



**Muthoot Finance Limited**

Registered Office :  
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Opp. Saritha Theatre Complex,  
Banerji Road, Ernakulam - 682 018  
Kerala, India.  
CIN : L65910KL1997PLC 011300

Phone : +91 484 2396478, 2394712  
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www.muthootgroup.com

Scrip Code: 533398  
Symbol: MUTHOOTFIN

Ref: SEC/MFL/SE/2019/3235

August 12, 2019

**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,

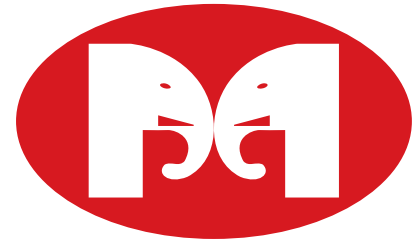
**Re: Investor Presentation: Quarter ended June 30, 2019**

We herewith enclose a copy of the investor presentation for the Quarter ended June 30, 2019.

This is for your kind information and record thereon.

For **Muthoot Finance Limited**

Maxin James  
Company Secretary



***Muthoot Finance***

**Financial Results Q1 FY 2020**

**June 2019**

**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.

The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise. While every effort is made to ensure that this presentation conforms with all applicable legal requirements, the company does not warrant that it is complete, comprehensive or accurate, or commit to its being updated. No part of the information provided herein is to be construed as a solicitation to make any financial investment and is provided for information only.

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## Diversified business of the Group

	Primary Business	Shareholding of holding company (%)
Muthoot Finance Ltd	Gold Loans	Holding Company
Muthoot Homefin (India) Ltd	Affordable Housing Finance	100.00
Belstar Investment and Finance Private Limited	Microfinance	70.01
Muthoot Money Limited	Vehicle Finance	100.00
Asia Asset Finance PLC	Listed Diversified NBFC in Sri Lanka	72.92
Muthoot Insurance Brokers Private Limited	Insurance Broking	100.00
Muthoot Asset Management Private Limited	-	100.00
Muthoot Trustee Private Limited	-	100.00

## Snapshot of performance

	Q1 FY 2020	Q1 FY 2019	YoY(%)	FY 2019
<b>Group Branch Network (Nos)</b>	5,092	4,688	9	5,020
<b>Consolidated Gross Loan Assets* of the Group (₹ in million)</b>	402,276	339,538	18	383,036
<b>Consolidated Profit of the Group (₹ in million)</b>	5,633	5,176	9	21,030
<b>Contribution in the Consolidated Gross Loan Assets* of the Group</b>				
Muthoot Finance (%)	88	90	(2)	88
Subsidiaries (%)	12	10	20	12
<b>Contribution in the Consolidated Profit of the Group</b>				
Muthoot Finance (%)	93	94	(1)	93
Subsidiaries (%)	7	6	20	7

\*Principal amount of Loan assets

## Gross Loan Assets\* of the Group

(₹ in millions)

	Q1 FY 2020	Q1 FY 2019	FY 2019	YoY (%)
Muthoot Finance Ltd	358,159	309,966	342,461	16
Muthoot Homefin (India) Ltd	19,875	16,210	19,075	23
Belstar Investment and Finance Private Limited	19,385	12,372	18,419	57
Muthoot Money Limited	3,927	-	3,107	
Asia Asset Finance PLC	5,030	4,620	4,974	9
Less: Intra-Group Loan Assets	4,100	3,630	5,000	13
<b>Total</b>	<b>402,276</b>	<b>339,538</b>	<b>383,036</b>	<b>18</b>

\*Principal amount of Loan assets

## Standalone Profit of Group Companies

(₹ in millions)

	Q1 FY 2020	Q1 FY 2019	FY 2019	YoY (%)
Muthoot Finance Ltd	5,300	4,916	19,721	8
Muthoot Homefin (India) Ltd	62	105	363	(41)
Muthoot Insurance Brokers Private Limited	27	24	150	13
Belstar Investment and Finance Private Limited	229	124	729	85
Muthoot Money Limited	(0.40)	-	3	-
Asia Asset Finance PLC	10	7	41	43
Muthoot Asset Management Private Limited	6	-	2	-
Muthoot Trustee Private Limited	(0.20)	-	-	-

**CONSOLIDATED FINANCIAL RESULTS**

(₹ in millions)

Particulars	Q1 FY 2020	Q1 FY 2019	FY 2019
<b>Income</b>			
Interest Income	20,259	17,540	74,160
Service Charges	193	178	881
Sale of Services	54	65	230
Other Income	44	22	66
Income other than above	171	52	673
<b>Total Income</b>	<b>20,721</b>	<b>17,857</b>	<b>76,010</b>
<b>Expenses</b>			
Finance Cost	7,324	5,696	25,355
Impairment of Financial Instruments	165	109	679
Employee Benefit Expenses	2,697	2,395	10,133
Depreciation and Amortisation	123	109	517
Other Expenses	1,775	1,619	6,732
<b>Total Expenses</b>	<b>12,085</b>	<b>9,928</b>	<b>43,415</b>
<b>Profit before tax</b>	<b>8,636</b>	<b>7,929</b>	<b>32,595</b>
Tax expense	3,003	2,753	11,566
<b>Profit after Tax</b>	<b>5,633</b>	<b>5,176</b>	<b>21,030</b>
Earnings per share –Basic (₹)	13.88	12.82	51.92
Earnings per share –Diluted (₹)	13.85	12.79	51.82



**CONSOLIDATED BALANCE SHEET**

(₹ in millions)

<b>Particulars</b>	<b>Q1 FY 2020</b>	<b>FY 2019</b>
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	10,867	20,057
Bank Balance other than above	3,366	1,978
Trade Receivables	219	217
Loans	406,018	387,225
Investments	2,255	2,111
Other Financial Assets	1,354	1,796
<b>Non-Financial Assets</b>		
Current Tax Assets(Net)	32	20
Deferred Tax Assets(Net)	404	369
Investment Property	155	157
Property ,Plant and Equipment	2,066	2,056
Capital Work- In- Progress	253	228
Goodwill	300	300
Other Intangible Assets	76	80
Other Non Financial Assets	1,294	753
<b>Total- Assets</b>	<b>428,659</b>	<b>417,348</b>

**CONSOLIDATED BALANCE SHEET**

(₹ in millions)

<b>Particulars</b>	<b>Q1 FY 2020</b>	<b>FY 2019</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Trade Payables	1,305	1,664
Debt Securities	87,216	82,149
Borrowings(other than Debt securities)	221,108	211,314
Deposits	2,410	2,619
Subordinated Liabilities	4,577	5,193
Other Financial Liabilities	7,356	10,466
<b>Non-Financial Liabilities</b>		
Current Tax Liabilities(net)	1,904	612
Provisions	1,697	2,165
Deferred Tax Liabilities(net)	12	10
Other Non-Financial Liabilities	502	419
<b>EQUITY</b>		
<b>Equity attributable to equity owners of the company</b>	<b>99,075</b>	<b>99,312</b>
Non-Controlling Interest	1,497	1,424
<b>Total Liabilities and Equity</b>	<b>428,659</b>	<b>417,348</b>



# 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



Personal Loans



White Label ATM



Collection Services



National Pension Scheme



Wind Mill Power Generation

**29**

States/Union territory presence

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**176 tonnes**

Gold jewellery kept as security

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**4,500+**

Pan-India branches

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**100,000+**

Retail investor base across debenture and subordinated debt portfolio

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**24,000+**

Team members

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**200,000+**

Customers served every day

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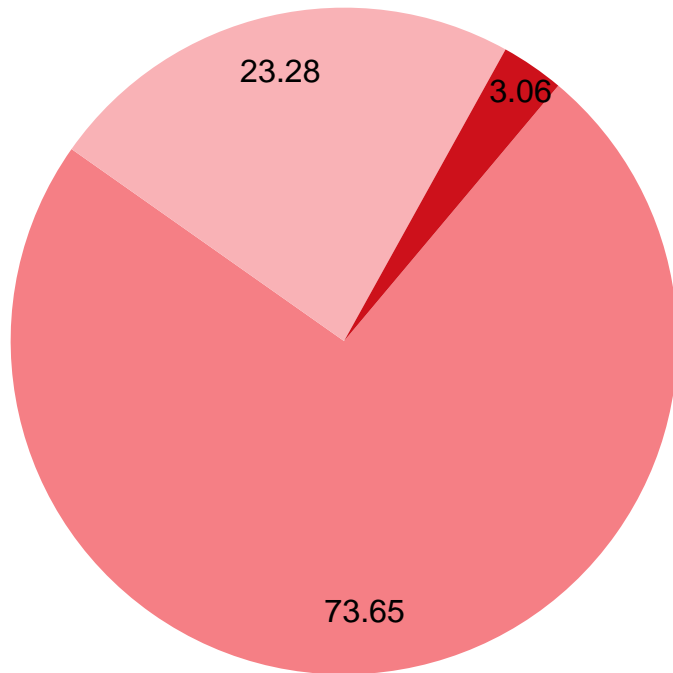
**₹ 358,159 mn**

Loan Assets Under Management

*(As of June 30, 2019)*

# SHAREHOLDING PATTERN

**Strong promoter interest in business with 74% stake**



(%) Shareholding as on June 30, 2019

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

**NSE Ticker**

MUTHOOTFIN

**BSE Ticker**

533398

**Market Capitalisation**

(as on June 30, 2019)

₹ 258,373 million

# DIVIDEND PAYOUT

## Delivering consistent returns to stakeholders

(%)

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Dividend (%)*	120	100	60	60	60
First Interim Dividend (%)	120	100	60	40	40
Second Interim Dividend (%)	-	-	-	20	-
Final Dividend (%)	-	-	-	-	20
Dividend Payout Ratio (%)	24.36	22.48	20.30	29.50	35.36

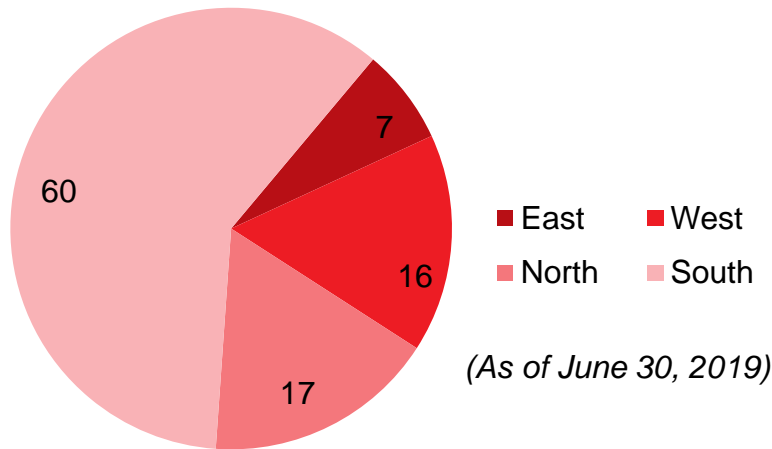
\* On face value of ₹ 10 per equity share



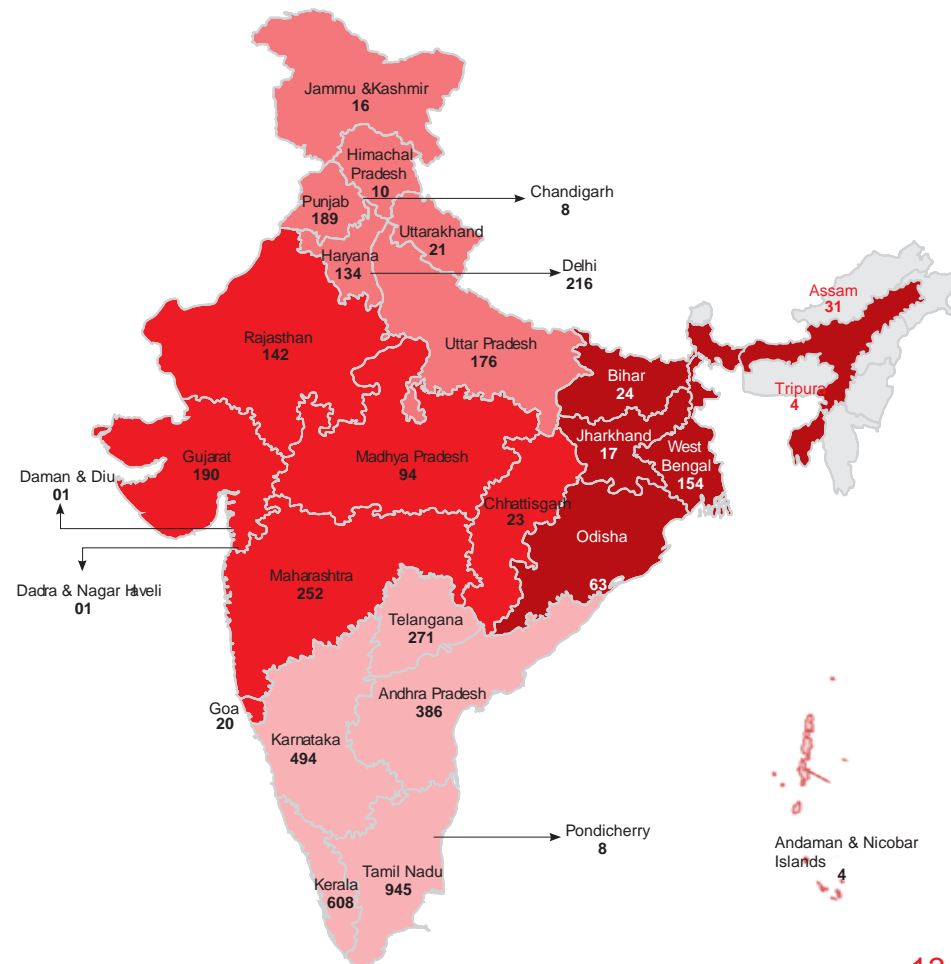
# GEOGRAPHICAL PRESENCE

## A strong presence of 4502 branches across India

(%) Branches region wise



State wise Branch Network



- 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

## Digital convenience for new gen & Millennium Customer acquisition



### 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



### PoS Terminals

- Enables swiping of Debit cards issued by banks
- Swiping charges for Interest payments waived off

### 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



## Online Gold Loan (OGL)

- 17.5% of our active Gold loan Customers are transacting Online

### Muthoot Online



- Our online services has now been re-branded to Muthoot Online, from WebPay earlier.
- Customers can now make payment of interest and principal re-payments using Debit Card/Net Banking.
- Withdraw available loan amount and renew eligible loans through our Online Gold Loan (OGL) facility.
- To facilitate this service, we have partnered with leading Banks and online payment gateway service providers.
- e-Sign facility has been launched in September'17.

### iMuthoot App



### Mobile App

- Launched in Nov'16 has about 10.3 lakhs downloads.
- Online Gold Loan (OGL) facility available to withdraw loan amount and renewal, apart from payments.
- Rs.701 crs payments received from 8.52 lakhs successful transactions so far.
- Updated scheme details available with loan calculator.
- Google maps integrated for easy location of nearest branch and fix appointment.
- UPI facility has been introduced in Feb'19.
- Paytm Payment gateway has been introduced in June'19.
- e-Sign facility has been introduced in Jan'18.



# EQUITY

## Strong Capital Base

### Networth

(₹ in millions)

	<b>Jun-19</b>	<b>Mar-19</b>	<b>Jun-18</b>
Equity Share Capital	4,007	4,007	4,001
Other Equity	93,425	93,921	79,070
<b>Total</b>	<b>97,432</b>	<b>97,928</b>	<b>83,071</b>

## Core focus continues to be gold loan

### Gross Loan Assets under management\*

	<b>Jun-19</b>	<b>Mar-19</b>	<b>Jun-18</b>	<b>Growth</b>	<b>Growth</b>
	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross loan assets under management	358,159	342,461	309,966	16	5

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

Gold Loans under management	351,708	335,853	305,621	15	5
Other loans	6,451	6,608	4,345	48	(2)

\*Principal amount of Loan assets

# LIABILITIES

## Stable sources of funding\*

	<b>Jun-19</b>	<b>Mar-19</b>	<b>Jun-18</b>	<b>Growth</b>	<b>Growth</b>
	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	4,254	5,351	7,645	(44)	(21)
Secured Non-Convertible Debentures-Listed	79,134	75,147	70,966	12	5
Borrowings from Banks/FIs	137,773	131,043	109,713	26	5
Subordinated Debt	246	597	5,701	(96)	(59)
Subordinated Debt -Listed	3,849	3,849	3,849	0	0
Commercial Paper	48,153	47,525	27,395	76	1
Other Loans	8,076	5,711	7,023	15	(41)
<b>Total</b>	<b>281,485</b>	<b>269,223</b>	<b>232,292</b>	<b>21</b>	<b>5</b>

\*Principal amount of Borrowings



## REVENUE &amp; PROFIT

## Statement of Profit &amp; Loss

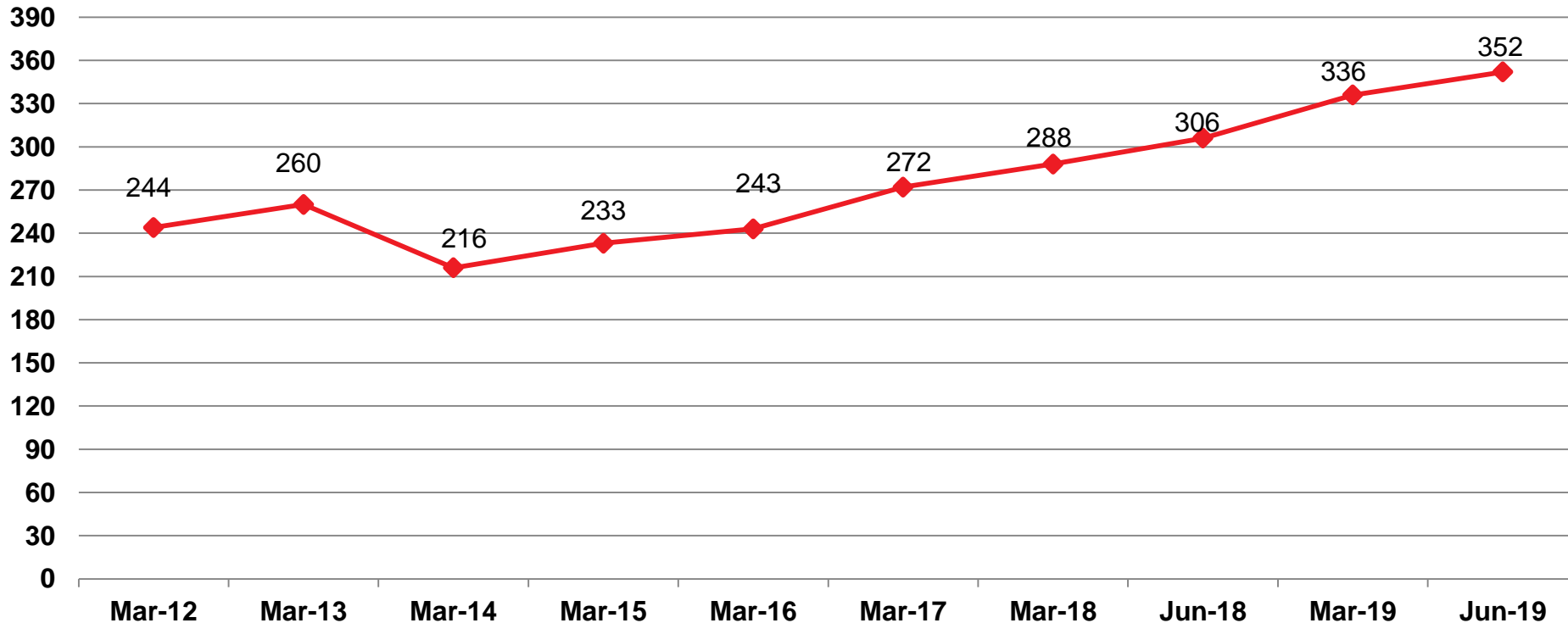
(₹ in millions)

	Q1 FY 2020	Q1 FY 2019	YoY Growth (%)	FY 2019
<b>INCOME</b>				
Interest Income	18,274	16,108	13	67,570
Other than Interest Income	313	222	41	1,236
<b>Total</b>	<b>18,587</b>	<b>16,330</b>	<b>14</b>	<b>68,806</b>
<b>EXPENSES</b>				
Finance Cost	6,416	5,015	28	22,368
Employee benefit Expense	2,219	2,102	6	8,414
Administrative & Other expenses	1,581	1,478	7	5,998
Impairment on Financial Instruments	33	27	22	275
Directors Remuneration	76	67	13	561
Depreciation & Amortisation	96	91	5	421
<b>Total</b>	<b>10,421</b>	<b>8,780</b>	<b>19</b>	<b>38,037</b>
<b>PROFIT</b>				
Profit Before Tax	8,166	7,550	8	30,768
Profit After Tax	5,300	4,916	8	19,721

## Gaining scale over the years

Gold Loan Assets Under Management\*

(₹ in billions)

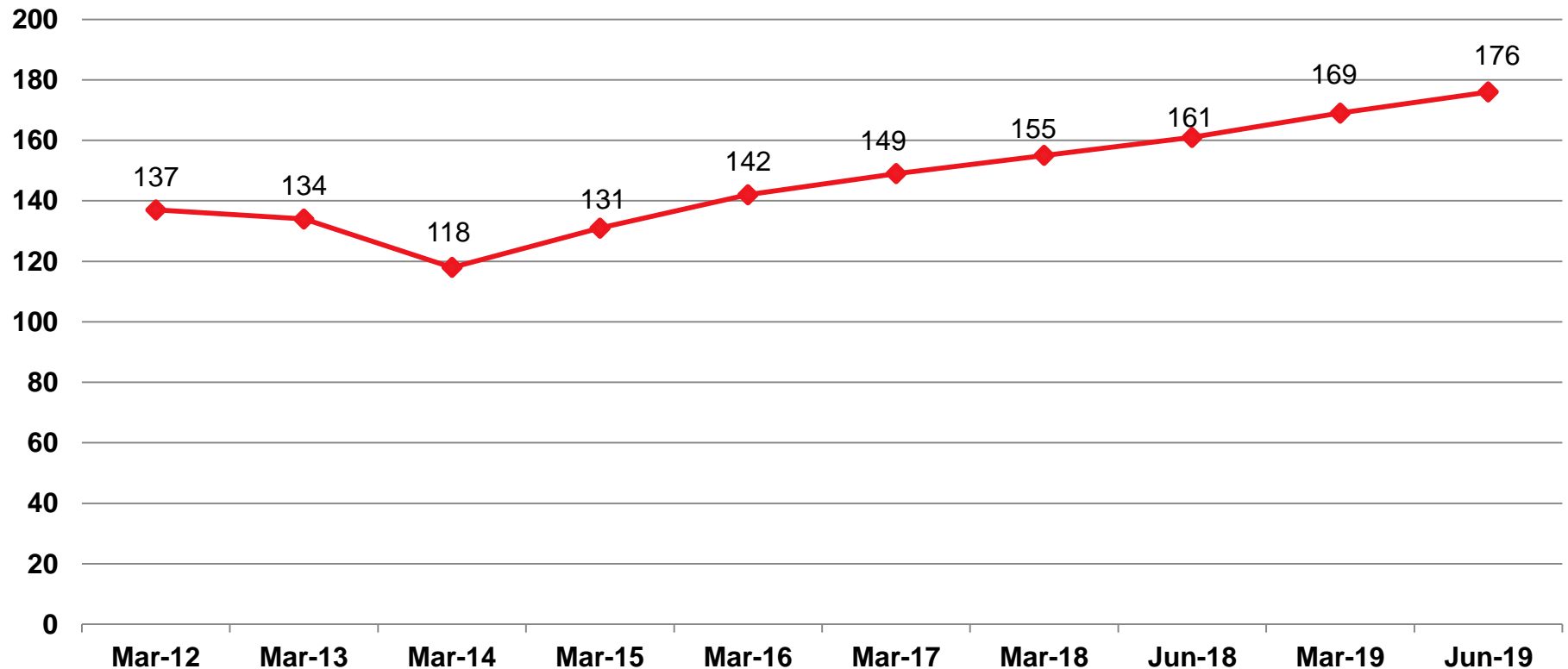


\*Principal amount of gold Loan assets

## Carrying the trust of millions of our customers

Gold jewellery kept as security

(In tonnes)

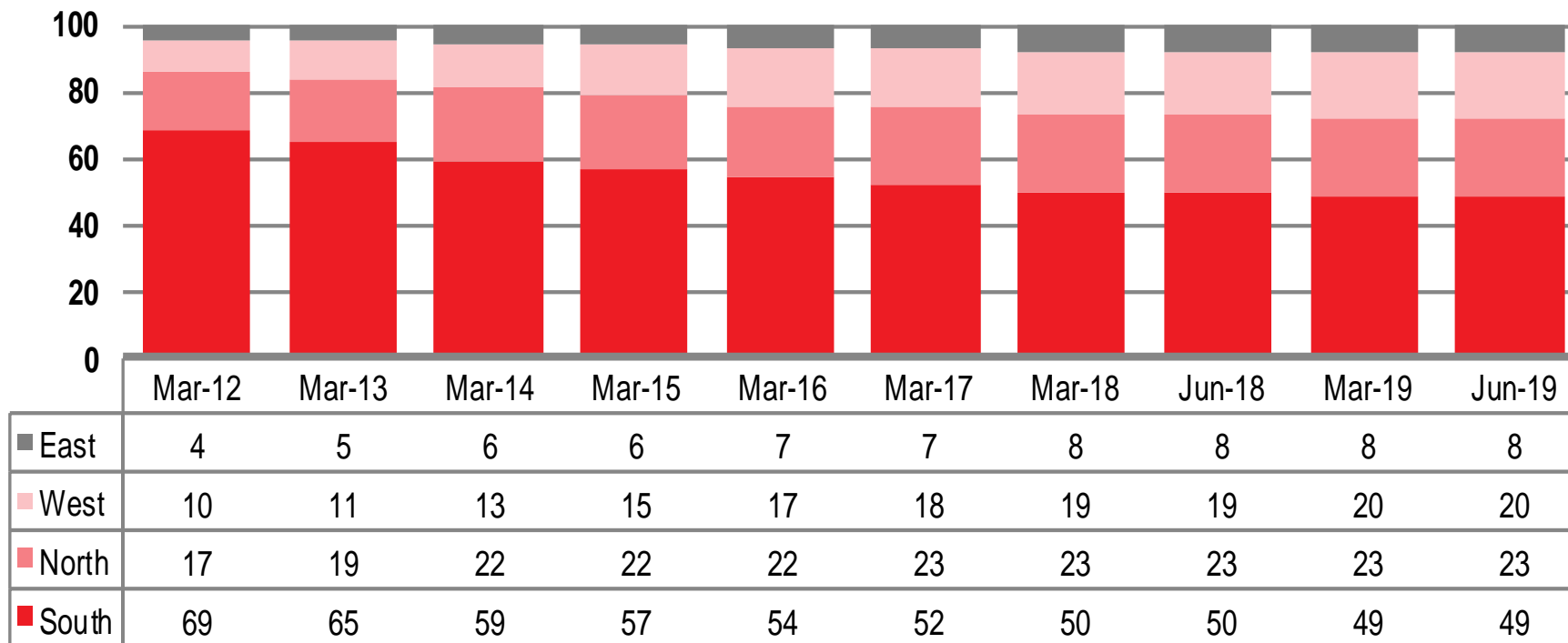




# GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO *Muthoot Finance*

## Diversified gold loan portfolio across India

(%)



## Gold Loan Assets Under Management \*

(₹ in billions)

Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Jun-18	Mar-19	Jun-19
244	260	216	233	243	272	288	306	336	352

\*Principal amount of Gold Loan Assets



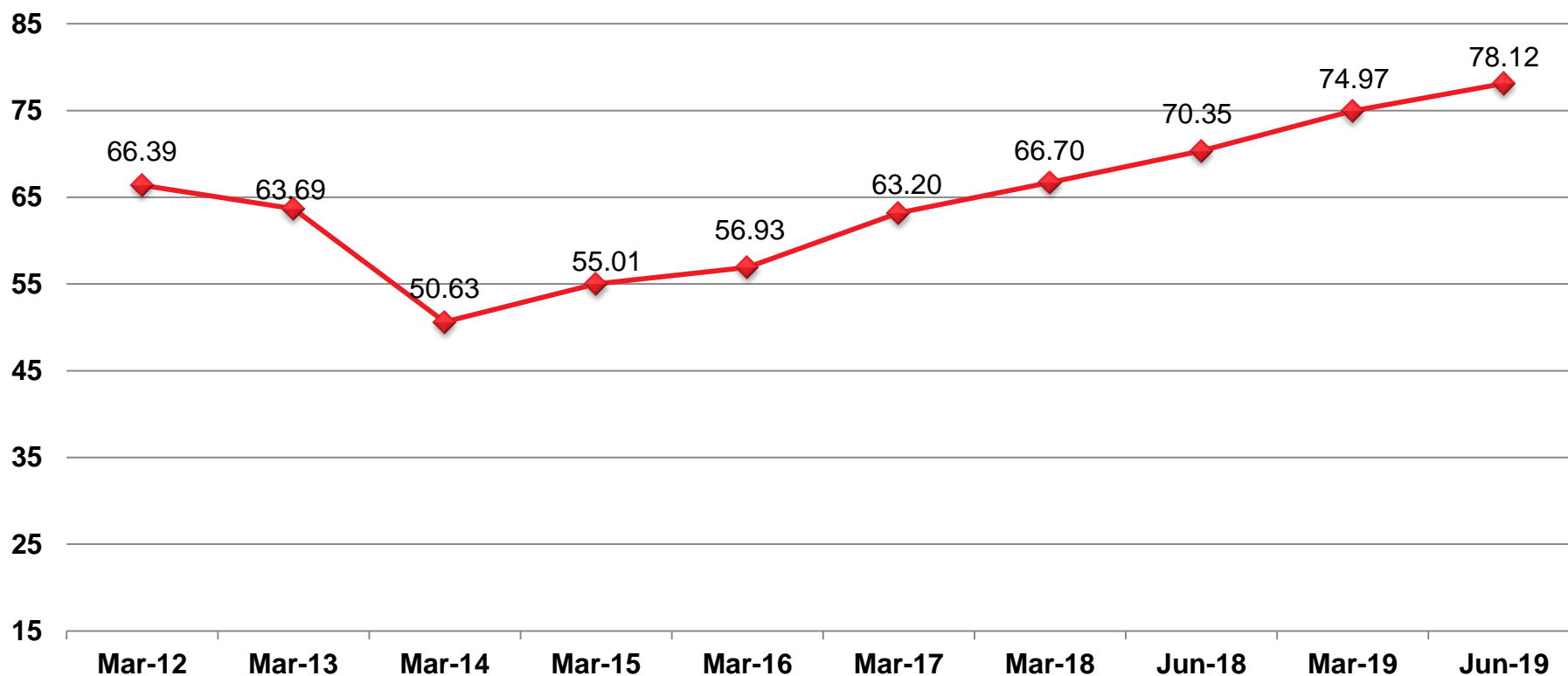


# PRODUCTIVITY

## Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch \*

(₹ in millions)



\*Principal amount of Gold Loan Assets

## Disbursements and Collections

(₹ in billions)

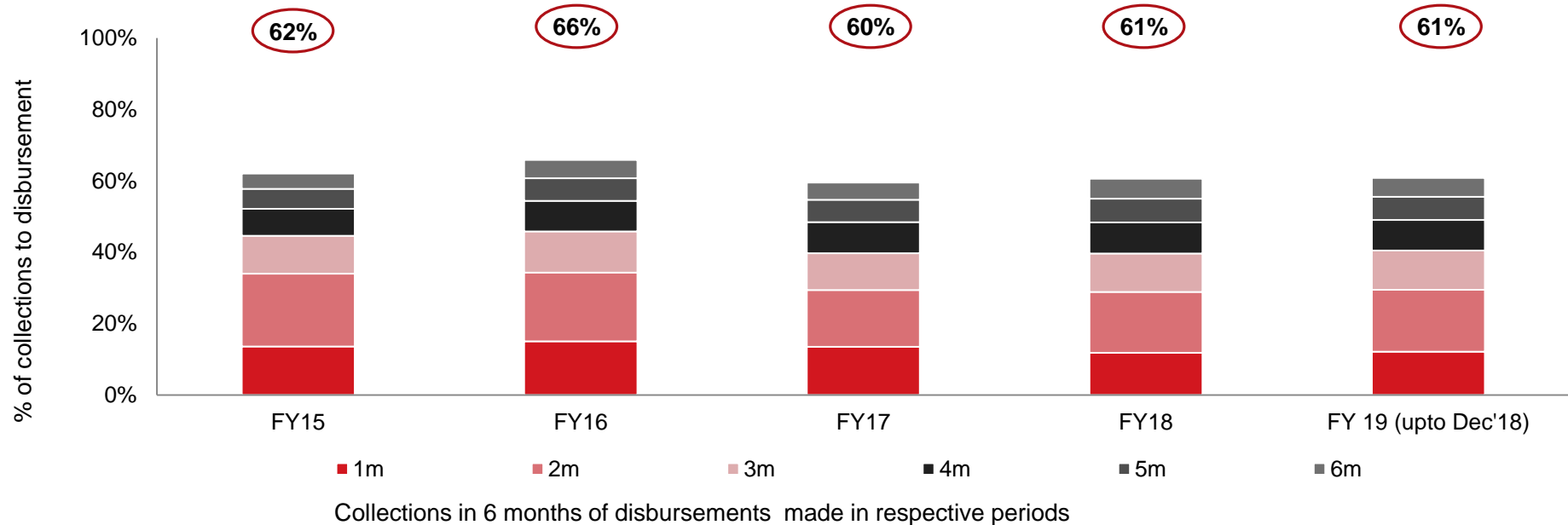


- Strong level of disbursements and collections



# HIGHLY LIQUID PORTFOLIO (2/2)

## Efficient Collection



- A high proportion of gold loan is repaid within first 6 months



## SAFETY OF OUR GOLD LOAN PORTFOLIO

## Lender's Perspective &amp; Borrower's Perspective

	Jun-19	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15
Gold Loan assets (₹ in Billions)	352	336	288	272	243	233
Quantity of Gold content in Ornaments held as Security (Tonnes)	176	169	155	149	142	131
Gold Price/gm (₹)	3,126	2,910	2,824	2,725	2,670	2,470
<b>Lender's Perspective</b>						
Market Price of Gold Content in Ornaments (₹ in Billions)	550	492	438	406	379	324
Margin of safety on loans	36%	32%	34%	33%	36%	28%
<b>Borrower's Perspective</b>						
Market Value of Gold Ornaments (₹ in Billions) with 20% additional value towards making charges etc	660	590	526	487	455	389
Equity of Borrower in the Gold Ornaments net of loans availed	47%	43%	45%	44%	47%	40%

\* Above calculations are made on overall portfolio and excludes interest accrued on loans

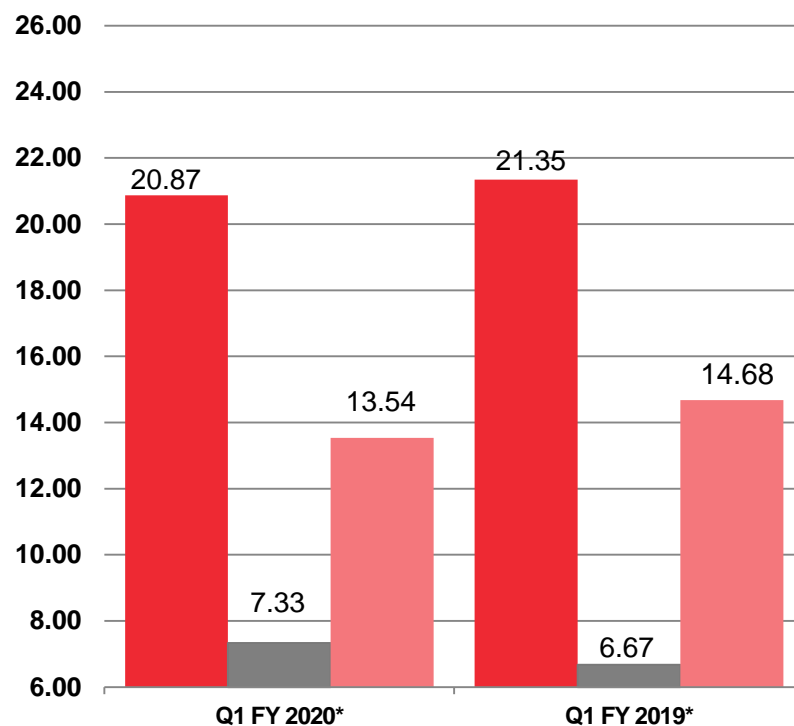
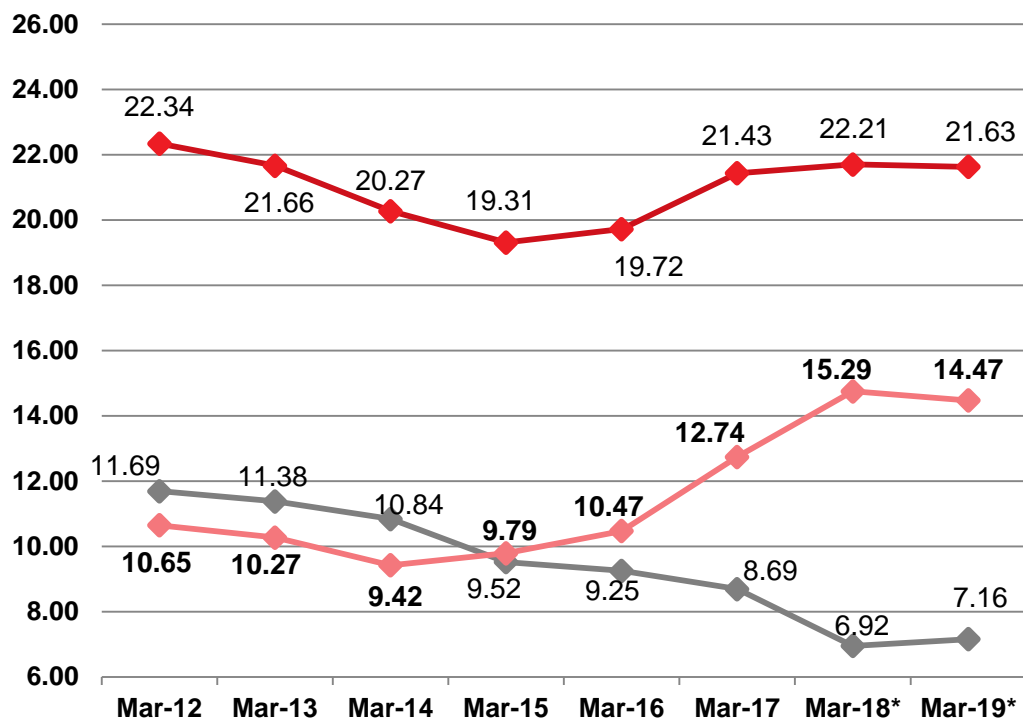
# YIELD ON LOAN ASSETS AND NIM

Yearly

(%)

Quarterly

(%)



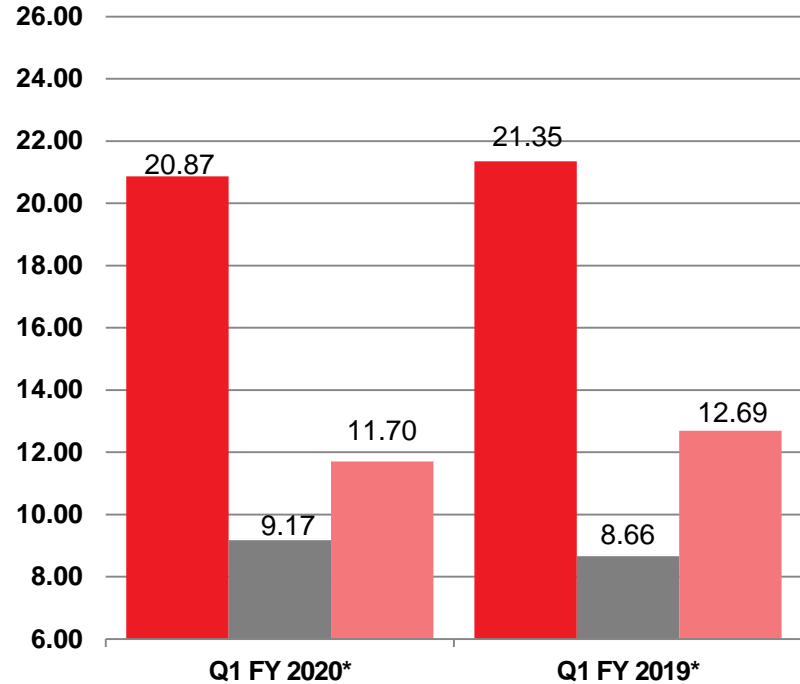
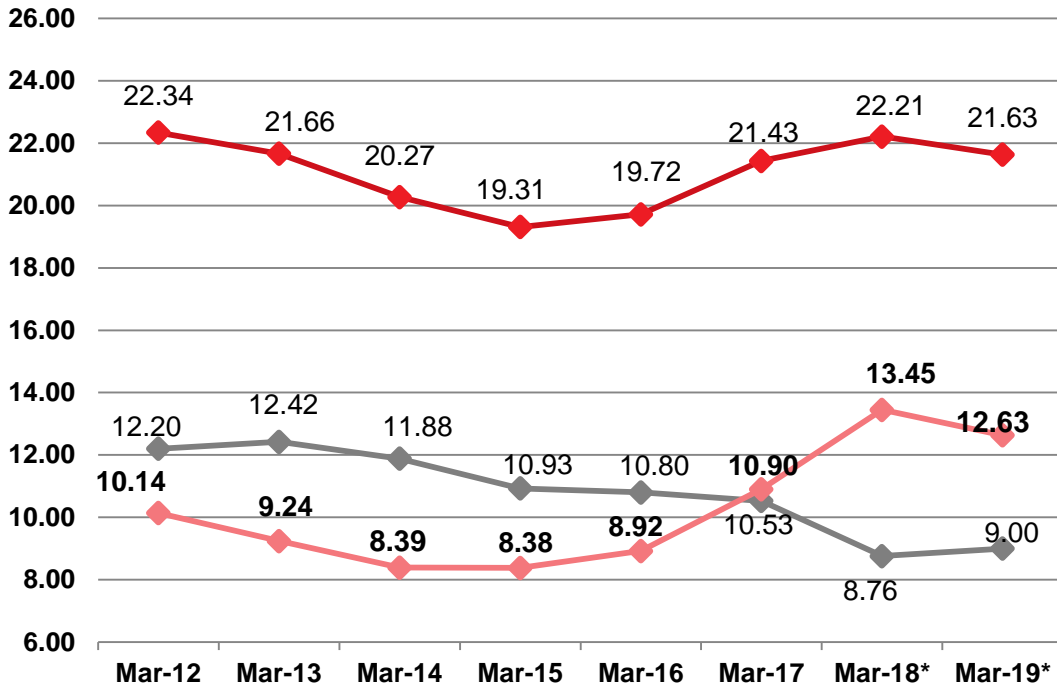
\*Under IND -AS

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



# INTEREST SPREAD

Yearly (%)	Quarterly (%)
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\*Under IND-AS

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

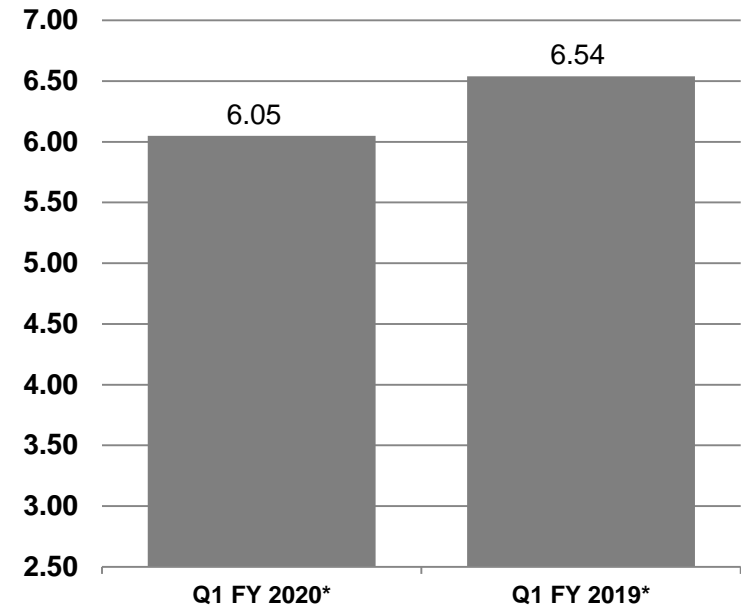
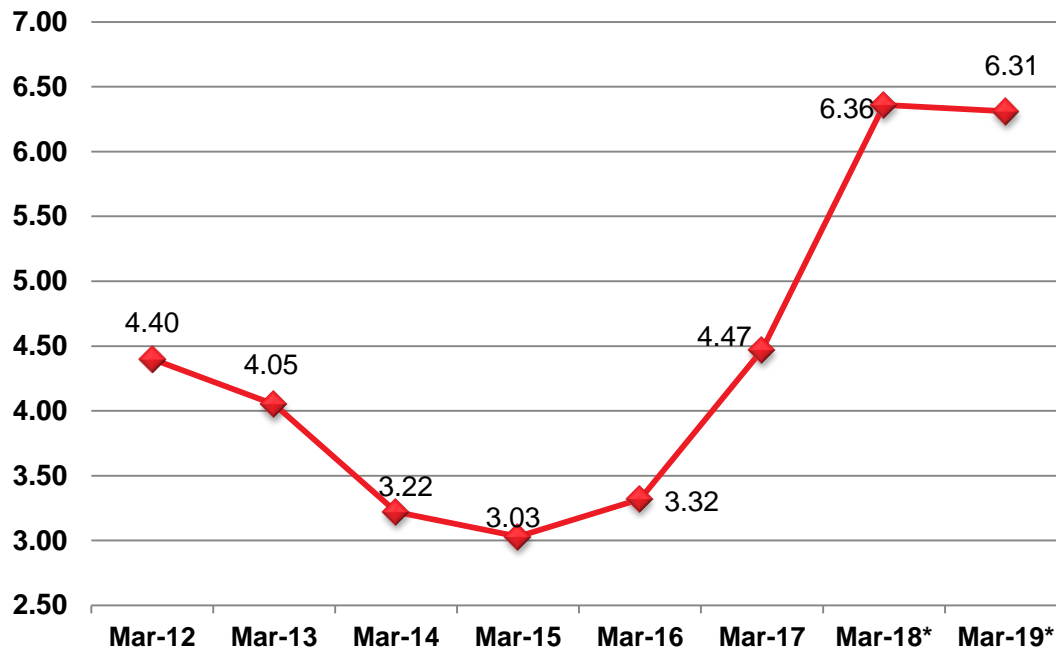


# RETURN ON AVERAGE LOAN ASSETS

## Attractive returns over the years

Yearly (%)

Quarterly (%)



\*Under IND-AS

# IMPAIRMENT OF LOAN ASSETS



Muthoot Finance

## Stage III Loans Assets and ECL Provision

(₹ in millions)

	Jun-19	Mar-19	Jun-18
Stage III Loan Asset	11,474	9,326	8,835
% Stage III Asset on Gross Loan Asset	3.20	2.72	2.85
ECL Provision	6,896	6,359	5,892
ECL Provision as % of Gross Loan Assets	1.93	1.86	1.90
Excess Provision outstanding in books	1,199	1,737	2,204

## Staging Criteria

Stage	Description	Provision Mechanism
Stage 1	0-30 days past due	PDxLGDxStage 1 Asset
Stage 2	> 30 to <= 90 past due	PDxLGDxStage 2 Asset
Stage 3	> 90 days past due	LGD x EAD of Stage 3 Asset
<i>PD-Probability of default</i>	<i>LGD-Loss given default</i>	<i>EAD-Exposure at Default</i>

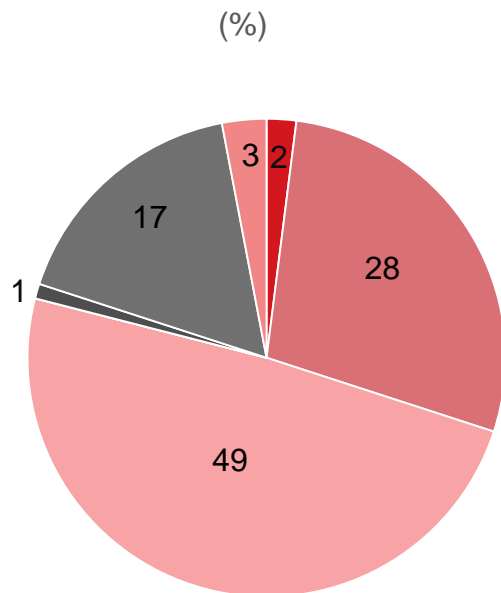
## Bad Debts

(₹ in millions)

	Q1 FY 2020	Q1 FY 2019	FY 2019
Bad Debts Written Off	25	26	259
% of Bad Debts written off to Gross Loan Assets	0.01	0.01	0.08



## Maintaining a diversified funding profile\*



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 4,254 mn (2%)
- Secured Non-Convertible Debentures – Listed – ₹ 79,134 mn (28%)
- Borrowings from Banks/Fis - ₹ 137,773 mn (49%)
- Subordinated Debt – ₹ 246 mn (0%)
- Subordinated Debt – Listed - ₹ 3,849 mn (1%)
- Commercial Paper – ₹ 48,153 mn (17%)
- Other Loans – ₹ 8,076 mn (3%)

*\*Principal amount of Borrowings*

*(As of June 30, 2019)*



# CREDIT RATINGS

## Highest Rating among gold loan companies

### Short-term Rating

	Amt of rating (₹ in million)	Rating	Indicates
<b>COMMERCIAL PAPER</b>			
CRISIL	50,000	CRISIL A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
ICRA	50,000	ICRA A1+	Very strong degree of safety and lowest credit risk
<b>BANK LOANS</b>			
ICRA*	126,530	ICRA A1+	Very strong degree of safety and lowest credit risk

### Long-term Rating

	Amt of rating (₹ 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	20,000	CRISIL AA/(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA	20,000	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*	98,120	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 ₹141,150 millions

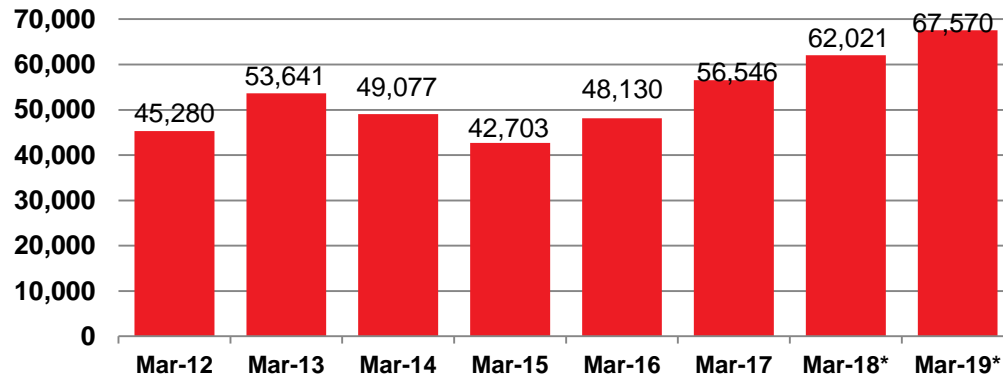


# BREAK-UP OF TOTAL INCOME

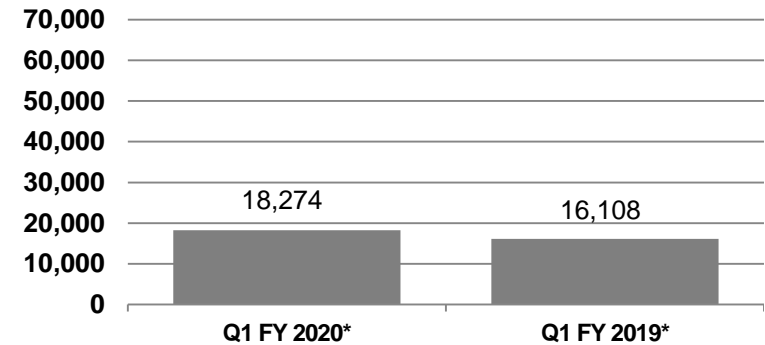
## Interest Income

(₹ in millions)

### Yearly



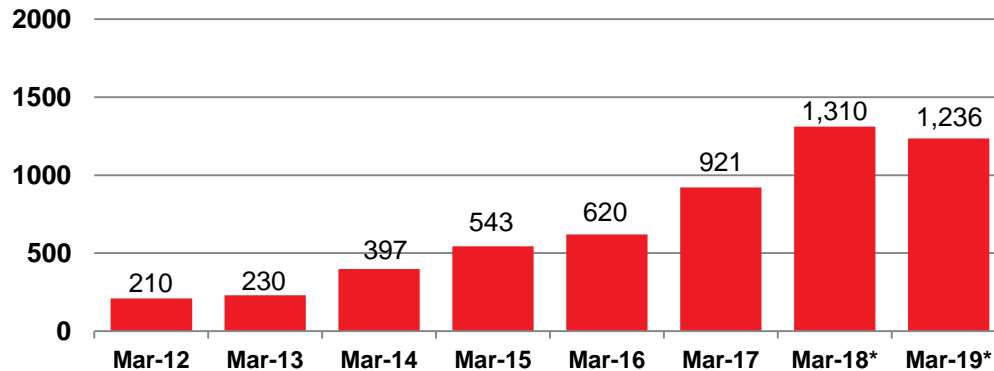
### Quarterly



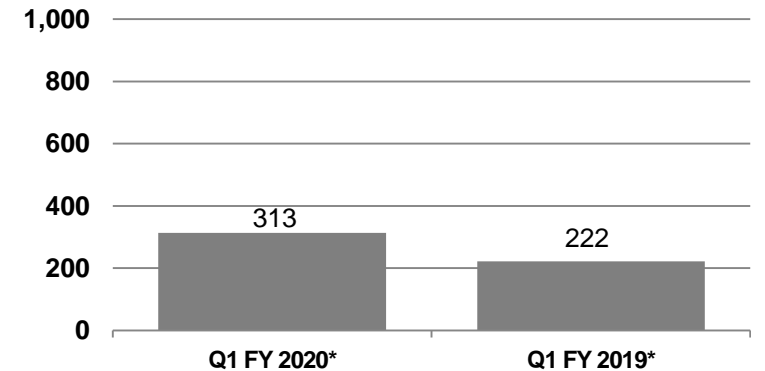
## Other Than Interest Income

(₹ in millions)

### Yearly



### Quarterly



\*Under IND-AS

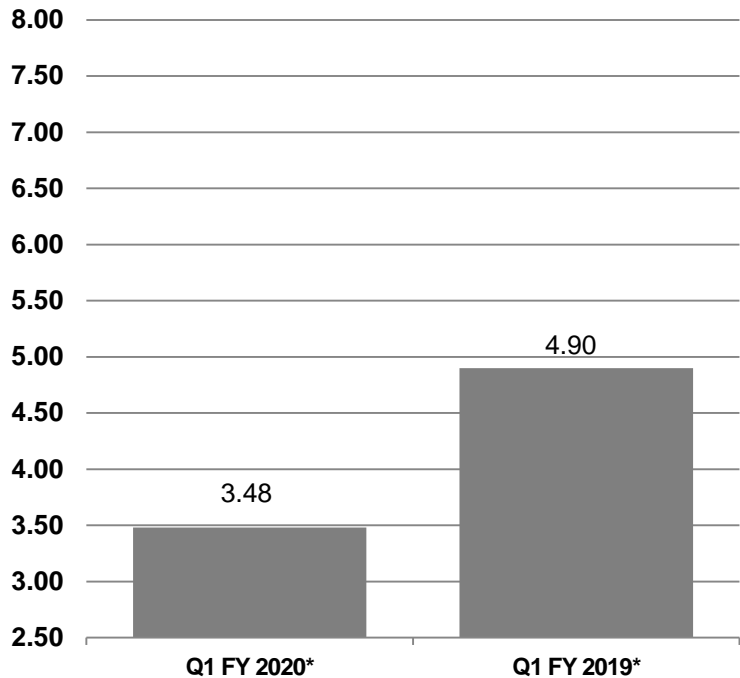
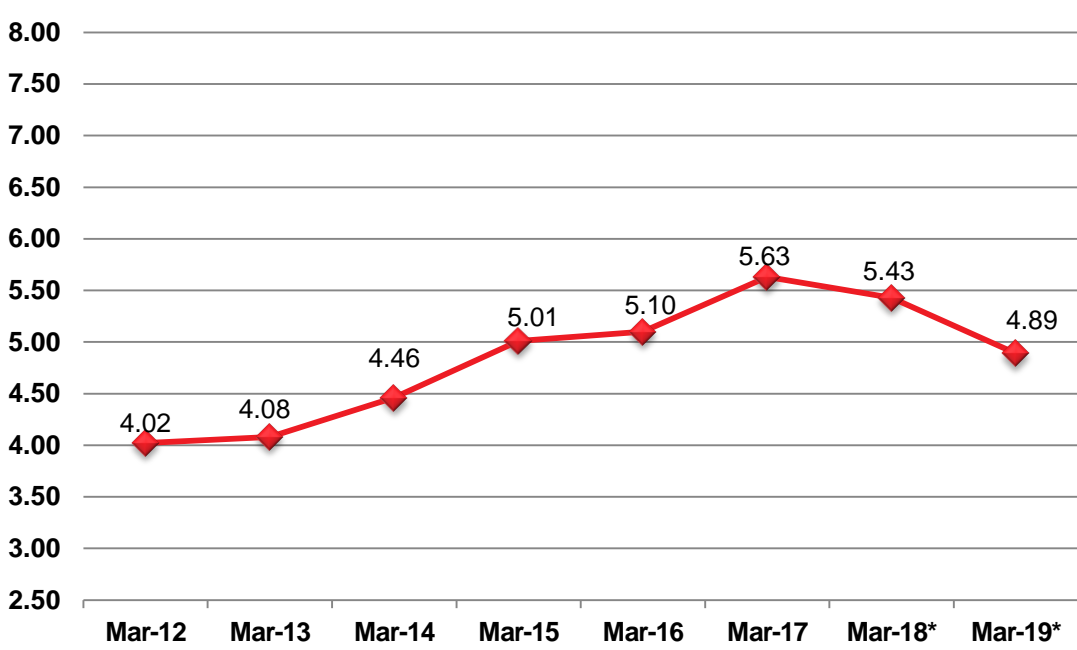


# OPERATING EXPENSES TO AVERAGE LOAN ASSETS

## Operational efficiency over the years

Yearly (%)

Quarterly (%)



\*Under IND AS



## BREAK-UP OF OPERATING EXPENSES

Yearly

(₹ in million)

Quarterly (₹ in millions)

	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Q1 FY 2020*	Q1 FY 2019*
Employee Benefit Expenses	8,414	7,393	7,280	6,418	6,304	5,917	5,453	4,145	2,219	2,102
Rent	1,974	1,913	1,808	1,713	1,650	1,542	1,309	1,042	527	475
Advertisement & Publicity	1,056	720	531	626	651	702	579	866	216	308
Communication Costs	368	404	372	378	371	364	243	184	92	87
Traveling and Conveyance	240	182	186	187	212	190	175	168	57	51
Printing and Stationery	153	136	129	144	160	185	168	155	40	34
Repairs and Maintenance	280	304	362	290	281	272	256	341	66	84
Legal and Professional Charges	203	154	124	93	189	216	86	60	55	46
Business Promotion Expenses	481	209	201	149	140	279	332	267	264	97
Directors Remuneration	561	431	362	196	192	192	192	192	76	67
Depreciation and Amortisation Expenses	421	439	482	575	841	475	454	329	96	91
Others	1,519	3,286	835	1,014	733	731	550	380	297	322
Provision For Standard & NPA Assets	0	0	2,647	1,223	180	214	765	351	0	0
<b>Total</b>	<b>15,670</b>	<b>15,571</b>	<b>15,319</b>	<b>13,006</b>	<b>11,904</b>	<b>11,279</b>	<b>10,562</b>	<b>8,480</b>	<b>4,004</b>	<b>3,764</b>



# BREAK-UP OF OPERATING EXPENSES

	Yearly								Quarterly	
									(%)	(%)
	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Q1 FY 2020*	Q1 FY 2019*
Employee Benefit Expenses	54	47	48	49	53	52	52	49	55	56
Rent	13	12	12	13	14	14	12	12	13	13
Advertisement & Publicity	7	5	3	5	5	6	5	10	5	8
Communication Costs	2	3	2	3	3	3	2	2	2	2
Traveling and Conveyance	2	1	1	1	2	2	2	2	1	1
Printing and Stationery	1	1	1	1	1	2	2	2	1	1
Repairs and Maintenance	2	2	2	2	2	2	2	4	2	2
Legal and Professional Charges	1	1	1	1	2	2	1	1	1	1
Business Promotion Expenses	3	1	1	1	1	2	3	3	7	3
Directors Remuneration	4	3	2	2	2	2	2	2	2	2
Depreciation and Amortisation Expenses	3	3	3	4	7	4	4	4	2	2
Others	10	21	5	8	6	6	5	4	7	9
Provision For Standard & NPA Assets	0	0	17	9	2	2	7	4	0	0
<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>

\*Under IND-AS



# PROFITABILITY RATIOS

Yearly	Yearly (%)								Quarterly (%)		
	(Based on Income)	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Q1 FY 2020*	Q1 FY 2019*
Interest expense to Gross Income		31.07	31.07	39.92	46.31	48.71	53.08	52.34	52.10	34.52	30.72
Selling, general and administrative expenses to Net Income		29.42	29.42	34.88	41.36	48.26	44.66	35.89	35.48	31.85	32.23
Provisions & Write Offs to Net Income		5.57	5.57	8.16	6.20	1.67	1.89	3.49	1.93	0.27	0.23
Operational expenses to Net Income		34.99	34.99	43.03	47.56	49.93	46.55	39.37	37.41	32.12	32.46
OPBDT / Net Income		65.01	65.01	56.97	52.44	50.06	53.45	60.62	62.59	67.88	67.54
Depreciation to Net Income		0.94	0.94	1.33	2.13	3.72	2.03	1.76	1.50	0.79	0.80
OPBT / Net Income		64.07	64.07	55.63	50.31	46.34	51.42	58.86	61.09	67.09	66.73
PBT / Net Income		64.07	64.07	55.63	50.31	46.34	51.42	58.86	61.09	67.09	66.73
PAT / Net Income		39.98	39.98	34.17	30.93	30.23	33.60	39.11	40.93	43.55	43.45

\*Under IND-AS



# PROFITABILITY RATIOS

Yearly  (Based on Average Loan Assets)	Yearly (%)								Quarterly (%)	
	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Q1 FY 2020*	Q1 FY 2019*
Interest income to avg. loan assets	21.63	22.21	21.43	19.72	19.30	20.27	21.66	22.34	20.87	21.35
Interest expense to avg. loan assets	7.16	6.92	8.69	9.25	9.52	10.84	11.38	11.69	7.33	6.67
Net Interest Margin	14.47	15.29	12.74	10.47	9.78	9.42	10.27	10.65	13.54	14.68
Other income to avg. Loan assets	0.40	0.47	0.35	0.25	0.25	0.16	0.09	0.10	0.36	0.37
Net Income Including Other Income	14.87	15.76	13.09	10.72	10.03	9.59	10.37	10.75	13.90	15.05
Selling, general and administrative expenses to avg. loan assets	4.81	5.32	4.56	4.43	4.84	4.28	3.72	3.81	3.44	4.86
Provisions and write offs to avg. loan assets	0.08	0.11	1.07	0.67	0.17	0.18	0.36	0.21	0.04	0.04
PBDT to avg. loan assets	9.98	10.33	7.45	5.62	5.02	5.12	6.28	6.73	10.42	10.15
Depreciation to avg. loan assets	0.12	0.15	0.17	0.23	0.37	0.20	0.18	0.16	1.09	0.11
PBT to avg. loan assets	9.85	10.19	7.28	5.39	4.65	4.93	6.10	6.57	9.32	10.04
Tax to avg. loan assets	3.54	3.82	2.81	2.08	1.62	1.71	2.05	2.17	3.27	3.50
PAT to avg. loan assets	6.31	6.36	4.47	3.32	3.03	3.22	4.05	4.40	6.05	6.54
Cash Profit to avg. loan assets	6.44	6.51	4.65	3.54	3.40	3.42	4.24	4.56	7.15	6.65

\*Under IND-AS



## Efforts getting rewarded

### Profitability at a glance

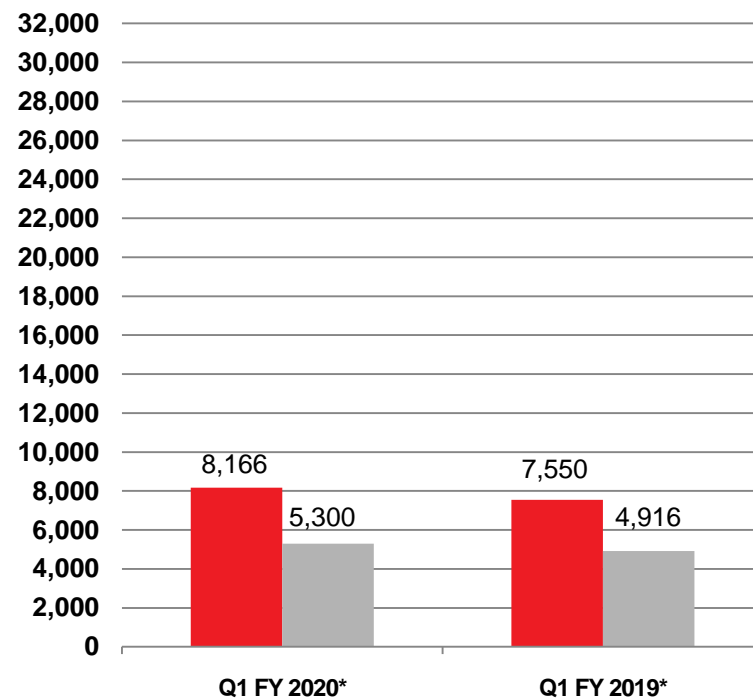
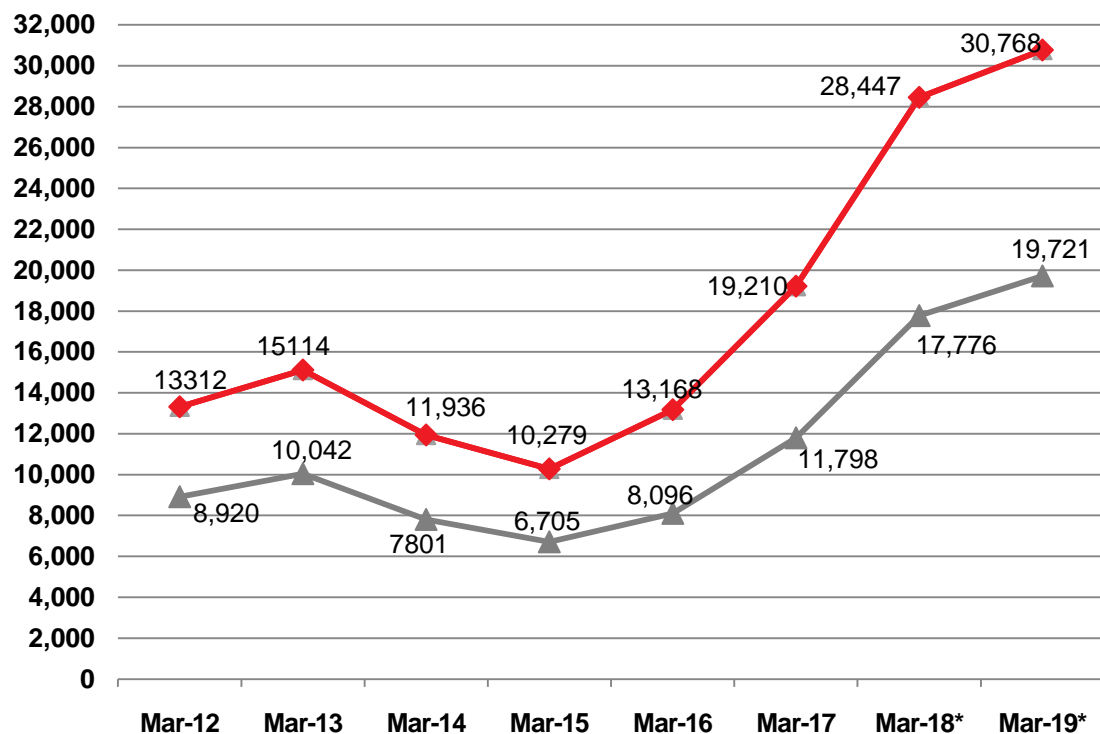
(₹ in millions)

#### Yearly

◆ PBT ▲ PAT

#### Quarterly

■ PBT ■ PAT

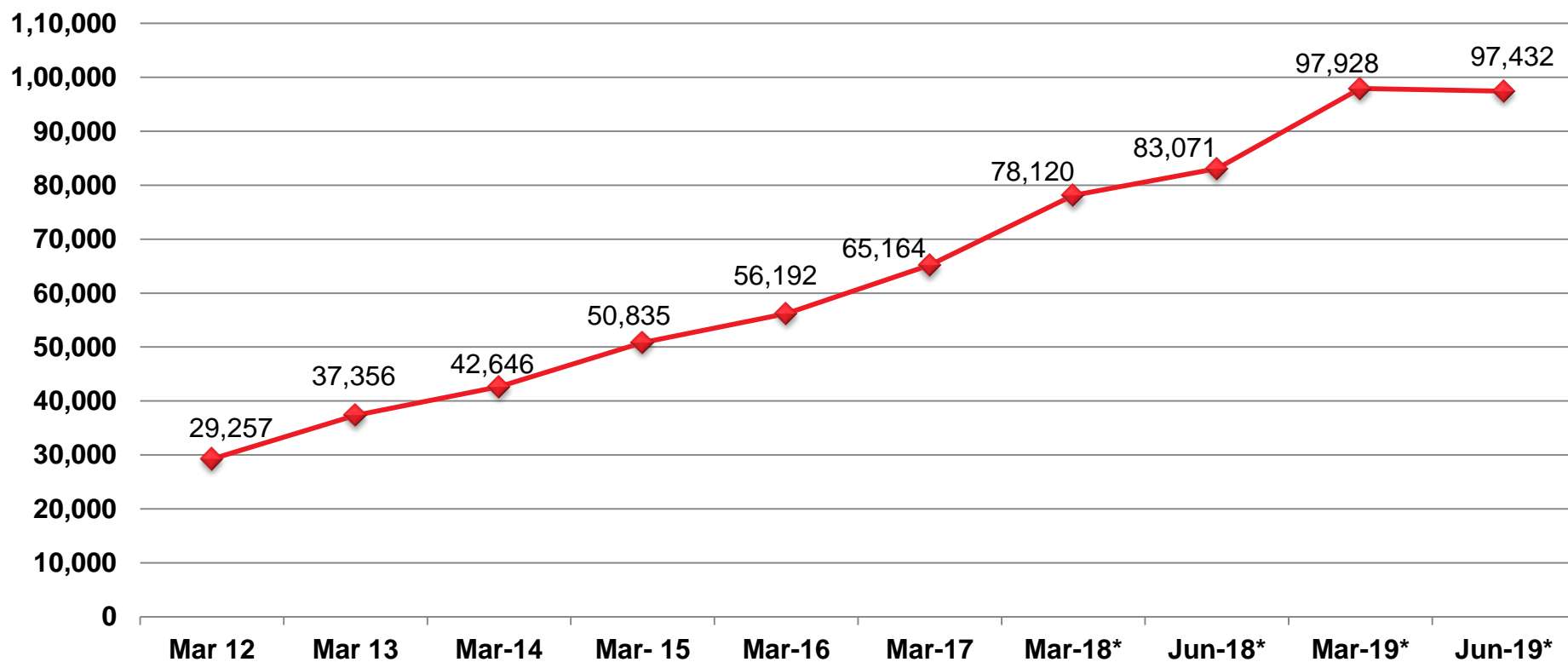


\*Under IND-AS

## Steady capital position

### Share Capital and Reserves & Surplus

(₹ in millions)



\*Under IND-AS



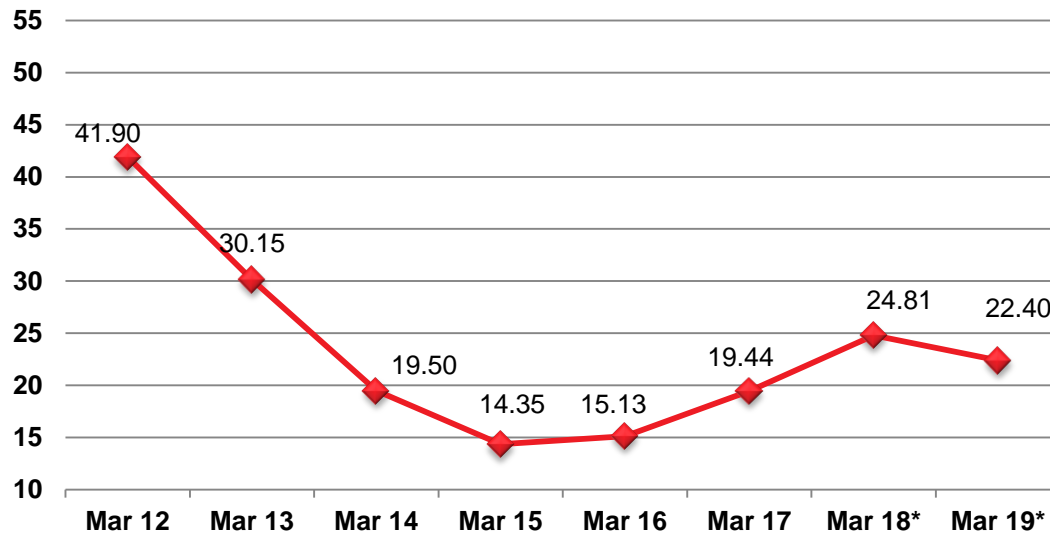
# RETURN ON EQUITY

## Stable shareholder value creation

### Return on Average Equity

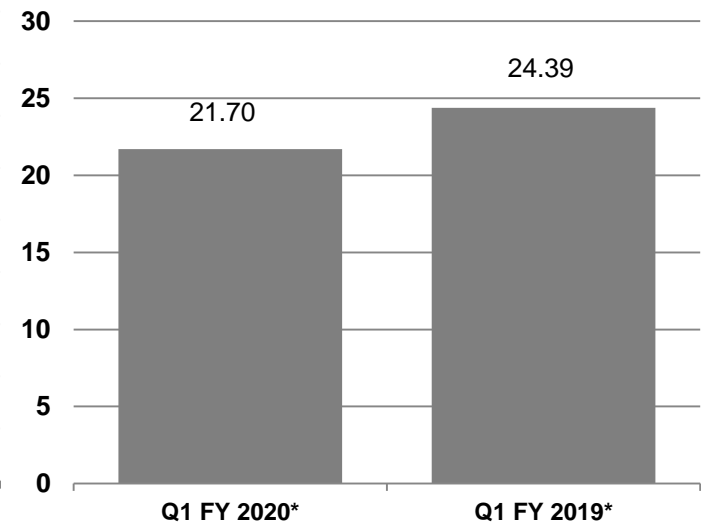
Yearly

(%)



Quarterly

(%)



\*Under IND-AS

## Maintaining capital well above the statutory requirement

### Capital Adequacy Ratio

(%)

	<b>Jun-19</b>	<b>Mar-19</b>	<b>Jun-18</b>
Capital Adequacy Ratio	24.72	26.12	25.89
Tier-I	24.33	25.68	25.23
Tier-II	0.39	0.44	0.66



# MARKET VALUE RATIO

## Equity market valuation ratios indicate potential for upside

	Q1 FY 2020	Q1 FY 2019	FY 2019
Earnings per share (₹)			
- Basic	13.23	12.29	49.27
- Diluted	13.20	12.24	49.18

	Jun-19	Mar-19	Jun-18
Book Value per share (₹)	243.02	244.27	207.44
Market price per share (₹)**	644.8	615.6	379.50
Price to Earnings ratio***	12.84	12.49	8.15
Price to Book Value ratio	2.65	2.52	1.83

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

\*\*\*Based on trailing 12 months EPS



# CAPITALISATION RATIOS

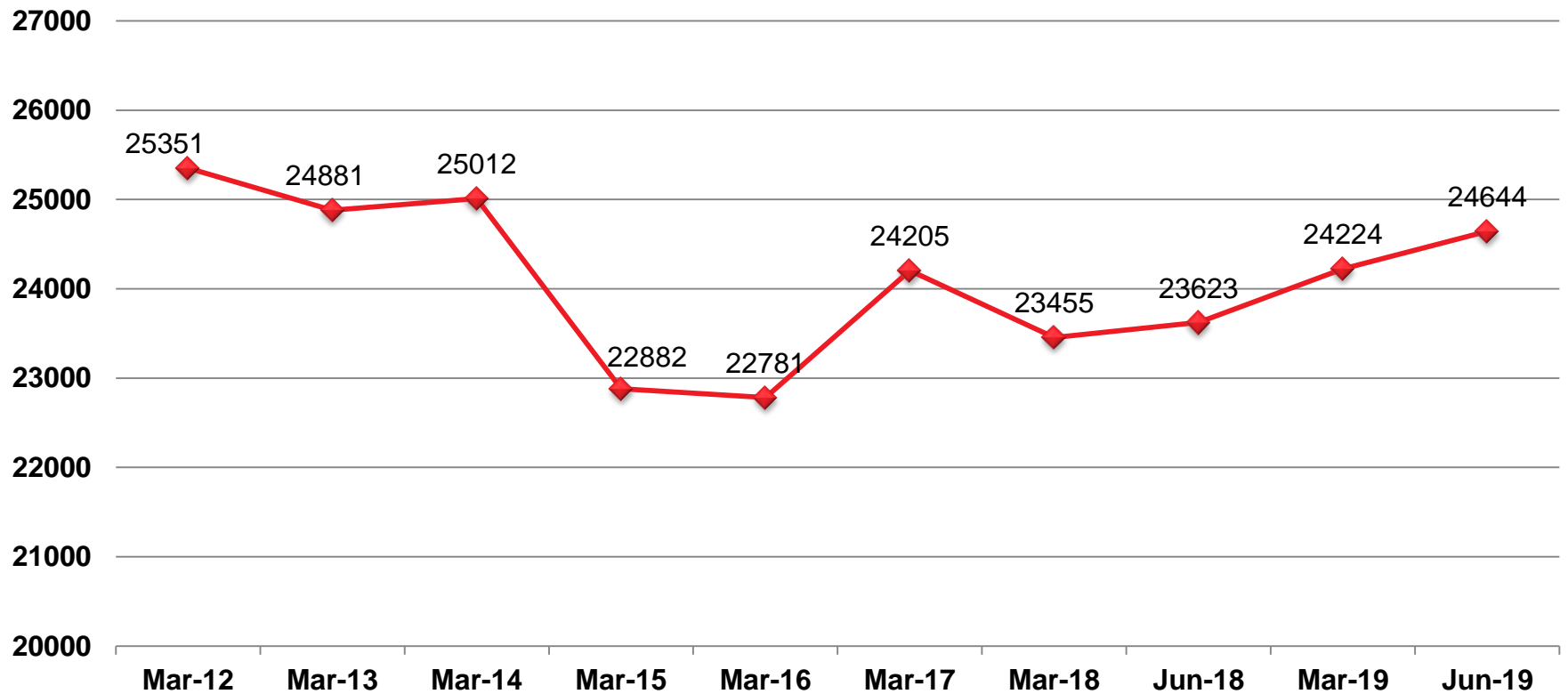
## Headroom for further leveraging

(₹ In millions)

	<b>Jun-19</b>	<b>Mar-19</b>	<b>Jun-18</b>
Outside Liabilities	292,619	282,759	254,559
Cash & Bank Balances	10,829	17,355	8,009
Tangible Networth	97,376	97,868	82,996
Capital Gearing	2.89	2.71	2.97

## 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 June 30, 2019, total holding in AAF stood at 90 million equity shares representing 72.92% of their total capital. The loan portfolio stands at LKR 12,904 million as on June 30, 2019

**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 24 branches across Sri Lanka.

**The company formerly known as Finance and Land Sales has been in operation for over 48 years, evolving to serve the growing needs of people of Sri Lanka.**

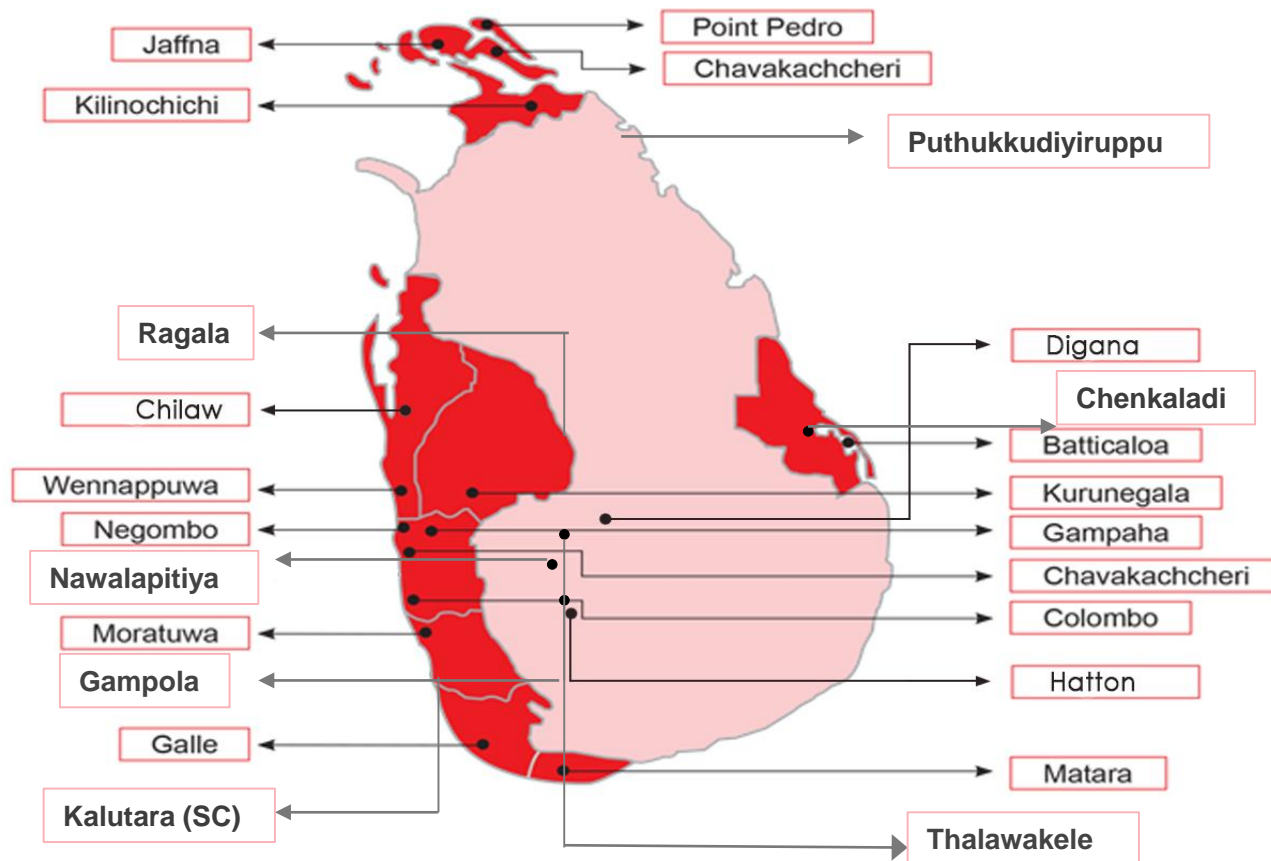
# PRODUCTS



- 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	Q1 FY 2020	Q4 FY 2019	Q1 FY 2019	FY 2019
LKR / INR	0.389803	0.39578	0.43263	0.39578
Number of branches	24	23	17	23
Number of Employees	559	553	493	553
Loan AUM (LKR)	12,904	12,569	10,680	12,569
Capital Adequacy Ratio (%)	21	19	22	19
Total Revenue (LKR)	798	777	687	2,869
Total Expense (LKR)	770	765	655	2,775
Profit Before Tax (LKR)	28	12	32	94
Profit After Tax (LKR)	25	49	16	101
Share Holders Funds (LKR)	2,129	1,953	1,875	1,953
Total Outside Liabilities (LKR)	12,237	11,946	10,151	11,946
Total Assets (LKR)	14,366	13,899	12,026	13,899

**OUR SUBSIDIARY**





Muthoot Homefin (India) Limited is a Housing Finance Company registered with The National Housing Bank (NHB). It became a wholly owned subsidiary of Muthoot Finance Ltd in Aug'17.

**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, Madhya Pradesh, Chandigarh, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Haryana, Punjab, Delhi, Tamil Nadu, Chattisgarh and Pondicherry.

**As on June 30, 2019, it has a loan portfolio of Rs.19,875 million.**

ICRA assigned Long Term Debt Rating of ICRA AA-(Stable) for its Bank limits and Short Term Debt Rating of ICRA A1+ for its Commercial Paper. CRISIL Upgraded long term rating from AA-(Stable) to AA (Stable).

**Business Performance**

(₹ in millions)

Particulars	Q1 FY 2020	Q4 FY 2019	Q1 FY 2019	FY 2019
Number of branches	101	96	70	96
Number of Sales Offices	132	132	132	132
Number of Employees	401	382	243	382
Loan AUM (₹)	19,875	19,075	16,210	19,075
Capital Adequacy Ratio (%)	45	47	28	47
Total Revenue (₹)	620	651	487	2,257
Total Expense (₹)	530	564	335	1,746
Profit Before Tax (₹)	90	87	152	511
Profit After Tax (₹)	62	61	105	363
Share Holders Funds (₹)	4,004	3,942	2,184	3,942
Total Outside Liabilities (₹)	16,173	15,530	14,630	15,530
Total Assets (₹)	20,177	19,472	16,814	19,472

**Muthoot Homefin****Muthoot Finance**

## Business Performance

(₹ in millions)

Particulars	Q1 FY 2020	Q4 FY 2019	Q1 FY 2019	FY 2019
Disbursement (₹)	1,094	1,738	1,860	6,543
Borrowings (₹)	16,022	15,420	14,394	15,420
Debt Equity Ratio (%)	3.99	3.91	6.59	3.91
Yield on Advances (%)	12.70	12.65	12.09	12.22
Interest Spread (%)	3.36	3.45	3.53	3.36
NIM (%)	5.40	5.66	5.49	5.35
Cost to Income Ratio (%)	28.68	38.30	18.42	26.10
Return on Assets (ROA) (%)	1.29	1.76	2.97	2.22
Return on Equity (ROE) (%)	6.28	8.30	20.03	14.11
Stage III Loan Assets	160	142	83	142
% Stage III asset on Gross Loan Asset	0.81	0.74	0.51	0.74
Stage III ECL Provision	56	22	12	22
ECL Provision	134	37	77	37
ECL Provision as a % of Gross Loan Asset	0.68	0.19	0.47	0.19
Number of Customers	23,621	23,466	18,287	23,466





## Financial Highlights

- Disbursements in Q1 FY 2020: Rs 1,094 mn. Loan Book as on June 30, 2019: Rs 19,875 mn
- Average Ticket Size in Q1 FY 2020: Rs.1.05 mn
- Business Presence: Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, Kerala, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Haryana, Chandigarh, Delhi, Punjab, Tamil Nadu, Chattisgarh and Pondicherry Presence in 101 locations
- ROA for Q1 FY 2020: 1.29%, ROE for Q1 FY 2020: 6.28%
- Average cost of borrowings of 9.34% for Q1 FY 2020. Capital Adequacy Ratio: 45.02%, Debt Equity Ratio: 3.99
- Average Yield: 12.70%, Interest Spread: 3.36%

## Growth Drivers

- Increasing the leverage from 3.99x currently will help to improve the ROE
- CRISIL Upgraded long term rating from AA-(Stable) to AA (Stable). This will help in reducing cost of funds
- Strong liquidity in Group's balance sheet, along with its free cash flows to fund the capital requirements
- Established corporate brand name among borrower segment, superior customer servicing capabilities and effective loan recovery mechanisms
- Tier II / III cities focused distribution network with a in-house sales team along with cross-sale to the existing gold loans customers of the group

## Profitability

- Long Term Rating from CRISIL AA (stable) which indicates low risk will help in lower cost of funds. Short Term Rating : ICRA A1+ / CARE A1+
- Debt/Equity ratio at 3.99 times as on June 30, 2019, indicates ample scope for financial leverage to increase ROE
- Infrastructure sharing with the parent (Muthoot Finance) helps reduce overall Opex

## Opportunities

- Our focus segment, "affordable housing finance" is centered around the Government initiative of "Housing for All" by 2022
- Government promoted schemes such as PMAY-CLSS will benefit the end consumers.
- Huge shortfall for housing units in EWS / LIG segment in India
- Attraction of builders to the construction of affordable housing due to Infrastructure status given in Union Budget
- Increase in affordability driven by sustained GDP growth rate and stable property prices.
- Decrease in average members per household and emergence of nuclear families
- Increase in workforce to be driven by expected bulge in working age population
- Increasing urbanization led by rural-urban migration and reclassification of rural towns

## OUR SUBSIDIARY





## MUTHOOT INSURANCE – AN OVERVIEW



MIBPL became a wholly owned subsidiary of Muthoot Finance Ltd in Sep 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 Q1 FY20, it has insured more than 4,33,000 lives with a First year premium collection of Rs.358 million  
During Q1 FY19, it has insured more than 4,45,000 lives with a First year premium collection of Rs.347 million under Traditional ,Term and Health products..

**Key Business Parameters**

(₹ in millions)

Particulars	Q1 FY 2020	Q4 FY 2019	Q1 FY 2019	FY 2019
Premium Collection (₹)	606	887	495	2,676
Number of Policies	4,41,204	6,78,567	4,50,376	22,40,560

**Key Financial Parameters**

(₹ in millions)

Particulars	Q1 FY 2020	Q4 FY 2019	Q1 FY 2019	FY 2019
Total Revenue (₹)	54	87	42	251
Total Expense (₹)	14	10	8	36
Profit Before Tax (₹)	40	78	34	215
Profit After Tax (₹)	27	54	24	150
Share Holders Funds (₹)	453	427	300	427
Earnings per share (₹)	35	72	32	201

## OUR SUBSIDIARY



**BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED**

*A Subsidiary of Muthoot Finance Limited*

## BELSTAR INVESTMENT AND FINANCE – AN OVERVIEW *Muthoot Finance*



As of June 2019, Muthoot Finance holds 70.01% 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 0.20 mn.

In the last ten 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 June 30, 2019, BIFPL operations are spread over 11 states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Pondicherry, Chattisgarh, Gujarat, Rajasthan, Bihar and Uttar Pradesh). It has 441 branches, with 82 controlling regional offices and employs 3309 staffs. Its gross loan portfolio has grown from INR 0.20 mn in March 2009 to INR 19,385 mn in June 2019



## Key Financial Parameters

(₹ in millions)

Particulars	Q1 FY 2020	Q4 FY 2019	Q1 FY 2019	FY 2019
Number of Branches	441	400	257	400
Number of Employees	3,309	2,876	2,046	2,876
Gross Loan AUM (₹)	19,385	18,419	12,372	18,419
Capital Adequacy Ratio (%)	23	26	15	26
Total Revenue (₹)	1,079	1,069	739	3,681
Total Expense (₹)	769	766	561	2,650
Profit Before Tax (₹)	310	303	178	1,031
Profit After Tax (₹)	229	204	124	729
Stage III Loan Assets	224	211	87	211
% Stage III asset on Gross Loan Asset	1.16	1.15	0.70	1.15
Stage III ECL Provision	203	188	82	188
ECL Provision	271	264	153	264
ECL Provision as a % of Gross Loan Asset	1.40	1.43	1.24	1.43
Shareholders Funds (₹)	4,243	4,002	1,387	4,002
Total Outside Liabilities (₹)	15,655	16,437	12,759	16,437
Total Assets (₹)	19,898	20,439	14,146	20,439

## OUR SUBSIDIARY





# MUTHOOT MONEY– AN OVERVIEW



Muthoot Money Ltd (MML), became a wholly owned subsidiary of Muthoot Finance Ltd in October 2018. MML is a RBI registered Non- Banking Finance Company engaged mainly in extending loans for vehicles. The operations are now centered in Hyderabad. Recently , Company has started extending loans for Commercial Vehicles and Equipments.

As on 31<sup>st</sup> March, 2019 it has a total loan portfolio of Rs.3,927 million.

**Key Financial Parameters**

(₹ in millions)

<b>Particulars</b>	<b>Q1 FY 2020</b>	<b>Q4 FY 2019</b>	<b>FY 2019</b>
Number of branches	24	21	21
Number of Employees	245	247	247
Gross Loan AUM (₹)	3,927	3,107	3,107
Capital Adequacy Ratio(%)	26	32	32
Total Revenue (₹)	142	90	156
Total Expense (₹)	132	57	149
Profit Before Tax (₹)	9	33	7
Profit After Tax (₹)	(0.40)	31	3
Stage III Loan Assets	12	-	-
% Stage III asset on Gross Loan Asset	0.30	-	-
Stage III ECL Provision	12	-	-
ECL Provision	48	15	15
ECL Provision as a % of Gross Loan Asset	1.24	0.47	0.47
Shareholders Funds (₹)	1,035	1,035	1,035
Total Outside Liabilities (₹)	3,116	2,317	2,317
Total Assets (₹)	4,151	3,352	3,352

## OTHER SUBSIDIARIES

### MUTHOOT ASSET MANAGEMENT PRIVATE LIMITED

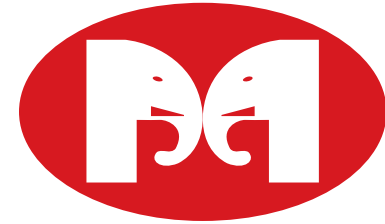
(₹ In millions)

	<b>Q1 FY 2020</b>	<b>FY 2019</b>
Networth	1,008	512

### MUTHOOT TRUSTEE PRIVATE LIMITED

(₹ In millions)

	<b>Q1 FY 2020</b>	<b>FY 2019</b>
Networth	10	1



# ***Muthoot Finance***

## **REGISTERED OFFICE**

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

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Fax: (91484) 2396506

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**CIN:** L65910KL1997PLC011300

**RBI Reg No:** N 16.00167

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## **EMAIL**

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**(Institutional Investors)**

[investorrelations@muthootfinance.com](mailto:investorrelations@muthootfinance.com)

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