Q4 FY21 Investor Update

LICHFL: A Journey of 31 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
•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

2019

•Voted as the 'Brand of the Decade 2019' by BARC Asia
•Crossed 2,00,000 Cr in Assets
•NSE for Best Issuer on EBP

Executive Summary – Q4 FY21/FY 21

- Q4 FY21 PAT at Rs. 398.92 cr as against Rs. 421.43 cr.
- Q4 FY21 Revenue from operations Rs.4968 cr as against Rs.4920 cr.
- Outstanding Loan portfolio up by 10 % to Rs. 232003 cr.
- Individual Loan Portfolio up by 10% to Rs. 216047 cr .
- Q4FY 21 Loan Disbursements Rs. 22362 cr against Rs. 11323 cr up by 97 %.
  - Individual Home Loan Disbursements Rs.19010 cr as against Rs. 8877 cr up by 114% .
- Net Interest Income Rs. 1505 cr against Rs. 1134 cr for Q4FY20.
- Net Interest Margins 2.66 % for Q4 FY21 as against 2.17 % for Q4 FY20.
  - Net Interest Margins 2.37 % for FY21 as against 2.38 % for FY20.
- Stage 3 EAD at 4.12% as against 2.86% as on 31.03.2020.

Impact of Covid 19

- Though the "first wave" of Covid -19 was contained and economic activities resumed around Q3 FY 21, the resurgence of Covid-19 in the "second wave" was far more devastating and lockdowns were imposed across country from April, 2021. At present , the outlook continues to be uncertain in terms of its impact on economic recovery.

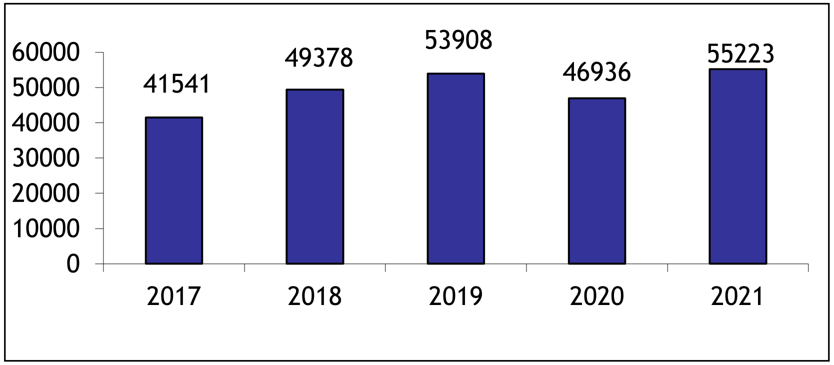
- Disbursements in FY 2021

Current Yr/Previous Yr	Q1 FY 21	Q2 FY 21	Q3 FY 21	Q4 FY 21
Disbursements	35%	102%	128%	197%

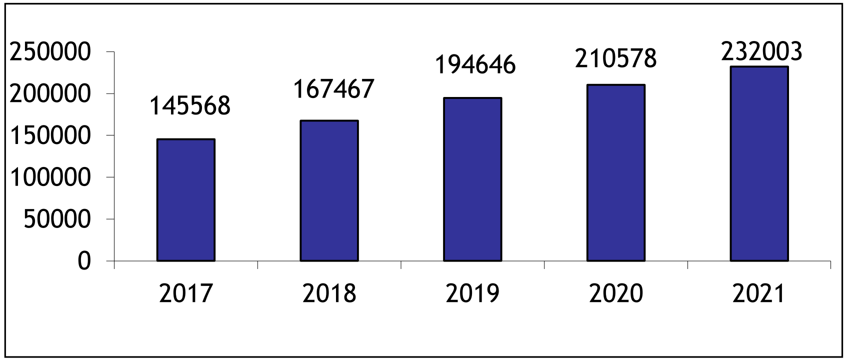
- Collection efficiency for March 2021 stood at 98%.
- Total ECL provision stood at Rs. 3971 Cr as on 31.03.2021.
  - Covid-19 related provision stood at Rs. 520 Cr as on 31.03.2021.
  - Provisions for impairment stood at Rs. 984.81 Cr as on 31.03.2021.

Update – last 5 years

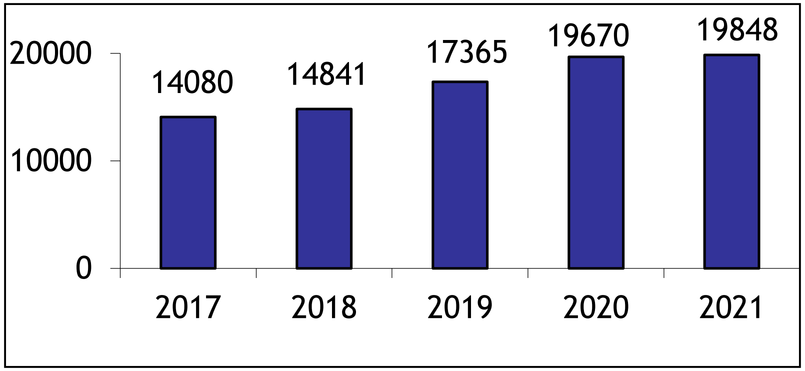
Disbursement (Rs. Cr) CAGR 7%



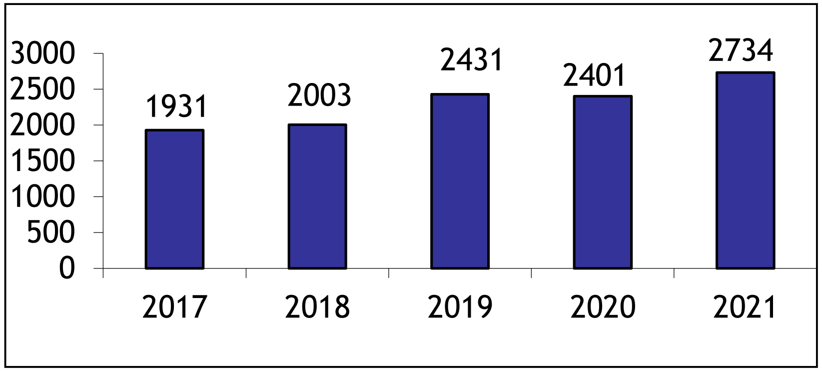
Loan Portfolio (Rs.cr) CAGR 14%



Income (Rs. cr) CAGR 9%

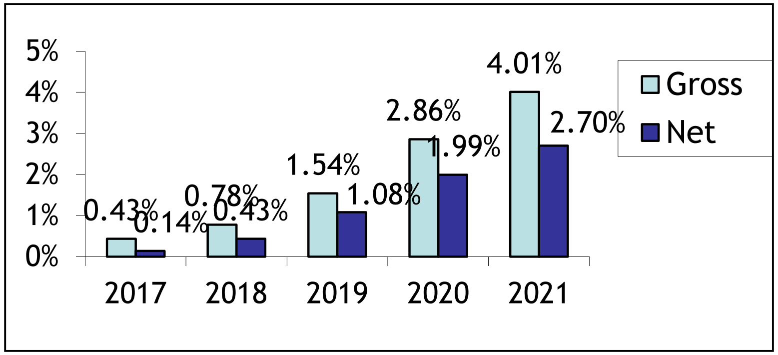


Profit After Tax (Rs. cr) CAGR 9%

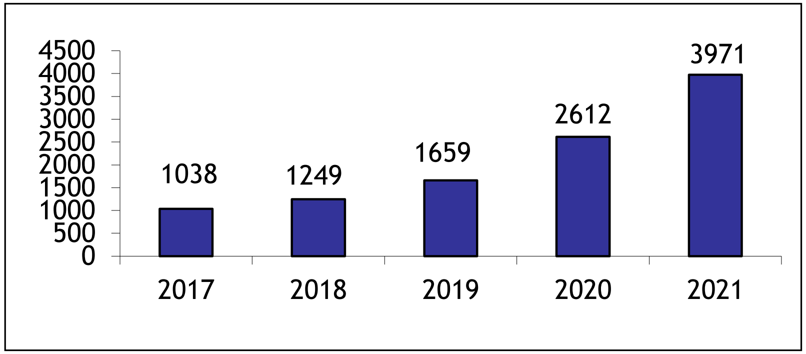


Update – last 5 years

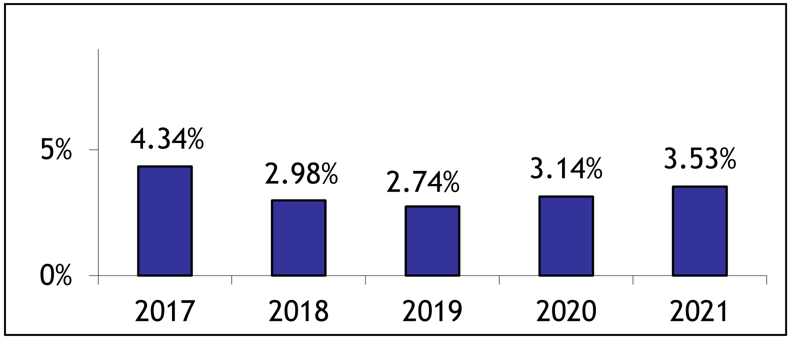
Gross & Net NPAs



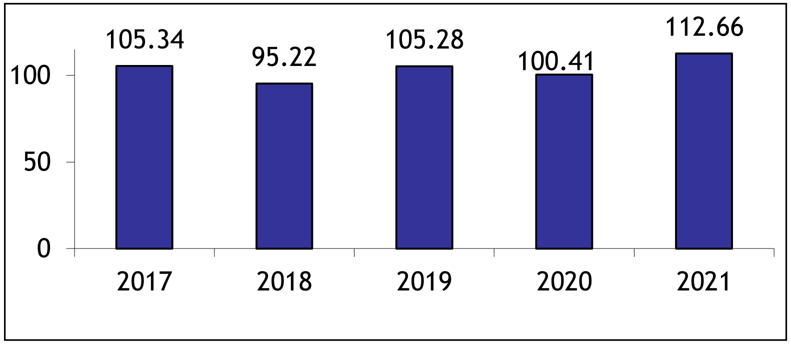
Total Provisions* (Rs cr)



Operating Expense to Total Income



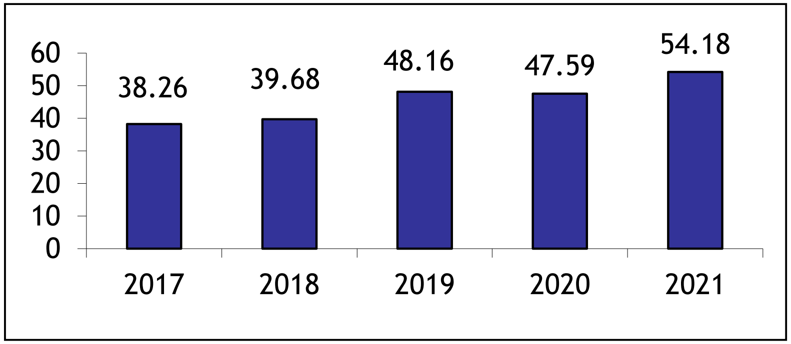
Profit per employee (Rs. lacs)



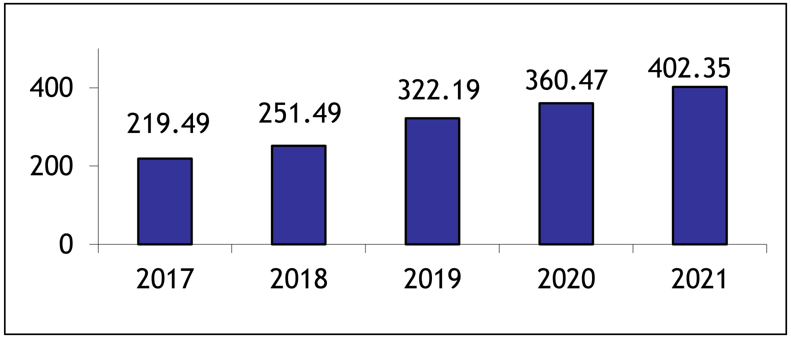
As per IGAAP
* For 2019, 2020 & 2021 ECL Provisions of Stage 1,2 and 3

Update – last 5 years

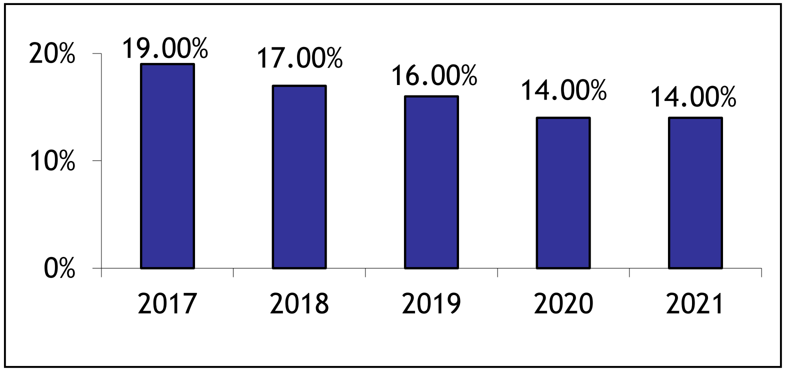
EPS (Rs) (Rs 2/- pd up)



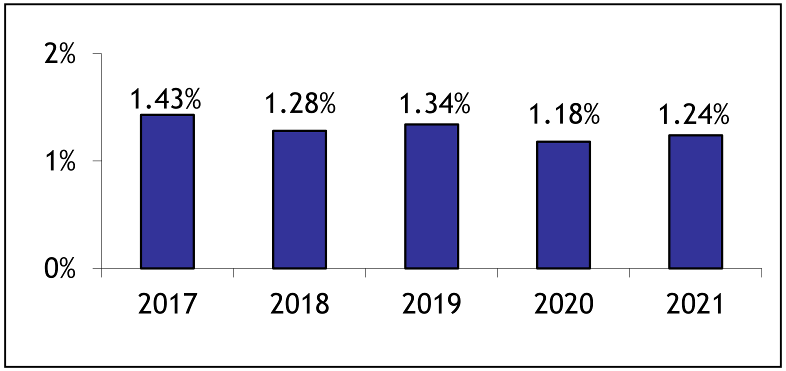
Book Value (Rs)(Rs 2/- pd up)



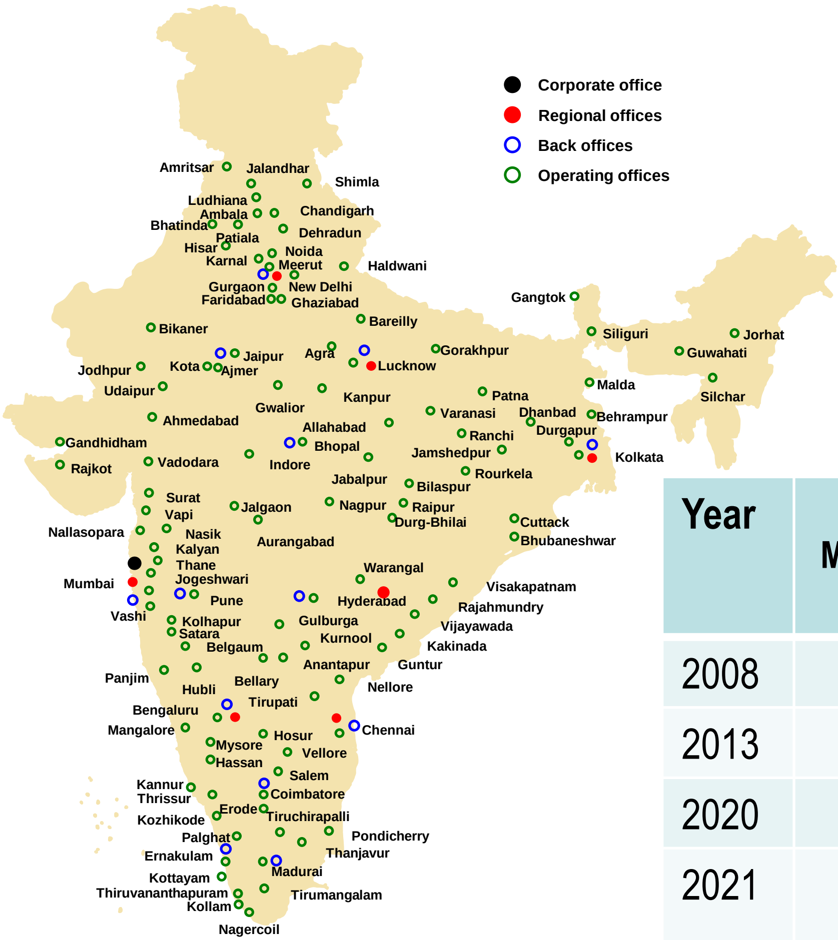
Return on Avg Equity



Return on Avg Loan Assets



Large geographic presence



- 9 Regional Offices
- 24 Back Offices
- 282 Marketing Offices
- Rep offices in Dubai & Kuwait
- Coverage of more than 450 centres
- 2427 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
2008	125	14	6	985	**21936**
2013	194	16	7	1446	**77812**
2020	282	24	9	2392	**210578**
2021	282	24	9	2427	**232003**

Distribution Network

282

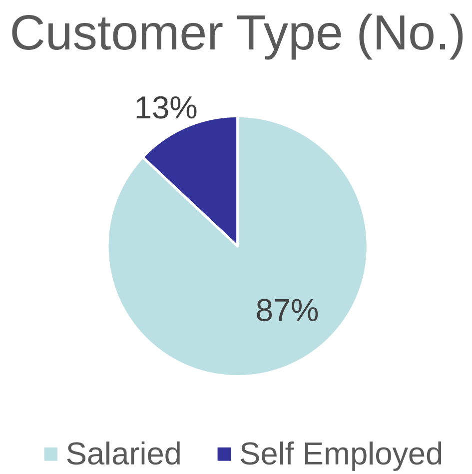
Marketing Offices

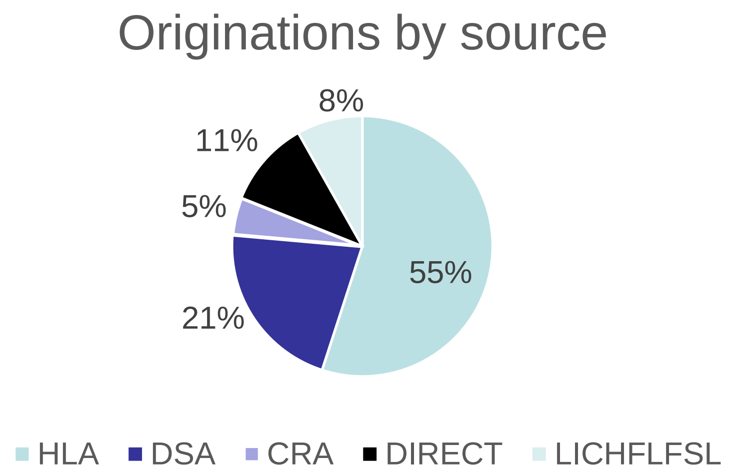
- HOME LOAN AGENTS (HLAs) (Agents of LIC)
- DIRECT SALES AGENTS (DSAs) (Small Firms/Companies etc)
- CUSTOMER RELATIONS ASSOCIATES (CRAs) (Individual Agents of the Company)
- 46 branches of LICHFL Financial Services (100% subsidiary of LICHFL)

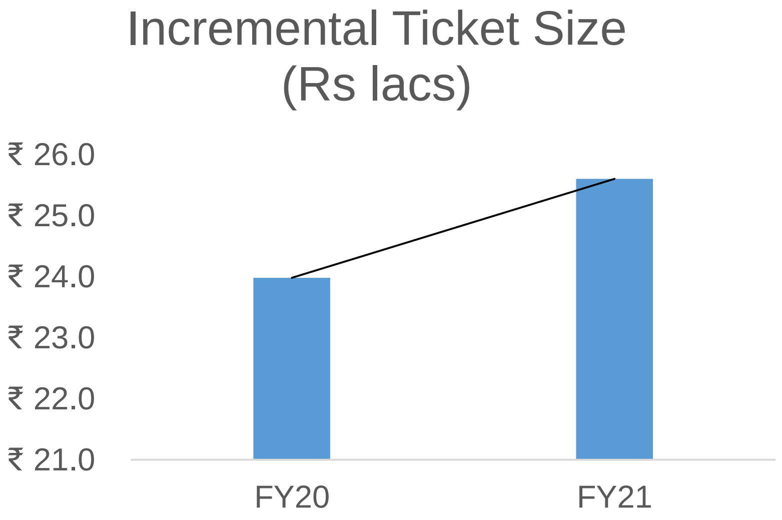
New Marketing Channel → DIRECT MARKETING EXECUTIVES (Captive Marketing Channel)

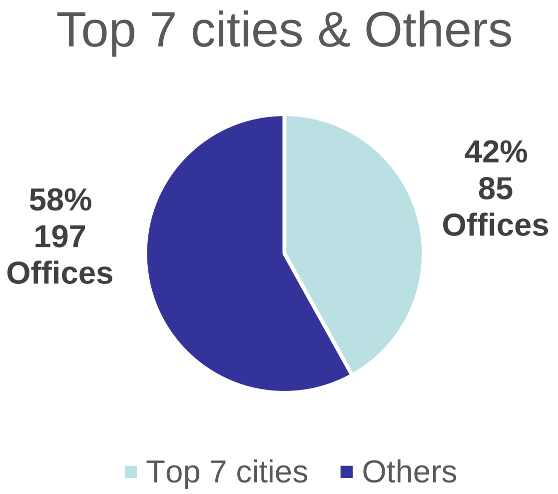
***Online Loan approvals during FY21 were Rs.2285 Cr**

Origination Pattern & Average Ticket Size

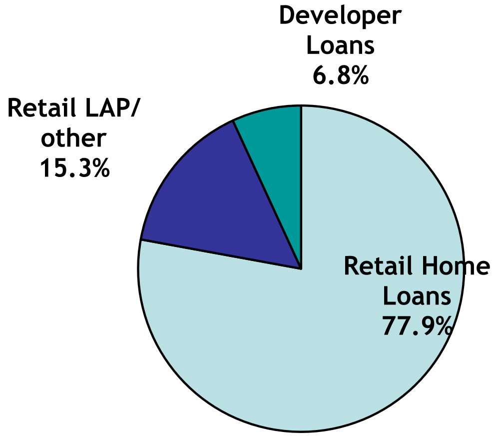




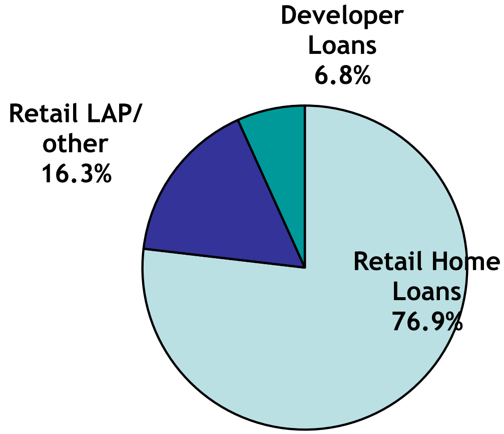




Loan Book Composition



31.03.2021
O/s Portfolio Rs. 232003 cr



31.03.2020
O/s Portfolio Rs. 210578 cr

Individual Loans – Portfolio Stats

Pure Floating Rate Loans To Outstanding Portfolio	
As of FY19	93%
As of FY20	92%
As of FY21	97%

Loan To Value Ratio On Incremental Sanctions	
For FY19	46%
For FY20	49%
For FY21	48%

Prepayment Lump Sum/ opening book	
For FY19	10.2%
For FY20	10.1%
For FY21	10.8%

Installment to Net Income Ratio On Incremental Sanctions	
For FY19	32%
For FY20	31%
For FY21	29%

Financial Highlights

	FY2021	FY2020
Return on Average Equity (%)	14%	14%
Return on Average Assets (%)	1.24%	1.18%
Earnings per share (on Rs 2 pd up)	54.18	47.59
Dividend per Share (on Rs 2 pd up)	8.50	8.00
Capital Adequacy Ratio	Sept 2020*	March 2020
Tier I	13.06	12.19
Tier II	1.43	1.70
Total	14.49	13.89

*Fresh Tier II Bonds issued during Q3 & Q4 FY 21 - Rs. 1800 cr.

Executive Summary-Q4/FY21

	Var	Q4 FY21 (Rs. Cr)	Q4 FY20 (Rs. Cr)	Var	FY21 (Rs. Cr)	FY20 (Rs. Cr)
Revenue from Operations	***1%***	**4967.69**	**4920.17**	***1%***	**19847.15**	**19696.69**
Finance cost	***-10%***	**3392.87**	**3764.23**	***-2%***	**14452.58**	**14783.86**
Net Interest Income	***33%***	**1504.93**	**1134.24**	***9%***	**5244.53**	**4821.49**
Impairment on Financial Instruments and Net Loss on De-recognition of Financial Instruments	***1365%***	**984.81**	**67.23**	***34%***	**1345.03**	**1000.22**
Profit before Tax	***-57%***	**352.00**	**826.72**	***2%***	**3348.57**	**3268.99**
Tax Expense	***-112%***	**(46.92)**	**405.29**	***-29%***	**614.23**	**867.15**
Net Profit	***-5%***	**398.92**	**421.43**	***14%***	**2734.34**	**2401.84**

Executive Summary – Q4/FY21

Rs cr

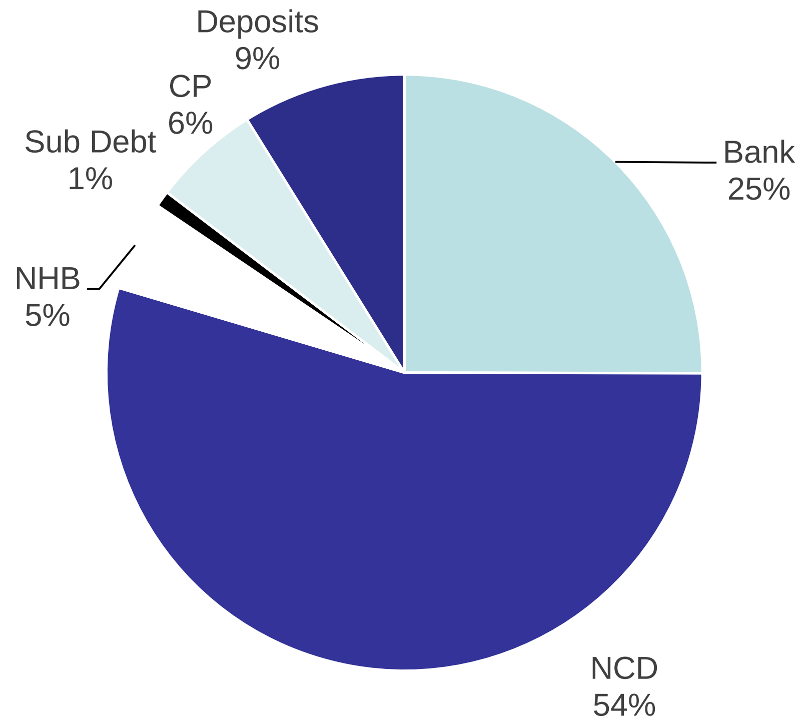
	Var	Q4 FY21	Q4 FY20	Var	FY21	FY20
Disbursements						
Individual	**94%**	**21166**	**10912**	**18%**	**52212**	**44318**
Project	**190%**	**1197**	**411**	**15%**	**3011**	**2618**
Total	**97%**	**22362**	**11323**	**18%**	**55223**	**46936**
Outstanding Portfolio						
Individual	**10%**	**216047**	**196340**			
Project	**12%**	**15956**	**14237**			
Total	**10%**	**232003**	**210578**			
Net Interest Margins(%)		**2.66%**	**2.17%**		**2.37%**	**2.38%**
Weighted average cost of funds					**6.93%**	**8.08%**
Yield on advances annualised					**9.06%**	**10.02%**
Spreads					**2.13%**	**1.94%**

Liability Profile

as on 31.3.2021

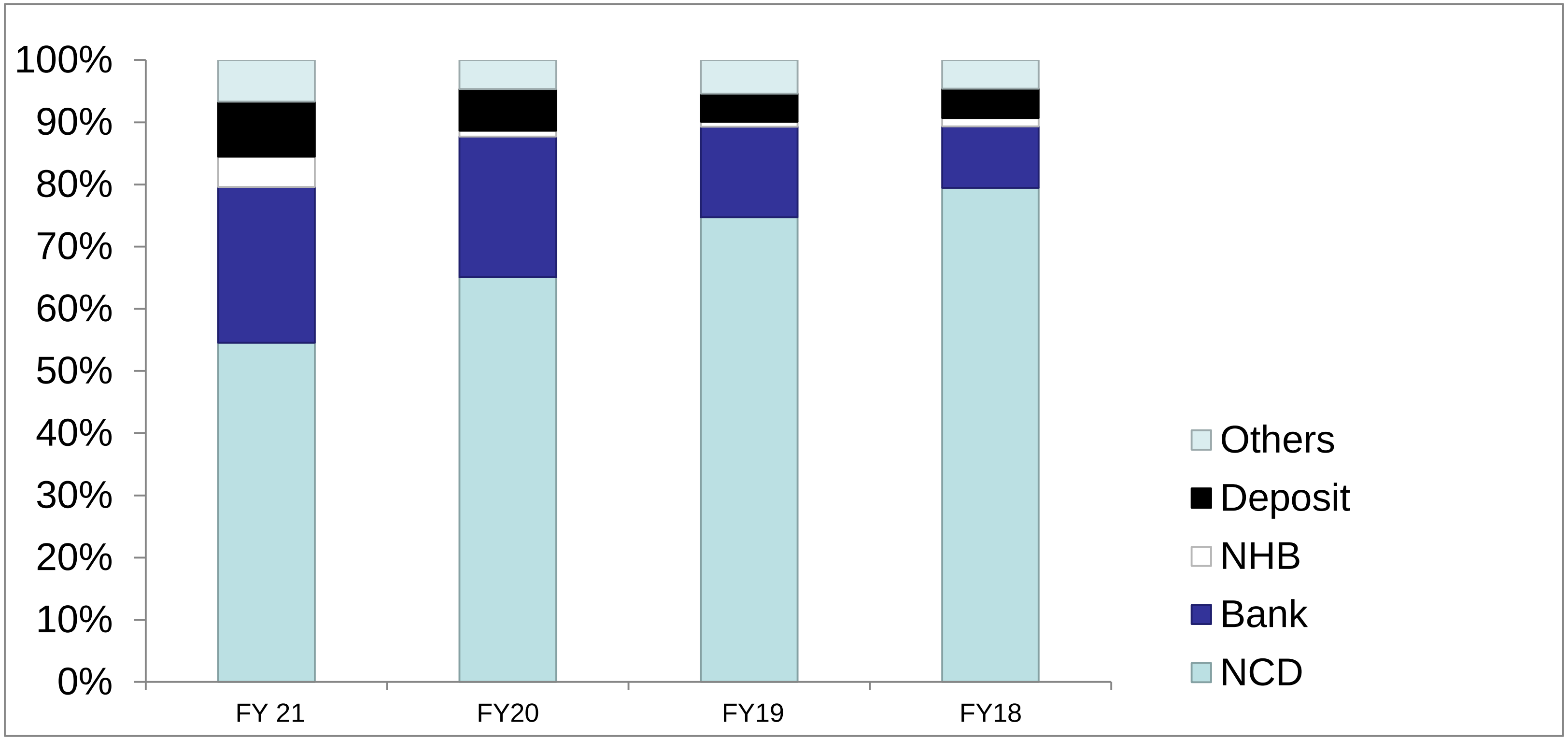
Source	Wtd Avg Cost (%)
Banks & Institutions	5.89%
National Housing Bank	5.88%
Non Convertible Debenture	7.81%
Upper Tier II	7.30%
Commercial Paper	4.14%
Deposits	6.75%
Total	**6.93%**

Outstanding Borrowings – Rs. 207577 cr



During FY21, Incremental Cost of funds was 5.62%
During Q4 FY21, Incremental Cost of Funds was 5.15%

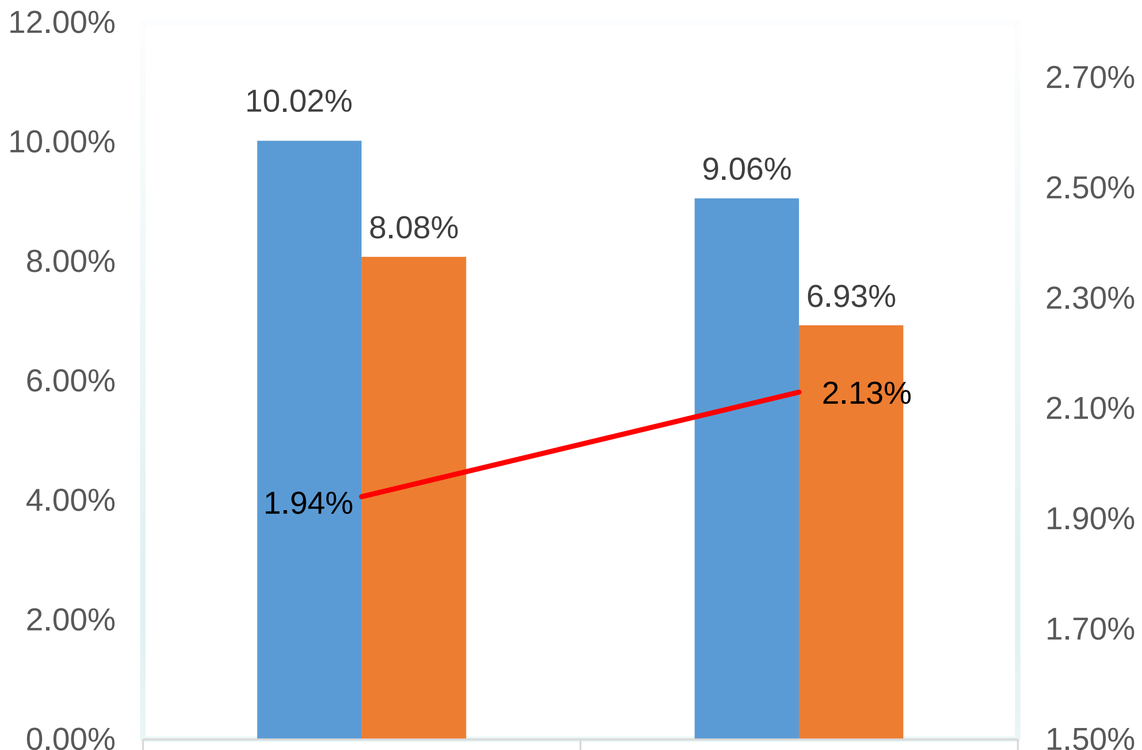
Change in Liability Mix- last 4 yrs



	6.93%	8.08%	8.49%	8.31%

Wtd. Avg. cost of Funds

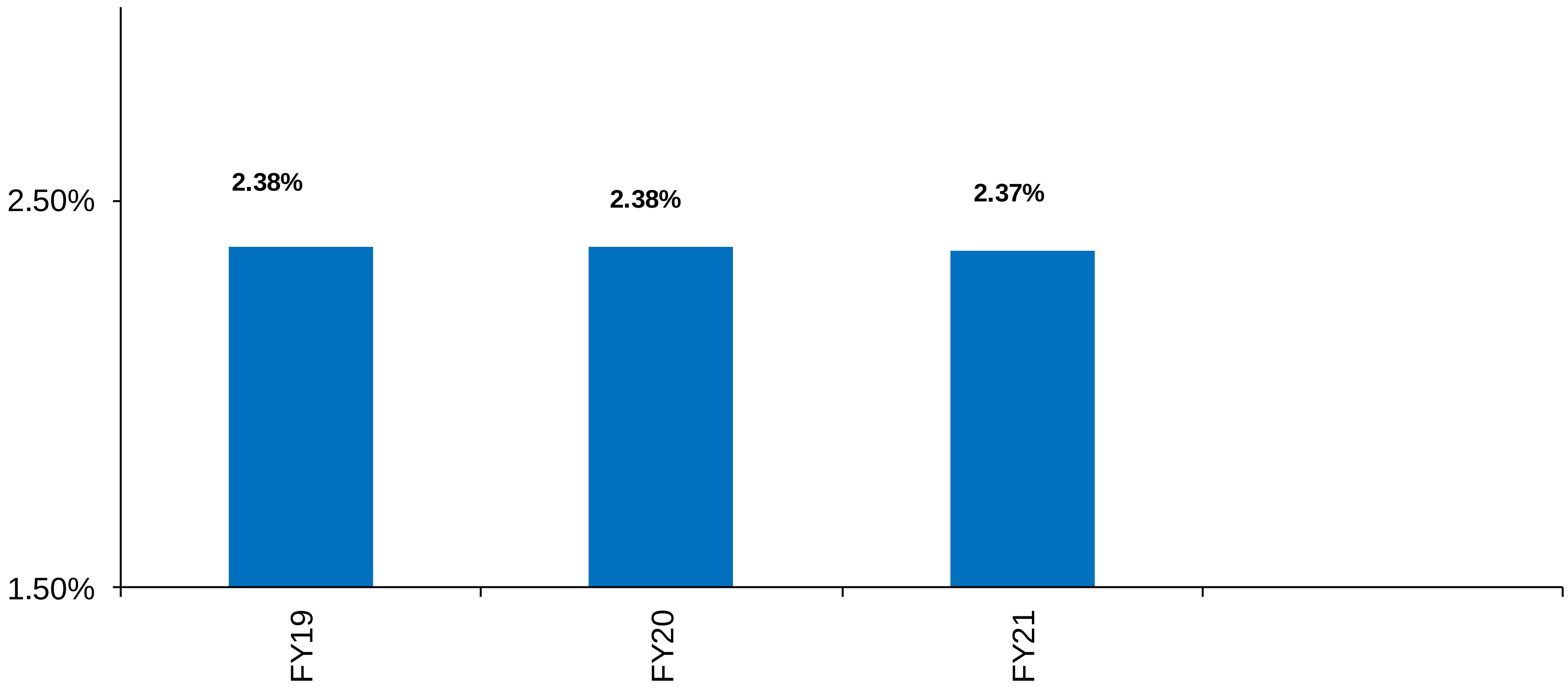
Yield & Cost of Funds on portfolio



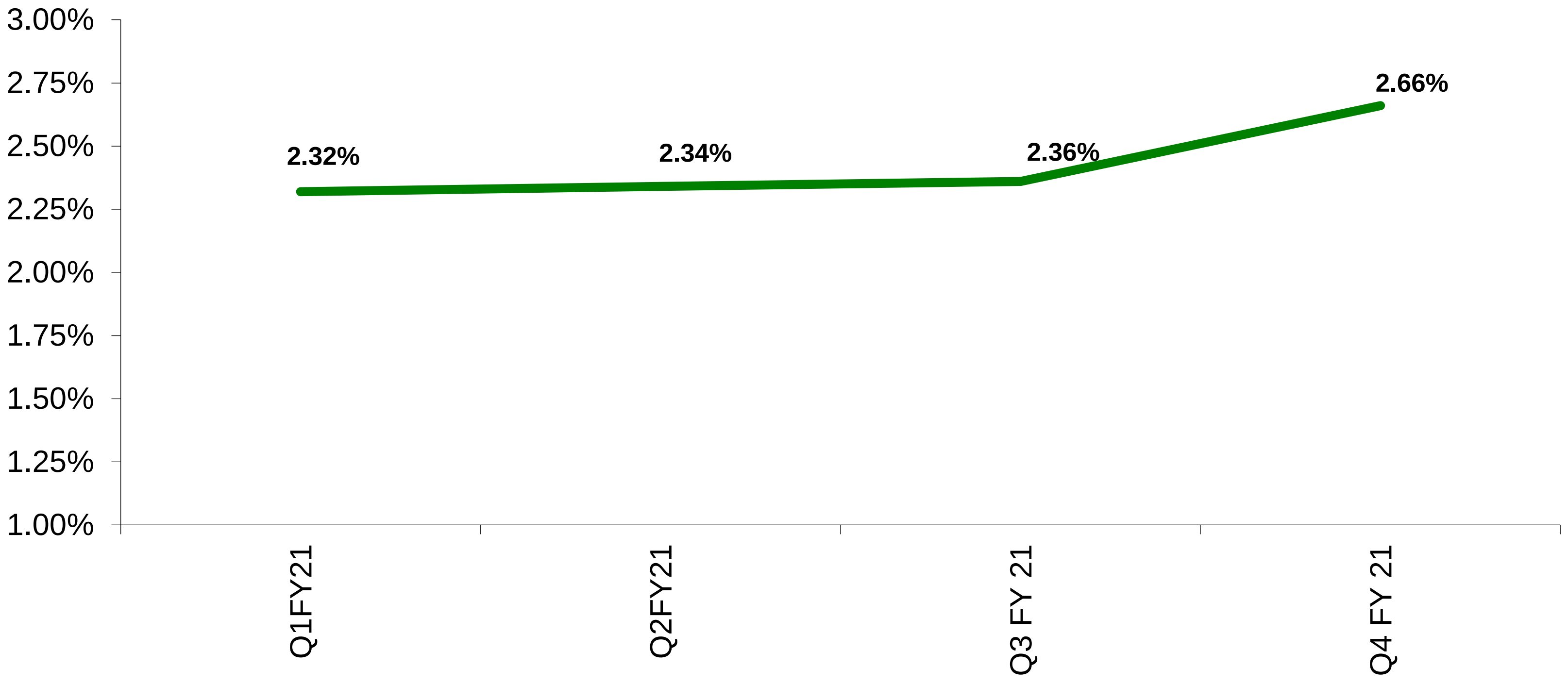
	FY20	FY21
Yield on Advances on Portfolio	10.02%	9.06%
Wtd Avg cost of funds on Total Borrowed Funds	8.08%	6.93%
Spread	1.94%	2.13%

NIMs

NIMs (for the year)



NIMs



3.00%
2.75%
2.50%
2.25%
2.00%
1.75%
1.50%
1.25%
1.00%
2.32%
2.34%
2.36%
2.66%
Q1FY21
Q2FY21
Q3 FY 21
Q4 FY 21

Classification of Assets

Exposure At Default %	March-21	March-20
Stage 1	89.69%	92.50%
Stage 2	6.19%	4.64%
Stage 3	4.12%	2.86%
Total	100%	100%

ECL Provision	March-21	March-20
Stage 1	Rs 117.15 Cr	Rs 0.03 Cr
Stage 2	Rs. 37.17 Cr	Rs.0.15 Cr
Stage 3	Rs. 3817.10 Cr	Rs.2612.21 Cr

Thank you

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