L&T Finance Holdings

January 22, 2016

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra - Kurla Complex, Bandra (East),
Mumbai - 400 051.

Symbol: L&TFH

BSE Limited
Corporate Relations Department,
1st Floor, New Trading Ring,
P. J. Towers, Dalal Street,
Mumbai - 400 001.

Scrip Code No.: 533519

Kind Attn: Head – Listing Department / Dept of Corporate Communications

Sub: Submission of Investor/Analyst Presentation

Dear Sir/ Madam,

With reference to our letter dated January 19, 2016 and pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please find enclosed Presentation being made to Institutional Investor/Analyst.

Further, as per Regulation 46 of Listing Regulations, the said Presentation would also be available on website of the Company i.e. www.ltfinanceholdings.com/investors/investor-information.aspx.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,

For **L&T Finance Holdings Limited**

N. Suryanarayanan
Company Secretary & Compliance Officer

Encl: As above

L&T Finance Holdings Ltd
8th Floor, City 2, Plot No 177
Vidyanagari Marg, CST Road, Kalina
Santacruz (E), Mumbai 400 098, India

Registered Office
L&T House, NM Marg
Ballard Estate, Mumbai 400 001, India
CIN: L67120MH2008PLC181833

T +91 22 6737 2964
F +91 22 6737 2900
E igrc@ltfinanceholdings.com

www.ltfinanceholdings.com



Building to become
a comprehensive financial services player

Investor Presentation, Q3FY16

L&T Finance Holdings

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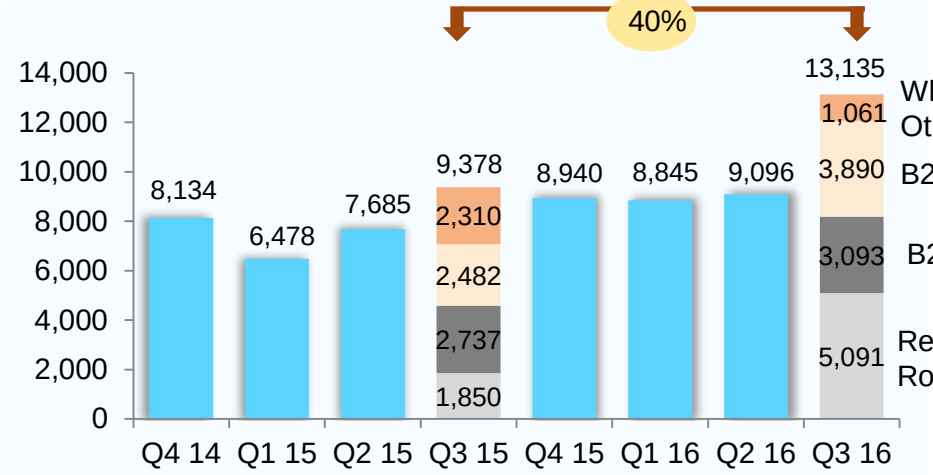
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Risk Factors and Disclaimers pertaining to L&T Mutual Fund: Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

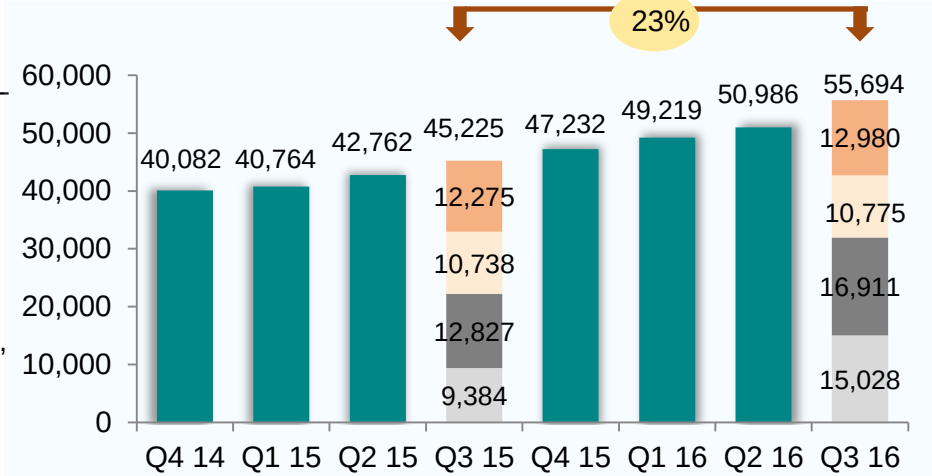
- **L&T Finance Holdings**
  - **Highlights**
- Key Performance Highlights
- Performance And Outlook – By Business
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Consistent Growth In Loan Assets - Healthy Growth in Profits

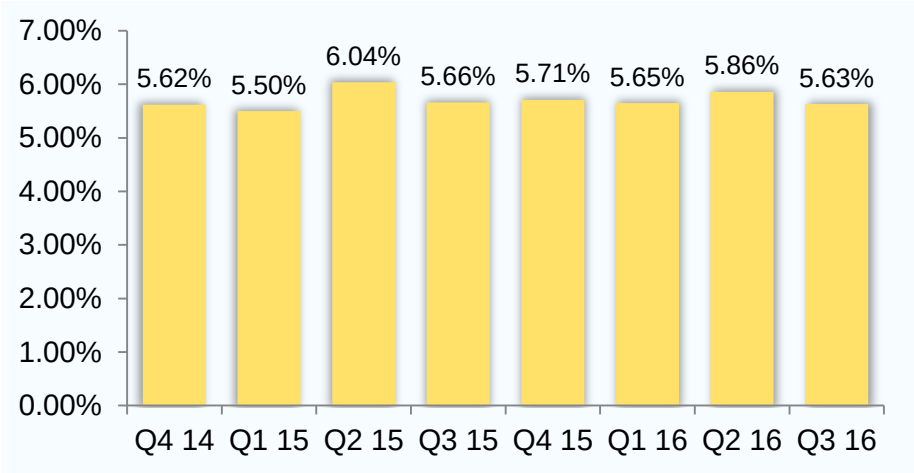
Disbursements (Rs. Cr.)



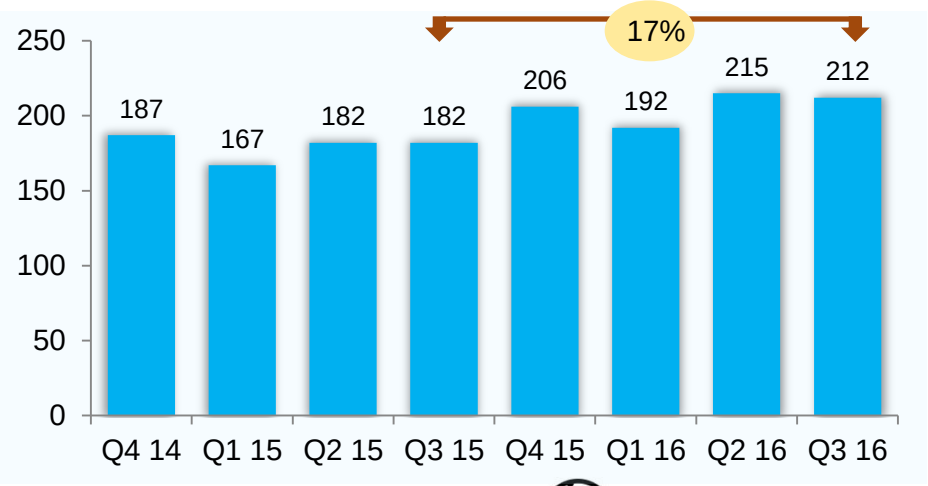
Loans & Advances (Rs. Cr.)



NIM %



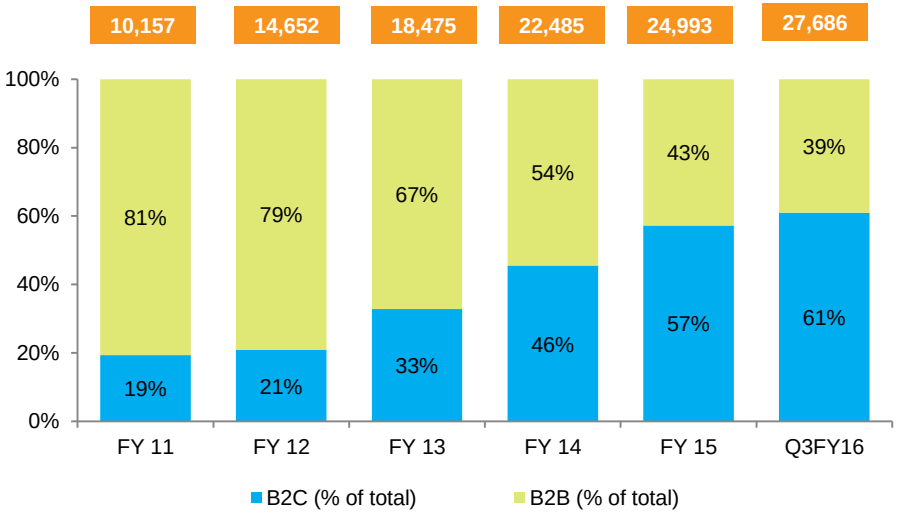
PAT (Rs. Cr.)

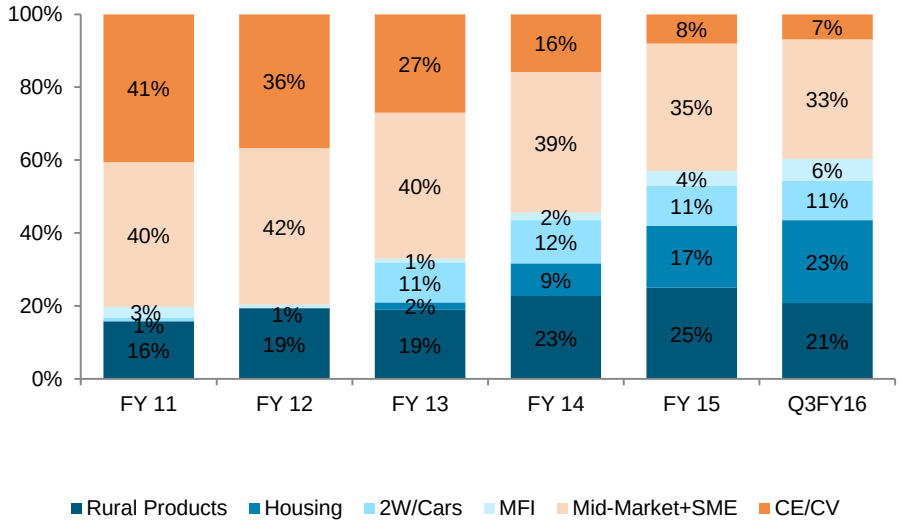


L&T Finance Holdings

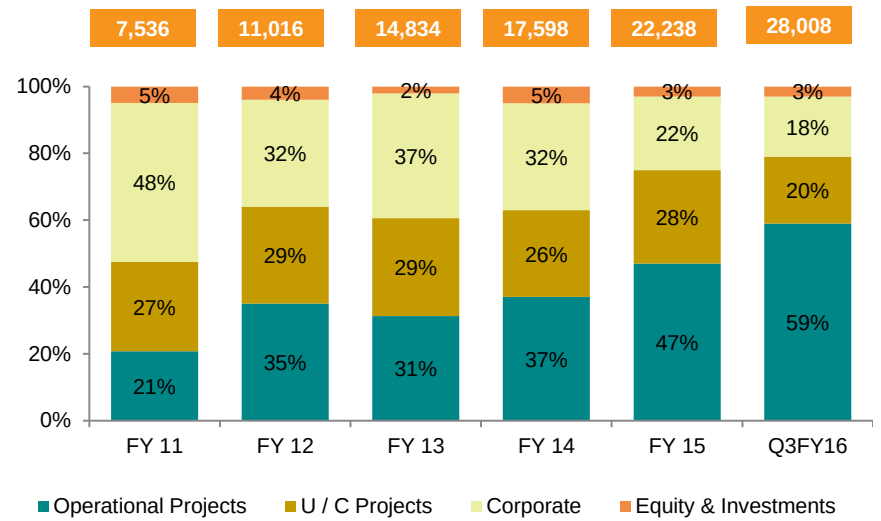
Strategic Shift in Lending Business Portfolio

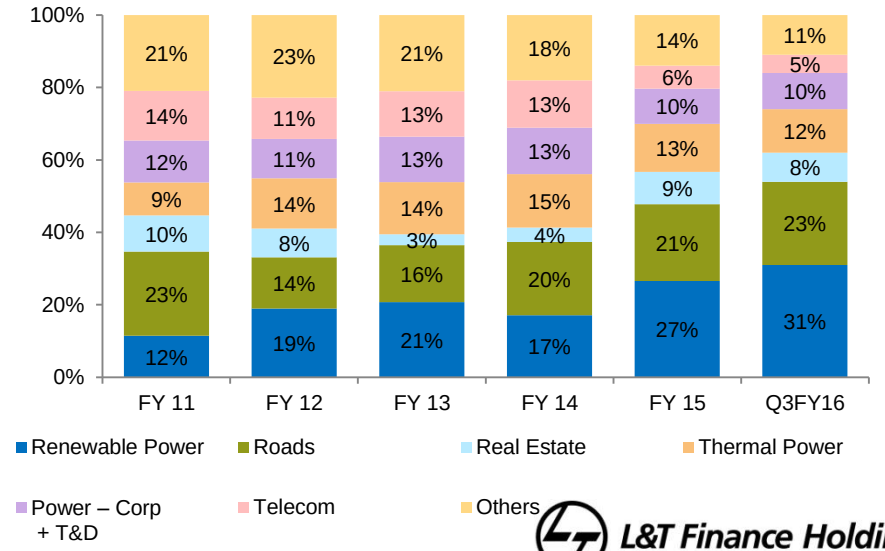
Shift towards B2C Products with Addition of New Products





Focus on Operational Projects & Renewables

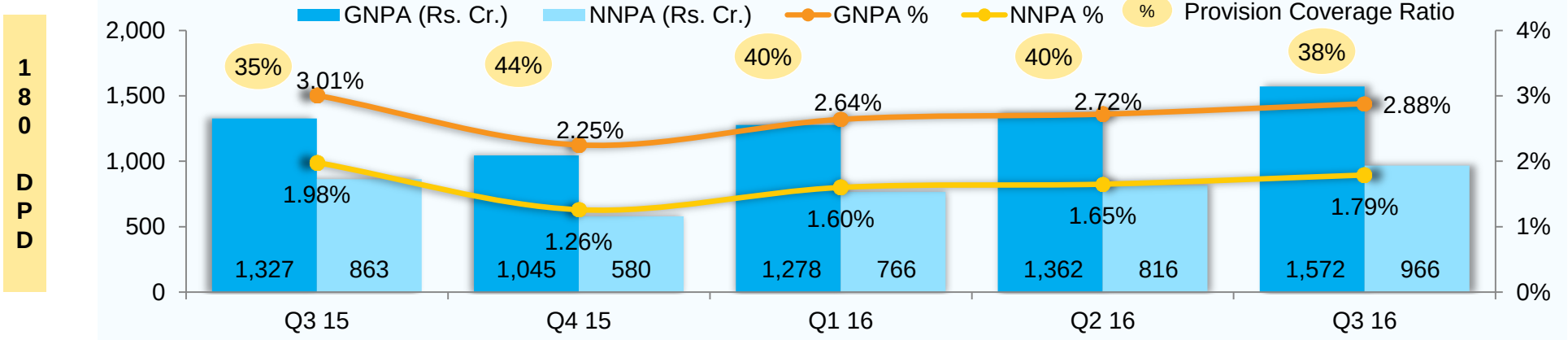


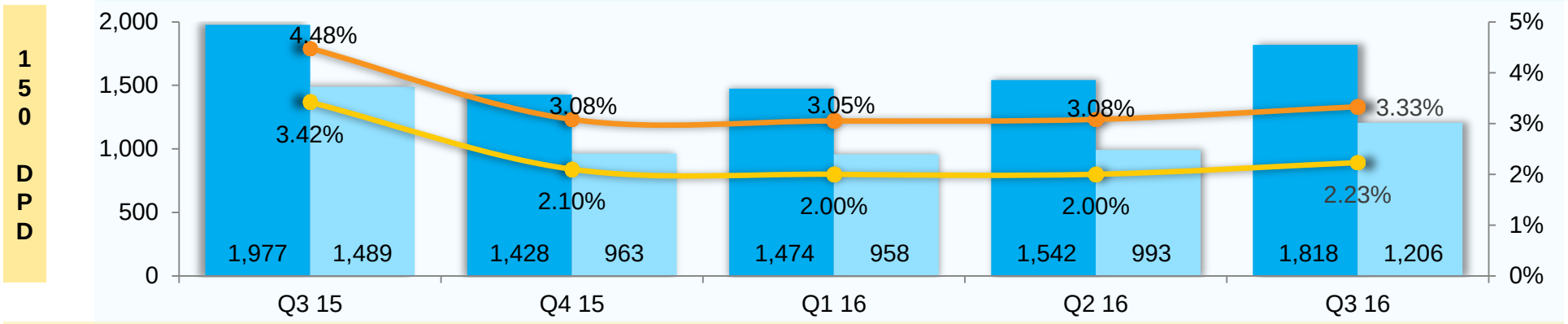


L&T Finance Holdings

Improved Asset Quality & Stronger Balance Sheet

Asset Quality Indicators

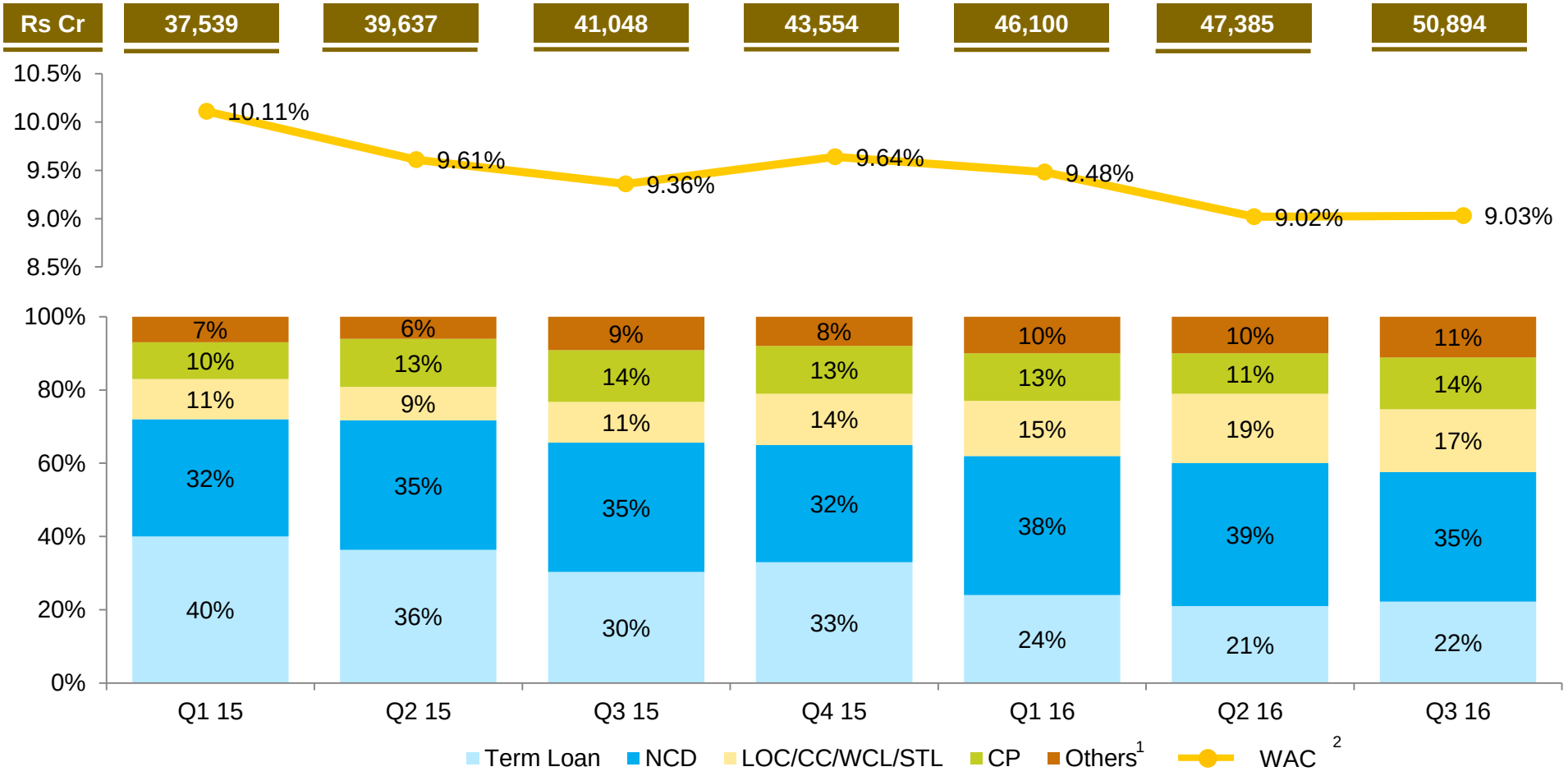




- GNPAs remain stable on a Y-o-Y basis despite elevated stress in Farm segment
  - Quarterly increase in GNPA% function of stress in rural markets
- Provisions in excess of RBI norms at ~Rs. 233 Cr. with repo assets of Rs. 45 Cr.
- Overall asset quality (net NPA + net RSA + net SRs) remains steady at 4.78%

L&T Finance Holdings

Effective Liability Management



Focus on diversifying sources of funds – increased proportion of market borrowings

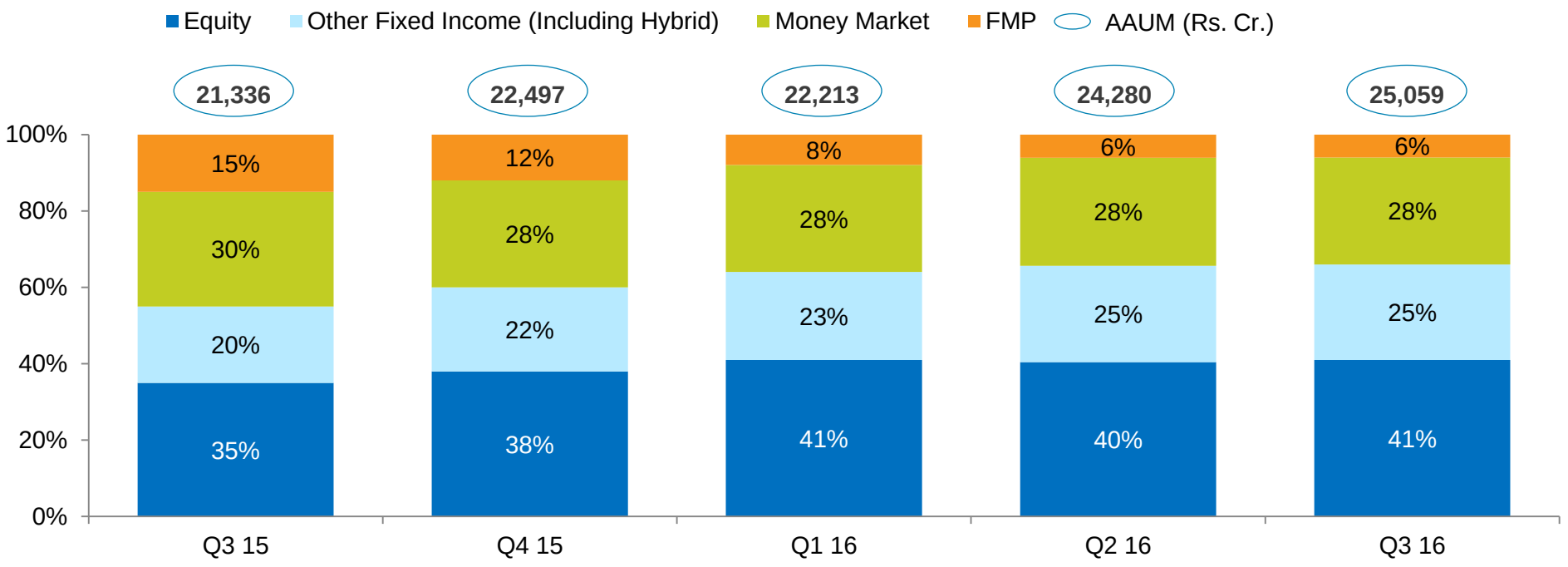
[1] Others includes Tier II bonds, Public Debenture, Preference Shares , FCNR/ ECB

[2] WAC is excluding Preference Capital

L&T Finance Holdings

Smart Growth in Equity Assets in Investment Management

AAUM Composition



- Average AUM at Rs. 25,059 Cr. represents a 17% increase on a Y-o-Y basis
  - Equity AAUM grows by 37% on a Y-o-Y basis to reach Rs 10,268 Cr led by strong net sales despite marginal market movement
  - Core assets (Equity & Other Fixed Income) increase to 66% of AAUM from 55% in Q3FY15
  - FMPs impacted by the 2014 budget announcements related to capital gains on fixed income products

L&T Finance Holdings

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Summary Financial Performance – Key Operating Entities

Financial Highlights							
Q3FY15	9MFY15	Rs. Crores	FY15	Q2FY16	Q3FY16	9MFY16	Y-o-Y (%)
Lending Businesses (Retail Finance, Wholesale Finance)							
45,225	45,225	Loans and Advances	47,232	50,986	55,694	55,694	23%
9,378	23,540	Disbursements	32,480	9,096	13,135	31,076	40%
623	1,811	NIM	2,471	734	750	2,164	20%
497	1,361	Earnings before credit cost	1,856	559	615	1,686	24%
226	569	Credit cost	813	244	301	794	33%
186	550	PAT	720	206	204	588	10%
5.66%	5.72%	NIM (%)	5.68%	5.86%	5.63%	5.68%	- 3 bps
5.92	5.92	Gearing	6.27	6.45	6.86	6.86	0.94
3.01%	3.01%	Gross NPA (%) *	2.25%	3.08%	3.33%	3.33%	+ 32 bps
11.24%	11.33%	ROE (%)	11.07%	12.01%	11.60%	11.40%	+ 36 bps
Investment Management							
21,336	21,336	Average AUM	22,497	24,280	25,059	25,059	17%
7,488	7,488	- Average Equity AUM ^	8,587	9,817	10,268	10,268	37%
2.4	2.0	PAT before amortization	5.3	4.6	4.8	11.6	100%

Comments

- Driven by Housing, MFI and operational projects
- Healthy NIMs even with increased leverage
- Higher credit costs due to above normal stress in farm and amortization of ARC sale losses
- Gross NPA (%) for Q3FY16 at 180 DPD is 2.87 %
- Trajectory of RoE improvement to continue – rise in pre-provision profits and lower credit costs
- Increase in market share of equity AUM

* Q2FY16, Q3FY16 & 9MFY16 GNPA (%) is with NPA recognition at 150 DPD for all lending business (Housing Finance Company recognizes NPAs at 90 DPD)
^ Excludes hybrid schemes

Summary Financial Performance – LTFH Consolidated

Consolidated P&L And Balance Sheet Summary

Q3FY15	9MFY15	FY15	Summary P&L (Rs. Cr.)	Q2FY16	Q3FY16	9MFY16	Y-o-Y (%)
182	649	855	Consolidated PAT	215	212	620	17%
-	119	119	Exceptional Item*	-	-	-	-
182	**530**	**736**	**PAT before Exceptional Item**	**215**	**212**	**620**	**17%**
186	*550*	*720*	*- Lending Business*	*206*	*204*	*588*	*10%*
(5)	*(20)*	*16*	*- Others*	*9*	*8*	*32*	*-*
9.64%	9.78%	10.29%	Return on Equity #	9.84%	9.21%	9.36%	- 43 bps
0.87&	**2.60&**	**3.61**	**EPS #**	**0.94&**	**0.92&**	**2.70&**	**6%**

Q3FY15	Summary BS (Rs. Cr)	Q2FY16	Q3FY16	Y-o-Y (%)
6,455	**Net worth (excluding preference capital)**	**6,748**	**7,275**	**13%**
1,363	Preference Capital	1,963	1,963	44%
7,818	*Net worth (with preference capital and warrants)*	*8,711*	*9,238*	*18%*
3,200	*- Retail & Mid-Market Finance*	*3,136*	*2,957*	*-8%*
326	*- Housing Finance*	*432*	*562*	*72%*
3,193	*- Wholesale Finance*	*3,417*	*3,686*	*15%*
1,099	*- Others (incl. cash & consol. elimination)*	*1,726*	*2,033*	*85%*
39,584	**Borrowings**	**45,322**	**48,830**	**23%**
37.03	**Book Value per Share (Rs.) ^**	**38.62**	**40.62**	**10%**

Excludes exceptional items and after considering annual dividend on preference shares on pro-rata basis
* *Exceptional item due to sale of 4.5% stake in City Union Bank*
& Not annualized
^ *Excludes annual dividend on preference shares on pro-rata basis*

L&T Finance Holdings

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Retail Finance – Market Scenario And Outlook

Segment	Market Scenario & Outlook with Y-o-Y Disbursement Growth for Retail Business	Y-o-Y %
Rural Products	○ Tractor sales dropped by 2% in Q3FY16 ○ Tractor industry expected to see flat to negative growth during FY16 (Source: ICRA) ○ Asset quality to remain under stress	(40%) Tractor
Personal Vehicles	○ 2W sales increased by 4% while car sales grew by 15% during Q3FY16 ○ 2W industry showed increase in finance penetration of 4%	35% 2 W
Micro Finance	○ Industry wide disbursement amount increased by 66% and gross loan portfolio grew by 76% ○ Branch network increased by 16% with customer base increase of 28% for the industry	75%
Housing Finance	○ Mortgage industry is at 9% of GDP of India, Housing credit currently at Rs 11 lakh Cr ○ Banks expected to increase HL book by 17-19%, while 19-21% industry growth is expected in FY16 ○ NPA % to remain bound between 0.7% -1.1% (Source: ICRA)	88%
SME Finance	○ Sector contributes 8% to GDP, 45% to total manufacturing output and 40% to total exports from India ○ Thrust on manufacturing sector by the government expected to create new lending opportunities	60%
Mid-Market	○ Credit to industry increased by 5% in November 2015 and credit to the services sector increased by 6.8% during the same period ○ Non-food Bank credit increased by 8.8% in November 2015 as compared to10.5% in November 2014	41%

B2C segments (Tractors, 2 Wheelers, Microfinance & Housing) and SME Finance to remain our focus areas

Retail Finance – Segment Wise Split

Disbursements

Q3FY15	9MFY15	FY15	Segments (Rs. Cr.)	Q2FY16	Q3FY16	9MFY16	Y-o-Y (%)
1,269	3,365	4,431	Rural Products Finance	782	720	2,666	-43%
478	1,430	1,920	Personal Vehicle Finance	473	550	1,478	15%
317	754	1,178	Microfinance	542	555	1,582	75%
673	1,790	2,801	Housing Finance*	963	1,268	3,008	88%
1,588	4,203	6,429	Supply Chain Finance	2,417	2,548	6,863	60%
836	2,425	3,431	Mid-Market Finance	576	1,178	3,279	41%
58	264	317	CE / CV Finance	90	164	283	183%
5,219	**14,209**	**20,506**	**Total**	**5,842**	**6,983**	**19,160**	**34%**
3,631	**10,006**	**14,077**	**Total (Excl. Supply Chain Finance)**	**3,426**	**4,435**	**12,297**	**22%**

Loans & Advances

Q3FY15	Q3FY15 (%)	Segments (Rs. Cr.)	Q2FY16	Q3FY16	Q3FY16 (%)	Y-o-Y (%)
5,985	25%	Rural Products Finance	6,072	5,845	21%	-2%
2,818	12%	Personal Vehicle Finance	2,843	2,914	11%	3%
675	3%	Microfinance	1,510	1,717	6%	154%
3,349	13%	Housing Finance*	5,533	6,435	23%	92%
1,373	6%	Supply Chain Finance	1,821	1,875	7%	37%
6,950	31%	Mid-Market Finance	6,839	7,355	27%	6%
2,415	10%	CE / CV Finance	1,568	1,545	6%	-36%
23,566	**100%**	**Total**	**26,186**	**27,686**	**100%**	**17%**

Disbursements grew by 32% while loan book increased by 24% (excluding our de-focused segments of CE / CV)

B2C includes Rural Products Finance, Personal Vehicle Finance and Microfinance
Mid-Market includes Loans and Leases, Loan Against Shares
* Housing Finance includes Mortgage, Loan Against Property and Construction Finance

Retail Finance – Summary Financials

(Excluding Housing Finance Company)

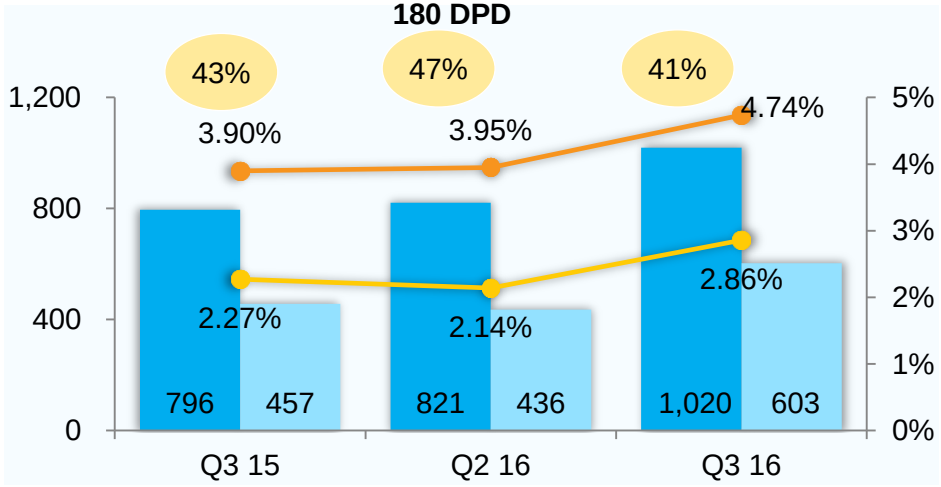
P&L Summary

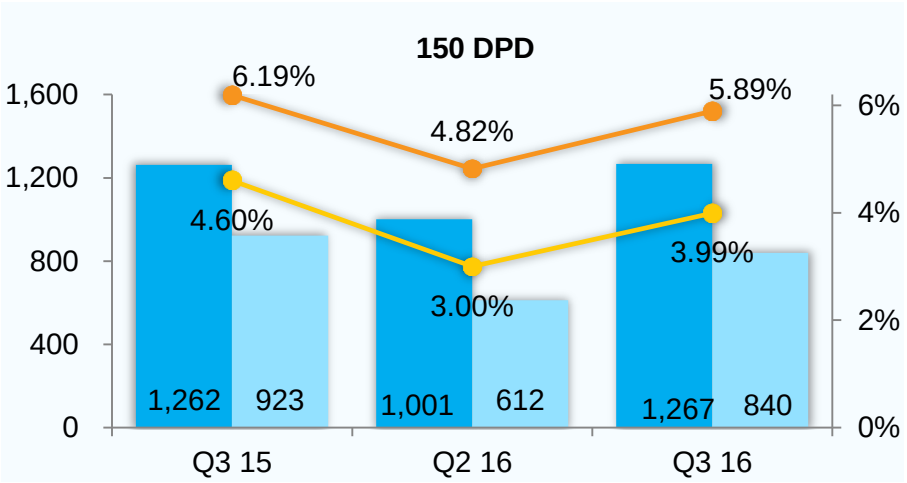
Q3FY15	Q2FY16	Q3FY16	Y-o-Y	Summary P&L (Rs. Cr.)	9MFY15	9MFY16	Y-o-Y
819	860	841	3%	Interest Income	2,424	2,536	5%
417	402	402	-4%	Interest Expense	1,285	1,220	-5%
402	457	439	9%	NIM	1,140	1,316	15%
35	12	40	15%	Fee Income	59	75	27%
162	180	167	3%	Operating Expense	461	511	11%
275	290	312	13%	Earnings before credit cost	737	880	19%
126	144	175	39%	Credit Cost	342	464	36%
98	95	88	-10%	PAT	268	271	1%

Comments

- NIMs remain healthy, positive impact of Rs. 20 Cr. from prepayment in Q2FY16
- Fee Income reflective of disbursement mix
- Increase in GNPA on account of stress seen in the rural markets
- As of Dec 2015, provision over RBI norms is Rs. 152 Cr.

Asset Quality Metrics





DPD - Days Past Due

GNPA (Rs. Cr.)

NNPA (Rs. Cr.)

GNPA %

NNPA %

L&T Finance Holdings

Retail Finance – Key ratios

(Excluding Housing Finance Company)

Key Ratios And Balance Sheet Summary					
Q3FY15	Q2FY16	Q3FY16	Key Ratios	9MFY15	9MFY16
15.87%	16.23%	15.76%	Yield	15.69%	15.88%
9.50%	8.92%	8.89%	Cost of Funds	9.69%	8.97%
7.79%	**8.63%**	**8.24%**	**Net Interest Margin**	**7.37%**	**8.24%**
0.68%	0.23%	0.76%	Fee Income	0.38%	0.47%
3.14%	3.39%	3.14%	Operating Expenses	2.99%	3.20%
5.34%	**5.48%**	**5.85%**	**Earnings before credit cost**	**4.77%**	**5.51%**
2.44%	2.72%	3.29%	Credit Cost	2.21%	2.91%
1.80%	1.70%	1.56%	Return on Assets	1.63%	1.60%
5.42	5.63	6.25	Gearing	5.42	6.25
12.48%	**11.94%**	**11.52%**	**Return on Equity**	**11.58%**	**11.53%**

Q3FY15	Q2FY16	Balance Sheet (Rs. Cr.)	Q3FY16	Y-o-Y
21,599	22,104	Total Assets	22,846	6%
20,619	20,983	Gross Loans & Advances	21,686	5%
17,336	17,658	Borrowings	18,485	7%
3,200	3,136	Networth	2,957	-8%

As of September 2015			CRAR Ratios	As of December 2015		
Tier I	Tier II	CRAR	Entity	Tier I	Tier II	CRAR
15.10%	2.57%	17.67%	L&T Finance Ltd.	13.89%	2.57%	16.46%
13.26%	3.45%	16.71%	Family Credit Ltd.	12.09%	3.06%	15.15%

Comments

- NIMs improve – high yielding assets and softening borrowing costs
- 40 bps impact on back of prepayment of high yield loan in Q2FY16

- Credit costs related to farm portfolio at 102 bps in 9MFY16 versus 35 bps in 9MFY15

- RoEs remain stable, expected to improve with tapering of credit costs

- Dividend payment of Rs 178 Cr in Q3FY16

Housing Finance Company – Summary Financials

P&L Summary

Q3FY15	Q2FY16	Q3FY16	Y-o-Y	Summary P&L (Rs. Cr.)	9MFY15	9MFY16	Y-o-Y
84	143	159	90%	Interest Income	229	424	85%
53	96	107	102%	Interest Expense	139	288	107%
30	46	52	70%	NIM	89	136	52%
1	2	4	158%	Fee Income	7	8	16%
17	25	25	46%	Operating Expense	45	79	74%
15	23	31	105%	Earnings before credit cost	52	66	28%
5	5	12	126%	Credit Cost	16	28	70%
7	12	12	85%	PAT	23	25	8%
614	959	1,057	74%	Disbursements	1,454	2,723	93%

Comments

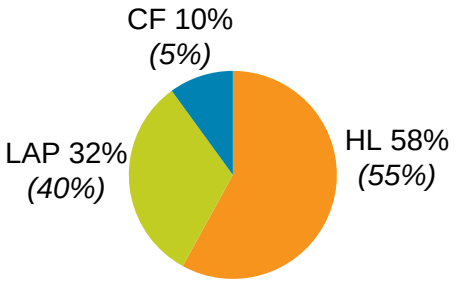
- Steady growth momentum continues
- Equity infusion of Rs 117 Cr in Q3FY16

Balance Sheet Summary

Q3FY15	Q2FY16	Balance Sheet (Rs. Cr.)	Q3FY16	Y-o-Y
3,184	5,482	Total Assets	6,468	103%
2,947	5,203	Gross Loans & Advances	6,000	104%
2,737	4,607	Borrowings	5,347	95%
326	432	Networth	562	72%

As of September 2015			CRAR Ratios	As of December 2015		
Tier I	Tier II	CRAR	Entity	Tier I	Tier II	CRAR
9.60%	4.26%	13.86%	L&T Housing Finance Ltd.	11.02%	3.84%	14.86%

Loan Book Mix – Q3FY16



Note: Figures in brackets represent Q3FY15 mix

HL – Home Loans, LAP – Loan Against Property, CF – Construction Finance
Credit costs include provisions, write offs, foreclosure losses, interest provisions/reversals

L&T Finance Holdings

Housing Finance Company – Key ratios

Key Ratios And Balance Sheet Summary					
Q3FY15	Q2FY16	Q3FY16	Key Ratios	9MFY15	9MFY16
12.37%	11.79%	11.37%	Yield	12.97%	11.57%
8.59%	9.05%	8.63%	Cost of Funds	8.89%	8.89%
4.49%	**3.83%**	**3.70%**	**Net Interest Margin**	**5.07%**	**3.72%**
0.21%	0.17%	0.26%	Fee Income	0.41%	0.23%
2.48%	2.10%	1.75%	Operating Expenses	2.56%	2.15%
2.22%	**1.89%**	**2.20%**	**Earnings before credit cost**	**2.92%**	**1.80%**
0.78%	0.42%	0.85%	Credit Cost	0.92%	0.75%
0.92%	0.92%	0.83%	Return on Assets	1.22%	0.65%
8.39	10.66	9.52	Gearing	8.39	9.52
8.33%	**12.09%**	**10.01%**	**Return on Equity**	**9.87%**	**8.04%**

Asset Quality Metrics			
Q3FY15	Q2FY16	Asset Quality Metrics (Rs. Cr) *	Q3FY16
47	50	Gross NPA	59
35	33	Net NPAs	35
1.59%	0.96%	Gross NPA (%)	0.98%
1.20%	0.63%	Net NPA (%)	0.59%
25%	34%	Provision Coverage Ratio	41%

Comments

- NIMs reflective of higher share of home loans and rate cuts in FY16
- Operating leverage to drive RoE uptick – 9MFY16 impacted by advertising expenses

* NPA recognition at 90 DPD (Days Past Due)

Wholesale Finance – Market Scenario And Outlook

Segment	Market Scenario & Outlook
Regulatory	○ Extension of Tax free status for Non Tripartite Assets for IDFs – Increased competitiveness in OP project financing ○ Kelkar Committee recommendations – Key positive – implementation is the key ○ UDAY scheme – Improve credit quality of discoms and enhance ability of discoms to enter into new PPAs Will help in releasing headroom for infra sector limits for banks Potential crowding out effect in bond markets ○ Financial sector regulations focus on increasing provisions on all weak accounts ○ Credit growth in Infrastructure weak at 4.4%[1]
Renewable	○ Solar: Strong growth in installed capacity & project pipeline ○ Decreasing attractiveness due to aggressive bidding and competition from banks ○ Wind: Steady growth in installed capacity – Portfolio level refinancing emerging as new trend in renewable lending growth ○ Increased competition from banks; refinancing of wind portfolios
Roads	○ Increase in road projects awards and execution - Investment cycle to start with road sector, a limited opportunity on risk / rewards ○ Order book for EPC companies picking up –key positive for our stressed borrowers ○ Equity gaps and willingness of banks to fund EPC companies continues to be a challenge
Thermal Power	○ 8,346 MW added during April-Nov 2015. Demand continues to be weak ~2% growth YTD[2] ○ Discoms buying mainly in short term markets, Prices remain low ○ Average PLF for Private IPPs, central utilities- 59% and 72%, down from ~85% in FY10[2] ○ CIL Coal production up by 9.1% (Y-o-Y)[3] between Apr- Dec 2015, supply situation eased
Commercial Real Estate	○ Demand for Grade A office space in the top seven cities of the country rose 18% to touch an all-time high 38 million square feet in 2015[4] ○ LRD space highly sought after by banks. Increasing prospects for Construction Finance for BTS projects

Renewables and Roads to continue to be our focus areas with emphasis on operating projects

Source -: 1: RBI data from Mar 20th to Nov 27th 2: CEA & LGBR Report 3: Coal India 4: CBRE

Wholesale Finance – Focus on Operating Projects

Disbursements

Q3FY15	9MFY15	FY15	Sectors (Rs. Cr.)	Q2FY16	Q3FY16	9MFY16	Y-o-Y
1,269	2,829	4,014	Renewable Power	1,004	**3,290**	5,406	159%
581	1,308	1,976	Roads	729	**1,801**	2,865	210%
351	717	858	Power – Thermal	52	**450**	691	28%
513	972	1,004	Power – Corp[2] + T&D	595	**341**	1,270	-34%
197	455	580	Telecom	-	**-**	2	-
299	1,800	1,882	Real Estate & SEZs	440	**82**	976	-73%
951	1,253	1,662	Others[1]	434	**189**	705	-80%
4,160	9,333	11,975	**Total**	3,254	**6,152**	11,916	**48%**
3,435	8,149	9,898	**Net Disbursement**	2,415	**5,722**	10,103	**67%**

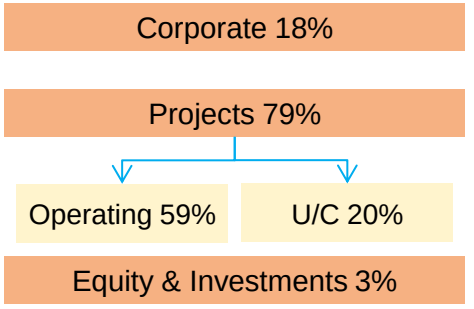
Comments

- 58% of Q3FY16 disbursements were to operating projects

Loans & Advances

Q3FY15	Q3FY15 (%)	Sectors (Rs. Cr.)	Q2FY16	Q3FY16	Q3FY16 (%)	Y-o-Y (%)
4,865	22%	Renewable Power	6,724	**8,620**	31%	77%
4,519	21%	Roads	5,153	**6,408**	23%	42%
3,009	14%	Power – Thermal	3,308	**3,463**	12%	15%
2,514	12%	Power – Corp[2] + T&D	2,675	**2,827**	10%	12%
1,306	6%	Telecom	1,411	**1,400**	5%	7%
2,082	10%	Real Estate & SEZs	2,404	**2,133**	8%	2%
3,365	16%	Others[1]	3,124	**3,156**	11%	-6%
21,659	**100%**	**Total**	**24,799**	**28,008**	**100%**	**29%**

Portfolio Break Up



- Top 10 borrowers - 17% of outstanding
- Top 10 groups - 29% of outstanding

[1] Others includes IT parks, infra project implementers, captive mining for power projects, healthcare, solid waste management, water treatment, select hotels, real estate, bonds etc.
[2] Corporate loans to Power companies

L&T Finance Holdings

Wholesale Finance – Summary Financials

P&L Summary

Q3FY15	Q2FY16	Q3FY16	Y-o-Y	Summary P&L (Rs. Cr.)	9MFY15	9MFY16	Y-o-Y
595	714	753	27%	Interest Income	1,726	2,166	25%
405	484	494	22%	Interest Expense	1,144	1,454	27%
191	230	260	36%	NIM	582	712	22%
34	21	28	-19%	Fee Income	51	62	21%
12	23	18	53%	Other Income	20	56	182%
29	29	33	15%	Operating Expense	81	89	10%
207	246	272	31%	Earnings before credit cost	572	740	29%
95	95	114	20%	Credit Cost	210	302	44%
81	100	104	28%	PAT	259	292	13%

Asset Quality Metrics

Q3FY15	Q2FY16 *	Asset Quality Metrics (Rs. Cr)	Q3FY16 *
484	491	Gross NPA	491
372	347	Net NPAs	331
2.30%	2.04%	Gross NPA (%)	1.81%
1.78%	1.45%	Net NPA (%)	1.23%
23%	29%	Provision Coverage Ratio	33%
5.53%	4.79%	Net RSA %	4.16%
0.80%	0.78%	Net SR%	0.69%
8.12%	7.01%	Net Impaired Assets	6.08%

Comments

- Fee income from Debt FAS and Other Income from DCM continue to see traction
- Credit cost for Q3FY16 includes Rs 30 Cr towards amortization losses on ARC asset sales
- Equity infusion of Rs 80 Cr in LTIF in Q3FY16
- Overall asset quality stable
- As of Dec 2015, the provision over RBI norms stands at Rs. 71 Cr.

* NPAs based on 150 DPD

Credit costs include provisions, write offs, foreclosure losses, interest provisions/reversals
FAS – Financial Advisory Services, DCM – Debt Capital Markets

Wholesale Finance – Key Ratios

Key Ratios & Balance Sheet Summary

Q3FY15	Q2FY16	Q3FY16	Key Ratios	9MFY15	9MFY16
11.52%	11.86%	11.41%	Yield	11.96%	11.74%
9.02%	8.99%	8.45%	Cost of Funds	9.19%	8.85%
3.69%	**3.82%**	**3.93%**	**Net Interest Margin**	**4.03%**	**3.86%**
0.65%	0.36%	0.42%	Fee Income	0.35%	0.33%
0.23%	0.38%	0.28%	Other Income	0.14%	0.31%
0.56%	**0.48%**	**0.51%**	**Operating Expenses**	**0.56%**	**0.48%**
4.01%	**4.08%**	**4.12%**	**Earnings before credit cost**	**3.96%**	**4.01%**
1.84%	1.58%	1.73%	Credit Cost	1.46%	1.64%
1.41%	1.50%	1.44%	Return on Assets	1.62%	1.44%
6.09	6.59	6.83	Gearing	6.09	6.83
10.17%	**11.90%**	**11.71%**	**Return on Equity**	**11.09%**	**11.52%**

Q3FY15	Q4FY15	Balance Sheet (Rs. Cr.)	Q2FY16	Q3FY16	Y-o-Y
23,752	24,556	Total Assets	27,261	30,359	28%
21,659	22,239	Gross Loans & Advances	24,799	28,008	29%
19,450	20,247	Borrowings	22,511	25,178	29%
3,193	3,149	Networth	3,417	3,686	15%

As of September 2015			CRAR Ratios	As of December 2015		
Tier I	Tier II	CRAR	Entity	Tier I	Tier II	CRAR
13.57%	6.31%	19.88%	L&T Infra. Finance Ltd.	13.38%	5.89%	19.28%
14.62%	3.75%	18.37%	L&T FinCorp Ltd.	13.72%	3.44%	17.17%
65.48%	18.60%	84.08%	L&T IDF Ltd.	90.63%	18.42%	109.05%

Comments

- NIMs remain steady despite increase in gearing and higher proportion of operating projects
- Opex remains stable across quarters
- Credit costs in 9MFY16 includes amortization of ARC sale losses of 49 bps and FITL provisions of 22 bps
- RoE for core business remains healthy with improvement in asset mix

L&T Finance Holdings

Investment Management

Industry update

- Industry average assets increased by 2% to Rs. 1,339,197 Cr. in Q3FY16 from Rs. 1,315,760 Cr. in Q2FY16
- Equity assets increased with positive flows during the quarter and marginal market movement
- Marginal increase in Fixed Income assets – strong flows in Money Market, offset by outflows in core Fixed Income

L&T Mutual Fund

- Diversified investor base of ~8.5 lakh accounts based out of 500+ districts with a branch network spanning over 55 cities
- Comprehensive portfolio, with 29+ funds across asset classes, risk profiles and time horizons

Q3FY15	AAUM Composition	Q2FY16	Q3FY16	AAUM (Rs. Cr.)
35%	Equity	40%	41%	10,268
20%	Other Fixed Income (Includes Hybrid)	25%	25%	6,326
30%	Cash/Ultra Short Term	28%	28%	6,946
15%	FMP	6%	6%	1,518

	AAUM (Rs. Cr.)	Q2FY16	Q3FY16	% growth
	Industry	1,315,760	1,339,197	2%
	L&T MF	24,280	25,059	3%

Investment Management – Performance Overview

Key Highlights

- Growth led by net inflows in equity and fixed income categories
- Improved equity mix
- Good and consistent fund performance across categories

Q3FY15	9MFY15	Parameter (Rs. Cr.)	Q2FY16	Q3FY16	9MFY16	Y-o-Y
24.1	70.6	Operating Revenue	30.9	29.3	87.7	22%
21.8	68.6	Opex	26.4	24.5	76.1	12%
2.4	2.0	PAT(before amortization)	4.6	4.8	11.6	100%
21,336	21,336	Average AUM[1]	24,280	25,059	25,059	17%
0.44%	0.44%	Management Fees/AUM	0.50%	0.45%	0.48%	2%
0.04%	0.01%	Net Margin (before amortization)	0.07%	0.08%	0.06%	100%

Approach for Q4FY16

- Continued focus on building equity and SIP book
- Widening and deepening coverage and reach
- Opex control through efficient spends and optimal cost structures
- Hosting investor education events and seminars

AMC business contributes positively to the bottom line - strong growth in revenues and optimal cost structures

[1]AUM is quarterly average

Please refer to annexure at the end of this presentation for the asset wise & geography wise AUM disclosures, disclaimers & risk factors

Wealth Management – On The Path Of Steady Growth

Profile

- L&T Capital Markets Ltd (LTCM) offers wealth management services to HNIs and affluent investors through two separate channels – Private Wealth and Premier Wealth
- **Ranked 6th** Best Private Bank (Overall) and **Ranked 1st** in Client Confidentiality & Security (US$ 1M-5M category) in the ASIAMONEY Polls - Jun 15
- Operations in 14 major cities in India and a representative office in Dubai
- Offers a portfolio of comprehensive products and services (Equity, Mutual Funds, Real Estate and Fixed Income) through a dedicated set of research professionals along with Senior Private Bankers
  - Offers ancillary services like Estate Planning and Lending Solutions

Q3FY15	Parameters	Q2FY16	Q3FY16
6,274	AAUS (Rs. Cr.) *	7,878	8,376
~2,700	No of clients	~3,700	~4,100

Q4 FY16 Approach

- ✓ Grow AUS across asset classes including Real Estate advisory business and lending solutions
- ✓ Continue to focus on providing customized solutions to domestic clients
- ✓ Widen product range, enhance operational platform
- ✓ Capacity addition commensurate to growth

*Notes: * AAUS is quarterly average*

Strategic Direction & Aspiration

	Retail Finance	Wholesale Finance	Investment Management
Growth	○ Focus on B2C products will continue ○ Tractor disbursements expected to be muted ○ Traction expected in SME and Construction Finance	○ Renewable Power and Roads to be key growth segments ○ Focus on lower risk operating projects will continue	○ Emphasis on building both equity and fixed income AUM ○ Increasing SIP book and enhancing retail connect ○ Focus on increasing AUS and client base in Wealth Management
Asset Quality	○ Farm delinquency expected to be above normal until two decent harvest cycles are seen ○ Focus on early bucket collections to continue	○ Increase in restructured assets due to technical restructuring of projects	
Profitability	○ Margins expected to be stable ○ Opex to be commensurate to the product mix ○ Lower credit costs and optimal financial leverage to improve returns	○ Margins to remain stable ○ Asset churn expected to enhance fee income ○ Operating projects to aid lower credit costs and optimize leverage	○ Healthy revenues and optimal cost structures to enable increase in the contribution to the overall bottom line

Focus on building scale by leveraging on our domain experience; effective risk management to increase profitability

- L&T Finance Holdings
  - Highlights
- Key Performance Highlights
- Performance And Outlook – By Business
- **Appendix**

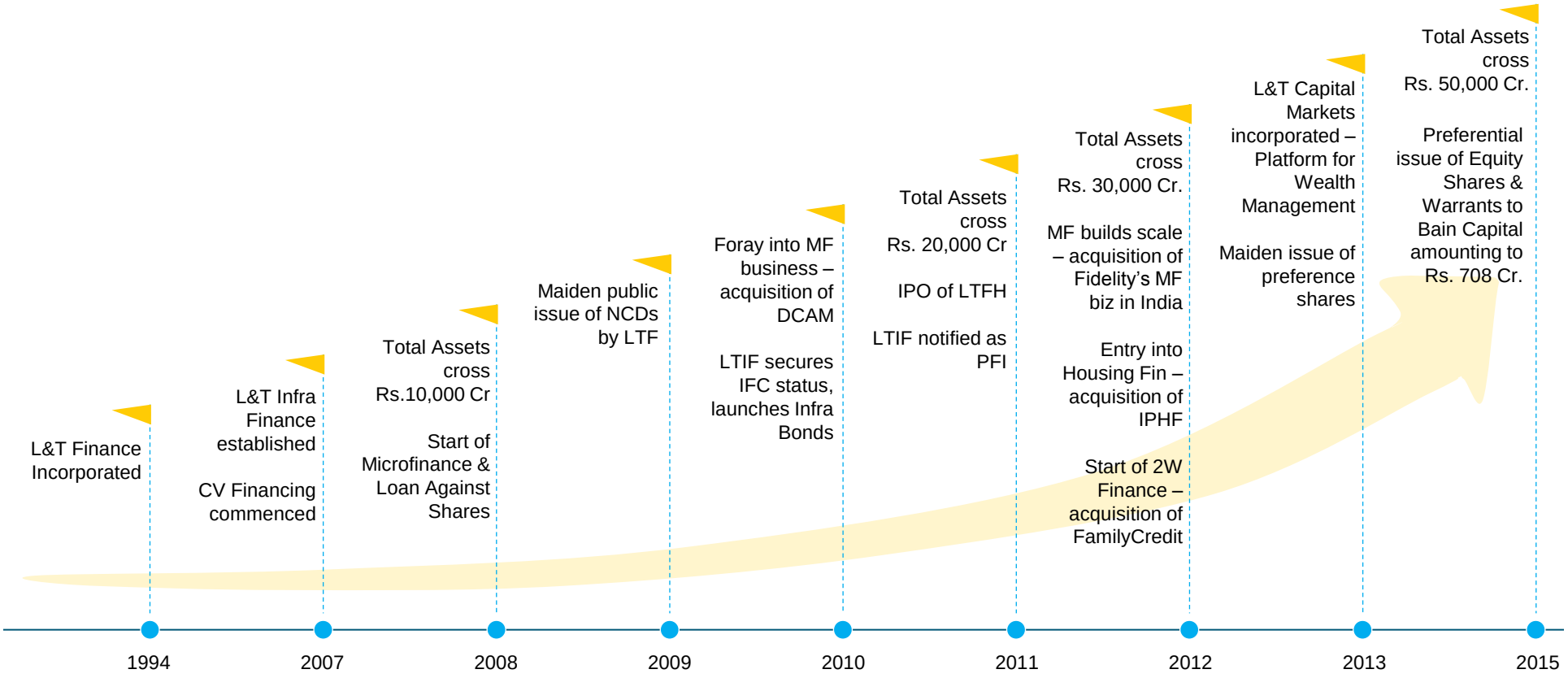
Collectively, A Comprehensive Product Suite Across Three Lines Of Business

L&T Finance Holdings

	Retail Finance	Wholesale Finance	Asset Management
Business lines and products	▶ **B2C Products** ○ Rural Products Finance ○ Personal Vehicle Finance ○ Housing Finance ○ Micro Finance ▶ **B2B Products** ○ CE / CV Finance ○ Supply Chain Finance ○ Mid-Market Finance	▶ **Project Finance** ○ Senior Debt ○ Mezzanine Debt ▶ **Non-Project Finance** ○ Corporate Loans ▶ **Specialized Infra Services** ○ Infrastructure Debt Fund ▶ **Financial Advisory Services** ○ Syndication ○ Underwriting	▶ **Mutual Fund** ▶ **Wealth Management** ▶ **Infrastructure Private Equity**
Entities	• **L&T Finance (AFC)** • **FamilyCredit (Loan Co)** • **L&T Housing Finance (HFC)** • **L&T Access (Distribution Co)**	• **L&T Infra Finance (IFC)** • **L&T FinCorp (Loan Co)** • **L&T Infra Debt Fund (NBFC-IDF)**	• **L&T Investment Management (AMC)** • **L&T Capital Markets** • **L&T Infra PE Fund (AMC)**

Building Scale And A Comprehensive Financial Services Offer

Key Milestones



Building scale at compelling valuations and right risk profiles

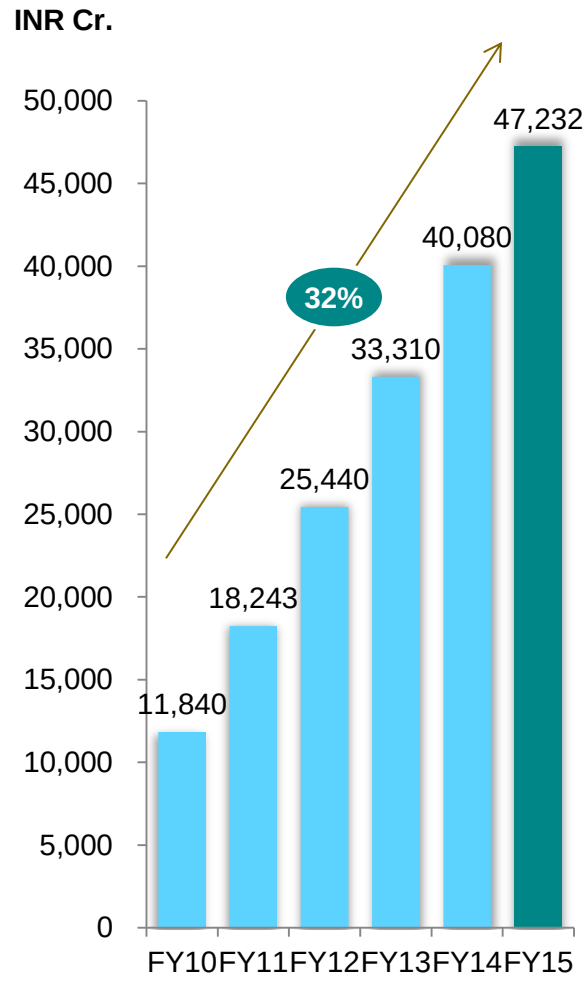
Strong track record of assimilation and integration of assets, capabilities

Enabled through an under levered balance sheet and strong stock price

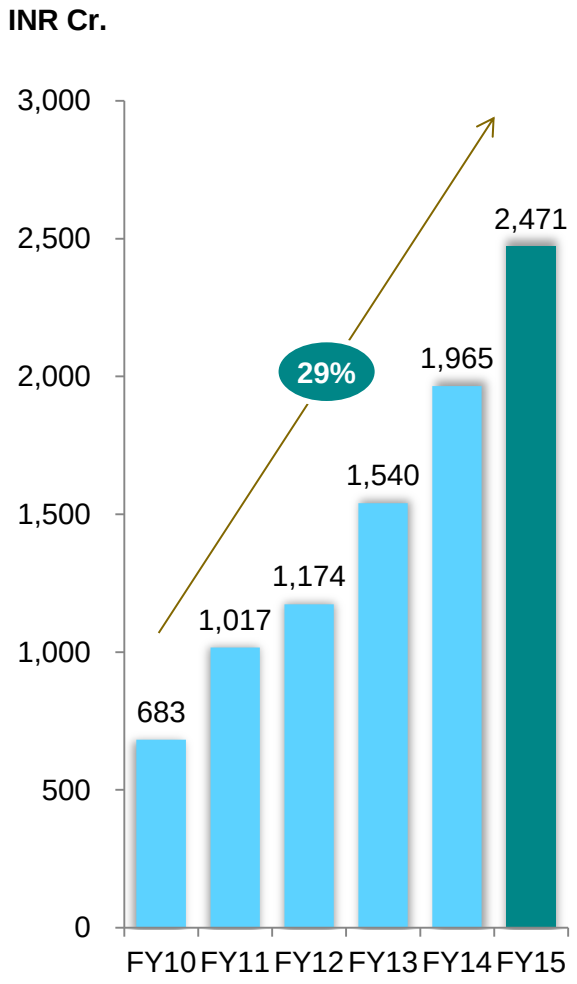
L&T Finance Holdings

Consistent And Robust Growth Trajectory

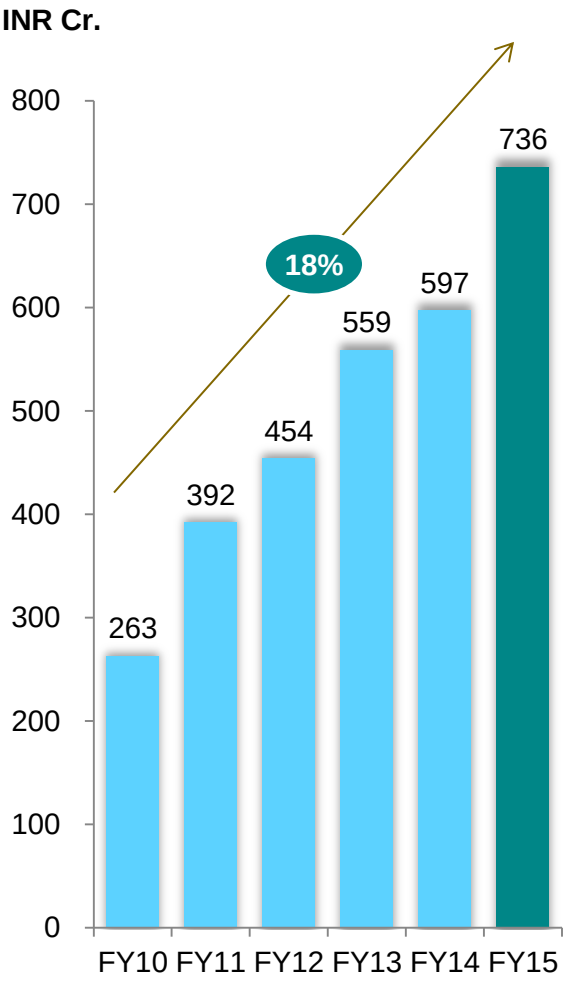
Loans & Advances



Net Interest Margin



PAT

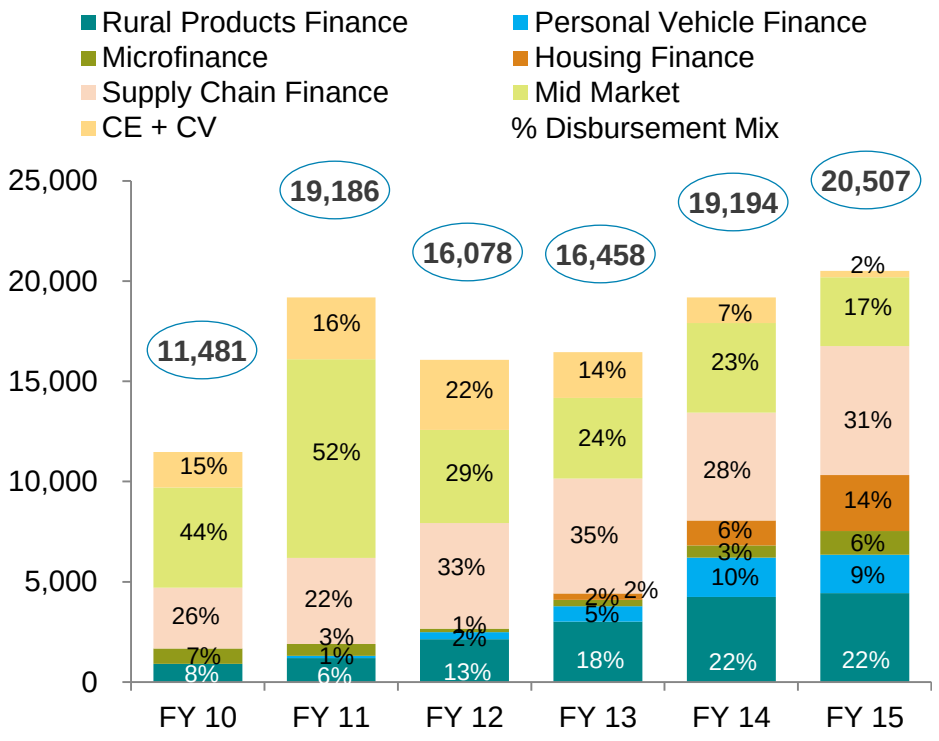


CAGR FY10 – FY15

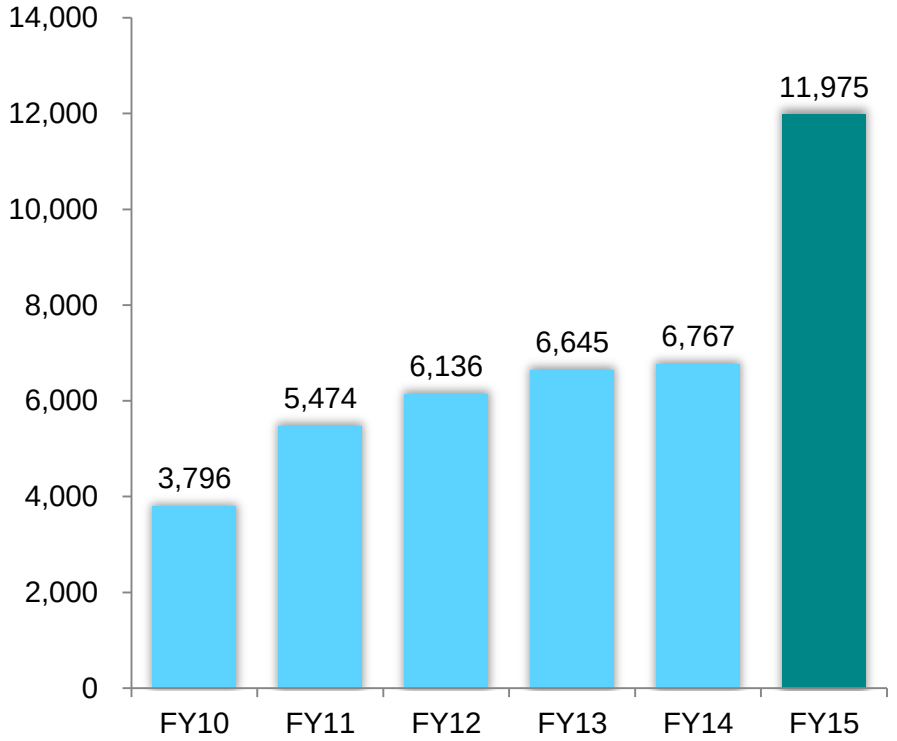
L&T Finance Holdings

Supported By Calibrated Disbursement Strategy

Retail Disbursements



Wholesale Disbursements (Rs. Cr.)



- Disbursements in the Wholesale Finance business have been tapered down in the period FY12-FY14
  - Thrust on operating projects in FY15 ; increase in underwriting and sell down of assets
- Disbursements in the Retail Finance business has also shown flat growth over FY12 –FY15
  - B2C segments of rural products, microfinance, housing and personal vehicles driving growth
  - Commercial vehicle and construction equipment segments have been consciously de-grown from FY12

L&T Finance Holdings

Leadership comprises a seasoned board of directors ...

Board Of Directors



Y.M. Deosthalee, *Chairman and Managing Director*

- Chartered Accountant and Law graduate
- 40+ years at L&T Group
- Member of the Advisory Committee for Liquidity Management set by the Ministry of Finance



N. Sivaraman, *President & Whole-time Director*

- CA; B.Com graduate from Madras University
- 30+ years at L&T Group
- Deep experience in finance, including accounts, M&A and investor relations



R. Shankar Raman, *Non-Executive Director*

- CA; B.Com graduate from Madras University
- Current CFO of L&T Group
- 30+ years of experience in finance, including audit and capital markets



Amit Chandra, *Non-Executive Director*

- MBA from Boston College and Electrical Engineering from VJTI
- Managing Director at Bain Capital since early 2008
- Retired from DSP Merrill Lynch as Board Member & MD and had direct oversight of its Global Markets & IB business



Thomas Mathew, *Independent Director*

- Post graduate in Economics and Law graduate
- MD & CEO of Reinsurance Group of America for India, Sri Lanka and Bangladesh
- ~Four decades experience in Life Insurance, Retd. Current-in-Charge Chairman of LIC of India



Harsh C. Mariwala, *Independent Director*

- Chairman & MD of Marico Limited
- 30+ years of experience in building some of the leading Consumer brands in India
- President of FICCI 2010 – 2011



B. V. Bhargava, *Independent Director*

- Post graduate in commerce and Law graduate from the University of Bombay
- Chairman of the Rating Committee of CRISIL Limited
- Former Vice Chairman and MD of ICICI



P. V. Bhide, *Independent Director*

- Hold MBA, L.L.B and B.Sc degrees
- Retired IAS officer
- Former Finance Secretary; 40+ years experience across various positions in the Ministry of Finance



S. V. Haribhakti, *Independent Director, Chairman of the Audit Committee and Nomination & Remuneration Committee, LTFH*

- CA, Cost Accountant, and a Certified Internal Auditor
- Masters in Management Studies from Uni. of Mumbai
- Managing Partner, Haribhakti & Co



K. Rao, *Independent Director*

- B.A. from Harvard and MBA from UPenn
- Chartered Financial Analyst (CFA)
- 15+ years of experience as an investment professional with the Capital Group

... and an experienced management team

CMD – LTFH
42 yrs exp, L&T

President – LTFH
33 yrs exp, L&T

MD & CE – LTF
26 yrs exp, SBI Cap, BNP Paribas, CARE

CE – LTIF
25 yrs, ICICI, Reliance

CE - LTIM
26yrs exp, Kotak Mahindra AMC, Met Life, ICICI, JM

Head Credit (LTF)
28 yrs exp, IL&FS, Sterlite

CE – LTHF
30 yrs exp, Reliance, Citibank, BOA

Head - IDF & SI
19 yrs exp, IDFC

CIO
24 yrs exp, Canara Robecco ,DSP Blackrock

Head, Pvt. WM – LTCM
25 yrs exp, EFG Wealth Mgmt, Anand Rathi

National Head – Collections
25yrs exp, Magma, SREI, GE

Head – Mid Market
18 yrs exp, BNP Paribas, Commerz Bank

Head – I&PF
24 yrs exp, SBI

Head Fixed Income
15 yrs exp, Fidelity, ING, ICICI

Head, Prem. WM – LTCM
20 yrs exp, Aditya Birla Money, BNP Paribas

Business Head - LTF
22 yrs exp,,HDFC Bank, Reliance Capital

Business Head - LTF
18 yrs exp, Sundaram, Eicher

Head - PE
22 yrs exp, Q India Investment Partners

Head - CRA (Infra)
35 yrs exp, AFIC-ADB, IDBI

Head Treasury
34 yrs exp, Fujitsu ICIM

Head - Operations
28 yrs exp, Edelweiss Life, ICICI Bk,

Group CFO
25 yrs exp, ABFL, ILFS, Angel Group

Head – Corp Strategy
22 yrs exp, ICICI, J P Morgan, NSE

Head IT
24 yrs exp, AIG SA, Tata AIG, IBM Global

Deputy Finance Controller
23 yrs exp, Escorts

Group Chief Economist
27 yrs exp, Bank of Baroda, ICICI Bk

Group General Counsel
20 yrs exp, IDFC, Rabo India, ABN Amro

Head Marketing
34 yrs exp, Fidelity Fund Mgmt, Times Online Money

Head Corp Comm
24 yrs exp, Fidelity, Ogilvy & Mather

Head Internal Audit
24 yrs exp, HSBC AMC

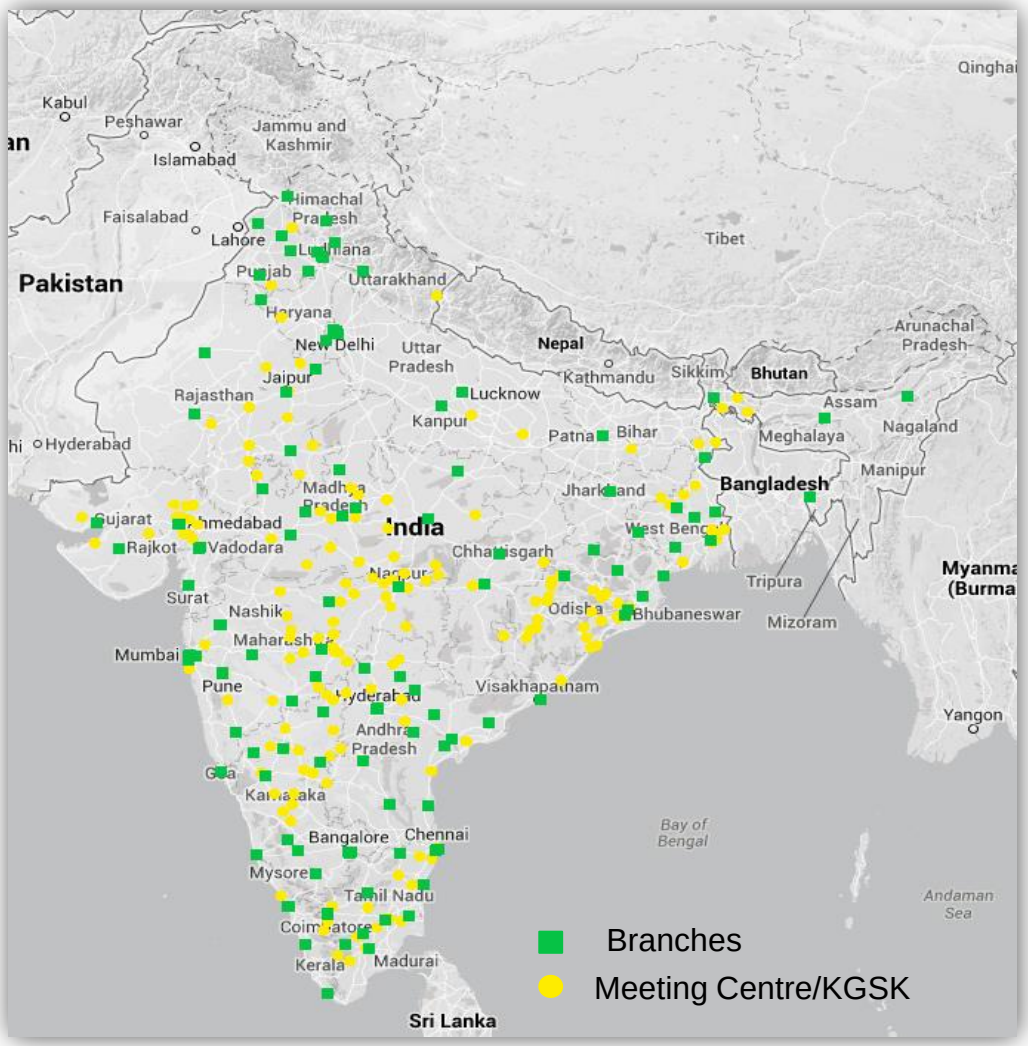
Head– Secretarial & Compliance
33 yrs exp, ACC,L&T

Head HR
17 yrs exp, ICICI Bank, Novartis, GE

Group CRO
27 yrs exp, BNP Paribas, Burgan Bank

SI – Strategic Initiatives; IDF – Infrastructure Debt Fund; I&PF – Infra & Project Finance; CRA – Corporate & Regulatory Affairs, CRO – Chief Risk Officer, CFO – Chief Financial Officer

Enabled By A Pan India Footprint Of 700+ Points Of Presence



Mobile branches not shown

700+ touch points including 200+ branches and 400+ meeting centres for LTFH NBFCs

- Presence in **24 out of 29 states**
- 6 branches in North Eastern states
- Rural areas covered extensively

Extensive branch presence complemented with 500+ *Gram Sampark* operations (mobile branches)





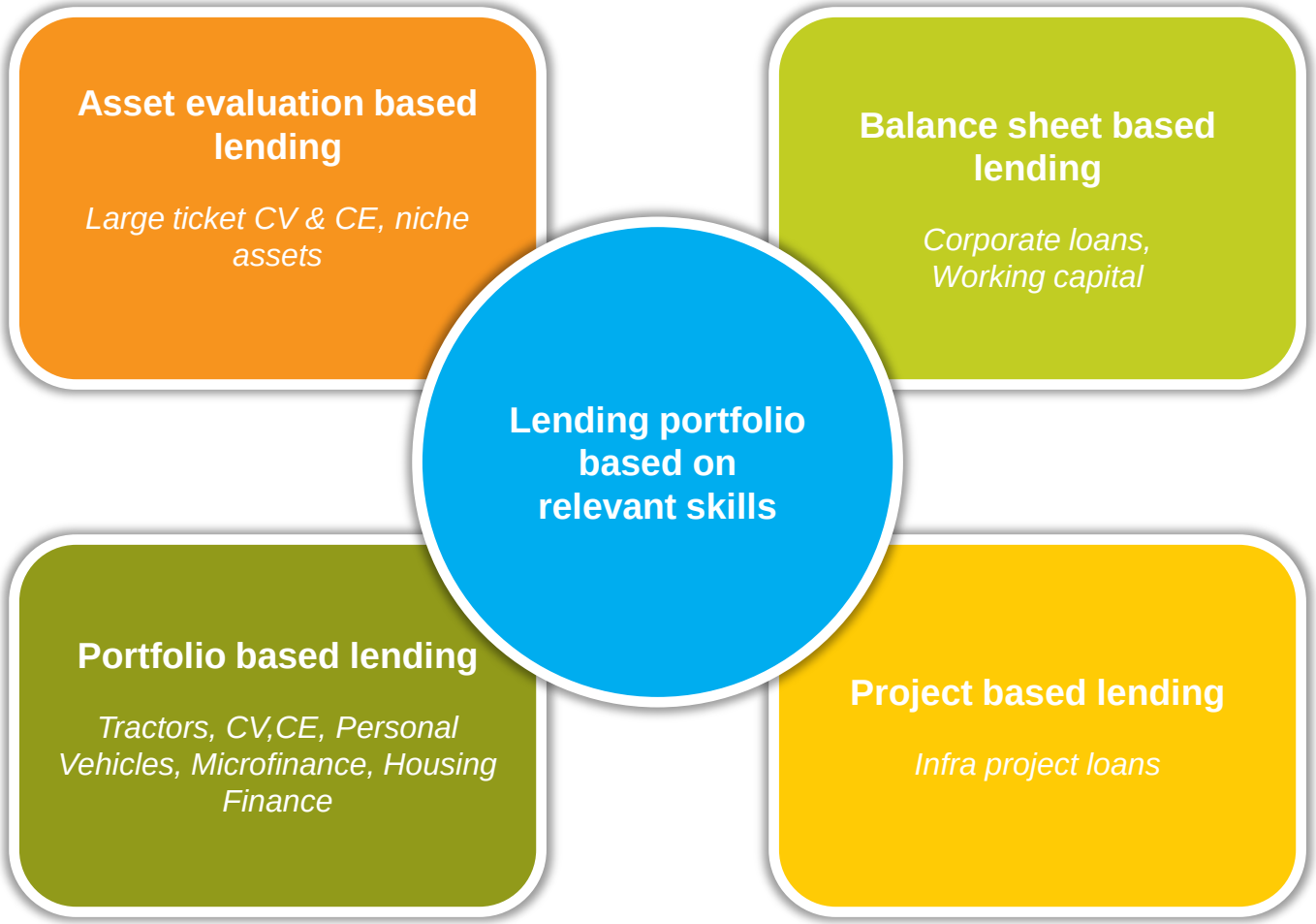
"My Branch" provides door step access - Advanced sales force with tablets and hand held scanners extends footprint beyond branches delivering increased productivity and faster turn around times

L&T Finance Holdings

Impact Of RBI Norms

Norms		Impact	
		Retail Finance	**Wholesale Finance**
A. Standard asset provisioning at 30 bps		○ Standard asset provision (SAP) made at 30 bps	○ SAP in L&T Infra Finance at 35 bps while it is 30 bps in L&T FinCorp
B. NPA at 150 days DPD	○ **Income reversal**	○ Income not recognized on 150+ DPD assets	○ Income has always been reversed on all accounts with 120+ DPD ○ No impact in 2015-16
	○ **Principal provisioning**	○ 150-180 DPD Portfolio demonstrates low probability of loss given default ○ Loss accounts best represented by 180+ DPD portfolio ○ Current provisions cover loss given default adequately ○ Policy can be modified without need for making additional provision ○ Impact 2015-16 likely to be only against incremental 180+ DPD accounts ○ No incremental impact likely in mid-corporate portfolio	○ Policy exists for calibrated provisioning on all accounts with 120+ DPD ○ No major impact expected to arise due to change in norms

Lending business based on four key themes…



L&T Finance Holdings

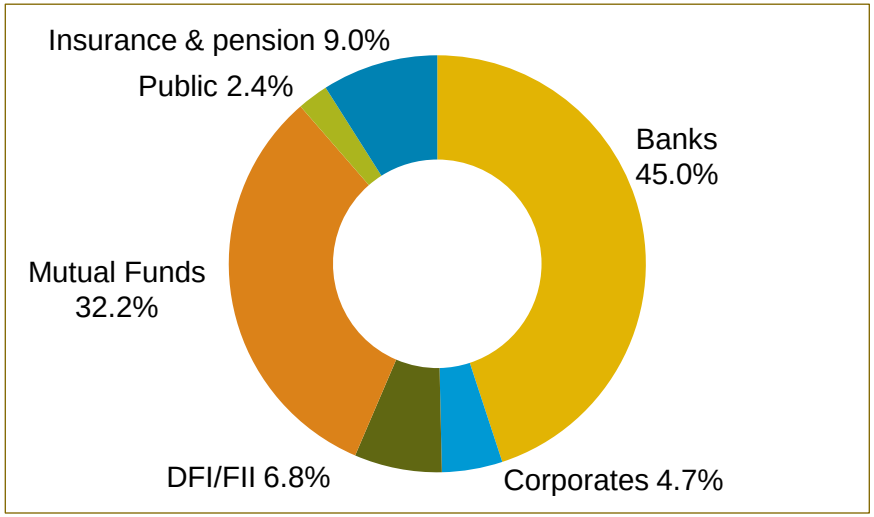
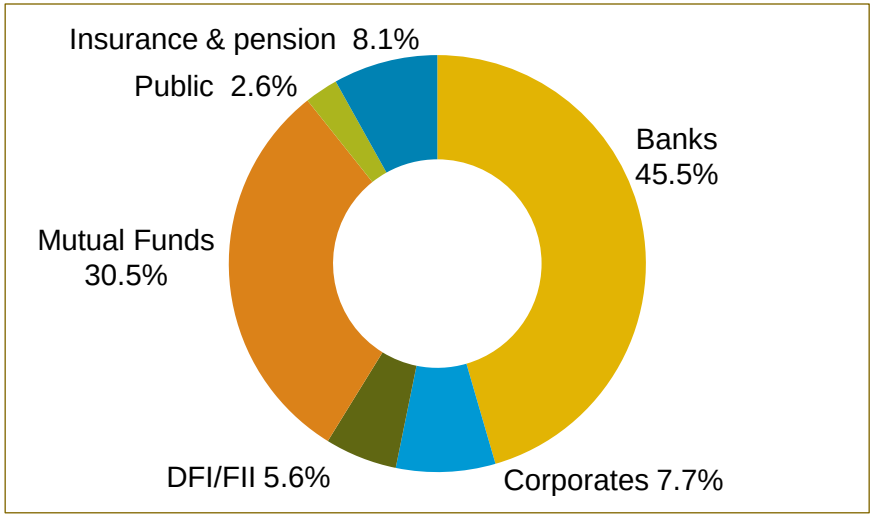
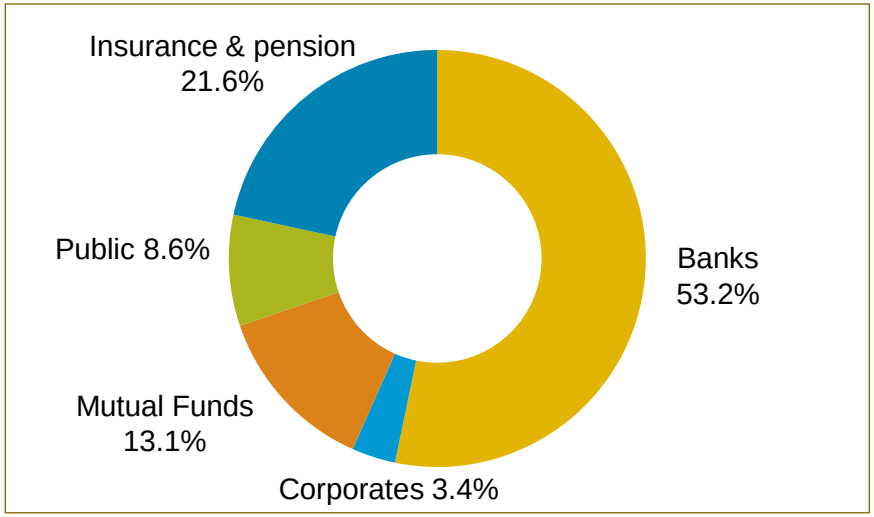
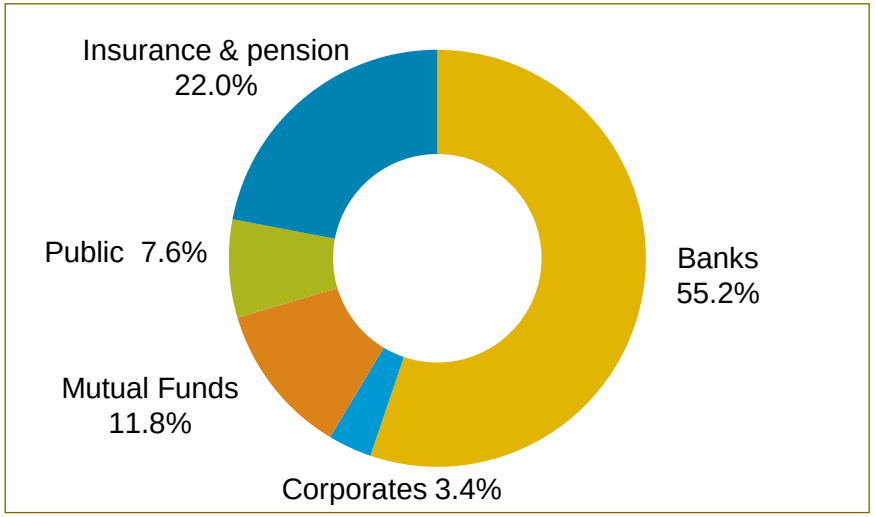
Notable Risk Management Enhancements Made

	Retail Finance	Wholesale Finance
Credit risk	○ Centralized framework for evaluation of loan proposals ○ Strong Analytics team to constantly monitor portfolio and improve quality of sourcing and collection, active usage of credit bureaus	○ Proposals evaluated per internal model & presented to central committee headed by external director to authorize proposals ○ Regular portfolio review by risk management committee chaired by independent director
Provisioning policy	○ Potential foreclosure losses factored for retail loan provisioning ○ NPAs up to 540 days - Difference between POS & notional value of asset provided for ○ NPAs beyond 540 days – Fully provided for ○ 100% provision against unsecured loans	○ SAP up to 35 bps ○ Voluntary provision of 3% - 8% for identified assets ○ New restructured standard assets – 5.0% ○ Existing restructured standard assets – to enhance from 2.75% to 5.0% over 3 years
Operational Risk	○ Centralized loan authorization and disbursement ○ Quality check for data and process compliance ○ Centralized receipting to control frauds and leakages ○ Change in payment mode- steady movement towards PDC/ECS ○ Fully implemented PML and KYC verifications including negative profile filtering	
ALM Strategy	○ Combination of short term and long term borrowings to match yield and maturities ○ Good mix of floating and fixed rate loans to manage basis risks ○ Pricing matrix in place to price loans, with periodic review to capture interest rate movement	

Robust Corporate Governance

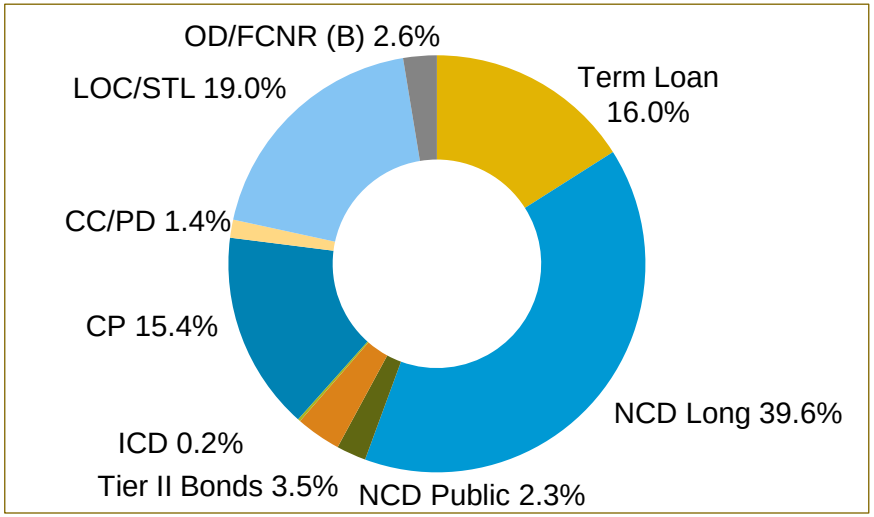
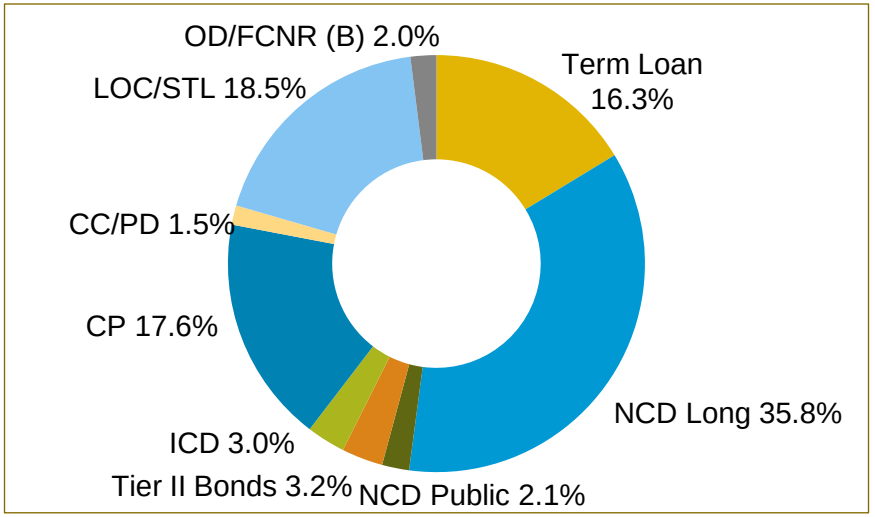
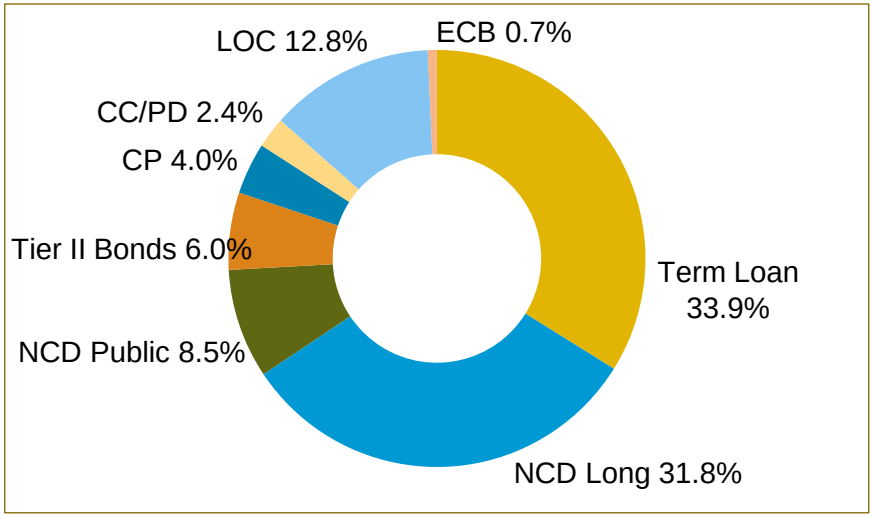
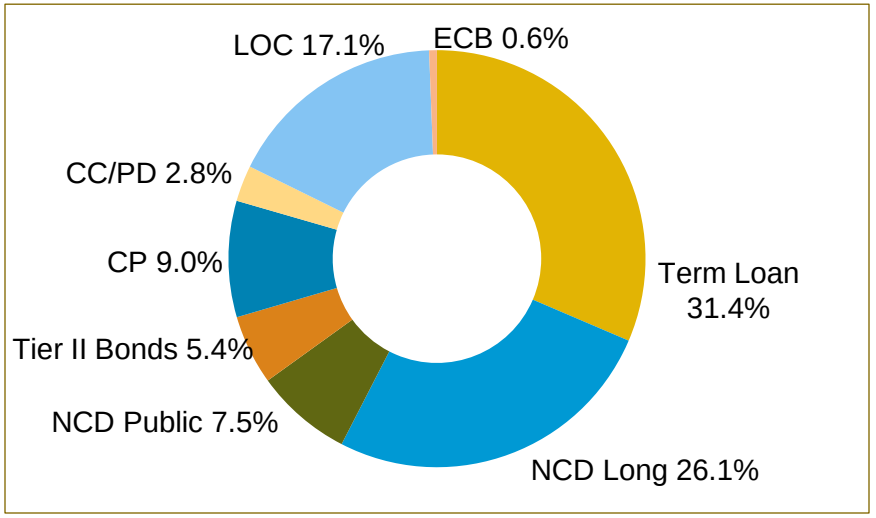
Corporate Governance	**Corporate Governance viewed as an ongoing process at LTFH** ○ Over and above regulatory requirements, corporate governance has a fundamental link with the organization's business, corporate responsibility and shareholder wealth maximization
Board of Directors	**Board of Directors is broad based at LTFH level and at the material subsidiary level** ○ LTFH board has 6 independent directors, more than that mandated by law ○ Presence of independent directors on the boards of all material subsidiary companies much before regulation made it mandatory ○ Directors on the boards come with rich experience in their respective fields
Committees	**The boards at LTFH level and at the material subsidiary level have constituted the following committees to oversee specific areas:** ○ Audit Committee, Shareholders' Grievance Committee, Nomination & Remuneration Committee, IPO Committee, Committee of Directors, Asset Liability Committee and Risk Management Committee ○ Most of these committees are headed by independent directors

Debt Composition – Source Wise

	As on 30th Sep 2015	As on 31st Dec 2015
Retail Finance		
Wholesale Finance		

L&T Finance Holdings

Debt Composition – Instrument Wise

	As on 30th Sep 2015	As on 31st Dec 2015
Retail Finance		
Wholesale Finance		

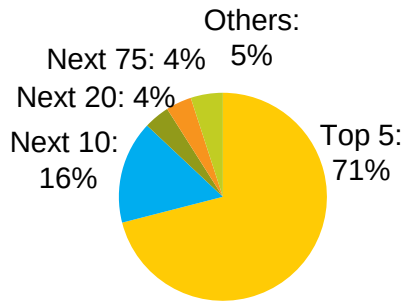
L&T Finance Holdings

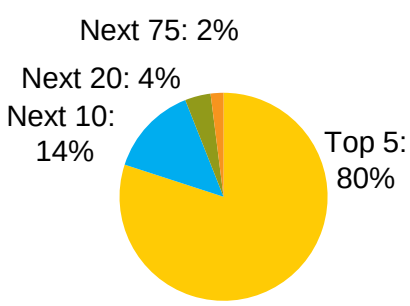
AUM Disclosure

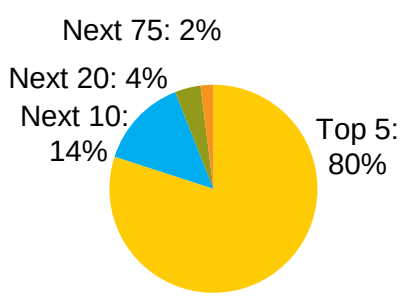
Assets Under Management (Rs. Cr.)

	Quarter ended Dec, 2014		Quarter ended Sep, 2015		Quarter ended Dec, 2015	
Fund Type	**AUM[1]**	**Avg. AUM[2]**	**AUM[1]**	**Avg. AUM[2]**	**AUM[1]**	**Avg. AUM[2]**
Income	7,512	7,490	7,213	7,418	7,576	7,689
Equity (Other than ELSS)	6,280	5,861	8,358	8,201	9,255	8,725
Balanced	0	0	0	0	0	0
Liquid	4,825	6,307	4,087	6,918	5,188	6,946
Gilt	37	51	78	71	102	93
Equity – ELSS	1,601	1,564	1,596	1,635	1,567	1,571
Gold ETF	0	0	0	0	0	0
Other ETF	0	0	0	0	0	0
Fund of Fund Overseas	58	63	34	38	33	35
TOTAL	**20,313**	**21,336**	**21,366**	**24,280**	**23,721**	**25,059**

Geographical Split By Cities







[1] As on the last day of the Quarter
[2] Average AUM for the Quarter

L&T Finance Holdings

Our Parent Company, L&T , Is India's Largest Engineering And Construction Company In The Private Sector

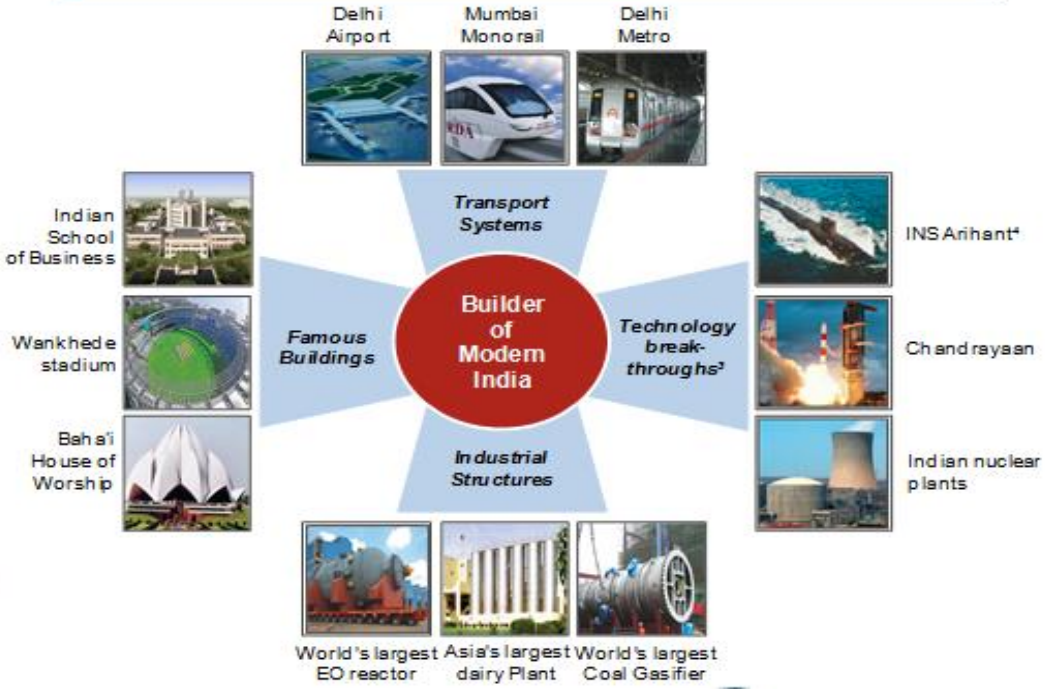
L&T Group has a long and illustrious history in India...

L&T was founded in 1938 by two Danish Engineers



- Revenue: ~ Rs. 920 bn[1]
- PAT: ~ Rs. 48 bn[1]
- Market Capitalization: ~ Rs. 1,026 bn[2]

... and has been involved in India's hallmark projects



- ✓ **L&T Ranked No.1 in Quality of Leadership & India's Second Most Admired Company - Fortune India Survey, Aug 2014**
- ✓ **L&T in Top 10 'Best Indian Brands' - Interbrand & The Economic Times Survey, Jul 2013**
- ✓ **L&T Ranked 58th amongst World's Most Innovative Companies – Forbes Magazine, Aug 2014**
- ✓ **L&T among India's Top 5 most respected companies – Business World, Aug 2013**

[1] For year ended Mar 2015
[2] As on 21st Jan, 2015

L&T Finance Holdings

“Our aim is to be an admired and inspirational financial institution, creating sustainable value for all our stakeholders.”

L&T Finance Holdings Ltd
8th Floor, City 2, Plot No 177
Vidyanagari Marg, CST Road, Kalina
Santacruz (E), Mumbai 400 098

Registered Office
L&T House, NM Marg
Ballard Estate, Mumbai 400 001
CIN: L67120MH2008PLC181833

T +91 22 6621 7300/400
F +91 22 6621 7509
E igrc@ltfinanceholdings.com
www.ltfinanceholdings.com



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