



# Manappuram Finance Ltd

Investor Presentation  
Q3 & 9M FY2022



**Gold  
Finance**



**Vehicle  
Finance**



**Home  
Finance**



**Micro  
Finance**



**MSME  
Finance**

[www.manappuram.com](http://www.manappuram.com)



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# Vision: To Become Financial Partner Of Choice For Under-banked Customers Across Their Lifecycle

## 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 **#3 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) and MSME
- Branch network of **4,600** branches with employee strength of **30,000+** on consol basis

## GROWTH STRATEGY

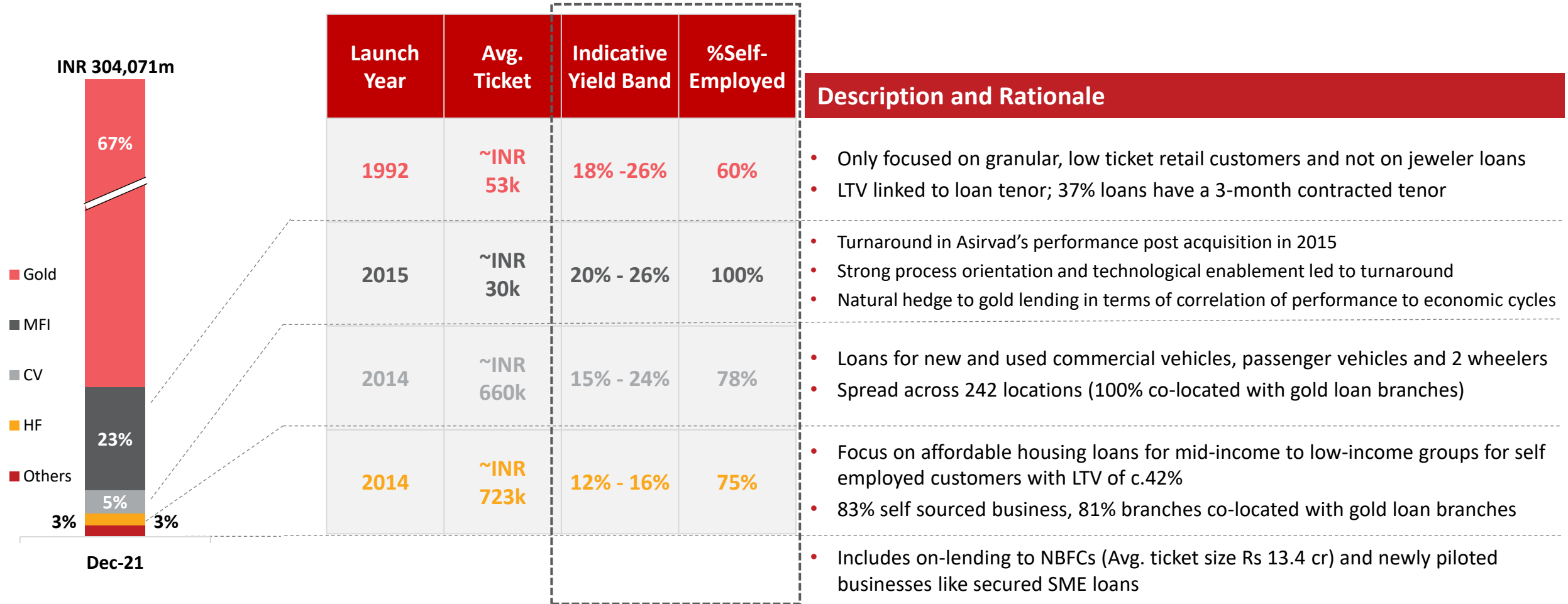
- Create market for gold loans as a mainstream, convenient and affordable product
- One stop shop for meeting customer's borrowing and protection needs (small ticket loans to underbanked customers)

## 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 c.**70 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 (30% Tier 1 ratio), with strong ALM and access to diversified sources of funds**
- **Board driven governance** process

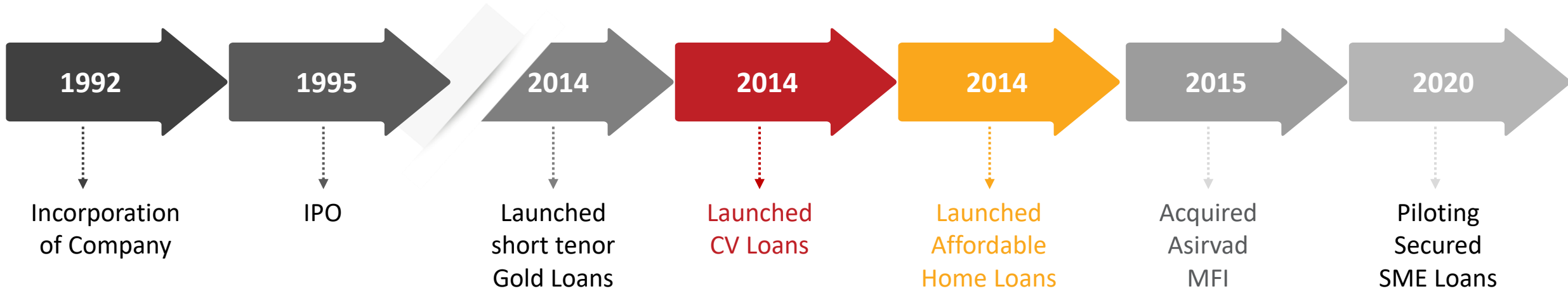


# Product Strategy: Focus on Serving Under Banked Customers with Good Risk Adjusted Yields



- 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

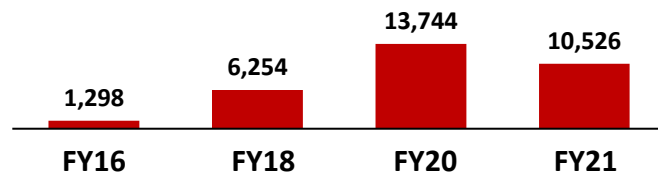
# Product Diversification Journey



## 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

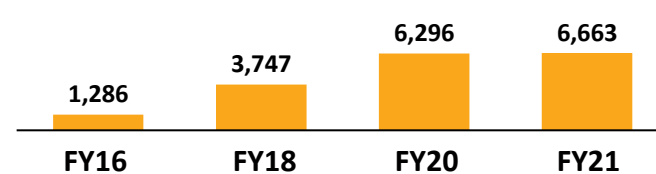
AUM, INRm



## 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

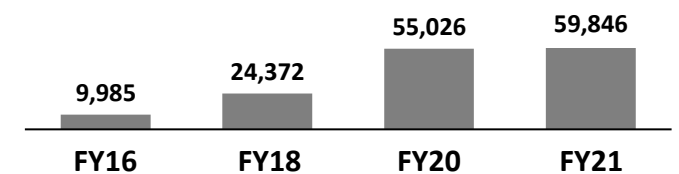
AUM, INRm



## 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

## Q3 - FY2022





## Gold Loan AUM Growth

- Gold Loan AUM has grown by 8.8 % sequentially, driven mainly by collateral growth of 7.8% in Q3 FY22
- Gold Loan growth was due to our marketing strategy, opening of economic activities and offering lower yields for high ticket size loans. Our LTV is at 65% as on 31<sup>st</sup> Dec,2021
- As on 31<sup>st</sup> Dec ,2021 Gold Loan AUM in Asirvad was Rs 181 cr.
- Our overall asset quality for gold loans has improved during this quarter

## Well positioned on liquidity

- Strong ALM position; proportion of CPs (standalone basis) is only 8.2% of total liabilities
- Cost of borrowing declined by 47 bps on a sequential basis during 3QFY22
- Cash and CE on consol basis at the end of Dec 21 stood at Rs 16,540 mn. In addition, the Company had access to Rs 32,020 mn undrawn bank lines
- Tier 1 ratio of 29.8%; Excess capital will be utilized towards growth in gold and other parts of the portfolio over the coming quarters. We have maintained quarterly dividend payout at **0.75 paise** per share

## Non-Gold Businesses

- **MFI:** We are continuously improving collections in MFI portfolio. Collection efficiency for the quarter was at 96% vs 93% in Q2 FY22.
- Our collection efficiency is improving quarter on quarter. We have slowed down our growth during this quarter and focused on asset quality and collection efficiency
- **VEF:** Growth and collection efficiency has improved during this quarter due to opening of economic activities.
- **HFC:** HFC portfolio is expected to grow steadily

## Outlook

- Our PAT has been affected temporarily due to shifting of high yield to lower yielding gold loans, coupled with aggressive marketing efforts / ad-spends. We are focused on Opex reduction which has increased since last two quarters on the back of increasing incentives and higher ad-spends
- We are focusing more on collection efficiency and quality growth in MFI books considering new Covid Variant

# Consolidated Financial Overview – Q3FY2022

Particulars (Rs. Mn)	Q3FY22	Q2FY22	Q-o-Q %	Q3FY21	Y-o-Y %	9M FY22	9M FY21	Y-o-Y %
<b>CONSOLIDATED AUM (Rs. Bn)</b>	304	284	<b>7.0%</b>	276	<b>10.0%</b>	304	276	<b>10.0%</b>
<b>NET INTEREST INCOME</b>	9,534	10,396	<b>-8.3%</b>	10,866	<b>-12.3%</b>	30,631	30,269	<b>1.2%</b>
<b>OPEX</b>	5,228	4,593	<b>13.8%</b>	3,553	<b>47.1%</b>	13,541	10,219	<b>32.5%</b>
<b>PPOP #</b>	4,530	6,028	<b>-24.9%</b>	7,375	<b>-38.6%</b>	17,644	20,274	<b>-13.0%</b>
<b>PAT (Rs. Mn) **</b>	2,610	3,699	<b>-29.4%</b>	4,832	<b>-46.0%</b>	10,677	12,566	<b>-15.0%</b>
<b>EPS *</b>	12.3	17.5	<b>-29.3%</b>	22.8	<b>-46.0%</b>	16.8	19.8	<b>-15.1%</b>
<b>ROA %</b>	3.1	4.7	<b>-34.3%</b>	6.1	<b>-49.2%</b>	4.4	5.3	<b>-17.8%</b>
<b>ROE %</b>	12.9	18.9	<b>-31.5%</b>	29.0	<b>-55.3%</b>	18.4	25.8	<b>-28.6%</b>
<b>BVPS (In Rs.)</b>	96.4	94.1	<b>2.4%</b>	81.2	<b>18.8%</b>	96.4	81.2	<b>18.8%</b>
<b>NETWORTH (Rs. Mn)</b>	81,604	79,679	<b>2.4%</b>	68,696	<b>18.8%</b>	81,604	68,696	<b>18.8%</b>
<b>COST OF FUNDS %</b>	8.4	8.5	<b>-1.4%</b>	9.3	<b>-9.3%</b>	8.6	9.9	<b>-12.5%</b>

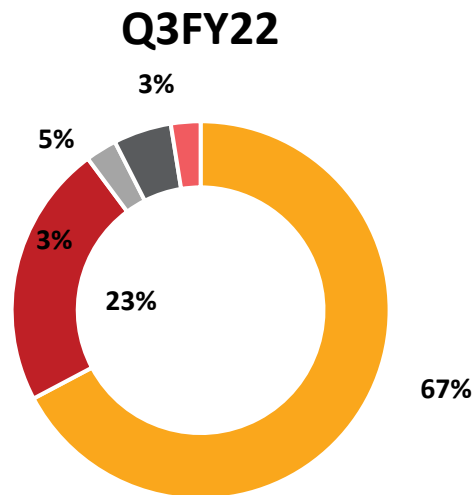
AUM: Assets Under Management | \*\* Net Profit: PAT (Before OCI and MI) | # PPOP : (PBT+Provision) |

\*Annualised EPS

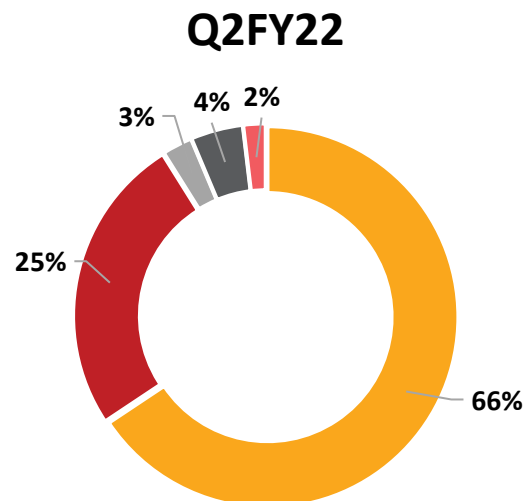
# Consolidated Operational Overview – Q3FY2022

Particulars	Q3FY22	Q2FY22	Q-o-Q %	Q3FY21	Y-o-Y %
<b>GOLD AUM (Rs Bn)</b>	205	188	8.8%	202	1.2%
<b>GOLD TONNAGE</b>	70	65	7.8%	68	2.6%
<b>GOLD BRANCHES (Nos)</b>	3,524	3,524	0.0%	3,524	0.0%
<b>GOLD CUSTOMERS (in Mn)</b>	2.5	2.5	-0.4%	2.6	-4.4%
<b>NON-GOLD AUM (Rs Bn)</b>	101	97	4.5%	74	36.4%
<b>NON-GOLD BRANCHES (Nos)</b>	1,427	1,341	6.4%	1,051	35.8%
<b>MFI CUSTOMERS (in Mn)</b>	2.6	2.6	0.4%	2.4	9.0%
<b>VEF/SME CUSTOMERS (in Mn)</b>	0.1	0.1	10.9%	0.1	6.7%

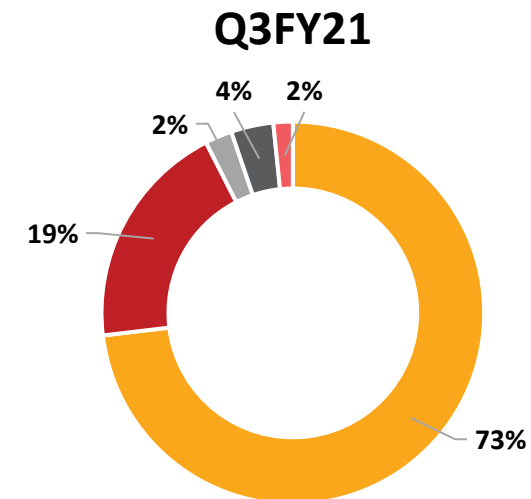
Note – In Asirvad Microfinance Ltd , we have opened 249 nos dedicated Gold Loan Branches as of now



Gold MFI HFC VEF Others



Gold MFI HFC VEF Others



Gold MFI HFC VEF Others

Particulars (Rs mn)	Q3FY22	Q2FY22	QoQ	Q3FY21	YoY
Gold	2,04,517	1,88,037	8.8%	2,02,116	1.2%
MFI	68,591	70,299	-2.4%	53,263	28.8%
HFC	8,167	7,322	11.5%	6,334	28.9%
VEF	15,097	12,671	19.1%	9,880	52.8%
Others	7,700	5,887	30.8%	4,831	59.4%
<b>Total</b>	<b>3,04,071</b>	<b>2,84,216</b>	<b>7.0%</b>	<b>2,76,425</b>	<b>10.0%</b>

# Consolidated Profit & Loss Statement for Q3FY2022

Particulars (Rs Mn)	Q3FY22	Q2FY22	Q-o-Q %	Q3FY21	Y-o-Y %	9M FY22	9M FY21	Y-o-Y %
<b>Closing AUM (Rs Bn)</b>	<b>304</b>	<b>284</b>	7.0%	<b>276</b>	10.0%	<b>304</b>	<b>276</b>	10.0%
<b>Income from Operations</b>	14,845	15,319	-3.1%	16,438	-9.7%	45,797	47,219	-3.0%
Finance expenses	5,311	4,924	7.9%	5,573	-4.7%	15,165	16,950	-10.5%
<b>Net interest income</b>	<b>9,534</b>	<b>10,396</b>	-8.3%	<b>10,866</b>	-12.3%	<b>30,631</b>	<b>30,269</b>	1.2%
Employee expenses	3,057	2,878	6.2%	2,173	40.7%	8,239	6,095	35.2%
Other operating expenses	2,171	1,715	26.6%	1,381	57.3%	5,302	4,124	28.5%
<b>Pre provision profit</b>	<b>4,306</b>	<b>5,803</b>	-25.8%	<b>7,313</b>	-41.1%	<b>17,090</b>	<b>20,050</b>	-14.8%
Provisions/Bad debts	1,048	1,078	-2.8%	802	30.6%	3,348	3,335	0.4%
Other Income	224	225	-0.4%	62	261.9%	553	225	146.4%
<b>Profit before Tax</b>	<b>3,482</b>	<b>4,950</b>	-29.7%	<b>6,573</b>	-47.0%	<b>14,296</b>	<b>16,940</b>	-15.6%
Tax	872	1,251	-30.3%	1,741	-49.9%	3,618	4,374	-17.3%
<b>PAT before OCI</b>	<b>2,610</b>	<b>3,699</b>	-29.4%	<b>4,832</b>	-46.0%	<b>10,677</b>	<b>12,566</b>	-15.0%
Other Comprehensive Income	(58)	67	-186.7%	(145)	-60.0%	(184)	(372)	-50.4%
<b>Total Comprehensive Income</b>	<b>2,552</b>	<b>3,766</b>	-32.2%	<b>4,687</b>	-45.5%	<b>10,493</b>	<b>12,194</b>	-13.9%
Minority Interest	(0.1)	5.7	-101.8%	10	101.1%	3.3	7	51.5%
<b>PAT</b>	<b>2,552</b>	<b>3,760</b>	-32.1%	<b>4,677</b>	-45.4%	<b>10,490</b>	<b>12,187</b>	-13.9%

# Consolidated Balance Sheet for Q3FY2022

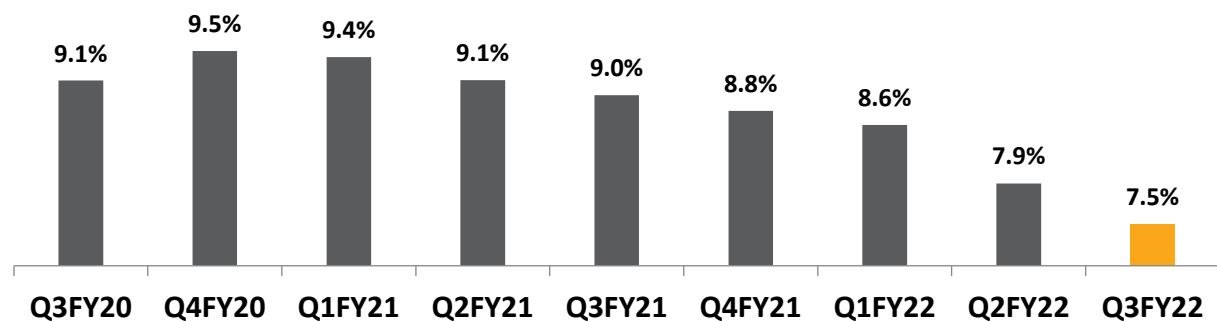
Particulars (Rs Mn)	Dec-21	Sept-21	QoQ %	Dec-20	YoY %
Cash & Bank Balances	16,540	45,784	-63.9%	27,236	-39.3%
Investments	4,240	3,220	31.7%	3,476	22.0%
Loans & Advances	2,98,213	2,77,588	7.4%	2,68,927	10.9%
Fixed Assets	3,431	3,073	11.6%	3,021	13.6%
Other Assets	13,991	13,116	6.7%	11,699	19.6%
<b>Total Assets</b>	<b>3,36,415</b>	<b>3,42,781</b>	<b>-1.9%</b>	<b>3,14,358</b>	<b>7.0%</b>
Share Capital	1,693	1,693	0.0%	1,692	0.0%
Reserves & Surplus	79,911	77,986	2.5%	67,004	19.3%
Borrowings	2,40,819	2,50,241	-3.8%	2,33,744	3.0%
Other Liabilities & Provisions	13,831	12,700	8.9%	11,447	20.8%
Minority Interest	161	161	-0.1%	471	-65.8%
<b>Total Liabilities</b>	<b>3,36,415</b>	<b>3,42,781</b>	<b>-1.9%</b>	<b>3,14,358</b>	<b>7.0%</b>

# Standalone Borrowing Profile for Q3FY2022

## BORROWING AS ON 31<sup>st</sup> December = Rs. 181,363 Mn

Borrowing Mix	Q3FY21		Q2FY22		Q3FY22	
	Amount	%	Amount	%	Amount	%
WCDL/CC	55,294	29.1%	63,586	35.4%	71,838	39.6%
Term Loan	33,662	17.7%	12,768	7.1%	12,491	6.9%
NCD & Bonds	60,314	31.7%	63,548	35.4%	55,865	30.8%
ECB	25,762	13.5%	25,874	14.4%	26,253	14.5%
Commercial Paper	15,244	8.0%	13,921	7.7%	14,901	8.2%
Others	24	0.0%	17	0.0%	15	0.0%
<b>Total</b>	<b>1,90,301</b>	<b>100.0%</b>	<b>1,79,714</b>	<b>100.0%</b>	<b>1,81,363</b>	<b>100.0%</b>

## COST OF BORROWING %



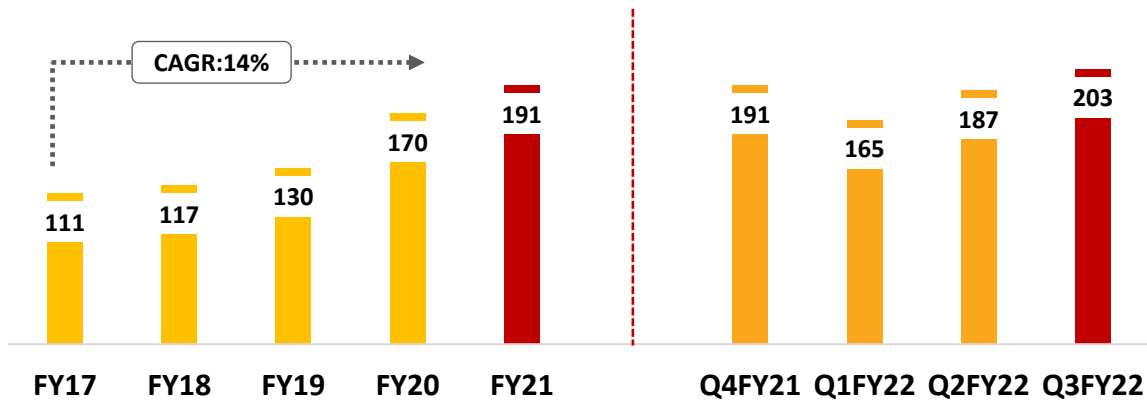
## DOMESTIC RATING

Term	Rating Agency	Rating
Long Term	CRISIL RATINGS	AA (Stable)
Commercial Paper		A1
Long Term	CARE Ratings	AA (Stable)
Commercial Paper		A1
Long Term	Brickwork	AA+ (Stable)

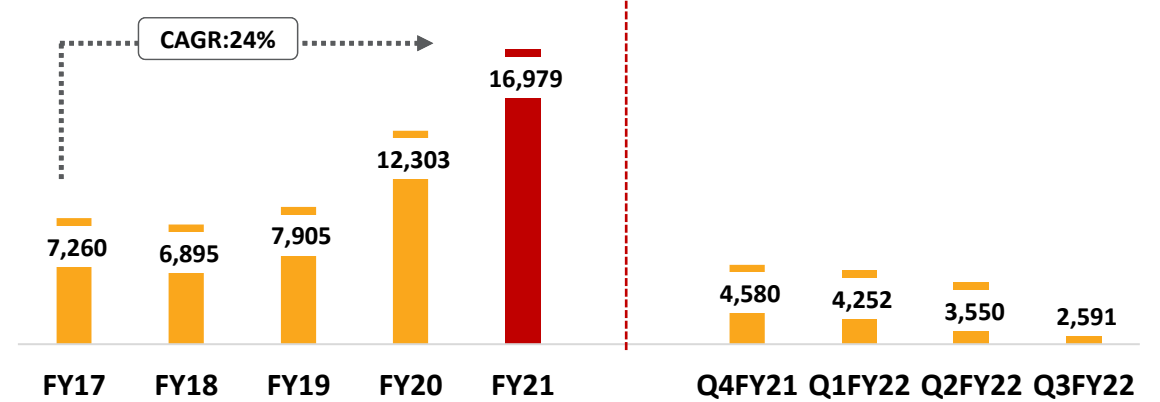
## INTERNATIONAL RATING

Term	Rating Agency	Rating
Long Term	S&P Global	BB- /Stable
Short Term		B
Long Term	FitchRatings	BB – / Stable

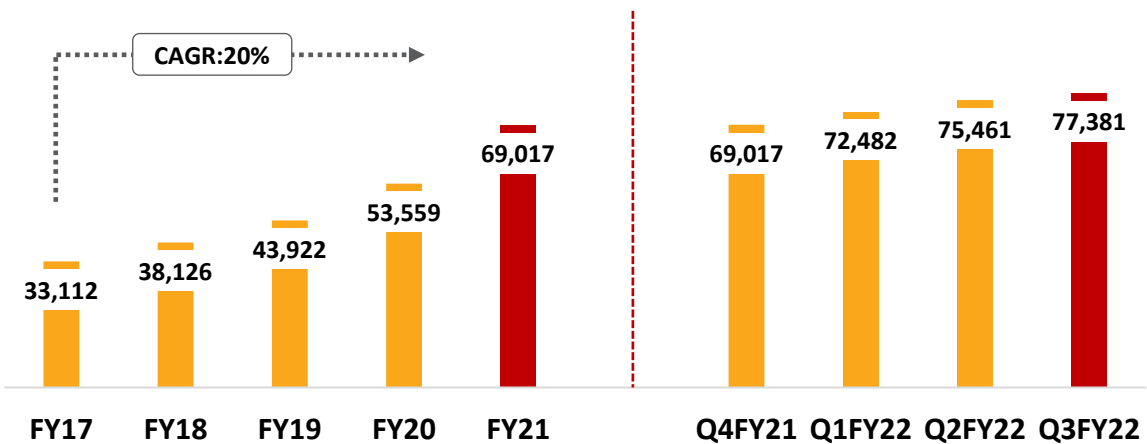
### GOLD LOAN AUM (Rs. Bn)



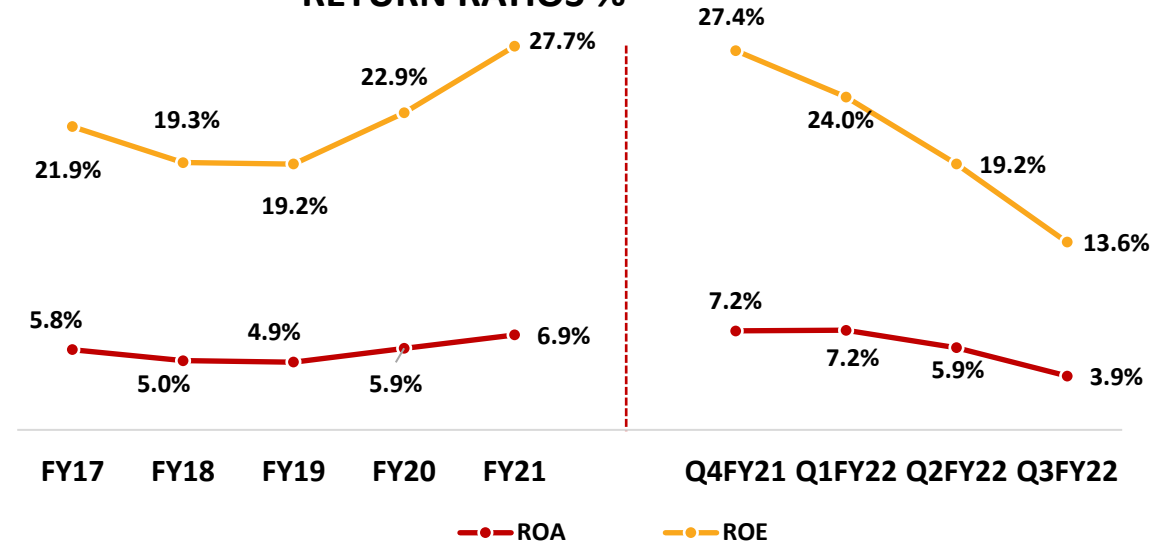
### NET PROFIT (Rs. Mn)



### NET WORTH (Rs. Mn)

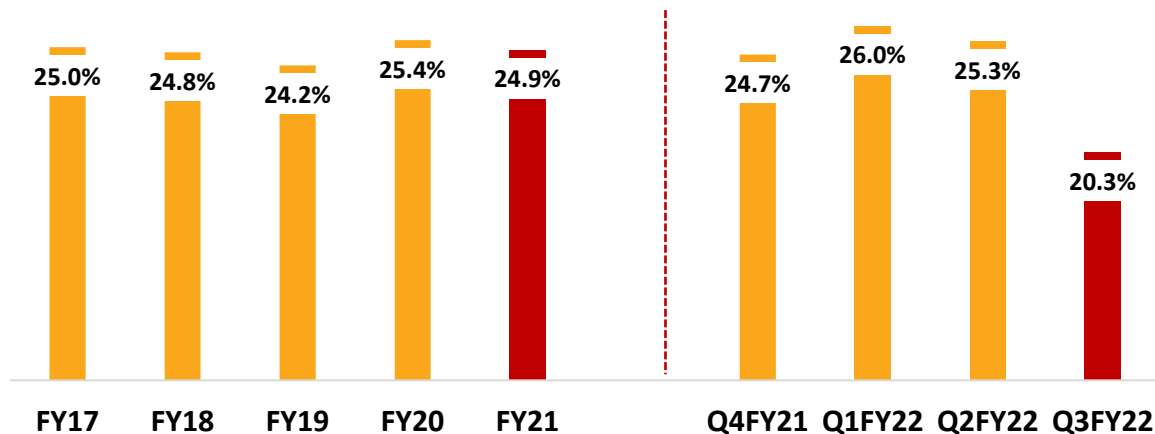


### RETURN RATIOS %

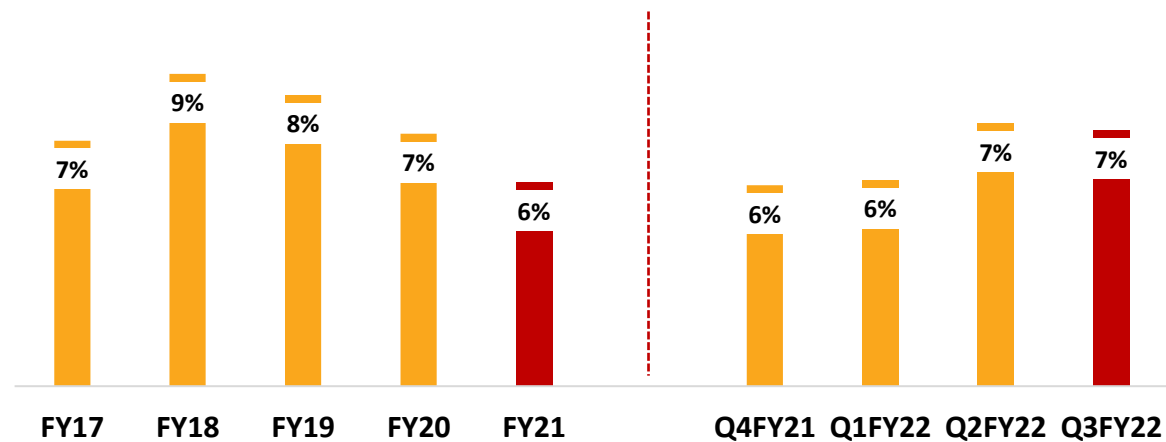




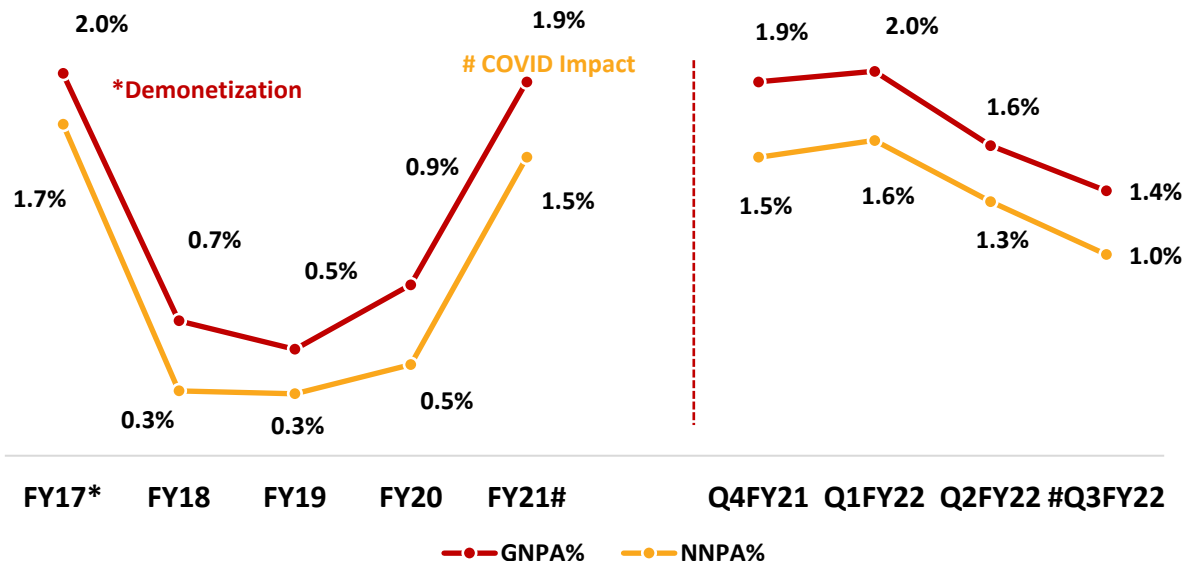
### NET YIELD (%)



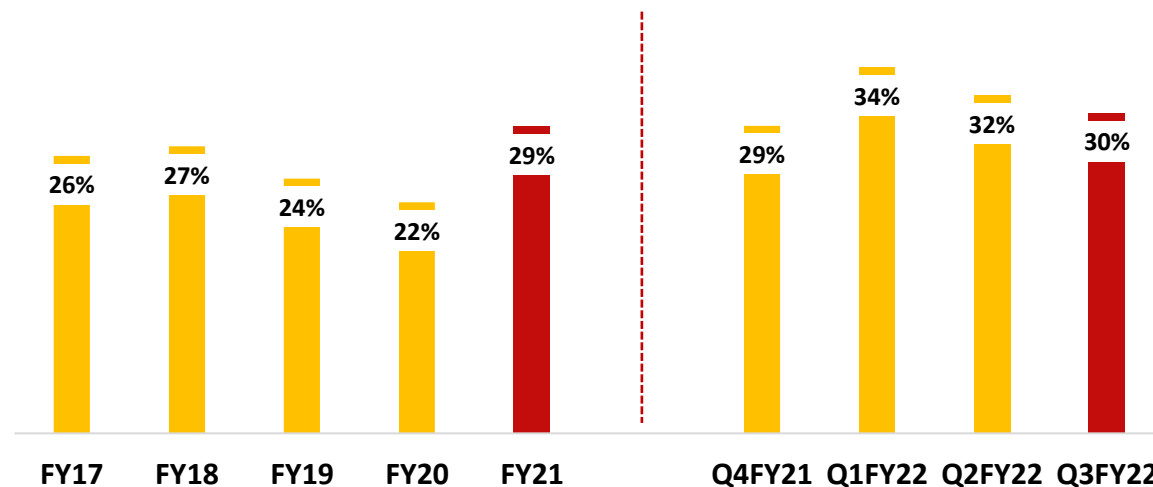
### OPEX TO AUM %



### NPA ANALYSIS %



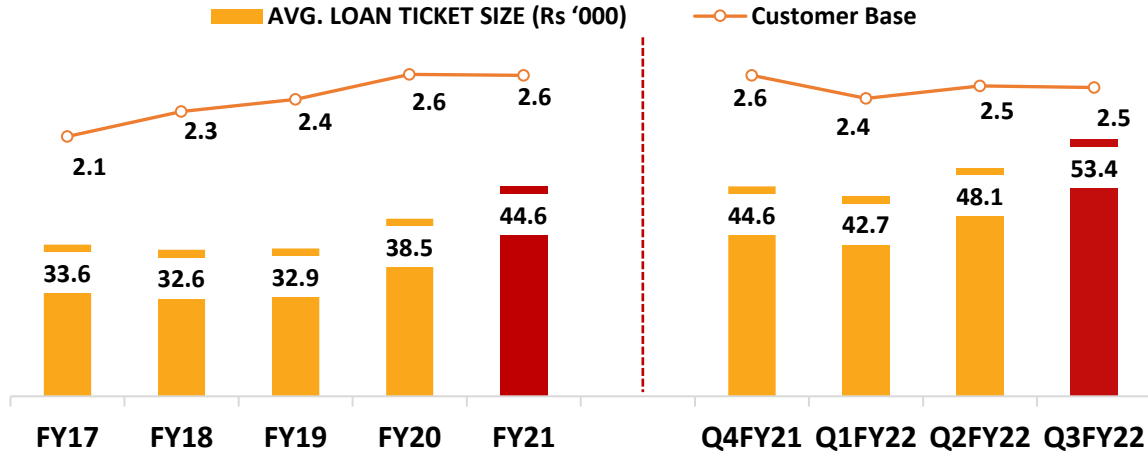
### CAPITAL ADEQUACY RATIO %



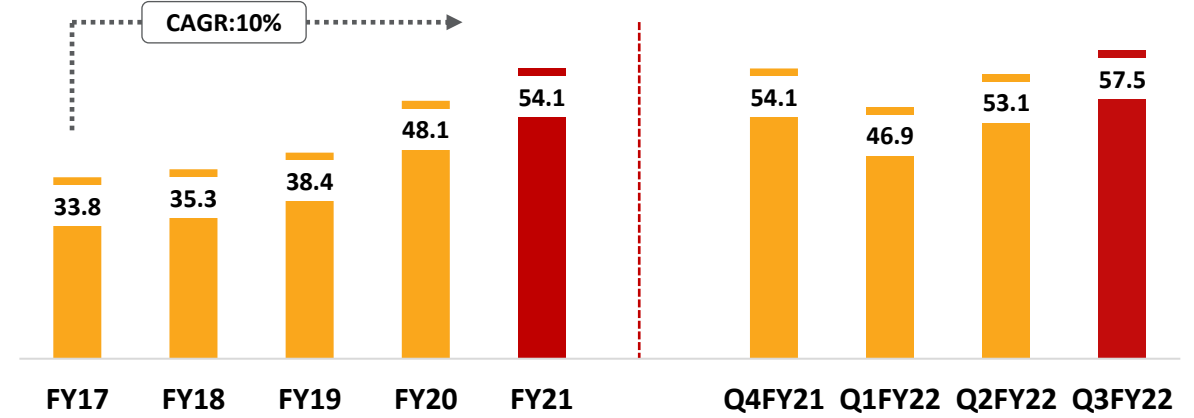
# SEGMENTAL PERFORMANCE



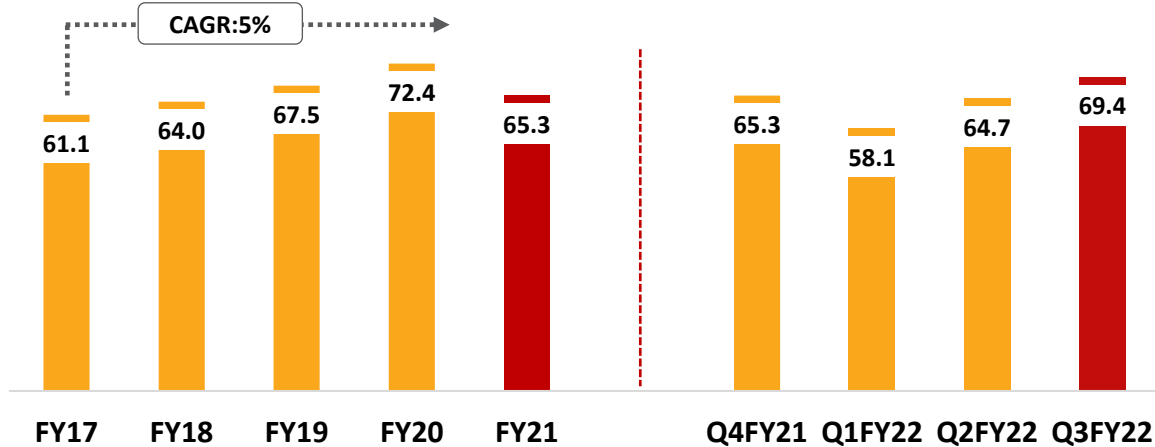
## AVG. LOAN TICKET SIZE (Rs '000) CUSTOMER BASE(Mn)



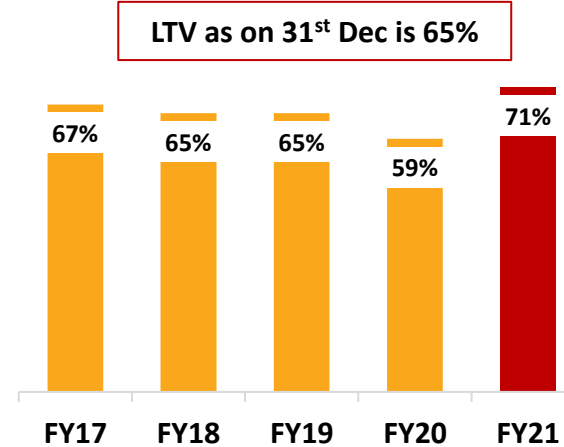
## GOLD AUM PER BRANCH (Rs Mn)



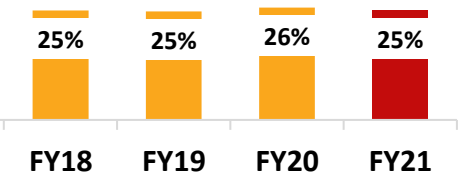
## GOLD HOLDINGS (TONNAGE)



## LTV (%)



## GOLD LOAN YIELDS (%)

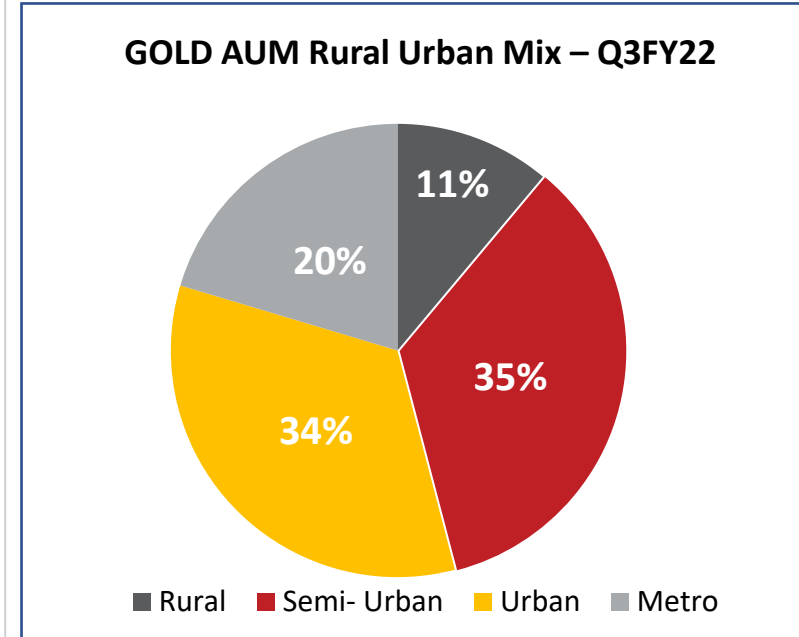
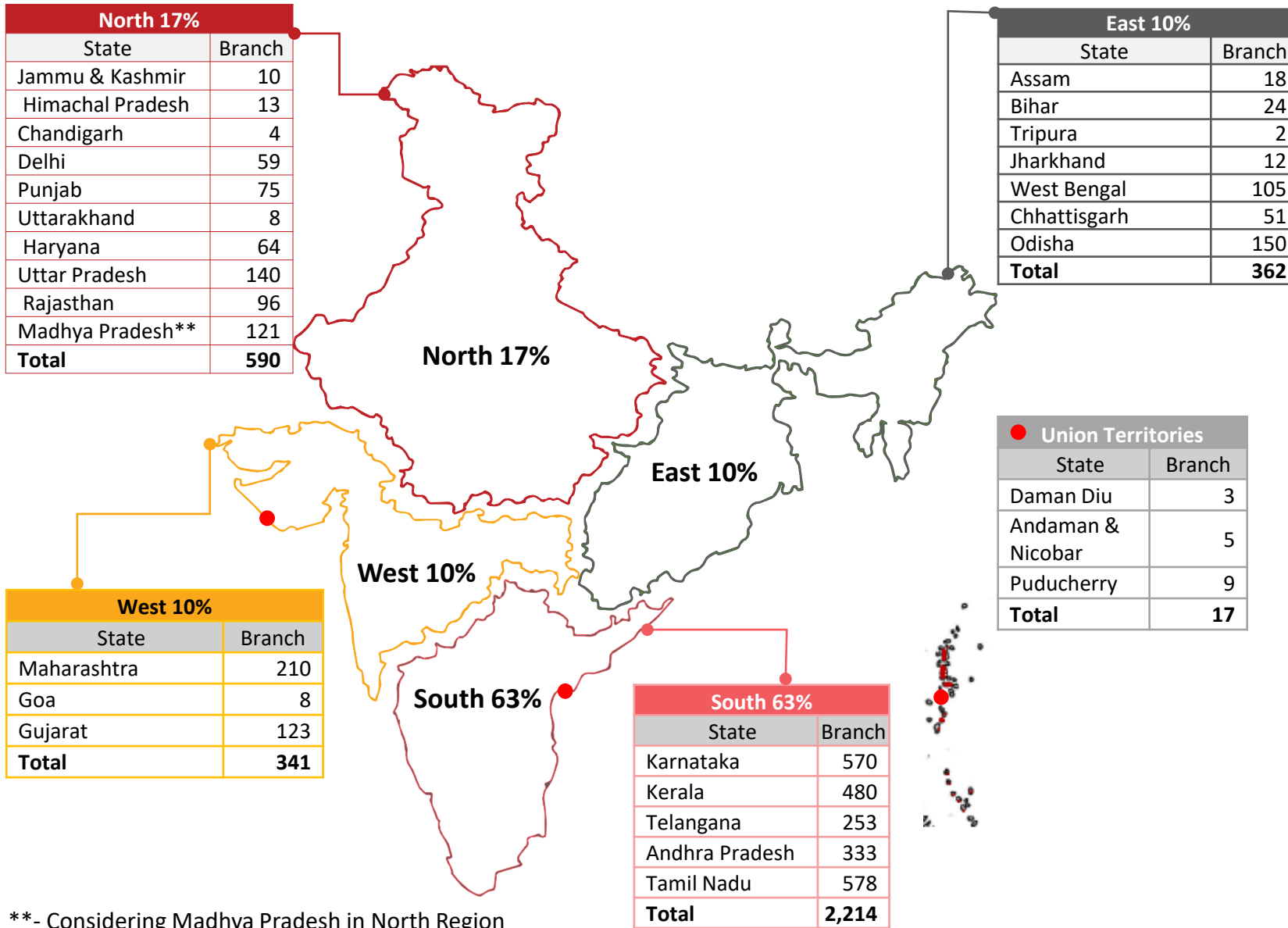




- Low interest rate sensitivity given small ticket size, short tenor and convenience of product

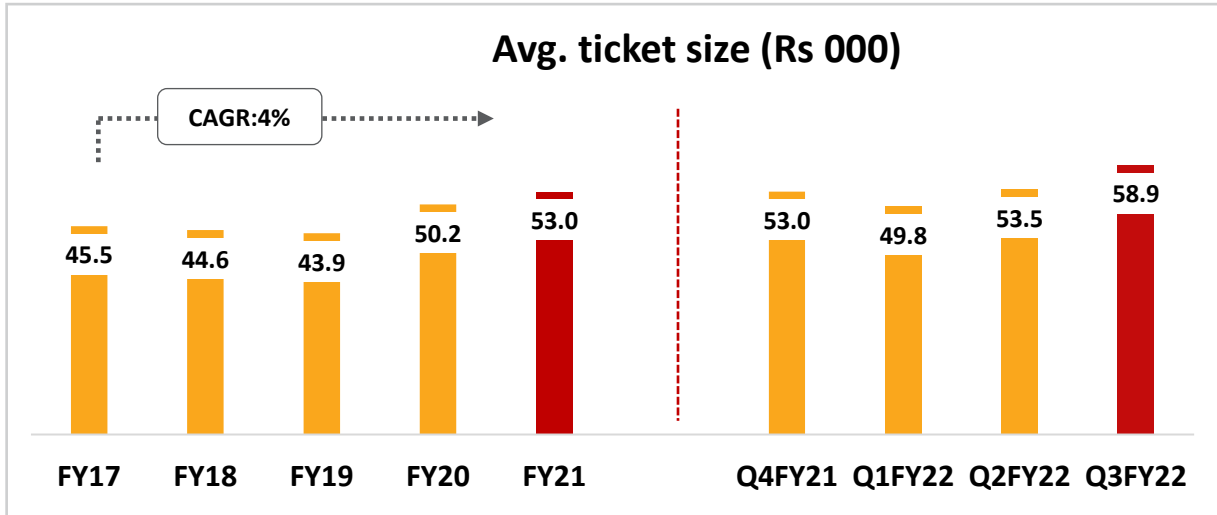
- Significant operating expense leverage as new branches mature
- Manappuram has undertaken various cost rationalization initiatives e.g. introduction of cellular vaults which has resulted in INR 521m average opex saving annually

# Gold Loan Pan India Presence (Q3FY2022)

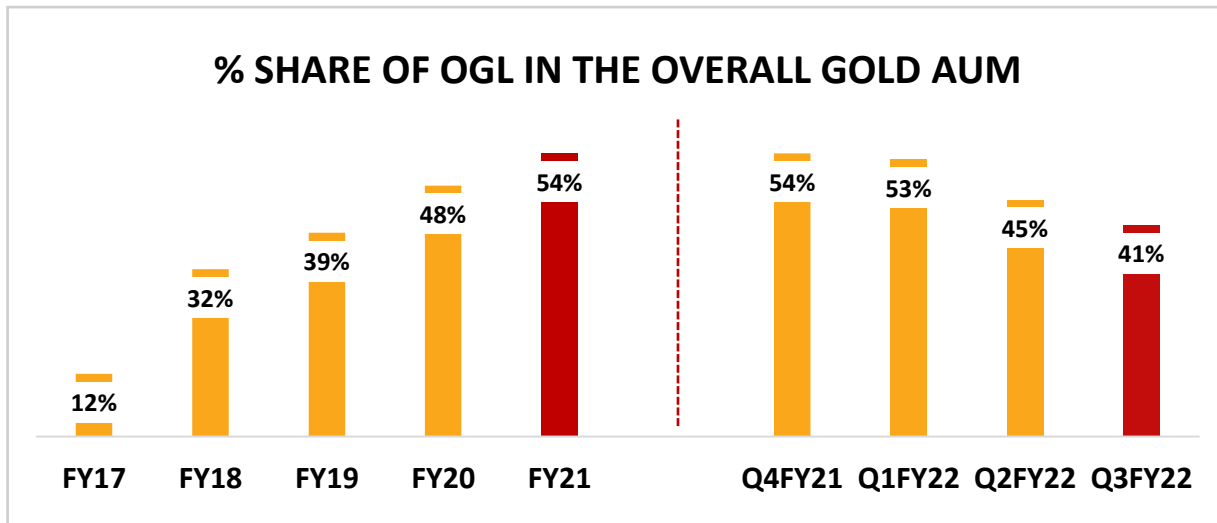


\*\* - Considering Madhya Pradesh in North Region

Avg. ticket size (Rs 000)



% SHARE OF OGL IN THE OVERALL GOLD AUM



## ONLINE GOLD LOANS SUPERIOR FOR CUSTOMERS

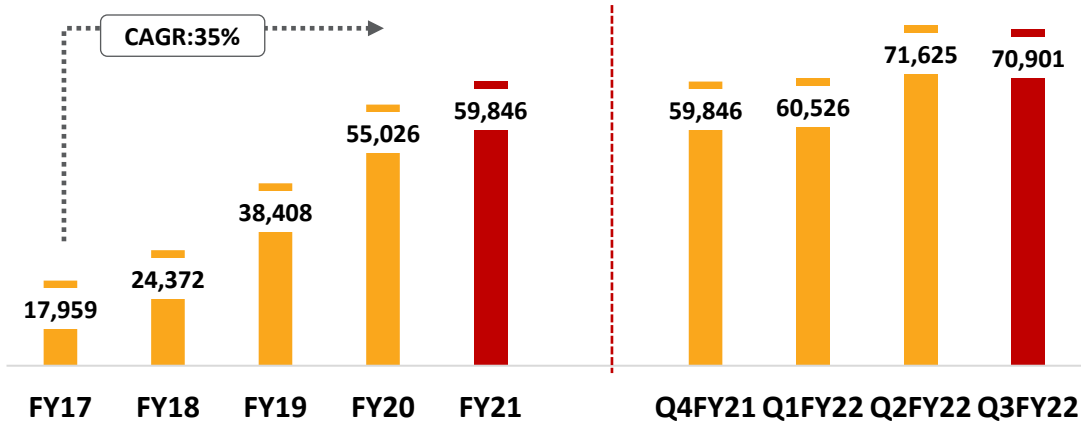
- 1 First NBFC to launch Online Gold Loan (OGL) in September 2015
- 2 Facility enables customers to avail a gold loan anytime, from anywhere in the world against gold stored in Manappuram branch
- 3 Instant fund transfer upto pre-approved limits
- 4 Online APP is available in different regional languages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

# Asirvad Microfinance Results for Q3FY2022

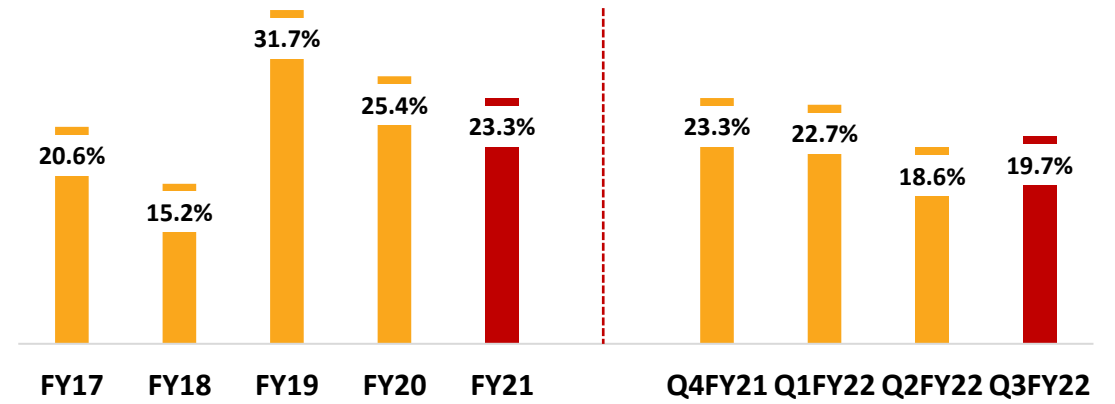
Particulars (Rs in Mn)	Q3FY22	Q2FY22	Q-o-Q %	Q3FY21	Y-o-Y %	9M FY22	9M FY21	Y-o-Y %
<b>Closing AUM</b>	70,901	71,625	<b>-1.0%</b>	53,577	<b>32.3%</b>	70,901	53,577	<b>32.3%</b>
<b>Income from Operations</b>	3,473	3,321	<b>4.6%</b>	2,559	<b>35.7%</b>	9,762	7,743	<b>26.1%</b>
Finance expenses	1,664	1,421	<b>17.1%</b>	1,096	<b>51.8%</b>	4,277	3,515	<b>21.7%</b>
<b>Net interest income</b>	1,809	1,900	<b>-4.8%</b>	1,463	<b>23.7%</b>	5,486	4,228	<b>29.7%</b>
Employee expenses	701	652	<b>7.6%</b>	520	<b>34.8%</b>	1,888	1,366	<b>38.3%</b>
Other operating expenses	389	344	<b>12.9%</b>	282	<b>37.7%</b>	1,015	753	<b>34.8%</b>
<b>Pre provision profit</b>	719	904	<b>-20.4%</b>	660	<b>8.9%</b>	2,582	2,109	<b>22.4%</b>
Provisions/Bad debts	843	962	<b>-12.4%</b>	484	<b>74.1%</b>	2,710	2,049	<b>32.2%</b>
Other Income	132	225	<b>-41.6%</b>	146	<b>-9.6%</b>	413	191	<b>116.1%</b>
<b>Profit before Tax</b>	8	167	<b>-95.3%</b>	322	<b>-97.6%</b>	285	251	<b>13.8%</b>
Tax	2	44	<b>-96.4%</b>	144	<b>-98.9%</b>	80	123	<b>-35.2%</b>
PAT before OCI	6	123	<b>-95.0%</b>	178	<b>-96.5%</b>	206	128	<b>61.1%</b>
Other Comprehensive Income	-12	14	<b>-183.9%</b>	0	<b>100.0%</b>	-42	-1	<b>7047.0%</b>
<b>PAT</b>	-6	137	<b>-104.3%</b>	178	<b>-103.3%</b>	164	127	<b>29.1%</b>
Borrowings	53,495	65,415	<b>-18.2%</b>	39,278	<b>36.2%</b>	53,495	39,278	<b>36.2%</b>
Net Worth	10,718	10,724	<b>-0.1%</b>	10,521	<b>1.9%</b>	10,718	10,521	<b>1.9%</b>

# Asirvad Microfinance Result Analysis for Q3FY2022

## ASIRVAD AUM (RS Mn)



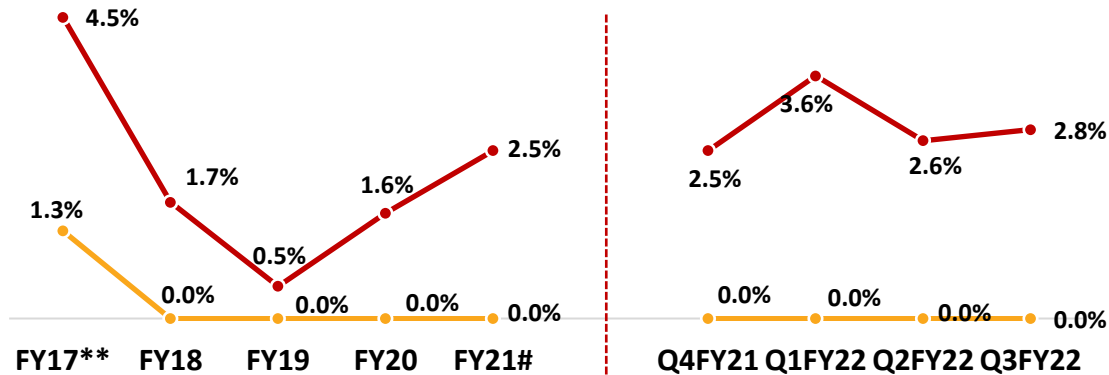
## CAPITAL ADEQUACY RATIO %



## NPA ANALYSIS % \*

● GNPA% ● NNPA%

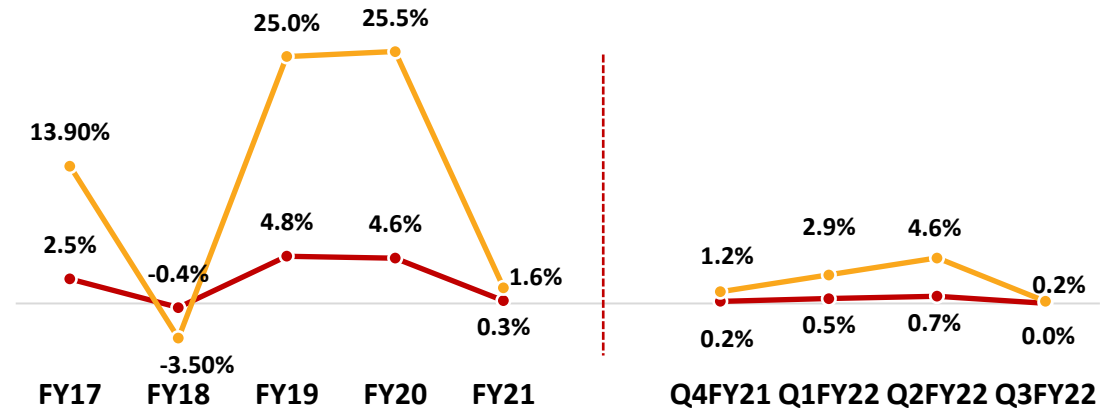
\*\*Demonetization # COVID Impact



\* NPA recognized at 90 Days

## RETURN RATIOS %

● ROA ● ROE

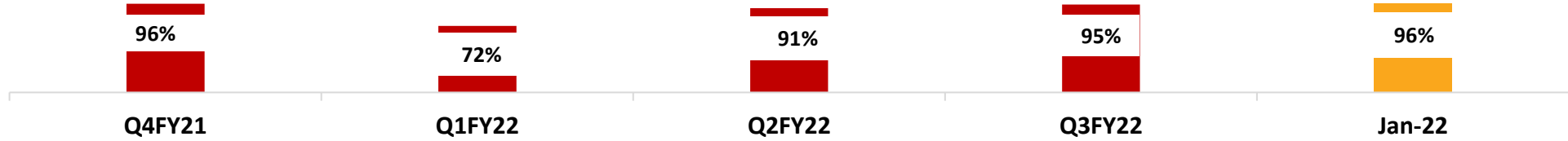


Only FY 17 nos as per IGAAP

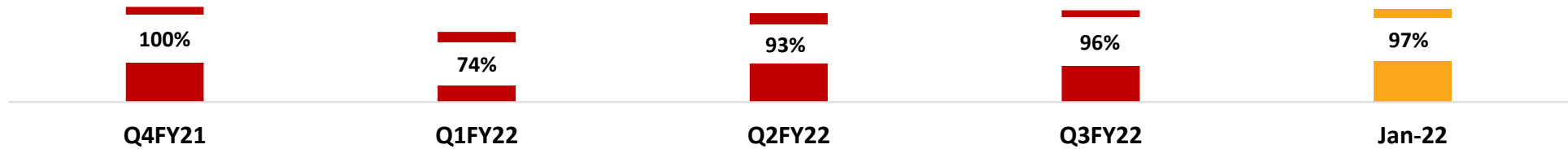


## COLLECTION EFFICIENCY

Billing Efficiency



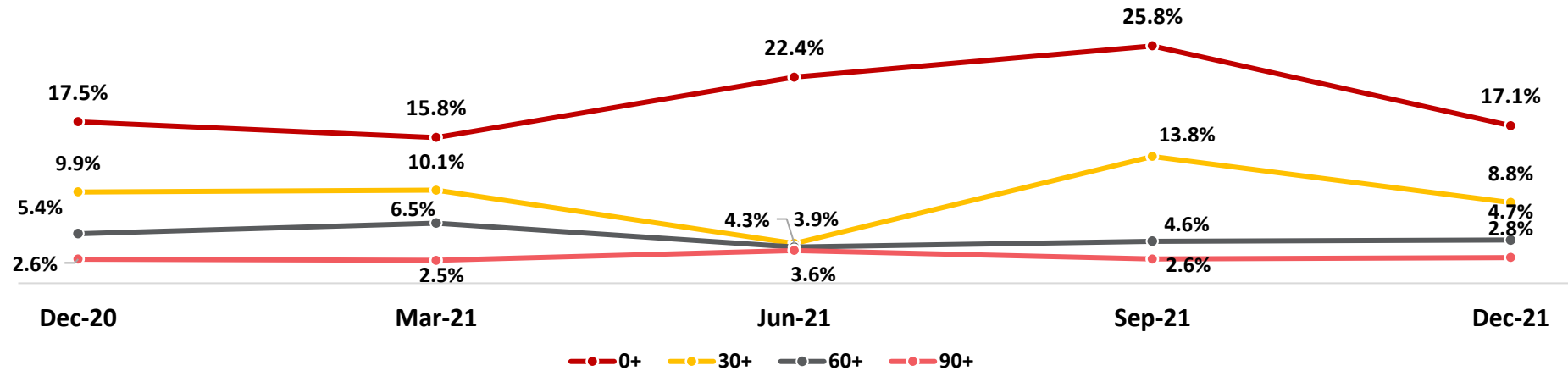
Collection Efficiency



## ASSET QUALITY

PAR %

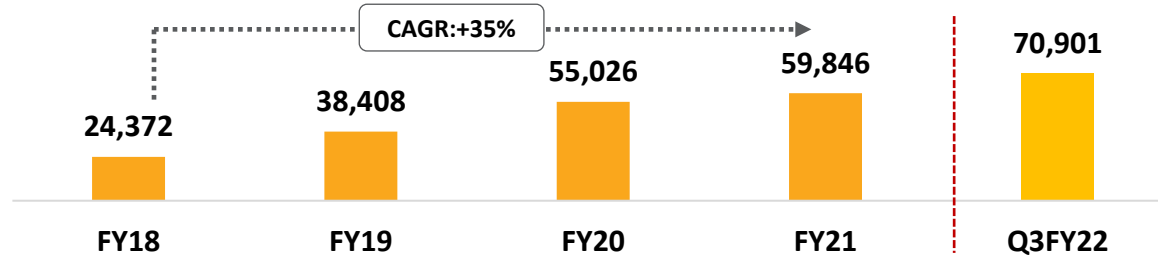
Intensified focus on asset quality



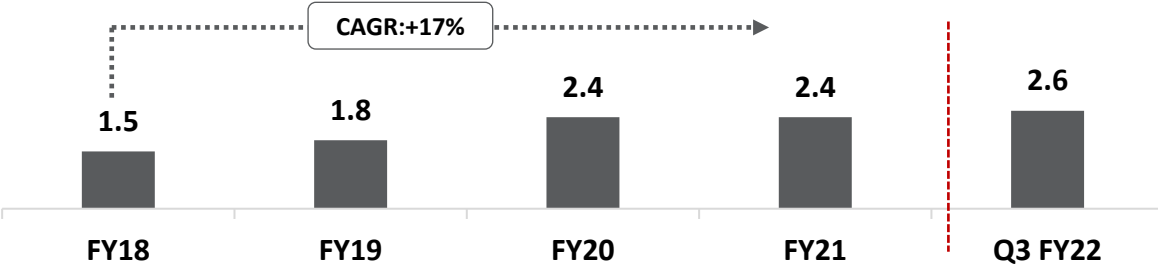
# Business and Productivity Metrics

## GROWTH

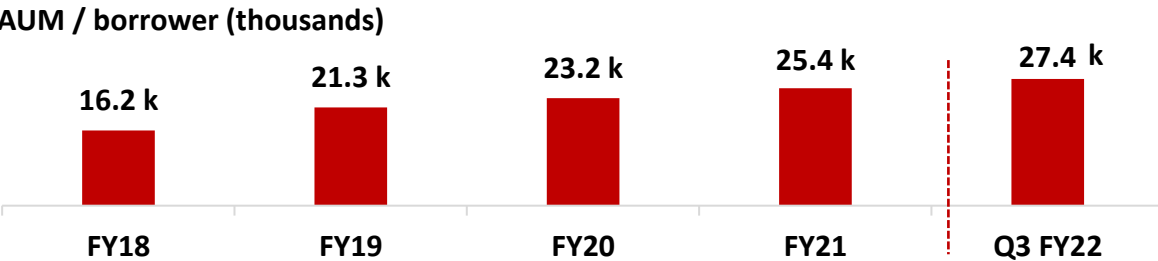
AUM (INR mn)



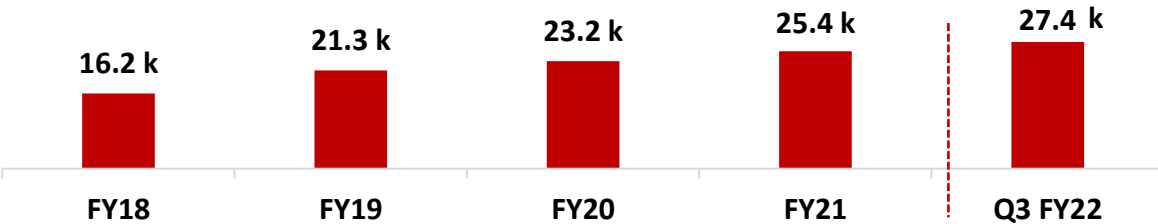
Number of borrowers (mn)



# of branches

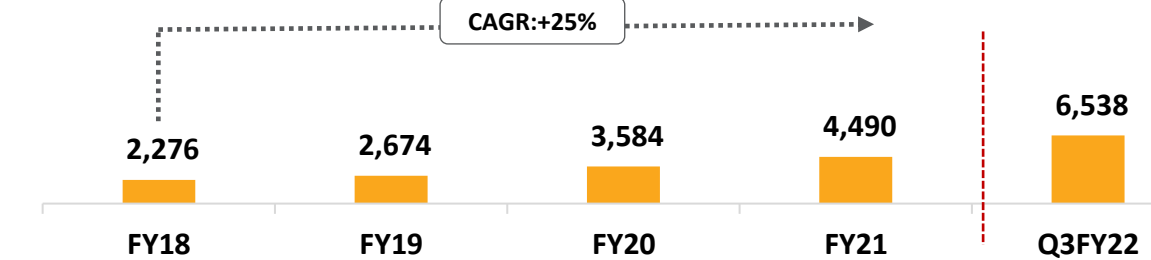


AUM / borrower (thousands)

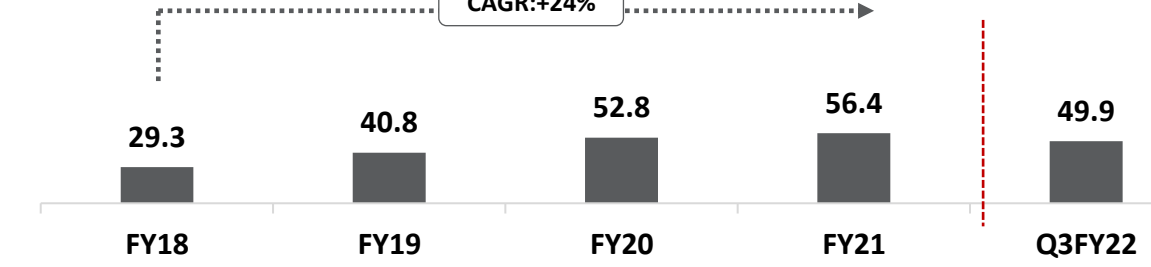


## PRODUCTIVITY

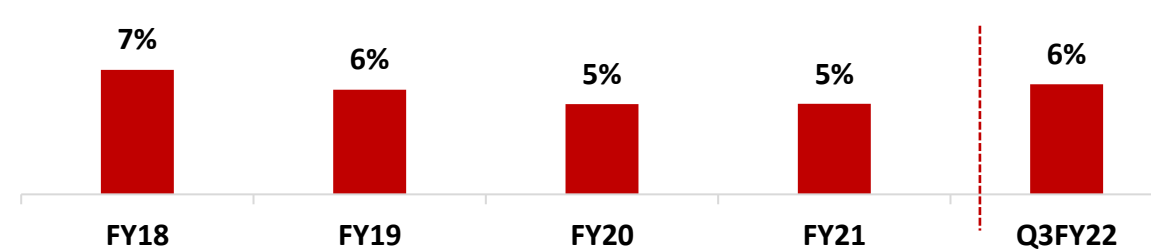
Number of loan officers



AUM / branch (INR mn)



Opex / AUM



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

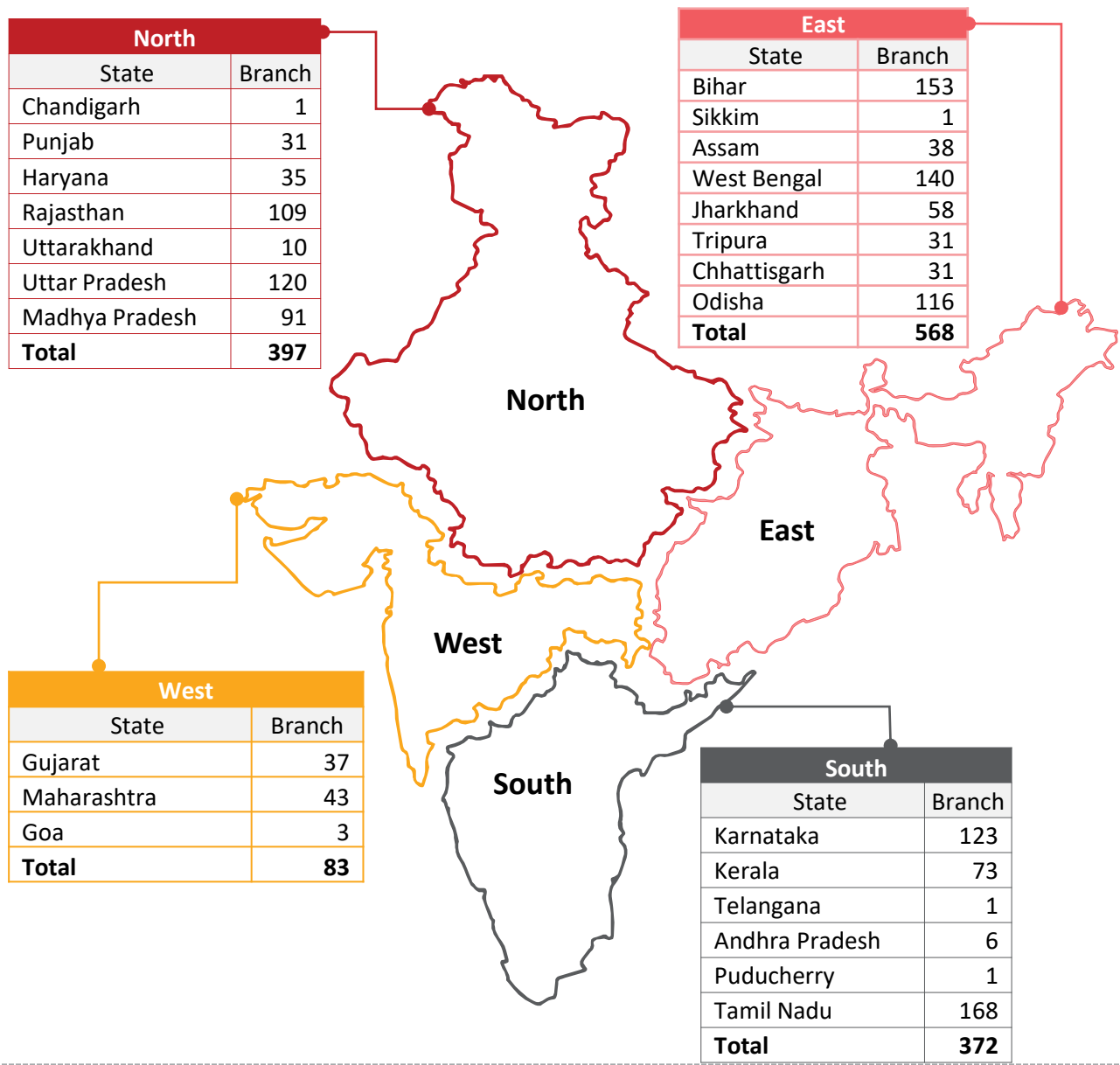
# Asirvad Microfinance Pan India Presence (Q3FY2022)

North	
State	Branch
Chandigarh	1
Punjab	31
Haryana	35
Rajasthan	109
Uttarakhand	10
Uttar Pradesh	120
Madhya Pradesh	91
<b>Total</b>	<b>397</b>

East	
State	Branch
Bihar	153
Sikkim	1
Assam	38
West Bengal	140
Jharkhand	58
Tripura	31
Chhattisgarh	31
Odisha	116
<b>Total</b>	<b>568</b>

West	
State	Branch
Gujarat	37
Maharashtra	43
Goa	3
<b>Total</b>	<b>83</b>

South	
State	Branch
Karnataka	123
Kerala	73
Telangana	1
Andhra Pradesh	6
Puducherry	1
Tamil Nadu	168
<b>Total</b>	<b>372</b>



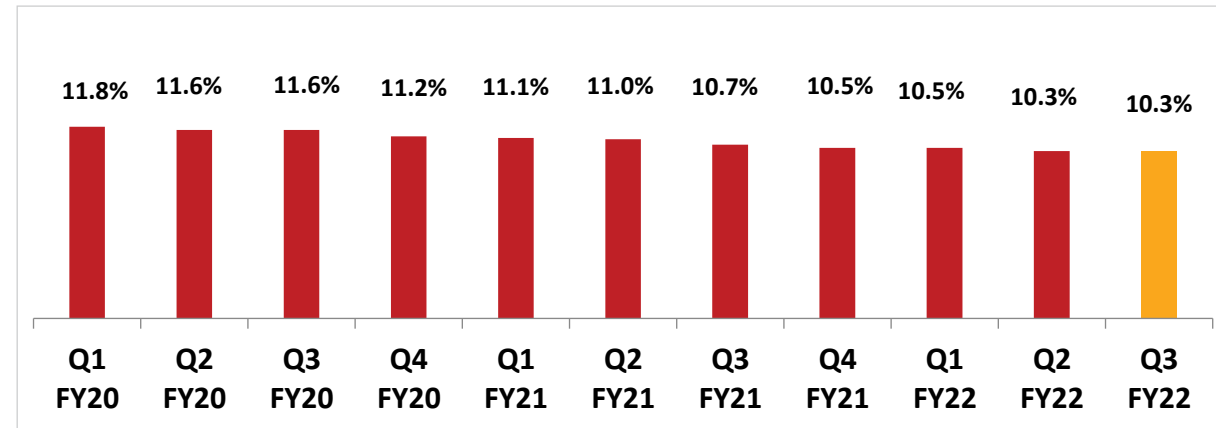
MFI AUM - STATEWISE BREAKUP	
Tamil Nadu	18%
West Bengal	10%
Bihar	12%
Karnataka	10%
Uttar Pradesh	8%
Kerala	6%
Madhya Pradesh	6%
Jharkhand	5%
Rajasthan	6%
Odisha	5%
Maharashtra	3%
Others	12%

# Asirvad Microfinance Liabilities Overview for Q3FY2022

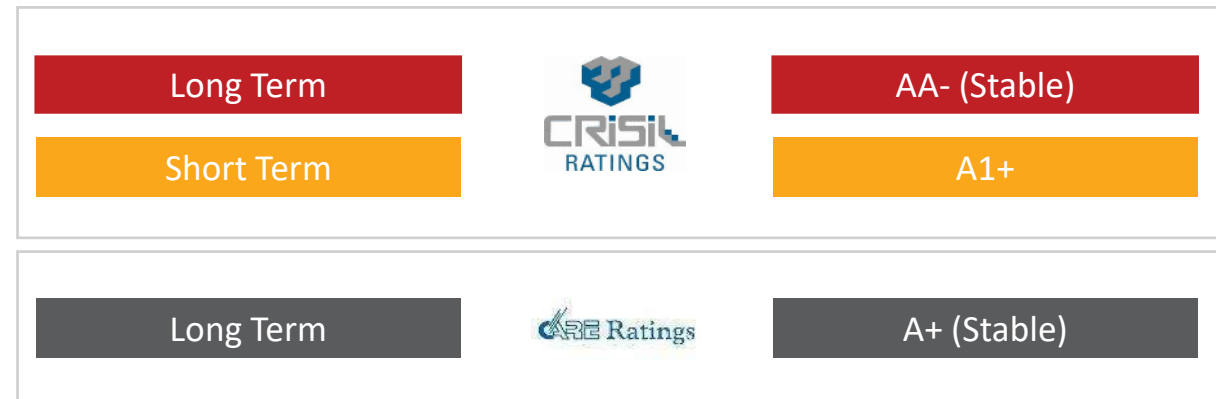
## BORROWING MIX (Rs m)

Borrowing Mix	Q3FY21		Q2FY22		Q3FY22	
	Amount	%	Amount	%	Amount	%
Term Loan from Banks and FIs	21,947	55.9%	39,997	61.1%	30,169	56.4%
Refinance	5,469	13.9%	5,442	8.3%	4,575	8.6%
Debentures	10,714	27.3%	17,791	27.2%	16,126	30.1%
Tier II Sub Debt	1,148	2.9%	2,185	3.3%	2,626	4.9%
Commercial Paper	0	0.0%	0	0.0%	0	0.0%
Securitisation - PTC	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>39,278</b>	<b>100.0%</b>	<b>65,415</b>	<b>100.0%</b>	<b>53,495</b>	<b>100.0%</b>

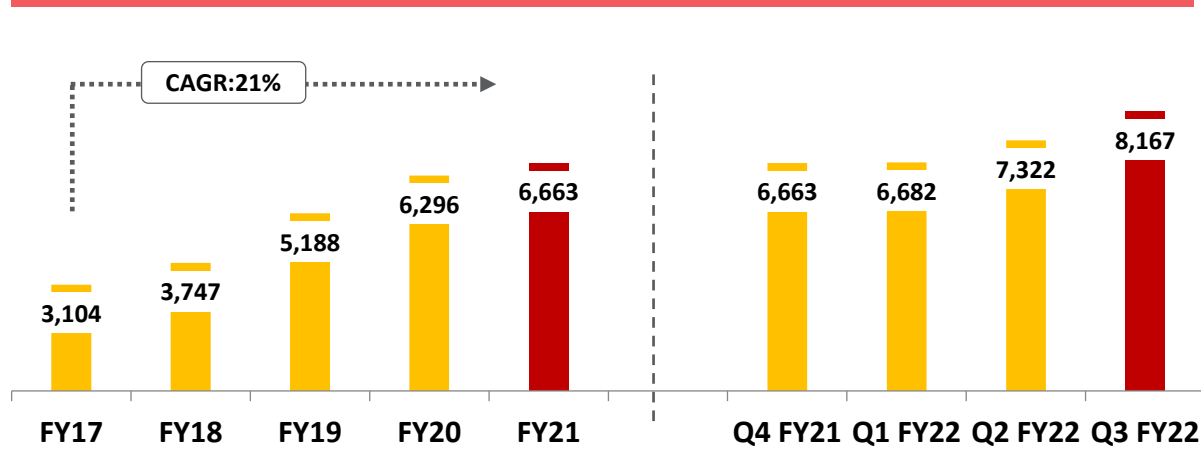
## COST OF FUNDS



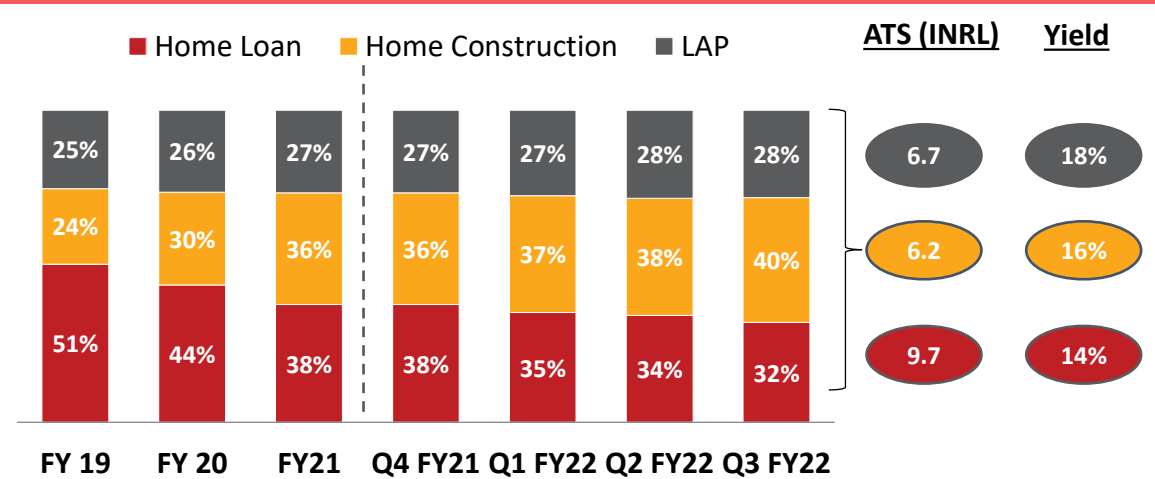
## CREDIT RATING



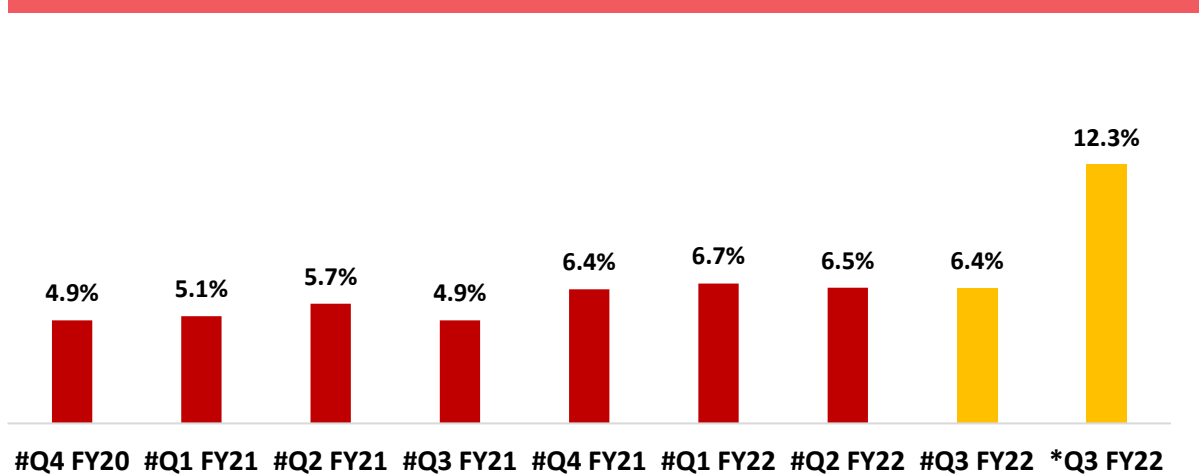
## AUM EVOLUTION (Rs Mn)



## AUM MIX (%)



## GNPA %



#-Post Covid

## OPERATING OVERVIEW

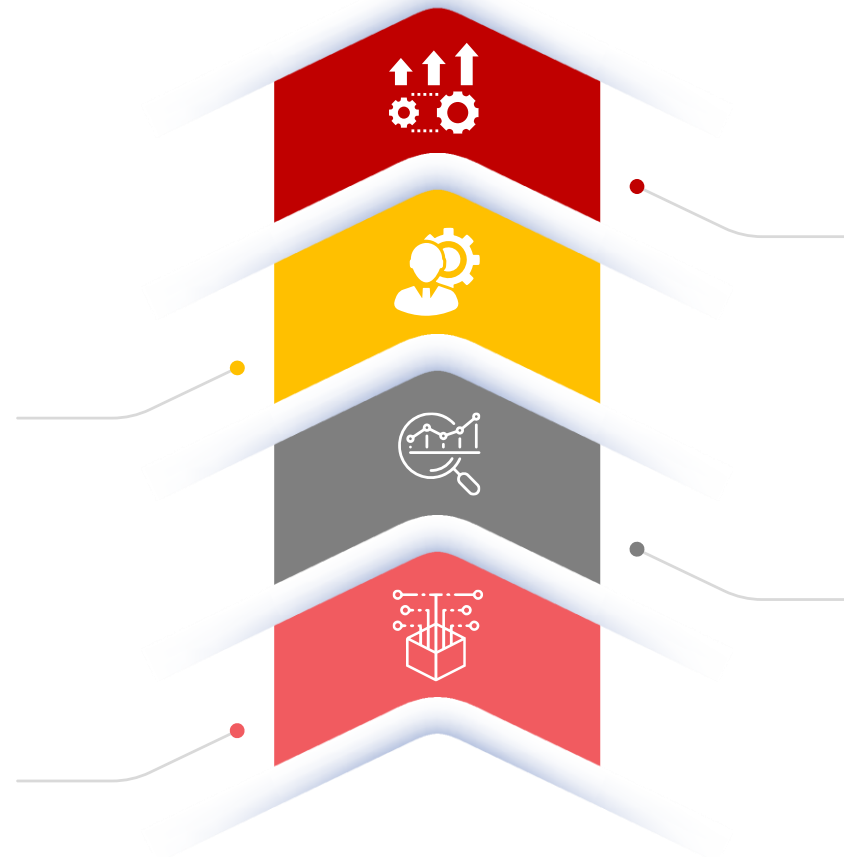
- Started commercial operations in January 2015
- Focus on Affordable Housing for Mid to Low income self-employed customers (75% self-employed)
- Focus on South and West India, 73 branches; 83% self sourced business
- Rated AA - /Stable (Long Term) & A1+ (Short Term) by CRISIL
- Rated AA – (Stable) (Long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

## 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

## 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



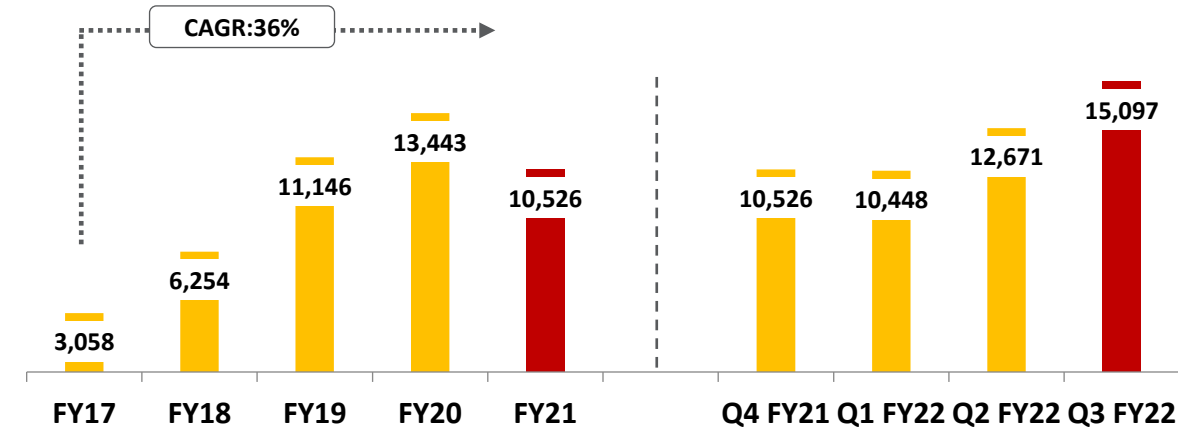
## 4: Growth drivers for future expansion

- 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

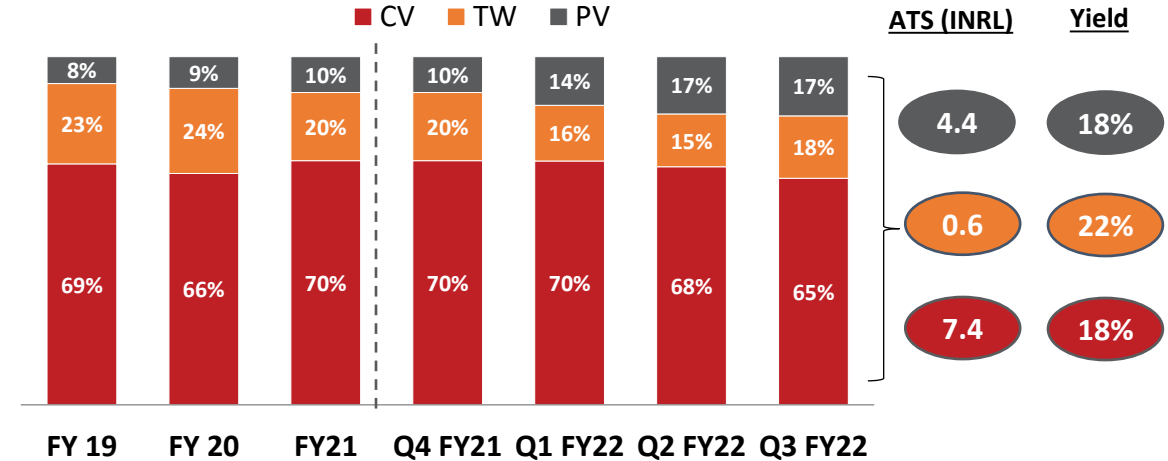
## 2: Underwriting

- 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

## AUM EVOLUTION (Rs Mn)

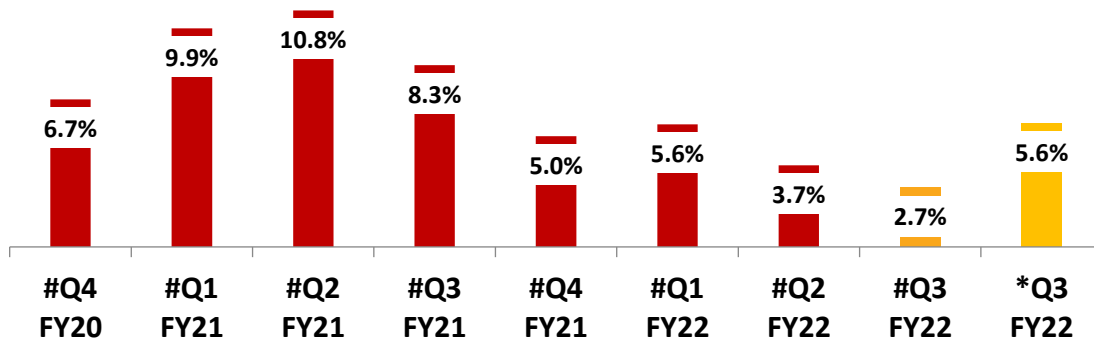


## AUM MIX (%)



## 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 (242 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



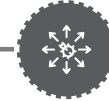
### Analytics

Use of Analytics for quicker decision making process leading to lesser sourcing cost



### Mobility Solution

On the go solution with m-CAS/ m-Collect to reduce collection cost



### Deep Penetration

Deeper penetration in existing location and Use of MAFIL (GL) branches as sourcing / collection point helping in cost optimization

## SCALE & STABILITY



### Balance Takeover

Dedicated Team managing External Balance Takeover cases



### Top Up Loan

As a part of customer retention policy, focus on internal customers where MOB is higher than 18 months without overdue



### Used Business

Dedicated Team for Used Business with lower ticket size and higher yield





**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**

**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**

മഴക്കാട് വിതരണം... (Detailed Malayalam text describing the distribution of raincoats to fishermen in the coastal area of Trissur District, registered in Matsyafed).

Raincoats for Active fishermen's

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



**മണലൂറും ആരോഗ്യസുരക്ഷാ പദ്ധതി ഉദ്ഘാടനം ചെയ്തു**

മണലൂറും ആരോഗ്യസുരക്ഷാ പദ്ധതി ഉദ്ഘാടനം ചെയ്തു... (Detailed Malayalam text describing the inauguration of Manappuram Arogya Suraksha Padhathi to support critically ill patients in Valapad Grama Panchayath with Rs.1000 each to 100 families for 2 months).

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

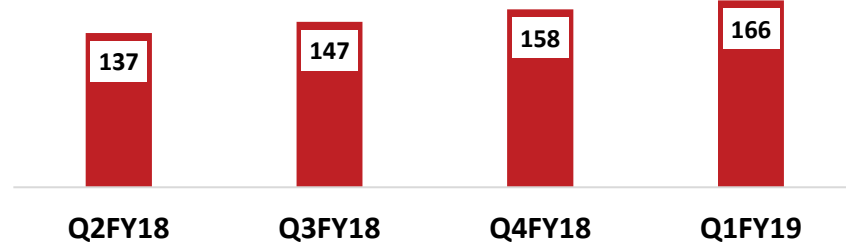
Calibrated approach to growth in other loan products that are relevant to our customer base (small ticket home loans, used vehicles for self-employed customers)

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

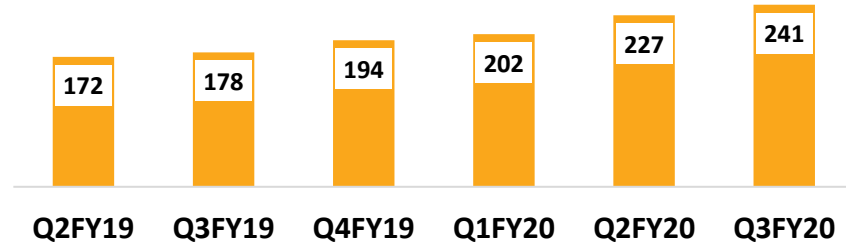
# Resilience Across Credit and Economic Cycles

### Total AUM (Rs Bn)

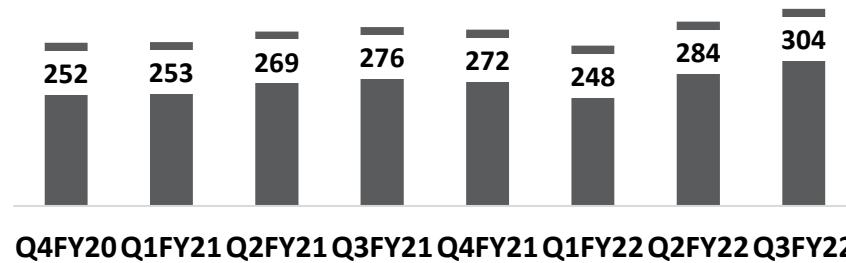
After-effects of demonetization



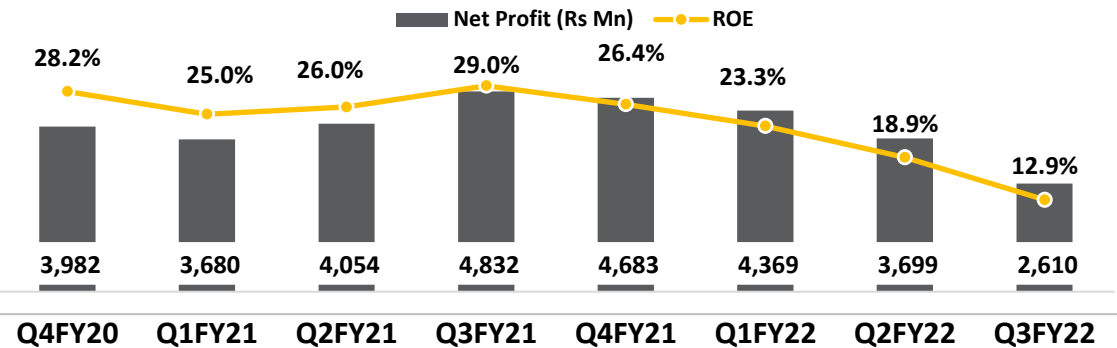
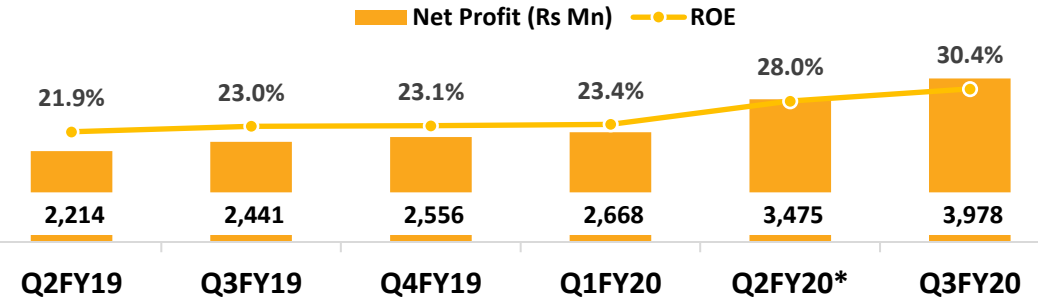
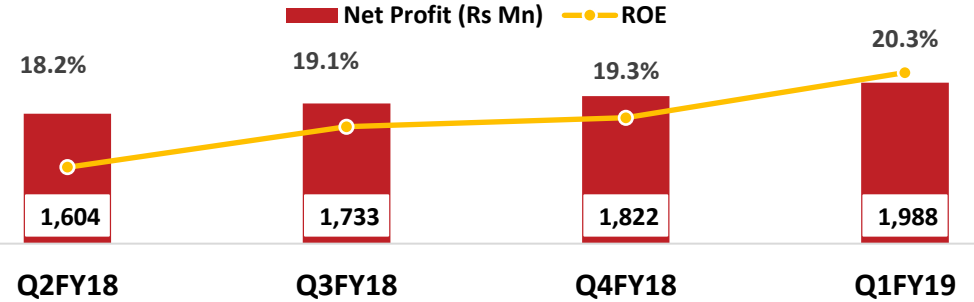
NBFC crisis and liquidity tightness



COVID related lockdown, localized issues in MFI collections



### Net Profit (Rs Mn)

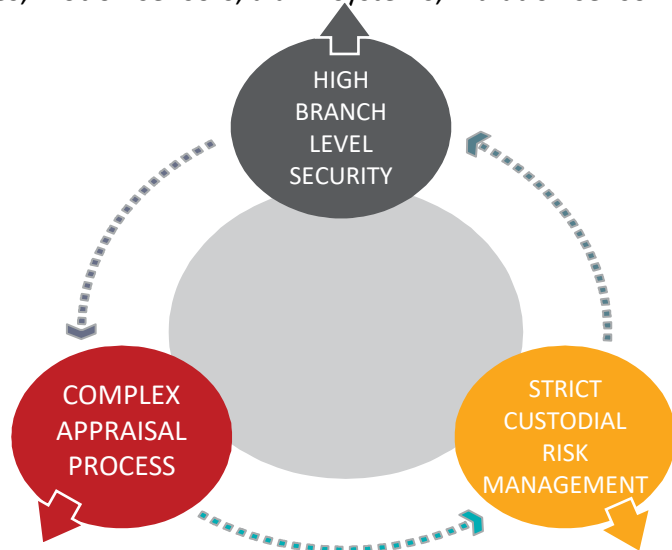


\* Adjusted Net Profit for Q2 FY 20– Rs 3,475 Mn after adjusting One time Tax and Int. on IT Refund benefit of Rs 601.5 Mn and Asirvad Re-instatement PAT of Rs 253.4 mn

# Superior Process and Product Innovation with...

## 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

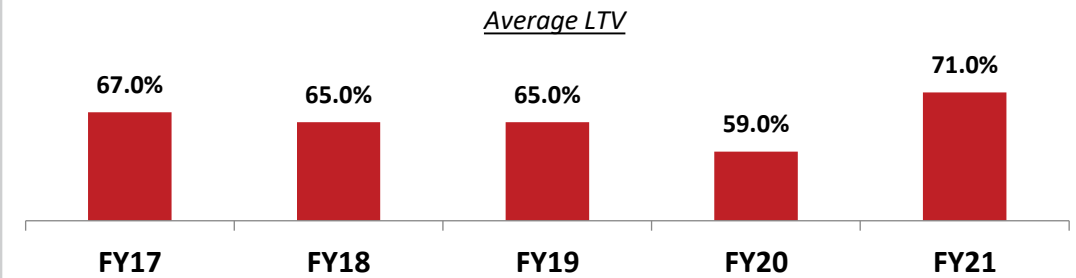
Manappuram has strong focus on processes and compliance successfully replicating processes across 3,524 gold loan branches

## 3 month product resulting in lower credit losses

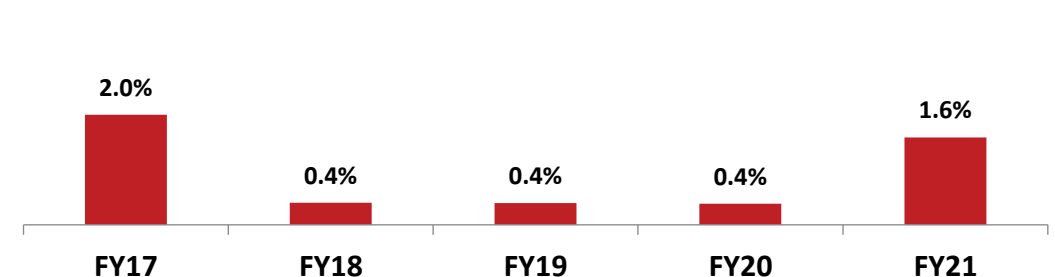
### 3 month product de-risks impact from fluctuation in price of gold

	12 month tenor	3 month tenor
Gold value	100	100
LTV (%)	75	75
<b>Gold loan</b>	<b>75</b>	<b>75</b>
Interest rate (%)	24	24
<b>Interest cost<sup>1</sup></b>	<b>21</b>	<b>7.5</b>
<b>Total principal + interest<sup>1</sup></b>	<b>96</b>	<b>82.5</b>

### Conservative approach to LTV with 75% cap on each loan



### Resulting in low credit loss in gold product

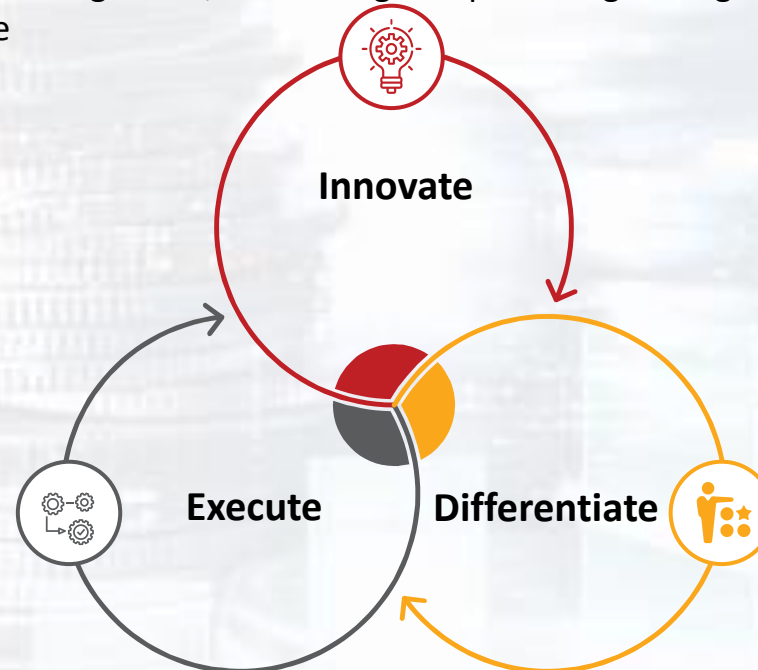


Note: 1 Includes interest outgo during 2 months of auctioning period



- 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

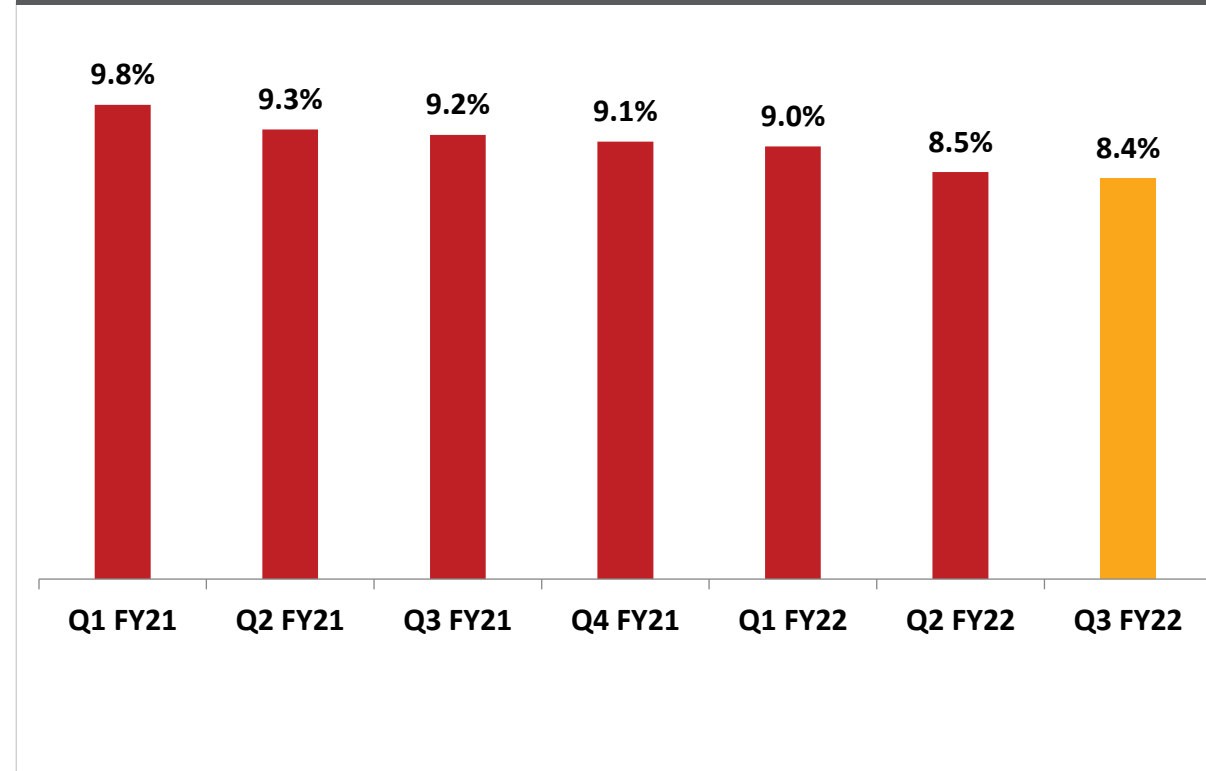
To ensure steadfast trust, Manappuram has implemented a number of outreach programmes that not only increase brand awareness but also maintain a strong relationship with its customers

# Well Capitalized, Prudent Liabilities Strategy with Reducing COF

## Access to diversified sources of funding (Consolidated, Rs mn)

Borrowing Mix	Q3FY21		Q2FY22		Q3FY22	
	Amount	%	Amount	%	Amount	%
WC DL / CC	55,385	23.7%	63,685	25.4%	71,995	29.9%
Term Loan	62,679	26.8%	60,620	24.2%	50,356	20.9%
NCD & Bond	73,103	31.3%	84,826	33.9%	75,926	31.5%
ECB	27,061	11.6%	27,171	10.9%	27,550	11.4%
Commercial Paper	15,491	6.6%	13,921	5.6%	14,901	6.2%
Others	24	0.0%	18	0.0%	91	0.0%
<b>Total</b>	<b>2,33,744</b>	<b>100.0%</b>	<b>2,50,241</b>	<b>100.0%</b>	<b>2,40,819</b>	<b>100.0%</b>

## 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



# Pan India MFI Business with Granular Asset Base and Strong Risk Practices



## 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**

# Company History and Key Milestones

- 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**

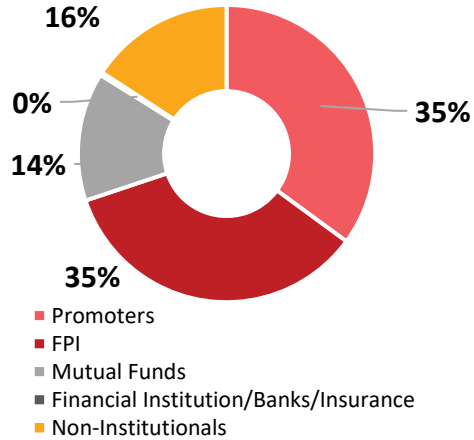
- Commences forex business with moneychanger's license from the RBI
- Declares rights issue in 2003
- Attracts institutional funding for the first time, when ICICI Bank sanctions working capital facility of INR250m under a 'bilateral assignment'

**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 and Stock Performance

## Shareholding Pattern (as on 31<sup>st</sup> December, 2021)

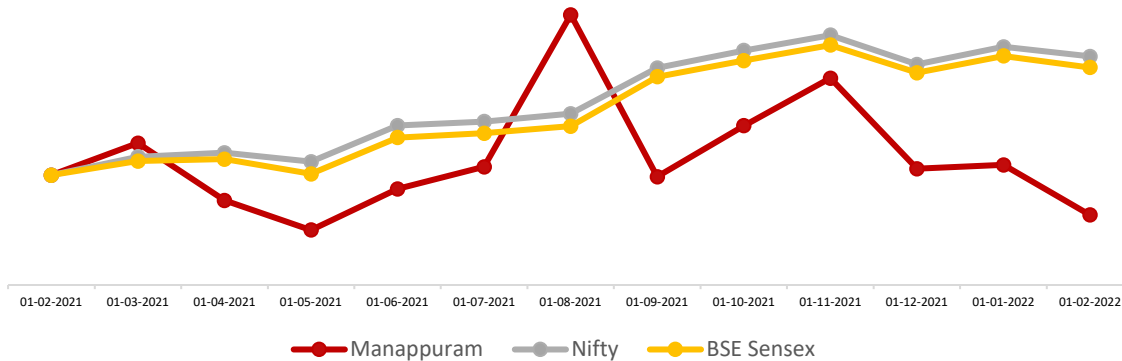


Top Shareholders holding more than 1% (other than promoters)	%
QUINAG ACQUISITION (FPI) LTD	9.9
DSP INVESTMENT MANAGERS PVT. LTD.	7.7
FIDELITY INVESTMENT TRUST FIDELITY	3.7
BARCLAYS MERCHANT BANK (SINGAPORE) LIMITED - ODI	2.3
SBI BANKING & FINANCIAL SERVICES FUND	2.2
BARING INDIA PRIVATE EQUITY FUND III LISTED INVESTMENTS LIMITED	1.9
BARING INDIA PRIVATE EQUITY FUND II LIMITED	1.4
DURO ONE INVESTMENTS LIMITED	1.3

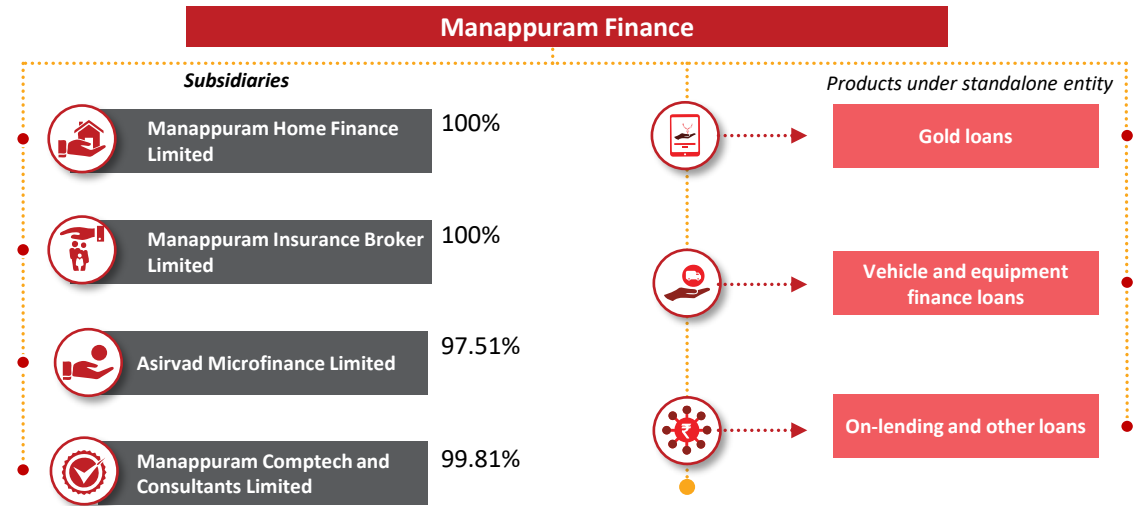
## Stock Data

Market Cap as on 11-Feb-22	₹ 12,954 Crs
Stock Price as on 11-Feb-22	153.1
52 Week (High/Low)	₹ 224.40 / ₹ 139.00
NSE/BSE Symbol	MANAPPURAM / 531213
No. of Shares Outstanding	84,63,94,729
Average Daily Volume (2 months)	32,36,526

## Stock Performance (as on 11<sup>th</sup> Feb, 2022)



## Group structure





**Mrs. Bindu A. L**

**CFO**

Contact No : +914873050000

Email – bindhu@manappuram.com

**Mr. Susil Kumar Mishra**

**Head – Investor Relations & Treasury**

Contact No : +919967405163

Email – susilmishra@manappuram.com

**THANK YOU**

**Mr. Nikunj Seth / Mr. Karan Thakker**

Contact No : +91 9773397958/ +91 8169962562

E-mail – nikunj@s-ancial.com / karan@s-ancial.com

**Manappuram Finance Limited,**

**IV / 470 (old) W638A (New), Manappuram House, Valapad, Thrissur Kerala, India,**

**Pin code : 680567**

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