



Muthoot Finance Limited

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

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November 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: Press release on Unaudited Financial Results for the quarter and half year ended September 30, 2019

The Board of Directors at their meeting held on November 13, 2019 has announced unaudited financial results for the quarter and half year ended September 30, 2019.

We herewith enclose a copy of Press Release proposed to be released in leading newspapers across the country.

This is for your kind information and record thereon.

For **Muthoot Finance Limited**

Rajesh A
Company Secretary

Kochi, November 13, 2019:

Consolidated Loan Assets Under Management increased by 13% YoY at Rs.40390crs for H1 FY20

Consolidated Profit after Tax increased by 42% YoY at Rs.1472crs for H1 FY20

Standalone Loan Assets Under Management increased by 11% YoY at Rs.35731crs for H1 FY20

Standalone Profit after tax increased by 42% YoY at Rs.1388crs for H1 FY20

Consolidated Results of Muthoot Finance Ltd

Muthoot Finance Ltd's Consolidated Loan Assets under management achieved a YoY increase of 13% at Rs.40390crs as against last year of Rs.35835crs for H1 FY20. Consolidated Profit after tax achieved a YOY increase of 42% of Rs.1472crs as against last year of Rs.1033crs for H1 FY20

	H1 FY20	H1 FY19	YOY %	Q2 FY20	Q1 FY20	QoQ %	FY19	YTD %
Group Branch Network	5190	4765	9%	5190	5092	1.9%	5020	3%
Consolidated Gross Loan Assets of the Group (Rs. In crores)	40390	35835	13%	40390	40228	0.4%	38304	5%
Consolidated Profit of the Group (Rs. In crores)	1472	1033	42%	909	563	61%	2103	
Contribution in the Consolidated Gross Loan Assets of the Group								
Muthoot Finance	35250	32132	10%	35250	35406	-0.4%	33746	4%
Subsidiaries	5140	3703	39%	5140	4822	7%	4558	13%
Contribution in the Consolidated Profit of the Group								
Muthoot Finance	1375	971	42%	853	522	63%	1946	
Subsidiaries	97	62	56%	56	41	37%	157	

Standalone Results of Muthoot Finance Ltd and its subsidiaries

Muthoot Finance Ltd (MFIN), the largest gold financing company in India in terms of loan portfolio, registered an increase in net profit of 42%, at Rs.1388crs for H1 FY20 as against Rs.975crs in the previous year. Loan Assets stood at Rs.35731crs as at September 30, 2019 as against Rs.32319crs as at September 30, 2018, Y-o-Y growth of 11%.

Muthoot Homefin (India) Ltd (MHIL), the wholly owned subsidiary, increased its loan portfolio to Rs.2098crs as against previous year of Rs.1775crs, a YoY increase of 18%. During Q2 FY20, loan portfolio increased by Rs.110crs, QoQ growth of 6%. Total revenue for Q2 FY20 & H1 FY20 stood at Rs.91crs & Rs.152crs as against



previous year total revenue of Rs.55crs & Rs.104crs . It achieved a profit after tax of Rs.14crs & Rs.20crs in Q2 FY20 & H1 FY20 as against previous year profit of Rs.11crs & Rs.21crs. Its Stage III Asset on Gross Loan Asset % as on September 30, 2019 stood at 1.10%.

M/s. Belstar Microfinance Private Limited (BMPL) , an RBI registered micro finance NBFC and Subsidiary Company where Muthoot Finance holds 70.01% stake, grew its loan portfolio to Rs.2107crs as against last year of Rs.1381crs, a YoY increase of 53%. During Q2 FY20, loan portfolio increased by Rs.169crs. It achieved a profit after tax of Rs.28crs & Rs.51crs in Q2 FY20 & H1 FY20 as against previous year profit after tax of Rs.16crs & Rs.29crs. Its Stage III Asset on Gross Loan Asset % as on September 30, 2019 stood at 1.02%.

Muthoot Insurance Brokers Pvt Limited (MIBPL), an IRDA registered Direct Broker in insurance products and a wholly owned subsidiary company generated a total premium collection amounting to Rs.71crs & Rs.132crs in Q2 FY20 & H1 FY20 as against Rs.67crs & Rs.116crs in the previous year. It generated a Profit after Tax of Rs.4crs & Rs.7crs in Q2 FY20 & H1 FY20 as against Rs. 4crs & Rs.6crs in the previous year.

The Sri Lankan subsidiary - **Asia Asset Finance PLC. (AAF)** where Muthoot Finance holds 72.92% stake, increased its loan portfolio to LKR 1314crs as against last year of LKR 1124crs, a YoY increase of 17%. During Q2 FY20, loan portfolio increased by LKR 24crs. Total revenue for Q2 FY20 & H1 FY20 stood at LKR 86crs & LKR 166crs as against previous year total revenue of LKR 69crs & LKR 138crs. It generated a profit after tax of LKR 3crs & LKR 5crs in Q2 FY20 & H1 FY20 as against previous year profit after tax of LKR 2crs & LKR 4crs.

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. During Q2 FY20, it has increased its loan portfolio to Rs.426crs. During Q2 FY20, loan portfolio increased by Rs.34crs. Total revenue for Q2 FY20 & H1 FY20 stood at Rs.17crs & Rs.31crs.

Management Quote

Commenting on the results **M G George Muthoot, Chairman stated**, "We are glad to announce that consolidated loan assets of the Group grew by 13% at Rs.40390crs during H1 FY20 as against last year of Rs.35835crs. Consolidated Profit increased by 42% at Rs.1472crs during H1 FY20 as against last year of Rs.1033crs."

Speaking on the occasion **George Alexander Muthoot, Managing Director said**, "During the quarter, the Company got rated by 3 International Credit Rating agencies – Fitch Ratings at "BB+/Stable", S&P Global at "BB/Stable" & Moody's Investor Service at "Ba2/Stable . In October 2019, Company raised 450 Million USD through issuance of 6.125% Senior Secured Notes making the first private sector NBFC to make a debut issue under 144A/Reg. S mode"



Financial Highlights (MFIN) :

	H1 FY20	H1 FY19	YOY %	Q2 FY20	Q2 FY19	YoY %	Q1 FY20	QoQ %
	(Rs.in Crs)	(Rs.in Crs)		(Rs.in Crs)	(Rs.in Crs)		(Rs.in Crs)	
Total Income	3999	3283	22%	2141	1650	30%	1859	15%
Profit Before Tax	1864	1500	24%	1047	745	41%	817	28%
Profit After Tax	1388	975	42%	858	484	77%	530	62%
Earnings Per Share(Basic) Rs.	34.64	24.38	42%	21.41	12.09	77%	13.23	62%
Loan Assets	35731	32319	11%	35731	32319	11%	35816	-0.24%
Branches	4540	4370	4%	4540	4370	4%	4502	1%

Particular	H1 FY20	H1 FY19	Q2 FY20	Q2 FY19	Q1 FY20
Return on Average Loan assets	7.87%	6.33%	9.59%	6.11%	6.05%
Return on Average Equity	27.23%	23.57%	33.74%	22.70	21.70%
Book Value Per Share (Rs.)	264.48	219.65	264.48	219.65	243.02

Particular	Q2 FY20	Q2 FY19	Q1 FY20
Capital Adequacy Ratio	27.11	25.92	24.72
Share Capital & Reserves (Rs. in Crs)	10599	8790	9743

Business Highlights (MFIN):

Particular	H1 FY20	H1 FY19	Growth (YoY)
Branch Network	4540	4370	4%
Gold Loan Outstanding (Rs. in Cr)	34,942	32037	9%
Credit Losses (Rs. in Cr)	17	5	240%
% of Credit Losses on Gross Loan Asset Under Management	0.046%	0.015%	207%



Average Gold Loan per Branch (Rs. In Cr)	7.70	7.33	5%
No. of Loan Accounts (in lakh)	81	82	-1%
Total Weight of Gold Jewellery pledged (in tonnes)	171	168	2%
Average Loan Ticket Size	43041	39294	10%
No. of employees	25091	23888	5%

Other Highlights:

1.Public Issue of Non-Convertible Debentures

During October 2019, Company successfully completed 21st Public Issue of Non-Convertible Debentures raising Rs.459crs.

2.Muthoot Finance obtains credit ratings from three International Credit Rating Agencies - FITCH RATINGS, S&P GLOBAL RATINGS and MOODY'S INVESTOR SERVICE

Muthoot Finance Ltd has been assigned Long Term rating of 'BB+' with 'Stable' Outlook by Fitch Ratings. S&P Global Ratings has assigned a Long Term rating of 'BB' with 'Stable' Outlook. Moody's Investor Service has assigned 'Ba2' Corporate Family Rating with 'Stable' Outlook.

According to Fitch Ratings report, 'The ratings take into account Muthoot Finance's well-established franchise in the niche segment of gold-backed financing, its low credit losses and satisfactory leverage.'

According to S&P Global Ratings report, 'The ratings on Muthoot Finance are driven by the company's very strong capital and earnings, with the risk-adjusted capital ratio at above 45%. Muthoot Finance also has a strong market position in loans against gold although it is relatively small in the overall financial sector in India.'

According to Moody's Investor Service report, 'Rating takes into account the company's (1) leading franchise and well established track record in lending against the gold jewelry segment in India, and (2) strong solvency metrics, including asset quality, capital and profitability'

3.Muthoot Finance Ltd raises USD 450 million from International Bond Markets First Private Sector NBFC debut issue in Rule 144A / Reg S format

Muthoot Finance Ltd ("MFIN" or "Company"), the largest gold loan company in India, has successfully priced a USD 450 Million Fixed Rate Senior Secured issuance in 144A / Reg S format for a 3 year tenor at 6.125%. MFIN bond transaction marks the first international bond by a NBFC to debut in 144A / Reg S market, allowing it to tap the US investor base in addition to Asia and Europe. The proceeds will be used for permitted purposes including onward lending in accordance with RBI's ECB Guidelines and other applicable laws.

The Company engaged with investors during an extensive deal roadshow across Singapore, Hong Kong, London and US. Backed by strong investor feedback, the transaction was launched with an initial price guidance of 6.375% area. Following a strong order book momentum supported by high quality real money investors, the Company was able to tighten pricing by 25bps to 6.125%.



The final order book was in excess of USD 1.2 Billion with oversubscription of more than 2.5x. The transaction witnessed 37% participation from Asia, 28% from Europe & Middle East and 35% from US with 88% investments from asset managers, 6% from Insurance & Pension Funds and 6% from others.

The bonds will be listed on International Securities Market of the London Stock Exchange.

Earlier this month, Company had obtained issuer rating Long Term rating of 'BB+' with 'Stable' Outlook by Fitch Ratings, 'BB' with 'Stable' Outlook by S&P Global Ratings and 'Ba2' Corporate Family Rating with 'Stable' Outlook by Moody's Investor Service.

Deutsche Bank and Standard Chartered Bank acted as the Joint Global Coordinators and Joint Book Runners for the issue.

M.G.George Muthoot, Chairman, on this inaugural issue stated "The response from international bond investors to our debut international bond issue once again reiterates the robustness and long track record of our gold loan business and is a recognition of India's retail credit story. This fund raise will enable us in further diversifying and strengthening our sources of funding. We look forward to strengthening our partnership with global investors"



Our CSR Initiatives:



Muthoot M George Foundation hands over 54 houses under Muthoot Aashiyana Project

Muthoot Aashiyana is a project launched for the construction of houses for the 2018 flood victims of Kerala. We have started the construction of 128 houses under this project and 54 houses are completed till now.

Muthoot Finance Ltd handed over the 54th home under Muthoot Aashiyana project to the flood-affected family of Ouseph Thomas, Thottukadavil, Vaisyambhagam PO, Champakkulam, Alappuzha



Muthoot Aashiyana Snehasangamam 2019

A get together of 44 beneficiaries of **Muthoot Aashiyana Housing Project** was arranged at Hotel Abad Plaza, Ernakulam on 17th September, 2019. Mr. Anoop Menon, Film Star was the chief guest of the function. Mr. George Thomas Muthoot, Joint Managing Director, The Muthoot Group presided over the function. Mr. Hibi Eden MP, Ernakulam, Mr. Anwar Sadath MLA, Mr. George M Jacob, Executive Director, Mr. K. R. Bijimon, Chief General Manager, Mr. Babu John, Deputy General Manager were present on this occasion





Certificate Distribution at Sacred Heart College, Ernakulam

Muthoot Snehasancharini is a project implemented by Muthoot M George Foundation with the support of Rotary Club of Cochin West & Sacred Hearts College, Ernakulam. Under the project, 101 artificial limbs for the unfortunate amputees were distributed. The process of identifying the beneficiaries from all parts of Kerala has been done by Economics department of Sacred Hearts College, Ernakulam. By honoring the support given by them, The Muthoot Group distributed certificates & cash awards to the volunteers at a function held at Sacred Heart College, Ernakulam. The certificate distribution function was inaugurated by Mr. George Alexander Muthoot, Managing Director, The Muthoot Group. Rev. Fr. Dr. Johnson X Palackappillil, Principal SH College, Prof. Madhusoodhanan Nair, HOD Economics Department, Economics Faculties etc. were present on this occasion.



Inauguration of 'Muthoot Anbin Nizhal' mobile laboratory in Chennai

Muthoot Anbin Nizhal is a mobile laboratory project, intended for prevention, early detection and awareness of Kidney related diseases and supporting dialysis patients by financial aid. The mobile ambulances are being operated across Kerala and Coimbatore and facilitate the blood and urine tests and create awareness among people about the dreaded disease and gives financial assistance for needy patients.



Inauguration of 'Muthoot Anbin Nizhal' project in Chennai was done by Hon'ble Justice (Retd.) B Rajendran (Chairman of Real Estate Appellate Tribunal) and Mr. George M Jacob, Executive Director, Muthoot Finance Ltd.



Bag Distribution

As part of the CSR Initiatives of The Muthoot Group school bags were distributed to the students of different Schools in South India

Ernakulam



Bangalore



Theni



Visakhapattanam





Awards

KMA AWARD 2019

Muthoot Finance has been honored with **KMA CSR AWARD 2019** for Health and Hygiene category, in a glittering function held at Hotel Monsoon Empress, Ernakulam. Mr. K.R Bijimon, Chief General Manager – Muthoot Finance Ltd. received the Award on behalf of the Company. The award was presented by Mr. M. George V. Antony, Honorary Secretary - KMA. Mr. Dinesh P. Thampi, President –KMA, Mr. Vivek Krishna Govind, immediate past President – KMA, Mr. Babu John Malayil, DGM, Corporate Communications, etc were present on this occasion.



The CSR Journal Excellence Award



About Muthoot Insurance Brokers Pvt Limited:

MIBPL is a wholly owned subsidiary of Muthoot Finance Ltd. It is an unlisted private limited company holding a license 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 433,000 lives with a first year premium collection of Rs.358million under Traditional, Term and Health products. The same was 445,000 lives with a first year premium collection of Rs.347 Million in Q1 FY19 respectively.

Key Business Parameters

Particulars	H1 FY20	H1 FY19	Q2 FY20	Q2 FY19	Q1 FY 20	FY 19
Total Premium Collection (Rs. In millions)	1315	1165	709	670	606	2676
No. of Policies	11,67,009	998,786	725,805	548,410	441,204	2,240,560

About Muthoot Homefin (India) Limited:

MHIL is a Housing Finance Company registered with The National Housing Bank (NHB). It is a wholly owned subsidiary of Muthoot Finance Limited.

MHIL's prime goal is to contribute towards financial inclusion of LMI families by opening doors of formal housing finance to them. Its focus is on extending Affordable Housing Finance. MHIL would be concentrating primarily on retail housing loans in the initial stages. It operates on a 'Hub and Spoke' model, with the centralized processing based out of Corporate Office at Mumbai. MHIL has operations in 14 states and 2 Union territories - Maharashtra (including Mumbai), Gujarat, Rajasthan, Madhya Pradesh, Kerala, Karnataka, Telangana, Andhra Pradesh, Haryana, Chandigarh, Uttar Pradesh, Chattisgarh, Punjab, Tamil Nadu, Delhi and Pondicherry.

MHIL has long term debt rating of AA- (Stable) for its bank limits which indicates "High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk" and short term debt rating of 'A1+' for its Commercial Paper programme which indicates "Very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk" from ICRA Ltd.

CRISIL Ltd assigned long term debt rating of AA (Stable) which indicates "High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk."

Key Financial Parameters**(Rs. In Millions)**

Particulars	H1 FY20	H1 FY19	Q2 FY20	Q2 FY19	Q1 FY20	FY 19
No. of branches	103	73	103	73	101	96
No. of Sales Offices	132	132	132	132	132	132
No. of Employees	407	287	407	287	401	382
Loan Portfolio	20975	17754	20975	17754	19875	19075
Capital Adequacy Ratio	45%	45%	45%	45%	45%	47%
Total Revenue	1523	1040	908	553	620	2257
Total Expense	1242	749	716	414	530	1746
Profit Before Tax	282	291	192	139	90	511
Profit After Tax	202	210	139	105	62	363
Shareholder's Funds	4143	3789	4143	3789	4004	3942
Total Outside Liabilities	17142	14065	17142	14065	16173	15530
Total Assets	21285	17854	21285	17854	20177	19472
Stage III Loan Assets	219	138	219	138	160	142
% Stage III asset on Gross Loan Asset	1.10	0.78	1.10	0.78	0.81	0.74
Stage III ECL Provision	192	26	192	26	56	22
ECL Provision	272	96	272	96	134	37
ECL Provision as a % of Gross Loan Asset	1.36	0.54	1.36	0.54	0.68	0.19

About Belstar Microfinance Private Limited (BMPL):

BMPL 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. Muthoot Finance holds 70.01% of equity share capital of BMPL. BMPL 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 0.2million.



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

As of September 30, 2019, BMPL operations are spread over 11 states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Chattisgarh, Gujarat, Rajasthan, Bihar, Uttar Pradesh and Pondicherry). It has 441 branches, with 82 controlling regional offices and employing 3309 staff. Its gross loan portfolio has grown from INR 0.20 million in March 2009 to INR 21,074 million in September 2019. For H1 FY 20, its Net Profit after Tax was Rs.509million and had a net worth of Rs.4509million.

Key Financial Parameters
(Rs. In Millions)

Particulars	H1 FY20	H1 FY19	Q2 FY20	Q2 FY19	Q1 FY20	FY 19
No. of branches	498	305	498	305	441	400
No. of Employees	3837	2305	3837	2305	3309	2876
Gross Loan Portfolio	21074	13806	21074	13806	19385	18419
Capital Adequacy Ratio	24%	24%	24%	24%	23%	26%
Total Revenue	2348	1575	1270	836	1079	3681
Total Expense	1657	1189	887	628	769	2650
Profit Before Tax	693	386	383	207	310	1031
Profit After Tax	509	286	281	161	229	729
Shareholders' Funds	4509	2850	4509	2850	4243	4002
Total Outside Liabilities	17586	13409	17586	13409	15655	16437
Total Assets	22095	16259	22095	16259	19898	20439
Stage III Loan Assets	213	134	213	134	224	211
% Stage III asset on Gross Loan Asset	1.02	0.97	1.02	0.97	1.16	1.15
Stage III ECL Provision	191	110	191	110	203	188
ECL Provision	301	155	301	155	271	264
ECL Provision as a % of Gross Loan Asset	1.45	1.13	1.45	1.13	1.40	1.43


About Asia Asset Finance PLC, Sri Lanka:

Asia Asset Finance PLC, (AAF) Colombo, Sri Lanka became a foreign subsidiary of Muthoot Finance Ltd on December 31, 2014. 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.

As on September 30, 2019, total holding in AAF by Muthoot Finance stood at 90 million equity shares representing 72.92% of their total capital. 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 25 branches across Sri Lanka. It has total staff strength of 549 currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.

Key Financial Parameters
LKR in millions

Particulars	H1 FY20	H1 FY19	Q2 FY20	Q2 FY19	Q1 FY20	FY 19
LKR/INR	0.387005	0.42834	0.387005	0.42834	0.38980	0.39578
No. of Branches	25	17	25	17	24	23
No. of Employees	549	493	549	493	559	553
Loan Portfolio	13143	11237	13143	11237	12904	12569
Capital Adequacy Ratio	21	21	21	21	21%	19%
Total Revenue	1655	1380	857	693	798	2869
Total Expenses	1592	1319	822	664	770	2775
Profit Before Tax	63	61	35	29	28	94
Profit After Tax	54	38	29	22	25	101
Shareholders' Funds	2158	1897	2158	1897	2129	1953
Total Outside Liabilities	12340	10511	12340	10511	12237	11946
Total Assets	14498	12408	14498	12408	14366	13899


About Muthoot Money Limited:

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 September 30, 2019 it has a total loan portfolio of Rs. 4263Million.

Key Financial Parameters:
(Rs in millions)

Particulars	H1 FY 20	Q2 FY20	Q1 FY 20	FY 19
No. of branches	24	24	24	21
No. of employees	277	277	245	247
Gross Loan Portfolio	4263	4263	3927	3107
Capital Adequacy Ratio (%)	24	24	26	32
Total Revenue	311	169	142	156
Total Expense	258	126	133	149
Profit Before Tax	53	43	9	7
Profit After Tax	32	32	(0.4)	3
Stage III Loan Assets	38	38	12	-
% Stage III asset on Gross Loan Asset	0.90	0.90	0.30	-
Stage III ECL Provision	10	10	12	-
ECL Provision	52	52	48	15
ECL Provision as a % of Gross Loan Asset	1.21	1.21	1.23	0.47
Shareholders' Funds	1067	1067	1035	1035
Total Outside Liabilities	3455	3455	3116	2317
Total Assets	4522	4522	4151	3352