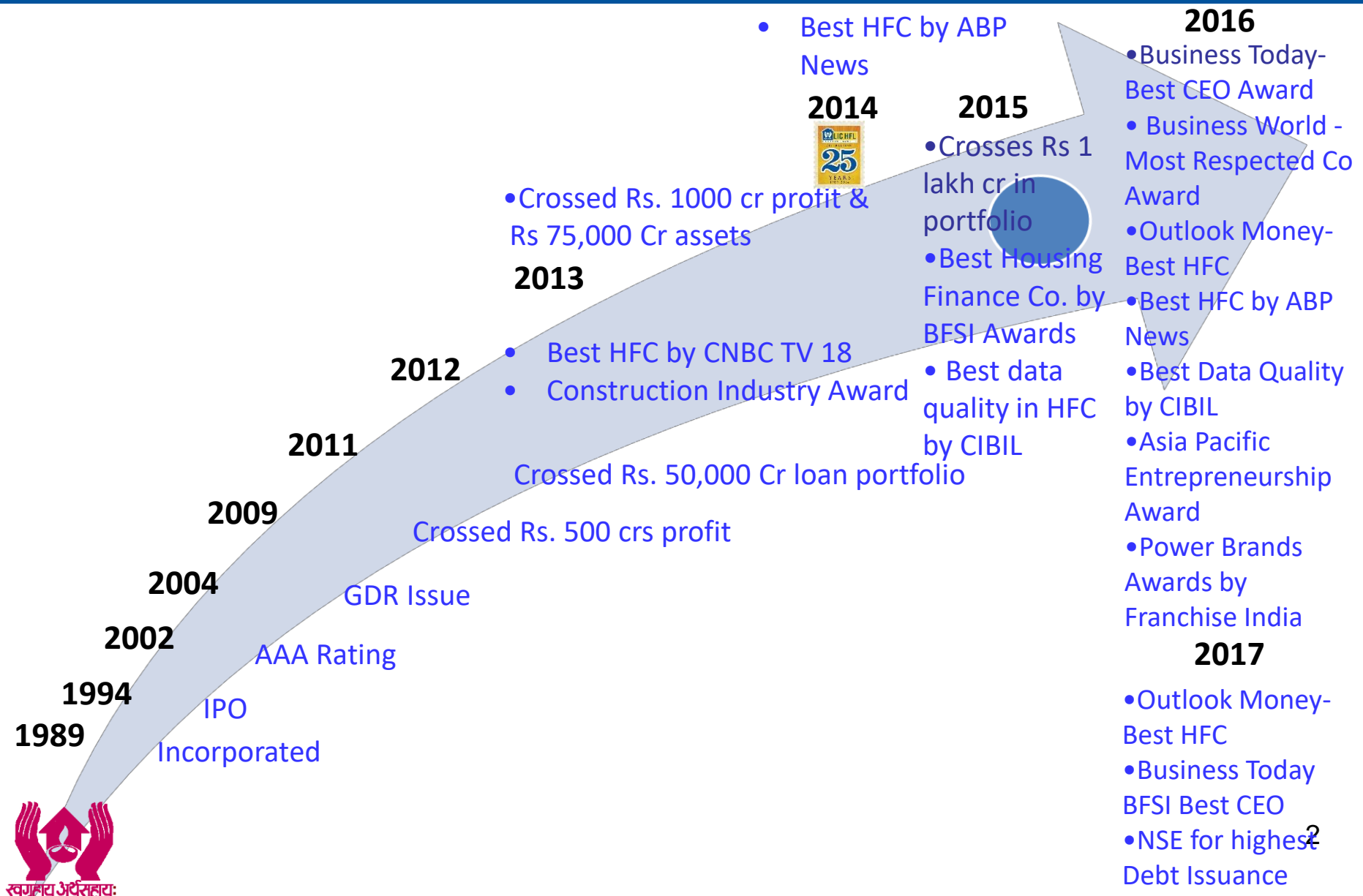


# Q3 FY19 Investor Update

# A Journey of 28 Years...

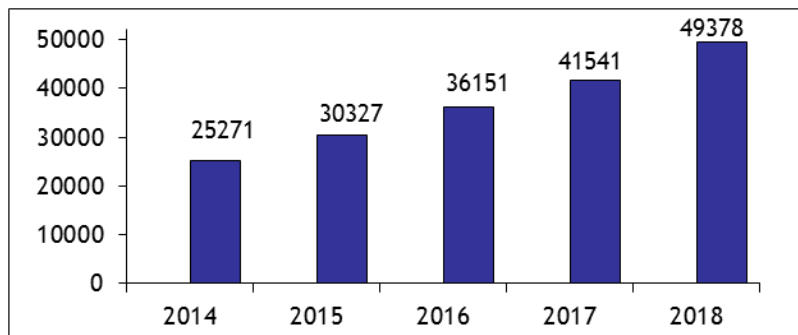


## Executive Summary – Q3/FY19

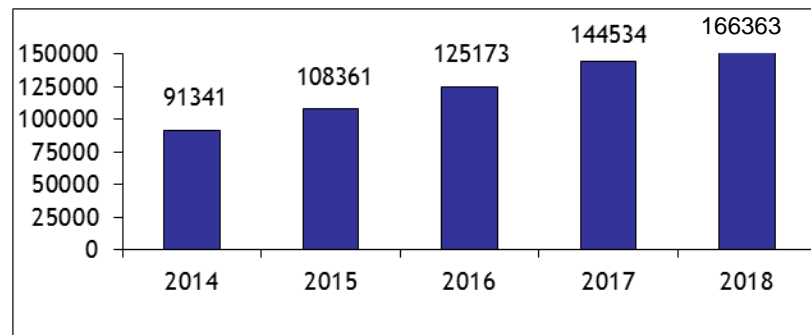
- Q3 FY19 PAT at Rs 596.31 cr as against Rs 475.10 cr for Q3FY18
- Q3 FY19 Revenue from operations up by 23 % to Rs 4414 cr
- Outstanding Loan portfolio up by 16% to Rs.181698 cr
  - Individual Loan Portfolio up by 14% to Rs 170334 cr
- Q3FY19 Disbursements Rs 12778 cr against Rs 12293 cr up by 4 %
  - Individual Loan Disbursements Rs 11540 cr against Rs 11323 cr, up by 2%
- Net Interest Income Rs 1042 cr against Rs 738 cr
- Net Interest Margins 2.33% for Q3 FY19 as against 2.35% for Q2FY19
- Gross NPAs at 1.26% as against 0.87% as on 31.12.2017
  - Net NPAs 0.85% as against 0.49% on corresponding dates
- Individual Loans Gross NPAs at 0.93% as against 0.47% on 31.12.2017
- Total Provisions at Rs 1491 cr as against total Gross NPAs of Rs 1360 cr

## Update – last 5 years

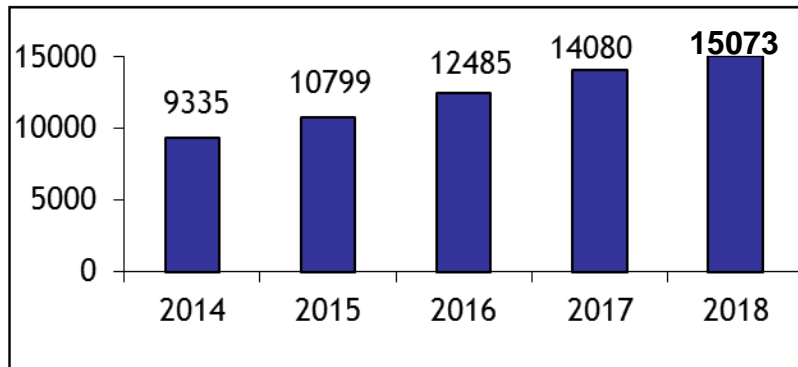
### Disbursement (Rs. Cr) CAGR 18%



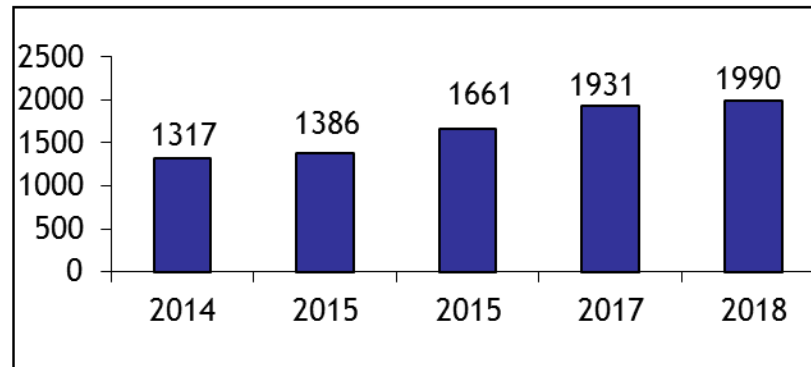
### Loan Portfolio (Rs.cr) CAGR 16%



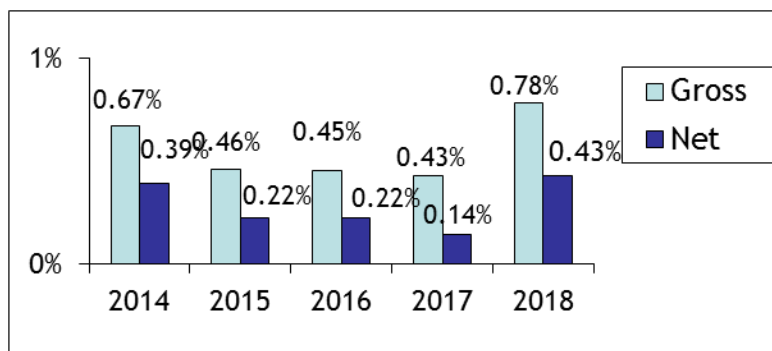
### Income (Rs. cr) CAGR 13%



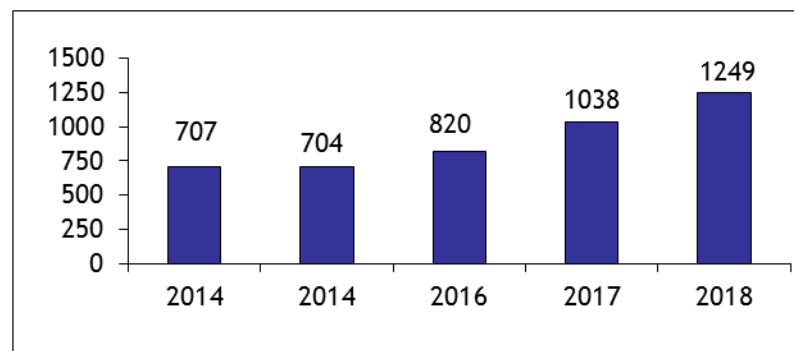
### Profit After Tax (Rs. cr) CAGR 11%



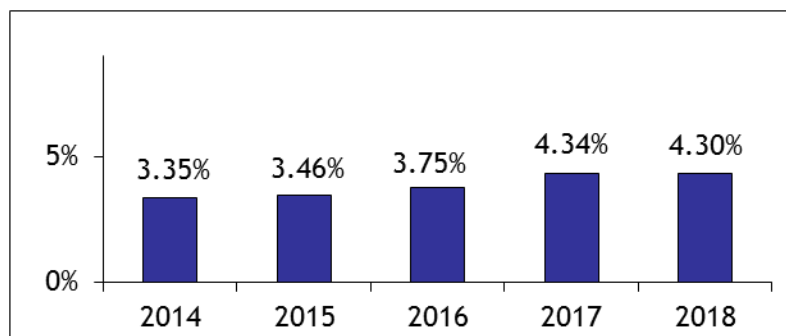
## Gross & Net NPAs



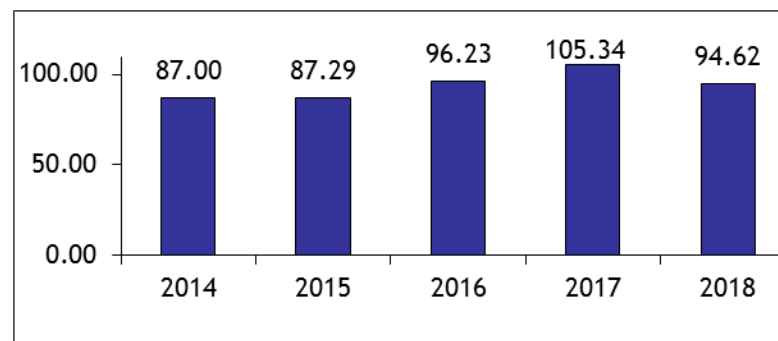
## Total Provisions\* (Rs cr)



## Operating Expense to Total Income



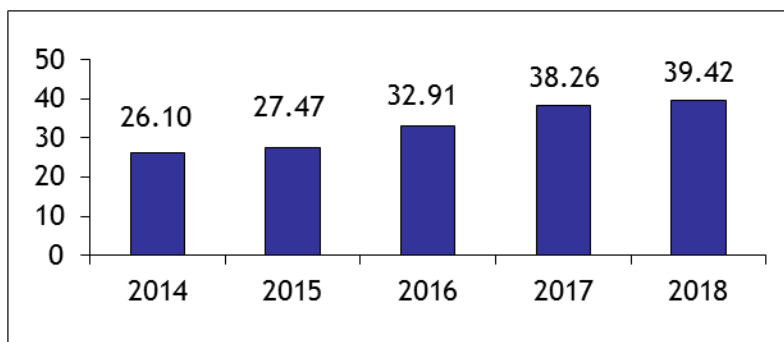
## Profit per employee (Rs. lacs)



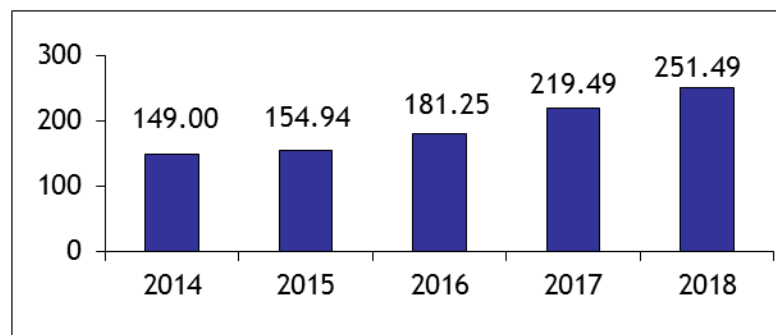
\* Provisions Including Provisions on Std. Assets

## Update – last 5 years

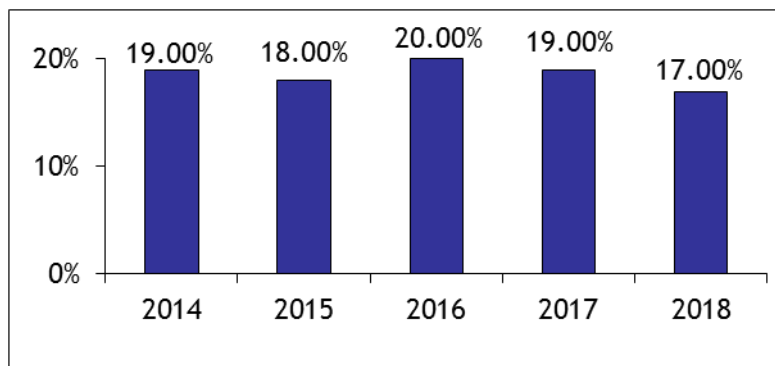
### EPS (Rs) (Rs 2/- pd up)



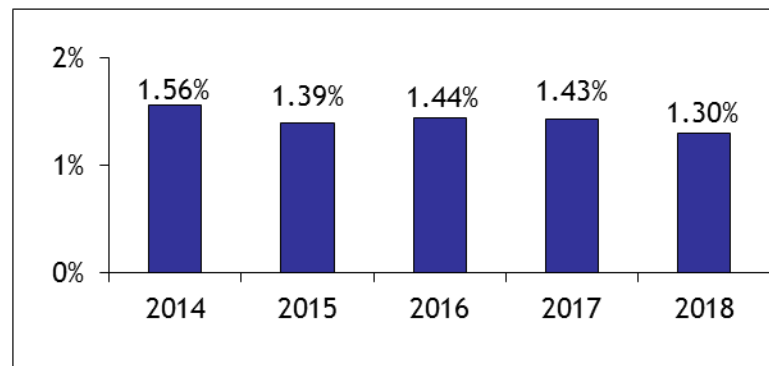
### Book Value (Rs)(Rs 2/- pd up)



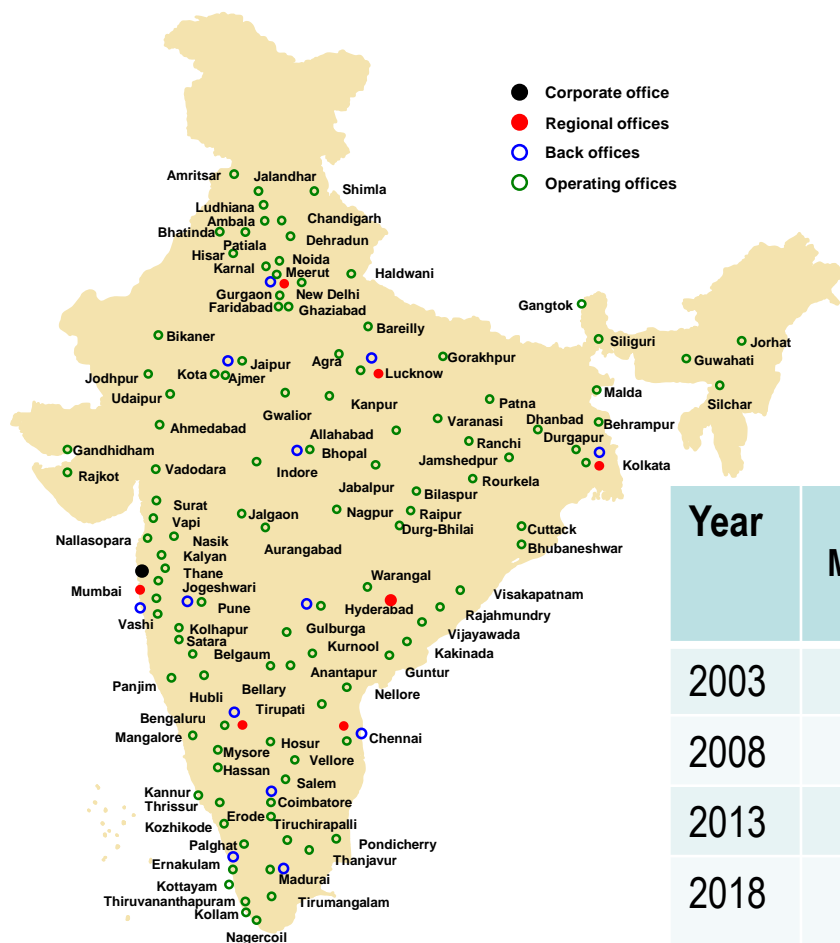
### Return on Avg Equity



### Return on Avg Loan Assets



## Large geographic presence

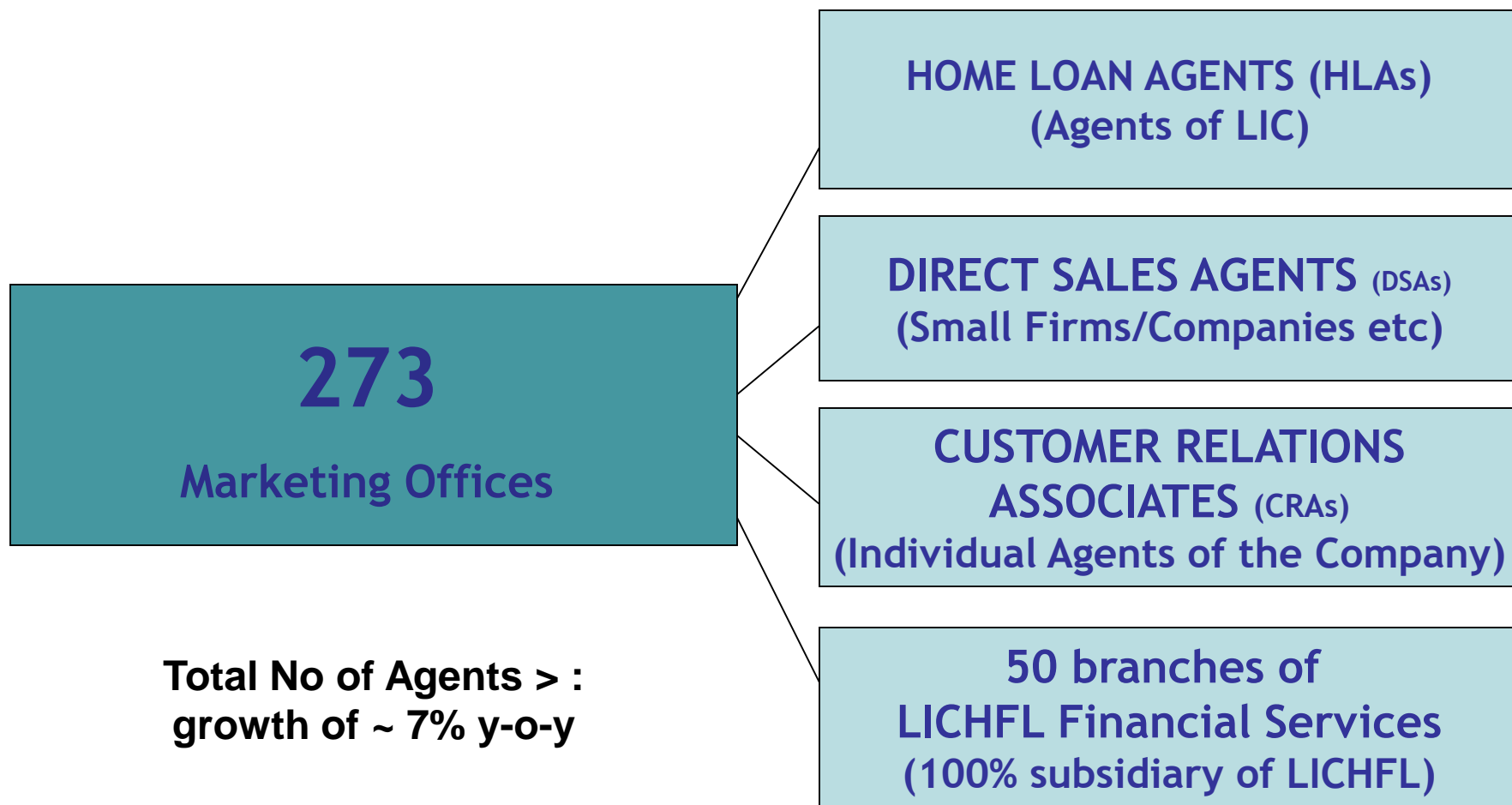


- 9 Regional Offices
- 23 Back Offices
- 273 Marketing Offices
- Rep offices in Dubai & Kuwait
- Coverage of more than 450 centres
- 2059 Employees

**Widening footprint...improved efficiencies**

| Year | No of Marketing Offices | No of Back offices | No of Regional Offices | No of Employees | Lon Portfolio Rs cr |
|------|-------------------------|--------------------|------------------------|-----------------|---------------------|
| 2003 | 105                     | -                  | 6                      | 870             | 7772                |
| 2008 | 125                     | 14                 | 6                      | 985             | 21936               |
| 2013 | 194                     | 16                 | 7                      | 1446            | 77812               |
| 2018 | 249                     | 23                 | 9                      | 2103            | 166363              |

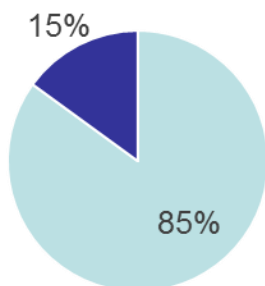
**24 New Marketing Offices opened in FY 2019**





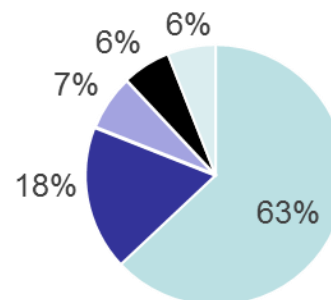
# Origination Pattern & Average Ticket Size

Customer Type



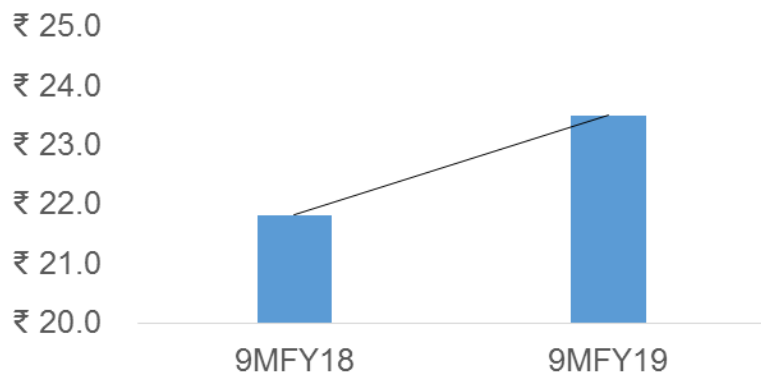
■ Salaried ■ Self Employed & ors

Originations by source

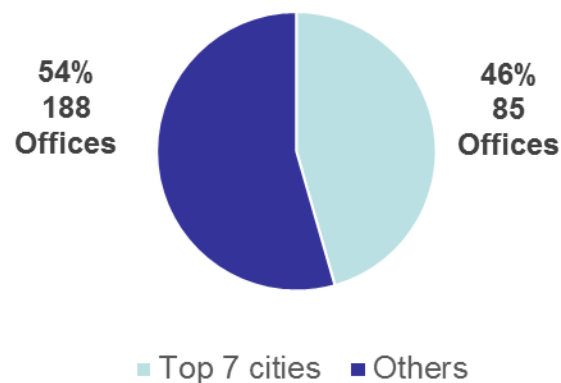


■ HLA ■ DSA ■ CRA ■ DIRECT ■ LICHFLFSL

Incremental Ticket Size  
(Rs lacs)

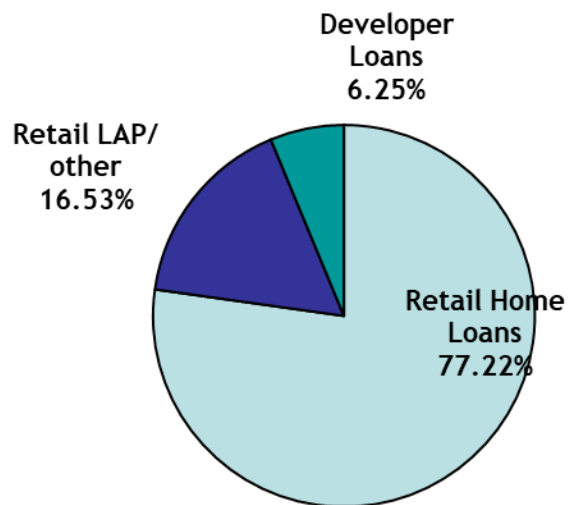


Top 7 cities & Others



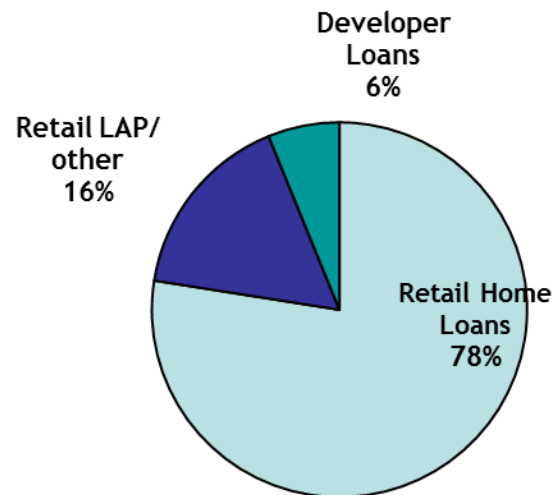
■ Top 7 cities ■ Others

# Loan Book Composition



**31.12.2018**

O/s Portfolio Rs. 181698 cr



**30.09.2018**

O/s Portfolio Rs. 175953 cr

# Individual Loans – Portfolio Stats

## Pure Floating Rate Loans To Outstanding Portfolio

|              |     |
|--------------|-----|
| As of FY 17  | 70% |
| As of FY18   | 74% |
| As of Q2FY19 | 82% |
| As of Q3FY19 | 93% |

## Prepayment Lump Sum/ opening book

|              |       |
|--------------|-------|
| For FY 17    | 10.9% |
| For FY18     | 11.0% |
| As of Q2FY19 | 10.7% |
| As of Q3FY19 | 10.4% |

## Loan To Value Ratio On Incremental Sanctions

|            |     |
|------------|-----|
| For FY 17  | 45% |
| For FY18   | 44% |
| For Q2FY19 | 46% |
| For Q3FY19 | 46% |

## Installment to Net Income Ratio On Incremental Sanctions

|            |        |
|------------|--------|
| For FY 17  | 32.12% |
| For FY18   | 31.00% |
| For Q2FY19 | 32.18% |
| For Q3FY19 | 31.52% |

# Financial Highlights- Q3FY19

|                                    | 9M FY2019 | 9M FY 2018 |
|------------------------------------|-----------|------------|
| Return on Average Equity (%)       | 17%       | 16%        |
| Return on Average Assets (%)       | 1.33%     | 1.25%      |
| Earnings per share (on Rs 2 pd up) | 34.43     | 27.90      |
| Capital Adequacy Ratio             | Sept 2018 | Sept 2017  |
| Tier I                             | 12.60     | 13.36      |
| Tier II                            | 2.22      | 2.68       |
| Total                              | 14.82     | 16.04      |

## PAT Reconciliation

| Particulars  | Q3 FY18<br>(Rs Crore) | 9M FY18<br>(Rs Crore) |
|--|-----------------------|-----------------------|
| Net Profit after tax as per previous GAAP  | 491.07                | 470.06                |
| Add / (Less) : Adjustments as per IND AS on account of:  |                       |                       |
| Adjustment on account of Effective Interest Rate (EIR) on financial assets and liabilities recognized at amortized cost /net interest on credit impaired loans | 48.06                 | 23.14                 |
| Adjustment on account of Expected Credit Loss(ECL)   | 58.02                 | (65.07)               |
| Reclassification of actuarial gains and losses on employee benefit plans to other comprehensive income   | (2.74)                | (2.03)                |
| Reversal of Deferred Tax liability (DTL) on 36(1)(viii) for the quarter  | 54.09                 | 158.93                |
| Adjustment on account of Modification Gain/Loss on Financial Instruments   | (159.72)              | (159.78)              |
| Adjustment on account of derecognition of Financial Instruments  | 18.29                 | 18.29                 |
| Other Adjustments  | (31.98)               | 68.74                 |
| <b>Net Profit after Tax as per IND As</b>  | <b>475.10</b>         | <b>1408.15</b>        |
| Other Comprehensive Income (Net of Tax)  | 0.86                  | 1.32                  |
| <b>Total Comprehensive Income (Net of Tax as per Ind AS)</b>   | <b>475.96</b>         | <b>1409.48</b>        |

# Executive Summary-Q3/9MFY19

|  | <i>Var</i> | <b>Q3<br/>FY19</b> | <b>Q3<br/>FY18</b> | <i>Var</i> | <b>9M<br/>FY19</b> | <b>9M<br/>FY18</b> |
|--|------------|--------------------|--------------------|------------|--------------------|--------------------|
| Interest Income on Individual Loans  | 20%        | 4060.26            | 3397.34            | 13%        | 11701.70           | 10319.52           |
| Interest Income on Project Loans   | 91%        | 311.93             | 163.22             | 69%        | 861.38             | 508.57             |
| <u>Total</u>   | 23%        | 4372.19            | 3560.56            | 16%        | 12563.08           | 10828.09           |
| Processing Fees & Other Fees   |            | 7.64               | 8.06               |            | 25.09              | 25.82              |
| Other Income   |            | 59.38              | 57.29              |            | 118.42             | 99.15              |
| <u>Gross Income</u>  | 22%        | 4439.21            | 3625.91            | 16%        | 12706.59           | 10953.06           |
| Interest Expenses  | 18%        | 3329.88            | 2823.07            | 14%        | 9493.44            | 8294.37            |
| <u>Net Interest Income</u>   | 41%        | 1042.31            | 737.49             | 21%        | 3069.65            | 2533.71            |
| Salary & Other Establishment Exp.  |            | 69.26              | 51.59              |            | 174.49             | 157.59             |
| Net loss on derecognition of Financial Instruments under amortised cost category |            | 135.62             | 12.43              |            | 265.63             | 15.65              |
| Impairment of Financial Instruments  |            | (3.14)             | (20.45)            |            | 247.21             | 406.99             |
| <u>Profit before Tax</u>   | 20%        | 859.59             | 718.01             | 23%        | 2393.32            | 1951.88            |
| Income Tax Provision including Deferred Tax                                      |            | 263.28             | 242.91             |            | 655.92             | 543.72             |
| <u>Net Profit</u>  | 26%        | 596.31             | 475.10             | 23%        | 1737.40            | 1408.16            |

# Executive Summary-Q3/9MFY18

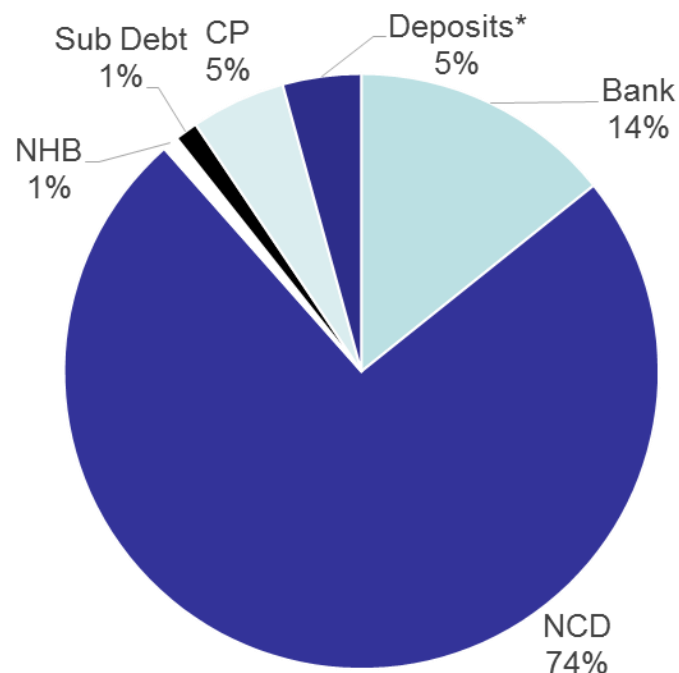
|                                       | <i>Var</i> | <b>Q3<br/>FY19</b> | <b>Q3<br/>FY18</b> | <i>Var</i> | <b>9M<br/>FY19</b> | <b>9M<br/>FY18</b> |
|---------------------------------------|------------|--------------------|--------------------|------------|--------------------|--------------------|
| <b>Disbursements</b>                  |            |                    |                    |            |                    |                    |
| Individual                            | 2%         | 11540              | 11323              | 5%         | 31569              | 29976              |
| Project                               | 27%        | 1238               | 978                | 156%       | 5097               | 2000               |
| <u>Total</u>                          | 4%         | 12778              | 12301              | 15%        | 36666              | 31976              |
| <b>Outstanding Portfolio</b>          |            |                    |                    |            |                    |                    |
| Individual                            | 14%        | 170333             | 149986             |            |                    |                    |
| Project                               | 84%        | 11365              | 6189               |            |                    |                    |
| <u>Total</u>                          | 16.0%      | 181698             | 156175             |            |                    |                    |
| <b>Weighted average cost of funds</b> |            |                    |                    |            | 8.45%              | 8.32%              |
| <b>Yield on advances annualised</b>   |            |                    |                    |            | 10.45%             | 10.18%             |
| <b>Spreads</b>                        |            |                    |                    |            | 2.00%              | 1.85%              |

# Liability Profile

as on 31.12.2018

| Source                     | Wtd Avg Cost (%) |
|----------------------------|------------------|
| Banks & Institutions       | 8.53%            |
| Non Convertible Debenture  | 8.47%            |
| National Housing Bank      | 8.08%            |
| Sub. Bonds & Upper Tier II | 8.89%            |
| Commercial Paper           | 8.19%            |
| Deposits                   | 8.10%            |
| <b>Total</b>               | <b>8.45%</b>     |

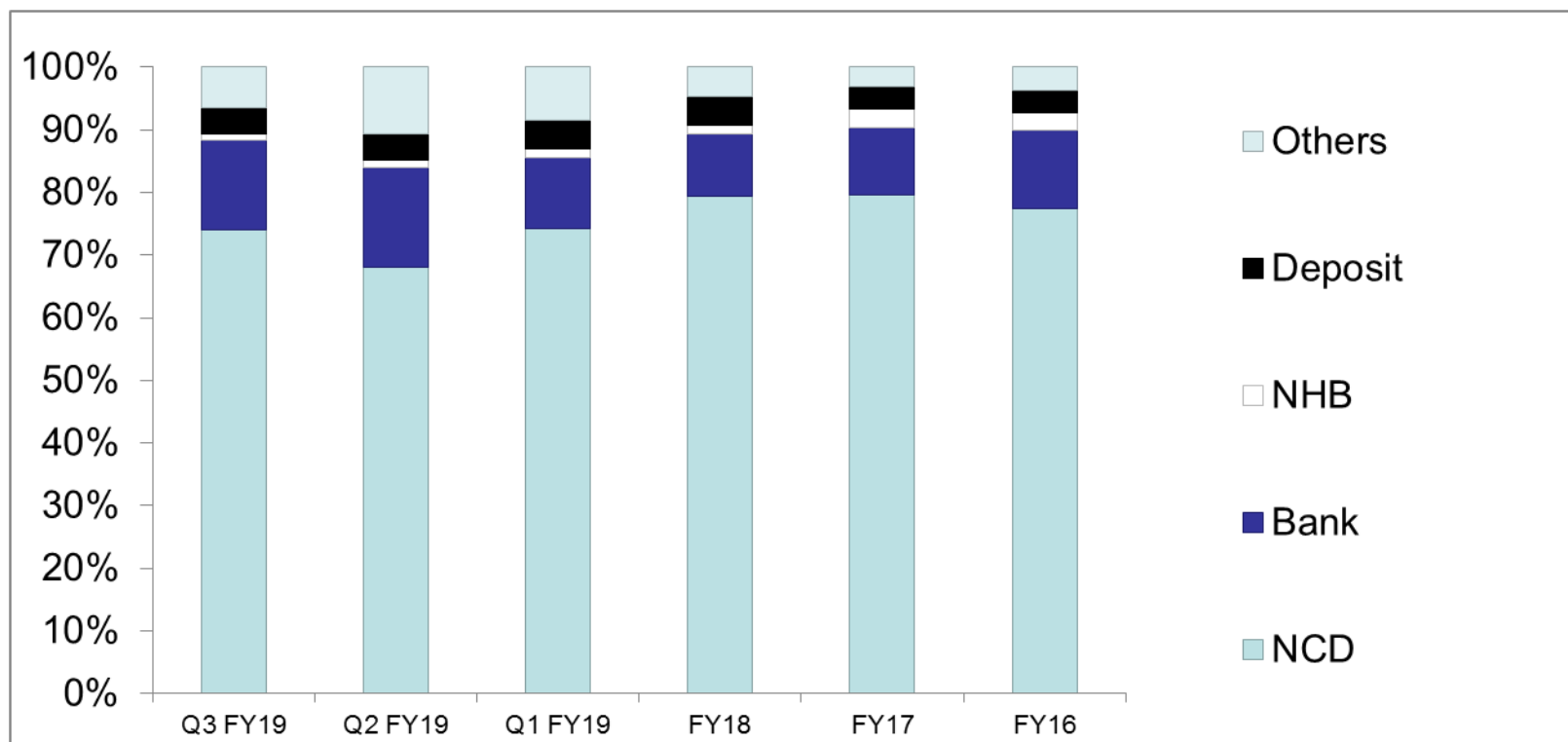
Outstanding Borrowings - Rs. 160291 cr



During 9MFY19, Incremental Borrowings were @ 8.38%



# Change in Liability Mix- last 4 yrs



**Wtd. Avg. cost  
of Funds**

**8.45%**

**8.30%**

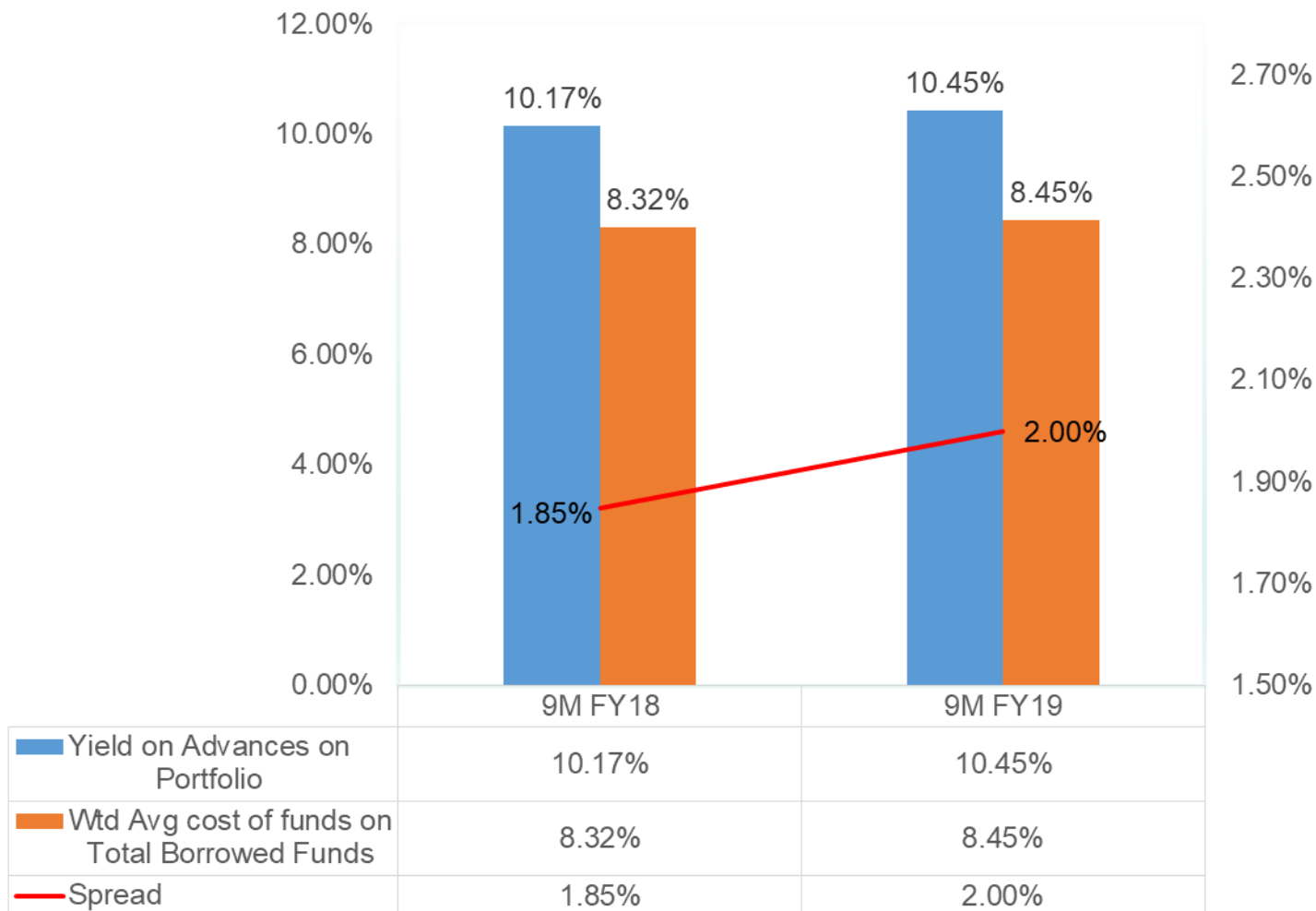
**8.29%**

**8.31%**

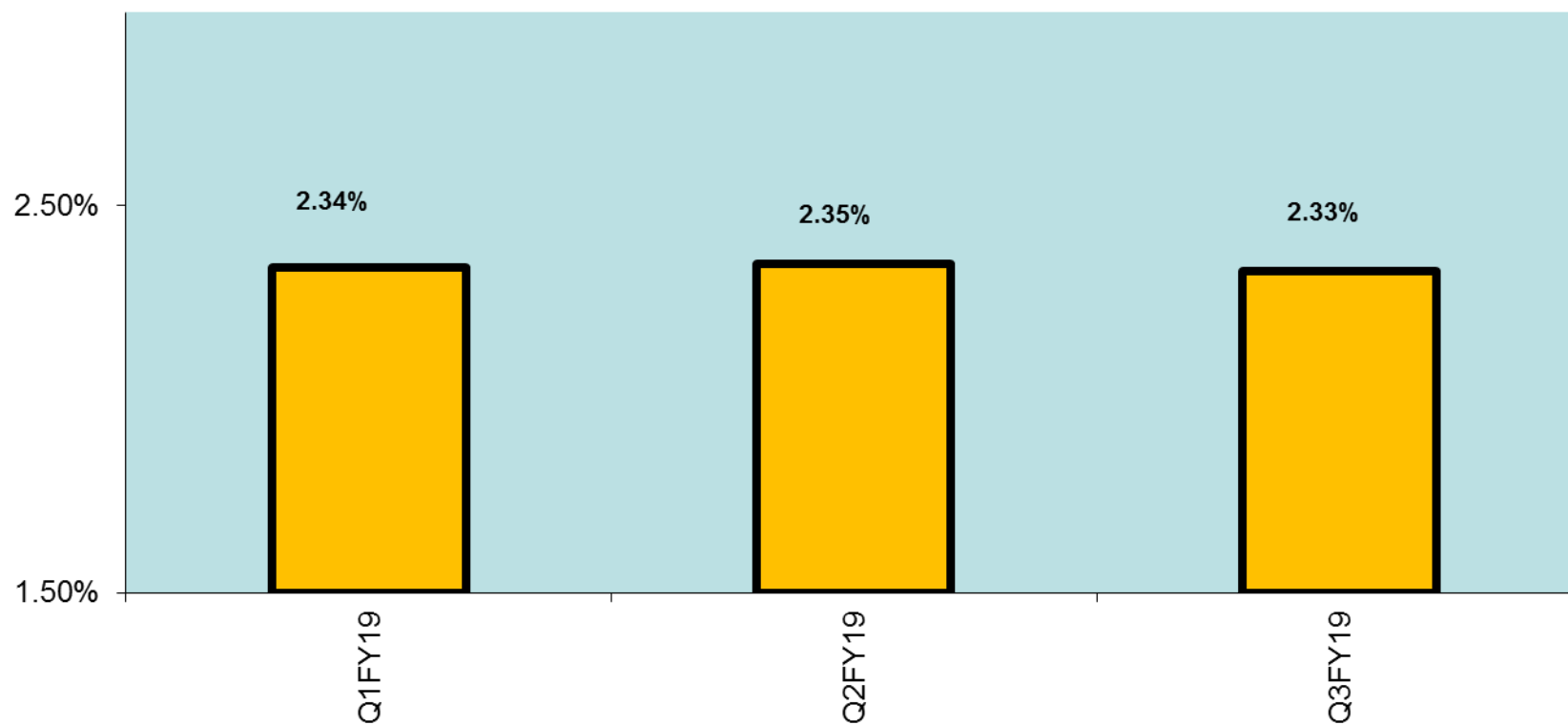
**8.59%**

**9.14%**

# Yield & Cost of Funds on portfolio



NIMs (for the quarter)



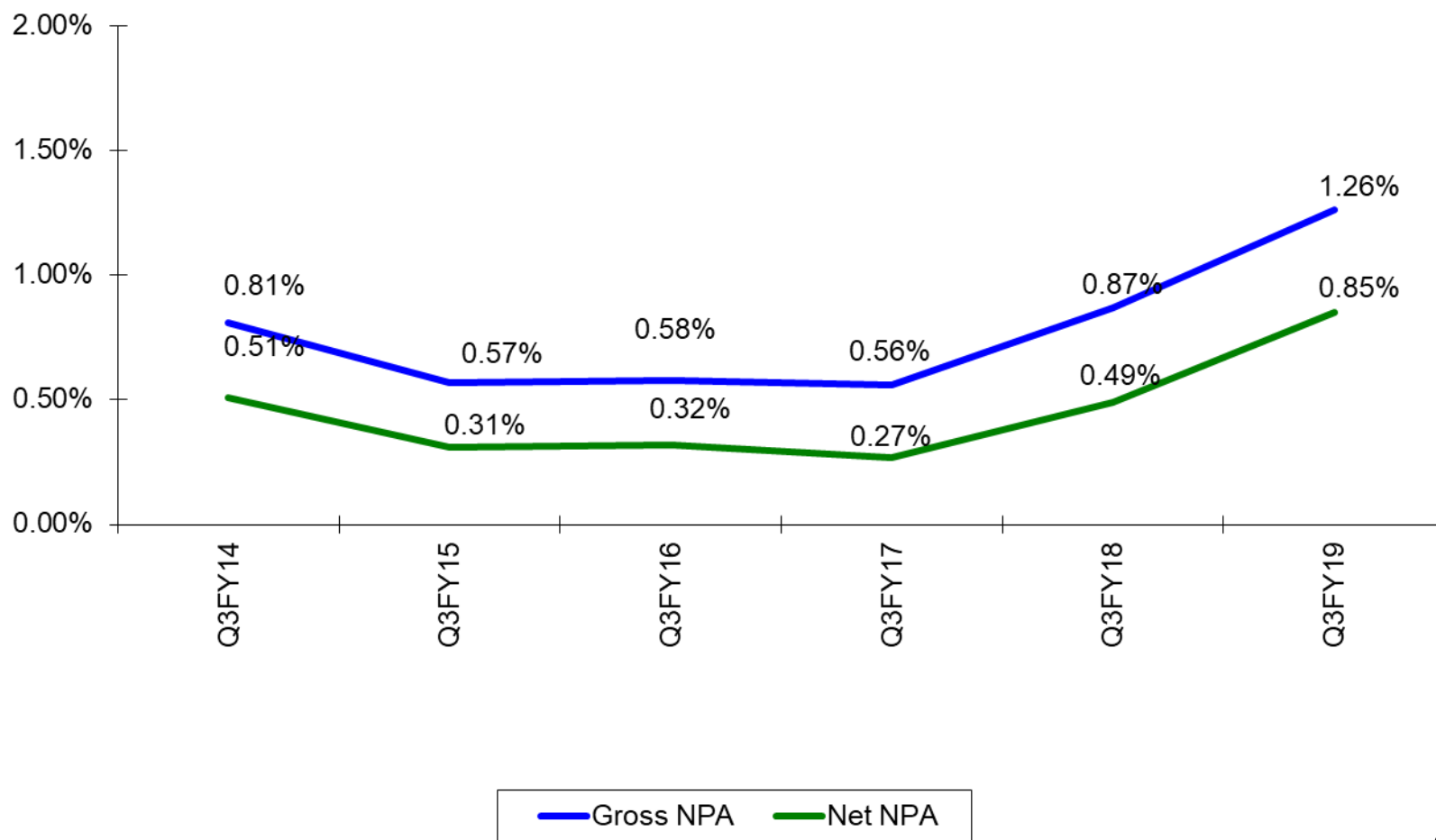
# Classification of Assets

| Exposure At Default % | December-18    | December-17   |
|-----------------------|----------------|---------------|
| Stage 1               | 93.82%         | 94.62%        |
| Stage 2               | 4.93%          | 4.47%         |
| Stage 3               | 1.25%          | 0.91%         |
| Total                 | 100%           | 100%          |
| ECL Provision         | December-18    | December-17   |
| Stage 1               | Rs. 4.74 cr    | Rs. 51.93 cr  |
| Stage 2               | Rs. 1.93 cr    | Rs. 3.07 cr   |
| Stage 3               | Rs. 1548.66 cr | Rs. 814.60 cr |

## Gross & Net NPAs

|  | 31.12.2018 | 31.12.2017 |
|--|------------|------------|
| Gross NPA (Rs. cr)                                   | 2290       | 1360       |
| Gross NPA (%)  | 1.26%      | 0.87%      |
| Provisions for NPA (Rs. cr)                          | 744        | 598        |
| Net NPA(%)   | 0.85%      | 0.49%      |
| Provisions including standard asset provisions       | 1490       | 1227       |
| Provisions cover including standard asset provisions | 65%        | 90%        |

# Gross & Net NPAs



# Thank you

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