

Ref:

To

**BSE Limited**

**Phiroze Jeejeebhoy Towers**

**Dalal Street**

**Mumbai - 400001**

*Scrip code: 544055*

**National Stock Exchange of India Limited**

**Exchange Plaza, C-1, Block G**

**Bandra Kurla Complex, Bandra (East)**

**Mumbai - 400051**

*Symbol: MUTHOOTMF*

Dear Sir/Madam,

**Sub.: Press Release**

Pursuant to Regulation 30 of SEBI (Listing Regulations and Disclosure Requirements), 2015, we hereby submit the Press Release on the Un-audited Financial Results for the quarter ended June 30, 2025. The same is also available on the website of the company at [www.muthootmicrofin.com](http://www.muthootmicrofin.com)

Please take the same on record.

Thanking you,

**Yours Truly**

For Muthoot Microfin Limited

**Neethu Ajay**

**Company Secretary and Chief Compliance Officer**

## Press Release

### Resilient Operations, Robust Assets, Ready to Grow

- **AUM at Rs. 12,252.8 crore; Borrower base at 34.1 lakhs, up 0.3% YoY**
- **CRISIL reaffirms rating on long term facilities/NCDs at 'CRISIL A+/Stable' and MFI Grading at 'M1C1'**
- **CoF at 10.79%, down from 11.02%, a year ago, led by greater PTC utilisation and diversifying funding sources**
- **Credit cost at 4.3%, towards the lower end of FY26 guidance; PCR at 68.5%**
- **Entered Northeast India with launch of first branch in Assam**
- **Secured lending disbursements initiated, systems put in place**

**Mumbai, 11th August 2025:** Muthoot Microfin Limited (NSE: MUTHOOTMF, BSE: 544055), among India's leading Non-Banking Financial Company-Micro Finance Institution (NBFC-MFI), focused on providing micro-loans to women entrepreneurs with a focus on rural regions of India, today announced its unaudited financial performance for the first quarter of the financial year 2025-26.

#### Business Highlights: Q1 FY26

- GLP stood at **Rs. 12,252.8 crore**; company disbursed **Rs. 1,775.6 crore**
- Borrower base grew by **0.3% YoY** from 34.0 lakhs to **34.1 lakhs** across **1,726** branches.
- Entered Northeast India with the launch of a new branch in Assam
- Diversifying portfolio by foraying into secured lending products such as Gold Loans and Micro LAP
- CRISIL reaffirms rating on long term facilities/NCDs at 'CRISIL A+/Stable' and MFI Grading at 'M1C1'

#### Financial Highlights: Q1FY26

- Total income for the quarter stood at **Rs. 559.1 crore**, with Net Interest Margins at 11.5%
- CoF at **10.79%**, down from 11.02% in Q4 FY25 led by greater PTC utilisation and diversifying funding sources.
- Pre-provision operating profit (PPOP) stood at **Rs. 138.5 crore**
- Maintained a prudent underwriting and provisioning approach, resulting in **provisioning cost of 4.3%**, with profitability for the quarter at **Rs. 6.2 crore**. Provision Coverage ratio (Stage III) remains robust at **68.5%**

- The **GNPA** of the Company is at **4.85%** as against GNPA of 2.10% a year ago, **NNPA** (Net of Stage III provision) stood at **1.58%** as against 0.71% last year
- Strong liquidity position with **Rs. 536.5 crore** along with DA/PTC sanctions of **Rs. 1,002 crore** and unutilized term funding sanctions of **Rs. 561 crore**
- Healthy capital position with a **CRAR of 27.85%**
- **23%** of our collections are via digital channels such as UPI/Customer App, while 100% disbursements are entirely executed digitally

## **Commenting on the performance: Mr. Thomas Muthoot, Chairman & Non-Executive Director of Muthoot Microfin, said**

*“While the microfinance sector continues to navigate a phase of moderated growth, we remain unwavering in our commitment to long-term value creation and sustainable impact.*

*Over the past few quarters, we have focused on systematically strengthening our organisational foundation—implementing robust internal policies, streamlining critical processes, upgrading core technology systems, and significantly enhancing team capabilities across all levels.*

*In parallel, we prioritised improving collections, which led to a temporary increase in operating expenses. This strategic investment, while impacting short-term cost metrics, was essential to maintaining asset quality and will yield long-term benefits in portfolio stability and operational efficiency.*

*Encouragingly, we are now witnessing early positive indicators in our core microfinance business, with the full benefits of our strategic initiatives expected to materialise in the second half of the fiscal year.*

*Simultaneously, we continue to advance our portfolio diversification strategy through focused expansion into secured lending products, particularly Gold Loans and Micro LAP loans, by leveraging synergies with our group companies via strategic co-lending partnerships.*

*These forward-looking investments are designed to fortify our business model and drive long-term sustainable growth.”*

## **Mr. Sadaf Sayeed, CEO, Muthoot Microfin, said**

*“Q1 is traditionally a seasonally soft quarter for the microfinance industry in terms of disbursement growth. The quarter saw a heightened impact driven by ongoing sectoral challenges and the implementation of stricter MFIN guardrails, prompting the industry to shift its focus from aggressive expansion to internal consolidation. Aligned with our long-term strategy of sustainable value creation, Muthoot Microfin adopted a calibrated approach—moderating disbursements and prioritising portfolio quality, while channelling efforts towards strengthening operational infrastructure.*

*Our disciplined execution yielded encouraging results. The Karnataka portfolio stabilised, with collections showing signs of revival, reflecting the success of our targeted recovery efforts. Tamil Nadu continued to perform well. These outcomes were further supported by improved X-bucket collections, which rose to 99.25% in June—underscoring better borrower behaviour and the impact of our credit discipline.*

*Further, we have seen a marked improvement in our MMFL+4 lenders exposure, which declined from 8.2% in December 2024 to 4.7% in June 2025. We have started the year on a strong note maintaining credit cost at 4.3%, towards the lower end of our guidance – validating the effectiveness of our risk management framework.*

*We marked our entry into Northeast India with the launch of a new branch in Assam, expanding our footprint to 21 states and union territories, and reinforcing our commitment to financial inclusion. Additionally, with robust systems and processes in place, we have commenced disbursements in secured lending products, marking a strategic step toward portfolio diversification.*

*We are comfortable on the liquidity front, supported by a healthy CRAR of 27.85%, which provides ample headroom for future growth and financial stability. Our Q1 initiatives have laid a strong foundation for accelerated performance, and we are operationally well-prepared to execute our growth strategy in the quarters ahead.”*

## Key Metrics: Q1 FY26

Particulars	Q1 FY25	Q1 FY26	YoY%
Gross Loan Portfolio (Rs. Cr)	12,210.3	12,252.8	0.3%
Borrowers (Lakh)	34.0	34.1	0.3%
Branches (No.)	1,562	1,726	10.5%

Particulars (Rs. Cr)	Q1 FY25	Q1 FY26	YoY%
Net Interest Income (NII)	411.5	342.3	(16.8%)
Pre-Provision Operating Profit (PPOP)	248.6	138.5	(44.3%)
Profit After Tax (PAT)	113.2	6.2	(94.5%)

Key Ratios	Q1 FY25	Q1 FY26	YoY%
Net Interest Margin (NIM)	13.3%	11.5%	(180 bps)
Cost/Income Ratio	42.2%	60.3%	1810 bps
Opex/GLP Ratio	6.0%	6.9%	90 bps
Gross NPA	2.10%	4.85%	275 bps
Return on Assets (ROA)	3.71%	0.20%	(351 bps)
Return on equity (ROE)	15.82%	0.94%	(1488 bps)

## About Muthoot Microfin Limited

Muthoot Microfin Ltd. is a part of Muthoot Pappachan Group (also known as Muthoot Blue) and is one of the leading listed MFIs in India. It has inherited values, principles of integrity, collaboration, and excellence to take forward the legacy of 138+ years. The microfinance operations of the Company are designed to promote entrepreneurship among women and inclusive growth. It provides financial assistance through micro loans such as income generating loans to women engaged in small businesses. It is involved in delivering financial services to masses including underprivileged and disadvantaged people, living in the rural sectors of the Indian society at affordable terms, in quick turnaround time and with hassle-free processing is the aim of our financial inclusion drive. As on 30th June 2025, the Company has 3.41 million active customers served through 1,726 branches spread across 21 states and 390 districts with a Gross Loan Portfolio (GLP) of 12,252.8 Cr. It is also part of S&P BSE Financial Services Index.

## For more information, please contact:

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## Caution Concerning Forward- Looking Statements:

*This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. The Company is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.*