



Reaching New Heights in Retail Finance

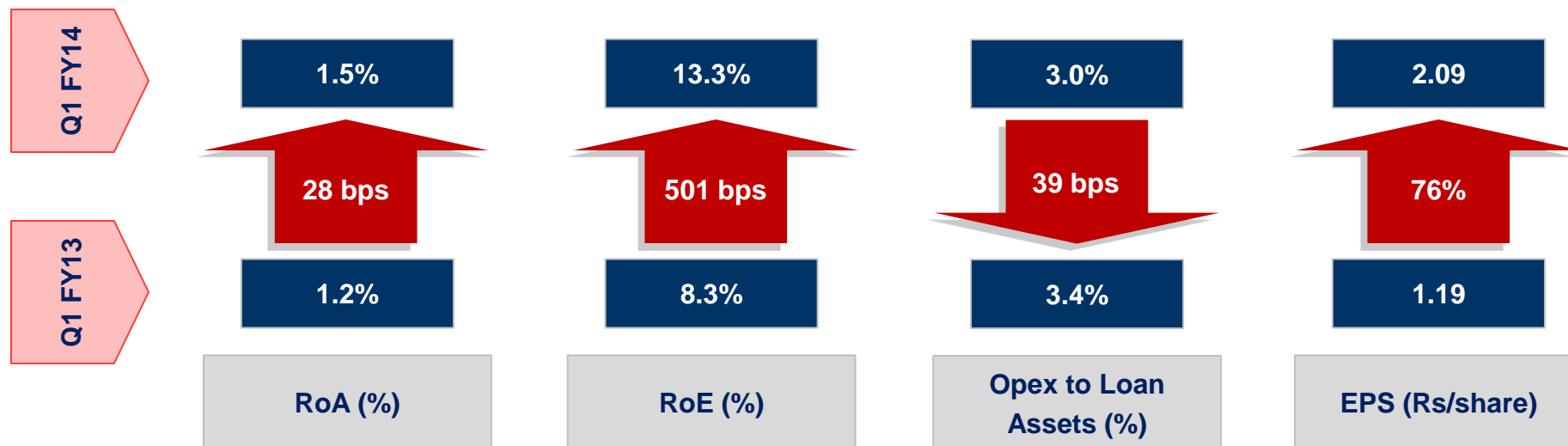
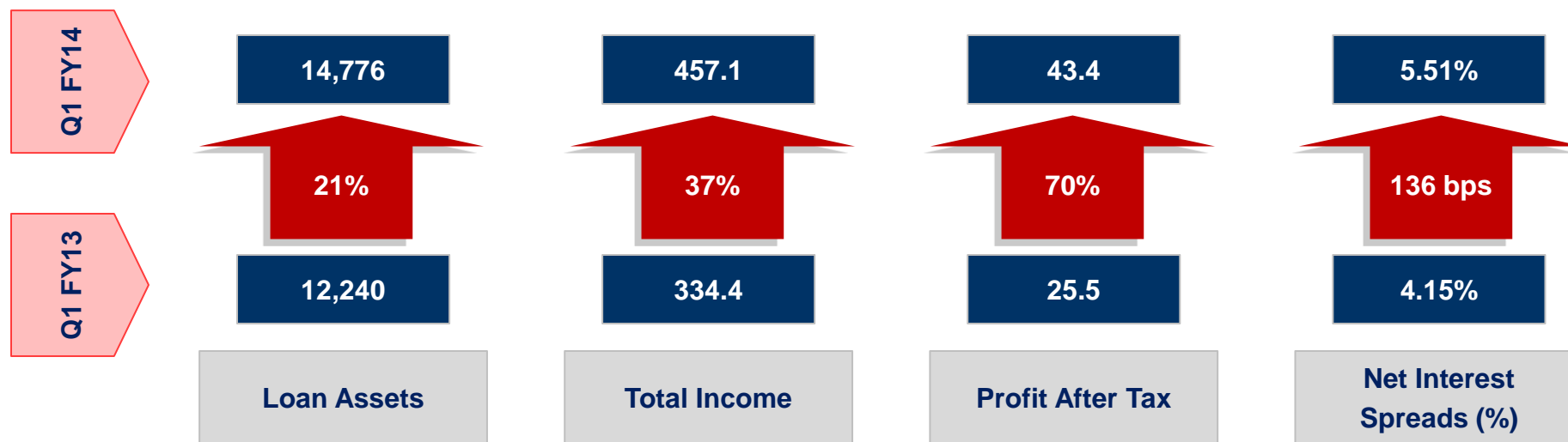
Financial Results – Q1 FY14

Business Overview and Strategy

Leadership Team

Annexures

Financial Results – Q1 FY14 (Standalone)



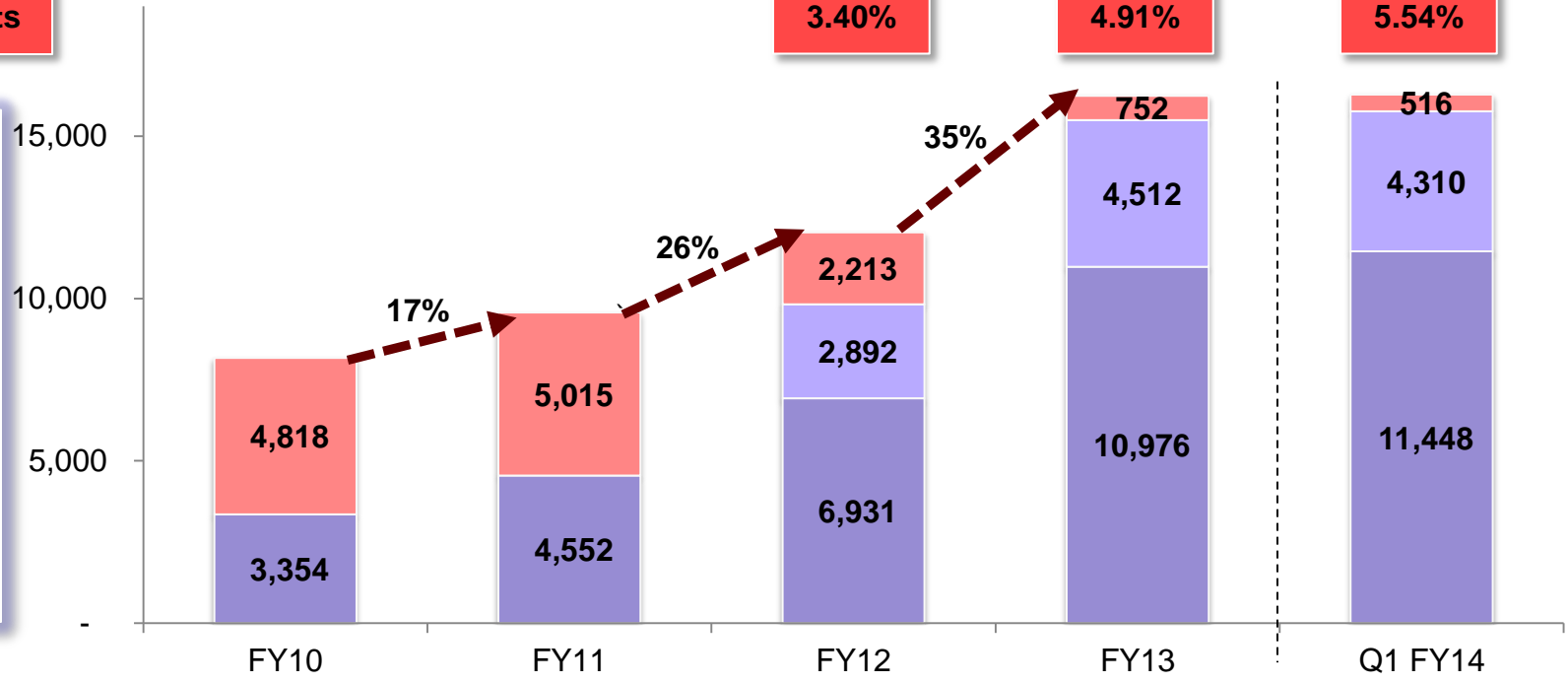
Values in Rs. Crore

Growth in Earning Assets and Spreads

Total Loan Assets	8,172	9,567	12,036	16,240	16,274
Earning Book Loan Assets	3,354	4,552	9,823	15,488	15,758
NIS on Earning Assets			3.40%	4.91%	5.54%

Enhancement in Spreads in Q1 FY14 :

- by 26 bps due to consistent increase in yields & product mix change
- by 37 bps due to decrease in Cost of Funds

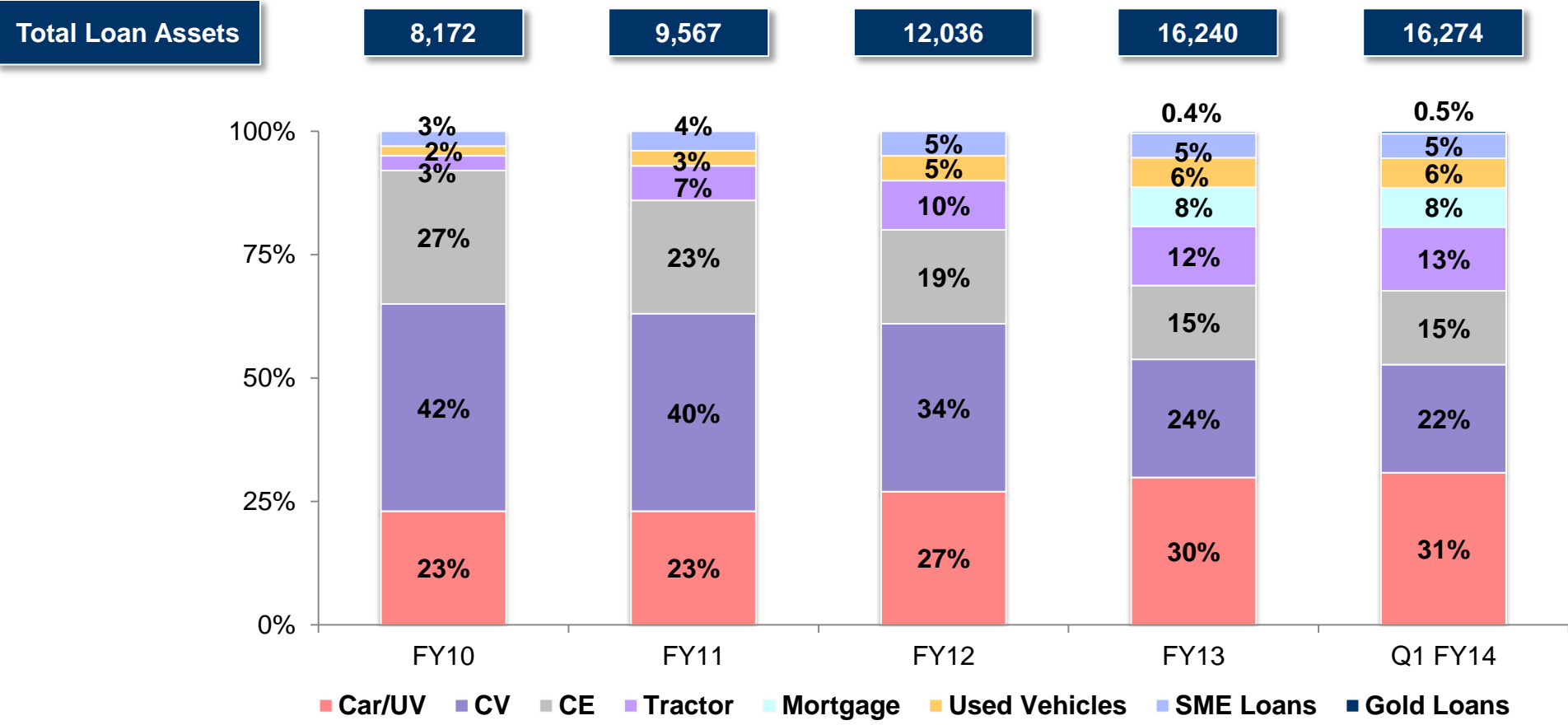


■ On Book Earning Assets ■ Off Book - Earning Assets ■ Off Book - Income Upfronted Assets

- 97% of the Loan Assets are income earning as on 30th June 2013
- Cautious approach to Loan Assets growth considering prevailing economic environment with focus towards improving quality of earnings



Diversified Loan Asset Portfolio



- Well diversified portfolio of 8 products with the highest share of a single product at just over 30%
- Prudent change in Asset mix in line with the Industry & Economy dynamics

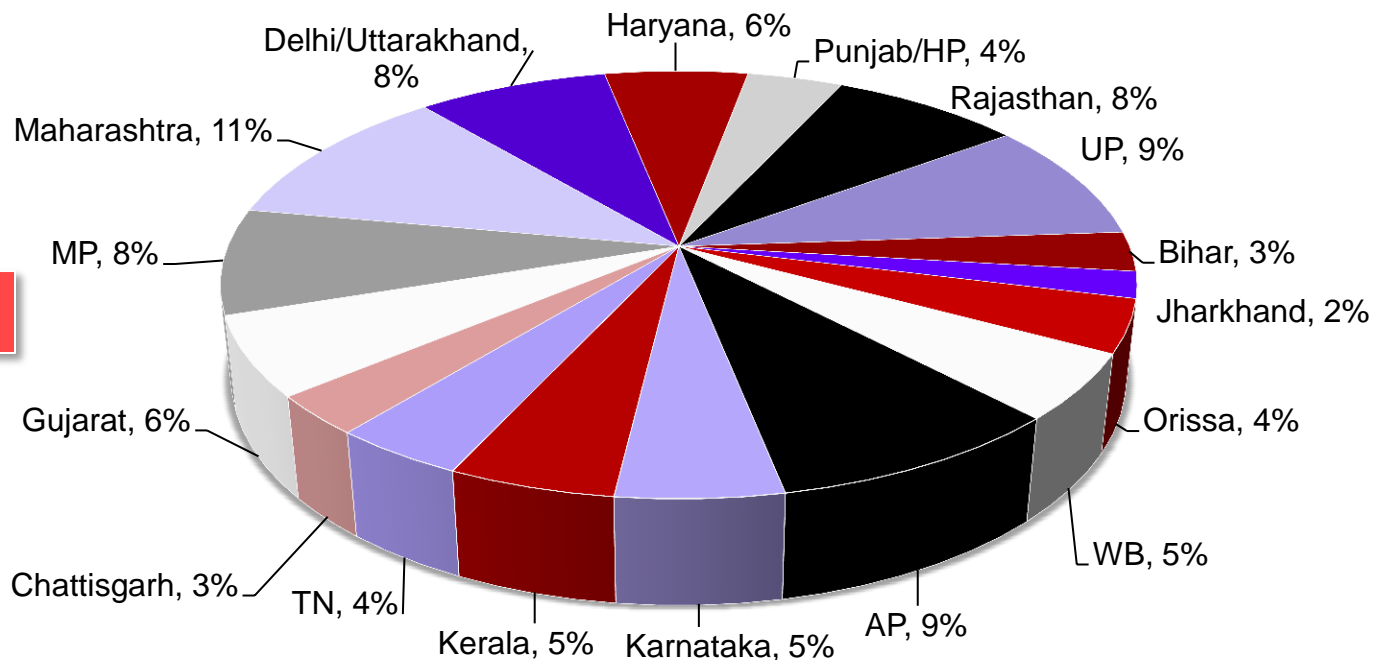
Values in Rs. Crore and on the consolidated basis



Widespread Geographic Coverage

Total loan assets: Rs. 16,274 crore

North: 35%



West: 28%

East: 14%

South: 23%

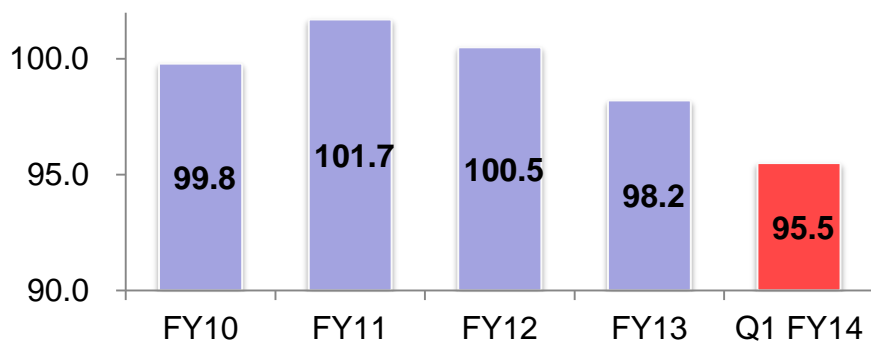
■ Diversifying exposure minimizes regional/local/single event risks



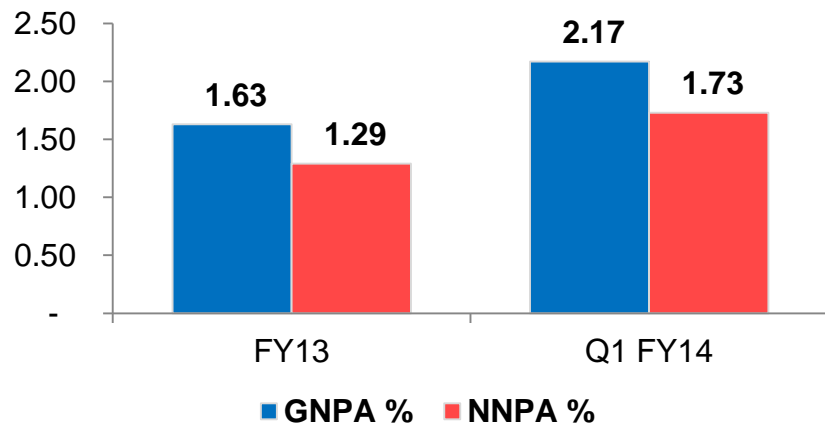
MAGMA
Investing in the smallest dream

Collections and Provisioning

Collection Efficiency (%)



NPA Provisions (%)



- Q1 Collection efficiency impacted due to extremely weak economic environment; However some revival observed in Jun 2013

- Value of NPA Provisions/Write-offs restricted to Q4 FY13 levels through focused collection efforts

- Magma has an in house collections team of ~3,500 people and around 4.2 lakh active customers

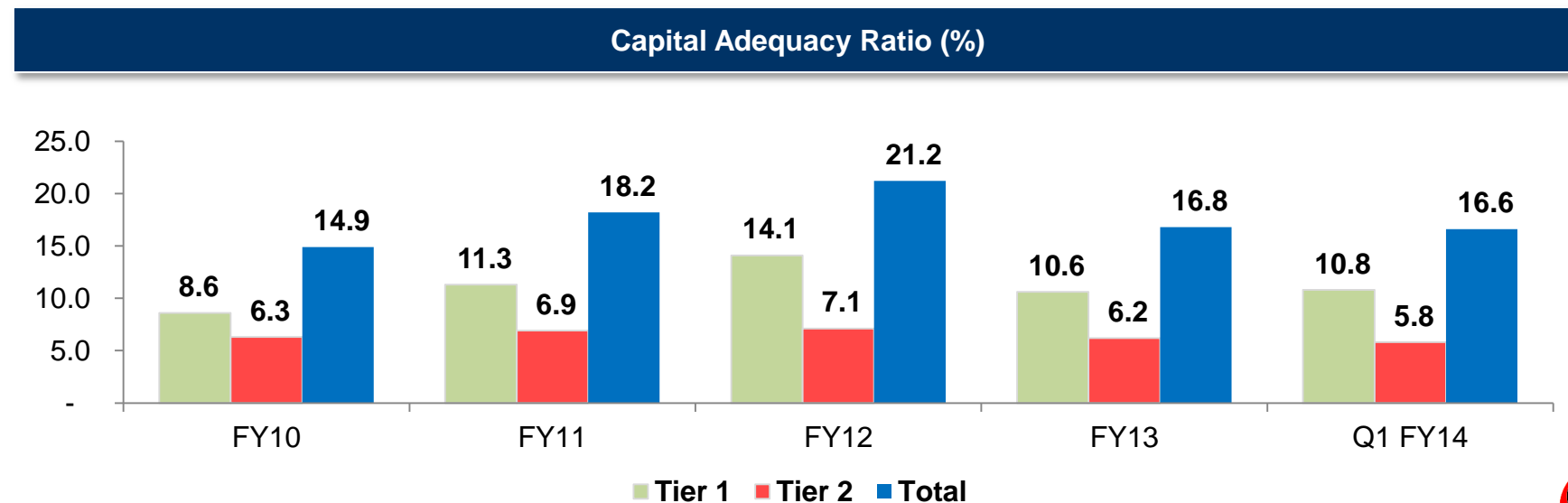
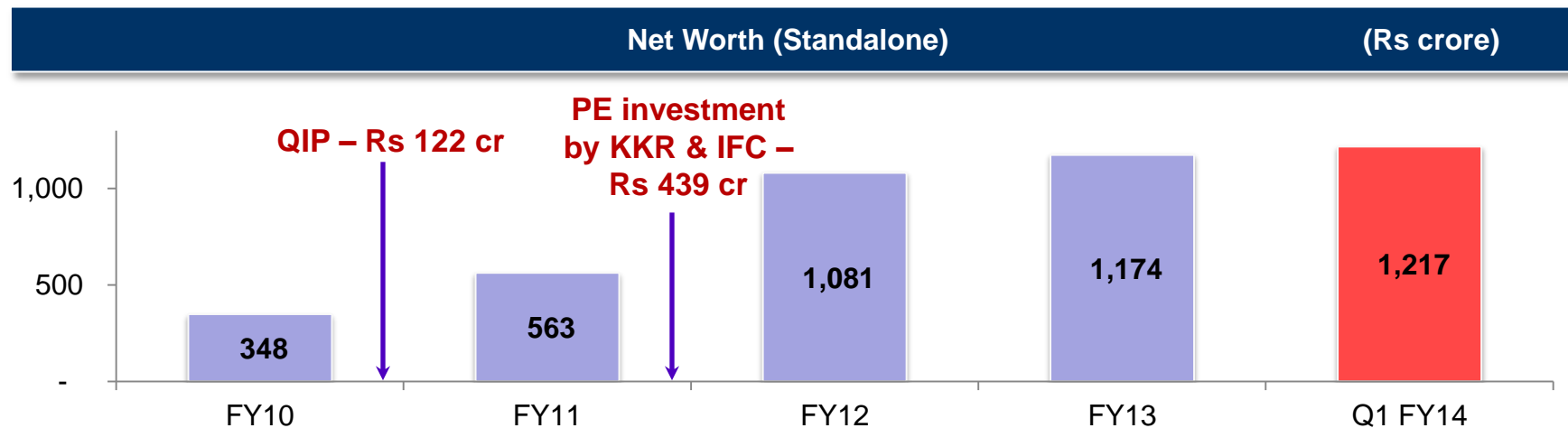
- Magma recognises NPAs at 120+ DPD for AFC business (against 180+ DPD as per RBI guidelines) and at 90+ DPD for HFC business

- Provisions for non performing assets of Rs 70 crore as on Q1 FY14

- Magma makes 30 bps of contingent provisions for standard assets (against 25 bps as per RBI guidelines)

Collection Efficiency is defined as instalment collections made during the period divided by instalments billed during the period as percentage

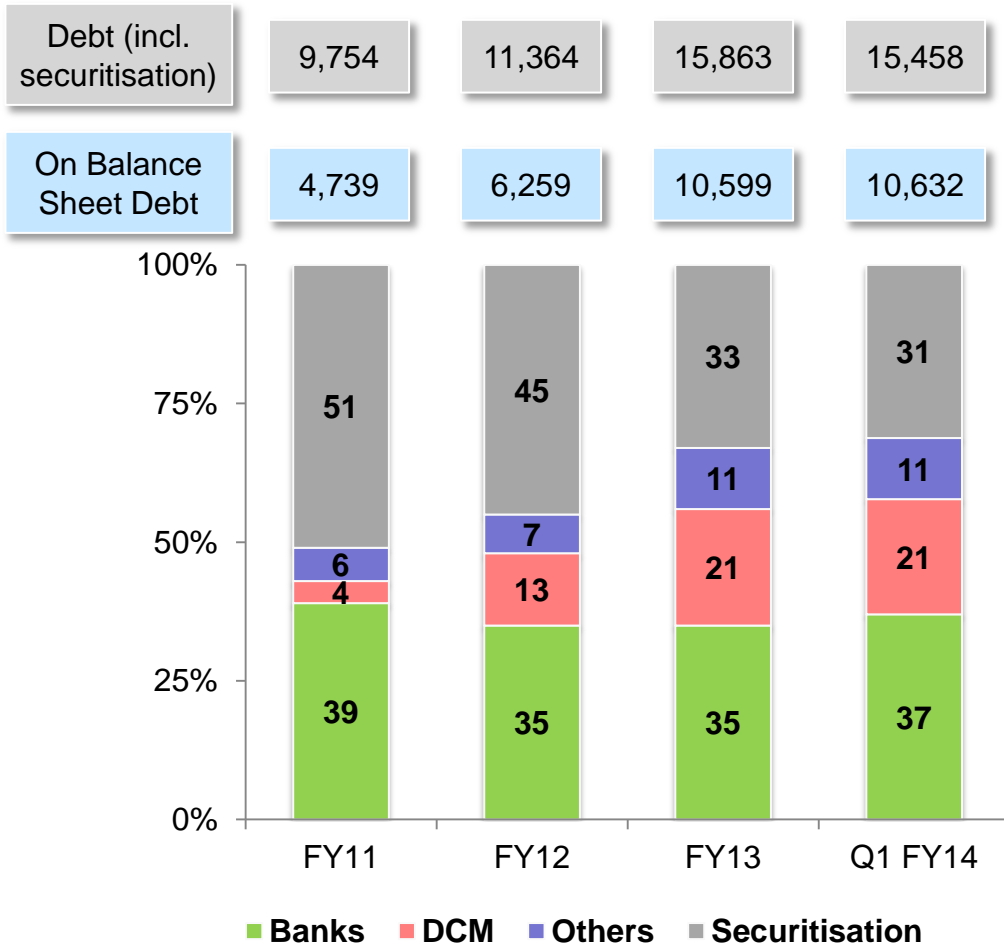
Capital Adequacy



Net Worth on consolidated basis as on 30 June 2013 is Rs. 1,441 crores

Liability Profile

Liability Profile



Rating Upgrades

Instrument	Jun 13	Mar 13	Mar 12	Mar 11
Short term	A1+	A1+	A1+	A1+
Long term	AA+	AA+	AA+	AA
Pref Cap	AA	AA	AA	AA-
Sub debt	AA	AA	AA	AA-
Perpetual debt	AA-	AA-	AA-	A+

- Diversified liability sources limit concentration risk, allows stable flow of funds and improved rating, all leading to lower costs
- Consortium of 20 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 multiple instruments like PDI, Sub-debt and Preference capital

- Diversification in liability profile with significantly increased contribution from Debt Capital Markets over the last 4 years

Values in Rs. Crore and on the consolidated basis



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Summary Financials (Standalone)

BALANCE SHEET	Amounts in Rs Cr	Q1 FY14	Q1 FY13	Q4 FY13	FY13
	LIABILITIES	11763	9124	11742	11742
	Net Worth	1217	1107	1174	1174
	On B/S Debt	9622	7189	9593	9593
	Other Liabilities & Provisions	924	827	975	975
	ASSETS	11763	9124	11742	11742
	Loan Assets	10144	8020	9703	9703
	Other Assets	1619	1103	2038	2038

PROFIT AND LOSS STATEMENT	Amounts in Rs Cr	Q1 FY14	Q1 FY13	Q4 FY13	FY13
	Income from Operations	436.6	304.8	439.5	1511.0
	Interest Expenses	254.6	180.4	246.6	887.4
	Gross Margin	182.0	124.4	192.9	623.5
	Other Income	20.5	29.6	25.7	95.2
	Operating Expenses	143.7	116.8	156.9	539.6
	Overheads	84.9	83.4	99.9	362.0
	Sourcing Expenses	26.2	17.8	27.1	91.5
	Provisions/Write Offs	32.6	15.5	29.9	86.1
	Profit Before Tax	58.8	37.3	61.7	179.2
	Profit After Tax	43.4	25.5	43.3	122.8

Spread Analysis (Standalone)

	Q1 FY14	Q1 FY13	Q4 FY13	FY13
Total Income/Assets	15.6%	15.6%	16.3%	16.3%
Interest Expenses/Assets	8.7%	8.4%	8.7%	9.0%
Gross Spread	6.9%	7.2%	7.7%	7.3%
Operating Expenses/Assets	4.9%	5.5%	5.5%	5.5%
Overheads/Assets	2.9%	3.9%	3.5%	3.7%
Sourcing Expenses/Assets	0.9%	0.8%	1.0%	0.9%
Provision & WO/Assets	1.1%	0.7%	1.1%	0.9%
Net Spread (Pre Tax)	2.0%	1.7%	2.2%	1.8%
Return on Assets (RoA)	1.5%	1.2%	1.5%	1.2%
Return on Equity (RoE)	13.3%	8.3%	13.2%	9.7%

- Reduction in Opex % on a/c of conscious efforts and shared services with new businesses

Summary Financials (Consolidated)

BALANCE SHEET	Amounts in Rs Cr	Q1 FY14	Q1 FY13	Q4 FY13	FY13
	LIABILITIES	13186	9379	13114	13114
	Net Worth	1441	1133	1397	1397
	On B/S Debt	10632	7362	10599	10599
	Other Liabilities & Provisions	1112	885	1118	1118
	ASSETS	13186	9379	13114	13114
	Loan Assets	11448	8356	10976	10976
	Other Assets	1738	1023	2138	2138

PROFIT AND LOSS STATEMENT	Amounts in Rs Cr	Q1 FY14	Q1 FY13	Q4 FY13	FY13
	Income from Operations	485.2	325.2	475.8	1606.9
	Interest Expenses	282.0	185.3	266.1	926.2
	Gross Margin	203.2	139.9	209.7	680.6
	Other Income	24.5	26.6	30.1	94.6
	Operating Expenses	164.8	118.1	174.5	562.7
	Overheads	100.8	84.8	107.9	373.2
	Sourcing Expenses	26.8	17.9	28.0	92.9
	Provisions/Write Offs	37.3	15.4	38.6	96.6
	Profit Before Tax	62.9	48.5	65.4	212.5
	Profit After Tax	45.4	33.0	45.6	144.9

Segment wise Breakup – Q1 FY14

Amounts in Rs Cr	AFC	Mortgage	Insurance	Total
Net Interest Spreads	5.7%	3.2%	NA	5.5%
Total Loan Assets	15067	1207	NA	16274
Total Income	473.7	40.4	-3.7	510.4
Total Expenses	407.1	40.3	0.1	447.5
Profit Before Tax	66.6	0.1	-3.8	62.9

- AFC Intrinsic profitability consistently improving
- New businesses of HFC, Insurance & Gold launched last FY also expected to contribute to profits during the ensuing years

Financial Results – Q1 FY14

Business Overview and Strategy

Leadership Team

Annexures

HELPING PEOPLE REACH OUT TO THEIR DREAMS



Investing in the smallest dream

Magma caters to diverse financial needs of small entrepreneurs in rural* and semi rural* markets of India ...where large banks and institutions fail to reach and serve.

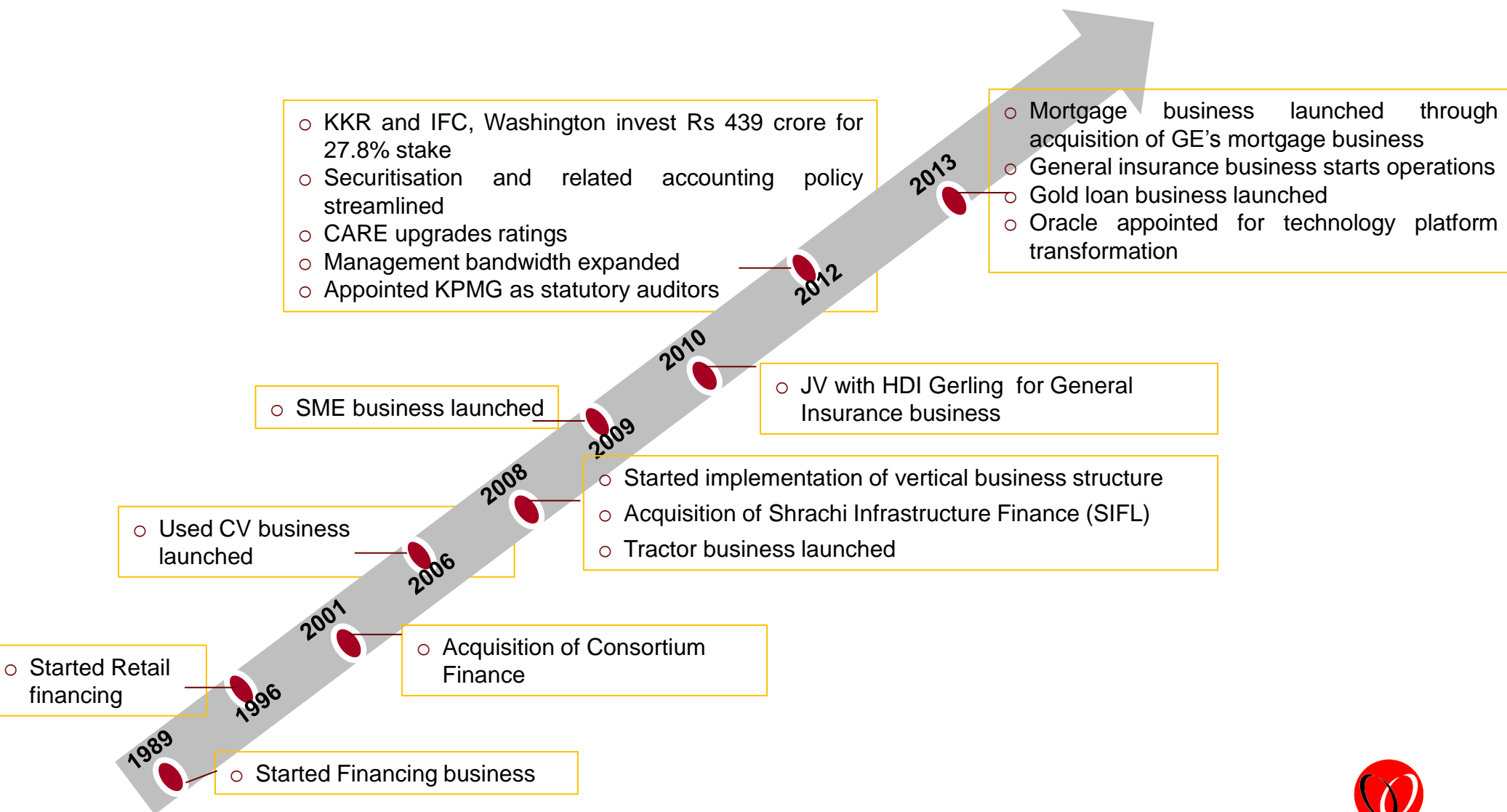


Magma's growth is a reflection of India's new emerging entrepreneurs, spurred by economic growth across states and sectors

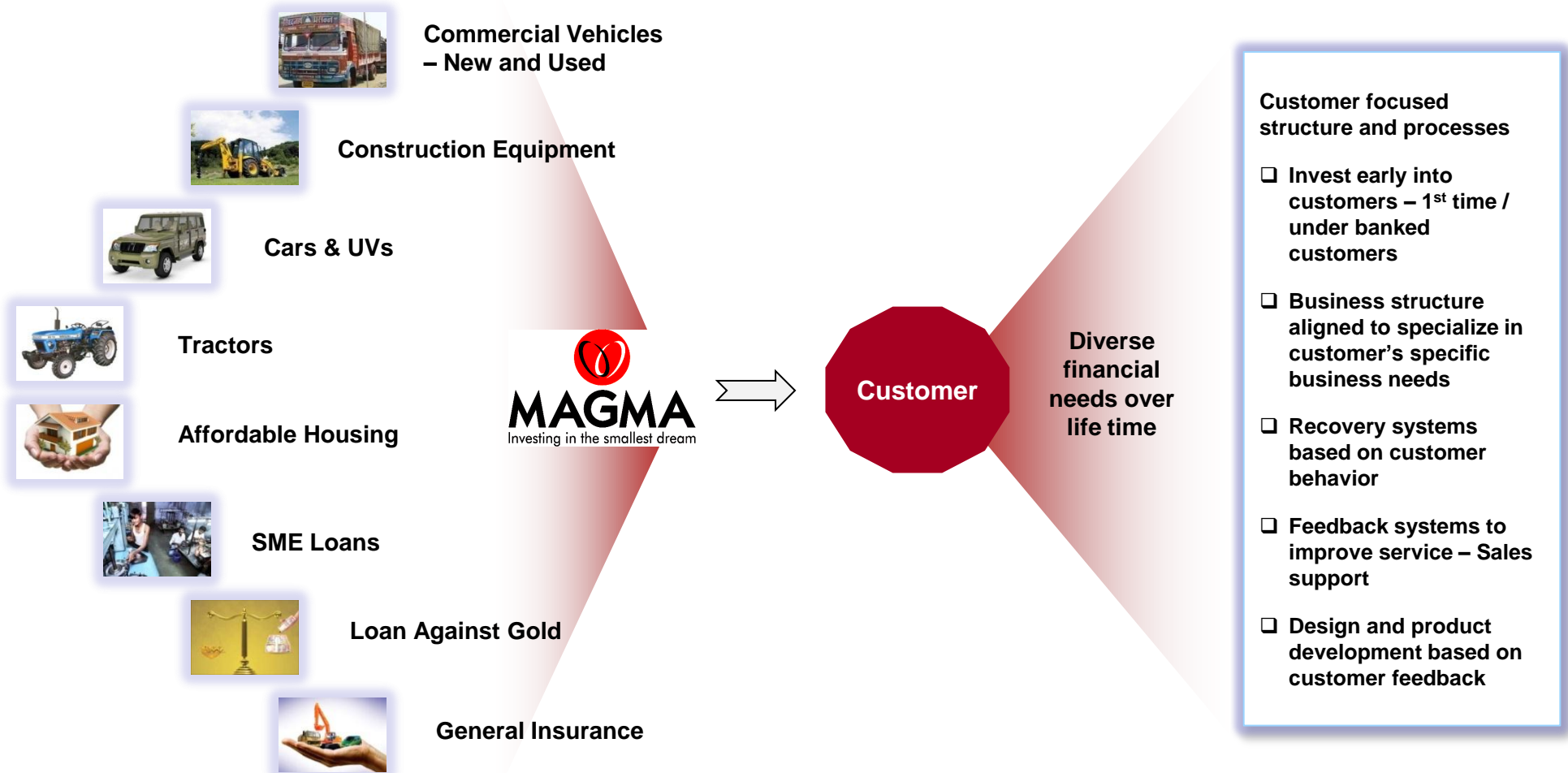


* Based on company's market surveys and estimates

Company in Transformation



Customer Centric Approach...with a bouquet of products



Synergistic Approach to Growth

Products	Key Customer Segments	Focus areas to Drive Growth	ATS (Rs '000)	LTV	Tenure (months)
Cars	<ul style="list-style-type: none"> ❑ Entry level vehicles and UV/MUV ❑ Small Road Transport Operator (SRTO) 	<ul style="list-style-type: none"> ❑ Rural markets and UV/MUV segment ❑ Tie up with car manufacturers 	440	69%	44
Commercial Vehicles (CV)	<ul style="list-style-type: none"> ❑ 1-5 vehicle owners (esp FTB segment) ❑ SRTO 	<ul style="list-style-type: none"> ❑ LCV & SCV ❑ Tie up with CV manufacturers 	700	85%*	43
Tractors	<ul style="list-style-type: none"> ❑ Land owning farmers ❑ 25-75 HP tractors 	<ul style="list-style-type: none"> ❑ Alliances with OEMs ❑ New product introductions 	330	62%	44
Used CV	<ul style="list-style-type: none"> ❑ FTB, Small fleet drivers ❑ M&HCV, Refinance 	<ul style="list-style-type: none"> ❑ LCV ❑ High vintage vehicles (7-8 years) 	520	70%	35
Construction Equipment	<ul style="list-style-type: none"> ❑ Small Scale Entrepreneurs 	<ul style="list-style-type: none"> ❑ Increase collaboration with OEMS ❑ Wider product range 	1,910	77%	39
SME Loans	<ul style="list-style-type: none"> ❑ SME segment ❑ Working capital, business expansion 	<ul style="list-style-type: none"> ❑ MSME segment 	2,570	N/A	31
Gold Loans	<ul style="list-style-type: none"> ❑ Primary borrowers 	<ul style="list-style-type: none"> ❑ Target underpenetrated urban markets in North, West and East India 	53	53%	12
Home Loans	<ul style="list-style-type: none"> ❑ Affordable housing 	<ul style="list-style-type: none"> ❑ Tier 3 and 4 towns 			
General Insurance	<ul style="list-style-type: none"> ❑ Captive customers ❑ Rural agri based products 	<ul style="list-style-type: none"> ❑ Penetrate motor insurance market ❑ Rural agri markets 			

Leverage branch / collection presence and understanding of product, target customer behaviour and its requirements to grow new products

ATS: Average Ticket Size; FTB: First Time Buyers; Numbers represent average for Q1 FY14

* LTV has been calculated without considering cost of truck body, which is not funded. Inclusive of body in the cost of asset, LTV would be approx. 73%

Vertically Aligned Business Model

Product-wise Verticals

AFC

- Car/UV
- CV
- CE
- Used CV
- SME Loans
- Tractor

HFC

- Home Loan
- LAP

Gold Loans

- Gold Loans

Insurance

- General Insurance

Product wise Functions

Sales

Credit

Operations

Product Development

Channel Management



Supported by Marketing

Collections Vertical

Based on Customer Behaviour

- 0 dpd
- 1 – 30 dpd
- 31 – 90 dpd
- 91 – 180 dpd
- 181-730 dpd
- ARD/Legal
- High Ticket

Integrators

Marketing

- Branding
- Channel development
- Product innovation
- Customer relations
- Cross selling

Risk Management

- Identify areas of risk / concerns - preventive measures
 - Product
 - Geography
 - Customer segment

Strategy

- Inorganic opportunities

People Management

- Leadership & development, Succession planning, Training & retention

Technology

Operations

Finance / Treasury

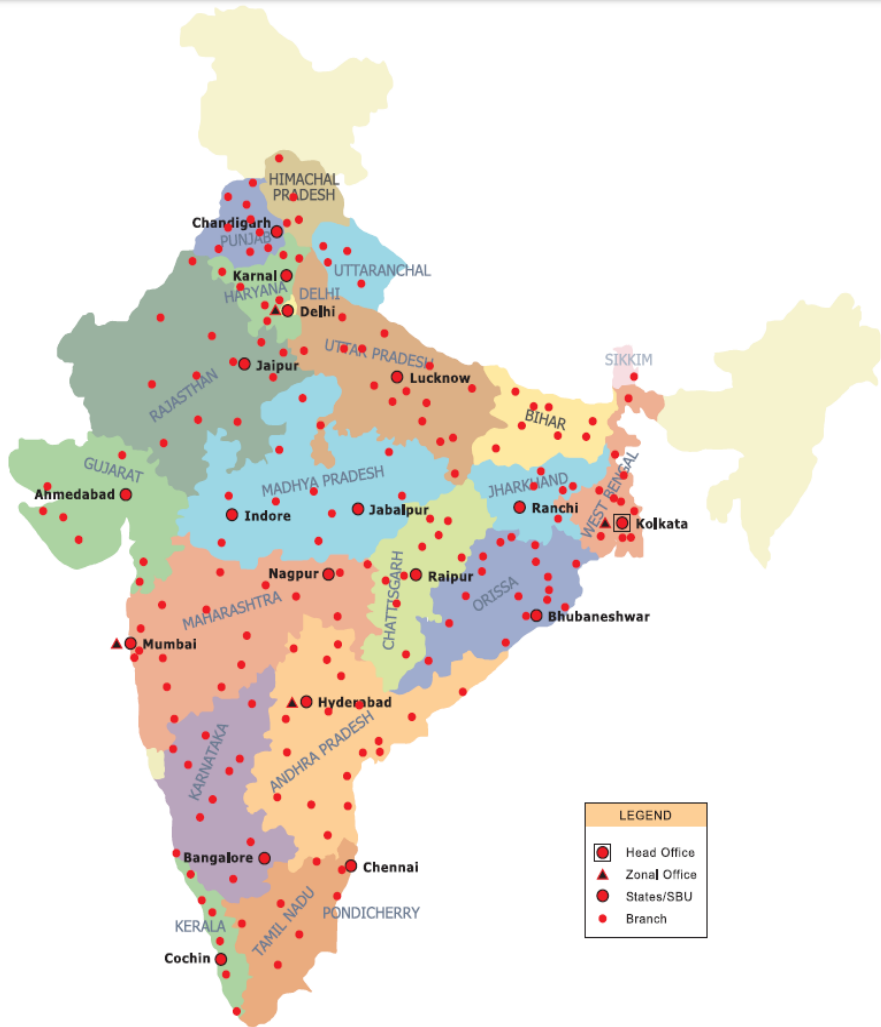
Audit

Key Benefits

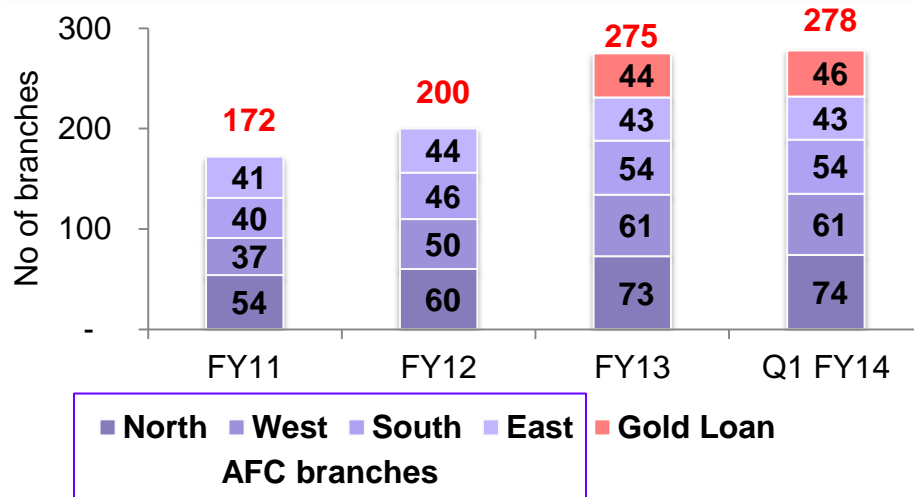
- Scalability
- Operating & cost efficiency including through automation / standardization
- Specialization
- Aligning responsibilities & remuneration

Branch Network

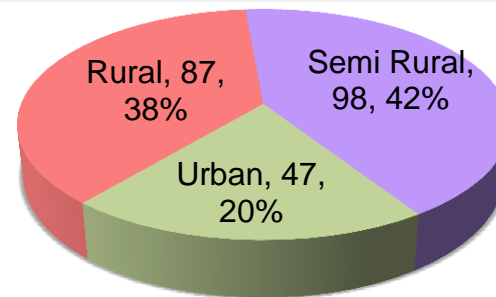
Pan - India Reach



Branch Network Growth (AFC & Gold Loan Branches)



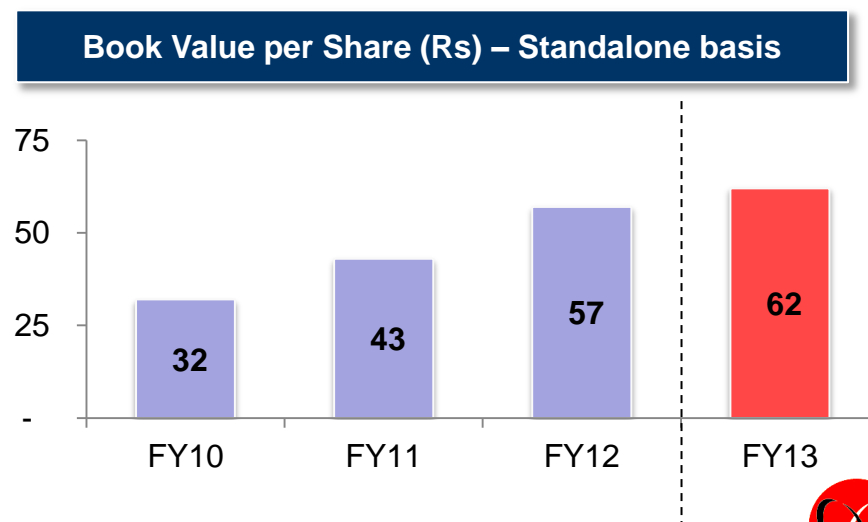
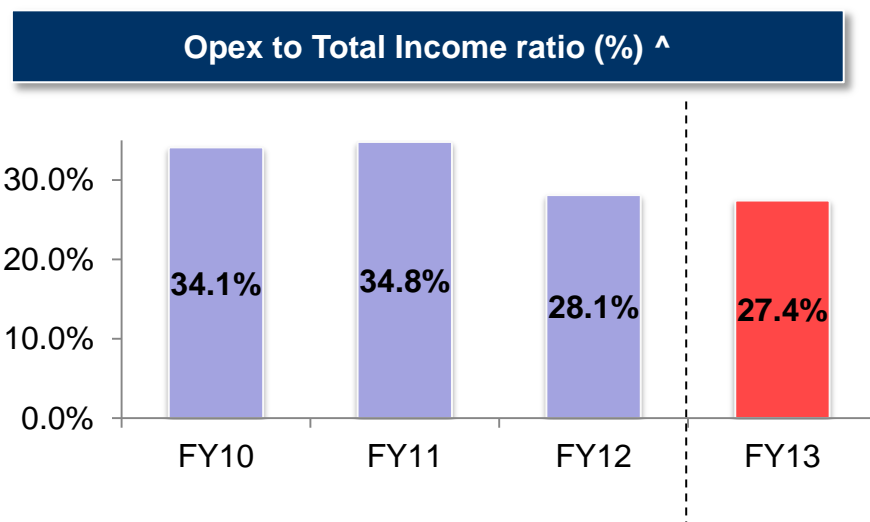
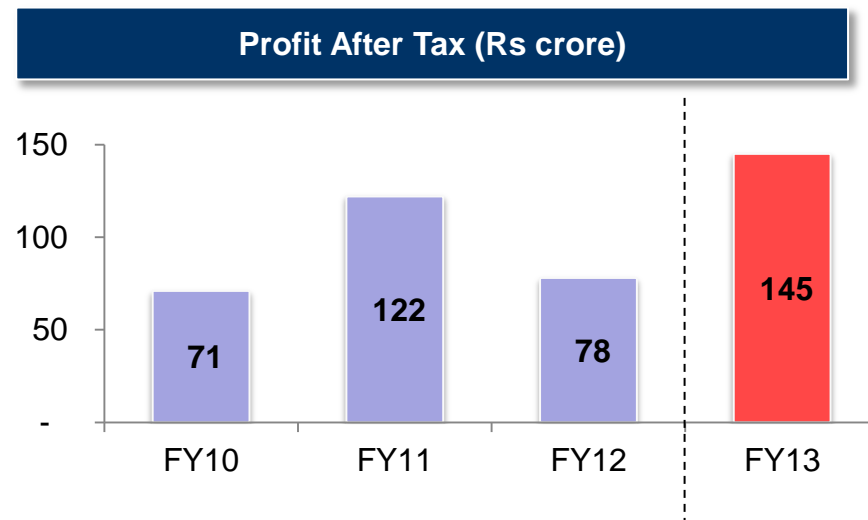
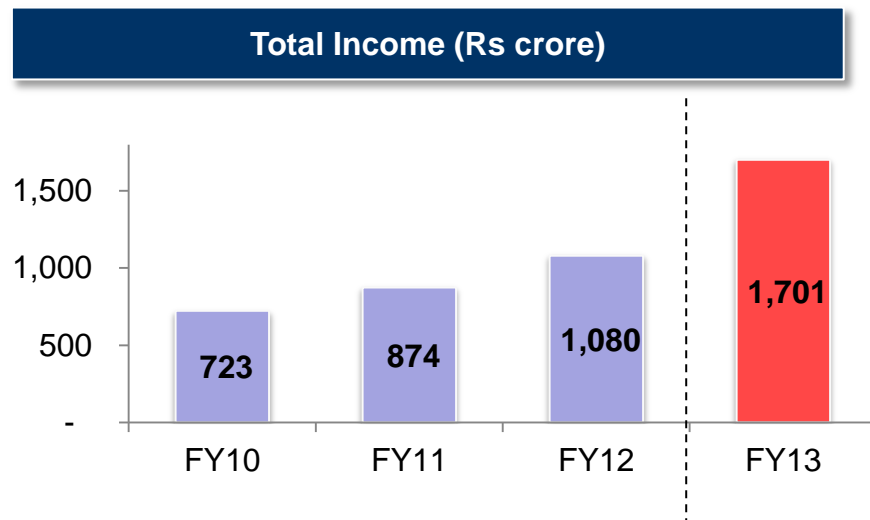
Rural Urban Breakup of AFC Branch Network *



- 278 branches across 21 states /union territories
- Coverage of over 75% of ~670 districts in India*
- Around 7750 employees including over 7000 front line staff

* As on 30 June 2013; Based on company's market surveys and estimates

Financials on Growth Trajectory



^ Opex Includes Employee Benefit Expenses, Other Expenses, Depreciation and Brokerage & Commission

Financial Results – Q1 FY14

Business Overview and Strategy

Leadership Team

Annexures

Respected Board of Directors



Promoter Directors

- | | |
|---|--|
| Mayank Poddar
Chairman | <ul style="list-style-type: none"> Supports policy formulation and guidance to the Management/Board Over 30 years of experience in the financial sector. |
| Sanjay Chamria
Vice Chairman & Managing Director | <ul style="list-style-type: none"> Anchors strategic policy formulation and execution. Drives new business initiatives and leads management team |

Non Promoter Directors

- | | | | |
|---|--|------------------------------|--|
| Sanjay Nayar – Non Executive Director (Nominee of KKR) | CEO and Country Head of KKR, India. Ex CEO of Citi India & South Asia operations | Kailash Nath Bhandari | Ex Chairman & MD of New India Assurance and United India Assurance. Additionally, worked as consultant of World Bank. |
| Narayan K Seshadri | Entrepreneur consultant. Former Country Head - KPMG Consulting & Head of Business Consulting in Arthur Andersen | Nabankur Gupta | Founder - Nobby Brand Architects & Strategic Marketing Consultants. Pioneer of sub branding and multi branding in India. Also served as Group President in Raymond |
| Neil Graeme Brown | Co-Founder of Subito Partners (UK). Ex-Partner of Coopers & Lybrand (now PwC) and Ex-Director of Apax Partners. Set up FIG practice in Apax Partners | Satyabrata Ganguly | Chairman Emeritus of Exide Industries. On the board of Indian Chamber of Commerce and Industry and Bengal Chamber of Commerce and Industry among others. |

High threshold of corporate governance

- One of the first NBFCs to adopt norms based on Usha Thorat Committee recommendations
- Independent directors heading multiple committees



Experienced Professional Management

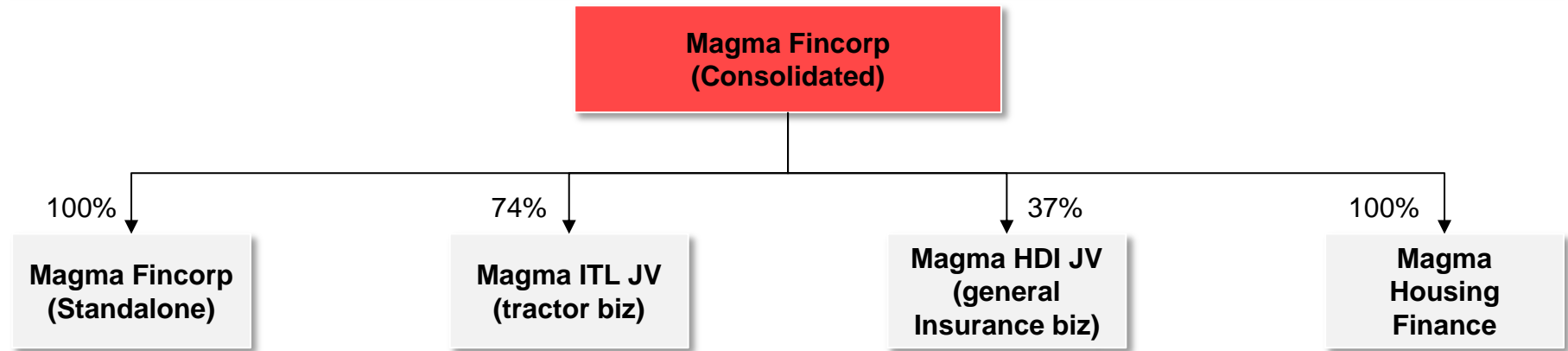
Business Heads	Ashutosh Shukla	COO, Asset Financing Business	⇒	Experience of over 25 years in Magma and Consortium Finance. Setup North and West Zone business and headed collections vertical in Magma earlier
	Sachin Khandelwal	MD & CEO, Magma Housing Finance	⇒	Experience of over 20 years in sales and marketing. Ex- MD of ICICI Home Finance.
	Vikas Mittal	Business Head, Gold Loans	⇒	Experience of over 20 years in brokerage and wealth management industry. Ex- MD & CEO of Enam Direct & Ex-MD of Citi Wealth Advisors
	Swaraj Krishnan	CEO, Magma HDI General Insurance	⇒	Veteran in the general insurance industry. Ex-CEO of Bajaj Allianz General Insurance
Function Heads	V Lakshmi Narasimhan	Chief Financial Officer	⇒	Experience of 23 years in Magma and Consortium Finance. Incubated SME Loans & Tractors business in Magma. Served as National Credit and Risk Head.
	Kailash Baheti	Chief Strategy Officer	⇒	Ex-CEO of Century Extrusions. Extensive experience in finance, accounts, compliance and legal functions.
	Sandeep Walunj	Chief Marketing Officer	⇒	Experience of 20 years in consumer marketing in FMCG & Retail businesses. Worked as CMO–Big Bazaar & Value Formats in Future Group
	Mahendar Bagrodia	Chief of Receivables Management	⇒	Served as National Risk and Credit Head prior to current role. Experience of over 18 years of which 12 years with Magma Fincorp
	Sumit Mukherjee	Chief Sales Officer	⇒	Served as National Sales Head for High Yield Products and Credit and Risk Head at Magma prior to current role. Worked with Citi Corp as VP prior to joining Magma. Over 18 years of experience in sales.

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

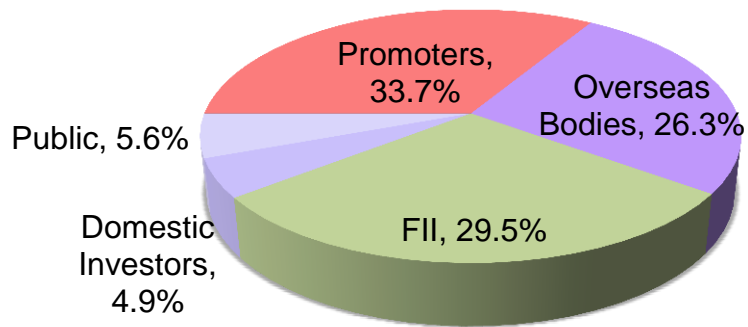


Shareholding

Holding Structure



Shareholding of Magma Fincorp



Top Non Promoter Shareholders

- KKR
- IFC, Washington
- Chrys Capital (Lavender Investments Ltd)
- Wellington Management
- India Capital Fund Ltd

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.

Financial Results – Q1 FY14

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Leadership Team

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Profit & Loss Statement (Standalone)

Amounts in Rs crore

Particulars	Q1 FY14	Q1 FY13	YoY %	FY13
Income				
- Income from Operations	436.6	304.8	43%	1511.0
- Other Income	20.5	29.6	-31%	95.2
Total Income	457.1	334.4	37%	1606.2
- Finance Costs	254.6	180.4	41%	887.4
- Employee Benefit Expenses	49.2	46.9	5%	202.8
- Depreciation	8.6	12.1	-29%	36.7
- Brokerage & commission	26.2	17.8	47%	91.5
- Provisions against Standard Assets	1.2	3.6	-67%	12.0
- Provision for NPA/ Writeoffs	31.4	11.9	163%	74.1
- Other Expenses	27.0	24.4	11%	122.5
Total Expenses	398.3	297.1	34%	1427.0
Profit Before Tax	58.8	37.3	58%	179.2
Tax (incl. Deferred Tax)	15.5	11.8	31%	56.4
Profit After Tax	43.4	25.5	70%	122.8
Earnings per share (Rs.)	2.09	1.19	76%	5.74
Book Value per share (Rs.)	63.9	58.2	10%	61.8

* Previous year figures have been regrouped / restated, wherever necessary

Balance Sheet (Standalone)

Amounts in Rs crore

Particulars	Jun-13	Jun-12	Mar-13
Shareholder Funds			
- Equity capital	38.0	37.9	38.0
- Preference Capital	148.4	129.7	161.4
- Reserves & Surplus	1179.1	1068.8	1135.6
-Share application money pending allotment	0.5	0.0	-
Net Worth	1217.1	1106.8	1173.6
Non Current Liabilities	3552.4	2423.1	3410.0
Current Liabilities	6844.9	5464.1	6996.8
Total Liabilities	11763.3	9123.7	11741.9
Non Current Assets			
- Fixed assets	167.4	167.8	174.4
- Non Current Investments	218.8	69.3	220.5
- Other Non Current Assets/ Long term Loans & Advances	6258.9	5039.0	6322.4
Current Assets			
- Cash & Bank balances	749.8	506.0	1164.0
- Current Investments	73.5	0.0	64.9
- Other Current Assets/ Short term Loans & Advances etc.	4295.0	3341.5	3795.6
Total Assets	11763.3	9123.7	11741.9

Previous year figures have been regrouped / restated, wherever necessary

Profit & Loss Statement: Magma ITL (MITL)

Amounts in Rs crore

Particulars	Q1 FY14	Q1 FY13	YoY %	FY13
- Total Income	30.6	22.2	38%	101.0
Total Income	30.6	22.2	38%	101.0
- Finance Costs	12.4	7.1	76%	42.5
- Operating Expenses	8.9	4.0	120%	21.5
- Provisions against Standard Assets	0.2	0.1	7%	0.8
- Provision for NPA/ Writeoffs	0.8	-0.2	-427%	0.0
Total Expenses	22.3	11.0	102%	64.8
Profit Before Tax	8.3	11.2	-26%	36.2
Profit After Tax	6.0	7.6	-21%	24.4



Profit & Loss Statement: Magma Housing Finance (MHF)

Amounts in Rs crore

Particulars	Q1 FY14	FY13*
- Total Income	25.8	85.3
Total Income	25.8	85.3
- Finance Costs	17.6	44.1
- Operating Expenses	6.9	20.2
- Provisions against Standard Assets	-0.2	0.9
- Provision for NPA/ Writeoffs	2.4	1.0
Total Expenses	26.7	66.1
Profit Before Tax	-1.0	19.2
Profit After Tax	-0.7	12.6

* Above figures are for full year; Consolidation with Magma is effective 11th Feb 2013

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

Amounts in Rs crore

Particulars	Q1 FY14	FY13
- Total Income	-10.3	-11.9
Total Income	-10.3	-11.9
- Finance Costs	0.0	0.0
- Operating Expenses	0.0	1.6
Total Expenses	0.0	1.6
Profit Before Tax	-10.3	-13.5
Profit After Tax	-10.3	-9.4

Profit & Loss Statement (Consolidated)

Amounts in Rs crore

Particulars	Q1 FY14	Q1 FY13	YoY %	FY13
Income				
- Income from Operations	485.2	325.2	49%	1606.9
- Other Income	24.5	26.6	-8%	94.6
Total Income	509.7	351.9	45%	1701.5
- Finance Costs	282.0	185.3	52%	926.2
- Employee Benefit Expenses	54.8	47.6	15%	204.0
- Depreciation	8.6	12.3	-30%	37.6
- Brokerage & commission	26.8	17.9	49%	92.9
- Provisions against Standard Assets	1.2	3.7	-69%	14.0
- Provision for NPA/ Writeoffs	36.1	11.7	208%	82.6
- Other Expenses	37.4	24.9	50%	131.6
Total Expenses	446.8	303.4	47%	1489.0
Profit Before Tax	62.9	48.5	30%	212.5
Tax (incl. Deferred Tax)	17.5	15.4	13%	67.5
Profit After Tax	45.4	33.0	38%	144.9
Earnings per share (Rs.)	2.11	1.49	42%	6.55
Book Value per share (Rs.)	75.7	59.5	27%	73.6

Previous year figures have been regrouped / restated, wherever necessary

Balance Sheet (Consolidated)

Amounts in Rs crore

Particulars	Jun-13	Jun-12	Mar-13
Shareholder Funds			
- Equity capital	38.0	37.9	38.0
- Preference Capital	184.0	129.7	197.0
- Reserves & Surplus	1403.3	1094.7	1359.4
- Fair value change account	0.0	0.0	0.0
- Share application money pending allotment	0.5	0.0	0.0
Net Worth	1441.3	1132.6	1397.4
Minority Interest	27.2	20.8	25.5
Non Current Liabilities	4116.2	2473.3	4006.7
Current Liabilities	7416.6	5622.9	7487.2
Total Liabilities	13185.8	9379.3	13113.8
Non Current Assets			
- Fixed assets	183.2	169.3	190.2
- Non Current Investments	204.8	26.0	199.6
- Other Non Current Assets/ Long term Loans & Advances	7365.7	5188.9	7431.9
Current Assets			
- Cash & Bank balances	773.3	532.5	1217.8
- Current Investments	109.0	0.0	67.3
- Other Current Assets/ Short term Loans & Advances etc.	4549.9	3462.5	4006.9
Total Assets	13185.8	9379.3	13113.8

Previous year figures have been regrouped / restated, wherever necessary