Q2 FY18 Investor Update

A Journey of 28 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

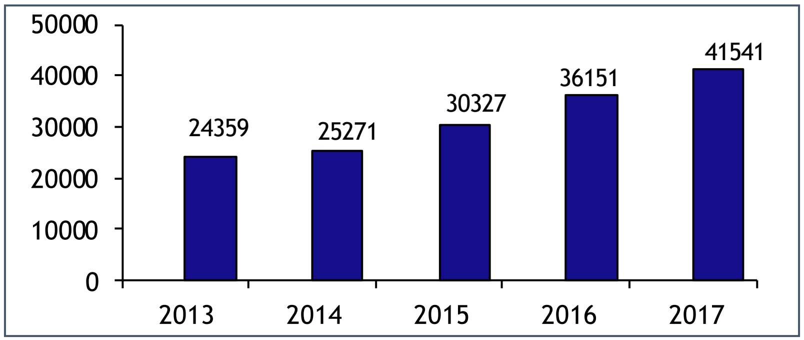
2017
- Outlook Money- Best HFC
- Business Today BFSI Best CEO
- NSE for highest Debt Issuance

Executive Summary – Q2/FY18

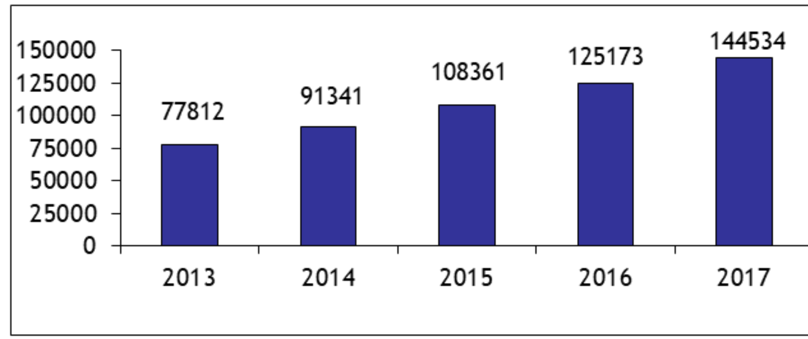
- Q2 FY18 PAT at Rs 489.12 cr as against Rs 494.76 cr
- Q2 FY18 Revenue from operations up by 7% to Rs 3687 cr
- Outstanding Loan portfolio up by 16% to Rs.151417 cr
  - Individual Loan Portfolio up by 14 % to Rs 145486 cr
- Q2FY18 Disbursements Rs 10975 cr against Rs 9123 cr up by 20 %
  - Individual Loan Disbursements Rs 10367 cr against Rs 8755 cr, up by 18%
- Net Interest Income Rs 888 cr up by 3%
- Net Interest Margins 2.38 % for Q2 FY18 as against 2.68% for Q2FY17
- Gross NPAs at 0.80% as against 0.57 % as on 30.9.2016
  - Net NPAs 0.43% as against 0.28% on corresponding dates
- Individual Loans Gross NPAs at 0.44% as against 0.32% on 30.9.2016
- Total Provisions at Rs 1192 cr as against total Gross NPAs of Rs 1211 cr

Update – last 5 years

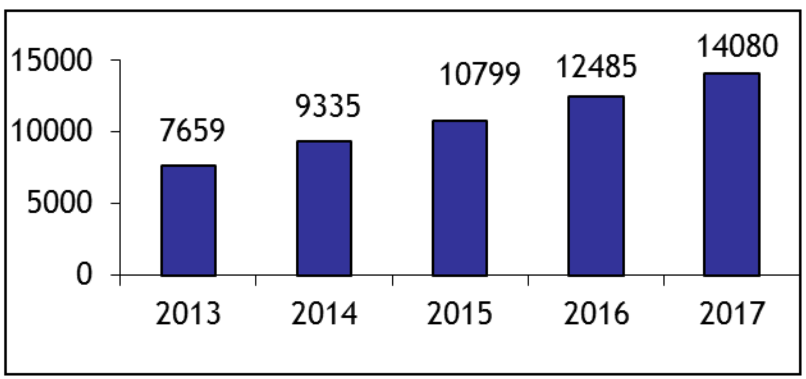
Disbursement (Rs. Cr) CAGR 14%



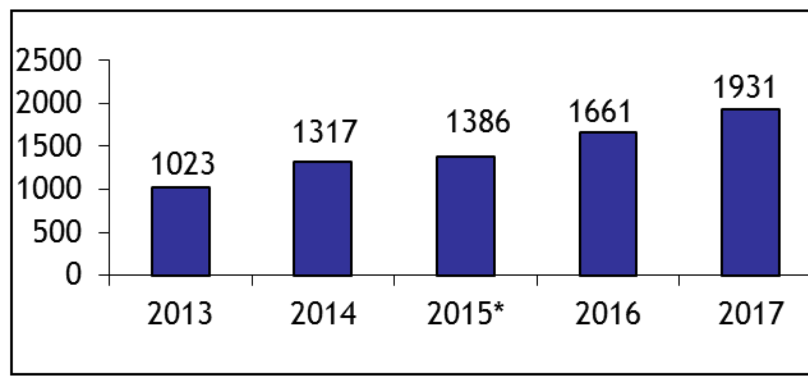
Loan Portfolio (Rs.cr) CAGR 17%



Income (Rs. cr) CAGR 16%

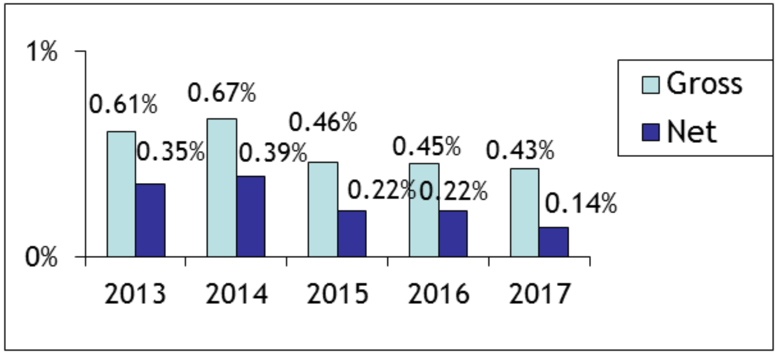


Profit After Tax (Rs. cr) CAGR 17%

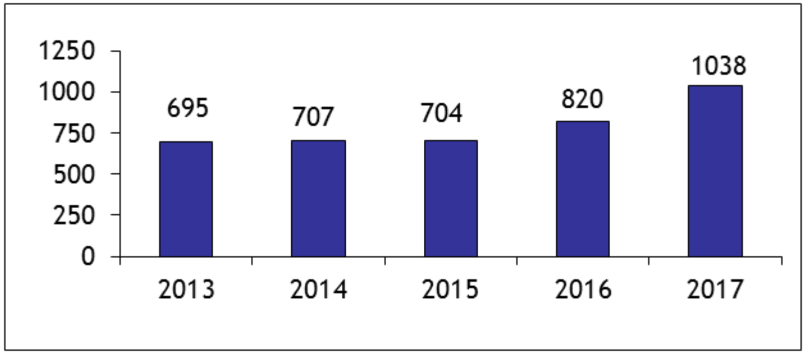


Update – last 5 years

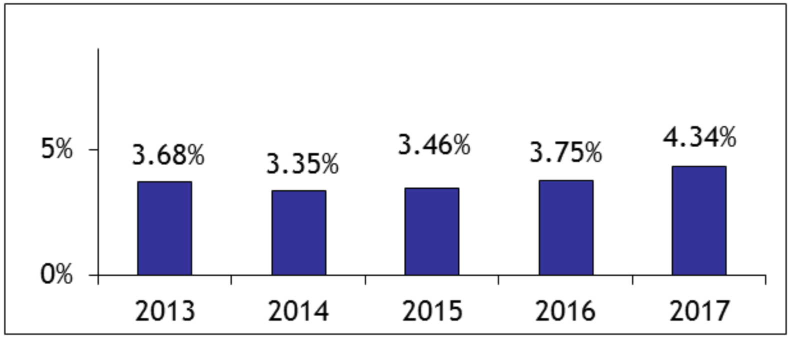
Gross & Net NPAs



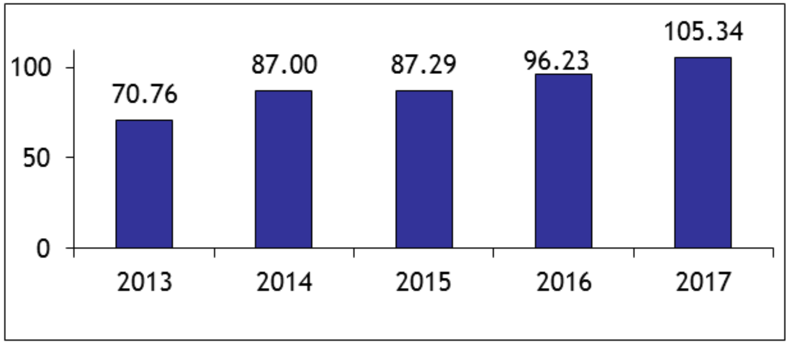
Total Provisions* (Rs cr)



Operating Expense to Total Income



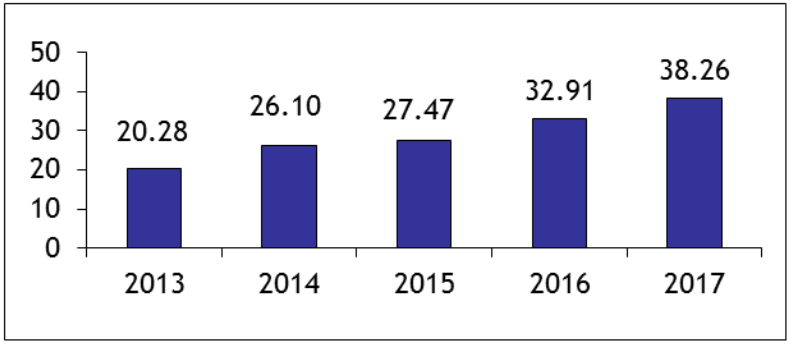
Profit per employee (Rs. lacs)



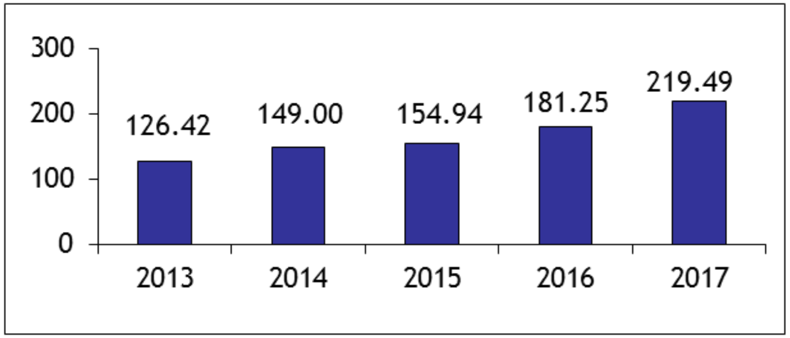
* Provisions Including Provisions on Std. Assets & Teaser Loans

Update – last 5 years

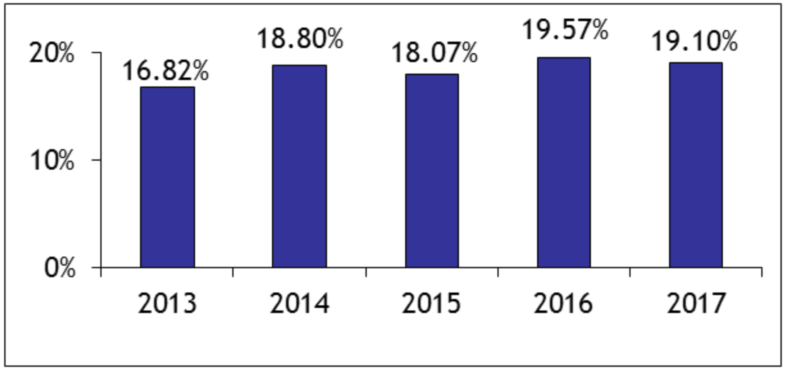
EPS (Rs) (Rs 2/- pd up)



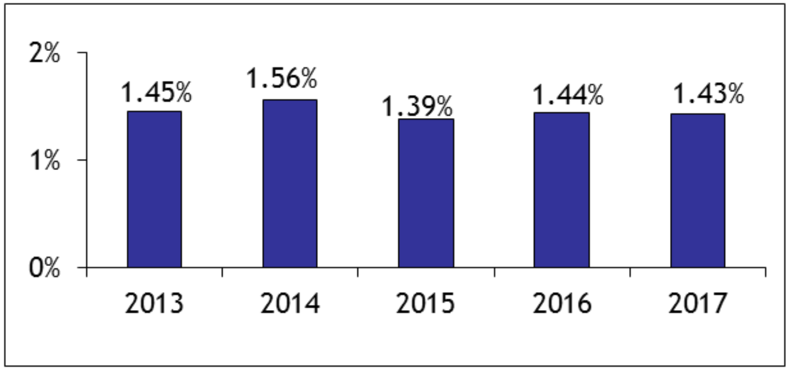
Book Value (Rs)(Rs 2/- pd up)



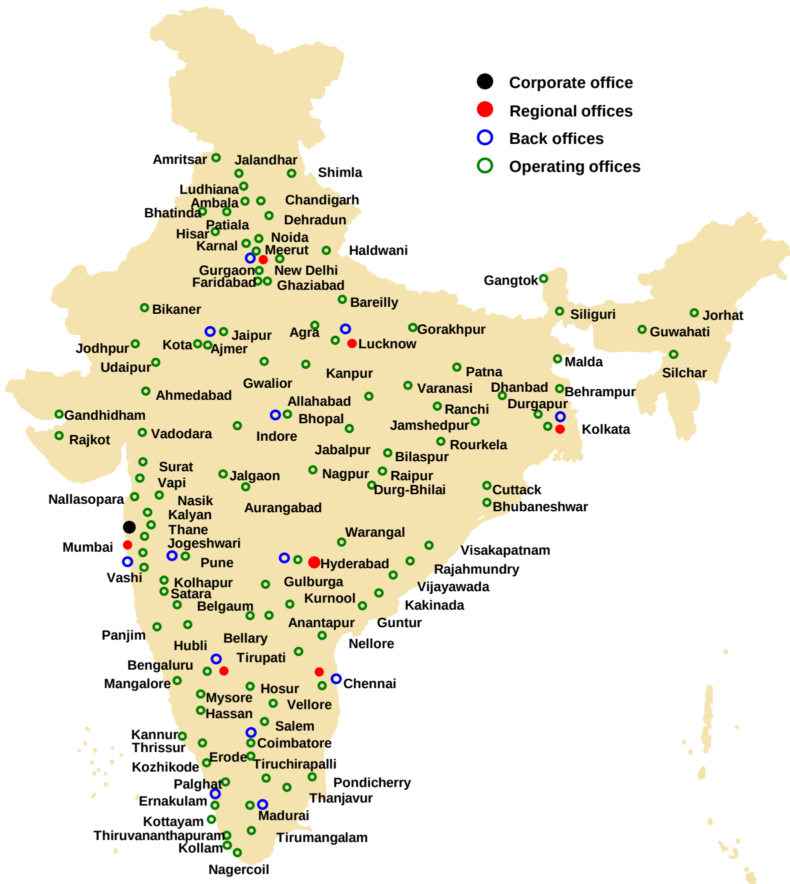
Return on Avg Equity



Return on Avg Loan Assets



Geographic Presence



- 9 Regional Offices
- 22 Back Offices
- 249 Marketing Offices
- Rep offices in Dubai & Kuwait
- Coverage of more than 450 centres
- 1884 Employees

Distribution Network

249

Marketing Offices

HOME LOAN AGENTS (HLAs)
(Agents of LIC)

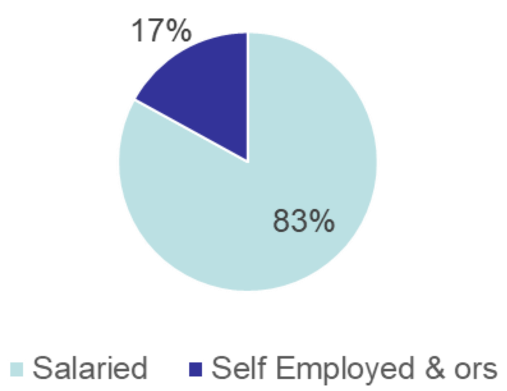
DIRECT SALES AGENTS (DSAs)
(Small Firms/Companies etc)

CUSTOMER RELATIONS ASSOCIATES (CRAs)
(Individual Agents)

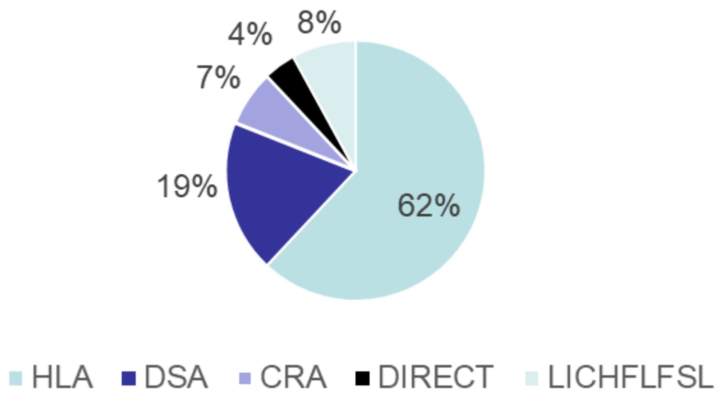
39 branches of
LICHFL Financial Services
(100% subsidiary of LICHFL)

Origination Pattern & Average Ticket Size

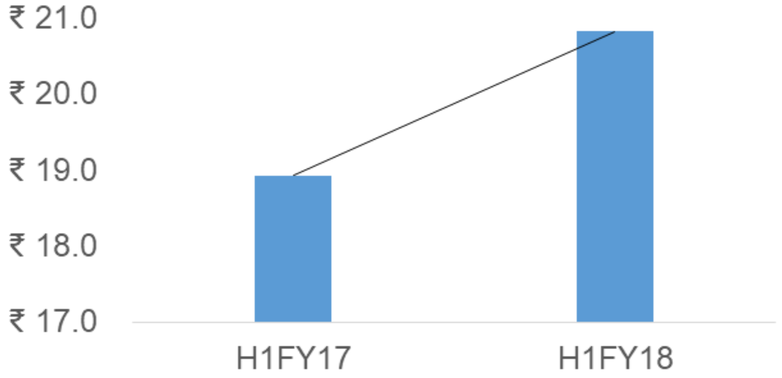
Customer Type



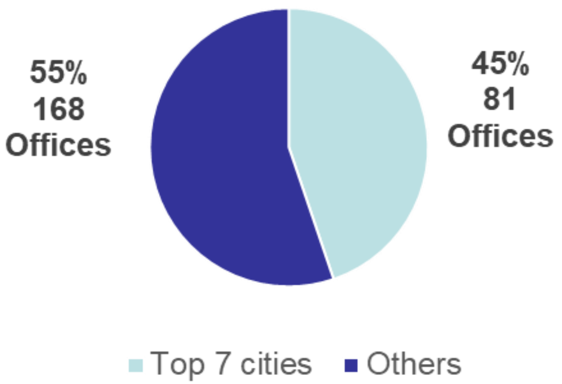
Originations by source



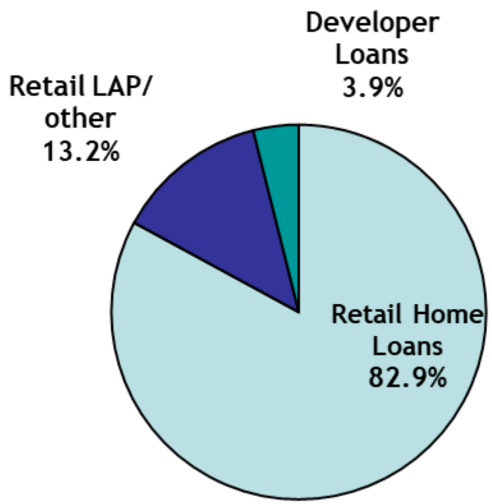
Incremental Ticket Size (Rs lacs)



Top 7 cities & Others

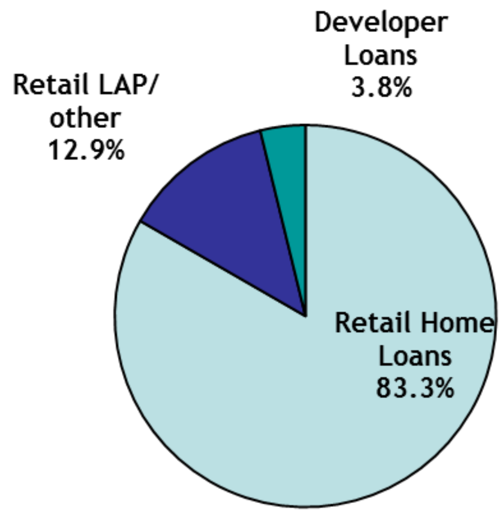


Loan Book Composition



30.09.2017

O/s Portfolio Rs. 151417 cr



30.06.2017

O/s Portfolio Rs. 147051 cr

Individual Loans – Portfolio Stats

Pure Floating Rate Loans To Outstanding Portfolio	
As of FY 16	47%
As of FY17	70%
As of Q1FY18	73%
As of Q2FY18	78%

Loan To Value Ratio On Incremental Sanctions	
For FY 16	47%
For FY17	45%
For Q1FY18	47%
For Q2FY18	45%

Prepayment Lump Sum/ opening book	
For FY 16	11.9%
For FY17	10.9%
For Q1FY18	10.9%
For Q2FY18	10.9%

Installment to Net Income Ratio On Incremental Sanctions	
For FY 16	33.25%
For FY17	32.12%
For Q1FY18	30.36%
For Q2FY18	30.28%

Financial Highlights- Q2

	Q2 FY2018	Q2 FY 2017
Return on Average Equity (%)	17%	19%
Return on Average Assets (%)	1.3%	1.5%
Earnings per share (on Rs 2 pd up)	9.69	9.80
Capital Adequacy Ratio	March 2017	Sept 2016
Tier I	13.35	13.99
Tier II	2.29	2.65
Total	15.64	16.63

Executive Summary-Q2/H1FY18

	Var	Q2 FY18	Q2 FY17	Var	H1 FY18	H1 FY17
Interest Income on Individual Loans	*6%*	3490.68	3308.21	*6%*	6935.60	6520.24
Interest Income on Project Loans	*39%*	167.39	120.10	*41%*	331.24	234.4
Total	*7%*	3658.08	3428.31	*8%*	7266.84	6754.64
Processing Fees & Other Fees	*4%*	29.34	28.14	*(13%)*	53.77	61.50
Other Income	*(13%)*	29.21	33.46	*(6%)*	50.60	53.64
Gross Income	*7%*	3716.63	3489.91	*7%*	7371.21	6869.76
Interest Expenses	*8%*	2770.54	2562.60	*8%*	5466.79	5064.41
Net Interest Income	*3%*	887.54	865.71	*7%*	1800.05	1690.23
Salary & Other Establishment Exp.	*3%*	140.18	136.37	*-*	275.59	274.52
Net Provisions & Diminutions	*91%*	57.83	30.30	*11%*	162.29	146.76
Profit before Tax	*(2%)*	748.07	760.64	*6%*	1466.55	1384.07
Income Tax Provision including Deferred Tax	*(3%)*	227.00	233.27	*5%*	444.75	422.13
Net Profit	*(1%)*	489.12	494.75	*6%*	959.18	902.60

Executive Summary-Q2/H1FY18

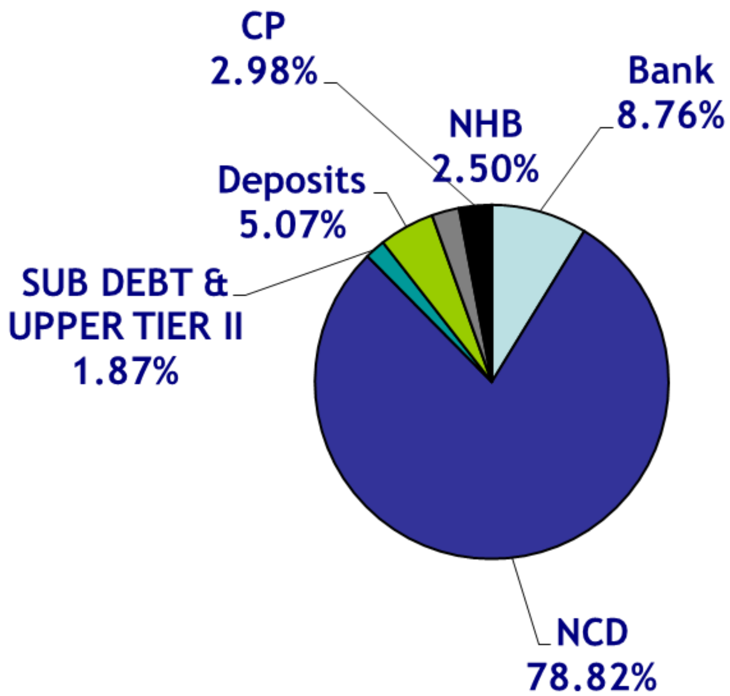
	Var	Q2 FY18	Q2 FY17	Var	H1 FY18	H1 FY17
Disbursements						
Individual	***18%***	**10366.78**	**8754.97**	***18%***	**18652.97**	**15819.44**
Project	***65%***	**608.47**	**367.79**	***21%***	**1021.6**	**845.31**
Total	***20%***	**10975.25**	**9122.76**	***18%***	**19674.57**	**16664.75**
Outstanding Portfolio						
Individual	***14%***	**145486.20**	**127434.08**	***14%***	**145486.20**	**127434.08**
Project	***62%***	**5930.61**	**3661.93**	***62%***	**5930.61**	**3661.93**
Total	***16%***	**151416.81**	**131096.01**	***16%***	**151416.81**	**131096.01**
Net Interest Margins(%)		**2.38%**	**2.68%**		**2.43%**	**2.64%**
Borrowings during the Qtr. (Rs. Cr.)	***15%***	**15677**	**13648**	***25%***	**29297**	**23452**
Incremental Cost		**7.23%**	**8.18%**		**7.44%**	**8.40%**
Incremental Yield(overall, annualised YTD)					**9.84%**	**10.58%**
Incremental Spreads (YTD)					**2.40%**	**2.18%**

Liability Profile

as on 30.9.2017

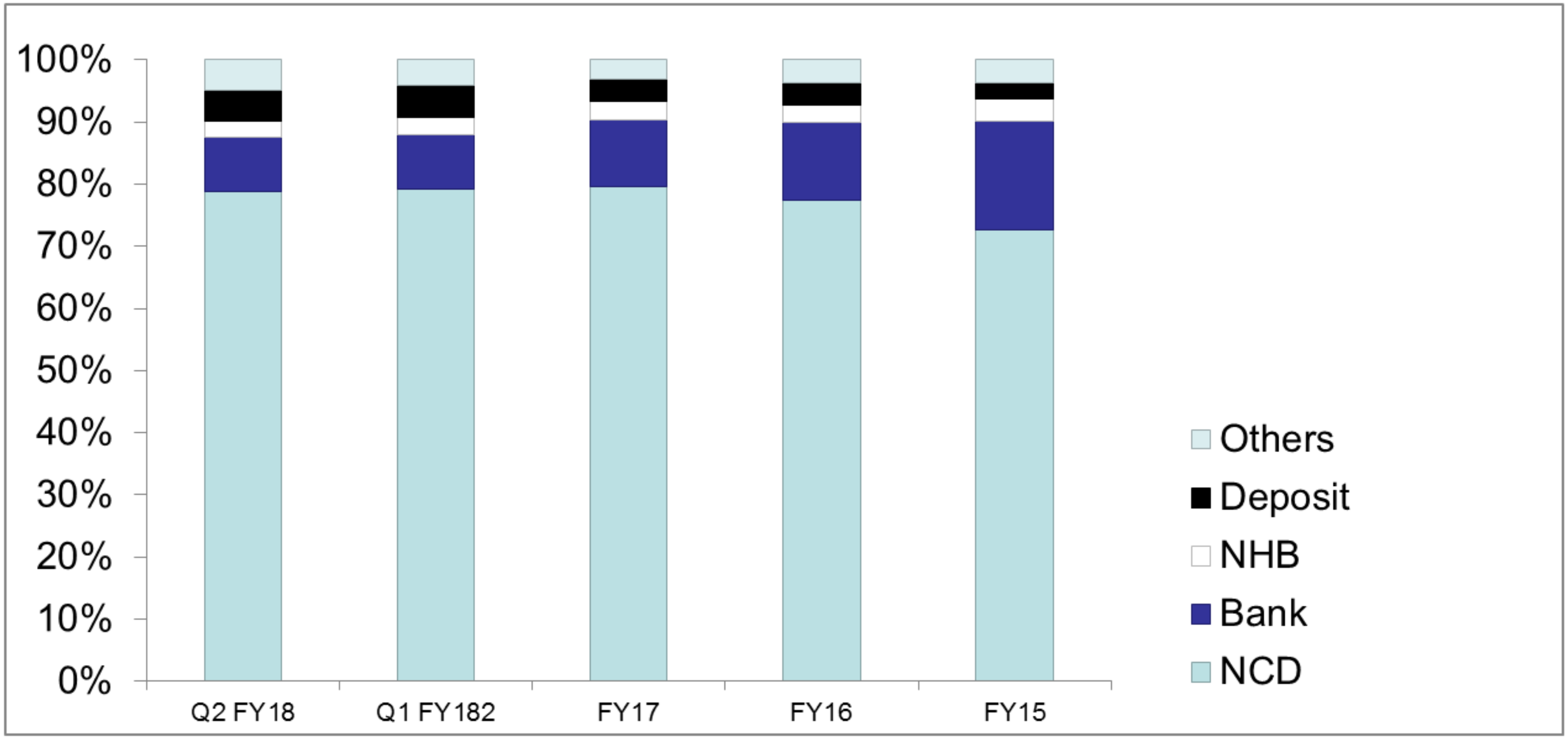
Source	Wtd Avg Cost (%)
Banks	8.31%
Non Convertible Debenture	8.46%
National Housing Bank	8.22%
Sub. Bonds & Upper Tier II	9.18%
Commercial Paper	6.37%
Deposits	8.04%
Total	**8.37%**

Outstanding Borrowings – Rs.133622 cr



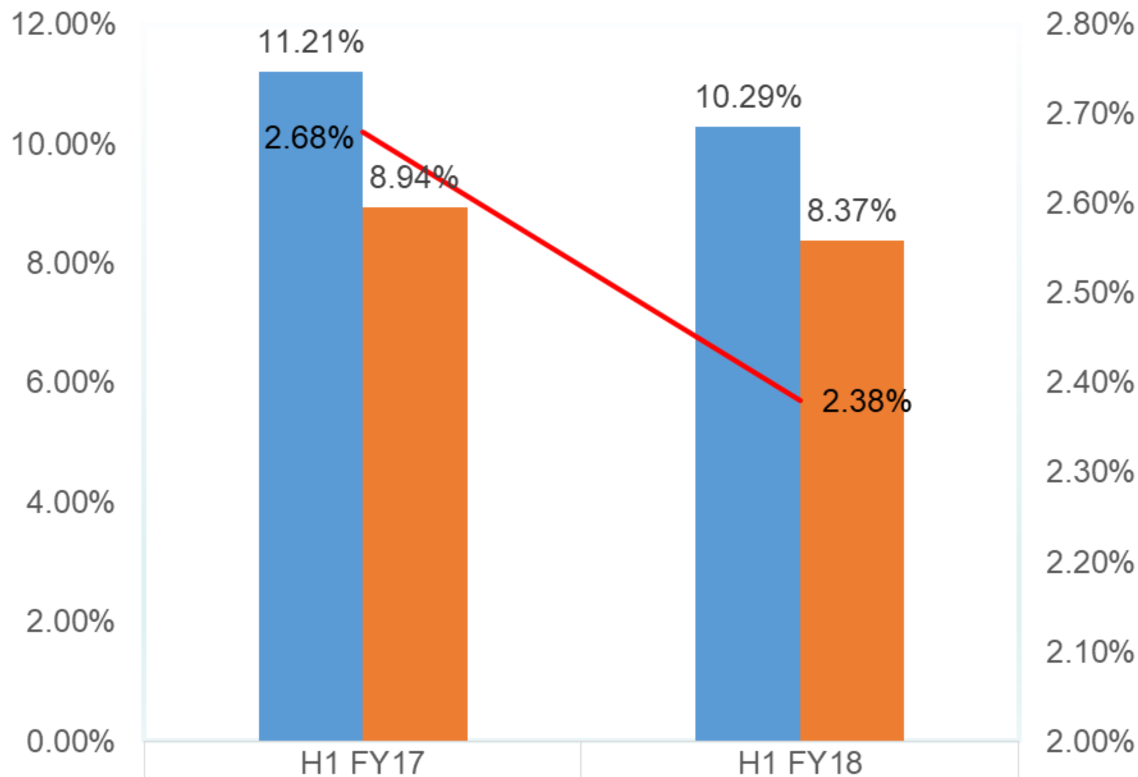
During Q2FY18, Borrowings were Rs 15677cr @ 7.23%

Change in Liability Mix- last 3 yrs



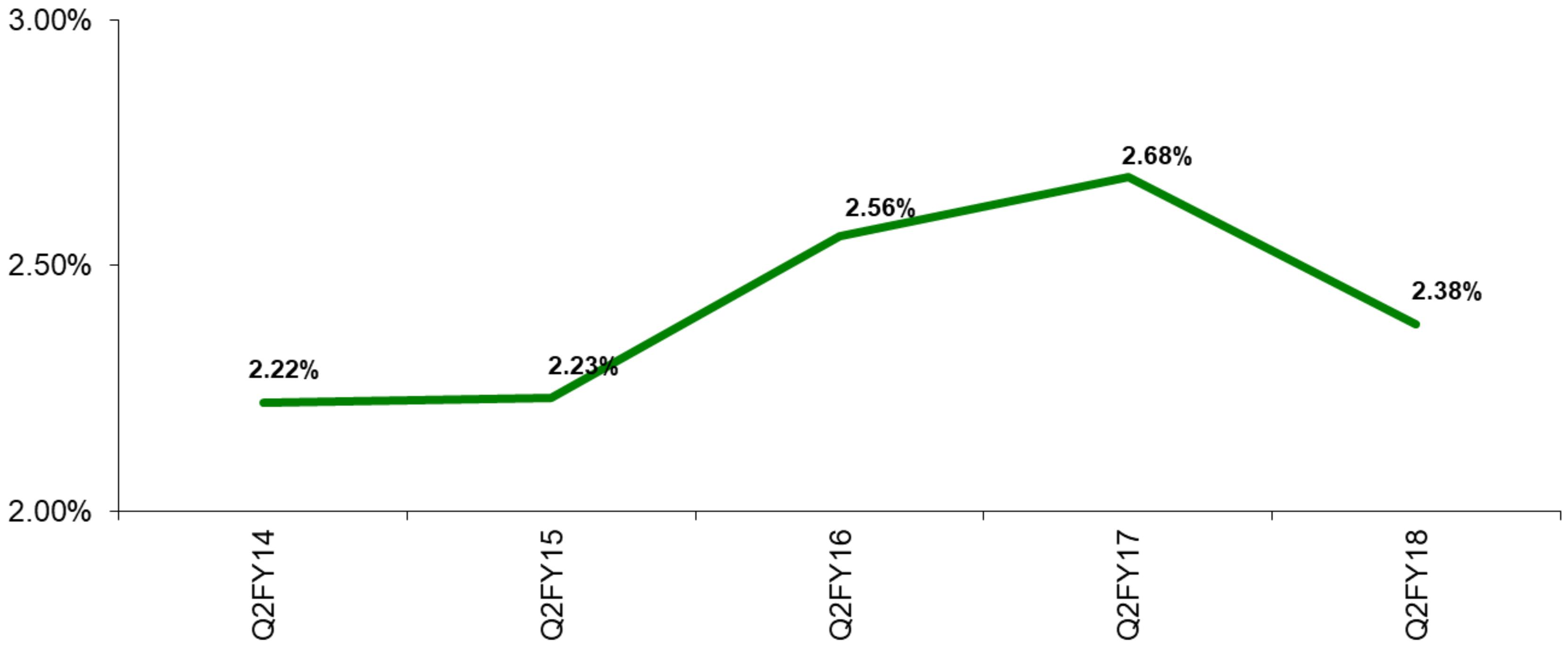
Wtd. Avg. cost of Funds	**8.37%**	**8.50%**	**8.59%**	**9.14%**	**9.48%**

Yield & Cost of Funds on portfolio



	H1 FY17	H1 FY18
Yield on Advances on Portfolio	11.21%	10.29%
Wtd Avg cost of funds on Total Borrowed Funds	8.94%	8.37%
NIMs	2.68%	2.38%

NIMs

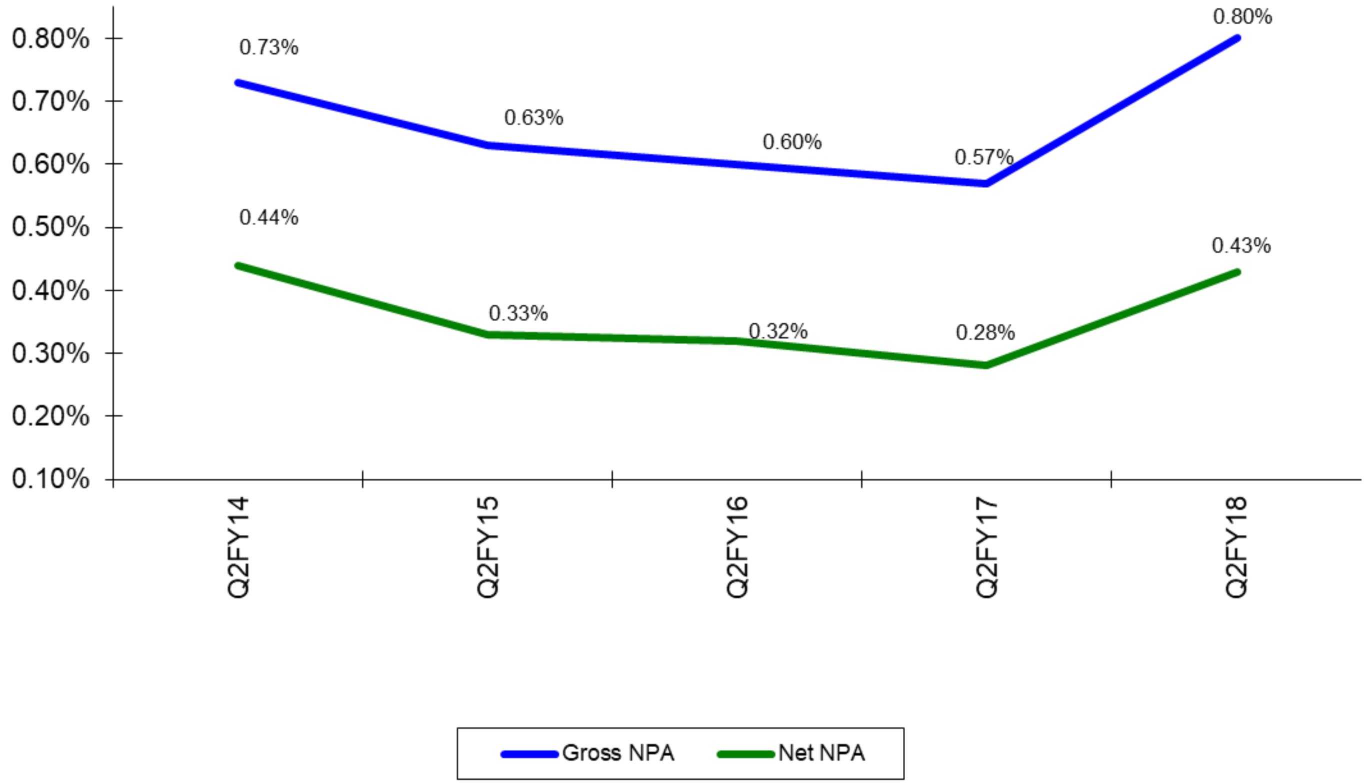

3.00%
2.50%
2.00%
2.22%
2.23%
2.56%
2.68%
2.38%
Q2FY14
Q2FY15
Q2FY16
Q2FY17
Q2FY18

Gross & Net NPAs

	30.9.2017	30.9.2016
Gross NPA (Rs. cr)	1211	750
Gross NPA (%)	0.80%	0.57%
Provisions for NPA (Rs. cr)*	561	382
Net NPA(%)	0.43%	0.28%
Provisions including standard asset provisions	1192	931
Provisions cover including standard asset provisions	98%	124%

*Excluding provisions on standard assets

Gross & Net NPAs



Thank you

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