November 25, 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,
1st Floor, New Trading Ring,
P. J. Towers, Dalal Street,
Mumbai - 400 001.

Symbol: LTF

Security Code No.: 533519

<u>Kind Attn: Head – Listing Department / Dept of Corporate Communications</u>

<u>Sub: Submission of investor / analyst presentation</u>

Dear Sir / Madam,

With reference to our letter dated November 19, 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) during the Investor Digital Day.

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.

We request you to take the aforesaid on records.

Thanking you,

Yours faithfully,

For **L&T Finance Limited**
(formerly known as L&T Finance Holdings Limited)

Apurva Rathod
Company Secretary and Compliance Officer

Encl: As above

L&T Finance Limited
(formerly known as L&T Finance Holdings Limited)
Registered Office
Brindavan, Plot No. 177, C.S.T Road
Kalina, Santacruz (East)
Mumbai 400 098, Maharashtra, India
CIN: L67120MH2008PLC181833

T +91 22 6212 5000
F +91 22 6621 7509
E igrc@ltfs.com

www.ltfs.com

L&T FINANCE

Investor Digital Day

Tech Vision & Execution Roadmap

25TH November'24

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Disclaimer clause of RBI: The Company has a valid certificate of registration dated April 29, 2024 issued by the RBI under section 45 IA of the RBI Act (pursuant to the change in name from LTFH to LTF). However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company, or for the correctness of any of the statements or representations made or opinions expressed by the Company, and for repayment of deposits/ discharge of liabilities by the Company.

Mr. Sudipta Roy
Managing Director & CEO

With L&T Finance since : July, 2023

Total years of experience : 28 years

Past Experience : ICICI Bank, Deutsche Bank, Citibank N.A.

Educational Qualification : MBA - XLRI Jamshedpur
B.Tech. (Hons.) - IIT Kharagpur

Some facts not widely known about L&T Finance…

L&T Finance

2.5Cr+

customer franchise
Highest rural franchise of 1.6Cr amongst NBFC peers

~50-50%

Distribution of portfolio mix between Urban & Rural India

Strong distribution franchise
13,200+
distribution touchpoints &
34,000+ *employees*

Pan-India presence covering
**~2 Lacs Villages
100+ Cities / Towns**

Urban franchise *with a booksize of ~₹ 42,000 Cr built on* **100% digital** *onboarding*

Best in class ESG Ratings

CDP **A-**
Rating

One of the largest financiers in the JLG segment having served *~1.1Cr women entrepreneurs*

Leading tractor financier *in the country*

100%

Paperless Onboarding across business lines including HL & SME

L&T Finance

30
years
of trusted excellence

Note: Figures as of Q2FY25

L&T Finance

FUTURE READY LAKSHYA 2026

L&T Finance
Fast Forward
Transformation story...
(Q4FY22 vs Q2FY25)

1 **Transition from a Wholesale dominant franchise to a Retail diversified NBFC**
Retailisation at 96% *(Up by 45%)*

2 **Retail Book grew by 97%**
Realignment of strategy from **'Product focused'** to **'Customer focused'**

3 **Posted highest ever PAT of ₹ 696Cr**
Up by 104%
Despite the Consol book remaining flat

RoA	RoE
2.60%	11.65%
Up by 127bps	*Up by 475bps*

4

Credit Cost	Asset Quality	
2.59% ⬇	**GS3 3.19%** ⬇	**NS3 0.96%** ⬇
Improved by 41bps	*Improved by 89bps*	*Improved by 102bps*

5 **+ 5 Million customers**   **26% growth in Customer franchise**
On the back of robust distribution network with 28,000+ partner touchpoints

**6** **Digital Transformation at the core of this transition**
Launched customer facing channel PLANET. Currently serving ~13 million customers
Transitioned from a disjointed incremental to integrated modular product technology approach

L&T Finance

Accelerated business momentum

✓ **1.38x growth** in Retail book* led by *razor sharp focus on customer acquisition* and focus on prime & prime plus segment

11,193 → 35% → 15,092

Q1FY24   Q2FY25
Disbursements (₹ Cr)
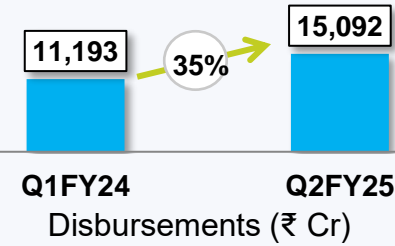
Business	Book Growth
Rural Business Finance	1.34x
Farmer Finance	1.10x
TW Finance	1.38x
Personal Loans	1.20x
Home Loans + LAP	1.54x
SME	2.92x

Picking up speed in execution in the last 18 months…

Note: Retail Book & disbursements includes acquired portfolio

L&T FINANCE

Picking up speed in execution in the last 18 months…

Bolstered people, risk & service framework

✓ Transitioned from **Silo to Matrix** organization structure
✓ Recognized as a '**Great Place to Work'**
✓ Established **a strong risk & service culture**
✓ Launched **Project Cyclops**, an AI-driven, multi-dimensional underwriting engine

✓ Built a **3-Tier Compliance structure** for a Compliance first approach
✓ Introduced multiple employee friendly policies for better employee engagement
✓ **Institutionalized NPS** tracking for all lines of business with w.e.f. Nov'23

Great Place To Work® Certified
MAY 2024–MAY 2025
INDIA

L&T Finance

L&T FINANCE

Picking up speed in execution in the last 18 months…

Future ready Digital@core
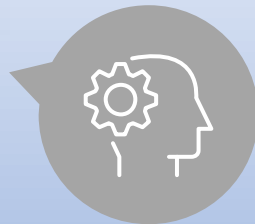
✓ **Omni channel digital** architecture
✓ Reimagined **customer journeys** to provide a superlative journey
✓ Use of **AI-ML technologies** derived models
✓ Built inhouse application engineering capabilities

✓ API stack for **E2E digital journeys at partnerships**

CRED   PhonePe

L&T FINANCE

Picking up speed in execution in the last 18 months…

Ramped up Brand visibility & Thought Leadership

- ✓ **Multi-channel brand building efforts**
- ✓ Launched **Integrated Marketing Campaigns**
- ✓ Launched the 1st edition of **L&T Finance (LTF)'s marquee AI event 'RAISE'**
- ✓ Onboarded Indian cricketer **Jasprit Bumrah** as the Brand Ambassador

Digital transformation around a productized tech approach
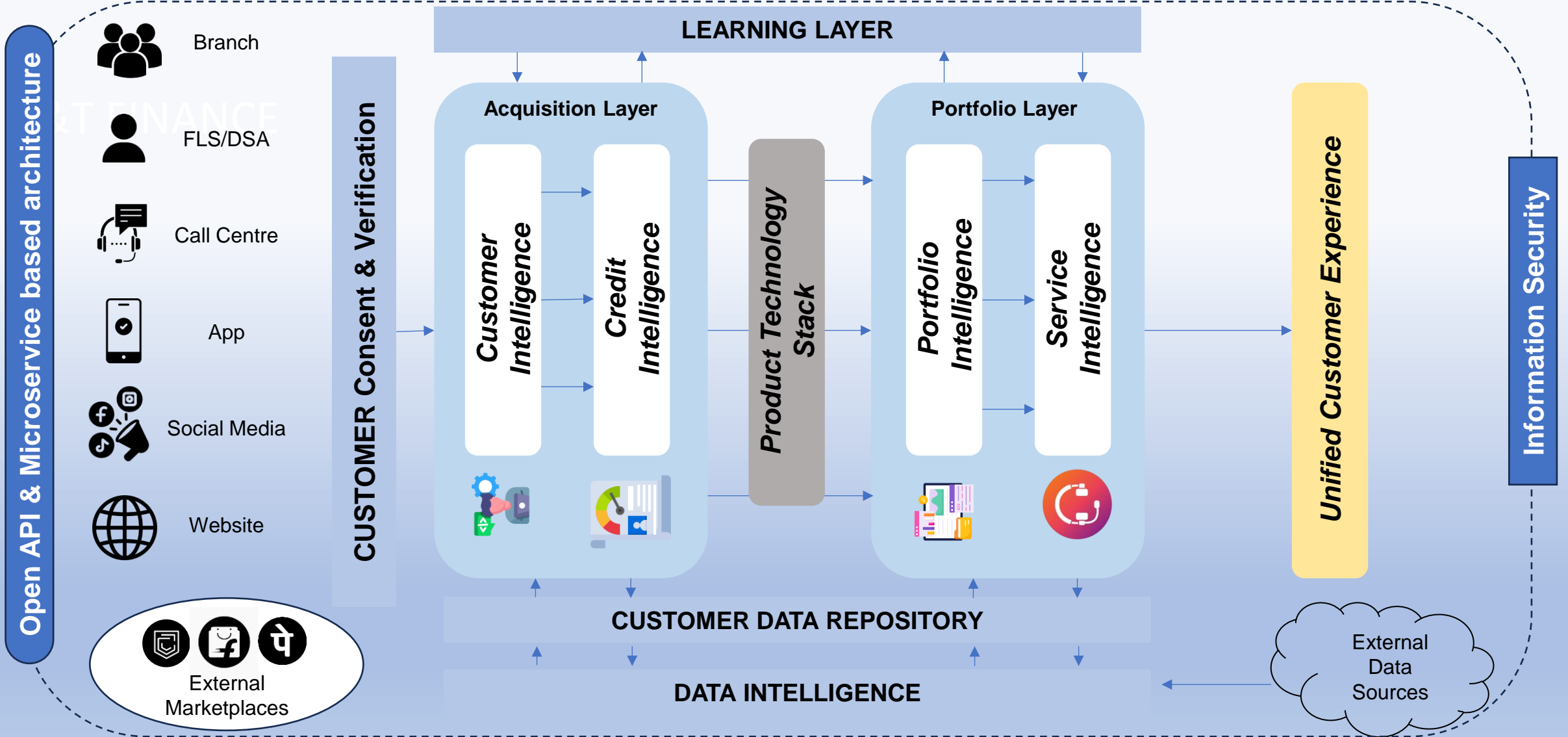
L&T Finance

Tech blocks making LTF future ready..

L&T Finance

Customer Consent Layer

Ability to Identify Customer

Liveness matching With **OCR** as KYC ✅

Account Aggregator deep integration ✅

Digilocker, fuzzy logic & penny credit to reduce TAT & prevent frauds ✅

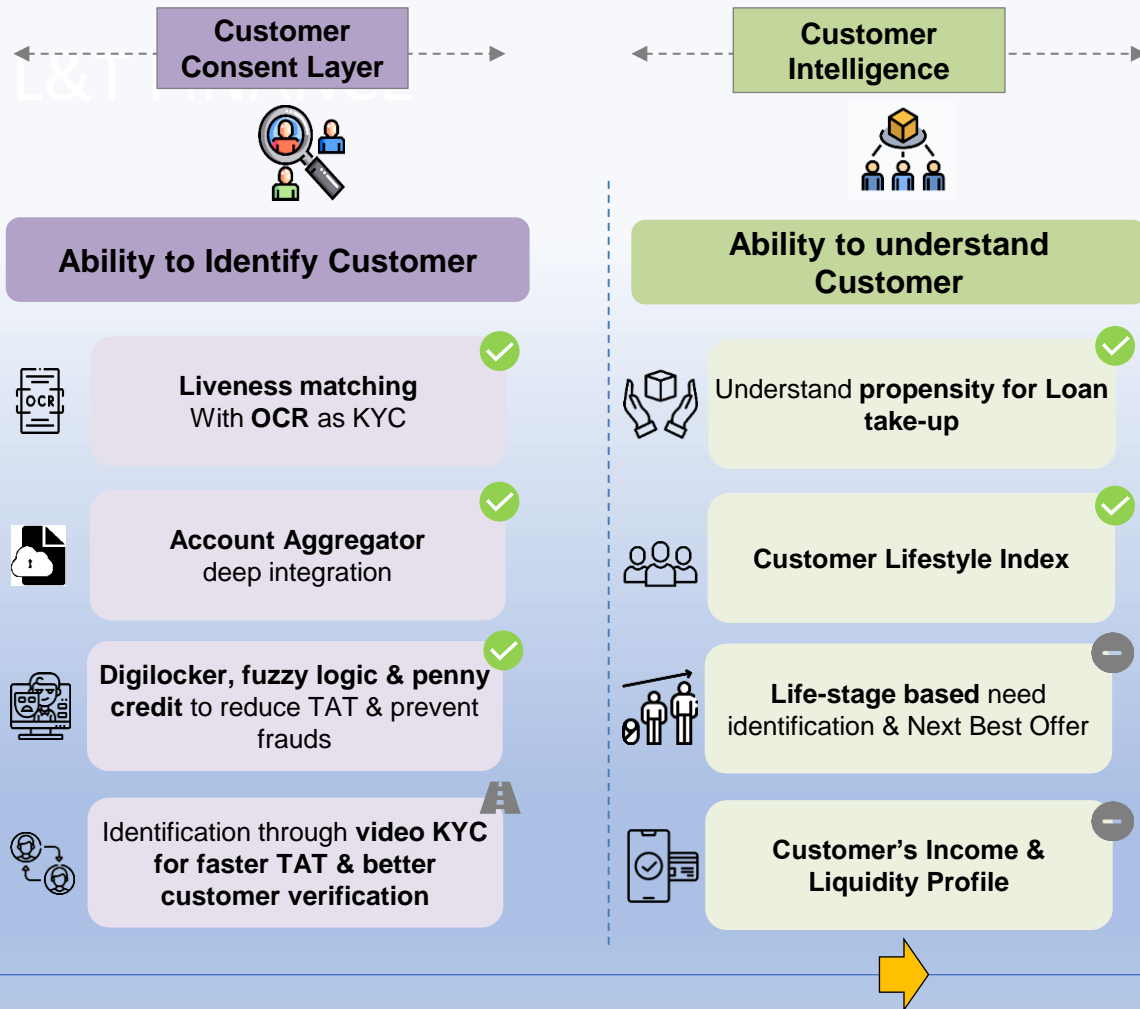Identification through **video KYC for faster TAT & better customer verification**

✅ Completed   🛣 Project piloted, implementation in other products planned for FY25   ⊖ Planned post FY25
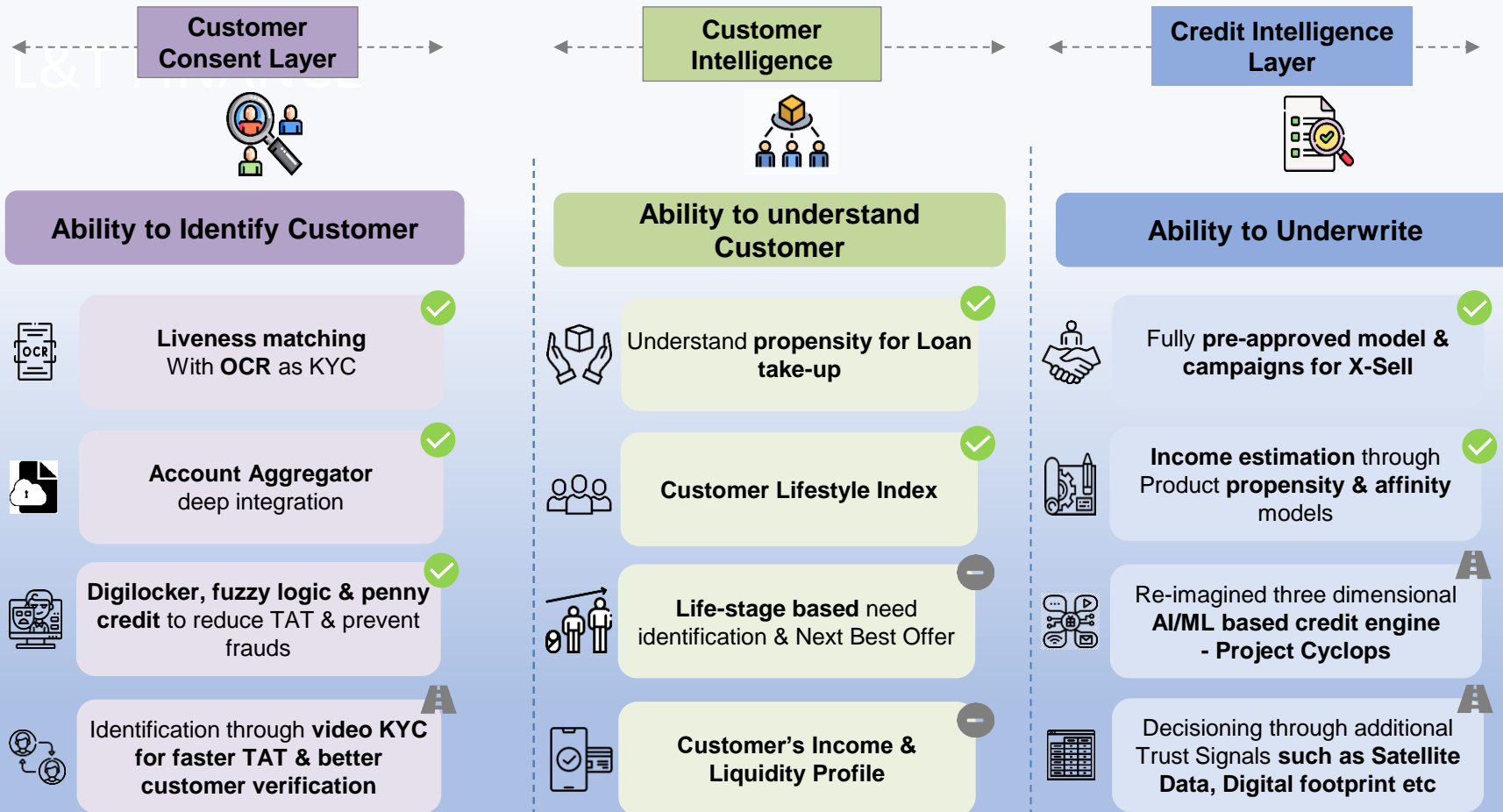
Tech blocks making LTF future ready..

Customer Consent Layer

Ability to Identify Customer

- **Liveness matching** With **OCR** as KYC ✅
- **Account Aggregator** deep integration ✅
- **Digilocker, fuzzy logic & penny credit** to reduce TAT & prevent frauds ✅
- Identification through **video KYC** for faster TAT & better customer verification

Customer Intelligence

Ability to understand Customer

- Understand **propensity for Loan take-up** ✅
- **Customer Lifestyle Index** ✅
- **Life-stage based** need identification & Next Best Offer ➖
- **Customer's Income & Liquidity Profile** ➖

✅ Completed   🛣️ Project piloted, implementation in other products planned for FY25   ➖ Planned post FY25

Tech blocks making LTF future ready..

L&T Finance

Customer Consent Layer	Customer Intelligence	Credit Intelligence Layer
Ability to Identify Customer	**Ability to understand Customer**	**Ability to Underwrite**
Liveness matching With **OCR** as KYC ✓	Understand **propensity for Loan take-up** ✓	Fully **pre-approved model & campaigns for X-Sell** ✓
Account Aggregator deep integration ✓	**Customer Lifestyle Index** ✓	**Income estimation** through Product **propensity & affinity** models ✓
Digilocker, fuzzy logic & penny credit to reduce TAT & prevent frauds ✓	**Life-stage based** need identification & Next Best Offer ⊖	Re-imagined three dimensional **AI/ML based credit engine - Project Cyclops** 🚧
Identification through **video KYC for faster TAT & better customer verification** 🚧	**Customer's Income & Liquidity Profile** ⊖	Decisioning through additional Trust Signals **such as Satellite Data, Digital footprint etc** 🚧

Tech blocks making LTF future ready..

L&T Finance

Customer Consent Layer	Customer Intelligence	Credit Intelligence Layer	Portfolio Intelligence Layer
Ability to Identify Customer	**Ability to understand Customer**	**Ability to Underwrite**	**Ability to Predict Risk**
Liveness matching With **OCR** as KYC ✓	Understand **propensity for Loan take-up** ✓	Fully **pre-approved model & campaigns for X-Sell** ✓	**Segmentation, willingness to pay model** for collection strategy ✓
Account Aggregator deep integration ✓	**Customer Lifestyle Index** ✓	**Income estimation** through Product **propensity & affinity** models ✓	**Bounce model** for pre-delinquency management ✓
Digilocker, fuzzy logic & penny credit to reduce TAT & prevent frauds ✓	**Life-stage based** need identification & Next Best Offer ⊖	Re-imagined three dimensional **AI/ML based credit engine - Project Cyclops** 🚧	EWS & emerging delinquency / stress simulation **– Project Nostradamus** ⊖
Identification through **video KYC** for faster TAT & better customer verification 🚧	**Customer's Income & Liquidity Profile** ⊖	Decisioning through additional Trust Signals **such as Satellite Data, Digital footprint etc** 🚧	**Risk Integrated business planning** 🚧

✓ Completed   🚧 Project piloted, implementation in other products planned for FY25   ⊖ Planned post FY25

Aspirations from our digital transformation

L&T Finance

Creating value for our stakeholders

| Scale up low cost acquisition & Higher Productivity | Stable and predictable credit costs | Best in class customer satisfaction | Faster rollout of new product & stabilization | Geo-expansion, Pan - India footprint |

Robust Compliance & Security Framework

2x — Expected Book size in next 3-4 years

2%- 2.25% — Steady State Credit Cost

2.8%- 3% — Sustainable RoA trajectory

20%- 25% CAGR — Sustained growth trajectory

Transformation modelled around 5 growth pillars enumerated in Oct'23 to become a customer centric organisation

INVESTOR DIGITAL DAY
Futuristic Digital Architecture

Mr. Ramesh Aithal
Chief Digital Officer

With L&T Finance since	:	February, 2024
Total years of experience	:	27 years
Past Experience	:	Elastic Search BV, Zenefits, Goldman Sachs, Ness Technologies, Citibank N.A.
Educational Qualification	:	B.E. - NIT Surathkal

Where is the tech BFSI industry headed...

GEN AI

Breakthrough that impacts every aspect of technology & banking

HYPER PERSONALISATION

Tailored offerings to individual customers based on behaviors, preferences, and financial data

OPEN LENDING ECOSYSTEM

Ecosystem-wide collaboration among Fintechs, Banks, Credit institutions and Regulators

EVOLVED CLOUD ARCHITECTURES

Adoption of sophisticated cloud models that ensure data protection and efficiencies of scale

DATA PROTECTION

Zero-trust security models, privacy, identity theft, and real-time threat detection

L&T Finance's Engineering for tomorrow – Future Tech Landscape

L&T Finance

L&T Finance's Engineering for tomorrow – Future Tech Landscape
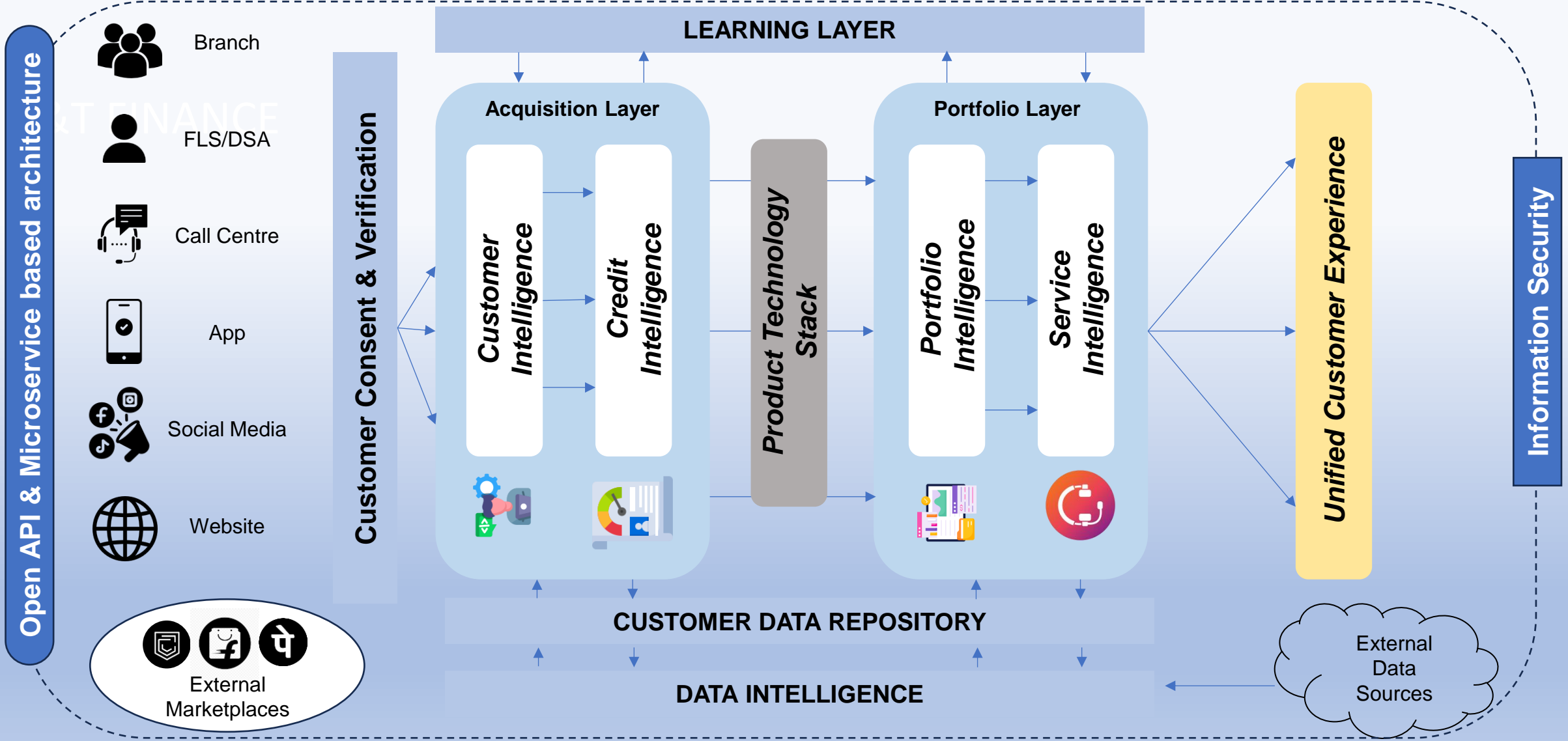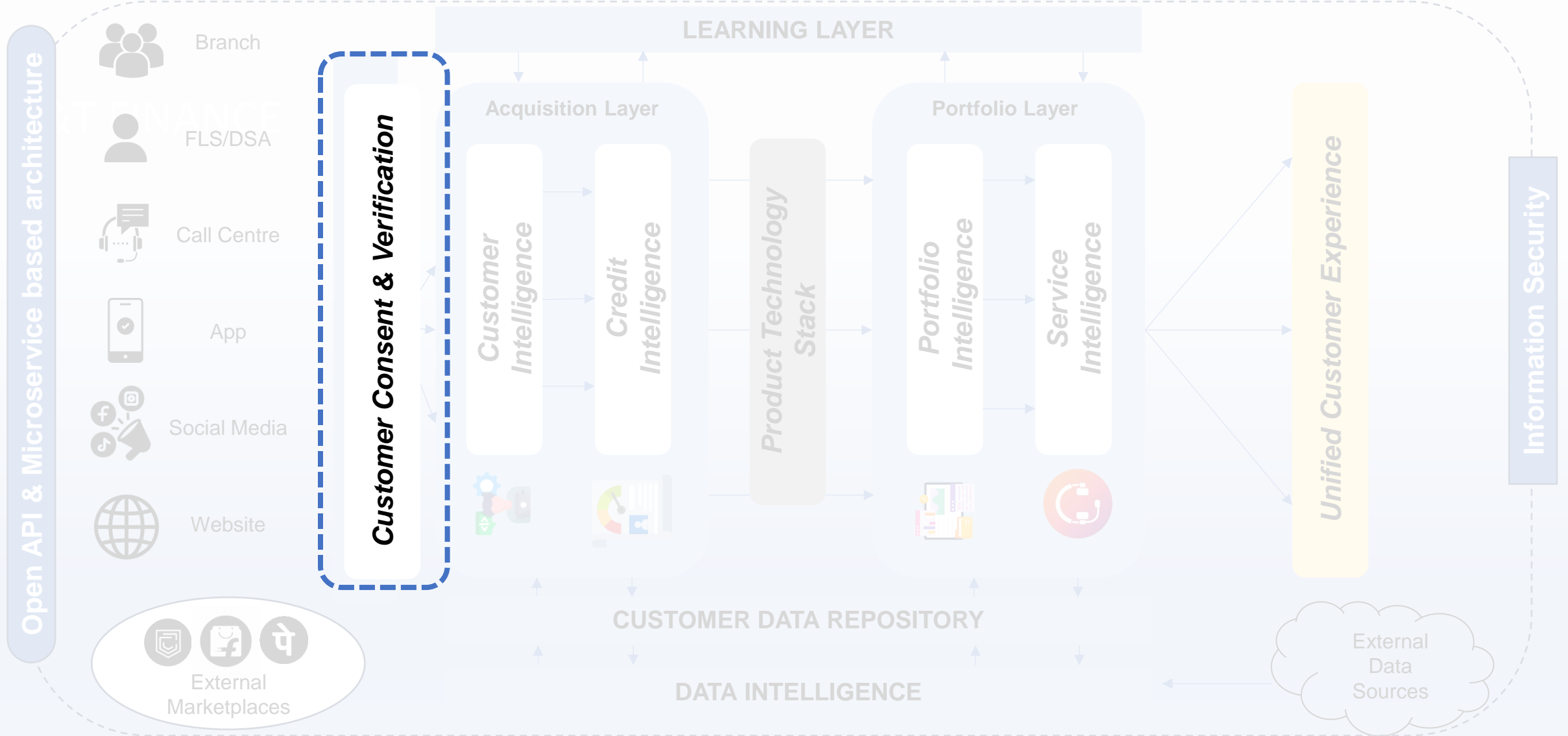
Customer Consent & Verification

Consent is the cornerstone of trust

Fintechs & Account aggregators

L&T Finance → IGNOSIS → anumati / saafe / N@DL / FINVU / Onemoney
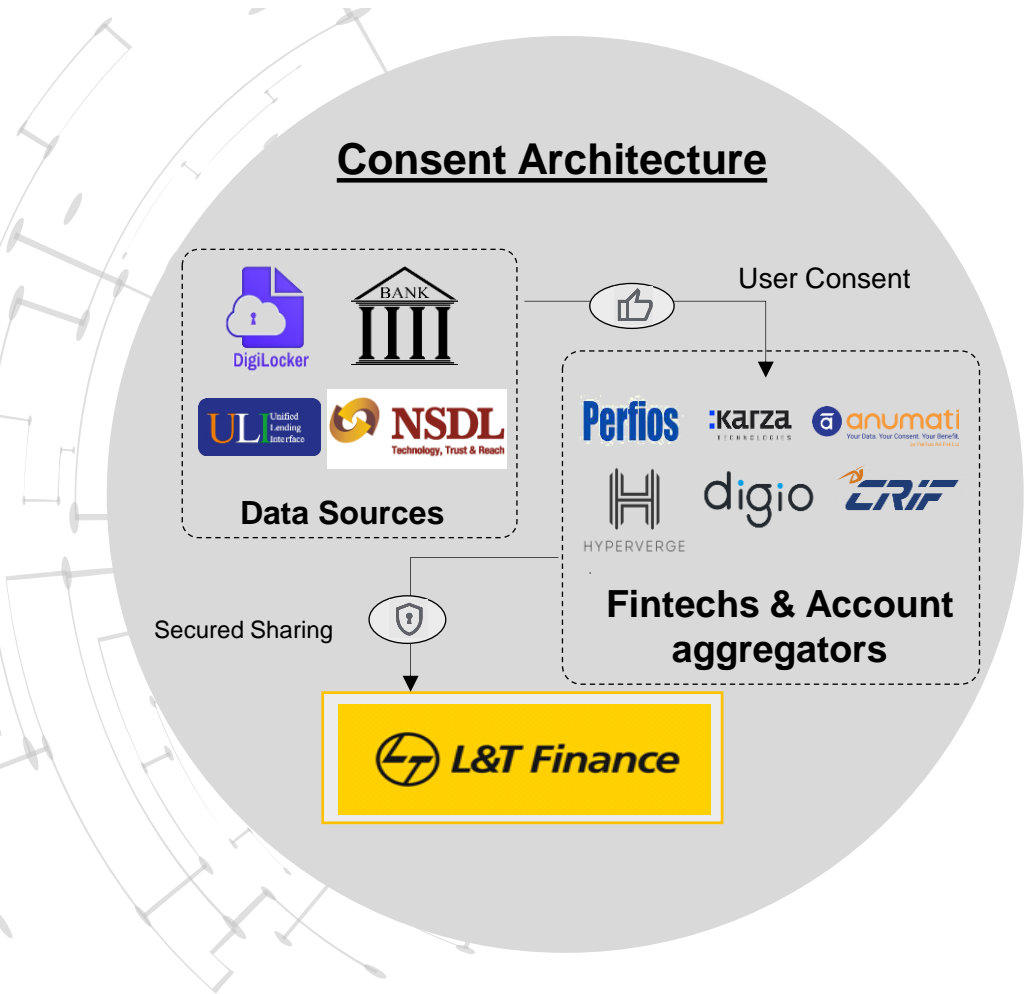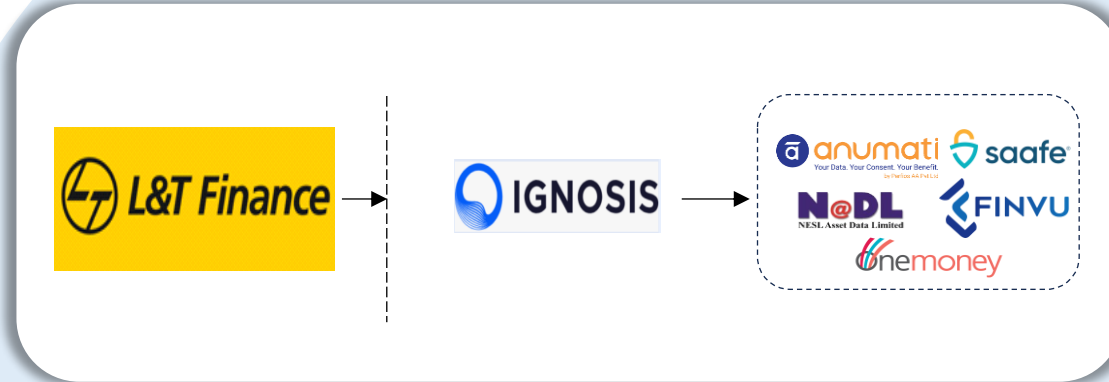
E-statement: 5-7 Mins
Scanned statement: 1-4 hours → **15-30 Secs**

AA implementation for income assessment
- Real-time routing to best AA
- Analytics output customized to match underwriting

Fintechs & Account aggregators
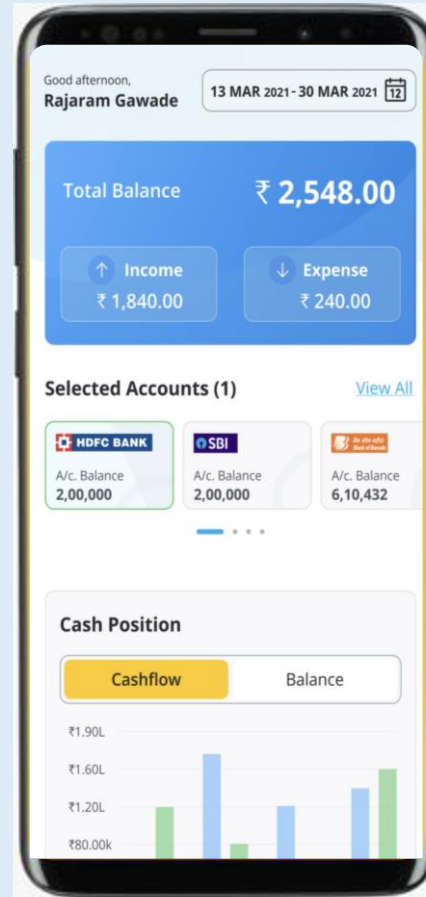
Introducing PFM on PLANET – Personal Finance Management

- *Banking, Transaction analysis → AA*
- *UI/UX, Experience layer → LTF*

Live – CUG, Full-fledged launch – Jan'25

Customer Consent & Verification

Consent is the cornerstone of trust

Consent Architecture

Data Sources: DigiLocker, BANK, ULI Unified Lending Interface, NSDL Technology, Trust & Reach

User Consent

Fintechs & Account aggregators: Perfios, Karza Technologies, anumati, HYPERVERGE, digio, CRIF

Secured Sharing → L&T Finance
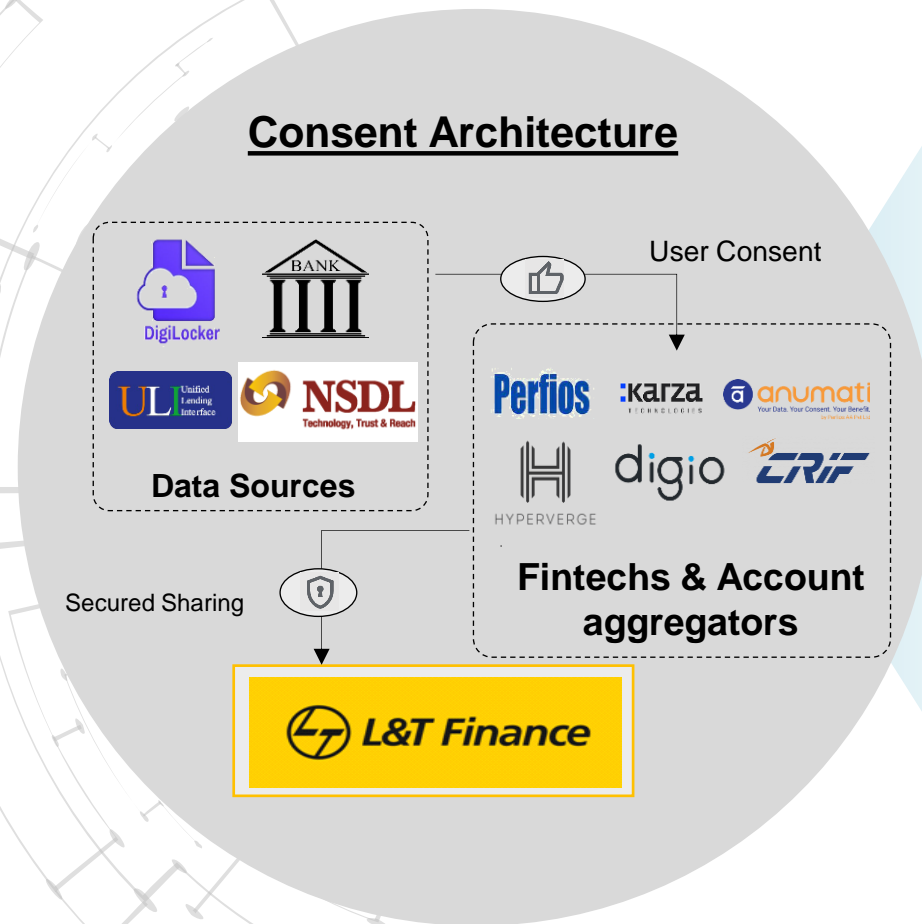
Identity
- DigiLocker
- Face Match
- V-KYC
- NSDL / GST

Sanction
- Dedupes
- AML & Fraud Score
- Financial & Bureau Score
- Degree Verification

Fulfilment
- UPI
- e-Sign
- Penny Drop
- Aadhar Mandate
- e-NACH Mandate

100% New customer on-boarding via V-KYC in PL

100% E-sign based agreement signing
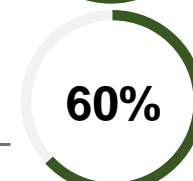
60% Cashless Collections*
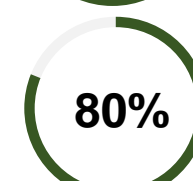
80% Customer on-boarding via DigiLocker*

Absolute compliance to privacy guidelines

Biometric KYC License obtained-Nov24

Compliance | Convenience | Frictionless experience

* Does not include Micro Loans portfolio, Data – Nov'24

Customer intelligence

ECOSYSTEM HARNESSED

Perfios :Karza TECHNOLOGIES CRIF

digio anumati Your Data. Your Consent. Your Benefit. HYPERVERGE
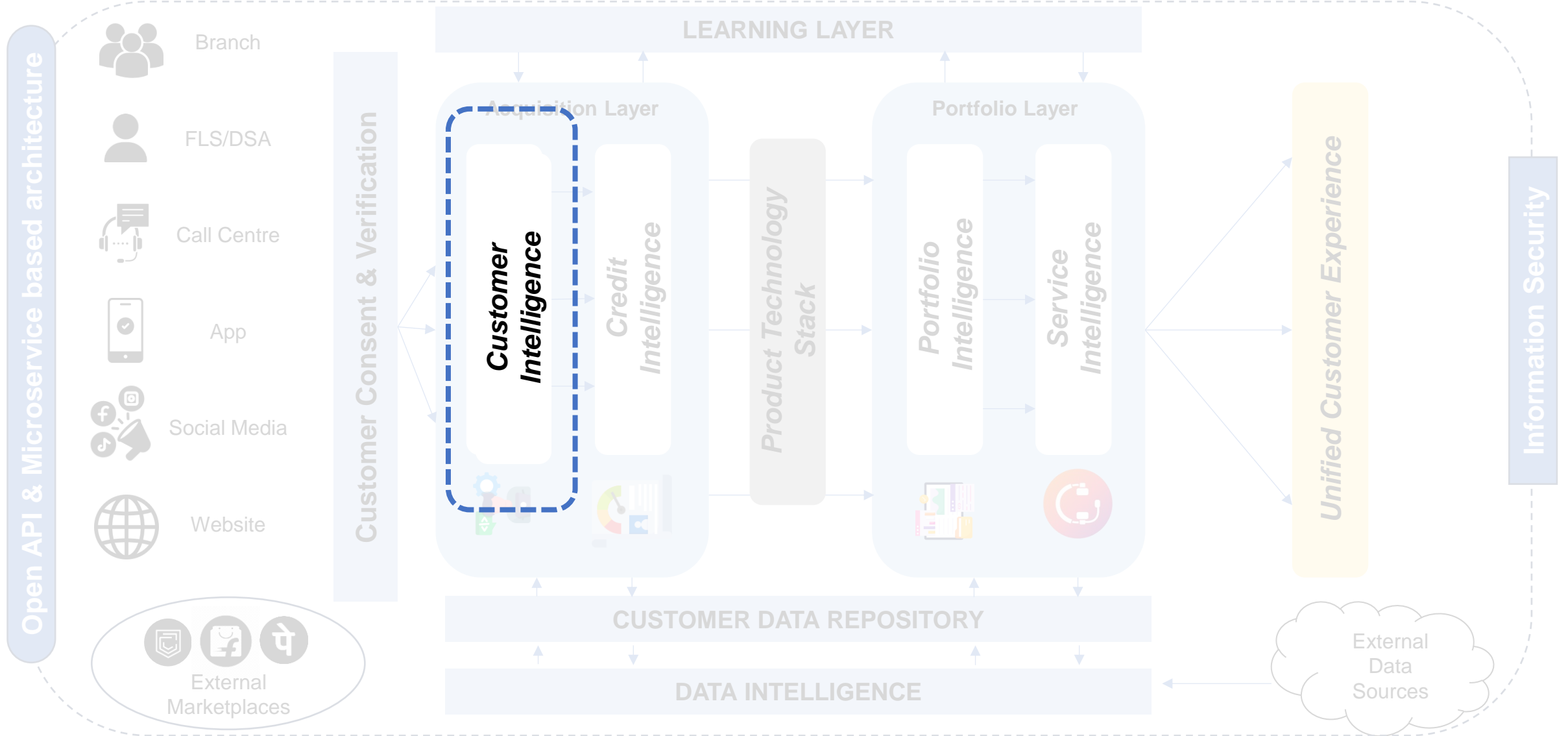
Digital Partnership ecosystem set up with 50+ FinTechs

On-the-fly multi faceted fraud scoring with internal and external platforms

Video Personal Discussion for AI based Customer profiling (Business, Stock/ Household/ cropping / spatial data/property)

Geo tagging, route map creation via PLANET app and assisted apps

Early warning signals

Customer 360⁰

Customized offerings

10,000+ Data Points

Preferred payment mode

Propensity to default

Multi-layered customer segmentation
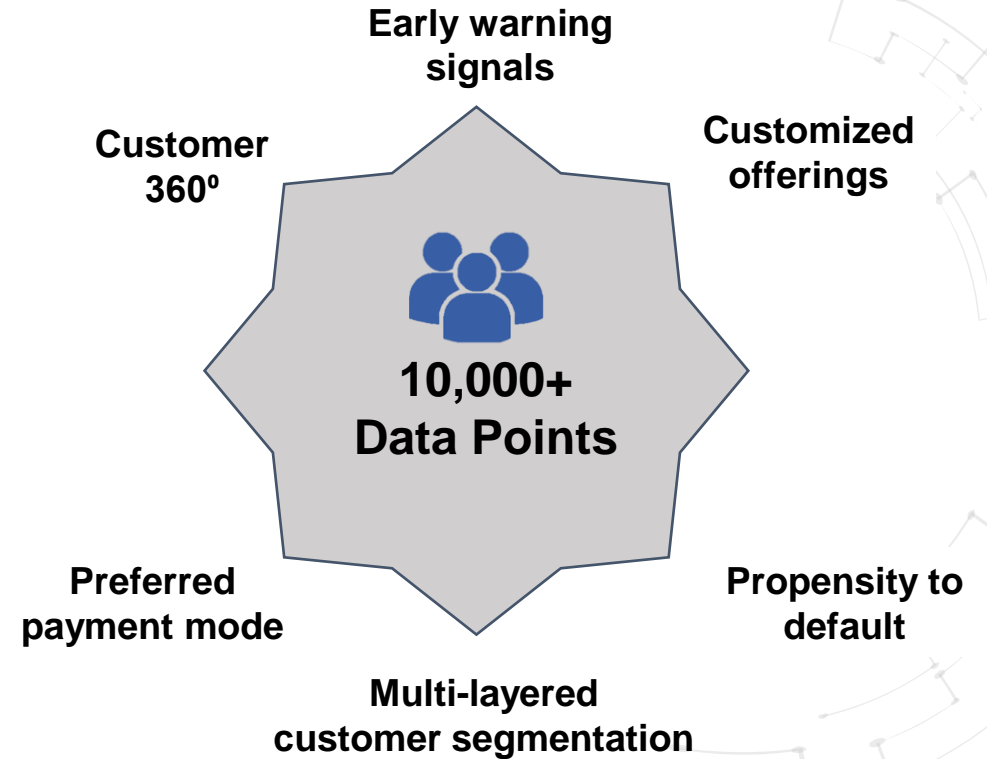
Turning data into decisions and insights into impact

Customer intelligence

Video Personal Discussion for AI based Customer profiling (Business, Stock/ Household/ cropping / spatial data/property)

Geo tagging, route map creation via PLANET app and assisted apps

Route Map

Mantu Saha(50020861)
Chak Islampur(MC737)

MC Name   Select
FL Name :   Select
Due Date :   Select

Get Map   Approve Access   ☐ NVD
View all FLO locations
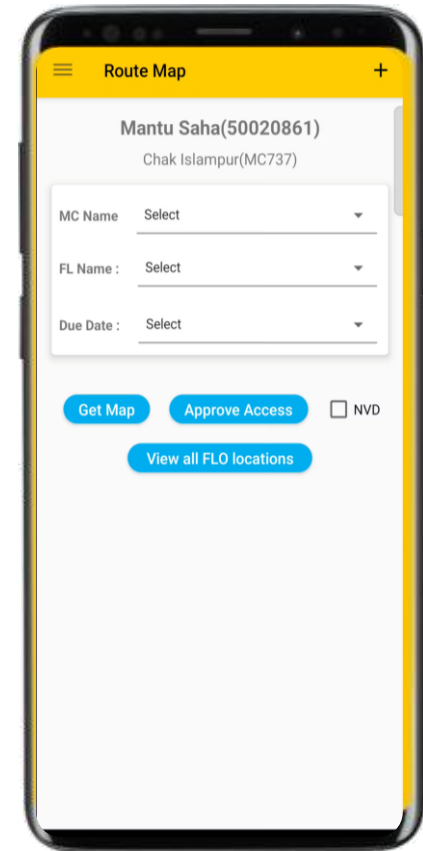
Risk based triggers for type of Personal Discussion
→ Tele / Video / Physical

Realtime route map creation
Customer collections & cash depositions

L&T Finance's Engineering for tomorrow – Future Tech Landscape

Credit intelligence – Project Cyclops
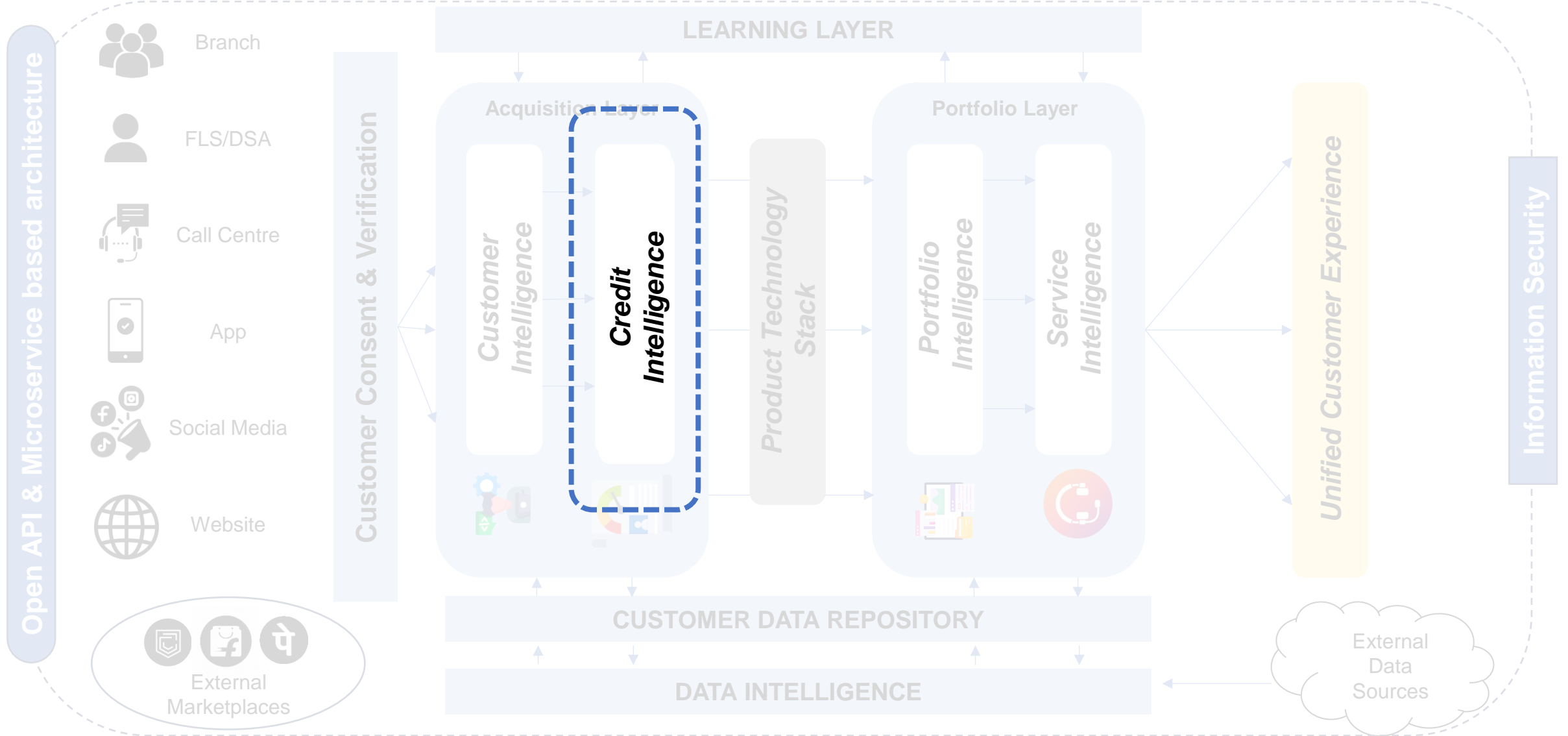
Next gen credit underwriting engine aimed at higher approval rates & higher ROA

Credit engine blueprint

- Alternate data sources

- AI models

- Run time customer evaluation

Expected system performance

- Fast Processor, fault tolerant system

- High volume processing

- Endpoint agnostic

Credit intelligence – Project Cyclops

Credit intelligence – Project Cyclops

Credit intelligence – Project Cyclops

Ability to handle disparate data sources

- *Alternate data sources – 16+*
- *Platform agnostic integrations*
- *Structured & unstructured data*

VERACITY

VARIETY

Java

spring boot

Fintechs

VELOCITY

VOLUME

Credit intelligence – Project Cyclops

VARIETY

VOLUME

VERACITY

VELOCITY

Horizontal scale up

Microservice architecture for traffic sustenance

Massive volume handling capacity

- *Microservices based architecture*

- *Horizontal scaling up*

Before: 8000/day

With Project Cyclops: 2,00,000/day

Credit intelligence – Project Cyclops

High speed transaction processing

- *Fast API*
- *Low latency design platform*
- *Parallel Processing*

Project CYCLOPS: 100+ Hits/ Sec

Credit intelligence – Project Cyclops

HA → Highly available
Cluster of 3 nodes

No manual
intervention

VELOCITY   *VERACITY*

VOLUME   **VARIETY**

Ability to deal with incomplete data sets

- *Observability → observe every aspect of the system/transactions, 70+ attributes*

- *100% reliable data; No loss*

Credit intelligence – Project Cyclops
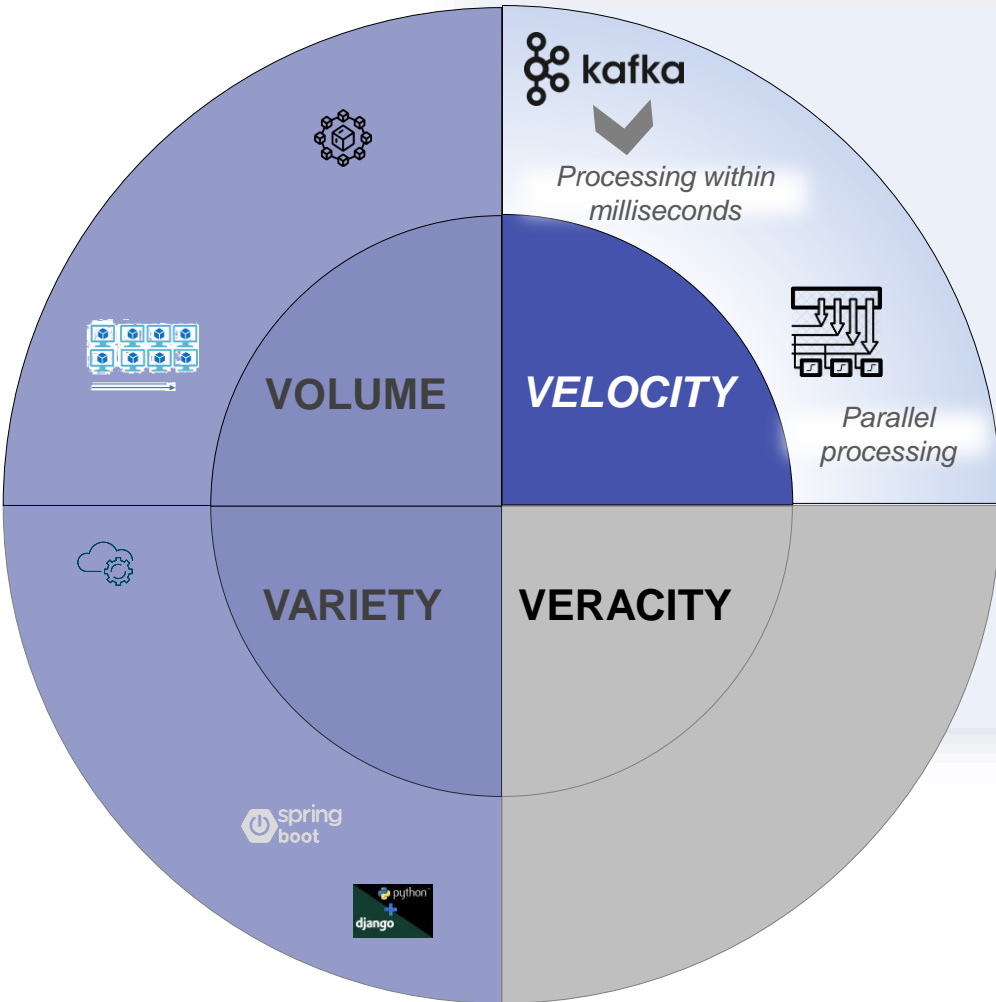
Next gen credit underwriting engine aimed at higher approval rates & higher ROA

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Before: 8000/day

With Project Cyclops: 2,00,000/day

VELOCITY

VERACITY

VOLUME

VARIETY

HA → Highly available Cluster of 3 nodes

No manual intervention

kafka

spring boot
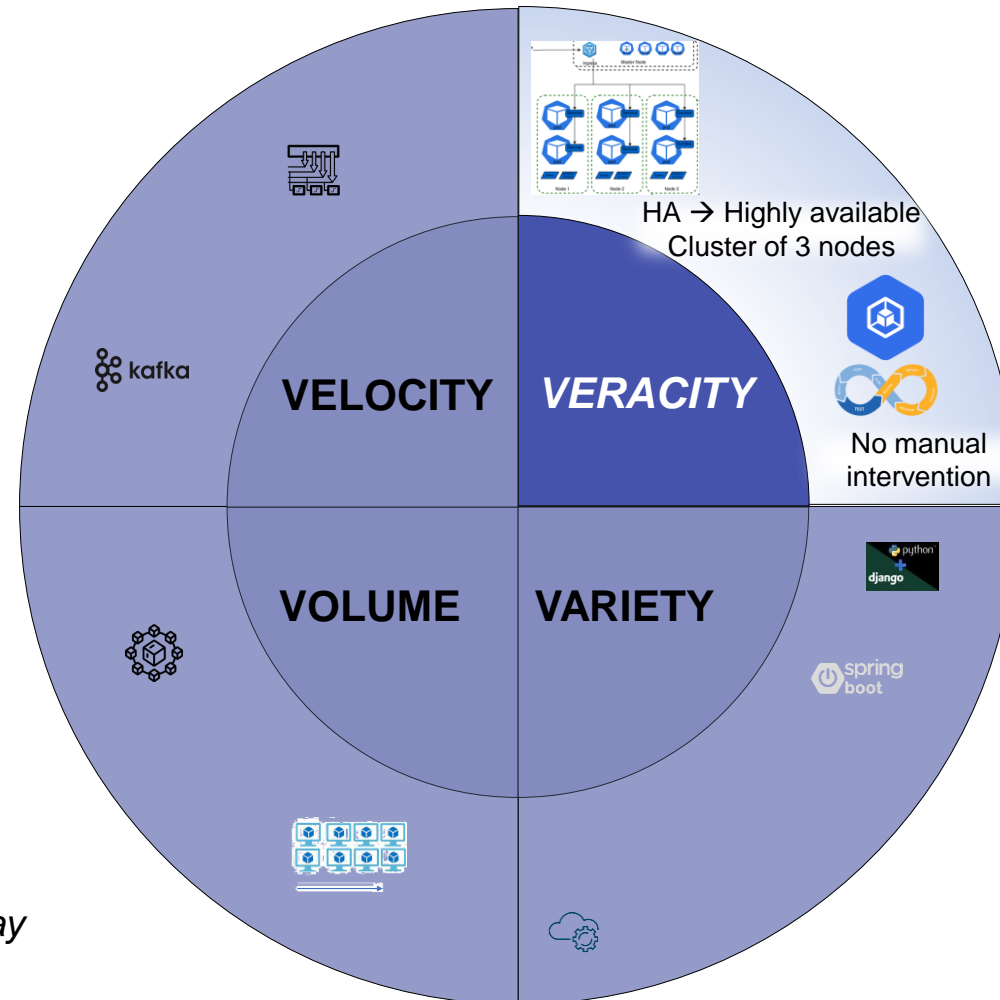
Ability to deal with incomplete data sets

- Observability: Observe every aspect of the system/transactions, 70 attributes
- 100% reliable data; No loss

Ability to handle disparate data sources

- Alternate data sources – 16+
- Platform agnostic integrations
- Structured & unstructured data

36

Credit intelligence – Project Cyclops

> **Leveraging high speed compute for better underwriting and quicker TAT**

Data Parameters
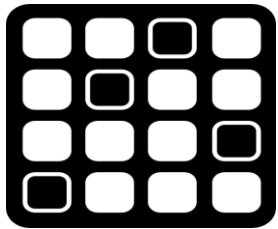
2500+ data variables

733 derived variables

Avg. API speed (in milliseconds)

Reference benchmarks

Banking	24
Banking NTC	32
Financial Thick	54
Gen6-X-Financial	4
NTC-X-Geo	5
NTC-LT-ML	32

Throughput (Hits/sec)

Project Cyclops implementation

4X improved throughput

Apr'24, May'24, Jun'24, Jul'24, Aug'24, Sep'24, Oct'24, Nov'24
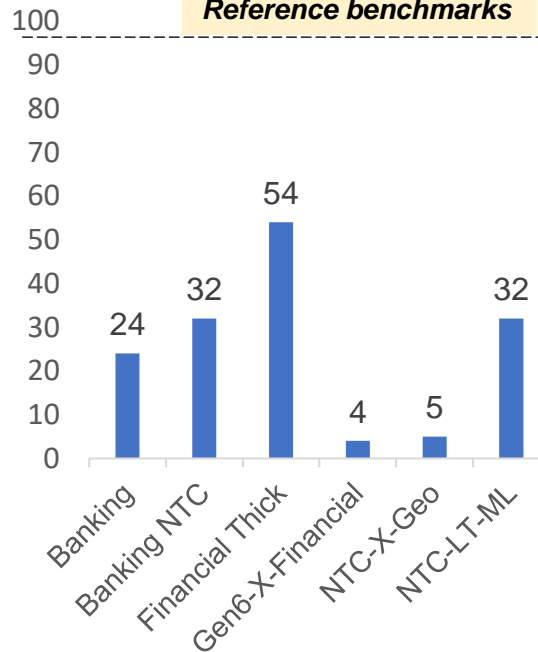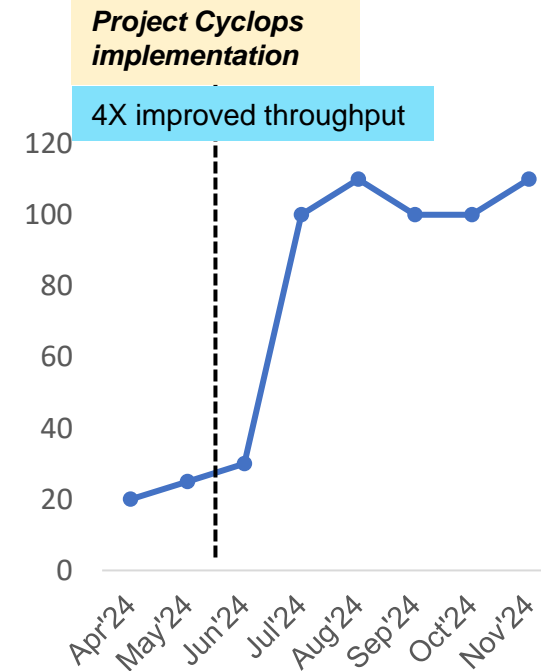
Dhanteras'24 TW - All Time high disbursements

Volume handled by system – **56,395 hits**

Credit engine with horizontal and vertical scale up ready to handle 2,00,000+ hits

Omni product, omni trade engine

L&T Finance's Engineering for tomorrow – Future Tech Landscape

Portfolio intelligence – Project Nostradamus

L&T Finance
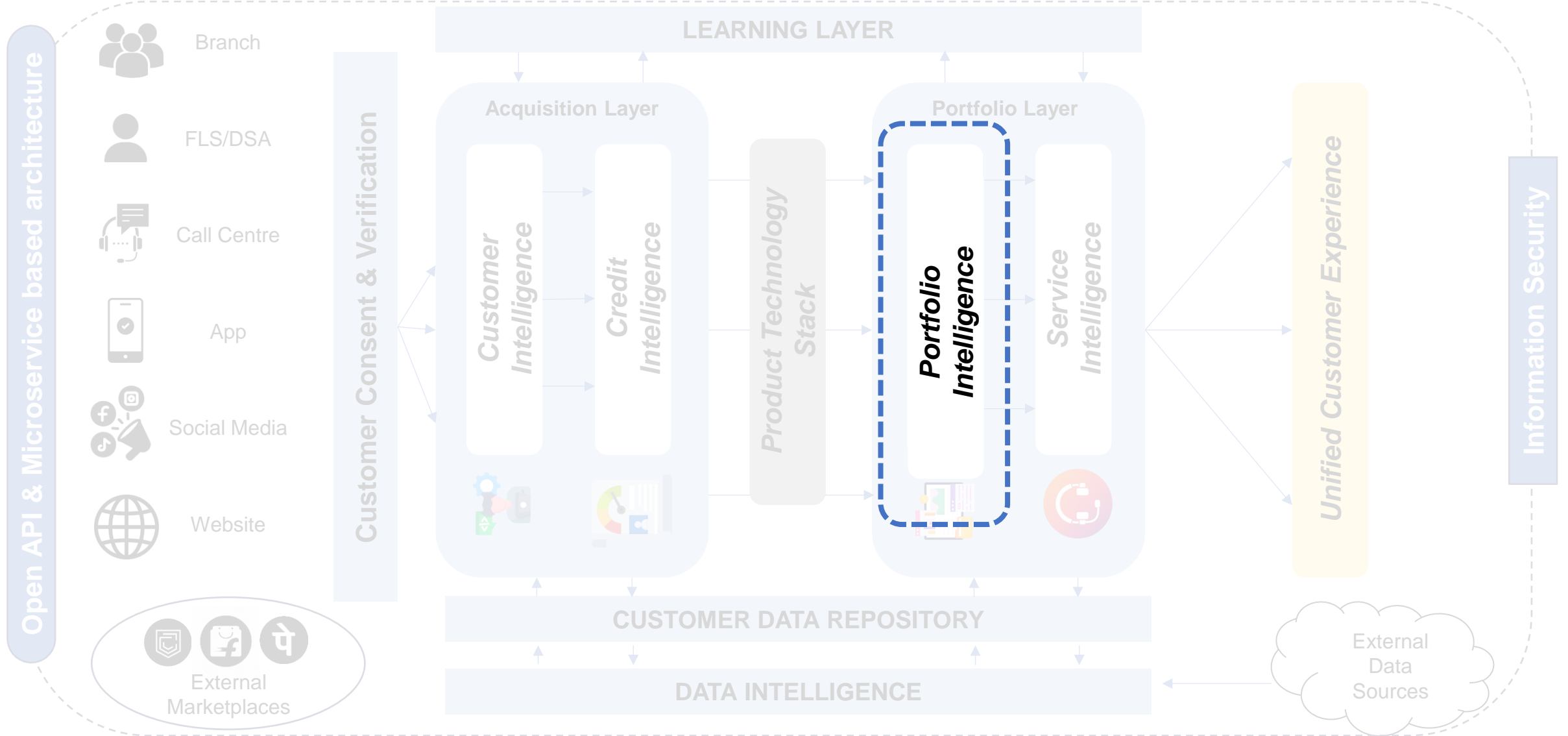
State-of-art automated portfolio management engine with predictive risk management

Initial architecture blueprint

External data | Internal data | Customer Profile | Loan Management System

Data Ingestion

Transformation

Simulation & Risk assessment

Visualization Engine

Early warning signals | Agency | Call Centers | Payment Link

System driven – Allocation, feedback, collections & recon

RESOLUTION TIME

Increased first contact resolution (FCR) – CC & Field
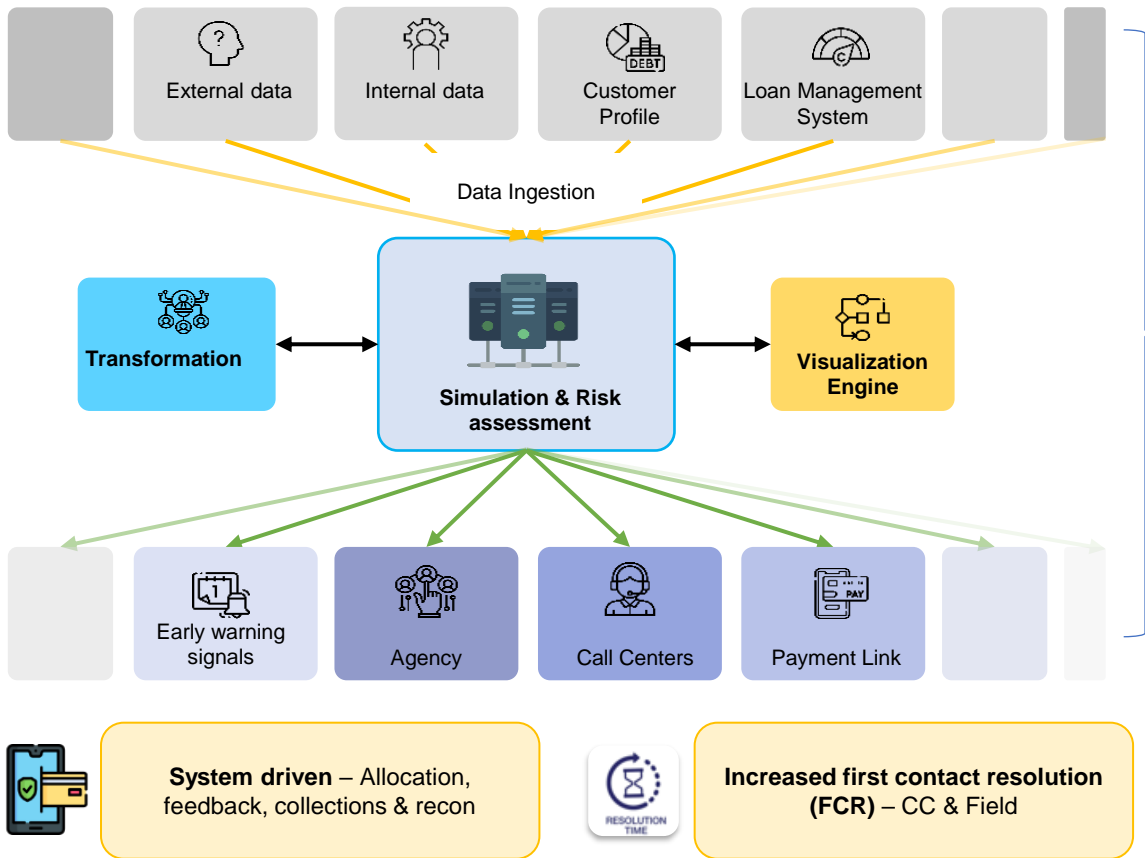
Data push @scale — Ability to ingest data from multiple sources, data at rest, data in motion

Data processing — Low latency processing with a highly available set up for use cases like AA on demand

Predictive outputs — Simulation and Risk Models to identify customers with a high propensity to default

Functional data views — Different UI for visualization, configuration, data segmentation

Leverage proven ability to build high compute systems by in house engineering team

Timeline

- Conceptualization
- Policy design
- System design blueprint
- Approvals
- Execution
- Target Launch → Q3FY26

Building blocks

mongoDB | ELK | python | kafka | APACHE SOFTWARE FOUNDATION

L&T Finance's Engineering for tomorrow – Future Tech Landscape

Service intelligence
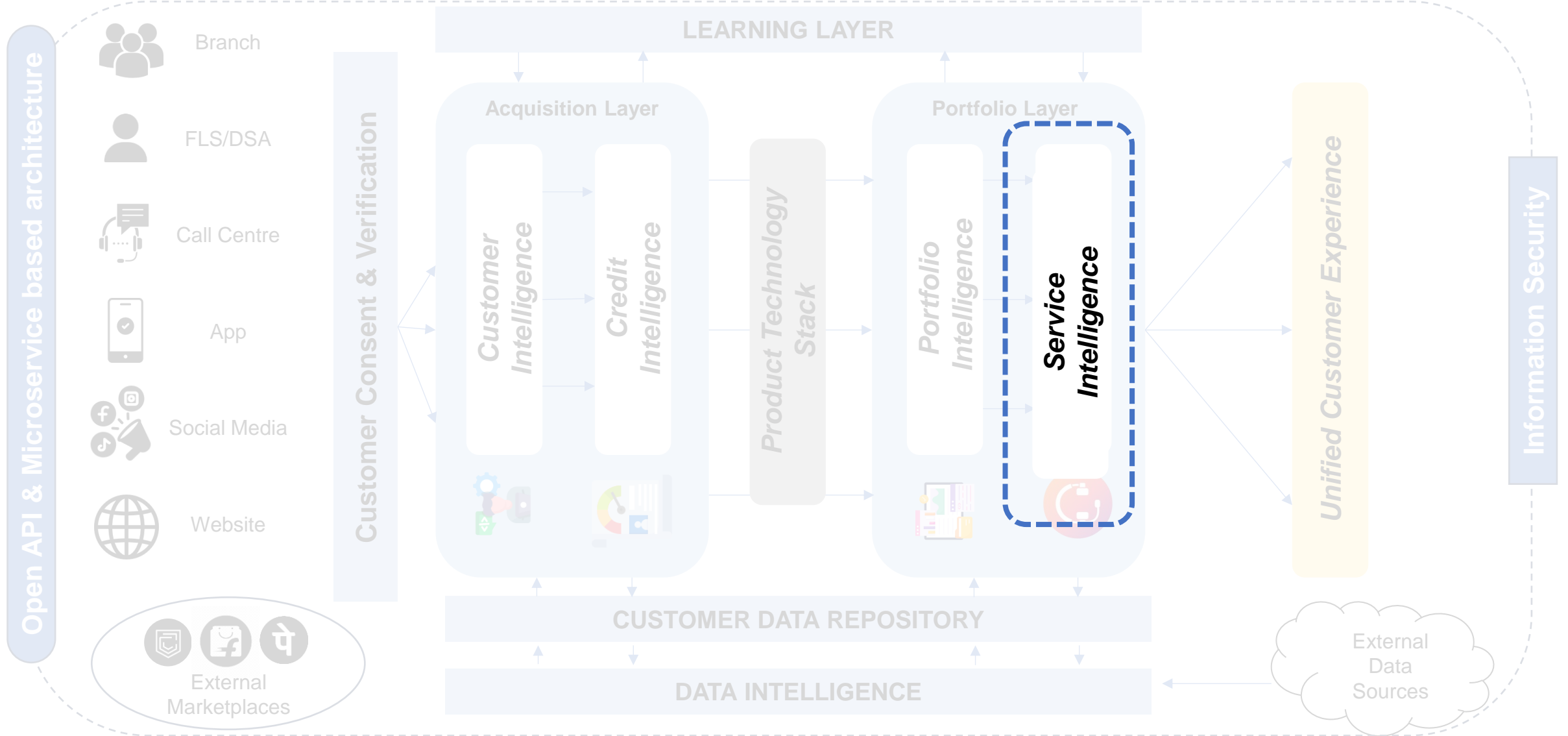
Transforming experiences through automated processes, AI-driven insights and personalization

FY22-FY24

Objective: Drive Digital first servicing

1 → 7
Digital Servicing platform

90 → 200+
Digital servicing options

FY22

14%
51%
35%

FY24

7% 3%
90%
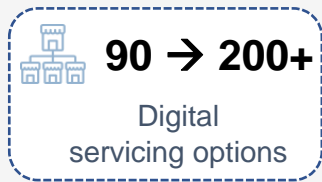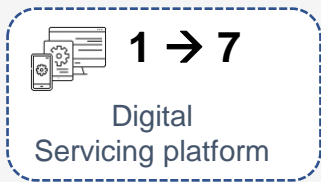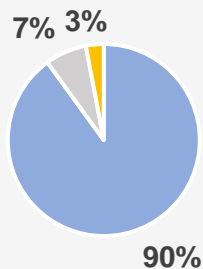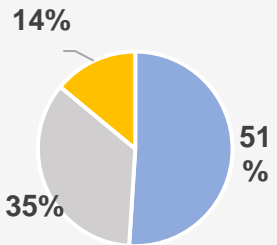
🟨 Branch   ⬜ Call Centre   🟦 Digital channels

FY25-FY26

Objective: Revamp of processes and platforms to create predictive and personalized experiences

Business Processes

➢ **Automated 100+ processes** to eliminate customer intervention via Robotic process automation

➢ **Touch free RC (registration certificate) collection** via Vahaan Portal
  ➢ (FY25: RC pendency for TW: 2%, Farmer finance 14%)
➢ **Loan auto-foreclosur**e improved by 15%

Contact center and Branches

➢ **AI based speech analytics** @contact centre → recommendation and scoring (POC done Oct'24)

➢ AI based assessment to identify bottlenecks and enhance service workflows

PLANET

• Flagship D2C platform for LTF

• Ai based hyper personalization

• Full fledged marketplace services → rural and urban

• Agentic AI

PLANET – Where we are today

7	18	1.3 Cr+	208	12
Engagement Journeys	Business Journeys	App Users	Services	Languages

PLANET – Where we are today

L&T Finance

Downloads (in million)

25x

- H1FY23: 0.5
- H1FY24: 5.7
- H1FY25: 13

Collection Amount (in ₹ cr)

38x

- H1FY23: 30
- H1FY24: 322
- H1FY25: 1170

Servicing %

1.8x

- H1FY23: 29%
- H1FY24: 47%
- H1FY25: 82%

MAU (in millions)

6.6x

- H1FY23: 0.25
- H1FY24: 1
- H1FY25: 1.9

Business done (in ₹ cr)

12X

- H1FY23: 126
- H1FY24: 873
- H1FY25: 1680
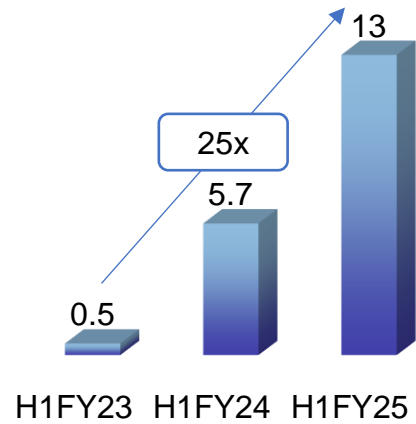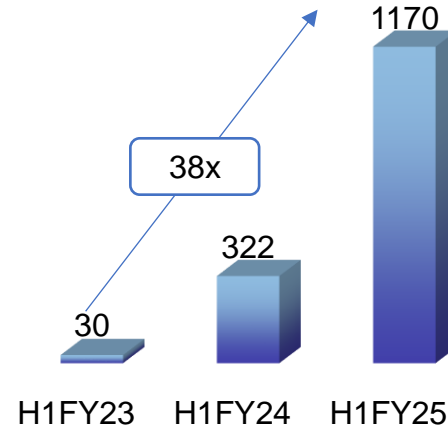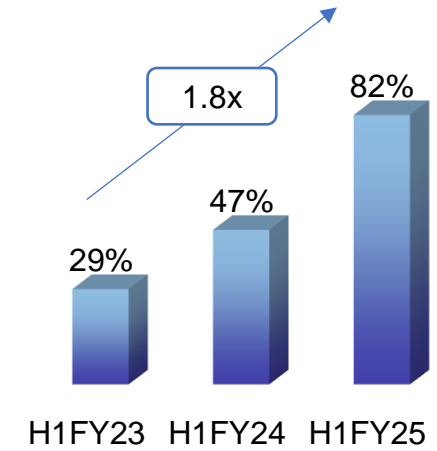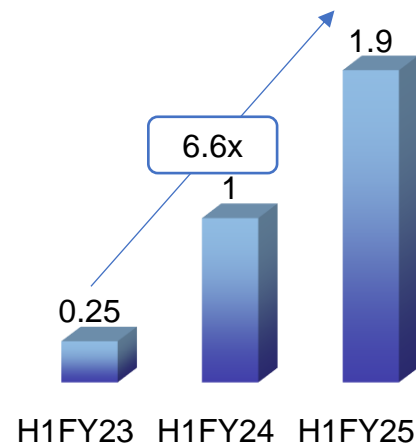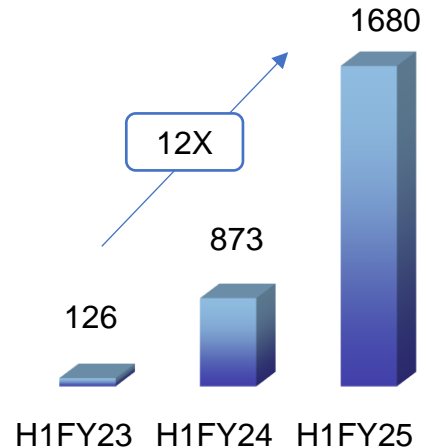
H1 FY25

₹ 550 Cr
New Business

₹ 1130 Cr
Up sell/Cross-sell Business

★★★★½

4.5
Rating

Among top 10 search results* on Play Store

* Specific key words; MAU: Monthly Active Users

PLANET – Evolution of our D2C platform

1.0

2.0

3.0
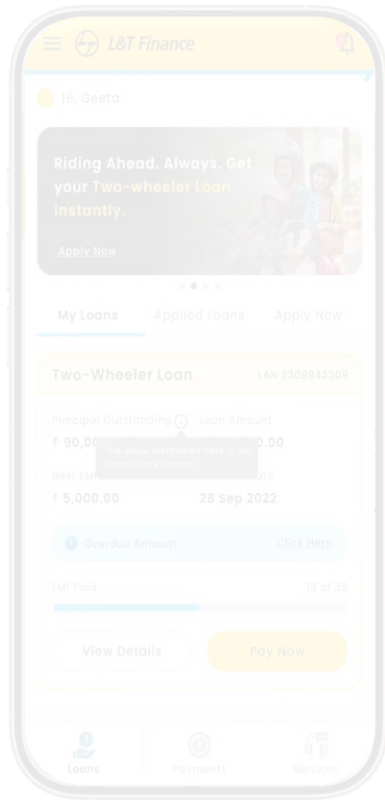
A collection and servicing platform
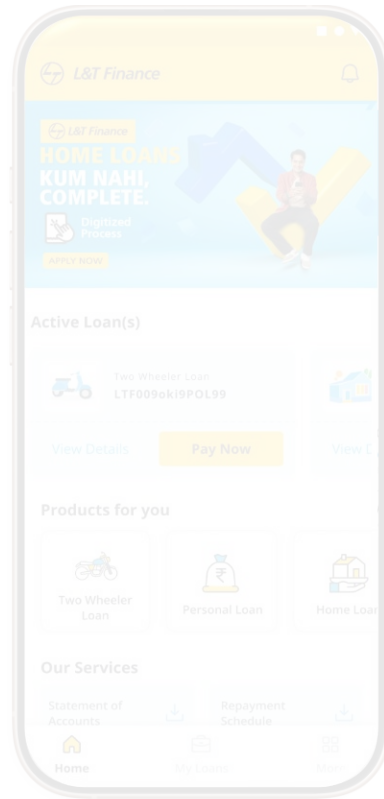
Enhanced business journeys to drive customer acquisition & cross sell
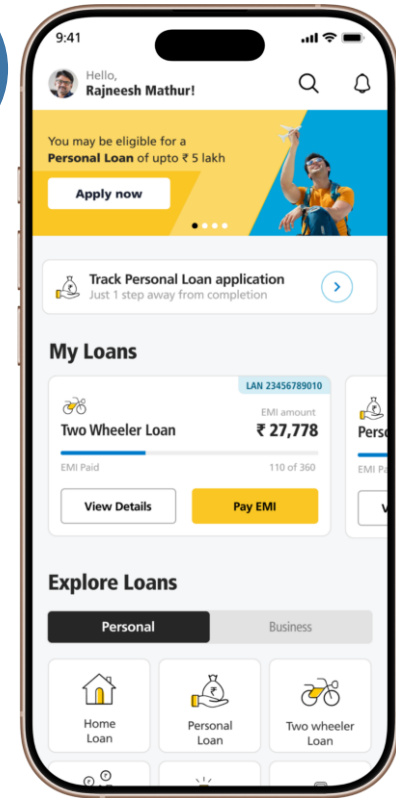
Completely revamped and consistent user experience across platforms

Tech modernization for sustainable growth

L&T Finance

Engineering Productivity

SPEED

20% increase
in product feature
development with AI

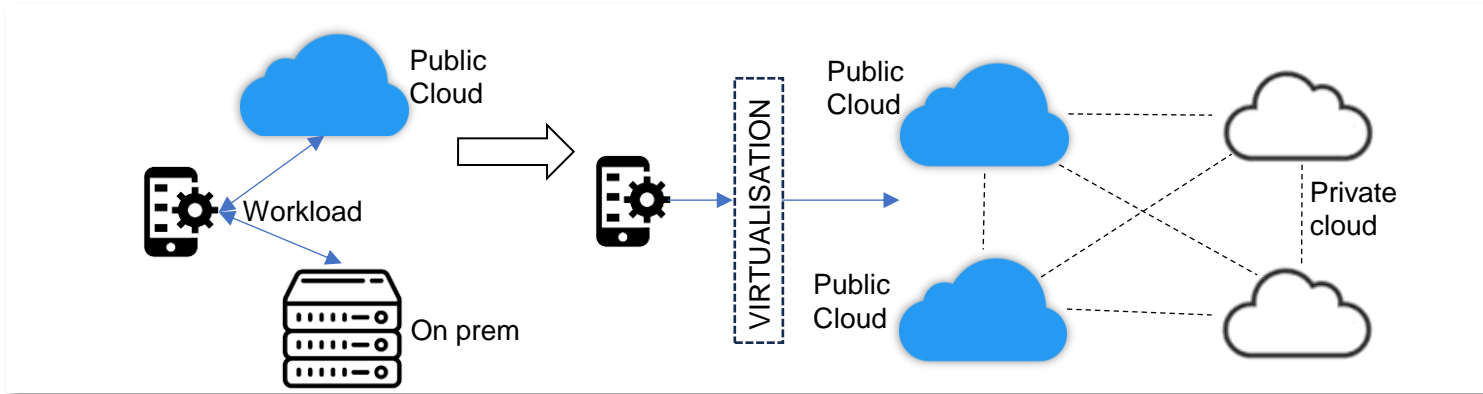**AGILITY**

50% Agile
practice adoption across
teams with DevSecOps
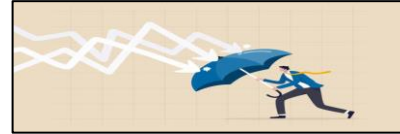
RESILIENCE

40% reduction
in incidents with AI based code
automated testing & deployment

Cloud Computing

Upgrade cloud infrastructure

Public Cloud

Workload

On prem

VIRTUALISATION

Public Cloud

Public Cloud

Private cloud

API Stack

30ms
*Average API
response time*

99.5%
*API
success rate*

500+
*API
Integrations*

API First Approach

3x Performance
Improvement using
microservice architecture

- ▸ *Code reusability*
- ▸ *Optimizes development cost*
- ▸ *Reduced risk of failure*

*Based on API Load testing of 32K+ cases

Remaining vigilant of evolving threats

AI Weaponized Ransomware

AI ML - Deep fake & synthetic media

DDoS Attack

Phishing Attack

Supply chain attack

Data Privacy Breaches

Phishing Attack

Advance Malware
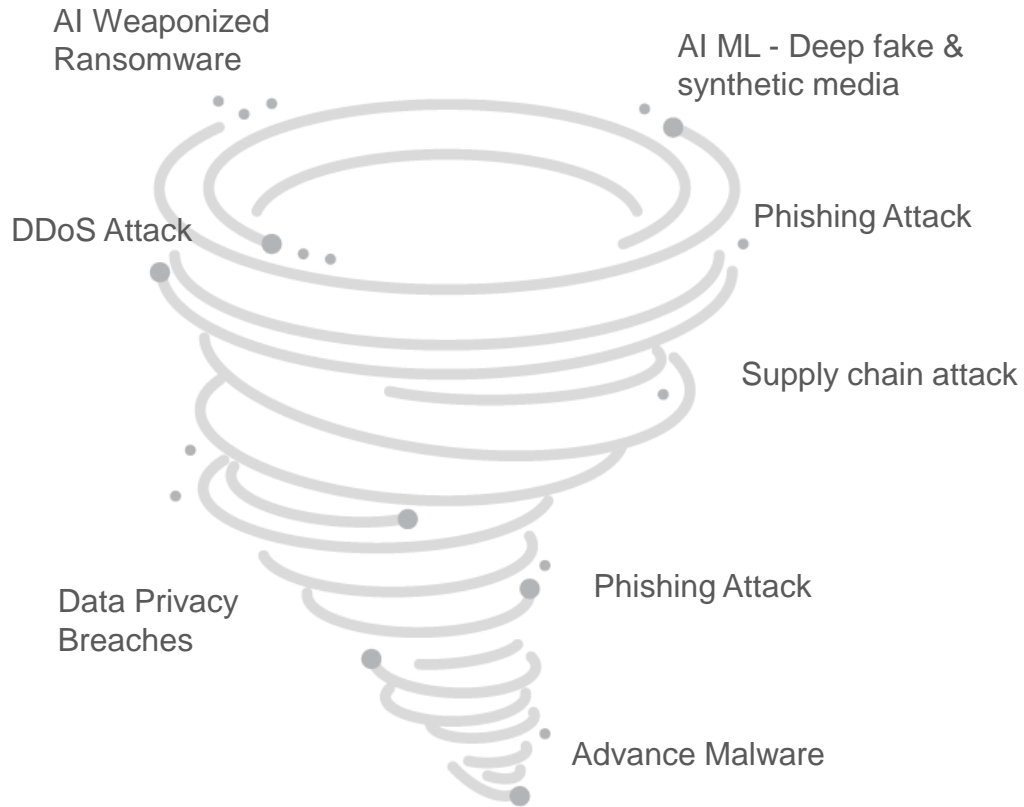
LTF Adaptive & Resilient Cyber Security

Zero Trust Security Architecture - "never trust, always verify"

Robust Vulnerability Management (Web, Mobile & API) & Patching

Continuously Monitors, Real-Time Threat Detection: Leveraging AI & ML

Regular 3rd Party & Supplier Security Risk Assessment

Cyber Crisis Management

Isolated Backup & Recovery Environment

Human Layer Security – Awareness & Phishing Simulations

RBI Regulatory Compliance
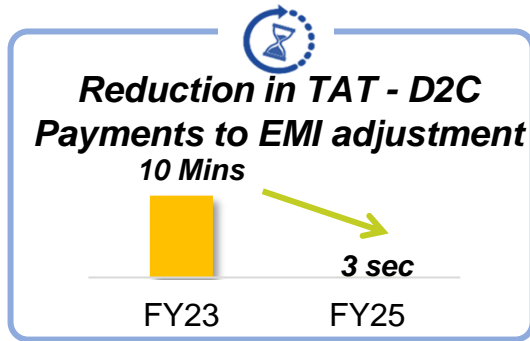
Delivering impact across customer lifecycle

Sourcing	Disbursement & Collection	Servicing	Retention

Avg. Sanction TAT → ML, TW, PL

10 Mins

< 5 mins

FY23   FY25
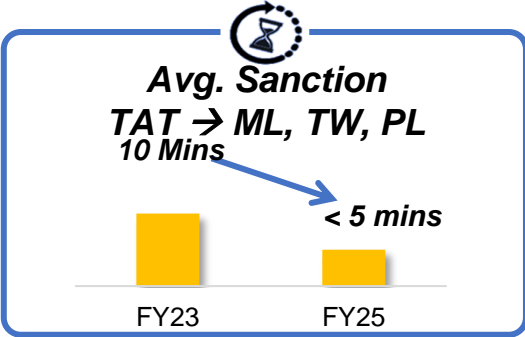
New digital integrations coupled with continuous improvement in backend orchestration helping in TAT proposition

TAT reduced by 50%

Delivering impact across customer lifecycle

Sourcing   **Disbursement & Collection**   **Servicing**   **Retention**

Avg. Sanction TAT → ML, TW, PL

Reduction in TAT - D2C Payments to EMI adjustment

10 Mins

3 sec

FY23   FY25

LMS posting of payments made by the customer

D2C channels – Gpay, PhonePe, PayU, PayTM, PLANET App, SHO, Net banking

Delivering impact across customer lifecycle

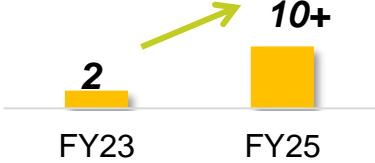| Sourcing	Disbursement & Collection	Servicing	Retention

Avg. Sanction TAT → ML, TW, PL

Reduction in TAT - D2C Payments to EMI adjustment

Resolutions sought by Rural customer base on PLANET App

24 Lac

Q2FY25

Seamless access to loan related information

4 Lac service resolutions for SOA and RPS documents

Delivering impact across customer lifecycle

Sourcing	Disbursement & Collection	Servicing	Retention

Avg. Sanction TAT → ML, TW, PL

Reduction in TAT - D2C Payments to EMI adjustment

Resolutions sought by Rural customer base on PLANET App

Increased engagement offering on PLANET App

10+

2

FY23   FY25

Consistently adding new features to PLANET app to create value for the customers

New features: ITR filing, Credit score checks, EMI calculator, Mandi price, spend analyzer, Games

Delivering impact across customer lifecycle

| Sourcing | Disbursement & Collection | Servicing | Retention |

Sourcing
- Avg. Sanction TAT → ML, TW, PL

Disbursement & Collection
- Reduction in TAT - D2C Payments to EMI adjustment

Servicing
- Resolutions sought by Rural customer base on PLANET App

Retention
- Increased engagement offering on PLANET App
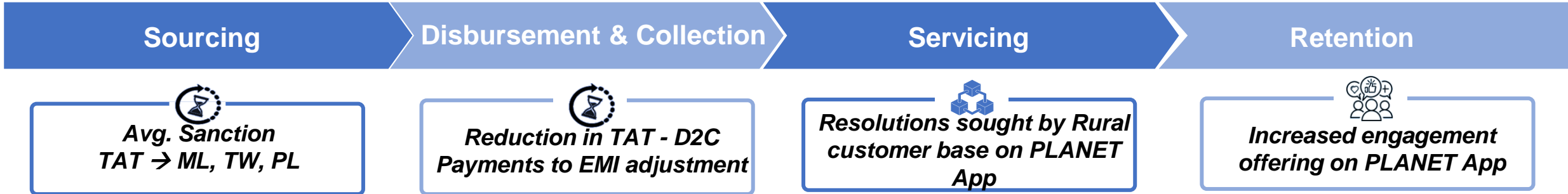
40% Increase in cross sell

60% Increase in D2C disbursements

25% Increase in offer conversion

30% Increase in contactability and reach

Future proofing growth with smarter engineering and cutting edge technology

INVESTOR DIGITAL DAY
Driving Growth Through AI

Dr. Debarag Banerjee
Chief AI & Data Officer
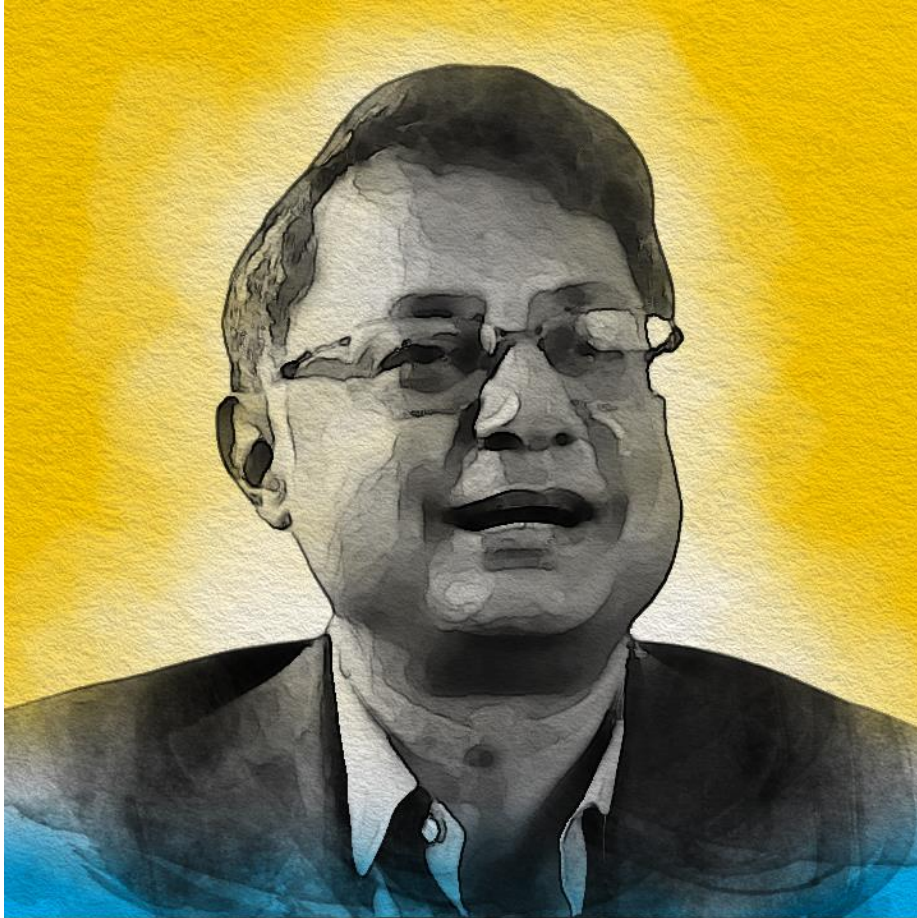
With L&T Finance since	:	February, 2024
Total years of experience	:	25+ years
Past Experience	:	Agoda, Flipkart, Jio, Intel
Educational Qualification	:	Ph.D. in AI - Stanford University, MS - University of Tennessee, B.Tech (Hons.) - IIT Kharagpur

Introduction: My Journey in Digital India

1994: **Early pioneer in what is now call Deep Learning**
  - BTech IIT Kharagpur : Published my first paper on Neural Networks in IEEE

1994- 2015: **Grew up with the Tech Industry in Silicon Valley**
  - PhD at Stanford; 15 patents
  - Founded and successfully exited two tech startups: Avnera, WiViu
  - Eng / Executive Leadership: Samsung, Intel, Lockheed, TEOCO, etc.

2015- 2024: **Got involved in India's / Asia's internet journey again from 2015**
  - SVP / Chief Data Scientist @ Jio: launched to connect 200M+ Indians
  - Head of AI @ Myntra (Flipkart): world's first commercial GenAI fashion
  - Global Head of AI @ Agoda: AI led profitable growth: travel industry's best

2024: **CAIDO @ L&T Finance. Digital India's financial empowerment with AI**
  - Connected India: highest mobile data volume; among lowest prices
  - E-Commerce and e-Governance: instant deliveries to doorsteps; frictionless e-pay; India stack
  - **Next: Credit to the masses to unlock latent value: frictionless deep understanding and service of credit needs and abilities of each Indian, personalized**
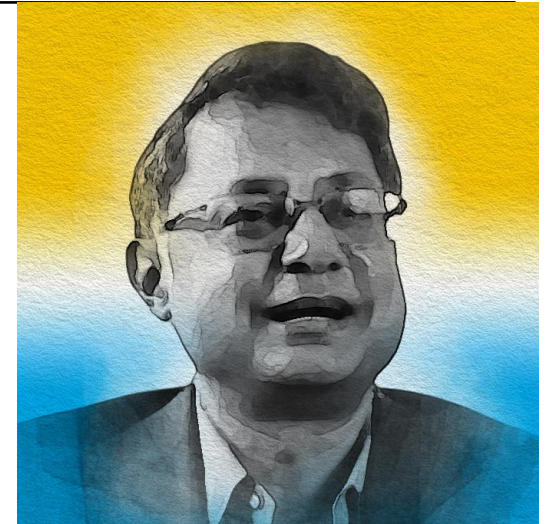
L&T Finance

TW Project Cyclops: Under the Hood

Raw Data

- Credit History
- Bank Statements
- Payments Info
- Home Location

- Customer's Past Performance

ML Model

- Credit Bureau Model — GINI: 45%
- Banking Model — GINI: 45%
- Payment Model — GINI: 20% / 32%
- Geo Location Model — GINI: 25%
- First-time Borrower Model — GINI: 25%

Ensemble Models

- Bureau + Banking — GINI: 57%
- Bureau + Payment — GINI: 48%
- First-time Borrower + Banking Model — GINI: 44%
- First-time Borrower + Payment Model — GINI: 37%
- First-time Borrower + Geo Location Model — GINI: 34%

Segmentation

16 Scorecards

Segments

- Segment 1
- Segment 2
- Segment 3
- Segment 4
- Segment 5

L&T Finance

TW Project Cyclops Shifts the Customer Mix

For Better Customers:
- Lower Down payment
- Lower Interest Rate

Increases Uptake by Better Segs

Customer Mix Shifts Towards Better Ones

Segment	Down Payment	Interest Rate
Seg 1	2.5%	15.9%
Seg 2	10%	17.3
Seg 3	15%	17.9
Seg 4	20%	19.4%
Seg 5	20%	20.7%

ABND Rates

Best Customers: 8 out of 10 Best segment (Seg1) customers preferred LTF over competitiors

Not so good customers: 3 out of 4 Worst segment (Seg5) customers didn't prefer LTF

Seg5- 75%

Seg4- 55%

Seg3- 36%

Seg2- 30%

Seg1- 22%

Customer distribution After Project Cyclops & Before Project Cyclops

	Seg1	Seg2	Seg3	Seg4	Seg5
Before Cyclops	22%	25%	14%	23%	16%
After Cyclops	37%	33%	16%	11%	3%

Before Cyclops ▪ After Cyclops ▪ Delinquency Index
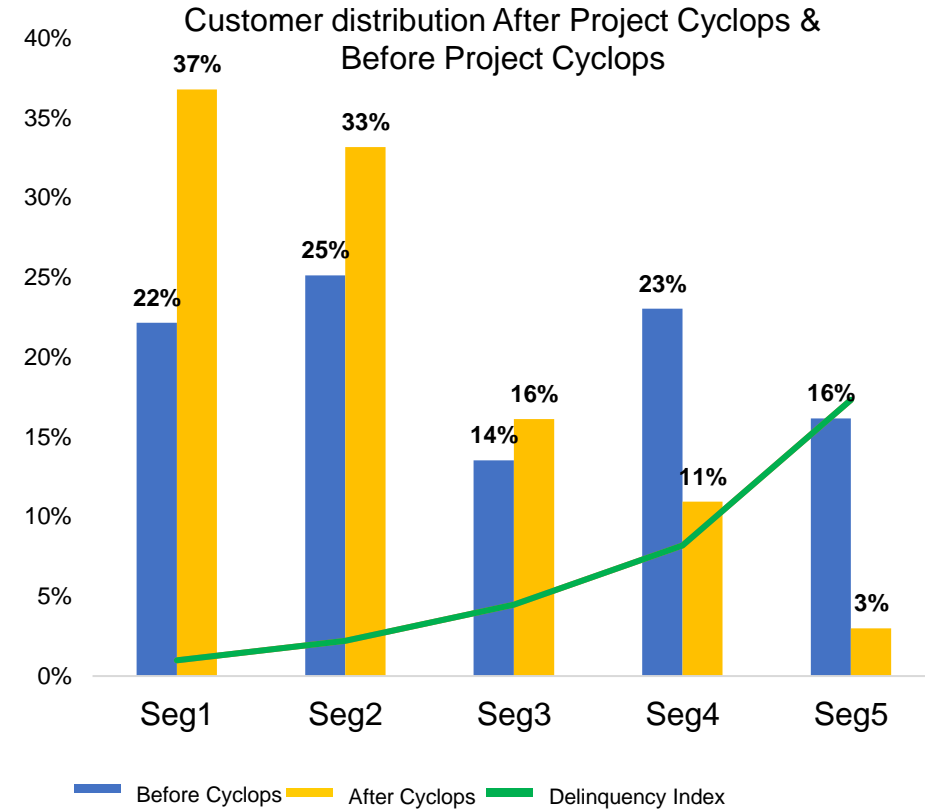
*ABND: Approved But Not Disbursed

*NNS: Net Non-Starters

L&T Finance

Approval Rates Increase while Lowering Delinquency

Approval rates increased as Project Cyclops ramped up

% Approval rate

Project Cyclops Launch

| | | | | | | | 1% | 4% | 14% | 28% | 43% |

Legend: %Cyclops Dealers — Cyclops — Non Cyclops

X-axis: Jan'24, Feb'24, Mar'24, Apr'24, May'24, Jun'24, Jul'24, Aug'24, Sep'24, Oct'24

Left axis: 50%, 55%, 60%, 65%, 70%, 75%
Right axis: 0%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%
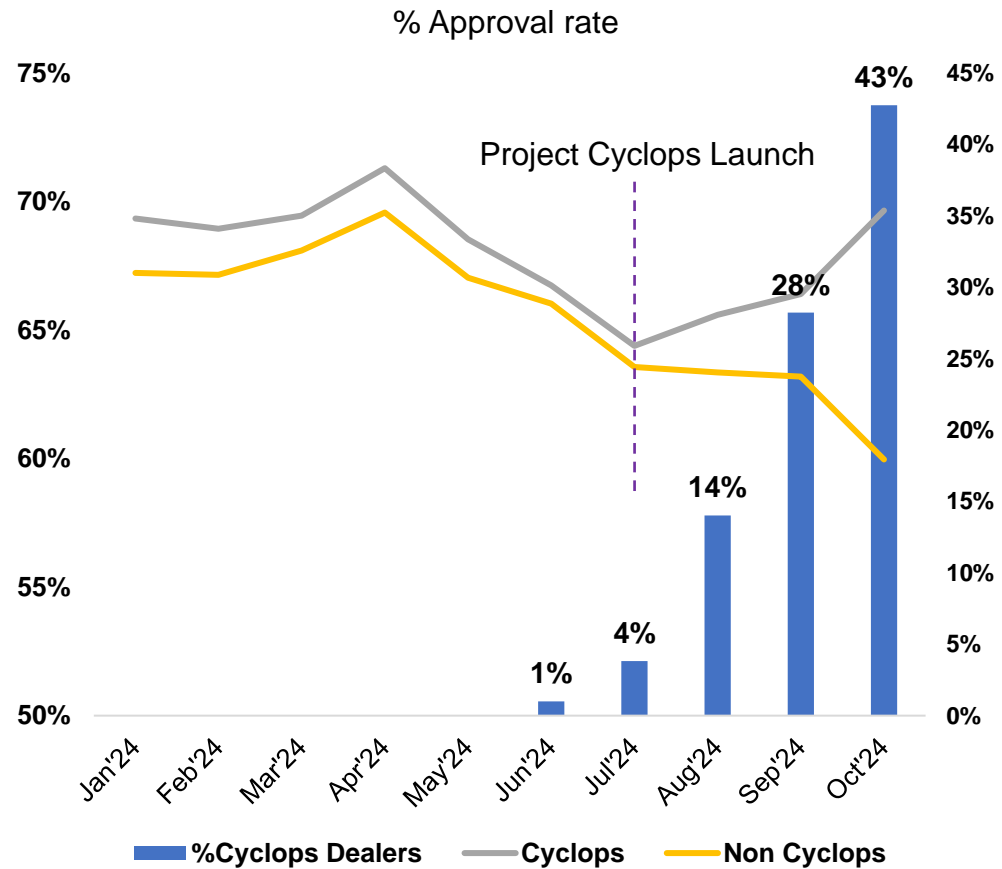
Lowered Credit loss by more than half

Before Project Cyclops

NNS*
Falls by 64%

After Project Cyclops

*NNS: Net Non-Starters

L&T Finance
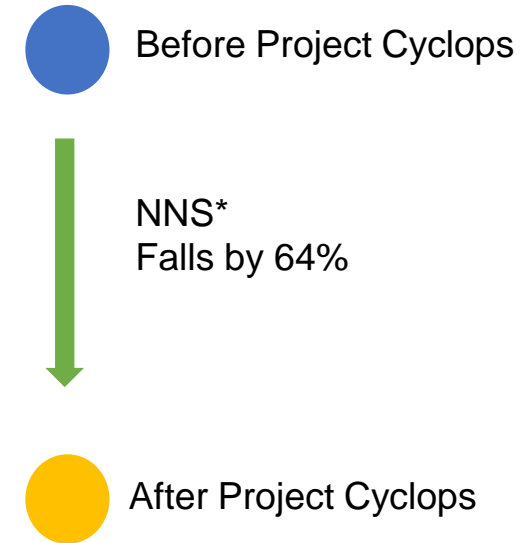
Taking Project Cyclops to the Farm

Satellite & meteorological data improves delinquency prediction of tractor loans
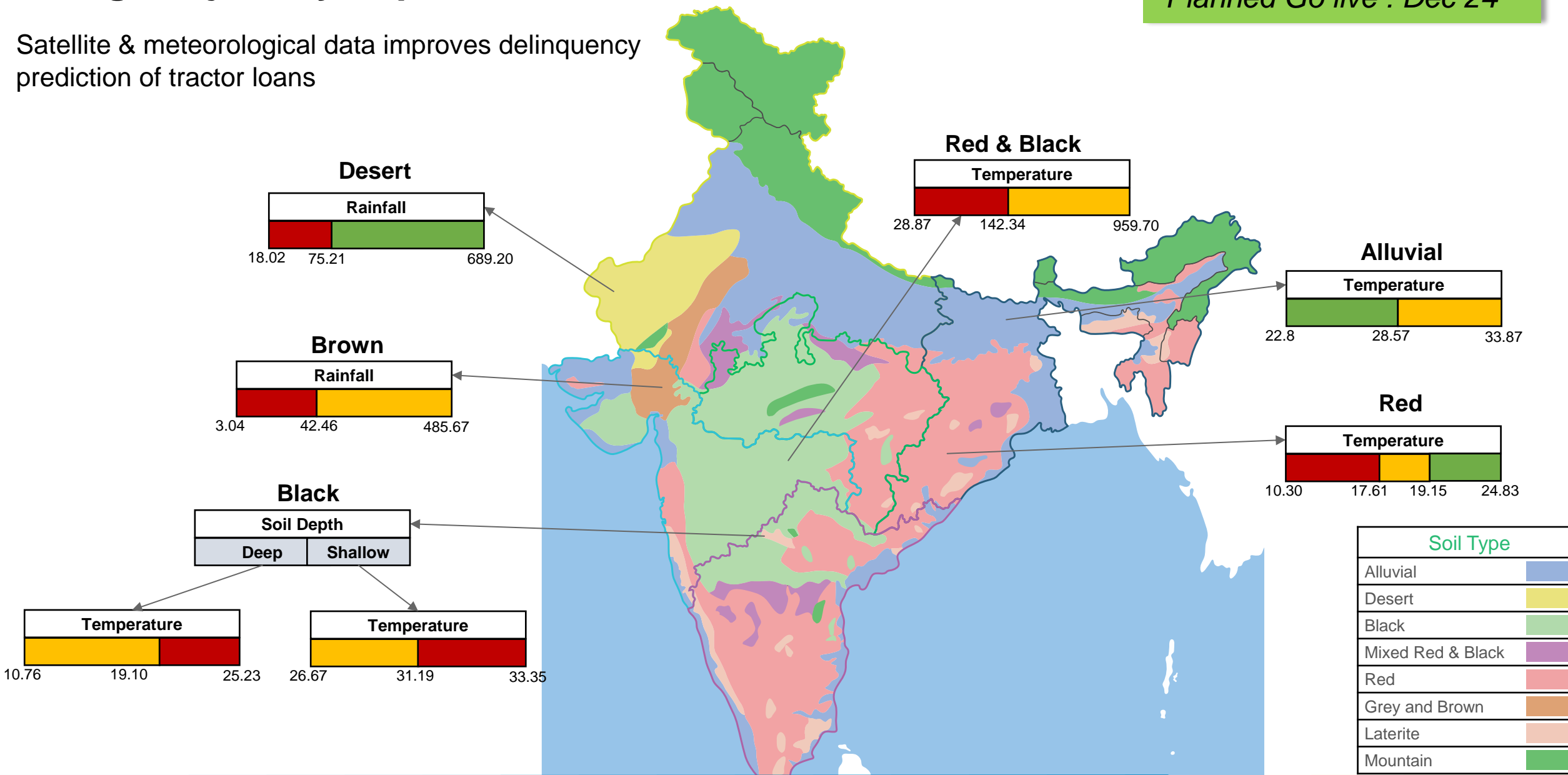
Desert
Rainfall
18.02   75.21   689.20

Red & Black
Temperature
28.87   142.34   959.70

Alluvial
Temperature
22.8   28.57   33.87

Brown
Rainfall
3.04   42.46   485.67

Red
Temperature
10.30   17.61   19.15   24.83

Black
Soil Depth
| Deep | Shallow |

Temperature
10.76   19.10   25.23

Temperature
26.67   31.19   33.35

Soil Type
Alluvial	
Desert	
Black	
Mixed Red & Black	
Red	
Grey and Brown	
Laterite	
Mountain	

L&T Finance

Undiscovered Prime: Lifestyle modelling

In early life, a Prime Customer's bureau footprint is thin.
Customer Intelligence on Alternative data, we can identify & nurture them early

Undiscovered Prime

Urban Customer   **Rural Customer**

Left Data	Urban	Rural	Right Data
BANK — • High Expense • Spend on furniture	₹ 75 Lacs HL	₹ 5 Lacs MLAP	• Good House • Rich Village — Geo
PAY / BANK — • Vacation Bills	Credit Card ✗	✗ Gold Loan	• Early POS — Bureau
Bureau — • Early POS	₹ 10 Lacs PL	₹ 75,000 Kisan Suvidha	• Stress Indicator — Psychometrics / Video PD
PAY / Bureau — • Good cars • Fuel Bills	Car Loan ✗	₹ 3 Lacs Tactor Loan	• Good Land • Good Harvests — Bureau / Geo
Planet / Bureau / GST — • WA Biz Account • OD Limits • Premium Customer • Paying Salaries	₹ 25 Lacs SME Loan	₹ 65,000 MF – Topup	• Family well to do • Kids Education — Geo / BANK
Bureau / Geo / Digital Data / BANK — • Good Phone • Good Restaurant • Home in Nice locality • Good Education background	₹ 1 Lacs TW Loan	₹ 45,000 MF	• Good House • Rich Village — Video PD

GenAI on Unstructured Data: LAP to MFI customers

Prompt
Engineering

Multi-shot
Learning

GenAI

**Multi-floor
house**

Painted Walls

Metal Doors

Brick house

Score: 9

FLO Visits customer house

FLOs clicks the customer image with house in b/g.

KYC image is sent to LLM*

LLM derives a score based on House Features

Better Customer receives **Micro LAP Offer**

Patent Filed

*LLM: Large Language Model

L&T Finance

MFI – GenAI based Auto Attendance

When MFI customers attend monthly meetings, better loan repayment follows

Psycho Demographic Index

Facets of Psychometric-valuation

- Conscientiousness
- Ostentatiousness
- Self-approach
- Morality
- Obligatoriness
- Decision-making
- Suicidal-tendency
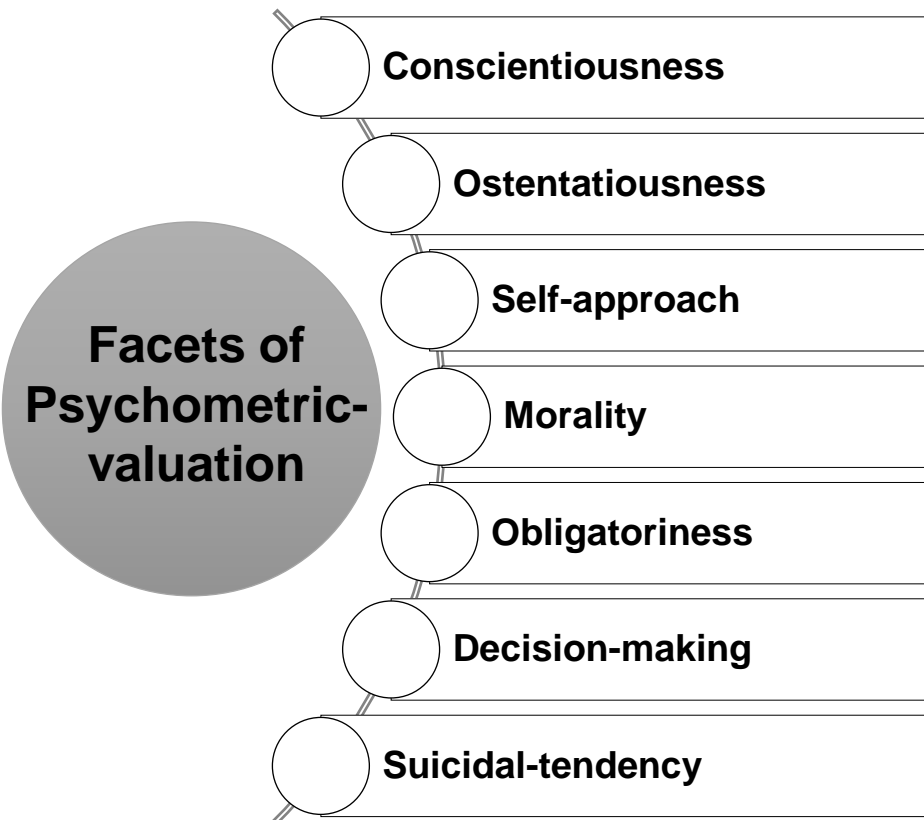
Q1. When it comes to budgeting the household expenses, what is your approach:

I always plan my expenses on the first Sunday of the month. Last month during Diwali, I planned to buy a washing machine and my salary income is limited. I have learnt a good lesson from my experiences, next year I am planning to buy a flat and I have already started saving my money in SIP.

8/10

Q2. Do you regularly attend skill development workshops and training sessions, what is your motivation?

Here and there people come to my village to teach us the skill. What do they think, I am not skilled. So, I do not attend these workshops. I have seen the world and I know why these people come to my village. They want cheap labours. I am happy the way I am. I do not need any help from anybody.

2/10

Q3. If someone consistently seeks new opportunities to start small businesses, what do you think about them?

Dekho bhai mauka baar bar nahi milta life mein. Mujhe jo achchha kaam milta hai, mai to kar leta hun. Lekin mujhe sirf kursi par baithane wala kaam chahiye, mehnat mai kar sakta hun lekin dhoop mein pasina bahana mujhe theek nahi lagta. Money jabtak easy naa ho kamane mein maja nahi aata

6/10

L&T Finance

The Future: more data, more returns

Evaluating & Identifying various alternate data provider to build a high value data library for building models & insights for all stages of lending journey

Existing data

🏦	Banking (Account Aggregator)	RODI – 8.46
📍	Geo-Location Profiling	RODI – 25.2
💲	Payment Aggregator	RODI – 10.6
📱	Premium Bureau	RODI – 2.34
📱	Alternate Bureau	RODI – 13.48

Under Evaluation

Digital Footprint	Identity Profiling		Notifications
Satellite Images	Employment Profiling		
Planet App Data	Lawsuit/ Bankruptcy		
Digital Data	E-commerce profiling		
Digital Profiling	Image/Video PD		

Sharper Credit Model → Return on Data Investment (RODI)

L&T Finance

1	Credit Intelligence
2	Customer Intelligence
3	Data Intelligence
4	**Portfolio Intelligence**
5	Service Intelligence

L&T Finance
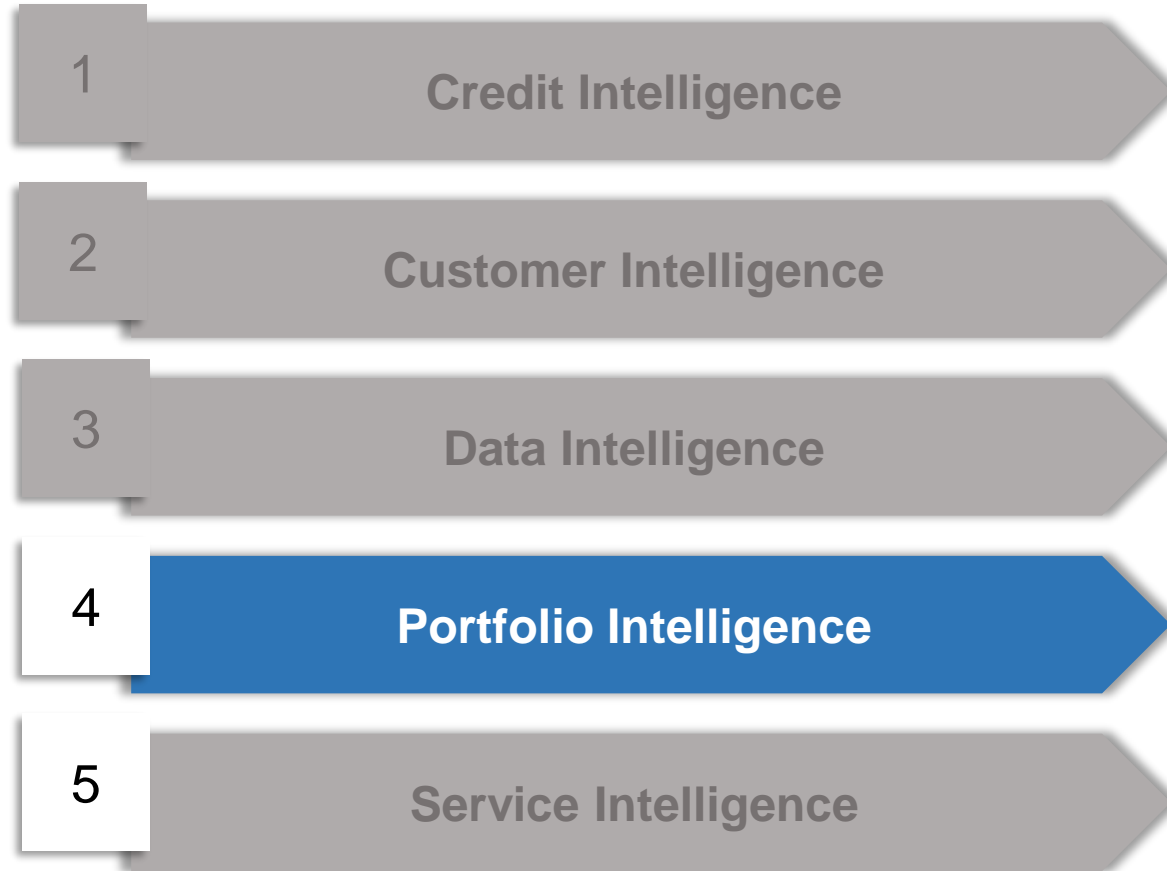
Nostradamus: Automated Risk Management System

Data

- Banking (Account Aggregator)
- Geo-Location Profiling
- Payment Aggregator
- Bureau Data
- Satellite Data
- Digital Data
- Planet App Data

And Many more..

Portfolio Monitoring

Customer monthly analysis

| | Banking (Account Aggregator) | Models per Data source | | | | DPD State | Risk | Resilience |
		Geo-Location Profiling	Payment Aggregator	Bureau Data	Planet Data			
Onboarding	✔	✔	✔	✔	✔	0	0.05	0.7
1st Month	✔		✔			0	0.01	0.8
2nd Month	✔	?	✔		✔	0	0.02	0.7
3rd Month	✘	✔	?	✔	?	0	0.10	0.5
Nth Month	✘		✘	✘		5	0.20	0.1

Stored → **Enterprise Data Warehouse**

Actions taken

- Cross sell/Up sell
- Collection Team

Key Features:
- Predictive Risk Assessment
- Ageing Analysis
- Portfolio Management system
- Responsive to external events
- Clusters portfolio into areas of concern
- Estimates borrower resilience
- Using Bank Aggregator data, we are at parity with banks

L&T Finance

Chatbots Have Been A Failure!!!
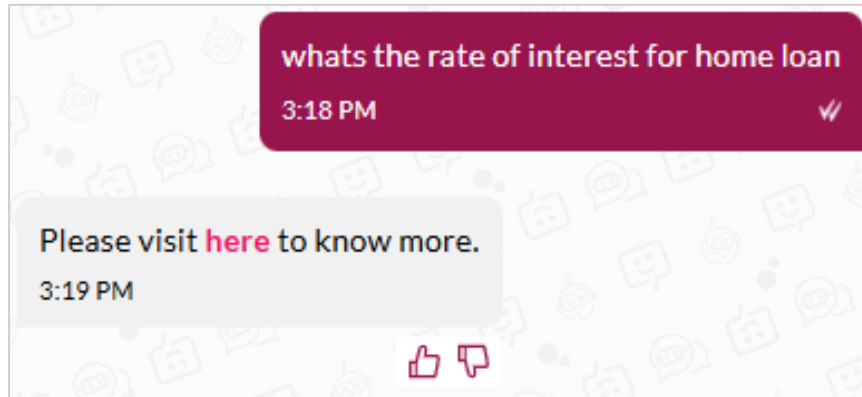
Non Conversational 👎
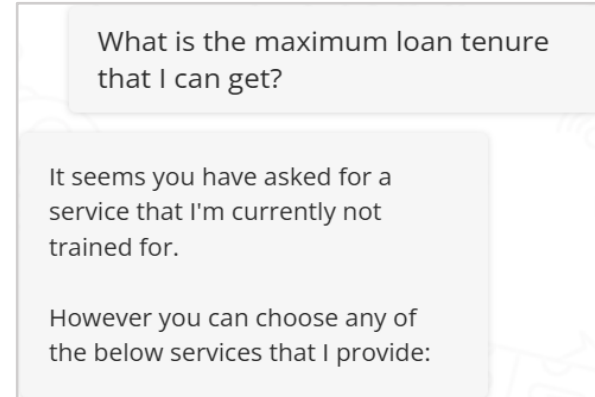
Ill-equipped 👎
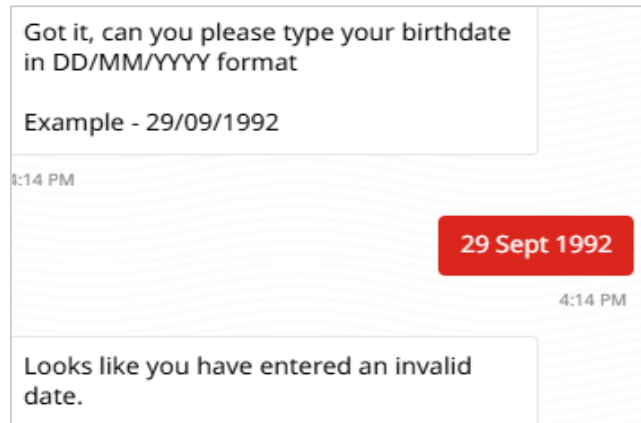
Hard Wired 👎

Menu Driven 👎

L&T Finance
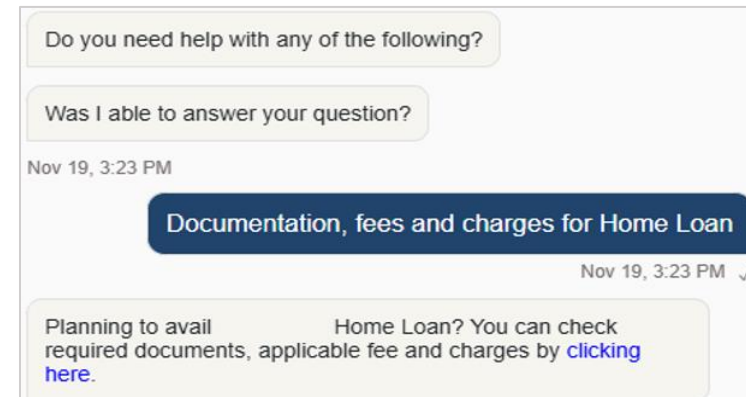
Expectations from a Chatbot

Conversational

Well - Equipped

Dynamic

Interactive

L&T Finance

Knowledgeable AI - KAI

Responsive Personalized Experience

**Visit KAI at
RAISE'24 @ LTF Booth**

Interact with KAI: www.ltfs.com/our-products/housing-finance

L&T Finance

INVESTOR DIGITAL DAY
Rural Business Finance
Digital Strategy Update

Ms. Sonia Krishnankutty
Chief Executive – Rural Business Finance
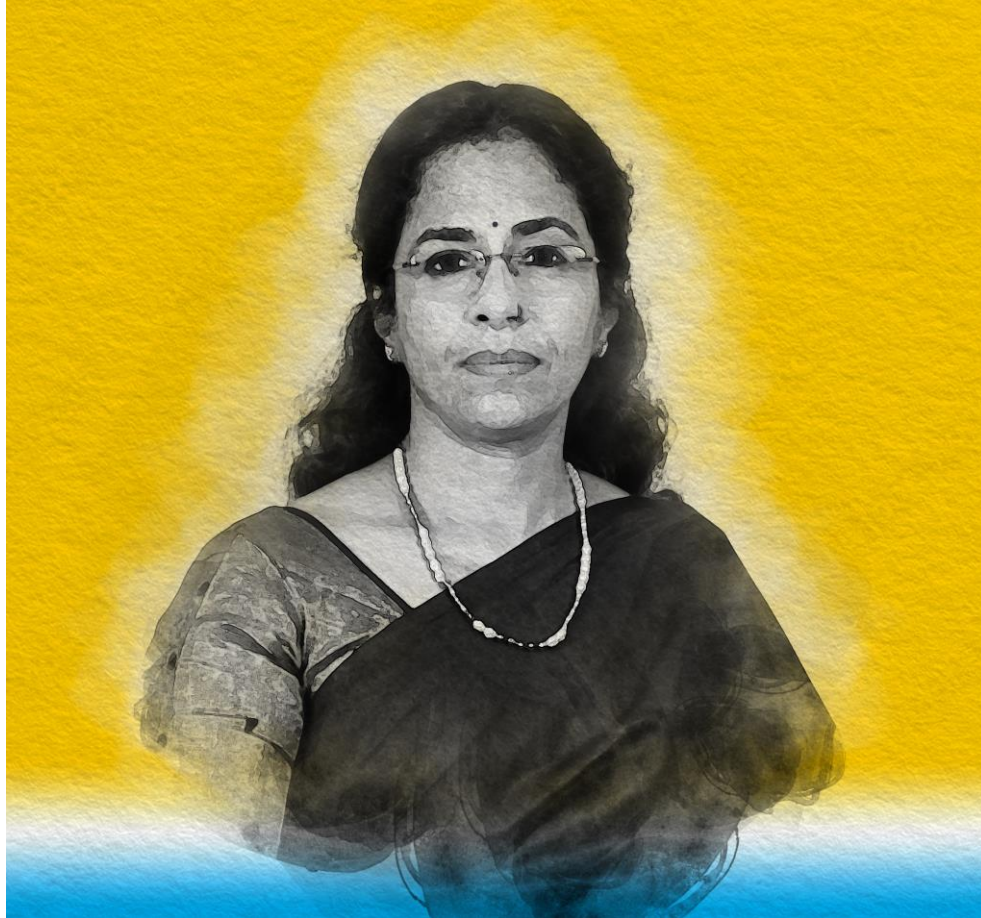
With L&T Finance since	:	June, 2008
Total years of experience	:	25 years
Past Experience	:	Bank of Baroda
Educational Qualification	:	MBA – XLRI Jamshedpur PG – Kerala University

High quality rural franchise built-up over the past 15 years

Our Presence
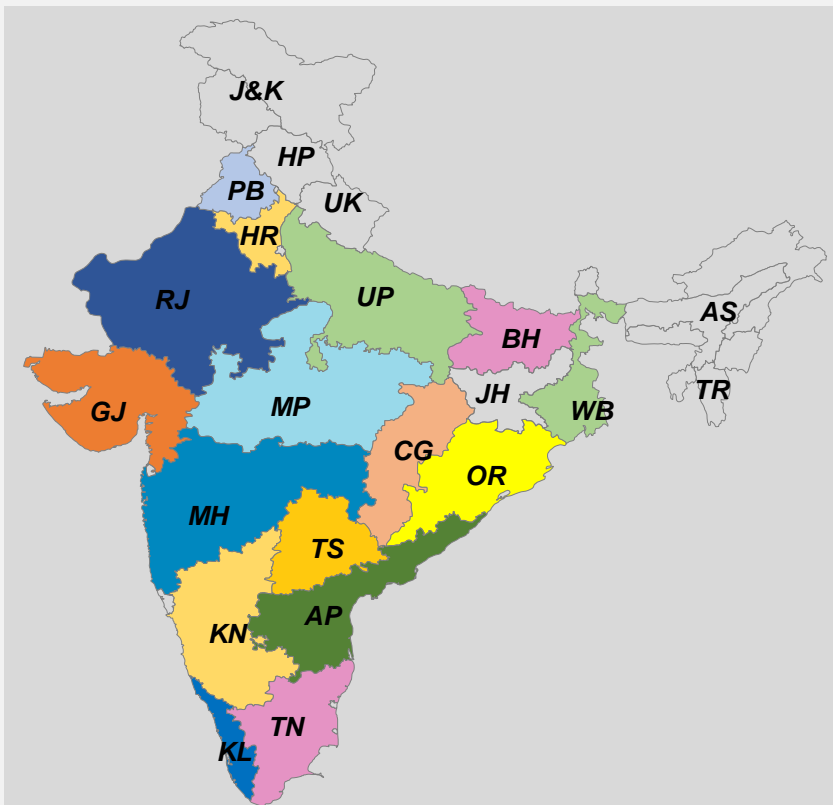
- **16 States, 350 Dist.**
- **1,900+ Branches**
- **1,80,000+ Villages**
- **18,500+ Employees**

Our Growth Trajectory empowered through Digital tech driven credit calibrated framework

Book (₹ Cr.)

FY18	FY19	FY20	FY21	FY22	FY23	FY24	Q2FY25
7,549	12,476	12,495	12,207	13,278	18,693	24,673	26,352
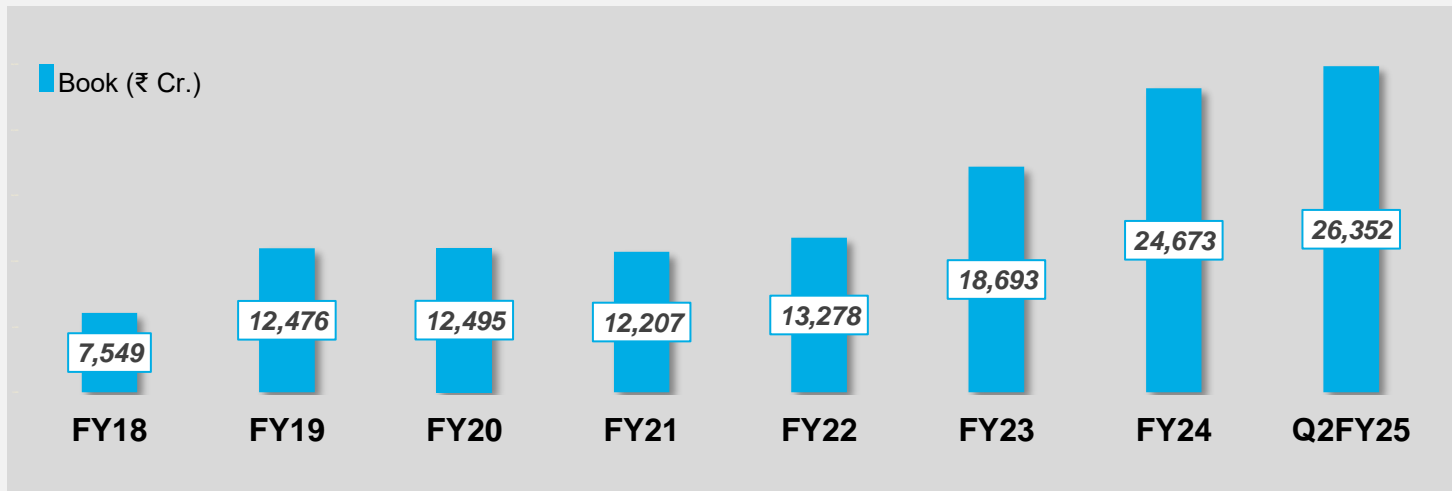
15 YEARS

Product vintage: Microfinance & Rural Group loans (2008), Micro LAP (2023)

₹ 4.4 Lacs Cr JLG Market

Amongst the leading financiers in JLG industry

130Lacs Captive Customer Base 64Lacs Active Customer Base

Driving efficiencies through data & technology

2018-20

2020-22

2022-23

2023-24

2024-25

Launched **app-based digital sourcing** journey & real time EMI receipting

Trigger-based EWS framework for portfolio monitoring

Maker-checker workflow introduced through an **independent appraisal vertical**

Introduced **penny-fuzzy check** for authenticating customer a/c details

Driving efficiencies through data & technology

L&T Finance

2018-20

2020-22

2022-23

2023-24

2024-25

Instant credit sanction *in under 1 minute*

Launched ***mid-term offers*** *for repeat customers*

Launched ***digital collections via dynamic QR-codes*** *on passbooks*

Customer liveliness check *for recognizing customer legitimacy*

Driving efficiencies through data & technology

L&T Finance

| 2018-20 | 2020-22 | **2022-23** | 2023-24 | 2024-25 |

Launched **Unified Sourcing & Collection App**

Leveraged data to roll out **tailor-made pre-approved offers**

Implemented smart **Document Management System**

Inbuilt system calculator for household income assessment

Driving efficiencies through data & technology

2018-20

2020-22

2022-23

2023-24

2024-25

Achieved **100% Paperless** customer on-boarding

Integrated with **Multiple Technology Service Providers**

Adopted **Geo-Spatial Tech**

Automated Route Maps for field efficiency

Driving efficiencies through data & technology

L&T Finance

| 2018-20 | 2020-22 | 2022-23 | 2023-24 | **2024-25** |

*Achieved 25% **Digital Collections***

*Introduced **Mobile DIY** journey through Planet App*

*Implemented **Customer Leverage Tracker** for risk-band categorization*

AI** for building **Internal Efficiencies

Growth dividend of digitization

Tech

» Home-grown custom LOS

» App based Digital customer journey

» Instant Credit Assessment

» 100% Digital Disbursement Stack

Data

» Geo-spatial data analysis for Geo-Expansion/consolidation

» Multiple 3rd party API integrations for real time customer data verification

Way Forward →

Customer Lifestyle Index

AI backed Geo Expansion

AI based Customer Helpline

Alternate data for customer insights

Driving Scalability

Disbursement volumes

Avg Monthly Disbursements

₹ 1,400 cr → ₹ 1,800 cr ⬆ 27%

FLO productivity

₹ 15 lacs → ₹ 18 lacs ⬆ 20%

Process Enhancement

Login to Disb. TAT

4.5 Days → 2 Days ⬇ 56%

E-Agreement, E-Application, 100% Paperless Journey

Journey Digitization

Planet App adoption

12 lac+ customer downloads

Servicing transactions

2.5 lac+ per month

For disbursement and productivity, FY23 and FY24 are compared

Harvesting existing customer base with tech driven customer retention

Tech

» Straight-through-processing journeys for pre-approved pool

» Green Channel workflow for superior customers

» Propensity model for accelerated conversion through multiple campaigns

Data

» Pre-qualified Customer Pool

» Utilizing existing JLG customer base for cross-selling Micro LAP

» Data driven analytics enabling us to offer risk based pricing to customers

Way Forward →

Predictive Geo Analytics

Behavioral Scorecard

Enhancing Customer Stickiness

Customer Retention

67% Repeat customer base

Customer Exclusivity

40% Unique Customer Base

Cross Selling

~10% Micro LAP cross sell leveraging existing JLG base

Sharp Offerings based on 360° customer view

AI based loyalty reward programs

Protecting customer franchise with data-driven portfolio monitoring

L&T Finance

Tech

- » OCR and ML checks for customer identification and authentication
- » EWS (Early Warning Signal) triggers based on internal & external databases
- » Leveraging Karza for customer KYC authentication

Data

- » Pin code level bureau performance analysis
- » Risk detection using Real-time data & analytics
- » Analytics-backed settlement models

Way Forward →

- **Predictive models basis geo-political & socio-economic factors**
- **AI enabled recording Customer Attendance**
- **ML based repayment propensity model**
- **Psychometric based customer Credit Assessment**

Augmenting Portfolio & Process efficiencies

Collection Discipline

Collection efficiency at 99.5+% levels & ODD collection at 95%+; resulting in driving '0' DPD culture- ~97%

Strong Appraisal framework

Industry first independent appraisal vertical at branch level for quality sourcing

Operational risk mitigation

Exclusive 700+ Risk control unit to curb operational risks / frauds basis set data triggers

Rural Business Finance

Digital strategy update & its role in shaping business

Calibrating strategy in a dynamic market environment

Moderated disbursements basis collection thresholds *at branch level*

In ₹ Cr

Jul'24	1,924
Aug'24	1,826
Sep'24	1,599
Oct'24	1,490
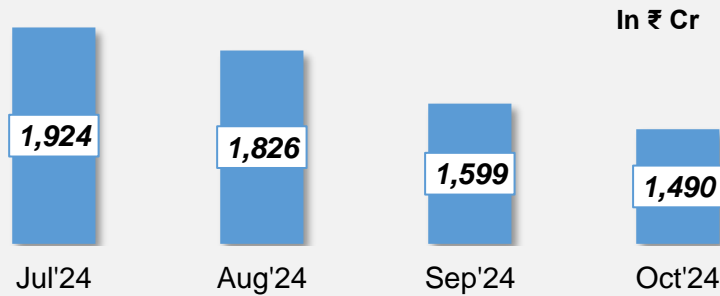
Restricted sourcing to *2 external associations* even for repeat customers; more stringent than MFIN norms

Sep'24 ■ Oct'24

	Sep'24	Oct'24
LTF + 0	40.5%	41.2%
LTF + 1	27.3%	27.4%
LTF + 2	18.4%	18.4%
LTF + 3	8.3%	8.0%
LTF + >=4	5.4%	5.0%

MFIN Norms

LTF Norms

Measures Implemented

*Evaluating **new geographies** to drive new customer addition with reduced leverage*

UP
MH
TS
AP
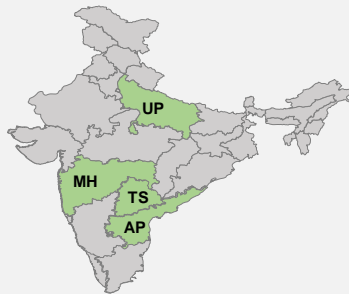
Strengthened field force *to rationalize allocations/reduce APC and introduced new channel of customer connect*

Introduction of Call Center

Current	Revised
540	490

Comfort Factors

69 % of book with 0 or 1 external association

69% of portfolio with only 0 or 1 external association showcasing lower customer indebtedness

Jun'24	Sept'24	Oct'24
₹1,738 cr	₹1,371 cr	₹1,251 cr
7.0%	5.4%	5.0%
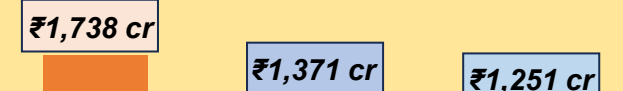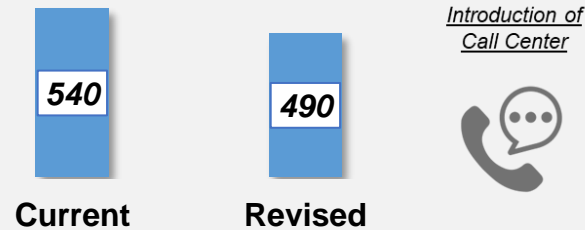
Focus on tapering off customers with high leverage (>=4 associations) in portfolio

Conservative sourcing norms with focus to on-board lower leveraged customers

L&T Finance

Association wise customer composition at sourcing						
Association	**Q2 FY24**	**Q3 FY24**	**Q4 FY24**	**Q1 FY'25**	**Q2 FY25**	**Oct'24**
Only LTF	47%	48%	50%	48%	49%	53%
LTF + 1	28%	28%	28%	32%	31%	30%
LTF + 2	19%	19%	17%	19%	20%	17%
LTF + 3	6%	5%	5%	1%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Strong credit guardrails reflecting in stringent association, exposure and DPD norms; aided by dedicated Fresh sourcing vertical (500+ team) to acquire lower leveraged customers

Prudent association norms leading to continued reduction in leveraged customer base

Customer Association on Rural Group Loans & Microfinance outstanding book (%)

Legend: ■ Q1FY25 ■ Q2FY25 ■ Oct'24

LTF
- 38.3% (Q1FY25)
- 40.5% (Q2FY25)
- 41.2% (Oct'24)

LTF + 1
- 26.2% (Q1FY25)
- 27.3% (Q2FY25)
- 27.4% (Oct'24)

LTF + 2
- 18.4% (Q1FY25)
- 18.4% (Q2FY25)
- 18.4% (Oct'24)

LTF + 3
- 10.0% (Q1FY25)
- 8.3% (Q2FY25)
- 8.0% (Oct'24)

LTF + 4
- 4.1% (Q1FY25)
- 3.3% (Q2FY25)
- 3.1% (Oct'24)

LTF + 5
- 1.7% (Q1FY25)
- 1.2% (Q2FY25)
- 1.1% (Oct'24)

LTF + 6
- 0.7% (Q1FY25)
- 0.5% (Q2FY25)
- 0.4% (Oct'24)

>LTF + 6
- 0.5% (Q1FY25)
- 0.4% (Q2FY25)
- 0.3% (Oct'24)

> 5.0% of outstanding book has customers with LTF+ >= 4 associations (loan taken post LTF disbursal) **thus reflecting prudent sourcing & monitoring**

Oct'24 Regular CE

LTF	LTF + 1	LTF + 2	LTF + 3	LTF + 4 to >LTF + 6
99.7%	99.5%	99.3%	98.6%	97.0%

- Basis bureau data, borrowers with higher number of associations exhibit higher probability of default

- Over the years, LTF has institutionalized the above insight in form of specific risk guardrails resulting in resilient portfolio metrics as below:

  o ~ 87% of book is LTF + <= 2 external associations; ~95% of book compliant with MFIN guardrails issued in Jul'24

Robust collection efficiencies in a challenging environment

L&T Finance

0 DPD CE = POS of 0 DPD collected / POS of 0 DPD billed

RURAL BUSINESS FINANCE
0 DPD CE %

RURAL GROUP LOANS & MICRO FINANCE (JLG)

● FY24 ● FY25

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY24	99.8%	99.8%	99.8%	99.9%	99.8%	99.8%	99.8%	99.8%	99.8%	99.7%	99.8%	99.8%
FY25	99.7%	99.7%	99.6%	99.5%	99.5%	99.4%	99.3%					
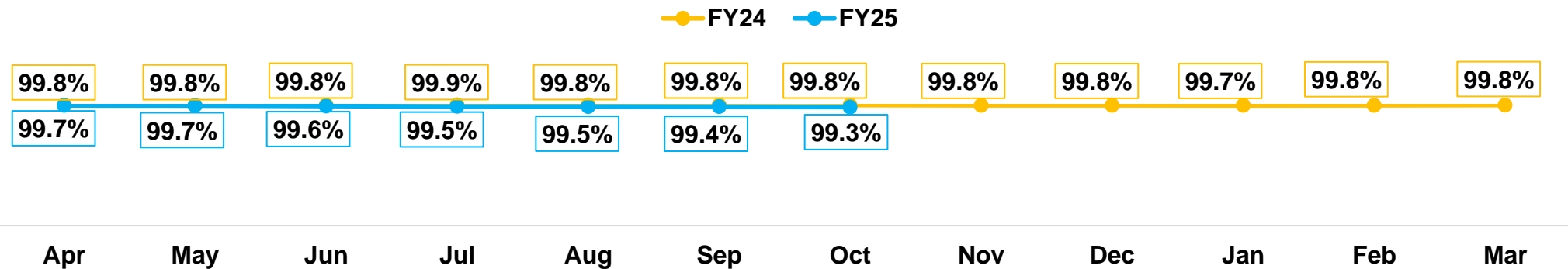
0-90 DPD CE = POS of 0-90 DPD collected / POS of 0-90 DPD billed

RURAL BUSINESS FINANCE
0-90 DPD CE %

RURAL GROUP LOANS & MICRO FINANCE (JLG)

● FY24 ● FY25

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
FY24	99.4%	99.4%	99.4%	99.4%	99.5%	99.5%	99.5%	99.4%	99.3%	99.2%	99.2%	99.3%
FY25	99.2%	99.2%	99.0%	98.7%	98.5%	98.3%	98.1%					
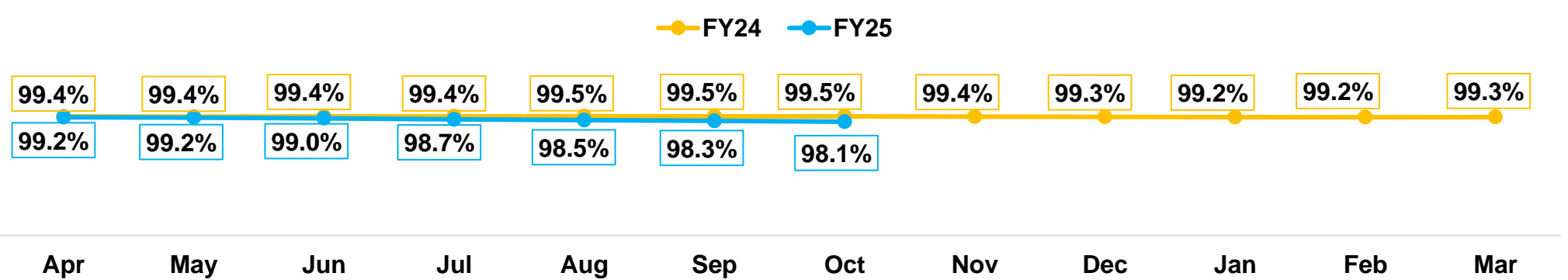
Healthy bucket-wise asset quality trends

L&T Finance

PAR Trend

0 DPD Book %

Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
96.8%	97.1%	97.0%	96.8%	96.4%

PAR 0+: 3.2%, 2.9%, 3.0%, 3.2%, 3.6%
PAR 30+: 3.2%, 2.8%, 2.9%, 2.9%, 3.0%
PAR 60+: 3.1%, 2.6%, 2.7%, 2.6%, 2.5%
PAR 90+: 3.0%, 2.5%, 2.5%, 2.4%, 2.1%

- PAR 0+
- PAR 30+
- PAR 60+
- PAR 90+
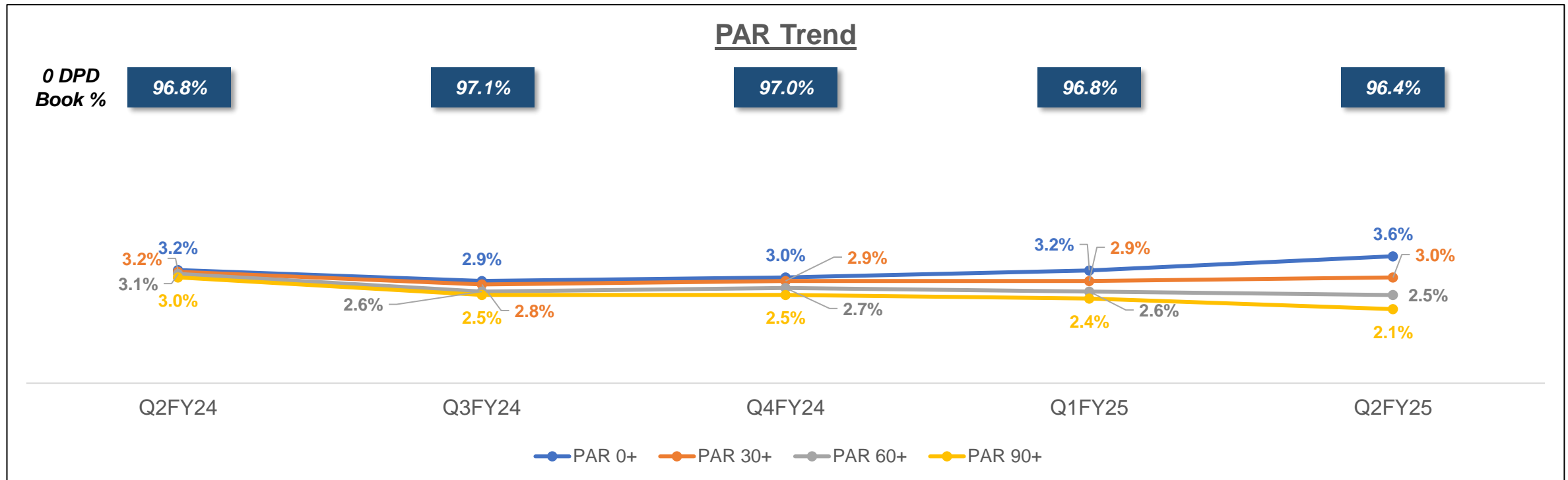
- **Transient increase in delinquency observed in Q2'25 due to:**
  - ❖ **Heavy rainfall and flooding situation in multiple states like Bihar, UP, Gujarat etc.**
  - ❖ **Localized political disruptions in eastern UP, and reduction in fund flow of government schemes due to elections in select states**
- **Write offs done in the Q2FY25 – ₹ 236 cr (Q1FY25 at ₹ 89 cr); Slippage in Q2FY25 – ₹ 175 cr (Q1FY25 at ₹ 100 cr)**

Strengthened feet-on-street to enhance collections & maintain portfolio quality

L&T Finance

Manpower Composition across states			
State	**Jun'24**	**Oct'24**	**% increase**
Bihar	2,911	3,441	18%
Tamil Nadu	2,712	2,958	9%
Karnataka	1,508	1,682	12%
Uttar Pradesh	696	958	38%
Odisha	653	747	14%
West Bengal	643	729	13%
Kerala	579	637	10%
Madhya Pradesh	484	543	12%
Gujarat	372	485	30%
Rajasthan	338	347	3%
Punjab	329	346	5%
Maharashtra	146	271	86%
Haryana	256	262	2%
Chattisgarh	191	220	15%
AP & TS	127	207	63%
Total	**11,945**	**13,833**	**16%**

Rationalized field loan officer's APC from 540 to 490 to optimize span of control and improve monitoring

Improved salary & incentive structure and focused on employee engagement initiatives to maintain employee morale

Attrition levels reduced by 17% from Aug to Oct

7-layer business vertical structure along with Seasoned supervisory field layer (avg vintage – 5 yrs) providing strength to the portfolio

Harnessing our strong franchise to further tap into rural financing opportunities

L&T Finance

Launched Micro LAP to diversify into secured lending segment

Book Size: ₹ 214 Cr

Utilizing vast distribution network & infrastructure across PAN India (1900+ branches)

Strong lead funnel through 13,000+ feet-on-street covering 2 lac villages

Leveraging on significant base of existing JLG customers (~64 lacs)

Seasoned understanding of rural customers & incomes for superior credit underwriting

Robust in-house tech-stack with end-to-end app-based digital journey

INVESTOR DIGITAL DAY
Farmer Finance
Digital Strategy Update
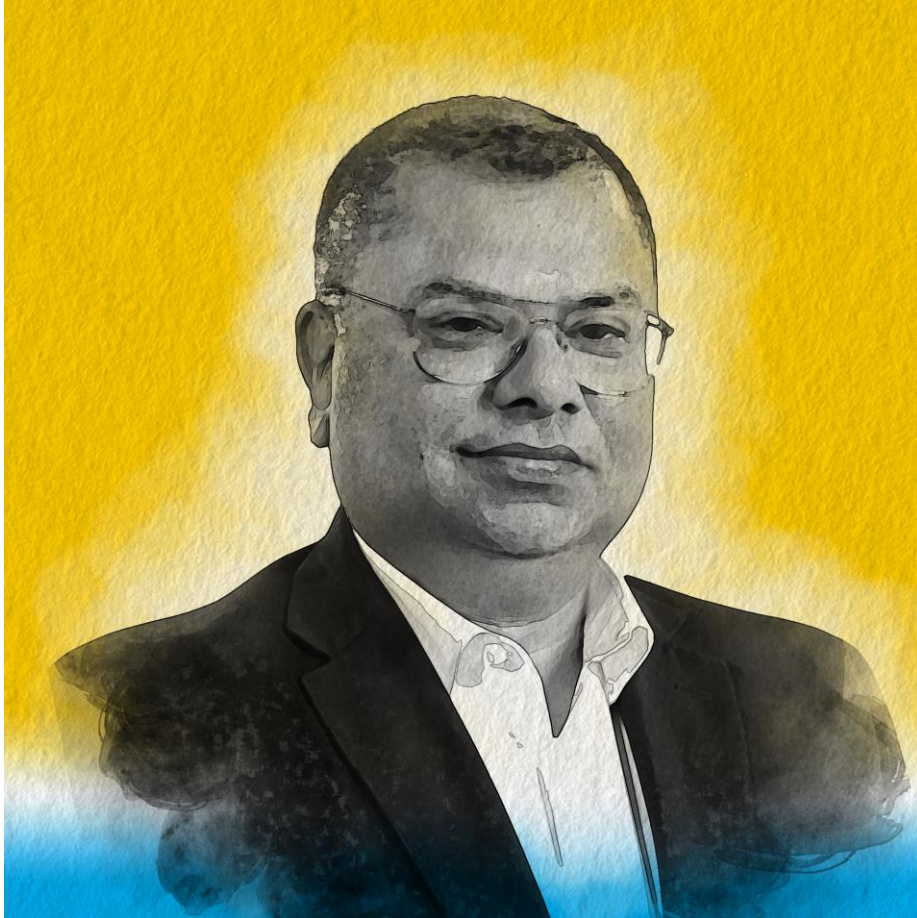
Farmer Finance : Business Overview

L&T Finance

Customer Segment

Farmers (Small, Medium & Large)

Age	Tractor usage
20-65 Years	Self + Hiring

Traders & Processors

Type
Proprietorship / Partnership / Pvt. Ltd.

LTF Franchise

- ₹ 15,000 Cr. AUM
- 16 States Presence
- 11 Lac+ Customers Served
- 170+ Branches
- 2500+ Active Dealerships

OEM Partners

Mahindra · SWARAJ · SONALIKA · JOHN DEERE · TAFE · ESCORTS · Kubota · E · CAPTAIN · C · SOLIS · VST

Preferred financier for all major Tractor OEMs

Product Offerings

- New Tractor Finance
- Implement Finance
- Kisan Suvidha (Up-Sell)
- Refinance
- Warehouse Receipt Finance

Leading Tractor financier *in the Country*

How has Second Half of the year started

Disbursement
26% ↑

Kisan Suvidha (Up-Sell)
26% ↑

Productivity
20% ↑

E-NACH Penetration (%)
54% ↑

Net 1st EMI Bounce (%)
2.0% ↓

Collection Efficiency (%)
1.4% ↑

Touch-free Collection
15% ↑

On-Due-Date Collections
4.8% ↑

Market Position
Maintained Market Leadership

Healthy disbursements *backed by* **strong digital collections**

Tractor Finance : Journey & Challenges

L&T Finance

Journey

Up to FY17	FY17 to FY19	FY19 to FY23	FY23 onwards
Pen & Paper Based Journey	Hand-held scanner for document upload	Tablet Based Data capturing	Digital Mobile App for Sourcing
Traditional Pen & Paper based loan sourcing	Ease of document management	Less dependency on branch & faster processing	Completely remote, less documentation & enhanced productivity

Tractor Finance vintage of over 20 years

Tractor Finance

Challenges

- Declaration based Info
- Assessment of Standard of living
- Data Inadequacy
- Identify Mules
- Banking habits

Lack of data & conventional credit appraisal methods resulting to wrong customer selection

Tractor Loan : Interventions aiding to 'Protect' Sourcing Quality

L&T Finance

Multiple Data pull

Minimal Documentation

Active & Primary bank A/c

Real-time visibility of living standard

Better understanding of customer profile

KYC Pull
DigiLocker
:karza NSDL
Adhaar / PAN / VID

Hyper local Demography
GENIQ

KYC Verification
HYPERVERGE
DigiLocker NSDL

Bureau
tu CRIF
EQUIFAX

Account Aggregator
Perfios
Pirimid Fintech

Comprehensive *Credit Risk* assessment

Land Type & Records
SATSURE
AgriWatch

'Farm Cyclops'

'**Rule Engine**' based Underwriting

Decile based Decisioning

Lower Decile

Higher Decile

'STP'

Video Personal Discussion (PD)

1st Level Supervisor

Underwriter

Real time assessment of standard of living

Better understanding of customer profile

Asset verification

Ringfence **credit underwriting** & **customer** **selection**

Leveraging **digital tools, advance analytics,** & **machine learning**

Minimizing risk with enhanced customer convenience

Warehouse Receipt Finance : Framework & Challenges

L&T Finance

Framework

Product Framework

1. Commodity deposit
2. WHR & QC report
3. Disbursement of Loan
4. Repayment of Dues
5. Instruction to release commodity
6. Release commodity to borrower

Borrower — L&T Finance — Collateral Manager/ Warehouse

Professional Warehouses
40%

Disbursements
₹ 400 Cr.
(since inception)

Commodities
34

AUM
₹ 150 Cr.
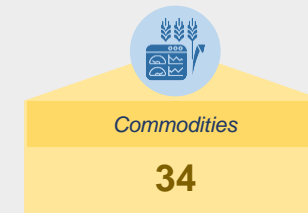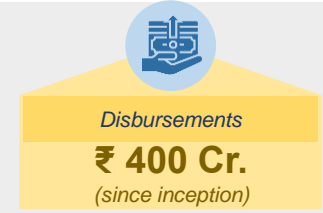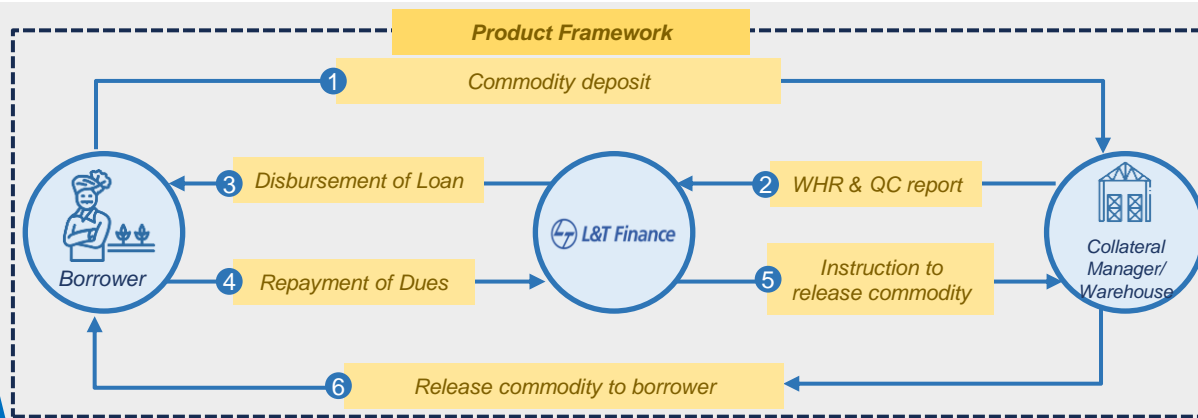
Product launched in April 2023

Warehouse Receipt Finance

Challenges

Document intensive process

Manual monitoring of price fluctuations

Higher TAT
Sanction (7 - 20 days)
Disbursement (24 – 48 hrs)

Unwieldy release process
(24 – 36 Hrs.)

Traditional method of doing business leading to higher turnarounds & lower productivity

Warehouse Receipt Finance : Innovation led the 'Growth'

L&T Finance

No Physical Documents	Quick sanction & disbursement	Automated Price pull	Best -in-class release process

Disbursement (24 – 48 hrs)

Personal Data

KYC Pull

:Karza   NSDL

Adhaar verification

HYPERVERGE

Financial Data

GST & ITR Pull

Goods and Services Tax

Bureau

tu   CRIF

Account Aggregator

Perfios   Pirimid Fintech

First of it's kind **Paperless journey**
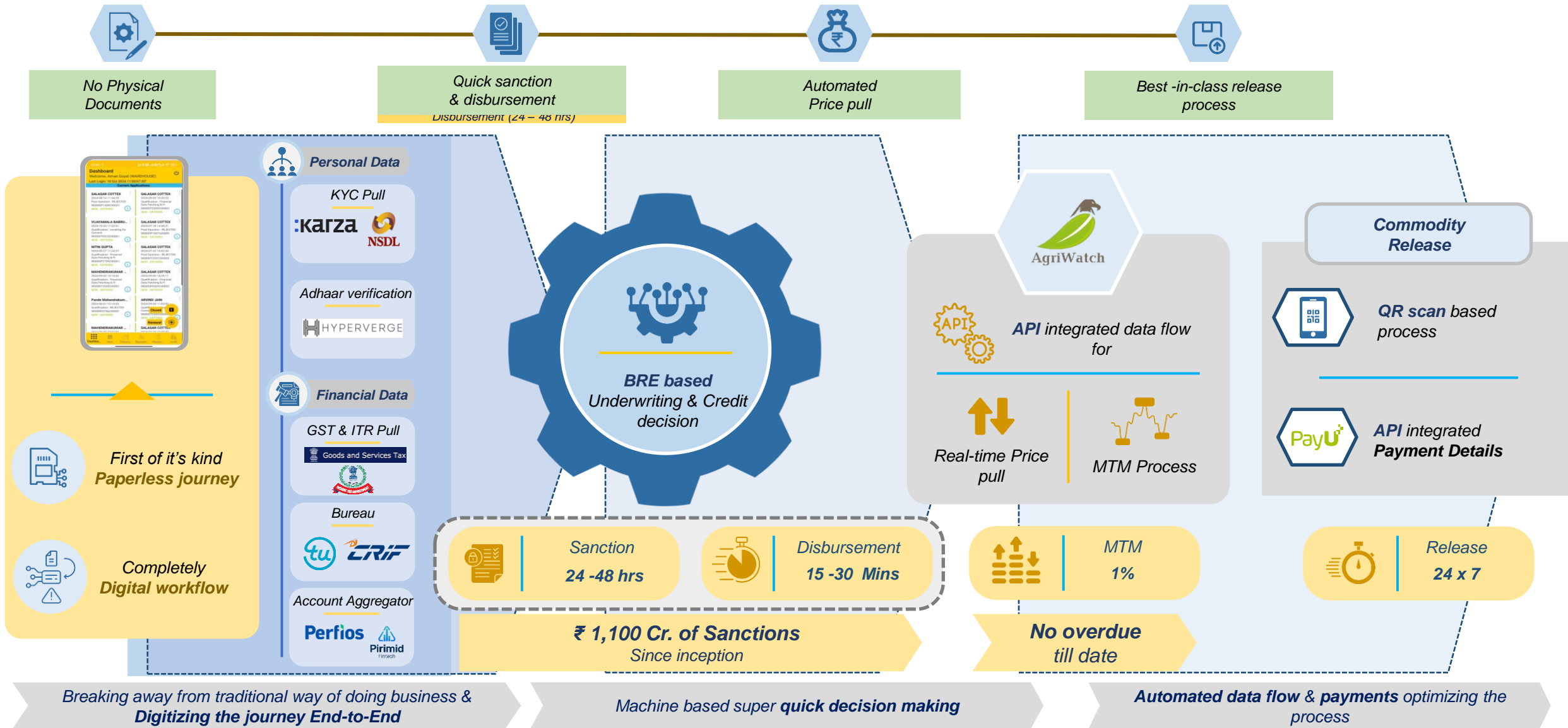
Completely **Digital workflow**

BRE based Underwriting & Credit decision

AgriWatch

API integrated data flow for

Real-time Price pull | MTM Process

Commodity Release

QR scan based process

PayU   API integrated **Payment Details**

Sanction 24 -48 hrs	Disbursement 15 -30 Mins

₹ 1,100 Cr. of Sanctions Since inception

MTM 1%

No overdue till date

Release 24 x 7

Breaking away from traditional way of doing business & **Digitizing the journey End-to-End**

Machine based super **quick decision making**

Automated data flow & payments optimizing the process

Disrupting the market through 'Tech-led innovation' & 'Digitization'

Up-Sell : Features & Challenges

L&T Finance

Features

11 Lac+
Existing Customer Base

4 Lac+
Active Customer Base

Product Offerings

1st Up-Sell Offer	2nd Up-Sell Offer	Up-Sell Post closure
Kisan Suvidha	Kisan Suvidha Plus	Refinance

Capitalizing on existing customer base for differentiated offerings & enhanced customer retention

Kisan Suvidha (Up-Sell)

Challenges

Manpower dependent

Flexibility of offerings

Asset verification

Transparency of process

High dependency on field-force emanating higher TAT along with immutable offerings

Up-Sell : 'Harvest' existing data base through D2C Journey

L&T Finance

- Autonomous journey
- Asset verification at customer location
- Customizable loan parameters
- End to End loan status tracking

BAU Journey
- Call-centre
- Field- team
- Customer

D2C Journey
- Call-centre
- D2C Journey
- Customer

L&T Finance PLANET

- Live asset verification
- Reduced field dependency
- Geo location capture

Simple **4-step multi-lingual** journey

Customise your offer

💰 Eligible Disbursement amount
₹3,30,000

Required Disbursement Amount
₹ 2,00,000

₹1,00,000   ₹3,30,000

Tenure
₹ 48 Months

12 Months   60 Months

Hello, Rajneesh Mathur!
Avail Pre Approved Top up loan on your tractor!
Apply Now

My Loans   LAN 23456789010
Farm Loan   Outstanding amount ₹27,778
View Details   **Pay EMI**

Handpicked offers for you
Congratulations Shankar!
₹3,30,000
Here is a pre approved offer for you.
Apply now

- **DIY** loan customization
- **Self upload** of asset photos
- **Pre-populated** Data
- **Extension** of existing mandate

2 Hours
Disb. TAT

Exaltation for Prime customers

Hassle free & minimal documentation

Savings on Cost, Efforts & Time

Augmenting customer retention with enriched Digital Experience

INVESTOR DIGITAL DAY
Urban Finance
Digital Strategy Update

Great Place To Work®
Certified
MAY 2024–MAY 2025
INDIA

L&T Finance

Mr. Sanjay Garyali
Chief Executive – Urban Finance

L&T Finance

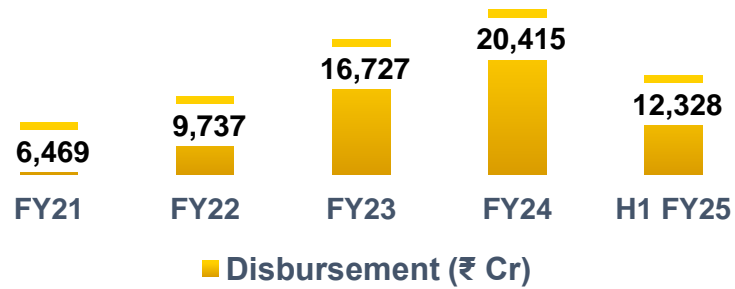|		
With L&T Finance since	:	April, 2022
Total years of experience	:	28 years
Past Experience	:	Kotak Mahindra Bank, HDFC Bank, GE Consumer Finance
Educational Qualification	:	MBA – Panjab University, Chandigarh B.E. - BV College of Engineering, Pune

Snapshot – Urban Finance

Disbursement
CAGR >40%

Disbursement (₹ Cr):
- FY21: 6,469
- FY22: 9,737
- FY23: 16,727
- FY24: 20,415
- H1 FY25: 12,328

Business Mix
- HL + LAP : 40%
- 2W : 40%
- PL : 20%

Book Mix %
- HL + LAP : 52%
- 2W : 31%
- PL : 17%

Book - Size
CAGR >25%

Book (₹ Cr):
- FY21: 18,356
- FY22: 20,428
- FY23: 27,841
- FY24: 36,089
- H1 FY25: 41,578

Gross Stage 3 (GS3) %
- FY21: 3.8%
- FY22: 3.4%
- FY23: 3.0%
- FY24: 2.8%
- H1 FY25: 2.9%
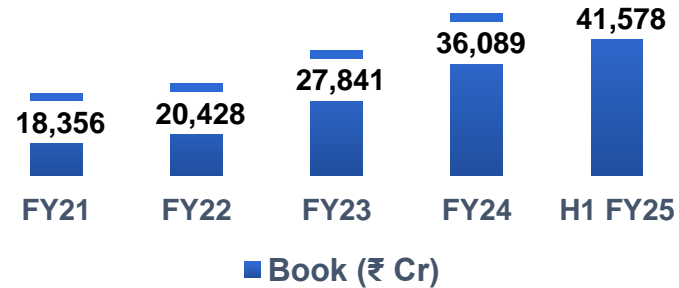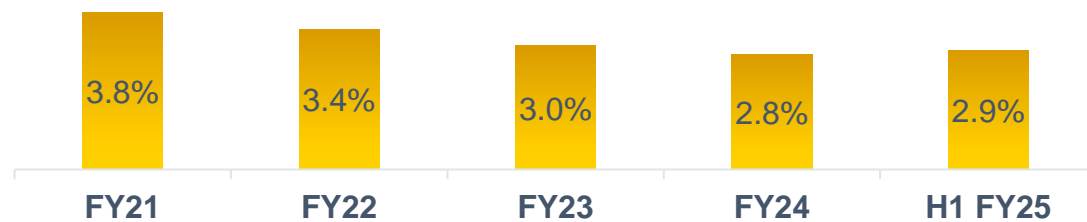
PCR – 72%
NS3 – 0.8%

H1FY25 (Avg)	2W	PL	HL+ LAP
Customer Franchise (Lacs)	79.9	9.0	0.8
Yields Range	14% - 20%	14% - 20%	9% - 11%
Avg tenure (months)	28	34	72
0 DPD CD CE %	98.1%	98.3%	99.6%
Geo Presence (Branches)	125+	Subset of TW	40+

Two Wheeler Finance

Digital strategy update & its role in shaping business

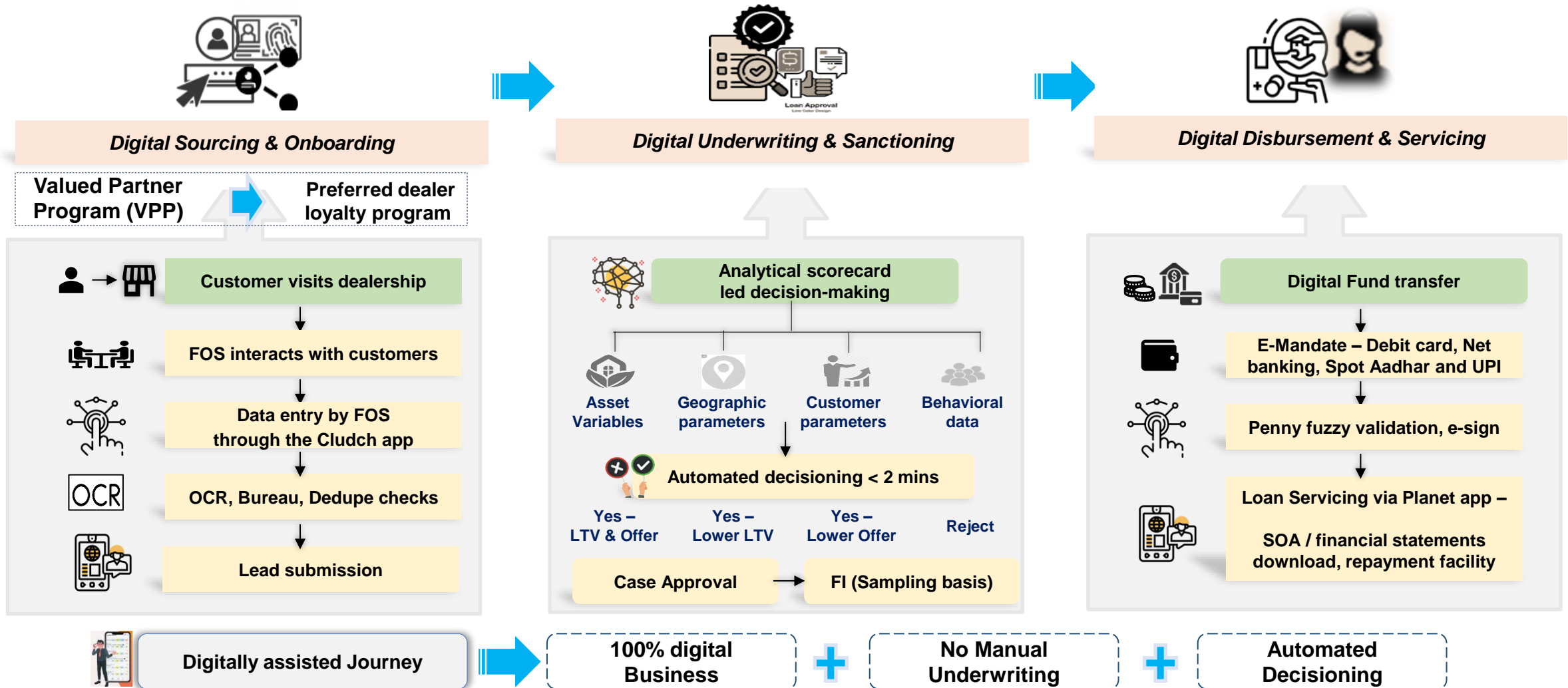# Transition towards becoming a leading player in 2W financing industry

TW Industry (Amt.)   In ₹ Cr.   **LTF Disbursal (Amt)**

LTF has grown faster than Industry

TW Industry (Amt.):
- FY21: 99,750
- FY24: 1,52,023
- H1 FY25: 85,624
- CAGR ~10%

LTF Disbursal (Amt):
- FY21: 4,436
- FY24: 8,586
- H1 FY25: 5,014
- CAGR 24%
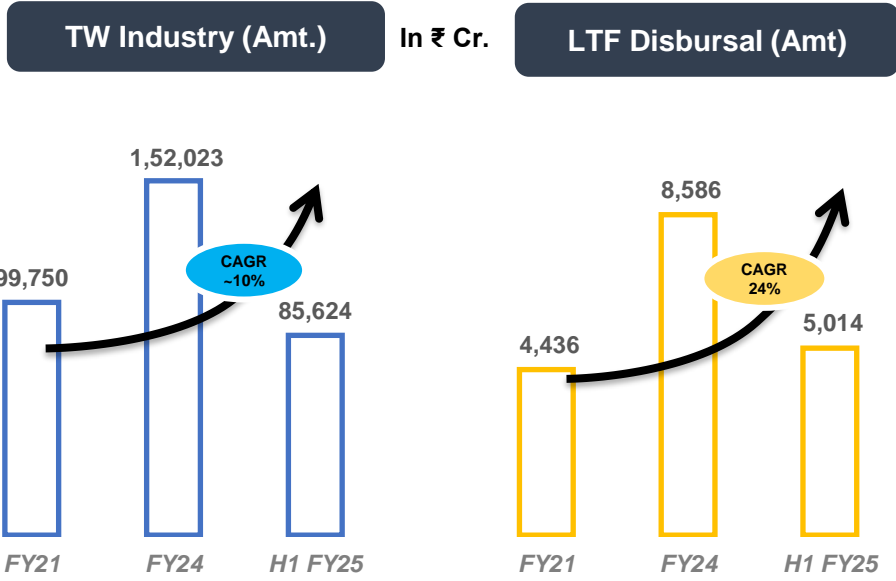
Strategic interventions leading to above growth……

- Launch of Preferred dealer programs (Valued Partner Program)
- **+**
- Tie ups with high end OEM Segments (EV, RE)
- **+**
- Integration of various API platforms for TAT

Desired future LTF Growth – 20%

1 Integrating customer behaviours within our digital VPP

LTF Strategy levers

2 Deeper geo penetration powered by AI and Digital
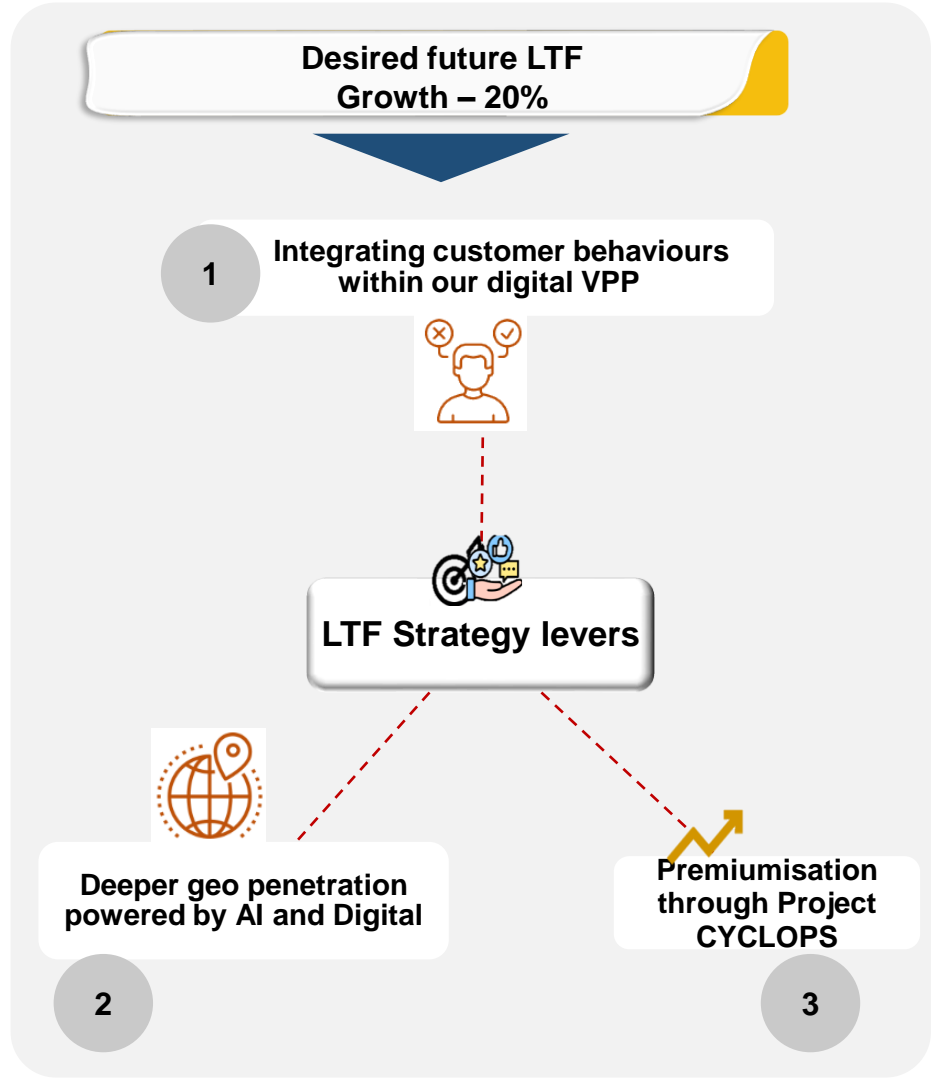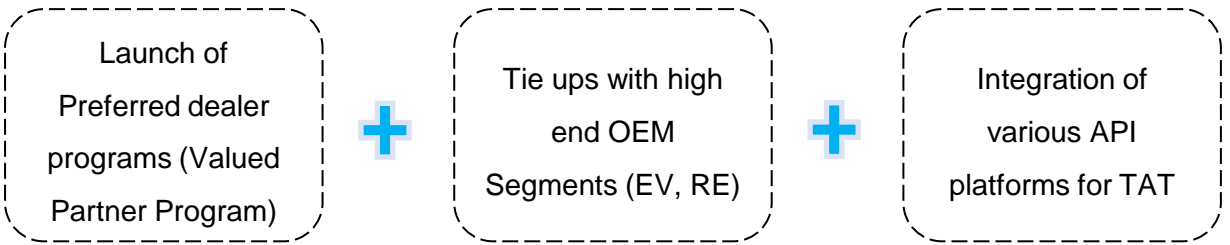
3 Premiumisation through Project CYCLOPS

Built a scalable digital and analytics powered infrastructure

Seamless customer journey: Conditional Approval TAT within 2 mins

Digital Sourcing & Onboarding

Valued Partner Program (VPP) → **Preferred dealer loyalty program**

- Customer visits dealership
- FOS interacts with customers
- Data entry by FOS through the Cludch app
- OCR, Bureau, Dedupe checks
- Lead submission

Digital Underwriting & Sanctioning

Analytical scorecard led decision-making

- Asset Variables
- Geographic parameters
- Customer parameters
- Behavioral data

Automated decisioning < 2 mins

| Yes – LTV & Offer | Yes – Lower LTV | Yes – Lower Offer | Reject |

Case Approval → FI (Sampling basis)

Digital Disbursement & Servicing

Digital Fund transfer

- E-Mandate – Debit card, Net banking, Spot Aadhar and UPI
- Penny fuzzy validation, e-sign
- Loan Servicing via Planet app –
- SOA / financial statements download, repayment facility

Digitally assisted Journey → **100% digital Business** + **No Manual Underwriting** + **Automated Decisioning**

Introducing our new digital 'Valued Partner Program' (VPP)

L&T Finance ⇌ INDUSTRY FIRST — Valued Partner Program ⇌ DEALER

Active – 9,000
VPP – 2,000
Technology Partner
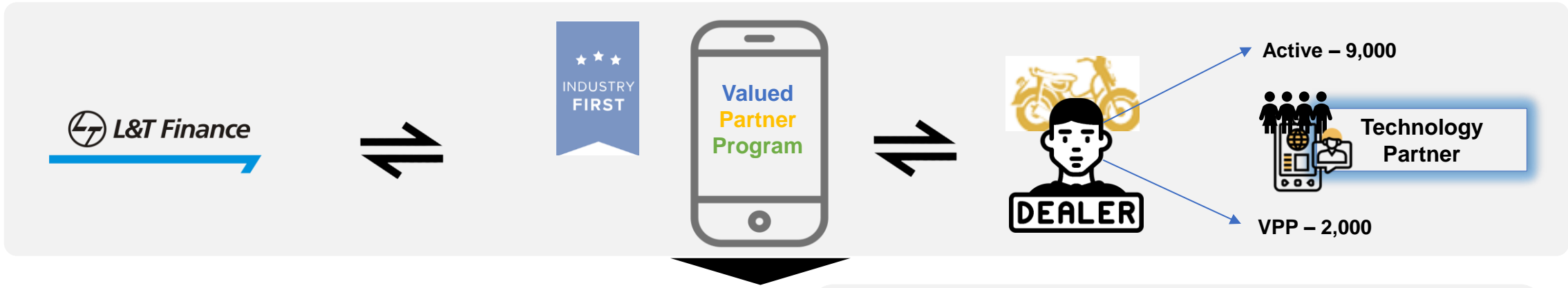
Phase 1 — Empower
Business Growth & Visibility

- Real time business dashboard
- Portfolio health insights
- Seamless encashment of rewards
- Trade advance management

Phase 2 — Elevate
End to end digital

- Chatbot for communication
- Efficient inventory funding
- Access benefits through 'One touch'
- One stop solution for E2E dealer communication

An inside look at the VPP interface
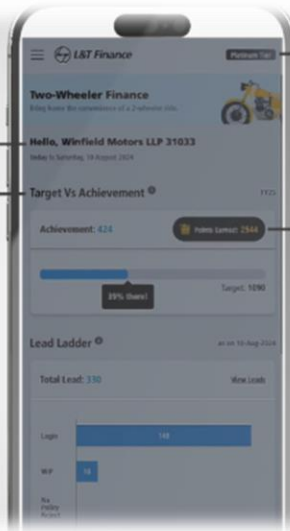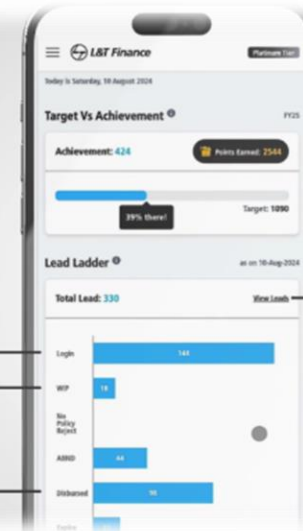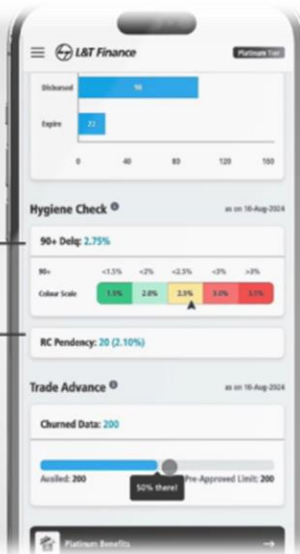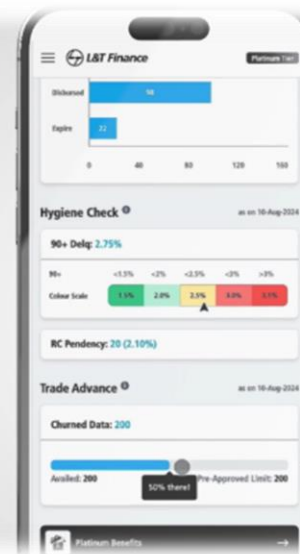
A digital native product funding life cycle customer needs

FY 24

Total Customers 73+ Lac

- *Closed* — 54+ Lac
- *Active* — 19+ Lac
- *Average Monthly DI #* — 80+ k

Database passed through analytics to generate offers

- Policy guardrails
- Bureau check
- Income imputation
- Portfolio actions

Pre-approved offers

8.5 Lac

Value creation over time

As of Oct '24

Personal Loan

| Disbursal : ITD ~₹ 9,300 Cr | Active book : ~₹ 3,800 Cr | Conversion: ~15% - 16% p.a. |
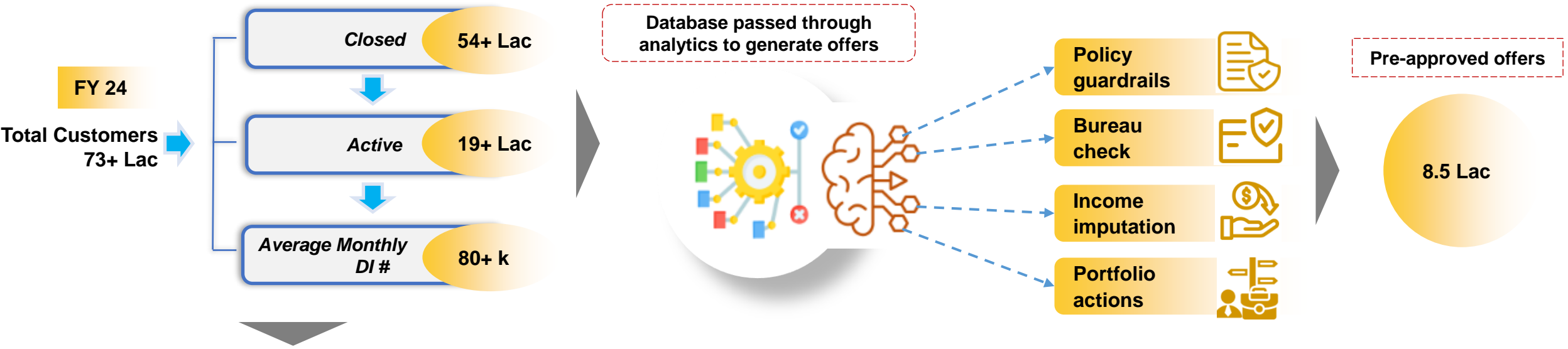
Strategic pivot towards building a prime portfolio

Bureau Score Limits

Asset type

Prime Customer

Income proof customers

Account aggregator with minimum ABB

EV with > defined asset cost

< defined LTV

Prime Contribution

■ *Disb*

Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Oct-24
39%	45%	52%	54%	56%	64%

Project CYCLOPS → **launched in Jun 24** → Better customer offers + Filtering out of high risk customers → *Initial results leading to* (Oct '24 vs May'24) → Prime share – up by 10% | LTV – increased by 3% | ATS – uplift of 4%

Enabling bottom line efficiencies

Book Growth & Current MS%

Book Growth – 33%;
H1 Market share% - 10.4%

Growth : Sep 24 Vs Sep 23

Share of Prime Customer

Sep'23 - 39%
Oct'24 - 64%

% of Sourcing from Project Cyclops

Oct 24 - ~56% of total business #

NNS

Oct 24 – Project Cyclops NNS 64+% < traditional sourcing

NNS – Net Non-Starter (customers with 3rd EMI Default)

Personal Loan

Digital strategy update & its role in shaping business

Embracing digital and AI innovations to build a quality portfolio

L&T Finance

Industry – Portfolio Outstanding (₹ tn)

- FY21: 7.0
- FY24: 13
- H1 FY25: 14

LTF Book (₹ bn)

- FY21: 5
- FY24: 64
- H1 FY25: 72

LTF growth primarily due to cross sell

Digital elements of transformation…

- 100% Digitally autonomous journey

+

- Pre-approved offers to existing customers

+

- Digital integration with external ecosystem

Sanction under 2 minutes

Desired future LTF Growth – 15%

Up-sell on existing data with prime & salaried profiles

LTF Strategy levers

Scaling up the physical channel targeting salaried customers

Grow with Mega partners

Fostering Mega partnerships

Data-driven Success: Our Journey to enhance customer experience & Upsell through deeper customer insights

"Mega Partners" (10 Mn+ Customer Base)	*LTF*	*Together creating synergy*

Huge recurring customer base

Granular & differential customer behaviors patterns

Better UI/UX & app usability

Tried & tested partner scorecards

In depth product & business understanding

Dynamic Integration capability

Robust risk underwriting model

Higher Conversions

Salaried & Prime Customers

Attractive customer offers

Seamless Customer Exp
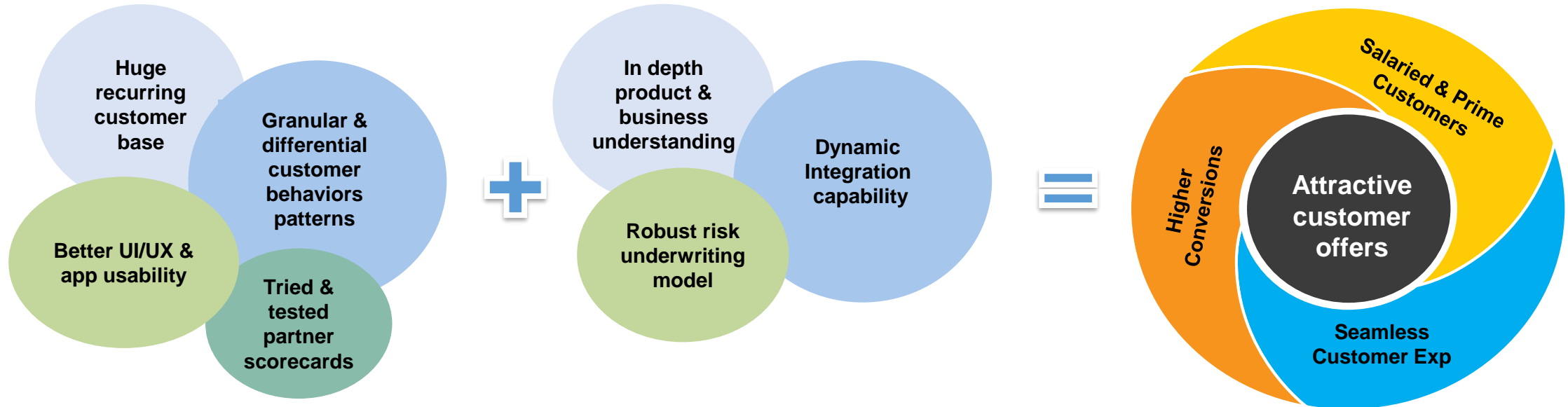
LTF Strategy	→	Franchise with higher share of Prime & affluent customers	→	Ensuring risk is stable & predictable over cycles

Case Study: Mega Partner

Our Approach			
	High Customer Quality	**Moderate** Acquisition Cost	**Low** Cost of Credit
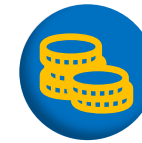
Customer Segmentation and Trend

Segment contribution

- Premium: 23%
- Super Premium: 42%
- Premium plus: 35%

LTF disbursement (Scale up)

- AUG-24: 1x
- SEP-24: 9x
- OCT-24: 28x
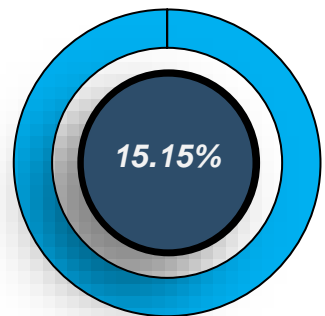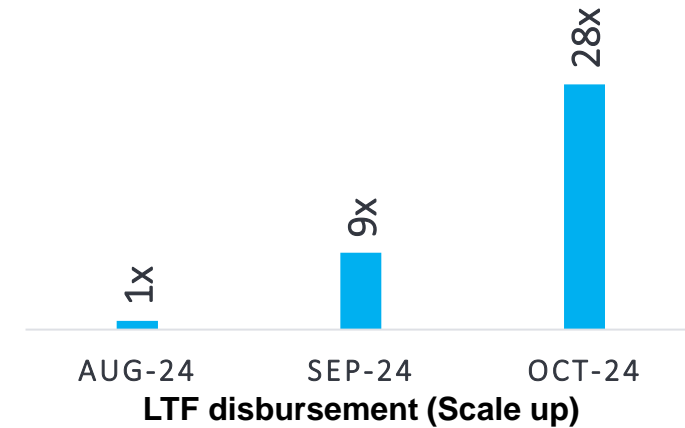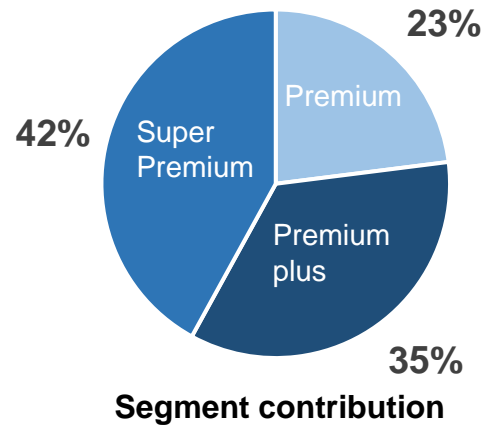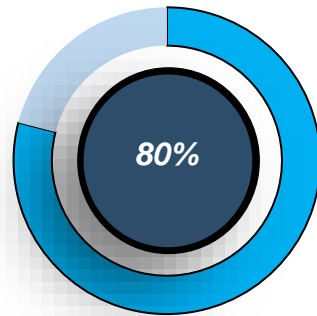
15.15%	80%	73%	0.0%	2 lacs
ROI	> 750 bureau score	Salaried base	NNS	ATS

Aug'24-Oct'24 monthly average
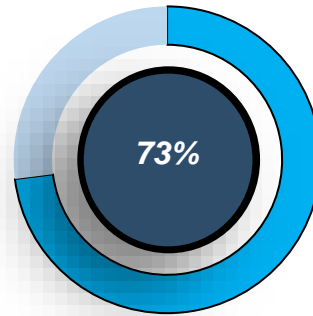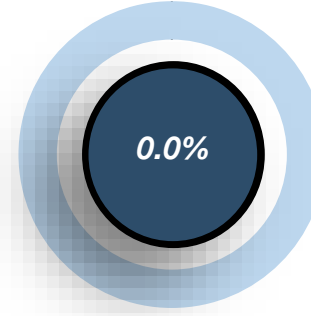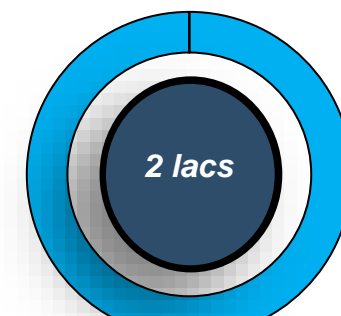
Next gen underwriting architecture and way forward..

Strategic technology & data led initiatives for future business growth and enhanced customer experience

Customer Segmentation based policy

Current framework

Offer to Customer

- Customer information
- Risk adjusted pricing
- Portfolio actions
- Additional Factors i.e. Age, dominant tradeline etc.

Project Cyclops

Trust Signals based underwriting

Project Cyclops

- Next Gen AI
- Real-time risk assessment
- Minimize API latency
- New customer segments
- Strengthen in-house AI layer
- Credit U/w model
- Reduce load-based friction

Way forward..

- Project Cyclops going live
- Integrating with 3 new partners
- Channel & Geo expansion
- Further expand cross-sell opportunities

Enabling bottom line efficiencies

Up-Sell to existing customer

Sep'23 - 44%
Sep'24 - 77%

Share of Prime Customer

Sep'23 - 44%
Sep' 24 - 68%

Share of salaried in sourcing from digital originations

Sep'23 - 33%
Sep'24 - 60%

NNS

Sep'24 - reduced NNS by 55% YoY

NNS – Net Non-Starter (customers with 1st EMI Default)

Home Loan & Loan Against Property

Business Performance Update

Seamless, swift, paperless customer experience with our "Neo journey"

Customer Journey

1 Digital login
- No physical application form
- DIY sanctions under 15 mins (Sal)

2 Data capture & Checks
- EKYC, Online Doc verification, Employment verification, Preliminary scorecards for screening

3 Loan approval/Sanction & E-sign
- Automated CAM for salaried
- Digital sanction letter powered by E-sign

4 Disbursement
- Digital Home loan agreement powered by E-sign

Assisted Loan Process

End to End – Sanction TAT

4 Days

E2E Digital Journey

+

100% paperless

HL+LAP (Disb ₹ Cr)

	FY'22	FY'23	FY'24	FY'25 YTD
	2,398	4,729	7,544	4,843
		97% Gr	60% Gr	60% Gr

DIY Journey

Quick eligibility check

Direct + Digital (₹ Cr)

	FY'22	FY'23	FY'24	FY'25 YTD
	225	214	840	428
			~300% Gr	50% Gr

Fin. Sanction under 15 mins

Harnessing the power of our existing customer base and tech capabilities

Home Decor — **1st in Industry**

A loan product to fund home furnishing needs of customers **+** Customised product offerings **+** with specially designed policy → **Potential ₹ 3,000 Cr on existing book**

Current offtake - 10-15% of eligible customers

SKY RM

- Dedicated relationship manager
- 24x7 response
- Call back facility

Assured resolution

Up Sell

Identified customer database – 2 lacs+

TW	49%
PL	47%
HL	4%

→ **₹ 62,000 Cr HL opportunity**

Customer Portal → **Customer Chatbot Launched**

1 *Enhanced Customer Experience*
Provides 24/7, instant, and accurate responses to queries

2 Personalized Interactions
Advanced AI offering tailored responses

3 Competitive Edge
Innovation in customer engagement

Enabling bottom line efficiencies

Disb/Book Growth

Share of Prime Customer (730+)

Customer Premiumisation

Credit Cost

Disb (Cr.) – 57%;
Book (Cr.) – 42%

H1 FY25 - 80%+

Ticket Size growth -
~10% (YoY YTD)

Consistent
reduction in GS3

Growth : Sep 24 Vs Sep 23

Urban Finance - Collection

Acknowledging the power of data & analytics in our collection framework

Indexed representation of industry delinquency vs LTF

Two Wheeler

Industry	LTF
100%	87%

HL

Industry	LTF
100%	10%

LAP

Industry	LTF
100%	29%
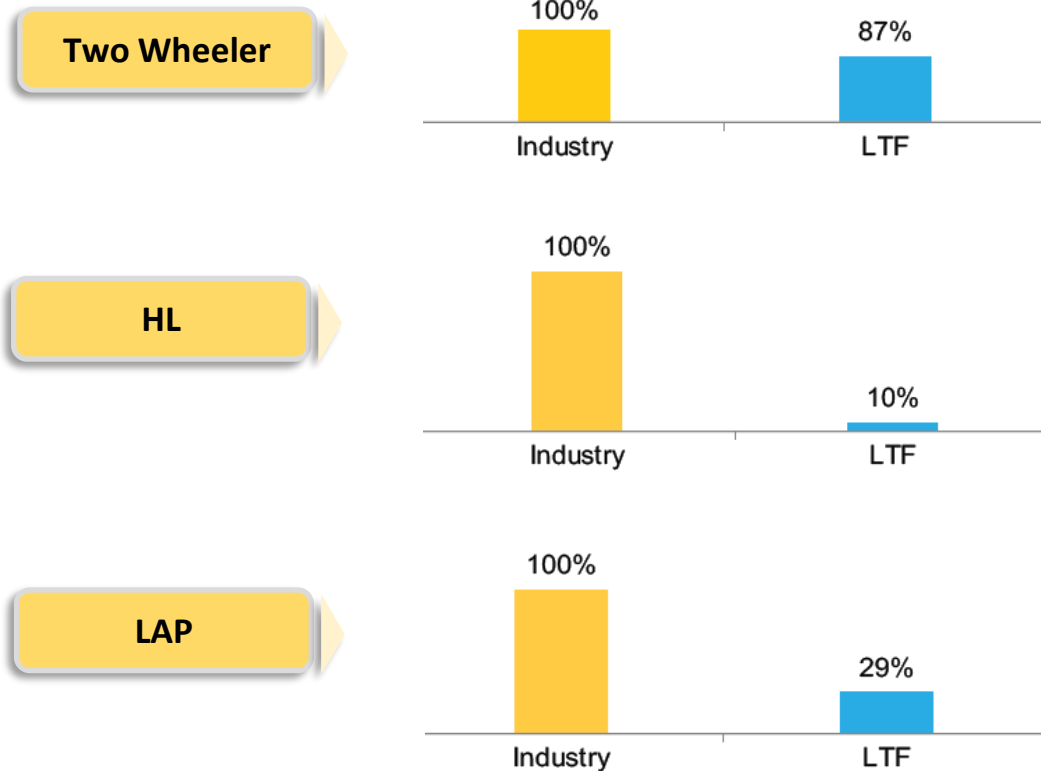
Delinquency is calculated as 12 MOB ever 90+ performance in Jul'23-Jun'24 for last 12-month disbursements over Jul'22-Jun'23 period

Collection Journey:

➢ Smart allocation of *resources* based on customer profile
  • Low risk (self cure) - Call centers
  • Medium risk – early on field collection bucket identification
  • High Risk – legal recourse, repossession, settlement etc.

~76%

➢ **Pre-Delinquenc**y – Auto Cure Payments via AI model

~18%

➢ **Call Center**
  • Cost effective method - **Genesys**

~6%

➢ **Field Visits**
  • Personal visit for reminder/collection – **BRAKE App**

0.1%

➢ Repossessions & Settlements **(YMS tool)**

➢ *Litigation*
  • Offering settlements
  • Sending LRNs to customers, etc.

Phygital Collection: Physical ✚ AI/ML ✚ Digital

BRAKE App

INVESTOR DIGITAL DAY
SME Finance
Strategy & Business Update

Mr. Abhishek Sharma
Chief Executive – SME Finance

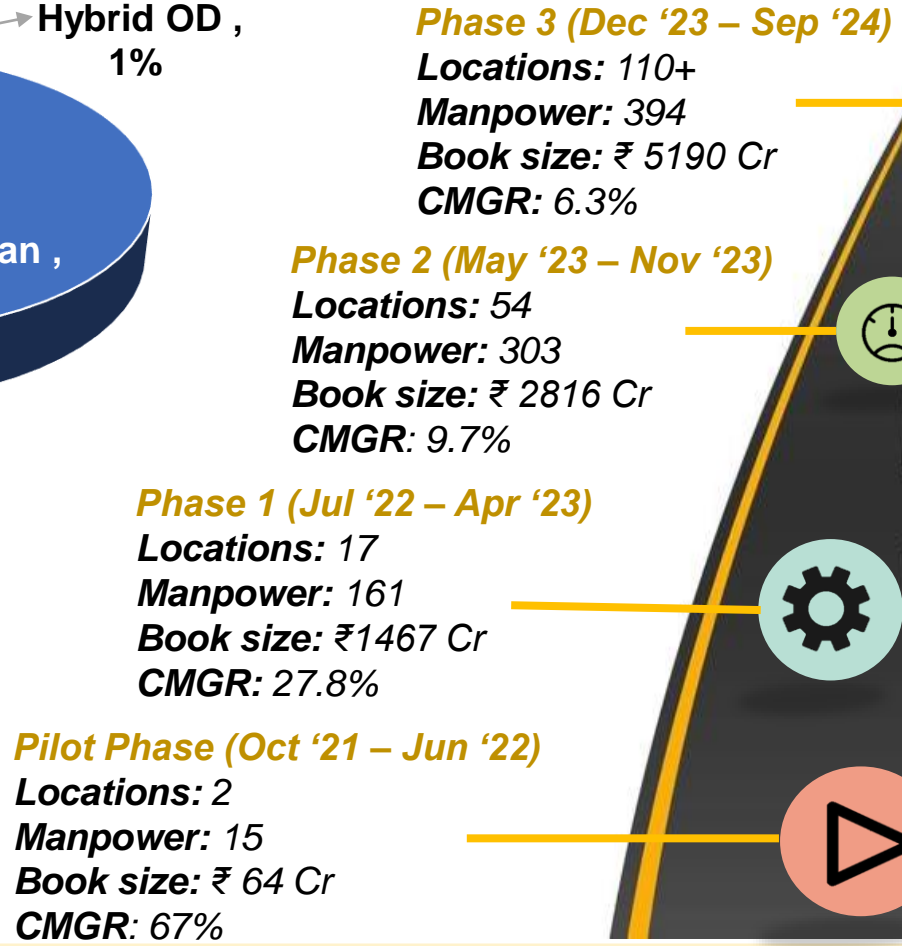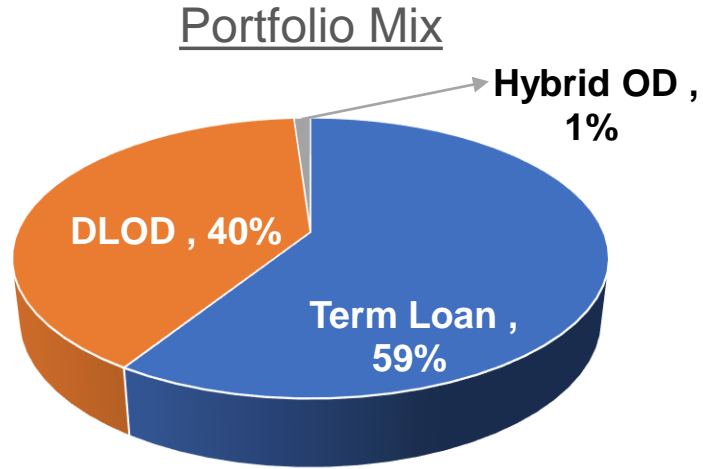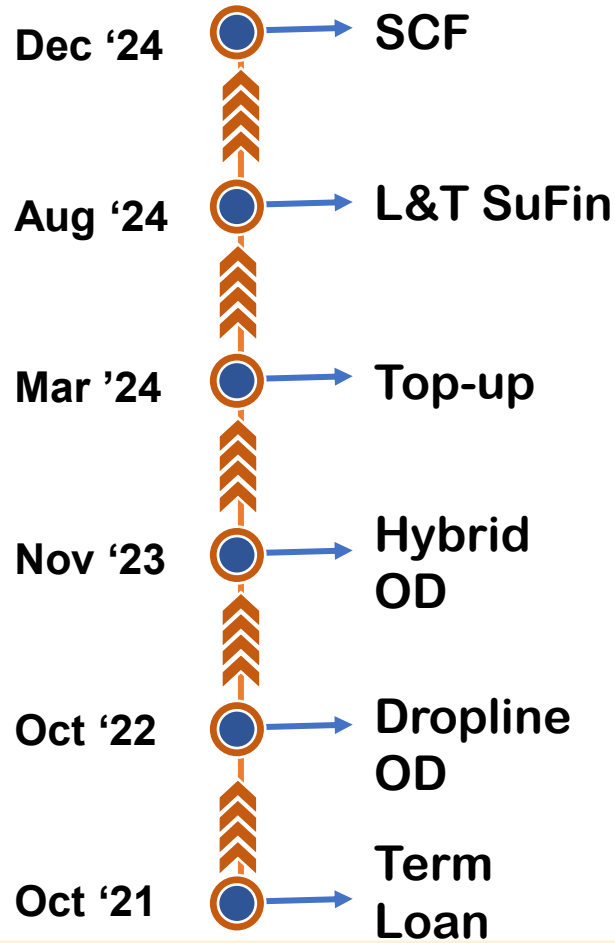|	
With L&T Finance since	: April, 2009
Total years of experience	: 20 years
Past Experience	: Captain in the Indian Army
Educational Qualification	: MBA – XLRI Jamshedpur Bachelors in Business Economics – Delhi University

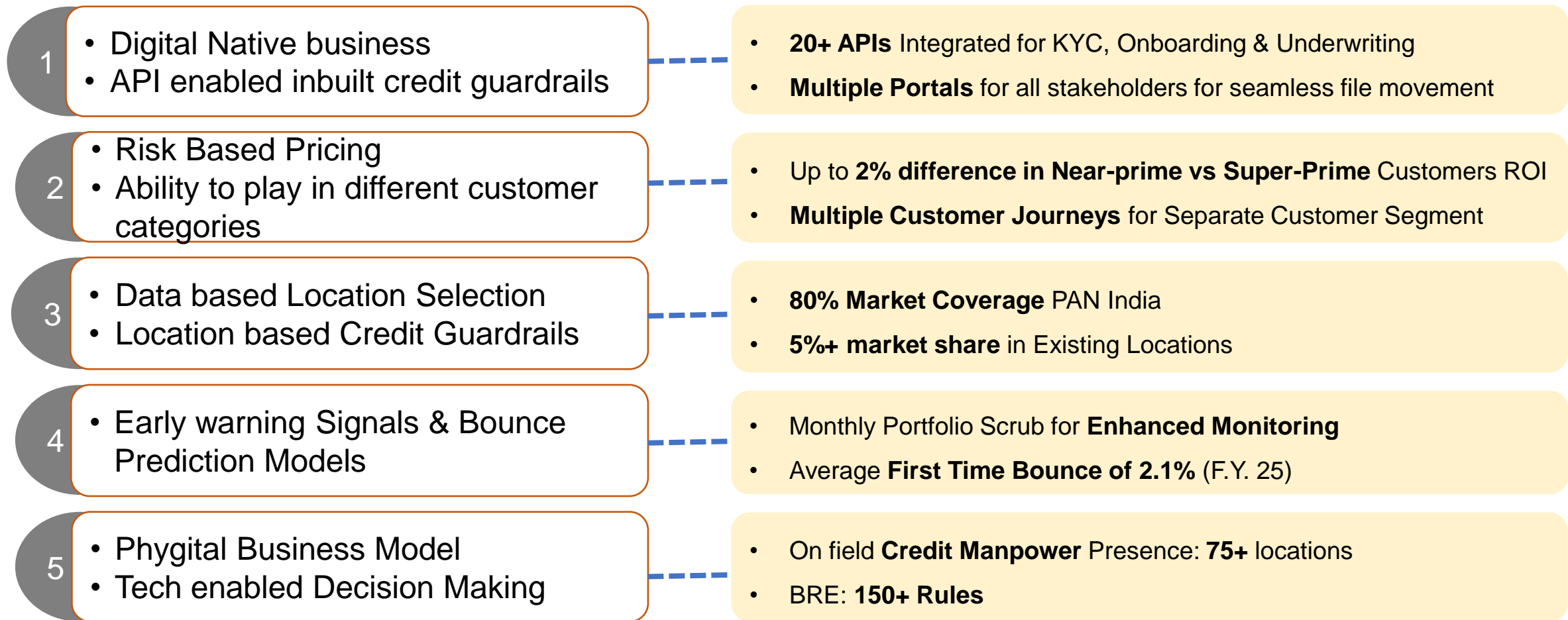# Growth Of SME Business
A Steep Trajectory

Portfolio Mix

Pie chart:
- Term Loan, 59%
- DLOD, 40%
- Hybrid OD, 1%

Timeline:
- **Dec '24** → SCF
- **Aug '24** → L&T SuFin
- **Mar '24** → Top-up
- **Nov '23** → Hybrid OD
- **Oct '22** → Dropline OD
- **Oct '21** → Term Loan

Phase 3 (Dec '23 – Sep '24)
Locations: 110+
Manpower: 394
Book size: ₹ 5190 Cr
CMGR: 6.3%

Phase 2 (May '23 – Nov '23)
Locations: 54
Manpower: 303
Book size: ₹ 2816 Cr
CMGR: 9.7%

Phase 1 (Jul '22 – Apr '23)
Locations: 17
Manpower: 161
Book size: ₹1467 Cr
CMGR: 27.8%

Pilot Phase (Oct '21 – Jun '22)
Locations: 2
Manpower: 15
Book size: ₹ 64 Cr
CMGR: 67%

CMGR: Compounded Monthly Growth rate

➢ **Average Tenor: 42 months   Average Yield: 16.2%**
➢ **Onboarding Platform migrated from a linear workflow model to multiple portal based SFDC platform (Q2 FY25)**

*SCF – Supply Chain Financing
OD - Overdraft

How Did we Scale
Play as a Digital Native Business

1
- Digital Native business
- API enabled inbuilt credit guardrails

- **20+ APIs** Integrated for KYC, Onboarding & Underwriting
- **Multiple Portals** for all stakeholders for seamless file movement

2
- Risk Based Pricing
- Ability to play in different customer categories

- Up to **2% difference in Near-prime vs Super-Prime** Customers ROI
- **Multiple Customer Journeys** for Separate Customer Segment

3
- Data based Location Selection
- Location based Credit Guardrails

- **80% Market Coverage** PAN India
- **5%+ market share** in Existing Locations

4
- Early warning Signals & Bounce Prediction Models

- Monthly Portfolio Scrub for **Enhanced Monitoring**
- Average **First Time Bounce of 2.1%** (F.Y. 25)

5
- Phygital Business Model
- Tech enabled Decision Making

- On field **Credit Manpower** Presence: **75+** locations
- BRE: **150+ Rules**

Plug and Play Solution for expansion while ensuring quality through digital underwriting and data backed collection strategies

Digital Onboarding & Underwriting leading to Risk Resilient Portfolio

L&T Finance

Portfolio Distribution Vs Market

Parameter	LTF	Industry*
STD %	106	100
1-30 %	23	100
31-60 %	48	100
61-90 %	52	100
90+ %	40	100

Portfolio Distribution in ticket size ₹5-75 Lacs as on Sep '24
* Industry includes NBFCs, foreign and private banks
Source: CRIF

LTF values indexed against Industry figures marked at 100

Quality of Origination Vs Market

CIBIL Category	Portfolio Onboarding Distribution
Super Prime (>790)	8%
Prime Plus (771-790)	21%
Prime (731-770)	55%
Near Prime (681-730)	16%
Sub Prime (300-680)	0%

CMR Category	LTF	Industry
Low Risk	47%	37%
Medium Risk	48%	48%
High Risk	5%	15%

Customer Category originated in May-July '24 for ranked customers only
CMR Range: Low Risk= 1-3, Medium Risk= 4-6 High risk= 7-10
Source: CIBIL

ATS Vs Market

Month	ATS-Industry*	ATS- L&T
Dec-22	15	24
Mar-23	16	24
Jun-23	16	24
Sep-23	16	24
Dec-23	16	24
Mar-24	16	24
Jun-24	16	24
Sep-24	16	25

Ticket Size	90+ DPD Portfolio
5-10 Lacs	1x
10-25 Lacs	0.7x
25-50 Lacs	0.47x

90+ DPD Portfolios indexed against 5-10 Lacs 90+ DPD marked at 1x

All figures in ₹ Lacs, Portfolio for ticket size ₹5-75 Lacs
* Industry includes NBFCs, foreign and private banks
Source: CRIF

CD-CE

99.7%   99.7%   99.7%   99.5%   99.5%   99.6%

Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24 May-24 Jun-24 Jul-24 Aug-24 Sep-24
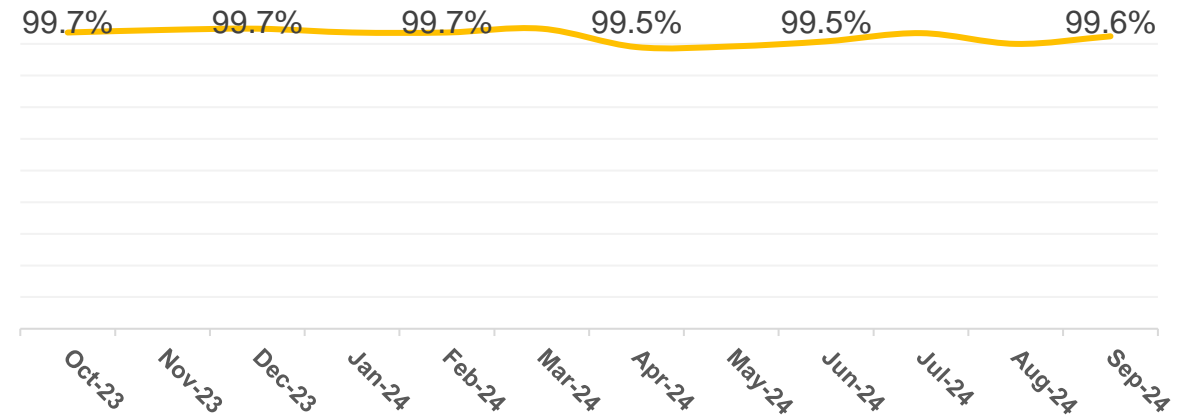
Consistent & Robust Portfolio Growth with Performance better than Industry Benchmarks

Way Forward
Leveraging Tech Further

Project Cyclops

Data Layer

Alternate
- Geo IQ
- Payments
- Digital Footprint

Available
- Transactional Banking
- Bureau
- GST
- Application Data

Derived Variables

{1} {2} {3} {4} _____ {N}

Model Layer

10+ ML Models

1 2 3 4 _____ N-1 N

Real Time Decisioning

Strengthened Scorecards

Improved Customer Segmentation
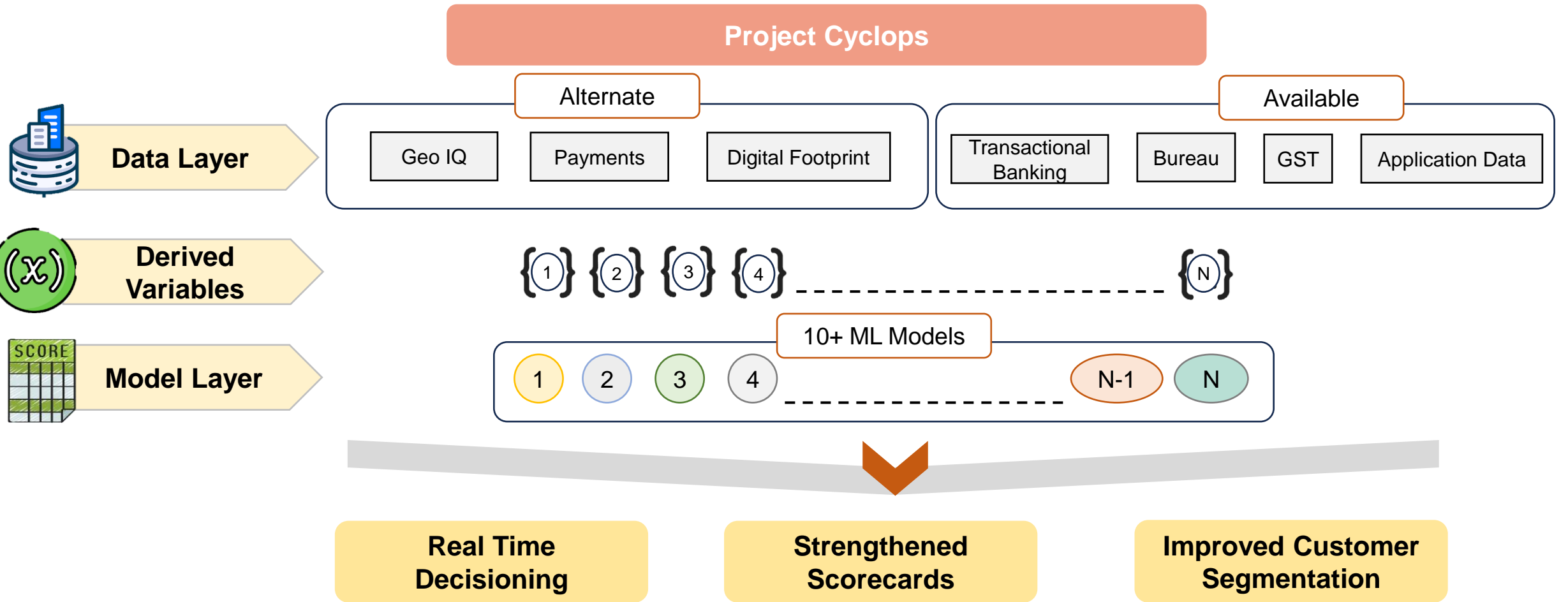
Leveraging Digital Technologies & Data Analytics for Continuous Product Innovation

Way Forward
Supply Chain Finance

100% digital journey	Anchor based customization	10+ API integrations	Real time limit updates with omni-channel presence
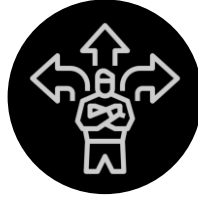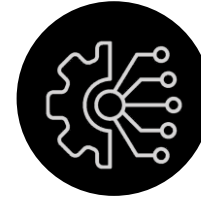
State of the Art Platform

Phase I
Partnership with L&T ecosystem
Q3FY25

Phase II
Dealer Finance & Vendor Finance
Q4FY25

Phase III
Bill Discounting
Q1FY26
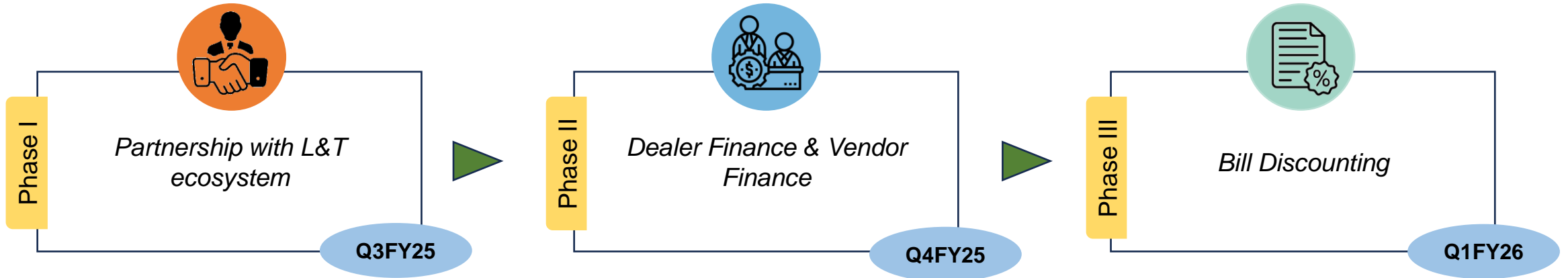
Centralized underwriting team & operating desk to ensure lower OPEX

Way Forward
Customer Focused Sustained Growth

L&T Finance

Direct Channel Scaling

- Leveraging the Existing Customer base: **Top-ups**
- Diversify channels for Direct Sales **reducing CAC**
- Capturing the Cross Sell opportunities:**₹ 5000 Cr+ Pool** available
- Collaboration with different **fintech platforms**

Ease of Customer Use

- **17%+ OD Customers** doing Monthly transactions on Planet App
- Enhancing the Customer Experience at various touchpoints
- **Self-service** / onboarding through Planet App
- Rewarding Customers through **Loyalty Programs**

Secured BL

- Business Loans secured against **CGTSME**; Non-mortgage Securities
- **Machinery Loans**: Industrial & Medical Equipment
- **Cycle Resilient Portfolio**: Reduced Cost of Credit

Wholistic Attempt to Build Cycle Resilient Portfolio

CAC – Customer Acquisition Cost
CGTSME - Credit Guarantee Fund Trust for Micro and Small Enterprises

Customer Focus
Building Convenient Customer Ecosystem

Customer Testimonial

SME Loans

NPS October '24: **62**

Customers on Planet App: ~**70%**

Customer Value Proposition

Fully Digitized Process

Quick Loan Disbursal

Hybrid OD/ DL OD

Continuous Evaluation & Improvement of Customer Journey, Focus on building Customer Independence

INVESTOR DIGITAL DAY
Customer & Service Excellence
Strategy Update

Mr. Raju Dodti
Chief Operating Officer

L&T Finance

With L&T Finance since	:	November, 2015
Total years of experience	:	26 years
Past Experience	:	IDFC, Rabo, ABN Amro, Societe Generale, Global Trust Bank
Educational Qualification	:	AMP – The Wharton School LLB & B.Com.– Mumbai University

Tech enabled, Scalable & 24*7 Operations

1 **Txn. Volume in Cr.**

2.1 — FY19
+3.3 x
6.9 — FY24

2 **Retail Disb. in ₹ Cr.**

23,500 — FY19
+2.3 x
54,300 — FY24

3 **Overall Cost/Txn in ₹**

10.1 — FY19
-3.5X
2.9 — FY24

4 **Disb. Cost / Txn in ₹**

55.3 — FY19
-5.3X
10.5 — FY24
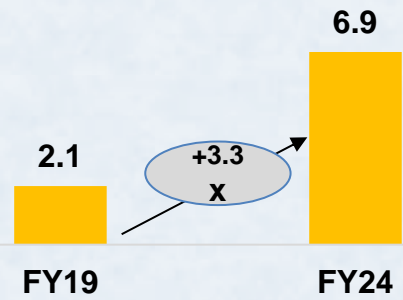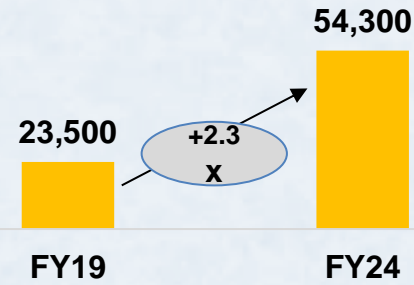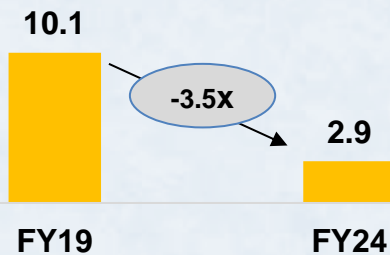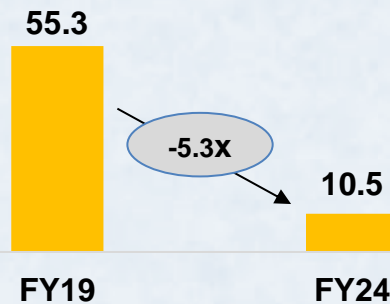
~46%
AI based Touch free Loan Disbursements
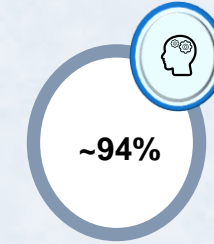
~94%
Touch free Loan closures with Machine Learning (ML)

25+ processes *
Robotic Process Automation (RPA)

~96%
E sign OTP based paperless agreements

~90%*
Automated MIS/Reports

~94%
Digital NACH
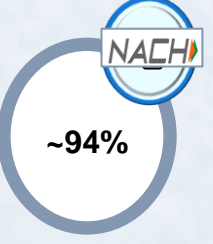
24*7 Business Continuity

Paperless & Eco friendly Customers Journeys

99% TAT adherence and superfast disbursals

Scalable to handle ~1.5X volume on peak days

Customer Service to Delight

Service + Tech Enablement = Delight

Customer Enablement

94% Self Service

6% Assisted

Contact Centre and Branch

Inhouse Servicing

High customer impact processes being moved inhouse at state-of-the-art facility

Net Promoter Score

+55

-100   +100

Onboarding NPS

+82

-100   +100
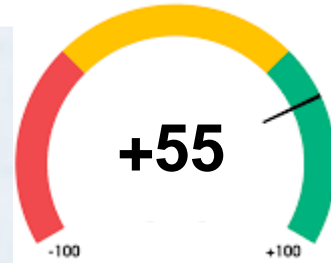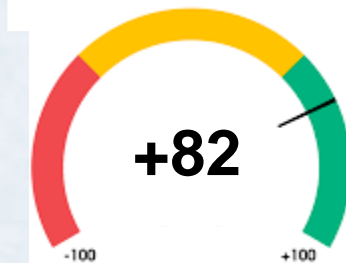
Customer Service NPS

Complaints Redressal

0.30

-2.5X

0.12

Q1 FY24   Q2 FY25
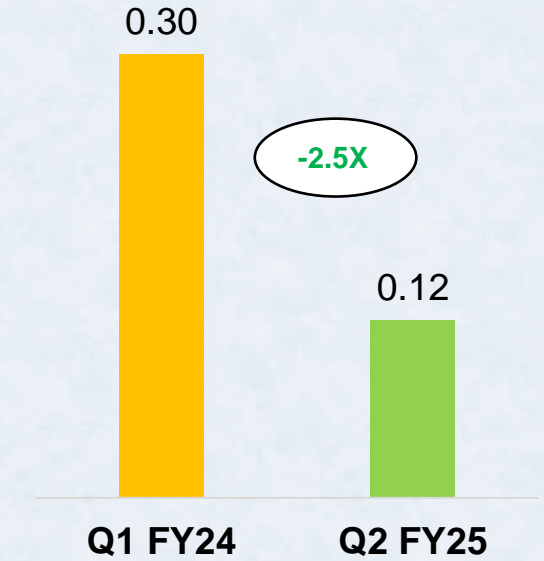
Key Tech Enablements up for implementation soon

Potential Escalation Model will identify the likelihood of a service interaction leading to an escalation. Primary objective is to proactively handle such interactions before escalating to next level

Email BOT will analyse customer's email & provide an automated response basis the AI scenarios mapped. Agent will further communicate this to the customer

& CC Service

SOURCES

Servicing Touch -points

Website

Branch

NPS

Interactions

Queries & Requests

Transactions

Complaints

SOURCES

Grievance Redressal Desk

RBI

Social Media

Top Management Escalation

HIGH PRIORITY

Machine Learning Model. Predicts escalation propensity

Identifies and flags cases basis rule engine

Prioritize reach out for potential escalation cases

Sonakshi

Hi Team,
I need **loan statements** for the **last three months**. As I need to submit the papers today, your **immediate response** will be appreciated.

Extracts the Keyword/ Intent/Entity

Registered user identified

Drafts response & sends it

Helpdesk
to helpdesk ▾

Hello
Thank you for writing to us. Please find the requested loan statements in the attachments. I hope this helps.

Thank you,
Sachet

New Age Credit & Risk Assessment

Conventional Method

People light Credit Underwriting

Built to handle large scale volumes

High Touch Underwriting

Bureau based decision

Inadequate Customer Information

Knowing More About Customer

Decile based Decision Making

Process Automation and Seamless Journeys

Harnessing Trust Signals

New Age Credit & Risk Architecture

BRE driven Underwriting

Fraud Risk Management

Leveraging intelligence for Income and Liability

Longer TAT | Manual Decision Making | Average Offers

Superior TAT | Improved Selection | Lower Credit Cost | Verified customer information | Better Offers to Better Customers

Way Forward

Touch free Loan Disbursement for all LOBs

Tech enabled 24*7 operations setup in Mumbai
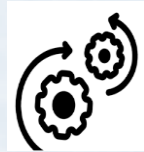
Automation of Repayment Process – Q mandate

Fully functional in-house Customer Call Centre

Centralised underwriting – automated through AI powered analytics

"We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better" – Jeff Bezos

INVESTOR DIGITAL DAY
Marketing Strategy Update

L&T Finance

Great Place To Work® Certified MAY 2024–MAY 2025 INDIA

Ms. Kavita Jagtiani
Chief Marketing Officer
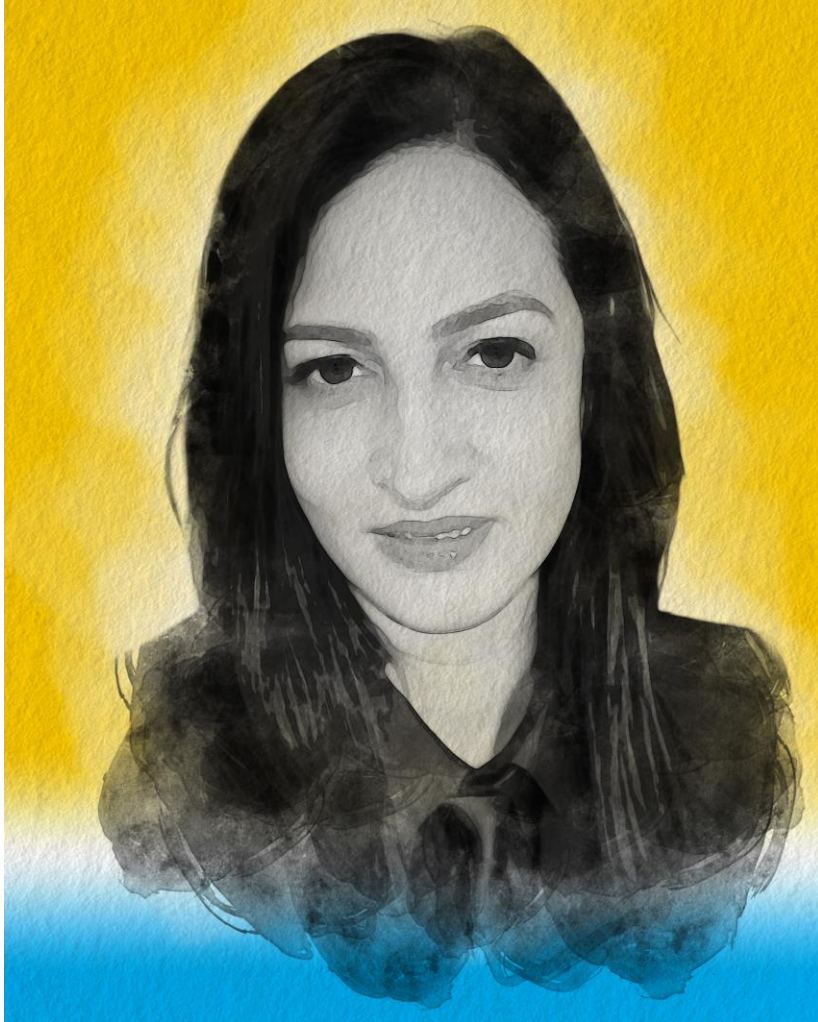
L&T Finance

With L&T Finance since : October, 2023

Total years of experience : 25+ years

Past Experience : Pidilite, General Mills, ICICI Bank

Educational Qualification : MBA – Sydenham Institute of Management Studies, Mumbai
M.Com. – Mumbai University

Objective
To increase 'awareness' of our home loans through repositioning our offering
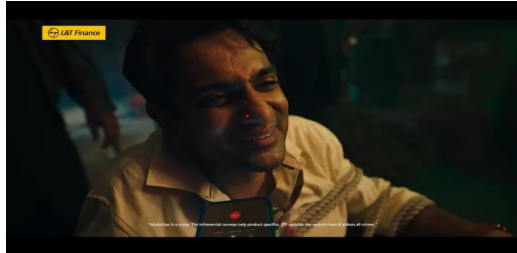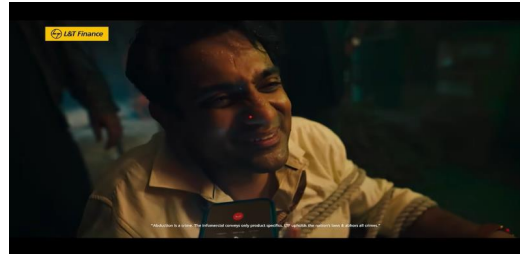
Key insight:
By gatekeeping the home loan products, the category leaders ignoring the real home loan needs of the consumers, thereby the consumers were settling for less than what they expect !

We recognized this gap and opportunity to disrupt the Home Loan category

GROW – Integrating 'Digital' in category refresh communication

L&T Finance

Awareness

Digital

Conventional

Connected TV, YouTube & OTTs

News TV, Outdoor Ads

Precision delivery

Sizmek tool to track every impression served during IPL

Mobile Propensity to track Outdoor viewership

215 Mn views on IPL

13 Mn user reach

GROW – Integrating 'Digital' in category refresh communication

Awareness

Discovery

Consideration

Google and YT Search
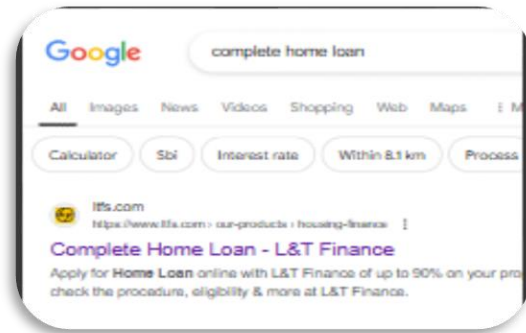
Digital and contextual influencers
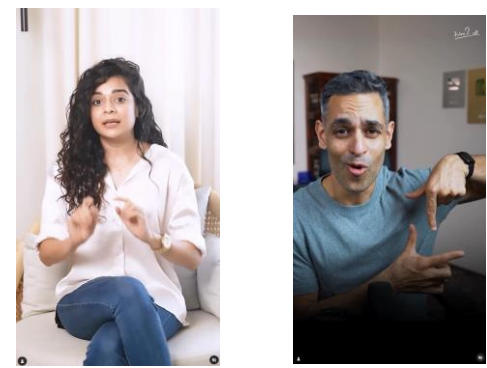
Conversion

Google Analytics to measure every conversion

Owning *"Complete Home Loan"* on search

5 Mn Organic views

GROW – Integrating 'Digital' in category refresh communication

Awareness

Discovery

Consideration

Conversion

Loyalty
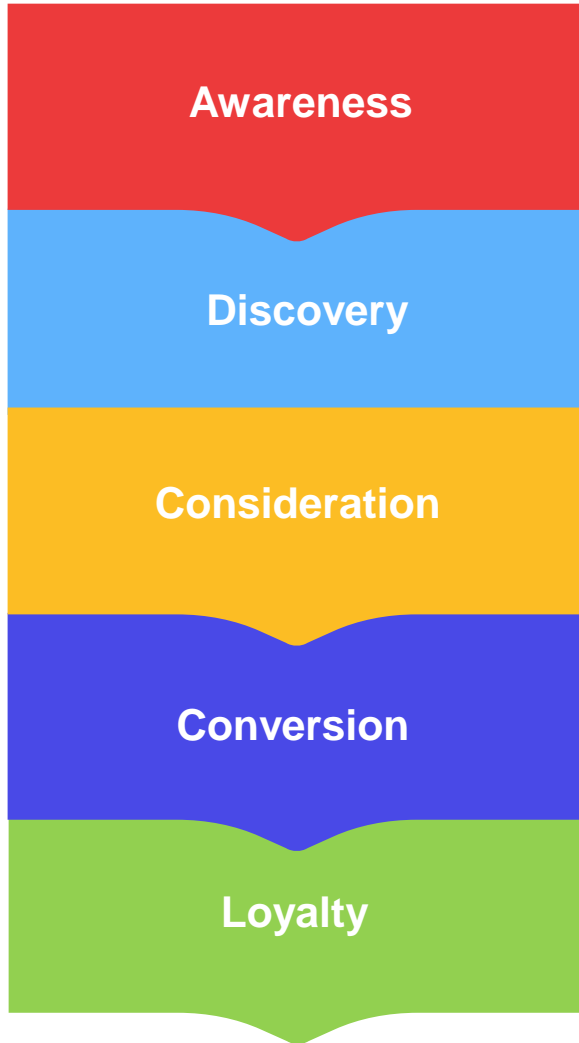
DIY Xpress website Performance Media

Retargeting based on intent

Personalization

AI/ML-based dynamic ads as per user behavior to enhance CX

1.5 Lacs leads generated

Improved Top of mind Brand Awareness

1%
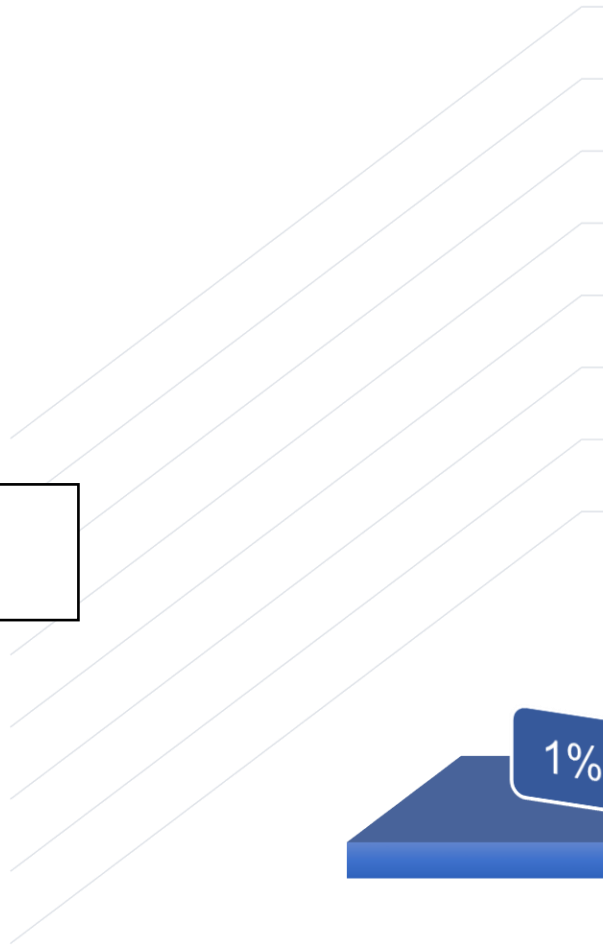
■ Pre Campaign   ■ Post Campaign

HARVEST – Complete customer funnel integration with MARTECH

L&T Finance

Internal Data Sources

- CRM
- LOS
- Partnerships
- Call Centre
- Direct Leads

Propensity modelling and Segmentation

Unified Customer Data

MARTECH Partner

Single user view
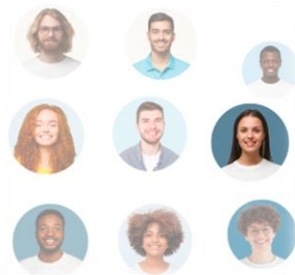
AI-based segmentation to maximize ROI
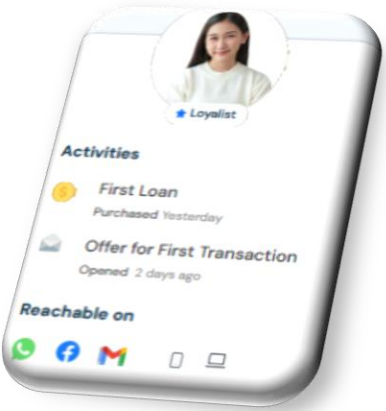
Notifications
- Web
- App

Hyper Personalization
- Email
- SMS
- WhatsApp
- Social Media

Paid Media
- Meta Ads
- Google Ads

Two-Wheeler customer onboarding journey

Lead Promo

Lead

Submission

Login at dealership

KYC

Income Details & Asset selection

Loan Sanction

Mandate Setup

Disbursement

Sanction promo

Call center

SMS or Whatsapp
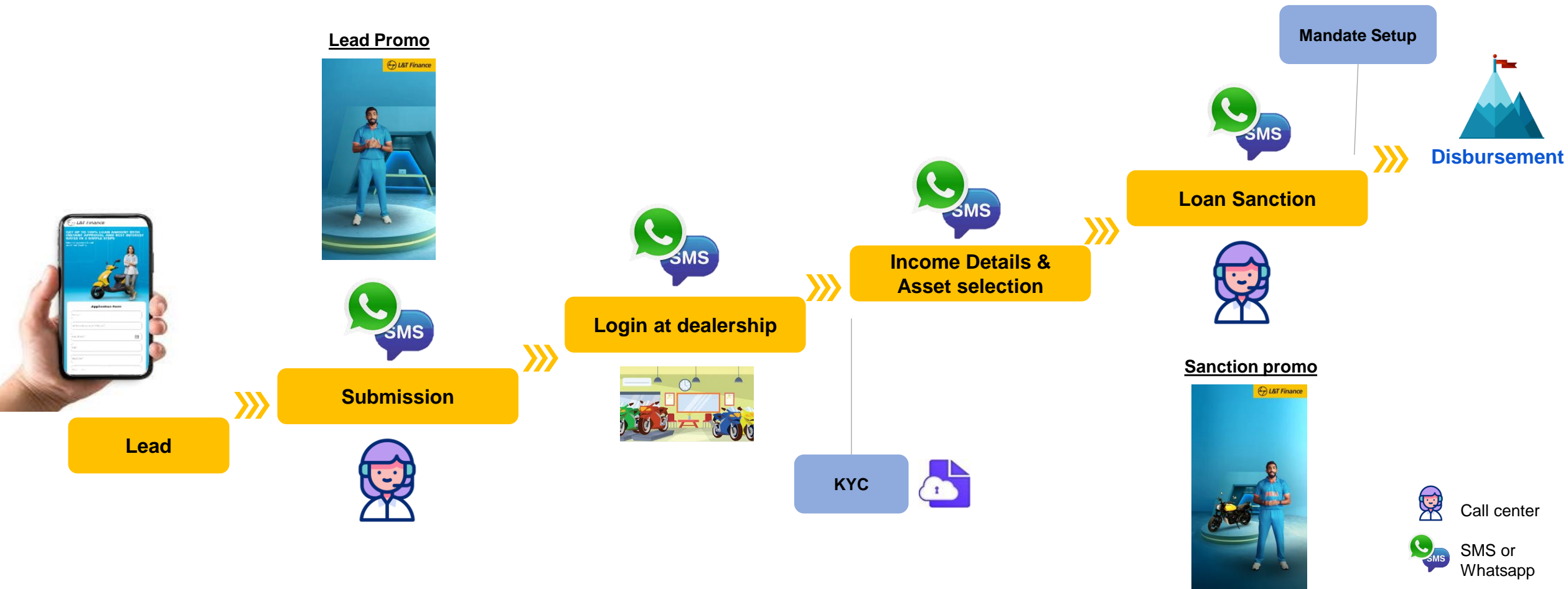
Our Goal: To improve Login to Disbursement ratio from 33-38% to 45%+ for Two-Wheeler Loans

Objective : Drive higher engagement during topical festive campaigns

Objective : Drive higher engagement during topical festive campaigns

AI-based microsite for users to visualize their dreams

Visit Website:
https://sapnowalidiwali.com/
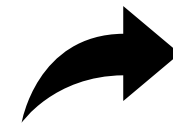
Objective : Drive higher engagement during topical festive campaigns

AI-based microsite for users to visualize their dreams
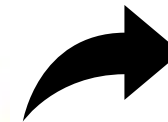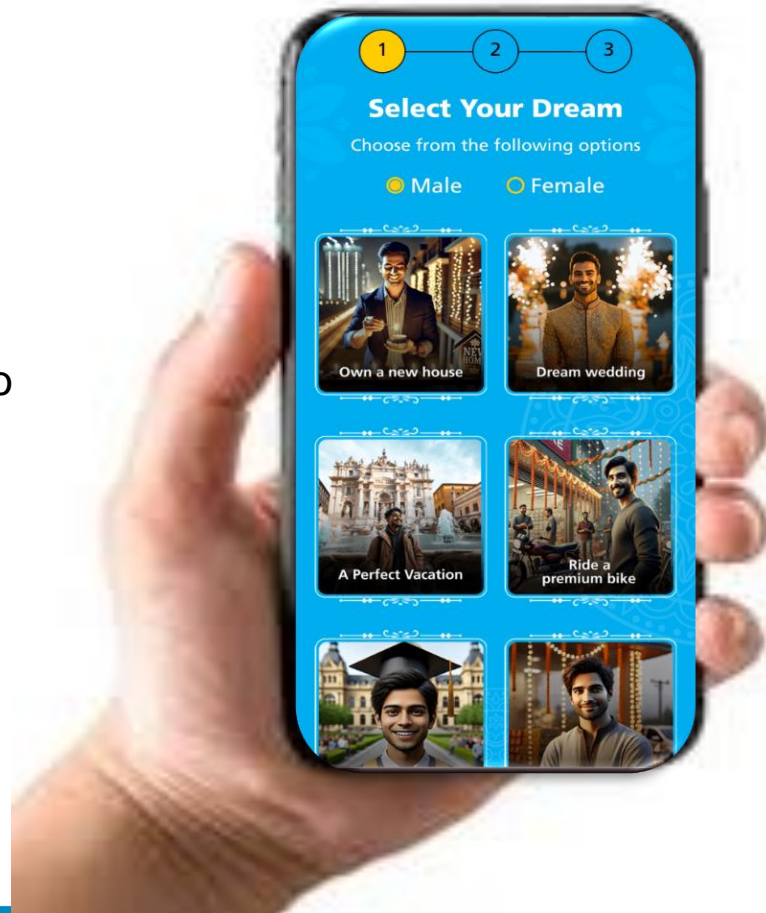
Select Your Dream
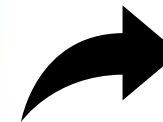
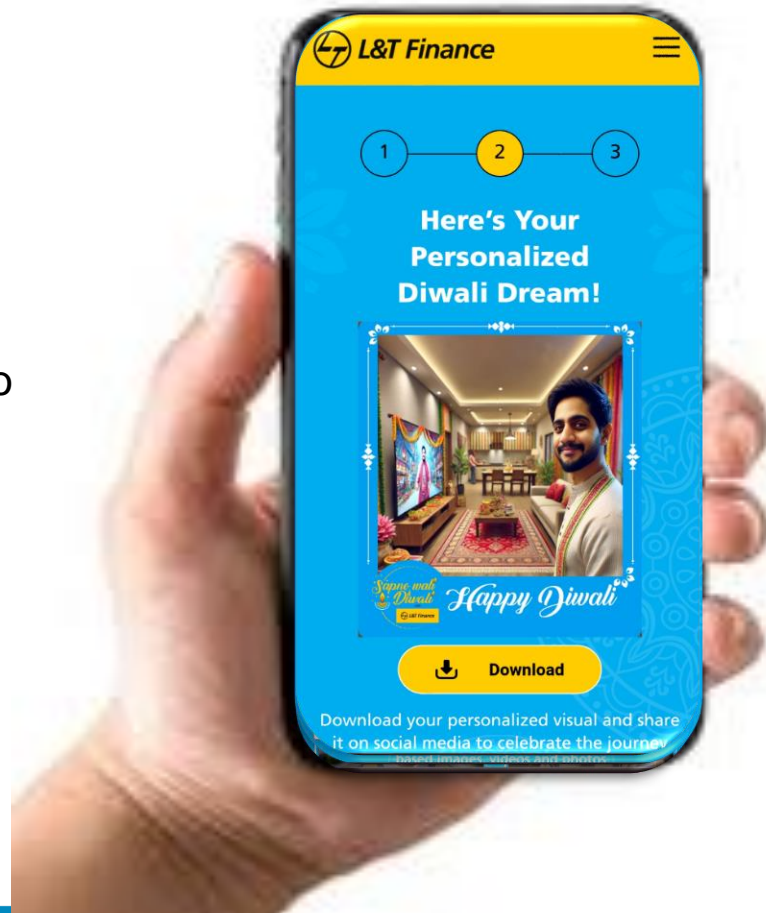**Objective : Drive higher engagement during topical festive campaigns**

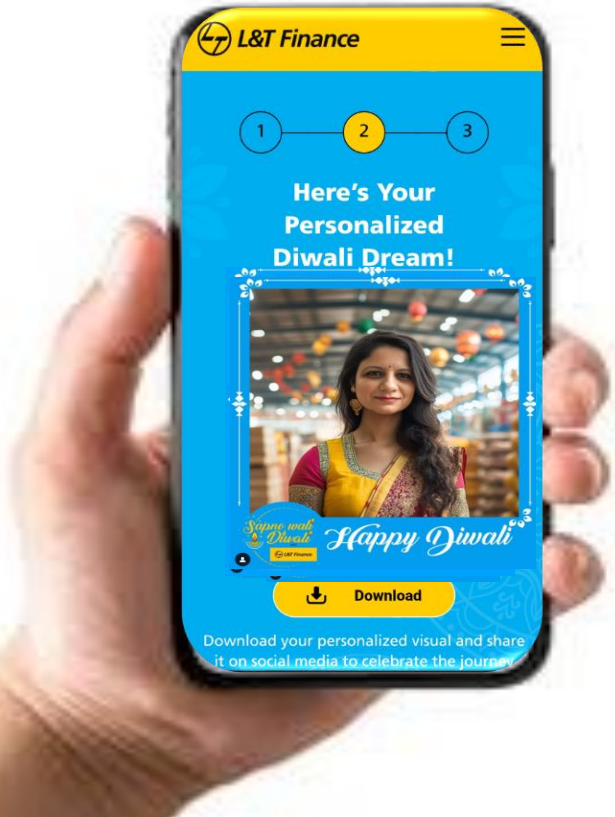AI-based microsite for users to visualize their dreams
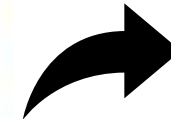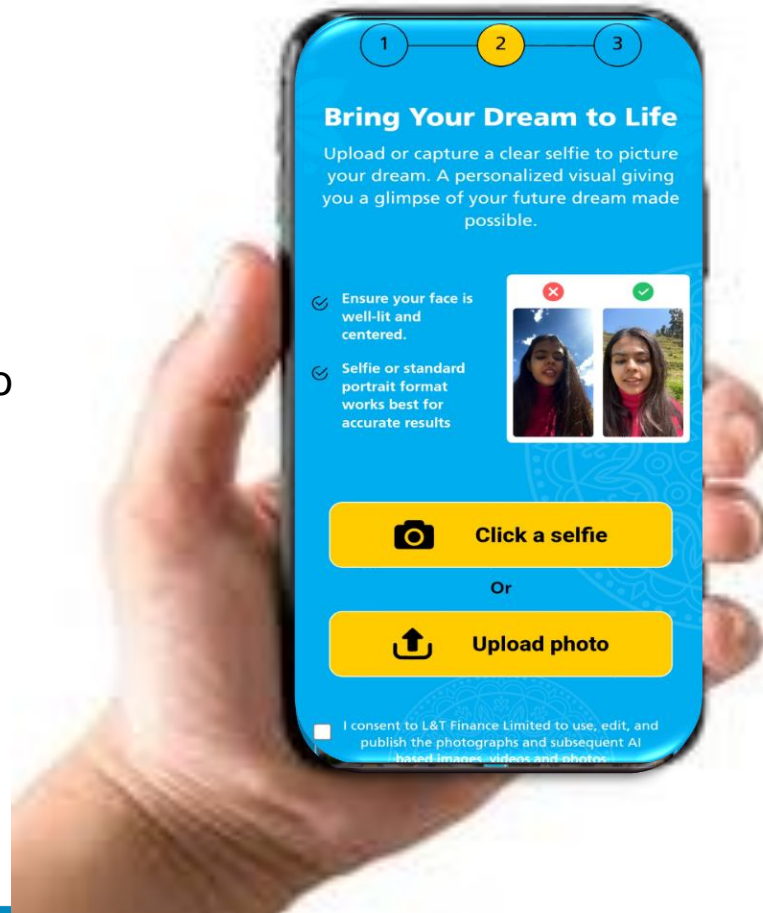
Click a Selfie

Objective : Drive higher engagement during topical festive campaigns

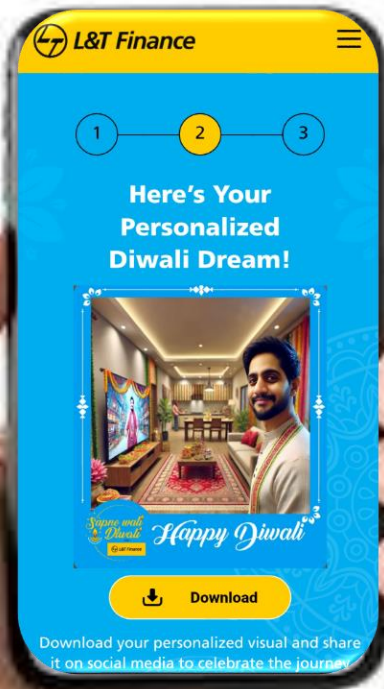AI-based microsite for users to visualize their dreams

Your personalized AI generated image is ready to download.

Driving Marketing Efficiencies through AI

Achieved 23% engagement rate with 16 Mn views on Social Media

Objective : Promote AI Event RAISE with use of AI tools

Fully AI generated RAISE24 promo video

THANK YOU