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MANAPPURAM SIZZLES, NET PROFIT ZOOMS 170%

Thrissur (Kerala): Manappuram Finance Ltd. has declared its first quarter results. Consolidated Net Profit for the quarter ended June 30, 2016 is reported at Rs. 160.34 crore, a sharp increase of 170 percent compared to Rs. 59.30 crore recorded in Q1 of the previous fiscal year.

Total consolidated operating income during the quarter registered an increase of 38.4 percent to Rs. 746.13 crore as against Rs. 539.04 crore reported in Q1 of FY2015-16. The company's consolidated Assets under Management (AUM) stood at Rs. 13,014 crore, up by 28.8 percent from Rs.10,105 crore recorded a year ago.

The Board of Directors, which met at Valapad (Thrissur) today to consider the results, approved payment of interim dividend of Rs. 0.50 per share of face value of Rs. 2/-

The company also registered a healthy increase of 18.27 percent in its gold loan Assets under Management (AUM) to Rs. 11,345 crore in comparison to Rs. 9,592.44 crore reported on June 30, 2015. Aggregate gold loans disbursed during the quarter amounted to Rs. 13201 crore. During the quarter, the company's gold loans business added 4.03 lakh new customers, taking the number of live gold loan customers to 20.63 lacs as of June 30, 2016.

Besides gold loans, the company's new businesses continued to gather momentum. The microfinance subsidiary, Asirvad Microfinance, ended the quarter with an AUM of Rs 1236.80 crore, a substantial increase of 196 percent over Rs. 418.31 crore reported in the comparable quarter of previous fiscal. The performance represents an increase of 24 percent over Rs.998.82 crore recorded in the preceding March quarter.

Likewise, there was good pickup in growth in other new business segments too. The Home Loans subsidiary, operating from 26 branches, recorded an AUM of Rs.170.48 crore while the Commercial Vehicles division reported an AUM of Rs. 168.4 crore with presence in 37 locations. According to the company, these businesses have stabilised and are well positioned to scale up significantly in the current year. The company expects its new businesses to contribute at least 25 percent of total AUM by FY2017-18.

Sharing the results with the media, Mr. V.P.Nandakumar, MD & CEO, said, "Having recovered from a slowdown, Manappuram is now going from strength to strength. Our gold loans business is back on the growth track and our new businesses—microfinance, housing and vehicle loans — are also doing well."

The company's long term credit rating was upgraded by CRISIL to 'AA-/Stable' (from 'A+/Stable'). The revised rating is applicable to the long-term bank facility and non-convertible debentures of the

company. With the improved credit rating, average borrowing costs continued to decline, falling by a further 10 bps during the quarter to 10.35 percent. Borrowing cost has fallen by 126 bps over the last one year and 225 bps over the last 2 years.

Provisions and write offs during the quarter for the standalone entity amounted to Rs. 13.43 crore. The company has moved to recognition of NPAs at 90 days (from 120 days) in the current quarter even though the RBI requirement applies only in FY2017-18. Notwithstanding the shift to 90 days norm, gross NPAs have been held below 1 percent. Further, provision on standard assets has been made at 0.40 percent instead of 0.35 percent, in advance of the RBI requirement making it mandatory from FY2017-18.

The company's consolidated net worth stood at Rs 2,918 crore as of June 30, 2016. The book value per share stood at Rs 34.69. The capital adequacy ratio as at end of June 30, 2016 was 22.30 percent. The total borrowings of the company stood at Rs 11,078 crore on this date while the total number of live customers is at 28.27 lakhs.

Results at a glance

| Consolidated | Rs. in Crore | | % growth |
|----------------------------|---------------|---------------|----------|
| | Q1-FY 2016-17 | Q1-FY 2015-16 | |
| Particulars | | | |
| Income from operations | 746.13 | 539.04 | 38.42 |
| Profit before tax | 250.45 | 91.88 | 172.58 |
| Profit after tax | 160.33 | 59.30 | 170.37 |
| AUM | 13014 | 10105 | 28.79 |
| Aggregate Loans Disbursed | 13201 | 8409 | 56.99 |
| Net Worth | 2918 | 2647 | 10.24 |
| Return on Assets | 4.7% | 2.0% | |
| Return on Equity | 21.98% | 9.0% | |
| Share Capital and Reserves | 2918 | 2647 | |
| No. of branches | 3747 | 3456 | |

| Stand alone | Rs. in Crore | | % growth |
|---------------------------------|---------------|---------------|----------|
| | Q1-FY 2016-17 | Q1-FY 2015-16 | |
| Particulars | | | |
| AUM | 11657 | 9667 | 20.59 |
| Loans Disbursed | 13201 | 8409 | 56.99 |
| Capital Adequacy Ratio | 22.30% | 24.97% | |
| Net NPA (%) | 0.62% | 1.0% | |
| Number of Branches (Gold Loans) | 3293 | 3293 | |

About Manappuram Finance Ltd.

Manappuram Finance Ltd. is one of India's leading gold loans NBFCs engaged in providing finance against used household gold ornaments. Incorporated in 1992, the company has been promoted by Mr. V.P. Nandakumar (current MD & CEO) whose family has been involved in gold loans since 1949. It is headquartered at Valapad in the Thrissur District of Kerala. The company went public in August 1995 and its shares are listed on the BSE and NSE stock exchanges.

As of June 30, 2016, Manappuram Finance Ltd. had 3747 branches across 24 states and 4 UTs with Assets under management (AUM) of Rs.130.14 billion. The company's net worth stood at Rs.29.18 billion.