

July 19, 2019

National Stock Exchange of India Limited

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

Symbol: L&TFH

BSE Limited

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

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 July 4, 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.

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**

Yashesh
Joshi

Apurva Rathod

Company Secretary and Compliance Officer

Encl: as above

L&T Finance Holdings Limited
Registered Office

Brindavan, Plot No. 177, C.S.T Road
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Strategy & Results Update – Q1FY20



L&T Financial Services

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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”**

Q1FY20 in perspective

Industry challenges

LTFH Response

Tough liquidity conditions

- ALM continues to be positive in all buckets upto 1 year
- Maintaining Rs.4,855 Cr in the form of cash, FDs and other liquid instruments
- Proactively diversified funding sources
 - Raised Rs. 1,000 Cr through retail NCD (in addition to Rs. 1,500 Cr in Q4FY19)
 - Raised USD 275 Mn in Tranche 1 as part of USD 550 Mn ECB issuance programme, led by IFC
- Already in compliance with key features of Draft Liquidity Risk Management Framework for NBFCs and CICs issued by RBI

Building a strong liability franchise through prudent ALM and diversified sources of funding

Solvency / Downgrades of certain companies

- Advantageously placed with AAA rating and strong parentage
- Resolved IL&FS: Rs. 1,696 Cr out of Rs. 1,816 Cr exposure will now be “Green”
- Exposure to a specific HFC: Mark down of 50% (Rs. 284 Cr) on the overall exposure of Rs. 567 Cr

Clear management action to decisively address contentious issues

Q1FY20 in perspective

Industry challenges	LTFH Response
<p data-bbox="182 772 457 801">Industry Slowdown</p>	<ul data-bbox="576 394 1949 1190" style="list-style-type: none"><li data-bbox="576 394 1949 496">• In line with our stated strategy, our primary focus is on portfolio quality and profitability by consistently strengthening the risk profile<li data-bbox="576 532 1949 704">• Protecting and further building strengths in our core businesses<ul data-bbox="623 604 1949 704" style="list-style-type: none"><li data-bbox="623 604 1949 704">✓ Enhanced strength by investing in footprint expansion, team quality enhancement, technology infrastructure and data analytics framework<li data-bbox="623 743 1949 843">✓ Focus on adjacencies and cross-sell: Refinance, top-up loans for existing good customers, used vehicle financing<li data-bbox="623 883 1949 915">✓ Identified businesses (SFG & DCM) where we are either a marginal player or have no “Right to Win”<li data-bbox="623 955 1949 1055">✓ Moved these businesses to defocused book under SSG team, which has shown success by running down the defocused book without impacting profitability<li data-bbox="576 1095 1949 1126">• Maintained market share by leveraging on business strengths<li data-bbox="576 1166 1949 1190">• Building two new business segments i.e. SME business loans and consumer loans

Building business strengths so that we are ready for growth when the market picks-up

LTFH Response

1

Liability management

2

Update on specific accounts

3

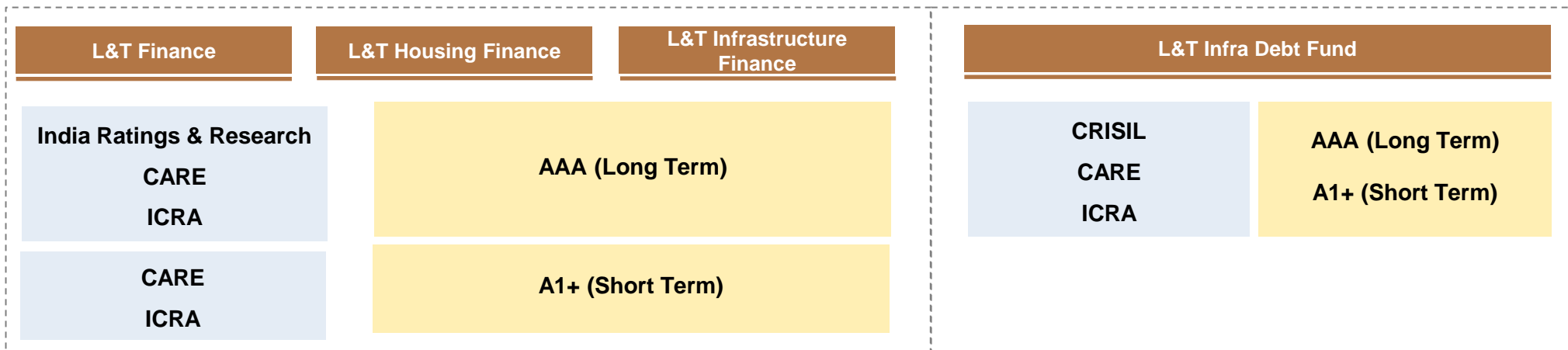
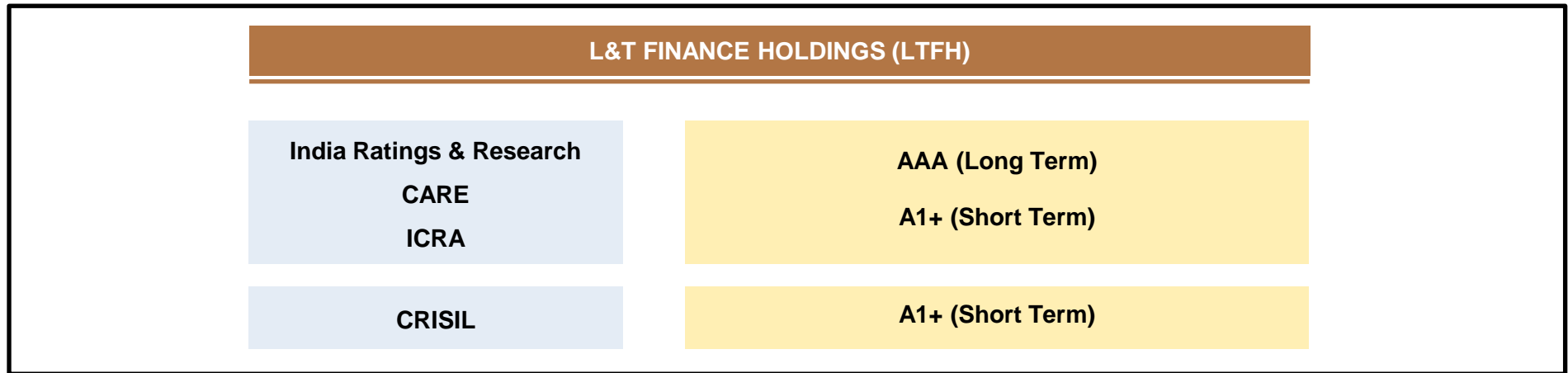
Building business strengths

Liability Management - Summary

- **Prudent ALM:** Strategy followed since Apr'17
 - ✓ Maintained positive liquidity gaps in all buckets till 1 year
 - ✓ Positive gaps maintained consistently even under '1 in 10' scenario in 1 month bucket
- **Liquidity:** Maintained liquidity of Rs. 13,133 Cr. including Rs. 4,855 Cr in the form of cash, FDs and other liquid instruments
- **Draft RBI guidelines on Liquidity Risk Management Framework**
 - ✓ Already in compliance with key features of draft regulations
- **Diversified funding through following:**
 - ✓ Retail NCD - Raised Rs. 1,000 Cr (in addition to Rs. 1,500 Cr in Q4FY19)
 - ✓ ECB - Raised USD 275 Mn in Tranche 1 as part of USD 550 Mn ECB issuance programme, led by IFC
- **Cost of funds:** Successfully raised the desired quantum and quality of funds at competitive rates

Advantageously placed with AAA rating and strong parentage

1.1 Credit rating – LTFH and subsidiaries

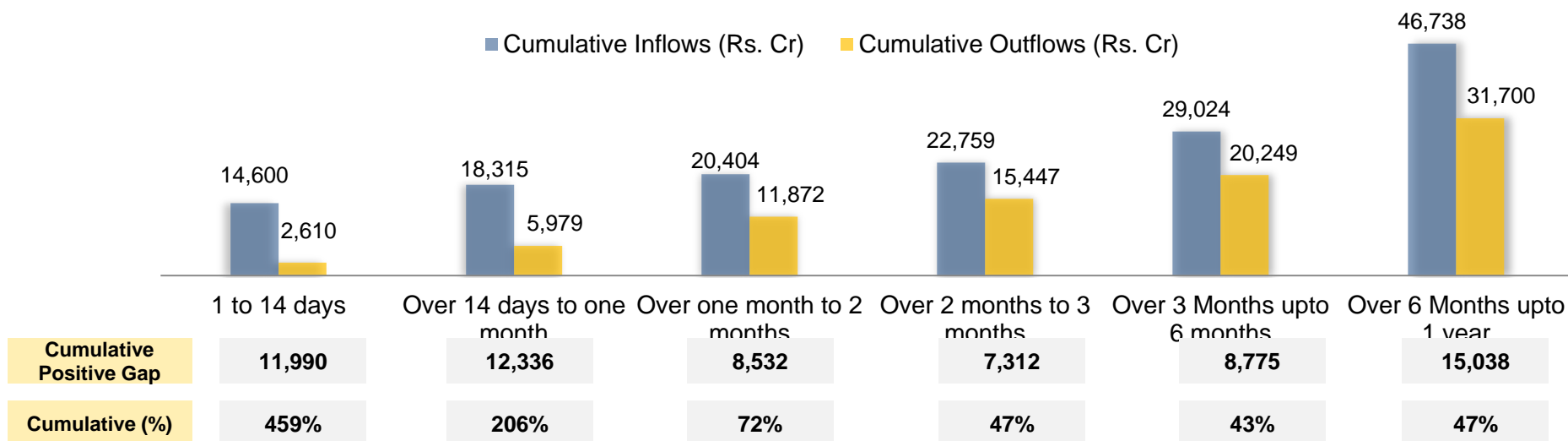


LTFH and all its lending subsidiaries are rated AAA

1.2 Prudent ALM

As on 30th June, 2019

Structural Liquidity statement



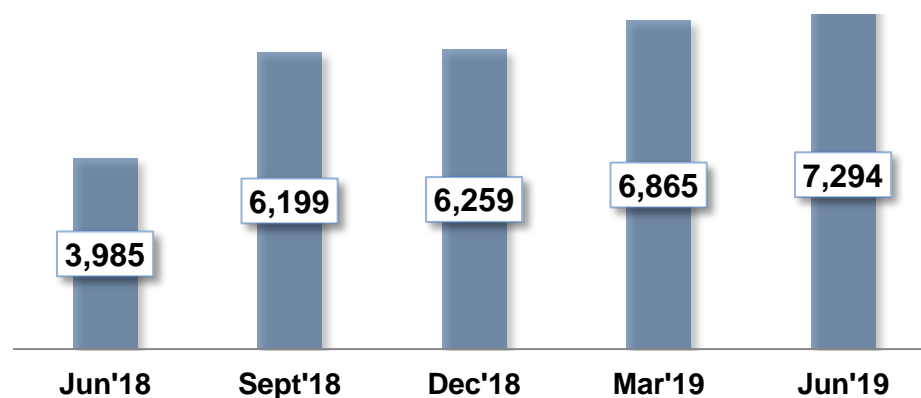
Interest Rate sensitivity statement

1 year Gap	Rs. Cr
Re-priceable assets	68,761
Re-priceable liabilities	58,033
Positive	10,728

Continue to maintain positive liquidity gaps in all buckets till 1 year

1.3 Structural Liquidity - Stress scenario

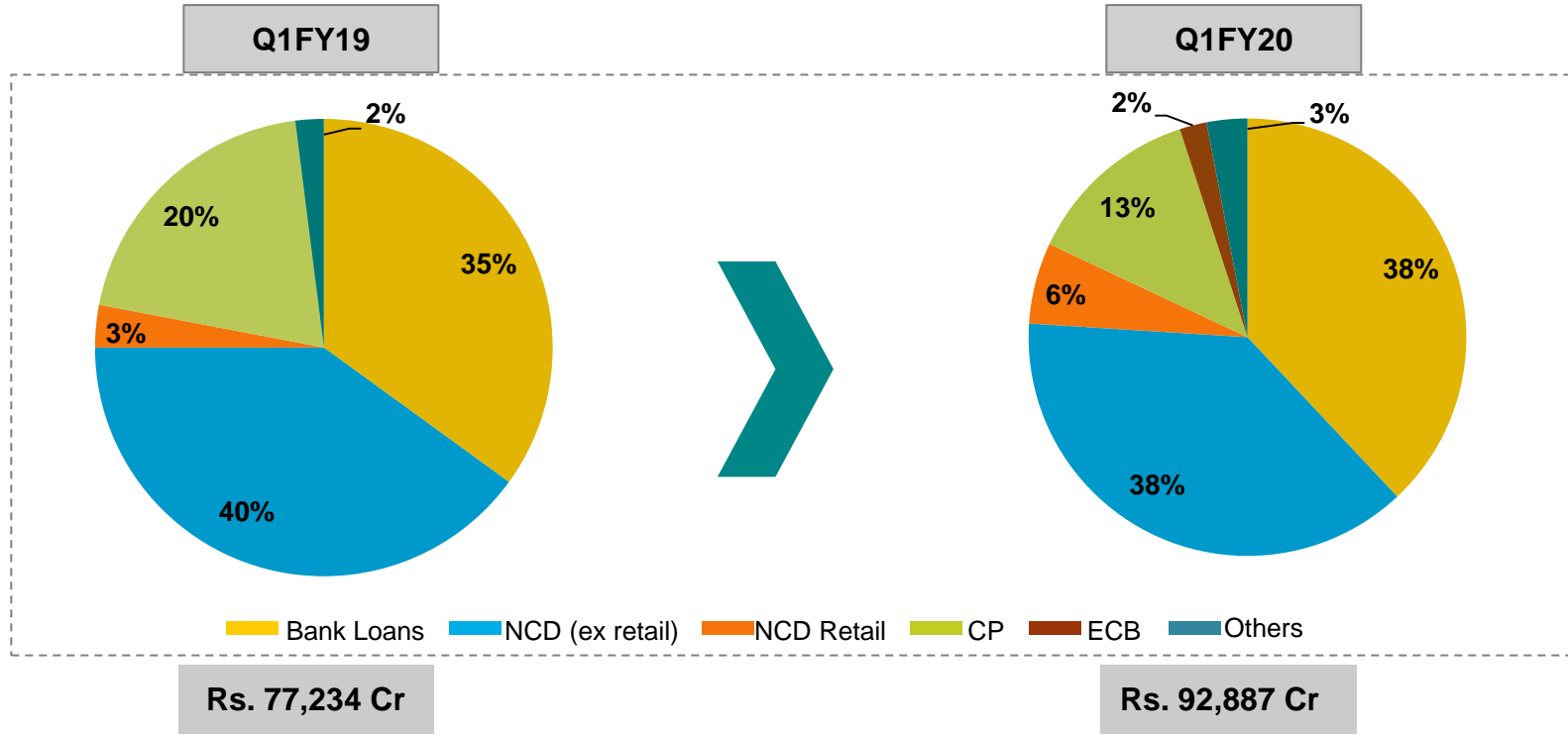
1 month positive gap in stress scenario



- ❖ Positive gaps maintained consistently even under '1 in 10' scenario in 1 month bucket
- ❖ As of Jun'19, Rs.13,133 Cr of liquidity is maintained through the following:
 - Rs. 4,855 Cr in the form of cash, FDs and other liquid instruments
 - Undrawn bank lines of Rs. 6,278 Cr
 - Back up line from L&T of Rs. 2,000 Cr

LTFH is already in compliance with key features of Draft Liquidity Risk Management Framework for NBFCs and CICs issued by RBI

1.4 Well diversified liability mix

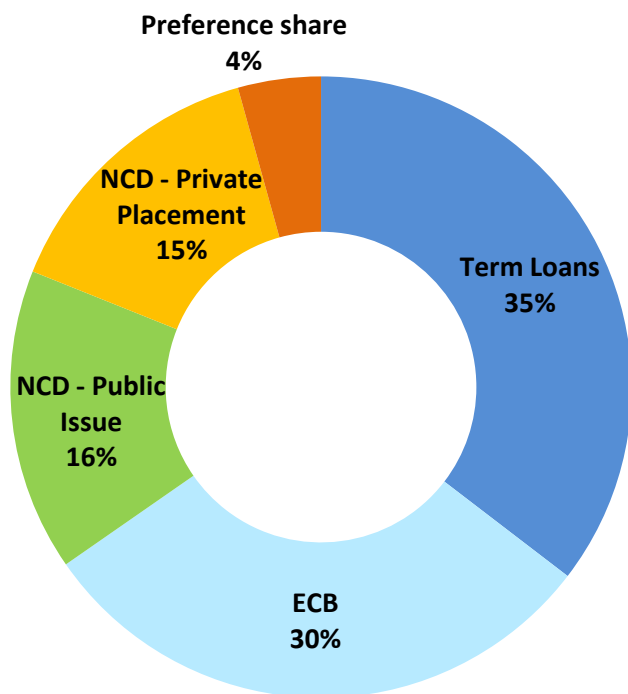


❖ **Diversified funding profile through:**

- Retail NCD - Raised Rs. 1,000 Cr (in addition to Rs. 1,500 Cr in Q4FY19)
- ECB - Raised USD 275 Mn in Tranche 1 as part of USD 550 Mn ECB issuance programme, led by IFC

Further diversify funding through USD bonds, Masala bonds etc.

1.5 Incremental long-term borrowing in Q1 FY20



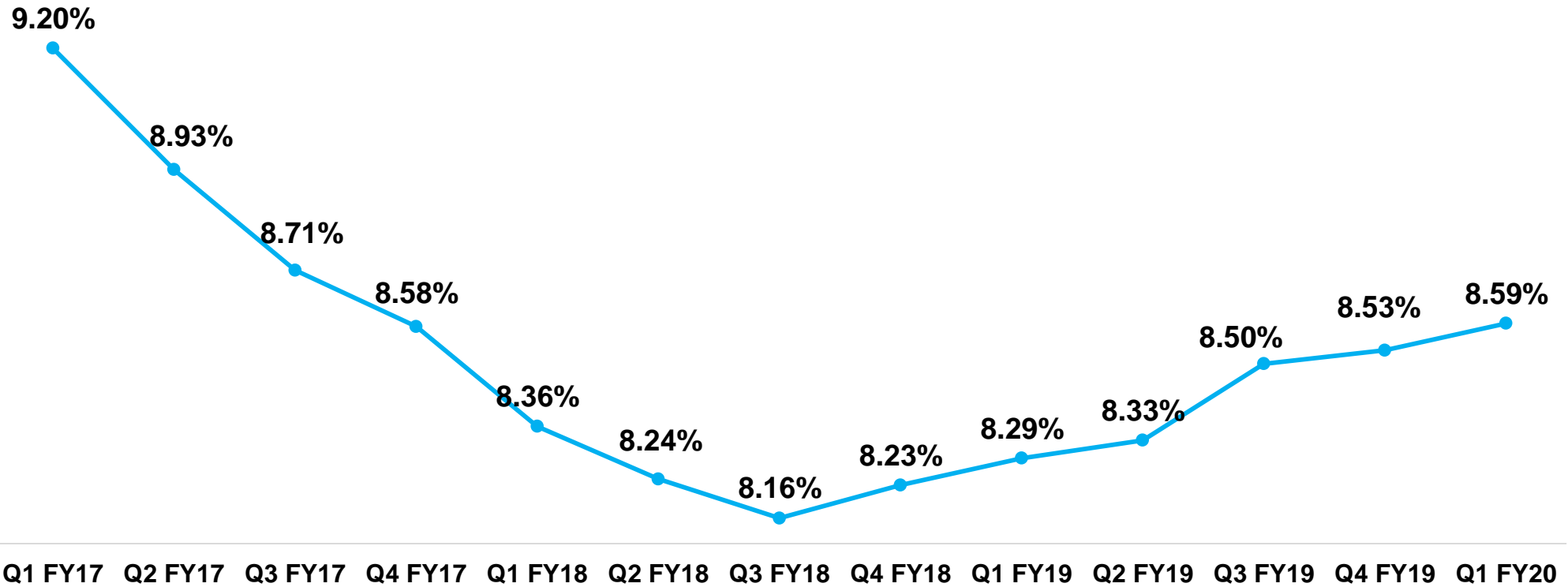
Rs. 6,355 Cr

Incremental Long Term Borrowing	
Products	Rs. Cr
Term Loans	2,250
ECBs	1,902
NCD – Public Issue	1,000
NCD – Private Placement	929
Preference shares	274
Total	6,355

Strategically diversified funding to non-conventional sources (Retail NCD and ECB)

1.6 Well managed liability cost

Q-o-Q movement in WAC



Successfully raised the desired quantum and quality of funds at competitive rates

LTFH Response

1

Liability management

2

Update on specific accounts

3

Building business strengths

2.1 IL&FS – Validation of our business model

Break up of LTFH's exposure

31st March 2019

	Exposure (Rs. Cr)	SPVs
Green Entities	178	2
Amber Entities	1,612	4
Red Entities	No exposure	NIL

Current Status

	Exposure (Rs. Cr)	SPVs
Green Entities	1,696	5
Amber Entities	120	1
Red Entities	No exposure	NIL

Timelines

- **Q4FY19:** As a matter of commercial prudence, LTFH decided to defer interest accrued on amber entities for an amount of Rs. 84 Cr
- **May 2019:** NCLAT permitted ILFS / Union of India to discuss terms with lenders to convert “Amber” to “Green”
- **July 2019:** Term sheets for 3 Amber entities (Rs.1492 Cr out of Rs.1612 Cr) have been signed by IL&FS to convert to “Green” and the execution of the binding documents is in progress to release overdue payments to the lenders from the Escrow accounts in line with NCLAT order.
- Recognised Rs. 84 Cr of interest income deferred for Q3 and Q4 FY19

93% of our exposure (Rs.1,696 Cr of Rs.1,816 Cr) will now be “Green”

2.2 Exposure to a specific HFC – Downgraded to D

- Exposure to securities of a specific HFC was taken as part of DCM business when it was rated AAA
- Subsequently, the HFC was downgraded to “D”
- LTFH has principal outstanding investment exposure of Rs.525 Cr to the HFC with interest accrued of Rs. 42 Cr
- Considering the recent market development with the HFC, LTFH has taken a conservative and commercially prudent view to take mark down of 50% (Rs. 284 Cr) on the total exposure of Rs 567 Cr

As a measure of commercial prudence and taking a conservative view, mark down of 50% is taken

LTFH Response

1

Liability management

2

Update on specific accounts

3

Building business strengths

Building Business Strength



Maintained market share by building and protecting strength in our core businesses

**Market
Share**



Improved portfolio quality by strengthening the risk profile

**Portfolio
Quality**



Business realignment with focus on 'Right to Win'

**Right to
Win**

1.1 Building and protecting strength

Rural Finance

Market Share

Industry

LTFH



Farm

- Industry sales down by 10% - 15%
- Higher inventory level on account of overstocking
- Delayed and uneven rainfall in addition to lower reservoir level

- De-growth in disbursement by 5% while book grew by 20%
- Maintained market share by increasing business presence through focus on refinance, top up & used tractor



2W

- Sales de-growth of 10-15% with higher impact for leading players
- Increase in price of two-wheelers due to regulatory changes

- Increase in disbursement by 14% with book growth of 55%
- Diversification through tie-up with other OEM's
- Innovative products to target unfinanced low risk customers



Micro Loans

- Industry de-growth of 15-20% on account of slowdown in rural economy coupled with disruption on account of election
- Delayed monsoons leading to delay of consumption / investment decision

- Disbursement trend in line with industry with de-growth of 13% while book grew by 37%
- Took cautious approach due to election
- Focus on under penetrated geographies and under leveraged customers

• **Maintained market share despite challenges in the sector**

• **Even though disbursement growth is subdued, book has seen healthy growth**

1.2 Building and protecting strength

Housing Finance

Market Share

Industry

LTFH



- Steady retail sales in top cities
- Reduction in GST and increase in limit of interest deduction for affordable housing
- Drop in share of HFC and NBFCs due to liquidity crisis

- Disbursement growth of 12% with growth in salaried segment by 49%
- Higher share of sourcing in projects of Cat A developers
- Focus on direct sourcing through CF/APF & pre-approved loans



- Major industry players are taking cautious approach
- Share of small NBFC's has increased as they are focusing on self-employed customers

- Disbursements continue to decline as we maintain a guarded approach through tighter credit policy
- Cautious approach as SME segment continue to be risk averse



- Limited disbursements from NBFCs/HFCs on account of liquidity crunch
- Increase in market share of Cat A developers
- Smaller developer continue to see consolidation

- Continue disbursement to existing projects with focus on project completion
- New sanctions targeted very selectively to Cat A developers with stringent guardrails

Continue to focus on Cat A developers with stringent guardrails

1.3 Building and protecting strength

Infrastructure Finance

Market Share

Industry

- Sustained momentum in renewable sector (solar and wind)
- Majority of projects financed by NBFCs & FIs
- NHAI - Invited bids for Rs. 50 Bn under ToT scheme

LTFH

- Stable disbursement with focus on sell down
- Focus on key sectors: Road, Renewable and Transmission
- Continue to maintain market share in renewable sector
- Internal framework in place for evaluating opportunities in ToT



Infrastructure Finance

Market leadership position maintained in identified sectors with strong pipeline in place

2.1 Strengthened risk profile

Rural Finance

Portfolio
Quality

Actions taken to ensure quality portfolio



Farm

- Focus on under penetrated states with better macro-economic indicators
- Use of data analytics for OEM classification and to identify areas of business growth with preferred OEMs
- Periodical recalibration of underwriting model based on loan tenure, ticket size, geography & climate patterns



2W

- Well diversified portfolio across OEMs
- Parameterized scorecard based model – improved performance with each of the new generation scorecards
- Periodical recalibration of underwriting model based on loan tenure, LTV and geography



Micro Loans

- Focus on under penetrated geographies with low customer indebtedness and number of lenders
- Use of data analytics to formulate ideal group size and composition through system controls
- Periodical recalibration of sourcing based on overall customer indebtedness, customer behavior and geography

Dynamic approach has demonstrated improvement in portfolio quality and reduction in GS3

2.2 Strengthened risk profile

Real Estate

Portfolio
Quality

Market Developments	Impact	LTFH Risk Mitigation Strategy
Demonetisation, GST & RERA	<ul style="list-style-type: none"> Affected smaller developers Higher impact in Tier II and Tier III cities 	<ul style="list-style-type: none"> Focus on funding to Category A developers Present in 6 cities with presence of stronger developers
Change in market cycle	<ul style="list-style-type: none"> Cyclical segments like Luxury affected Regions with higher speculator demand saw highest impact on sales 	<ul style="list-style-type: none"> Focus on funding in mid and affordable stage which are less cyclical Lending in luxury segment / regions driven by speculators done selectively in mid & late stage projects with definite financial closure
Liquidity	<ul style="list-style-type: none"> Funding not available to developers from certain lenders 	<ul style="list-style-type: none"> Sole lenders in 97% of projects financed
Project completion	<ul style="list-style-type: none"> Certain projects are stuck for lack of financial closure 	<ul style="list-style-type: none"> Dedicated in-house research team to determine sales and cash flow Adequate funding to ensure project completion while maintaining strong cash flow and security cover


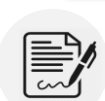
Using knowledge repository of L&T ecosystem, to identify CAT A developers & build our monitoring framework

2.3 Strengthened risk profile

Infrastructure Finance

Portfolio
Quality

Under Construction Projects: Key Risk and Mitigant

	Equity Risk	Promoter equity brought upfront
	Land Risk	Majority of land acquired upfront
	PPA Risk	PPA in place
	Evacuation Risk	Planning done upfront for load flow study and CTO connected projects
	Forex Risk	Hedging done upfront
	Cash Flow Risk post completion	Undertake projects with predictable cash flows and minimum market risk (HAM, Annuity, etc.)

Operational Projects



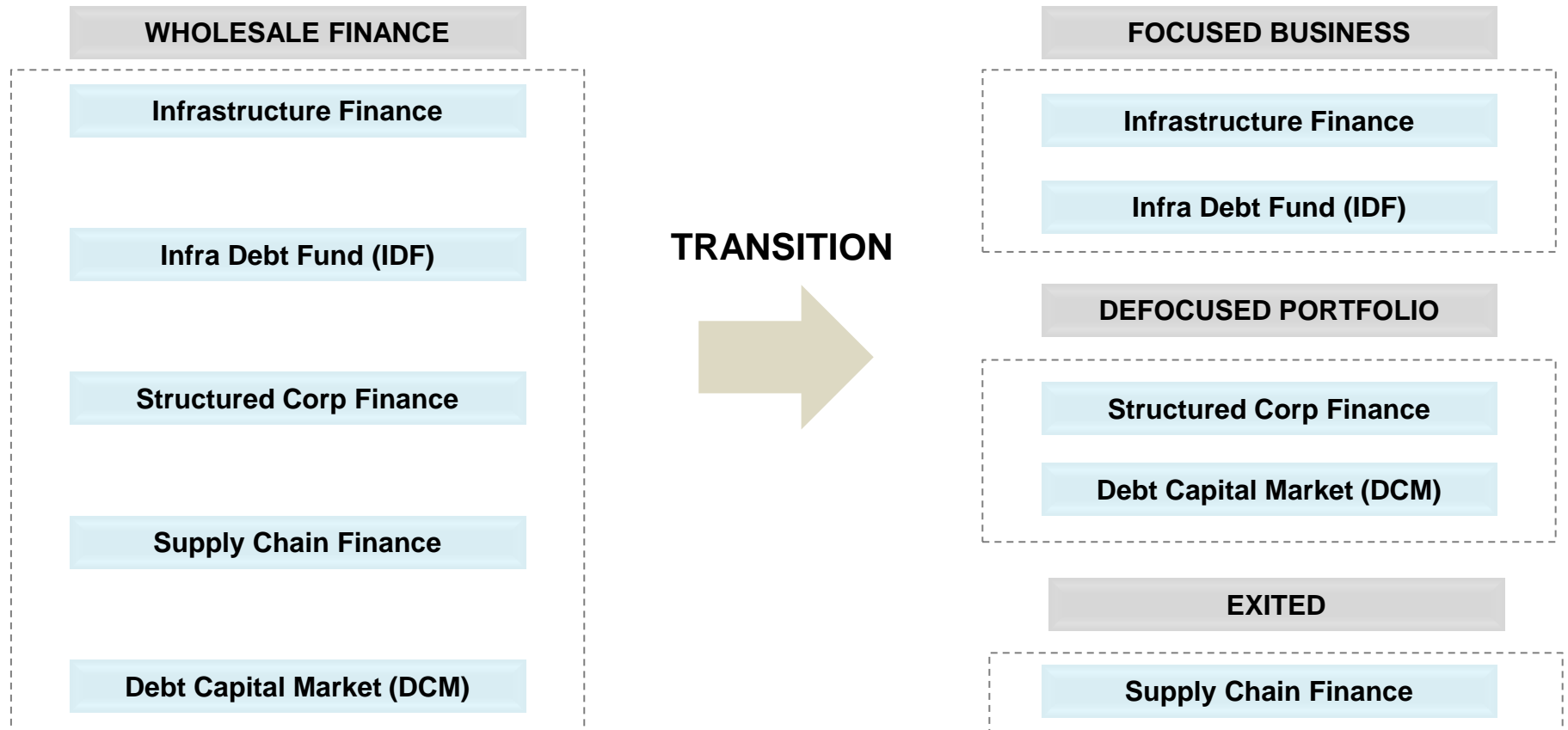
Cash Flow Risk

- Projects with established cashflow history
- Structuring loan tenor to match project cashflow
- Conservative underwriting assumptions to factor cashflow volatility, delayed payments etc
- No dependence on promoter equity for project maintenance, etc

Focus on cash flow based underwriting and strong project monitoring has resulted in Nil GS3 since 2012

3.1 Focus on 'Right to Win'

Right to Win



- SFG and DCM, where we are marginal players with no 'Right to Win' have been moved to defocused book
- Special Situation Group (SSG) has done a remarkable job in running down defocused book from 8% to 1% in last 3 years. Henceforth, they will be responsible for running down the SFG and DCM portfolio

3.2 Book composition

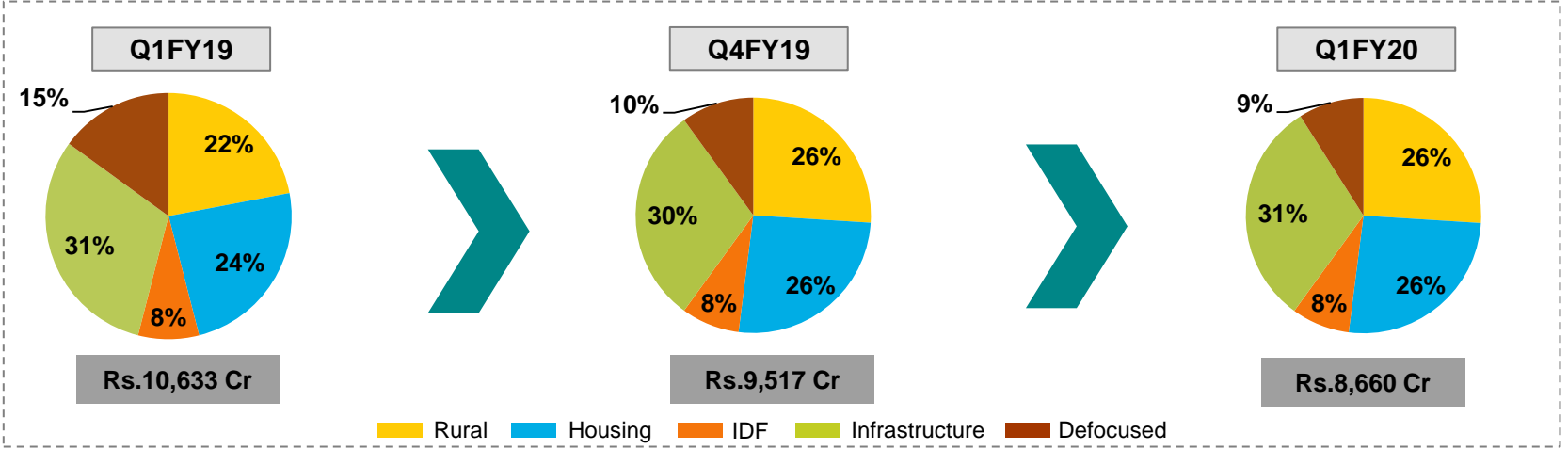
Right to Win

ASSET MIX

FY16 to FY19: Successful rundown of defocused book



FY20 onwards: SFG and DCM have now been moved to defocused book

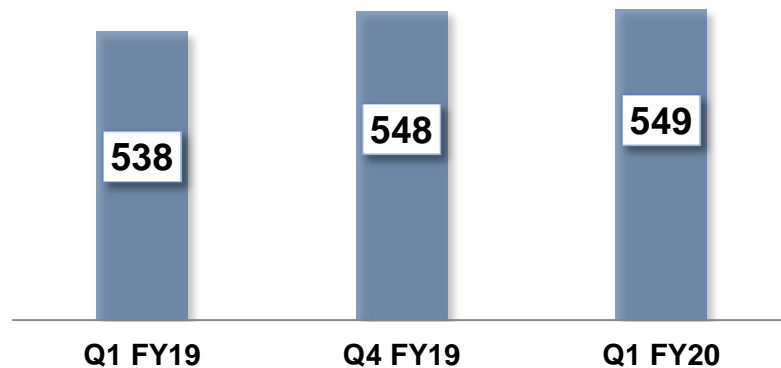


Financial Update

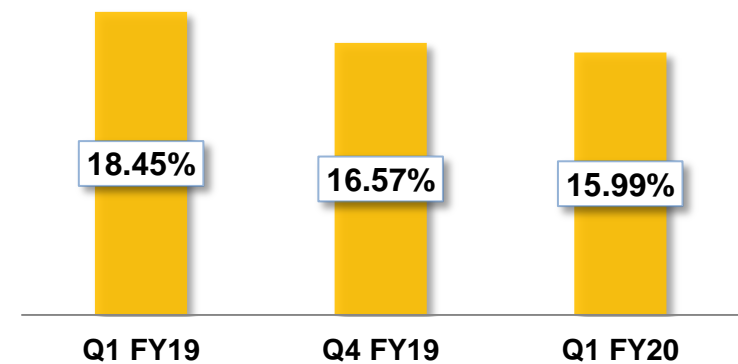
Our Delivery – PAT & RoE

PAT

(Rs. Cr)



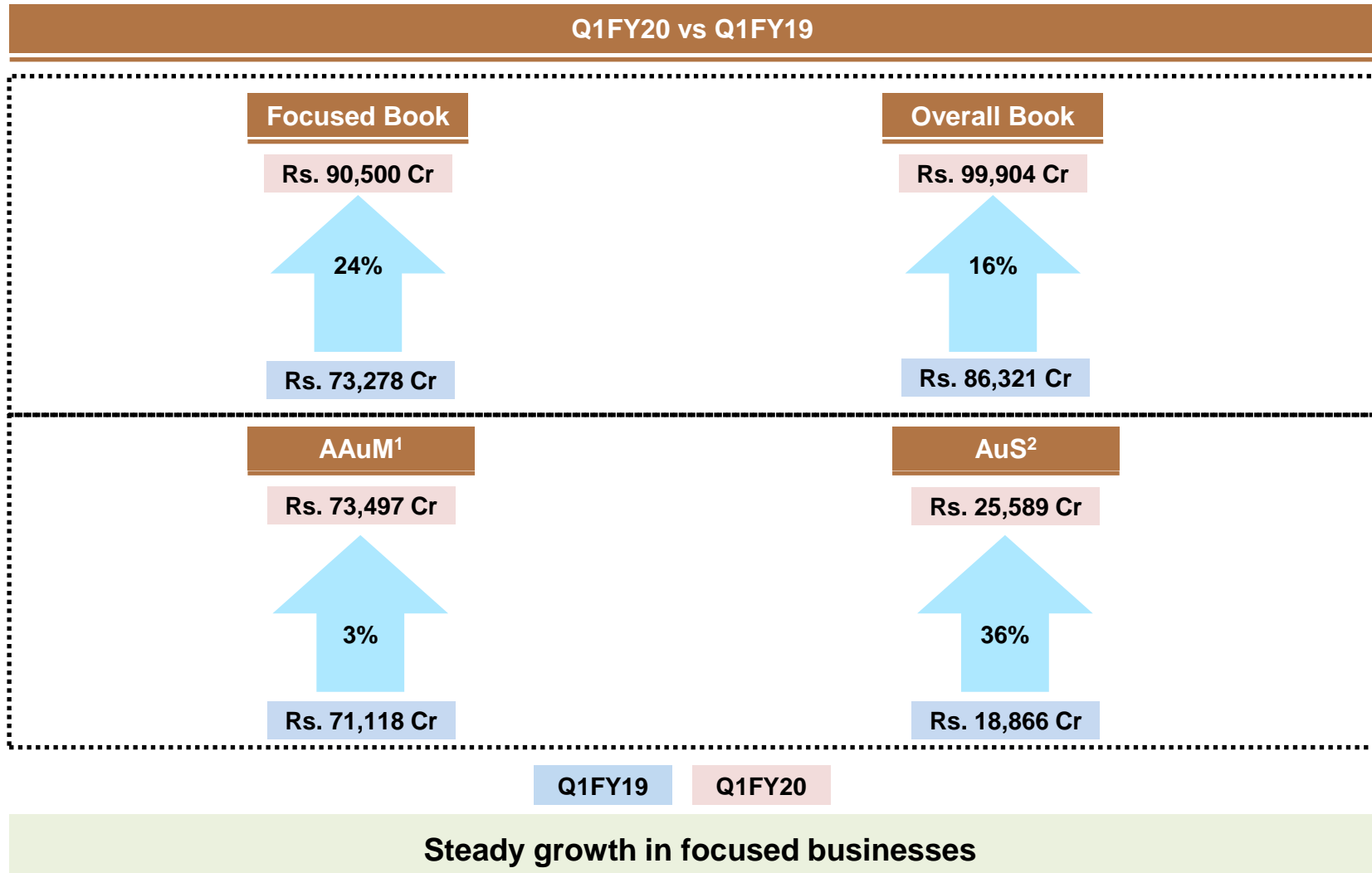
RoE



Q1 FY20 results include one time adjustment of the following:

- Rs. 84 Cr of interest income for IL&FS that was deferred in Q4FY19 is now recognised
- Mark down of Rs 284 Cr towards exposure to a specific HFC

Financial Performance



¹ Investment Management – AAuM (quarterly average)

² Wealth Management – Closing AuS

Growth in focused businesses

Lending Businesses



Rural Finance



Housing Finance



Infrastructure Finance

Non Lending Businesses



Investment Management



Wealth Management

Q1FY19

Q1FY20

Book

35%

28%

14%

Disbursements

6%

14%

3%

AAuM¹

3%

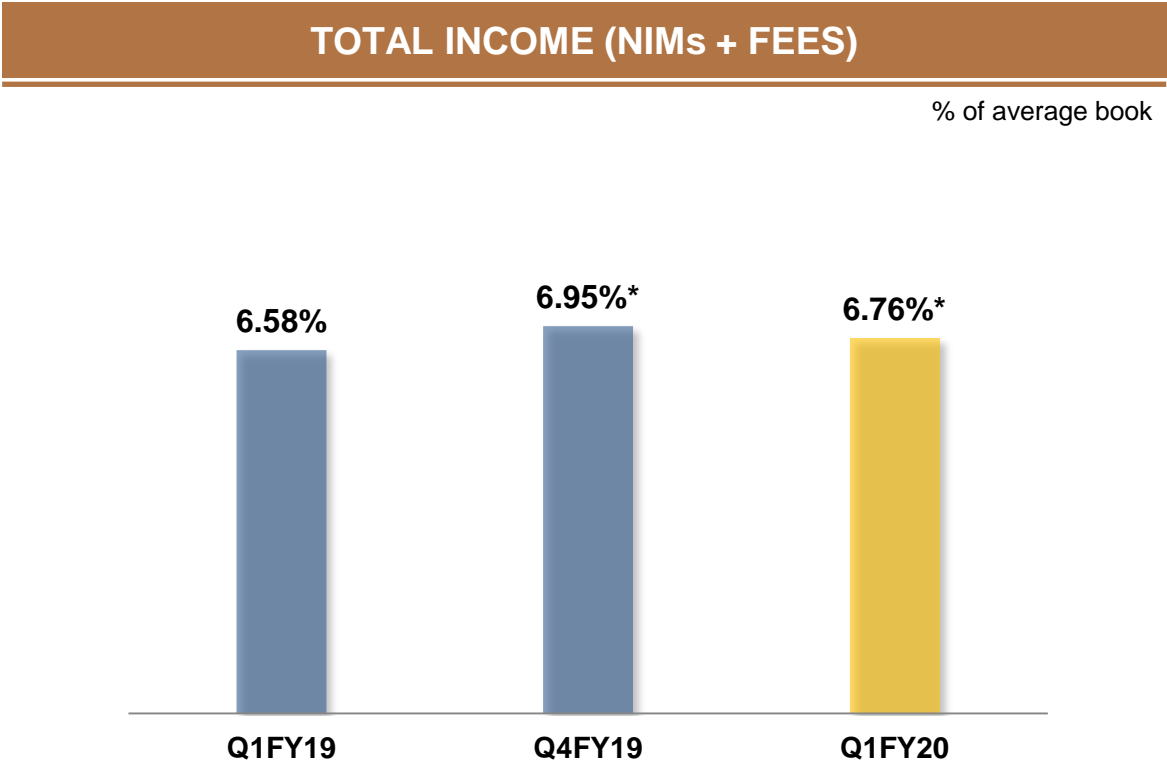
AuS²

36%

¹ Investment Management – AAuM (quarterly average)

² Wealth Management – Closing AuS

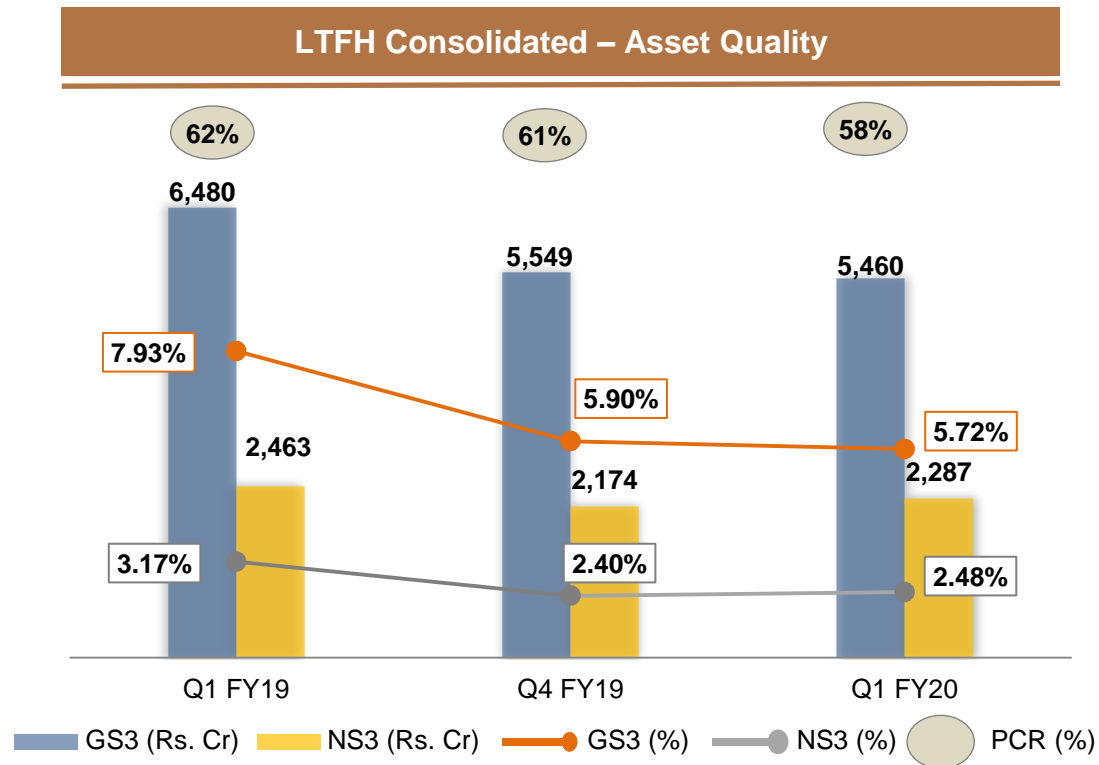
NIMs + Fee Income



Steady 'NIMs + Fees' by maintaining positive interest rate gaps

* Normalising for the impact of IL&FS
Actuals without normalization: Q4FY19 - 6.77% | Q1FY20 - 7.10%

Strengthening Balance sheet – Asset Quality



Macro-prudential provisions of Rs. 350 Cr for unanticipated future event risk, over and above the expected credit losses on GS3 assets and standard asset provisions

LTFH consolidated – Capital allocation and RoE bridge

Q1 FY19			Business Segments (Rs. Cr)	Q1 FY20			PAT Y-o-Y (%)
PAT	Net Worth	RoE		PAT	Net Worth	RoE	
193	2,986	28.04%	Rural Finance	252	3,962	26.20%	30%
166	2,700	25.70%	Housing Finance	208	3,874	22.07%	25%
77	3,426	9.03%	Infrastructure Finance	230	4,945	19.31%	199%
437	9,112	19.93%	Lending Business	690	12,781	22.29%	58%
2	855	-	Investment Management	66	1,020	-	-
3	47	-	Wealth Management	1	53	-	-
442	10,014	18.29%	Focus Business Total	757	13,853	22.56%	71%
112	2,010	-	De-focused Business	(174)	1,344	-	-
554	12,024	18.86%	Businesses Total	582	15,197	15.60%	5%
(16)	(72)	-	Others	(34)	(1,210)	-	-
538	11,952	18.45%	LTFH Consol	549	13,988	15.99%	2%

Conclusion (1/2)

Liquidity and liability management

- ❖ AAA rating with strong parentage and diversification strategy has helped LTFH to raise adequate liabilities at a competitive rate
- ❖ Prudent ALM policy and adequate high quality liquid assets serves as an assurance of liquidity
- ❖ Budget measures clearly favouring sound NBFCs have enhanced the confidence of the market in these institutions.
- ❖ Slew of measures by RBI to further tighten regulations likely to bring more confidence in the sector

LTFH will continue with its strategy of prudent ALM and diversification of liability sources

Exposure to IL&FS and a specific HFC


- ❖ With IL&FS being resolved and exposure to HFC adequately provided for considering the worst case scenario, LTFH believes that both these issues are behind us

Conclusion (2/2)

Building business strengths

- ❖ While we saw market slowdown in many of the business segments in Q1FY20, we have achieved the following:
 - ❖ Maintained market share
 - ❖ Invested more in our core businesses
 - ❖ Moved SFG and DCM, where we didn't have 'Right to Win', into defocused book with specific push on running them down quickly
 - ❖ Primary focus on portfolio quality and profitability. We have further tightened credit norms, early warning signal (EWS) framework, monitoring and collection mechanism

With strong balance sheet, improved portfolio quality and strong PCR, LTFH is building strengths to take advantage of the eventual turnaround in the industry



Appendix



L&T Financial Services

LTFH Consolidated – Summary financial performance

Performance summary				
Q1FY19	Summary P&L (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y (%)
2,564	Interest Income	3,046	3,287	28%
1,512	Interest Expense	1,832	1,918	27%
1,052	NIM	1,215	1,369	30%
359	Fee & Other Income	403	396	10%
1,411	Total Income	1,618	1,765	25%
330	Operating Expense	405	422	28%
1,081	Earnings before credit cost	1,213	1,342	24%
356	Credit Cost*	457	595	67%
538	PAT	548	549	2%

Q1FY19	Particulars (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y(%)
86,321	Book	99,121	99,904	16%
11,952	Networth	13,449	13,988	17%
60	Book Value per share (Rs.)	67	70	17%

*Credit cost in Q1 FY20 includes one time mark down of Rs. 284 Cr towards exposure to a specific HFC

LTFH Consolidated – Key ratios

Key ratios			
Q1FY19	Key Ratios	Q4FY19	Q1FY20
11.95%	Yield	12.75%	13.22%
4.90%	Net Interest Margin	5.08%	5.51%
1.67%	Fee & Other Income	1.69%	1.59%
6.58%	NIM + Fee & Other Income	6.77%	7.10%
1.54%	Operating Expenses	1.70%	1.70%
5.04%	Earnings before credit cost	5.07%	5.40%
1.66%	Credit cost*	1.91%	2.39%
2.42%	Return on Assets	2.14%	2.07%
6.27	Debt / Equity	6.50	6.16
18.45%	Return on Equity	16.57%	15.99%

Entity	Tier I	Tier II	CRAR
Consolidated CRAR ratio	15.05%	3.33%	18.38%

*Credit cost in Q1 FY20 includes one time mark down of Rs. 284 Cr towards exposure to a specific HFC

Lending Business – Business wise disbursement split

Disbursement				
Q1FY19	Segments (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y (%)
915	Farm Equipment	845	874	-5%
952	2W Finance	1,262	1,090	14%
2,613	Micro Loans	2,705	2,268	-13%
4,480	Rural Finance	4,812	4,232	-6%
590	Home Loans	808	661	12%
295	LAP	227	188	-36%
1,572	Real Estate Finance	2,013	1,275	-19%
2,458	Housing Finance	3,047	2,123	-14%
3,126	Infrastructure Finance	4,256	3,252	4%
222	Infra Debt Fund (IDF)	340	-	-100%
3,348	Infrastructure Finance	4,596	3,252	-3%
10,286	Focused Business	12,455	9,608	-7%
4,747	De-focused	319	-	-100%
15,033	Total Disbursement *	12,774	9,608	-36%

Lending Business – Business wise book split

Book				
Q1FY19	Segments (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y (%)
6,199	Farm Equipment	7,362	7,463	20%
3,771	2W Finance	5,739	5,857	55%
9,109	Micro Loans	12,476	12,524	37%
19,079	Rural Finance	25,577	25,845	35%
4,913	Home Loans	6,243	6,615	35%
4,195	LAP	4,249	4,217	1%
11,248	Real Estate Finance	15,027	15,201	35%
20,356	Housing Finance	25,519	26,033	28%
26,524	Infrastructure Finance	29,460	30,315	14%
7,318	Infra Debt Fund (IDF)	8,201	8,307	14%
33,843	Infrastructure Finance	37,660	38,623	14%
73,278	Focused Business	88,756	90,500	24%
13,043	De-focused	10,365	9,403	-28%
86,321	Total Book*	99,121	99,904	16%

Rural Finance – Summary financial performance

Performance summary				
Q1FY19	Summary P&L (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y (%)
823	Interest Income	1,155	1,195	45%
316	Interest Expense	421	469	48%
507	NIM	734	726	43%
74	Fee & Other Income	90	109	48%
581	Total Income	824	835	44%
137	Operating Expense	222	258	88%
443	Earnings before credit cost	602	577	30%
186	Credit Cost	252	223	20%
193	PAT	250	252	30%

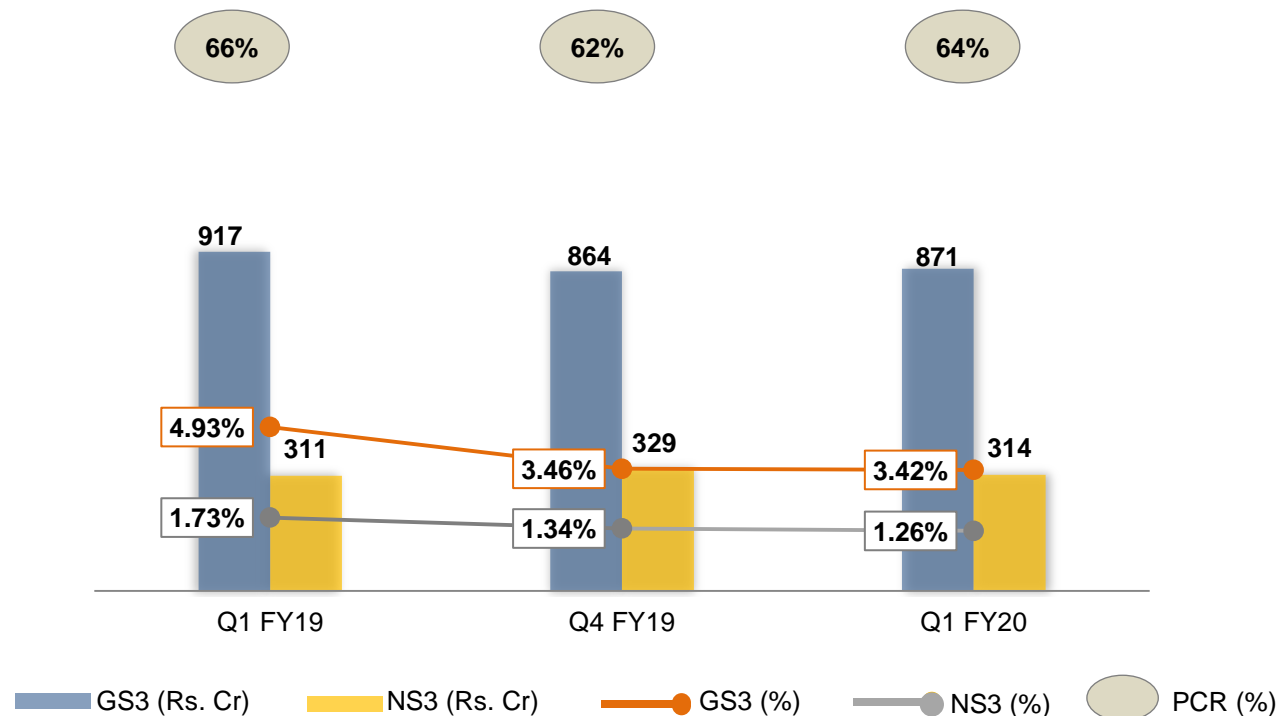
Q1FY19	Particulars (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y (%)
19,079	Book	25,577	25,845	35%
2,986	Networth	3,719	3,962	33%

Rural Finance – Key ratios

Key ratios				
Q1FY19	Key ratios	Q4FY19	Q1FY20	
18.33%	Yield	18.85%	18.54%	
11.28%	Net Interest Margin	11.97%	11.32%	
1.64%	Fee & Other Income	1.48%	1.70%	
12.93%	NIM + Fee & Other Income	13.45%	13.02%	
3.05%	Operating Expenses	3.62%	4.02%	
9.87%	Earnings before credit cost	9.83%	9.00%	
4.14%	Credit cost	4.11%	3.48%	
4.30%	Return on Assets	3.98%	3.89%	
5.24	Debt / Equity	5.67	5.41	
28.04%	Return on Equity	27.12%	26.20%	

Rural Finance - Asset quality

Rural - Asset Quality



Macro-prudential provisions of Rs. 235 Cr for unanticipated future event risk, over and above the expected credit losses on GS3 assets and standard asset provisions

Housing Finance – Summary financial performance

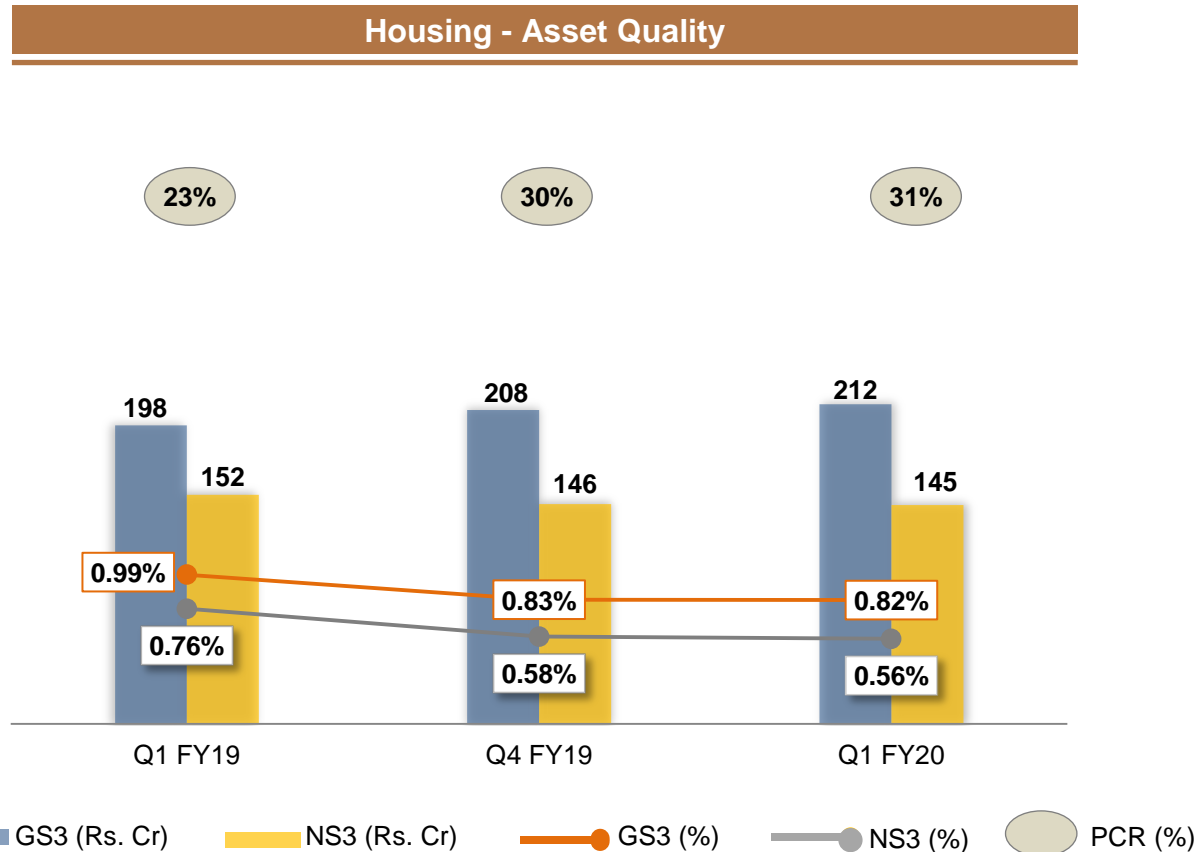
Performance Summary				
Q1FY19	Summary P&L (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y (%)
597	Interest Income	777	828	39%
343	Interest Expense	428	484	41%
254	NIM	349	344	35%
77	Fee & Other Income	63	62	-19%
331	Total Income	412	407	23%
38	Operating Expense	46	59	57%
293	Earnings before credit cost	365	347	18%
66	Credit Cost	38	58	-12%
166	PAT	229	208	25%

Q1FY19	Particulars (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y (%)
20,356	Book	25,519	26,033	28%
2,700	Networth	3,667	3,874	43%

Housing Finance – Key ratios

Key ratios			
Q1FY19	Key ratios	Q4FY19	Q1FY20
12.12%	Yield	12.90%	12.90%
5.16%	Net Interest Margin	5.79%	5.36%
1.56%	Fee & Other Income	1.05%	0.97%
6.72%	NIM + Fee & Other Income	6.84%	6.33%
0.76%	Operating Expenses	0.77%	0.92%
5.95%	Earnings before credit cost	6.07%	5.41%
1.34%	Credit cost	0.64%	0.90%
3.21%	Return on Assets	3.51%	3.01%
6.61	Debt / Equity	5.99	5.84
25.70%	Return on Equity	26.85%	22.07%

Housing Finance - Asset quality



Macro-prudential provisions of Rs. 115 Cr for unanticipated future event risk, over and above the expected credit losses on GS3 assets and standard asset provisions

Infrastructure Finance – Summary financial performance

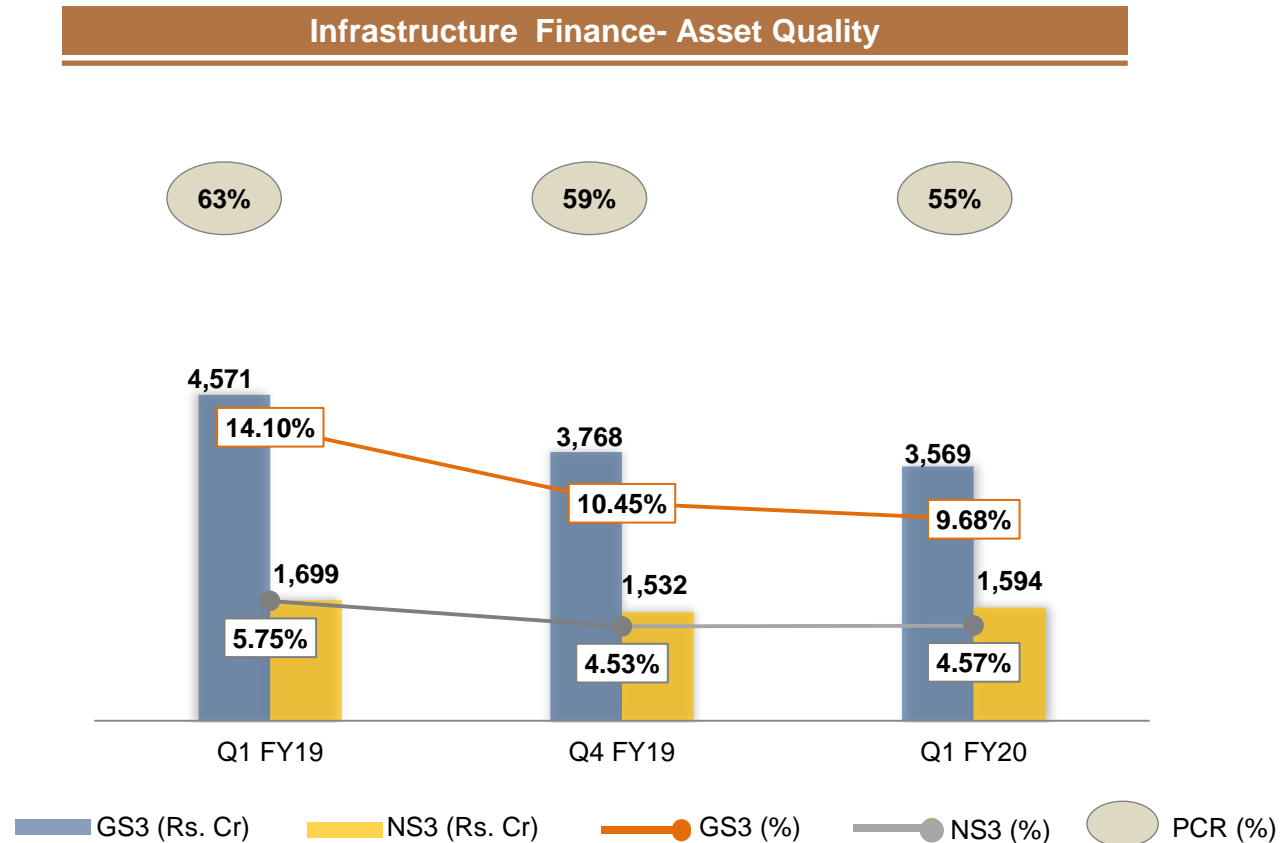
Performance summary				
Q1FY19	Summary P&L (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y (%)
785	Interest Income	835	1,014	29%
617	Interest Expense	697	743	20%
168	NIM	138	272	62%
128	Fee & Other Income	104	111	-14%
296	Total Income	242	383	29%
58	Operating Expense	58	54	-7%
238	Earnings before credit cost	184	328	38%
141	Credit Cost	67	4	-97%
77	PAT	63	230	199%

Q1FY19	Particulars (Rs. Cr)	Q4FY19	Q1FY20	Y-o-Y (%)
33,843	Book	37,660	38,623	14%
3,426	Networth	4,711	4,945	44%

Infrastructure Finance – Key ratios

Key ratios			
Q1FY19	Key ratios	Q4FY19	Q1FY20
9.29%	Yield	9.30%	10.64%
1.99%	Net Interest Margin	1.54%	2.85%
1.52%	Fee & Other Income	1.16%	1.16%
3.51%	NIM + Fee & Other Income	2.69%	4.01%
0.69%	Operating Expenses	0.64%	0.57%
2.82%	Earnings before credit cost	2.05%	3.44%
1.67%	Credit cost	0.74%	0.04%
0.91%	Return on Assets	0.67%	2.29%
8.67	Debt / Equity	6.83	6.68
9.03%	Return on Equity	5.73%	19.31%

Infrastructure Finance - Asset quality



Infrastructure Finance – Portfolio wise split

DISBURSEMENT

Sectors (Rs. Cr)	Q1FY19	Q4FY19	Q1FY20	Y-o-Y (%)
Renewable Power	2,658	2,175	1,845	(31%)
Roads	115	2,106	263	129%
Power Transmission	49	221	1,030	-
Others ¹	526	95	114	(78%)
Total	3,348	4,596	3,252	(3%)

LOAN BOOK

Sectors (Rs. Cr)	Q1FY19	Q1FY19 (% of Total)	Q4FY19	Q4FY19 (% of Total)	Q1FY20	Q1FY20 (% of Total)	Y-o-Y (%)
Renewable Power	17,176	51%	19,314	51%	19,946	52%	16%
Roads	6,545	19%	9,237	25%	9,271	24%	42%
Power Transmission	1,875	6%	1,473	4%	2,367	6%	26%
Others ¹	8,247	24%	7,636	20%	7,038	18%	(15%)
Total	33,843	100%	37,660	100%	38,623	100%	14%





¹ Others includes infra project implementers, telecom, thermal power, healthcare, water treatment, etc.

AUM disclosure – Investment Management Business

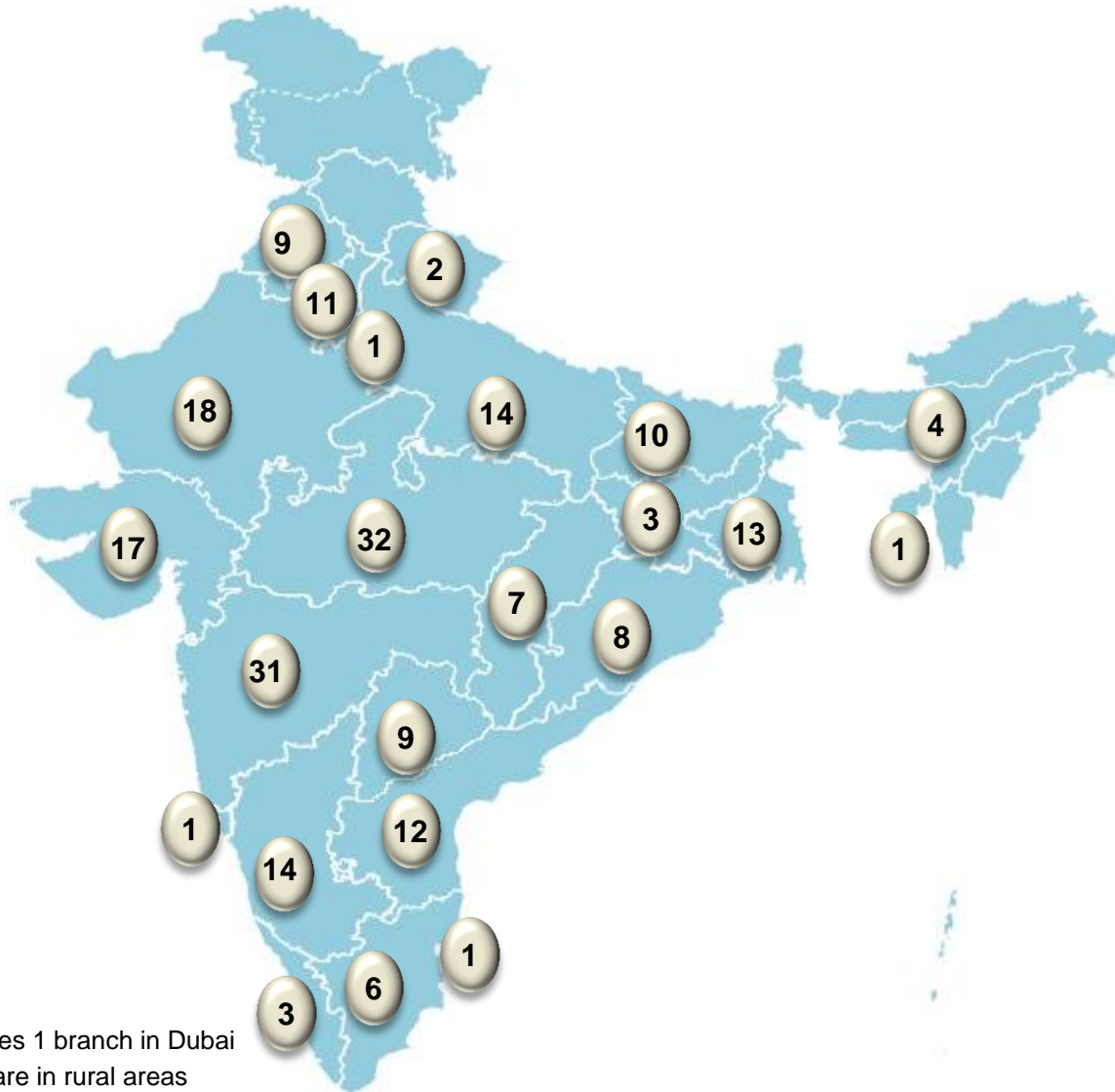
Assets under Management (Rs. Cr)

Fund Type	Quarter ended June 2018		Quarter ended March, 2019		Quarter ended June, 2019	
	AUM ¹	Avg. AUM ²	AUM ¹	Avg. AUM ²	AUM ¹	Avg. AUM ²
Equity (Other than ELSS)	35,494	35,443	38,551	36,577	38,293	38,038
Equity – ELSS	3,173	3,219	3,338	3,163	3,385	3,337
Income	14,157	14,740	15,624	14,177	16,367	16,480
Liquid	16,801	17,564	12,049	16,896	8,900	15,513
Gilt	148	152	128	131	136	129
Total	69,773	71,118	69,689	70,944	67,081	73,497

Product profile and Geographies

BUSINESS		Average Ticket Size	Average Tenor	Major Geographies
Rural	 Farm Equipment	Rs. 4 Lacs	48 months	MP, Karnataka, UP, Maharashtra, Telangana, Bihar , AP, Haryana
	 Two Wheeler	Rs. 58k	26 months	Kolkata, Pune, Mumbai, Bangalore Hyderabad ,Ahmedabad, Bhubaneswar
	 Micro Loan (Joint Liability Group)	Rs. 33k	24 months	TN, Bihar, Karnataka, Orissa, West Bengal, Kerala, Assam, MP, Gujarat
Housing	 Home Loan	Rs. 39 Lacs	16 years	Mumbai, Delhi, Bangalore, Pune, Hyderabad, Chennai & Surat
	Loan against Property	Rs. 52 Lacs	13 years	Bangalore, Pune, Mumbai, Delhi, Surat, Hyderabad, Rajkot

LTFH branch footprint



As of 30th June, 2019

No. of States & Union Territories	21 & 2
No. of branches*	228
No. of Micro Loans meeting centers**	1,234
No. of employees	21,781

*Also includes 1 branch in Dubai

**All these are in rural areas

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)



**Leading Indian Mandated Lead
Arranger and Book Runner for
Green loans in APAC (ex-Japan)**

(January, 2019)



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

(August, 2018)

**The Asset Triple A
Asia Infrastructure Awards
2019**

Country deal awards (South Asia)



**Transport Deal of the Year -
High Commended (Underwriter)
Transport Deal of the Year -
Highly Commended (Adviser)**

(June, 2019)

Corporate Social Responsibility

Directly linked to creating value

FOCUS: GENERATION OF SUSTAINABLE RURAL LIVELIHOODS

Water resource management



Target Group

60,000 farmers directly

Intervention

- 2,119 men farmers and 1,134 women farmers trained on climate resilience agriculture through awareness camps
- Capacity of 148 TCM created through rainwater harvesting structures

Location

122 villages in Aurangabad, Beed, Buldhana, Jalna, Latur, Solapur & Osmanabad districts of Maharashtra

Digital financial inclusion



650 Digital Sakhis, 5500+ women entrepreneurs (WE) and 5,15,000 community members

- Digital Sakhi project launched by Hon. Governor of Tamil Nadu in the state
- Partnership with National Payment Corporation of India (NPCI)
- 98,078 Community members were trained by Digital Sakhis

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

Provided relief to 19,983 people of Odisha affected by Cyclone Fani

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 Future Lifestyle Fashions Limited, Blue Star Limited & NSDL e-Governance Infrastructure Limited
- 40+ years of experience in audit, tax and consulting



Dinanath Dubhashi, *Managing Director & CEO*

- 29 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



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



Pavinder 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
29 yrs exp, BNP Paribas, SBI Cap, CARE



Sunil Prabhune
CE – Rural & Group Head –
Digital ,IT & Analytics
21 yrs exp, ICICI Bank, GE, ICI



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



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



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



Sachinn Joshi
Group CFO
29 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, Rabo, ABN Amro,
Soc Gen



S Anantharaman
Chief Risk Officer
27 yrs exp, HDFC Bank, AI Ahli
Bank of Kuwait, SBICI



Soumendra Nath Lahiri
CIO – Investment Management
27 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
16 yrs exp, Indian Army

Deliver sustainable RoE



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