

***Muthoot Finance***

**Financial Results Q4 FY 2018**

**March 2018**

**MUTHOOT FINANCE LIMITED**

## SAFE HARBOUR STATEMENT

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

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## CONSOLIDATED LOAN ASSETS \*



### Diversified Business of the Group \*

(₹ in million)

	FY 2018	FY 2017	YoY Growth (%)
Consolidated Loan Assets of the Group *	321,537	286,605	12
Contribution of Subsidiaries in the Consolidated Gross Loan Assets of the Group* (%)	10	5	-
	FY 2018	FY 2017	YoY Growth (%)
Consolidated Profit of the Group*	1,784	1,200	49
Group* Branch Network	4,596	4,488	2

\* Muthoot Finance Ltd and its subsidiaries.

## STATEMENT OF FINANCIAL RESULTS

(₹ in millions)

	STANDALONE		CONSOLIDATED	
Particulars	FY 2018	FY 2017	FY 2018	FY 2017
<b>Total Revenue</b>	<b>62,432</b>	<b>57,467</b>	<b>67,049</b>	<b>59,384</b>
Employee Benefit Expenses	7,715	7,638	8,335	7,604
Finance Cost	19,399	22,938	21,333	23,688
Depreciation and Amortisation	439	483	500	519
Provisions and write offs	2,397	2,816	2,712	2,863
Other Expenditure	4,911	4,382	5,446	5,124
<b>Total Expenses</b>	<b>34,861</b>	<b>38,257</b>	<b>38,326</b>	<b>39,798</b>
<b>Profit before tax</b>	<b>27,571</b>	<b>19,210</b>	<b>28,723</b>	<b>19,586</b>
<b>Tax expense (including deferred tax)</b>	<b>10,368</b>	<b>7,412</b>	<b>10,736</b>	<b>7,513</b>
<b>Profit for the period</b>	<b>17,203</b>	<b>11,798</b>	<b>17,987</b>	<b>12,073</b>
Minority Interest			146	75
<b>Net Profit after taxes and Minority Interest</b>	<b>17,203</b>	<b>11,798</b>	<b>17,841</b>	<b>11,998</b>

**Muthoot Finance****STATEMENT OF ASSETS AND LIABILITIES**

(₹ in millions)

	<b>STANDALONE</b>		<b>CONSOLIDATED</b>	
Particulars	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
Share Capital	4,000	3,995	4,000	3,995
Reserves and Surplus	73,604	61,170	74,423	61,386
Minority Interest			1,061	719
Borrowings	186,994	169,861	201,505	176,110
Other Liabilities and Provisions	49,219	72,105	62,062	79,632
<b>Total-Equities and Liabilities</b>	<b>313,817</b>	<b>307,131</b>	<b>343,051</b>	<b>321,842</b>
Fixed Assets	2,062	2,182	2,378	2,462
Goodwill on Consolidation			482	212
Investments	3,838	2,091	1,656	965
Loans and Advances	293,082	274,242	313,656	287,950
Other Assets	9,967	13,273	17,642	13,806
Cash and Bank Balances	4,868	15,343	7,237	16,447
<b>Total- Assets</b>	<b>313,817</b>	<b>307,131</b>	<b>343,051</b>	<b>321,842</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



White Label ATM



National Pension Scheme



Personal Loans



Collection Services



Wind Mill Power Generation

## MFIN - A GLIMPSE



**29**

States/Union territory presence

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**155 tonnes**

Gold jewellery kept as security

---

**4,300+**

Pan-India branches

---

**150,000+**

Retail investor base across debenture and subordinated debt portfolio

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**23,000+**

Team members

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**130,000+**

Customers served every day

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**₹ 291,384 mn**

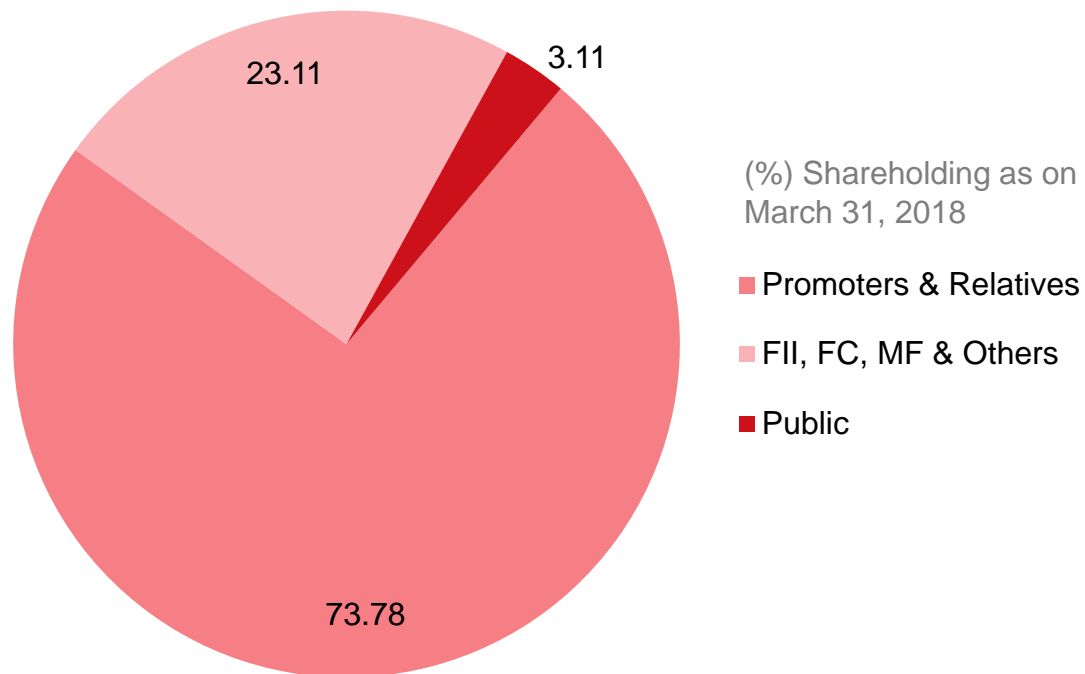
Loan Assets Under Management

*(As of March 31, 2018)*

# SHAREHOLDING PATTERN



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



**NSE Ticker**

MUTHOOTFIN

**BSE Ticker**

533398

**Market Capitalisation**

(as on March 31, 2018)

₹ 162,997 million



## DIVIDEND PAYOUT



### Delivering consistent returns to stakeholders

(%)

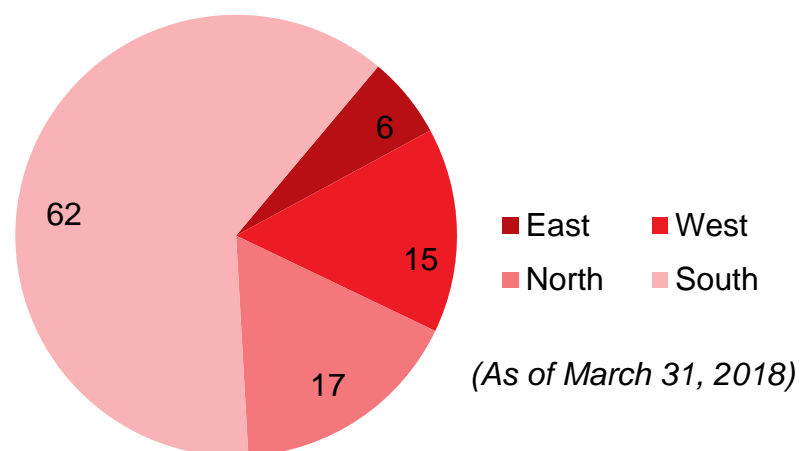
	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Dividend (%)*	100	60	60	60	60
First Interim Dividend (%)	100	60	40	40	30
Second Interim Dividend (%)	-	-	20	-	20
Final Dividend (%)	-	-	-	20	10
Dividend Payout Ratio (%)	23.23	20.30	29.50	35.36	28.59

\* On face value of ₹ 10 per equity share

# GEOGRAPHICAL PRESENCE

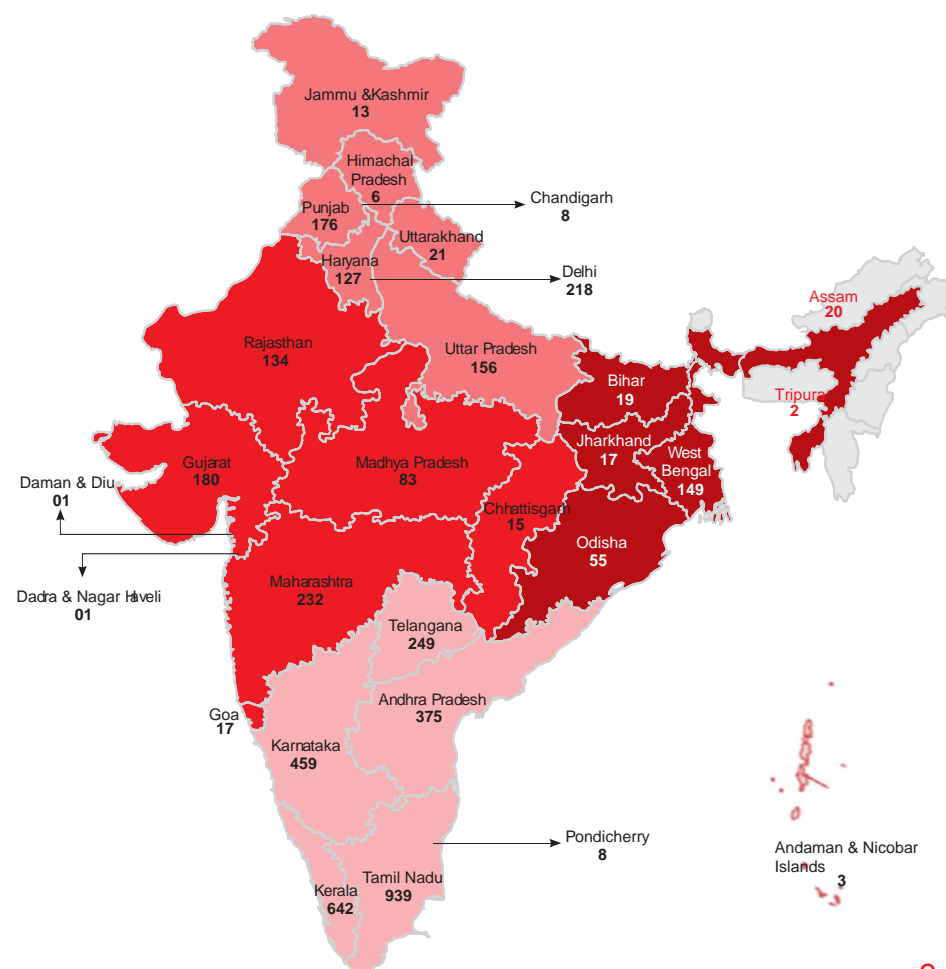
## A strong presence of 4325 branches across India

(%) Branches region wise



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

State wise Branch Network



## Digital convenience for new gen & Millennium Customer acquisition

<div data-bbox="218 623 380 860" data-label="Image"> </div> <div data-bbox="504 534 1060 573" data-label="Section-Header"> <h3>Aadhaar based Electronic KYC</h3> </div> <div data-bbox="428 617 1121 880" data-label="List-Group"> <ul style="list-style-type: none"> <li>• Biometric KYC verification - Convenience</li> <li>• No further KYC documents –Paperless</li> <li>• Aadhar</li> <li>• Almost whole branches covered now</li> <li>• 28% of New KYCs through e-KYC in Mar'18</li> <li>• e-Sign facility has been introduced in October'17.</li> </ul> </div>	<div data-bbox="1203 680 1373 821" data-label="Image"> </div> <div data-bbox="1530 540 1911 583" data-label="Section-Header"> <h3>Direct Credit Facility</h3> </div> <div data-bbox="1407 623 1953 885" data-label="List-Group"> <ul style="list-style-type: none"> <li>• Loan proceeds credited to bank account</li> <li>• NEFT/RTGS/IMPS mode of bank transfer</li> <li>• Less cash handling at branch</li> <li>• Instant credit to customer bank account</li> </ul> </div>
<div data-bbox="153 1109 415 1295" data-label="Image"> </div> <div data-bbox="466 967 1085 1010" data-label="Section-Header"> <h3>Gold Cash Card (GCC) - DCB VISA</h3> </div> <div data-bbox="441 1049 1102 1274" data-label="List-Group"> <ul style="list-style-type: none"> <li>• Gold Loan amount loaded in card</li> <li>• Use in ATMs &amp; Shopping (online &amp; offline)</li> <li>• Accepted at all <b>VISA</b> enabled PoS</li> <li>• Bank account not required for issuance</li> <li>• Only Gold Loan NBFC to provide this service</li> </ul> </div>	<div data-bbox="1180 1109 1402 1328" data-label="Image"> </div> <div data-bbox="1501 971 1778 1010" data-label="Section-Header"> <h3>PoS Terminals</h3> </div> <div data-bbox="1421 1053 1852 1240" data-label="List-Group"> <ul style="list-style-type: none"> <li>• Enables swiping of Debit cards issued by banks</li> <li>• Swiping charges for Interest payments waived off</li> </ul> </div>

## DIGITAL INITIATIVES

### Online Gold Loan (OGL)

- 17% 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 4.65 lakhs downloads.
- Online Gold Loan (OGL) facility available to withdraw loan amount and renewal, apart from payments.
- Rs.259 crs payments received from 2.93 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 Nov'17.
- e-Sign facility has been introduced in Jan'18.

## SHAREHOLDER'S FUNDS



### Strong Capital Base

#### Networth

	<b>Mar-18</b>	<b>Dec-17</b>	<b>Sep-17</b>	<b>Jun-17</b>	<b>Mar-17</b>	<b>Growth</b>	<b>Growth</b>
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Share Capital	4,000	3,999	3,996	3,995	3,995	0	0
Reserves & Surplus	73,604	73,898	69,248	64,688	61,169	20	0
<b>Total</b>	<b>77,604</b>	<b>77,897</b>	<b>73,244</b>	<b>68,683</b>	<b>65,164</b>	<b>19</b>	<b>0</b>

## Core focus continues to be gold loan

### Gross Loan Assets under management

	Mar- 18	Dec-17	Sep-17	Jun-17	Mar-17	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross loan assets under management	291,384	282,648	276,080	278,517	272,785	7	3

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

Gold Loans under management	288,484	280,974	275,338	277,750	272,199	6	3
Other loans	2,900	1,674	742	767	586	395	73



# LIABILITIES

## Stable sources of funding

	<b>Mar-18</b>	<b>Dec-17</b>	<b>Sep-17</b>	<b>Jun-17</b>	<b>Mar-17</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)	8,769	11,419	16,288	21,058	25,190	(65)	(23)
Secured Non-Convertible Debentures- Listed	43,842	45,158	49,909	55,359	37,098	18	(3)
Borrowings from Banks/FIs	111,836	120,421	103,695	93,049	92,019	22	(7)
Subordinated Debt	7,388	9,389	11,026	13,423	15,458	(52)	(21)
Subordinated Debt -Listed	3,849	3,849	3,849	3,849	3,662	5	0
Commercial Paper	28,181	14,505	33,056	28,268	31,548	(11)	94
Other Loans	8,815	6,221	5,644	5,838	5,984	47	42
<b>Total</b>	<b>212,680</b>	<b>210,962</b>	<b>223,467</b>	<b>220,844</b>	<b>210,959</b>	<b>1</b>	<b>1</b>

# REVENUE & PROFIT



## Profit & Loss Statement

(₹ in million)

	FY 2018	FY 2017	YoY Growth (%)	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
<b>INCOME</b>							
Interest Income	60,593	56,546	7	15,223	15,227	16,385	13,758
Other Income	1,839	921	100	857	440	314	228
<b>Total</b>	<b>62,432</b>	<b>57,467</b>	<b>9</b>	<b>16,080</b>	<b>15,667</b>	<b>16,699</b>	<b>13,986</b>
<b>EXPENDITURE</b>							
Interest Expense	19,399	22,938	(15)	4,495	4,689	4,889	5,326
Personnel Expenses	7,288	7,280	0	1,841	1,790	1,884	1,773
Administrative & Other expenses	4,940	4,401	12	1,461	1,259	1,074	1,146
Provisions & Write Offs	2,397	2,816	(15)	597	565	1,169	66
Directors Remuneration	431	362	19	258	58	57	58
Depreciation	405	460	(12)	103	104	100	99
<b>Total</b>	<b>34,860</b>	<b>38,257</b>	<b>(9)</b>	<b>8,755</b>	<b>8,465</b>	<b>9,173</b>	<b>8,468</b>
<b>PROFIT</b>							
Profit Before Tax	27,571	19,210	44	7,325	7,201	7,527	5,518
Profit After Tax	17,203	11,798	46	4,514	4,637	4,541	3,511

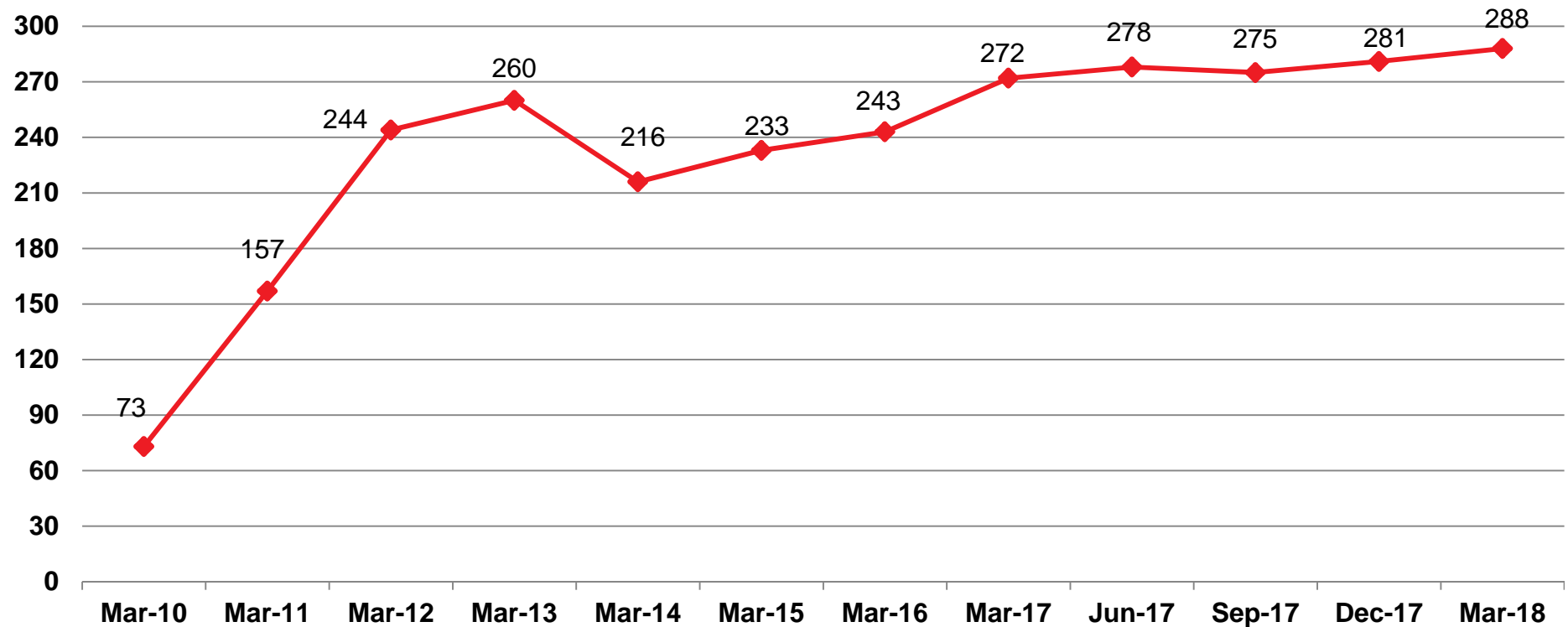


# GOLD LOAN PORTFOLIO

## Gaining scale over the years

### Gold Loan Assets Under Management

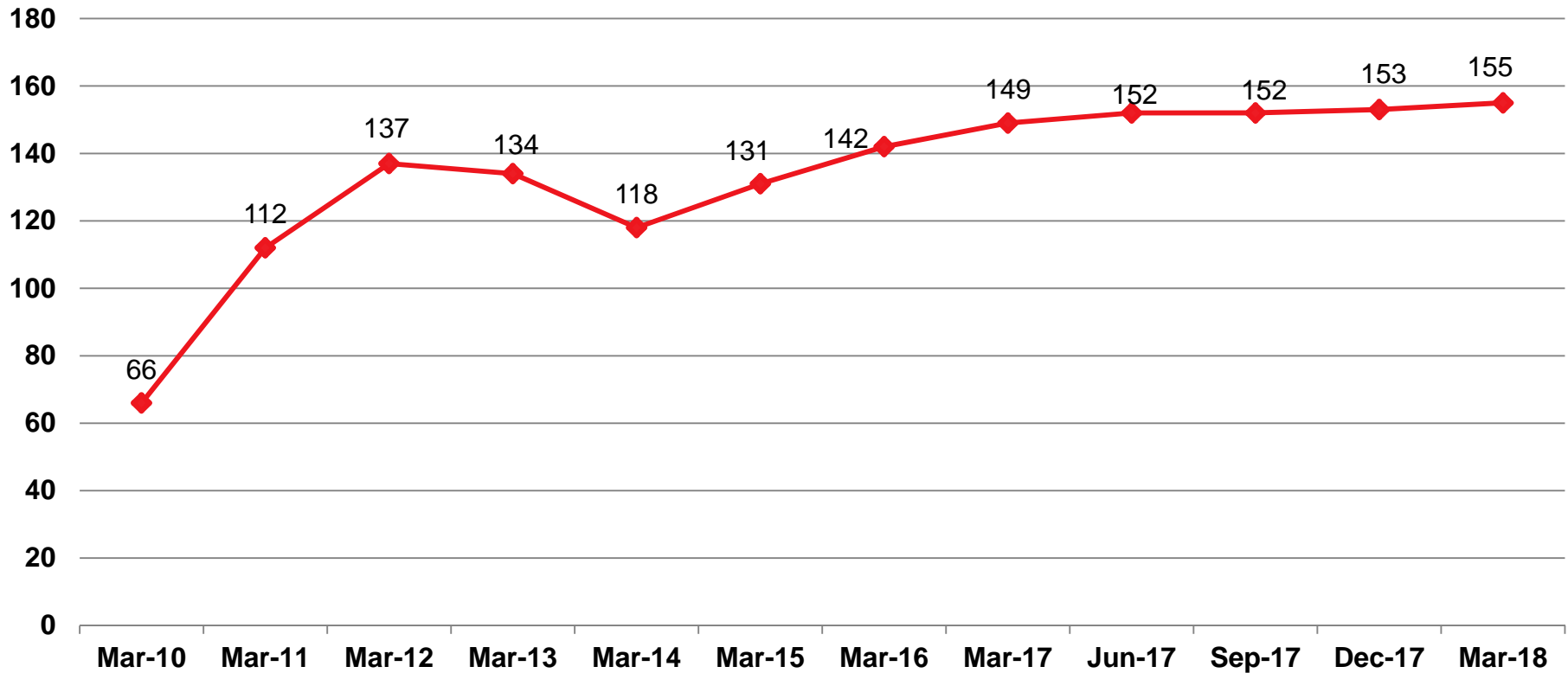
(₹ in billion)



## Carrying the trust of millions of our customers

### Gold jewellery kept as security

(In tonnes)

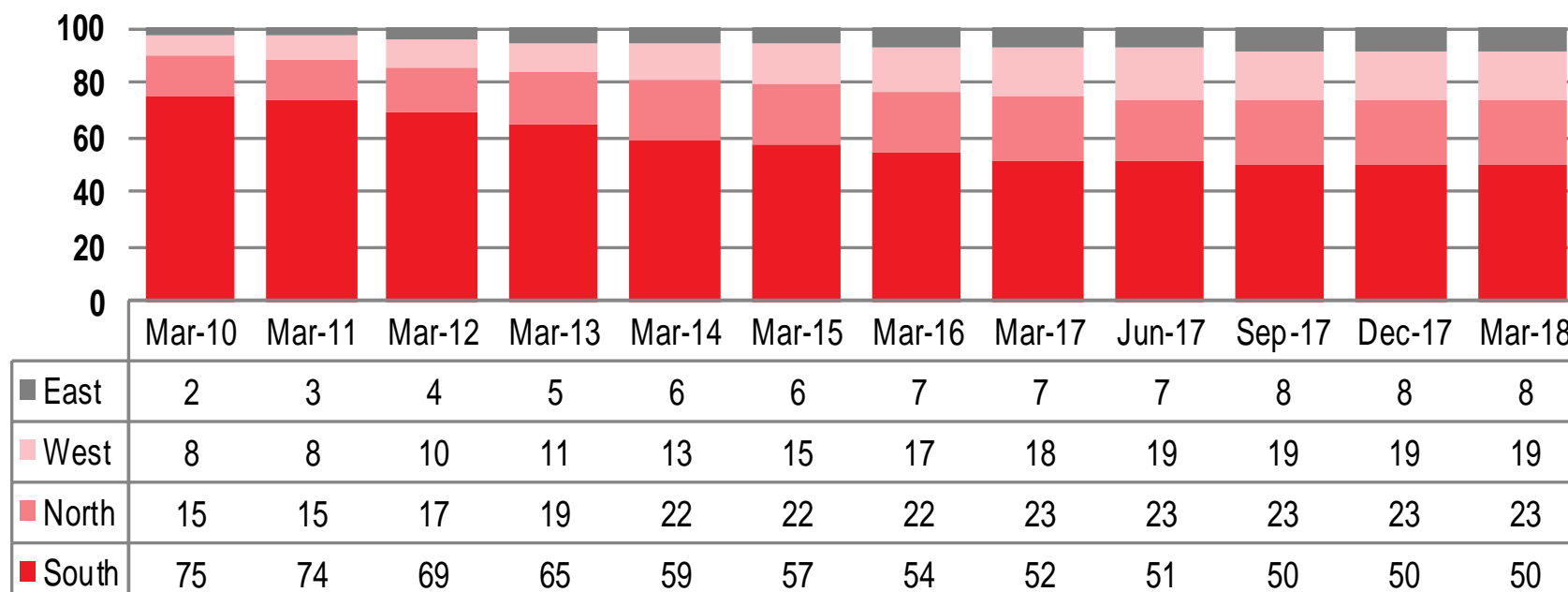




## GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO *Muthoot Finance*

### Diversified gold loan portfolio across India

(%)



### Gold Loan Assets Under Management

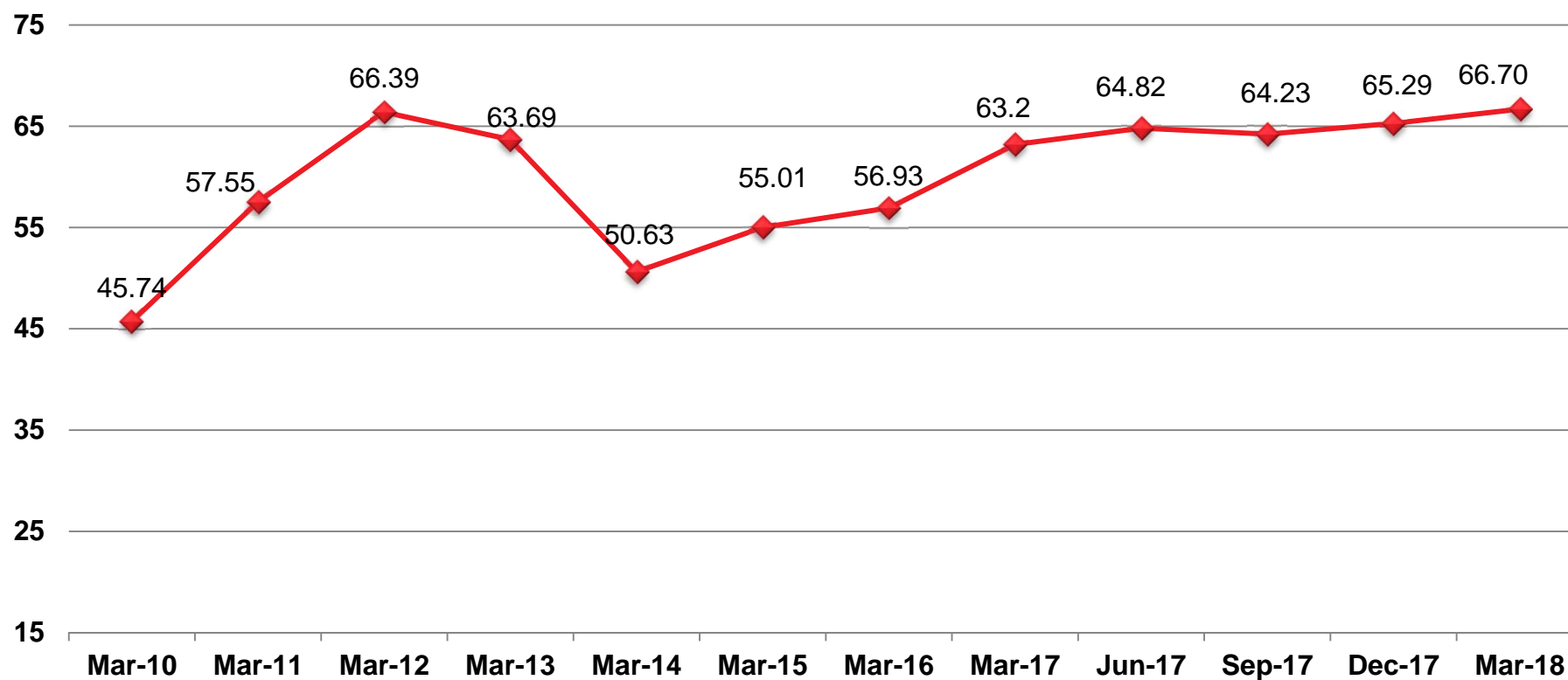
(₹ in billion)

Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
73	157	244	260	216	233	243	272	278	275	281	288

## Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch

(₹ in million)



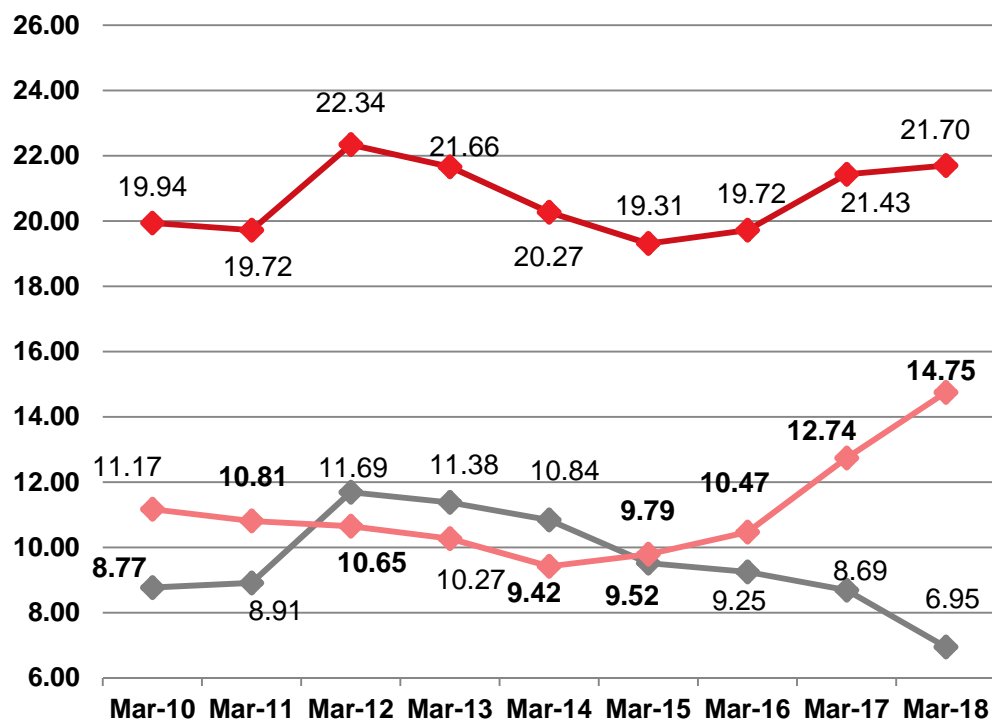


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## YIELD ON LOAN ASSETS AND NIM

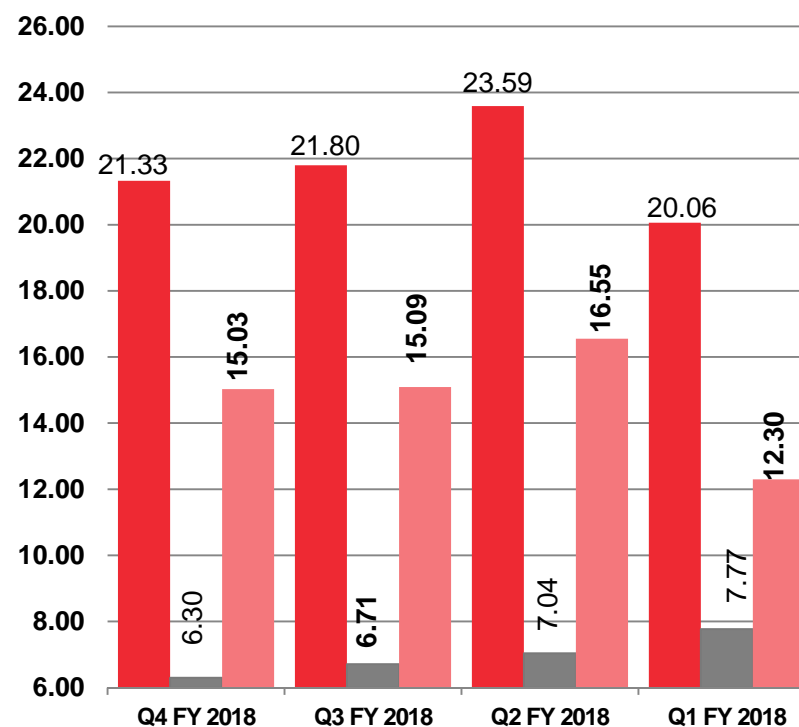
Yearly

(%)



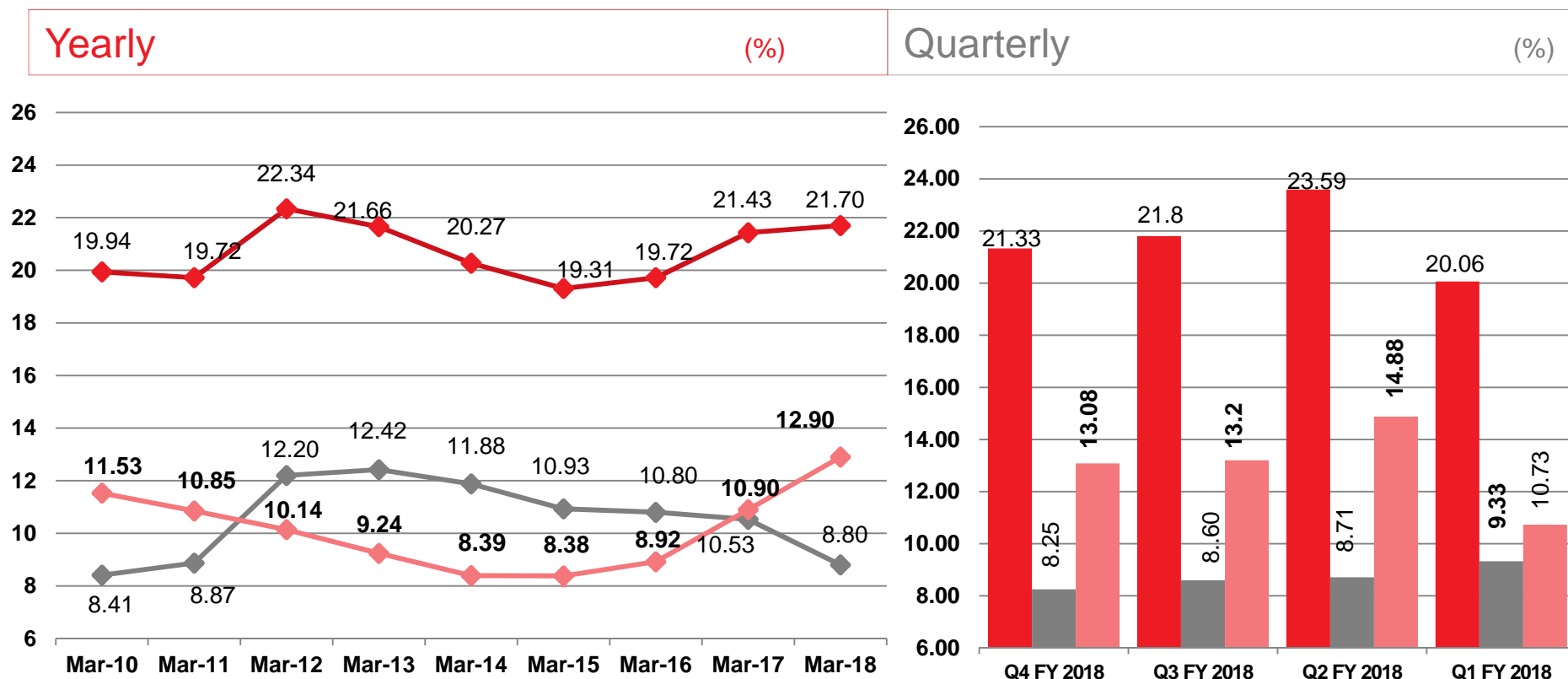
Quarterly

(%)



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

# INTEREST SPREAD



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

# RETURN ON AVERAGE LOAN ASSETS

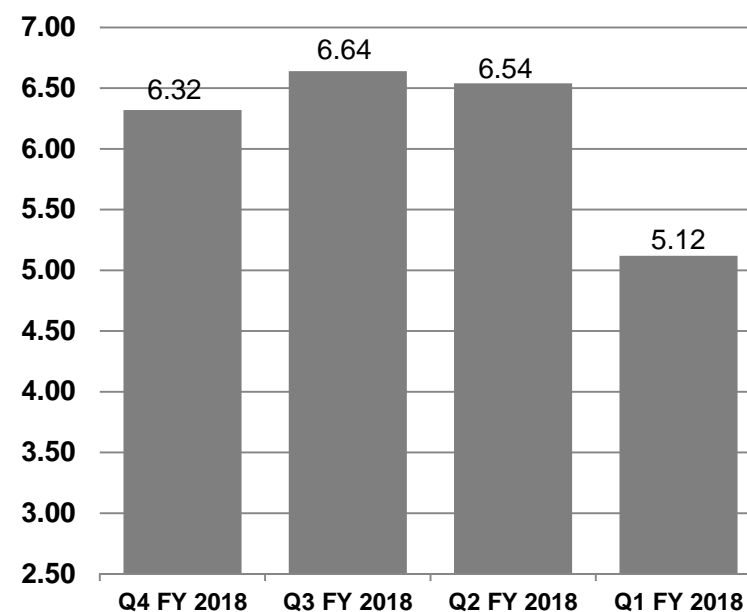
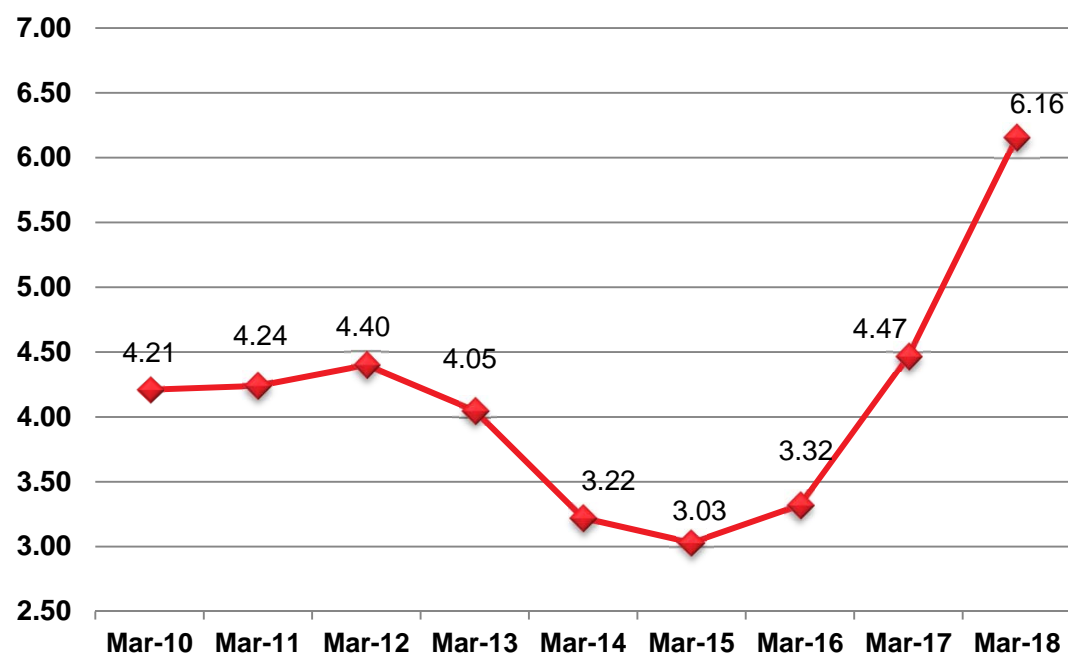
## Attractive returns over the years

Yearly

(%)

Quarterly

(%)



# NON-PERFORMING ASSETS



## Non-Performing Assets

(₹ in million)

	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17
Gross Non-Performing Assets	20,329*	15,897	12,593	6,279	5,621
Provision For Non-Performing Assets	2,378	1,975	1,571	1,019	1,019
Net Non-Performing Assets	17,951	13,922	11,021	5,260	4,602
% of Gross NPA on Gross Loan Assets	6.98	5.62	4.56	2.25	2.06
% of Net NPA on Gross Loan Assets	6.16	4.93	3.99	1.89	1.69

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

## LOAN TO VALUE OF NON PERFORMING ASSETS- GOLD LOAN\*

Mar-18

	Rs in million	Loan to value ratio including interest receivable till March 31,2018 at gold price(22ct) of Rs 2824 per gram
Primary NPA Gold Loans-(Based on 3 months from due date)	12,748	94%
Secondary NPA (Other standard loan accounts of a borrower whose any other loan account is classified as Primary NPA)	7,424	76%
Total Non Performing Assets-Gold Loan	20,172	87%
Primary Non Performing Assets-Other Loans	157	
Gross Non Performing Assets	20,329	





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## BAD DEBTS & STANDARD ASSET PROVISION

### Bad Debts

(₹ in million)

	<b>FY 2018</b>	<b>FY 2017</b>	<b>Q4 FY 2018</b>	<b>Q3 FY 2018</b>	<b>Q2 FY 2018</b>	<b>Q1 FY 2018</b>
Bad Debts Written Off	316	165	189	55	63	9

### Standard Asset Provision

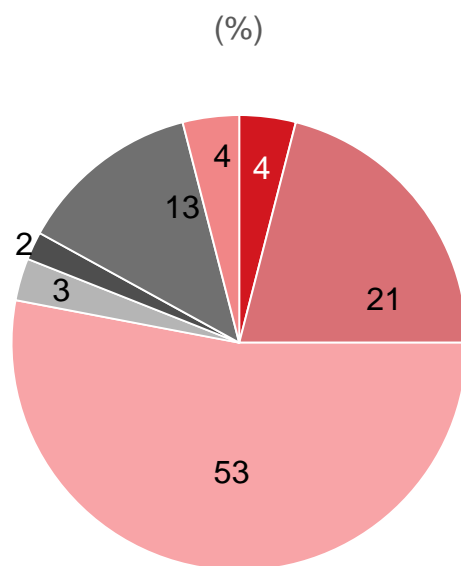
	<b>Mar-18</b>	<b>Dec-17</b>	<b>Sep-17</b>	<b>Jun-17</b>	<b>Mar-17</b>
Provision (₹ in million)	3,388	3,334	3,295	2,722	2,685
% of Provision to Standard Assets *	1.25	1.25	1.25	1.00	1.01
Provision for Gold Price fluctuation risk (₹ in million) **	2,330	2,330	2,330	2,330	2,330
% of Provision to Standard Assets	0.86	0.87	0.88	0.86	0.87
<b>Total Standard Assets Provision</b>	<b>5,718</b>	<b>5,664</b>	<b>5,625</b>	<b>5,052</b>	<b>5,015</b>

\* Maintaining a higher standard asset provision of 1.25% as against the regulatory requirement of 0.40%

\*\* Maintaining additional standard asset provision of 0.86% for gold price fluctuation

## LIABILITY MIX

### Maintaining a diversified funding profile



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 8,769 mn (4%)
- Secured Non-Convertible Debentures – Listed – ₹ 43,842 mn (21%)
- Borrowings from Banks/Fis - ₹ 111,836 mn (53%)
- Subordinated Debt – ₹ 7,388 mn (3%)
- Subordinated Debt – Listed - ₹ 3,849 mn (2%)
- Commercial Paper – ₹ 28,181 mn (13%)
- Other Loans – ₹ 8,815 mn (4%)

(As of March 31, 2018)

# CREDIT RATINGS

## Highest Rating among gold loan companies

### Short-term Rating

	Amt of rating (₹ in million)	Rating	Indicates
<b>COMMERCIAL PAPER</b>			
CRISIL	40,000	CRISIL A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
ICRA	40,000	ICRA A1+	Very strong degree of safety and lowest credit risk
<b>BANK LOANS</b>			
ICRA*	132,130	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	5,000	CRISIL AA/(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA	5,000	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*	100,370	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



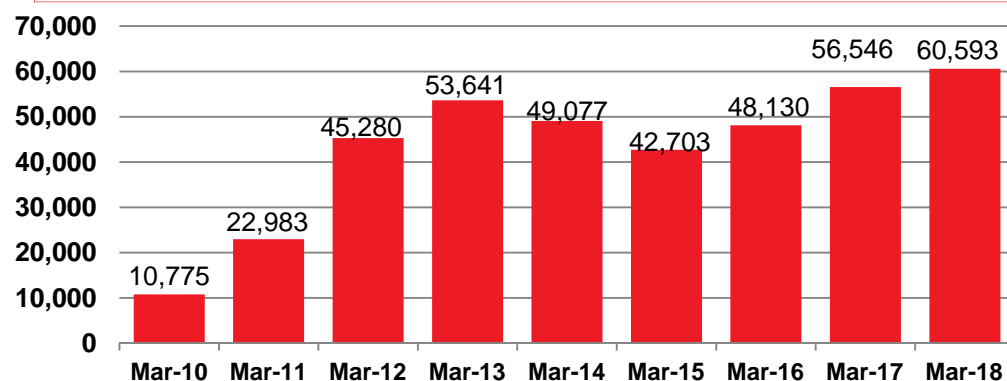
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## BREAK-UP OF GROSS INCOME

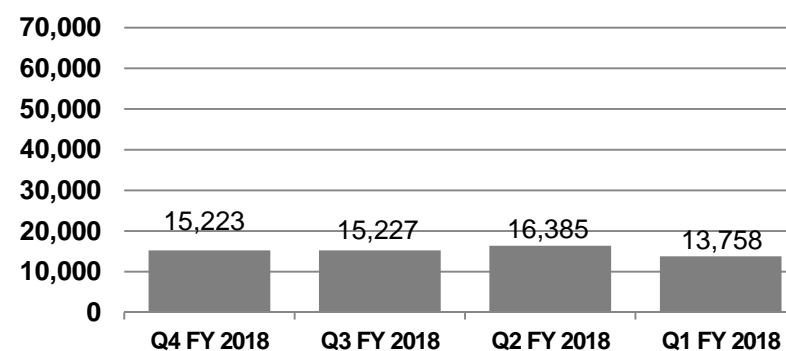
### Interest Income

(₹ in million)

#### Yearly



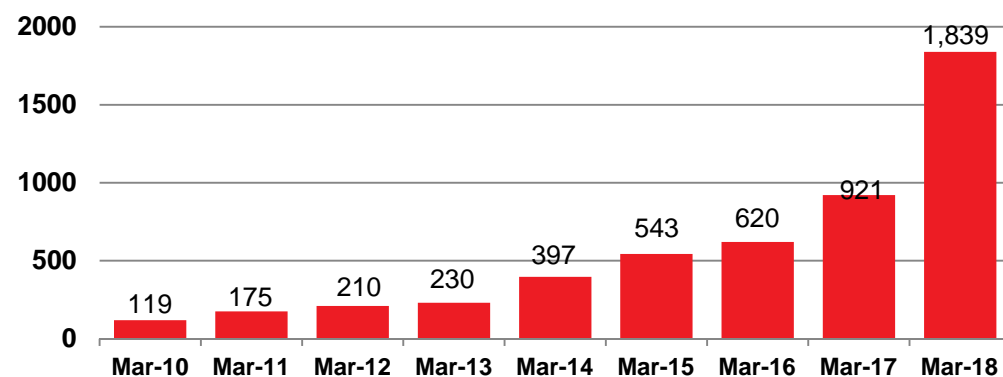
#### Quarterly



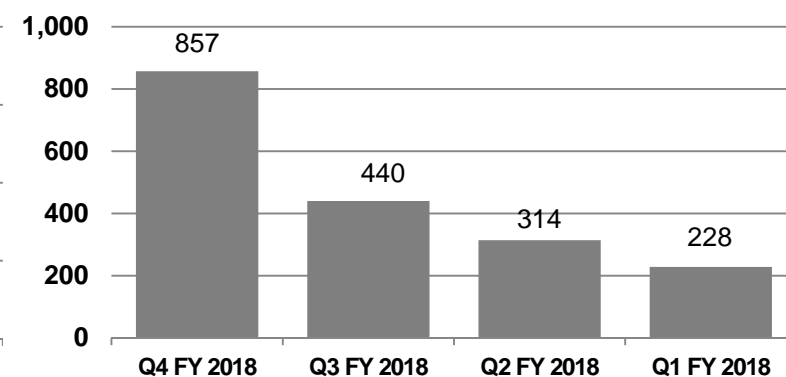
### Other Income

(₹ in million)

#### Yearly



#### Quarterly





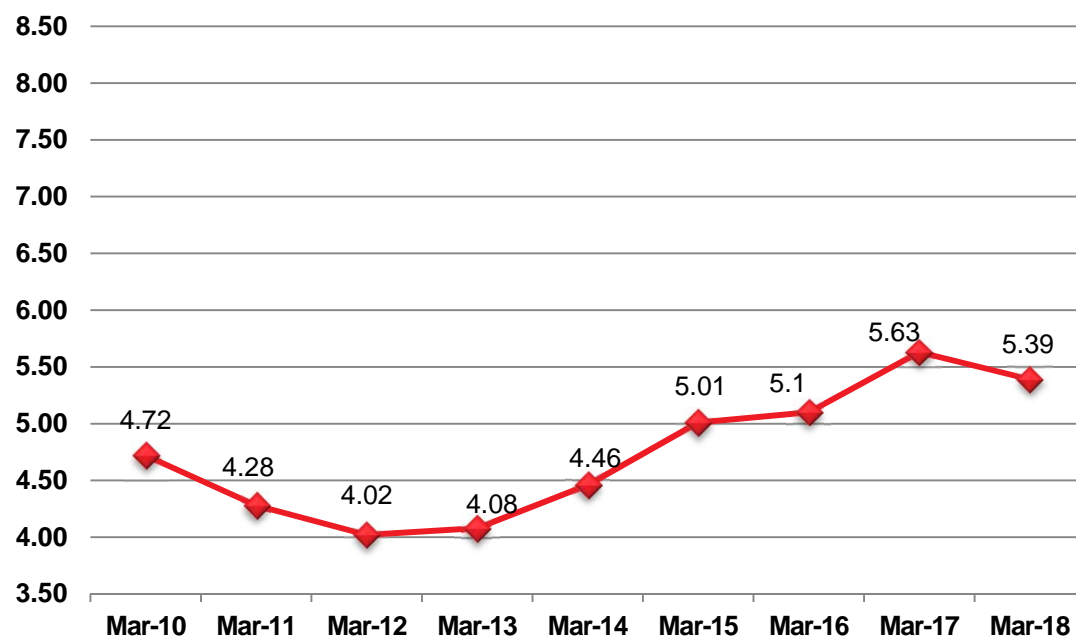
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## OPERATING EXPENSES TO AVERAGE LOAN ASSETS

### Operational efficiency over the years

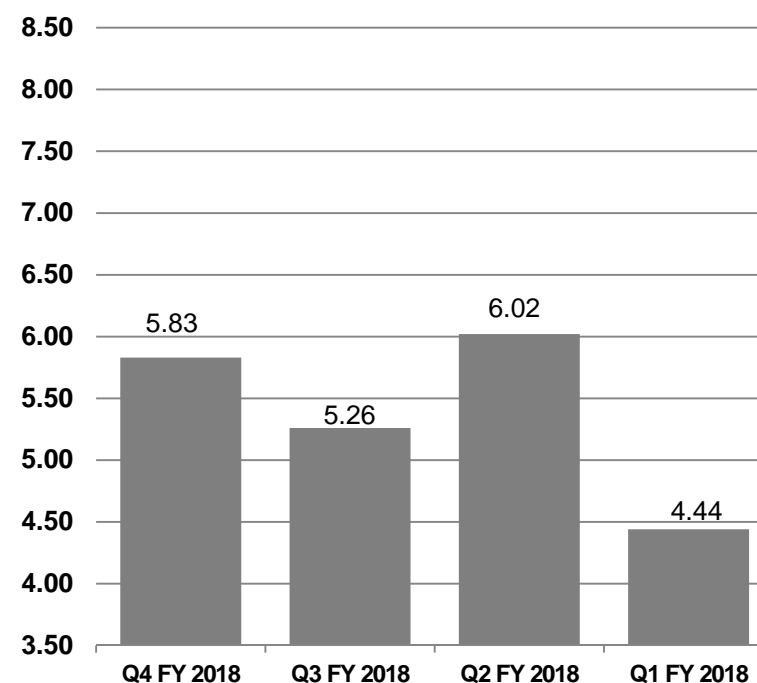
Yearly

(%)



Quarterly

(%)





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# BREAK-UP OF OPERATING EXPENSES

	Yearly									Quarterly			
	(₹ in million)									(₹ in Million)			
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
Personnel Expenses	7,288	7,280	6,418	6,304	5,917	5,453	4,145	2,209	1,169	1,841	1,790	1,884	1,773
Rent	1,913	1,808	1,713	1,650	1,542	1,309	1,042	603	290	511	474	425	503
Advertisement	720	531	626	651	702	579	866	647	331	281	199	64	176
Postage, Telegram and Telephone	404	372	378	371	364	243	184	115	72	84	93	122	105
Traveling and Conveyance	182	186	187	212	190	175	168	114	67	50	46	44	42
Printing and Stationery	136	129	144	160	185	168	155	111	69	43	32	32	29
Repairs and Maintenance	362	362	290	281	272	256	341	211	96	98	67	111	86
Legal and Professional Charges	153	124	93	189	216	86	60	114	34	37	29	51	36
Business Promotion Expense	209	201	149	140	279	332	267	119	45	128	34	38	9
Directors Remuneration	431	362	196	192	192	192	192	192	192	258	58	57	58
Depreciation and Amortisation Expenses	438	482	575	841	475	454	329	180	149	113	115	106	104
Others	1,165	835	1,014	733	731	550	380	229	165	361	396	225	183
Provision For Standard & NPA Assets	2,061	2,647	1,223	180	214	765	351	323	21	456	443	1,125	37
<b>Total</b>	<b>15,462</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>2,701</b>	<b>4,261</b>	<b>3,776</b>	<b>4,284</b>	<b>3,141</b>



**Muthoot Finance**

# BREAK-UP OF OPERATING EXPENSES

	Yearly (%)									Quarterly (%)			
	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
Personnel Expenses	47	48	49	53	52	52	49	43	43	43	47	44	56
Rent	12	12	13	14	14	12	12	12	11	12	13	10	16
Advertisement	5	3	5	5	6	5	10	13	12	7	5	1	6
Postage, Telegram and Telephone	3	2	3	3	3	2	2	2	3	2	2	3	3
Traveling and Conveyance	1	1	1	2	2	2	2	2	2	1	1	1	1
Printing and Stationery	1	1	1	1	2	2	2	2	3	1	1	1	1
Repairs and Maintenance	2	2	2	2	2	2	4	4	4	2	2	3	3
Legal and Professional Charges	1	1	1	2	2	1	1	2	1	1	1	1	1
Business Promotion Expense	1	1	1	1	2	3	3	2	2	3	1	1	0
Directors Remuneration	3	2	2	2	2	2	2	4	7	6	2	1	2
Depreciation and Amortisation Expenses	3	3	4	7	4	4	4	3	6	3	3	2	3
Others	8	5	8	6	6	5	4	4	6	8	12	4	6
Provision For Standard & NPA Assets	13	17	9	2	2	7	4	6	1	11	10	28	1
<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>



# PROFITABILITY RATIOS



	Yearly									(%)	Quarterly			(%)
(Based on Income)	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10		Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
Interest expense to Gross Income	31.07	39.92	46.31	48.71	53.08	52.34	52.10	44.83	43.49		27.95	29.93	29.28	38.08
Selling, general and administrative expenses to Net Income	29.42	34.88	41.36	48.26	44.66	35.89	35.48	36.32	41.00		30.73	28.29	25.53	34.38
Provisions & Write Offs to Net Income	5.57	8.16	6.20	1.67	1.89	3.49	1.93	2.68	0.44		5.15	4.73	9.90	0.76
Operational expenses to Net Income	34.99	43.03	47.56	49.93	46.55	39.37	37.41	38.99	41.44		35.88	33.02	35.43	35.14
OPBDT / Net Income	65.01	56.97	52.44	50.06	53.45	60.62	62.59	61.00	58.56		64.12	66.54	64.58	64.85
Depreciation to Net Income	0.94	1.33	2.13	3.72	2.03	1.76	1.50	1.42	2.42		0.89	0.95	0.85	1.13
OPBT / Net Income	64.07	55.63	50.31	46.34	51.42	58.86	61.09	59.58	56.14		63.23	65.59	63.73	63.72
PBT / Net Income	64.07	55.63	50.31	46.34	51.42	58.86	61.09	59.58	56.14		63.23	65.59	63.73	63.72
PAT / Net Income	39.98	34.17	30.93	30.23	33.60	39.11	40.93	38.68	36.97		38.96	42.24	38.45	40.54





**Muthoot Finance**

# PROFITABILITY RATIOS

	Yearly (%)									Quarterly (%)			
(Based on Average Loan Assets)	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
Interest income to avg. loan assets	21.70	21.43	19.72	19.30	20.27	21.66	22.34	19.72	19.94	21.33	21.80	23.59	20.06
Interest expense to avg. loan assets	6.95	8.69	9.25	9.52	10.84	11.38	11.69	8.91	8.77	6.30	6.71	7.04	7.77
Net Interest Margin	14.75	12.74	10.47	9.78	9.42	10.27	10.65	10.81	11.17	15.03	15.09	16.55	12.29
Other income to avg. Loan assets	0.66	0.35	0.25	0.25	0.16	0.09	0.10	0.15	0.22	1.20	0.63	0.45	0.33
Net Income Including Other Income	15.41	13.09	10.72	10.03	9.59	10.37	10.75	10.96	11.39	16.23	15.72	17.00	12.62
Selling, general and administrative expenses to avg. loan assets	4.53	4.56	4.43	4.84	4.28	3.72	3.81	3.98	4.66	4.99	4.45	4.34	4.34
Provisions and write offs to avg. loan assets	0.86	1.07	0.67	0.17	0.18	0.36	0.21	0.29	0.05	0.84	0.81	1.68	0.10
PBDT to avg. loan assets	10.02	7.45	5.62	5.02	5.12	6.28	6.73	6.69	6.67	10.41	10.46	10.98	8.18
Depreciation to avg. loan assets	0.15	0.17	0.23	0.37	0.20	0.18	0.16	0.16	0.28	0.14	0.15	0.14	0.14
PBT to avg. loan assets	9.87	7.28	5.39	4.65	4.93	6.10	6.57	6.53	6.39	10.26	10.31	10.84	8.04
Tax to avg. loan assets	3.71	2.81	2.08	1.62	1.71	2.05	2.17	2.29	2.18	3.94	3.67	4.30	2.92
PAT to avg. loan assets	6.16	4.47	3.32	3.03	3.22	4.05	4.40	4.24	4.21	6.32	6.64	6.54	5.12
Cash Profit to avg. loan assets	6.30	4.65	3.54	3.40	3.42	4.24	4.56	4.40	4.49	6.47	6.79	6.68	5.26

# PROFITABILITY

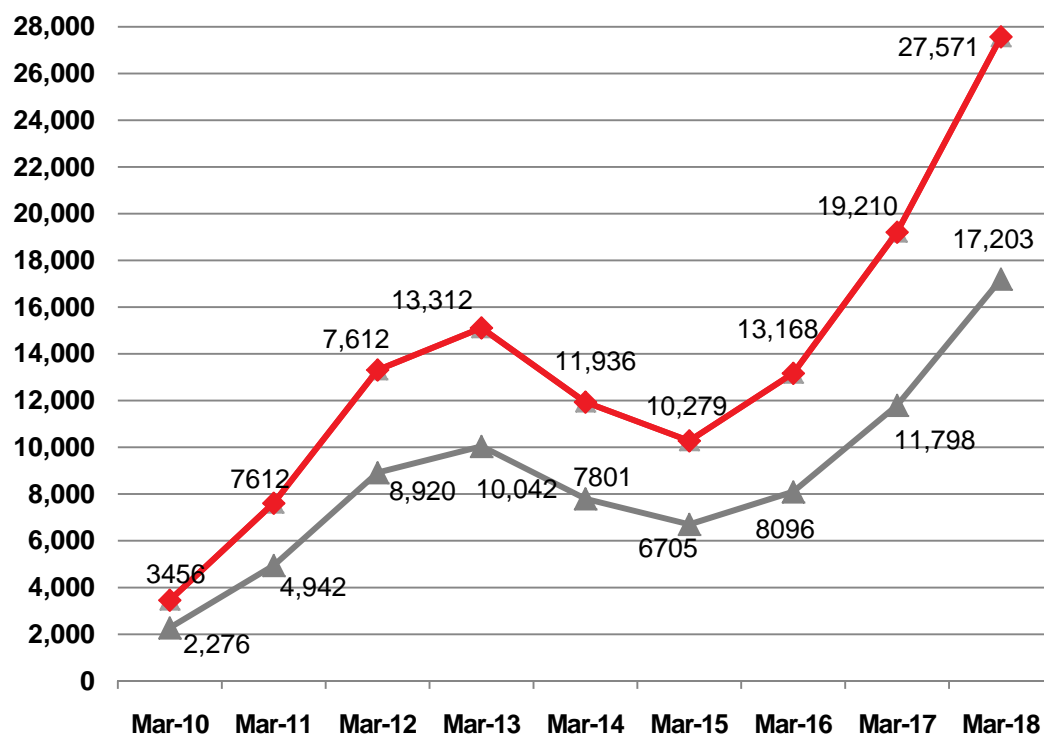
## Efforts getting rewarded

### Profitability at a glance

(₹ in million)

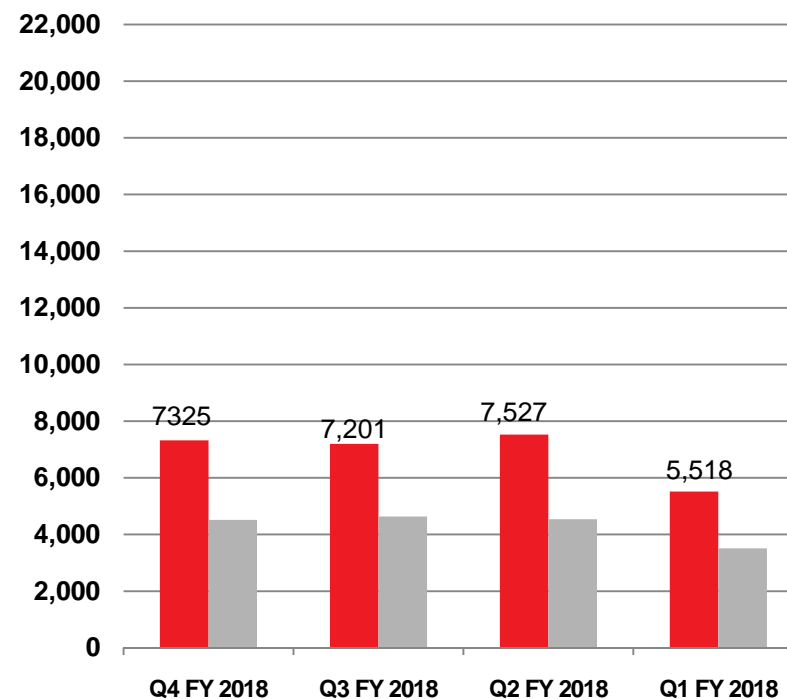
#### Yearly

—◆— PBT —▲— PAT



#### Quarterly

■ PBT ■ PAT



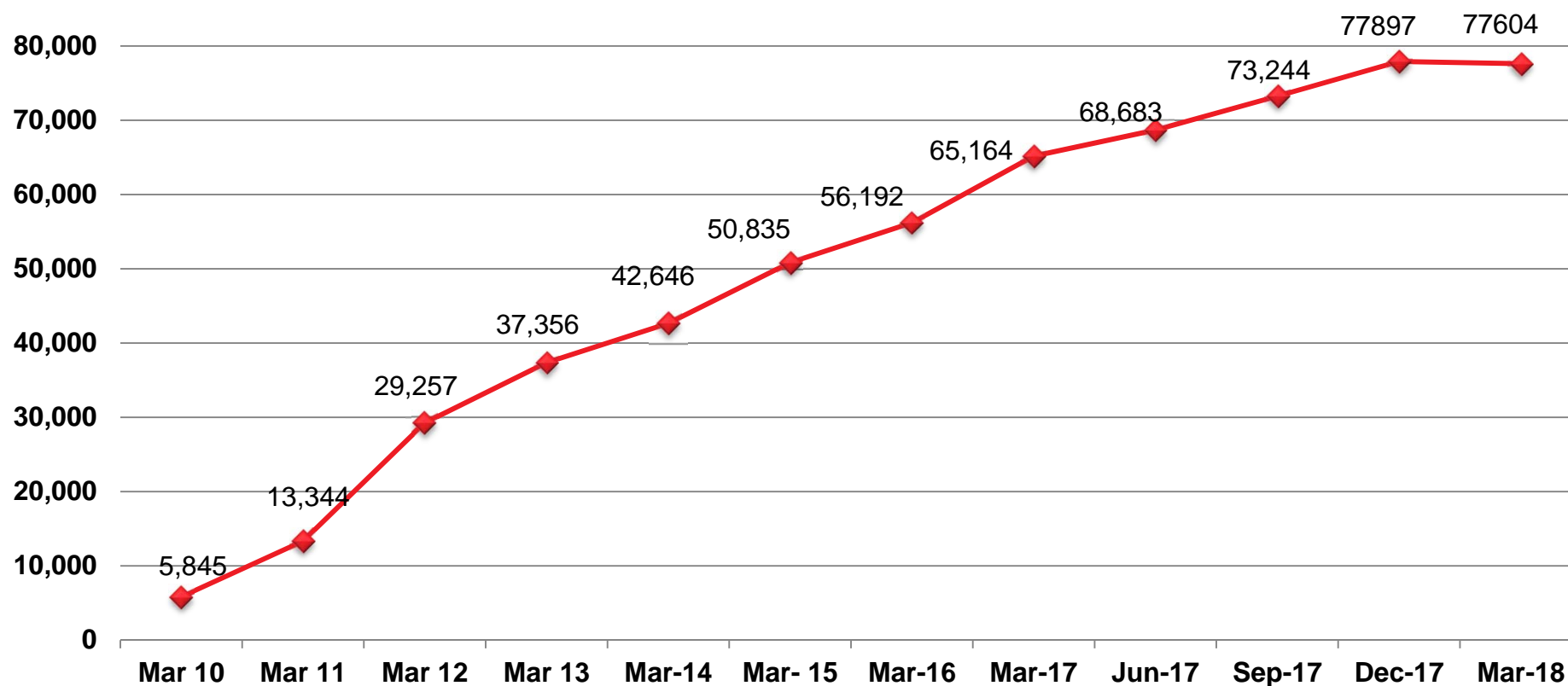
# NET WORTH



## Steady capital position

Share Capital and Reserves & Surplus

(₹ in million)





**Muthoot Finance**

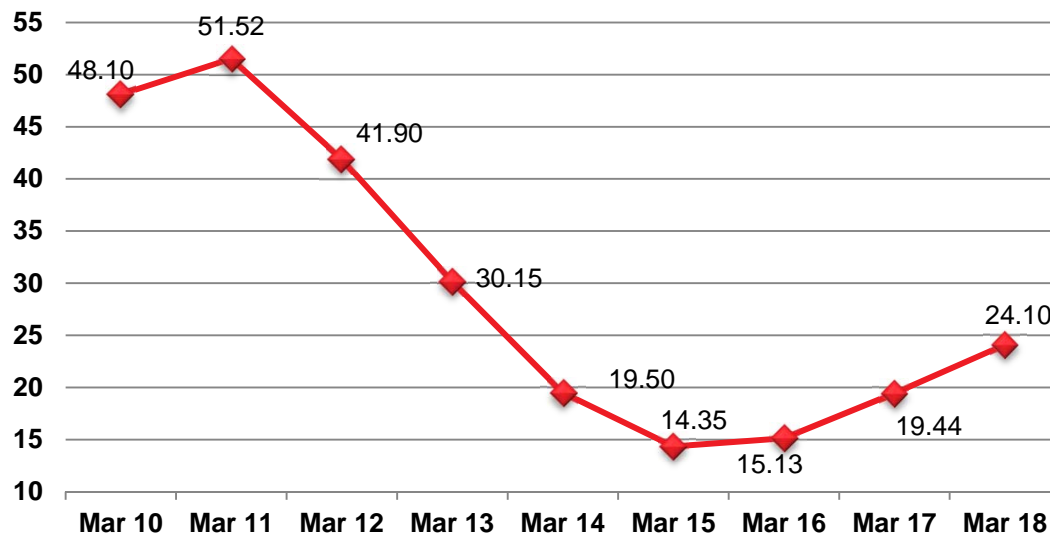
# RETURN ON EQUITY

## Stable shareholder value creation

### Return on Average Equity

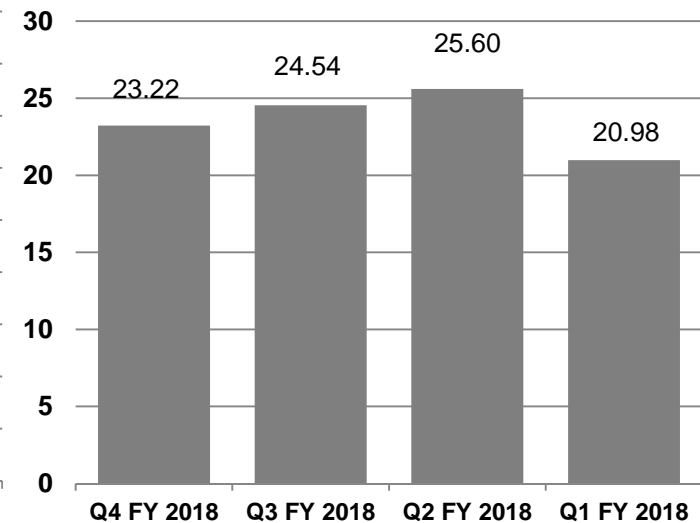
Yearly

(%)



Quarterly

(%)



## CAPITAL RATIO



### Maintaining capital well above the statutory requirement

#### Capital Adequacy Ratio

(%)

	<b>Mar-18</b>	<b>Dec-17</b>	<b>Sep-17</b>	<b>Jun-17</b>	<b>Mar-17</b>
Capital Adequacy Ratio	26.59	27.65	26.49	25.61	24.88
Tier-I	24.75	25.52	23.64	22.65	21.78
Tier-II	1.84	2.13	2.85	2.96	3.10

# MARKET VALUE RATIO

## Equity market valuation ratios indicate potential for upside

	<b>FY 2018</b>	<b>FY 2017</b>	<b>Q4 FY 2018</b>	<b>Q3 FY 2018</b>	<b>Q2 FY 2018</b>	<b>Q1 FY 2018</b>
Earnings per share (₹)						
- Basic	43.04	29.56	11.28	11.61	11.36	8.79
- Diluted	42.85	29.45	11.26	11.56	11.27	8.76

	<b>Mar-18</b>	<b>Dec-17</b>	<b>Sep-17</b>	<b>Jun-17</b>	<b>Mar-17</b>
Book Value per share (₹)	193.79	194.59	183.16	171.76	162.98
Market price per share (₹)*	407.45	474.65	474.90	455.15	368.95
Price to Earnings ratio**	9.47	11.92	13.38	14.41	12.48
Price to Book Value ratio	2.10	2.44	2.59	2.65	2.26

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

\*\*Based on trailing 12 months EPS

## CAPITALISATION RATIOS

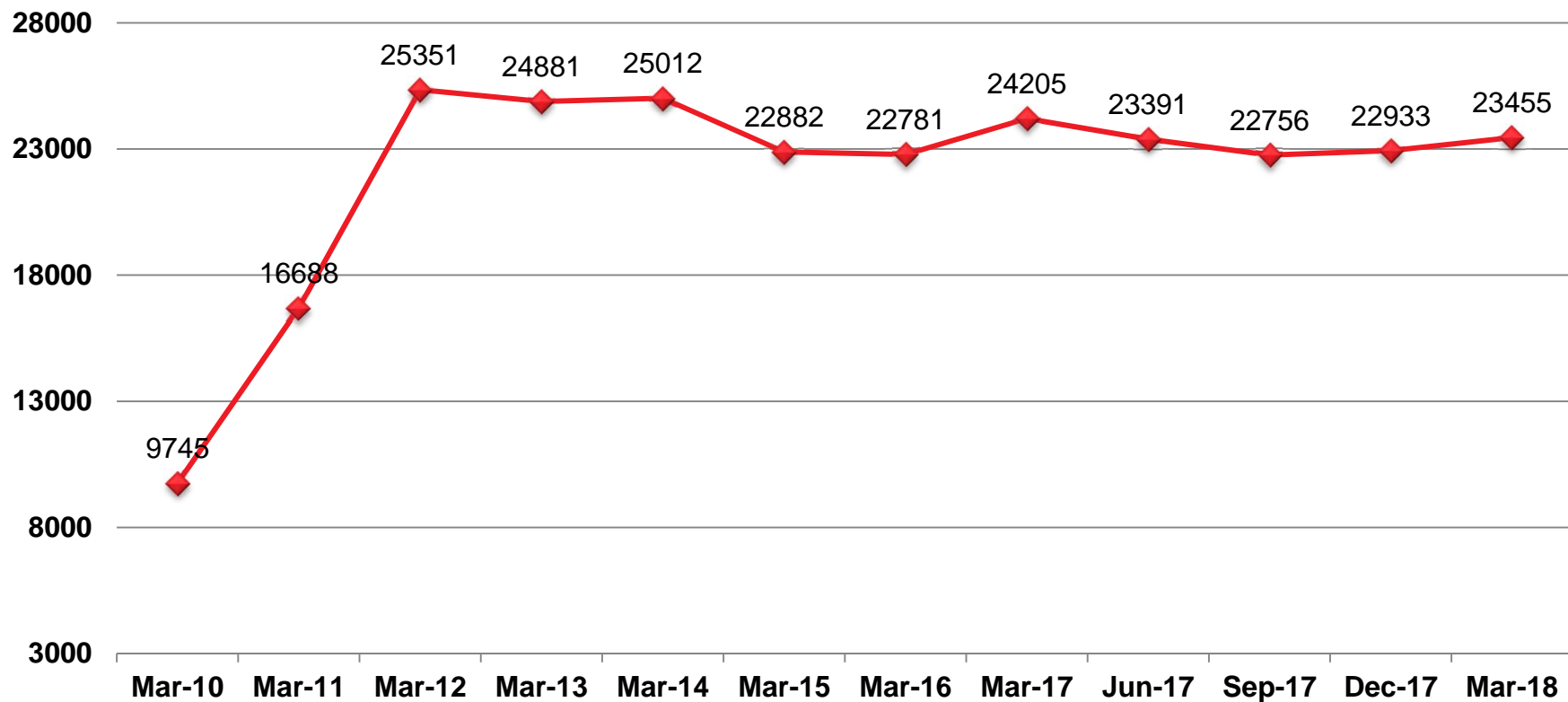
### Headroom for further leveraging

	(₹ In million)				
	<b>Mar-18</b>	<b>Dec-17</b>	<b>Sep-17</b>	<b>Jun-17</b>	<b>Mar-17</b>
Outside Liabilities	2,36,212	236,707	251,228	249,141	241,966
Cash & Bank Balances	4,870	13,960	19,649	21,063	15,343
Tangible Networth	77,522	77,820	73,243	68,626	65,104
Capital Gearing	2.98	2.86	3.16	3.32	3.48

## TEAM STRENGTH

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

(No. of Employees)





OUR SUBSIDIARY



ASIA ASSET  
FINANCE PLC

*The unconventional finance company*

## ASIA ASSET FINANCE PLC – AN OVERVIEW



**Muthoot Finance**



Asia Asset Finance PLC, (AAF) Colombo, Sri Lanka became a foreign subsidiary of Muthoot Finance on December 31, 2014 . As on Mar 31, 2018, total holding in AAF stood at 503 million equity shares representing 60% of their total capital. The loan portfolio stands at LKR 9.95 bn as on Mar 31,2018

**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 17 branches across Sri Lanka.

**The company formerly known as Finance and Land Sales has been in operation for over 47 years, evolving to serve the growing needs of people of Sri Lanka.**

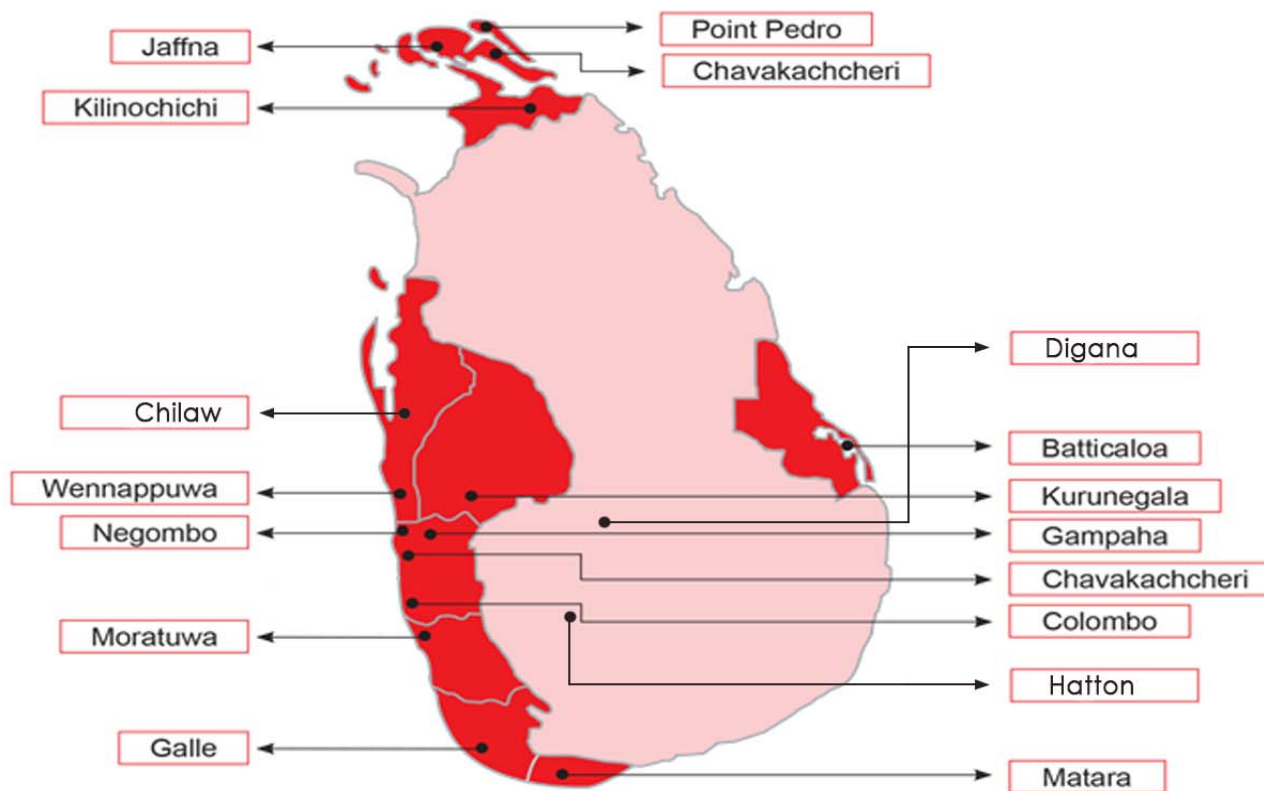
# PRODUCTS



- 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 2018	FY 2017	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
LKR / INR	0.41551	0.42113	0.41551	0.41374	0.42313	0.41706
Number of branches	17	15	17	17	17	17
Number of Employees	489	448	489	490	481	449
Loan AUM (LKR)	9,950	8,662	9,950	9,746	9,494	9,082
Capital Adequacy Ratio (%)	20	19	20	20	20	21
Total Revenue (LKR)	2,559	2,131	683	645	638	593
Total Expense (LKR)	2,304	1,815	618	585	582	520
Profit Before Tax (LKR)	256	316	65	60	57	73
Profit After Tax (LKR)	201	278	58	47	40	57
Share Holders Funds (LKR)	1,879	1,737	1,879	1,821	1,775	1,735
Total Outside Liabilities (LKR)	9,882	8,290	9,882	9,515	9,396	8,828
Total Assets (LKR)	11,761	10,027	11,761	11,336	11,170	10,563

**OUR SUBSIDIARY**





## MUTHOOT HOMEFIN – AN OVERVIEW



**Muthoot Homefin**



**Muthoot Finance**



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 and Haryana.

As on Mar 31, 2018, it has a loan portfolio of Rs.15 bn.

ICRA assigned Long Term Debt Rating of ICRA AA-(Stable) for its Bank limits in Q2 FY 17. ICRA assigned Short Term Debt Rating of ICRA A1+ for its Commercial Paper.

## Business Performance

(₹ in millions)

Particulars	FY 2018	FY 2017	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
Number of branches	19	9	19	17	14	11
Number of Sales Offices	121	110	121	121	110	110
Number of Employees	221	111	221	194	167	135
Loan AUM (₹)	14,648	4,408	14,648	10,999	8,296	5,957
Capital Adequacy Ratio (%)	26	36	26	26	37	27
Total Revenue (₹)	1259	242	452	358	256	192
Total Expense (₹)	840	189	299	229	180	131
Profit Before Tax (₹)	419	53	153	129	76	61
Profit After Tax (₹)	278	29	116	80	45	37
Share Holders Funds (₹)	2,160	882	2,160	2,044	1,963	918
Total Outside Liabilities (₹)	13,700	3,624	13,700	10,326	7,594	5,954
Total Assets (₹)	15,860	4,506	15,860	12,370	9,557	6,872



## Business Performance

Particulars	FY 2018	FY 2017	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
Disbursement (₹)	10,814	4,158	3,878	2,890	2,461	1,584
Borrowings (₹)	11,115	2,178	11,115	8,608	6,346	4,850
Debt Equity Ratio (%)	5.15	2.47	5.15	4.21	3.23	5.27
Yield on Advances (%)	12.27	12.74	12.16	12.19	12.23	12.67
Interest Spread (%)	3.51	3.31	3.58	3.48	3.70	3.55
NIM (%)	6.01	9.34	5.85	6.26	5.62	6.38
Cost to Income Ratio (%)	26.23	61	25.39	24	28	29
Return on Assets (ROA) (%)	3.42	2.42	3.97	3.37	2.72	3.08
Return on Equity (ROE) (%)	17.26	3.26	22.10	16.03	12.44	16.36
GNPA (%)	0.42	-	0.42	0.43	0.50	0.11
NNPA (%)	0.36	-	0.36	0.36	0.43	0.09
Number of Customers	15,908	4,024	15,908	11,571	8,406	5,680

## Financial Highlights

- Disbursements in FY 2018: Rs 10,841 mn. Loan Book as on Mar 31, 2018: Rs 14,647 mn
- Average Ticket Size in FY 2018: Rs.1.08 mn
- Business Presence: Maharashtra, Gujarat, Rajasthan, Madhya Pradesh , Kerala, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Haryana and Chandigarh, Presence in 66 locations
- ROA for FY 2018: 3.42%, ROE for FY 2018: 17.26%
- Average cost of borrowings of 8.76% for FY 2018. Capital Adequacy Ratio: 25.55%, Debt Equity Ratio: 5.15
- Average Yield: 12.27%, Interest Spread: 3.51%
- Received PMAY subsidy of Rs 37.80 mn for 162 cases in FY 2018 and further claimed Rs 90 mn for 400 cases.
- Received sanction for NHB Refinance for Rs 250 mn.

## Growth Drivers

- Deepening our network further in existing states & expanding into Karnataka, Telengana, AP and Haryana state
- Increasing the leverage from 5.15x currently will help to improve the ROE
- 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 5.15 times as on Mar 31, 2018, 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 Finance***



***Muthoot Insurance Brokers***

## MUTHOOT INSURANCE – AN OVERVIEW



**Muthoot Insurance Brokers Muthoot Finance**



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 18, it has insured more than 8,41,000 lives with a First year premium collection of Rs.101 Crs. During FY 17, it has insured more than 566,000 lives with a First year premium collection of Rs. 70 Crs under Traditional ,Term and Health products..

The same was 459,000 lives with a First year premium collection of Rs.49 Crs in FY16.



**Muthoot Insurance Brokers**



**Muthoot Finance**

## Key Business Parameters

(₹ in millions)

Particulars	FY 2018	FY 2017	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
Premium Collection (₹)	1,006	697	415	217	216	157
Number of Policies	8,41,476	566,282	205,070	203,677	216,428	216,301

## Key Financial Parameters

(₹ in millions)

	FY 2018	FY 2017	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018	Q3 FY 2017	FY 2017
Total Revenue (₹)	182	116	72	46	38	25	27	116
Total Expense (₹)	32	28	9	9	9	6	7	28
Profit Before Tax (₹)	86	88	63	37	30	19	20	88
Profit After Tax (₹)	149	60	44	25	20	12	14	60
Share Holders Funds (₹)	276	171	276	228	203	183	145	171
Earnings per share (₹)	211	120	96	50	41	25	28	120

## OUR SUBSIDIARY



**BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED**

*A Subsidiary of Muthoot Finance Limited*



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



As of Mar 2018 , Muthoot Finance holds 66.61% 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 eight 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 Mar 31, 2018, BIFPL operations are spread over seven states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha ,Pondicherry and Chattisgarh). It has 235 branches, with 44 controlling regional offices and employs 1783 staff. Its gross loan portfolio has grown from INR 0.20 mn in March 2009 to INR 11,371 mn in March 2018



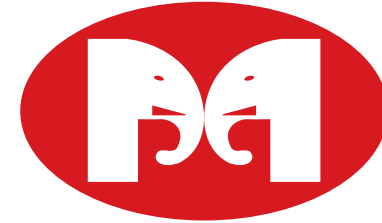


## Key Financial Parameters

(₹ in millions)

Particulars	FY 2018	FY 2017	Q4 FY 2018	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018
Number of branches	235	155	235	215	198	172
Number of Employees	1,783	1,093	1,783	1,576	1,383	1,240
Gross Loan AUM (₹)	11,371	5,759	11,371	9,451	7,968	6,652
Capital Adequacy Ratio (%)	18	17	18	19	17	20
Total Revenue (₹)	2,189	1,034	692	596	482	419
Total Expense (₹)	1,693	874	525	448	381	339
Profit Before Tax (₹)	496	160	167	148	101	80
Profit After Tax (₹)	337	104	122	97	66	52
Gross NPA (%)	0.76	0.10	0.76	0.84	0.24	0.17
Net NPA (%)	0.03	0.01	0.03	0.37	0.06	0.04
Shareholders Funds (₹)	1,595	903	1,595	1,412	1,009	956
Total Outside Liabilities (₹)	11,825	6,726	11,825	9,621	8,147	6,982
Total Assets (₹)	13,420	7,629	13,420	11,033	9,156	7,938





## ***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**

**(Individual & Corporate Investors)**  
[investors@muthootfinance.com](mailto:investors@muthootfinance.com)

**(Institutional Investors)**  
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