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INVESTOR PRESENTATION

For the Quarter ended December 31, 2013

RESULT HIGHLIGHTS FOR Q3 FY14

- Net profit up 2% q-q to Rs 710.7 Mn
- NIM increased to 12.73% due to savings in interest cost
- Gross NPA declined to 0.85% from 1% in Q2 FY14
- EPS (annualised) of Rs 3.36
- Interim dividend of Rs 0.45 per share for Q3 FY14
- Total AUM reduced to Rs 85.30 bn
- Networth up to Rs 25.48 Bn. NAV per share Rs 29.97.
- High capital adequacy of 28.3%



FINANCIAL HIGHLIGHTS-KEY NUMBERS

<i>Rs in Million</i>	Q3FY14	Q2FY14	Q3FY13	Q-Q	Y-Y
Interest income	5,260.0	5,187.9	5,989.0	1.4%	-12.2%
Other Operating Income	90.5	290.8	120.0	-68.9%	-24.6%
Total Income	5,350.6	5,478.7	6,109.0	-2.3%	-12.4%
Finance expenses	2,474.3	2,669.3	3,225.0	-7.3%	-23.3%
Net interest income	2,785.7	2,518.6	2,764.0	10.6%	0.8%
Employee expenses	817.1	766.7	803.0	6.6%	1.8%
Other operating expenses	945.5	929.4	757.0	1.7%	24.9%
Pre provision profit	1,113.7	1,113.2	1,324.0	0.0%	-15.9%
Provisions	(33.8)	(72.7)	25.0	-53.5%	-235.4%
Write offs	65.5	135.0	53.0	-51.5%	23.6%
Profit before Tax	1,082.0	1,050.9	1,246.0	3.0%	-13.2%
Tax	371.4	353.8	402.0	5.0%	-7.6%
Profit after Tax	710.7	697.1	844.0	1.9%	-15.8% 3

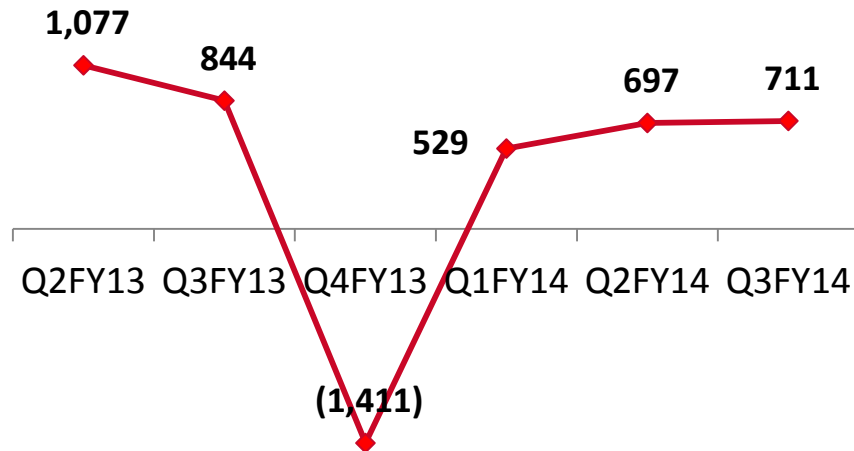
STATEMENT OF ASSETS & LIABILITIES

Rs in Million	Q3FY14	Q2FY14	Q3FY13	Q-Q	Y-Y
Cash and Bank Balances	8,263.4	7,213.1	7,299.0	14.6%	13.2%
Investments	474.4	469.4	558.0	1.1%	-15.0%
Loans and Advances	86,015.3	92,711.5	104,860.0	-7.2%	-18.0%
Fixed Assets	2,101.2	2,201.6	2,354.0	-4.6%	-10.7%
Other Assets	8,359.0	8,953.6	11,177.0	-6.6%	-25.2%
Total	105,213.2	111,549.1	126,248.0	-5.7%	-16.7%
Capital	1,682.4	1,682.4	1,682.0	0.0%	0.0%
Reserves & Surplus	23,797.4	23,529.7	25,627.0	1.1%	-7.1%
Borrowings	76,513.0	83,386.9	95,558.0	-8.2%	-19.9%
Other Liabilities & Provisions	3,220.4	2,950.1	3,381.0	9.2%	-4.7%
Total	105,213.2	111,549.1	126,248.0	-5.7%	-16.7%

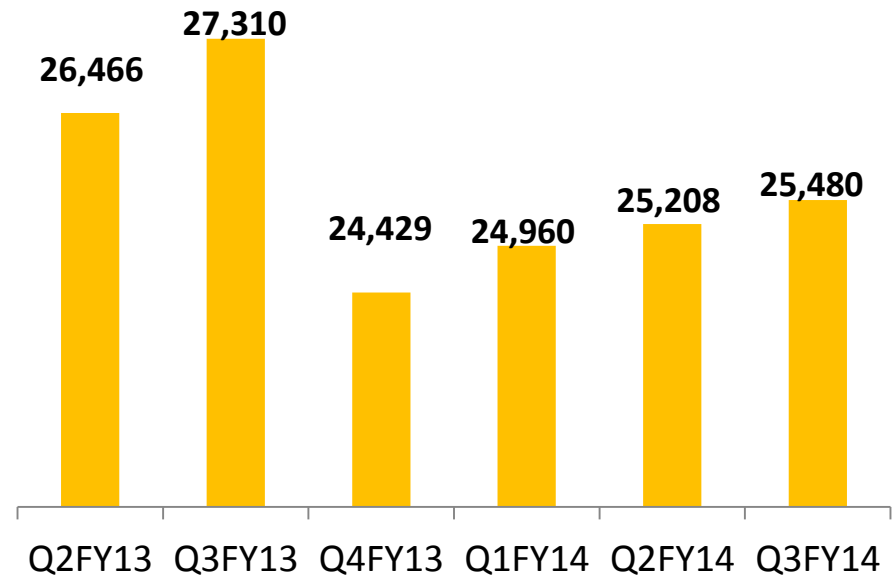
PAT & NET WORTH

- Profits up 1.9% Q-Q to Rs 710.7 mn
- Company is well capitalized with high net worth of Rs 25.48 bn

PAT (Rs Mn)

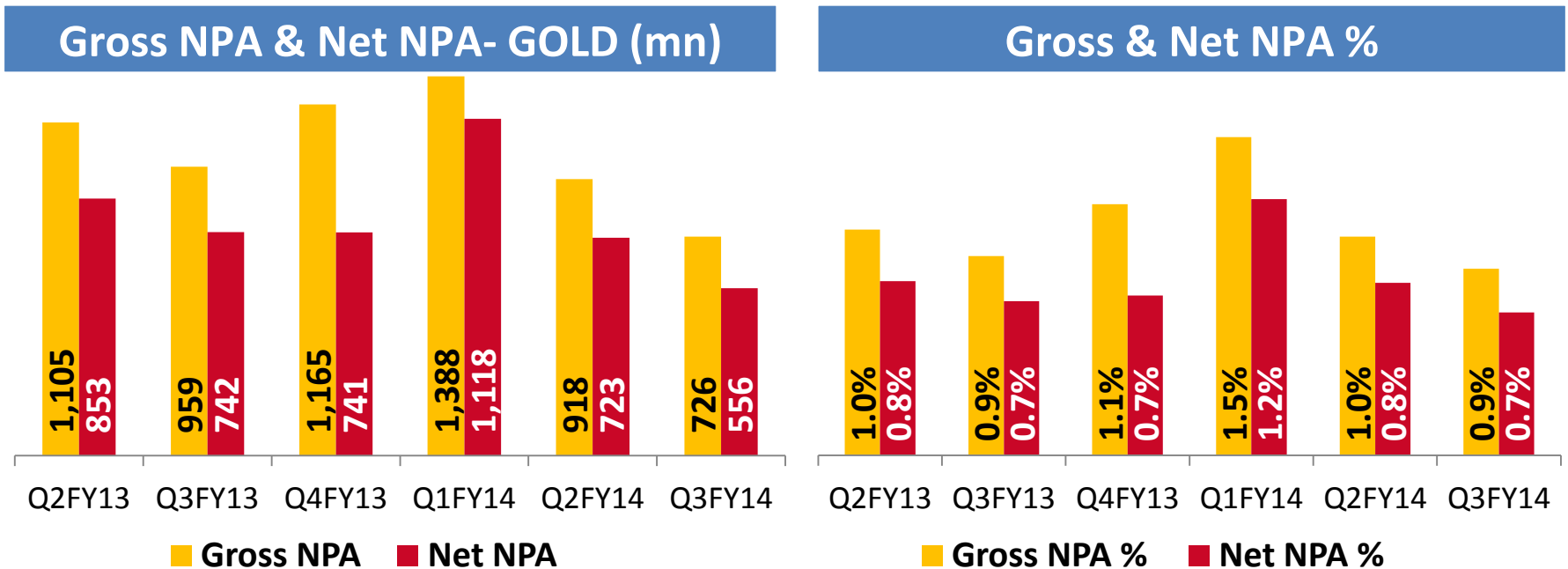


Net Worth (Rs Mn)



NPA

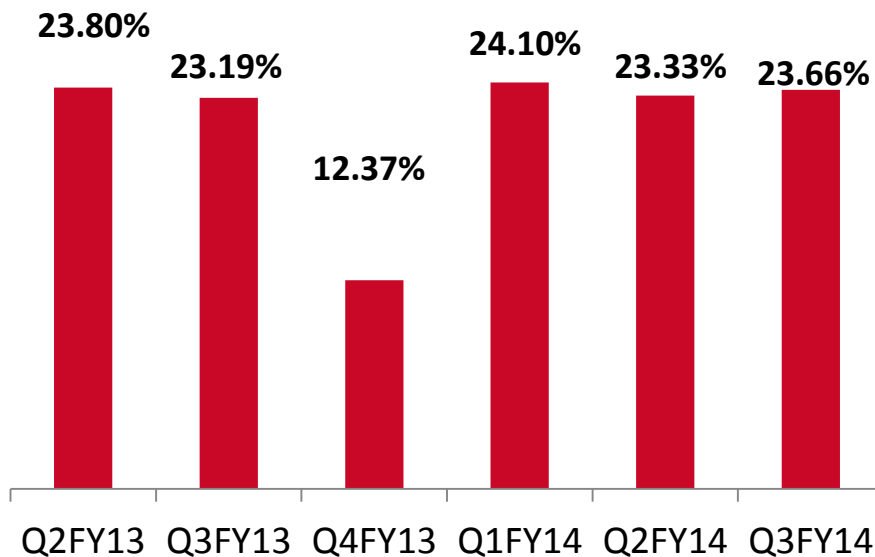
- Gross NPAs fall to 0.85% of AUM in Q3 due to auction of NPA accounts.
- Over 50% of Gross NPA is from regular customers who have paid over half of interest due
- NPAs on account of theft, spurious collateral etc. are only 0.12% of AUM



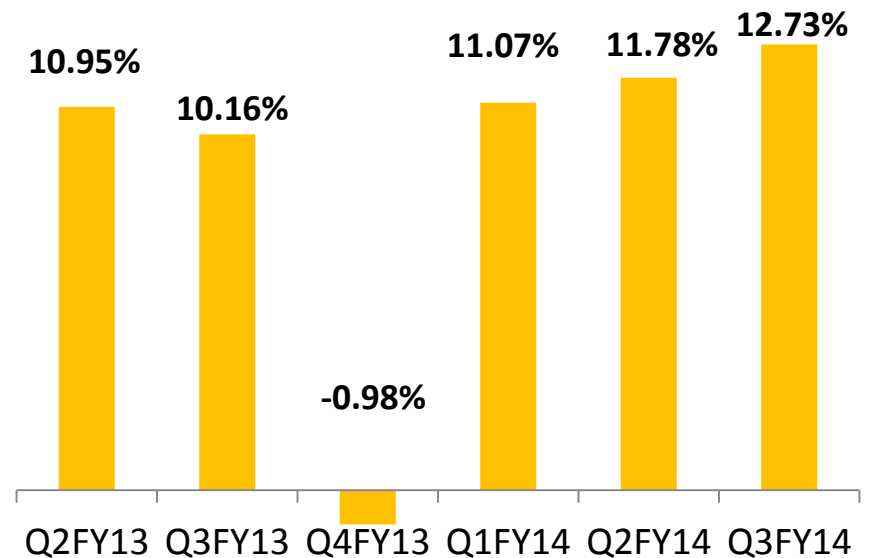
YIELD AND NIM

- Net Yield remains stable in Q3 as compared to Q2 at 23.66%
- NIMs rose in Q3 due to reduction in interest cost as a result of raising lower cost funds from the money markets
- NIMs are amongst the highest in the industry

YIELD (%)



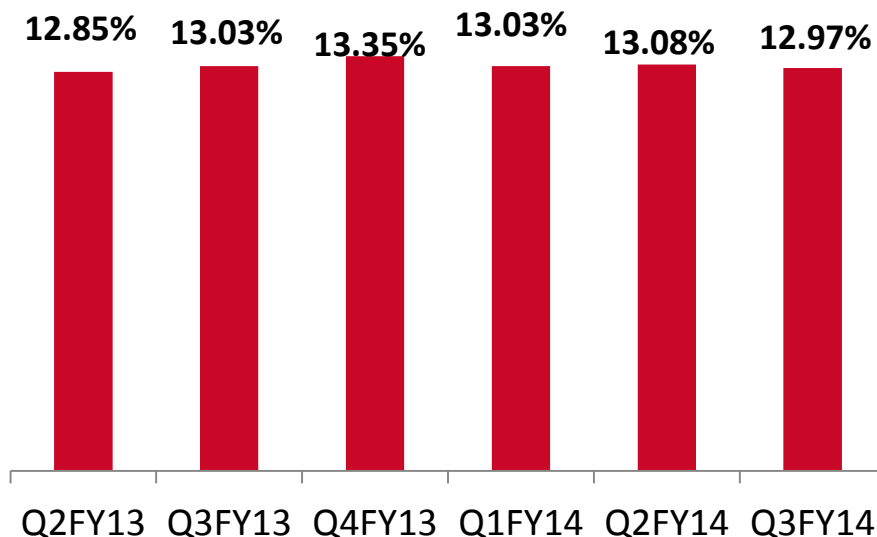
NIM (%)



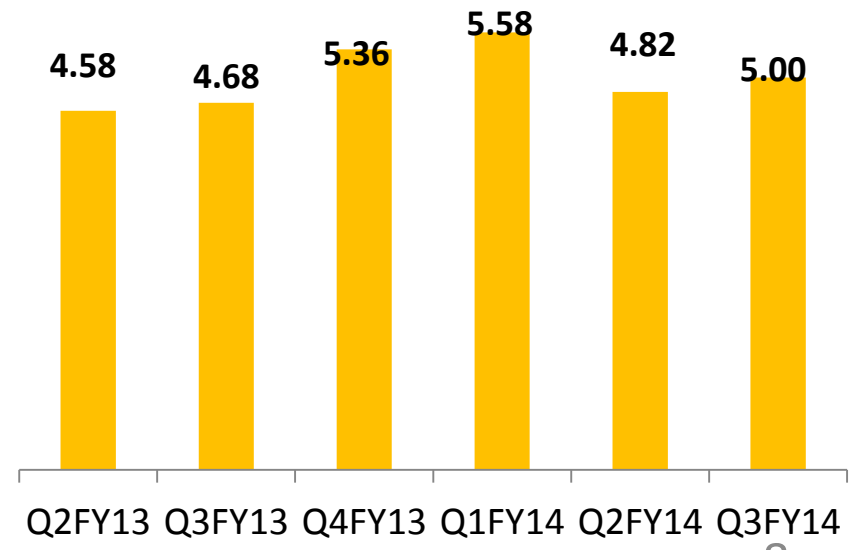
COST OF FUNDS AND COST TO INCOME

- Cost of funds reduced in the quarter due to raising of lower cost funds from the money markets
- Opex as a percentage AUM is up marginally due to hiring of junior staff and increased advertising spend

Cost of Funds (%)



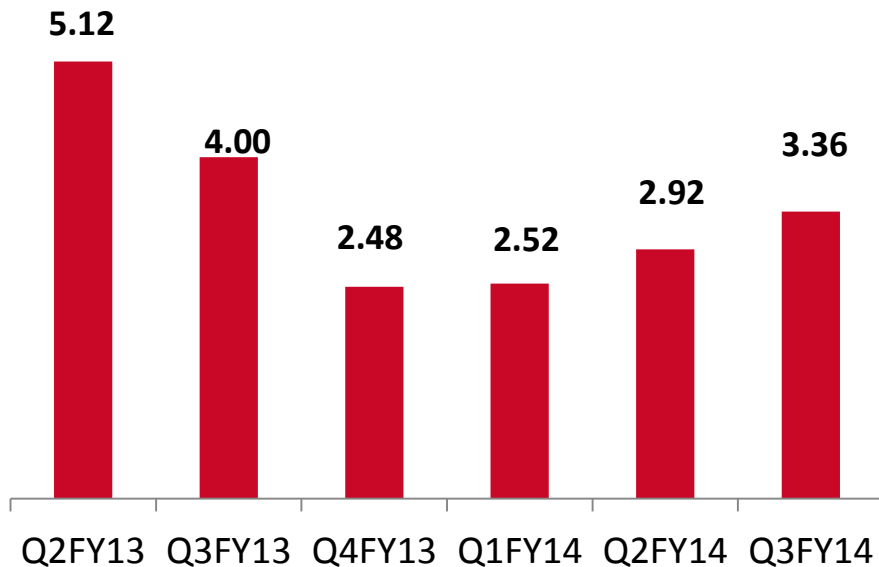
OPEX to AUM (%)



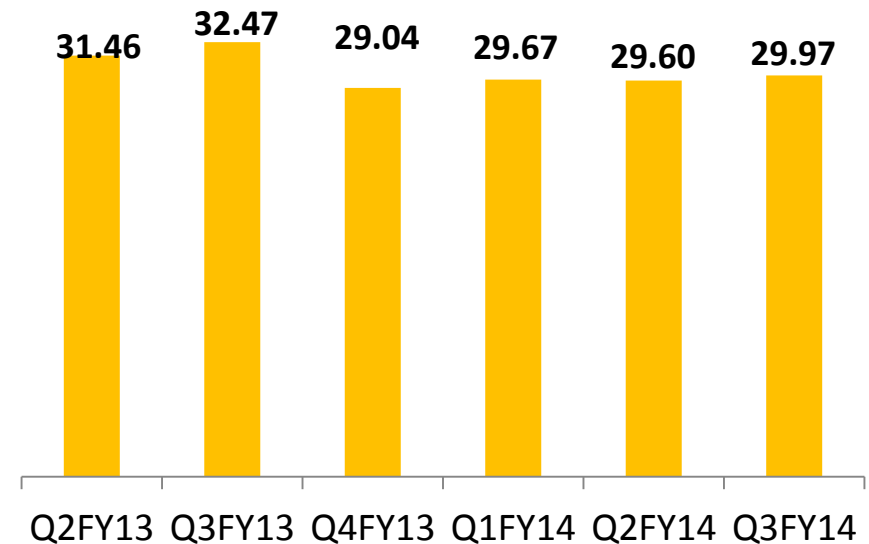
EPS & BOOK VALUE PER SHARE

- Annualized EPS for the quarter is Rs 3.36 which is up 15% on Q2
- Company's book value per share is up marginally to Rs 29.97

Annualized EPS (Rs)



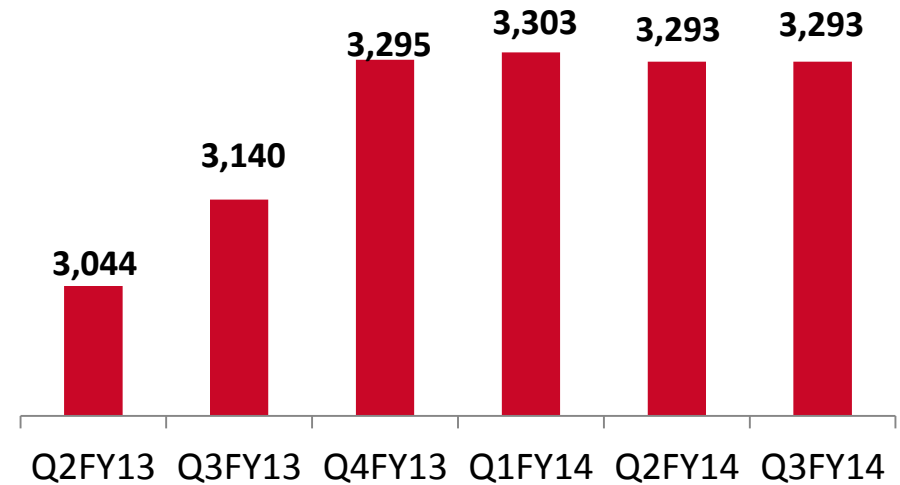
Book Value per Share (Rs)



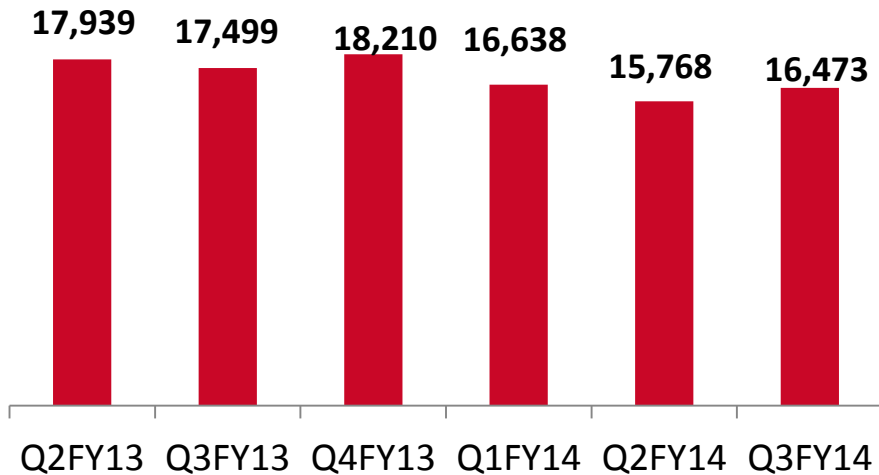
BRANCHES AND CUSTOMERS

- Number of Employees increased to 16.47K
- Number of live customers is 1.55 million.

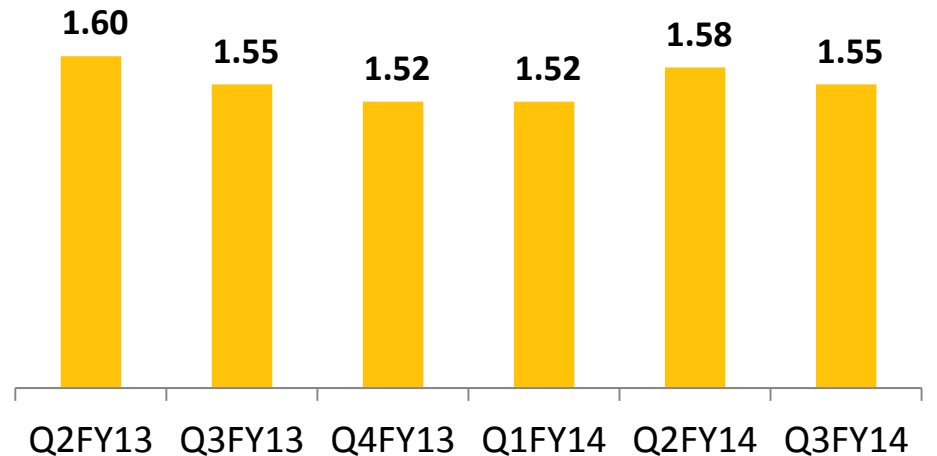
Branches (Nos)



Employees (Nos)



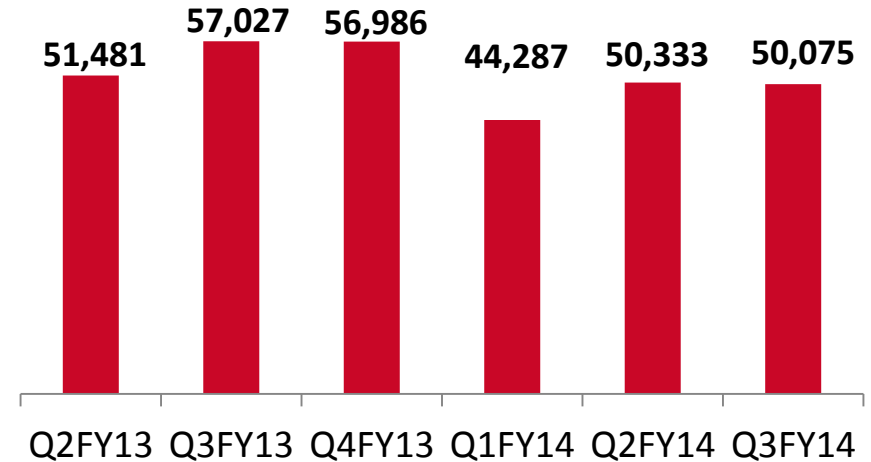
No of Customers (Mn)



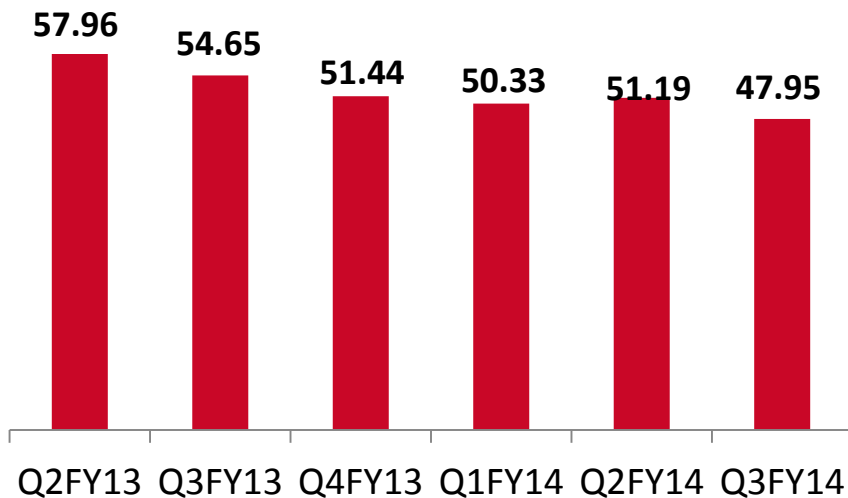
GOLD HOLDING & AUM

- Disbursements were stable at over Rs 50 bn
- Closing AUM is down by 7% to Rs 85,181 mn in Q3.
- The gold holdings declined in line with AUM

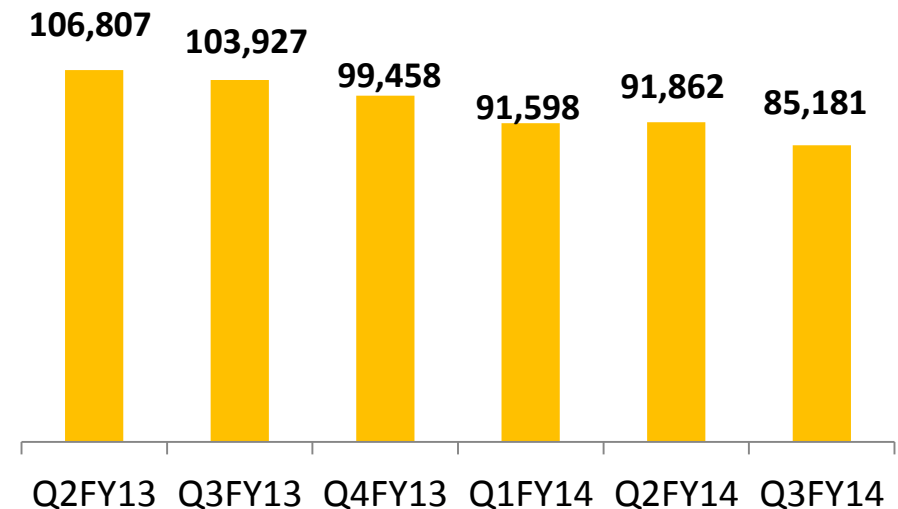
Disbursement (Mn)



Gold Holding (Tonne)



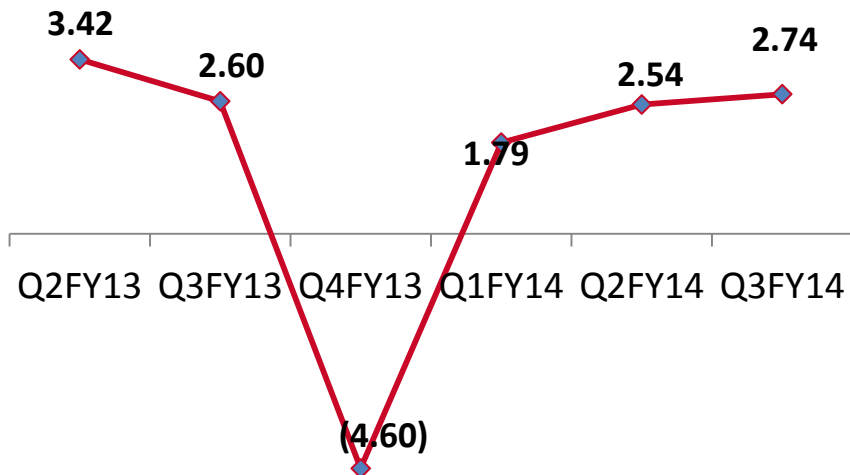
AUM (Mn)



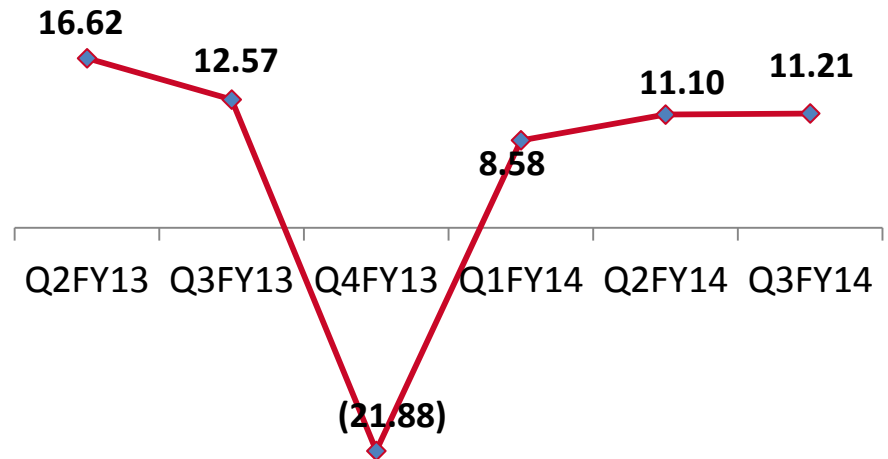
ROA & ROE

- ROA and ROE have shown steady improvement in Q3 FY14 compare to Q2 FY 14

ROA (%)



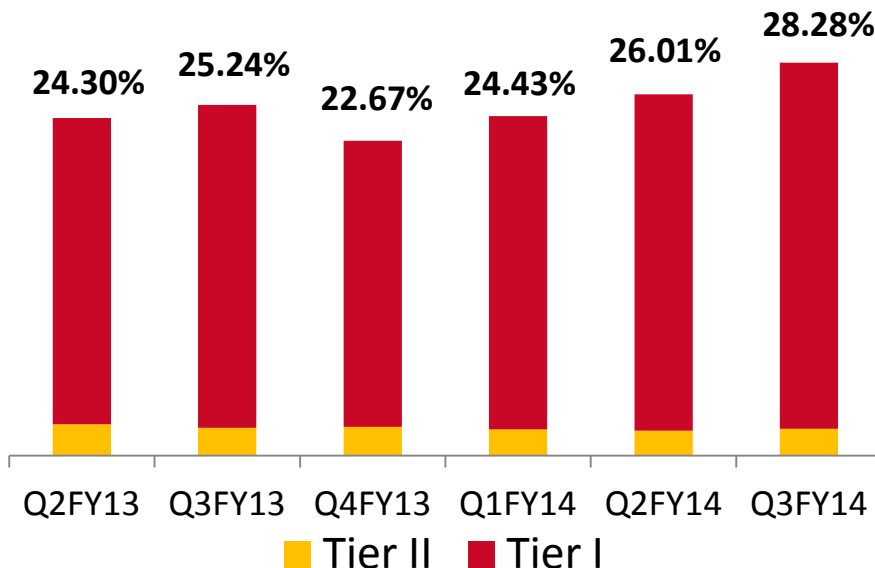
ROE (%)



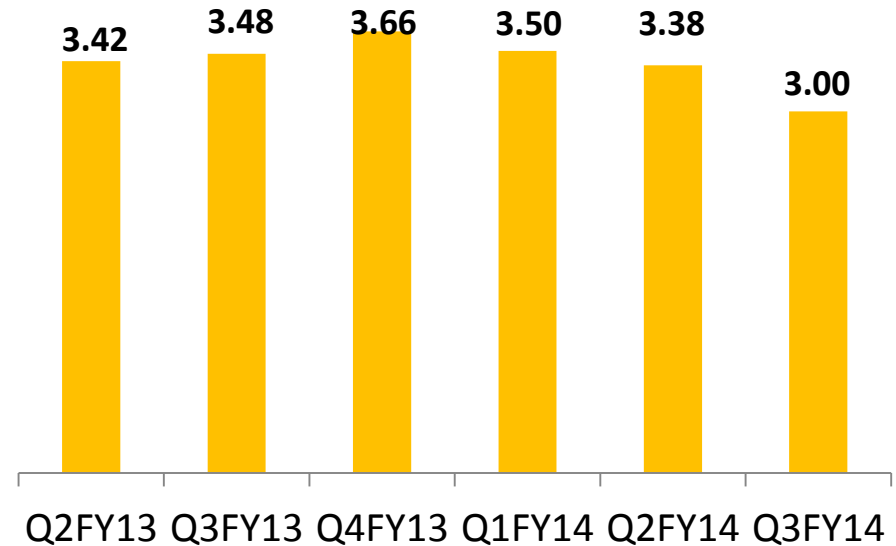
CAPITAL ADEQUACY

- The total capital adequacy is healthy at 28.28% compared to the minimum 15% stipulate by RBI for gold loan companies
- The gearing levels are also comfortable at 3.0x leaving ample scope for increase in leverage.

Capital Adequacy Tier I & Tier II

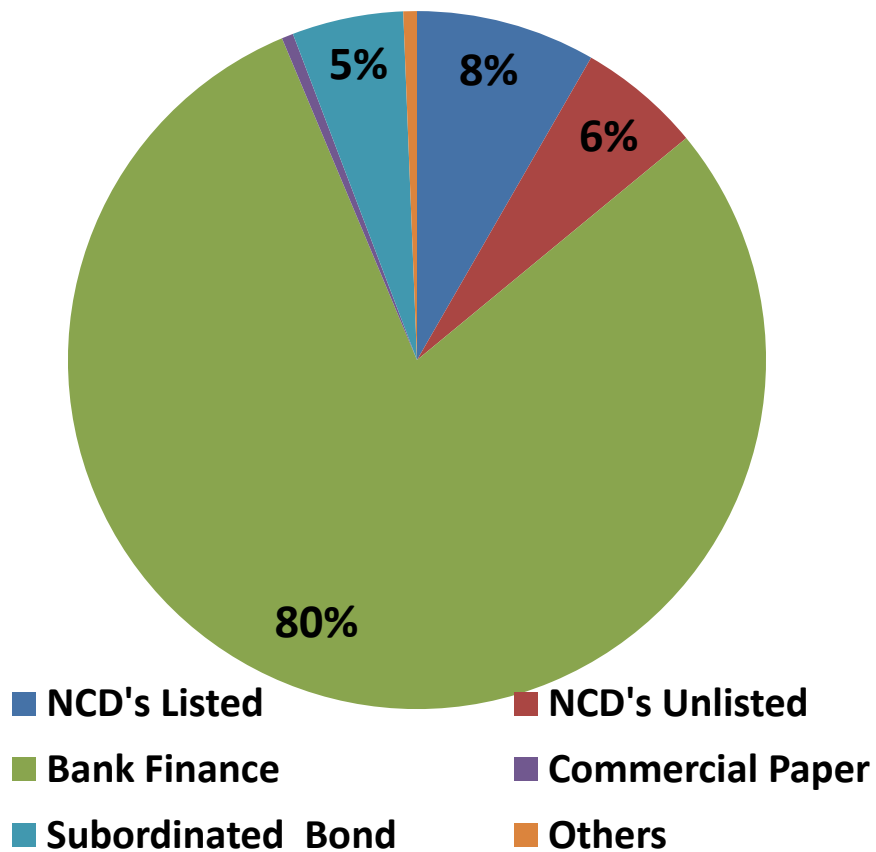


Debt Equity Ratio (x)



LIABILITY MIX

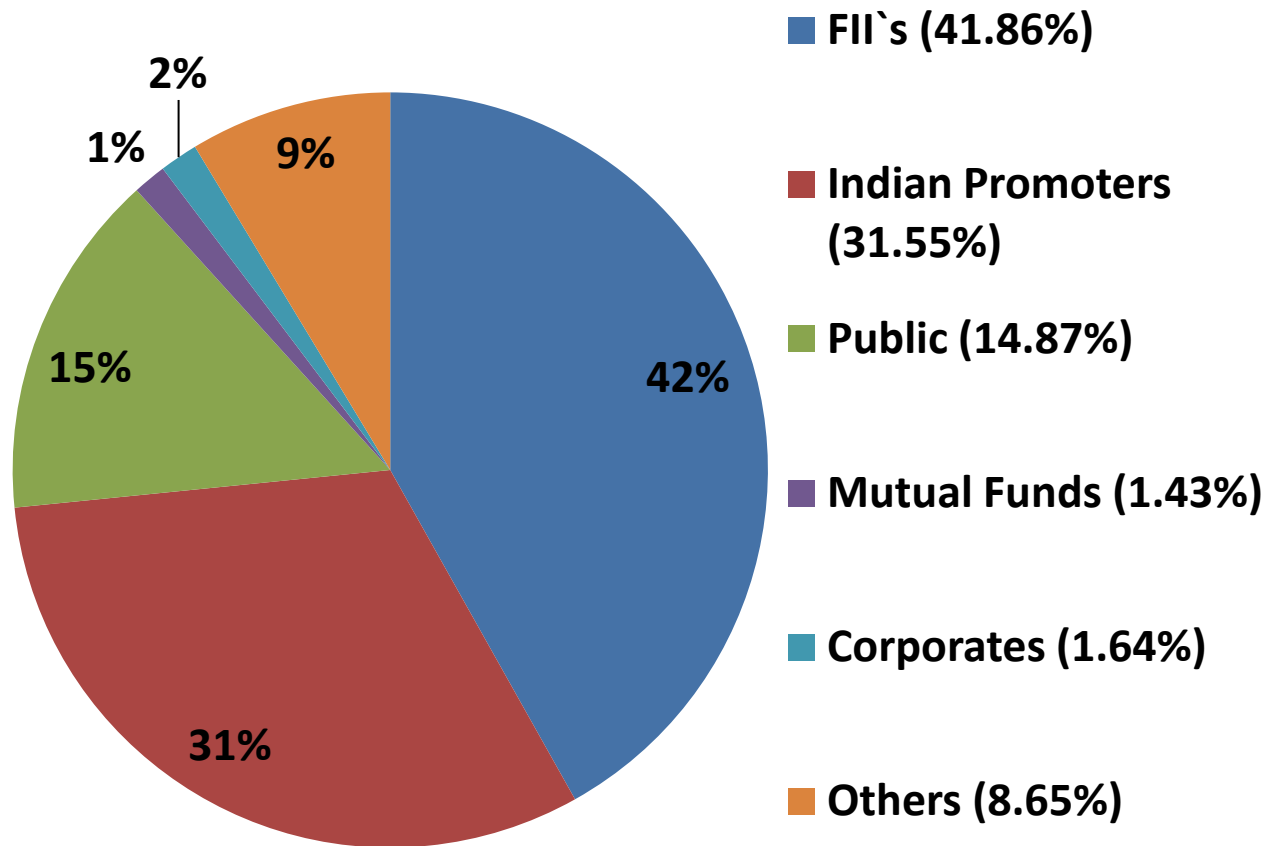
Borrowings as on December 31, 2013 was Rs. 76,513 million.



Particulars	Amount (Mn)
NCD's Listed	6,403
NCD's Unlisted	4,397
Bank Finance	60,843
Commercial Paper	413
Subordinated Bond	3,970
Others	485
TOTAL	76,513

SHARE HOLDING PATTERN

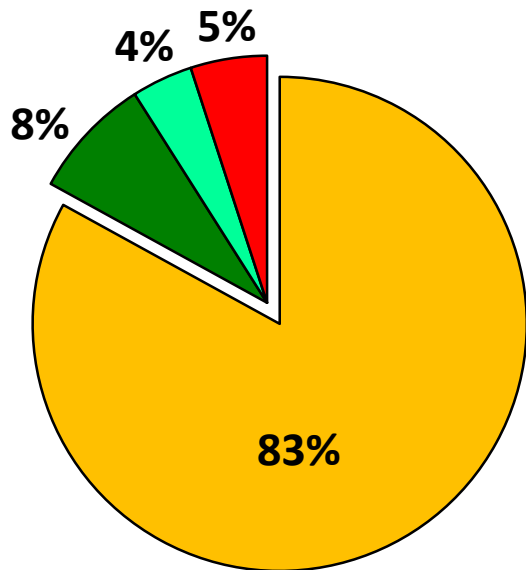
Total Outstanding Share Capital as on 31st December 2013 is Rs 1,682.4 Million (841.2 Million shares of Rs 2 each)



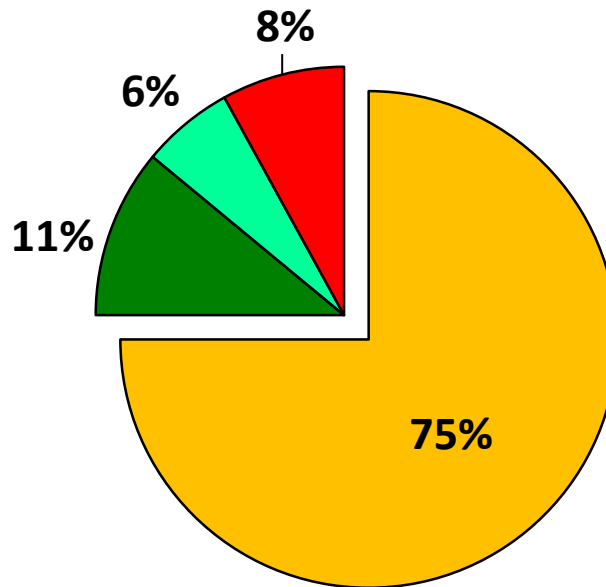
Loan Portfolio Zone wise

Gold loan outstanding as of December 31, 2013 was Rs. 85,181 million. South India loans to total loans has decreased to 72% in Sep 2013 from 75% in Mar 2013.

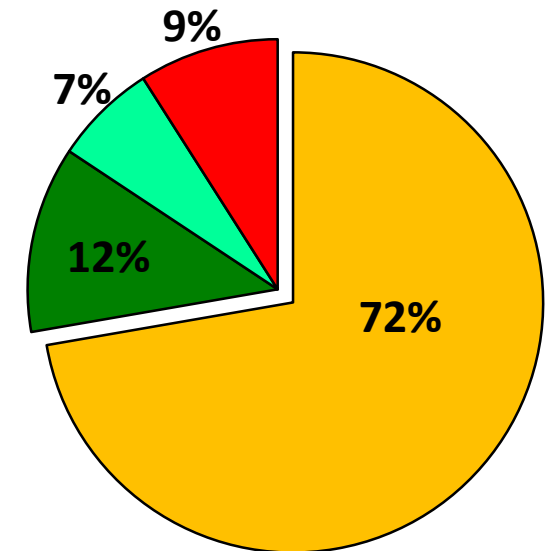
As on 31.03.12
GL OS – Rs. 115,330 million



As on 31.03.13
GL OS – Rs. 99,300 million



As on 31.12.13
GL OS – Rs. 85,181 million



South West East North

SENIOR MANAGEMENT TEAM



Mr. V. P. Nandakumar
Managing Director & CEO

- Chief Promoter of the Manappuram Group of Companies
- Holds a masters degree in science from Calicut University and is also a Certified Associate of Indian Institute of Bankers
- Has been associated with the banking industry in various capacities. He is the Chairman of the Equipment Leasing Association (India) and the Kerala Non-Banking Finance Companies Welfare Association



Mr. I. Unnikrishnan
Executive Director & Dy CEO

- Holds a bachelors degree in commerce from Calicut University and is a fellow member of the Institute of Chartered Accountants of India
- He has experience in rendering advisory services relating to NBFCs. He has in the past worked with HAWA-MK Electrical Limited
- He has been the Director of Manappuram since October 11, 2001



Mr. B.N. Raveendra Babu
Executive Director

- Holds masters degree in commerce from Calicut University and completed Inter from Institute of Certified Management Accountants
- Has worked in a senior position in the Finance and Accounts Department of Blue Marine International at the U.A.E
- He has been the Director of Manappuram since July 15, 1992



Mr. Kapil Krishan
Chief Financial Officer

- Experience of over 23 years in finance.
- Worked with leading Indian and multinational organizations such as CRISIL, HSBC, Standard Chartered Bank, Hewitt Associates and India Infoline.
- Experienced in all CFO functions including debt and equity markets, treasury management, investor relations, ERP implementation etc.

STRONG INTERNAL PROCESS

In-house IT Infrastructure

- Availability of accurate and real-time information aids in faster decision making and reduced turnaround time resulting in improved loan disbursement facility
- Significant automation at front end reducing human intervention
- Centralized technology for offsite surveillance of all branches (efficient monitoring and controlling)
- Scalability enables rapid branch roll-out
- State of art Disaster Recovery Centre

Strong Internal Controls / Audit

- Stringent collateral approval process
- Routine inspections and vigilance teams
- Pledges frequently checked by an internal audit team on a well defined periodical basis

Prevention of Fraud

- Strict KYC compliance
- Employee profiling, Employee tracking and regular rotation of staff across departments and branches



Asset Evaluation & Appraisal Risk

- Decades of experience provide a competitive advantage in terms of ability to evaluate the gold
- Only household used jewellery encouraged as security (emotional factor is key)
- Employees are regularly trained in gold appraisal methods
- Several tests for checking spurious gold including touchstone test, nitric acid test, sound test and checking for hallmark
- Three level appraisal of gold

Gold Security & Custodial Risk

- Post verification gold transferred to highly secured Vaults which have RCC structures or Burglary proof safes of reputed brands
- Gold stored under joint custody (Dual Custody)
- Premises located above ground floor, with 24x7 CCTV camera and burglar alarm system
- Insurance of gold against burglary

RISK MANAGEMENT

Appraisal



Alert Verifications



Routine Inspections



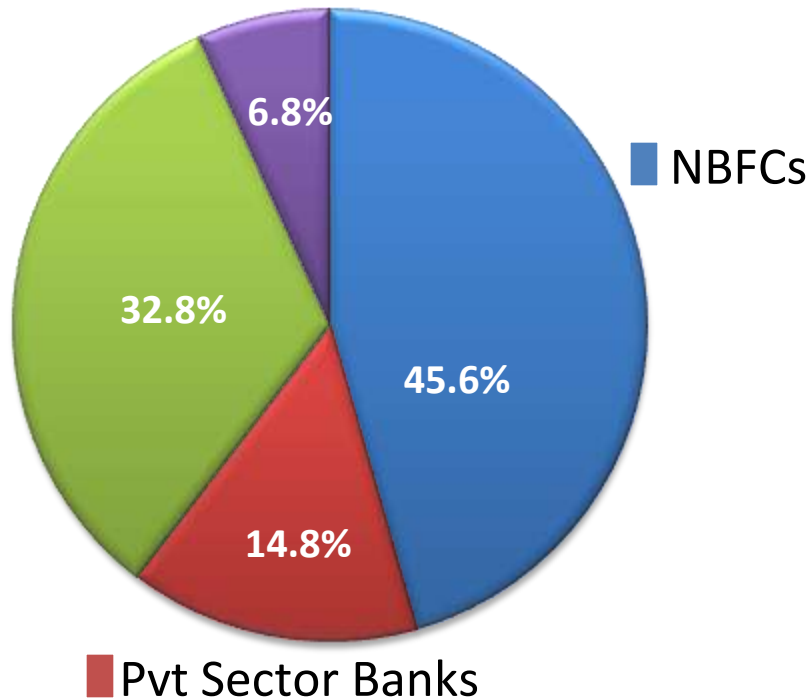
Vigilance

- **System of Online Alerts** - based on potential / perceived risk factors on the daily disbursements and outstanding loans
- **Risk based classification** - disbursements classified into 4 risk categories and monitored
- **Trend analysis** of pledges of spurious and low quality pledges and initiating appropriate remedial measures
- **Confirmation of mobile number** – generation of Unique Identification Number through SMS at time of pledge to confirm mobile number and facilitate future tracking
- **Confirmation of photos** – photo of each customer is recorded in the system for future follow up
- **Large Value Borrowers** - Field verification / address verification of large borrowers as well as profiling of such customers
- **Periodic Internal audits / inspections**
 - Inspection for entire gold inventory at 60 day interval to confirm quality and quantity of gold
 - Audit every calendar months to confirm packet count, tareweight of each pledge, KYC and other documents
- **Tracking KYC compliance** - to improve adherence to laid down policies

GOLD LOANS: NBFCS RETAIN NICHE POSITIONING

Share of Organized Market(%)

■ Co operative Banks



FY 2012

- Targeting Non-bankable customers
- Easy Access due to Greater Penetration
- High Comfort Level: Transparency & Trust
- Better Operating Cost Structures vis-à-vis Banks
- Quick approvals and disbursals
- Flexibility in Terms of Loans
- Presence of expert valuers
- Robust control systems

Source: IMAcS



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