

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

Ref: SEC/MFL/SE/2018/2998

December 06, 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 and half year ended September 30, 2018

The Board of Directors at their meeting held on December 06, 2018 has announced unaudited financial results for the quarter and half year ended September 30, 2018.

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

This is for your kind information and record thereon.

For **Muthoot Finance Limited**



Maxin James
Company Secretary



Kochi, December 06, 2018:

Consolidated Loan Assets Under Management increase by 21% YoY at Rs.35956crs as on September 30th, 2018
Standalone Net Profit increase by 23% YoY at Rs.975crs for H1FY19

Standalone & Consolidated Loan Assets of Muthoot Finance Ltd

Muthoot Finance Ltd Consolidated Loan Assets under management achieved a YoY increase of 21% at Rs.35956 crs as against last year of Rs. 29646crs. During the quarter Consolidated Loan Assets under management increased by 5% of Rs.1642 crs.

	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	FY 18	YTD (%)
Consolidated Gross Loan Assets of the Group* (Rs. In crores)	35956	29646	21%	34316	5%	32159	12%
Gross Loan Assets of Muthoot Finance	32319	27613	17%	30997	4%	29142	11%
Gross Loan Assets of Subsidiaries	3637	2033	79%	3319	10%	3017	21%
Contribution of Subsidiaries in the Consolidated Gross Loan Assets of the Group*	10%	7%	-	10%	-	9%	-
Group Branch Network	4765	4516	6%	4688	2%	4596	4%

**Muthoot Finance Ltd and its 3 subsidiaries involved in lending business.*

Muthoot Finance Ltd (MFIN), the largest gold financing company in India in terms of loan portfolio, registered an increase in net profit of 23%, at Rs.975 crs for H1FY19 as against Rs.791crs in the previous year. Loan Assets stood at Rs. 32319crs as at September 30, 2018 as against Rs. 27613crs as at September 30, 2017, Y-o-Y growth of 17%. During the quarter, Loan Assets increased by 4% of Rs. 1322crs.

Muthoot Homefin (India) Ltd (MHIL), the wholly owned subsidiary, increased its loan portfolio to Rs.1775crs as against previous year of Rs.830crs, a YoY increase of 114%. During the quarter, loan portfolio increased by Rs.154crs, QoQ growth of 9.50%. Total revenue for Q2FY19 & H1 FY 19 stood at Rs. 56crs & 106crs as against previous year total revenue of Rs.26crs & Rs.45crs. It achieved a net profit of Rs.10crs & Rs.21crs in Q2 FY19 & H1 FY19 as against previous year profit of Rs.5crs & Rs.8crs. Its Gross and Net NPA stood at 0.78% and 0.63% as on September 30, 2018.

M/s. Belstar Investment and Finance Private Limited (BIFPL), an RBI registered micro finance NBFC and Subsidiary Company where Muthoot Finance holds 65.89% stake, grew its loan portfolio to Rs.1381crs as against last year of Rs.797crs, a YoY increase of 73%. During the quarter, loan portfolio increased by Rs.145crs, QoQ growth of 12%. It achieved a profit after tax of Rs.17crs & Rs.31crs during Q2 FY19 & H1 FY19 as against previous year profit after tax of Rs.2crs & Rs.4crs. Its Gross and Net NPA stood at 0.88% and 0.44% as on September 30, 2018.



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.67crs & Rs.116crs during Q2 FY19 & H1 FY19 as against Rs.22crs & Rs.37crs in the previous year. It generated a Profit after Tax of Rs.4crs & Rs.6crs during Q2 FY19 & H1 FY19 as against Rs.2crs & Rs.3crs in the previous year.

The Sri Lankan subsidiary - **Asia Asset Finance PLC. (AAF)** where Muthoot Finance holds 60% stake, increased its loan portfolio to LKR 1124crs as against last year of LKR 949crs, a YoY increase of 18%. During the quarter, loan portfolio increased by LKR 56crs, QoQ growth of 5%. Total revenue for Q2 FY19 & H1 FY19 stood at LKR 69crs & LKR 138 as against previous year total revenue of LKR 64CRS & LKR 123crs. It generated a profit after tax of LKR 2crs & LKR 4crs during Q2 FY19 & H1 FY 19as against previous year profit after tax of LKR 4crs & LKR 10crs.

Commenting on the results **M G George Muthoot, Chairman stated**, "We witnessed a strong growth with Consolidated Loan Assets growing YoY of 21% reaching Rs.35956crs as on September 30 ,2018. Gold Loan portfolio also witnessed a strong growth during the quarter with Muthoot Finance loan assets increasing by Rs.1322crs, a QoQ increase of 4%. Profit After Tax of MFIN increased by 23% at Rs.975crs for the half year as against last year of Rs.791crs. Under IND-AS, stage 3 assets, ie., loans beyond 90days DPD, declined further and stood at Rs.617crs(1.91% of Loan Assets) on September 30, 2018 as against Rs.1287crs(4.42% of Loan Assets) as on March 31, 2018."

Speaking on the occasion **George Alexander Muthoot, Managing Director said**, "Our subsidiaries achieved YoY loan growth of 79% reaching Rs. 3637crs as against last year of Rs.2033crs. They are contributing 10% of Group Loan assets. Muthoot Homefin (India) Limited has grown its loan portfolio to Rs.1775crs as against previous year of Rs.830crs, a YoY increase of 114%. The micro finance subsidiary which has a strong SHG model increased its loan portfolio to Rs. 1381crs as against last year of Rs.797crs, a YoY increase of 73%. The NBFC in Sri Lanka increased its loan portfolio by 5% during the quarter. First Year Premium collections in the Insurance Broking subsidiary increased by 205% at Rs.67crs during the quarter as against previous year."

Financial Highlights(MFIN) :

Particular	H1 FY19	H1 FY18	YoY %	Q2 FY19	Q1 FY19	Q2 FY18	YoY %	QoQ %
	(Rs.in Crs)	(Rs.in Crs)	Change	(Rs.in Crs)	(Rs.in Crs)	(Rs.in Crs)	Change	Change
Total Income	3283	3039	8%	1650	1633	1662	-1%	1%
Profit Before Tax	1500	1282	17%	745	755	740	1%	-1%
Profit After Tax	975	791	23%	484	492	446	9%	-2%
Earnings Per Share (Basic) Rs.	24.38	19.79	23%	12.09	12.29	11.16	8%	-2%
Loan Assets	32319	27613	17%	32319	30997	27613	17%	4%
Branches	4370	4287	2%	4370	4344	4287	2%	1%



Particular	H1 FY19	H1 FY18	Q2 FY19	Q1 FY19	Q2 FY18
Return on Average Loan assets(%)	6.33	5.73	6.11	6.54	6.43
Return on Average Equity(%)	23.57	22.89	22.7	24.54	25.17
Book Value Per Share (Rs.)	219.48	182.49			

Particular	Q2 FY19	Q1 FY19	Q2 FY18
Capital Adequacy Ratio(%)	25.92	26.44	26.49
Share Capital & Reserves (Rs. in Crs)	8790	8307	7297

Business Highlights (MFIN):

Particular	H1FY 19	H1 FY 18	Growth (YoY)
Branch Network	4370	4287	2%
Gold Loan Outstanding (Rs. in Cr)	32037	27534	16%
Credit Losses (Rs. in Cr)	5	7	-29%
% of Credit Losses on Gross Loan Asset Under Management	0.015%	0.025%	-40%
Average Gold Loan per Branch(Rs. In Cr)	7.33	6.42	14%
No. of Loan Accounts (in lakh)	82	75	9%
Total Weight of Gold Jewellery pledged (in tonnes)	168	152	11%
Average Loan Ticket Size	39294	36777	7%
No. of employees	23888	22756	5%



Other Highlights:

CRISIL upgrades credit rating of Muthoot Homefin India Ltd

During the quarter, CRISIL has upgraded its rating on the long-term bank facilities of Muthoot Homefin India Limited to 'CRISIL AA/Stable' from 'CRISIL AA-/Stable'.

THE MUTHOOT GROUP – Leading from the TOP OF MOUNT EVEREST

The Muthoot Group proudly waved its flag on Mount Everest, World's highest mountain above sea level. The expedition was led by famous mountaineer and expedition leader, Mr. Philip James Crampton, along with his group of 5 members and 6 Sherpas.

The flag carried the message "Always On top of the World", which also resonates with the Brand's empowering and inspiring message – "Life Mein Aagey Badhiye" and "Taking India Forward."





Our CSR Initiatives:

FLOOD RELIEF ACTIVITIES

Kerala has faced its worst flood in 100 years. More than 350 lives have been lost and over 10,00,000 people have been displaced due to torrential rains, overflowing rivers and landslides. The Muthoot Group volunteers have been active in numerous relief activities related to the recent floods in Kerala caused by continuous heavy rains

The Muthoot Group has donated Rs.1.50crores to Chief Minister's Flood Relief Fund

Muthoot M George Foundation, the CSR division of The Muthoot Group, has contributed Rs.1.50 Crores for the relief and rehabilitation efforts in the aftermath of recent flooding in Kerala. Shri. M.G. George Muthoot, Chairman, The Muthoot Group handed over a cheque for Rs.1.50 crores to Chief Minister Shri Pinarayi Vijayan towards the Chief Minister's flood relief fund in the presence of Shri. George Alexander Muthoot, MD and Shri. George Jacob Muthoot, JMD and other officials, at Secretariat Trivandrum on 13th August, 2018.



(L-R) Mr. George Jacob Muthoot, Jt. Managing Director, The Muthoot Group, Mr. M.G. George Muthoot, Chairman, The Muthoot Group, Mr. Pinarayi Vijayan, Hon'ble Chief Minister, Kerala, Mr. George Alexander Muthoot, Managing Director, The Muthoot Group.

The Muthoot Group to help build 200 Houses for calamity-stricken families

The Muthoot Group had announced the construction of 200 houses at a cost of Rs.5 lakh each thereby contributing Rs.10 crores for the flood affected victims. The construction of the houses is planned in the worst flood affected areas like Paravoor, Alwaye, Chengannoor, Aaranmula, Thiruvalla, Kozhencherry, Kuttanad, Kumarakom, Thodupuzha, Malapuram, Chellanam, Trichur and Idukki.

Foundation stone laying ceremony of Muthoot Aashiyana Project



The foundation stone laying ceremony of the first house under “Muthoot Aashiyana Project” (a project for construction of 200 houses for the flood victims in Kerala) was jointly done by Mr. Sunil Kumar, MLA, Kodungalloor, Mr. George Alexander Muthoot, Managing Director, The Muthoot Group, Mr. George M Jacob, Executive Director, Muthoot Finance Ltd. The function was held in the property of Mr. Subramanyan, Velloor Grama Panchayat, Annamanada, Trichur on 30th September, 2018. Mr. G R Ragesh, Director, MSTL, Mr. Babu John Malayil, DGM- Corporate Communications, Muthoot Finance Ltd., Mr. John Varghese, EVP, Muthoot M George Foundation were present on this occasion.



EMERGENCY FUND RELIEF FOR FLOOD AFFECTED AREAS

As a company with substantially larger loyal customers, it was our duty to render all possible assistance to the distressed people. To facilitate this much needed assistance, the Management sanctioned Rs.1 Lakh (From Muthoot M George Foundation) each to Regional offices in Kerala. This amount was used for

1. Purchase of essential items like food materials, mats, bed sheets, soaps and other personal hygienic products, undergarments, kids clothing, etc. for distributing in flood relief camps.
2. Transortation of these items, hiring of boat for rescuing and transport of distressed people and materials.
3. Purchase of medicines, bleaching powder, tablets, phenole, etc.

Head office was also involved in the duty of supporting the affected people by giving basic necessities and medicines to the nearby camps.



HELPING HAND TOWARDS THE MENTALLY CHALLENGED PEOPLE

The Pelican Centre is a registered charitable trust in Kanjiramattom, Ernakulam working for treatment cum rehabilitation of the mentally challenged men and women. There are 83 male residents and 27 female residents in the Centre. As part of CSR activities, Muthoot Finance extended its helping hand by donating Rs.3 lakhs for the construction of a room in the Centre.



Mr. C.V. John, GM – HRD handed over the cheque to Rev. Fr. Samson Kuriakose in the presence of Mr. Babu John Malayil, DGM – Corporate Communications, other Trustees and inmates of Pelican Centre.



MUTHOOT VIVAHA SAMMANAM 2018

Muthoot M George Foundation, the CSR arm of Muthoot Finance Ltd has provided financial assistance of Rs.2 lakhs each to 10 girls selected from the districts of Thrissur and Palakkad to meet their matrimonial needs.



Muthoot Vivahasammanam 2018 (Phase 1) was inaugurated by Ms. Ajitha Jayarajan, Mayor, Corporation of Trichur along with Mr. George M Jacob, Executive Director, Muthoot Finance Ltd. Dr. PV Krishnan Nair, Advisory Committee Member, Kendra Sahithya Accademy, Rev. Fr. C.M. Raju, Vicar .St. Ignatious Orthodox Cathedral Westfort, Mr. Babu John Malayil, DGM – Corporate Communications, Sri. K. Sabu, Regional Manager, Trichur region Muthoot Finance Ltd. were present on this occasion.

WATER BOTTLE DISTRIBUTION

Muthoot Finance Ltd, through its Corporate Social Responsibility wing Muthoot M George Foundation distributed stainless steel water bottles with a message 'Say NO to Plastic, Save the Environment' to the students of Government Girls HSS, Ernakulam. This year company has plans to distribute 5000 stainless steel water bottles to the Government and Aided schools in South India.



The function was inaugurated by Mr. George M Jacob, Executive Director, Muthoot Finance Ltd. Other officials present during this occasion included Mr. Babu John Malayil, Deputy General Manager, Muthoot Finance Ltd, Ms. Gayathri Govind, Principal, Sanskara School, Info Park, Ms. Leelamma Issac, Head Mistress, GGLP School, Ernakulam.



SAINT HARDYAL EDUCATIONAL AND ORPHANS WELFARE SOCIETY (SHEOWS)

As part of CSR Initiatives, The Muthoot Group donated Rs.3 lakhs to Saint Hardyal Educational and Orphans Welfare Society (SHEOWS), A leading NGO working for helpless, Destitute and Abandoned Elderly for nearly 2 decades in Delhi & UP.



Dr. G P Bhagat, General Secretary- SHEOWS receiving the cheque from Mr. Alexander George Muthoot, Deputy Managing Director, The Muthoot Group. Mr. RM. Diwan, General Manager - CO-North, Muthoot Finance Ltd. was present on the occasion.

“SAVE FOOD, SHARE FOOD”

As part of CSR Initiatives, The Muthoot Group donated Rs.10 Lakhs to Food Security Foundation India, (India Food Banking Network) for their Project named "Save Food, Share Food". This Organization is working for capacity building for Food wastage reduction, Saving Food and distributing to those in need to eradicate hunger in the Country.



Ms. Vandana Singh (CEO of Food Security Foundation India) receiving the cheque of Rs.10 Lakhs from Mr. Alexander George Muthoot, Deputy Managing Director, The Muthoot Group, in the presence of Mr. RM Diwan, GM- Corporate Office North, The Muthoot Group.

THE MUTHOOT GROUP -TITLE SPONSOR OF WHEELCHAIR CRICKET INDIA

The Muthoot Group associated with Wheelchair Cricket India, as their Title Sponsor for India-Pakistan T-20 Wheelchair Cricket India Series 2018 held in Ajman, UAE. Wheelchair Cricket India, which concluded recently was a friendship series with Pakistan in UAE which was won by India.



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 80 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 FY18, it has insured more than 8,41,000 lives with a First year premium collection of Rs.101Cr under Traditional, Term and Health products. The same was 5,66,000 & 4,59,000 lives with a First year premium collection of Rs.70Cr & Rs.49Cr in FY18 & FY16 respectively.

Key Business Parameters

Particulars	Q2 FY 19	Q1 FY 19	Q2 FY 18	H1 FY19	H1 FY 18	FY 18	FY 17
First Year Premium Collection (Rs. In crs)	67	49	22	116	37	101	70
No. of Policies(In Lakhs)	5.48	4.50	2.16	9.99	4.33	8.41	5.66

**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 12 states - Maharashtra (including Mumbai), Gujarat, Rajasthan, Madhya Pradesh, Kerala, Karnataka, Telangana, Andhra Pradesh, Haryana, Chandigarh, Uttar Pradesh and Punjab.

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) for its bank limits 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	Q2 FY 19	Q1 FY 19	Q2 FY 18	H1 FY19	H1 FY18	FY 18	FY 17
No. of branches	73	70	14	73	14	19	9
No. of Sales Offices	132	132	110	132	110	121	110
No. of Employees	288	243	167	288	167	221	111
Loan Portfolio	17753	16210	8296	17753	8296	14,648	4,408
Capital Adequacy Ratio	45%	28%	44%	45%	44%	28%	37%
Total Revenue	562	497	256	1059	448	1259	242
Total Expense	412	335	180	748	311	840	189
Profit Before Tax	149	162	76	311	137	419	53
Profit After Tax	99	111	45	209	82	278	29
Shareholder's Funds	3869	2270	1963	3869	1963	2160	882
Total Outside Liabilities	14198	14683	7594	14198	7594	13,700	3,624
Total Assets	18067	16953	9557	18067	9557	15,860	4,506
Gross NPA(%)	0.78	0.51	0.50	0.78	0.50	0.42	-
Net NPA(%)	0.63	0.43	0.43	0.63	0.43	0.36	-

**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 65.89% 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 September 30, 2018, BIFPL operations are spread over 9 states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Chattisgarh , Rajasthan , Gujarat and Pondicherry). It has 305 branches, with 50 controlling regional offices and employing 2305 staff. Its gross loan portfolio has grown from INR 0.02 Crores in March 2009 to INR 1381 crores in September 2018. For FY 18, its Net Profit after Tax was Rs.33.66crs and had a net worth of Rs.159.48crs.

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

Particulars	Q2 FY 19	Q1 FY 19	Q2 FY 18	H1 FY19	H1 FY18	FY 18	FY 17
No. of branches	305	257	198	305	198	235	155
No. of Employees	2,305	2,046	1,383	2,305	1,383	1,783	1,093
Gross Loan Portfolio	13,806	12,361	7,967	13,806	7,967	11,371	5,759
Capital Adequacy Ratio	24%	15%	17%	24%	17%	18%	17%
Total Revenue	854	749	482	1604	901	2189	1,034
Total Expense	616	546	381	1162	721	1693	874
Profit Before Tax	238	204	101	442	180	496	160
Profit After Tax	169	145	66	314	118	337	104
Shareholder's Funds	3,383	1,920	1,009	3,383	1,009	1595	903
Total Outside Liabilities	12,067	11,599	8,147	12,067	8,147	11,825	6,726
Total Assets	15,449	13,519	9,156	15,449	9,156	13,420	7,629
Gross NPA(%)*	0.88	0.83	0.24	0.88	0.24	0.76	0.10
Net NPA(%)*	0.44	0.45	0.06	0.44	0.06	0.30	0.01

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

As on September 30, 2018, 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 493 currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.

Key Financial Parameters

(LKR in millions)

Particulars	Q2 FY19	Q1 FY19	Q2 FY18	H1 FY19	H1 FY18	FY18	FY17
LKR/INR	0.42833	0.43263	0.42758	0.42833	0.42758	0.41551	0.42113
No. of Branches	17	17	17	17	17	17	15
No. of Employees	493	493	481	493	481	489	448
Loan Portfolio	11,237	10,680	9,494	11,237	9,494	9,950	8,662
Capital Adequacy Ratio	21%	22%	20%	21%	20%	20%	19%
Total Revenue	693	687	638	1,380	1,231	2,572	2,131
Total Expenses	664	655	582	1,319	1,101	2,350	1,815
Profit Before Tax	29	32	57	61	130	222	316
Profit After Tax	22	16	40	38	96	178	278
Shareholder's Funds	1897	1875	1,775	1,897	1,775	1,859	1,737
Total Outside Liabilities	10,511	10,151	9,396	10,511	9,396	9,869	8,290
Total Assets	12,408	12,026	11,170	12,408	11,170	11,728	10,027