

October 18, 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

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

Sub: Submission of investor / analyst presentation

Dear Sir / Madam,

With reference to our letter dated October 5, 2024 and pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), please find enclosed the presentation to be made to the investor(s) / analyst(s).

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

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

Investor Presentation

Q2FY25



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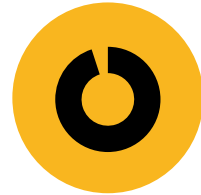
Disclaimer clause of RBI: The Company has a valid certificate of registration dated April 29, 2024 issued by the RBI under section 45 IA of the RBI Act (pursuant to the change in name from LTFH to LTF). However, the RBI does not accept any responsibility or guarantee about the present position as to 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.

Lakshya 2026 Goals

Convergence At Consolidated Level



Convergence at Consolidated level by FY26



RETAILISATION

>95%



RETAIL GROWTH

>25% CAGR



CONSOL ASSET QUALITY

**GS3 <3%
NS3 <1%**



CONSOL ROA

2.8% - 3%



Q4: 51%

Q4: 10%

**Q4: GS3 4.08%
NS3 1.98%**

Q4: 1.33% | FY: 1.04%

96%

28%

**GS3 3.19%
NS3 0.96%**

2.60%

RoA trajectory over Lakshya 2026 journey

Endeavouring to drive consistency and predictability through cycles



Consolidated LTF	Q4FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1FY25	Q2FY25
Retailisation	51%	54%	58%	64%	75%	82%	88%	91%	94%	95%	96%
NIMs	6.58%	6.54%	6.90%	7.41%	7.63%	8.06%	8.62%	8.97%	9.14%	9.31%	8.94%
Fees	1.59%	1.69%	1.53%	1.39%	1.58%	1.58%	2.22%	1.95%	2.11%	1.77%	1.92%
NIMs + Fees	8.17%	8.23%	8.43%	8.80%	9.21%	9.64%	10.84%	10.93%	11.25%	11.08%	10.86%
Opex	2.93%	2.97%	3.19%	3.37%	3.58%	3.81%	4.29%	4.38%	4.69%	4.45%	4.17%
Credit cost	3.00%	3.63%	2.54%	2.67%	2.24%	2.33%	2.58%	2.52%	2.39%	2.37%	2.59%
Opex + Credit cost	5.93%	6.60%	5.73%	6.04%	5.82%	6.14%	6.86%	6.89%	7.08%	6.83%	6.77%
RoA	1.33%	1.02%	1.55%	1.66%	1.90%	2.13%	2.42%	2.53%	2.19%*	2.68%	2.60%
PAT (₹ in Cr)	342	262	406	454	501	531	595	640	554*	686	696
Retail Book (₹ in Cr)	45,084	47,794	52,040	57,000	61,053	64,274	69,417	74,759	80,037	84,444	88,975
Consol Book (₹ in Cr)	88,341	88,078	90,098	88,426	80,893	78,566	78,734	81,780	85,565	88,717	93,015
PCR	53%	55%	55%	60%	69%	71%	76%	75%	76%	75%	71%
NS3%	1.98%	1.87%	1.85%	1.72%	1.51%	1.19%	0.82%	0.81%	0.79%	0.79%	0.96%
CRAR	23%	23%	23%	23%	25%	26%	25%	25%	23%	22%	22%

*Q4FY24: Includes impact of additional prudential provision taken on SR investments of ₹ 175 Cr

Executive Summary

Q2FY25



- ❖ **PAT** for Q2FY25 at **₹ 696 Cr**, growth of **17% YoY**
- ❖ **RoA remains steady at 2.60% despite sectoral headwinds, up 18bps YoY**
- ❖ **Retailisation** at **96%** of overall book
 - **Retail book** at **₹ 88,975 Cr**, growing **28% YoY**
 - **Consol book** also grew **18% YoY (highest since Q1FY20)**
- ❖ Stable trajectory of **NIMs+Fees** at **10.86%**
 - **NIMs at 8.94%**, up **32 bps YoY**
 - **Weighted Average Cost of Borrowings (WACB) reduced by 5 bps** from **7.85% to 7.80%**
QoQ even in an **elevated interest rate environment**

- ❖ **Credit cost at 2.59%** remains stable YoY in a volatile and challenging macro environment
 - **Disciplined sourcing** and **portfolio management guardrails** helped **maintaining Collection Efficiency at 99.45%** during the quarter for **Rural Business Finance**
- ❖ **Next gen credit underwriting engine** – **‘Project Cyclops’** integrating Credit Bureau, Account Aggregator (AA) and Trust Signals **operationalised in Two Wheeler Finance and extended to 55% of dealerships;** to be rolled out for other major products in H2 FY25
- ❖ Origination partnerships expanded with **CRED to offer credit products to its members**
- ❖ **Operationalised Regional Business Head structure across all the four regions**

RETAIL DISBURSEMENT

₹ 15,092 Cr

+12% YoY | +2% QoQ

CONSOL NIMs+FEES

10.86%

+2bps YoY | -22bps QoQ

CONSOL ROA

2.60%

+18bps YoY | -8bps QoQ

RETAIL BOOK

₹ 88,975 Cr

+28% YoY | +5% QoQ

CONSOL PAT

₹ 696 Cr

+17% YoY | +1% QoQ

CONSOL ROE

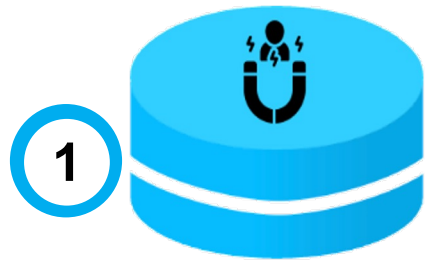
11.65%

+84bps YoY | +7bps QoQ

5 Pillar Strategy – An Update



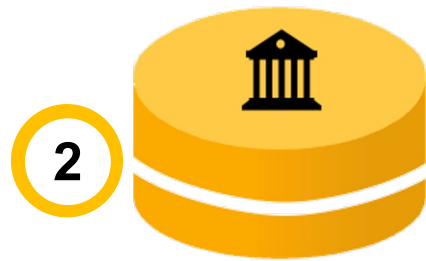
5 Pillar strategy to deliver on Lakshya goals



1

Enhancing Customer Acquisition

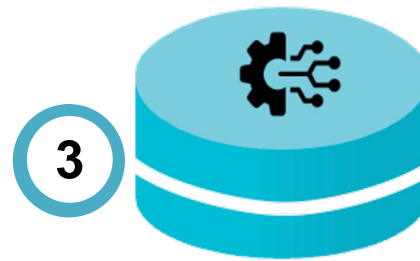
- Broadening customer funnel & velocity while increasing throughput
- Harvesting the customer & increasing cross-sell, while keeping risk under control
- Launching contiguous product offerings



2

Sharpening Credit Underwriting

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



3

Implementing Futuristic Digital Architecture

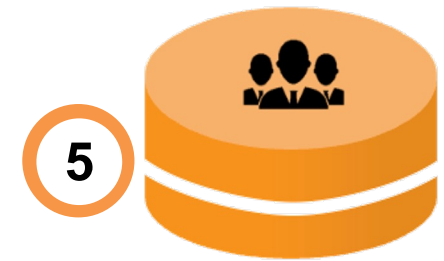
- Optimizing digital journeys to eliminate chokepoints & provide a superlative experience to customers
- In-house engineering for enhanced time to market



4

Heightened Brand Visibility

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

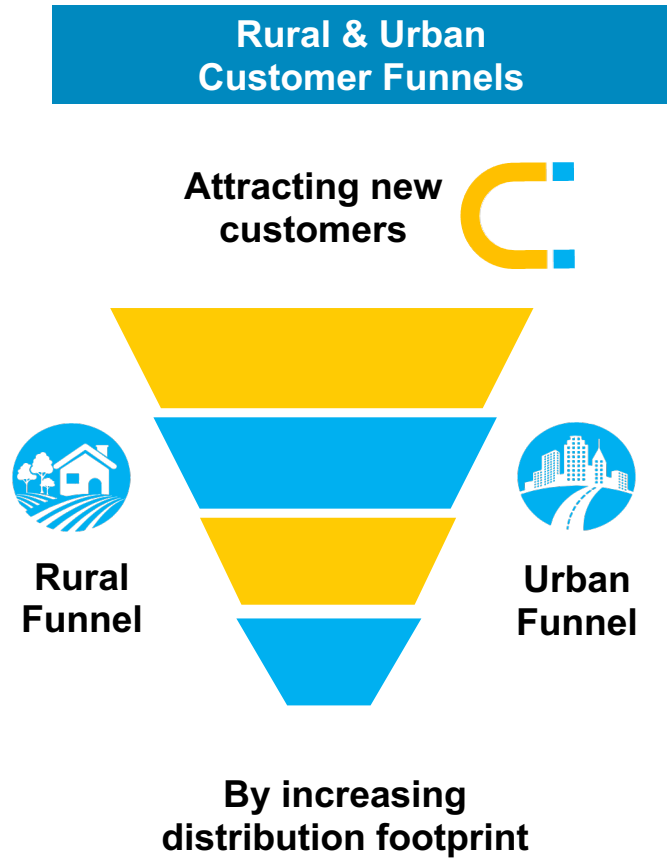







5

Capability Building

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

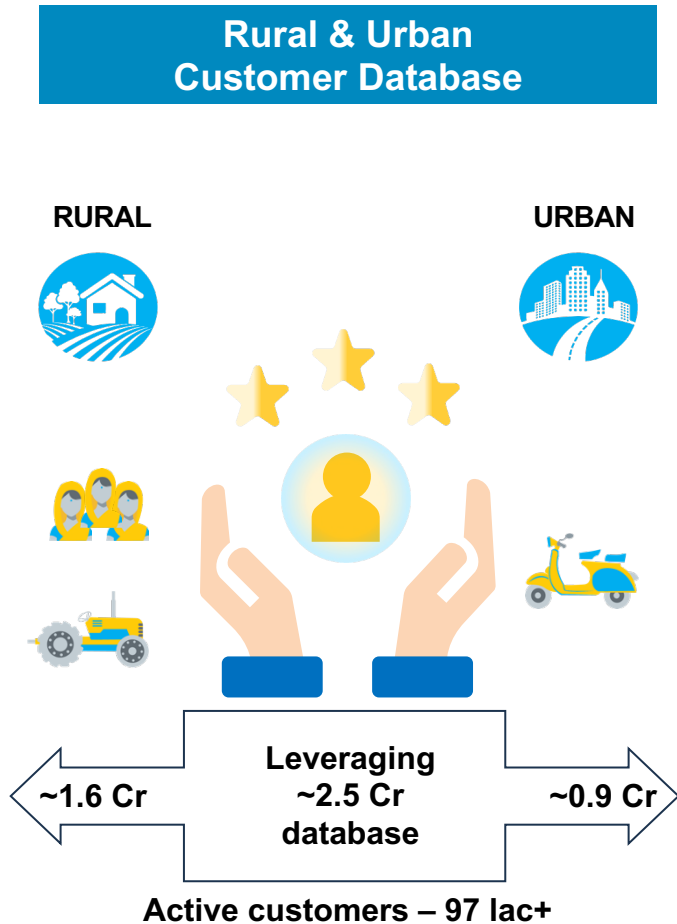
Pillar 1: Enhancing Customer Acquisition







	Q2 FY24	Q1 FY25	Q2 FY25
New Customer Acquisition (strategic focus from Q3FY24 onwards)			
New Customer Acquisition (no. in lacs)	6.4	6.7	6.6
Expanding Reach (strategic focus from Q3FY24 onwards)			
 Rural Group Loans & MFI New villages activated (nos.)	-	21,832	22,743
 Two Wheeler Finance Active sourcing points (nos.)	-	11,178	10,438
 Farm Equipment Finance Active sourcing points (nos.)	2,575	2,433	2,316
 Personal Loans Active DSAs & E-aggregators (nos.)	26	43	35
 Home Loan / LAP Active sourcing points (nos.)	304	336	371

Calibrated horizontal and vertical deepening continued in Q2

Pillar 1: Enhancing Customer Acquisition



	Q2 FY24	Q1 FY25	Q2 FY25
Cross-sell & up-sell			
Total Retail Repeat disbursement share (Count)	48%	46%	43%
Total Retail Repeat disbursement share (Value)	38%	36%	35%
 Rural Group Loans & MFI Repeat % (Count)	59%	59%	53%
 Rural Group Loans & MFI Repeat % (Value)	70%	71%	66%
 Farm Equipment Finance Repeat % (Value)	25%	19%	39%
 Personal Loans to existing customers % (Value)	47%	63%	61%

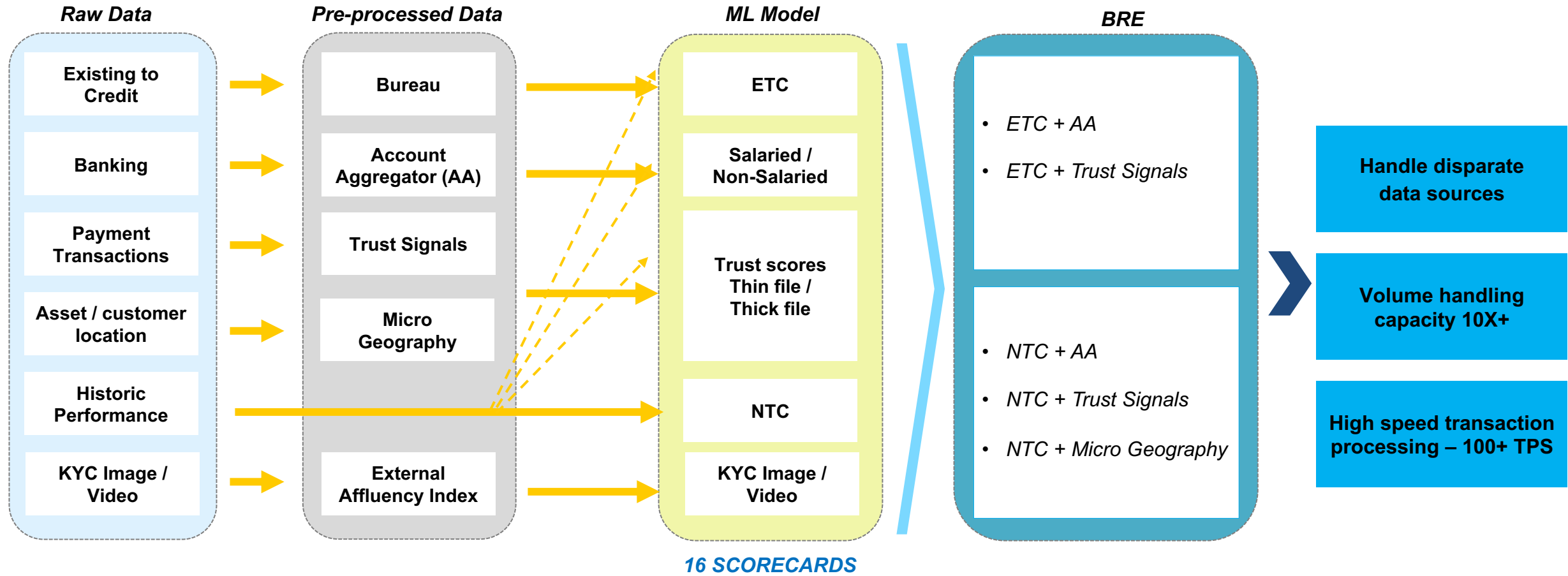
Cross-sell / up-sell momentum calibrated in Q2

Pillar 2: Sharpening Credit Underwriting (1/8)



Operationalised 'Project Cyclops' in beta version in June 2024

NEXT-GEN OMNI-PRODUCT AND OMNI-CUSTOMER UNDERWRITING ENGINE



Encouraging initial trends indicate Net Non Starters reduced by 125 bps in 2W portfolio; being extended to Farm Equipment Finance in Q3FY25

Pillar 2: Sharpening Credit Underwriting (2/8)

Rural Business Finance – Stringent Portfolio Policy & Sourcing Norms



①

Applicant to be 0 DPD

LTF only onboards if the customer is a 0 DPD JLG customer

②

Strict Association Norms

(continued even after regulatory relaxation in Apr'20)

Maximum of 3 lenders including LTF (both for fresh and repeat customers)

③

JLG Indebtedness Norms

(continued even after regulatory relaxation in Apr'20)

Total JLG Indebtedness for 3 lenders incl LTF restricted upto ₹ 2 lacs

④

Income estimation & total indebtedness norms

(post Apr'22)

Household income estimation and details of total indebtedness as obtained from credit bureau

⑤

Maker-checker mechanism for sourcing

Independent unbiased assessment of borrower

Maker

Business Field Level Officer (part of Business Function)

Checker

Branch Process Manager (separate appraisal vertical)

Ensures the following:

- Estimation of standard of living & repayment capacity
- KYC verification
- On-ground sensing

If the applicant doesn't satisfy **any** of 1, 2 and 3 conditions then the loan application will not be processed

Strong Credit Guardrails reflecting Enhanced Portfolio Resilience

Pillar 2: Sharpening Credit Underwriting (3/8)

Rural Business Finance – Stringent Portfolio Policy & Sourcing Norms



Monthly customer leverage tracker



Strong Early Warning Signals



Exclusive Risk Control Unit



Comprehensive customer leverage tracker dashboard deployed

- Dashboard collates data of customer leverage with LTF and other peers
- Customers categorized basis their overall leverage and repayment history
- Provides 360° view of customer leverage & output matrix for LTF decisioning on customer retention and geo strategy

Customer profiling to predict repayment behaviour and propensity to default

- Paying LTF's EMI but not paying external liabilities
- Off-us customer profiling on monthly basis to monitor repayment behaviour

- **700 member strong team** with pan India presence which acts as a strong line of defense for fraud prevention and control
- Independent reporting to head of internal audit
- Scope of work involves:
 - Sourcing audit
 - Disbursement audit
 - Collection audit

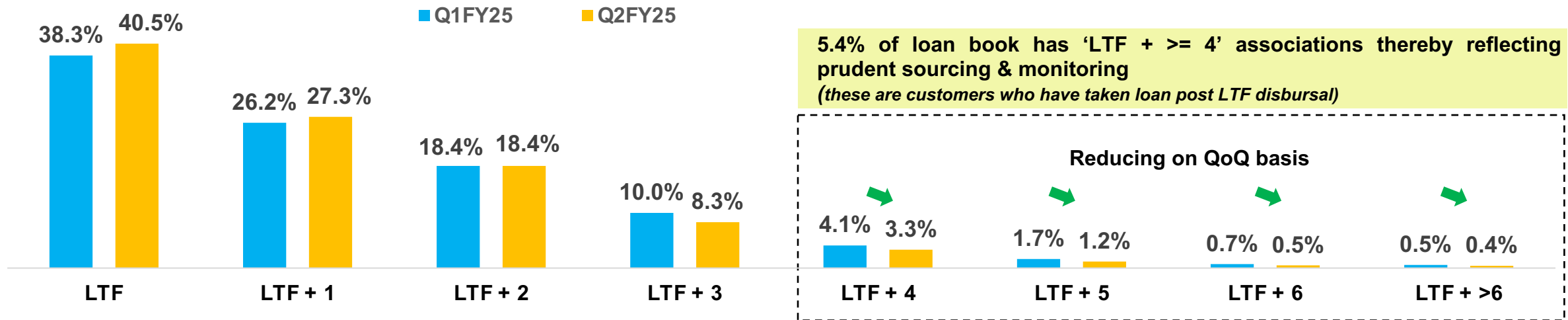
One customer to have one JLG loan from LTF at any point of time

Pillar 2: Sharpening Credit Underwriting (4/8)

Rural Business Finance – Stringent association norms leading to responsible customer indebtedness...



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



- Basis bureau data, borrowers with higher number of associations exhibit higher probability of default
- Over the years, LTF has institutionalized the above insight in the form of specific risk guardrails resulting in resilient portfolio metrics as below:
 - ~ 86% of book is 'LTF + <= 2' external associations for Q2FY25; ~95% of book compliant with MFIN guardrails issued in Jul'24
 - Customers with 'LTF + >= 4' external associations and > ₹ 2 lac indebtedness is at ₹ 226 Cr, which is < 1% of the book for Q2FY25

Pillar 2: Sharpening Credit Underwriting (5/8)

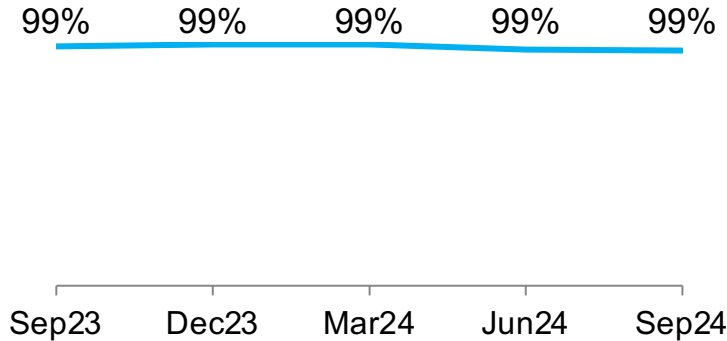
...and a robust portfolio



Rural Group Loans (JLG) & Micro Finance (JLG)

Basis rolling 12-month sourcing cohorts

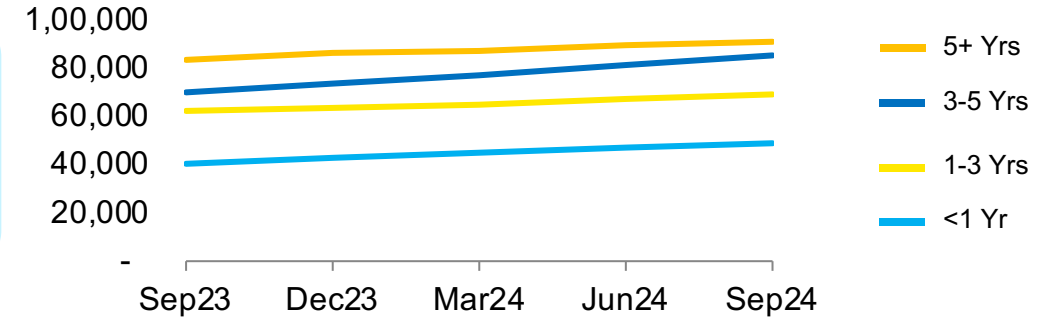
On Due Date (ODD) CE %



Focus on ODD CE leading to superior Regular CE

CE: Collection Efficiency

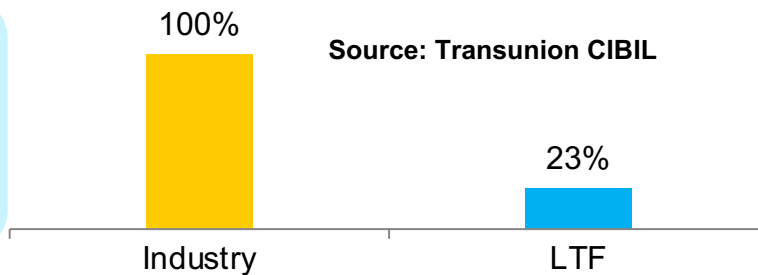
ATS (in ₹) vs Borrower Vintage



Responsible leveraging of customers across cycles

Indexed representation of Industry Delinquency vs LTF

Delinquency is calculated as 12 Month On Book (MOB) ever 90+ performance in Jul'23-Jun'24 for last 12 mth disbursements over Jul'22-Jun'23 period



Delinquency levels superior to industry average

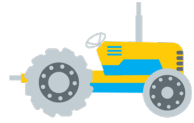
Calculation methodology of Indexed representation

- If industry delinquency is X%, that is taken as the base on an index of 100%
- LTF delinquency is shown as a percentage of this index, i.e. 23% of X

Continuous efforts on maintaining and improving existing superior portfolio metrics

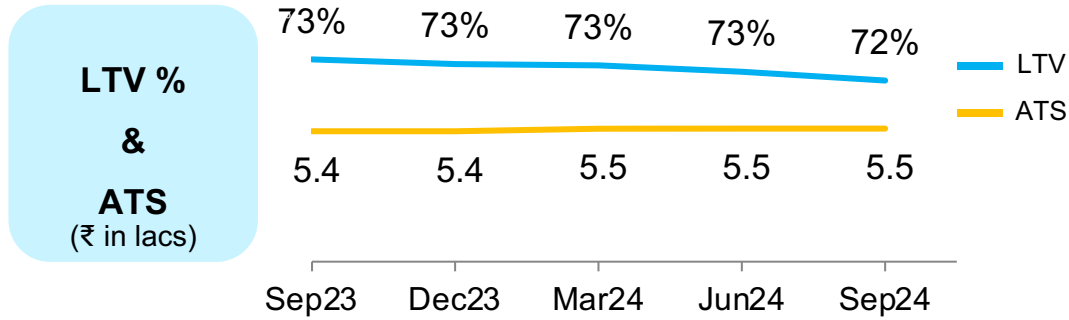
Pillar 2: Sharpening Credit Underwriting (6/8)

Leading to a robust portfolio



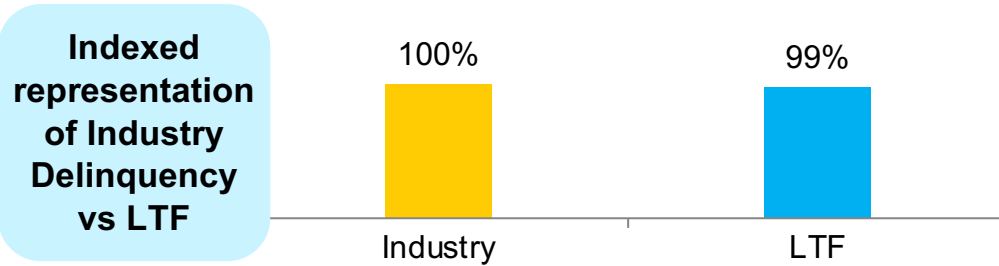
Farm Equipment Finance

Basis rolling 12-month sourcing cohorts



Optimum LTV and margin levels

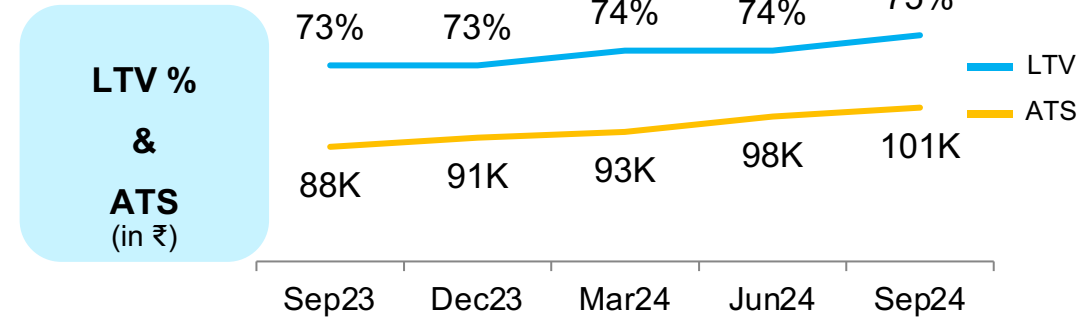
Delinquency is calculated as 12 Month On Book (MOB) ever 90+ performance in Jul'23-Jun'24 for last 12 mth disbursements over Jul'22-Jun'23 period
Source: Industry data by Transunion CIBIL



Delinquency levels in line with industry average

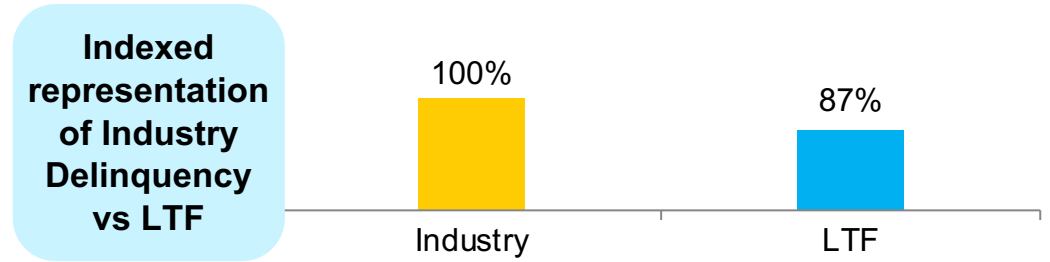


Two Wheeler Finance



Prime customer share (% of disb.)	Sep23	Dec23	Mar24	Jun24	Sep24
	37%	41%	50%	52%	60%

Optimum LTV and margin levels



Delinquency levels better than industry average

Maintaining prudent customer portfolio in challenging credit environment

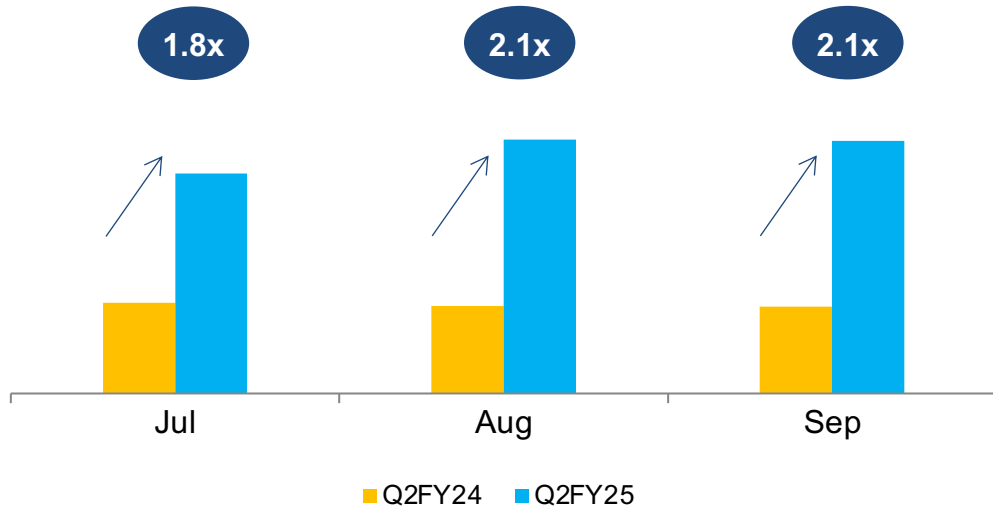
Pillar 2: Sharpening Credit Underwriting (7/8)

Journey towards building a Prime-dominant Two Wheeler portfolio

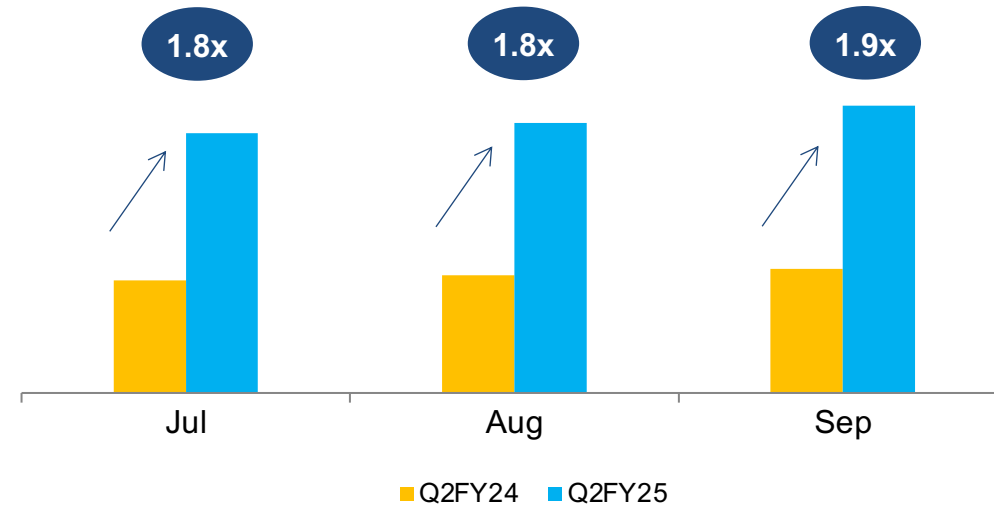


Two Wheeler Finance

Prime Share in disbursements



Prime Share on book



Prime customer share increased from 37% in Sep'23 to 60% in Sep'24

Pillar 2: Sharpening Credit Underwriting (8/8)

Leading to a robust portfolio



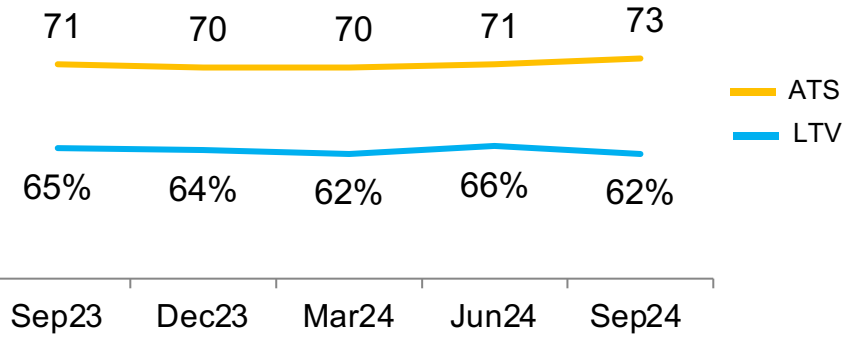
Basis rolling 12-month sourcing cohorts

Home Loans

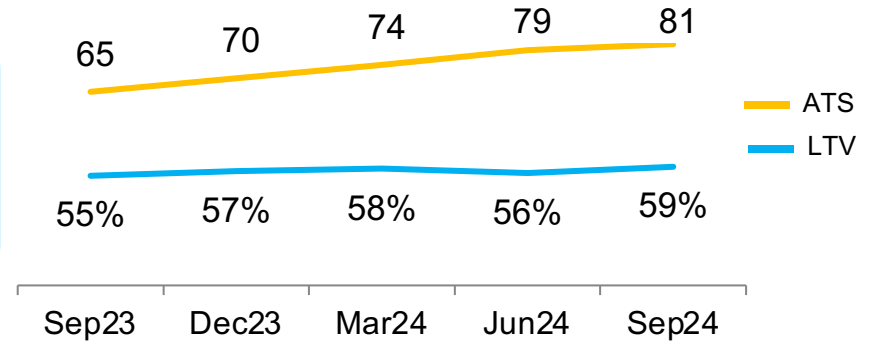


LAP

ATS
(₹ in lacs)
&
LTV %

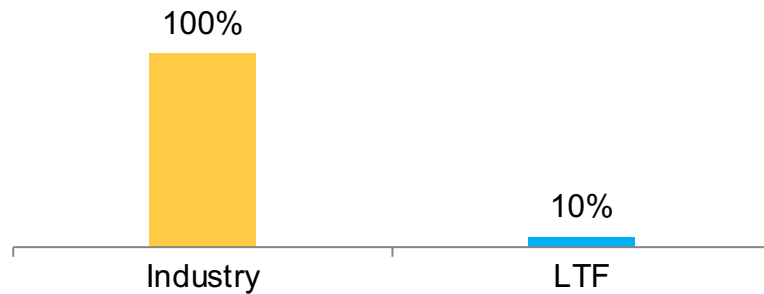


ATS
(₹ in lacs)
&
LTV %

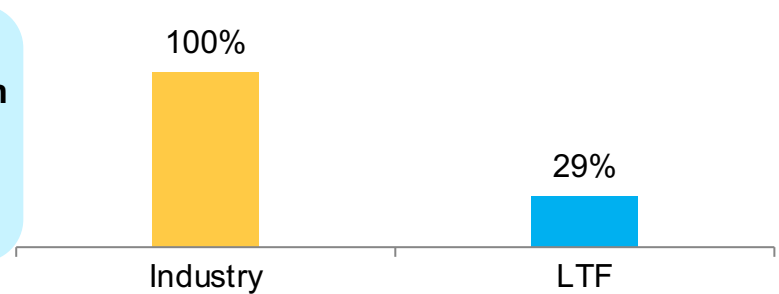


Optimum LTV and margin levels

Indexed representation of Industry Delinquency vs LTF



Indexed representation of Industry Delinquency vs LTF

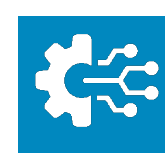


Delinquency levels significantly better than industry average

Focus on maintaining pristine secured portfolio performance

Delinquency is calculated as 12 Month On Book (MOB) ever 90+ performance in Jul'23-Jun'24 for last 12 mth disbursements over Jul'22-Jun'23 period
Source: Transunion CIBIL

Pillar 3: Implementing Futuristic Digital Architecture



Customer Experience Design

- 18 Business journeys live on PLANET application; launch planned for LAP OD product
- Launched Valued Partner Program (VPP) portal for Two Wheeler dealers
- Re-engineering of Video KYC for improved TAT on loan application journey



Application & Process Engineering

- Introduction of Center ID concept in RBF, focused for increased productivity and improved repayment
- Launched customized partnership journeys with 3 big tech partners



Robust IT Infrastructure

- Site Reliability Engineering (SRE) team, formed & operationalized; address vulnerabilities early at : Software Development Life Cycle (design & coding phases) and improving overall security efficiency



Infosec

- Certification - ISO 27701: Enhancement of privacy information management
- Robust multi-layered application security strategy that includes ongoing security testing and deployed web application firewall as an additional defense layer

Building technology infrastructure to drive speed, scale and service

Pillar 4: Heightened Brand Visibility



LAUNCHED THE COMPLETE HOME LOAN



Multi-channel Engagement



Home Loan TV campaign



Two Wheeler outdoor campaign



Home Loan product camp with Developers



Global Fintech Fest 2024

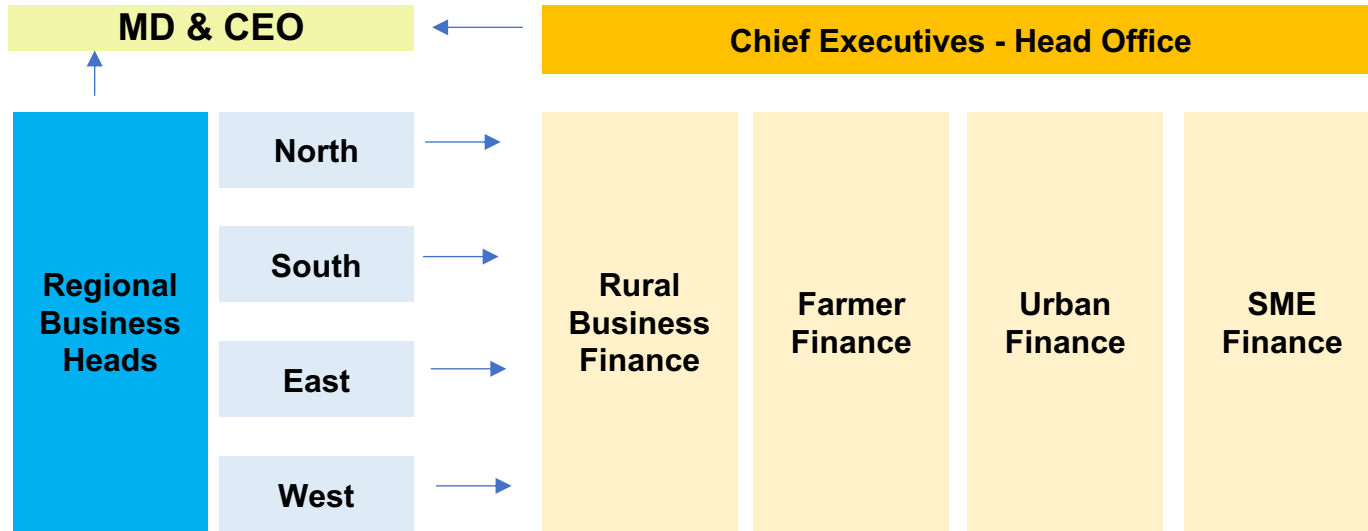


- Differentiating features**
- Home Décor Finance
 - Digitised Process
 - Dedicated Relationship Manager

Focused brand building in urban areas during H1FY25



Implemented Regional Business Head structure



Moved from silo structure to matrix structure for granular and faster implementation of initiatives

Standardizing Branch Infrastructure

Pilot of model branch in Madurai



Chairman L&T Finance, Mr. S.N.Subrahmanyan visit to model branch in Madurai



Initiatives towards becoming a more business and customer centric organisation

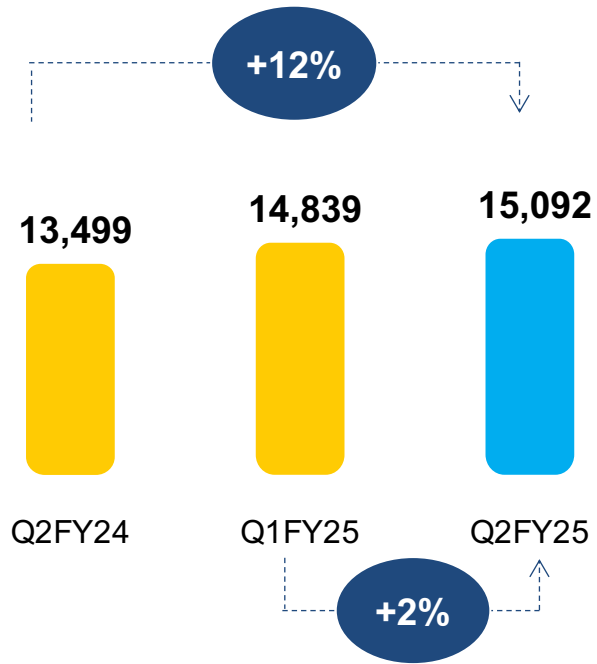
Business Update



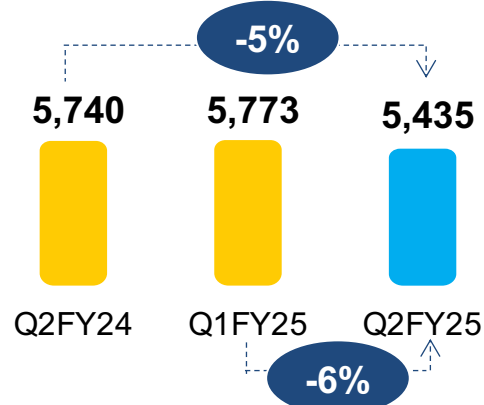
Retail disbursement growth of 12% YoY

₹ in Cr

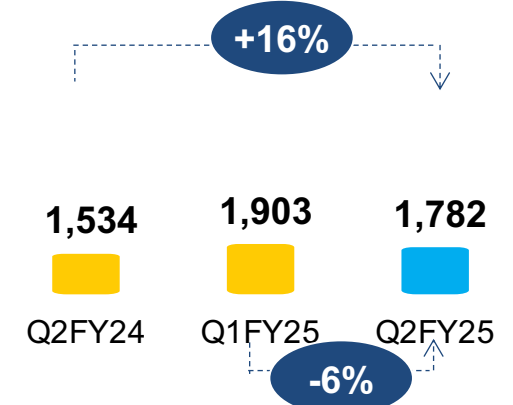
RETAIL FINANCE



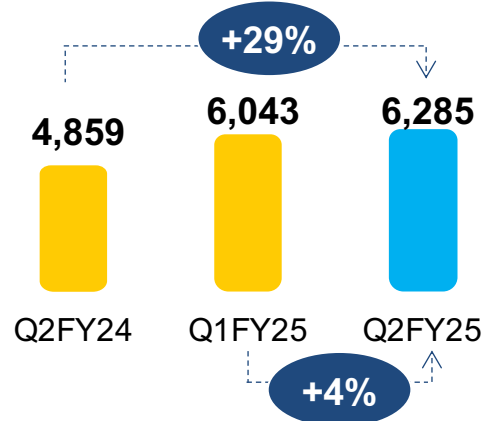
Rural Business Finance



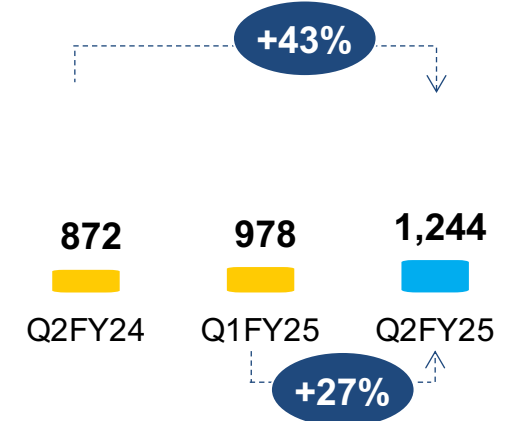
Farmer Finance



Urban Finance



SME Finance

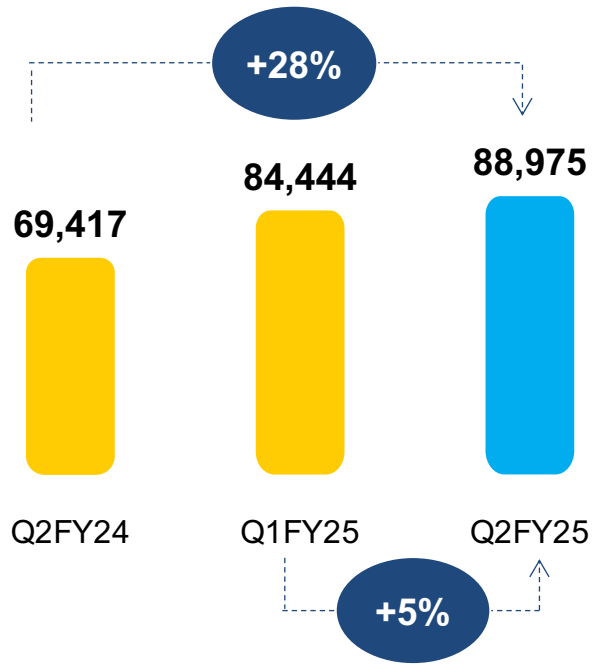


Q2FY25 retail disbursements calibrated QoQ, reflecting macro environment dynamics

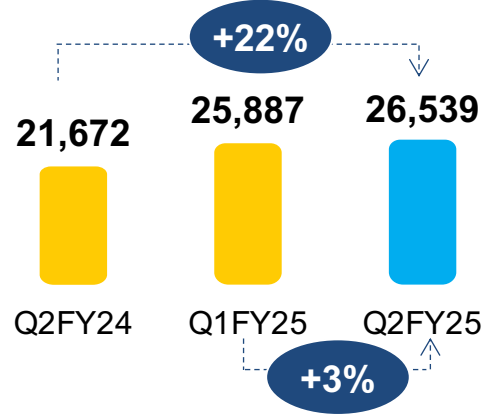
Retail book growth of 28% YoY

₹ in Cr

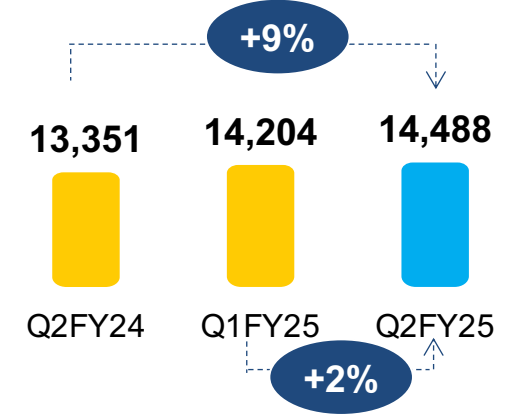
RETAIL FINANCE



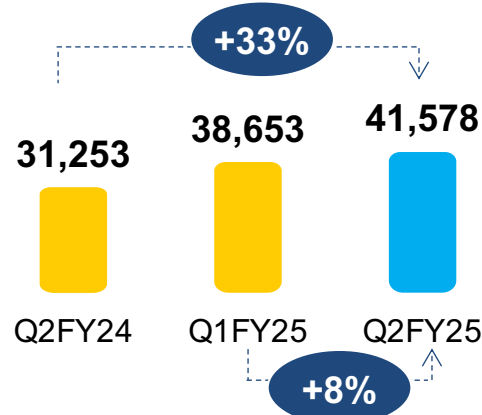
Rural Business Finance



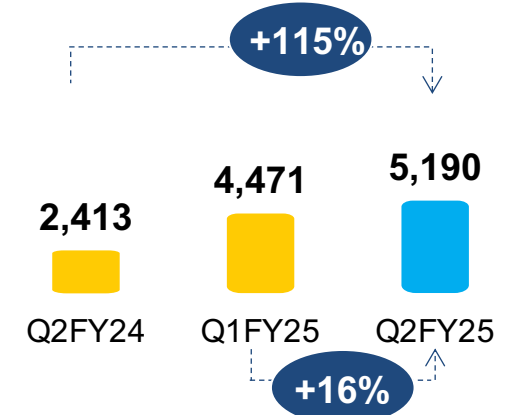
Farmer Finance



Urban Finance



SME Finance

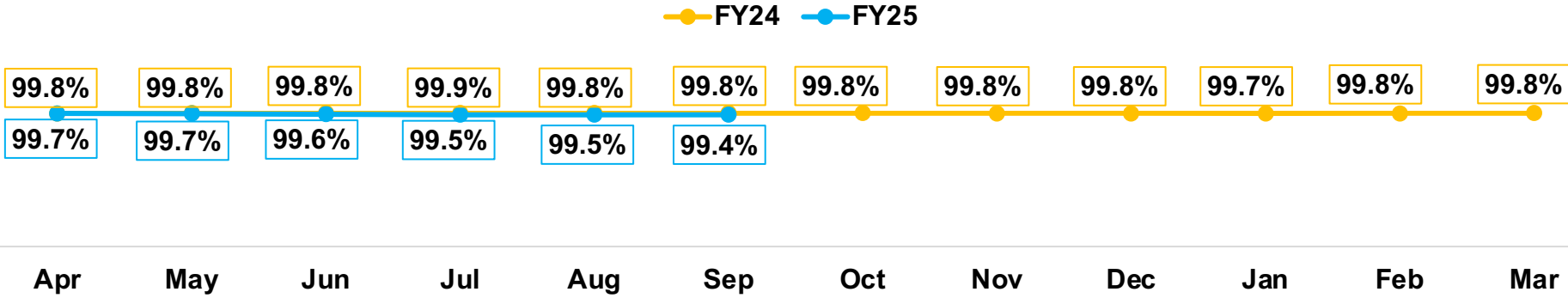


Growth led by Urban Finance and SME Finance



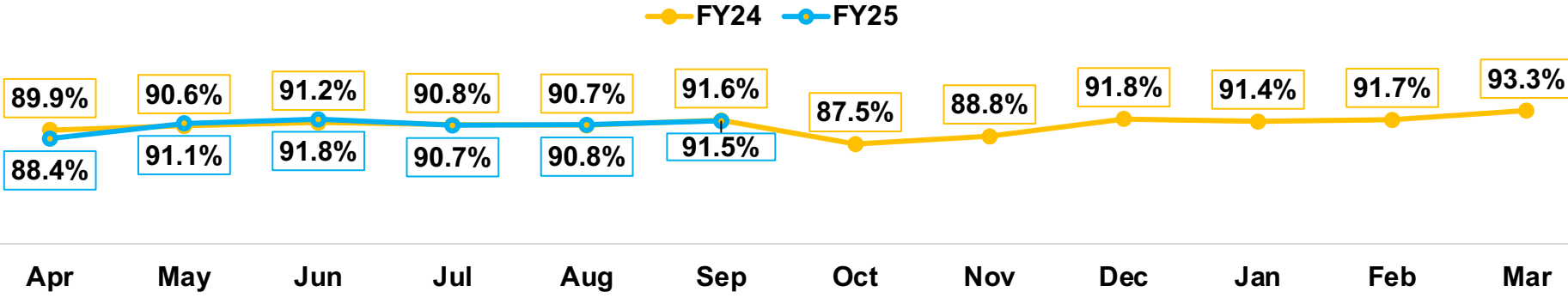
RURAL GROUP LOANS & MICRO FINANCE (JLG)

RURAL BUSINESS FINANCE



FARM EQUIPMENT FINANCE

FARMER FINANCE



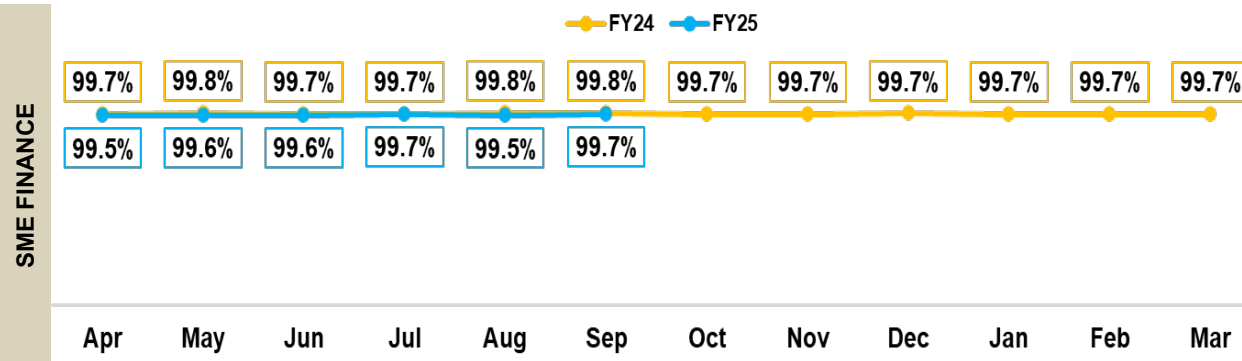
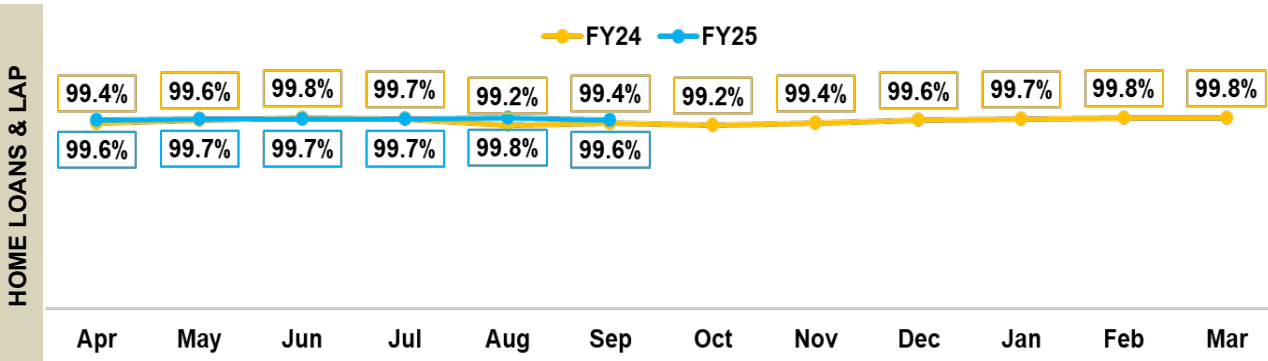
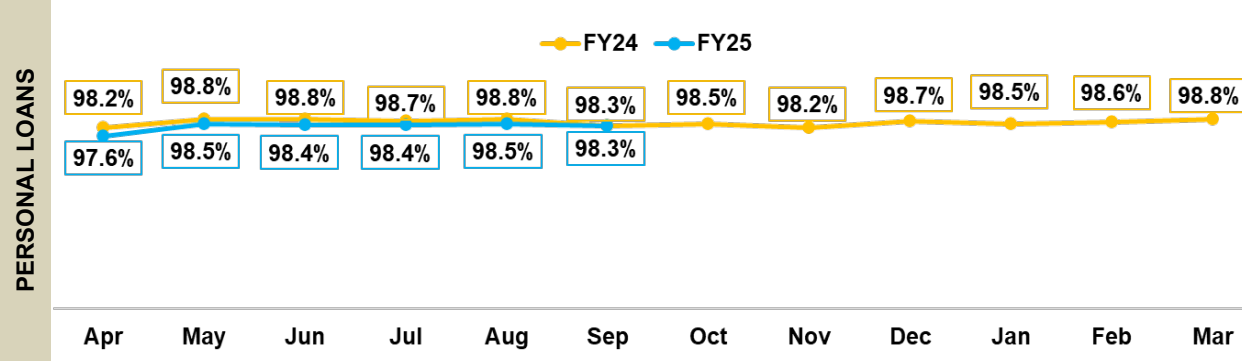
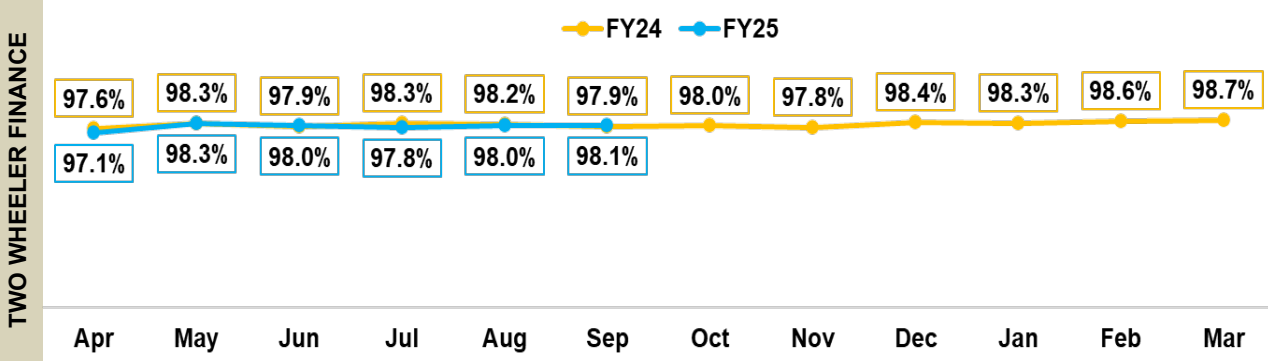
Robust Collection Efficiencies in a difficult market environment

Collection Efficiency (2/2)

URBAN



URBAN FINANCE



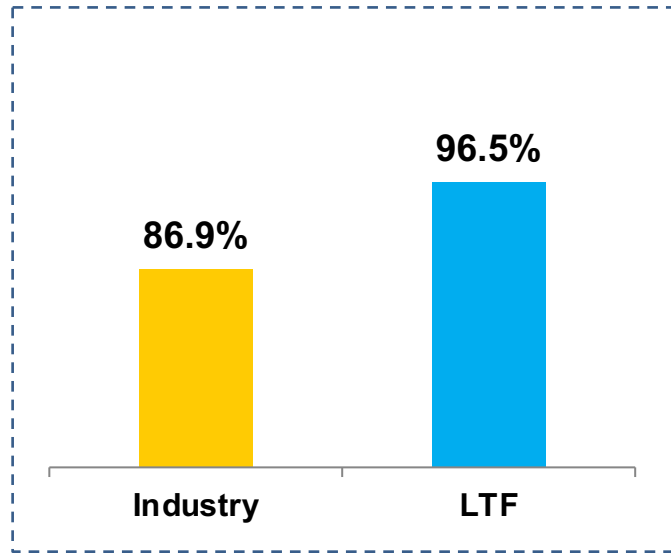
Robust Collection Efficiencies in a difficult market environment

Retail Asset Quality (1/3)

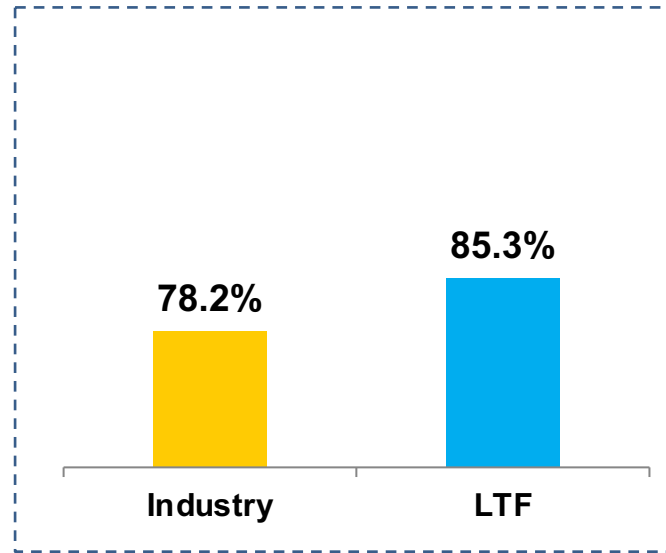
'0 DPD' for our 3 fulcrum products



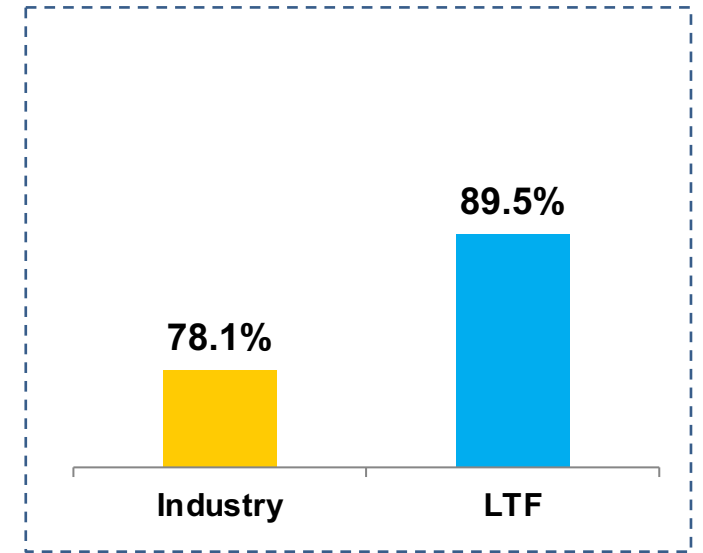
RURAL GROUP LOANS & MICRO FINANCE (JLG)



FARM EQUIPMENT FINANCE



TWO WHEELER FINANCE



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

Retail Asset Quality (2/3)

Stagewise assets & provision summary

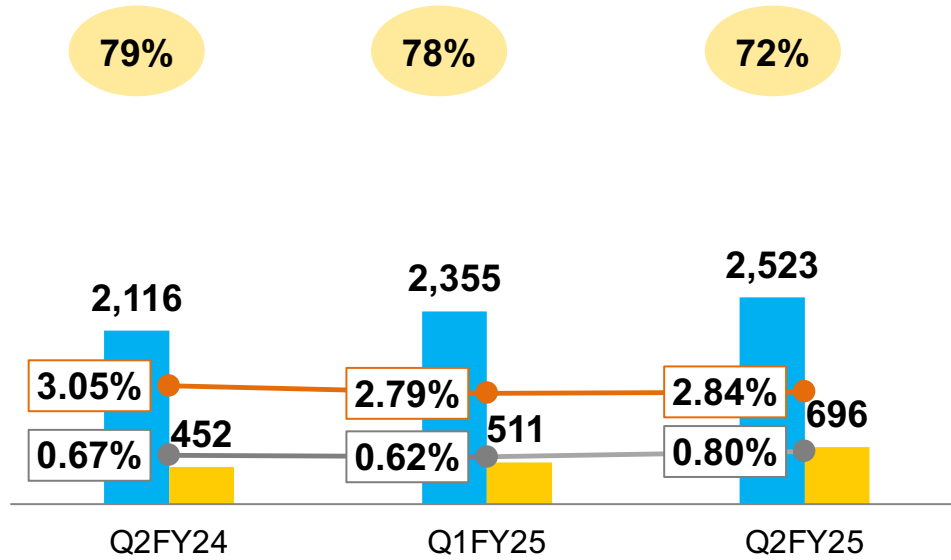
G R O S S A S S E T S	Stage wise (in ₹ Cr)	Q2FY24	Q2FY24 (% of Total)	Q1FY25	Q1FY25 (% of Total)	Q2FY25	Q2FY25 (% of Total)
	Stage 1	65,433	94.26%	80,065	94.81%	84,236	94.67%
	Stage 2	1,868	2.69%	2,024	2.40%	2,217	2.49%
	Stage 3	2,116	3.05%	2,355	2.79%	2,523	2.84%
	Total	69,417	100%	84,444	100%	88,975	100%
P R O V I S I O N	Stage wise (in ₹ Cr)	Q2FY24	Q2FY24 (% PCR)	Q1FY25	Q1FY25 (% PCR)	Q2FY25	Q2FY25 (% PCR)
	Stage 1	484	0.74%	440	0.55%	433	0.51%
	Stage 2*	1,261	67.51%	1,354	66.91%	1,329	59.93%
	Stage 3	1,665	78.65%	1,845	78.32%	1,827	72.42%
	Total	3,409	4.91%	3,639	4.31%	3,589	4.03%
N E T A S S E T S	Stage wise (in ₹ Cr)	Q2FY24	Q2FY24 (% of Net Assets)	Q1FY25	Q1FY25 (% of Net Assets)	Q2FY25	Q2FY25 (% of Net Assets)
	Stage 1	64,949	94.22%	79,625	94.79%	83,802	94.65%
	Stage 2	607	0.89%	670	0.81%	888	1.01%
	Stage 3	452	0.67%	511	0.62%	696	0.80%

*Stage 2 provisions include Macroprudential provisions | Stage wise book and corresponding provisions is based on customer dpd

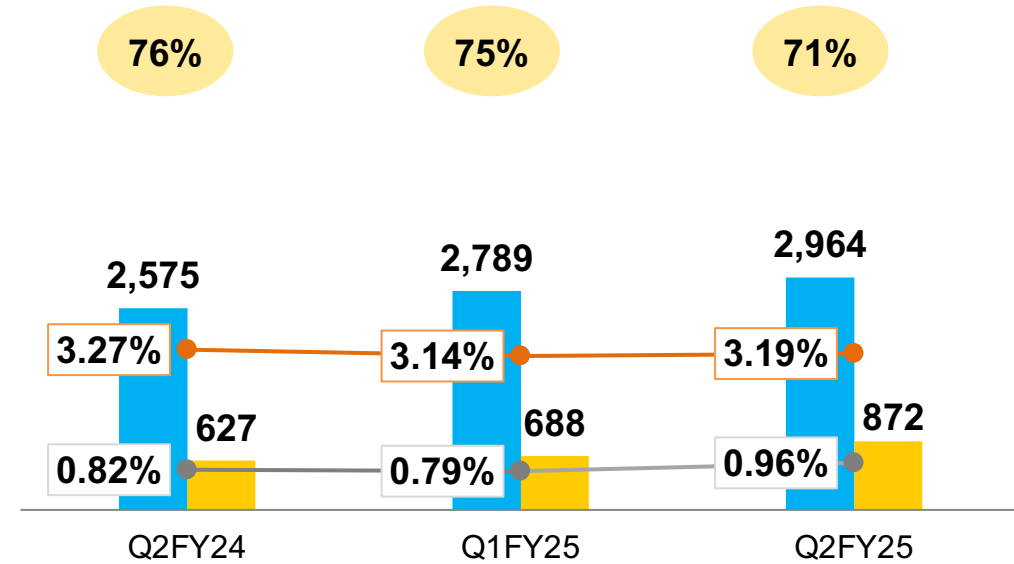
Retail and Consol Asset Quality (3/3)

Retail and Consol GS3

RETAIL - ASSET QUALITY



CONSOLIDATED - ASSET QUALITY

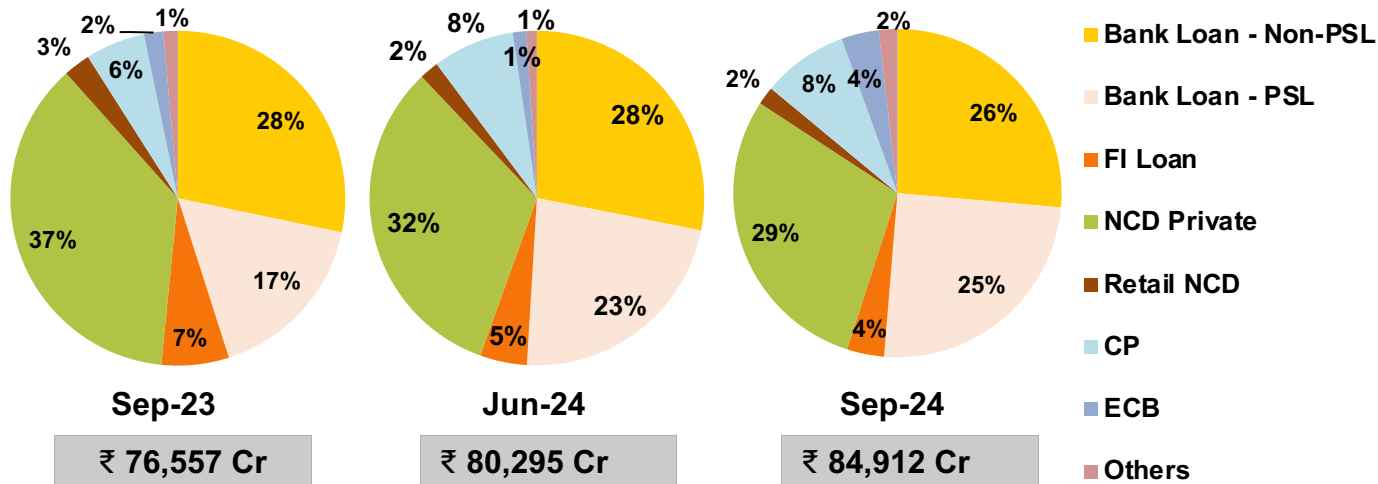


■ GS3 (₹ Cr)
 ■ NS3 (₹ Cr)
 —●— GS3 (%)
 —●— NS3 (%)
 PCR (%)

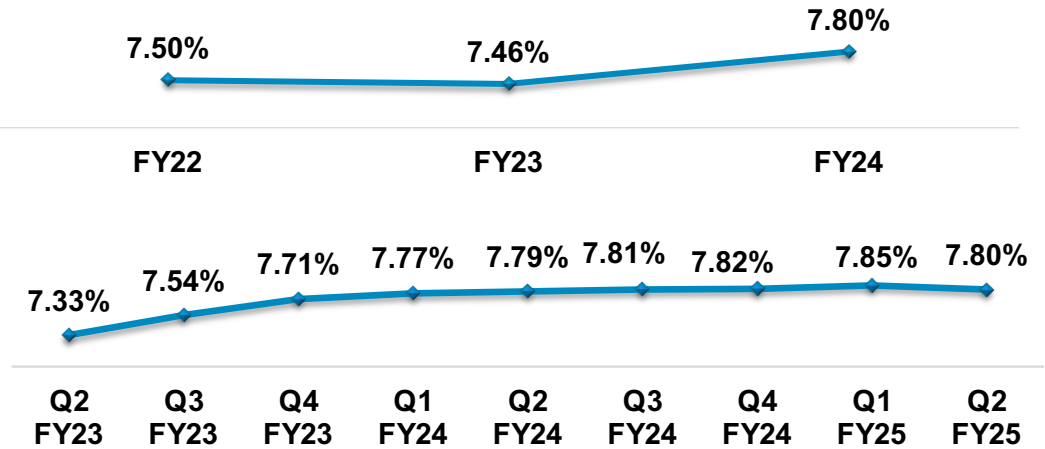
Maintained steady Consolidated GS3 and NS3

OUTPERFORMING IN TIMES OF RISING INTEREST RATE ENVIRONMENT

DIVERSIFIED LIABILITY MIX (%)



WEIGHTED AVERAGE COST OF BORROWING (WACB) (%)



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



Prudent ALM along with
changing portfolio mix
towards retail



Leveraged Retail Asset
profile to garner competitive
funding

Diversified liability mix has enabled in reduction of quarterly WACB by 5 bps (QoQ) to 7.80% in Q2FY25

ANNEXURES



- I** Dominant Retail Franchise built over a decade
- II** Financials
- III** Other Annexures



**Part of illustrious
L&T group**



**Upper Layer NBFC
as per RBI classification**



**Amongst
Top Retail NBFCs**

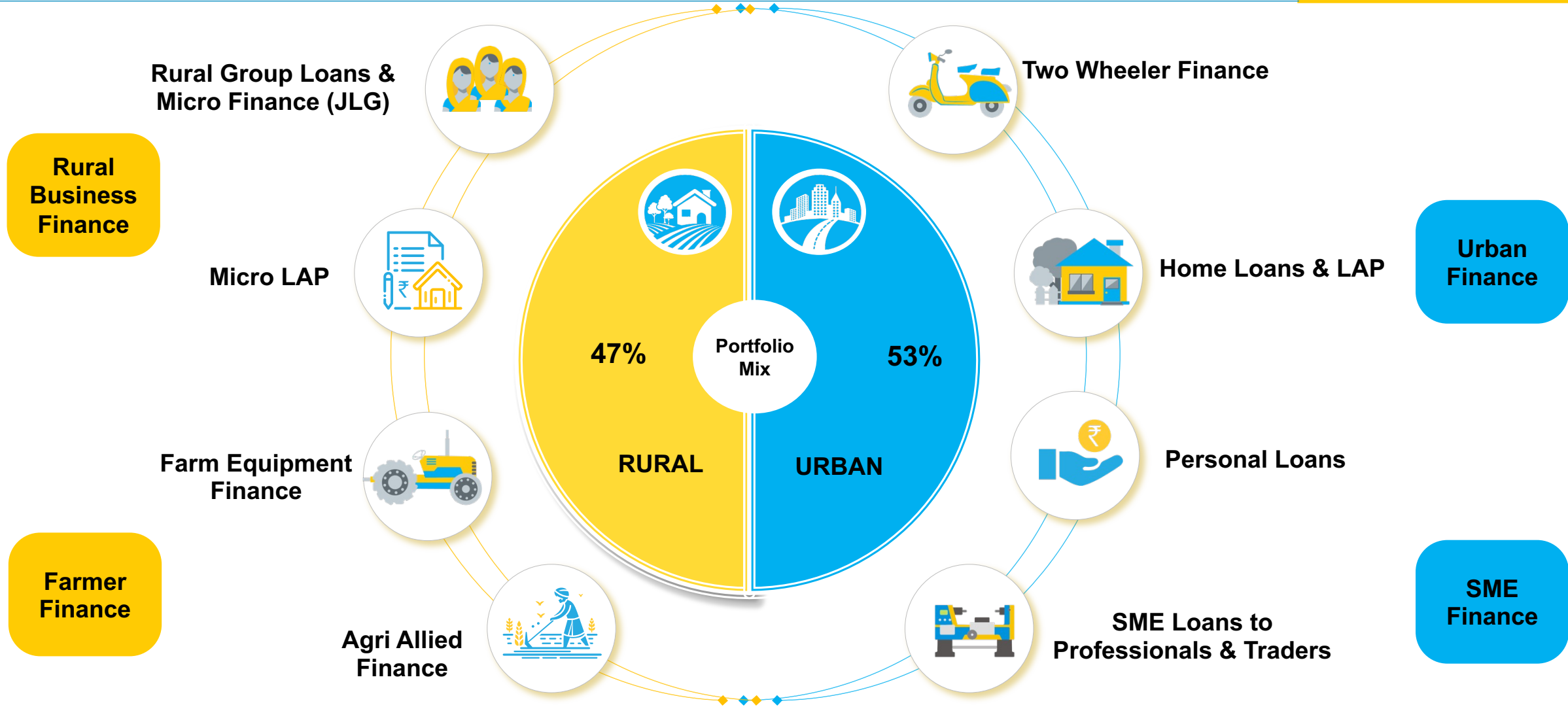


**Highest Credit
Rating – 'AAA'**

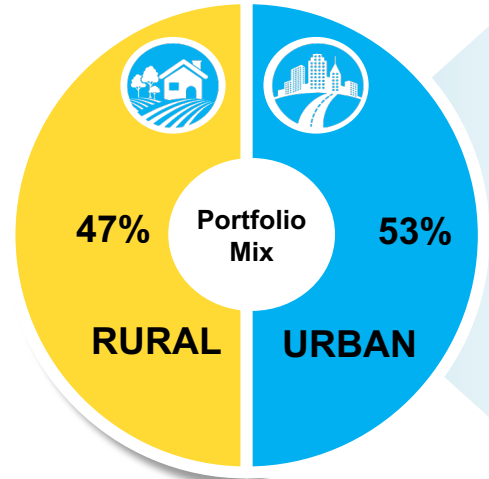


**Top Notch
ESG Ratings**

Built on the foundation of Trust & Commitment



DIVERSIFIED RETAIL NBFC



~₹ 89,000 Cr
Retail Book

Pan-India presence
~2,00,000 Villages
100+ Cities / Towns

Leveraging 2.5 Cr customer franchise for cross sell

13,200+ Distribution touch points

1.25 Cr+ downloads
Optimised Digital Service & Distribution delivery platform

Leading to Leadership in 3 fulcrum products



Rural Group Loans & Micro Finance (JLG)



Two Wheeler Finance



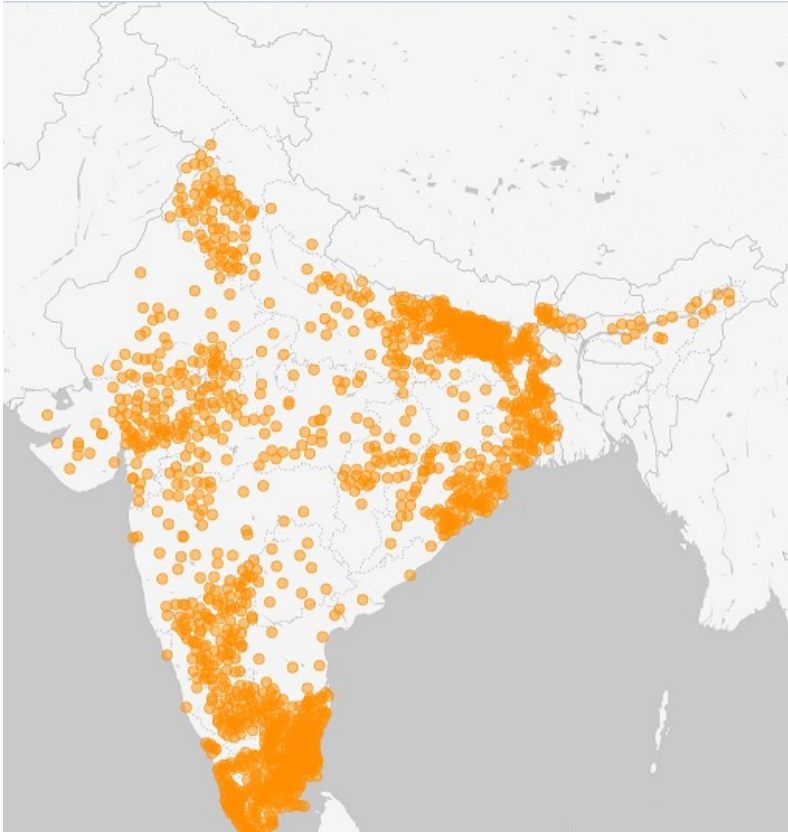
Farm Equipment Finance

Retail Digital Franchise built over 15 years

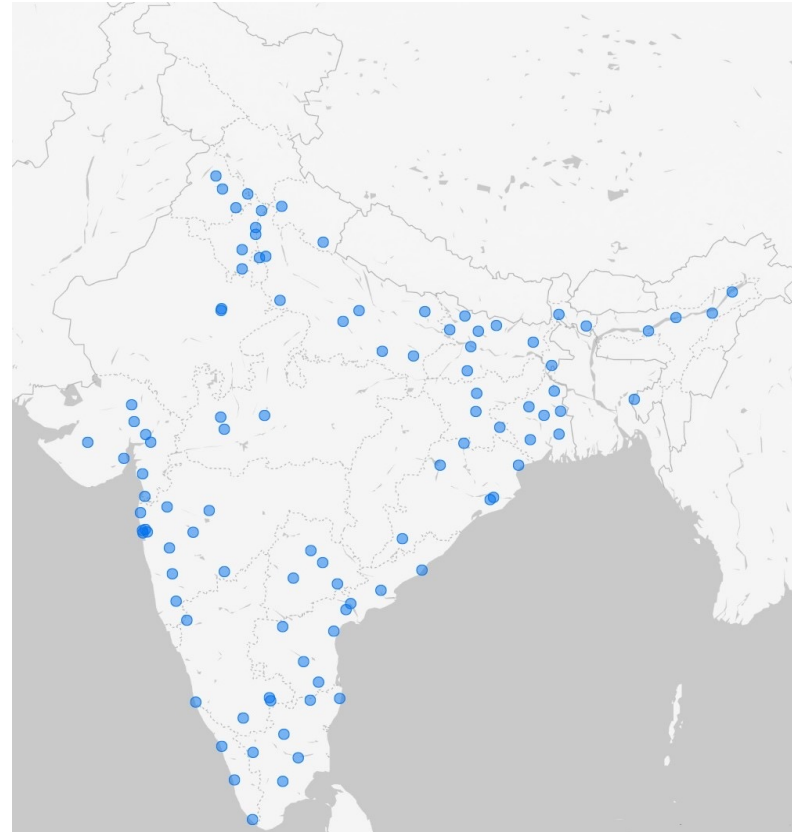
Granular and extensive distribution network

18 States
1 UT
~2,00,000 Villages

20 States
2 UT
100+ Cities / Towns



LTF Rural Network



LTF Urban Network

State	Rural Branches	Urban Branches
Madhya Pradesh	100	11
Maharashtra	68	22
Uttar Pradesh	128	15
Gujarat	76	13
Karnataka	234	11
West Bengal	120	12
Andhra Pradesh	1	11
Telangana	36	10
Haryana	41	7
Rajasthan	63	8
Bihar	403	8
Punjab	44	5
Odisha	125	6
Tamil Nadu	399	8
Kerala	93	3
Others	45	17
Pan India	1,976*	167

Total Branch Count: 209 (Rural – 42, Urban – 167)

*Rural Branches comprise of Rural Group Loans & Micro Finance meeting centres (1,934) and dedicated Farmer Finance branches (42)

Market dominance through fulcrum product built over a decade (1/3)

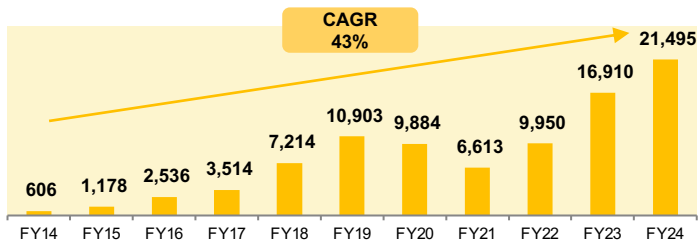
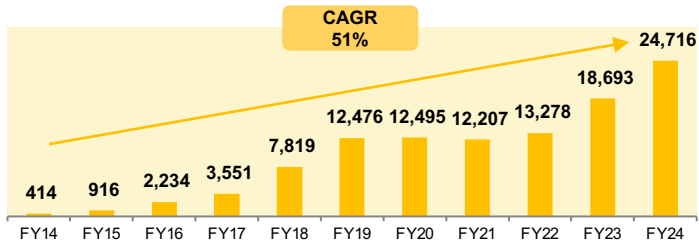
Rural Group Loans and Micro Finance (JLG) - amongst the Leading Financiers



Rural Group Loans & Micro Finance (JLG)

16+ years of Vintage

1.4 Cr+ customers serviced in rural India



Well diversified footprint

- 14 states across 300+ districts, 1,900+ Meeting Centre Branches
- Key states: Bihar, Tamil Nadu & Karnataka

Operational excellence

- Automated underwriting; geo-strategy based on women credit penetration
- Collection-led disbursement; Avg CE @ 99.45%
- State of the art Risk Control Unit; Compulsory bureau check

Customer Centricity

- LTF exclusive customers at ~40%
- Retention products – 70% retention
- Optimum customer leverage; avg. o/s on book ~ ₹ 41,400 /-

Excellent Asset Quality

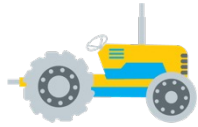
- No additional top-up loans for delinquent customers
- 100% PCR on 90+ bucket
- Macro-prudential provisions

Created strong risk guardrails

- Financier association limit – maximum 3
- Continued exposure checks & FOIR norms
- Pincode selection basis PAR & customer leverage

Market dominance through fulcrum product built over a decade (2/3)

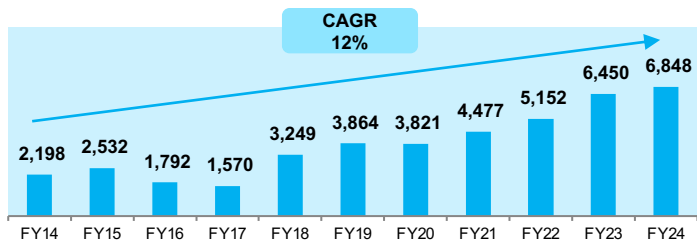
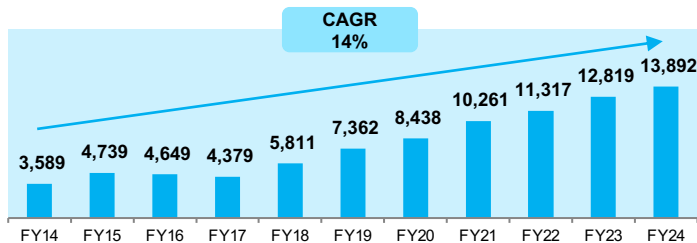
Farm Equipment Finance – amongst the Leading Financiers



Farm Equipment Finance

20+ years of Vintage

11 Lac+ customers serviced in rural India



Well diversified footprint

- 170+ branches across 18 states & 1 UT
- Key states: Uttar Pradesh, Madhya Pradesh, Telangana, Karnataka

Dealer / OEM Relationship

- ~2,500 Dealers
- Non-captive distribution franchise
- Well penetrated across Top 5 OEMs

Customer Centricity

- Retention products (Kisan Suidha)
- Paperless Digital Journey
- Best-in-class TAT: 24 hours

Operational excellence

- Collection led disbursements; CE @ 91.5%
- Analytics-based scorecard for decision-making

Created strong risk guardrails

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

Market dominance through fulcrum product built over a decade (3/3)

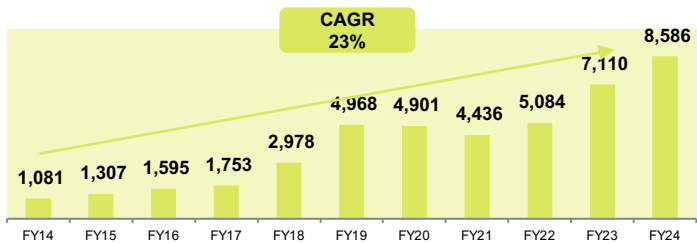
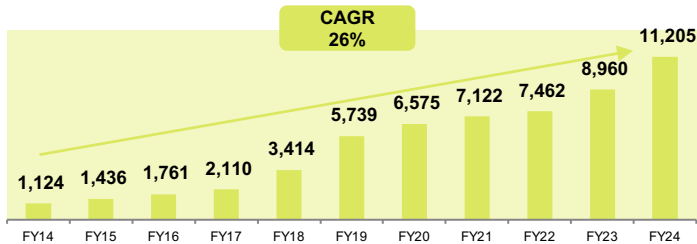
Two Wheeler Finance - amongst the Leading Financiers



Two Wheeler Finance

10+ years of Vintage

75 Lac+ customers serviced in urban India



Well diversified footprint

- 128 locations across India
- Key states: West Bengal, Gujarat, Tamil Nadu

Dealer / OEM Relationship

- 10,500+ Sourcing points
- Non-captive distribution franchise
- Analytics driven OEM cum Dealer business model
- Channel level engagement model

Customer Centricity

- Straddle continuum from New To Credit to Prime customers
- Paperless Digital Journey
- Sabse Khaas Loan & Income Proof loans - 1st in Industry

Operational excellence

- Collection led disbursements; CE @ 98.1%
- Straight through processing

Created strong risk guardrails

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

- I** Dominant Retail Franchise built over a decade
- II** Financials
- III** Other Annexures

Lending Business – Business wise disbursement split

Disbursement				
Q2FY24	Particulars (₹ Cr)	Q1FY25	Q2FY25	Y-o-Y (%)
	Farmer Finance			
1,534	Farm Equipment Finance	1,903	1,782	16%
	Rural Business Finance			
5,499	Rural Group Loans (JLG)	5,659	5,329	(5%)
242	Micro Finance (JLG)	114	106	
	Urban Finance			
1,817	Two Wheeler Finance	2,621	2,393	32%
1,308	Personal Loans	1,178	1,361	4%
1,356	Home Loans	1,656	1,791	32%
378	LAP	588	739	96%
872	SME Finance	978	1,244	43%
494	Acquired Portfolio	141	346	(30%)
13,499	Retail Finance	14,839	15,092	12%
178	Infrastructure Finance	175	68	(62%)
20	Real Estate Finance	4	3	(87%)
198	Wholesale Finance	179	71	(64%)
13,696	Total Disbursement	15,019	15,162	11%

Lending Business – Business wise book split

		Book		
Q2FY24	Segments (₹ Cr)	Q1FY25	Q2FY25	Y-o-Y (%)
	Farmer Finance			
13,351	Farm Equipment Finance	14,204	14,488	9%
	Rural Business Finance			
21,672	Rural Group Loans & Micro Finance Loans	25,887	26,539	22%
	Urban Finance			
9,518	Two Wheeler Finance	12,025	12,669	33%
6,481	Personal Loans	6,667	7,178	11%
12,216	Home Loans	15,690	16,930	39%
3,038	LAP	4,272	4,801	58%
2,413	SME Finance	4,471	5,190	115%
727	Acquired Portfolio	1,229	1,181	62%
69,417	Retail Finance	84,444	88,975	28%
2,773	Real Estate Finance	2,310	2,312	(17%)
6,482	Infrastructure Finance	1,963	1,727	(73%)
9,255	Wholesale Finance	4,273	4,040	(56%)
78,672	Focused Business	88,717	93,015	18%
62	De-focused	-	-	(100%)
78,734	Total Book	88,717	93,015	18%

Performance Summary				
Q2FY24	Summary P&L (₹ Cr)	Q1FY25	Q2FY25	Y-o-Y (%)
3,054	Interest Income	3,371	3,527	15%
1,325	Interest Expense	1,351	1,476	11%
1,729	NIM	2,020	2,051	19%
446	Fee & Other Income	383	440	(1%)
2,175	Total Income	2,403	2,491	15%
860	Operating Expense	966	958	11%
1,315	Pre-provision Operating Profit	1,438	1,534	17%
517	Credit Cost	515	595	15%
799	PBT	923	939	18%
595	PAT	686	696	17%
Q2FY24	Particulars (₹ Cr)	Q1FY25	Q2FY25	Y-o-Y(%)
78,734	Closing Book	88,717	93,015	18%
79,791	Average Book	87,002	91,020	14%
22,185	Networth	23,529	24,268	9%
89.3	Book Value per share (₹)	94.5	97.4	9%
2.4	Basic Earning per share (₹)	2.8	2.8	16%

Key Ratios				
Q2FY24	Key Ratios	Q1FY25	Q2FY25	
15.23%	Yield	15.54%	15.38%	
8.62%	Net Interest Margin	9.31%	8.94%	
2.22%	Fee & Other Income	1.77%	1.92%	
10.84%	NIM + Fee & Other Income	11.08%	10.86%	
4.29%	Operating Expenses	4.45%	4.17%	
6.56%	Pre-provision Operating Profit	6.63%	6.68%	
2.58%	Credit Cost	2.37%	2.59%	
2.42%	Return on Assets	2.68%	2.60%	
3.45	Debt / Equity (Closing)	3.41	3.50	
3.34	Debt / Equity (Average)	3.21	3.36	
10.81%	Return on Equity	11.58%	11.65%	
Particulars		Tier I	Tier II	CRAR
Consolidated CRAR ratio		20.53%	1.63%	22.16%

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PLANET and Digital Update

Asset Liability Management & Credit Ratings

Sustainability (ESG & CSR)

Board and Senior Management

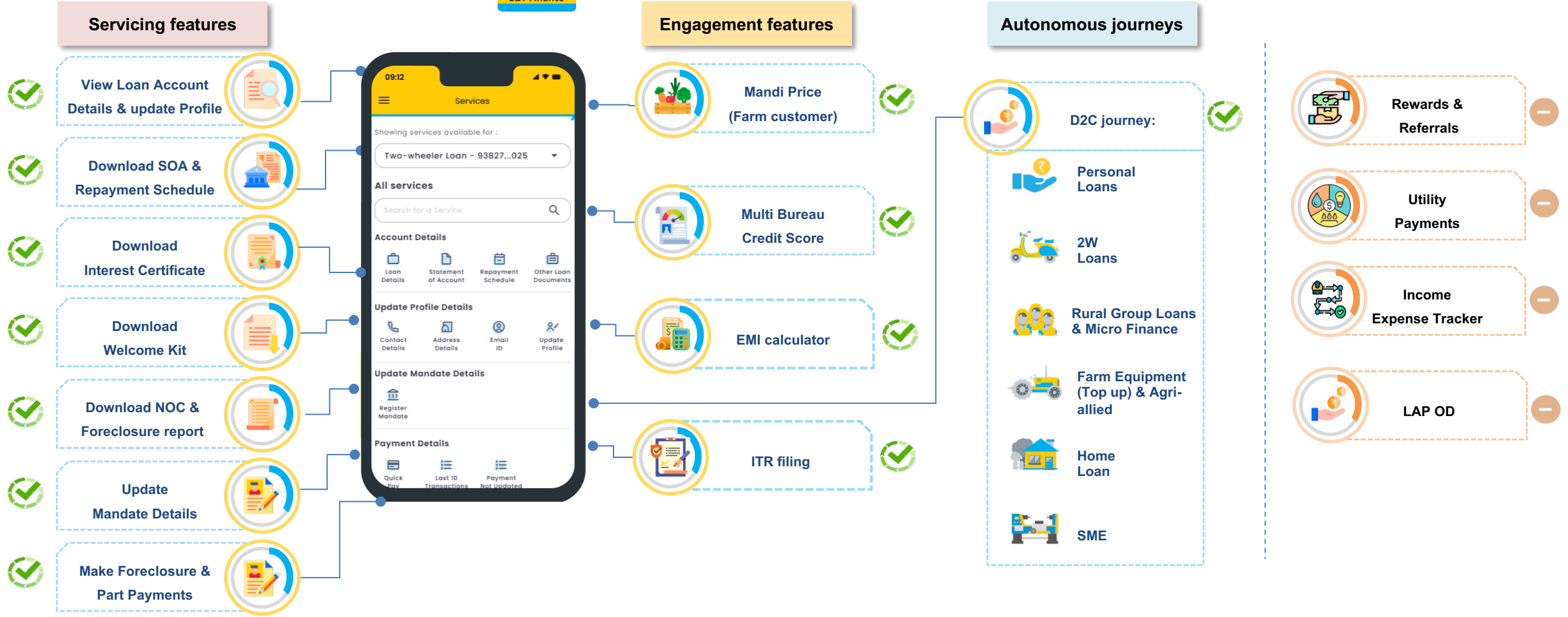
App as a powerful digital channel for customer (1/2)

PLANET App Features



OUR 'PLANET' APP FEATURES (Launched in March 2022)

✔ Completed
 ⊖ In Progress



Servicing channel enroute to becoming a geo-agnostic sourcing channel

Developing digital finance delivery as a customer value proposition



₹ 2,400 Cr+
Collections



₹ 8,600 Cr+
Sourcing



411 Lac+
Servicing Experience



13.5 Lac+
Rural Customers



₹ in Cr

	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
SOURCING	127	843	630	1,168	1,175	715	1,126	1,024	1,683
COLLECTIONS	28	63	104	132	191	296	369	529	641
SERVICING (%)	29%	38%	42%	47%	47%	67%	75%	82%	82%

1,25,00,000+ Downloads



120,56,824 Downloads 4.5 ★★★★★



6,53,791 Downloads 4.3 ★★★★★

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

PLANET App: Service Measurement Metrics upto Q2FY25 Update

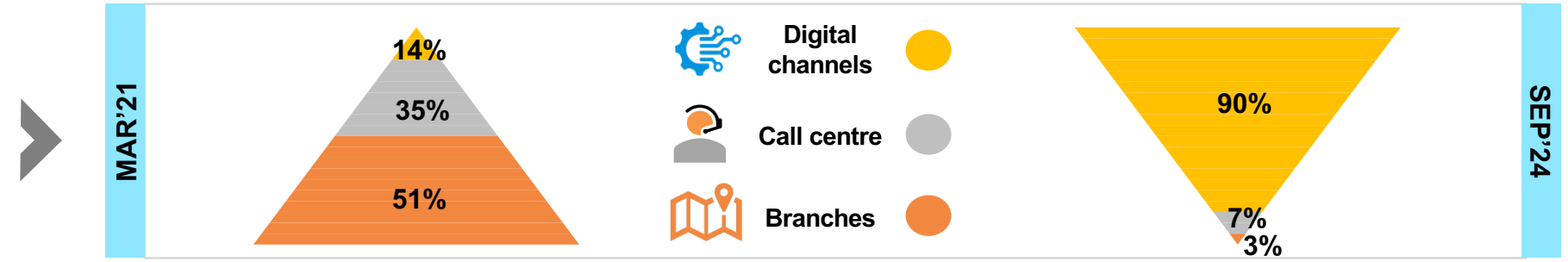
Count in lacs



	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
SERVICING RESOLUTION	7.4	14.4	18.6	21.5	26.0	41.4	85.8	90.4	101.1
Mainly includes:									
SOA Downloads	4.3	7.5	9.3	8.9	9.4	10.9	9.5	9.2	11.0
Repayment Schedule	2.9	5.8	6.0	6.0	7.6	6.6	6.6	6.9	8.0
Payments	0.6	1.6	2.7	3.2	4.0	5.0	5.3	6.3	7.1
Statutory Kits (Welcome, NOC etc)	0.1	0.3	0.9	2.6	4.3	8.5	64.4	74.2	75.0
Credit Score	1.8	4.8	6.1	5.5	6.4	5.8	3.8	3.8	1.6

Servicing channels
(% of interactions across channels)

Inverting the Servicing Pyramid



Digital delivery: Touching every part of the customer ecosystem



100%

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



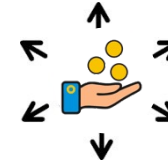
100%

Digital Disbursements (Rural + Urban)



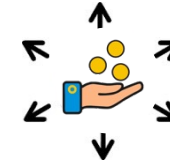
97%

eNach Penetration (Urban)



29%

Digital Collections (Rural)



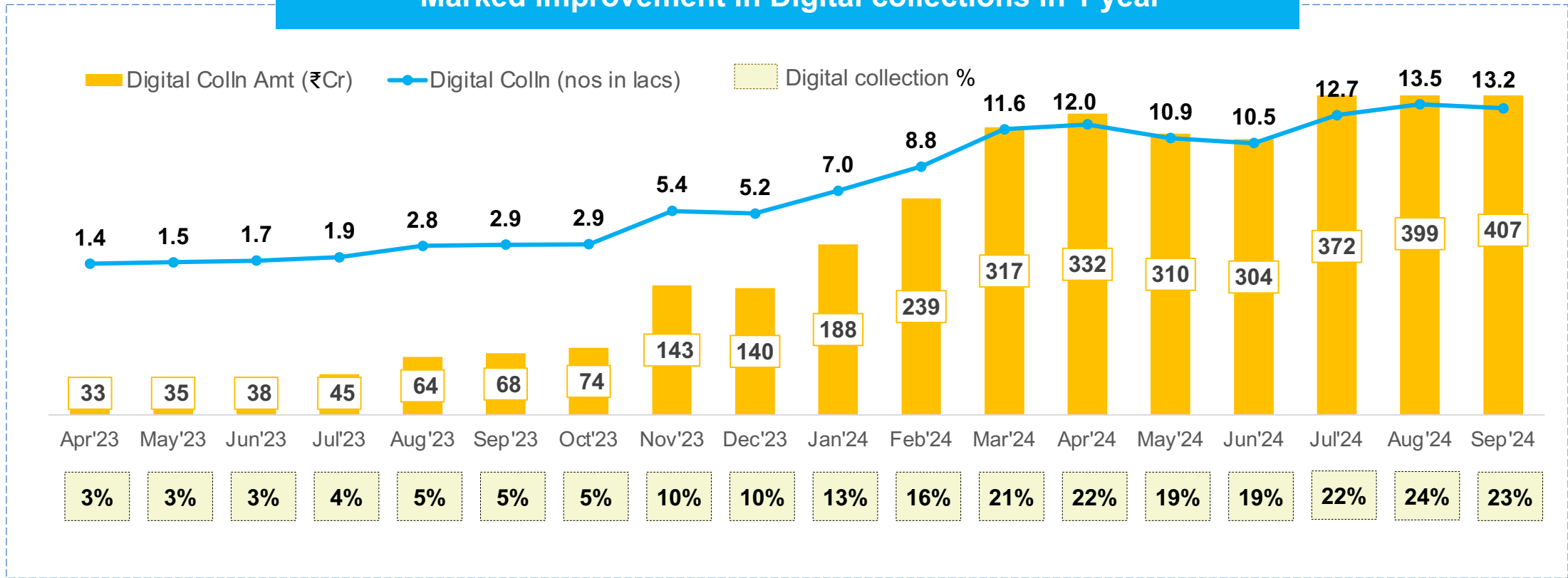
95%

Digital Collections (Urban)

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

Digital collections trend in Rural Group Loans & Micro Finance

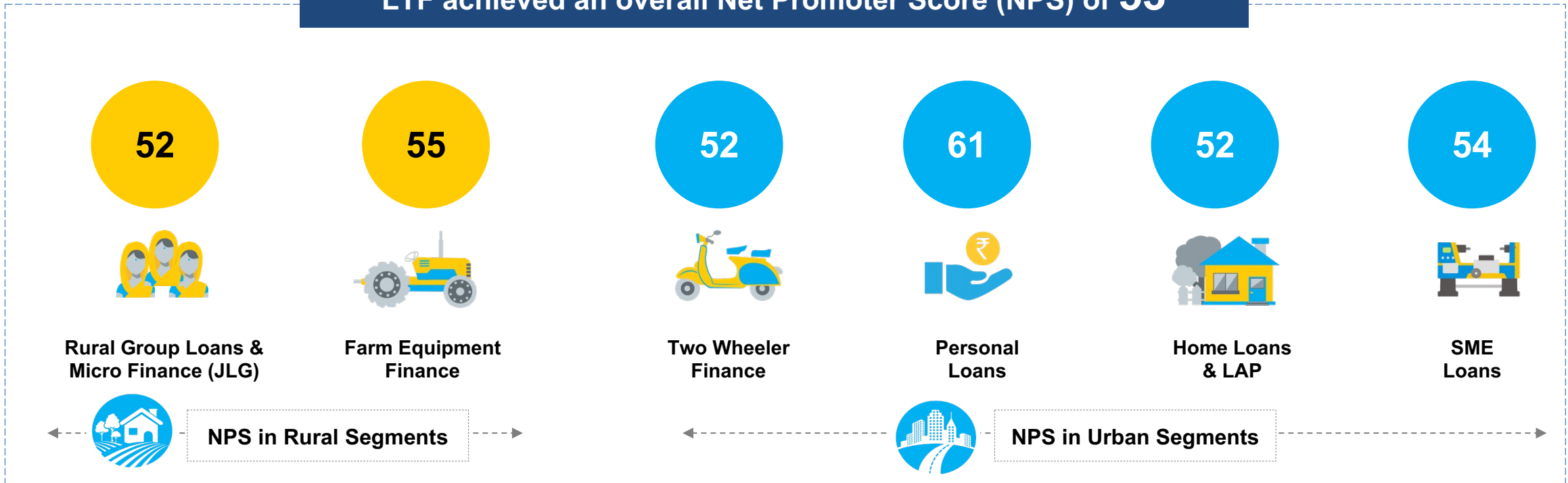
Marked improvement in Digital collections in 1 year



Net Promoter Score

Investing in enriching customer experience to build brand loyalty

LTF achieved an overall Net Promoter Score (NPS) of **53**



With a goal to measure and improve customer satisfaction, initiated measurement of NPS starting October 2023

Continuous monitoring of NPS towards strengthening customer relationship and customer loyalty

*Score calculation based on response from customers onboarded during July - September 2024

- I** Dominant Retail Franchise built over a decade
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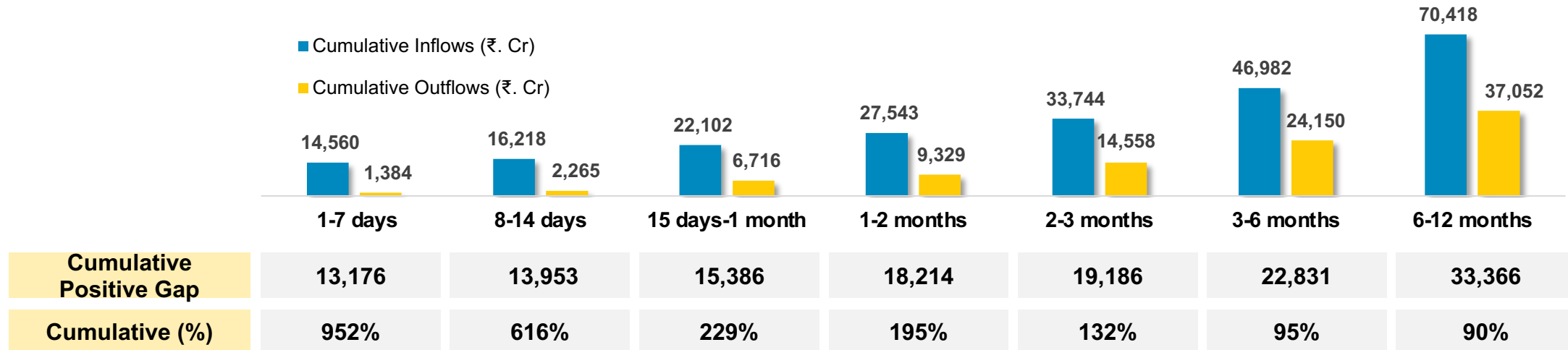
PLANET and Digital Update

Asset Liability Management & Credit Ratings

Sustainability (ESG & CSR)

Board and Senior Management

Structural Liquidity statement



Interest Rate sensitivity statement

1 year Gap	₹. Cr
Re-priceable assets	65,293
Re-priceable liabilities	56,144
Positive	9,149

Continue to maintain cumulative positive liquidity gaps

Credit Ratings – LTF

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

Key strengths highlighted by Rating Agencies

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

- I** Dominant Retail Franchise built over a decade
- II** Financials
- III** Other Annexures

PLANET and Digital Update

Asset Liability Management & Credit Ratings

Sustainability (ESG & CSR)

Board and Senior Management



RURAL : ₹ 41,000 Cr+ Book

Business deeply intertwined with ESG

SDG Linkage



1,900+ Branches
Active customers across ~2,00,000 Villages

Reach

Penetrating underserved geographies



24,000+ employees hired from Rural India

Employment Generation

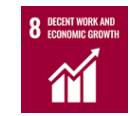
Generating sustainable livelihood



Rural Group Loans & Micro Finance (JLG)	Micro LAP	Farm Equipment	Agri Allied
Direct	Direct	~2,500 Dealer Partnerships	230+ Accredited Warehouses

Stakeholder Ecosystem

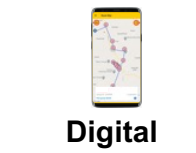
Promoting rural entrepreneurship



WOMEN ENTREPRENEURS **FARMERS**
~1.6 Cr Customers

Financing the underbanked & underserved

Moving communities from unorganized to organized
Enabling financial inclusion



100% Paperless journey
100% Digital disbursements
29% Digital Collections

Seamless Paperless journey

Promoting doorstep banking



47% of the loan book franchise is towards financing sustainable livelihoods; 68% of workforce is employed from Rural

Climate Engagement	Social Engagement	Stakeholder Engagement
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Environment Friendly Commute

Collaboration with 'sRide' for employee car pool initiative



Digital and Financial Inclusion

Digital Sakhi footprints successfully expanded to **5 new districts** across **3 states** (Rajasthan, Bihar & Uttar Pradesh)



Capability Building: External

1st ever ESG awareness building workshop for 'Value Chain Partners' (MUFG, Axis Bank, Yes Bank, BoB, Doha Bank, etc.)

Extending Green Cover

250+ acres of semi arid land covered through planting **1 lac** saplings



Convergence of Social Schemes

Social schemes worth of **₹ 100 Cr** leveraged for **1 lac+** community members



Capability Building: Internal

Capacity building workshop on 'Financed Emission' conducted for internal stakeholders



Wastewater Management

Wastewater discharge reduced by repurposing it for vertical garden at HO



Play. Learn. Lead: Embracing Diversity

85% of mid level employees participated in the innovative DE&I gamified module



Strategic Engagement

Press Conferences conducted & Partnership with MFIN and Krishi Vigyan Kendras (KVK) initiated

Water Conservation & Management

Jalvaibhav 2.0 in water stressed region (Kolar, Karnataka)



Rising Against Adversity

Disaster relief support provided to **80,000+** flood affected community members (Bihar, Uttar Pradesh and Telangana)



Communications

All India Radio (AIR), Video Podcasts Series launched for local stakeholder engagement



ESG : Building a Sustainable Future – Key Metrics

Environment

Green Power Emissions avoided (~1,031 tCO2e)

EV financing Emissions avoided (~6,657 tCO2e)

EVs Financed (35,574)

Waste Recycled (~17,080 kgs)

Water Harvesting (20 Lac ltr.)

Swachhata Pakhwada (1,000+ villages)



Social

Enhanced DEI (New Women centric policies)

Employee Engagement (Launch of new Initiatives)

Community Well-being (6 lac+ trained on DFI)

Sustainable Livelihood (Enhanced farmer income: 3x)

Rural Women Outreach (3 lakh+ trained on DFI)

Women Borrowers (66.50 lac+)



Governance

Training & Awareness (BRSR principles aligned)

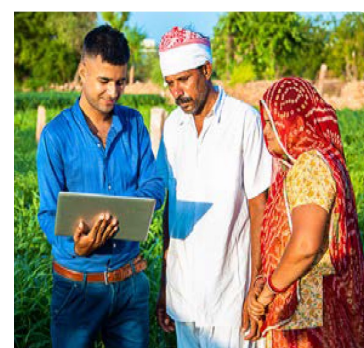
Risk Management (3rd party awareness series: Financial Outsourcing)

Cyber Safety (73,769 cyber threats prevented)

Director Familiarization (On-ground CSR & Business visits)

Stakeholder Workshops (50+ District & Cluster)

Social Framework (Sustainability: CSR projects & its impact)



Ratings



A- Leadership Category (Climate Change 2023)

'D' CDP supplier engagement rating



51/93th percentile
S&P DJSI Score FY23 (NBFC Sector Leader)



16.5
Continued to be in the "Low Risk" category



A
ESG Rating FY23



80.2
'High footprint' 'Low Risk'

Awards



Global Fintech -
Champions of ESG Award 2024



BUSINESS WORLD
Amongst top 5 Sustainable
Companies - Sectoral

ISO Certifications

ISO 14064-2:2019 GHG Emission

ISO 26000:2010 Social Responsibility

ISO/IEC 2000:2018 Information Technology-
Service Management

ISO/IEC 27000 on Information Security
Management Technology Service

Corporate Social Responsibility

Social Good, Communities@scale



Digital & Financial Inclusion

- 300 Digital Sakhis onboarded in 3 states with an objective to reach 15 lac+ community members on Digital & Financial Literacy
 - Kushinagar (Uttar Pradesh)
 - Saharsa (Bihar)
 - Chhitorgarh, Rajsamand and Udaipur (Rajasthan)
- 6,50,000+ community members outreached under ongoing Digital Sakhi projects in Karnataka, Kerala, West Bengal, Tamil Nadu, Uttar Pradesh & Bihar
- Over 1,00,000 community members availed benefits of social entitlement & other government schemes worth ₹ 100 Cr+
- Awards:
 - Won India CSR Summit & Awards 2024 - 'Women Empowerment (Larger Impact) and Digital Financial Literacy'
 - Won Asian Brand and Leadership Conclave 2024 - Social Impact Award category



Disaster Management

- Relief kits distributed to 19,000+ families of victims of floods in 12 districts of Telangana and Bihar



Climate Impact Management

- Completion of horticulture plantation of 1,00,000 saplings under Project Prakruti benefitting over 100 farmers in Tumkur district, Karnataka.
- Jalvaibhav 2.0 launched in Kolar, Karnataka for undertaking water conservation & management measures benefitting 5,000+ farmers.



Social Inclusion

- Under Road Safety campaign, 20,000+ youth, school children were outreached in Delhi NCR & Mumbai.
- 11 Health camps in association with MFIN was organized in 3 districts of West Bengal benefitting 1,370+ beneficiaries



Meaningful CSR Impact

Over the past 7 years



States
13

Districts
25

Villages
2,300+

Overall Outreach
48 Lac+

Leading the way!

ISO 26000:2010 Social Responsibility

L&T Finance's CSR earns prestigious ISO 26000:2010 Certificate of Conformance for complying with National & International Standards of Social Responsibility



Digital and Financial Inclusion



Digital Sakhi



46 Lakh+ community outreach through **2,000+** Digital Sakhi(s)



200+ Digital Seva Kendra(s) extending community services



80% Digital Sakhi(s) are self-reliant from completed projects (Gram Panchayat members, business executives, govt. service providers, entrepreneurs, etc.)



14,000+ rural women micro entrepreneurs trained, earning avg. monthly income b/w Rs. 10,000 – Rs. 15,000



₹ 100 Cr+ social schemes provided to over **3 Lac** community members



₹ 1 (invested) = **₹ 123** (Social Value): Social Return on Investment



Climate Impact Management

Project Prakruti (Plantation) | Jalvaibhav



2.68 Lac plantation providing avenue for income generation of farmers



>90% survival rate of horticulture & miyawaki plantation



250 Lac KL water harvesting capacity (water positivity ensured)



60,000+ Farmers benefitted from water conservation and management activities



200+ Water structures created benefitting 122 villages in drought-prone areas



> 500 Water User Groups (WUGs) trained



Disaster Management / Social Inclusion

Disaster Relief | Health Camps | Road safety



3 Lac beneficiaries provided relief during natural catastrophes



7 states covered during disaster relief



1 Lac+ community outreach



15,000+ students from govt. schools sensitized on road safety behaviour



21,000+ youth sensitized on two wheeler road safety



210+ health camps provided primary healthcare services to the underprivileged

Maximizing impact through CSR web application

I Dominant Retail Franchise built over a decade

II Financials

III Other Annexures

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BOARD OF DIRECTORS



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

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



Sudipta Roy, *Managing Director & CEO*

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



R. Shankar Raman, *Non-Executive Director*

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



Thomas Mathew T., *Independent Director*

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



Dr. R. Seetharaman, *Independent Director*

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



Dr. Rajani Gupte, *Independent Director*

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



Nishi Vasudeva, *Independent Director*

- Former Chairperson and Managing Director of Hindustan Petroleum Corporation Ltd
- Over 42 years of experience in Petroleum Industry
- First Indian to be awarded the Global CEO of the year at Platt's Global Energy Awards 2015

Management Team



Sudipta Roy
Managing Director & CEO

28 yrs exp, ICICI Bank, Deutsche Bank, Citibank NA



Sachinn Joshi
CFO

34 yrs exp, Aditya Birla Financial Services, Angel Broking, IL&FS



Raju Dodti
COO

26 yrs exp, IDFC, Rabo, ABN Amro, Soc Gen



Santosh Parab
General Counsel

31 yrs exp, IDBI, IDFC, Altico



Sanjay Garyali
CE – Urban Finance

28 yrs exp, Kotak Mahindra Bank, HDFC Bank, GE Consumer Finance



Abhishek Sharma
CE – SME Finance

20 yrs exp, Indian Army



Sonia Krishnankutty
CE – Rural Business Finance

25 yrs exp, Bank of Baroda



Apurva Rathod
Company Secretary & Chief Sustainability Officer

23 yrs exp, Fidelity AMC, Kotak Mahindra AMC



Asheesh Goel
CE – Farmer Finance

30 yrs exp, Citibank NA



Kavita Jagtiani
Chief Marketing Officer

24 yrs exp, Pidilite, General Mills, ICICI Bank



Ramesh Aithal
Chief Digital Officer

27 yrs exp, Elastic Search BV, Zenefits, Goldman Sachs, Ness Technologies

Thank You