

Magma Fincorp Limited  
Regd. Office  
Magma House  
24 Park Street, Kolkata 700 016  
Tel : 91 33 4401 7350 / 7200  
Fax : 91 33 4401 7313  
CIN : L51504WB1978PLC031813  
Web: www.magma.co.in



3 November 2016

Corporate Relationship Department  
**BSE Limited**  
25<sup>th</sup> 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**

Dear Sir,

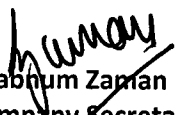
Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') we are enclosing herewith the presentation to be made to the Investors/Analysts on the Unaudited Financial Results of the Company for the quarter ended 30 September 2016.

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

  
Shaheen Zaman  
Company Secretary  
ACS No. 13918  
Address:  
80B, Dr. Sudhir Bose Road  
Kolkata – 700 023

Encl: as above

# *Reaching New Heights in Retail Finance*



*Magma Fincorp Limited  
Q2 FY17 Results Update*

# ***INVESTING IN THE SMALLEST DREAMS – FOR RURBAN INDIA***

***UNDERSERVED CUSTOMERS***



***CUSTOMISED FINANCING SOLUTIONS***



***PAN INDIA NETWORK***



**Business Overview, Competitive Strengths and Strategy**

**Financial Results – Q2 FY17**

**Leadership Team**

**Annexures**

# Business Overview:

## Focus on underserved 'Rurban' India

**UNDERSERVED  
'RURBAN'  
CUSTOMERS**

**SEGMENT 1 :  
FIRST TIME BUYERS**



- Farmers with small landholdings (<4 acres) (Tractor buyer)
- First time buyer with prior relevant experience (taxi/truck/machine driver/operators)

**SEGMENT 2 :  
SELF EMPLOYED NON  
PROFESSIONAL  
(SENP)**



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

**SEGMENT 3 :  
SMALL & MEDIUM  
ENTREPRENEURS**



- Small factory owner/contractor, trader/shop owner with working capital needs (SME/LAP customer)
- Small fleet operator (taxi/truck/equipment buyer)

**SEGMENT 4 :  
LIMITED BANKING /  
CREDIT HISTORY**



- Customer with informal income sources and low eligibility for bank loans
- Customers with no established credit track record
- Customers with limited banking transactions

Rurban includes Rural and Semi-Urban locations/customers

Images used for representation purposes only



# Business Overview:

## Provide distinctive financing solutions to customers in 'Rurban' India

Strong Recognition and Trusted Brand in 'Rurban' India

### Customer Focus

- Underserved 'Rurban' customers

### Magma's Core Strengths

- Widespread coverage with presence across 1,900 Talukas and 2,900 Locations
- Technological innovation led faster customer acquisition, portfolio servicing and effective cross-sell
- Deep 'Rurban' Insight led underwriting and flexi payment options

### Diverse Product Offerings



Commercial Finance



Agri Finance



SME Finance



Mortgage Finance



General Insurance

Commercial Finance includes New and Used Vehicles/Equipment; SME Finance includes Unsecured Loans to Business Enterprises; Mortgage Finance includes LAP and Home Loans; Agri Finance includes Tractors

# Business Overview:

## Higher cross-sell for lifetime customer engagement

| CUSTOMER SEGMENTS   |                    |                                 |                              |                                  | ILLUSTRATIVE ASSET PROFILE |                     |                 |         |
|---------------------|--------------------|---------------------------------|------------------------------|----------------------------------|----------------------------|---------------------|-----------------|---------|
|                     | First Time Buyers  | Self Employed Non Professionals | Small & Medium Entrepreneurs | Limited banking / credit history | Ticket Size (Rs lakh)      | Loan to Value Ratio | Tenure (months) |         |
| FINANCING SOLUTIONS | Commercial Finance | •                               | •                            | •                                | •                          | 4-5                 | 70-75%          | 40-45   |
|                     | Agri Finance       | •                               | •                            |                                  | •                          | 3-4                 | 65-70%          | 40-45   |
|                     | SME Finance        |                                 | •                            | •                                | •                          | <22                 | N/A             | 30-35   |
|                     | Mortgage Finance   | •                               | •                            | •                                | •                          | 13-15               | 40-45%          | 120-180 |
|                     | General Insurance  | •                               | •                            | •                                | •                          |                     |                 |         |

Numbers indicative of disbursements done during Q2 FY17

# Business Overview: Product extensions have complemented existing product suite and strengthened Magma's value proposition



## • SYNERGIES WITH ASSET FINANCE BUSINESS

### • MORTGAGE FINANCE

- Leverage existing 'rurban' branch network and unique 7 lakh customers profile
- 23% of total mortgage business is sourced directly including cross sell to existing Magma customers
- Leveraging common channels amongst SME and LAP business

## • GROWTH STRATEGY

- Focus more on Home loans and increase its share significantly, within MHF and overall
- Focus on more Direct & Connector sourcing; with almost 45% targeted from Tier 3-6 towns based 'rurban' SENP customer; at Rs.14 Lakh average ticket size

### • GENERAL INSURANCE

- One third of general insurance business sourced from existing Magma customers
- Profitable business that is also protecting assets financed by Magma (securing loan portfolio)
- Operating leverage through 'rurban' branch network and OEM/channel acquisition at minimum incremental cost
- Superior underwriting of used assets through in-house valuer

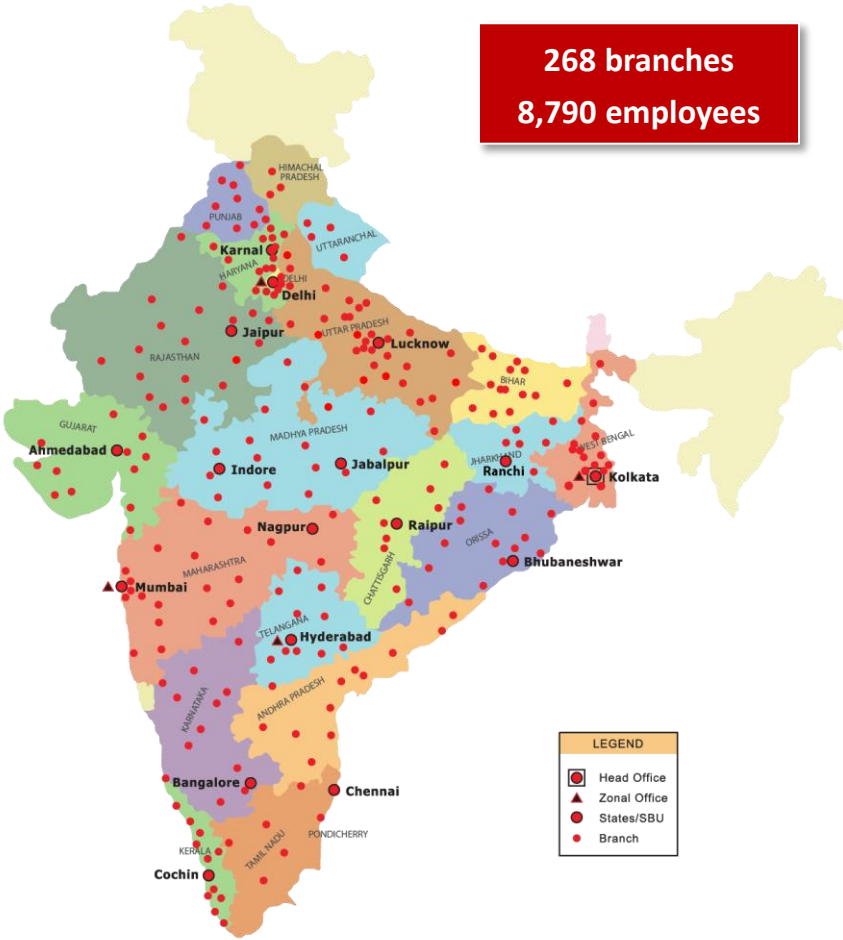
- Focus on insuring underserved 'rurban' customers (core Magma customer-archetype)
- Use tech-enablers to prevent revenue leakage and minimize fraudulent claims
- Leverage tech-tools to quickly and simply underwrite and issue policies



# Competitive Strength: Widespread pan India coverage

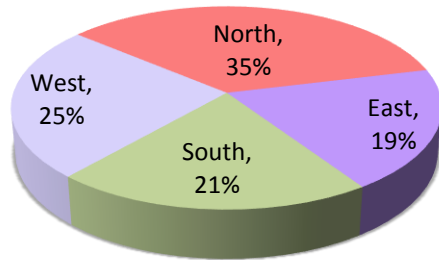
## Extensive Pan India Branch Network Across Rural and Semi-Urban India

**268 branches**  
**8,790 employees**

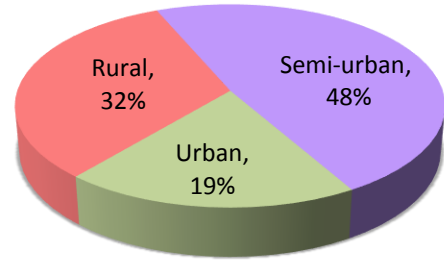


- Hub and spoke model with wide coverage led to presence in point of sales enabling sourcing from 1,900 talukas and 2,900 locations
- Tablet usage has led to superior sales productivity, better market coverage, improved channel and customer experience
- Focus on asset-light model: Field executives come to branch office once a week; technology solutions enable them to conduct business from channel/customer location
- Strong customer engagement through 6500+ field executives
- State of the art toll free Inbound/Outbound Customer Delivery Centre for servicing and cross sell

**Region-wise Breakup**



**Rural-Urban Breakup**



Branches as on 30<sup>th</sup> September 2016

*Bringing Equality of Opportunity to the Economically Disenfranchised*

# Competitive Advantage: Technology initiatives to strengthen business processes

## PRE-SALES & SALES CUSTOMER ACQUISITION PROCESS

- Tablet equipped field executives capable of operating from any location (virtual office)
- Electronic transfer of loan application with all documents from point of sale.
- Usage of Data Analytics for customized Cross sell and Up sell offering.

Outcome – Increased Penetration, Faster Turnaround time & Better lead conversion.



## CHANNEL SERVICING & CUSTOMER ENGAGEMENT PROCESS

- Channel portal allows automatic tracking of files/process
- Call centre to provide real time support for complaints/enquiries
- Frontline Decision Support for better understanding of customer requirements

Outcome – Improved Customer experience, Better product design Inputs



## COLLECTIONS & RISK MANAGEMENT PROCESS

- Online submission of Field Investigation reports
- Cash collection at customer location, on spot money receipts, instant reporting of collections to central database.
- External credit databases embedded in BI/sales interfaces

Outcome – Enhanced Customer service, Faster Credit Appraisal, Robust Cash management



*Bringing Equality of Opportunity to the Economically Disenfranchised*

# Branch Banking: New structure leading to superior customer connect

## OBJECTIVES

- Better customer service
- Better and faster credit decision
- Improved productivity and cost efficiency.
- Better channel management
- Better local accountability and ownership
- More Direct Business and higher yields

## PEOPLE

- Merger of Sales and 0-90 Collections team to provide one-point contact with customer. Increasing customer touch points from 1500 to 3300 field officers
- Reduced FOS service radius from 75 kms to 30 kms
- Delegating decision making to Branch managers
- Incentives aligned to drive direct business / cross sell / customer service

## TECHNOLOGY

- High level of technology adoption by field officers and supervisors, improving efficiency and productivity
- Daily Journey Plan and Visit Calendar enabled in tablets

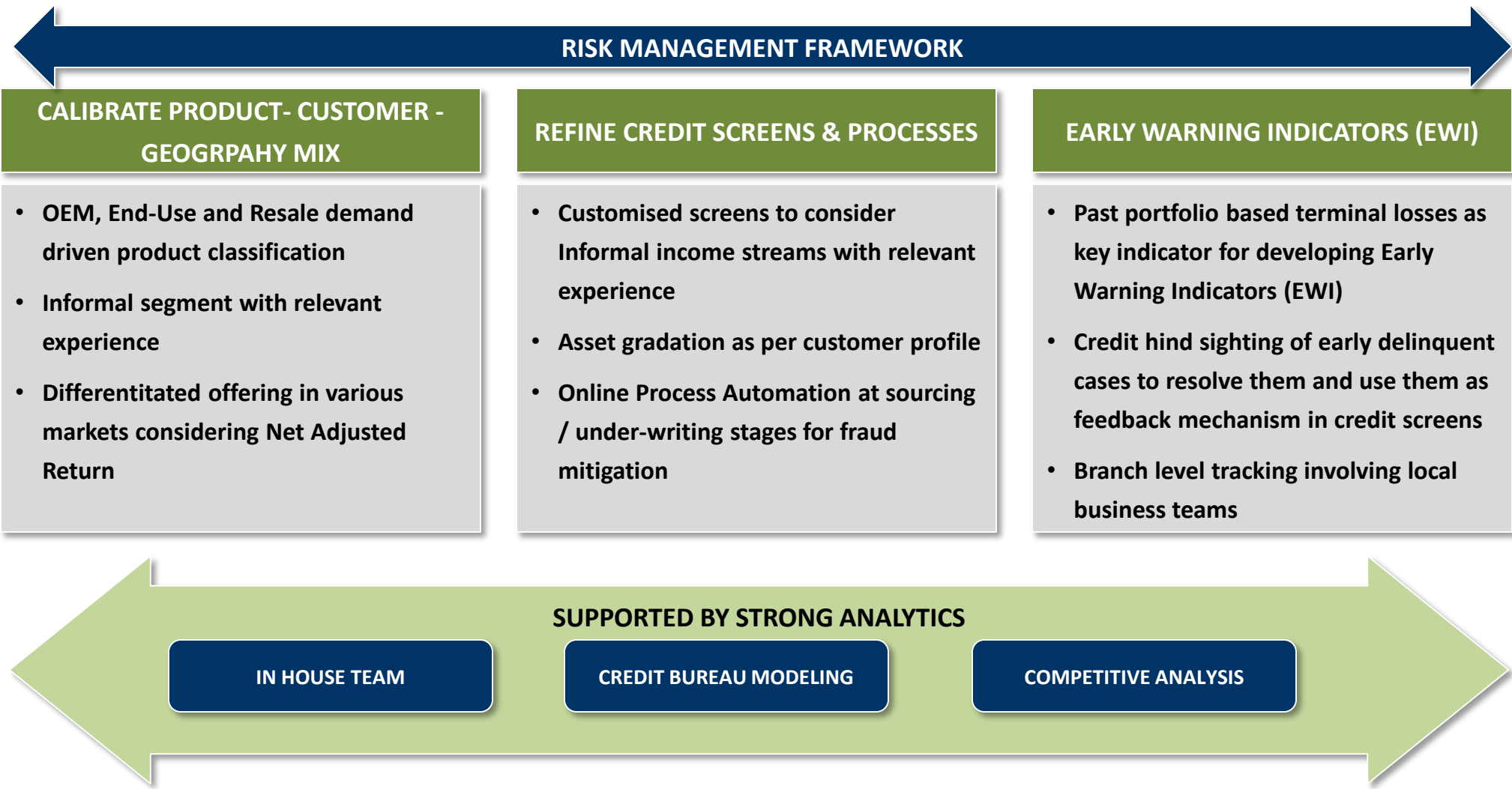
## PROCESS

- Simplified credit screens
- Implemented immediate risk hind-sighting
- L2D process simplified and enabled in tablets

## CUSTOMER

- FOS tagged to 8000 channels for service and business
- Rigor of daily market activity implemented
- IRR grids, doc charges, payout structures & escalation matrices revised

# Competitive Advantage: Risk framework – Inter-woven with the business strategy



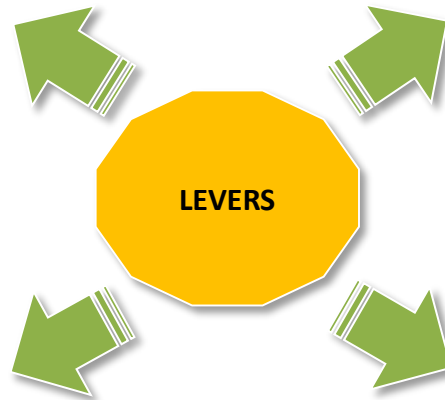
# Business Strategy: Focus on sustained profitable growth

## ROA ENHANCEMENT

- Focus on product profitability and branch profitability
- Increase share of higher risk-adjusted yield and high RoA products (Agri /Used Assets /SME /Mortgage Finance)

## OPEX REDUCTION

- Enhance productivity through technology enablers, automation and process simplification
- Reduce customer acquisition cost by
  - Increasing direct sourcing
  - Improving cross-sell
  - Providing superior customer service



## COF REDUCTION

- Employ judicious mix of NCD / CP / bank lines / securitisation to reduce COF and limit concentration / liquidity risk
- Diversify mix of debt market investors
- Increase share of priority sector lending (PSL)

## ASSET QUALITY IMPROVEMENT

- Calibrate portfolio according to product-customer-geography mix
- Refine credit screen and processes to optimize portfolio performance
- Employ product wise early warning indicators and loss tracking mechanisms





# Community Obsession: Corporate Social Responsibility

## Promotion of Education



- **M Scholar** – 50 meritorious students from poor families offered Scholarships to further education every year.
- **Adoption of 16 Schools in Tribal areas** in West Bengal, CG, Jharkhand in Tribal areas
- **Mid-day Meal Programme:** Offering mid-day meal to 3133 students in Govt Schools in Kolkata (East), Madanpur, NCR (North), Palghar (West) and Nellore (South) – through ISKCON Food Relief Foundation.
- **Building Infrastructure in Schools:** Providing basic infrastructure in Schools for the underprivileged.

## Swayam - Corporate Volunteering

- Providing medicine for Clinics for the disabled, mentally challenged
- Providing equipment to NGOs who offer free IT education to underprivileged kids



## Environment Sustainability

- **Magma Truckers Initiative** for Environment Sustainability. In association with PCRA, Govt of India undertaking.
- Training Safer Driving Skills to Truck Drivers in 11 locations. 27,000 truckers benefitted in FY16. Target for FY17 – 40,000
- Better Mileage + Fuel Conservation = Saved about 50 Lac Ltr. of Diesel in FY16
- Reduction in CO2 Emission – 1.33 Lac Ltr.
- E-Toilets for Sanitation at Transport Nagars to benefit 50,000 Truck drivers
- Planting 5000 saplings on World Environment Day by employees
- Waterbody preservation
- Mass scale Afforestation – Magma Park

## Health & Wellbeing

- Free medical Consultation to 20,000 truckers thru health check up camps
- Adoption of Cancer Clinic for the poor
- Immunization for kids in remote villages
- Adoption of health clinics in villages

*Bringing Equality of Opportunity to the Economically Disenfranchised*





# Rewards & Recognition

## AWARDS



- Mr. Sanjay Chamria (MD, Magma Fincorp ) was recognised as the **CEO with HR Orientation of the Year** by Genius Consultants Ltd.
- Magma Fincorp was awarded **ET Bengal Corporate Awards 2016** in the category of **Highest Job Creator** (above Rs. 1000 Crores).
- Magma Fincorp Annual Report, 2015 bagged the **Gold Award** and ranked 39th at the **LACP Spotlight Awards 2015 (USA)**.
- Magma Fincorp was honoured with the prestigious **Asia Pacific HRM Congress Awards 2015** in the category of Best Corporate Social Responsibility Practices.
- Magma was awarded the ‘**Customer Service Leadership Award**’ in the vehicle fleet leasing industry by **Frost & Sullivan**
- Magma Fincorp’s the ‘**Mission India**’ campaign bagged the ‘**Most Creative**’ and ‘**Platinum Award**’ at the 39th LACP Spotlight Awards 2015 (USA).
- Magma received the **HR Excellence Award, 2015** for ‘**Strong Commitment**’, recognised by Confederation of Indian Industry.
- Magma was awarded at the **Dataquest Business Technology Awards** in the Analytics category for its business intelligence solution, BEAM.
- Magma Fincorp received the prestigious “**FINNOVITI Award 2016**” in the ‘mobility’ segment for Magma Sales Mobility Solution project. It was jointly organised by Banking Frontiers and Deloitte.
- Magma Fincorp’s Truckers Well-Being awarded “**CSR Project of the Year**” at the NGO BOX CSR Impact Awards 2016.
- Magma won “**CSR Leadership Award**” at National Awards for Excellence. In CSR & sustainability.
- Magma was awarded **Corporate Responsibility Award 2016** from Investor Review, the UK for our M-Scholar CSR Initiative.

## Other Awards

- Mr. Kaushik Sinha (VP – CorpComm, CSR &Admin) was recognised as one of the **100 most Impactful CSR Leaders in India** by **World CSR Day**.
- Mr. Suryakant Mishra (AVP – CorpComm) won “**Best Corporate Presentation in Corporate Communications**” at Asia Pacific Conference on Changing Business Practices in Current Environment, 2016.




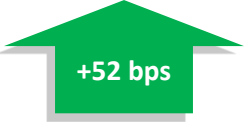


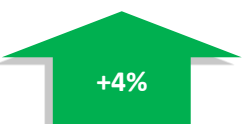
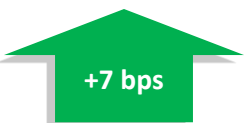
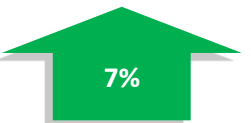
**Business Overview, Competitive Strengths and Strategy**

**Financial Results – Q2 FY17**

**Leadership Team**

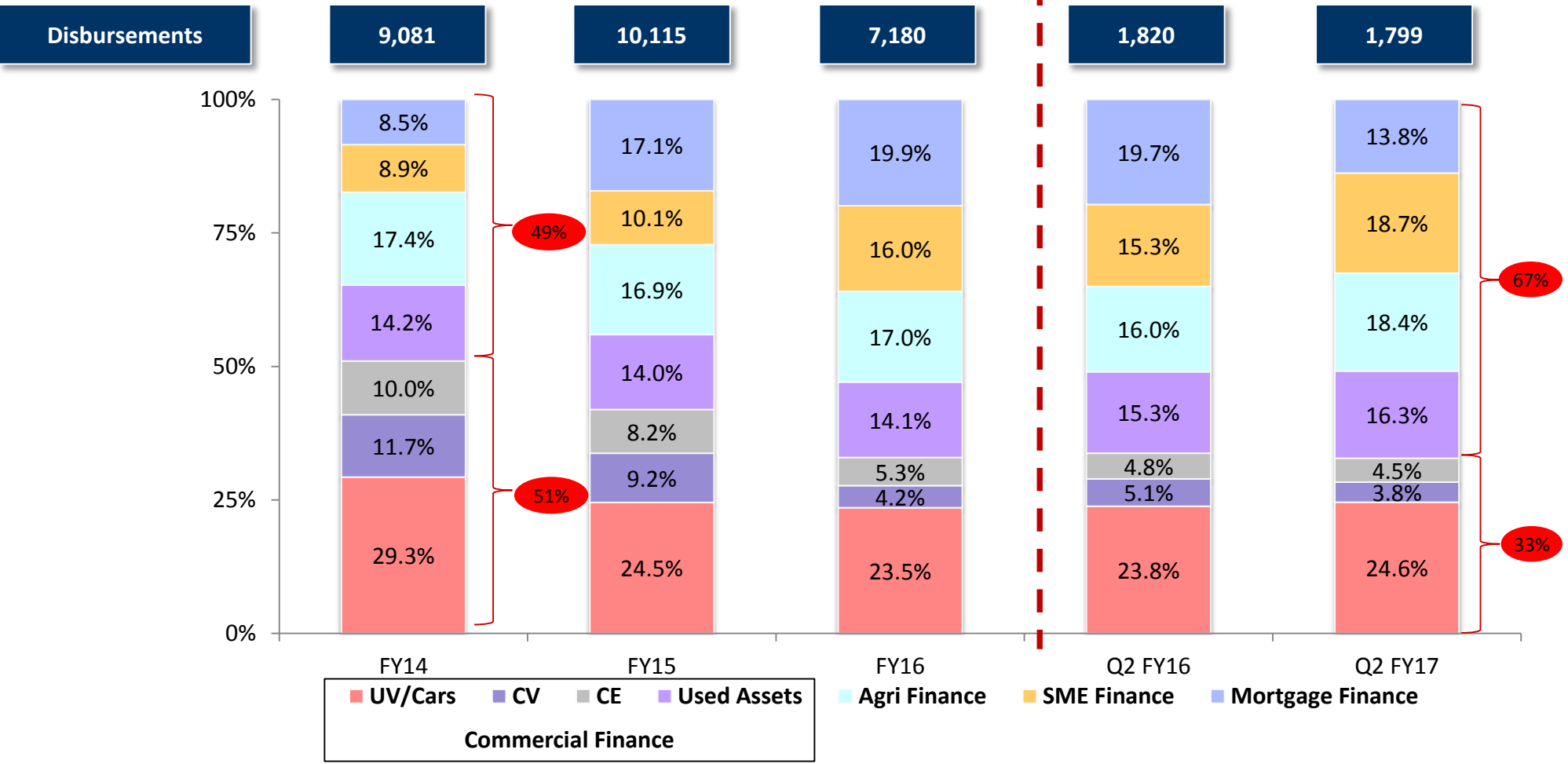
**Annexures**

# Financial Results – Q2 FY17 (Consolidated)

| Q2 FY16                            |  | Q2 FY17                            |   |
|------------------------------------|--|------------------------------------|---|
| <b>Loan Assets</b><br>Rs 18,812 cr | <ul style="list-style-type: none"> <li>Focus on high RoA products to drive profitable growth (share increased yoy from 55% to 60%)</li> </ul>                          | <b>Loan Assets</b><br>Rs 17,600 cr |  -6%     |
| <b>NIM</b><br>6.84 %               | <ul style="list-style-type: none"> <li>NIM improvement in line with strategy to focus on high RoA products</li> </ul>  | <b>NIM</b><br>7.36 %               |  +52 bps |
| <b>Opex/Loan Assets</b><br>3.43 %  | <ul style="list-style-type: none"> <li>Strong cost control led to Rs. 9 cr y-o-y decline in opex. Marginal increase in opex ratio is due to lower loan book</li> </ul> | <b>Opex/Loan Assets</b><br>3.48 %  |          |
| <b>PBT</b><br>Rs 73.0 cr           | <ul style="list-style-type: none"> <li>PBT improvement driven by NIM expansion and opex control</li> </ul>   | <b>PBT</b><br>Rs 76.6 cr           |  +5%     |
| <b>PAT</b><br>Rs 48.7 cr           | <ul style="list-style-type: none"> <li>Profitability improved even with lower loan book supported by NIM expansion and opex control</li> </ul>                         | <b>PAT</b><br>Rs 50.6 cr           |  +4%     |
| <b>RoA</b><br>1.28%                | <ul style="list-style-type: none"> <li>ROA improved in line with PAT growth</li> </ul>   | <b>RoA</b><br>1.35 %               |  +7 bps |
| <b>EPS</b><br>Rs 1.98/ share       | <ul style="list-style-type: none"> <li>EPS has improved</li> </ul>   | <b>EPS</b><br>Rs 2.12 / share      |  7%    |

*Bringing Equality of Opportunity to the Economically Disenfranchised*

# Significant changes in disbursement mix

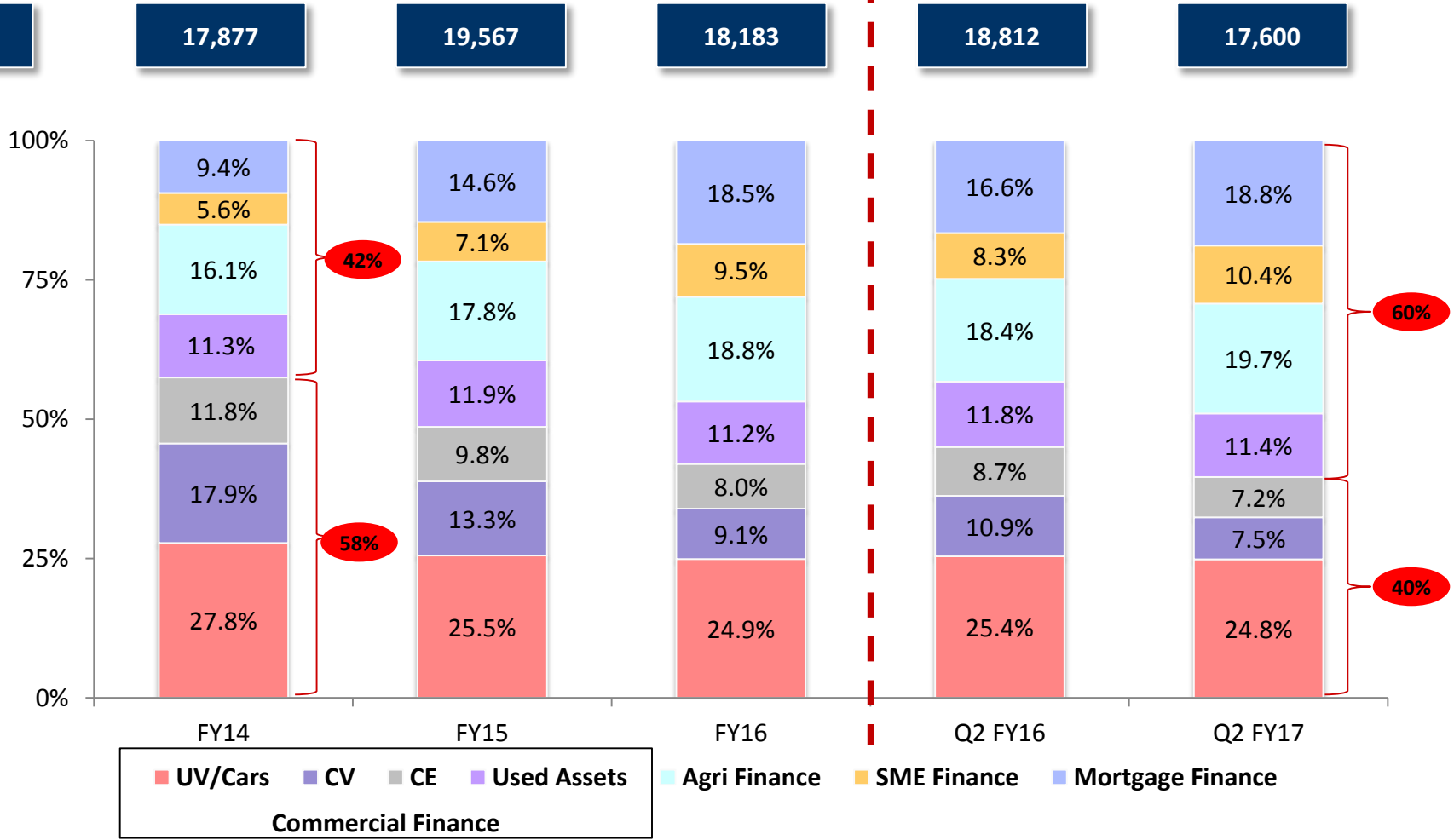


Values in Rs crore

*Bringing Equality of Opportunity to the Economically Disfranchised*

# Resulting in gradual shift in loan assets mix

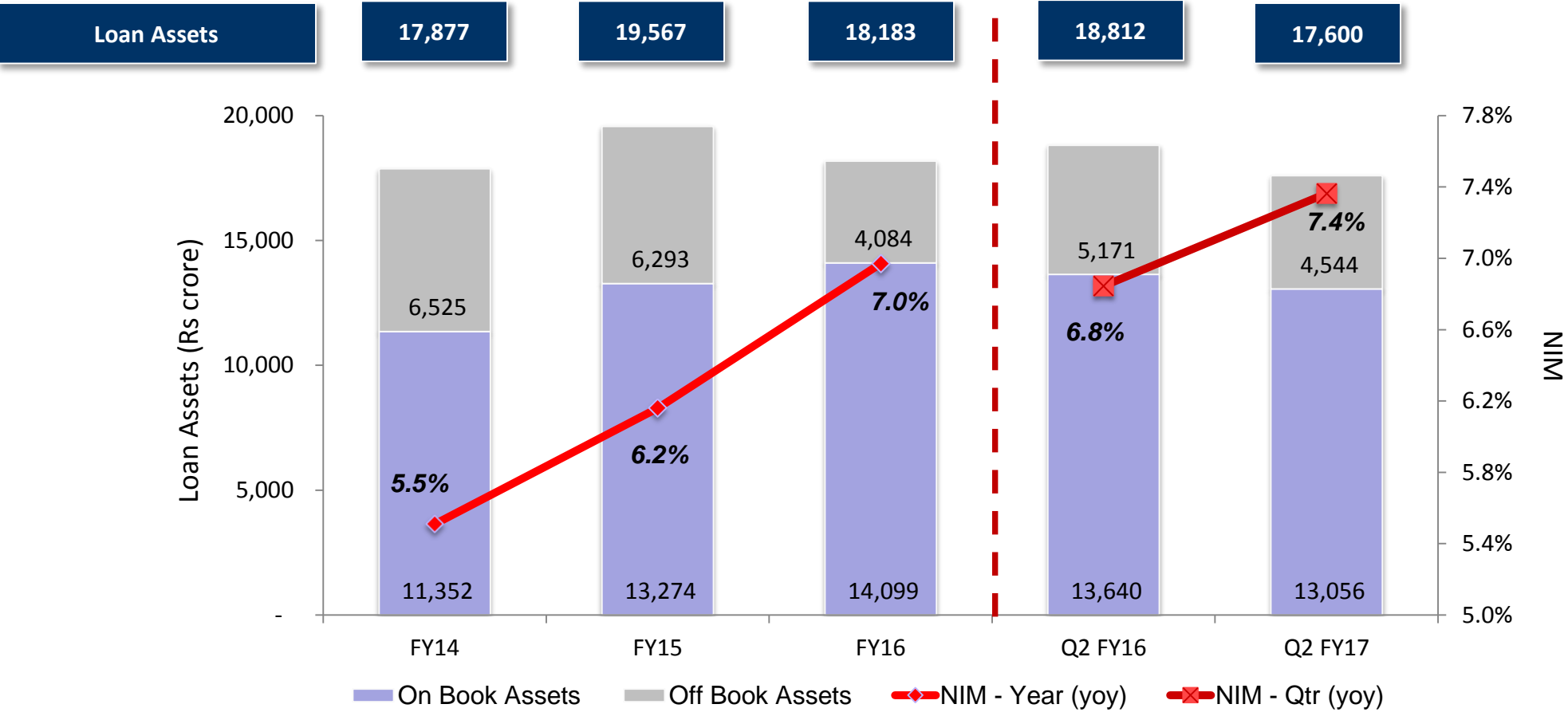
## Loan Assets



• High ROA products contribute 60% of total loan assets

Values in Rs crore

# Loan assets and NIM expansion



• NIM expansion driven by gradual shift towards higher yielding products

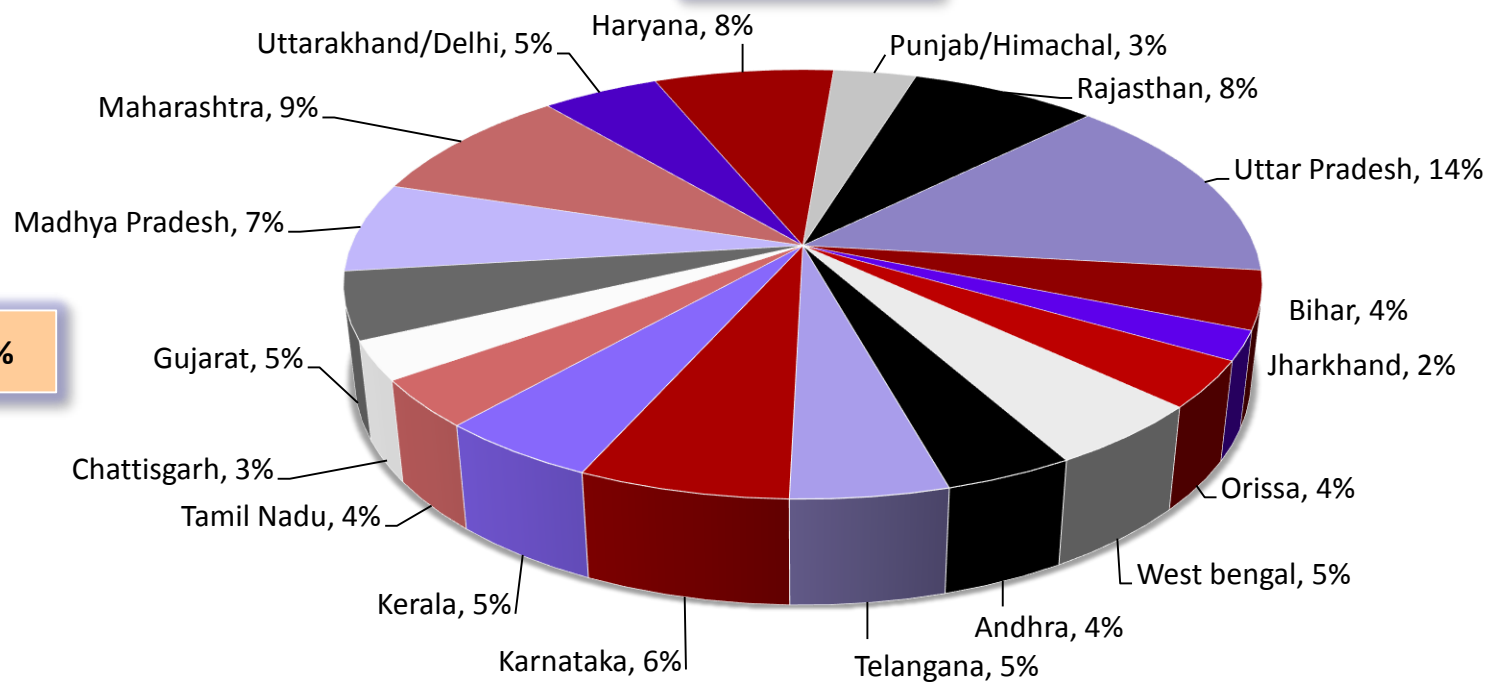
NIM: (Total Income – Interest Expenses)/Average Loan Assets; Values in Rs crore



# State-wise Loan Assets Breakup

**Total Loan Assets: Rs. 17,600 crore**

**North: 38%**



**West: 24%**

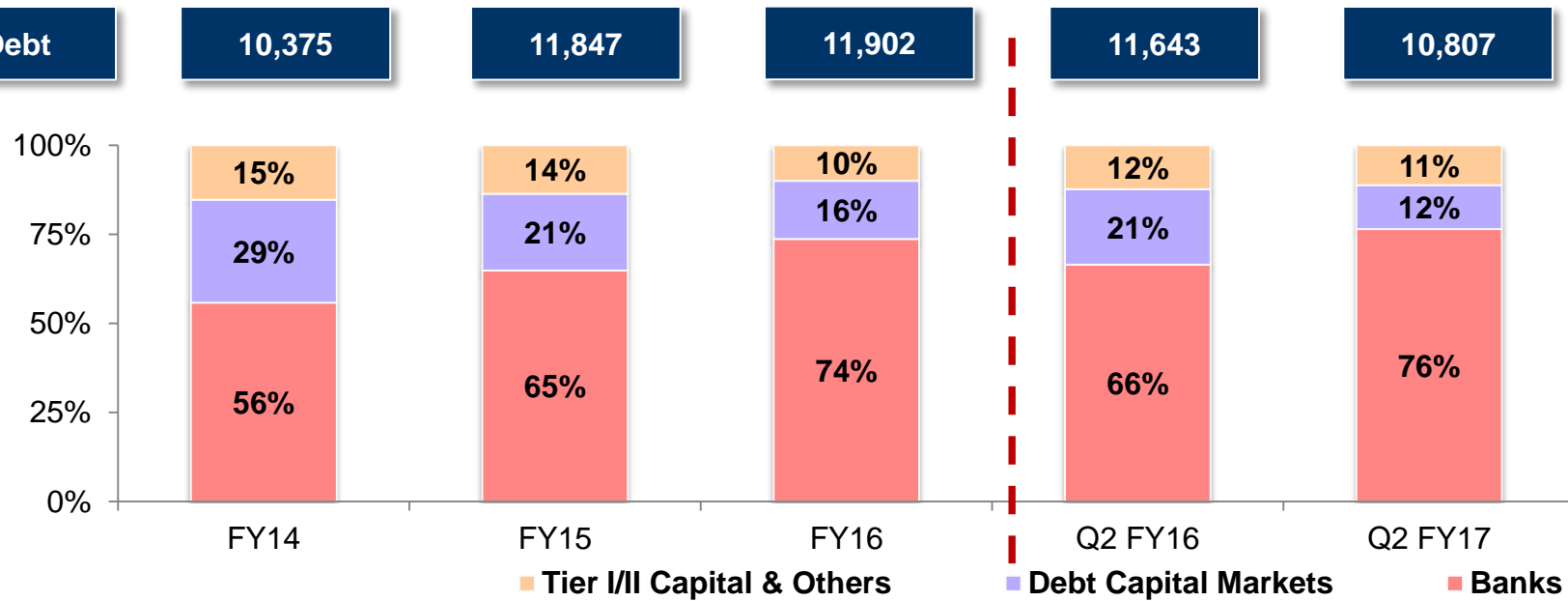
**East: 15%**

**South: 23%**

• Diversification of loan book exposure minimizes impact of regional/local/single event risks

Value as on 30<sup>th</sup> September 2016; Includes Off B/S loan assets

# Liability Profile

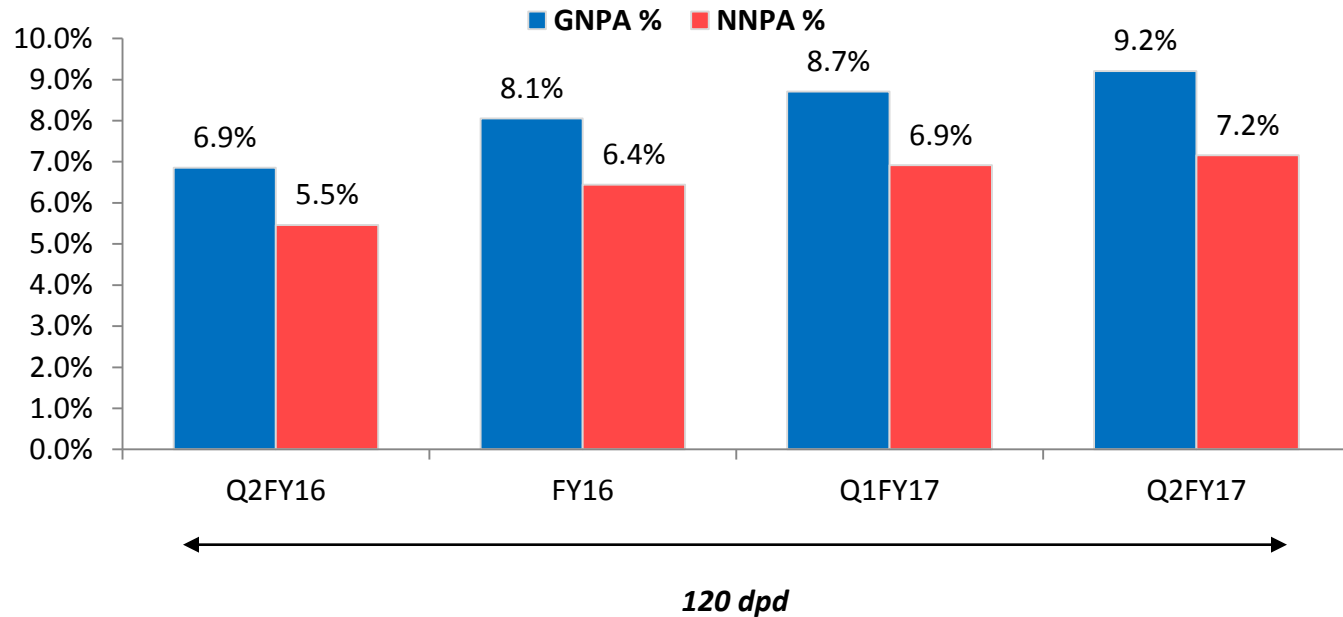


| Instrument        | Rating |
|-------------------|--------|
| Short term Debt   | A1+    |
| Long term Debt    | AA-    |
| Tier I Instrument | A+     |

- Diversified liability sources limit concentration risk, allows stable flow of funds and stable rating, all leading to lower costs
- Rated by CARE, CRISIL, Brickwork, ICRA & India Ratings
- Consortium of 21 public & private sector banks
- Capital market funding from wide spectrum of lenders including MFs, Insurance companies, Pension / Provident funds and Corporates among others
- Other unsecured debt includes Perpetual debt, Sub debt and Preference capital

On B/S Debt includes Preference Capital and based on MFL Consolidated financials; Values in Rs crore as on closing day of the period.

## NPA (% of Total Loan Assets)



- Magma recognises NPA on 120 dpd basis and is compliant with RBI guidelines applicable in FY17
- Reported NPAs for previous period on 120dpd to make it comparable with Q2FY17.

Based on MFL Consolidated financials

# P&L Statement (Consolidated)

|                             | Q2 FY17      | Q1 FY17      | Q2 FY16      | % Change   |            | FY16          | FY15          |
|-----------------------------|--------------|--------------|--------------|------------|------------|---------------|---------------|
|                             |              |              |              | Y-o-Y      | Q-o-Q      |               |               |
| Income from Ops.            | 600.2        | 603.7        | 610.7        | -2%        | -1%        | 2472.2        | 2353.6        |
| Interest Expenses           | 290.2        | 306.2        | 295.5        | -2%        | -5%        | 1191.6        | 1232.9        |
| <b>Net Operating Income</b> | <b>310.0</b> | <b>297.6</b> | <b>315.2</b> | <b>-2%</b> | <b>4%</b>  | <b>1280.6</b> | <b>1120.7</b> |
| Other Income                | 15.9         | 11.7         | 9.9          | 60%        | 36%        | 34.1          | 32.3          |
| <b>Net Total Income</b>     | <b>325.8</b> | <b>309.2</b> | <b>325.1</b> | <b>0%</b>  | <b>5%</b>  | <b>1314.7</b> | <b>1153.0</b> |
| Prov./Write Offs            | 95.1         | 87.8         | 89.0         | 7%         | 8%         | 375.0         | 244.4         |
| <b>Post Prov Profit</b>     | <b>230.7</b> | <b>221.5</b> | <b>236.1</b> | <b>-2%</b> | <b>4%</b>  | <b>939.8</b>  | <b>908.7</b>  |
| Operating Expenses          | 154.2        | 156.1        | 163.0        | -5%        | -1%        | 633.9         | 685.2         |
| :Personnel Expenses         | 72.8         | 77.2         | 81.5         | -11%       | -6%        | 317.2         | 361.8         |
| :Other Expenses             | 69.6         | 68.1         | 71.4         | -2%        | 2%         | 277.2         | 288.8         |
| :Depreciation               | 11.7         | 10.8         | 10.2         | 15%        | 8%         | 39.5          | 34.6          |
| <b>Profit Before Tax</b>    | <b>76.6</b>  | <b>65.4</b>  | <b>73.0</b>  | <b>5%</b>  | <b>17%</b> | <b>305.8</b>  | <b>223.5</b>  |
| Taxes                       | 26.0         | 17.8         | 24.3         | 7%         | 46%        | 92.3          | 36.2          |
| <b>Profit After Tax</b>     | <b>50.6</b>  | <b>47.6</b>  | <b>48.7</b>  | <b>4%</b>  | <b>6%</b>  | <b>213.5</b>  | <b>187.3</b>  |

Values in Rs crore

# Balance Sheet (Consolidated)

|                          | Q2 FY17        | Q1 FY17        | Q2 FY16        | % Change   |            | FY16           | FY15           |
|--------------------------|----------------|----------------|----------------|------------|------------|----------------|----------------|
|                          |                |                |                | Y-o-Y      | Q-o-Q      |                |                |
| <b>LIABILITIES</b>       | <b>14568.0</b> | <b>15450.6</b> | <b>15270.5</b> | <b>-5%</b> | <b>-6%</b> | <b>15523.2</b> | <b>14882.5</b> |
| <b>Net Worth</b>         | <b>2249.8</b>  | <b>2198.5</b>  | <b>2254.7</b>  | <b>0%</b>  | <b>2%</b>  | <b>2151.3</b>  | <b>1654.9</b>  |
| Share Capital            | 47.4           | 47.4           | 47.4           | 0%         | 0%         | 47.4           | 38.1           |
| Reserves and Surplus     | 2202.4         | 2151.2         | 2207.4         | 0%         | 2%         | 2103.9         | 1616.8         |
| Minority Interest        | 42.8           | 42.6           | 41.2           | 4%         | 0%         | 41.9           | 39.8           |
| Preference Capital       | 0.0            | 0.0            | 84.6           | -100%      | 0%         | 13.0           | 132.6          |
| <b>Borrowings</b>        | <b>10806.8</b> | <b>11737.2</b> | <b>11558.3</b> | <b>-7%</b> | <b>-8%</b> | <b>11889.2</b> | <b>11714.1</b> |
| Other Liabilities        | 1468.6         | 1472.3         | 1331.7         | 10%        | 0%         | 1427.8         | 1341.1         |
|                          |                |                |                |            |            |                |                |
| <b>ASSETS</b>            | <b>14568.0</b> | <b>15450.6</b> | <b>15270.5</b> | <b>-5%</b> | <b>-6%</b> | <b>15523.2</b> | <b>14882.5</b> |
| <b>Loan Assets</b>       | <b>13055.6</b> | <b>13723.2</b> | <b>13640.3</b> | <b>-4%</b> | <b>-5%</b> | <b>14098.9</b> | <b>13274.1</b> |
| Fixed Assets             | 227.2          | 229.9          | 220.0          | 3%         | -1%        | 233.6          | 197.9          |
| Other Assets             | 846.9          | 789.2          | 962.8          | -12%       | 7%         | 762.0          | 774.2          |
| Cash & Bank Balance      | 438.4          | 708.3          | 447.3          | -2%        | -38%       | 428.6          | 636.3          |
|                          |                |                |                |            |            |                |                |
| <b>TOTAL LOAN ASSETS</b> | <b>17600.0</b> | <b>17795.6</b> | <b>18811.7</b> | <b>-6%</b> | <b>-1%</b> | <b>18183.2</b> | <b>19566.5</b> |

Values in Rs crore

# Key Ratios (Consolidated)

|                            | Q2 FY17      | Q1 FY17      | Q2 FY16      | Change (in Bps) |           | FY16          | FY15         |
|----------------------------|--------------|--------------|--------------|-----------------|-----------|---------------|--------------|
|                            |              |              |              | Y-o-Y           | Q-o-Q     |               |              |
| <b>Total Income/Assets</b> | <b>16.4%</b> | <b>15.9%</b> | <b>16.2%</b> | <b>18</b>       | <b>52</b> | <b>16.5%</b>  | <b>17.0%</b> |
| Interest Exp/Assets        | 7.7%         | 7.9%         | 7.7%         | 0               | -17       | 7.8%          | 8.8%         |
| <b>Gross Spreads</b>       | <b>8.7%</b>  | <b>8.0%</b>  | <b>8.5%</b>  | <b>18</b>       | <b>70</b> | <b>8.6%</b>   | <b>8.2%</b>  |
| Prov & WO/Assets           | 2.5%         | 2.3%         | 2.3%         | 20              | 27        | 2.5%          | 1.7%         |
| Opex/Assets                | 4.1%         | 4.0%         | 4.3%         | -16             | 8         | 4.2%          | 4.9%         |
| PBT/Assets                 | 2.0%         | 1.7%         | 1.9%         | 13              | 35        | 2.0%          | 1.6%         |
| <b>RoA</b>                 | <b>1.3%</b>  | <b>1.2%</b>  | <b>1.3%</b>  | <b>7</b>        | <b>12</b> | <b>1.4%</b>   | <b>1.3%</b>  |
| <b>RoE</b>                 | <b>9.1%</b>  | <b>8.6%</b>  | <b>*8.5%</b> | <b>57</b>       | <b>44</b> | <b>*10.8%</b> | <b>10.7%</b> |
| <b>CRAR</b>                |              |              |              |                 |           |               |              |
| Tier 1                     | 15.8%        | 15.4%        | 14.4%        | 132             | 34        | 14.6%         | 11.1%        |
| <b>Total</b>               | <b>20.0%</b> | <b>20.0%</b> | <b>19.1%</b> | <b>93</b>       | <b>-2</b> | <b>18.7%</b>  | <b>16.3%</b> |

\*Due to additional Equity capital infusion during the year.

CRAR based on MFL (Standalone) financials. Assets implies average of opening and closing balance of On B/S Assets of MFL (Consolidated)



**Business Overview, Competitive Strengths and Strategy**

**Financial Results – Q2FY17**

**Leadership Team**

**Annexures**

# Strong Corporate Governance



*Bringing Equality of Opportunity  
to the Economically Disenfranchised*

## Promoter Directors

|  |  |
|--|--|
| <p><b>Mayank Poddar</b><br/><i>Chairman Emeritus</i></p> | <ul style="list-style-type: none"> <li>■ Supports policy formulation and guidance to the Management/Board</li> <li>■ Over 30 years of experience in the financial sector.</li> </ul> |
|--|--|

|   |  |
|---|--|
| <p><b>Sanjay Chamria</b><br/><i>VC and MD</i></p> | <ul style="list-style-type: none"> <li>■ Anchors strategic policy formulation and execution.</li> <li>■ Drives new business initiatives and leads management team</li> </ul> |
|---|--|

## Non Promoter Directors

|  |  |
|--|--|
| <p><b>Narayan K Seshadri</b><br/><i>Chairman</i></p> | <p>Entrepreneur consultant. Former Country Head - KPMG Consulting &amp; Head of Business Consulting in Arthur Andersen</p> |
|--|--|

|                              |   |
|------------------------------|---|
| <p><b>Nabankur Gupta</b></p> | <p>Founder - Nobby Brand Architects &amp; Strategic Marketing Consultants. Pioneer of sub branding and multi branding in India. Also served as Group President in Raymond</p> |
|------------------------------|---|

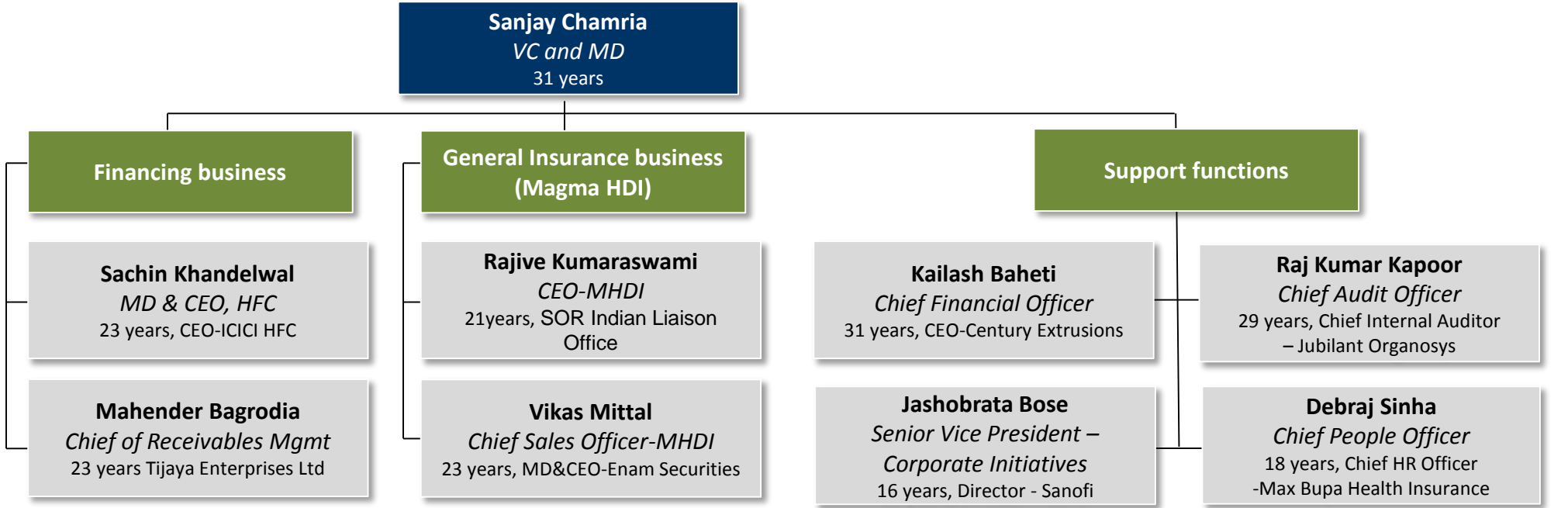
|  |   |
|--|---|
| <p><b>Sanjay Nayar – Non Executive Director (Nominee of KKR)</b></p> | <p>CEO and Country Head of KKR, India. Ex CEO of Citi India &amp; South Asia operations</p> |
|--|---|

|                                   |   |
|-----------------------------------|---|
| <p><b>Satya Brata Ganguly</b></p> | <p>Chairman Emeritus of Exide Industries. Serves on the Boards of various reputed Indian corporate and public bodies as an Independent Director</p> |
|-----------------------------------|---|

|   |   |
|---|---|
| <p><b>Ritva Laukkanen – Non Executive Director (Nominee of IFC)</b></p> | <p>Ex-Director in IFC. Over 3 decades of experience in investments, financial markets and development finance</p> |
|---|---|

|                              |   |
|------------------------------|---|
| <p><b>VK Viswanathan</b></p> | <p>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.</p> |
|------------------------------|---|

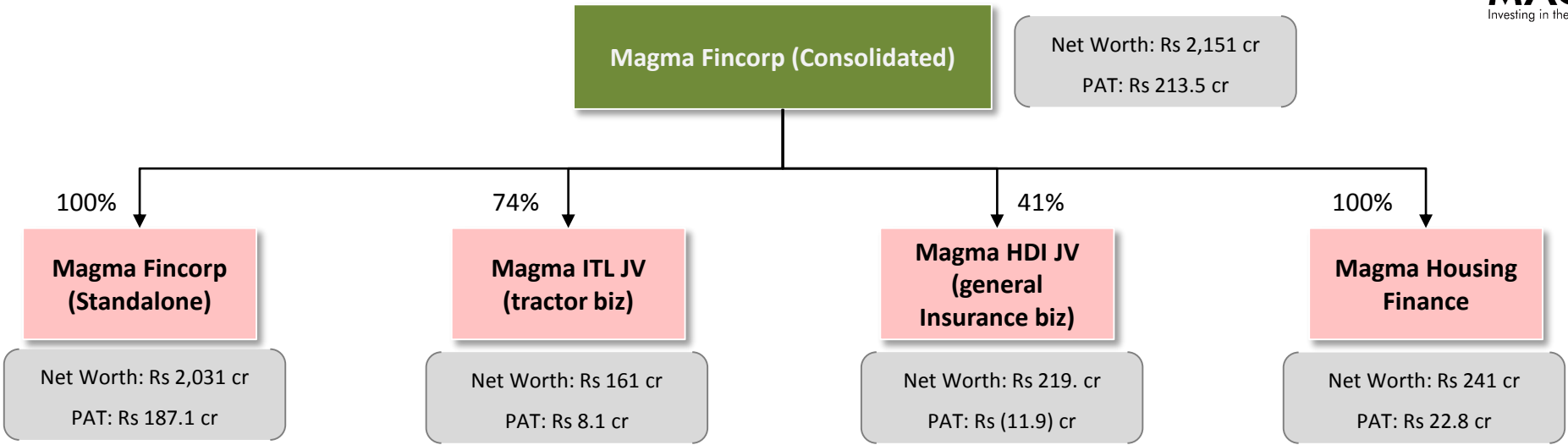
# Management Team



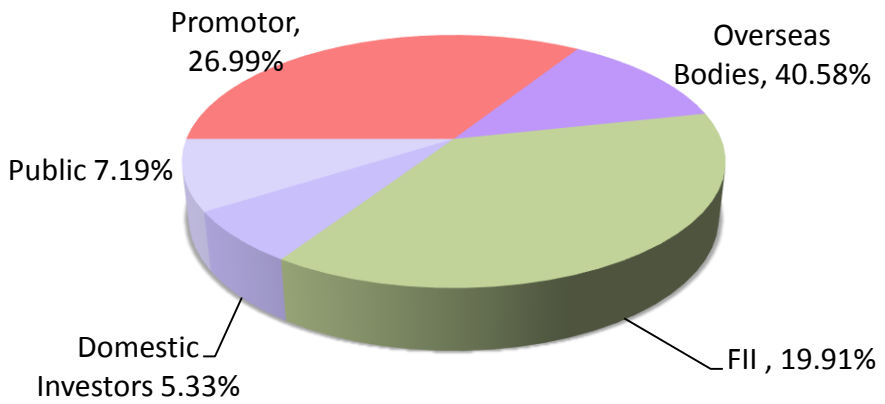
*Name, Current responsibility, Experience in years, Previous organisation*

- Senior management with extensive experience both within Magma and in the industry

# Holding Structure, Shareholding Pattern and Top Shareholders



## Shareholding of Magma Fincorp (on 30 September 2016)



## Top Non Promoter Shareholders

- KKR
- INTERNATIONAL FINANCE CORPORATION
- INDIA VALUE FUND
- CHRYS CAPITAL
- LEAPFROG INVESTMENTS

• Raised Rs 500 crore from India Value Fund, Leapfrog Investments and KKR in May 2015

Values based on MFL Consolidated financials for FY16

# THANK YOU



## Forward Looking Statements

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

**Business Overview, Competitive Strengths and Strategy**

**Financial Results – Q2 FY17**

**Leadership Team**

**Annexures**

# Profit & Loss Statement (Standalone)

|                             | Q2 FY17      | Q1 FY17      | Q2 FY16      | % Change    |            | FY16          | FY15         |
|-----------------------------|--------------|--------------|--------------|-------------|------------|---------------|--------------|
|                             |              |              |              | Y-o-Y       | Q-o-Q      |               |              |
| Income from Ops.            | 504.8        | 508.5        | 526.6        | -4%         | -1%        | 2109.6        | 2018.8       |
| Interest Expenses           | 240.5        | 256.5        | 247.4        | -3%         | -6%        | 998.1         | 1061.4       |
| <b>Net Operating Income</b> | <b>264.3</b> | <b>252.0</b> | <b>279.2</b> | <b>-5%</b>  | <b>5%</b>  | <b>1111.6</b> | <b>957.3</b> |
| Other Income                | 13.9         | 10.1         | 8.8          | 58%         | 37%        | 29.5          | 27.2         |
| <b>Net Total Income</b>     | <b>278.2</b> | <b>262.1</b> | <b>287.9</b> | <b>-3%</b>  | <b>6%</b>  | <b>1141.1</b> | <b>984.5</b> |
| Prov./Write Offs            | 87.8         | 76.6         | 80.6         | 9%          | 15%        | 337.4         | 222.6        |
| <b>Post Prov Profit</b>     | <b>190.4</b> | <b>185.5</b> | <b>207.3</b> | <b>-8%</b>  | <b>3%</b>  | <b>803.7</b>  | <b>762.0</b> |
| Operating Expenses          | 130.6        | 130.3        | 138.6        | -6%         | 0%         | 537.7         | 586.8        |
| :Personnel Expenses         | 55.7         | 57.9         | 63.7         | -13%        | -4%        | 246.6         | 289.7        |
| :Other Expenses             | 63.2         | 61.7         | 64.8         | -2%         | 2%         | 251.8         | 262.6        |
| :Depreciation               | 11.7         | 10.8         | 10.2         | 15%         | 8%         | 39.3          | 34.5         |
| <b>Profit Before Tax</b>    | <b>59.8</b>  | <b>55.2</b>  | <b>68.7</b>  | <b>-13%</b> | <b>8%</b>  | <b>266.0</b>  | <b>175.1</b> |
| Taxes                       | 20.8         | 15.1         | 21.3         | -2%         | 38%        | 78.8          | 26.0         |
| <b>Profit After Tax</b>     | <b>39.0</b>  | <b>40.1</b>  | <b>47.4</b>  | <b>-18%</b> | <b>-3%</b> | <b>187.1</b>  | <b>149.1</b> |

All values in Rs crore



## Balance Sheet (Standalone)

|                          | Q2 FY17        | Q1 FY17        | Q2 FY16        | % Change   |            | FY16           | FY15           |
|--------------------------|----------------|----------------|----------------|------------|------------|----------------|----------------|
|                          |                |                |                | Y-o-Y      | Q-o-Q      |                |                |
| <b>LIABILITIES</b>       | <b>12035.2</b> | <b>12823.0</b> | <b>12711.0</b> | <b>-5%</b> | <b>-6%</b> | <b>12908.8</b> | <b>12311.7</b> |
| <b>Net Worth</b>         | <b>2111.8</b>  | <b>2071.9</b>  | <b>1958.5</b>  | <b>8%</b>  | <b>2%</b>  | <b>2031.4</b>  | <b>1383.6</b>  |
| Share Capital            | 47.4           | 47.4           | 47.4           | 0%         | 0%         | 47.4           | 38.1           |
| Reserves and Surplus     | 2064.4         | 2024.5         | 1911.1         | 8%         | 2%         | 1984.0         | 1345.5         |
| Preference Capital       | 0.0            | 0.0            | 49.0           | -100%      | -          | 13.0           | 97.0           |
| <b>Borrowings</b>        | <b>8913.1</b>  | <b>9747.5</b>  | <b>9763.3</b>  | <b>-9%</b> | <b>-9%</b> | <b>9824.9</b>  | <b>9814.7</b>  |
| Other Liabilities        | 1010.3         | 1003.6         | 940.3          | 7%         | 1%         | 1039.5         | 1016.5         |
| <b>ASSETS</b>            | <b>12035.2</b> | <b>12823.0</b> | <b>12711.0</b> | <b>-5%</b> | <b>-6%</b> | <b>12908.8</b> | <b>12311.7</b> |
| <b>Loan Assets</b>       | <b>10673.8</b> | <b>11295.1</b> | <b>11452.1</b> | <b>-7%</b> | <b>-6%</b> | <b>11649.9</b> | <b>11039.8</b> |
| Fixed Assets             | 160.9          | 164.1          | 174.7          | -8%        | -2%        | 168.5          | 180.8          |
| Other Assets             | 832.2          | 718.1          | 689.4          | 21%        | 16%        | 722.9          | 521.9          |
| Cash & Bank Balance      | 368.3          | 645.6          | 394.9          | -7%        | -43%       | 367.5          | 569.2          |
| <b>TOTAL LOAN ASSETS</b> | <b>14689.5</b> | <b>14942.2</b> | <b>16188.9</b> | <b>-9%</b> | <b>-2%</b> | <b>15159.3</b> | <b>16921.2</b> |

All values in Rs crore

# Profit & Loss Statement: Magma Housing Finance (MHF)

|                          | Q2 FY17     | Q1 FY17     | Q2 FY16     | % Change   |            | FY16         | FY15        |
|--------------------------|-------------|-------------|-------------|------------|------------|--------------|-------------|
|                          |             |             |             | Y-o-Y      | Q-o-Q      |              |             |
| Total Income             | 65.1        | 64.2        | 58.3        | 12%        | 1%         | 242.4        | 192.1       |
| Interest Expenses        | 37.5        | 37.6        | 35.2        | 6%         | 0%         | 142.0        | 117.8       |
| <b>Net Income</b>        | <b>27.6</b> | <b>26.6</b> | <b>23.1</b> | <b>20%</b> | <b>4%</b>  | <b>100.5</b> | <b>74.3</b> |
| Prov./Write Offs         | 2.1         | 3.2         | 1.9         | 9%         | -33%       | 11.3         | 7.7         |
| Operating Expenses       | 12.3        | 14.0        | 13.3        | -8%        | -13%       | 53.8         | 50.2        |
| <b>Profit Before Tax</b> | <b>13.3</b> | <b>9.4</b>  | <b>7.9</b>  | <b>68%</b> | <b>42%</b> | <b>35.3</b>  | <b>16.4</b> |
| Taxes                    | 4.7         | 3.2         | 2.7         | 72%        | 45%        | 12.5         | 5.8         |
| <b>Profit After Tax</b>  | <b>8.6</b>  | <b>6.1</b>  | <b>5.2</b>  | <b>67%</b> | <b>40%</b> | <b>22.8</b>  | <b>10.6</b> |

All values in Rs crore

# Profit & Loss Statement: Magma ITL (MITL)

|                             | Q2 FY17     | Q1 FY17     | Q2 FY16     | % Change     |             | FY16        | FY15        |
|-----------------------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|
|                             |             |             |             | Y-o-Y        | Q-o-Q       |             |             |
| Income from Ops.            | 30.0        | 34.5        | 28.2        | 7%           | -13%        | 120.1       | 140.8       |
| Interest Expenses           | 15.1        | 15.0        | 12.8        | 17%          | 0%          | 53.0        | 58.7        |
| <b>Net Operating Income</b> | <b>15.0</b> | <b>19.5</b> | <b>15.4</b> | <b>-3%</b>   | <b>-23%</b> | <b>67.2</b> | <b>82.1</b> |
| Other Income                | 2.1         | 2.1         | 1.4         | 55%          | 0%          | 5.3         | 5.6         |
| <b>Net Total Income</b>     | <b>17.1</b> | <b>21.6</b> | <b>16.7</b> | <b>2%</b>    | <b>-21%</b> | <b>72.5</b> | <b>87.8</b> |
| Prov./Write Offs            | 5.2         | 8.0         | 6.5         | -20%         | -35%        | 26.3        | 14.1        |
| Operating Expenses          | 10.9        | 11.4        | 10.2        | 7%           | -4%         | 39.4        | 45.0        |
| <b>Profit Before Tax</b>    | <b>1.0</b>  | <b>2.2</b>  | <b>0.1</b>  | <b>1359%</b> | <b>-54%</b> | <b>6.8</b>  | <b>28.7</b> |
| Taxes                       | 0.3         | -0.5        | -0.4        | 173%         | 156%        | -1.2        | 3.3         |
| <b>Profit After Tax</b>     | <b>0.7</b>  | <b>2.7</b>  | <b>0.5</b>  | <b>49%</b>   | <b>-74%</b> | <b>8.1</b>  | <b>25.4</b> |

All values in Rs crore



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

|                                | Q2 FY17      | Q1 FY17      | Q2 FY16      | % Change    |             | FY16         | FY15         |
|--------------------------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|
|                                |              |              |              | Y-o-Y       | Q-o-Q       |              |              |
| <b>Gross Written Premium</b>   | <b>94.8</b>  | <b>93.7</b>  | <b>111.0</b> | <b>-15%</b> | <b>1%</b>   | <b>427.4</b> | <b>554.8</b> |
| <b>Net Earned Premium</b>      | <b>81.1</b>  | <b>80.7</b>  | <b>98.5</b>  | <b>-18%</b> | <b>0%</b>   | <b>373.2</b> | <b>406.2</b> |
| (-) Claims Incurred            | 59.3         | 67.8         | 91.7         | -35%        | -13%        | 318.8        | 340.5        |
| (-) Premium Deficiency Reserve | 0.0          | -0.4         | -0.4         | 100%        | 100%        | 1.5          | 0.0          |
| (-) Net Commission             | 2.2          | 2.7          | 3.3          | -31%        | -18%        | 11.5         | 18.7         |
| (-) Management Expenses        | 33.6         | 33.2         | 32.3         | 4%          | 1%          | 126.1        | 121.3        |
| <b>Underwriting Profit</b>     | <b>-14.1</b> | <b>-22.7</b> | <b>-28.4</b> | <b>51%</b>  | <b>38%</b>  | <b>-84.8</b> | <b>-74.4</b> |
| (+) Investment Income          | 20.1         | 19.5         | 19.7         | 2%          | 3%          | 78.2         | 83.0         |
| <b>Profit Before Tax</b>       | <b>6.0</b>   | <b>-3.2</b>  | <b>-8.7</b>  | <b>169%</b> | <b>286%</b> | <b>-6.6</b>  | <b>8.6</b>   |
| (-) Taxes                      | 0.5          | 0.0          | 1.7          | -70%        | 0%          | 5.3          | 2.8          |
| <b>Profit After Tax</b>        | <b>5.5</b>   | <b>-3.2</b>  | <b>-10.5</b> | <b>153%</b> | <b>270%</b> | <b>-11.9</b> | <b>5.8</b>   |

All values in Rs crore