

October 20, 2023

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: L&TFH

Security Code No.: 533519

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

Sub: Submission of investor / analyst presentation

Dear Sir / Madam,

With reference to our letter dated October 11, 2023 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 Holdings Limited**

Apurva Rathod
Company Secretary and Compliance Officer

Encl: As above



Retail Digital Sustainable



Strategy & Results Update – Q2FY24



Disclaimer

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Lakshya 2026

RETAIL. DIGITAL. SUSTAINABLE.

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



Lakshya 2026 Goals: Beginning of a 4-year journey from April 2022



Agenda

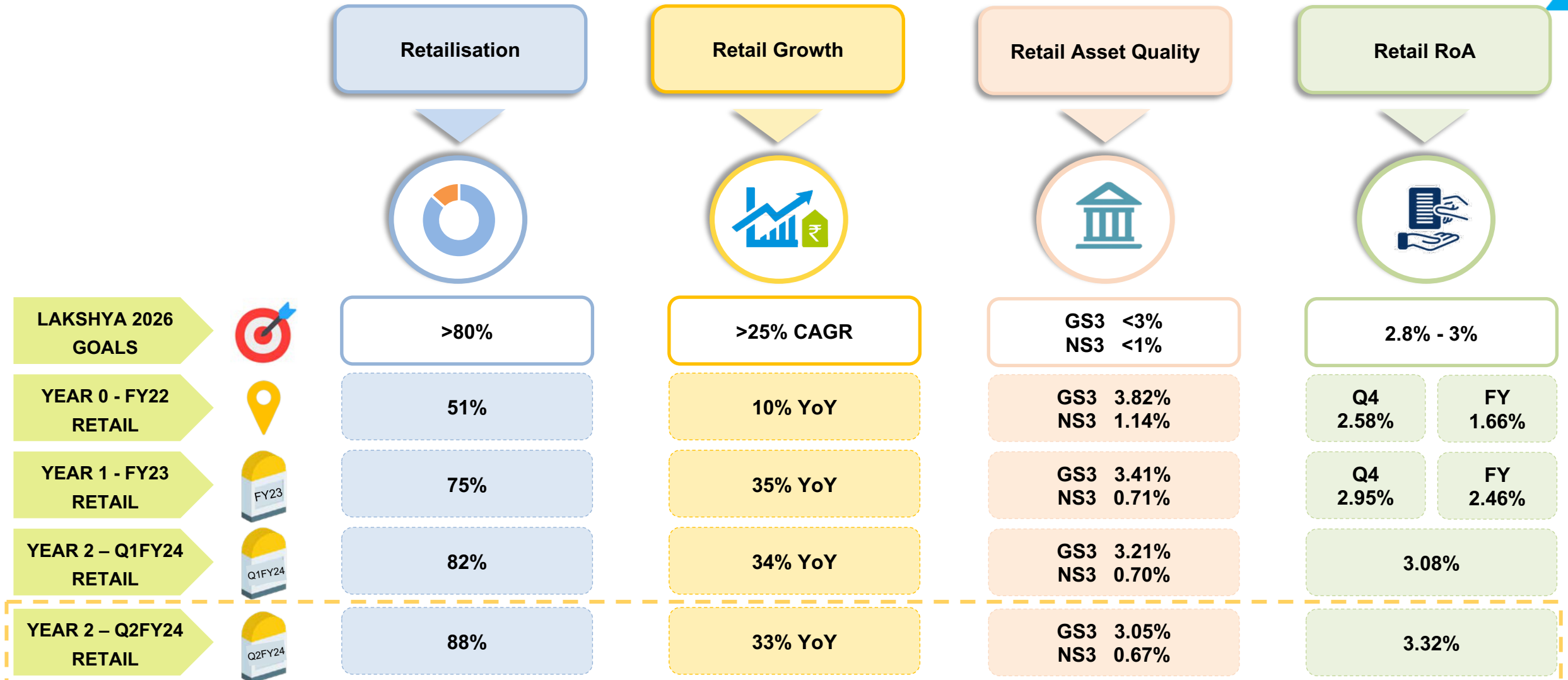
A Journey towards Lakshya 2026

Q2FY24 in Perspective

Fintech@Scale Update

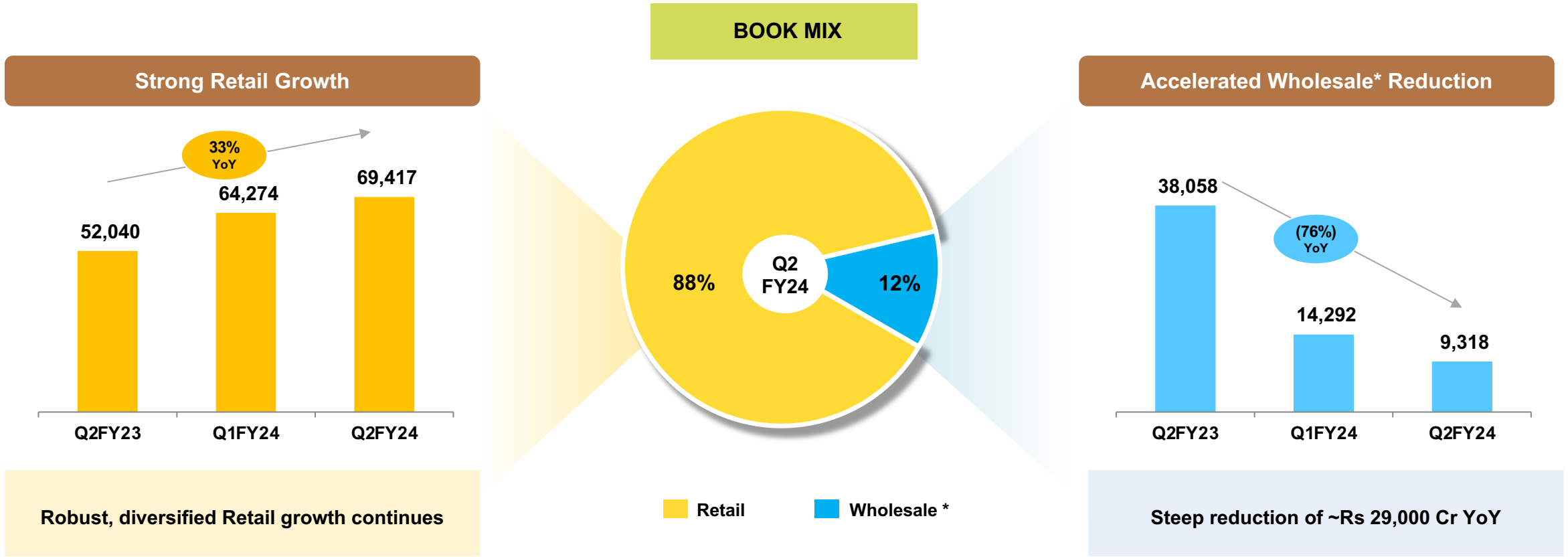
B Annexures

Performance against Lakshya 2026 goals – Q2FY24



Metamorphosing into a Retail Company

in Rs Cr



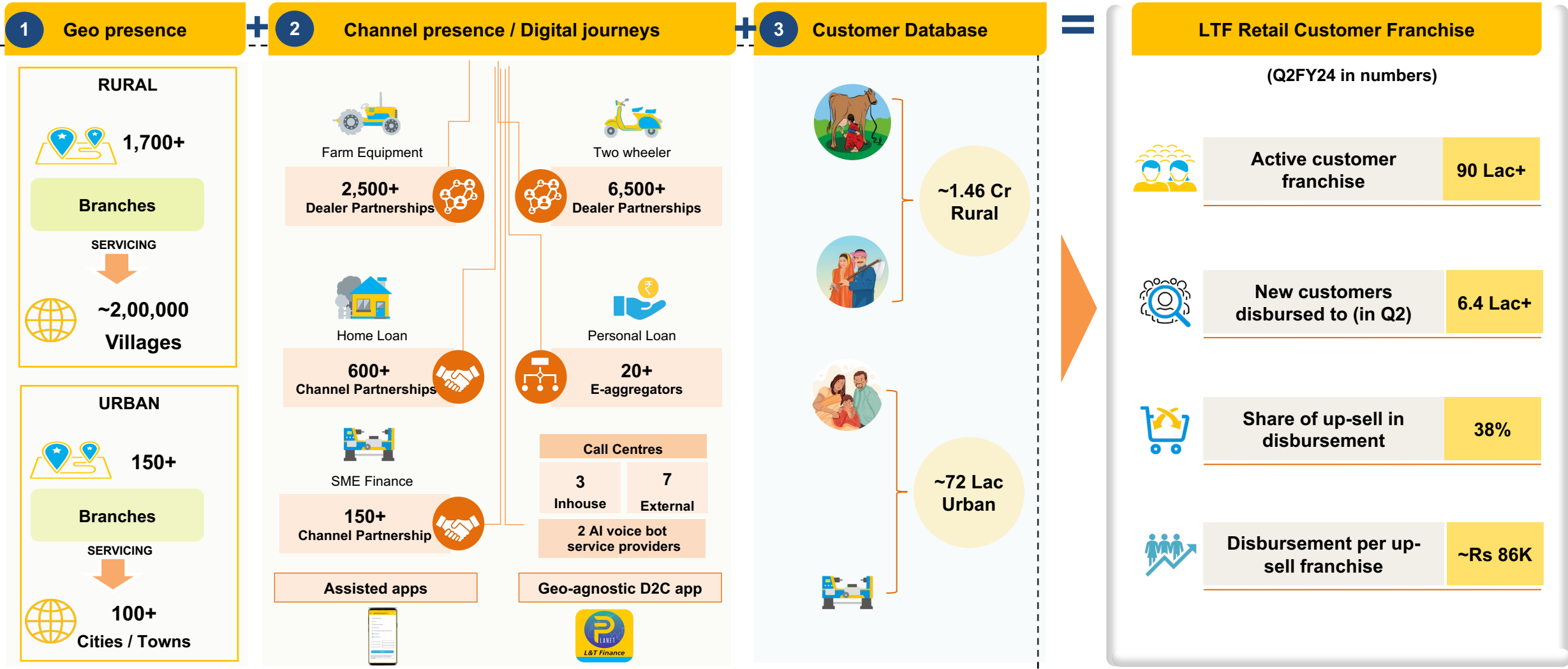
Robust, diversified Retail growth continues

Steep reduction of ~Rs 29,000 Cr YoY

Well ahead of the Lakshya 2026 goal of >80% Retailisation

Retail: A deep pan India franchise

in nos.



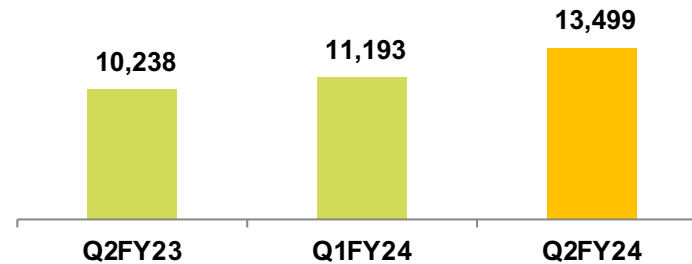
8 Active customers refers to customers having balance outstanding on book

Translating to a sustained Retail disbursement growth of 32% YoY

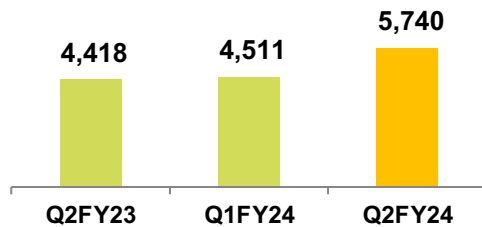
Pivoted to highest ever quarterly disbursements of Rs. 13,499 Cr

in Rs Cr

Retail Disbursements



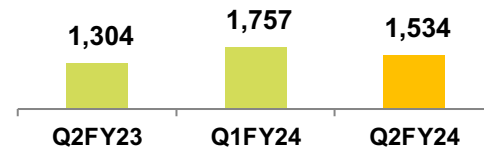
Rural Business Finance



- Disbursal run-rate of Rs. 1,900+ Cr in the months of Jul'23 & Aug'23
- Optimizing geo mix with improved contribution from southern states
- Strengthening customer retention with a healthy share of vintage borrowers



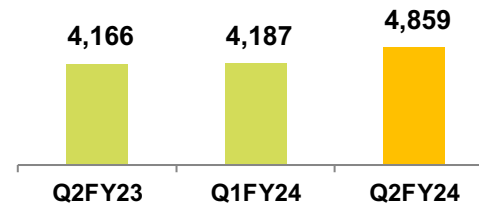
Farmer Finance



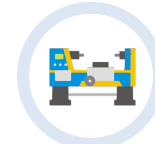
- Enhanced customer retention through upselling of Kisan Suvidha (accounting for 25% of disbursements), which is a top-up & Refinance product
- New tractor disbursements increased 15% YoY



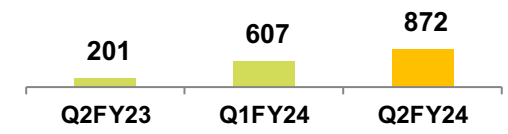
Urban Finance



- SKL+VIP mix reached 31% of disbursals; increasing share of better credit customers
- EV segment registered a 99% YoY growth in disbursals during the quarter
- Focus on increasing contribution from LAP & SENP



SME Finance



- Deepened geographical presence within the 28 locations by following hub and spoke model
- Expansion of channel ecosystem through digital initiatives

Confident of sustaining Retail growth trajectory

Translating to a sustained Retail disbursement growth of 32% YoY (1/3)

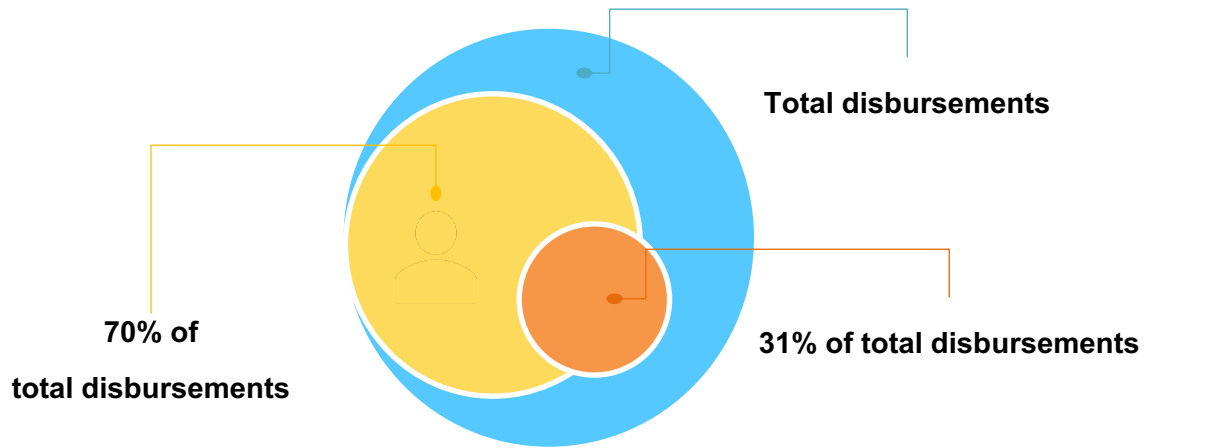
Delivered through optimum mix of customer retention & cross sell



Rural Group Loans & Micro Finance (JLG)



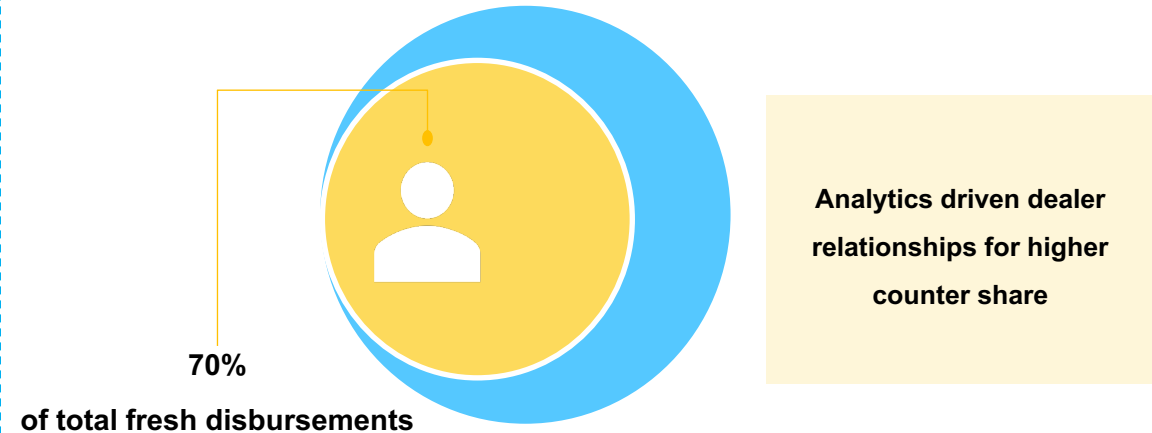
Farm Equipment Finance



● Total disbursements Rs 5,740 Cr
 ● Repeat customer share Rs 4,018 Cr
 ● LTF exclusive customer share Rs 1,779 Cr

Repeat disbursements are only to '0 DPD' customers

Higher customer retention through focused targeting



● Total Fresh disbursements Rs 1,151 Cr + Kisan Suvidha Rs 383 Cr = Total disbursements Rs 1,534 Cr

● Top dealers share Rs 806 Cr

Customer retention through top up products (25%)

Translating to a sustained Retail disbursement growth of 32% YoY (2/3)

Delivered through optimum mix of customer retention & cross sell



Two wheeler Finance



Personal Loans

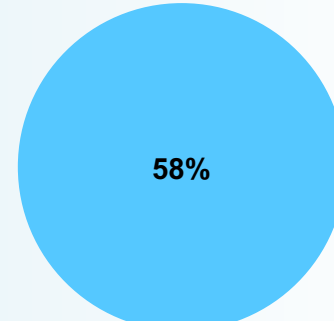


54% of total disbursements

● Total disbursements
Rs 1,817 Cr

● Top dealers share
Rs 987 Cr

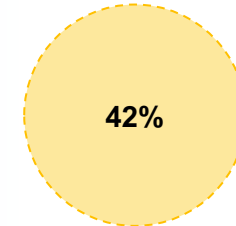
Created Personal Loans product from 2W for cross sell / up sell



58%

2W Loyalty / Top up customers / PLANET
Rs 754 Cr

Leveraging existing 2W customer database



42%

e-aggregator
Rs 554 Cr

Scaling up e-aggregator as a new channel



Total disbursements
Rs 1,308 Cr

Analytics driven dealer relationships for higher counter share

Translating to a sustained Retail disbursement growth of 32% YoY (3/3)

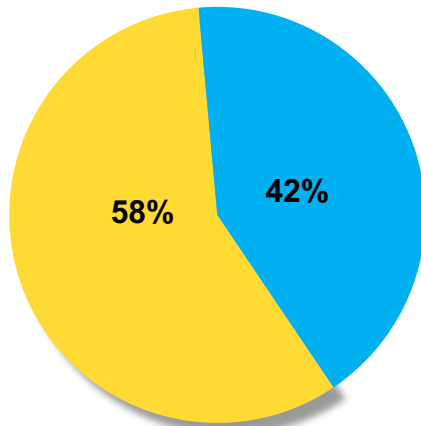
Delivered through optimum mix of customer segments



Home Loans & LAP



SME Finance

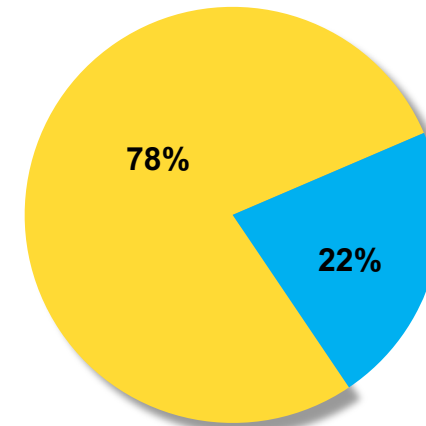


● Salaried ● Self Employed Total disbursements

Rs 1,011 Cr + Rs 723 Cr = Rs 1,734 Cr

Balancing customer mix for optimum returns

Diversifying channel mix



● Small Business ● Self-Employed Professionals (e.g. Doctors, CAs) Total disbursements

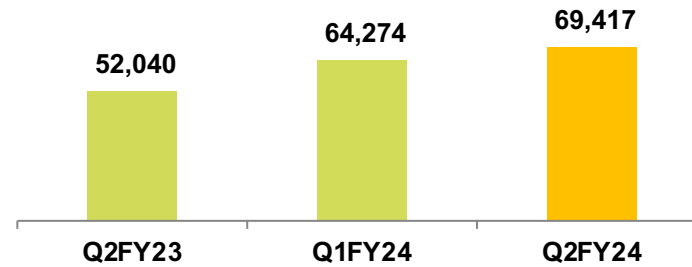
Rs 676 Cr + Rs 196 Cr = Rs 872 Cr

Leveraging channel partnerships & branch network to grow in desired segments

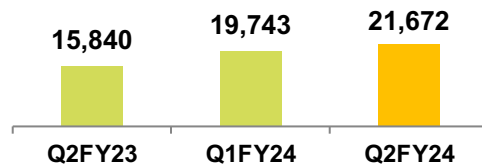
Leading to Retail book growth of 33% YoY

in Rs Cr

Retail Book



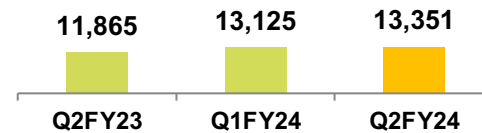
Rural Business Finance



- Maintained robust growth momentum led by focus on geo-diversification in under penetrated markets and strong customer retention
- Augmented offerings to exclusive customers through Pragati loans



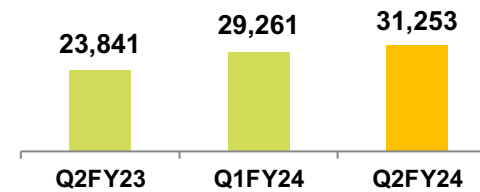
Farmer Finance



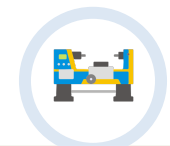
- Business scale-up by improving on-field productivity led by performance and potential mapping
- Growth through proactive portfolio management using digital and data analytics



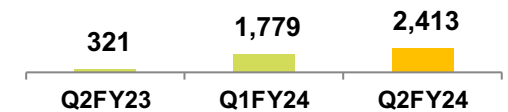
Urban Finance



- Focusing on geographic expansion of existing products
- Deepen channel presence further & improving book quality
- Integrating with leading Account Aggregators to enhance BRE models



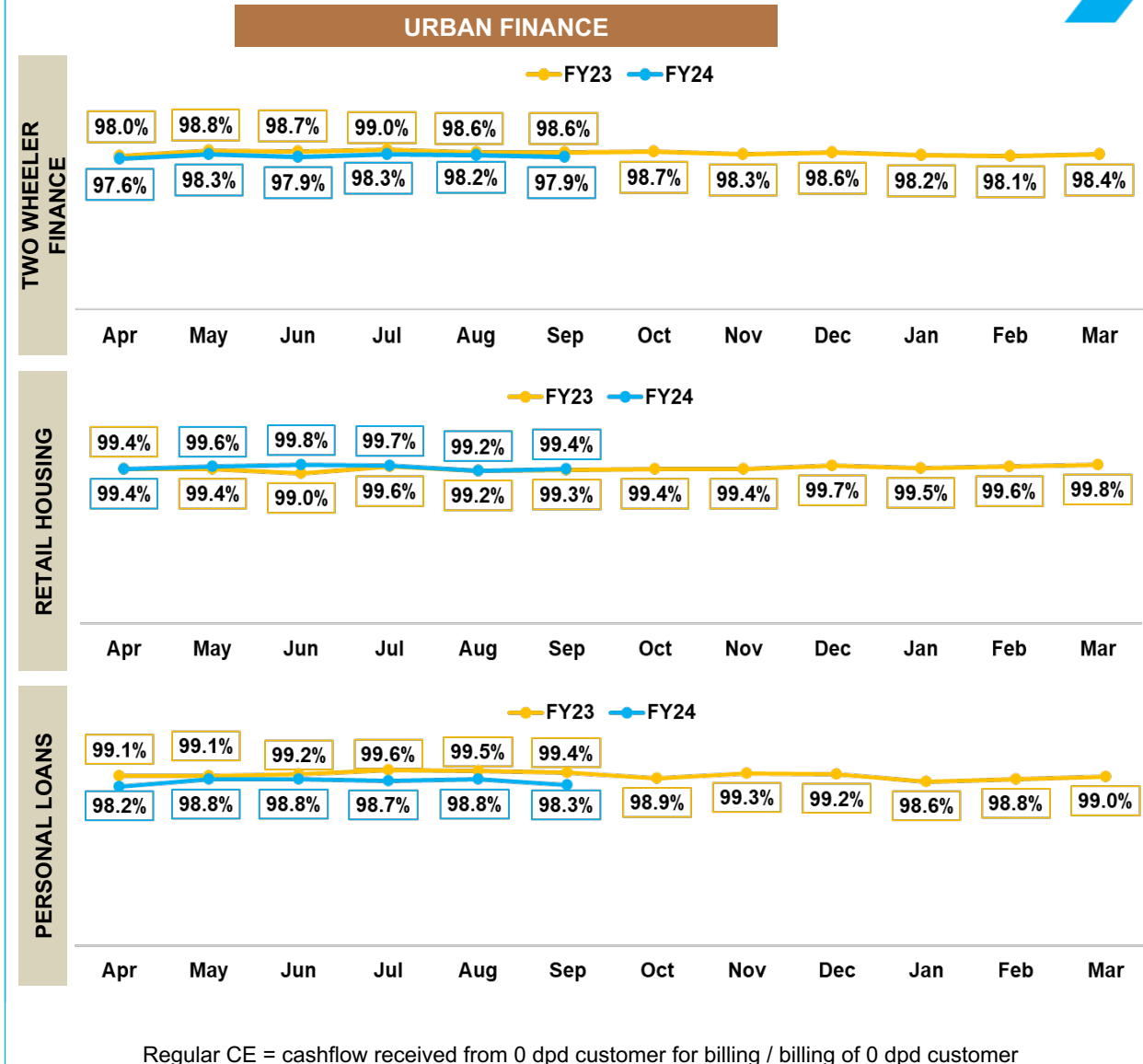
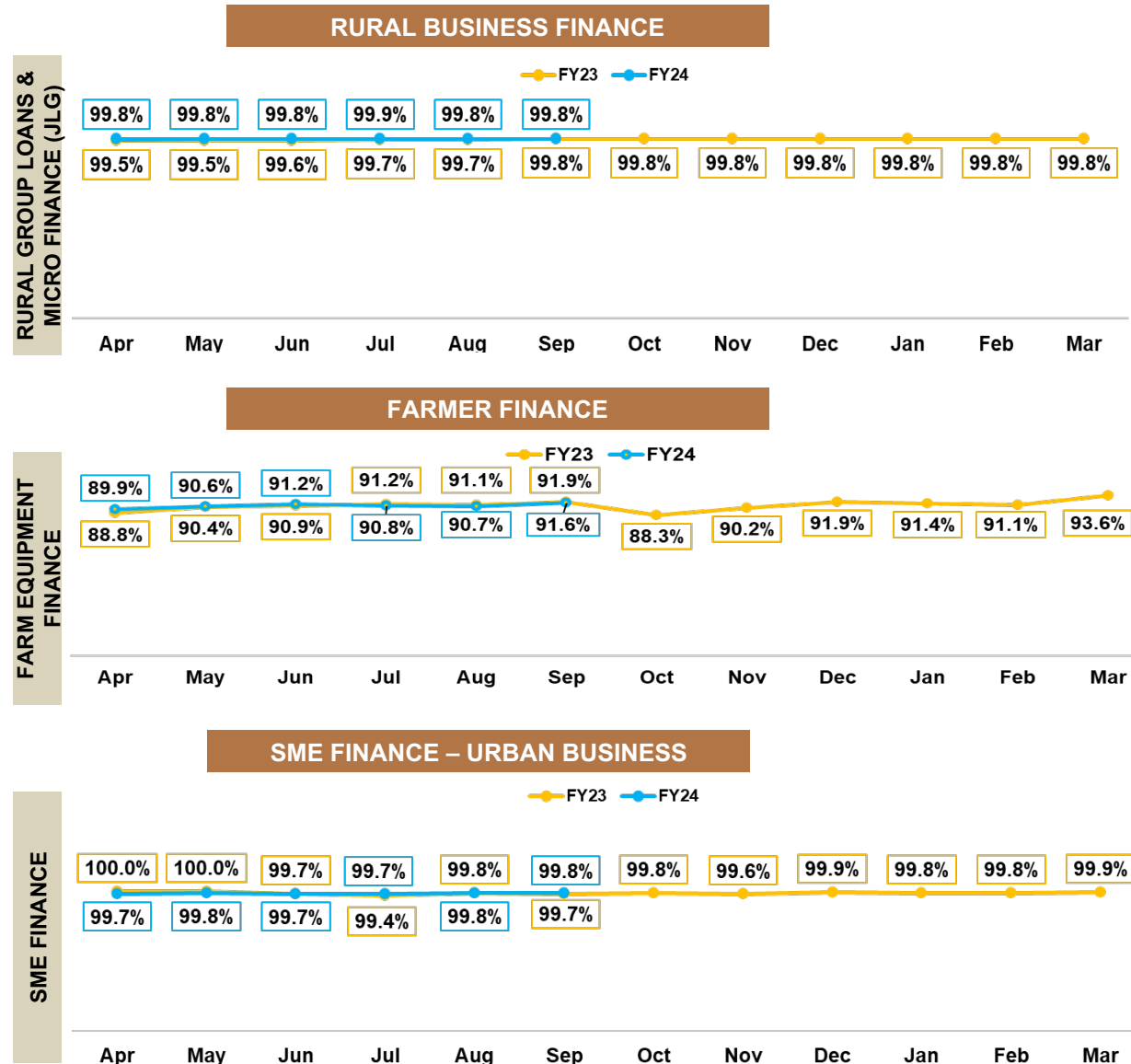
SME Finance



- Concerted efforts towards digitization & channel expansion helped scale-up
- Crossed the milestone booksize of Rs. 2,000 Cr

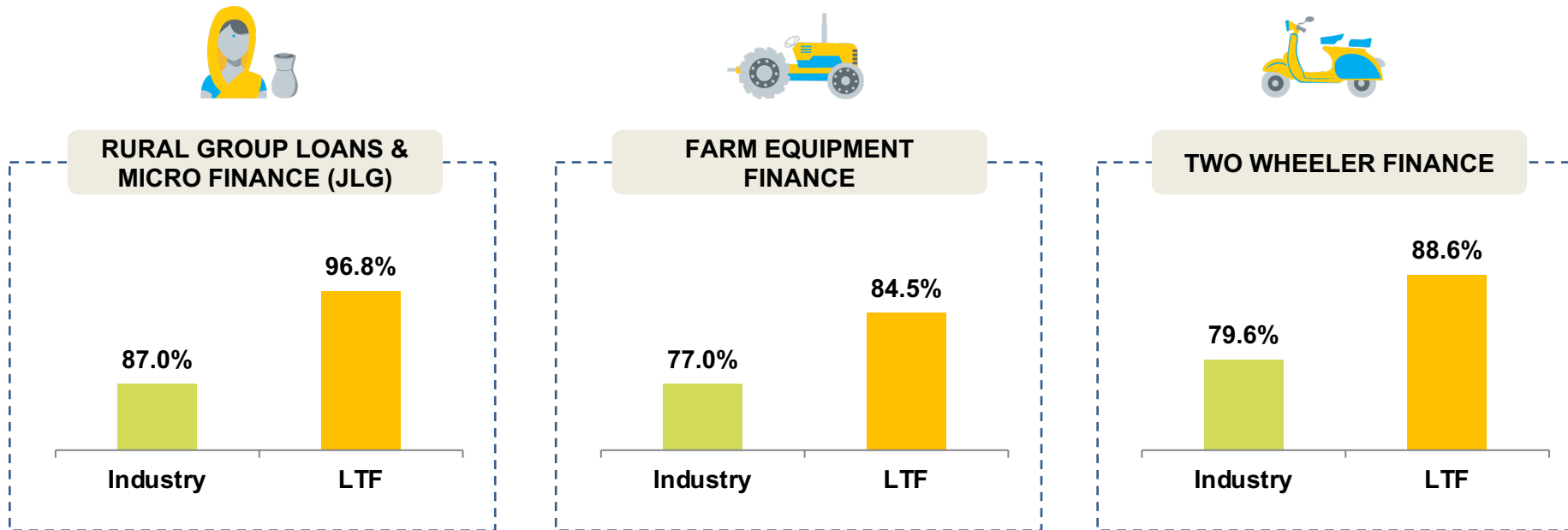
Strong growth witnessed across all Retail segments

While displaying superior collection efficiencies over time



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

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



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

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

Stagewise assets & provision summary

G R O S S A S S E T S	Stage wise (in Rs Cr)	Q2FY23	Q2FY23 (% of Total)	Q1FY24	Q1FY24 (% of Total)	Q2FY24	Q2FY24 (% of Total)
	Stage 1	48,407	93.02%	60,480	94.10%	65,433	94.26%
	Stage 2	1,783	3.43%	1,731	2.69%	1,868	2.69%
	Stage 3	1,850	3.55%	2,063	3.21%	2,116	3.05%
	Total	52,040	100%	64,274	100%	69,417	100%

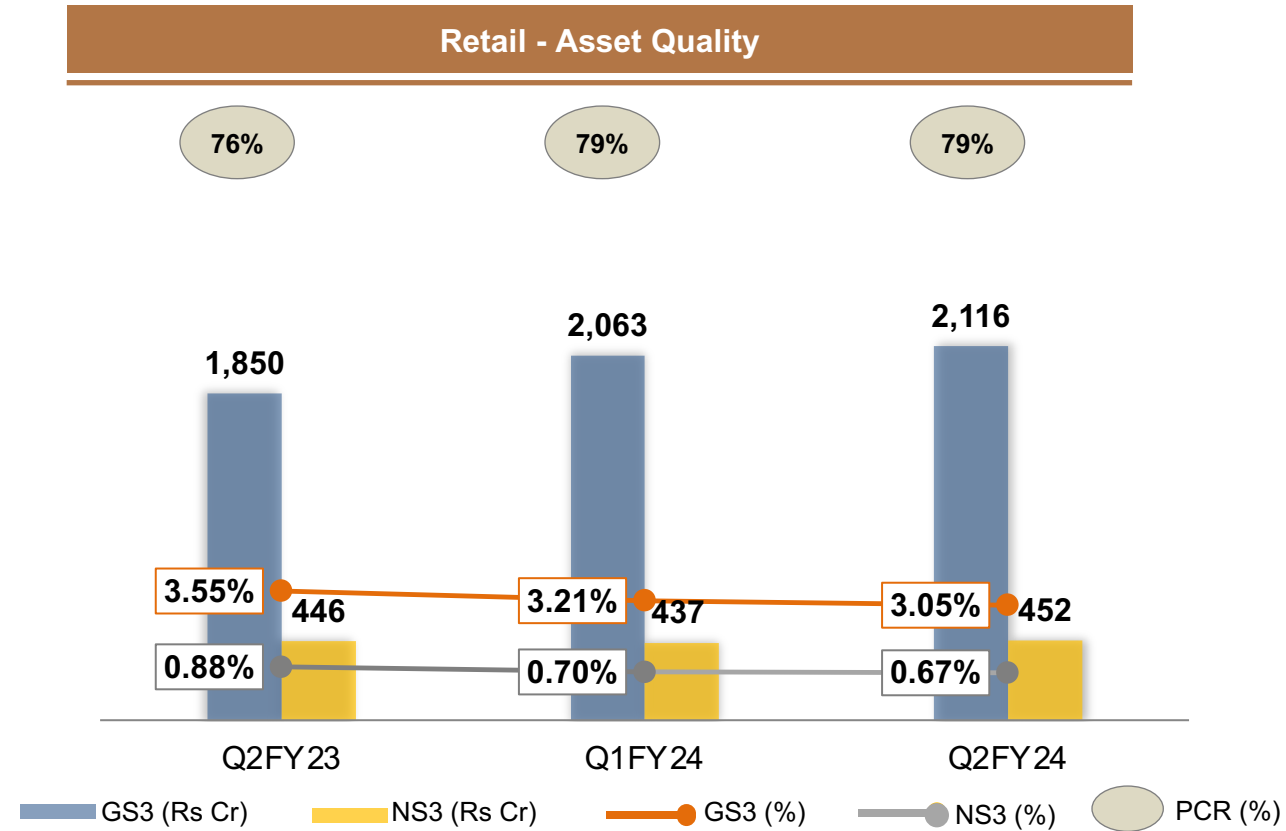
P R O V I S I O N	Stage wise (in Rs Cr)	Q2FY23	Q2FY23 (% PCR)	Q1FY24	Q1FY24 (% PCR)	Q2FY24	Q2FY24 (% PCR)
	Stage 1	286	0.59%	381	0.63%	484	0.74%
	Stage 2*	912	51.15%	1,254	72.43%	1,261	67.51%
	Stage 3	1,404	75.89%	1,626	78.81%	1,665	78.65%
	Total	2,602	5.00%	3,261	5.07%	3,409	4.91%

N E T A S S E T S	Stage wise (in Rs Cr)	Q2FY23	Q2FY23 (% of Net Assets)	Q1FY24	Q1FY24 (% of Net Assets)	Q2FY24	Q2FY24 (% of Net Assets)
	Stage 1	48,121	92.98%	60,099	94.06%	64,949	94.22%
	Stage 2	871	1.70%	477	0.76%	607	0.89%
	Stage 3	446	0.88%	437	0.70%	452	0.67%

*Stage 2 provisions include Macroprudential provisions

Stage wise book and corresponding provisions is based on customer dpd

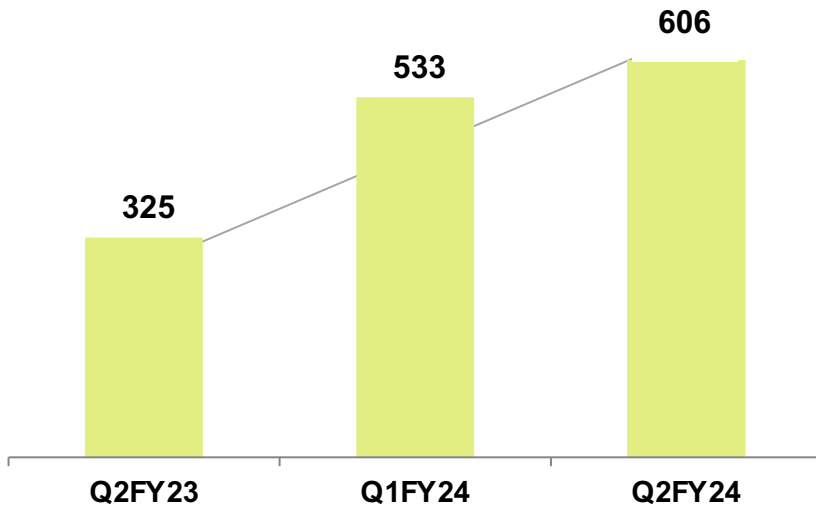
... resulting in pristine Retail Asset Quality (2/2)



Thereby delivering sustainable Retail PAT & RoA

Retail - PAT

in Rs Cr



Q2FY24 ROA TREE

LAKSHYA 2026 ROA TREE



NIMs + Fees

12.16%

11%



Opex

4.58%

4%



Credit cost

2.74%

3%



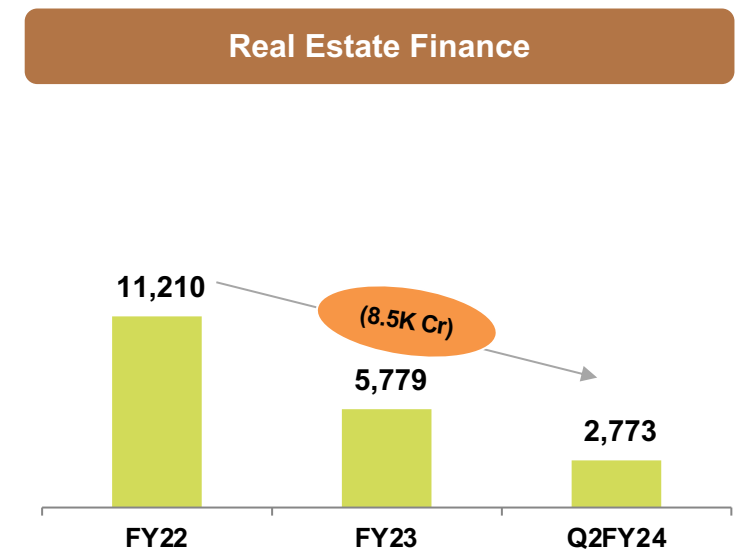
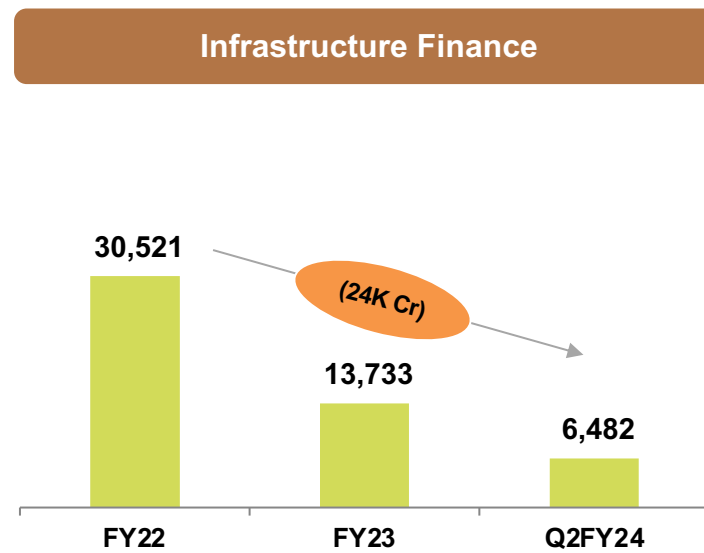
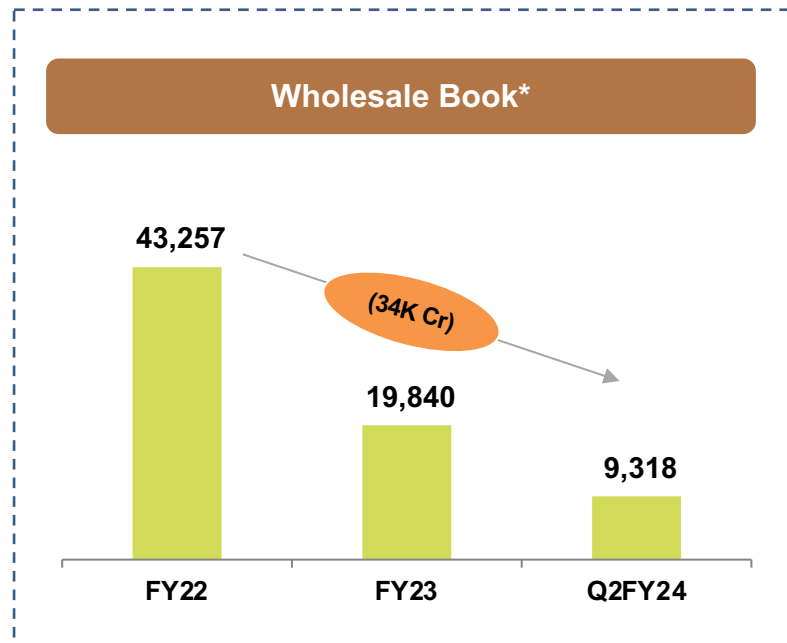
RoA

3.32%

2.8 - 3%

Coupled with rapid reduction in Wholesale book

in Rs Cr



Agenda

- A** Journey towards Lakshya 2026
 - Q2FY24 in Perspective
 - Fintech@Scale Update
- B** Annexures

App as a powerful digital channel for customer

PLANET App Features



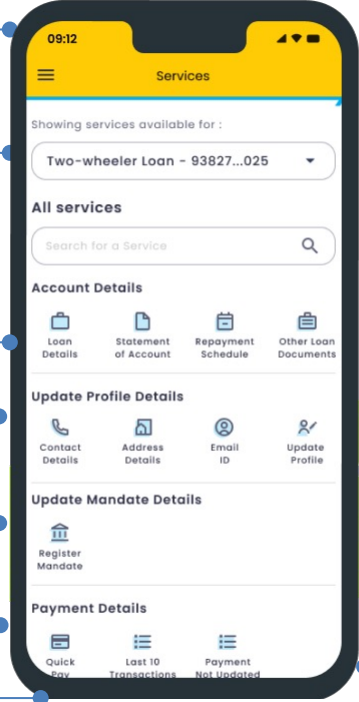
OUR 'PLANET' APP FEATURES (Launched in March 2022)

✔ Completed — In Progress

New during quarter

Servicing features

- ✔ View Loan Account Details & update Profile
- ✔ Download SOA & Repayment Schedule
- ✔ Download Interest Certificate
- ✔ Download Welcome Kit
- ✔ Download NOC & Foreclosure report
- ✔ Update Mandate Details
- ✔ Make Foreclosure & Part Payments



Engagement features

- ✔ Mandi Price (Farm customer)
- ✔ Insurance Marketplace
- ✔ Credit Score
- ✔ EMI calculator

Autonomous journeys

- ✔ D2C journey for Personal Loan
- ✔ D2C journey for 2W Loan
- ✔ D2C journey for Rural Group Loans & Micro Finance
- ✔ D2C journey for Farm Top Up

- Rewards & Referrals
- Utility Payments
- Income Expense Tracker

Servicing channel enroute to becoming a geo-agnostic sourcing channel

App as a powerful digital channel for customer

PLANET App: Service Measurement Metrics upto Q2FY24 Update



Rs. 590 Cr+
Collections



Rs. 4,200 Cr+
Sourcing



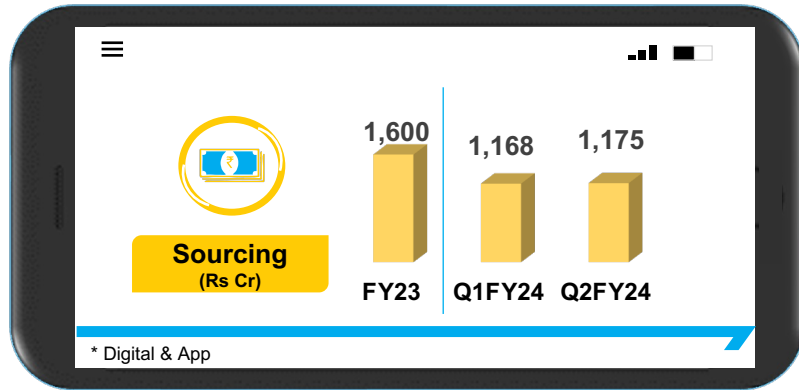
94 Lac+
Servicing Experience



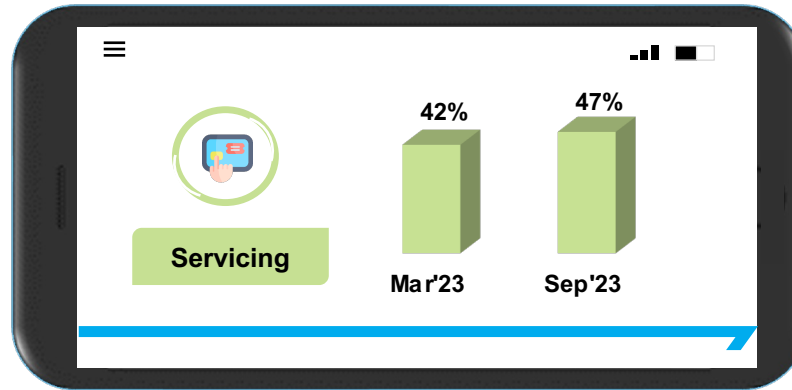
8 Lac+
Rural Customers



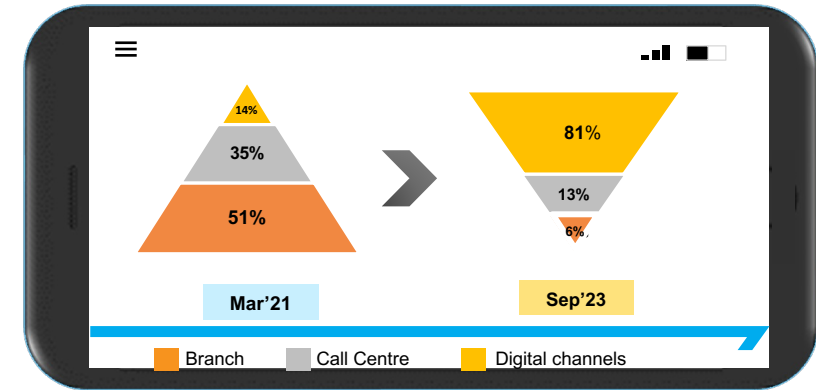
Geo-agnostic Sourcing



Self Servicing



Servicing channels



SOA Downloads

40 Lac +



Repayment Schedule

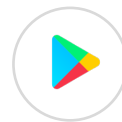
31 Lac +



Credit Score

26 Lac +

61,81,000+ Downloads



58,81,272 Downloads

4.4 ★★★★★



3,00,582 Downloads

4.2 ★★★★★

Developing Digital Finance Delivery as a customer value proposition

Q2FY24 Update

Digital Delivery: Touching every part of the customer ecosystem



100%

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



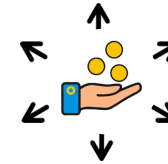
100%

Digital Disbursements (Rural + Urban)



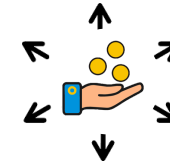
94%

eNACH Penetration (Urban)



15%

Digital Collections (Rural)

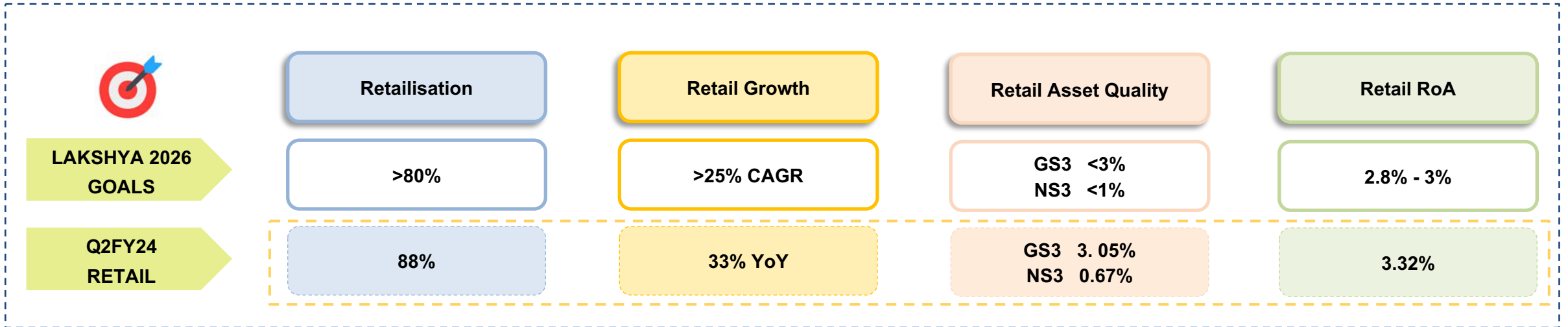


93%

Digital Collections (Urban)

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

Summing up Q2FY24 - Achieved Lakshya 2026 goals



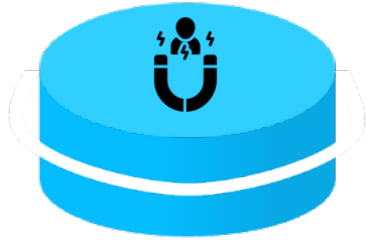
Performance Update		
Retail disbursements at Rs. 13,499 Cr (up 32% YoY)	Retail NIMs+Fees at 12.16% (up 84 bps YoY)	Consol PAT at Rs. 595 Cr (up 46% YoY)

Merger Update: Single Lending Entity Structure			
Merger of LTF & LTICL with LTFH*			
RBI	Stock exchange	NCLT	SEBI
✓	✓	✓	
Final Approval	Final Approval	Final Approval	In-principle approval ✓
			Final Approval -

*Effectiveness of merger is subject to compliance with conditions as stated in the Scheme

Making Lakshya Goals sustainable

Five Pillars to sustain growth while continuously reducing credit cost



**Enhancing
Customer Acquisition**

1

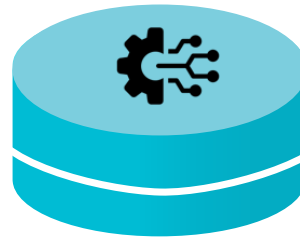
- Broadening customer funnel & velocity while increasing throughput
- Harvesting the customer & increasing cross-sell, while keeping risk under control
- Launching contiguous product offerings



**Sharpening
Credit Underwriting**

2

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



**Implementing
Futuristic Digital Architecture**

3

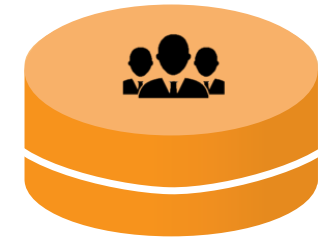
- Optimizing digital journeys to eliminate chokepoints & provide a superlative experience to customers
- In-house engineering for enhanced time to market



**Heightened
Brand Visibility**

4

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



**Capability
Building**

5

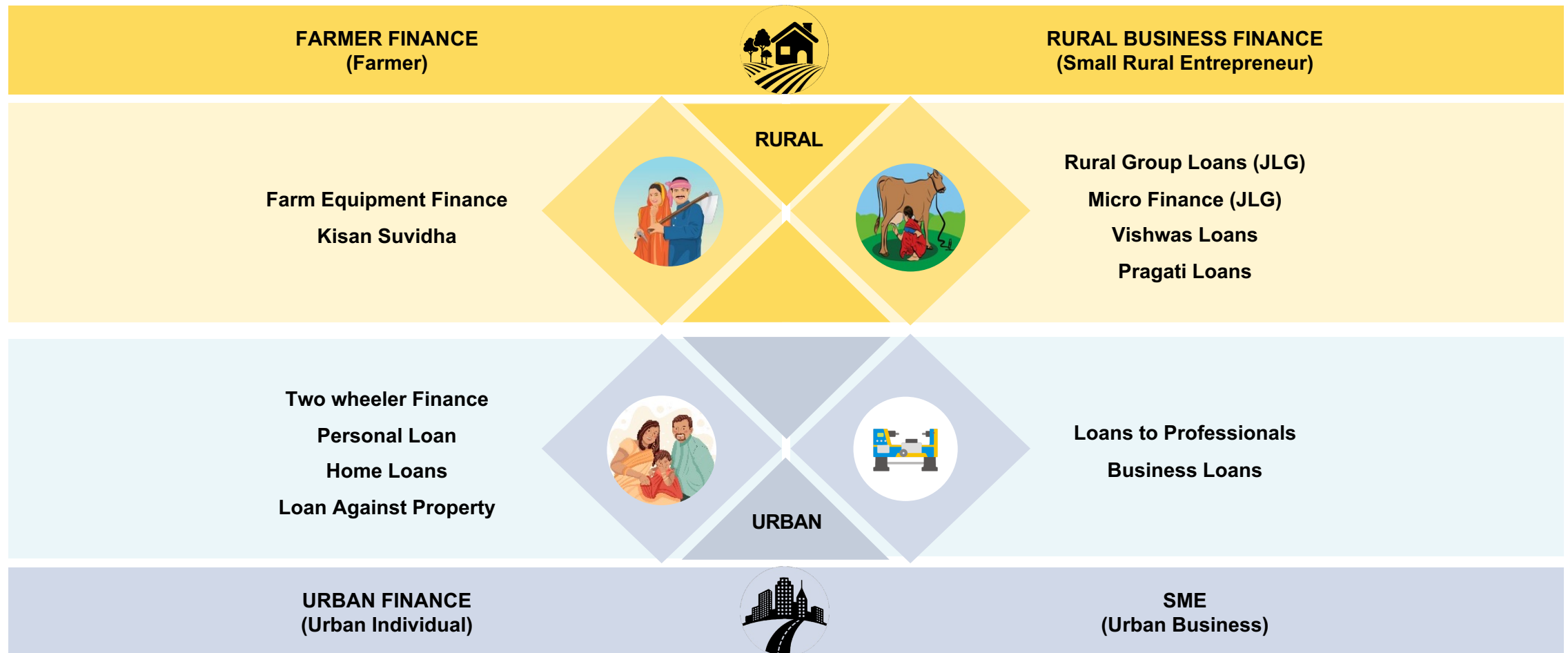
- Focused enhancement and optimization of talent pool in:
 - Artificial Intelligence / Machine Learning
 - Credit & Risk
 - Tech & Engineering

Annexures

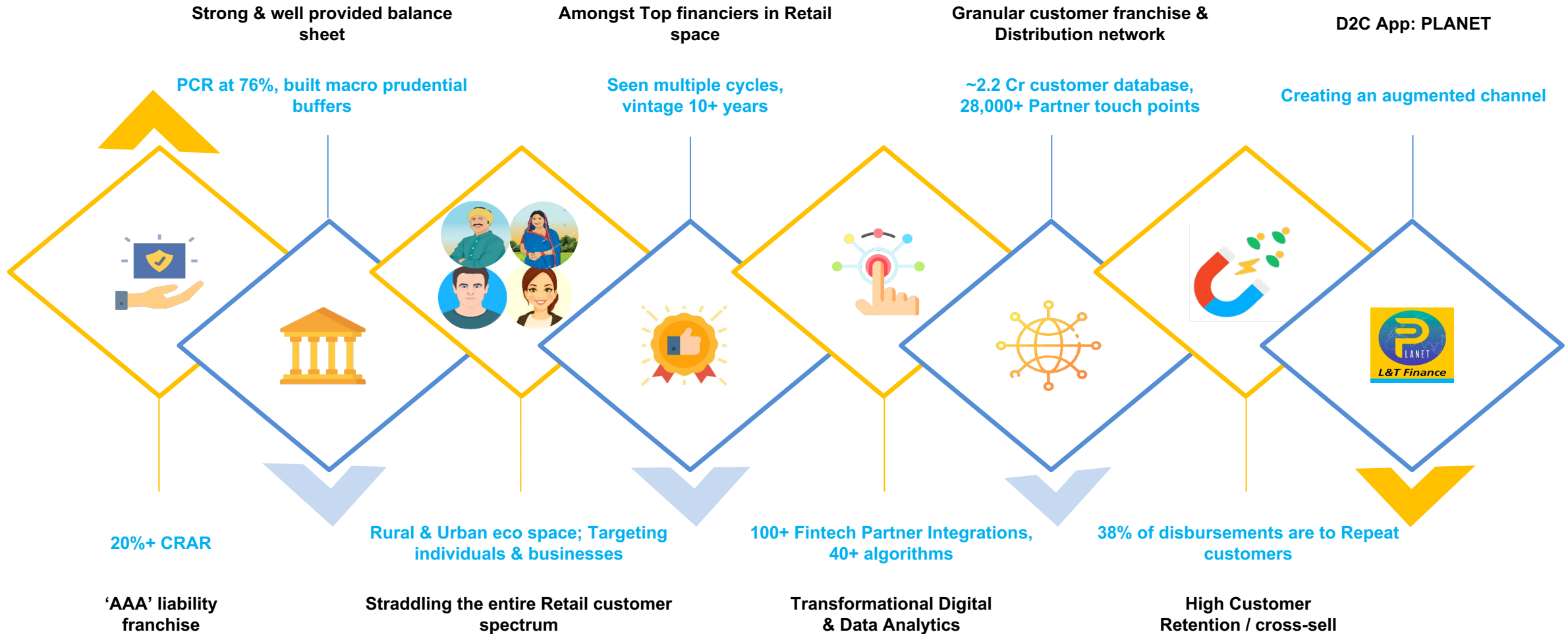
Index of Annexures

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

A Retail franchise built over a decade



... backed by established sustainable differentiators



Helped create winning products for over a decade

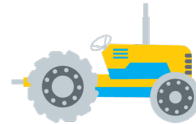
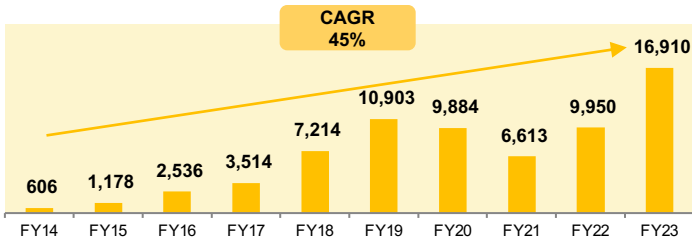
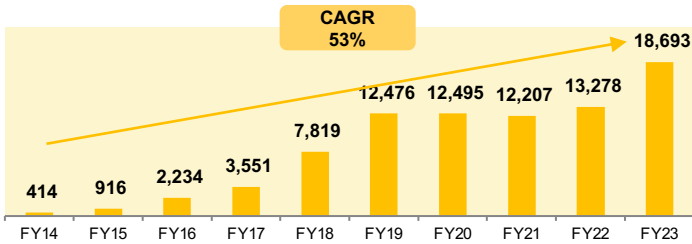
in Rs Cr



Rural Group Loans & Micro Finance (JLG)

14+ years of Vintage

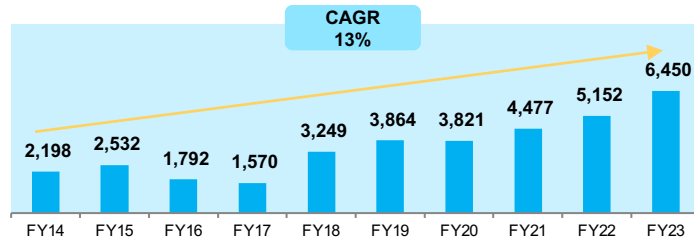
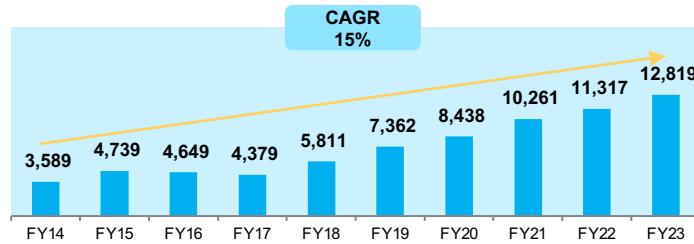
~1.4 Cr customers serviced in rural India



Farm Equipment Finance

18+ years of Vintage

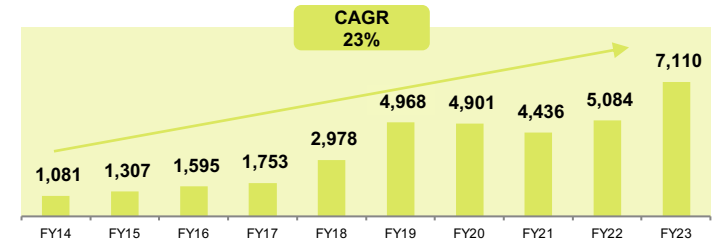
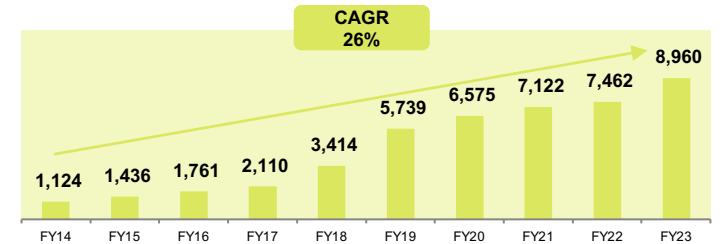
11 Lac+ customers serviced in rural India



Two wheeler Finance

10+ years of Vintage

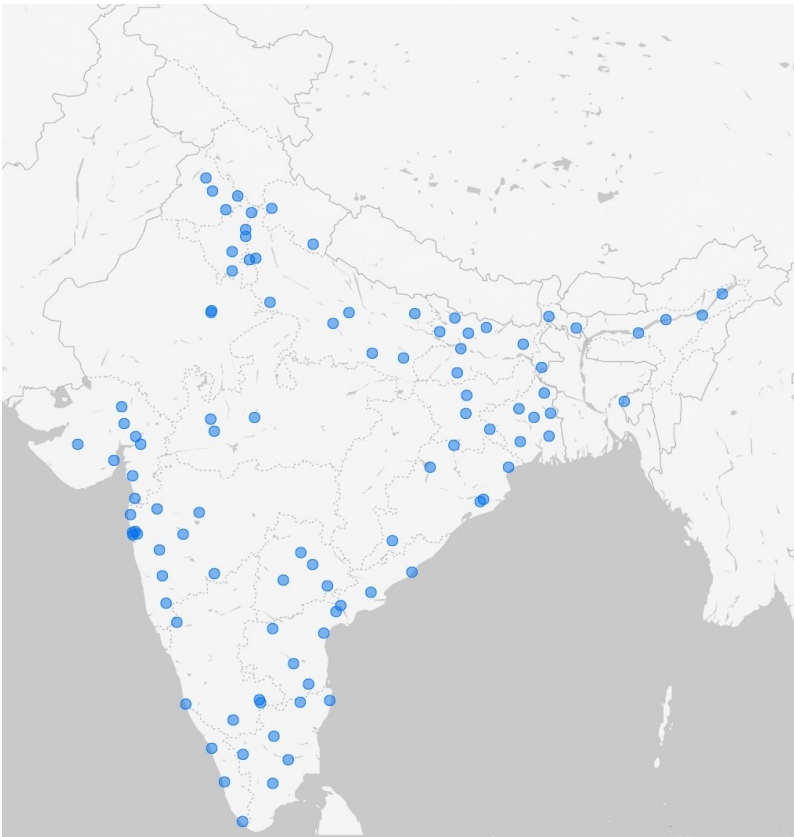
67 Lac+ customers serviced in urban India



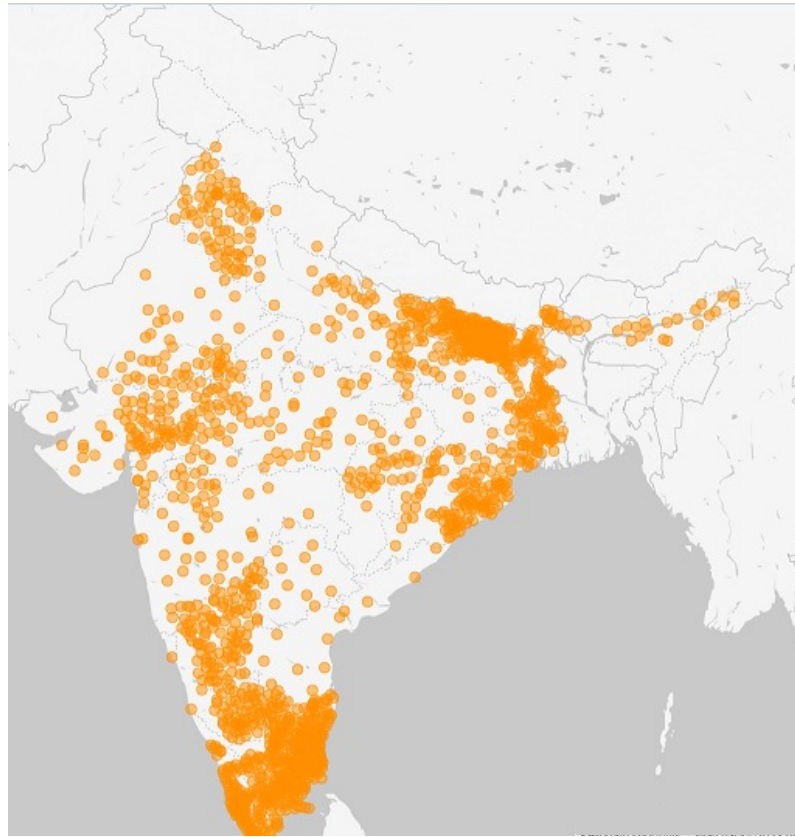
On the back of a granular distribution network

20 States
2 UT
100+ Cities / Towns

18 States
1 UT
~2,00,000 Villages



LTF Urban Network



LTF Rural Network

State	Urban Branches	Rural Branches
Madhya Pradesh	14	79
Maharashtra	19	36
Uttar Pradesh	11	87
Gujarat	13	57
Karnataka	10	199
West Bengal	12	116
Andhra Pradesh	10	2
Telangana	6	5
Haryana	7	41
Rajasthan	8	60
Bihar	8	349
Punjab	4	42
Odisha	6	122
Tamil Nadu	7	370
Kerala	3	91
Others	15	58
Pan India	153	1,733*

Total Branch Count: 207 (Urban – 153, Rural – 54)

*Rural Branches comprise of Rural Group Loans & Micro Finance meeting centres (1,679) and dedicated Farmer Finance branches (54)

Leading to market dominance through flagship products

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



Well diversified footprint

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



Operational excellence

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



Customer Centricity

- LTF exclusive customers at ~40%#
- Best-in-class TAT: 60 secs
- Retention products – 70%* retention
- Optimum customer leverage; avg. o/s on book ~Rs 34,000 /-



Excellent Asset Quality; Conservative provisioning

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



Created Strong risk guardrails

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

Leading to market dominance through flagship products

Farm Equipment Finance – amongst the Leading Financiers



Well diversified footprint

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



Dealer / OEM Relationship

- 2,500+ Dealers
- Analytics driven TA limits for top dealers
- Non-captive distribution franchise
- Well penetrated across Top 5 OEMs



Customer Centricity

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



Operational excellence

- Collection led disbursements; CE @ 91.6%
- Analytics-based scorecard for decision-making
- Culture of '0 DPD'



Created Strong risk guardrails

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

Leading to market dominance through flagship products

Two wheeler Finance - amongst the Leading Financiers



Well diversified footprint

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



Dealer / OEM Relationship

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



Customer Centricity

- Strong New To Credit proposition (~50%)
- Best-in-class TAT: 45 secs
- Paperless Digital Journey
- Innovative product offering
- Sabse Khaas Loan & Income Proof loans - 1st in Industry
- Ventured into EV financing



Operational excellence

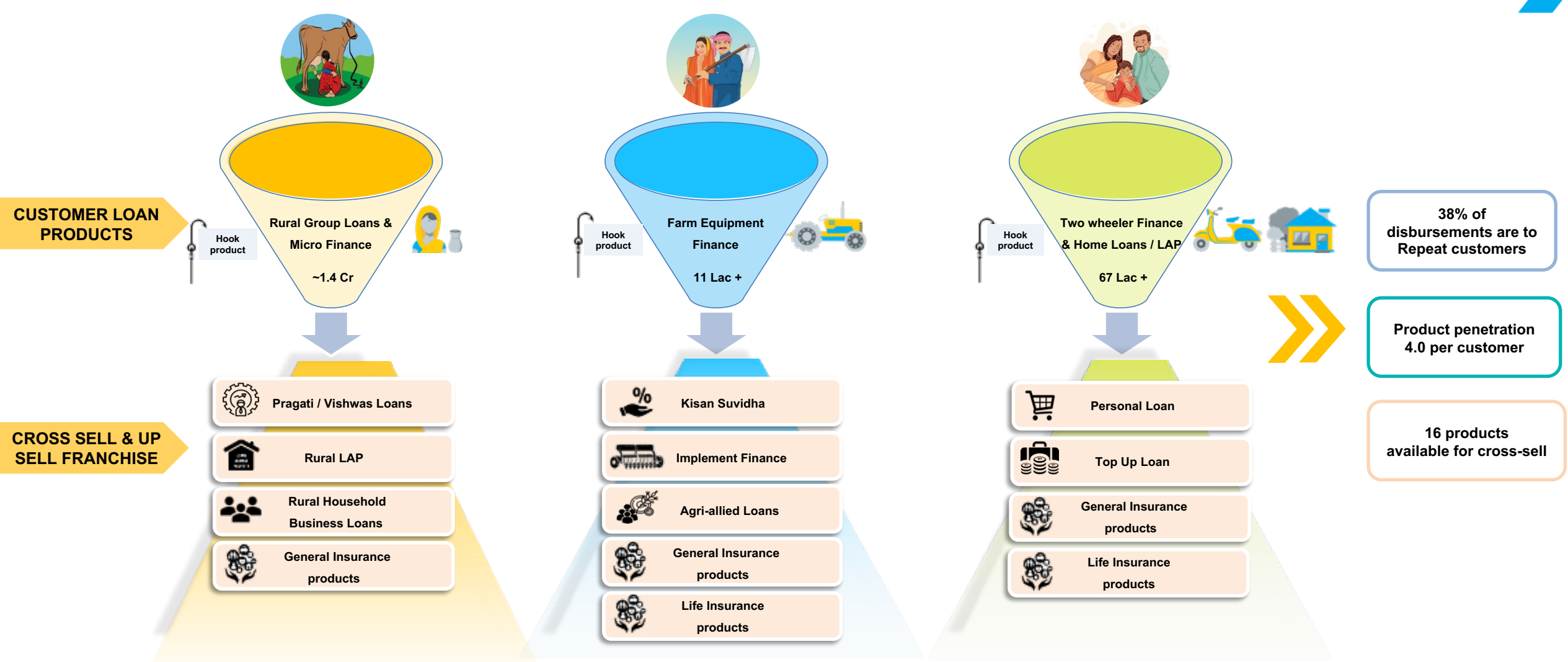
- Collection led disbursements; CE @ 97.9%
- Straight through processing
- Culture of '0 DPD'



Created Strong risk guardrails

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

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

















































Harvesting our ~2.2 Cr customer database

Built on the foundation of Data science based digital delivery

Building Next-Gen platform & expanding scope

Deepen existing and create new analytical models through harvesting of data

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

Built on the foundation of Data science based digital delivery

Leveraging data analytics across practices

Sourcing Analytics



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



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



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

Underwriting Analytics



Asset related variables



Geographical parameters



Customer variables



Behavioural data



Risk Control variables

Collections Analytics



Customer profiling & Segmentation



Personalized treatment strategy



Channel of initiation



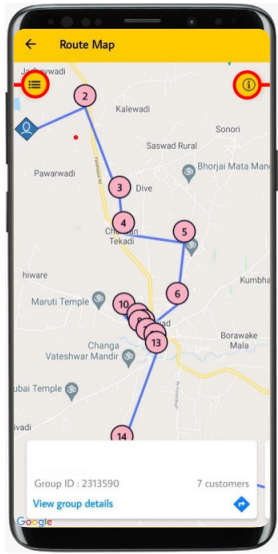
Right time for action

...through assisted apps & centralized underwriting

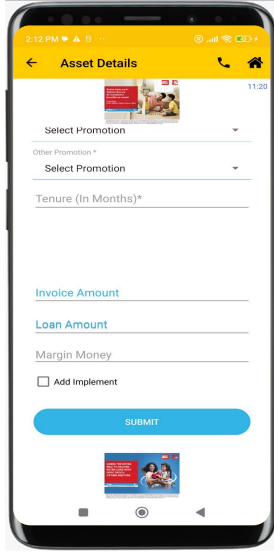
In the next phase, moved to developing assisted apps for customer loan delivery

ASSISTED APPS PROVIDING END-TO-END DIGITAL LOAN JOURNEYS

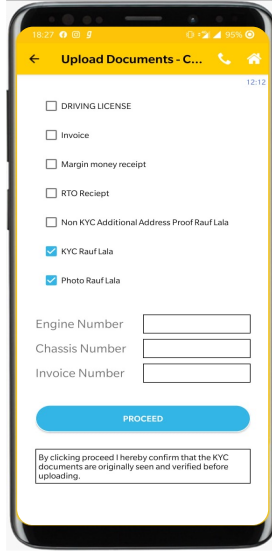
Rural Group Loans & Micro Finance

Farm Equipment Finance

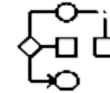
Two wheeler Finance

DIGITAL INTERVENTIONS



KYC – DigiLocker / Aadhaar OCR / QR



AI – Machine Learning Model / Scorecard



Selfie/Photo – Liveness / Face Match



Online Income Assessment / Digital Income Computation



Multi Bureau Check



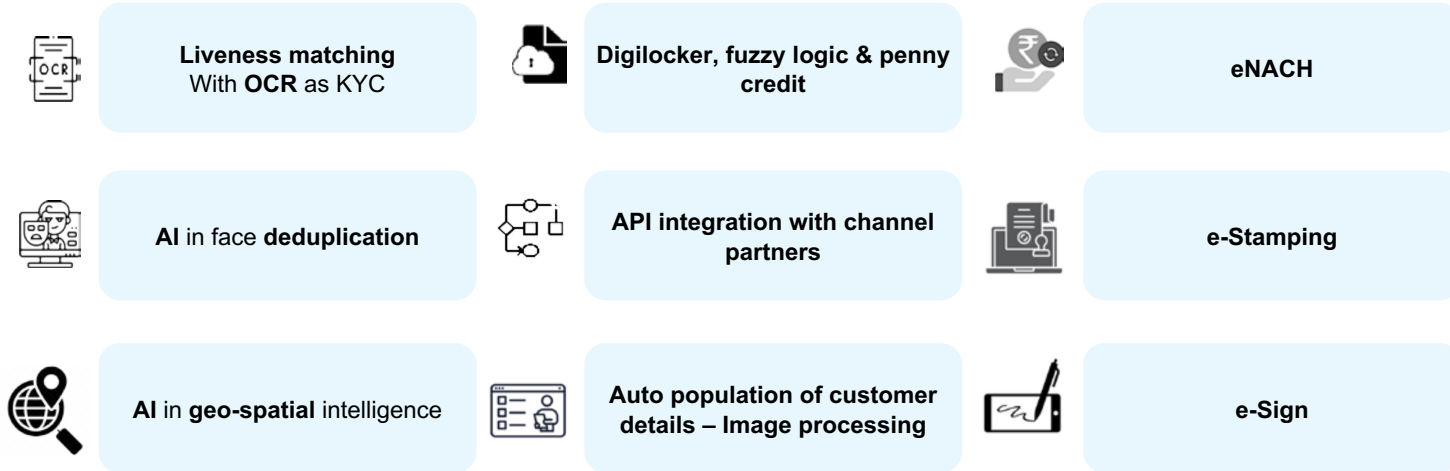
E-agreement

Used by Field level officers for Sourcing, Disbursements & Collections

Superlative Customer Experience

To deliver a best in class Customer Value Proposition

LEVERAGING CUSTOMISED DIGITAL CAPABILITIES WITH THE INDIA STACK



Reimagined credit models



Cloud-based infrastructure



3rd party API integration



Income estimation model



Application scorecard

CENTRALISED AND DIGITAL UNDERWRITING

LEADING TO BEST IN CLASS TAT



Farm Equipment

24 hours
Industry avg: 4 days



Rural Group Loans & Micro Finance

60 secs



Two wheeler

45 secs
Industry avg: 10-15 min



Personal Loan

18 mins
Industry avg: 90 mins



Home Loan

20 mins
Industry avg: 1 hour

To create a Fintech@Scale

Fintech@Scale blueprint

Components to building a Fintech@Scale

1 Automated Process

- Existing SFDC Workflow
- Existing Business Rule Engine
- Build Process Fintech Ecosystem



2 Scalability

- Existing Google Cloud Platform
- Strengthen Interactive QlikSense portals
- Build Unified LOS

4 Customer Journeys

- Strengthen Cross-Sell
- Strengthen Customer Engagement
- Strengthen Insurance
- Existing Servicing



3 Security

- Existing Gen 5 Firewall
- Strengthen AI-based security assessment
- Existing ISO 27001 Certification

Existing Strengthen Build

Leverage deep fintech capabilities to achieve Lakshya goals & beyond

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Retail Lending Business – Business wise disbursement split

Disbursement				
Q2FY23	Segments (Rs Cr)	Q1FY24	Q2FY24	Y-o-Y (%)
	Farmer Finance			
1,304	Farm Equipment Finance	1,757	1,534	18%
	Rural Business Finance			
3,887	Rural Group Loans (JLG)	4,240	5,499	30%
531	Micro Finance (JLG)	271	242	
	Urban Finance			
1,721	Two wheeler Finance	1,726	1,817	6%
1,328	Personal Loan	1,162	1,308	(2%)
1,013	Home Loans	1,072	1,356	34%
104	LAP	227	378	-
201	SME Finance	607	872	-
149	Acquired Portfolio	130	494	-
10,238	Retail Finance	11,193	13,499	32%

Retail Lending Business – Business wise book split

Book				
Q2FY23	Segments (Rs Cr)	Q1FY24	Q2FY24	Y-o-Y (%)
	Farmer Finance			
11,865	Farm Equipment Finance	13,125	13,351	13%
	Rural Business Finance			
15,840	Rural Group Loans & Micro Finance (JLG)	19,743	21,672	37%
	Urban Finance			
8,093	Two wheeler Finance	9,190	9,518	18%
3,979	Personal Loan	5,995	6,481	63%
9,105	Home Loans	11,274	12,216	34%
2,665	LAP	2,801	3,038	14%
321	SME Finance	1,779	2,413	-
172	Acquired Portfolio	367	727	-
52,040	Retail Finance	64,274	69,417	33%

Lending Business – Business wise disbursement & book split

Disbursement				
Q2FY23	Segments (Rs Cr)	Q1FY24	Q2FY24	Y-o-Y (%)
10,238	Retail Finance	11,193	13,499	32%
718	Infrastructure Finance	1,040	178	(75%)
93	Real Estate Finance	132	20	(79%)
811	Wholesale Finance	1,172	198	(76%)
11,049	Focused Business	12,365	13,696	24%
-	De-focused	-	-	-
11,049	Total Disbursement	12,365	13,696	24%

Book				
Q2FY23	Segments (Rs Cr)	Q1FY24	Q2FY24	Y-o-Y (%)
52,040	Retail Finance	64,274	69,417	33%
28,461	Infrastructure Finance	9,939	6,482	(77%)
9,136	Real Estate Finance	4,096	2,773	(70%)
37,597	Wholesale Finance	14,035	9,255	(75%)
89,637	Focused Business	78,309	78,672	(12%)
461	De-focused	257	62	(86%)
90,098	Total Book	78,566	78,734	(13%)

LTFH Consolidated – Summary financial performance

Performance Summary				
Q2FY23	Summary P&L (Rs Cr)	Q1FY24	Q2FY24	Y-o-Y (%)
3,002	Interest Income	3,008	3,054	2%
1,438	Interest Expense	1,364	1,325	(8%)
1,563	NIM	1,644	1,729	11%
347	Fee & Other Income	323	446	28%
1,911	Total Income	1,967	2,175	14%
723	Operating Expense	778	860	19%
1,188	Earnings before credit cost	1,189	1,315	11%
575	Credit Cost	475	517	(10%)
613	PBT	714	799	30%
406	PAT	531	595	46%

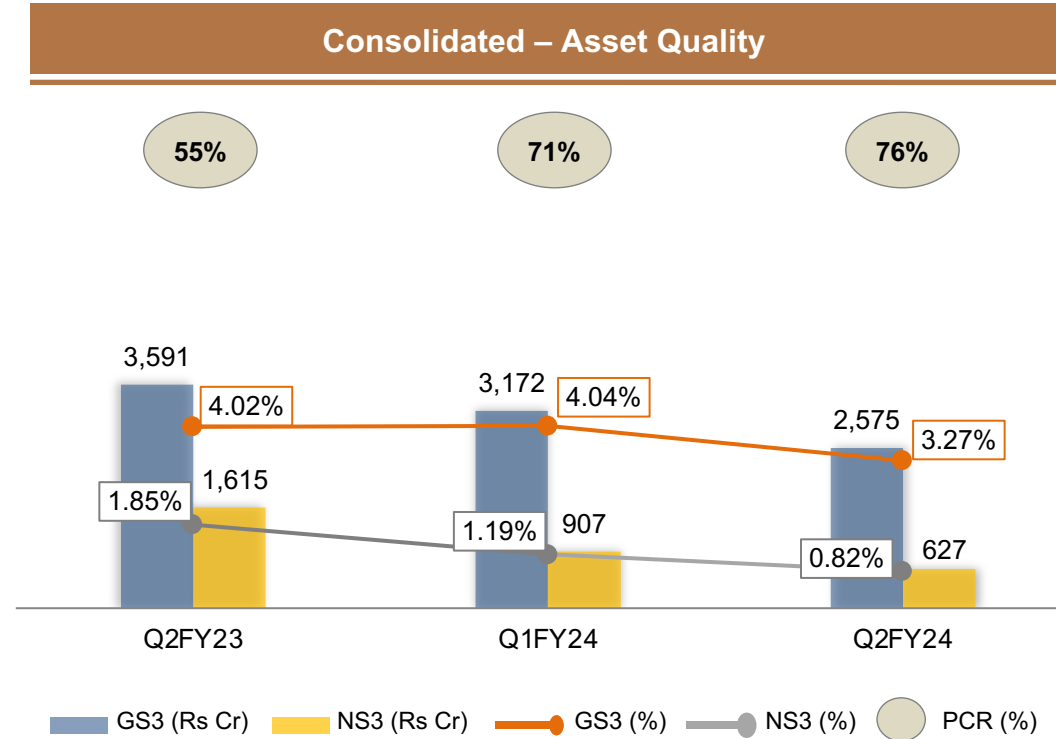
Q2FY23	Particulars (Rs Cr)	Q1FY24	Q2FY24	Y-o-Y(%)
90,098	Closing Book	78,566	78,734	(13%)
89,884	Average Book	82,059	79,791	(11%)
20,431	Networth	22,072	22,185	9%
82.5	Book Value per share (Rs)	89.0	89.3	8%
1.6	Basic Earning per share (Rs)	2.1	2.4	46%

LTFH Consolidated – Key ratios

Key Ratios				
Q2FY23	Key Ratios	Q1FY24	Q2FY24	
13.25%	Yield	14.74%	15.23%	
6.90%	Net Interest Margin	8.06%	8.62%	
1.53%	Fee & Other Income	1.58%	2.22%	
8.43%	NIM + Fee & Other Income	9.64%	10.84%	
3.19%	Operating Expenses	3.81%	4.29%	
5.24%	Earnings before credit cost	5.83%	6.56%	
2.54%	Credit Cost	2.33%	2.58%	
1.55%	Return on Assets	2.13%	2.42%	
4.18	Debt / Equity (Closing)	3.42	3.45	
4.05	Debt / Equity (Average)	3.50	3.34	
8.02%	Return on Equity	9.72%	10.81%	

Particulars	Tier I	Tier II	CRAR
Consolidated CRAR ratio	22.99%	2.18%	25.16%

LTFH Consolidated - Asset quality



Retail Finance – Summary financial performance

Performance Summary				
Q2FY23	Summary P&L (Rs Cr)	Q1FY24	Q2FY24	Y-o-Y (%)
1,972	Interest Income	2,503	2,704	37%
718	Interest Expense	964	1,020	42%
1,254	NIM	1,540	1,684	34%
174	Fee & Other Income	284	360	107%
1,428	Total Income	1,824	2,044	43%
555	Operating Expense	675	769	39%
873	Earnings before credit cost	1,149	1,275	46%
436	Credit Cost	433	460	6%
437	PBT	716	815	86%
325	PAT	533	606	86%

Q2FY23	Particulars (Rs Cr)	Q1FY24	Q2FY24	Y-o-Y(%)
52,040	Book	64,274	69,417	33%
9,909	Networth	14,299	15,382	55%

Retail Finance – Key ratios

Key Ratios				
Q2FY23	Key Ratios	Q1FY24	Q2FY24	
15.65%	Yield	16.08%	16.10%	
9.95%	Net Interest Margin	9.89%	10.02%	
1.38%	Fee & Other Income	1.82%	2.14%	
11.33%	NIM + Fee & Other Income	11.71%	12.16%	
4.40%	Operating Expenses	4.33%	4.58%	
6.93%	Earnings before credit cost	7.38%	7.59%	
3.46%	Credit Cost	2.78%	2.74%	
2.48%	Return on Assets	3.08%	3.32%	
4.62	Debt / Equity (Closing)	3.96	3.91	
4.48	Debt / Equity (Average)	4.03	3.79	
13.89%	Return on Equity	15.67%	16.31%	

Wholesale Finance – Summary financial performance

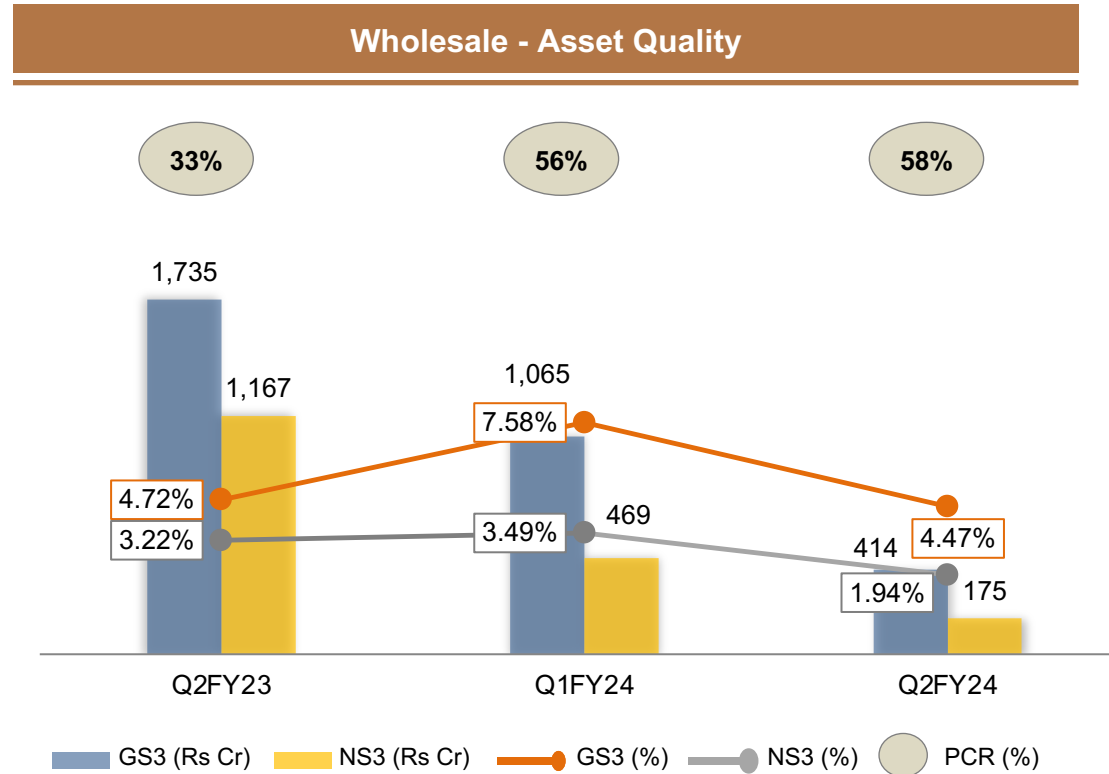
Performance Summary				
Q2FY23	Summary P&L (Rs Cr)	Q1FY24	Q2FY24	Y-o-Y (%)
1,014	Interest Income	500	347	(66%)
707	Interest Expense	424	328	(54%)
308	NIM	75	19	(94%)
62	Fee & Other Income	28	65	5%
370	Total Income	103	83	(77%)
110	Operating Expense	96	84	(24%)
260	Earnings before credit cost	7	0	(100%)
120	Credit Cost	45	24	(80%)
140	PBT	(39)	(25)	-
101	PAT	(28)	(18)	-

Q2FY23	Particulars (Rs Cr)	Q1FY23	Q2FY24	Y-o-Y(%)
37,597	Book	14,035	9,255	(75%)
8,160	Networth	5,272	4,793	(41%)

Wholesale Finance – Key ratios

Key Ratios				
Q2FY23	Key Ratios	Q1FY24	Q2FY24	
10.21%	Yield	10.51%	10.86%	
3.10%	Net Interest Margin	1.59%	0.58%	
0.62%	Fee & Other Income	0.58%	2.03%	
3.72%	NIM + Fee & Other Income	2.17%	2.61%	
1.10%	Operating Expenses	2.02%	2.62%	
2.62%	Earnings before credit cost	0.14%	-	
1.21%	Credit Cost	0.96%	0.76%	
0.84%	Return on Assets	(0.39%)	(0.30%)	
4.77	Debt / Equity (Closing)	3.79	3.63	
4.65	Debt / Equity (Average)	3.94	3.60	
4.79%	Return on Equity	(1.94%)	(1.39%)	

Wholesale Finance – Asset Quality



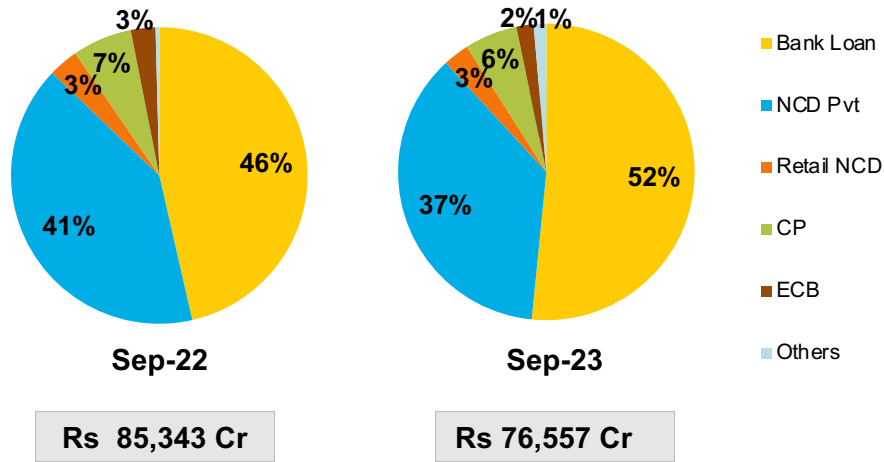
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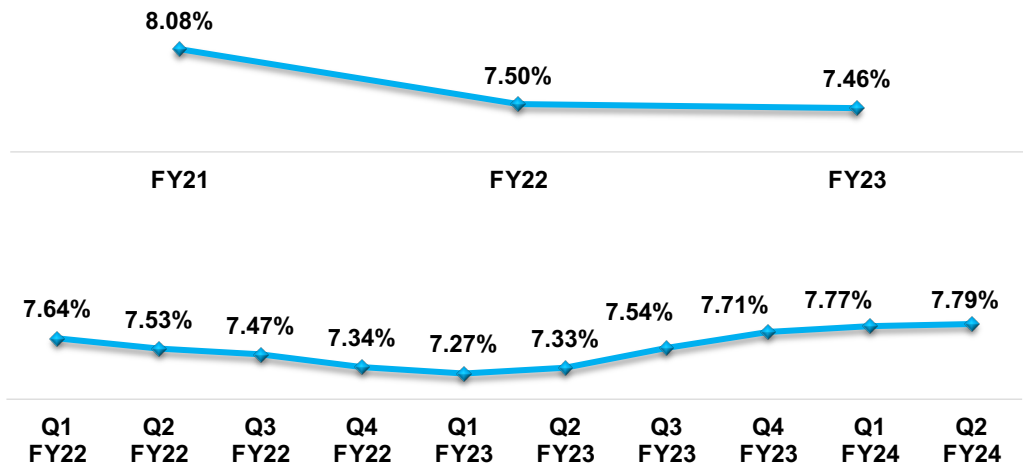
Astute Asset Liability Management

OUTPERFORMING IN TIMES OF RISING INTEREST RATE ENVIRONMENT

DIVERSIFIED LIABILITY MIX



WEIGHTED AVERAGE COST OF BORROWING (WAC)



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



Prudent ALM along with changing
portfolio mix towards retail

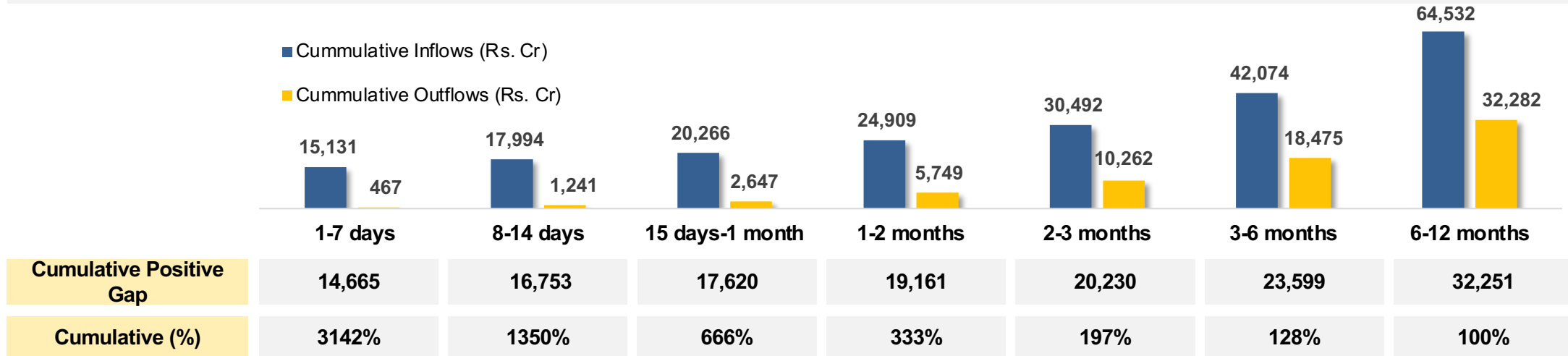


Leveraged Priority Sector Bank
Loans

Diversified liability mix has enabled to contain increase in quarterly WAC on sequential basis at 2 bps in Q2FY24

Prudent ALM - as on September 2023

Structural Liquidity statement



Interest Rate sensitivity statement

1 year Gap	Rs. Cr
Re-priceable assets	62,068
Re-priceable liabilities	46,883
Positive	15,185

Continue to maintain cumulative positive liquidity gaps

AAA Credit Rating for LTFH and all its subsidiaries

Credit Ratings – LTFH and its subsidiaries

Ratings Update

- Long-term ratings of LTFH and all its lending subsidiaries have been reaffirmed 'AAA' (Stable Outlook) by all 4 rating agencies:
 - CARE: Sep'23
 - ICRA: Aug'23
 - India Ratings: Apr'23
 - CRISIL: Jan'23

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

ESG : Accelerating towards Lakshya (1/4)

Retail | Digital | Sustainable



Environment

~ **433 tCO2e** emission avoided by switching to green power across L&T Finance branches

Partnership of L&T Finance with Ather Energy for offering **upto 100%** financing on purchase of Two-Wheeler EVs

95% of L&T Finance branches in Maharashtra operate on green power

7,350 Electric Vehicles (EV) – Two wheelers, financed

Strengthened waste segregation and collection in corporate offices

50,000+ saplings planted under horticulture model

System implementation – ‘**Internet Of Things (IOT)**’ for monitoring and controlling energy usage

Daan Utsav encouraging donation of **e-Waste**

Shramdaan towards “*Swachhata Hi Seva*”, a cleanliness drive for creating “Garbage Free India” across **650+ locations**



ESG : Accelerating towards Lakshya (2/4)

Retail | Digital | Sustainable



Social

Diversity & Inclusion:

- Awareness & sensitization program on inclusion rolled out across organization
- Created awareness regarding women friendly policies
- Launched 3rd party call center - 50% of employees supporting the Company being Persons With Disability (PWD)
- 3rd Party call center supporting the CL business with 30% Persons With Disability (PWD) and 52% of women across geographies & income strata

• **Awareness Campaigns: Human Rights Sensitization & Road Safety**

• **Employee Engagement: Clocked 380 hours of employee volunteering**

• **Active women borrowers 6,309,038 till H1FY24**

• **Reached 4,50,000+ community members through CSR initiatives till H1FY24**

• **Mascot "Sachet Kumar" educated costumers & employees on Phishing, Vishing, fake employment, frauds and Cyber Safety habits**



ESG : Accelerating towards Lakshya (3/4)

Retail | Digital | Sustainable



Governance

- ✓ Board level oversight: CSR and ESG Committee
- ✓ ESG policies in place:
 - Environment Policy | E-Waste Policy | Diversity, Inclusion & Equity Policy
 - | Health & Safety Policy | Human Rights Policy | Third-Party Code of Conduct
- ✓ Enhanced usage of automated processes (Robotic Process Automation)
- ✓ Strengthened governance by preventing 1,52,000+ Cyber Threats in Q2
- ✓ Completed CDP and DJSI disclosures



ESG Ratings



B
Significant improvement from D to B



54/95th percentile
Awaiting response for FY23



Sustainalytics

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



FTSE4Good

Retained Constituent of the FTSE4Good Index Series

MSCI
ESG RATINGS



CCC | B | BB | BBB | **A** | AA | AAA

BBB
Awaiting response for FY23

ESG : Accelerating towards Lakshya (4/4)

Retail | Digital | Sustainable



Awards



Champions of ESG Award at Global Fintech Fest 2023



Mahatma Award for ESG Excellence Sept'23



UBS Forums Award under Sustainable Organisation Award Sept'23



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



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



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

Corporate Social Responsibility

Transforming Lives, Sustaining Progress



Digital & Financial Inclusion

- **Digital Sakhi project launched** in Gorakhpur (Uttar Pradesh), Supaul (Bihar) and Murshidabad (West Bengal) with an aim to create digital & financial literacy amongst **15,00,000+** community members over next 4 yrs.
- **4,50,000+** community members outreached under digital Sakhi project in Karnataka, Kerala, West Bengal, Odisha & Tamil Nadu.
- **'Swacchata Hi Seva'** campaign conducted across **650+** villages in 7 states (Karnataka, Kerala, Tamil Nadu, West Bengal, Odisha, Uttar Pradesh and Bihar) through Digital Sakhis.
- **Digital Sakhi Podcast** series highlighting success stories from ground zero (4 episodes) released on various podcast platforms (Earshot, Spotify, Gaana, Apple Music, etc.).
- Digital Sakhi Project **bagged 3 awards** (Banking Frontiers, Krypton Business Media and FAME).



Disaster Management

- **Relief kits** distributed to **6,000+** flood affected people in Punjab & Haryana.
- **Relief kits** distributed to **1,750+** flood affected people in Odisha.
- Undertaken capacity building **trainings of water user groups** in **40+** villages in Maharashtra.



Other Initiatives

- **50,000+** horticulture plantation under Project Prakruti completed in **140+ acres** of land in Tumkur district, Karnataka.
- Created **Road Safety awareness** amongst **6,000+** school children in 10+ municipal schools of Mumbai.



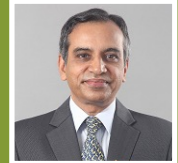
Well experienced and diversified Board

BOARD OF DIRECTORS



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

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



R. Shankar Raman, *Non-Executive Director*

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



Thomas Mathew T., *Independent Director*

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



Dr. Rajani Gupte, *Independent Director*

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



Dinanath Dubhashi, *Managing Director & CEO*

- Over 33 years of experience across multiple domains in BFSI such as Corporate Banking, Cash Management, Credit Ratings, Retail Lending and Rural Financing.



S. V. Haribhakti, *Independent Director*

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



P. V. Bhide, *Independent Director*

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



Pavninder Singh, *Nominee Director*

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

Management Team



Dinanath Dubhashi
Managing Director & CEO
33 yrs exp, BNP Paribas, SBI Cap, CARE Ratings



Sudipta Roy
Chief Operating Officer
27 yrs exp, ICICI Bank, Citibank,
Deutsche Bank



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



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



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



Tushar Patankar
Group Chief Risk Officer
29 yrs exp, Bajaj Finserv, ABN Amro,
HSBC, ANZ, IDFC Bank, ICICI Bank



Santosh Parab
General Counsel
30 yrs exp, IDBI, IDFC, Altico



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



Abhishek Sharma
Chief Digital Officer
19 yrs exp, Indian Army



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



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



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

Thank You