

Magma Fincorp Ltd. – Q1 FY 16 highlights

Magma registers PAT of Rs 46.5 crore

NIM up 63 bps, Loan book grows 5% to Rs 19189 crs.

Kolkata, 1 August 2015: Leading finance company, Magma Fincorp Limited today announced the Q1 FY16 consolidated unaudited results that reflected a healthy increase in Net Income Margin of 63 bps to 6.39%. The company also managed to register marginal increase in PAT of 2% at Rs 46.5 crore and 5% increase in Loan book at Rs 19,189 crores as on 30 June 2015.

The company has consciously altered the product and customer mix to ensure that the margins improve significantly. Accordingly the company has increased the share of mortgage, SME, tractors and used assets in its incremental portfolio during the quarter resulting in improvement of NIM by 63 basis points. Further, the company has focused on improving operating efficiencies during the quarter by leveraging on the tech investments made over last two years and it has resulted in savings in operating expenses. Due to tough economic conditions prevailing in the market the company has decided not to aggressively pursue loan book growth during the current year and rather focus on improving asset quality. The emphasis on better quality origination and higher NIM was primarily responsible for the better than market results in PAT and revenue.

Commenting on the performance, Mr. Sanjay Chamria, Vice Chairman & MD, Magma Fincorp said, "We could manage to maintain a good result due to our focus on profitable growth resulting from quality origination and accordingly we altered our product mix. We managed to grow the loan book, NIM coupled with reduction in opex by over 20 bps in a tepid economic environ and this speaks highly of our preparedness to face such challenges. We have made a lot of investment in technology and processes in the recent past and as the market conditions improve with the ensuing festivity, Magma is prepared to take advantages of the rebound. "

About Magma Fincorp Limited

Magma Fincorp Limited ("Magma") is a non-deposit taking non-banking finance company (NBFC), registered with the Reserve Bank of India (RBI) as an Asset Finance Company. The Company, having started operations over two decades back, is listed on the Bombay Stock Exchange Limited and the National Stock Exchange in India.

Magma provides a bouquet of financial products including commercial finance, agri finance, SME finance and mortgage finance and has a general insurance subsidiary. Magma has a dedicated base of around 6 lakh plus active customers and manages a Loan book of Rs 19,189 crore. The company has 228 branches in 21 states / 1 UT and employs around 9500 people.

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