

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



2 November 2018

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

Company Code - 524000

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

Symbol - MAGMA

Sub: Press Release in respect of Unaudited Financial Results for the quarter and half year ended 30 September 2018


Dear Sir,

Enclosed herewith the Press Release on the performance of the Company for the quarter and half year ended 30 September 2018.

This is for your information and record.

Thanking You,

Yours faithfully,
For Magma Fincorp Limited


Shabnum Zaman
Company Secretary
ACS No. 13918

Encl: as above

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Magma Fincorp Ltd. – Q2 FY19 Result Highlights

**Disbursement up by 34%
NIM up by 70 bps, AUM at Rs 16,623 Crore**

Mumbai, 2nd November 2018: Mumbai-based leading asset finance company, Magma Fincorp Limited today announced the Q2FY19 results, which reflected remarkable growth in disbursement, margins and profits. While disbursements grew at an impressive 34%, net interest margins (NIMs) for the quarter moved up by 70 bps to 9%. The company recorded profit after tax (PAT) of Rs 140 Crore in H1FY19, up 29% over the corresponding period last year. Assets under management (AUM) of the company increased by 6% YoY to Rs 16,623 Crore as on 30 September 2018.

The Company's net NPA (non-performing assets) decreased to 4.4% from 6.8% in the corresponding period last year. The provision coverage ratio (PCR) stands at a comfortable 56.5%. The company maintains one of the highest provisioning's at 2.5% in the standard assets portfolio, making it quite robust from an asset quality perspective.

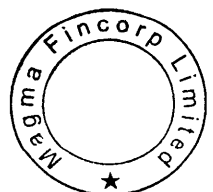
The Vehicle Finance disbursements for the quarter recorded a strong growth of 21% YoY, driven by a growth of 62% for commercial vehicles and 33% for the used assets segment.

In the Mortgage business, the company's strategy of "Go Home Loan" and "Go Direct" led to momentous disbursement growth of 219% YoY in Home Loan along with a sharp increase in direct originations, which stands at 78% in Q2FY19 compared to 32% in the corresponding quarter last year. The company is in the midst of a transformation to reposition itself as a national affordable housing finance company, with a deepened presence now in 10 states across 93 locations.

SME lending continues to be a significant value enhancer, posting the highest profitability amongst the products we offer. The SME business saw its disbursement grow by 67% YoY, with an increasing penetration in upcountry locations. The company expects this momentum of growth to continue. The company is investing in technology to build a credit engine and fintech based solutions for MSMEs.

In the General Insurance business, Magma HDI registered a steady growth of 68% in GWP over Q2FY18. Motor continues to be the company's strength, contributing 78% of the portfolio. The Company has one of the lowest Own Damage Loss ratios in the industry. The Company is ranked number 2 in the industry, in terms of least number of customer complaints per 10,000 policies issued as on 30 June 2018 as per IRDAI published data.

Commenting on the company's performance, **Mr Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited** said, "Magma with its three decades of experience in the retail financing business will continue to deliver a sustainable long-term business and earnings growth by leveraging key enablers, namely - rebuilding our product mix in ABF, focus on affordable home loans and direct sourcing in the housing segment, building the highly profitable SME Book, meaningful growth in Insurance Business and most importantly, maintaining portfolio quality across all businesses".



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Speaking on the current liquidity scenario impacting NBFCs and HFCs, Mr Chamria mentioned that, "Currently the market is passing through a phase of uncertainty, with heightened fear of the unknown, this is more of a confidence issue".

He further mentioned that "Magma is a retail lender and we have an average asset maturity of less than 2 years for our ABF and SME book. In our 100% subsidiary, Magma Housing Finance, we have minimal market borrowing. We have adequate available bank lines. Also, Magma has been a very active participant in the securitization market, having done close to Rs 40,000 Crs of securitization in the past. Thus the Company has access to enough liquidity to continue on the path of sustainable growth, added Mr. Chamria.

About Magma Fincorp Limited

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

Magma a financial conglomerate offers a bouquet of financial products including commercial finance, agri finance, SME finance and mortgage finance and has a general insurance subsidiary. Magma is focused on the rural and semi-urban sector with a widespread coverage and presence across 306 Branches. Magma has a dedicated base of around 1.1 million active customers and manages a loan book of Rs 16,623 crores.

www.magma.co.in

