



Retail Digital Sustainable



L&T Finance Ltd.
Investor Presentation – Q1FY25



Disclaimer



L&T Finance Limited (formerly known as L&T Finance Holdings Limited) (the “Company”) offers a range of financial products and services under the L&T Finance (LTF) brand.

The information provided in this presentation by the Company is for information purposes only. This presentation or any information herein shall not be used, reproduced, copied, photocopied, duplicated or otherwise reproduced in any form or by any means, or re-circulated, redistributed, passed on, published in any media, website or otherwise disseminated, to any other person, in any form or manner. This presentation does not constitute an offer or invitation or inducement to purchase or sell or subscribe to, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment thereof. This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document to purchase or sell securities under the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 or any other applicable law, as amended from time to time. This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. No representation, warranty, guarantee or undertaking, express or implied, is or will be made or any assurance given as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of any information, estimates, projections or opinions contained herein. Potential investors must make their own assessment of the relevance, accuracy and adequacy of the information contained in this presentation and must make such independent investigation as they may consider necessary or appropriate for such purpose. The statements contained in this presentation speak only as at the date as of which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. Neither the Company nor any of its affiliates, its board of directors, its management, advisers or representatives, or any other persons that may participate in any offering of securities of the Company, shall have any responsibility or liability whatsoever (in negligence or otherwise) for any loss (direct or indirect) howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation.

The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any person of such revision or changes. Certain statements made in this presentation may be “forward looking statements” for purposes of laws and regulations of India and other than India. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition, general business plans and strategy, the industry in which the Company operates and the general, business, competitive and regulatory environment of the Company. These statements can be recognized by the use of words such as “expects,” “plans,” “will,” “estimates,” “projects,” or other words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions, including future changes or developments in the Company’s business, its competitive environment, information technology and political, economic, legal, regulatory, environmental and social conditions in India, which the Company believes to be reasonable in light of its operating experience in recent years. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company.

The distribution of this presentation in certain jurisdictions may be restricted by law and persons in whose possession this presentation comes should inform themselves about, and observe, any such restrictions.

The financial figures, information, data and ratios (audited and unaudited) other than consolidated PAT, provided in this presentation are management representation based on internal financial information system of the Company. These financial figures are based on restatement of certain line items in the consolidated financial statements of the Company and describe the manner in which the management of the Company monitors the financial performance of the Company. There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Corporate Affairs and RBI.

By accessing this presentation, you accept this disclaimer and that any claims arising out of or in connection with this presentation shall be governed by the laws of India and the courts in Mumbai, India shall have exclusive jurisdiction over the same.

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



Having achieved Lakshya 2026 goals at Retail level in Q3FY24...

Convergence at Consolidated level by FY26



RETAILISATION

>95%



Q4: 51%



95%



RETAIL
GROWTH

>25% CAGR

Q4: 10%

31%



CONSOL
ASSET QUALITY

GS3 <3%
NS3 <1%

Q4:
GS3 4.08%
NS3 1.98%

GS3 3.14%
NS3 0.79%



CONSOL
ROA

2.8% - 3%

Q4: 1.33% | FY: 1.04%

2.68%

RoA trajectory over Lakshya 2026 journey

Endeavouring to drive consistency and predictability



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



Executive Summary

Q1FY25



Executive Summary – Q1FY25 (1/2)



- ❖ **PAT** for Q1FY25 at **₹ 686 Cr**, growth of **29% YoY**
- ❖ **Steady RoA improvement to 2.68%, up 55bps YoY**
- ❖ **Retailisation** at **95%** of overall book
 - **Retail book** at **₹ 84,444 Cr**, growing **31% YoY**
 - **Consol book** also grew **13% YoY (highest since Q1FY20 @16% YoY)**
- ❖ Maintained **NIMs+Fees at 11.08%**
 - **NIMs at 9.31%**, up **125 bps YoY** and **17bps QoQ** backed by increasing Retail mix
 - **Fees at 1.77%**, up **18 bps YoY** (Q4FY24 fee was 2.11% due to one-time income impact of 21 bps)
- ❖ **Credit cost at 2.37%** remains stable YoY

Executive Summary – Q1FY25 (2/2)



- ❖ **Launched beta version of next gen credit underwriting engine – ‘Cyclops’** integrating Credit Bureau, Account Aggregator (AA) and Trust Signals
- ❖ Reimagined Home Loan offering launched with **The Complete Home Loan proposition** [\(Click here to know more\)](#)
- ❖ Augmented sourcing channel for **Home Loans** and **Two-wheeler** in partnership with **PhonePe**
- ❖ L&T Finance is now **‘Great Place To Work-Certified®’**

Executive Summary – Q1FY25 Financial Performance



RETAIL DISBURSEMENT

₹ 14,839 Cr

+33% YoY | -1% QoQ

RETAIL BOOK

₹ 84,444 Cr

+31% YoY | +6% QoQ

CONSOL NIMs+FEES

11.08%

+144bps YoY | -17bps QoQ

CONSOL PAT

₹ 686 Cr

+29% YoY | + 24% QoQ

CONSOL ROA

2.68%

+55bps YoY | + 49bps QoQ

CONSOL ROE

11.58%

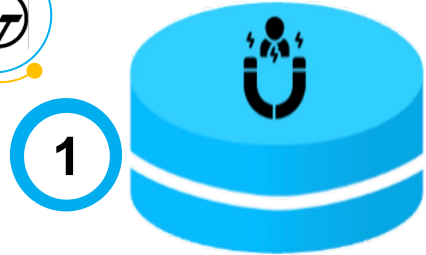
+186bps YoY | + 205bps QoQ



5 Pillar strategy – An update



5 Pillar strategy to deliver on Lakshya goals



1

Enhancing Customer Acquisition

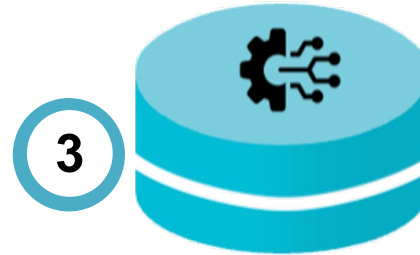
- Broadening customer funnel & velocity while increasing throughput
- Harvesting the customer & increasing cross-sell, while keeping risk under control
- Launching contiguous product offerings



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

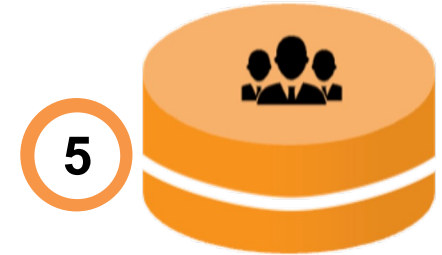
- Optimizing digital journeys to eliminate chokepoints & provide a superlative experience to customers
- In-house engineering for enhanced time to market



4

Heightened Brand Visibility

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



5

Capability Building

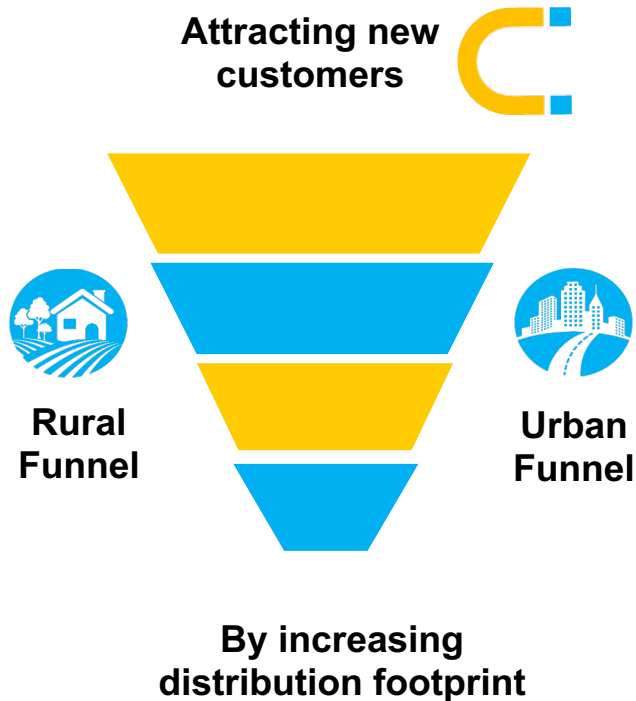
- Focused enhancement and optimization of talent pool in:
 - Artificial Intelligence / Machine Learning
 - Credit & Risk
 - Tech & Engineering



Pillar 1: Enhancing Customer Acquisition



Rural & Urban Customer Funnels



New Customer Acquisition (strategic focus from Q3FY24 onwards)

New Customer Acquisition
(no. in lacs)

Q1 FY24

Q4 FY24

Q1 FY25

6.9

6.8

6.7

Expanding Reach (strategic focus from Q3FY24 onwards)



Rural Group Loans & MFI
New villages activated (nos.)

-

21,524

21,832



Two Wheeler Finance
Active sourcing points (nos.)

-

10,711

11,178



Farm Equipment Finance
Active sourcing points (nos.)

2,682

2,431

2,433



Personal Loans
Active DSAs & E-aggregators (nos.)

26

48

43



Home Loan / LAP
Active sourcing points (nos.)

281

322

336

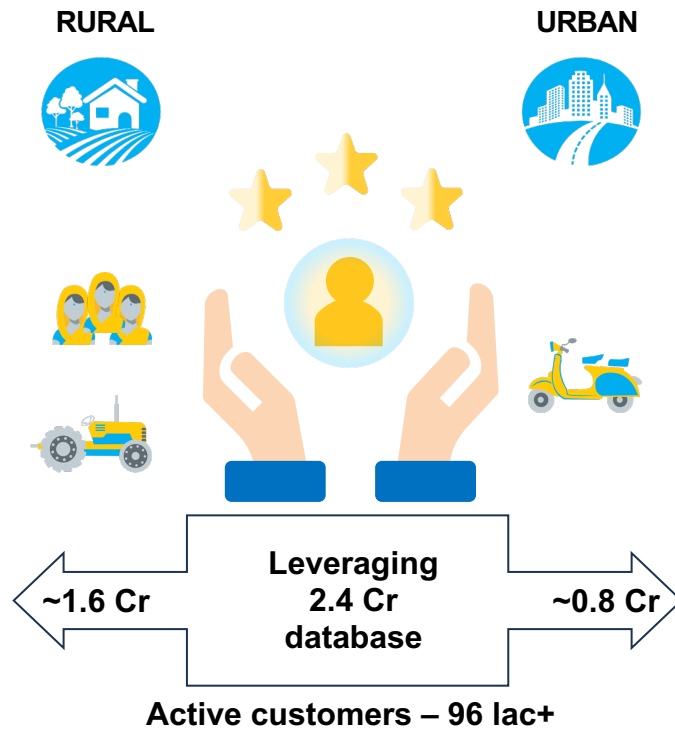
Momentum of horizontal and vertical deepening continued in Q1



Pillar 1: Enhancing Customer Acquisition



Rural & Urban Customer Database



	Q1 FY24	Q4 FY24	Q1 FY25
Cross-sell & up-sell			
Total Retail disbursement share (Count)	41%	46%	46%
Total Retail disbursement share (Value)	34%	34%	36%
Rural Group Loans & MFI Repeat % (Count)	50%	58%	59%
Rural Group Loans & MFI Repeat % (Value)	61%	69%	71%
Farm Equipment Finance Repeat % (Value)	19%	25%	19%
Personal Loans to existing customers % (Value)	44%	59%	63%

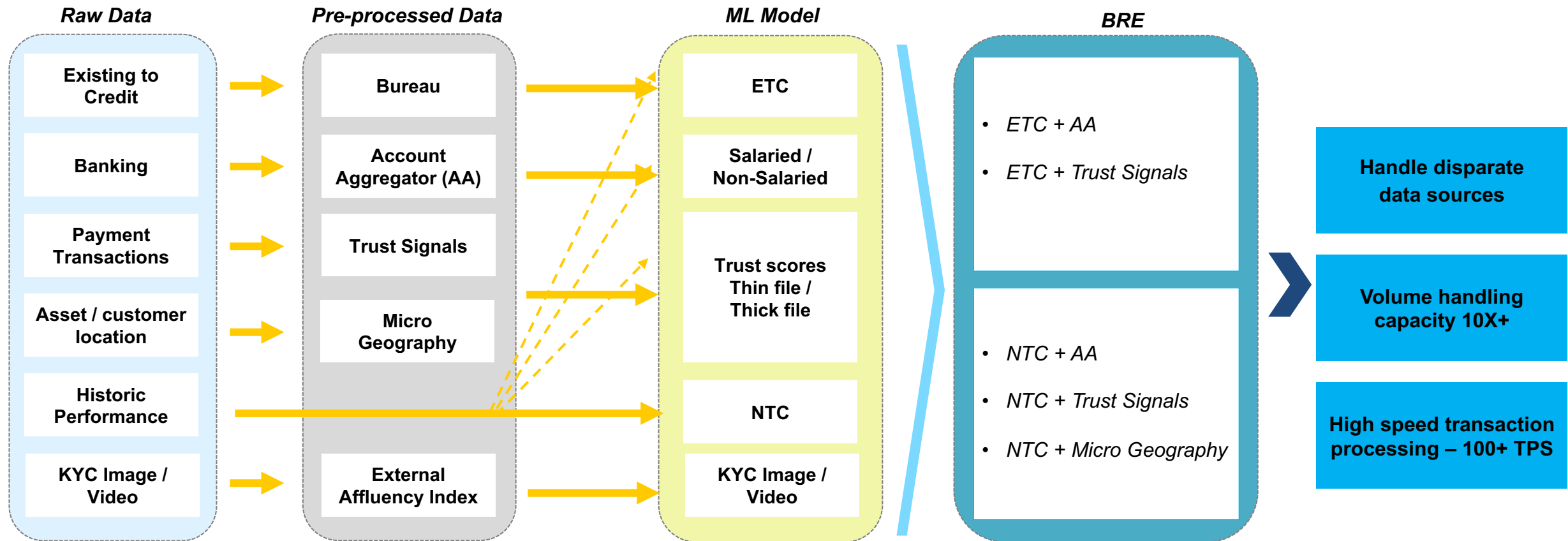
Cross-sell / up-sell momentum sustained in Q1



Pillar 2: Sharpening Credit Underwriting (1/6)

Operationalised 'Project Cyclops' in beta version in June 2024

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



NTC: New To Credit | ETC: Existing To Credit

14 SCORECARDS

Pillar 2: Sharpening Credit Underwriting (2/6)

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 (3/6)

Rural Business Finance – Portfolio Monitoring 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 (4/6)

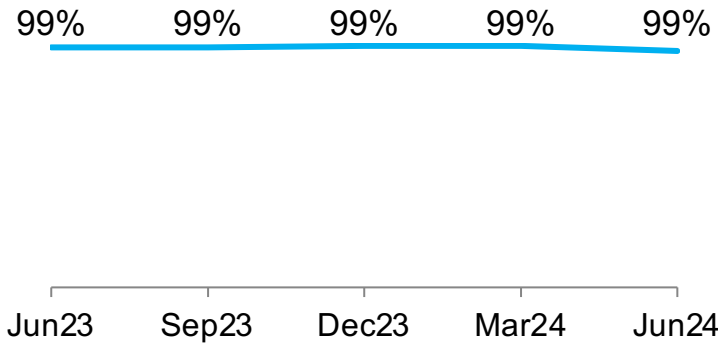
Leading to a robust portfolio



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

Basis rolling 12-month sourcing cohorts

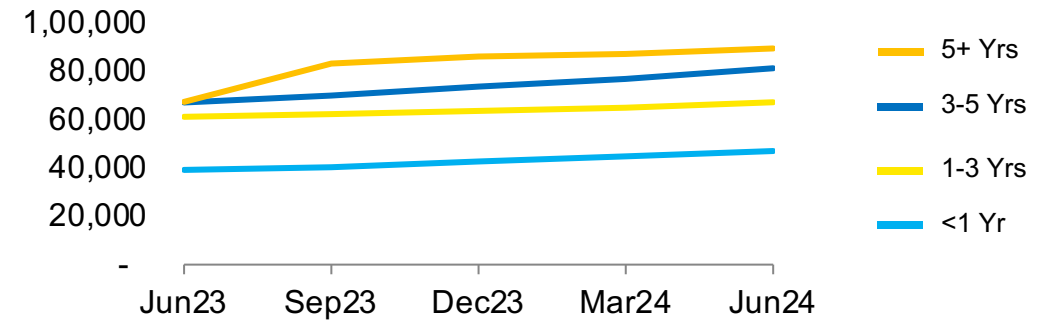
On Due Date (ODD) CE %



Focus on ODD CE leading to superior Regular CE

CE: Collection Efficiency

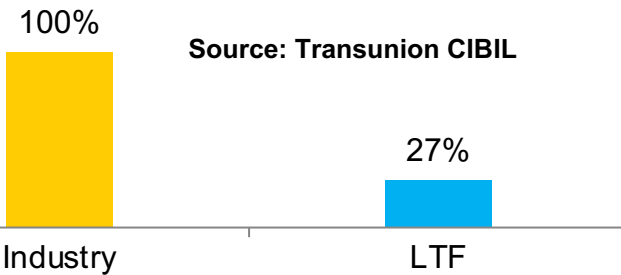
ATS (in ₹) vs Borrower Vintage



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 Apr'23-Mar'24 for last 12 mth disbursements over Apr'22-Mar'23 period



Source: Transunion CIBIL

Delinquency levels 1/3rd of 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. 27% of X

Continuous efforts on maintaining and improving existing superior portfolio metrics



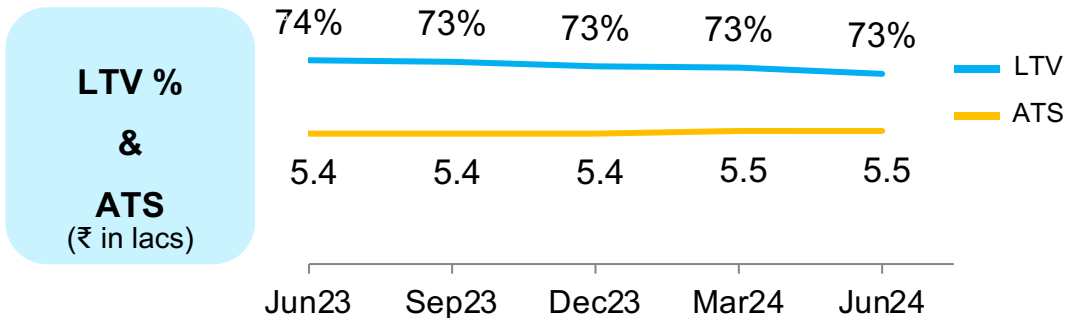
Pillar 2: Sharpening Credit Underwriting (5/6)



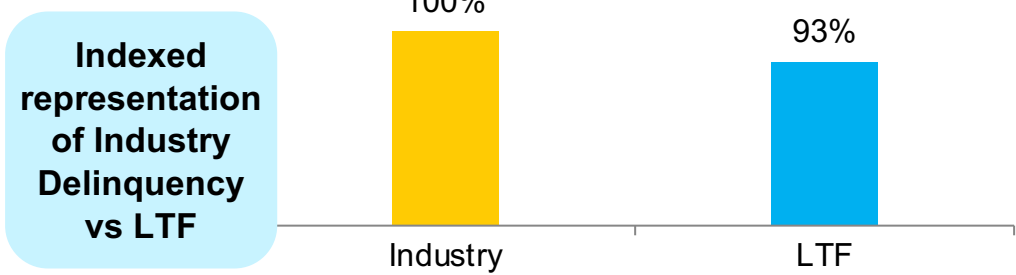
Basis rolling 12-month sourcing cohorts



Farm Equipment Finance



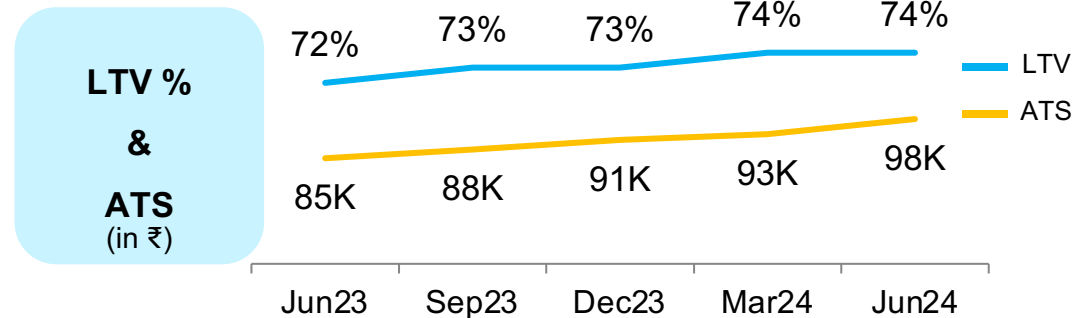
Optimum LTV and margin levels



Delinquency levels significantly better than industry average

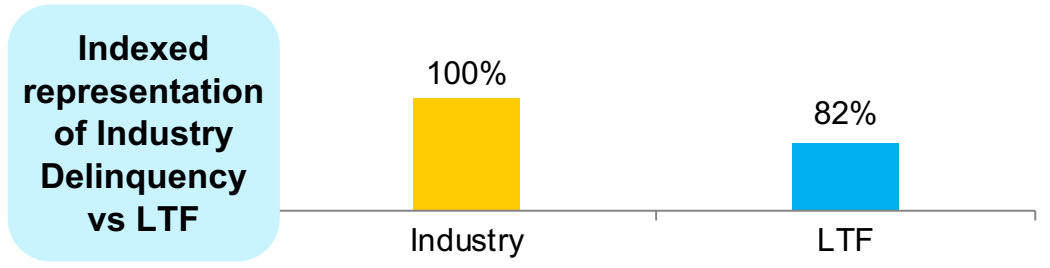


Two Wheeler Finance



Period	Jun23	Sep23	Dec23	Mar24	Jun24
Prime customer share (% of disb.)	37%	37%	41%	50%	52%

Optimum LTV and margin levels



Delinquency levels significantly better than industry average

Focus on garnering prime customers to move towards predictable portfolio performance



Pillar 2: Sharpening Credit Underwriting (6/6)



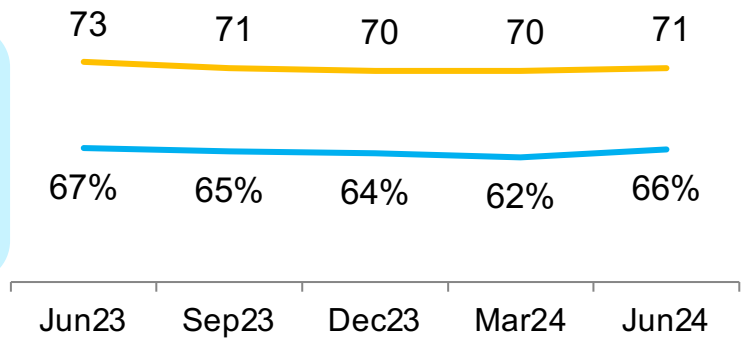
Basis rolling 12-month sourcing cohorts

Home Loans

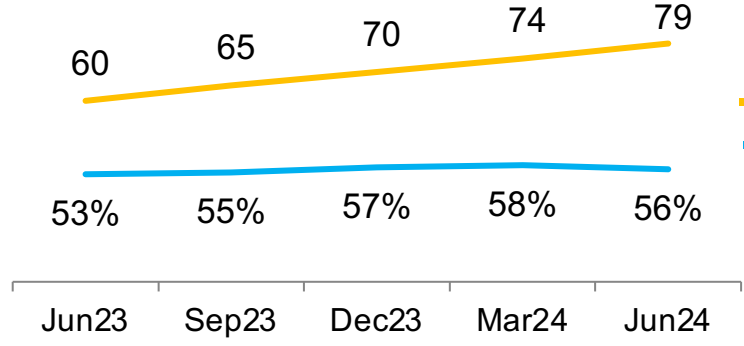


LAP

ATS
(₹ in lacs)
&
LTV %

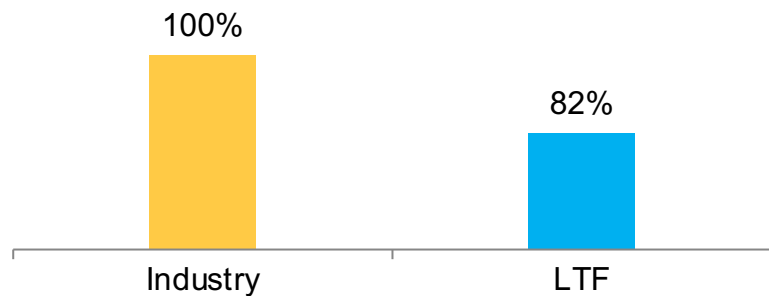


ATS
(₹ in lacs)
&
LTV %

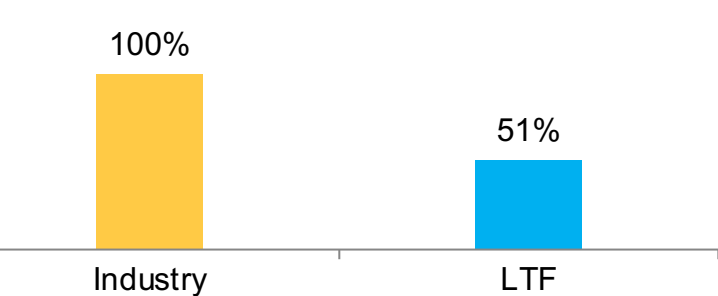


Optimum LTV and margin levels

Indexed representation of Industry Delinquency vs LTF



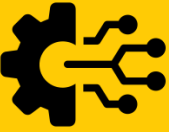
Indexed representation of Industry Delinquency vs LTF



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 Apr'23-Mar'24 for last 12 mth disbursements over Apr'22-Mar'23 period
Source: Transunion CIBIL



Pillar 3: Implementing Futuristic Digital Architecture



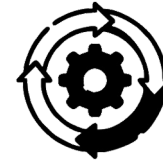
Customer Experience Design

- Launch of PLANET 2.0 for enhanced customer experience
- Launch of DIY home loan journey for sourcing through open market
- Revamp of RBF sourcing journey for user friendly experience



Application & Process Engineering

- Customized journey for partnerships across businesses
- Implementation of account aggregator in journeys for better transaction data
- DSA channel for sourcing of Personal Loans launched



Robust IT Infrastructure

- One Click DR Automation (Phase II) - To setup individual DR Live Automation for all the Business-Critical Applications
- Technology Operational Support Resilience – IT Operations Resilience through creation of Crisis Mitigation Strategy, development of Continuity Plan & establishment of IT BCP Site



Infosec

- Certification - ISO 22301: Business Continuity Standard Practices
- System Driven IT Governance Process as per RBI Master direction for Information Technology



Pillar 4: Heightened Brand Visibility



LAUNCHED THE COMPLETE HOME LOAN

Differentiating features

Home Décor Finance

Digitised Process

Dedicated Relationship Manager



Multi-channel Engagement



Kantar Brand Lift Study Survey shows increase in online ad awareness by 14%

TV



Achieved 79% reach



Outdoor



Achieved 35% reach



Social Media



Reach 34 Mn Users



Camps conducted with marquee builder channel of HL sourcing

Over 1,10,000 business leads generated in Home Finance, expect business impact to be visible in the next few quarters



Pillar 5: Capability Building



Strengthening the Risk and Compliance culture

Continue to invest in capability building with clear focus on productivity enhancement

3-Tier Compliance structure reporting to Chief Compliance Officer



Separate central compliance testing team for continuous monitoring

Robust oversight mechanism with Compliance first approach

High Performance Culture

Great Place to Work® survey conducted in Q1 feedback from 21,000+ employees



The Great Place to Work® certification is a testament to our commitment to building a high performance, high trust culture



Business Update

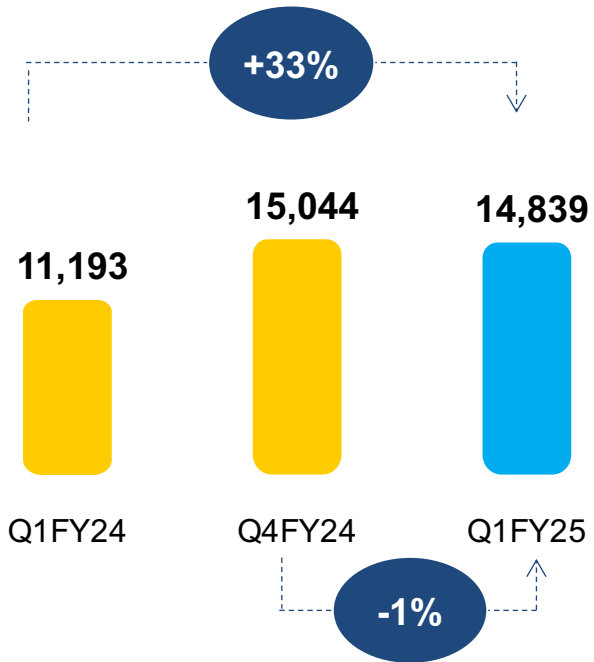


Retail disbursement growth of 33% YoY

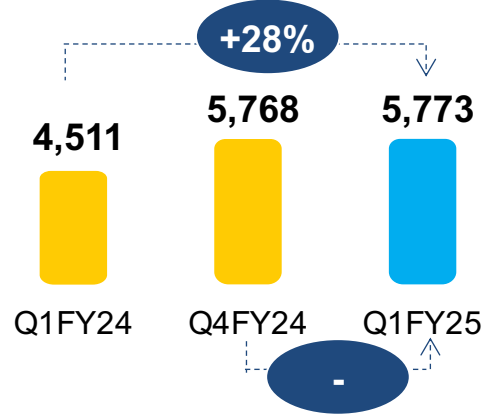


₹ in Cr

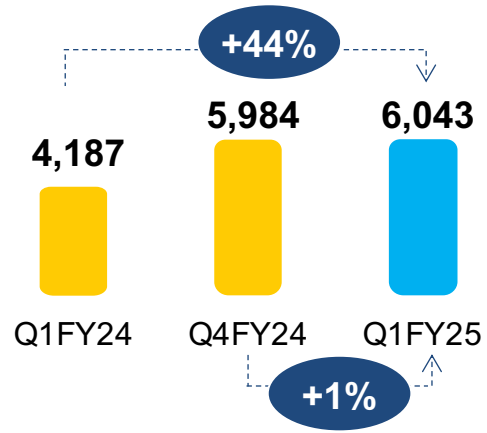
RETAIL FINANCE



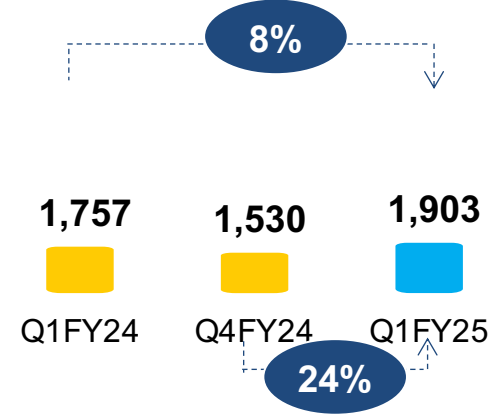
Rural Business Finance



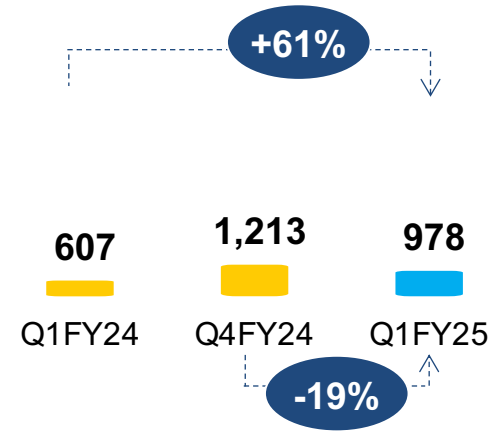
Urban Finance



Farmer Finance



SME Finance



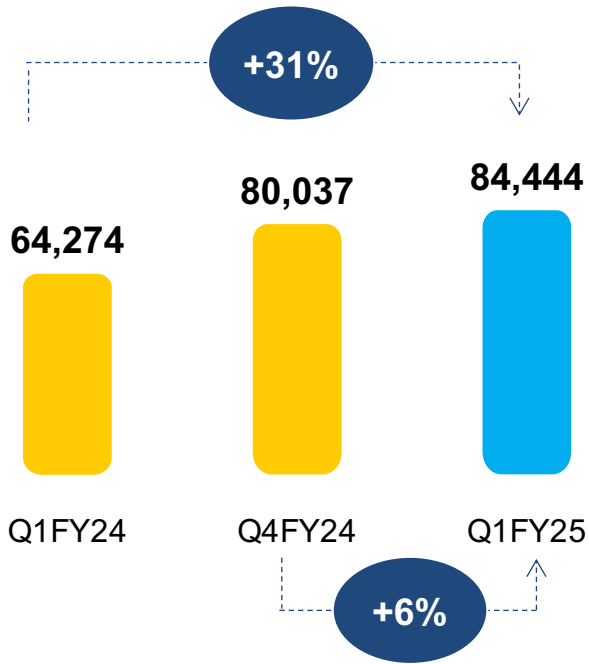
Q1FY25 Retail disbursements mirrored Q4FY24 momentum

Retail book growth of 31% YoY

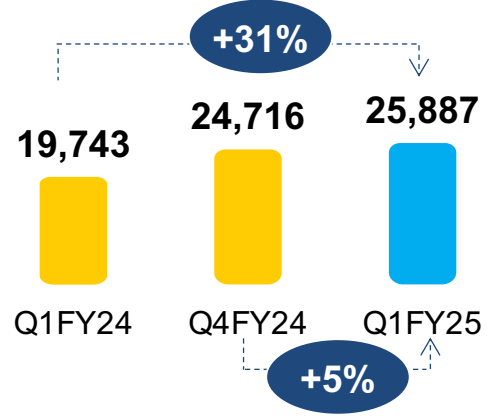


₹ in Cr

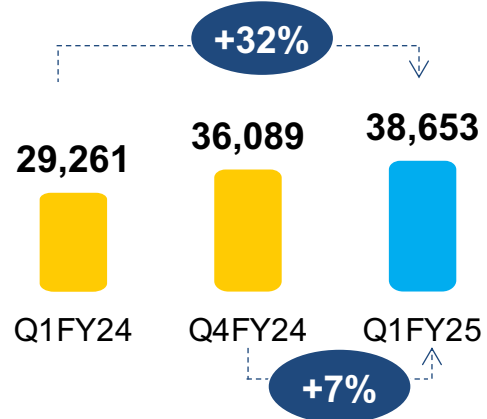
RETAIL FINANCE



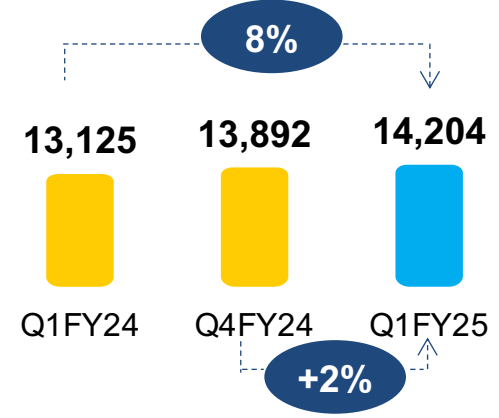
Rural Business Finance



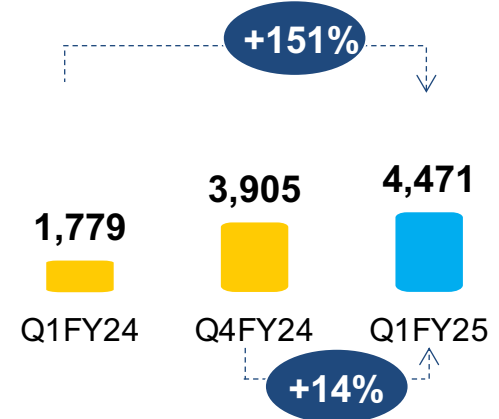
Urban Finance



Farmer Finance



SME Finance



Strong business growth led by 2W Finance, Home Loans & LAP and Rural Group Loans & MFI

Collection Efficiency (1/2)

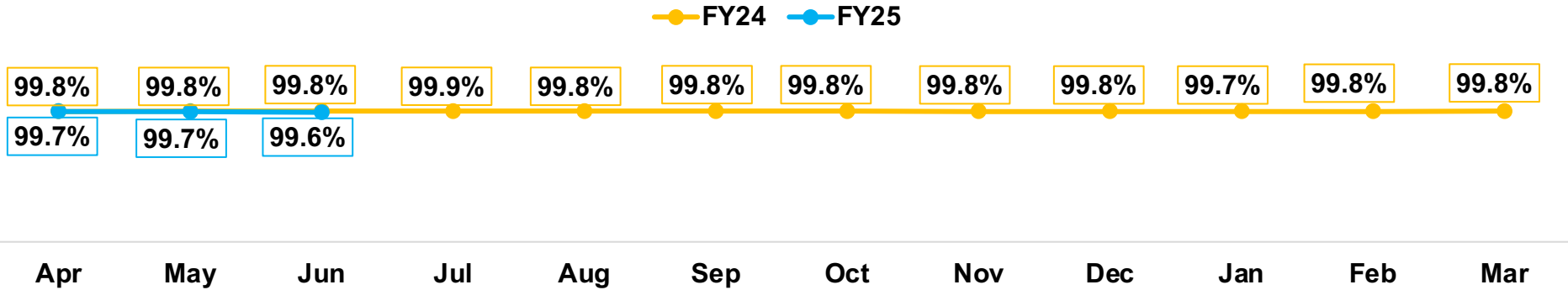


RURAL



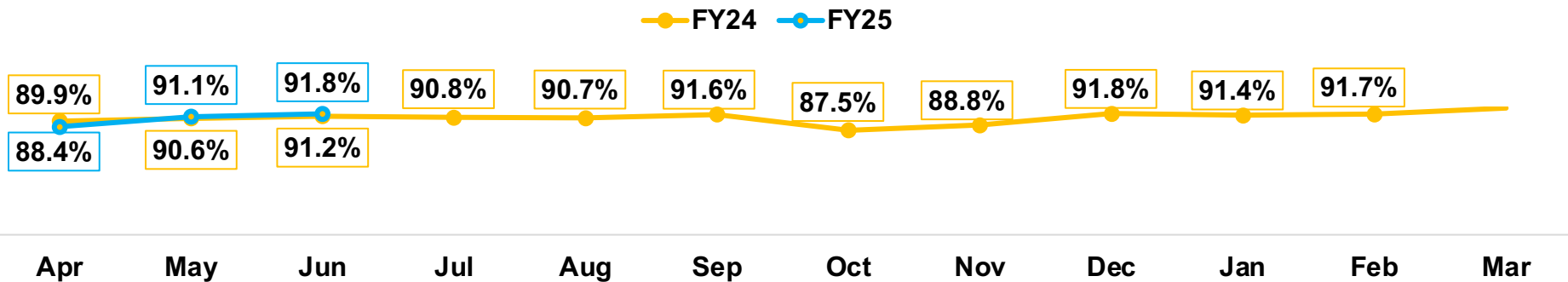
RURAL GROUP LOANS & MICRO FINANCE (JLG)

RURAL BUSINESS FINANCE



FARM EQUIPMENT FINANCE

FARMER FINANCE



Robust Collection Efficiencies sustained over time

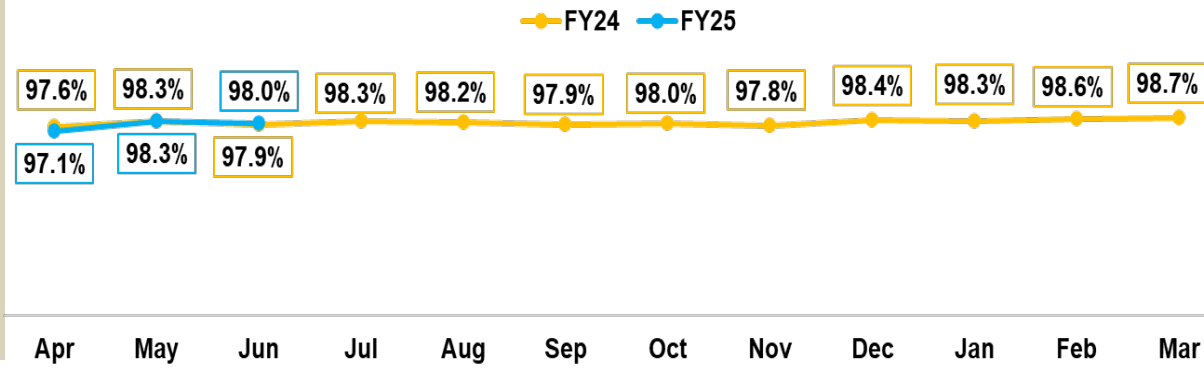
Collection Efficiency (2/2)

URBAN

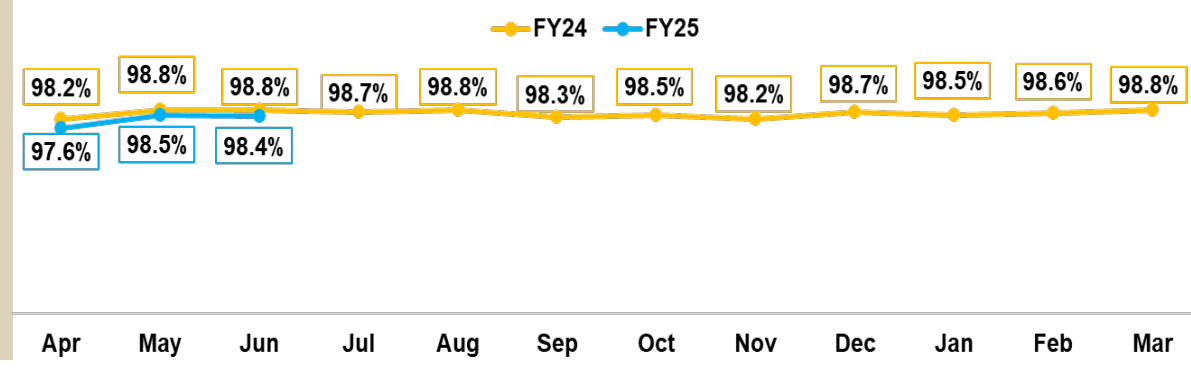


URBAN FINANCE

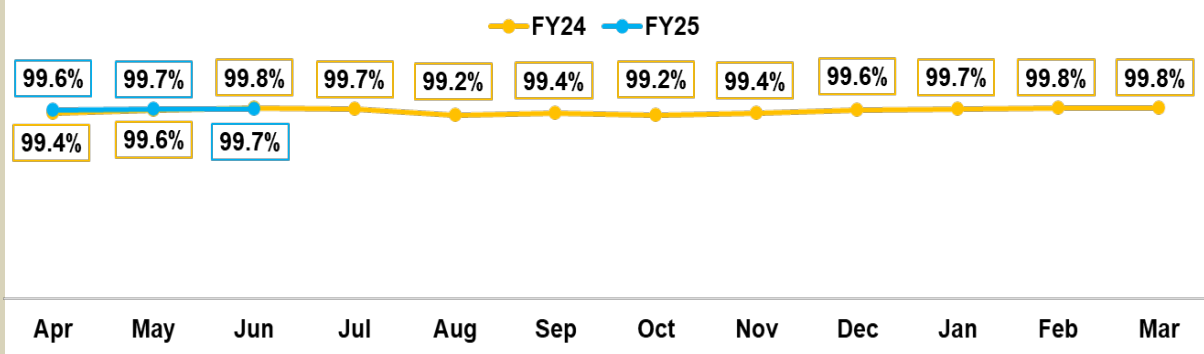
TWO WHEELER FINANCE



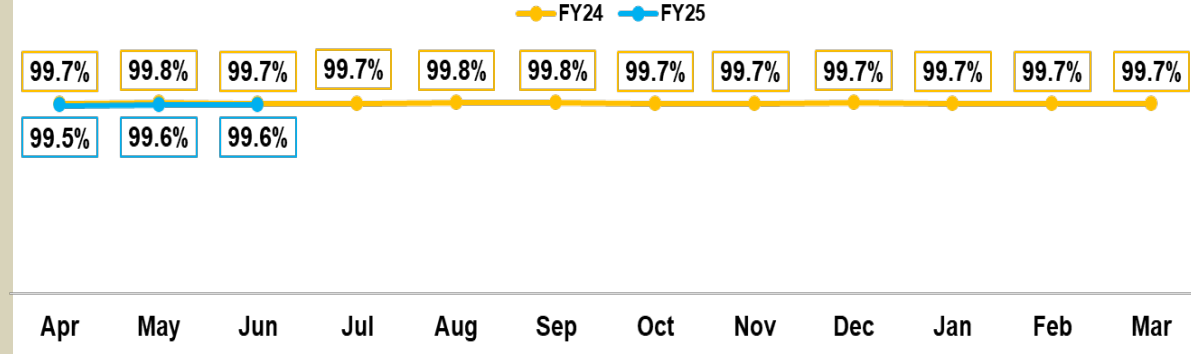
PERSONAL LOANS



HOME LOANS & LAP



SME FINANCE



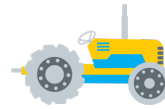
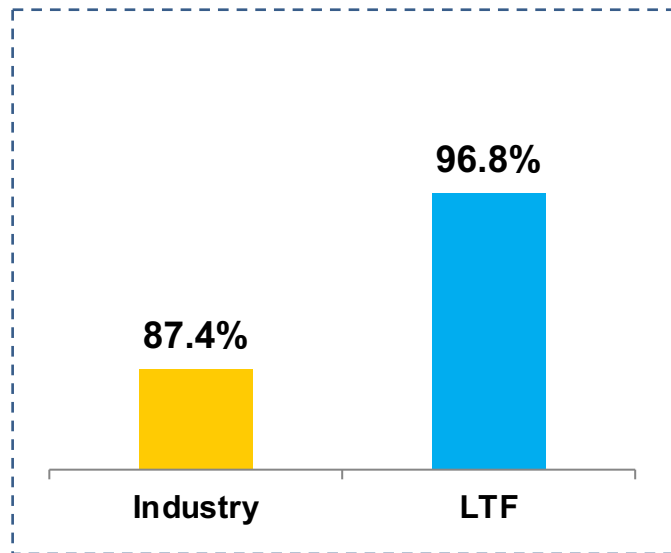
Robust Collection Efficiencies sustained over time

Retail Asset Quality (1/3)

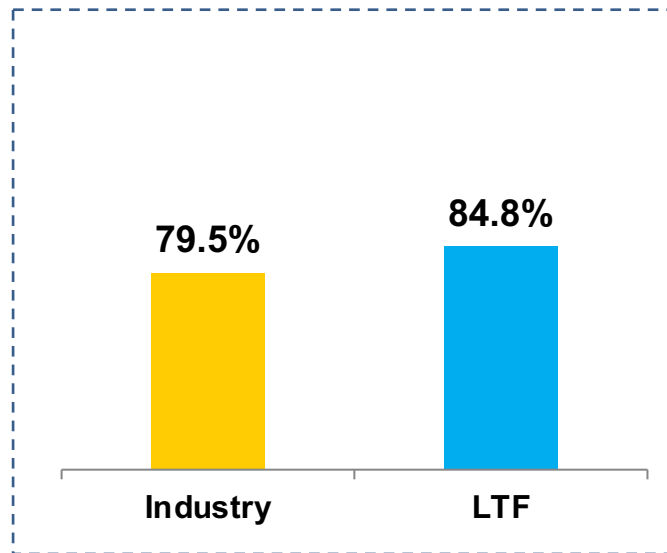
'0 DPD' for our 3 fulcrum products



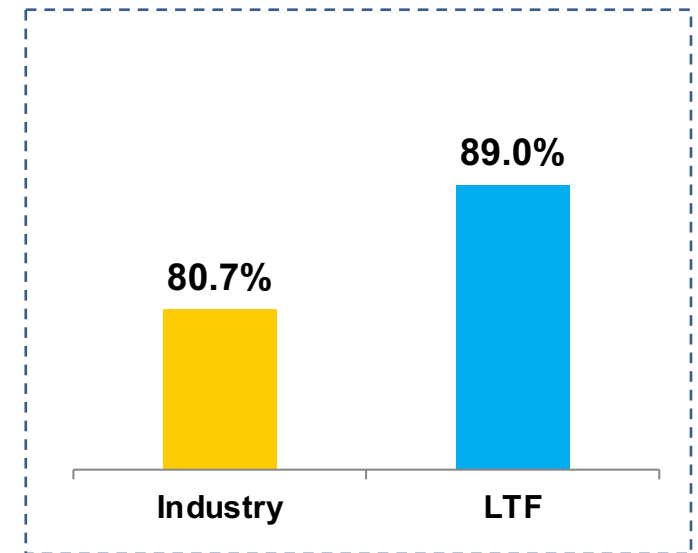
RURAL GROUP LOANS & MICRO FINANCE (JLG)



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)	Q1FY24	Q1FY24 (% of Total)	Q4FY24	Q4FY24 (% of Total)	Q1FY25	Q1FY25 (% of Total)
	Stage 1	60,480	94.10%	75,863	94.79%	80,065	94.81%
	Stage 2	1,731	2.69%	1,903	2.38%	2,024	2.40%
	Stage 3	2,063	3.21%	2,271	2.84%	2,355	2.79%
	Total	64,274	100%	80,037	100%	84,444	100%

P R O V I S I O N	Stage wise (in ₹ Cr)	Q1FY24	Q1FY24 (% PCR)	Q4FY24	Q4FY24 (% PCR)	Q1FY25	Q1FY25 (% PCR)
	Stage 1	381	0.63%	437	0.58%	440	0.55%
	Stage 2*	1,254	72.43%	1,308	68.77%	1,354	66.91%
	Stage 3	1,626	78.81%	1,786	78.66%	1,845	78.32%
	Total	3,261	5.07%	3,531	4.41%	3,639	4.31%

N E T A S S E T S	Stage wise (in ₹ Cr)	Q1FY24	Q1FY24 (% of Net Assets)	Q4FY24	Q4FY24 (% of Net Assets)	Q1FY25	Q1FY25 (% of Net Assets)
	Stage 1	60,099	94.06%	75,426	94.76%	79,625	94.79%
	Stage 2	477	0.76%	594	0.75%	670	0.81%
	Stage 3	437	0.70%	485	0.62%	511	0.62%

*Stage 2 provisions include Macroprudential provisions

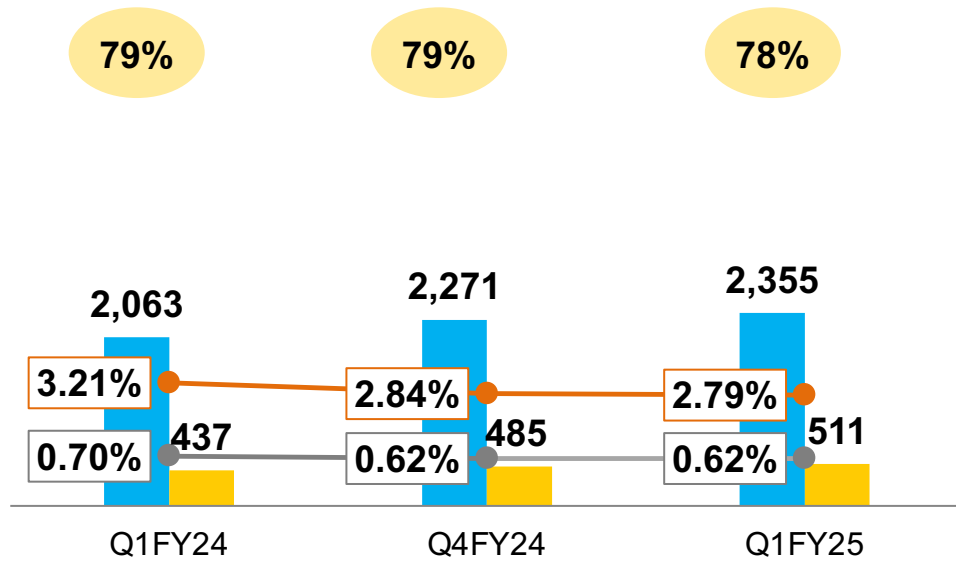
Stage wise book and corresponding provisions is based on customer dpd

Retail and Consol Asset Quality (3/3)

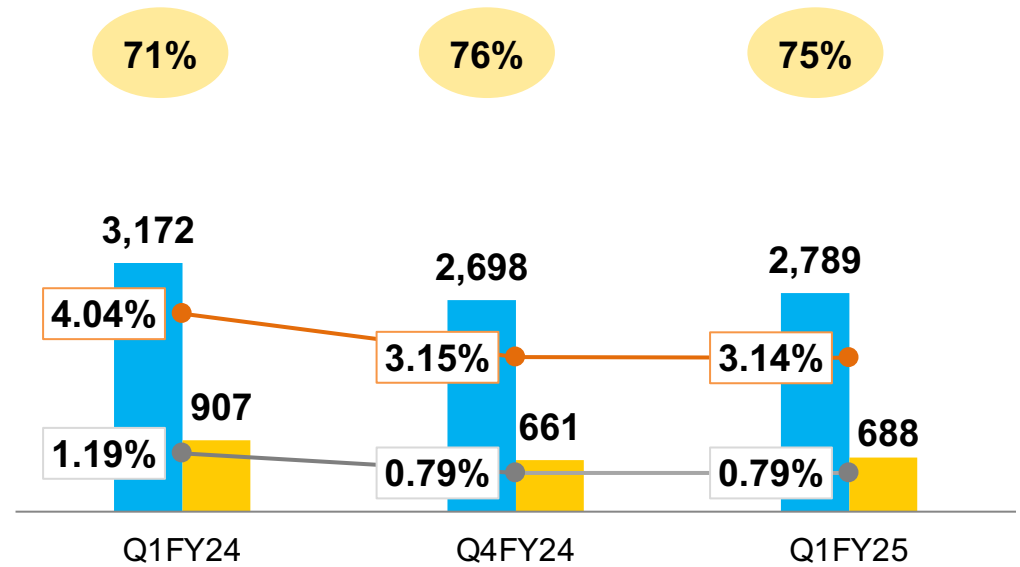
Retail and Consol GS3



RETAIL - ASSET QUALITY



CONSOLIDATED – ASSET QUALITY



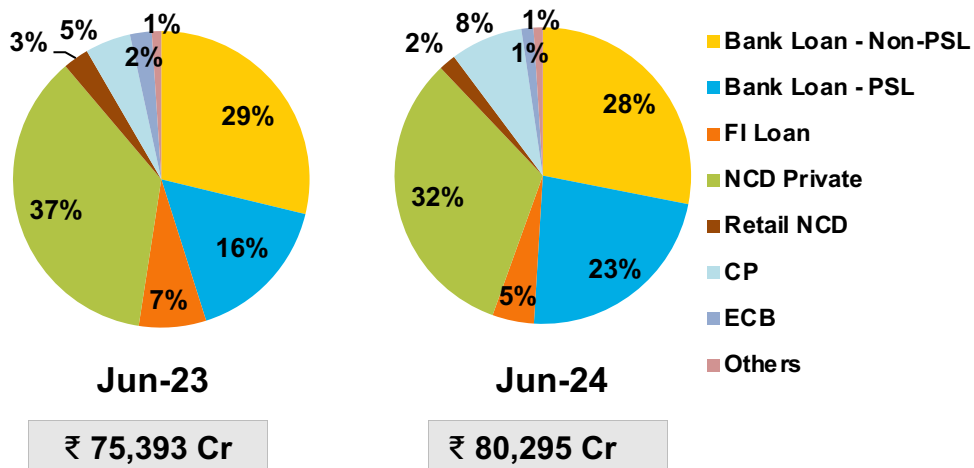
■ GS3 (₹ Cr)
 ■ NS3 (₹ Cr)
 ● GS3 (%)
 ● NS3 (%)
 PCR (%)

Continuous improvement in Consolidated GS3 and NS3

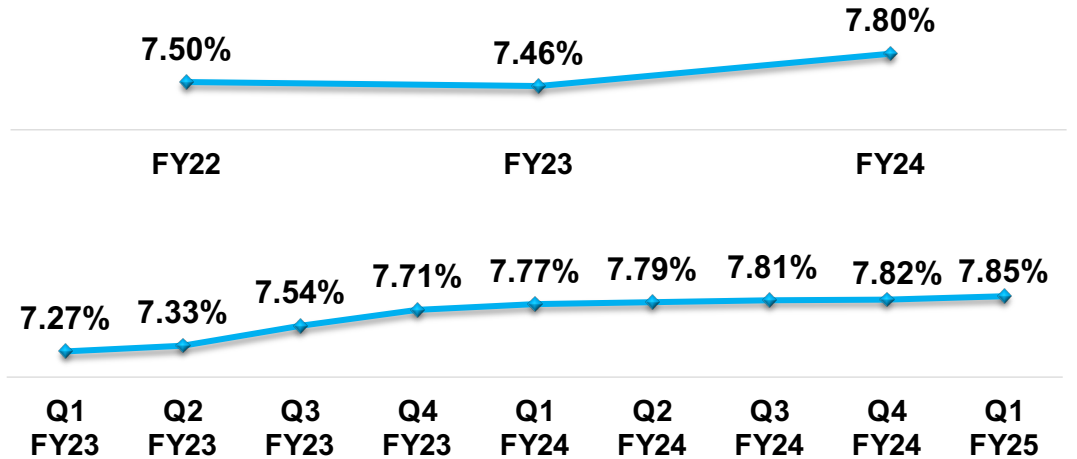
Proactive Asset Liability Management

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 Priority Sector
Bank Loans (mix increased
from 16% to 23% YoY)

Diversified liability mix has enabled to contain increase in quarterly WACB at 3 bps (QoQ) to 7.85% in Q1FY25



Annexures

Index of Annexures



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

L&T Finance Pedigree & Position



**Part of illustrious
L&T group**



**Upper Layer NBFC
as per RBI classification**



**Amongst
Top Retail NBFCs**



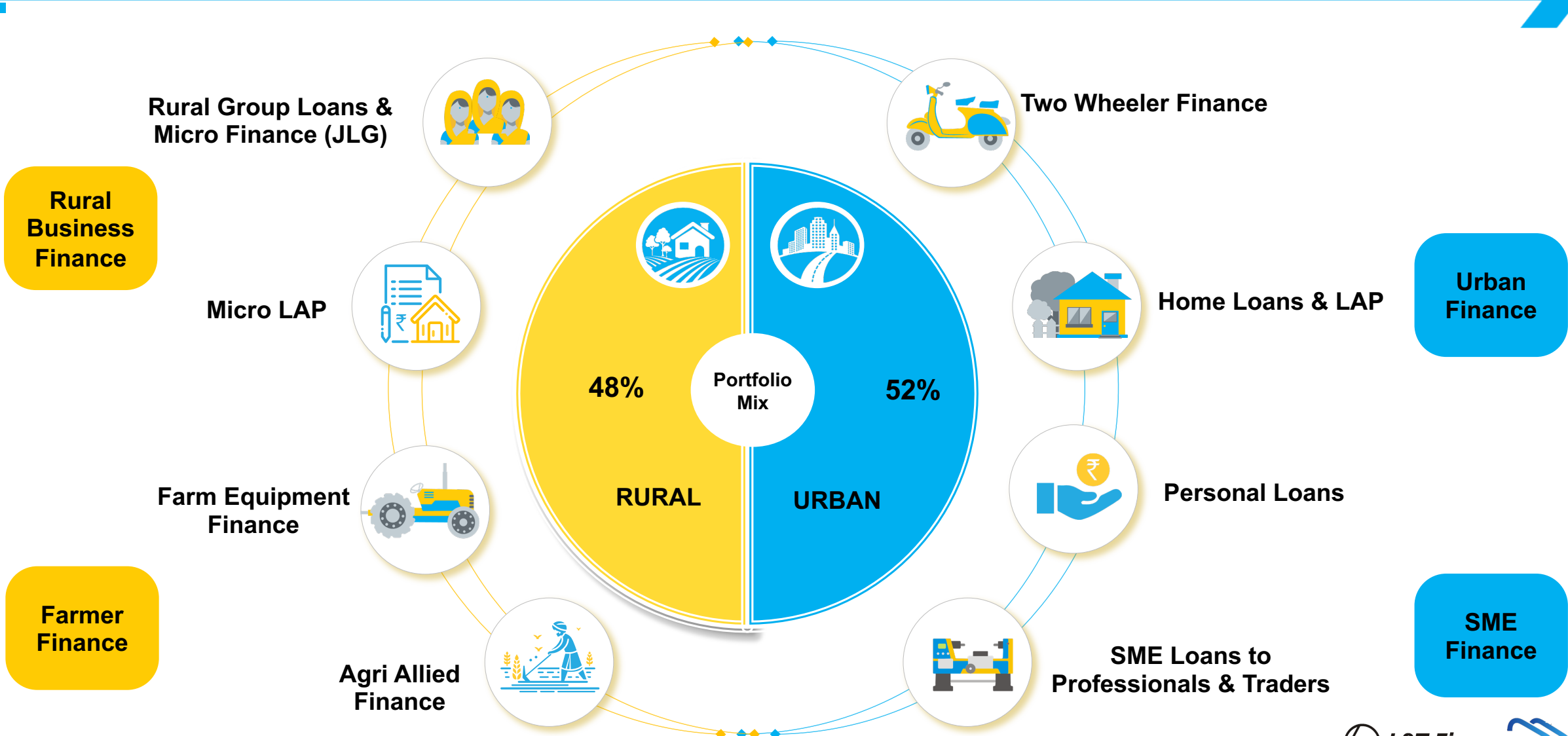
**Highest Credit
Rating – 'AAA'**



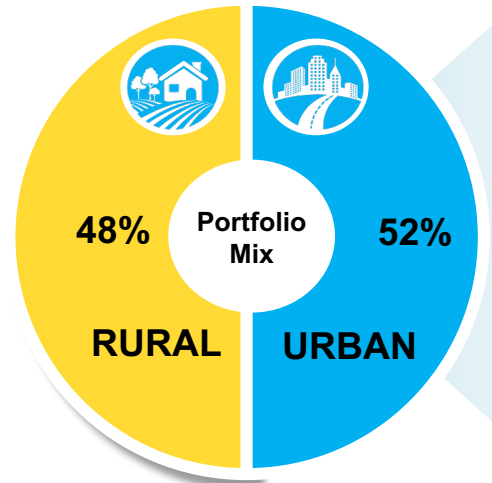
**Top Notch
ESG Ratings**

Built on the foundation of Trust & Commitment

Retail Businesses



Retail Franchise & Right to Win



₹ 84,000 Cr+
Retail Book

DIVERSIFIED RETAIL NBFC

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

Leveraging 2.4 Cr customer franchise for cross sell

13,500+ Distribution touch points

1 Cr+ downloads
Optimised Digital Service & Distribution delivery platform

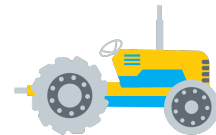
Leading to Leadership in 3 fulcrum products



Rural Group Loans & Micro Finance (JLG)



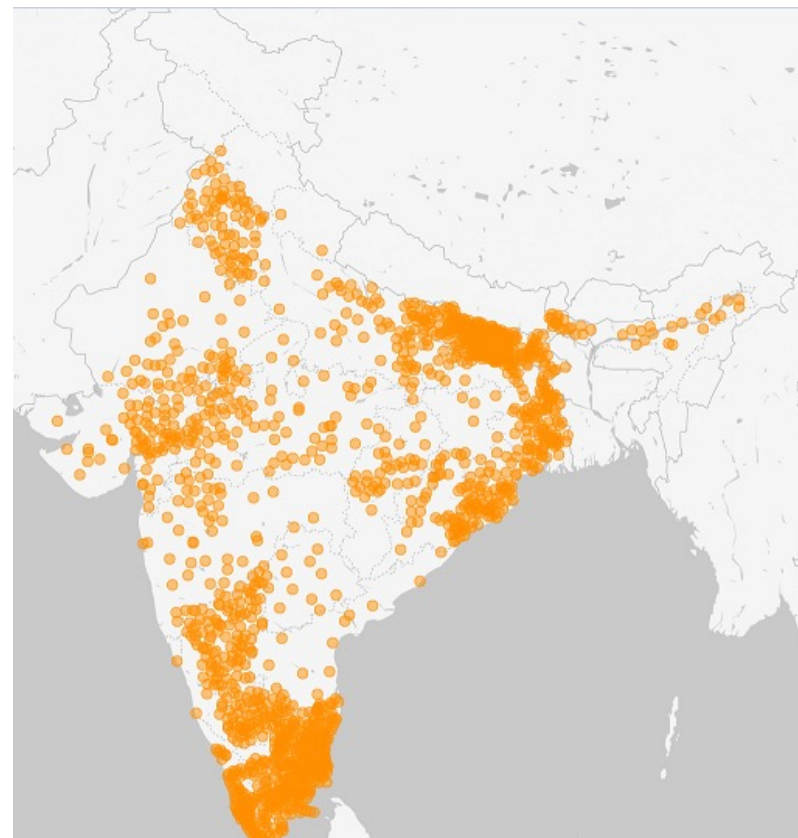
Two Wheeler Finance



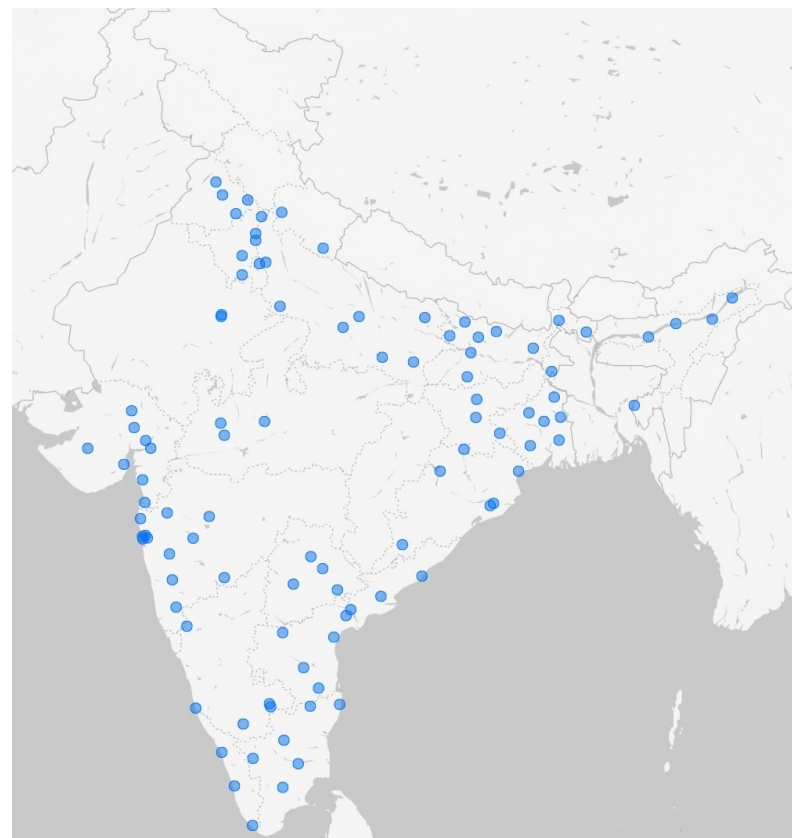
Farm Equipment Finance

Retail Digital Franchise built over 15 years

Granular and extensive distribution network



LTF Rural Network



LTF Urban Network

State	Rural Branches	Urban Branches
Madhya Pradesh	97	11
Maharashtra	27	18
Uttar Pradesh	123	10
Gujarat	76	11
Karnataka	231	12
West Bengal	118	12
Andhra Pradesh	1	11
Telangana	29	8
Haryana	40	8
Rajasthan	62	7
Bihar	380	8
Punjab	44	5
Odisha	124	6
Tamil Nadu	393	7
Kerala	92	3
Others	46	16
Pan India	1,883*	153

Total Branch Count: 208 (Rural – 55, Urban – 153)

*Rural Branches comprise of Rural Group Loans & Micro Finance meeting centres (1,828) and dedicated Farmer Finance branches (55)

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

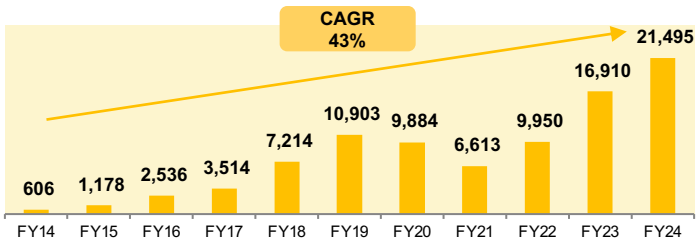
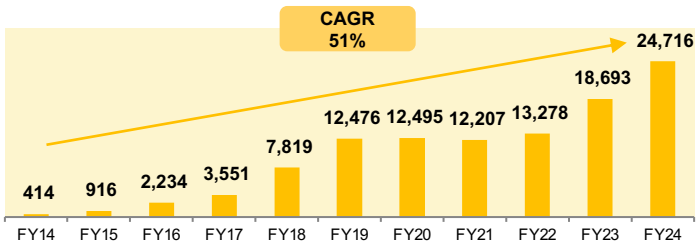
Rural Group Loans and Micro Finance (JLG) - amongst the Leading Financiers



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, 1,800+ 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 @ 99.7%
- 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 ~ ₹ 39,200 /-



Excellent Asset Quality

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

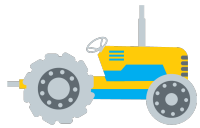


Created strong risk guardrails

- 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)

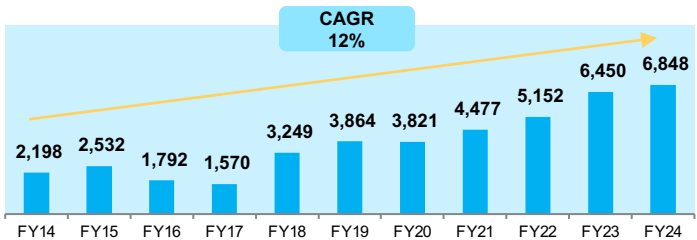
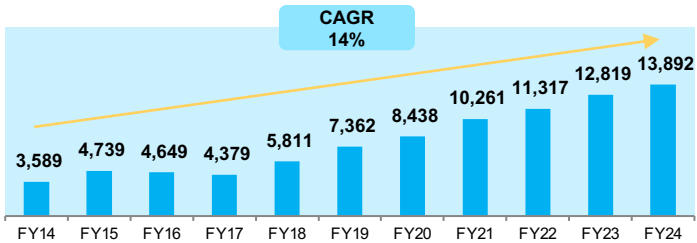
Farm Equipment Finance – amongst the Leading Financiers



Farm Equipment Finance

19+ 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 @ 91.8%
- 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)

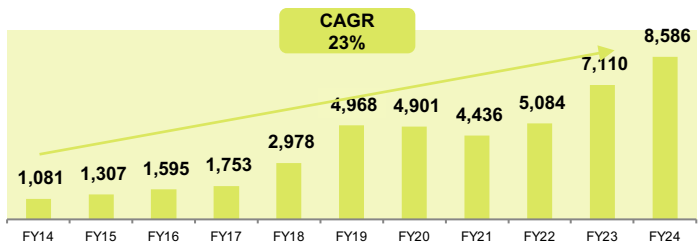
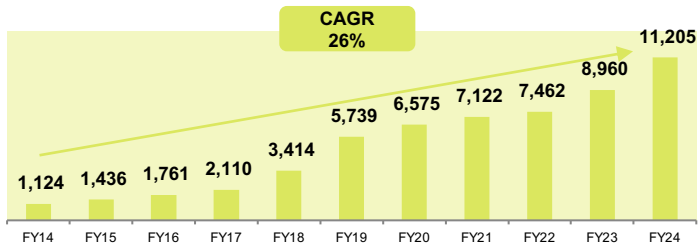
Two Wheeler Finance - amongst the Leading Financiers



Two Wheeler Finance

10+ years of Vintage

75 Lac+ customers serviced in urban India



Well diversified footprint

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



Dealer / OEM Relationship

- 11,000+ 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 @ 98.0%
- Straight through processing



Created strong risk guardrails

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

Index of Annexures



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

Lending Business – Business wise disbursement split



Disbursement				
Q1FY24	Particulars (Rs Cr)	Q4FY24	Q1FY25	Y-o-Y (%)
	Farmer Finance			
1,757	Farm Equipment Finance	1,530	1,903	8%
	Rural Business Finance			
4,240	Rural Group Loans (JLG)	5,639	5,659	28%
271	Micro Finance (JLG)	129	114	
	Urban Finance			
1,726	Two wheeler Finance	2,502	2,621	52%
1,162	Personal Loans	968	1,178	1%
1,072	Home Loans	1,823	1,656	55%
227	LAP	690	588	-
607	SME Finance	1,213	978	61%
130	Acquired Portfolio	549	141	9%
11,193	Retail Finance	15,044	14,839	33%
1,040	Infrastructure Finance	320	175	(83%)
132	Real Estate Finance	3	4	(97%)
1,172	Wholesale Finance	323	179	(85%)
12,365	Total Disbursement	15,366	15,019	21%

Lending Business – Business wise book split



		Book		
Q1FY24	Segments (₹ Cr)	Q4FY24	Q1FY25	Y-o-Y (%)
	Farmer Finance			
13,125	Farm Equipment Finance	13,892	14,204	8%
	Rural Business Finance			
19,743	Rural Group Loans & Micro Finance Loans	24,716	25,887	31%
	Urban Finance			
9,190	Two Wheeler Finance	11,205	12,025	31%
5,995	Personal Loans	6,440	6,667	11%
11,274	Home Loans	14,550	15,690	39%
2,801	LAP	3,893	4,272	53%
1,779	SME Finance	3,905	4,471	-
367	Acquired Portfolio	1,435	1,229	-
64,274	Retail Finance	80,037	84,444	31%
4,096	Real Estate Finance	2,337	2,310	(44%)
9,939	Infrastructure Finance	3,191	1,963	(80%)
14,035	Wholesale Finance	5,528	4,273	(70%)
78,309	Focused Business	85,565	88,717	13%
257	De-focused	-	-	(100%)
78,566	Total Book	85,565	88,717	13%

LTF Consolidated – Summary financial performance (1/2)



Performance Summary					
Q1FY24	Summary P&L (₹ Cr)	Q4FY24	Q1FY25	Y-o-Y (%)	
3,008	Interest Income	3,244	3,371	12%	
1,364	Interest Expense	1,335	1,351	(1%)	
1,644	NIM	1,909	2,020	23%	
323	Fee & Other Income	441	383	19%	
1,967	Total Income	2,350	2,403	22%	
778	Operating Expense	980	966	24%	
1,189	Pre-provision Operating Profit	1,370	1,438	21%	
475	Credit Cost	500	515	8%	
714	PBT (Before Exceptional / One-off Items)	870	923	29%	
-	Additional Prudential provision on SRs at portfolio level	175	-	-	
714	PBT (After Exceptional / One-off Items)	695	923	29%	
531	PAT	554	686	29%	

LTF Consolidated – Summary financial performance (2/2)



Performance Summary				
Q1FY24	Particulars (₹ Cr)	Q4FY24	Q1FY25	Y-o-Y(%)
78,566	Closing Book	85,565	88,717	13%
82,059	Average Book	84,014	87,002	6%
22,072	Networth	23,438	23,529	7%
89.0	Book Value per share (₹)	94.2	94.5	6%
2.1	Basic Earning per share (₹)	2.2	2.8	29%

LTF Consolidated – Key ratios



Key Ratios				
Q1FY24	Key Ratios	Q4FY24	Q1FY25	
14.74%	Yield	15.53%	15.54%	
8.06%	Net Interest Margin	9.14%	9.31%	
1.58%	Fee & Other Income	2.11%	1.77%	
9.64%	NIM + Fee & Other Income	11.25%	11.08%	
3.81%	Operating Expenses	4.69%	4.45%	
5.83%	Pre-provision Operating Profit	6.56%	6.63%	
2.33%	Credit Cost	2.39%	2.37%	
2.13%	Return on Assets	2.19%	2.68%	
3.42	Debt / Equity (Closing)	3.27	3.41	
3.50	Debt / Equity (Average)	3.22	3.21	
9.72%	Return on Equity	9.53%	11.58%	
Particulars		Tier I	Tier II	CRAR
Consolidated CRAR ratio		20.37%	1.73%	22.10%

Index of Annexures



- 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

App as a powerful digital channel for customer

PLANET App Features



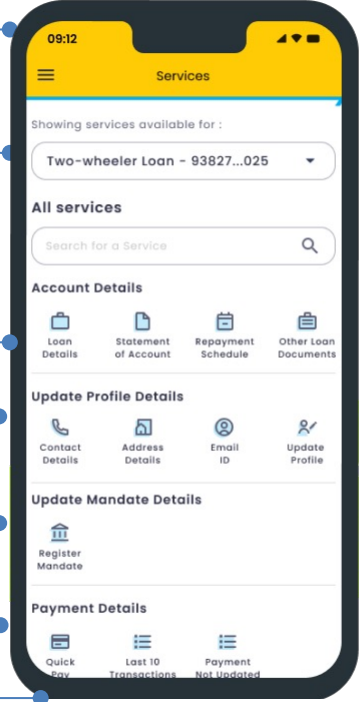
OUR 'PLANET' APP FEATURES

(Launched in March 2022)

✔ Completed ⚪ In Progress

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
- ✔ Multi Bureau Credit Score
- ✔ EMI calculator
- ✔ ITR filing

Autonomous journeys

- ✔ D2C journey:
 - Personal Loans
 - 2W Loans
 - Rural Group Loans & Micro Finance
 - Farm Equipment (Top up) & Agri-allied
 - Home Loan
 - SME

- ⚪ Rewards & Referrals
- ⚪ Utility Payments
- ⚪ Income Expense Tracker
- ⚪ LAP OD

Developing digital finance delivery as a customer value proposition



₹ 1,700 Cr+
Collections



₹ 7,000 Cr
Sourcing



265 Lac+
Servicing Experience



12 Lac+
Rural Customers

₹ in Cr



Q1 FY23

Q2 FY23

Q3 FY23

Q4 FY23

Q1 FY24

Q2 FY24

Q3 FY24

Q4 FY24

Q1 FY25

SOURCING

--

127

843

630

1,168

1,175

715

1,126

1,024

COLLECTIONS

3

28

63

104

132

191

296

369

529

SERVICING (%)

10%

29%

38%

42%

47%

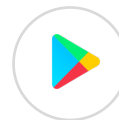
47%

67%

75%

82%

1,07,00,000+ Downloads



102,26,130 Downloads 4.4 ★★★★★



5,38,282 Downloads 4.2 ★★★★★

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

PLANET App: Service Measurement Metrics upto Q1FY25 Update

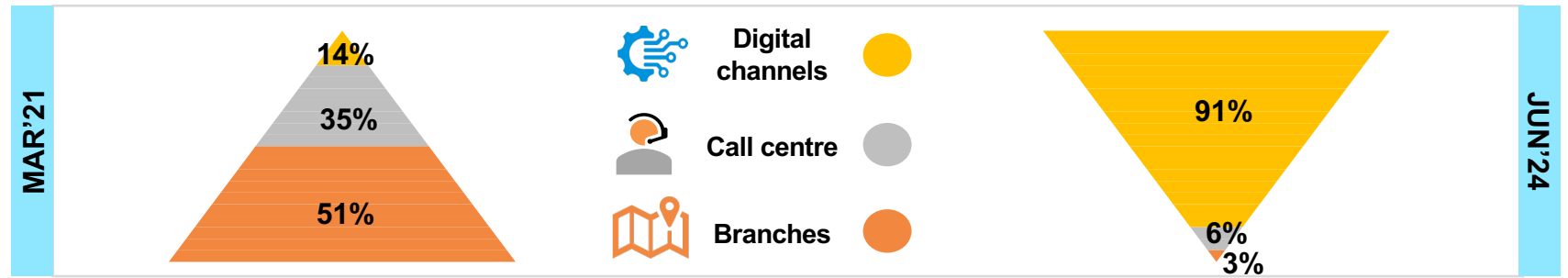
Count in lacs



	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	
SERVICING RESOLUTION	1.5	7.4	14.4	18.6	21.5	26.0	41.4	85.8	90.4	
Mainly includes:										
SOA Downloads	0.9	4.3	7.5	9.3	8.9	9.4	10.9	9.5	9.2	
Repayment Schedule	0.6	2.9	5.8	6.0	6.0	7.6	6.6	6.6	6.9	
Payments	0.1	0.6	1.6	2.7	3.2	4.0	5.0	5.3	6.3	
Statutory Kits (Welcome, NOC etc)	-	0.1	0.3	0.9	2.6	4.3	8.5	64.4	74.2	
Credit Score	-	1.8	4.8	6.1	5.5	6.4	5.8	3.8	3.8	

Servicing channels
(% of interactions across channels)

Inverting the Servicing Pyramid



- Digital channels
- Call centre
- Branches

Developing digital finance delivery as a customer value proposition



Digital delivery: Touching every part of the customer ecosystem



100%

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



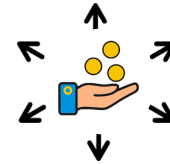
100%

Digital Disbursements (Rural + Urban)



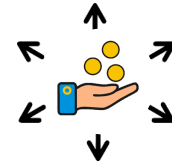
97%

eNach Penetration (Urban)



28%

Digital Collections (Rural)



95%

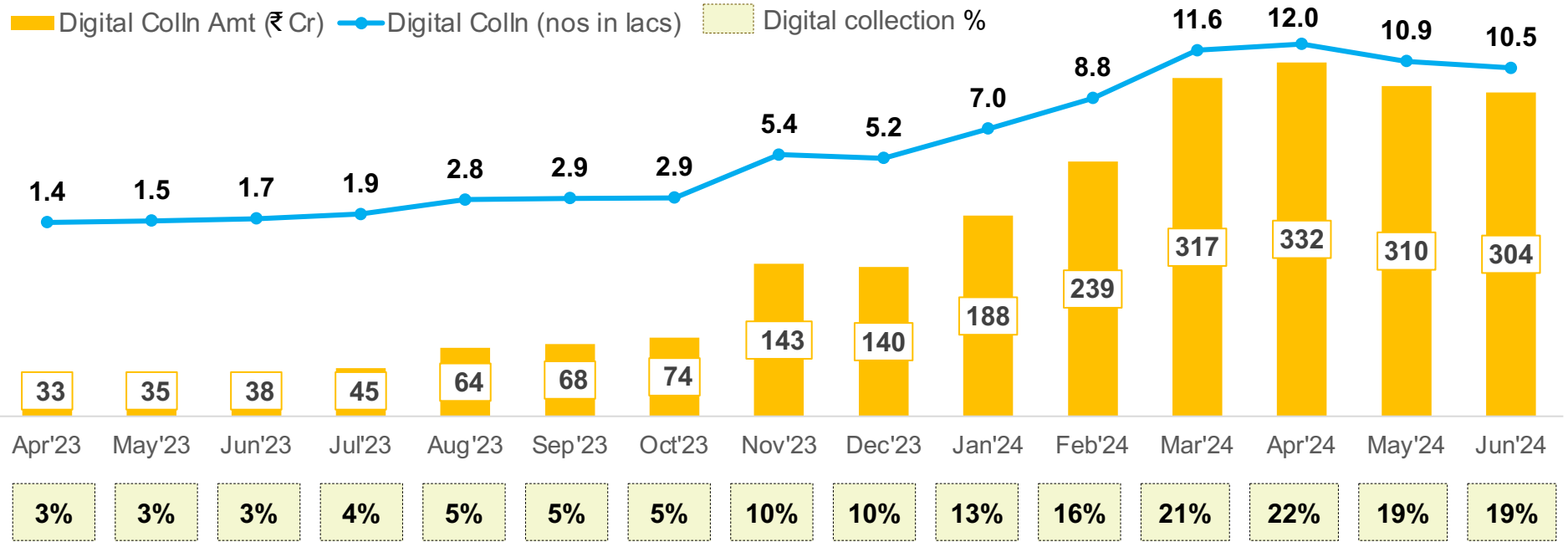
Digital Collections (Urban)

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

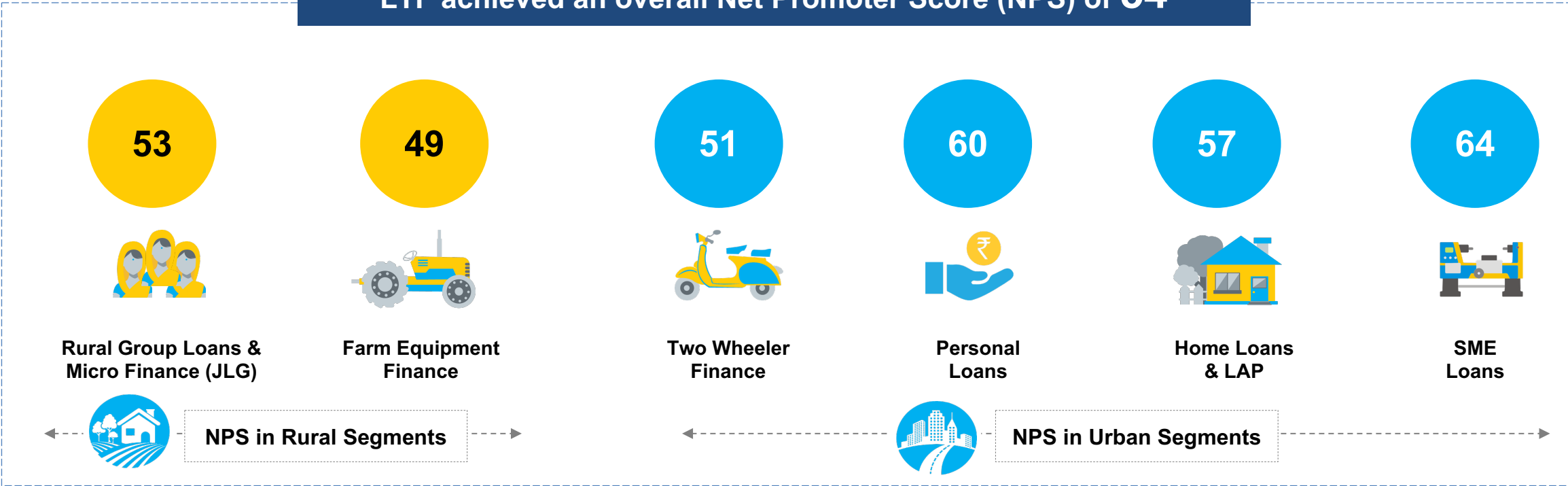


Net Promoter Score

Investing in enriching customer experience to build brand loyalty



LTF achieved an overall Net Promoter Score (NPS) of **54**



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 April-June 2024

Index of Annexures



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

PLANET and Digital Update

Asset Liability Management & Credit Ratings

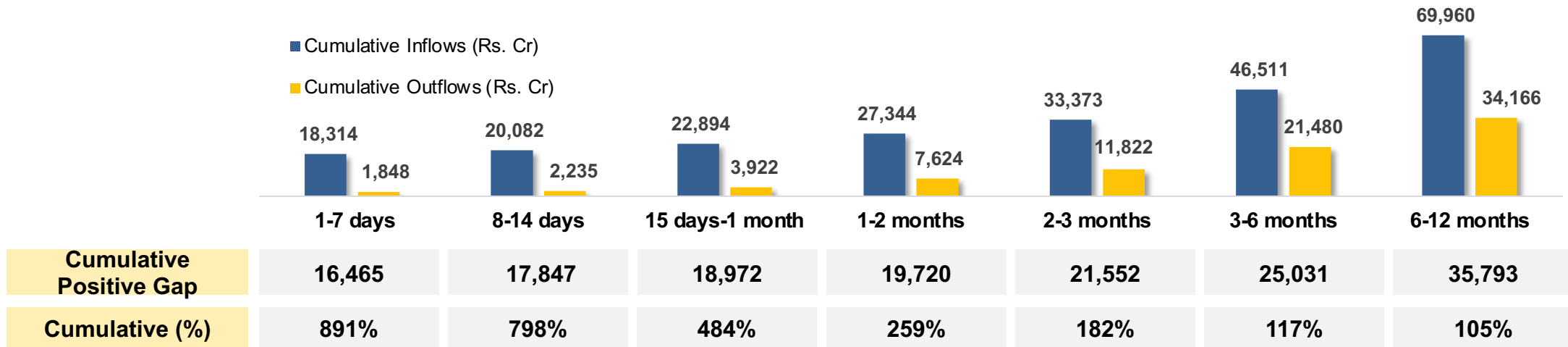
Sustainability (ESG & CSR)

Board and Senior Management

Prudent ALM - as on June 2024



Structural Liquidity statement



Interest Rate sensitivity statement

1 year Gap	₹. Cr
Re-priceable assets	62,203
Re-priceable liabilities	51,473
Positive	10,730

Continue to maintain cumulative positive liquidity gaps

AAA credit rating: ratings update & rationale



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

Index of Annexures



- 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

L&T Finance – Businesses aligned with Sustainability goals




Pan-India
Geo presence


Field force


Channels


Customers


Digital



RURAL : ₹ 40,000 Cr+ Book

1,800+ Branches

Active customers across ~2,00,000 Villages

21,000+ employees hired from Rural India

Rural Group Loans & Micro Finance (JLG)	Micro LAP	Farm Equipment	Agri Allied
Direct	Direct	~2,500 Dealer Partnerships	180+ Accredited Warehouses

WOMEN ENTREPRENEURS **FARMERS**
~1.55 Cr Customers

100% Paperless journey
100% Digital disbursements
28% Digital Collections

Business deeply intertwined with ESG

Reach

Penetrating underserved geographies

Employment Generation

Generating sustainable livelihood

Stakeholder Ecosystem

Promoting rural entrepreneurship

Financing the underbanked & underserved

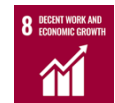
Moving communities from unorganized to organized

Enabling financial inclusion

Seamless Paperless journey

Promoting doorstep banking

SDG Linkage



ESG : Key Achievements (1/2)

Key highlights



Integrated Annual Report FY24



Disclosure of BRSR Core parameters in advance of regulatory deadline



Assurance by Independent 3rd Party



23 sustainability targets adopted (14 new)



Environmental Excellence



Amongst the 1st in BFSI to report financed emissions for select retail portfolio(s)



ISO 14064-2:2019 quantification of the net GHG removals



On track – Carbon Neutrality and Water Positivity targets



Awards & Recognition



Awarded 'Excellence in Diversity & Inclusion and Women Empowerment' by ASSOCHAM



Award presented by Minister for Skill Development Department, Govt of Karnataka



ESG Ratings



A- Leadership Category (Climate Change 2023)

'C' 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'

ESG : Key Achievements (2/2)



Environment

- Emissions avoided (EV financing): ~3,090 **tCO2e**
- Emissions avoided (green power): ~500 **tCO2e**
- ~13,000 kgs of **waste recycled**
- 1,312 kgs of paper **waste recycled** via authorized waste recycler
- Dedicated EV Financing vertical established & **16,509 EVs financed**
- Emission control - **Shuttle bus service** from two main offices in Mumbai to the nearest station

Social

- 1st gamified learning module on **DE&I awareness and sensitization**
- Participation in AON's "**Voice of Women**" survey, one of largest DE&I workplace study in India
- Conducted **Great Place To Work®** survey with active participation of 21,000+ employees
- 10,000+ helmets **distributed to field staff** in Bihar, Tamil Nadu, Uttar Pradesh & West Bengal
- Fire Mock drills conducted at 28 branches followed by **practical training sessions** by external fire marshal agencies
- Net Promoter Score (NPS) deployed for **onboarding and collection** (except for Rural Business Finance) for all products, with a NPS Score of 54

Governance

- **> 50%** Independent Board Members
- **50%** of Independent Directors are women
- All statutory committees chaired by **Independent Board Members** (except as required by law)
- Automated compliance tool - **identifying, assessing, monitoring and managing** compliance requirements
- Sustainability related **KPIs** included for senior management
- **ISO Certifications:**
 - ISO 14064-2:2019 GHG Emission,
 - ISO 26000:2010 Social Responsibility,
 - ISO/IEC 2000:2018 IT-Service Management,
 - ISO/IEC 27000 Infosec Management Technology Service

Corporate Social Responsibility

Social Good, Communities@scale



Digital & Financial Inclusion

- MoUs signed with implementing agencies for extending Digital Sakhi projects in Bihar, Uttar Pradesh and Rajasthan
 - Kushinagar (Uttar Pradesh)
 - Saharsa (Bihar)
 - Chhitorgarh, Rajsamand and Udaipur (Rajasthan)
- 3,00,000+** community members outreached under ongoing Digital Sakhi projects in Karnataka, Kerala, West Bengal, Tamil Nadu, Uttar Pradesh & Bihar.
- Facilitated **5,000+** community members to access and avail benefits of social entitlement & other government schemes **worth Rs. 50+ Crore+**.
- Won ASSOCHAM 5th Edition CSR and Sustainability Awards 2023 in the category of **“Excellence in Diversity & Inclusion and Women Empowerment”**.



Disaster Management

- Relief kits distributed to **500+** families of victims of fire breakout in Darbhanga in Bihar.



Climate Impact Management

- Initiated horticulture plantation of **75,000** saplings under Project Prakruti extended to additional **200+ acres** of land in Tumkur district, Karnataka.
- Jalvaibhav 2.0 initiated in Kolar, Karnataka for undertaking water conservation & management measures benefitting **5,000+** farmers.



Social Inclusion

- Under Road Safety campaign, **3,500+** youth, school children were outreached in Delhi NCR & Mumbai.



Meaningful CSR Impact

Over the past 7 years



States
12

Districts
23

Villages
1800+

Overall Outreach
43 Lakh+



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



40 Lakh+ community outreach through **1,700+** Digital Sakhi(s)



> 90% adoption of digital mode of payments amongst communities



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



Rs. 60 Crore+ social schemes provided to over **2 Lakh** community members



Disaster Management

Disaster Relief | Capacity Building of Water User Groups



2.16 Lakh beneficiaries provided relief during natural catastrophes



5 states covered during disaster relief



280 Lakh KL water harvesting capacity (water positivity ensured)



> 100 Water User Groups (WUGs) trained



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



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



Other Initiatives

Project Prakruti (Plantation) | Health Camps | Road safety



1 Lakh+ community outreach



1.68 Lakh plantation providing avenue for income generation of farmers



>90% survival rate of horticulture & miyawaki plantation



50,000+ students from govt. schools sensitized on road safety behaviour



21,000+ youth sensitized on two-wheeler road safety



200+ health camps provided primary healthcare services to the underprivileged

Index of Annexures



- 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

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.



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 Chairman 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

19 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