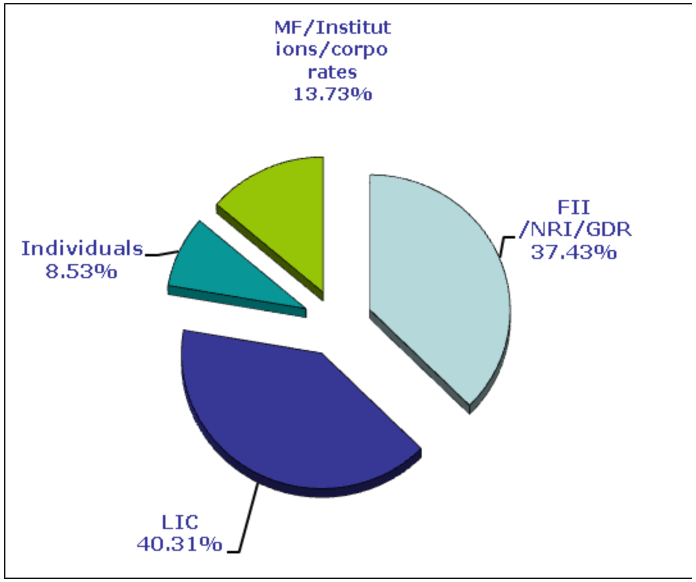
Q3 FY16 Investor Update

- Promoted by the LIC of India in 1989
- IPO in1994, GDR in 2004
- Listed on BSE, NSE & Luxembourg SE
- Profit making & dividend paying since 1990
- Highest ratings (AAA) since 2002
- Nearly 20 lakh customers serviced till date
- Market capitalization Rs. 25000 cr
- Total loan assets more Rs. 1,17,000 cr
- Almost 97% of loan assets in retail category
- Cumulative Disbursements Rs.1.91 lakh cr since inception

Shareholding Pattern- Jan’16



LIC HFL
LIC HOUSING FINANCE LTD

A Journey of 26 Years…

1989
Incorporated

1994
IPO

2002
AAA Rating

2004
GDR Issue

2009
Crossed Rs. 500 crs profit

2011
Crossed Rs. 50,000 Cr loan portfolio

2012
- Best HFC by CNBC TV 18
- Construction Industry Award

2013
- Crossed Rs. 1000 cr profit & Rs 75,000 Cr assets

2014
- Best HFC by ABP News

2015
- Crosses Rs 1 lakh cr in portfolio
- Best Housing Finance Co. by BFSI Awards
- Best data quality in HFC by CIBIL

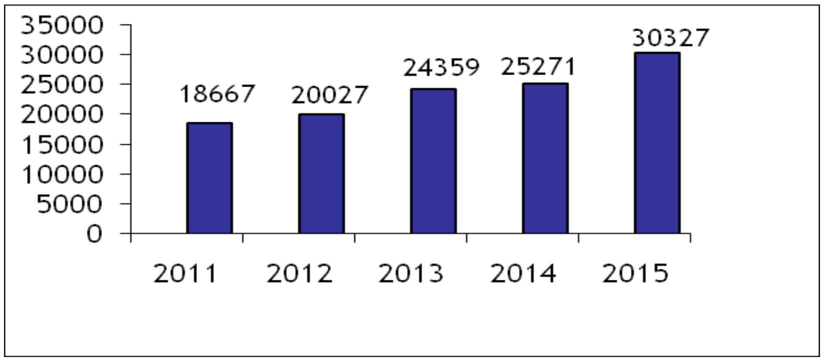
2016
- Business Today- Best CEO Award
- Business World -Most Respected Co Award

Executive Summary – Q3FY16

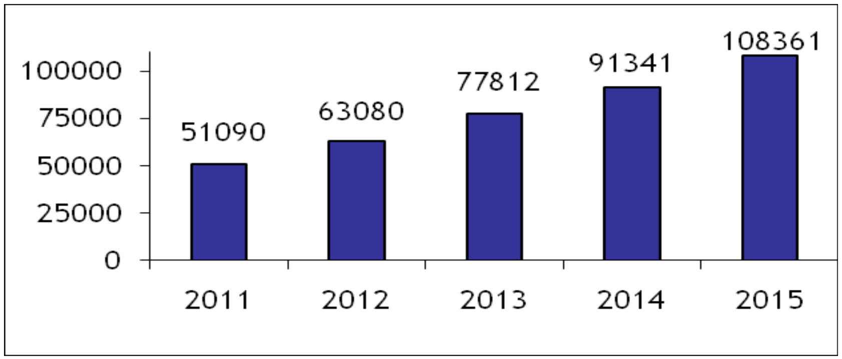
- Q3 FY16 PAT at Rs 418.90 cr as against Rs 344.35 cr up 21.6%
- Q3 FY16 Revenue from operations up by 16.3 % to Rs 3102 cr
- Outstanding Loan portfolio up by 15.2% to Rs.117396 cr
  - Individual Loan Portfolio up by **15% to Rs 114305 cr**
- Q3FY16 Individual Disbursements Rs 8067 cr against Rs 7184 cr up 12.3%
- Net Interest Income Rs 747 cr up by 36.2 %
- Net Interest Margins 2.58% for Q3 FY16 as against 2.20 % for Q3FY15
- Gross NPAs at 0.58% as against 0.57% as on 31.12.2014
  - Net NPAs 0.32 % as against 0.31 % on corresponding dates
- Individual Loans Gross NPAs 0.32 % down from 0.33% as on 31.12.2014
- Total Provisions at Rs 788 cr as against total Gross NPAs of 682 cr, a coverage of 116%

Update – last 5 years

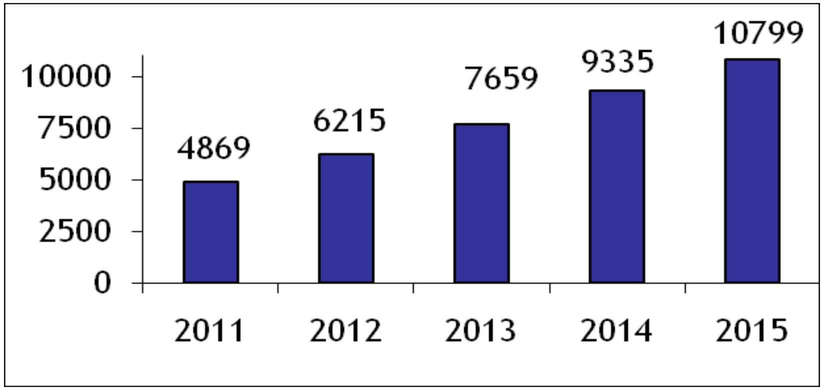
Disbursement (Rs. Cr) CAGR 13%



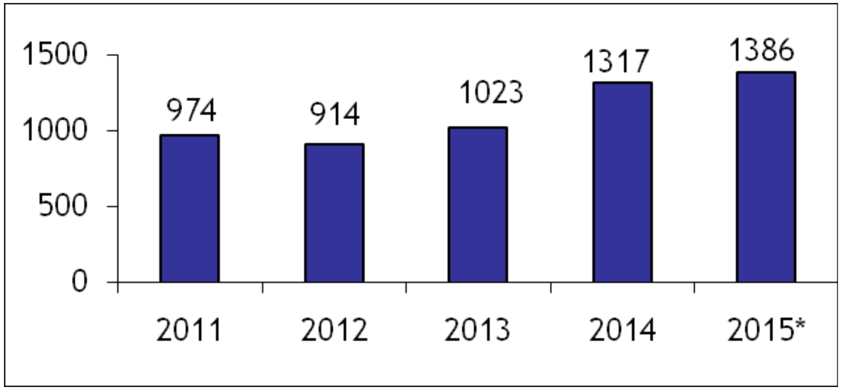
Loan Portfolio (Rs.cr) CAGR 21%



Income (Rs. cr) CAGR 22%

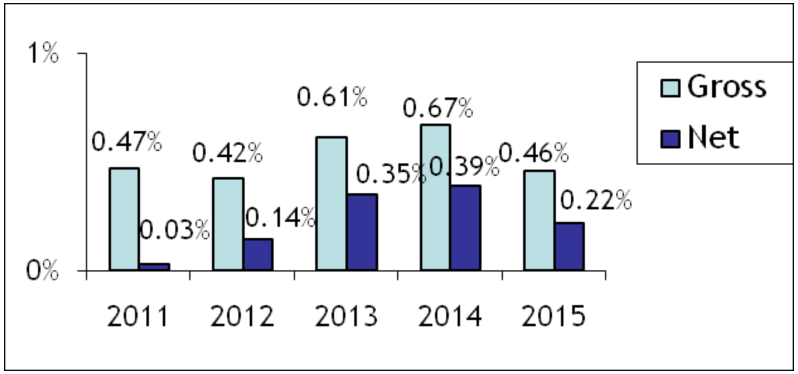


Profit After Tax (Rs. cr) CAGR 9%

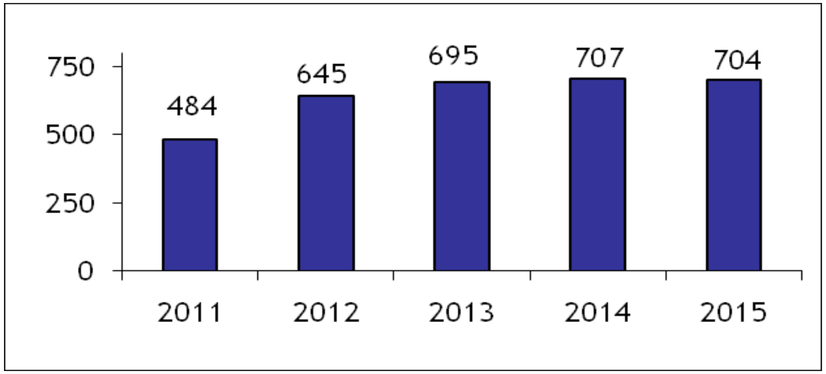


Update – last 5 years

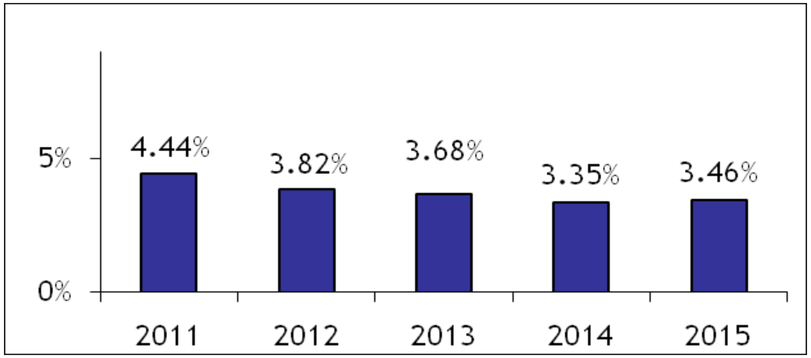
Gross & Net NPAs



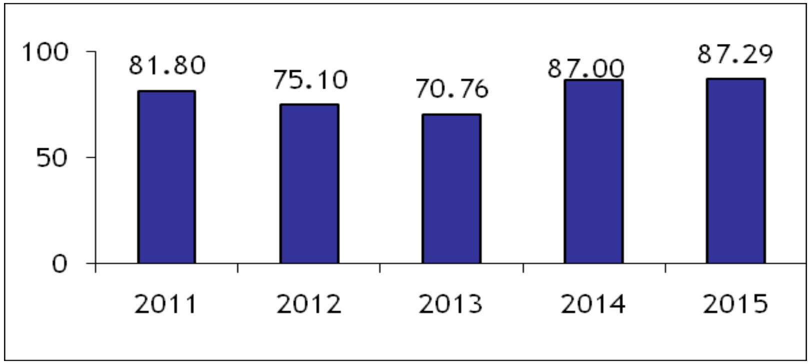
Total Provisions* (Rs cr)



Operating Expense to Total Income



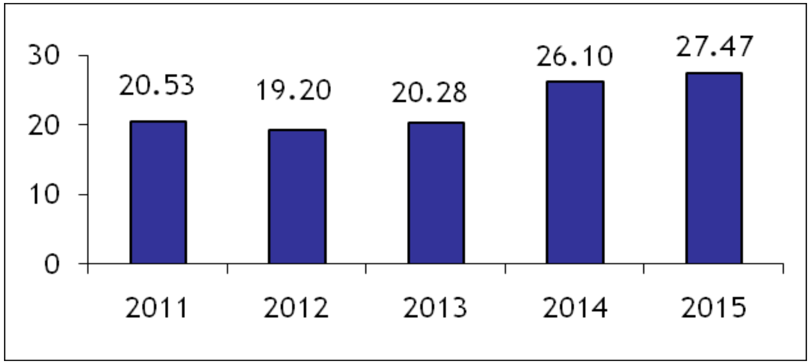
Profit per employee (Rs. lacs)



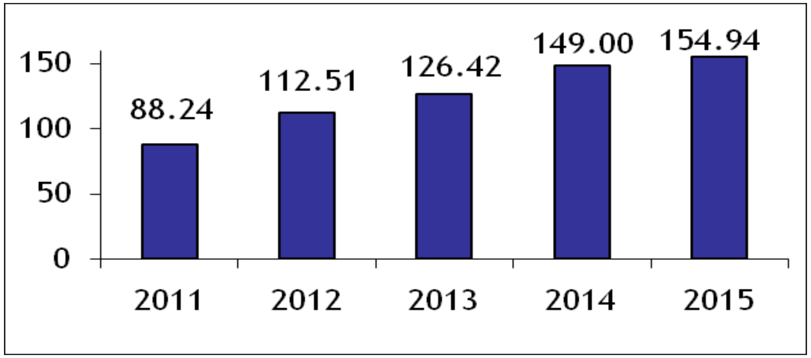
* Provisions Including Provisions on Std. Assets & Teaser Loans

Update – last 5 years

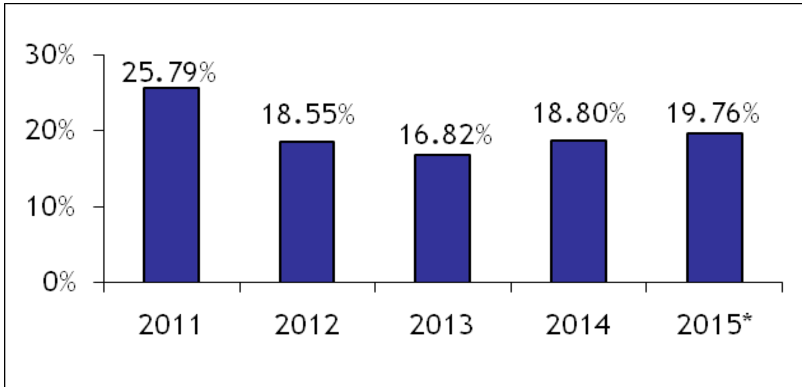
EPS (Rs) (Rs 2 pd up)



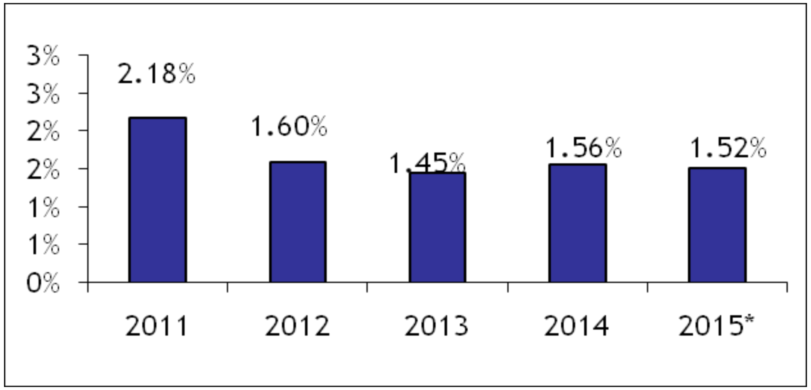
Book Value (Rs)(Rs 2 pd up)



Return on Avg Equity

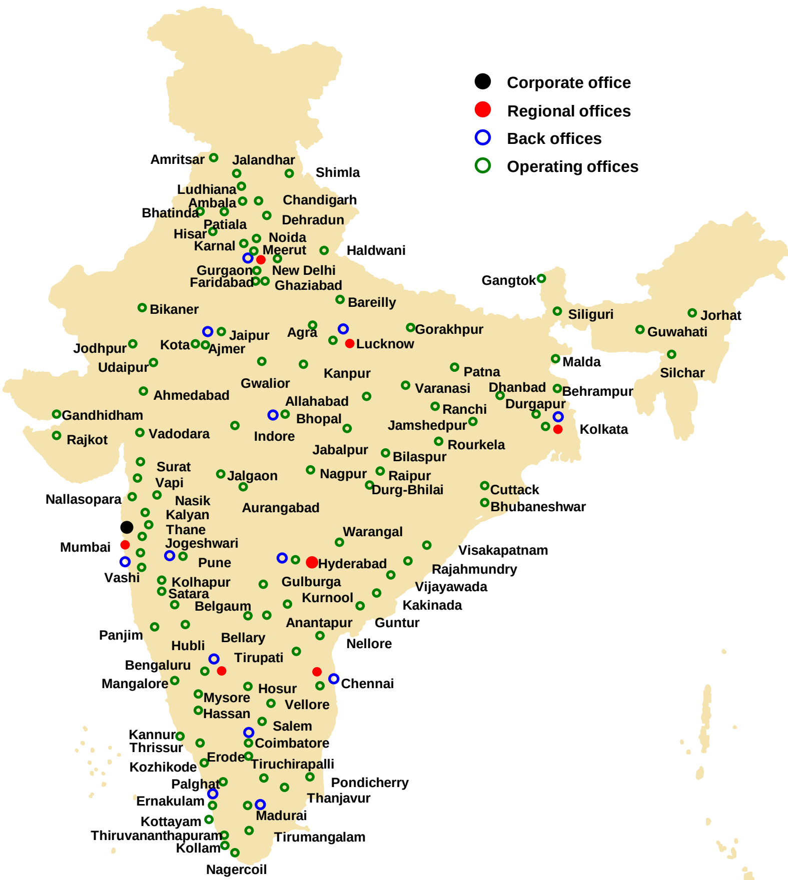


Return on Avg Loan Assets



*FY 2015 PAT before DTL considered

Geographic Presence



- 7 Regional Offices
- 16 Back Offices
- 234 Marketing Offices
- Rep offices in Dubai & Kuwait
- Coverage of more than 450 centres
- 1755 Employees

Distribution Network

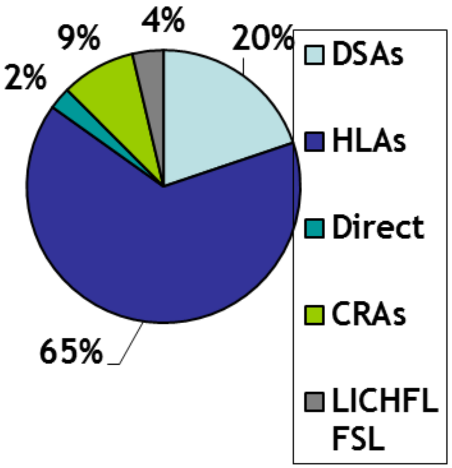
234

Marketing Offices

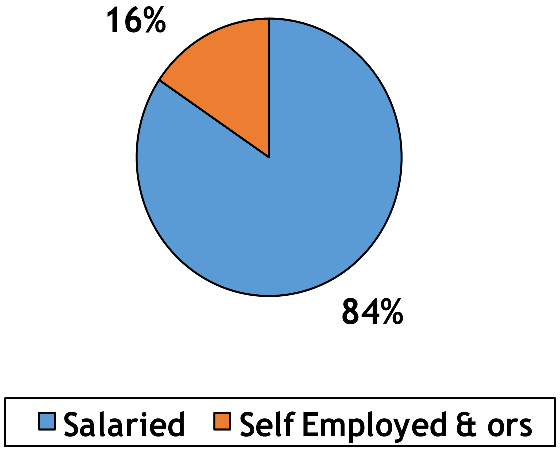
- **HOME LOAN AGENTS (HLAs)** (Agents of LIC)
- **DIRECT SALES AGENTS** (DSAs) (Small Firms/Companies etc)
- **CUSTOMER RELATIONS ASSOCIATES** (CRAs) (Individual Agents)
- **38 branches of LICHFL Financial Services** (100% subsidiary of LICHFL)

Origination Pattern

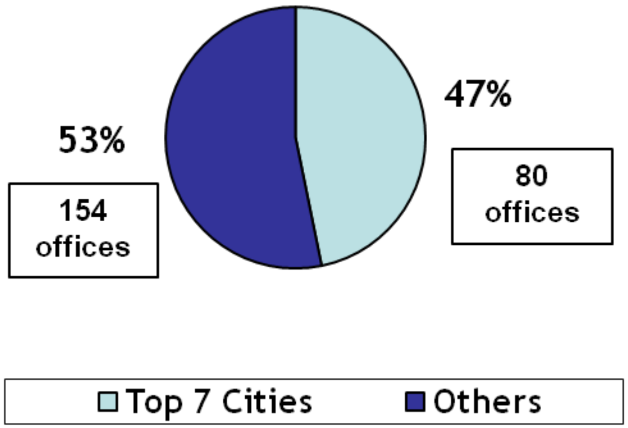
Originations-by Source(amt)



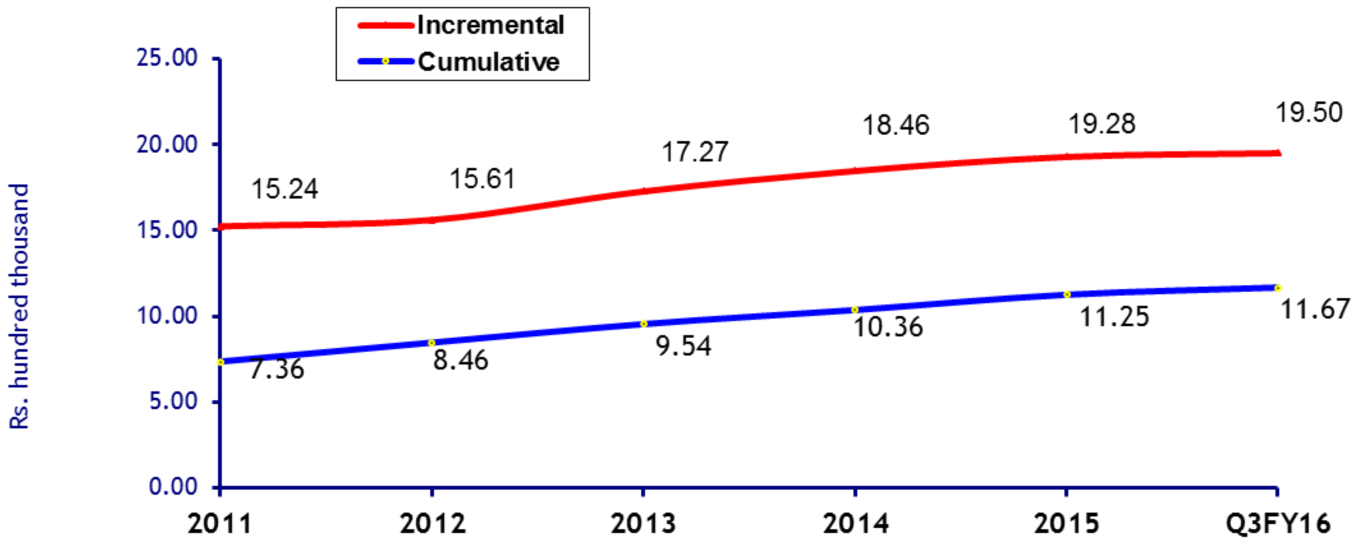
Customer profile



Large Cities/other cities

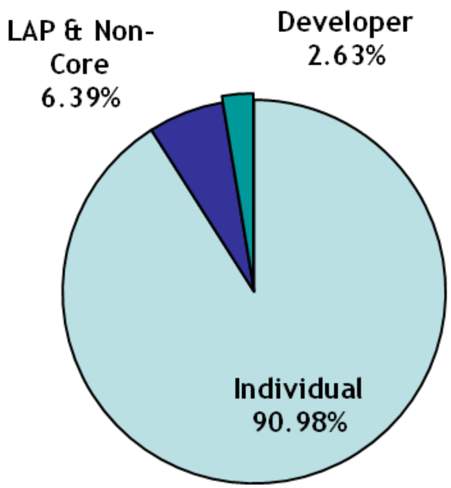


Average Ticket Size- Individual



Loan Book Composition

As on 31.12.2015



Category	O/s Portfolio	% Var
Individual (Including LAP)	**114305**	**15.04%**
Developer	**3091**	**19.70%**
Total	**117396**	**15.16%**

Individual Loans – Portfolio Stats

Pure Floating Rate Loans To Outstanding Portfolio (See Note below)	
As of FY 14	42%*
As of FY15	37%*
As of Q1FY16	31%*
As of 9mFY16	40% *

Loan To Value Ratio On Incremental Sanctions	
For FY 14	54.52%
For FY15	50.94%
For Q1FY16	49.29%
For 9mFY16	46.72%

Prepayment Lump Sum/ opening book	
For FY 14	9.3%
For FY15	8.4%
For H1FY16	11.0%
For 9mFY16	11.6%

Installment to Net Income Ratio On Incremental Sanctions	
For FY 14	34.72%
For FY15	33.86%
For Q1FY16	33.24%
For 9mFY16	32.17%

******Excludes floating rate products like Advantage -5, Super 3, Super Choice, Bhagyalakshmi etc which are floating rate products with initial fixed rate***

Executive Summary-Q3 & 9mFY16

	% Var	Dec-15 Q3FY16	Dec-15 Q3FY15	% Var	9m FY16	9m FY15
Income						
Interest Income on Individual Loans	16%	3005.01	2582.88	17%	8770.35	7475.97
Interest Income on Project Loans	14%	96.74	84.92	2%	274.83	270.50
Interest on Housing Loan	16%	3101.75	2667.8	17%	9045.18	7746.47
Processing Fees & other fees	16%	37.47	32.35	16%	104.56	90.38
Other Income	-51%	17.48	35.63	-39%	61.76	101.21
Gross Income	15%	3156.70	2735.78	16%	9211.50	7938.06
Interest Expense	11%	2354.88	2119.22	12%	6922.50	6159.85
Net Interest Income	36%	746.87	548.58	34%	2122.68	1586.62
Salary & Other Establishment Exp	38%	121.37	88.24	22%	310.90	254.62
Profit before Provisions & Taxation	29%	680.45	528.32	30%	1978.10	1523.59
Provisions for NPA/Std Assets		34.44	6.79		108.79	1.85
Profit before Tax	24%	646.02	521.51	22%	1869.27	1526.66
Tax Expenses incl Deferred Tax	28%	227.12	177.16	27%	656.51	518.65
Net Profit	22%	418.90	344.35	20%	1212.76	1008.01

Executive Summary-Q3 & 9mFY16

	% Var	Dec-15 Q3FY16	Dec-15 Q3FY15	% Var	9m FY16	9m FY15
Disbursements						
Individual	12%	8067	7184	11%	21953	19706
Project	-21%	354	448	44%	981	683
Total	10%	8421	7632	12%	22935	20389
Outstanding Portfolio						
Individual	15%	114305	99362			
Project	20%	3091	2582			
Total	15%	117396	101944			
Outstanding Liabilities	15%	103816	90572			
Net Interest margins(%)		2.58%	2.20%		2.51%	2.19%
Borrowings during the period (Rs.cr)		11603	8939		29351	23326
Incremental Cost(annualised)					8.75%	9.43%
Incremental Yield(overall, annualised)					10.85%	10.97%
Incremental Spreads					2.10%	1.54%

Financial Highlights

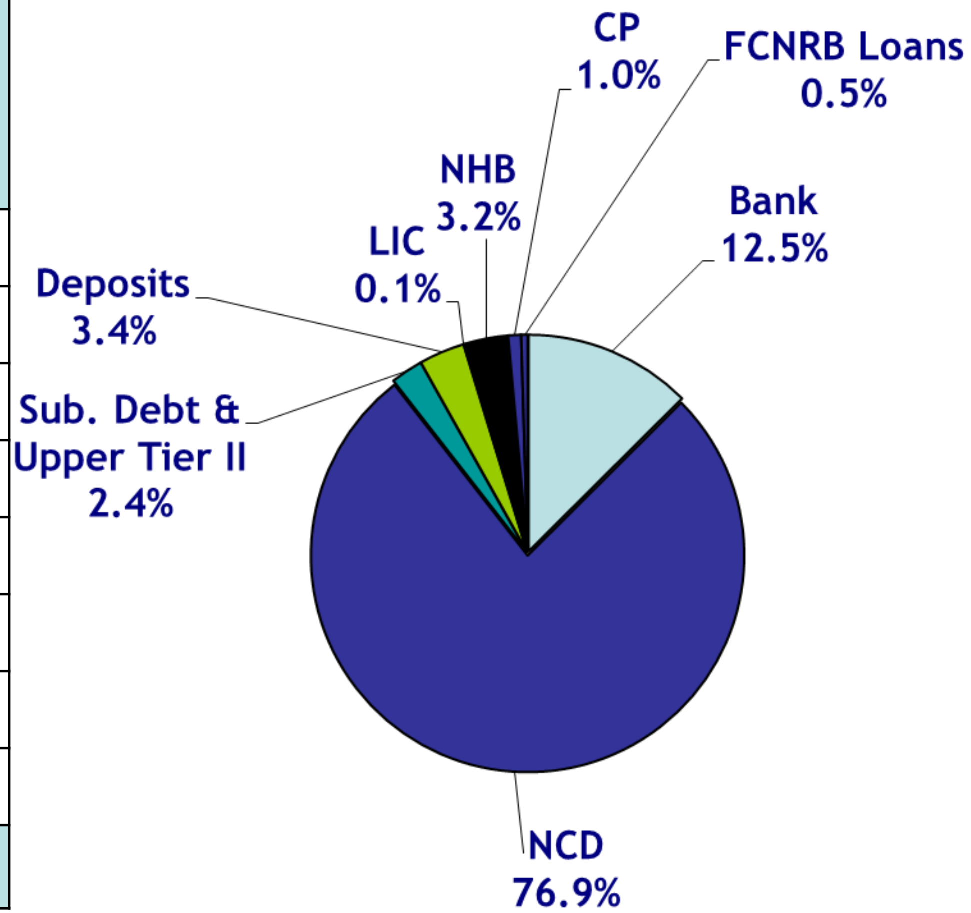
	9m FY2016	9mFY 2015
Return on Average Equity (%)	19.20%	18.27%
Return on Average Assets for qtr (%)	1.43%	1.39%
Earnings per share (on Rs 2 pd up)	24.03	19.97
Capital Adequacy Ratio	Sept 2015	Sept 2014
Tier I	12.46	12.49
Tier II	3.04	4.05
Total	15.51	16.54

Liability Profile

as on 31.12.2015

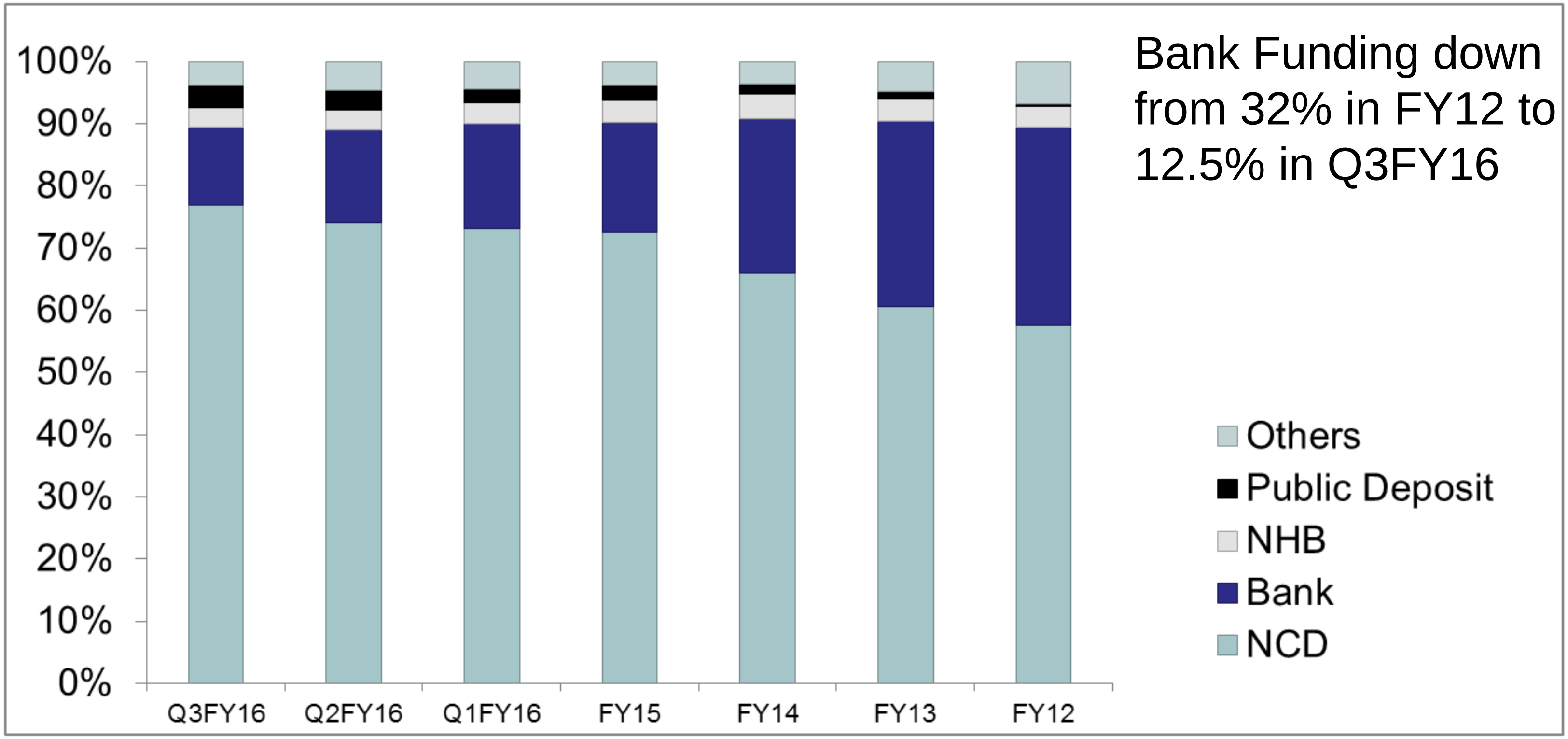
Source	Wtd Avg Cost (%)
Banks	10.02%
Non Convertible Debenture	9.07%
LIC- Term Loan	6.82%
National Housing Bank	8.78%
FCNRB Loans	9.33%
Sub. Bonds & Upper Tier II	9.18%
Commercial Paper	7.62%
Deposits	9.04%
Total	**9.18%**

Outstanding Borrowings -Rs.103816.20 cr



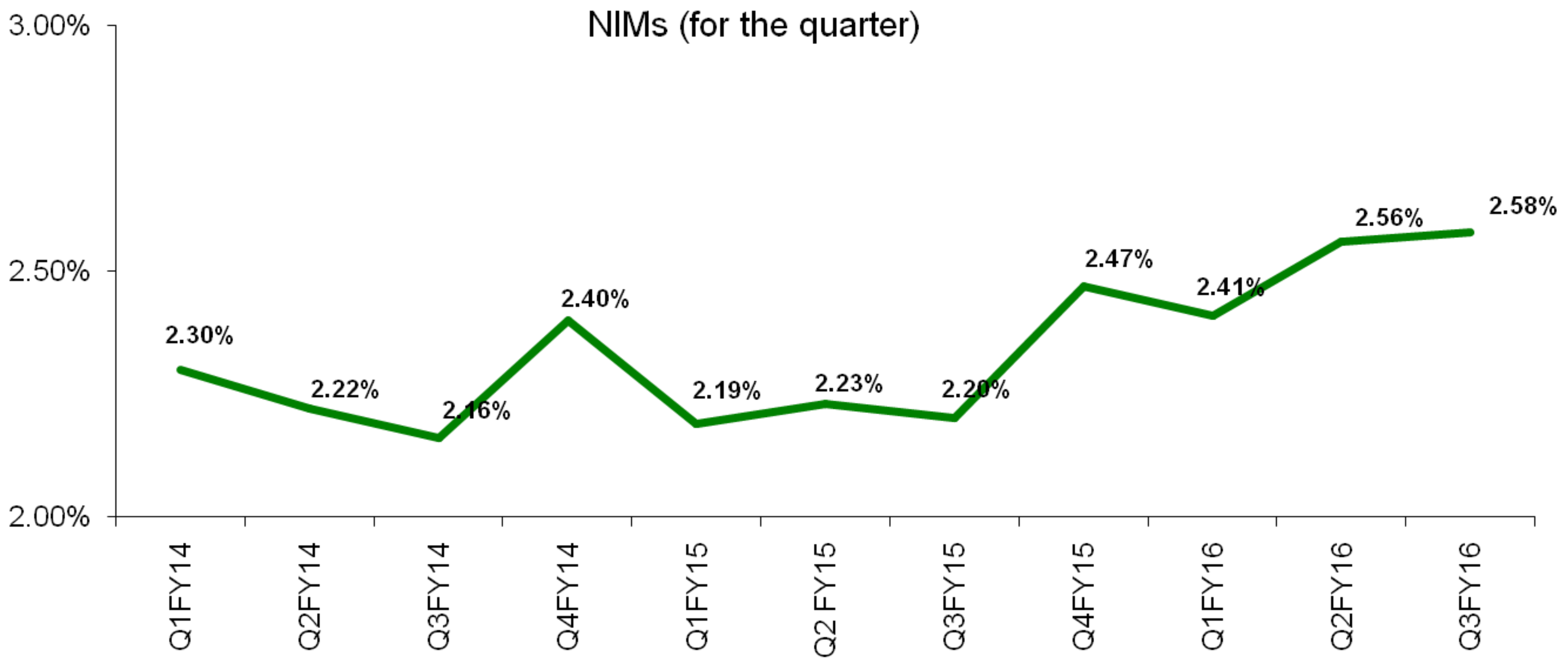
During 9mFY16, Borrowings were Rs 29351 cr @ 8.75%

Change in Liability Mix- last 5 yrs

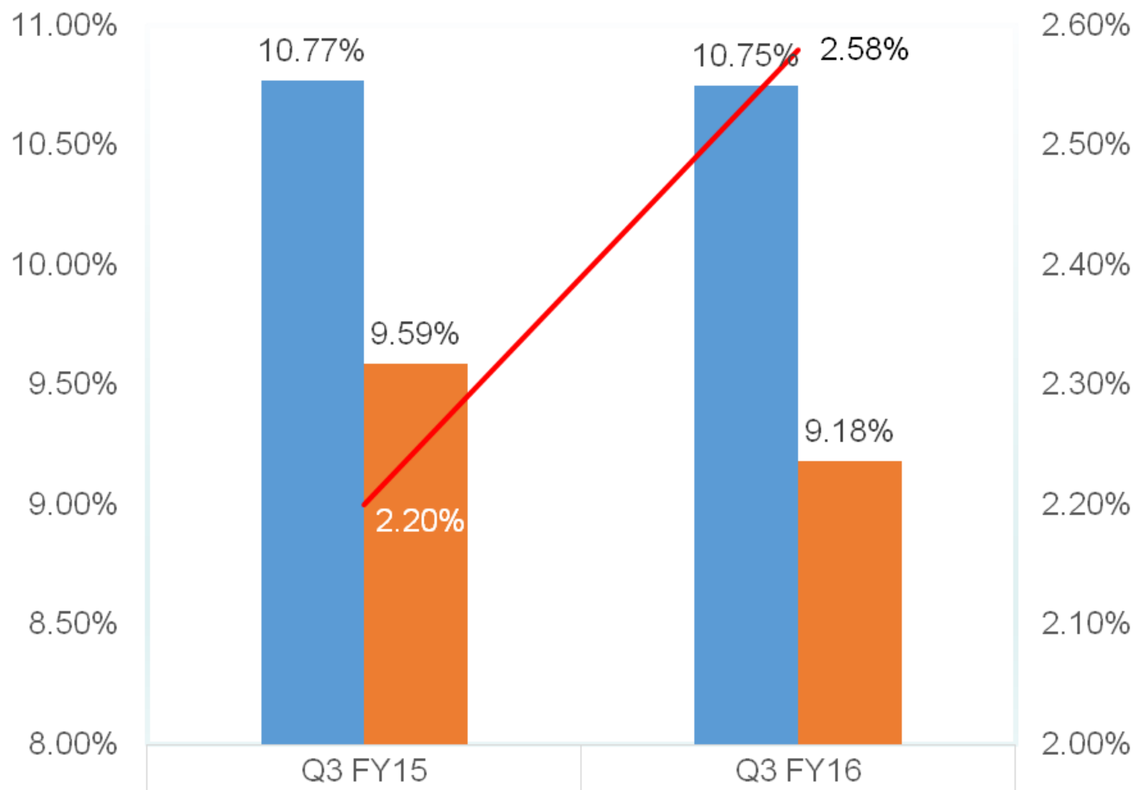


	Q3FY16	Q2FY16	Q1FY16	FY15	FY14	FY13	FY12
Wtd. Avg. cost of Funds	**9.18%**	**9.29%**	**9.38%**	**9.48**	**9.75%**	**9.76%**	**9.77%**

NIMs


NIMs (for the quarter)
3.00%
2.50%
2.00%
2.30%
2.22%
2.16%
2.40%
2.19%
2.23%
2.20%
2.47%
2.41%
2.56%
2.58%
Q1FY14
Q2FY14
Q3FY14
Q4FY14
Q1FY15
Q2 FY15
Q3FY15
Q4FY15
Q1FY16
Q2FY16
Q3FY16

Yield & Cost of Funds on portfolio



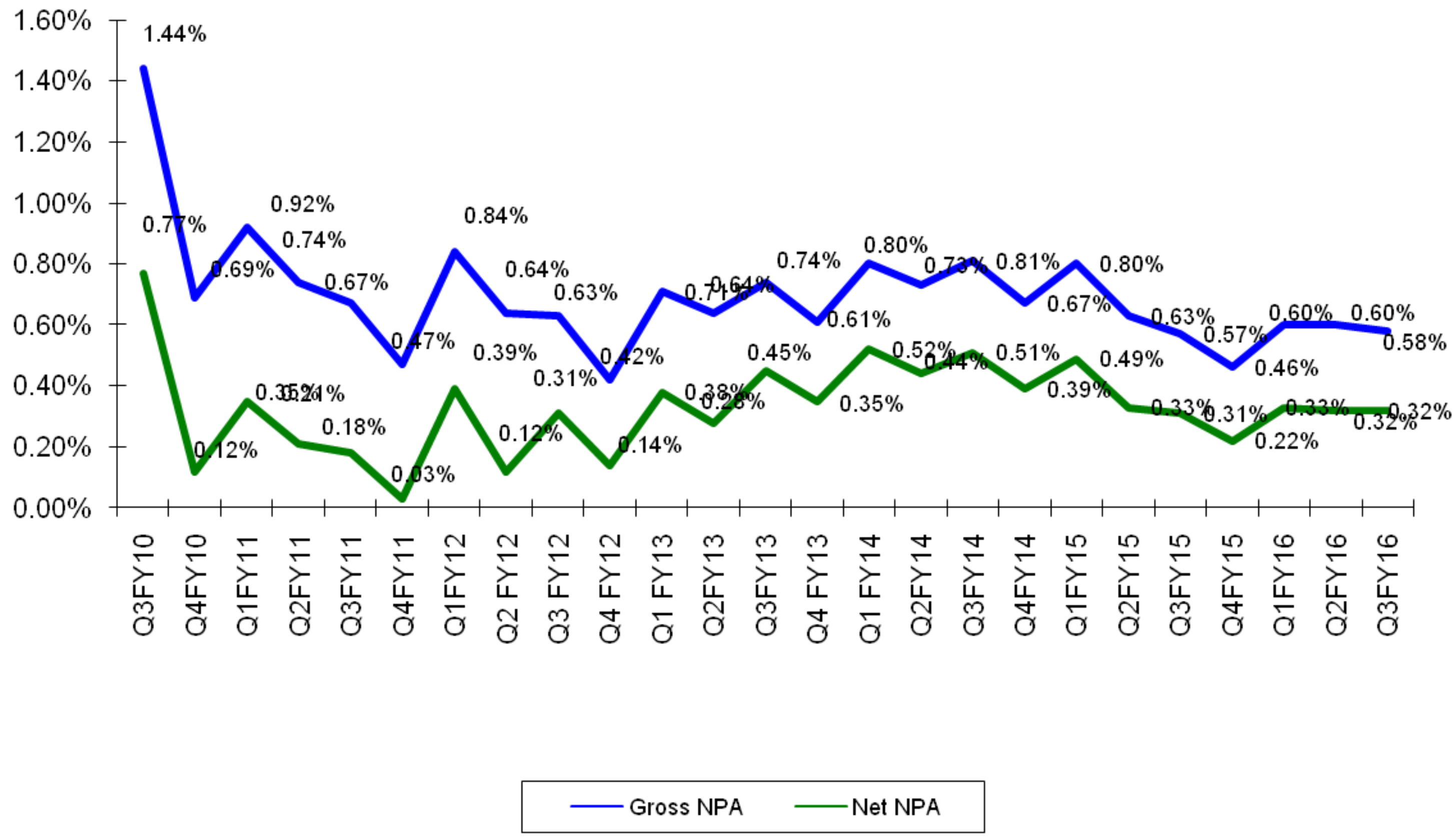
	Q3 FY15	Q3 FY16
Yield on Advances on Portfolio (Non Annualised)	10.77%	10.75%
Wtd Avg cost of funds on Total Borrowed Funds	9.59%	9.18%
NIMs for Qtr	2.20%	2.58%

Gross & Net NPAs

	31.12.2015	30.12.2014
Gross NPA (Rs. cr)	682	580
Gross NPA (%)	0.58%	0.57%
Provisions for NPA (Rs. cr)*	308	263
Net NPA (Rs cr)	374	316
Net NPA (%)	0.32%	0.31%
Provisions incl teaser loan prov & std asset prov.	788	683
Provision cover incl teaser loan prov & std asset prov.	116%	118%

*Excluding provisions on standard assets/teaser loans

Gross & Net NPAs



Thank you

DISCLAIMER

This presentation is made purely for information. We have attempted to provide relevant information which we believe will help in knowing the Company. The users may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

While every care is taken to verify the accuracy of the information given in this presentation, neither the Company nor its officials would in any way be liable for any action taken or not taken by the viewers or the users of this presentation or for any claims, losses etc.