



Muthoot Finance Ltd

Q3 FY 2014 Results

Retail Loan Assets Under Management at Rs.22588crs as at 31st December 2013

Total Income for Q3 FY14 at Rs.1201crs

PAT for Q3 FY14 was at Rs.194crs

Branch Network of 4260 spread across 21 States and 4 Union Territories

Editors Synopsis

For the Quarter and Nine Months ended December 31, 2013

	Q3 FY 14 (Rs. In Crs.)	Q2 FY 14 (Rs. In Crs.)	Q1 FY 14(Rs. In Crs.)	9M FY 14 (Rs. In Crs.)	9M FY 13 (Rs. In Crs.)	YoY Change
Total Income	1201	1302	1286	3788	3976	-5%
Profit Before Tax	298	324	293	915	1165	-21%
Profit After Tax	194	211	194	599	784	-24%
Earnings Per Share	5.23	5.67	5.22	16.12	21.10	-24%
Retail Loan AUM	22588	24401	25848	22588	25713	-12%
Book Value Per Share (Rs.)	-	-	-	110.70	99.40	11%
	9M FY 14	9M FY 13				
Return on Average Retail Loans	3.22%	4.29%				
Return on Average Equity	20.33%	31.51%				
	31 st Dec 2013	31 st Dec 2012				
Capital Adequacy Ratio	23.76%	19.50%				
Share Capital & Reserves(Networth)(Rs. in Crs)	4121	3710				

Kochi, January 30, 2014:

Muthoot Finance Ltd, the largest gold financing company in India in terms of loan portfolio, registered a net profit of Rs.194crore for the quarter ended December 31 ,2013 and Rs.599crs for the nine months ended as of same date.

Commenting on the results M G George Muthoot, Chairman stated “ We are glad and thankful to RBI for relaxing the LTV cap from 60% to 75% .We hope this measure will enable us to bring back the customers who moved to the unorganized sector in search of optimum value for their personal assets. We hope this measure will put to rest unnecessary and baseless speculation about business model consequently resulting in creation of an uncertain environment. The performance of the Company during the quarter reinforces the inherent quality, strength and safety of business model of the Company.”

Speaking on the occasion George Alexander Muthoot , Managing Director said “ Considering the fact that regulatory uncertainty has almost come to an end , the Company can devote more time for developmental activities. We have engaged the services of Mckinsey for advising us on improving the productivity in gold oan business. Though there has been a drop in the loan portfolio during the quarter, we hope relaxation of

LTV cap to 75% will enable us to bring back customers who moved to the unorganized sector. Company will be focusing on achieving the March 2013 loan portfolio level of Rs.26000crs in the next couple of quarters. Our strong presence in borrower segments like small and medium enterprises, agriculture sector, traders, road transport operators etc constituting more than 70% of the loan portfolio should be a strong enabler for achieving this target and take on further growth in the quarters to come. Borrowings cost continues to remain high and is becoming stumbling block in reducing the lending rates. We are negotiating with banks to rationalize its spreads over base rate for lending to such a high quality loan portfolio. As a prudent provisioning policy, Company is maintaining a higher standard asset provisioning of 0.40% against regulatory requirement of 0.25%. We will be rolling out setting up of White Label ATMs in the current quarter. Considering the subdued share prices, Board has decided to compensate its shareholders by approving payment of second interim dividend of 20% on face value of Rs.10/- per share.”

Business Highlights:

Particular	9M-FY-14	9M-FY-13	% Growth(YoY)
Branch Network	4260	3914	9%
Gold Loan Outstanding (Rs Cr)	22263	25388	-12%
Credit Losses (Rs. Cr)	12.19	5.47	123%
% of Credit Losses on Gross Retail Loan AUM	0.05%	0.02%	150%
Average Gold Loan per Branch(Rs. Cr)	5.23	6.48	-19%
No. of Loan Accounts (in lakh)	58	62	-6%
Total Weight of Gold Jewellery pledged (in tonnes)	123	132	-7%
Average Loan Ticket Size	38566	41146	-6%
No. of employees	25469	24846	3%

About Muthoot Finance Ltd:

Muthoot Finance Limited is the largest gold financing company in India in terms of loan portfolio. The company is a “Systemically Important Non-deposit taking NBFC” headquartered in the southern Indian state of Kerala.

Operating history of Muthoot Finance has evolved over a period of 74 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939 under the heritage of a trading business established by his father, Ninan Mathai Muthoot, in 1887.

The company provides personal and business loans secured by gold jewellery, or Gold Loans, primarily to individuals who possess gold jewellery but could not access formal credit within a reasonable time, or to whom credit may not be available at all, to meet unanticipated or other short-term liquidity requirements.

Company is listed on both National Stock Exchange and Bombay Stock Exchange.