

**WE MAKE
YOUR LIFE
EASY**



**MANAPPURAM
FINANCE LIMITED**

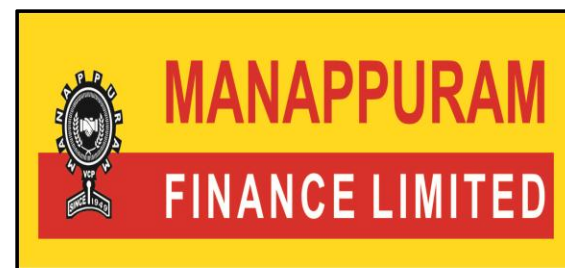
Make Life Easy

INVESTOR PRESENTATION

For the Quarter ended September 30, 2014

RESULT HIGHLIGHTS FOR Q2 FY15

- Total operating income at Rs 5,046 mn – up 10.1% q-q
- Closing AUM at Rs 85.30 bn up 3.9% q-q.
- Net interest income(NII) up 18.6% q-q to Rs 2,907.2 mn
- Net profit up 73.8% q-q at Rs 764 mn
- ROA up to 3.1% and Spread up to 14%.
- Annualized EPS of Rs 3.63 per share for Q2
- NAV per share Rs 30.53
- High capital adequacy of 27.61%



FINANCIAL HIGHLIGHTS-KEY NUMBERS

<i>Rs in Million</i>	Q2FY15	Q1FY15	Q2FY14	Q-Q	Y-Y
Interest income	5,001.2	4,529.6	5,187.9	10.4%	-3.6%
Other Operating Income	44.7	54.9	279.1	-18.6%	-84.0%
Total Income	5,045.8	4,584.5	5,467.0	10.1%	-7.7%
Finance expenses	2,138.6	2,134.2	2,669.3	-0.2%	19.9%
Net interest income	2,907.2	2,450.3	2,797.7	18.6%	3.9%
Employee expenses	729.8	797.2	755.0	8.4%	3.3%
Other operating expenses	897.7	916.4	929.4	2.0%	3.4%
Pre provision profit	1,279.7	736.8	1,113.3	73.7%	14.9%
Provisions/Bad debts	118.1	69.1	62.3	-70.9%	-89.6%
Profit before Tax	1,161.6	667.6	1,051.0	74.0%	10.5%
Tax	397.2	227.8	353.8	-74.4%	-12.3%
Profit after Tax	764.4	439.8	697.2	73.8%	9.6%

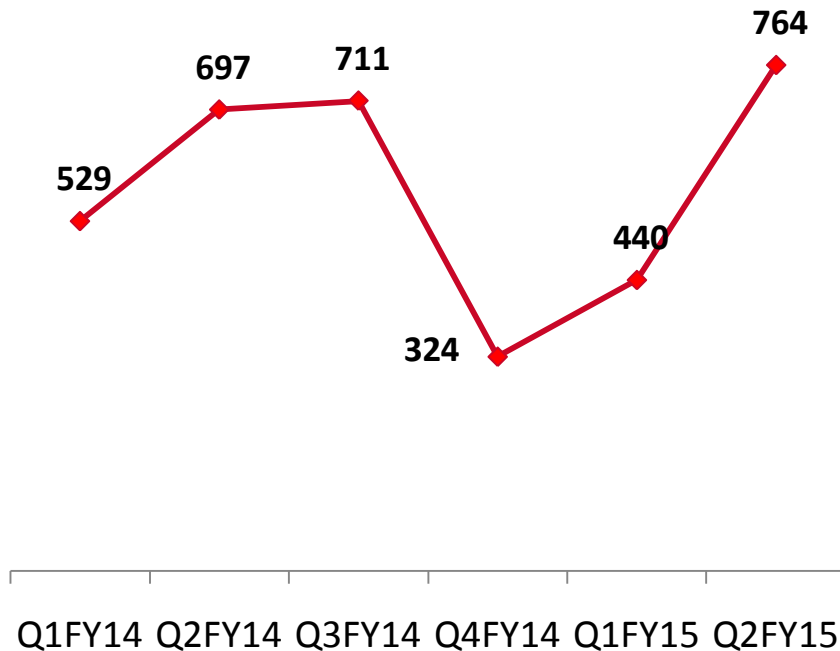
STATEMENT OF ASSETS & LIABILITIES

Rs in Million	Sept 2014	June 2014	Sept 2013	Q-Q	Y-Y
Cash and Bank Balances	7,159.4	4,427.8	7,213.0	61.7%	-0.7%
Investments	663.8	3,657.4	469.0	-81.9%	41.5%
Loans and Advances	86,068.5	82,804.7	92,711.0	3.9%	-7.2%
Fixed Assets	1,815.5	1,898.0	2,202.0	-4.3%	-17.6%
Other Assets	7,510.6	7,075.4	8,954.0	6.2%	-16.1%
Total	103,217.7	99,863.2	111,549.0	3.4%	-7.5%
Capital	1,682.4	1,682.4	1,682.4	0.0%	0.0%
Reserves & Surplus	23,996.6	23,675.2	23,530.6	1.4%	2.0%
Borrowings	74,387.1	70,885.9	83,387.0	4.9%	-10.8%
Other Liabilities & Provisions	3,151.7	3,619.8	2,949.0	-12.9%	6.9%
Total	103,217.7	99,863.2	111,549.0	3.4%	-7.5%

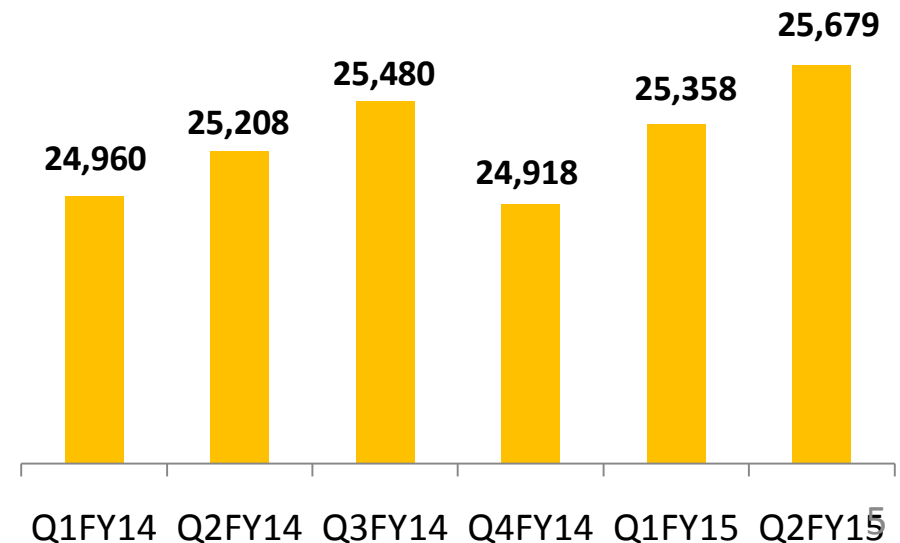
PAT & NET WORTH

- Net Profit up 73.8% Q-Q at Rs 764.4 mn
- Company is well capitalized with high net worth of Rs 25.68 bn

PAT (Rs mn)



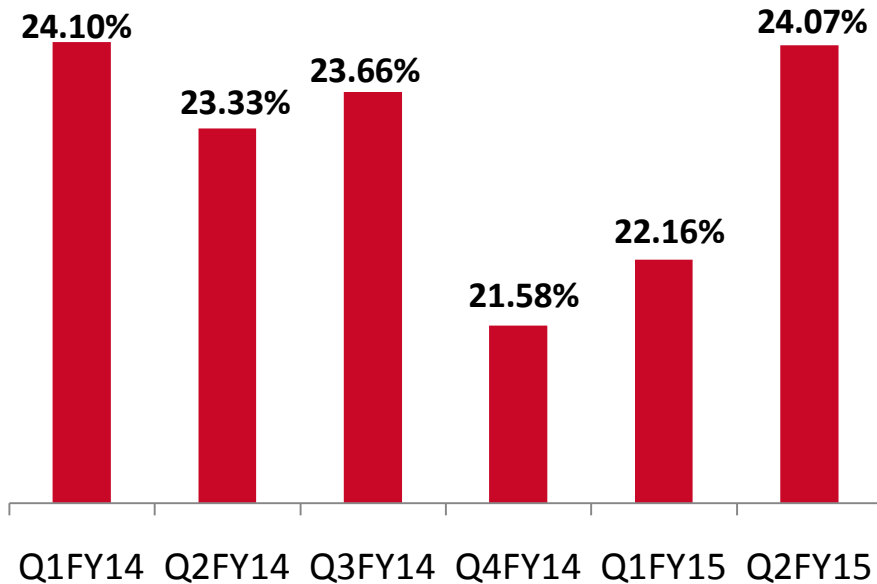
Net Worth (Rs mn)



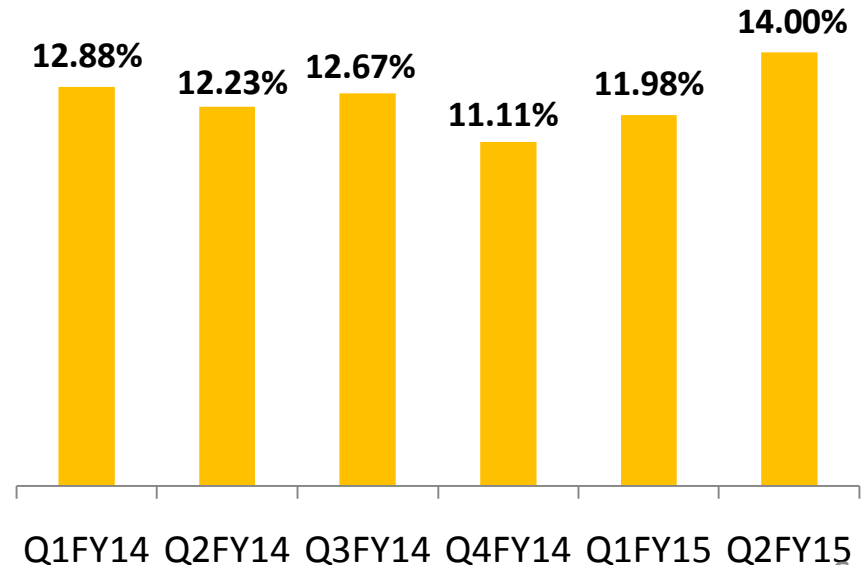
YIELD AND SPREAD

- Net Yield increased to 24.1% in Q2 FY15
- Spreads are amongst the highest in the industry at 14%

Yield (%)



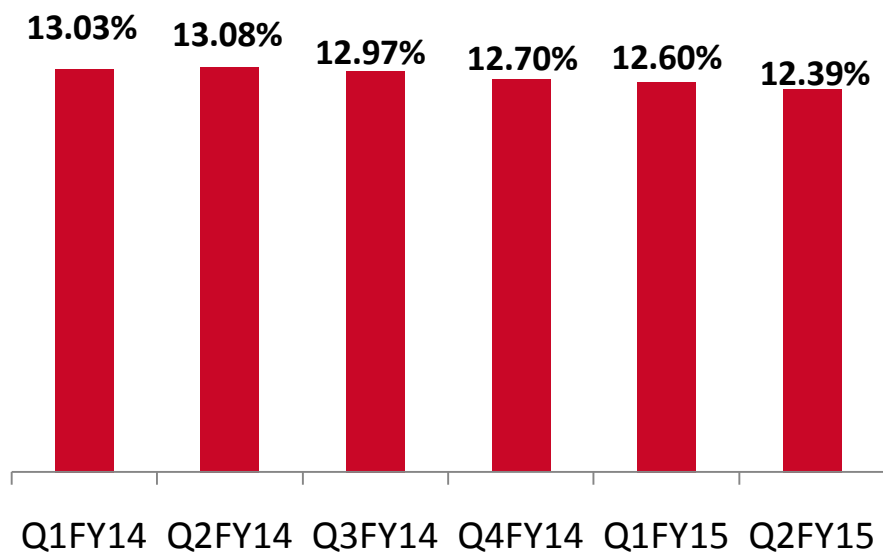
Spread (%)



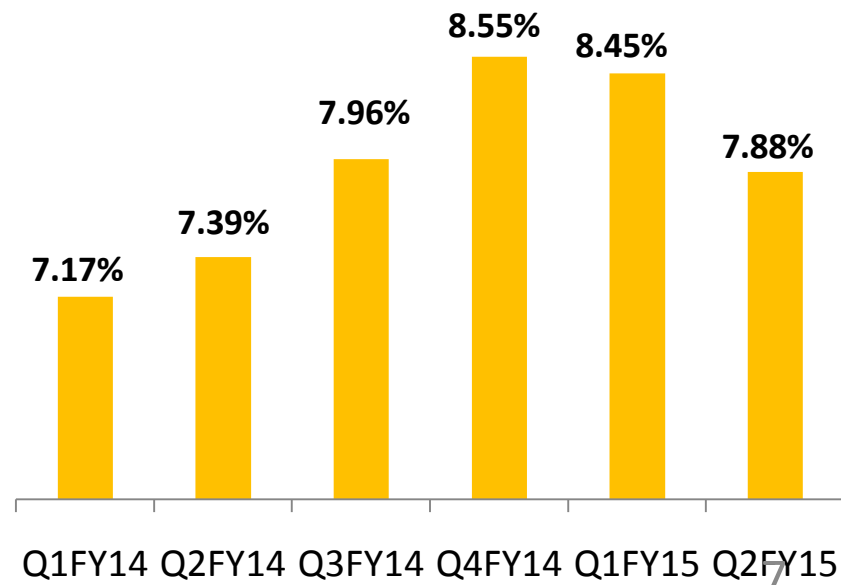
COST OF FUNDS AND OPEX

- Cost of funds further declined 21 bps q-q due to raising of lower cost funds from banks and mutual funds.
- Opex as a percentage of AUM fell to 7.88% due to sustained cost rationalization measures

Cost of Funds (%)

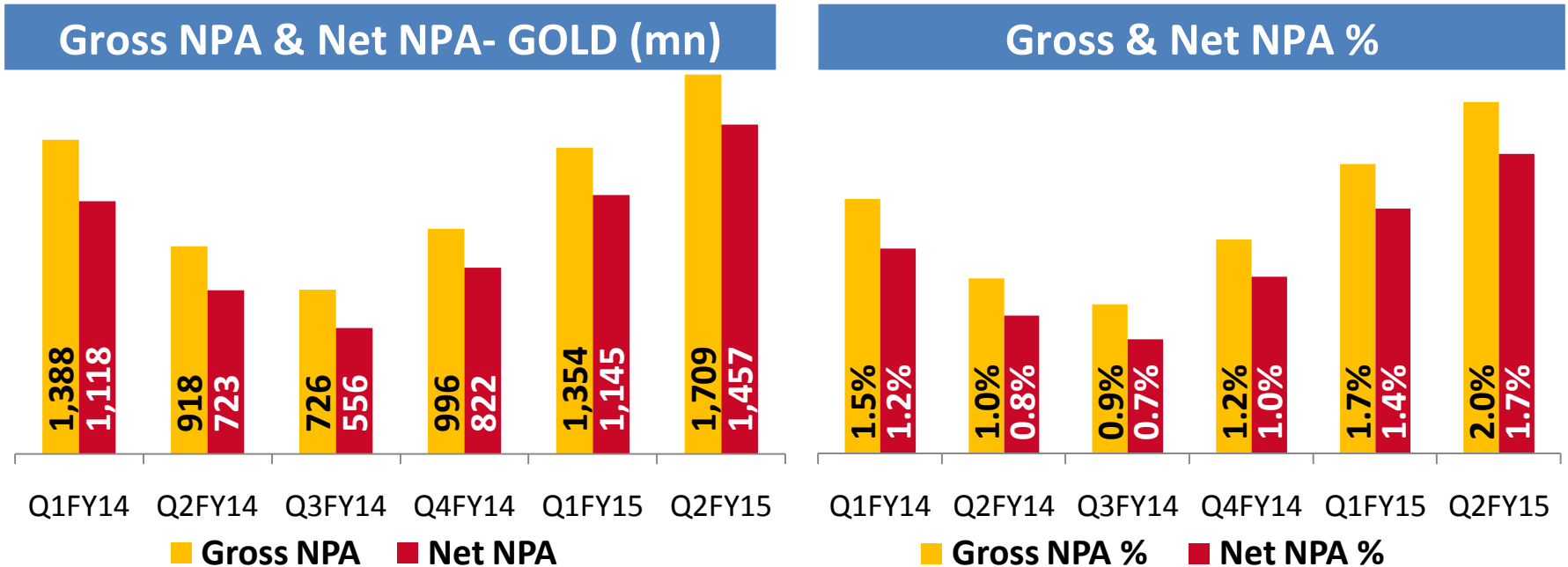


OPEX to AUM (%)



NPA

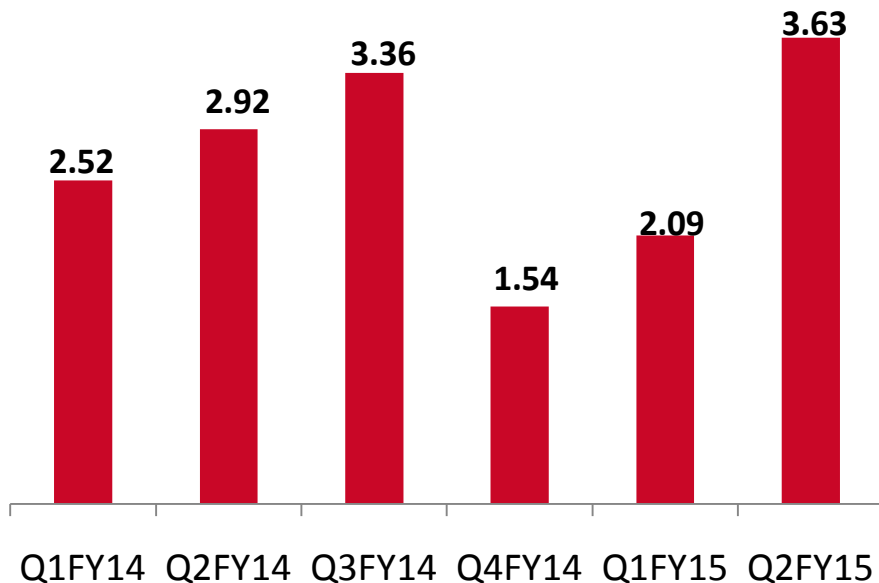
- Gross NPAs up to 2.0% of AUM in Q2
- Over 62% of Gross NPA is from regular customers who have serviced over half of interest due
- NPAs on account of theft, spurious collateral etc. are only 0.10% of AUM



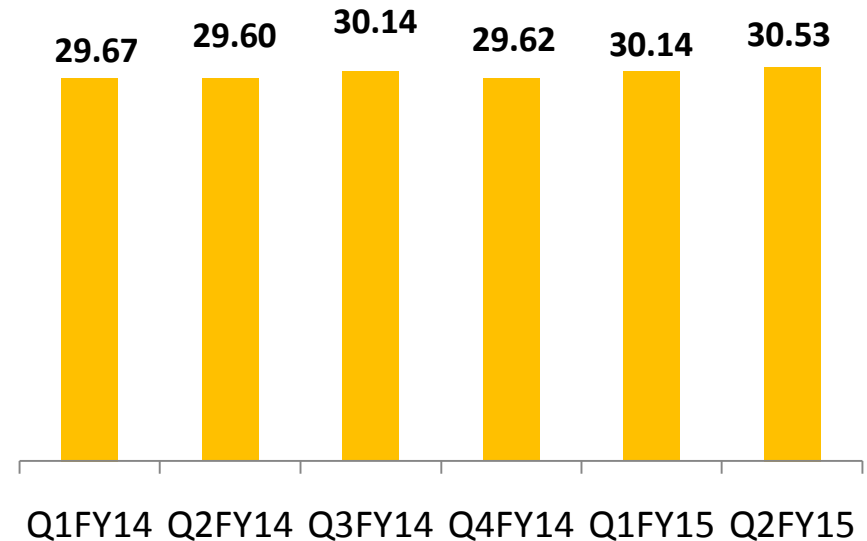
EPS & BOOK VALUE PER SHARE

- Annualized EPS for the quarter is Rs 3.63 which is up 73.8% on Q2 FY15
- Company's book value per share is up to Rs 30.53

Annualized EPS (Rs)



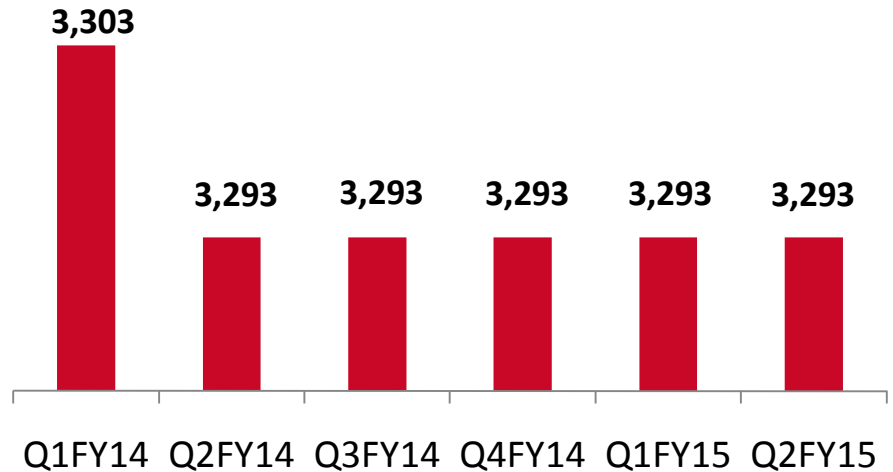
Book Value per Share (Rs)



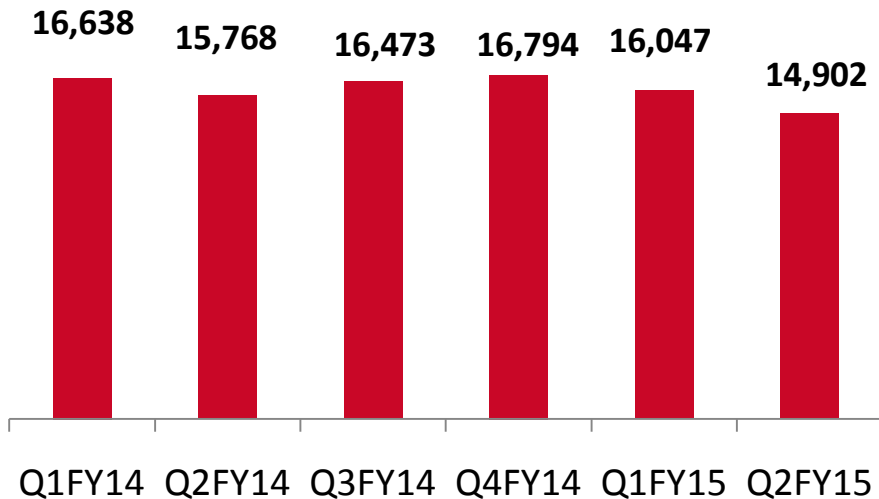
BRANCHES AND CUSTOMERS

- Number of Employees reduced to 14,902
- Number of live customers is 1.61 million – up by 4.6% q-q.

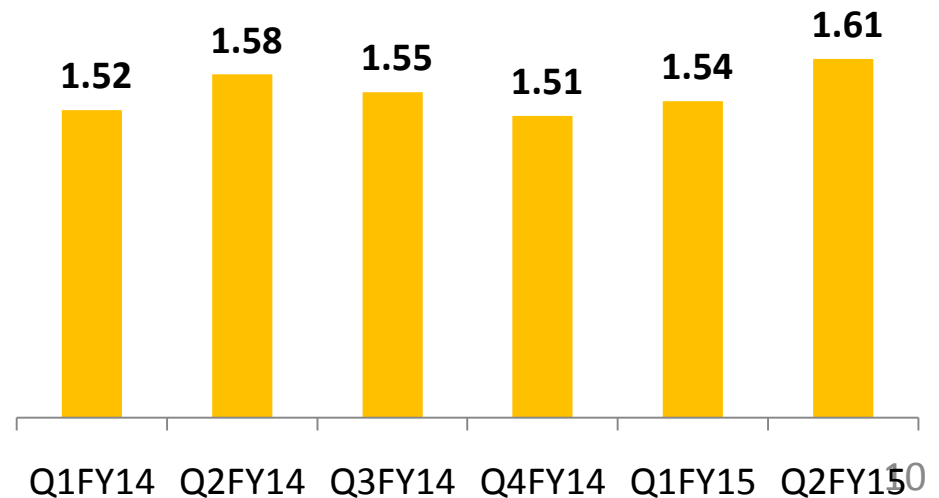
Branches (Nos)



Employees (Nos)



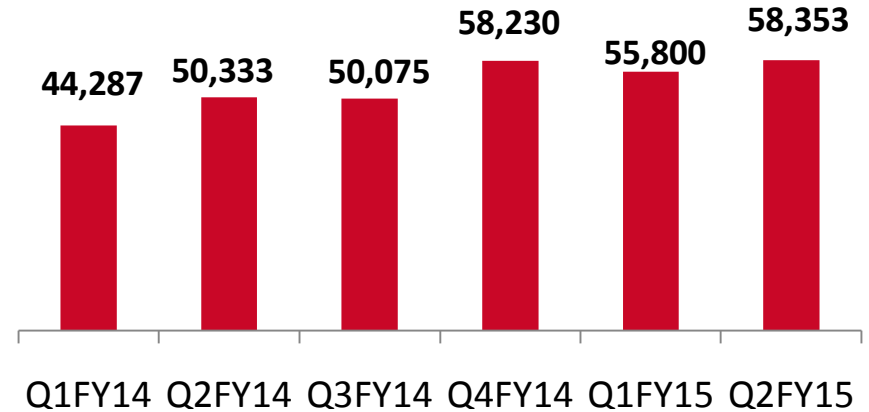
No of Customers (mn)



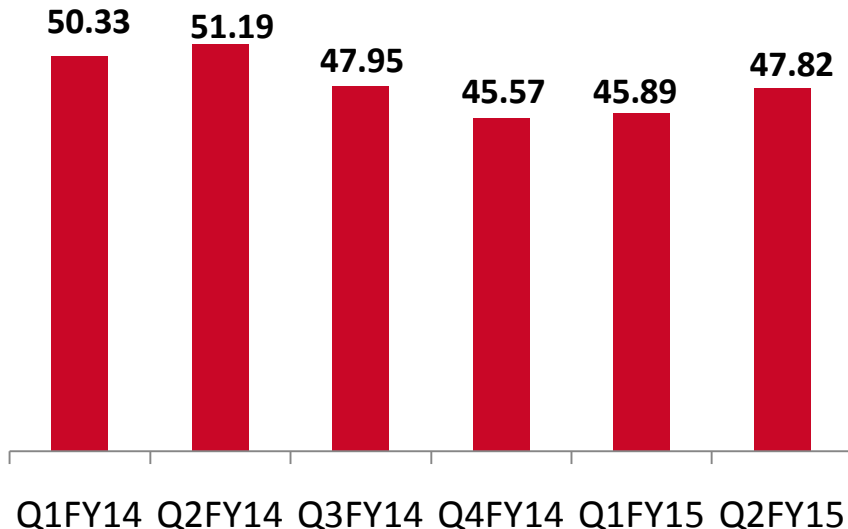
GOLD HOLDING & AUM

- Disbursements in Q2 FY15 increased to Rs 58.35 bn
- Closing Gold AUM of Rs 85,180 mn – up 3.9% q-q
- The gold holdings increased to 47.82 tonnes – an increase of 4.2% q-q

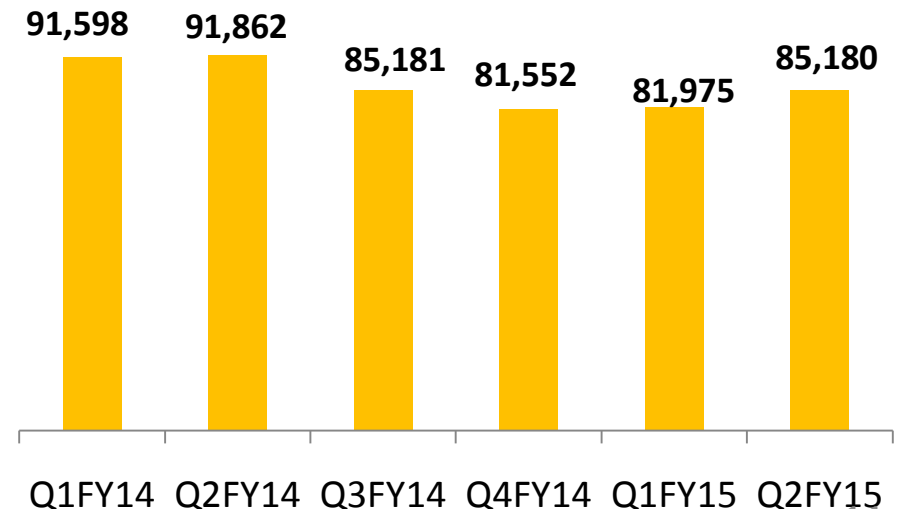
Disbursement (mn)



Gold Holding (tonnes)



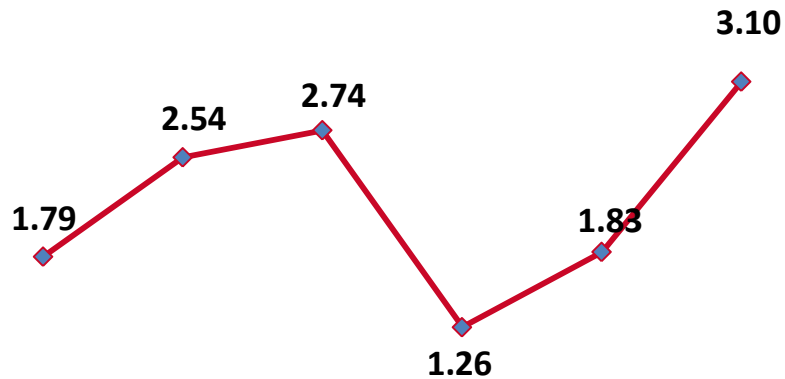
Gold AUM (mn)



ROA & ROE

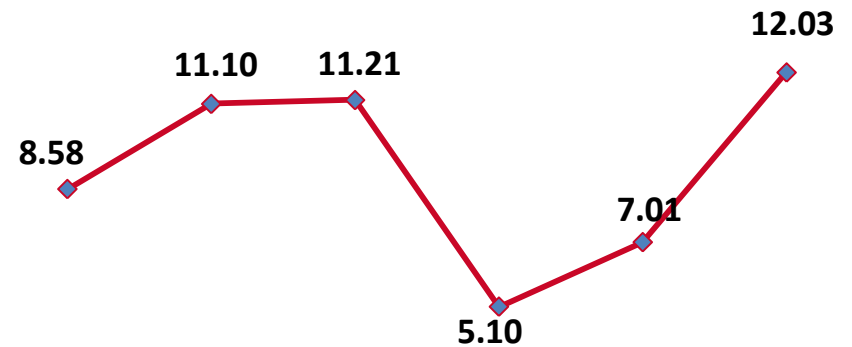
- ROA and ROE have shown improvement in Q2 FY15 compare to Q1 FY 15

ROA (%)



Q1FY14 Q2FY14 Q3FY14 Q4FY14 Q1FY15 Q2FY15

ROE (%)

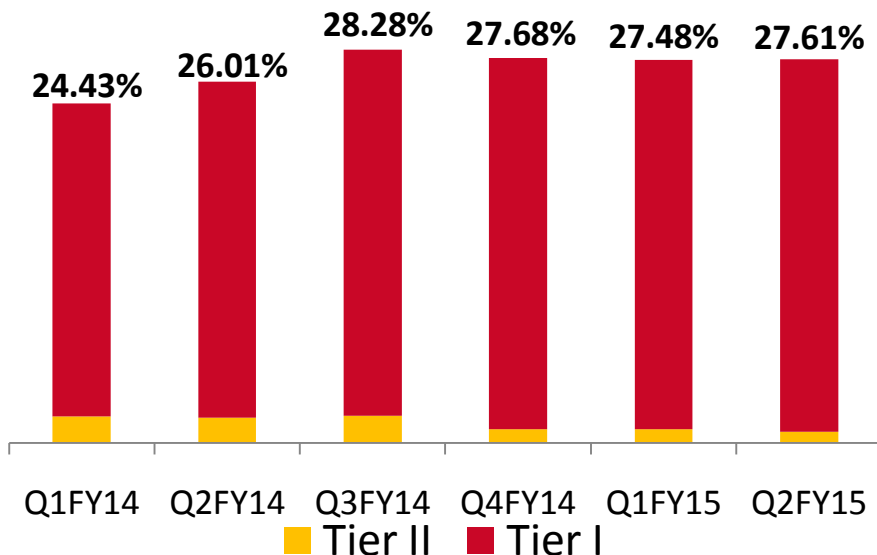


Q1FY14 Q2FY14 Q3FY14 Q4FY14 Q1FY15 Q2FY15

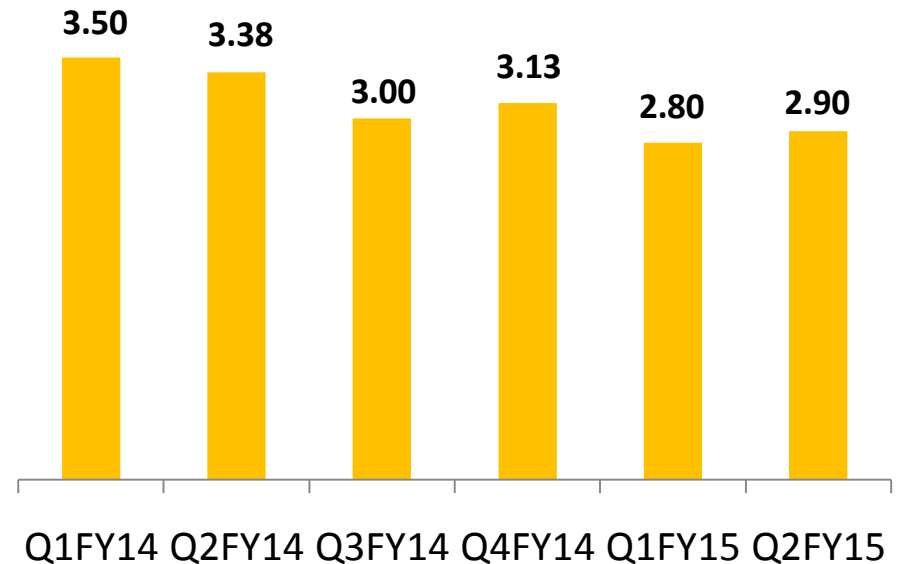
CAPITAL ADEQUACY

- The total capital adequacy is healthy at 27.61% compared to the minimum 15% stipulate by RBI for gold loan companies
- The gearing levels are also comfortable at 2.90x leaving ample scope for increase in leverage.

Capital Adequacy Tier I & Tier II



Debt Equity Ratio (x)

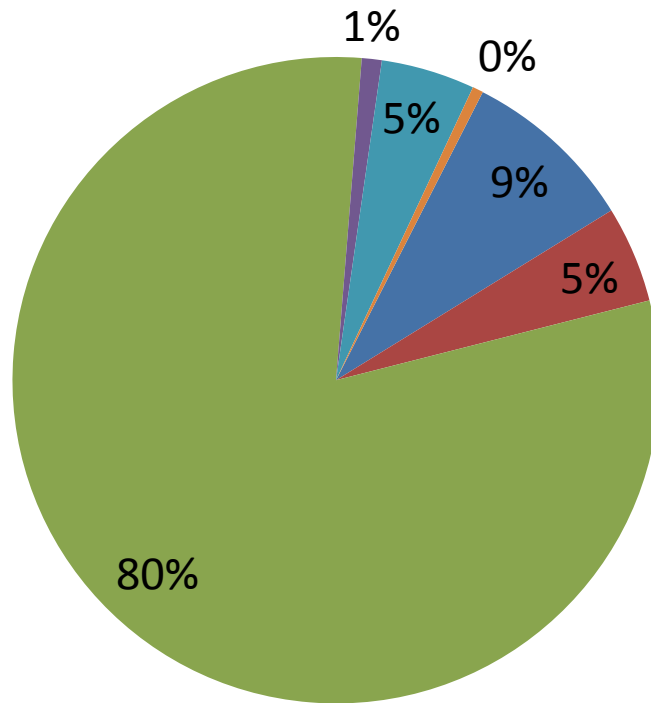


NEW BUSINESSES

- Looking to add new lines of business that leverage our strengths in ‘the top of the bottom of the pyramid’.
- Objective is to utilize our surplus capital, tap our trusted brand in finance in both rural and urban India and leverage our large existing retail customer base.
- Identified affordable housing, micro finance and vehicle finance as opportunities for us.
- Open to organic and inorganic growth options.
- New businesses expected to contribute around 25% of total AUM in three years.

LIABILITY MIX

Borrowings as on September 30, 2014 was Rs. 74,387 million.

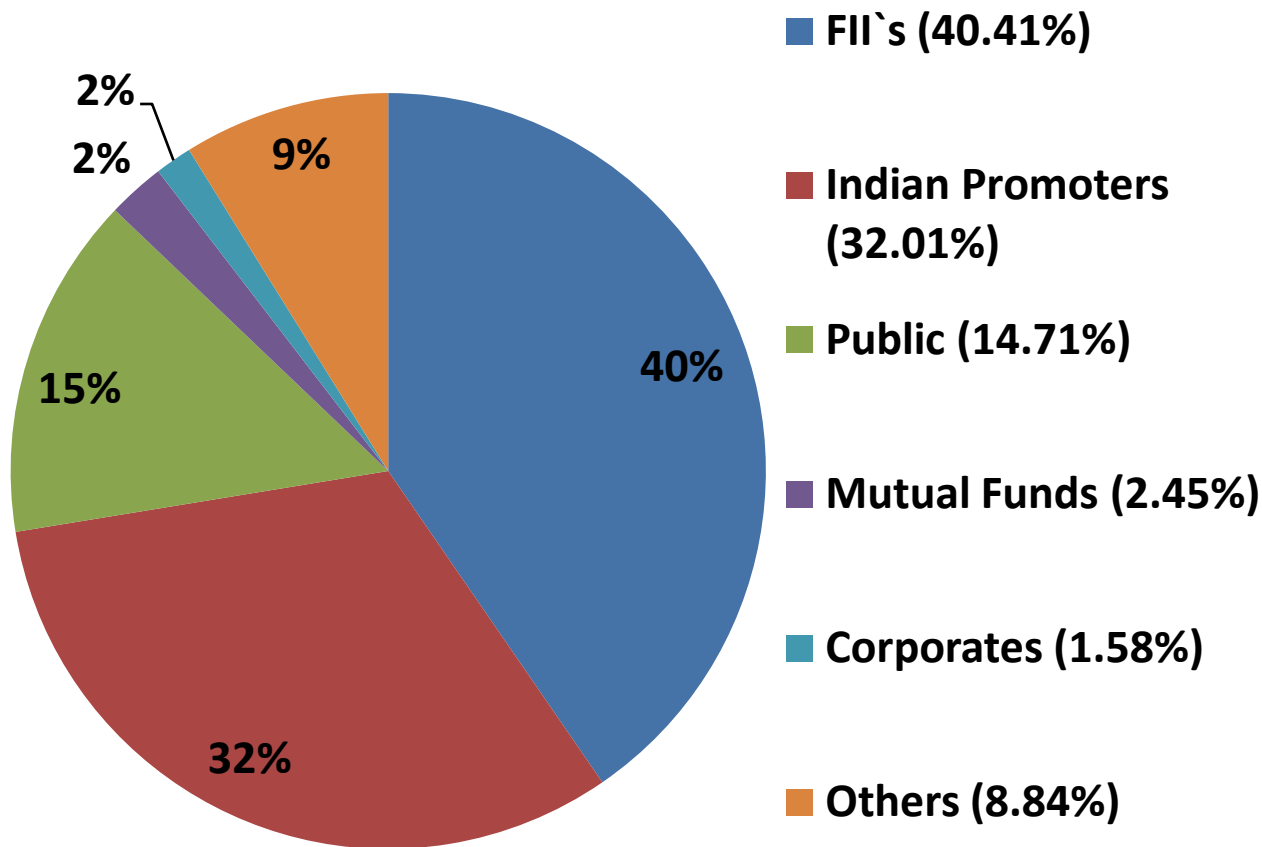


- NCDs Listed
- Bank Finance
- Subordinated Bond
- NCDs Unlisted
- Commercial Paper
- Others

Particulars	Amount (mn)
NCDs Listed	6,477
NCDs Unlisted	3,589
Bank Finance	59,688
Commercial Paper	743
Subordinated Bond	3,489
Others	400
TOTAL	74,387

SHARE HOLDING PATTERN

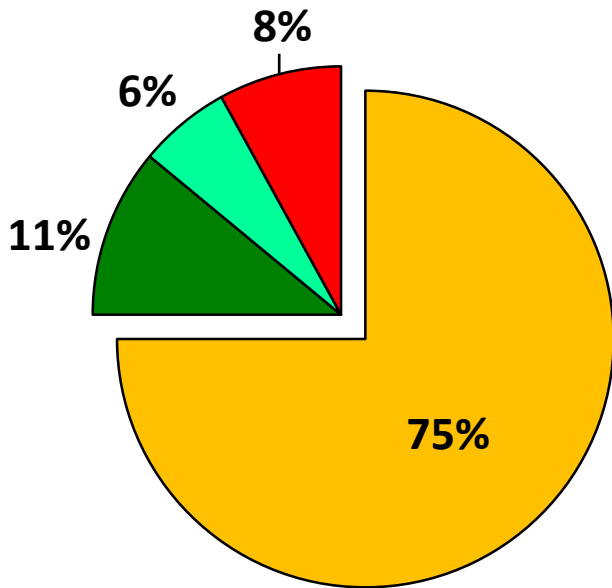
Total Outstanding Share Capital as on 30th September 2014 is Rs 1,682.4 Million (841.2 Million shares of Rs 2 each)



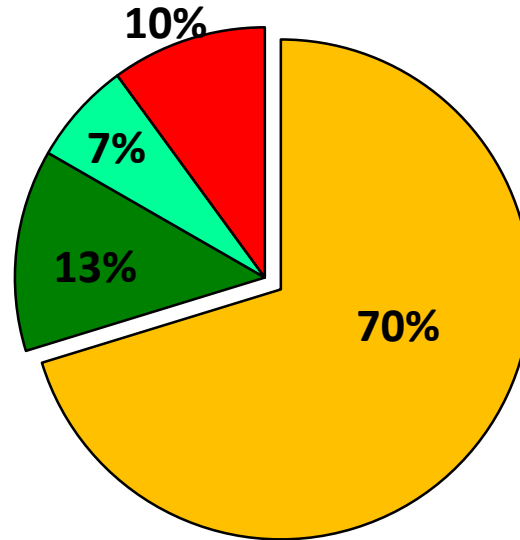
Loan Portfolio Zone wise

Gold loan outstanding as of September 30, 2014 was Rs. 85,180 million.

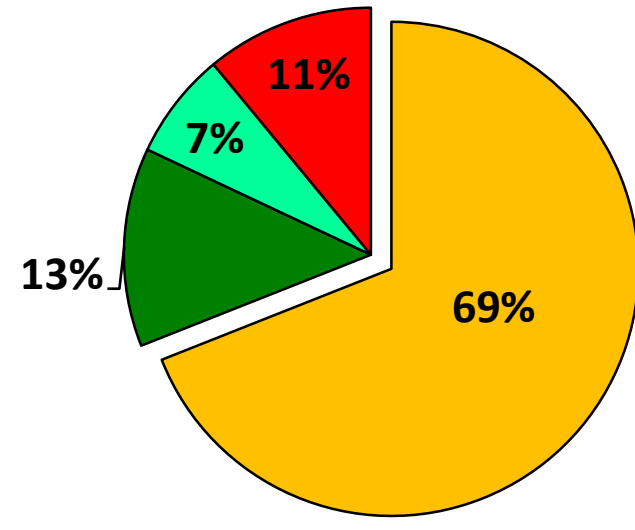
As on 31.03.13
GL OS – Rs. 99,300 million



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



As on 30.09.14
GL OS – Rs. 85,180 million



South West East North

SENIOR MANAGEMENT TEAM



Mr. V. P. Nandakumar
Managing Director & CEO

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



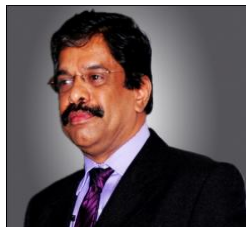
Mr. B.N. Raveendra Babu
Executive Director

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



Mr. Kapil Krishan
Chief Financial Officer

- Experience of over 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. Somasajeevan TK
EVP - HR

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

SENIOR MANAGEMENT TEAM



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.



Mr. Alope Ghosal
CEO – Housing Finance

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



Mr. R Raghavender Anand
National Head – Micro 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. K Senthil Kumar
National Head – Commercial Vehicle 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.

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

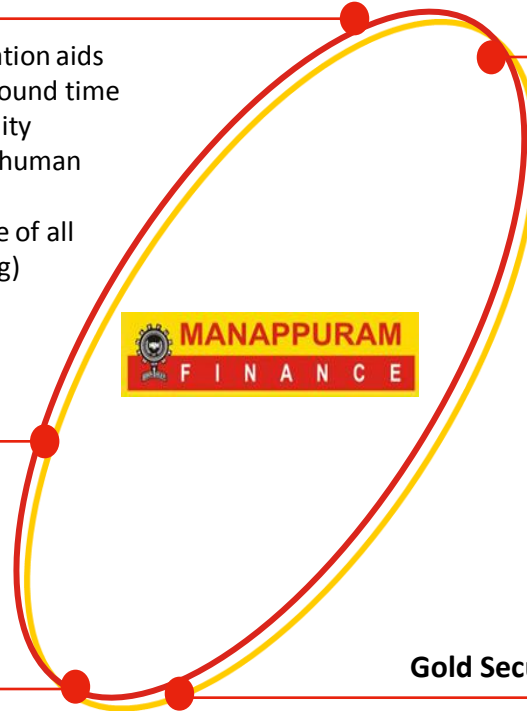
- Strict KYC compliance
- Employee profiling, Employee tracking and regular rotation of staff across departments and branches

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



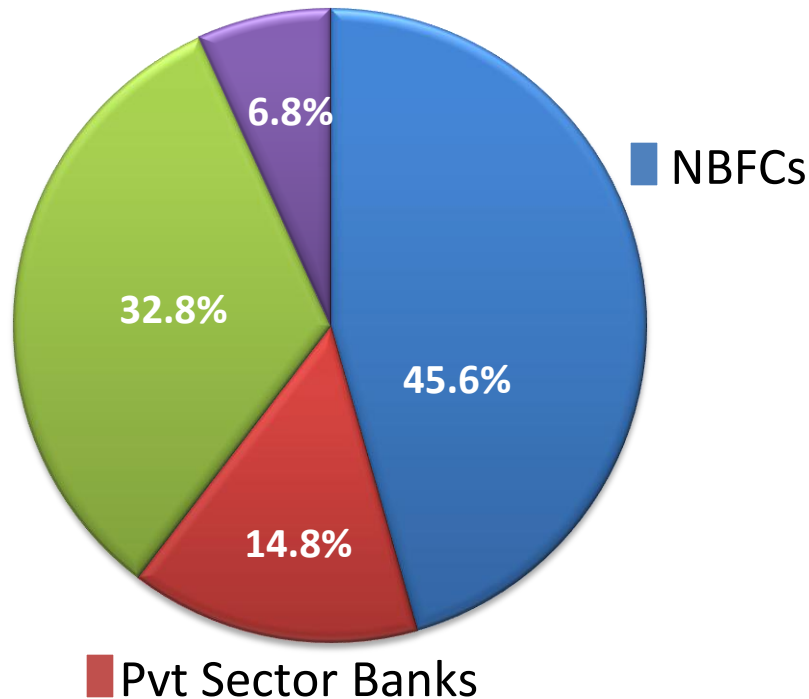
Vigilance

- **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

Regd. Off, Manappuram House,
P.O Valapad, Thrissur,
Kerala – 680 567

www.manappuram.com

DISCLAIMER :

This presentation and the contents therein are for information purposes only and does not and should not construed to be any investment or legal advice. Any action taken or transaction pursued based on the basis of the information contained herein is at your sole risk and responsibility and Manappuram Finance or its employees or directors, associates will not be liable in any manner for the consequences of any such reliance placed on the contents of this presentation. We have exercised reasonable care in checking the correctness and authenticity of the information contained herein, but do not represent that it is true, accurate or complete. Manappuram Finance or associates or employees shall not be in anyway responsible for any loss or damage that may arise to any person from any inadvertent error or omission in the information contained in this presentation. The recipients of this presentation should make their own verifications and investigations to check the authenticity of the said information if they wish. Manappuram Finance and/or directors, employees or associates may be deemed to have interests, financial or otherwise in the equity shares of Manappuram Finance.