

ANNUAL ANALYST MEET

02 May 2022

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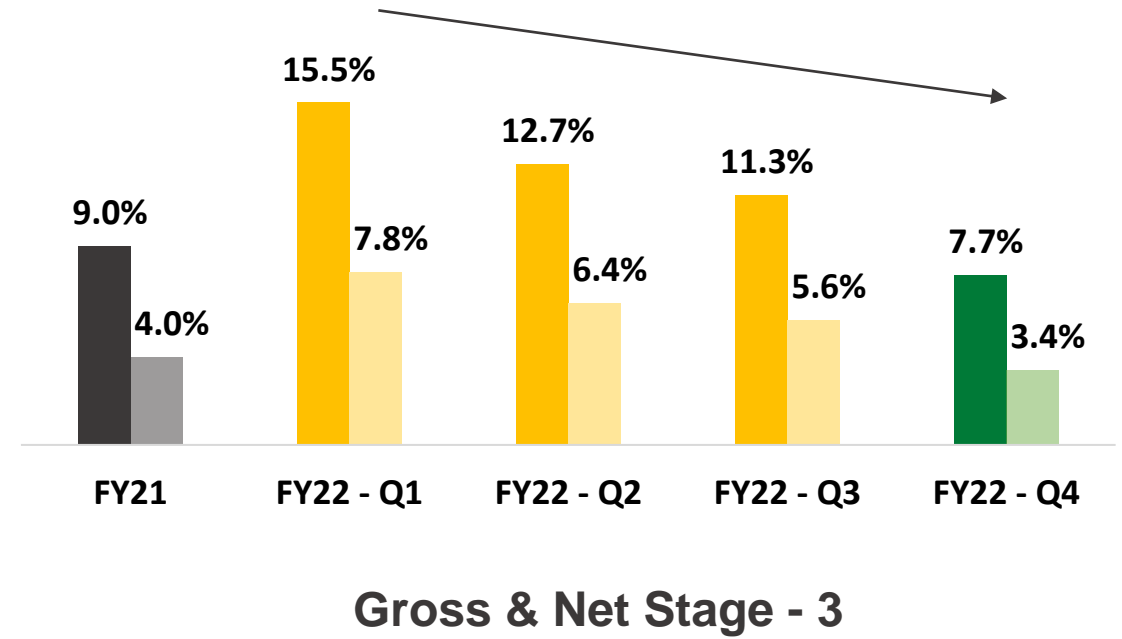
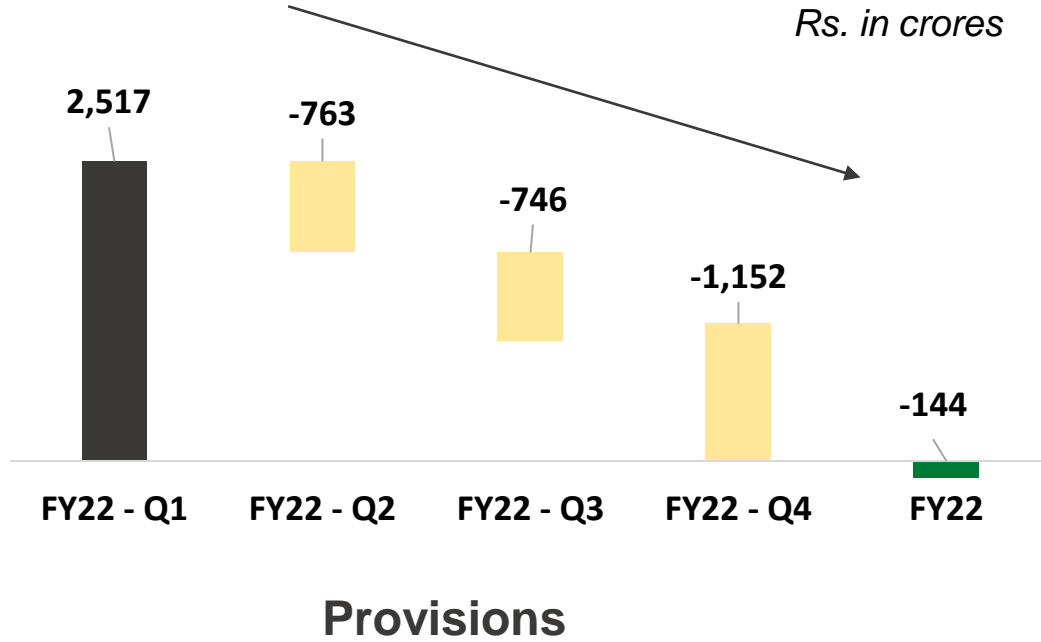
At a Glance:

FY22 Gone by...

What we said post Q1F22 results

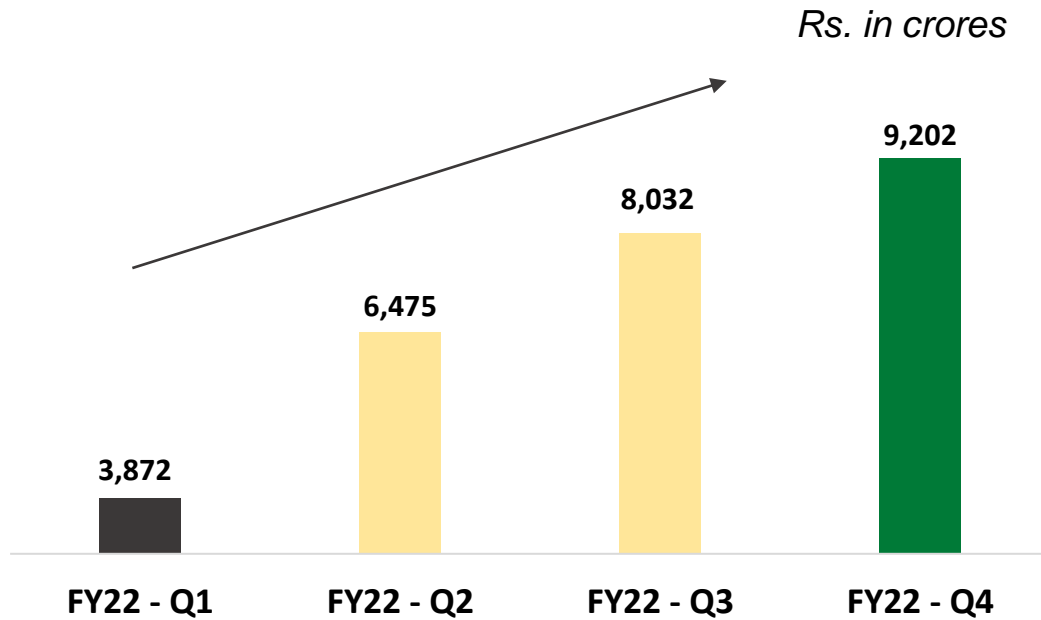
- ① **Reverse 80% of provisions made during Q1**
- ② **Bring back growth to pre-covid levels**

106% of the provisions made during Q1FY22 reversed

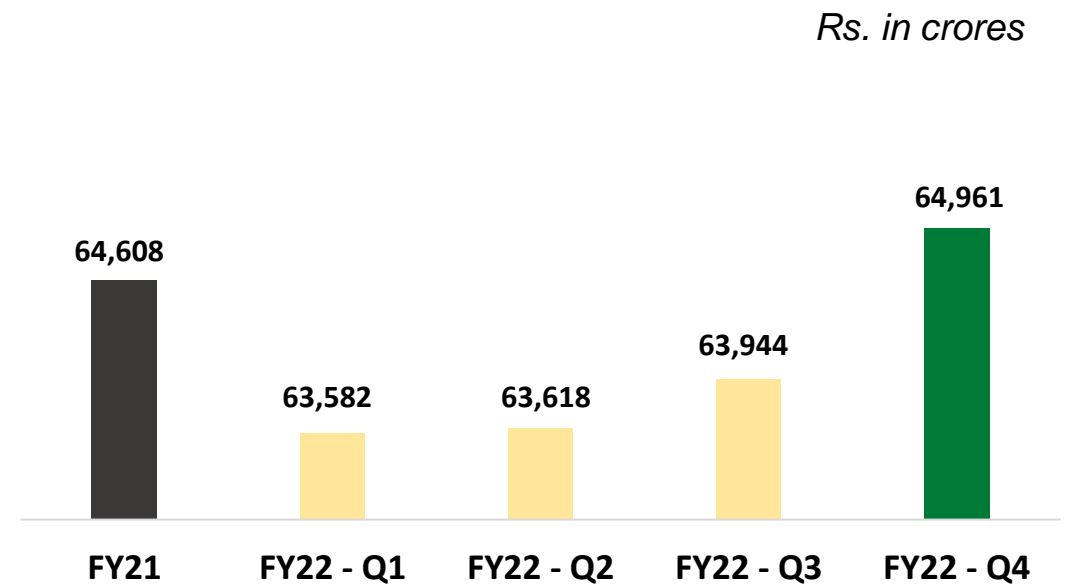


Gross Stage -3 reduced from ₹ 9,832 crores to ₹ 4,976 crores

Business volumes are back to pre-covid levels



Disbursements



Business Assets

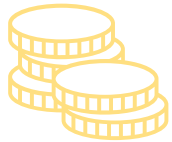
Key Financials – FY 2022

on standalone basis

	Disbursement	Total Income	Profit after Tax
Q4 FY 22	Rs. 9,202 crores	Rs. 2,466 crores	Rs. 601 crores
	↑ 54%	↓ 6%	↑ 300%
Q4 FY 21	Rs. 5,970 crores	Rs. 2,638 crores	Rs. 150 crores
FY 22	Rs. 27,581 crores	Rs. 9,719 crores	Rs. 989 crores
	↑ 45%	↓ 8%	↑ 195%
FY 21	Rs. 19,001 crores	Rs. 10,517 crores	Rs. 335 crores

Financial Performance - FY 2022

Stable NIMs



7.6%

Opex Ratio



2.7%

Credit Costs



3.1%

RoA



1.3%

Capital Adequacy



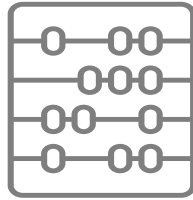
27.8%



Way ahead...

Sustainable profitable growth: Vision 2025

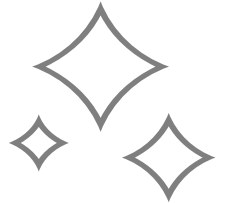
Stable asset quality
GS-3 < 6%



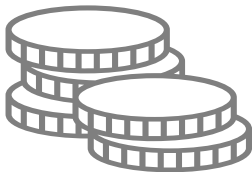
2x AUM



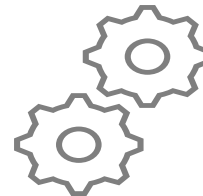
New business contribution:
15%



Maintain NIMs ~7.5%



Operating leverage: Cost to
Assets ~2.5%



RoA ~2.5%






Transformation priorities


- 1 ***Stabilize Asset Quality*** **GS-3 < 6%**
- 2 ***Recharge Growth*** **2x AUM through Core + Diversification**
- 3 ***Strengthen Tech & Digital*** **Differentiate through 'Phygital'**
- 4 ***Future Ready Human Capital*** **Realigned organization**

1 Stabilize asset quality; GS-3 <6%

Product Strategy & Technology

- | | | |
|--|---|--|
|  Customer Segment Mix <ul style="list-style-type: none">▪ Reassess highly vulnerable & volatile cashflow segments▪ Target affluent 'RURBAN' customers |  Product Diversification <ul style="list-style-type: none">▪ Increase non-vehicle share: SME, LAP, Leasing & Digi Finco |  Digital & Tech <ul style="list-style-type: none">▪ Digitalizing lending journeys - mitigate risk (VKYC, eSign, eNACH etc.)▪ Bureau engagement & NTC scorecards |
|--|---|--|

Continued Collections Rigour

- | | |
|--|--|
|  Collections-war-room <ul style="list-style-type: none">▪ Curated treatments for customer segments▪ Disciplined vehicle repossessions |  Legal Efforts <ul style="list-style-type: none">▪ Legal tech, debt resolution platforms▪ Stringent arbitration for bad debt & loss pools |
|--|--|

2

Recharge growth; 2x AUM through core + diversification



Vehicle Lending Leadership

- Deep rural network
- Scale Pre-Owned
- Gain MS - Anchor



Scale New Growth Engines

- Diversified Play - SME, LAP, Leasing, Digi Finco
- Build synergies - M&M ecosystem



Cross-sell & Premiumize

- Increase focus on cross-selling across customer base
- Target 'RURBAN' affluent customers



Leverage Partnerships

- OEMs & Dealers
- New partnerships - Fin-tech, Aggregators

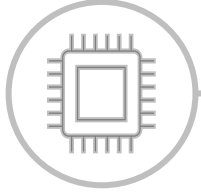
3 Strengthen tech and digital; differentiate through phygital



Digitalizing core by building scalable & resilient Tech with **Cloud 1st architecture**



Building **next-gen API platform** facilitated by micro services layer



Leveraging **AI/ML based models** across customer lifecycle for better CX



Partnering with **aggregator/co-lending platforms** in our tech transformation journey



Hiring **high quality tech & data science team** to enable organic & inorganic growth

4 Future ready human capital; Realigned organization



Optimizing **capability mix** across the organization through **upskilling & hiring**



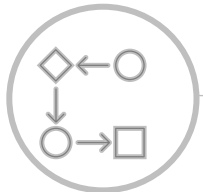
Instilling newer ways-of-working by adopting **agile methodology**



Empowering employees **with latest tech infrastructure** to drive productivity



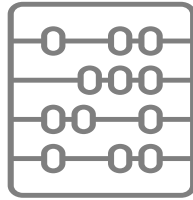
Fostering a **culture of digital and data first**



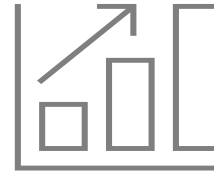
Improving productivity through **process optimization**

Sustainable profitable growth: Vision 2025

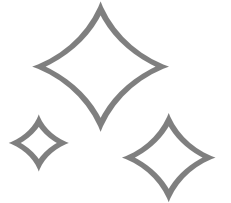
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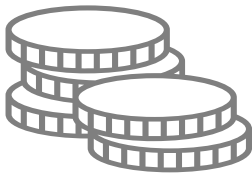
2x AUM



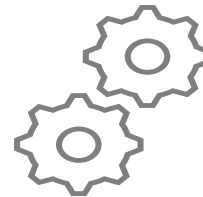
New business contribution:
15%



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Assets ~2.5%



RoA ~2.5%





2025

2024

Perspectives...

Transformation priorities

1

Stabilize Asset Quality

Focus on bringing the volatility down

2

Recharge Growth

Build high quality diversified business

3

Strengthen Tech & Digital

Data informed thinking

4

Future Ready Human Capital

High Performing Organisation

Mahindra Finance Strengths



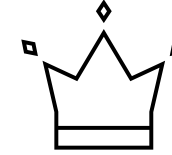
Robust Business Model



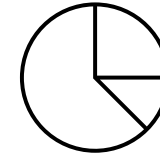
Healthy Financial Returns



Strong Talent



Rural Leadership



Cross-sell Potential



**High conviction on
Transformation Agenda**

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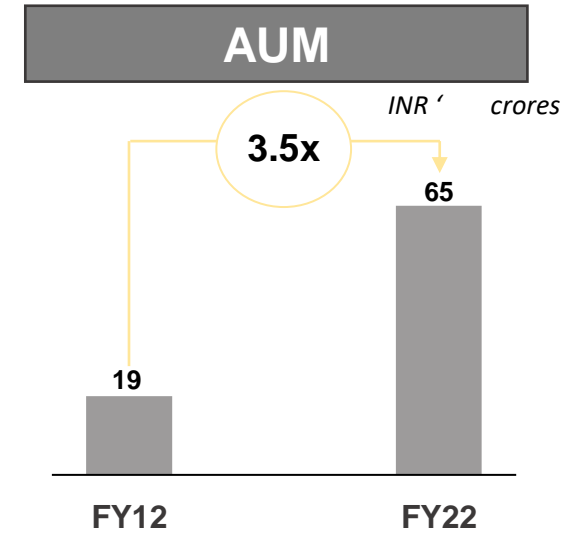
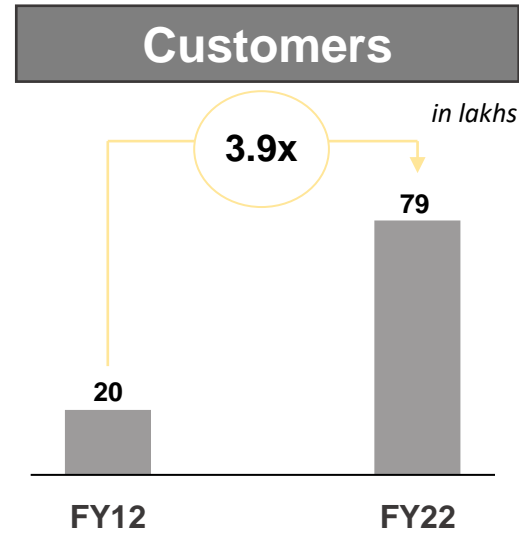
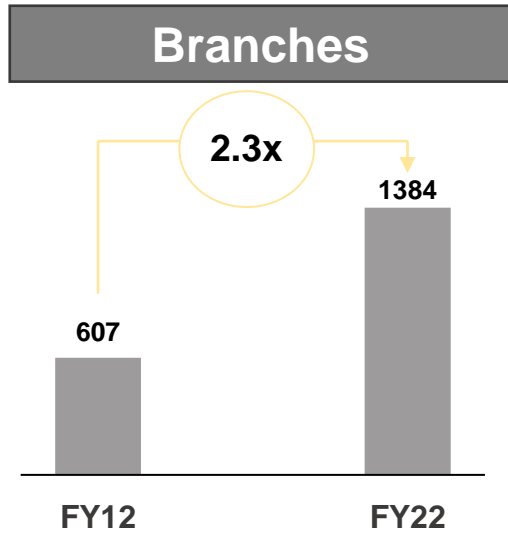
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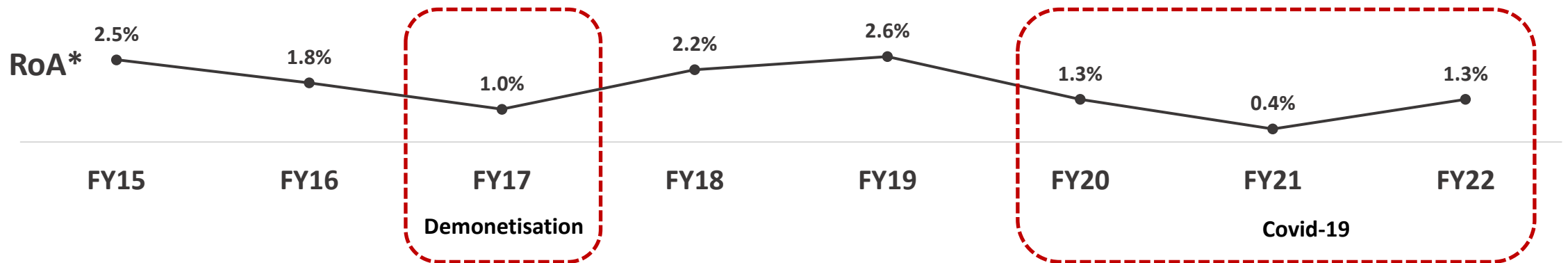


Thank You

MMFSL has built a strong business model...

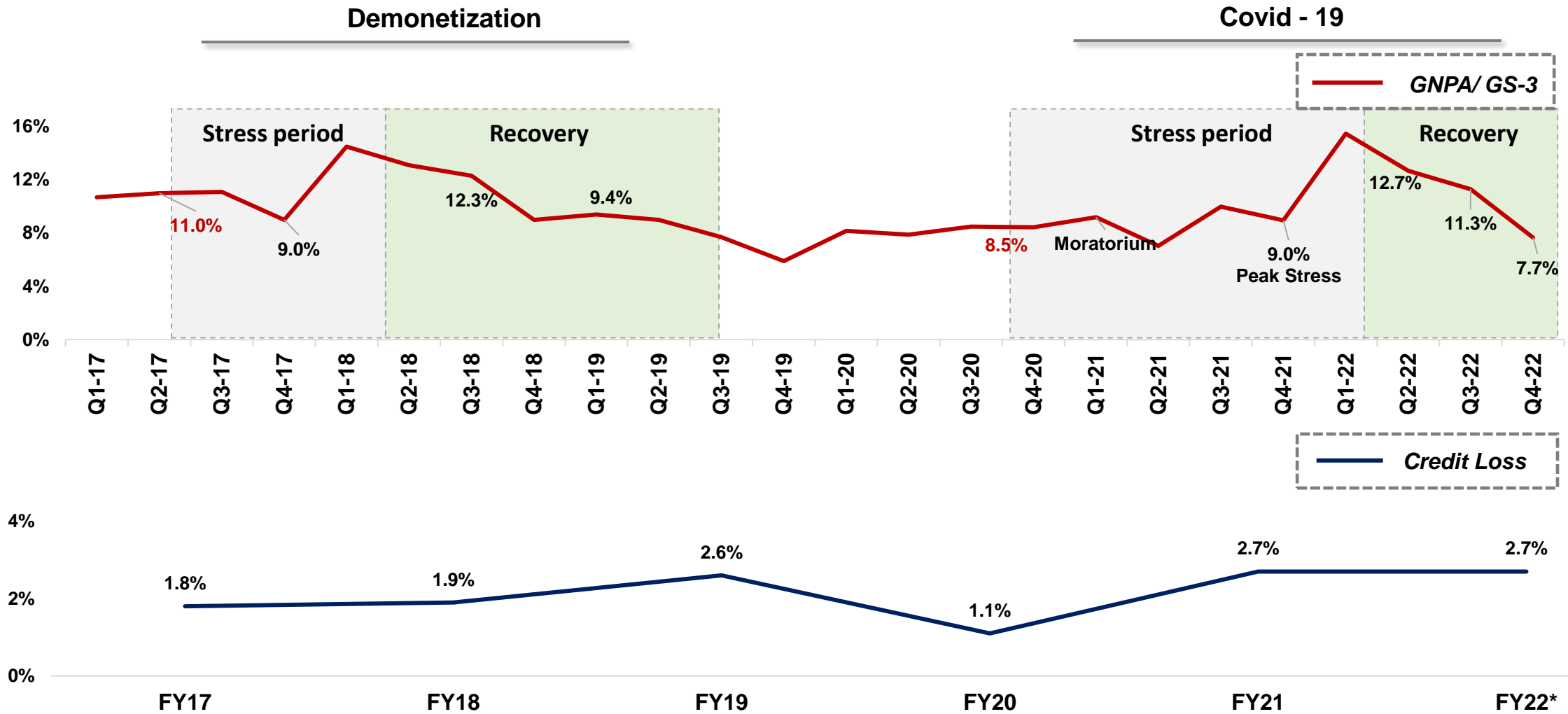


... profitability tested over long cycles



*Details before FY is as under I-GAAP

GS-3 recovery post macro stress events



Retracement from peak of Macro stress has been swift and sharp

Credit Loss refers to bad debts write offs and termination losses

Q - and before - GNPA on days, I-GAAP; FY GNPA restated on IND AS

* Excludes Rs. Cr on account of change of bad debts policy