

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

Ref: SEC/MFL/SE/2018/2749

February 08, 2018

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 ended December 31, 2017

The Board of Directors at their meeting held on February 08, 2018 has announced unaudited financial results for the quarter ended December 31, 2017.

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

This is for your kind information and record thereon.

Thanking You,

For **Muthoot Finance Limited**



Maxin James
Company Secretary

Kochi, February 08, 2018:

Muthoot Finance Group* Loan Assets Under Management reaches landmark Level of Rs.30712 crs and highest Quarterly PAT of Rs.464 crores

Consolidated Loan Assets*

Muthoot Finance Ltd consolidated Gross Loan Assets under management of the Group* achieved a YoY increase of 10% at Rs.30712crs as against last year of Rs. 28005crs.

	Q3 FY18	Q3 FY17	Y-o-Y (%)	Q2 FY18	Q-o-Q (%)	FY 17	YTD (%)
Consolidated Gross Loan Assets of the Group* (Rs. In crores)	30712	28005	10%	29636	4%	28661	7%
Contribution of Subsidiaries in the Consolidated Gross Loan Assets of the Group*	8%	4%	-	7%	-	5%	-

**Muthoot Finance Ltd and its 3 subsidiaries involved in lending business. Figures of subsidiaries are unaudited.*

Muthoot Finance Ltd (MFIN), the largest gold financing company in India in terms of loan portfolio, registered an increase in net profit of 59%, at Rs. 464crs for Q3 FY18 as against Rs. 291crs in the previous year. The net profit for 9M FY18 stood at Rs.1269crs an increase of 48% as against last year of Rs.858crs. Loan Assets stood at Rs. 28265crs at Dec 31, 2017 as against Rs.27608crs as at Sep 30, 2017.

Muthoot Homefin (India) Ltd (MHIL), the wholly owned subsidiary, increased its loan portfolio by Rs. 270crs at Rs. 1100crs during the quarter. For 9M FY18, loan portfolio grew by Rs.659crs. Total revenue for Q3 FY18 & 9M FY18 stood at Rs. 36crs & Rs. 81crs as against previous year total revenue of Rs.6cr & 11crs respectively. It achieved a net profit of Rs. 8crs & Rs.16crs in Q3 FY18 & 9M FY18 as against previous year profit of Rs.92lakhs and Rs.74 lakhs.

M/s. Belstar Investment and Finance Private Limited (BIFPL), an RBI registered micro finance NBFC and Subsidiary Company where Muthoot Finance holds 64.60% stake., grew its loan portfolio during Q3 FY18 & 9M FY18 by 19% & 64% respectively reaching Rs. 945crs. It achieved a profit after tax of Rs.10crs & Rs.22crs during Q3 FY18 & 9MFY18 as against previous year profit after tax of Rs.2crs & Rs.7crs. Its Gross and Net NPA stood at 0.84% and 0.37% respectively as on Dec 31, 2017.

Muthoot Insurance Brokers Pvt Limited (MIBPL), an IRDA registered Direct Broker in insurance products and a wholly owned subsidiary company generated a First year premium collection amounting to Rs. 22crs & Rs.59crs during Q3 FY18 & 9M FY18 as against Rs. 15crs & Rs.44crs in the previous year respectively.

The Sri Lankan subsidiary - **Asia Asset Finance PLC. (AAF)** where Muthoot Finance holds 60% stake, increased its loan portfolio during the quarter by 3% and for 9M by 13% at LKR 975crs. Total revenue for Q3 FY18 & 9M FY18 stood at



LKR 65crs & LKR 188crs as against previous year total revenue of LKR 57crs & LKR 155crs. It generated a profit after tax of LKR 5crs & LKR 14crs during Q3 FY18 & 9M FY18 as against previous year profit after tax of LKR 8crs & LKR 19crs.

Commenting on the results **M G George Muthoot, Chairman stated**, "Another historic record performance with 59% increase in net profits at Rs.464crs. Considering the performance of the Company in 9months, Board is glad to announce highest ever dividend of 100% ie., Rs. 10/- per equity share. The consolidated loan book of the group has increased by 10% Y-o-Y at Rs.30712crs continuing with diversification activities."

Speaking on the occasion **George Alexander Muthoot, Managing Director said**, "Our subsidiaries have again shown an excellent performance. Muthoot Homefin (India) Limited has grown its loan portfolio by Rs.270crs for the 9 months reaching Rs.1100crs. The micro finance subsidiary which has a strong SHG model increased its loan portfolio by 64% during the 9 months reaching Rs.945crs. The NBFC in Sri Lanka increased its loan portfolio by 13% during the 9 months. First Year Premium collections in the Insurance Broking subsidiary increased by 34% at Rs.59crs. The rise in NPA accounts in Muthoot Finance is mainly on account of more time given to customers for repayment on our shorter tenor loans of 6months which became NPA faster than our conventional loan tenor of 12months. Company is currently maintaining increased standard asset provision of 1.25% higher than the regulatory requirement of 0.35%"

Financial Highlights(MFIN) :

	Q3 FY18 (Rs.in Crs)	Q2 FY18 (Rs.in Crs)	Q1 FY18 (Rs.in Crs)	Q3 FY17 (Rs.in Crs)	YoY % Change	QoQ % Change	9M FY18 (Rs.in Crs)	9M FY17 (Rs.in Crs)	YoY % Change	FY17 (Rs.in Crs)
Total Income	1567	1670	1399	1346	16%	-6%	4635	4033	15%	5747
Profit Before Tax	720	753	552	446	61%	-4%	2025	1332	52%	1921
Profit After Tax	464	454	351	291	59%	2%	1269	858	48%	1180
Earnings Per Share(Basic) Rs.	11.61	11.36	8.79	7.29	59%	2%	31.76	21.50	48%	29.56
Loan Assets	28265	27608	27852	26962	5%	2%	28265	26962	5%	27278
Branches	4303	4287	4285	4308	-0.1%	0.4%	4303	4308	-0.1%	4307

	Q3 FY18	Q2 FY18	Q1 FY18	Q3 FY17	9MFY18	9MFY17	FY17
Return on Average Loan assets	6.64%	6.54%	5.12%	4.28%	6.10%	4.37%	4.47%
Return on Average Equity	24.54%	25.60%	20.98%	18.37%	23.65%	18.91%	19.44%
Book Value Per Share (Rs.)	194.59	183.16	171.76	162.15	194.59	162.15	162.98



	Q3 FY18	Q2 FY18	Q1 FY18	Q3 FY17	FY17
Capital Adequacy Ratio	27.65%	26.49%	25.61%	24.66%	24.88%
Share Capital & Reserves (Rs. in Crs)	7790	7324	6868	6482	6516

Business Highlights(MFIN):

Particular	9M FY 18	9M FY 17	Growth (YoY)
Branch Network	4303	4308	-0.1%
Gold Loan Outstanding (Rs. in Cr)	28097	26902	4%
Credit Losses (Rs. in Cr)	12.76	6.23	105%
% of Credit Losses on Gross Loan Asset Under Management	0.045%	0.023%	96%
Average Gold Loan per Branch(Rs. In Cr)	6.53	6.24	5%
No. of Loan Accounts (in lakh)	76	73	4%
Total Weight of Gold Jewellery pledged (in tonnes)	154	147	5%
Average Loan Ticket Size	37069	36753	1%
No. of employees	22933	24150	-5%

Our CSR Initiatives:

Muthoot M George Excellence Award 2017- Mumbai

Muthoot Finance Ltd. felicitated 10th standard toppers of 150 government-run schools in Mumbai

Each topper received cash prize of Rs. 5,000 along with a certificate duly signed by Education Officer, BMC, along with Mr. George Alexander Muthoot, Chairman of Muthoot M George Foundation.



Muthoot M George Excellence Awards 2017' was inaugurated by Mr. Vishwanath Mahadeshwar, Mayor of Mumbai. Mr. Ramratanam, CEO, Muthoot Home Finance, Mr Babu John Malayil, DGM, Corporate Communications, Muthoot Finance Ltd, Mr. Jacob Koshy, President Bombay YMCA, Mr. Paul George, Officiating General Secretary, Bombay YMCA, Mr. Bhaskar Kumar, Secretary, ORD Department and Mr. Ashok Joshi, Chairman ORD Department, Mr. Venkatramana, Zonal Manager, Muthoot Finance Ltd, etc were present on this occasion.

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 78 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.

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 FY17, It has insured more than 5,66,000 lives with a First year premium collection of Rs. 70Cr under Traditional, Term and Health products. The same was 4,59,000 & 2,92,000 lives with a First year premium collection of Rs. 49 Crs & Rs.35 Crs in FY16 & FY15 respectively.

Key Business Parameters

	Q3 FY18	Q2 FY18	Q1 FY18	Q3 FY17	9M FY18	9M FY17	FY17	FY16
First Year Premium Collection (Rs. In crs)	22	22	16	15	59	44	70	49
No. of Policies	203,677	216,428	216,301	114,133	636,406	389,353	566,282	458,652

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 centralised processing based out



of Corporate Office at Mumbai. MHIL has operations in Maharashtra (including Mumbai), Gujarat, Rajasthan, Madhya Pradesh, Kerala, Karnataka, Telangana, Andhra Pradesh, Haryana, Chandigarh, Uttar Pradesh.

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.

Recently CRISIL Ltd assigned long term debt rating of AA- (Stable) for its bank limit 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	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018	Q3 FY 2017	9M FY 2018	9M FY 2017	FY 2017	FY 2016
No. of branches	17	14	11	8	17	8	9	2
No. of Sales Offices	121	110	110	110	121	110	110	0
No. of Employees	194	167	135	105	194	105	111	30
Loan Portfolio	10,999	8,296	5,957	2,040	10,999	2,040	4,408	315
Capital Adequacy Ratio	26%	37%	27%	64%	26%	64%	36%	226%
Total Revenue	358	256	192	61	807	107	242	19
Total Expense	229	180	131	46	541	93	189	19
Profit Before Tax	129	76	61	15	266	14	53	-
Profit After Tax	80	45	37	9	162	7	29	-
Shareholder's Funds	2,044	1,963	918	860	2,044	860	882	569
Total Outside Liabilities	10,326	7,594	5,954	1,232	10,326	1,232	3,624	3
Total Assets	12,370	9,557	6,872	2,092	12,370	2,092	4,506	572
Gross NPA(%)	0.43	0.50	0.11	-	-	-	-	-
Net NPA(%)	0.36	0.43	0.09	-	-	-	-	-

About Belstar Investment and Finance Private Limited (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.

Muthoot Finance holds 64.60% of equity share capital of BIFPL.

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 Havier District of Karnataka in March 2009 to 3 SHGs, 22 members for INR 0.02crores.

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 December 31, 2017, BIFPL operations are spread over seven states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Chattisgarh and Pondicherry). It has 215 branches, with 38 controlling regional offices and employing 1576 staff. Its gross loan portfolio has grown from INR 0.02 Crores in March 2009 to INR 576 crores in March 2017. For FY 17, its Net Profit after Tax was Rs.10.44crs and had a net worth of Rs.90.34crs.

Key Financial Parameters

(Rs. In Millions)

Particulars	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018	Q3 FY 2017	9M FY18	9M FY17	FY 2017	FY 2016
No. of branches	215	198	172	148	215	148	155	76
No. of Employees	1576	1,383	1,240	1,008	1,576	1,008	1,093	561
Gross Loan Portfolio	9,451	7,968	6,652	4,537	9,451	4,537	5,759	2,643
Capital Adequacy Ratio	19%	17%	20%	21%	19%	21%	17%	17%
Total Revenue	596	482	419	295	1,497	704	1,034	581
Total Expense	448	381	339	260	1,168	601	874	489
Profit Before Tax	148	101	80	36	329	103	160	92
Profit After Tax	97	66	52	23	215	67	104	61
Shareholder's Funds	1,412	1,009	956	866	1,412	866	903	399
Total Outside Liabilities	9,621	8,147	6,982	4,520	9,621	4,520	6,726	2,881
Total Assets	11,033	9,156	7,938	5,386	11,033	5,386	7,629	3,280
Gross NPA(%)*	0.84	0.24	0.17	0.19	0.84	0.19	0.10	0.17
Net NPA(%)*	0.37	0.06	0.04	0.02	0.37	0.02	0.01	0.00

*on Gross Loan Portfolio

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 46 years, evolving to serve the growing needs of people of Sri Lanka.

As on December 31, 2017, total holding in AAF by Muthoot Finance stood at 503 million equity shares representing 60% 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 17 branches across Sri Lanka. It has total staff strength of 490 currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.

Key Financial Parameters

(LKR in millions)

	Q3 FY 2018	Q2 FY18	Q1 FY18	Q3 FY17	9M FY18	9M FY17	FY17	FY16
INR/LKR	0.41374	0.42313	0.41706	0.44929	0.41374	0.44929	0.42113	0.43691
No. of Branches	17	17	17	15	17	15	15	15
No. of Employees	490	481	449	433	490	433	448	358
Loan Portfolio	9,746	9,494	9,082	8,560	9,746	8,560	8,662	6,854
Capital Adequacy Ratio	20%	20%	21%	19%	20%	19%	19%	22%
Total Revenue	645	638	593	572	1,876	1,545	2,131	1,383
Total Expenses	585	582	520	483	1,687	1,322	1,815	1,174
Profit Before Tax	60	57	73	90	190	224	316	209
Profit After Tax	47	40	57	79	143	192	278	175
Shareholder's Funds	1,821	1,775	1,735	1,654	1,821	1,654	1,737	1,462
Total Outside Liabilities	9,515	9,396	8,828	8,205	9,515	8,205	8,290	6,653
Total Assets	11,336	11,170	10,563	9,859	11,336	9,859	10,027	8,115