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May 20, 2026

National Stock Exchange of India Ltd.
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

NSE IFSC Limited (NSE IX)
Unit 1201, Brigade, International
Financial Center, 12th Floor, Building
No. 14-A, GIFT SEZ Gandhinagar,
Gujarat 382 355

Dear Sir/Madam,

Sub: Transcript of the Analyst call on Audited Financial Results (Consolidated and Standalone) for the quarter and year ended March 31, 2026.

In continuation of our letter dated May 11, 2026, and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the analyst call made on May 14, 2026, on the Audited Financial Results (Consolidated and Standalone) of the Company for the quarter and year ended March 31 2026, is available on the Company's website At <https://www.muthootfinance.com/analyst-call>

Transcript of Analyst Call was uploaded on the website at 3:30 PM on 20th of May 2026.

Thank You,
For **Muthoot Finance Limited**

Rajesh A
Company Secretary
ICSI Membership No. FCS 7106



“Muthoot Finance Q4 FY '26 Earnings Conference Call
hosted by DAM Capital Advisors”

May 14, 2026



MANAGEMENT: **MR. GEORGE ALEXANDER MUTHOOT - MANAGING
DIRECTOR, MUTHOOT FINANCE**
**MR. OOMMEN MAMMEN – CHIEF FINANCIAL
OFFICER, MUTHOOT FINANCE**

MODERATOR: **MR. SANKET CHHEDA - DAM CAPITAL ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the Muthoot Finance Q4 FY '26 Earnings Conference Call hosted by DAM Capital Advisors.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. I now hand the conference over to Sanket Chheda from DAM Capital Advisors. Thank you and over to you, sir.

Sanket Chheda: Hi and very good evening to all of you. We have with us the entire Management Team of Muthoot Finance today to discuss their Q4 Results.

I will hand the call over to Mr. George Alexander Muthoot for opening remarks. We will follow that up with question-and-answer. Over to you, sir.

George A. Muthoot: Thank you, Sanket and also welcome to the Conference Call of Muthoot Finance and subsidiaries for Quarter 4 and the full year 2025-'26. We just concluded our board meeting and that is the reason the accounts, the Results were uploaded maybe an hour back or an hour and a half back only. Sorry for that.

But otherwise, commenting on the business, I will start with the gold loan business:

We have the highest ever consolidated gold loan AUM of Muthoot Finance and its subsidiaries at INR 1,65,000 crores, which is a historic growth and has a growth of INR 57,000 crores or 54% last year. The full year, our growth was INR 57,000 crores and the AUM consolidated stands at INR 1,65,000 crores.

Looking at the standalone business without the subsidiaries:

The standalone loans stands at INR 1,64,000 crores and the highest ever standalone profit after tax of INR 10,134 crores. It is up by 95% year-on-year.

Coming to the consolidated AUM:

The consolidated AUM of Muthoot Finance and all its subsidiaries stands at INR 1,81,916 crores as of March, which shows a growth of INR 59,000 crores or 49% last year. And the consolidated profit after tax stands at INR 10,607 crores, again up by 98% year-on-year.

Now, a few other highlights I would like to add here:

Muthoot Finance declared the highest dividend of 300% or INR 30 per share and this is the 14th year of consistent dividend declaration since our IPO in 2011.

During the year, we opened 177 new branches by the group and we also have received multiple industry recognitions as Muthoot Finance is certified as India's most trusted financial services brand for 10th year in a row by TRA Brand Trust Report 2026. Also, Muthoot Finance has been certified as a great place to work by Great Place to Work Institute for the 5th year in a row.

Coming to the subsidiaries:

There has been stable performance across the subsidiaries. In Belstar Microfinance, just as we had guided last year, we have started venturing into the gold loan business and we opened 81 gold loan branches last year to diversify the loan portfolio. The total branches, including the microfinance stands at 1,300. The collection efficiency in the microfinance increased by 0.69% and now stands at 99.85%, which was 99.16% last year.

During the year, we disbursed INR 7,500 crores as against INR 6,000 crores in the previous year. At Muthoot Home Finance, the loan AUM stands at INR 3,485 crores versus INR 2,900 crores in the last year, a growth of 17%. Disbursed loan of INR 999 crores last year. Interest income increased by 36%. Profit after tax stands at INR 45 crores. GNPA stands at 2.63 and NNPA at 1.94.

Now, coming to Muthoot Money:

Muthoot Money, which is doing vehicle finance, has been running down its vehicle finance business and has gone into the gold loan business. And gold loan, the AUM stands at INR 9,794 crores versus INR 3,900 crores last year, a growth of 151%. There has been a share capital infusion of INR 1,000 crores. Being a 100% subsidiary, it was infused by the parent, Muthoot Finance. And today, the capital base stands at INR 2,357 crores.

Total income increased to INR 1,294 crores. Active customer base has shown a consistent growth from 2.74 lakhs last year to 4.6 lakhs this year. The credit rating has been upgraded to AA plus stable from AA stable by CRISIL for long-term borrowings. The profit after tax stood at INR 338 crores this year versus INR 12 crores last year. So, these are the main highlights of this year.

We are happy to present or we are glad to present a good financials for last year and definitely thanking the stakeholders, including our customers, our lenders, regulators, and of course, our valued shareholders and also the bankers who have been funding us and certainly all the analysts also for your guidance.

So, I think I will stop here and maybe wait for the clarifications and Q&A from the investors.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from Shubham Gupta from Prospera Wealth. Please go ahead.

Shubham Gupta: I have two questions. First is basically what is the like expected guidance of topline revenue and the margins for the next year? And the second is like how will the recent, like our PM recently said not to buy gold. So, how will it impact the Muthoot Finance overall revenue going ahead in the next year?

George A. Muthoot: So, I think generally we do not give a guidance on the margins and the profit. It is when the AUM grows, there will be definitely profit growth also. So, generally we have not been giving the guidance of that in the previous years. Now, your second question was about the gold, import gold. So, I think the government of India has said that you should reduce the import of gold and they have actually increased the tax also from 6% to 15%. So, because we do not finance any gold purchase, we do not finance any gold bullion, etc., it actually does not affect Muthoot. As we have always been saying, we finance only the household used ornaments of the public, which is what, we do not take coins and bullions and bars, etc. So, we finance only the household ornaments, which is still intact and there is reportedly about 25,000 to 30,000 tons of gold with us. So, I think there is good scope, good prospects for this business going forward also in spite of new gold or new import of gold being restricted.

Shubham Gupta: Got it, sir. Thanks for answering the question.

Moderator: Thank you. The next question is from Rushabh Doshi from Nirmity Investment Advisory LLP. Please go ahead.

Rushabh Doshi: Congrats on a great set of numbers. So, I have noticed that you have changed the presentation this time. So, in the last presentation, there was a slide which used to give the average monthly disbursement and the average monthly collection for the quarter. So, if you could just please help me with those numbers. And my second question is that I am noticing that the yields have gone up again this quarter. So, are there any NPA recoveries or ARC income, which we have booked in this quarter?

Oommen K. Mammen Okay. So, disbursement, it will be something similar. We have not looked at exact numbers. The second question, was there any additional income? So, there was an auction income of about 50 crores. ARC, I think it is around INR 35 crores. So, totally INR 85 crores. And there was some increase in the pricing also in the last quarter.

Rushabh Doshi: Okay. Could you share the disbursement number for the quarter?

Oommen K. Mammen I think it will be almost similar to previous quarters, the trends.

Rushabh Doshi: Around INR 18,000 crores or?

Oommen K. Mammen I do not have the numbers exactly. So, I will not be able to share right now.

Rushabh Doshi: Okay. Thanks.

Moderator: Thank you. The next question is from Abhijit Tibrewal from Motilal Oswal. Please go ahead.

Abhijit Tibrewal: Good evening, sir. Thank you for taking my question. So, if you could just help us understand how is the competitive intensity in the gold finance sector trending? Now, the reason for asking this is, in the past, you have explained to us so many times that whenever gold prices go up, the tonnage will come down. Something we have seen maybe this quarter as well. Having said that, we have also had other gold financing NBFCs, obviously, much smaller than you. But we are still seeing tonnage growth come through for them. So, if you could first help us understand how are the competitive dynamics? And why I ask this again, sir, is that in the past, you always said competition will come and go. But not everyone is very serious about gold financing. They do it very opportunistically. But this time around, sir, maybe for the first time, we are seeing a bunch of all AAA rated NBFCs who are themselves deep pocketed, can raise liabilities at finer rates than us. And at some point in time can also build a distribution muscle, which is very important in gold financing. So, if you could just put some of those pieces together for us, sir.

George A. Muthoot: Thank you. And you actually asked the question and also gave the answers also. The competition is there. New and newer people are coming. Fine. I think I would repeat what I said earlier also. We are a company which is focused on gold loan. The new players who are coming, maybe deep pockets, maybe lesser cost of funds, they are not focused gold loan players. Focused gold loan players and also gold loan players have a difference, which people will realize after some time only. Because this is a very operationally challenging, operationally intensive business. And I am sure people will realize that going forward. So, competition will come after some time. Again, I am repeating, some of them will lose interest. Some of them who stay focused will definitely be able to do this, do better. So, they are all opportunistic people. So, we don't find any people, anybody taking away our business also. Because in spite of all this, we have been growing reasonably well, if not better than the previous years. So, we see continuous growth in this sector. And we see better things to happen.

Now, if you look at our Slide #9, you will see, when you compare, we have a company which has started gold loan business maybe 1.5 years back. Muthoot Money, row #2. See, Muthoot Money, the tonnage has increased considerably. So, because the tonnage which was 7 has gone up to 12. So, that will be the same for any new player. So, you consider this also as a new player. The new player, you compare with Muthoot Money. So, Muthoot Money, the tonnage has increased from 7 to 11. Whereas, in Muthoot Finance, we are an established player. We are having old legacy accounts with us. And there, the tonnage will be definitely, will be proportion to the new loans. So, the churn in the loans. The churn in the loan is actually, every four months, it is churned. So, when every time a four-month churn happens, the new loans are created at a higher LTV. That means, they need to give only lesser gold. So, that is why you see the tonnage coming down. Say, a person who has taken 1 lakh, would have given me 10 grams last year. When he comes this time, instead of 10 grams, he needs to go only 6 grams for the same loan. So, that is why the tonnage is coming down. That I have been explaining always. But when you said about the new companies, in the new company, you just compare Muthoot Money where the tonnage has also gone up. The AUM, which was about 3,700 has gone to 9,700. So, tonnage

has gone up. The AUM has also gone up. And the number of customers, the number of customers in Muthoot Money was 2,74,000 in the last year. Today, it is 4,64,000. So, both are growing because it is a new company, young company. For Muthoot Finance, the big company, the number of customers, not that easy to grow. There is something else also there. Because in Muthoot Finance, that old account, the smaller accounts, up to 10,000 and accounts from 10,000 to 30,000. Actually, we have lost about 15 lakh customers there. But we have added the same in the higher tickets of 50,000, 1 lakh and 2 lakhs. So, overall, that is the churn which is happening. Smaller loans, people, somebody who took a 10,000 loan last year, today doesn't need 10,000. The money value also has gone up. So, he is coming for a 50,000 loan today or a 20,000 loan today. That is why the number of customers are coming down. So, these are the views, our views about the customers and about the tonnage. And also, I said about the new players and competition.

Abhijit Tibrewal: Okay, sir. Thank you. And then the last question I had was on employee attrition. I mean, given that there are so many other NBFCs who are also looking to start gold financing, obviously, they will want to hire people from the best gold financing company in India. So, how is that?

George A. Muthoot: Thank you for branding Muthoot Finance as the best gold finance company. There is always some people going away, but nothing of any alarm because our numbers are also steady. If somebody goes, we take a new person. And again, with competition, some people think that just by taking a few managers or staff from Muthoot, they can start a gold loan business and maybe start branches. Okay, I am not reserving my comments now. Let us see what will happen, what they will be looking after two years and three years. Now, we have not lost any attrition. We have not lost any staffs. We still have about 30,000 staff. We still have that.

Abhijit Tibrewal: Got it, sir. And earlier, Oommen had mentioned that the higher interest income that we saw was also because of some higher pricing or pricing changes that we have done.

George A. Muthoot: Last quarter, we increased our rates by about 0.5% to 1% over certain types of loans. So, that is why we see the yield has gone up.

Abhijit Tibrewal: Got it, sir. This is useful. Thank you so much for answering all my questions. And sir, I wish you and your team the very best.

George A. Muthoot: Thank you.

Moderator: Thank you. The next question is from Piran Engineer from CLSA. Please go ahead.

Piran Engineer: Hi, team. Congrats on the quarter. Just sort of going back to the earlier questions, this yield movement from 20.34 to 20.76, does this include one off interest recovery numbers or is this just core?

- Oommen K. Mammen** No, there could be a regular turn which happens. Previous occasions, what happened is your NPA has gone down. This time, the NPAs has gone up. But the one-off cases will be, one is the auction income, INR 50 crores. And other thing is the ARC. ARC, that is INR 35 crores. And the yield increase also has happened during the quarter.
- Piran Engineer:** Okay, so sir, Oommen sir, last quarter, we also had a INR 500 crore interest right back from GNPA recoveries. That would be part of this 20.34% yield number of last quarter, is it?
- George A. Muthoot:** Last quarter, yes.
- Oommen K. Mammen** But this quarter? This quarter, no, that is not part of it. That happened last quarter, Q3.
- Piran Engineer:** Correct. So, if I adjust for that, our yield improvement is very sharp.
- George A. Muthoot:** Yes, 0.5%.
- Piran Engineer:** More than 100 bps.
- Oommen K. Mammen** We do not want to get into the specifics of the yield increase. So, last two quarters, there have been a lot of increase in the gold price, especially in last fourth quarter. So, we have charged some extra for those disbursements. To that extent, we got some extra benefits.
- Piran Engineer:** Understood. And sir, is there, now that we are anyway earning a pretty solid yield of 20.8%, is there a thought that we can maybe cut yields a bit and increase our customer count, because our customer count has also gone down a bit?
- Oommen K. Mammen** Piran, this is something which we have always discussed. We have the luxury to reduce the rate. So, that is why we always used to give a guidance of a median term ROI of around 3.5%. So, if the yield reduction adds a lot of customer, certainly we would like to do, which we are already doing. Last several years, we have been offering schemes at lower rate.
- George A. Muthoot:** We have different schemes. We have a yield for 22%, 23%, a yield for 18%, 15%, 14%, 12%, we have different. So, at some point of time, when we feel that we need to step up the lower yield portfolio, we will do that. So, as of date, we don't see any need for that now.
- Piran Engineer:** Understood. And sir, just one last question. It's just a technical thing. On slide 28, where you talk about the margin of safety on loans from the lender's perspective, the market price of the gold ornaments...In that chart, where you show the market price of gold ornaments, which is INR 2,634 billion for March '26, is it as of 31st March, or do you take a monthly average number?
- Oommen K. Mammen** No. So, we have put the price also on the table above, no? INR 13,441. As of 31st March. The date, sir. As of the date, not monthly average.

- Piran Engineer:** Yes, that's it from my end. Thanks and wish you all the best.
- Moderator:** Thank you. The next question is from Rajiv Mehta from Yes Securities. Please go ahead.
- Rajiv Mehta:** Hi, good evening. Congratulations on good numbers. Again, just looking at the customer metrics, I mean, while the acquisition this quarter is better, reactivation of customers is better, we have still kind of degrown at the customer base level by 2%, which means we are also seeing slightly accelerated acquisition. So, I mean, is there any observation around it that the customers already with us are also moving to competition in the quest for better rates, or the high-value customers are moving out, which is impacting not just the customer number, it is also impacting the tonnage growth as well. Is there any observation like that of the management?
- George A. Muthoot:** So, I think I Five minutes back, I explained, even somebody did not ask that specifically, but we explained that we have the customers up to 0 to 10,000 customers. We have lost about 5 lakh customers, and between 10,000 to 30,000, maybe another 8 lakh customers have gone out. But then if the customer total count is remaining same, it only means that the customers in the other segments, maybe 50,000, 1 lakh, 2 lakhs have grown. See, very small customers or ultra-small customers, they may tend to leave or maybe go away also. But that does not matter much to us because a customer of 10,000 or 30,000 leaving us, maybe he takes it off, either he comes again for a bigger loan, or he does not come again. But I do not know whether somebody is taking away the 30,000 customers or 10,000 customers. I do not think anybody would like to take such a small customer. So, the point I was saying was very ultra-small customers, ultra-small loan customers would have left, but the medium and the better customers are still growing with Muthoot.
- Oommen K. Mammen** So, to give you an example, suppose if less than 50,000 customers, 10 lakh customers have left, you would have added another 10 lakh customers in the higher bucket. So, net-net, if you see, because the smaller ticket size customers would have closed their load, which are large in number, will not be able to match the exact same amount. So, this happens for a large portfolio company and new company you will not face. That is why in the previous question, we explained how Muthoot Money has grown. We just want to bring a comparison to the new players. If it is a matured company, large portfolio, the churn will happen in the portfolio, which will be there, shift in customer basis from low ticket size customers and higher ticket size customers. So, this plays an important role and in spite of this, we have grown a little bit in terms of outstanding number of cases. This is a natural phenomenon which will happen in any portfolio which has become matured.
- Rajiv Mehta:** And just coming back to the yield thing, because the movement is so sharp and last quarter you had a major interest recovery as well, which you don't have this quarter, you have raised the price. So, I mean, this NPL increase which has happened in this quarter, which is stage 2 has increased, stage 3 has also significantly increased, that would have given you some more interest income recognition maybe in this quarter. But why did we see an increase in stage 2 and stage 3

so much in this quarter? Is there any particularity around it in terms of customer profile, occupation or any geography?

Oommen K. Mammen So, the stage 3 increase has happened primarily because RBI has advised us to do a borrower wise classification. So, earlier we were doing this classification at the loan level. So, today, this time we have done at the borrower level. So, to that extent, there is an increase in the NPA. So, that is why there is a jump in the NPA. But if you look at percentage wise, it is much lower than what was there in the March '25. So, March '26, it is 2.34. I think last year March, it was 3.35. So, the NPA absolute amount has increased because of the borrower wise classification. And when you do a borrower wise classification, a lot of this stage 1 and stage 2 customers also will be classified as an NPA, where probably the interest servicing is done. So, the interest reversals will be much lower.

Rajiv Mehta: Correct.

Oommen K. Mammen If you look at the LTV including on this NPA bucket, including the interest accrued, it is only around 58% on stage 3.

George A. Muthoot: On stage 3, where we saw as an NPA, the interest plus principal is only 57%. So, we are in the money. Technically, we have to, or maybe regulatory wise, we have to show it as an NPA. But it is 100% recoverable with interest. Just the customer has not come forward to maybe close the loan or renew the loan, etc. That is why it is seen as an NPA.

Rajiv Mehta: So, if I were to look at your yield on a sustainable basis, I just need to subtract INR 50 crore of auction and that INR 35 crore of ARC as being one offs. But otherwise, what you reported 20.2% yield should be largely sustainable unless you make some pricing changes, right?

Oommen K. Mammen Yes, pricing changes can happen because it is a short term loan. So, this pricing increase in between happened because there was a sudden price increase. We thought we will take some benefit out of the increase in the gold price.

Rajiv Mehta: Got it. Thank you so much and best of luck.

Moderator: Thank you, sir. The next question is from Shanskar from Eraya Capital. Please go ahead.

Shanskar: So, sir, you touched upon the difference between operational challenges that a newer player would face. If you can share just a brief color around in terms of examples. I understand that there was handling gold and everything. But apart from that, is there any historically from your experience, what are the major challenges?

George A. Muthoot: Actually, why we want to go into all these details, sir? All these nuts and bolts of it. That I told you, the new players will understand after one year or so. Let us wait for them. Why we should put words into their mouth. Let them understand it at that time.

- Shanskar:** Okay, understood. And if you can share some color around the growth, as you said, that you gave guidance around AUM. So, if you can share some guidance on that.
- George A. Muthoot:** Always in the first quarter, we have always been giving a guidance of 15% only. So, as usual, last 10 years, we have been giving 15% guidance in the first quarter. So, in Quarter 2 or Quarter 3, we will see how it is panning out and probably revise it.
- Shanskar:** Okay, thank you.
- Moderator:** Thank you, sir. The next question is from Jyoti Khatri from Ambit Wealth. Please go ahead.
- Jyoti Khatri:** Thank you, sir. Thanks for taking my question. Just wanted to know one thing, this stage 1, stage 2, stage 3 increase that you said that it is because of borrower-wise classification. Is that the only reason? Apart from that, asset quality, you want to stable?
- Oommen K. Mammen** That's why we said, no, on stage three assets, including the interest dues, it is only 60%, maybe 58%.
- George A. Muthoot:** The receivable, including principal and interest, is only 58% of the present market value of the good. So, it is not because of any impairment in the loan, etc.. It is only because of the regulatory guidance that it should be shown as an NPA.
- Jyoti Khatri:** So, I am saying, excluding that factor, I mean, otherwise the asset quality performance is stable.
- George A. Muthoot:** 100%. We have our audit team also. So, asset quality has always been stable. Wherever there is anything else, we just write off at that time.
- Jyoti Khatri:** And secondly, sir, how do you see AUM growth as a standalone entity and console AUM? Any guidance that you would like to put for next fiscal broad range? How do you anticipate how AUM to grow next fiscal?
- George A. Muthoot:** So, for the standalone Muthoot Finance, we have been always been giving a guidance of 15%. Last 10 years, the first quarter, we have always been giving a guidance of 15%. We will continue to do that. We will re-look at it in Q1 or Q2. After Q1 or after Q2, we will re-look at the same.
- Jyoti Khatri:** That is it, sir. Thank you.
- Moderator:** Thank you. The next question is from Nischint Chawathe from Kotak. Please go ahead.
- Nischint Chawathe:** Hi, thanks for taking my question. A couple of questions actually. Any strategy or any guidance on branch expansion year and after?
- George A. Muthoot:** Okay, so probably last year, we opened 170 branches or so. This year, maybe 200-300 branches. That's it.

- Nischint Chawathe:** Okay, maybe 200-300 versus 170. And this will be at Muthoot Finance level, right? I mean, maybe if you could give some, some guidance on consolidated gold branches across all the companies.
- George A. Muthoot:** I think Belstar, we were thinking of opening another 200 branches or so, because it was only about 100 branches. So, Belstar, which is a microfinance company. And Muthoot Money, I don't think we are aggressively looking at, maybe just because the branches are quite young. So, we are waiting for it to mature a little more before opening many branches there.
- Nischint Chawathe:** And, Belstar, this 200 will be gold branches?
- George A. Muthoot:** Yes, gold branches. Sorry, gold branches.
- Nischint Chawathe:** Okay, got it. So, essentially, around roughly 200 in Muthoot Finance and roughly 200 in Belstar. I think that's the way one thinks about it.
- George A. Muthoot:** Something like that.
- Nischint Chawathe:** Got it. The other thing is, you know, increase in stage 2 loans would also be similar reasons in terms of the borrower classification or any other reason?
- Oommen K. Mammen** Yes, Nischint. Primarily it is because of borrower classification. And again, you know, it is not much of a concern, because it's a 12-month bullet repayment loan, as in when the disbursement keeps increasing, naturally after 12 months, there will be a corresponding change in the stages.
- Nischint Chawathe:** But all the increases in gold loans, right? Stage 2 and stage 3, quarter-on-quarter increase that we see is in gold loans, right? I mean, not the non-gold.
- George A. Muthoot:** Yes.
- Nischint Chawathe:** And anything specific that's going in non-gold loans, I think, which is also up around INR 3,000 odd crores in a year. So, anything specific that you are doing over there? These are unsecured loans? Or what are these loans?
- George A. Muthoot:** These are unsecured personal loans, salaried personal loan and unsecured personal loans, which is doing actually quite well. We have about INR 4,000 crores of portfolios, mostly cross-sell. It is mainly a cross-sell to our existing or gold loan base. We have a gold loan base. We give personal loans to them. Cross-sell.
- Nischint Chawathe:** Got it. And just finally on, coming back to the yield part, you always kind of maintain that, you know, 18%, 18.5% is probably a more normalized yield. And obviously, we have done almost 150 or 200 basis points higher this quarter. So, would you kind of incrementally say that the 20

plus is a new normal? Or would you, would you probably say that next year you would settle somewhere between 18.5 to 20?

George A. Muthoot: I think, our treasury finance says that the borrowing cost is looking of north. So, probably we expect borrowing cost also may go up in the coming. So, probably we may not be able to reduce anymore. We may be able to maintain at this rate.

Nischint Chawathe: On a more normalized level. yes. Sure. Great. Thank you very much.

Moderator: Thank you. The next question is from Vikram Subramanian from Marshall Wace. Please go ahead.

Vikram Subramanian: Congrats on a good set of numbers and on the strong yields. I just wanted to get a clarification on the yields based on all that you have been commenting till now. So, for the past three quarters, we have had a few one-offs in the yield, some INR 300 crores to INR 600 crores per quarter based on NPA recoveries and ARC sales. You used to say, so the sustainable level of yield was something around 18.5%, while the reported yields were 20-20.3. Would you upgrade that 18.5% now for the next year or for a sustainable basis? Is that 18.5 now closer to 20.5?

Oommen K. Mammen It's not, this number is not that particular. It's not like a long-term loan where we are giving a loan for 10 years or 5 years or 20 years. So, this is a very short term. Tomorrow, if we want to increase it, we can increase it. We may also reduce it. What is the impact? Because we have a comfortable margin. This quarter, I think we have generated an ROI of around 7.5. So, it doesn't matter much in terms of the ultimate impact on the return asset. So, we don't want to give a view that the same rates will continue. Again, to be very frank, I have just now asked on the competition, customer-based acquisition, etc. So, we as an institution might take calls in different points of time. So, we don't want to give a commitment that the same yields will be maintained.

Vikram Subramanian: Understood. But at least to clarify on that, the pricing increase that you took at some point in time in the past few months, which has resulted in this yield, as we speak, as of mid-May, that pricing has not reverted back to the previous lower pricing. Am I right in this understanding?

Oommen K. Mammen Think from our point of view. We don't want to give out our strategy in terms of approach. As everyone says, it is a highly competitive market. So, what we roll out, probably we can tell you after we execute it.

George A. Muthoot: We generally have to play by the ear also.

Vikram Subramanian: Understood.

George A. Muthoot: It's all very short-term loan. It always can be dynamic. We can reduce, we can increase, etc., as required so that we maintain good growth as well as maintain a good profit.

Oommen K. Mammen I think that decision, you should leave it to us. Every quarter, you look at the numbers. We can explain what has happened and take a view based on the performance in the last several quarters.

Vikram Subramanian: Understood. Got it, sir. Just another clarification. This is on the competitive landscape, which has again been discussed. And you were very clear in your answer. And it is very clear that you are the market leader and you have done this for multiple decades. So, that experience definitely helps over cycles. But in the immediate near term, are there any specific efforts to stop this? So, I see 3% reduction in loan count, 2% reduction in active customer. Are there any specific efforts to stop this? Or is the approach more long-term and that competitive intensity would just go correct over the long term?

Oommen K. Mammen I will clarify. See, what we were trying to explain is, being a large portfolio company, being in existence for several decades, we have custom based across various ticket size. Now what happens is, the smaller ticket size customers vanish over a period of time. At the same time, we are creating higher ticket size customers also. Probably because the smaller ticket size customers were initially larger in number. There the liquidation brings down the customer number has a larger impact. Whereas the higher ticket size customer, the number may not be correspondingly the same. So, which we call it as a churn in the customer base. So, that number has not much of a relevance. Ultimately, it depends on how much a customer wants, etc. So, incrementally, this phenomenon will happen for all companies which will stabilize their business operations after some time. That's why we said, look at Muthoot Money's case. Slide number 19. Muthoot Money, the AUM is almost doubled. There you are seeing an increase in the tonnage. There you are seeing increase in the loan account numbers. There you are seeing increase in the customer base. But the same percentage increase you will not see happening in Muthoot Finance. The same group, the same management, two different phenomena. Which is what we are trying to educate the investor community, how this business functions.

Vikram Subramanian: Understood. That is clear. Thank you.

Moderator: Thank you. The next question is from Shreepal Doshi from Equirus. Please go ahead.

Shreepal Doshi: Hi, sir. Thank you for giving me the opportunity. My question was firstly, what is the interest accrual number during the quarter? Another question is that how many Muthoot Money branches overlap with Muthoot Finance in terms of, let's say, having it in 1 KM or 2 KM radius? And the other follow up there or addition there is that now since there is no gap in terms of Muthoot being allowed to, or let's say, needing to take approval from RBI in terms of branch expansion, then why are we thinking to do gold business in the subsidiary that we have? I mean, what is the thought process there? Because now we can scale up the Muthoot Finance franchise itself, right? So, that's the thought process.

George A. Muthoot: That's is an advice on a policy decision. I think we will have to discuss it internally only. You know what I am saying?

- Shreepal Doshi:** I just wanted to understand, like, what's the thought process there?
- George A. Muthoot:** I think that's a board decision and that company's individual decision, so let's leave it to them. Now your question about the...
- Oommen K. Mammen** Interest accrual, it's INR 963 crores.
- Shreepal Doshi:** And the branch overlap within 1 KM radius for both the entities, Muthoot Finance and Muthoot Money, broader, if you can give some color there.
- George A. Muthoot:** I don't know where you got this.
- Oommen K. Mammen** We have branches where we have Muthoot Finance, we have Gold Loan NBFC number two, Gold loan number three in the same building.
- George A. Muthoot:** Same building, you will have all the competitors. Whenever Muthoot Finance opens a branch, all the competitors open branch side by side. If possible, next door, or if possible, 20 feet, 30 feet, 50 feet. There is nothing like a 1 KM, 2 KM, etc., where Muthoot Money saw an opportunity, they opened the branch, irrespective of whether Muthoot Finance is there or competitor number one, competitor number two, competitor number 10 is there. There are so many competitors today.
- Shreepal Doshi:** Got it. And then just one last question, was on this, the newer framework by RBI in terms of for the gold financing players. So, from first day, we are supposed to maintain or monitor the LTVs more closely. So, what are the challenges are we facing at ground level, or what are the deviations that we have made in terms of our processes, policies, or operations standpoint at branch level?
- George A. Muthoot:** So, I think the policy has been quite good. The LTV maintaining has been from, the last 10 years or 15 years back, only the LTV came. From that day till today, we are always maintaining the LTV at the RBI regulated rates only. Now, they have given an option of giving 85%, 80% etc. So, that gives us a little more room for giving different types of LTVs and loan products to the customer. That is the only advantage. Now, the processes for that, the software for that is not easy. We are also in the process of doing it. We have rolled out some products also. So, going forward, we can tailor make more products for the customers. So, just like Muthoot, everybody else is also coming out with newer loan schemes, etc., in line with the new regulations. But your first question, we always, whether it is now or before this new regulation, or previously, we have always been maintaining the LTV at the regulated rates only.
- Shreepal Doshi:** Got it. So, the last question was, if we have taken an interest rate increase during the quarter, and since we are also following the final framework by RBI, our disbursement yield, our disbursement LTVs would have declined on a sequential basis, right? Because if we have taken an interest rate increase, then the actual disbursement LTVs typically would have come down

now. So, is that a fair understanding? And incrementally, if we follow this, our LTV will continue to be sticky with rates increasing happening at your level?

Oommen K. Mammen No, the new regulations allows you to follow two structures. If you are following a bullet repayment, you have to reduce the interest accrued. There are also various options that are available. If you are following an EMI structure, you can give up to 85%. I am talking about 2,50,000. So, we have made some changes, but at the end of the day, it is in our interest to protect our interest, right? So, we will take care of that. We will discuss after first quarter on that. You know, the strategies, based on that...

George A. Muthoot: Let everybody comes to terms with the new regulation.

Shreepal Doshi: Got it. I will take it offline with you, sir, if you don't mind.

George A. Muthoot: Yes.

Shreepal Doshi: Thank you, sir.

Moderator: Thank you. The next question is from Sheelkumar Shah from Sameeksha Capital. Please go ahead.

Sheelkumar Shah: So, in continuation to LTV, on an average, what's our goal on LTV today? And what LTV range we consider comfortable from a risk management perspective?

George A. Muthoot: So, today, our goal loan LTV is 57%. The average goal on in our book is 57%.

Sheelkumar Shah: Okay. And what range do we consider comfortable?

Oommen K. Mammen Range comfortable, higher end or lower end?

Sheelkumar Shah: On a higher end, I mean.

Oommen K. Mammen No, RBI regulations allow up to 85%, you know.

Sheelkumar Shah: But from a risk management, you know, I mean, at the internal level.

Oommen K. Mammen We don't see much risk in giving it 85% currently.

Sheelkumar Shah: Okay. And historically, how much high we have given on an average?

Oommen K. Mammen I think in the last 10 years, it is up to 75%. Right now, RBI allows up to 85%.

Sheelkumar Shah: Okay. Got it.

- Moderator:** Thank you. The next question is from Rakesh Kumar from Volentios. Please go ahead.
- Rakesh Kumar:** Hi, sir. So, just a small question. So, if we see loan AUM per loan account, with reference to the slide number 19, the number has gone up for Muthoot Finance as well as for Muthoot Money by around 48%-49% year on year. So, is that rise is due to the customer borrower appetite just because of, you know, the gold loan price has gone up? And so, what is the basic reason for such a sharp rise in the loan AUM per loan account?
- George A. Muthoot:** If you look at the same similar account, similar statistics for any NBFC, it will be the same because the loans are given for a very short period. In every three months to four months, the loan gets churned and new loans are priced at the new LTV. So, somebody who had taken INR 1 lakh last year, when he comes after one year for a INR 1 lakh, instead of 10 grams, he needs to give only 5 grams because the price has gone up. So, definitely the grammage will be lesser and the LTV also will be higher. Not LTV, the loan amount will be higher. So, small customers, people take, tend to take more loans also.
- Rakesh Kumar:** No, that's fine. They can, since the gold price is rising, so obviously he can avail higher amount of loan for the same gold quantity. But why should he take that much of loan? Is there a need, basically?
- Oommen K. Mammen** So, you know, you answered it. See, what happens is, Muthoot Money is a new company. What happens is, you are adding more and more new customers. So, the number of customers has increased from 2,74,000 to 4,68,000. Now, a lot of these new customers were looking at higher ticket size customers. So, Muthoot Finance has, if you look at more than 3 lakh ticket size customers, we have 32% of the total book. So, as and when the company increases its footprint as well as attracts more and more customers, people from higher ticket size also might come in, which elevates the average ticket size number. But ultimately, why should somebody pledge gold jewellery with a 25% margin? He has a requirement. So, finally, this business is driven by his working capital funding requirement. So, if he has a need, he will take a higher ticket size loan. Somebody who has a lower need, he will take a lower loan.
- George A. Muthoot:** Why is he taking a loan? It is up to him. Because anyway, he has to repay the loan. If he takes 1 lakh, he has to repay 1 lakh plus interest. If he takes only 50,000, he takes. So, there is a need for him. That is why he is borrowing. Otherwise, why should he borrow?
- Oommen K. Mammen** Basically, in this business, you are dealing with a large number of customers with varied needs from different funding requirements. So, that is why you see all these numbers. So, it is very difficult for us also to explain it at a granular level. But his requirement is large, which elevates the ticket size.
- Rakesh Kumar:** Got it. But setting aside Muthoot Money, if you look at Muthoot Finance, the similar thing is happening. There also, the growth is around 48% year on year.

- George A. Muthoot:** Average ticket size has been growing up over the last 10 years. Maybe 5 years back, average ticket size was 15,000. Then it became 25,000. Then it became 30,000. Then it became, today, 1,30,000.
- Rakesh Kumar:** It has increased to 1.5 lakhs from 1 lakh. So, basically, you would also be trying to assess that what they are doing with the loan amount. You would have also kind of looked into it.
- Oommen K. Mammen** We ask them. So, they must say that, some people will say that they have for business requirement, etc. So, the new guidelines kicking in, there is some assessment about his income, etc. But beyond that, customers may not cooperate. Customers may say that he is using it for business purposes, etc. At the end of the day, because he has to pledge jewellery, only if he has a need, he will pledge. Otherwise, why should he part with a margin of 24% and pledge his jewellery?
- George A. Muthoot:** Margin of 50%.
- Oommen K. Mammen** Yes. If you include the making charges, the borrower is parting with almost like 40%-50% of the value of the jewellery.
- Rakesh Kumar:** Considering the inflation rise or considering the credit growth in the entire lending ecosystem, if this kind of a growth is there per customer or per loan account, that looks very surprising.
- Oommen K. Mammen** So, see, people are not using this money for making an investment. These are all called working capital requirements. Money lending activity is short term. Somebody has a short-term requirement, he is taking that funding. Either you can borrow from your friend or your relatives, or you can pledge with the jewellery. After two weeks, he will repay it. Which is why we are talking about the churn in the portfolio.
- Rakesh Kumar:** Got it. So, he might be rotating also.
- Oommen K. Mammen** Today, somebody is coming and taking a loan. Two weeks later, he will close it. Then he might come after maybe one month.
- Rakesh Kumar:** True. Sure, sir. Got it. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we will take this as the last question. I now hand the conference over to management for closing comments.
- George A. Muthoot:** We are from the management side. Very happy that we have had a lot of queries and questions. And probably, we hope that we have answered your question. We are always grateful to the investor community as well as to the analysts who actually get clarification from us. It keeps us also, well, maybe on our toes. And from the management side, as a company, we would like to grow the book, grow the company, better results, which will help customers to get more money

for their needs, for the investors to get more returns, and maybe for the company and the staff also to do well. So, with all your cooperation, with all your support, we assure you that going forward also, Muthoot Finance will put in all efforts at the top management up to the lowest level to see that the interests of all our stakeholders are well taken care of. So, with that, thanking all of you and also the people who participated from here for a what should I say, a very enriching conversation. Thank you and goodbye.

Moderator:

Thank you. On behalf of DAM Capital Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.