Q2 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 – Q2/FY21

- Q2 FY21 PAT at Rs. 790.90 cr as against Rs 772.20 cr
- Q2 FY21 Revenue from operations at Rs. 4969 Cr as against Rs 4973 cr
- Outstanding Loan portfolio up by 5 % to Rs.213349 cr
- Q2FY21 Disbursements Rs. 12443 cr against Rs 12173 cr
    - Individual Home Loan Disbursements Rs. 10373 cr against Rs 10137 cr
- Net Interest Income Rs 1238 cr as against Rs. 1252 cr
- Net Interest Margins 2.34% for Q2 FY21
- Stage 3 EAD at 2.79 % as against 2.83% as on 30.06.2020

Impact of Covid 19

- Post end of various phases of lockdown across the country, there has been gradual process of unlocking. All the offices of the Company has resumed their business operations following guidelines issued by respective authorities including safety & hygiene norms and social distancing.
- Disbursements has started picking up and are back to Pre-Covid levels.
- Moratorium period ended on August 31,2020 and pursuant to RBI directions, a window for one time restructuring of loans is to be provided to customers, which is to be invoked before December 31, 2020.
- Collection efficiency for non-moratorium customers stood at 96% for September 2020.
- Total ECL provision stood at Rs.2771.92 Cr as on 30.09.2020.
- Covid-19 related provision stood at Rs.194 Cr as on 30.09.2020

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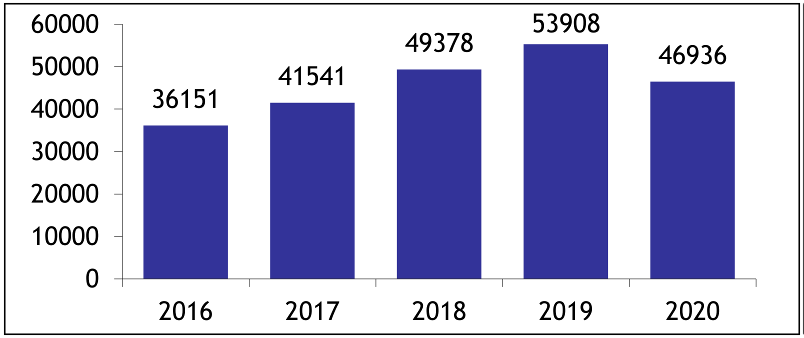
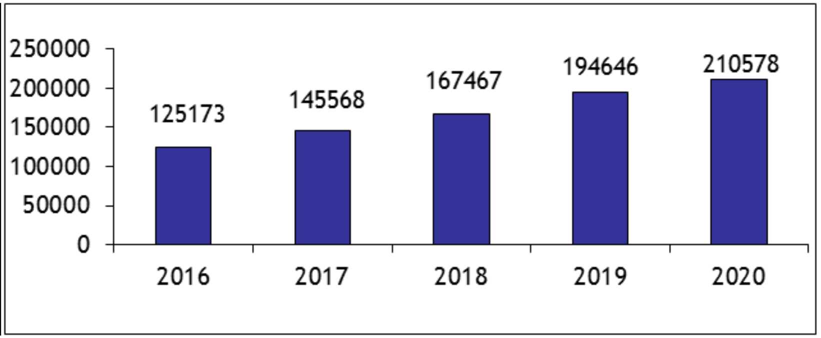
Update – last 5 years

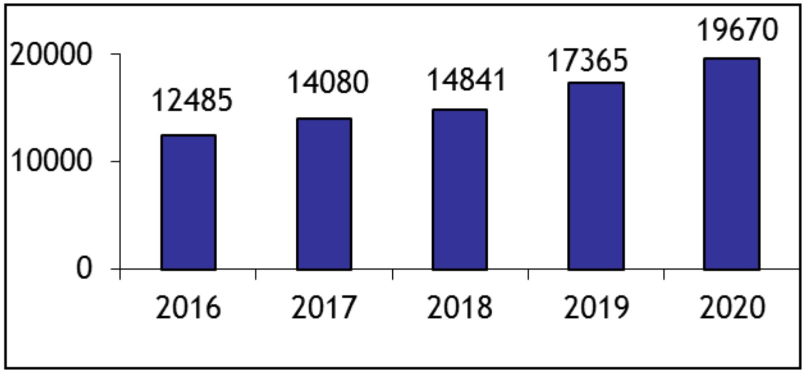
Disbursement (Rs. Cr) CAGR 7%



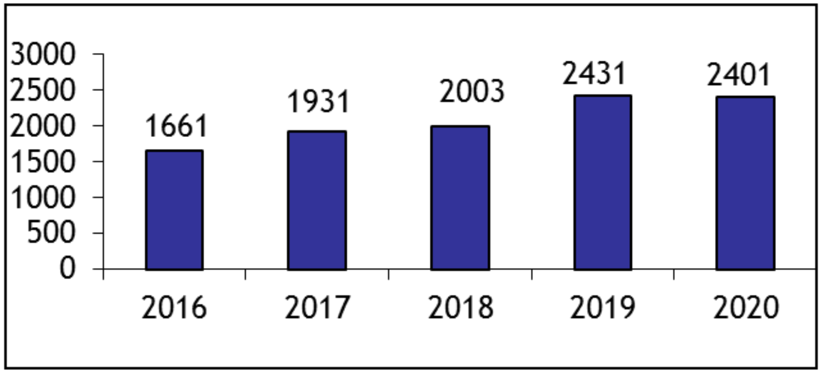
Loan Portfolio (Rs.cr) CAGR 14%



Income (Rs. cr) CAGR 12%

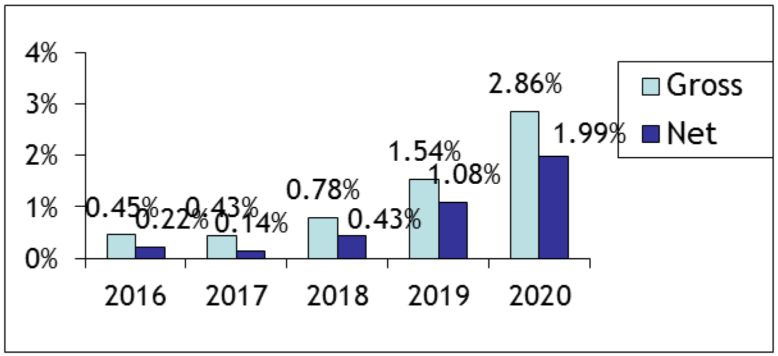


Profit After Tax (Rs. cr) CAGR 15%

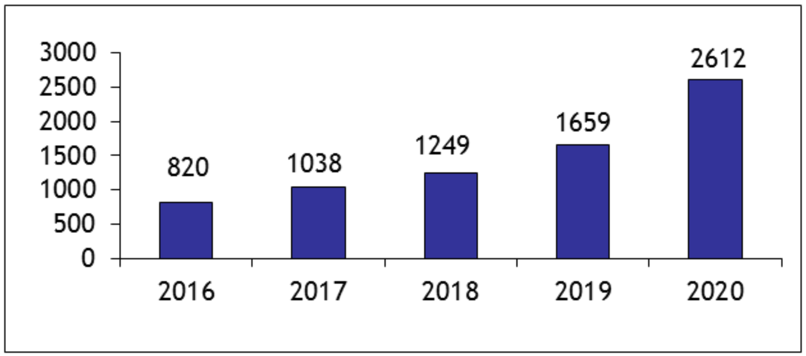


Update – last 5 years

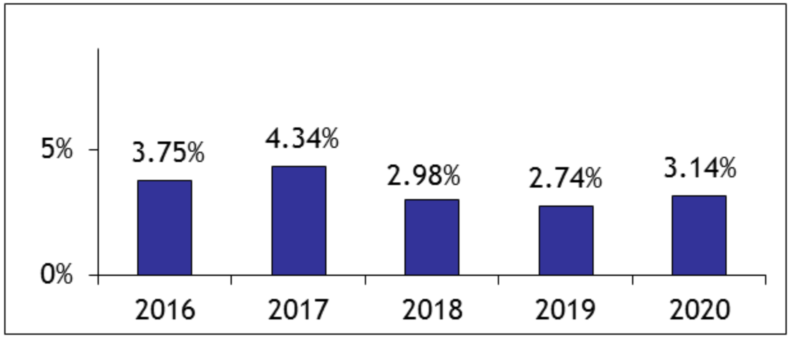
Gross & Net NPAs



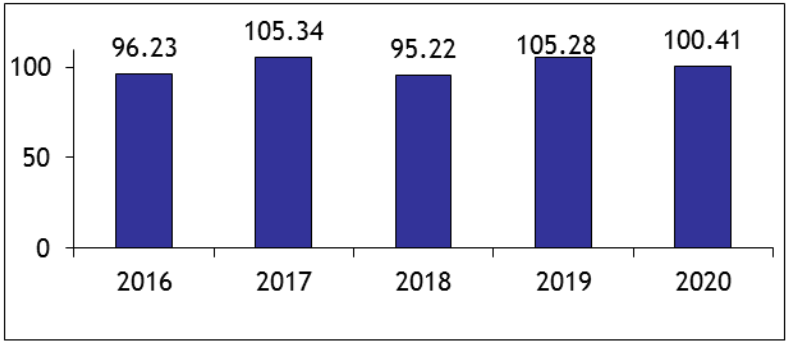
Total Provisions* (Rs cr)



Operating Expense to Total Income



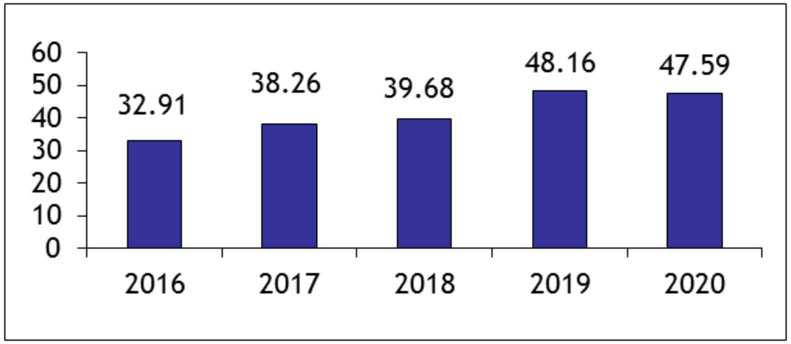
Profit per employee (Rs. lacs)



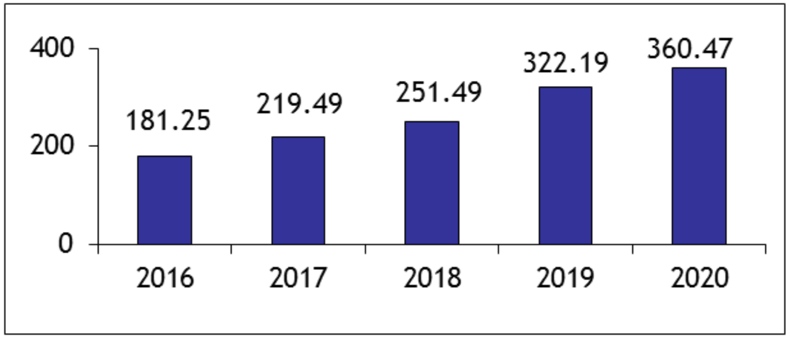
* For 2019 and 2020 ECL Provisions of Stage 1,2 and 3

Update – last 5 years

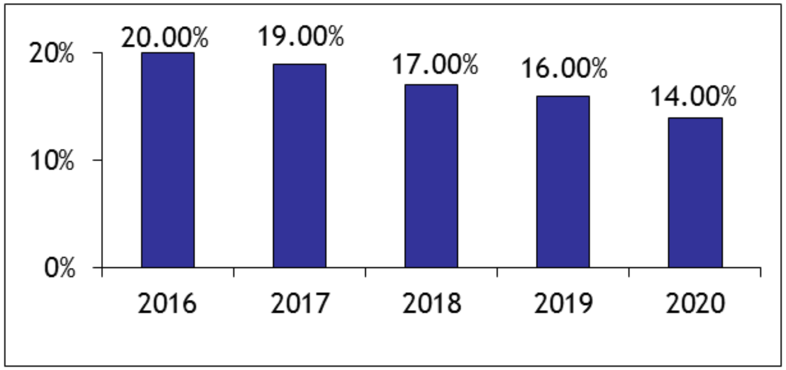
EPS (Rs) (Rs 2/- pd up)



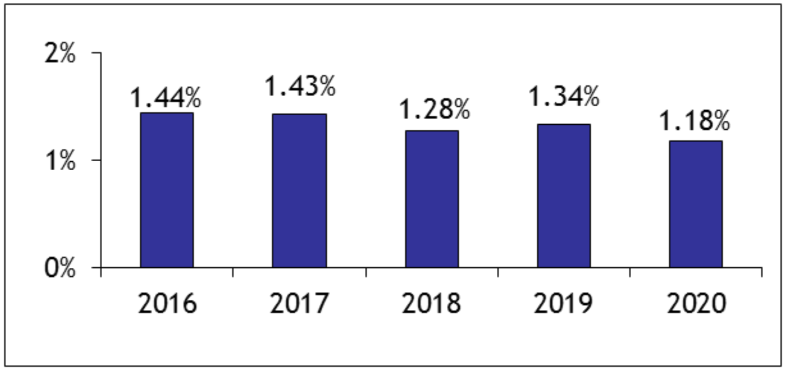
Book Value (Rs)(Rs 2/- pd up)



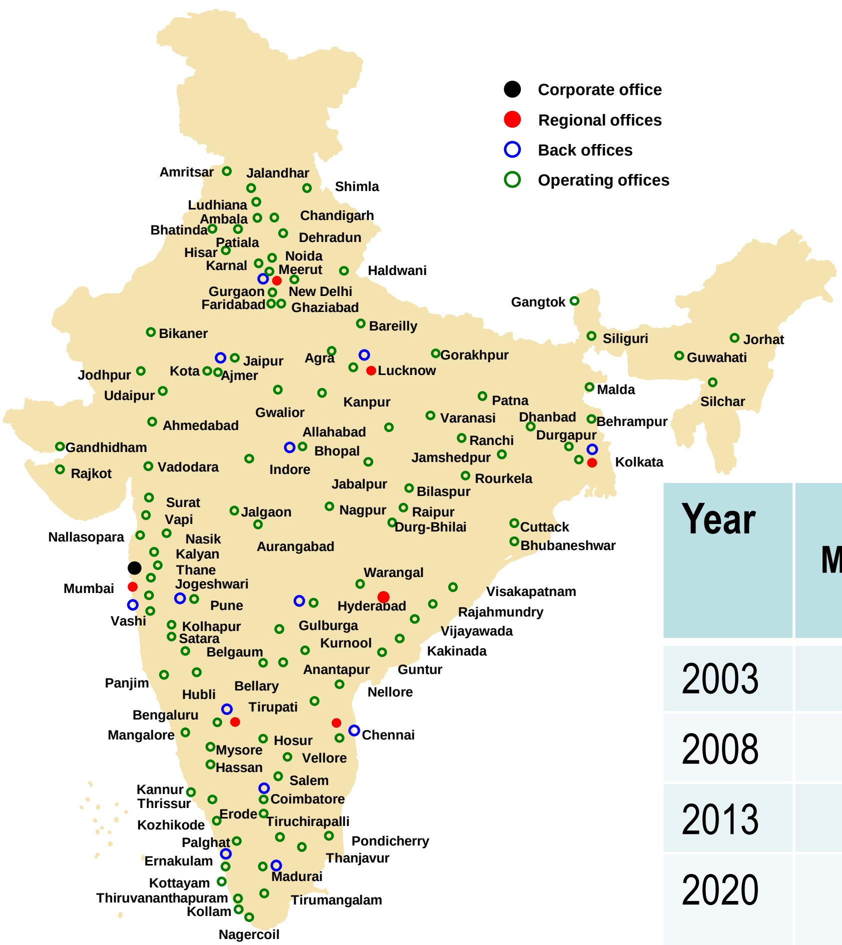
Return on Avg Equity



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
- 2372 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**
2020	282	24	9	2392	**210578**

Distribution Network

282

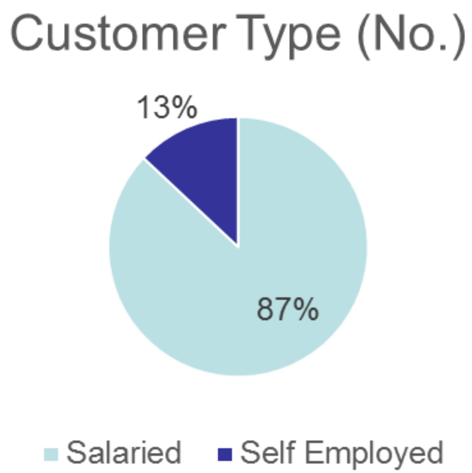
Marketing Offices

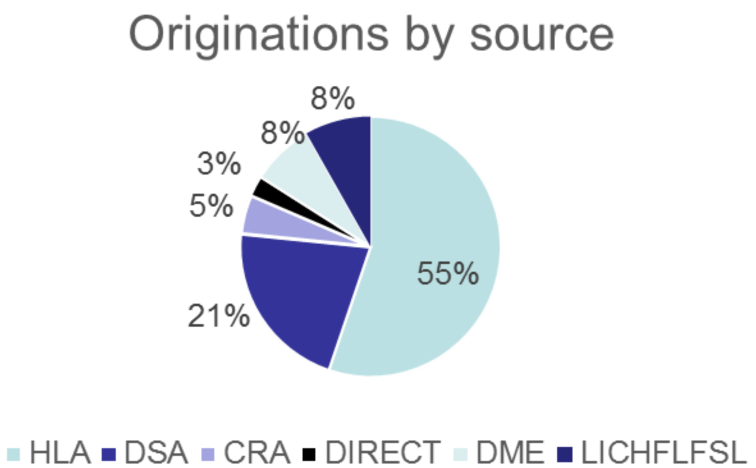
- **HOME LOAN AGENTS (HLAs)** (Agents of LIC)
- **DIRECT SALES AGENTS (DSAs)** (Small Firms/Companies etc)
- **CUSTOMER RELATIONS ASSOCIATES (CRAs)** (Individual Agents of the Company)
- **44 branches of LICHFL Financial Services** (100% subsidiary of LICHFL)

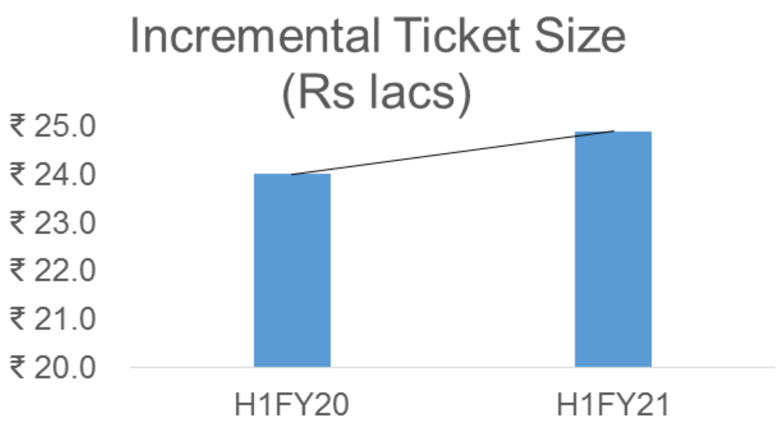
New Marketing Channel → **DIRECT MARKETING EXECUTIVES** (Captive Marketing Channel)

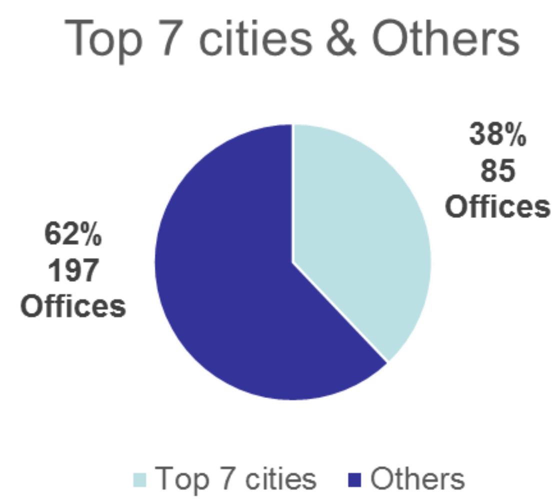
***Online Loan approvals during H1FY21 were approx. Rs. 1400 Cr**

Origination Pattern & Average Ticket Size

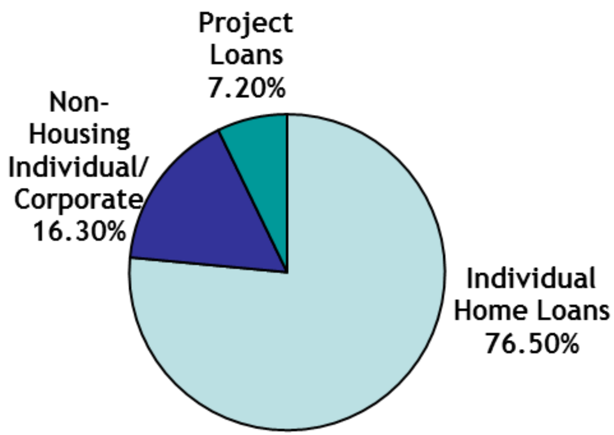






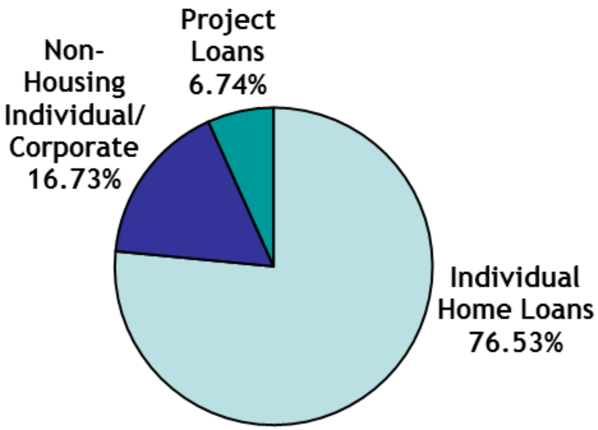


Loan Book Composition



30.09.2020

O/s Portfolio Rs. 213349 cr



30.09.2019

O/s Portfolio Rs. 203037 cr

Individual Loans – Portfolio Stats

Pure Floating Rate Loans To Outstanding Portfolio	
As of FY 19	93%
As of FY 20	92%
As of H1FY21	94%

Loan To Value Ratio On Incremental Sanctions	
For FY 19	46%
For FY 20	49%
For H1FY21	50%

Prepayment Lump Sum/ opening book	
For FY 19	10.2%
For FY 20	10.1%
For H1FY21	9.9%

Installment to Net Income Ratio On Incremental Sanctions	
For FY 19	32.00%
For FY 20	31.00%
For H1FY21	30.00%

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Financial Highlights- Q2

	Q2 FY2021	Q2 FY2020
Return on Average Equity (%)	16.3%	16.5%
Return on Average Assets (%)	1.5%	1.4%
Earnings per share (on Rs 2 pd up)	15.67	15.30
Capital Adequacy Ratio	Sept 2020	Sept 2019
Tier I	13.07	12.49
Tier II	1.43	1.88
Total	14.49	14.37

Executive Summary-Q2/H1FY21

	Var	Q2 FY21 (Rs. Cr)	Q2 FY20 (Rs. Cr)	Var	H1 FY21 (Rs. Cr)	H1 FY20 (Rs. Cr)
Revenue from Operations	***-0.08%***	**4969.03**	**4972.86**	***2%***	**9972.74**	**9780.06**
Finance cost	***-0.04%***	**3700.19**	**3701.81**	***2%***	**7464.66**	**7304.4**
Net Interest Income	***-1.00%***	**1237.97**	**1251.71**	***1%***	**2458.58**	**2433.56**
Impairment on Financial Instruments and Net Loss on De-recognition of Financial Instruments	***-60%***	**110.9**	**278.04**	***-68%***	**169.55**	**535.34**
Profit before Tax	***18%***	**1009.26**	**856.06**	***19%***	**2026.93**	**1696.95**
Tax Expense	***160%***	**218.36**	**83.86**	***33%***	**418.55**	**314.07**
Net Profit	***2%***	**790.9**	**772.2**	***16%***	**1608.38**	**1382.88**

Executive Summary-Q2/H1FY21

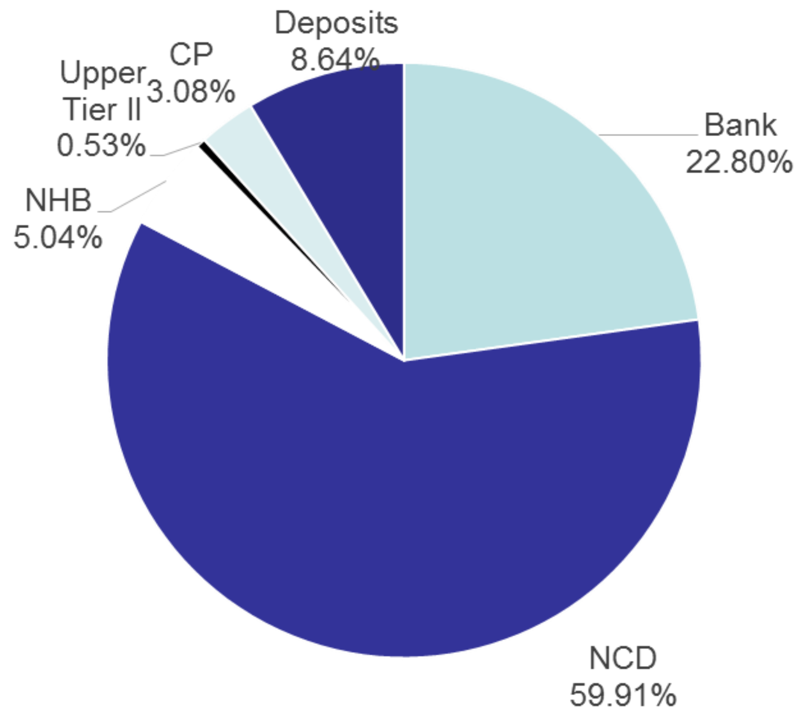
	Var	Q2 FY21 (Rs. Cr)	Q2 FY20 (Rs. Cr)	Var	H1 FY21 (Rs. Cr)	H1 FY20 (Rs. Cr)
Disbursements						
Individual	***-1%***	**11640**	**11728**	***-29%***	**15042**	**21160**
Project	***80%***	**803**	**445**	***-24%***	**962**	**1274**
Total	***2%***	**12443**	**12173**	***-29%***	**16004**	**22434**
Outstanding Portfolio						
Individual				***5%***	**197986**	**189351**
Project				***12%***	**15363**	**13685**
Total				***5%***	**213349**	**203037**
Net Interest Margins(%)		**2.34%**	**2.50%**		**2.32%**	**2.45%**
Outstanding Liabilities				***6%***	**190279**	**178849**
Weighted average cost of funds					**7.61%**	**8.36%**
Yield on advances annualised					**9.82%**	**10.34%**
Spreads					**2.21%**	**1.98%**

Liability Profile

as on 30.09.2020

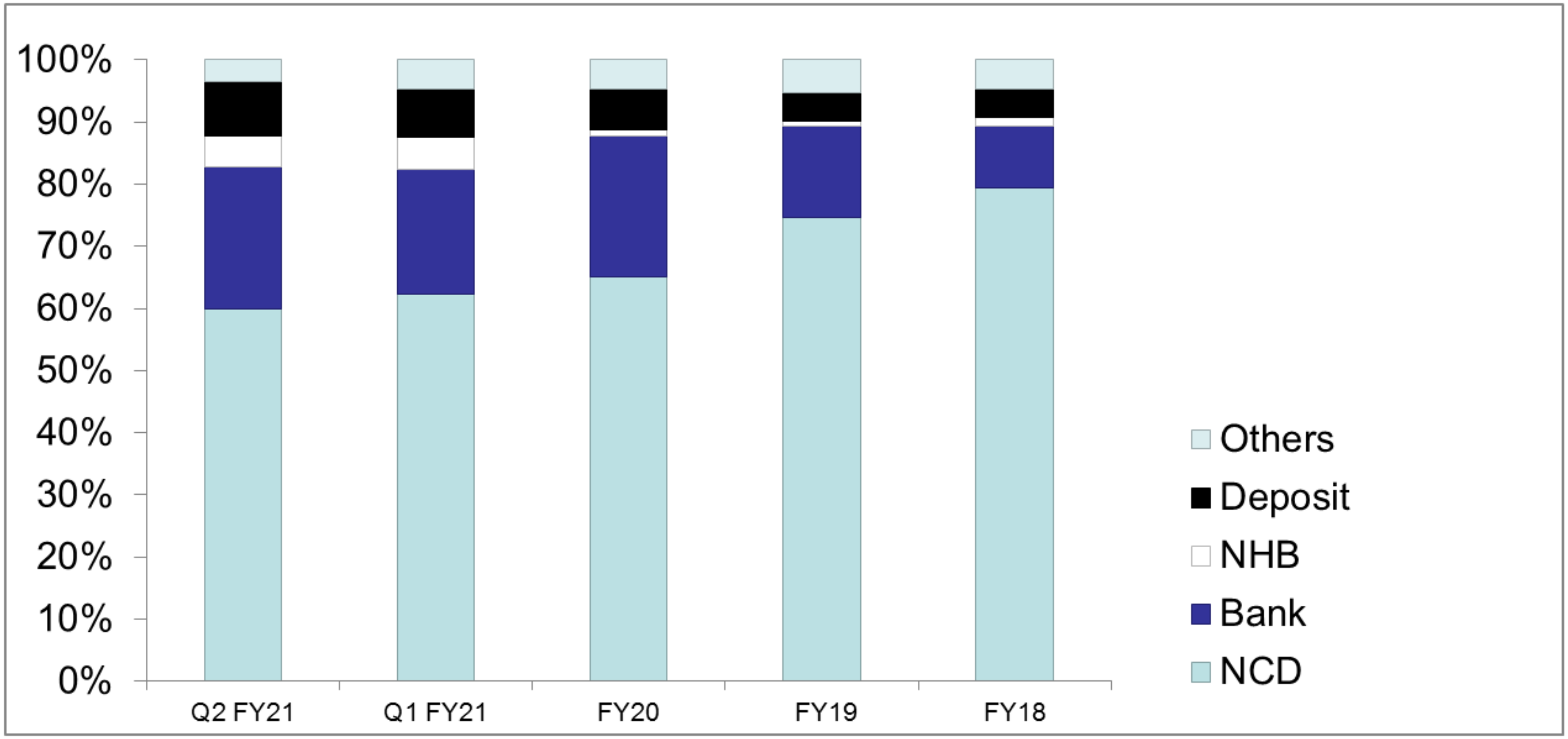
Source	Wtd Avg Cost (%)
Banks & Institutions	6.63%
National Housing Bank	6.26%
Non Convertible Debenture	8.22%
Upper Tier II	8.95%
Commercial Paper	5.70%
Deposits	7.35%
Total	**7.61%**

Outstanding Borrowings – Rs. 190279 cr



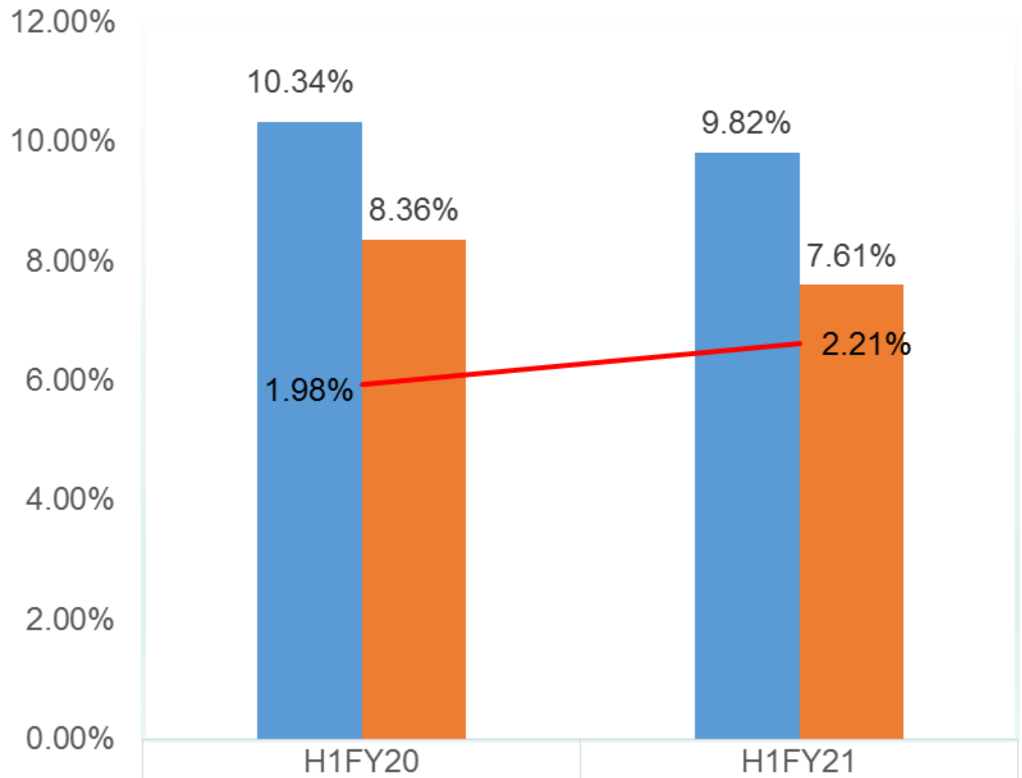
During Q2 FY21, Incremental Cost of funds was 5.81%

Change in Liability Mix- last 3 yrs



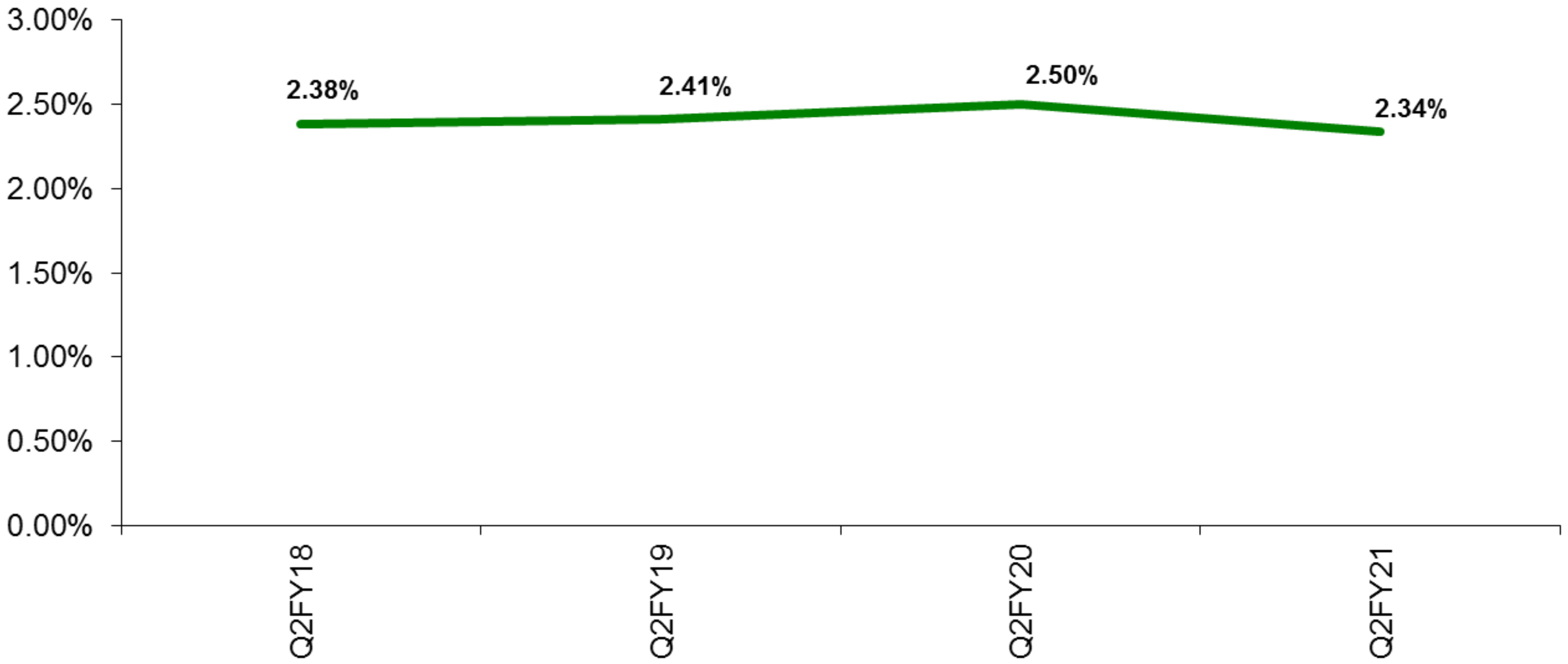
	Q2 FY21	Q1 FY21	FY20	FY19	FY18
Wtd. Avg. cost of Funds	**7.61%**	**7.87%**	**8.08%**	**8.49%**	**8.31%**

Yield & Cost of Funds on portfolio



	H1FY20	H1FY21
Yield on Advances on Portfolio	10.34%	9.82%
Wtd Avg cost of funds on Total Borrowed Funds	8.36%	7.61%
Spread	1.98%	2.21%

NIMs



3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
2.38%
2.41%
2.50%
2.34%
Q2FY18
Q2FY19
Q2FY20
Q2FY21

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Classification of Assets

Exposure At Default %	September-20	September-19
Stage 1	95.89%	92.88%
Stage 2	1.32%	4.74%
Stage 3	2.79%	2.38%
Total	100%	100%

ECL Provision	September-20	September-19
Stage 1	Rs. 0.13 cr	Rs. 28.67 cr
Stage 2	Rs. 0.05 cr	Rs. 82.33 cr
Stage 3	Rs. 2771.74 cr	Rs 2083.04 cr

Thank you

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