

Magma Fincorp Limited
Regd. Office
Development House
24 Park Street, Kolkata 700 016
Tel : 91 7596067686
91 33 44017350
Fax : 91 33 44017428
CIN : L51504WB1978PLC031813
Web : www.magma.co.in



15 May 2019

Corporate Relationship Department
BSE Limited
25th Floor, P.J. Towers, Dalal Street, Fort,
Mumbai – 400 001

Company Code - 524000

The Manager
Listing Department,
National Stock Exchange of India Limited
“Exchange Plaza”
Bandra- Kurla Complex, Bandra (E),
Mumbai – 400 051

Symbol - MAGMA

Sub: Investors/Analysts’ Presentation-Revised

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Dear Sir,

Pursuant to Regulation 30 of the Listing Regulations we are enclosing herewith the revised presentation to be made to the Investors/Analysts on the Audited Financial Results of the Company for the fourth quarter and financial year ended 31 March 2019.

The revised presentation is also being uploaded on the website of the Company at the URL <https://magma.co.in/about-us/investor-relations/financial-results/investor-presentation/> in accordance with Regulation 46 of the Listing Regulations.

Kindly take the same on record

Thanking you,

Yours faithfully,

For Magma Fincorp Limited


Shabnum Zaman
Company Secretary
Encl:as above

***Towards a Robust,
Sustainable and
Profitable Growth***



Magma Fincorp Limited
Investor Presentation – Q4 FY19

1 **Company Overview**

2 **Financial Performance – Q4 FY19 & FY19**

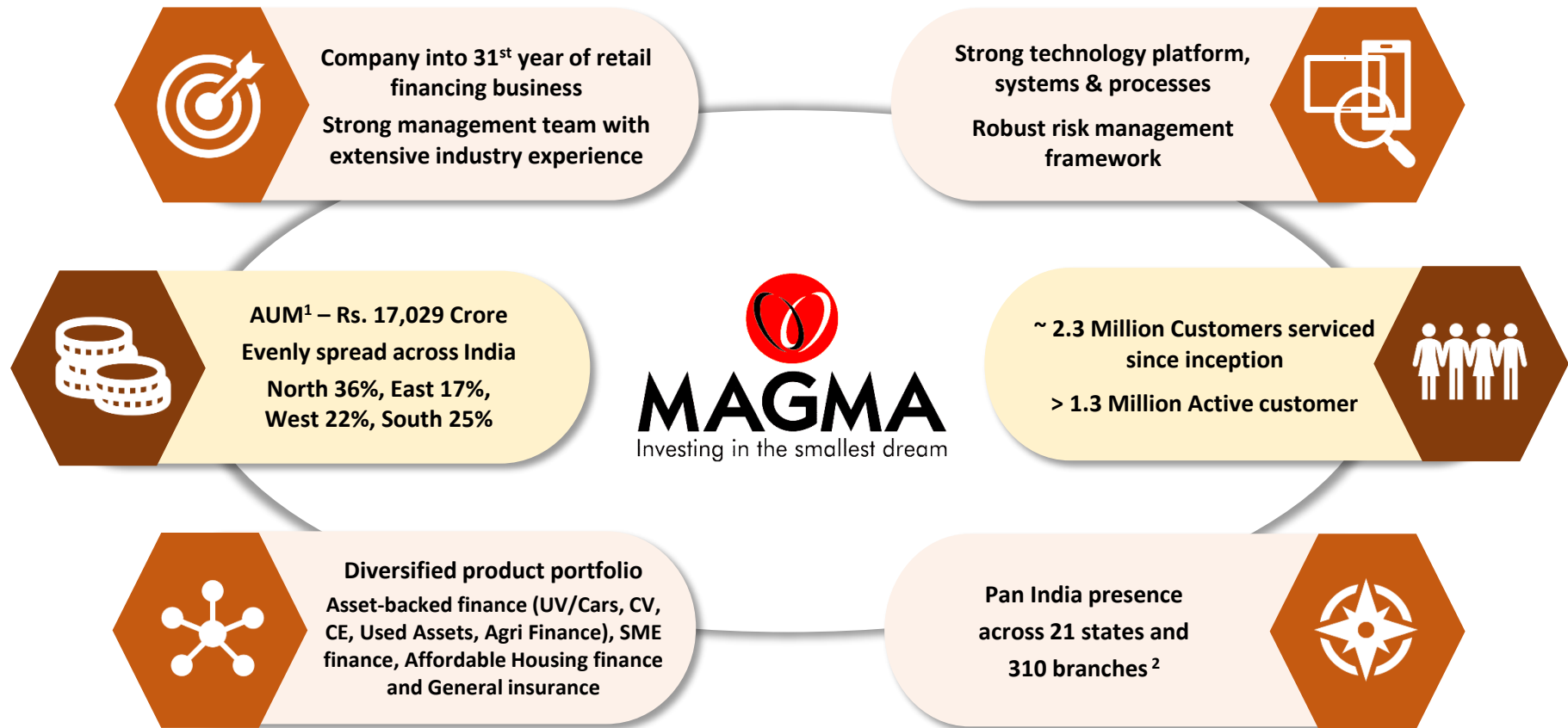
3 **Business Strategy**

4 **Business enablers to drive sustainable growth**

5 **Leadership Team & Shareholding Structure**

6 **Annexures**

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.



UV – Utility Vehicles, CV – Commercial Vehicles, CE – Construction Equipment

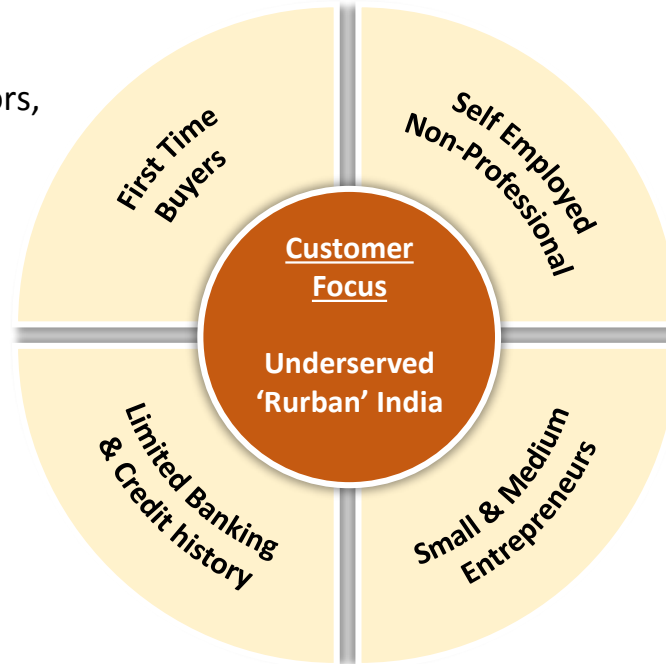
1 – As per Ind AS on 31st March 2019 2 – As on 31st March 2019

Provide Financing Solutions to Underbanked Customers in 'Rurban' India

Recognised and Trusted Brand in 'Rurban' India

- Taxi / Truck driver / operators, Small Farmers

- Customers with informal income and low eligibility for bank loans



- Self employed customer with informal income sources (Home / Car buyer)

- Small trader, factory owner, shop owner with working capital needs
- Small fleet operator

Core strengths - Widespread presence, deep 'Rurban' insight, robust technology for faster customer acquisition, loan servicing and effective cross-sell

Rurban includes Rural and Semi-Urban locations

Focus on Higher Cross-Selling of Products for Deep Customer Engagement

		Customer Segments				Illustrative Asset Profile		
		First Time Buyers	Self Employed Non Professionals	Small & Medium Entrepreneurs	Limited banking / credit history	Average Ticket Size (Rs lakh)	Average Loan to Value Ratio	Average Tenure (months)
Financing & General Insurance Solutions	ABF: Commercial Finance	●	●	●	●	4-6	75-80%	40-45
	ABF: Agri Finance	●	●		●	3-4	65-70%	45-50
	SME Finance		●	●	●	19-21	N/A	30-35
	AHF: Affordable Housing Finance	●	●	●	●	9-12	60-70%	150-180
	General Insurance	●	●	●	●			

Numbers indicative of disbursements done during Q4 FY19

Commercial Finance includes trucks, construction equipment, UVs & Cars

SME Finance includes Unsecured Loans to Business Enterprises;

Agri Finance includes Tractors

Affordable Housing Finance includes Home Loans and Loan against property

A well diversified portfolio across segment and geography

Diverse Product Offerings

Asset Backed Finance (ABF)

AUM¹: Rs. 11,591 Cr.



**Total AUM¹ : Rs.
17,029 Cr.**

SME Finance
AUM¹: Rs. 2,278 Cr.



Affordable Housing Finance (AHF)*

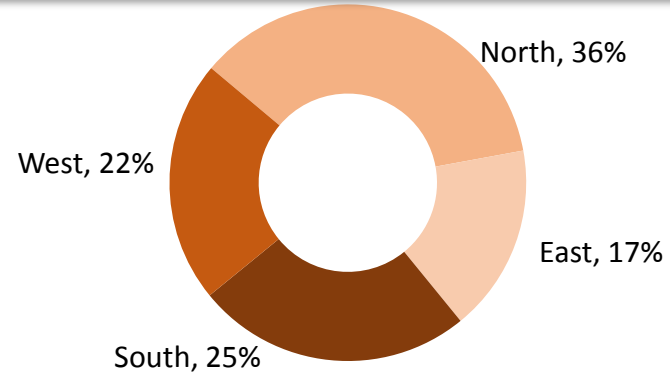
AUM¹: Rs. 3,160 Cr.



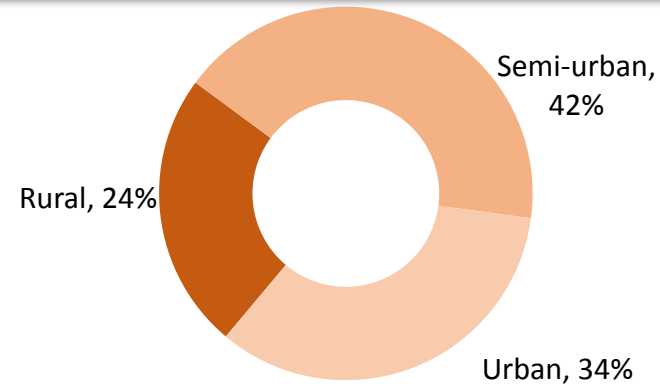
General Insurance
GWP²: Rs. 1,026 Cr.



Zone-wise Breakup



Rural-Urban Breakup



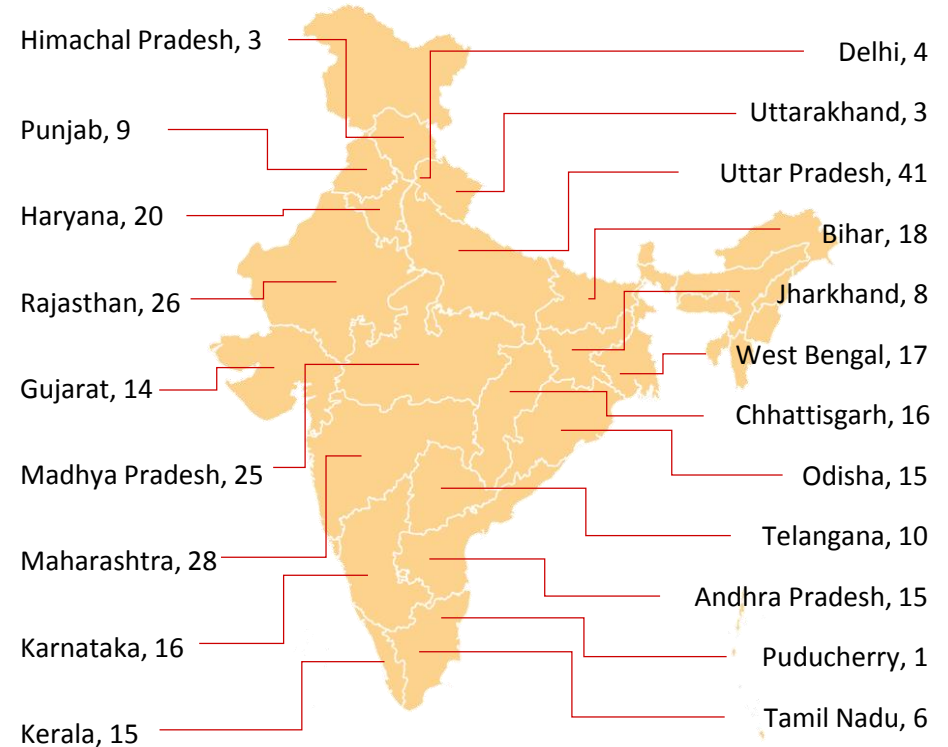
1 - As of 31st Mar 2019; 2 - FY19

* Split between MFL (Rs. 730 Cr.) and MHF (Rs. 2,430Cr.)

Asset Light Branch Network

- **Wide retail presence through hub and spoke model**
- **Technology solutions** enable FOS to conduct business from channel/customer location leading to better sales productivity, better market coverage, improved channel and customer experience
- **Strong customer engagement** through large team of Field Executives
- **Toll free Inbound/Outbound Customer Call Centre** for servicing and cross sell

310 Branches as on 31st March 2019





Integrity

Do the right thing (end), the right way (means) all the time



Collaboration

Invite ideas and inspiration for all



Respect

Treat people equally

1 Company Overview

2 **Financial Performance – Q4 FY19 & FY19**

3 Business Strategy

4 Business enablers to drive sustainable growth

5 Leadership Team & Shareholding Structure

6 Annexures









Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.

Adoption of Indian Accounting Standards (“IND-AS”)

- This is the first financial year of adoption of Indian Accounting Standards (“IND-AS”) for the purposes of the Company’s financial reporting.
- The impact of the transition from previous GAAP (“I-GAAP”) has been made in the opening reserves of FY18 i.e. 1st April 2017
- Financial results for quarter ended 31st March 2019, quarter ended 31st March 2018 and year ended 31st March 2019 and 31st March 2018, have been subjected to audit. All other reporting and disclosures made in the presentation are based on management reports.
- The disclosures provided here are to merely provide a summary of the performance and for comparing key differences with previous accounting standards.
- The financial results and the additional disclosures may be updated, modified or amended due to adjustments which may be required to be made on account of introduction of new standards or their interpretation, receipt of guidelines or circulars from Reserve Bank of India and/or other Government or Regulatory Bodies

- **Liquidity scenario**
 - Continued Business as usual during the period of liquidity crisis
 - Comfortable liquidity position - positive cumulative liquidity position across all buckets, assuming Working Capital limits as matched to maturity
- **All round improvement in financial parameters:**
 - Disbursement at Rs. 8,757 crs, **growth of 20% YoY**, AUM at Rs. 17,029 crs, **7.8% growth YoY**.
 - Insurance business in Joint Venture Magma HDI crossed Rs.1,000 Crs Gross Written Premium, **growth of 83% YoY**
 - **PAT Rs. 304 crs** against Rs. 237 crs in FY18, **28% growth YoY**
- **Significant improvement in Asset quality**
 - GNPA reduces from **8.6% to 4.8%** and NNPA from **4.5% to 3.1%** YoY, even as credit cost falls from **2.0% to 1.6%** YoY
 - Early warning indicators fall below threshold parameters indicating robust quality of portfolio being currently underwritten.
- **Enterprise wide, independent risk management framework (ERM)**
 - **'Independent' Risk vertical** set up to assess and monitor all risks, i.e., Credit Governance, Operational, Fraud, InfoSec and Compliance Risks, and including risks associated with new products and services, customer types, geographies, and channels.
- **Customer Delight** - Implemented State of the art Customer Relation Management (CRM) system for **360° customer view** across Business leading to **improvement in cross sell** and customer experience

FY19: Consolidated Result Highlights (as per Ind AS)

<p>Disbursements</p> <p>FY19 – Rs 8,757 Cr </p> <p>FY18 – Rs 7,287 Cr</p>	<p>AUM</p> <p>FY19 – Rs 17,029 Cr </p> <p>FY18 – Rs 15,801 Cr</p>	<p>NIM</p> <p>FY19 – 8.5% </p> <p>FY18 – 7.5%</p>
<p>Opex / AAUM</p> <p>FY19 – 4.2% </p> <p>FY18 – 3.8%</p>	<p>NNPA</p> <p>FY19 – 3.1% </p> <p>FY18 – 4.5%</p>	<p>PAT</p> <p>FY19 – Rs 304 Cr </p> <p>FY18 – Rs 237 Cr</p>
<p>ROA</p> <p>FY19 – 1.9% </p> <p>FY18 – 1.5%</p>	<p>ROE</p> <p>FY19 – 13.0% </p> <p>FY18 – 12.8%</p>	<p>FY19</p> <p>Networth - Rs 2,744Cr</p> <p>BVPS - Rs 101.3, EPS - Rs 11.3</p> <p>Capital Adequacy – 24.9%</p>
<ul style="list-style-type: none">• Disbursement up 20%• NNPA improves 31%• PAT up 28%• AUM up 8%• NIM increase 100 bps• ROA increases 40bps		


Q4 FY19: Consolidated Result Highlights (as per Ind AS)

Disbursements

Q4 FY19 – Rs 2,586 Cr 


Q4 FY18 – Rs 2,233 Cr

AUM

Q4 FY19 – Rs 17,029 Cr 


Q4 FY18 – Rs 15,801 Cr

NIM

Q4 FY19 – 8.1% 


Q4 FY18 – 8.2%

Opex / AAUM

Q4 FY19 – 4.1% 


Q4 FY18 – 4.2%

NNPA

Q4 FY19 – 3.1% 

Q4 FY18 – 4.5%

PAT

Q4 FY19 – Rs 85 Cr 


Q4 FY18 – Rs 80 Cr

ROA

Q4 FY19 – 2.0%

Q4 FY18 – 2.0%

ROE

Q4 FY19 – 12.7% 

Q4 FY18 – 16.7%

Q4 FY19

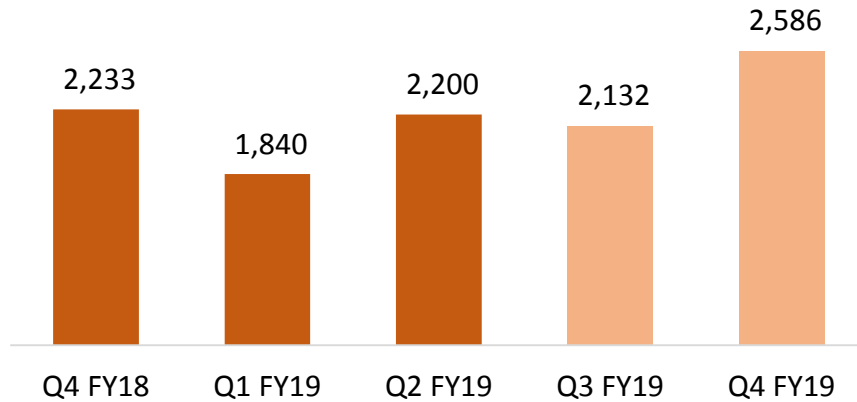
Networth - Rs 2,744Cr

BVPS - Rs 101.3, EPS - Rs 3.2

Capital Adequacy – 24.9%

- Disbursement up 16%
- AUM up 8%
- NNPA improves 31%
- PAT up 7%

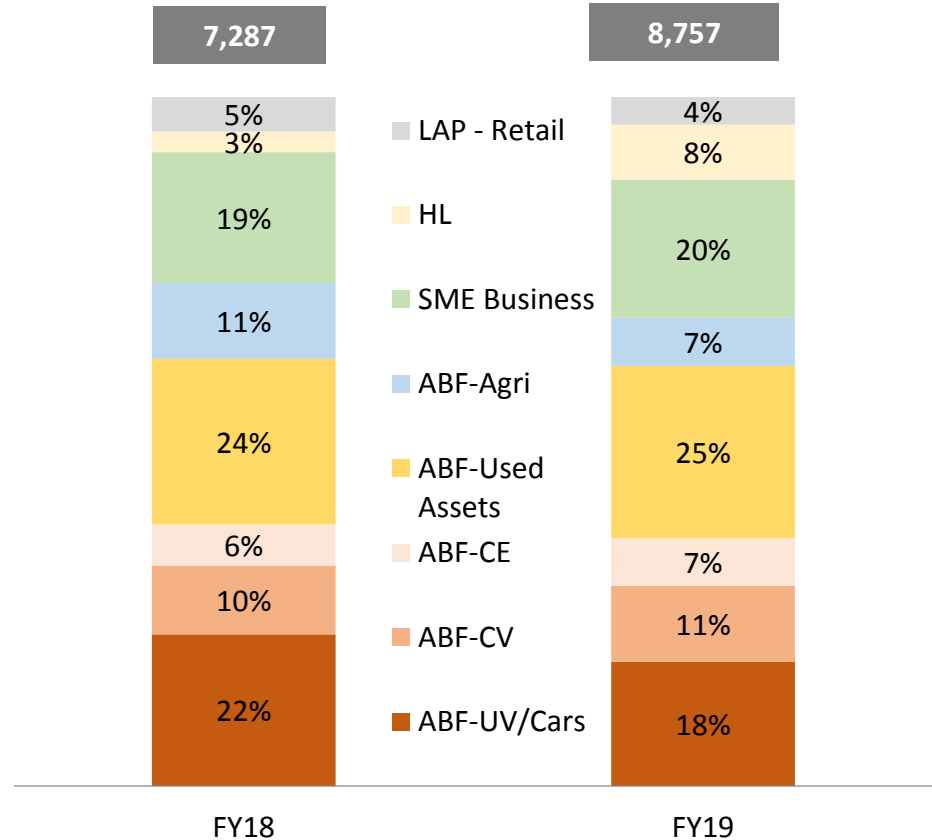
QoQ growth in Disbursement



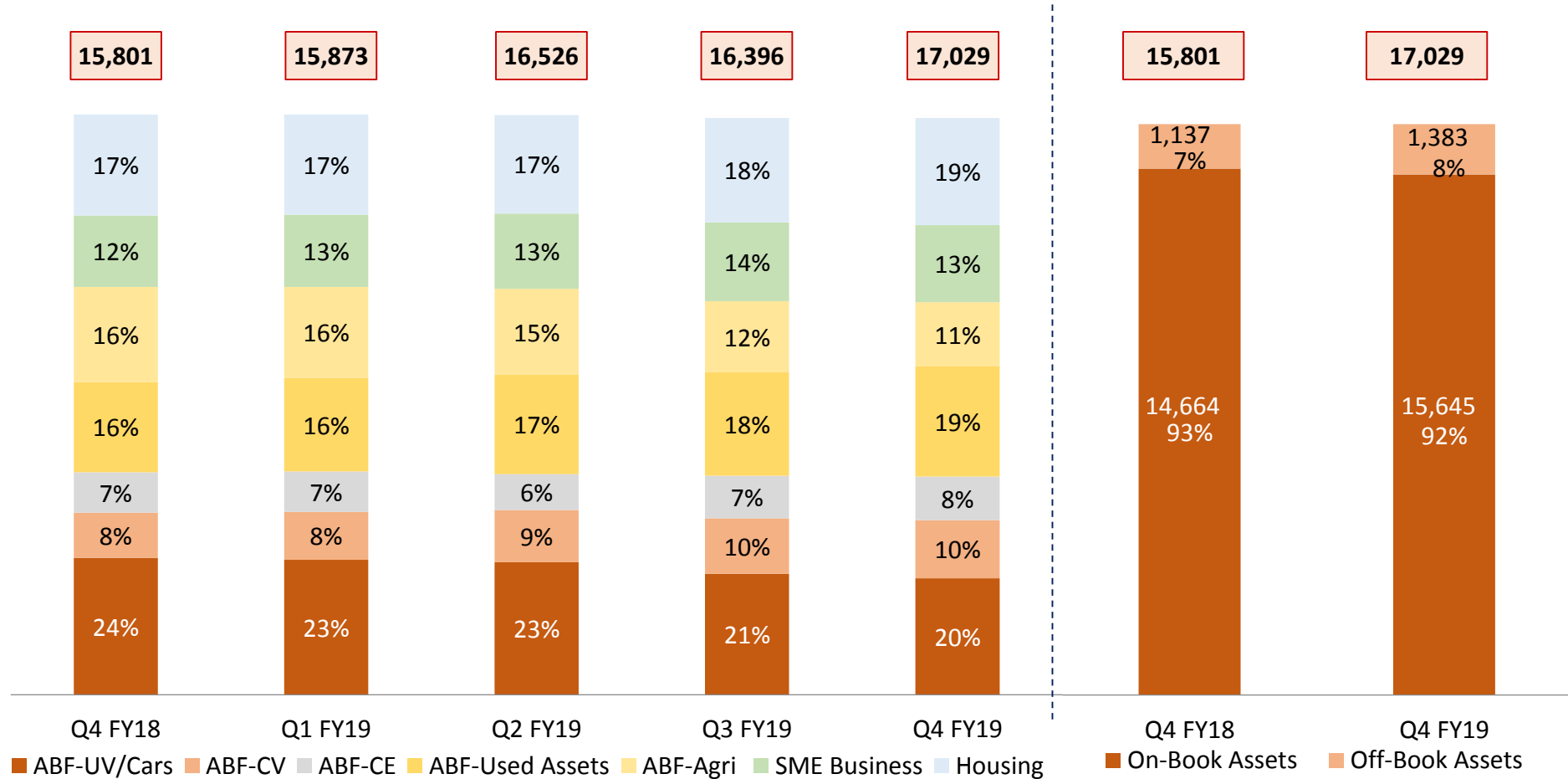
Increase in contribution of core products, i.e., Used assets, Mortgage and SME finance from 51% to 57%

Values in Rs crore

YoY Change in Disbursement Mix



Assets Under Management (AUM) – Growth returns after four years



Values in Rs crore

Particulars	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
Gross Stage 1 and Stage 2 Assets	13401	13569	13895	13913	14898
ECL Provision – Stage 1 and 2	388	359	348	333	293
Stage 1 and Stage 2 Coverage Ratio (%)	2.9%	2.6%	2.5%	2.4%	2.0%
Gross Stage 3 Assets	1263	1302	1326	910	747
ECL Provision – Stage 3	638	675	695	324	274
Gross Stage 3 Assets (%) (~ GNPA)	8.6%	8.8%	8.7%	6.1%	4.8%
Net Stage 3 Assets (%) (~NNPA)	4.5%	4.4%	4.3%	4.0%	3.1%
Stage 3 Coverage Ratio (%)	50.5%	51.9%	52.4%	35.6%	36.8%

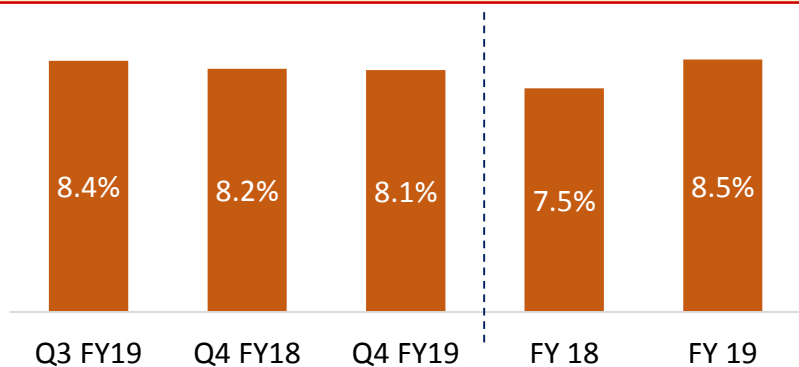
Improved credit quality resulting in lower Stage 1 & 2 provisioning and much lower NPA

Note: Assets quality ratios are calculated basis On Book AUM (i.e. Direct Assignment book is excluded)

Figures for the previous periods have been restated/ regrouped to align with current quarter's presentation on account of Ind AS adjustments.

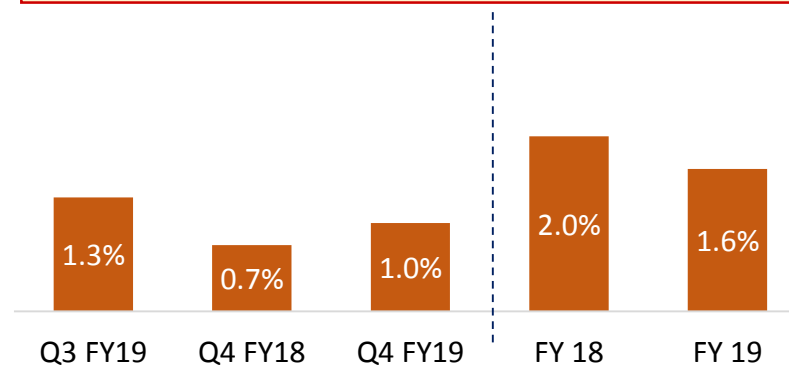
Key Ratios – Ind AS

NIM Analysis (% of AUM)



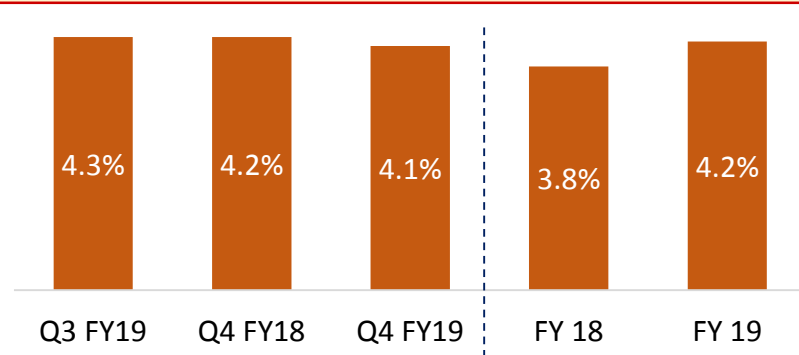
NIM: (Total Income (incl. Other Income) – Interest Expenses) / Average AUM

NCL (% of AUM)



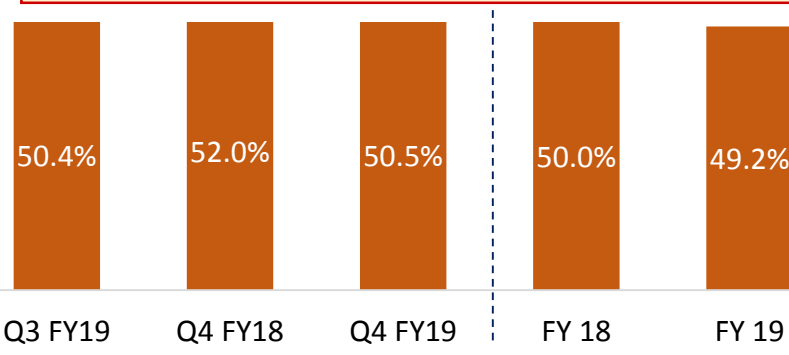
NCL: Net Credit Loss / Average AUM

Opex Ratio



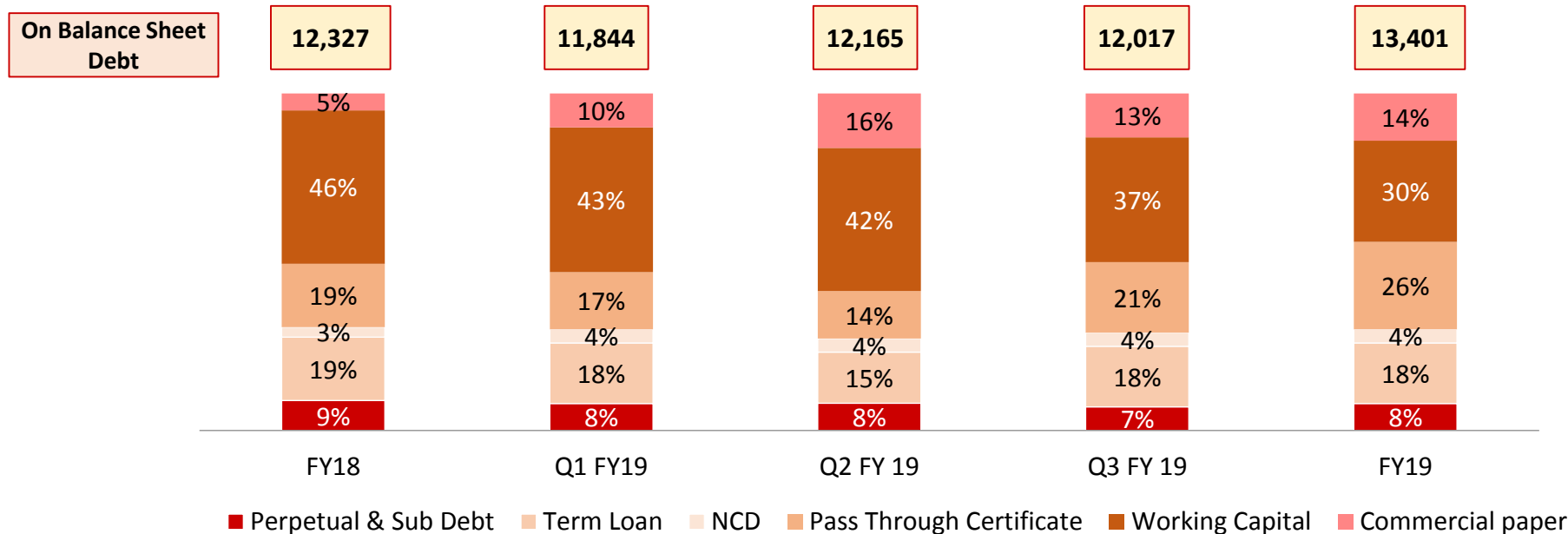
Opex: Total operating cost / Average AUM

Cost / Net Income (%)



Cost / Net Income% : Total operating cost / (Total Income (incl. Other Income) – Interest Expenses)

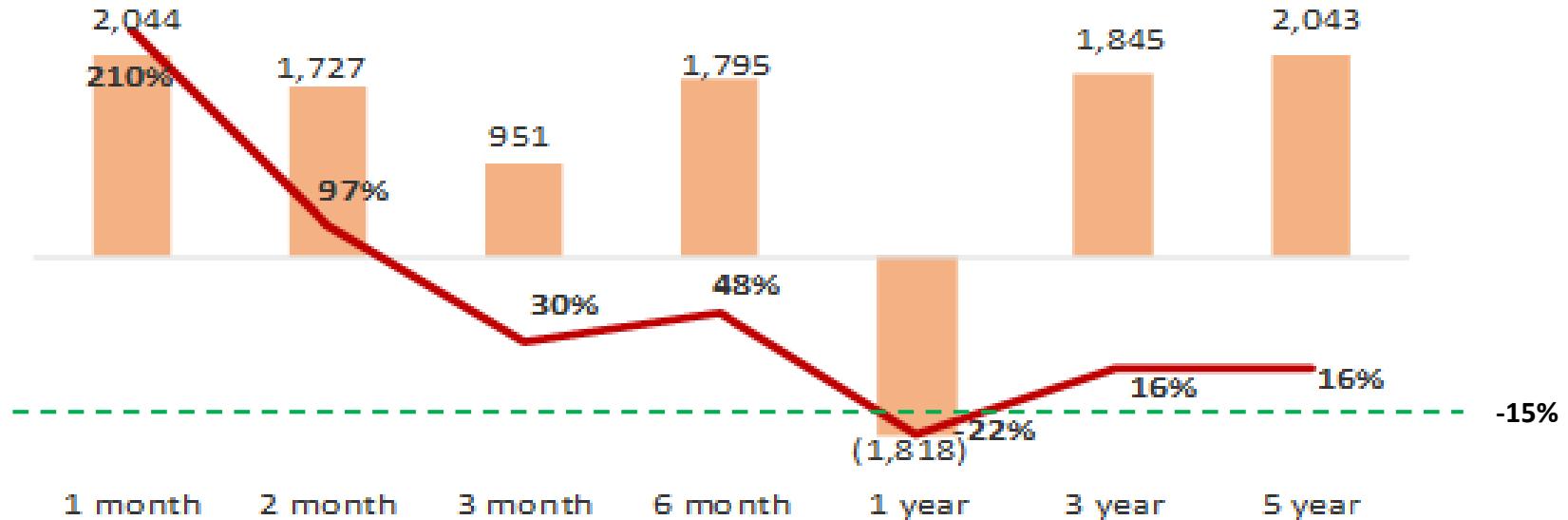
Liability Profile – Stable credit rating and Stable sources of funds



Instrument	Rating
Short term Debt	A1+ (By CARE & CRISIL)
Long term Debt	AA- (By CARE, ICRA & India Ratings)

- Diversified liability sources limit concentration risk and allows stable flow of funds.
- Source of liabilities - Banks 66%, Debt capital market 34%.

Balance Sheet Debt based on MFL Consolidated financials; Values in Rs crore.



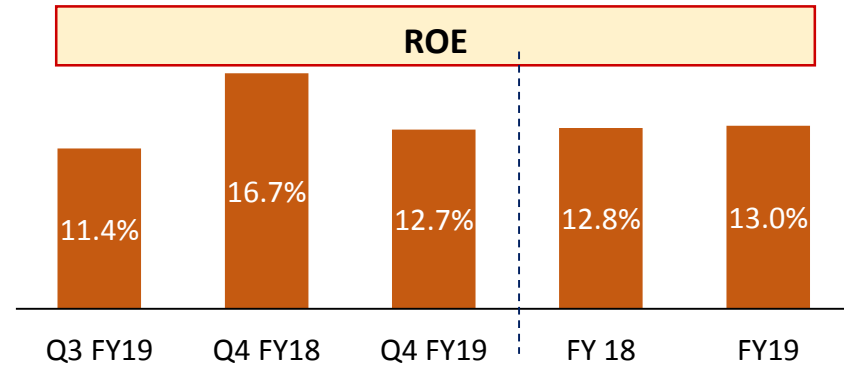
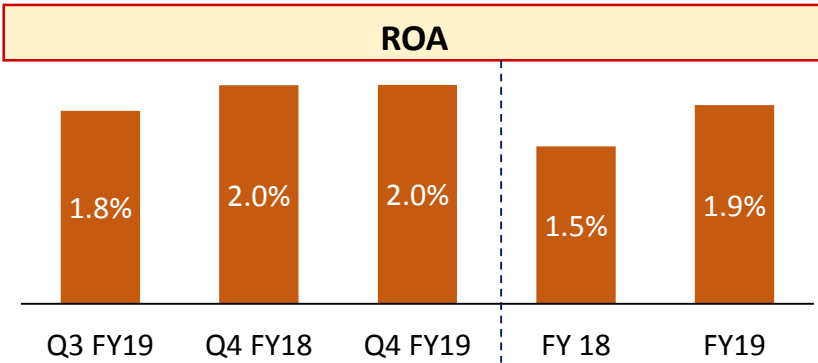
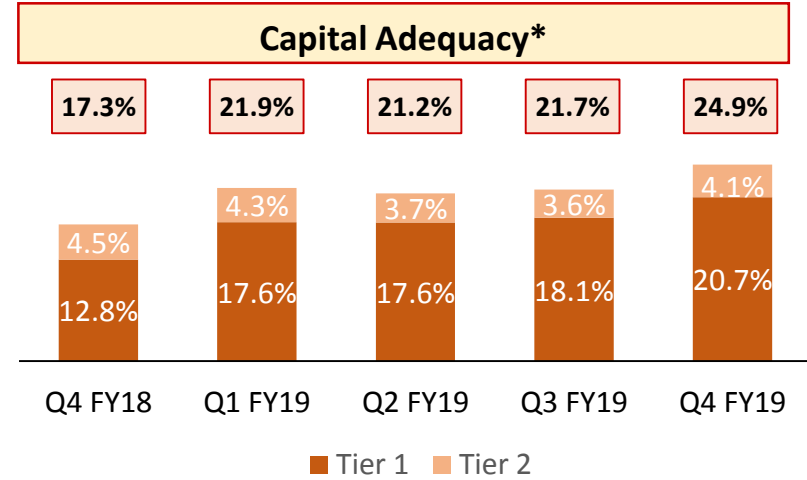
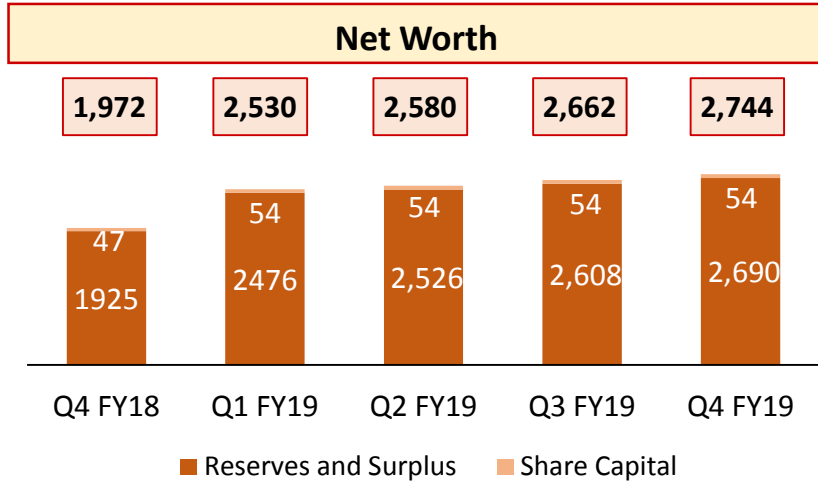
- Note:**
- Working capital limits are considered as repayable in 6 - 12 months time bucket against earlier treatment of considering matched to maturity of underlying assets.
 - Behaviorally, Working Capital limits are renewed by banks every year and are thus revolving in nature. Assuming **‘working capital’** limits from Banks as matched to maturity, the mismatch in 6 – 12 months time bucket turns to surplus of 4%.
 - The Company shall strive to raise additional long term funds to ensure the mismatch in all time buckets falls below 15% latest by 30th September 2019.

ALM Policy & Governance

- Strong ALM policy to ensure adequate Liquidity at all times.
- Maintain adequate liquidity buffers to meet repayment obligations and to continue business uninterrupted for a period of **at least 1 calendar month**, assuming no fresh funding lines are available
- Perform regular Stress test – to ensure enough funding lines available at all times to meet repayment obligations for a period of **2 clear calendar months**, assuming no fresh disbursement and no fresh funding shall be available.

Diversified Sources of Funds

- Strong and Long standing relationship with over 25 Banks since 1985
- Strong presence in Securitization market with Public and Private Sector Banks, Foreign Banks and Mutual Funds regularly subscribing to Company's Pass Through Certificates (PTCs).
- Proven track record in selling portfolios on Direct Assignment route with Public and Private Sector Banks.
- Have done over 230 securitization deals (both PTC & DA) for underlying Loan Principal of over **Rs.41,500 Crs** over the past 13 years. Total securitization in FY19 alone is over **Rs.4,000 Crs.**
- Ability to raise Long Term Borrowings in adverse market conditions; over **Rs.3,200 Crs** raised through Term Loan, NCDs and Securitization, between Dec-18 and Mar-19.



ROA- PAT (excluding OCI) / Average AUM

ROE- PAT (excluding OCI) / Average Net Worth

Values in Rs crore

* Subject to RBI guidelines

Consolidated Profit & Loss Statement – Ind AS

Ind AS					
INR Crs	Q4 FY19	Q3 FY19	Q4 FY18	FY19	FY18
Net Revenue	339	347	320	1,391	1,210
Expenses	171	175	167	684	605
Operating Profit	168	172	154	707	605
Net Credit Loss	41	52	29	265	316
Profit Before Tax	127	120	125	442	289
Tax	40	43	44	138	54
Profit After Tax	87	77	80	303	235
Share of profit in Joint Ventures / Associates	-2	-3	0	1	2
Consolidated Profit After Tax	85	74	80	304	237
RoA	2.0%	1.8%	2.0%	1.9%	1.5%
RoE	12.7%	11.4%	16.7%	13.0%	12.8%

Consolidated Balance Sheet – Ind AS

Ind AS		
INR Crs	FY19	FY18
Cash and Cash Equivalents	957	407
Loans and Advances	15,007	13,570
Other Assets	637	724
Fixed Assets	189	193
Total Assets	16,789	14,894
Borrowings	13,401	12,327
Other Liabilities	644	596
Share Capital	54	47
Reserves & Surplus	2,690	1,925
Total Liabilities	16,789	14,894

1 Company Overview

2 Financial Performance – Q4 FY19 & FY19

3 **Business Strategy – Asset Backed Finance (ABF)**

4 Business enablers to drive sustainable growth

5 Leadership Team & Shareholding Structure

6 Annexures

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.

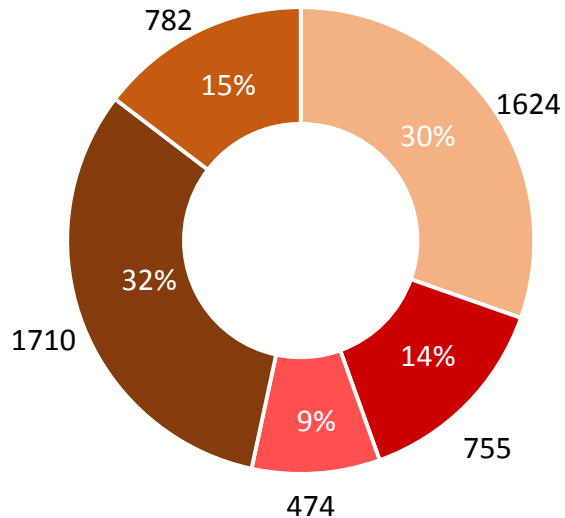
Branch Manager ownership for both origination and collection (0-60 buckets)

Branch & product Grading based on asset quality performance

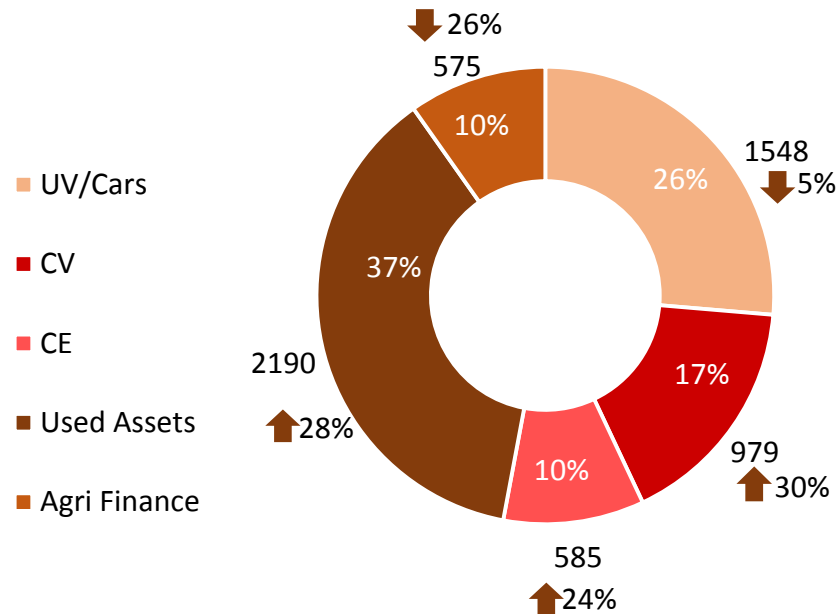
Portfolio re-shaping by increasing contribution of focus products

Credit Underwriting automated through a rule engine

FY18 ABF Disbursement

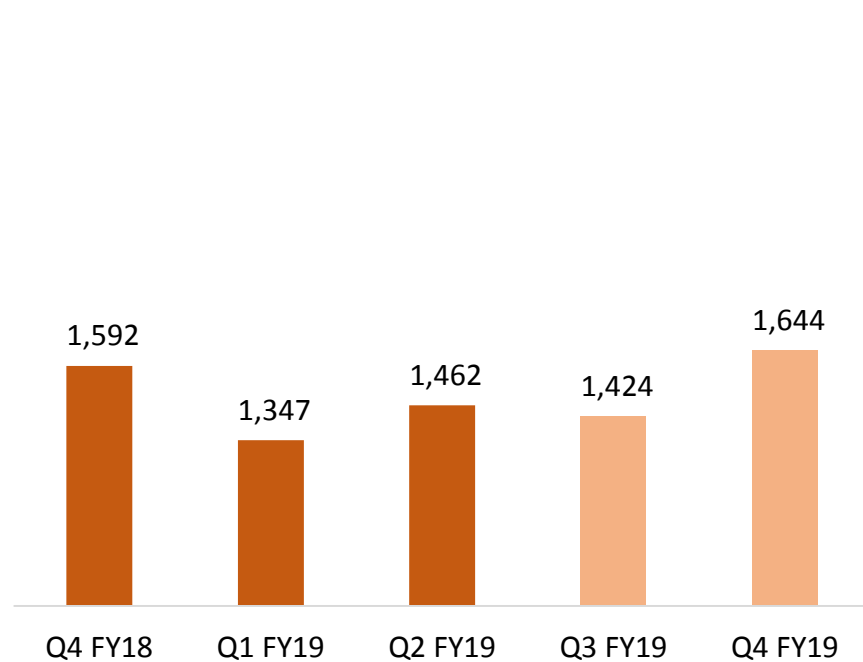


FY19 ABF Disbursement

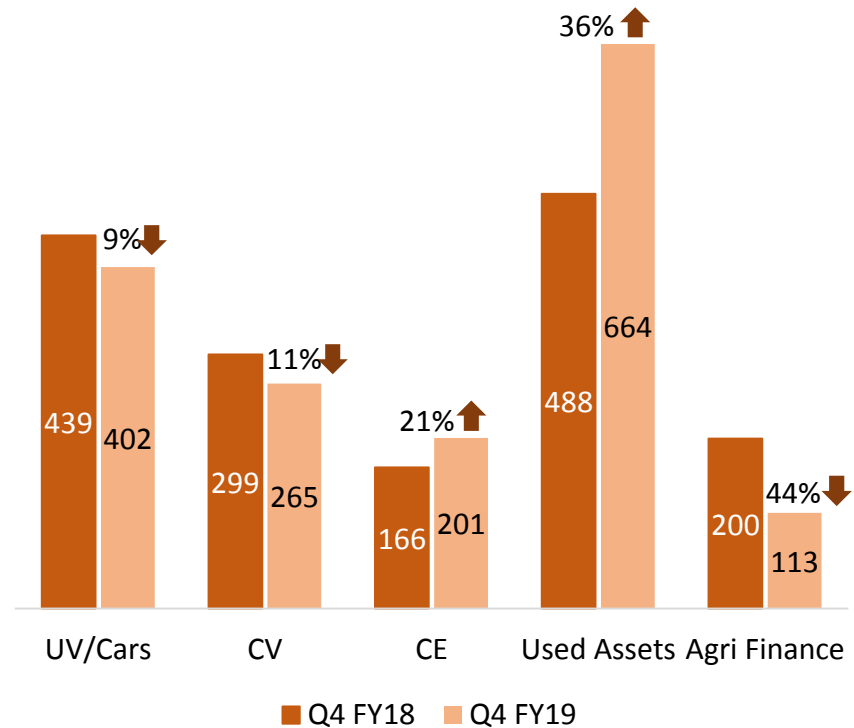


- ABF Business disbursement grew by ~10%, increasing from Rs. 5,345 Crs In FY18 to Rs. 5,877 Crs in FY19
- Sharp growth in all focus products - 28% YoY in Used Assets and 30% YoY in CV

Disbursement



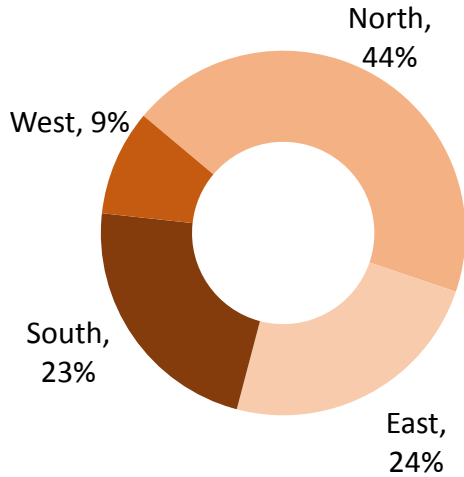
Disbursement Mix



Significant growth in focus product i.e. Used Assets, SCV and LCV

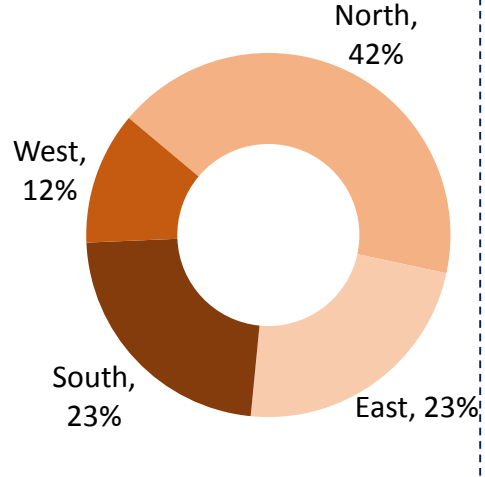
Zone-wise Breakup

FY18 ABF Disbursement



Rs. 5,345 Cr.

FY19 ABF Disbursement

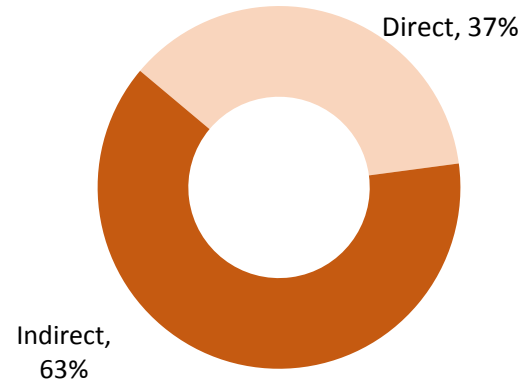


Rs. 5,877 Cr.

- Sharp improvement in contribution from West from 9% in FY18 to 12% in FY19

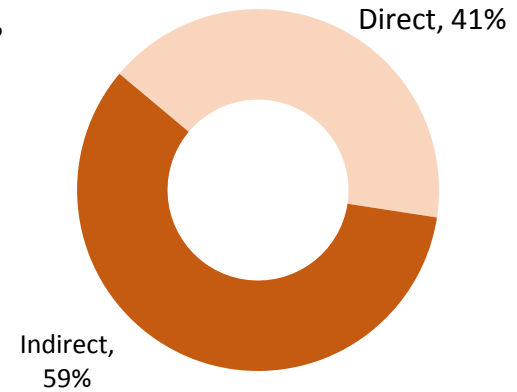
Direct Business % of total ABF Disbursal

FY18 ABF Disbursement



Rs. 5,345 Cr.

FY19 ABF Disbursement

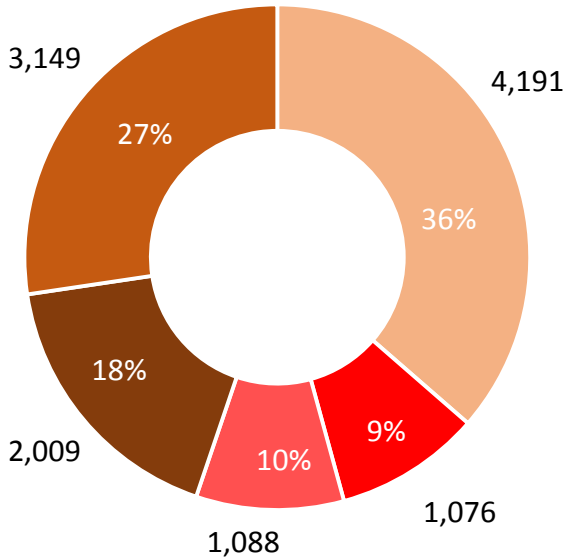


Rs. 5,877 Cr.

- Significant growth in direct business from 37% in FY18 to 41% in FY19

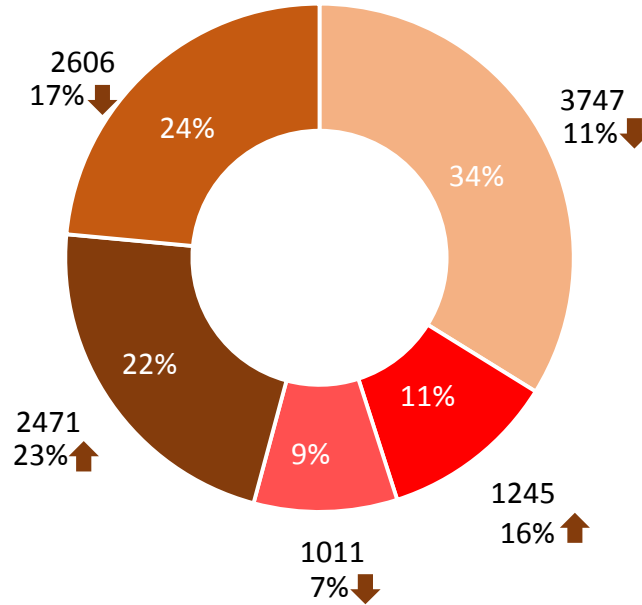
Product-wise AUM Contribution

Mar '17



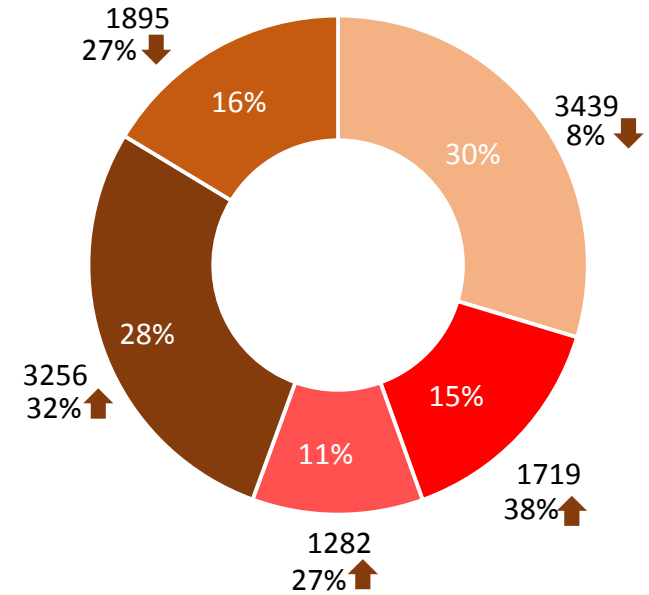
Rs. 11,513 Cr.

Mar '18



Rs. 11,080 Cr.

Mar '19

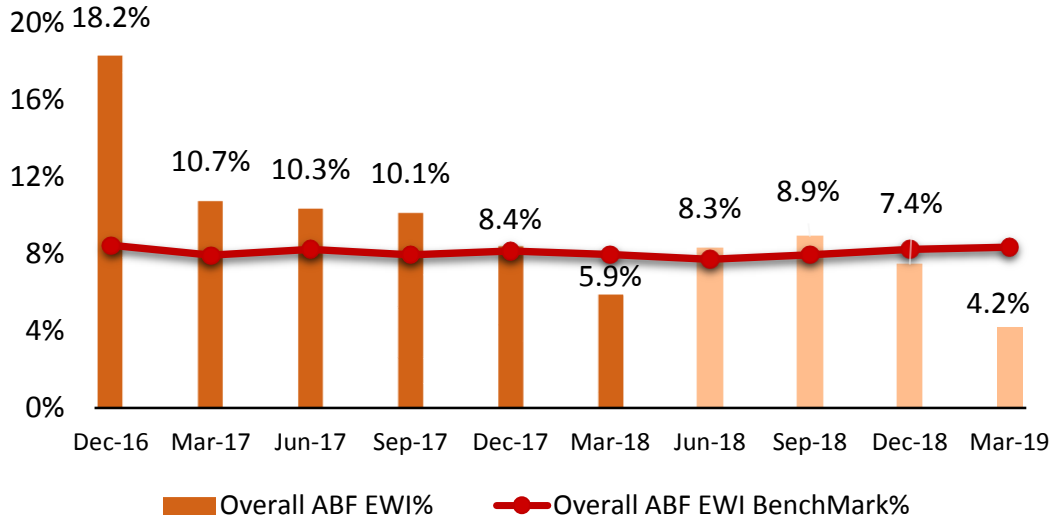


Rs. 11,591 Cr.

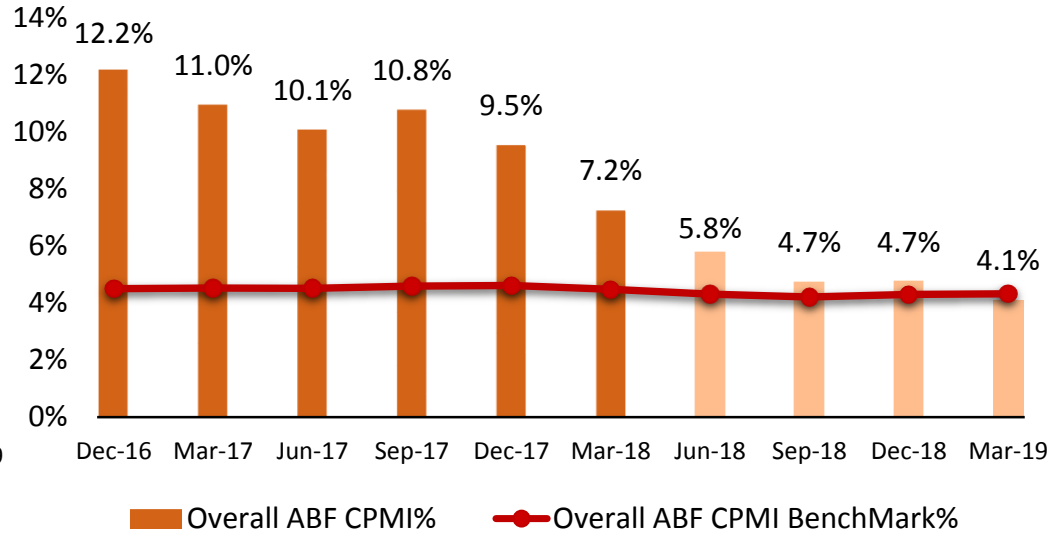
UV/Cars CV CE Used Assets Agri Finance

ABF - Early Indicators: EWI & CPII Trend

EWI Trend for ABF



CPII Trend for ABF



EWI reduced by 29% Y-o-Y

CPII reduced by 43% Y-o-Y

EWI: Early Warning Indicators are the 0+% of each quarterly portfolio with 1 Quarter Lag (Tractor Non-Monthly structure is with 2 Quarter Lag)

CPII: Continuous Portfolio Monitoring Indicator is a composite index of 4 indices monitoring the 60+% movement of quarterly portfolio at different time lag

1 Company Overview

2 Financial Performance – Q4 FY19 & FY19

3 **Business Strategy – Affordable Housing Finance (AHF)**

4 Business enablers to drive sustainable growth

5 Leadership Team & Shareholding Structure

6 Annexures

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.

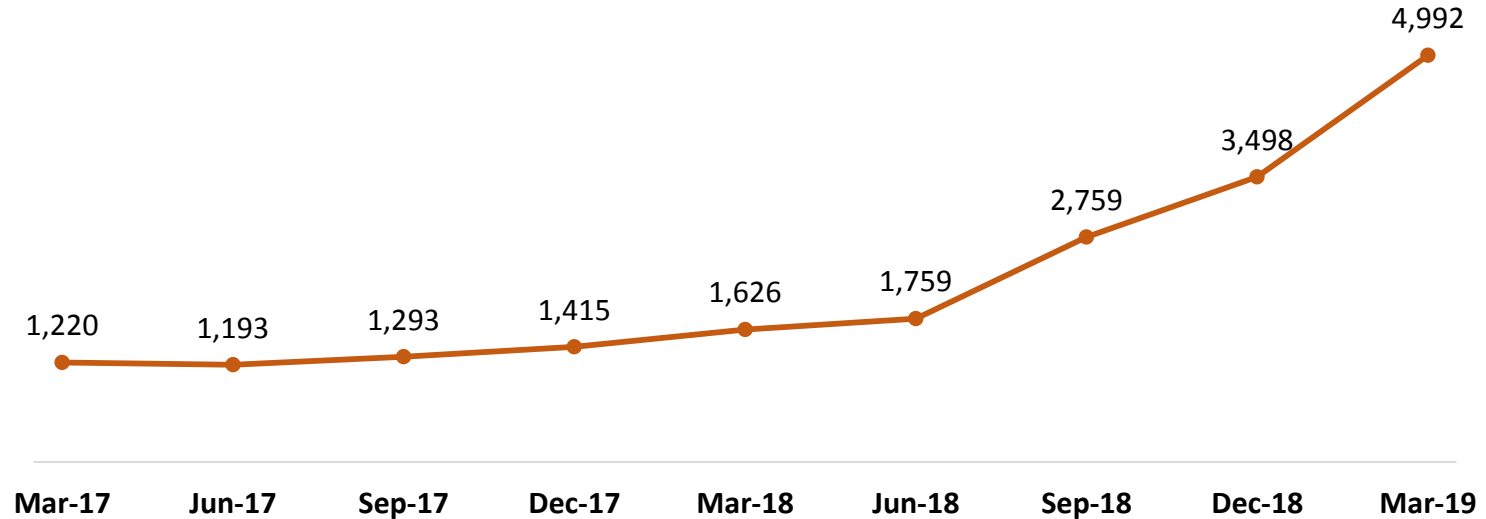
Strategy focused on higher Home Loan disbursals

Streamlined Sales Management Process with focus on Direct Disbursals

Innovation & Strategy unit in place for digital transformation

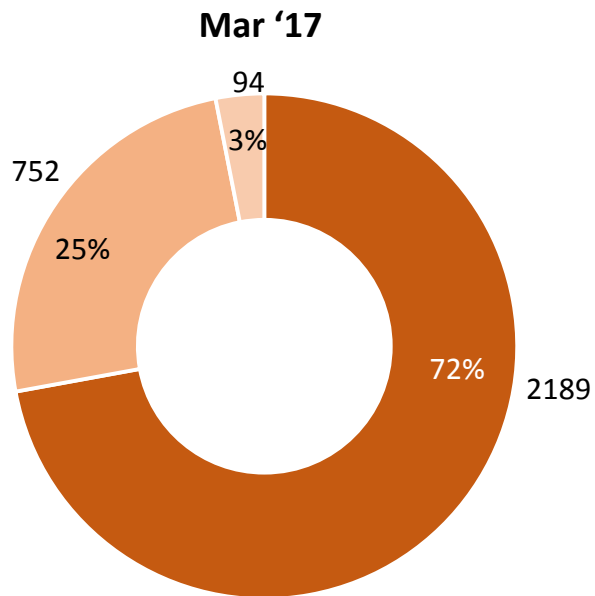
Affordable Housing Finance Company with Pan India presence

Total AHF Disbursement (Units)

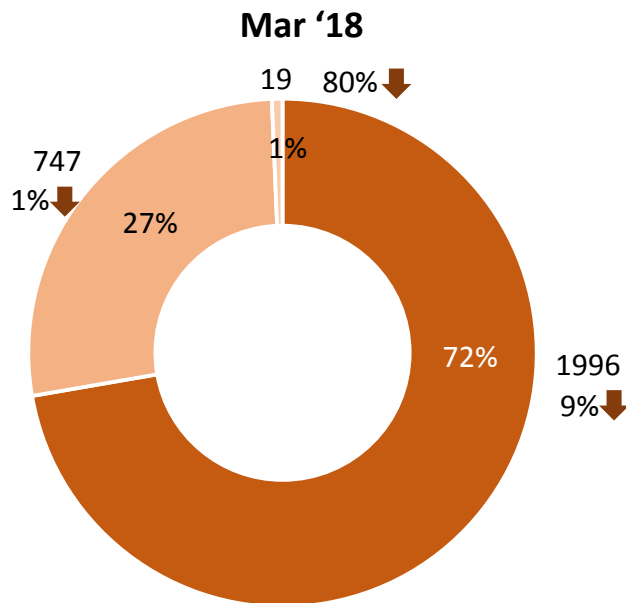


- AHF Disbursements (units) have been growing consistently, from 1,220 units in March-17 to 4,992 units in March-19
- Q4- FY19 – Disbursements units have increased by 207% Y-o-Y basis

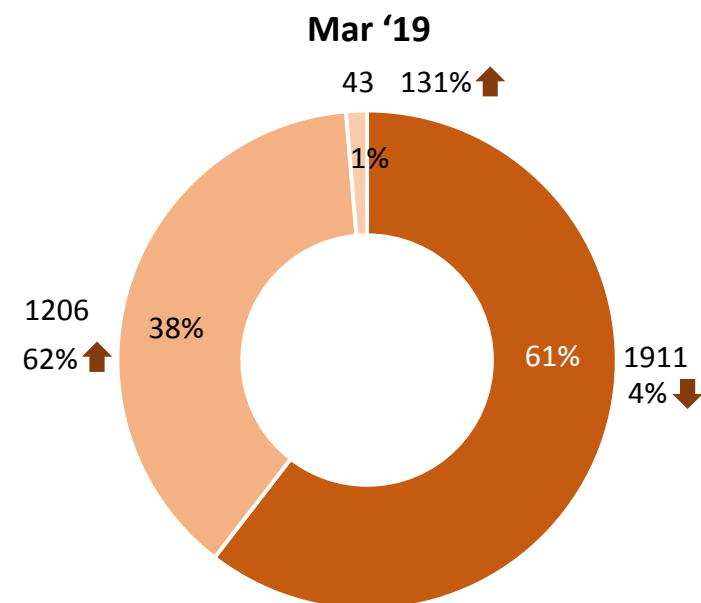
Product-wise AUM Contribution



Rs. 3,035 Cr.



Rs. 2,762 Cr.

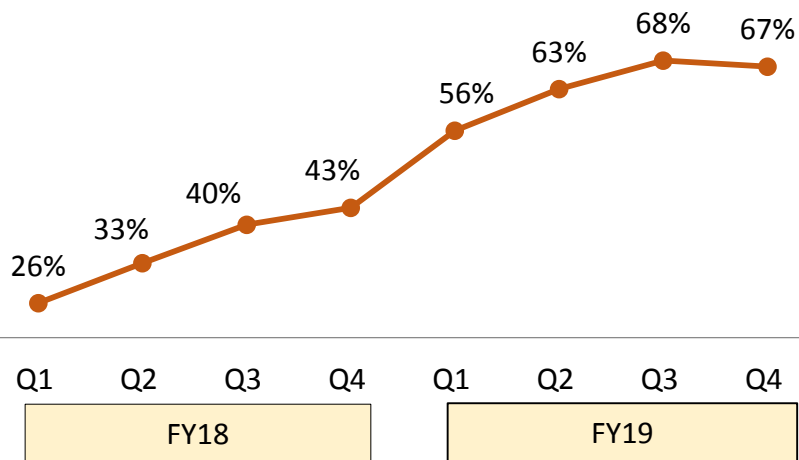


Rs. 3,160 Cr.

■ LAP ■ HL ■ CF

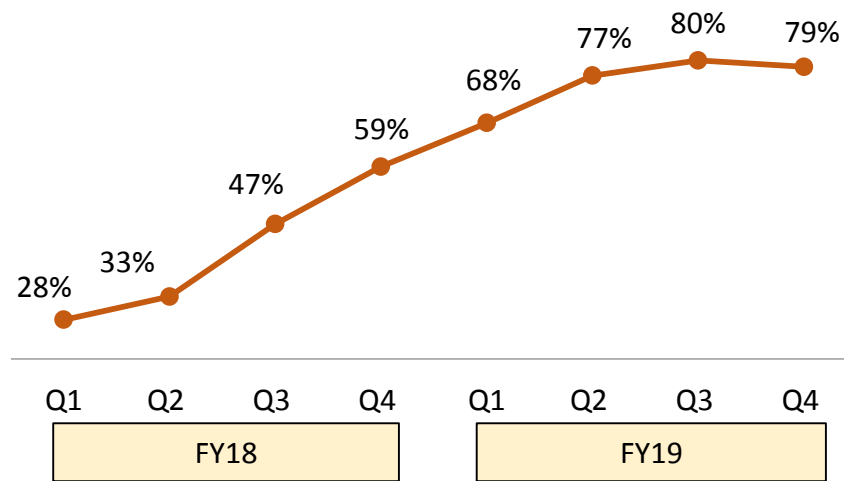
Go Home Loan

HL Ratio (Units)



Go Direct

Direct Ratio (Units)

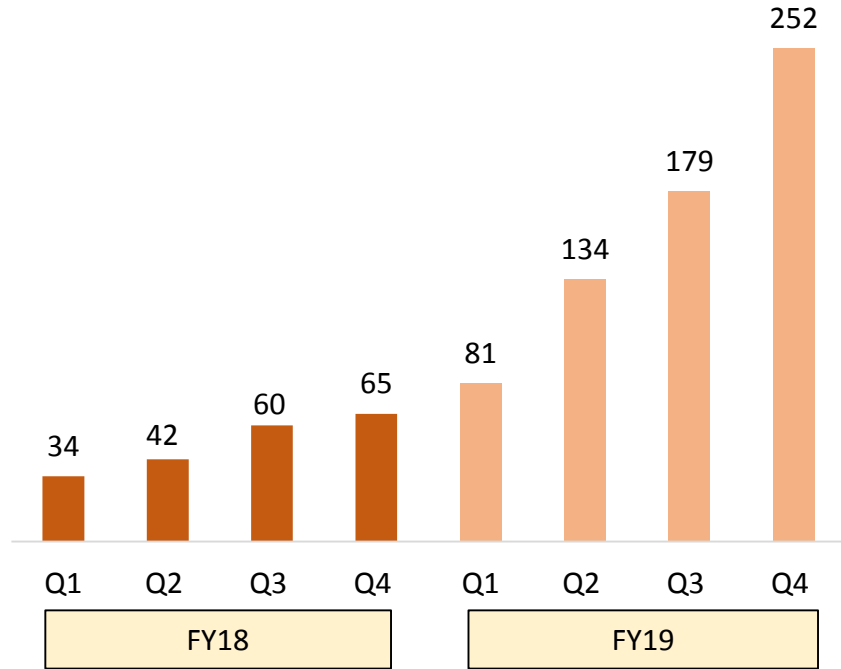


Key Takeaways

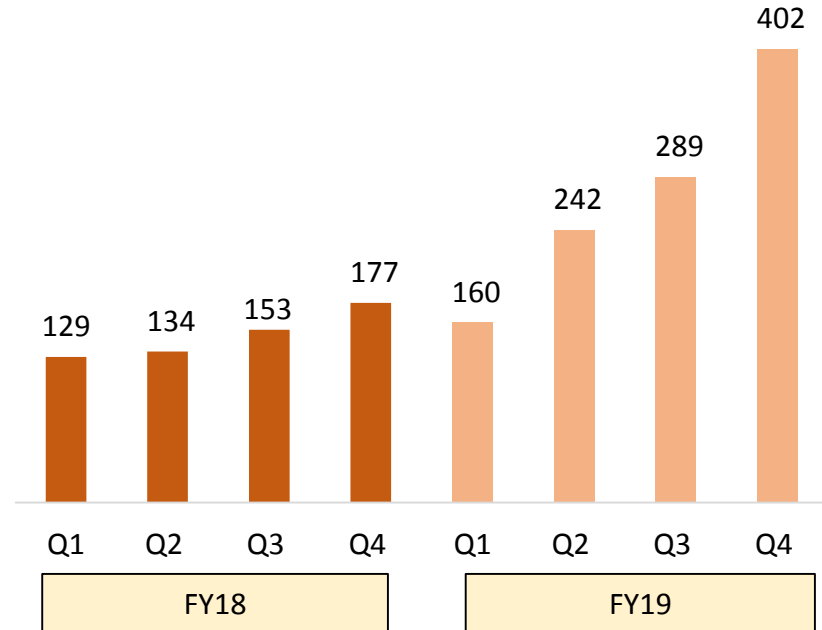
- HL Ratio has improved from 33% in Q2 FY18 to 67% in Q4 FY19
- Direct distribution capabilities being built-up; direct sourcing has improved from 33% in Q2 FY18 to 79% in Q4 FY19
- Focus on Go-to market strategy for further improvement in HL and Direct Sourcing – Spot Sanction Events, Builder Activities, Existing Customer Referrals, Micro Market Activities etc.

HL does not include Construction Finance. Direct Biz means Business directly generated by Magma employees without help from DDSAs / NDSAs / Brokers, and includes Cross-sell

Home Loan Disbursement



Total AHF Disbursement

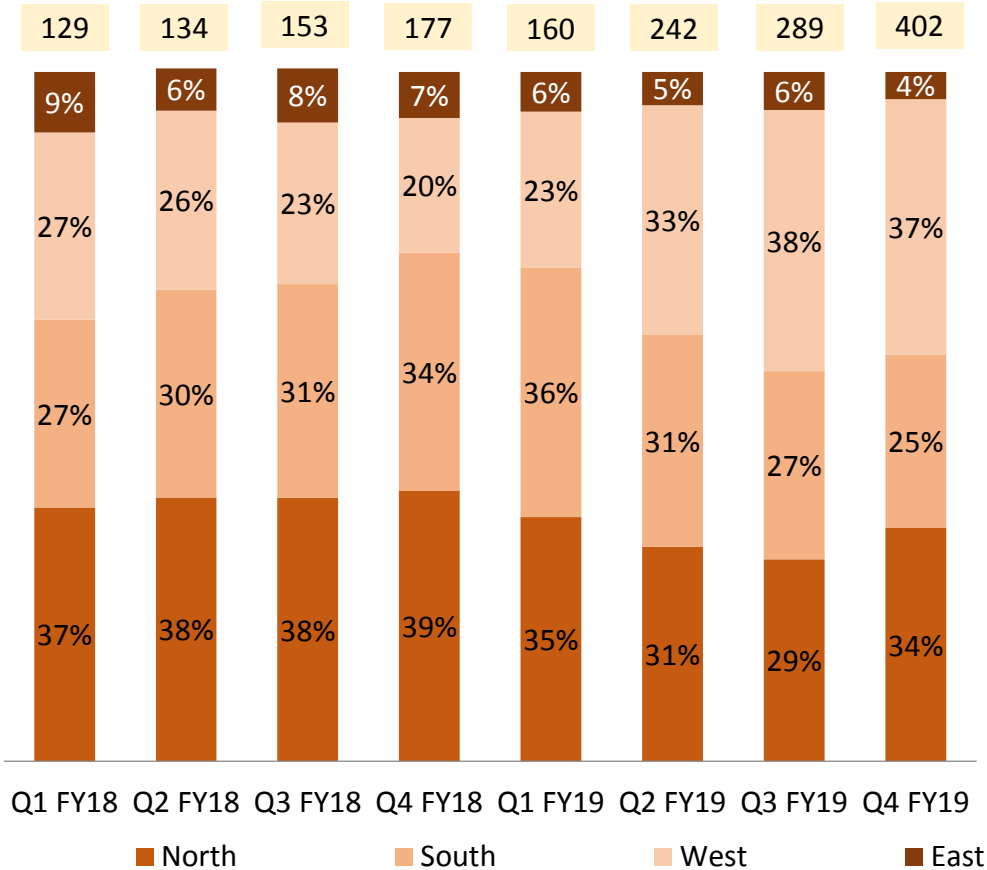


- 286% Y-o-Y improvement in HL disbursals in Q4 FY19 and 127% Y-o-Y improvement in overall Affordable Housing Finance disbursals in Q4 FY19

Values in Rs Crore; HL does not include Construction Finance

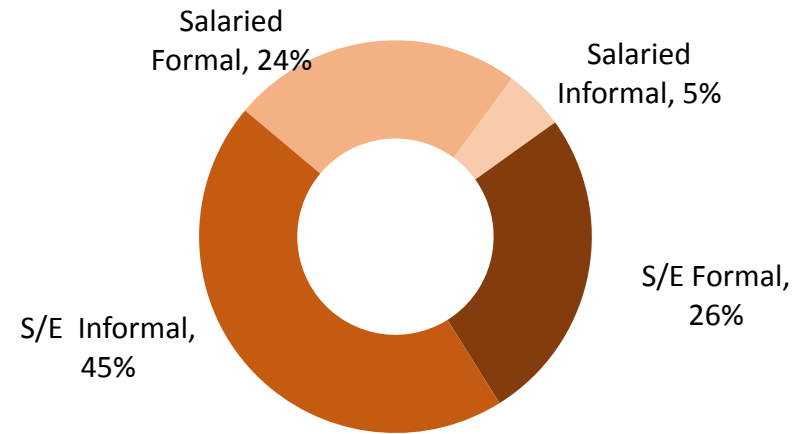
AHF Disbursement - Diversified Business

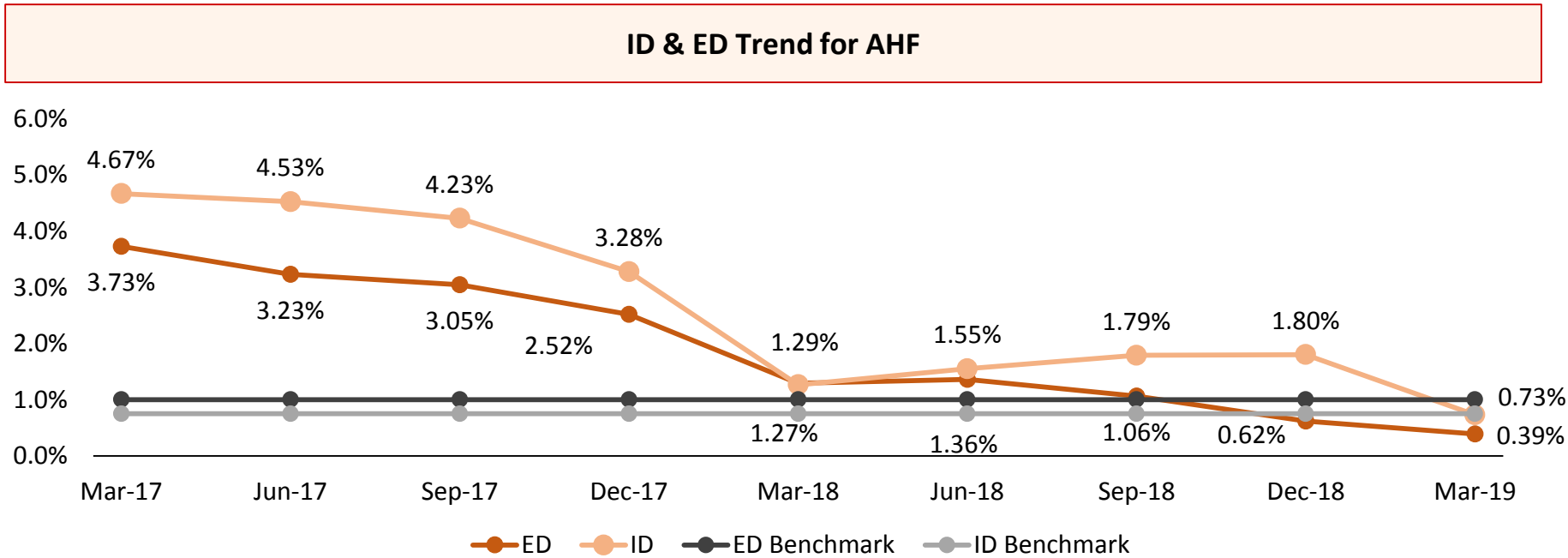
Geography



- **Focused deep market penetration** in 93 locations across 10 states using unit model implementation
- Significant reduction in the concentration risk
- Poised towards being a unique affordable finance company having national presence

Customer Mix (FY19)





Y-o-Y improvement in ED and ID for Affordable Housing Finance

ID = 0+ bkt % for cases sourced in last 6 months on 1 months lag basis including current month .
 ED = 30+ bkt % for cases sourced in last 12 months on 2 month lag basis including current month.

1 Company Overview

2 Financial Performance – Q4 FY19 & FY19

3 **Business Strategy – SME Finance**

4 Business enablers to drive sustainable growth

5 Leadership Team & Shareholding Structure

6 Annexures

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.

Direct distribution model launched to increase customer wallet share through auto top-ups

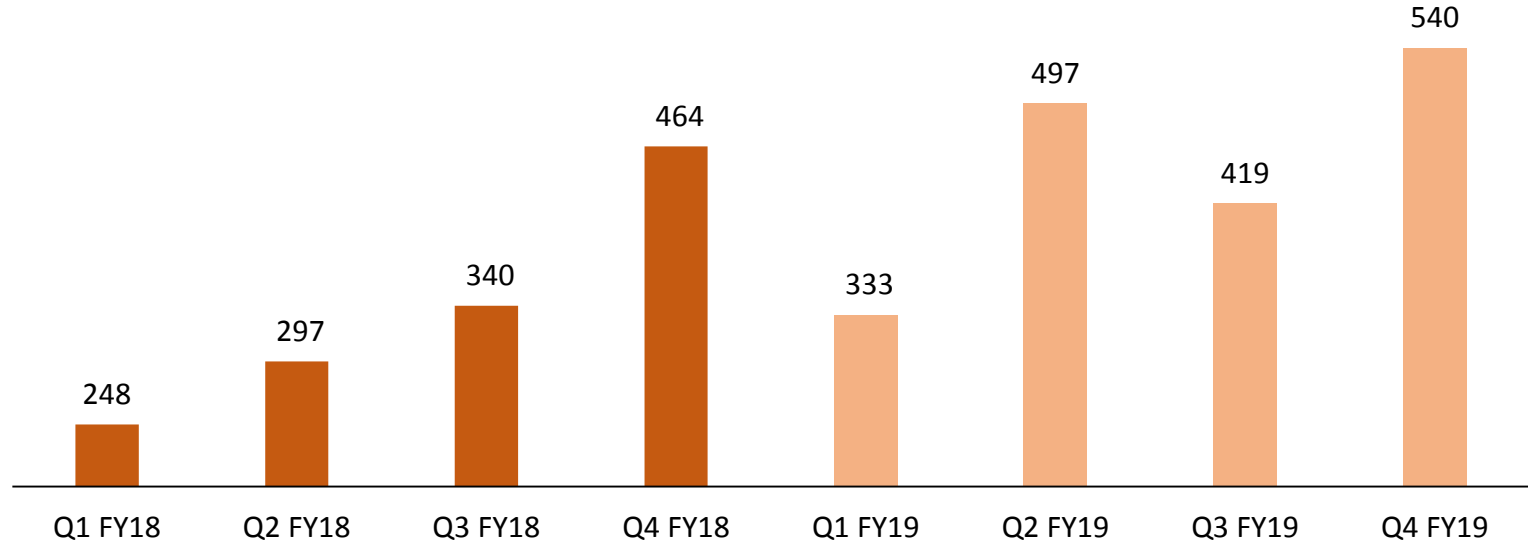
Distribution focus in Upcountry markets. Clocked growth over 41% in upcountry cities

Mscore Credit Rule Engine launched, along with back-tested Credit Scorecards.

60% of logins now following Straight-through-processing

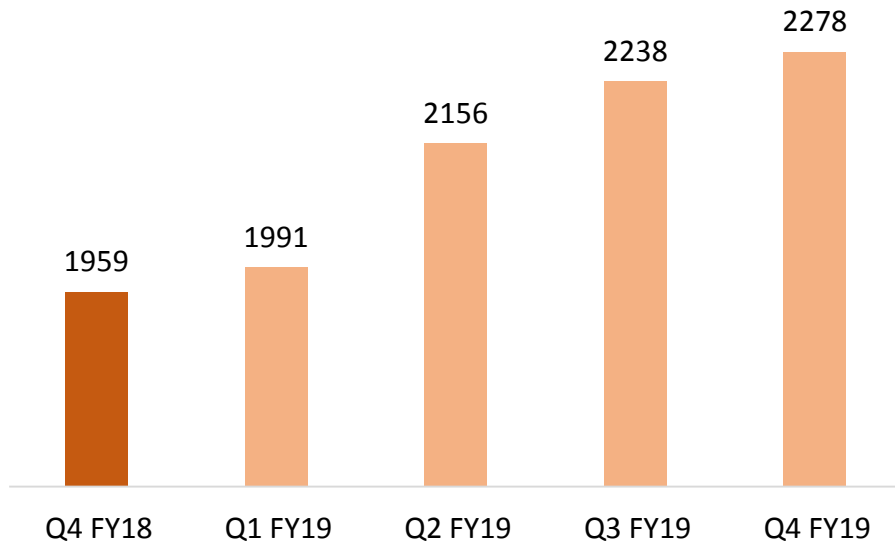
Simplified agreement kit, and removed 80% of signatures for improved customer experience

Disbursement picking up momentum



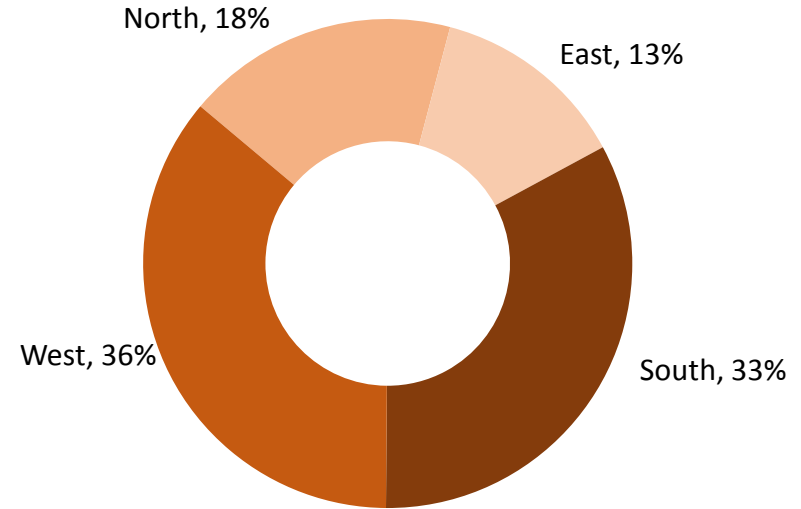
- SME Finance Business disbursement grew by ~33%, increasing from Rs. 1,348 Crs In FY18 to Rs. 1,789 Crs in FY19
- During this period, AUM of SME Finance business grew by ~16% from Rs. 1,959 Crs to Rs. 2,278 Crs

AUM Growth



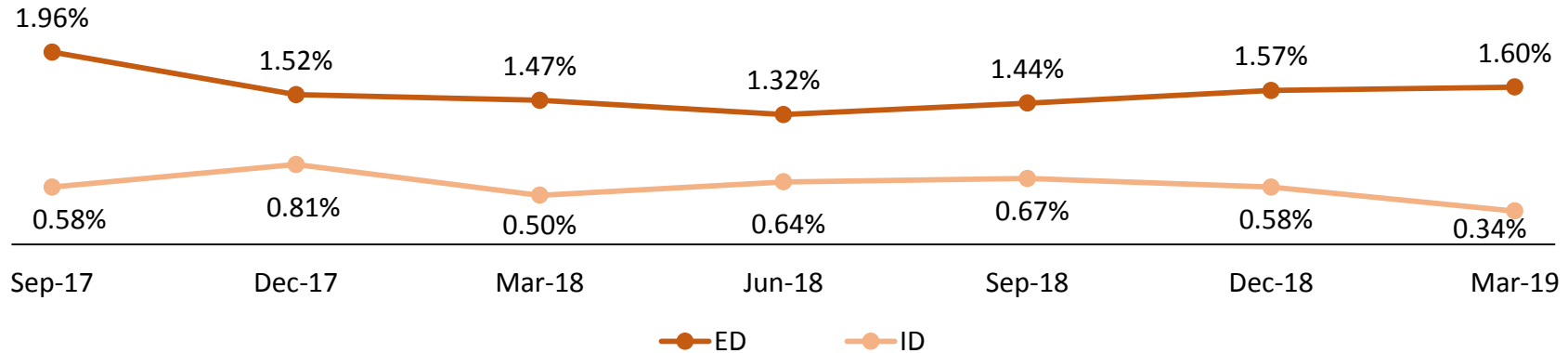
SME Finance business AUM grew by ~16% Y-o- Y

Geographical Diversification



Geographically well diversified portfolio as on March'19

ID & ED Trend for SME Finance



Sharp decline in ID, consistent trend in ED

EWI & CPI parameters for SME Finance under development

*ID = 0+ bkt % for cases sourced in last 6 months on 1 month lag basis including current month .
ED = 60+ bkt % for cases sourced in last 12 months on 3 month lag basis including current month.*

1 Company Overview

2 Financial Performance – Q4 FY19 & FY19

3 **Business Strategy – MHDI**

4 Business enablers to drive sustainable growth

5 Leadership Team & Shareholding Structure

6 Annexures

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.

Crossed Rs. 1000 crs mark in terms of GWP

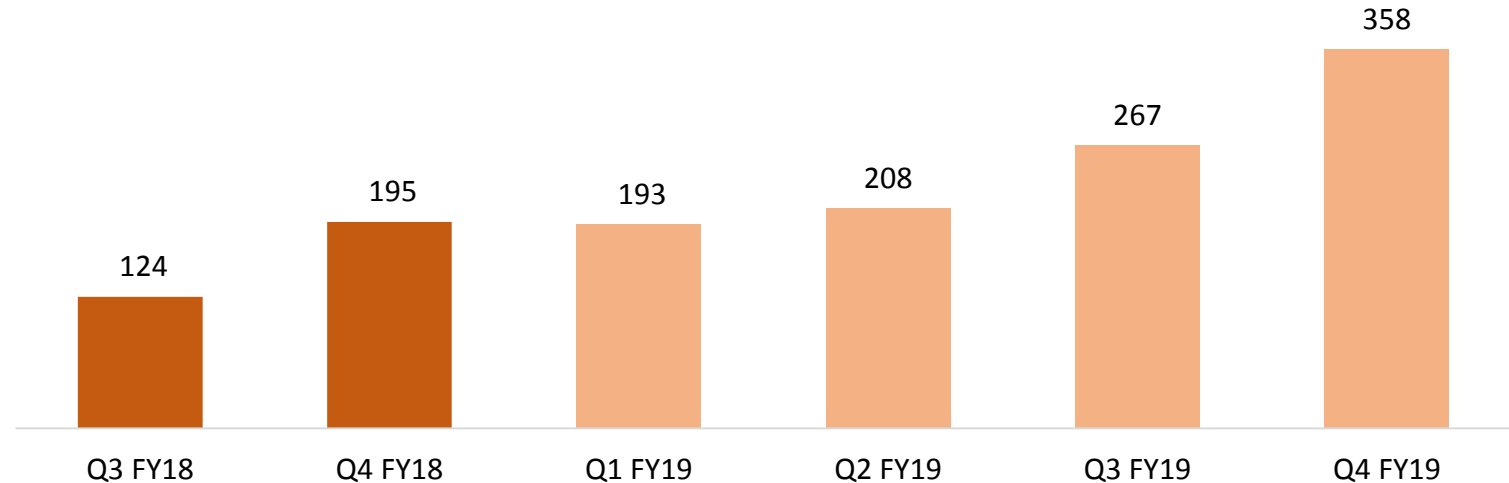
Recorded 83.1% growth in FY19 vs industry growth of 12.9%

Customer base of 1 million in FY19 and 5,000+ partners as at March 19

Momentum in new OEM tie-ups

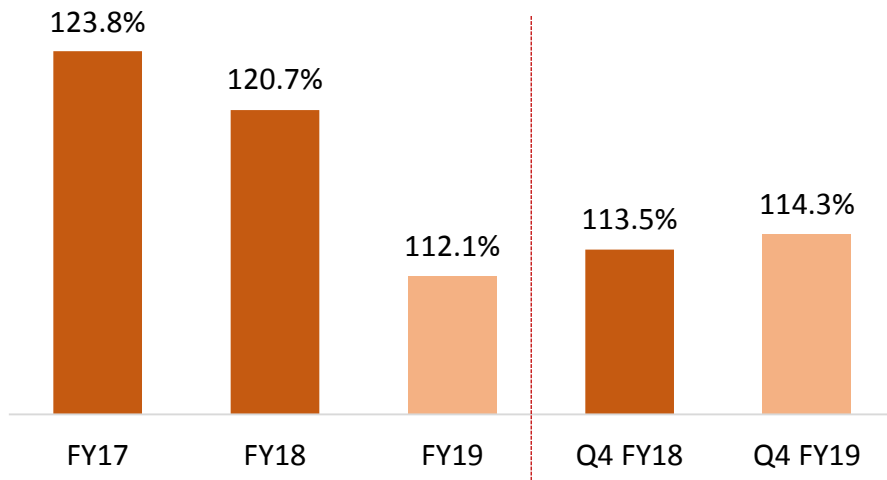
Servicing infrastructure for retail and group health put in place. Continued ramp up planned for FY20

Gross Written Premium

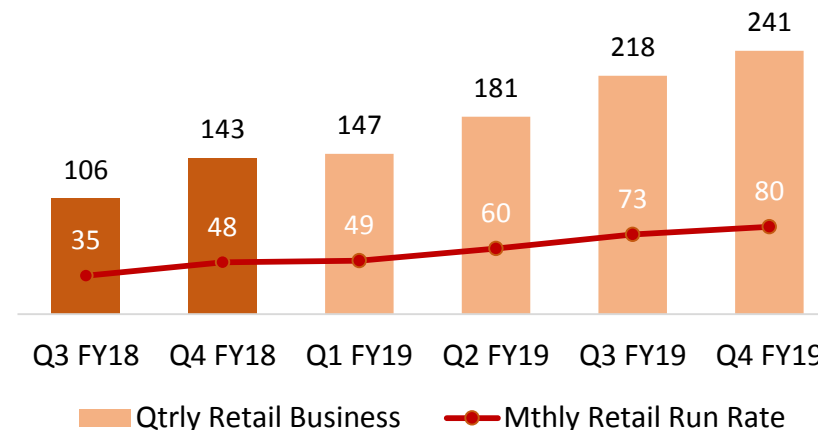


- **Business growth** – 34.1% growth Q-o-Q, 83.1% growth Y-o-Y
- **Branch expansion** – branch strength of 169 as at FY19 against 125 as at FY18
- OEM tie-up contributed 13.2% of GWP for FY19
- **Significant productivity** Improvement in retail agency and banc-assurance & alliances channels
- Continued increase in the **Non Motor commercial portfolio**; backed by a **strong panel of reinsurers**

Combined Ratio Movement

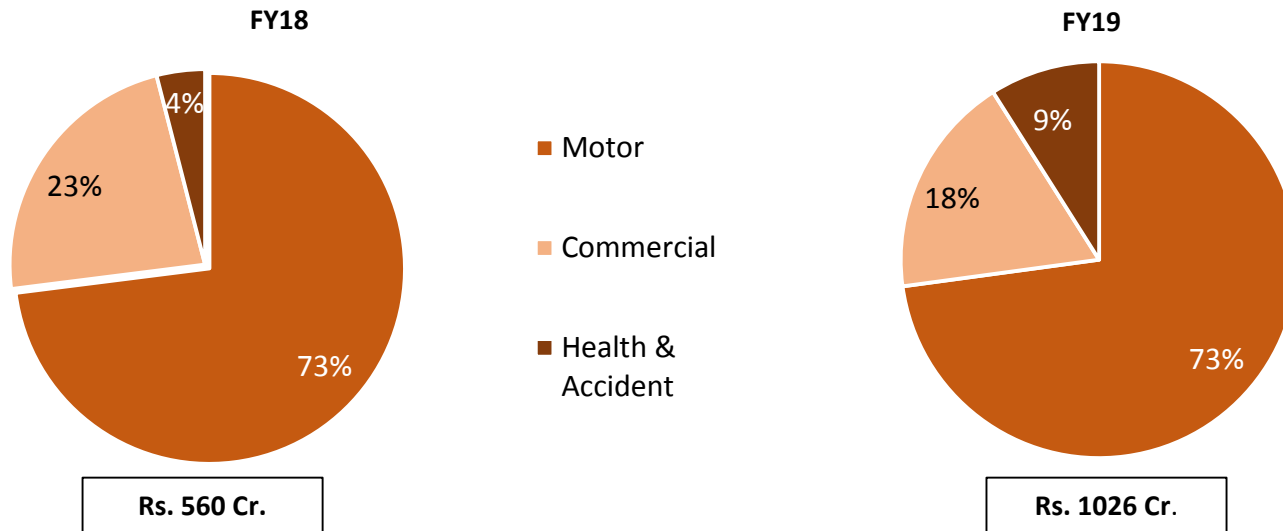


Retail Run Rate



- Combined ratio improves YoY
- Continued focus on building the retail franchise
- Quarter on Quarter increase in retail run rate
- Increase in average monthly retail run rate: 78% in FY19 and 69% in Q4 FY19
- Continue to **explore additional OEM and Banca** opportunities

Portfolio Construct



- **Motor Portfolio:** Continue to enjoy the best Own Damage loss ratio in the industry as per IRDAI Q3 FY19 quarterly disclosures
- **Health & Accident Portfolio:** Continued focus on building critical illness portfolio on underlying credit portfolios; group health launched in November 2018, focusing on smaller Corporate clients, a better segment in terms of profitability
- Sale of Retail health indemnity products: ramp up planned for FY20 with focused initiatives

Magma HDI General Insurance Company (MHDI) Profit & Loss Statement

INR Crs	Ind AS				
	Q4 FY19	Q3FY19	Q4 FY18	FY19	FY18
Gross Written Premium	359	267	195	1026	560
Net Written Premium	224	154	125	517	376
Net Earned Premium	188	134	86	385	335
Net Claims Incurred	166	112	74	271	278
Net Commission	-15	-17	-3	-29	-12
Management Expenses	76	71	39	248	154
Impairment loss (including recoveries)	8	0	0	10	0
Underwriting Profit	-47	-32	-24	-116	-86
Investment & Other Income	33	26	24	107	91
Profit Before Tax	-14	-6	0	-8	5
Taxes	-10	0	0	-10	1
Profit After Tax	-4	-6	0	1	4

1 Company Overview

2 Financial Performance – Q4 FY19 & FY19

3 Business Strategy

4 **Business enablers to drive sustainable growth**

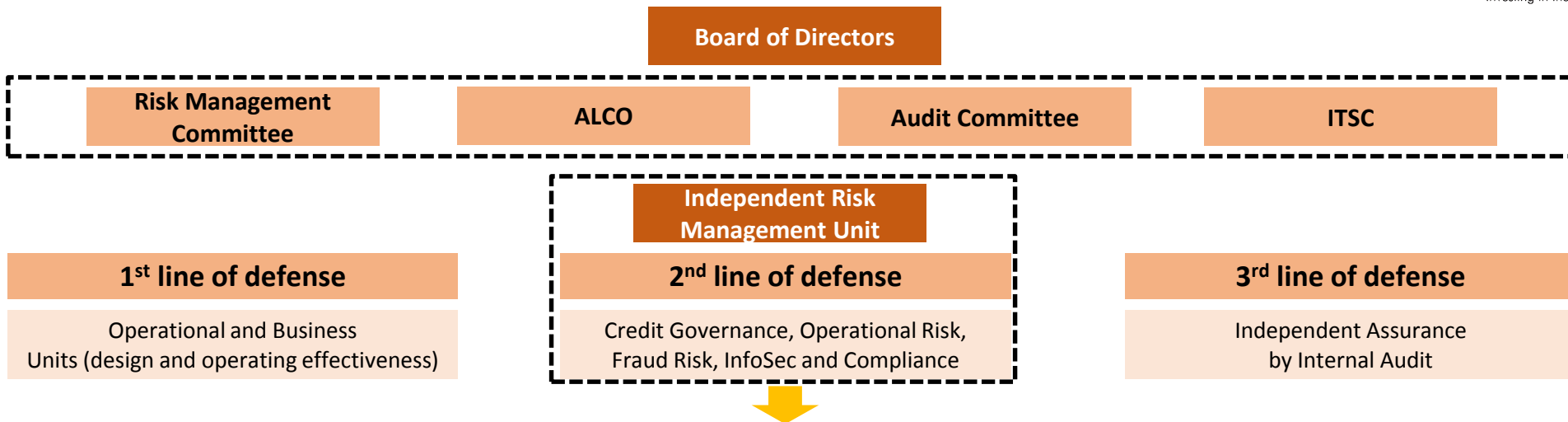
5 Leadership Team & Shareholding Structure

6 Annexures

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.

Enterprise wide, independent risk management framework

An integrated approach covering entity wide risks



Components of Risk Management	Overarching principles and execution
Risk Governance	<ul style="list-style-type: none"> ▪ Risk Appetite Statement and Strategic Risk Assessment set the guardrails ▪ Quarterly Committee meetings to assess enterprise risk profile ▪ Well defined risk policies and standards
Operating controls and compliance	<ul style="list-style-type: none"> ▪ Comprehensive Risk library. Regular monitoring of Key Risk Indicators. ▪ Internal Financial Controls (IFC) standards as mandated by Companies Act
Credit underwriting strategies	<ul style="list-style-type: none"> ▪ Decisioning platforms based on segmental behavior and risk based pricing ▪ Automated Credit Rule Engine with connectivity to bureau and fraud systems
Analytics driven portfolio management	<ul style="list-style-type: none"> ▪ Statistically derived Early Warning Indicators (EWI) and Continuous Portfolio Monitoring Indicators (CPMI) ▪ Robust PD and LGD models guide consistently accurate loss forecasting
Capital and Liquidity Management	<ul style="list-style-type: none"> ▪ Proactive management of ALM mismatch in each time bucket ▪ Prudent capital and liquidity buffers for stress resilience

- Enterprise Transformation '**Project Navoday**' launched **in order to modernize entire Technology stack**: Loan Origination System, Loan Management System, Data Warehouse, ERP, Mobility solutions etc.
- Proposed features will be **Automation of Workflow** vs. Email approvals, **Digital vs. physical document flow**, **Credit Engine**, Integration into **API economy**, **Field-force gamification** of incentive plan, and **Data analytics led decision making**. Expected outcome is significant **productivity enhancement and Turn Around Time (TAT) reduction**
- **Analytics powered Credit Engine** for Car, CV and Tractor loans implemented in FY19 leading to improvement in TAT and uniformity in credit decision. Credit engine for SME successfully launched April 2019.
- Defense in-depth protection approach, with controls and process implementation at every layer of IT landscape to **secure against internal and external cyber threats**.

- Fully functional **role based training framework** aimed at enhancing productivity and behavior
- **Structured onboarding** focused on middle and senior management (General Manager+)
- Structured **development intervention** for Senior leadership, including 360 degree feedback
- **Leadership Development** for VPs & SVPs to commence with an objective of building leadership depth
- **Talent management framework** with objective of building internal succession planning bench and strengthening retention
- Empowering business leaders with **real time HR dashboard** to drive people agenda proactively

- **360° customer view** across Lines of Business (LoB). CRM search basis several ID's including customer phone number
- **Unique Customer ID** across finance business
- Moving from paper to **digital communication** via both email and SMS
- Communication in **12 vernacular languages** for all key messages
- Increased **adoption of Mobile payments**
- **Structured customer engagement program** - Welcome calling to customers, Proactive connect to prevent complaints etc.
- **Transparent communication of all charges**
- Deep credit-bureau tie-ups to provide relevant products for cross-sell and increase **lifetime value of customer**
- **42% increase** in cross sell disbursements in Q4 FY19 vs Q4 FY18
- Customer Relations Management (CRM) application implementation leads to substantial improvement in cross sell to existing customers through **improved collaboration between customer service, branch operations and sales teams.**
- **34% reduction** in overall customer complaints in FY19 vs FY18

1 Company Overview

2 Financial Performance – Q4 FY19 & FY19

3 Business Strategy

4 Business enablers to drive sustainable growth

5 **Leadership Team & Shareholding Structure**

6 Annexures

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.

Promoter Directors

Mayank Poddar
Chairman Emeritus and Whole time Director

- Supports policy formulation and guidance to the Management/Board
- Over 30 years of experience in the financial sector.

Sanjay Chamria
VC and MD

- Anchors strategic policy formulation and execution.
- Drives new business initiatives and leads management team

Non Promoter Directors

Narayan K Seshadri
Non- executive Independent Chairman

He is on the Board of companies including Clearing Corporation of India Limited, PI Industries Limited and TVS Electronics Limited

Satya Brata Ganguly
Independent Director

Serves on the Boards of various reputed Indian companies including West Bengal Industrial Development Corporation Limited and Emami Limited

VK Viswanathan
Independent Director

Chairman of Bosch Ltd. Previously he served as Managing Director of Bosch Ltd. He currently serves on board of various reputed Indian corporates as an Independent Director.

Madhumita Dutta-Sen
(Nominee of IFC)

Ms. Madhumita Dutta-Sen has worked for IFC for almost 25 year. She has a Master's degree in Finance from the American University, Washington D.C.

Vijayalakshmi R Iyer
Non-Executive Independent Director

Previously served as an Executive Director of Central Bank of India, Chairperson and Managing Director of Bank of India. She was also a Whole Time Member (Finance and Investment) in the IRDAI.

Key Management Team



Sanjay Chamria
VC and MD

Business CEO

Support Functions



Kaushik Banerjee
President & CEO - ABF

Nov-2016

President, Strategy & Corporate Affairs, Cholamandalam Investment & Finance Limited



Manish Jaiswal
MD & CEO - HFC, CEO - SME

Jun-2017

Head, Risk Advisory, Research and SME Ratings, CRISIL



Rajive Kumaraswami
MD & CEO-MHDI

Jun-2016

Chief Representative Officer - India Liaison office, SCOR Re, India



Chirag Jain
Chief Operating Officer

Feb-2017

Director - Operations, Canara HSBC Oriental Bank of Commerce Life Insurance Co Ltd



Rajneesh Mishra
Chief People Officer

Jan-2019

Vice president-HR, Bajaj Finserv Limited



Deepak Patkar
Chief Risk Officer

Sept-2018

Chief Risk Officer, Fullerton India Credit Company Limited.



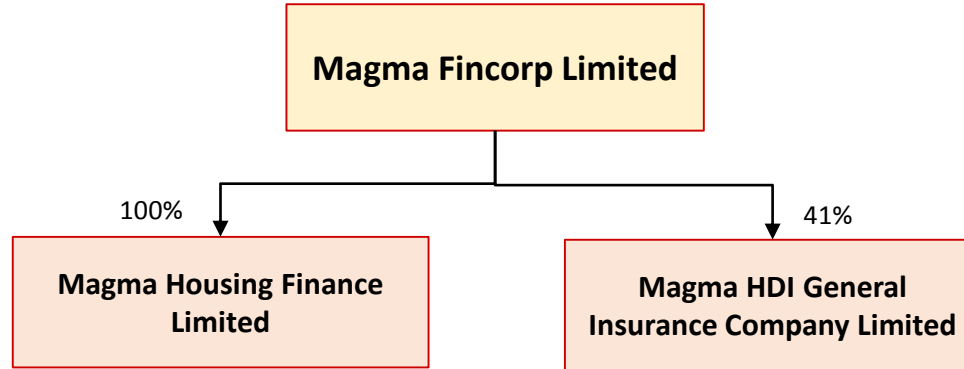
Kailash Baheti
Chief Financial Officer

Oct-2011

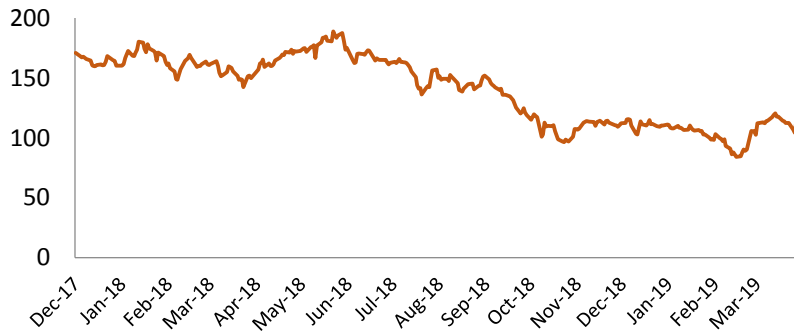
CEO, Century Extrusions Limited

Joined

Title and Previous Company

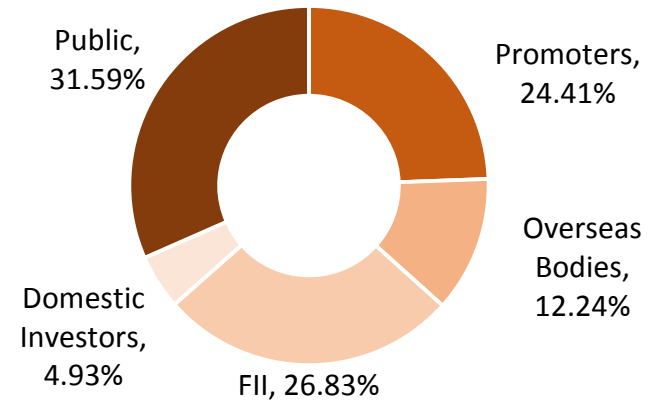


Share Price Performance



Average share price data from NSE

Shareholding (31-Mar-2019)



THANK YOU



Glossary

AUM	Assets Under Management: On-Book & Off-Book Loan Assets
Average AUM (AAUM)	Average of opening and closing AUM
FOS / Field Officer	Feet on Street
ABF	Asset Backed Finance
AHF	Affordable Housing Finance
HL	Home Loan
LAP	Loan against property
SME	Small & Medium Enterprises
NDSA	Non-dealer Direct Selling Agent
DDSA	Dealer Direct Selling Agent
Direct Biz	Direct Biz means Business directly generated by Magma employees without help from DDSAs / NDSAs / Brokers, and includes Cross-sell
Mortgage Direct Biz	Business through connectors is included in Direct business
ATS	Average Ticket Size
Mortgage ATS	Disbursals during the month / Number of first time disbursals
ODPOS	Overdue + Principal Outstanding
NIM	Net Interest Margin: [Total Income (incl. Other Income)– Interest Expenses]/Average AUM
Yield	Weighted average yield on Loan Assets including Off-Book Loan assets
CoF	Cost of Funds: Weighted average cost of borrowings including securitization
Opex / AUM%	Opex / Average AUM
Total Assets	On B/S Assets of MFL (Consolidated)
NCL	Prov. & Write-off/ Average AUM
Gross Stage 3 Assets %	Gross Stage 3 Assets / Closing AUM (On-book)
Net Stage 3 Assets %	(Gross Stage 3 Assets – ECL Provision – Stage 3) / (Closing AUM (On-book) – ECL Provision Stage 3)
ECL	Estimated Credit Loss
RoA	PAT (excluding OCI) / Average AUM
RoE	PAT (Excluding OCI)/ (Net worth - Goodwill)
Networth	Equity Share Capital +Reserves & Surplus
BVPS	Book Value per share: (Net worth-Goodwill) / No. of Equity shares outstanding
EPS	Earnings Per Share (Diluted)
MITL	Magma ITL Finance Limited (Merged with MFL)
MHF	Magma Housing Finance Limited (100% Subsidiary)
MHDI	Magma HDI General Insurance Company Limited (Joint Venture)
SENP	Self-employed Non Professional
SEP	Self-employed Professional
NIP	No income Proof

1 Company Overview

2 Financial Performance – Q4 FY19 & FY19

3 Business Strategy

4 Business enablers to drive sustainable growth

5 Leadership Team & Shareholding Structure

6 Annexures

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis. Please refer to the Glossary in this presentation for the definition or description of such abbreviations, nomenclature, financial & non-financial ratios.

Magma Fincorp Ltd. (MFL) Standalone Profit & Loss Statement

Ind AS					
INR Crs	Q4 FY19	Q3 FY19	Q4 FY18	FY19	FY18
Net Revenue	313	311	285	1,267	1,086
Expenses	145	155	152	602	552
Operating Profit	168	157	133	665	534
Net Credit Loss	42	51	17	262	297
Profit Before Tax	125	105	116	403	237
Tax	39	39	41	128	36
Profit After Tax	87	67	75	275	201

Magma Fincorp Ltd. (MFL) Standalone Balance Sheet – Ind AS

Ind AS		
INR Crs	FY19	FY18
Cash and Cash Equivalents	933	398
Loans and Advances	13,138	12,154
Other Assets	733	824
Fixed Assets	187	192
Total Assets	14,991	13,568
Borrowings	11,828	11,200
Other Liabilities	607	557
Share Capital	54	47
Reserves & Surplus	2,502	1,763
Total Liabilities	14,991	13,568

Magma Housing Finance Ltd. (MHFL) Standalone Profit & Loss Statement

Ind AS					
INR Crs	Q4 FY19	Q3 FY19	Q4 FY18	FY19	FY18
Net Revenue	35	36	35	133	124
Expenses	27	20	15	83	53
Operating Profit	8	15	20	50	71
Net Credit Loss	-1	1	11	3	19
Profit Before Tax	9	14	9	47	52
Tax	3	4	3	13	18
Profit After Tax	6	10	5	34	34



Corporate Social Responsibility

Magma has received nearly a dozen awards in the last few years for its CSR activities including the following awards received in FY19:

- Asian Customer Engagement Forum & Awards - Best CSR Event, 2018 (**M Care**)
- Indian Chamber **SOCIAL IMPACT AWARDS** – Special Jury Award for environment Sustainability, 2018 (**Highway Heroes**)
- **Best CSR Impact Award** from Corporate Social Responsibility Summit & Awards, 2019 (by UBS Forum)

Corporate Communication

Magma has received about 10 awards for Corporate Communications from leading forums. The recent ones are:

- League of American Communications Professionals (LACP) Spotlight Awards, 2017 for Annual Report Design
- EPC Awards 2017, Best PR Campaign of the Year

Information Technology

- CIO Crown Award for Innovation, 2017



Magma Highway Heroes



- A programme for Truck Drivers to train them on Road Safety and vehicle maintenance. The lone formal Training camp run by PCRA, Govt of India, with a Truck Financing NBFC in India.
- Training provided to over 1.75 Lac Truck Drivers at 250 camps across the country.
- Reduction in CO2 Emission estimated 790 Lac kg and Diesel consumption reduced by 2 crore Litres per year.
- E-Toilets for Sanitation at Transport Nagars benefit approx. 50,000 Truck drivers per year

Ekal Vidyalaya & Mid Day meal Programmes

- **Mid-day Meal** offered to 6500 kids in Govt. Schools in 7 states (West Bengal, NCR, Maharashtra, Jharkhand, Andhra, Haryana and Rajasthan)



- Adopted 16 Ekal Vidyalaya Schools in Tribal areas of CG, Jharkhand

Magma M Scholar



- Magma M Scholar offers Scholarship to meritorious students from poor families
- Over past 4 years, M Scholar has offered 300 scholarships. 2015 batch students now work for ISRO, Grant Thornton, Qualcomm, Amdots etc.



Magma M Care – Mobile health Camps

- Magma runs M Care health camps at Rural India. Till date, nearly 1 Lac people benefitted.
- Magma's M Care camps in Post Flood Kerala, Sept – Nov 2018 was highly appreciated.



Group level CSR activities
are managed by Magma
Foundation



This presentation has been prepared by Magma Fincorp Limited (the “Company”), for general information purposes only, without regard to any specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation or form part of any offer or invitation, directly or indirectly, in any manner, or inducement to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment therefor. This presentation does not solicit any action based on the material contained herein. Nothing in this presentation is intended by the Company to be construed as legal, accounting or tax advice.

This presentation has been prepared by the Company based upon information available in the public domain. This presentation has not been approved and will not or may not be reviewed or approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This presentation may include statements which may constitute forward-looking statements. The actual results could differ materially from those projected in any such forward-looking statements because of various factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

This presentation contains certain forward-looking statements relating to the business, financial performance, strategy and results of the Company and/or the industry in which it operates. Forward-looking statements are statements concerning future circumstances and results, and any other statements that are not historical facts, sometimes identified by the words including, without limitation "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", and similar expressions. The forward-looking statements, including those cited from third party sources, contained in this presentation are based on numerous assumptions and are uncertain and subject to risks. A multitude of factors including, but not limited to, changes in demand, competition and technology, can cause actual events, performance or results to differ significantly from any anticipated development. Neither the Company nor its affiliates or advisors or representatives nor any of its or their parent or subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this presentation or the actual occurrence of the forecasted developments. Forward-looking statements speak only as of the date of this presentation and are not guarantees of future performance. As a result, the Company expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this presentation as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward looking statements are based. Given these uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements.

Disclaimer (Contd.)

The information contained in these materials has not been independently verified. None of the Company, its directors, promoter or affiliates, nor any of its or their respective employees, advisers or representatives or any other person accepts any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this presentation or its contents or otherwise in connection with this presentation, and makes no representation or warranty, express or implied, for the contents of this presentation including its accuracy, fairness, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, and nothing in this presentation or at this presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Past performance is not a guide for future performance. The information contained in this presentation is current, and if not stated otherwise, made as of the date of this presentation. The Company undertakes no obligation to update or revise any information in this presentation as a result of new information, future events or otherwise. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Company shall do so after seeking their own professional advice and after carrying out their own due diligence procedure to ensure that they are making an informed decision.

This presentation is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document under the Companies Act, 2013, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, or any other applicable law in India.

This presentation is strictly confidential and may not be copied or disseminated, in whole or in part, and in any manner or for any purpose. No person is authorized to give any information or to make any representation not contained in or inconsistent with this presentation and if given or made, such information or representation must not be relied upon as having been authorized by any person. Failure to comply with this restriction may constitute a violation of the applicable securities laws. Neither this document nor any part or copy of it may be distributed, directly or indirectly, in the United States. The distribution of this document in certain jurisdictions may be restricted by law and persons in to whose possession this presentation comes should inform themselves about and observe any such restrictions. By reviewing this presentation, you agree to be bound by the foregoing limitations. You further represent and agree that you are located outside the United States and you are permitted under the laws of your jurisdiction to receive this presentation.

This presentation is not an offer to sell or a solicitation of any offer to buy the securities of the Company in the United States or in any other jurisdiction where such offer or sale would be unlawful. Securities may not be offered, sold, resold, pledged, delivered, distributed or transferred, directly or indirectly, in to or within the United States absent registration under the United States Securities Act of 1933, as amended (the "Securities Act"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Company's securities have not been and will not be registered under the Securities Act.