

Muthoot Finance

Financial Results Q4 FY 2016

March 2016

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

142 tonnes

Gold jewellery kept as security

4,200+

Pan-India branches

500,000+

Retail investor base across debenture and subordinated debt portfolio

22,000+

Team members

80,000+

Customers served every day

₹ 243,789 mn

Retail Loan Assets Under Management

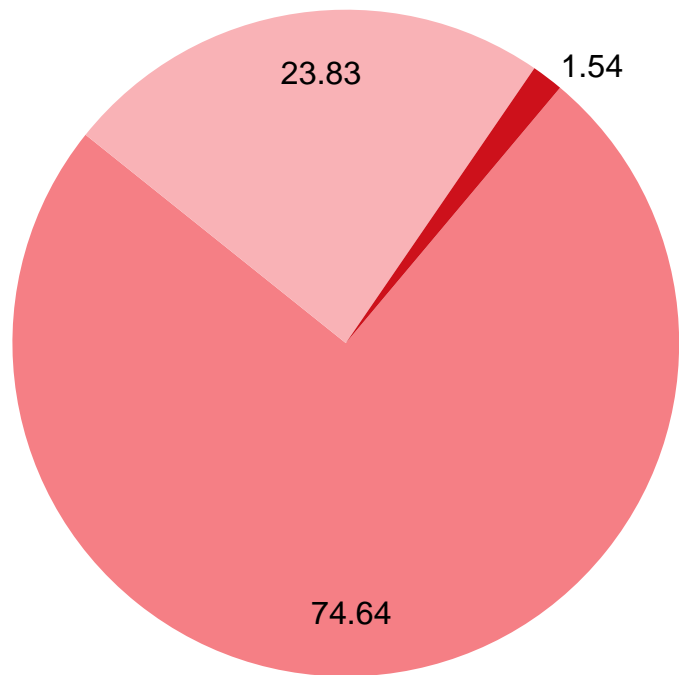
(As of March 31, 2016)

SHAREHOLDING PATTERN



Muthoot Finance

Strong promoter interest in business with 75% stake



(%) Shareholding as on March 31, 2016

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

NSE Ticker

MUTHOOTFIN

BSE Ticker

533398

Market Capitalisation
(as on March 31, 2016)

₹ 71,322 million

DIVIDEND PAYOUT



Muthoot Finance

Delivering consistent returns to stakeholders

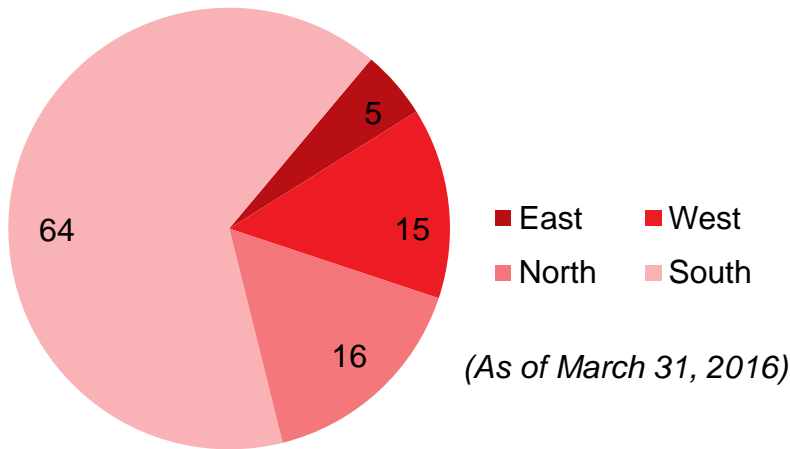
(%)

	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012
Dividend (%)*	60	60	60	45	40
First Interim Dividend (%)	40	40	30	-	-
Second Interim Dividend (%)	20	-	20	-	-
Final Dividend (%)	-	20	10	45	40
Dividend Payout Ratio (%)	29.50	35.36	28.59	16.65	16.47

* On face value of ₹ 10 per equity share

A strong presence of 4275 branches across India

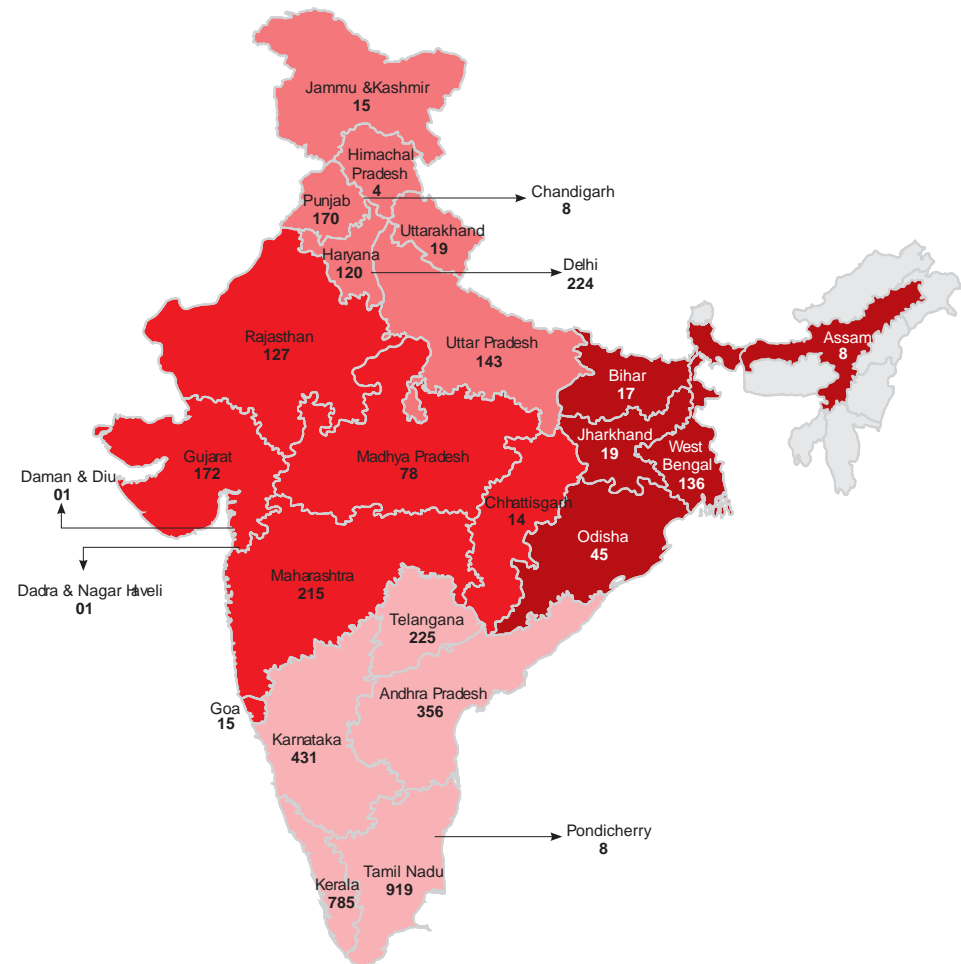
(%) Branches region wise



(As of March 31, 2016)

- 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

	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Share Capital	3,990	3,980	3,980	3,980	3,980	0	0
Reserves & Surplus	52,202	50,477	48,591	48,726	46,855	11	4
Total	56,192	54,457	52,571	52,706	50,835	11	4

Core focus continues to be gold loan

Gross retail loan assets under management

	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Gross retail loan assets under management	243,789	249,907	248,734	244,089	234,085	4	(2)
Break-up of Gross Retail Loan Assets under management							
Gold Loans under management	243,355	249,409	248,250	243,605	233,499	4	(2)
Other loans	434	498	484	484	586	(26)	(13)

LIABILITIES



Muthoot Finance

Stable sources of funding

	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15	Growth	Growth
	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	(₹ in million)	YoY (%)	QoQ (%)
Secured Non-Convertible Debentures (Muthoot Gold Bonds)	40,909	45,980	50,629	56,095	59,839	(32)	(11)
Secured Non-Convertible Debentures- Listed	36,403	34,339	31,239	32,757	30,656	19	6
Borrowings from Banks/FIs	76,876	87,879	89,902	77,851	72,418	6	(13)
Subordinated Debt	22,348	22,889	23,355	23,932	24,309	(8)	(2)
Subordinated Debt -Listed	3,108	2,878	2,518	2,518	2,229	39	8
Commercial Paper	0	2,405	8,820	6,855	0	0	(100)
Other Loans	6,765	6,168	4,379	4,798	5,196	30	10
Total	186,409	202,538	210,842	204,806	194,647	(4)	(8)

REVENUE & PROFIT



Muthoot Finance

Profit & Loss Statement

(₹ in million)

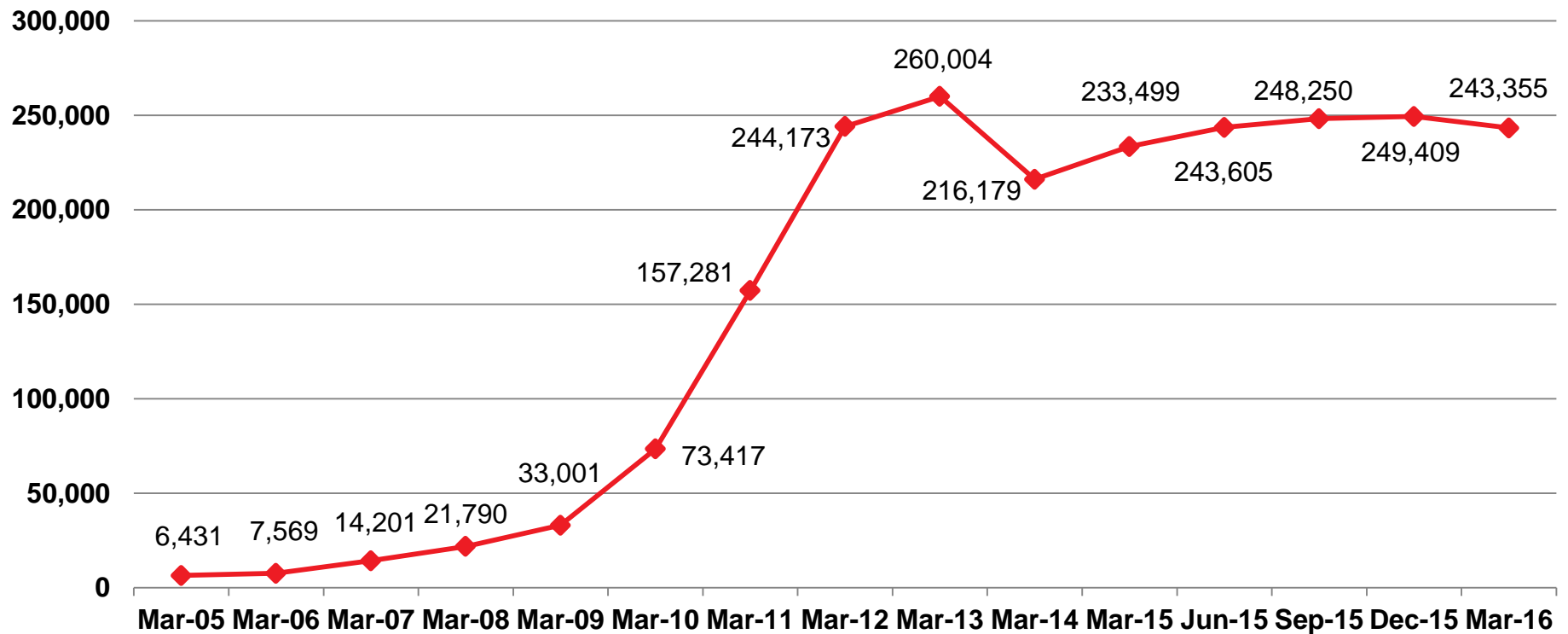
	FY 2016	FY 2015	YoY Growth (%)	Q4 FY 2016	Q3 FY 2016	Q2 FY 2016	Q1 FY 2016
INCOME							
Interest Income	48,130	42,703	13	14,347	11,248	11,254	11,280
Other Income	620	543	14	166	164	145	146
Total	48,750	43,246	13	14,513	11,412	11,399	11,426
EXPENDITURE							
Interest Expense	22,577	21,064	7	5,639	5,616	5,652	5,670
Personnel Expenses	6,419	6,304	2	1,607	1,582	1,623	1,607
Administrative & Other expenses	4,209	4,210	0	1,027	1,050	1,108	1,024
Provisions & Write Offs	1,624	371	338	1,299	74	145	106
Directors Remuneration	196	192	2	50	49	49	48
Depreciation	558	826	(32)	141	142	139	136
Total	35,583	32,967	8	9,763	8,513	8,716	8,591
PROFIT							
Profit Before Tax	13,168	10,279	28	4,750	2,898	2,684	2,835
Profit After Tax	8,096	6,705	21	2,652	1,866	1,745	1,832

GOLD LOAN PORTFOLIO

Gaining scale over the years

Gold Loan Assets Under Management

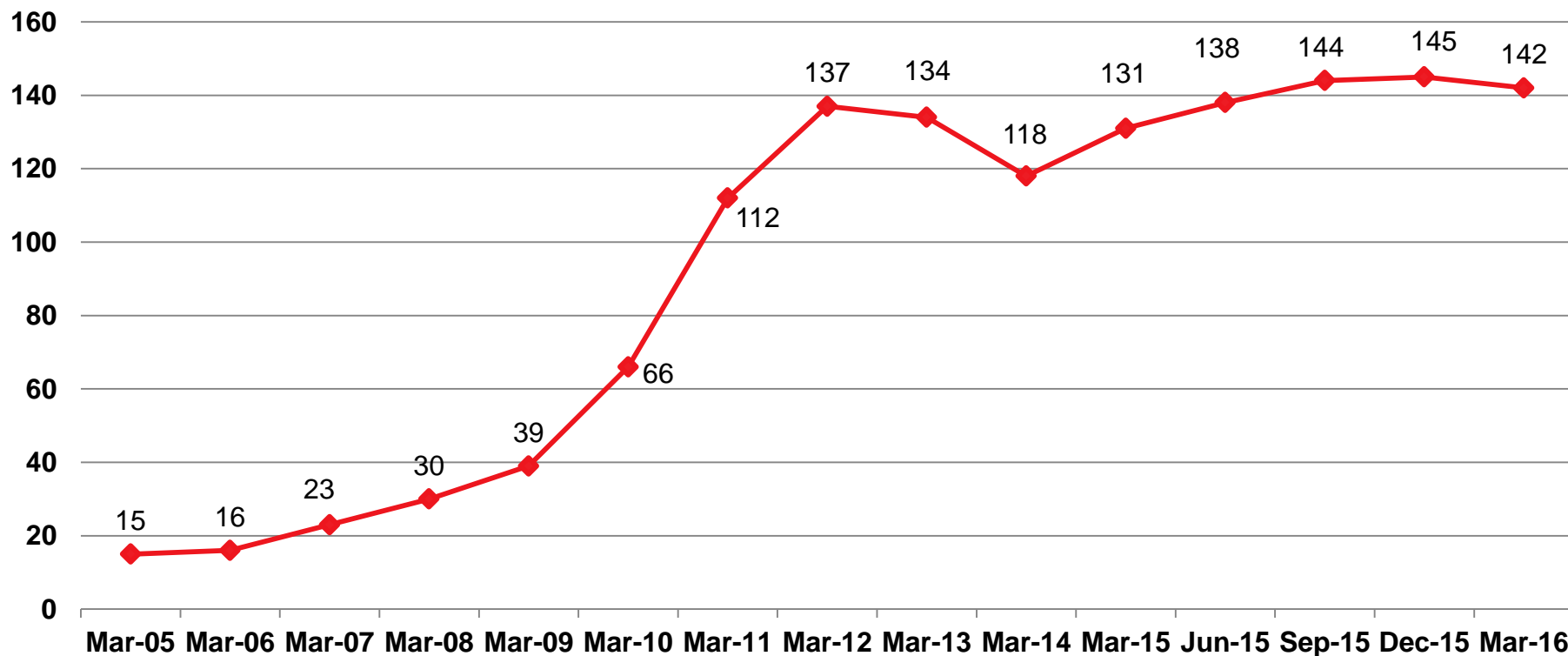
(₹ in million)



Carrying the trust of millions of our customers

Gold jewellery kept as security

(In tonnes)



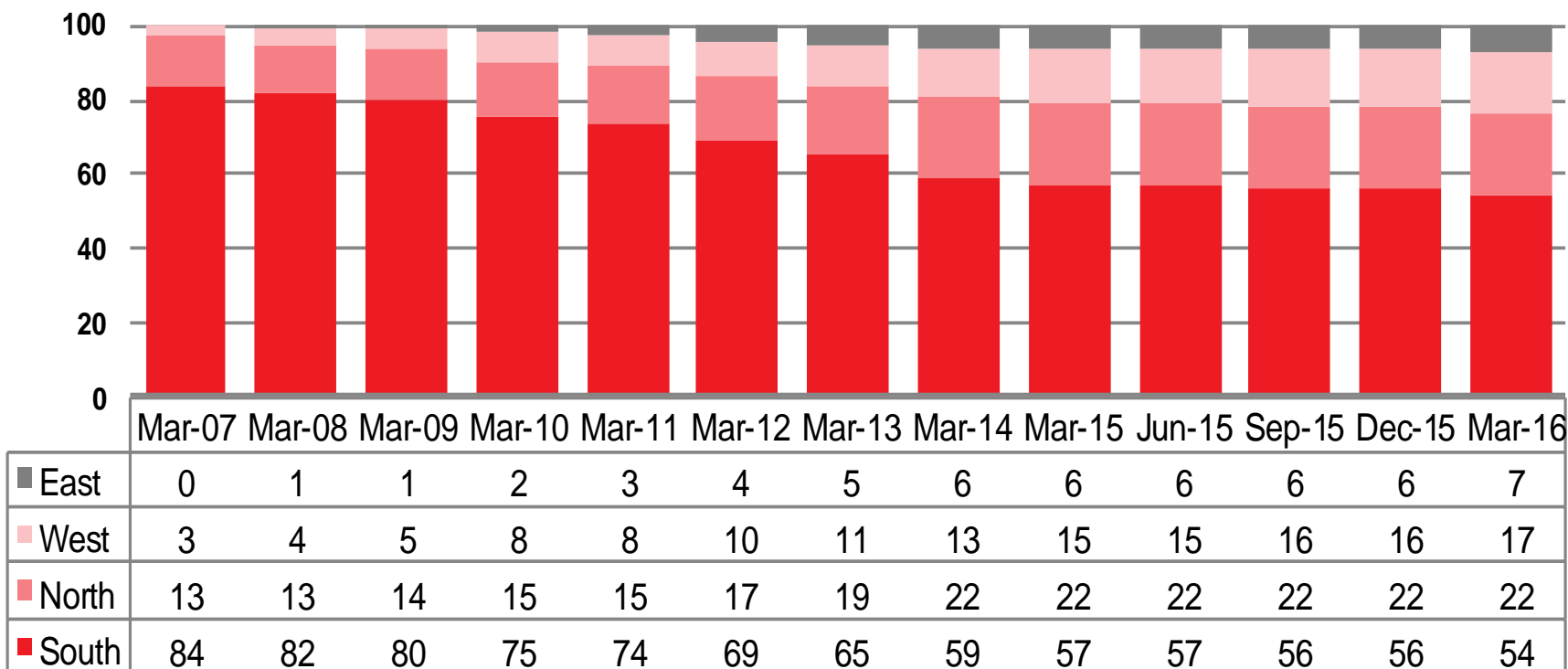
GEOGRAPHICAL SPREAD OF GOLD LOAN PORTFOLIO



Muthoot Finance

Diversified gold loan portfolio across India

(%)



Gold Loan Assets Under Management

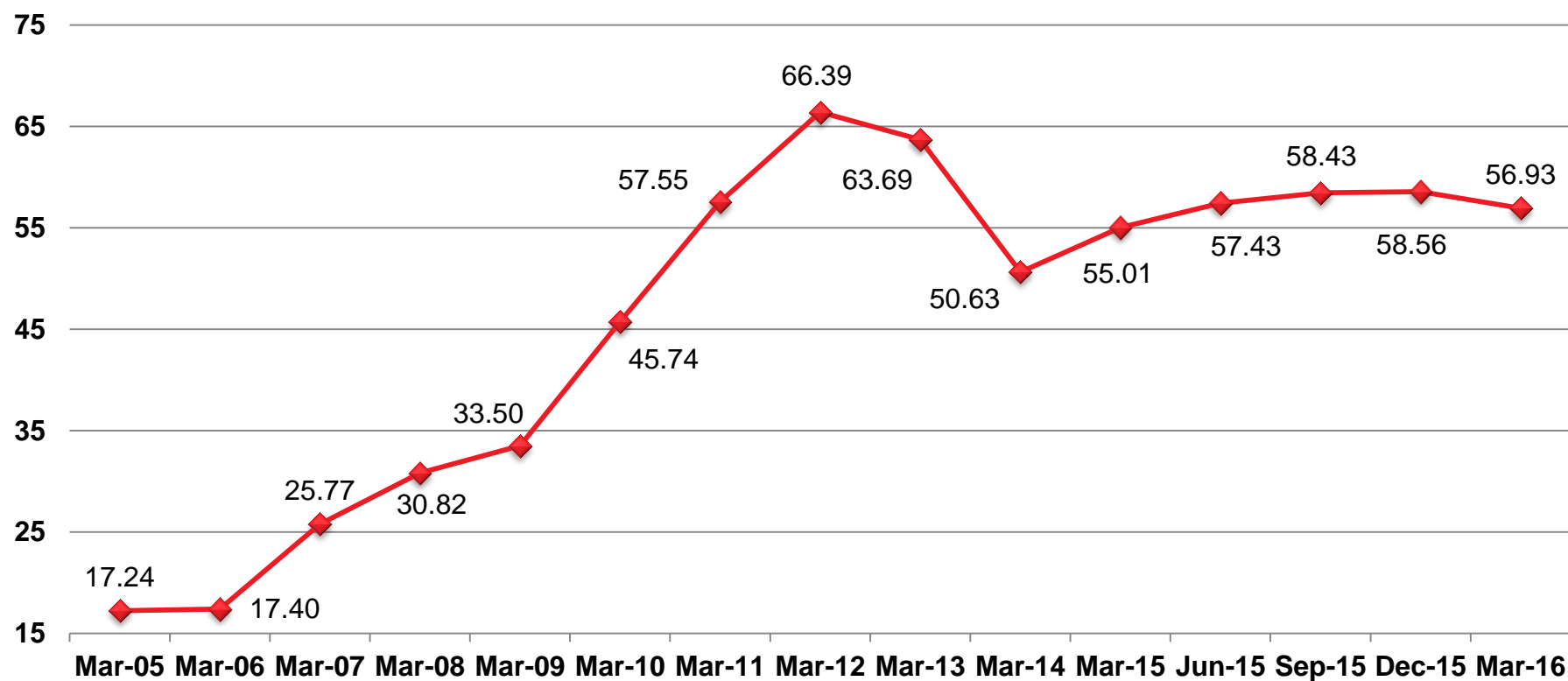
(₹ in million)

Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
14,201	21,790	33,001	73,417	157,281	244,173	260,004	216,179	233,499	243,605	248,250	249,409	243,355

Widening presence with increasing gold loan business per branch

Average Gold Loan Per Branch

(₹ in million)



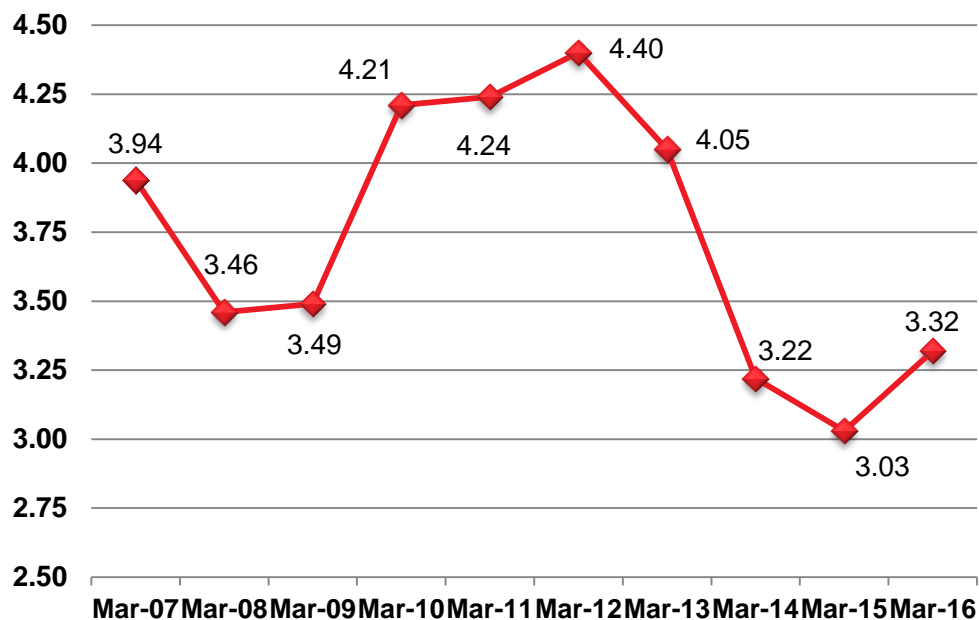


RETURN ON AVERAGE RETAIL LOAN ASSET

Attractive returns over the years

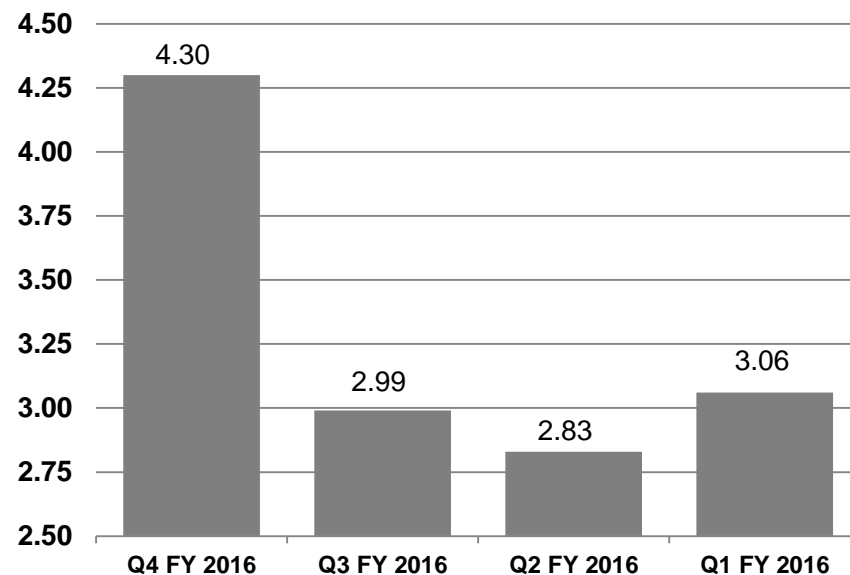
Yearly

(%)



Quarterly

(%)





NON-PERFORMING ASSETS & BAD DEBTS

Non-Performing Assets

(₹ in million)

	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15
Gross Non-Performing Assets	7,025	6,319	6,341	5,195	5,117
Provision For Non-Performing Assets	1,020	857	857	752	725
Net Non-Performing Assets	6,005	5,462	5,484	4,443	4,392
% of Gross NPA on Gross Retail Loans	2.88	2.53	2.55	2.13	2.19
% of Net NPA on Gross Retail Loans	2.46	2.19	2.20	1.82	1.88

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

Bad Debts

(₹ in million)

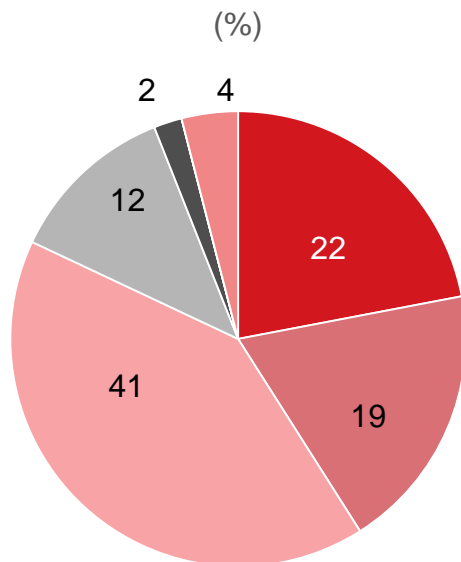
	FY 2016	FY 2015	Q4 FY 2016	Q3 FY 2016	Q2 FY 2016	Q1 FY 2016
Bad Debts Written Off	107	192	36	19	22	30

Standard Asset Provision

	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15
Provision (₹ in million)	2,368	1,267	1,212	1,194	1,145
% of Provision to Standard Assets	1.00	0.52	0.50	0.50	0.50

Maintaining a higher standard asset provision of 1% as against the regulatory requirement of 0.30%

Maintaining a diversified funding profile



- Secured Non-Convertible Debentures (Muthoot Gold Bonds) – ₹ 40,909 mn (22%)
- Secured Non-Convertible Debentures – Listed – ₹ 36,403 mn (19%)
- Borrowings from Banks/Fis - ₹ 76,876 mn (41%)
- Subordinated Debt – ₹ 22,348 mn (12%)
- Subordinated Debt – Listed - ₹ 3,108 mn (2%)
- Other Loans – ₹ 6,765 mn (4%)

(As of March 31, 2016)

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*	90,370	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*	80,860	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

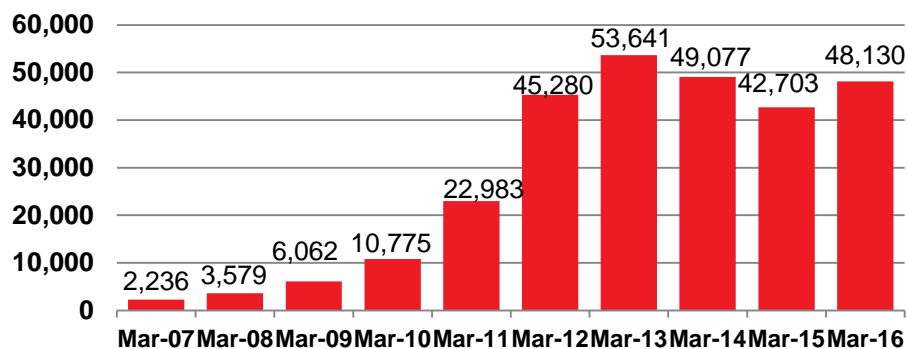


BREAK-UP OF GROSS INCOME

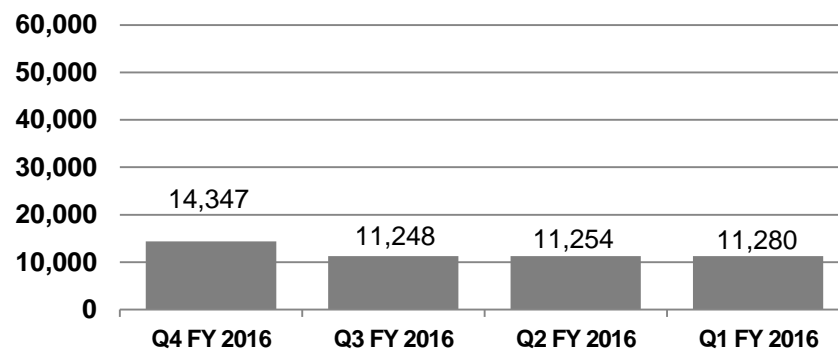
Interest Income

(₹ in million)

Yearly



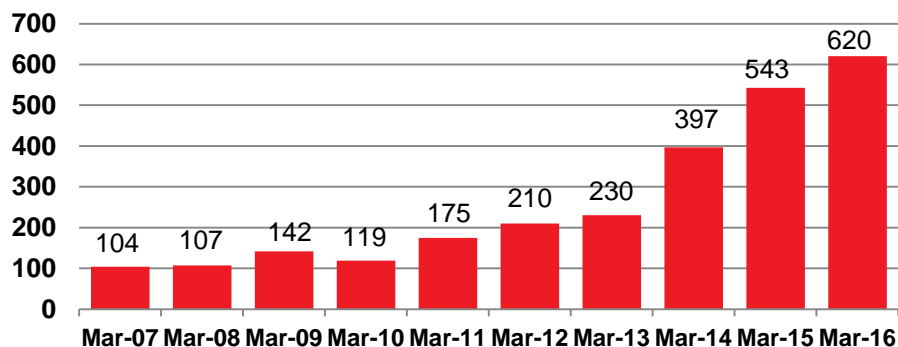
Quarterly



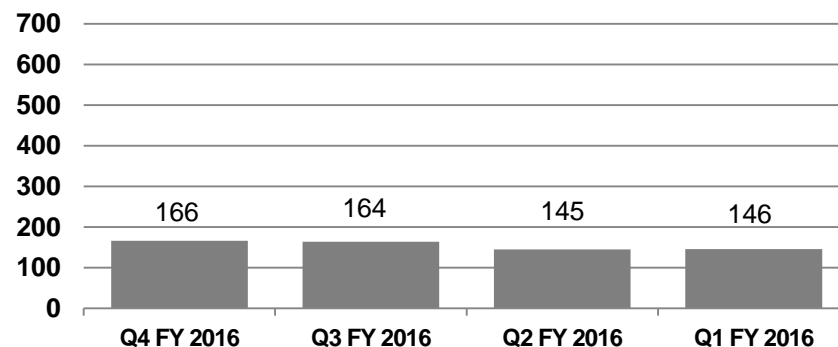
Other Income

(₹ in million)

Yearly



Quarterly

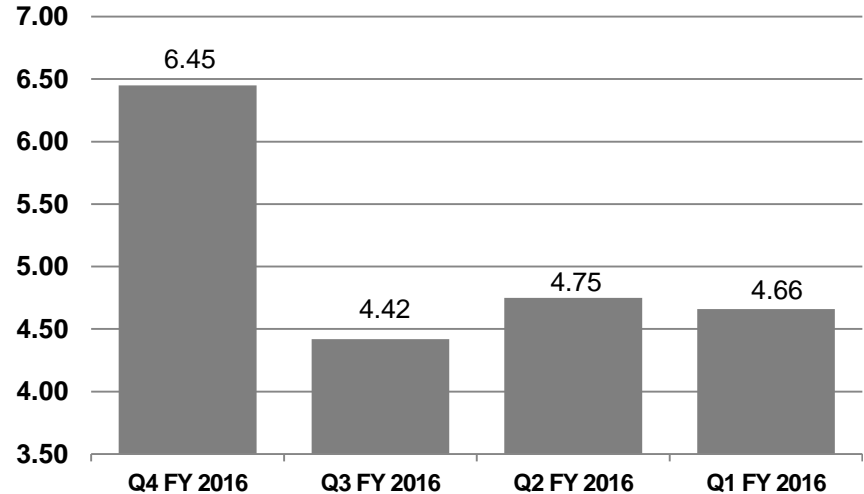
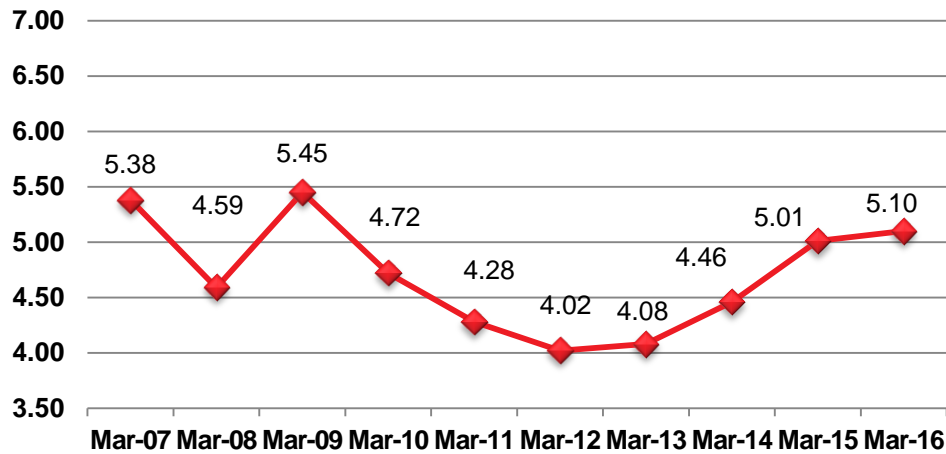


OPERATING EXPENSES TO AVERAGE RETAIL LOANS

Operational efficiency over the years

Yearly (%)

Quarterly (%)





BREAK-UP OF OPERATING EXPENSES

	Yearly								Quarterly			
	₹ in Millions								₹ in Million			
	Mar-16	Mar-15	Mar-14	Mar-13	Mar-12	Mar-11	Mar-10	Mar-09	Q4 FY 2016	Q3 FY 2016	Q2 FY 2016	Q1 FY 2016
Personnel Expenses	6,418	6,304	5,917	5,453	4,145	2,209	1,169	677	1,606	1,582	1,623	1,607
Rent	1,713	1,650	1,542	1,309	1,042	603	290	131	437	429	432	415
Advertisement	626	651	702	579	866	647	331	208	149	129	180	168
Postage, Telegram and Telephone	378	371	364	243	184	115	72	27	96	87	111	84
Traveling and Conveyance	187	212	190	175	168	114	67	42	45	46	49	47
Printing and Stationery	144	160	185	168	155	111	69	44	38	32	36	38
Repairs and Maintenance	290	281	272	256	341	211	96	62	67	64	85	74
Legal and Professional Charges	93	189	216	86	60	114	34	16	14	20	19	40
Business Promotion Expense	149	140	279	332	267	119	45	25	47	39	41	22
Directors Remuneration	196	192	192	192	192	192	192	121	50	49	49	48
Depreciation and Amortisation Expenses	575	841	475	454	329	180	149	99	146	146	143	140
Others	613	733	731	550	380	229	165	165	59	219	173	162
Provision For Standard & NPA Assets	1,624	180	214	765	351	323	21	7	1,370	55	123	76
Total	13,006	11,904	11,279	10,562	8,480	5,165	2,701	1,625	4,124	2,897	3,064	2,921

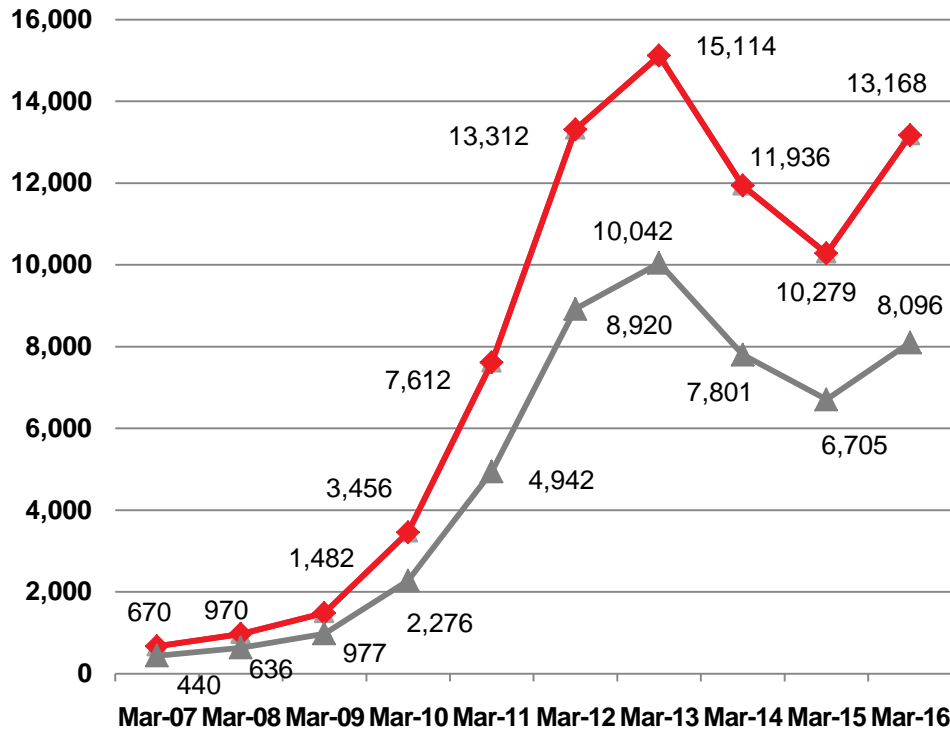
Efforts getting rewarded

Profitability at a glance

(₹ in million)

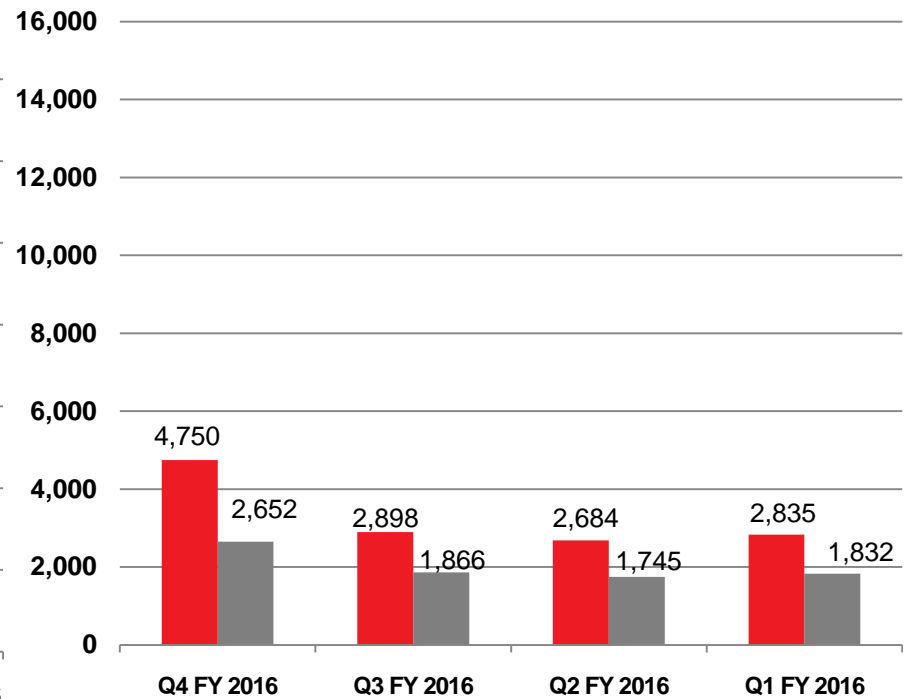
Yearly

◆ PBT ▲ PAT



Quarterly

■ PBT ■ PAT

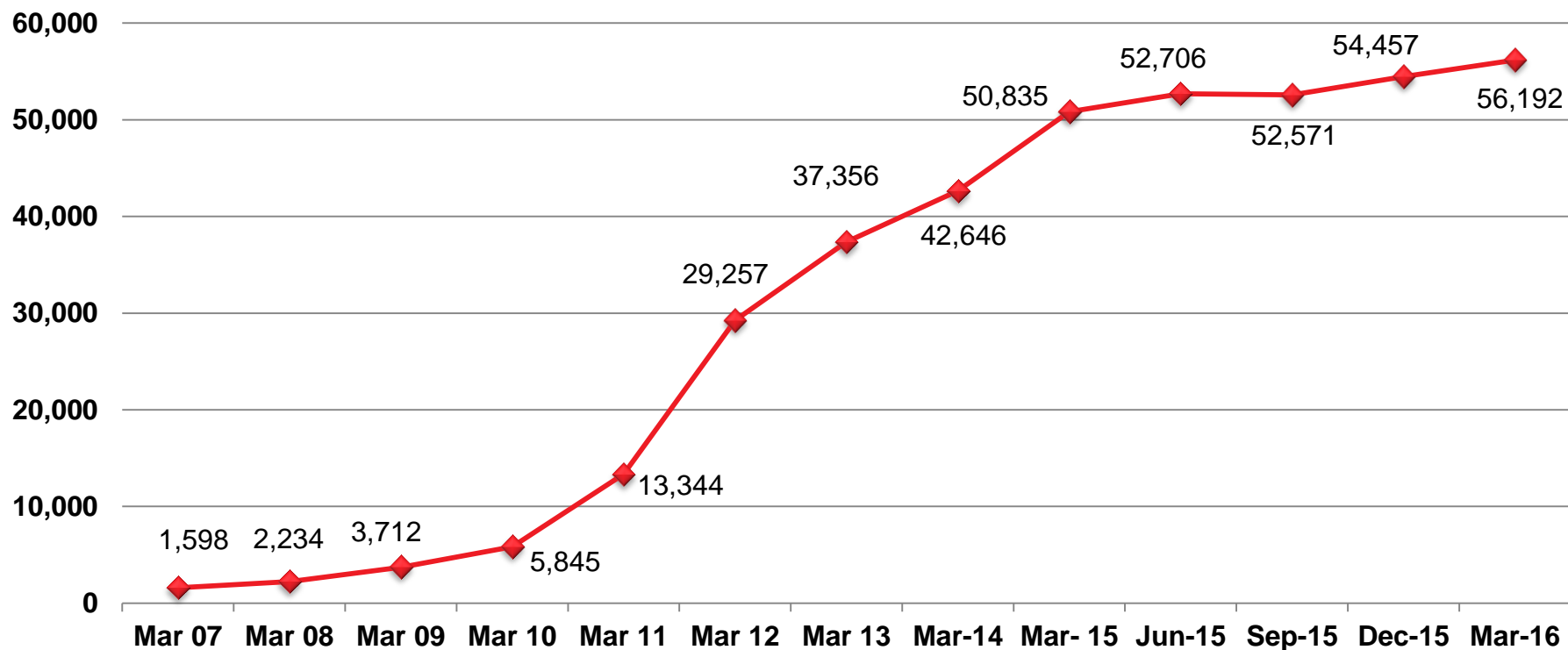




Steady capital position

Share Capital and Reserves & Surplus

(₹ in million)





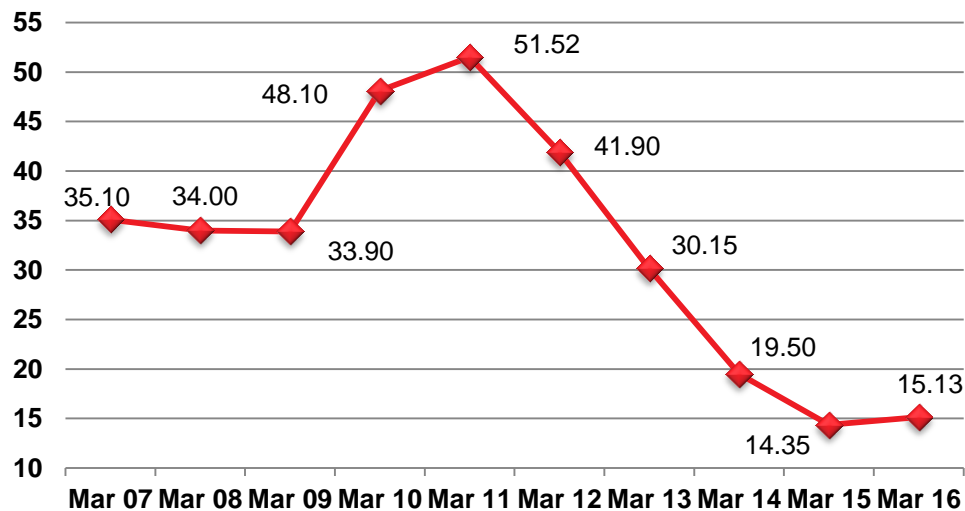
RETURN ON EQUITY

Stable shareholder value creation

Return on Average Equity

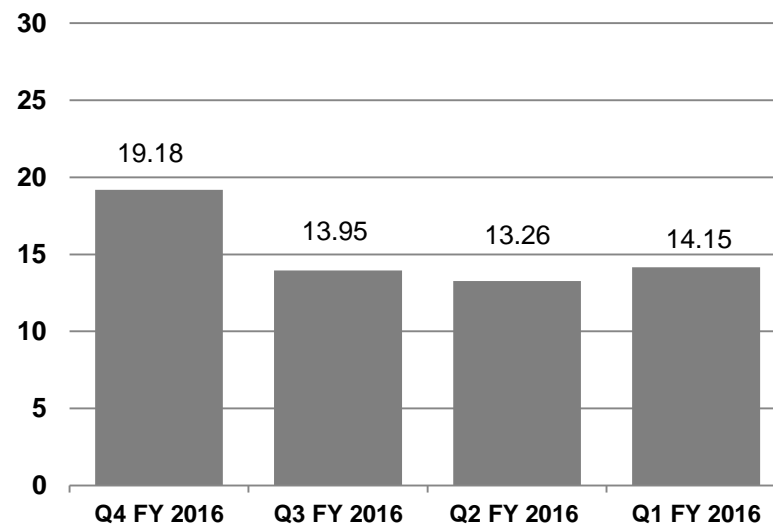
Yearly

(%)



Quarterly

(%)





Maintaining capital well above the statutory requirement

Capital Adequacy Ratio

(%)

	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15
Capital Adequacy Ratio	24.48	23.37	22.97	24.15	24.78
Tier-I	20.92	19.94	19.25	19.76	19.96
Tier-II	3.56	3.43	3.72	4.38	4.82



MARKET VALUE RATIO

Equity market valuation ratios indicate potential for upside

	Q4 FY 2016	Q3 FY 2016	Q2 FY 2016	Q1 FY 2016	FY 2016	FY 2015
Earnings per share (₹)						
- Basic	6.67	4.69	4.39	4.60	20.34	16.97
- Diluted	6.56	4.65	4.34	4.56	20.10	16.80

	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15
Book Value per share (₹)	140.72	136.70	131.95	132.29	127.59
Market price per share (₹)*	178.75	179.65	164.20	202.05	207.05
Price to Earnings ratio**	8.79	10.07	9.64	11.93	12.20
Price to Book Value ratio	1.27	1.31	1.24	1.53	1.62

*Source: www.nseindia.com

**Based on trailing 12 months EPS

CAPITALISATION RATIOS



Muthoot Finance

Headroom for further leveraging

(₹ In million)

	Mar-16	Dec-15	Sep-15	Jun-15	Mar-15
Outside Liabilities	214,295	226,938	238,084	229,251	216,857
Cash & Bank Balances	6,791	13,027	23,055	19,657	17,366
Tangible Networth	56,146	54,412	52,522	52,653	50,775
Capital Gearing	3.70	3.93	4.09	3.98	3.93

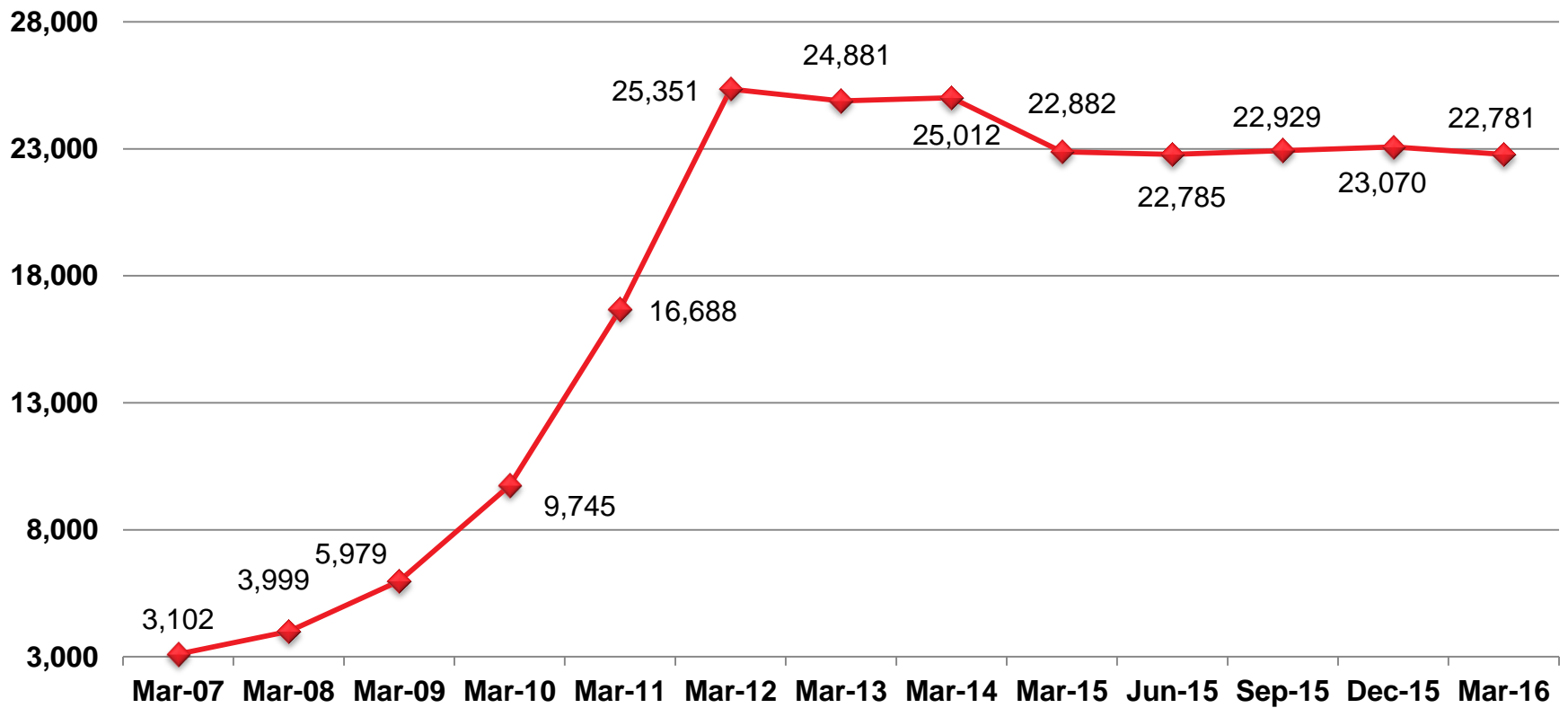
TEAM STRENGTH



Muthoot Finance

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, 2016, total holding in AAF stood at 501 million equity shares representing 59.70% 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.

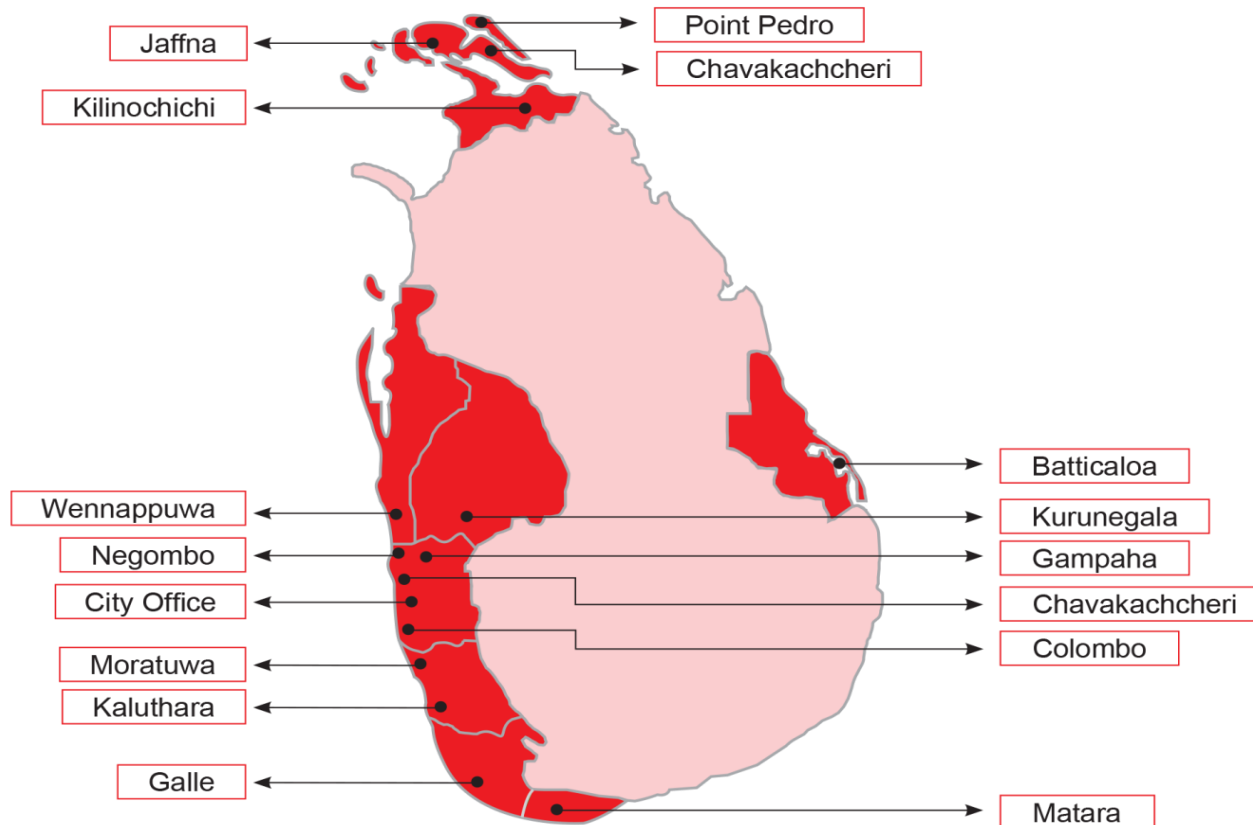
PRODUCTS



- 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	FY 2016	FY 2015	FY 2014
LKR / INR	0.471235	0.4619	0.4586
Number of branches	15	10	10
Total Revenue	1,383	948	774
Total Expense	1,174	845	731
Profit Before Tax	209	103	43
Profit After Tax	175	101	47
Share Holders Funds	1,462	1,286	741
Total Liabilities	6,653	4,058	3,199
Total Assets	8,115	5,344	3,940

OUR SUBSIDIARY



Muthoot Finance



Muthoot Homefin 

MUTHOOT HOMEFIN – AN OVERVIEW

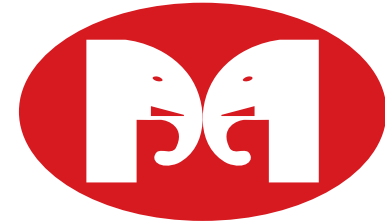


Muthoot Homefin (India) Limited is a Housing Finance Company registered with The National Housing Bank (NHB). It is a subsidiary of Muthoot Finance Limited . As on March 31, 2016, Muthoot Finance holds 79% of equity capital of MHIL.

MHIL focuses on extending affordable housing finance and targets customers in Economically Weaker Sections (EWS) and Lower Income Groups (LIG) in Tier II & Tier III locations.

It operate on a 'Hub and Spoke' model, with the centralised processing at Corporate Office. The locations currently being rolled out are Kochi , Mumbai , Pune , Nagpur , Ahmedabad, Indore, Jaipur.

As on March 31, 2016, it has a loan portfolio of Rs.30 crores.



Muthoot Finance

REGISTERED OFFICE

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