

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

Ref: SEC/MFL/SE/2018/2902

September 04, 2018

National Stock Exchange of India Ltd.

Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

BSE Limited

Department of Corporate Services
P. J. Tower, Dalal Street,
Mumbai 400 001

Dear Sir/Madam,

Re: Press release on Unaudited Financial Results for the quarter ended June 30, 2018

The Board of Directors at their meeting held on September 04, 2018 has announced unaudited financial results for the quarter ended June 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, September 04, 2018:

Muthoot Finance Consolidated Loan Assets Under Management of the Group* reaches landmark Level of Rs.34316 crs

Standalone & Consolidated Loan Assets of Muthoot Finance Ltd

Muthoot Finance Ltd Consolidated Loan Assets under management achieved a YoY increase of 16% at Rs.34316crs as against last year of Rs. 29500crs. During the quarter Consolidated Loan Assets under management increased by 7% of Rs.2157crs.

	Q1FY19	Q4 FY18	Q1FY 18	YoY (%)	QoQ (%)
Consolidated Gross Loan Assets of the Group* (Rs. In crores)	34316	32159	29500	16%	7%
Gross Loan Assets of Muthoot Finance	30997	29142	27857	11%	6%
Gross Loan Assets of Subsidiaries	3319	3017	1644	102%	10%
Contribution of Subsidiaries in the Consolidated Gross Loan Assets of the Group*	10%	10%	6%	-	-
Group Branch Network	4688	4596	4485	5%	2%

**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 43%, at Rs. 492crs for Q1FY19 as against Rs.345crs in the previous year. Loan Assets stood at Rs. 30997crs as at June 30, 2018 as against Rs.27857crs as at June 30, 2017, Y-o-Y growth of 11%. During the quarter, Loan Assets increased by 6% of Rs. 1855crs.

Muthoot Homefin (India) Ltd (MHIL), the wholly owned subsidiary, increased its loan portfolio to Rs.1621crs as against previous year of Rs.596crs, a YoY increase of 172%. During the quarter, loan portfolio increased by Rs.156crs, QoQ growth of 11%. Total revenue for Q1FY19 stood at Rs. 50crs as against previous year total revenue of Rs.19cr. It achieved a net profit of Rs.11crs in Q1FY19 as against previous year profit of Rs.4crs. Its Gross and Net NPA stood at 0.51% and 0.43% as on June 30, 2018.

M/s. Belstar Investment and Finance Private Limited (BIFPL), an RBI registered micro finance NBFC and Subsidiary Company where Muthoot Finance holds 71.16% stake, grew its loan portfolio to Rs. 1236crs as against last year of Rs.665crs, a YoY increase of 86%. During the quarter, loan portfolio increased by Rs.99crs, QoQ growth of 9%. It achieved a profit after tax of Rs.14crs during Q1FY19 as against previous year profit after tax of Rs.5crs. Its Gross and Net NPA stood at 0.83% and 0.45% as on June 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. 49crs during Q1FY19 as against Rs. 16crs in the previous year. It generated a Profit after Tax of Rs.2crs during Q1FY19 as against Rs.1crs in the previous year.



The Sri Lankan subsidiary - **Asia Asset Finance PLC. (AAF)** where Muthoot Finance holds 60% stake, increased its loan portfolio to Rs.462crs as against last year of Rs.383crs, a YoY increase of 21%. During the quarter, loan portfolio increased by Rs.47crs, QoQ growth of 11%. Total revenue for Q1FY19 stood at Rs.29crs as against previous year total revenue of Rs.25crs. It generated a profit after tax of Rs.0.68crs during Q1FY19 as against previous year profit after tax of Rs.2.39crs.

Commenting on the results **M G George Muthoot, Chairman stated**, "We witnessed a strong growth by the Group with Consolidated Loan Assets growing QoQ of 7% reaching highest level of Rs.34316crs. Gold Loan portfolio also witnessed a strong growth during the quarter with Muthoot Finance loan assets increasing by Rs.1855crs, a QoQ increase of 6%. Profit After Tax of MFIN increased by 43% at Rs.492crs as against last year of Rs.345crs. "

Speaking on the occasion **George Alexander Muthoot, Managing Director said**, "Our subsidiaries achieved YoY loan growth of 102% reaching Rs. 3319crs as against last year of Rs.1644crs. They are contributing 10% of Group Loan assets. We are expecting this contribution to increase to 15% of Group's assets by the end of the year. Muthoot Homefin (India) Limited has grown its loan portfolio to Rs.1621crs as against previous year of Rs.596crs, a YoY increase of 172%. The micro finance subsidiary which has a strong SHG model increased its loan portfolio to Rs. 1236crs as against last year of Rs.665crs, a YoY increase of 86%. The NBFC in Sri Lanka increased its loan portfolio by 11% during the quarter. First Year Premium collections in the Insurance Broking subsidiary increased by 206% at Rs.49crs. Though we have transitioned to Expected Credit Loss Model on implementation of IND-AS, the NPA under earlier method seen decreased from Rs.2033crs (6.98%) as on March 31, 2018 to Rs. 1413crs(4.56%) as on June 30, 2018, of which Rs.524crs is due to borrowerwise classification which otherwise could be classified as standard loans. The relevant number under IND-AS, stage 3 assets, is Rs.883crs(2.85%)"

Financial Highlights(MFIN) :

	Q1 FY19	Q1 FY18	YoY %
	(Rs.in Crs)	(Rs.in Crs)	Change
Total Income	1633	1377	19%
Profit Before Tax	755	542	39%
Profit After Tax	492	345	43%
Earnings Per Share (Basic) Rs.	12.29	8.63	42%
Loan Assets	30997	27857	11%
Branches	4344	4285	1%

	Q1 FY19	Q1 FY18	YoY %	Q4 FY18	QoQ %
	(Rs.in Crs)	(Rs.in Crs)	Change		Change
Loan Assets	30997	27857	11%	29142	6%
Branches	4344	4285	1%	4325	0.4%



	Q1 FY19	Q1 FY18
Return on Average Loan assets	6.54%	5.00%
Return on Average Equity	24.39%	20.66%
Book Value Per Share (Rs.)	207.44	171.30

	Q1 FY19	Q1 FY18
Capital Adequacy Ratio	26.44%	25.61%
Share Capital & Reserves (Rs. in Crs)	8307	6850

Business Highlights (MFIN):

Particular	Q1FY 19	Q1FY 18	Growth (YoY)
Branch Network	4344	4285	1%
Gold Loan Outstanding (Rs. in Cr)	30562	27775	10%
Credit Losses (Rs. in Cr)	3	1	200%
% of Credit Losses on Gross Loan Asset Under Management	0.010%	0.004%	170%
Average Gold Loan per Branch(Rs. In Cr)	7.04	6.48	9%
No. of Loan Accounts (in lakh)	78	75	4%
Total Weight of Gold Jewellery pledged (in tonnes)	161	152	6%
Average Loan Ticket Size	39204	37196	5%
No. of employees	23623	23391	1%

Other Highlights:**Public Issue of Non-Convertible Debentures**

During the quarter, Company successfully completed 18th Public Issue of Non-Convertible Debentures of an issue size of Rs.3000crs. The issue was oversubscribed and was closed on second day of issue opening.



Our CSR Initiatives:

MUTHOOT SNEHASAMMANAM 2018

Muthoot Snehasammanam an initiative of Muthoot M George Foundation, The CSR division of The Muthoot group, for the purpose of honoring artists, writers and their widows by providing financial assistance.

The first edition of Snehasammanam programme was launched in January 2015, 14 beneficiaries were then honored. In 2016 and 2017, 14 artists were chosen. Muthoot Snehasammanam 2018 honored 7 more artists thus bringing the total number of beneficiaries to 38. These beneficiaries were selected from applications received from artists, writers and their dependents. The pensions are given on a monthly basis. The first installment of the pension for the financial year 2018-2019 was distributed during the event conducted at Hotel Malabar Palace, Calicut.



The program was inaugurated by Smt. P Valsala, Eminent Writer along with Mr. George M Jacob, Executive Director, Muthoot Finance Ltd. Other officials present during this occasion included Mr. John V George, DGP Haryana (Retd) & Executive Vice President, Muthoot Finance Ltd., Mr. PV Gangadharan, Director, Mathrubhoomi, Mr. P P Sreedharanunni, Poet, Adv Thomas Mathew, Councilor, Corporation of Calicut, Mr. Sunil Bhaskar, President, Musicians Welfare Association, Mr. Babu John Malayil, DGM, Corporate Communications, Mr. Anil Kumar A K, Regional Manager, Muthoot Finance Ltd.



MUTHOOT VIVAHA SAMMANAM 2018

Muthoot M. George Foundation, the CSR arm of Muthoot Finance has provided financial assistance of Rs. 2 lakhs each to 10 girls selected from the districts of Trivandrum & Kollam. Muthoot Vivaha Sammanam project 2018 was inaugurated by H.H. AswathiThirunalGowri Lakshmi BayiThampuratti (Kowdiar Palace) in the presence of Smt. Rakhi Ravi Kumar, Deputy Mayor, Trivandrum Corporation, Sri. George Jacob Muthoot, Joint Managing Director, Sri. George Thomas Muthoot, Jt. Managing Director, The Muthoot Group, Dr. George Onakkoor, Novelist, Sri. George M Jacob, Executive Director, Muthoot Finance Ltd.



CLEANING AND REJUVENATING VARATTAR RIVER

Adi Pamba and Varattar are two rivers that are linking Pampa and Manimala rivers. Due to encroachment and pollution both Varattar and AadiPamba rivers got dried, dead and abandoned. Through the efforts taken by local community & Muthoot Finance, the rivers were cleaned and rejuvenated.

Before



After



Mr. C R Karunakara Kurup, Sr. RM Kozhencherry handing over our Donation for the cause.

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 79 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 FY17 & FY16 respectively.

Key Business Parameters

	Q1 FY 19	Q1 FY 18	FY 18	FY 17	FY 16
First Year Premium Collection (Rs. In crs)	49	16	101	70	49
No. of Policies(In Lakhs)	4.50	2.16	8.41	5.66	4.58

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

MHIL has long term debt rating of AA- (Stable) for its bank limits which indicates "High degree of safety with regard to timely servicing of financial obligations and carry very low credit risk" and short term debt rating of 'A1+' for its Commercial Paper programme which indicates "Very strong degree of safety regarding timely payment of financial obligations and carry lowest credit risk" from ICRA Ltd .

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	Q1 FY 2019	Q1 FY 2018	FY 2018	FY 2017	FY 2016
No. of branches	70	11	19	9	2
No. of Sales Offices	132	110	121	110	0
No. of Employees	243	135	221	111	30
Loan Portfolio	16210	5957	14,648	4,408	315
Capital Adequacy Ratio	28%	27%	28%	37%	226%
Total Revenue	497	192	1259	242	19
Total Expense	335	132	840	189	19
Profit Before Tax	162	61	419	53	-
Profit After Tax	111	37	278	29	-
Shareholder's Funds	2270	918	2160	882	569
Total Outside Liabilities	14683	5953	13,700	3,624	3
Total Assets	16953	6872	15,860	4,506	572
Gross NPA(%)	0.51	0.11	0.42	-	-
Net NPA(%)	0.43	0.09	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 71.16% 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 June 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 257 branches, with 48 controlling regional offices and employing 2046 staff. Its gross loan portfolio has grown from INR 0.02 Crores in March 2009 to INR 1236 crores in June 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	Q1 FY 2019	Q1 FY 2018	FY 2018	FY 2017	FY 2016
No. of branches	257	172	235	155	76
No. of Employees	2046	1240	1,783	1,093	561
Gross Loan Portfolio	12361	6652	11,371	5,759	2,643
Capital Adequacy Ratio	15%	20%	18%	17%	17%
Total Revenue	749	419	2189	1,034	581
Total Expense	546	340	1693	874	489
Profit Before Tax	204	80	496	160	92
Profit After Tax	145	52	337	104	61
Shareholder's Funds	1920	956	1595	903	399
Total Outside Liabilities	11599	6983	11,825	6,726	2,881
Total Assets	13519	7939	13,420	7,629	3,280
Gross NPA(%)*	0.83	0.17	0.76	0.10	0.17
Net NPA(%)*	0.45	0.04	0.30	0.01	0.00

*on Gross Loan Portfolio

About Asia Asset Finance PLC, Sri Lanka:

Asia Asset Finance PLC, (AAF) Colombo, Sri Lanka became a foreign subsidiary of Muthoot Finance Ltd on December 31, 2014. The company formerly known as Finance and Land Sales has been in operation for over 47 years, evolving to serve the growing needs of people of Sri Lanka.

As on June 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)

	Q1 FY19	Q1 FY18	FY18	FY17	FY16
LKR/INR	0.43263	0.41706	0.41551	0.42113	0.43691
No. of Branches	17	17	17	15	15
No. of Employees	493	449	489	448	358
Loan Portfolio	10680	9082	9,950	8,662	6,854
Capital Adequacy Ratio	22	21	20%	19%	22%
Total Revenue	687	593	2,572	2,131	1,383
Total Expenses	655	520	2,350	1,815	1,174
Profit Before Tax	32	73	222	316	209
Profit After Tax	16	57	178	278	175
Shareholder's Funds	1875	1735	1,859	1,737	1,462
Total Outside Liabilities	10151	8828	9,869	8,290	6,653
Total Assets	12026	10563	11,728	10,027	8,115