Muthoot Finance Limited
Registered Office :
2nd floor, Muthoot Chambers,
Opp. Saritha Theatre Complex,
Banerji Road, Ernakulam - 682 018
Kerala, India.
CIN : L65910KL1997PLC 011300

Phone : +91 484 2396478, 2394712
Fax : +91 484 2396506, 2397399
mails@muthootgroup.com
www.muthootgroup.com

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

Ref: SEC/MFL/SE/2018/2748

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: **Investor Presentation: quarter ended December 31, 2017**

We herewith enclose a copy of the investor presentation for the quarter ended December 31, 2017.

This is for your kind information and record thereon.

For **Muthoot Finance Limited**

Maxin James
Company Secretary

Muthoot Finance

Financial Results Q3 FY 2018

December 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.

The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise. While every effort is made to ensure that this presentation conforms with all applicable legal requirements, the company does not warrant that it is complete, comprehensive or accurate, or commit to its being updated. No part of the information provided herein is to be construed as a solicitation to make any financial investment and is provided for information only.

Any person/ party intending to provide finance / invest in the shares/businesses of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision. In no event shall the company be liable for any damages whatsoever, whether direct, incidental, indirect, consequential or special damages of any kind or including, without limitation, those resulting from loss of profit, loss of contracts, goodwill, data, information, income, expected savings or business relationships arising out of or in connection with the use of this presentation.

CONSOLIDATED LOAN ASSETS *

Muthoot Finance

Diversified Loan Book *

(₹ in million)

	Q3 FY 2018	Q3 FY 2017	YoY Growth (%)	Q2 FY 2018	QoQ Growth (%)	FY 2017	YTD (%)
Consolidated Loan Assets of the Group *	307,122	280,053	10	296,361	4	286,605	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: DRIVING INCLUSIVE GROWTH

Muthoot Finance

- 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

MFIN - A GLIMPSE

Muthoot Finance

29

States/Union territory presence

153 tonnes

Gold jewellery kept as security

4,300+

Pan-India branches

150,000+

Retail investor base across debenture and subordinated debt portfolio

22,000+

Team members

130,000+

Customers served every day

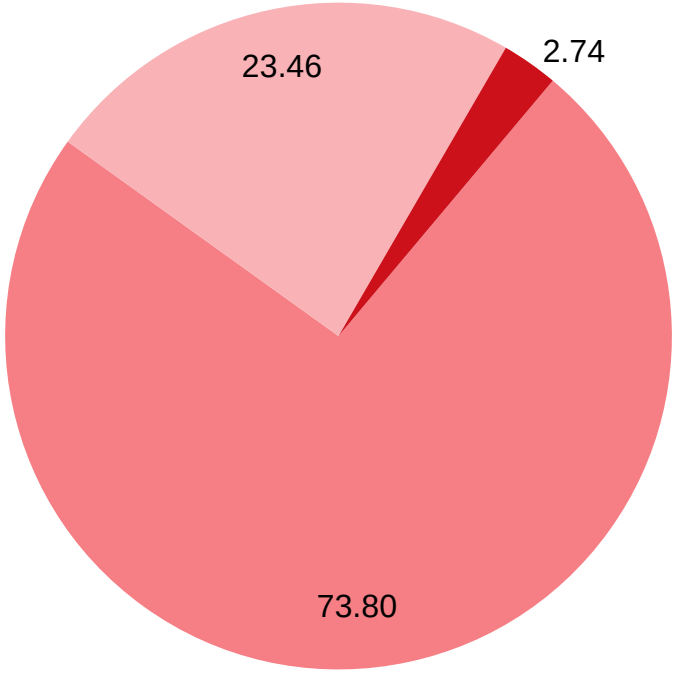
₹ 282,648 mn

Loan Assets Under Management

(As of December 31, 2017)

SHAREHOLDING PATTERN

Strong promoter interest in business with 74% stake



(%) Shareholding as on December 31, 2017

- Promoters & Relatives
- FII, FC, MF & Others
- Public

NSE Ticker

MUTHOOTFIN

BSE Ticker

533398

Market Capitalisation
(as on December 31, 2017)

₹ 189,819 million

DIVIDEND PAYOUT

Muthoot Finance

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 (%)	-	20.30	29.50	35.36	28.59

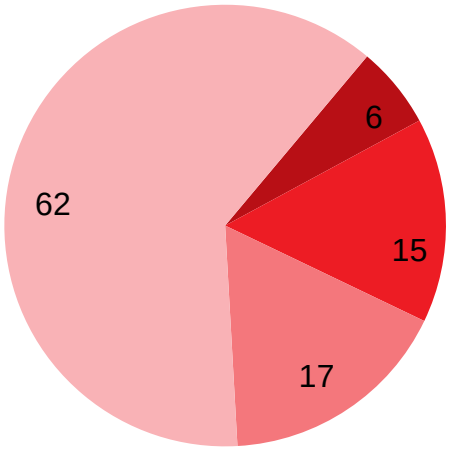
* On face value of ₹ 10 per equity share

GEOGRAPHICAL PRESENCE

Muthoot Finance

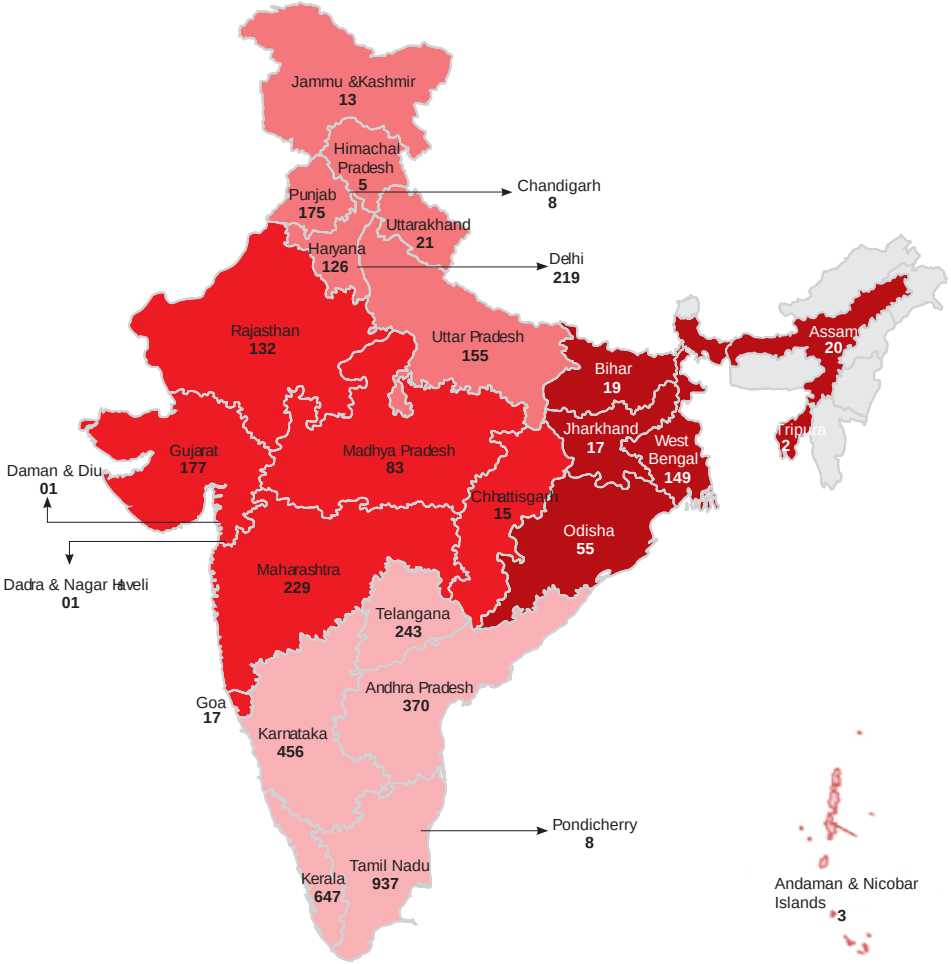
A strong presence of 4303 branches across India

(%) Branches region wise



(As of December 31, 2017)

State wise Branch Network



- 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

DIGITAL INITIATIVES

Muthoot Finance

Digital convenience for new gen & Millennium Customer acquisition

Aadhaar based Electronic KYC

eKYC FACILITY

- Biometric KYC verification - Convenience
- No further KYC documents –Paperless
- Aadhar
- Almost whole branches covered now
- 38% of New KYCs through e-KYC in Dec'17
- e-Sign facility has been introduced in October'17.

Direct Credit Facility

Muthoot E-TRANSFER

- 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

DIGITAL INITIATIVES

Online Gold Loan (OGL)

- 16% 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 3.53 lakhs downloads.
- Online Gold Loan (OGL) facility available to withdraw loan amount and renewal, apart from payments.
- Rs.203 crs payments received from 2.27 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 will be introduced in Jan'17.

SHAREHOLDER'S FUNDS

Muthoot Finance

Strong Capital Base

Networth

	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Share Capital	3,999	3,996	3,995	3,995	3,995	0	0
Reserves & Surplus	73,898	69,248	64,688	61,169	60,830	21	7
Total	**77,897**	**73,244**	**68,683**	**65,164**	**64,825**	**20**	**6**

ASSETS

Muthoot Finance

Core focus continues to be gold loan

Gross Loan Assets under management

	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross loan assets under management	282,648	276,080	278,517	272,785	269,625	5	2
Break-up of Gross Loan Assets under management							
Gold Loans under management	280,974	275,338	277,750	272,199	269,025	4	2
Other loans	1,674	742	767	586	600	179	126

LIABILITIES

Muthoot Finance

Stable sources of funding

	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	11,419	16,288	21,058	25,190	29,738	(62)	(30)
Secured Non-Convertible Debentures- Listed	45,158	49,909	55,359	37,098	29,474	53	(10)
Borrowings from Banks/FIs	120,421	103,695	93,049	92,019	95,235	26	16
Subordinated Debt	9,389	11,026	13,423	15,458	17,969	(48)	(15)
Subordinated Debt -Listed	3,849	3,849	3,849	3,662	3,344	15	0
Commercial Paper	14,505	33,056	28,268	31,548	26,790	(46)	(56)
Other Loans	6,221	5,644	5,838	5,984	6,552	(5)	10
Total	**210,962**	**223,467**	**220,844**	**210,959**	**209,102**	**1**	**(6)**

REVENUE & PROFIT

Muthoot Finance

Profit & Loss Statement

(₹ in million)

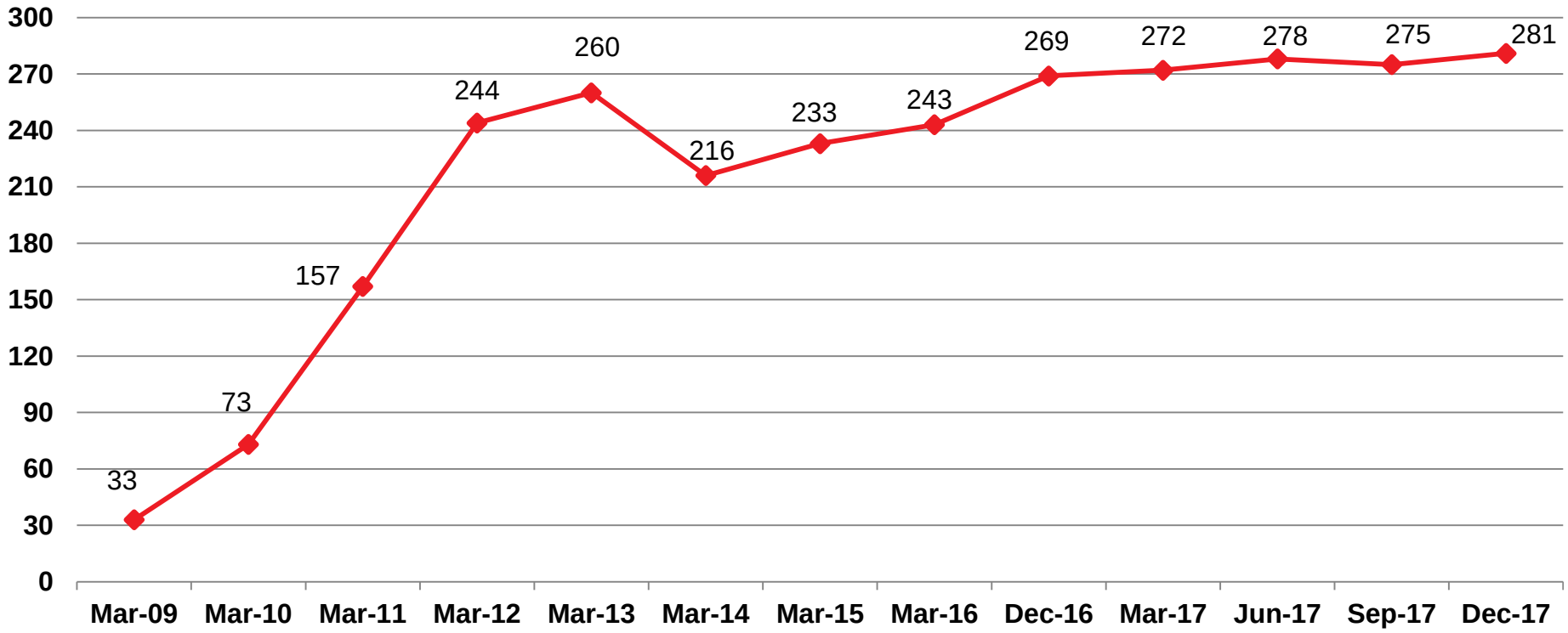
	9M FY 2018	9M FY 2017	YoY Growth (%)	Q3 FY 2018	Q3 FY 2017	YoY Growth (%)	Q2 FY 2018	Q1 FY 2018	QoQ Growth (%)	FY 2017
INCOME										
Interest Income	45,370	39,558	15	15,227	13,280	15	16,385	13,758	(7)	56,546
Other Income	982	777	26	440	184	139	314	228	40	921
Total	**46,352**	**40,335**	**15**	**15,667**	**13,464**	**16**	**16,699**	**13,986**	**(6)**	**57,467**
EXPENDITURE										
Interest Expense	14,904	17,478	(15)	4,689	5,970	(21)	4,889	5,326	(4)	22,938
Personnel Expenses	5,447	5,479	(1)	1,790	1,734	3	1,884	1,773	(5)	7,280
Administrative & Other expenses	3,479	3,192	9	1,259	1,100	14	1,074	1,146	17	4,405
Provisions & Write Offs	1,800	386	366	565	39	1,349	1,169	66	(52)	2,816
Directors Remuneration	173	148	17	58	50	16	57	58	2	358
Depreciation	302	335	(10)	104	116	(10)	100	99	4	460
Total	**26,105**	**27,018**	**(3)**	**8,465**	**9,009**	**(6)**	**9,173**	**8,468**	**(8)**	**38,257**
PROFIT										
Profit Before Tax	20,246	13,317	52	7,201	4,456	62	7,527	5,518	(4)	19,210
Profit After Tax	12,689	8,581	48	4,637	2,911	59	4,541	3,511	2	11,798

GOLD LOAN PORTFOLIO

Muthoot Finance

Gaining scale over the years

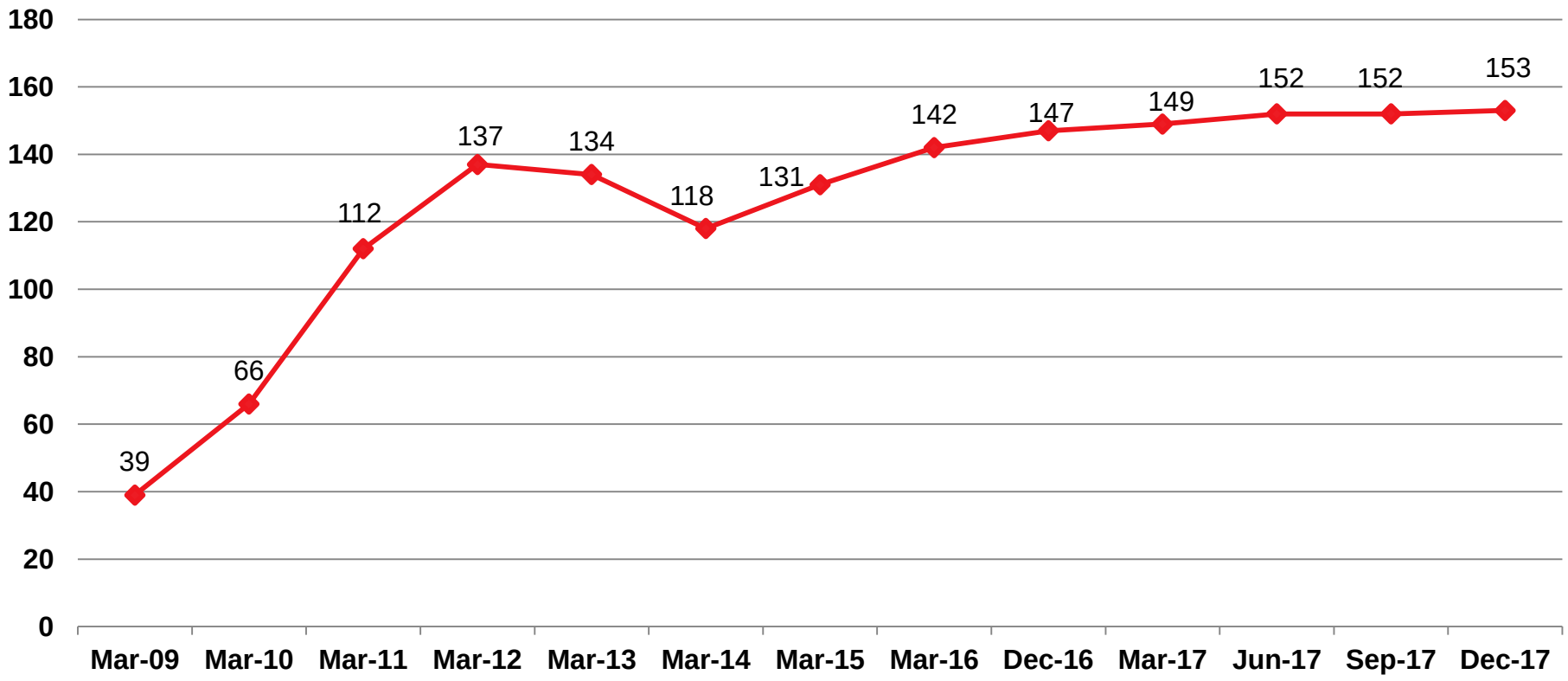
Gold Loan Assets Under Management (₹ in billion)



GOLD HOLDING

Carrying the trust of millions of our customers

Gold jewellery kept as security (In tonnes)

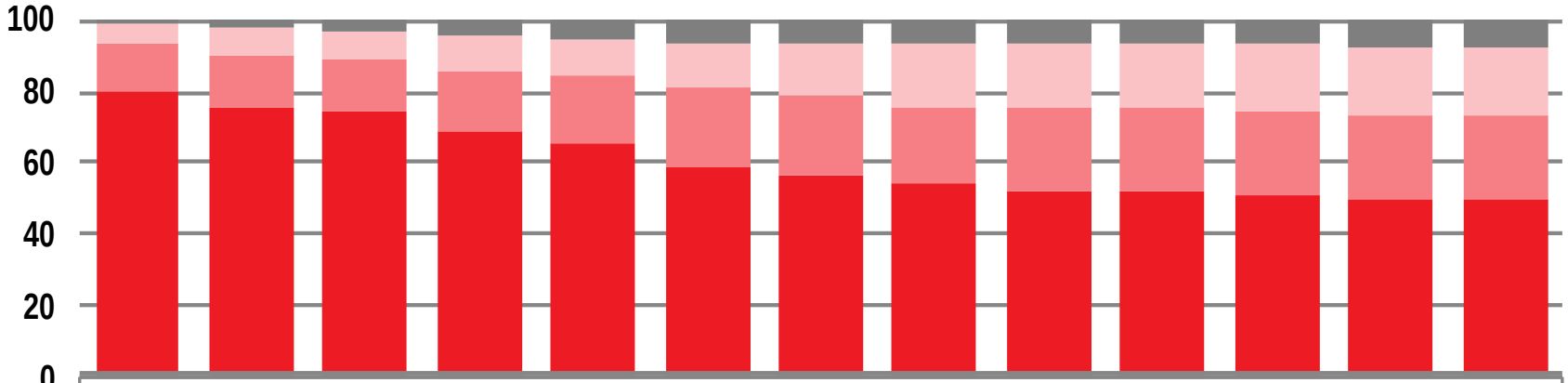


GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO

Muthoot Finance

Diversified gold loan portfolio across India

(%)



	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
East	1	2	3	4	5	6	6	7	7	7	7	8	8
West	5	8	8	10	11	13	15	17	18	18	19	19	19
North	14	15	15	17	19	22	22	22	23	23	23	23	23
South	80	75	74	69	65	59	57	54	52	52	51	50	50

Gold Loan Assets Under Management (₹ in billion)

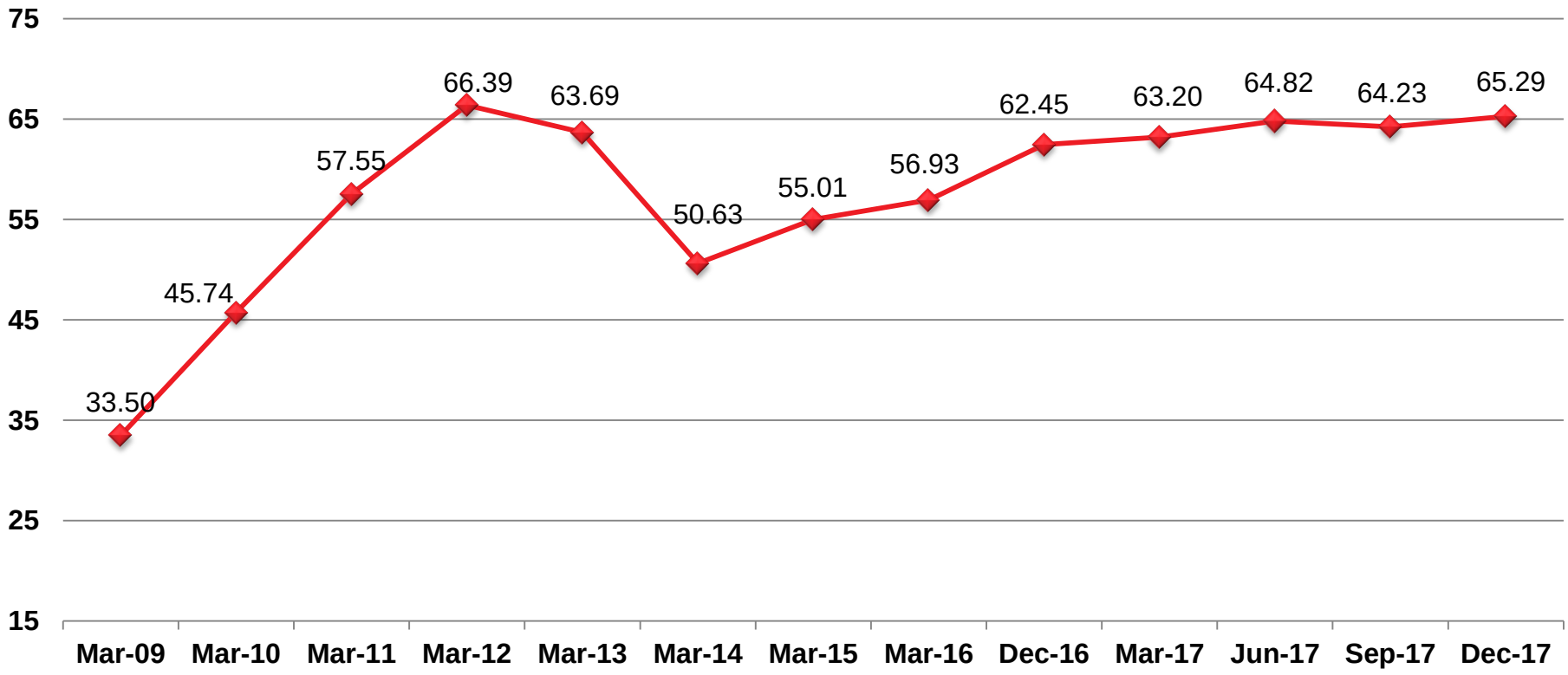
Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
33	73	157	244	260	216	233	243	269	272	278	275	281

PRODUCTIVITY

Muthoot Finance

Widening presence with increasing gold loan business per branch

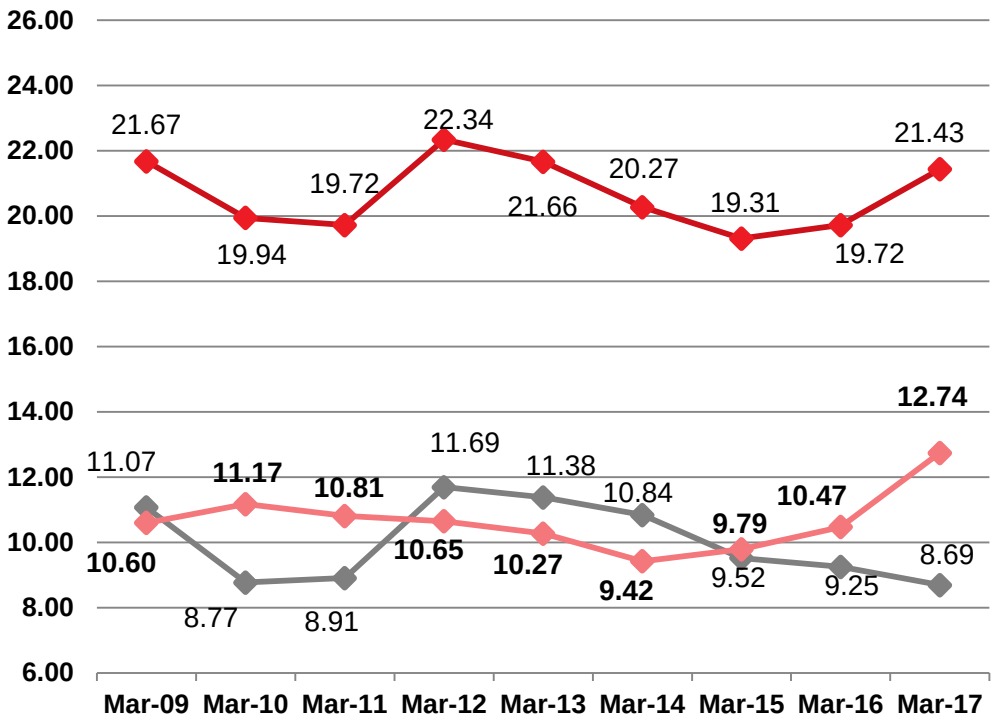
Average Gold Loan Per Branch (₹ in million)



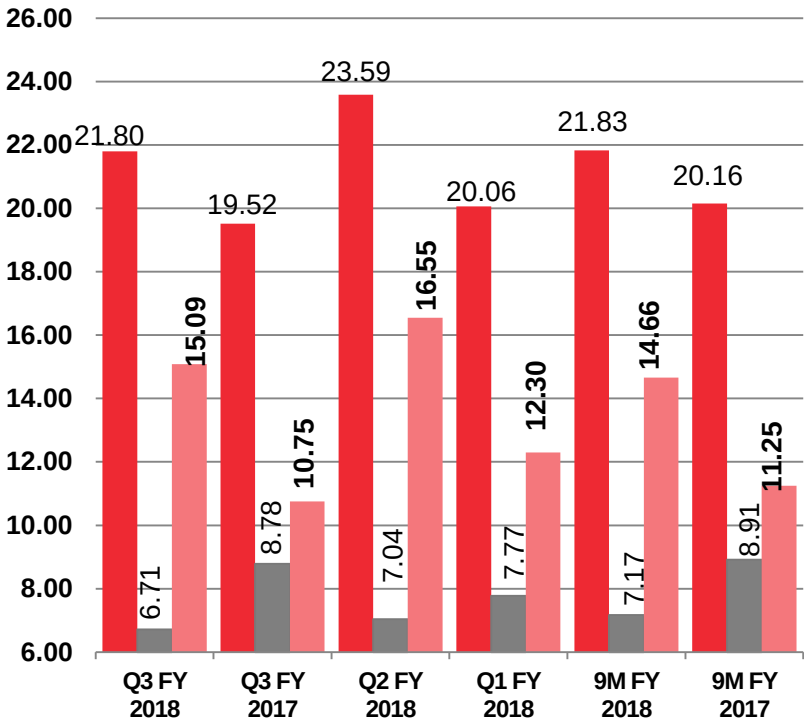
YIELD ON LOAN ASSETS AND NIM

Muthoot Finance

Yearly (%)



Quarterly (%)

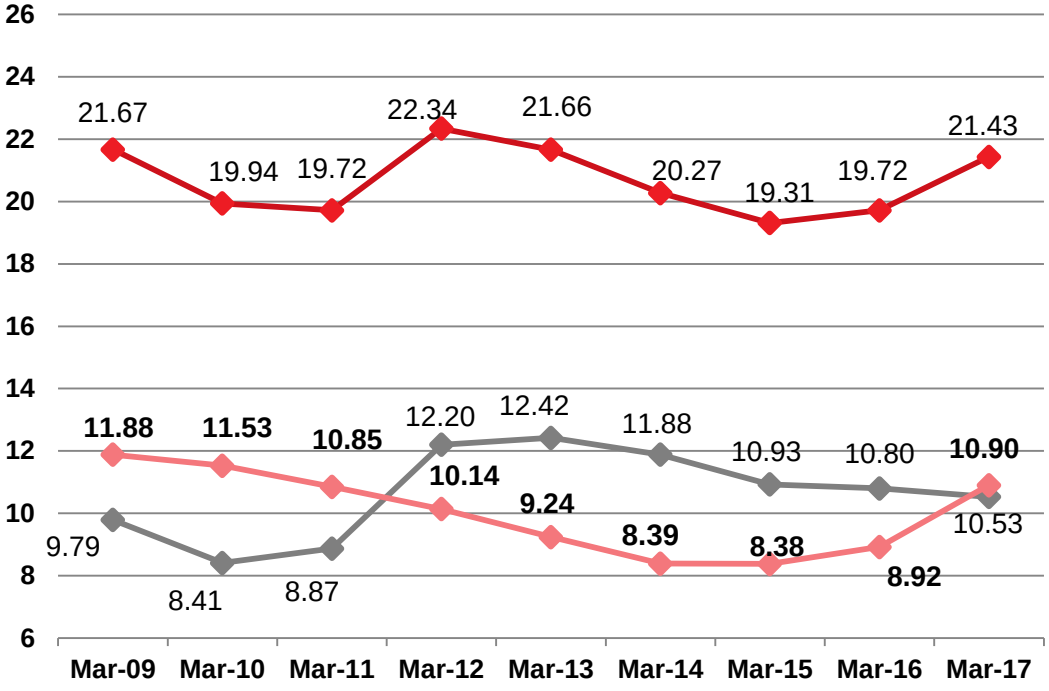


- **Interest Income on Average Loan Assets**
- **Interest Expense on Average Loan Assets**
- **Net Interest Margin**

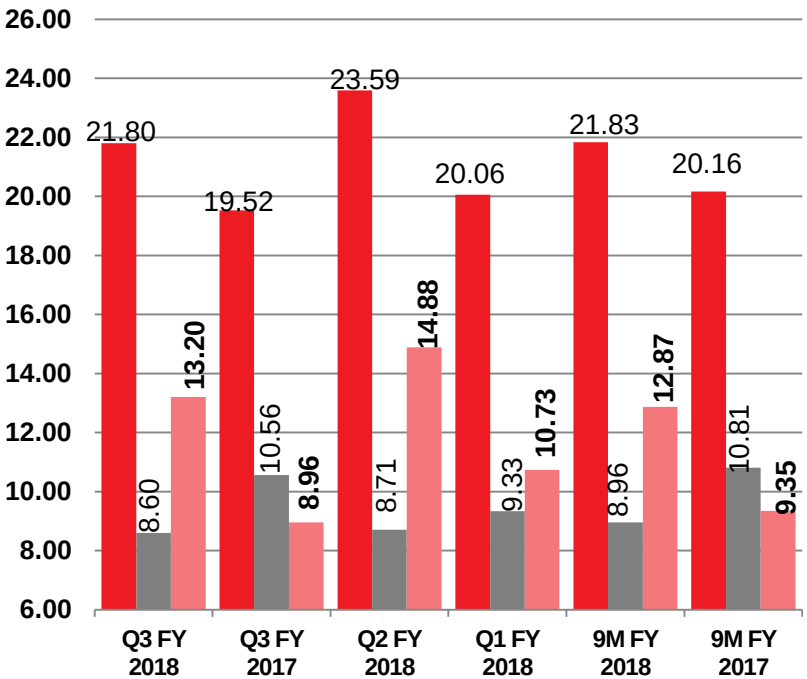
INTEREST SPREAD

Muthoot Finance

Yearly (%)



Quarterly (%)



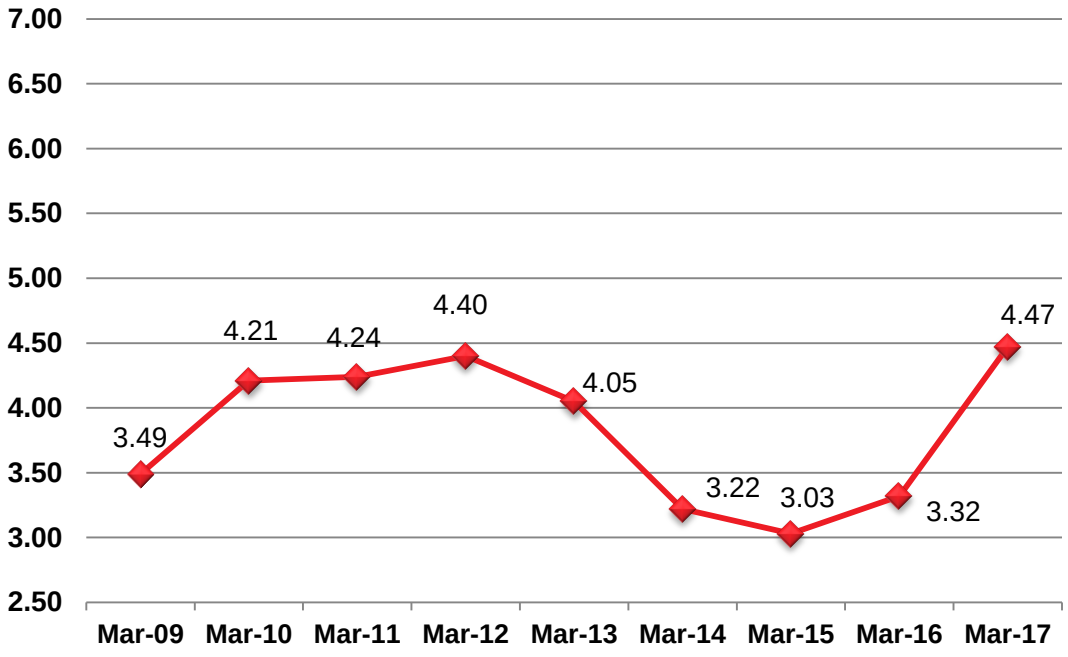
- **Interest Income on Average Loan Assets**
- **Interest Expenses on Average Outside Liabilities**
- **Interest Spread**

RETURN ON AVERAGE LOAN ASSETS

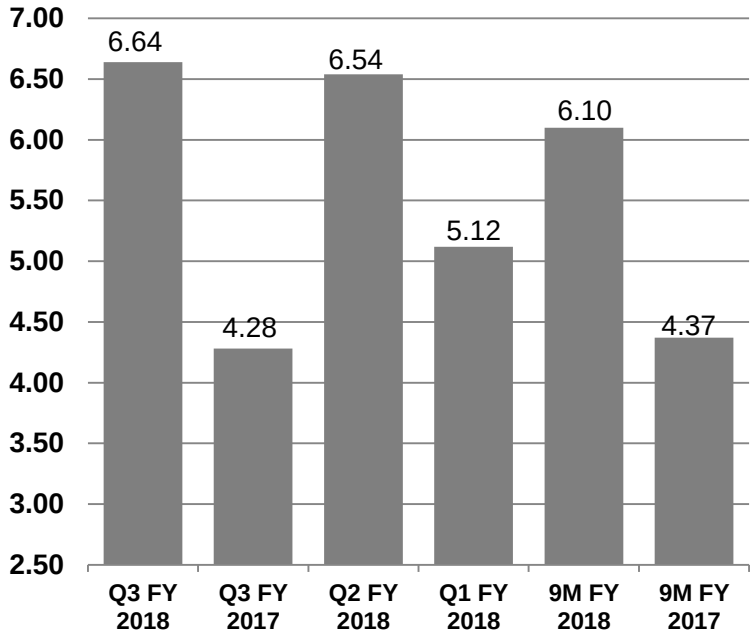
Muthoot Finance

Attractive returns over the years

Yearly (%)



Quarterly (%)



NON-PERFORMING ASSETS & BAD DEBTS

Muthoot Finance

Non-Performing Assets

(₹ in million)

	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Gross Non-Performing Assets	15,897	12,593	6,279	5,621	7,863
Provision For Non-Performing Assets	1,975	1,571	1,019	1,019	1,019
Net Non-Performing Assets	13,922	11,021	5,260	4,602	6,844
% of Gross NPA on Gross Loan Assets	5.62	4.56	2.25	2.06	2.92
% of Net NPA on Gross Loan Assets	4.93	3.99	1.89	1.69	2.54

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

Bad Debts

(₹ in million)

	Q3 FY 2018	Q3 FY 2017	Q2 FY 2018	Q1 FY 2018	9M FY 2018	9M FY 2017	FY 2017
Bad Debts Written Off	55	36	63	9	127	62	165

Standard Asset Provision

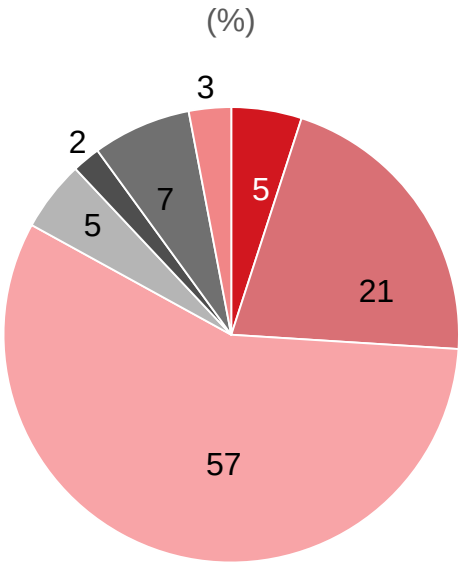
	Dec-17	Sep-17	Jun-17	Mar-17	Sep-16
Provision (₹ in million)	3,334	3,295	2,722	2,685	2,685
% of Provision to Standard Assets *	1.25	1.25	1.00	1.01	1.00
Provision for Gold Price fluctuation risk (₹ in million) **	2,330	2,330	2,330	2,330	-
% of Provision to Standard Assets	0.87	0.88	0.86	0.87	-
Total Standard Assets Provision	**5,664**	**5,625**	**5,052**	**5,015**	**-**

** Maintaining a higher standard asset provision of 1.25% as against the regulatory requirement of 0.35%*

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

LIABILITY MIX

Maintaining a diversified funding profile



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 11,419 mn (5%)
- Secured Non-Convertible Debentures – Listed – ₹ 45,158 mn (21%)
- Borrowings from Banks/Fis - ₹ 120,421 mn (57%)
- Subordinated Debt – ₹ 9,389 mn (5%)
- Subordinated Debt – Listed - ₹ 3,849 mn (2%)
- Commercial Paper – ₹ 14,505 mn (7%)
- Other Loans – ₹ 6,221 mn (3%)

(As of December 31, 2017)

CREDIT RATINGS

Muthoot Finance

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	40,000	ICRA A1+	Very strong degree of safety and lowest credit risk
BANK LOANS			
ICRA*	125,630	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	5,000	ICRA AA(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
BANK LOANS			
ICRA*	99,370	ICRA AA(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk

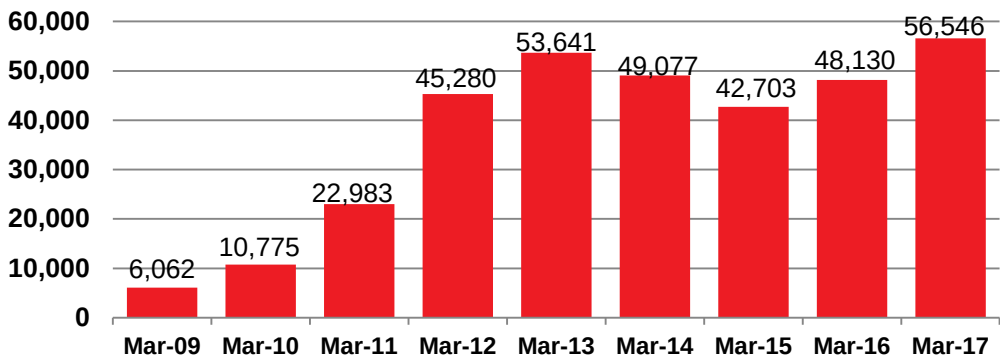
**Within the overall rating of ₹135,150 millions*

BREAK-UP OF GROSS INCOME

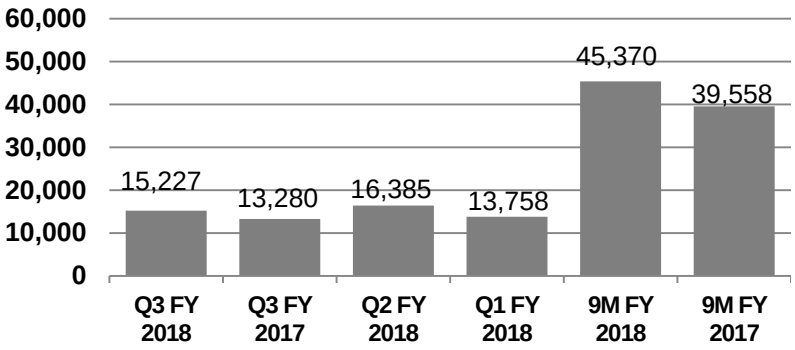
Interest Income

(₹ in million)

Yearly



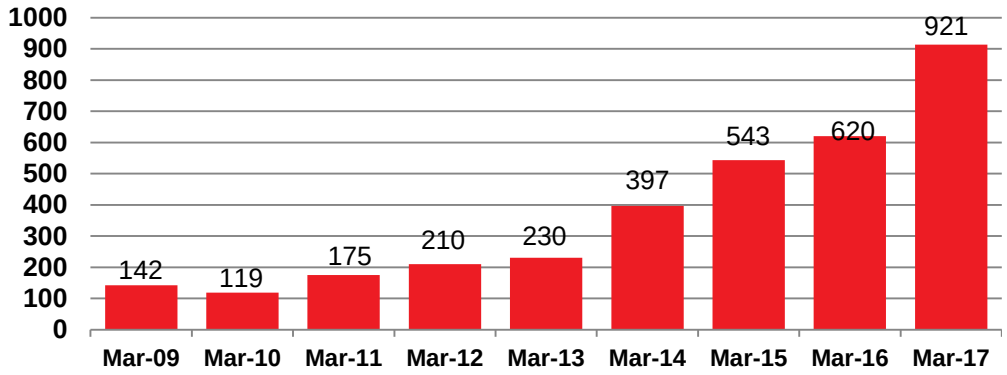
Quarterly



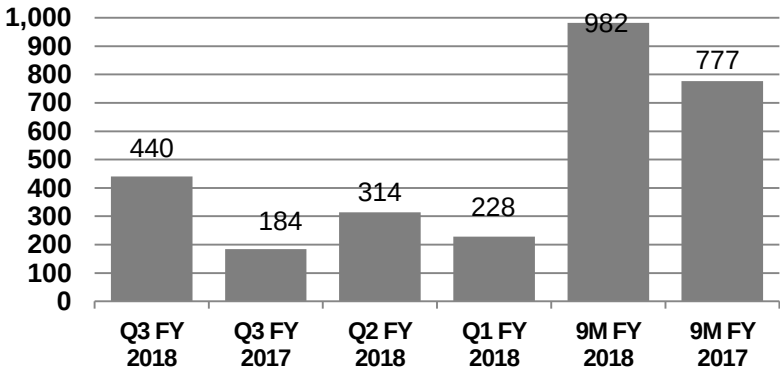
Other Income

(₹ in million)

Yearly



Quarterly

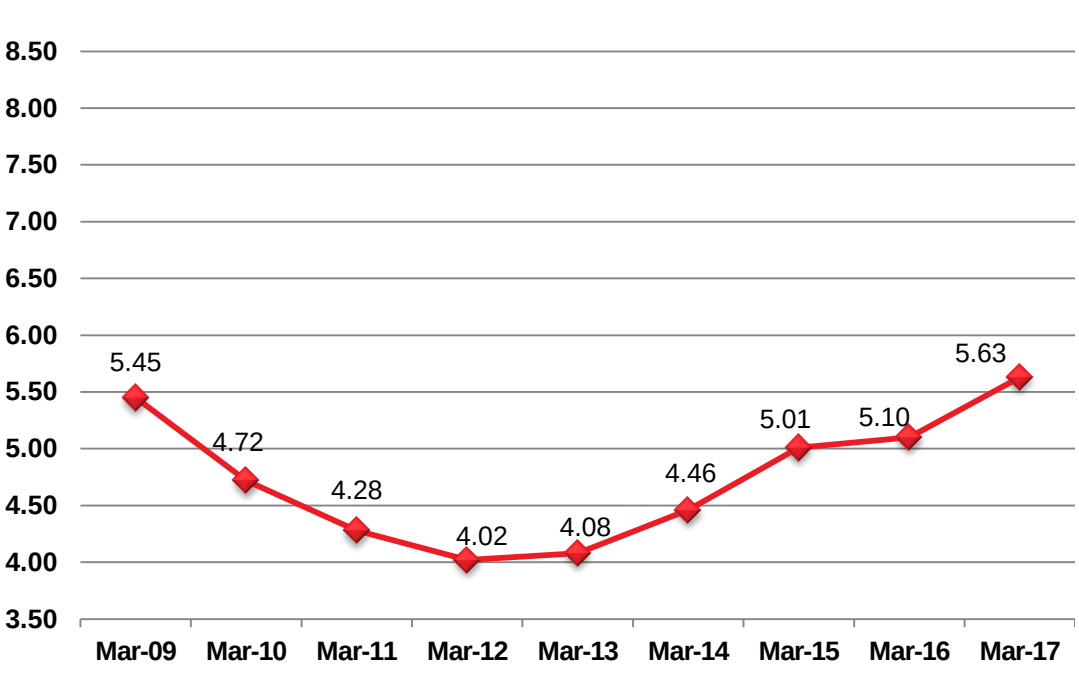


OPERATING EXPENSES TO AVERAGE LOAN ASSETS

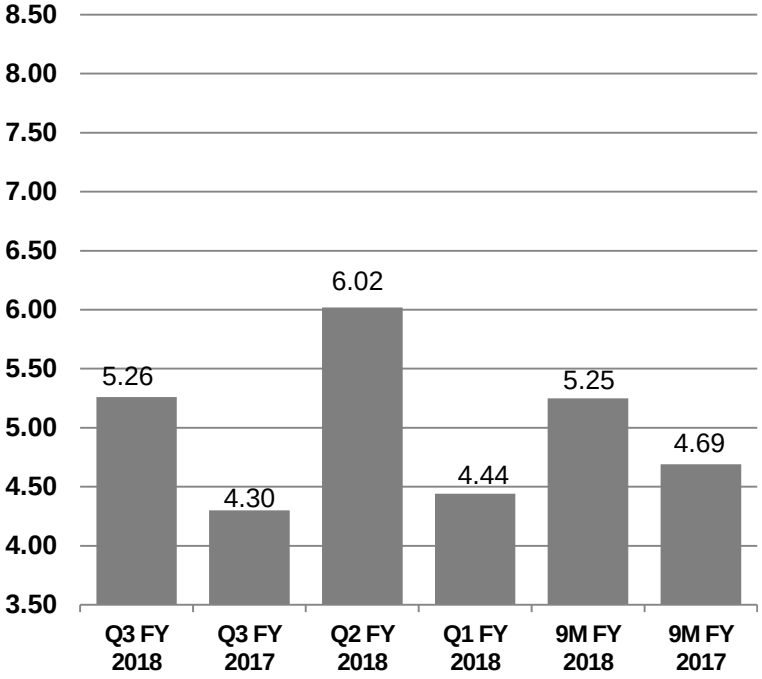
Muthoot Finance

Operational efficiency over the years

Yearly (%)



Quarterly (%)



BREAK-UP OF OPERATING EXPENSES

Muthoot Finance

	Yearly (₹ in Millions)								Quarterly (₹ in Million)					
	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Q3 FY 2018	Q3 FY 2017	Q2 FY 2018	Q1 FY 2018	9M FY 2018	9M FY 2017
Personnel Expenses	7,280	6,418	6,304	5,917	5,453	4,145	2,209	1,169	1,790	1,734	1,884	1,773	5,447	5,479
Rent	1,808	1,713	1,650	1,542	1,309	1,042	603	290	474	458	425	503	1,402	1,344
Advertisement	531	626	651	702	579	866	647	331	199	115	64	176	439	367
Postage, Telegram and Telephone	372	378	371	364	243	184	115	72	93	101	122	105	320	297
Traveling and Conveyance	186	187	212	190	175	168	114	67	46	46	44	42	132	139
Printing and Stationery	129	144	160	185	168	155	111	69	32	33	32	29	93	97
Repairs and Maintenance	362	290	281	272	256	341	211	96	67	101	111	86	264	285
Legal and Professional Charges	124	93	189	216	86	60	114	34	29	51	51	36	116	104
Business Promotion Expense	201	149	140	279	332	267	119	45	34	45	38	9	81	109
Directors Remuneration	358	196	192	192	192	192	192	192	58	50	57	58	173	149
Depreciation and Amortisation Expenses	482	575	841	475	454	329	180	149	127	121	94	104	325	349
Others	839	1,014	733	731	550	380	229	165	458	184	163	183	804	504
Provision For Standard & NPA Assets	2,647	1,223	180	214	765	351	323	21	369	0	1,199	37	1,606	317
Total	**15,319**	**13,006**	**11,904**	**11,279**	**10,562**	**8,480**	**5,165**	**2,701**	**3,776**	**3,039**	**4,284**	**3,141**	**11,202**	**9,540**

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	Q3 FY 2018	Q3 FY 2017	Q2 FY 2018	Q1 FY 2018	9M FY 2018	9M FY 2017
Personnel Expenses	48	49	53	52	52	49	43	43	47	57	44	56	49	57
Rent	12	13	14	14	12	12	12	11	13	15	10	16	13	14
Advertisement	3	5	5	6	5	10	13	12	5	4	1	6	4	4
Postage, Telegram and Telephone	2	3	3	3	2	2	2	3	2	3	3	3	3	3
Traveling and Conveyance	1	1	2	2	2	2	2	2	1	2	1	1	1	1
Printing and Stationery	1	1	1	2	2	2	2	3	1	1	1	1	1	1
Repairs and Maintenance	2	2	2	2	2	4	4	4	2	3	3	3	2	3
Legal and Professional Charges	1	1	2	2	1	1	2	1	1	2	1	1	1	1
Business Promotion Expense	1	1	1	2	3	3	2	2	1	1	1	0	1	1
Directors Remuneration	2	2	2	2	2	2	4	7	2	2	1	2	2	2
Depreciation and Amortisation Expenses	3	4	7	4	4	4	3	6	3	4	2	3	3	4
Others	5	8	6	6	5	4	4	6	12	6	4	6	7	5
Provision For Standard & NPA Assets	17	9	2	2	7	4	6	1	10	0	28	1	14	3
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

PROFITABILITY RATIOS

Muthoot Finance

(Based on Income)	Yearly (%)								Quarterly (%)					
	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Q3 FY 2018	Q3 FY 2017	Q2 FY 2018	Q1 FY 2018	9M FY 2018	9M FY 2017
Interest expense to Gross Income	39.92	46.31	48.71	53.08	52.34	52.10	44.83	43.49	29.93	44.34	29.28	38.08	32.15	43.33
Selling, general and administrative expenses to Net Income	34.88	41.36	48.26	44.66	35.89	35.48	36.32	41.00	28.29	38.48	25.53	34.38	28.93	38.59
Provisions & Write Offs to Net Income	8.16	6.20	1.67	1.89	3.49	1.93	2.68	0.44	4.73	0.52	9.90	0.76	5.72	1.69
Operational expenses to Net Income	43.03	47.56	49.93	46.55	39.37	37.41	38.99	41.44	33.02	39.00	35.43	35.14	34.66	40.28
OPBDT / Net Income	56.97	52.44	50.06	53.45	60.62	62.59	61.00	58.56	66.54	61.01	64.58	64.85	65.34	59.72
Depreciation to Net Income	1.33	2.13	3.72	2.03	1.76	1.50	1.42	2.42	0.95	1.55	0.85	1.13	0.96	1.46
OPBT / Net Income	55.63	50.31	46.34	51.42	58.86	61.09	59.58	56.14	65.59	59.46	63.73	63.72	64.38	58.26
PBT / Net Income	55.63	50.31	46.34	51.42	58.86	61.09	59.58	56.14	65.59	59.46	63.73	63.72	64.38	58.26
PAT / Net Income	34.17	30.93	30.23	33.60	39.11	40.93	38.68	36.97	42.24	38.84	38.45	40.54	40.35	37.54

PROFITABILITY RATIOS

Muthoot Finance

(Based on Average Loan Assets)	Yearly (%)								Quarterly (%)					
	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Q3 FY 2018	Q3 FY 2017	Q2 FY 2018	Q1 FY 2018	9M FY 2018	9M FY 2017
Interest income to avg. loan assets	21.43	19.72	19.30	20.27	21.66	22.34	19.72	19.94	21.80	19.52	23.59	20.06	21.83	20.16
Interest expense to avg. loan assets	8.69	9.25	9.52	10.84	11.38	11.69	8.91	8.77	6.71	8.78	7.04	7.77	7.17	8.91
Net Interest Margin	12.74	10.47	9.78	9.42	10.27	10.65	10.81	11.17	15.09	10.75	16.55	12.29	14.66	11.25
Other income to avg. Loan assets	0.35	0.25	0.25	0.16	0.09	0.10	0.15	0.22	0.63	0.27	0.45	0.33	0.47	0.40
Net Income Including Other Income	13.09	10.72	10.03	9.59	10.37	10.75	10.96	11.39	15.72	11.02	17.00	12.62	15.13	11.65
Selling, general and administrative expenses to avg. loan assets	4.56	4.43	4.84	4.28	3.72	3.81	3.98	4.66	4.45	4.24	4.34	4.34	4.38	4.49
Provisions and write offs to avg. loan assets	1.07	0.67	0.17	0.18	0.36	0.21	0.29	0.05	0.81	0.06	1.68	0.10	0.87	0.20
PBDT to avg. loan assets	7.45	5.62	5.02	5.12	6.28	6.73	6.69	6.67	10.46	6.72	10.98	8.18	9.89	6.96
Depreciation to avg. loan assets	0.17	0.23	0.37	0.20	0.18	0.16	0.16	0.28	0.15	1.70	0.14	0.14	0.15	0.17
PBT to avg. loan assets	7.28	5.39	4.65	4.93	6.10	6.57	6.53	6.39	10.31	6.55	10.84	8.04	9.74	6.79
Tax to avg. loan assets	2.81	2.08	1.62	1.71	2.05	2.17	2.29	2.18	3.67	2.27	4.30	2.92	3.64	2.41
PAT to avg. loan assets	4.47	3.32	3.03	3.22	4.05	4.40	4.24	4.21	6.64	4.28	6.54	5.12	6.10	4.37
Cash Profit to avg. loan assets	4.65	3.54	3.40	3.42	4.24	4.56	4.40	4.49	6.79	4.45	6.68	5.26	6.25	4.54

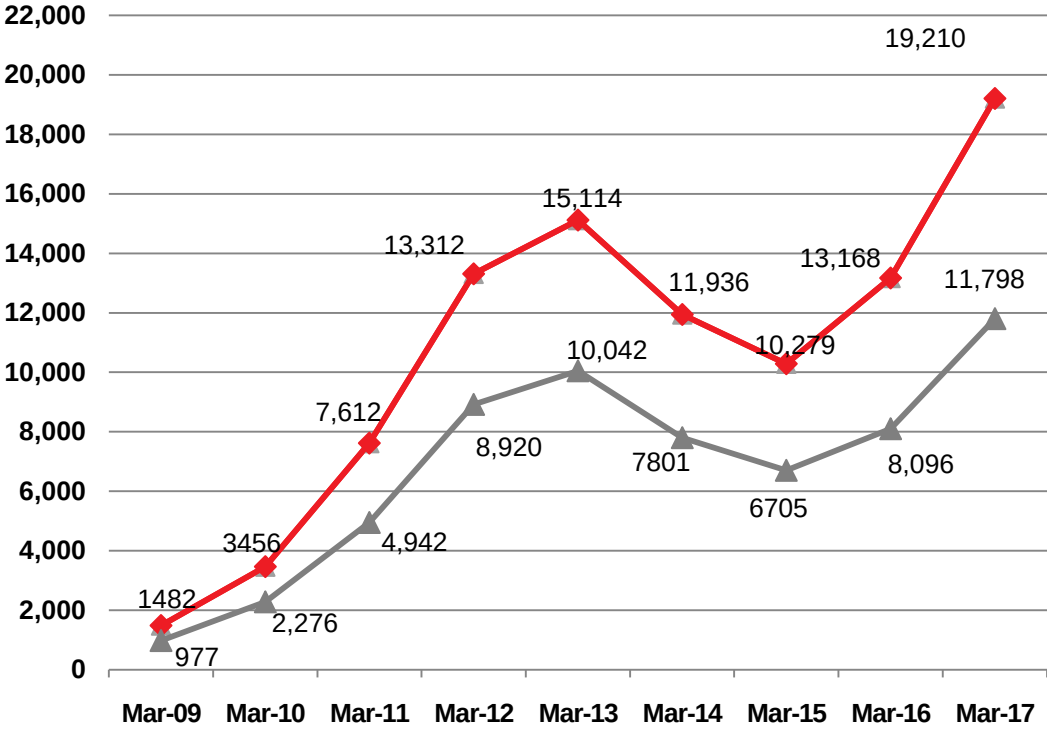
PROFITABILITY

Efforts getting rewarded

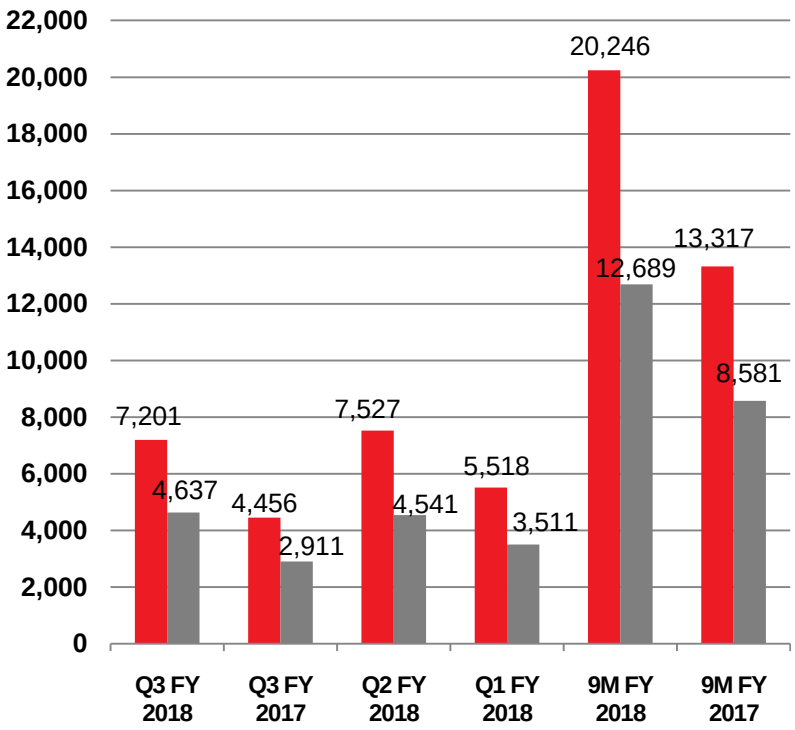
Profitability at a glance

(₹ in million)

Yearly



Quarterly

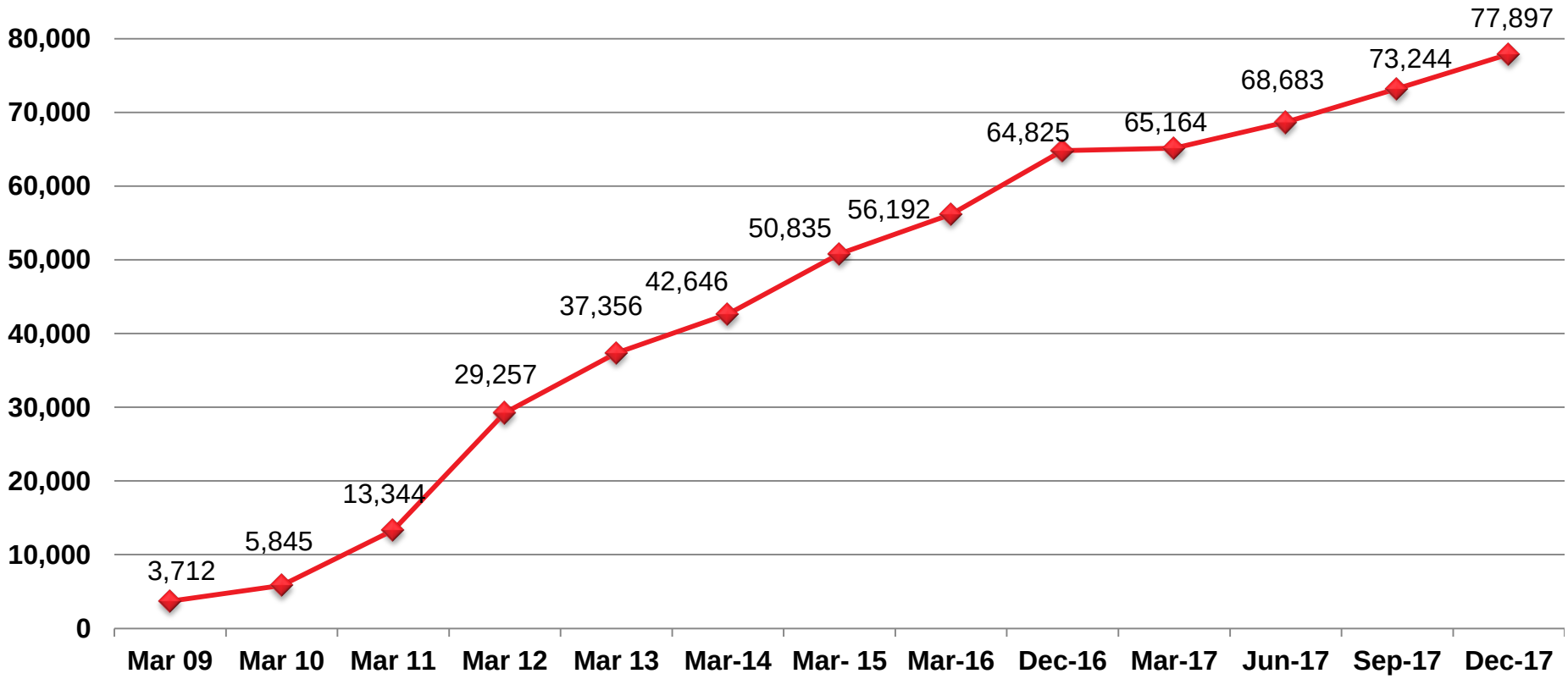


NET WORTH

Muthoot Finance

Steady capital position

Share Capital and Reserves & Surplus (₹ in million)

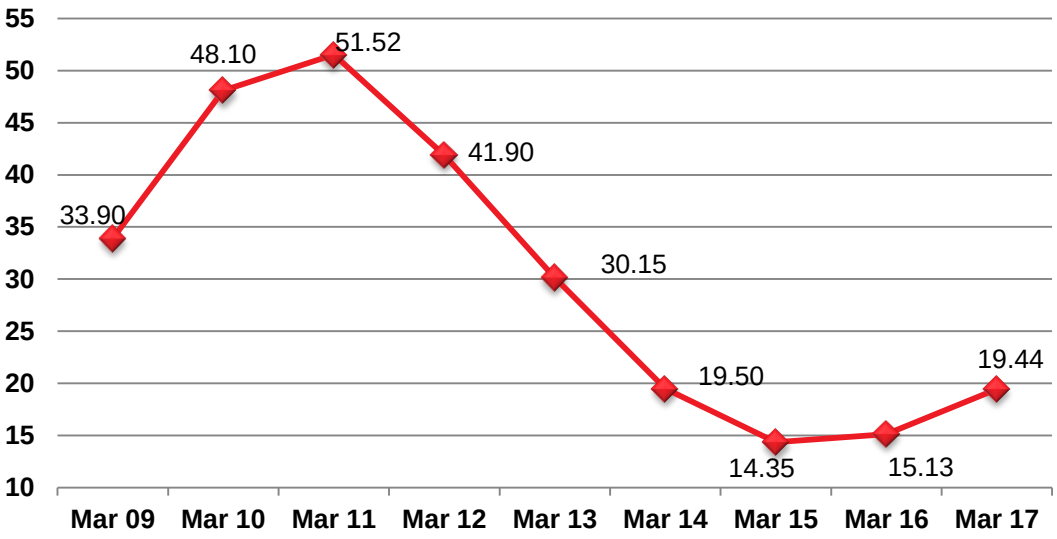


RETURN ON EQUITY

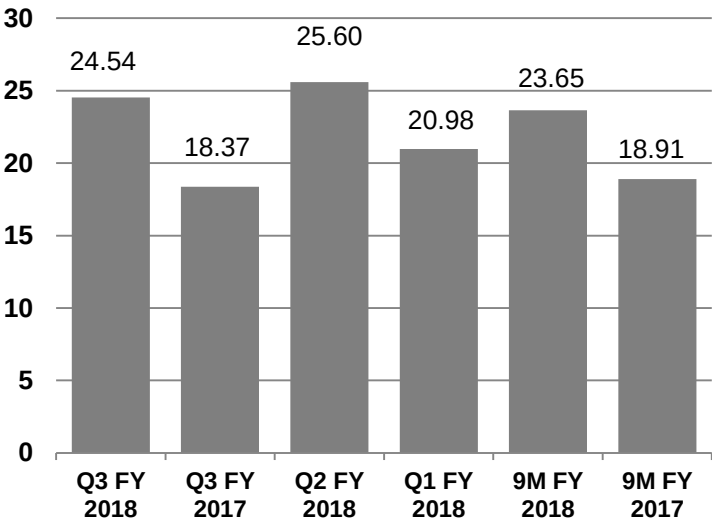
Stable shareholder value creation

Return on Average Equity

Yearly (%)



Quarterly (%)



CAPITAL RATIO

Muthoot Finance

Maintaining capital well above the statutory requirement

Capital Adequacy Ratio

(%)

	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Capital Adequacy Ratio	27.65	26.49	25.61	24.88	24.66
Tier-I	25.52	23.64	22.65	21.78	22.17
Tier-II	2.13	2.85	2.96	3.10	2.49

MARKET VALUE RATIO

Muthoot Finance

Equity market valuation ratios indicate potential for upside

	Q3 FY 2018	Q3 FY 2017	Q2 FY 2018	Q1 FY 2018	9M FY 2018	9M FY 2017	FY 2017
Earnings per share (₹)							
- Basic	11.61	7.29	11.36	8.79	31.76	21.50	29.56
- Diluted	11.56	7.23	11.27	8.76	31.59	21.32	29.45

	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Book Value per share (₹)	194.59	183.16	171.76	162.98	162.15
Market price per share (₹)*	474.65	474.90	455.15	368.95	282.70
Price to Earnings ratio**	11.92	13.38	14.41	12.48	10.04
Price to Book Value ratio	2.44	2.59	2.65	2.26	1.74

Source: www.nseindia.com
***Based on trailing 12 months EPS*

CAPITALISATION RATIOS

Muthoot Finance

Headroom for further leveraging

(₹ In million)

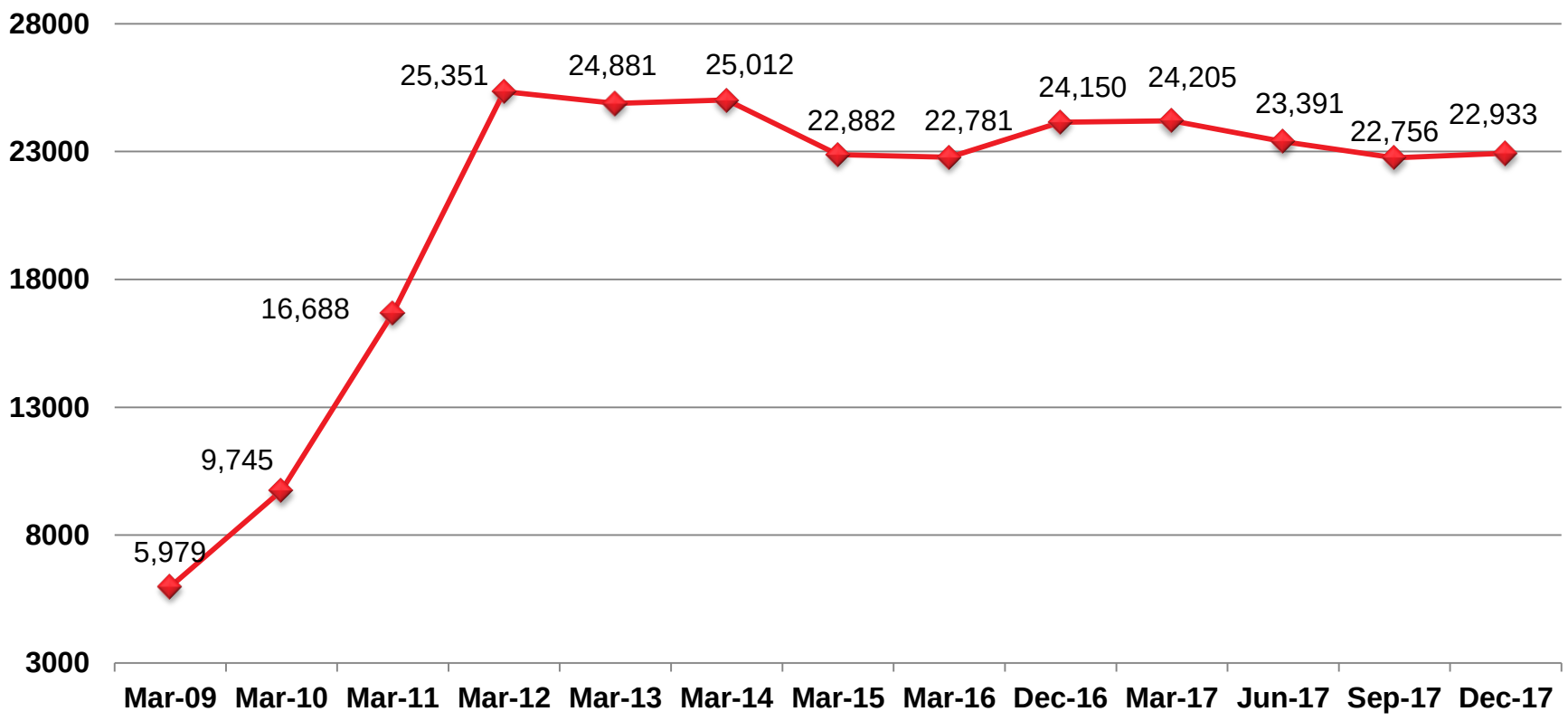
	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Outside Liabilities	236,707	251,228	249,141	241,966	235,598
Cash & Bank Balances	13,960	19,649	21,063	15,343	13,377
Tangible Networth	77,820	73,243	68,626	65,104	64,773
Capital Gearing	2.86	3.16	3.32	3.48	3.43

TEAM STRENGTH

Muthoot Finance

Groomed human capital over the years to meet growing business requirements

(No. of Employees)



OUR SUBSIDIARY

Muthoot Finance

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 Dec 31, 2017, total holding in AAF stood at 503 million equity shares representing 60% of their total capital. The loan portfolio stands at LKR 9.75 bn as on Dec 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 17 branches across Sri Lanka.

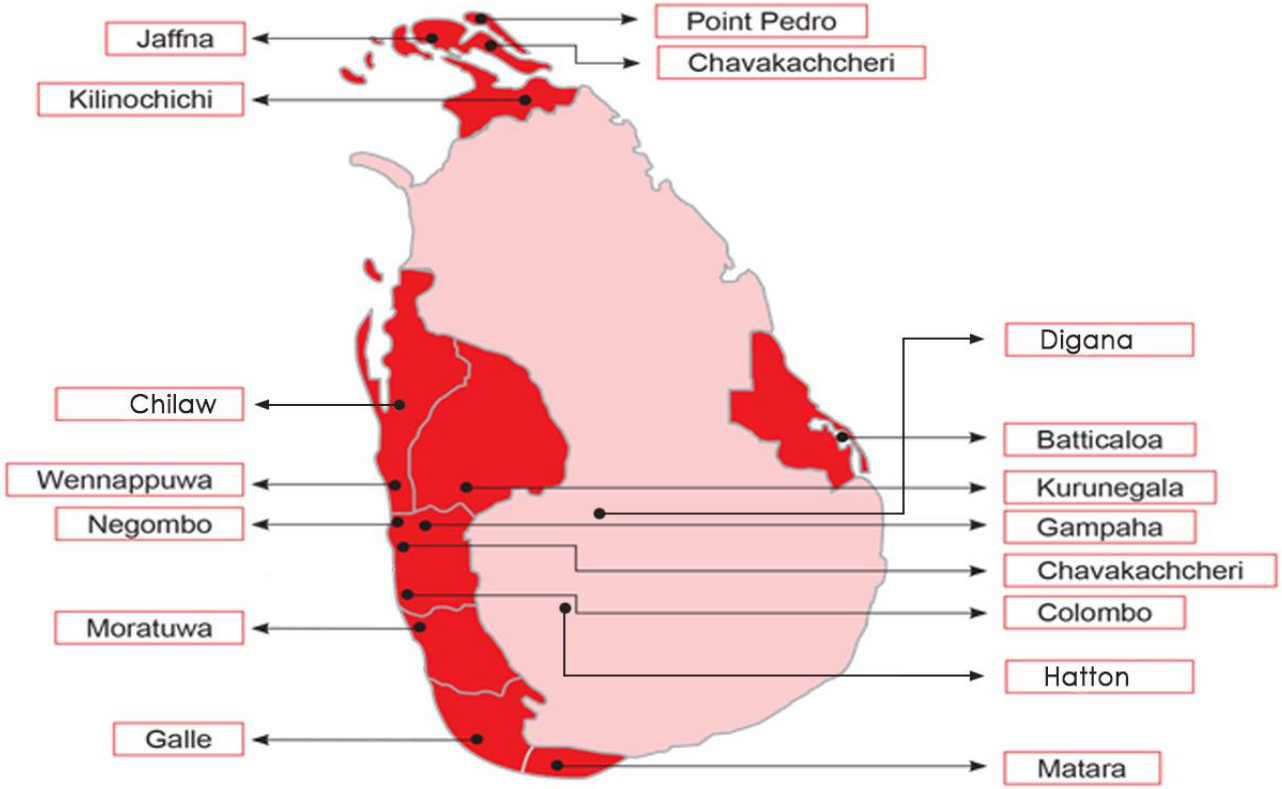
The company formerly known as Finance and Land Sales has been in operation for over 46 years, evolving to serve the growing needs of people of Sri Lanka.

PRODUCTS

- 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	9M FY 2018	9M FY 2017	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018	Q3 FY 2017	FY 2017
LKR / INR	0.41374	0.44929	0.41374	0.42313	0.41706	0.44929	0.42113
Number of branches	17	15	17	17	17	15	15
Number of Employees	490	433	490	481	449	433	448
Loan AUM (LKR)	9,746	8,560	9,746	9,494	9,082	8,560	8,662
Capital Adequacy Ratio (%)	20	19	20	20	21	19	19
Total Revenue (LKR)	1,876	1,545	645	638	593	572	2,131
Total Expense (LKR)	1,687	1,322	585	582	520	482	1,815
Profit Before Tax (LKR)	190	224	60	57	73	90	316
Profit After Tax (LKR)	143	192	47	40	57	79	278
Share Holders Funds (LKR)	1,821	1,654	1,821	1,775	1,735	1,654	1,737
Total Outside Liabilities (LKR)	9,515	8,205	9,515	9,396	8,828	8,205	8,290
Total Assets (LKR)	11,336	9,859	11,336	11,170	10,563	9,859	10,027

OUR SUBSIDIARY

Muthoot Finance

Muthoot Homefin

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, Rajastan, Madhya Pradesh, Chandigarh, Andhra Pradesh , Telangana , Karnataka, Uttar Pradesh and Haryana.

As on Dec 31, 2017, it has a loan portfolio of Rs.11 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.

Muthoot Homefin Muthoot Finance

Business Performance

(₹ in millions)

Particulars	9M FY 2018	9M FY 2017	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018	Q3 FY 2017	FY 2017
Number of branches	17	8	17	14	11	8	9
Number of Sales Offices	121	110	121	110	110	110	110
Number of Employees	194	105	194	167	135	105	111
Loan AUM (₹)	10,999	2,040	10,999	8,296	5,957	2,040	4,408
Capital Adequacy Ratio (%)	26	64	26	37	27	64	36
Total Revenue (₹)	807	107	358	256	192	61	242
Total Expense (₹)	541	93	229	180	131	46	189
Profit Before Tax (₹)	266	14	129	76	61	15	53
Profit After Tax (₹)	162	7	80	45	37	9	29
Share Holders Funds (₹)	2,044	860	2,044	1,963	918	860	882
Total Outside Liabilities (₹)	10,326	1,232	10,326	7,594	5,954	1,232	3,624
Total Assets (₹)	12,370	2,092	12,370	9,557	6,872	2,092	4,506

Muthoot Homefin Muthoot Finance

Business Performance

Particulars	9M FY 2018	9M FY 2017	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018	Q3 FY 2017	FY 2017
Disbursement (₹)	6,935	1,750	2,890	2,461	1,584	1,096	4,158
Borrowings (₹)	8,608	591	8,608	6,346	4,850	591	2,178
Debt Equity Ratio (%)	4.21	0.63	4.21	3.23	5.27	0.63	2.47
Yield on Advances (%)	12.30	12.20	12.19	12.23	12.67	13.13	12.74
Interest Spread (%)	3.43	2.53	3.48	3.70	3.55	3.49	3.31
NIM (%)	6.08	10.60	6.26	5.62	6.38	10.79	9.34
Cost to Income Ratio (%)	27	79	24	28	29	64	61
Return on Assets (ROA) (%)	3.10	1.37	3.37	2.72	3.08	3.08	2.42
Return on Equity (ROE) (%)	14.89	0.22	16.03	12.44	16.36	4.32	3.26
GNPA (%)	0.43	-	0.43	0.50	0.11	-	-
NNPA (%)	0.37	-	0.36	0.43	0.09	-	-
Number of Customers	11,571	1,678	11,571	8,406	5,680	1,678	4,024

Muthoot Homefin Muthoot Finance

Financial Highlights

- Disbursements in 9M FY 2018: Rs 6,941 mn. Loan Book as on Dec 31, 2017: Rs 11,000 mn
- Average Ticket Size in 9M FY 2018: Rs.1.0 mn
- Business Presence: Maharashtra, Gujarat, Rajasthan, Madhya Pradesh , Kerala, Andhra Pradesh,Telangana,Karnataka, Uttar Pradesh, Haryana and Chandigarh, Presence in 46 locations
- ROA for Q3 FY 2018: 3.37%, ROE for Q3 FY 2018: 16.03%
- Average cost of borrowings of 8.71% for Q3 FY 2018. Capital Adequacy Ratio: 26.45%, Debt Equity Ratio: 4.21
- Average Yield: 12.19%, Interest Spread: 3.48%
- Received PMAY subsidy of Rs 12 mn for 54 cases in 9M FY 2018 and further claimed Rs 26.8 mn for 116 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 4.21x 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 4.21 times as on Dec 31, 2017, 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
- 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 Insurance Brokers

MUTHOOT INSURANCE – AN OVERVIEW

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 Q3 FY 18, it has insured more than 203,000 lives with a First year premium collection of Rs.22 Crs, whereas in Q3 FY 17, its First year premium collection was Rs.15 Crs insuring more than 114,000 lives.

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.

Key Business Parameters

(₹ in millions)

Particulars	9M FY 2018	9M FY 2017	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018	Q3 FY 2017	FY 2017
Premium Collection (₹)	591	438	217	216	157	148	697
Number of Policies	636,406	389,353	203,677	216,428	216,301	114,133	566,282

Key Financial Parameters

(₹ in millions)

	9M FY 2018	9M FY 2017	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018	Q3 FY 2017	FY 2017
Total Revenue (₹)	110	70	46	38	25	27	116
Total Expense (₹)	24	21	9	9	6	7	28
Profit Before Tax (₹)	86	49	37	30	19	20	88
Profit After Tax (₹)	58	35	25	20	12	14	60
Share Holders Funds (₹)	228	143	228	203	183	145	171
Earnings per share (₹)	115	70	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 Dec 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 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 Dec 31, 2017, BIFPL operations are spread over seven states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha ,Pondicherry and Chattisgarh). It has 215 branches, with 38 controlling regional offices and employs 1576 staff. Its gross loan portfolio has grown from INR 0.20 mn in March 2009 to INR 5,759 mn in March 2017.As on Dec 31,2017, it has a gross loan portfolio of INR 9,451 mn.

Key Financial Parameters

(₹ in millions)

Particulars	9M FY 2018	9M FY 2017	Q3 FY 2018	Q2 FY 2018	Q1 FY 2018	Q3 FY 2017	FY 2017
Number of branches	215	148	215	198	172	148	155
Number of Employees	1,576	1,008	1,576	1,383	1,240	1,008	1,093
Gross Loan AUM (₹)	9,451	4,537	9,451	7,968	6,652	4,537	5,759
Capital Adequacy Ratio (%)	19	21	19	17	20	21	17
Total Revenue (₹)	1,497	704	596	482	419	295	1,034
Total Expense (₹)	1,168	601	448	381	339	260	874
Profit Before Tax (₹)	329	103	148	101	80	36	160
Profit After Tax (₹)	215	67	97	66	52	23	104
Gross NPA (%)	0.84	0.19	0.84	0.24	0.17	0.19	0.10
Net NPA (%)	0.37	0.02	0.37	0.06	0.04	0.02	0.01
Shareholders Funds (₹)	1,412	956	1,412	1,009	956	866	903
Total Outside Liabilities (₹)	9,621	6,982	9,621	8,147	6,982	4,520	6,726
Total Assets (₹)	11,033	7,938	11,033	9,156	7,938	5,386	7,629

Muthoot Finance

REGISTERED OFFICE
2nd Floor, Muthoot Chambers
Opposite Saritha Theatre Complex
Banerji Road, Kochi
Kerala – 682 018. India

Tel: (91484) 2394712
Fax: (91484) 2396506

CIN: L65910KL1997PLC011300
RBI Reg No: N 16.00167

EMAIL

(Individual & Corporate Investors)
investors@muthootfinance.com

(Institutional Investors)
investorrelations@muthootfinance.com

---

www.muthootfinance.com