

L&T Finance signs its first financing pact with Asian Development Bank (ADB) for USD 125 million

- *ADB to provide its first loan to the L&T ecosystem in the form of long-term loan of USD 125 Million to L&T Finance*
- *L&T Finance to deploy the funds to support financing in rural and peri-urban areas in India particularly for women borrowers*
- *The funding comprises a loan of up to USD 125 million from ADB, and an agreement to syndicate additional USD 125 million co-financing from other development partners*
- *At least 40 percent of the proceeds is allocated for women borrowers, while the rest will support farmers, micro, small and medium-sized enterprises (MSMEs), as well as loans to purchase new two-wheeled vehicles*
- *For L&T Finance, this long-term loan forms a part of the Company's continuous strategy of diversifying its funding sources*

Mumbai, November 23, 2023: L&T Finance, one of the leading Non-Banking Financial Companies of the country has signed a financing pact with ADB for USD 125 million to support financing in rural and peri-urban areas in India particularly for women borrowers.

The funding comprises a loan of up to USD 125 million from ADB, and an agreement to syndicate additional USD 125 million co-financing from other development partners. At least 40 percent of the proceeds is allocated for women borrowers, while the rest will support farmers, Micro, Small and Medium-sized Enterprises (MSMEs), as well as loans to purchase new two-wheeled vehicles.

Commenting at the signing ceremony, **Mr. Sachinn Joshi, Group Chief Financial Officer, L&T Finance** said, "This collaboration with ADB aligns with our core values of social responsibility. We believe this partnership with ADB is a significant step and will boost our ongoing efforts of bridging the financial gap and promoting inclusive economic growth across the country. For our Company, this long-term loan forms a part of our continuous strategy of diversifying our funding sources. At L&T Finance, we recognise the deep impact that financial inclusion has on the communities we serve in. And, through our on-lending activities in the underserved and lagging states in India, we pursue to be a catalyst for empowering individuals especially the women, farmers and MSMEs thus foster economic resilience."

Despite steady rural economic growth, rural communities face significant barriers accessing financial services. About 70 percent of marginal farmers do not have a bank account, and 87 percent lack access to credit. Women are disproportionately affected, with only 14 percent having access to credit.

Microloans, farm equipment loans, two-wheeled vehicle loans, and MSME loans have been identified as segments with strong growth potential anticipated in the medium term. By focusing on lending in rural and peri-urban areas of lagging states in India, the project is strategically aligned with the goals of India's Ministry of Rural Development.

Ms. Suzanne Gaboury, Director General, Private Sector Operations Department, ADB said, “Rural India, with 65 percent of the country’s population engaged in agriculture, contributes almost half of the national income. This partnership with L&T Finance, which has the capacity to provide credit at scale, allows ADB to support individual livelihoods and small businesses, with a specific focus on reaching women borrowers.”

About L&T Finance Holdings (LTFH):

L&T Finance Holdings Limited (LTFH) (<https://www.ltfh.com>), a leading Non-Banking Financial Company (NBFC), offers a range of financial products and services through its subsidiary L&T Finance Ltd. (LTF) under the L&T Finance brand. 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 is focused on women 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 2.2 crore customer database, and this database is being leveraged to cross-sell, up-sell as well as identify new customers.

