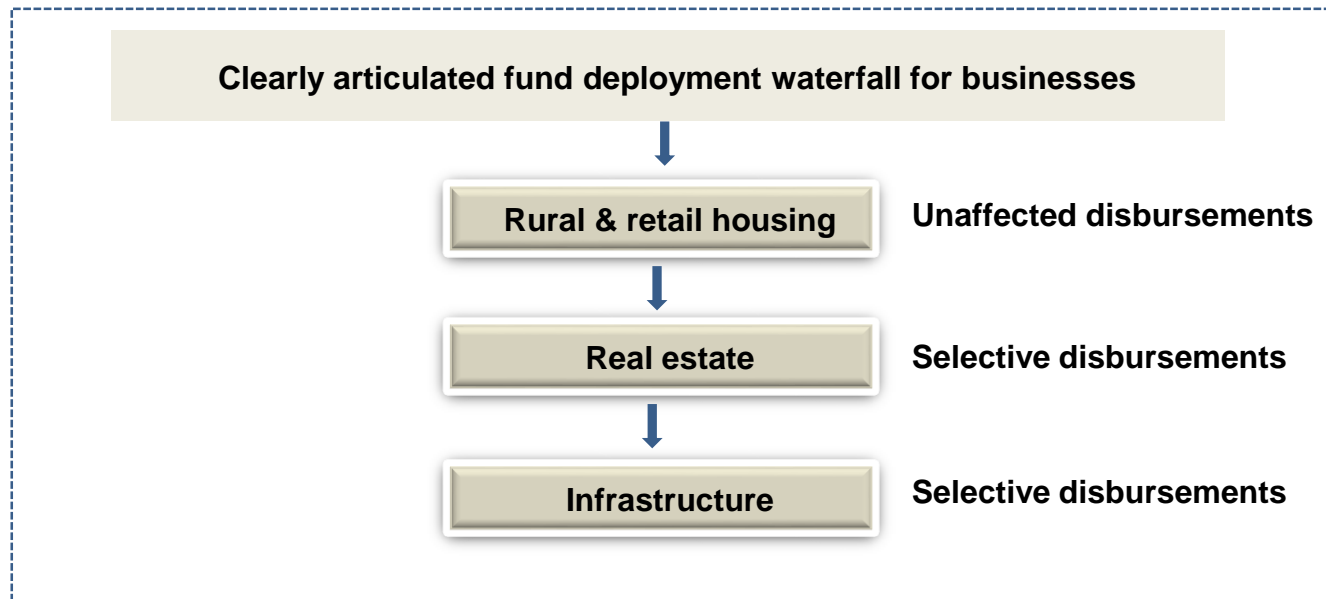
Differentiated performance and strong pedigree were instrumental in raising ~Rs. 29,800 Cr in Q3FY19

Weighted average cost (WAC) well in control despite volatility and hardening of interest rates

# 1.5 LTFH liquidity strategy

Maintained positive structural liquidity and interest rate sensitivity gaps

Raised adequate liquidity to build sufficient liquidity buffer and support growth of our core businesses



Our ability to pass increasing cost to customers and increase in retailisation of our portfolio has maintained NIMs at a steady level

## UPDATE ON IL&FS SPV EXPOSURE

## 2.1 IL&FS SPV exposure & NCLAT order

### LTFH – IL&FS exposure

Name of IL&FS entity	Structure	Nature	LTFH exposure
Specific SPVs	Subsidiary of IL&FS Transportation Networks Limited	Infrastructure SPVs (BOTs and PPP-BOT)	~ Rs. 1,800 Cr.

- LTFH has exposure to 4 Annuity projects and 2 Toll road projects. All projects are operational
- Cash flows for all the projects are secured through water tight escrow accounts with specific charge/lien in favour of lenders
- All the projects have Debt Service Reserve Account and other reserves amounting to ~ Rs. 500 Cr.
- All projects are self sustaining without any further equity infusion required from the promoter
- For Q3FY19, interest and principal payments has been made on due date

### What is NCLAT order?

- NCLAT order of 15<sup>th</sup> October, 2018 has granted a stay (“Stay Order”) against the following:
  - Institution of suits or legal proceedings against IL&FS and its 348 group companies (IL&FS Group)
  - Foreclosure, recovery or enforcement of security over assets of IL&FS Group
  - Acceleration or premature withdrawal/other withdrawals of loans availed by IL&FS Group
  - Suspension of loans of IL&FS Group
  - Exercise of right of set off or lien against any amounts lying with any creditor, etc.

## 2.2 IL&FS SPV exposure – Key Considerations

- **Our interpretation of NCLAT order**

- NCLAT order puts a stay on specific punitive actions but does not prohibit normal servicing of interest and principal repayments
- LTFH has received an opinion from a retired Chief Justice of India, duly confirming that regular repayment /redemption of principal & interest amount by the project SPV is not impacted by the order

- **Developments in Q4FY19**

- One SPV has paid its due on January 15, 2019
- For 2 SPVs, we have not received any communication
- For 3 SPVs - they have issued letters to project lenders stating that normal servicing of loans is stayed by NCLAT
- Next date of hearing is on January 28, 2019, when clarity on NCLAT order is expected to emerge

- **LTFH's view - Expected Credit Loss and Loss Given Default**

Notwithstanding the outcome of the above hearing, ECL (Expected Credit Loss) and LGD (Loss Given Default) on our exposure is expected to be NIL due to:

- Project cash flows are exclusively charged to project lenders
- Current DSCR of project SPVs is satisfactory
- Four projects are annuity projects and the toll collections on the balance 2 projects are satisfactory
- Project SPVs being bankruptcy-remote & solvent and are in position to repay their debts

# Transform. Focus. Deliver... *Redefined*

## TRANSFORM.

Sustainably deliver  
top quartile  
RoE

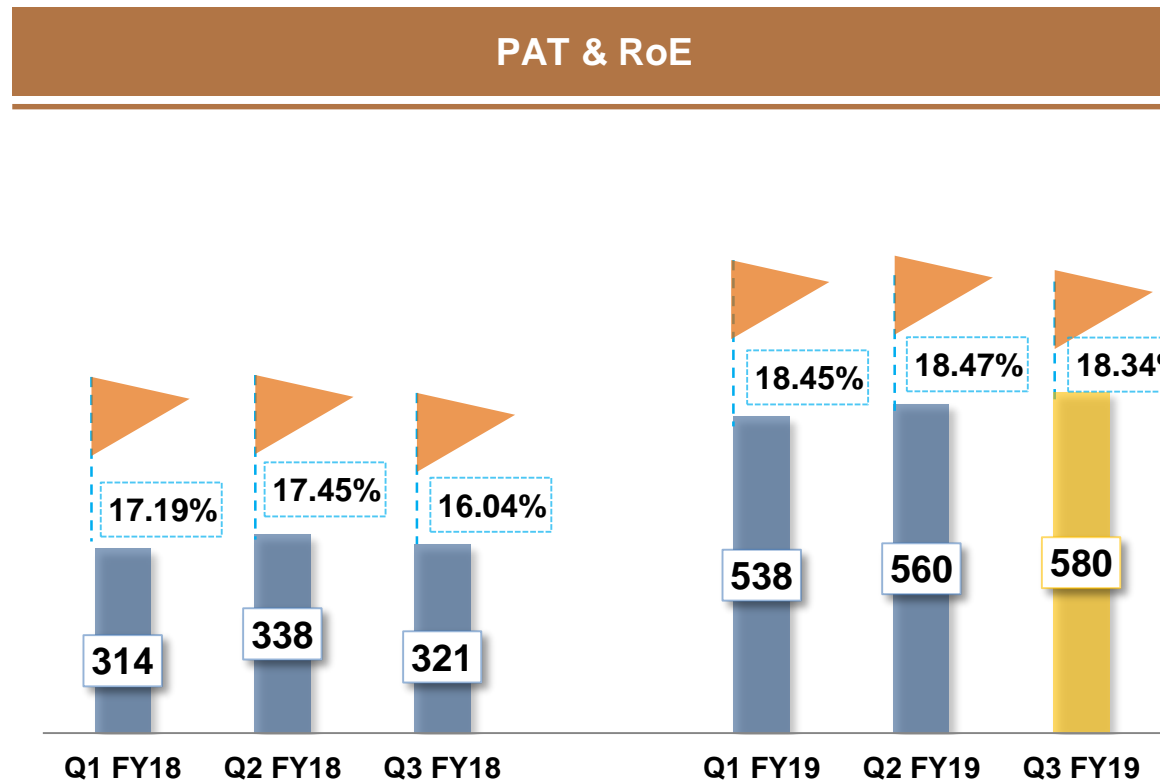
## FOCUS.



## DELIVER.

1. Sustained increase in **market share**
2. **Retailisation** of the portfolio
3. Strong **risk framework**
4. Continue to improve **asset quality** and increase provision coverage
5. Concentrate on '**NIMs + Fees**' for measuring transaction profitability
6. Strengthen **sell down** capabilities
7. Establish **digital and data analytics** as sustainable competitive advantage
8. Continue to drive **cost control** and productivity

# Sustainable Delivery – PAT & RoE



Maintaining top quartile RoE

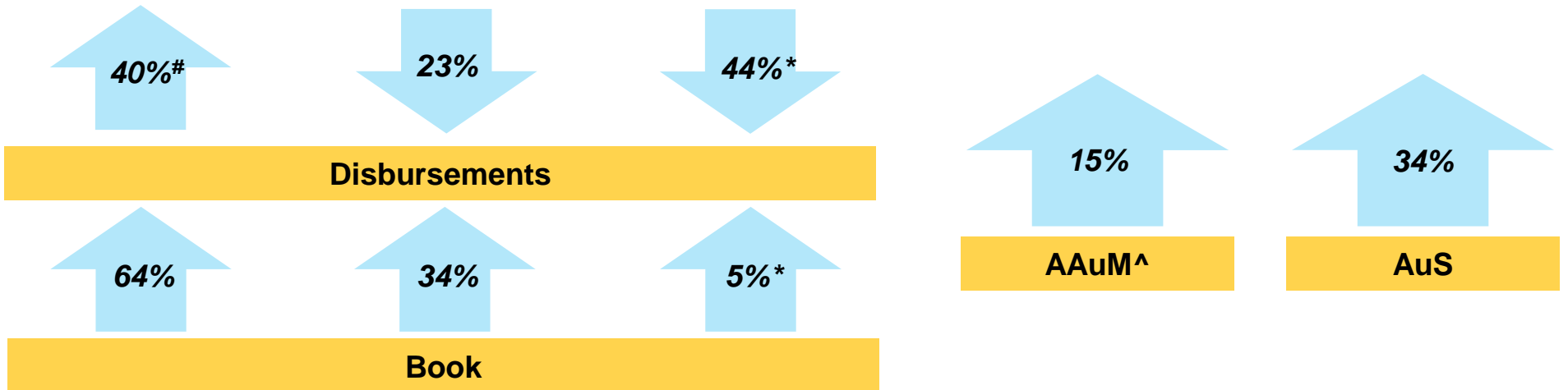
RoE

The numbers in bar graph denote PAT numbers ( Rs. Cr)

# 1.1 Responsible Growth



## Growth Y-o-Y



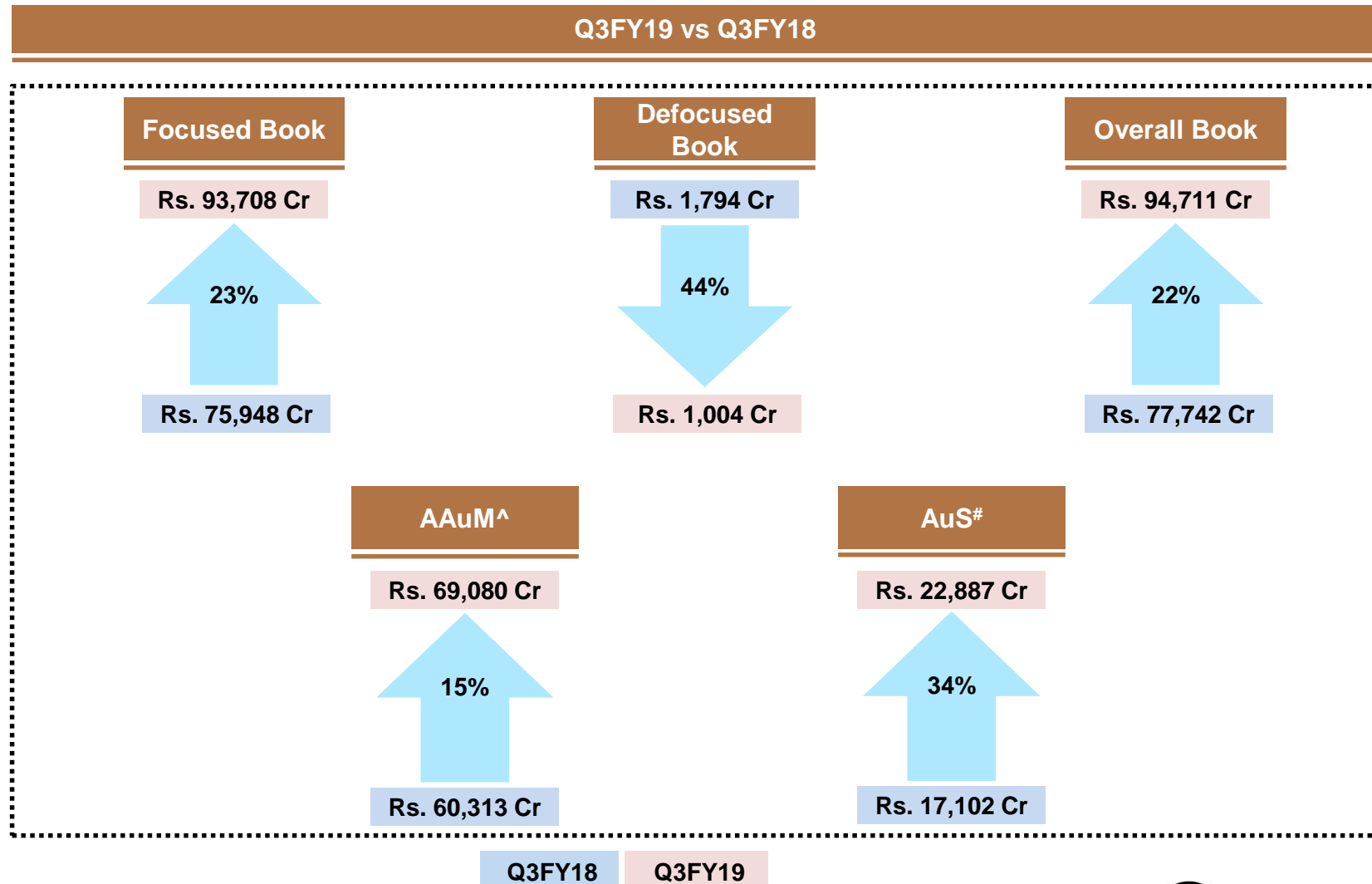
Note: # Rural finance disbursement excludes Trade advance

\* Wholesale finance disbursement and book excludes IPO financing and sovereign debt

^ AAuM - quarterly averages



# 1.2 Our Delivery – Financial Performance



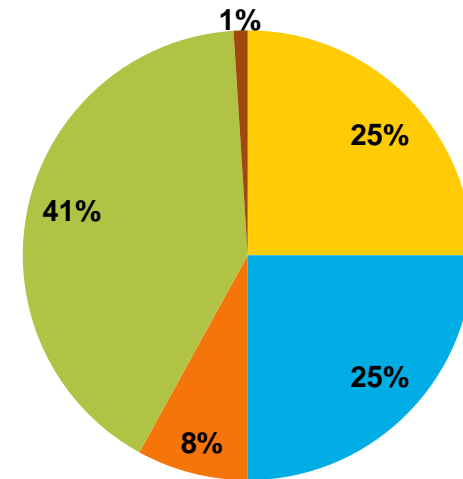
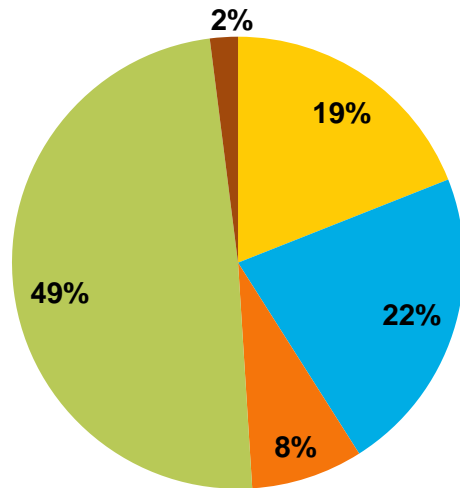
<sup>^</sup> Investment Management – AAuM ; <sup>#</sup> Wealth Management – Closing AuS

## 2. Our Delivery – Increasing Retailisation

Q3FY18

Q3FY19

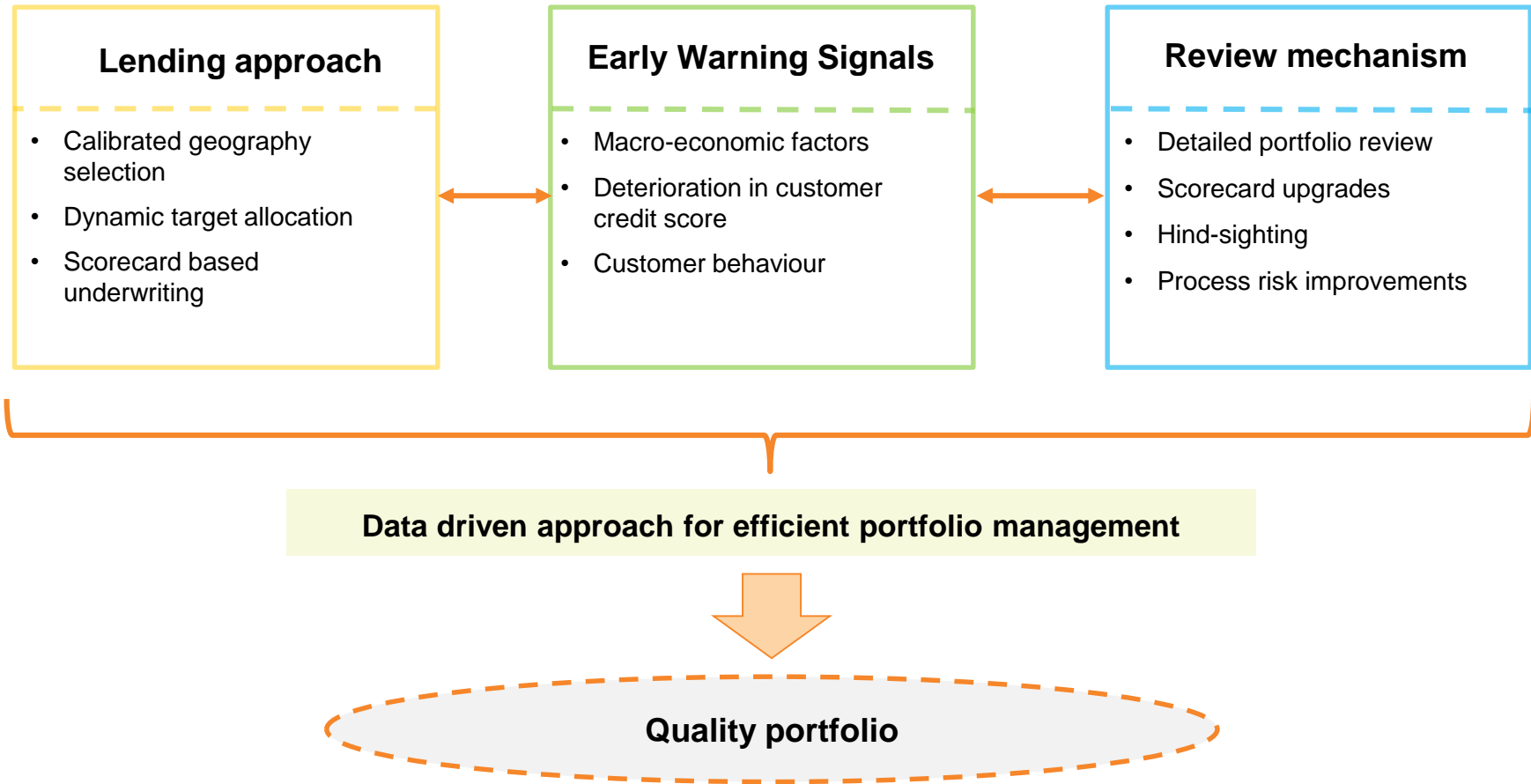
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In line with our stated goal of retailisation, we have completed the sale of supply chain portfolio : ~Rs. 650 Cr (part of Wholesale book) to Centrum

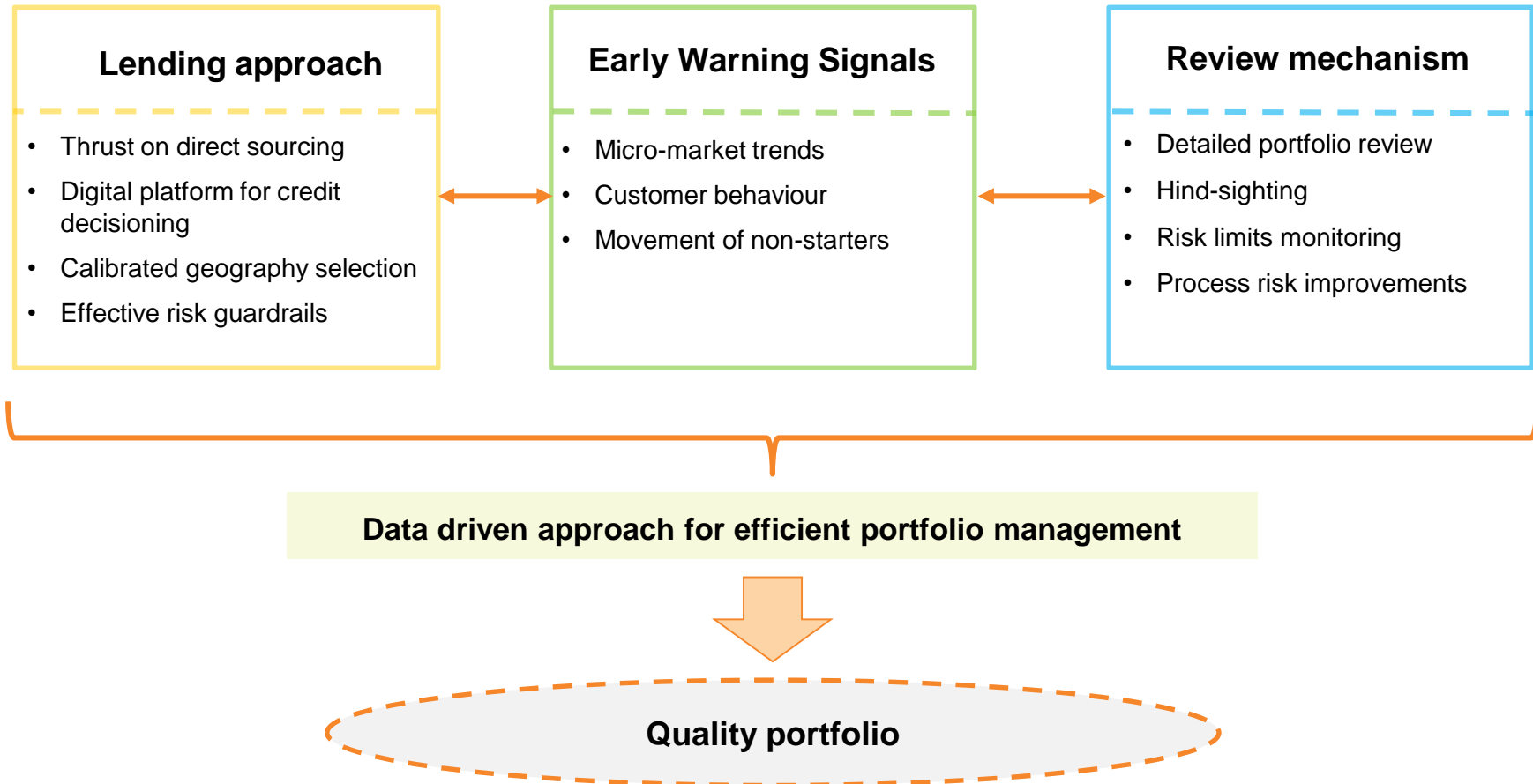
■ Rural 
 ■ Housing 
 ■ IDF 
 ■ Wholesale Excl. IDF 
 ■ Rundown

# 3.1 Risk management strategy – Rural Finance



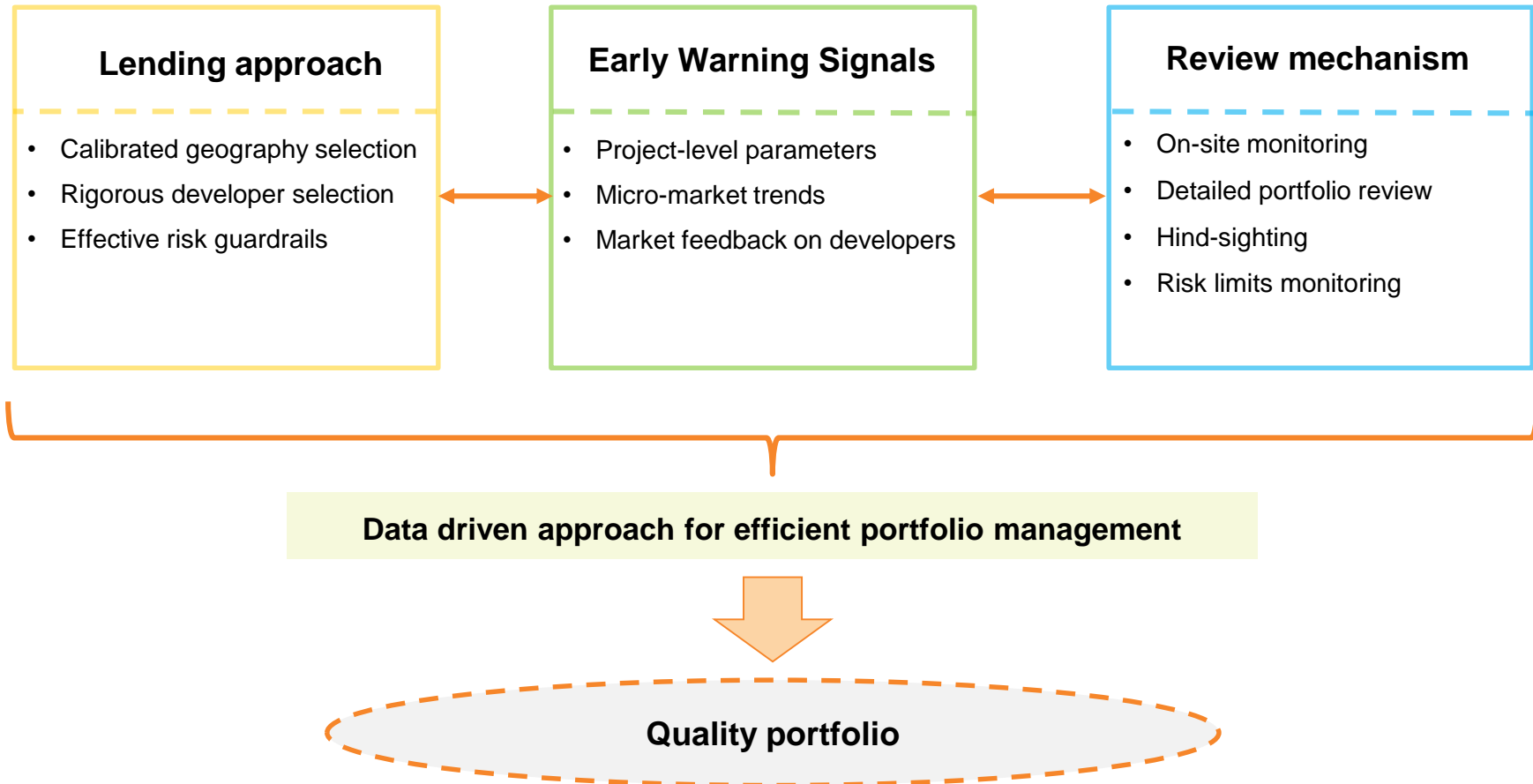
In addition to this, we have built up adequate PCR and macro-prudential provisions

## 3.2.1 Risk management strategy – Home Loans and LAP



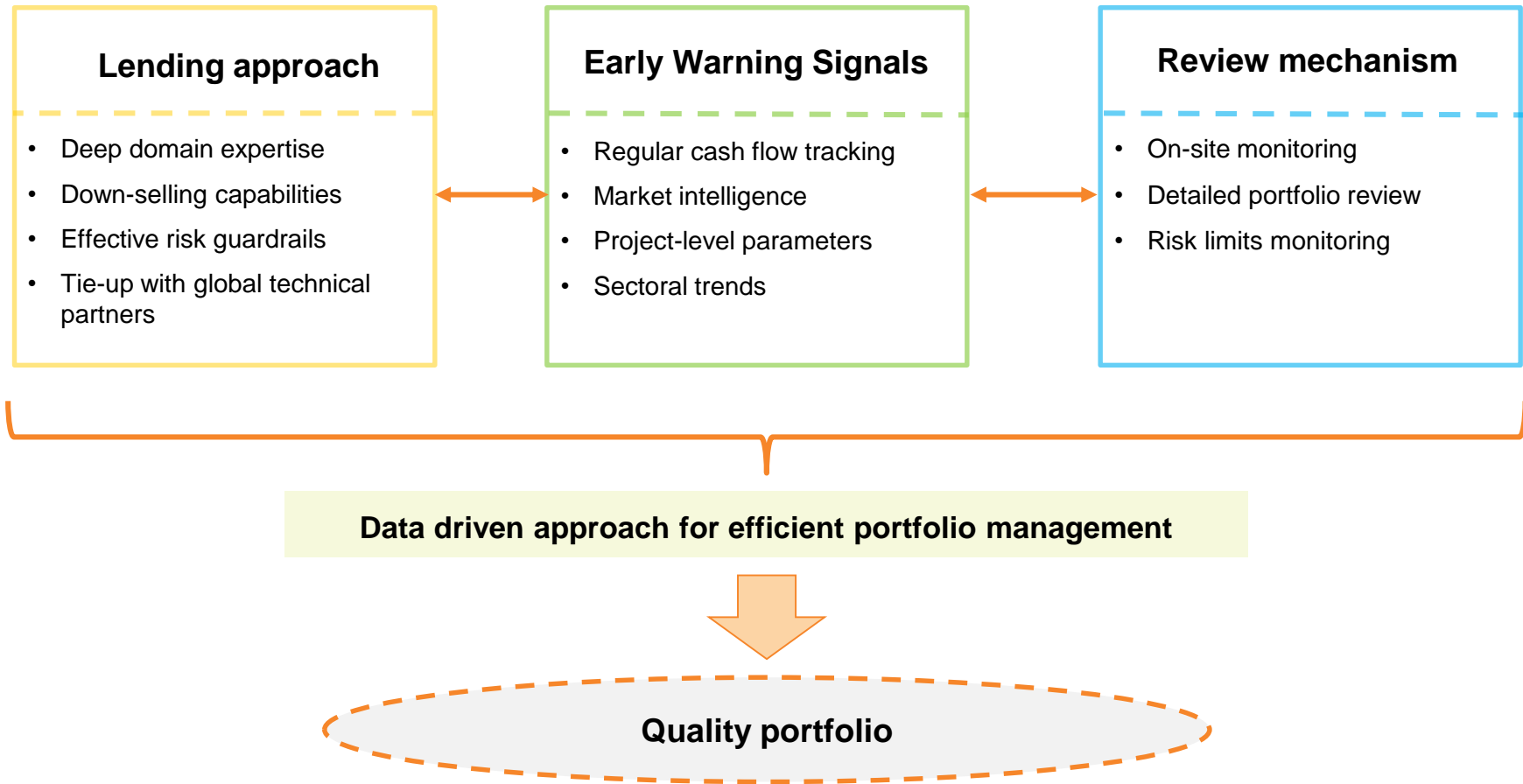
In addition to this, we have built up adequate PCR

## 3.2.2 Risk management strategy – Real Estate



In addition to this, we have built up adequate PCR and macro-prudential provisions

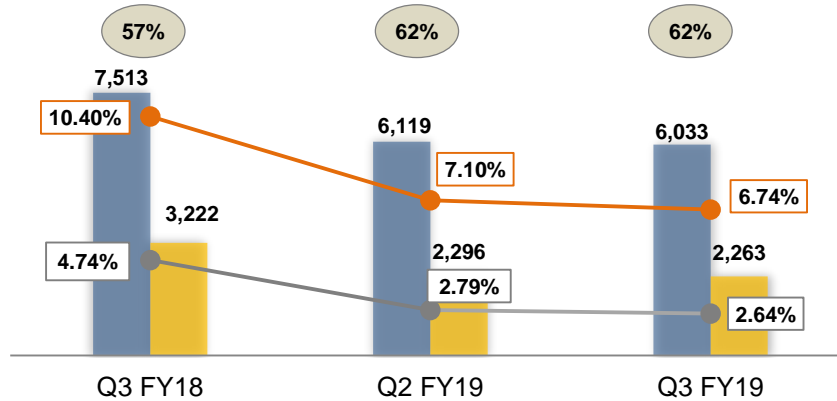
# 3.3 Risk management strategy – Wholesale Finance



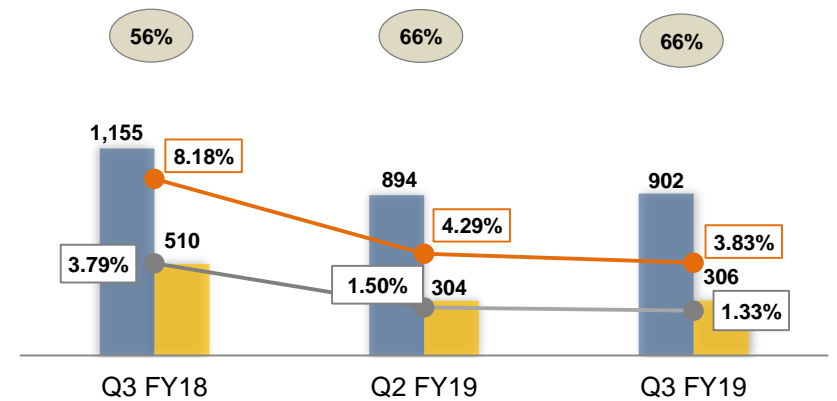
Optimum capital management through sell-down strategy

# 4. Strengthening Balance sheet – Asset Quality

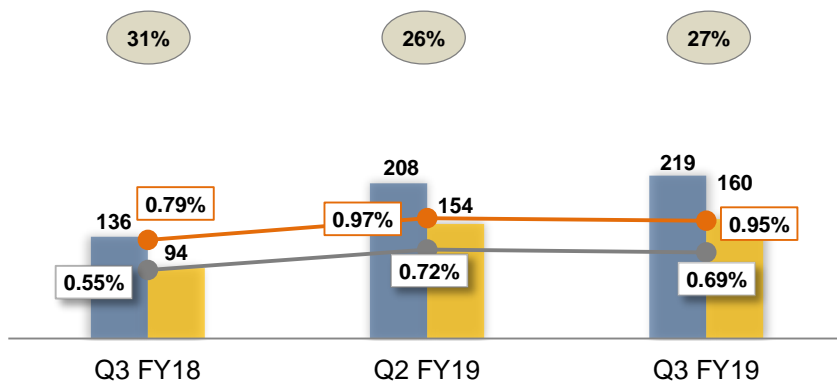
LTFH Consolidated – Asset Quality



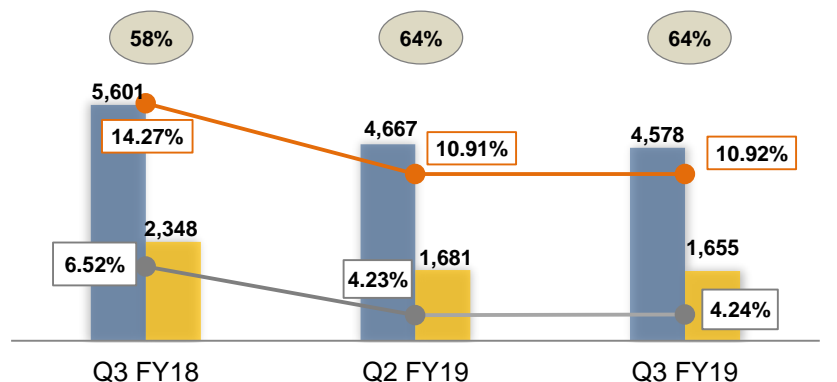
Rural - Asset Quality



Housing - Asset Quality



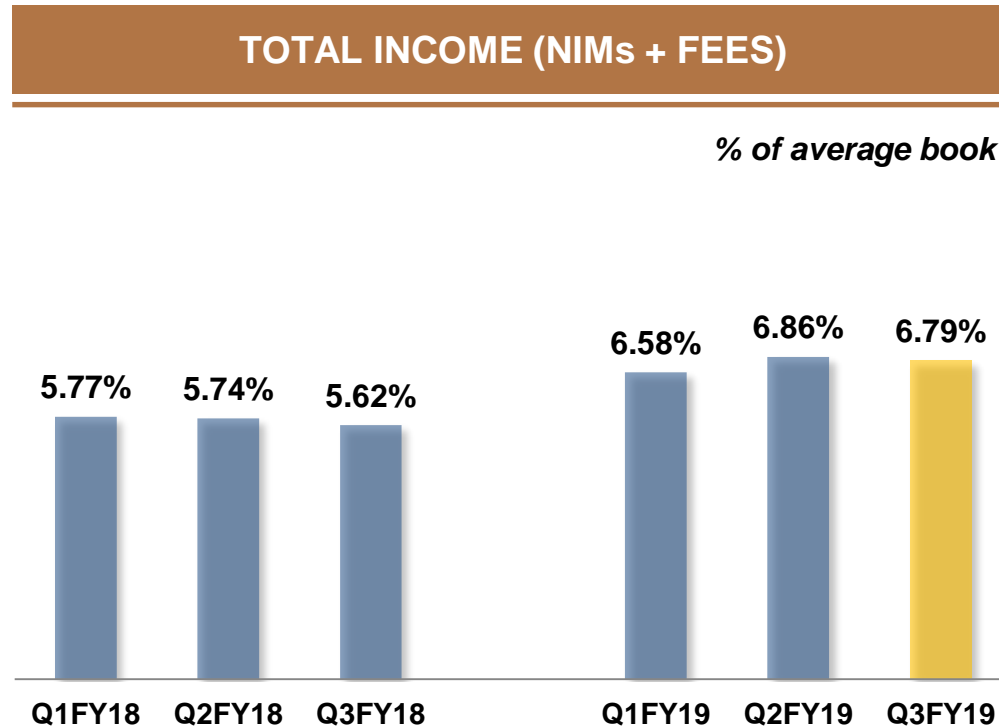
Wholesale - Asset Quality



Legend: GS3 (Rs. Cr) (Blue bar), NS3 (Rs. Cr) (Yellow bar), GS3 (%) (Orange line), NS3 (%) (Grey line), PCR (%) (Grey oval)

Macro-prudential provisions of Rs. 269 Cr (Rs. 184 Cr in Rural & Rs. 85 Cr in Housing) are for any unanticipated future event risk, and are over and above the expected credit losses on GS3 assets and standard asset provisions

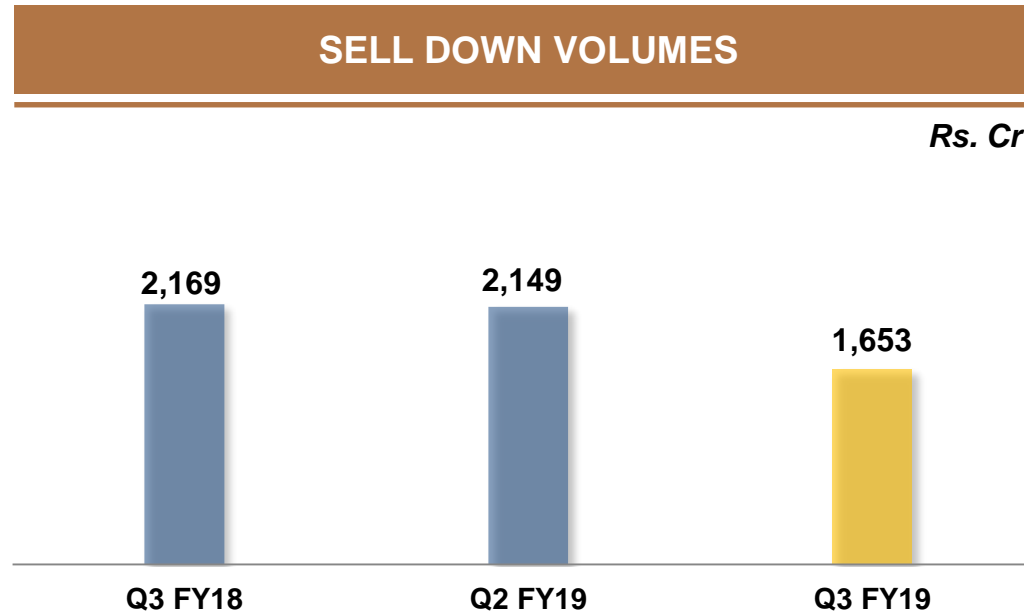
## 5. Steady state NIMs + Fees



- Rising interest rates were passed on judiciously to the customers, to maintain healthy NIMs
- 'NIMs + Fees' remained steady Q-o-Q despite decline in fees from the Wholesale Finance business

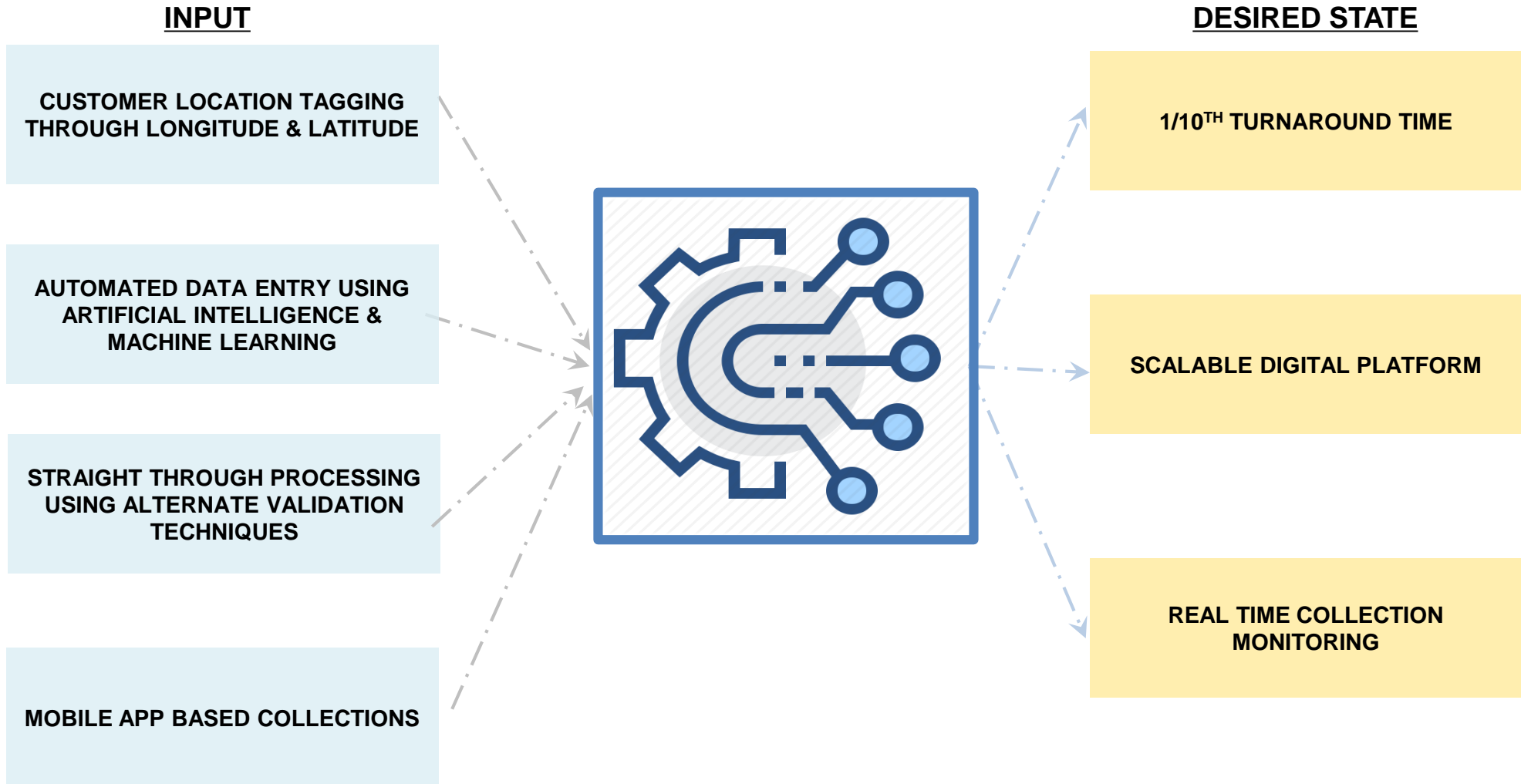


## 6. Strong Sell down desk



- Maintained sell down volumes despite limited participation from banks and other financial institutions
- Ranked no. 2 (APAC Ex Japan) in mandated lead arranger for green loans by Bloomberg
- Ranked no. 3 in bookrunner category and no. 4 in mandated lead arranger by Bloomberg
- Ranked no. 3 in bookrunner category and no. 5 in mandated lead arranger by Thomson Reuters

# 7.1 Using power of digital to unlock RoE



# 7.2 Using power of data analytics to unlock RoE

## Analytics - An integral part of transformation journey

### Operational efficiency

- Dynamic Target Allocation
- Call Centre Analytics
- Geo Expansion
- Workforce Analytics

### Recovery

- Collection Score Card
- Early Warning Signals
- Collection Prioritization



### Revenue

- Market Sizing
- Cross Sell and Retention
- Marketing Mix Optimization
- Customer Segmentation

# LTFH consolidated Q3FY19 – Capital allocation and RoE bridge

Q3FY18			Business Segments (Rs. Cr)	Q3FY19			PAT Y-o-Y (%)
PAT	Net Worth	RoE		PAT	Net Worth	RoE	
145	1,719	36.38%	Rural Business	233	3,664	27.54%	61%
129	1,674	32.81%	Housing Business	209	3,150	27.75%	62%
106	4,615	9.14%	Wholesale Business	159	6,137	10.22%	49%
<b>380</b>	<b>8,008</b>	<b>19.45%</b>	<b>Lending Business</b>	<b>601</b>	<b>12,951</b>	<b>19.05%</b>	<b>58%</b>
22	836	10.72%	Investment Management	50	925	22.17%	126%
8	33	-	Wealth Management	1	51	-	-
<b>410</b>	<b>8,877</b>	<b>18.93%</b>	<b>Focus Business Total</b>	<b>652</b>	<b>13,927</b>	<b>19.22%</b>	<b>59%</b>
(64)	178	-	De-focused Business	(29)	121	-	-
<b>346</b>	<b>9,055</b>	<b>15.60%</b>	<b>Businesses Total</b>	<b>623</b>	<b>14,048</b>	<b>18.17%</b>	<b>80%</b>
(25)	(876)	-	Others	(43)	(1,067)	-	-
<b>321</b>	<b>8,179</b>	<b>16.04%</b>	<b>LTFH Consol. (To Equity Shareholders)</b>	<b>580</b>	<b>12,981</b>	<b>18.34%</b>	<b>81%</b>

# Conclusion – 1/2

❖ LTFH continues to deliver top quartile RoE of 18%+

❖ Consolidated PAT increased by 81% to Rs. 580 Cr in Q3FY19 vs Rs. 321 Cr in Q3FY18

## Key Financial parameters Q3FY18 vs. Q3FY19

- ❖
- Book has increased by 22% from Rs. 77,742 Cr to Rs. 94,711 Cr
  - 'NIMs + Fees' has increased from 5.62% to 6.79%
  - Retailisation (Rural + Housing) increased from 41% to 50%

## Asset Quality performance Q3FY18 vs. Q3FY19

- ❖
- Gross Stage 3 has reduced from 10.40% to 6.74% (7.10% in Q2FY19)
  - Net Stage 3 has reduced from 4.74% to 2.64% (2.79% in Q2FY19)
  - Provision coverage increased from 57% to 62%

# Conclusion – 2/2

## LIQUIDITY

- ❖ Positive Structural Liquidity and Interest Rate gaps
- ❖ Differentiated performance & strong pedigree were instrumental in raising ~Rs. 29,800 Cr in Q3FY19
- ❖ As on 31<sup>st</sup> December 2018, liquidity of Rs. 15,662 Cr has been maintained in the form of cash, FDs and other liquid instruments and undrawn lines


## GROWTH

- ❖ Book has grown 4% sequentially from Rs. 91,201 Cr to Rs. 94,711 Cr through strategic deployment of funds in rural & retail housing businesses and chosen real estate and infrastructure business

## NIMs

- ❖ During Q3FY19, assets of ~Rs. 35,600 Cr were re-priced as against liabilities of ~Rs. 21,800 Cr that got re-priced
- ❖ Maintained stable NIMs sequentially, despite rise in WAC and additional liquidity buffer cost

**LTFH has successfully dealt with the volatility and liquidity conditions through prudent ALM and resilient business model**








# Appendix






***L&T Financial Services***

# Business strengths – 1/2

BUSINESS	KEY DIFFERENTIATORS
<p data-bbox="333 582 576 704"><b>Rural</b></p> <div data-bbox="644 411 876 546"><p data-bbox="665 515 851 546">Farm Equipment</p></div> <div data-bbox="644 589 876 725"><p data-bbox="679 694 861 725">Two-Wheeler</p></div> <div data-bbox="644 746 876 882"><p data-bbox="689 858 857 882">Micro Loans</p></div>	<p data-bbox="1011 432 1831 546">Dynamic target allocation, preferred OEMs tie up</p> <p data-bbox="1011 596 1831 711">Driving decision and strategy through data backed algorithms</p> <p data-bbox="1011 761 1831 875">Expansion into new untapped geographies, borrower level EWS, analytics based collection</p>
<p data-bbox="333 1068 576 1189"><b>Housing</b></p> <div data-bbox="627 953 880 1103"><p data-bbox="644 1072 864 1103">Home Loans &amp; LAP</p></div> <div data-bbox="627 1125 880 1275"><p data-bbox="648 1243 868 1275">Real estate Finance</p></div>	<p data-bbox="1011 975 1831 1061">Digital lending model to provide best in class TAT</p> <p data-bbox="1011 1096 1831 1175">Comprehensive and robust EWS framework</p> <p data-bbox="1011 1196 1831 1275">Strong Structuring / underwriting capability with focus on project completion</p>



# Business strengths – 2/2

BUSINESS	KEY DIFFERENTIATORS
<b>Wholesale</b>	 <p>Bouquet of products through project life cycle</p> <p>Leadership in focused infra sectors; renewables, roads and transmission</p> <p>Strong credit appraisal, structuring, risk and asset management expertise coupled with industry leading down selling desk</p>
<b>Investment Management</b>	 <p>Equity focused fund, amongst the industry best</p> <p>Consistent fund performance and excellent distribution franchisee</p>
<b>Wealth Management</b>	 <p>Tailored client-centric advice</p> <p>Use of cutting edge portfolio analytics</p> <p>Wide range of products across major asset classes</p>

# LTFH Consolidated – Summary financial performance

Performance summary				
Q3FY18	Summary P&L (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y (%)
2,167	Interest Income	2,777	3,039	40%
1,406	Interest Expense	1,651	1,865	33%
761	NIM	1,126	1,174	54%
309	Fee & Other Income	415	416	34%
1,071	Total Income	1,542	1,590	49%
236	Operating Expense	368	396	68%
834	Earnings before credit cost	1,174	1,194	43%
469	Credit Cost	373	420	-10%
<b>321</b>	<b>PAT</b>	<b>560</b>	<b>580</b>	<b>81%</b>

Q3FY18	Particulars (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y(%)
77,742	Book	91,201	94,711	22%
8,179	Networth	12,315	12,981	59%
44.85	Book Value per share (Rs.)	61.67	64.99	45%

Macro-prudential provisions of Rs. 269Cr. (Rs. 184 Cr in Rural & Rs. 85 Cr in Housing) are for any unanticipated future event risk, and are over and above the expected credit losses on GS3 assets and standard asset provisions

# LTFH Consolidated– Key ratios

Key ratios			
Q3FY18	Key Ratios	Q2FY19	Q3FY19
11.37%	Yield	12.35%	12.97%
3.99%	Net Interest Margin	5.01%	5.01%
1.62%	Fee & Other Income	1.85%	1.78%
5.62%	NIM + Fee & Other Income	6.86%	6.79%
1.24%	Operating Expenses	1.64%	1.69%
4.38%	Earnings before credit cost	5.22%	5.09%
2.46%	Credit cost	1.66%	1.79%
1.60%	Return on Assets	2.33%	2.28%
8.15	Debt / Equity	6.44	6.29
<b>16.04%</b>	<b>Return on Equity</b>	<b>18.47%</b>	<b>18.34%</b>

Entity	Tier I	Tier II	CRAR
Consolidated CRAR ratio	14.32%	3.39%	17.71%

# Lending Business – Business wise disbursement split

Disbursement				
Q3FY18	Segments (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y (%)
1,075	Farm Equipment	812	1,291	20%
855	2W Finance	1,107	1,647	93%
2,179	Micro Loans	2,790	2,796	28%
<b>4,109</b>	<b>Rural Finance</b>	<b>4,709</b>	<b>5,734</b>	<b>40%</b>
417	Home Loans	610	653	56%
559	LAP	341	281	-50%
2,076	Real Estate Finance	1,632	1,416	-32%
<b>3,052</b>	<b>Housing Finance</b>	<b>2,584</b>	<b>2,350</b>	<b>-23%</b>
2,541	Infrastructure Finance	3,136	3,564	40%
792	Infra Debt Fund (IDF)	707	330	-58%
594	Structured Corp Finance	561	518	-13%
2,630	Supply Chain Finance	1,391	1,020	-61%
3,458	DCM	3,648	166	-95%
<b>10,014</b>	<b>Wholesale Finance</b>	<b>9,443</b>	<b>5,598</b>	<b>-44%</b>
<b>17,176</b>	<b>Focused Business</b>	<b>16,736</b>	<b>13,682</b>	<b>-20%</b>
-	De-focused Products	-	-	-
<b>17,176</b>	<b>Total Disbursement *</b>	<b>16,736</b>	<b>13,682</b>	<b>-20%</b>

\* Excludes IPO funding, trade advance and sovereign debt

# Lending Business – Business wise book split

Book				
Q3FY18	Segments (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y (%)
5,479	Farm Equipment	6,736	7,306	33%
2,980	2W Finance	4,272	5,224	75%
6,219	Micro Loans	10,425	11,592	86%
<b>14,678</b>	<b>Rural Finance</b>	<b>21,433</b>	<b>24,122</b>	<b>64%</b>
4,277	Home Loans	5,268	5,697	33%
4,068	LAP	4,300	4,360	7%
9,053	Real Estate Finance	12,151	13,261	46%
<b>17,398</b>	<b>Housing Finance</b>	<b>21,718</b>	<b>23,319</b>	<b>34%</b>
24,936	Infrastructure Finance	27,026	27,180	9%
6,028	Infra Debt Fund (IDF)	7,825	7,990	33%
7,336	Structured Corp Finance	7,589	7,479	2%
1,870	Supply Chain Finance	740	-	-100%
3,702	DCM	3,694	3,617	-2%
<b>43,871</b>	<b>Wholesale Finance</b>	<b>46,875</b>	<b>46,267</b>	<b>5%</b>
<b>75,948</b>	<b>Focused Business</b>	<b>90,026</b>	<b>93,708</b>	<b>23%</b>
1,794	De-focused Products	1,175	1,004	-44%
<b>77,742</b>	<b>Total Book*</b>	<b>91,201</b>	<b>94,711</b>	<b>22%</b>

\* Excludes IPO funding and sovereign debt

# Rural Business – Summary financial performance

Performance summary				
Q3FY18	Summary P&L (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y (%)
599	Interest Income	948	1,078	80%
233	Interest Expense	343	409	75%
366	NIM	605	668	83%
30	Fee & Other Income	98	113	270%
396	Total Income	702	781	97%
56	Operating Expense	176	210	275%
340	Earnings before credit cost	526	570	68%
117	Credit Cost	216	248	112%
<b>145</b>	<b>PAT</b>	<b>218</b>	<b>233</b>	<b>61%</b>

Q3FY18	Particulars (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y (%)
14,678	Book	21,433	24,122	64%
1,719	Networth	3,108	3,664	113%

Macro-prudential provisions of Rs. 184 Cr. are for any unanticipated future event risk, and are over and above the expected credit losses on GS3 assets and standard asset provisions

# Rural Business – Key ratios

Key ratios				
Q3FY18	Key ratios	Q2FY19	Q3FY19	
17.48%	Yield	18.56%	18.77%	
10.67%	Net Interest Margin	11.84%	11.64%	
0.89%	Fee & Other Income	1.91%	1.96%	
11.56%	NIM + Fee & Other Income	13.76%	13.60%	
1.64%	Operating Expenses	3.46%	3.66%	
9.92%	Earnings before credit cost	10.30%	9.94%	
3.41%	Credit cost	4.23%	4.33%	
4.26%	Return on Assets	4.16%	3.90%	
7.28	Debt / Equity	5.71	5.44	
<b>36.38%</b>	<b>Return on Equity</b>	<b>28.62%</b>	<b>27.54%</b>	

# Housing Business – Summary financial performance

Performance Summary				
Q3FY18	Summary P&L (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y (%)
499	Interest Income	661	727	46%
293	Interest Expense	372	408	39%
206	NIM	289	319	55%
73	Fee & Other Income	64	59	-19%
279	Total Income	354	379	36%
33	Operating Expense	40	47	43%
246	Earnings before credit cost	313	332	35%
51	Credit Cost	34	51	2%
<b>129</b>	<b>PAT</b>	<b>197</b>	<b>209</b>	<b>62%</b>

Q3FY18	Particulars (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y (%)
17,398	Book	21,718	23,319	34%
1,674	Networth	2,884	3,150	88%

Macro-prudential provisions of Rs. 85 Cr. are for any unanticipated future event risk, and are over and above the expected credit losses on GS3 assets and standard asset provisions



# Housing Business – Key ratios

Key ratios			
Q3FY18	Key ratios	Q2FY19	Q3FY19
12.03%	Yield	12.47%	12.81%
4.97%	Net Interest Margin	5.46%	5.62%
1.76%	Fee & Other Income	1.21%	1.05%
6.73%	NIM + Fee & Other Income	6.67%	6.67%
0.79%	Operating Expenses	0.76%	0.82%
5.94%	Earnings before credit cost	5.91%	5.85%
1.22%	Credit cost	0.64%	0.91%
3.02%	Return on Assets	3.40%	3.35%
9.40	Debt / Equity	6.64	6.63
<b>32.81%</b>	<b>Return on Equity</b>	<b>28.19%</b>	<b>27.75%</b>

# Wholesale Business – Summary financial performance

Performance summary				
Q3FY18	Summary P&L (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y (%)
1,023	Interest Income	1,139	1,210	18%
813	Interest Expense	888	914	12%
210	NIM	251	295	41%
129	Fee & Other Income	166	85	-34%
339	Total Income	417	381	12%
52	Operating Expense	57	74	43%
287	Earnings before credit cost	360	307	7%
241	Credit Cost	90	112	-54%
<b>106</b>	<b>PAT</b>	<b>202</b>	<b>159</b>	<b>49%</b>

Q3FY18	Particulars (Rs. Cr)	Q2FY19	Q3FY19	Y-o-Y (%)
43,871	Book	46,875	46,267	5%
4,615	Networth	6,305	6,137	33%

# Wholesale Business – Key ratios

Key ratios			
Q3FY18	Key ratios	Q2FY19	Q3FY19
9.31%	Yield	9.77%	10.31%
1.91%	Net Interest Margin	2.15%	2.52%
1.17%	Fee & Other Income	1.42%	0.73%
3.08%	NIM + Fee & Other Income	3.57%	3.24%
0.47%	Operating Expenses	0.49%	0.63%
2.61%	Earnings before credit cost	3.08%	2.62%
2.20%	Credit cost	0.77%	0.95%
0.93%	Return on Assets	1.65%	1.26%
8.59	Debt / Equity	6.36	6.47
<b>9.14%</b>	<b>Return on Equity</b>	<b>15.07%</b>	<b>10.22%</b>

# Infrastructure Finance & DCM – Business wise split

DISBURSEMENT





Sectors (Rs. Cr)	Q3FY18	Q2FY19	Q3FY19	Y-o-Y (%)
Renewable Power	2,803	3,117	3,176	13%
Roads	286	261	413	44%
Power Transmission	50	1,057	164	-
Others <sup>1</sup>	3,651	3,057	307	-92%
<b>Total</b>	<b>6,790</b>	<b>7,491</b>	<b>4,060</b>	<b>-40%</b>

LOAN BOOK

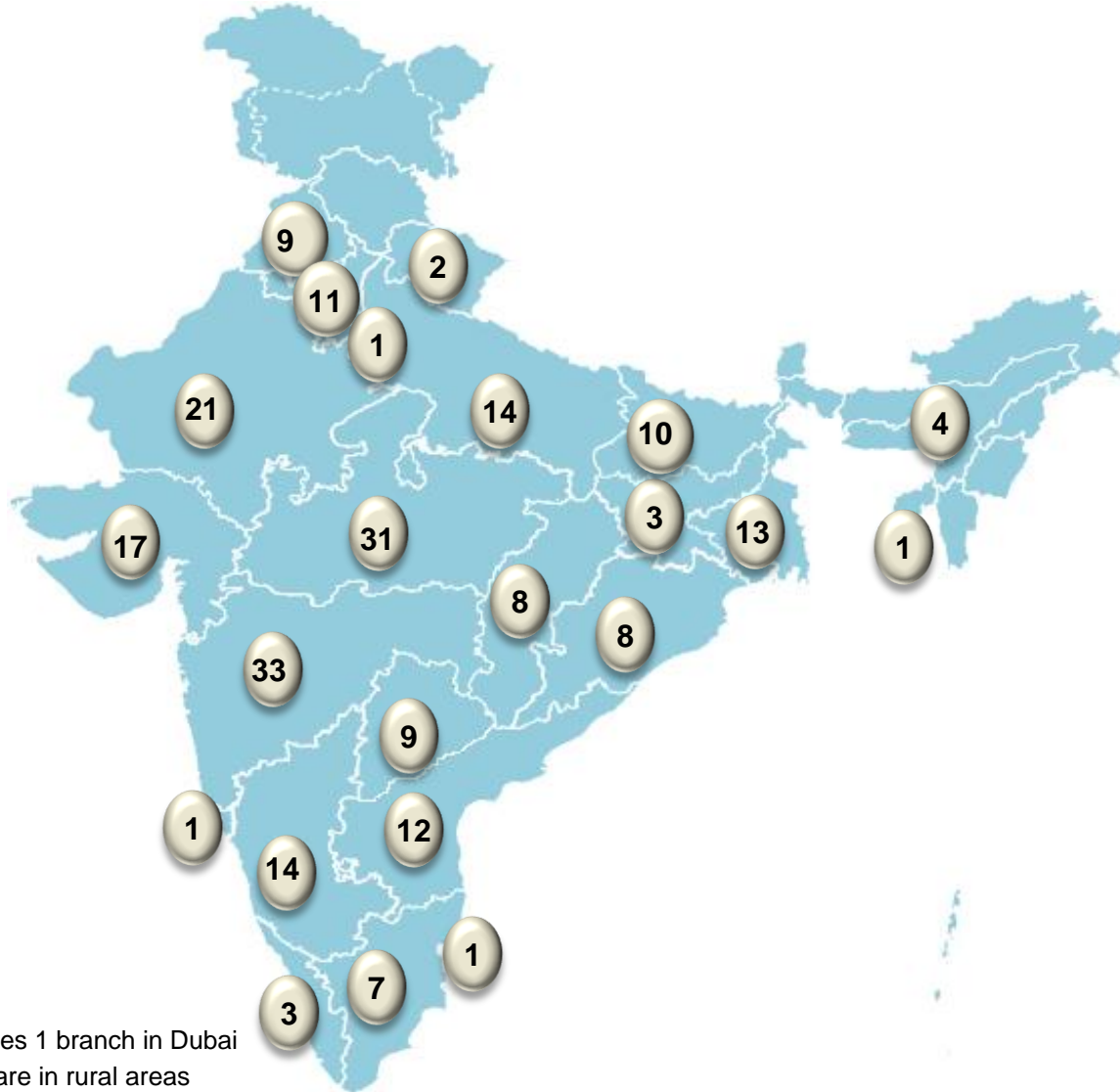
Sectors (Rs. Cr)	Q3FY18	Q3FY18 (% of Total)	Q2FY19	Q2FY19 (% of Total)	Q3FY19	Q3FY19 (% of Total)	Y-o-Y (%)
Renewable Power	15,272	44%	17,603	46%	18,409	47%	21%
Roads	7,878	23%	7,567	20%	7,874	20%	-
Power Transmission	1,079	3%	2,041	5%	1,373	4%	27%
Others <sup>1</sup>	10,436	30%	11,334	29%	11,130	29%	7%
<b>Total</b>	<b>34,666</b>	<b>100%</b>	<b>38,545</b>	<b>100%</b>	<b>38,787</b>	<b>100%</b>	<b>12%</b>

<sup>1</sup> Others includes DCM desk, infra project implementers, telecom, thermal power, healthcare, water treatment, select hotels etc.

# Product profile and Geographies

BUSINESS		Average Ticket Size	Average Tenor	Major Geographies
Rural	 <b>Farm Equipment</b>	Rs. 4 Lacs	49 months	MP, UP, Maharashtra, Karnataka, Telangana, AP, Bihar
	 <b>2 Wheeler</b>	Rs. 53k	25 months	Kolkata, Ahmedabad, Surat, Mumbai, Pune, Bangalore, New Delhi, Hyderabad
	 <b>Micro Loan</b> (Joint Liability Group)	Rs. 31k	24 months	TN, WB, Orissa, Kerala, Karnataka, Madhya Pradesh, Assam, Bihar
Housing	<b>Home Loan</b>	Rs. 40 Lacs	15 years	Mumbai, Delhi, Bangalore, Pune, Hyderabad, Chennai & Surat
	 <b>Loan against Property</b>	Rs. 56 Lacs	13 years	Mumbai, Pune, NCR, Hyderabad, Bangalore, Chennai

# LTFH branch footprint



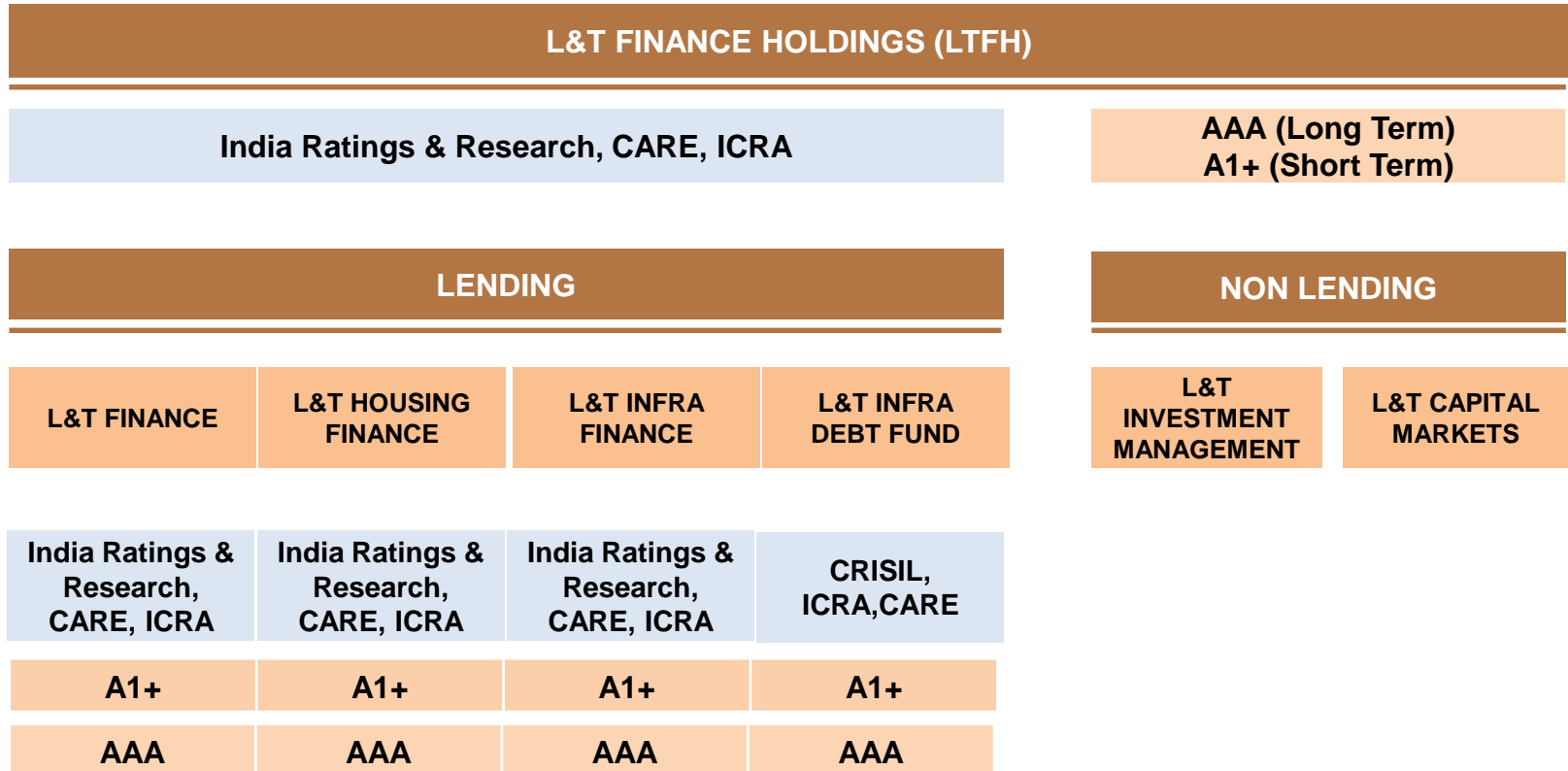
As of 31<sup>st</sup> December, 2018

No. of States & Union Territories	21 & 2
No. of branches*	234
No. of Micro Loans meeting centers**	1,181
No. of employees	21,177

\*Also includes 1 branch in Dubai

\*\*All these are in rural areas

# Corporate structure & Credit ratings



# AUM disclosure – Investment Management Business

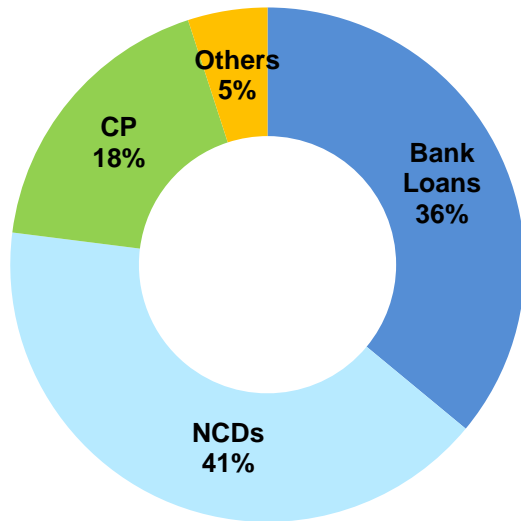
Assets under Management (Rs. Cr)						
Fund Type	Quarter ended Dec, 2017		Quarter ended Sept, 2018		Quarter ended Dec, 2018	
	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>	AUM <sup>1</sup>	Avg. AUM <sup>2</sup>
Equity (Other than ELSS)	30,093	26,177	35,403	37,073	37,229	35,855
Equity – ELSS	2,964	2,774	3,183	3,316	3,211	3,181
Income	15,770	16,454	13,759	14,176	13,617	13,176
Liquid	8,686	14,724	12,253	19,049	11,983	16,737
Gilt	168	184	131	140	133	131
<b>Total</b>	<b>57,681</b>	<b>60,313</b>	<b>64,729</b>	<b>73,754</b>	<b>66,173</b>	<b>69,080</b>

<sup>1</sup> As on the last day of the Quarter    <sup>2</sup> Average AUM for the Quarter



# Consolidated Debt: Well diversified into various instruments

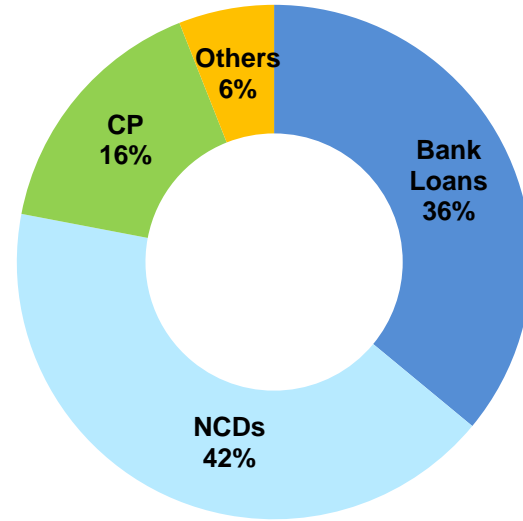
Q2FY19



Rs. 86,789 Cr

8.33%

Q3FY19



Rs. 87,818 Cr

8.50%

Consolidated Debt WAC

WAC is including Preference Capital

# Awards & Recognition



**Golden Peacock Award for  
"Excellence in Corporate Governance"**

(October, 2018)



**Asian Centre Awards for  
"Best Audit Committee"**

(October, 2018)



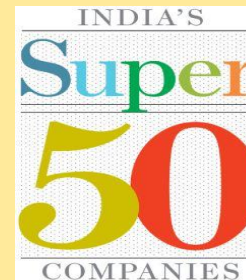
**The CII National HR Circle Competition  
2018 winner for "Management of Change  
& Excellence in HRM"**

(September, 2018)



**CNBC TV18 MF Award for  
"Equity Fund House of the Year"**

(September, 2018)



**L&T Finance Holdings featured in  
"Forbes Super 50 Companies"**

(August, 2018)

# Corporate Social Responsibility

*Directly linked to creating value*

## FOCUS: GENERATION OF SUSTAINABLE RURAL LIVELIHOODS

### Water resource management



#### Target Group

30,000 farmers directly

#### Intervention

Climate resilient agriculture, farmer capacity building, drought proofing – constructing water harvesting structures

#### Location

62 villages in Beed Latur, Solapur & Osmanabad districts of Maharashtra

### Digital financial inclusion



330 Digital Sakhis, 1600 women entrepreneurs and 1,50,000 rural population

Capacity building on digital financial literacy and Inclusion of 330 Digital Sakhis

102 villages in Maharashtra, Madhya Pradesh, Tamil Nadu and Odisha

**Focus on social returns on investment for stakeholder value creation**

# Board comprises majority of Independent Directors

## Board of Directors



**S. V. Haribhakti**, *Non-Executive Chairman, Independent Director*

- Chairman of New Haribhakti Business Services LLP
- 40 + years of experience in audit, tax and consulting



**Dinanath Dubhashi**, *Managing Director & CEO*

- 28+ years of experience across multiple domains in BFSI such as Corporate Banking, Cash Management, Credit Ratings, Retail Lending and Rural Financing



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

- Current whole time director & CFO of L&T Limited
- 30+ years of experience in finance, including audit and capital markets



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

- Retired IAS officer of the Andhra Pradesh Cadre (1973 Batch)
- Former Revenue Secretary; 40+ years experience across various positions in the Ministry of Finance



**Harsh C. Mariwala**, *Independent Director*

- Chairman of Marico Limited
- 30+ years of experience in building certain Consumer brands in India



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

- Former Managing Director of Life Insurance Corporation of India
- 36+ years of experience in Life Insurance Industry



**Nishi Vasudeva**, *Independent Director*

- Former Chairman and Managing Director of Hindustan Petroleum Corporation Ltd
- 30+ years of experience in Petroleum Industry



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

- Current Vice Chancellor of Symbiosis International University, Pune
- 30+ 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



**Prabhakar B.**, *Non-Executive Director*

- Former Chairman and Managing Director of Andhra Bank
- 37+ years of experience in the banking industry

# Management Team



**Dinanath Dubhashi**  
Managing Director & CEO  
28 yrs exp, BNP Paribas, SBI Cap, CARE



**Kailash Kulkarni**  
CE - Investment Management &  
Group Head - Marketing  
28 yrs exp, Kotak Mahindra AMC,  
Met Life, ICICI



**Sunil Prabhune**  
CE – Rural & CHRO  
20 yrs exp, ICICI Bank, GE, ICI



**Virender Pankaj**  
CE – Wholesale &  
Group Head – Sell down  
27 yrs exp, SBI



**Srikanth J**  
CE – Housing &  
Group Head – Central operations  
22 yrs exp, BNP Paribas,  
Commerz Bank AG



**Manoj Shenoy**  
CE - Wealth Management &  
Group Head – CSR  
28 yrs exp, EFG Wealth Mgmt,  
Anand Rathi



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



**Raju Dodti**  
CE – Special Situation Group &  
Group Head – Legal and Compliance  
20 yrs exp, IDFC Ltd, ABN Amro,  
Soc Gen



**S Anantharaman**  
Chief Risk Officer &  
Head – Internal Audit  
25 yrs exp, HDFC Bank, Al Ahli  
Bank of Kuwait, SBICI



**Soumendra Nath Lahiri**  
CIO – Investment Management  
26 yrs exp, Canara Robeco Mutual  
Fund, DSP Blackrock Investment  
Managers



**Shiva Rajaraman**  
CE – L&T Infra Debt Fund  
22 yrs exp, IDFC, Dresdner Kleinwort  
Benson



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

# Deliver sustainable RoE



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