

## Press Release

Wednesday, July 26<sup>th</sup>, 2017, Mumbai

### Performance for the quarter ended June 30, 2017

**Consolidated PAT at Rs 309 crore – YoY growth of 49%  
RoE at 13.63% - YoY RoE improvement of 385 bps**

### Result Highlights:

L&T Finance Holdings Ltd (LTFH) declared consolidated profit after tax of Rs. 309 cr. for the quarter ended 30<sup>th</sup> June 2017 (Q1FY18) – a growth of 49% from Rs. 207 cr. in the same quarter of previous year (Q1FY17). RoE improved by 385 bps – 13.63% in Q1FY18 as against 9.78% in Q1FY17

- **Growth in businesses:** In its lending businesses, namely Rural Finance, Housing Finance and Wholesale Finance, LTFH recorded a 22% YoY increase in assets. This has been driven by strong growth in disbursements in all its businesses.

<u>Disbursements</u>	<u>YoY Growth</u>
Rural Finance	65.3%
Housing Finance	118.0%
Wholesale Finance	100.8%
<b>Lending Businesses</b>	<b>96.4%</b>

LTFH also witnessed strong growth in its Investment & Wealth Management businesses. Average Assets under Management (AAUM) in Investment Management business increased from Rs. 28,404 cr. in Q1FY17 to Rs. 44,484 cr. in Q1FY18 – a growth of 57%. Average Assets under Service (AAUS) in Wealth Management business increased from Rs. 9,693 cr. in Q1FY17 to Rs. 16,531 cr. in Q1FY18 – a growth of 71%.

- **Profitability:** LTFH consol PAT for Q1FY18 was Rs. 309 cr. – an impressive growth of 49% over Rs. 207 cr. in Q1FY17. This growth has been achieved after taking accelerated provisions of Rs. 230 cr. over and above regulatory provisions in order to further strengthen its portfolio. For Q1FY18, LTFH delivered 13.63% ROE – highest ever Q1 RoE since listing.
- **Asset Quality:** In line with RBI guidelines, LTFH has proactively moved to recognition of GNPA at 90 days past due (DPD). From Q4FY17 to Q1FY18, GNPA of LTFH has reduced by 18% - from Rs. 4,519 cr. to Rs. 3,698 cr. With improved provision coverage, NNPA% has seen a sharp reduction from 5.02% in Q4FY17 to 3.31% in Q1FY18.

<i>(Rs. Cr.)</i>	Q1FY18	Q4FY17*
Gross NPA	3,698	4,519
Net NPA	2,092	3,118
Gross NPA %	5.71%	7.11%
Net NPA %	3.31%	5.02%
Provision Coverage %	43.43%	31.00%

\*Q4FY17 restated to 90 DPD recognition of GNPA

### **Management Commentary:**

Commenting on the results and financial performance, Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH, said “With unwavering focus on execution, we have delivered in line with our business plan for fifth quarter in a row. Simplification of structure and increased effectiveness of our talent pool have delivered rich results. Also, we have consciously strengthened our balance sheet through adequate provisions and implementation of a robust risk management framework. With increase in profitability supported by a strong balance sheet, I believe that we are now at a juncture, where the strategic roadmap towards a top quartile RoE can be accelerated by “*Growing Fearlessly*”.”

### **About L&T Finance Holdings:**

LTFH is a financial holding company offering a focused range of financial products and services across rural, housing and wholesale finance sectors, as well as mutual fund products and wealth management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd., L&T Housing Finance Ltd., L&T Infrastructure Finance Company Ltd., L&T Investment Management Ltd. and L&T Capital Markets Ltd. LTFH is registered with RBI as a CIC-ND-SI. LTFH is promoted by Larsen & Toubro (L&T), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services