

## **Muthoottu Mini Financiers Ltd (MMFL)**

### **ALCO Policy**

The ALCO Policy of the company will be based on the monitoring of the following performance parameters:

To ensure that the asset liability management strategy and Company's market risk management policies are implemented;

To provide a strategic framework to identify, assess, quality and manage market risk, liquidity risk, interest rate risk, price risk etc.

To ensure adherence to the risk limits;

To articulate current interest rate view of the Company and base its decisions on future business strategy on this view;

To decide product pricing, desired maturity profile of assets and liabilities and also the mix of incremental assets and liabilities such as fixed versus floating rate funds, domestic vs. foreign currency funds etc;

To monitor the risk levels of the Company;

To review the results of and progress in implementation of the decisions;

To report to the Board of Directors on the adequacy of the Company's systems and controls for managing risk, and for recommending any changes or improvements, as necessary;

To ensure that all activities are within the overall regulatory framework and government regulation;

To ensure proper management within defined control parameters set by the Board, of the Company's net interest income and its structural exposure to movements in external environment;

To review and assess the management of funding undertaken by Company and formulate appropriate actions;

To review and assess the management of the Company's liquidity with the framework and policies established by the Board, as the case may be, and formulate appropriate actions to be taken;

To consider the significance of ALM of any changes in customer behavior and formulate appropriate actions;

To consider, if appropriate, the composition of the Company's capital structure, taking account of future regulatory requirements and rating agency views and formulate actions wherever required

Alco Committee Members:

1. Mr. Roy M Mathew -Chairman -Managing Director.
2. Mr. K. George Varghese- Chief Operating Officer.
3. Mr. Anoop Thomas - Chief Financial Officer.
4. Mr. Tom Jyothis.K - Manager, Systems.
5. Mr. K. Nirmalanandan - Senior Finance Manager.

The quorum of the committee will be three members

The committee entrusted the job of conducting periodical meetings on the terms of reference mentioned above. Company Secretary is entrusted to submit the summary & recommendations of the meetings of the ALCO Committee to the Board

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