



Muthoot Finance Limited

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February 06, 2023

Ref: SEC/MFL/SE/2023/4632

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 and nine months ended December 31, 2022

The Board of Directors of the Company at their meeting held today i.e., February 06, 2023 has announced the Unaudited Financial Results for the quarter and nine months ended December 31, 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



New Delhi, February 06, 2023:

Consolidated Loan Assets Under Management increased to Rs.65,085 crores, up by 7% YoY
Consolidated Profit after Tax increased to Rs.934 crores for Q3FY23, up by 4% QoQ
Standalone Loan Assets Under Management increased to Rs.57,731 crores, up by 6% YoY
Standalone Profit after tax increased to Rs.902crores for Q3FY23, up by 4% QoQ

Key Highlights:

- Opened 54 new branches in Q3FY23
- Raised Rs.422 crores through the 28th and 29th Public Issue of Secured Redeemable Non-Convertible Debentures
- Launched a 360 degree marketing campaign showcasing the message 'Put your Gold to Work'

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 December 31, 2022.

Consolidated Results of Muthoot Finance Ltd

Muthoot Finance Ltd Consolidated Loan Assets Under Management grew 7% YoY to Rs.65,085 crores in Q3FY23 as against Rs.60,896 crores in same quarter last year. During the quarter, Consolidated Loan Assets Under Management increased by 1%. Consolidated Profit after tax increased by 4% QoQ to Rs.934 crores as against Rs.902 crores in the last quarter.

(Rs. in crores)

Financial Performance	Q3 FY23	Q2 FY23	QoQ%	Q3 FY22	YoY %	9M FY23	9M FY22	YoY%
Group Branch Network (Nos.)	5,810	5,750	1%	5,490	6%	5,810	5,490	6%
Consolidated Gross Loan Assets Under Management of the Group	65,085	64,356	1%	60,896	7%	65,085	60,896	7%
Consolidated Profit of the Group	934	902	4%	1,044	-11%	2,661	3,025	-12%
Contribution in the Consolidated Gross Loan Assets Under Management of the Group								
Muthoot Finance Ltd	57,571	57,130	1%	54,667	5%	57,571	54,667	5%
Subsidiaries	7,514	7,226	4%	6,229	21%	7,514	6,229	21%
Contribution in the Consolidated Profit of the Group								
Muthoot Finance Ltd	900	865	4%	1,028	-12%	2,567	2,989	-14%
Subsidiaries	34	37	-8%	15	127%	94	36	161%

Commenting on the results, **Mr. George Jacob Muthoot, Chairman Muthoot Group** said, *"We have reported a steady performance during the quarter. Our consolidated loan assets stand at Rs.65,085 crores, and has registered a growth of 7% YoY. Consolidated Profit after Tax has grown 4% and stands at Rs.934 crores for Q3FY23. The contribution of our subsidiaries to the overall consolidated AUM improved slightly to 12%, and going ahead we expect the share of non-gold AUM to gradually rise. It is to be noted that despite the challenges, efforts by NBFC sector has increased the visibility of the gold loans as a safe, secured lending*



product. We are hopeful that our expertise in the product would help us capitalise on this positively in the coming quarters”.

Mr. George Alexander Muthoot, Managing Director said, " Muthoot Finance registered a YoY growth of 6% in loan assets and marginal QoQ growth in gold loans of less than 1%. Yield on loan portfolio witnessed a QoQ increase of 0.84% consequent to stoppage of very low rate teaser loans. Borrowing cost slightly rose to 8.13% due to the impact of general increase in the interest rates with banks MCLR being constantly revised and fresh NCDs being raised at higher rates. Our continued focus on loan disbursements, recovery efforts and keeping our borrowing costs under check could enable us to maintain our NIMs in the range of 11-12%. Return on assets for the quarter improved to 6.27%."

Standalone Results of Muthoot Finance Ltd and its subsidiaries

Muthoot Finance Ltd (MFIN), India's largest gold financing company in terms of loan portfolio, registered net profit of Rs. **902** crores in Q3FY23 as against Rs.**867** crores in Q2FY23, increase of **4%** QoQ. Loan Assets stood at Rs. **57,731** crores as compared to Rs.**54,688** crores in the same quarter last year, registering a growth of **6%** YoY. Loan Assets grew by **1%** QoQ.

Muthoot Homefin (India) Ltd (MHIL), the wholly owned subsidiary, Gross Loan AUM stood at Rs.**1,410** crores as against Rs.**1,579** crores in same quarter last year. Total revenue for Q3 FY23 & 9M FY23 stood at Rs.**41** crores & Rs.**116** crores as against Rs.**60** crores & Rs.**152** crores in Q3 FY22 & 9M FY22. Profit after tax increased to Rs.**4** crores & Rs.**8** crores in Q3 FY23 & 9M FY23 as against Rs.**2** crores & Rs.**3** crores in Q3 FY22 & 9M FY22. Stage III Asset as percentage of Net Loan Asset stood at **4.36%** as on December 31, 2022 as compared to **4.33%** as of September 30, 2022.

M/s. Belstar Microfinance Limited (BML), an RBI registered micro finance NBFC and a subsidiary company where Muthoot Finance holds **56.97%** stake, grew its Gross Loan AUM to Rs. **5,341** crores as against last year of Rs. **3,836** crores, registering a YoY growth of **39%**. During Q3FY23, its Gross Loan AUM increased by Rs. **203** crores. It generated a Profit after tax of Rs. **14** crores and Rs. **49** crores in Q3FY23 and 9M FY23 as against previous year profit after tax of Rs. **12** crores and Rs. **16** crores. Stage III Asset as percentage of Net Loan Asset decreased to **7.40%** as of December 31, 2022 as compared to **8.52%** as of September 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. **165** crores in Q3FY23 and Rs. **447** crores in 9MFY23 as against Rs. **134** crores and Rs. **293** crores in the previous year. It generated a Profit after tax of at Rs. **15** crores and Rs. **31** crores in Q3FY23 and 9M FY23 as against previous year profit after tax of Rs. **8** crores and Rs. **17** crores.



Asia Asset Finance PLC (AAF) is a subsidiary based in Sri Lanka where Muthoot Finance holds **72.92%** stake. Loan portfolio grew to LKR **2,078** crores as against LKR **1,577** crores last year, an increase of **32%** YoY. Total revenue for Q3FY23 and 9MFY23 stood at LKR **160** crores and LKR **424** crores as against previous year total revenue of LKR **83** crores and LKR **226** crores. It generated a Profit after tax of at LKR **8** crores and LKR **23** crores in Q3FY23 and 9M FY23 as against previous year profit after tax of LKR **4** crores and LKR **7** crores.

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 commercial vehicles and equipment. Loan portfolio for Q3FY23 increased to Rs.**293** crores as against Rs.**236** crores in same quarter last year. Total revenue for Q3 FY23 & 9M FY23 stood at Rs.**16** crores and Rs.**39** crores as against Rs.**10** crores and Rs.34 crores in Q3 FY22 & 9M FY22.

Other Highlights:

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

(Rs. in Crores)

Particulars	Q3 FY23	Q2 FY23	QoQ%	Q3 FY22	YoY %	9M FY23	9M FY22	YoY%
Total Income	2,667	2,504	7%	2,872	-7%	7,680	8,420	-9%
Profit Before Tax	1,207	1,161	4%	1,378	-12%	3,450	4,018	-14%
Profit After Tax	902	867	4%	1,029	-12%	2,571	2,994	-14%
Earnings Per Share (Basic) Rs.	22.46	21.61	4%	25.64	-12%	64.05	74.62	-14%
Loan Assets	57,731	57,230	1%	54,688	6%	57,731	54,688	6%
Branches	4,672	4,641	1%	4,617	1%	4,672	4,617	1%

Particulars	Q3 FY23	Q2 FY23	Q1 FY23	Q3 FY22	9M FY23	9M FY22
Return on Average Loan assets	6.27%	6.09%	5.59%	7.49%	5.97%	7.42%
Return on Average Equity	18.32%	18.47%	17.50%	24.36%	17.81%	24.45%
Book Value Per Share (Rs.)	501.59	478.96	456.48	433.74	501.59	433.74

Particulars	Q3 FY23	Q2 FY23	Q1 FY23	Q3 FY22
Capital Adequacy Ratio	33.29	31.96	30.62	29.94
Share Capital & Reserves (Rs. in Cr)	20139	19,230	18,325	17,412

**Business Highlights (MFIN):**

Particular	9M FY23	9M FY22	Growth (YoY)
Branch Network	4,672	4,617	1.19%
Gold Loan Outstanding (Rs. in Cr)	56,824	54,215	5%
Credit Losses (Rs. in Cr)	13	23	-43%
% of Credit Losses on Gross Loan Assets Under Management	0.02%	0.04%	-50%
Average Gold Loan per Branch (Rs. In Cr)	12.16	11.74	4%
No. of Loan Accounts (in lakh)	81	85	-5%
Total Weight of Gold Jewellery pledged (in tonnes)	175	178	-1.69%
Average Loan Ticket Size	70,104	63,661	10%
No. of employees	26,399	26,599	-1%

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 a Direct Broker from IRDA since 2013. It is actively distributing both life and non-life insurance products of various insurance companies. During Q3FY23, it has insured more than **9,32,000** lives with a first year premium collection of Rs. **130 crores** under traditional, term and health products. The same was **12,78,000** lives with a first year premium collection of Rs. **99** crores in Q3FY22.

Key Business Parameters

Particulars	(Rs. in Crores)					
	9M FY 23	9M FY 22	Q3 FY 23	Q2 FY 23	Q1 FY 23	FY 22
Total Premium Collection	447	293	165	152	131	479
No. of Policies (in lakhs)	34	25	9	12	12	36
Total Revenue	47	29	22	14	11	45
Profit After Tax	31	17	15	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 and Care Ratings Ltd.

MHIL has long term debt rating of CRISIL AA+(stable) for its Bank Limits and Non-Convertible Debentures and CARE AA+(Stable) for its 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	9M FY 2023	9M FY 2022	Q3 FY 2023	Q2 FY 2023	Q1 FY 2023	FY 2022
No. of Branches	108	108	108	108	108	108
No. of Sales Offices	108	108	108	108	108	108
No. of Employees	318	259	318	313	222	243
Gross Loan AUM	1,410	1,579	1,410	1,420	1,475	1,470
Net Loan Assets	1,042	1,228	1,042	1,037	1,078	1,054
Capital Adequacy Ratio	63	58	63	60	58	60
Total Revenue	116	152	41	37	38	214
Total Expense	105	148	35	34	36	204
Profit Before Tax	11	4	5	3	2	10
Profit After Tax	8	3	4	2	2	8
Shareholders Funds	455	442	455	451	449	447
Total Outside Liabilities	733	989	733	748	850	836
Total Assets	1,188	1,430	1,188	1,199	1,299	1,283
Stage III Loan Assets	45	70	45	45	38	31
% Stage III Assets on Net Loan Asset	4.36%	5.69%	4.36%	4.33%	3.52%	2.93%
Stage III ECL Provision	28	29	28	30	23	18
ECL provision	35	33	35	37	31	26
ECL Provision as a % of Net Loan asset	3.32%	2.72%	3.32%	3.58%	2.86%	2.44%
Number of Customers	20,957	21,467	20,957	21,027	20,798	21,035



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’ 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 0.2million.

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 December 31, 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 **821** branches, with **132** controlling regional offices and employs **7649** staff. Gross loan AUM has grown to Rs. **5,341** crores as at December 31, 2022 as against Rs.**3,836** crores same quarter last year. Net Profit after tax for Q3FY23 increased to Rs.**14** crores as against Rs.**12** crores in Q3FY22 and Net worth stood at Rs. **1,011** crores as of Q3FY23.

Particulars	9M FY23	9M FY22	Q3 FY23	Q2 FY23	Q1 FY23	FY 22
No. of branches	821	675	821	799	755	729
No. of Employees	7,649	5,454	7,649	7,065	6,596	5,939
Gross Loan AUM	5,341	3,836	5,341	5,138	4,696	4,366
Net Loan Assets	4,454	3,567	4,454	4,171	3,955	3,712
Capital Adequacy Ratio	23	18	23	24	25	24
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Total Revenue	707	487	252	245	210	728
Total Expense	645	468	235	218	193	672
Profit Before Tax	62	19	17	27	17	56
Profit After Tax	49	16	14	21	14	45
Shareholders’ Funds	1,011	55	1,011	997	978	856
Total Outside Liabilities	4,197	3,391	4,197	3,729	3,659	3,704
Total Assets	5,208	3,946	5,208	4,726	4,637	4,560
Stage III Loan Assets	330	213	330	355	339	215



% Stage III asset on Net Loan Assets	7.40%	5.96%	7.40%	8.52%	8.57%	5.79%
Stage III ECL Provision	244	117	244	255	229	162
ECL Provision	258	176	258	270	255	224
ECL Provision as a % of Net Loan Assets	5.80%	4.93%	5.80%	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 December 31, 2022, total holding in AAF by Muthoot Finance stood at **9.06** crores equity shares representing **72.92%** of their total capital and **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 **70** branches across Sri Lanka. It has total staff strength of **454** currently. In 2015, it entered the Gold Loan sector with assistance of Muthoot Finance.

Key Financial Parameters

(LKR in crores)

Particulars	9M FY23	9M FY22	Q3 FY23	Q2 FY23	Q1 FY23	FY22
LKR/INR	0.225911	0.366583	0.225911	0.224767	0.218977	0.257069
No. of Branches	70	55	70	63	63	59
No. of Employees	454	394	454	413	400	526
Gross Loan AUM	2,078	1,577	2,078	1,930	1,762	1,735
Capital Adequacy Ratio	25%	20%	25%	25%	30%	28%
Total Revenue	424	226	160	148	116	318
Total Expenses	392	212	149	135	108	298
Profit Before Tax	32	14	11	13	8	20
Profit After Tax	23	7	8	10	5	12
Shareholders Funds	296	271	296	288	278	276
Total Outside Liabilities	2,062	1,501	2,062	1,932	1,757	1,659
Total Assets	2,358	1,772	2,358	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 Equipment. The operations are now centered in Hyderabad. CRISIL Ltd assigned long term debt rating of AA/Stable for its bank limits. As on December 31, 2022 Muthoot Money Ltd. has a total loan portfolio of Rs.293 crores.

Key Financial Parameters:

(Rs. in crores)

Particulars	9M FY 2023	9M FY 2022	Q3 FY 2023	Q2 FY 2023	Q1 FY 2023	FY 2022
No. of branches	139	35	139	139	124	66
No. of employees	818	192	818	712	553	365
Gross Loan AUM	293	236	293	234	197	207
Capital Adequacy Ratio	31%	43%	31%	40%	47%	46%
Total Revenue	39	34	16	12	11	45
Total Expense	43	45	20	12	11	54
Profit Before Tax	-4	-11	-4	0.28	0.03	-9
Profit After Tax	-3	-8	-3	0.19	0.05	-7
Stage III Loan Assets	22	29	22	13	16	14
% Stage III Assets on Gross Loan Asset	7.50%	12.42%	7.50%	5.63%	7.87%	6.62%
Stage III ECL Provision	10	12	10	6	7	5
ECL provision	12	15	12	7	8	6
ECL Provision as a % of Gross Loan asset	3.96%	6.34%	3.96%	3.12%	3.98%	2.93%
Shareholders Funds	101	102	101	104	104	104
Total Outside Liabilities	230	146	230	172	120	123
Total Assets	331	248	331	276	224	227
