

Muthoot Finance

Financial Results Q1 FY 2021

June 2020

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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Diversified business of the Group

	Primary Business	Shareholding of holding company (%)
Muthoot Finance Ltd	Gold Loans	Holding Company
Muthoot Homefin (India) Ltd	Affordable Housing Finance	100.00
Belstar Microfinance Limited	Microfinance	70.01
Muthoot Money Limited	Vehicle Finance	100.00
Asia Asset Finance PLC	Listed Diversified NBFC in Sri Lanka	72.92
Muthoot Insurance Brokers Private Limited	Insurance Broking	100.00
Muthoot Asset Management Private Limited	-	100.00
Muthoot Trustee Private Limited	-	100.00

Snapshot of performance

	Q1 FY 2021	Q1 FY 2020	YoY(%)	FY 2020
Group Branch Network (Nos)	5,330	5,092	5	5,330
Consolidated Gross Loan Assets* of the Group (₹ in million)	465,008	402,276	16	468,705
Consolidated Profit of the Group (₹ in million)	8,577	5,633	52	31,687
Contribution in the Consolidated Gross Loan Assets* of the Group				
Muthoot Finance (%)	88	88	-	88
Subsidiaries (%)	12	12	-	12
Contribution in the Consolidated Profit of the Group				
Muthoot Finance (%)	98	93	5	95
Subsidiaries (%)	2	7	(71)	5

*Principal amount of Loan assets

Gross Loan Assets* of the Group

(₹ in millions)

	Q1 FY 2021	FY 2020	Q1 FY 2020	YoY (%)
Muthoot Finance Ltd	412,957	416,106	358,159	15
Muthoot Homefin (India) Ltd	19,787	19,769	19,875	0
Belstar Microfinance Limited	25,754	26,310	19,385	33
Muthoot Money Limited	4,966	5,090	3,927	26
Asia Asset Finance PLC	5,444	5,380	5,030	8
Less: Intra-Group Loan Assets	3,900	3,950	4,100	(5)
Total	465,008	468,705	402,276	16

*Principal amount of Loan assets

Standalone Profit of Group Companies

(₹ in millions)

	Q1 FY 2021	Q1 FY 2020	FY 2020
Muthoot Finance Ltd	8,408	5,300	30,183
Muthoot Homefin (India) Ltd	4	62	318
Muthoot Insurance Brokers Private Limited	42	27	104
Belstar Microfinance Limited	145	229	990
Muthoot Money Limited	(25)	(0.40)	27
Asia Asset Finance PLC	(7)	10	28
Muthoot Asset Management Private Limited	10	6	51
Muthoot Trustee Private Limited	0.05	(0.16)	(0.13)

**Consolidated Statement of Assets and Liabilities**

(₹ in millions)

Particulars	Q1 FY 2021	FY 2020
ASSETS		
Financial assets		
Cash and cash equivalents	66,710	58,348
Bank Balance other than above	2,376	2,959
Derivative Financial Instruments	1,490	3,449
Trade Receivables	114	90
Loans	469,195	470,677
Investments	28,024	6,302
Other Financial Assets	2,202	2,449
Non-Financial Assets		
Current Tax Assets(Net)	62	94
Defered Tax Assets(Net)	269	171
Investment Property	162	156
Property ,Plant and Equipment	2,386	2,427
Right to use Asset	155	168
Captial Work- In- Progress	302	287
Goodwill	300	300
Other Intangible Assets	81	85
Other Non Financial Assets	1,272	854
Total- Assets	575,100	548,816

**Consolidated Statement of Assets and Liabilities**

(₹ in millions)

Particulars	Q1 FY 2021	FY 2020
LIABILITIES		
Financial Liabilities		
Trade Payables	2,716	2,220
Debt Securities	97,596	102,827
Borrowings(other than Debt securities)	324,981	300,115
Deposits	2,720	2,560
Subordinated Liabilities	3,964	3,850
Lease Liability	160	168
Other Financial Liabilities	8,992	11,885
Non-Financial Liabilities		
Current Tax Liabilities(net)	2,101	808
Provisions	3,801	3,712
Deferred Tax Liabilities(net)	93	151
Other Non-Financial Liabilities	311	507
EQUITY		
Equity attributable to equity owners of the company	125,891	118,292
Non-Controlling Interest	1,774	1,721
Total Liabilities and Equity	575,100	548,816

**Consolidated Financial Results**

(₹ in millions)

Particulars	Q1 FY 2021	FY 2020
Income		
Interest Income	25,289	94,177
Service Charges	137	943
Sale of Services	18	191
Other Income	23	233
Income other than above	601	1,528
Total Income	26,068	97,072
Expenses		
Finance Cost	9,720	31,728
Impairment of Financial Instruments	431	1,871
Employee Benefit Expenses	2,800	12,085
Depreciation, Amortisation and Impairment	140	592
Other Expenses	1,462	8,192
Total Expenses	14,553	54,468
Profit before tax	11,515	42,604
Tax expense	2,938	10,917
Profit after Tax	8,577	31,687
Earnings per share –Basic (₹)	21.28	78.30
Earnings per share –Diluted (₹)	21.25	78.20



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



National Pension Scheme



Wind Mill Power Generation



Personal Loans

29

States/Union territory presence

165 tonnes

Gold jewellery kept as security

4,500+

Pan-India branches

100,000+

Retail investor base across debenture and subordinated debt portfolio

25,000+

Team members

200,000+

Customers served every day

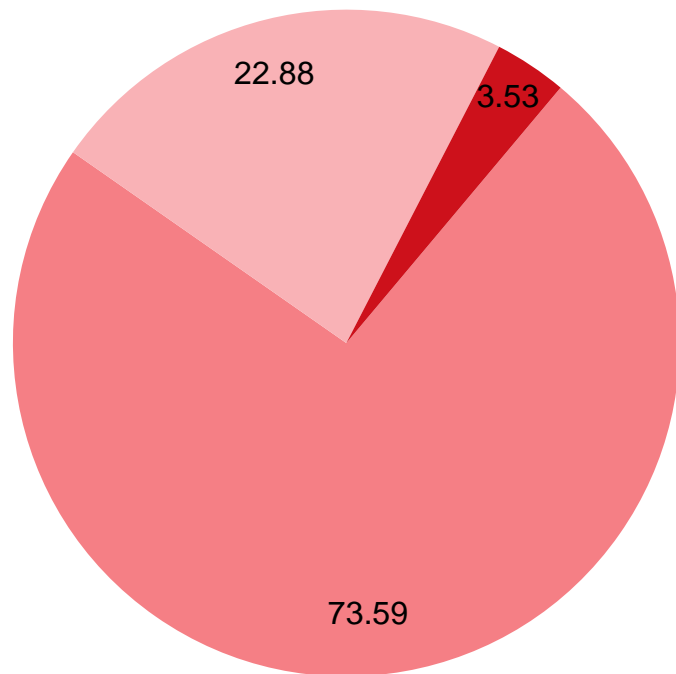
₹ 412,957 mn

Loan Assets Under Management

(As of June 30, 2020)

SHAREHOLDING PATTERN

Strong promoter interest in business with 74% stake



(%) Shareholding as on June 30, 2020

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

NSE Ticker

MUTHOOTFIN

BSE Ticker

533398

Market Capitalisation

(as on June 30, 2020)

₹ 435,547 million

DIVIDEND PAYOUT

Delivering consistent returns to stakeholders

(%)

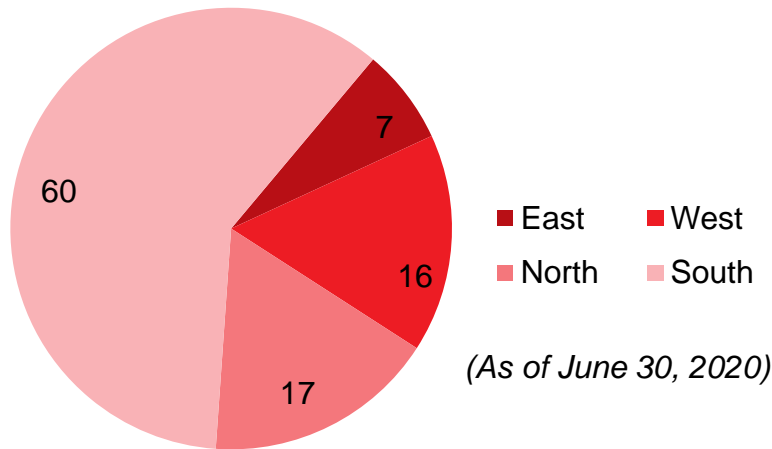
	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Dividend (%)*	150	120	100	60	60	60
First Interim Dividend (%)	150	120	100	60	40	40
Second Interim Dividend (%)	-	-	-	-	20	-
Final Dividend (%)	-	-	-	-	-	20
Dividend Payout Ratio (%)	19.91	24.36	22.48	20.30	29.50	35.36

* On face value of ₹ 10 per equity share

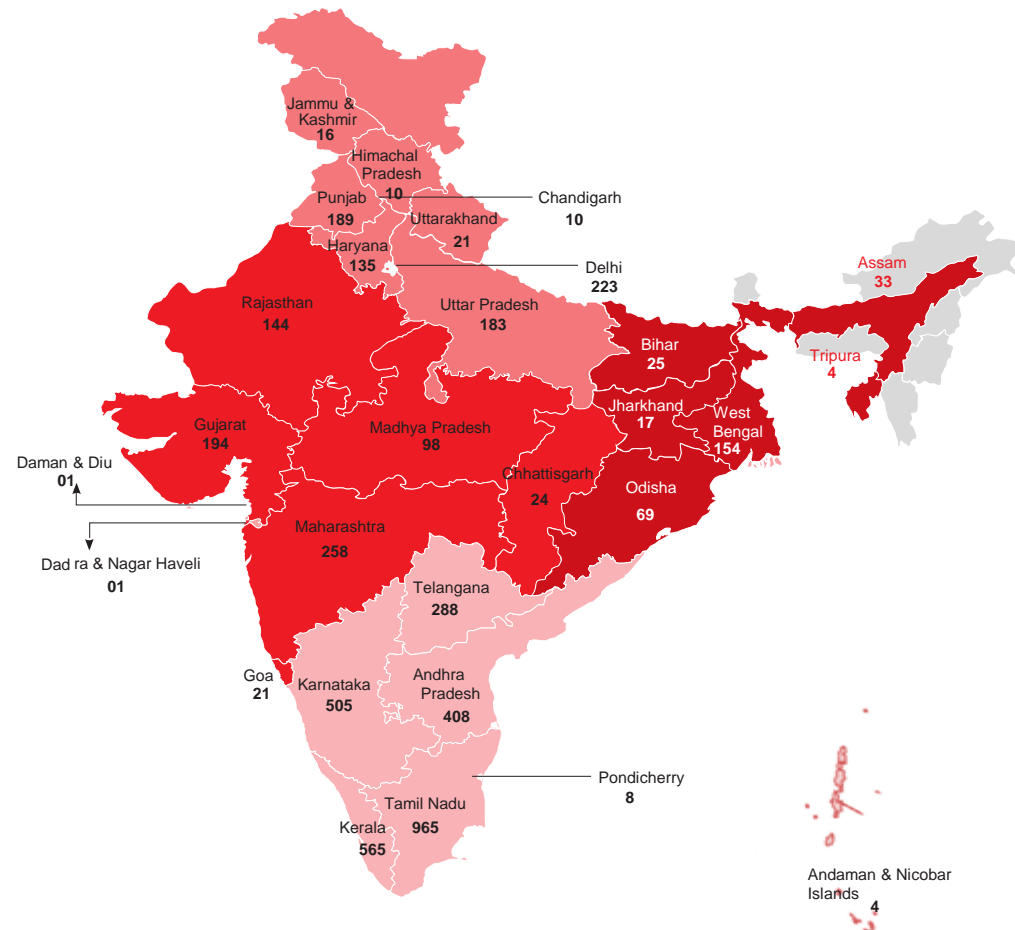
GEOGRAPHICAL PRESENCE

A strong presence of 4573 branches across India

(%) Branches region wise



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 convenience for new gen & Millennium Customer acquisition

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



PoS Terminals

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



Loan repayment option through



- Paytm
- PhonePay

Online Gold Loan (OGL)

- 19.2% of 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.
- Bank account online linking feature introduced.

iMuthoot App



Mobile App

- Launched in Nov'16 has about 22.5 lakhs downloads.
- Online Gold Loan (OGL) facility available to withdraw loan amount and renewal, apart from payments.
- Rs.2,084 crs payments from 78 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 Feb'19.
- Paytm Payment gateway has been introduced in June'19.
- e-Sign facility has been introduced in Jan'18.
- Along with gold loans, lead creation for PL, HL, AL also introduced.
- Bank account online linking feature introduced.

**Standalone Statement of Assets and Liabilities**

(₹ in millions)

Particulars	Q1 FY 2021	FY 2020
ASSETS		
Financial assets		
Cash and cash equivalents	58,786	55,046
Bank Balance other than above	741	1,360
Derivative Financial Instruments	1,490	3,449
Trade Receivables	83	47
Loans	425,620	426,042
Investments	36,130	14,383
Other Financial Assets	1,136	1,057
Non-Financial Assets		
Deferred Tax Assets(Net)	127	-
Property ,Plant and Equipment	2,202	2,227
Capital Work- In- Progress	302	287
Other Intangible Assets	48	51
Other Non Financial Assets	1,060	648
Total- Assets	527,723	504,597

**Standalone Statement of Assets and Liabilities**

(₹ in millions)

Particulars	Q1 FY 2021	FY 2020
LIABILITIES		
Financial Liabilities		
Trade Payables	2,620	2,185
Debt Securities	92,808	99,619
Borrowings(other than Debt securities)	292,075	268,706
Subordinated Liabilities	2,956	2,976
Other Financial Liabilities	8,110	10,617
Non-Financial Liabilities		
Current Tax Liabilities(net)	2,065	782
Provisions	3,716	3,633
Deferred Tax Liabilities(net)	-	40
Other Non-Financial Liabilities	212	321
EQUITY		
Equity Share Capital	4,010	4,010
Other Equity	119,151	111,708
Total Liabilities	527,723	504,597



REVENUE & PROFIT

Standalone Financial Results

(₹ in millions)

	Q1 FY 2021	Q1 FY 2020	YoY Growth (%)	FY 2020
INCOME				
Interest Income	23,160	18,274	27	85,644
Other than Interest Income	694	313	122	1,584
Total	23,854	18,587	28	87,228
EXPENSES				
Finance Cost	8,715	6,416	36	27,909
Employee benefit Expense	2,277	2,220	3	9,640
Administrative & Other expenses	1,277	1,581	(19)	7,067
Impairment on Financial Instruments	146	33	342	957
Directors Remuneration	85	75	13	650
Depreciation & Amortisation	99	96	3	431
Total	12,599	10,421	21	46,654
PROFIT				
Profit Before Tax	11,255	8,166	38	40,574
Profit After Tax	8,408	5,300	59	30,183

Strong Capital Base

Networth

(₹ in millions)

	Jun-20	Mar-20	Jun-19
Equity Share Capital	4,010	4,010	4,007
Other Equity	119,151	111,708	93,425
Total	123,161	115,718	97,432

Core focus continues to be gold loan

Gross Loan Assets under management*

	Jun-20	Mar-20	Jun-19	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross loan assets under management	412,957	416,106	358,159	15	(1)

Break-up of Gross Loan Assets under management

Gold Loans under management	404,949	407,724	351,708	15	(1)
Other loans	8,008	8,382	6,451	24	(4)

*Principal amount of Loan assets

LIABILITIES

Stable sources of funding*

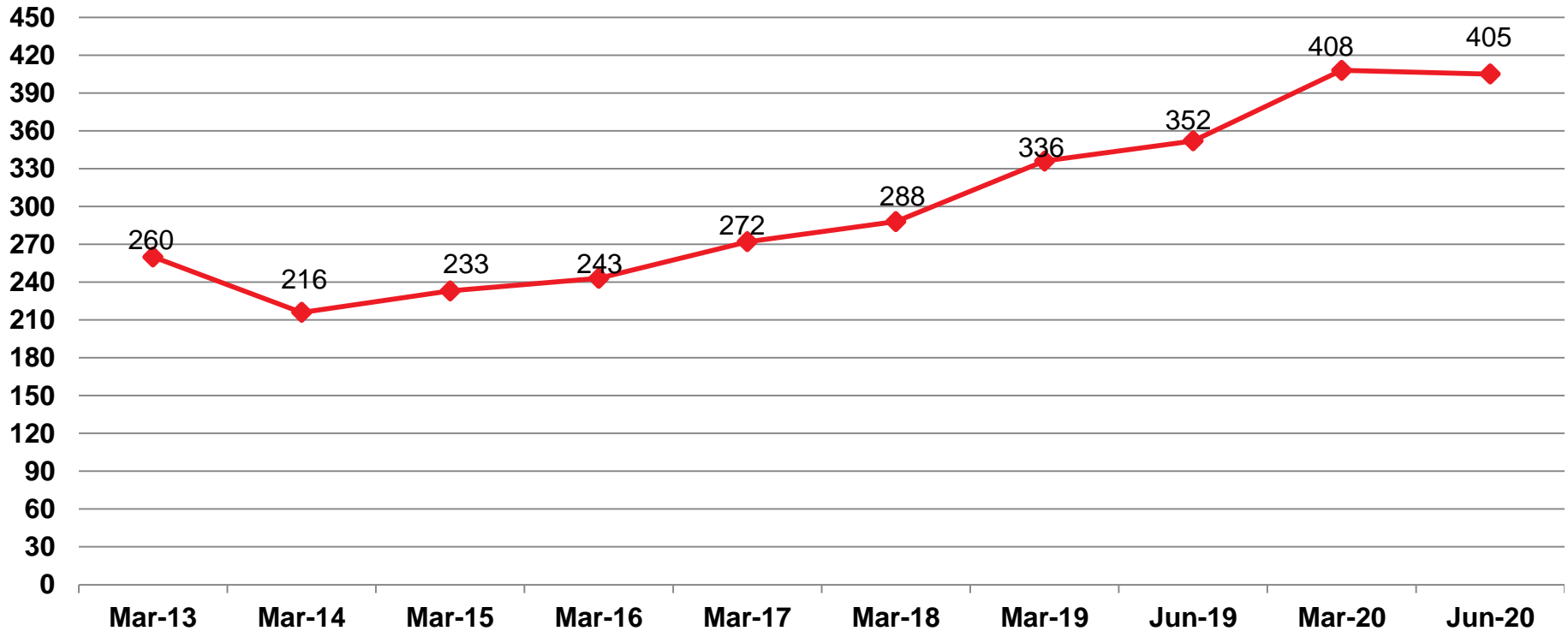
	Jun-20	Mar-20	Jun-19	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	3,023	3,160	4,153	(27)	(4)
Secured Non-Convertible Debentures- Listed	90,110	96,840	79,134	14	(7)
Borrowings from Banks/FIs	156,452	145,775	137,773	14	7
External Commercial Borrowings- Senior secured Notes	75,583	75,665	-	-	-
Subordinated Debt	-	21	151	(100)	(100)
Subordinated Debt -Listed	2,969	2,969	3,849	(23)	-
Commercial Paper	49,288	35,954	48,153	2	37
Other Loans	11,268	11,880	8,076	40	(5)
Total	388,693	372,264	281,289	38	4

*Principal amount of Borrowings

Gaining scale over the years

Gold Loan Assets Under Management*

(₹ in billions)

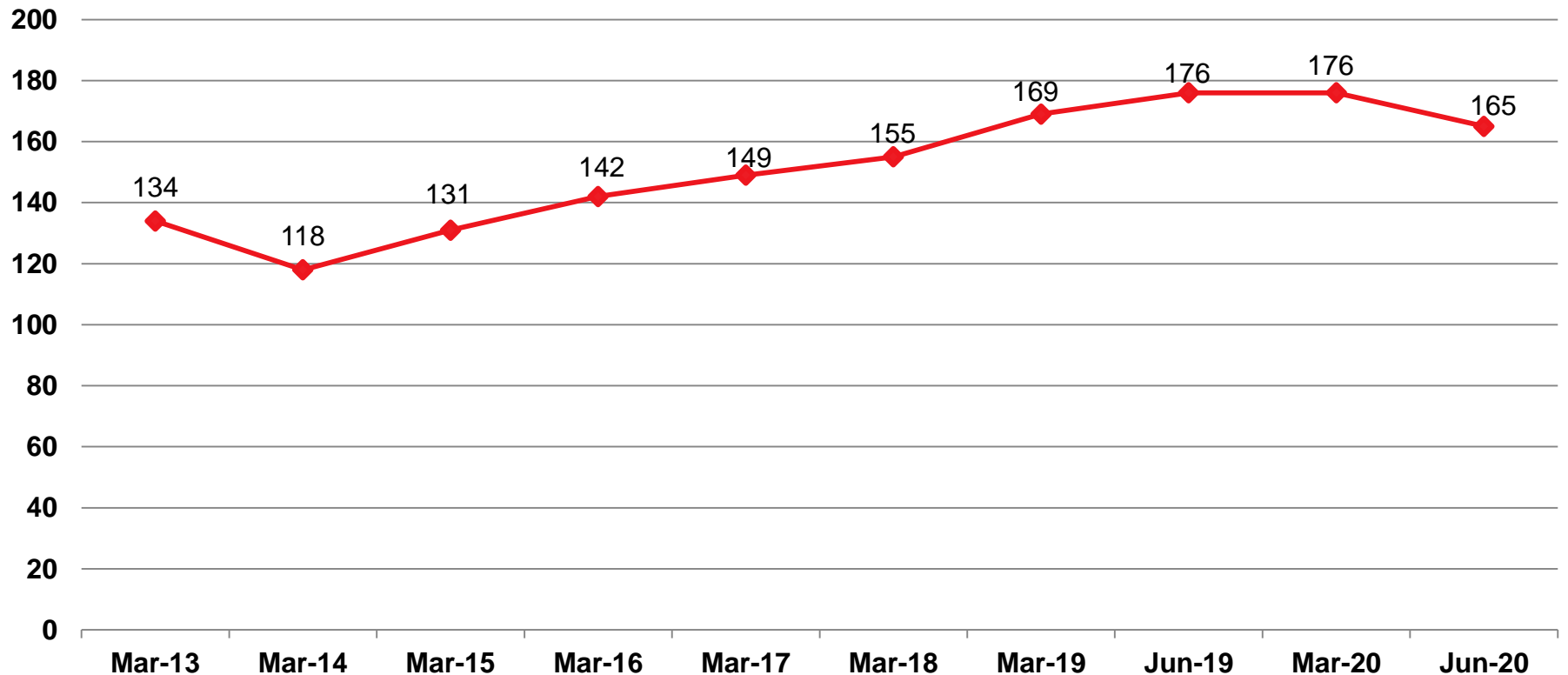


*Principal amount of gold Loan assets

Carrying the trust of millions of our customers

Gold jewellery kept as security

(In tonnes)

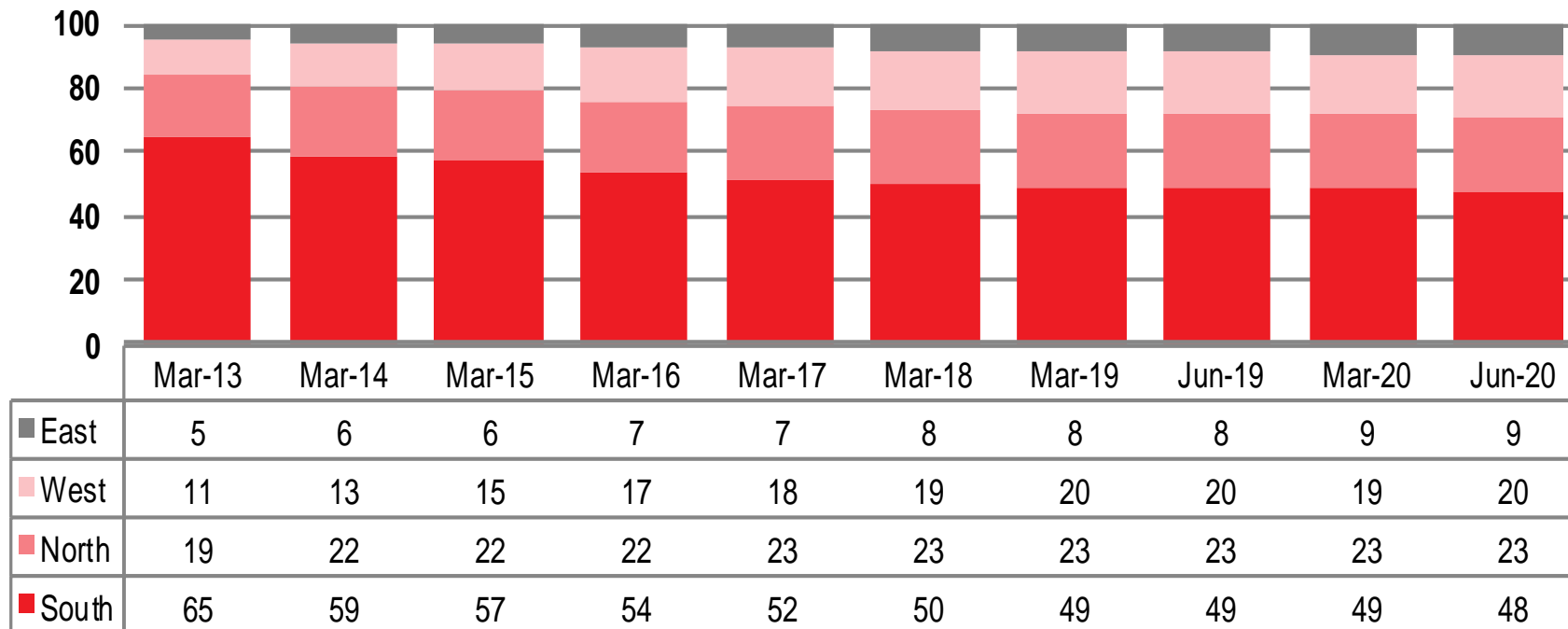




GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO *Muthoot Finance*

Diversified gold loan portfolio across India

(%)



Gold Loan Assets Under Management *

(₹ in billions)

	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Jun-19	Mar-20	Jun-20
	260	216	233	243	272	288	336	352	408	405

*Principal amount of Gold Loan Assets

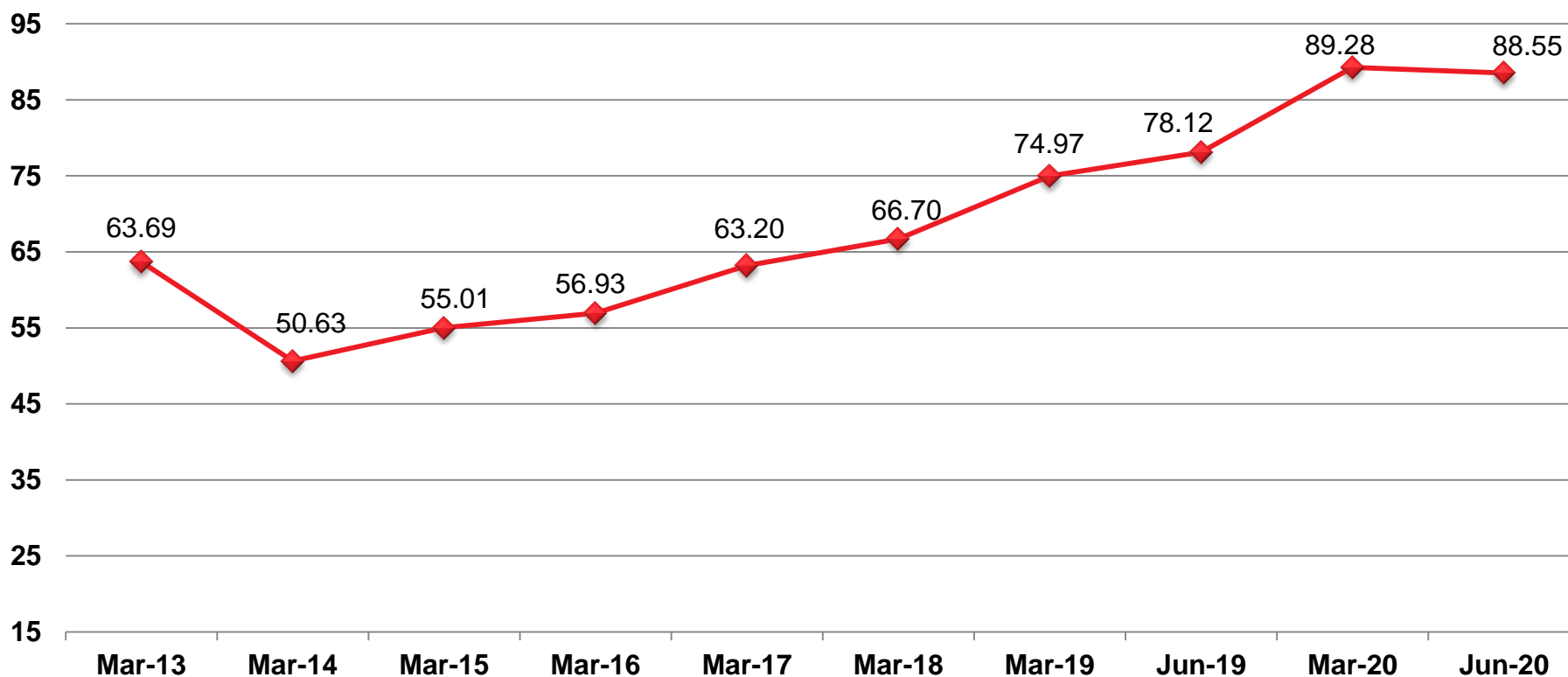


PRODUCTIVITY

Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch *

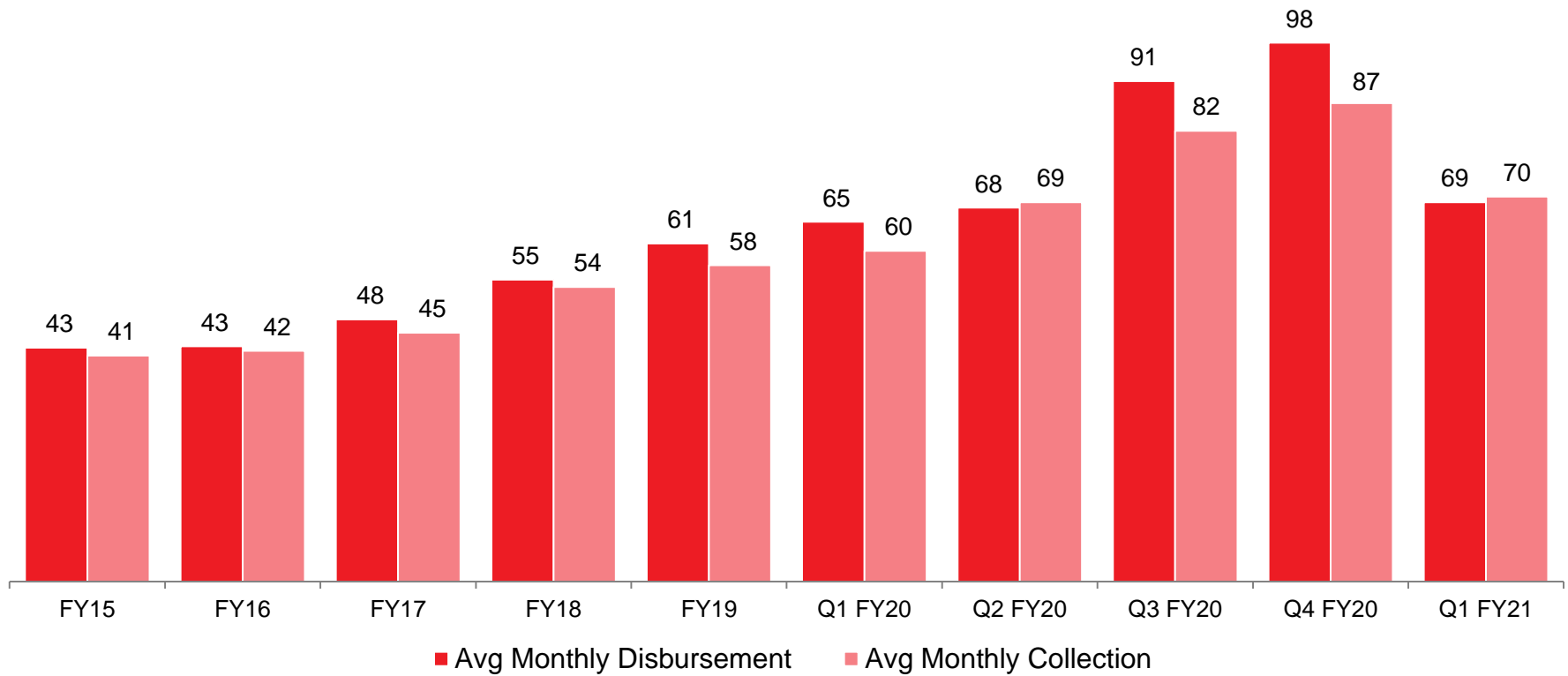
(₹ in millions)



*Principal amount of Gold Loan Assets

Disbursements and Collections

(₹ in billions)

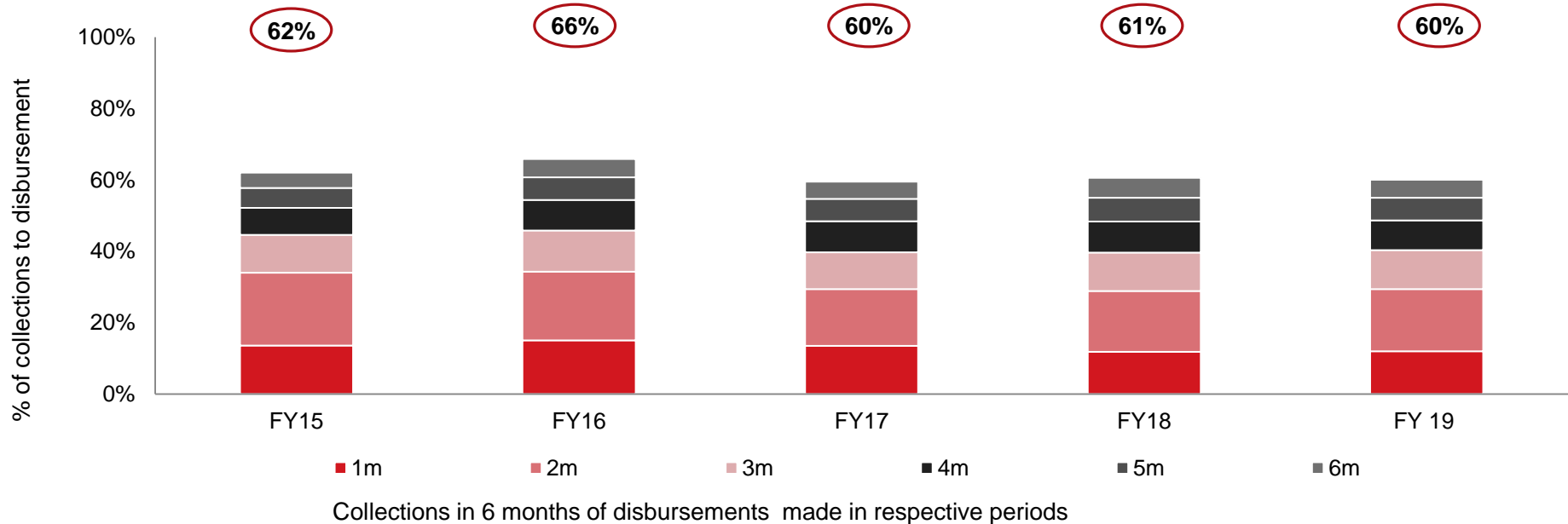


- Strong level of disbursements and collections



HIGHLY LIQUID PORTFOLIO (2/2)

Efficient Collection



- A high proportion of gold loan is repaid within first 6 months



SAFETY OF OUR GOLD LOAN PORTFOLIO

Lender's Perspective & Borrower's Perspective

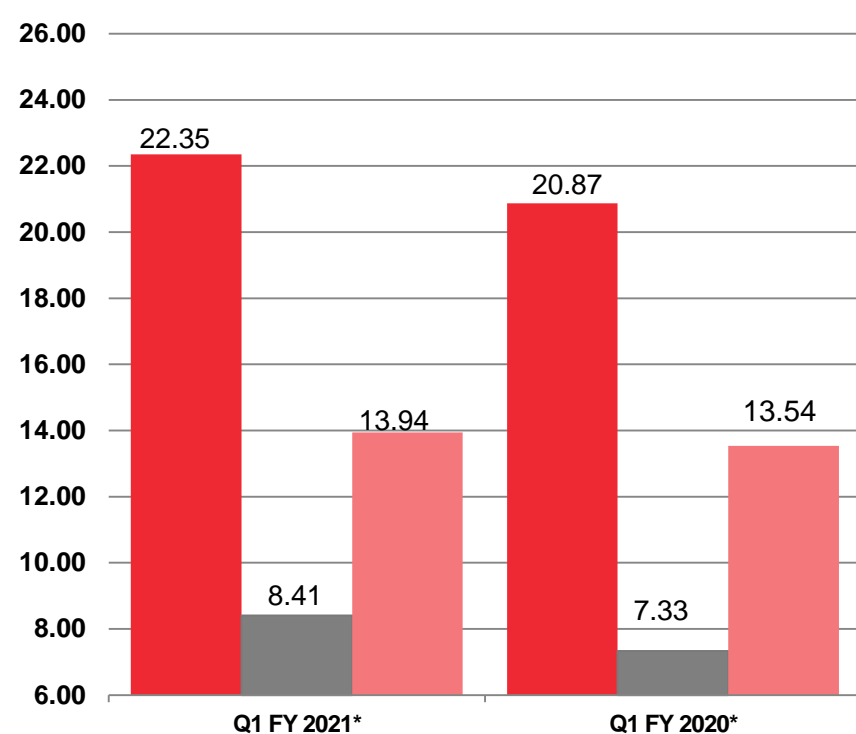
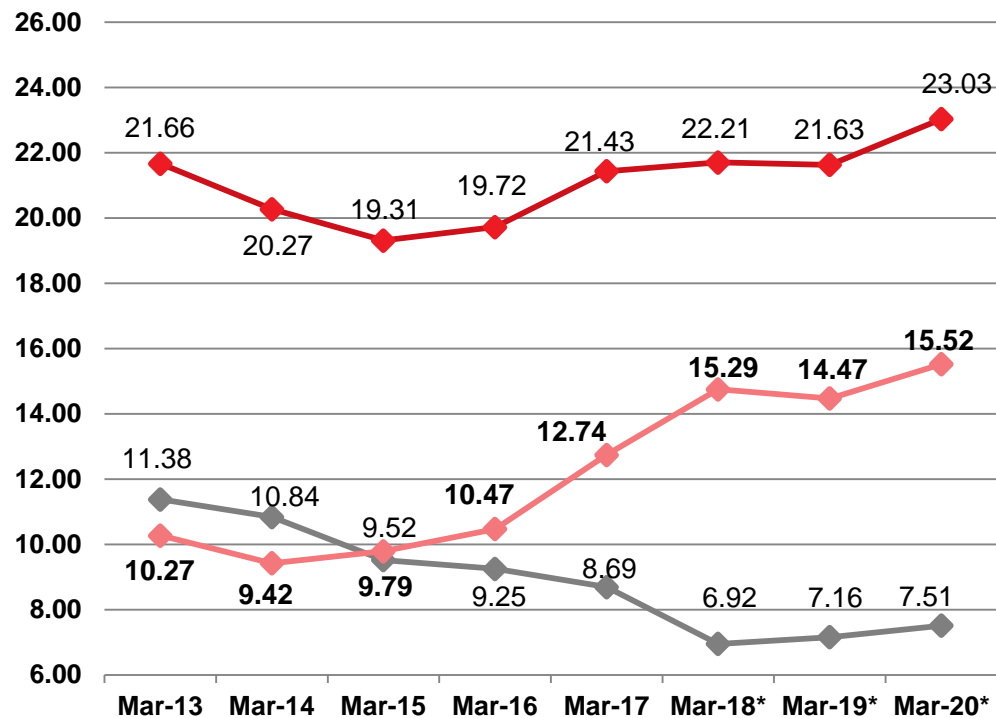
	Jun-20	Mar-20	Jun-19	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15
Gold Loan assets (₹ in Billions)	405	407	352	336	288	272	243	233
Quantity of Gold content in Ornaments held as Security (Tonnes)	165	176	176	169	155	149	142	131
Gold Price/gm (₹)	4,448	3,955	3,126	2,910	2,824	2,725	2,670	2,470
Lender's Perspective								
Market Price of Gold Content in Ornaments (₹ in Billions)	734	696	550	492	438	406	379	324
Margin of safety on loans	45%	42%	36%	32%	34%	33%	36%	28%
Borrower's Perspective								
Market Value of Gold Ornaments (₹ in Billions) with 20% additional value towards making charges etc	881	835	660	590	526	487	455	389
Equity of Borrower in the Gold Ornaments net of loans availed	54%	51%	47%	43%	45%	44%	47%	40%

* Above calculations are made on overall portfolio and excludes interest accrued on loans

YIELD ON LOAN ASSETS AND NIM

Yearly (%)

Quarterly (%)



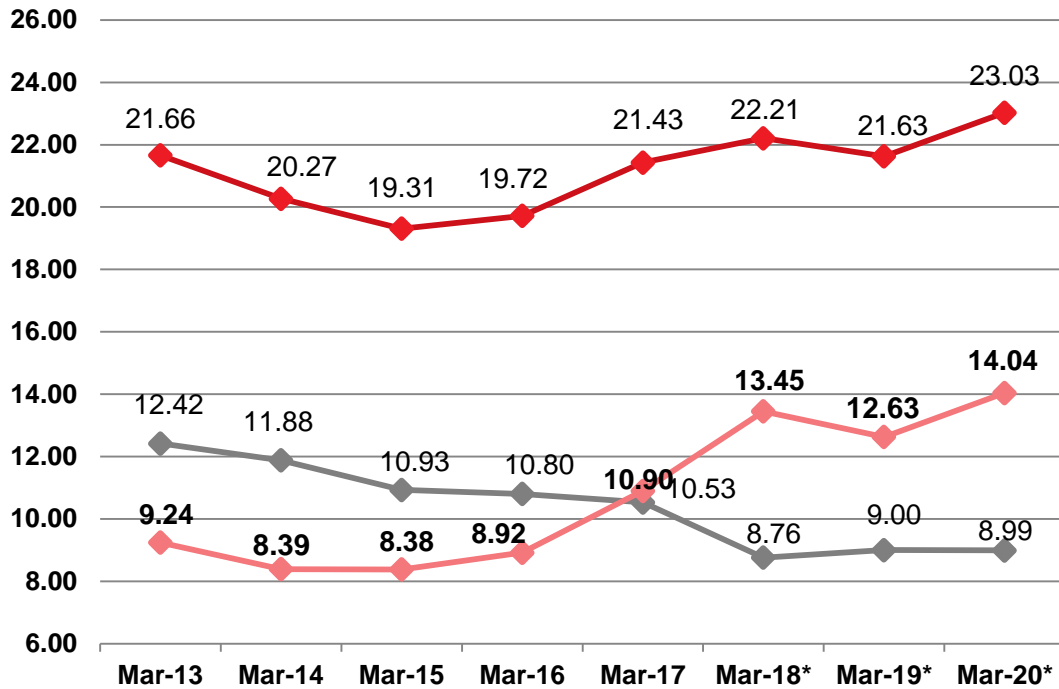
*Under IND -AS

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

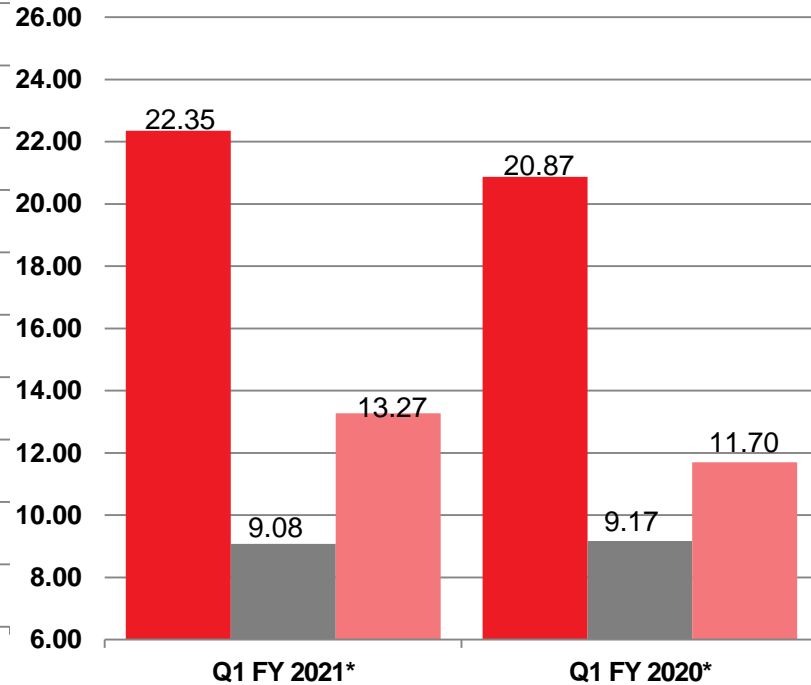


INTEREST SPREAD

Yearly (%)	Quarterly (%)
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*Under IND-AS



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

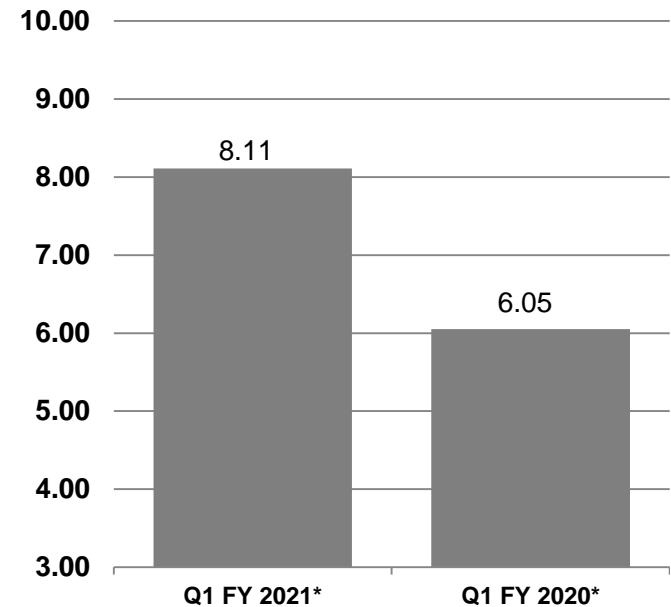
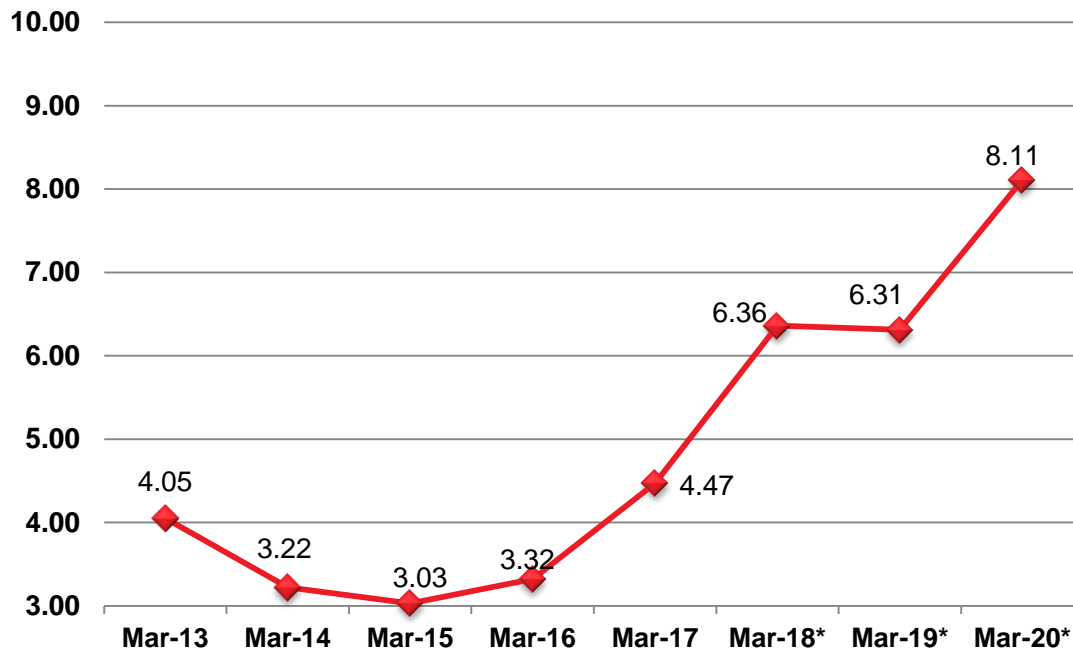


RETURN ON AVERAGE LOAN ASSETS

Attractive returns over the years

Yearly (%)

Quarterly (%)



*Under IND-AS

IMPAIRMENT OF LOAN ASSETS



Muthoot Finance

Stage III Loans Assets and ECL Provision

(₹ in millions)

	Jun-20	Mar-20	Jun-19
Stage III Loan Assets	10,553	8,992	11,474
% Stage III Assets on Gross Loan Assets	2.56	2.16	3.20
ECL Provision on Gross Loan Assets	5,538	5,427	6,896
ECL Provision as % of Gross Loan Assets	1.34	1.30	1.93
Excess Provision outstanding in books	2,954	2,954	1,191

Staging Criteria

Stage	Description	Provision Mechanism
Stage 1	0-30 days past due	PD x LGD x Stage 1 Asset
Stage 2	> 30 to <= 90 past due	PD x LGD x Stage 2 Asset
Stage 3	> 90 days past due	LGD x EAD of Stage 3 Asset

PD-Probability of default

LGD-Loss given default

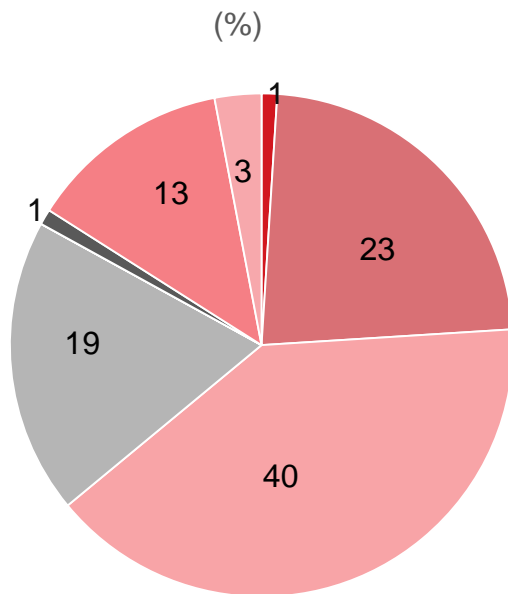
EAD-Exposure at Default

Bad Debts

(₹ in millions)

	Q1 FY 2021	Q1 FY 2020	FY 2020
Bad Debts Written Off	28	13	599
% of Bad Debts written off to Gross Loan Assets	0.007	0.004	0.14

Maintaining a diversified funding profile*



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 3,023 mn (1%)
- Secured Non-Convertible Debentures – Listed – ₹ 90,110 mn (23%)
- Borrowings from Banks/Fis - ₹ 156,452 mn (40%)
- External Commercial Borrowings- Senior secured Notes – ₹ 75,583 mn (19%)
- Subordinated Debt – ₹ 0 mn (0%)
- Subordinated Debt – Listed - ₹ 2,969 mn (1%)
- Commercial Paper – ₹ 49,288 mn (13%)
- Other Loans – ₹ 11,268 mn (3%)

*Principal amount of Borrowings

(As of June 30, 2020)



DOMESTIC CREDIT RATINGS

Highest Rating among gold loan companies

Short-term Rating

	Rating	Indicates
COMMERCIAL PAPER		
CRISIL RATINGS	CRISIL A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
ICRA LIMITED	ICRA A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk
BANK LOANS		
ICRA LIMITED	ICRA A1+	Very strong degree of safety with regard to timely payment of financial obligation and carry lowest credit risk

Long-term Rating

	Rating	Indicates
SUBORDINATED DEBT		
CRISIL RATINGS	CRISIL AA/Positive	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA LIMITED	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 RATINGS	CRISIL AA/Positive	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
ICRA LIMITED	ICRA AA(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk
BANK LOANS		
ICRA LIMITED	ICRA AA(Stable)	High Degree of safety with regard to timely servicing of financial obligations and carry very low credit risk

INTERNATIONAL CREDIT RATINGS

Long-term Rating

Rating Agencies	Rating	Indicates
FITCH RATINGS	BB(Negative)	An elevated vulnerability to default risk, particularly in the event of adverse change in business or economic condition over time, however, business or financial flexibility exists that supports the servicing of financial commitments.
S&P GLOBAL RATINGS	BB(Negative)	Less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.
MOODY'S INVESTORS SERVICE	Ba2 (Negative)	Obiligations are judged to be speculative and are subject to substantial credit risk. The modifier 2 indicates a midrange ranking

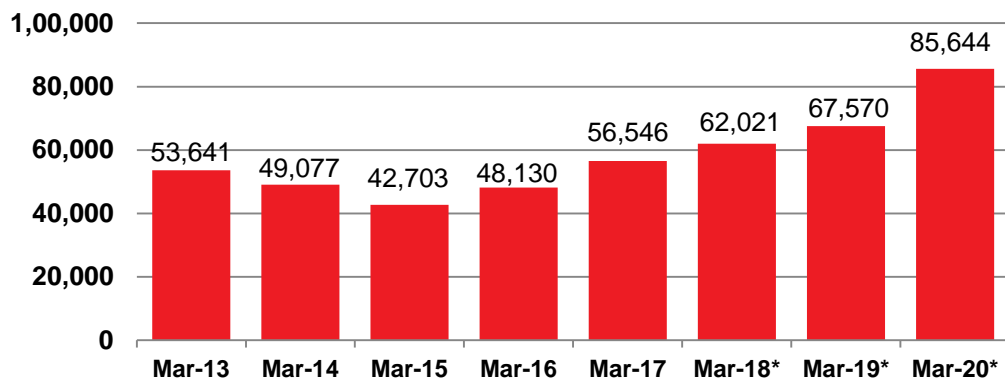


BREAK-UP OF TOTAL INCOME

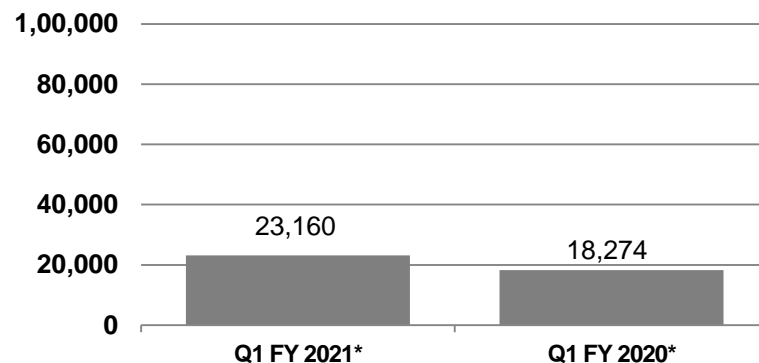
Interest Income

(₹ in millions)

Yearly



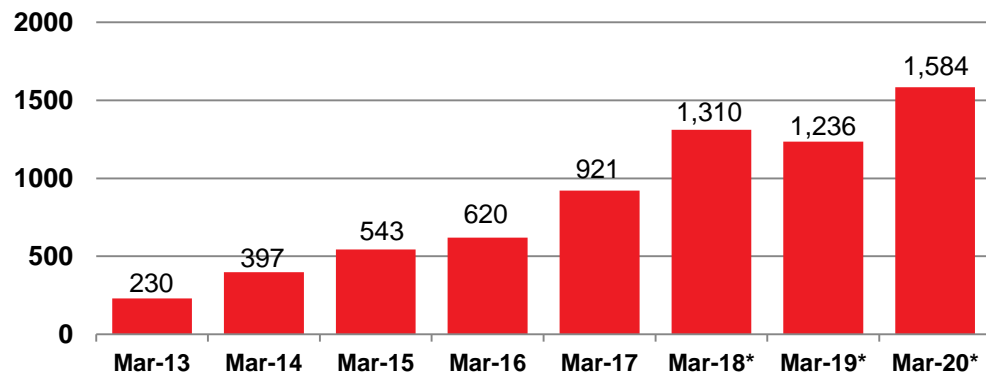
Quarterly



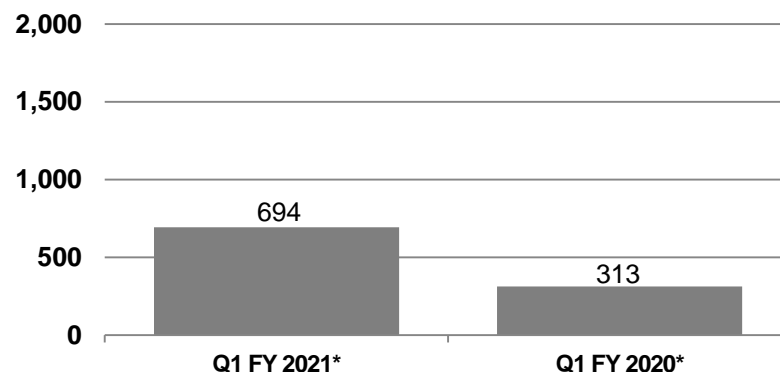
Other Than Interest Income

(₹ in millions)

Yearly



Quarterly



*Under IND-AS

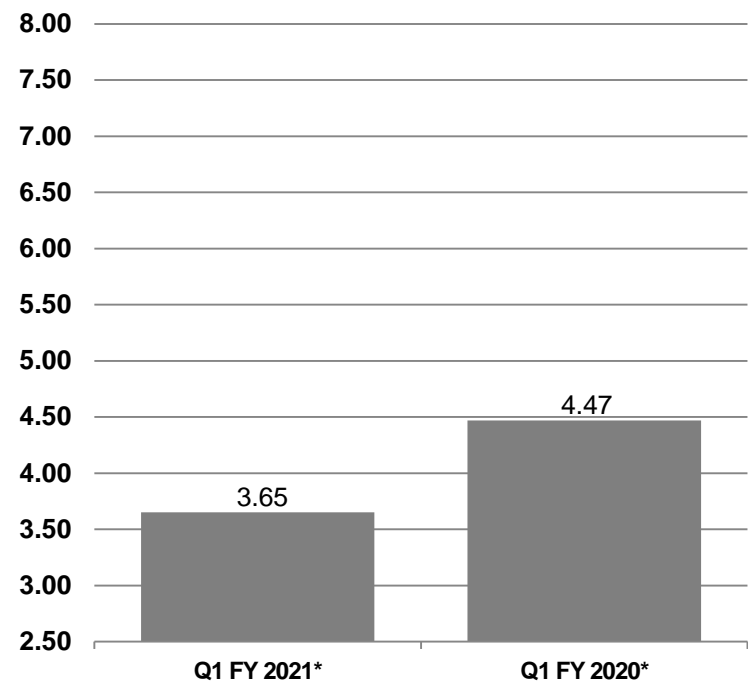
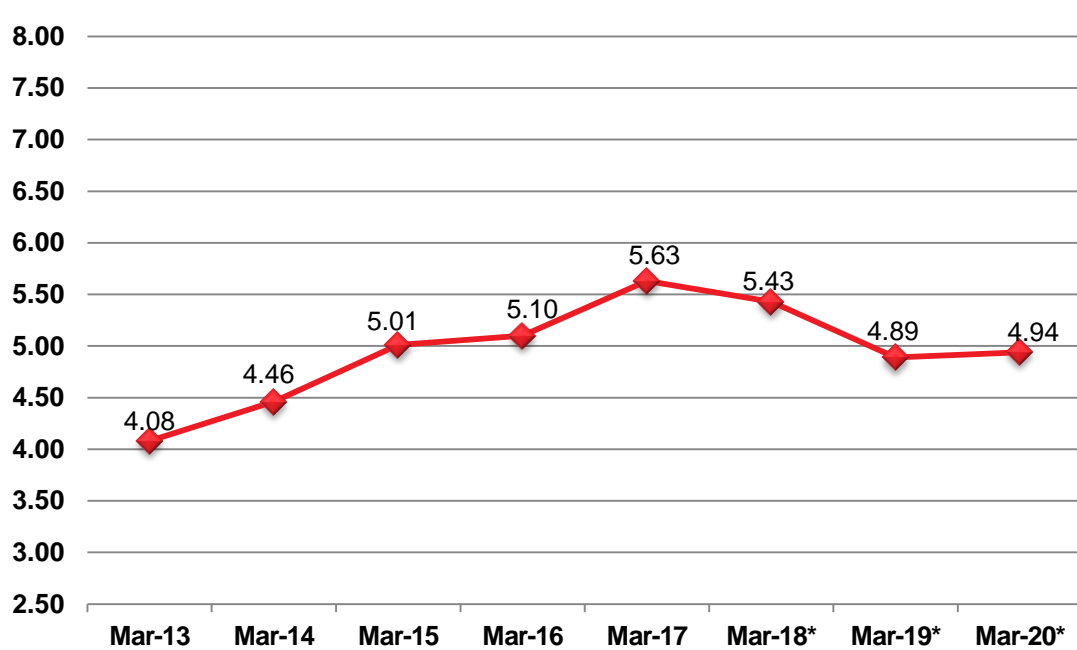


OPERATING EXPENSES TO AVERAGE LOAN ASSETS

Operational efficiency over the years

Yearly (%)

Quarterly (%)



*Under IND AS

**BREAK-UP OF OPERATING EXPENSES**

Yearly

(₹ in million)

Quarterly

(₹ in millions)

	Mar-20*	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Q1 FY 2021*	Q1 FY 2020*
Employee Benefit Expenses	9,640	8,415	7,393	7,280	6,418	6,304	5,917	5,453	2,277	2,219
Rent	2,158	1,974	1,913	1,808	1,713	1,650	1,542	1,309	429	527
Advertisement & Publicity	1,163	1,056	720	531	626	651	702	579	142	216
Communication Costs	355	368	404	372	378	371	364	243	75	92
Traveling and Conveyance	273	240	182	186	187	212	190	175	32	57
Printing and Stationery	177	153	136	129	144	160	185	168	22	40
Repairs and Maintenance	283	280	304	362	290	281	272	256	58	66
Legal and Professional Charges	260	203	154	124	93	189	216	86	122	55
Business Promotion Expenses	720	481	209	201	149	140	279	332	115	264
Directors Remuneration	650	561	431	362	196	192	192	192	85	76
Depreciation and Amortisation Expenses	431	421	439	482	575	841	475	454	99	96
Others	1,677	1,260	2,970	835	1,014	733	731	550	282	264
Provision For Standard & NPA Assets	-	-	-	2,647	1,223	180	214	765	-	-
Impairment on Financial instruments	957	259	316	-	-	-	-	-	146	33
Total	18,744	15,670	15,571	15,319	13,006	11,904	11,279	10,562	3,884	4,005



BREAK-UP OF OPERATING EXPENSES

Yearly

(%)

Quarterly

(%)

	Mar-20*	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Q1 FY 2021*	Q1 FY 2020*
Employee Benefit Expenses	51	54	47	48	49	53	52	52	59	55
Rent	12	13	12	12	13	14	14	12	11	13
Advertisement & Publicity	6	7	5	3	5	5	6	5	4	5
Communication Costs	2	2	3	2	3	3	3	2	2	2
Traveling and Conveyance	1	2	1	1	1	2	2	2	1	1
Printing and Stationery	1	1	1	1	1	1	2	2	1	1
Repairs and Maintenance	2	2	2	2	2	2	2	2	1	2
Legal and Professional Charges	1	1	1	1	1	2	2	1	3	1
Business Promotion Expenses	4	3	1	1	1	1	2	3	3	7
Directors Remuneration	3	4	3	2	2	2	2	2	2	2
Depreciation and Amortisation Expenses	2	3	3	3	4	7	4	4	3	2
Others	9	8	19	5	8	6	6	5	7	7
Provision For Standard & NPA Assets	-	-	-	17	9	2	2	7	-	-
Impairment on Financial instruments	5	2	2	-	-	-	-	-	4	1
Total	100	100	100	100	100	100	100	100	100	100

*Under IND-AS



PROFITABILITY RATIOS

Yearly (%) (Based on Income)	Yearly								Quarterly (%)	
	Mar-20*	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Q1 FY 2021*	Q1 FY 2020*
Interest expense to Gross Income	32.00	32.51	30.50	39.92	46.31	48.71	53.08	52.34	36.53	34.52
Selling, general and administrative expenses to Net Income	29.26	32.24	28.93	34.88	41.36	48.26	44.66	35.89	24.04	31.85
Provisions & Write Offs to Net Income	1.61	0.59	5.44	8.16	6.20	1.67	1.89	3.49	0.96	0.27
Operational expenses to Net Income	30.87	32.84	34.38	43.03	47.56	49.93	46.55	39.37	25.00	32.12
OPBDT / Net Income	69.13	67.16	65.62	56.97	52.44	50.06	53.45	60.62	75.00	67.88
Depreciation to Net Income	0.73	0.90	1.00	1.33	2.13	3.72	2.03	1.76	0.65	0.79
OPBT / Net Income	68.40	66.26	64.63	55.63	50.31	46.34	51.42	58.86	74.34	67.09
PBT / Net Income	68.40	66.26	64.63	55.63	50.31	46.34	51.42	58.86	74.34	67.09
PAT / Net Income	50.88	42.47	40.38	34.17	30.93	30.23	33.60	39.11	55.54	43.55

*Under IND-AS



PROFITABILITY RATIOS

Yearly

Quarterly (%)

(%)
(Based on Average Loan Assets)

	Mar-20*	Mar-19*	Mar-18*	Mar-17	Mar-16	Mar-15	Mar-14	Mar-13	Q1 FY 2021*	Q1 FY 2020*
Interest income to avg. loan assets	23.03	21.63	22.21	21.43	19.72	19.30	20.27	21.66	22.35	20.87
Interest expense to avg. loan assets	7.51	7.16	6.92	8.69	9.25	9.52	10.84	11.38	8.41	7.33
Net Interest Margin	15.52	14.47	15.29	12.74	10.47	9.78	9.42	10.27	13.94	13.54
Other income to avg. loan assets	0.43	0.40	0.47	0.35	0.25	0.25	0.16	0.09	0.67	0.36
Net Income Including Other Income	15.95	14.87	15.76	13.09	10.72	10.03	9.59	10.37	14.61	13.90
Selling, general and administrative expenses to avg. loan assets	4.68	4.81	5.32	4.56	4.43	4.84	4.28	3.72	3.51	4.43
Provisions and write offs to avg. loan assets	0.26	0.08	0.11	1.07	0.67	0.17	0.18	0.36	0.14	0.04
PBDT to avg. loan assets	11.01	9.98	10.33	7.45	5.62	5.02	5.12	6.28	10.96	9.43
Depreciation to avg. loan assets	0.11	0.12	0.15	0.17	0.23	0.37	0.20	0.18	0.10	0.11
PBT to avg. loan assets	10.90	9.85	10.19	7.28	5.39	4.65	4.93	6.10	10.86	9.32
Tax to avg. loan assets	2.79	3.54	3.82	2.81	2.08	1.62	1.71	2.05	2.75	3.27
PAT to avg. loan assets	8.11	6.31	6.36	4.47	3.32	3.03	3.22	4.05	8.11	6.05
Cash Profit to avg. loan assets	8.22	6.44	6.51	4.65	3.54	3.40	3.42	4.24	8.21	6.16

*Under IND-AS



PROFITABILITY

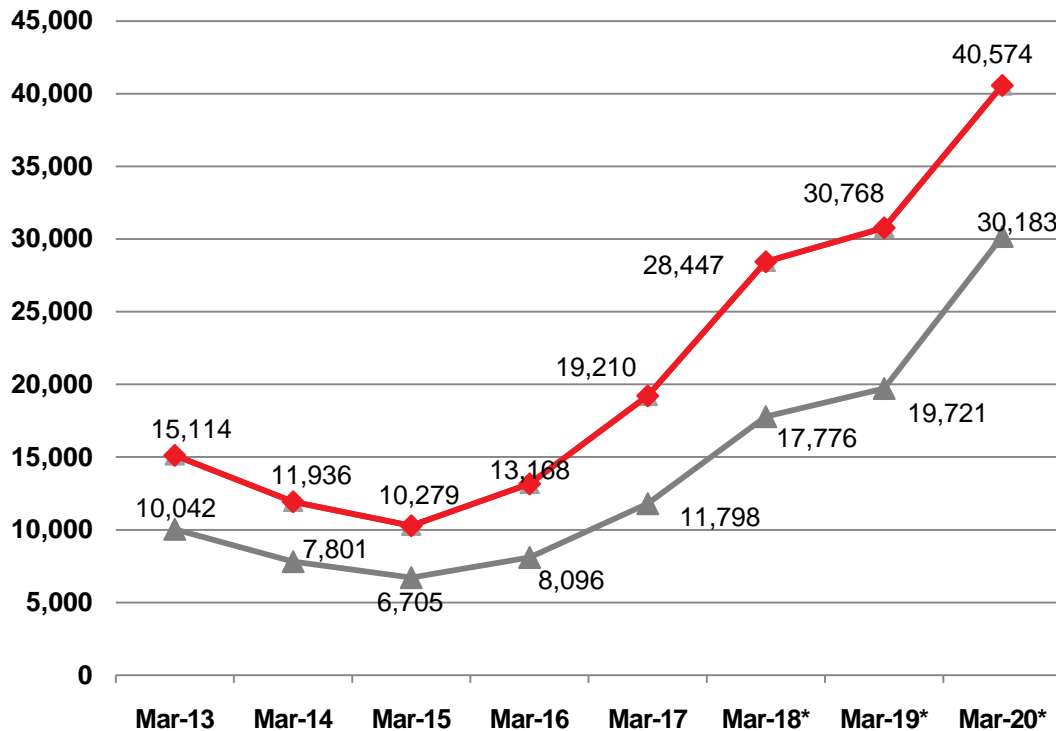
Efforts getting rewarded

Profitability at a glance

(₹ in millions)

Yearly

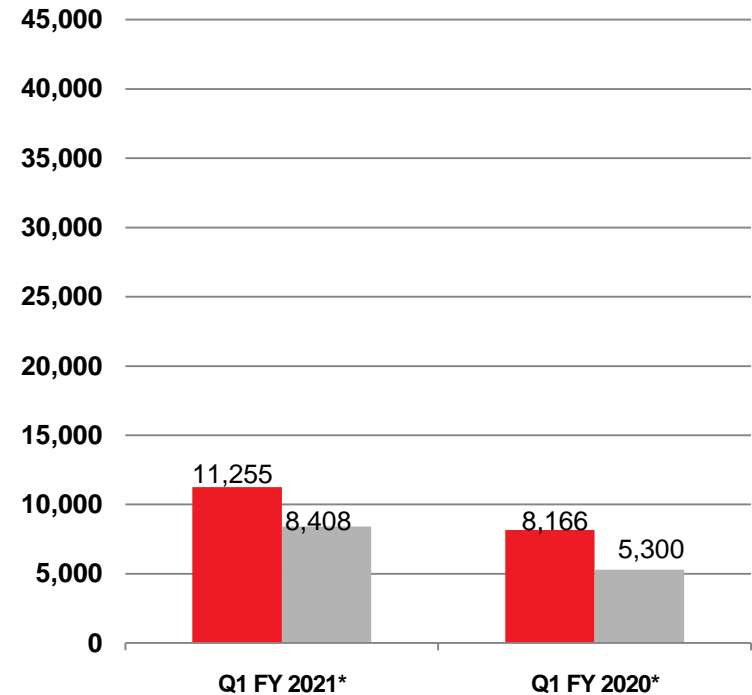
◆ PBT ▲ PAT



*Under IND-AS

Quarterly

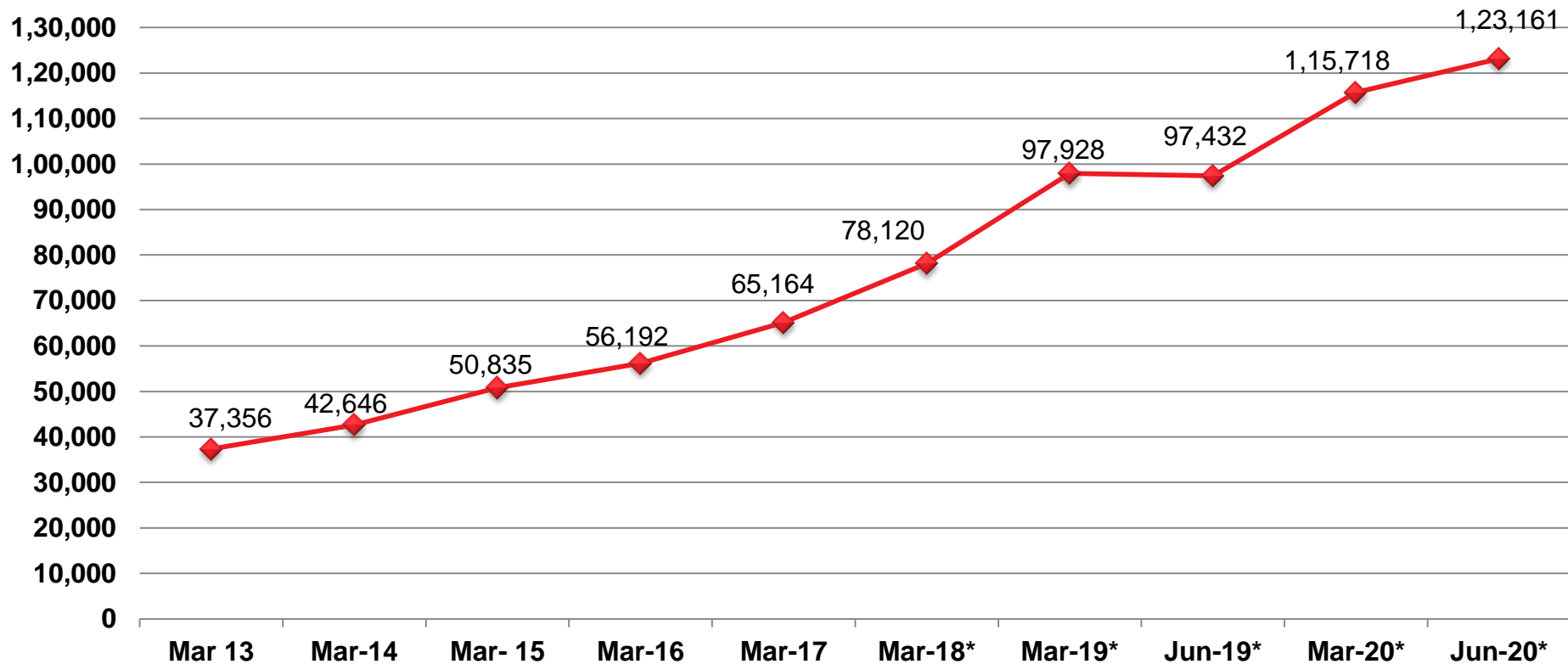
■ PBT ■ PAT



Steady capital position

Share Capital and Reserves & Surplus

(₹ in millions)



*Under IND-AS



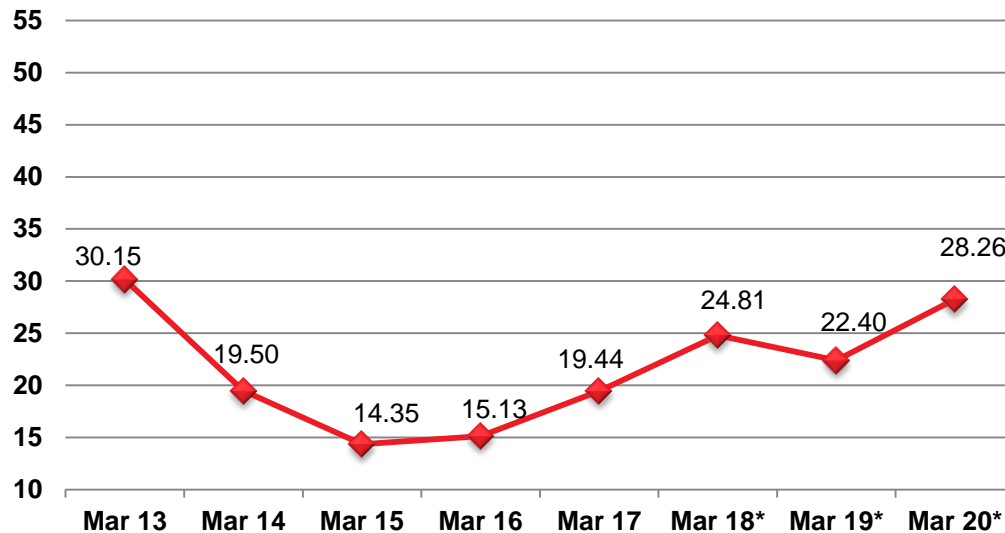
RETURN ON EQUITY

Stable shareholder value creation

Return on Average Equity

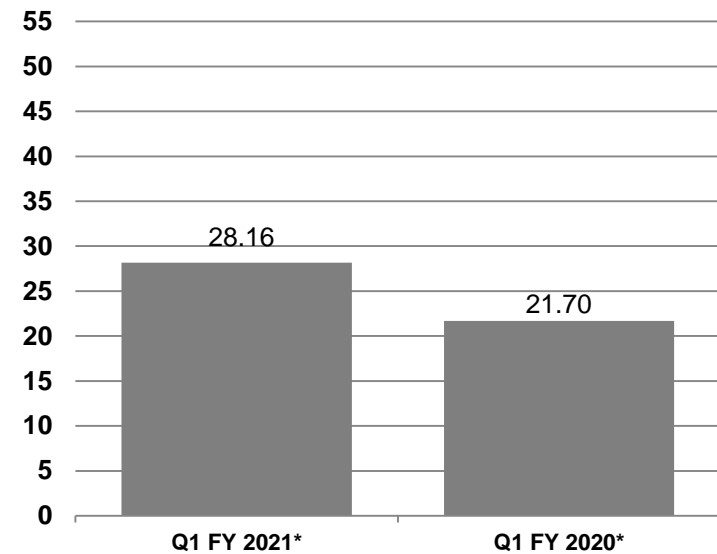
Yearly

(%)



Quarterly

(%)



*Under IND-AS

Maintaining capital well above the statutory requirement

Capital Adequacy Ratio

(%)

	Jun-20	Mar-20	Jun-19
Capital Adequacy Ratio	26.30	25.47	24.72
Tier-I	25.20	24.30	24.33
Tier-II	1.10	1.17	0.39



MARKET VALUE RATIO

Equity market valuation ratios indicate potential for upside

	Q1 FY 2021	FY 2020	Q1 FY 2020
Earnings per share (₹)			
- Basic	20.96	75.31	13.23
- Diluted	20.94	75.21	13.20

	Jun-20	Mar-20	Jun-19
Book Value per share (₹)	306.99	288.43	243.02
Market price per share (₹)**	1,086.05	613.15	644.8
Price to Earnings ratio***	13.08	8.14	12.84
Price to Book Value ratio	3.54	2.13	2.65

**Source: www.nseindia.com

***Based on trailing 12 months EPS

CAPITALISATION RATIOS

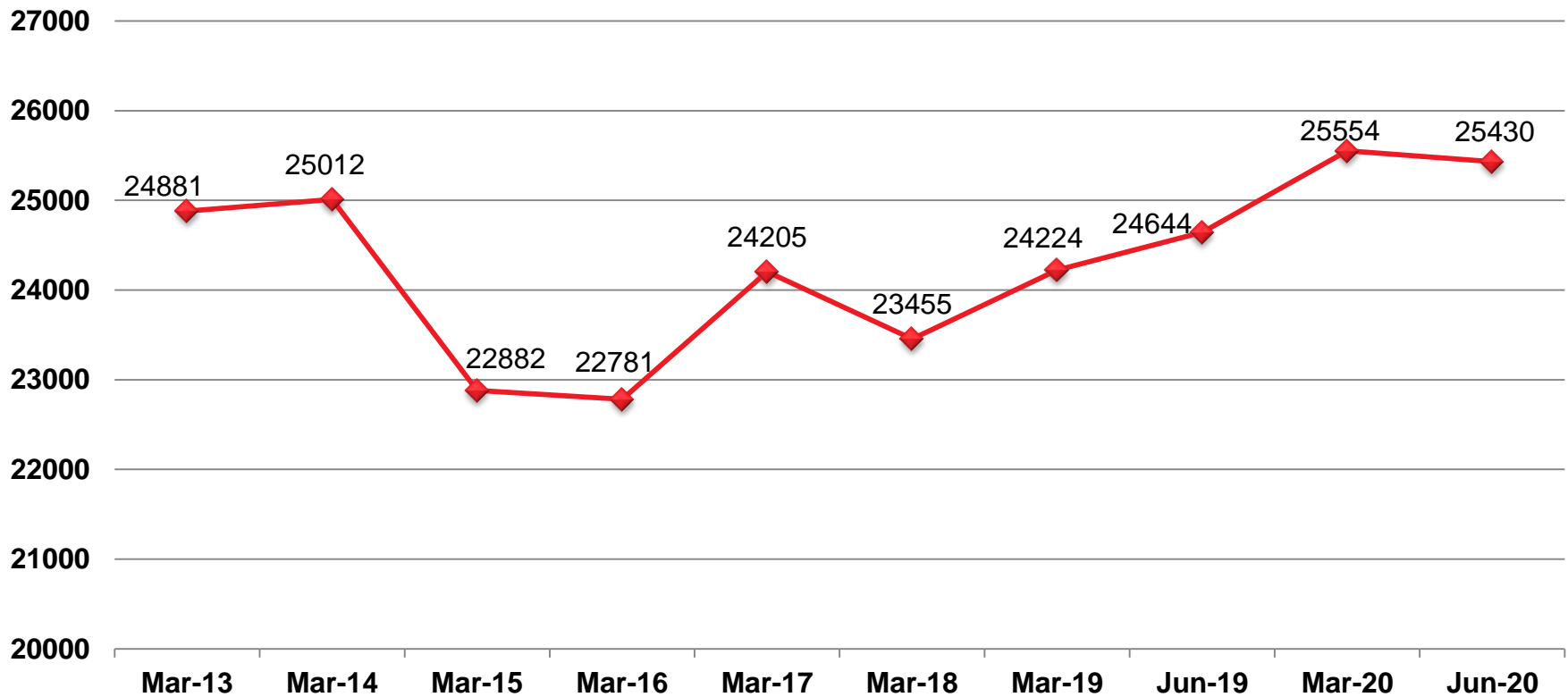
Headroom for further leveraging

(₹ In millions)

	Jun-20	Mar-20	Jun-19
Outside Liabilities	404,561	388,878	292,619
Cash & Bank Balances & Investment in MF liquid Funds	84,769	59,253	9,106
Tangible Networth	123,113	115,668	97,376
Capital Gearing	2.60	2.85	2.91

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 June 30, 2020, total holding in AAF stood at 91 million equity shares representing 72.92% of their total capital. The loan portfolio stands at LKR 13,481 million as on June 30, 2020

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 29 branches across Sri Lanka.

The company formerly known as Finance and Land Sales has been in operation for over 49 years, evolving to serve the growing needs of people of Sri Lanka.

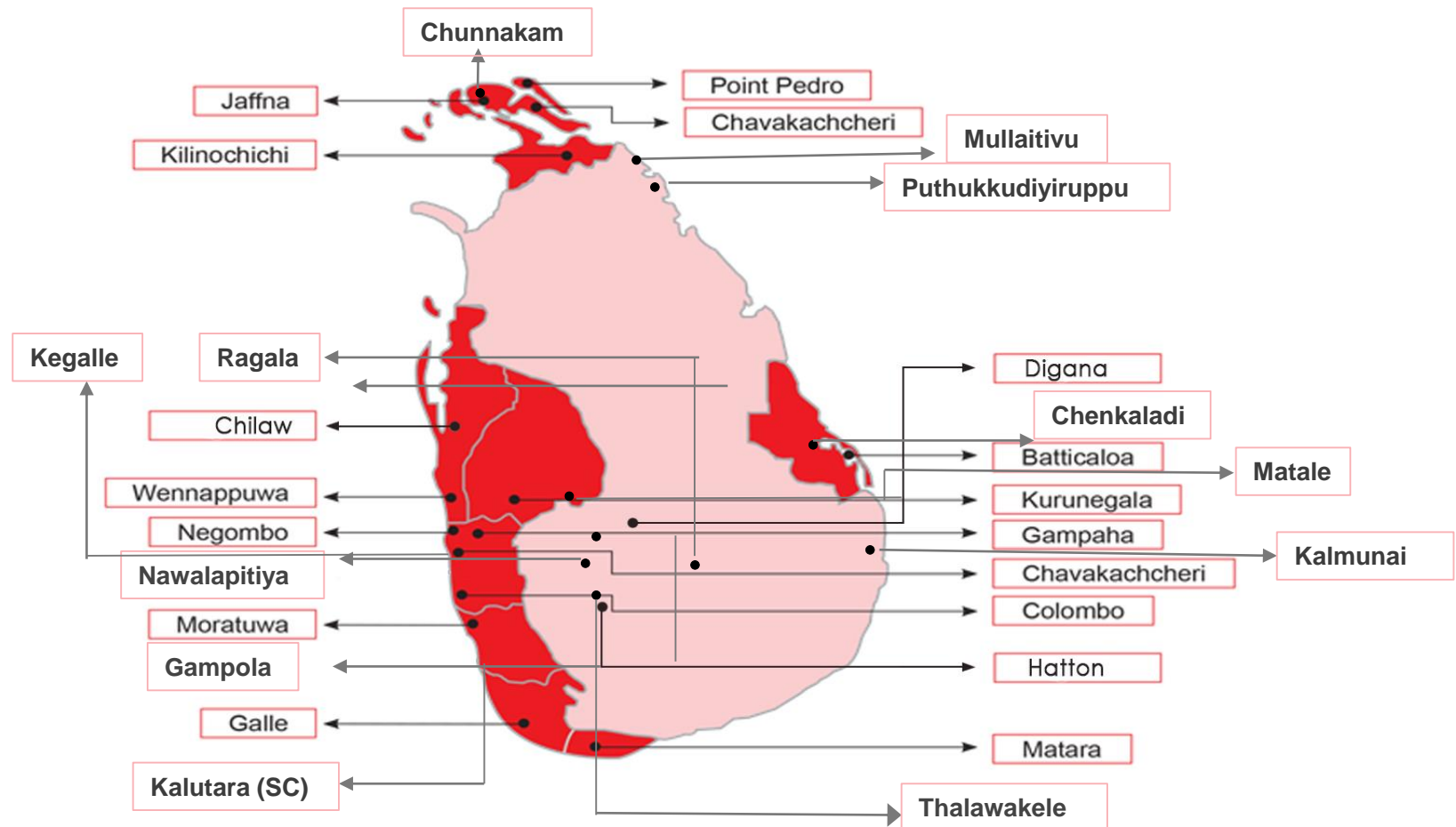
PRODUCTS



- 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	Q1 FY 2021	Q4 FY 2020	Q1 FY 2020	FY 2020
INR/LKR	0.40386	0.388758	0.389803	0.388758
Number of branches	29	29	24	29
Number of Employees	461	495	559	495
Loan AUM (LKR)	13,481	13,839	12,904	13,839
Capital Adequacy Ratio (%)	16	17	21	17
Total Revenue (LKR)	697	817	798	3,332
Total Expense (LKR)	714	829	770	3,239
Profit Before Tax (LKR)	(17)	(12)	28	93
Profit After Tax (LKR)	(17)	(20)	25	70
Shareholders Funds (LKR)	2,155	2,172	2,129	2,172
Total Outside Liabilities (LKR)	12,501	12,983	12,237	12,983
Total Assets (LKR)	14,656	15,155	14,366	15,155

OUR SUBSIDIARY





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, Rajasthan, Madhya Pradesh, Chandigarh, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Haryana, Punjab, Delhi, Tamil Nadu, Chattisgarh and Pondicherry.

As on June 30, 2020, it has a loan portfolio of Rs.19,787 million.

ICRA and CARE assigned Short Term Debt Rating of ICRA A1+ and CARE A1+ respectively for its Commercial Paper.

**Muthoot Homefin****Muthoot Finance**

Business Performance

(₹ in millions)

Particulars	Q1 FY 2021	Q4 FY 2020	Q1 FY 2020	FY 2020
Number of branches	107	107	101	107
Number of Sales Offices	107	107	132	107
Number of Employees	344	412	401	412
Loan AUM (₹)	19,787	19,769	19,875	19,769
Capital Adequacy Ratio (%)	47	52	45	52
Total Revenue (₹)	588	475	616	2,876
Total Expense (₹)	582	469	526	2,452
Profit Before Tax (₹)	5	6	90	424
Profit After Tax (₹)	4	12	62	318
Shareholders Funds (₹)	4,264	4,260	4,004	4,260
Total Outside Liabilities (₹)	15,062	14,590	16,173	14,590
Total Assets (₹)	19,326	18,850	20,177	18,850

**Muthoot Homefin****Muthoot Finance**

Business Performance

(₹ in millions)

Particulars	Q1 FY 2021	Q4 FY 2020	Q1 FY 2020	FY 2020
Disbursement (₹)	613	570	1,114	4,127
Borrowings (₹)	14,712	14,185	16,022	14,185
Debt Equity Ratio (%)	3.44	3.33	3.99	3.33
Yield on Advances (%)	13.04	10.13	12.70	11.77
Interest Spread (%)	3.65	0.58	3.36	2.29
NIM (%)	5.52	2.69	5.40	4.40
Cost to Income Ratio (%)	43.47	28.55	28.68	36.06
Return on Assets (ROA) (%)	0.09	0.26	1.29	1.65
Return on Equity (ROE) (%)	0.38	1.10	6.28	7.75
Stage III Loan Assets	337	338	161	338
% Stage III assets on Gross Loan Assets	1.70	1.71	0.81	1.71
Stage III ECL Provision	111	111	56	111
ECL Provision	309	179	134	179
ECL Provision as a % of Gross Loan Assets	1.56	0.91	0.68	0.91
Number of Customers	24,088	24,390	23,621	24,390



Financial Highlights

- Disbursements in Q1 FY 2021: Rs 613 mn. AUM as on June 30, 2020: Rs. 19,787 mn, Loan Book as on June 30, 2020: Rs 17,517 mn.
- Average Ticket Size in Q1 FY 2021: Rs.1.01 mn
- Business Presence: Maharashtra, Gujarat, Rajasthan, Madhya Pradesh , Kerala, Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Haryana ,Chandigarh , Delhi, Punjab ,Tamil Nadu, Chattisgarh and Pondicherry Presence in 107 locations
- ROA for Q1 FY 2021: 0.09%, ROE for Q1 FY 2021: 0.38%
- Average cost of borrowings of 9.40% for Q1 FY 2021. Capital Adequacy Ratio: 47.22%, Debt Equity Ratio: 3.44
- Average Yield: 13.04%, Interest Spread: 3.64%
- Received PMAY subsidy of INR 466 mn for 2235 cases in Q1 FY 2021.

Growth Drivers

- Increasing the leverage from 3.44x currently will help to improve the ROE
- Higher credit rating will help in raising funds at competitive rates.
- 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 CRISIL AA (Positive) which indicates low risk will help in lower cost of funds. Short Term Rating : ICRA A1+ / CARE A1+
- Debt/Equity ratio at 3.44 times as on June 30, 2020, 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 – 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 Q1 FY21, it has insured more than 135,000 lives with a First year premium collection of Rs.182 million
During Q1 FY20, it has insured more than 433,000 lives with a First year premium collection of Rs.358 million under Traditional ,Term and Health products..

**Key Business Parameters**

(₹ in millions)

Particulars	Q1 FY 2021	Q4 FY 2020	Q1 FY 2020	FY 2020
Premium Collection (₹)	443	1,064	606	3,232
Number of Policies	142,421	794,831	441,204	28,06,336

Key Financial Parameters

(₹ in millions)

Particulars	Q1 FY 2021	Q4 FY 2020	Q1 FY 2020	FY 2020
Total Revenue (₹)	64	46	54	237
Total Expense (₹)	9	64	14	97
Profit Before Tax (₹)	56	(18)	40	141
Profit After Tax (₹)	42	(14)	27	104
Shareholders Funds (₹)	572	531	453	531
Earnings per share (₹)	56	(18)	35	139

OUR SUBSIDIARY



BELSTAR MICROFINANCE LIMITED

BELSTAR MICROFINANCE LIMITED – AN OVERVIEW



Muthoot Finance



As of June 2020 , Muthoot Finance holds 70.01% in BML. BML 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.

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

As of June 30, 2020, BML operations are spread over 17 states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha ,Pondicherry ,Chattisgarh, Gujarat, Rajasthan, Bihar, Uttar Pradesh, Haryana, Punjab, Jharkhand, Uttarakhand ,West Bengal and Tripura. It has 603 branches, with 158 controlling regional offices and employs 4197 staffs. Its gross loan portfolio has grown from INR 0.20 mn in March 2009 to INR 25,754 mn in June 2020

**Key Financial Parameters**

(₹ in millions)

Particulars	Q1 FY 2021	Q4 FY 2020	Q1 FY 2020	FY 2020
Number of Branches	603	603	441	603
Number of Employees	4,197	4,425	3,309	4,425
Gross Loan AUM (₹)	25,754	26,310	19,385	26,310
Capital Adequacy Ratio (%)	26	26	23	26
Total Revenue (₹)	1,171	1,327	1,079	5,007
Total Expense (₹)	983	1,021	769	3,675
Profit Before Tax (₹)	188	306	310	1,332
Profit After Tax (₹)	145	221	229	990
Stage III Loan Assets	287	240	224	240
% Stage III assets on Gross Loan Assets	1.11	0.91	1.16	0.91
Stage III ECL Provision	215	216	203	216
ECL Provision	418	369	296	369
ECL Provision as a % of Gross Loan Assets	1.62	1.40	1.53	1.40
Shareholders Funds (₹)	5,131	4,978	4,243	4,978
Total Outside Liabilities (₹)	23,454	20,210	15,655	20,210
Total Assets (₹)	28,585	25,188	19,898	25,188

OUR SUBSIDIARY



MUTHOOT MONEY– AN OVERVIEW



Muthoot Money Ltd (MML), became a wholly owned subsidiary of Muthoot Finance Ltd in October 2018. MML is a RBI registered Non- Banking Finance Company engaged mainly in extending loans for vehicles. The operations are now centered in Hyderabad. Recently , Company has started extending loans for Commercial Vehicles and Equipments.

As on 30th June, 2020 it has a total loan portfolio of Rs.4,966 million.

CRISIL assigned Long Term Debt Rating of CRISIL AA-/Positive for its bank limits.

Key Financial Parameters

(₹ in millions)

Particulars	Q1 FY 2021	Q4 FY 2020	Q1 FY 2020	FY 2020
Number of branches	18	24	24	24
Number of Employees	245	304	245	304
Gross Loan AUM (₹)	4,966	5,090	3,927	5,090
Capital Adequacy Ratio(%)	21	20	26	20
Total Revenue (₹)	198	211	142	704
Total Expense (₹)	193	212	133	665
Profit Before Tax (₹)	5	(0.72)	9	39
Profit After Tax (₹)	(25)	(16)	(0.37)	27
Stage III Loan Assets	180	249	12	249
% Stage III assets on Gross Loan Assets	3.62	4.89	0.30	4.89
Stage III ECL Provision	47	65	12	65
ECL Provision	192	143	48	143
ECL Provision as a % of Gross Loan Assets	3.87	2.81	1.23	2.81
Shareholders Funds (₹)	1,037	1,062	1,035	1,062
Total Outside Liabilities (₹)	4,161	4,323	3,116	4,323
Total Assets (₹)	5,198	5,385	4,151	5,385



OTHER SUBSIDIARIES

MUTHOOT ASSET MANAGEMENT PRIVATE LIMITED

(₹ In millions)

Q1 FY 2021

Q1 FY 2020

FY 2020

Networth

1,063

1,008

1,053

MUTHOOT TRUSTEE PRIVATE LIMITED

(₹ In millions)

Q1 FY 2021

Q1 FY 2020

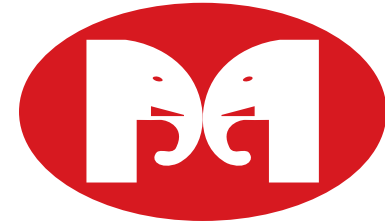
FY 2020

Networth

10

10

10



Muthoot Finance

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