

Muthoot Finance

Financial Results Q3 FY 2016

December 2015

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



27

States/Union territory presence

145 tonnes

Gold jewellery kept as security

4,200+

Pan-India branches

500,000+

Retail investor base across debenture and subordinated debt portfolio

23,000+

Team members

80,000+

Customers served every day

₹ 249,907 mn

Retail Loan Assets Under Management

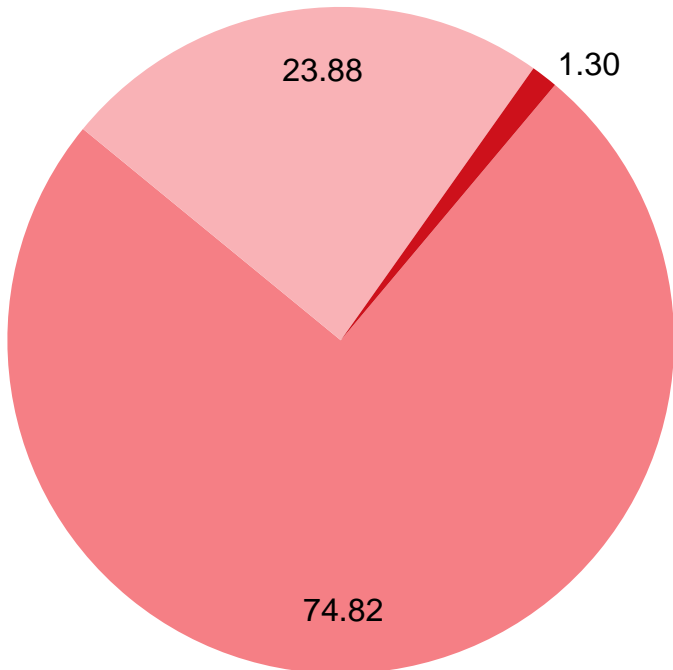
(As of December 31, 2015)

SHAREHOLDING PATTERN



Muthoot Finance

Strong promoter interest in business with 75% stake



(%) Shareholding as on December 31, 2015

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

NSE Ticker

MUTHOOTFIN

BSE Ticker

533398

Market Capitalisation

(as on December 31, 2015)

₹ 71,509 million

DIVIDEND PAYOUT



Muthoot Finance

Delivering consistent returns to stakeholders

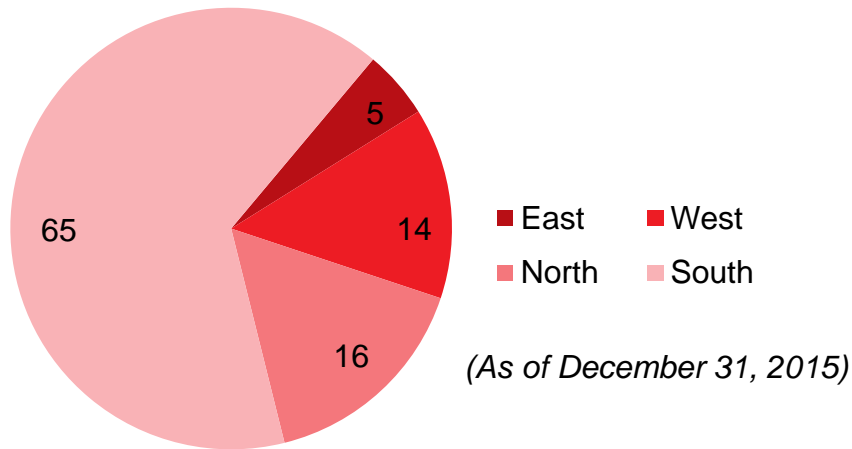
(%)

	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Dividend (%)*	-	60	60	45	40
First Interim Dividend (%)	40	40	30	-	-
Second Interim Dividend (%)	-	-	20	-	-
Final Dividend (%)	-	20	10	45	40
Dividend Payout Ratio (%)	-	35.36	28.59	16.65	16.47

* On face value of ₹ 10 per equity share

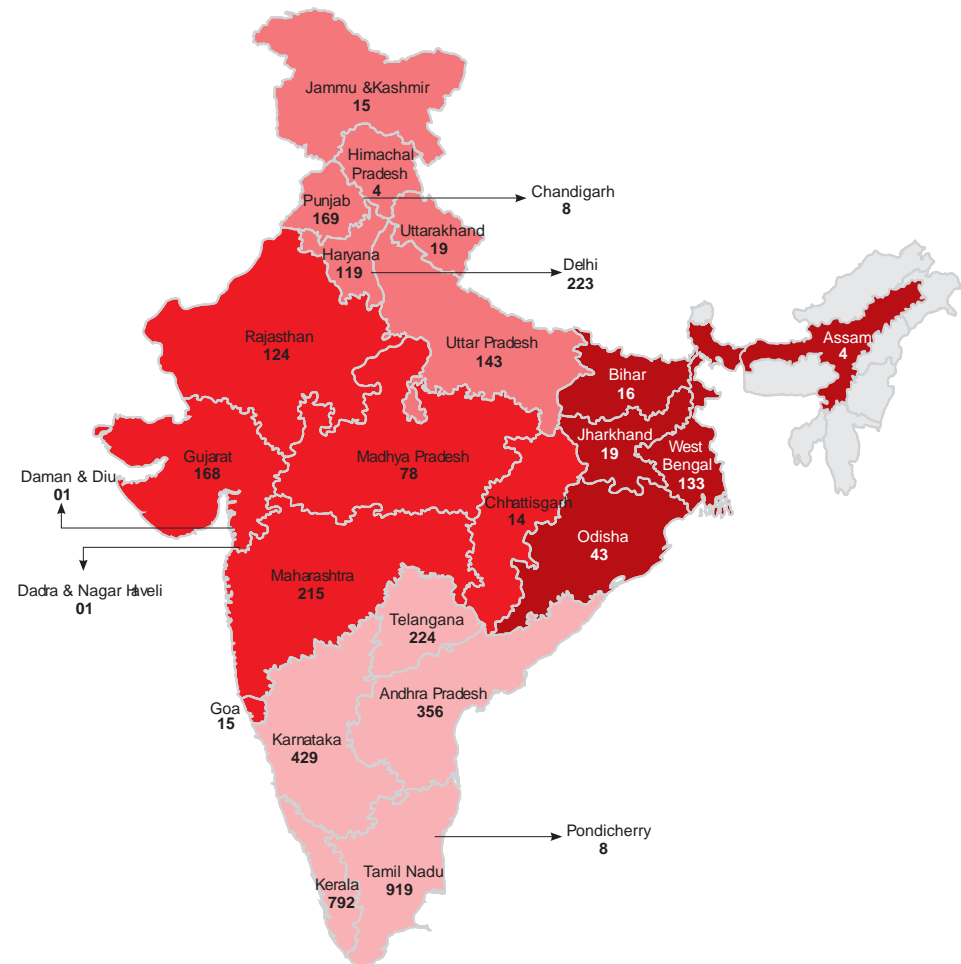
A strong presence of 4259 branches across India

(%) 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





Strong Capital Base

Networth

	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Share Capital	3,980	3,980	3,980	3,980	3,971	0	0
Reserves & Surplus	50,477	48,591	48,726	46,855	46,116	9	4
Total	54,457	52,571	52,706	50,835	50,087	9	4

Core focus continues to be gold loan

Gross retail loan assets under management

	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross retail loan assets under management	249,907	248,734	244,089	234,085	220,882	13	0

Break-up of Gross Retail Loan Assets under management

Gold Loans under management	249,409	248,250	243,605	233,499	220,117	13	0
Other loans	498	484	484	586	765	(35)	3

LIABILITIES



Muthoot Finance

Stable sources of funding

	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	45,980	50,629	56,095	59,839	64,375	(29)	(9)
Secured Non-Convertible Debentures- Listed	34,339	31,239	32,757	30,656	32,569	5	10
Borrowings from Banks/FIs	87,879	89,902	77,851	72,418	60,299	46	(2)
Subordinated Debt	22,889	23,355	23,932	24,309	24,815	(8)	(2)
Subordinated Debt -Listed	2,878	2,518	2,518	2,229	2,229	29	14
Commercial Paper	2,405	8,820	6,855	0	4,005	(40)	(73)
Other Loans	6,168	4,379	4,798	5,196	5,017	23	41
Total	202,538	210,842	204,806	194,647	193,309	5	(4)



REVENUE & PROFIT

Profit & Loss Statement

(₹ in million)

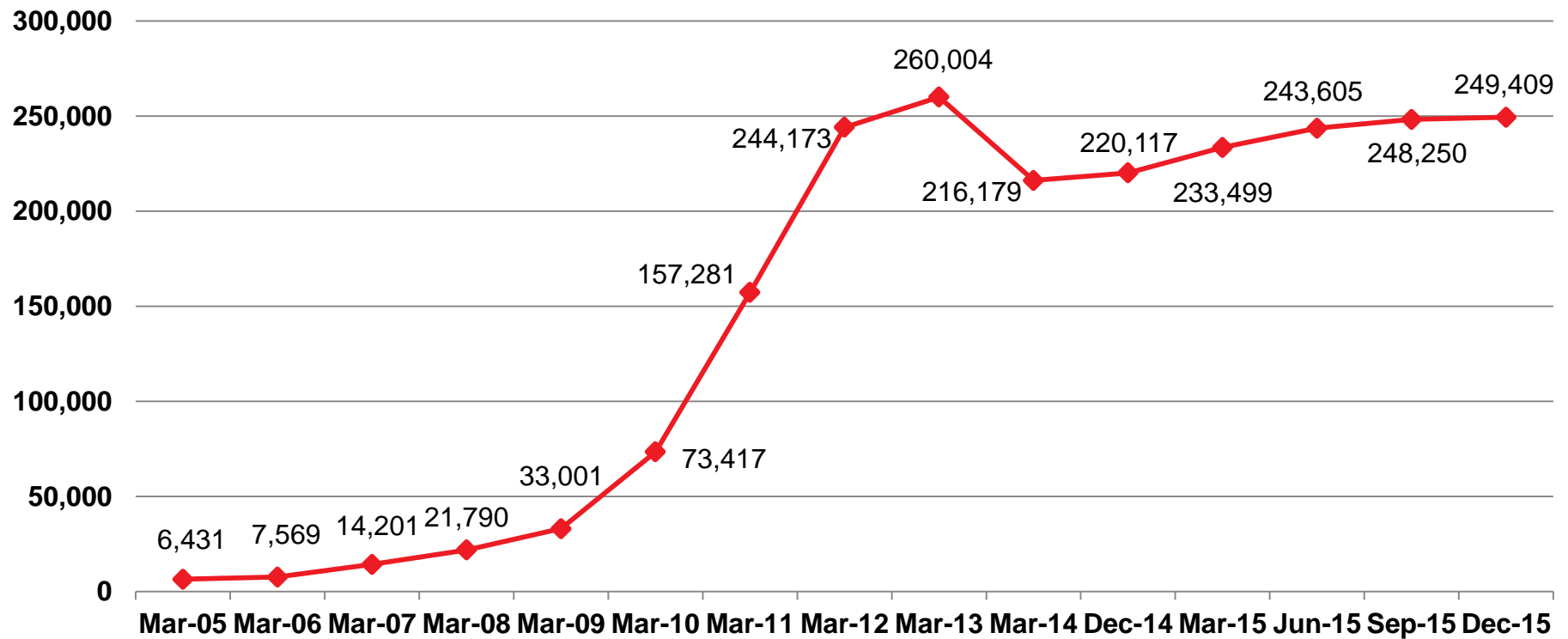
	9M FY 2016	9M FY 2015	YoY Growth (%)	Q3 FY 2016	Q3 FY 2015	YoY Growth (%)	Q2 FY 2016	Q1 FY 2016	QoQ Growth (%)	FY 2015
INCOME										
Interest Income	33,782	31,831	6	11,248	10,541	7	11,254	11,280	0	42,703
Other Income	455	397	15	164	152	8	145	146	13	543
Total	34,237	32,228	6	11,412	10,693	7	11,399	11,426	0	43,246
EXPENDITURE										
Interest Expense	16,938	15,731	8	5,616	5,292	6	5,652	5,670	(1)	21,064
Personnel Expenses	4,812	4,727	2	1,582	1,627	(3)	1,623	1,607	(3)	6,304
Administrative & Other expenses	3,182	3,145	1	1,050	1,102	(5)	1,108	1,024	(5)	4,210
Provisions & Write Offs	325	155	110	74	35	111	145	106	(49)	371
Directors Remuneration	146	144	1	49	48	2	49	48	0	192
Depreciation	417	620	(33)	142	212	(33)	139	136	2	826
Total	25,820	24,522	5	8,513	8,316	2	8,716	8,591	(2)	32,967
PROFIT										
Profit Before Tax	8,417	7,706	9	2,898	2,376	22	2,684	2,835	8	10,279
Profit After Tax	5,443	5,053	8	1,866	1,544	21	1,745	1,832	7	6,705

GOLD LOAN PORTFOLIO

Gaining scale over the years

Gold Loan Assets Under Management

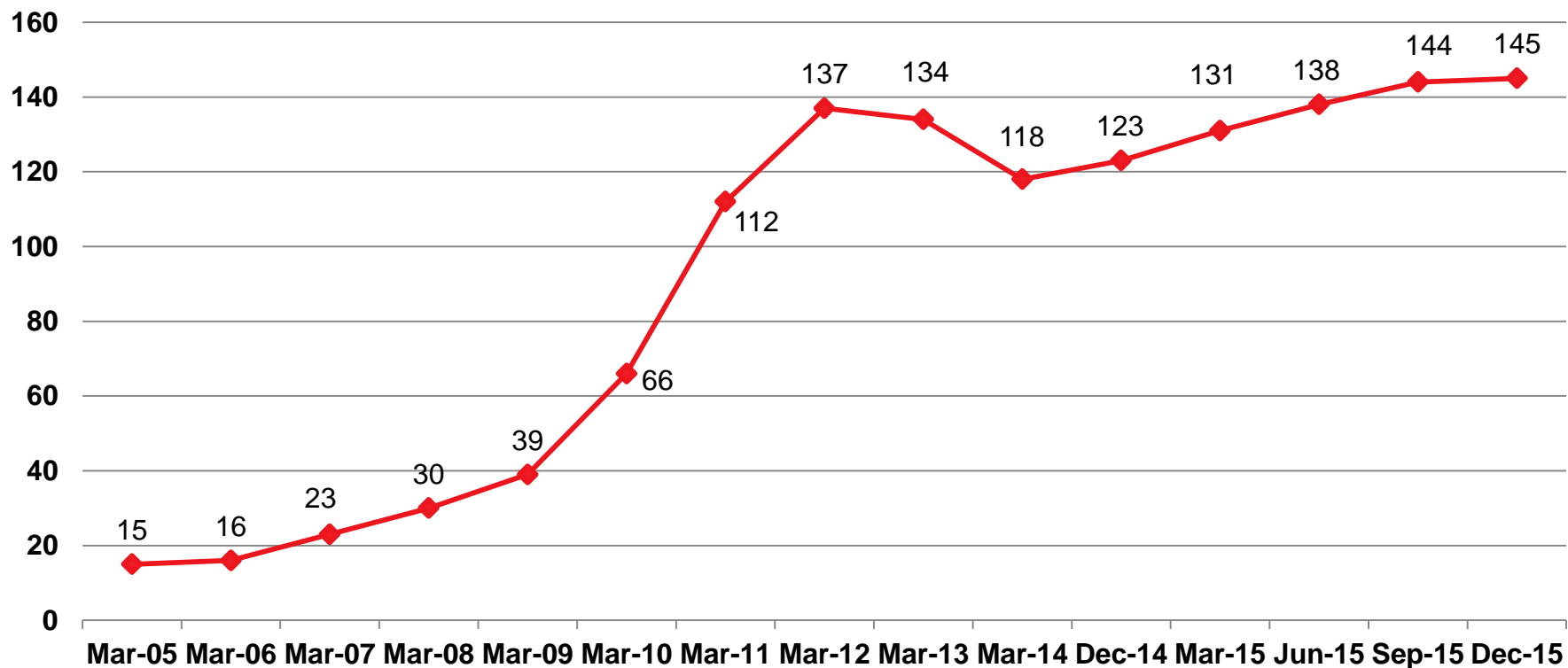
(₹ in million)



Carrying the trust of millions of our customers

Gold jewellery kept as security

(In tonnes)



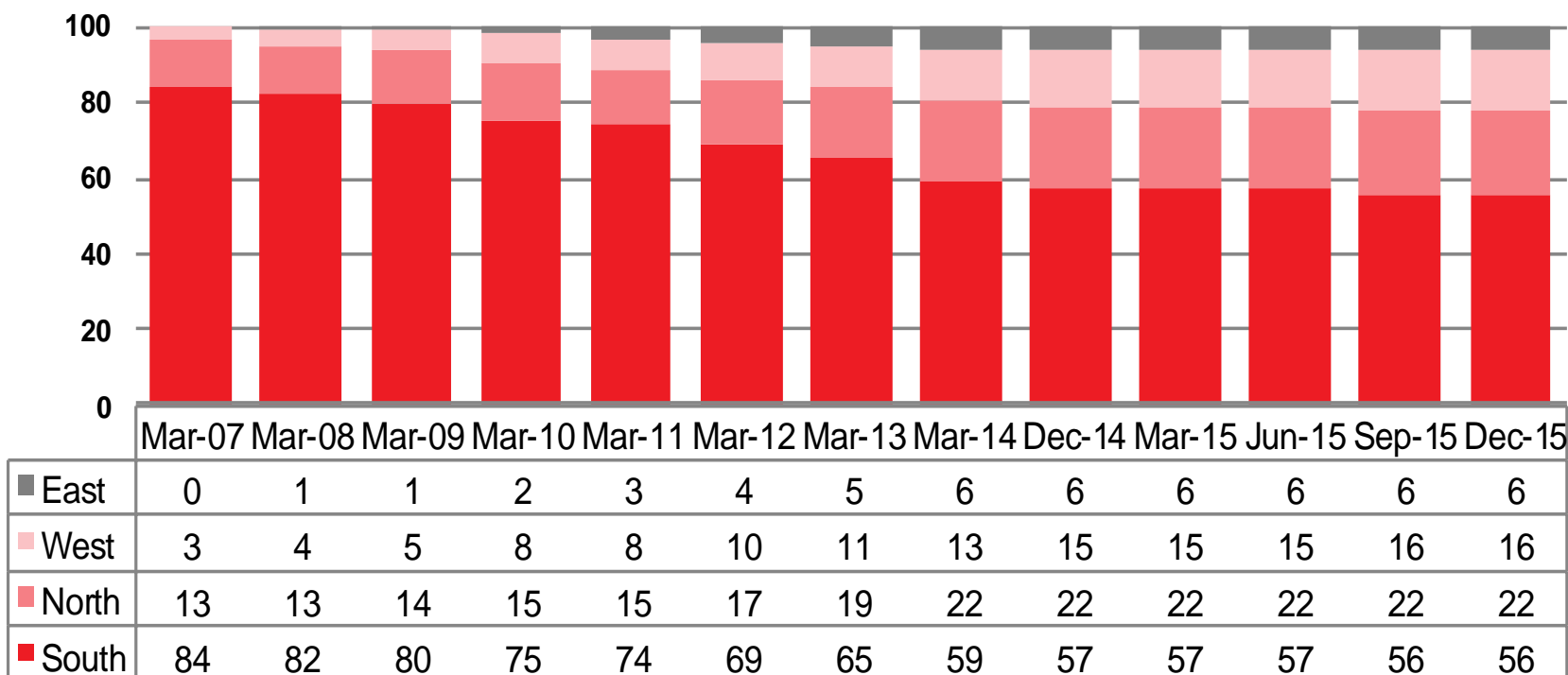
GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO



Muthoot Finance

Diversified gold loan portfolio across India

(%)



Gold Loan Assets Under Management

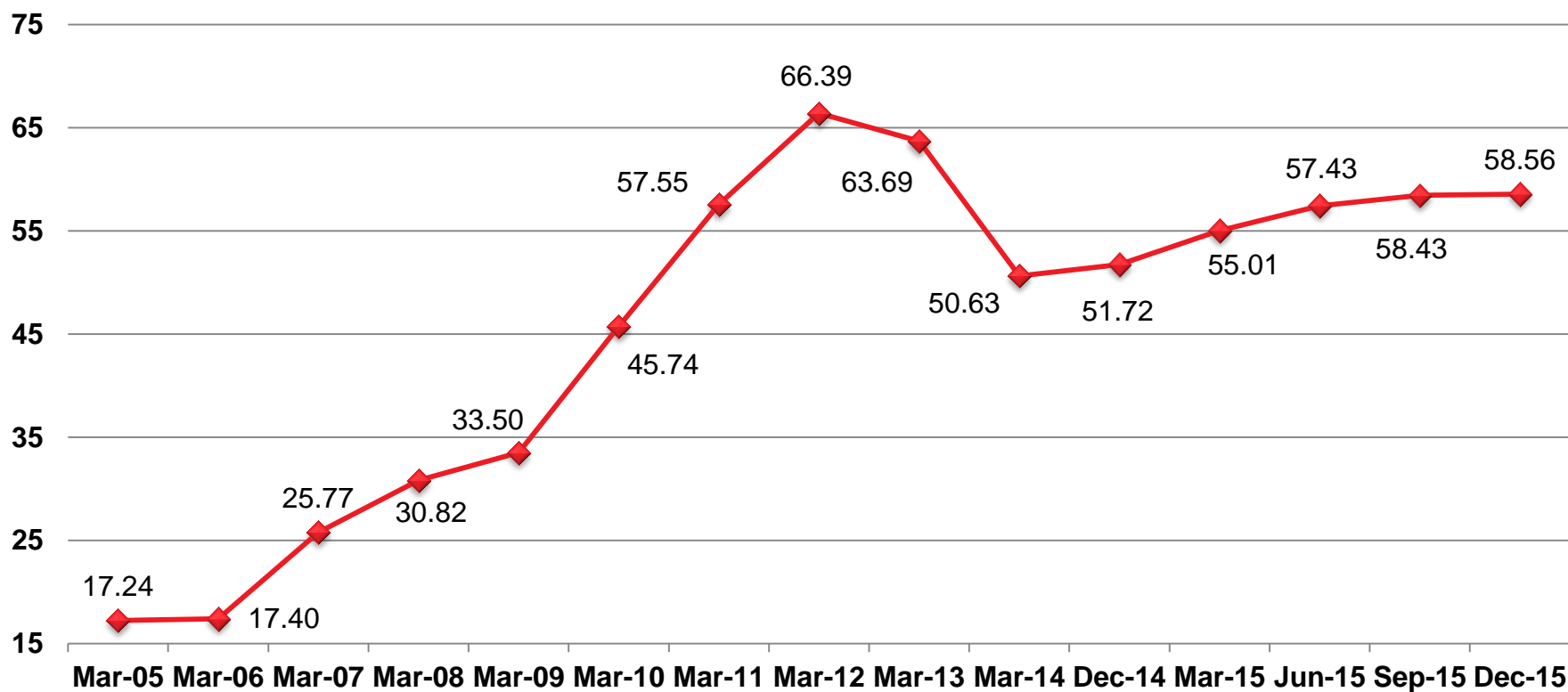
(₹ in million)

Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
14,201	21,790	33,001	73,417	157,281	244,173	260,004	216,179	220,117	233,499	243,605	248,250	249,409

Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch

(₹ in million)



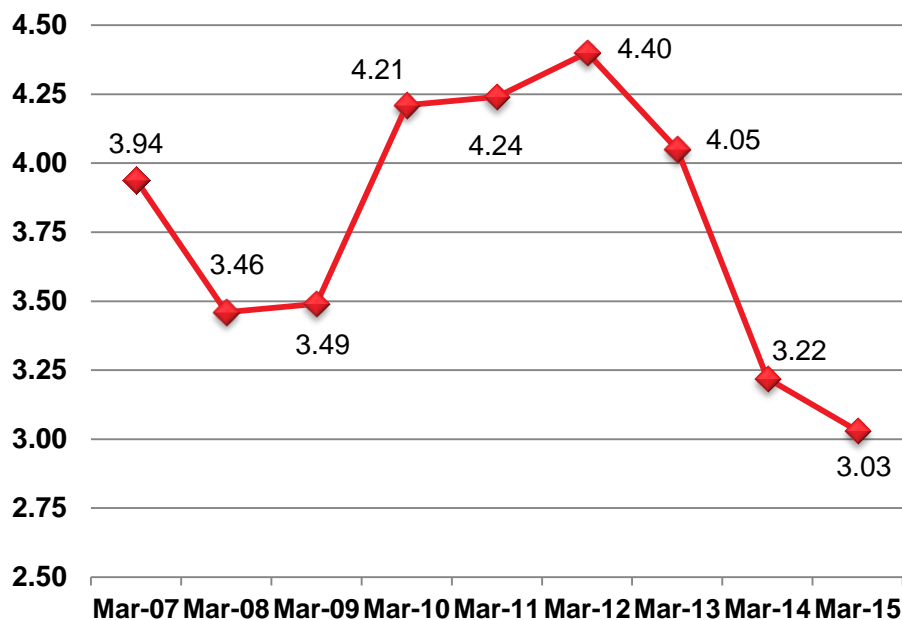


RETURN ON AVERAGE RETAIL LOAN ASSET

Attractive returns over the years

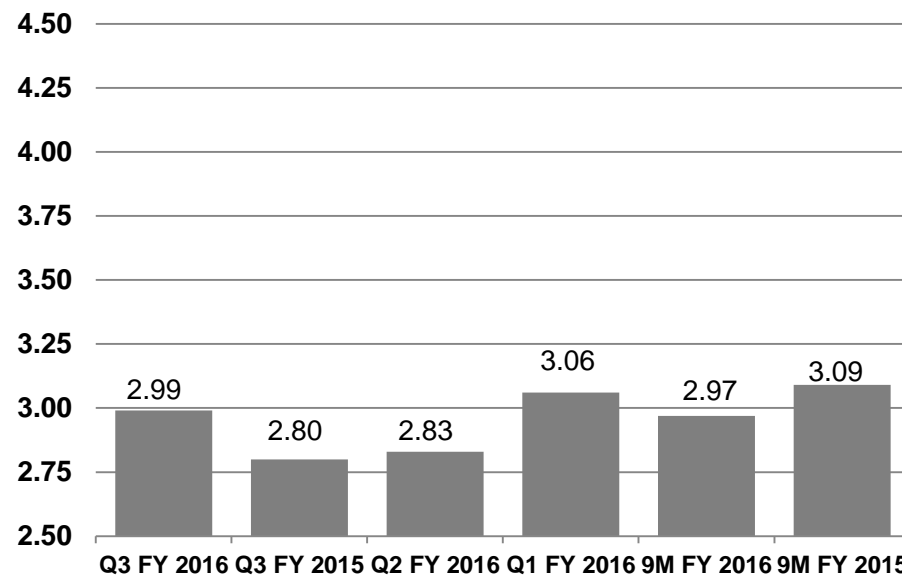
Yearly

(%)



Quarterly

(%)





NON-PERFORMING ASSETS & BAD DEBTS

Non-Performing Assets

(₹ in million)

	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
Gross Non-Performing Assets	6,319	6,341	5,195	5,117	4,103
Provision For Non-Performing Assets	857	857	752	725	725
Net Non-Performing Assets	5,462	5,484	4,443	4,392	3,378
% of Gross NPA on Gross Retail Loans	2.53	2.55	2.13	2.19	1.86
% of Net NPA on Gross Retail Loans	2.19	2.20	1.82	1.88	1.53

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

Bad Debts

(₹ in million)

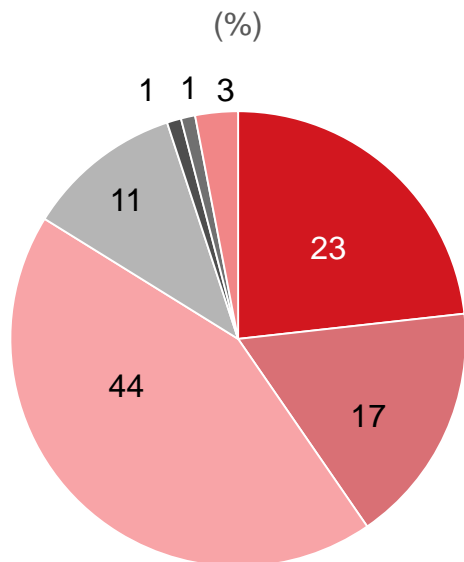
	Q3 FY 2016	Q3 FY 2015	Q2 FY 2016	Q1 FY 2016	9M FY 2016	9M FY 2015	FY 2015
Bad Debts Written Off	19	20	22	30	71	123	192

Standard Asset Provision

	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
Provision (₹ in million)	1,267	1,212	1,194	1,145	997
% of Provision to Standard Assets	0.52	0.50	0.50	0.50	0.46

Maintaining a higher standard asset provision of 0.50% as against the regulatory requirement of 0.25%

Maintaining a diversified funding profile



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 45,980 mn (23%)
- Secured Non-Convertible Debentures – Listed – ₹ 34,339 mn (17%)
- Borrowings from Banks/Fis - ₹ 87,879 mn (44%)
- Subordinated Debt – ₹ 22,889 mn (11%)
- Subordinated Debt – Listed - ₹ 2,878 mn (1%)
- Commercial Paper – ₹ 2,405 mn (1%)
- Other Loans – ₹ 6,168 mn (3%)

(As of December 31, 2015)

Highest Rating among gold loan companies

Short-term Rating

	Amt of rating (₹ in million)	Rating	Indicates
COMMERCIAL PAPER			
CRISIL	40,000	CRISIL A1+	Degree of safety with regard to timely payment of interest & principal on the instrument is very strong
ICRA	2,000	ICRA A1+	Lowest credit risk & Stronger credit quality
BANK LOANS			
ICRA*	88,270	ICRA A1+	Lowest credit risk & Stronger credit quality

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*	79,860	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 ₹11,1340 millions

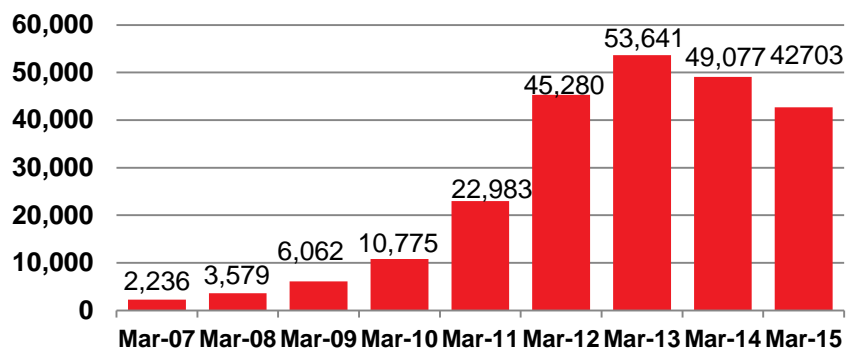


BREAK-UP OF GROSS INCOME

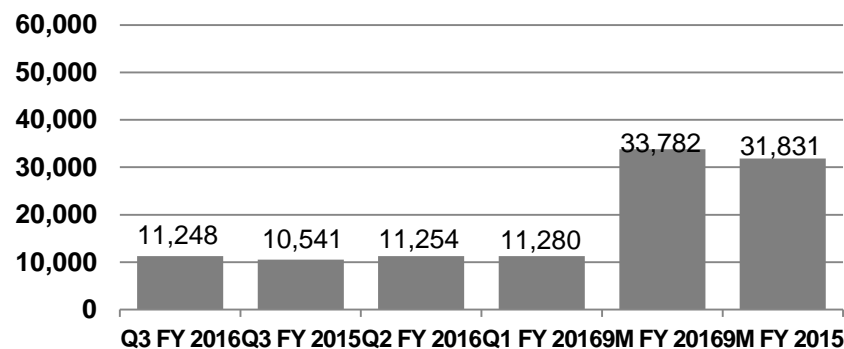
Interest Income

(₹ in million)

Yearly



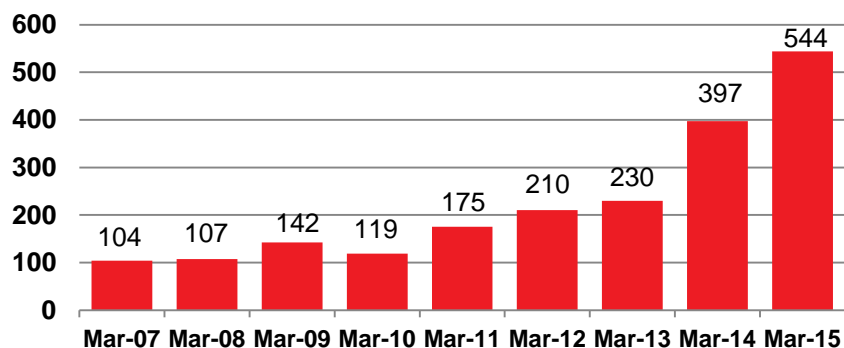
Quarterly



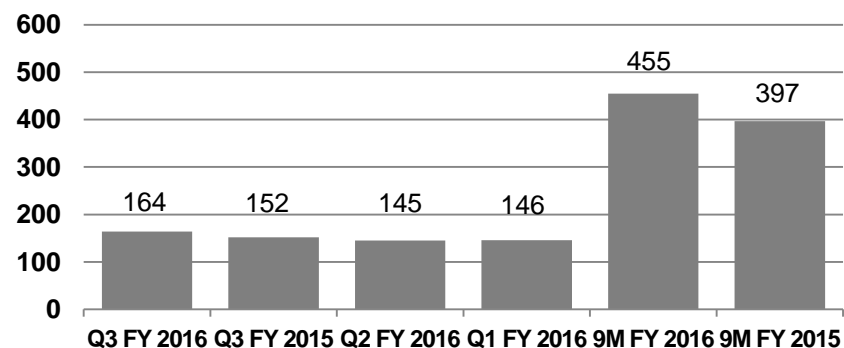
Other Income

(₹ in million)

Yearly



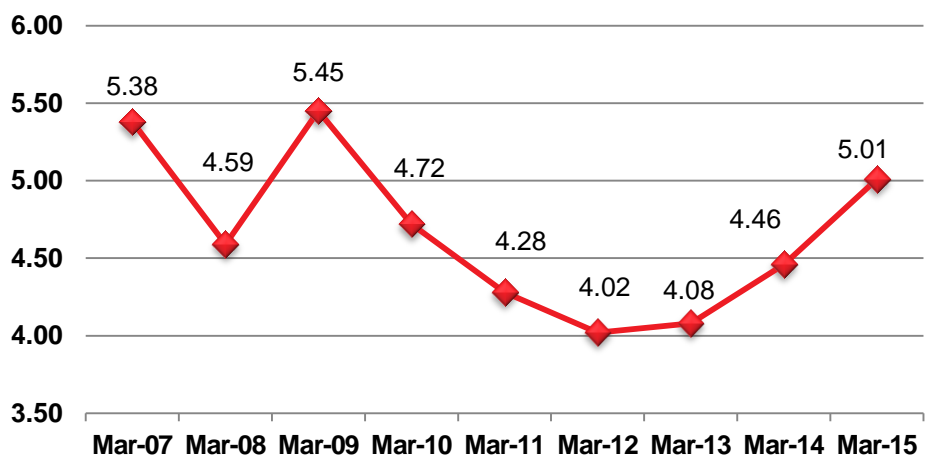
Quarterly



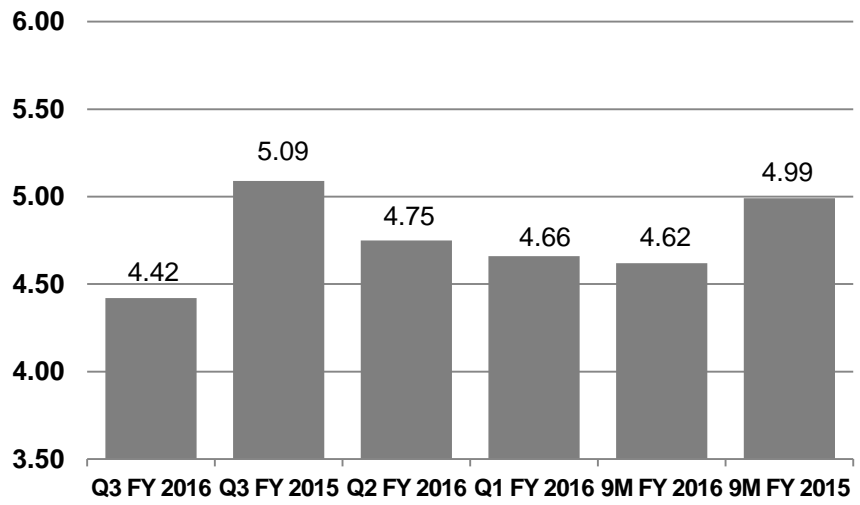
OPERATING EXPENSES TO AVERAGE RETAIL LOANS

Operational efficiency over the years

Yearly (%)



Quarterly (%)





BREAK-UP OF OPERATING EXPENSES

	Yearly							Quarterly					
	₹ in Millions							₹ in Million					
	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Mar-09	Q3 FY 2016	Q3 FY 2015	Q2 FY 2016	Q1 FY 2016	9M FY 2016	9M FY 2015
Personnel Expenses	6,304	5,917	5,453	4,145	2,209	1,169	677	1,582	1,627	1,623	1,607	4,812	4,727
Rent	1,650	1,542	1,309	1,042	603	290	131	429	412	432	415	1,276	1,226
Advertisement	651	702	579	866	647	331	208	129	197	180	168	477	494
Postage, Telegram and Telephone	371	364	243	184	115	72	27	87	85	111	84	282	277
Traveling and Conveyance	212	190	175	168	114	67	42	46	55	49	47	142	162
Printing and Stationery	160	185	168	155	111	69	44	32	39	36	38	106	112
Repairs and Maintenance	281	272	256	341	211	96	62	64	75	85	74	223	198
Legal and Professional Charges	189	216	86	60	114	34	16	20	23	19	40	79	162
Business Promotion Expense	140	279	332	267	119	45	25	39	54	41	22	102	85
Directors Remuneration	192	192	192	192	192	192	121	49	48	49	48	146	144
Depreciation and Amortisation Expenses	841	475	454	329	180	149	99	146	217	143	140	429	632
Others	733	731	550	380	229	165	165	219	177	173	162	554	540
Provision For Standard & NPA Assets	180	214	765	351	323	21	7	55	15	123	76	254	32
Total	11,904	11,279	10,562	8,480	5,165	2,701	1,625	2,897	3,024	3,064	2,921	8,882	8,791



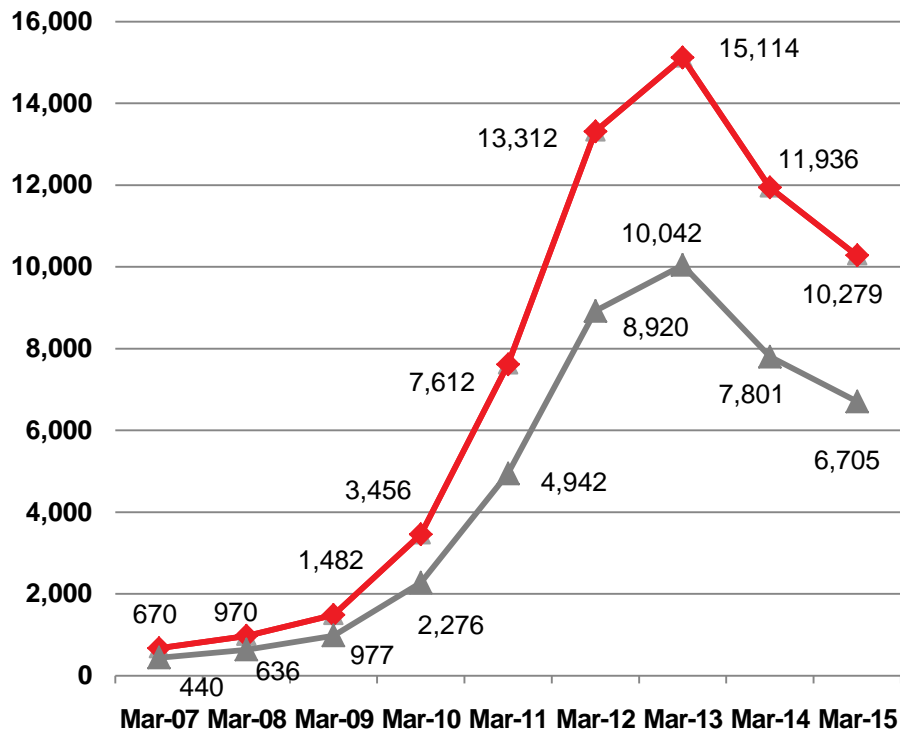
Efforts getting rewarded

Profitability at a glance

(₹ in million)

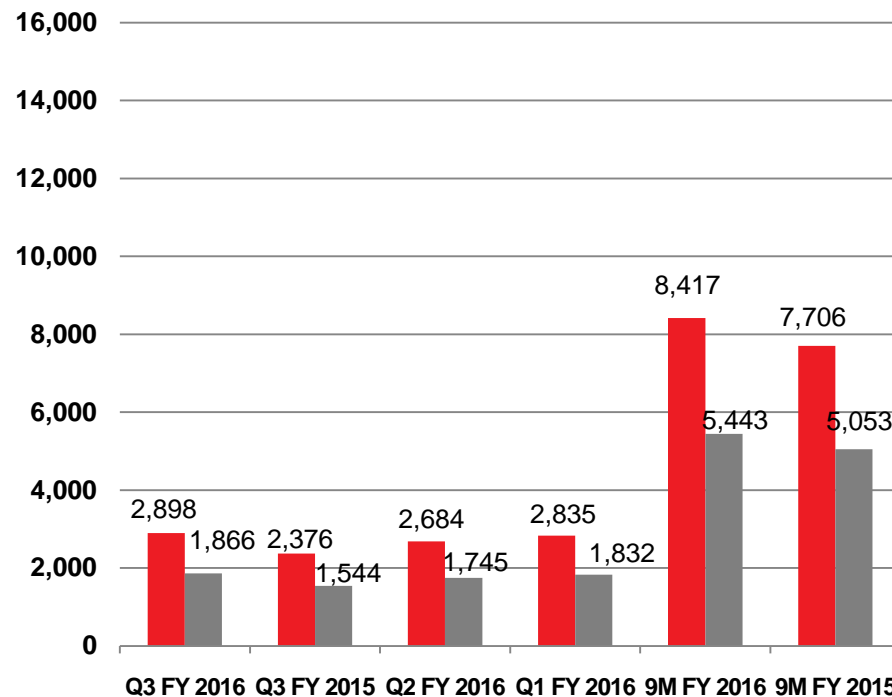
Yearly

◆ PBT ▲ PAT



Quarterly

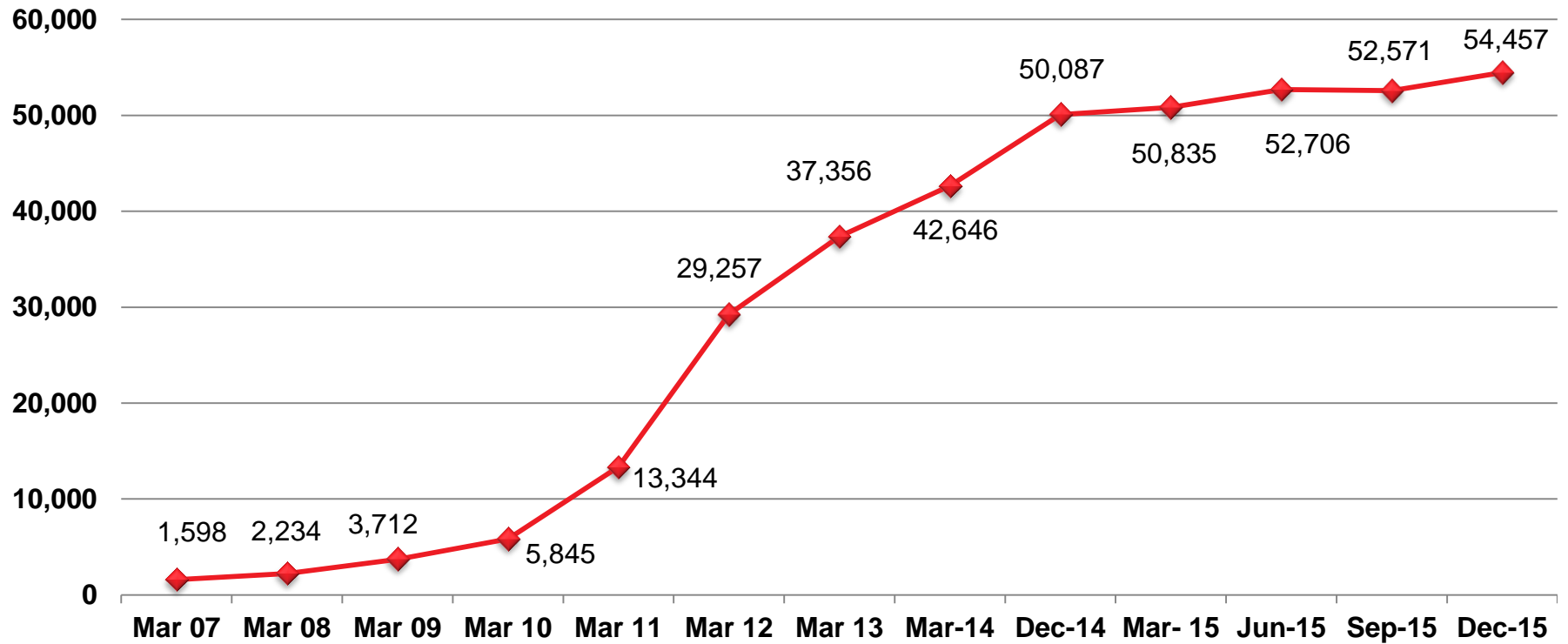
■ PBT ■ PAT



Steady capital position

Share Capital and Reserves & Surplus

(₹ in million)



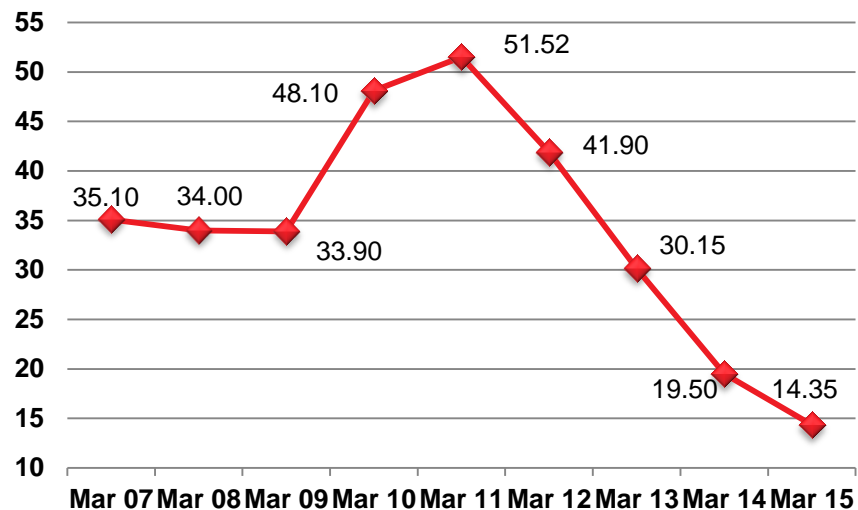


Stable shareholder value creation

Return on Average Equity

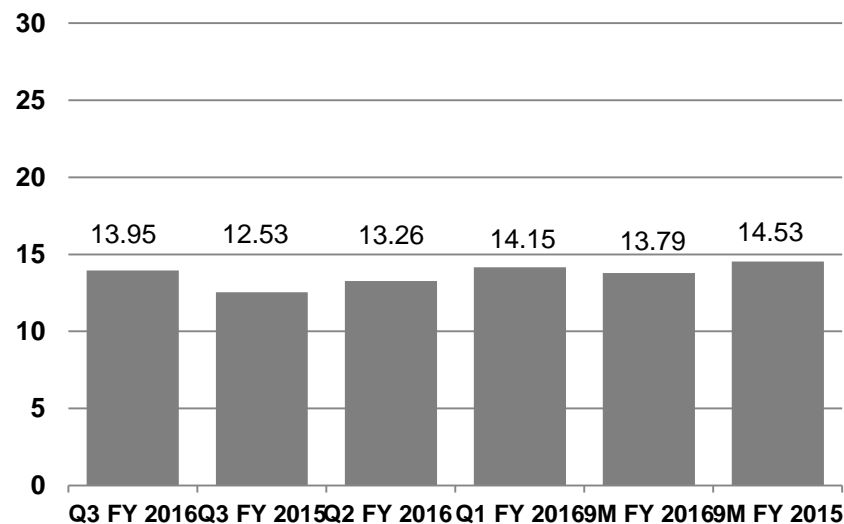
Yearly

(%)



Quarterly

(%)





Maintaining capital well above the statutory requirement

Capital Adequacy Ratio

(%)

	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
Capital Adequacy Ratio	23.37	22.97	24.15	24.78	26.26
Tier-I	19.94	19.25	19.76	19.96	20.74
Tier-II	3.43	3.72	4.38	4.82	5.52



MARKET VALUE RATIO

Equity market valuation ratios indicate potential for upside

	Q3 FY 2016	Q2 FY 2016	Q1 FY 2016	FY 2015	Q3 FY 2015
Earnings per share (₹)					
- Basic	4.69	4.39	4.60	16.97	3.88
- Diluted	4.65	4.34	4.56	16.80	3.85

	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
Book Value per share (₹)	136.70	131.95	132.29	127.59	126.00
Market price per share (₹)*	179.65	164.20	202.05	207.05	192.35
Price to Earnings ratio**	10.07	9.64	11.93	12.20	10.88
Price to Book Value ratio	1.31	1.24	1.53	1.62	1.53

*Source: www.nseindia.com

**Based on trailing 12 months EPS

CAPITALISATION RATIOS



Muthoot Finance

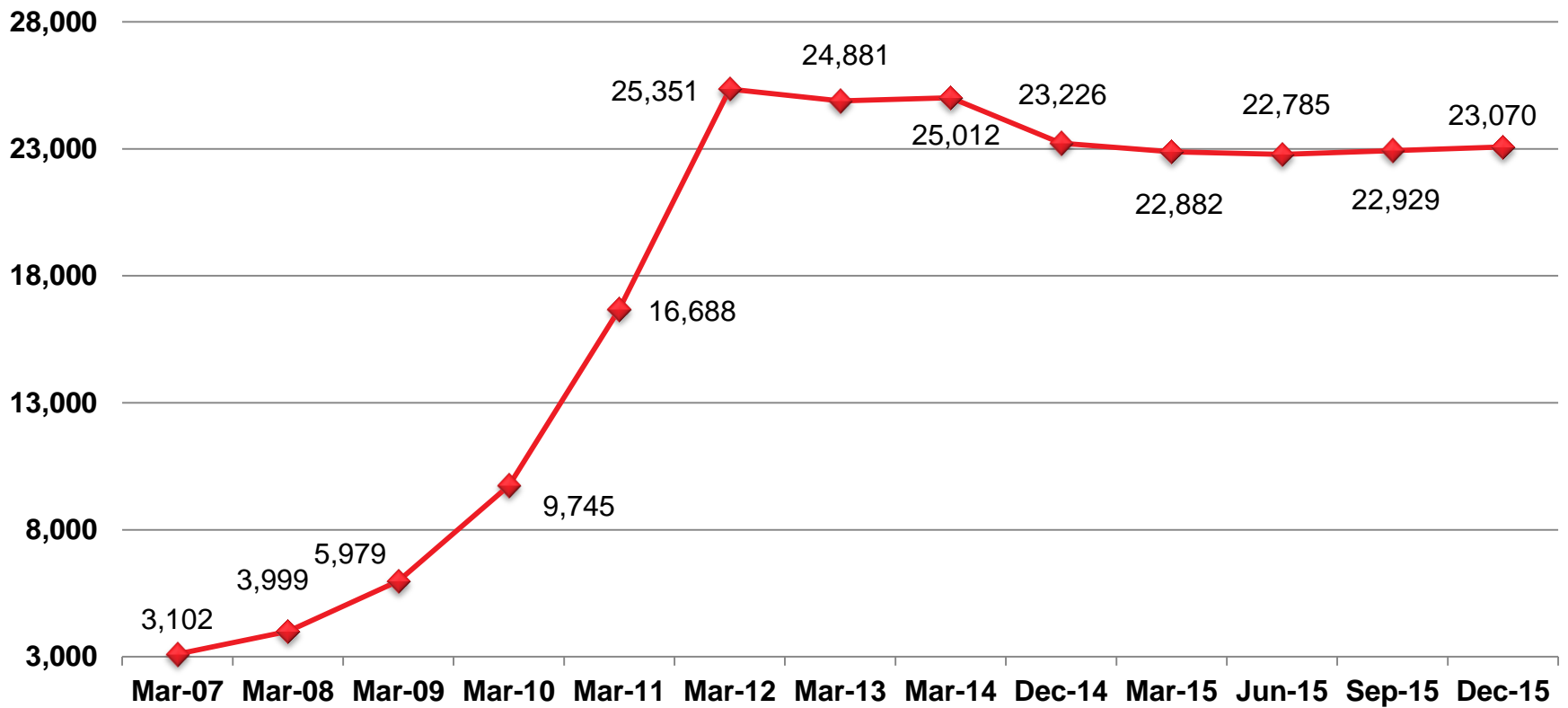
Headroom for further leveraging

(₹ In million)

	Dec-15	Sep-15	Jun-15	Dec-14	Mar-15
Outside Liabilities	226,938	238,084	229,251	213,848	216,857
Cash & Bank Balances	13,027	23,055	19,657	26,572	17,366
Tangible Networth	54,412	52,522	52,653	50,029	50,775
Capital Gearing	3.93	4.09	3.98	3.74	3.93

Groomed human capital over the years to meet growing business requirements

(No. of Employees)





ASIA ASSET

FINANCE PLC

The unconventional finance company

ASSET ASIA 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, 2015, total holding in AAF stood at 428 million equity shares representing 51% 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 15 branches across Sri Lanka.

The company formerly known as Finance and Land Sales has been in operation for over 45 years, evolving to serve the growing needs of people of Sri Lanka.

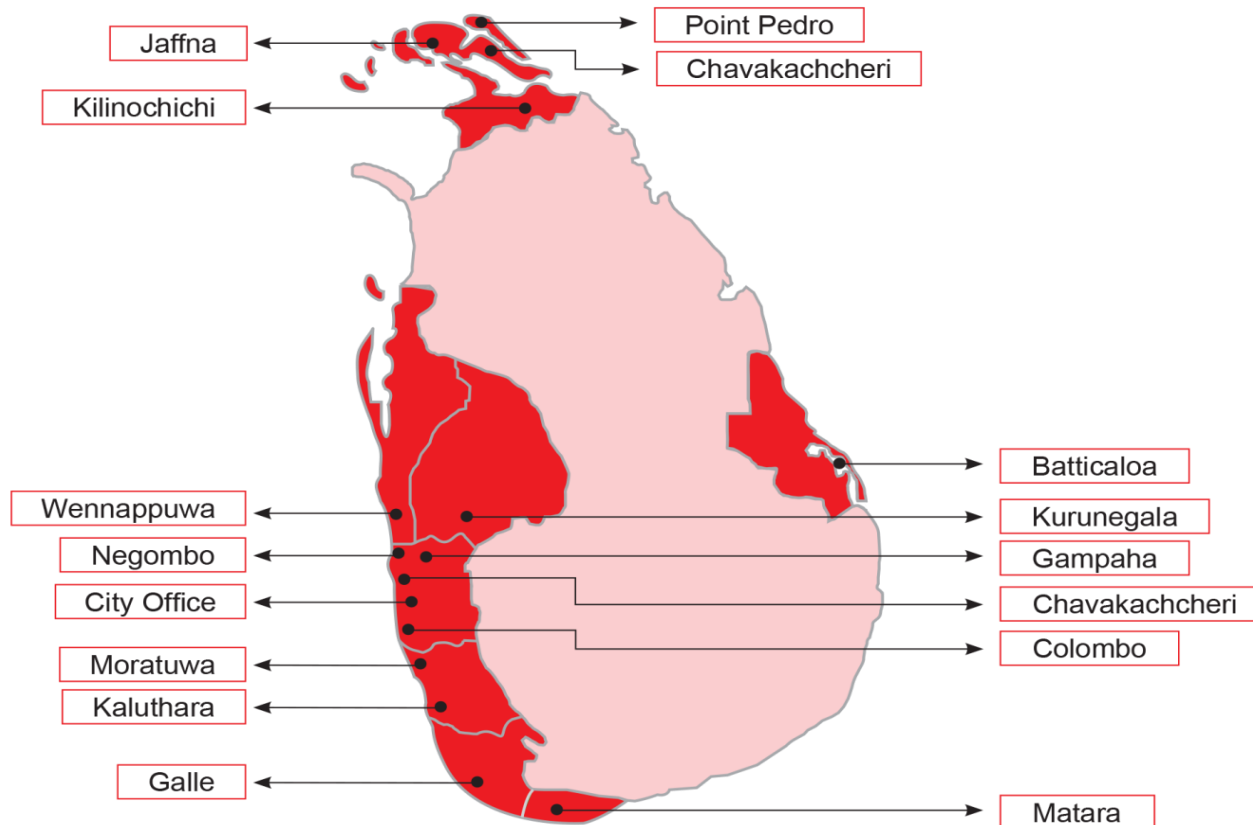
PRODUCTS



- 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

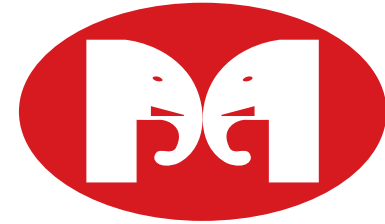
AAF has operations in various parts of Sri Lanka providing the best services and easy access to clients



Key Financial Parameters

(LKR in millions)

Particulars	9M FY 2016	9M FY 2015	FY 2015	FY 2014
LKR / INR	0.4581	0.4815	0.4692	0.4586
Total Revenue	983	691	948	774
Total Expense	840	606	845	731
Profit Before Tax	143	84	103	43
Profit After Tax	121	78	101	47
Share Holders Funds	1,406	1,264	1,286	741
Total Liabilities	5,759	4,021	4,059	3,199
Total Assets	7,165	5,284	5,344	3,940



Muthoot Finance

REGISTERED OFFICE

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