



MANAPPURAM FINANCE LIMITED

Investor Presentation Q4 FY2021

Gold Finance



Micro Finance



Housing Finance



Vehicle Finance



MSME





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Corporate Information

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

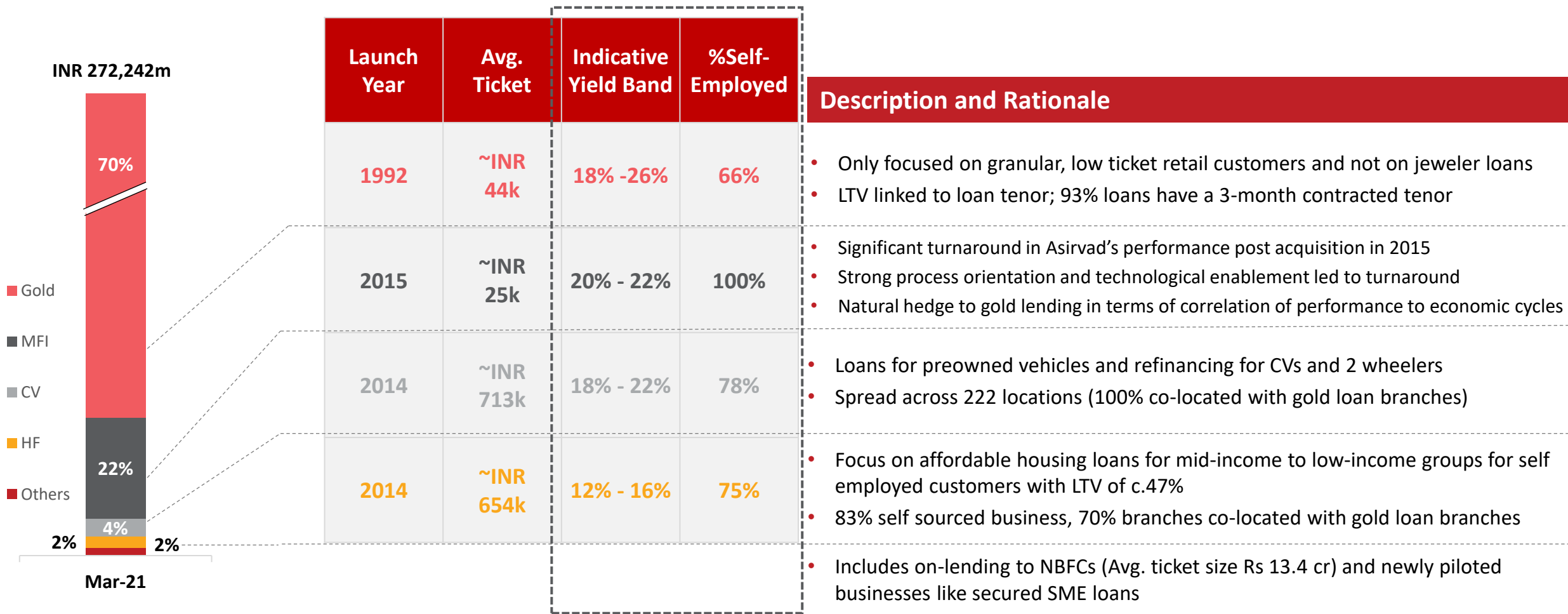
COMPANY DNA

- **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 **2.6 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 (29% Tier 1 ratio), with strong ALM and access to diversified sources of funds**
- **Board driven governance** process



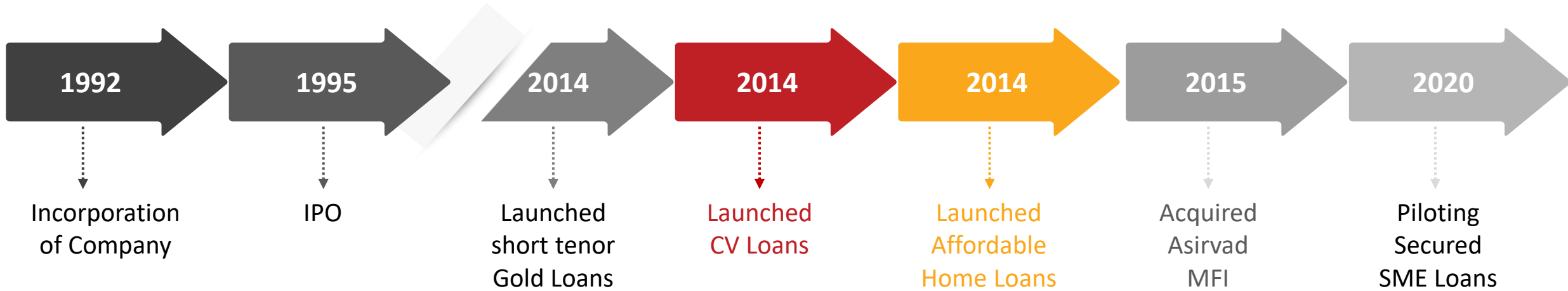
GROWTH STRATEGY

- 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)
- Target to achieve cross-cycle growth of 15-20% with RoE of 25%



- 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

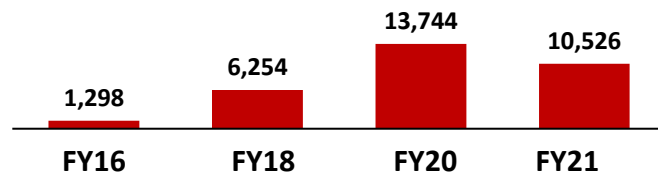
PRODUCT DIVERSIFICATION JOURNEY



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

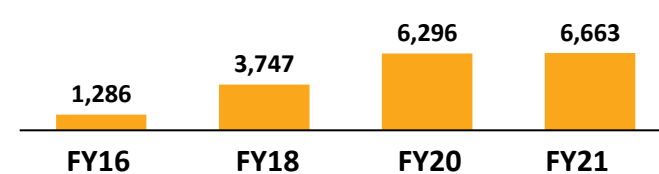
AUM, INRm



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

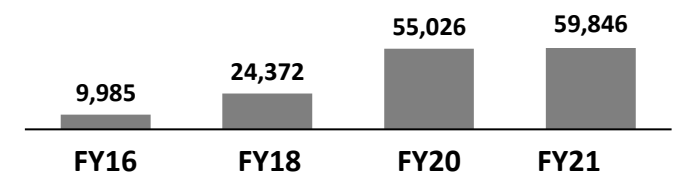
AUM, INRm



Asirvad MFI

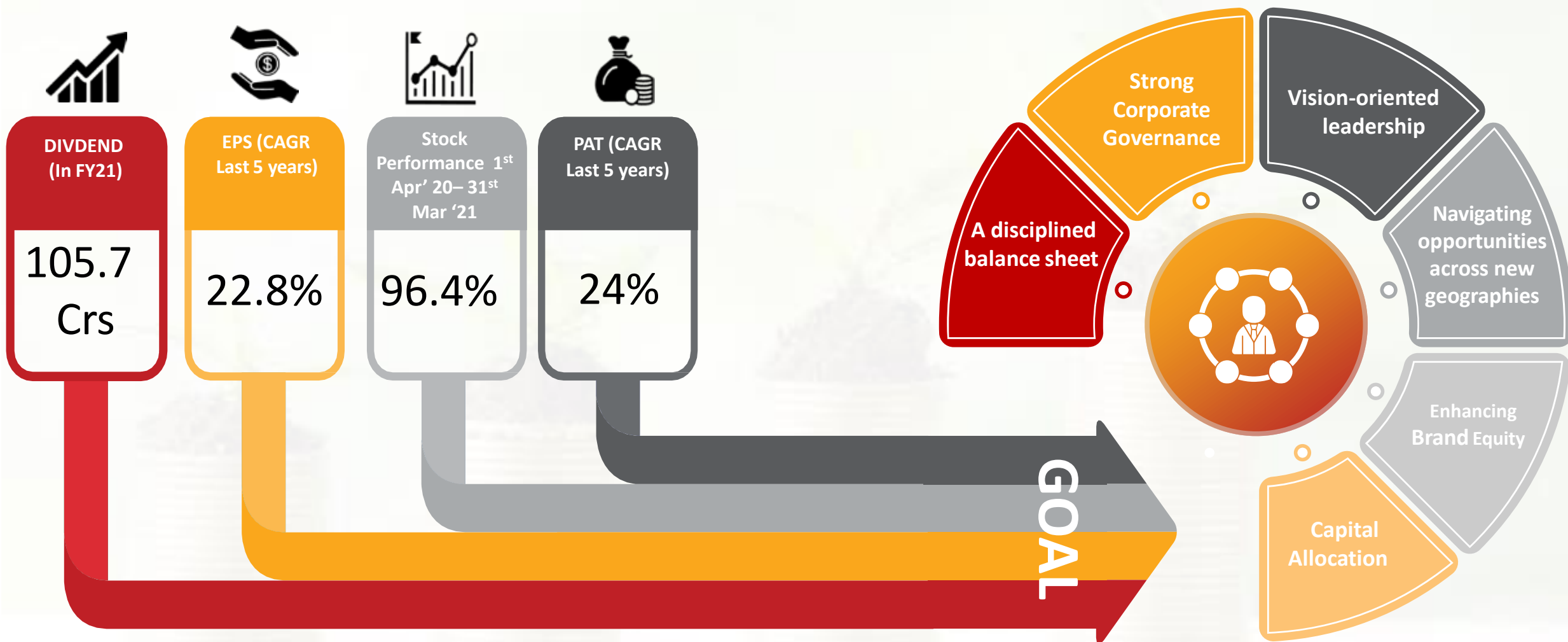
- Rapid scale-up despite crises like demonetization driven by branch expansion and prudent risk mgmt. (low ATS, district concentration norms and focus on collections)

AUM, INRm



THE ROAD AHEAD





5 YEAR PLAN: CONSISTENT AUM GROWTH OF 15-20% WITH 25% CROSS CYCLE ROE



(FY2025)



Gold Loans

Grow AUM at c.10-15% while maintaining granularity
Focus on new channels incl. door-step, DSA and online
Continue to drive productivity and efficiency to improve RoA by 100-150 bps

MFI Loans

Cross cycle AUM growth of c.20%
Continue to de-risk loan book through geo diversification
Maintain strong focus on borrower level indebtedness and collections efficiency

Other Loans

Standalone ROA of 2.0%+ over time for VF, HF and MSME

Overall

Strong credit quality, prudent ALM and sustained performance to drive improvement in credit rating
Target 20-25% tier 1 ratio
Focus on digital initiatives to drive improved business outcomes



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
Q4 & FY2021



Strong risk management at a time of heightened gold price volatility

- Spot price of gold declined by 12% QoQ and by **21% from peak levels witnessed in 2QFY21**
- Given the 3M average contracted loan duration for Manappuram, a significant proportion of loans disbursed at the time of peak gold price in 2QFY21 came due for repayment during 4QFY21
- Despite significant volatility in gold prices, the Company was able to arrest GNPA in the gold loan portfolio to less than 2%. Auctions during the quarter were Rs 404 crs as compared to Rs 8 crs during the 9M period ended Dec 20
- Lower gold prices impacted growth in gold AUM for the following reasons a) higher auctions in 4QFY21 and b) tendency of borrowers to foreclose loans ahead of impending auctions (Please refer Pg 23 of the presentation for further details). Gold AUM declined by 5.6% QoQ
- The Company has added significantly to the gold loan marketing team, to continue growing the portfolio after COVID 2.0 abates

Well positioned on liquidity

- Strong ALM position; proportion of CPs (standalone basis) has declined further to 6.5% of total liabilities
- Cost of borrowing declined by 18 bps on a sequential basis during 4QFY21
- Cash and CE on consol basis at the end of Mar 21 stood at Rs 2,548 crs. In addition, the Company had access to Rs 7,364 crs undrawn bank lines
- Tier 1 ratio of 29%; Strong support received from all financing partners

Non-Gold Businesses

- **MFI:** We continue to keep close watch on MFI portfolio. Collections efficiency until Mar 21 was in line with top performers in the space. Loan loss provisions for Asirvad in FY21 was 5.7% of AUM, and the Company has been prudent with respect to restructuring / top-up loans
- **VEF and HFC:** Collections efficiency in vehicle finance improved significantly during the quarter, leading to some release of historical provisions. HFC business continues to be stable
- **On-lending:** Manappuram continues to run-down the on-lending portfolio (Rs 183 crs in Mar 21), in line with its stated policy

Outlook

- COVID 2.0 is expected to have a transitory impact on performance, as a result of a) fresh disbursements getting impacted due to lockdowns and b) cash flow stress faced by borrowers
- Over time, Manappuram expects to continue growing its gold loan portfolio at 10-15% (assuming stable gold prices)

CONSOLIDATED FINANCIAL OVERVIEW – Q4 & FY2021

Particulars (Rs. Mn)	Q4FY21	Q4FY20	Y-o-Y %	Q3FY21	Q-o-Q %	FY21	FY20	Y-o-Y %
CONSOLIDATED AUM (Rs. Bn)	272	252	7.9%	276	-1.5%	272	252	7.9%
NET INTEREST INCOME	10,984	10,245	7.2%	10,866	1.1%	41,116	36,331	13.2%
OPEX	3,777	3,807	-0.8%	3,553	6.3%	13,996	14,741	-5.1%
PPOP #	7,287	6,567	11.0%	7,375	-1.2%	27,561	22,449	22.8%
PAT (Rs. Mn) **	4,683	3,982	17.6%	4,832	-3.1%	17,249	14,803	16.5%
EPS *	22.1	18.9	17.3%	22.8	-3.1%	20.4	17.5	16.3%
ROA %	6.0	5.7	+26 Bps	6.1	+09 Bps	5.6	5.9	-31 Bps
ROE %	26.4	28.2	-173 Bps	29.0	-253 Bps	26.2	28.4	-224 Bps
BVPS (In Rs.)	86.3	68.0	27.0%	81.2	6.3%	86.3	68.0	27.0%
NETWORTH (Rs. Mn)	73,074	57,461	27.2%	68,696	6.4%	73,074	57,461	27.2%
COST OF FUNDS %	9.1	10.9	-184 Bps	9.3	-17 Bps	9.8	9.9	-07 Bps

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

*Annualised EPS

CONSOLIDATED OPERATIONAL OVERVIEW – Q4 & FY2021

Particulars	Q4FY21	Q4FY20	Y-o-Y %	Q3FY21	Q-o-Q %	FY21	FY20	Y-o-Y %
GOLD AUM (Rs Bn)	191	170	12.4%	202	-5.6%	191	170	12.4%
GOLD TONNAGE	65.3	72.4	-9.7%	68.2	-4.3%	65.3	72.4	-9.7%
GOLD BRANCHES (Nos)	3,524	3,529	-0.1%	3,524	0.0%	3,524	3,529	-0.1%
GOLD CUSTOMERS (in Mn)	2.6	2.6	-1.1%	2.6	-1.2%	2.6	2.6	-1.1%
NON-GOLD AUM (Rs Bn)	81	83	-1.3%	74	9.6%	81	83	-1.3%
NON-GOLD BRANCHES (Nos)	1,067	1,047	1.9%	1,051	1.5%	1,067	1,047	1.9%
MFI CUSTOMERS (in Mn)	2.4	2.4	2.0%	2.4	2.3%	2.4	2.4	2.0%
VEF/SME CUSTOMERS (in Mn)	0.1	0.1	-15.5%	0.1	-0.6%	0.1	0.1	-15.5%

CONSOLIDATED AUM UPDATES FOR Q4 & FY2021

	Q4FY21	Q4FY20	Y-o-Y %	Q3FY21	Q-o-Q %	FY21	FY20	Y-o-Y %
GOLD LOANS (Rs Mn)	1,90,770	1,69,672	12.4%	2,02,116	-5.6%	1,90,770	1,69,672	12.4%
MICROFINANCE (Rs Mn)	59,846	55,026	8.8%	53,577	11.7%	59,846	55,026	8.8%
HOUSING FINANCE (Rs Mn)	6,663	6,296	5.8%	6,334	5.2%	6,663	6,296	5.8%
VEHICLE FINANCE (Rs Mn)	10,526	13,443	-21.7%	9,880	6.5%	10,526	13,443	-21.7%
OTHER LOANS (Rs Mn)	4,437	7,814	-43.2%	4,517	-1.8%	4,437	7,814	-43.2%
% SHARE OF NON GOLD BUSINESSES IN CONSOLIDATED AUM	29.9	32.7	-281 bps	26.9	+304 Bps	29.9	32.7	-281 bps
TOTAL CUSTOMER BASE (in Mn)	5.1	5.1	-0.1%	5.1	0.5%	5.1	5.1	-0.1%

CONSOLIDATED PROFIT & LOSS STATEMENT FOR Q4 & FY2021

Particulars (Rs Mn)	Q4FY21	Q4FY20	Y-o-Y %	Q3FY21	Q-o-Q %	FY21	FY20	Y-o-Y %
Closing AUM (Rs Bn)	272	252	7.9%	276	-1.5%	272	252	7.9%
Income from Operations	16,223	16,053	1.1%	16,438	-1.3%	63,306	54,653	15.8%
Finance expenses	5,239	5,808	-9.8%	5,573	-6.0%	22,190	18,322	21.1%
Net interest income	10,984	10,245	7.2%	10,866	1.1%	41,116	36,331	13.2%
Employee expenses	2,334	2,173	7.4%	2,173	7.5%	8,429	8,301	1.5%
Other operating expenses	1,442	1,633	-11.7%	1,381	4.5%	5,567	6,439	-13.6%
Pre provision profit	7,207	6,439	11.9%	7,313	-1.4%	27,120	21,590	25.6%
Provisions/Bad debts	1,066	1,226	-13.1%	802	32.9%	4,401	2,376	85.2%
Other Income	79	128	-38.2%	62	28.0%	441	859	-48.7%
Profit before Tax	6,221	5,341	16.5%	6,573	-5.4%	23,160	20,073	15.4%
Tax	1,537	1,359	13.1%	1,741	-11.7%	5,911	5,270	12.2%
PAT before OCI	4,683	3,982	17.6%	4,832	-3.1%	17,249	14,803	16.5%
Other Comprehensive Income	209	(23)	-1019.8%	(145)	-243.9%	(163)	(60)	172.0%
Total Comprehensive Income	4,892	3,959	23.6%	4,687	4.4%	17,086	14,743	15.9%
Minority Interest	(0.2)	32	-100.6%	10	-102.1%	7	126	-94.7%
PAT	4,892	3,927	24.6%	4,677	4.6%	17,080	14,617	16.8%

CONSOLIDATED BALANCE SHEET FOR YEAR ENDED FY2021

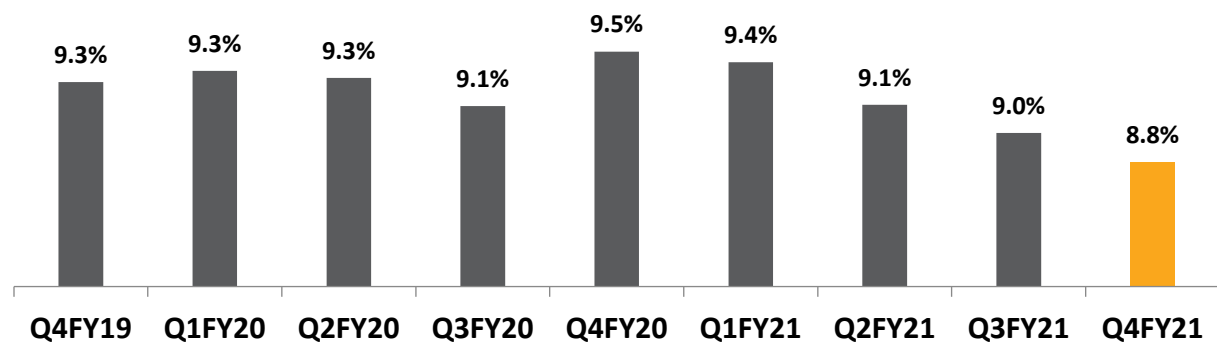
Particulars (Rs Mn)	Mar-21	Mar-20	YoY %	Dec-20	QoQ %
Cash & Bank Balances	29,124	36,668	-20.6%	27,236	6.9%
Investments	3,380	905	273.6%	3,476	-2.7%
Loans & Advances	2,65,076	2,42,971	9.1%	2,68,927	-1.4%
Fixed Assets	2,942	3,308	-11.0%	3,021	-2.6%
Other Assets	12,855	11,500	11.8%	11,699	9.9%
Total Assets	3,13,378	2,95,351	6.1%	3,14,358	-0.3%
Share Capital	1,693	1,690	0.2%	1,692	0.0%
Reserves & Surplus	71,382	55,771	28.0%	67,004	6.5%
Borrowings	2,27,163	2,25,735	0.6%	2,33,744	-2.8%
Other Liabilities & Provisions	12,669	11,572	9.5%	11,447	10.7%
Minority Interest	472	583	-19.1%	471	0.3%
Total Liabilities	3,13,378	2,95,351	6.1%	3,14,358	-0.3%

STANDALONE BORROWING PROFILE FOR Q4 & FY2021

BORROWING AS ON 31st Mar, 2021 = Rs. 176,403 Mn

Borrowing Mix	Q4FY20		Q3FY21		Q4FY21	
	Amount	%	Amount	%	Amount	%
WCDL/CC	69,025	39.1%	55,294	29.1%	42,164	23.9%
Term Loan	30,062	17.0%	33,662	17.7%	31,373	17.8%
NCD & Bonds	31,485	17.8%	60,314	31.7%	65,952	37.4%
ECB	26,443	15.0%	25,762	13.5%	25,471	14.4%
Commercial Paper	19,507	11.0%	15,244	8.0%	11,420	6.5%
Others	69	0.0%	24	0.0%	21	0.0%
Total	1,76,592	100.0%	1,90,301	100.0%	1,76,403	100.0%

COST OF BORROWING %



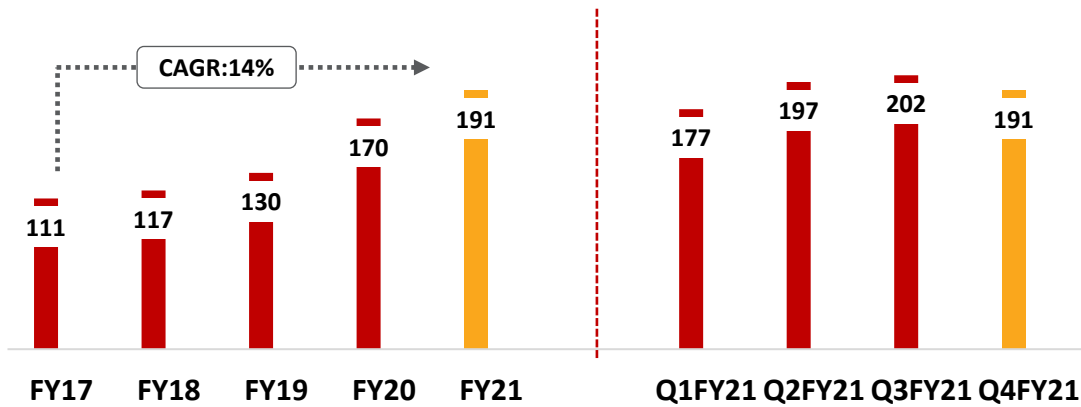
DOMESTIC RATING

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

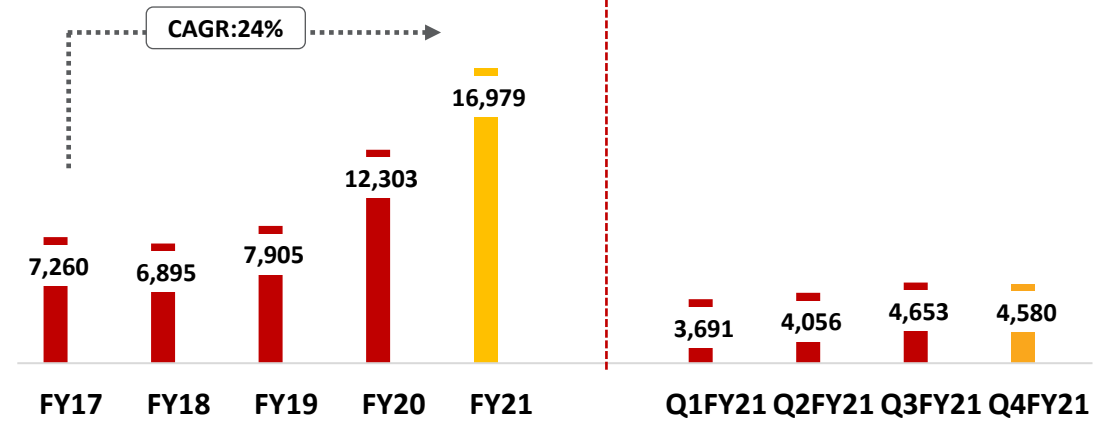
INTERNATIONAL RATING

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

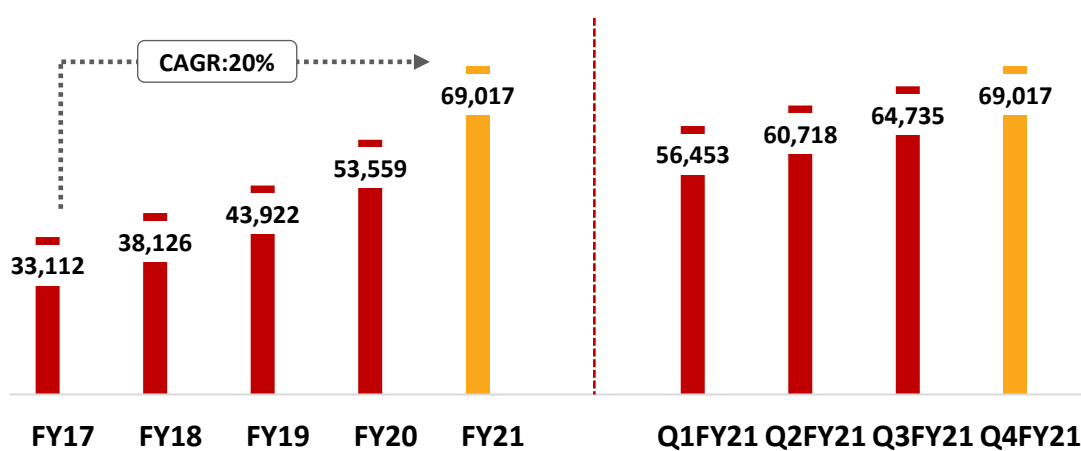
GOLD LOAN AUM (Rs. Bn)



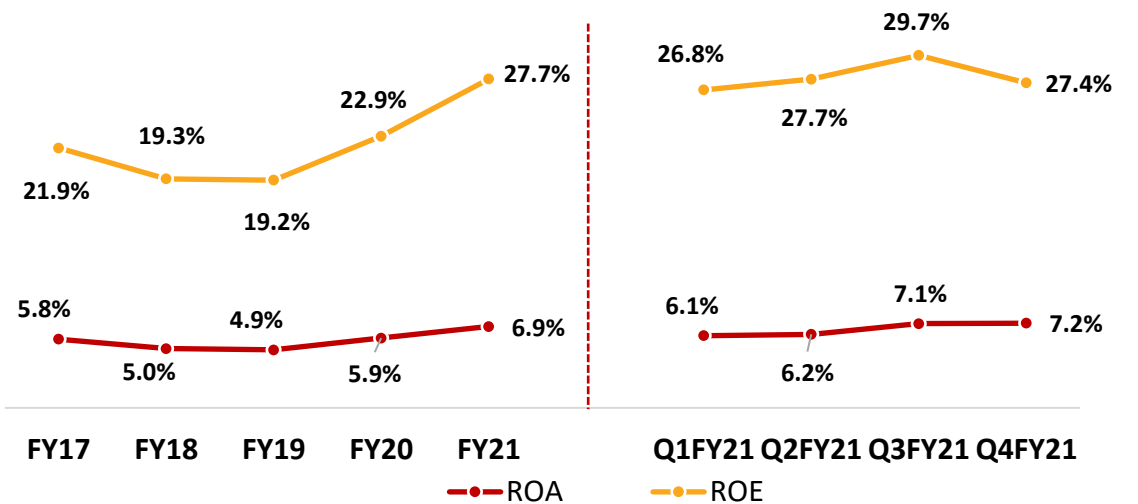
NET PROFIT (Rs. Mn)



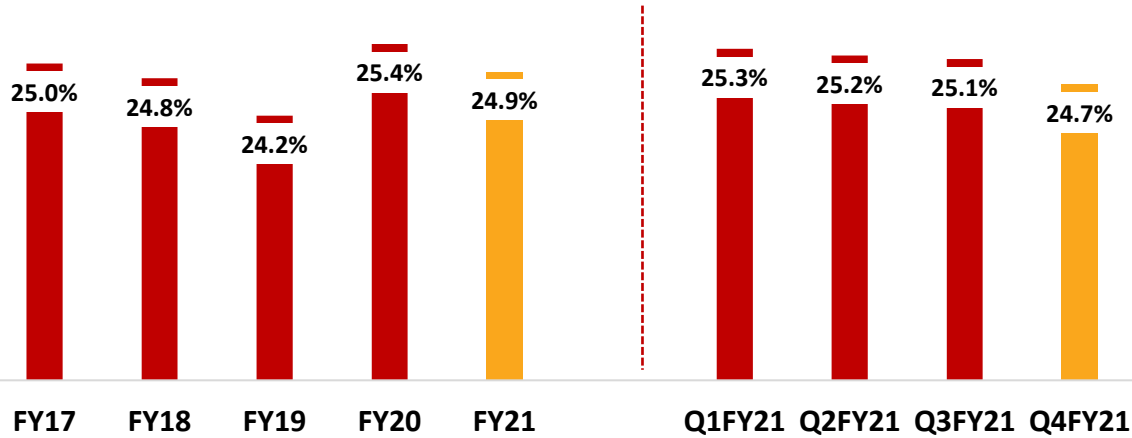
NET WORTH (Rs. Mn)



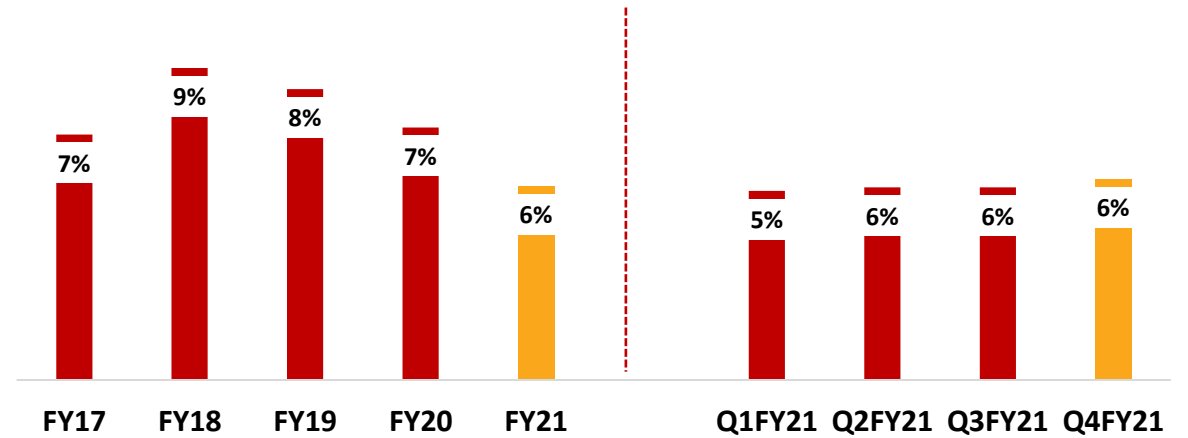
RETURN RATIOS %



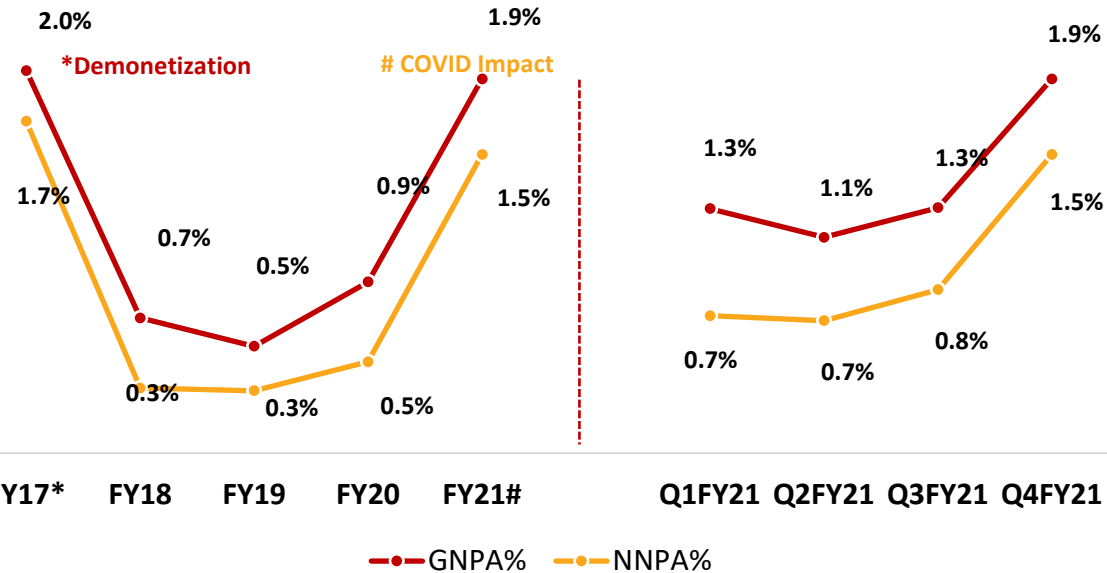
NET YIELD (%)



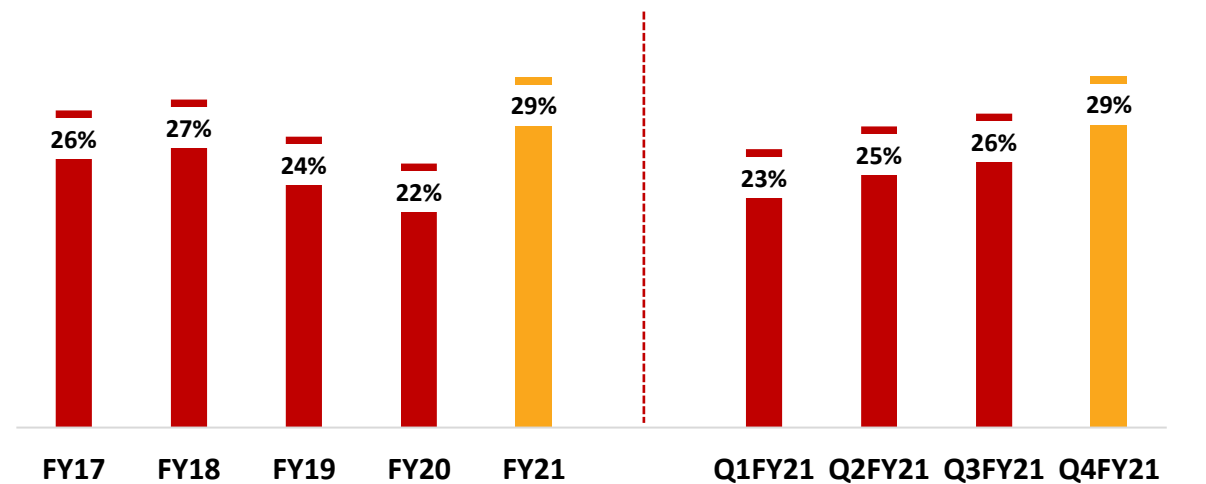
OPEX TO AUM %



NPA ANALYSIS %



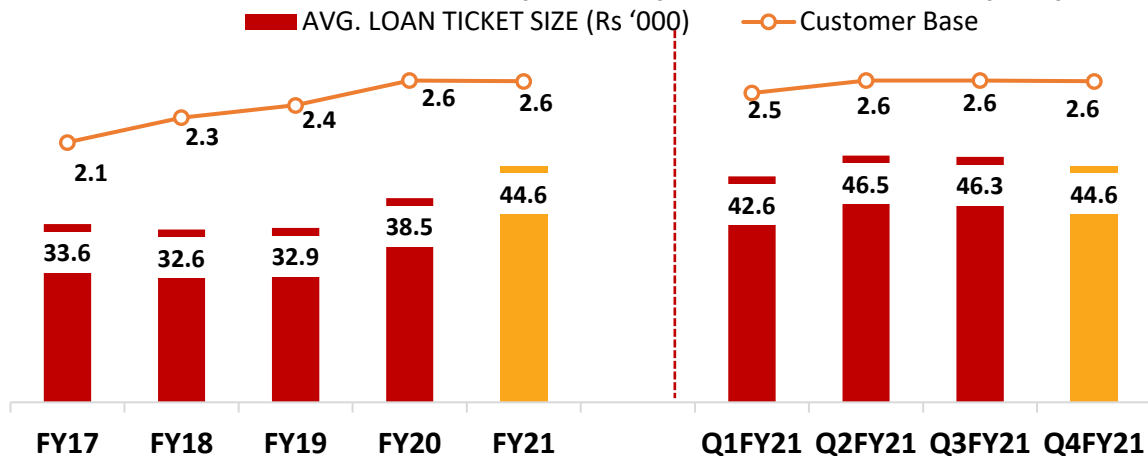
CAPITAL ADEQUACY RATIO %



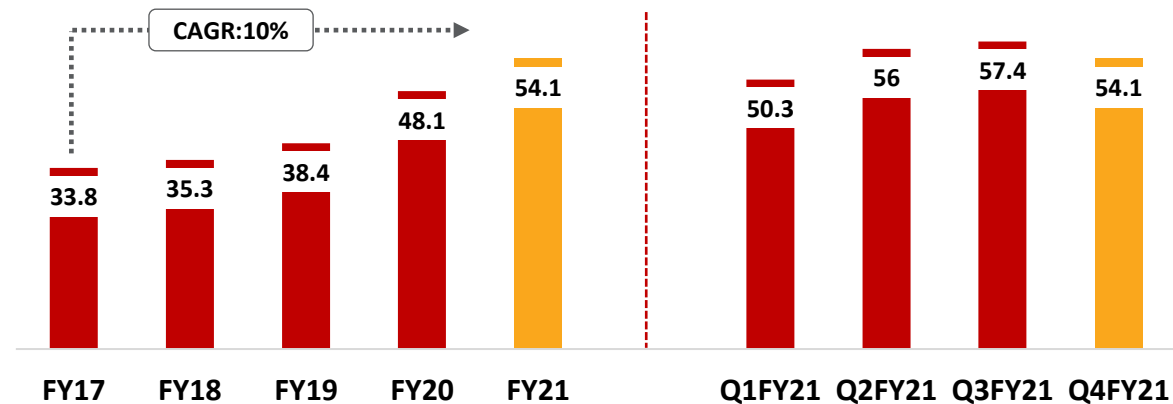
SEGMENTAL PERFORMANCE



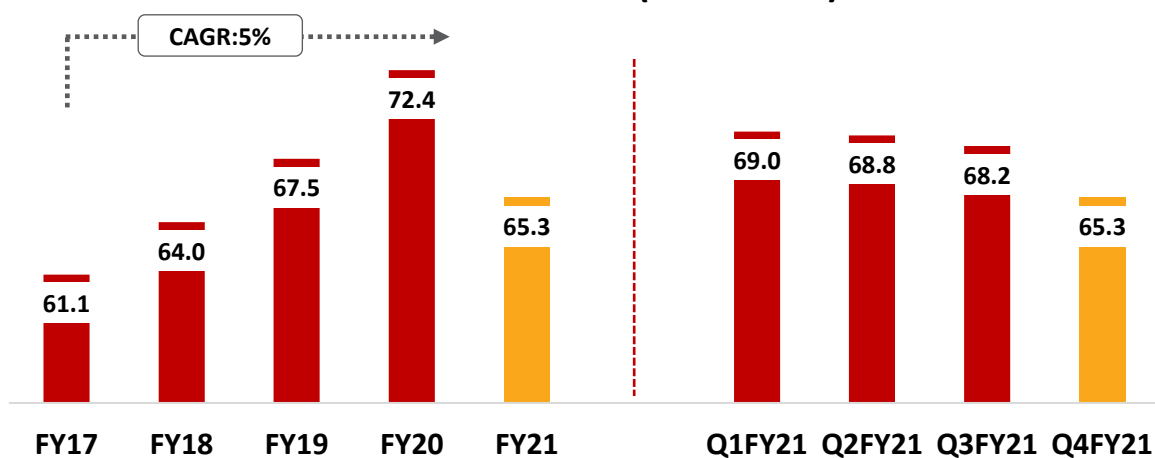
AVG. LOAN TICKET SIZE (Rs '000) CUSTOMER BASE(Mn)



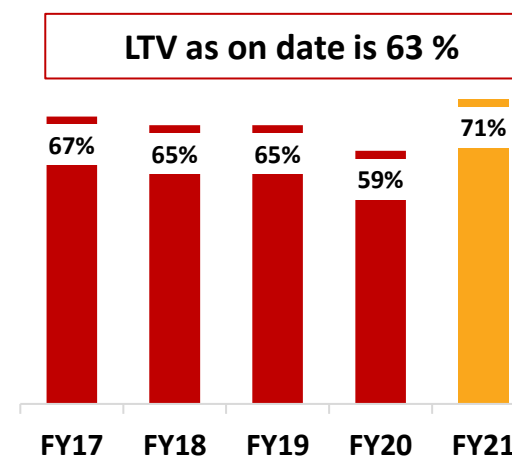
GOLD AUM PER BRANCH (Rs Mn)



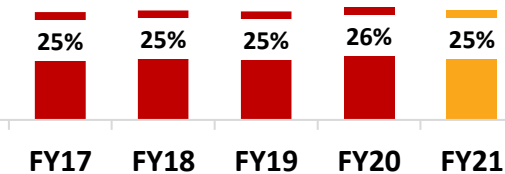
GOLD HOLDINGS (TONNAGE)



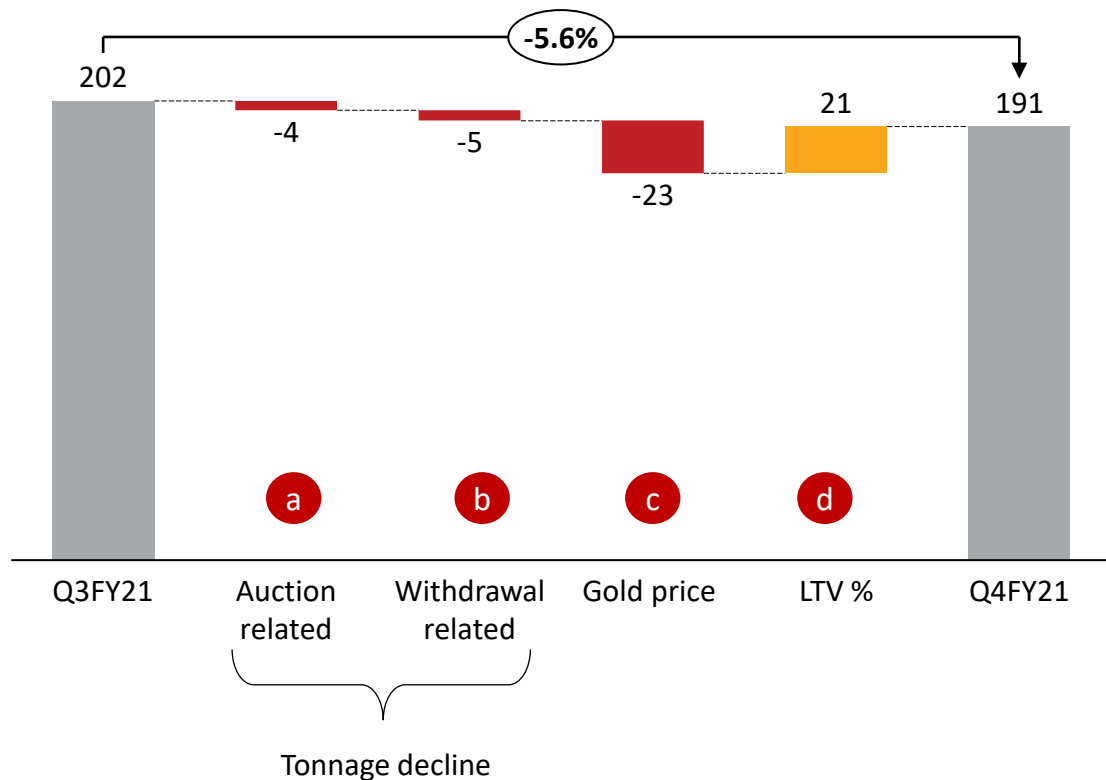
LTV (%)



GOLD LOAN YIELDS (%)



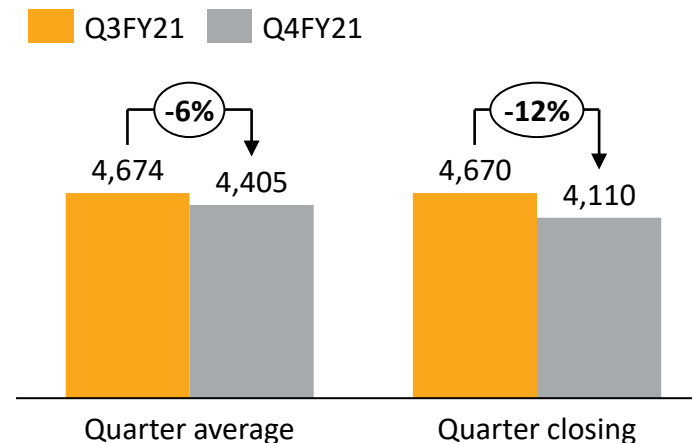
GOLD AUM (Rs. Bn) BRIDGE



AUM declined by 5.6% v/s gold price decline by 12% during the quarter

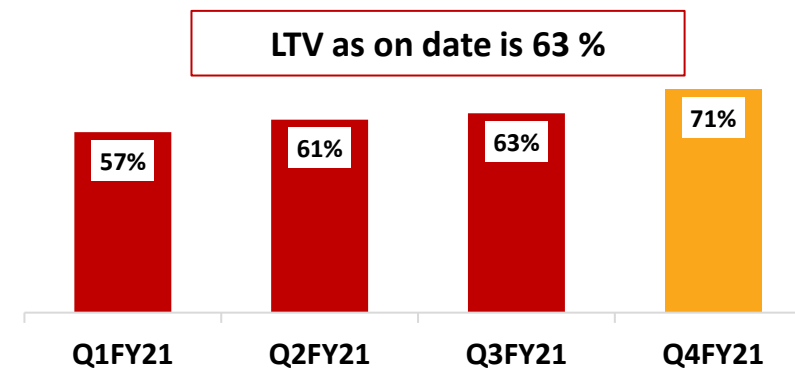
- (a) Manappuram auctioned gold collateral of defaulting customers
- (b) Some borrowers withdrew gold collateral given decline in gold prices
- (c) Price decline was partly offset by increase in LTV from 63% to 71%

GOLD PRICES (Rs / gm)



Gold prices declined by 12% QoQ and by 21% from peak levels (2QFY21)

LTV MOVEMENT (%)

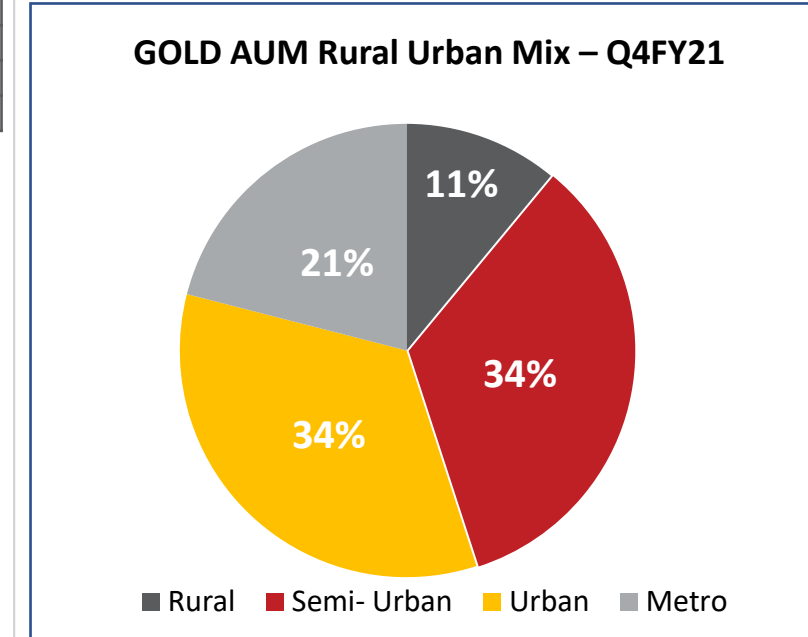
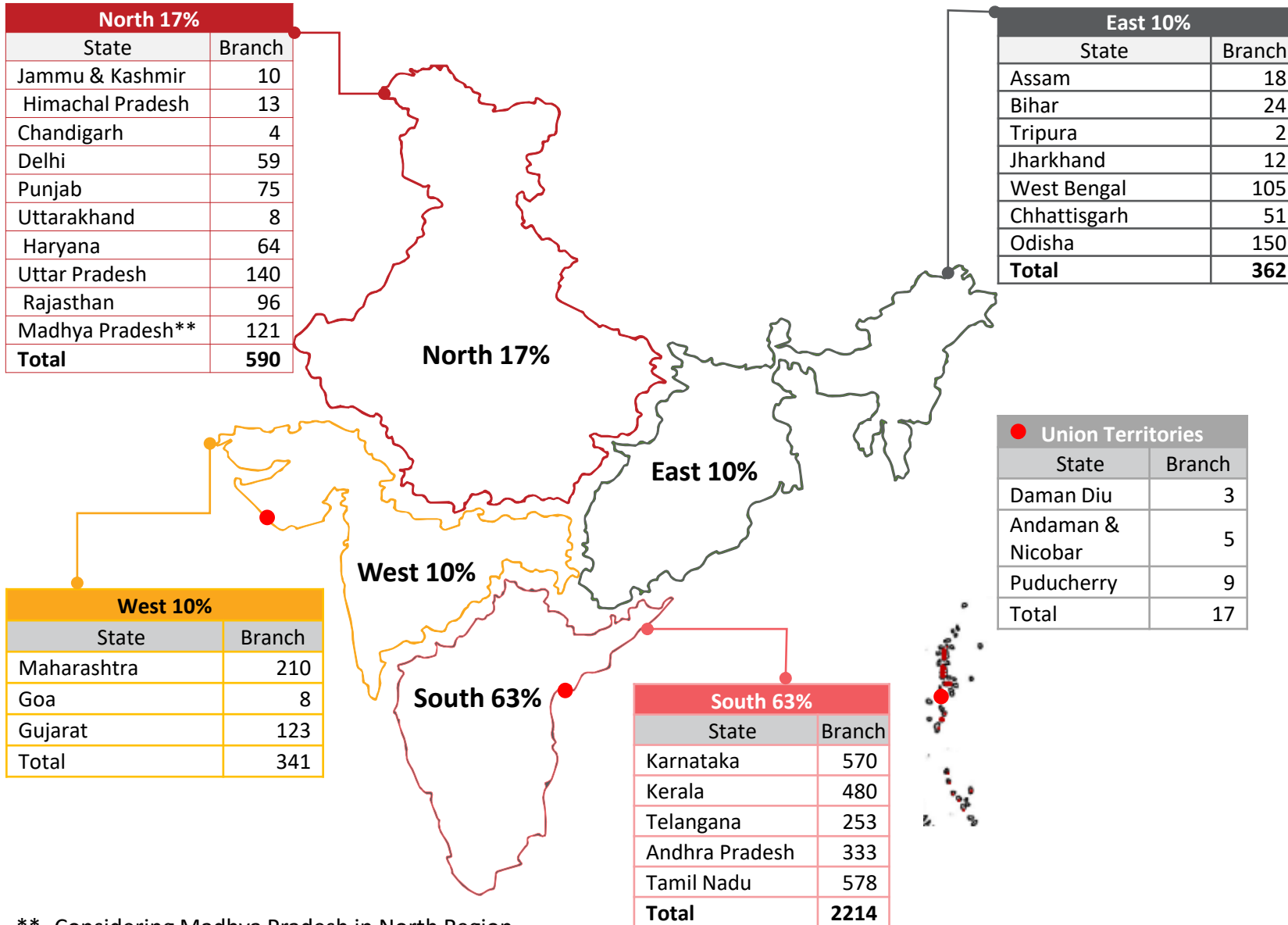




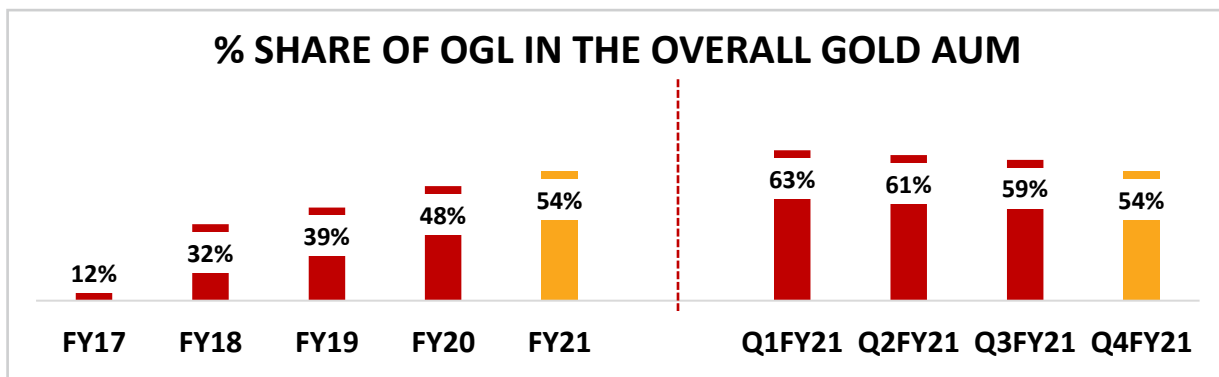
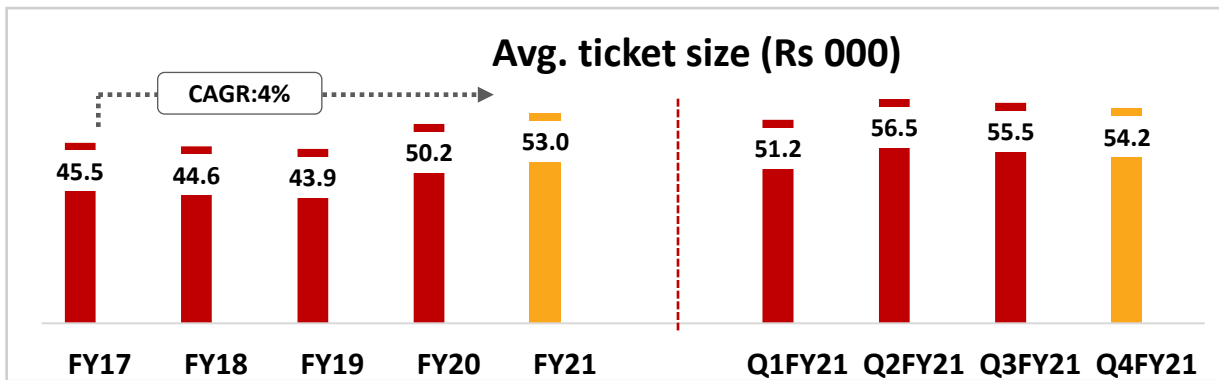
- Stable net yields despite newer entrants like fintechs (higher ticket size) and focus by banks
- Low interest rate sensitivity given small ticket size, short tenor and convenience of product

- 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 (Q4 FY2021)



** - Considering Madhya Pradesh in North Region



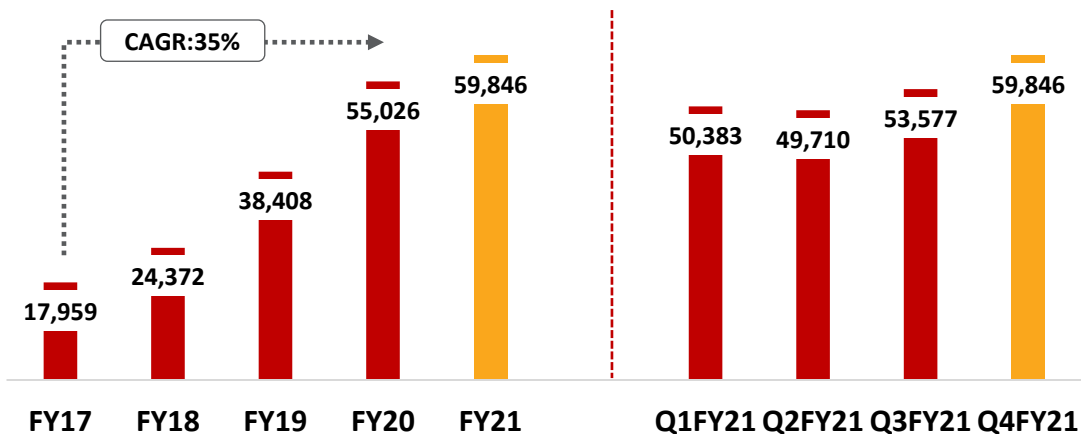
ONLINE GOLD LOANS SUPERIOR FOR CUSTOMERS

- 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

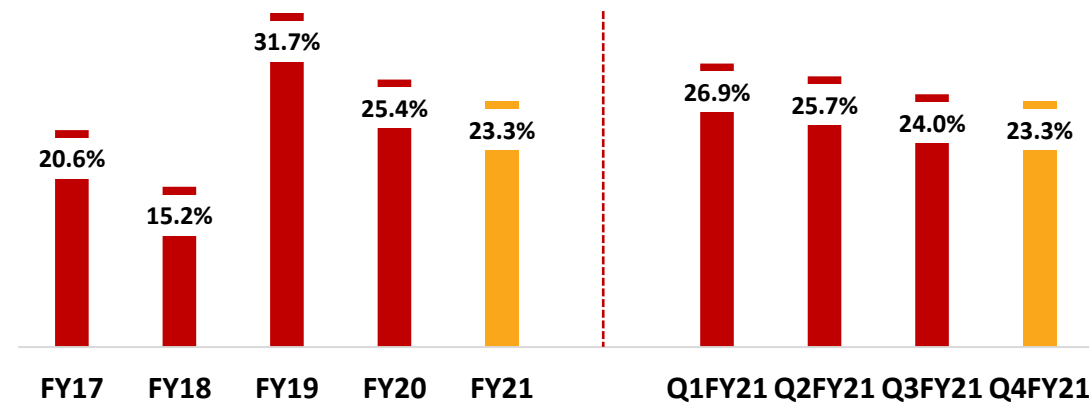
ASIRVAD MICROFINANCE RESULTS FOR Q4 & FY2021

Particulars (Rs in Mn)	Q4FY21	Q4FY20	Y-o-Y %	Q3FY21	Q-o-Q %	FY21	FY20	Y-o-Y %
Closing AUM	59,846	55,026	8.8%	53,577	11.7%	59,846	55,026	8.8%
Income from Operations	2,787	2,826	-1.4%	2,559	8.9%	10,530	10,551	-0.2%
Finance expenses	1,060	1,081	-1.9%	1,096	-3.3%	4,575	4,094	11.7%
Net interest income	1,726	1,745	-1.1%	1,463	18.0%	5,954	6,456	-7.8%
Employee expenses	520	446	16.6%	520	-0.1%	1,885	1,502	25.5%
Other operating expenses	253	230	10.1%	282	-10.4%	1,006	841	19.6%
Pre provision profit	954	1,070	-10.8%	660	44.5%	3,063	4,113	-25.5%
Provisions/Bad debts	949	857	10.7%	484	96.0%	2,998	1,474	103.4%
Other Income	51	107	-52.4%	146	-65.1%	242	464	-47.8%
Profit before Tax	56	319	-82.5%	322	-82.6%	307	3,103	-90.1%
Tax	15	33	-55.5%	144	-89.7%	138	750	-81.6%
PAT before OCI	41	286	-85.6%	178	-76.8%	169	2,353	-92.8%
Other Comprehensive Income	-8	-4	87.0%	0	-100.0%	-9	-2	284.2%
PAT	33	282	-88.3%	178	-81.5%	160	2,351	-93.2%
Borrowings	46,272	45,006	2.8%	39,278	17.8%	46,272	45,006	2.8%
Net Worth	10,554	10,395	1.5%	10,521	0.3%	10,554	10,395	1.5%

ASIRVAD AUM (RS Mn)

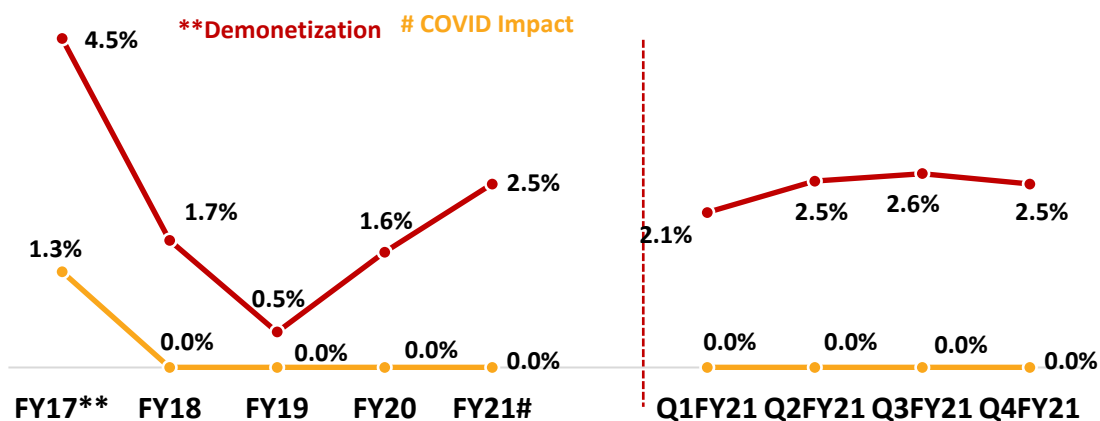


CAPITAL ADEQUACY RATIO %



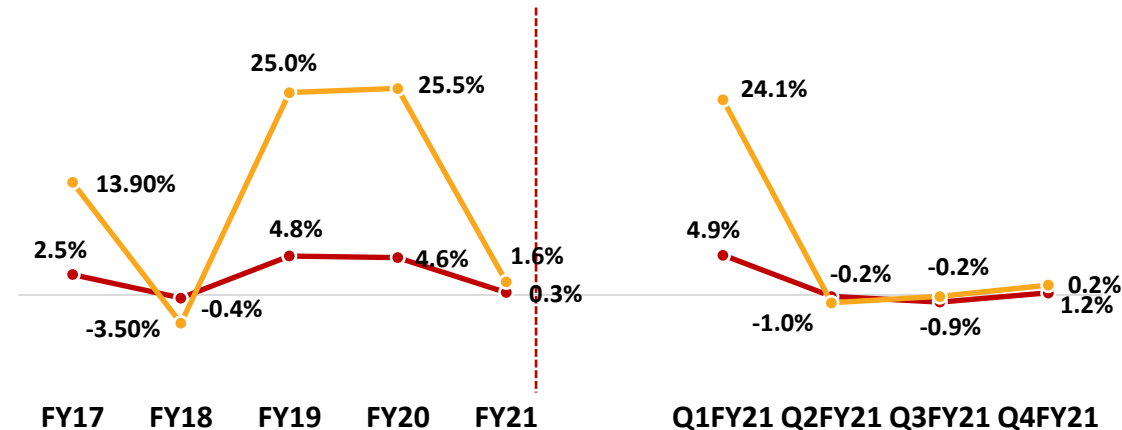
NPA ANALYSIS % *

● GNPA% ● NNPA%



RETURN RATIOS %

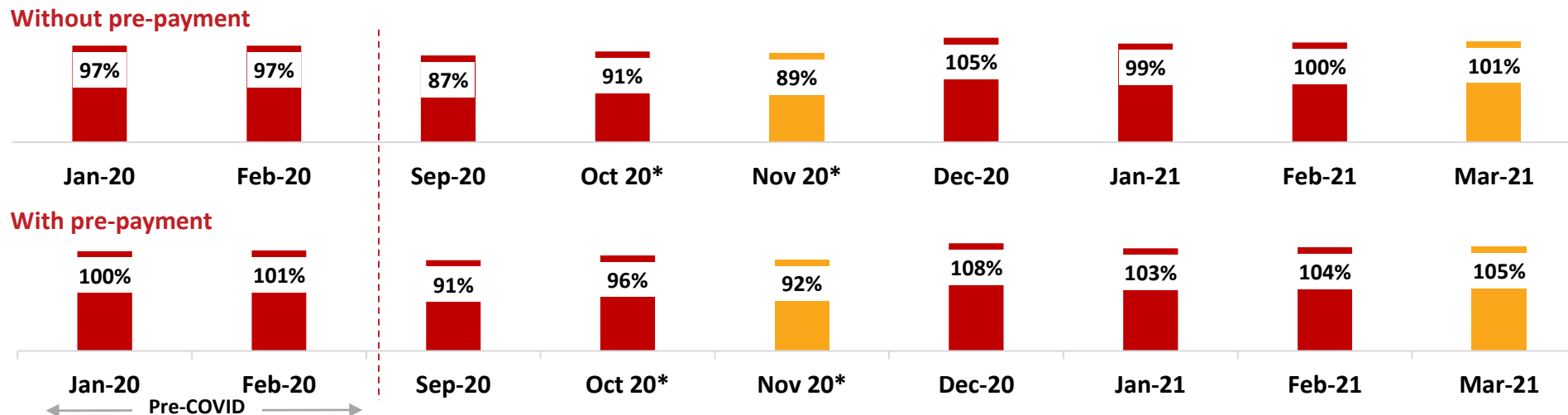
● ROA ● ROE



* NPA recognized at 90 Days

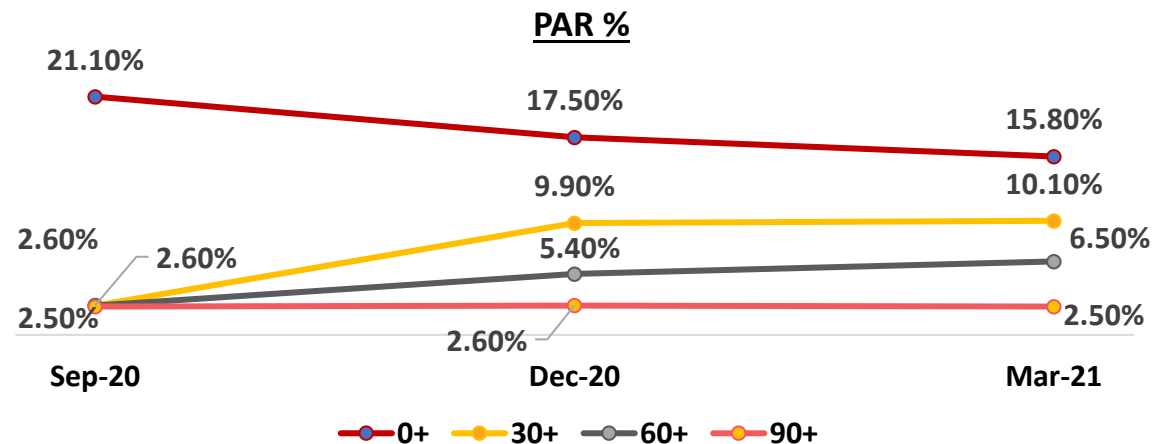
COLLECTION EFFICIENCY

Collection efficiency returned to pre-COVID levels

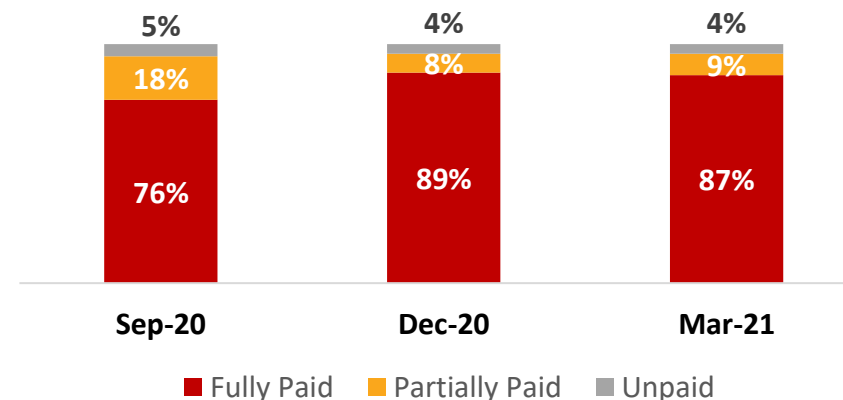


ASSET QUALITY

Intensified focus on asset quality



LOAN ACCOUNTS BY PAYMENT STATUS

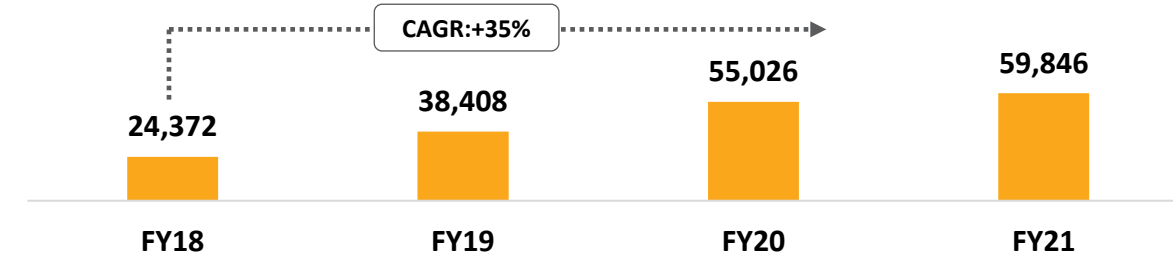


* Oct and Nov collections have been adjusted for disruptions on account of Kerala floods

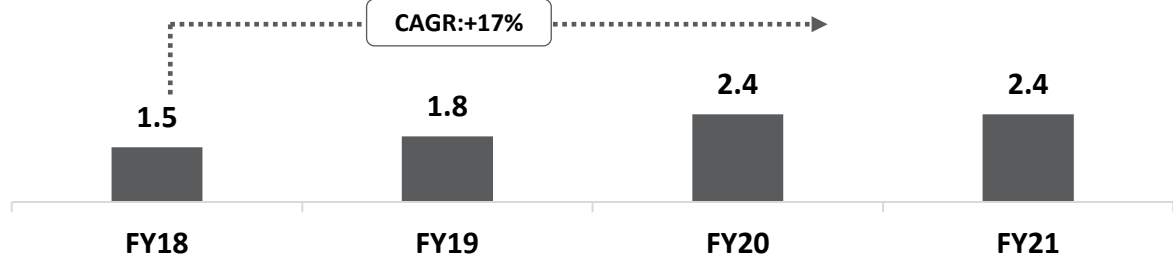
BUSINESS AND PRODUCTIVITY METRICS

GROWTH

AUM (INR mn)



Number of borrowers (mn)



of branches

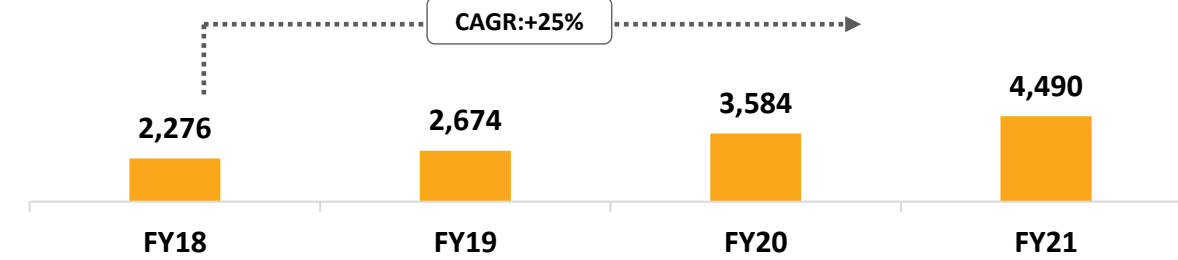


AUM / borrower (thousands)

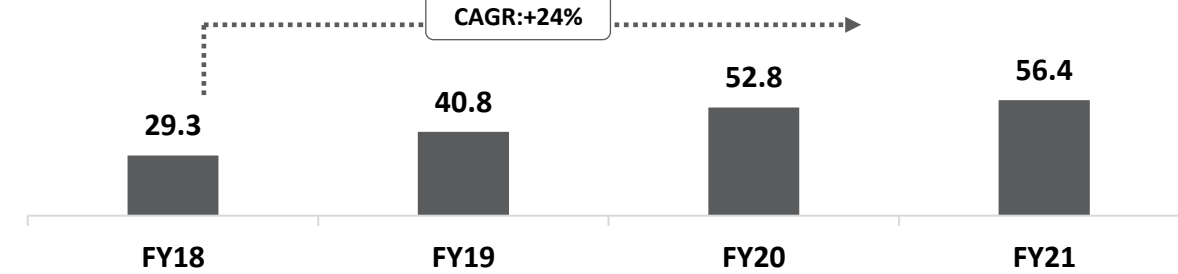


PRODUCTIVITY

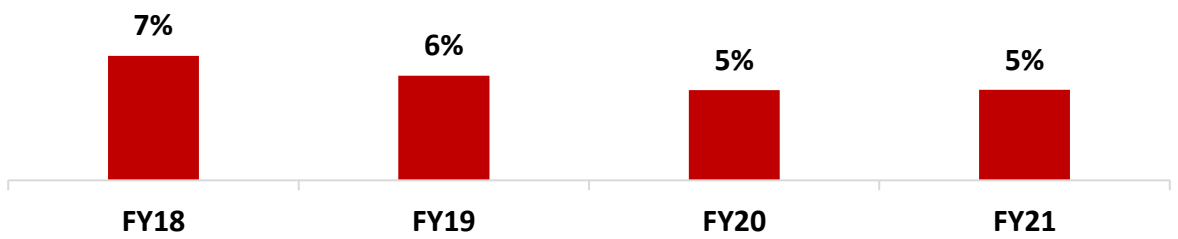
Number of loan officers



AUM / branch (INR mn)

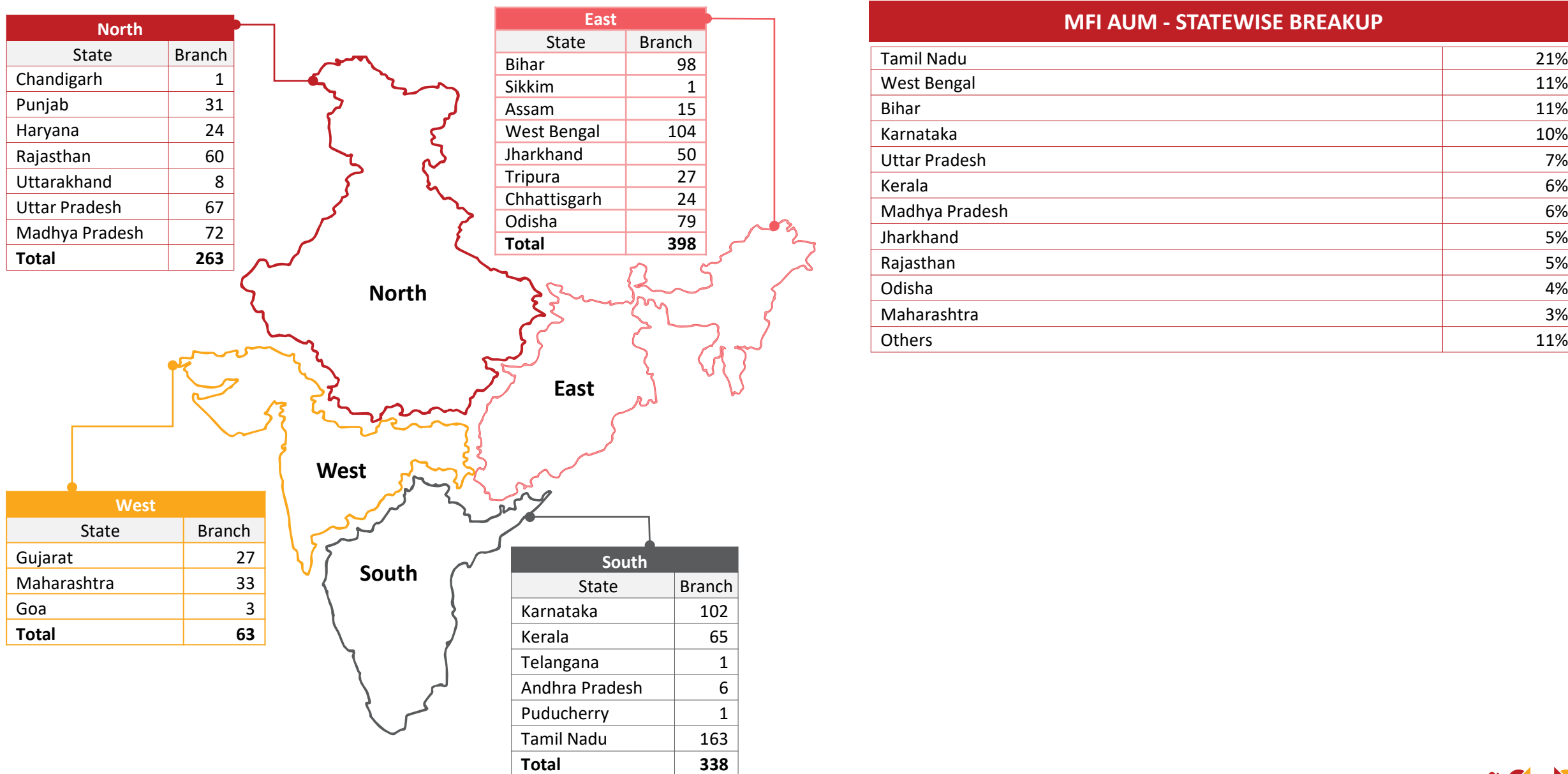


Opex / AUM



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

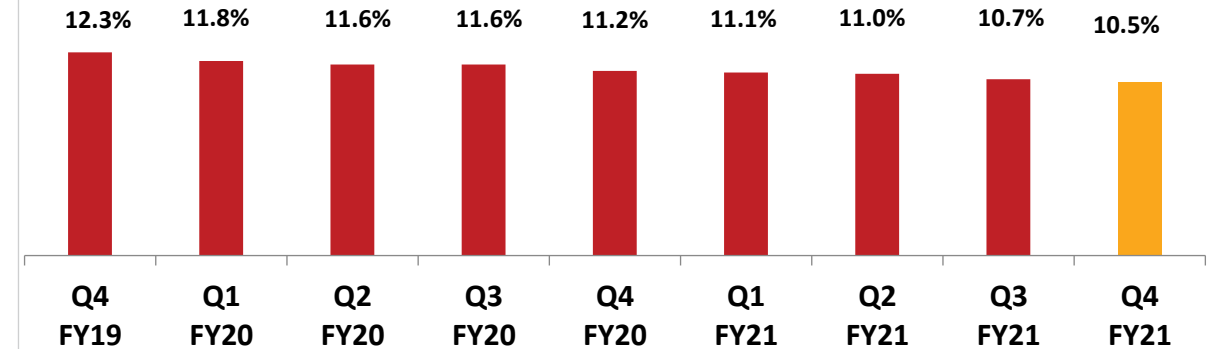
ASIRVAD MICROFINANCE PAN INDIA PRESENCE (Q4FY2021)



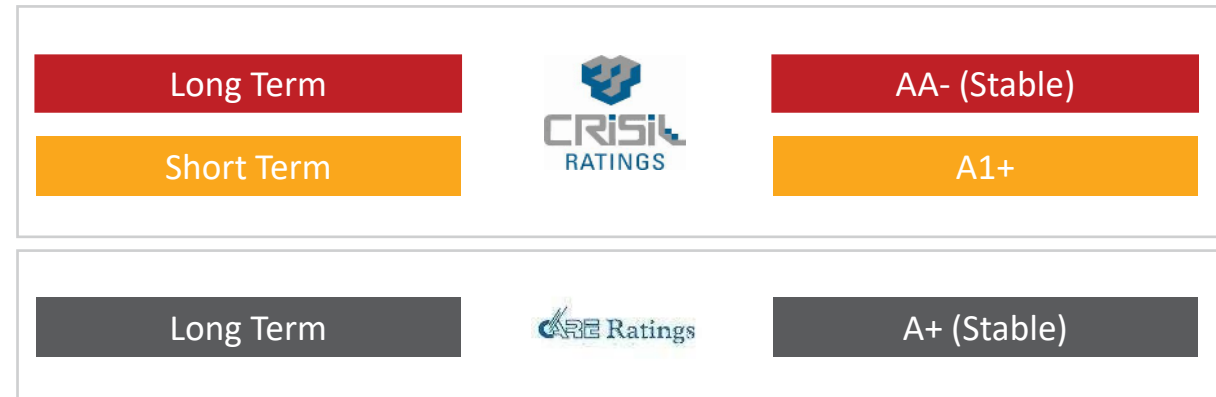
BORROWING MIX (Rs m)

Borrowing Mix	Q4FY20		Q3FY21		Q4FY21	
	Amount	%	Amount	%	Amount	%
Term Loan from Banks and Fis	27,737	62%	18,334	49%	24,327	53%
Refinance	4,232	9%	4,265	11%	6,921	15%
Debentures	5,736	13%	4,728	13%	12,191	26%
Tier II Sub Debt	1,163	3%	1,547	4%	2,148	5%
Commercial Paper	229	1%	244	1%	0	0%
Securitisation - PTC	5,909	13%	8,227	22%	685	1%
Total	45,006	100%	37,344	100%	46,272	100%

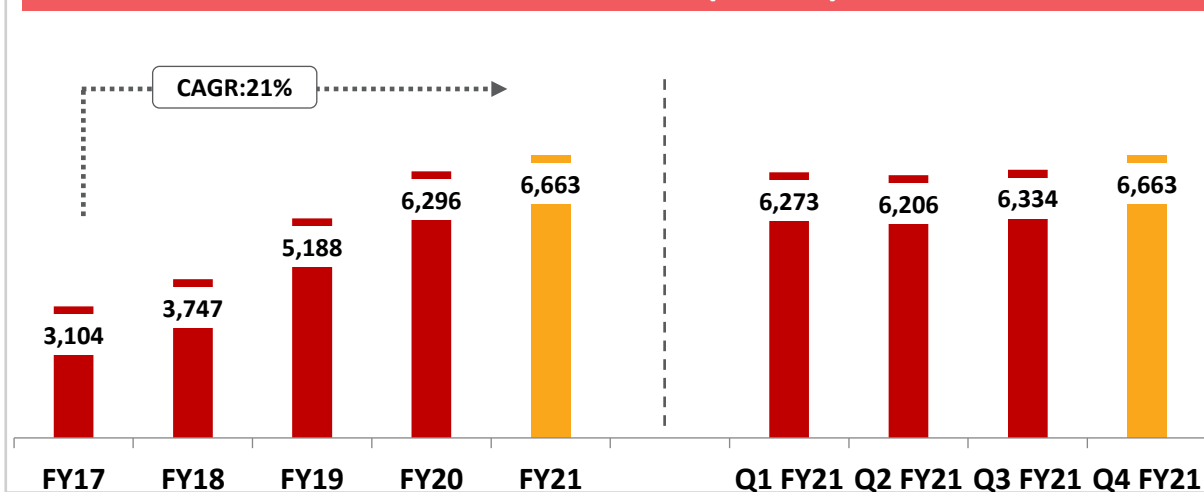
COST OF FUNDS



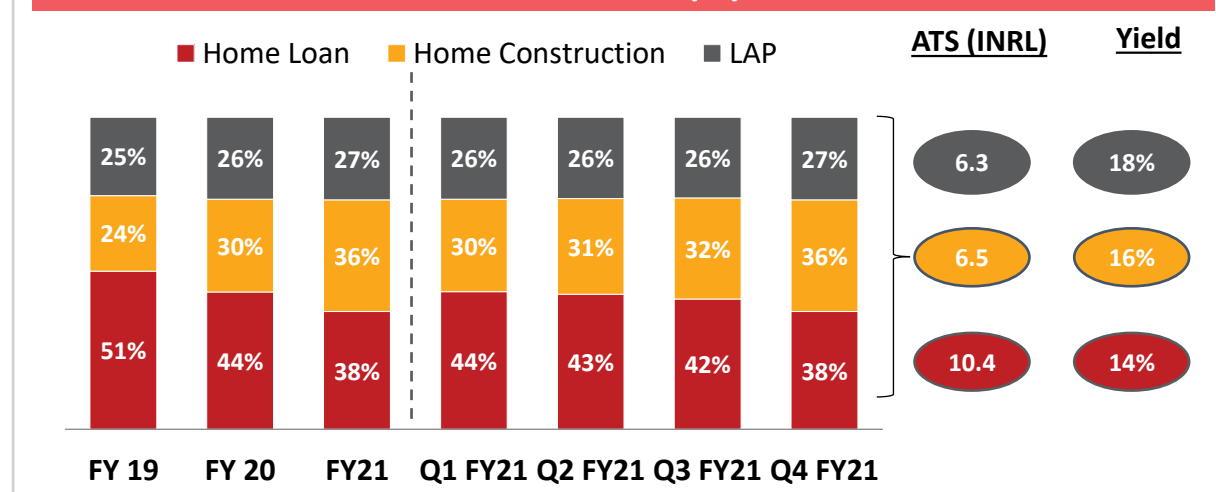
CREDIT RATING



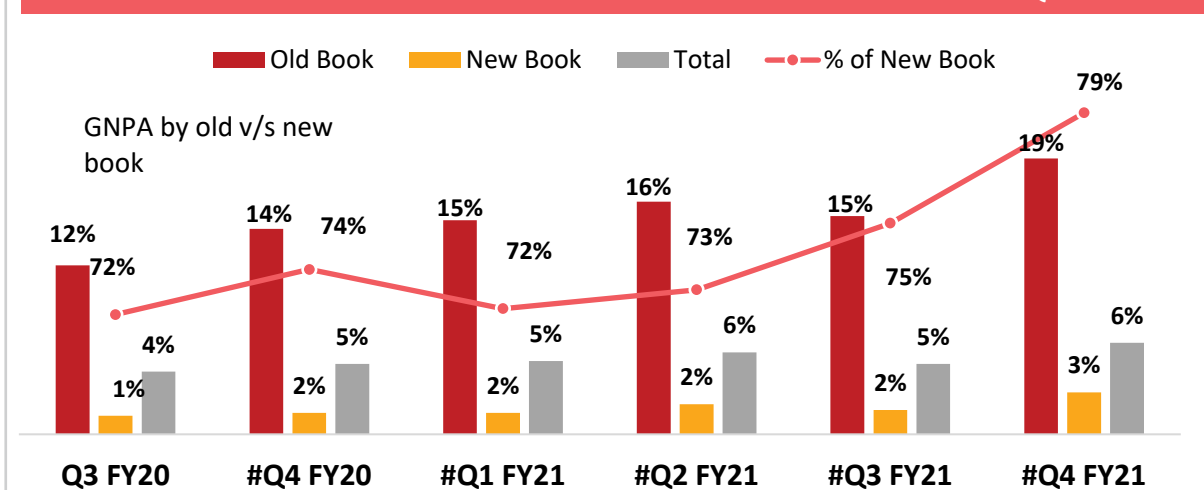
AUM EVOLUTION (Rs Mn)



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, 47 branches; 83% self sourced business
- Rated AA - /Stable (Long Term) & A1+ (Short Term) by CRISIL
- Rated AA – (Stable) (Long Term) by CARE



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.



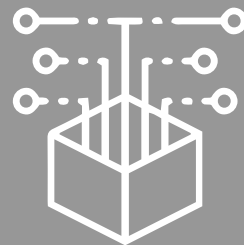
3: Customer Servicing and Collection management

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



2: Underwriting

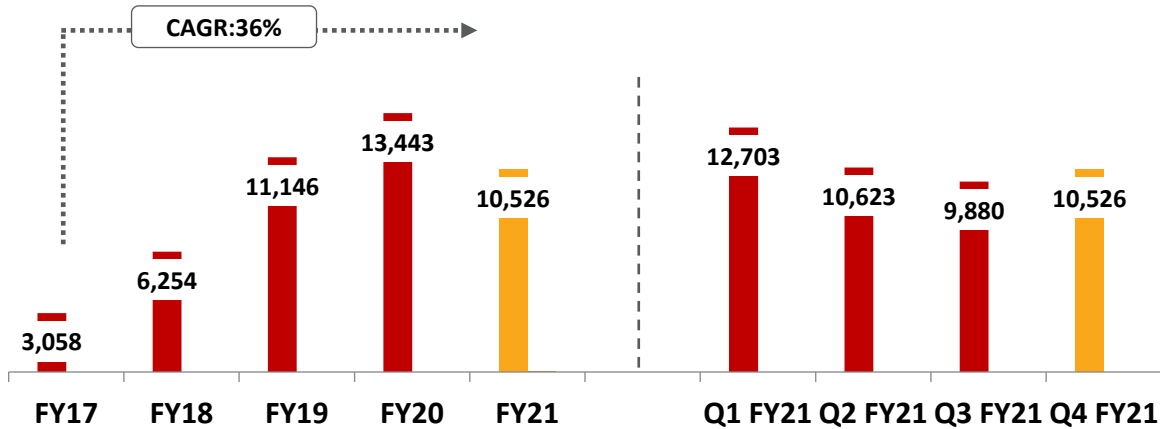
- Decentralized underwriting and disbursement for lower ticket size loans.
- Compliance with policy parameters via ground-level Credit Audit and Centralized credit monitoring
- Focus on lower ticket size loans across all products.



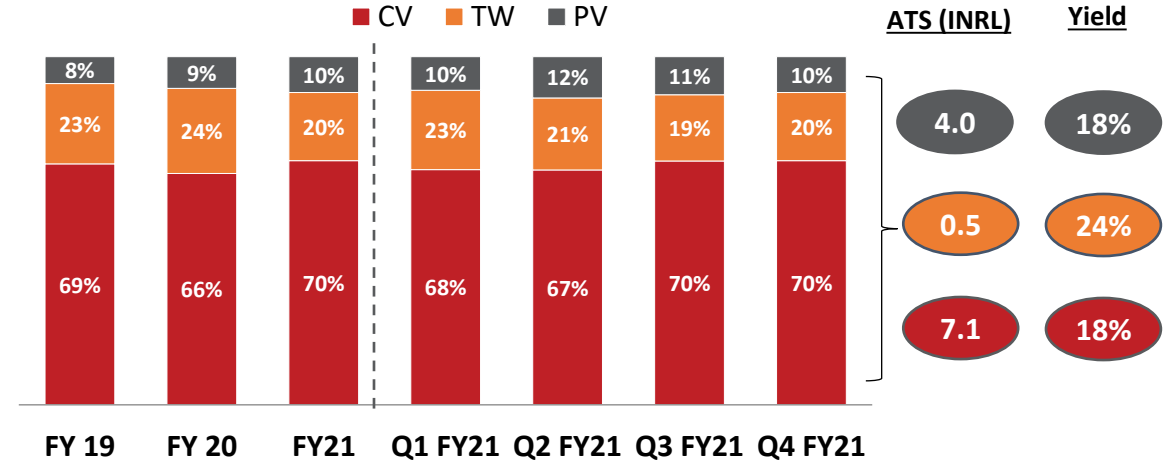
1: Origination and Sourcing

- 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)

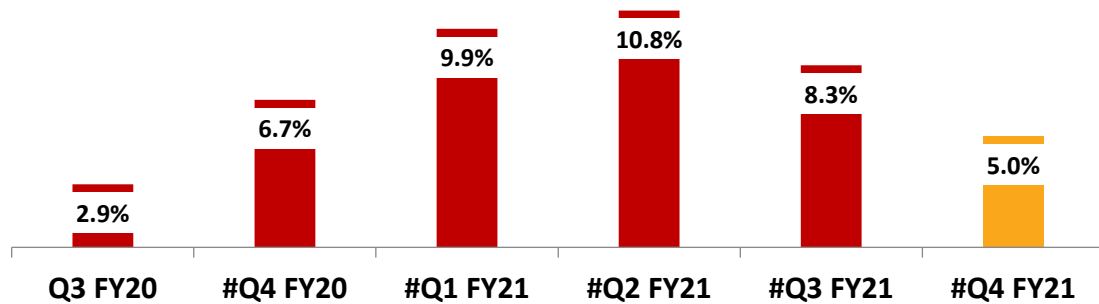


AUM MIX (%)









GNPA %

Post COVID-19

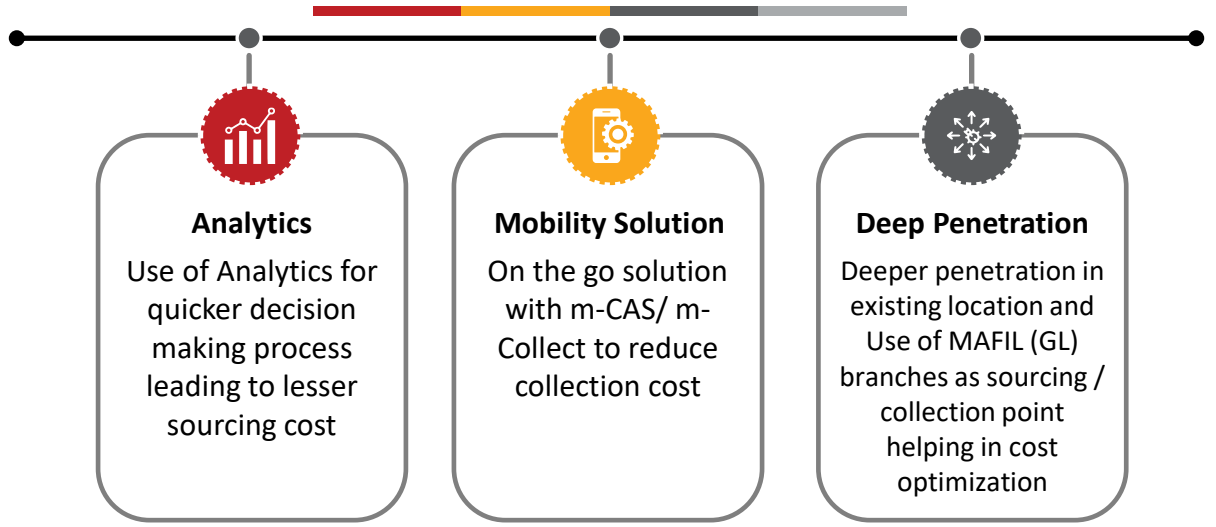


OPERATING OVERVIEW

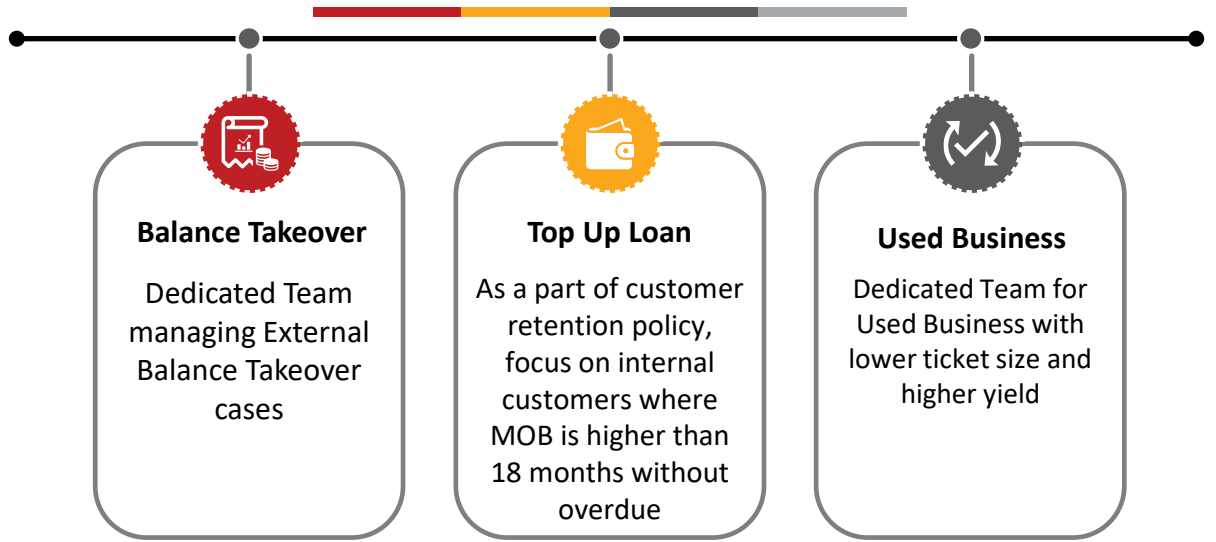
- Started commercial operations in January 2015.
- The operations are a part of Manappuram Finance Ltd and are carried out from existing gold loan branches (222 branches)
- Focus on light and small commercial vehicles in Semi urban and rural locations
- Moving customers into digital payment platforms 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





Manappuram Snehabhavanam -
20 new houses will be constructed at **20** wards under Valapad Gramapanchayath



SAYUJYAM -
13 new houses will be constructed & **3** houses will be renovated at Thirupazhancherry Colony



Manappuram Snehabhavanam -
 House donated for Thanal Project in Ennakulam District



520 Televisions distributed for poor children for academic needs through Lions District **318C** for educational purposes



40 cots and 5000 face shields and other supports for police force in Trissur District.



Seven Lakhs were donated to seven GPs of Coastal area as Community Kitchen supports in Trissur.



Raincoats for **1200** fishermen in coastal area of Trissur District



Manappuram Arogya Suraksha Padhathi (Supported **100** critically ill patients in Valapad Grama Panchayath With Rs.1000



40 houses are donated through joint projects with lions international club

- 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

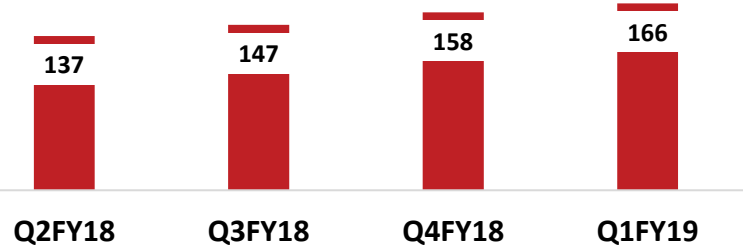
Calibrated approach to growth in other loan products that are relevant to our customer base (small ticket home loans, used vehicles for self-employed customers)

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

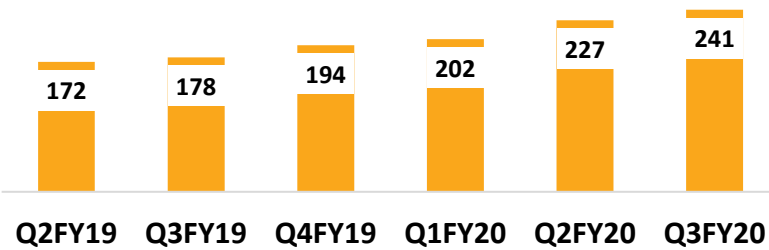
RESILIENCE ACROSS CREDIT AND ECONOMIC CYCLES

Total AUM (Rs Bn)

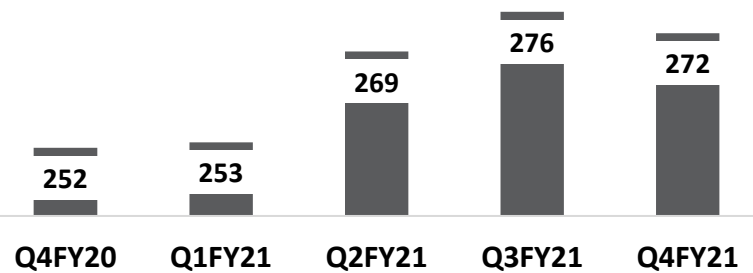
After-effects of demonetization



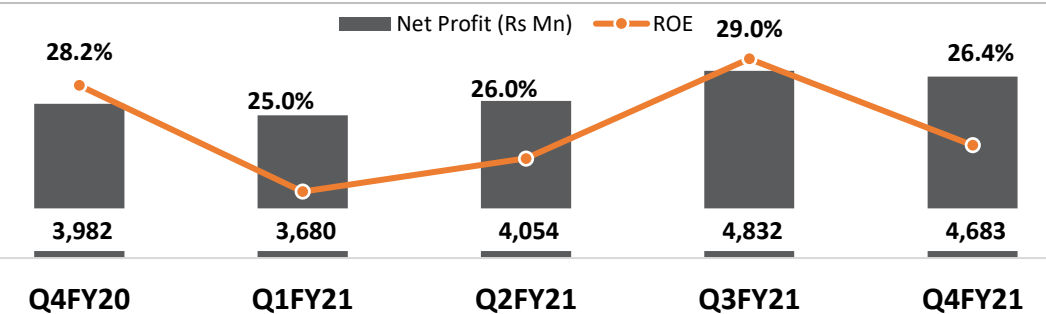
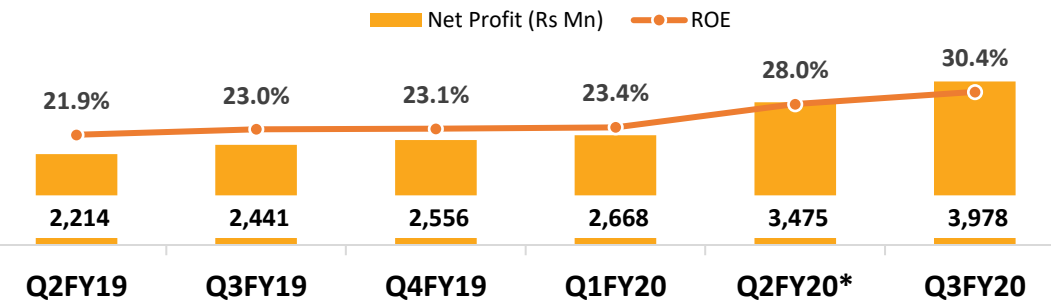
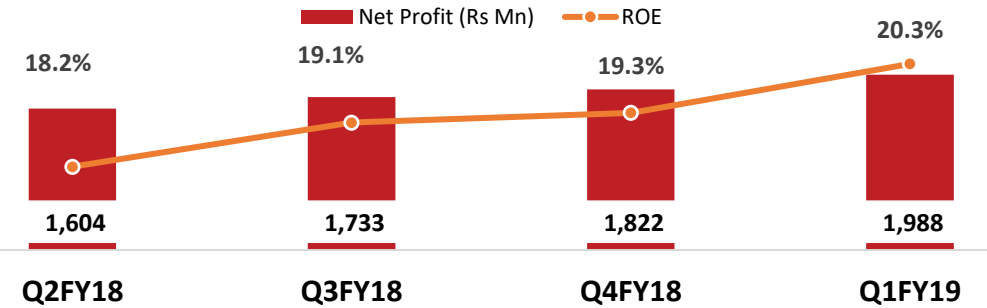
NBFC crisis and liquidity tightness



COVID related lockdown, localized issues in MFI collections



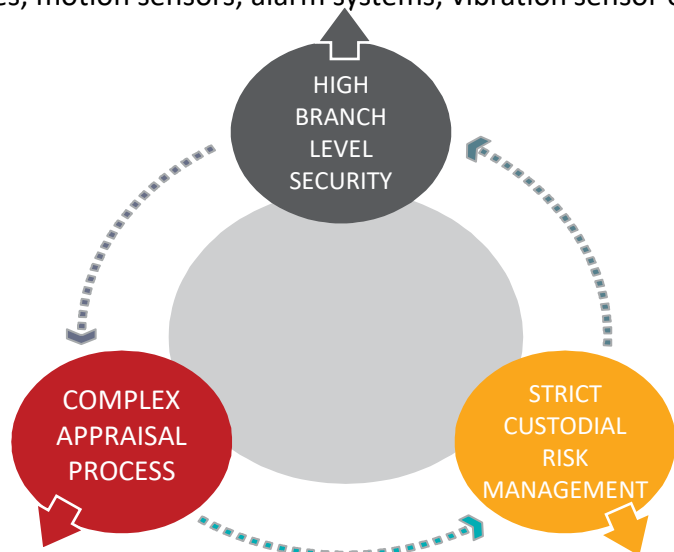
Net Profit (Rs Mn)



* 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

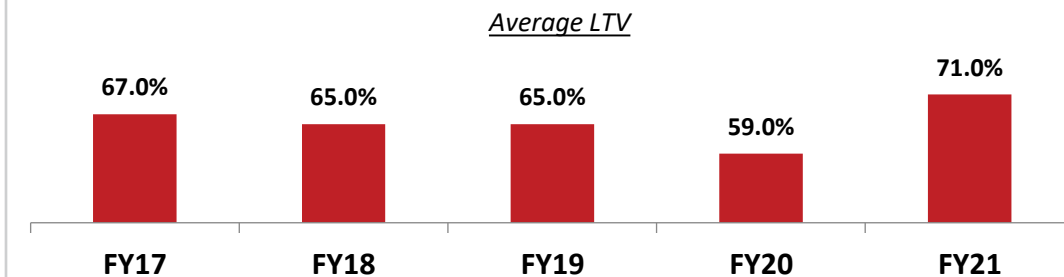
Manappuram has strong focus on processes and compliance successfully replicating processes across 3,524 gold loan branches

3 month product resulting in lower credit losses

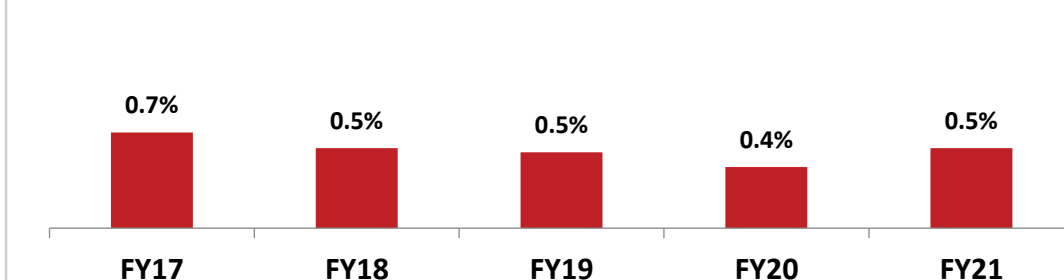
3 month product de-risks impact from fluctuation in price of gold

	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

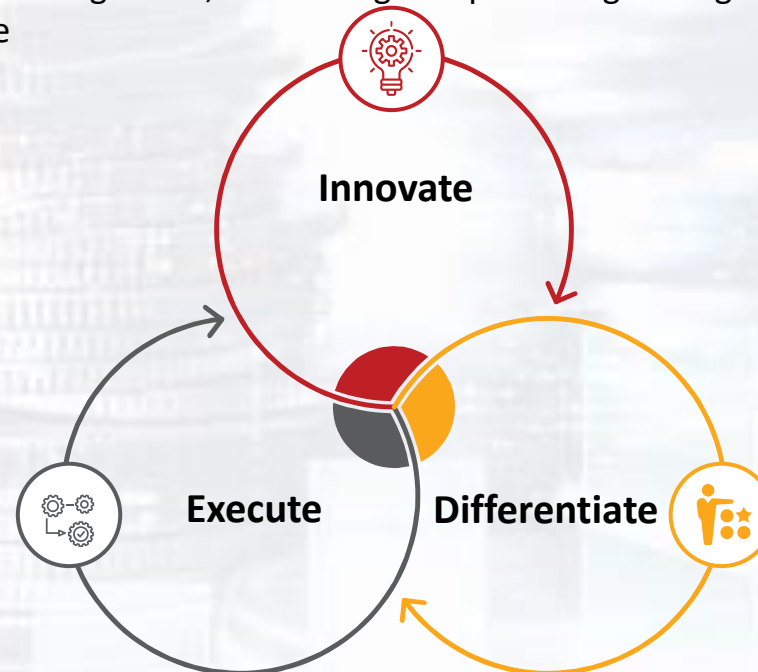


Note: 1 Includes interest outgo during 2 months of auctioning period

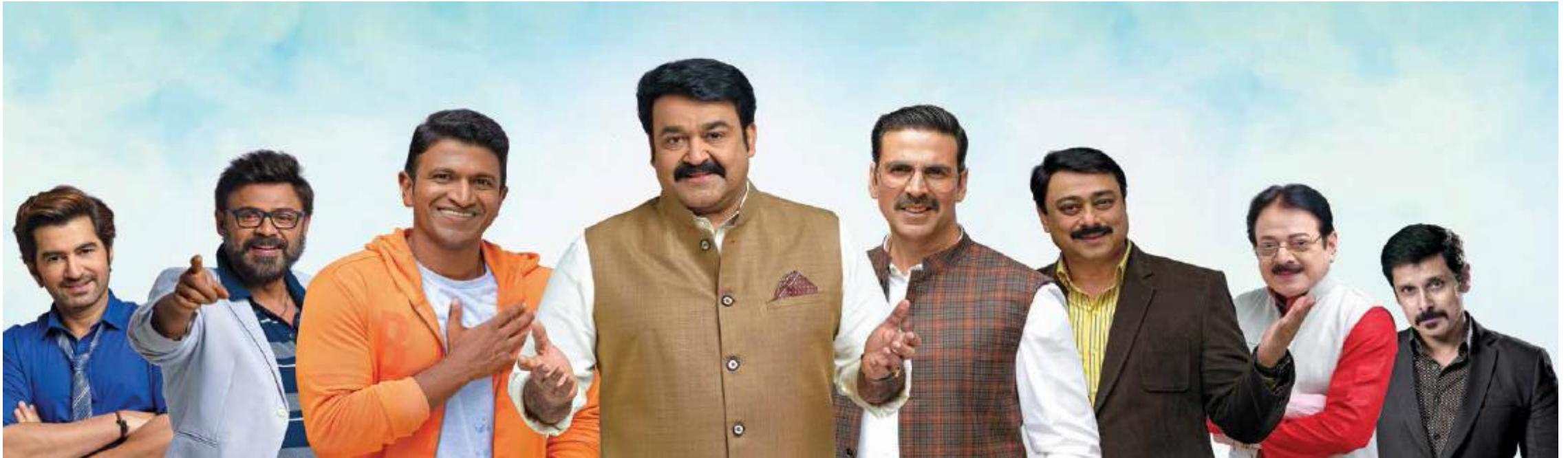


- The company has been dependent on its IT department (600+ engineers) on multiple fronts over the years. This is an opportunity to integrate our IT capabilities further into our business to amplify the revenue and verticals on various business verticals.
- IT has been an effective tool of the organization 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

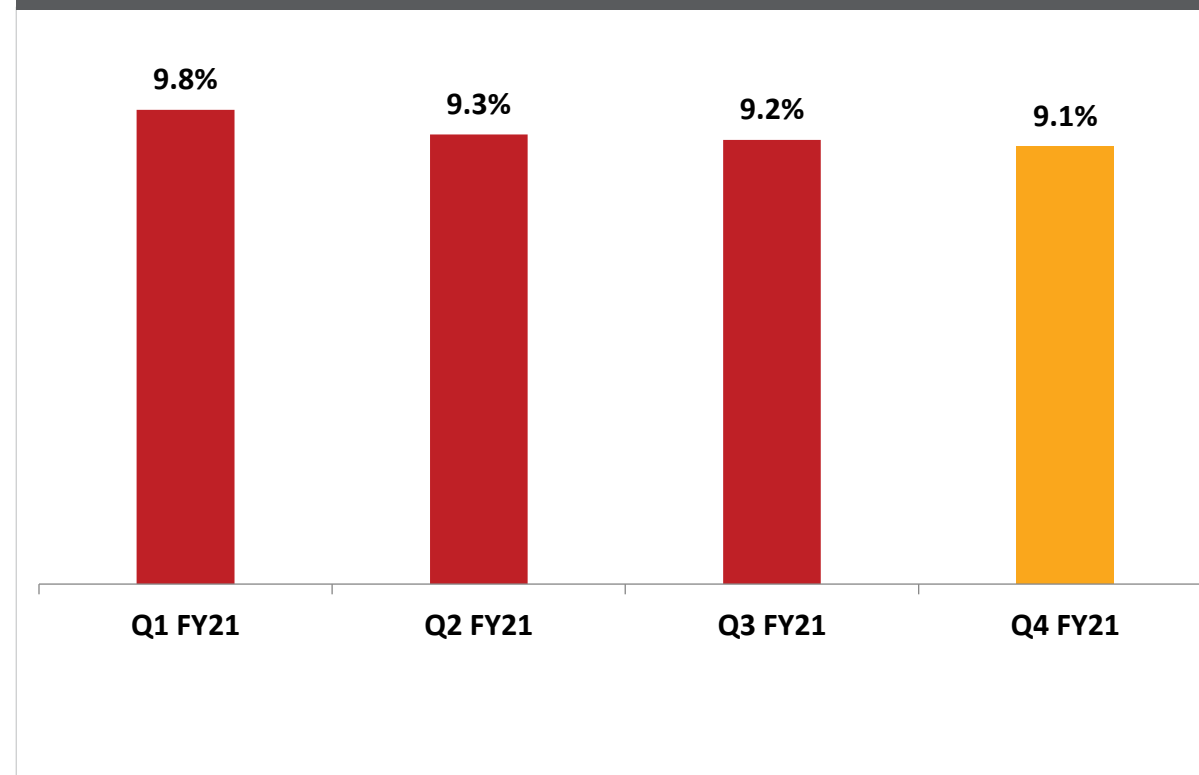
Using a PAN India integrated marketing strategy to maximise an already high strong brand recognition

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	Q4FY20		Q3FY21		Q4FY21	
	Amount	%	Amount	%	Amount	%
WCDL / CC	69,133	31%	55,385	24%	42,303	19%
Term Loan	71,281	32%	62,679	27%	65,094	29%
NCD & Bond	39,073	17%	73,103	31%	81,555	36%
ECB	26,443	12%	27,061	12%	26,769	12%
Commercial Paper	19,736	9%	15,491	7%	11,420	5%
Others	69	0%	24	0%	22	0%
Total	2,25,735	100%	2,33,744	100%	2,27,163	100%

Cost of borrowing (Consolidated)



Proportion of CPs has reduced from 9% to 5%

Received rating upgrade from CRISIL to AA in Sep 2019

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

Rated B+ by S&P and BB - 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. Raja Vaidhyathan
MD - MFI

- Erstwhile Promoter of Asirvad Microfinance
- IIT IIM Alumni with over 33 years of experience across industries



Mr. Jeevandas Narayan
MD – Housing Finance

- Erstwhile MD of State Bank of Travancore
- Over 37 years of experience in the financial services industry



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



Mr. Jagdish Capoor | *Independent & Non-Executive Chairman*

- Former Chairman: HDFC Bank, Unit Trust of India & Bombay Stock Exchange, Deputy Governor: Reserve Bank of India
- 40 years of work experience in banking and finance



Mr. B.N. Raveendra Babu | *Non Executive Director*

- Masters degree in commerce
- Director since July 1992



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



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. 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. Manomohan | *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

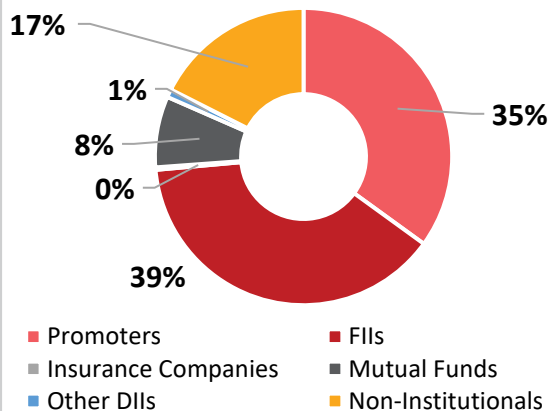
2001-2005

- 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 31st March, 2021)

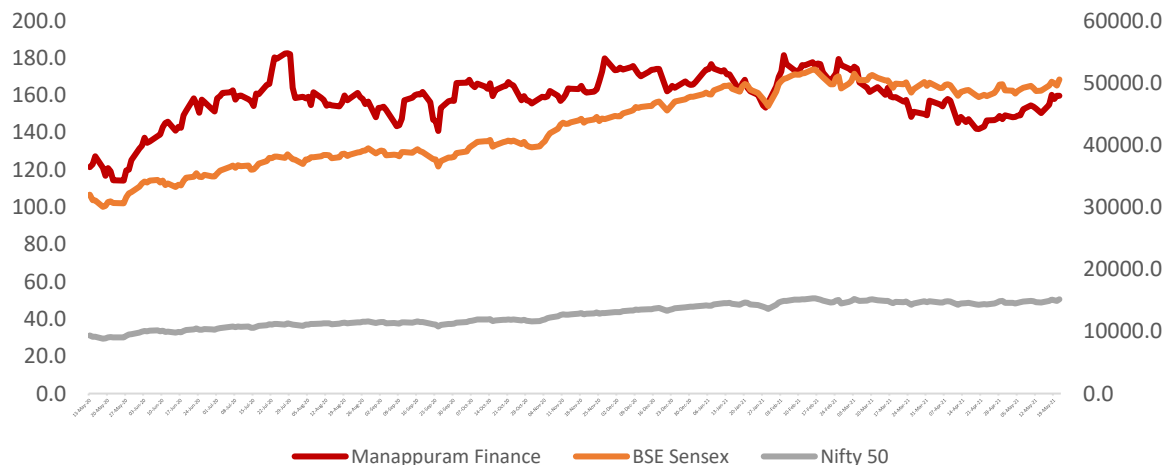


Top Shareholders holding more than 1% (other than promoters)	%
QUINAG ACQUISITION (FPI) LTD	9.9
DSP INVESTMENT MANAGERS PVT. LTD.	5.8
FIDELITY INVESTMENT TRUST FIDELITY	3.7
BARCLAYS MERCHANT BANK (SINGAPORE) LIMITED - ODI	2.3
BARING INDIA PRIVATE EQUITY FUND III	2.0
DURO ONE INVESTMENTS LIMITED	1.7
BNP PARIBAS ARBITRAGE	1.5
BARING INDIA PRIVATE EQUITY FUND II LIMITED	1.4

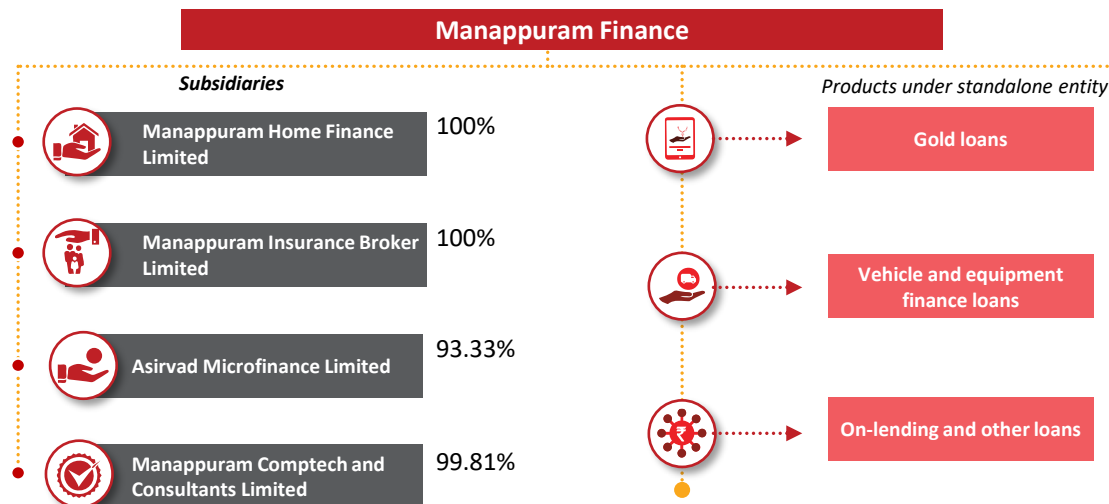
Stock Data

Market Cap as on 21-May-21	₹ 13,512.2 Crs
Stock Price as on 21-May-21	159.70
52 Week (High/Low)	₹ 187.30 / ₹ 112.25
NSE/BSE Symbol	MANAPPURAM / 531213
No. of Shares Outstanding	84,63,64,729
Average Daily Volume (2 months)	47,74,341

Stock Performance (as on 21st May, 2021)



Group structure





THANK YOU

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CFO

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