

Press Release

Thursday, January 25, 2018, Mumbai

Financial Performance for the quarter ended December 31, 2017

Consolidated PAT at Rs. 384 cr. – YoY growth of 42%

RoE at 15.91% - YoY growth of 310 bps

Results highlights:

L&T Finance Holdings Ltd. (LTFH) declared consolidated profit after tax of Rs. 384 cr. for quarter ended 31st December, 2017 (Q3FY18) – a growth of 42% from Rs. 271 cr. in the same quarter of previous year (Q3FY17). RoE for Q3FY18 was 15.91% as against 12.81% in Q3FY17 – improvement by 310 bps.

- **Growth in businesses:** In its focus lending businesses, namely Rural Finance, Housing Finance and Wholesale Finance, for Q3FY18, LTFH recorded 88% YoY increase in disbursements and 26% YoY increase in assets. This growth was made possible through the use of digital and data analytics along with deployment of a robust risk management framework.

<u>Focus Businesses</u>	<u>Disbursements Growth Q3FY18 vs Q3FY17</u>	<u>Loans & Advances Growth Q3FY18 vs Q3FY17</u>
Rural Finance	164%	48%
Housing Finance	62%	49%
Wholesale Finance	76%	14%
TOTAL	88%	26%

LTFH also witnessed strong growth in its Investment & Wealth Management businesses. Average Assets under Management (AAUM) in Investment Management business increased from Rs. 35,191 cr. in Q3FY17 to Rs. 60,313 cr. in Q3FY18 – a growth of 71%. Average Assets under Service (AAUS) in Wealth Management business increased from Rs. 11,471 cr. in Q3FY17 to Rs. 17,330 cr. in Q3FY18 – a growth of 51%.

- **Profitability:** LTFH consol PAT for Q3FY18 was Rs. 384 cr. – growth of 42% over Rs. 271 cr. in Q3FY17. This growth has been achieved after taking accelerated credit cost of Rs. 307 cr. in order to further strengthen its portfolio. For Q3FY18, LTFH delivered 15.91% ROE.
- **Asset Quality:** LTFH had proactively moved to recognition of GNPA at 90 days past due (DPD) since Q1FY18. LTFH has continued to maintain its asset quality along with strengthening its balance sheet by taking accelerated provisions.

(Rs. Cr.)	Q3FY17*	Q2FY18	Q3FY18
Gross NPA	5,446	3,986	3,969
Net NPA	4,333	2,274	2,020
Gross NPA %	9.01%	5.80%	5.49%
Net NPA %	7.30%	3.31%	2.87%
Provision Coverage %	20.44%	42.96%	49.11%

* Restated to 90 DPD recognition of NPA

Management Commentary:

Commenting on the results and financial performance, Mr. Dinanath Dubhashi, Managing Director & CEO, LTFH, said “The deliverables promised at the beginning of the strategic plan period are on track. We endeavor to maintain strong earnings and continuously improve Return on Equity (RoE).”

About L&T Finance Holdings:

LTFH is a financial holding company offering a focused range of financial products and services across rural, housing and wholesale finance sectors, as well as mutual fund products and wealth management services, through its wholly-owned subsidiaries, viz., L&T Finance Ltd., L&T Housing Finance Ltd., L&T Infrastructure Finance Company Ltd., L&T Investment Management Ltd. and L&T Capital Markets Ltd. LTFH is registered with RBI as a CIC-ND-SI. LTFH is promoted by Larsen & Toubro Ltd. (L&T), one of the leading companies in India, with interests in engineering, construction, electrical & electronics manufacturing & services, IT and financial services.

L&T Finance Holdings Limited

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