

Magma Fincorp Limited
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20 August 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 ended 30 June 2018

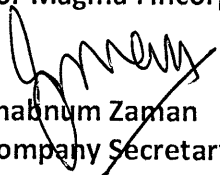
Dear Sir,

Enclosed herewith please find the Press Release on the performance of the Company for the quarter ended 30 June 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

Magma Fincorp Ltd. – Q1 FY19 highlights

**Stellar performance on all front,
PAT up 75% to Rs 68.1 Crore, Disbursement up by 25%
NIM up by 100 bps, NNPA falls 37% to 4.4%,**

Mumbai, 20th August 2018: Magma has put up a stellar performance on all fronts during the quarter and reported outstanding results. Leading asset finance company, Magma Fincorp Limited today announced the Q1, FY 19 results that reflected impressive growth in Disbursement, NIM and PAT. While Disbursement grew at 25% to 1840 Cr., NIM for Quarter moved up 100 bps to 8.6% aided by lower cost of funds and higher earning assets. The company recorded PAT of Rs 68.1 Crore, up 75% over the corresponding period last year.

The company has transitioned to IndAS accounting during the quarter. Company's NNPA (Net Stage 3 Assets under Ind AS) stood at 4.4%, a sharp improvement of 37% from the level of 7.0% in the corresponding quarter in the previous year. The company has increased provisioning on standard assets under IndAS from the earlier mandated 0.40% to 2.65% as on 30th June, 2018.

In Q1 FY19, the ABF disbursement has recorded an impressive 23% improvement YoY, primarily driven by growth in Commercial Vehicles Finance business which grew at 139% and the Used Assets finance business which witnessed a growth of 27%. In an important strategic change effective Q2, the company has moved its 61-90 bucket collections for its ABF business from the business team to the collections team, and expects that this change should bring further significant improvement in its collections efficiency, and which shall result in NPAs reducing further during the year.

The Company has significantly transformed its mortgage business and deeply embarked its journey to become national level affordable housing finance company. The company's strategy of "Go Home Loan" and "Go Direct" led to disbursements growing by a healthy 142% YoY with granular ATS around Rs 10 lacs. The direct origination continued with its upward journey which now stands at 67% as compared to 24% in Q1 FY18. Magma has been catering to the housing needs of self-employed individuals living in tier towns who find it difficult to obtain loans from banks and large HFCs and is banking lot of its growth on the government sponsored schemes for housing for all. The company has built a new team of direct sales in 12 states to cater to the growing housing needs of these customers and hopes to gain significant traction in the coming quarters.

The Company continues to focus on its SME lending business resulting in 34% increase in SME disbursals YoY. It has been one of the most consistent performing biz and Magma hopes to build on it further by penetrating deeper in the tier 3 and 4 towns and has planned to open 20 more locations in the coming quarter and extend lending to micro and small enterprises. The company also intends to initiate credit rule engine and fintech based solutions for MSME under SME offerings.

In the General Insurance business, Magma HDI registered strong growth of 62% in GWP to Rs. 193 Cr from Rs.119 Cr in corresponding quarter in the previous year. While Motor continues to be dominant portfolio for the Company comprising 72% of its business, its Commercial business portfolio achieved 81% YoY growth in the quarter. The Company continues to enjoy one of the lowest Own Damage loss ratios in the industry coupled with best in class customer service experience to the customers along with creating building blocks for our Health business.

Commenting on the company's performance, **Mr Sanjay Chamria, Vice Chairman and Managing Director, Magma Fincorp Limited** said, "The transformational journey started 2 years ago has started bearing fruits and we have crossed a few important milestones and the company is going through a very exciting phase in its



journey. We have successfully transitioned to IndAS accounting regime in this quarter and improved our provisioning coverage ratios as also created sufficient provisioning on standard assets. It will reduce the volatility in future earnings and will pave the way for impressive growth in the current and future years. We will continue to reap the benefits of initiatives unleashed in the previous quarters and are continuously working on providing delight to our customers and increasing business per customer. With the normal monsoon and increased MSP for crops and higher outlay for rural markets by the Govt of India, Magma is poised to achieve higher growth in the coming quarters and will take full advantage of the tailwinds.””, added **Mr. Chamria**.

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 with a focus on Rural and Semi-urban sector has a widespread coverage with a presence across 304 Branches. Magma has a dedicated base of around 9 lakh plus active customers and manages a Loan book of Rs 15966 crore.

www.magma.co.in

