



**Muthoot Finance Limited**

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Scrip Code: 533398  
Symbol: MUTHOOTFIN

Ref: SEC/MFL/SE/2017/2391

February 13, 2017

**National Stock Exchange of India Ltd.**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051

**BSE Limited**  
Department of Corporate Services  
P. J. Tower, Dalal Street,  
Mumbai 400 001

Dear Sir/Madam,

**Re: Investor Presentation : Quarter ended December 31, 2016**

We herewith enclose a copy of the investor presentation for the Quarter ended December 31, 2016.

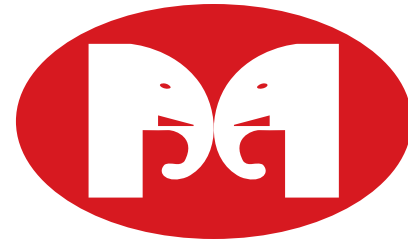
This is for your kind information and record thereon.

Thanking You,

For **Muthoot Finance Limited**

Maxin James  
Company Secretary





***Muthoot Finance***

**Financial Results Q3 FY 2017**

**December 2016**

**MUTHOOT FINANCE LIMITED**

## SAFE HARBOUR STATEMENT

This presentation may include statements, which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements.

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Any person/ party intending to provide finance / invest in the shares/businesses of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision. In no event shall the company be liable for any damages whatsoever, whether direct, incidental, indirect, consequential or special damages of any kind or including, without limitation, those resulting from loss of profit, loss of contracts, goodwill, data, information, income, expected savings or business relationships arising out of or in connection with the use of this presentation.



# MUTHOOT FINANCE: DRIVING INCLUSIVE GROWTH

- India's largest gold financing company (by loan portfolio)
- Trusted pan-India brand in the gold loans sector; revolutionised India's gold banking
- Our intervention has empowered millions of people across the social pyramid

## Multiple service offerings

### CORE SERVICE



Gold Loans

### OTHER SERVICES



Money Transfer Services



Collection Services



White Label ATM



Wind Mill Power Generation



National Pension Scheme

## MFIN - A GLIMPSE

**29**

States/Union territory presence

---

**147 tonnes**

Gold jewellery kept as security

---

**4,300+**

Pan-India branches

---

**350,000+**

Retail investor base across debenture and subordinated debt portfolio

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**24,000+**

Team members

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**130,000+**

Customers served every day

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**₹ 269,625 mn**

Retail Loan Assets Under Management

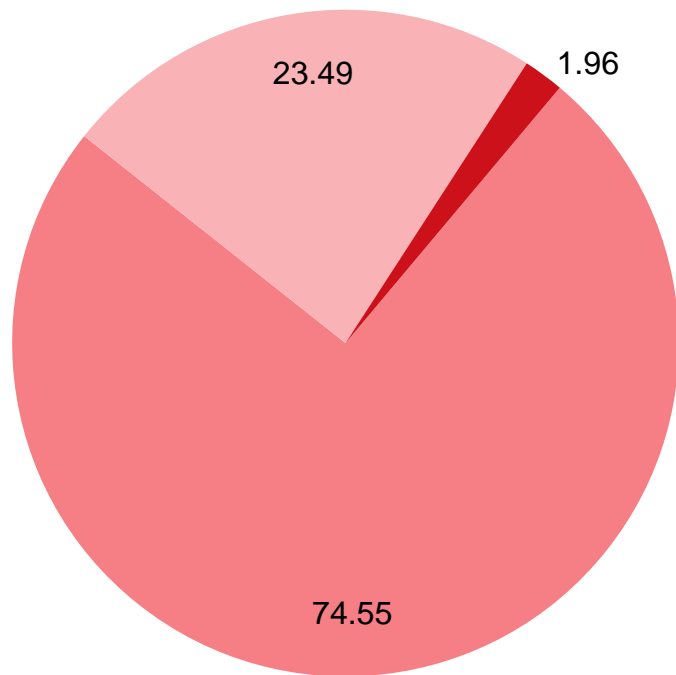
*(As of December 31, 2016)*

# SHAREHOLDING PATTERN



Muthoot Finance

**Strong promoter interest in business with 75% stake**



(%) Shareholding as on December 31, 2016

- Promoters & Relatives
- FII, FC, MF & Others
- Public

**NSE Ticker**

MUTHOOTFIN

**BSE Ticker**

533398

**Market Capitalisation**  
(as on December 31, 2016)

₹ 112,926 million

# DIVIDEND PAYOUT



Muthoot Finance

## Delivering consistent returns to stakeholders

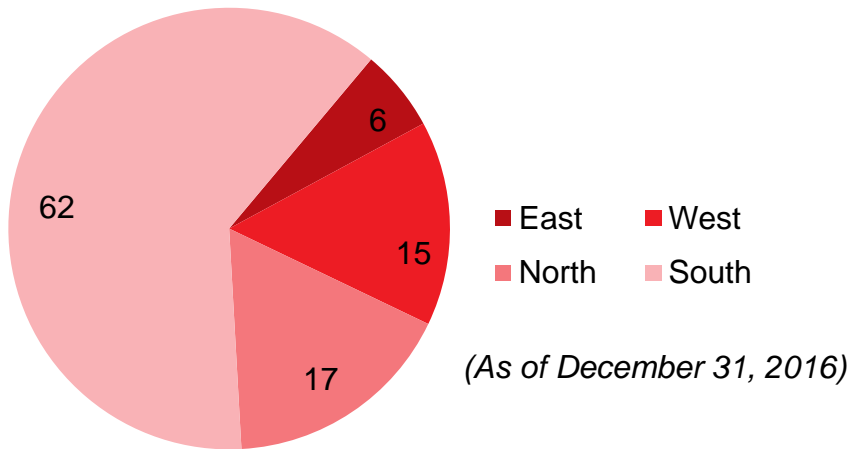
(%)

|                             | FY 2016 | FY 2015 | FY 2014 | FY 2013 | FY 2012 |
|-----------------------------|---------|---------|---------|---------|---------|
| Dividend (%)*               | 60      | 60      | 60      | 45      | 40      |
| First Interim Dividend (%)  | 40      | 40      | 30      | -       | -       |
| Second Interim Dividend (%) | 20      | -       | 20      | -       | -       |
| Final Dividend (%)          | -       | 20      | 10      | 45      | 40      |
| Dividend Payout Ratio (%)   | 29.50   | 35.36   | 28.59   | 16.65   | 16.47   |

\* On face value of ₹ 10 per equity share

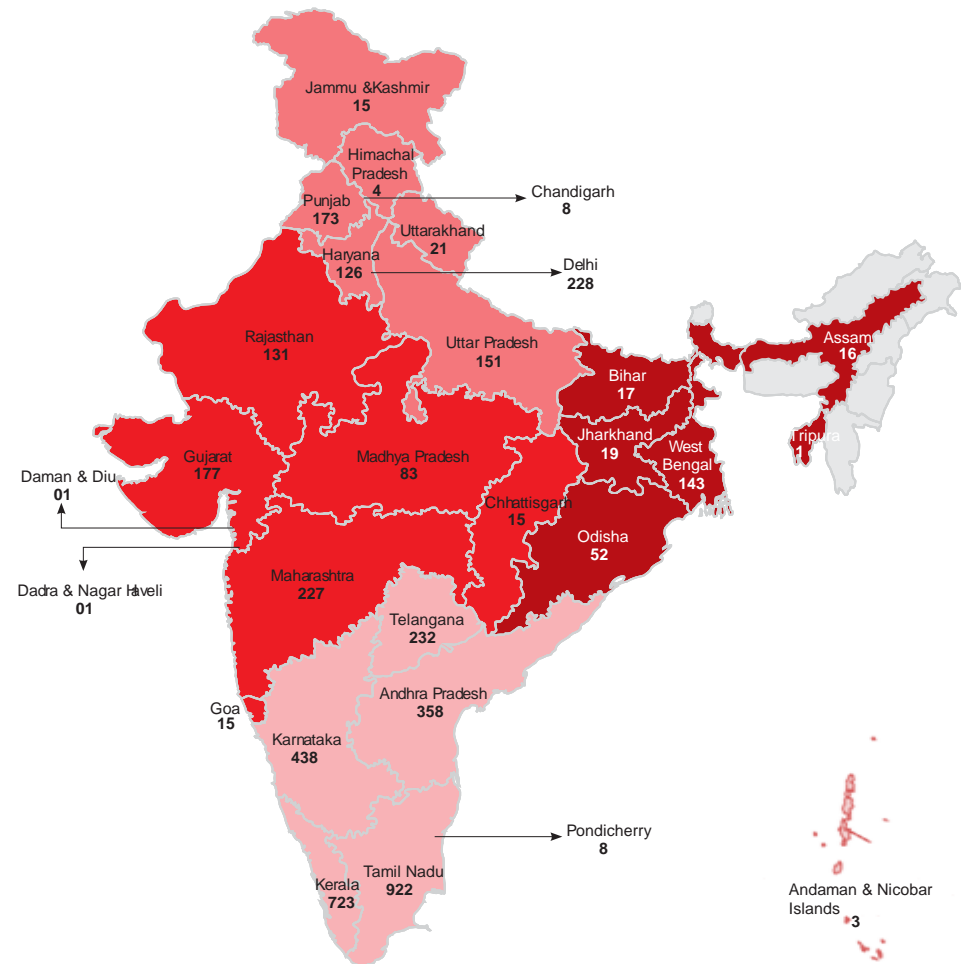
## A strong presence of 4308 branches across India

(%) Branches region wise



- Rural India accounts for about 65% of total gold stock in the country
- Large portion of the rural population has limited credit access
- Catering to under-served rural and semi-urban markets through strong presence

State wise Branch Network





## Digital convenience for new gen & Millennium Customer acquisition

### Aadhaar based Electronic KYC



- Biometric KYC verification - Convenience
- No further KYC documents –Paperless
- Aadhar
- 1,000 branches covered now & rest by Mar'17
- 50% of New KYCs through e-KYC
- e-Sign to be introduced by March'17

### Direct Credit Facility



- Loan proceeds credited to bank account
- NEFT/RTGS/IMPS mode of bank transfer
- Less cash handling at branch
- Instant credit to customer bank account

### Gold Cash Card (GCC) - DCB VISA



- Gold Loan amount loaded in card
- Use in ATMs & Shopping (online & offline)
- Accepted at all VISA enabled PoS
- Bank account not required for issuance
- Only Gold Loan NBFC to provide this service

### PoS Terminals



- Enables swiping of Debit cards issued by banks
- Swiping charges for Interest payments waived off
- 36% of our branches covered now and planning 100% coverage by Dec'17

## Online Gold Loan (OGL)

- 8% of our active Gold loan Customers are transacting Online

### Muthoot Online



- Fully digital channel to facilitate customers in repayment of Loan and Interest from anywhere on a 24 by 7 basis.
- Multiple payment options such as Debit Card, Direct debit thru online banking, Prepaid cards, Mobile Wallets, UPI etc.
- Customer can use multiple devices like Desktop, Laptops, Mobile phones or Tablets.
- Already more than **1 Million** transactions successfully done thru Webpay shows its acceptability by customers.

### iMuthoot App



Mobile App



- New Mobile Application for Android & iOS
- Multiple language selection
- Pay Interest and avail Gold loans online
- Live Chat with Support Desk & Helpline available
- Google Maps to Locate nearest branch & Book Appointment with branch



## Strong Capital Base

### Networth

|                    | <b>Dec-16</b>  | <b>Sep-16</b>  | <b>Jun-16</b>  | <b>Mar-16</b>  | <b>Dec-15</b>  | <b>Growth</b> | <b>Growth</b> |
|--------------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
|                    | (₹ in million) | (₹ in million) | (₹ in million) | (₹ in million) | (₹ in million) | YoY (%)       | QoQ (%)       |
| Share Capital      | 3,995          | 3,991          | 3,991          | 3,990          | 3,980          | 0             | 0             |
| Reserves & Surplus | 60,830         | 57,901         | 54,924         | 52,202         | 50,477         | 21            | 5             |
| <b>Total</b>       | <b>64,825</b>  | <b>61,892</b>  | <b>58,915</b>  | <b>56,192</b>  | <b>54,457</b>  | <b>19</b>     | <b>5</b>      |

## Core focus continues to be gold loan

### Gross retail loan assets under management

|   | Dec-16         | Sep-16         | Jun-16         | Mar-16         | Dec-15         | Growth  | Growth  |
|---|----------------|----------------|----------------|----------------|----------------|---------|---------|
|   | (₹ in million) | (₹ in million) | (₹ in million) | (₹ in million) | (₹ in million) | YoY (%) | QoQ (%) |
| Gross retail loan assets under management | 269,625        | 274,564        | 258,606        | 243,789        | 249,907        | 8       | (2)     |

### Break-up of Gross Retail Loan Assets under management

|                             |         |         |         |         |         |    |     |
|-----------------------------|---------|---------|---------|---------|---------|----|-----|
| Gold Loans under management | 269,025 | 273,980 | 258,226 | 243,355 | 249,409 | 8  | (2) |
| Other loans                 | 600     | 584     | 380     | 434     | 498     | 20 | 3   |

# LIABILITIES



Muthoot Finance

## Stable sources of funding

|   | <b>Dec-16</b>  | <b>Sep-16</b>  | <b>Jun-16</b>  | <b>Mar-16</b>  | <b>Dec-15</b>  | <b>Growth</b> | <b>Growth</b> |
|---|----------------|----------------|----------------|----------------|----------------|---------------|---------------|
|   | (₹ in million) | (₹ in million) | (₹ in million) | (₹ in million) | (₹ in million) | YoY (%)       | QoQ (%)       |
| Secured Non-Convertible Debentures (Muthoot Gold Bonds) | 29,738         | 32,692         | 36,355         | 40,909         | 45,980         | (35)          | (9)           |
| Secured Non-Convertible Debentures- Listed              | 29,474         | 32,693         | 40,044         | 36,403         | 34,339         | (14)          | (10)          |
| Borrowings from Banks/FIs                               | 95,235         | 89,504         | 81,051         | 76,876         | 87,879         | 8             | 6             |
| Subordinated Debt                                       | 17,969         | 20,298         | 21,859         | 22,348         | 22,889         | (21)          | (11)          |
| Subordinated Debt -Listed                               | 3,344          | 3,344          | 3,344          | 3,108          | 2,878          | 16            | 0             |
| Commercial Paper  | 26,790         | 29,709         | 8,819          | 0              | 2,405          | 1014          | (10)          |
| Other Loans   | 6,552          | 6,643          | 6,705          | 6,765          | 6,168          | 6             | (1)           |
| <b>Total</b>  | <b>209,102</b> | <b>214,883</b> | <b>198,177</b> | <b>186,409</b> | <b>202,538</b> | <b>3</b>      | <b>(3)</b>    |

# REVENUE & PROFIT



Muthoot Finance

## Profit & Loss Statement

(₹ in million)

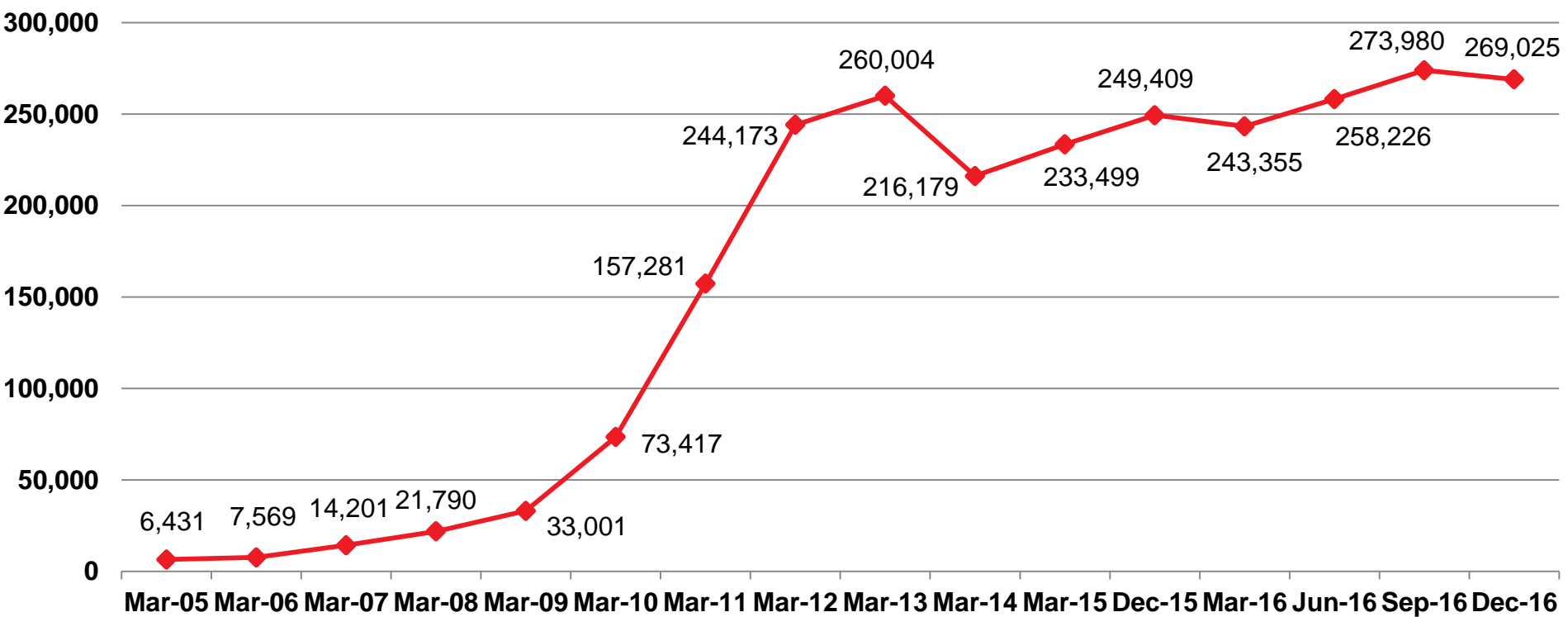
|                                    | 9M FY<br>2017 | 9M FY<br>2016 | YoY<br>Growth<br>(%) | Q3 FY<br>2017 | Q3 FY<br>2016 | YoY<br>Growth<br>(%) | Q2 FY<br>2017 | Q1 FY<br>2017 | QoQ<br>Growth<br>(%) | FY<br>2016    |
|------------------------------------|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|---------------|----------------------|---------------|
| <b>INCOME</b>                      |               |               |                      |               |               |                      |               |               |                      |               |
| Interest Income                    | 39,558        | 33,782        | 17                   | 13,280        | 11,248        | 18                   | 13,526        | 12,752        | (2)                  | 48,130        |
| Other Income                       | 777           | 455           | 71                   | 184           | 164           | 12                   | 336           | 256           | (45)                 | 620           |
| <b>Total</b>                       | <b>40,335</b> | <b>34,237</b> | <b>18</b>            | <b>13,464</b> | <b>11,412</b> | <b>18</b>            | <b>13,862</b> | <b>13,008</b> | <b>(3)</b>           | <b>48,750</b> |
| <b>EXPENDITURE</b>                 |               |               |                      |               |               |                      |               |               |                      |               |
| Interest Expense                   | 17,478        | 16,938        | 3                    | 5,970         | 5,616         | 6                    | 5,937         | 5,571         | 1                    | 22,577        |
| Personnel Expenses                 | 5,479         | 4,812         | 14                   | 1,734         | 1,582         | 10                   | 1,896         | 1,849         | (9)                  | 6,419         |
| Administrative &<br>Other expenses | 3,192         | 3,182         | 0                    | 1,100         | 1,050         | 5                    | 1,079         | 1,013         | 2                    | 4,209         |
| Provisions & Write<br>Offs         | 386           | 325           | 19                   | 39            | 74            | (47)                 | 171           | 176           | (77)                 | 1,624         |
| Directors<br>Remuneration          | 148           | 146           | 2                    | 50            | 49            | 2                    | 49            | 50            | 2                    | 196           |
| Depreciation                       | 335           | 417           | (20)                 | 116           | 142           | (18)                 | 106           | 112           | 9                    | 558           |
| <b>Total</b>                       | <b>27,018</b> | <b>25,820</b> | <b>5</b>             | <b>9,009</b>  | <b>8,513</b>  | <b>6</b>             | <b>9,238</b>  | <b>8,771</b>  | <b>(2)</b>           | <b>35,583</b> |
| <b>PROFIT</b>                      |               |               |                      |               |               |                      |               |               |                      |               |
| Profit Before Tax                  | 13,317        | 8,417         | 58                   | 4,456         | 2,898         | 54                   | 4,624         | 4,237         | (4)                  | 13,168        |
| Profit After Tax                   | 8,581         | 5,443         | 58                   | 2,911         | 1,866         | 56                   | 2,967         | 2,703         | (2)                  | 8,096         |

# GOLD LOAN PORTFOLIO

## Gaining scale over the years

### Gold Loan Assets Under Management

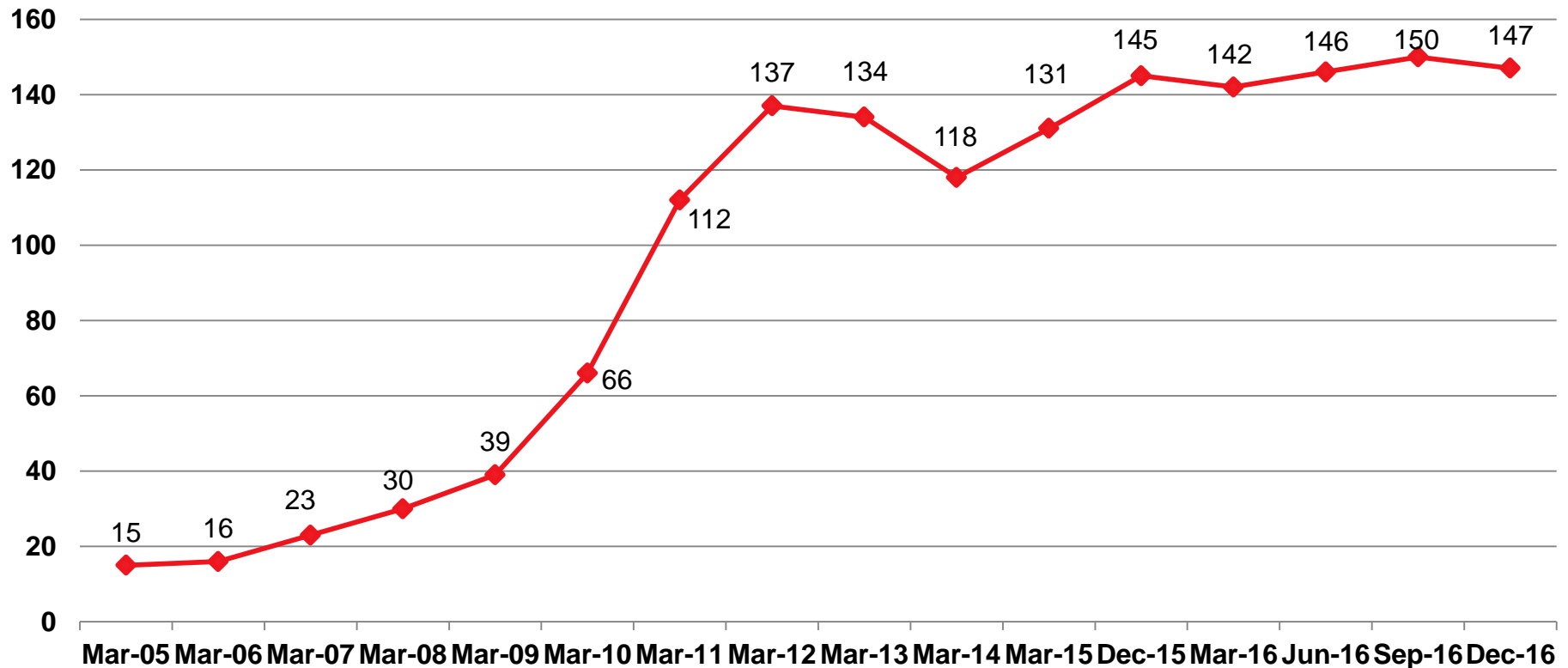
(₹ in million)



## Carrying the trust of millions of our customers

### Gold jewellery kept as security

(In tonnes)





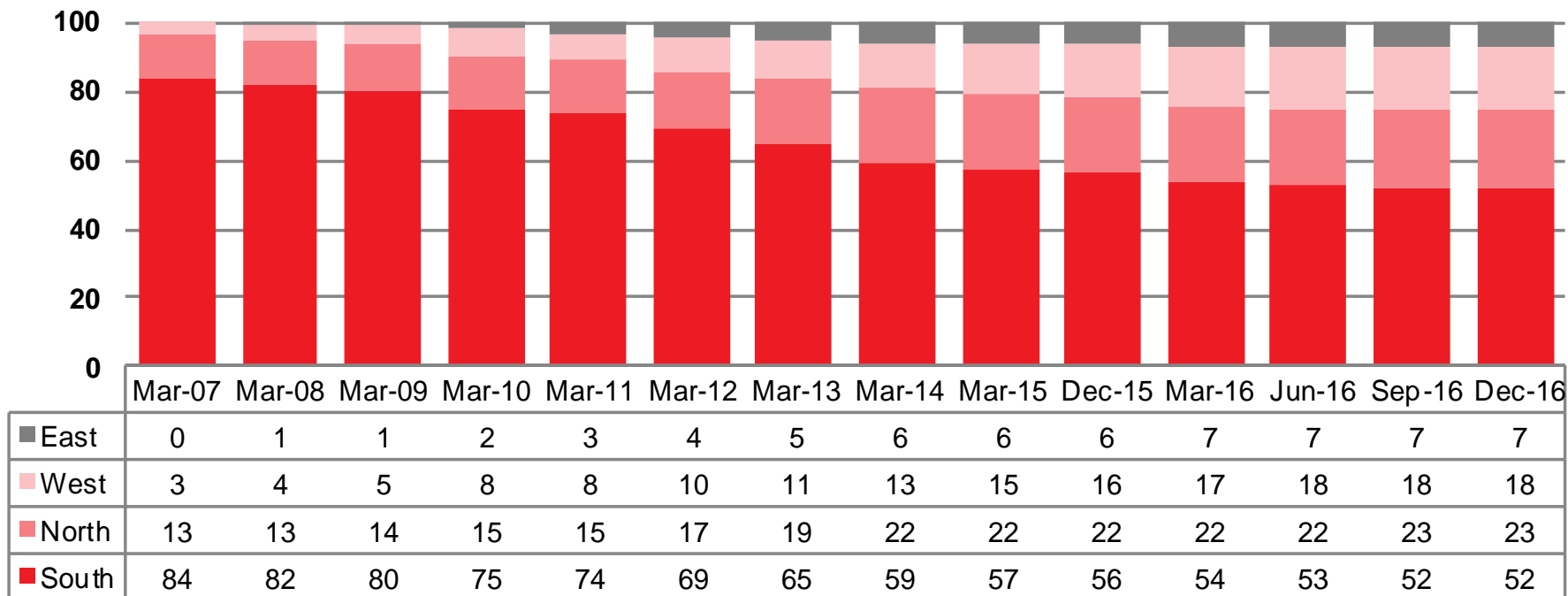
# GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO



Muthoot Finance

## Diversified gold loan portfolio across India

(%)



## Gold Loan Assets Under Management

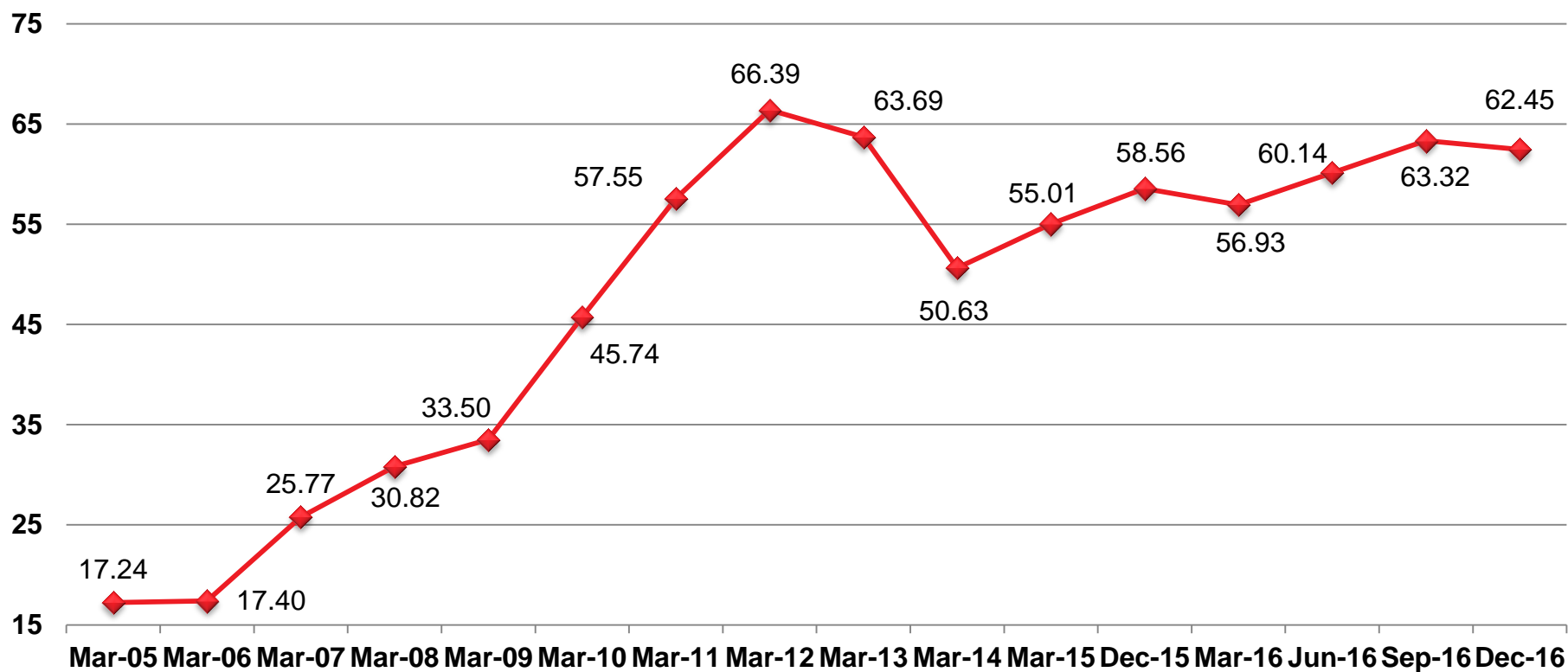
(₹ in million)

| Mar-07 | Mar-08 | Mar-09 | Mar-10 | Mar-11  | Mar-12  | Mar-13  | Mar-14  | Mar-15  | Dec-15  | Mar-16  | Jun-16  | Sep-16  | Dec-16  |
|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 14,201 | 21,790 | 33,001 | 73,417 | 157,281 | 244,173 | 260,004 | 216,179 | 233,499 | 249,409 | 243,355 | 258,226 | 273,980 | 269,025 |

## Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch

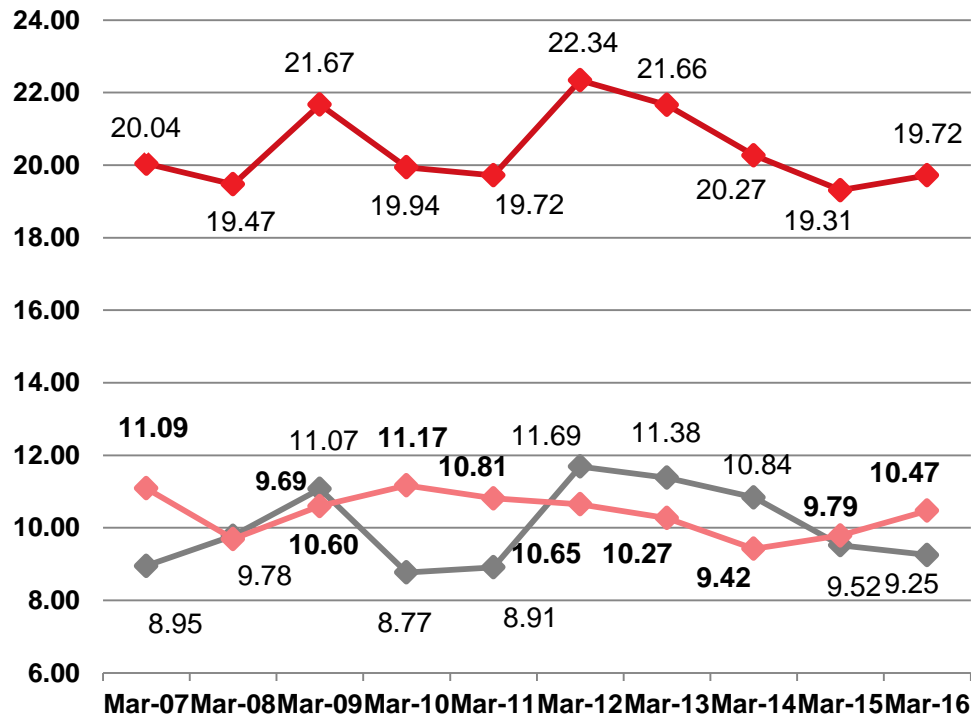
(₹ in million)



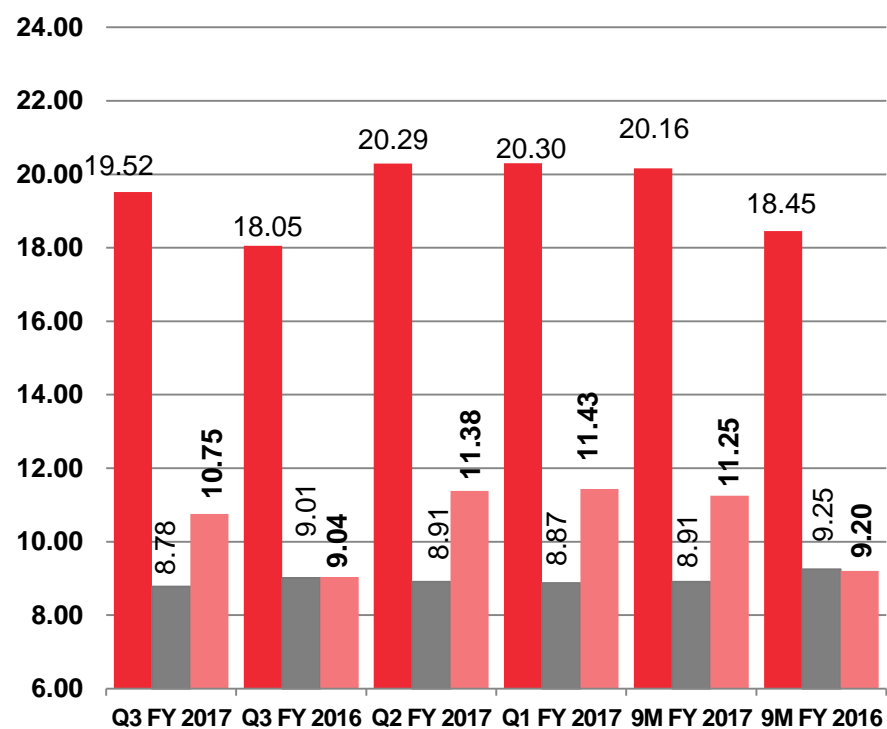


# YIELD ON RETAIL LOAN AND NIM

Yearly (%)



Quarterly (%)

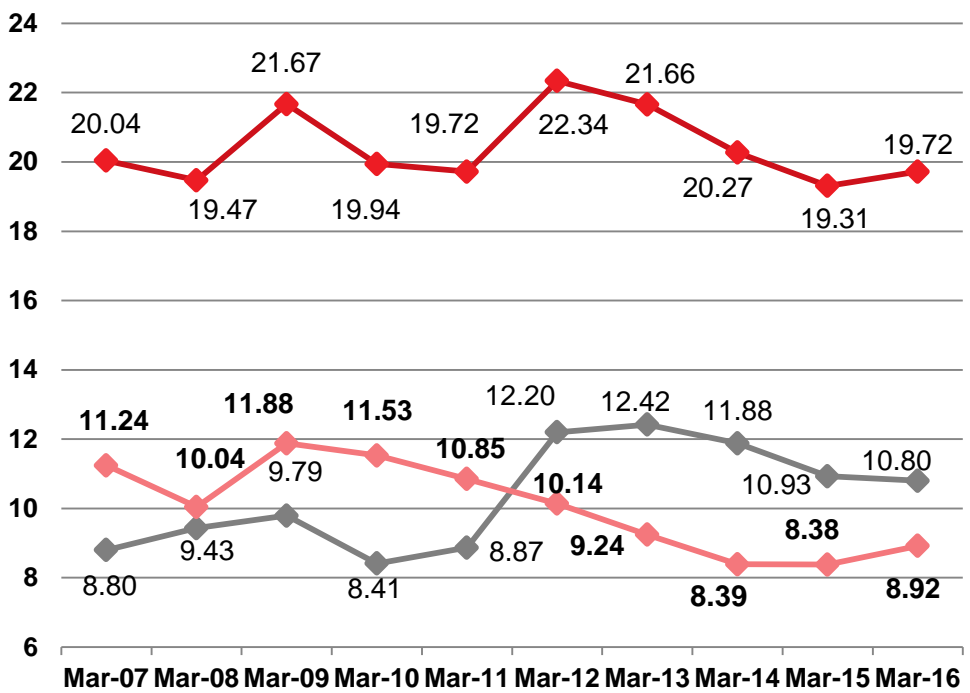


- Interest Income on Average Retail Loan
- Interest Expense on Average Retail Loan
- Net Interest Margin

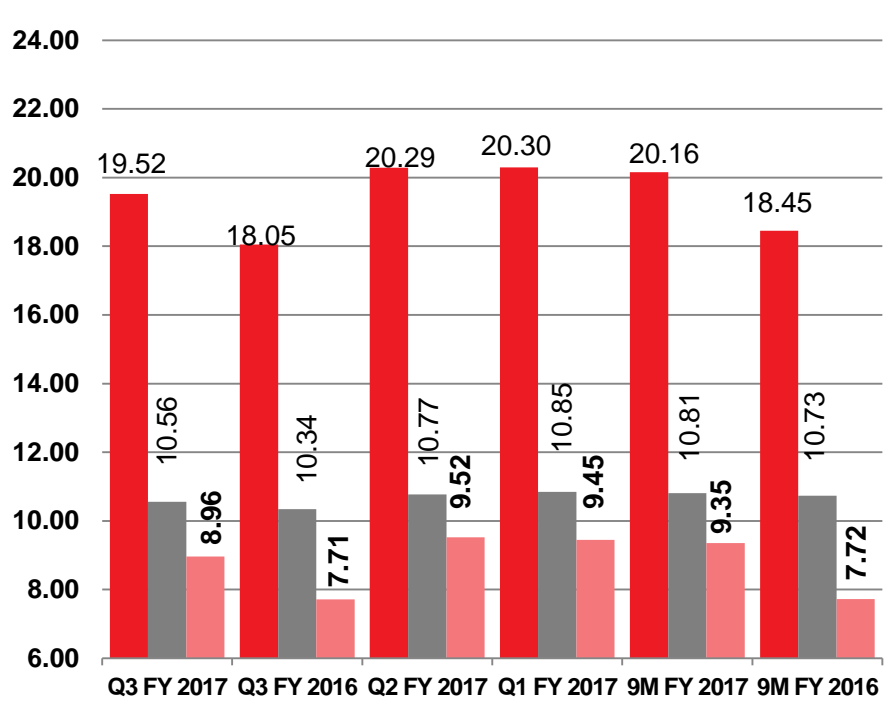


# INTEREST SPREAD

Yearly (%)



Quarterly (%)



- Interest Income on Average Retail Loan
- Interest Expenses on Average Outside Liabilities
- Interest Spread



# RETURN ON AVERAGE RETAIL LOAN ASSET

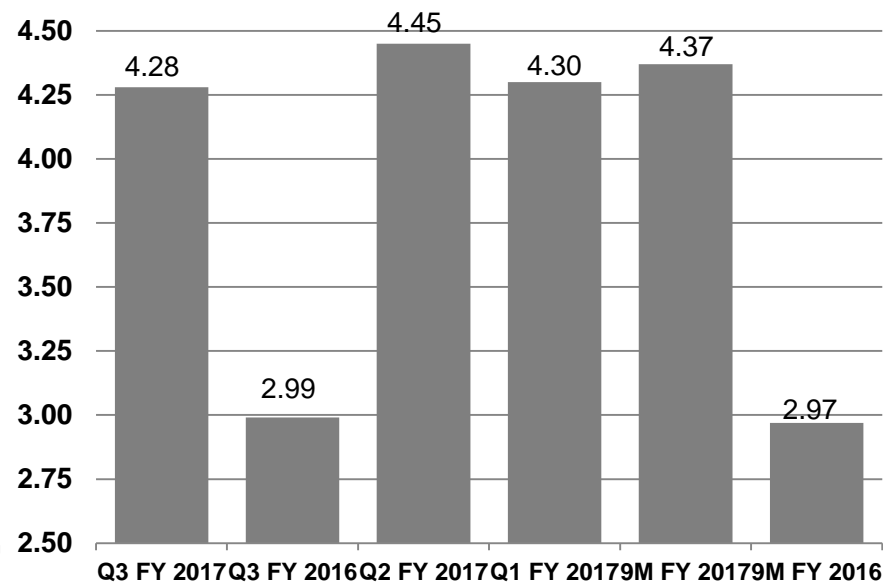
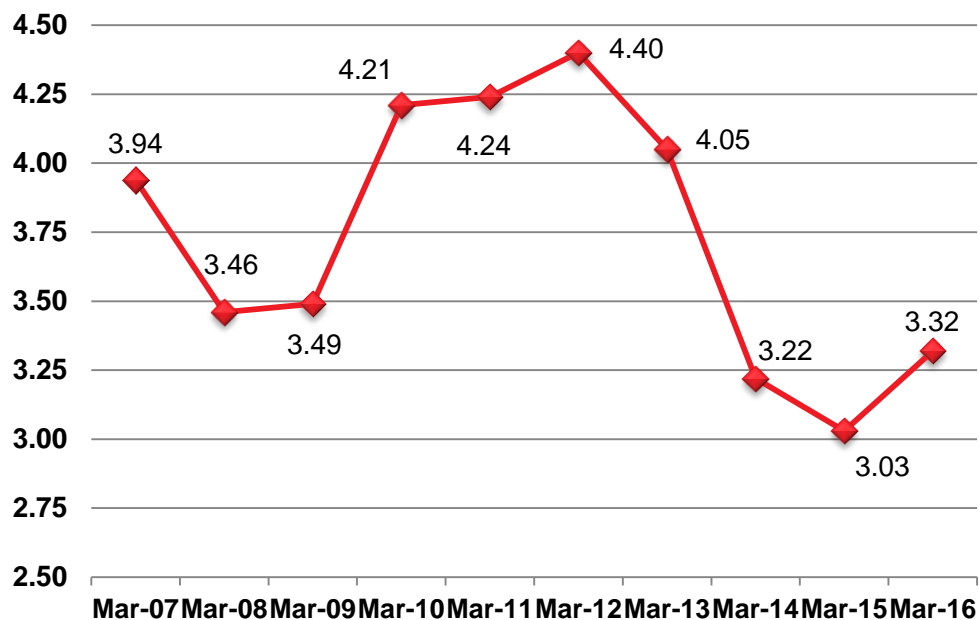
## Attractive returns over the years

Yearly

(%)

Quarterly

(%)





# NON-PERFORMING ASSETS & BAD DEBTS

## Non-Performing Assets

(₹ in million)

|                                      | Dec-16 | Sep-16 | Jun-16 | Mar-16 | Dec-15 |
|--------------------------------------|--------|--------|--------|--------|--------|
| Gross Non-Performing Assets          | 7,863  | 6,016  | 5,618  | 7,025  | 6,391  |
| Provision For Non-Performing Assets  | 1,019  | 1,019  | 1,019  | 1,019  | 857    |
| Net Non-Performing Assets            | 6,844  | 4,997  | 4,599  | 6,006  | 5,462  |
| % of Gross NPA on Gross Retail Loans | 2.92   | 2.19   | 2.17   | 2.88   | 2.53   |
| % of Net NPA on Gross Retail Loans   | 2.54   | 1.82   | 1.78   | 2.46   | 2.19   |

Generally NPA will not result into bad debts as collateral can be auctioned

## Bad Debts

(₹ in million)

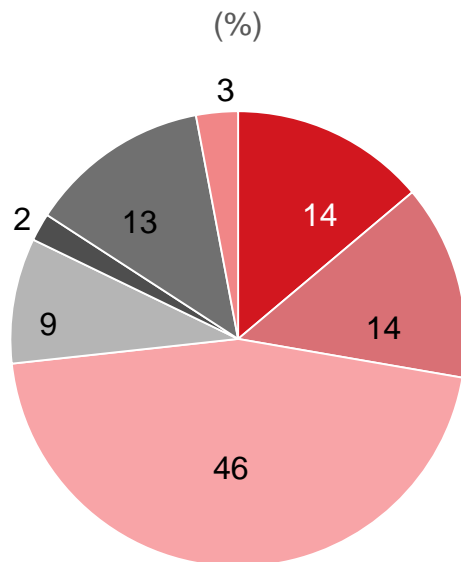
|                       | Q3 FY 2017 | Q3 FY 2016 | Q2 FY 2017 | Q1 FY 2017 | 9M FY 2017 | 9M FY 2016 | FY 2016 |
|-----------------------|------------|------------|------------|------------|------------|------------|---------|
| Bad Debts Written Off | 36         | 19         | 13         | 13         | 62         | 71         | 107     |

## Standard Asset Provision

|                                   | Dec-16 | Sep-16 | Jun-16 | Mar-16 | Dec-15 |
|-----------------------------------|--------|--------|--------|--------|--------|
| Provision (₹ in million)          | 2,685  | 2,685  | 2,530  | 2,368  | 1,267  |
| % of Provision to Standard Assets | 1.03   | 1.00   | 1.00   | 1.00   | 0.52   |

Maintaining a higher standard asset provision of 1% as against the regulatory requirement of 0.30%

## Maintaining a diversified funding profile



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 29,738 mn (14%)
- Secured Non-Convertible Debentures – Listed – ₹ 29,474 mn (14%)
- Borrowings from Banks/Fis - ₹ 95,235 mn (46%)
- Subordinated Debt – ₹ 17,969 mn (9%)
- Subordinated Debt – Listed - ₹ 3,344 mn (2%)
- Commercial Paper – ₹ 26,790 mn (13%)
- Other Loans – ₹ 6,552 mn (3%)

(As of December 31, 2016)

## Highest Rating among gold loan companies

### Short-term Rating

|                         | Amt of rating<br>(₹ in million) | Rating     | Indicates   |
|-------------------------|---------------------------------|------------|---|
| <b>COMMERCIAL PAPER</b> |                                 |            |   |
| CRISIL                  | 40,000                          | CRISIL A1+ | Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk |
| ICRA                    | 2,000                           | ICRA A1+   | Very strong degree of safety and lowest credit risk   |
| <b>BANK LOANS</b>       |                                 |            |   |
| ICRA*                   | 103,180                         | ICRA A1+   | Very strong degree of safety and lowest credit risk   |

### Long-term Rating

|                                  | Amt of rating<br>(₹ in million) | Rating             | Indicates   |
|----------------------------------|---------------------------------|--------------------|---|
| <b>SUBORDINATED DEBT</b>         |                                 |                    |   |
| CRISIL                           | 1,000                           | CRISIL AA/(Stable) | High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk |
| ICRA                             | 1,000                           | ICRA AA(Stable)    | High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk |
| <b>NON CONVERTIBLE DEBENTURE</b> |                                 |                    |   |
| CRISIL                           | 5,000                           | CRISIL AA/(Stable) | High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk |
| ICRA                             | 2,000                           | ICRA AA(Stable)    | High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk |
| <b>BANK LOANS</b>                |                                 |                    |   |
| ICRA*                            | 87,120                          | ICRA AA(Stable)    | High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk |

\*Within the overall rating of ₹120,600 millions



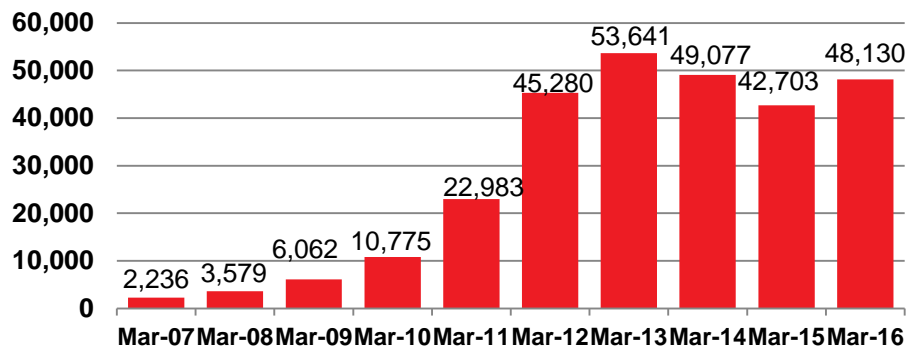


# BREAK-UP OF GROSS INCOME

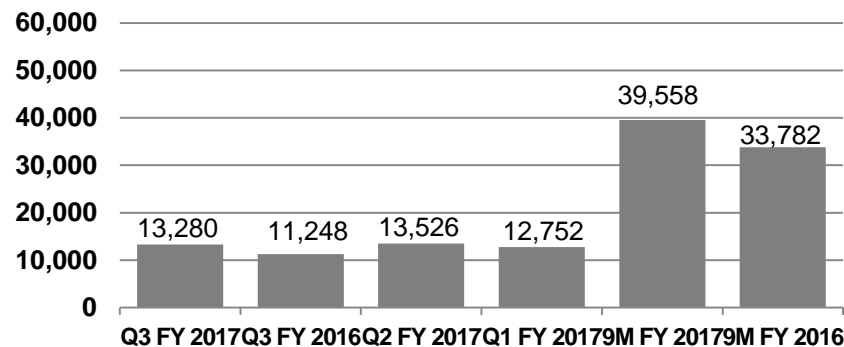
## Interest Income

(₹ in million)

### Yearly



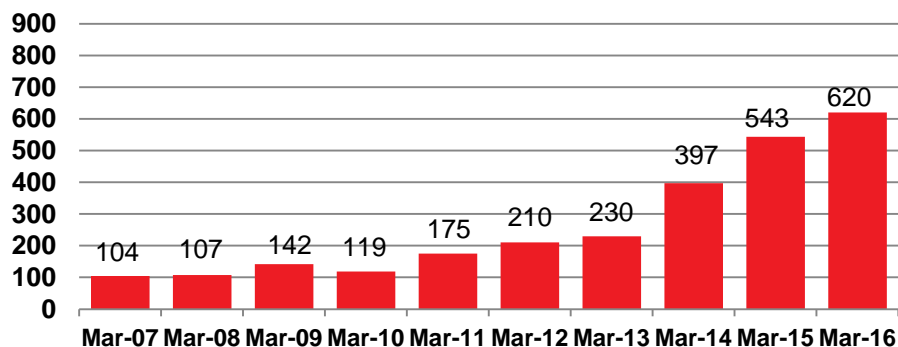
### Quarterly



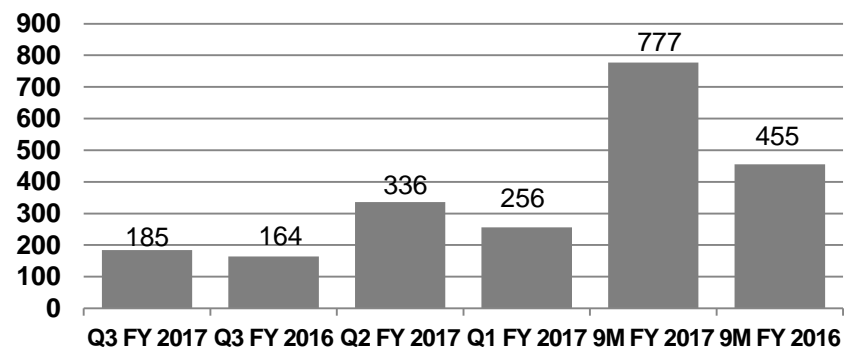
## Other Income

(₹ in million)

### Yearly



### Quarterly

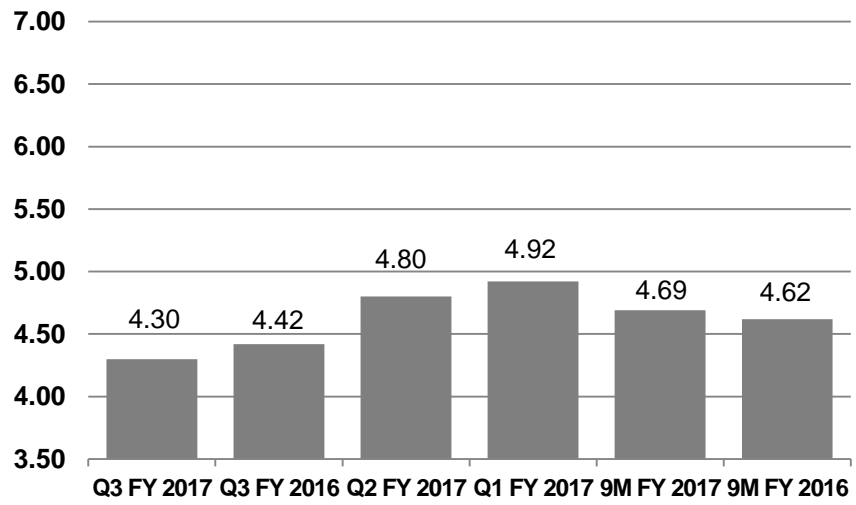
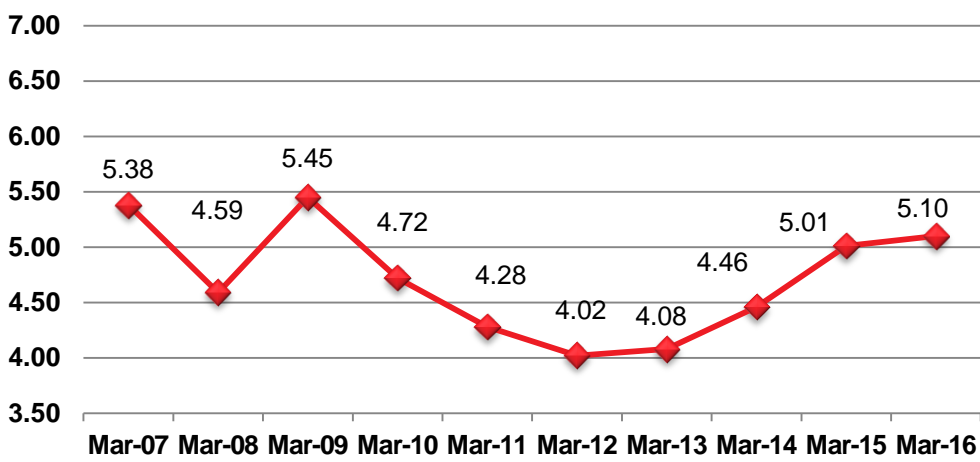


# OPERATING EXPENSES TO AVERAGE RETAIL LOANS

## Operational efficiency over the years

Yearly (%)

Quarterly (%)





# BREAK-UP OF OPERATING EXPENSES

Yearly

(₹ in Millions)

Quarterly

(₹ in Million)

|  | Mar-16        | Mar-15        | Mar-14        | Mar-13        | Mar-12       | Mar-11       | Mar-10       | Mar-09       | Q3 FY 2017   | Q3 FY 2016   | Q2 FY 2017   | Q1 FY 2017   | 9M FY 2017   | 9M FY 2016   |
|--|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Personnel Expenses                     | 6,418         | 6,304         | 5,917         | 5,453         | 4,145        | 2,209        | 1,169        | 677          | 1,734        | 1,582        | 1,896        | 1,849        | 5,479        | 4,812        |
| Rent                                   | 1,713         | 1,650         | 1,542         | 1,309         | 1,042        | 603          | 290          | 131          | 458          | 429          | 452          | 434          | 1,344        | 1,276        |
| Advertisement                          | 626           | 651           | 702           | 579           | 866          | 647          | 331          | 208          | 115          | 129          | 134          | 118          | 367          | 477          |
| Postage, Telegram and Telephone        | 378           | 371           | 364           | 243           | 184          | 115          | 72           | 27           | 101          | 87           | 116          | 80           | 297          | 282          |
| Traveling and Conveyance               | 187           | 212           | 190           | 175           | 168          | 114          | 67           | 42           | 46           | 46           | 46           | 47           | 139          | 142          |
| Printing and Stationery                | 144           | 160           | 185           | 168           | 155          | 111          | 69           | 44           | 33           | 32           | 31           | 33           | 97           | 106          |
| Repairs and Maintenance                | 290           | 281           | 272           | 256           | 341          | 211          | 96           | 62           | 101          | 64           | 93           | 91           | 285          | 223          |
| Legal and Professional Charges         | 93            | 189           | 216           | 86            | 60           | 114          | 34           | 16           | 51           | 20           | 25           | 28           | 104          | 79           |
| Business Promotion Expense             | 149           | 140           | 279           | 332           | 267          | 119          | 45           | 25           | 45           | 39           | 29           | 35           | 109          | 102          |
| Directors Remuneration                 | 196           | 192           | 192           | 192           | 192          | 192          | 192          | 121          | 50           | 49           | 49           | 50           | 149          | 146          |
| Depreciation and Amortisation Expenses | 575           | 841           | 475           | 454           | 329          | 180          | 149          | 99           | 121          | 146          | 111          | 117          | 349          | 429          |
| Others                                 | 1,014         | 733           | 731           | 550           | 380          | 229          | 165          | 165          | 184          | 219          | 164          | 156          | 504          | 554          |
| Provision For Standard & NPA Assets    | 1,223         | 180           | 214           | 765           | 351          | 323          | 21           | 7            | 0            | 55           | 155          | 162          | 317          | 254          |
| <b>Total</b>                           | <b>13,006</b> | <b>11,904</b> | <b>11,279</b> | <b>10,562</b> | <b>8,480</b> | <b>5,165</b> | <b>2,701</b> | <b>1,625</b> | <b>3,039</b> | <b>2,897</b> | <b>3,301</b> | <b>3,200</b> | <b>9,540</b> | <b>8,882</b> |



# BREAK-UP OF OPERATING EXPENSES

Yearly (%)      Quarterly (%)

|  | Mar-16     | Mar-15     | Mar-14     | Mar-13     | Mar-12     | Mar-11     | Mar-10     | Mar-09     | Q3 FY 2017 | Q3 FY 2016 | Q2 FY 2017 | Q1 FY 2017 | 9M FY 2017 | 9M FY 2016 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Personnel Expenses                     | 49         | 53         | 52         | 52         | 49         | 43         | 43         | 42         | 57         | 55         | 57         | 58         | 57         | 54         |
| Rent                                   | 13         | 14         | 14         | 12         | 12         | 12         | 11         | 8          | 15         | 15         | 14         | 13         | 14         | 14         |
| Advertisement                          | 5          | 5          | 6          | 5          | 10         | 13         | 12         | 13         | 4          | 4          | 4          | 4          | 4          | 5          |
| Postage, Telegram and Telephone        | 3          | 3          | 3          | 2          | 2          | 2          | 3          | 2          | 3          | 3          | 4          | 2          | 3          | 3          |
| Traveling and Conveyance               | 1          | 2          | 2          | 2          | 2          | 2          | 2          | 3          | 2          | 2          | 1          | 1          | 1          | 2          |
| Printing and Stationery                | 1          | 1          | 2          | 2          | 2          | 2          | 3          | 3          | 1          | 1          | 1          | 1          | 1          | 1          |
| Repairs and Maintenance                | 2          | 2          | 2          | 2          | 4          | 4          | 4          | 4          | 3          | 2          | 3          | 3          | 3          | 3          |
| Legal and Professional Charges         | 1          | 2          | 2          | 1          | 1          | 2          | 1          | 1          | 2          | 1          | 1          | 1          | 1          | 1          |
| Business Promotion Expense             | 1          | 1          | 2          | 3          | 3          | 2          | 2          | 2          | 1          | 1          | 1          | 1          | 1          | 1          |
| Directors Remuneration                 | 2          | 2          | 2          | 2          | 2          | 4          | 7          | 7          | 2          | 2          | 1          | 2          | 2          | 2          |
| Depreciation and Amortisation Expenses | 4          | 7          | 4          | 4          | 4          | 3          | 6          | 6          | 4          | 5          | 3          | 4          | 4          | 5          |
| Others                                 | 8          | 6          | 6          | 5          | 4          | 4          | 6          | 10         | 6          | 8          | 5          | 5          | 5          | 6          |
| Provision For Standard & NPA Assets    | 9          | 2          | 2          | 7          | 4          | 6          | 1          | 0          | 0          | 2          | 5          | 5          | 3          | 3          |
| <b>Total</b>                           | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> | <b>100</b> |

# PROFITABILITY RATIOS



Muthoot Finance

Yearly

(%)

Quarterly

(%)

**(Based on Income)** Mar-16 Mar-15 Mar-14 Mar-13 Mar-12 Mar-11 Mar-10 Mar-09

**Q3 FY  
2017**

**Q3 FY  
2016**

**Q2 FY  
2017**

**Q1 FY  
2017**

**9M FY  
2017**

**9M FY  
2016**

|  |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Interest expense to Gross Income                           | 46.31 | 48.71 | 53.08 | 52.34 | 52.10 | 44.83 | 43.49 | 49.94 | 44.34 | 49.21 | 42.83 | 42.83 | 43.33 | 49.47 |
| Selling, general and administrative expenses to Net Income | 41.36 | 48.26 | 44.66 | 35.89 | 35.48 | 36.32 | 41.00 | 48.91 | 38.48 | 46.26 | 38.16 | 39.16 | 38.59 | 47.05 |
| Provisions & Write Offs to Net Income                      | 6.20  | 1.67  | 1.89  | 3.49  | 1.93  | 2.68  | 0.44  | 0.23  | 0.52  | 1.28  | 2.16  | 2.37  | 1.69  | 1.88  |
| Operational expenses to Net Income                         | 47.56 | 49.93 | 46.55 | 39.37 | 37.41 | 38.99 | 41.44 | 49.13 | 39.00 | 47.53 | 40.32 | 41.52 | 40.28 | 48.93 |
| OPBDT / Net Income (%)                                     | 52.44 | 50.06 | 53.45 | 60.62 | 62.59 | 61.00 | 58.56 | 50.87 | 61.01 | 52.45 | 59.68 | 58.48 | 59.72 | 51.07 |
| Depreciation to Net Income                                 | 2.13  | 3.72  | 2.03  | 1.76  | 1.50  | 1.42  | 2.42  | 3.16  | 1.55  | 2.45  | 1.34  | 1.51  | 1.46  | 2.41  |
| OPBT / Net Income (%)                                      | 50.31 | 46.34 | 51.42 | 58.86 | 61.09 | 59.58 | 56.14 | 47.71 | 59.46 | 50.00 | 58.35 | 56.97 | 58.26 | 48.66 |
| PBT / Net Income(%)  | 50.31 | 46.34 | 51.42 | 58.86 | 61.09 | 59.58 | 56.14 | 47.71 | 59.46 | 50.00 | 58.35 | 56.97 | 58.26 | 48.66 |
| PAT / Net Income(%)  | 30.93 | 30.23 | 33.60 | 39.11 | 40.93 | 38.68 | 36.97 | 31.46 | 38.84 | 32.19 | 37.44 | 36.35 | 37.54 | 31.46 |

# PROFITABILITY RATIOS



Muthoot Finance

| (Based on Average Retail Loans)                                   | Yearly (%) |        |        |        |        |        |        |        | Quarterly (%) |            |            |            |            |            |
|---|------------|--------|--------|--------|--------|--------|--------|--------|---------------|------------|------------|------------|------------|------------|
|   | Mar-16     | Mar-15 | Mar-14 | Mar-13 | Mar-12 | Mar-11 | Mar-10 | Mar-09 | Q3 FY 2017    | Q3 FY 2016 | Q2 FY 2017 | Q1 FY 2017 | 9M FY 2017 | 9M FY 2016 |
| Interest income to avg. retail loans                              | 19.72      | 19.30  | 20.27  | 21.66  | 22.34  | 19.72  | 19.94  | 21.67  | 19.52         | 18.05      | 20.29      | 20.30      | 20.16      | 18.45      |
| Interest expense to avg. retail loans                             | 9.25       | 9.52   | 10.84  | 11.38  | 11.69  | 8.91   | 8.77   | 11.07  | 8.78          | 9.01       | 8.91       | 8.87       | 8.91       | 9.25       |
| Net Interest Margin   | 10.47      | 9.78   | 9.42   | 10.27  | 10.65  | 10.81  | 11.17  | 10.60  | 10.75         | 9.04       | 11.38      | 11.43      | 11.25      | 9.20       |
| Other income to avg. retail loans                                 | 0.25       | 0.25   | 0.16   | 0.09   | 0.10   | 0.15   | 0.22   | 0.51   | 0.27          | 0.26       | 0.51       | 0.41       | 0.40       | 0.25       |
| Net Income Including Other Income                                 | 10.72      | 10.03  | 9.59   | 10.37  | 10.75  | 10.96  | 11.39  | 11.10  | 11.02         | 9.30       | 11.89      | 11.84      | 11.65      | 9.45       |
| Selling, general and administrative expenses to avg. retail loans | 4.43       | 4.84   | 4.28   | 3.72   | 3.81   | 3.98   | 4.66   | 5.43   | 4.24          | 4.30       | 4.54       | 4.64       | 4.49       | 4.44       |
| Provisions and write offs to average retail loans                 | 0.67       | 0.17   | 0.18   | 0.36   | 0.21   | 0.29   | 0.05   | 0.02   | 0.06          | 0.12       | 0.26       | 0.28       | 0.20       | 0.18       |
| PBDT to avg. retail loans   | 5.62       | 5.02   | 5.12   | 6.28   | 6.73   | 6.69   | 6.67   | 5.65   | 6.72          | 4.88       | 7.10       | 6.93       | 6.96       | 4.82       |
| Depreciation to avg. retail loans                                 | 0.23       | 0.37   | 0.20   | 0.18   | 0.16   | 0.16   | 0.28   | 0.35   | 0.17          | 0.23       | 0.16       | 0.18       | 0.17       | 0.23       |
| PBT to avg. retail loans  | 5.39       | 4.65   | 4.93   | 6.10   | 6.57   | 6.53   | 6.39   | 5.30   | 6.55          | 4.65       | 6.94       | 6.75       | 6.79       | 4.60       |
| Tax to avg. retail loans  | 2.08       | 1.62   | 1.71   | 2.05   | 2.17   | 2.29   | 2.18   | 1.80   | 2.27          | 1.66       | 2.49       | 2.44       | 2.41       | 1.62       |
| PAT to avg. retail loans  | 3.32       | 3.03   | 3.22   | 4.05   | 4.40   | 4.24   | 4.21   | 3.49   | 4.28          | 2.99       | 4.45       | 4.30       | 4.37       | 2.97       |
| Cash Profit to avg. retail loans                                  | 3.54       | 3.40   | 3.42   | 4.24   | 4.56   | 4.40   | 4.49   | 3.85   | 4.45          | 3.22       | 4.61       | 4.48       | 4.54       | 3.60       |

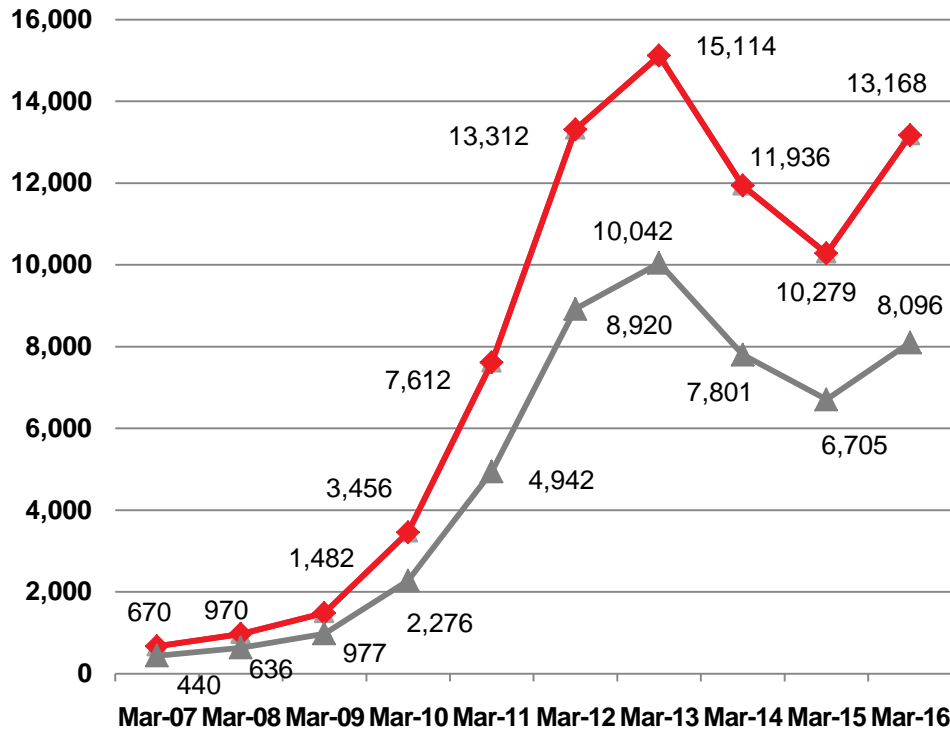
## Efforts getting rewarded

### Profitability at a glance

(₹ in million)

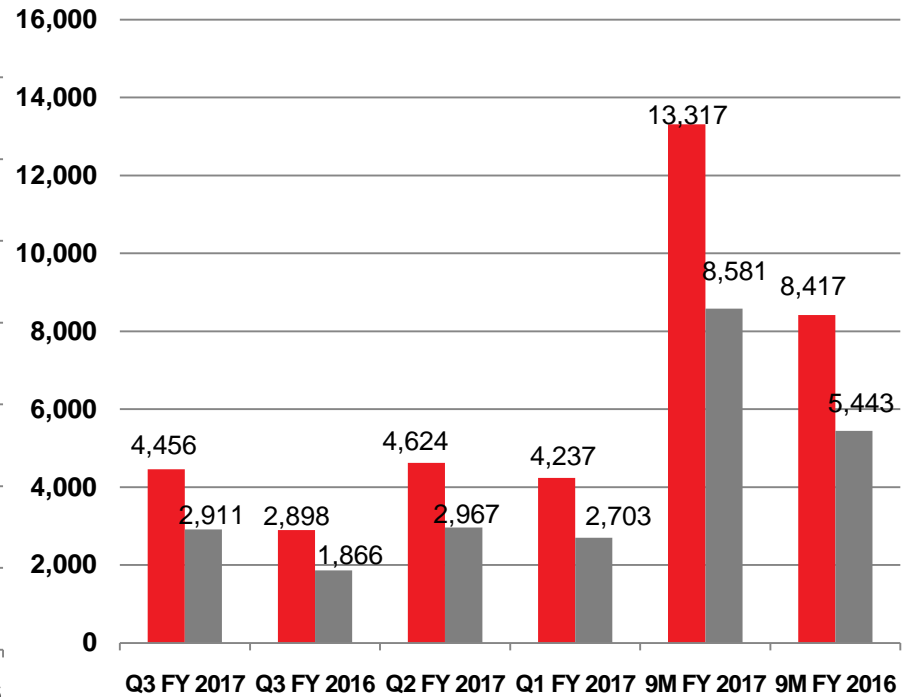
#### Yearly

◆ PBT ▲ PAT



#### Quarterly

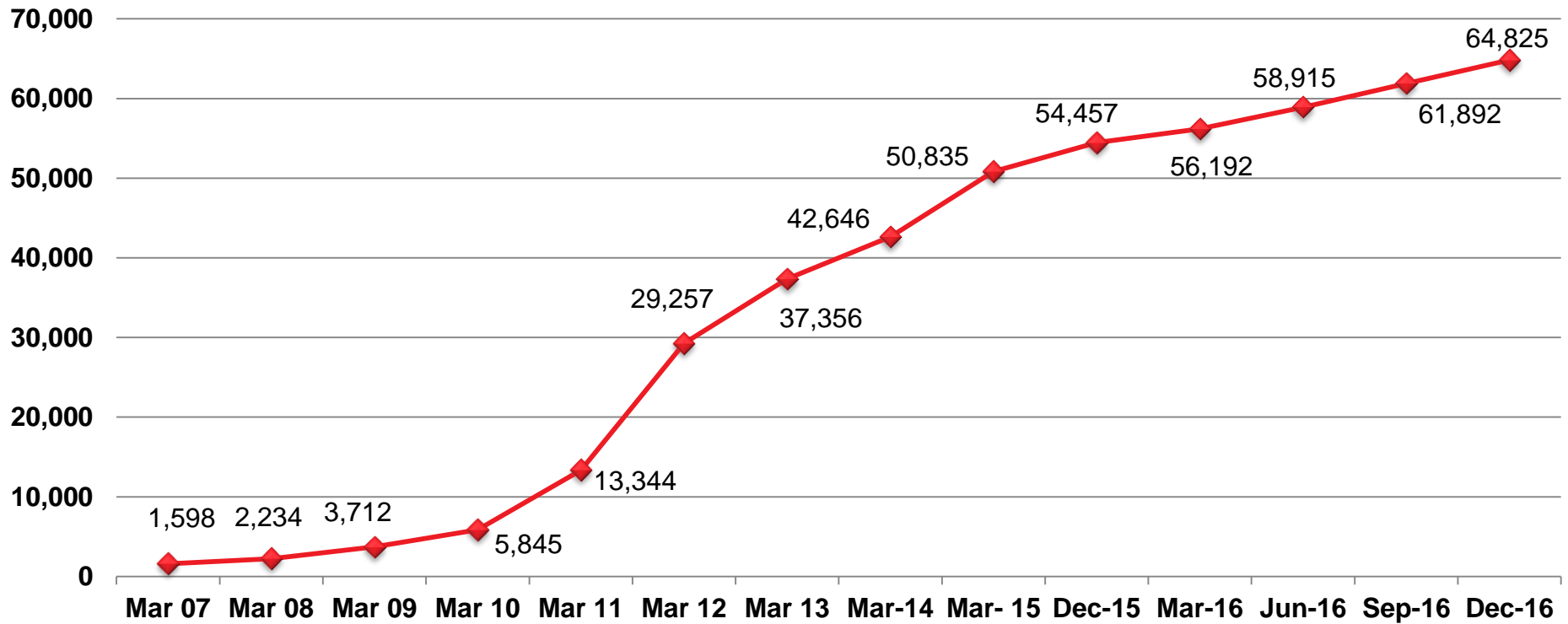
■ PBT ■ PAT



## Steady capital position

### Share Capital and Reserves & Surplus

(₹ in million)





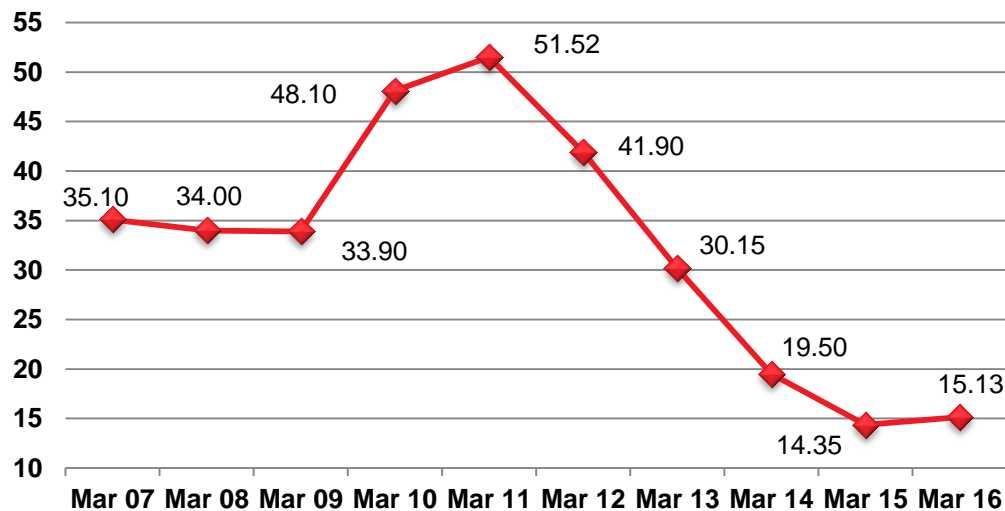


## Stable shareholder value creation

### Return on Average Equity

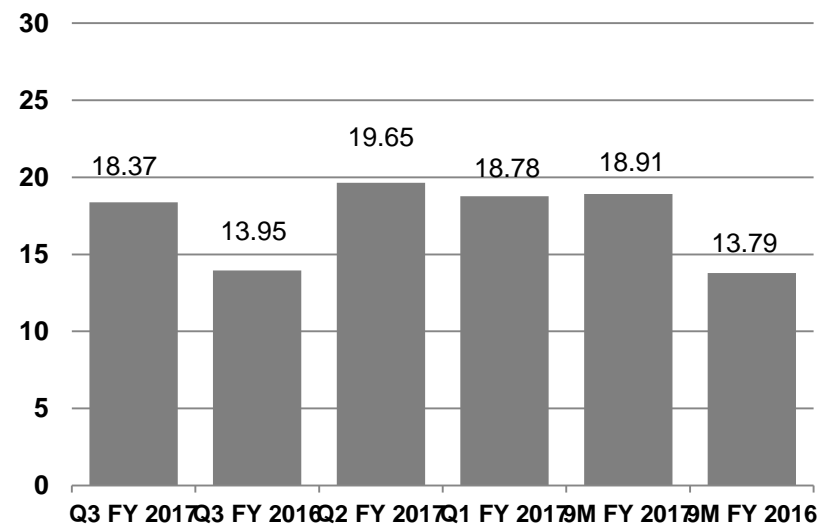
Yearly

(%)



Quarterly

(%)





## Maintaining capital well above the statutory requirement

### Capital Adequacy Ratio

(%)

|                        | <b>Dec-16</b> | <b>Sep-16</b> | <b>Jun-16</b> | <b>Mar-16</b> | <b>Dec-15</b> |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Capital Adequacy Ratio | 24.66         | 23.67         | 24.27         | 24.48         | 23.37         |
| Tier-I                 | 22.17         | 20.95         | 21.03         | 20.92         | 19.94         |
| Tier-II                | 2.49          | 2.72          | 3.24          | 3.56          | 3.43          |



# MARKET VALUE RATIO

Equity market valuation ratios indicate potential for upside

|                        | Q3 FY 2017 | Q2 FY 2017 | Q1 FY 2017 | Q3 FY 2016 | 9M FY 2017 | 9M FY 2016 | FY 2016 |
|------------------------|------------|------------|------------|------------|------------|------------|---------|
| Earnings per share (₹) |            |            |            |            |            |            |         |
| - Basic                | 7.29       | 7.44       | 6.77       | 4.69       | 21.50      | 13.68      | 20.34   |
| - Diluted              | 7.23       | 7.38       | 6.71       | 4.65       | 21.32      | 13.55      | 20.10   |

|                             | Dec-16 | Sep-16 | Jun-16 | Mar-16 | Dec-15 |
|-----------------------------|--------|--------|--------|--------|--------|
| Book Value per share (₹)    | 162.15 | 154.97 | 147.51 | 140.72 | 136.70 |
| Market price per share (₹)* | 282.70 | 348.80 | 293.05 | 178.75 | 179.65 |
| Price to Earnings ratio**   | 10.04  | 13.64  | 13.01  | 8.79   | 10.07  |
| Price to Book Value ratio   | 1.74   | 2.25   | 1.99   | 1.27   | 1.31   |

\*Source: [www.nseindia.com](http://www.nseindia.com)

\*\*Based on trailing 12 months EPS

# CAPITALISATION RATIOS



Muthoot Finance

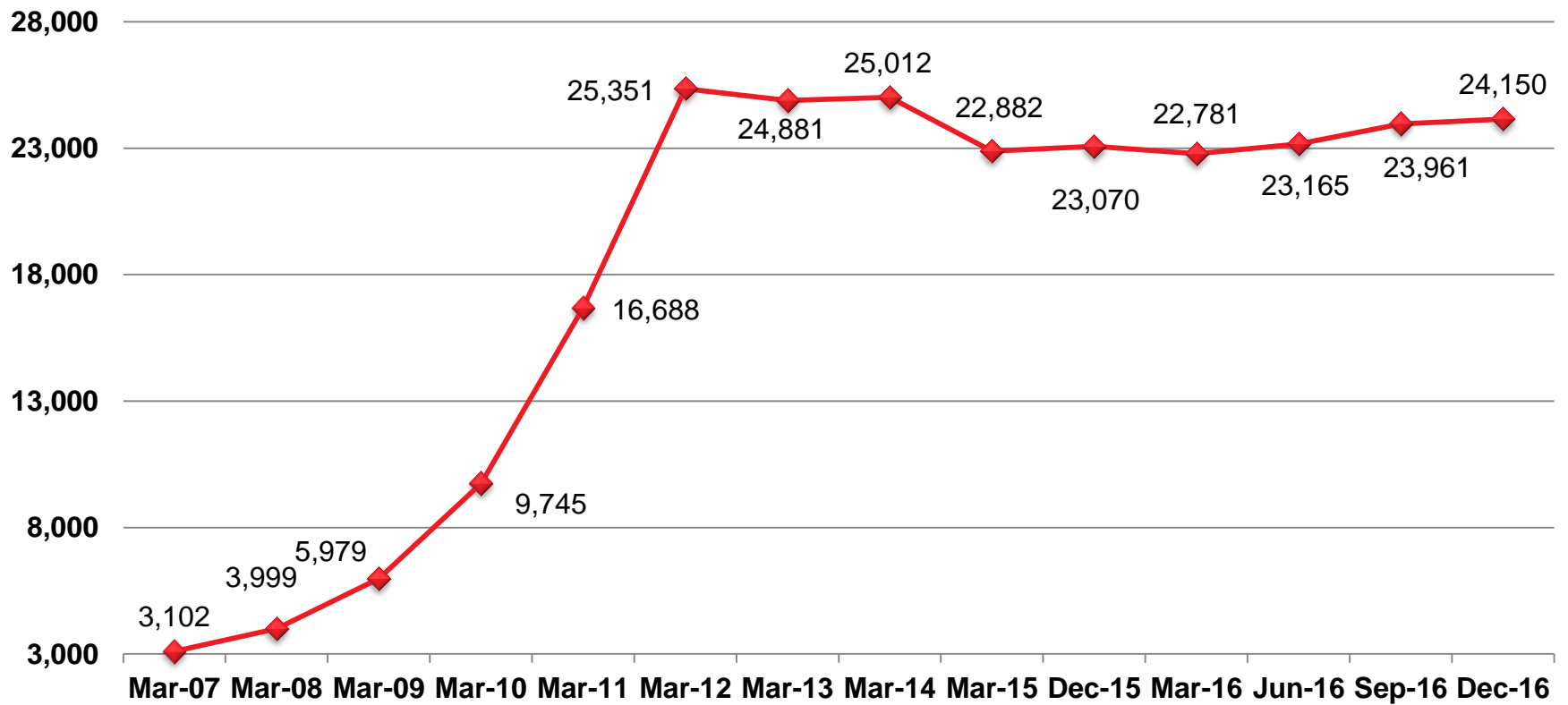
## Headroom for further leveraging

(₹ In million)

|                      | <b>Dec-16</b> | <b>Sep-16</b> | <b>Jun-16</b> | <b>Mar-16</b> | <b>Dec-15</b> |
|----------------------|---------------|---------------|---------------|---------------|---------------|
| Outside Liabilities  | 235,598       | 243,582       | 226,641       | 214,295       | 226,938       |
| Cash & Bank Balances | 13,377        | 16,181        | 12,481        | 6,791         | 13,027        |
| Tangible Networth    | 64,773        | 61,839        | 58,862        | 56,146        | 54,412        |
| Capital Gearing      | 3.43          | 3.68          | 3.64          | 3.70          | 3.93          |

## Groomed human capital over the years to meet growing business requirements

(No. of Employees)





# ASIA ASSET

FINANCE PLC

*The unconventional finance company*

# ASIA ASSET FINANCE PLC – AN OVERVIEW



Asia Asset Finance PLC, (AAF) Colombo, Sri Lanka became a foreign subsidiary of Muthoot Finance on December 31, 2014 . As on December 31, 2016, total holding in AAF stood at 503 million equity shares representing 60% of their total capital. The loan portfolio stands at LKR 8.56 bn as on December 31, 2016

**AAF is a Registered Financial Company based in Sri Lanka a fully licensed, deposit-taking institution registered with the Central Bank of Sri Lanka and listed in the Colombo Stock Exchange**

AAF is in lending business since 1970. At present the company is involved in Retail Finance, Hire Purchase & Business Loans and has 15 branches across Sri Lanka.

**The company formerly known as Finance and Land Sales has been in operation for over 45 years, evolving to serve the growing needs of people of Sri Lanka.**

# PRODUCTS

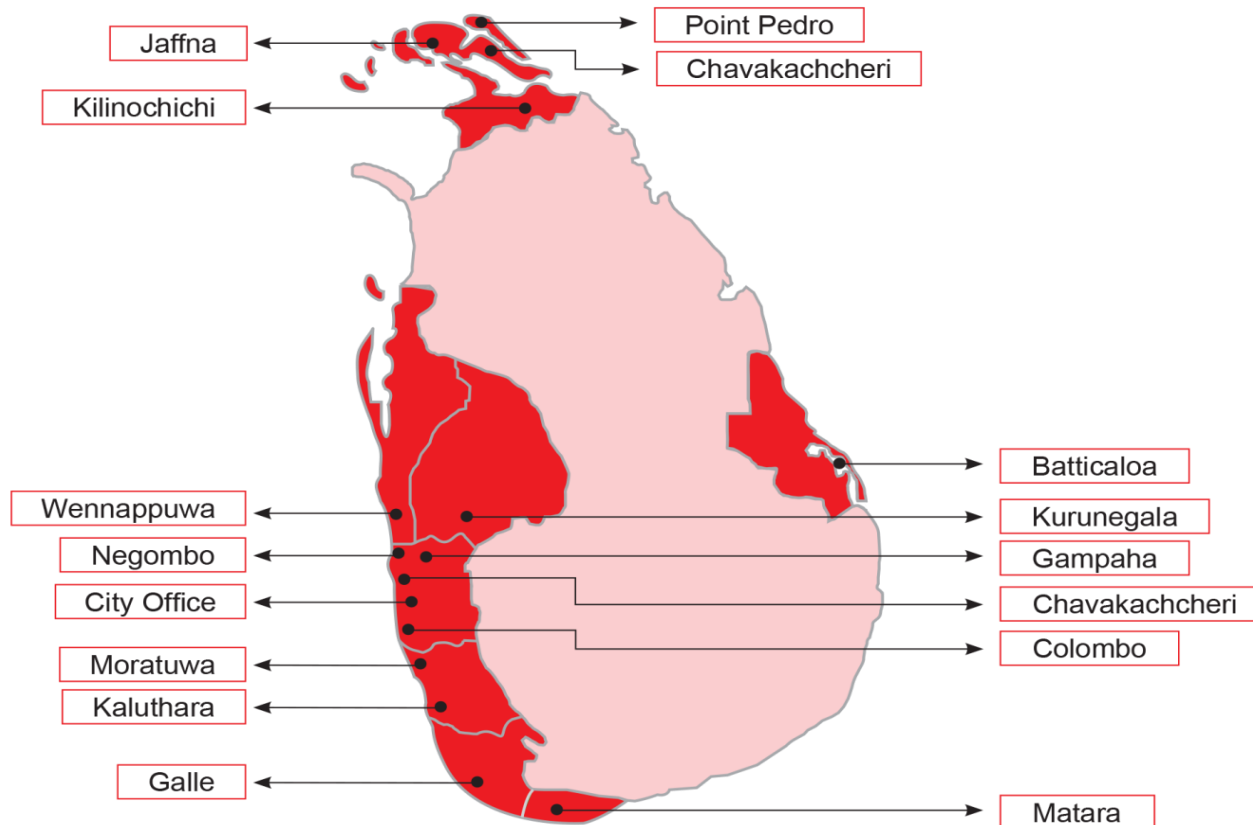


- Fixed Deposits
- Leasing
- Business Loan
- Personal Loan
- Group Personal Loan
- Corporate Loans
- Mortgage Loans
- Factoring
- Short Term Loans
- Micro Finance
- Loan against Gold Jewellery



# BRANCH NETWORK

AAF has operations in various parts of Sri Lanka providing the best services and easy access to clients



## Key Financial Parameters

(LKR in millions)

| Particulars                | Q3 FY 2017 | Q2 FY 2017 | Q1 FY 2017 | 9M FY 2017 | FY 2016 |
|----------------------------|------------|------------|------------|------------|---------|
| LKR / INR                  | 0.44929    | 0.44498    | 0.44908    | 0.44929    | 0.47124 |
| Number of branches         | 15         | 15         | 15         | 15         | 15      |
| Number of Employees        | 433        | 410        | 393        | 433        | 358     |
| Loan Portfolio             | 8,560      | 8,053      | 7,421      | 8,560      | 6,854   |
| Capital Adequacy Ratio (%) | 19         | 20         | 21         | 19         | 22      |
| Total Revenue              | 572        | 519        | 454        | 1,545      | 1,392   |
| Total Expense              | 482        | 452        | 387        | 1,322      | 1,183   |
| Profit Before Tax          | 90         | 67         | 67         | 224        | 209     |
| Profit After Tax           | 79         | 57         | 56         | 192        | 175     |
| Share Holders Funds        | 1,654      | 1,575      | 1,518      | 1,654      | 1,462   |
| Total Liabilities          | 8,205      | 8,147      | 7,477      | 8,205      | 6,653   |
| Total Assets               | 9,859      | 9,722      | 8,995      | 9,859      | 8,115   |



# MUTHOOT HOMEFIN – AN OVERVIEW



Muthoot Homefin (India) Limited is a Housing Finance Company registered with The National Housing Bank (NHB). It is a subsidiary of Muthoot Finance Limited . As on December 31, 2016, Muthoot Finance holds 86% of equity capital of MHIL.

**MHIL focuses on extending affordable housing finance and targets customers in Economically Weaker Sections (EWS) and Lower Income Groups (LIG) in Tier II & Tier III locations.**

It operates on a 'Hub and Spoke' model, with the centralised processing at Corporate Office at Mumbai. MHIL has operations in Kerala, Maharashtra, Gujarat, Rajasthan and Madhya Pradesh.

**As on December 31, 2016, it has a loan portfolio of Rs.2.04 bn.**

Recently ICRA assigned Long Term Debt Rating of ICRA AA-(Stable) for its Bank limits.

## Key Financial Parameters

(₹ in millions)

| Particulars                | Q3 FY 2017 | Q2 FY 2017 | Q1 FY 2017 | 9M FY 2017 | FY 2016 |
|----------------------------|------------|------------|------------|------------|---------|
| Number of branches         | 8          | 8          | 2          | 8          | 2       |
| Number of Sales Offices    | 110        | 39         | 39         | 110        | 0       |
| Number of Employees        | 105        | 77         | 49         | 105        | 30      |
| Loan Portfolio             | 2,040      | 946        | 441        | 2,040      | 315     |
| Capital Adequacy Ratio (%) | 64         | 115        | 177        | 64         | 226     |
| Total Revenue              | 61         | 31         | 14         | 107        | 19      |
| Total Expense              | 46         | 28         | 18         | 93         | 19      |
| Profit Before Tax          | 15         | 3          | (4)        | 14         | -       |
| Profit After Tax           | 9          | 3          | (4)        | 7          | -       |
| Share Holders Funds        | 860        | 851        | 564        | 860        | 569     |
| Total Liabilities          | 1,232      | 341        | 3          | 1,232      | 3       |
| Total Assets               | 2,092      | 1,193      | 568        | 2,092      | 572     |



***Muthoot Insurance Brokers***

# MUTHOOT INSURANCE – AN OVERVIEW



MIBPL became a wholly owned subsidiary of Muthoot Finance Ltd in June 2016. MIBPL is an unlisted private limited company holding a licence to act as Direct Broker from IRDA since 2013.

**It is actively distributing both life and non-life insurance products of various insurance companies.**

During FY15, It has insured more than 2,92,000 lives with a premium collection of Rs. 348 mn under Traditional, Term and Health products. The same has increased to 4,59,000 lives with a premium collection of Rs. 482 mn in FY16. In Q1 FY 17 , Q2 FY17 & Q3 FY 17 premium collections stood at Rs 102 mn , 189 mn and 148 mn respectively.

## Key Business Parameters

| Particulars                        | Q3 FY 2017 | Q2 FY 2017 | Q1 FY 2017 | 9M FY 2017 | FY 2016 |
|------------------------------------|------------|------------|------------|------------|---------|
| Premium Collection (₹ in millions) | 148        | 188        | 101        | 437        | 482     |
| Number of Policies                 | 114,133    | 130,008    | 136,212    | 389,353    | 458,652 |



# OUR SUBSIDIARY



***Muthoot Finance***



**BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED**

**A Subsidiary of Muthoot Finance Limited**

# BELSTAR INVESTMENT AND FINANCE – AN OVERVIEW



*Muthoot Finance*



As Of December 2016 , Muthoot Finance holds 64.60% in BIFPL . BIFPL was incorporated on January 1988 at Bangalore and the Company was registered with the RBI in March 2001 as a Non- Banking Finance Company. The Company was reclassified as “NBFC-MFI” by RBI effective from 11th December 2013.

BIFPL was acquired by the ‘Hand in Hand’ group in September 2008 to provide scalable microfinance services to entrepreneurs nurtured by ‘Hand in Hand’s’ Self Help Group (SHG) program. The Company commenced its first lending operations at Haveri District of Karnataka in March 2009 to 3 SHGs, 22 members for INR 2 mn.

In the last seven years of its operations, BIFPL primarily relied on taking over the existing groups formed by Hand in Hand India . BIFPL predominantly follows the SHG model of lending. Effective January 2015, BIFPL started working in JLG model of lending in Pune district, Maharashtra.

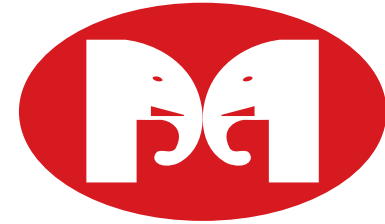
As of December 31, 2016, BIFPL operations are spread over five states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra ,Kerala and Pondicherry). It has 148 branches, with 13 controlling regional offices and employs 1008 staff. Its loan portfolio has grown from INR 2 mn in March 2009 to INR 2.64 bn in March 2016.



## Key Financial Parameters

(₹ in millions)

| Particulars                | Q3 FY 2017 | Q2 FY 2017 | Q1 FY 2017 | 9M FY 2017 | FY 2016 |
|----------------------------|------------|------------|------------|------------|---------|
| Number of branches         | 148        | 103        | 94         | 148        | 76      |
| Number of Employees        | 1,008      | 828        | 705        | 1,008      | 561     |
| Loan Portfolio             | 4,537      | 3,986      | 2,872      | 4,537      | 2,643   |
| Capital Adequacy Ratio (%) | 21         | 21         | 16         | 21         | 17      |
| Total Revenue              | 295        | 230        | 179        | 704        | 581     |
| Total Expense              | 259        | 196        | 146        | 601        | 489     |
| Profit Before Tax          | 36         | 34         | 33         | 103        | 92      |
| Profit After Tax           | 23         | 22         | 22         | 67         | 61      |
| Shareholders Funds         | 866        | 843        | 421        | 866        | 399     |
| Total Outside Liabilities  | 4,520      | 3,836      | 3,120      | 4,520      | 2,881   |
| Total Assets               | 5,386      | 4,679      | 3,541      | 5,386      | 3,280   |



# ***Muthoot Finance***

## **REGISTERED OFFICE**

2<sup>nd</sup> Floor, Muthoot Chambers  
Opposite Saritha Theatre Complex  
Banerji Road, Kochi  
Kerala – 682 018. India

Tel: (91484) 2394712  
Fax: (91484) 2396506

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**CIN:** L65910KL1997PLC011300  
**RBI Reg No:** N.16.00167

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[www.muthootfinance.com](http://www.muthootfinance.com)