



## *Reaching New Heights in Retail Finance*

# HELPING PEOPLE REACH OUT TO THEIR DREAMS



**Financial Results – FY15**

Business Overview and Strategy

Leadership Team

Annexures

# Key Business Highlights – FY15

#1

Focus on profitability - Consistent growth in NIM, increases to 6.16% in FY15 from 5.51% in FY14, driven by change in product-customer-location mix

#2

Loan book growth contributed by disbursement growth in mortgage, SME and used assets finance

#3

NPA recognition at 120 dpd, 2 years ahead of norms prescribed by RBI

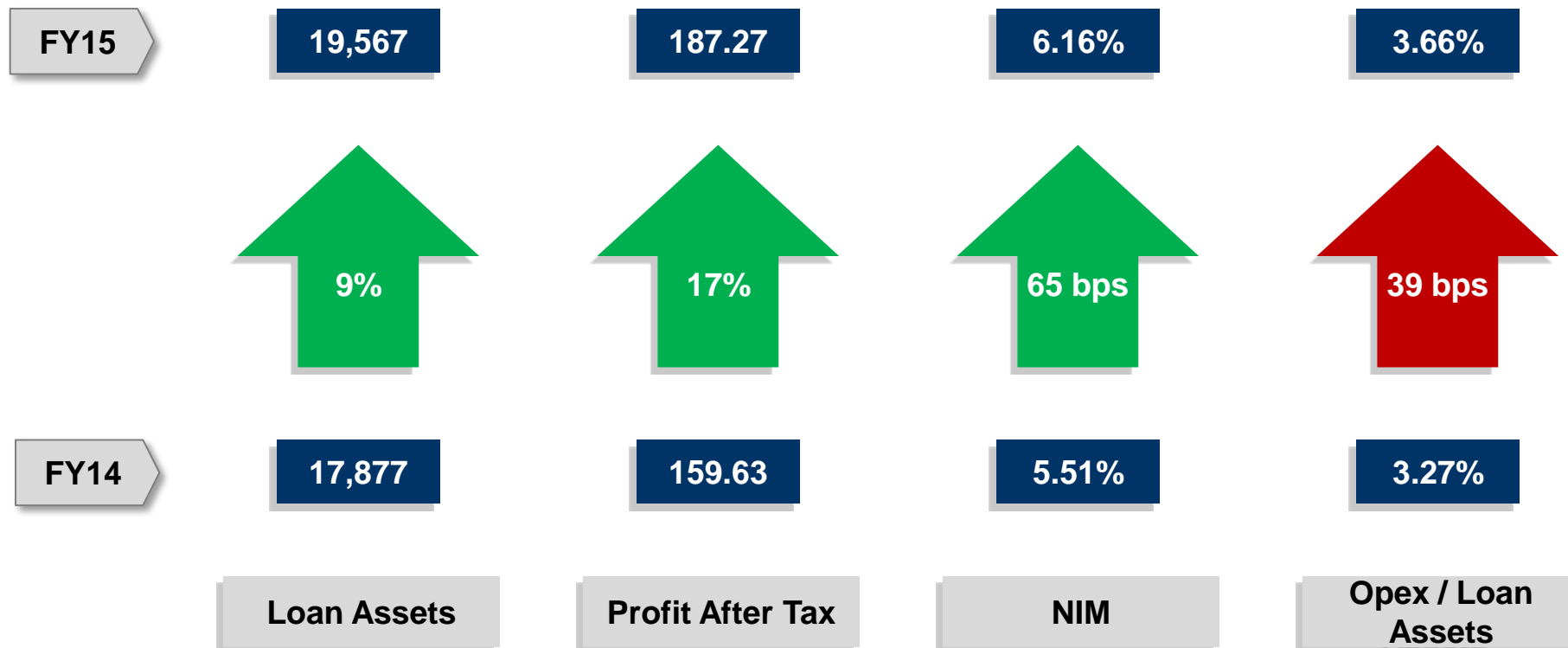
#4

Consol PAT increased 17% yoy to Rs 187 crore, driven by 65 bps yoy increase in NIM

#5

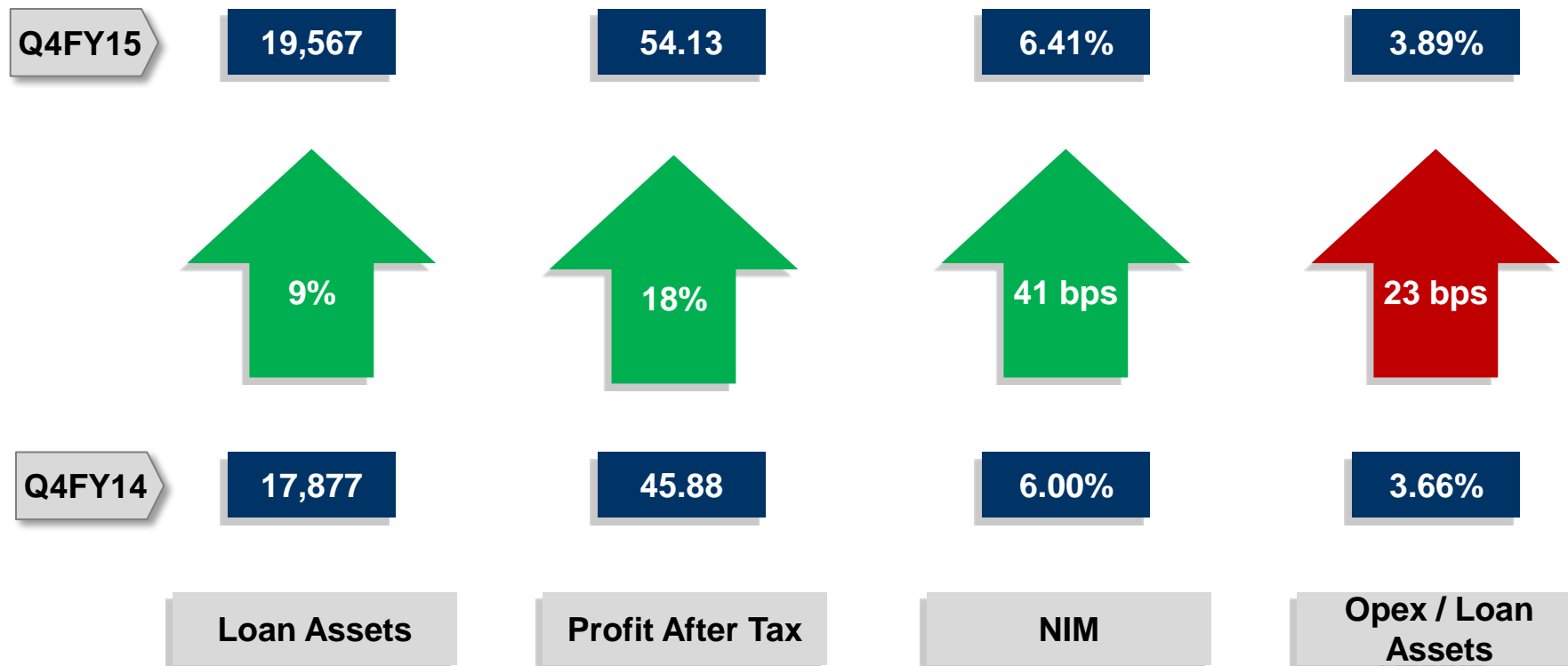
Raised Rs 500 crore from new and existing investors to drive growth in FY16 and FY17

# Financial Results – FY15 (Consolidated)



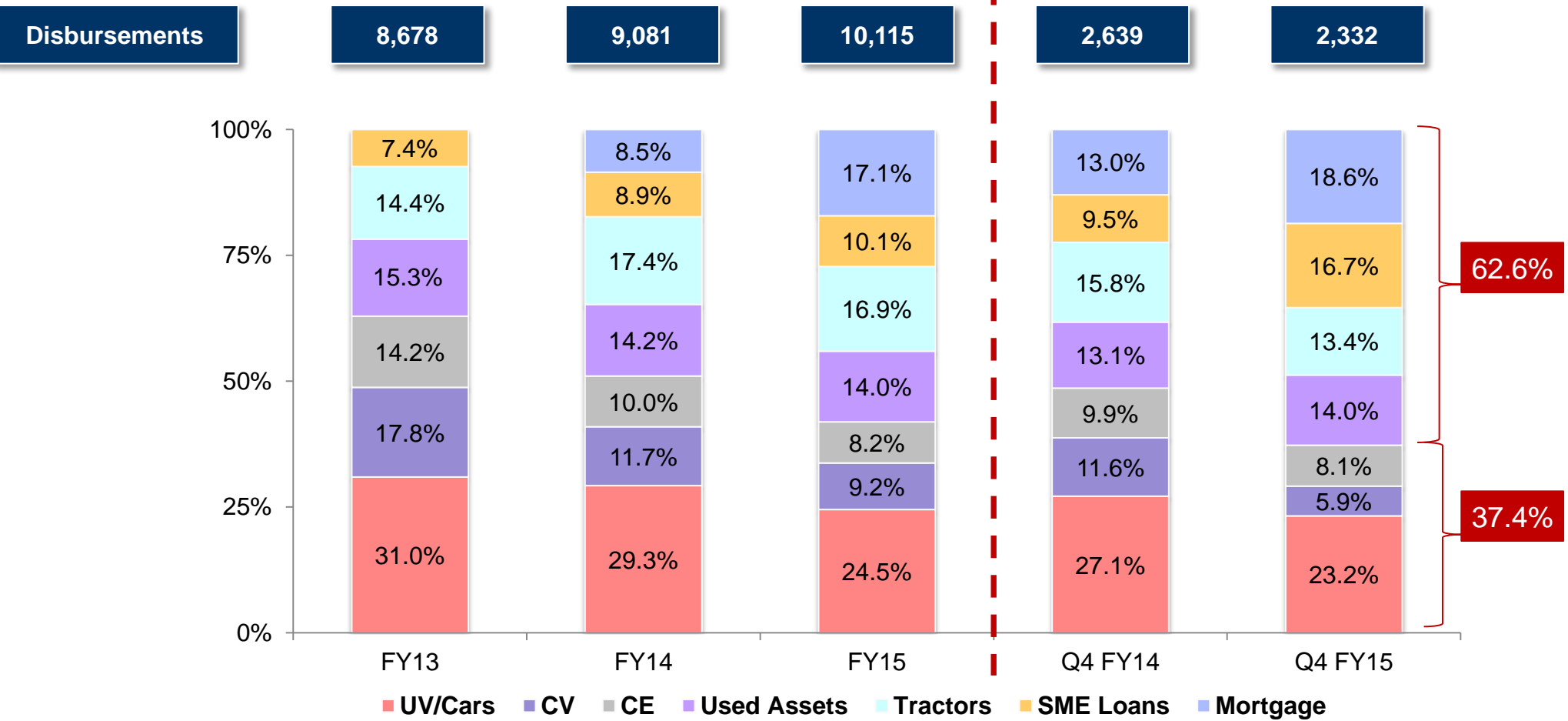
Values in Rs crore

# Financial Results – Q4 FY15 (Consolidated)



Values in Rs crore

# Disbursement Mix



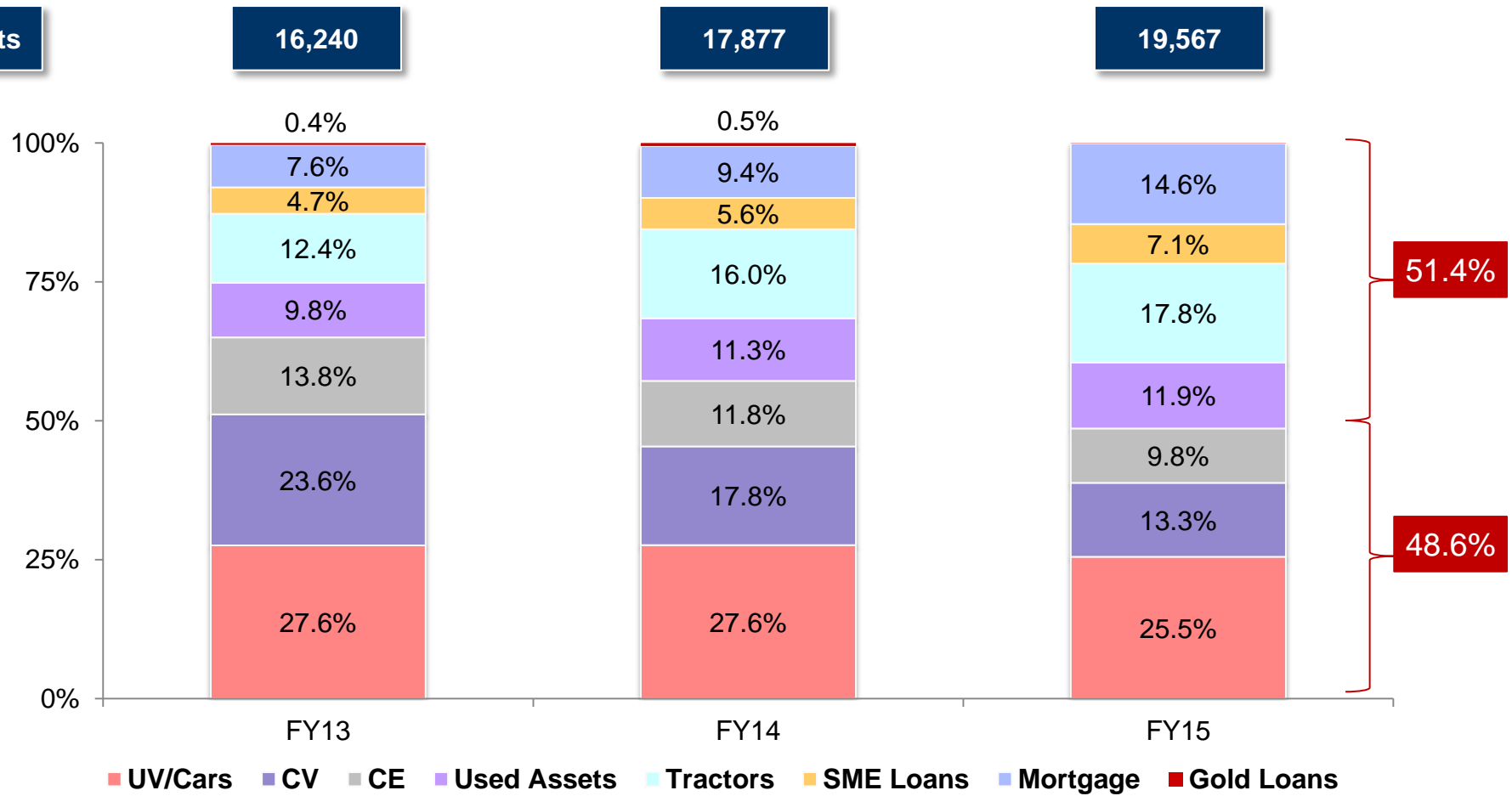
Share of Tractor, Used Assets, Mortgage and SME Loans steadily increasing and contributed more than 60% of total disbursements in Q4 FY15

Values in Rs crore



# Loan Assets Mix

Total Loan Assets



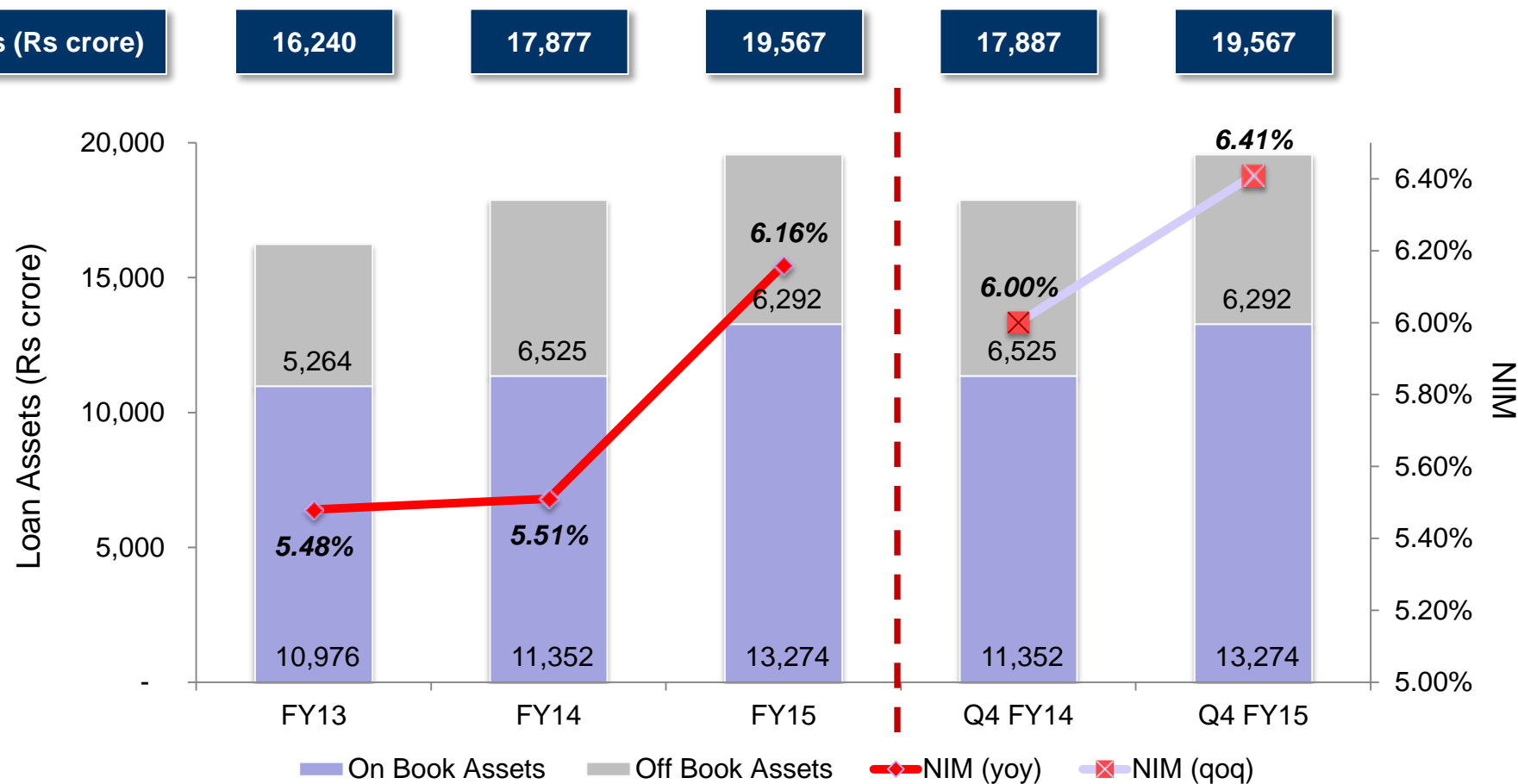
Diversified portfolio of 7 products with the single product exposure restricted to 25% of total book

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





# Loan Assets and NIM Growth



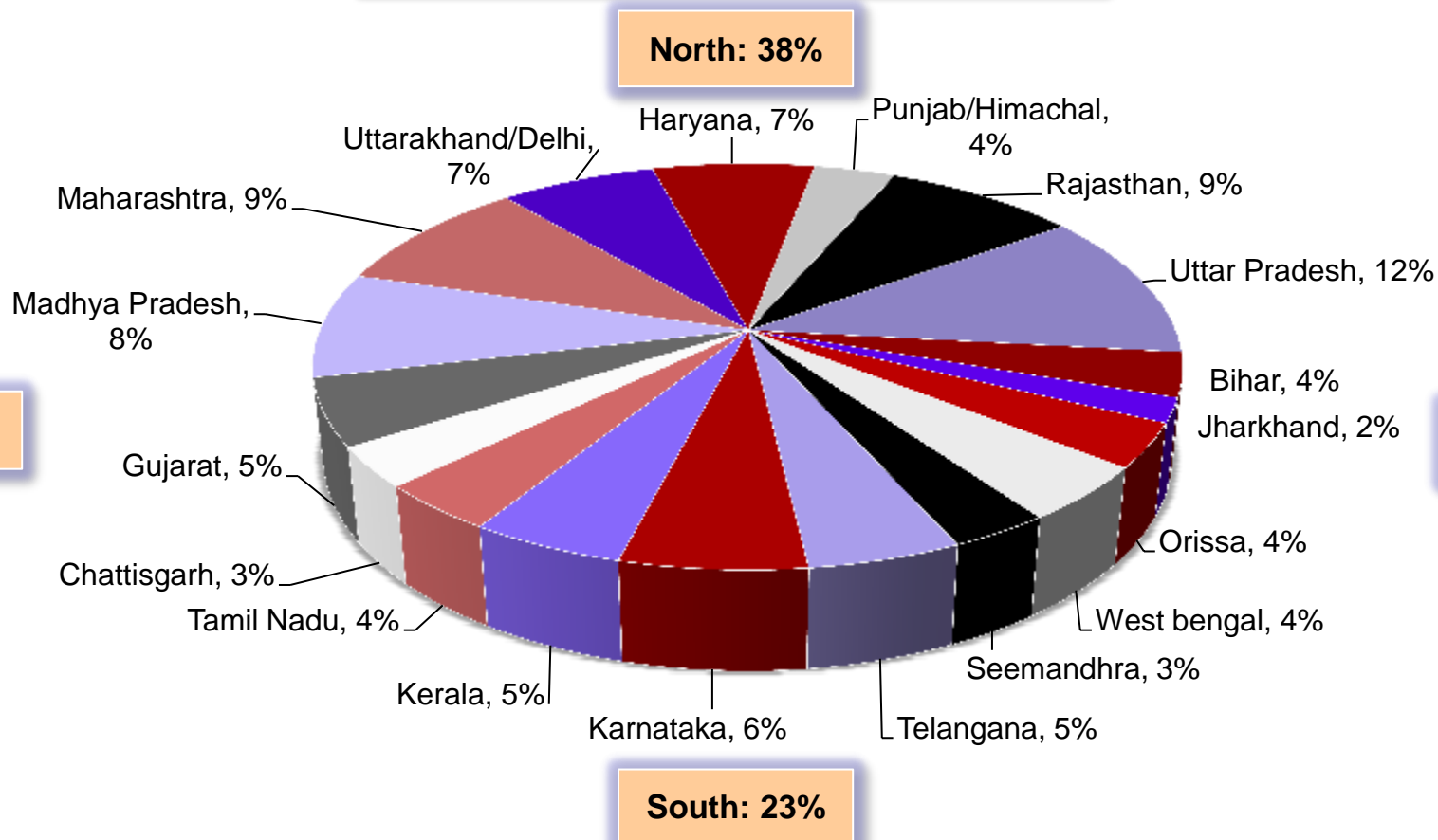
Improvement in NIM driven by gradual shift in product and customer mix

NIM: (Total Income – Interest Expenses)/Average Loan Assets



# State-wise Loan Assets Breakup

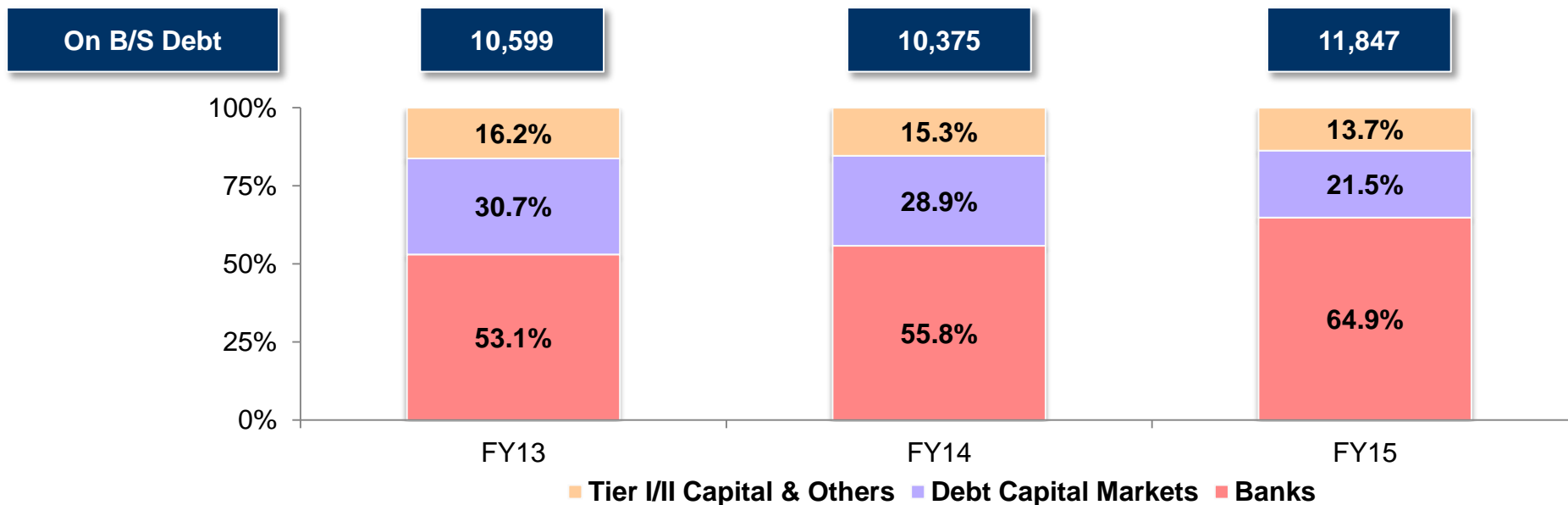
Total Loan Assets: Rs. 19,567 crore



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



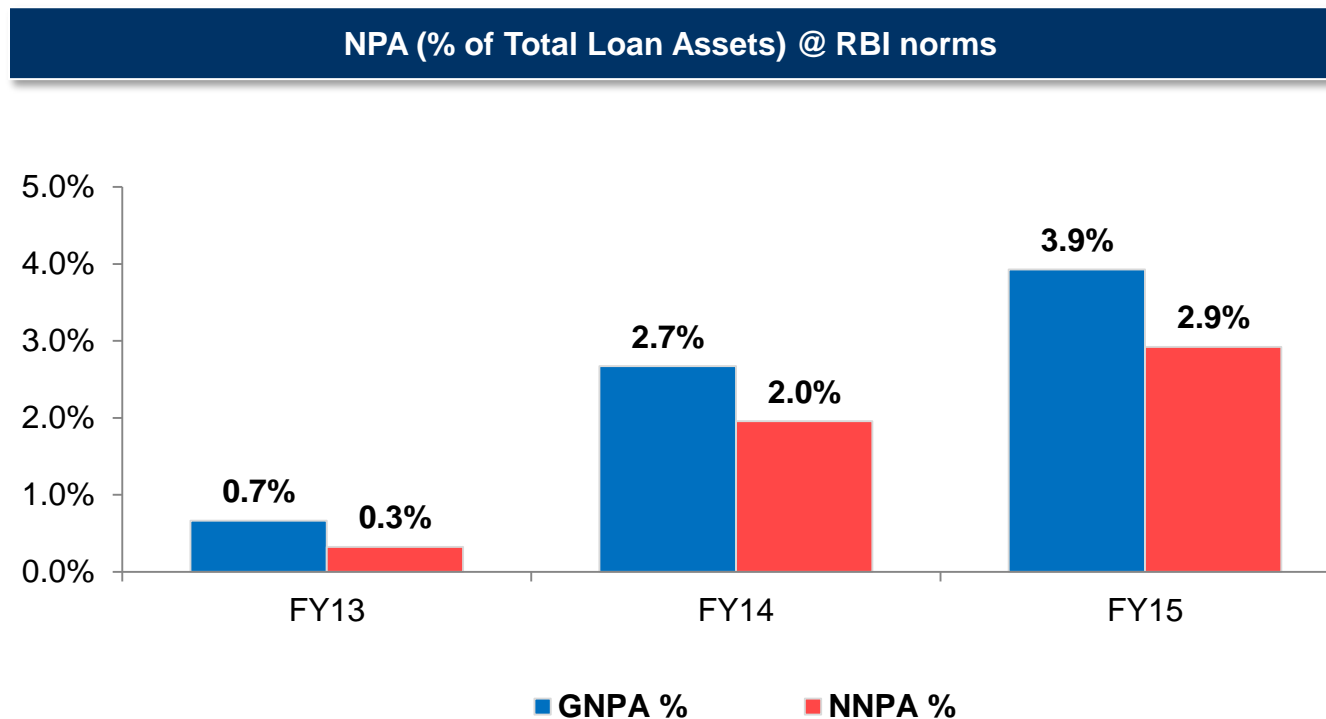
# Liability Profile



- Diversified liability sources limit concentration risk, allows stable flow of funds and improved rating, all leading to lower costs
- 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
- Magma has a long term rating of AA and short term rating of A1+

*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 Recognition



GNPA at 180 dpd+ (as per RBI norms)

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

**Magma follows conservative NPA recognition policy at 4 months default instead of RBI requirement of 6 months**

Based on MFL Consolidated financials

# P&L Statement (Consolidated)

	Q4 FY15	Q4 FY14	Q3 FY15	% Change		FY15	FY14
				Y-o-Y	Q-o-Q		
Income from Ops.	620.1	553.0	616.8	12%	1%	2,353.6	2,081.3
Interest Expenses	314.4	297.9	316.8	6%	-1%	1,232.9	1,177.1
<b>Net Operating Income</b>	<b>305.6</b>	<b>255.1</b>	<b>300.0</b>	<b>20%</b>	<b>2%</b>	<b>1,120.7</b>	<b>904.2</b>
Other Income	7.2	8.2	7.6	-13%	-6%	32.3	36.4
Net Total Income	312.8	263.3	307.6	19%	2%	1,153.0	940.6
<b>Prov./Write Offs</b>	<b>53.1</b>	<b>51.5</b>	<b>79.2</b>	<b>3%</b>	<b>-33%</b>	<b>244.4</b>	<b>184.1</b>
Post Prov Profit	259.7	211.8	228.4	23%	14%	908.7	756.5
<b>Operating Expenses</b>	<b>189.8</b>	<b>160.7</b>	<b>174.0</b>	<b>18%</b>	<b>9%</b>	<b>685.2</b>	<b>558.9</b>
:Personnel Expenses	103.2	72.4	94.1	43%	10%	361.8	243.1
:Other Expenses	74.5	80.4	71.5	-7%	4%	288.8	282.6
:Depreciation	12.1	7.9	8.4	52%	44%	34.6	33.2
<b>Profit Before Tax</b>	<b>69.9</b>	<b>51.2</b>	<b>54.4</b>	<b>37%</b>	<b>28%</b>	<b>223.5</b>	<b>197.7</b>
Taxes	15.8	5.3	9.3	199%	70%	36.2	38.1
<b>Profit After Tax</b>	<b>54.1</b>	<b>45.9</b>	<b>45.1</b>	<b>18%</b>	<b>20%</b>	<b>187.3</b>	<b>159.6</b>

Values in Rs crore

# Balance Sheet (Consolidated)

	31 Mar 15	31 Mar 14	31 Dec 14	% Change	
				Y-o-Y	Q-o-Q
<b>LIABILITIES</b>	<b>14,882</b>	<b>13,178</b>	<b>15,208</b>	<b>13%</b>	<b>-2%</b>
<b>Net Worth</b>	<b>1,655</b>	<b>1,504</b>	<b>1,632</b>	<b>10%</b>	<b>1%</b>
Share Capital	38	38	38	0%	0%
Reserves and Surplus	1,617	1,466	1,594	10%	1%
Minority Interest	40	33	38	20%	5%
Preference Capital	133	150	137	-11%	-3%
<b>Borrowings</b>	<b>11,714</b>	<b>10,226</b>	<b>11,919</b>	<b>15%</b>	<b>-2%</b>
Other Liabilities	1,341	1,266	1,481	6%	-9%
<b>ASSETS</b>	<b>14,882</b>	<b>13,178</b>	<b>15,208</b>	<b>13%</b>	<b>-2%</b>
<b>Loan Assets</b>	<b>13,274</b>	<b>11,352</b>	<b>13,560</b>	<b>17%</b>	<b>-2%</b>
Fixed Assets	198	193	200	3%	-1%
Other Assets	774	756	820	2%	-6%
Cash & Bank Balance	636	877	627	-27%	2%
<b>TOTAL LOAN ASSETS</b>	<b>19,567</b>	<b>17,877</b>	<b>19,503</b>	<b>9%</b>	<b>0%</b>

Values in Rs crore

# Key Ratios (Consolidated)

	Q4 FY15	Q4 FY14	Q3 FY15	Change (in Bps)		FY15	FY14
				Y-o-Y	Q-o-Q		
<b>Total Income/Assets</b>	<b>16.7%</b>	<b>16.6%</b>	<b>16.7%</b>	<b>11</b>	<b>2</b>	<b>17.0%</b>	<b>16.1%</b>
Interest Exp/Assets	8.4%	8.8%	8.4%	-44	-9	8.8%	9.0%
<b>Gross Spreads</b>	<b>8.3%</b>	<b>7.8%</b>	<b>8.2%</b>	<b>54</b>	<b>11</b>	<b>8.2%</b>	<b>7.2%</b>
Prov & WO/Assets	1.4%	1.5%	2.1%	-11	-70	1.7%	1.4%
Opex/Assets	5.0%	4.7%	4.6%	30	41	4.9%	4.2%
PBT/Assets	1.9%	1.5%	1.5%	35	41	1.6%	1.5%
<b>RoA</b>	<b>1.44%</b>	<b>1.35%</b>	<b>1.20%</b>	<b>9</b>	<b>24</b>	<b>1.33%</b>	<b>1.21%</b>
<b>RoE</b>	<b>12.03%</b>	<b>10.46%</b>	<b>10.19%</b>	<b>157</b>	<b>184</b>	<b>10.70%</b>	<b>9.55%</b>
<b>CRAR</b>							
Tier 1	11.1%	11.5%	11.0%	-43	4	11.1%	11.5%
<b>Total</b>	<b>16.3%</b>	<b>16.6%</b>	<b>16.4%</b>	<b>-31</b>	<b>-13</b>	<b>16.3%</b>	<b>16.6%</b>

CRAR based on MFL (Standalone) financials

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

Financial Results – FY15

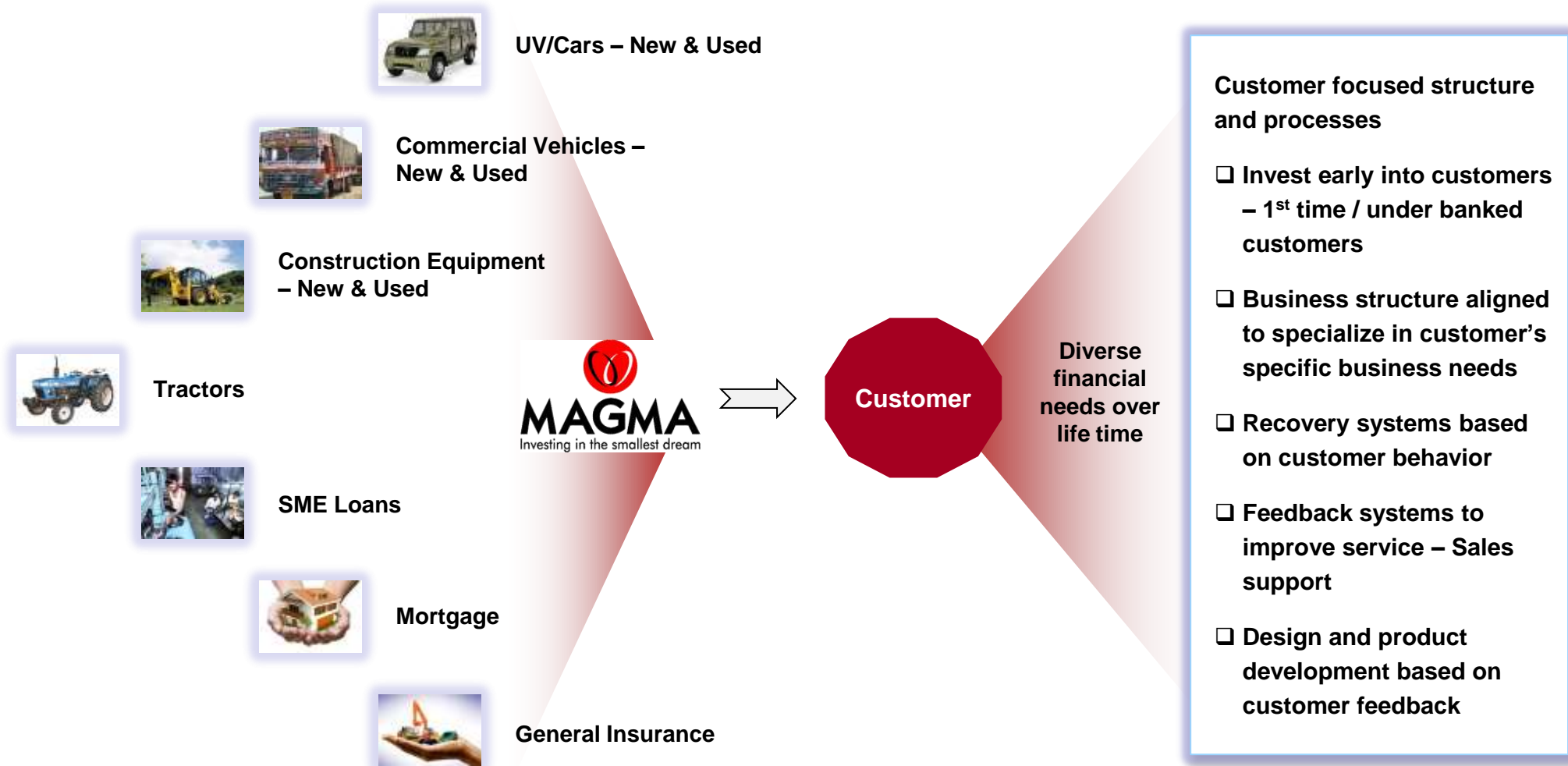
**Business Overview and Strategy**

Leadership Team

Annexures



# Customer Centric Approach...with a bouquet of products



# Synergistic Approach to Growth

Products	Key customer segments	Focus areas to drive growth	Average ticket size (Rs lakh)	Loan to value	Door to door tenure (months)
UV/Cars	<ul style="list-style-type: none"> <li>Entry level vehicles and UV/MUV</li> <li>Small Road Transport Operator (SRT0)</li> </ul>	<ul style="list-style-type: none"> <li>Rural markets and UV/MUV segment</li> <li>Tie up with car manufacturers</li> </ul>	4.5	71%	46
Commercial Vehicles (CV)	<ul style="list-style-type: none"> <li>1-5 vehicle owners (esp .FTB segment)</li> <li>SRT0</li> </ul>	<ul style="list-style-type: none"> <li>LCV &amp; SCV</li> <li>Tie up with CV manufacturers</li> </ul>	7.3	85%*	44
Construction Equipment (CE)	<ul style="list-style-type: none"> <li>Small Scale Entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>Increase collaboration with OEMS</li> <li>Wider product range</li> </ul>	22.0	80%	43
Used Assets	<ul style="list-style-type: none"> <li>First time buyers, Small fleet drivers</li> <li>M&amp;HCV, Refinance</li> </ul>	<ul style="list-style-type: none"> <li>LCV</li> <li>High vintage vehicles (7-8 years)</li> </ul>	4.5	73%	35
Tractors	<ul style="list-style-type: none"> <li>Land owning farmers</li> <li>25-75 HP tractors</li> </ul>	<ul style="list-style-type: none"> <li>Alliances with OEMs</li> <li>New product introductions</li> </ul>	3.5	63%	44
SME Loans	<ul style="list-style-type: none"> <li>SME segment</li> <li>Working capital, business expansion</li> </ul>	<ul style="list-style-type: none"> <li>MSME segment</li> </ul>	20	NA	35
Mortgage	<ul style="list-style-type: none"> <li>Self employed</li> <li>Informal segment</li> </ul>	<ul style="list-style-type: none"> <li>Larger contribution from Tier 3-4 towns</li> </ul>	29.6	32%	154
General Insurance	<ul style="list-style-type: none"> <li>Captive customers</li> <li>Rural agri based products</li> </ul>	<ul style="list-style-type: none"> <li>Penetrate motor insurance market</li> <li>Rural agri markets</li> </ul>			

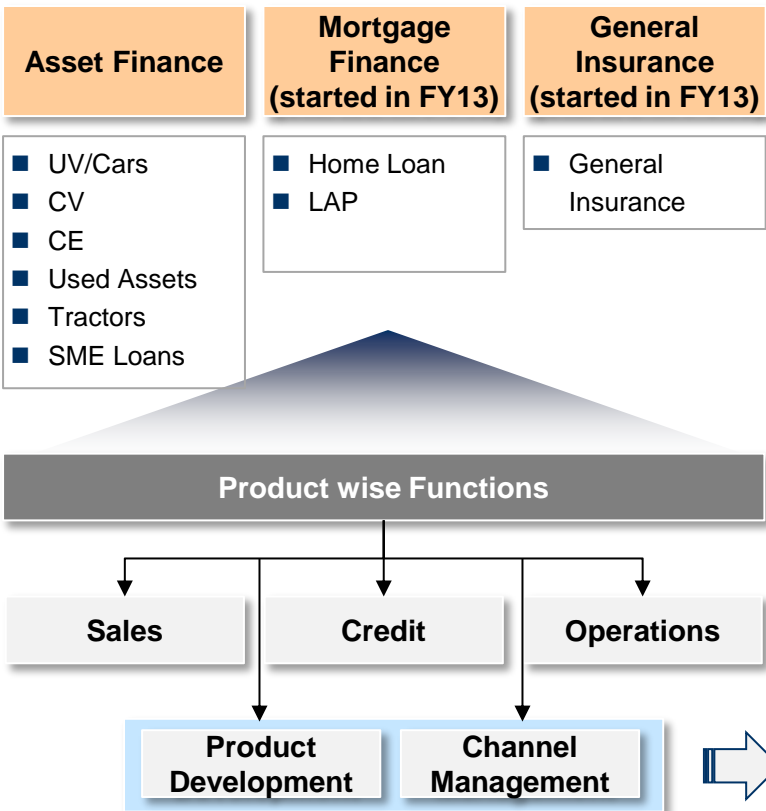
Leverage branch / collection presence and understanding of product, target customer behaviour and its requirements to grow new products

Numbers represent average for disbursements done during FY15

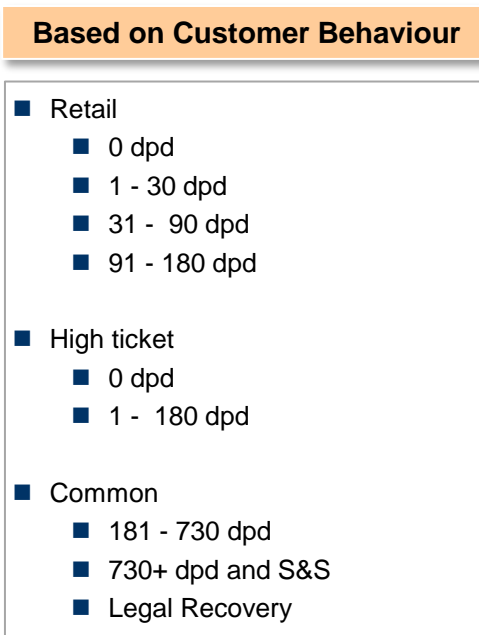
\* LTV has been calculated without considering cost of truck body

# Vertically Aligned Business Model

## Product-wise Verticals

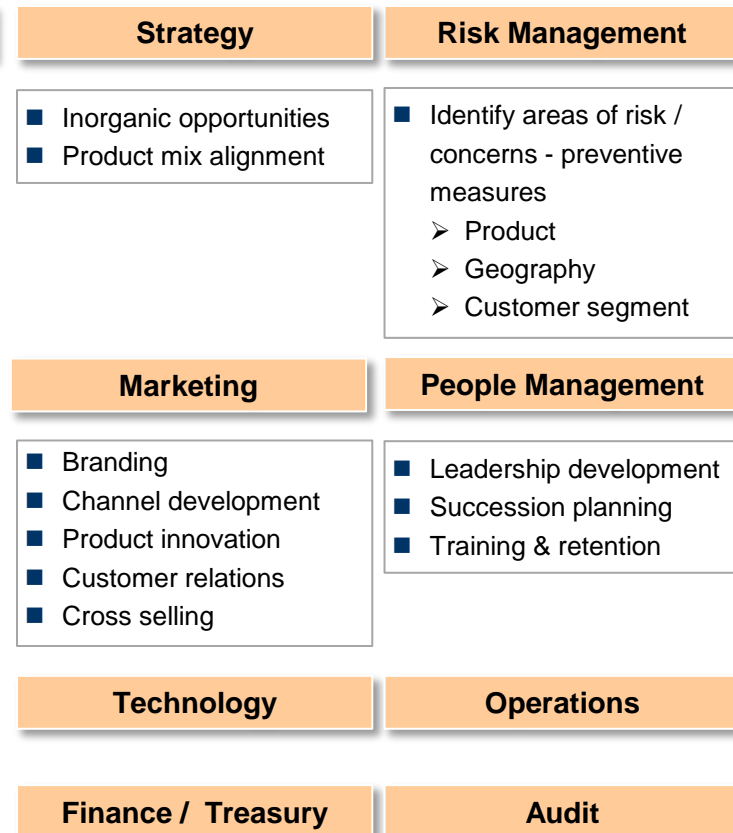


## Collections Vertical



Supported by Marketing

## Integrators



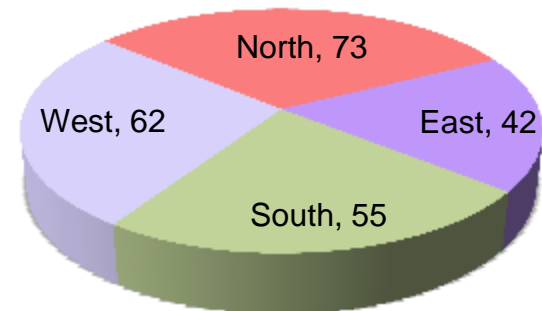
# Branch Network

## Pan - India Network

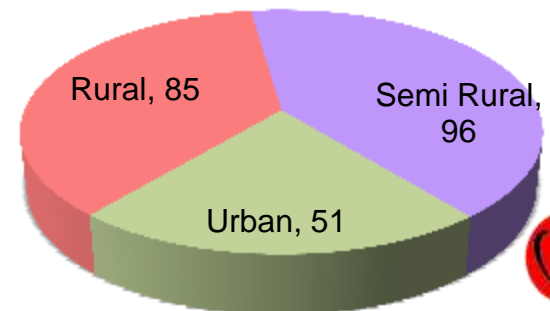
- 232 branches with presence across 24 states/UT
- 9,788 employees including 7500+ FOS



## Region-wise Distribution of Branch Network



## Rural-Urban Breakup of Branch Network



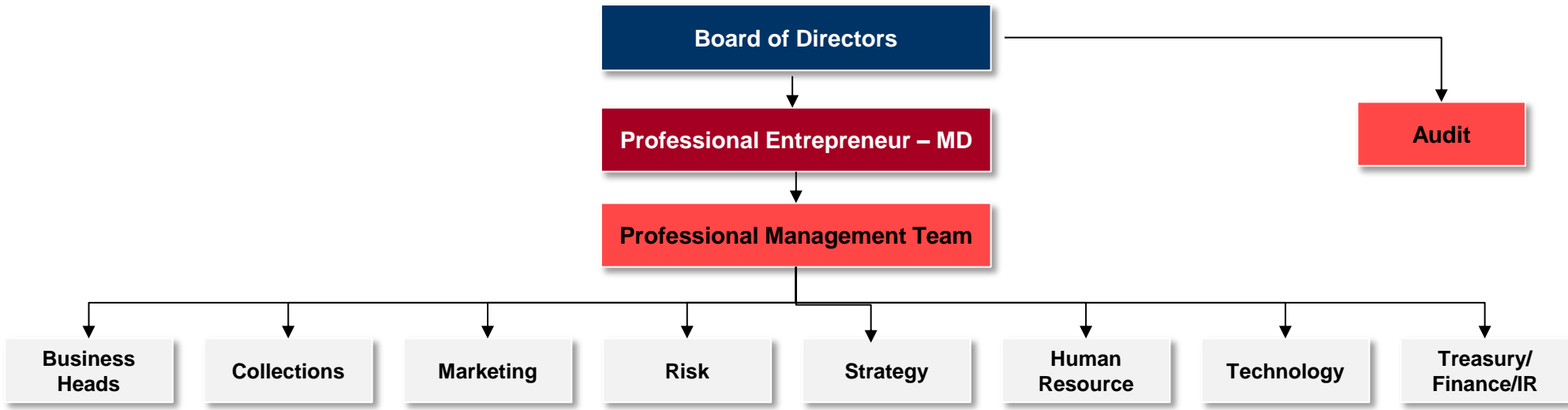
Financial Results – FY15

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

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

\* Joined in October 2014



# Management Team

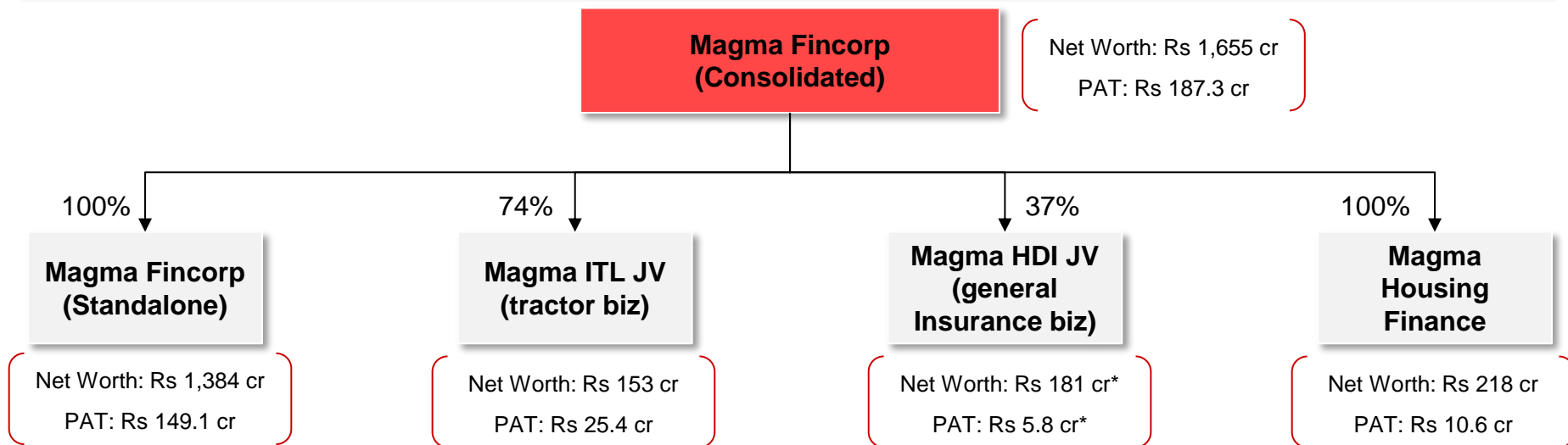
<b>Ashutosh Shukla</b>	<b>Chief- Risk, Credit &amp; Operations, Asset Finance</b>	➔	Experience of over 25 years in Magma and Consortium Finance. Setup North and West Zone business and headed collections vertical in Magma earlier
<b>Atul Bansal</b>	<b>Chief Financial Officer</b>	➔	Over three decades of experience across multiple industries (Financial Services, Tea, hotel industry, IT & entertainment), out of which two decades was in Tata Group companies
<b>Kailash Baheti</b>	<b>Chief Strategy Officer</b>	➔	Ex-CEO of Century Extrusions. Extensive experience in finance, accounts, compliance and legal functions.
<b>Mahendar Bagrodia</b>	<b>Chief of Receivables Management</b>	➔	Served as National Risk and Credit Head prior to current role. Experience of over 18 years of which 12 years with Magma Fincorp
<b>Sachin Khandelwal</b>	<b>MD &amp; CEO, Magma HFC; Chief Sales Officer – Asset Finance</b>	➔	Experience of over 20 years in sales and marketing. Ex- MD of ICICI Home Finance.
<b>Sumit Mukherjee</b>	<b>Chief –Product &amp; Program</b>	➔	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.
<b>Swaraj Krishnan</b>	<b>CEO, Magma HDI General Insurance</b>	➔	Veteran in the general insurance industry. Ex-CEO of Bajaj Allianz General Insurance

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

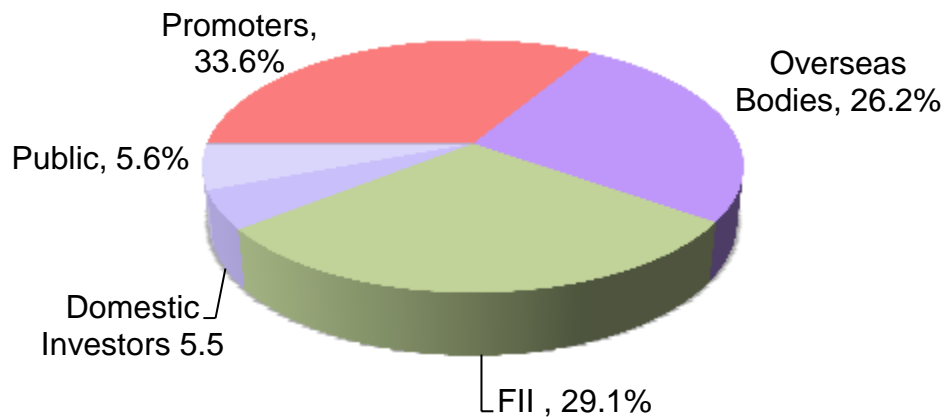


# Holding Structure, Shareholding Pattern and Top Shareholders

## Holding Structure



## Shareholding of Magma Fincorp (on 31 March 2015)



## Top Non Promoter Shareholders

- KKR
- IFC, Washington
- Chrys Capital
- Wellington
- Bank Muscat

Net Worth and PAT for all subsidiaries (at 100% value) as per FY15 financials



***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.

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# Profit & Loss Statement (Standalone)

	Q4 FY15	Q4 FY14	Q3 FY15	% Change		FY15	FY14
				Y-o-Y	Q-o-Q		
Income from Ops.	531.4	484.1	524.1	10%	1%	2,018.8	1,846.8
Interest Expenses	265.5	263.9	270.6	1%	-2%	1,061.4	1,055.2
<b>Net Operating Income</b>	<b>266.0</b>	<b>220.2</b>	<b>253.4</b>	<b>21%</b>	<b>5%</b>	<b>957.3</b>	<b>791.6</b>
Other Income	5.3	6.4	6.0	-17%	-11%	27.2	29.1
Net Total Income	271.3	226.7	259.5	20%	5%	984.5	820.7
<b>Prov./Write Offs</b>	<b>47.9</b>	<b>44.2</b>	<b>71.2</b>	<b>9%</b>	<b>-33%</b>	<b>222.6</b>	<b>161.4</b>
Post Prov Profit	223.4	182.5	188.3	22%	19%	762.0	659.3
<b>Operating Expenses</b>	<b>164.0</b>	<b>139.4</b>	<b>147.3</b>	<b>18%</b>	<b>11%</b>	<b>586.8</b>	<b>480.9</b>
:Personnel Expenses	84.7	60.8	73.6	39%	15%	289.7	213.1
:Other Expenses	67.2	70.6	65.4	-5%	3%	262.6	234.7
:Depreciation	12.0	7.9	8.4	51%	43%	34.5	33.1
<b>Profit Before Tax</b>	<b>59.4</b>	<b>43.1</b>	<b>40.9</b>	<b>38%</b>	<b>45%</b>	<b>175.1</b>	<b>178.4</b>
Taxes	13.3	12.3	7.1	8%	87%	26.0	42.8
<b>Profit After Tax</b>	<b>46.1</b>	<b>30.8</b>	<b>33.8</b>	<b>50%</b>	<b>36%</b>	<b>149.1</b>	<b>135.6</b>

All values in Rs crore

# Balance Sheet (Standalone)

	31 Mar 15	31 Mar 14	31 Dec 14	% Change	
				Y-o-Y	Q-o-Q
<b>LIABILITIES</b>	<b>12,312</b>	<b>11,318</b>	<b>12,646</b>	<b>9%</b>	<b>-3%</b>
<b>Net Worth</b>	<b>1,384</b>	<b>1,264</b>	<b>1,367</b>	<b>9%</b>	<b>1%</b>
Share Capital	38	38	38	0%	0%
Reserves & Surplus	1,345	1,226	1,329	10%	1%
Minority Interest	-	-	-		
Preference Capital	97	114	101	-15%	-4%
<b>Borrowings</b>	<b>9,815</b>	<b>8,918</b>	<b>10,074</b>	<b>10%</b>	<b>-3%</b>
Other Liabilities	1,016	1,021	1,104	0%	-8%
<b>ASSETS</b>	<b>12,312</b>	<b>11,318</b>	<b>12,646</b>	<b>9%</b>	<b>-3%</b>
<b>Loan Assets</b>	<b>11,040</b>	<b>9,740</b>	<b>11,318</b>	<b>13%</b>	<b>-2%</b>
Fixed Assets	181	177	184	2%	-2%
Other Assets	522	657	589	-21%	-11%
Cash & Bank Balance	569	745	555	-24%	3%
<b>TOTAL LOAN ASSETS</b>	<b>16,921</b>	<b>15,909</b>	<b>16,488</b>	<b>6%</b>	<b>3%</b>

All values in Rs crore

# Profit & Loss Statement: Magma ITL (MITL)

	Q4 FY15	Q4 FY14	Q3 FY15	% Change		FY15	FY14
				Y-o-Y	Q-o-Q		
Income from Ops.	35.4	38.8	35.0	-9%	1%	140.8	137.6
(-) Interest Expenses	14.5	18.3	14.2	-21%	2%	58.7	61.5
<b>Net Operating Income</b>	<b>20.9</b>	<b>20.5</b>	<b>20.8</b>	<b>2%</b>	<b>0%</b>	<b>82.1</b>	<b>76.1</b>
(+) Other Income	1.1	2.3	1.5	-52%	-25%	5.6	8.8
<b>Net Total Income</b>	<b>22.0</b>	<b>22.8</b>	<b>22.3</b>	<b>-4%</b>	<b>-1%</b>	<b>87.7</b>	<b>84.9</b>
(-) Prov./Write Offs	1.8	6.0	6.5	-70%	-73%	14.1	16.0
(-) Operating Expenses	11.6	10.9	12.5	7%	-7%	44.9	41.1
<b>Profit Before Tax</b>	<b>8.6</b>	<b>5.9</b>	<b>3.3</b>	<b>44%</b>	<b>162%</b>	<b>28.7</b>	<b>27.9</b>
(-) Taxes	1.3	-9.1	-1.1	-115%	-223%	3.3	-2.9
<b>Profit After Tax</b>	<b>7.2</b>	<b>15.0</b>	<b>4.4</b>	<b>-52%</b>	<b>66%</b>	<b>25.4</b>	<b>30.8</b>

All values in Rs crore

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

	Q4 FY15	Q4 FY14	Q3 FY15	% Change		FY15	FY14
				Y-o-Y	Q-o-Q		
Total Income	55.8	36.5	52.7	53%	6%	190.8	121.6
(-) Interest Expenses	34.6	21.5	32.0	61%	8%	117.8	76.0
<b>Net Income</b>	<b>21.2</b>	<b>15.0</b>	<b>20.7</b>	<b>41%</b>	<b>2%</b>	<b>73.0</b>	<b>45.6</b>
(-) Prov./Write Offs	2.9	2.1	1.4	38%	105%	6.4	6.7
(-) Operating Expenses	13.4	9.7	13.4	38%	0%	50.2	34.5
<b>Profit Before Tax</b>	<b>4.9</b>	<b>3.2</b>	<b>6.0</b>	<b>53%</b>	<b>-18%</b>	<b>16.4</b>	<b>4.5</b>
(-) Taxes	1.9	1.5	2.0	27%	-6%	5.8	1.8
<b>Profit After Tax</b>	<b>3.0</b>	<b>1.7</b>	<b>3.9</b>	<b>76%</b>	<b>-24%</b>	<b>10.6</b>	<b>2.6</b>

All values in Rs crore

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

	Q4 FY15	Q4 FY14	Q3 FY15	% Change		FY15	FY14
				Y-o-Y	Q-o-Q		
<b>Gross Written Premium</b>	<b>183.3</b>	<b>146.2</b>	<b>154.4</b>	<b>25%</b>	<b>19%</b>	<b>554.8</b>	<b>429.9</b>
<b>Net Earned Premium</b>	<b>103.8</b>	<b>82.9</b>	<b>106.8</b>	<b>25%</b>	<b>-3%</b>	<b>406.2</b>	<b>228.2</b>
(-) Claims Incurred	102.4	64.6	83.8	58%	22%	340.5	193.6
(-) Net Commission	4.2	3.1	6.1	34%	-32%	18.7	14.8
(-) Management Exp.	32.4	28.1	32.7	15%	-1%	121.3	90.0
<b>Underwriting Profit</b>	<b>-35.1</b>	<b>-12.9</b>	<b>-15.9</b>	<b>173%</b>	<b>122%</b>	<b>-74.4</b>	<b>-70.2</b>
(+) Investment Income	27.3	12.1	27.2	126%	0%	83.0	36.9
<b>Profit Before Tax</b>	<b>-7.8</b>	<b>-0.8</b>	<b>11.3</b>	<b>893%</b>	<b>-169%</b>	<b>8.6</b>	<b>-33.3</b>
(-) Taxes	-2.0	1.5	3.2	-239%	-162%	2.8	-10.0
<b>Profit After Tax</b>	<b>-5.8</b>	<b>-2.2</b>	<b>8.1</b>	<b>159%</b>	<b>-172%</b>	<b>5.8</b>	<b>-23.3</b>

All values in Rs crore