

# *Reaching New Heights in Retail Finance*



*Magma Fincorp Limited  
Q1 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 – Q1 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	•	•	•	•	15-18	45-50%	120-180
	General Insurance	•	•	•	•			

Numbers indicative of disbursements done during Q1 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
- 20% of total mortgage business sourced from 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.15 Lakh average ticket size

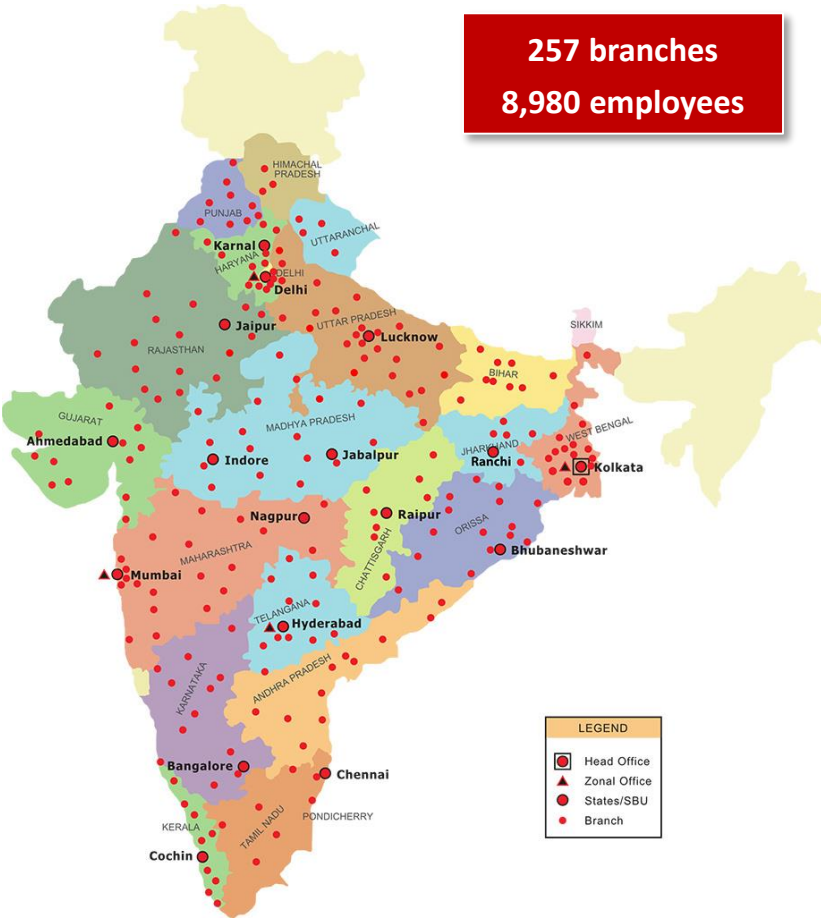
### • GENERAL INSURANCE

- 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

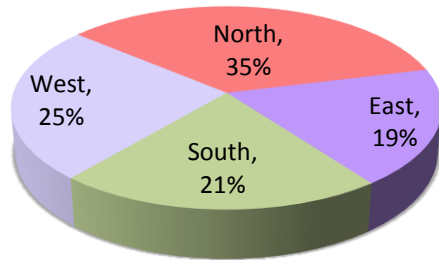
# Competitive Strength: Widespread pan India coverage

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

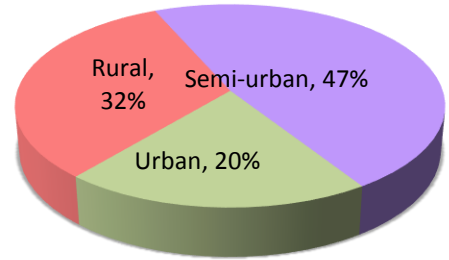


- Hub and spoke model with wide coverage led to presence in point of sales enabling sourcing from 1,900 talukas and 2,900 locations
- Tablet usage has led to superior sales productivity, better market coverage, improved channel and customer experience
- Focus on asset-light model: Field executives come to branch office once a week; technology solutions enable them to conduct business from channel/customer location
- Strong customer engagement through 6600+ 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> Jun 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 3600 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

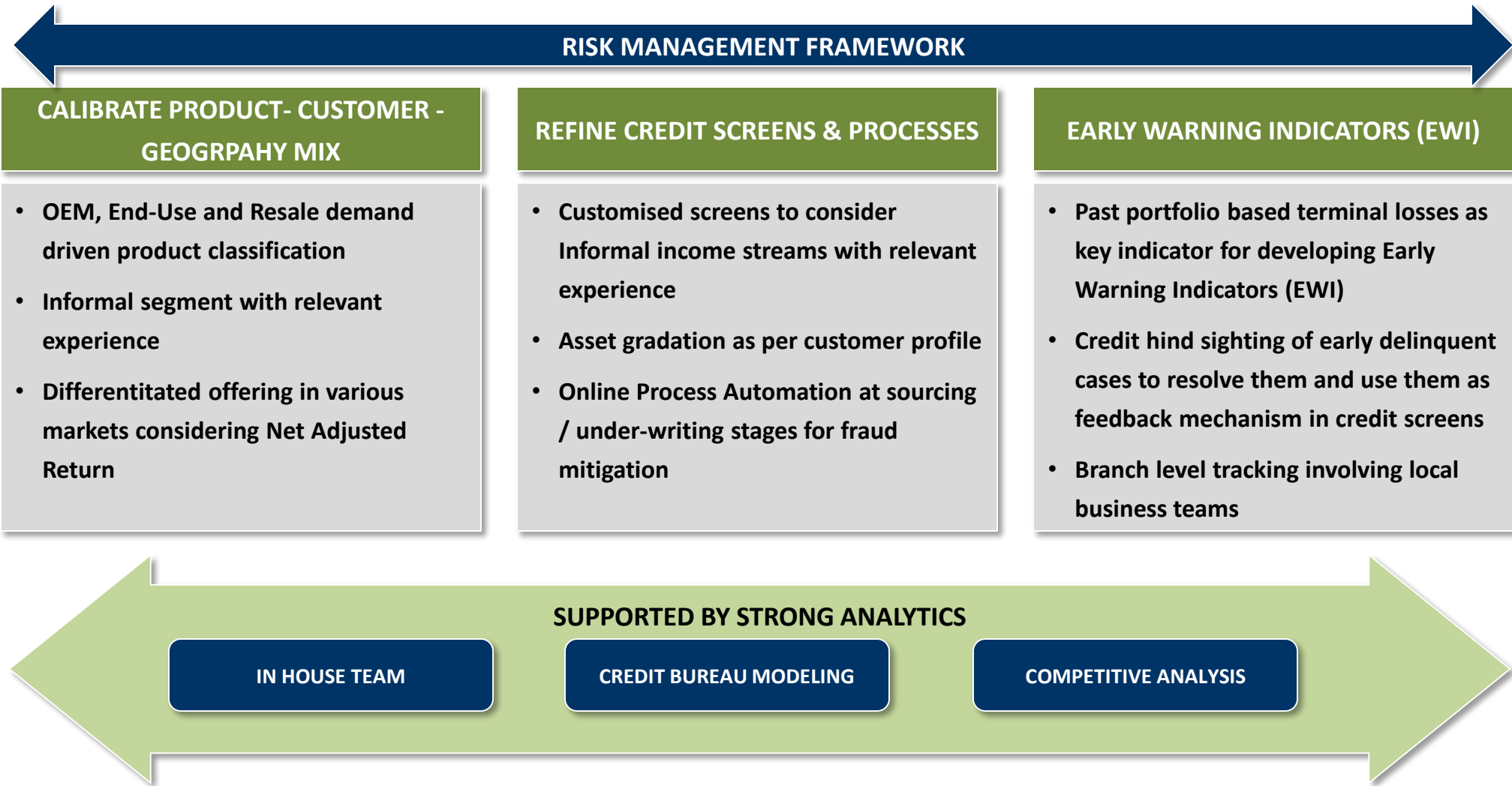
## PROCESS

- 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



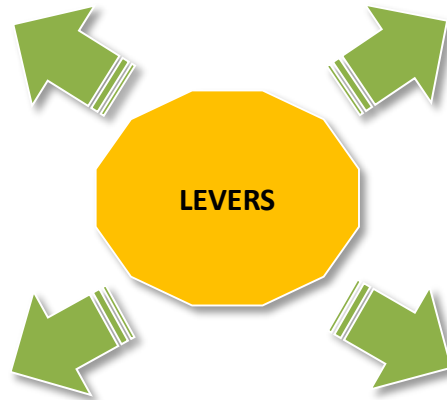
# Business Strategy: Focus on sustained profitable growth

## 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.
- **Sanitation & Drinking Water Facility in Schools** : Identified 50 schools for the rural poor. Through FICCI SEDF

## 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*



**MAGMA**  
Investing in the smallest dream

# It's been a rewarding year

## AWARDS



1. Mr. Sanjay Chamria (Managing Director) was recognised as the **CEO with HR Orientation of the Year** by Genius Consultants Ltd., in association with The Times of India.
2. Magma Fincorp was awarded **ET Bengal Corporate Awards 2016** in the category of **Highest Job Creator** (above ` 1000 Crores).
3. Magma Fincorp Annual Report, 2015 bagged the **Gold Award** and ranked 39th at the **LACP Spotlight Awards 2015 (USA)**. Magma has been rated as one of the best among top brands for the 5th year in a row.
4. Magma Fincorp was honoured with the prestigious **Asia Pacific HRM Congress Awards 2015** in the category of Best Corporate Social Responsibility Practices.
5. Magma Fincorp Limited was awarded the **'Customer Service Leadership Award'** in the vehicle fleet leasing industry by **Frost & Sullivan**
6. Magma Fincorp's the **'Mission India'** campaign bagged the **'Most Creative'** and **'Platinum Award'** at the 39th LACP Spotlight Awards 2015 (USA).
7. Magma Fincorp Ltd. received the **HR Excellence Award, 2015** for **'Strong Commitment'**, recognised by Confederation of Indian Industry.
8. Magma Fincorp was awarded at the **Dataquest Business Technology Awards** in the Analytics category for its business intelligence solution, BEAM.
9. 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.



## Other Awards

10. Ms. Janet Gasper Chowdhury (Chief People Officer) was recognised as one of the **100 Most Talented Global HR Leaders** at the 23rd edition of the World HRD Congress, hosted by CHRO Asia.
11. Mr. Kaushik Sinha (Vice President – CorpComm, CSR & admin) was recognised as one of the **100 most Impactful CSR Leaders in India by World CSR Day**.
12. Ms. Janet Gasper Chowdhury (Chief People Officer) was honoured as **One of the 100 Most Influential HR Leaders in India** by CHRO Asia.
13. Mr. Suryakant Mishra (AVP – CorpComm) won **"Best Corporate Presentation in Corporate Communications"** at Asia Pacific Conference on Changing Business Practices in Current Environment, 2016.



*Bringing Equality of Opportunity to the Economically Disenfranchised*


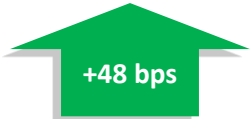




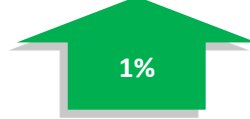
**Business Overview, Competitive Strengths and Strategy**

**Financial Results – Q1 FY17**

**Leadership Team**

**Annexures**

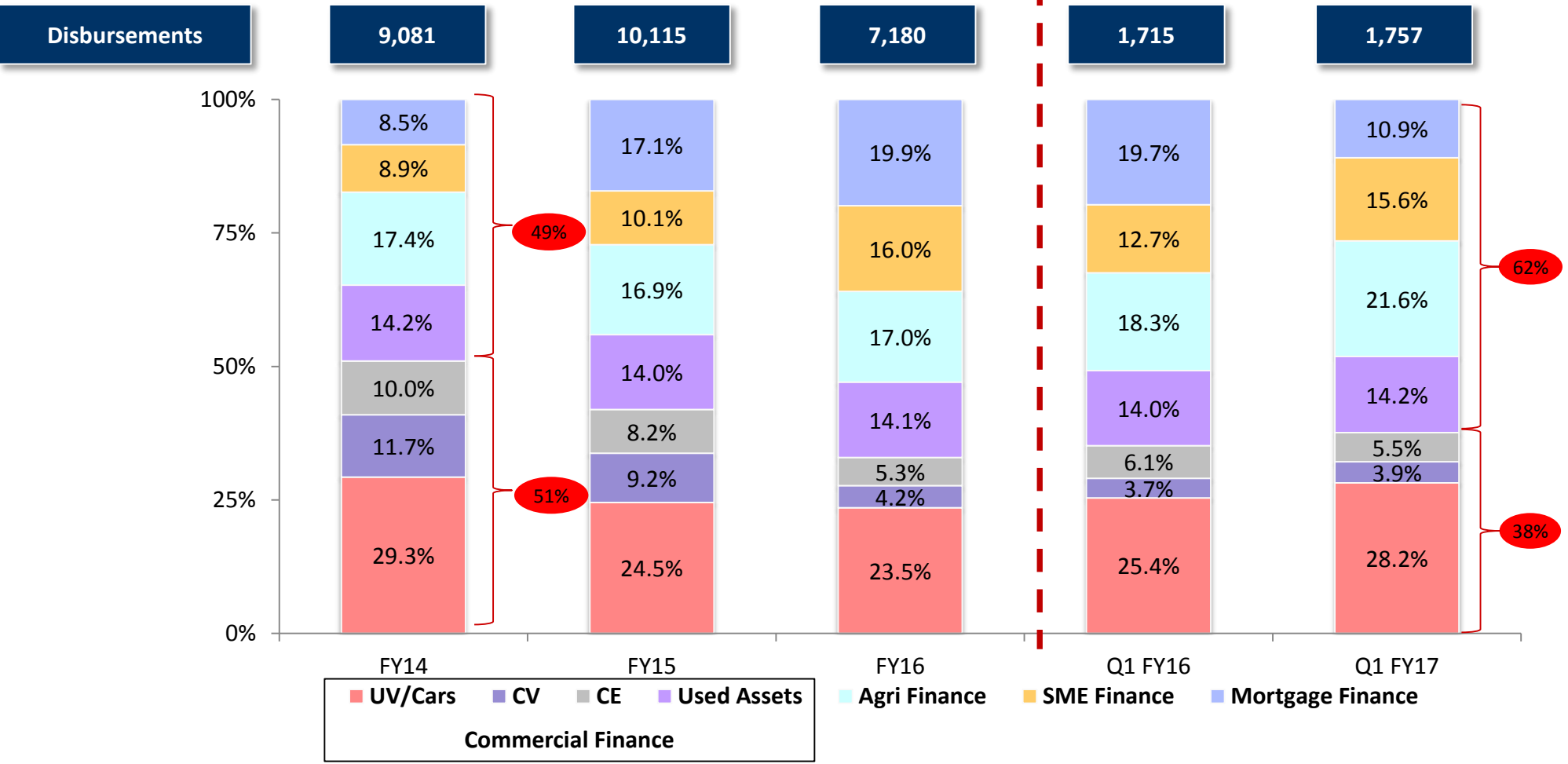
# Financial Results – Q1 FY17 (Consolidated)

Q1 FY16		Q1 FY17	
<b>Loan Assets</b> Rs 19,189 cr	<ul style="list-style-type: none"> <li>Focus on high RoA products to drive profitable growth (share increased yoy from 53% to 59%)</li> </ul>	<b>Loan Assets</b> Rs 17,796 cr	 -7%
<b>NIM</b> 6.4 %	<ul style="list-style-type: none"> <li>NIM improvement in line with strategy to alter product-customer mix</li> </ul>	<b>NIM</b> 6.9 %	 +48 bps
<b>Opex/Loan Assets</b> 3.4 %	<ul style="list-style-type: none"> <li>Control on opex has resulted in ratio being flat despite lower loan book.</li> </ul>	<b>Opex/Loan Assets</b> 3.5 %	
<b>PBT</b> Rs 57.2 cr	<ul style="list-style-type: none"> <li>PBT improvement driven by NIM expansion and opex control</li> </ul>	<b>PBT</b> Rs 65.4 cr	 +14%
<b>PAT</b> Rs 46.5 cr	<ul style="list-style-type: none"> <li>Maintained profitability even with lower loan book supported by NIM expansion and opex control</li> </ul>	<b>PAT</b> Rs 47.6 cr	 +2%
<b>RoA</b> 1.2%	<ul style="list-style-type: none"> <li>ROA has been maintained on y-o-y basis</li> </ul>	<b>RoA</b> 1.2 %	
<b>EPS</b> Rs 1.95/ share	<ul style="list-style-type: none"> <li>EPS has remained stable</li> </ul>	<b>EPS</b> Rs 1.97 / share	 1%

*Bringing Equality of Opportunity to the Economically Disenfranchised*



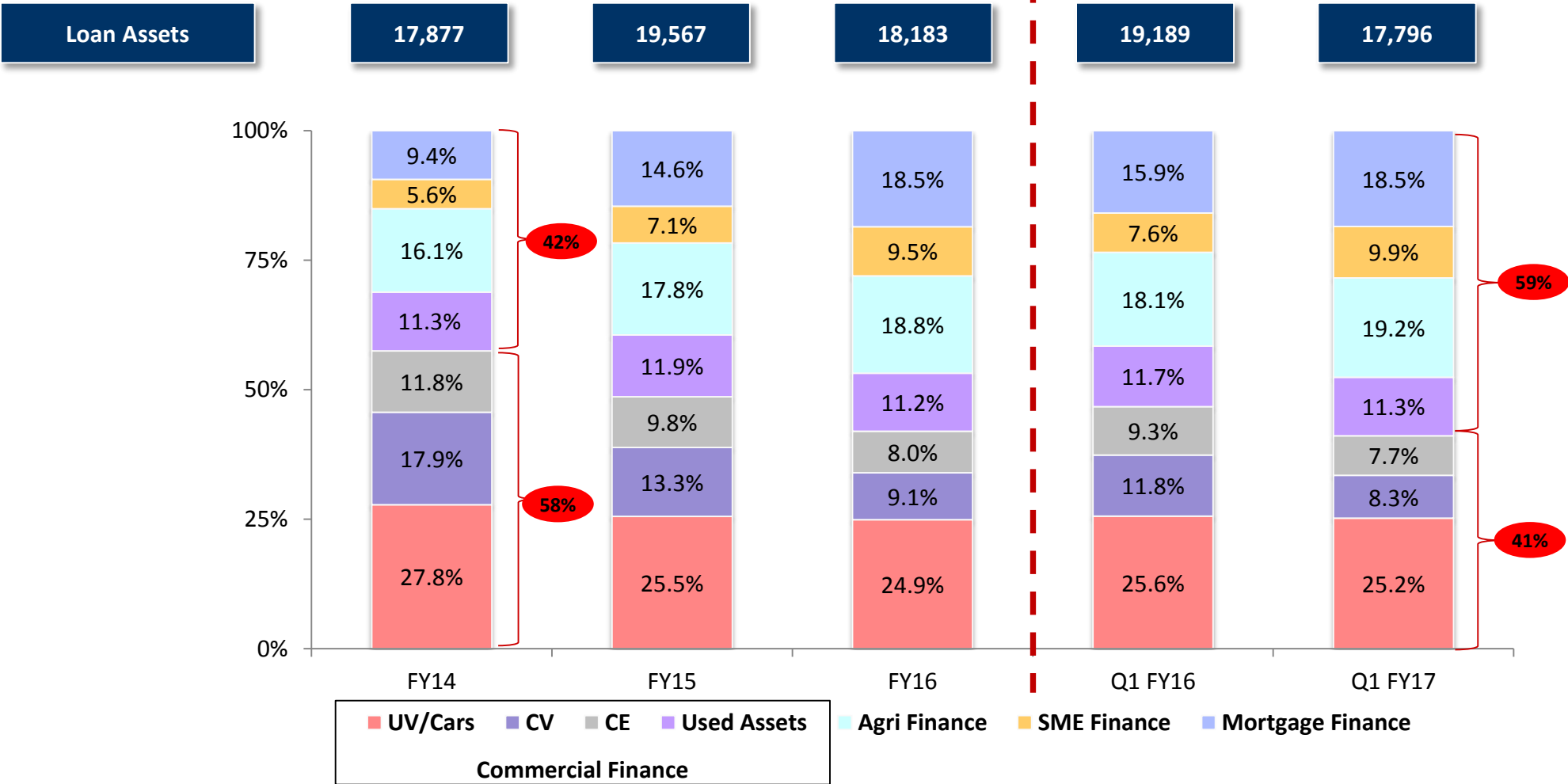
# Significant changes in disbursement mix



Values in Rs crore

*Bringing Equality of Opportunity to the Economically Disenfranchised*

# Resulting in gradual shift in loan assets mix



Values in Rs crore

*Bringing Equality of Opportunity to the Economically Disenfranchised*



# Loan assets and NIM expansion

**Loan Assets**

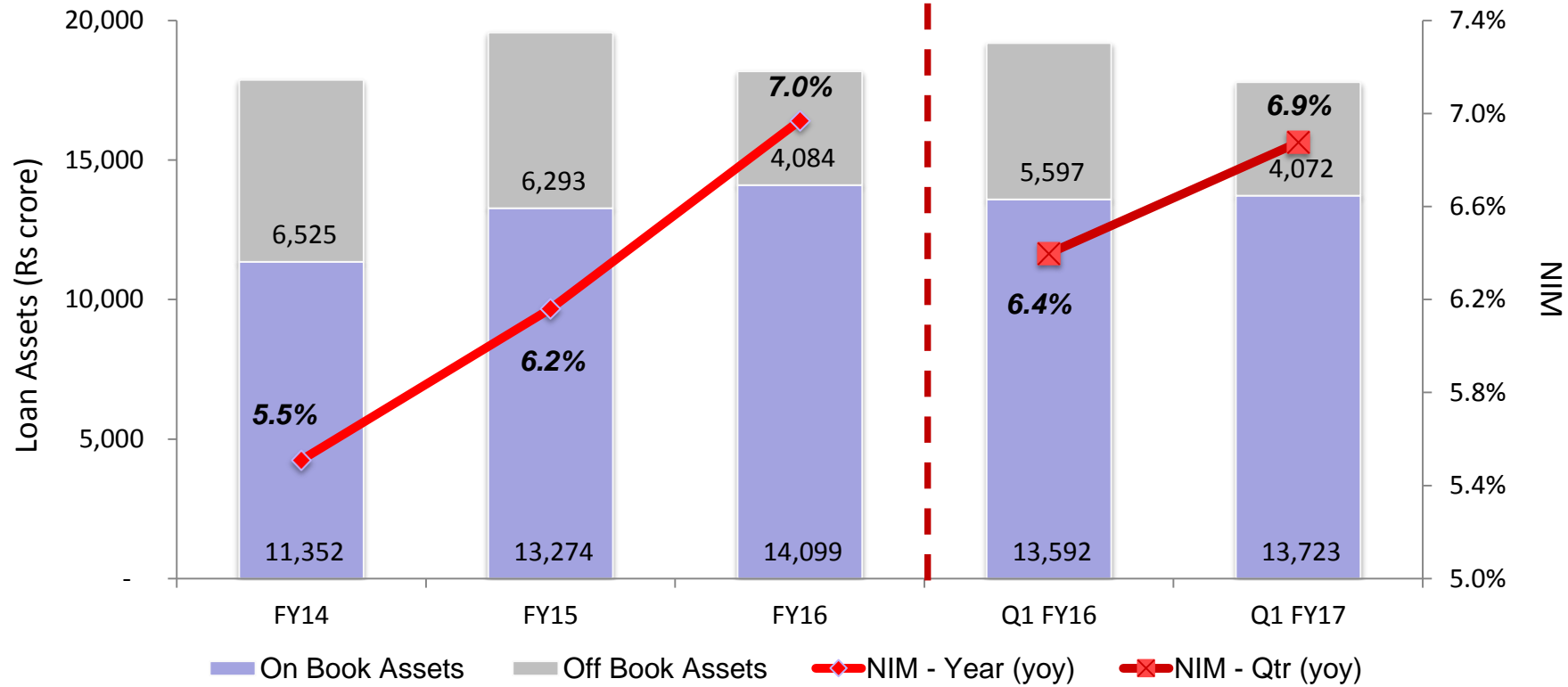
**17,877**

**19,567**

**18,183**

**19,189**

**17,796**



• NIM expansion driven by gradual shift towards higher yielding products

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

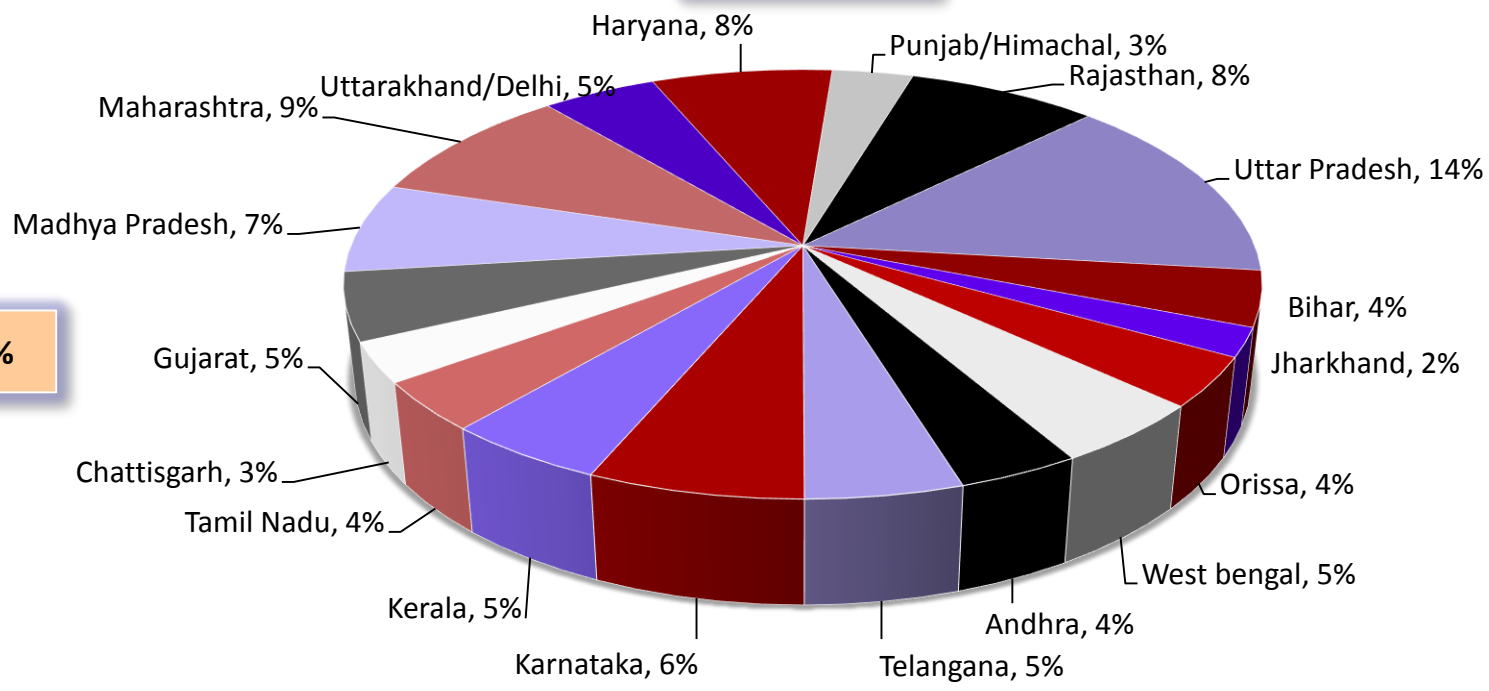
# State-wise Loan Assets Breakup

**Total Loan Assets: Rs. 17,796 crore**

**North: 38%**

**West: 24%**

**East: 15%**

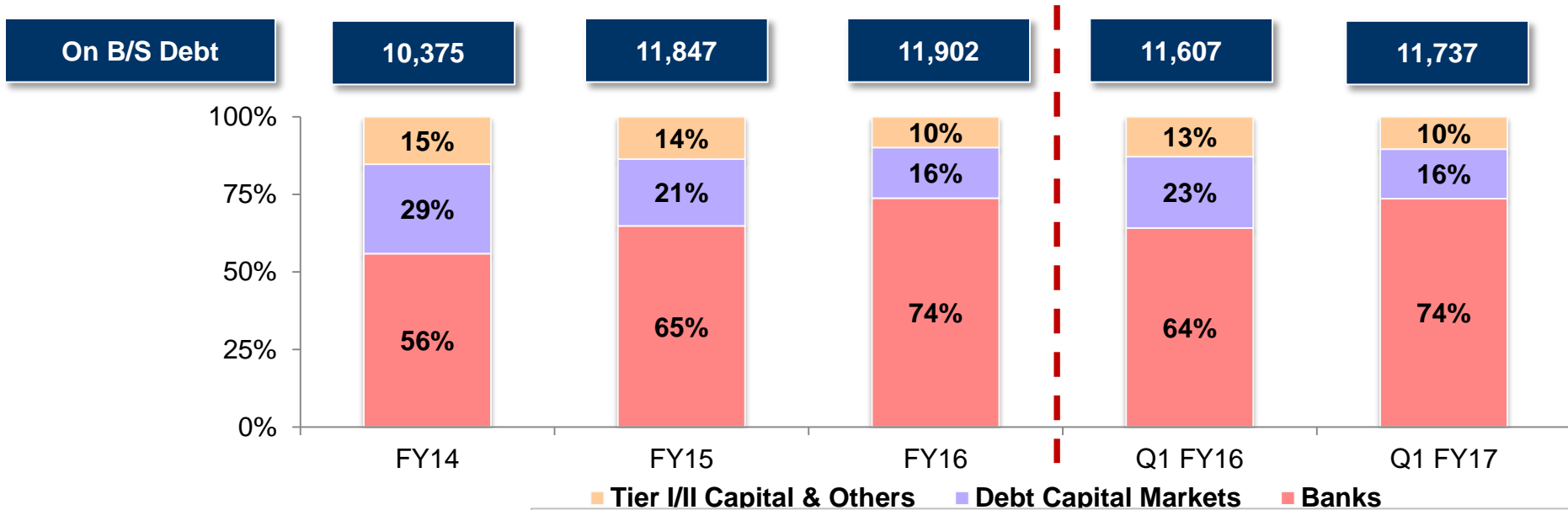


**South: 23%**

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

Value as on 30<sup>th</sup> Jun2016; Includes Off B/S loan assets

# Liability Profile



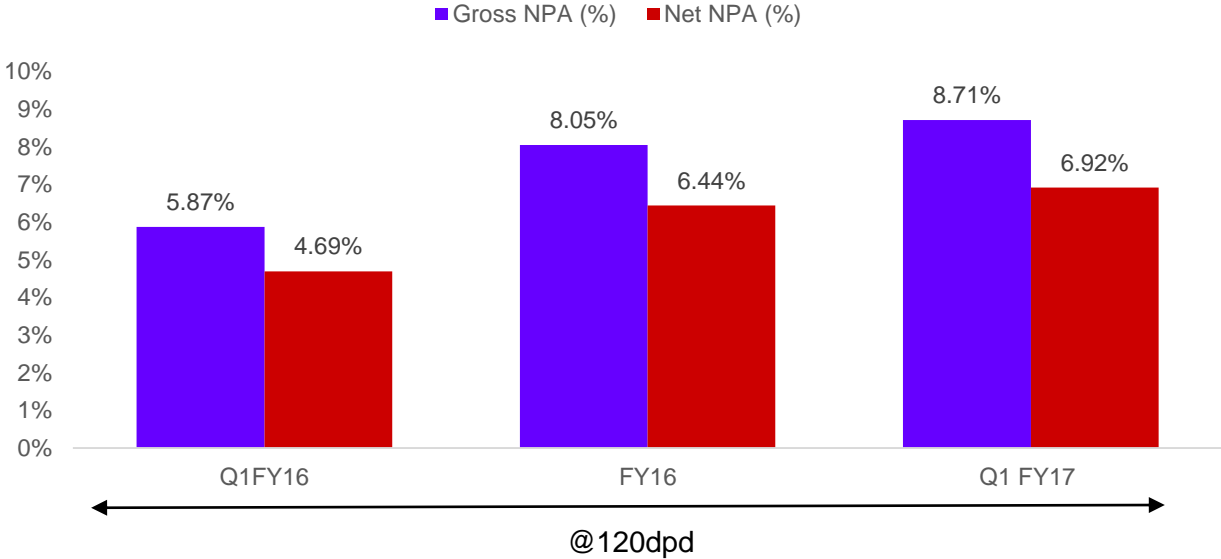
■ Tier I/II Capital & Others ■ Debt Capital Markets ■ Banks

Instrument	Rating
Short term Debt	A1+
Long term Debt	AA-
Subordinate Debt	AA-
Perpetual Debt	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)



- Reported NPAs for previous period on 120dpd to make it comparable with 1QFY17.

Based on MFL Consolidated financials

# P&L Statement (Consolidated)

	Q1 FY17	Q4 FY16	Q1 FY16	% Change		FY16	FY15
				Y-o-Y	Q-o-Q		
Income from Ops.	603.7	633.0	606.5	0%	-5%	2,472.2	2,353.6
Interest Expenses	306.2	298.0	304.5	1%	3%	1,191.6	1,232.9
<b>Net Operating Income</b>	<b>297.6</b>	<b>335.0</b>	<b>302.1</b>	<b>-1%</b>	<b>-11%</b>	<b>1,280.6</b>	<b>1,120.7</b>
Other Income	11.7	9.2	7.9	48%	28%	34.1	32.3
<b>Net Total Income</b>	<b>309.2</b>	<b>344.2</b>	<b>310.0</b>	<b>0%</b>	<b>-10%</b>	<b>1,314.7</b>	<b>1,153.0</b>
Prov./Write Offs	87.8	98.6	87.8	0%	-11%	375.0	244.4
<b>Post Prov Profit</b>	<b>221.5</b>	<b>245.6</b>	<b>222.1</b>	<b>0%</b>	<b>-10%</b>	<b>939.8</b>	<b>908.7</b>
Operating Expenses	156.1	144.1	164.9	-5%	8%	633.9	685.2
:Personnel Expenses	77.2	69.4	86.0	-10%	11%	317.2	361.8
:Other Expenses	68.1	65.7	69.2	-2%	4%	277.2	288.8
:Depreciation	10.8	9.0	9.6	12%	21%	39.5	34.6
<b>Profit Before Tax</b>	<b>65.4</b>	<b>101.5</b>	<b>57.2</b>	<b>14%</b>	<b>-36%</b>	<b>305.8</b>	<b>223.5</b>
Taxes	17.8	35.6	10.8	65%	-50%	92.3	36.2
<b>Profit After Tax</b>	<b>47.6</b>	<b>66.0</b>	<b>46.5</b>	<b>2%</b>	<b>-28%</b>	<b>213.5</b>	<b>187.3</b>

Values in Rs crore

# Balance Sheet (Consolidated)

	Q1 FY17	Q4 FY16	Q1 FY16	% Change		FY16	FY15
				Y-o-Y	Q-o-Q		
<b>LIABILITIES</b>	<b>15,450.6</b>	<b>15,523.2</b>	<b>15,299.9</b>	<b>1%</b>	<b>0%</b>	<b>15,523.2</b>	<b>14,882.5</b>
<b>Net Worth</b>	<b>2,198.5</b>	<b>2,151.3</b>	<b>2,186.8</b>	<b>1%</b>	<b>2%</b>	<b>2,151.3</b>	<b>1,654.9</b>
Share Capital	47.4	47.4	47.4	0%	0%	47.4	38.1
Reserves and Surplus	2,151.2	2,103.9	2,139.4	1%	2%	2,103.9	1,616.8
Minority Interest	42.6	41.9	41.0	4%	2%	41.9	39.8
Preference Capital	-	13.0	84.6	-100%	-100%	13.0	132.6
<b>Borrowings</b>	<b>11,737.2</b>	<b>11,889.2</b>	<b>11,522.2</b>	<b>2%</b>	<b>-1%</b>	<b>11,889.2</b>	<b>11,714.1</b>
Other Liabilities	1,472.3	1,427.8	1,465.2	0%	3%	1,427.8	1,341.1
<b>ASSETS</b>	<b>15,450.6</b>	<b>15,523.2</b>	<b>15,299.9</b>	<b>1%</b>	<b>0%</b>	<b>15,523.2</b>	<b>14,882.5</b>
<b>Loan Assets</b>	<b>13,723.2</b>	<b>14,098.9</b>	<b>13,592.4</b>	<b>1%</b>	<b>-3%</b>	<b>14,098.9</b>	<b>13,274.1</b>
Fixed Assets	229.9	233.6	192.4	20%	-2%	233.6	197.9
Other Assets	789.2	762.0	980.3	-19%	4%	762.0	774.2
Cash & Bank Balance	708.3	428.6	534.9	32%	65%	428.6	636.3
<b>TOTAL LOAN ASSETS</b>	<b>17,795.6</b>	<b>18,183.2</b>	<b>19,189.2</b>	<b>-7%</b>	<b>-2%</b>	<b>18,183.2</b>	<b>19,566.5</b>

Values in Rs crore





# Key Ratios (Consolidated)

	Q1 FY17	Q4 FY16	Q1 FY16	Change (in Bps)		FY16	FY15
				Y-o-Y	Q-o-Q		
<b>Total Income/Assets</b>	<b>15.9%</b>	<b>17.0%</b>	<b>15.7%</b>	<b>17</b>	<b>-113</b>	<b>16.5%</b>	<b>17.0%</b>
Interest Exp/Assets	7.9%	7.9%	7.8%	12	1	7.8%	8.8%
<b>Gross Spreads</b>	<b>8.0%</b>	<b>9.1%</b>	<b>7.9%</b>	<b>6</b>	<b>-114</b>	<b>8.6%</b>	<b>8.2%</b>
Prov & WO/Assets	2.3%	2.6%	2.2%	2	-35	2.5%	1.7%
Opex/Assets	4.0%	3.8%	4.2%	-19	21	4.2%	4.9%
PBT/Assets	1.7%	2.7%	1.5%	22	-100	2.0%	1.6%
<b>RoA</b>	<b>1.2%</b>	<b>1.7%</b>	<b>1.2%</b>	<b>4</b>	<b>-52</b>	<b>1.4%</b>	<b>1.3%</b>
<b>RoE</b>	<b>8.6%</b>	<b>11.7%</b>	<b>8.9%</b>	<b>-26</b>	<b>-312</b>	<b>*10.8%</b>	<b>10.7%</b>
<b>CRAR</b>							
Tier 1	15.4%	14.6%	14.0%	138	82	14.6%	11.1%
<b>Total</b>	<b>20.0%</b>	<b>18.7%</b>	<b>18.7%</b>	<b>132</b>	<b>132</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)

*Bringing Equality of Opportunity  
to the Economically Disenfranchised*

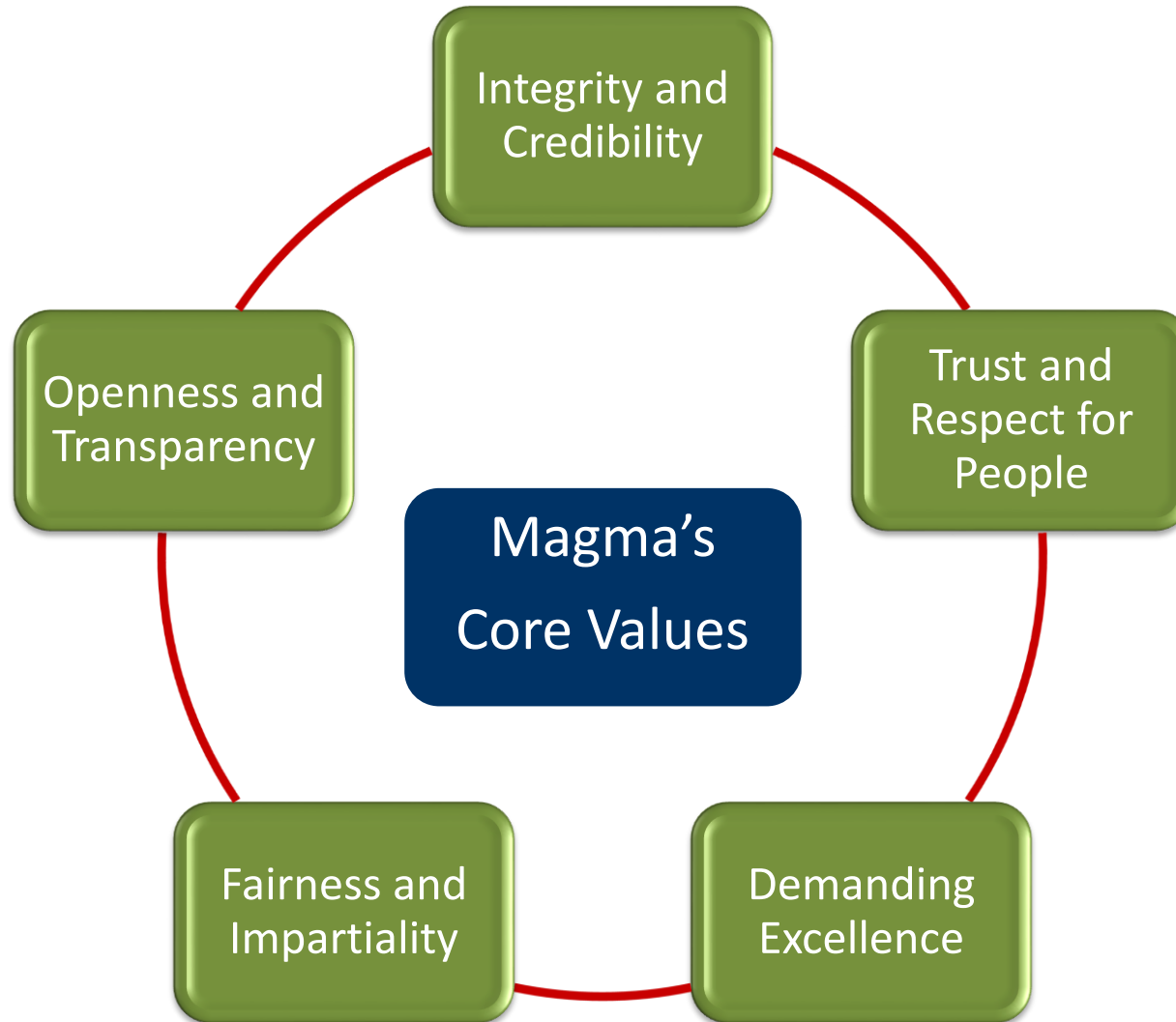
**Business Overview, Competitive Strengths and Strategy**

**Financial Results – Q1FY17**

**Leadership Team**

**Annexures**

# Strong Corporate Governance



*Bringing Equality of Opportunity  
to the Economically Disenfranchised*

## Promoter Directors

**Mayank Poddar**  
*Chairman Emeritus*

- 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

**Narayan K Seshadri**  
*Chairman*

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

**Sanjay Nayar – Non Executive Director (Nominee of KKR)**

CEO and Country Head of KKR, India. Ex CEO of Citi India & South Asia operations

**Satya Brata Ganguly**

Chairman Emeritus of Exide Industries. Serves on the Boards of various reputed Indian corporate and public bodies as an Independent Director

**Ritva Laukkanen – Non Executive Director (Nominee of IFC)**

Ex-Director in IFC. Over 3 decades of experience in investments, financial markets and development finance

**VK Viswanathan**

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.

# Management Team



**Sanjay Chamria**  
*VC and MD*  
 31 years

**Financing business**

**Sachin Khandelwal**  
*MD & CEO, HFC*  
 23 years, CEO-ICICI HFC

**Mahender Bagrodia**  
*Chief of Receivables Mgmt*  
 23 years

**Sumit Mukherjee**  
*National Business Head – ABF*  
 24 years, VP-Citicorp

**General Insurance business (Magma HDI)**

**Rajive Kumaraswami**  
*CEO-MHDI*  
 21years, SOR Indian Liaison Office

**Vikas Mittal**  
*Chief Sales Officer-MHDI*  
 23 years, MD&CEO-Enam Securities

**Support functions**

**Atul Bansal**  
*Chief Financial Officer*  
 31 years, CFO-Mu Sigma

**Janet Gasper Chowdhury**  
*Chief People Officer*  
 20 years, Director-PwC

**Jashobrata Bose**  
*Senior Vice President – Corporate Initiatives*  
 16 years, Director - Sanofi

**Kailash Baheti**  
*Chief Strategy Officer*  
 28 years, CEO-Century Extrusions

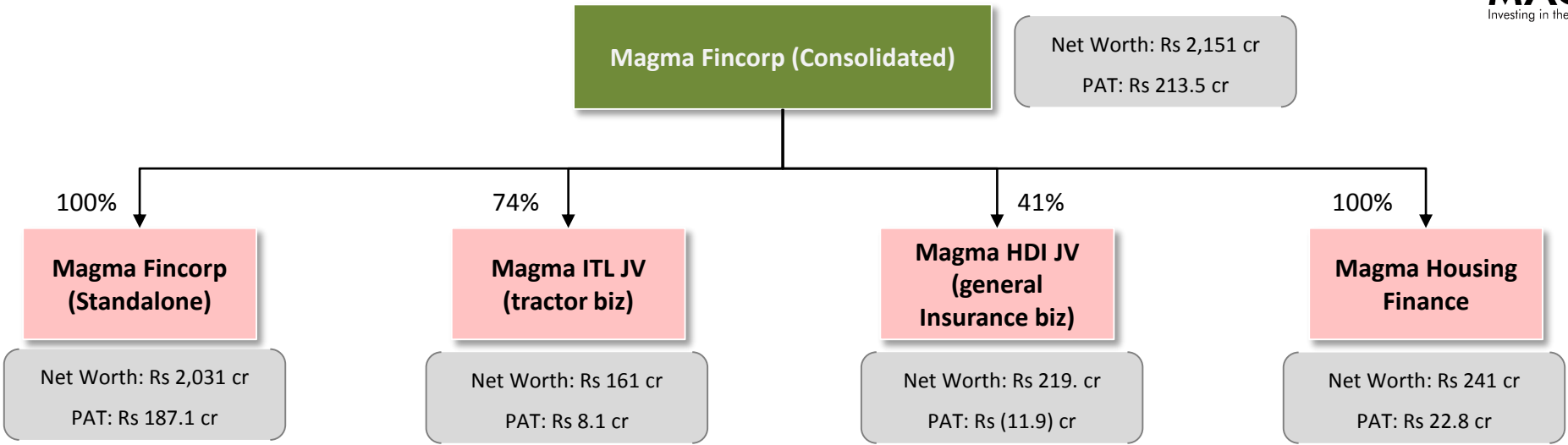
**Raj Kumar Kapoor**  
*Chief Audit Officer*  
 29 years, Chief Internal Auditor – Jubilant Organosys

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

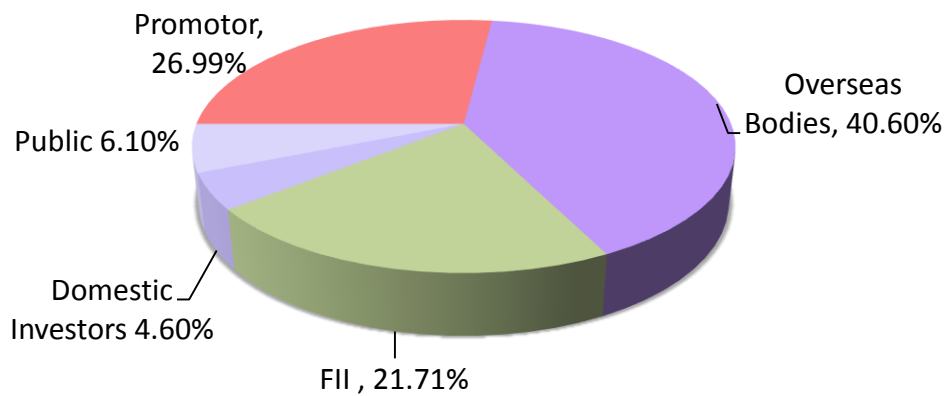
- Senior management with extensive experience both within Magma and in the industry

*Bringing Equality of Opportunity to the Economically Disenfranchised*

# Holding Structure, Shareholding Pattern and Top Shareholders



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



## Top Non Promoter Shareholders

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

• 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 – Q1 FY17**

**Leadership Team**

**Annexures**



# Profit & Loss Statement (Standalone)

	Q1 FY17	Q4 FY16	Q1 FY16	% Change		FY16	FY15
				Y-o-Y	Q-o-Q		
Income from Ops.	508.5	536.3	516.1	-1%	-5%	2,109.6	2,018.8
Interest Expenses	256.5	249.6	254.1	1%	3%	998.1	1,061.4
<b>Net Operating Income</b>	<b>252.0</b>	<b>286.7</b>	<b>261.9</b>	<b>-4%</b>	<b>-12%</b>	<b>1,111.6</b>	<b>957.3</b>
Other Income	10.1	6.6	8.2	24%	53%	29.5	27.2
<b>Net Total Income</b>	<b>262.1</b>	<b>293.3</b>	<b>270.1</b>	<b>-3%</b>	<b>-11%</b>	<b>1,141.1</b>	<b>984.5</b>
Prov./Write Offs	76.6	87.4	78.7	-3%	-12%	337.4	222.6
<b>Post Prov Profit</b>	<b>185.5</b>	<b>205.9</b>	<b>191.4</b>	<b>-3%</b>	<b>-10%</b>	<b>803.7</b>	<b>762.0</b>
Operating Expenses	130.3	120.8	139.9	-7%	8%	537.7	586.8
:Personnel Expenses	57.9	53.1	66.9	-13%	9%	246.6	289.7
:Other Expenses	61.7	58.7	63.3	-3%	5%	251.8	262.6
:Depreciation	10.8	8.9	9.6	12%	21%	39.3	34.5
<b>Profit Before Tax</b>	<b>55.2</b>	<b>85.1</b>	<b>51.6</b>	<b>7%</b>	<b>-35%</b>	<b>266.0</b>	<b>175.1</b>
Taxes	15.1	29.0	11.6	30%	-48%	78.8	26.0
<b>Profit After Tax</b>	<b>40.1</b>	<b>56.1</b>	<b>40.0</b>	<b>0%</b>	<b>-29%</b>	<b>187.1</b>	<b>149.1</b>

All values in Rs crore

## Balance Sheet (Standalone)

	Q1 FY17	Q4 FY16	Q1 FY16	% Change		FY16	FY15
				Y-o-Y	Q-o-Q		
<b>LIABILITIES</b>	<b>12,823.0</b>	<b>12,908.8</b>	<b>12,644.8</b>	<b>1%</b>	<b>-1%</b>	<b>12,908.8</b>	<b>12,311.7</b>
<b>Net Worth</b>	<b>2,071.9</b>	<b>2,031.4</b>	<b>1,910.2</b>	<b>8%</b>	<b>2%</b>	<b>2,031.4</b>	<b>1,383.6</b>
Share Capital	47.4	47.4	47.4	0%	0%	47.4	38.1
Reserves and Surplus	2,024.5	1,984.0	1,862.9	9%	2%	1,984.0	1,345.5
Preference Capital	-	13.0	49.0	-100%	-100%	13.0	97.0
<b>Borrowings</b>	<b>9,747.5</b>	<b>9,824.9</b>	<b>9,614.1</b>	<b>1%</b>	<b>-1%</b>	<b>9,824.9</b>	<b>9,814.7</b>
Other Liabilities	1,003.6	1,039.5	1,071.4	-6%	-3%	1,039.5	1,016.5
<b>ASSETS</b>	<b>12,823.0</b>	<b>12,908.8</b>	<b>12,644.8</b>	<b>1%</b>	<b>-1%</b>	<b>12,908.8</b>	<b>12,311.7</b>
<b>Loan Assets</b>	<b>11,295.1</b>	<b>11,649.9</b>	<b>11,298.1</b>	<b>0%</b>	<b>-3%</b>	<b>11,649.9</b>	<b>11,039.8</b>
Fixed Assets	164.1	168.5	175.3	-6%	-3%	168.5	180.8
Other Assets	718.1	722.9	716.4	0%	-1%	722.9	521.9
Cash & Bank Balance	645.6	367.5	454.9	42%	76%	367.5	569.2
<b>TOTAL LOAN ASSETS</b>	<b>14,942.2</b>	<b>15,159.3</b>	<b>16,528.4</b>	<b>-10%</b>	<b>-1%</b>	<b>15,159.3</b>	<b>16,921.2</b>

All values in Rs crore



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

	Q1 FY17	Q4 FY16	Q1 FY16	% Change		FY16	FY15
				Y-o-Y	Q-o-Q		
Total Income	64.2	65.3	57.5	12%	-2%	242.4	192.1
Interest Expenses	37.6	35.7	37.6	0%	5%	142.0	117.8
<b>Net Income</b>	<b>26.6</b>	<b>29.6</b>	<b>19.9</b>	<b>33%</b>	<b>-10%</b>	<b>100.5</b>	<b>74.3</b>
Prov./Write Offs	3.2	4.9	2.5	27%	-35%	11.3	7.7
Operating Expenses	14.0	14.6	13.0	8%	-4%	53.8	50.2
<b>Profit Before Tax</b>	<b>9.4</b>	<b>10.2</b>	<b>4.4</b>	<b>111%</b>	<b>-8%</b>	<b>35.3</b>	<b>16.4</b>
Taxes	3.2	3.6	1.5	111%	-11%	12.5	5.8
<b>Profit After Tax</b>	<b>6.1</b>	<b>6.6</b>	<b>2.9</b>	<b>111%</b>	<b>-7%</b>	<b>22.8</b>	<b>10.6</b>

All values in Rs crore



## Profit & Loss Statement: Magma ITL (MITL)

	Q1 FY17	Q4 FY16	Q1 FY16	% Change		FY16	FY15
				Y-o-Y	Q-o-Q		
Income from Ops.	34.5	30.7	32.9	5%	12%	120.1	140.8
Interest Expenses	15.0	14.1	12.7	18%	6%	53.0	58.7
<b>Net Operating Income</b>	<b>19.5</b>	<b>16.6</b>	<b>20.1</b>	<b>-3%</b>	<b>18%</b>	<b>67.2</b>	<b>82.1</b>
Other Income	2.1	1.5	0.8	163%	40%	5.3	5.6
<b>Net Total Income</b>	<b>21.6</b>	<b>18.1</b>	<b>20.9</b>	<b>3%</b>	<b>19%</b>	<b>72.5</b>	<b>87.8</b>
Prov./Write Offs	8.0	6.3	6.7	19%	27%	26.3	14.1
Operating Expenses	11.4	8.4	11.2	2%	35%	39.4	45.0
<b>Profit Before Tax</b>	<b>2.2</b>	<b>3.3</b>	<b>3.1</b>	<b>-30%</b>	<b>-35%</b>	<b>6.8</b>	<b>28.7</b>
Taxes	-0.5	0.8	-1.7	-69%	-166%	-1.2	3.3
<b>Profit After Tax</b>	<b>2.7</b>	<b>2.5</b>	<b>4.7</b>	<b>-44%</b>	<b>6%</b>	<b>8.1</b>	<b>25.4</b>

All values in Rs crore



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

	Q1 FY17	Q4 FY16	Q1 FY16	% Change		FY16	FY15
				Y-o-Y	Q-o-Q		
<b>Gross Written Premium</b>	<b>93.1</b>	<b>116.5</b>	<b>99.0</b>	<b>-6%</b>	<b>-20%</b>	<b>427.4</b>	<b>554.8</b>
<b>Net Earned Premium</b>	<b>80.5</b>	<b>82.5</b>	<b>101.3</b>	<b>-20%</b>	<b>-2%</b>	<b>373.2</b>	<b>406.2</b>
(-) Claims Incurred	67.8	64.7	87.8	-23%	5%	318.8	340.5
(-) Premium Deficiency Reserve	-0.4	1.4	0.4	-200%	-127%	1.5	-
(-) Net Commission	2.7	1.3	3.4	-20%	104%	11.5	18.7
(-) Management Expenses	33.0	28.4	32.5	2%	16%	126.1	121.3
<b>Underwriting Profit</b>	<b>-22.7</b>	<b>-13.3</b>	<b>-22.7</b>	<b>0%</b>	<b>70%</b>	<b>-84.8</b>	<b>-74.4</b>
(+) Investment Income	19.4	20.4	17.3	12%	-5%	78.2	83.0
<b>Profit Before Tax</b>	<b>-3.2</b>	<b>7.1</b>	<b>-5.4</b>	<b>-40%</b>	<b>-146%</b>	<b>-6.6</b>	<b>8.6</b>
(-) Taxes	0.0	5.3	-1.7	-100%	-100%	5.3	2.8
<b>Profit After Tax</b>	<b>-3.2</b>	<b>1.8</b>	<b>-3.7</b>	<b>-12%</b>	<b>-282%</b>	<b>(11.9)</b>	<b>5.8</b>

All values in Rs crore