



MANAPPURAM FINANCE LIMITED

Investor Presentation Q2 FY2022

Gold Finance



Micro Finance



Housing Finance



Vehicle Finance



MSME





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MANAPPURAM TODAY

- **#2 lender** in gold loans in India (core product), with a trusted brand and nation-wide reach
- **Pioneer in process innovation** in gold loans (online gold loan product 'OGL' and cellular vaulting mechanism)
- Acquired and scaled Asirvad to become **#4 MFI-NBFC** in India with the highest credit rating
- Calibrated approach to growth in other loan products that are relevant to our customer base (small ticket home loans, used vehicles for self-employed customers)
- Branch network of **4,600** branches with employee strength of **30,000+** on consol basis

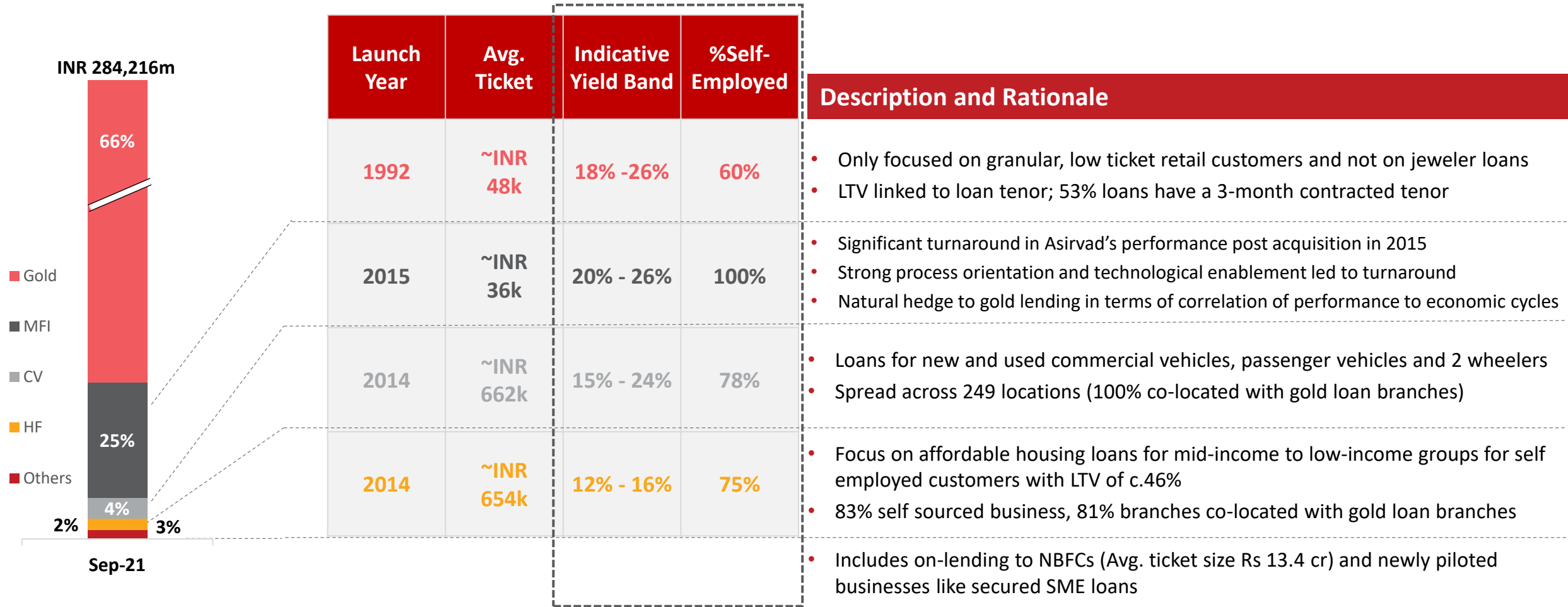
COMPANY DNA

- **Operational rigor:** Company has perfected the art of managing appraisal, custodial and valuation risks that are inherent in gold lending, with many firsts to its credit
- **Trusted brand:** Safekeeping of **65 MT** of household gold jewellery on behalf of **2.5 mn** active customers
- **Appropriate use of technology:** Increasing focus on technology for sourcing and underwriting credit, as well as managing risk
- **Conservative credit and risk management culture:** Strict adherence to well defined processes, including timely auctions
- **Well capitalized (31.5% Tier 1 ratio), with strong ALM and access to diversified sources of funds**
- **Board driven governance** process



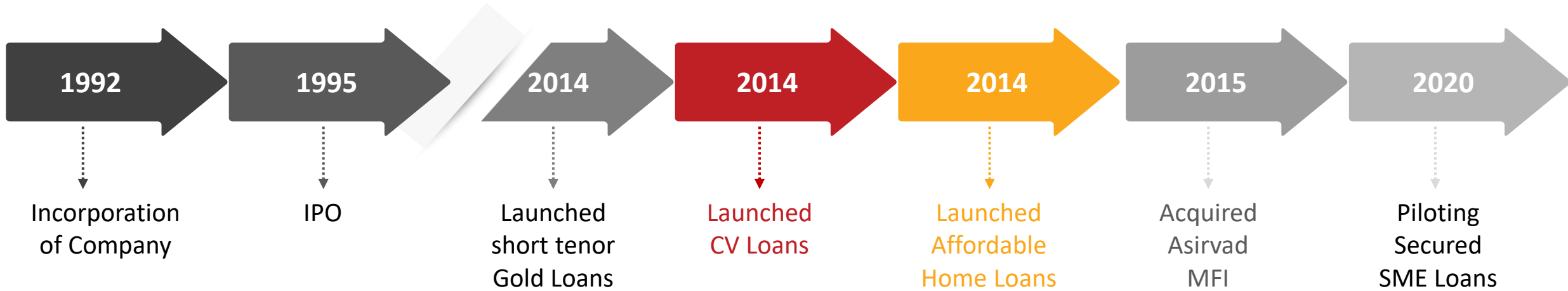
GROWTH STRATEGY

- Create market for gold loans as a mainstream, convenient and affordable product
- One stop shop for meeting customer's borrowing and protection needs (small ticket loans to underbanked customers)



- 2nd largest branch network and 2nd largest employee force amongst NBFCs in India (comparable to top 4 PSU banks and top 3 private banks in terms of branch network) with strategic customer base of 5m under-banked customers
- Cautious approach in new business lines resulted in gradual scale, only after credit quality has been fully tested

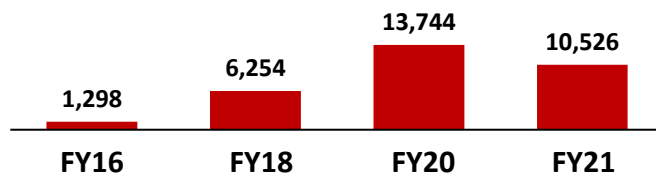
PRODUCT DIVERSIFICATION JOURNEY



CV Loans

- Focus on used CV segment (LCVs), which are relatively less banked and less cyclical
- 50% business self-sourced
- Branches co-located with gold loan branches

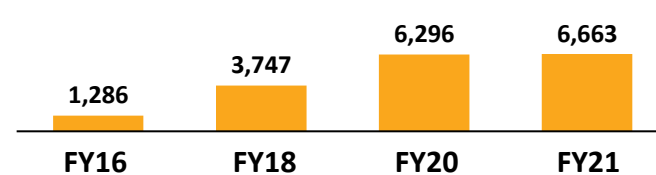
AUM, INRm



Affordable Home Loans

- Historic issues in high ticket LAP portfolio, which has been wound down
- Augmented management team and changed company strategy with focus on small ticket loans

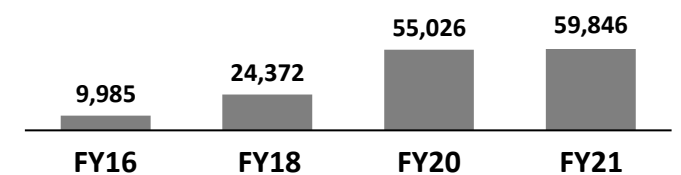
AUM, INRm

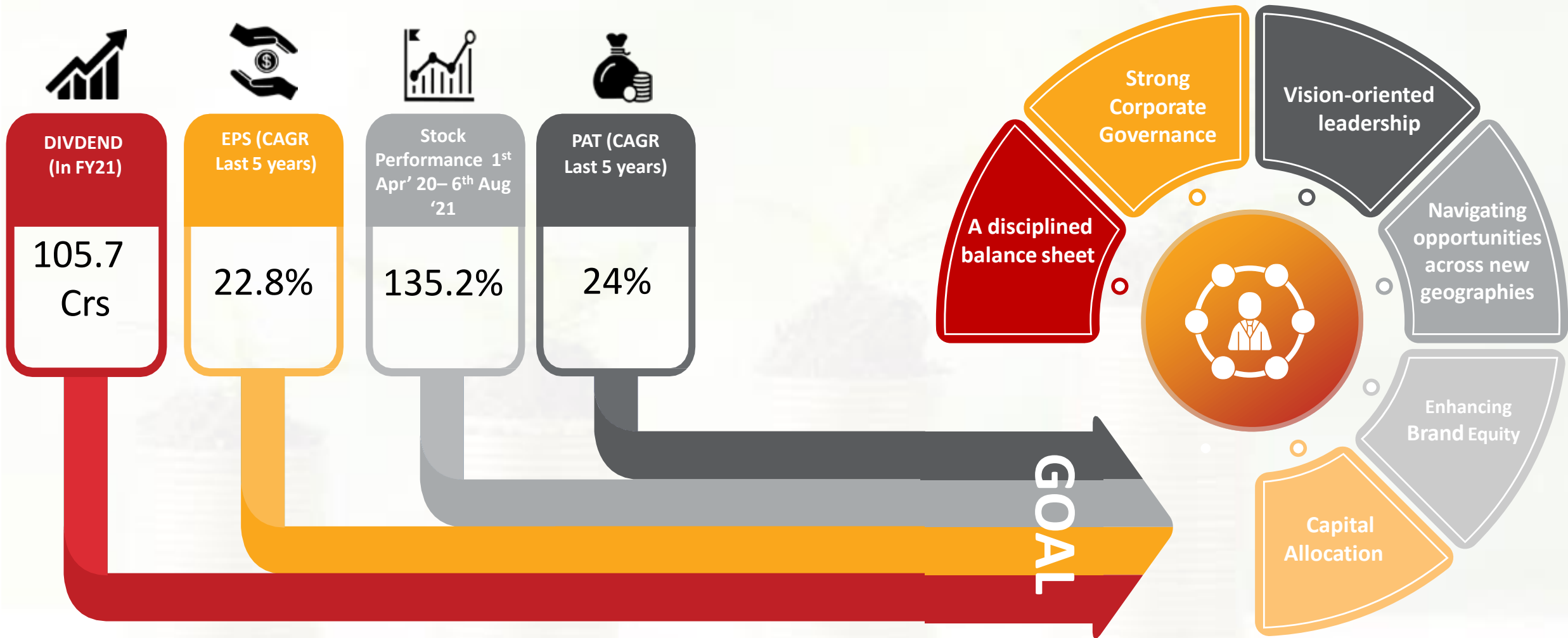


Asirvad MFI

- Rapid scale-up despite crises like demonetization driven by branch expansion and prudent risk mgmt. (low ATS, district concentration norms and focus on collections)

AUM, INRm







Sustainability is integral to Manappuram's corporate strategy and our vision of creating value for our stakeholders. Our sustainability efforts are tied to our business performance, brand success and overall reputation



Environment:

Energy Consumption,
Materials
Consumption and
Waste, Environmental
compliance



Social:

Talent Management,
Diversity and Inclusion,
Community Investment
& Socio-Economic
Development,
employee wellness



Governance :

Ethical Practices, Strict
Internal Control,
Well organised
management

FINANCIAL HIGHLIGHTS
Q2 FY2022



Gold Loan AUM Growth

- Gold Loan AUM has grown by 13% sequentially and collateral growth was 11.4% in Q2 FY22
- Gold Loan growth was due to our marketing strategy, opening of economic activities, good monsoon and offering of low yield for high ticket size loan. We have managed to arrest the decline in high ticket size (> Rs 3 lakh ATS) loan
- During the quarter, the Company invested significantly in growth initiatives which led to increased opex (please refer page no 19 of presentations)
 - (a) Hired 1,622 marketing personnel at branches to drive higher growth
 - (b) Invested in additional add spends
 - (c) Increased field incentives
- Our LTV is at 67% as on 30th Sep,2021

Well positioned on liquidity

- Strong ALM position; proportion of CPs (standalone basis) is only 7.7% of total liabilities
- Cost of borrowing declined by 67 bps on a sequential basis during 2QFY22
- Cash and CE on consol basis at the end of Sep 21 stood at Rs 45,784 mn. In addition, the Company had access to Rs 42,650 mn undrawn bank lines
- Tier 1 ratio of 31.5%; Excess capital will be utilized towards growth in gold and other parts of the portfolio over the coming quarters. As of now, we have maintained quarterly dividend payout at Rs 0.75 paisa per share
- S&P has upgraded our Long Term Rating to BB - /Stable from B+ / Stable

Non-Gold Businesses

- **MFI:** We are continuously improving collection in MFI portfolio. Collection efficiency for the quarter was at 91% vs 74% in Q1 FY22.
- Since the advent of Covid in March 2020, the Company has either written off or provided 10.2% of pre-Covid AUM on a cumulative basis(1)
- **VEF and HFC:** Asset quality in VEF has improved this quarter whereas in Housing it was stable

Outlook

- We are expecting our Gold Loan book will grow 10%-15% YoY in FY22. We expect some temporary decline in yields and for yields to eventually settle 2% below current levels. This will be somewhat off set through better operational efficiency
- We are closely monitoring quality of MFI portfolio

(1) Cumulative provision and write off , excluding standard provisions

CONSOLIDATED FINANCIAL OVERVIEW – Q2FY2022

Particulars (Rs. Mn)	Q2FY22	Q1FY22	Q-o-Q %	Q2FY21	Y-o-Y %	H1 FY22	H1 FY21	Y-o-Y %
CONSOLIDATED AUM (Rs. Bn)	284	248	14.8%	269	5.6%	284	269	5.6%
NET INTEREST INCOME	10,396	10,716	-3.0%	9,946	4.5%	21,098	19,403	8.7%
OPEX	4,593	3,734	23.0%	3,545	29.5%	8,313	6,666	24.7%
PPOP #	6,028	7,086	-14.9%	6,524	-7.6%	13,114	12,900	1.7%
PAT (Rs. Mn) **	3,699	4,369	-15.3%	4,054	-8.8%	8,067	7,734	4.3%
EPS *	17.5	20.6	-15.4%	19.2	-9.0%	19.1	18.3	4.2%
ROA %	4.7	5.8	-113 Bps	5.1	-41 Bps	4.9	4.9	+5 Bps
ROE %	18.9	23.3	-444 Bps	26.0	-708 Bps	21.1	24.6	-352 Bps
BVPS (In Rs.)	94.1	90.5	4.0%	76.2	23.5%	94.1	76.2	23.5%
NETWORTH (Rs. Mn)	79,679	76,624	4.0%	64,508	23.5%	79,679	64,508	23.5%
COST OF FUNDS %	8.5	9.0	-48 Bps	9.3	-79 Bps	8.3	9.6	-136 Bps

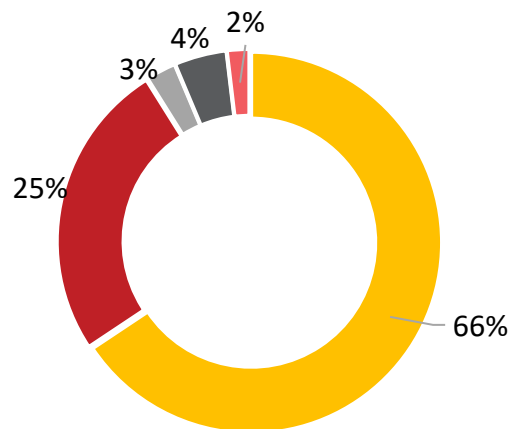
AUM: Assets Under Management | ** Net Profit: PAT (Before OCI and MI) | # PPOP : (PBT+Provision) |

*Annualised EPS

CONSOLIDATED OPERATIONAL OVERVIEW – Q2FY2022

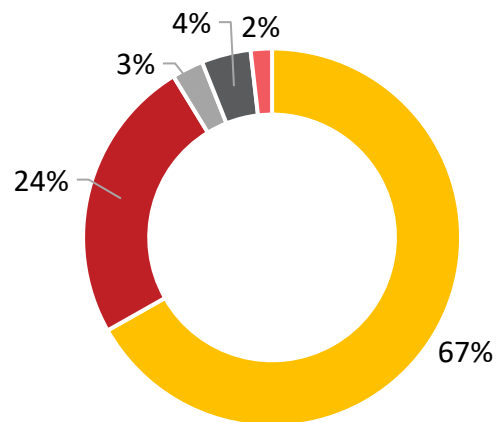
Particulars	Q2FY22	Q1FY22	Q-o-Q %	Q2FY21	Y-o-Y %	FY21	FY20	Y-o-Y %
GOLD AUM (Rs Bn)	187	165	13.2%	197	-5.2%	191	170	12.4%
GOLD TONNAGE	64.7	58.1	11.4%	68.8	-6.0%	65.3	72.4	-9.7%
GOLD BRANCHES (Nos)	3,524	3,524	0.0%	3,524	0.0%	3,524	3,529	-0.1%
GOLD CUSTOMERS (in Mn)	2.5	2.4	4.2%	2.6	-1.9%	2.6	2.6	-1.1%
NON-GOLD AUM (Rs Bn)	97	82	18.1%	72	35.4%	81	83	-1.3%
NON-GOLD BRANCHES (Nos)	1,334	1,149	16.1%	1,040	28.3%	1,067	1,047	1.9%
MFI CUSTOMERS (in Mn)	2.6	2.4	6.2%	2.3	11.6%	2.4	2.4	2.0%
VEF/SME CUSTOMERS (in Mn)	0.1	0.1	18.2%	0.1	-9.6%	0.1	0.1	-15.5%

Q2FY22



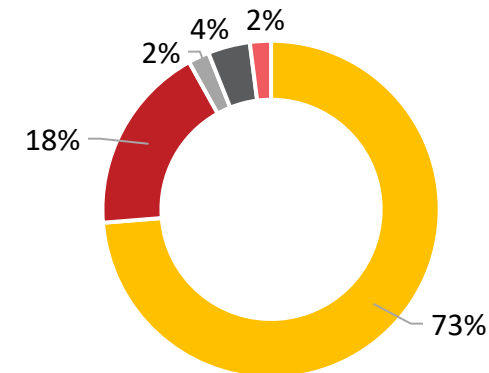
■ Gold ■ MFI ■ HFC ■ VEF ■ Others

Q1FY22



■ Gold ■ MFI ■ HFC ■ VEF ■ Others

Q2FY21



■ Gold ■ MFI ■ HFC ■ VEF ■ Others

Particulars (Rs mn)	Q2FY22	Q1FY22	QoQ	Q2FY21	YoY
Gold	1,87,195	1,65,395	13%	1,97,360	-5%
MFI	71,625	60,526	18%	49,710	44%
HFC	7,322	6,682	10%	6,206	18%
VEF	12,671	10,448	21%	10,623	19%
Others	5,403	4,509	20%	5,128	5%
Total	2,84,216	2,47,560	15%	2,69,027	6%

CONSOLIDATED PROFIT & LOSS STATEMENT FOR Q2FY2022

Particulars (Rs Mn)	Q2FY22	Q1FY22	Q-o-Q %	Q2FY21	Y-o-Y %	H1 FY22	H1 FY21	Y-o-Y %
Closing AUM (Rs Bn)	284	248	14.8%	269	5.6%	284	269	5.6%
Income from Operations	15,319	15,633	-2.0%	15,656	-2.2%	30,952	30,781	0.6%
Finance expenses	4,924	4,931	-0.1%	5,710	-13.8%	9,855	11,378	-13.4%
Net interest income	10,396	10,702	-2.9%	9,946	4.5%	21,098	19,403	8.7%
Employee expenses	2,878	2,305	24.9%	2,169	32.7%	5,183	3,922	32.1%
Other operating expenses	1,715	1,416	21.1%	1,376	24.6%	3,130	2,744	14.1%
Pre provision profit	5,803	6,982	-16.9%	6,401	-9.3%	12,785	12,737	0.4%
Provisions/Bad debts	1,078	1,223	-11.8%	1,080	-0.2%	2,300	2,533	-9.2%
Other Income	225	104	115.5%	123	82.5%	329	163	102.5%
Profit before Tax	4,950	5,864	-15.6%	5,444	-9.1%	10,814	10,367	4.3%
Tax	1,251	1,495	-16.3%	1,390	-9.9%	2,747	2,633	4.3%
PAT before OCI	3,699	4,368	-15.3%	4,054	-8.8%	8,067	7,734	4.3%
Other Comprehensive Income	67	(193)	134.6%	130	-48.6%	(126)	(227)	-44.3%
Total Comprehensive Income	3,766	4,175	-9.8%	4,185	-10.0%	7,941	7,507	5.8%
Minority Interest	5.7	1.4	319.1%	(1)	538.5%	7.1	(3)	363.0%
PAT	3,760	4,174	-9.9%	4,186	-10.2%	7,934	7,510	5.6%

CONSOLIDATED BALANCE SHEET FOR Q2FY2022

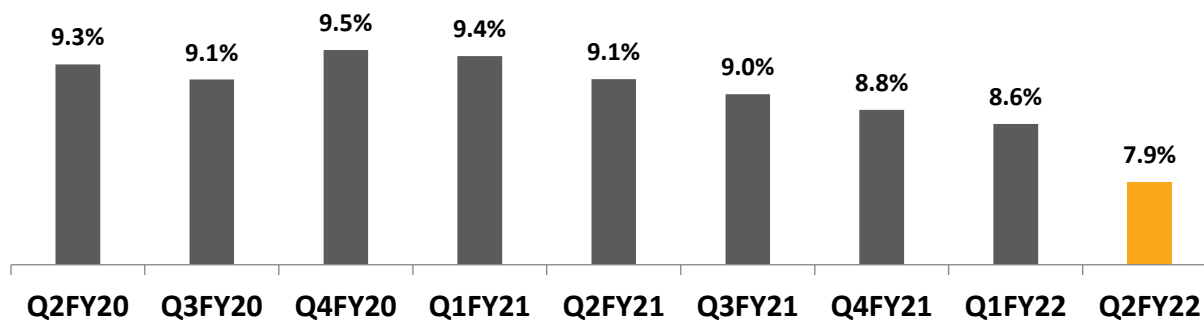
Particulars (Rs Mn)	Sept-21	June-21	QoQ %	Sep-20	YoY %
Cash & Bank Balances	45,784	28,927	58.3%	46,999	-2.6%
Investments	3,220	3,235	-0.5%	615	423.9%
Loans & Advances	2,77,588	2,40,616	15.4%	2,60,619	6.5%
Fixed Assets	3,073	3,001	2.4%	3,047	0.9%
Other Assets	13,116	12,447	5.4%	11,334	15.7%
Total Assets	3,42,781	2,88,226	18.9%	3,22,613	6.3%
Share Capital	1,693	1,693	0.0%	1,692	0.0%
Reserves & Surplus	77,986	74,931	4.1%	62,816	24.2%
Borrowings	2,50,241	1,97,429	26.8%	2,47,346	1.2%
Other Liabilities & Provisions	12,700	13,700	-7.3%	10,295	23.4%
Minority Interest	161	473	-66.0%	463	-65.2%
Total Liabilities	3,42,781	2,88,226	18.9%	3,22,613	6.3%

STANDALONE BORROWING PROFILE FOR Q2FY2022

BORROWING AS ON 30th September = Rs. 179,714 Mn

Borrowing Mix	Q2FY21		Q1FY22		Q2FY22	
	Amount	%	Amount	%	Amount	%
WCDL/CC	64,727	32.1%	27,021	18.3%	63,586	35.4%
Term Loan	38,328	19.0%	19,255	13.0%	12,768	7.1%
NCD & Bonds	58,296	28.9%	65,807	44.6%	63,548	35.4%
ECB	25,627	12.7%	26,201	17.7%	25,874	14.4%
Commercial Paper	14,541	7.2%	9,322	6.3%	13,921	7.7%
Others	120	0.1%	19	0.0%	17	0.0%
Total	2,01,638	100.0%	1,47,625	100.0%	1,79,714	100.0%

COST OF BORROWING %



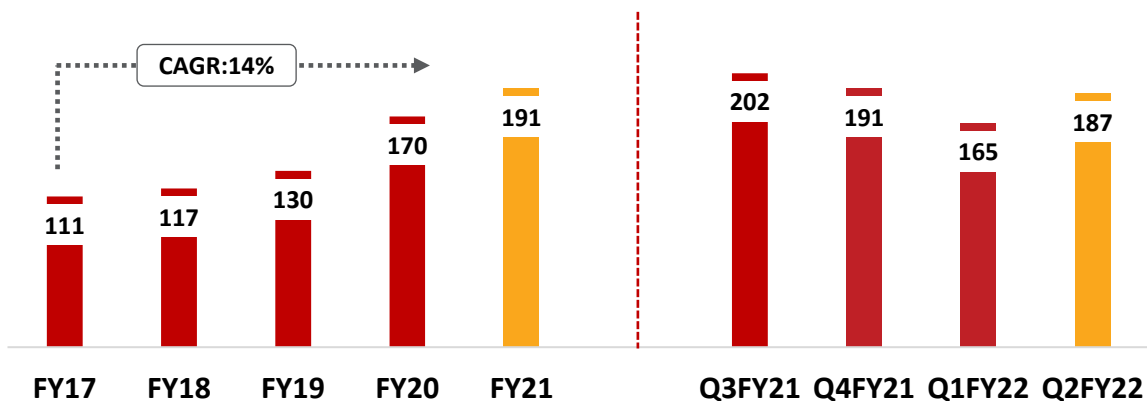
DOMESTIC RATING

Long Term		AA (Stable)
Commercial Paper		A1
Long Term		AA (Stable)
Commercial Paper		A1
Long Term		AA+ (Stable)

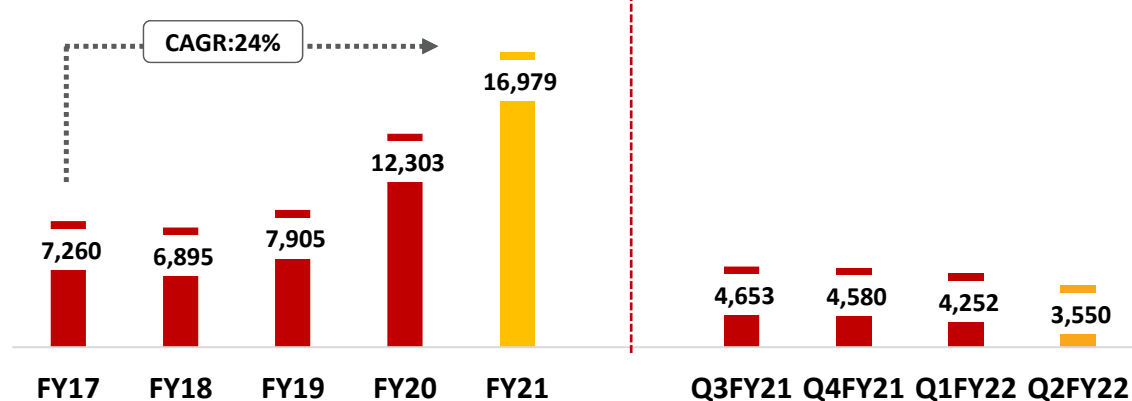
INTERNATIONAL RATING

Long Term		BB- /Stable
Short Term		B
Long Term		BB – / Stable

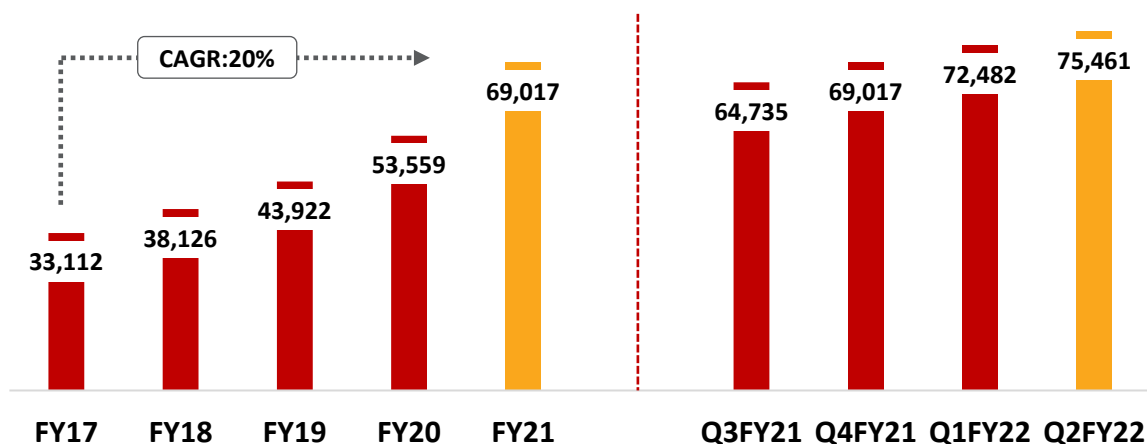
GOLD LOAN AUM (Rs. Bn)



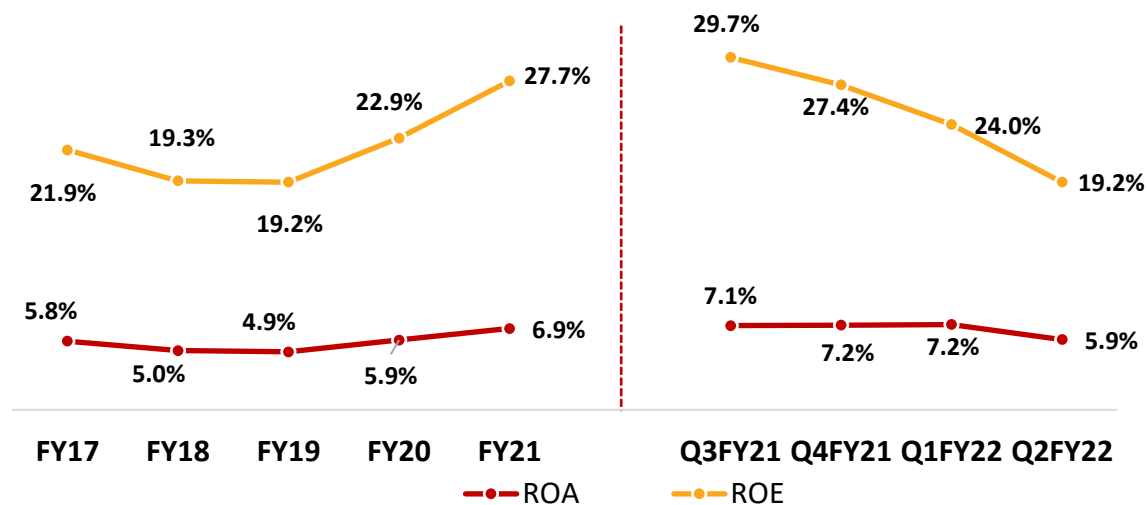
NET PROFIT (Rs. Mn)



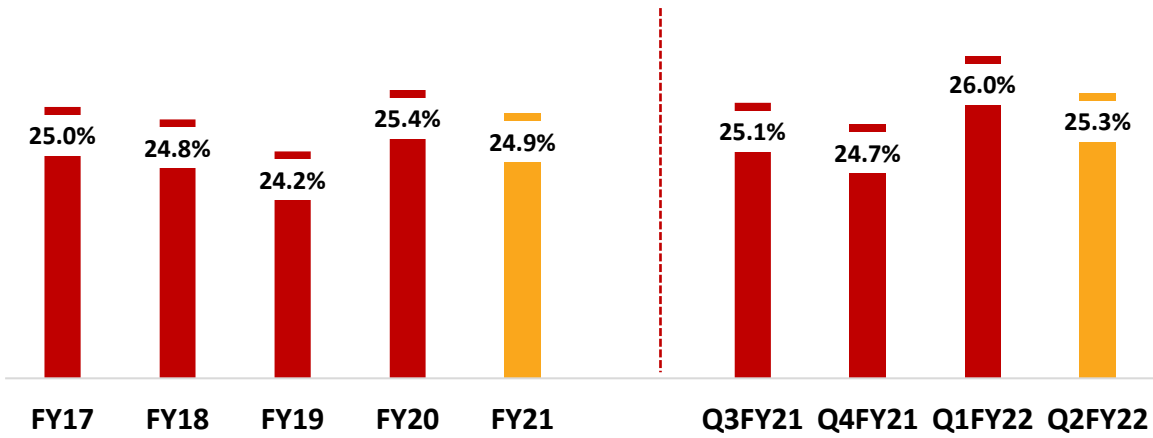
NET WORTH (Rs. Mn)



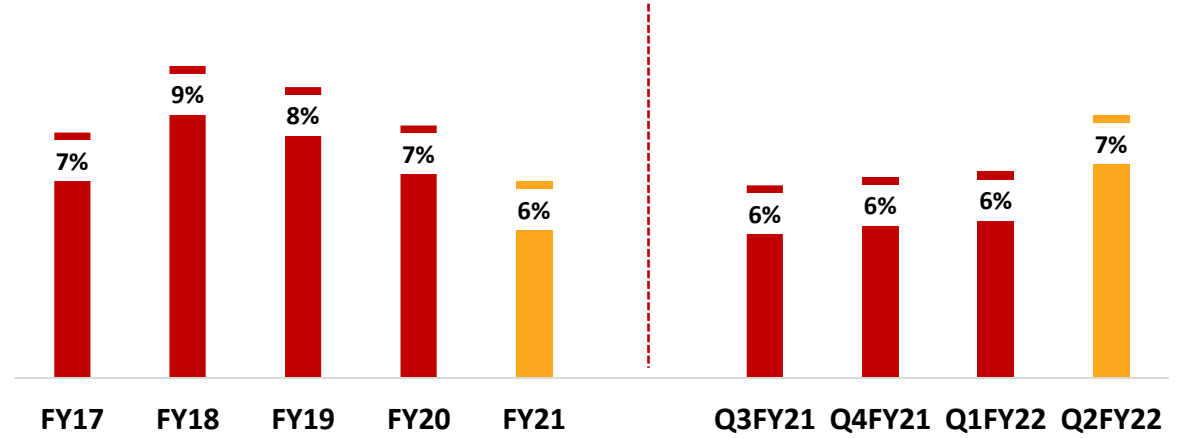
RETURN RATIOS %



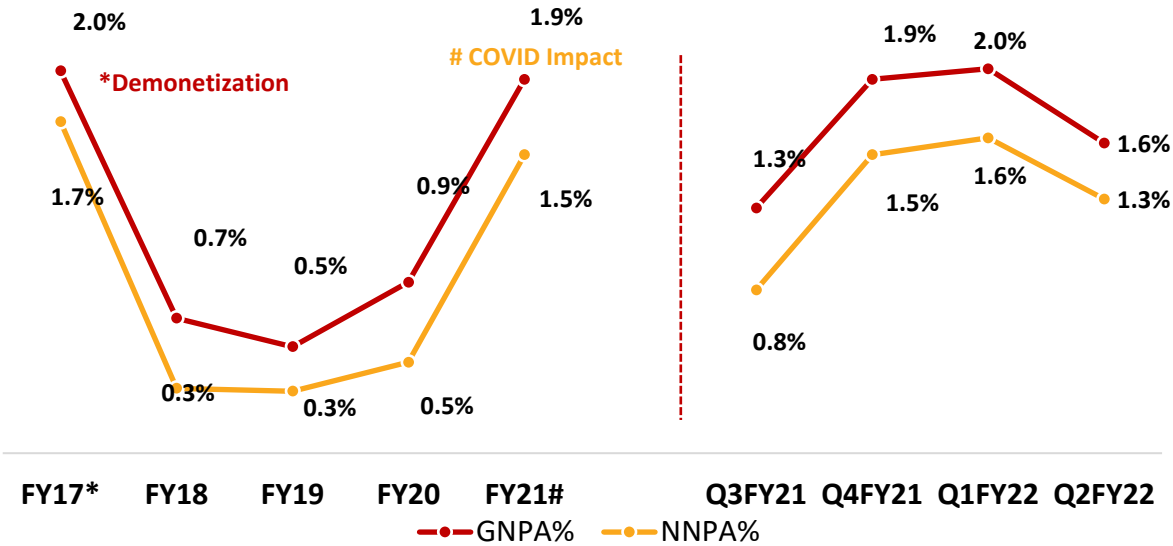
NET YIELD (%)



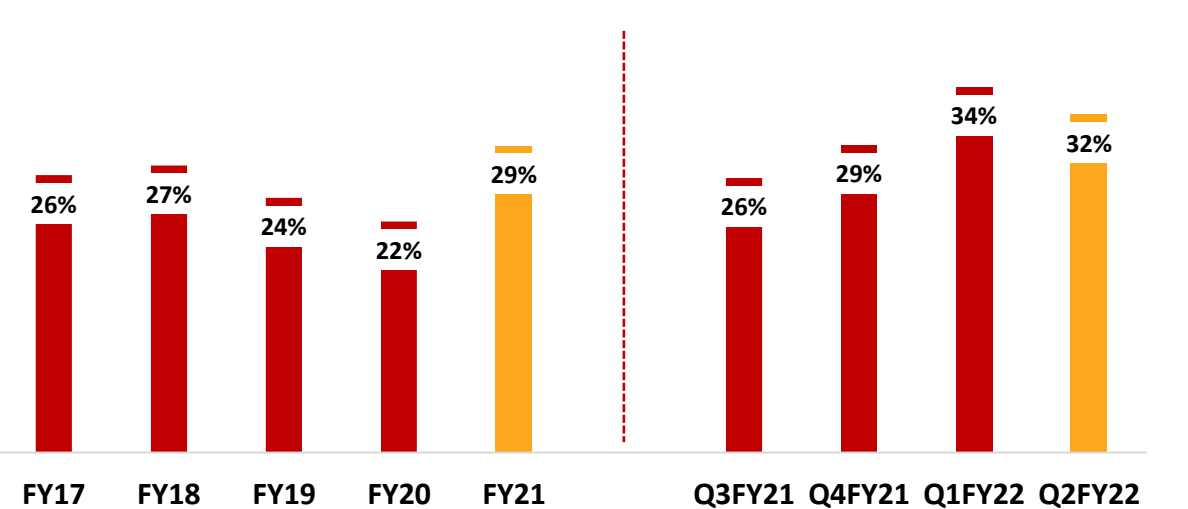
OPEX TO AUM %



NPA ANALYSIS %

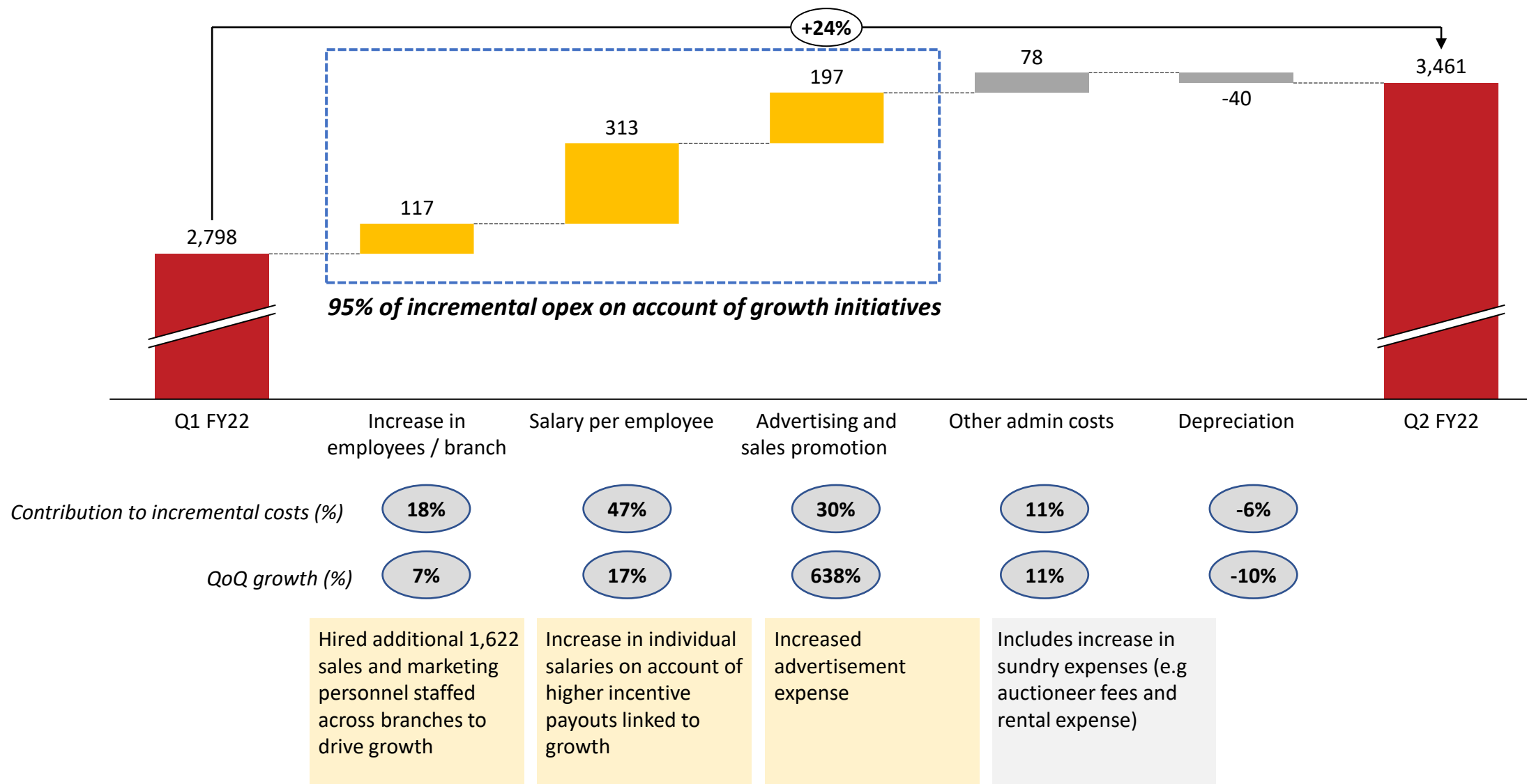


CAPITAL ADEQUACY RATIO %

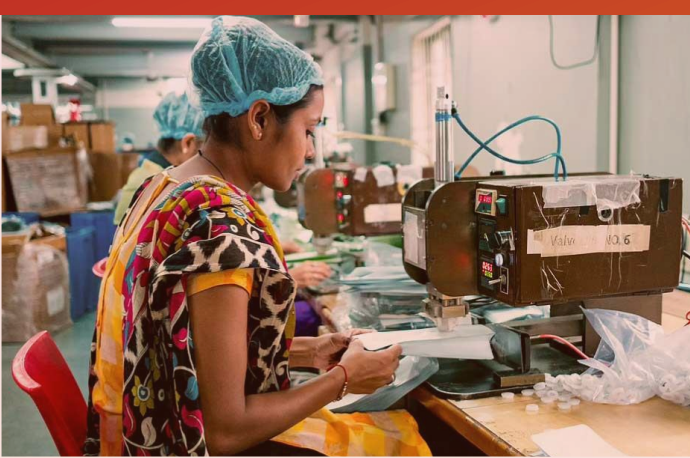


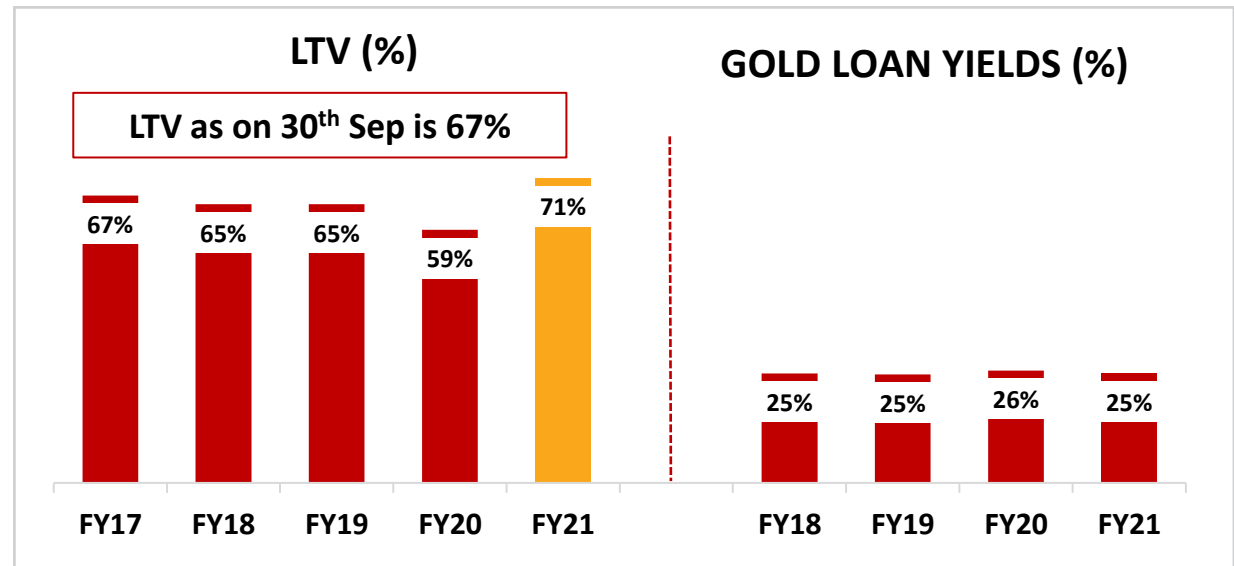
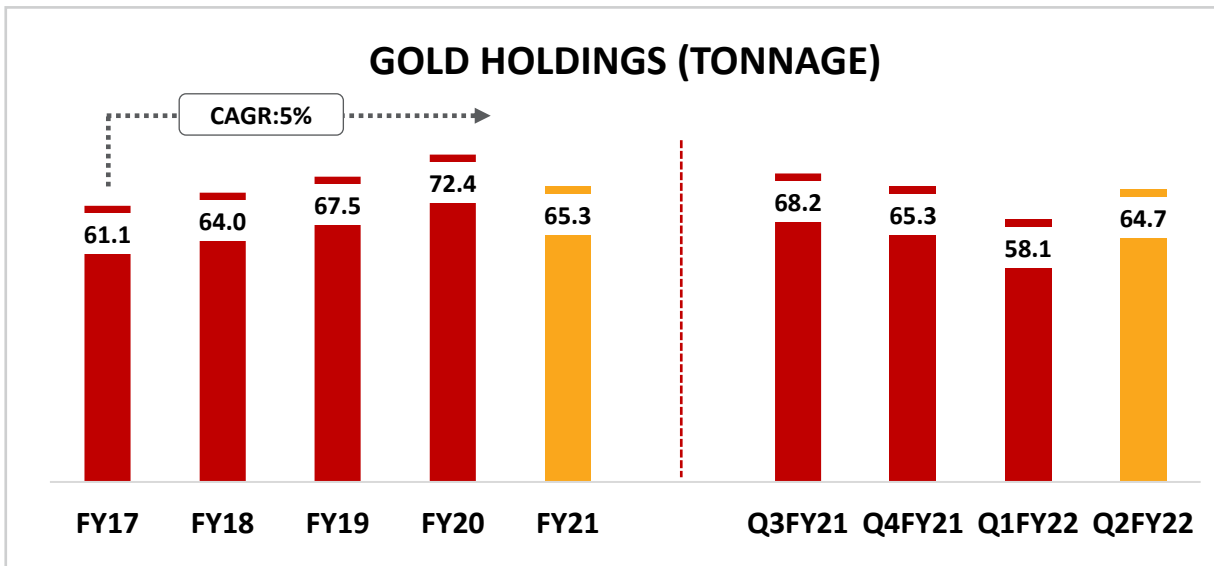
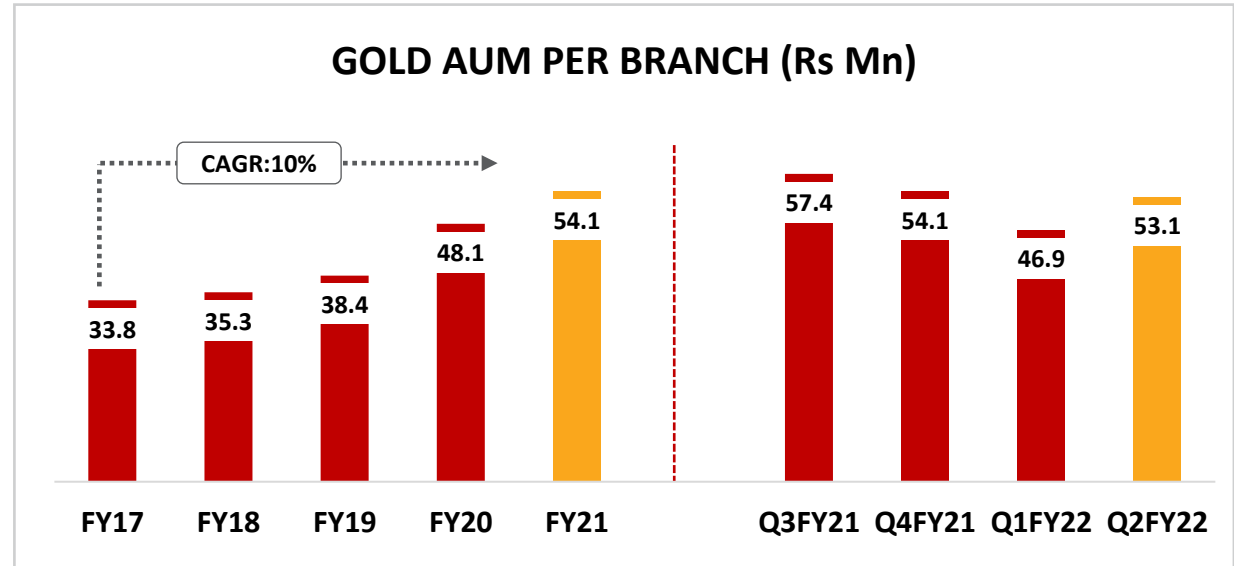
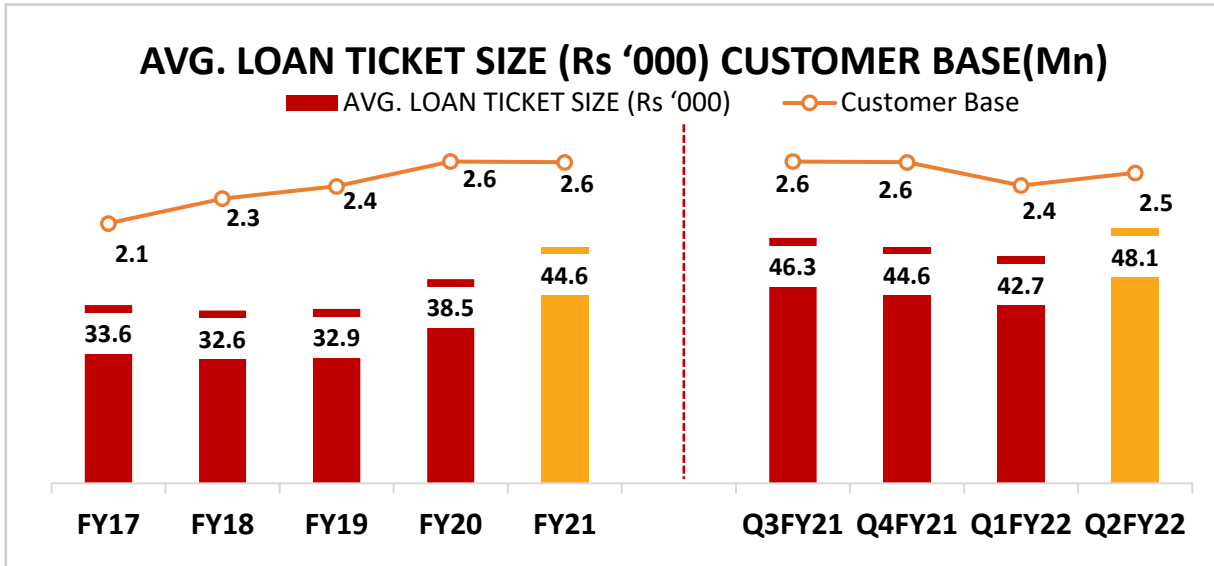
STANDALONE OPERATING EXPENSES ANALYSIS Q2FY2022

Breakdown of standalone operating expenses (QoQ), INR mn



SEGMENTAL PERFORMANCE



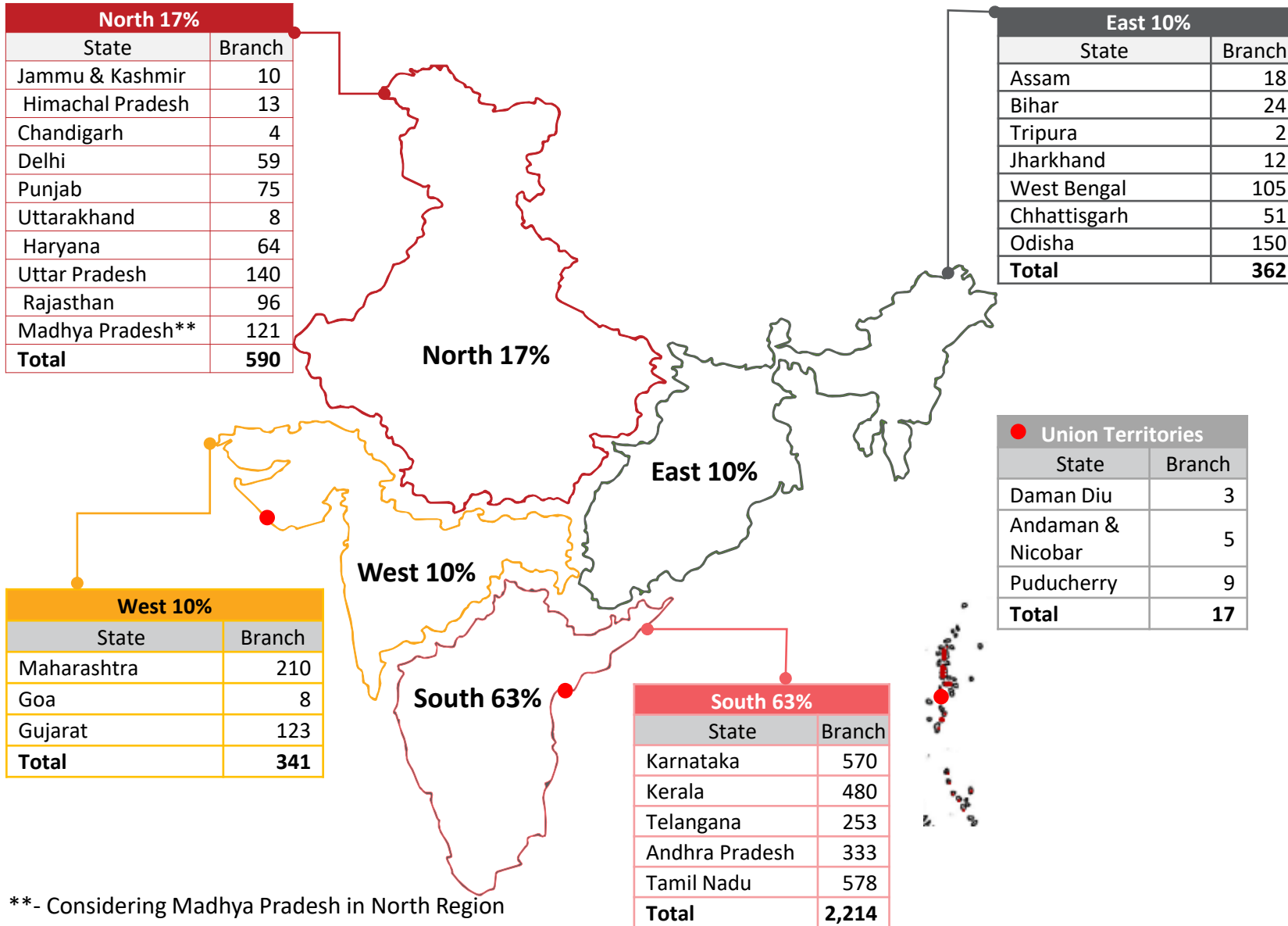




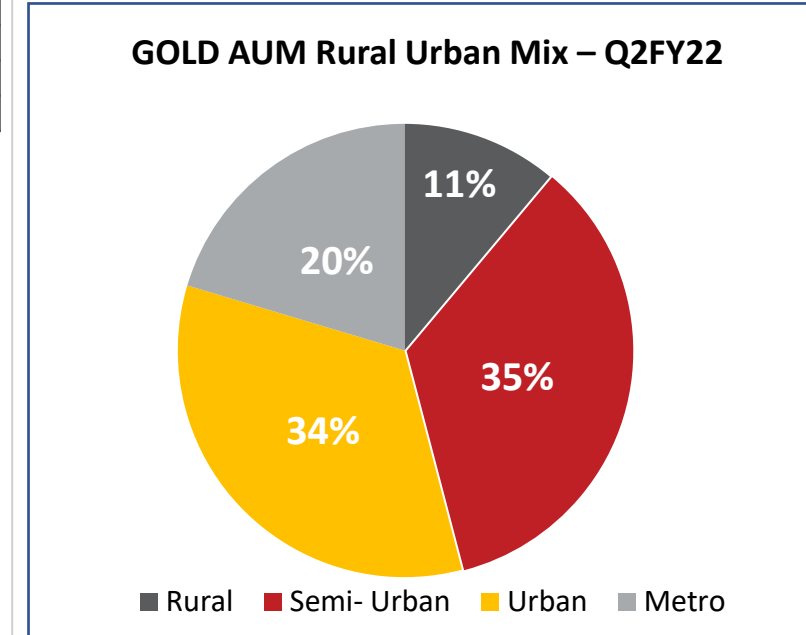
- Low interest rate sensitivity given small ticket size, short tenor and convenience of product

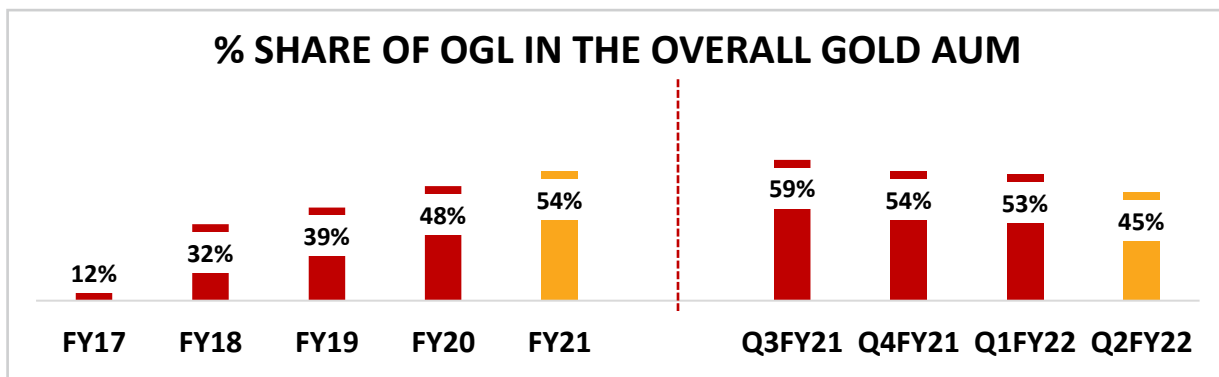
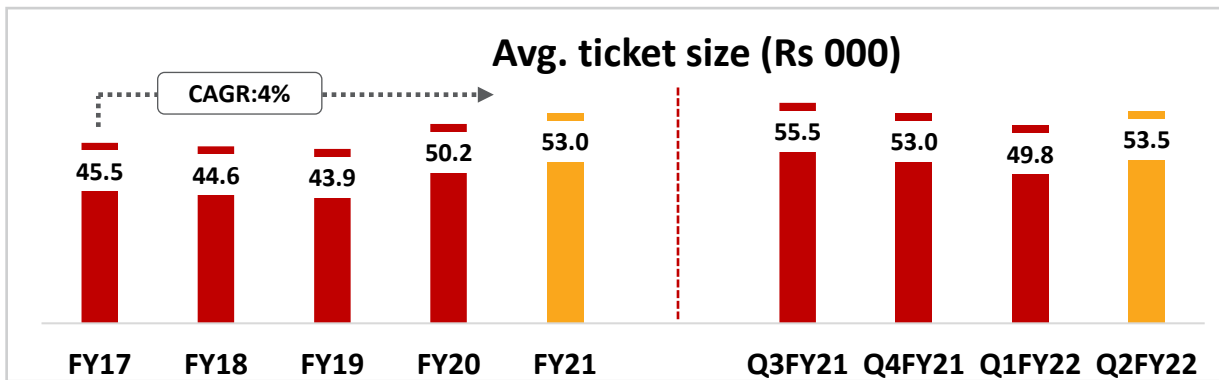
- Significant operating expense leverage as new branches mature
- Manappuram has undertaken various cost rationalization initiatives e.g. introduction of cellular vaults which has resulted in INR 521m average opex saving annually

GOLD LOAN PAN INDIA PRESENCE (Q2FY2022)



** - Considering Madhya Pradesh in North Region





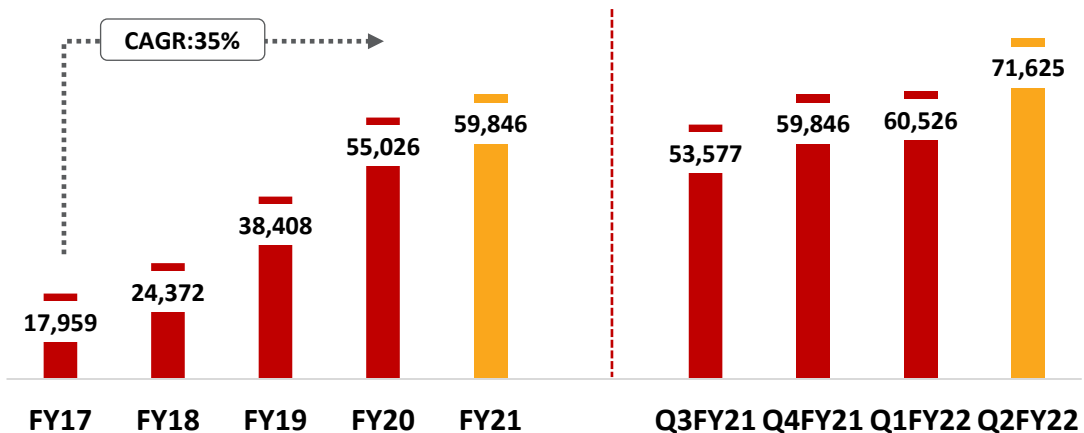
ONLINE GOLD LOANS SUPERIOR FOR CUSTOMERS

- 1 First NBFC to launch Online Gold Loan (OGL) in September 2015
- 2 Facility enables customers to avail a gold loan anytime, from anywhere in the world against gold stored in Manappuram branch
- 3 Instant fund transfer upto pre-approved limits
- 4 Online APP is available in different regional languages for ease of customers
- 5 Easy documentation, instant approval, convenient 24x7 online repayment
- 6 Hassle-free, paper-less transactions online

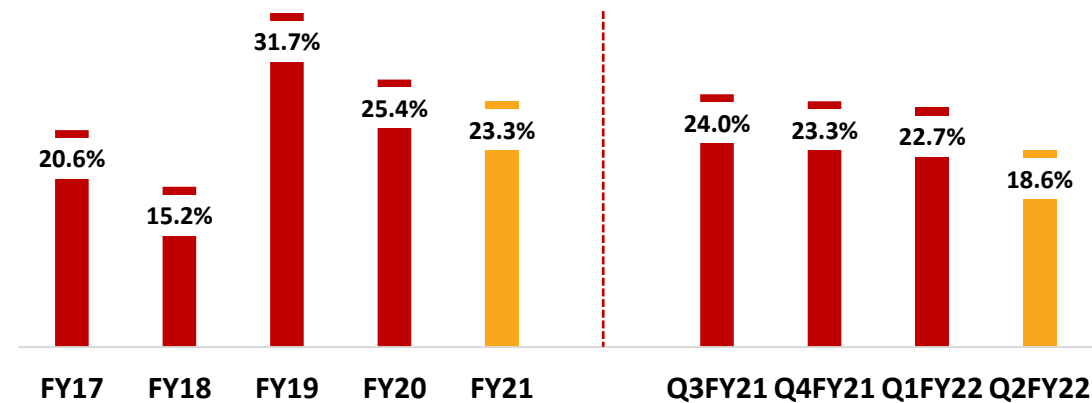
ASIRVAD MICROFINANCE RESULTS FOR Q2FY2022

Particulars (Rs in Mn)	Q2FY22	Q1FY22	Q-o-Q %	Q2FY21	Y-o-Y %	H1 FY22	H1 FY21	Y-o-Y %
Closing AUM	71,625	60,526	18.3%	49,710	44.1%	71,625	49,710	44.1%
Income from Operations	3,321	2,969	11.8%	2,551	30.2%	6,290	5,184	21.3%
Finance expenses	1,421	1,192	19.2%	1,180	20.4%	2,613	2,419	8.0%
Net interest income	1,900	1,777	6.9%	1,370	38.6%	3,676	2,765	33.0%
Employee expenses	652	536	21.7%	481	35.5%	1,187	846	40.4%
Other operating expenses	344	282	22.0%	277	24.2%	627	471	33.1%
Pre provision profit	904	959	-5.8%	612	47.6%	1,863	1,449	28.6%
Provisions/Bad debts	962	905	6.3%	659	46.0%	1,867	1,565	19.3%
Other Income	225	57	298.4%	18	1182.5%	282	46	516.2%
Profit before Tax	167	111	50.6%	-29	671.3%	278	-71	491.2%
Tax	44	34	28.4%	-5	984.8%	78	-21	476.4%
PAT before OCI	123	77	60.4%	-24	607.0%	199	-50	497.3%
Other Comprehensive Income	14	-44	132.9%	0	100.0%	-29	-1	4962.2%
PAT	137	33	320.1%	-24	666.6%	170	-51	434.8%
Borrowings	65,415	45,409	44.1%	41,670	57.0%	65,415	41,670	57.0%
Net Worth	10,724	10,587	1.3%	10,344	3.7%	10,724	10,344	3.7%

ASIRVAD AUM (RS Mn)



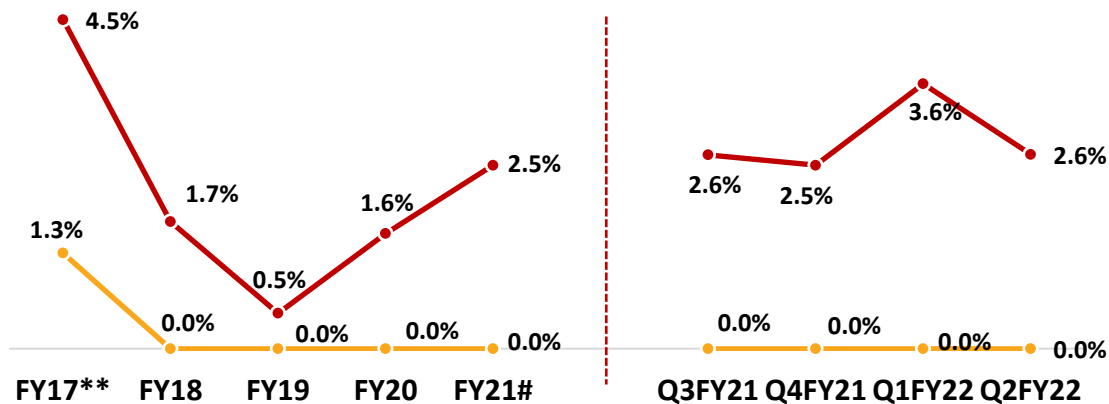
CAPITAL ADEQUACY RATIO %



NPA ANALYSIS % *

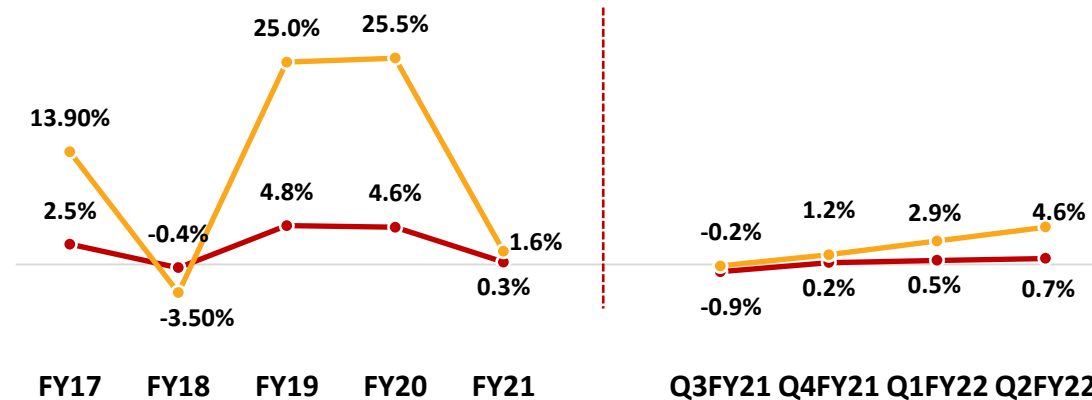
● GNPA% ● NNPA%

**Demonetization # COVID Impact



RETURN RATIOS %

● ROA ● ROE



COLLECTION EFFICIENCY

Billing Efficiency

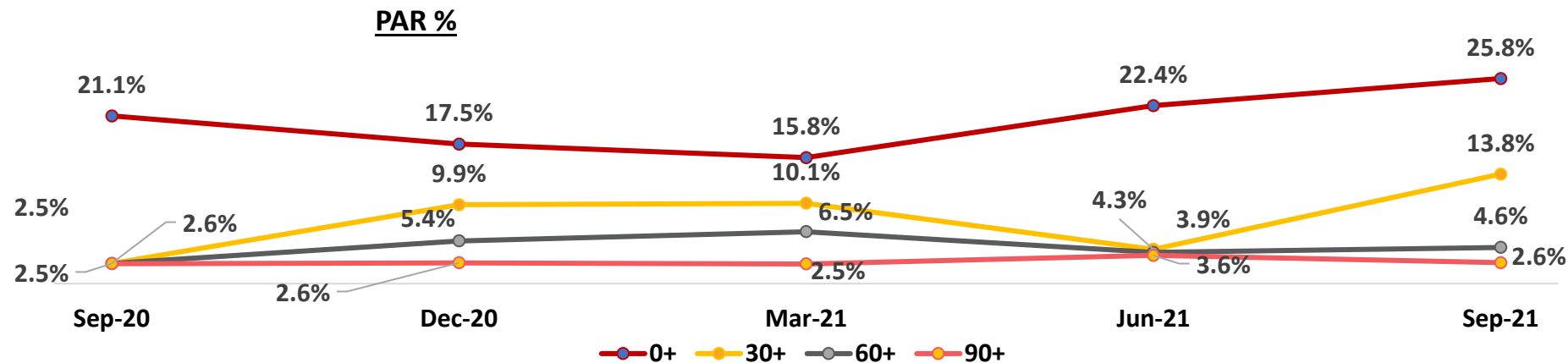


Collection Efficiency



ASSET QUALITY

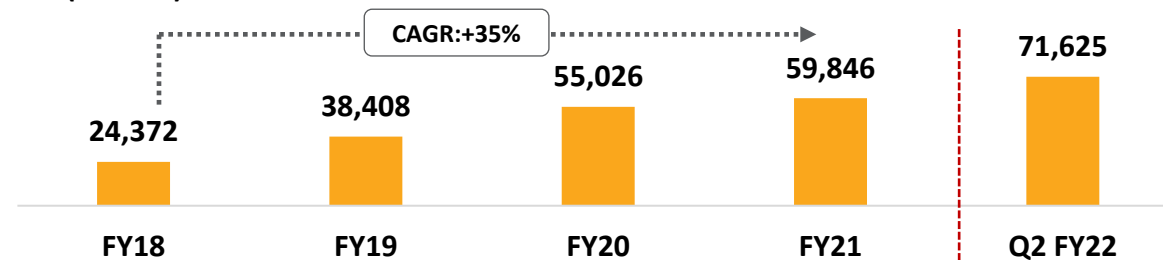
Intensified focus on asset quality



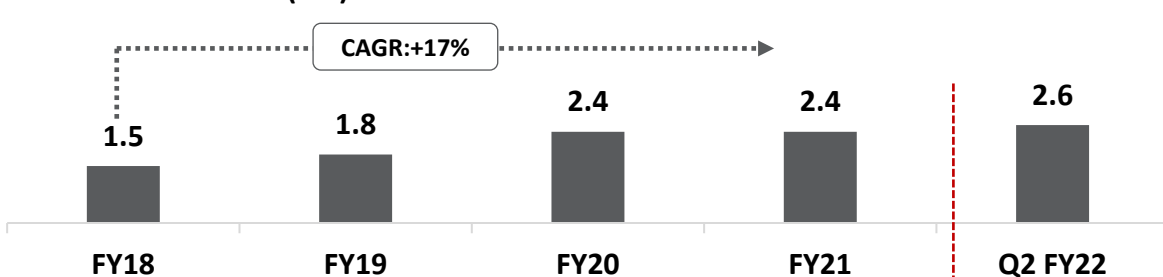
BUSINESS AND PRODUCTIVITY METRICS

GROWTH

AUM (INR mn)



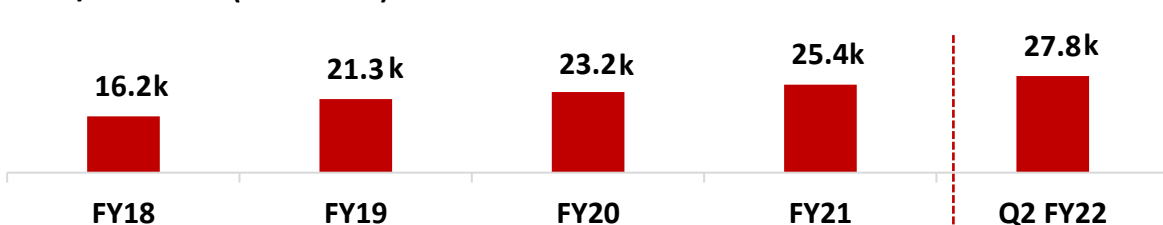
Number of borrowers (mn)



of branches

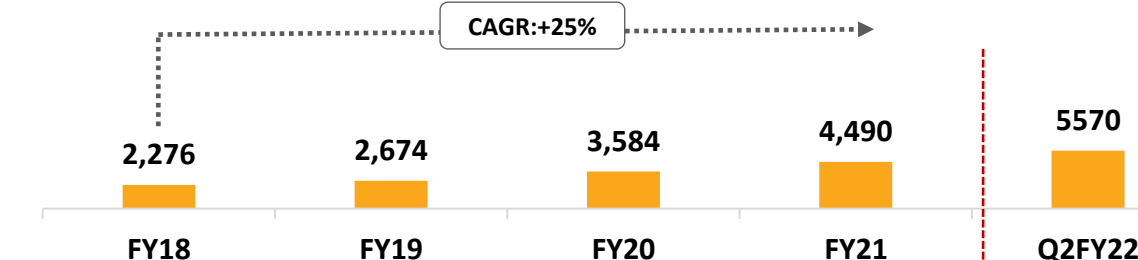


AUM / borrower (thousands)

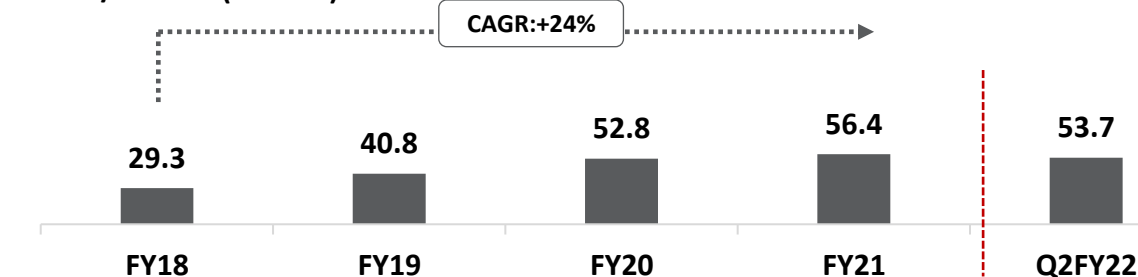


PRODUCTIVITY

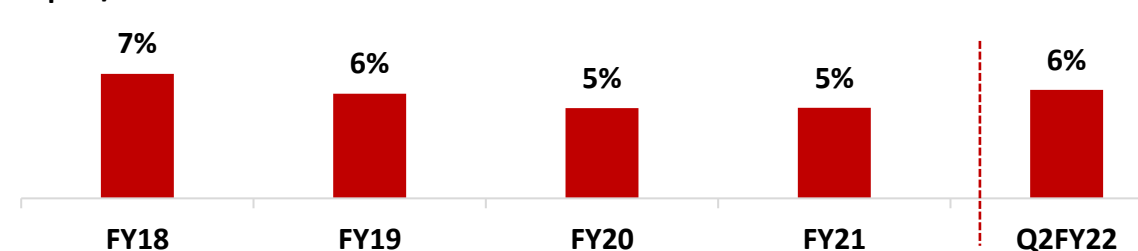
Number of loan officers



AUM / branch (INR mn)



Opex / AUM



Asirvad has added c.900 loan officers last year to enhance collection efficiency and increase borrower retention

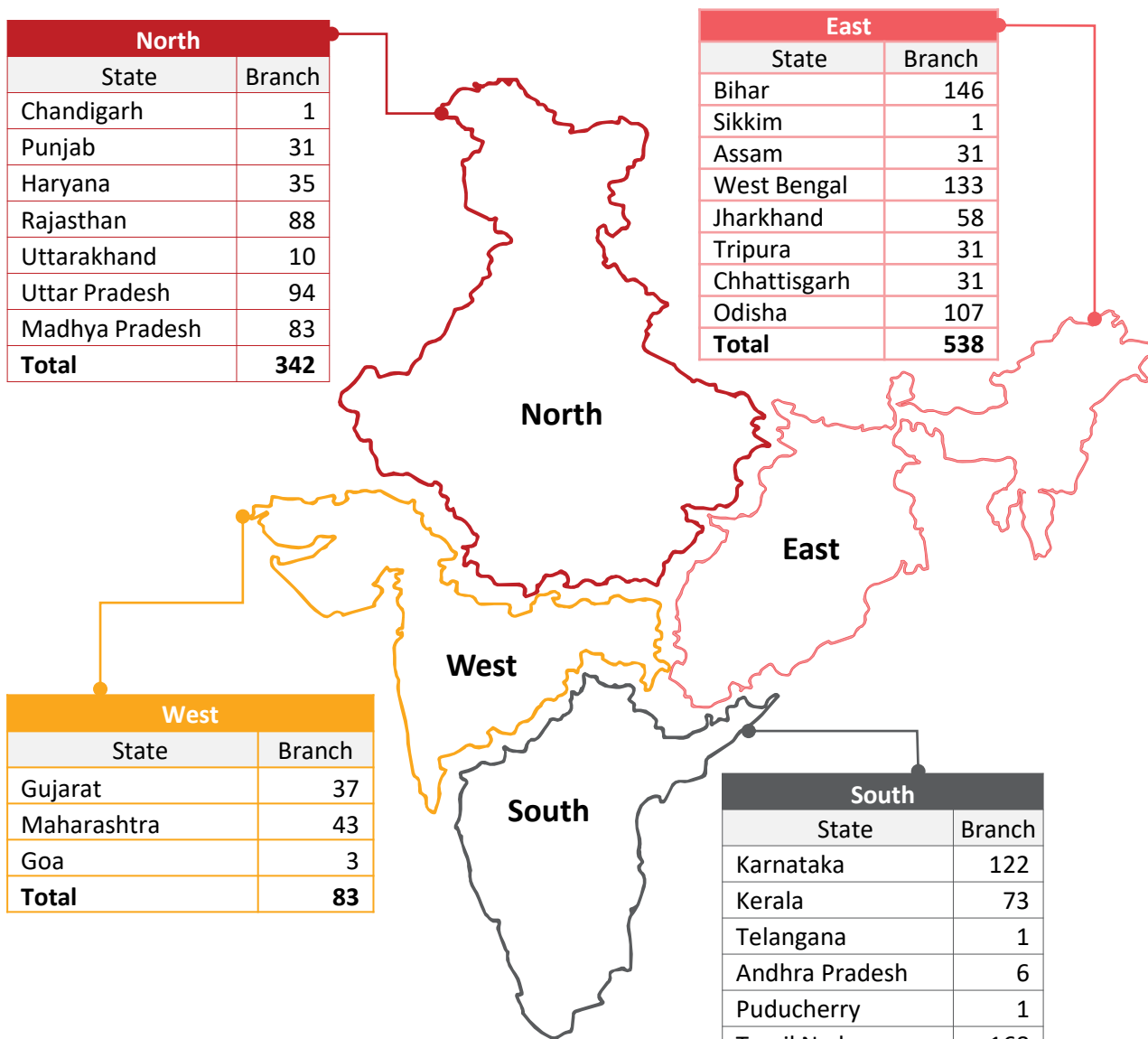
ASIRVAD MICROFINANCE PAN INDIA PRESENCE (Q2FY2022)

North	
State	Branch
Chandigarh	1
Punjab	31
Haryana	35
Rajasthan	88
Uttarakhand	10
Uttar Pradesh	94
Madhya Pradesh	83
Total	342

East	
State	Branch
Bihar	146
Sikkim	1
Assam	31
West Bengal	133
Jharkhand	58
Tripura	31
Chhattisgarh	31
Odisha	107
Total	538

West	
State	Branch
Gujarat	37
Maharashtra	43
Goa	3
Total	83

South	
State	Branch
Karnataka	122
Kerala	73
Telangana	1
Andhra Pradesh	6
Puducherry	1
Tamil Nadu	168
Total	371

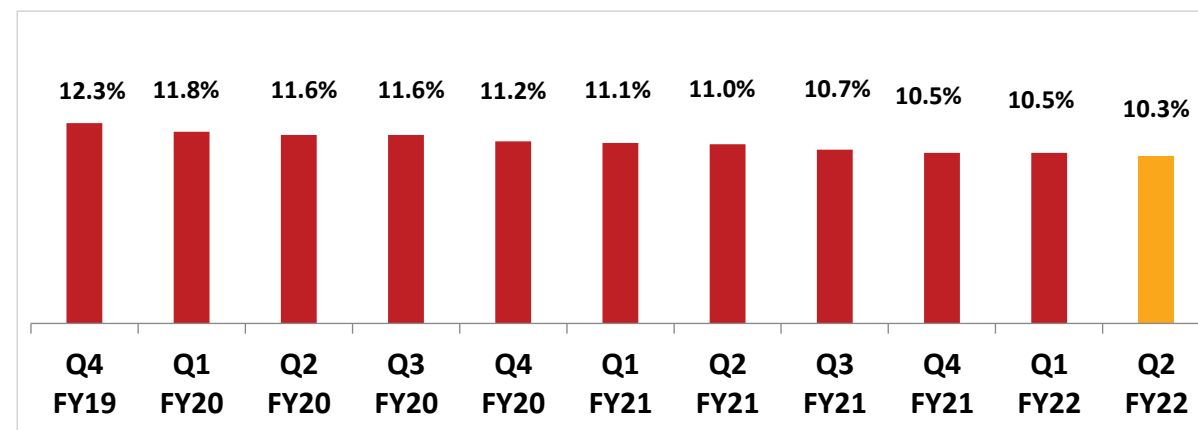


MFI AUM - STATEWISE BREAKUP	
Tamil Nadu	19%
West Bengal	10%
Bihar	12%
Karnataka	10%
Uttar Pradesh	8%
Kerala	6%
Madhya Pradesh	6%
Jharkhand	5%
Rajasthan	5%
Odisha	5%
Maharashtra	3%
Others	12%

BORROWING MIX (Rs m)

Borrowing Mix	Q2FY21		Q1FY22		Q2FY22	
	Amount	%	Amount	%	Amount	%
Term Loan from Banks and FIs	22,469	53.9%	24,699	54.4%	39,997	61.1%
Refinance	6,209	14.9%	6,207	13.7%	5,442	8.3%
Debentures	7,844	18.8%	12,208	26.9%	17,791	27.2%
Tier II Sub Debt	1,198	2.9%	2,166	4.8%	2,185	3.3%
Commercial Paper	241	0.6%	0	0.0%	0	0.0%
Securitisation - PTC	3,710	8.9%	129	0.3%	0	0.0%
Total	41,670	100.0%	45,409	100.0%	65,415	100.0%

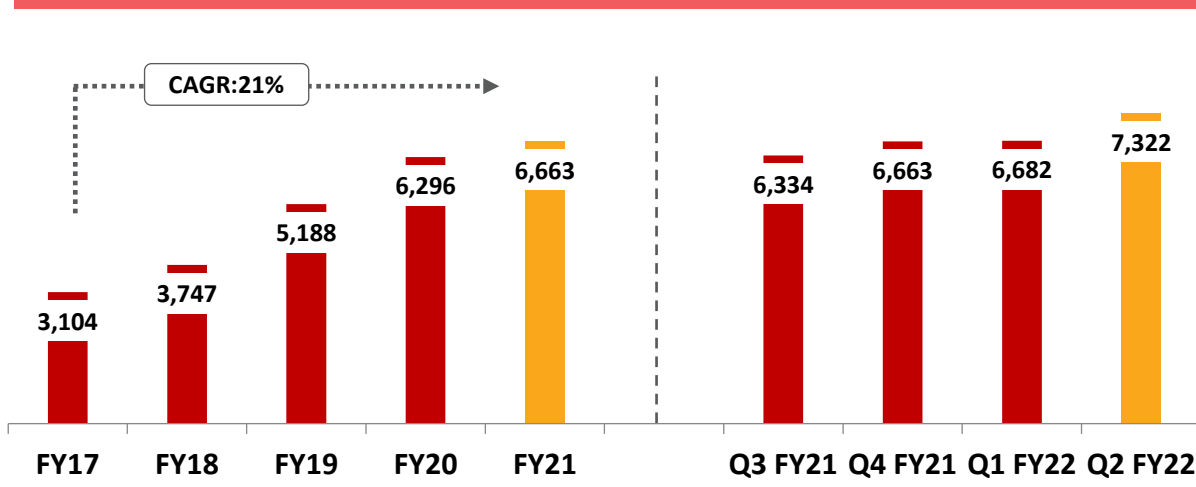
COST OF FUNDS



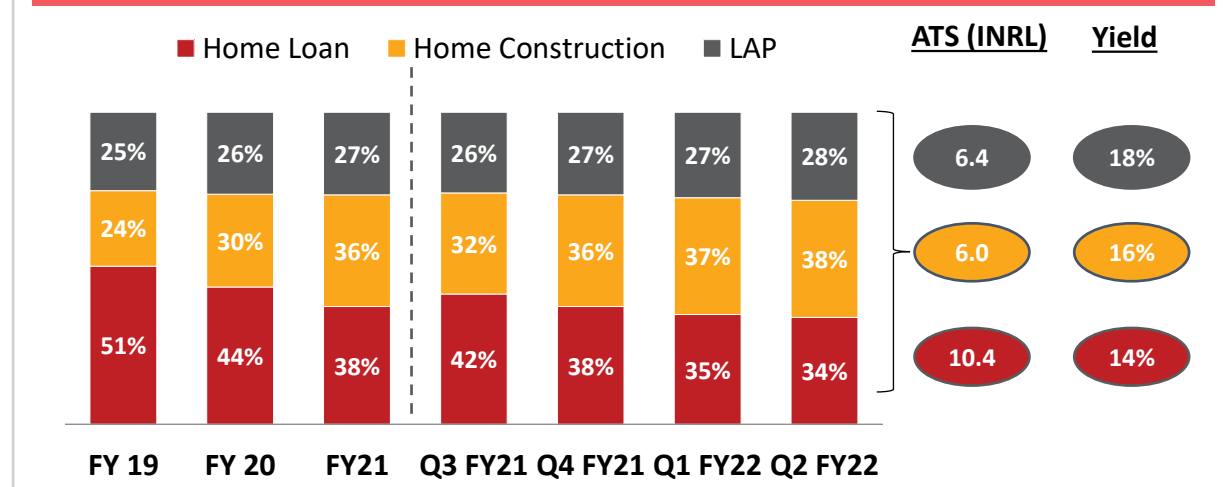
CREDIT RATING



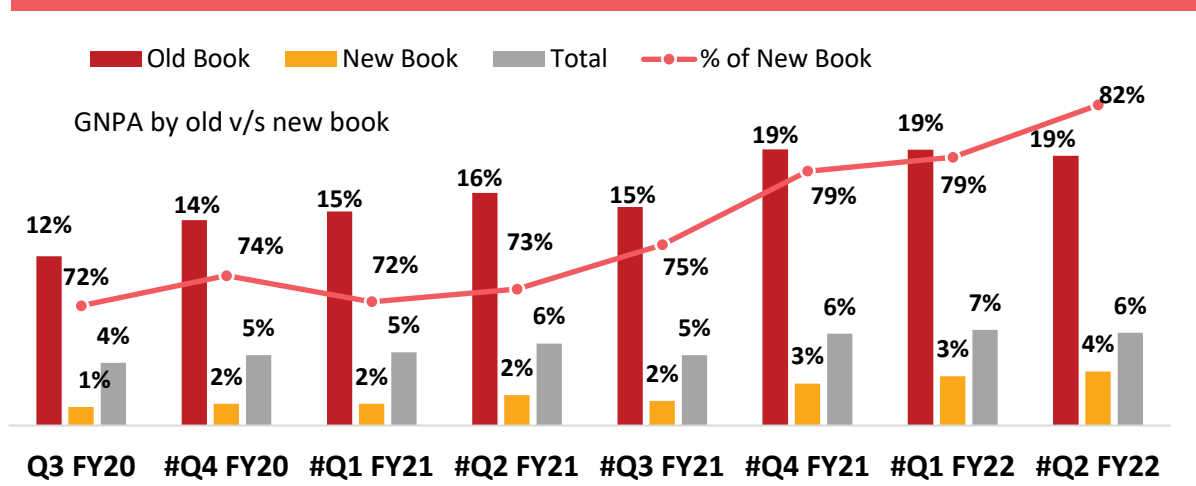
AUM EVOLUTION (Rs Mn)



AUM MIX (%)



TURNAROUND IN BUSINESS WITH IMPROVING ASSET QUALITY



OPERATING OVERVIEW

- Started commercial operations in January 2015
- Focus on Affordable Housing for Mid to Low income self-employed customers (75% self-employed)
- Focus on South and West India, 73 branches; 83% self sourced business
- Rated AA - /Stable (Long Term) & A1+ (Short Term) by CRISIL
- Rated AA – (Stable) (Long Term) by CARE

#-Post Covid



4: Growth drivers for future expansion

- Riding on the parent's brand equity and pan India presence for scaling up the business
- Low-cost operation model based on co-location with parent branches
- Investment in training and development of human resource through online mode



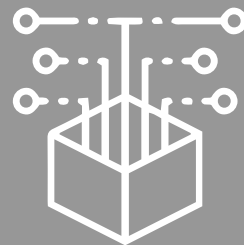
3: Customer Servicing and Collection management

- A Strong Customer Relationship Management Team
- Adopting digital payment platforms for managing EMI collections efficiently
- A dedicated in-house local collection team



2: Underwriting

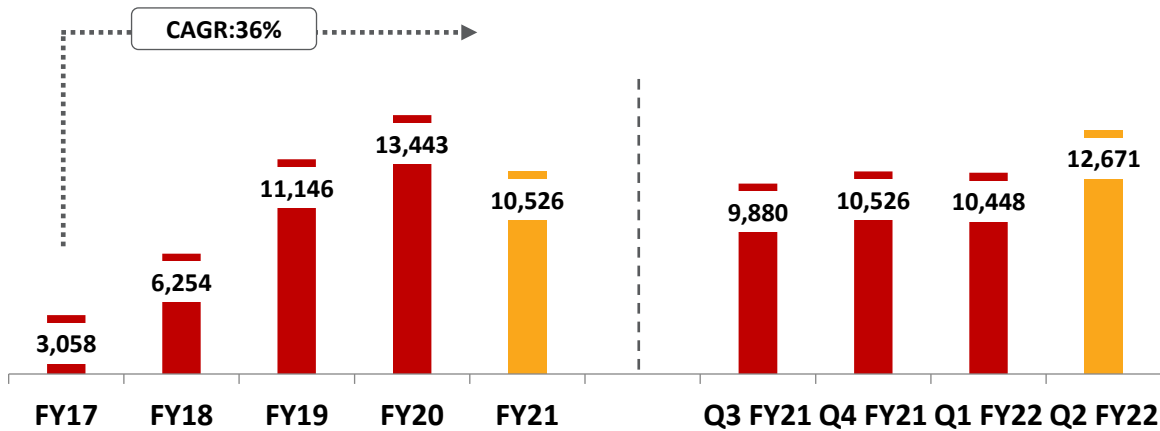
- Decentralized underwriting and disbursement for lower ticket size loans
- Compliance with policy parameters via ground-level Credit Audit and Centralized credit monitoring
- Focus on lower ticket size loans across all products



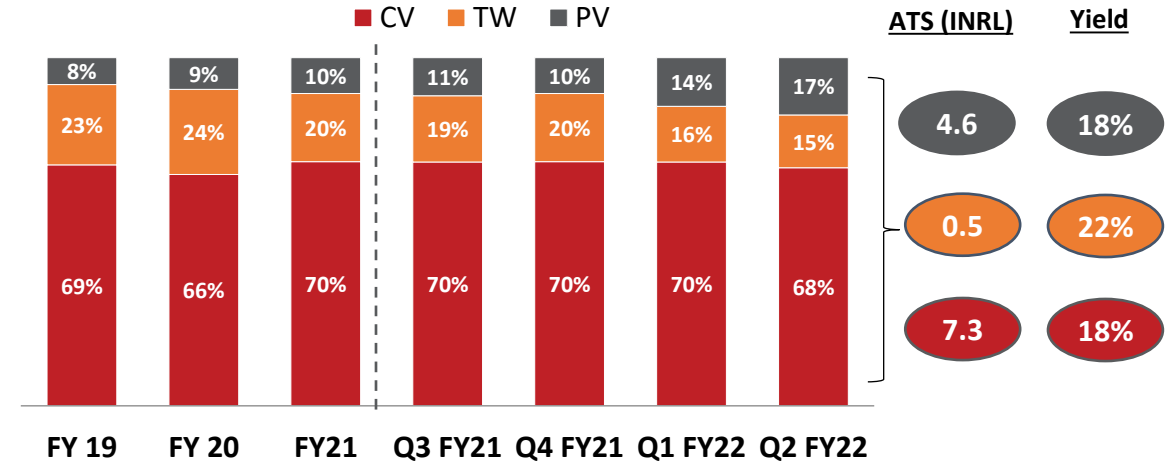
1: Origination and Sourcing

- Better penetration in 3-tier and 4-tier towns
- Increased emphasis on direct sourcing through ground-level marketing
- Prioritizing the marketing of PMAY scheme (Government Subsidy Scheme)
- Diverse product portfolio – Express loan and Mahila loan with significant benefits

AUM EVOLUTION (Rs Mn)

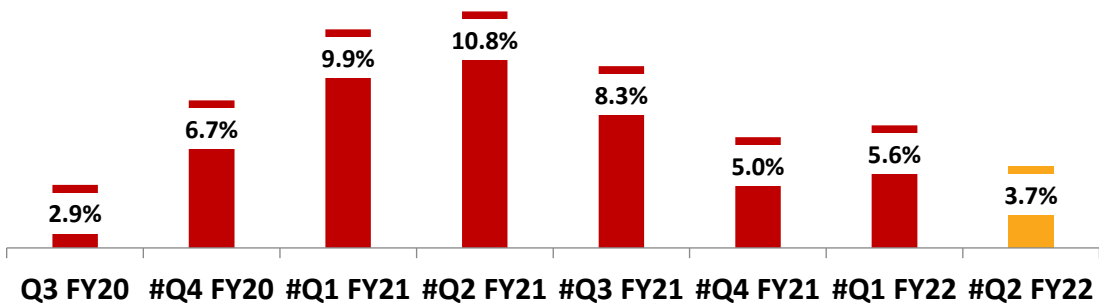


AUM MIX (%)



GNPA %

Post COVID-19

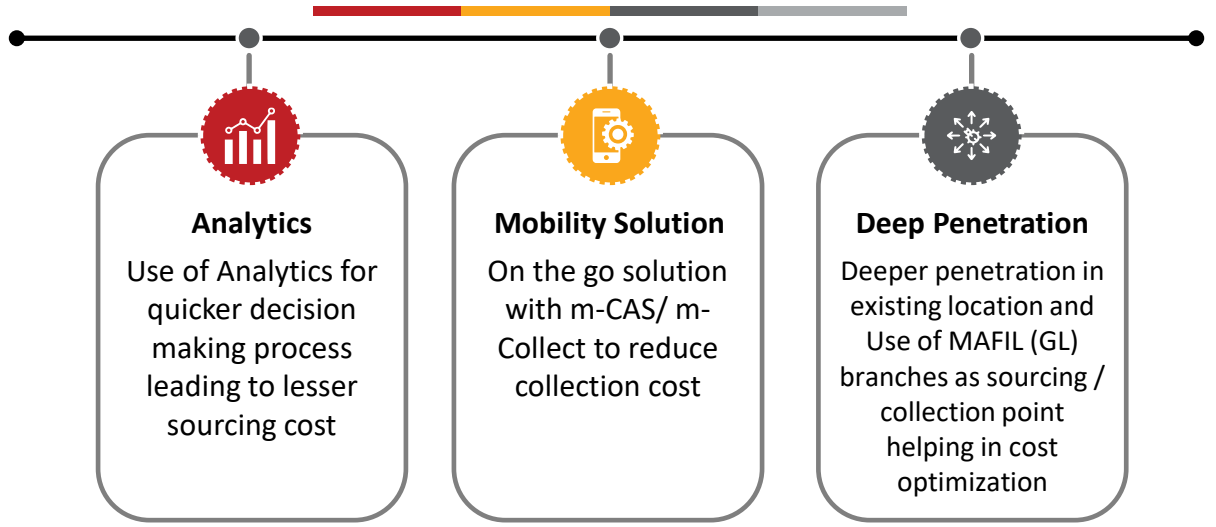


OPERATING OVERVIEW

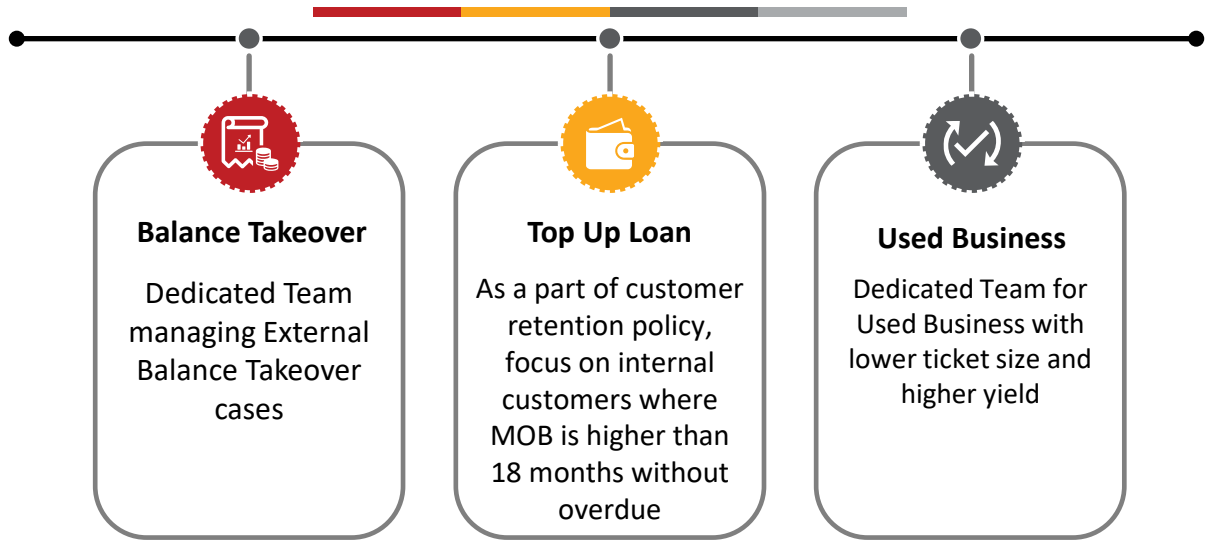
- Started commercial operations in January 2015.
- The operations are a part of Manappuram Finance Ltd and are carried out from existing gold loan branches (249 branches)
- Focus on used commercial vehicles in Semi urban and rural locations
- Moving customers into digital payment platforms for better operational efficiency

- Increase penetration into Rural and Semi Urban locations
- Covering 3000+ Co-located Gold loan branches for collection and marketing distribution
- Digital Lending Platform and automated approval process in TW loans
- Digital Loan Agreement Signing with E – Stamping to save the cost and making customer easy process
- Brand Tie-ups – With Manufacturer for better reach
- CRM tool integrated with loan management system to built relationship with customer from beginning

PROFIT OPTIMIZERS



SCALE & STABILITY



CREATING DIFFERENCE



Manappuram Snehabhavanam -
20 new houses will be constructed at **20** wards under Valapad Gramapanchayath (**500** sqft per houses)



SAYUJYAM -
13 new houses will be constructed & **3** houses will be renovated at Thirupazhancherry Colony (**500** sqft per houses)



ഓട്ടോ തൊഴിലാളികൾക്കു കോവിഡ് ബാരിയർ നൽകി

ഇന്ത്യയിലെ ബീരുവേല മേഖലകളിലെ ഓട്ടോ തൊഴിലാളികൾക്കായി മനപ്പുര പാലം മേഖലയിൽ കോവിഡ് ബാരിയർ വിതരണം നടത്താൻ (5000) വി.പി. സൗകര്യം ഉദ്ദേശിക്കുന്നു.

Covid barrier distribution for **200** Autorickshaw Drivers of coastal area of Trissur District



Total 20 televisions donated for educational purposes



4000 notebooks were distributed to **1000** poor students



500 Televisions distributed for poor children for academic needs through Lions District **318C**



മഴക്കാട് വിതരണം
 മനപ്പുര പാലം മേഖലയിൽ കോവിഡ് ബാരിയർ വിതരണം നടത്താൻ (5000) വി.പി. സൗകര്യം ഉദ്ദേശിക്കുന്നു.

Raincoats for Active fishermen's

Raincoats for **1200** fishermen in coastal area of Trissur District (Fishermen Registered in Matsyafed)



മനപ്പുരം ആരോഗ്യസുരക്ഷാ പദ്ധതി ഉദ്ഘാടനം ചെയ്തു
 മനപ്പുരം ആരോഗ്യസുരക്ഷാ പദ്ധതി ഉദ്ഘാടനം ചെയ്തു.

Manappuram Arogya Suraksha Padhathi

Manappuram Arogya Suraksha Padhathi (Supported **100** critically ill patients in Valapad Grama Panchayath With Rs.**1000** each to **100** families for **2** months)



Chelambra CHC

Support for Chelambra CHC – **Stretcher, Sanitizer Dispenser, & Library Stand**

- Incorporated in 1992, Manappuram is Non-Banking Financial Company (NBFC) offering a diversified product portfolio including gold loans, microfinance loans, vehicle and equipment finance, home loan finance, on-lending and insurance brokerage business
- Currently has 4,600 branches across 22 states and 6 Union Territories. Loan assets of INR 272bn and employee count of 30,000+ as of March 2021
- Gold loan under management of Rs 190 Bn as of FY21 with 65 tonnes gold jewellery held as security for gold loans and 2.6m gold loans customer base. Gold loans constitute 70% of the consolidated loan book as of FY21
- Company vision is to provide full range of credit services across India

MANAPPURAM TODAY

#2

lender in gold loans in India (core product), with a trusted brand and nation-wide reach

**Pioneer in process
innovation**

in gold loans (online gold loan product 'OGL', cellular vaults, risk containment measures)

#4

MFI-NBFC in India with the highest credit rating post Asirvad's acquisition

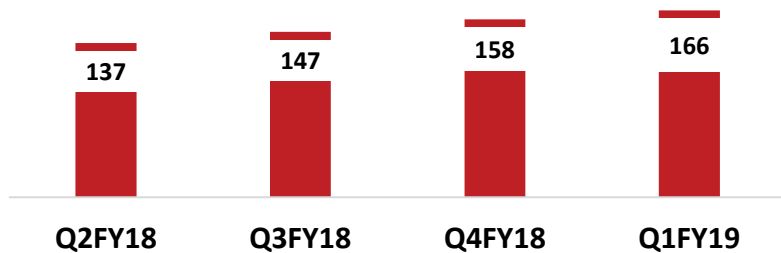
Calibrated approach to growth in other loan products that are relevant to our customer base (small ticket home loans, used vehicles for self-employed customers)

Branch network **4,600+**
Employee strength **30,000+**

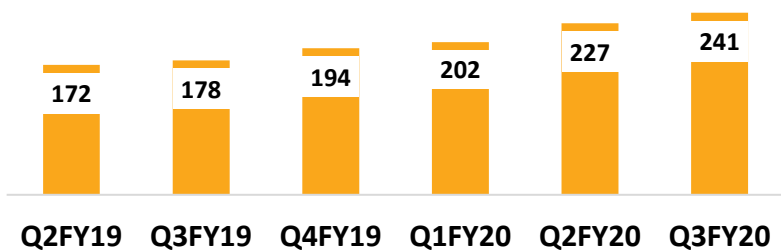
RESILIENCE ACROSS CREDIT AND ECONOMIC CYCLES

Total AUM (Rs Bn)

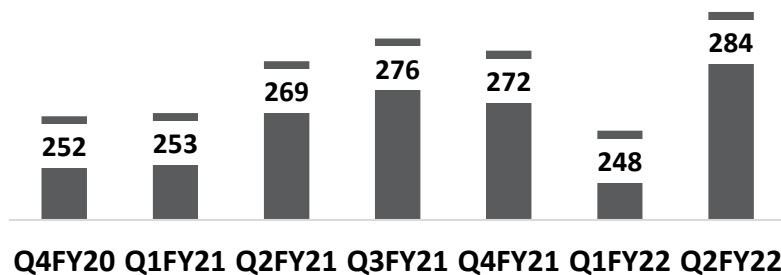
After-effects of demonetization



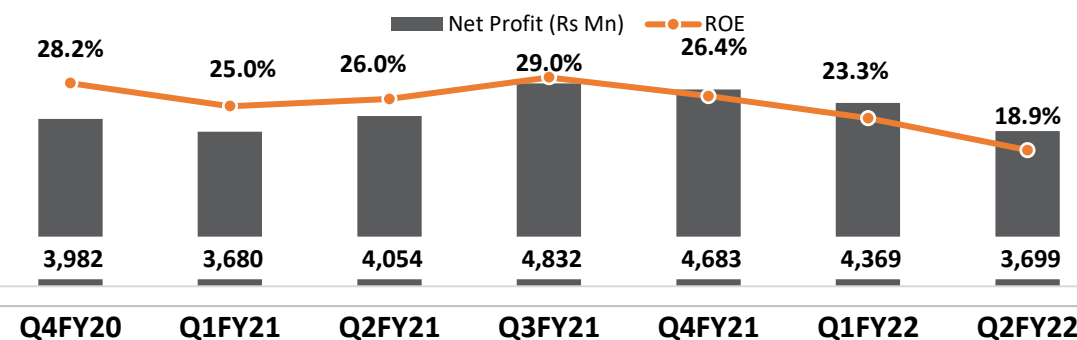
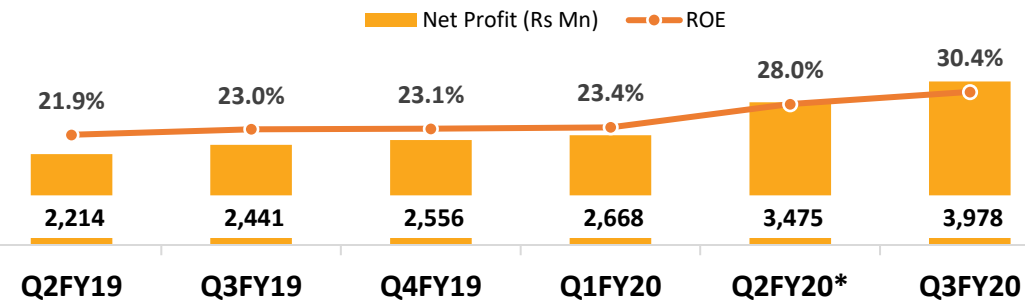
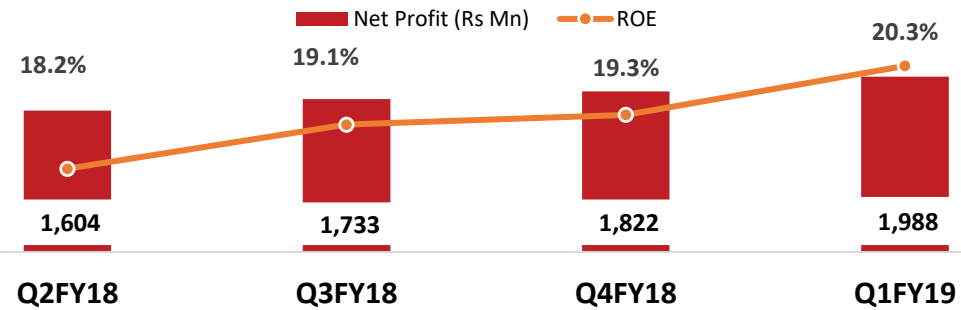
NBFC crisis and liquidity tightness



COVID related lockdown, localized issues in MFI collections



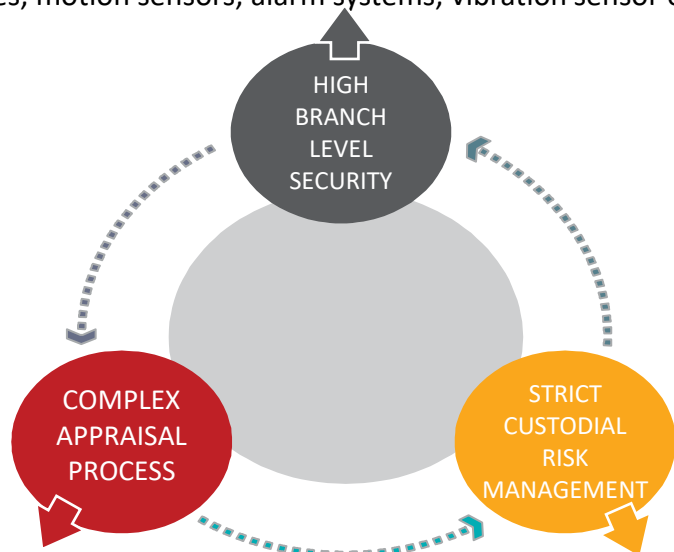
Net Profit (Rs Mn)



* Adjusted Net Profit for Q2 FY 20– Rs 3,475 Mn after adjusting One time Tax and Int. on IT Refund benefit of Rs 601.5 Mn and Asirvad Re-instatement PAT of Rs 253.4 mn

A strong operational risk management that sets Manappuram apart..

- Pioneer in installing cellular vaults across all branches
- Robust branch security infrastructure including CCTV cameras, panic switches, motion sensors, alarm systems, vibration sensor etc.



- **Complex appraisal process** accounting for type of ornament, gem stones, purity etc.
- In-house expertise across branches to weigh and appraise ornaments
- Higher value ornaments **require branch head approval** (>20g of gold)
- Typically **3-4 rounds of appraisal** done by employees with TAT of <10 minutes
- **100% insurance** for gold held in branches
- Employee rotation through transfer / promotions on 1-2 year basis
- Vaults have dual keys with joint custodians
- **Surprise audit** by internal vigilance team
- Internal **analytics based fraud alert system**
- **Regular auction** policy for overdue gold loans

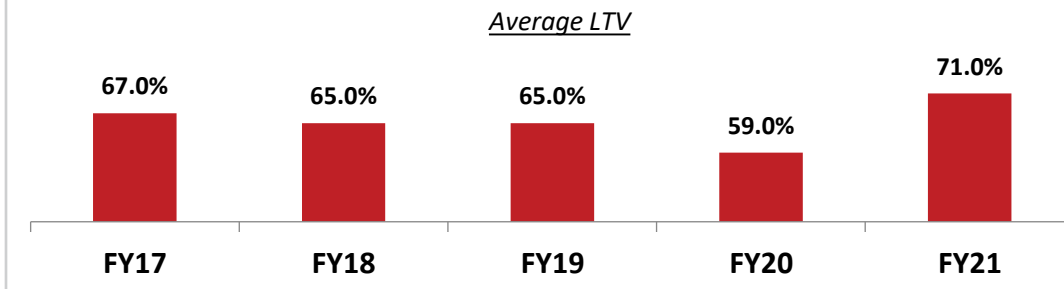
Manappuram has strong focus on processes and compliance successfully replicating processes across 3,524 gold loan branches

3 month product resulting in lower credit losses

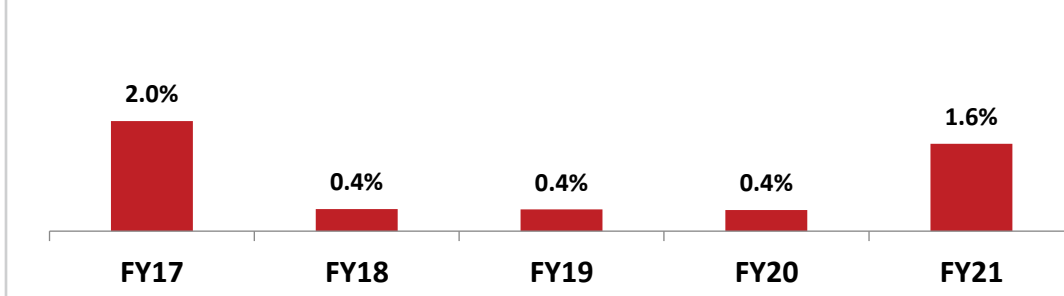
3 month product de-risks impact from fluctuation in price of gold

	12 month tenor	3 month tenor
Gold value	100	100
LTV (%)	75	75
Gold loan	75	75
Interest rate (%)	24	24
Interest cost¹	21	7.5
Total principal + interest¹	96	82.5

Conservative approach to LTV with 75% cap on each loan



Resulting in low credit loss in gold product

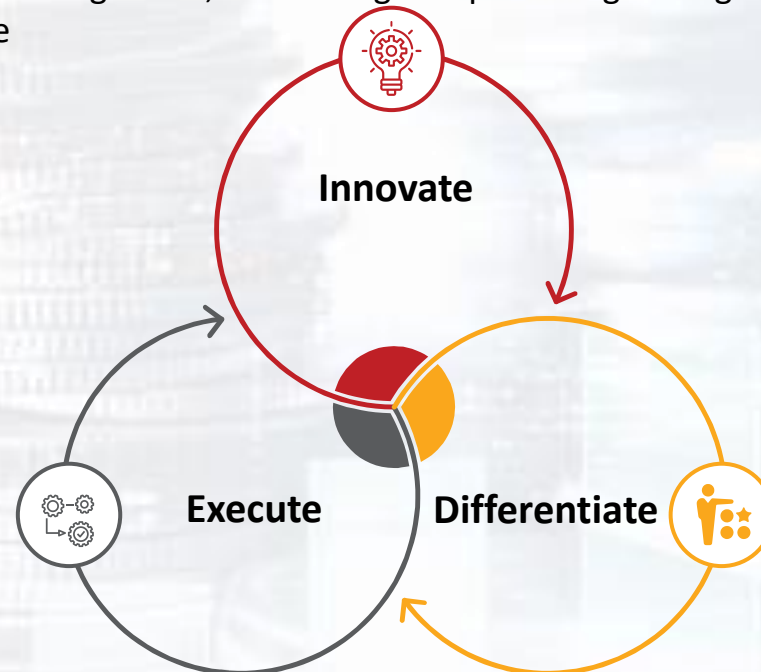


Note: 1 Includes interest outgo during 2 months of auctioning period



- The company has been dependent on its IT department (600+ engineers) on multiple fronts over the years. This is an opportunity to integrate our IT capabilities further into our business to amplify the revenue and verticals on various business verticals
- IT has been an effective tool of the organization in various operational levels, including customer acquisition, proper management, etc. For e.g. the percentage of digital collections has steadily increased over time

- The IT tools and services have significantly helped the company in integrating technology in its business verticals, leading to better precision, faster execution and lesser overhead
- The Business Continuation Plans (BCP) initiated much before the nationwide lockdown which enabled the company to roll out new projects and ensure efficient operational methods
- In FY21, there was \$30 bn worth of online transactions and more than 1mn online customers were registered



- The organization is continuously working to manually verify the purity of its gold assets
- The IT services will be utilized in establishing a smarter automated solution



Manappuram aspires to represent humanity in an open and equitable way

Associate the brand with a personality that reflects the brand's vitality and persona, as well as someone that is well-liked by the general public

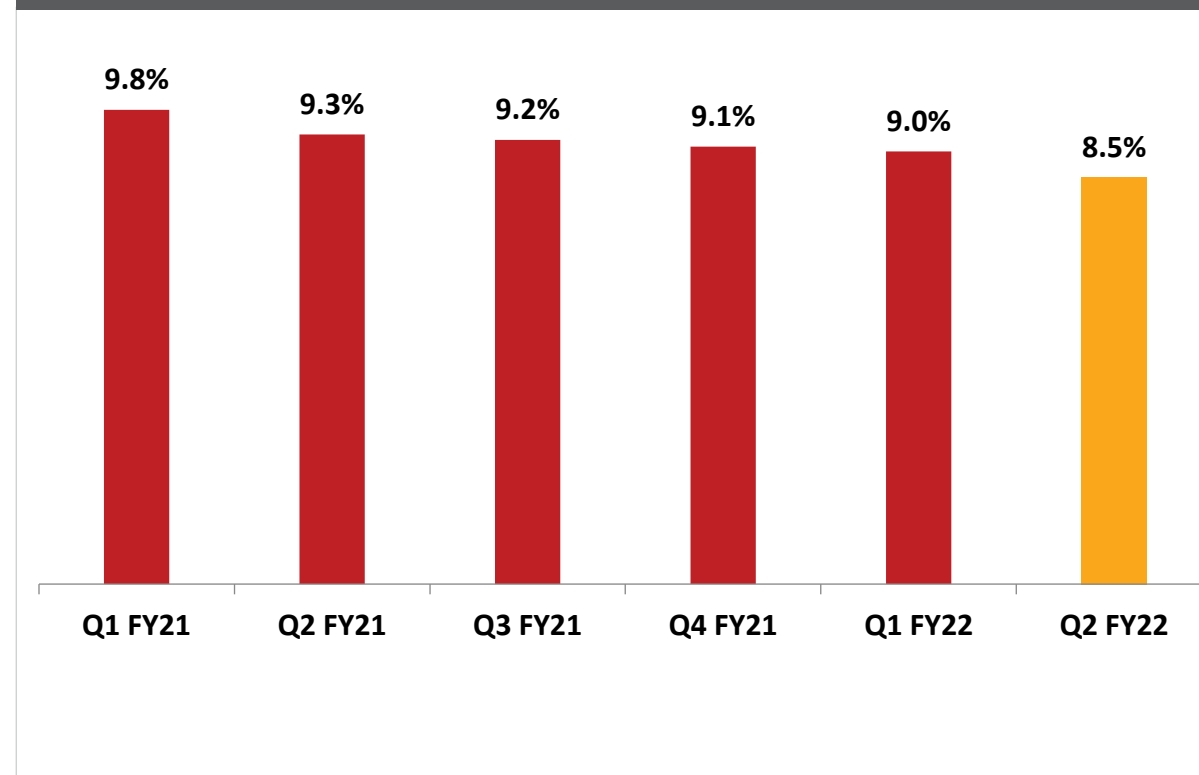
Using a PAN India integrated marketing strategy to maximise an already high strong brand recognition

To ensure steadfast trust, Manappuram has implemented a number of outreach programmes that not only increase brand awareness but also maintain a strong relationship with its customers

Access to diversified sources of funding (Consolidated, Rs m)

Borrowing Mix	Q2FY21		Q1FY22		Q2FY22	
	Amount	%	Amount	%	Amount	%
WCDL / CC	64,806	26.2%	27,187	13.8%	63,685	25.4%
Term Loan	72,223	29.2%	52,259	26.5%	60,620	24.2%
NCD & Bond	68,574	27.7%	81,143	41.1%	84,826	33.9%
ECB	26,924	10.9%	27,498	13.9%	27,171	10.9%
Commercial Paper	14,782	6.0%	9,322	4.7%	13,921	5.6%
Others	37	0.0%	20	0.0%	18	0.0%
Total	2,47,346	100.0%	1,97,429	100.0%	2,50,241	100.0%

Cost of borrowing (Consolidated)



Received rating upgrade from S&P to BB- from B+ in Oct 2021

Received rating upgrade from CRISIL to AA in Sep 2019

Raised \$300m of MTN by issuing a listed bond in Jan 2020

Rated BB- by S&P and Fitch

Subsidiary credit rating of CRISIL AA- for Asirvad and HFC

INDEPENDENT BOARD AND DEEP MANAGEMENT BENCH

Key Managerial Personnel



Mr. V. P. Nandakumar
Managing Director and CEO

- Postgraduate in Science
- Managing committee member of ASSOCHAM and FICCI



Mr. B.N. Raveendra Babu
MD – MFI, Non-Executive Director & Non-Independent Director at Manappuram Finance

- Masters degree in commerce
- Director since July 1992



Mr. Suveen P.S
CEO - Housing Finance

- B. Tech Graduate in Applied Electronics & Instrumentation engineering and Masters in Embedded System
- 6 years of experience in the field of operations



Mr. Senthil Kumar
Head – Vehicle and Equipment Finance

- Over 24 years experience with organizations such as Fullerton India, HDFC Bank, Citicorp etc.



Mrs. Bindu A L
CFO

- Fellow member of the Institute of Chartered Accountants of India
- 21 years of work experience in various capacities



Mr. Manoj Kumar VR
Company Secretary

- Fellow member of the Institute of Company Secretaries of India
- 14 years of experience as a Company Secretary

Board of Directors



Dr. Shailesh J Mehta | *Independent & Non-Executive Director*

- B-tech in ME from IIT- B, MSc in Operations, PhD degree in Operation Research
- Over 38 years of experience, was President of Granite Hill Capital Ventures



Mr. S. R. Balasubramanian | *Independent & Non-Executive Director*

- Holds a Bachelor degree in Engineering (Electronics) from Madras University
- He has over 43 years of experience in the field of Information Technology at various capacities



Mr. Abhijit Sen | *Independent and Non-Executive Director*

- B-Tech (Hons) from Indian Institute of Technology, Kharagpur, Post Graduate Diploma in Management from Indian Institute of Management, Kolkata
- Senior Advisor to E&Y
- Previously CFO Citibank, Indian subcontinent



Mr. Harshan Kollara | *Independent & Non-Executive Director*

- He holds a Masters in Economics from Bombay University.
- Board member-Fast Encash Money Transfer (UK), Abans Global Ltd (UK)



Mr. Gautam Narayan | *Non-Executive Director*

- Chartered Accountant with a Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad
- Partner at Apax Partners LLP



Sutapa Banerjee | *Independent and Non-Executive Director*

- Gold medalist in Economics from XLRI School of Management
- 24 years in financial services industry in ANZ Grindlays Bank, ABN AMRO Bank



Mr. P. Manomohanam | *Independent & Non-Executive Director*

- B.Com Kerala University, Diploma in Industrial finance, Certified Associate of the Indian Institute of Bankers
- Over 42 years work ex in RBI, NBFCs regulations



Mr V. R. Ramchandran | *Independent & Non-Executive Director*

- B. Sc.: Calicut University, B.A. LLB : Kerala University
- 36 years of work experience, civil lawyer enrolled with the Thrissur Bar Association



BOARD OVERSIGHT



Operational Risk

Geographic Concentration

- **Portfolio Outstanding** related caps at state and district level
- MFI Industry **Market share** cap of 5% for a state

Branch and Division Level

- **Monthly internal audits** at all branches (including centers) and divisions
- Assignment & Monitoring of **compliance scores** based on audit
- **Regularly verify loan documents**
- **Fraud prevention** and **early detection**

Employee Level

- **Mandatory rotation** for all employees at branch and divisional level
- **Geo-tagging** of center meeting location
- **Live data entry** of collections through tablets and SMS to customers
- **Restricted span of control** for higher supervision

- ✓ Lower ATS vs Industry
- ✓ Borrower limits more stringent vs MFIN

COMPLIANCE DEPARTMENT



Credit Risk

Geographic selection

- Comprehensive **risk score card** based branch expansion
- Risk score card assesses:
 - Industry Presence
 - PAR performance
 - Local Issues (Political, prone to drought / floods)

Customer Diligence

- Stringent **CGT and GRT**
- **CB check** conducted for each potential customer
- **Regularly loan utilization check** post disbursement
- Selective monitoring of customers more vulnerable to default

INTERNAL AUDIT



Financial Risk

Borrowings

- Borrowing committee working under the supervision of the Board to **effectively manage**:
 - Borrowing cost and Drawdowns
 - Lender Dependence caps
- **Big firms** as internal and statutory auditors

Treasury and Liquidity

- **Active treasury management**
 - Selecting short term savings instruments for excess Funds
 - Prudent ALM Management
- **Sufficient Liquidity**

RISK MANAGEMENT COMMITTEE OVERSIGHT



Political Risk

- **Engagement activity** with members and society including financial literacy and awareness programs
- **Active engagement** with State Level **SROs**
- Continuous interest **rate reduction**
- Robust Customer grievance redressal mechanism
- Toll free helplines and tele-calling services
- Monitoring of timely resolution of **customer grievances**

- Incorporated at Thrissur
- First public issue of shares for INR17.5m with listing on Bombay, Madras and Cochin stock exchanges
- RBI permits accepting public deposits
- Major policy change sees MFL shifting its focus to gold loans

1992-2000

- Fullerton India/Temasek sanctions credit limit of INR500m, enhances the limit to INR4.8bn within a year
- Receives FII from Sequoia Capital and Hudson Equity Holdings investing INR700m
- Total business volumes of INR10bn in 2008
- Total business volumes cross INR50bn in 2010
- Raises INR2.5bn through QIP
- Opens its 1001st branch at Thrissur town

2006-2010

- Acquires 100% ownership of Manappuram Insurance Brokers
- Reaches 4.5m live customers; diversifies to total of 24 states and 4 union territories with 4,380 branches
- Commercial vehicles business achieves INR10bn AUM; Microfinance business enters the North Eastern region; introduces OGL mobile application

2016-2019

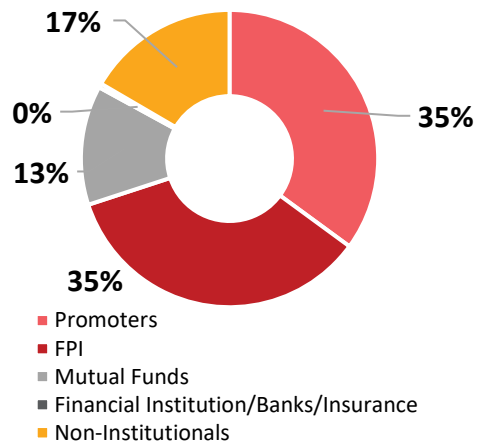
2001-2005

- Commences forex business with moneychanger's license from the RBI
- Declares rights issue in 2003
- Attracts institutional funding for the first time, when ICICI Bank sanctions working capital facility of INR250m under a 'bilateral assignment'

2011-2015

- AUM grows to INR75bn in 2011 and crosses over INR100bn in 2012
- Branch Network reaches 2,908, with more than 850 branches added in 2012
- Pioneered introduction of shorter tenure loans (3 to 9 months) with lower LTV for longer tenure loans based on RBI stipulation on LTV
- Acquires ownership of Milestone Home Finance Private Limited from Jaypee Hotels
- Diversifies into Home Loans and Commercial Vehicle finance
- Acquires Asirvad Microfinance
- Introduces online gold loan (OGL) in October becoming the first in the industry to do so in 2015

Shareholding Pattern (as on 30th September, 2021)

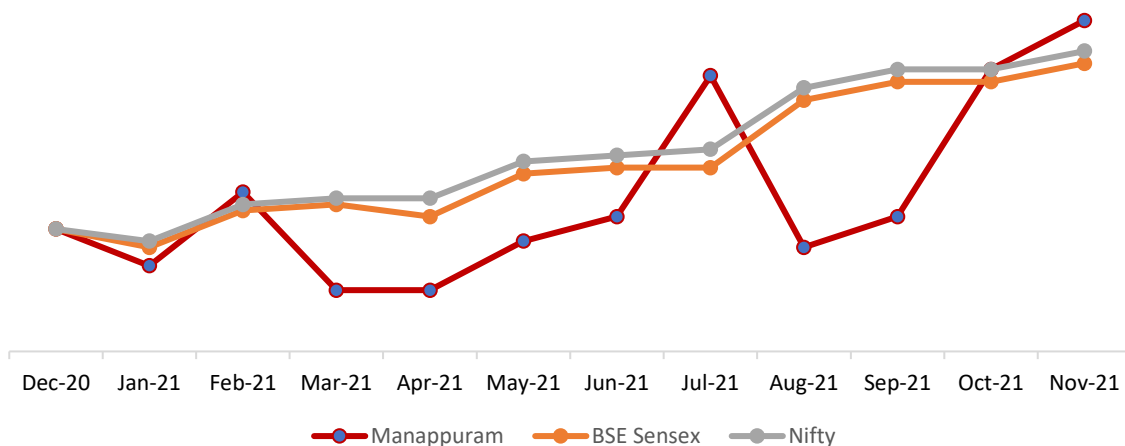


Top Shareholders holding more than 1% (other than promoters)	%
QUINAG ACQUISITION (FPI) LTD	9.9
DSP INVESTMENT MANAGERS PVT. LTD.	7.8
FIDELITY INVESTMENT TRUST FIDELITY	3.7
BARCLAYS MERCHANT BANK (SINGAPORE) LIMITED - ODI	2.3
BARING INDIA PRIVATE EQUITY FUND III	1.9
DURO ONE INVESTMENTS LIMITED	1.4
BARING INDIA PRIVATE EQUITY FUND II LIMITED	1.3

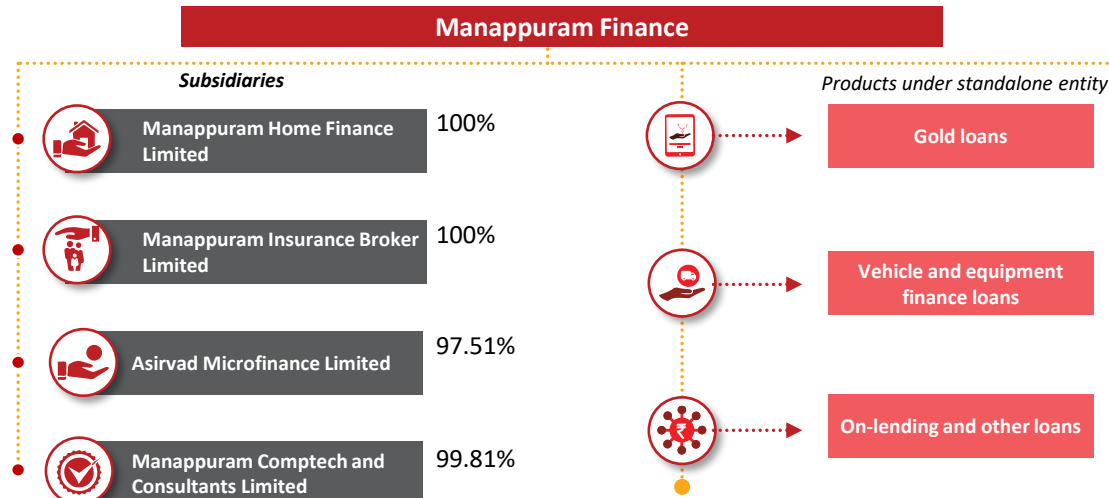
Stock Data

Market Cap as on 12-Nov-21	₹ 18,485 Crs
Stock Price as on 12-Nov-21	218.40
52 Week (High/Low)	₹ 224.40 / ₹ 139.00
NSE/BSE Symbol	MANAPPURAM / 531213
No. of Shares Outstanding	84,63,64,729
Average Daily Volume (2 months)	61,43,779

Stock Performance (as on 12th Nov, 2021)



Group structure





THANK YOU

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CFO

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