

Press Release

Friday, October 20, 2023, Mumbai

L&T Finance Holdings Ltd. records Profit After Tax (PAT) of Rs. 595 crore (Consolidated) for the second quarter of the financial year 2023-24, up 46 percent Year-on-Year (YoY)

Metamorphosing into a Fintech@Scale by achieving Lakshya 2026 goals ahead of time; PLANET app crosses 60 lakh downloads

- **Achieved highest ever quarterly Retail disbursements at Rs. 13,499 crore, up 32 percent YoY** driven by a robust business model, strong growth across all retail segments coupled with top notch digital and data analytics
- **Retail portfolio mix now stands at 88 percent** of the total loan book; continued to outperform the Lakshya 2026 goal of achieving greater than 80 percent Retailisation
- **Continued with the accelerated reduction in the Wholesale book** with a steep reduction of **76 percent YoY**, which translates to a reduction of Rs. 28,740 crore in line with Lakshya 2026 gaining momentum towards becoming a top-notch, Retail finance Company
- **PLANET app crossed 60 lakh downloads**; powering up with digital technology towards becoming a **Fintech@Scale**
- **Obtained NCLT approvals for the proposed merger of entities; a step closer to creating a single lending entity**

L&T Finance Holdings Ltd. (LTFH), one of the leading Non-Banking Financial Companies (NBFCs), which is accelerating its journey towards becoming a customer-focused, top-class, digitally-enabled Retail NBFC has posted a consolidated PAT of Rs. 595 crore for the second quarter ended September 30, 2023, recording a growth of 46 percent YoY.

The Company has also achieved a Retail loan portfolio mix of 88 percent of the total loan book, which is over the 80 percent Retailisation target set under the Lakshya 2026 goal. The Company has achieved most of the Lakshya 2026 goals almost 3 years in advance.

The Company's customer facing application - PLANET app, which was soft launched in the fourth quarter of the financial year 2021-2022, has emerged as a powerful digital channel for its customers and has crossed 60 lakh downloads.

The quarterly Retail disbursements stood at Rs. 13,499 crore for the second quarter ended September 30, 2023, recording a growth of 32 percent YoY. This quarterly disbursement is the highest ever by LTFH in Retail finance since inception and has been driven by strong growth across all Retail segments. The Retail book now stands at Rs. 69,417 crore, up 33 percent when compared with the quarter ending September 30, 2022.

During the quarter, LTFH continued with the strategy of rapidly reducing its Wholesale book. The Wholesale book saw a reduction of 76 percent YoY from Rs. 38,058 crore to Rs. 9,318 crore in line with Lakshya 2026 goals gaining momentum and metamorphosing LTFH into a Retail Fintech@Scale.

Commenting on the financial results, **Mr. Dinanath Dubhashi, Managing Director & CEO, L&T Finance Holdings Ltd.** said, "After having achieved most of our Lakshya 2026 goals, it gives me

immense pleasure to announce that we have continued the trajectory of metamorphosing into a top-notch Retail finance Company. During the quarter, LTFH not only reached a retail portfolio mix of 88 percent, but also achieved the highest ever quarterly Retail disbursements of Rs. 13,499 crore, registering a growth of 32 percent YoY. This achievement is attributed to the twin strategy of strongly growing the retail asset book on one side and ensuring a sharp reduction in the wholesale book on the other, while maintaining best-in-class asset quality.”

“On the fintech front, our customer facing application PLANET has crossed 60 lakh downloads as of date and is constantly evolving to offer exciting features to our customers, while servicing most of their requirements.”

“Going forward, we will continue to focus on sustainably delivering Lakshya goals through a concentrated focus on 5 key pillars, namely enhanced customer acquisition, sharpening credit underwriting, implementing futuristic digital architecture, heightened brand visibility and capability building. At LTFH, we strongly believe that the Retail segment holds promising opportunities, and we will continue to grow and ride this growth by scaling up our product portfolio, customer touchpoints, capability enhancements, and use of data analytics in doing business. We will sustain our growth momentum and continue to work towards creating a customer-focused and sustainable Fintech@Scale. The Company will continue to develop digital finance delivery as a customer value proposition thereby touching every part of the customer ecosystem through our digital offerings.”

Key Highlights:

- **Rural Group Loans & Micro Finance** registered its highest ever quarterly disbursements during the second quarter ended September 30, 2023 at Rs. 5,740 crore, recording a YoY growth of 30 percent. This growth was aided by a strong disbursal run rate of over Rs. 1,900 crore, in the month of July and August 2023, coupled with an optimized geographic mix which saw increased contribution from southern states. Additionally, there was a focus on strengthening customer retention with a substantial share of vintage borrowers that also encouraged growth for the segment. As for the book, it saw a growth of 37 percent YoY and stood at Rs. 21,672 crore vs. Rs. 15,840 crore in the second quarter ended September 30, 2022.
- **Farm Equipment Finance** disbursements during the second quarter ended September 30, 2023 saw a YoY growth of 18 percent at Rs. 1,534 crore vs. Rs. 1,304 crore in the second quarter ended September 30, 2022. The business witnessed growth on the back of analytics driven dealer relationships leading to higher counter share with top dealers and focused customer retention through top up products. In addition, a 15 percent YoY growth in disbursements was registered towards the New Tractor segment coupled with enhanced customer retention through Kisan Suvudha, the top-up and refinance product which contributed 25 percent of disbursements. The book size registered a growth of 13 percent YoY and stood at Rs. 13,351 crore vs. Rs. 11,865 crore in the second quarter ended September 30, 2022.
- **Two-Wheeler Finance** disbursements during the second quarter ended September 30, 2023 saw a YoY growth of 6 percent at Rs. 1,817 crore vs. Rs. 1,721 crore in the second quarter ended September 30, 2022. The Company continues to focus on analytics driven dealer relationships while building a robust network of dealerships through new initiatives. During the quarter LTFH financed 7,350 Electric Vehicles (EV) and partnered with Ather Energy to finance up to 100 percent of the loan-to-value on purchase of Two-Wheeler Electric Vehicles (EVs). The book size

registered a growth of 18 percent YoY at Rs. 9,518 crore vs. Rs. 8,093 crore in the second quarter ended September 30, 2022.

- **Personal Loans** segment continued to scale up while protecting portfolio quality with a disbursement of Rs. 1,308 crore in the second quarter ended September 30, 2023 (up 13 percent Quarter-on-Quarter). During the quarter, the book size reached Rs. 6,481 crore with the entire focus being put on reimagining journeys while leveraging the existing customer database and scaling up the e-aggregator channel.
- **Home Loans and Loans Against Property (LAP)** disbursements showed sustained growth momentum in the second quarter ended September 30, 2023 with Home Loan disbursements witnessing a YoY growth of 34 percent to Rs. 1,356 crore vs. Rs. 1,013 crore in the second quarter ended September 30, 2022 while LAP disbursements registering disbursement of Rs. 378 crore against Rs. 104 crore in the second quarter ended September 30, 2022. As for the book size, Home Loan grew by 34 percent YoY and stood at Rs. 12,216 crore vs. Rs. 9,105 crore whereas for the LAP business it saw a growth of 14 percent YoY and stood at Rs. 3,038 crore vs. Rs. 2,665 crore in the second quarter ended September 30, 2022.
- **SME Loans** also registered robust growth with the second quarter ended September 30, 2023 disbursements at Rs. 872 crore vs. Rs. 201 crore in the second quarter ended September 30, 2022. During the quarter, the book size reached Rs. 2,413 crore, driven by increased geographical presence and concerted efforts towards digitization and channel expansion.

The Company maintained strong collection efficiency across Retail businesses through enhanced on-ground efforts, digital initiatives, and data analytics-based resource allocation.

About L&T Finance Holdings (LTFH):

L&T Finance Holdings Limited (LTFH) (<https://www.lfhs.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.

