

Muthoot Finance

Financial Results Q4 FY 2017

March 2017

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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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



Collection Services



White Label ATM



Wind Mill Power Generation



National Pension Scheme

29

States/Union territory presence

149 tonnes

Gold jewellery kept as security

4,300+

Pan-India branches

325,000+

Retail investor base across debenture and subordinated debt portfolio

24,000+

Team members

130,000+

Customers served every day

₹ 272,785 mn

Retail Loan Assets Under Management

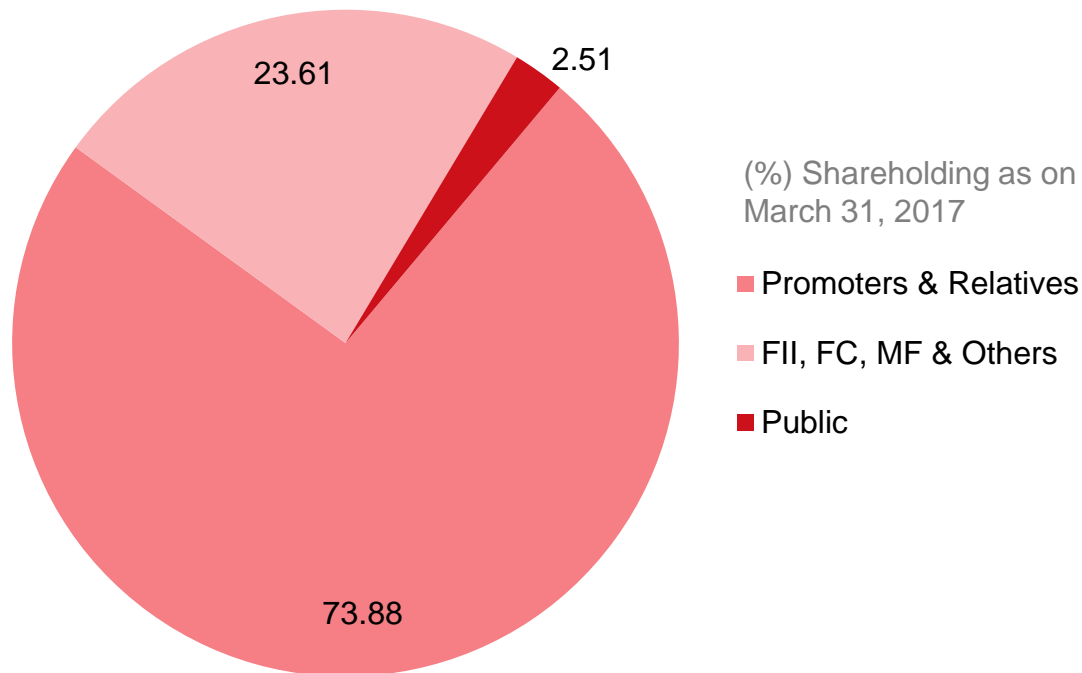
(As of March 31, 2017)

SHAREHOLDING PATTERN



Muthoot Finance

Strong promoter interest in business with 74% stake



NSE Ticker

MUTHOOTFIN

BSE Ticker

533398

Market Capitalisation

(as on March 31, 2017)

₹ 147,387 million

DIVIDEND PAYOUT



Muthoot Finance

Delivering consistent returns to stakeholders

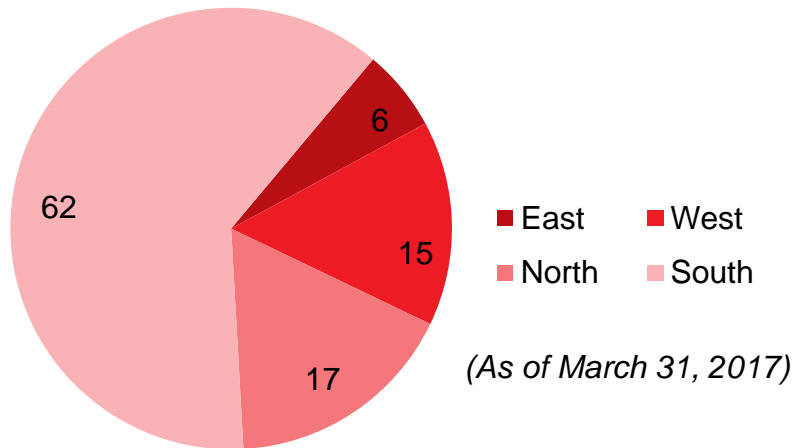
(%)

	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Dividend (%)*	60	60	60	60	45
First Interim Dividend (%)	60	40	40	30	-
Second Interim Dividend (%)	-	20	-	20	-
Final Dividend (%)	-	-	20	10	45
Dividend Payout Ratio (%)	20.30	29.50	35.36	28.59	16.65

* On face value of ₹ 10 per equity share

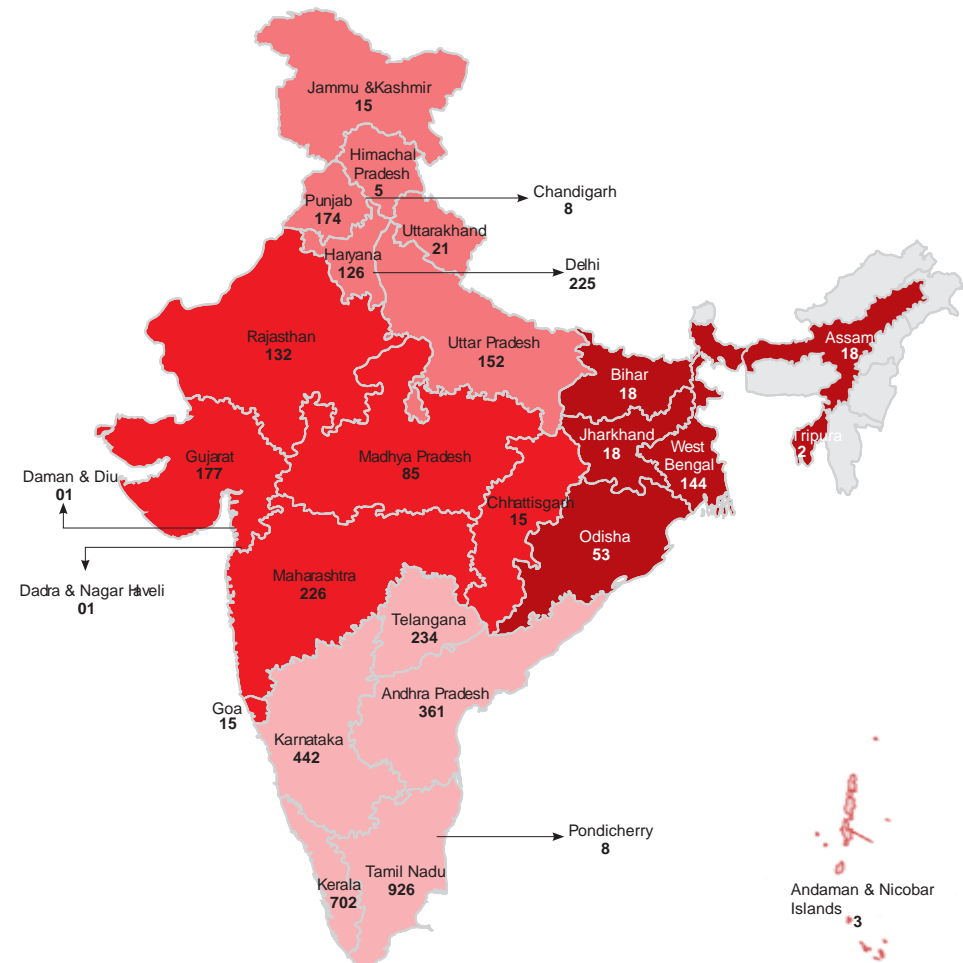
A strong presence of 4307 branches across India

(%) 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

Aadhaar based Electronic KYC



- Biometric KYC verification - Convenience
- No further KYC documents –Paperless
- Aadhar
- 3,592 branches covered now
- 84% of New KYCs through e-KYC
- e-Sign to be introduced by June'17

Direct Credit Facility



- Loan proceeds credited to bank account
- NEFT/RTGS/IMPS mode of bank transfer
- Less cash handling at branch
- Instant credit to customer bank account

Gold Cash Card (GCC) - DCB VISA



- Gold Loan amount loaded in card
- Use in ATMs & Shopping (online & offline)
- Accepted at all **VISA** enabled PoS
- Bank account not required for issuance
- Only Gold Loan NBFC to provide this service

PoS Terminals



- Enables swiping of Debit cards issued by banks
- Swiping charges for Interest payments waived off

Online Gold Loan (OGL)

- 10% of our active Gold loan Customers are transacting Online

Muthoot Online



- Fully digital channel to facilitate customers in repayment of Loan and Interest from anywhere on a 24 by 7 basis.
- Multiple payment options such as Debit Card, Direct debit thru online banking, Prepaid cards, Mobile Wallets, UPI etc.
- Customer can use multiple devices like Desktop, Laptops, Mobile phones or Tablets.
- Already more than **1 Million** transactions successfully done thru Webpay shows its acceptability by customers.

iMuthoot App



Mobile App



- New Mobile Application for Android & iOS
- Multiple language selection
- Pay Interest and avail Gold loans online
- Live Chat with Support Desk & Helpline available
- Google Maps to Locate nearest branch & Book Appointment with branch

Strong Capital Base

Networth

	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Share Capital	3,995	3,995	3,991	3,991	3,990	0	0
Reserves & Surplus	61,169	60,830	57,901	54,924	52,202	17	1
Total	65,164	64,825	61,892	58,915	56,192	16	1

Core focus continues to be gold loan

Gross retail loan assets under management

	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross retail loan assets under management	272,785	269,625	274,564	258,606	243,789	12	1

Break-up of Gross Retail Loan Assets under management

Gold Loans under management	272,199	269,025	273,980	258,226	243,355	12	1
Other loans	586	600	584	380	434	35	(2)

LIABILITIES



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Stable sources of funding

	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	25,190	29,738	32,692	36,355	40,909	(38)	(15)
Secured Non-Convertible Debentures- Listed	37,098	29,474	32,693	40,044	36,403	2	26
Borrowings from Banks/FIs	92,019	95,235	89,504	81,051	76,876	20	(3)
Subordinated Debt	15,458	17,969	20,298	21,859	22,348	(31)	(14)
Subordinated Debt -Listed	3,662	3,344	3,344	3,344	3,108	18	10
Commercial Paper	31,548	26,790	29,709	8,819	0	0	18
Other Loans	5,984	6,552	6,643	6,705	6,765	(12)	(9)
Total	210,959	209,102	214,883	198,177	186,409	13	1

REVENUE & PROFIT



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Profit & Loss Statement

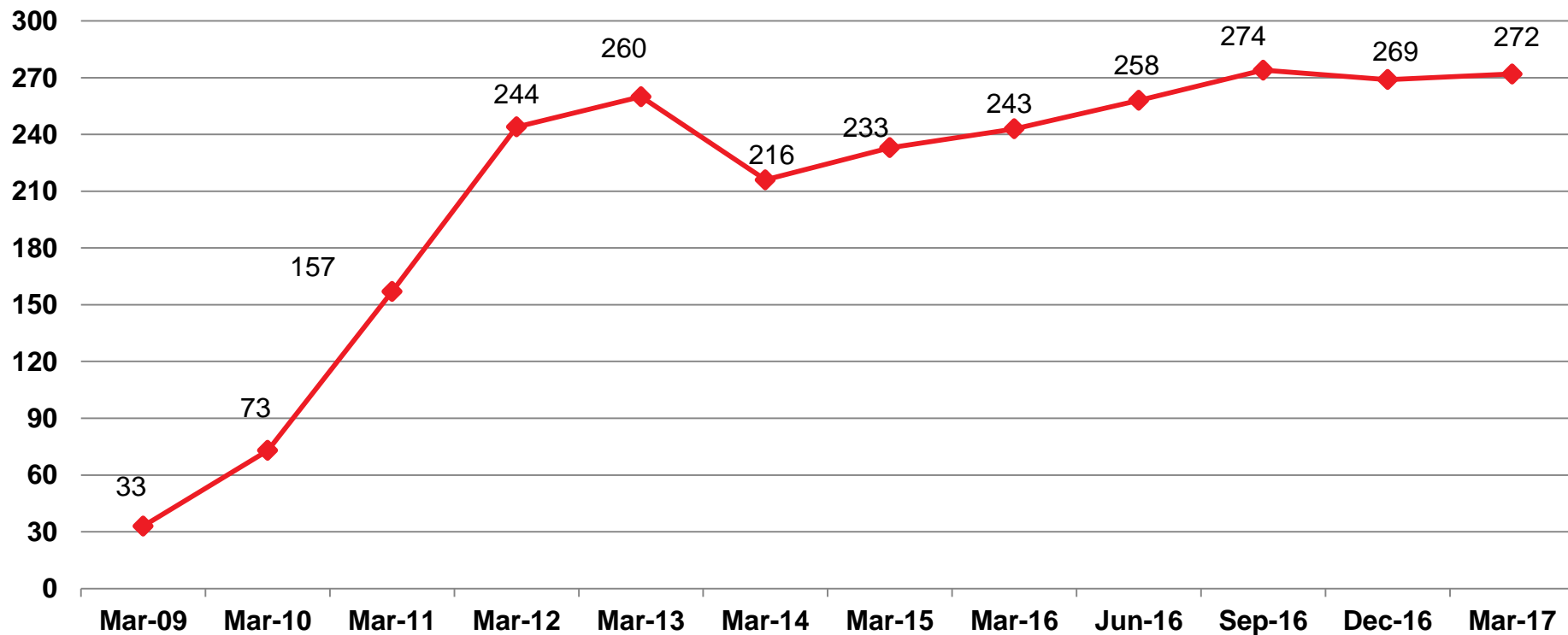
(₹ in million)

	FY 2017	FY 2016	YoY Growth (%)	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
INCOME							
Interest Income	56,553	48,130	18	16,995	13,280	13,526	12,752
Other Income	914	620	47	137	184	336	256
Total	57,467	48,750	18	17,132	13,464	13,862	13,008
EXPENDITURE							
Interest Expense	22,938	22,577	2	5,460	5,970	5,937	5,571
Personnel Expenses	7,280	6,419	13	1,801	1,734	1,896	1,849
Administrative & Other expenses	4,405	4,209	5	1,213	1,100	1,079	1,013
Provisions & Write Offs	2,816	1,624	73	2,430	39	171	176
Directors Remuneration	358	196	83	209	50	49	50
Depreciation	460	558	(18)	126	116	106	112
Total	38,257	35,583	8	11,239	9,009	9,238	8,771
PROFIT							
Profit Before Tax	19,210	13,168	46	5,893	4,456	4,624	4,237
Profit After Tax	11,798	8,096	46	3,217	2,911	2,967	2,703

Gaining scale over the years

Gold Loan Assets Under Management

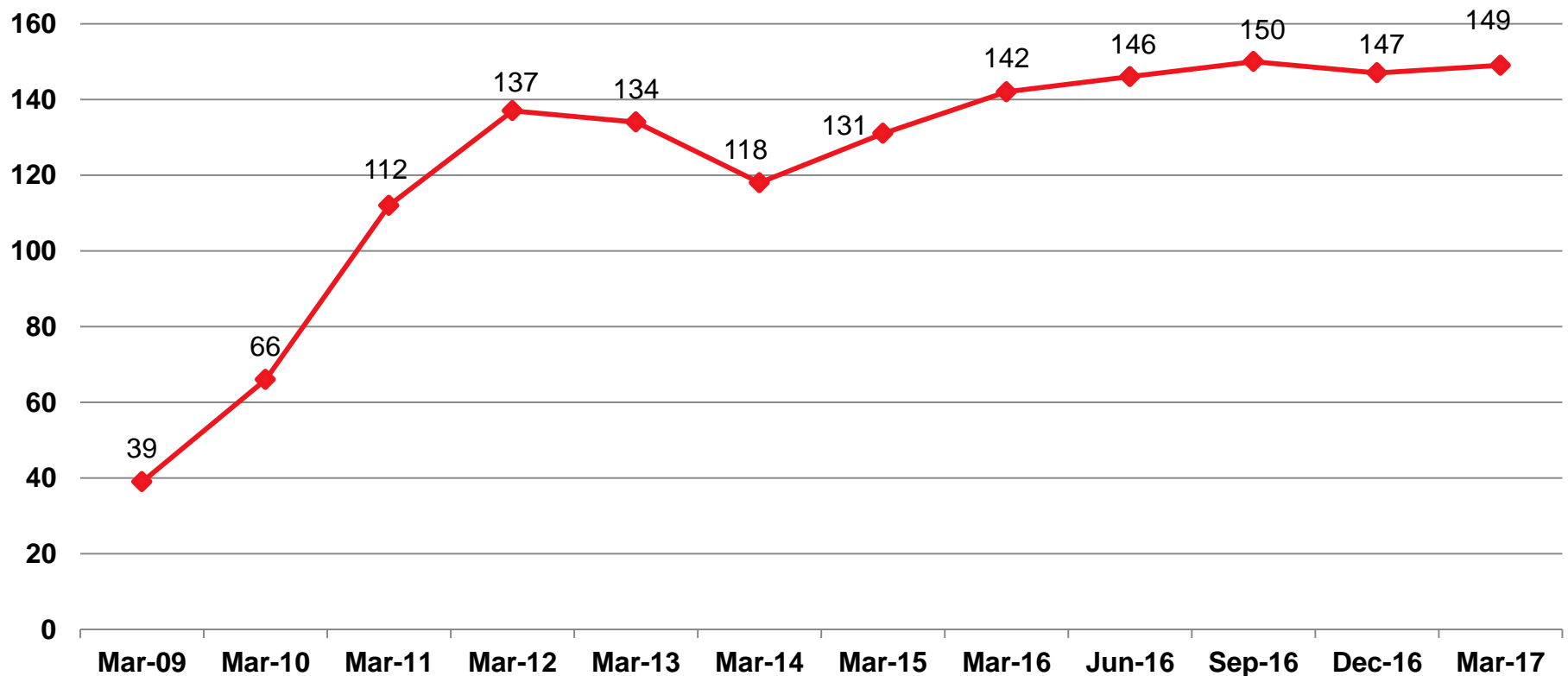
(₹ in billion)



Carrying the trust of millions of our customers

Gold jewellery kept as security

(In tonnes)



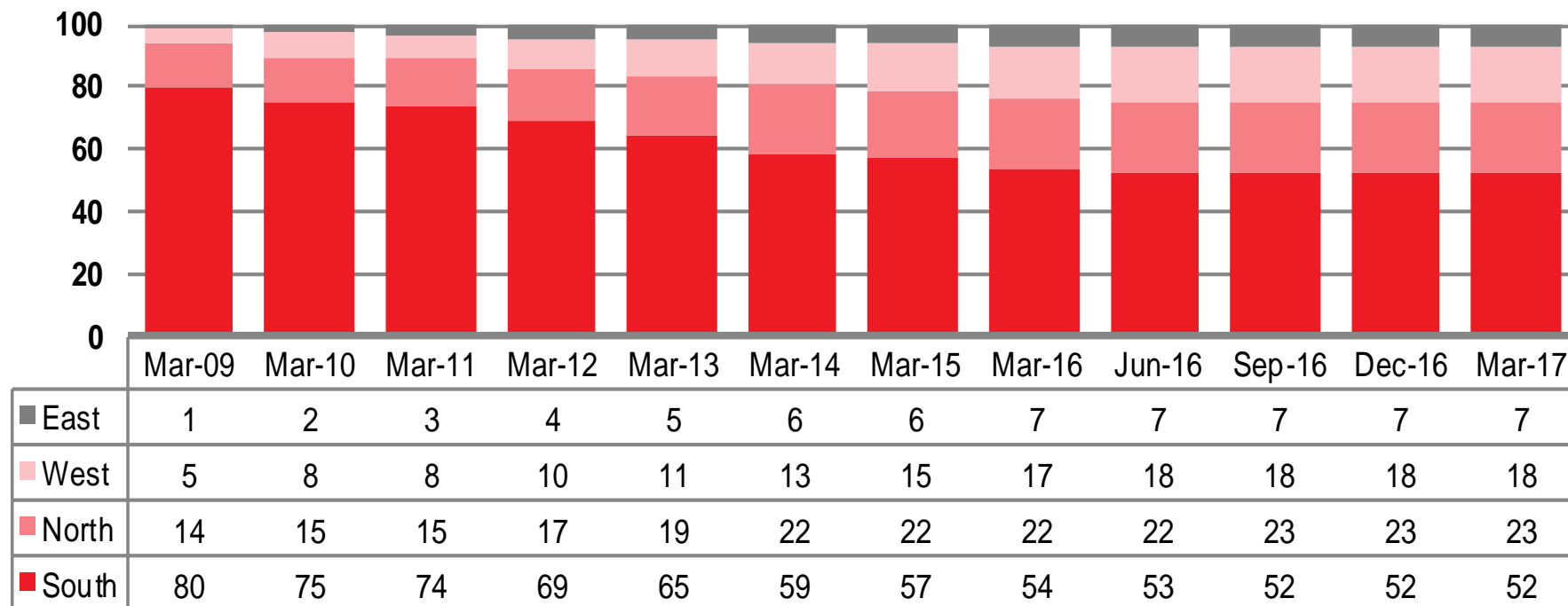
GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO



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Diversified gold loan portfolio across India

(%)



Gold Loan Assets Under Management

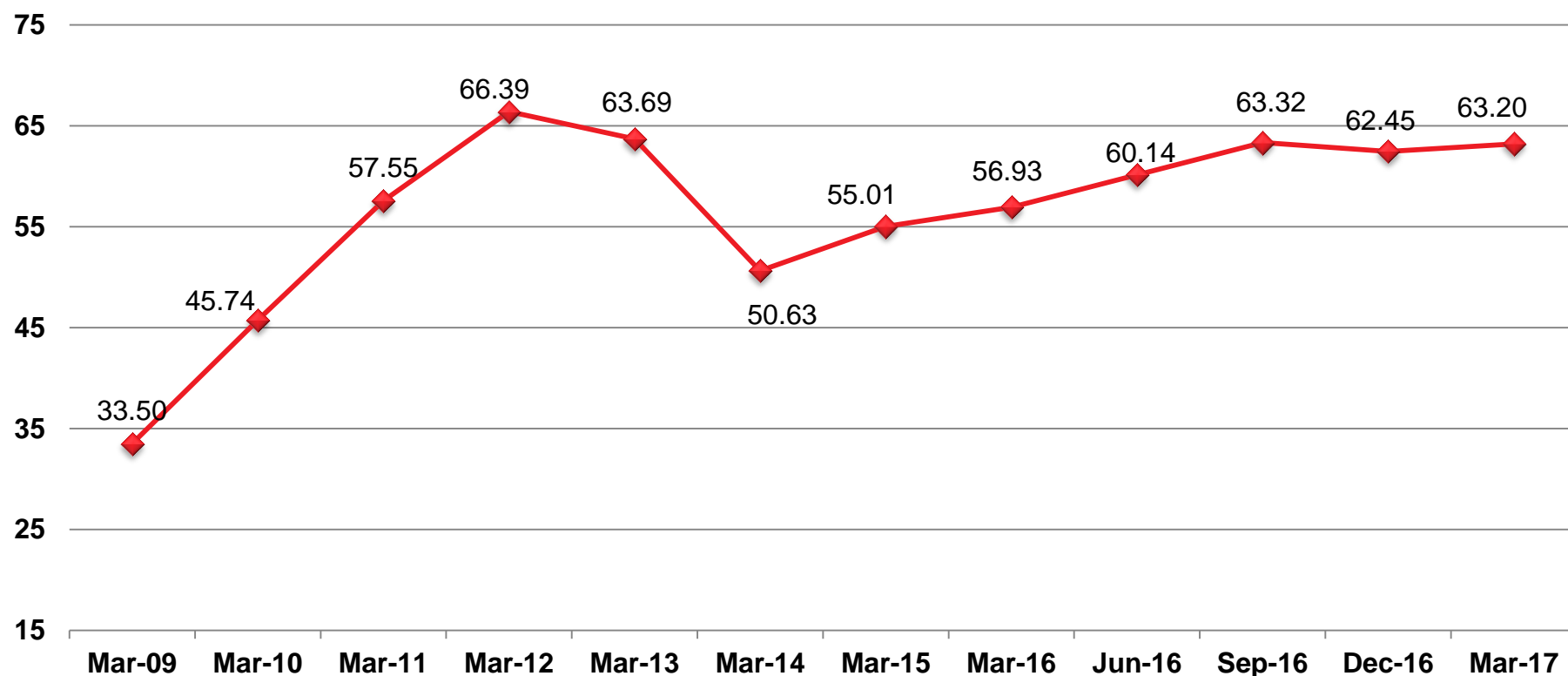
(₹ in billion)

Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
33	73	157	244	260	216	233	243	258	274	269	272

Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch

(₹ in million)



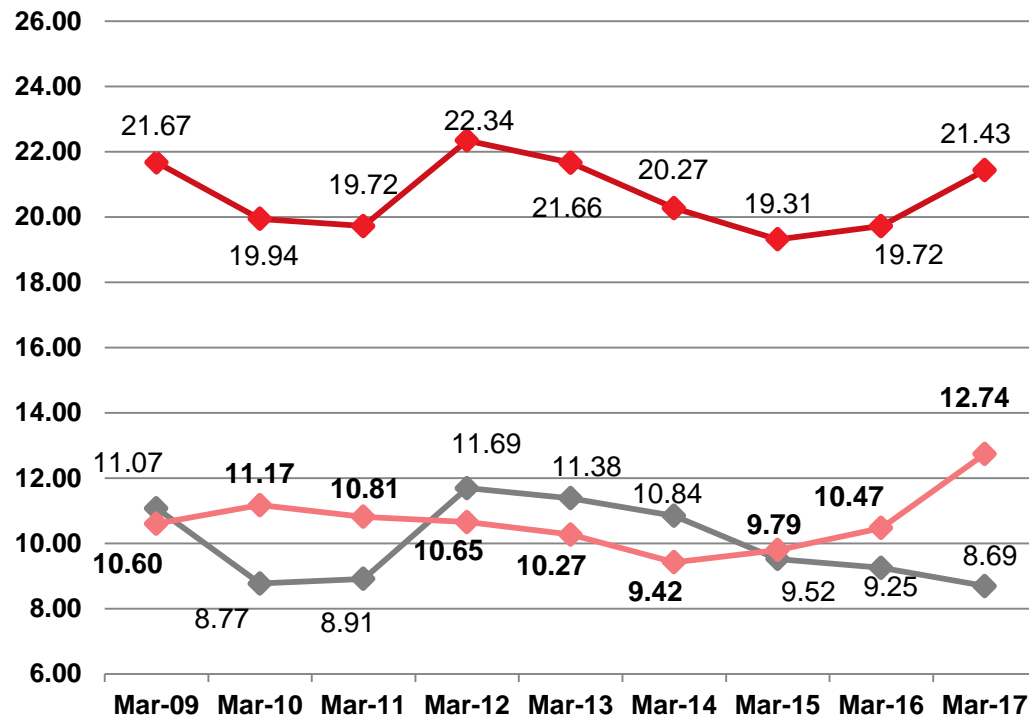
YIELD ON RETAIL LOAN AND NIM



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Yearly

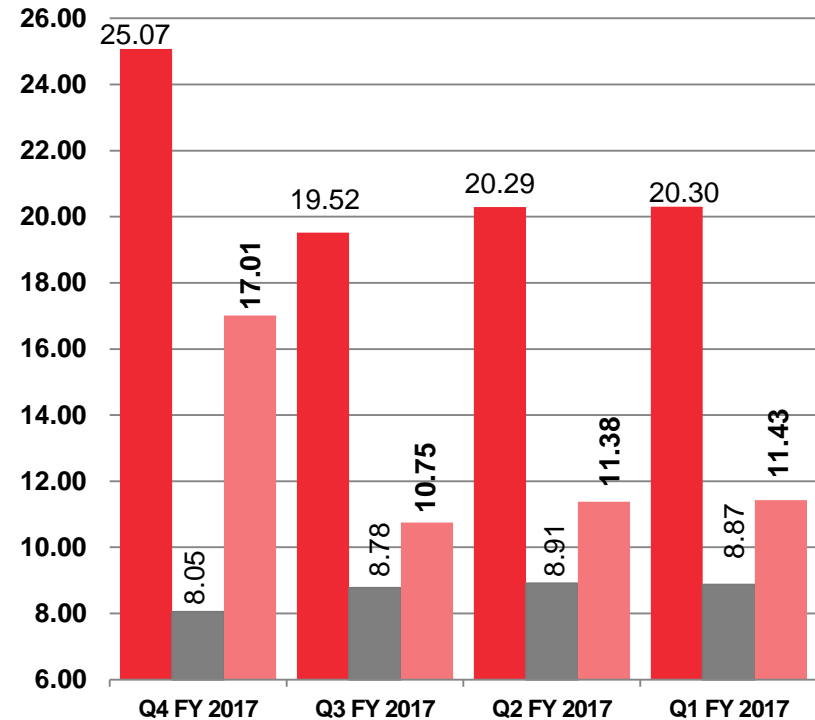
(%)



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

Quarterly

(%)



INTEREST SPREAD



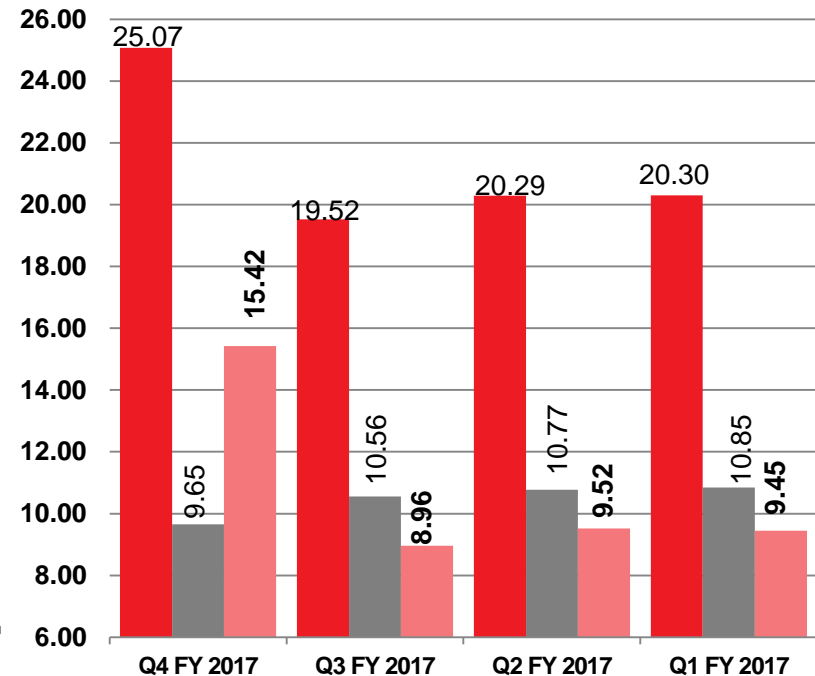
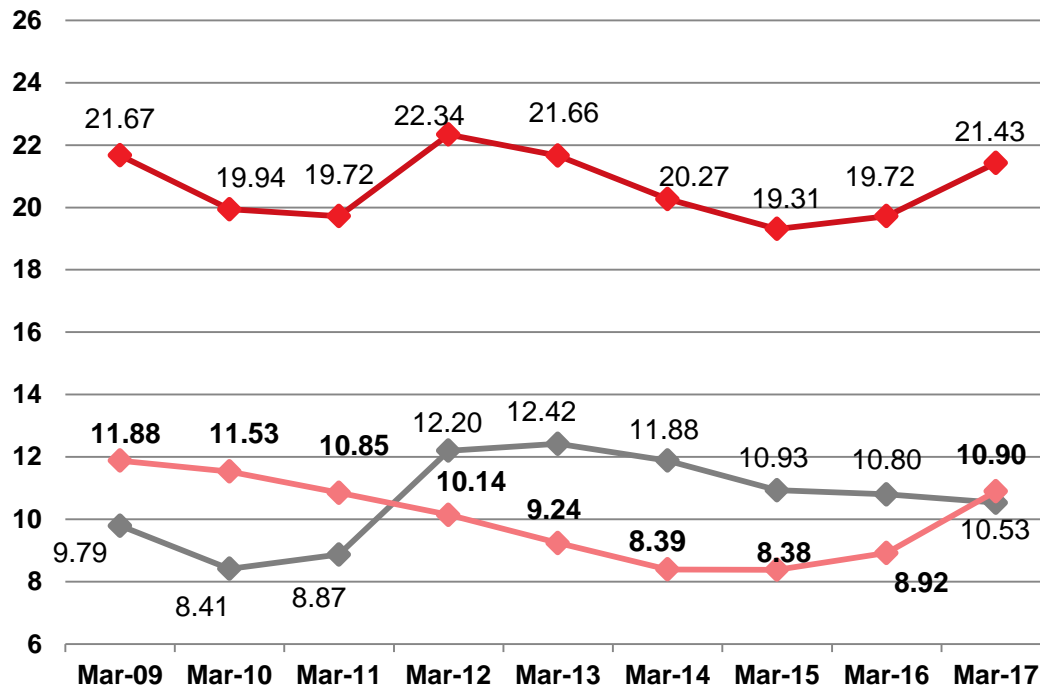
Muthoot Finance

Yearly

(%)

Quarterly

(%)



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

RETURN ON AVERAGE RETAIL LOAN ASSET

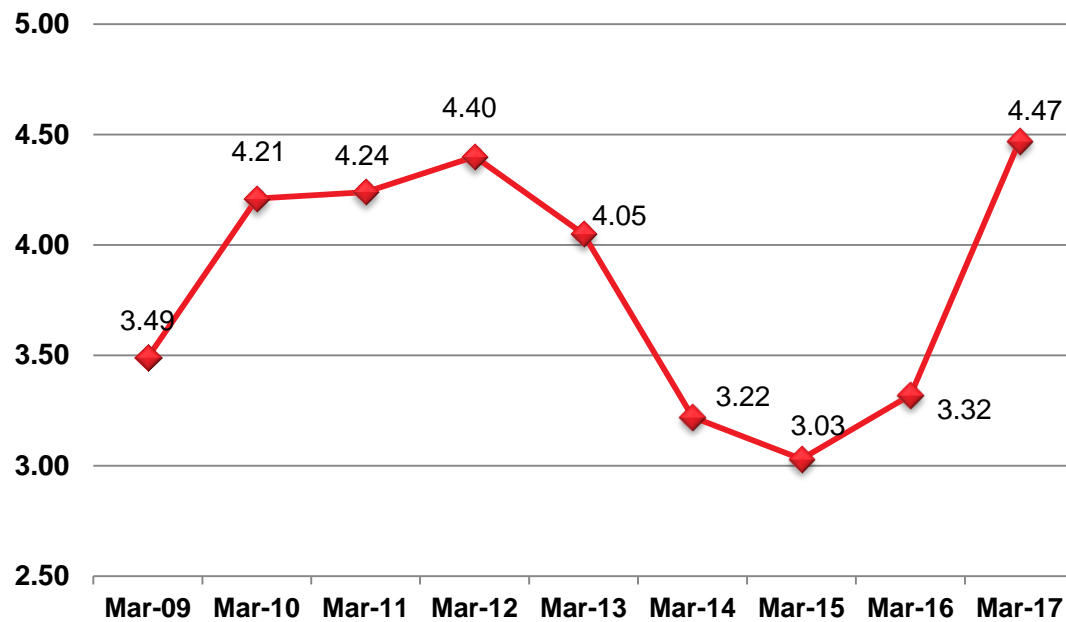


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Attractive returns over the years

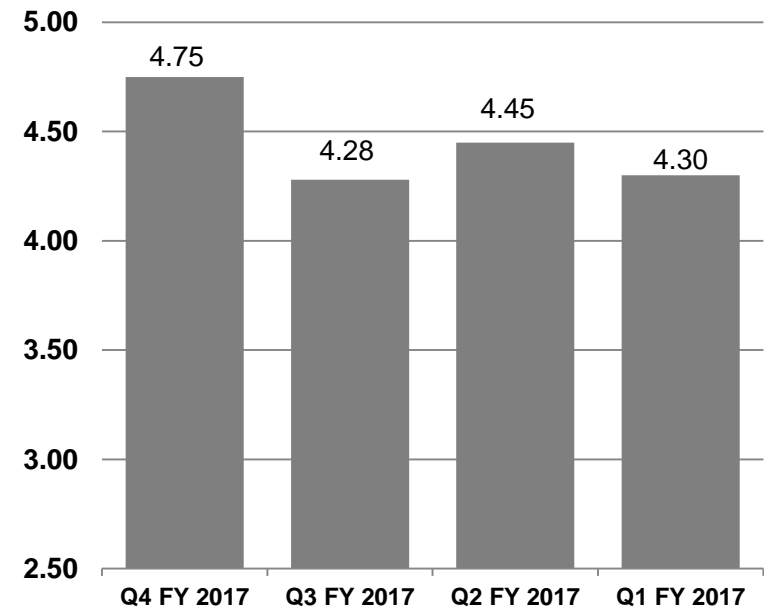
Yearly

(%)



Quarterly

(%)





NON-PERFORMING ASSETS & BAD DEBTS

Non-Performing Assets

(₹ in million)

	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16
Gross Non-Performing Assets	5,621	7,863	6,016	5,618	7,025
Provision For Non-Performing Assets	1,019	1,019	1,019	1,019	1,019
Net Non-Performing Assets	4,602	6,844	4,997	4,599	6,006
% of Gross NPA on Gross Retail Loans	2.06	2.92	2.19	2.17	2.88
% of Net NPA on Gross Retail Loans	1.69	2.54	1.82	1.78	2.46

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

Bad Debts

(₹ in million)

	FY 2017	FY 2016	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
Bad Debts Written Off	165	107	103	36	13	13

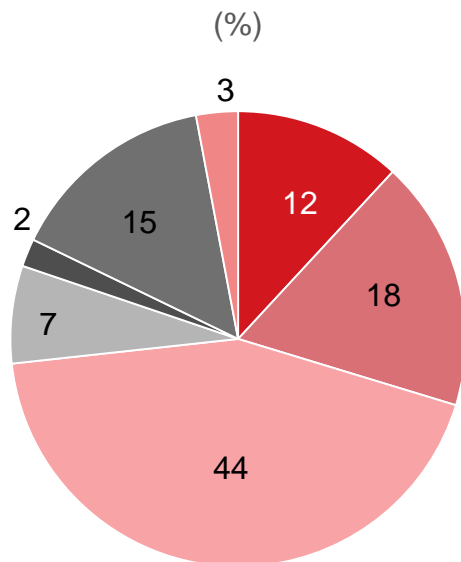
Standard Asset Provision

	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16
Provision (₹ in million)	2,685	2,685	2,685	2,530	2,368
% of Provision to Standard Assets *	1.01	1.03	1.00	1.00	1.00
Provision for Gold Price fluctuation risk (₹ in million) **	2,330	-	-	-	-
% of Provision to Standard Assets	0.87	-	-	-	-
Total Standard Assets	5,015	2,685	2,685	2,530	2,368

* Maintaining a higher standard asset provision of 1% as against the regulatory requirement of 0.35%

** Maintaining additional standard asset provision of 0.87% for gold price fluctuation

Maintaining a diversified funding profile



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 25,190 mn (12%)
- Secured Non-Convertible Debentures – Listed – ₹ 37,098 mn (18%)
- Borrowings from Banks/Fis - ₹ 92,019 mn (44%)
- Subordinated Debt – ₹ 15,458 mn (7%)
- Subordinated Debt – Listed - ₹ 3,662 mn (2%)
- Commercial Paper – ₹ 31,548 mn (15%)
- Other Loans – ₹ 5,984 mn (3%)

(As of March 31, 2017)

Highest Rating among gold loan companies

Short-term Rating

	Amt of rating (₹ in million)	Rating	Indicates
COMMERCIAL PAPER			
CRISIL	40,000	CRISIL A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
ICRA	2,000	ICRA A1+	Very strong degree of safety and lowest credit risk
BANK LOANS			
ICRA*	108,180	ICRA A1+	Very strong degree of safety and lowest credit risk

Long-term Rating

	Amt of rating (₹ in million)	Rating	Indicates
SUBORDINATED DEBT			
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
NON CONVERTIBLE DEBENTURE			
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	2,000	ICRA AA(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
BANK LOANS			
ICRA*	93,370	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 ₹127,600 millions

BREAK-UP OF GROSS INCOME

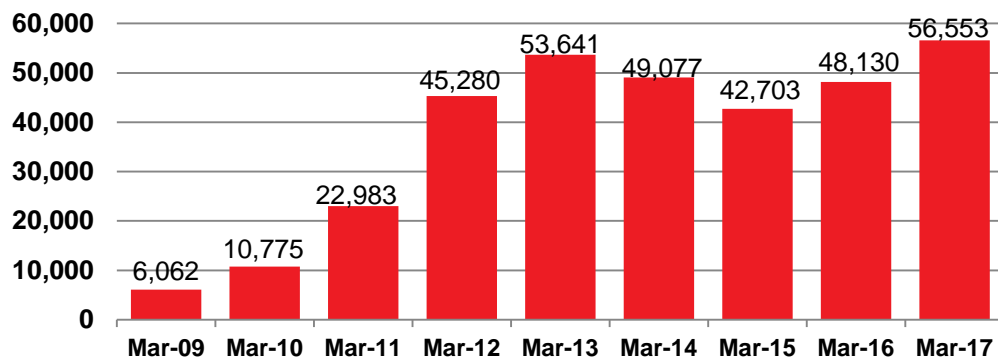


Muthoot Finance

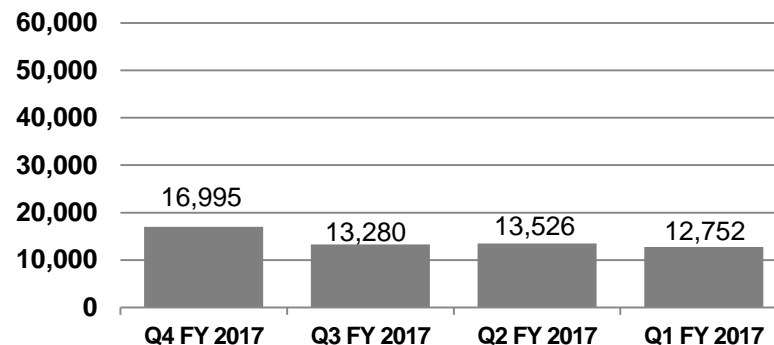
Interest Income

(₹ in million)

Yearly



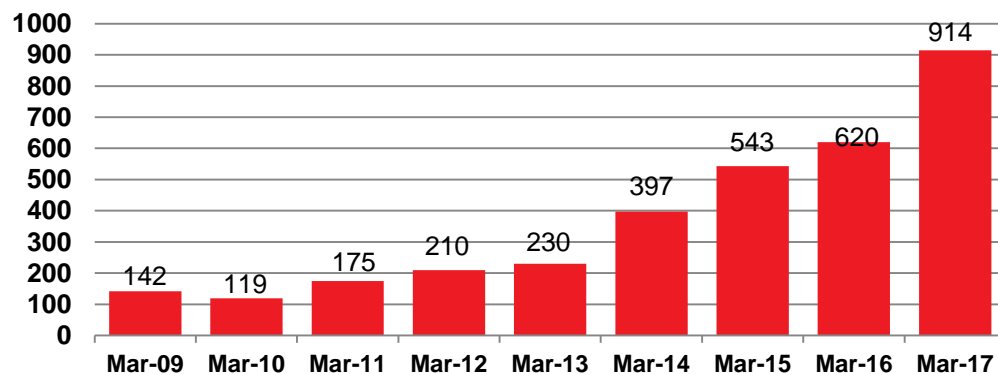
Quarterly



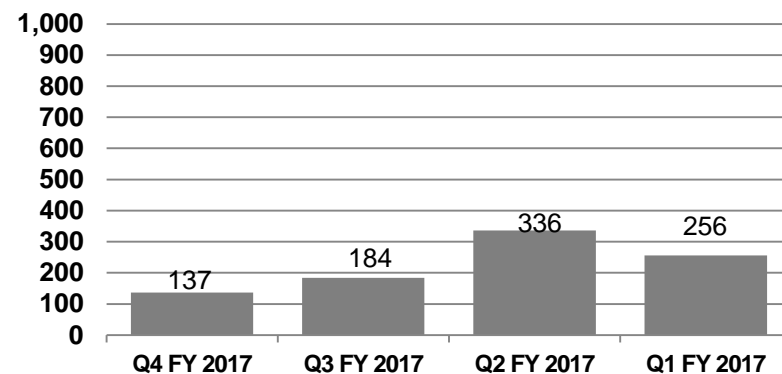
Other Income

(₹ in million)

Yearly



Quarterly



OPERATING EXPENSES TO AVERAGE RETAIL LOANS

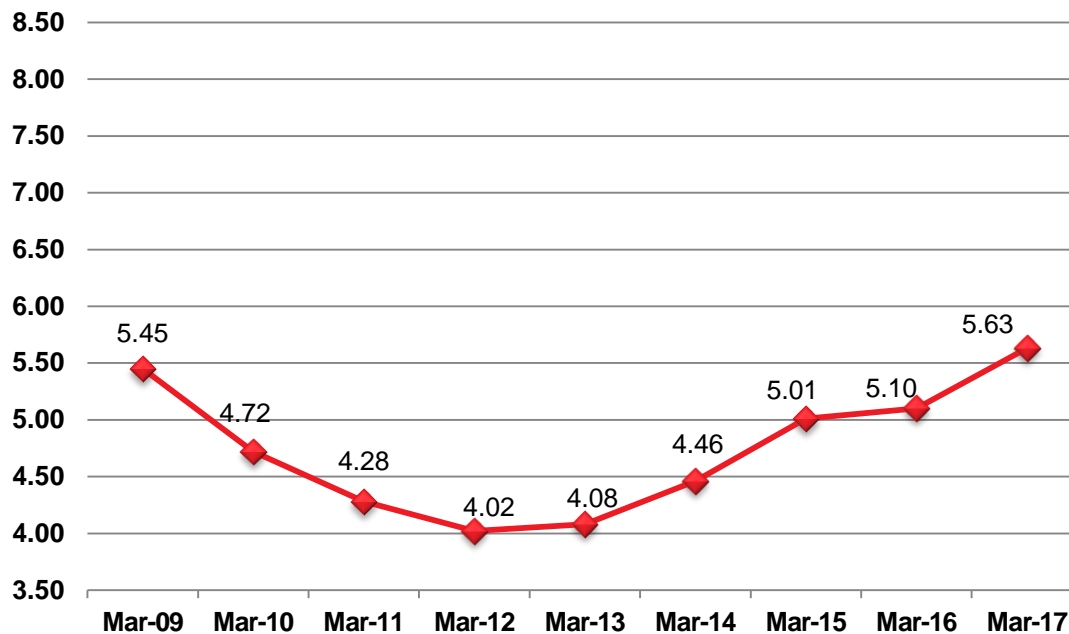


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Operational efficiency over the years

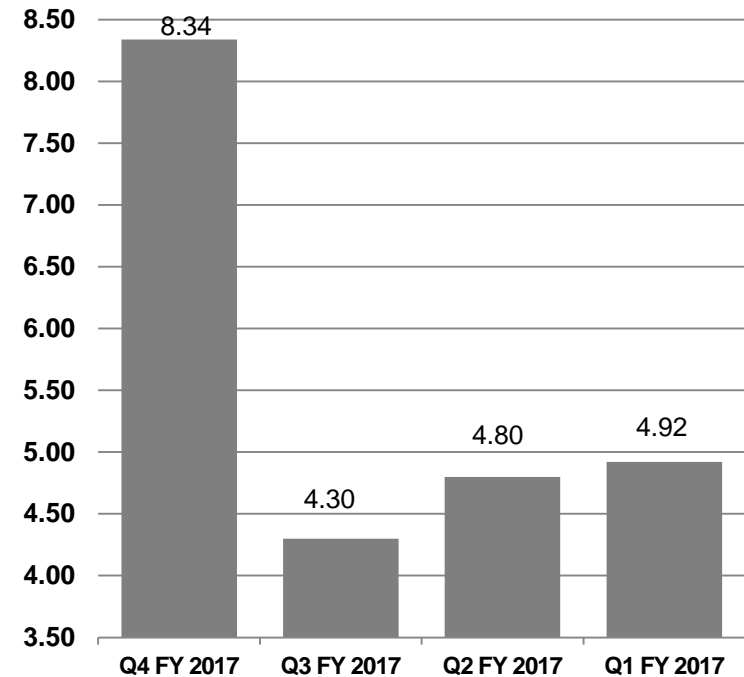
Yearly

(%)



Quarterly

(%)



**Muthoot Finance**

BREAK-UP OF OPERATING EXPENSES

	Yearly (₹ in Millions)									Quarterly (₹ in Million)			
	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Mar-09	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
Personnel Expenses	7,280	6,418	6,304	5,917	5,453	4,145	2,209	1,169	677	1,801	1,734	1,896	1,849
Rent	1,808	1,713	1,650	1,542	1,309	1,042	603	290	131	463	458	452	434
Advertisement	531	626	651	702	579	866	647	331	208	164	115	134	118
Postage, Telegram and Telephone	372	378	371	364	243	184	115	72	27	75	101	116	80
Traveling and Conveyance	186	187	212	190	175	168	114	67	42	47	46	46	47
Printing and Stationery	129	144	160	185	168	155	111	69	44	32	33	31	33
Repairs and Maintenance	362	290	281	272	256	341	211	96	62	78	101	93	91
Legal and Professional Charges	124	93	189	216	86	60	114	34	16	20	51	25	28
Business Promotion Expense	201	149	140	279	332	267	119	45	25	92	45	29	35
Directors Remuneration	358	196	192	192	192	192	192	192	121	209	50	49	50
Depreciation and Amortisation Expenses	482	575	841	475	454	329	180	149	99	133	121	111	117
Others	839	1,014	733	731	550	380	229	165	165	335	184	164	156
Provision For Standard & NPA Assets	2,647	1,223	180	214	765	351	323	21	7	2,330	0	155	162
Total	15,319	13,006	11,904	11,279	10,562	8,480	5,165	2,701	1,625	5,779	3,039	3,301	3,200

BREAK-UP OF OPERATING EXPENSES



Muthoot Finance

Yearly

(%)

Quarterly

(%)

	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Mar-09	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
Personnel Expenses	48	49	53	52	52	49	43	43	42	31	57	57	58
Rent	12	13	14	14	12	12	12	11	8	8	15	14	13
Advertisement	3	5	5	6	5	10	13	12	13	3	4	4	4
Postage, Telegram and Telephone	2	3	3	3	2	2	2	3	2	1	3	4	2
Traveling and Conveyance	1	1	2	2	2	2	2	2	3	1	2	1	1
Printing and Stationery	1	1	1	2	2	2	2	3	3	1	1	1	1
Repairs and Maintenance	2	2	2	2	2	4	4	4	4	1	3	3	3
Legal and Professional Charges	1	1	2	2	1	1	2	1	1	0	2	1	1
Business Promotion Expense	1	1	1	2	3	3	2	2	2	2	1	1	1
Directors Remuneration	2	2	2	2	2	2	4	7	7	4	2	1	2
Depreciation and Amortisation Expenses	3	4	7	4	4	4	3	6	6	2	4	3	4
Others	5	8	6	6	5	4	4	6	10	6	6	5	5
Provision For Standard & NPA Assets	17	9	2	2	7	4	6	1	0	40	0	5	5
Total	100	100	100	100	100	100	100	100	100	100	100	100	100

PROFITABILITY RATIOS



Muthoot Finance

Yearly

(%)

Quarterly

(%)

(Based on Income)

Mar-17

Mar-16

Mar-15

Mar-14

Mar-13

Mar-12

Mar-11

Mar-10

Mar-09

Q4 FY
2017

Q3 FY
2017

Q2 FY
2017

Q1 FY
2017

Interest expense to Gross
Income

39.92

46.31

48.71

53.08

52.34

52.10

44.83

43.49

49.94

31.87

44.34

42.83

42.83

Selling, general and
administrative expenses
to Net Income

34.88

41.36

48.26

44.66

35.89

35.48

36.32

41.00

48.91

27.61

38.48

38.16

39.16

Provisions & Write Offs to
Net Income

8.16

6.20

1.67

1.89

3.49

1.93

2.68

0.44

0.23

20.82

0.52

2.16

2.37

Operational expenses to
Net Income

43.03

47.56

49.93

46.55

39.37

37.41

38.99

41.44

49.13

48.43

39.00

40.32

41.52

OPBDT / Net Income (%)

56.97

52.44

50.06

53.45

60.62

62.59

61.00

58.56

50.87

51.57

61.01

59.68

58.48

Depreciation to Net
Income

1.33

2.13

3.72

2.03

1.76

1.50

1.42

2.42

3.16

1.08

1.55

1.34

1.51

OPBT / Net Income (%)

55.63

50.31

46.34

51.42

58.86

61.09

59.58

56.14

47.71

50.49

59.46

58.35

56.97

PBT / Net Income(%)

55.63

50.31

46.34

51.42

58.86

61.09

59.58

56.14

47.71

50.49

59.46

58.35

56.97

PAT / Net Income(%)

34.17

30.93

30.23

33.60

39.11

40.93

38.68

36.97

31.46

27.56

38.84

37.44

36.35

PROFITABILITY RATIOS



Muthoot Finance

	Yearly	Quarterly											
	(%)												
(Based on Average Retail Loans)	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Mar-09	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
Interest income to avg. retail loans	21.43	19.72	19.30	20.27	21.66	22.34	19.72	19.94	21.67	25.07	19.52	20.29	20.30
Interest expense to avg. retail loans	8.69	9.25	9.52	10.84	11.38	11.69	8.91	8.77	11.07	8.05	8.78	8.91	8.87
Net Interest Margin	12.74	10.47	9.78	9.42	10.27	10.65	10.81	11.17	10.60	17.01	10.75	11.38	11.43
Other income to avg. retail loans	0.35	0.25	0.25	0.16	0.09	0.10	0.15	0.22	0.51	0.20	0.27	0.51	0.41
Net Income Including Other Income	13.09	10.72	10.03	9.59	10.37	10.75	10.96	11.39	11.10	17.22	11.02	11.89	11.84
Selling, general and administrative expenses to avg. retail loans	4.56	4.43	4.84	4.28	3.72	3.81	3.98	4.66	5.43	4.76	4.24	4.54	4.64
Provisions and write offs to average retail loans	1.07	0.67	0.17	0.18	0.36	0.21	0.29	0.05	0.02	3.58	0.06	0.26	0.28
PBDT to avg. retail loans	7.45	5.62	5.02	5.12	6.28	6.73	6.69	6.67	5.65	8.88	6.72	7.10	6.93
Depreciation to avg. retail loans	0.17	0.23	0.37	0.20	0.18	0.16	0.16	0.28	0.35	0.18	0.17	0.16	0.18
PBT to avg. retail loans	7.28	5.39	4.65	4.93	6.10	6.57	6.53	6.39	5.30	8.69	6.55	6.94	6.75
Tax to avg. retail loans	2.81	2.08	1.62	1.71	2.05	2.17	2.29	2.18	1.80	3.95	2.27	2.49	2.44
PAT to avg. retail loans	4.47	3.32	3.03	3.22	4.05	4.40	4.24	4.21	3.49	4.75	4.28	4.45	4.30
Cash Profit to avg. retail loans	4.65	3.54	3.40	3.42	4.24	4.56	4.40	4.49	3.85	4.93	4.45	4.61	4.48

PROFITABILITY



Muthoot Finance

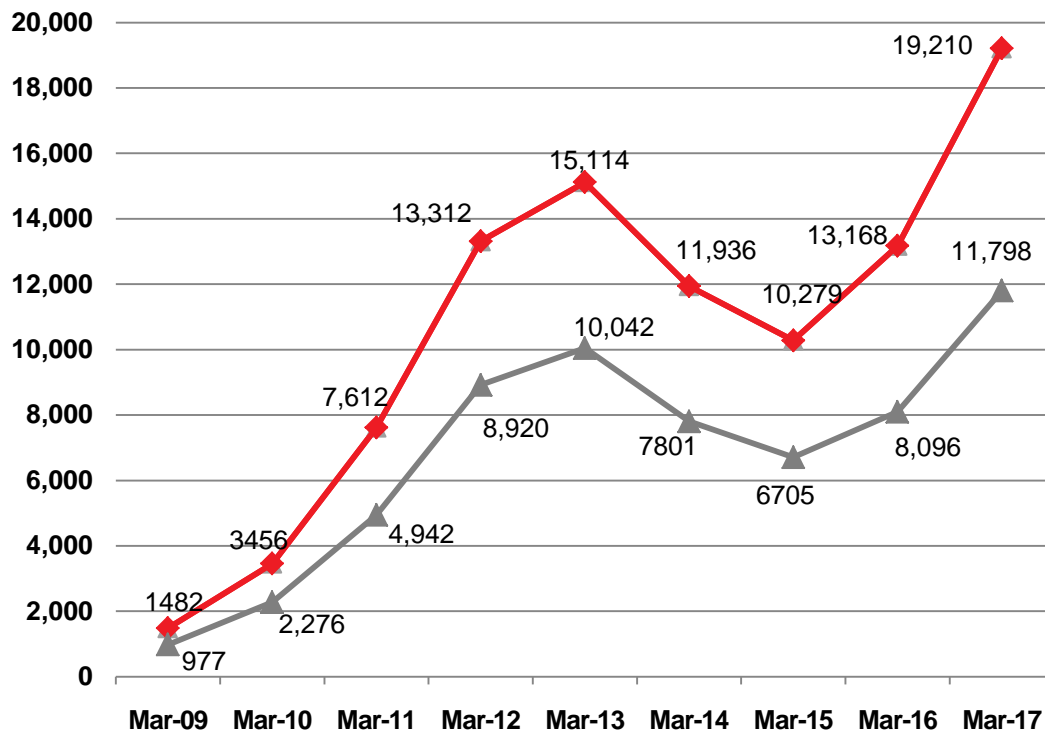
Efforts getting rewarded

Profitability at a glance

(₹ in million)

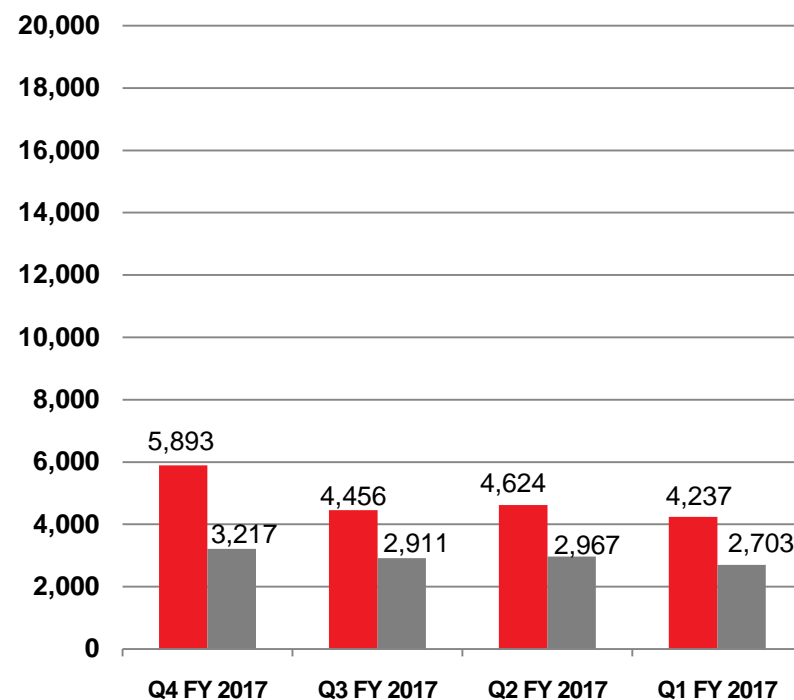
Yearly

◆ PBT ▲ PAT



Quarterly

■ PBT ■ PAT



NET WORTH

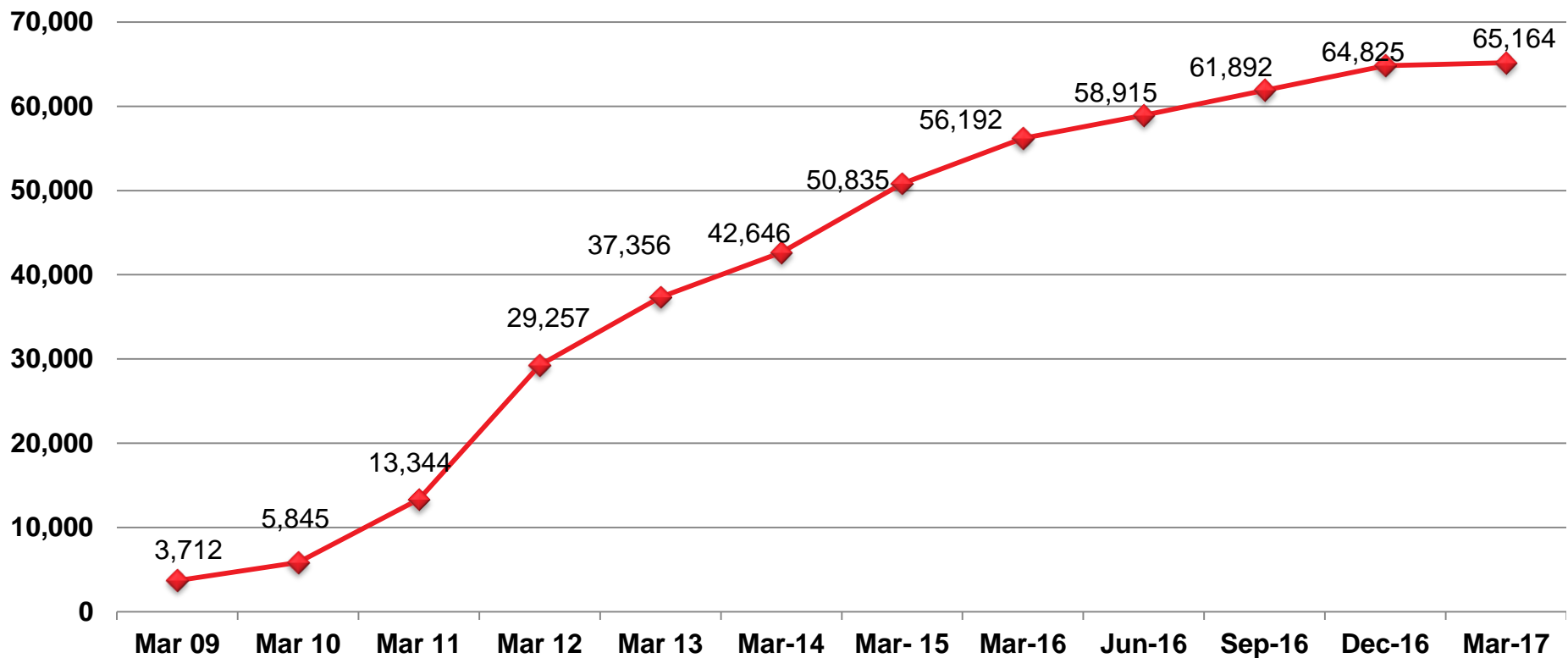


Muthoot Finance

Steady capital position

Share Capital and Reserves & Surplus

(₹ in million)



RETURN ON EQUITY



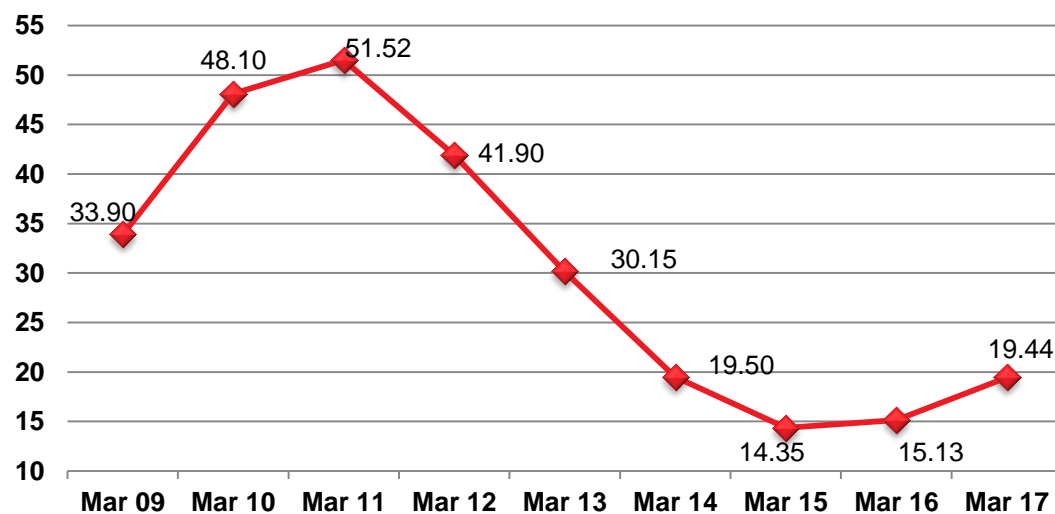
Muthoot Finance

Stable shareholder value creation

Return on Average Equity

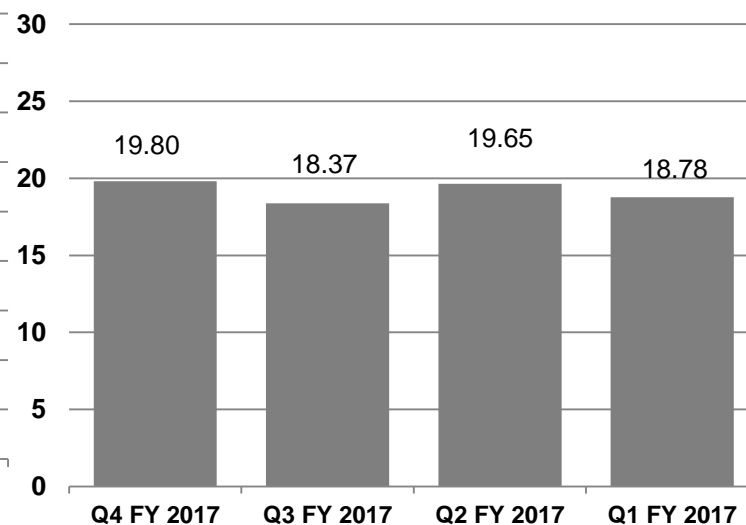
Yearly

(%)



Quarterly

(%)



Maintaining capital well above the statutory requirement

Capital Adequacy Ratio

(%)

	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16
Capital Adequacy Ratio	24.88	24.66	23.67	24.27	24.48
Tier-I	21.78	22.17	20.95	21.03	20.92
Tier-II	3.10	2.49	2.72	3.24	3.56

MARKET VALUE RATIO



Muthoot Finance

Equity market valuation ratios indicate potential for upside

	FY 2017	FY 2016	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
Earnings per share (₹)						
- Basic	29.56	20.34	8.06	7.29	7.44	6.77
- Diluted	29.45	20.10	8.13	7.23	7.38	6.71

	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16
Book Value per share (₹)	162.98	162.15	154.97	147.51	140.72
Market price per share (₹)*	368.95	282.70	348.80	293.05	178.75
Price to Earnings ratio**	12.48	10.04	13.64	13.01	8.79
Price to Book Value ratio	2.26	1.74	2.25	1.99	1.27

*Source: www.nseindia.com

**Based on trailing 12 months EPS

CAPITALISATION RATIOS



Muthoot Finance

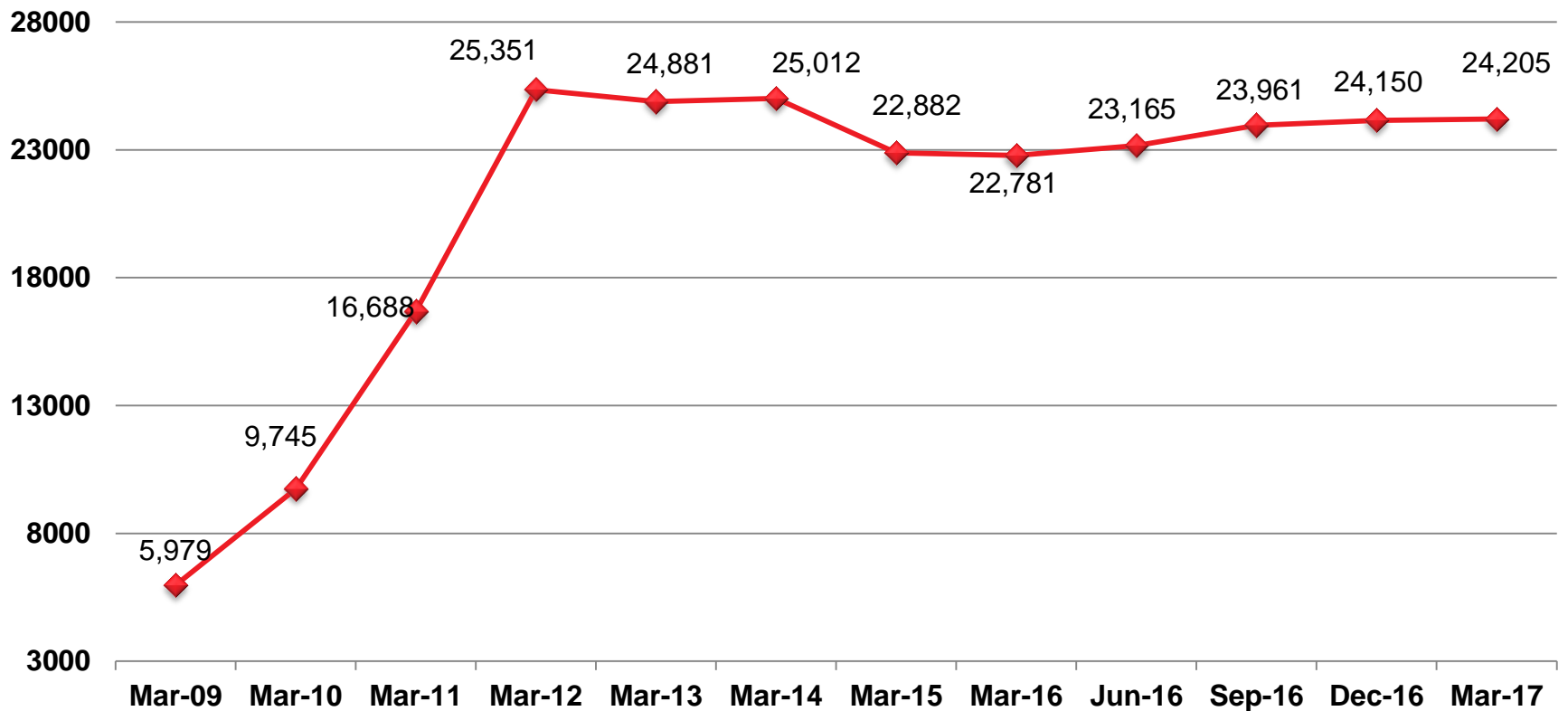
Headroom for further leveraging

(₹ In million)

	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16
Outside Liabilities	241,966	235,598	243,582	226,641	214,295
Cash & Bank Balances	15,343	13,377	16,181	12,481	6,791
Tangible Networth	65,104	64,773	61,839	58,862	56,146
Capital Gearing	3.48	3.43	3.68	3.64	3.70

Groomed human capital over the years to meet growing business requirements

(No. of Employees)





ASIA ASSET
FINANCE PLC

The unconventional finance company

ASIA ASSET FINANCE PLC – AN OVERVIEW



Asia Asset Finance PLC, (AAF) Colombo, Sri Lanka became a foreign subsidiary of Muthoot Finance on December 31, 2014 . As on March 31, 2017, total holding in AAF stood at 503 million equity shares representing 60% of their total capital. The loan portfolio stands at LKR 8.66 bn as on March 31,2017

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 15 branches across Sri Lanka.

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.

PRODUCTS



ASIA ASSET
FINANCE PLC
The unconventional finance company



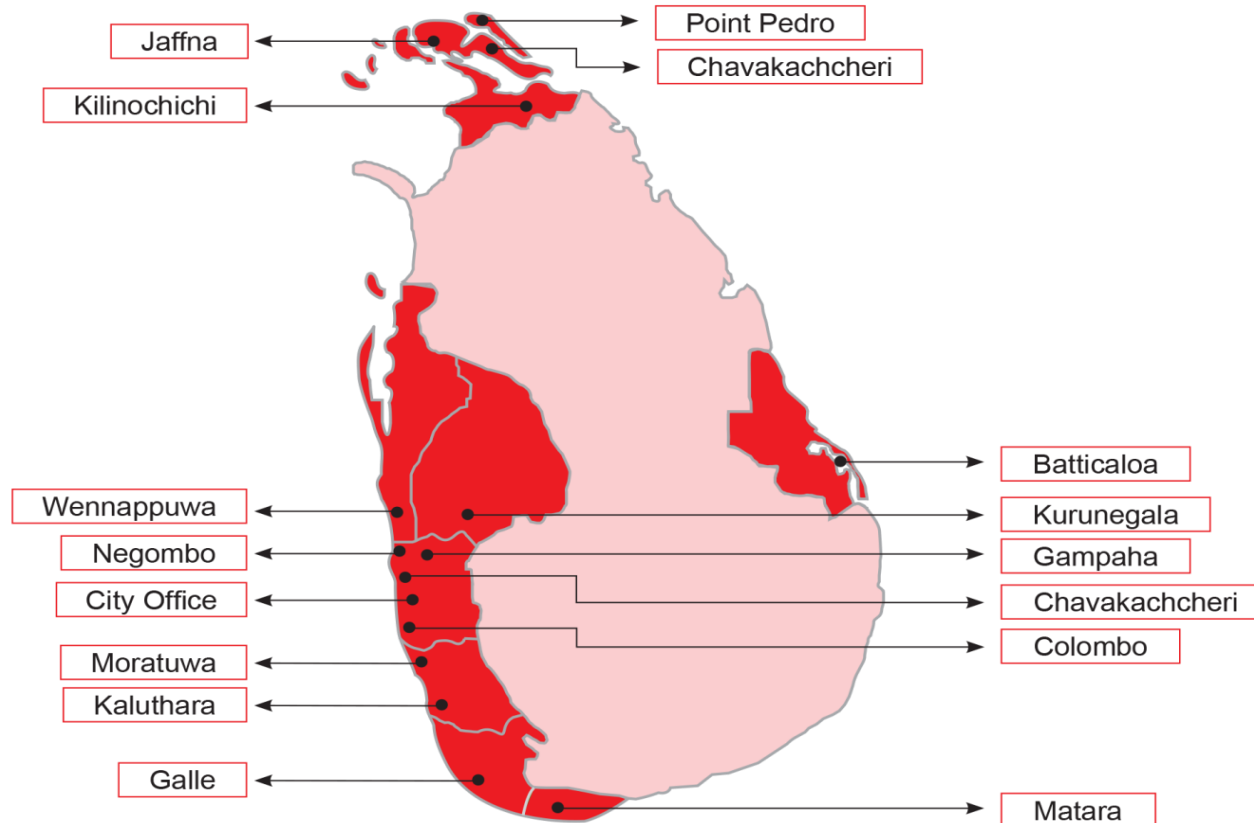
Muthoot Finance



- 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 2017	FY 2016	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
LKR / INR	0.42113	0.43691	0.42113	0.44929	0.44498	0.44908
Number of branches	15	15	15	15	15	15
Number of Employees	448	358	448	433	410	393
Loan Portfolio (LKR)	8,662	6,854	8,662	8,560	8,053	7,421
Capital Adequacy Ratio (%)	19	22	19	19	20	21
Total Revenue (LKR)	2,131	1,383	585	572	519	454
Total Expense (LKR)	1,815	1,174	493	482	452	387
Profit Before Tax (LKR)	316	209	92	90	67	67
Profit After Tax (LKR)	278	175	86	79	57	56
Share Holders Funds (LKR)	1,737	1,462	1,737	1,654	1,575	1,518
Total Liabilities (LKR)	8,290	6,653	8,290	8,205	8,147	7,477
Total Assets (LKR)	10,027	8,115	10,027	9,859	9,722	8,995

OUR SUBSIDIARY



Muthoot Finance



Muthoot Homefin

MUTHOOT HOMEFIN – AN OVERVIEW



Muthoot Homefin (India) Limited is a Housing Finance Company registered with The National Housing Bank (NHB). It is a subsidiary of Muthoot Finance Limited . As on March 31, 2017, Muthoot Finance holds 88.27% of equity capital of MHIL.

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 and Madhya Pradesh.

As on March 31, 2017, it has a loan portfolio of Rs.4.41 bn.

Recently ICRA assigned Long Term Debt Rating of ICRA AA-(Stable) for its Bank limits.

Business Performance

(₹ in millions)

Particulars	FY 2017	FY 2016	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
Number of branches	9	2	9	8	8	2
Number of Sales Offices	110	0	110	110	39	39
Number of Employees	111	30	111	105	77	49
Loan Portfolio (₹)	4,408	315	4,408	2,040	946	441
Capital Adequacy Ratio (%)	36	226	36	64	115	177
Total Revenue (₹)	242	19	135	62	31	14
Total Expense (₹)	189	19	96	46	28	19
Profit Before Tax (₹)	53	-	39	16	3	(5)
Profit After Tax (₹)	29	-	21	9	3	(4)
Share Holders Funds (₹)	882	569	882	860	851	564
Total Liabilities (₹)	3,624	3	3,624	1,232	341	3
Total Assets (₹)	4,506	572	4,506	2,092	1,192	567

Business Performance

(%)

Particulars	FY 2017	FY 2016	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
Yield on Advances	12.74	6.63	13.05	13.13	11.94	9.75
Interest Spread	3.31	-	3.66	3.49	2.25	-
Return on Assets (ROA)	2.42	0.08	3.26	3.08	1.75	(4.64)
Return on Equity (ROE)	3.64	4.00	9.82	4.32	1.42	(3.10)

Disbursements
Rs 4,158 mn
13x YoY

Loan Book
Rs 4,408 mn
14x YoY

Presence in
5 states
26 locations

Debt Equity 2.47x
CRAR 36.60%

Financial Highlights

- Disbursements in FY 2017: Rs 4,158 mn, Growth 13x over FY16. Loan Book as on March 31, 2017: Rs 4,408 mn
- Average Ticket Size in FY 2017: Rs.1.2 mn
- Business Presence: Maharashtra, Gujarat, Rajasthan, Madhya Pradesh and Kerala
- ROA for FY 2017: 2.42%, ROE for FY 2017: 3.64%
- Average cost of borrowings of 9.43% for FY 2017. Capital Adequacy Ratio: 36.60%
- Average Yield: 12.74%, Interest Spread: 3.31%
- Maintaining strict risk & underwriting parameters has kept the asset quality under control with NIL NPA

Growth Drivers

- Deepening our network further in existing states & expanding into Karnataka, Telengana, AP and Haryana states
- 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 recovery mechanisms
- Tier II / III cities focused distribution network with an 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) which indicates low risk will help in lower cost of funds
- Debt/Equity ratio at 2.47 times as on FY17, 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 the 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
- 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



MIBPL became a wholly owned subsidiary of Muthoot Finance Ltd in June 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 17, it has insured more than 5,66,000 lives with a First year premium collection of Rs 70 Crs 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

(₹ in millions)

Particulars	FY 2017	FY 2016	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
Premium Collection (₹)	697	482	259	148	188	102
Number of Policies	566,282	458,652	176,929	114,133	139,008	136,212

Key Financial Parameters

(₹ in millions)

	FY 2017	FY 2016
Total Revenue (₹)	116	101
Total Expense (₹)	28	27
Profit Before Tax (₹)	88	73
Profit After Tax (₹)	60	51
Share Holders Funds (₹)	171	111
Earnings per share (₹)	120.33	102.25

OUR SUBSIDIARY



Muthoot Finance



BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED

A Subsidiary of Muthoot Finance Limited

BELSTAR INVESTMENT AND FINANCE – AN OVERVIEW



As Of March 2017 , Muthoot Finance holds 64.60% 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 2 mn.

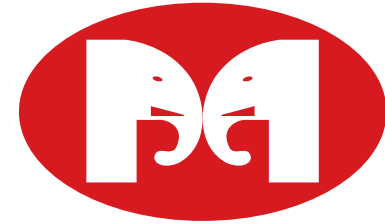
In the last eight years of its operations, BIFPL primarily relied on taking over the existing groups formed by Hand in Hand India . BIFPL predominantly follows the SHG model of lending. Effective January 2015, BIFPL started working in JLG model of lending in Pune district, Maharashtra.

As of March 31, 2017, BIFPL operations are spread over five states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra ,Kerala and Pondicherry). It has 155 branches, with 28 controlling regional offices and employs 1093 staff. Its loan portfolio has grown from INR 0.20 mn in March 2009 to INR 5.67 bn in March 2017.

Key Financial Parameters

(₹ in millions)

Particulars	FY 2017	FY 2016	Q4 FY 2017	Q3 FY 2017	Q2 FY 2017	Q1 FY 2017
Number of branches	155	76	155	148	103	94
Number of Employees	1,093	561	1,093	1,008	828	705
Loan Portfolio (₹)	5,668	2,643	5,668	4,537	3,986	2,872
Capital Adequacy Ratio (%)	17	17	17	21	21	16
Total Revenue (₹)	1,034	581	332	295	229	178
Total Expense (₹)	874	489	275	259	195	145
Profit Before Tax (₹)	160	92	57	36	34	33
Profit After Tax (₹)	104	61	37	23	22	22
Shareholders Funds (₹)	903	399	903	866	843	421
Total Outside Liabilities (₹)	6,726	2,881	6,726	4,520	3,836	3,120
Total Assets (₹)	7,629	3,280	7,629	5,386	4,679	3,541



Muthoot Finance

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