



Gold
Finance



Vehicle
Finance



Home
Finance



Micro
Finance



MSME
Finance



Annual Analyst Meet - H1 2024



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Key Managerial Personnel



Mr. V. P. Nandakumar
Managing Director and CEO

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



Mrs. Sumitha Nandan
Executive Director

- MBBS from Rajiv Gandhi University of Science
- MS from Sri Ramachandra University and a fellowship in Cosmetic Gynecology



Mr. B.N. Raveendra Babu
MD – Asirvad Micro Finance Ltd

- Masters degree in commerce
- Director since July 1992



Mrs. Bindu A L
CFO

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



Mr. Kamal Parmar
Head – Vehicle and Equipment Finance

- Over 28 years experience with organizations such as Citicorp Finance, Indiabulls, Fulletron, Timex etc.



Mr. Raju Narayanan
Group Business Head

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

Key Business Heads



Mr. Vijayakumar KB
Business Head - MSME

- 20 years of work experience and worked in various departments such as Gold Loan Operations, Marketing, Forex & Money Transfer, Finance & Accounts, Taxation etc.
- He holds bachelor degree in Arts and certifications from IIM in Management Development Programmes



Mr. Ratheesh PM
Business Head- Micro Home Finance

- 16 years of work experience and worked in various functions like Sales, Operation, Audit, Training etc.
- He holds Master's degree in Investment Management and certifications from IIM in Management Development Programmes



Mr. Vipin TS
Business Head - Secured Personal Loan

- 13 years of work experience and worked in various functions like Operations, Sales, Money Transfer etc
- He holds Master's Degree in Financial Management and certifications from IIM in Management Development Programmes



Mr. Chinta Prasad
CEO – Asirvad Micro Finance

- 18 years of work experience and worked in gold loan operation, marketing, accounts etc
- He holds a MBA Degree, Certification from IIM Trichy in Leadership Change Management Programme.
- In Asirvad, responsible for achievement of asset under management growth, budget management and operations and control



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



FINANCIAL HIGHLIGHTS

Q2 - FY2024

Consol business performance: 37% YoY increase in PAT, 27 % growth in AUM YoY and 21.6 % RoE

- Consolidated AUM for QE Sep'23 was INR 390 bn representing 5.1% growth sequentially and 27.0% YoY growth
- Consol Revenue from Operations was Rs 21,603 mn grew by 6.6% sequentially and 27.4% YoY growth
- Consol PAT was INR 5,607 mn grew by 12.6% sequentially and 37% YoY growth

Gold Loan Growth and Yields

- Gold Loan AUM has grown by 1% sequentially and grown by 8.4% YoY.
- Net yields on Gold Loans is at 22.1% during this quarter vs 21.6% in Q1FY24
- Gold Loan LTV is at 66% as on 30th Sep 2023 (vs. 64% in QE June'23)

Segment AUM and Asset Quality

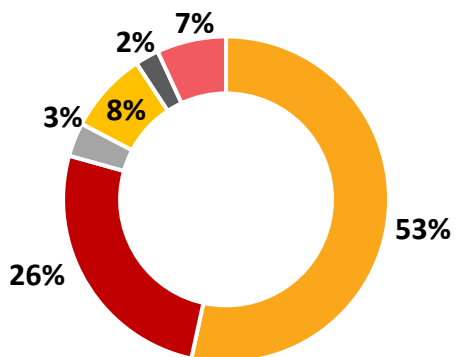
- MSME and allied business AUM has grown by 13.8% sequentially and grown by 113.7% YoY
- VEF AUM has grown by 13.1% sequentially and grown by 66.7% YoY
- VEF – GNPA for this quarter is 2.5% whereas MSME and allied GNPA is 1.9%

Excellent liquidity

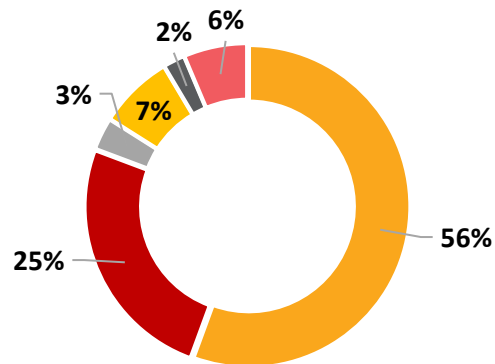
- Consol cost of borrowing has remain stable during this quarter at 8.85%
- Cash & Cash Equivalents on consol. basis at the end of QE Sep'23 stood at Rs 48,714 mn
- CRAR for Manappuram Finance stands at 30.71%. The company has maintained quarterly dividend payout at 85 paise per share

Note: Due to restrictions on DRHP submissions, certain slides regarding Asirvad Microfinance Ltd. are not included..

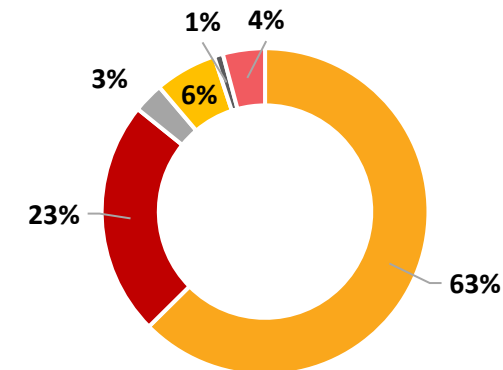
Q2 FY24



Q1 FY24



Q2 FY23



■ Gold ■ MFI ■ HFC ■ VEF ■ Onlending ■ MSME

■ Gold ■ MFI ■ HFC ■ VEF ■ Onlending ■ MSME

■ Gold ■ MFI ■ HFC ■ VEF ■ Onlending ■ MSME

Particulars (Rs. Mn)	Q2 FY24	Q1 FY24	Q-o-Q %	Q2 FY23	Y-o-Y %
Gold	1,99,934	1,98,136	1%	1,86,902	7%
VEF	31,432	27,792	13%	18,855	67%
Onlending	9,206	8,050	14%	2,723	238%
MSME and Others	26,388	23,446	13%	13,648	93%
Standalone - Total	2,66,960	2,57,424	4%	2,22,127	20%
Asirvad Micro Finance	1,09,498	1,01,406	8%	76,606	43%
Home Finance	13,049	12,026	9%	9,216	42%
Less: Inter-company	0	250	-100%	1,300	-100%
Consol - Total	3,89,507	3,70,606	5%	3,06,650	27%

CONSOLIDATED FINANCIAL OVERVIEW – Q2 FY2024

Particulars (Rs. Mn)	Q2 FY24	Q1 FY24	Q-o-Q	Q2 FY23	Y-o-Y	H1FY24	H1FY23	Y-o-Y
Consolidated AUM (Rs. Bn)	390	371	5.1%	307	27.0%	390	307	27.0%
Net Interest Income	14,673	13,779	6.5%	11,679	25.6%	28,451	21,653	31.4%
OPEX	6,182	6,068	1.9%	5,525	11.9%	12,249	10,415	17.6%
PPOP #	8,664	8,020	8.0%	6,332	36.8%	16,685	11,423	46.1%
PAT (Rs. Mn) **	5,607	4,980	12.6%	4,095	36.9%	10,587	6,914	53.1%
EPS *	26.5	23.5	12.6%	19.3	37.3%	25.0	16.3	53.3%
ROA %	5.3	5.0	6.2%	4.6	14.7%	5.0	3.9	29.0%
ROE %	21.6	20.1	7.5%	18.6	16.1%	20.9	15.9	30.9%
BVPS (In Rs.)	124.9	119.1	4.9%	105.8	18.0%	124.9	105.8	18.0%
Networth (Rs. Mn)	1,05,721	1,00,787	4.9%	89,577	18.0%	1,05,721	89,577	18.0%
Cost Of Funds %	8.9	8.9	-0.1%	8.1	10.0%	8.6	7.8	9.5%

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

CONSOLIDATED OPERATIONAL OVERVIEW – Q2 FY2024

Particulars	Q2 FY24	Q1 FY24	Q-o-Q	Q2 FY23	Y-o-Y
Gold AUM (Rs. Bn)	208	206	1.0%	192	8.4%
Gold Tonnage	59	59	-0.2%	63	-5.3%
Gold Branches (Nos)	4,044	4,039	0.1%	3,897	3.8%
Gold Customers (In Mn)	2.5	2.4	2.0%	2.4	2.1%
Non-Gold AUM (Rs. Bn)	181	165	10.2%	115	58.1%
Non-Gold Branches (Nos)	1,242	1,242	0.0%	1,245	-0.2%
MFI Customers (In Mn)	3.6	3.4	5.1%	2.7	33.0%
VEF/SME Customers (In Mn)	0.4	0.4	18.2%	0.2	143.7%

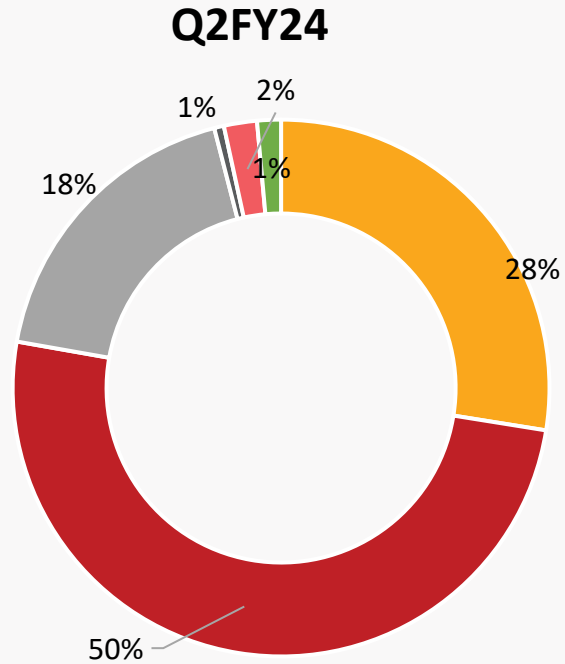
BUSINESS WISE FINANCIAL PARAMETERS AND ASSET QUALITY – H1 FY24

Particulars	AUM (Rs in Mn)	PAT (Rs Mn)	CRAR	RoA	GNPA	NNPA	Credit Cost
Standalone	2,66,960	8,008	30.71%	5.34%	1.56%	1.35%	0.34%
Gold Loan	1,99,934			7.39%	1.44%	1.34%	0.11%
Vehicle & Equipment Financing	31,432			1.52%	2.55%	2.11%	0.68%
On-lending	9,206			5.76%	0.45%	0.00%	-0.03%
MSME and Others*	26,388			2.29%	1.85%	1.03%	1.98%
Subsidiaries							
Asirvad**	1,09,498	2,295	24.47%	--	2.96%	1.44%	--
HFC	13,049	77	28.30%	1.28%	1.75%	1.19%	1.59%
Manappuram Insurance Broker	NA	176	NA	NA	NA	NA	NA
MACOM	NA	42	NA	NA	NA	NA	NA
Consol	3,89,507	10,587	NA	5.29%	1.92%	1.36%	1.30%

* Note: Credit cost for MSME and allied business is 0.50% only but including Digital Personal Loan it's 1.98%

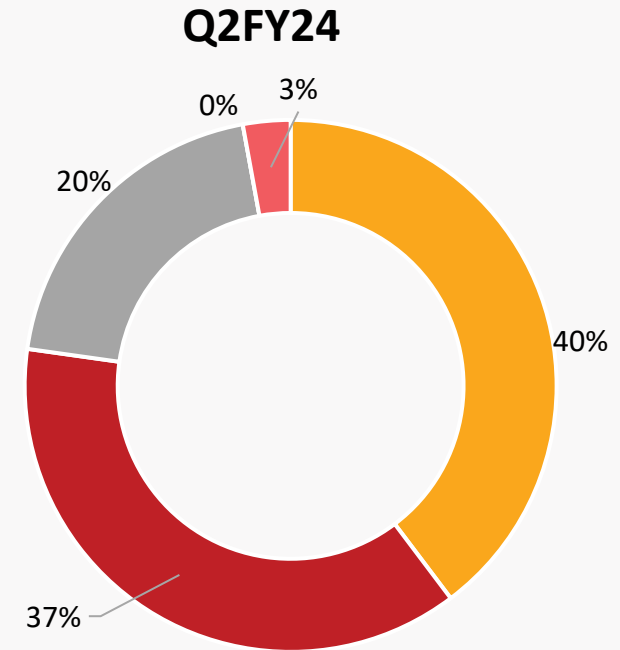
**Note: We have filed DRHP for Asirvad Micro Finance. Only published nos are part of the Presentation

Consol Borrowing Mix (30th Sep, 2023 - Rs. 3,22,372 Mn)



- WCDL/CC
- NCD & Bonds
- Term Loan
- ECB
- Commercial Paper
- Securitisation

Standalone Borrowing Mix (30th Sep, 2023 - Rs. 2,23,330 Mn)



- WCDL/CC
- Term Loan
- NCD & Bonds
- ECB
- Commercial Paper

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) and ex- Executive Director at Federal Bank



Adv. Veliath Pappu Seemanthini |
Non-Executive Director

- A law graduate and a Senior Advocate designated by High Court of Kerala
- She is also a Standing Counsel for various Central and State Government Inst. like High Court of Kerala, FCI etc



Mrs. Pratima Ram |
Non-Executive Director

- MA from University of Virginia, USA
- She was Country Head and CGM of the United States Operations of State Bank of India
- She is having wide experience in Corporate , International , Investment and Retail Banking



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

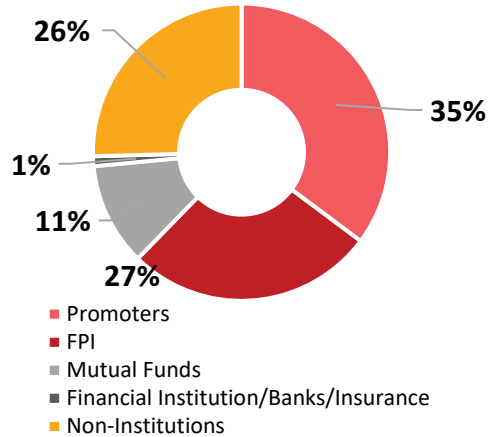
- B. Sc.: Calicut University , B.A. LLB : Kerala University
- 36 years of work experience , civil lawyer enrolled with the Thrissur Bar Association



Mr T C Susheel Kumar |
Independent & Non-Executive Director

- Retired as the MD of LIC
- He has held positions on the Boards of several valuable companies including LIC, Axis Bank, LIC Lanka Limited, National Mutual Fund Mauritius etc

Shareholding Pattern (as on 30th Sep, 2023)

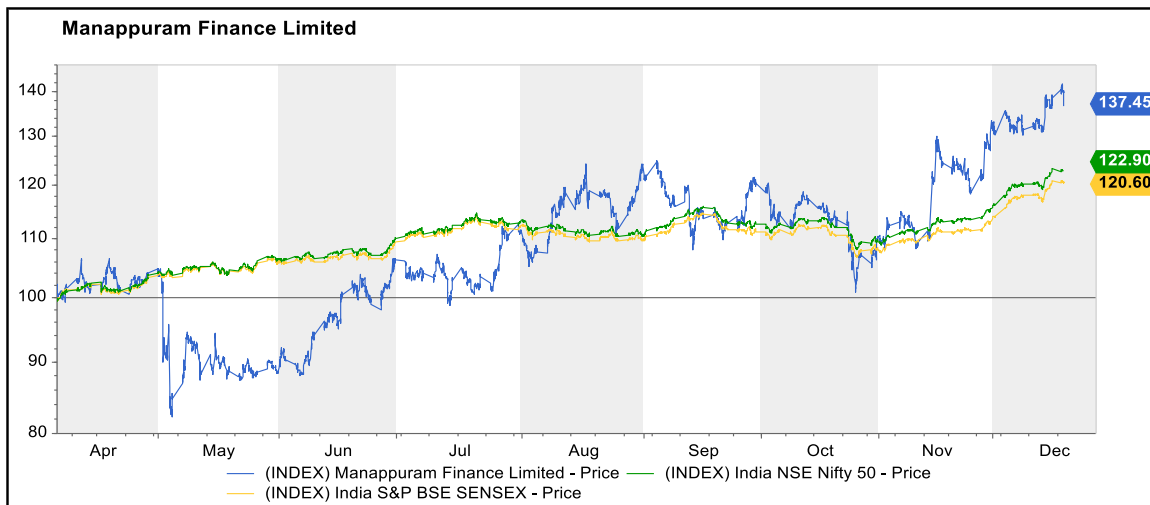


Top Shareholders holding more than 1% (other than promoters)	%
BOFA Europe	2.95
BNP Paribas	2.82
Aditya Birla	2.14
DSP Small Cap	1.45
Societe Generale – Odi	1.25

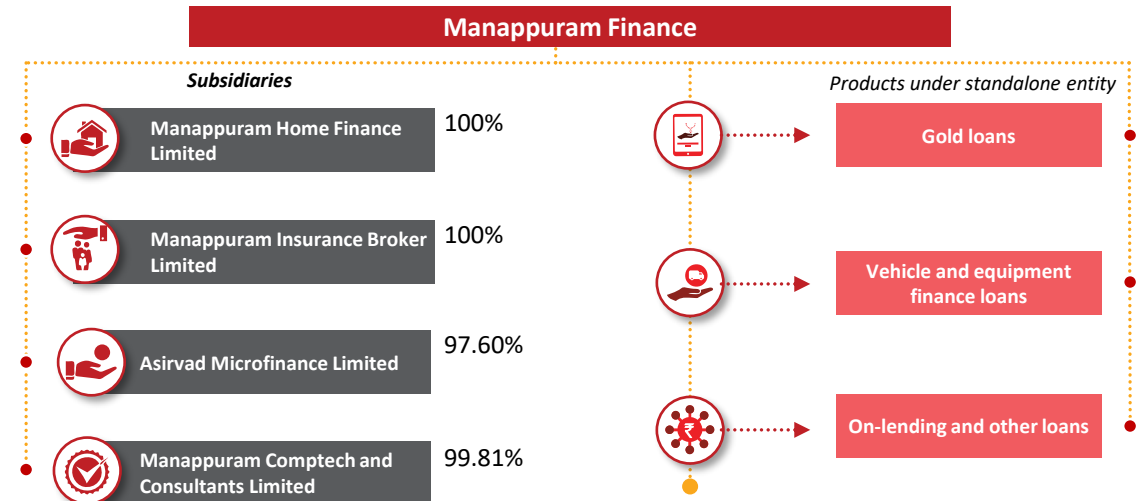
Stock Data

Market Cap as on 18-Dec-23	₹ 14,490 Crs
Stock Price as on 18-Dec-23	171.20
52 Week (High/Low)	₹ 177.45 / ₹ 101.15
NSE/BSE Symbol	MANAPPURAM / 531213
No. of Shares Outstanding	84,63,94,729
Average Daily Volume (3 months)	109,55,373

Stock Performance (as on 18th Dec, 2023)




Group structure






Manappuram Finance Limited Vehicle & Equipment Finance


- No of Live Loans : **1,77,795**
- Live Customer Count : **1,75,212**

Loan Count & Customer Count 


- Disbursed In Q2-FY24 - **Rs. 759 Cr**

Disbursement 


- Total AUM Rs.3,143 Cr
- CV - Rs.1,693 Cr
- Auto - Rs.760 Cr
- TW - Rs.530 Cr
- FE - Rs.160 Cr

Assets Under Management 


- Presence in **23** states through **280** Branches

Branches 


- NPA : **2.54%**
- Delinquency: **11.68%**

NPA & Delinquency 


- Overall : **21.9%**

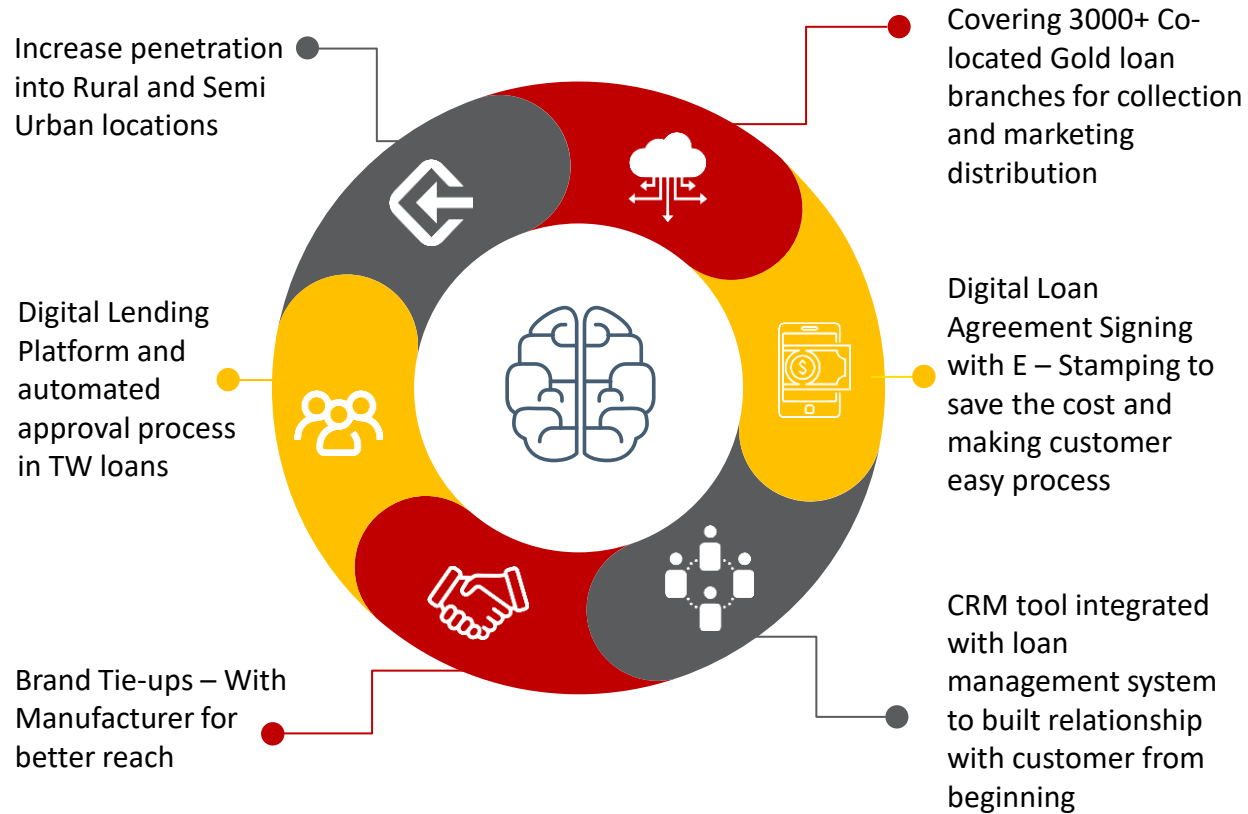
Cheque bounce 

- IRR :18.48 %

IRR 

- Total Employees: **3,873**
- Sales employees: **1,850**

Manpower 



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



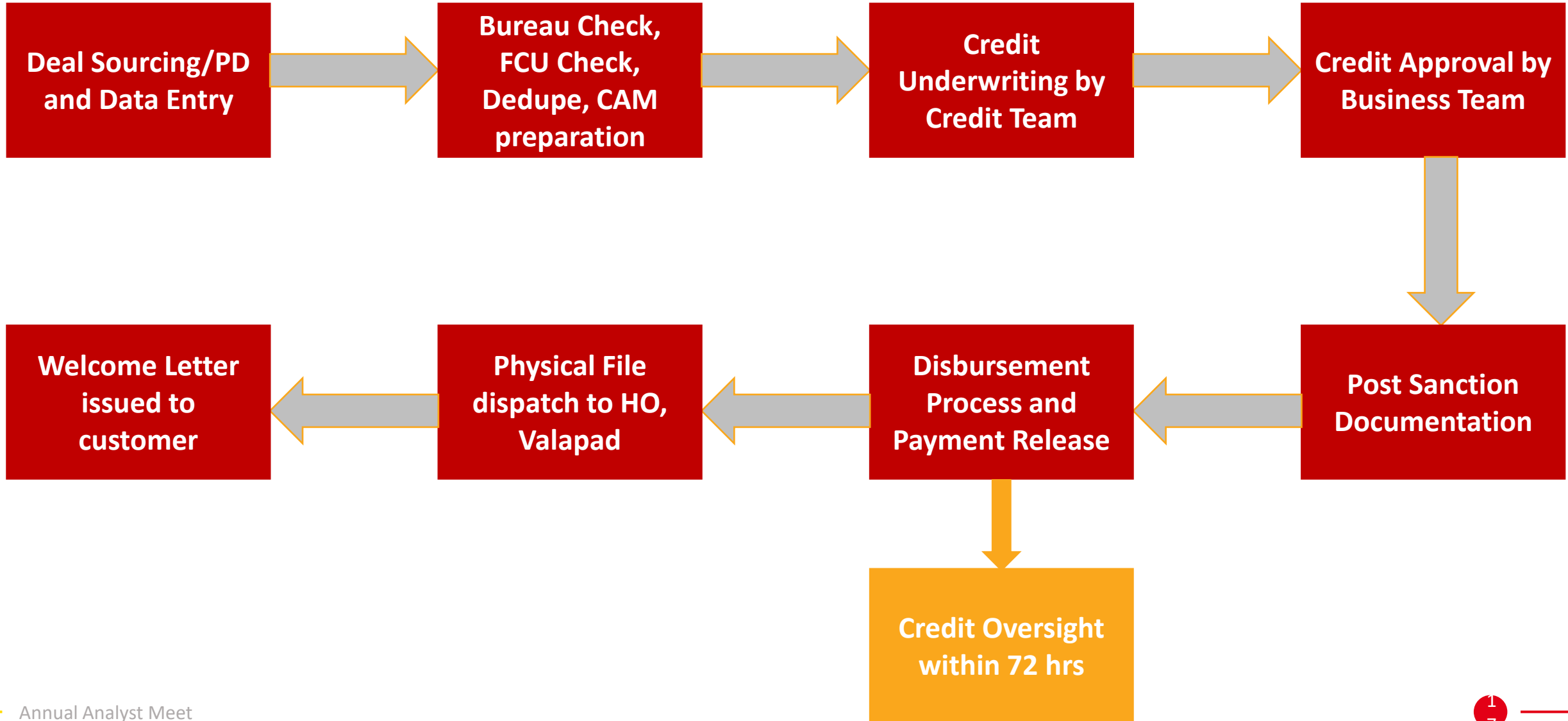
Top Up Loan

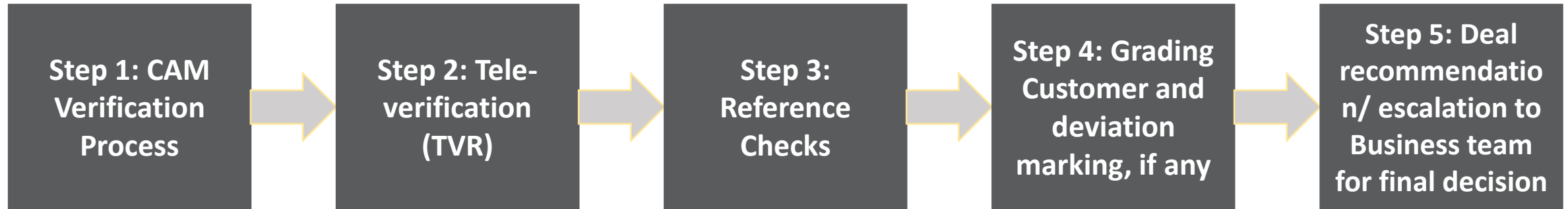
As a part of customer retention policy, focus on internal customers where MOB is higher than 18 months without overdue



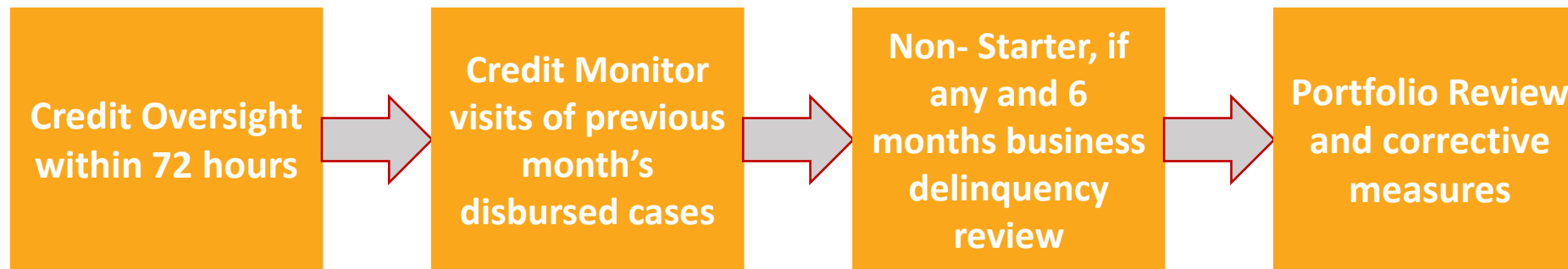
Used Business

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

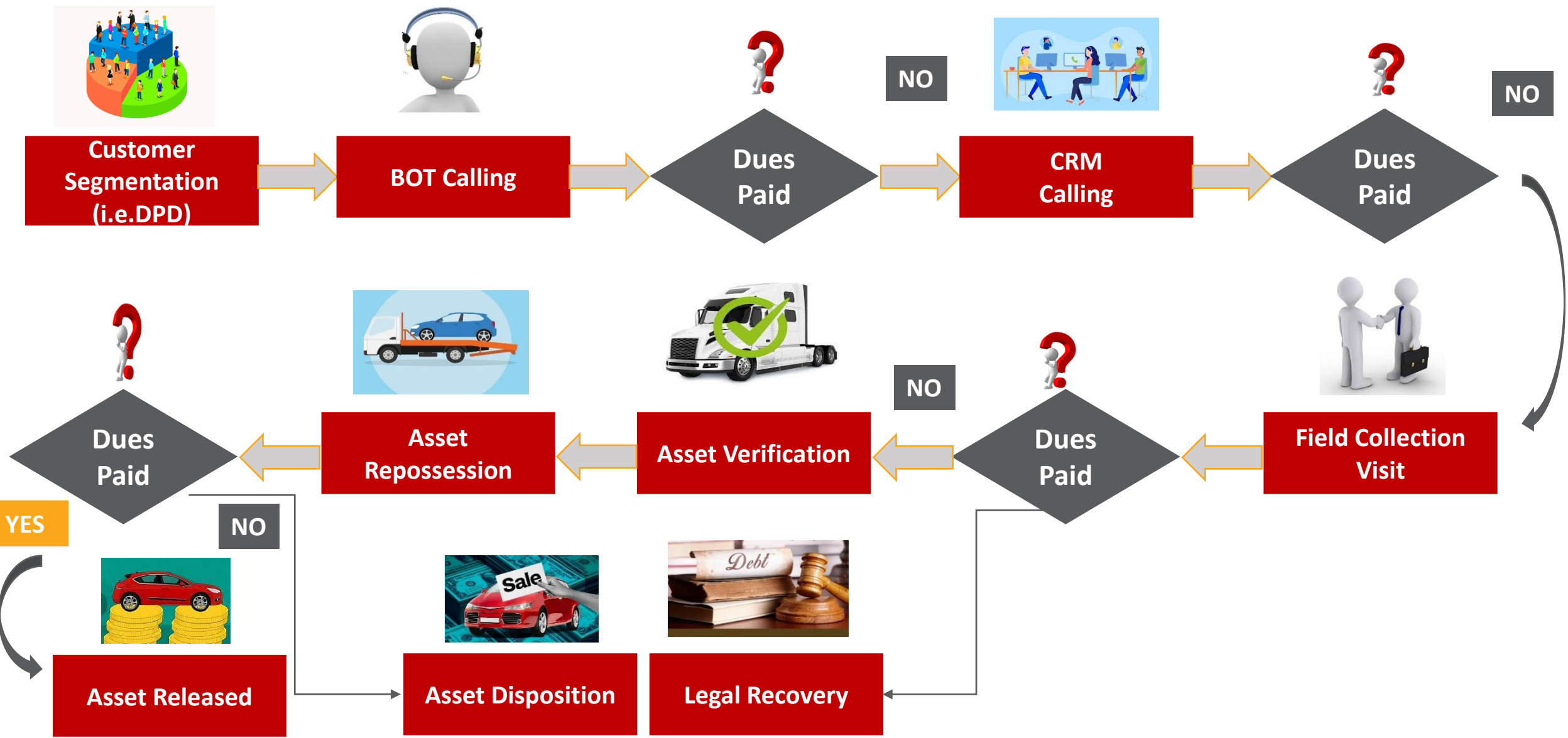




MAFIL POST DISBURSEMENT MONITORING PROCESS



COLLECTION MECHANISM



**Mr. Digbijay
Bandyopadhyay
CV & CE Business Head**



- BFSI Experience of 26 years in Vehicle finance industry in various roles such as Sales, Business Automation etc.
- Previously worked with Citigroup, GE Capital, Magma Fincorp

**Mr. Hemant Patil
CAR Business Head**



- BFSI Experience of 20 years in Vehicle finance industry in various roles such as Sales and Marketing Credit etc.
- Previously worked with Tata Motors Finance ,ICICI Bank Ltd and Magma Fincorp Ltd

**Mr. Sathyanarayan Rao
FE Business Head**



- BFSI Experience of 26 years in Vehicle finance industry in various roles such as Sales, Product and Strategy etc.
- Previously worked with American Express ABN Amro and L& T Finance Ltd

**Mr. Ajay Shelke
TW Business Head**



- BFSI Experience of 27 years in Vehicle finance industry in various roles such as Sales, Collection, Cross sales etc .
- Previously worked with HDFC Bank and Hinduja Leyland Finance.

MSME & Allied Business



EVOLUTION OF MSME AND ALLIED BUSINESS



Started non-gold businesses as a part of diversification strategy in the month of Jan'19.

FY19

AUM reached Rs 147 crores and started stress in the asset quality due to Covid Pandemic. Unsecured business discontinued

FY20

AUM reached the level of Rs 261 crores. Severe impact in asset quality; Cheque bounce of ~20% and delinquency at ~12% level. Started delegation to branch level and separate CRM for improving collection.

FY21

AUM reached the level of Rs 871 crores. Merged non-performing divisions to 4 verticals; MSME, Micro Home Finance, Secured Personal Loan & Digital Personal Loan. Dept became breakeven by Mar'22 and bounce/delinquency % started decreasing by CRM follow up.

FY22

Verticals turned to be profitable, and AUM reached Rs 1945 crores level with good asset quality. Each divisions working as a separate unit under Business Head with functions like Credit, Operations, Risk, Audit, Vigilance, MIS etc.

FY23

AUM reached the level of Rs 2639 crores. Growing portfolio with stable asset quality (1.9% GNPA). For secured business GNPA of 1.3% and credit cost below 0.5%.

FY24



MSME

- Focused on giving loans to self employed / business individuals who primarily include traders, Farmers , Manufacturers & Service providers.
- Average tenure of 5-6 years
- Average ticket size of 5.9 Lakhs
- Reached AUM of around Rs 900 crores
- Credit cost below 0.5% and bounce% of 4-5%

Micro Home Finance

- Focused on giving loans to self employed Non-professionals, Salaried employees, government employees & daily wages .
- Average tenure of 5-6 years
- Average ticket size of 5.2 Lakhs.
- Reached AUM of around Rs 900 crores
- Credit cost below 0.5% and bounce% of 3-4%

Secured Personal Loan

- Focused on giving loans to self employed professionals & Non-Professionals, Salaried employees & government employees
- Average tenure of 5 years
- Average ticket size of 4.2 Lakhs.
- Reached AUM of around Rs 500 crores
- Credit cost below 0.5% and bounce% of 5-6%

Focusing Growth On Secured Business With Good Asset Quality And Consistent Profitability

- > Direct sourcing through our employees and most of the leads generated through direct marketing activities.
- > Cross selling to existing gold loan customers having good track record (60-65% gold loan customers).
- > Digital marketing campaigns through social media like Facebook, Instagram etc.
- > Sourcing leads through website, call center, OGL app etc.
- > Marketing through promotional SMS in vernacular languages to targeted customers.
- > Focusing more on self employed professionals & non-professionals and salaried employees.
- > Lead tracking and sourcing through system for proper monitoring and control on conversion process.

- > Decentralized underwriting and disbursement for lower ticket size loans in branch level.
- > Minimum 2 level assessment of collateral by Sales Executive and Branch Credit Head. External evaluation on need-basis.
- > Well experienced employees imparted with online and on the job training.
- > Underwriting of loans based on the current cashflow of the customers.
- > Sales Executives are well trained in assessing the customer cash flow assessment, valuation of collateral, and verification of documents.
- > Legal and Civil support is provided at Branch, Region and H.O Level through qualified professionals.
- > Compliance with policy parameters via ground -level Credit Audit & Centralized credit monitoring.
- > System driven controls and procedures on all underwriting processes.
- > Appraisal standards at various levels with sturdy internal controls.
- > Online training and external courses are offered to the employees for skill upgradation related to their respective role.

> Post Disbursement 100% Oversight done by;

- Regional Operation Head (within 72 Hrs of Disbursement.)
- Regional Credit Head (within 72 Hrs of Disbursement.)
- Regional Civil and Legal oversight (100% of the files disbursed in previous month)
- National Operation Head 30% of the files done by Regional team (within 72 Hrs of Disbursement.)
- National Credit Head 30% of the files done by Regional team (within 72 Hrs of Disbursement)

> Credit Monitoring ;

- Regional Credit Monitors-(25 % of file disbursed in previous month in the Region)& risk based audit.
- National Credit Monitors-(1/5th of files monitored by Regional Credit monitors in previous month)& risk based audit

> Audit

Sample Verification done by AUDIT team & (20% of file disbursed in previous month) in addition risk based audit based on emerging risk (70% scheme based and 30% risk based)

> Vigilance

Sample Verification done by VIGILANCE team (5% of file disbursed in previous month) in addition risk based audit based on emerging risk.

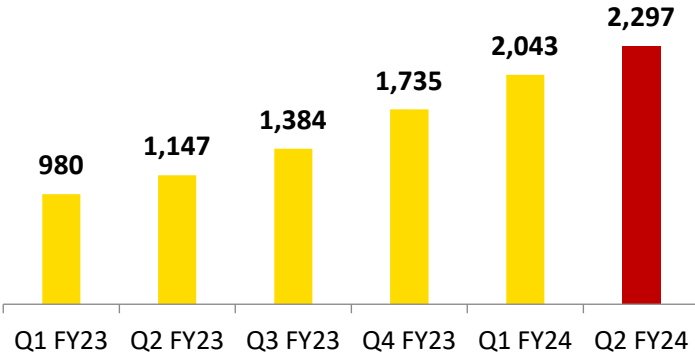
> Oversight and monitoring through system for effective control

> System driven reports and dashboards for effective monitoring and control

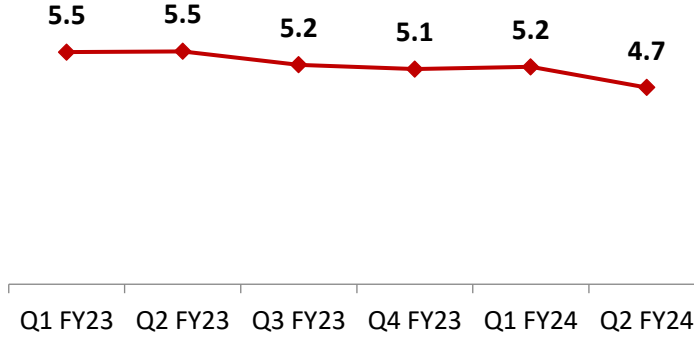
- > Strong customer relationship management with dedicated in-house local collection team.
- > CRM tool integrated with loan management system to built relationship with customer from beginning
- > Relationship officer is assigned to each customer immediately on loan disbursal and same officer is continuing throughout the loan tenure
- > Each relationship officer is handling customers of around 500 nos.
- > Ensuring stability of employees in the branches to ensure better customer relationship. Promotion policies are also framed in that way.
- > Digital payment platforms for managing EMI collections efficiently.
- > On the job training and online courses are providing on various collection mechanisms like NACH etc for proper and regular collection
- > Started AI integrated collection measures like bot calling.

Parameters	MSME	Micro HF	Secured PL
Average LTV %	32%	33%	35%
Average Customer Income Monthly (Rs)	58,000	42,800	30,600
Average EMI -Rs	14,800	12,800	11,500
Average Ticket Size (Lakhs)	5.9	5.2	4.2
EMI to Income Ratio	26%	30%	38%

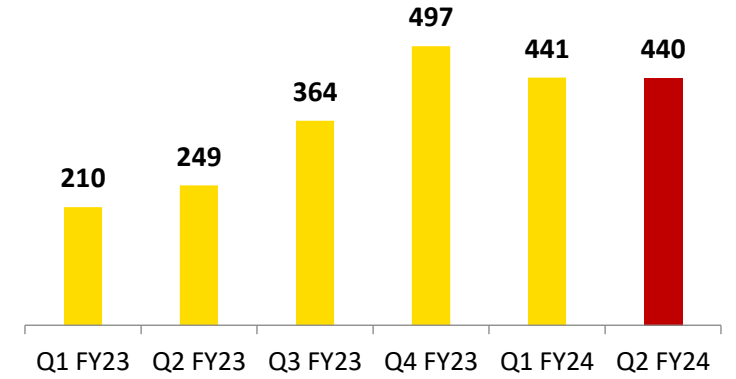
AUM EVOLUTION (Rs Cr)



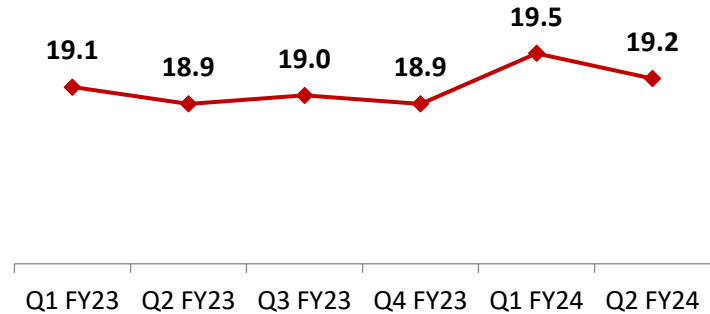
Ticket Size (Rs Lakhs)



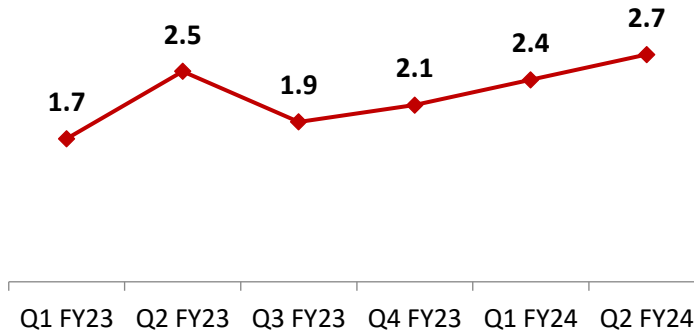
Disbursement (Rs Cr)



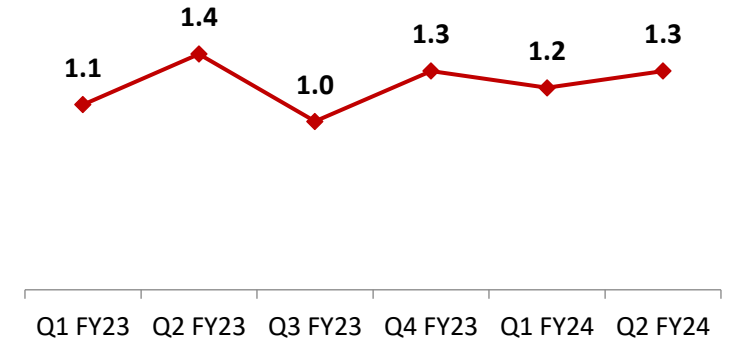
Yield %



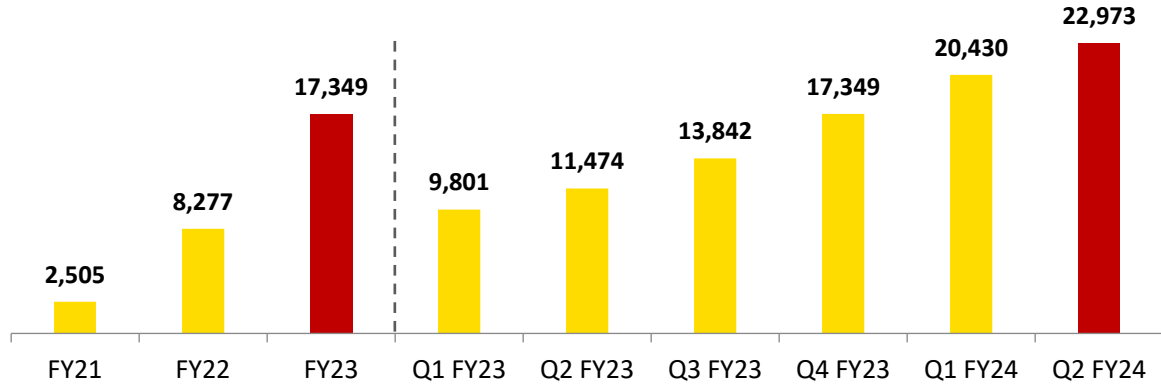
Delinquency %



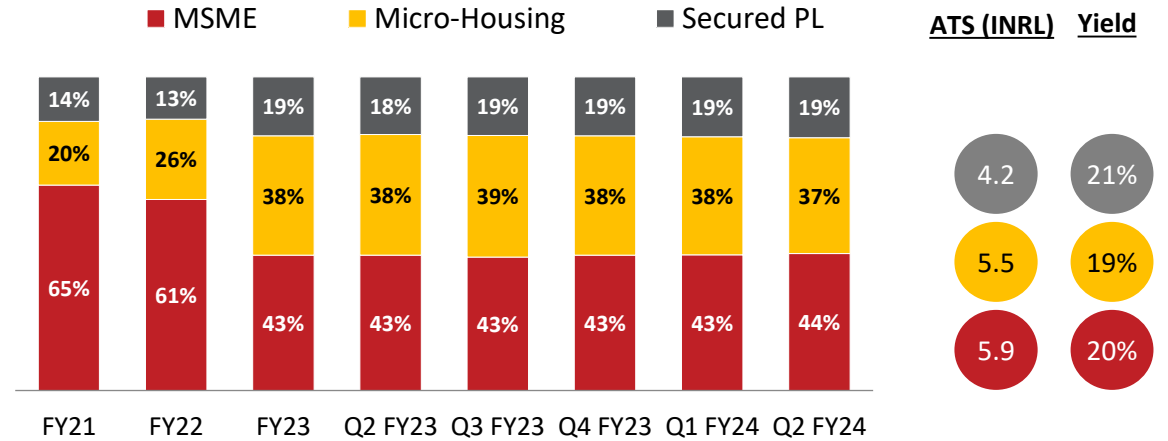
NPA %



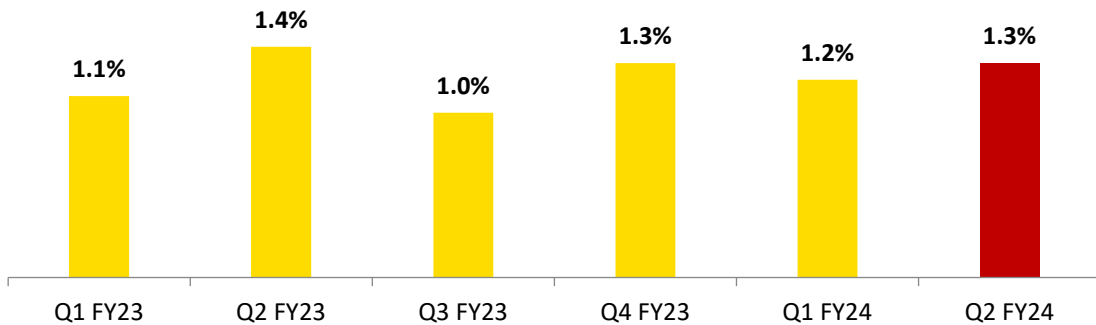
AUM EVOLUTION (Rs Mn)



AUM MIX (%)



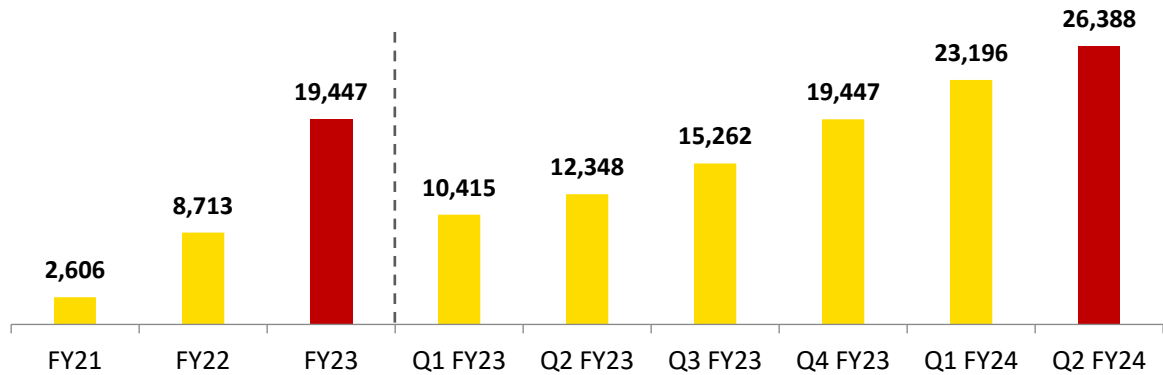
GNPA %



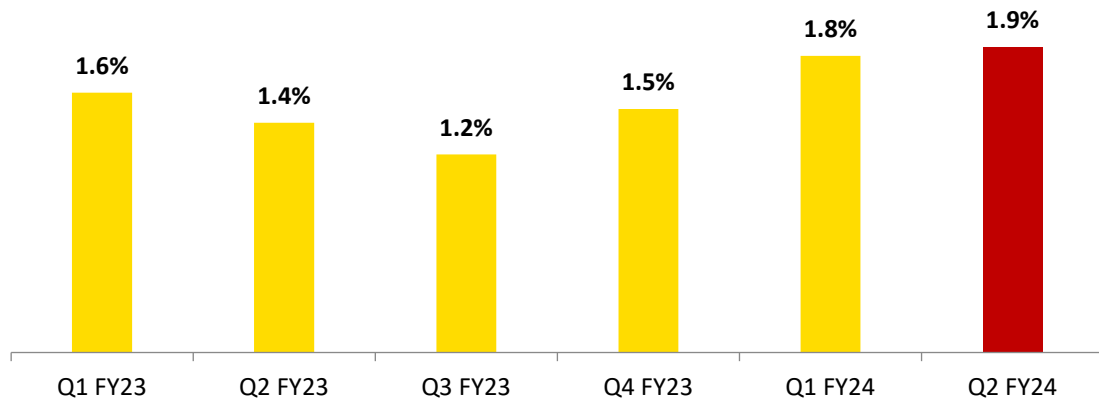
OPERATING OVERVIEW

- Portfolio is an amalgamation of multiple products started over 2019-2020
- The operations are a part of Manappuram Finance Ltd and are carried out from existing gold loan branches (currently 50+ branches for MSME, Housing Loans, Personal Loans; potential to scale further)
- Growing portfolio with stable asset quality (1.3% GNPA) and credit cost of below 0.5%.

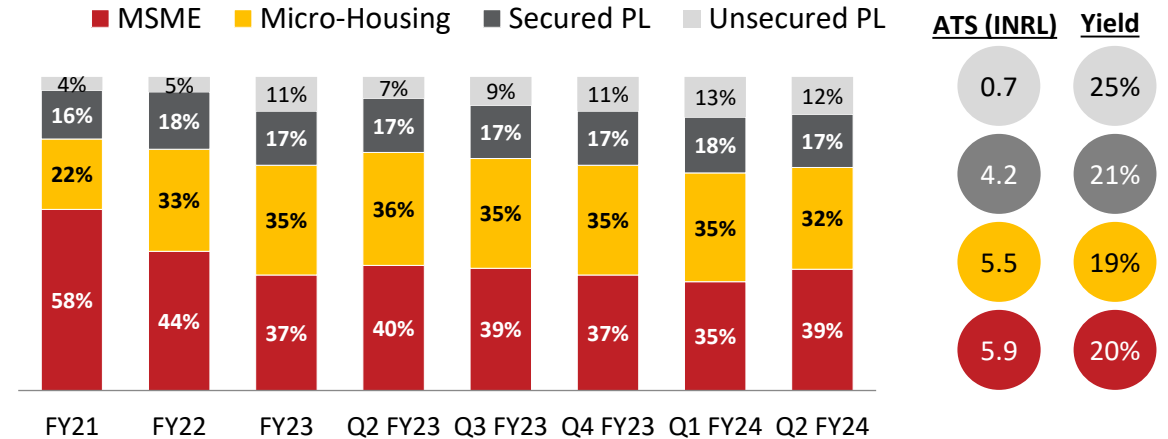
AUM EVOLUTION (Rs Mn)



GNPA %



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OPERATING OVERVIEW

- Portfolio is an amalgamation of multiple products started over 2019-2020
- The operations are a part of Manappuram Finance Ltd and are carried out from existing gold loan branches (currently 50+ branches for MSME, Housing Loans, Personal Loans; potential to scale further)
- Growing portfolio with stable asset quality (1.9% GNPA) and credit cost of below 0.5%.
- Unsecured loan book includes “Digital Personal Loans”, disbursed through mobile app, leveraging proprietary gold loan data & available customer info

Micro Home Finance



Mr. Ratheesh PM – Business Head of Microfinance having an experience of 16 years in Manappuram Finance Limited and worked in various functions like Sales, Operation, Audit, Training etc . He holds Master’s degree in Investment Management and certifications from IIM in Management Development Programmes.

MSME



Mr. Vijayakumar KB- Business Head of MSME Division having an experience of 20 years in various departments such as Gold Loan Operations, Marketing, Forex & Money Transfer, Finance & Accounts, Taxation etc. He holds bachelor degree in Arts and certifications from IIM in Management Development Programmes.

Secured Personal Loan



Mr. Vipin TS – Business Head of Secured Loan Division having an experience of 13 years in in various Departments such as Sales, Operation, Money Transfer etc. He holds Master’s Degree in Financial Management and certifications from IIM in Management Development Programmes.

Each Divisions leading by separate Business Head along with various functional heads in Credit, Operations, Risk, Audit, Vigilance and MIS.

Overall control and monitoring of each divisions by the Top Management – MD&CEO, CFO and Group functionaries like Business Head, Risk Head, Audit Head and Vigilance Head

MANAPPURAM HOME FINANCE LIMITED



2014 Acquired the Company named Milestone and changed its name as Manappuram Home Finance Pvt Limited in 2014

2015 Started operations in January. Shifting of registered office to Kerala from Maharashtra 2015

2016 Opened 33 branches in 7 States booked AUM

2017 Conversion from private to public in 2017

2019 Public issue of NCDs of 200 cr by listing in BSE in 2019

2023 Crossed 1000 cr AUM and positioned as middle layer NBFC in 2023

BUSINESS UPDATES FOR Q2FY24

42% YoY

Rs. 1,305 Crore

Assets Under Management

90% YoY

Rs. 165 Crore

Disbursement

50% YoY

23,308

No. of Customers

1,555

Employees

47.42%

LTV

Rs. 84 Lakhs

AUM on Employees

Rs. 5.94 Lakhs

Avg Ticket Size

17.58%

Yield on AUM

1.43%

ROA

Self Employed Non Professionals

Self employed non professionals does not have any proper income documents to show case their income for obtaining a loan from any banks.

Our trained credit officers visits the business premises, residence, property, suppliers, etc. and arrive their income and repayment capacity , experience, reputation, business vintage, family back- ground, etc.

Preferred on hassle free documentation and speedy disbursement.

Customers having multiple earning points, other than their core business.

Informal Salaried

Informal Salaried customers having challenge to approach a bank for obtaining a housing loan due to cash income.

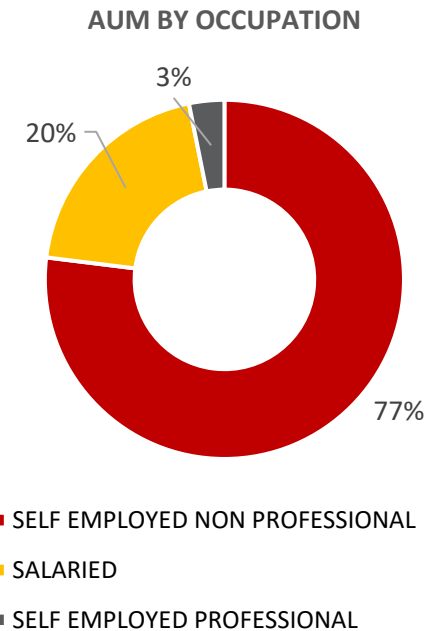
Verification of cash income from their work place, asset creation and other earnings verifications by credit officer.

Minimum individual cash income Rs. 20,000 and maximum clubbed cash income Rs. 25,000 considered for deriving a loan.

Formal Salaried

Individuals their salary is not fully meet the need of a home approaching with us with their spouse income.

Clubbed income is considering for eligibility. Banks are not considering additional income.



Who are our customer

- Middle level income customers
- Self Employed & informal Salaried
- New to credit
- First time home buyers

Customer needs

- Home loan requirement 5Lac to 25 Lac
- Construction /Purchase, extension and renovation
- Minimal disruption to daily work routine
- Speedy disbursement of loans
- Better customer service

Challenges of Customers

- Direct visiting to branch for documents submission
- Disruption of working due to arrangement of loan documentation.
- Dealing with middlemen

Access

- Understanding customer's needs via well trained sales executives
- Suggesting right size of loans through holistic evaluation of all formal/informal source of income
- Educating customers regarding importance of property insurance and life insurance policy

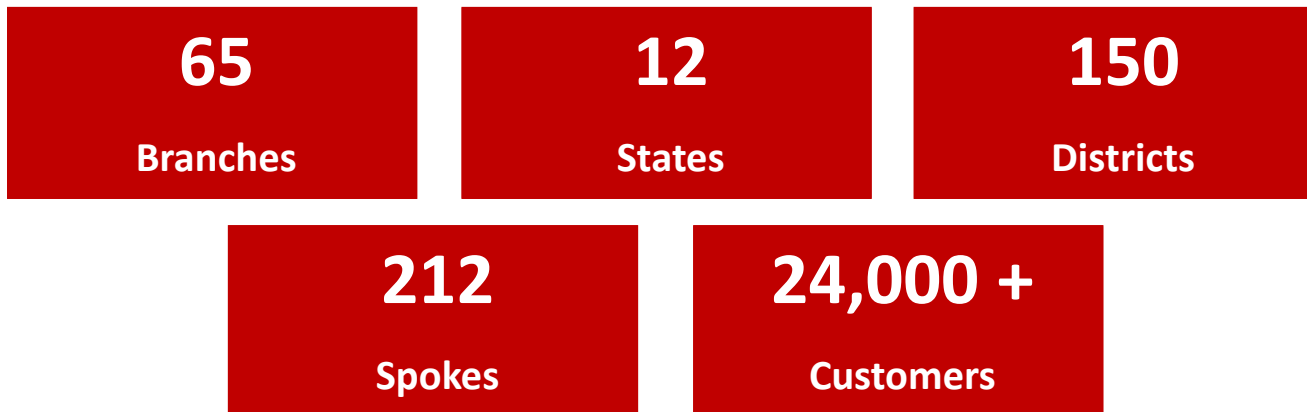
Addressing Needs

- Loan size from 1 lac to 25 lac
- We trained credit officers
- Reduced TAT
- Better customer service through well trained CRM team

Service

- Customer app for easy access to loan statements, payment etc.
- Dedicated Relationship officer for every customer with local language

- Affordable housing finance company with presence in 12 states.
- Focused business area tier 3 and tier 4 cities.
- Home loans to first time home buyers with focus on self employed and informal individuals having income Rs.35k pm.
- 65% of book comprise of housing loans with average ticket size of Rs. 5.9 Lakhs.
- Strong liquidity pipeline with positive ALM.
- Decentralised credit underwriting and disbursements.
- Well trained credit underwriting understand customer requirement and right approval of loan.
- Specialized customer relation ship team with local language support.





Sourcing Channels

- MAFIL (Gold Loan Branches)
- Asirvad (Micro Finance Branches)
- Referral Agents
- Construction Community
- Marketing Activities
- Social Media
- DSA



Decentralized Underwriting

- Digital onboarding and verification of initial set of documents.(KYC , BEAURO Reports, HUNTER fraud check)
- Selection of customers by way of score card.
- The credit underwriting starts with Personal Discussion with customer his/her place of work, residence and property.
- Understanding of all type of profile and properties.
- In house valuation reports by credit officers to understand the value of property prior to sanction.
- In house legal validations.
- Fully system driven recommendation of loans (System driven Credit appraisal memo)
- Sanctions at Branch level.



Risk Control Mechanisms

- Lower LTV
- Lower loan tickets
- Local understanding of profile and properties
- Centralized Credit monitoring
- Centralized Operations Oversight



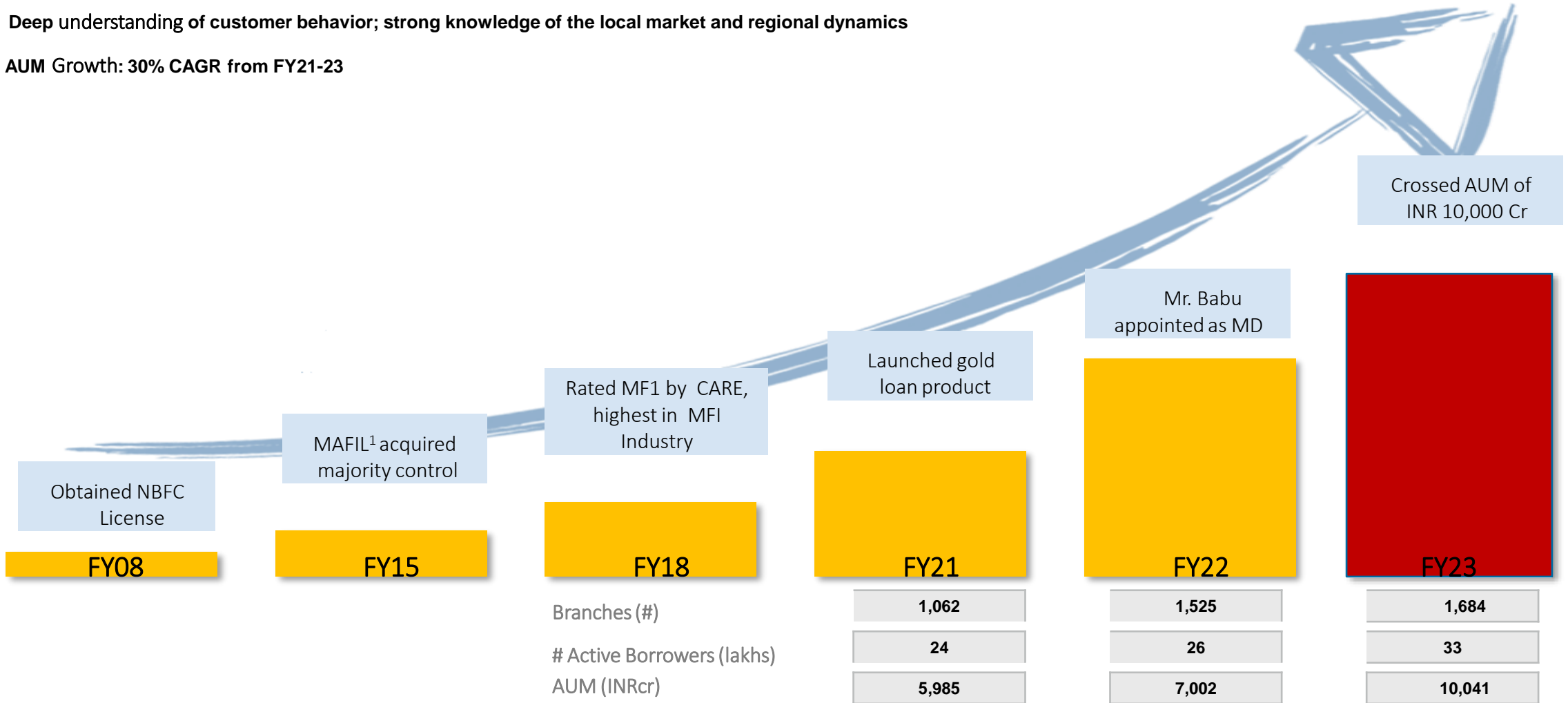
Collection Mechanisms

- NACH Activated customers 94%
- Customer Relationship Team helping to make a first clearance of 84%
- Digital collection applications (m Collect and BBPS , MAHOFIN ASSIST etc.)
- In house field collection team
- Dedicated legal recovery team using digital monitoring systems.

ASIRVAD MICROFINANCE

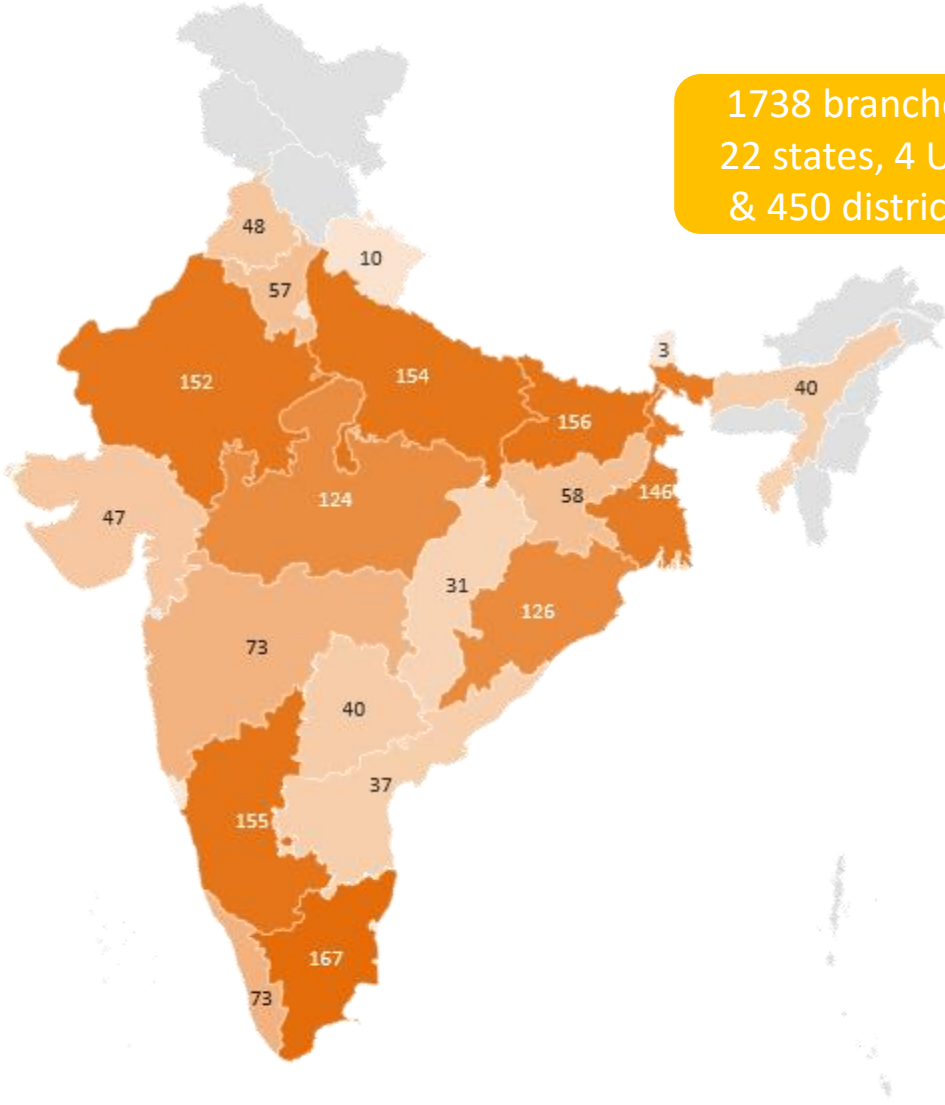
EVOLUTION OF ASIRVAD MICRO FINANCE

- ➔ Backed by Manappuram Finance providing strong financial and operational support
- ➔ Built to take advantage of the large addressable market and credit gap
- ➔ Deep understanding of customer behavior; strong knowledge of the local market and regional dynamics
- ➔ AUM Growth: 30% CAGR from FY21-23

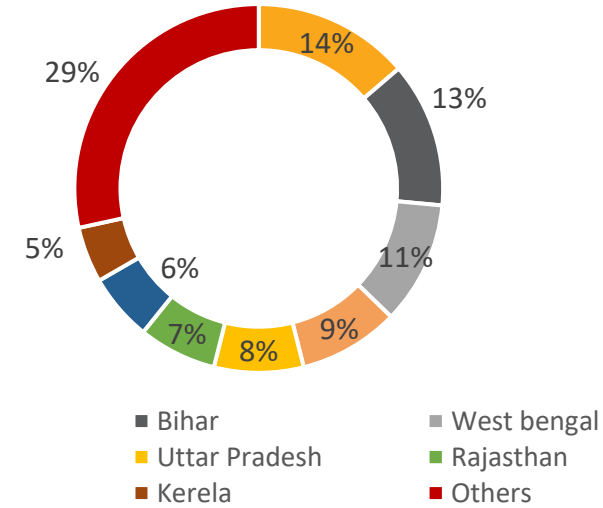


Wide network of branches

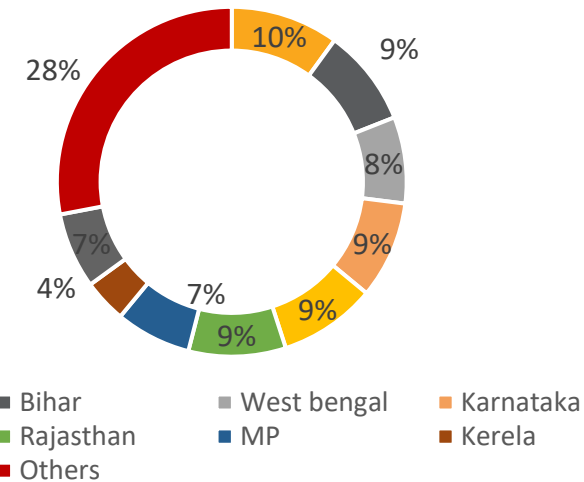
1738 branches
22 states, 4 UTs
& 450 districts



AUM Mix Q1FY24



Branch Mix Q1FY24



>1%

Target: No District with >1% concentration in AUM

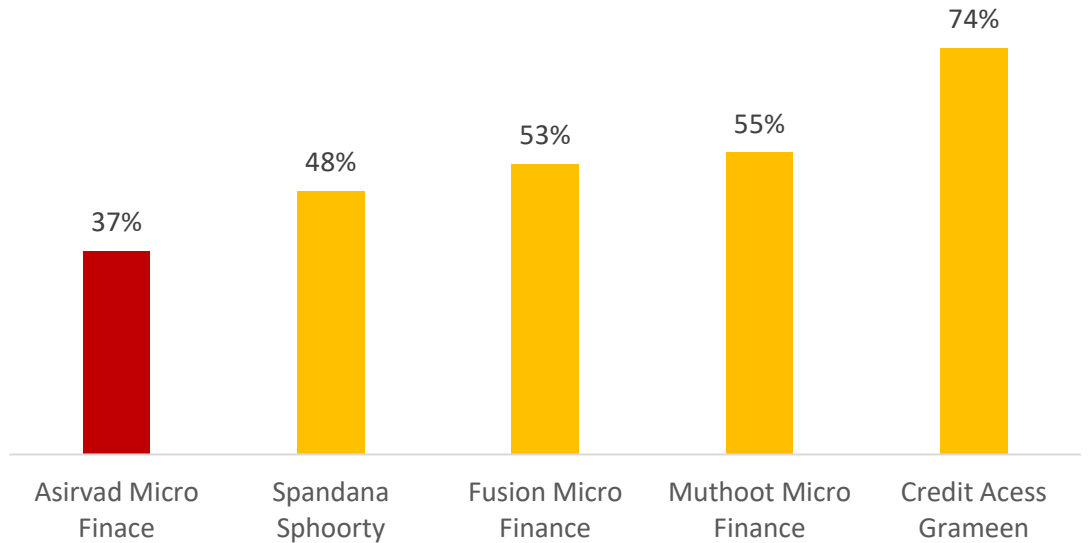
>10%

Target: No State with >10% concentration in AUM

>5%

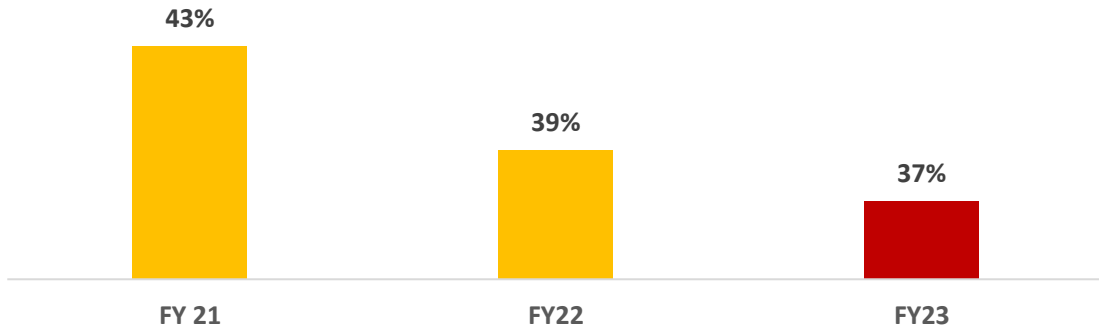
Target: AUM of no state >5% of estimated MFI market size of the state

Lowest share of Top 3 States in AUM & widest presence (FY 23)



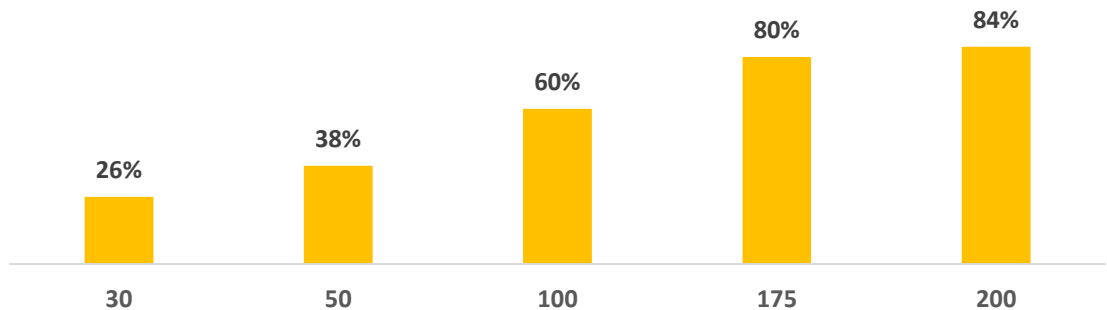
Improving geographical diversification over the years

AUM in Top 3 States(%)



Low concentration at district level

Cumulative AUM (%) basis no. of districts



Expertise in underwriting MFI customers basis combination of traditional and alternate data

Data Gathering

Data gathered by FDAs from customers during field visits

ID Proof

House Type

Assets

Income & Expenditure

Existing EMI

Several data points collected from customer before Group Recognition Test(GRT) Mini GRT and GRT

Data Validation

Digital Verification through e-KYC, (age, Gender, address)

Rule based max min logic for income/expense

Verify fixed obligation of household basis bureau data

Geo tagging of center and house of member

Data Evaluation

Unique ability to convert unstructured data to robust score card

FOIR calculated based on which decision is taken

Robust Asset Quality

Categorisation of customers basis CIC data & past repayment of existing customers

Account mismatch from penny drop test rejected and handled manually

Collection Strategy



Model

- Monthly Collection Model
- Physical visit by FDAs to collection cash
- Pre-determined place and time for collection
- Daily collections deposited by FDAs to branches



Controls

- Real-time SMS acknowledgement post repayment
- Real time updates of collections within the organisation
- Automated reminders before due date
- Movement of FDAs geotagged



Recovery

- Intensive follow-up by FDs, assistant branch managers and branch managers
- Legal notices sent to customer with 90+ dpd



Write Off

- System driven push notification to FDA for notifying about write off client
- Partial loan waiver allowed only after the waiver request by FDA is approved from HO

Digital Collection Capabilities

INR 930 Cr
Digital Collection
(FY 22-23)

13.8% of total collections coming through digital channels



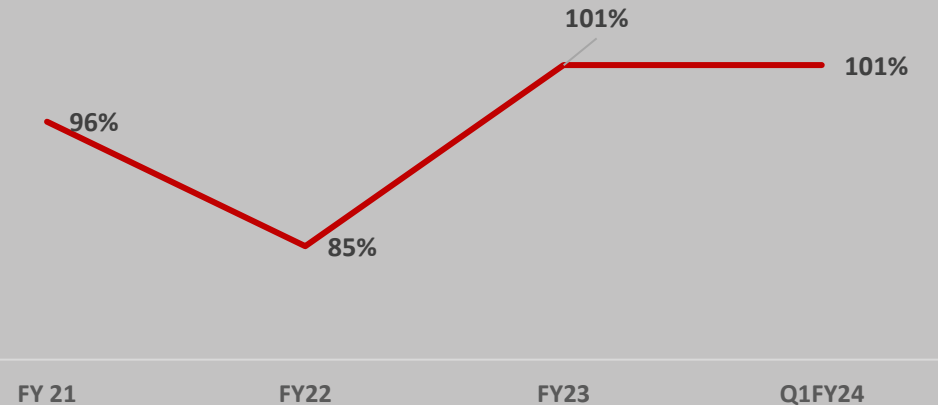
Borrowing application that facilitates payment through UPI, wallets, debt cards and net banking



BBPS integration for facilitating digital collection in leading payment apps.

Collection Efficiency

High Collection Efficiency driven by superior execution capabilities





Thank You

Manappuram Finance Limited,

IV / 470 (old) W638A (New), Manappuram House, Valapad, Thrissur Kerala, India, Pin code : 680567

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

Nikunj Seth
Het Choksey Advisors
Contact No : +91 9773397958
Email: ir-advisors@hetchoksey.com

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