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Press Release

Company Returns To Growth Mode As Disbursals Gain Momentum; Credit Discipline Supports Profitability

- **Strong disbursement growth of 28.1% QoQ to Rs. 2,273.9 crore in Q2FY26**
- **Sustained decline in CoF from 10.8% in Q1 to 10.6% in Q2FY26**
- **CRISIL revises outlook on long term facilities/NCDs to 'Positive'; Ratings Reaffirmed at 'Crisil A+'; CareEdge Global assigns 'BB-/Stable' rating to dollar bonds of Muthoot Microfin Limited**
- **Asset Quality Improved: GNPA at 4.61% as against 4.85% in Jun-25, NNPA at 1.41% as against 1.58% in Jun-25**
- **Capital Adequacy improves to 28.9%, up 106 bps QoQ**
- **Credit cost at 3.6%, below FY26 guided range, PCR up by 190 bps QoQ to 70.4%**
- **Profit After Tax of Rs. 30.5 crore for Q2FY26, up 393.6% sequentially**
- **Steady Progress on Diversification – Individual loan portfolio reaches Rs 257.2 Crore; commences on-ground implementation of Gold loans and Micro-Lap**

Mumbai, 5th November 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 quarter and half year of the financial year 2025-26.

Business Highlights: Q2 FY26

- GLP grew by **2.5% QoQ** to **Rs. 12,558.8 crore;** company disbursed **Rs. 2,273.9 crore** registering **28.1% QoQ**
- Commences on-ground implementation of Gold loans and Micro-Lap ; Individual Loans portfolio reaches Rs. 257.2 crore.
- Consolidated 22 branches during the quarter to increase the efficiency of nation-wide footprint; Target 84 branches in FY26. Branch count reaches 1,718.
- CRISIL upgrades outlook on long term facilities/NCDs 'Stable' to 'Positive'; Ratings Reaffirmed at 'Crisil A+'; CareEdge Global assigns 'BB-/Stable' rating to dollar bonds of Muthoot Microfin Limited

Financial Highlights: Q2FY26

- Total income for the quarter stood at **Rs. 577.4 crore;** Pre-provision operating profit (PPOP) stood at **Rs. 149.0 crore**
- Net Interest Margins at **11.9%, up 43 bps**; Sustained decline in CoF from 10.8% in Q1FY26 to **10.6%** in Q2FY26
- Disciplined underwriting and provisioning resulted in in provisioning cost at 3.6% with PAT for the quarter at **Rs. 30.5 crore**
- **GNPA** reduced to **4.61%** as against 4.85% in Jun-25, **NNPA** (Net of Stage III provision) stood at **1.41%** as against 1.58% in Jun-25
- Strong liquidity position with **Rs. 1,158.7 crore** of liquid funds and HQLA-GSec Investments along with DA/PTC sanctions of **Rs. 1,900 crore** and unutilized term funding sanctions of **Rs. 757 crore**
- Capital Adequacy improves to **28.91%, up 24 bps YoY and 106 bps QoQ**
- **25%** 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

"The business is firmly back on track, with healthy momentum across disbursements, profitability, and asset quality. We believe this momentum will only strengthen in the coming quarters.

With the business momentum expected to sustain and accelerate, we are enhancing our product portfolio and actively pursuing our diversification strategy to drive the next phase of growth. The core microfinance business continues to be the foundation of our operations, we are expanding into product segments such as Gold Loans, Loan Against Property, and Individual Loans.

Backed by disciplined risk management, responsible lending practices, and a sharpened focus on operational excellence, we have laid a strong platform for continued performance improvement. We expect this momentum to further accelerate over the next two quarters. Looking ahead to FY27, we are entering a phase of strong and sustained growth. With a strong underwriting and operational excellence, Muthoot Microfin is well-positioned to capture the significant opportunities in coming years."

Mr. Sadaf Sayeed, CEO, Muthoot Microfin, said

"Focused execution at the ground level continues to deliver results, with clear gains in disbursement momentum. For Q2FY26, disbursements reached Rs. 2,273.9 crore, marking a 28.1% quarter-on-quarter growth, driven by our existing customers & newer geographies.

This positive momentum is underpinned by disciplined risk management, which has driven meaningful improvements in portfolio health. Our asset quality has strengthened significantly, with GNPA declining from 4.85% in Jun-25 to 4.61% in Sep-25. Credit costs reduced to 3.6%, well below the guided range of 4–6%. In addition, our X-bucket collection efficiency stood at 99.8%, reflecting the continued effectiveness of our collection and monitoring processes.

Looking ahead, the outlook for the second half of the financial year remains positive across all key parameters. We anticipate steady growth in our MFI book as we continue to strengthen collections, improve portfolio quality, and broaden our outreach.

Further, in line with our diversification strategy, we have successfully launched our Gold and LAP products, marking a significant step toward building a more resilient and diversified business model. This strategic expansion is expected to meaningfully enhance the book mix over the coming years, supporting consistent, high-quality growth."

Key Metrics: Q2 FY26

Particulars	Q2 FY25	Q2 FY26	YoY%	Q1 FY26	QoQ%
Gross Loan Portfolio (Rs Cr)	12,518.5	12,558.8	0.3%	12,252.8	2.5%
Borrowers (Lakh)	34.4	33.6	(2.3%)	34.1	(1.5%)
Branches (No.)	1,593	1,718	7.8%	1,726	(0.5%)

Particulars (Rs. Cr)	Q2 FY25	Q2 FY26	YoY%	Q1 FY26	QoQ%
Net Interest Income (NII)	398.3	345.4	(13.3%)	342.3	0.9%
Pre-Provision Operating Profit (PPOP)	236.4	149.0	(37.0%)	138.5	7.6%
Profit After Tax (PAT)	61.6	30.5	(50.5%)	6.2	393.5%

Key Ratios	Q2 FY25	Q2 FY26	YoY%	Q1 FY26	QoQ%
Net Interest Margin (NIM)	13.3%	11.9%	(143 bps)	11.5%	43 bps
Cost/Income Ratio	45.0%	59.8%	1479 bps	60.3%	(48 bps)
Opex/GLP Ratio	6.1%	7.0%	90 bps	6.9%	16 bps
Gross NPA	2.7%	4.6%	191 bps	4.8%	(24 bps)
Return on Assets (ROA)	2.0%	1.0%	(100 bps)	0.2%	78 bps
Return on equity (ROE)	8.3%	4.6%	(373 bps)	0.9%	363 bps

Key Metrics: H1 FY26

Particulars (Rs. Cr)	H1 FY25	H1 FY26	YoY%
Net Interest Income (NII)	809.9	687.7	(15.1%)
Pre-Provision Operating Profit (PPOP)	485.0	287.5	(40.7%)
Profit After Tax (PAT)	174.8	36.7	(79.0%)

Key Ratios	H1 FY25	H1 FY26	YoY%
Net Interest Margin (NIM)	13.4%	11.7%	(173 bps)
Cost/Income Ratio	43.9%	60.3%	1643 bps
Opex/GLP Ratio	6.0%	6.9%	89 bps
Return on Assets (ROA)	2.8%	0.6%	(225 bps)
Return on equity (ROE)	12.1%	2.8%	(931 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 September 2025, the Company has 33.6 lakh active customers served through 1,718 branches spread across 21 states and 392 districts with a Gross Loan Portfolio (GLP) of 12,558.8 Cr. It is also part of S&P BSE Financial Services Index.

For more information, please contact:

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