



Reaching New Heights in Retail Finance

HELPING PEOPLE REACH OUT TO THEIR DREAMS



Financial Results – Q1 FY15

Business Overview and Strategy

Leadership Team

Annexures

Key Business Highlights – Q1 FY15

#1

Disbursement increased by 33% yoy through substantial investment in technology led process changes and deeper penetration in the rural markets

#2

Loan book increased by 12% yoy driven by conscious growth in mortgage and tractor financing

#3

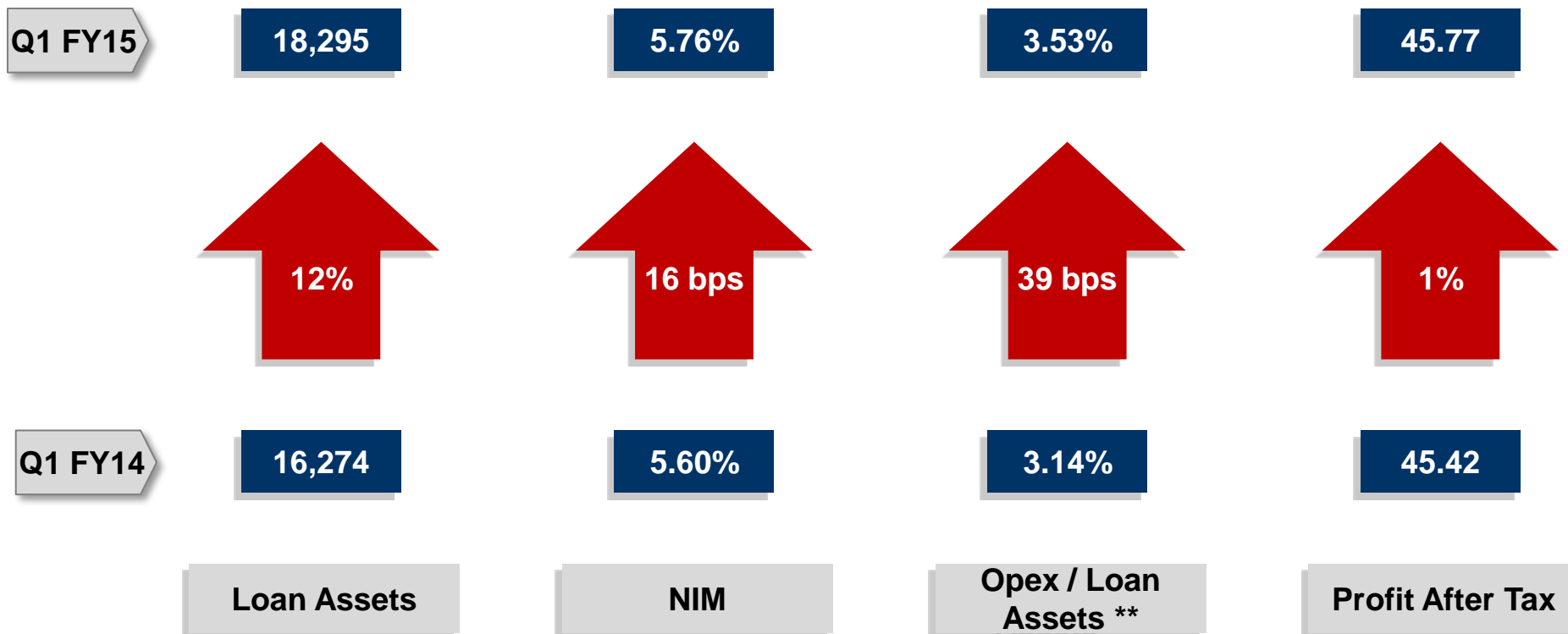
NIM improved by 16 bps yoy as a result of changing product and customer mix

#4

The two recently launched businesses, mortgage finance and general insurance, set to achieve scale and contribute positively to overall profits

Based on MFL Consolidated financials for Q1 FY15

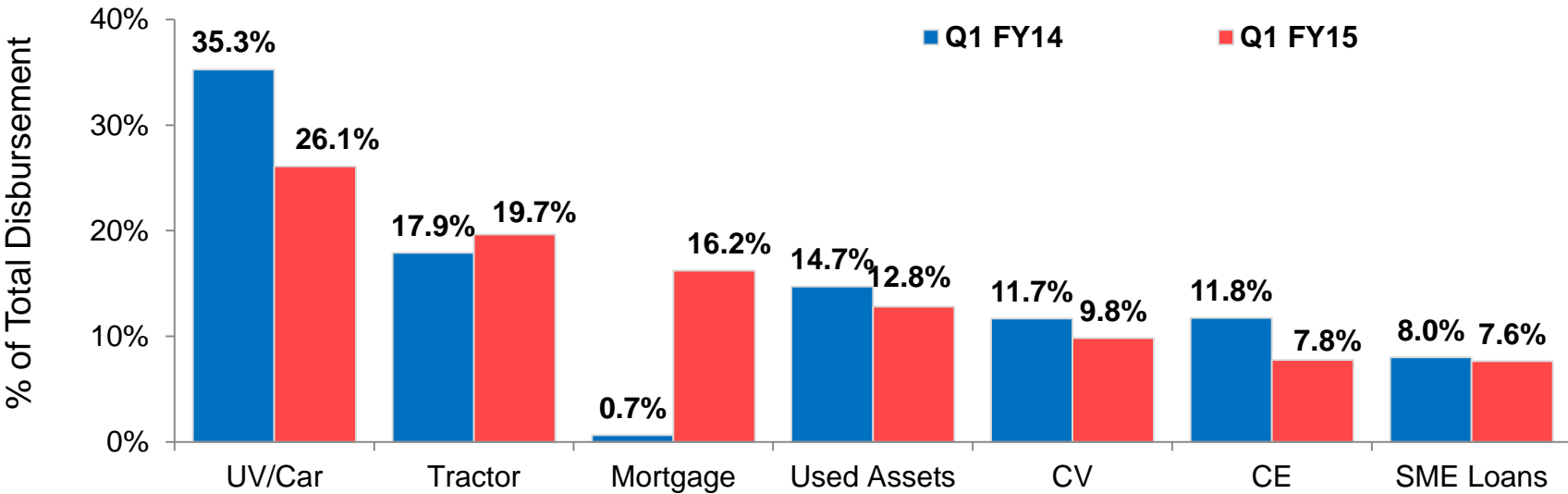
Financial Results – Q1 FY15 (Consolidated)



*** Due to investment in process and technology for substantially increased collections efforts; benefits to accrue over entire year.*

Values in Rs crore

Disbursement Mix

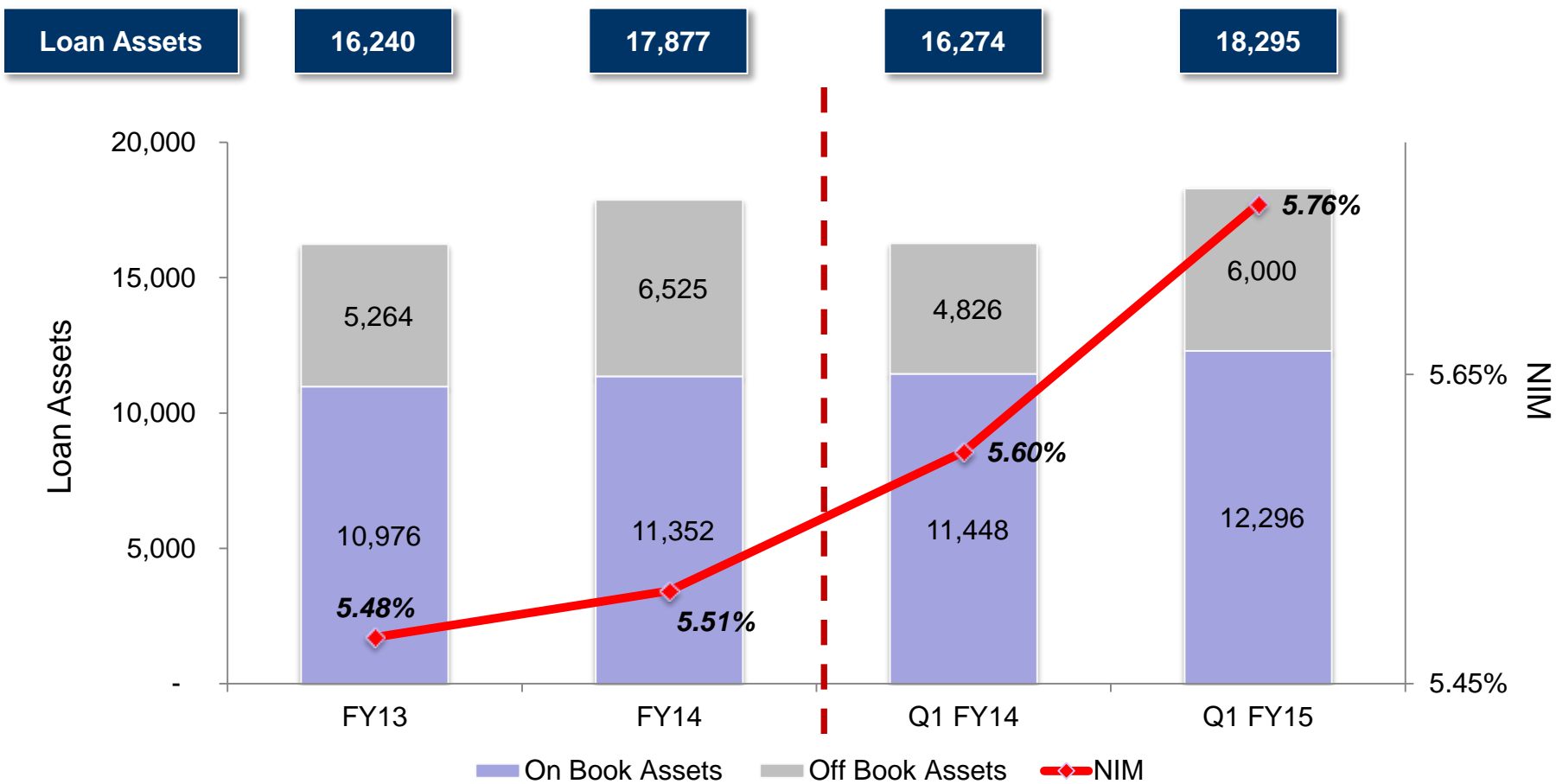


	Q1 FY14	Q1 FY15
Total Disbursements	Rs 1,805 cr	Rs 2,398 cr
UV/Car, CV, CE share	59%	44%
Tractor, Used Assets, SME, Mortgage share	41%	56%
NIM	5.60%	5.76%

Share of Tractor, SME, Used Assets, Mortgage consciously increased to 56%
This resulted in higher NIM of 5.76% in Q1FY15 vs 5.60% in Q1FY14



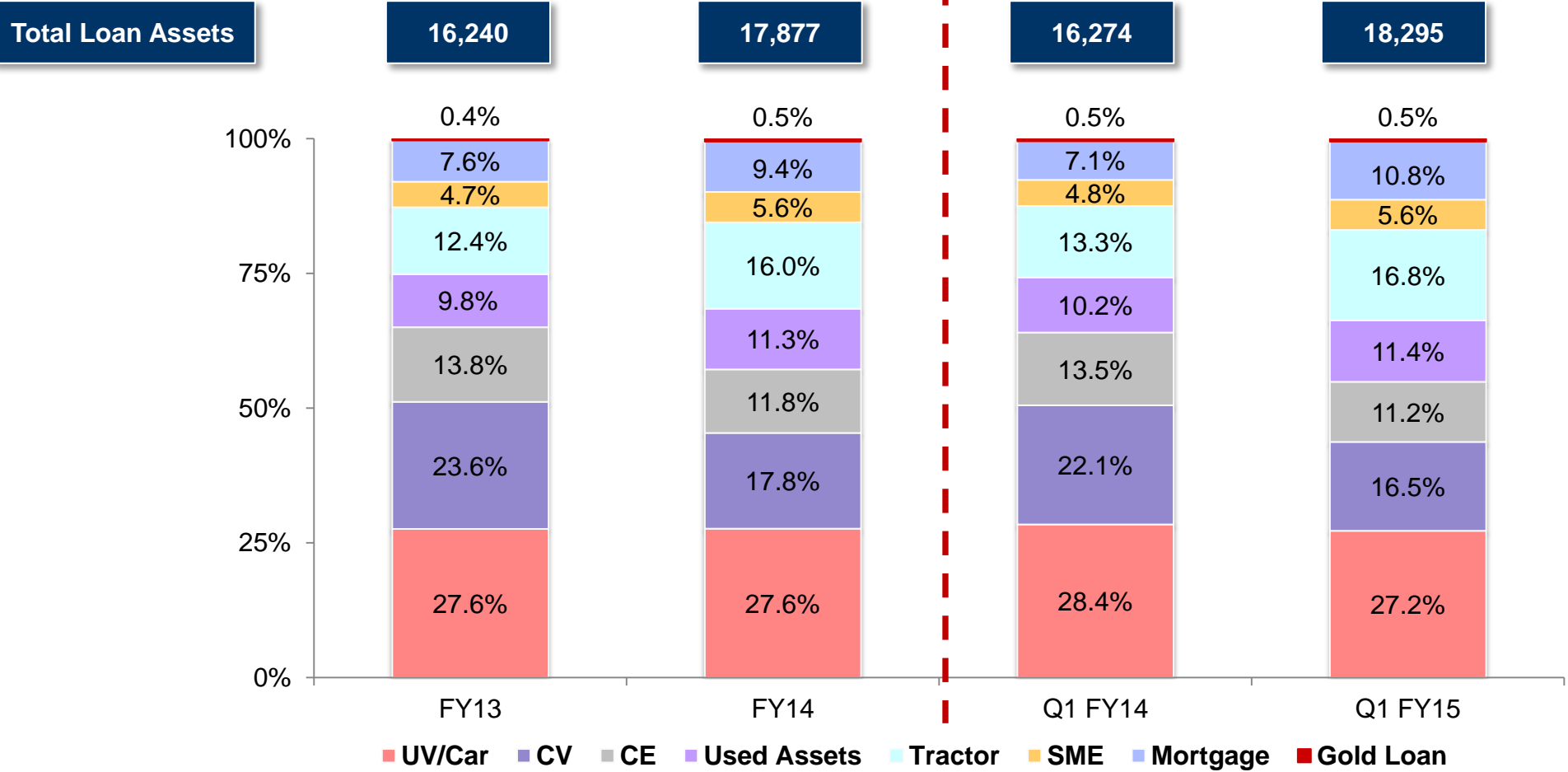
Loan Book Growth



Improvement in NIM driven by change in product and customer mix

Values in Rs crore

Product-wise Loan Assets Breakup



Diversified portfolio of 8 products with the highest share of a single product less than 30% of total book

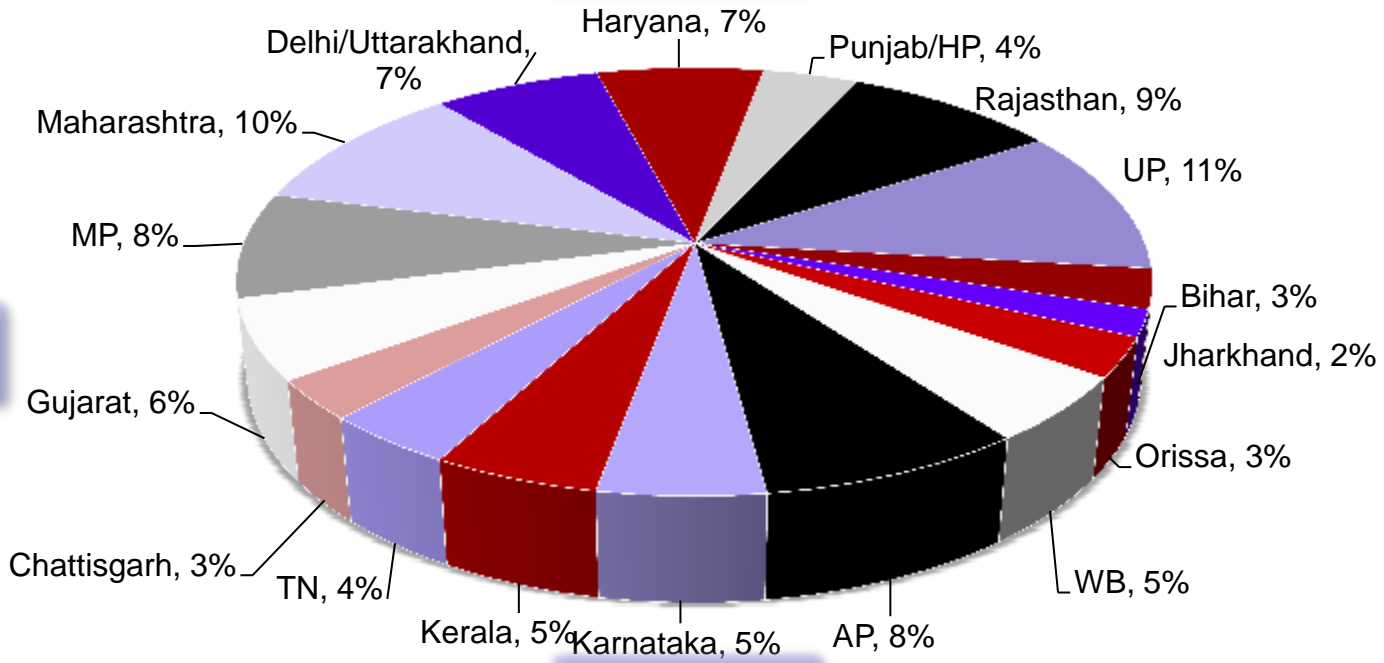
Includes Off B/S loan assets and values in Rs crore



State-wise Loan Assets Breakup

Total Loan Assets: Rs. 18,295 crore

North: 38%



West: 27%

East: 13%

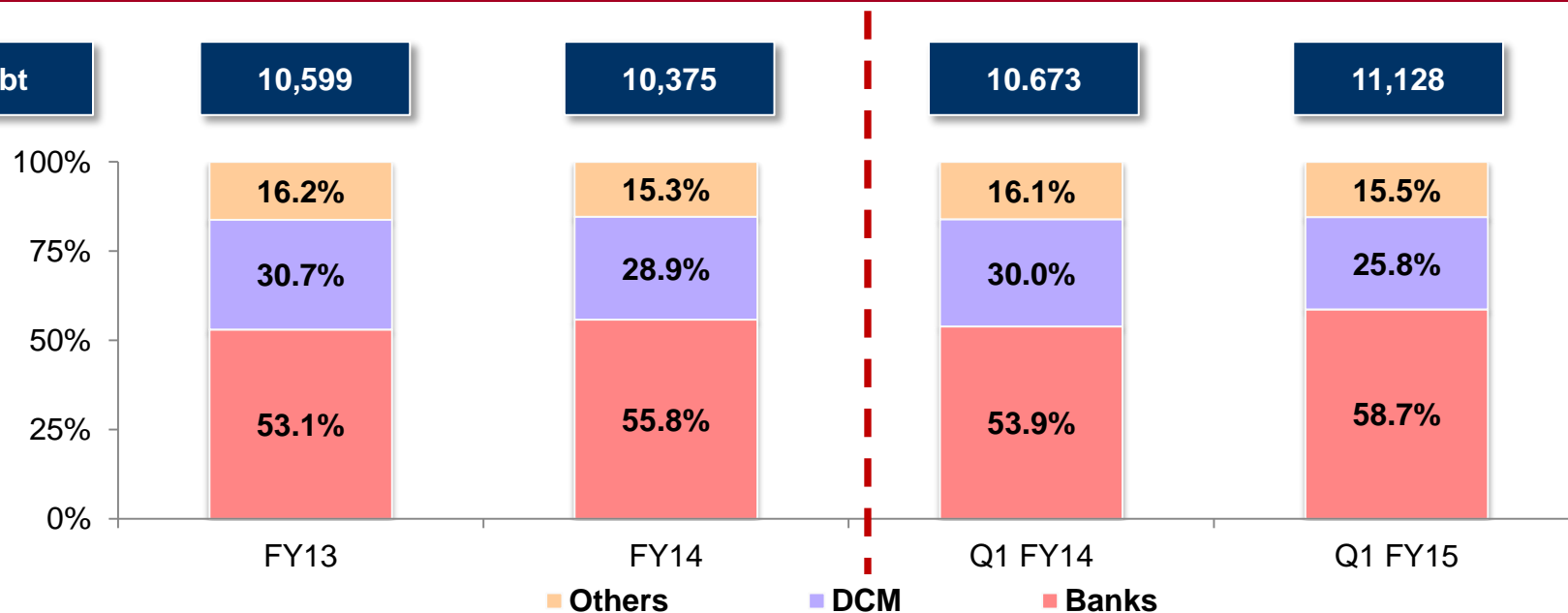
South: 22%

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

Includes Off B/S loan assets



Liability Profile



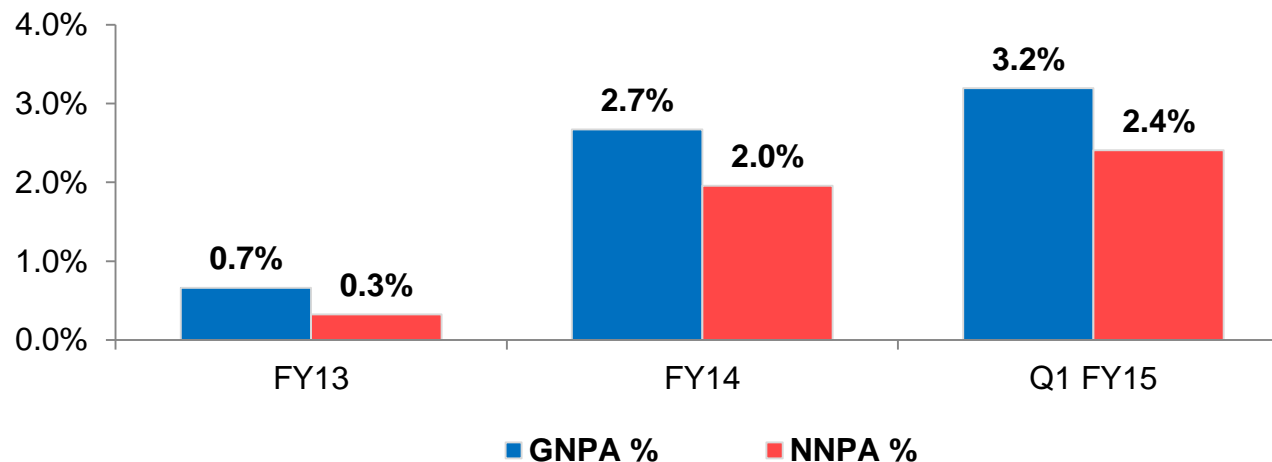
Instrument	Rating
Short term Debt	A1+
Long term Debt	AA
Preference Capital	AA-
Subordinate Debt	AA-

- Diversified liability sources limit concentration risk, allows stable flow of funds and improved rating, all leading to lower costs
- Consortium of 22 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 PDI, 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 Provisioning

NPA Provisions (% of Total Loan Assets) @ as per RBI norms



NNPA factors in the higher than required provisions already made by Magma

- Magma follows conservative NPA recognition at 4 months default & creates higher provision compared to RBI norms
- Magma recognises income on securitised assets on receipt basis

P&L Statement (Consolidated)

	Q1 FY15	Q1 FY14	Q4 FY14	% Change		FY14	FY13
				Y-o-Y	Q-o-Q		
Income from Ops.	544.3	500.2	553.0	9%	-2%	2,081.3	1,651.6
Interest Expenses	293.5	282.0	297.9	4%	-1%	1,177.1	926.2
Net Operating Income	250.8	218.2	255.1	15%	-2%	904.2	725.4
Other Income	9.4	9.5	8.2	-1%	14%	36.1	49.9
Net Total Income	260.2	227.7	263.3	14%	-1%	940.4	775.2
Prov./Write Offs	49.4	37.3	51.5	33%	-4%	184.1	96.6
Post Prov Profit	210.8	190.5	211.8	11%	0%	756.3	678.6
Operating Expenses	159.5	127.6	160.7	25%	-1%	558.6	466.2
:Personnel Expenses	82.3	54.8	72.4	50%	14%	243.1	204.0
:Other Expenses	70.3	64.2	80.4	10%	-13%	282.4	224.6
:Depreciation	6.9	8.6	7.9	-21%	-14%	33.2	37.6
Profit Before Tax	51.3	62.9	51.2	-18%	0%	197.7	212.5
Taxes	5.5	17.5	5.3	-68%	5%	38.1	67.5
Profit After Tax	45.8	45.4	45.9	1%	0%	159.6	144.9

Values in Rs crore

Balance Sheet (Consolidated)

	Q1 FY15	Q1 FY14	Q4 FY14	% Change		FY14	FY13
				Y-o-Y	Q-o-Q		
LIABILITIES	14,068.9	13,185.8	13,178.2	7%	7%	13,178.2	13,113.8
Net Worth	1,546.4	1,441.3	1,503.8	7%	3%	1,503.8	1,397.4
Share Capital	38.0	38.0	38.0	0%	0%	38.0	38.0
Reserves and Surplus	1,508.4	1,403.3	1,465.8	7%	3%	1,465.8	1,359.4
Minority Interest	35.6	27.2	33.2	31%	7%	33.2	25.5
Preference Capital	136.8	184.0	149.8	-26%	-9%	149.8	197.0
Borrowings	10,991.3	10,489.3	10,225.6	5%	7%	10,225.6	10,401.7
Other Liabilities	1,358.8	1,044.0	1,265.8	30%	7%	1,265.8	1,092.2
ASSETS	14,068.9	13,185.8	13,178.2	7%	7%	13,178.2	13,113.8
Loan Assets	12,295.5	11,447.6	11,352.2	7%	8%	11,352.2	10,976.1
Fixed Assets	192.0	173.0	192.9	11%	0%	192.9	177.2
Other Assets	802.4	707.0	756.2	13%	6%	756.2	651.3
Cash & Bank Balance	778.9	858.2	876.9	-9%	-11%	876.9	1,309.2
TOTAL LOAN ASSETS	18,295	16,274	17,877	12%	2%	17,877	16,240

Values in Rs crore

Key Ratios (Consolidated)

	Q1 FY15	Q1 FY14	Q4 FY14	Change (in bps)		FY14	FY13
				Y-o-Y	Q-o-Q		
Total Income/Assets	16.3%	15.5%	16.6%	75	-31	16.1%	16.0%
Interest Exp/Assets	8.6%	8.6%	8.8%	4	-18	9.0%	8.7%
Gross Spreads	7.7%	6.9%	7.8%	71	-14	7.2%	7.3%
Prov & WO/Assets	1.5%	1.1%	1.5%	32	-7	1.4%	0.9%
Opex/Assets	4.7%	3.9%	4.7%	80	-6	4.2%	4.4%
PBT/Assets	1.5%	1.9%	1.5%	-41	-0	1.5%	2.0%
RoA	1.34%	1.38%	1.35%	-4	-1	1.21%	1.36%
RoE	10.64%	11.30%	10.46%	-66	18	9.55%	9.97%
CRAR							
Tier 1	11.16%	10.79%	11.52%	37	-36	11.52%	10.59%
Total	17.09%	16.62%	16.61%	47	48	16.61%	16.01%

CRAR based on MFL (Standalone) financials

Assets implies average of opening and closing balance of On B/S Assets of MFL (Consolidated)

Segment wise P&L Breakup – Q1 FY15

	Asset finance	Mortgage finance	General insurance	Consolidated
Loan Assets – Closing (GWP for insurance biz.)	16,325	1,970	107	18,295
NIM	5.80%	5.13%	N/A	5.76%
Total Income	488.0	64.8	2.5	553.7
Finance Exp.	252.1	41.4	-	293.5
Operating Exp.	147.1	12.4	-	159.5
Provisions/Write Off	48.3	1.1	-	49.4
Profit Before Tax	40.5	9.9	2.5	51.3
Profit After Tax	38.6	6.6	1.7	45.8

- Magma HDI (general insurance JV) achieved profitability in 7th qtr of operations
- General insurance and mortgage finance businesses on track to achieve scale and positively impact operating and profitability ratios

Consolidated P&L includes 37% of the values reflected in P&L for insurance business; Values in Rs crore

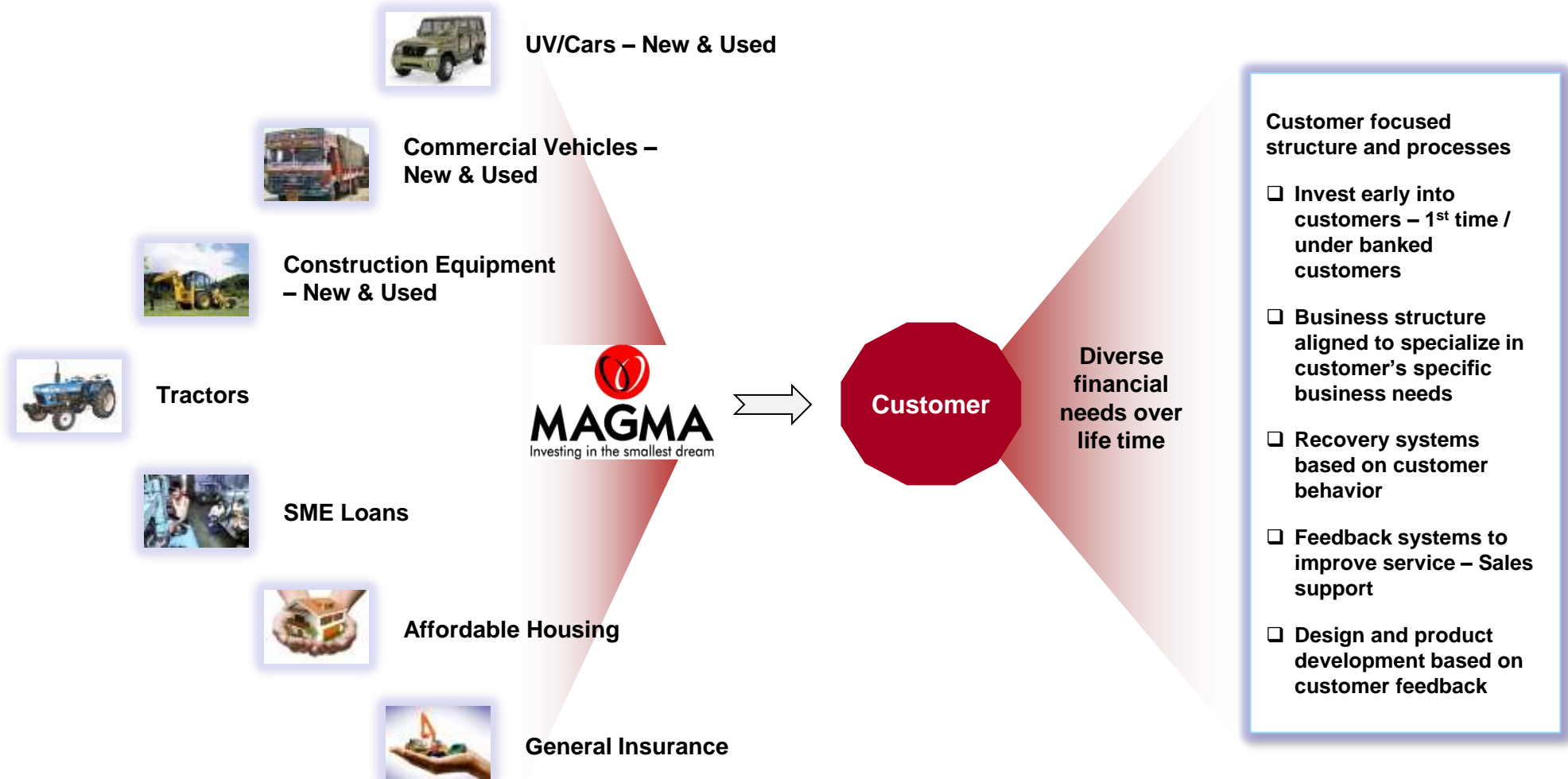
Financial Results – FY14

Business Overview and Strategy

Leadership Team

Annexures

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)
UV/Cars	<ul style="list-style-type: none"> Entry level vehicles and UV/MUV Small Road Transport Operator (SRT0) 	<ul style="list-style-type: none"> Rural markets and UV/MUV segment Tie up with car manufacturers 	450	70%	46
Commercial Vehicles (CV)	<ul style="list-style-type: none"> 1-5 vehicle owners (esp .FTB segment) SRT0 	<ul style="list-style-type: none"> LCV & SCV Tie up with CV manufacturers 	700	85%*	44
Construction Equipment	<ul style="list-style-type: none"> Small Scale Entrepreneurs 	<ul style="list-style-type: none"> Increase collaboration with OEMS Wider product range 	2200	81%	41
Used Assets	<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) 	450	72%	35
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 	350	63%	45
SME Loans	<ul style="list-style-type: none"> SME segment Working capital, business expansion 	<ul style="list-style-type: none"> MSME segment 	2300	NA	32
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 disbursements done in Q1 FY15

* 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%



MAGMA
Investing in the smallest dream

Vertically Aligned Business Model

Product-wise Verticals

Collections Vertical

Integrators

AFC

- UV/Cars
- CV
- CE
- Used Assets
- Tractor
- SME Loans

HFC

- Home Loan
- LAP

Insurance

- General Insurance

Based on Customer Behaviour

- Soft Bkt: 0 dpd (all), 1-30 dpd (retail)
- 31 - 90 dpd - Retail
- 91 - 180 dpd – Retail
- 1 - 180 dpd High Ticket
- 181 - 730 dpd
- 730+ dpd and S&S
- Legal Recovery

Marketing

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

Risk Management

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

Product wise Functions

Sales

Credit

Operations

Product Development

Channel Management

Supported by Marketing

Strategy

- Inorganic opportunities

People Management

- Leadership & development, Succession planning, Training & retention

Technology

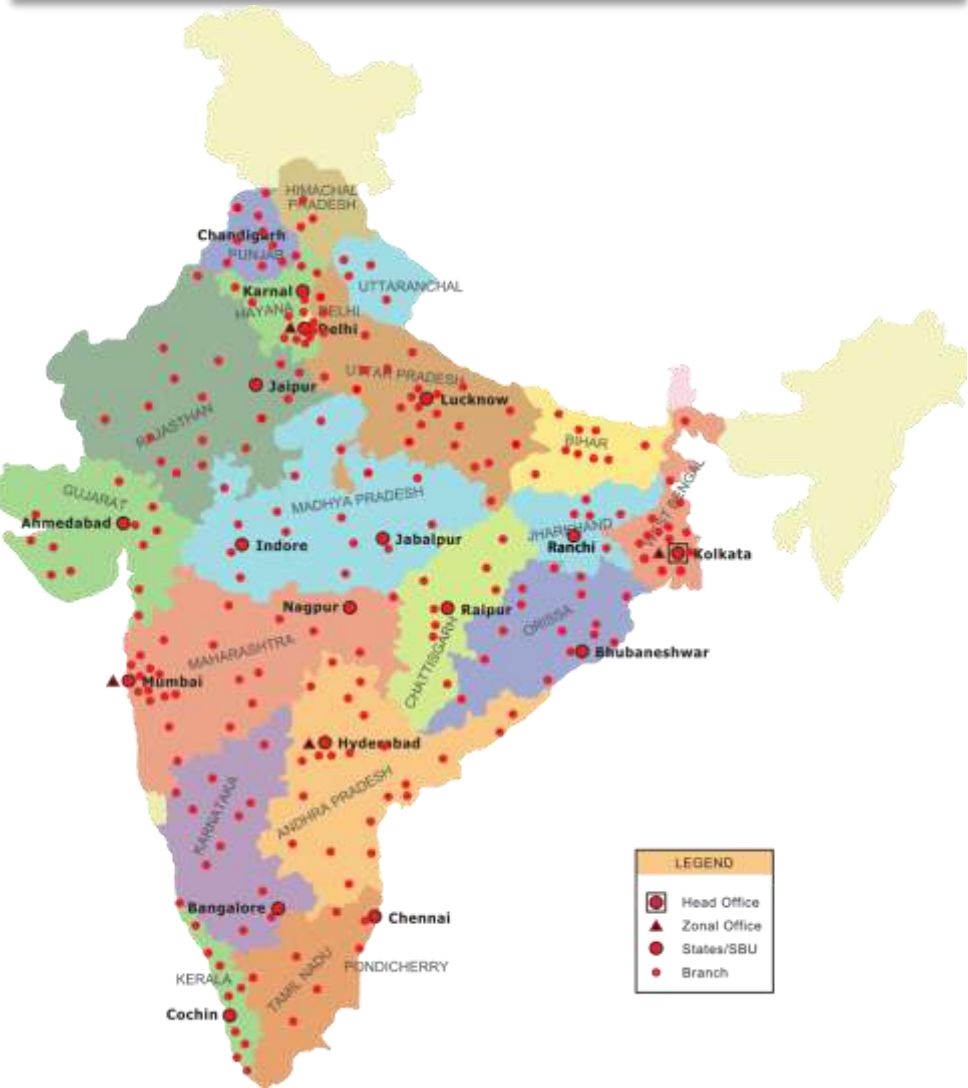
Operations

Finance / Treasury

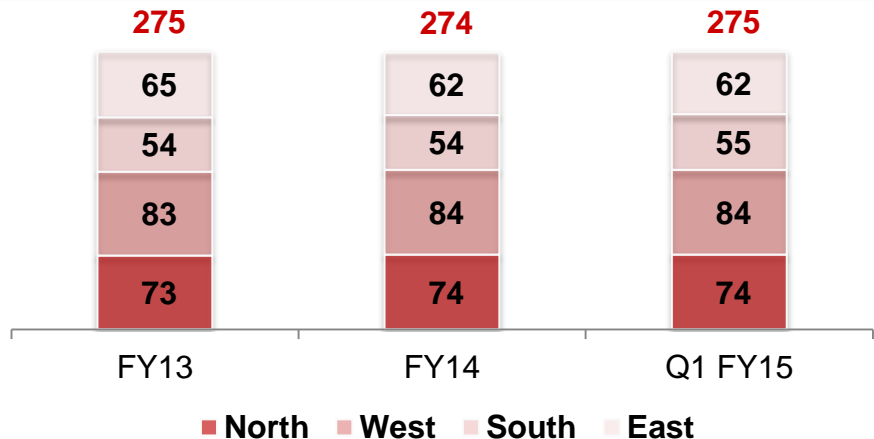
Audit

Branch Network

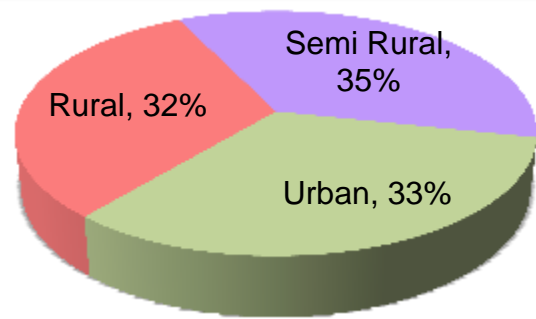
Pan - India Reach



Region-wise Distribution of Branch Network



Rural Urban Breakup of Branch Network *



- 275 branches across 22 states / union territories
- Coverage of over 75% of ~670 districts in India*
- 10,240 employees including 9,162 front line staff

* As on 30th June 2014

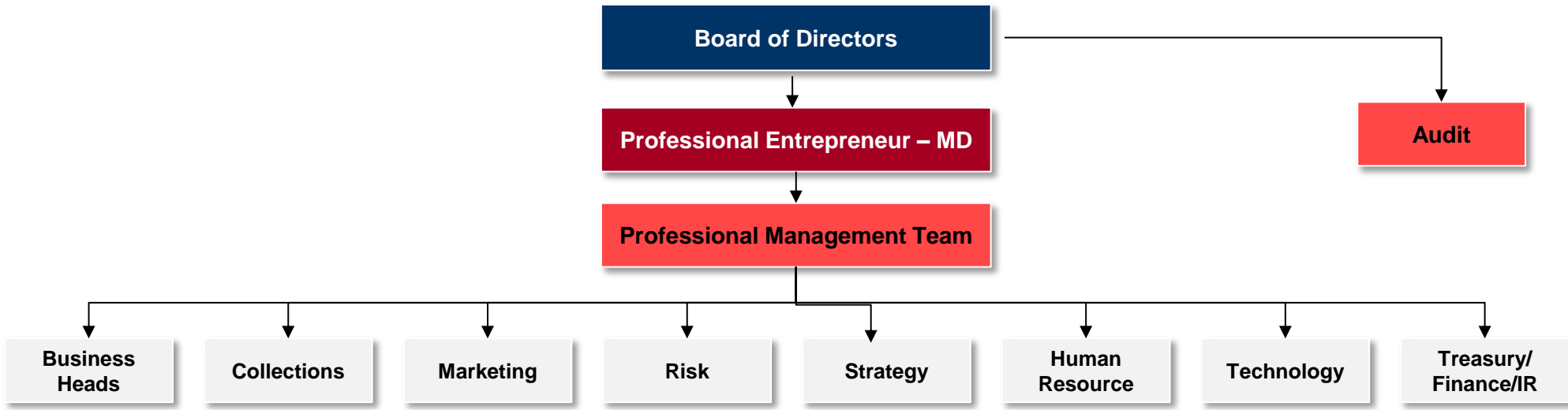
Financial Results – FY14

Business Overview and Strategy

Leadership Team

Annexures

Board of Directors



Promoter Directors

- Mayank Poddar**
Chairman
 - Supports policy formulation and guidance to the Management/Board
 - Over 30 years of experience in the financial sector.
- Sanjay Chamria**
VC and MD
 - 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
- 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
- Narayan K Seshadri**
 Entrepreneur consultant. Former Country Head - KPMG Consulting & Head of Business Consulting in Arthur Andersen
- Satya Brata 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.
- 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

^K.N. Bhandari resigned from the Board from close of business of 14th May 2014



Management Team

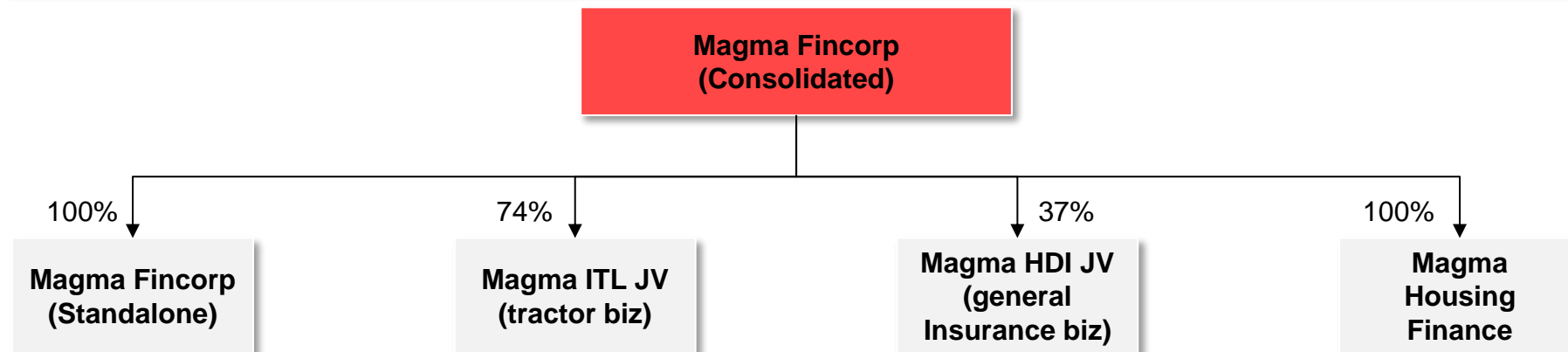
Business Heads	Ashutosh Shukla	Chief- Risk, Credit & Operations, Asset Financing Business	Experience of over 25 years in Magma and Consortium Finance. Setup North and West Zone business and headed collections vertical in Magma earlier
	Sachin Khandelwal	MD & CEO, Magma Housing Finance; Chief Sales Officer ABF	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 –Product & Program	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

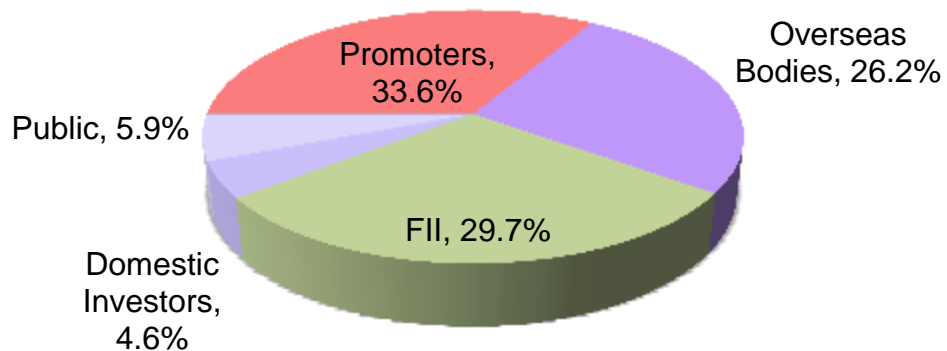


Shareholding

Holding Structure



Shareholding of Magma Fincorp



Top Non Promoter Shareholders

- KKR
- IFC, Washington
- Chrys Capital (Lavender Investments Ltd)
- India Capital Fund Ltd
- Bank Muscat S A O G

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 – FY14

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Profit & Loss Statement (Consolidated)

Particulars	Q1 FY15	Q1 FY14	YoY %	FY14	FY13
Income from Operations	544.3	500.2	9%	2,081.3	1,651.7
Other Income	9.4	9.5	-1%	36.1	49.8
Total Income	553.7	509.7	9%	2,117.4	1,701.5
Finance Costs	293.5	282.0	4%	1,177.1	926.2
Employee Benefit Expenses	82.3	54.8	50%	243.1	204.0
Depreciation	6.9	8.6	-21%	33.2	37.6
Brokerage & commission	31.6	26.8	18%	112.9	92.9
Provisions against Standard Assets	2.6	1.2	124%	0.2	14.0
Provision for NPA/ Writeoffs	46.8	36.1	30%	183.9	82.6
Other Expenses	38.7	37.4	3%	169.4	131.6
Total Expenses	502.4	446.8	12%	1,919.7	1,489.0
Profit Before Tax	51.3	62.9	-18%	197.7	212.5
Tax (incl. Deferred Tax)	5.5	17.5	-68%	38.1	67.5
Profit After Tax	45.8	45.4	1%	159.6	144.9
Earnings per share (Rs.)	2.1	2.1	1%	7.3	6.6

All values in Rs crore

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

Balance Sheet (Consolidated)

Particulars	Jun-14	Jun-13	Mar-14	Mar-13
Shareholder Funds				
Equity capital	38.0	38.0	38.0	38.0
Preference Capital	136.8	184.0	149.8	197.0
Reserves & Surplus	1,508.4	1,403.3	1,465.8	1,359.4
Fair value change account	0.0	0.0	0.0	-
Share application money pending allotment		0.5		
Net Worth	1,546.4	1,441.8	1,503.8	1,397.4
Minority Interest	35.6	27.2	33.2	25.5
Non Current Liabilities	3,920.2	4,116.2	3,404.2	4,006.7
Current Liabilities	8,429.9	7,416.6	8,087.1	7,487.2
Total Liabilities	14,068.9	13,185.8	13,178.2	13,113.8
Non Current Assets				
Fixed assets (incl op lease)	200.7	183.2	198.0	190.2
Non Current Investments	290.5	204.8	292.0	199.6
Other Non Current Assets/ Long term Loans & Advances	8,369.3	7,365.7	7,588.6	7,431.9
Current Assets				
Cash & Bank balances	778.9	773.3	826.6	1,217.8
Current Investments	112.8	109.0	109.9	67.3
Other Current Assets/ Short term Loans & Advances etc.	4,316.7	4,549.9	4,163.0	4,006.9
Total Assets	14,068.9	13,185.8	13,178.2	13,113.8

All values in Rs crore

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

Profit & Loss Statement (Standalone)

Particulars	Q1 FY15	Q1 FY14	YoY %	FY14	FY13
Income from Operations	470.6	449.2	5%	1,846.8	1,568.3
Other Income	8.0	7.9	1%	28.9	37.9
Total Income	478.6	457.1	5%	1,875.7	1,606.2
Finance Costs	258.3	254.6	1%	1,055.2	887.4
Employee Benefit Expenses	66.2	49.2	34%	213.1	202.8
Depreciation	6.9	8.6	-21%	33.1	36.7
Brokerage & commission	30.4	26.2	16%	110.3	91.5
Provisions against Standard Assets	2.0	1.2	67%	-0.9	12.0
Provision for NPA/ Writeoffs	45.0	31.4	43%	162.3	74.1
Other Expenses	32.1	27.0	19%	124.2	122.5
Total Expenses	440.7	398.3	11%	1,697.3	1,427.0
Profit Before Tax	37.9	58.8	-36%	178.4	179.2
Tax (incl. Deferred Tax)	3.3	15.5	-79%	42.8	56.4
Profit After Tax	34.6	43.4	-20%	135.5	122.8
Earnings per share (Rs.)	1.7	2.1	-20%	6.4	5.7
Book Value per share (Rs.)	68.1	63.9	7%	66.5	61.8

All values in Rs crore

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

Balance Sheet (Standalone)

Particulars	Jun-14	Jun-13	Mar-14	Mar-13
Shareholder Funds				
Equity capital	38.0	38.0	38.0	38.0
Preference Capital	101.2	148.4	114.2	161.4
Reserves & Surplus	1,259.9	1,179.1	1,226.0	1,135.6
Share application money pending allotment		0.5		
Net Worth	1,297.9	1,217.6	1,264.0	1,173.6
Non Current Liabilities	3,338.4	3,552.4	2,942.6	3,410.0
Current Liabilities	7,335.0	6,844.9	6,997.1	6,996.8
Total Liabilities	12,072.5	11,763.3	11,318.0	11,741.9
Non Current Assets				
Fixed assets (incl op lease)	184.9	167.4	182.1	174.4
Non Current Investments	204.1	218.8	224.4	220.5
Other Non Current Assets/ Long term Loans & Advances	6,841.4	6,258.9	6,203.2	6,322.4
Current Assets				
Cash & Bank balances	723.1	749.8	695.4	1,164.0
Current Investments	90.5	73.5	96.4	64.9
Other Current Assets/ Short term Loans & Advances etc.	4,028.6	4,295.0	3,916.5	3,795.6
Total Assets	12,072.5	11,763.3	11,318.0	11,741.9

All values in Rs crore

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

Profit & Loss Statement: Magma ITL (MITL)

Particulars	Q1FY15	Q1FY14	YoY %	FY14	FY13
Income from Operations	36.7	30.0	23%	136.8	101.0
Other Income	-	0.6	NA	0.4	-
Total Income	36.7	30.6	20%	137.2	101.0
Finance Costs & Other Costs	14.7	12.4	18%	61.5	42.5
Operating Expenses	11.9	8.9	34%	41.1	21.5
Provisions against Standard Assets	0.2	0.2	NA	0.1	0.8
Credit Loss	-0.4	0.8	-150%	7.4	0.0
Total Expenses	26.4	22.3	18%	110.1	64.8
Profit Before Tax	10.3	8.3	24%	27.1	36.2
Profit After Tax	9.1	6.0	51%	30.8	24.4

All values in Rs crore

Profit & Loss Statement: Magma Housing Finance (MHF)

Particulars	Q1 FY15	Q1 FY14	FY14	FY13*
Total Income	38.4	25.7	121.6	85.3
Total Income	38.4	25.7	121.6	85.3
Finance Costs	23.9	17.6	76.0	44.1
Operating Expenses	11.5	6.9	34.5	20.2
Provision & Writeoffs	1.0	2.2	6.7	1.8
Total Expenses	36.3	26.7	117.2	66.1
Profit Before Tax	2.1	-1.0	4.5	19.2
Profit After Tax	1.4	-0.7	2.6	12.6

All values in Rs crore

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

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

Particulars	Q1 FY15	Q1 FY14	FY14	FY13
Gross Written Premium	106.8	71.1	429.9	95.8
Net Earned Premium	94.7	26.8	228.2	14.3
Claims Incurred	75.0	23.7	193.6	12.5
Net Commission	3.4	3.0	14.8	3.2
Management Expenses	27.4	17.1	90.0	29.6
Underwriting Profit/Loss	-11.1	-17.0	-70.2	-31.1
Investment Income	13.6	6.7	36.9	19.2
PBT	2.5	-10.3	-33.3	-13.5
PAT	1.7	-10.3	-23.3	-9.4

All values in Rs crore