

# Q1 FY20 Investor Update



## LICHFL: A Journey of 30 Years...

Decade 2019' by BARC Asia

Best HFC by **ABP News** 2014 LIC HFL 25 Crossed Rs. 1000 cr profit & Rs 75,000 Cr assets 2013 Best HFC by CNBC TV 18 2012 Construction Industry Award 2011 Crossed Rs. 50,000 Cr loan portfolio 2009 Crossed Rs. 500 crs profit 2004 **GDR** Issue 2019 AAA Rating Voted as the 'Brand of the

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** Outlook Money-Best

HFC

Best HFC by ABP News

 Best Data Quality by CIBIL

Asia Pacific

Entrepreneurship

**Award** 

Power Brands

Awards by Franchise India

2017

•Crosses 150,000 cr in assets

Outlook Money-Best HFC

 Business Today BFSI Best CEO

 NSE for highest Debt Issuance



2002

IPO

Incorporated

1994



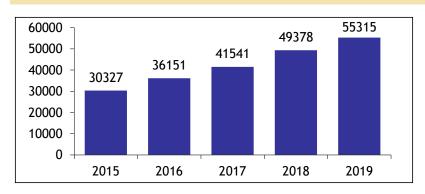
## Executive Summary – Q1/FY20

- Q1 FY20 PAT at Rs 610.68cr as against Rs 567.94 cr up 8 %
- Q1 FY20 Revenue from operations up by 19% to Rs 4757 cr
- Outstanding Loan portfolio up by 16% to Rs.197768 cr
  - Individual Loan Portfolio up by 14% to Rs. 1,84,155 cr
- Q1FY20 Disbursements Rs. 10261 cr against Rs. 9594cr a growth of 7%
  - Individual Loan Disbursements Rs. 9432 cr against Rs. 8704 cr
- Net Interest Income Rs . 1154 cr up by 18%
- Net Interest Margins 2.35 % for Q1 FY20 as against 2.32 % for Q1FY19
- Stage 3 EAD at 1.98% as against 1.54% as on 31.3.2019

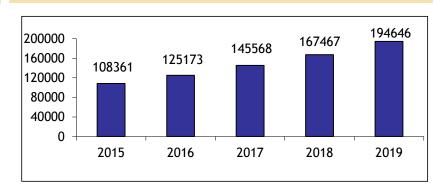


### Update - last 5 years

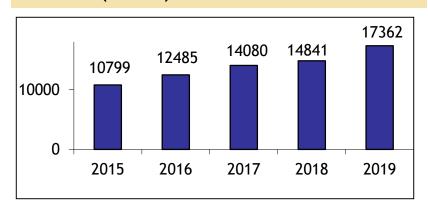
### Disbursement (Rs. Cr) CAGR 16%



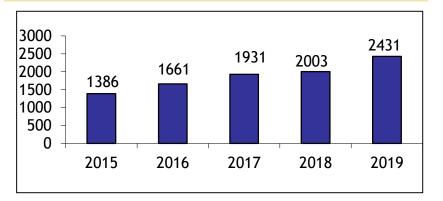
### Loan Portfolio (Rs.cr) CAGR 16%



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



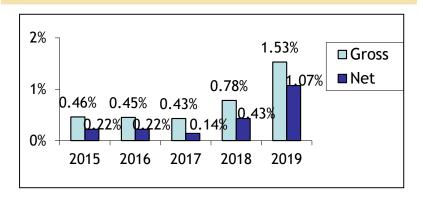
### Profit After Tax (Rs. cr) CAGR 15%



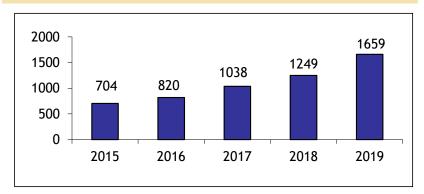


### **Update – last 5 years**

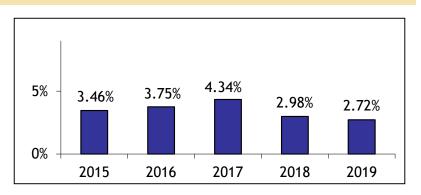
### **Gross & Net NPAs**



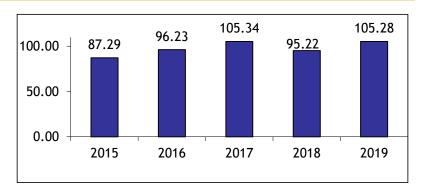
### Total Provisions\* (Rs cr)



### Operating Expense to Total Income



### Profit per employee (Rs. lacs)



<sup>\*</sup> Provisions Including Provisions on Std. Assets

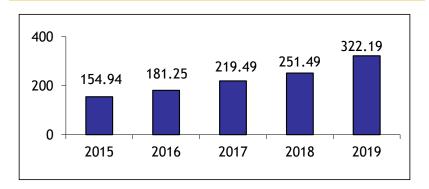


### **Update – last 5 years**

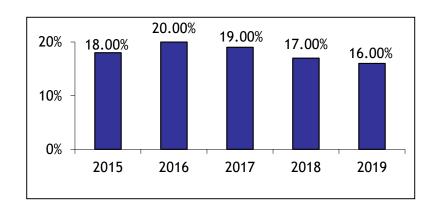
### EPS (Rs) (Rs 2/- pd up)



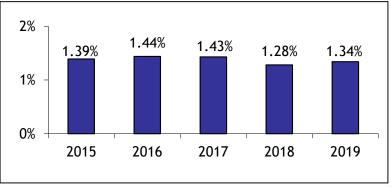
### Book Value (Rs)(Rs 2/- pd up)



### **Return on Avg Equity**



### **Return on Avg Loan Assets**





## Large geographic presence



O Hosur Vellore

Coimbatore

Pondicherry

Thanjavur

Kannur o

Ernakulam 💍 Kottayam O Thiruvananthapuram O

Palghat 0

Nagercoil

Thrissur

- 9 Regional Offices
- 25 Back Offices
- 282 Marketing Offices
- Rep offices in Dubai & Kuwait
- Coverage of more than 450 centres
- 2286 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
2019	273	23	9	2309	194646



### **Distribution Network**

282

**Marketing Offices** 

HOME LOAN AGENTS (HLAs)
(Agents of LIC)

DIRECT SALES AGENTS (DSAs) (Small Firms/Companies etc)

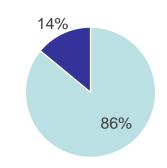
CUSTOMER RELATIONS
ASSOCIATES (CRAs)
(Individual Agents of the Company)

50 branches of LICHFL Financial Services (100% subsidiary of LICHFL)



# Origination Pattern & Average Ticket Size

### **Customer Type**

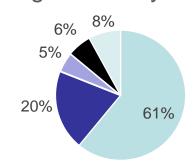


■ Salaried ■ Self Employed

# Incremental Ticket Size (Rs. lacs)

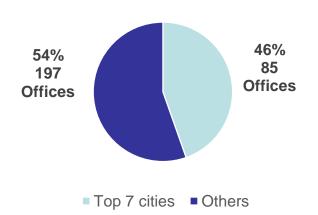


### Originations by source



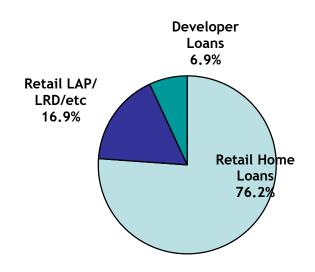
■HLA ■DSA ■CRA ■DIRECT ■LICHFLFSL

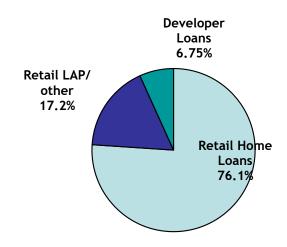
### Top 7 cities & Others





# Loan Book Composition





30.06.2019

O/s Portfolio Rs.197768 cr

31.3.2019

O/s Portfolio Rs. 194646 cr



# Individual Loans – Portfolio Stats

Pure Floating Rate Loans			
To Outstanding Portfolio			
As of FY 17 70%			
As of FY18	74%		
As of FY19	93%		
As of Q1FY20	93%		

Prepayment Lump Sum/ opening book			
For FY 17 10.9%			
For FY18 11.0%			
For FY19	10.2%		
For Q1FY20 9.8%			

Loan To Value Ratio			
On Incremental Sanctions			
For FY 17 45%			
For FY18 44%			
For FY19	46%		
For Q1FY20	47%		

Installment to Net Income Ratio			
On Incremental Sanctions			
For FY 17 32.12%			
For FY18 31.00%			
For FY19	32.00%		
For Q1FY20	31.56%		



# Financial Highlights

	Q1 FY 2020	Q1FY 2019
Return on Average Equity (%)	15.42%	16.28%
Return on Average Assets (%)	1.3%	1.4%
Earnings per share (on Rs 2 pd up)	12.10	11.25
Capital Adequacy Ratio	March 2019	March 2018
Tier I	12.30	13.06
Tier II	2.06	2.43
Total	14.36	15.49



# **Executive Summary-Q1/FY20**

	Var	Q1FY20	Q1FY19
Interest Income on Individual Loans	17%	4369.96	3722.78
Interest Income on Project Loans	37%	386.56	282.20
<u>Total</u>	19%	4756.52	4004.98
Other Income		50.68	54.98
Gross Income	18%	4807.20	4059.26
Interest Expenses	19%	3602.58	3025.32
Net Interest Income	18%	1153.94	979.66
Salary & Other Establishment Exp.	26%	106.43	84.58
Provisions for Expected Credit Loss	57%	253.33	160.96
Profit before Tax	7%	840.89	788.40
Income Tax Provision including Deferred Tax	4%	230.21	220.46
Net Profit	8%	610.68	567.94

<u>†</u>3



# **Executive Summary-Q1/FY20**

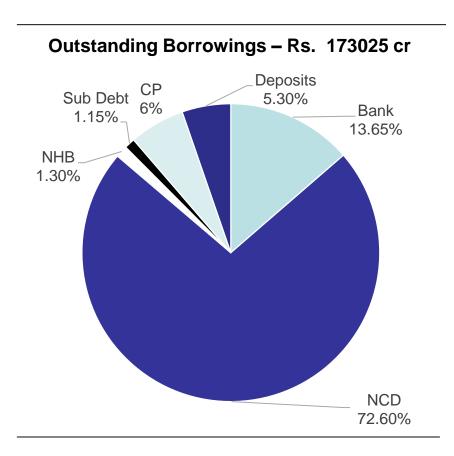
	Var	Q1FY20	Q1FY19
Disbursements	7%	10261	9594
Outstanding Portfolio			
Individual	14%	184155	161467
Project	62%	13614	8399
<u>Total</u>	16%	197768	169866
Net Interest Margins(%)		2.35%	2.32%
Weighted average cost of funds		8.46%	8.29%
Yield on advances annualised		10.45%	10.19%
Spreads		1.99%	1.90%



## **Liability Profile**

### as on 30.6.2019

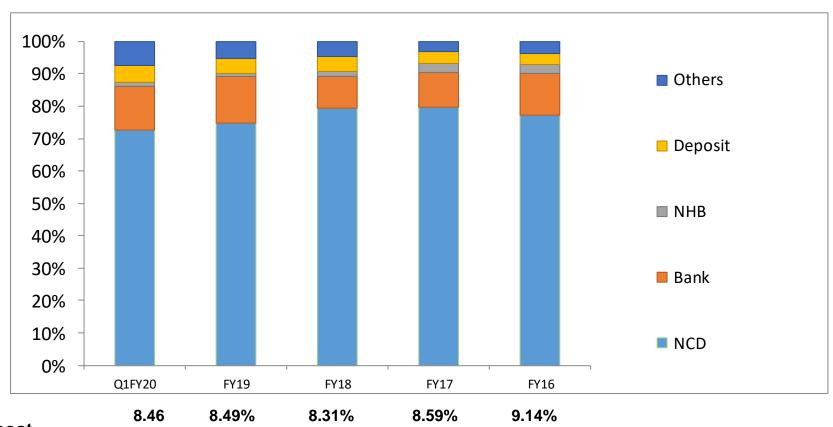
Source	Wtd Avg Cost (%)
<b>Banks &amp; Institutions</b>	8.69%
Non Convertible Debenture	8.20%
National Housing Bank	7.78%
Sub. Bonds & Upper Tier II	8.89%
Commercial Paper	7.69%
Deposits	8.30%
Total	8.46%



**During Q1FY20, Incremental Cost of funds was 8.24%** 



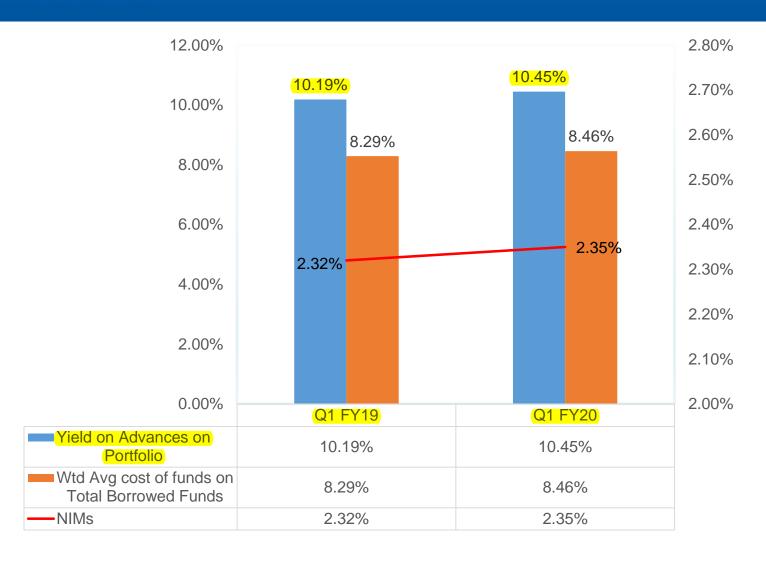
# Change in Liability Mix- last 4 yrs



Wtd. Avg. cost of Funds

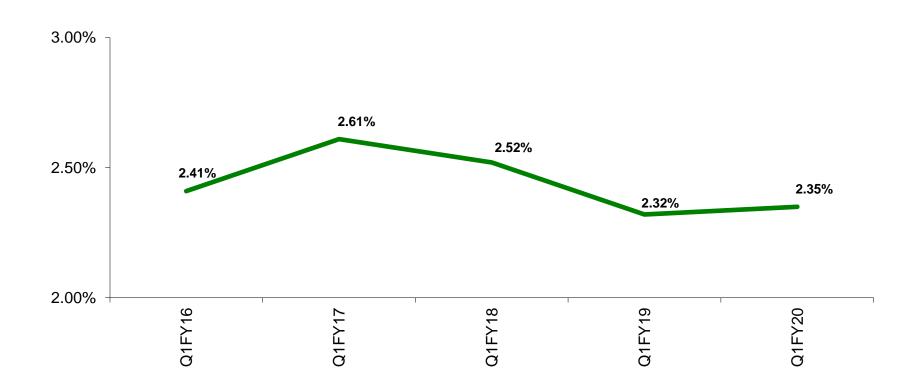


# Yield & Cost of Funds on portfolio





# NIMs





# Classification of Assets

Exposure At Default %	June-19	June-18
Stage 1	93.28%	94.96%
Stage 2	4.74%	3.83%
Stage 3	1.98%	1.21%
Total	100%	100%
ECL Provision	June-19	June-18
Stage 1	Rs. 27.56 cr	Rs. 189.92 cr
Stage 2	Rs. 128.56 cr	Rs. 73.99 cr
Stage 3	Rs. 1756.70 cr	Rs. 652.43 cr



# Thank you

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