

**WE MAKE
YOUR LIFE
EASY**



**MANAPPURAM
FINANCE LIMITED**

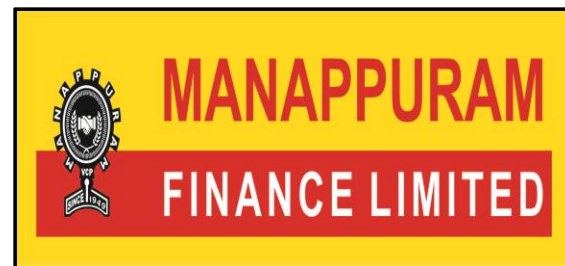
Make Life Easy

INVESTOR PRESENTATION

For the Quarter ended December 31, 2014

RESULT HIGHLIGHTS FOR Q3 FY15

- Total operating income at Rs 5,164.4 mn – up 2.3% q-q
- Closing AUM at Rs 88.23 bn up 3.4% q-q.
- Net profit up 5.5% q-q at Rs 806.4 mn
- ROA up to 3.14 and Spread up to 13.38%.
- Annualized EPS of Rs 3.83 per share for Q3
- NAV per share Rs 30.95
- High capital adequacy of 26.94%



FINANCIAL HIGHLIGHTS-KEY NUMBERS

<i>Rs in Million</i>	Q3FY15	Q2FY15	Q3FY14	Q-Q	Y-Y
Interest income	5,108.0	5,001.2	5,260.0	2.1%	-2.9%
Other Operating Income	56.4	44.7	90.5	26.3%	-37.7%
Total Income	5,164.4	5,045.8	5,350.6	2.3%	-3.5%
Finance expenses	2,262.8	2,138.6	2,474.3	-5.8%	8.5%
Net interest income	2,901.5	2,907.2	2,876.2	-0.2%	0.9%
Employee expenses	786.7	729.8	817.1	-7.8%	3.7%
Other operating expenses	877.5	897.7	945.5	2.2%	7.2%
Pre provision profit	1,237.3	1,279.7	1,113.7	-3.3%	11.1%
Provisions/Bad debts	10.2	118.1	31.7	91.4%	67.8%
Profit before Tax	1,227.1	1,161.6	1,082.0	5.6%	13.4%
Tax	420.7	397.2	371.4	-5.9%	-13.3%
Profit after Tax	806.4	764.4	710.6	5.5%	13.5%

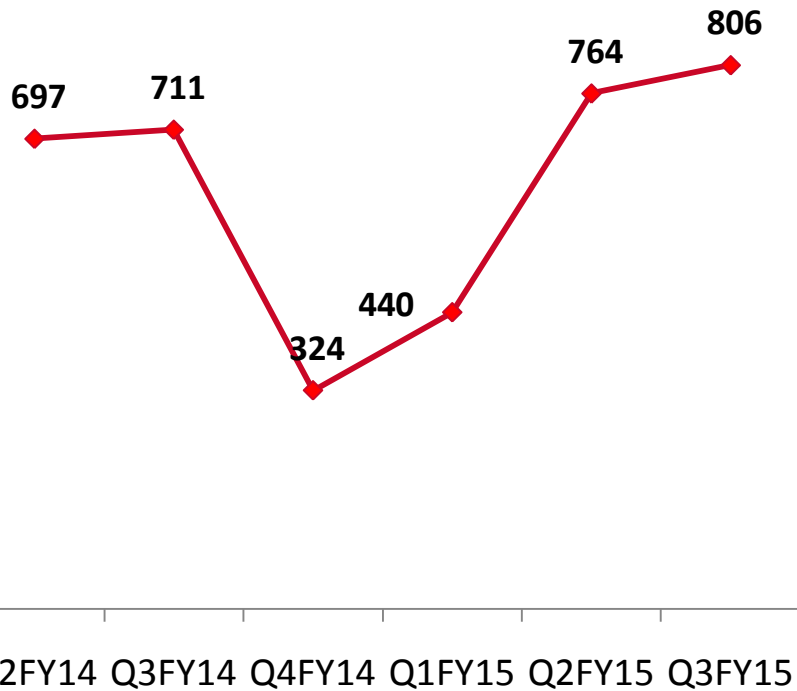
STATEMENT OF ASSETS & LIABILITIES

Rs in Million	Dec 2014	Sep 2014	Dec 2013	Q-Q	Y-Y
Cash and Bank Balances	6,621.8	7,159.4	8,263.4	-7.5%	-19.9%
Investments	690.5	663.8	474.4	4.0%	45.5%
Loans and Advances	89,085.7	86,068.5	86,015.3	3.5%	3.6%
Fixed Assets	1,763.1	1,815.5	2,101.2	-2.9%	-16.1%
Other Assets	7,587.1	7,510.6	8,359.0	1.0%	-9.2%
Total	105,748.3	103,217.7	105,213.2	2.5%	0.5%
Capital	1,682.4	1,682.4	1,682.4	0.0%	0.0%
Reserves & Surplus	24,348.7	23,996.6	23,797.4	1.5%	2.3%
Borrowings	76,526.7	74,387.1	76,513.0	2.9%	0.0%
Other Liabilities & Provisions	3,190.5	3,151.7	3,220.5	1.2%	-0.9%
Total	105,748.3	103,217.7	105,213.2	2.5%	0.5%

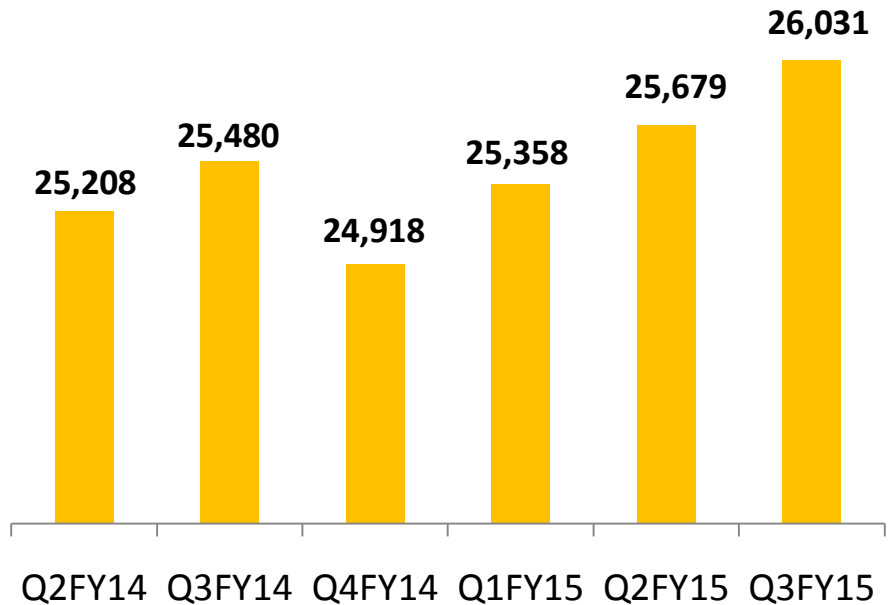
PAT & NET WORTH

- Net Profit up 5.5% Q-Q at Rs 806.4 mn
- Company is well capitalized with high net worth of Rs 26.03 bn

PAT (Rs mn)



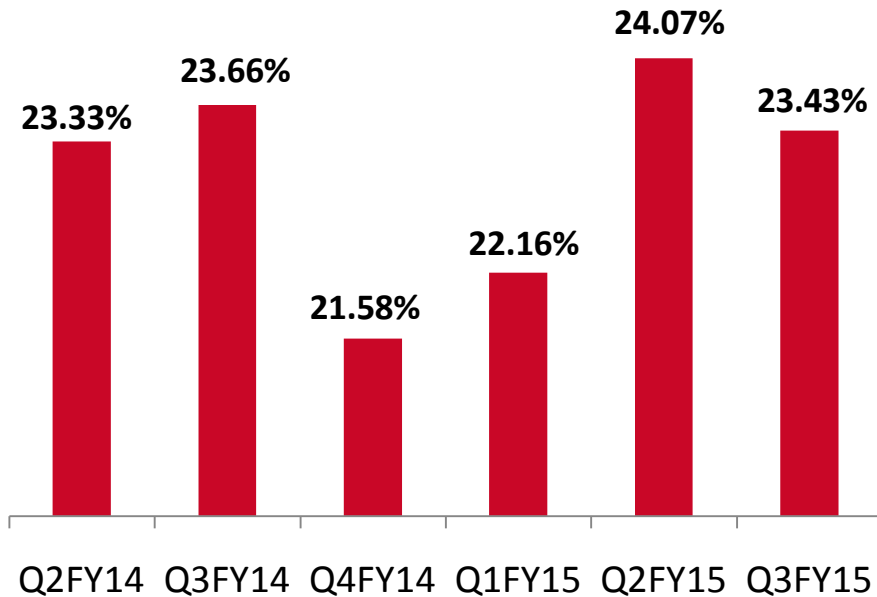
Net Worth (Rs mn)



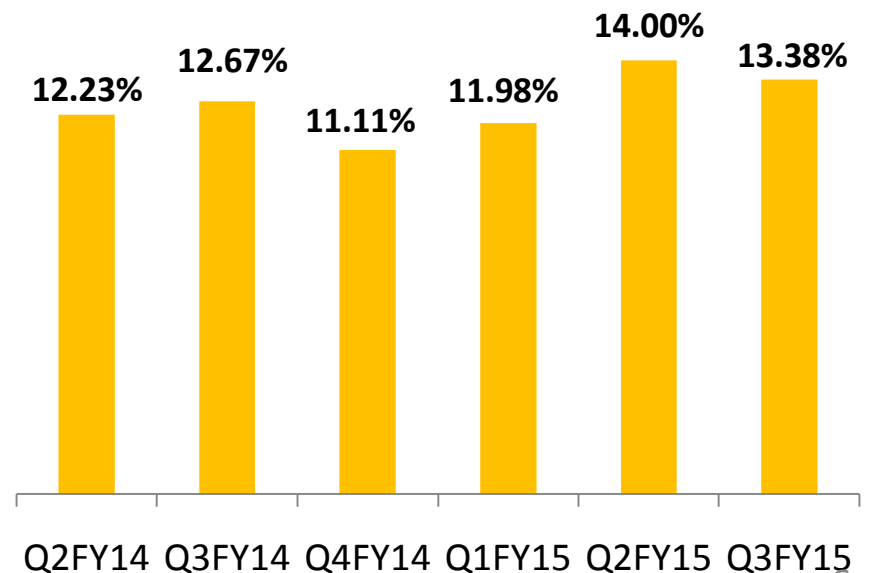
YIELD AND SPREAD

- Net Yield at 23.43% in Q3 FY15
- Spreads are amongst the highest in the industry at 13.38%

Net Yield (%)



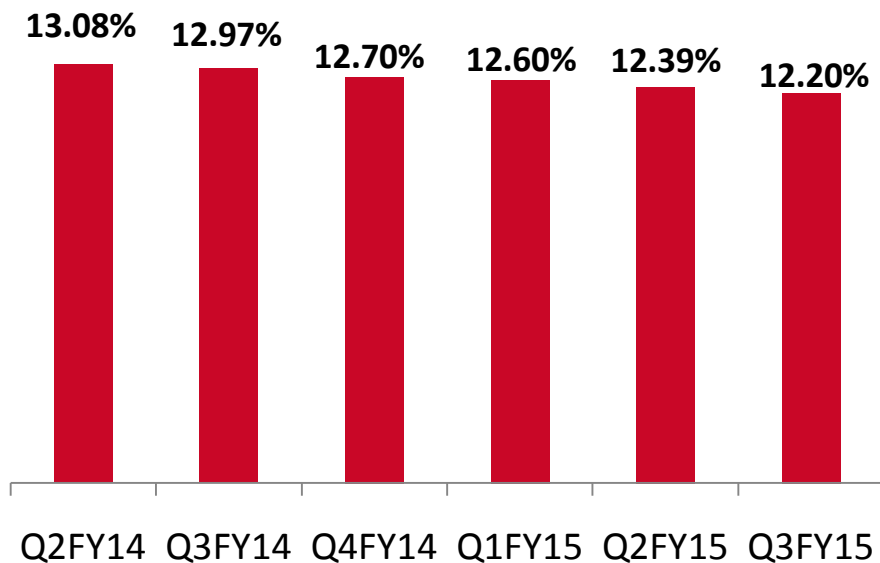
Spread (%)



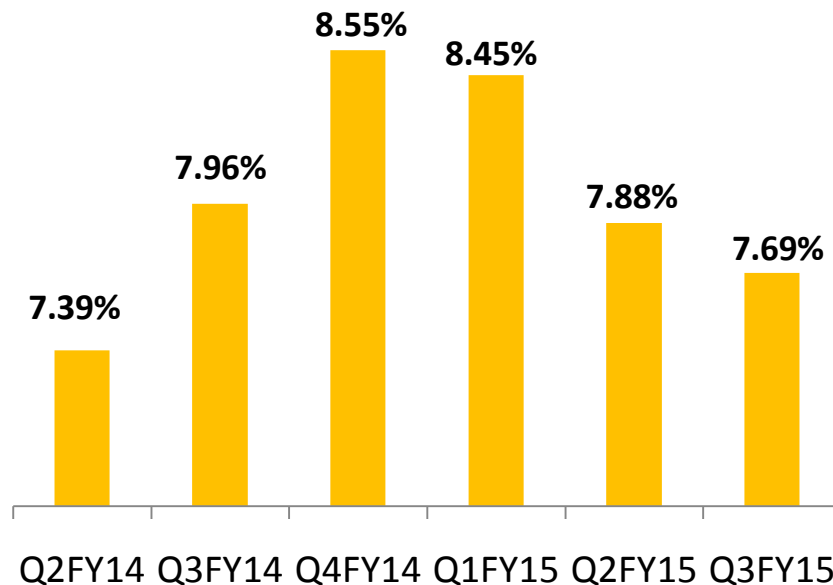
COST OF FUNDS AND OPEX

- Cost of funds further declined 19 bps q-q due to raising of lower cost funds from banks and mutual funds.
- Opex as a percentage of AUM fell to 7.69% due to sustained cost rationalization measures

Cost of Funds (%)



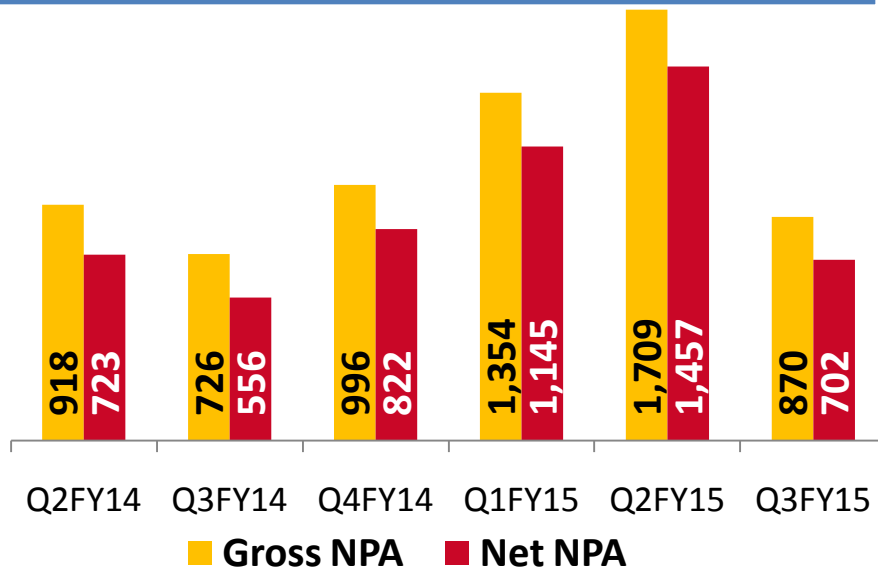
OPEX to AUM (%)



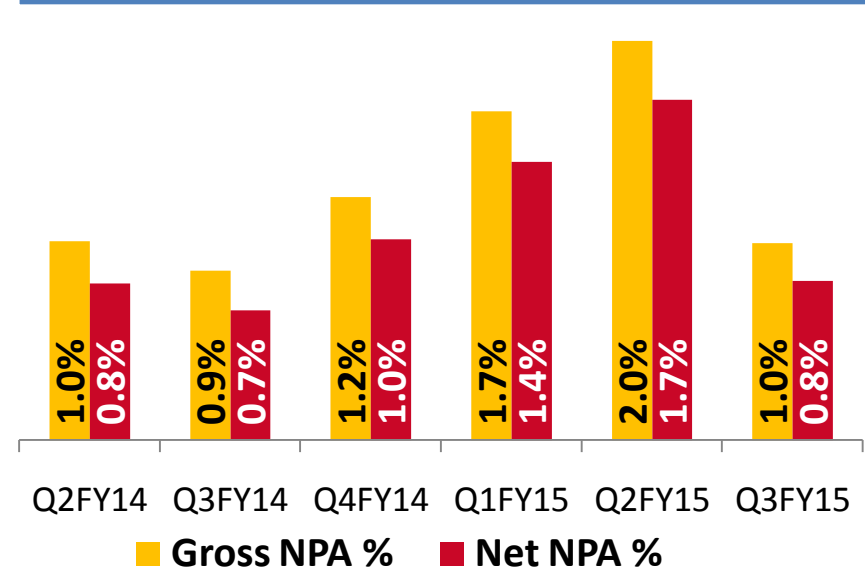
NPA

- Gross NPAs down to 1% of AUM in Q3
- Around half of Gross NPA is from regular customers who have serviced over half of interest due
- NPAs on account of theft, spurious collateral etc. are only 0.09% of AUM

Gross NPA & Net NPA- GOLD (mn)



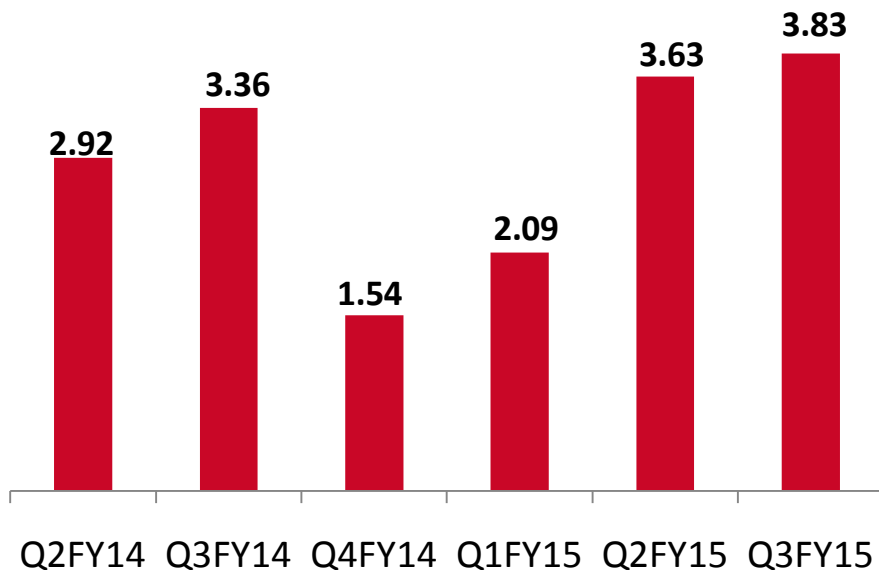
Gross & Net NPA %



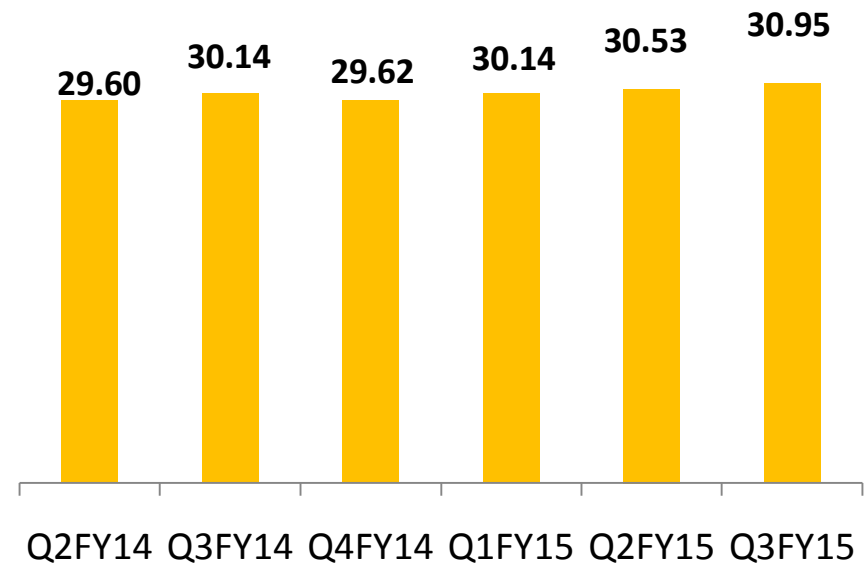
EPS & BOOK VALUE PER SHARE

- Annualized EPS for the quarter is Rs 3.83 which is up 5.5% on Q3 FY15
- Company's book value per share is up to Rs 30.95

Annualized EPS (Rs)



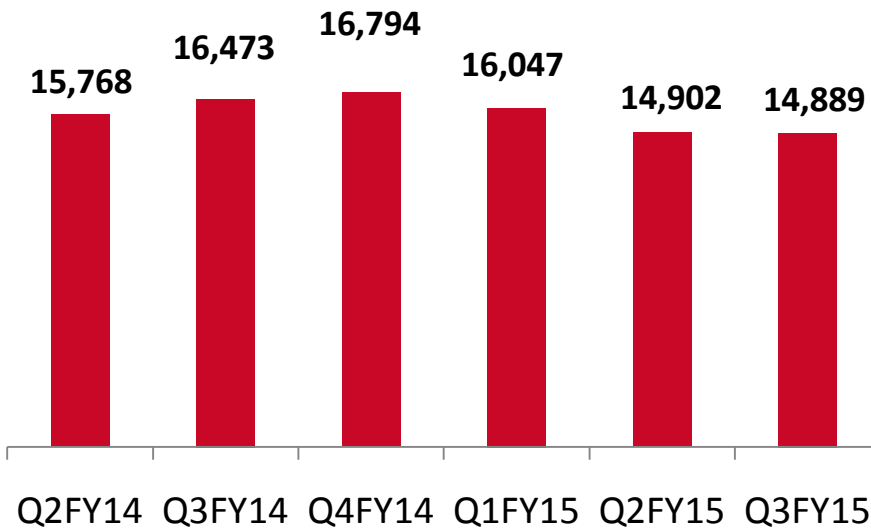
Book Value per Share (Rs)



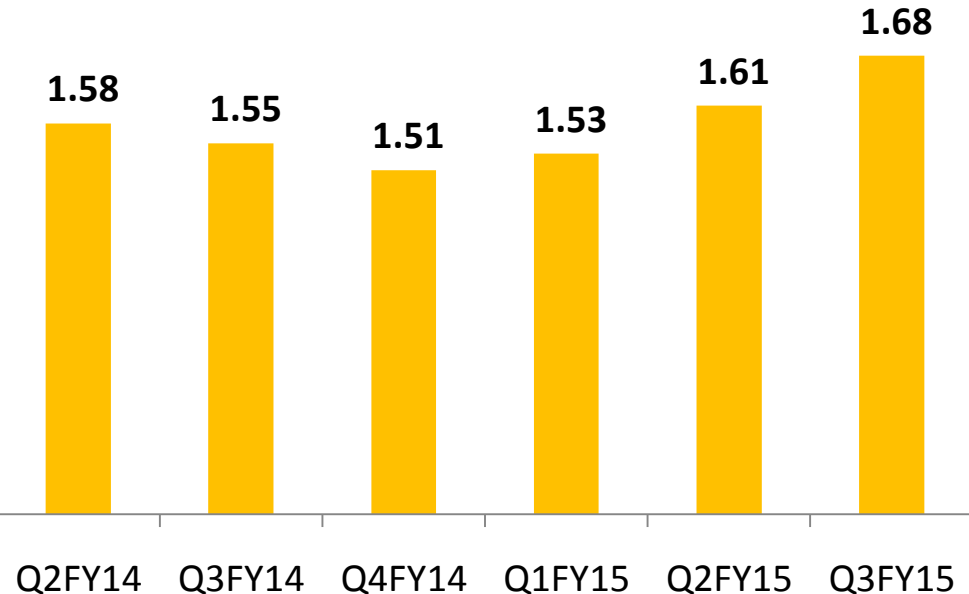
BRANCHES AND CUSTOMERS

- Number of Employees reduced to 14,889
- Number of live customers is 1.68 million – up by 4.6% q-q.
- Total Number of branches stable at 3,293

Employees (Nos)



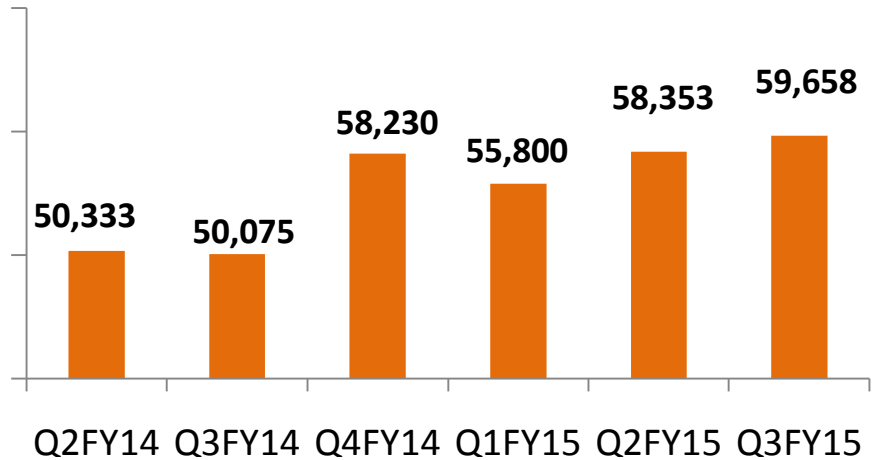
No of Customers (mn)



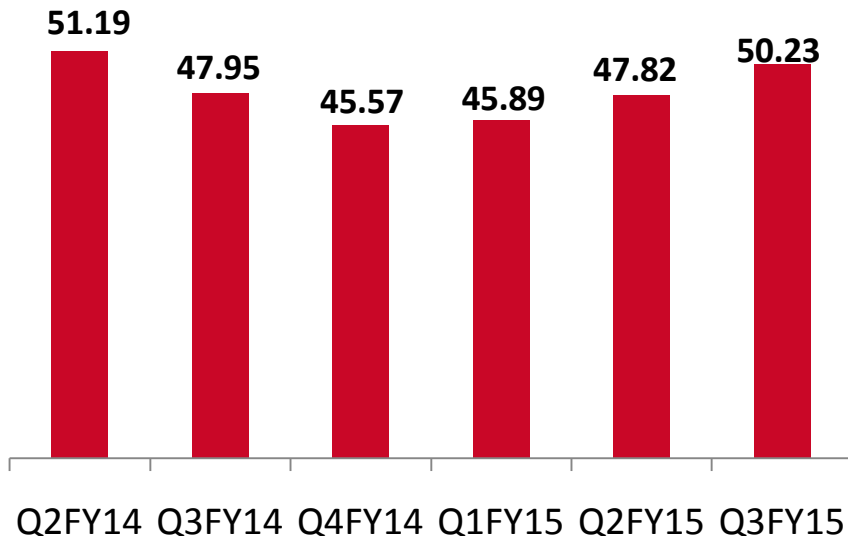
GOLD HOLDING & AUM

- Disbursements in Q3 FY15 increased to Rs 59.65 bn
- Total AUM of Rs 88,236 mn – up 3.4% q-q
- The gold holdings increased to 50.23 tonnes – an increase of 5% q-q

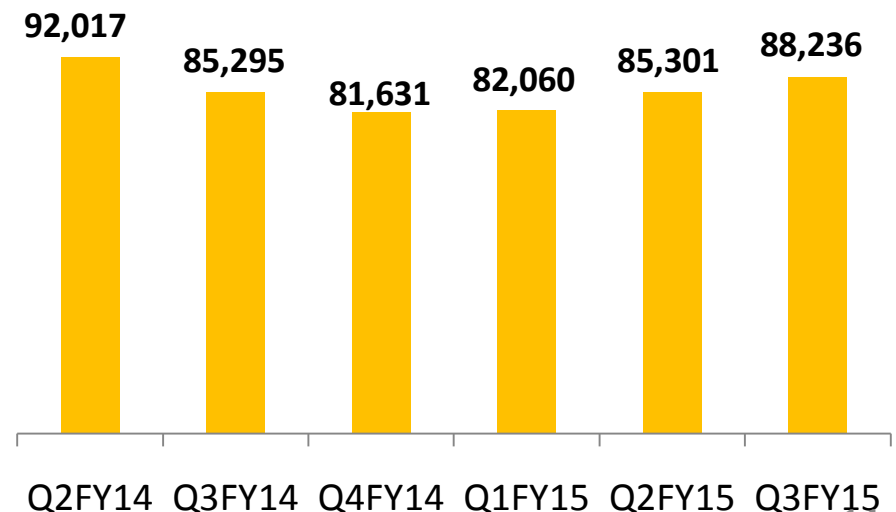
Disbursement (mn)



Gold Holding (tonnes)



AUM (mn)



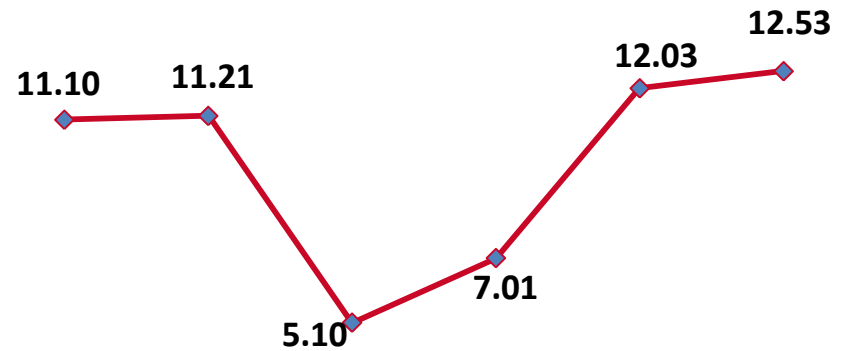
ROA & ROE

- ROA and ROE have shown improvement in Q3 FY15 compare to Q2 FY 15

ROA (%)



ROE (%)



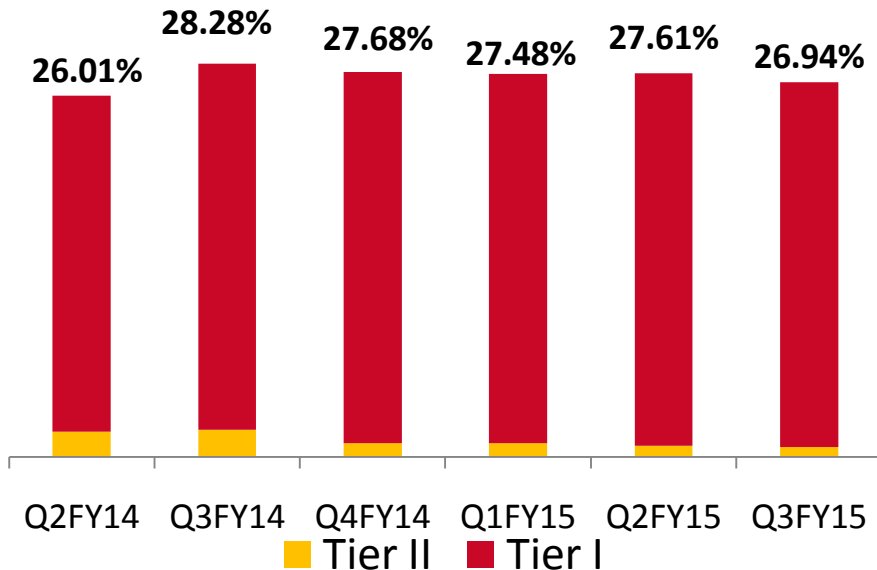
Q2FY14 Q3FY14 Q4FY14 Q1FY15 Q2FY15 Q3FY15

Q2FY14 Q3FY14 Q4FY14 Q1FY15 Q2FY15 Q3FY15

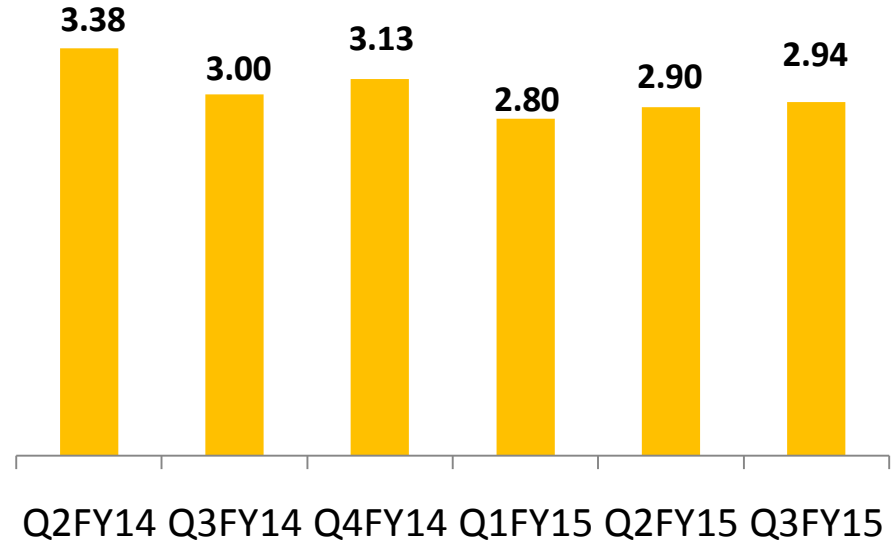
CAPITAL ADEQUACY

- The total capital adequacy is healthy at 26.94% compared to the minimum 15% stipulate by RBI for gold loan companies
- The gearing levels are also comfortable at 2.94x leaving ample scope for increase in leverage.

Capital Adequacy Tier I & Tier II



Debt Equity Ratio (x)

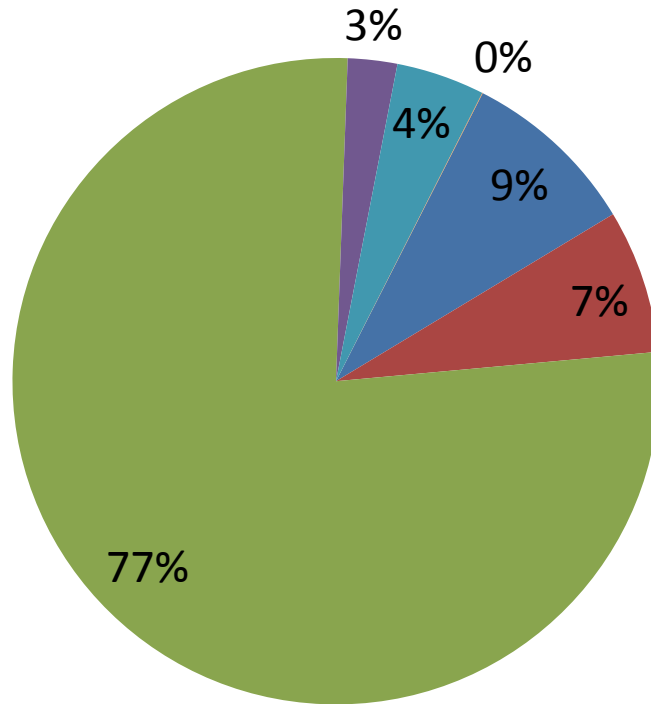


NEW BUSINESSES

- Launched home loans and commercial vehicle business during the quarter
- Teams in advance stage of establishment
- Each new business to have dedicated leadership team with extensive and relevant industry experience
- New businesses expected to contribute upto 25% of total AUM in three years.
- Our acquisition of Asirvad Microfinance Pvt. Ltd is in an advanced stage of completion

LIABILITY MIX

Borrowings as on December 31, 2014 was Rs. 76,527 million.

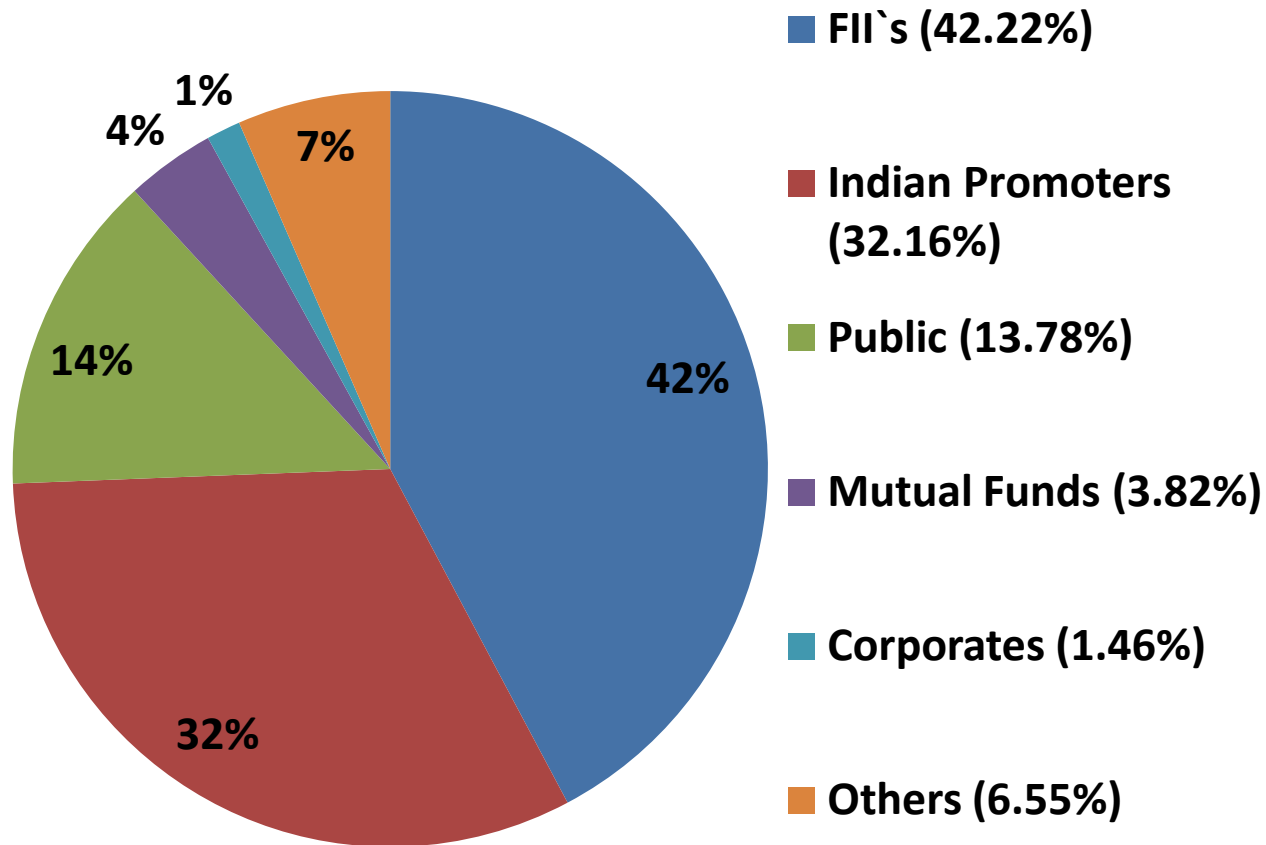


- NCDs Listed
- Bank Finance
- Subordinated Bond
- NCDs Unlisted
- Commercial Paper
- Others

Particulars	Amount (mn)
NCDs Listed	6,786
NCDs Unlisted	5,497
Bank Finance	58,946
Commercial Paper	1,892
Subordinated Bond	3,386
Others	20
TOTAL	76,527

SHARE HOLDING PATTERN

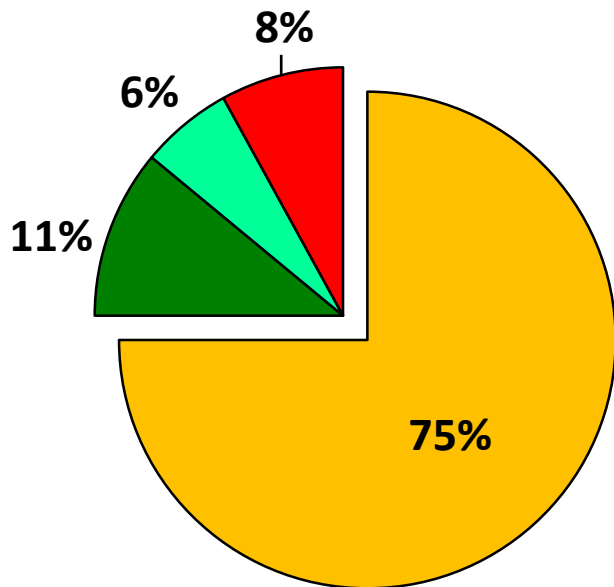
Total Outstanding Share Capital as on 31st December, 2014 is Rs 1,682.4 Million (841.2 Million shares of Rs 2 each)



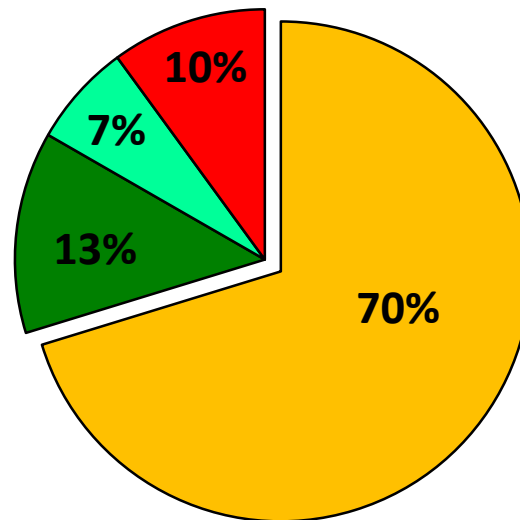
Loan Portfolio Zone wise

Gold loan outstanding as of December 31, 2014 was Rs. 87,742 million.

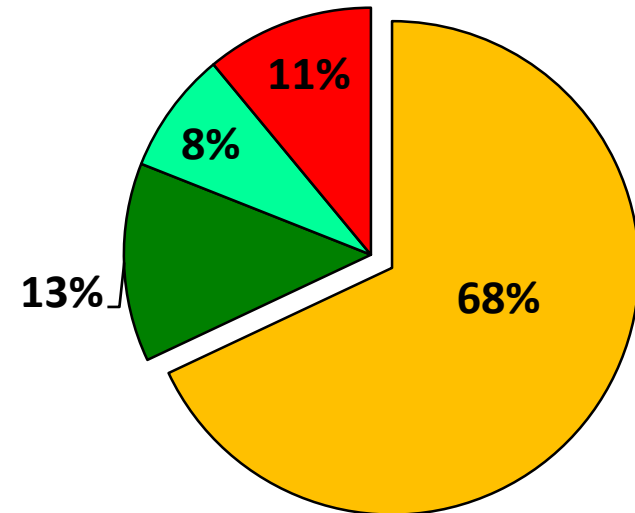
As on 31.03.13
GL OS – Rs. 99,300 million



As on 31.03.14
GL OS – Rs. 81,552 million



As on 31.12.14
GL OS – Rs. 87,742 million



South West East North

SENIOR MANAGEMENT TEAM



- 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. V. P. Nandakumar
Managing Director & CEO



- 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. B.N. Raveendra Babu
Executive Director



- Experience of over 24 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.

Mr. Kapil Krishan
Chief Financial Officer

SENIOR MANAGEMENT TEAM



Mr. Somasajeevan TK
EVP - HR

- Industry experience of over 25 years
- Worked with leading Indian and multinational organizations such as Polaris, Mcdonalds.



Mr. Arun Raman
EVP – Head Operations

- Industry experience of over 21years
- Holds Bachelor of Engineering in Computer Science and MBA from IIM
- Worked with AHLI Bank, ICICI Bank, HSBC, CITI Bank, SBI Capital Markets and Emirates Bank group



Mr. Mohan Vizhakat
Chief Technology officer

- Holds a masters degree in Information Technology
- Has been associated with the Govt. of India and leading business groups and companies in India and Middle East in the field of Information Technology.

SENIOR MANAGEMENT TEAM



- Holds masters degree in commerce
- Having 23 yrs of professional experience which includes super heading the retail mortgage initiatives of large conglomerates

Mr. Alope Ghosal
CEO – Housing Finance



- Industry Experience of over 27 years reputed Banks and Corporations in the functional area of Retail banking, Trade Finance, working Capital funding and Micro Credit lending
- Worked with leading organizations such as SMILE Microfinance, Belstar, SIDBI, HSBC and UBI.

Mr. R Raghavender Anand
*National Head – Micro
finance*



- Experience of over 19 years in the area of Business Development, Credit & Risk and Profit Centre operations
- Worked with leading organizations such as Fullerton, HDFC, Indiabulls, and Citycorp Finance.

Mr. K Senthil Kumar
*National Head – Commercial
Vehicle finance*

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

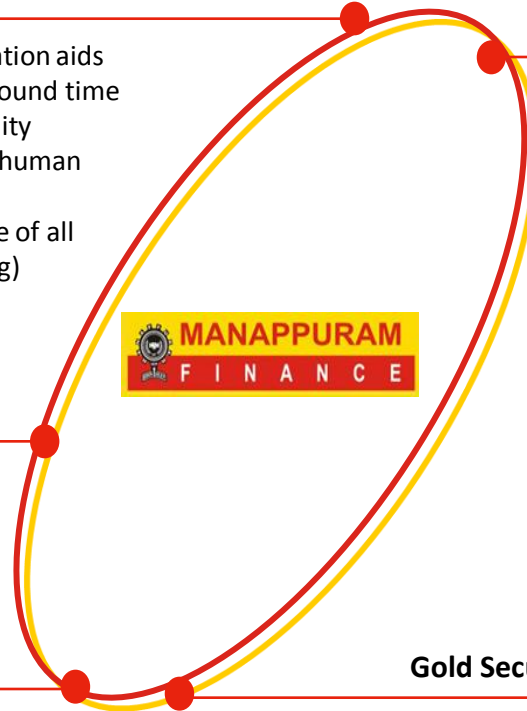
- Strict KYC compliance
- Employee profiling, Employee tracking and regular rotation of staff across departments and branches

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



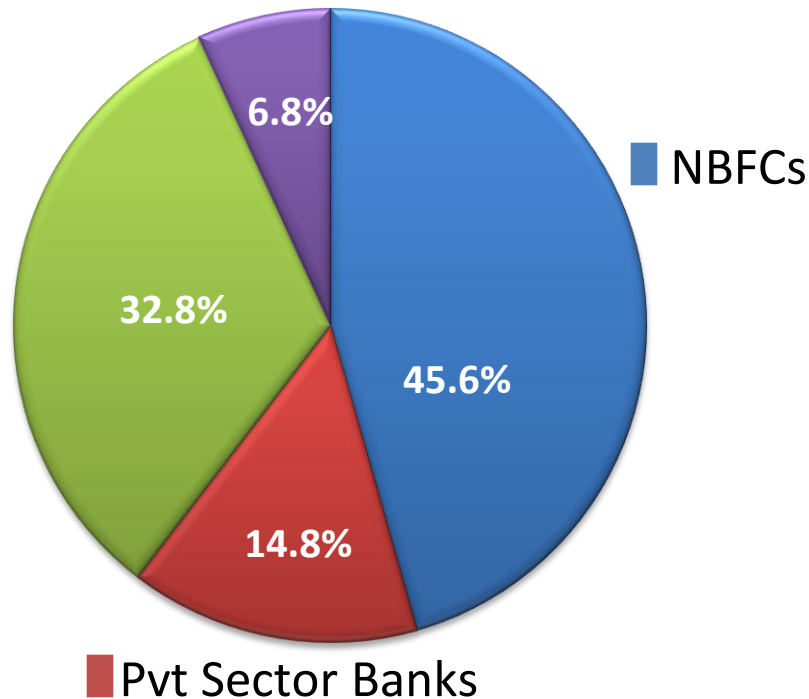
Vigilance

- **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



Make Life Easy

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