



**Muthoot Finance Limited**

Registered Office :  
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Kerala, India.  
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www.muthootgroup.com

Scrip Code: **533398**  
Symbol: **MUTHOOTFIN**

Ref: SEC/MFL/SE/2019/3155

May 13, 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,

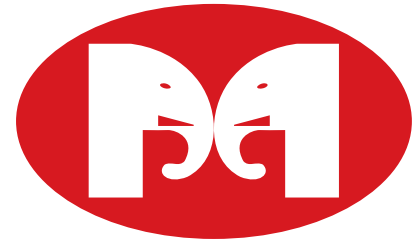
**Re: Investor Presentation: Quarter and Financial year ended March 31, 2019**

We herewith enclose a copy of the investor presentation for the Quarter and Financial year ended March 31, 2019.

This is for your kind information and record thereon.

For **Muthoot Finance Limited**

Maxin James  
Company Secretary



***Muthoot Finance***

**Financial Results Q4 FY 2019**

**March 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.

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.

## DISCLAIMER w.r.t adoption of IND-AS

- This is the **first time adoption** of Indian Accounting Standards (“**IND-AS**”) for the purposes of the Company’s financial reporting.
- The **impact of the transition** from previous GAAP (“**I-GAAP**”) has been made in the **opening reserves of FY 2018**
- Except the **quarterly/ half yearly/nine months profit & loss account** which have been subject to **limited review and audited financial statements for FY 2019**, all other reporting and disclosure made in the presentation are based on management reports. The auditors have not reviewed any of those disclosures.
- The disclosures provided here are to **merely provide a summary of the performance** and for comparing key differences with previous accounting standards.
- There is **possibility of the financial results and the additional disclosures to be updated, modified or amended** because of adjustments which may be required to be made on account of introduction of new standards or its interpretation, receipt of guidelines or circulars from regulatory bodies and/or Reserve Bank of India and/or changes because of exercising any available exemptions
- Financial Statements of subsidiaries for FY 2018-19 are under IND-AS.

## 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 Private Limited	Vehicle Finance	100.00
Asia Asset Finance PLC	Listed Diversified NBFC in Sri Lanka	69.17
Muthoot Insurance Brokers Private Limited	Insurance Broking	100.00

## Snapshot of performance

	FY 2019	FY 2018	YoY(%)
<b>Group Branch Network (Nos)</b>	5,020	4,596	9.23
<b>Consolidated Gross Loan Assets* of the Group (₹ in million)</b>	383,036	319,213	20
<b>Consolidated Profit of the Group (₹ in million)</b>	21,030	18,438	14
<b>Contribution in the Consolidated Gross Loan Assets* of the Group</b>			
Muthoot Finance (%)	88	91	(3)
Subsidiaries (%)	12	9	26
<b>Contribution in the Consolidated Profit of the Group</b>			
Muthoot Finance (%)	94	96	(3)
Subsidiaries (%)	6	4	74

\*Principal amount of Loan assets

## Gross Loan Assets\* of the Group

(₹ in millions)

	<b>FY 2019</b>	<b>FY 2018</b>	<b>YoY (%)</b>
Muthoot Finance Ltd	342,461	291,420	18
Muthoot Homefin (India) Ltd	19,075	14,589	31
Belstar Investment and Finance Private Limited	18,419	11,381	62
Muthoot Money Private Limited	3,107	-	
Asia Asset Finance PLC	4,974	4,153	20
Less: Intra-Group Loan Assets	5,000	2,330	
<b>Total</b>	<b>383,036</b>	<b>319,213</b>	<b>20</b>

*\*Principal amount of Loan assets*

## Standalone Profit of Group Companies

(₹ in millions)

	FY 2019	FY 2018
Muthoot Finance Ltd	19,721	17,776
Muthoot Homefin (India) Ltd	363	223
Muthoot Insurance Brokers Private Limited	150	105
Belstar Investment and Finance Private Limited	729	270
Muthoot Money Private Limited	3	2
Asia Asset Finance PLC	41	25
Muthoot Asset Management Private Limited	2	-
Muthoot Trustee Private Limited	-	-
<b>Total</b>	<b>21,009</b>	<b>18,401</b>



**CONSOLIDATED FINANCIAL RESULTS**

(₹ in millions)

<b>Particulars</b>	<b>FY 2019</b>	<b>FY 2018</b>
<b>Income</b>		
Interest Income	74,160	66,124
Service Charges	881	641
Sale of Services	230	227
Other Income	66	690
Income other than above	673	135
<b>Total Income</b>	<b>76,010</b>	<b>67,817</b>
<b>Expenses</b>		
Finance Cost	25,355	21,271
Impairment of Financial Instruments	679	2,713
Employee Benefit Expenses	10,133	8,480
Depreciation and Amortisation	517	519
Other Expenses	6,732	5,413
<b>Total Expenses</b>	<b>43,415</b>	<b>38,396</b>
<b>Profit before tax</b>	<b>32,595</b>	<b>29,421</b>
Tax expense	11,566	10,983
<b>Profit after Tax</b>	<b>21,030</b>	<b>18,438</b>
Earnings per share –Basic (₹)	49.52	46.13
Earnings per share –Diluted (₹)	49.42	45.98

**CONSOLIDATED BALANCE SHEET**

(₹ in millions)

<b>Particulars</b>	<b>FY 2019</b>	<b>FY 2018</b>
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	20,057	6,412
Bank Balance other than above	1,978	1,058
Trade Receivables	217	267
Loans	387,225	322,523
Investments	2,111	1,773
Other Financial Assets	1,796	1,313
<b>Non-Financial Assets</b>		
Current Tax Assets(Net)	20	-
Deferred Tax Assets(Net)	369	192
Investment Property	157	148
Property ,Plant and Equipment	2,056	2,046
Capital Work- In- Progress	228	57
Goodwill	300	212
Other Intangible Assets	80	108
Other Non Financial Assets	753	609
<b>Total- Assets</b>	<b>417,348</b>	<b>336,718</b>

**CONSOLIDATED BALANCE SHEET**

(₹ in millions)

<b>Particulars</b>	<b>FY 2019</b>	<b>FY 2018</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Trade Payables	1,664	1,260
Debt Securities	82,149	54,978
Borrowings(other than Debt securities)	211,314	170,704
Deposits	2,619	2,653
Subordinated Liabilities	5,193	11,573
Other Financial Liabilities	10,466	13,505
<b>Non-Financial Liabilities</b>		
Current Tax Liabilities(net)	612	864
Provisions	2,165	2,279
Deferred Tax Liabilities(net)	10	-
Other Non-Financial Liabilities	419	603
<b>EQUITY</b>		
<b>Equity attributable to equity owners of the company</b>	<b>99,312</b>	<b>78,566</b>
Non-Controlling Interest	1,424	733
<b>Total Liabilities and Equity</b>	<b>417,348</b>	<b>33,6718</b>

- 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



### OTHER SERVICES



Money Transfer Services



White Label ATM



National Pension Scheme



Personal Loans



Collection Services



Wind Mill Power Generation

**29**

States/Union territory presence

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**169 tonnes**

Gold jewellery kept as security

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**4,400+**

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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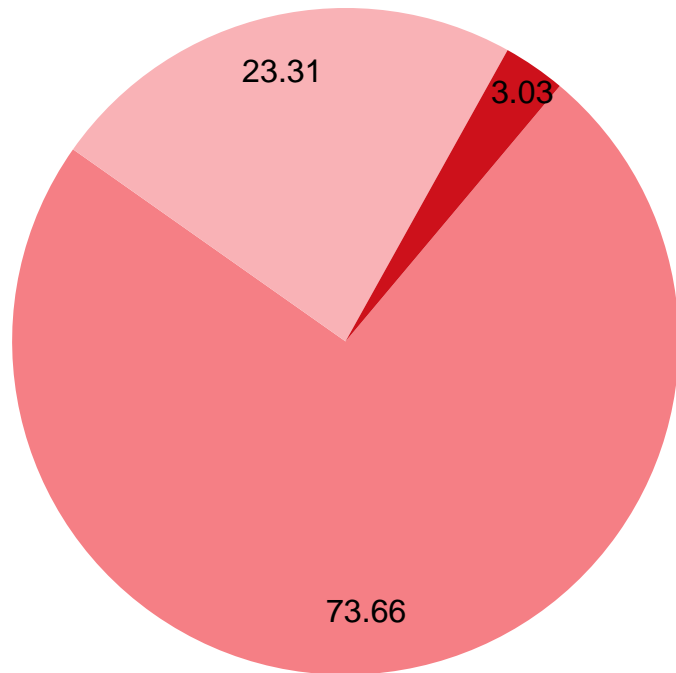
**₹ 342,461 mn**

Loan Assets Under Management

*(As of March 31, 2019)*

# SHAREHOLDING PATTERN

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



(%) Shareholding as on March 31, 2019

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

**NSE Ticker**

MUTHOOTFIN

**BSE Ticker**

533398

**Market Capitalisation**

(as on March 31, 2019)

₹ 246,647 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	

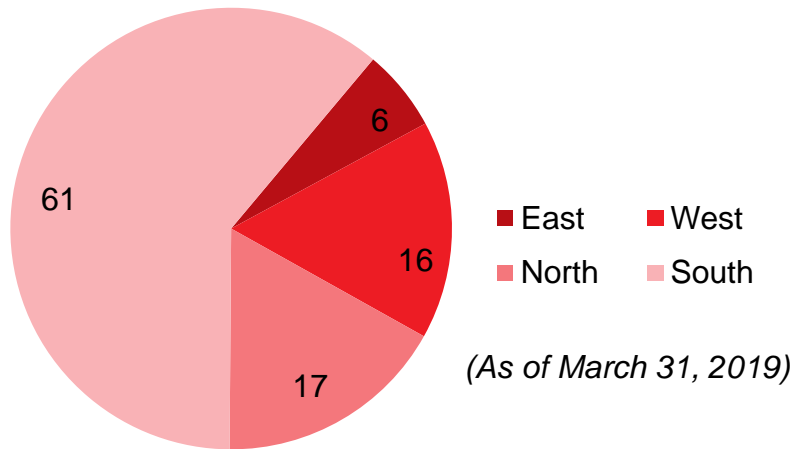
\* On face value of ₹ 10 per equity share



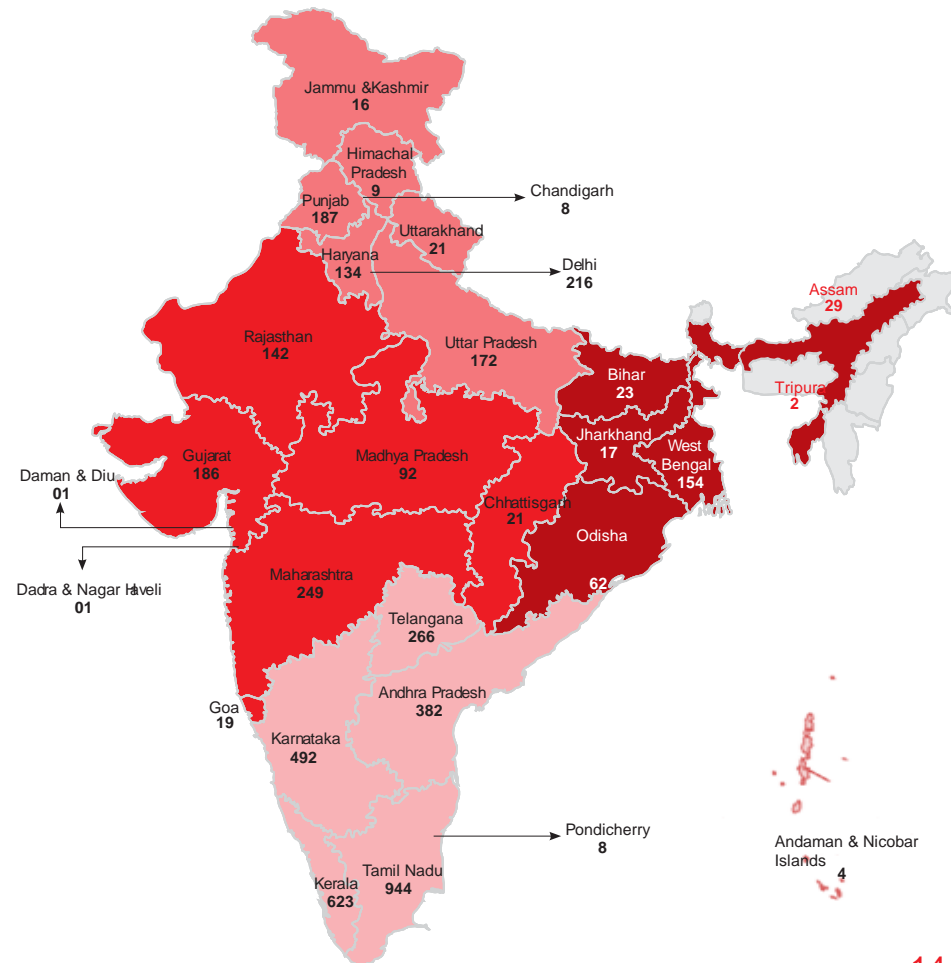
# GEOGRAPHICAL PRESENCE

## A strong presence of 4480 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 8.7 lakhs downloads.
- Online Gold Loan (OGL) facility available to withdraw loan amount and renewal, apart from payments.
- Rs.536 crs payments received from 6.28 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.
- e-Sign facility has been introduced in Jan'18.



# EQUITY

## Strong Capital Base

### Networth

(₹ in millions)

	<b>Mar-19</b>	<b>Dec-18</b>	<b>Sep-18</b>	<b>Jun-18</b>	<b>Mar-18</b>
Equity Share Capital	4,007	4,006	4,002	4,001	4,000
Other Equity	93,921	88,776	83,903	79,070	74,120
<b>Total</b>	<b>97,928</b>	<b>92,782</b>	<b>87,905</b>	<b>83,071</b>	<b>78,120</b>



## Migration to IND-AS- Initial Adjustment to Reserves

Impact of migration to IND-AS was made in the Opening Reserves of FY 2018

Particulars	(₹ in millions)
<b>Opening Reserves &amp; Surplus as per Indian GAAP as at 1<sup>st</sup> April 2017</b>	<b>65,164</b>
<b>Adjustments:</b>	
Impact on application of Expected Credit Loss method for loan loss provisions and related adjustments as per IND AS 109	(382)
Amortisation of net income under Effective Interest Rate Method for Financial Assets	(101)
Amortisation of expenses under Effective Interest Rate method for Financial Liabilities	234
Reversal of derivative liability recognised on transition	(59)
Fair value of Investments	86
Tax adjustments on above items	77
<b>Opening Reserves &amp; Surplus as of 1<sup>st</sup> April 2017</b>	<b>65,019</b>

## Core focus continues to be gold loan

### Gross Loan Assets under management\*

	<b>Mar-19</b>	<b>Dec-18</b>	<b>Sep-18</b>	<b>Jun-18</b>	<b>Mar- 18</b>	<b>Growth</b>	<b>Growth</b>
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross loan assets under management	342,461	324,704	323,186	309,966	291,420	18	5

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

Gold Loans under management	335,853	317,939	320,373	305,621	288,484	16	6
Other loans	6,608	6,765	2,812	4,345	2,936	125	(2)

\*Principal amount of Loan assets

# LIABILITIES

## Stable sources of funding\*

	<b>Mar-19</b>	<b>Dec-18</b>	<b>Sep-18</b>	<b>Jun-18</b>	<b>Mar-18</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)	5,351	6,584	7,034	7,645	8,769	(39)	(19)
Secured Non-Convertible Debentures- Listed	75,147	73,120	75,151	70,966	43,842	71	3
Borrowings from Banks/FIs	131,043	121,305	118,051	109,713	111,836	17	8
Subordinated Debt	597	1,179	2,999	5,701	7,388	(92)	(49)
Subordinated Debt -Listed	3,849	3,849	3,849	3,849	3,849	0	0
Commercial Paper	47,525	40,055	30,078	27,395	28,181	69	19
Other Loans	5,711	6,114	6,176	7,023	8,815	(35)	(7)
<b>Total</b>	<b>269,223</b>	<b>252,206</b>	<b>243,337</b>	<b>232,292</b>	<b>212,680</b>	<b>27</b>	<b>7</b>

\*Principal amount of Borrowings



## REVENUE &amp; PROFIT

## Statement of Profit &amp; Loss

(₹ in millions)

	FY 2019	FY 2018	YoY Growth (%)	Q4 FY 2019	Q3 FY 2019	Q2 FY 2019	Q1 FY 2019
<b>INCOME</b>							
Interest Income	67,570	62,021	9	18,319	16,827	16,316	16,108
Other than Interest Income	1,236	1,310	(6)	485	344	185	222
<b>Total</b>	<b>68,806</b>	<b>63,331</b>	<b>9</b>	<b>18,804</b>	<b>17,171</b>	<b>16,501</b>	<b>16,330</b>
<b>EXPENSES</b>							
Finance Cost	22,368	19,314	16	6,110	5,888	5,354	5,016
Employee benefit Expense	8,414	7,393	14	2,381	1,913	2,019	2,102
Administrative & Other expenses	5,998	4,912	22	1,687	1,350	1,484	1,478
Impairment on Financial Instruments	275	2,396	(89)	204	19	25	26
Directors Remuneration	561	431	30	360	67	67	67
Depreciation & Amortisation	421	438	(4)	120	110	100	91
<b>Total</b>	<b>38,037</b>	<b>34,884</b>	<b>9</b>	<b>10,862</b>	<b>9,347</b>	<b>9,048</b>	<b>8,780</b>
<b>PROFIT</b>							
Profit Before Tax	30,768	28,447	8	7,942	7,823	7,453	7,550
Profit After Tax	19,721	17,776	11	5,115	4,852	4,838	4,916



## Reconciliation of IND-AS Migration

### I-GAAP and IND-AS Reconciliation

(₹ in millions)

**Standalone****Consolidated****FY 2018****FY 2018****Net Profit after Tax reported under Previous GAAP****17,202****17,987**

Adjustments increasing/(decreasing) net profit after tax as reported in the previous GAAP:

Impact on application of Expected Credit Loss method for loan loss provisions and related adjustments as per IND AS 109

897

897

Amortisation of net income under Effective Interest Rate method for Financial Assets

(58)

(190)

Amortisation of expenses under Effective Interest Rate method for Financial Liabilities

85

56

Net gain on fair Valuation of Investments

0.28

0.28

Reversal of derivative liability recognised on transition

59

59

Reclassification of Actuarial Gain/Loss to Other Comprehensive Income

(93)

(64)

Fair Valuation of Employee Stock Options

(15)

(45)

Others

-

(19)

Tax adjustments on above items

(303)

(248)

**Net Profit after tax as under IND AS****17,776****18,434**

Other Comprehensive Income/Loss(Net of tax)

61

54

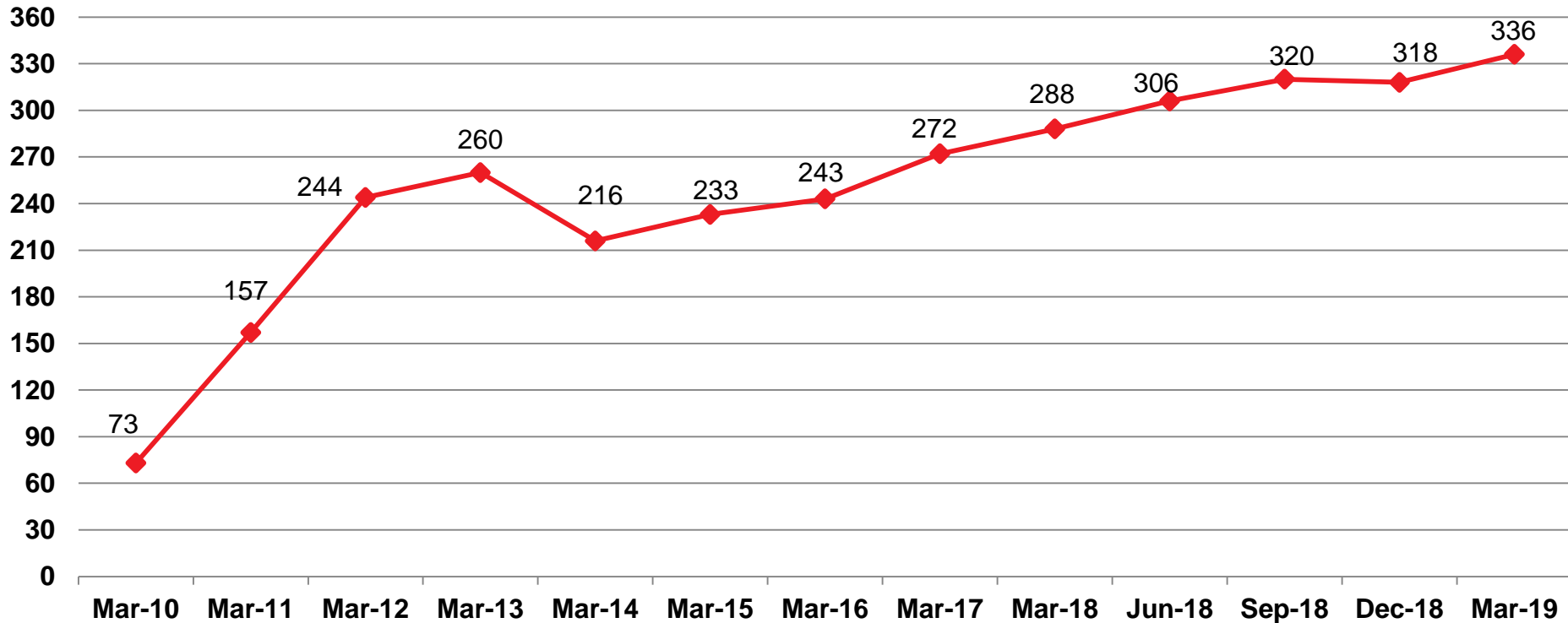
**Total Comprehensive Income(after tax) as reported under IND AS****17,837****18,488**



## Gaining scale over the years

Gold Loan Assets Under Management\*

(₹ in billions)

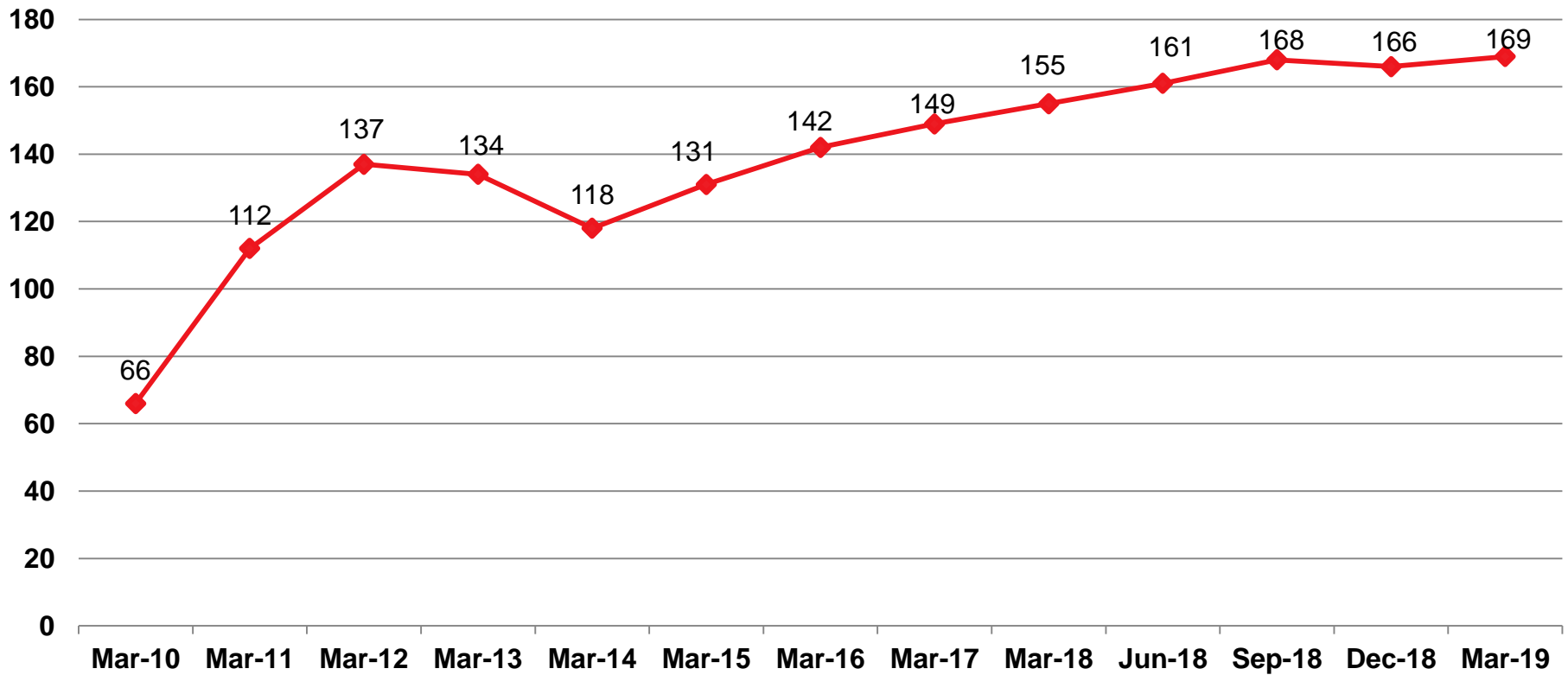


\*Principal amount of gold Loan assets

## Carrying the trust of millions of our customers

### Gold jewellery kept as security

(In tonnes)

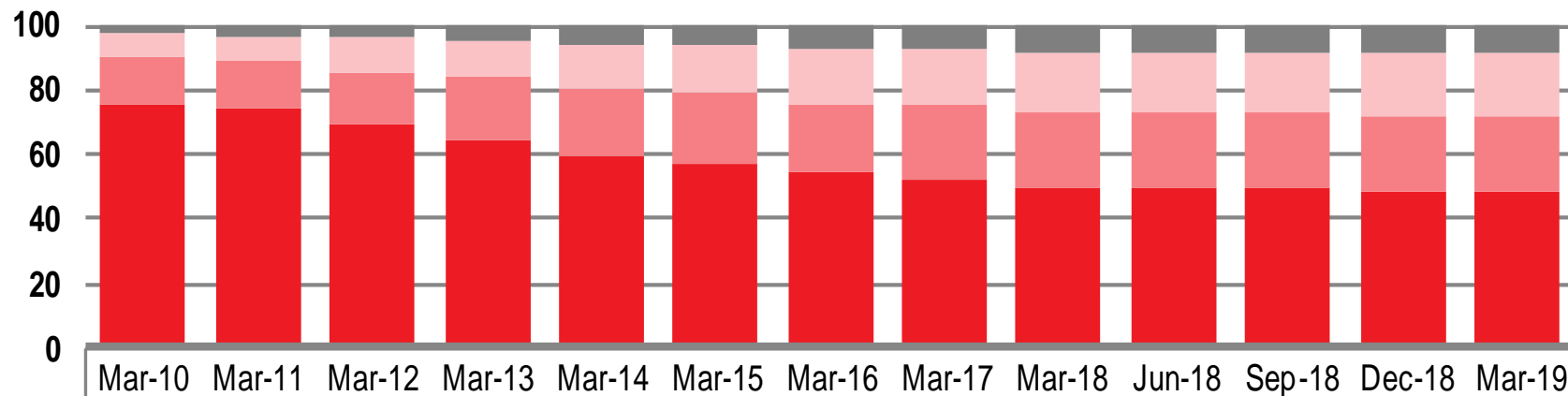




# GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO *Muthoot Finance*

## Diversified gold loan portfolio across India

(%)



	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
East	2	3	4	5	6	6	7	7	8	8	8	8	8
West	8	8	10	11	13	15	17	18	19	19	19	20	20
North	15	15	17	19	22	22	22	23	23	23	23	23	23
South	75	74	69	65	59	57	54	52	50	50	50	49	49

## Gold Loan Assets Under Management \*

(₹ in billions)

Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
73	157	244	260	216	233	243	272	288	306	320	318	336

\*Principal amount of Gold Loan Assets

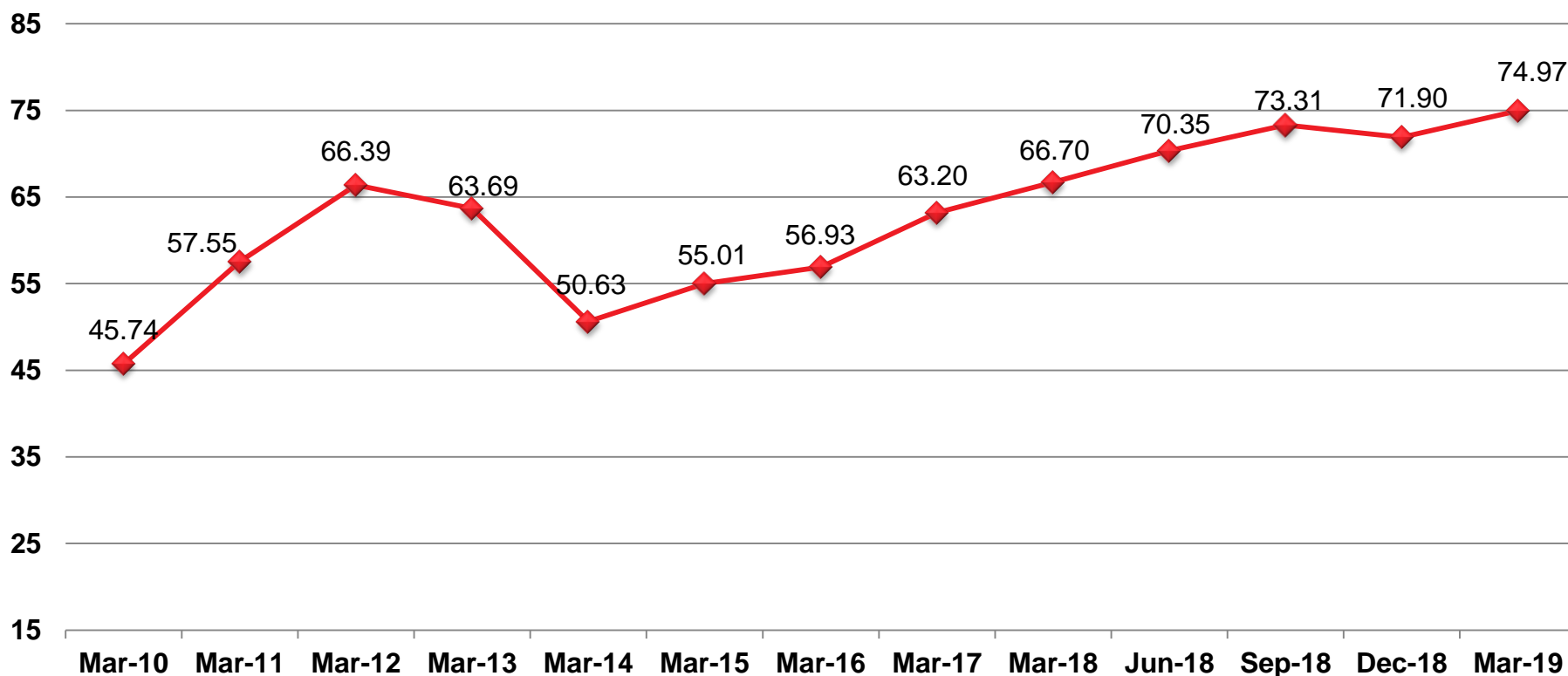


# PRODUCTIVITY

## Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch \*

(₹ in millions)



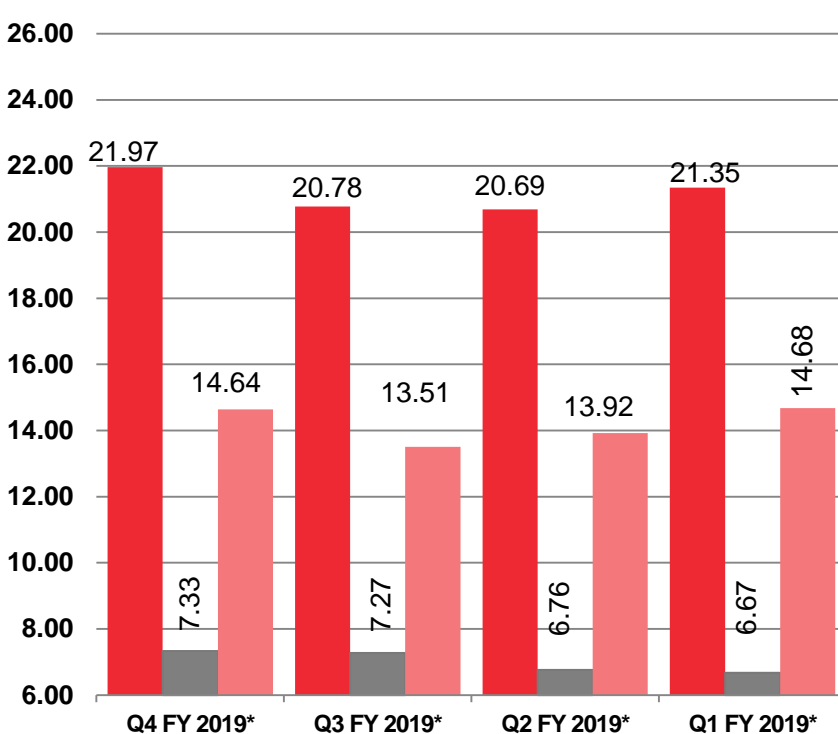
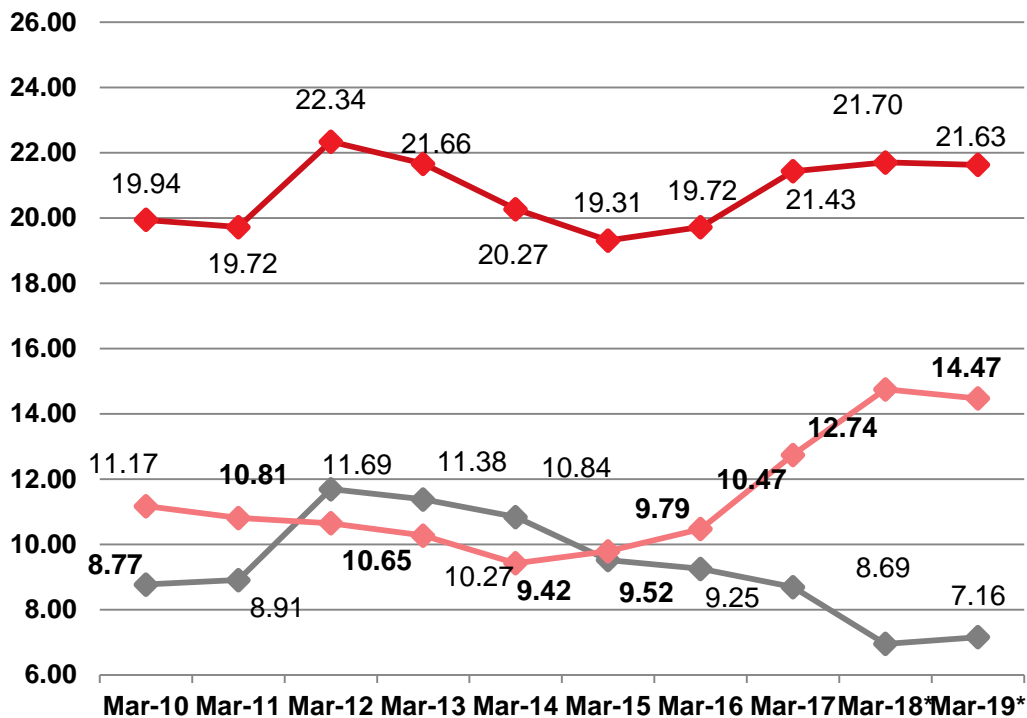
\*Principal amount of Gold Loan Assets

# YIELD ON LOAN ASSETS AND NIM



**Yearly (%)**

**Quarterly (%)**



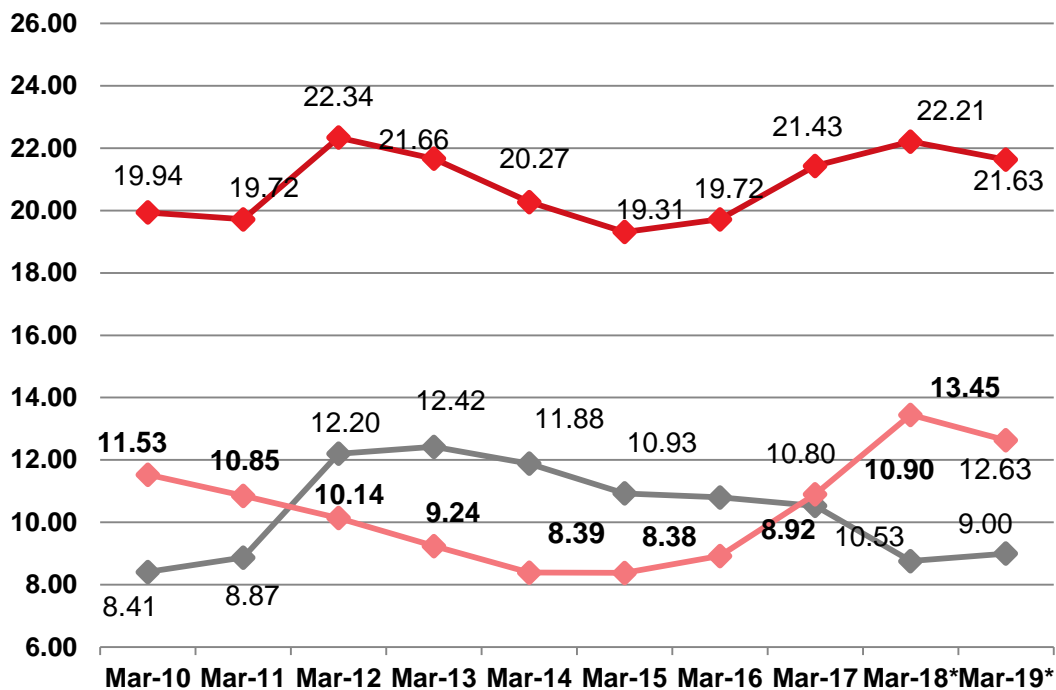
\*Under IND -AS

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



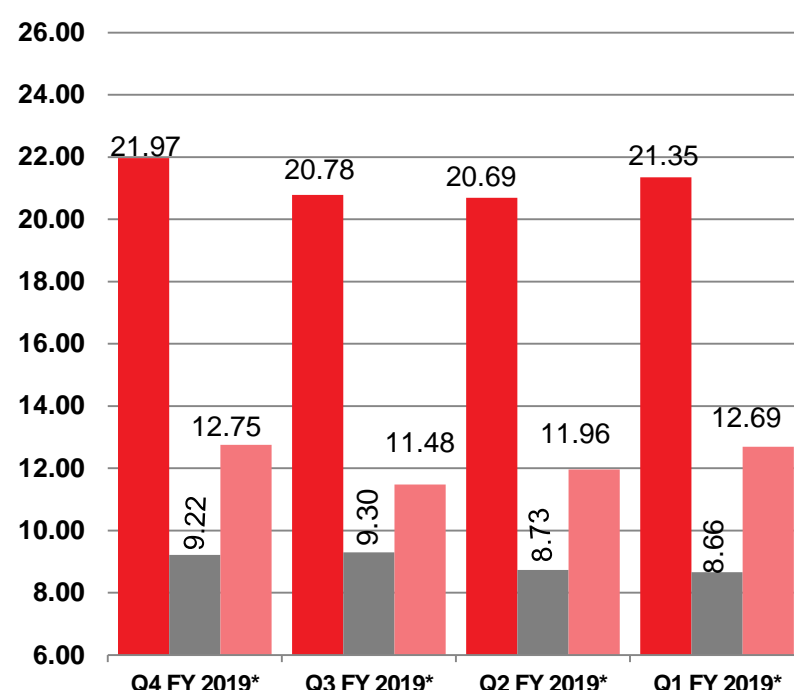
# INTEREST SPREAD

**Yearly (%)** **Quarterly (%)**



\*Under IND-AS

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



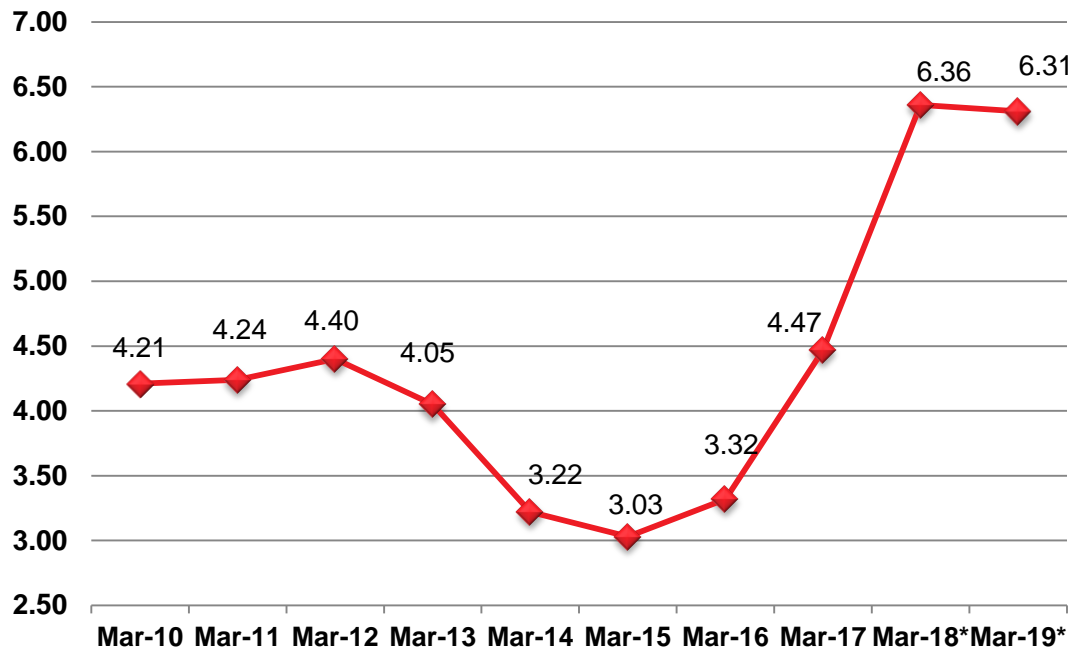


# RETURN ON AVERAGE LOAN ASSETS

## Attractive returns over the years

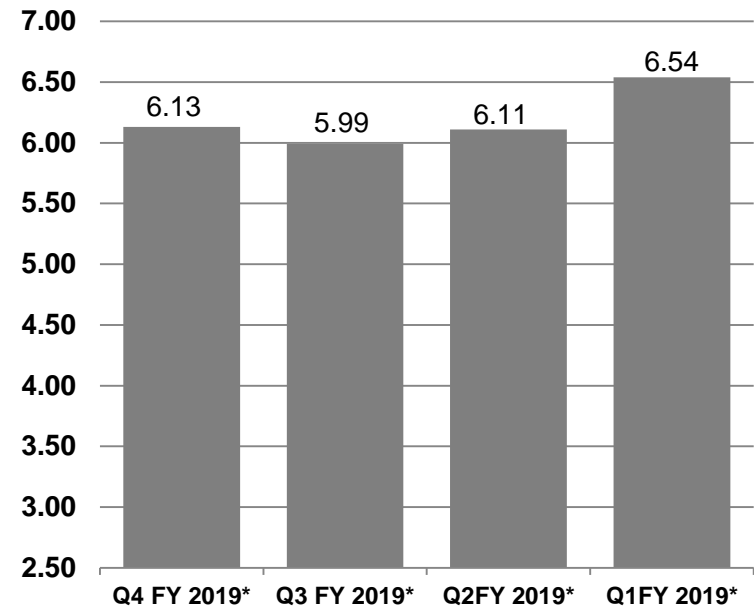
Yearly

(%)



Quarterly

(%)



\*Under IND-AS

# IMPAIRMENT OF LOAN ASSETS



Muthoot Finance

## Stage III Loans Assets and ECL Provision

(₹ in millions)

	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
Stage III Loan Asset	9,326	6,372	6,169	8,835	12,872
% Stage III Asset on Gross Loan Asset	2.72	1.96	1.91	2.85	4.42
ECL Provision	6,359	5,835	5,795	5,892	6,089
ECL Provision as % of Gross Loan Assets	1.86	1.80	1.79	1.90	2.09
Excess Provision outstanding in books	1,737	2,261	2,301	2,204	2,007

## 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

*PD-Probability of default      LGD-Loss given default      EAD-Exposure at Default*

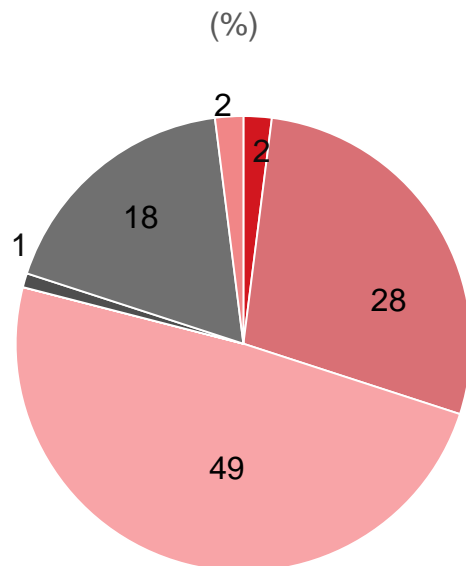
## Bad Debts

(₹ in millions)

	FY 19	FY 18	Q4 FY 19	Q3 FY 19	Q2 FY 19	Q1 FY 19
Bad Debts Written Off	259	316	188	19	26	26
% of Bad Debts written off to Gross Loan Assets	0.08	0.11	0.05	0.01	0.01	0.01



## Maintaining a diversified funding profile\*



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 5,351 mn (2%)
- Secured Non-Convertible Debentures – Listed – ₹ 75,147 mn (28%)
- Borrowings from Banks/Fis - ₹ 131,043 mn (49%)
- Subordinated Debt – ₹ 597 mn (0%)
- Subordinated Debt – Listed - ₹ 3,849 mn (1%)
- Commercial Paper – ₹ 47,525 mn (18%)
- Other Loans – ₹ 5,711 mn (2%)

\*Principal amount of Borrowings

(As of March 31, 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

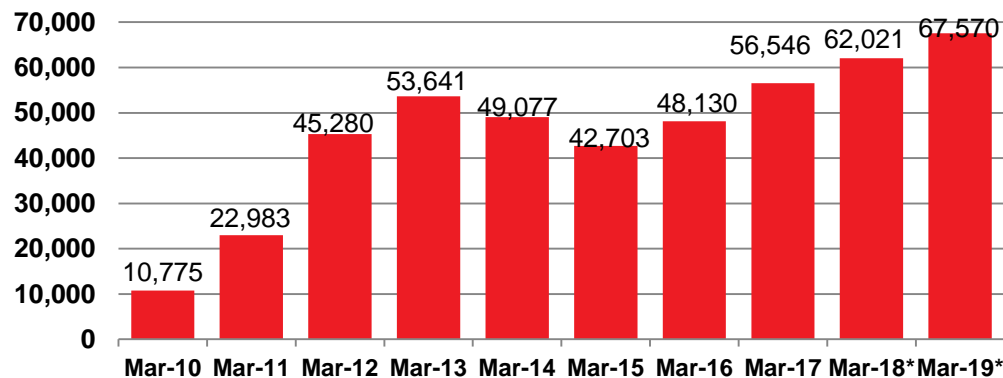


# BREAK-UP OF TOTAL INCOME

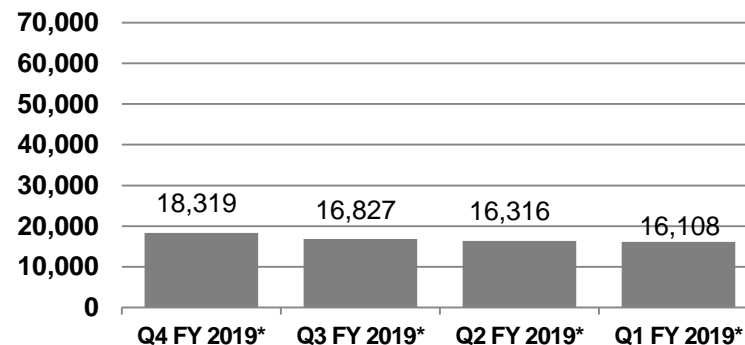
## Interest Income

(₹ in millions)

### Yearly



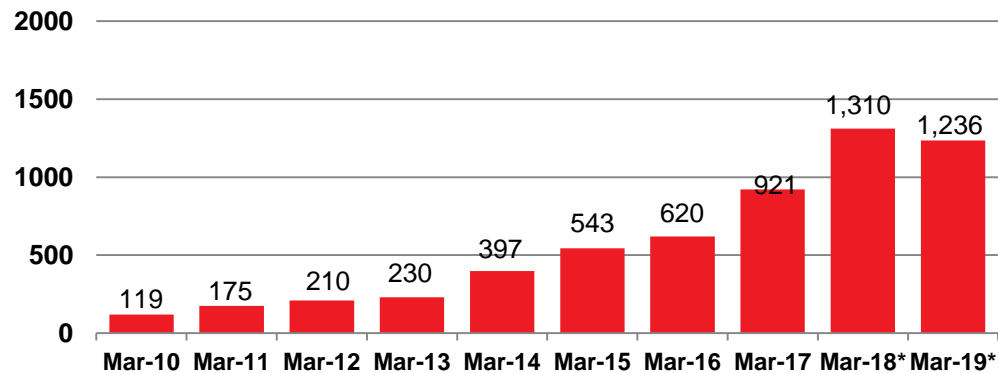
### Quarterly



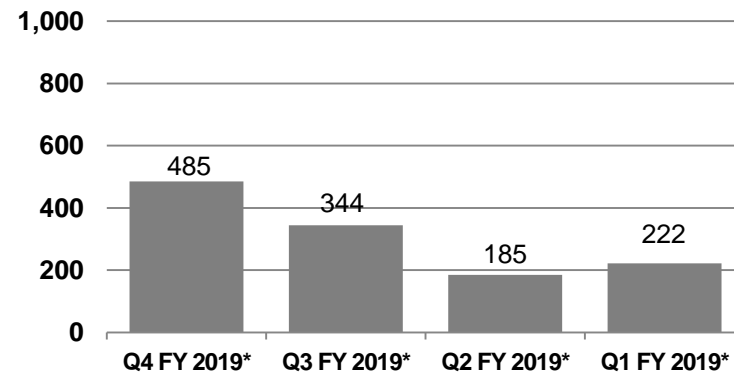
## Other Than Interest Income

(₹ in millions)

### Yearly



### Quarterly



\*Under IND-AS

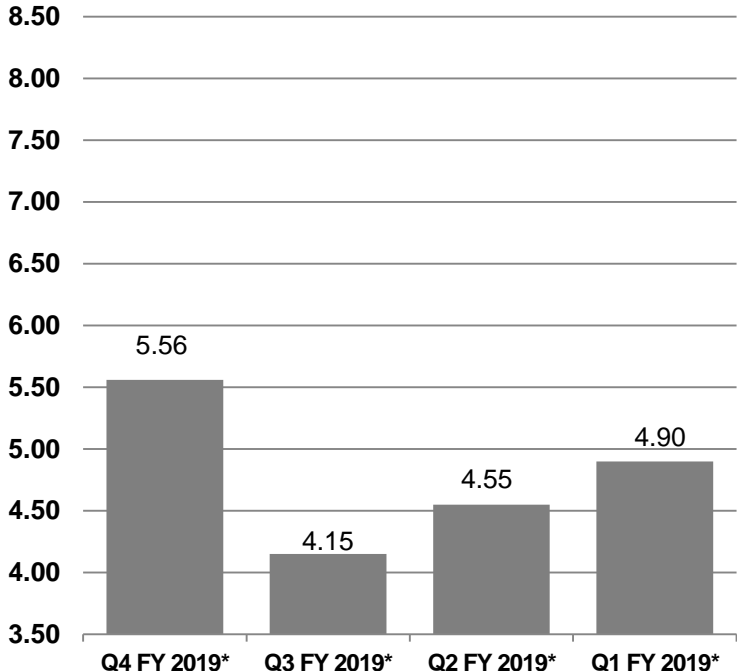
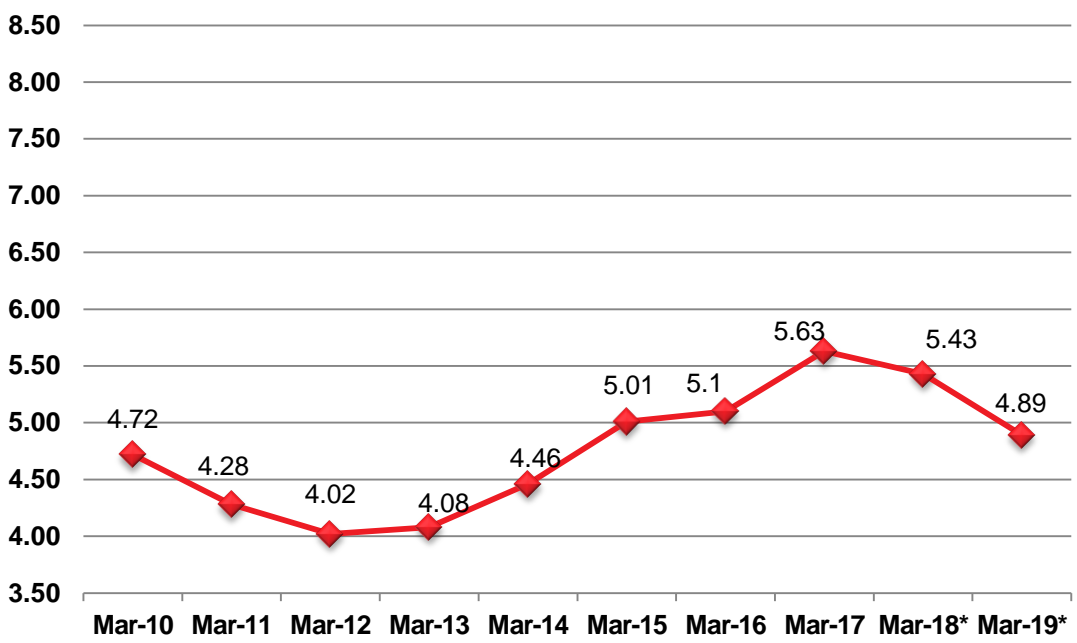


# OPERATING EXPENSES TO AVERAGE LOAN ASSETS

## 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	Mar-11	Q4 FY 2019*	Q3 FY 2019*	Q2 FY 2019*	Q1 FY 2019*
Employee Benefit Expenses	8,414	7,393	7,280	6,418	6,304	5,917	5,453	4,145	2,209	2,377	1,917	2,019	2,102
Rent	1,974	1,913	1,808	1,713	1,650	1,542	1,309	1,042	603	503	503	493	475
Advertisement	1,056	720	531	626	651	702	579	866	647	335	131	282	308
Postage, Telegram and Telephone	368	404	372	378	371	364	243	184	115	99	100	82	87
Traveling and Conveyance	240	182	186	187	212	190	175	168	114	59	65	65	51
Printing and Stationery	153	136	129	144	160	185	168	155	111	43	40	36	34
Repairs and Maintenance	280	304	362	290	281	272	256	341	211	74	64	58	84
Legal and Professional Charges	203	154	124	93	189	216	86	60	114	45	53	59	46
Business Promotion Expense	481	209	201	149	140	279	332	267	119	130	126	128	97
Directors Remuneration	561	431	362	196	192	192	192	192	192	360	67	67	67
Depreciation and Amortisation Expenses	421	439	482	575	841	475	454	329	180	120	110	100	91
Others	1,519	3,286	835	1,014	733	731	550	380	229	607	288	307	322
Provision For Standard & NPA Assets	0	0	2,647	1,223	180	214	765	351	323	0	0	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>5,165</b>	<b>4,752</b>	<b>3,458</b>	<b>3,696</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	Mar-11	Q4 FY 2019*	Q3 FY 2019*	Q2 FY 2019*	Q1 FY 2019*
Employee Benefit Expenses	54	47	48	49	53	52	52	49	43	50	55	55	56
Rent	13	12	12	13	14	14	12	12	12	11	15	13	13
Advertisement	7	5	3	5	5	6	5	10	13	7	4	8	8
Postage, Telegram and Telephone	2	3	2	3	3	3	2	2	2	2	3	2	2
Traveling and Conveyance	2	1	1	1	2	2	2	2	2	1	2	2	1
Printing and Stationery	1	1	1	1	1	2	2	2	2	1	1	1	1
Repairs and Maintenance	2	2	2	2	2	2	2	4	4	2	2	2	2
Legal and Professional Charges	1	1	1	1	2	2	1	1	2	1	2	2	1
Business Promotion Expense	3	1	1	1	1	2	3	3	2	3	4	3	3
Directors Remuneration	4	3	2	2	2	2	2	2	4	8	2	2	2
Depreciation and Amortisation Expenses	3	3	3	4	7	4	4	4	3	3	3	3	2
Others	10	21	5	8	6	6	5	4	4	13	8	8	9
Provision For Standard & NPA Assets	0	0	17	9	2	2	7	4	6	0	0	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>	<b>100</b>	<b>100</b>	<b>100</b>

\*Under IND-AS



# PROFITABILITY RATIOS

Yearly	Yearly (%)										Quarterly (%)			
	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Q4 FY 2019*	Q3 FY 2019*	Q2 FY 2019*	Q1 FY 2019*	
<b>(Based on Income)</b>														
Interest expense to Gross Income	31.07	31.07	39.92	46.31	48.71	53.08	52.34	52.10	44.83	34.29	34.29	32.44	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	36.32	29.59	29.59	32.02	32.23	
Provisions & Write Offs to Net Income	5.57	5.57	8.16	6.20	1.67	1.89	3.49	1.93	2.68	0.17	0.17	0.23	0.23	
Operational expenses to Net Income	34.99	34.99	43.03	47.56	49.93	46.55	39.37	37.41	38.99	29.76	29.76	32.24	32.46	
OPBDT / Net Income	65.01	65.01	56.97	52.44	50.06	53.45	60.62	62.59	61.00	70.23	70.23	67.76	67.54	
Depreciation to Net Income	0.94	0.94	1.33	2.13	3.72	2.03	1.76	1.50	1.42	0.90	0.90	0.90	0.80	
OPBT / Net Income	64.07	64.07	55.63	50.31	46.34	51.42	58.86	61.09	59.58	69.34	69.34	66.86	66.73	
PBT / Net Income	64.07	64.07	55.63	50.31	46.34	51.42	58.86	61.09	59.58	69.34	69.34	66.86	66.73	
PAT / Net Income	39.98	39.98	34.17	30.93	30.23	33.60	39.11	40.93	38.68	43.00	43.00	43.40	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	Mar-11	Mar-10	Q4 FY 2019*	Q3 FY 2019*	Q2 FY 2019*	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	19.72		21.97	20.78	20.69	21.35
Interest expense to avg. loan assets	7.16	6.92	8.69	9.25	9.52	10.84	11.38	11.69	8.91		7.33	7.27	6.76	6.67
Net Interest Margin	14.47	15.29	12.74	10.47	9.78	9.42	10.27	10.65	10.81		16.64	13.51	13.92	14.68
Other income to avg. Loan assets	0.40	0.47	0.35	0.25	0.25	0.16	0.09	0.10	0.15		0.58	0.42	0.16	0.37
Net Income Including Other Income	14.87	15.76	13.09	10.72	10.03	9.59	10.37	10.75	10.96		15.22	13.93	14.09	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	3.98		5.32	4.14	4.52	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	0.29		0.24	0.01	0.03	0.04
PBDT to avg. loan assets	9.98	10.33	7.45	5.62	5.02	5.12	6.28	6.73	6.69		9.66	9.78	9.53	10.15
Depreciation to avg. loan assets	0.12	0.15	0.17	0.23	0.37	0.20	0.18	0.16	0.16		0.13	0.12	0.12	0.11
PBT to avg. loan assets	9.85	10.19	7.28	5.39	4.65	4.93	6.10	6.57	6.53		9.52	9.66	9.42	10.04
Tax to avg. loan assets	3.54	3.82	2.81	2.08	1.62	1.71	2.05	2.17	2.29		3.39	3.67	3.30	3.50
PAT to avg. loan assets	6.31	6.36	4.47	3.32	3.03	3.22	4.05	4.40	4.24		6.13	5.99	6.11	6.54
Cash Profit to avg. loan assets	6.44	6.51	4.65	3.54	3.40	3.42	4.24	4.56	4.40		6.27	6.12	6.23	6.65

\*Under IND-AS



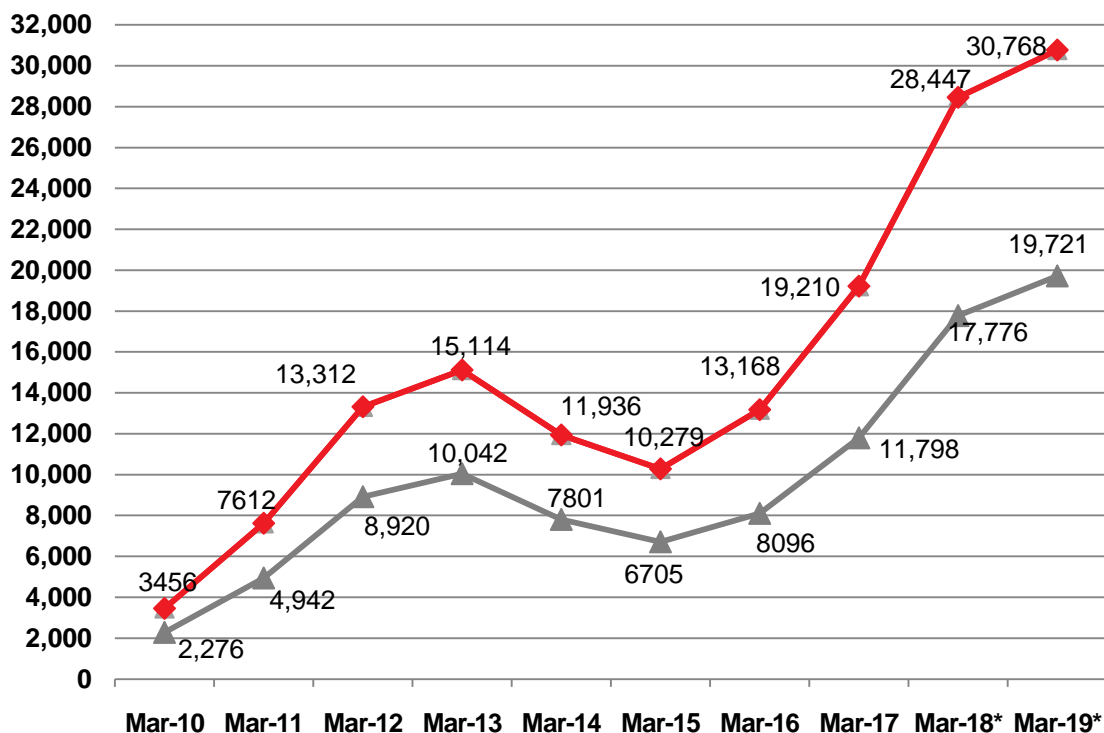
## Efforts getting rewarded

### Profitability at a glance

(₹ in millions)

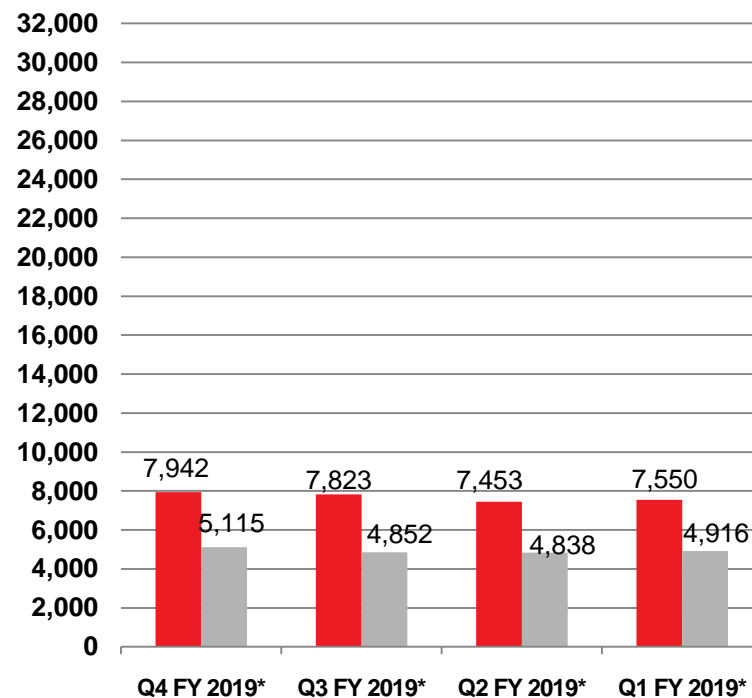
#### Yearly

◆ PBT ▲ PAT



#### Quarterly

■ PBT ■ PAT

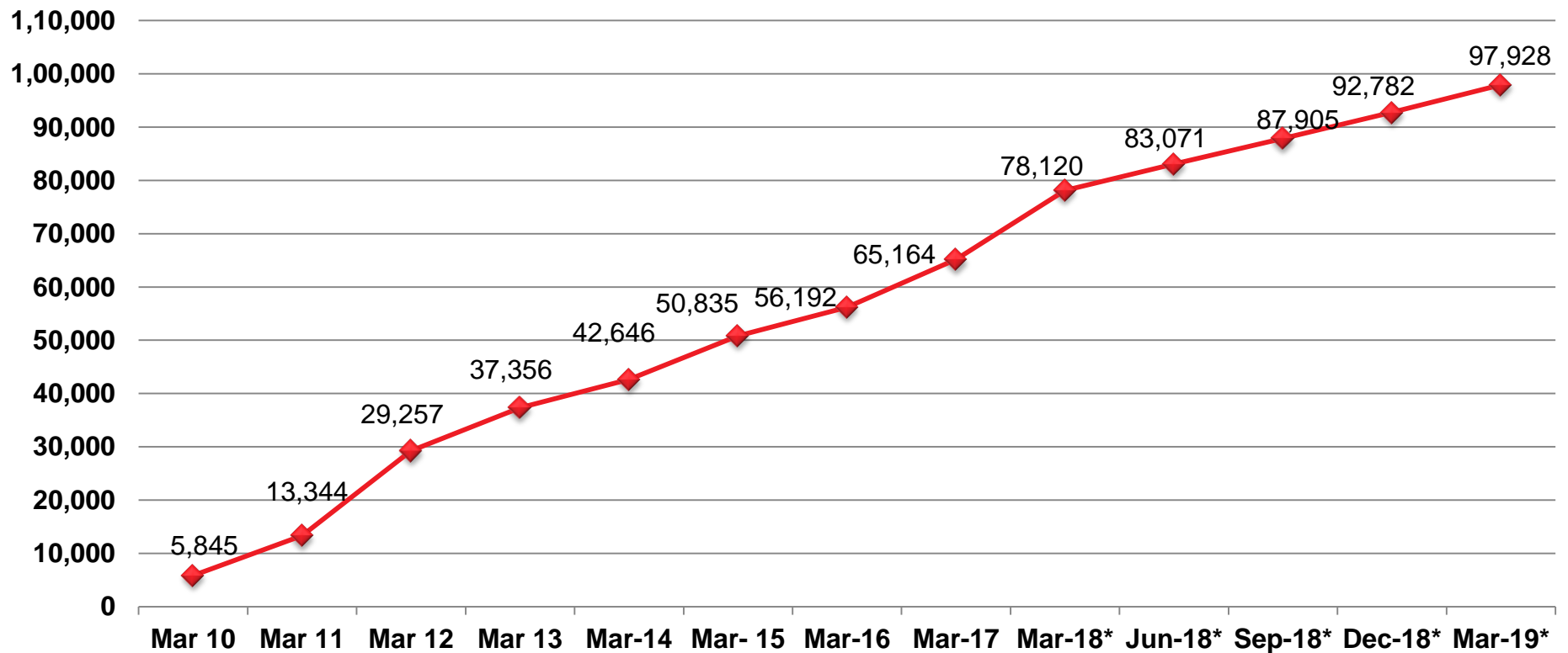


\*Under IND-AS

## Steady capital position

### Share Capital and Reserves & Surplus

(₹ in millions)



\*Under IND-AS



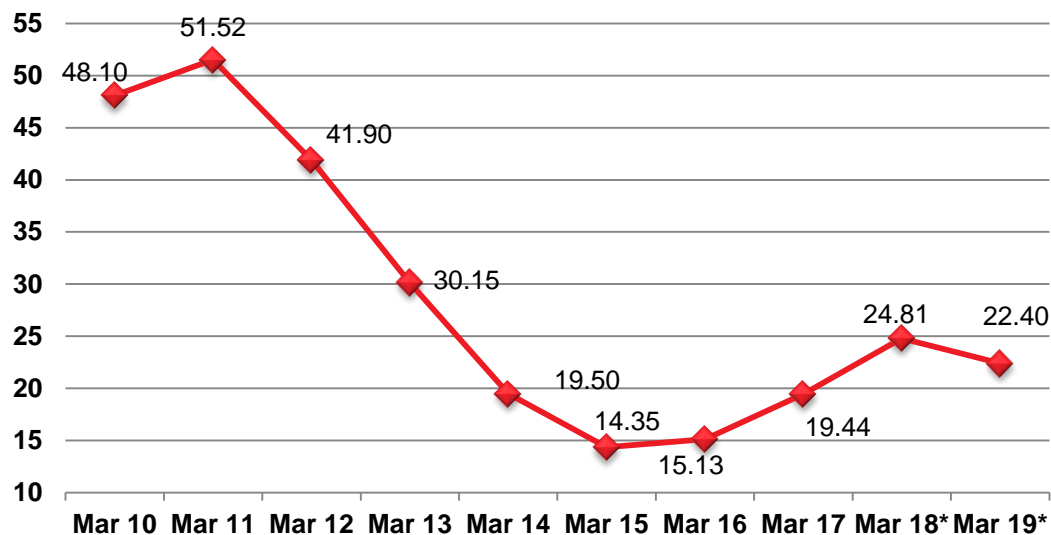
# RETURN ON EQUITY

## Stable shareholder value creation

### Return on Average Equity

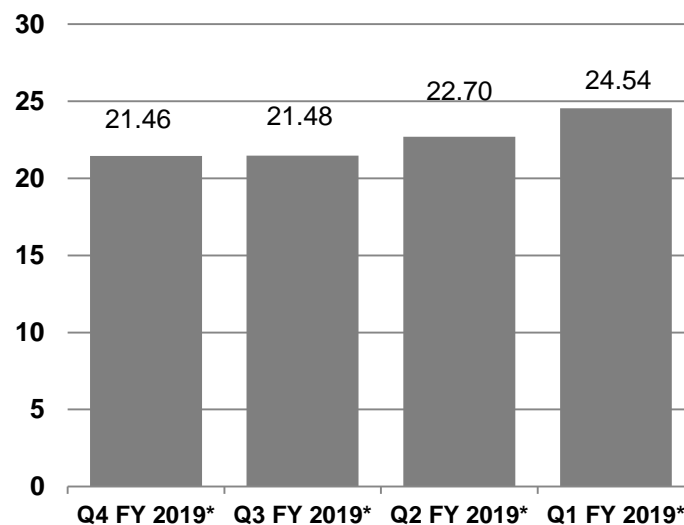
Yearly

(%)



Quarterly

(%)



\*Under IND-AS

# CAPITAL RATIO

## Maintaining capital well above the statutory requirement

### Capital Adequacy Ratio

(%)

	<b>Mar-19</b>	<b>Dec-18</b>	<b>Sep-18</b>	<b>Jun-18</b>	<b>Mar-18</b>
Capital Adequacy Ratio	26.12	25.74	25.92	26.44	25.49
Tier-I	25.68	25.22	25.32	24.78	0.77
Tier-II	0.44	0.52	0.60	1.66	26.26



# MARKET VALUE RATIO

## Equity market valuation ratios indicate potential for upside

	FY 2019	FY 2018	Q4 FY 2019	Q3 FY 2019	Q2 FY 2019	Q1 FY 2019
Earnings per share (₹)						
- Basic	49.27	44.48	12.77	12.12	12.09	12.29
- Diluted	49.18	44.33	12.75	12.12	12.07	12.24

	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18
Book Value per share (₹)	244.27	231.46	219.47	207.44	195.08
Market price per share (₹)**	615.6	516	403.40	379.50	407.45
Price to Earnings ratio***	12.49	10.80	8.53	8.15	9.16
Price to Book Value ratio	2.52	2.23	1.84	1.83	2.09

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

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



# CAPITALISATION RATIOS

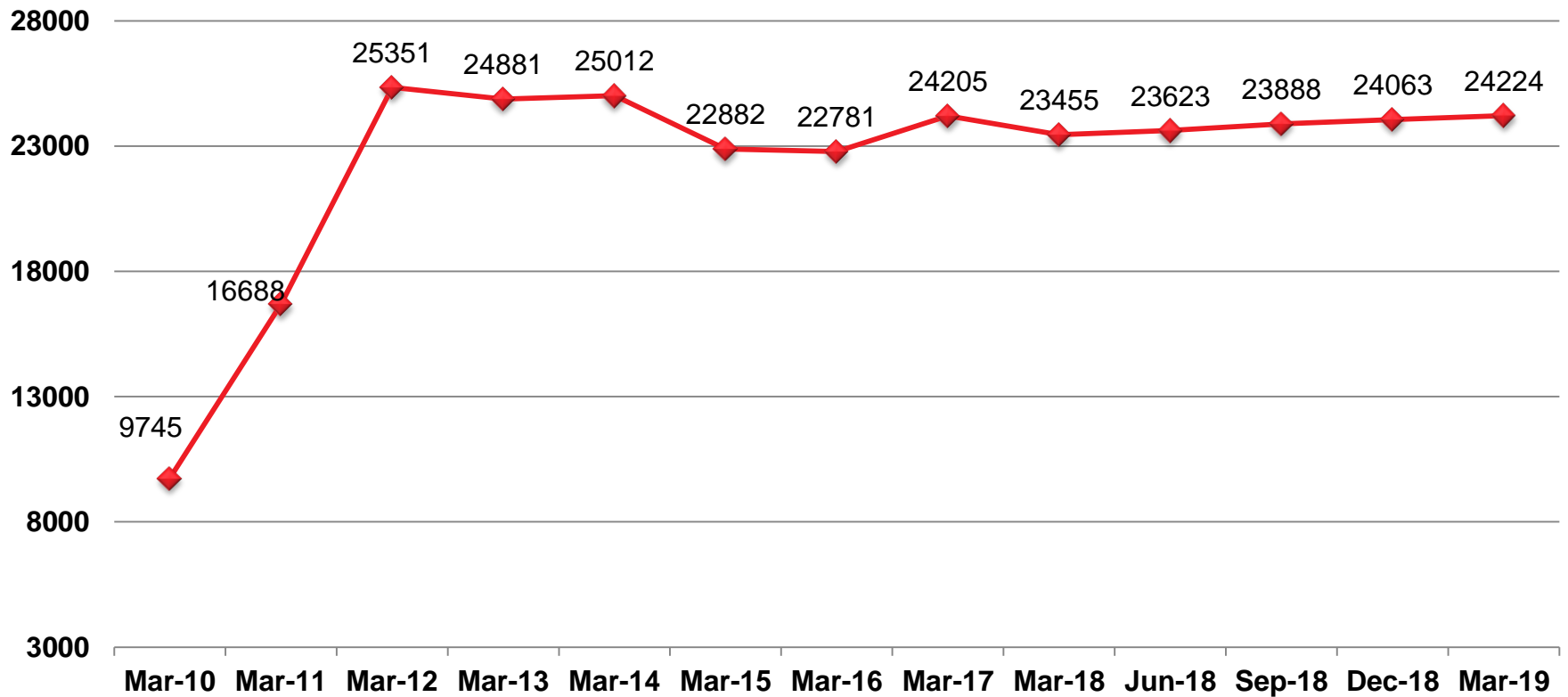
## Headroom for further leveraging

(₹ In millions)

	<b>Mar-19</b>	<b>Dec-18</b>	<b>Sep-18</b>	<b>Jun-18</b>	<b>Mar-18</b>
Outside Liabilities	282,759	265,680	258,102	254,559	2,29,802
Cash & Bank Balances	17,355	11,663	4,520	8,009	4,869
Tangible Networth	97,885	92,719	87,836	82,996	78,055
Capital Gearing	2.71	2.74	2.89	2.97	2.88

## 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 March 31, 2019, total holding in AAF stood at 75 million equity shares representing 69.17% of their total capital. The loan portfolio stands at LKR 12,569 million as on March 31, 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 23 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.**

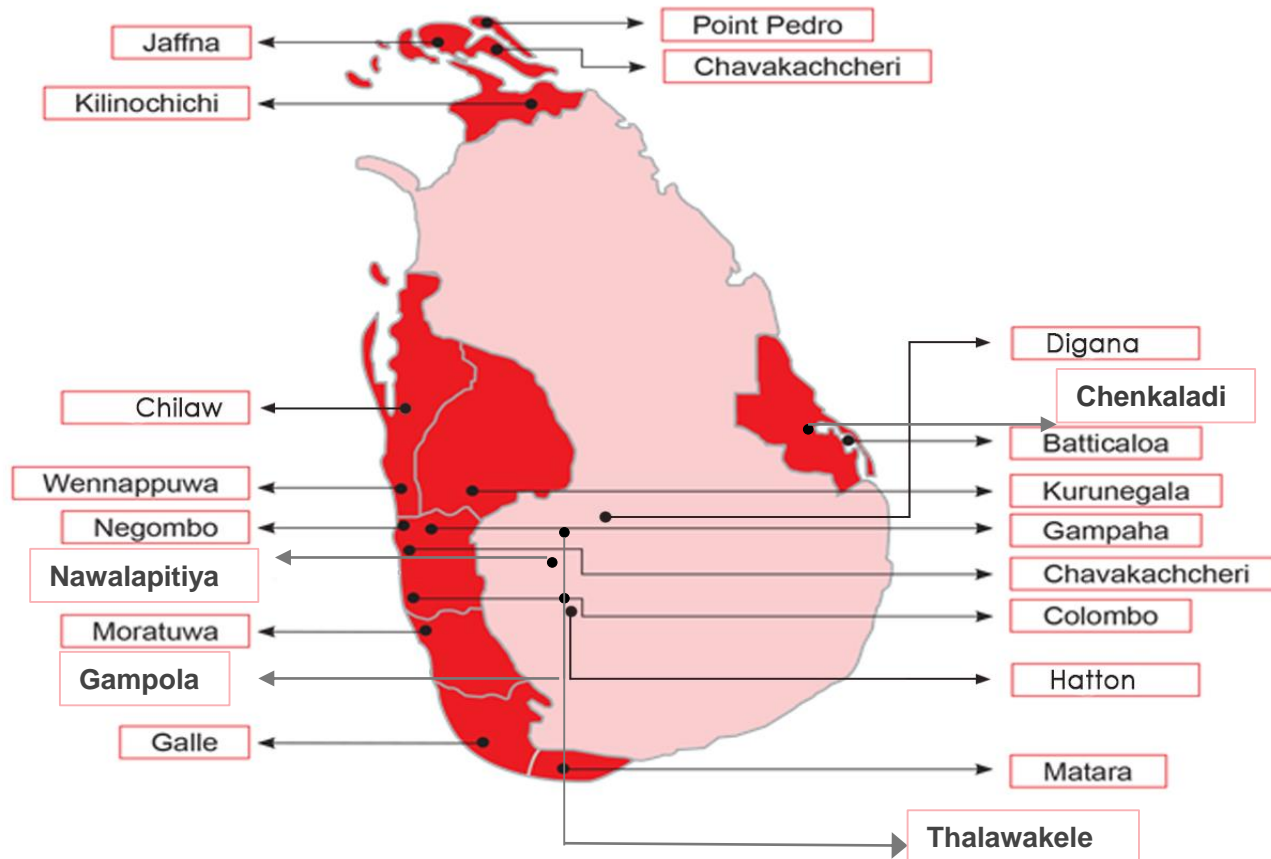
# PRODUCTS



- 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	FY 2019	FY 2018
LKR / INR	0.395775	0.41551
Number of branches	23	17
Number of Employees	553	489
Loan AUM (LKR)	12,569	9,950
Capital Adequacy Ratio (%)	19	20
Total Revenue (LKR)	2,869	2,572
Total Expense (LKR)	2,775	2,350
Profit Before Tax (LKR)	94	222
Profit After Tax (LKR)	101	178
Share Holders Funds (LKR)	1,953	1,859
Total Outside Liabilities (LKR)	11,946	9,869
Total Assets (LKR)	13,899	11,728

**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 March 31, 2019, it has a loan portfolio of Rs.19,075 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).

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

## Business Performance

(₹ in millions)

Particulars	FY 2019	FY 2018
Number of branches	96	19
Number of Sales Offices	132	121
Number of Employees	382	221
Loan AUM (₹)	19,075	14,589
Capital Adequacy Ratio (%)	46	27
Total Revenue (₹)	2,257	1,171
Total Expense (₹)	1,746	835
Profit Before Tax (₹)	511	336
Profit After Tax (₹)	363	223
Share Holders Funds (₹)	3,942	2,079
Total Outside Liabilities (₹)	15,531	13,596
Total Assets (₹)	19,472	15,675

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

## Business Performance

(₹ in millions)

Particulars	FY 2019	FY 2018
Disbursement (₹)	6,543	10,814
Borrowings (₹)	15,420	13,477
Debt Equity Ratio (%)	3.91	6.48
Yield on Advances (%)	12.22	12.27
Interest Spread (%)	3.36	3.51
NIM (%)	5.35	6.01
Cost to Income Ratio (%)	26.10	28.25
Return on Assets (ROA) (%)	2.22	3.42
Return on Equity (ROE) (%)	14.11	17.26
Stage III Loan Assets	142	62
% Stage III asset on Gross Loan Asset	0.74	0.42
Stage III ECL Provision	22	10
ECL Provision	37	24
ECL Provision as a % of Gross Loan Asset	0.19	0.16
Number of Customers	23,466	15,908





## Financial Highlights

- Disbursements in FY 2019: Rs 6,543 mn. Loan Book as on March 31, 2019: Rs 19,075 mn
- Average Ticket Size in FY 2019: Rs.0.97 mn
- Business Presence: Maharashtra, Gujarat, Rajasthan, Madhya Pradesh, Kerala, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Haryana, Chandigarh, Punjab, Tamil Nadu, Chattisgarh and Pondicherry Presence in 96 locations
- ROA for FY 2019: 2.22%, ROE for FY 2019: 14.11%
- Average cost of borrowings of 8.86% for FY 2019. Capital Adequacy Ratio: 46.17%, Debt Equity Ratio: 3.91
- Average Yield: 12.22%, Interest Spread: 3.36%
- Capital Infusion of INR 1,500 mn done in the month of September 2018

## Growth Drivers

- Increasing the leverage from 3.91x 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 ICRA of AA- (stable)/ 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 3.91 times as on March 31, 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 FY 19, it has insured more than 22,10,000 lives with a First year premium collection of Rs.174 Crs.

During FY 18, it has insured more than 13,00,000 lives with a First year premium collection of Rs. 111 Crs under Traditional ,Term and Health products..

**Key Business Parameters**

(₹ in millions)

Particulars	FY 2019	FY 2018
Premium Collection (₹)	2,676	1,692
Number of Policies	22,40,560	13,19,407

**Key Financial Parameters**

(₹ in millions)

Particulars	FY 2019	FY 2018
Total Revenue (₹)	251	182
Total Expense (₹)	36	33
Profit Before Tax (₹)	215	149
Profit After Tax (₹)	150	105
Share Holders Funds (₹)	427	276
Earnings per share (₹)	201	141

## OUR SUBSIDIARY



**BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED**

*A Subsidiary of Muthoot Finance Limited*

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



As of March 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 nine 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 March 31, 2019, BIFPL operations are spread over 9 states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha ,Pondicherry ,Chattisgarh, Gujarat and Rajasthan. It has 400 branches, with 77 controlling regional offices and employs 2876 staffs. Its gross loan portfolio has grown from INR 0.20 mn in March 2009 to INR 18,419 mn in March 2019



## Key Financial Parameters

(₹ in millions)

Particulars	FY 2019	FY 2018
Number of Branches	400	235
Number of Employees	2,876	1,783
Gross Loan AUM (₹)	18,419	11,381
Net Loan AUM (₹)	12,672	10772
Capital Adequacy Ratio (%)	25	12*
Total Revenue (₹)	3,681	2,146
Total Expense (₹)	2,650	1,744
Profit Before Tax (₹)	1,031	401
Profit After Tax (₹)	729	270
Stage III Loan Assets	211	100
% Stage III asset on Gross Loan Asset	1.15	0.88
% Stage III asset on Net Loan Asset	1.67	0.92
Stage III ECL Provision	188	93
ECL Provision	264	140
ECL Provision as a % of Gross Loan Asset	1.43	1.23
ECL Provision as a % of Net Loan Asset	2.08	1.30
Shareholders Funds (₹)	4,002	1,256
Total Outside Liabilities (₹)	16,437	12,379
Total Assets (₹)	20,439	13,635

\*CRAR reported for FY18 under I-GAAP is 18%

## OUR SUBSIDIARY





# MUTHOOT MONEY– AN OVERVIEW



Muthoot Money Pvt Ltd (MMPL), became a wholly owned subsidiary of Muthoot Finance Ltd in October 2018. MMPL 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.3,107 million.



## Key Financial Parameters

(₹ in millions)

Particulars	FY 2019	FY 2018
Number of branches	21	1
Number of Employees	247	3
Gross Loan AUM (₹)	3,107	65
Capital Adequacy Ratio(%)	32	49
Total Revenue (₹)	156	11
Total Expense (₹)	149	8
Profit Before Tax (₹)	7	3
Profit After Tax (₹)	3	2
Stage III Loan Assets	-	-
% Stage III asset on Gross Loan Asset	-	-
Stage III ECL Provision	-	-
ECL Provision	15	0.25
ECL Provision as a % of Gross Loan Asset	0.47	0.39
Shareholders Funds (₹)	1,035	32
Total Outside Liabilities (₹)	2,317	35
Total Assets (₹)	3,352	67

## OTHER SUBSIDIARIES

### MUTHOOT ASSET MANAGEMENT PRIVATE LIMITED

(₹ In millions)

**FY 2019**

Networth

512

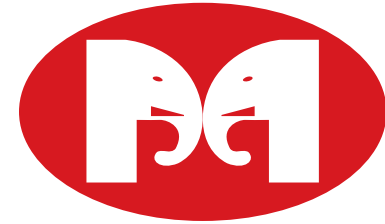
### MUTHOOT TRUSTEE PRIVATE LIMITED

(₹ In millions)

**FY 2019**

Networth

1



# ***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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## **EMAIL**

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