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07 November 2020

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

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

Dear Sir,

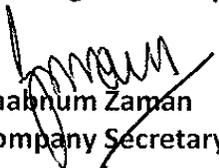
Pursuant to Regulation 30 of the Listing Regulations we are enclosing herewith the presentation to be made to the Investors/Analysts on the Unaudited Financial Results of the Company for the quarter and half year ended 30 September 2020.

The 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**


**Shahnum Zaman
Company Secretary**

Encl:as above

TOWARDS A ROBUST, SUSTAINABLE AND PROFITABLE GROWTH

Magma Fincorp Limited

Investor Presentation – Q2 FY21



MAGMA

Investing in the smallest dream



- 1 Company Overview
- 2 Financial Performance – Q2 FY21
- 3 Strategic Initiatives Update
- 4 Business Strategy
- 5 Business enablers to drive sustainable growth
- 6 Leadership Team & Shareholding Structure
- 7 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.

COMPANY OVERVIEW



Quick Snapshot



Company into 33rd year of retail Financing business

Strong management team with extensive industry experience



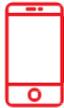
AUM¹ - ₹ 15,571 Crore
Evenly spread across India

North 37%, East 20%
West 18%, South 25%



Diversified product portfolio

Asset-backed finance (Cars, CV, CE, Used Assets, Agri Finance), SME Finance, Affordable Housing Finance and General Insurance



Strong technology platform systems & processes

Robust risk management framework



~ 4.7 million customers serviced since inception

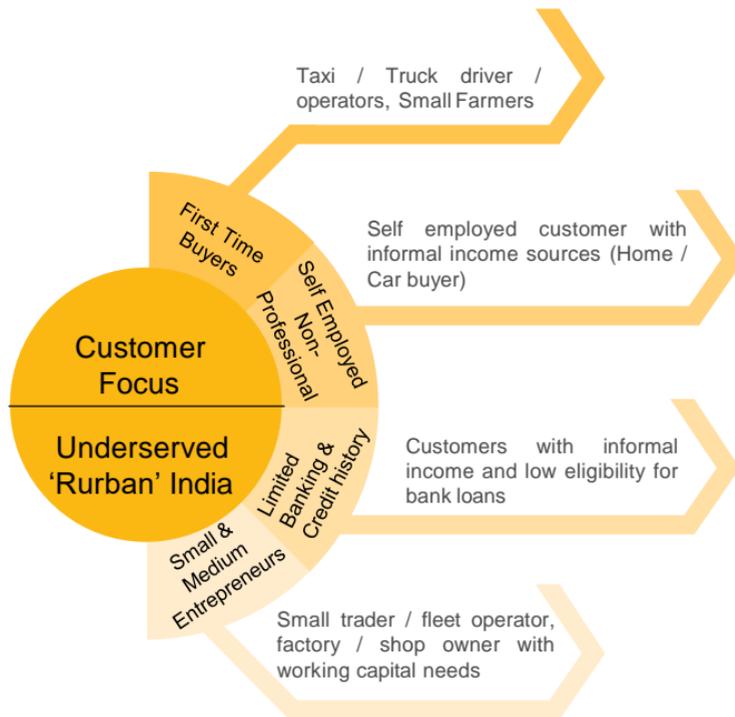
~ 2 million active customer



Pan India presence across 21 States

Provide Financing Solutions to Underbanked Customers in 'Rurban' India

Recognised and
Trusted Brand in
'Rurban' India



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 ¹		
	First Time Buyers	Self Employed Non Professionals	Small & Medium Entrepreneurs	Limited banking / credit history	Average Ticket Size (₹ lakh)	Average Loan to Value Ratio	Average Tenure (months)
ABF: Commercial Finance²	●	●	●	●	4-6	75-80%	40-45
ABF: Agri Finance³	●	●		●	3-4	65-70%	45-50
SME Finance⁴		●	●	●	17-20	NA	30-35
AHF: Affordable Housing Finance⁵	●	●	●	●	9-13	50-60%	150-180
General Insurance	●	●	●	●			

1. Numbers indicative of disbursements done during FY20

2. Commercial Finance includes trucks, construction equipment, cars, auto lease

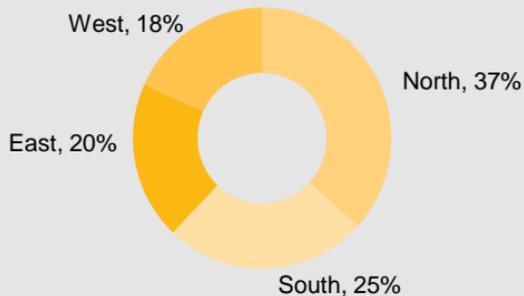
3. Agri Finance includes Tractors

4. SME Finance includes Unsecured Loans to Business Enterprises

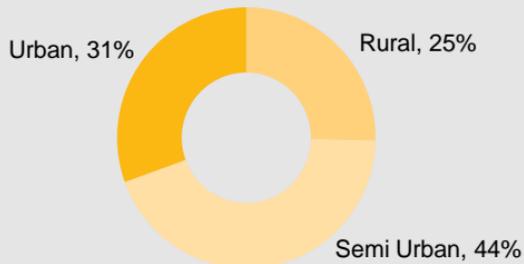
5. Affordable Housing Finance includes Home Loans and Loan against property

Well diversified portfolio across segment & geography

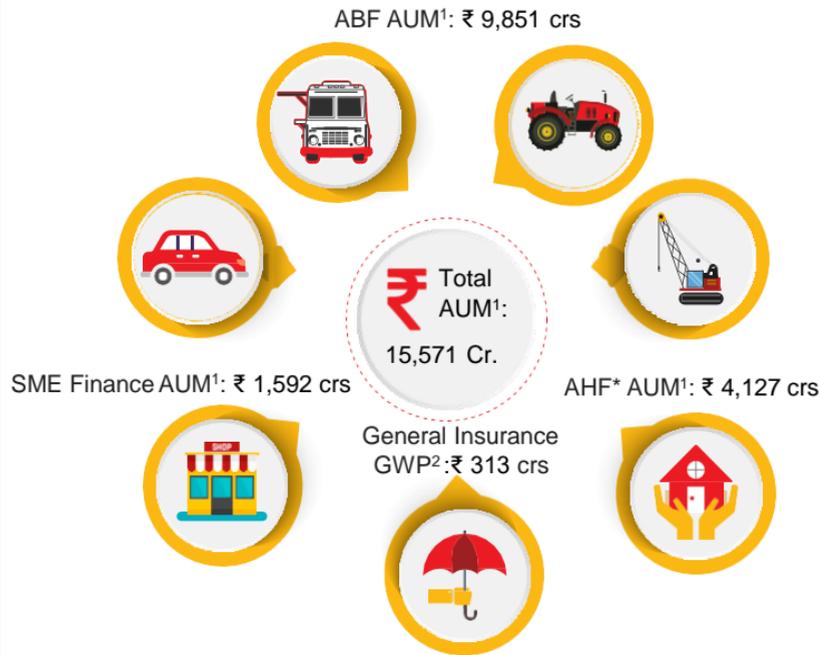
Zone-wise Breakup



Rural-Urban Breakup



Diverse Product Offerings



1 - As of 30-Sep-20; 2- For Q2 FY21

* Split between MFL (₹ 574 crs) and MHF (₹ 3,554 crs)

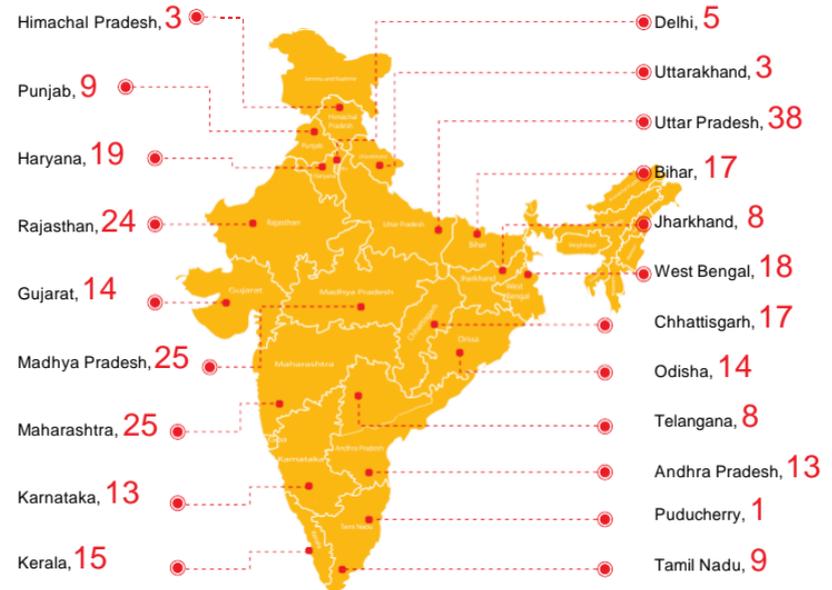
Extensive Pan India Network

Asset Light Branch Network

- ✓ Wide retail presence through hub and spoke model
- ✓ Digital footprint enables Field Executives to conduct business from channel/customer locations, leading to better sales productivity, deepens market coverage and improves 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

298 Branches as on 30-Sep-20

Wide retail presence through hub and spoke model



Rationalised number of branches by merging low volumes branches with nearby branches to achieve cost optimisation

Magma Culture Code



INTEGRITY

Do the right thing



COLLABORATION

Invite ideas and inspiration
from all



RESPECT

Treat people
equally

A close-up photograph of a person's hand placing a wooden block on top of a stack of four other blocks. To the right, there are three more stacks of blocks, each with a decreasing number of blocks (3, 2, and 1 respectively). The scene is set on a light-colored wooden table against a blurred background. The overall image conveys a sense of building, growth, and stability.

Financial Performance - Q2 FY21

Executive Summary – Progressing towards normalcy



Our Strategy

- Continued focus on strengthening Balance Sheet through superior management of collections, control on operating expenses and building strong provision buffers.
- Focus on high RoA products for fresh deployment of funds - to Used Assets, Tractors, SME and Affordable Housing.
- 97% of receivables are either secured by collateral or have a sovereign guarantee cover.
- Leveraging FinTech solutions and relying on advanced data analytics to scale up sourcing and faster underwriting - leading to opex reduction and a differentiated experience to semi-urban/rural customer base.

Business

- Gradual pick up in disbursements in Used Assets and Affordable Housing.
- Higher share of direct business with focus on existing customers and disbursement under ECLGS program.
- AUM (₹ 15,571 crs) flat QoQ; cautious disbursements given external environment, to scale up as normalcy returns.

Liquidity Management

- Sequential decline in Cost of Funds by 19 bps QoQ, over and above 20 bps QoQ in Q1.
- Comfortable liquidity of ₹ 2,197 Crores (comfortable till Mar-21) as on 30-Sep-20, receiving continued support from Banks by way of new facilities.

Executive Summary – Progressing towards normalcy



Portfolio behaviour

- Over 90% of Morat customers paid Sep-20 EMI; over 96% have paid at least one EMI in Sep/Oct-20.
- Total COVID provision at ₹ 238 crs as at Sep-20, adequate to cover any spike in NCL & NPA ratios in H2 FY21.
- Increased Stage 1 and 2 coverage ratio to 3.0% in Q2 FY21 (2.1% in Q2 FY20; 2.5% in Q1 FY21)

Opex Management

- Opex lower by ₹ 37 crore (22%) YoY & ₹ 2 crore (2%) QoQ; opex to AUM at 3.4% in Q2 FY21.
- Sustainable Opex reduction of 40bps achieved in H1FY21; total reduction in H1 FY21 @ 70bps. Some increase from current levels expected post business normalcy.

Profitability and Balance Sheet strength

- Consolidated PBT before COVID provision at ₹ 140 crore; after COVID provision at ₹ 50 crore.
- Improvement in Asset quality ratios: Gross Stage 3 and Net Stage 3 at 5.1% and 3.2% in Q2 FY21 vs 5.8% and 3.7% in Q1 FY21 respectively. GNPA / NNPA numbers are lower than Stage 3 assets, at 4.3% & 2.7% respectively, following Hon'ble Supreme Court dispensation.
- Strong Capital adequacy at 27.0% with Tier-1 capital at 24.6%.

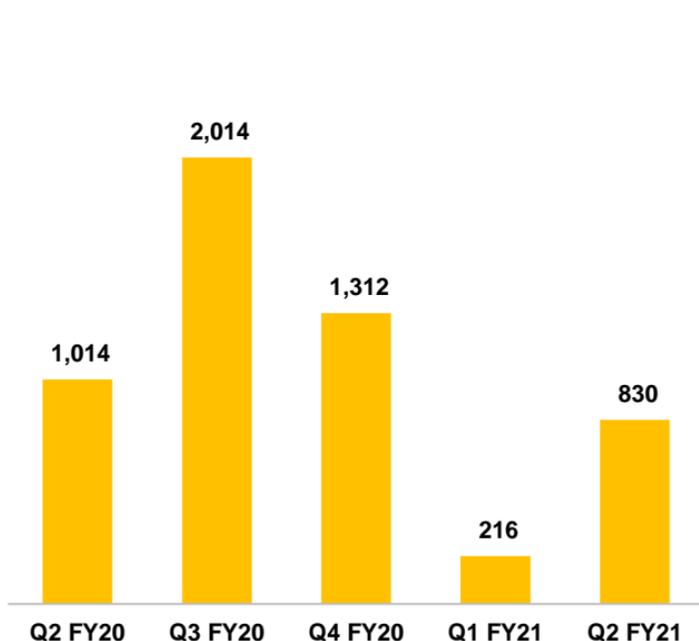
Key Financial Metrics

Parameter	Q2 FY21 - pre COVID provision	Q2 FY21 - post COVID provision	Q1 FY21 - pre COVID provision	Q1 FY21 - post COVID provision	Q2 FY20
AUM	₹ 15,571 crs	₹ 15,571 crs	₹ 15,922 crs	₹ 15,922 crs	₹ 16,463 crs
NIM	8.0%	8.0%	6.8%	6.8%	7.8%
Opex Ratio [#]	3.4%	3.4%	3.4%	3.4%	4.1%
NCL [#]	1.1%	3.4%	1.6%	2.3%	2.9%
Profit Before Tax	₹ 140 crs	₹ 50 crs	₹ 79 crs	₹ 47 crs	₹ 41 crs
RoA	2.7%	1.0%	1.5%	0.9%	0.7%
Net Stage 3 %		3.2%		3.7%	4.2%
CRAR		27.0%		26.0%	27.6%

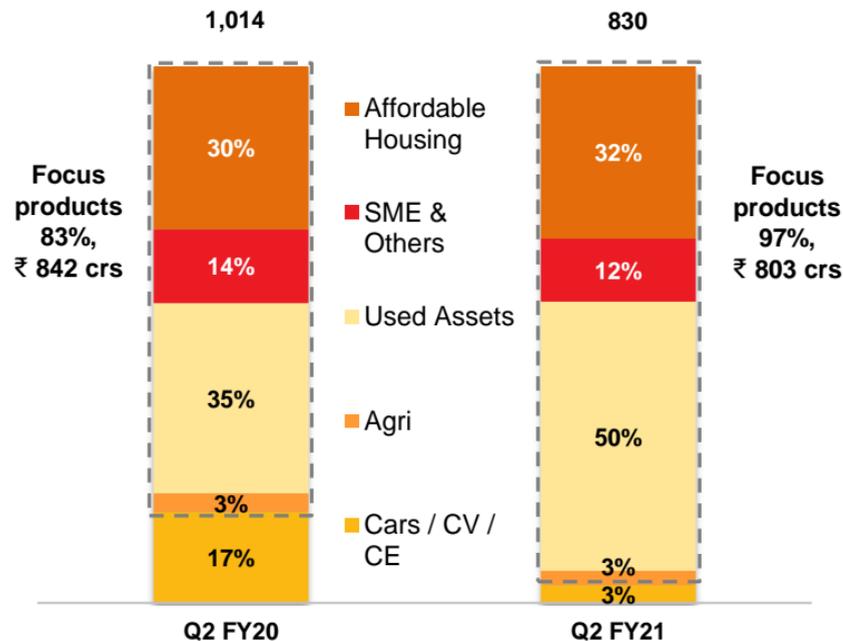
[#] Premium paid under Credit Guarantee scheme clubbed with NCL.

Disbursals – Gradual uptick in demand

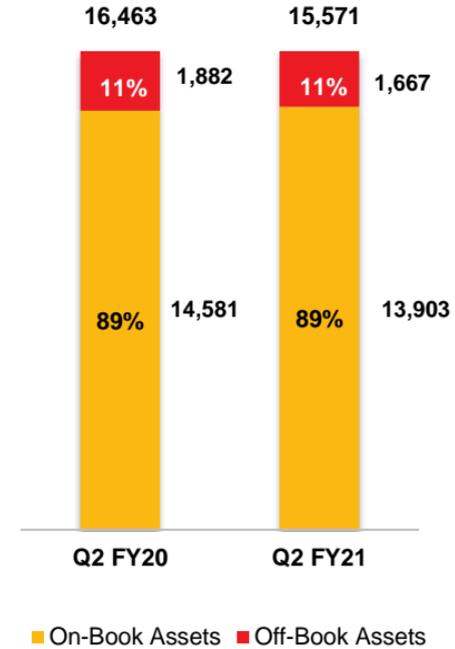
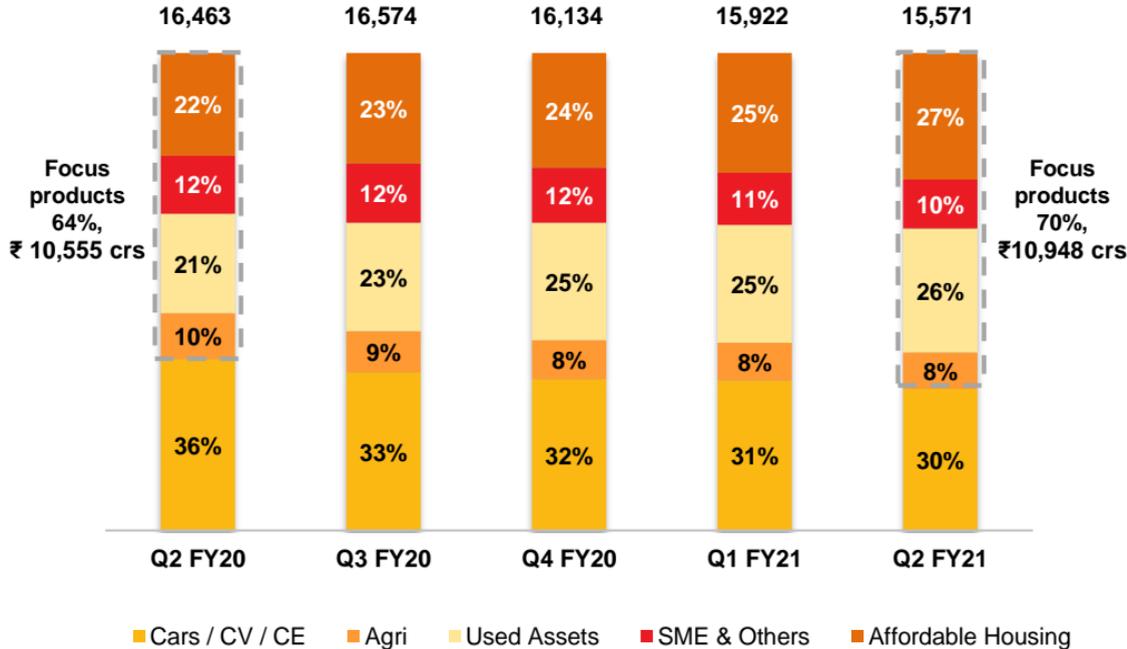
QoQ Disbursement



YoY Change in Disbursement Mix



AUM - Product mix moving towards focus products



Collection management and COVID provision

Segment	31-Mar-20			30-Jun-20			30-Sep-20		
	AUM	COVID-19 Provision*	COVID-19 Provision as % of AUM	AUM	COVID-19 Provision*	COVID-19 Provision as % of AUM	AUM	COVID-19 Provision*	COVID-19 Provision as % of AUM
ABF	10,395	90	0.9%	10,184	114	1.1%	9,851	186	1.9%
AHF	3,880	13	0.3%	3,996	20	0.5%	4,127	29	0.7%
SME & Others	1,859	6	0.3%	1,742	7	0.4%	1,592	17	1.1%
Total	16,134	109	0.7%	15,922	141	0.9%	15,571	231	1.5%

Note:

1. Overall Collection Efficiency at 85% in Sep-20 and 90% in Oct-20.
2. Customers in Standard bucket who availed moratorium of at least 1 EMI and have not paid September EMI stood at ₹ 1,498 crs (9.6% of AUM), and have not paid September and October EMI stands at ₹ 595 crs (3.8% of AUM).
3. One-time restructured portfolio as on 30-Sep-20: ₹ 83 crs (0.5% of AUM). Unlikely to go beyond 3% of AUM at end of the year.

Credit Loss (NCL) Analysis

Q2 FY21 NCL and NPAs

- Lower settlement / Repo cases resulting in lower Loss on Settlement / Repo.
- NPA lower by ~ ₹ 100 crs due to:
 - i. Moratorium in standard buckets resulting in marginal roll forward to 90+ bucket
 - ii. Lower collections in NPA bucket (with no moratorium benefit); leading to higher write-off of 450+ dpd / 730+ dpd bucket

Particulars	Q2 FY20	Q1 FY21	Q2 FY21
Net ECL Provision*	72	70	101
Credit Guarantee Cost	3	3	4
Loss on Settlement/ Repo	46	20	30
NCL	121	93	135
*100% Provision Bucket (PL Impact)	26	39	38

Particulars	Q2 FY20	Q1 FY21	Q2 FY21
Gross Stage 3 Assets	928	811	710
Provisions held	328	295	270
Net Stage 3 Assets	599	517	440
Gross Stage 3 in %age	6.4%	5.8%	5.1%
Net Stage 3 in %age	4.2%	3.7%	3.2%
Provision Coverage Ratio	35.4%	36.3%	38.0%
Stage 1&2 Coverage Ratio	2.1%	2.5%	3.0%
On Book AUM	14,581	14,095	13,903

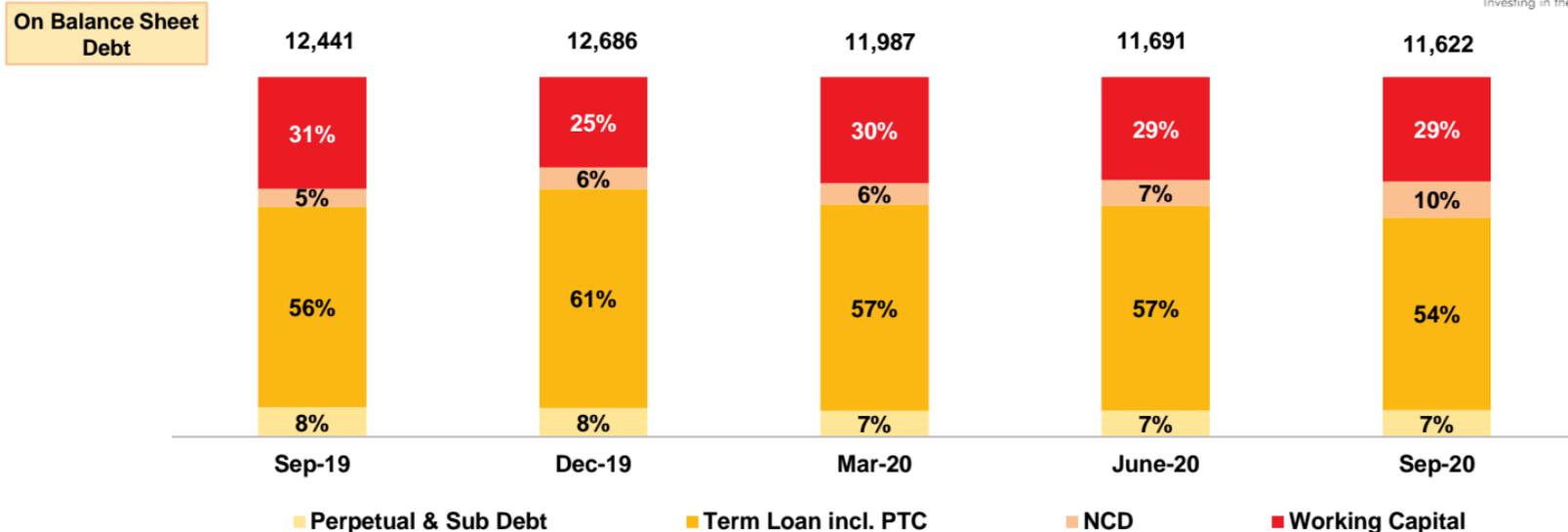
GNPA/NNPA numbers are lower than Stage 3 assets, at 4.3% & 2.7% respectively, following Hon'ble Supreme Court dispensation

Asset Quality

Particulars	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21
Gross Stage 1 and Stage 2 Assets	13,653	13,790	13,333	13,284	13,193
Stage 1 and Stage 2 Coverage Ratio (%)	2.1%	2.0%	2.2%	2.5%	3.0%
<hr/>					
Gross Stage 3 Assets	928	987	914	811	710
Net Stage 3 Assets	599	647	580	517	440
Gross Stage 3 Assets (%)*	6.4%	6.7%	6.4%	5.8%	5.1%
Net Stage 3 Assets (%)	4.2%	4.5%	4.2%	3.7%	3.2%
Stage 3 Coverage Ratio (%)	35.4%	34.4%	36.5%	36.3%	38.0%
ECL Provision - Total Assets	4.2%	4.2%	4.4%	4.5%	4.8%

- 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.
- GNPA/NNPA numbers are lower than Stage 3 assets, at 4.3% & 2.7% respectively, following Hon'ble Supreme Court dispensation

Liability Profile - Structural Shift to Long Term Liquidity



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

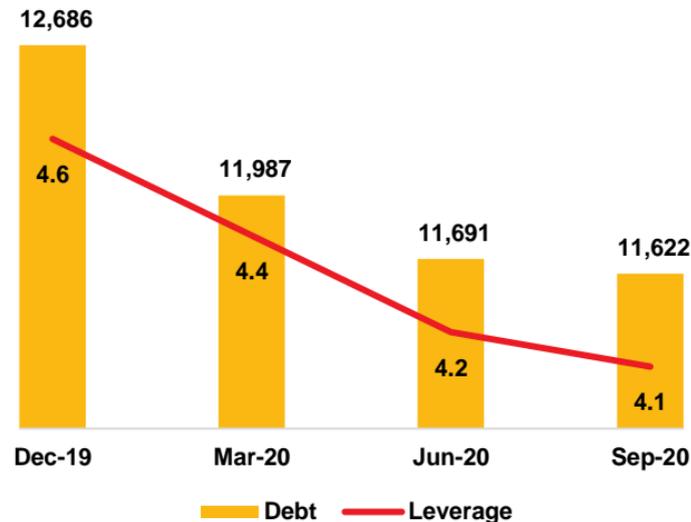
- Entire borrowings from Long Term Source of funds (Working Capital facilities are long term in nature, though shown as repayable in 6m-12m bucket for purpose of ALM).
- Source of liabilities Q2 FY21 - Banks: 80%, Debt capital market: 20%.

Liquidity and Leverage

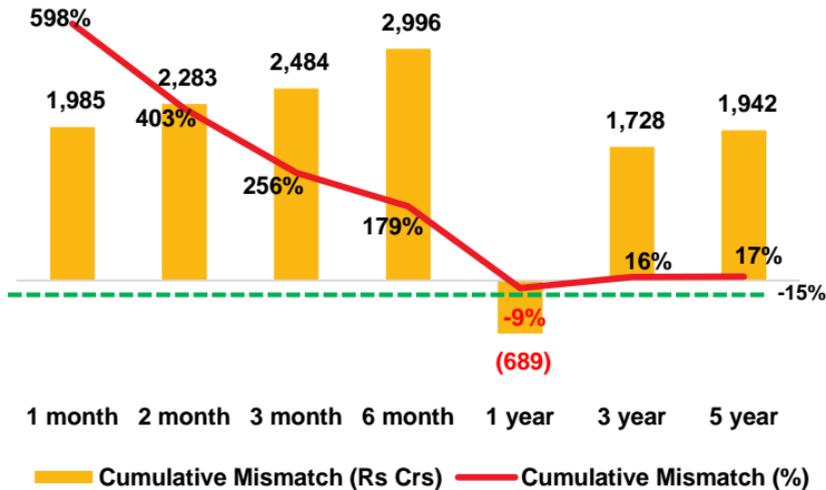
Robust Liquidity

- ₹ 1,267 crs new drawdowns in FY21 (₹ 765 crs in Q2 FY21).
- Overall available liquidity of ₹ 2,197 crs (₹ 607 crs by way of Cash/ Bank Bal. & FD and ₹ 1,590 crs by way of undrawn WC lines);
- ₹ 808 crs undrawn sanctions as on 30-Sep-20
- ₹ 375 crs sanctions in pipeline as on 30-Sep-20

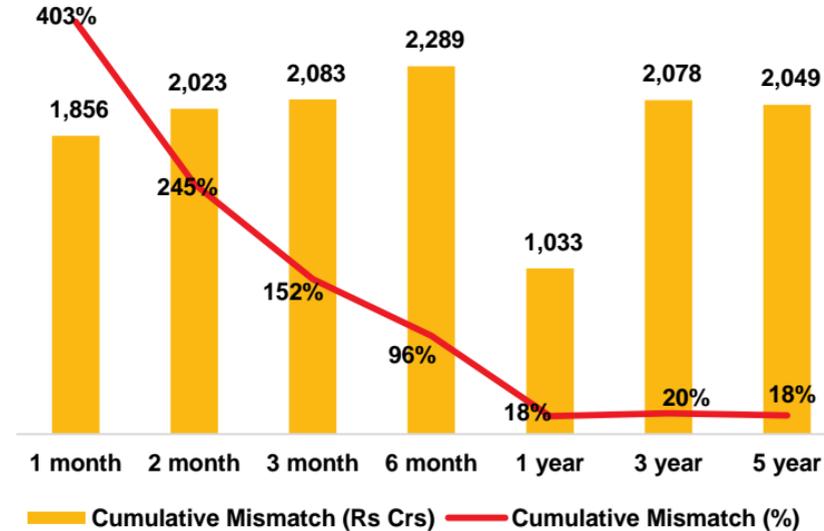
Leverage Ratio



Structural Liquidity for MFL as at Sep-20

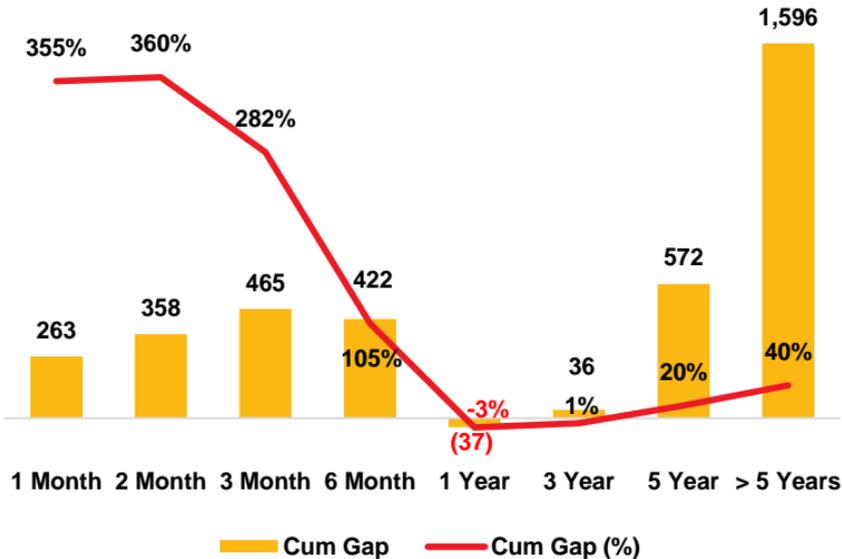


Working capital limits are considered as repayable in 6 - 12 months time bucket

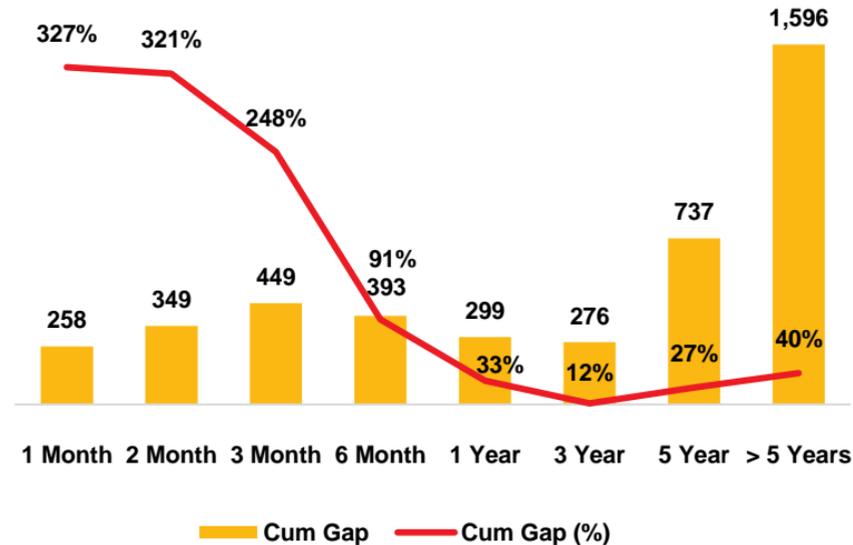


In the scenario working capital limits are considered as matched to maturity, the mismatch turns to surplus of 18%

Structural Liquidity for MHFL as at Sep-20



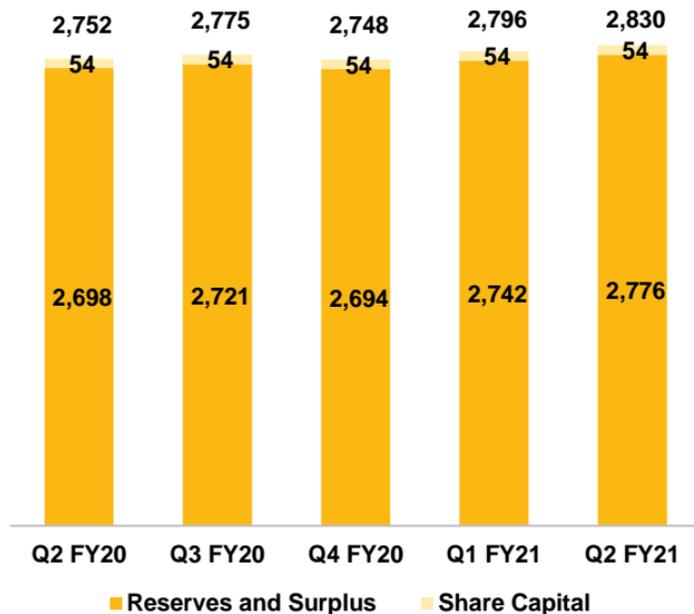
Working capital limits are considered as repayable in 6 - 12 months time bucket



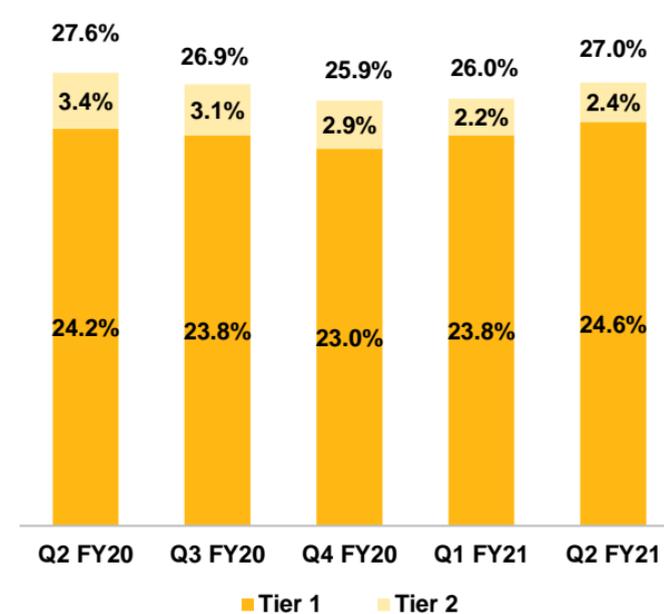
In the scenario working capital limits are considered as matched to maturity, the mismatch turns to surplus of 33%

Adequately capitalized for growth

Net Worth



Capital Adequacy*



Consolidated Profit & Loss Statement*

Particulars	Q2 FY21	Q1 FY21	Q2 FY20	H1 FY21	H1 FY20	FY20
Net Revenue	315	274	330	589	646	1,272
Expenses [#]	134	136	172	271	349	674
Operating Profit	181	138	159	319	297	598
Net Credit Loss (Normal) [#]	44	62	121	106	242	398
Profit Before Tax (before COVID-19 provision & profit from JV/Associate)	137	76	38	212	55	199
Share of profit in Joint Ventures / Associates	4	3	3	7	2	(1)
Profit Before Tax (before COVID-19 provision)	140	79	41	219	56	198
Additional Provision - COVID-19	90	32	-	122	-	117
Profit Before Tax	50	47	41	97	56	82
Tax (Normal)	12	9	11	22	16	19
Opening DTA impact due to change in tax rates	-	-	-	-	-	36
Consolidated Profit After Tax	38	38	30	76	40	27
RoA	1.0%	0.9%	0.7%	1.0%	0.5%	0.2%
RoE	5.4%	5.5%	4.3%	5.5%	2.9%	1.0%

* Re-formatted for better analysis

Premium paid under Credit Guarantee scheme clubbed with NCL

Values in Rs. crore

Consolidated Balance Sheet

Particulars	30-Sep-20	30-Sep-19	31-Mar-20
Cash and Cash Equivalents	1,019	1,005	708
Loans and Advances	13,178	13,892	13,555
Other Assets	670	754	784
Fixed Assets	176	207	193
Total Assets	15,043	15,857	15,240
Borrowings	11,622	12,441	11,987
Other Liabilities	591	665	504
Share Capital	54	54	54
Reserves & Surplus	2,776	2,698	2,694
Total Liabilities	15,043	15,857	15,240

Strategic Initiative Update



Strategic Initiative - Recap

- Magma's strategic focus continues on Retail and SME play in the Indian financial services
- Established strong footprint in 3 distinct businesses with targeted customer and product segments
 - 'SME focus' through MFL
 - 'Affordable housing finance' through MHFL
 - 'General insurance' through Magma HDI
- Strategic initiatives to unlock value for shareholders
 - Sharpen focus in MFL – high RoA products (like Used Assets, Tractor, SME)
 - Value unlocking in MHFL – reorganization and capital raise
 - Value unlocking in Magma HDI – capital raise and/or partial stake sale

Strategic Initiative - Update

Sharpen focus in MFL

- Stopped sourcing low RoA products like new Cars, CV and CE (non-focus products)
- Capital release to be deployed in focus products (Used Assets, Tractor, SME)
- Resultant change in mix to provide a kicker to NIM, RoA and RoE

Value unlocking in MHFL

- Continues to strengthen its position in specialized affordable housing finance
- Initiated actions for a capital raise process for growth

Value unlocking in Magma HDI

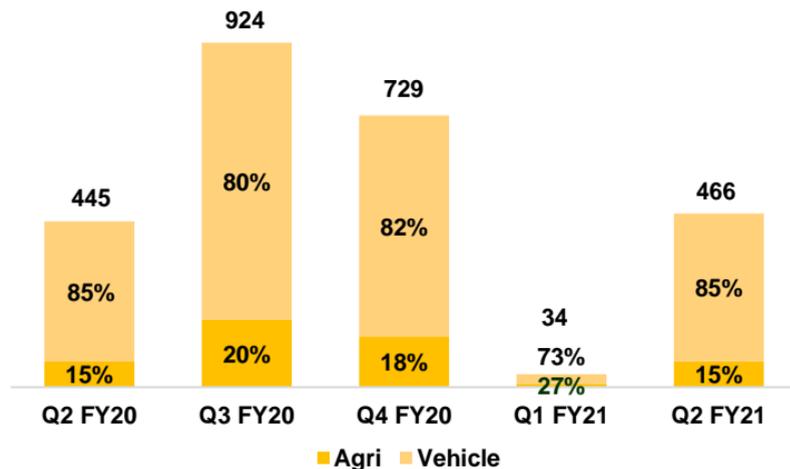
- Strong investor interest received in capital raise process
- Engaged with few interested parties; expect firm commitment in the foreseeable future

A hand holding a red dart, about to throw it at a target on a desk with a laptop and charts.

Business Strategy - Asset Backed Finance (ABF)

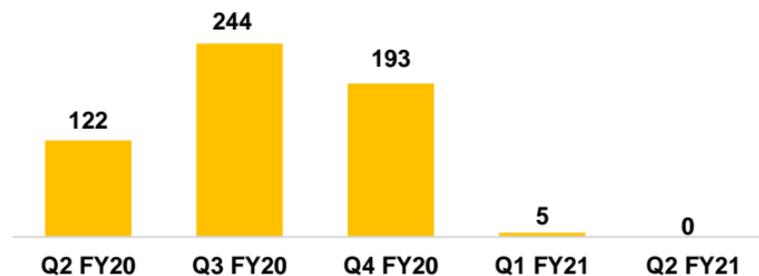
ABF Business

Focus Products* - Disbursal Mix

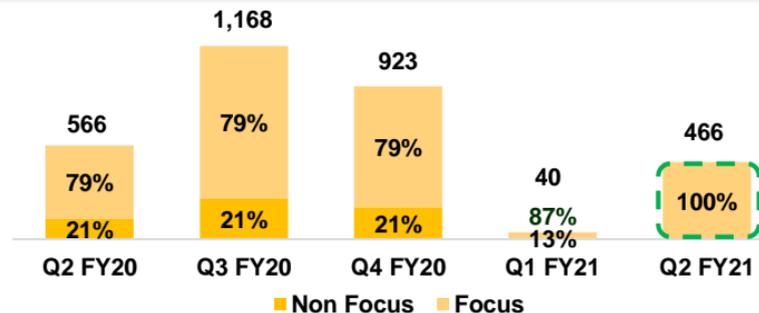


- 100% disbursal from focus products in Q2 FY21
- Sep-20 disbursements at ₹ 245 Cr – ~80% of pre-covid levels for focus product

Non Focus Products* - Disbursal



All Products - Disbursal Mix

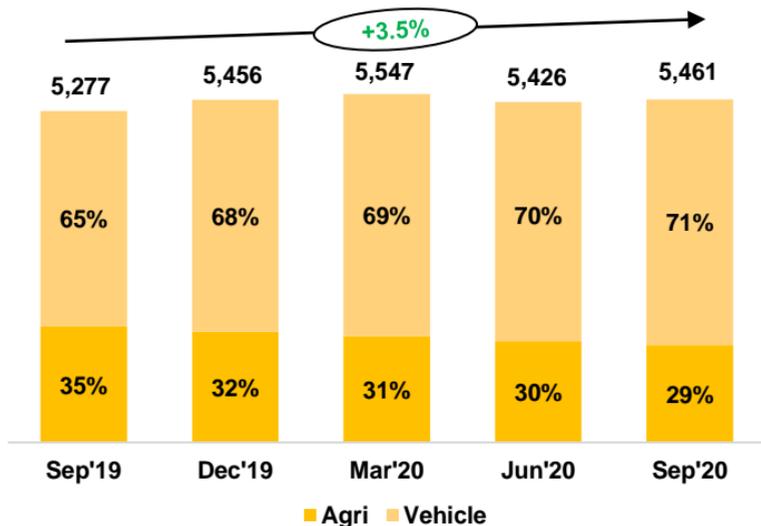


* Focus products : Used Vehicles and Tractors, Non Focus products : New Cars / CV / CE

Values in Rs. crore

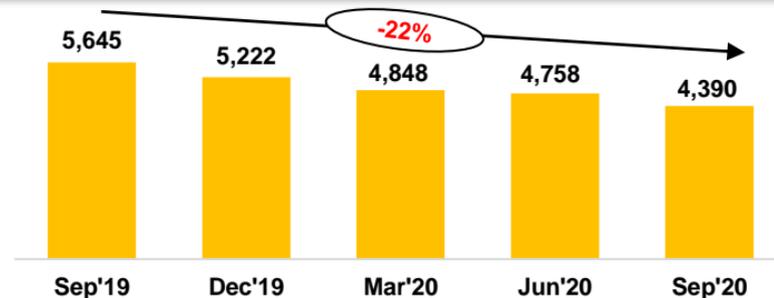
ABF AUM

Focus Products* - AUM Mix

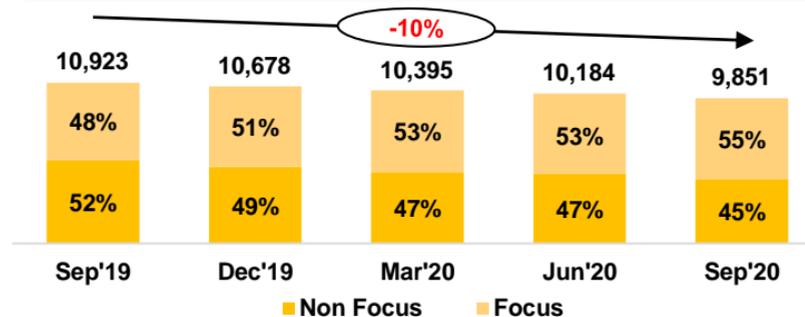


Shift in AUM mix towards focus products – expected to accelerate further in H2

Non Focus Products* - AUM



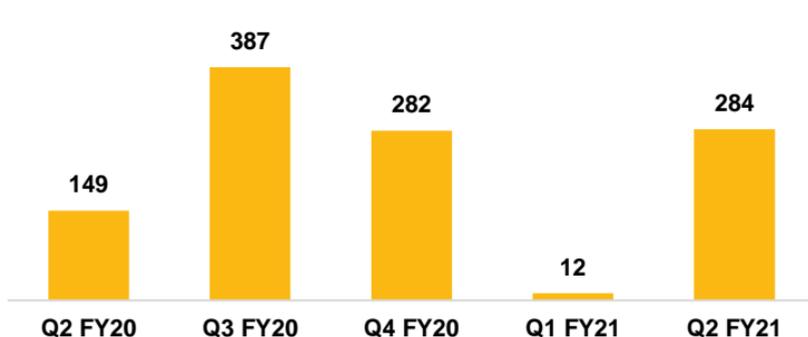
All Products - AUM Mix



* Focus products : Used Vehicles and Tractors, Non Focus products : New Cars / CV / CE
Values in Rs. crore

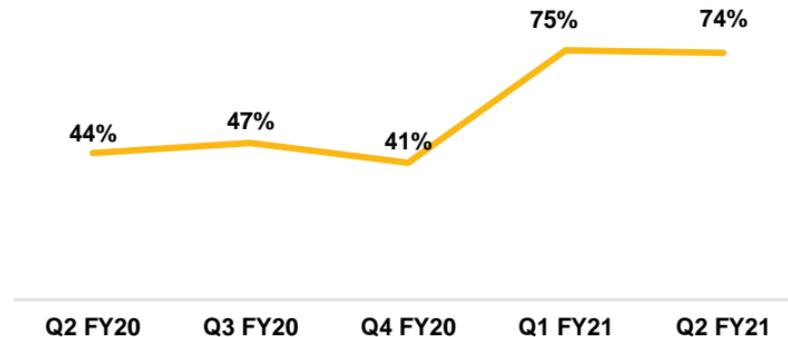
Focus on Existing Customers and Direct Business

Disbursal to Existing Customers[^] (₹ Crs)



FY	Volume (in cr)	% Increase
FY18	536	↑ 47%
FY19	704	↑ 31%
FY20	1,055	↑ 50%
H1 FY21*	296	

Direct Business % of total ABF Disbursal (Units)



- Direct business contribution to overall business is steadily improving
- Q1 FY21 & Q2 FY21 direct % skewed on account of low volumes & disbursals under ECLGS scheme respectively

[^] Q2 FY20 disbursals curtailed with a view on liquidity, Q4 FY20, Q1 FY21 and Q2 FY21 disbursals impacted by lockdown since Mar-20 on account of Covid-19

* Disbursal to existing customers kick started only in mid of Jun-20, Q2 FY21 volumes include disbursals under ECLGS scheme



Business Strategy - SME and Others

SME Business under transformation

Go-Direct

Over 3000 MSMEs benefitted with Rs. 100 Cr+ disbursed through Emergency Credit Line Guarantee Scheme under GOI's "Atmanirbhar Bharat" scheme

Go-Secured

80% of portfolio covered under Credit Guarantee Schemes
Secured SME pilots launched in 2 states

Omni Channel

Offline - fresh alliances on-boarded
Online - Fintech partnerships

Cross Sell

Fee income through insurance cross sell

Channel Activation

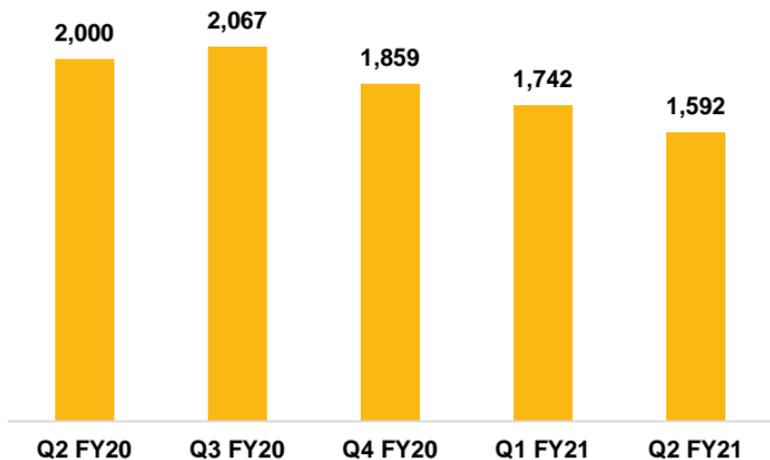
@74% of pre-covid level

Customer Connect

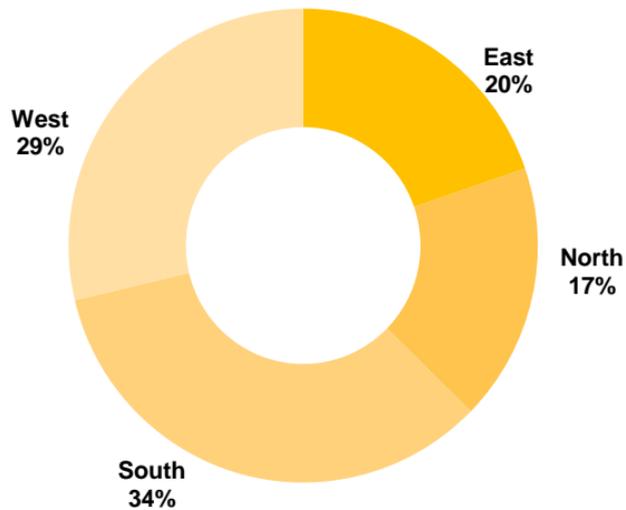
1351 SMEs benefit under GOIs MSME subvention scheme
SME Sahayata program with Wadhvani foundation launched in West region

SME and Others

AUM



Geographical Diversification

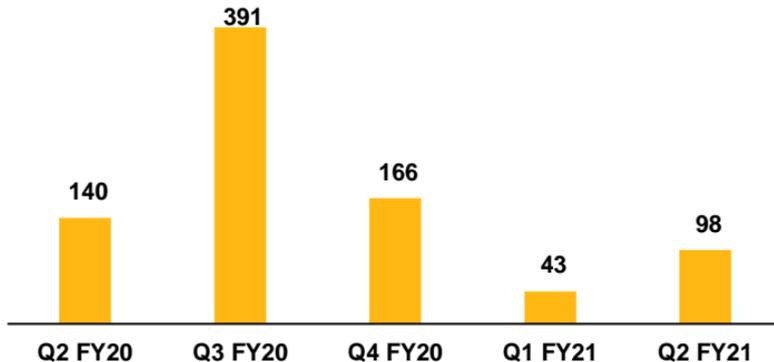


80% of Portfolio covered under CGTMSE / NCGTC

Geographically well diversified portfolio

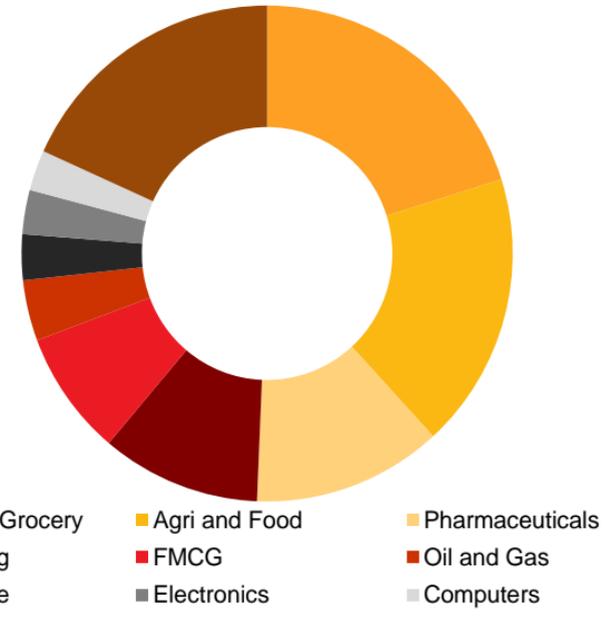
Sharp Focus on Asset Quality; Disbursement with Caution

Disbursement



SME unsecured lending in cautious gear given economic stress

Focus: Reviving Industry Sectors



Business Strategy - Affordable Housing Finance



Disbursal Momentum – AHF

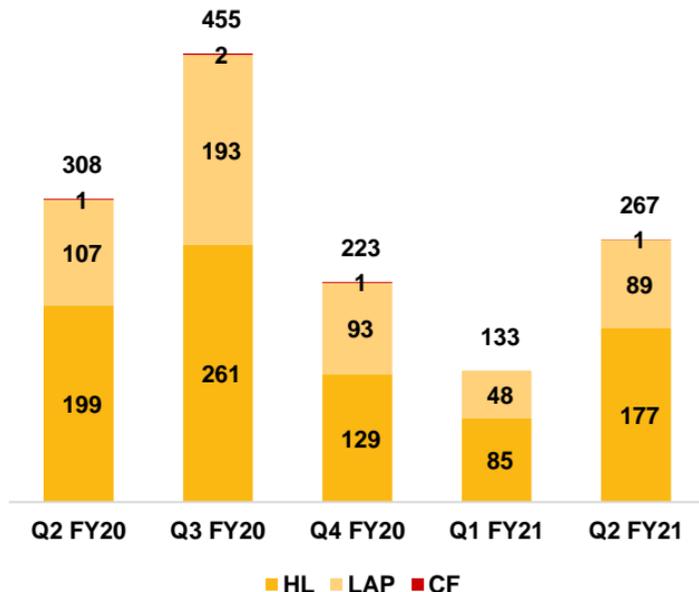
National Presence
19 States and 103
Branches

API enabled
digital workflow;
integrated rule
engine

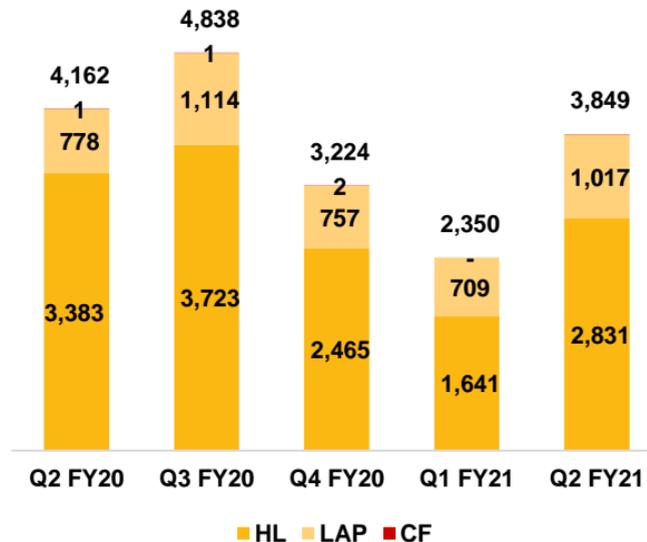
66% PMAY
penetration in
fresh Home Loan
on-boarding

Disbursals
towards normalcy
~87% of Pre-
COVID levels

Disbursement



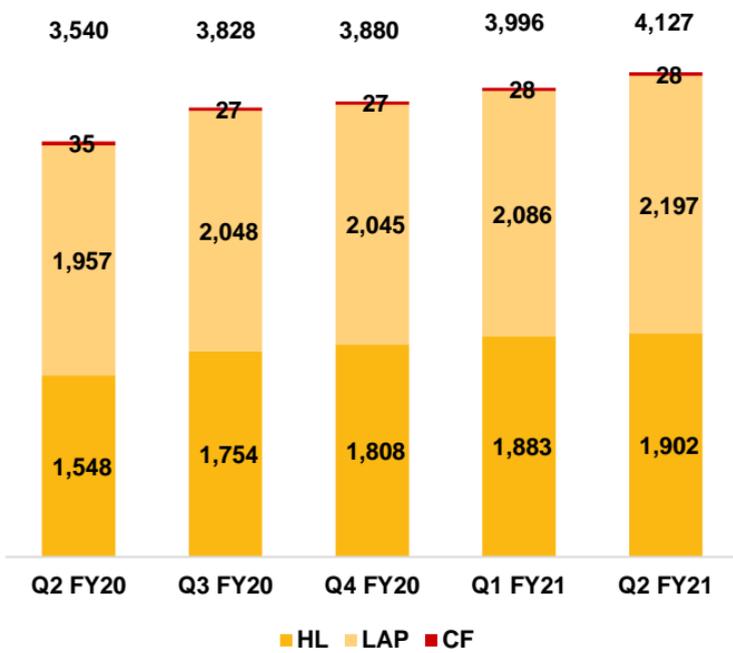
Disbursement (# Nos. Accts)



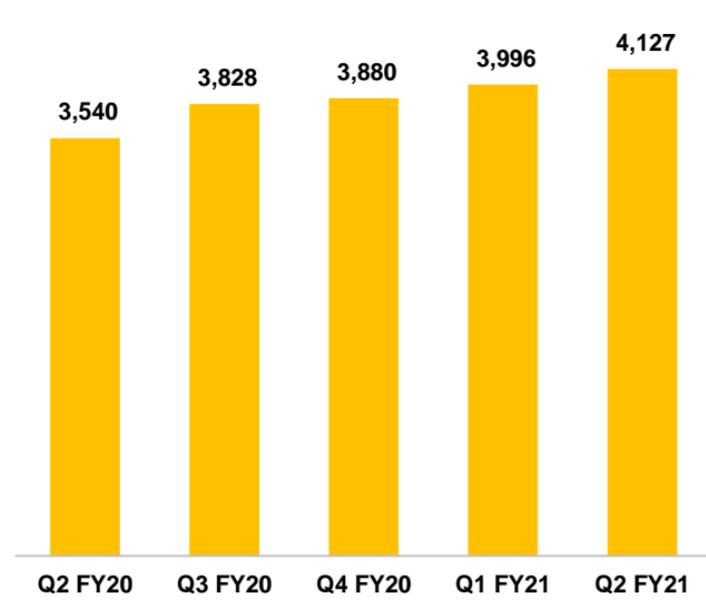
* AHF includes HL, LAP and CF
Values in Rs. crore

AUM Momentum – AHF

Product Mix



AUM



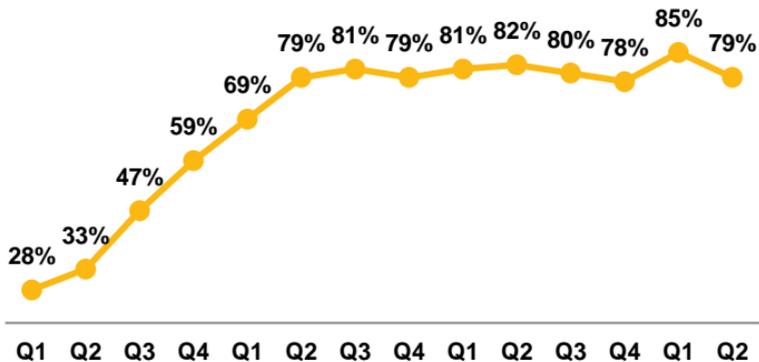
* AHF includes HL, LAP and CF
Values in Rs. crore

Core Business Values Intact



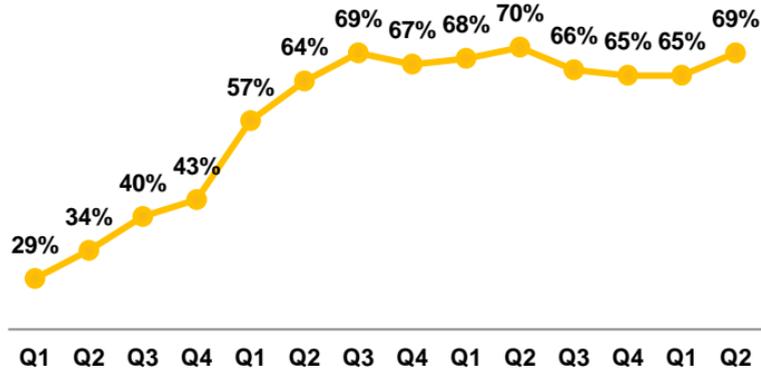
Go Home Loan

Direct Ratio (Units)



Go Direct

Home Loan Ratio (Units)



Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
FY18				FY19				FY20				FY21	

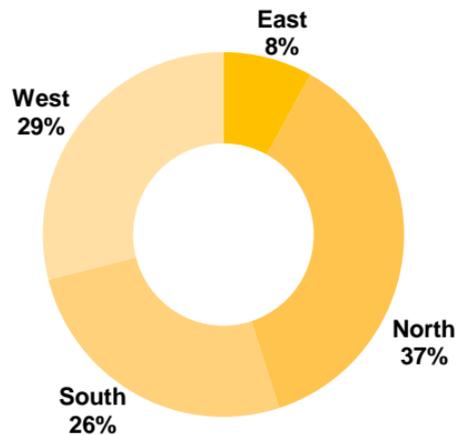
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
FY18				FY19				FY20				FY21	

Key Takeaways

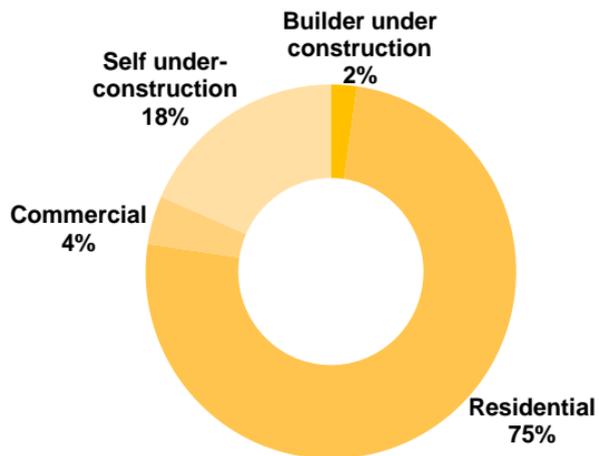
- Home Loan share is consistently around 65%
- Direct distribution capabilities set up in last 2 years
- 80% of sourcing is relationship based direct sourcing

Q2 FY21 Business Origination

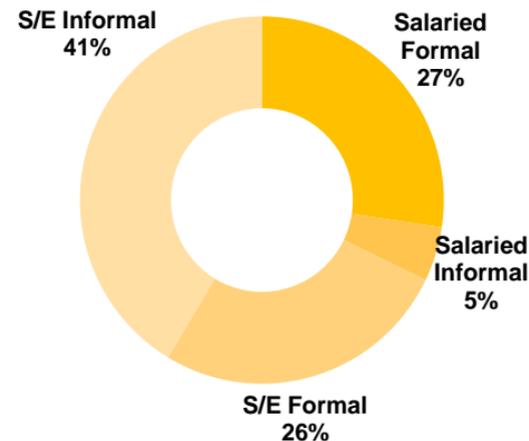
Geographical Distribution



Collateral Mix



Customer Mix

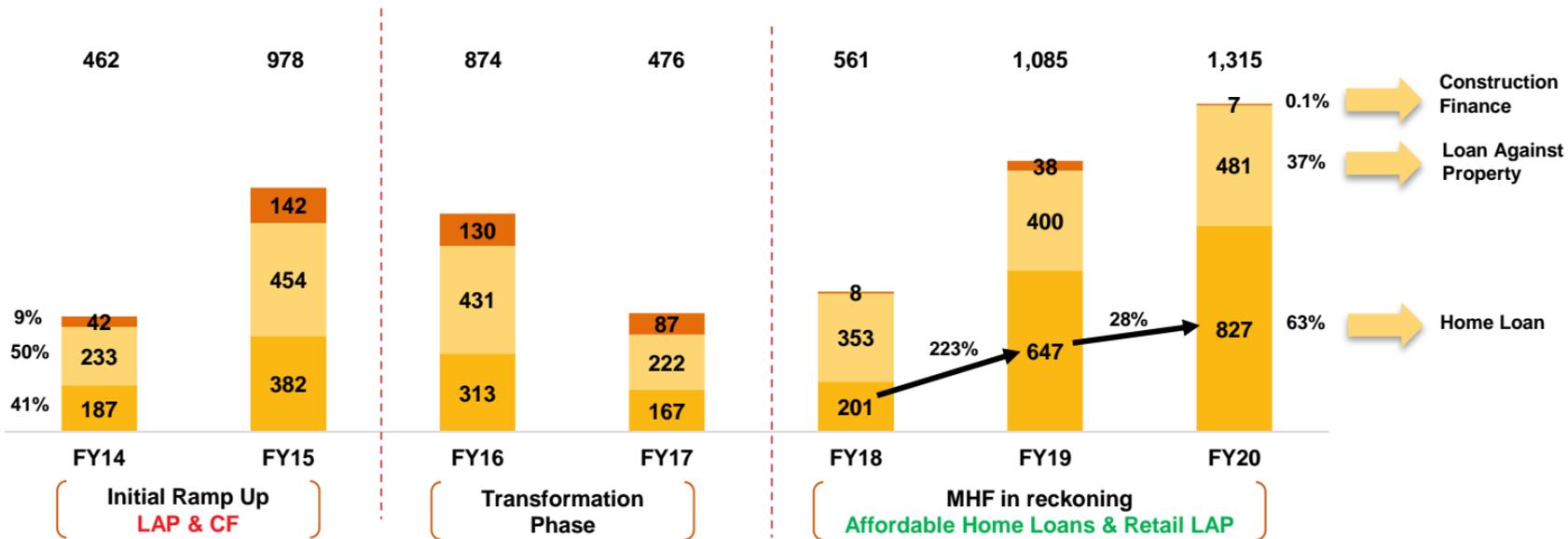


- Geo-risk optimized; diversified National presence
- Minimal construction risk, under-construction builder property only 2% of disbursement
- Balanced Mix of Salaried: Self employed and Formal: Informal customers

Magma Housing Finance (Subsidiary)



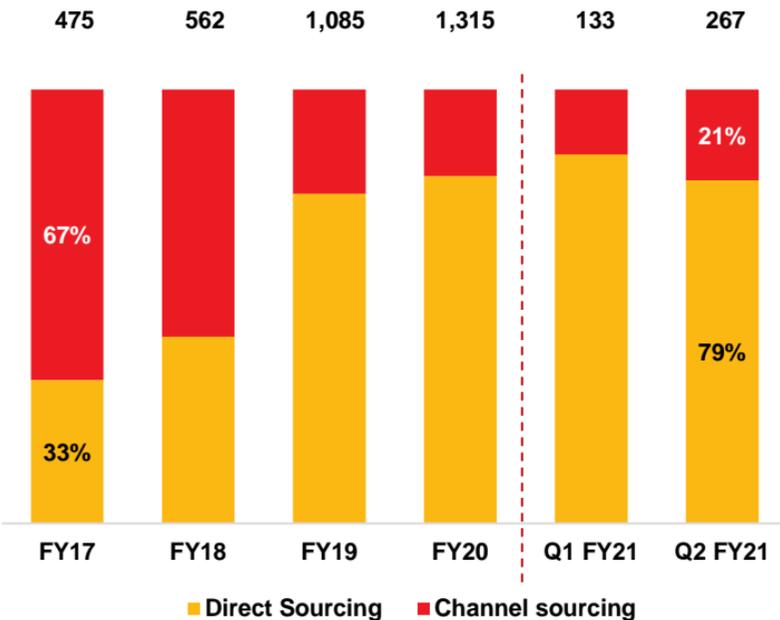
MHF – Emerging as a strong Affordable Housing Finance Entity



“The company has consciously transformed towards building the granular long term affordable housing book”

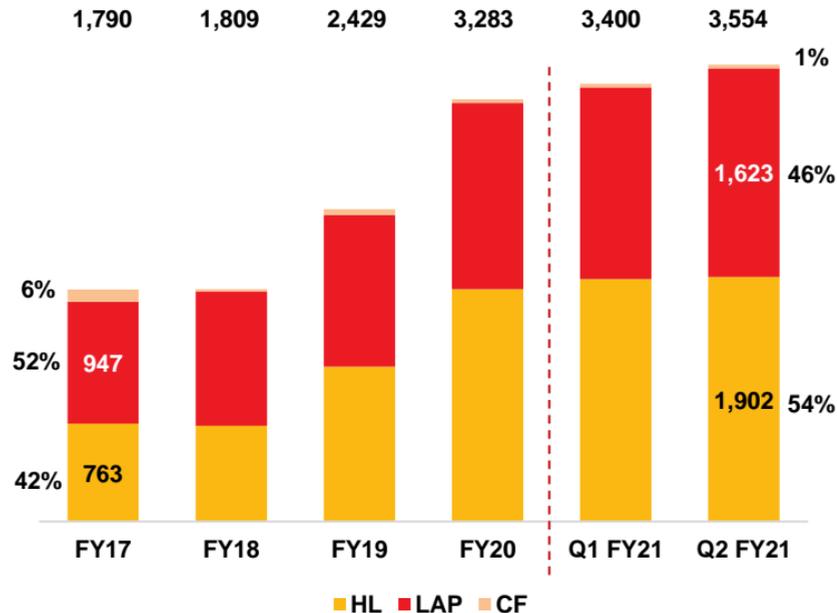
Relationship based direct sourcing

Sourcing Mix



Go Direct 79%

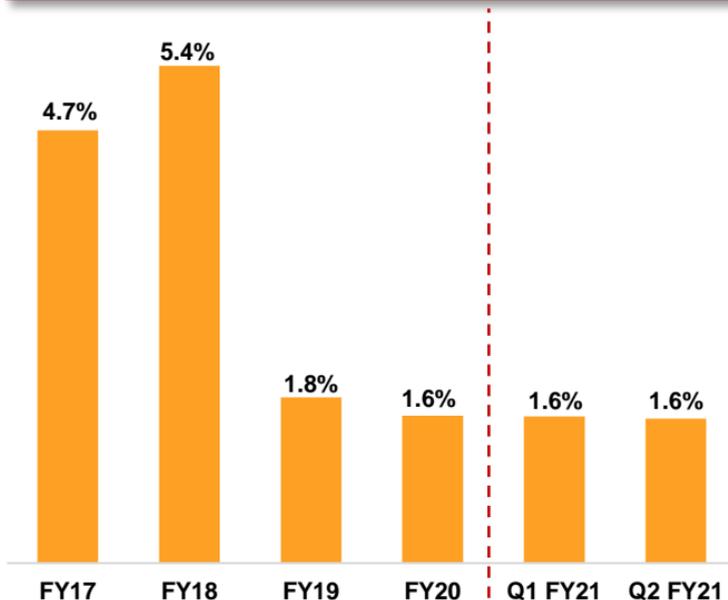
AUM



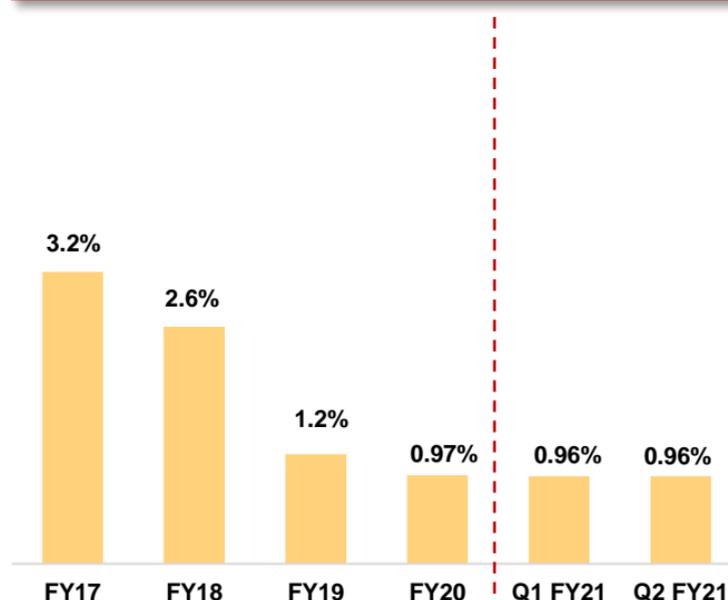
Go Home Loan 54%

MHF creating Long Term value

Stage 3 Assets (Gross)



Stage 3 Assets (Net)

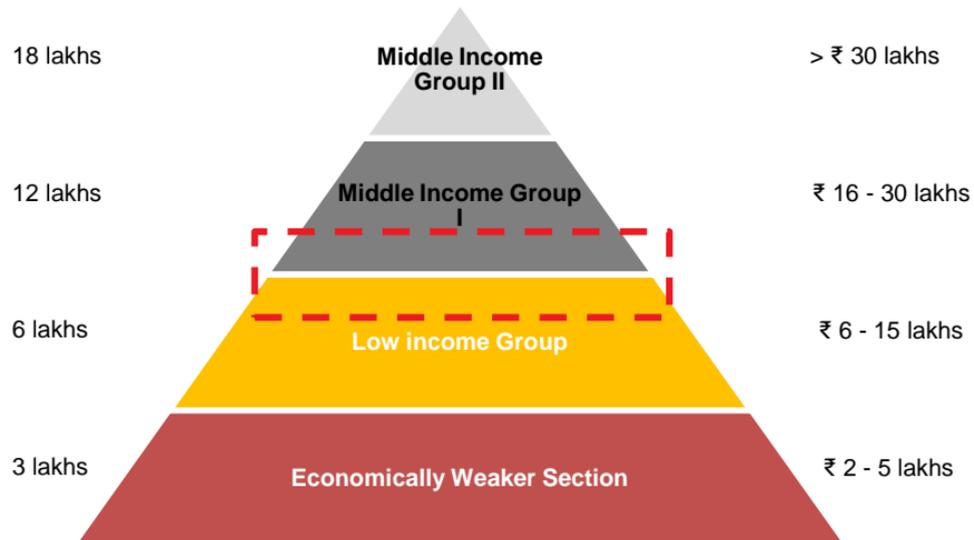


Stable Asset quality over last 3 quarters

Serving the under-served MIG and LIG customers

Household Income

Average Loan Ticket Size



MHF Customer segment

- Primarily new to credit customers buying first home
- 70%+ of loans disbursed in Tier 2 and Tier 3 towns
- Income type: Self Employed, Salaried Informal, Self Employed-Professional, Salaried
- Lending towards affordable housing with Average Ticket Size of 9-13 lakhs

Pan India Affordable Housing Finance Company

Asset Light Branch Network

- ✓ Wide retail presence through hub and spoke model
- ✓ Technology enabled solutions leading to industry best productivity, national coverage and best in class customer experience
- ✓ Strong customer engagement through large team of Field Executives
- ✓ Toll free Inbound/Outbound Customer Call Centre for servicing and cross sell

103 Branches as on 30-Sep-20

Deep presence in select geographies pan India through hub and spoke model,



MHF - Value in Consistent Performance

Parameter	FY17*	FY18*	FY19*	FY20*	Q1 FY21*	Q2 FY21*
AUM	₹ 1,790 crs	₹ 1,809 crs	₹ 2,430 crs	₹ 3,283 crs	₹ 3,400 crs	₹ 3,554 crs
Gross Stage 3	4.7%	5.4%	1.8%	1.6%	1.6%	1.6%
Net Stage 3	3.2%	2.6%	1.2%	0.97%	0.96%	0.96%
Disbursement IRR	14.0%	13.3%	13.1%	13.8%	13.8%	13.7%
Opex Ratio	2.8%	3.1%	3.9%	3.6%	2.7%	2.7%
PAT	₹ 34 crs	₹ 34 crs	₹ 34 crs	₹ 43 crs	₹ 7 crs	₹ 14 crs
ROA	1.9%	1.9%	1.6%	1.5%	0.9%	1.6%
ROE	13.1%	11.5%	10.4%	10.4%	6.0%	11.2%

*Note: 1. Performance for FY17 as per I-GAAP; FY18 to FY21 performance as per Ind-AS

2. FY20, Q1 FY21 and Q2 FY21 PAT includes additional provisions of ₹ 7.4 crs, ₹ 4.5 crs and ₹ 6.5 crs respectively on account of COVID-19

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

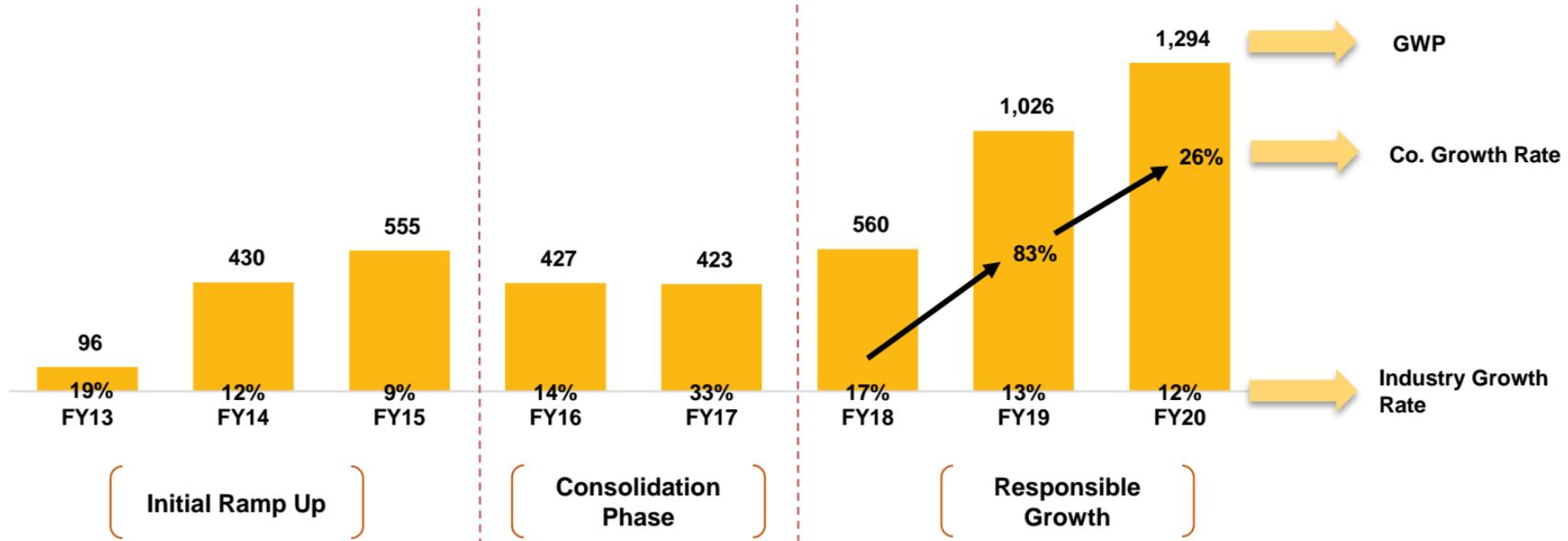
Particulars	Q2 FY21	Q1 FY21	Q2 FY20	H1 FY21	H1 FY20	FY20
Net Revenue	49	40	45	89	89	179
Expenses	23	22	25	46	52	101
Operating Profit	25	18	20	43	37	78
Net Credit Loss (Normal)	(1)	4	0	3	3	16
Profit Before Tax (before COVID-19 provision)	26	14	20	40	34	62
Additional provision - COVID-19	7	4	-	12	-	7
Profit Before Tax	19	9	20	28	34	54
Tax (Normal)	5	2	6	7	10	13
Opening DTL impact due to change in tax rates	-	-	-	-	-	(1)
Profit After Tax	14	7	14	21	24	43

* Re-formatted for better analysis
Values in Rs. crore



Business Strategy - MHDl

Magma HDI General Insurance - Registering robust growth built on strong risk foundation



“The company has registered growth rate higher than industry growth rate for 3 years in a row”

Magma HDI General Insurance



Overall growth of 1.4% for industry for H1 FY21

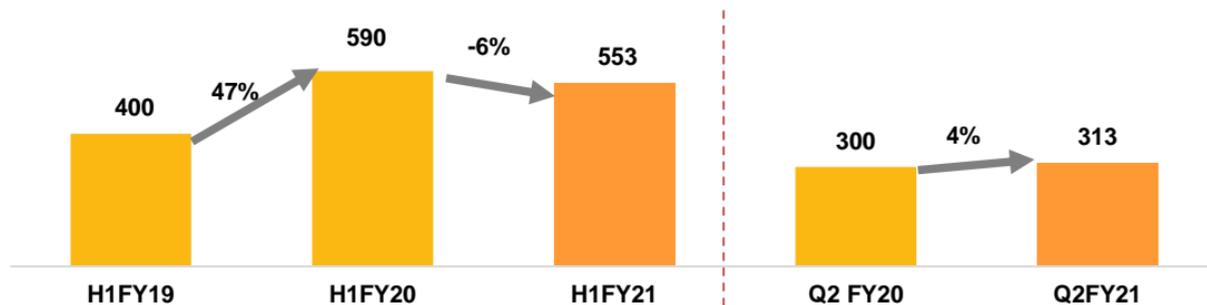
After de-growth in Q1 FY21, industry grew by 5.6% in Q2 FY21 over Q2 FY20; Magma HDI grew by 3.7% overall for same quarter

Commenced business with four more OEM and integration under process for 2 more OEM's

Continued focus to grow the retail health and SME group health portfolio;

Increase in share of health business from 3.5% in Q2FY20 to 8.4% in Q2 FY21 and 7.3% in H1 FY21 from 4% in H1 FY20

Gross Written Premium



- **Business growth** : Back to growth in Q2 FY21
- **OEMs** contributed 14.5% of GWP (H1 FY21) against 17.9% (H1 FY20).
- **Banca** tie-ups contributed 6% of GWP for H1 FY21 with growth @116% over H1 FY20
- **Health & PA** put together contributed ₹ 40.4 crs for H1 FY21 with growth @70.3% over H1 FY20: Retail Health GWP shows growth ~584% & Group Health grew by ~195% in half year
- **E-sales** : digital channel contributed ₹ 13.5 crs GWP for H1 FY21 @ ~272% growth rate
- **Corporate Sales & Broking** including reinsurance inward contributed 13.8% against 10.5% with growth @ ~23.3% over H1 FY20

Enhancing distribution through partnerships

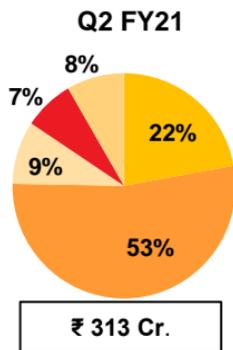
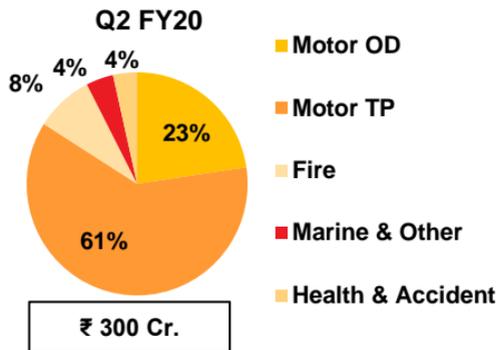
Offices & Channel Partners	FY18	FY19	FY20	H2 FY21
Number of Branches	125	169	170	169
Agents + POS* + MISP#	2,790	5,028	6,558	6,927
Corporate Agents	5	7	13	13
OEM Tie-ups	1	1	6	10
Number of Districts where policies are issued : 578		Number of Districts where claims are serviced : 545		

*POS – Point of Sale, #MISP – Motor Insurance Service Provider

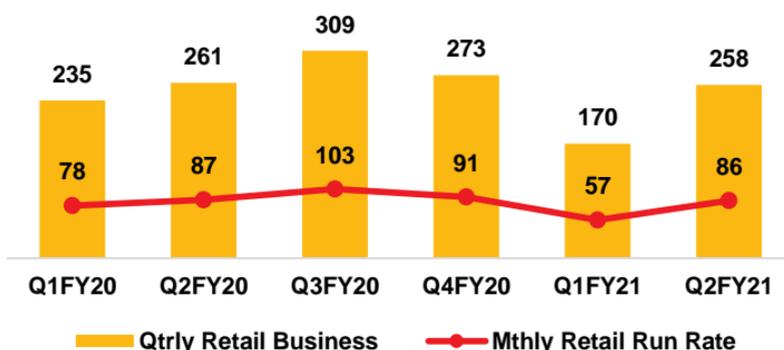
Generating business from over 81% districts with the ability to service claims in more than 76% districts in India through strong use of technology”

Magma HDI General Insurance: Portfolio

Portfolio Construct



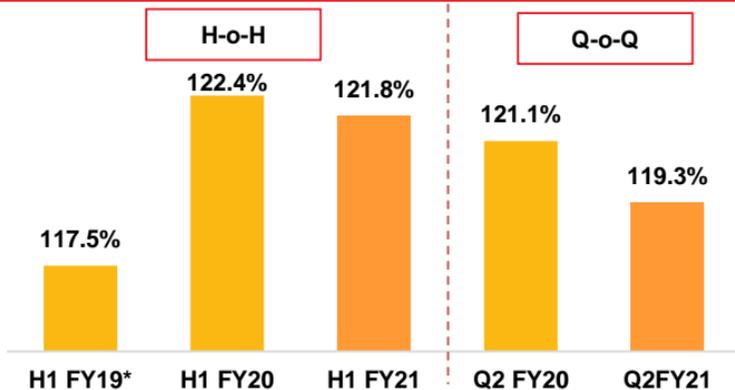
Retail Run Rate



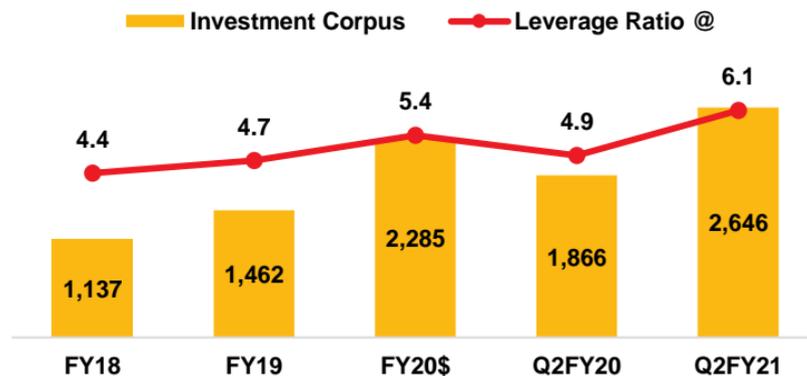
- **Portfolio mix** changed from 84%-12%-4% for Motor-Commercial-Health in Q2 FY20 to 76%-16%-8% in Q2 FY21
- **Motor Portfolio:** Within motor, diversified portfolio across vehicle categories with geographical diversification
- **Health & Accident Portfolio:** New initiatives like dedicated agency health channel, branch cross sell to walk-in customers, telesales to existing customer database, training to partners field executive resulted in 148% of growth in Health & PA GWP for Q2 FY21 over Q2 FY20
- Contribution of retail business in total business has improved from 73% in Q2 FY20 to 82% in Q2 FY21
- **Commercial Portfolio :** Contributed 16.3% in Q2 FY21 against 12% in Q2 FY20 registering growth of 37% in the quarter

Magma HDI General Insurance: Robust Growth

Combined Ratio Movement



Investment Book & Leverage ratio



- The Combined ratio for Q2 FY21 and H1 FY21 has improved by 1.8% and 0.6% respectively:
 - Improvement driven by decrease in Loss ratio 5.9% for Q2 FY21 over Q2 FY20 and 2.1% for H1 FY21 over H1 FY20,
 - there has been an increase in the Net commission & expenses ratio by 4.1% for Q2 FY21 and 1.5% for H1 FY21
- Prudent capital utilization - accumulated losses reduced to ₹ 11.4 crores (H1 FY21) against ₹ 23.3 crores (H1 FY20)
- Investment carrying yield as at Q2 FY21 stands at 6.73% with the investment leverage continuing to improve
- Solvency at 1.78 times as against 1.50 times required by IRDAI

Magma HDI General: Profit & Loss Statement

Ind AS						
Particulars	Q2 FY21	Q2 FY20	Q1 FY21	H1 FY21	H1 FY20	FY20
Gross Written Premium	313	300	240	553	590	1,294
Net Written Premium	198	196	138	335	362	790
Net Earned Premium	190	169	188	378	334	708
Net Claims Incurred	151	144	157	308	279	598
Net Commission	(16)	(18)	(10)	(26)	(29)	(63)
Management Expenses	96	90	66	162	172	355
Impairment loss	10	8	15	25	8	19
Underwriting Profit	(51)	(54)	(40)	(91)	(96)	(200)
Investment & Other Income	65	62	50	115	101	206
Profit Before Tax	14	8	10	24	5	6
Taxes	4	0	2	6	1	9
(-) Current Taxes (including MAT Credit)	4	0	4	7	0	8
(-) Deferred Taxes	0	0	(1)	(1)	1	1
Profit After Tax	10	8	8	18	4	(3)

Business enablers
to drive sustainable
growth



MAGMA V2.0: Digital Lender for Bharat



Business Growth

Improved Biz Team productivity: End-to-End Digital Loan Processing, Automated workflows, Credit Rule Engine based decisions, eSign

New Sales Platforms: API Integration with Online ecosystem partners (aggregators/ marketplaces) for Instant Approval and lead-generation



Opex Reduction

Improved Biz efficiency: Straight-Through-Processing for Instant Loan Approvals

Improved Ops efficiency: Introduced Robotic Process Automation for repetitive activities, Centralized Digital Processing to bring economies of scale

Bring-Your-Own-Device: Empowered employees to use own smartphones and laptops to access corporate applications securely



Actionable Data Intelligence

Scorecard-lending: Structured evolution of scorecards leveraging organic, multi-bureau and surrogate sources of data

Credit Rule Engine: 2/3rd of Credit Underwriting to be Straight-Through-Decisioned basis Scorecards

Data Warehouse: Data marts built for Risk Analytics, Cross Sell, and Financial Analytics



Customer Service

CRM: Omni-channel 360 degree view of Customer across Branch, SMS, Email, Call Centre, WhatsApp, Facebook, LinkedIn and Twitter

WhatsApp & website Chatbot: launched for Customer-service and Channel-engagement

Digital document delivery: Achieved across 10 vernacular languages to customers



Business enabler for sustained growth - Customer Service

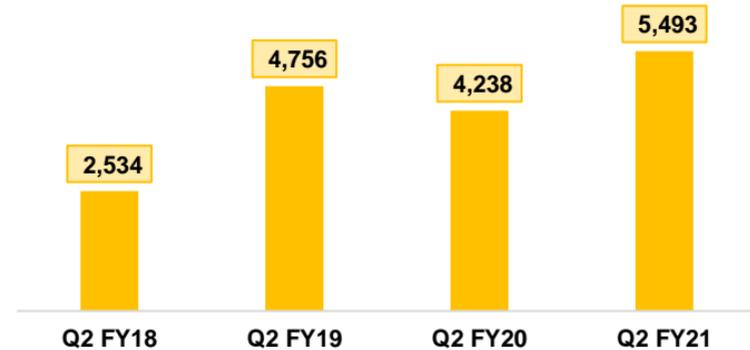
Key Achievements - FY20:

- Significant Tat reduction through automated STP (Straight Through Processing) initiatives
- Best in class Net promoter scores (NPS) in Asset finance business
- Analytics driven customized cross-sell product offers for customers
- Servicing customers in 11 regional languages

Key Achievements - H1 FY21:

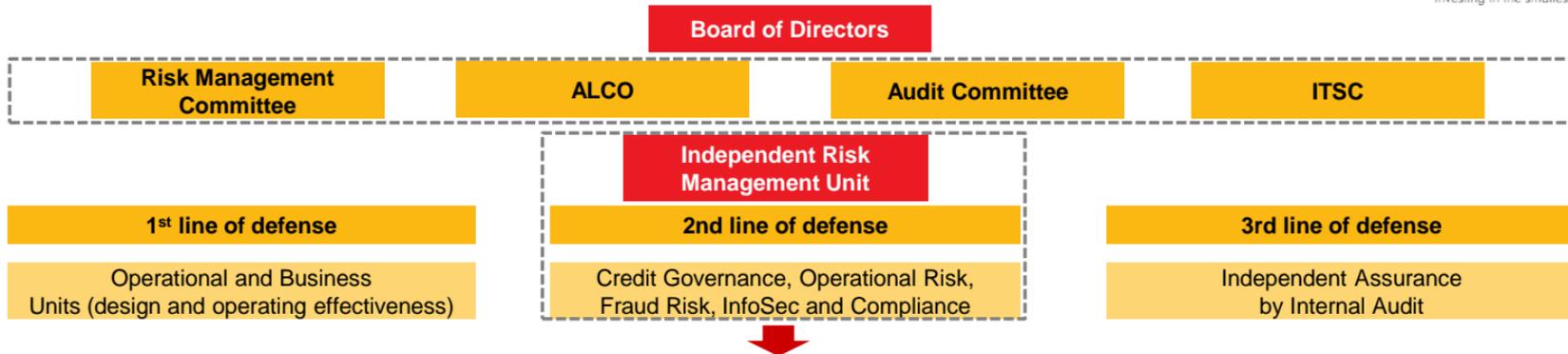
- Servicing avenues expanded. Launch of WhatsApp Channel.
- Launch of new automated workflow for faster refund processing.
- Customer feedback collection through IVR launched.
- Multiple customer awareness campaigns to reduce customer vulnerability to fraud.

Cross Sell Volume in Q2 YOY



- FY21 – Select Cross sell campaigns kick started from Q2.
- Cross Sell biz has started showing good traction (60% of pre-covid units) although the ATS (average ticket size) is curtailed due to Moratorium impact.

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 wide, independent risk management framework, Risk strategy to deal with COVID-19 situation

During the end of financial year, we have been faced with unprecedented health and economic crisis on account of COVID-19 which has led us to fine tune our existing risk strategy due to the uncertain conditions.

Minimum disruption of activities	<ul style="list-style-type: none">• Being a geographically neutral team, which can work from a non-office location without much disruption, the Risk team has ensured minimum disruption of its planned activities during the crisis
Key initiatives by the Risk team	<ul style="list-style-type: none">• All planned risk activities like risk reviews, IFC exercise, KRI monitoring, committee meetings have been carried out as per plan• Developed an Event Risk register to monitor the new risks, and corresponding controls put in place to deal with the COVID-19 situation• Participated in COVID-19 specific webinars to get valuable insights into risks due to the pandemic and undertaken discussions with the business units for mitigating the same• Intensified surveillance activities by FRM happening on a regular basis. Team has also focused on the training of other support functions for better fraud prevention• Credit pre-approved customers are being reassessed by the Credit team for loans in uncertain scenario• Customer Survey done to understand how they have been affected by this crisis and obtained invaluable feedback to improve credit processes / re design lending and collection strategies
Road ahead	<ul style="list-style-type: none">• Increased use of secured technology tools to conduct risk activities• Identifying and eliminating redundant processes, identified during the crisis, across the organization• More impetus on telephonic discussion for investigations and cross verifications

Business enabler for sustained growth - People

- Fully functional **role based and** state of the art learning tools aimed at enhancing productivity and behavior
- **Structured Onboarding Program** across levels for smooth onboarding and integration.
- **Development interventions through International program** for Senior leadership, including 360 degree feedback
- **Leadership Talent evaluation** for VPs & SVPs with an objective of building leadership depth & succession
- **Talent management framework** with objective of building internal talent pipeline and strengthening retention
- Empowering business leaders with **real time HR dashboards** to help them make informed people related decisions
- Empowering business leaders with structured **Performance Review Program** to have a review rigor among teams

Leadership Team and Shareholding Structure



Board of Directors

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.

Vijayalakshmi R Iyer

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.

Sunil Chandiramani

Director

He is a Management Consultant & CEO of NYKA Advisory Services. Earlier, he was associated with Ernst & Young LLP in various capacities for 25 years. He is on the board of various Indian corporates as an Independent Director.

Non Executive Independent Directors

VK Viswanathan

Director

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

Bontha Prasad Rao

Director

Mr Rao has served as the Chairman and Managing Director of Bharat Heavy Electricals Limited. He has also served as the Managing Director of Steag Energy Services India, subsidiary of Steag Energy Services Germany. He is on the Board of Havells India Limited

Management Team



Sanjay Chamria
VC and MD

Business CEO / Functions

Support Functions



Manish Jaiswal
MD & CEO - HFC,
CEO - SME

Jun-2017

Head, Risk
Advisory,
Research and
SME Ratings,
CRISIL



Rajive Kumaraswami
MD & CEO - MHD

Jun-2016

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



Deepak Patkar
CEO - ABF

Sep-2018

Chief Risk Officer,
Fullerton India
Credit Company
Limited.



Harshvardhan Chamria
Chief Digital Officer

Sep-2014

Chief Strategy
Officer- Housing
and SME, Magma
Fincorp Limited



Rajneesh Mishra
Chief People Officer

Jan-2019

Vice president-
HR,
Bajaj Finserv
Limited



Kailash Baheti
Chief Financial Officer

Oct-2011

CEO,
Century
Extrusions Limited



Girish Poddar
Chief Risk Officer

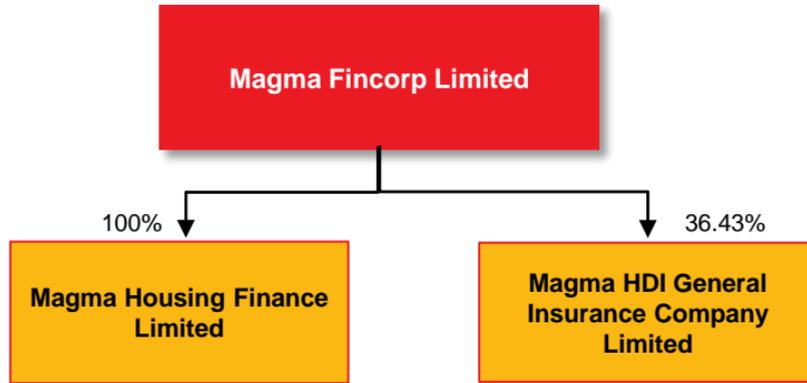
Oct-2020

Co founder &
Director,
Medbay India
Private Limited

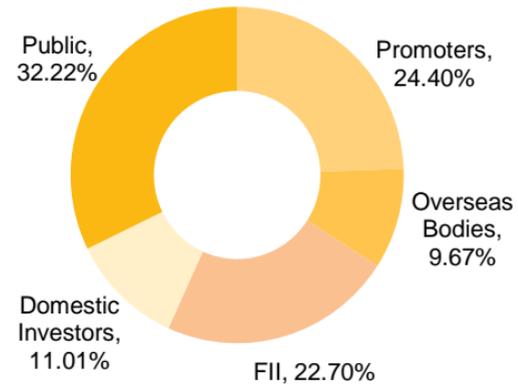
Joined

Title and Previous Company

Holding Structure & Shareholding Pattern



Shareholding (30-Sep-20)



Glossary

ABF	Asset Backed Finance
AHF	Affordable Housing Finance
ATS	Average Ticket Size
AUM	Assets Under Management: On-Book & Off-Book Loan Assets
Average AUM (AAUM)	Average of opening and closing AUM
BVPS	Book Value per share: (Net worth-Goodwill) / No. of Equity shares outstanding
CV	Commercial Vehicle
CoF	Cost of Funds: Weighted average cost of borrowings including securitization
CE	Construction Equipment
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
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
ECL	Estimated Credit Loss
EPS	Earnings Per Share (Diluted)
FOS / Field Officer	Feet on Street
GDPI	Gross Direct Premium Income
Gross Stage 3 Assets %	Gross Stage 3 Assets / Closing AUM (On-book)
GWP	Gross Written Premium
HL	Home Loan
LAP	Loan against property
MHDI	Magma HDI General Insurance Company Limited (Joint Venture)
MHF	Magma Housing Finance Limited (100% Subsidiary)
Mortgage Direct Biz	Business through connectors is included in Direct business
NCGTC	National Credit Guarantee Trustee Company Ltd
NCL	Prov. & Write-off/ Average AUM
NDSA	Non-dealer Direct Selling Agent
Net Stage 3 Assets %	(Gross Stage 3 Assets – ECL Provision – Stage 3) / (Closing AUM (On-book) – ECL Provision Stage 3)
Network	Equity Share Capital + Reserves & Surplus
NIM	Net Interest Margin: [Total Income (incl. Other Income)– Interest Expenses]/Average AUM
ODPOS	Overdue + Principal Outstanding
Opex / AUM%	Opex / Average AUM
RoA	PAT (excluding OCI) / Average AUM
RoE	PAT (Excluding OCI) / (Net worth - Goodwill)
SENP	Self-employed Non Professional
SEP	Self-employed Professional
SICR	Significant Increase in Credit Risk
SME	Small & Medium Enterprises
Total Assets	On B/S Assets of MFL (Consolidated)
Yield	Weighted average yield on Loan Assets including Off-Book Loan assets

Annexures



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

Particulars	Q2 FY21	Q1 FY21	Q2 FY20	H1 FY21	H1 FY20	FY20
Net Revenue	265	233	285	499	564	1,098
Expenses [#]	111	114	147	225	297	573
Operating Profit	154	119	139	274	268	525
Net Credit Loss (Normal) [#]	45	58	121	103	239	382
Profit Before Tax (before COVID-19 provision)	110	61	18	171	29	143
Additional provision - COVID-19	83	27	-	110	-	109
Profit Before Tax	27	34	18	61	29	34
Tax (Normal)	7	7	6	14	9	7
Opening DTA impact due to change in tax rates	-	-	-	-	-	37
Profit After Tax	20	27	12	47	20	(10)

* Re-formatted for better analysis

[#] Premium paid under Credit Guarantee scheme clubbed with NCL

Values in Rs. crore

Magma Fincorp Ltd. (MFL) Standalone Balance Sheet



Particulars	30-Sep-20	30-Sep-19	31-Mar-20
Cash and Cash Equivalents	701	977	648
Loans and Advances	10,506	12,480	11,183
Other Assets	838	217	948
Fixed Assets	159	191	176
Total Assets	12,203	13,865	12,955
Borrowings	9,112	10,827	10,109
Other Liabilities	525	491	331
Share Capital	54	54	54
Reserves & Surplus	2,511	2,493	2,461
Total Liabilities	12,203	13,865	12,955

Rewards & Recognition



Corporate Social Responsibility

- Magma is the proud winner of **15 reputable awards** since 2015 for the various CSR activities covering Education, Health and Environment Sustainability
- Magma's Highway Heroes has entered the prestigious **LIMCA Book of Records** as the largest programme on "Road Safety Training for Truckers" in March 2020
- The latest recognition is for M-Scholar, the project has received '**Gold**' for **Best Education/Scholarship Program** at recently concluded 9th ACEF Asian Leaders Awards'2020 in Mumbai

Information Technology

- NBFC Award of the year,2019
- Excellence in Technological Innovation at BIG25 NBFC Excellence Awards'2019
- Thought Leaders of IT Award at the 8th BFSI IT Summit'2019

Corporate Communication

Magma has received 11 awards for Corporate Communications from leading forums. The latest one is:

League of American Communications Professionals (LACP) Spotlight Awards, for Annual Report Design, in November 2019



Community Commitment: CSR

Swayam – COVID-19 relief activity

- Magma Group contributed ₹ 5 Cr to PMCARES
- Provided 2,000 PPE Kit and 11 UV based Disinfection Tunnels to Kolkata police for Police Stations and Police Training Centres/ Administrative Buildings in Kolkata
- Distributed dry ration to around 28,000 individuals across the country affected adversely by the pandemic



Magma Highway Heroes

- Road Safety Training provided to 1.9 lac Truckers in 300 camps (under tie up with PCRA, Govt. of India)
- Annual Reduction of Diesel consumption by 2 cr liters and reduction of CO2 Emission by 6 Cr Kg on a annual basis
- Medical Camps, E-Toilet facility at transport nagars



Mid Day meal, M-Education, Swayam Programmes

- Infrastructure support to a shelter home for orphans and slum kids in kolkata
- **Mid-day Meal** happiness kit including foods, nutrients, etc. offered to 2000 marginalized kids Maharashtra, Gujarat and Rajasthan
- Distribution of Mask and Sanitizer bottle to 22,500 marginalized people at 45 locations in association with local Police Station



Magma M- Scholar

- **M-Scholar** offers Scholarship to meritorious students from poor families to pursue undergraduate studies
- During the past 5 years Magma has supported the academic aspiration of around 400 meritorious students from humble background
- Few students from 2015 & 2016 batch has completed their college and has received the job offers from prestigious corporate house



Magma M-Care – Mobile health Camps

- Magma runs M Care health camps at Rural India. More than 1 Lac people benefitted.
- Magma plans to conduct 100 camps in FY21 at COVID-19 effected areas in FY 21



Group level CSR activities are managed by Magma Foundation



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