

L&T Finance's Rural Business Finance book size crosses the milestone of Rs. 25,000 Crore

- *Grown at a Compound Annual Growth Rate of over 26% from FY21 to FY24*
- *Strategic geo-expansion, digital processes, and superior engagements providing improved customer experience have been the key drivers of growth*
- *The key growth geographies for the Company have been Bihar, Tamil Nadu, Karnataka, West Bengal, Uttar Pradesh, Orissa, amongst others.*

June 13, 2024, Mumbai: L&T Finance Ltd. (LTF), one of the leading Non-Banking Financial Companies (NBFCs) of the country, today announced that its Rural Business Finance business has crossed a significant milestone in its book size, crossing a remarkable Rs. 25,000 Crore.

This achievement is a testament to the Company's commitment to empowering rural entrepreneurs and small business owners who truly form the backbone of the Indian economy. With a strong focus on financial inclusion and rural development, LTF's Rural Business Finance has been at the forefront of providing accessible and affordable financing solutions to the rural community.

Since its inception, the Company has provided loans to over 1.4 Crore rural women entrepreneurs, empowering them to launch and expand their business, and ultimately achieve financial security and independence. Furthermore, the Company has been able to extend its reach to underserved areas through a network of over 1,700 branches across 14 states.

The key growth geographies for the Company have been Bihar, Tamil Nadu, Karnataka, West Bengal, Uttar Pradesh, Orissa, amongst others. These markets are expected to continue as growth markets driven by consistent and strong customer interest. The Company has maintained lender exclusivity for a significant portion of its customers.

LTF's Rural Business Finance operates on a strong foundation of robust risk parameters, which enables the Company to maintain superior portfolio quality. This is further complemented by an impressive collection efficiency, ensuring that the business runs smoothly and effectively.

Commenting on the occasion, **Ms. Sonia Krishnankutty, Chief Executive, Rural Business Finance, LTF**, commented: "Reaching a book size of Rs. 25,000 Crore is a significant milestone for our Rural Business Finance vertical. Our success is built on a data-driven approach, which enables us to make informed and effective lending decisions. This approach has allowed us to maintain a high-quality portfolio while maintaining healthy growth. Over the past two years, our focus has been on both acquiring new customers and retaining existing ones. The primary focus of our team of over 10,000 field staff is on right customer selection, maintaining customer connect and ensuring credit discipline, which is pivotal in sustaining the business model."

For the fiscal year ended March 31, 2024, LTF's retail portfolio size reached Rs. 80,037 Crore, with Rural Business Finance comprising 31% of the overall retail book. Moreover, with a strategic emphasis on geographic expansion and digital innovation, the Rural Business

Finance segment is poised to sustain its growth momentum and achieve even greater successes in the years to come.

About L&T Finance Ltd. (LTF):

L&T Finance Ltd. (LTF) (<https://www.ltf.com>), formerly known as L&T Finance Holdings Ltd., (LTFH) is a leading Non-Banking Financial Company (NBFC), offering a range of financial products and services. Headquartered in Mumbai, the Company has been rated 'AAA' — the highest credit rating for NBFCs — by four leading rating agencies. It has also received leadership scores and ratings by global and national Environmental, Social, and Governance (ESG) rating providers for its sustainability performance. The Company has also won many prestigious awards for its flagship CSR project – “Digital Sakhi”- which focuses on women's empowerment and digital and financial inclusion. Under Right to Win, being in the 'right businesses' has helped the Company become one of the leading financiers in key Retail products. The Company is focused on creating a top-class, digitally enabled, Retail finance company as part of the Lakshya 2026 plan. The goal is to move the emphasis from product focus to customer focus and establish a robust Retail portfolio with quality assets, thus creating a Fintech@Scale while keeping ESG at the core. Fintech@Scale is one of the pillars of the Company's strategic roadmap - Lakshya 2026. The Company has over 2.3 Crore customer database, which is being leveraged to cross-sell, up-sell, and identify new customers.

