



Muthoot Finance Limited

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November 10, 2022

Ref: SEC/MFL/SE/2022/4526

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Symbol: MUTHOOTFIN

Department of Corporate Services
BSE Limited,
P. J. Tower, Dalal Street,
Mumbai - 400 001
Scrip Code: 533398

Dear Sir/Madam,

Re: Press release on Unaudited Financial Results for the quarter ended September 30, 2022

The Board of Directors of the Company at their meeting held today i.e., November 10, 2022 has announced the Unaudited Financial Results for the quarter ended September 30, 2022.

We herewith enclose a copy of Press Release proposed to be released in leading newspapers across the country.

Thank You,

For **Muthoot Finance Limited**

Rajesh A
Company Secretary
ICSI Membership No. FCS 7106



Kochi, November 10, 2022:

Consolidated Loan Assets Under Management increased to Rs. 64,356 crores, up by 6% YoY for H1 FY23
Consolidated Profit after Tax increased to Rs.902crores, up by 9% QoQ for Q2 FY 23
Standalone Loan Assets Under Management increased to Rs. 57,230 crores for H1 FY23, up by 4% YoY
Standalone Profit after Tax increased to Rs.867crores, up by 8% QoQ for Q2 FY 23

Key Highlights

- Opened 24 branches in Q2 FY23
- Partnered with LuLu International Exchange to provide UAE customers with easy gold loan repayment services
- First NBFC to launch Milligram Gold Programme – a gold reward program for its customers
- CSR Initiative- ‘Cup of Life’, entered the Guinness World Records by distributing 1 lakh free menstrual cups across 126 venues in 24 hours. The program aimed at eradicating the menstrual taboos and spreading menstrual awareness in the society.

A meeting of the Board of Directors of Muthoot Finance Ltd. was held today to consider and approve the unaudited standalone and consolidated results for the quarter ended September 30, 2022.

Consolidated Results of Muthoot Finance Ltd

Muthoot Finance Ltd Consolidated Loan Assets under management grew 6% YoY to **Rs. 64,356** crores as at H1 FY23 as against **Rs. 60,919** crores last year. During the quarter, Consolidated Loan Assets under management increased by **Rs. 912** crores i.e. an increase of 1% QoQ. Consolidated Profit after tax for H1 FY23 stood at **Rs. 1,727** crores as against **Rs. 1,981** crores last year. Consolidated Profit after tax for Q2 FY23 increased by 9% QoQ at **Rs. 902** crores as against **Rs. 825** crores in Q1 FY23.

(Rs. in Crores)

Financial Performance	Q2 FY23	Q1 FY23	QoQ %	Q2 FY22	YoY %	H1 FY23	H1 FY22	YoY %
Group Branch Network (Nos.)	5,750	5,667	1%	5,439	6%	5,750	5,439	6%
Consolidated Gross Loan Assets of the Group	64,356	63,444	1%	60,919	6%	64,356	60,919	6%
Consolidated Profit of the Group	902	825	9%	1,002	-10%	1,727	1,981	-13%
Contribution in the Consolidated Gross Loan Assets of the Group								
Muthoot Finance Ltd	57,130	56,689	1%	55,102	4%	57,130	55,102	4%
Subsidiaries	7,226	6,755	7%	5,817	24%	7,226	5,817	24%
Contribution in the Consolidated Profit of the Group								
Muthoot Finance Ltd	865	802	8%	992	-13%	1,667	1,961	-15%
Subsidiaries	37	23	61%	10	270%	60	20	200%

Commenting on the results, **Mr. George Jacob Muthoot, Chairman** stated, “We delivered another quarter of excellent performance by achieving a consolidated loan assets growth of 6% YoY reaching Rs. 64,356 crores. Consolidated Profit after Tax also saw an increase of 9% QoQ for Q2 FY 23 at Rs.902crores. The contribution of our subsidiaries to the overall consolidated AUM remain at 11%. Our Microfinance Subsidiary, Belstar has registered a remarkable YoY Loan growth of 53% with AUM at Rs.5138 crores. We are also witnessing improved collections across micro finance, vehicle



finance and home loans. We continue to monitor these sectors for emerging opportunities with an objective to drive a balanced business growth.”

Mr. George Alexander Muthoot, Managing Director said, “ Our gold loan AUM stood at Rs.56,501crores registering a YOY growth of 3% and a slight QoQ growth. The standalone profit after tax increased by 8% QoQ for Q2 FY23 at Rs.867crs. Though we were able to migrate teaser loans to higher rates, full impact transformation will take few more quarters. Further despite the rising interest rate scenario, we were able to maintain our borrowing cost at 7.98% for Q2FY23. In the coming quarters, we expect the borrowing cost to remain in that range mainly due to the positive impact on account of retirement of ECB amounting to USD450million in October 2022 which carried a high cost. We expect that our improved focus on loan disbursements and recovery measures as well as borrowing cost will enable us to maintain NIM around 11-12%. We continue to invest in our various digital initiatives along with our Gold loan@home service. We will continue to work on strengthening our growth strategy with focus on branch expansion and digital strategy”

Standalone Results of Muthoot Finance Ltd and its subsidiaries

Muthoot Finance Ltd (MFIN), India’s largest gold loan company in terms of loan portfolio, registered a net profit of **Rs. 867** crores in Q2 FY23 as against **Rs. 802** in Q1 FY23, an increase of **8%** QoQ. The net profit stood at **Rs. 1,669** crores in H1 FY23 as against **Rs. 1,965** crores in H1 FY22. Loan Assets increased to **Rs. 57,230** crores as compared to **Rs. 55,147** crores last year, registering a growth of **4%** YoY. During the quarter, loan assets increased by **Rs. 541** crores, an increase of **1%**.

Muthoot Homefin (India) Ltd (MHIL), the wholly owned subsidiary of Muthoot Finance, loan portfolio stood at **Rs.1,420** crores for H1 FY23. Total revenue for Q2 FY23 & H1 FY23 stood at **Rs. 39** crores & **Rs. 75** crores respectively. It achieved a Profit after tax of **Rs.2** crores & **Rs.4** crores in Q2 FY23 & H1 FY23 respectively. Stage III Asset as percentage of Net Loan Assets stood at **4.33%** as on September 30, 2022 as compared to **3.52%** as of June 30, 2022.

M/s. Belstar Microfinance Limited (BML), is an RBI registered micro finance NBFC and a subsidiary company where Muthoot Finance holds **56.97%** stake. Loan portfolio for H1 FY23 increased to Rs. **5,138** crores as against **Rs. 3,354** crores for H1 FY22, an increase of **53%** YoY. Total revenue for Q2 FY23 & H1 FY23 stood at **Rs. 245** crores & **Rs. 455** crores respectively. It achieved Profit after tax of **Rs. 21** crores & **Rs. 35** crores in Q2 FY23 & H1 FY23 respectively. Stage III Asset as percentage of Net Loan Assets stood at **8.52%** as of September 30, 2022 as compared to **8.57%** as of June 30, 2022..

Muthoot Insurance Brokers Pvt Limited (MIBPL), an IRDA registered Direct Broker in insurance products and a wholly owned subsidiary company generated a total premium collection amounting to **Rs.152** crores & **Rs.283** crores in Q2 FY23 and H1 FY23 respectively. Total revenue for Q2 FY23 & H1 FY23 increased to **Rs. 14** crores & **Rs.25** crores as against **Rs. 11** crores & **Rs. 17** crores respectively in Q2 FY22 & H1 FY22. It achieved a Profit after tax of **Rs. 9** crores & **Rs. 16** crores in Q2 FY23 & H1 FY23 respectively.

Asia Asset Finance PLC (AAF) is a subsidiary based in Sri Lanka where Muthoot Finance holds **72.92%** stake. Loan portfolio grew to LKR **1,930** crores as against LKR **1,457** crores last year, an increase of **32%** YoY. Total revenue for Q2 FY23 & H1 FY23 stood at LKR **148** crores & LKR **263** crores respectively. It achieved a Profit after tax of LKR **10** crores & LKR **15** crores in Q2 FY23 and H1 FY23 respectively.



Muthoot Money Ltd (MML) is a wholly owned subsidiary of Muthoot Finance Ltd. MML is a RBI registered Non-Banking Finance Company engaged mainly in extending loans for Commercial Vehicles and Equipment. Loan portfolio stood at **Rs.234** crores for half year ended FY23. Total revenue for Q2 FY23 & H1 FY23 stood at **Rs. 12** crores & **Rs.24** crores respectively. It achieved a Profit after tax of **Rs. 0.19** crores & **Rs. 0.24** crores each in Q2 FY23 & H1 FY23. It's Stage III Asset on Gross Loan Asset as on September 30, 2022 stood at 5.63%.

Financial Highlights (MFIN): Standalone results for Muthoot Finance Ltd.

(Rs. in Crore)

Particulars	Q2 FY23	Q1 FY23	QoQ%	Q2 FY22	YoY %	H1 FY23	H1 FY22	YoY %
Total Income	2,504	2,509	-0.20%	2,833	-12%	5,013	5,548	-10%
Profit Before Tax	1,161	1,082	7%	1,340	-13%	2,243	2,640	-15%
Profit After Tax	867	802	8%	994	-13%	1,669	1,965	-15%
Earnings Per Share (Basic) Rs.	21.61	19.98	8%	24.77	-13%	41.59	48.98	-15%
Loan Assets	57,230	56,689	1%	55,147	4%	57,230	55,147	4%
Branches	4,641	4,617	0.52%	4,619	0.48%	4,641	4,619	0.48%

Particulars	Q2 FY23	Q1 FY23	Q2 FY22	H1 FY23	H1 FY22
Return on Average Loan assets	6.09%	5.59%	7.38%	5.82%	7.35%
Return on Average Equity	18.47%	17.50%	25.04%	17.77%	24.87%
Book Value Per Share (Rs.)	478.96	456.48	407.86	478.96	407.86

Business Highlights (MFIN):

Particulars	H1 FY23	H1 FY22	Growth (YoY)
Branch Network	4,641	4,619	0.48%
Gold Loan Outstanding (Rs. in Cr)	56,501	54,682	3%
Credit Losses (Rs. in Cr)	9	17	-47%
% of Credit Losses on Gross Loan Asset Under Management	0.02%	0.03%	-47%
Average Gold Loan per Branch (Rs. In Cr)	12.17	11.84	3%
No. of Loan Accounts (in lakh)	82	88	-7%
Total Weight of Gold Jewellery pledged (in tonnes)	177	178	-0.56%
Average Loan Ticket Size	69,242	62,054	12%
No. of employees	27,204	26,139	4%



Our Subsidiaries:

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 Q2 FY23, it has insured more than **12,17,000** lives with a first year premium collection of **Rs.115** crores under Traditional, Term and Health products. The same was **828,000** lives with a first year premium collection of **Rs.65** crores in Q2 FY22.

Key Business Parameters

(Rs. in Crores)

Particulars	H1 FY23	H1 FY22	Q2 FY23	Q1 FY23	FY22
Total Premium Collection	283	159	152	131	479
No. of Policies (in lakhs)	24.15	11.93	12.30	11.84	36.03
Total Revenue	25	17	14	11	45
Profit After Tax	16	9	9	7	28

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 centralized processing based out of Corporate Office at Mumbai. MHIL has operations in 14 states and 2 Union territories - Maharashtra (including Mumbai), Gujarat, Rajasthan, Madhya Pradesh, Kerala, Karnataka, Telangana, Andhra Pradesh, Haryana, Chandigarh, Uttar Pradesh, Chattisgarh, Punjab, Tamil Nadu, Delhi and Pondicherry.

MHIL has 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.

MHIL has long term debt rating of CRISIL AA+ / (Stable) for its Bank Limits and Non-Convertible Debentures which indicates "High degree of safety with regard to timely servicing of financial obligations and carries very low credit risk".



Key Financial Parameters

(Rs. in Crores)

Particulars	H1 FY23	H1 FY22	Q2 FY23	Q1 FY23	FY22
No. of branches	108	108	108	108	108
No. of Sales Offices	108	108	108	108	108
No. of Employees	313	267	313	222	243
Gross Loan AUM	1,420	1,641	1,420	1,475	1,470
Net Loan Assets	1,037	1,361	1,037	1,078	1,054
Capital Adequacy Ratio	60%	56%	60%	58%	60%
Total Revenue	75	92	39	38	214
Total Expense	70	91	36	36	204
Profit Before Tax	5	1	3	2	10
Profit After Tax	4	0.70	2	1.45	8
Shareholder's Funds	451	439	451	449	447
Total Outside Liabilities	748	1,048	748	850	836
Total Assets	1,199	1,487	1,199	1,299	1,283
Stage III Loan Assets	45	78	45	38	31
% Stage III asset on Net Loan Assets	4.33%	5.69%	4.33%	3.52%	2.93%
Stage III ECL Provision	30	32	30	23	18
ECL Provision	37	37	37	31	26
ECL Provision as a % of Net Loan Assets	3.58%	2.73%	3.58%	2.86%	2.44%

About Belstar Microfinance Limited (BML):

BML was incorporated in 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 **56.97%** of equity share capital in BML. 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 0.02 crores.

In the last thirteen 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 September 30, 2022, BML operations are spread over 18 states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala, Odisha, Chattisgarh, Gujarat, Rajasthan, Bihar, Uttar Pradesh, Haryana, Punjab, Jharkhand, Uttarakhand, West Bengal, Tripura, Delhi and Pondicherry). It has **799** branches, with **208** controlling



regional offices and employing **7065** staff. Gross loan portfolio has grown from **Rs. 0.02** crores in March 2009 to **Rs.5,138** crores in September 2022. For Q2 FY23, Net Profit after Tax increased to **Rs. 21** crores and net worth increased to **Rs. 997** crores against **Rs. 14** crores and **Rs.545** crores respectively in Q2 FY22.

Key Financial Parameters

(Rs. in Crores)

Particulars	H1 FY23	H1 FY22	Q2 FY23	Q1 FY23	FY22
No. of branches	799	653	799	755	729
No. of Employees	7,065	5,091	7,065	6,596	5,939
Gross Loan AUM	5,138	3,354	5,138	4,696	4,366
Net Loan Assets	4,171	3,124	4,171	3,955	3,712
Capital Adequacy Ratio	24%	20%	24%	25%	24%
Total Revenue	455	302	245	210	728
Total Expense	411	298	218	193	672
Profit Before Tax	44	4	27	17	56
Profit After Tax	35	4	21	14	45
Shareholder's Funds	997	545	997	978	856
Total Outside Liabilities	3,729	2,959	3,729	3,659	3,704
Total Assets	4,726	3,504	4,726	4,638	4,560
Stage III Loan Assets	355	121	355	339	215
% Stage III asset on Net Loan Assets	8.52%	3.87%	8.52%	8.57%	5.79%
Stage III ECL Provision	255	87	255	229	162
ECL Provision	270	147	270	255	224
ECL Provision as a % of Net Loan Assets	6.47%	4.69%	6.47%	6.45%	6.03%

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 52 years, evolving to serve the growing needs of people of Sri Lanka.

As on September 30, 2022, total holding in AAF by Muthoot Finance stood at **9.06** crores equity shares representing **72.92%** of their total capital and **Rs. 3.97** crores preference shares representing **95.87%** of their 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 on 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 **63** branches across Sri Lanka. It has total staff strength of **413** currently. In 2015, it entered the space of Gold Loans with assistance of Muthoot Finance.



Key Financial Parameters

(LKR in crores)

Particulars	H1 FY23	H1 FY22	Q2 FY23	Q1 FY23	FY22
INR/LKR	0.224767	0.371040	0.224767	0.218977	0.25706
No. of Branches	63	48	63	63	59
No. of Employees	413	405	413	400	526
Gross Loan AUM	1,930	1,457	1,930	1,762	1,735
Capital Adequacy Ratio	25%	19%	25%	30%	28%
Total Revenue	263	143	148	116	318
Total Expenses	242	136	135	108	298
Profit Before Tax	21	7	13	8	20
Profit After Tax	15	4	10	5	12
Shareholder's Funds	288	267	288	278	276
Total Outside Liabilities	1,932	1,504	1,932	1,757	1,659
Total Assets	2,220	1,771	2,220	2,035	1,934

About Muthoot Money Limited:

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 Cars, Two wheelers, Commercial Vehicles and Equipments. The operations are now centered in Hyderabad. CRISIL Ltd assigned long term debt rating of AA/Stable for its bank limits. As on September 30, 2022 Muthoot Money Ltd. has a total loan portfolio of **Rs. 234** crores.

Key Financial Parameters:

(Rs. in crores)

Particulars	H1 FY23	H1 FY22	Q2 FY23	Q1 FY23	FY22
No. of branches	139	11	139	124	66
No. of employees	712	138	712	553	365
Gross Loan AUM	234	282	234	198	207
Capital Adequacy Ratio (%)	40%	40%	40%	47%	46%
Total Revenue	24	24	12	11	45



Total Expense	23	23	12	11	54
Profit Before Tax	0.30	1	0.28	0.03	-9
Profit After Tax	0.24	0.80	0.19	0.05	-7
Stage III Loan Assets	13	48	13	16	14
% Stage III asset on Gross Loan AUM	5.63%	16.95%	5.63%	7.87%	6.62%
Stage III ECL Provision	6	12	6	7	5
ECL Provision	7	15	7	8	6
ECL Provision as a % of Gross Loan AUM	3.12%	5.33%	3.12%	3.98%	2.93%
Shareholders' Funds	104	111	104	104	104
Total Outside Liabilities	172	174	172	120	123
Total Assets	276	285	276	224	227
