

***Embarking on a new journey under the Poonawalla
Group and professional leadership***

Magma Fincorp Limited

Investor Presentation – Q4 & FY21



MAGMA

Investing in the smallest dream



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1. Magma 2.0



Transaction Update – Preferential issue to Rising Sun Holdings Private Limited



- Magma Fincorp is now a subsidiary of Rising Sun Holdings Private Limited (owned and controlled by Mr. Adar Poonawalla), subsequent to equity raise of ₹3,456 Cr on 06-May-2021
- Mr. Adar Poonawalla has been appointed as the new Chairman of the Company
- Mr. Abhay Bhutada has been appointed as the Managing Director[^] of the Company
- The CEO shall be joining by 1st week of July 2021; appointment process underway for various senior management positions from reputed financial institutions
- The process for rebranding of Magma Fincorp is underway and the Company would take on the Poonawalla brand upon receipt of all requisite approvals (RBI approval for name change has been received)
- Equity infusion has resulted in the Tier-1 capital adequacy ratio* of the Company to increase substantially to 66.8% as on 15-May-2021, with leverage* standing at 1.3x as on the same date

Highly capitalized and under-levered Company, well poised to garner market share as the environment improves

* Assuming Net Worth as on 15-May-2021 to be Net worth on 31-Mar-2021 plus capital infusion of ₹3,456 Cr
^Effective 01-June-2021

Transaction benefits to trickle down to Magma Housing Finance



- Magma Fincorp has infused ₹500 Crore of equity into Magma HFC on 31-May-2021, shoring up the net-worth of the HFC to around ₹1,000 Crore
- Statutory approvals have been received for change of name to Poonawalla Housing Finance Limited
- Magma HFC has been growing at a healthy rate (3Y AUM CAGR 30%), and the capital infusion should accelerate the growth further
- Magma HFC poised to grow at a much higher rate due to reduction in the cost of funds and expansion of customer base
- Capital infusion has also resulted in a healthy Tier-1 capital adequacy ratio (~53.3%)* as on 31-May-2021, with leverage standing at 2.5x

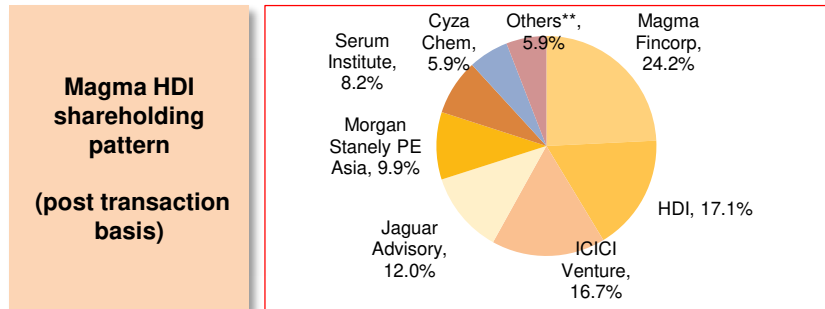
The new capital shall help the HFC grow faster and accelerate the timeline for listing of the company

* Assuming Net Worth as on 31-May-2021 to be Net worth on 31-Mar-2021 plus capital Infusion of ₹500 Cr

Magma HDI to benefit from dual transactions at parent level and external fund raise

Magma HDI has announced fund raise transaction of ₹525 crores* at pre-money valuation of ₹1,200 crores

- Fresh capital of ₹250 crores by ICICI Venture, Morgan Stanley PE Asia
- Fresh capital shall provide the growth impetus and substantially enhance the solvency ratio
- Secondary sale of ₹275 crores by existing promoters (Magma Fincorp and its group companies) to comply with RBI guidelines for ownership of stake in insurance companies (purchase by ICICI Venture, Morgan Stanley PE Asia, Cyza Chem Pvt Ltd (a Poonawalla Group Company), and two family offices.)
- Magma shall continue to provide support and distribution for Magma HDI



The value of the unlisted company expected to grow at much faster pace with key ingredients such as capital, distribution franchise and an expected fillip from larger captive business from the parent in place

* Pending regulatory approvals; ** Others include family offices and employees

Magma 2.0 – Embarking on a new journey

New MD's message



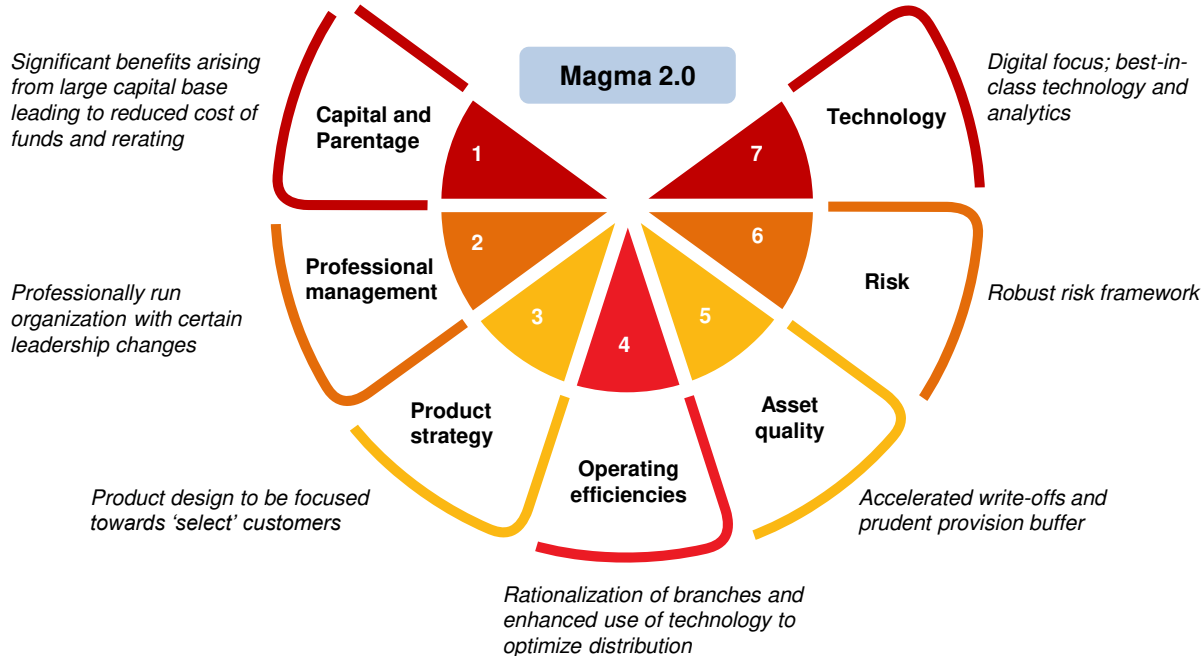
"I am excited to take over as the Managing Director of Magma Fincorp and embark on a new journey of Magma 2.0. At the outset, we have outlined the core strategic pillars of Magma 2.0, laying out a clear and focused direction for the Company:

- *Professionally-run organization under a new leadership team fully supported by the existing leadership*
- *Capitalize benefits from large capital base and stronger parentage*
- *Realignment of the product and geographic focus*
- *Early recognition and tackling of asset quality challenges (accelerated write-offs, prudent provision buffer etc.)*
- *Robust ALM profile*
- *Best-in-class risk management and data analytics"*

Abhay Bhutada, Managing Director* – Magma Fincorp Limited

Magma 2.0 – Embarking on a new journey

Core strategic pillars of Magma 2.0



Significant benefits arising from large capital base leading to reduced cost of funds and rerating

- The Transaction has bestowed Magma with a significant amount of capital (₹3,456 crores) and the backing of a strong parent, which would have a strong positive impact on all stakeholders such as employees, lenders, customers and shareholders besides providing comfort to the regulator
- Robust equity base to provide significant benefits for the Company
 - Strong tailwinds for growth and expansion
 - Significantly reduced leverage
 - Improved ALM profile through shift in mix towards longer-tenor liability products
 - Ability to have buffer provision cover as a prudent measure during COVID
- Backing of a strong corporate group is likely to have a positive impact on credit ratings, and would lower the cost of funds resulting in higher profitability

First listed company in the Poonawalla Group; Strong brand and support of parent expected to have a positive impact on the company's market presence, creating a preferred brand for customers and employees alike

Professionally run organization with certain leadership changes

- Mr. Abhay Bhutada has been appointed as the Managing Director* of the Company
- The CEO shall be joining by 1st week of July 2021
- To augment the leadership team, highly experienced professionals have been identified for various senior management positions from reputed financial institutions; appointment process underway
- The Company's ability to attract best talent from the industry has been greatly enhanced under the aegis of the new Promoter
- Attractive compensation and ESOP packages to attract talent

Professionally run organization with a well-defined corporate governance framework to set the foundation for a strong, stable organization of the future

Product design to be focused towards 'select' customers

- Large equity base and reduced cost of funds to facilitate loans at competitive yields
 - Higher quality customer, structural improvement in asset quality and reduction in credit costs are key benefits
- Pivot in product strategy towards '**select**' consumer and small/medium business segments
 - Product to address defined customer need in a large, underserved niche segment
 - Healthy IRR and risk adjusted return on capital, with opportunity to cross-sell
- 'Select' customer profile to bring in a sharper focus on customer needs, creating a multi-tiered customer proposition, which feeds into product design
- The product strategy to be coupled with a customer centric approach and renewed location strategy to enable penetration of the new products
- Further reliance on digital distribution, enhancing efficiency and profitability

The transformed product suite would enable the Company to enter an arena of select, higher quality customers, catapulting the Company towards enhanced growth and superior RoE accretion

Product Strategy



Current Product	New Product Suite Immediate	Additional Products / Services *
Used Car Loan	Used Car Loan	Co-Branded Credit Card
Business Loans	Business Loans	Consumer Durables
Affordable Home Loan	Affordable Home Loan	EMI Card
Small Ticket LAP	Small Ticket LAP	Medical Equipment
Used CV	Loan To Professionals	Machinery Loan
Used CE	Personal Loans	Insurance Cross-sell
Tractors	Non-Affordable Home Loan	Merchant Cash Advance
Auto Lease	SME LAP	Digital Lending Products
Products to be discontinued	New Products	* To be launched before Mar'22

Focus customer of Magma 2.0

Who are they?

- MIG and above with some credit history
- Urban and semi-urban domicile
- Aspirational and hardworking
- Tech savvy customer with digital footprint

What do they do?

- Entrepreneurs of small enterprises
- Professionals serving the ecosystem
- Salaried employees

What are their problems?

- Access to right financial products at the right price point
- Convenience of access to products
- Transparent offering
- Quick TAT
- Service with respect

How do we solve these problems?

- Multi-tiered customer proposition

Multi-tiered customer proposition



PRICE - Competitive and Transparent

Shall offer products at competitive and transparent pricing to ensure we are always in the top consideration set



TURNAROUND – Best in class

Shall offer the best turnarounds with lean & agile backend operations by leveraging technology



CONVENIENCE – Product & Process

Product & Process convenience will be integral part of the offering. From e2e digital to having completely transparent offerings. We will build a strong trust with transparency.



SERVICE - Unparalleled

All customers will get unparalleled service to ensure the experience brings them back to the Poonawalla brand every time they think of a financial services product

PTCS Model – Price | Turnaround | Convenience | Service

Rationalization of branches and enhanced use of technology to optimize distribution

- Current widespread distribution presence through 297 branches spread across 21 states
- Focus on rationalizing the branch network, through the lens of:
 - New location strategy
 - Capability required for distribution of revised product suite
 - Critical focus on branch-level profitability
- Metrics such as long-term, sustainable, risk-adjusted RoE would be a key decision parameter for rationalization
- Heavy investment in building alliances with large, pan-India players to ensure reduced cost of acquisition, steady volumes and contextual lending
- Enhanced reliance on a strong influencer network in all products segments
- Use of technology/digital payments to reduce the need of branches for the purpose of collections
- Pre-qualified offer base generation for Straight Through Processing 'STP'
- Automated calling solutions for Contact Centre

Robust on ground presence to distinguish the Company from fin-tech lenders; Cutting edge technology to differentiate the Company from traditional NBFCs

Accelerated write-offs and prudent provision buffer (1/2)

- The Company has adopted **one of the most conservative policy in the industry for technical write-offs effective Q4 FY21**
- Such policy change has resulted in one-time write-off impact of ₹274 Cr in Q4 FY21

Product segment	Product(s)	Earlier write-off policy ⁽¹⁾	Revised write-off policy ⁽¹⁾
Asset Backed Finance (ABF)	Cars, CV, CE, Auto Lease, Used Assets, Agri	730+ DPD	180+ DPD ⁽²⁾
SME	Unsecured loan	450+ DPD	90+ DPD ⁽²⁾
Mortgage	Affordable Housing Finance	Case to case basis	730+ DPD ⁽³⁾

- Recovery efforts will nonetheless continue, and any recoveries made from written off contracts will be treated as income in the subsequent quarters in line with the applicable accounting policies

Accelerated write-offs and prudent provision buffer (2/2)



- Further, considering the unknown character of COVID, the Company has additionally created **management overlay provisions** of ₹621 Cr in Q4 FY21 for COVID wave two
- The Company holds cumulative provisions to the tune of ₹1,192 Cr as of Mar-21 and the management is confident of the adequacy of same to counter COVID related impact on future profitability
- Overall provisions including management overlay provisions shall be evaluated on a quarterly basis, including in relation to regulatory forbearance if any
- Had the Company not moved to accelerated write-off policy and not created additional provisions for COVID wave two, the profit before tax and profit after tax for the year ended 31 March 2021 would have been ₹146 Cr and ₹111 Cr respectively
- Such provision buffer has resulted in extremely robust coverage ratio for both Stage 1 and 2 assets and Stage 3 assets and unparalleled Net Stage 3 assets position (1.2% as of Mar-21 versus 4.2% as of Mar-20)

Laid strong foundation of healthy balance sheet and profitable growth, aligned with new product/customer focus

Robust risk framework

Strong & Independent Risk Function

Identify and define potential risks that may negatively influence the organization.



Function wise risk bank creation

Further evaluate the risk after determining the risk's overall likelihood of occurrence combined with its overall consequence.

Follow up on both the risks and the overall plan to continuously monitor and track new and existing risks.



Assess the highest-ranked risks and develop a plan to alleviate them using specific risk controls.

Technology Based Intervention

Independent Audit Function

Independent, synchronized, robust and dynamic risk framework

Digital focus; best-in-class technology and analytics

- The Company is looking to expand its tech capabilities through an additional technology center in Pune which will form the backbone for all the technology related requirements and support for the Company
- The Company would also set up a strong analytics team, focused on delivering targeted value proposition to the customers and generating cross sell opportunities
- Technology enabled product innovation to be the core for product differentiation
- The Company will invest heavily in building the direct acquisition channel via digital to ensure that the customer ownership and connect is optimized
- Integrated approach to customer service management with “Do It Yourself” solutions to ensure customers have best in class experience
- State of the art contact center to support digital acquisition channel and bring in conversion efficiencies

Technology, Risk analytics and Digital to be the backbone of the Company

Phased Strategy Execution

Consolidate-Grow-Lead



New management's 2025 vision for Magma 2.0

To be among Top 3 NBFCs for consumer and small/medium business finance

Accelerated growth with calibrated underwriting approach; ~3x of current AUM

Top-notch cost of funds in the industry; 200-250 bps reduction

Best in class provisioning to avoid any surprises in financial performance; Net NPAs sub 1%

State of the art, cutting-edge technology; to be a 'Key Opinion Leader' for tech in NBFCs

Accelerate the growth trajectory of subsidiaries followed by value unlocking through IPO

To become the most trusted financial service provider in the country

2. Company overview



Magma – Quick Snapshot

More than three decades

Of presence
in financial
services



**Diversified
product offerings**



Retail finance⁽¹⁾
and General
Insurance

₹14,225 Cr

AUM ⁽²⁾



₹5,650 Crore

Net-worth ⁽³⁾



~2.3 MN



Active
customers



21 states

Pan India presence

7,600+

Employees



66.8%

Tier-1 CRAR (%) ⁽³⁾

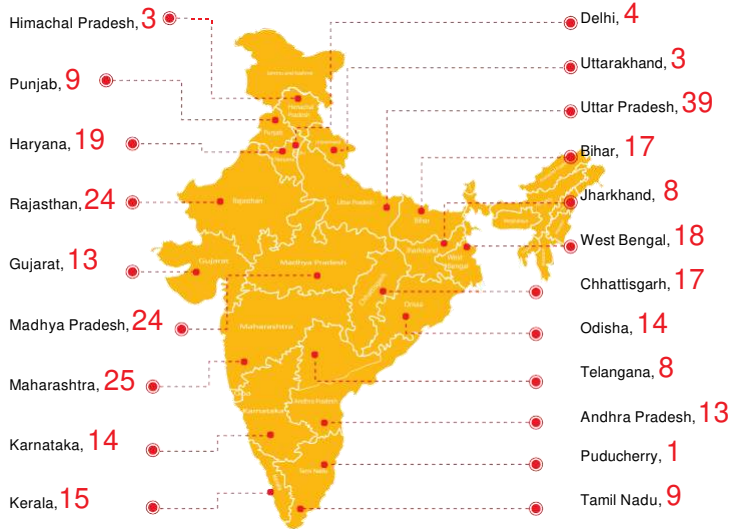


Notes: (1) Current retail finance portfolio includes Asset-backed finance (Cars, CV, CE, Used Assets, Auto Lease, Agri Finance), SME Finance and Affordable Housing Finance. Magma 2.0 will have a revised product focus; (2) As of 31-Mar-2021; (3) Net Worth as on 15-May-2021 has been computed as Net worth of 31-Mar-2021 plus Capital Infusion of ₹3,456 Cr; CRAR subject to RBI guidelines

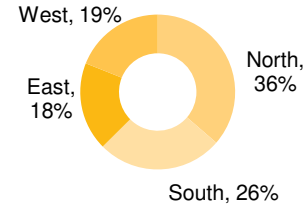
Pan India presence

297 Branches as on 31-Mar-21

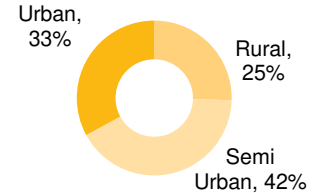
Wide retail presence through hub and spoke model



Zone-wise Breakup



Rural-Urban Breakup



"Magma 2.0 in the making" – To focus on rationalizing the branch network, through the lens of

- new location strategy*
- capability required for distribution of revised product suite and*
- critical focus on branch level profitability*

Metrics such as long-term risk adjusted RoE would be a key parameter for rationalization



INTEGRITY

Do the right thing



COLLABORATION

Invite ideas and inspiration
from all



RESPECT


Treat people
equally


3. Executive summary – Q421 and FY21



Key performance achievements – Q421 and FY21

Disbursements

Q421: 18%  QoQ

Q421: 9%  YoY


Cost of funds

Q421: 62 bps  YoY


FY21: 36 bps  YoY


NIM

Q421: 186 bps  YoY

FY21: 62 bps  YoY

Operating expenses

Q421: 11.0%  YoY


FY21: 19.8%  YoY


Opex ratio (Opex to AUM)%

Q421: 1 bps  YoY

FY21: 50 bps  YoY

Operating profit

Q421: 39%  YoY

FY21: 21%  YoY

Delivered positive operating performance in Q421 and FY21 despite COVID headwinds

Key Financial Metrics



Parameter	Q4 FY21	Q3 FY21	Q4 FY20	FY21	FY20
AUM	₹14,225 crore	₹15,006 crore	₹16,134 crore	₹14,225 crore	₹16,134 crore
NIM	9.2%	8.5%	7.4%	8.2%	7.6%
Opex Ratio ¹	4.0%	3.3%	4.0%	3.6%	4.1%
NCL ^{1, 3}	28.8%	4.8%	3.4%	9.6%	3.0%
Profit / (Loss) Before Tax ^{2, 3}	₹(864) crore	₹17 crore	₹(4) crore	₹(749) crore	₹82 crore
RoA ³	-17.7%	0.3%	-0.9%	-3.7%	0.2%
Gross Net Stage 3 ³	3.7% 1.2%	6.9% 4.5%	6.4% 4.2%	3.7% 1.2%	6.4% 4.2%

On normalized basis^{2, 4}, Profit before tax (PBT) ₹32 Cr for Q4 FY21 and ₹146 Cr for FY21

¹ Premium paid under Credit Guarantee scheme clubbed with NCL; ² Including share of profit from JV/Associates; ³ After giving impact of management overlay provisions for COVID wave two (impact ₹621 cr) and implementation of accelerated write-off policy (impact ₹274 cr); ⁴ Normalized PBT refers to PBT computed basis previous write-off policy and without management overlay provisions. Refer Asset Quality section for details on NCL

4. Business and Financial Update

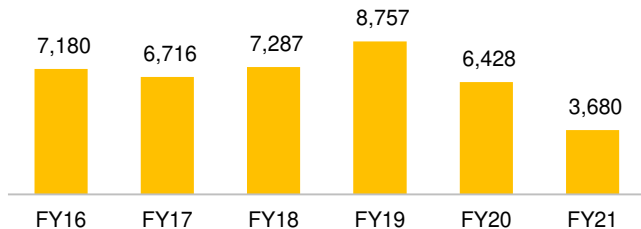


A close-up photograph of a person's hand placing a wooden block on top of a stack of four blocks. To the right, there are three more stacks of blocks, each one block shorter than the previous one, creating a descending staircase effect. The background is a blurred indoor setting with a wooden table.

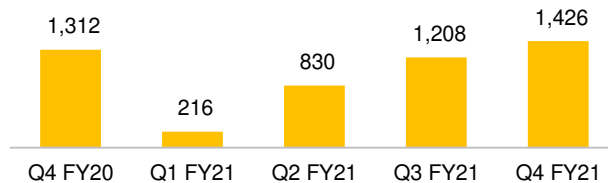
4a) Business update

Disbursements and AUM

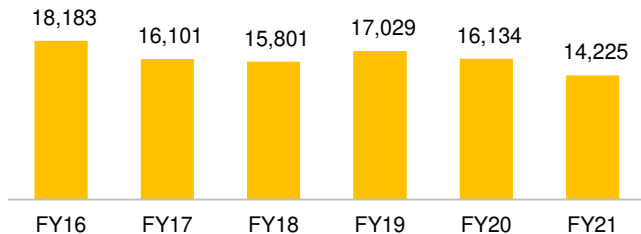
Disbursement trend (YoY) – ₹ Cr



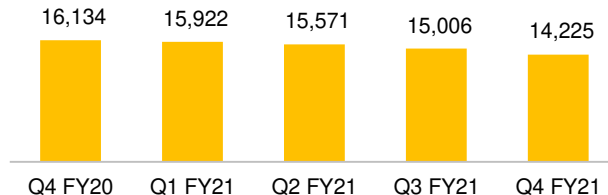
Disbursement trend (QoQ) – ₹ Cr



AUM trend (YoY)⁽¹⁾ – ₹ Cr



AUM trend (QoQ) – ₹ Cr

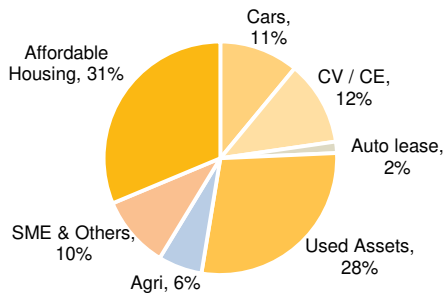


Diversified AUM mix



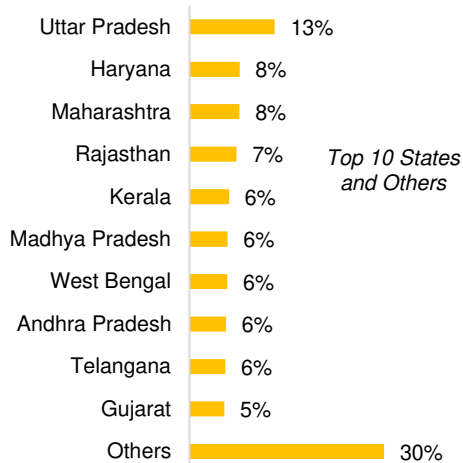
AUM mix - Product wise

As of March 31, 2021



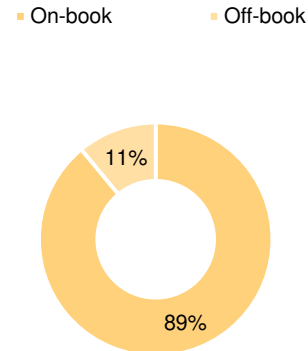
AUM mix – State wise

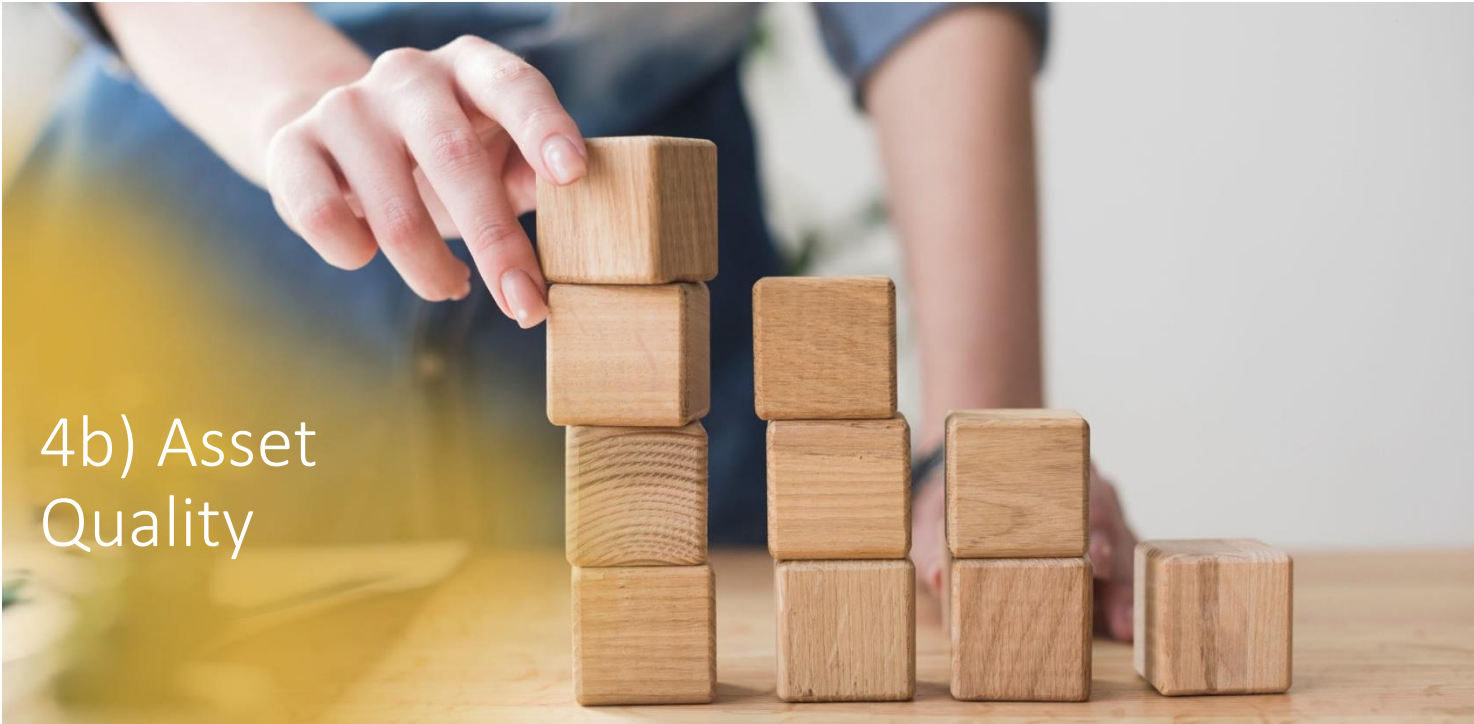
As of March 31, 2021



AUM mix - On-book vs Off-book

As of March 31, 2021



A close-up photograph of a person's hand placing a wooden block on top of a stack of four blocks. To the right, there are three more stacks of blocks, each with a decreasing number of blocks (three, two, and one respectively). The background is a blurred indoor setting with a wooden table.

4b) Asset Quality

Management commentary

- 97% of Magma's portfolio receivables are either secured by collateral or have a sovereign guarantee cover
- As of Dec-20, Magma had built adequate provisions in line with the industry to absorb any shocks from first wave of COVID, pursuant to which the coverage ratios stood healthy at 3.0% for Stage 1 and 2 assets and 36.8% for Stage 3 assets with overall ECL provisions at 5.3% of the total loan book
- Considering the unknown character of COVID, the Company has additionally created **management overlay provisions** of ₹621 Cr in Q4 FY21 for COVID wave two
- The Company holds cumulative provisions to the tune of ₹1,192 Cr as of Mar-21 and the management is confident of the adequacy of same to counter COVID related impact on future profitability
- Overall provisions including management overlay provisions shall be evaluated on a quarterly basis, including in relation to regulatory forbearance if any
- Further, the Company has adopted **one of the most conservative policy in the industry for technical write-offs effective Q4 FY21**, resulting in one-time write-off impact of ₹274 Cr in Q4 FY21*
- As of Mar-21, coverage ratio for both Stage 1 and 2 assets and Stage 3 assets stands robust at 7.2% and 68.6% respectively
- The one-time provisions and write offs have also resulted in an uptick in asset quality of the remaining book, standing as one of the best in industry with Net Stage 3 assets (as of Mar-21) at 1.2% and overall ECL provisions at 9.5% of the total loan book

* For details, refer "Section 1 – Magma 2.0"

Stage wise provision

Stage wise	31-Mar-20			31-Dec-20			31-Mar-21		
	On Book Assets	Provision	Provision as % of On Book Assets	On Book Assets	Provision	Provision as % of On Book Assets	On Book Assets	Provision	Provision as % of On Book Assets
Stage 1	11,968	132	1.1%	10,864	146	1.3%	10,537	417	4.0%
Stage 2	1,366	159	11.6%	1,582	224	14.1%	1,603	456	28.4%
Stage 1 & 2	13,333	291	2.2%	12,446	370	3.0%	12,140	873	7.2%
Stage 3	914	334	36.5%	927	341	36.8%	465	319	68.6%
Total	14,247	624	4.4%	13,373	711	5.3%	12,605	1,192	9.5%

Note:

1. The pandemic year performance included and factored in business cycle and ECL parameters reset accordingly

Asset Quality

Particulars	MFL			MHFL			Consol		
	Mar-20	Dec-20	Mar-21	Mar-20	Dec-20	Mar-21	Mar-20	Dec-20	Mar-21
Gross Stage 1 and Stage 2 Assets	10,972	9,737	9,286	2,368	2,720	2,865	13,333	12,446	12,140
Stage 1 & 2 Coverage Ratio (%)	2.5%	3.5%	8.5%	0.6%	1.2%	2.8%	2.2%	3.0%	7.2%
Gross Stage 3 Assets	875	874	419	39	53	46	914	927	465
Net Stage 3 Assets	556	551	124	23	35	22	580	586	146
Gross Stage 3 Assets (%)	7.4%	8.2%	4.3%	1.6%	1.9%	1.6%	6.4%	6.9%	3.7%
Net Stage 3 Assets (%)	4.8%	5.4%	1.3%	1.0%	1.3%	0.8%	4.2%	4.5%	1.2%
Stage 3 Coverage Ratio (%)	36.4%	36.9%	70.4%	40.2%	34.6%	51.8%	36.5%	36.8%	68.6%
ECL Provision - Total loan book	5.0%	6.2%	11.2%	1.2%	1.9%	3.6%	4.4%	5.3%	9.5%

• Asset quality ratios are calculated basis On Book AUM (i.e., Direct Assignment book is excluded)

Restructured portfolio

Restructuring	Pre-restructuring (current outstanding considered for comparison)			Post-restructuring (as on 31-Mar-2021)					
				Bucket status by DPD			Reported / ECL bucket		
	MFL	MHF	Total	MFL	MHF	Total	MFL	MHF	Total
Stage 1	123	39	162	366	120	486	107	-	107
Stage 2	275	84	359	75	11	86	310	123	433
Stage 3	77	8	85	34	-	34	58	8	66
Total	475	131	606	475	131	606	475	131	606
% of AUM							4.5%	3.3%	4.3%

Note:

1. Company classifies all restructured contracts as stage 2 (or in some cases as stage 3, if bucket at the time of restructuring is stage 3) for a period of 1 year from the date of restructuring .
2. The minimum provision rate for restructured portfolio is the rate applicable at pre-restructuring level. If any restructured contract moves to 0+ collection status bucket, Company makes bucket provision plus an additional provision of 10%.
3. Provision on restructured portfolio (excluding management overlay provisions for COVID wave two) stands at ₹103 crore (17%) as on 31-Mar-2021.

Credit Loss (NCL) Analysis (1/2)

Particulars	Q4 FY20	Q3 FY21	Q4 FY21
Net ECL Provision*	74	128	1,005
Credit Guarantee Cost	7	5	4
Loss on Settlement/ Repo	56	50	44
NCL	137	182	1,053[^]
<i>*100% Provision Bucket / Write-off (PL Impact)</i>	<i>41</i>	<i>50</i>	<i>334</i>

Particulars	Mar-20	Dec-20	Mar-21
Gross Stage 3 Assets	914	927	465
Provisions held	334	341	319
Net Stage 3 Assets	580	586	146
Gross Stage 3 (%)	6.4%	6.9%	3.7%
Net Stage 3 (%)	4.2%	4.5%	1.2%
Provision Coverage Ratio	36.5%	36.8%	68.6%
Stage 1 & 2 provision	291	370	873
Stage 1 & 2 Coverage Ratio	2.2%	3.0%	7.2%

[^] Details in next slide
Values in ₹ crore

Credit Loss (NCL) Analysis (2/2)

Particulars	Q4 FY21	FY21
Net ECL Provision / Write-off	110	410
Credit Guarantee Cost	4	16
Loss on Settlement/ Repo	44	143
Credit Loss (before one-time additional charge)	158	569
Impact of change in Write-off policy	274	274
Management Overlay Provisions for COVID wave two	621	621
Additional one-time charge	895	895
Total Credit Loss	1,053	1,464

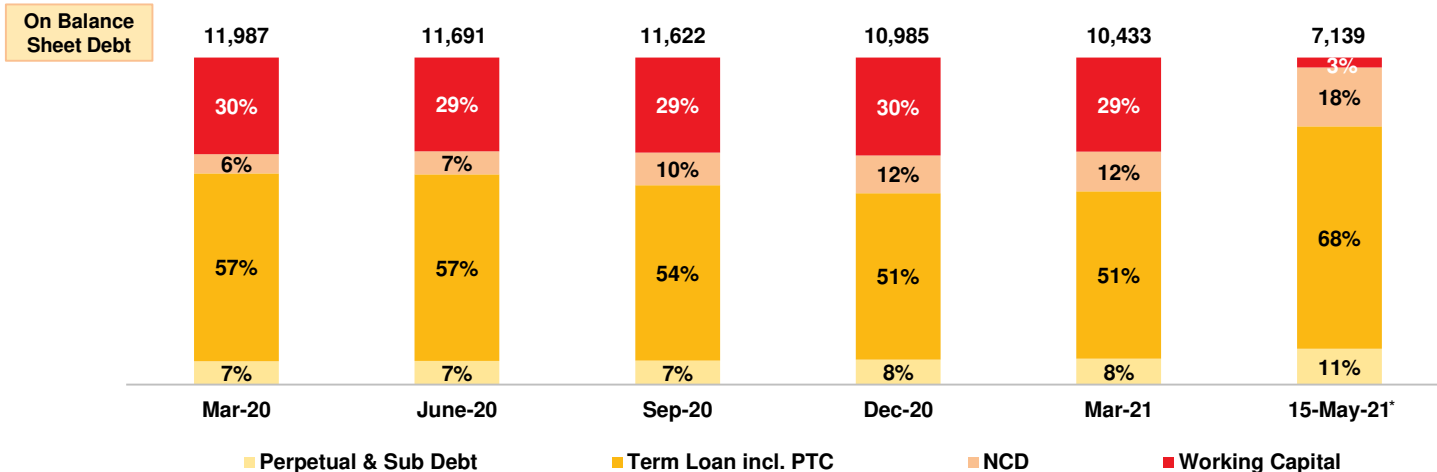
A photograph showing a person's hand placing a wooden block on top of a stack of four blocks. To the right, there are three more stacks of blocks, each shorter than the previous one, creating a descending staircase effect. The background is a blurred indoor setting.

4c) Liquidity and Liability

- Post the substantial equity infusion of ₹3,456 Cr, Magma has a robust liquidity and liability profile as of 15- May-2021, which lays a solid foundation for the strong growth trajectory going forward:
 - Overall available liquidity of ₹5,058 crore
 - Net-worth of ₹5,650 Cr with Tier-1 CRAR at 66.8%
 - Leverage ratio of 1.3x
- The Company has seen a healthy reduction in cost of funds in the recent past (Q4 Cost of funds down 62 bps YoY and FY21 Cost of funds lower 36 bps YoY)
- Backing of a strong corporate group is likely to have a positive impact on credit ratings, and expected to further reduce the cost of funds, thereby providing a boost to the return ratios

Strengthened Liability Profile

Funding mix – By instrument



Instrument	Rating
Short term Debt	A1+ (CARE & CRISIL)
Long term Debt	AA- (CARE, ICRA & India Ratings)

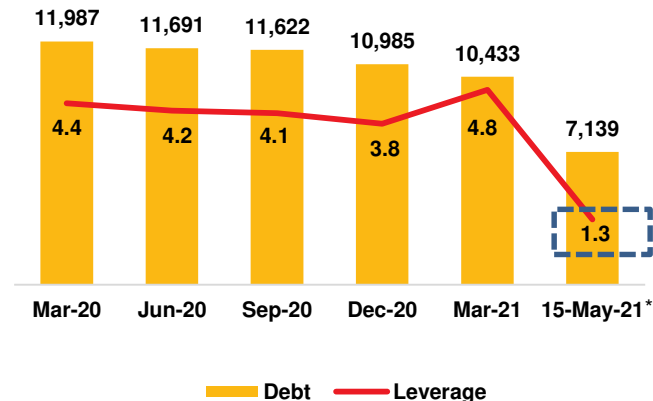
- Source of liabilities as on 31-Mar-21 –
Banks: 78%, Debt capital market: 22%.

Robust Liquidity and Leverage

Robust Liquidity

- ₹2,895 crore new drawdown in FY21 (₹986 crore in Q4 FY21)
- Overall available liquidity of ₹2,002 crore as on 31-Mar-21
- **Overall available liquidity of ₹5,058 crore as on 15-May-21**
- Additional undrawn sanctions in hand as on 31-Mar-21 ₹790 crore

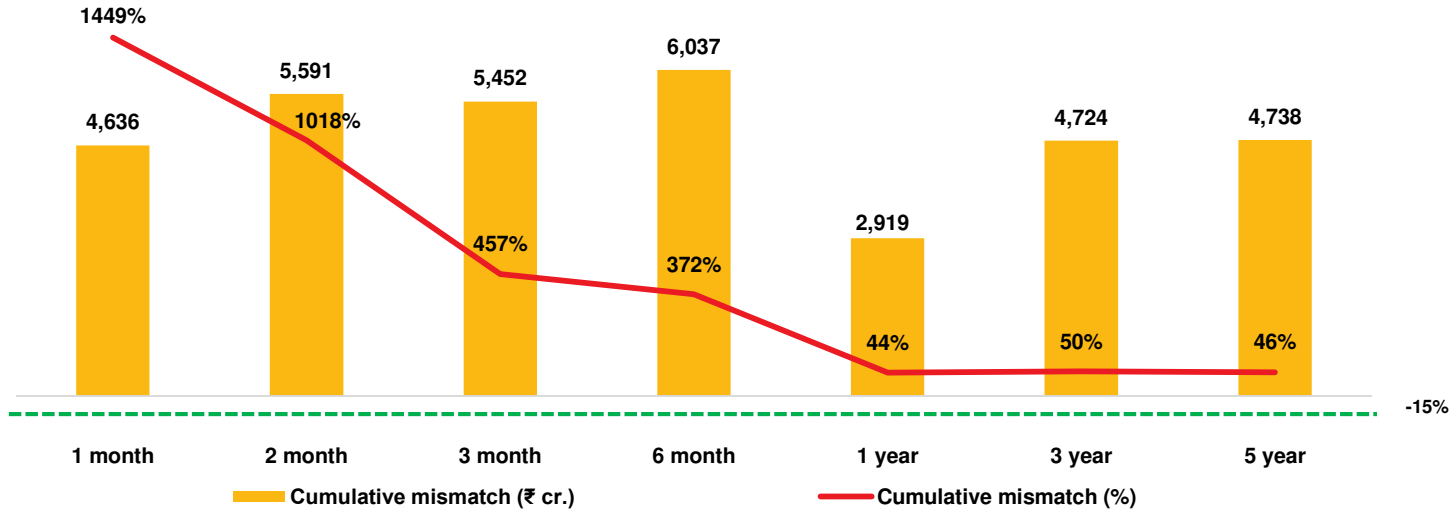
Leverage Ratio



*For calculation of leverage, Net Worth as on 15-May-21 has been computed as Net worth of 31-Mar-21 plus Capital Infusion of ₹3,456 cr
Values in ₹ crore

Structural Liquidity for MFL

Estimated position as at 15-May-21



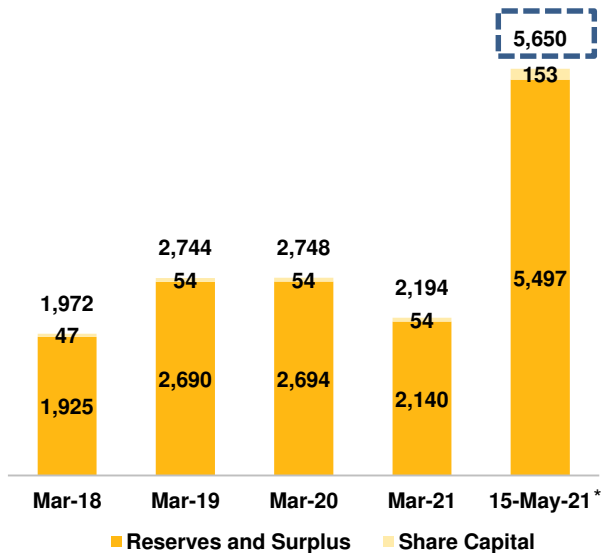
Working capital limits are considered as repayable in 6 - 12 months time bucket

Based on MFL Standalone numbers; Values in ₹ crore.

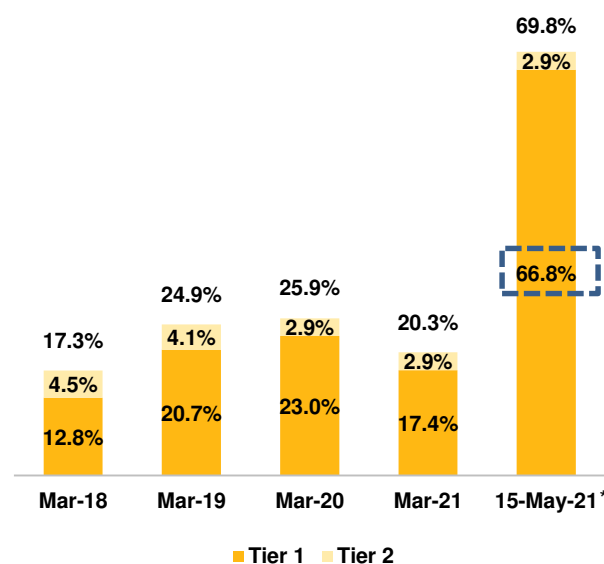
Analysis as of 15-May-2021 provided in view of the latest capital position post equity infusion of ₹3,456 Cr

Robust capitalization profile

Net Worth



Capital Adequacy[^]



*Net Worth as on 15-May-21 has been computed as Net worth of 31-Mar-21 plus Capital Infusion of ₹3,456 cr

[^] Subject to RBI guidelines

Values in ₹ crore

A close-up photograph of a person's hand placing a wooden block on top of a stack of four blocks. To the right, there are three more stacks of blocks, each one block shorter than the previous one, creating a descending staircase effect. The background is a blurred indoor setting with a wooden table.

4d) Financial statements

Consolidated Profit & Loss Statement*

Particulars	Q4 FY21	Q3 FY21	Q4 FY20	FY21	FY20
Net Interest Income	322	319	293	1,218	1,215
Other Income	14	6	7	34	49
Net Revenue	337	326	301	1,252	1,264
Expenses [#]	145	126	163	542	676
Operating Profit	191	199	137	710	588
Net Credit Loss [#]	158	182	137	569	506
Profit Before Tax (before additional one-off NCL charge)	33	17	0	141	83
Impact of change in write-off policy	274	-	-	274	-
Management Overlay Provisions for COVID wave two	621	-	-	621	-
Profit Before Tax (before profit from JV/Associate)	(862)	17	0	(754)	83
Share of profit in Joint Ventures / Associates	(2)	0	(4)	5	(1)
Profit Before Tax	(864)	17	(4)	(749)	82
Tax	(216)	4	(4)	(190)	19
Opening DTA impact due to change in tax rates	-	-	36	-	36
Consolidated Profit After Tax	(648)	13	(36)	(559)	27

* Re-formatted for better analysis

Premium paid under Credit Guarantee scheme clubbed with NCL

Values in ₹ crore

ROA Tree (MFL Consolidated)

Particulars	Q4 FY21	Q3 FY21	Q4 FY20	FY21	FY20
Net Interest Income	8.8%	8.4%	7.2%	8.0%	7.3%
Other Income	0.4%	0.2%	0.2%	0.2%	0.3%
Net Revenue	9.2%	8.5%	7.4%	8.2%	7.6%
Expenses [#]	4.0%	3.3%	4.0%	3.6%	4.1%
Operating Profit	5.2%	5.2%	3.4%	4.7%	3.5%
Net Credit Loss [#]	4.3%	4.8%	3.4%	3.7%	3.0%
Profit Before Tax (before additional one-off NCL charge)	0.9%	0.4%	0.0%	0.9%	0.5%
Impact of change in write-off policy	7.5%	-	-	1.8%	-
Management Overlay Provisions for COVID wave two	17.0%	-	-	4.1%	-
Profit Before Tax (before profit from JV/Associate)	-23.6%	0.4%	0.0%	-5.0%	0.5%
Share of profit in Joint Ventures / Associates	0.0%	0.0%	-0.1%	0.0%	0.0%
Profit Before Tax	-23.6%	0.5%	-0.1%	-4.9%	0.5%
Tax	-5.9%	0.1%	-0.1%	-1.3%	0.1%
Opening DTA impact due to change in tax rates	-	-	0.9%	-	0.2%
Consolidated Profit After Tax	-17.7%	0.3%	-0.9%	-3.7%	0.2%

[#] Premium paid under Credit Guarantee scheme clubbed with NCL
Values in ₹ crore

Consolidated Balance Sheet

Particulars	31-Mar-21	31-Dec-20	31-Mar-20
Cash and Cash Equivalents	775	902	708
Loans and Advances	11,361	12,605	13,555
Other Assets	623	747	784
Fixed Assets	453	169	193
Total Assets	13,212	14,423	15,240
Borrowings	10,433	10,985	11,987
Other Liabilities	585	580	504
Share Capital	54	54	54
Reserves & Surplus	2,140	2,804	2,694
Total Liabilities	13,212	14,423	15,240

5. Subsidiaries

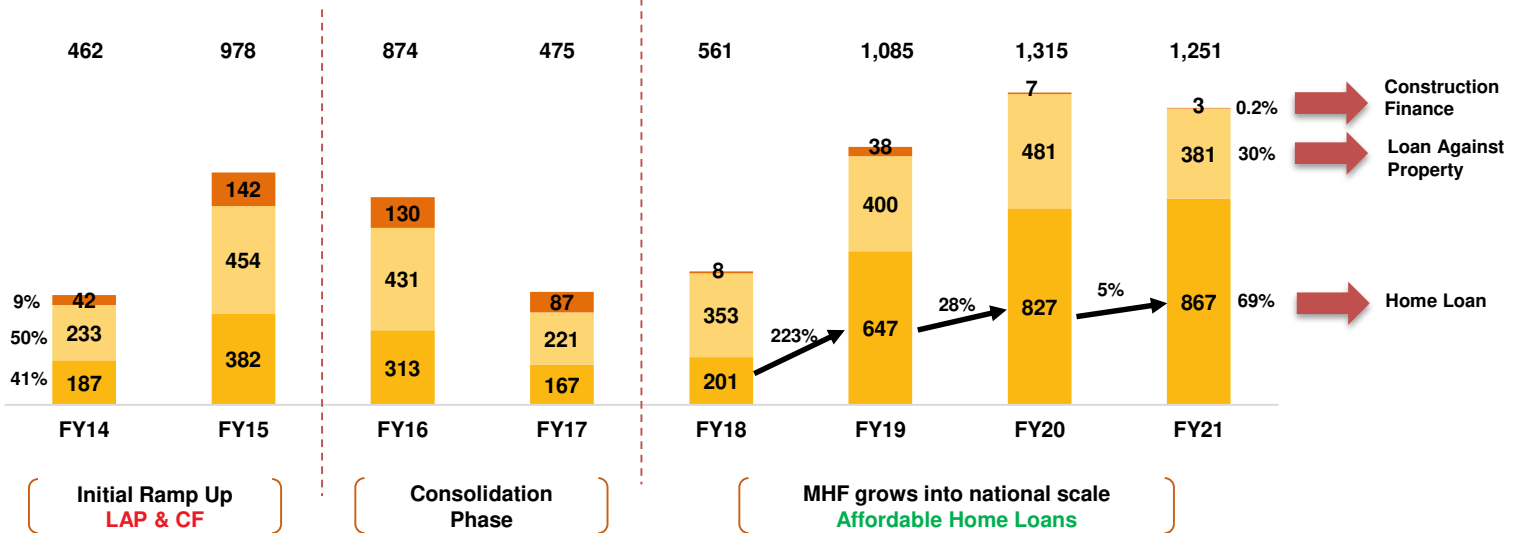


Magma Housing Finance (Subsidiary)



MHF – Emerging as a strong Affordable Housing Finance Entity

Disbursements (₹ Cr)



The company has consciously transformed towards building the granular long term affordable housing book

Pan India distribution presence

Asset Light Branch Network

- ✓ Wide retail presence through hub and spoke model
- ✓ Technology enabled solutions leading to industry best productivity, national coverage and best in class customer experience
- ✓ Strong customer engagement through large team of Field Executives
- ✓ Toll free Inbound/Outbound Customer Call Centre for servicing and cross sell

97 Branches as on 31st March, 2021

Deep presence in select geographies pan India through hub and spoke model,

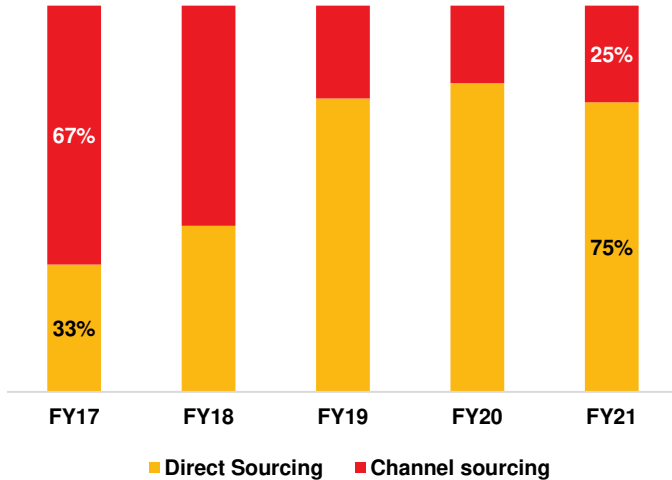


Relationship based direct sourcing

Sourcing Mix

475 561 1,085 1,315 1,251

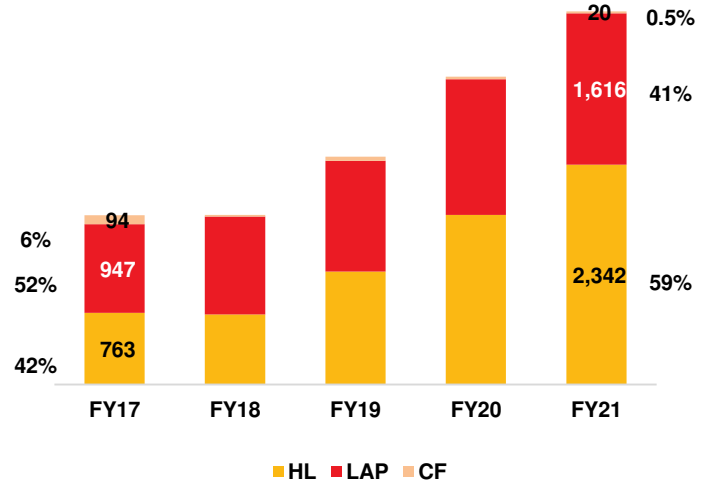
Go Direct 75%



AUM

1,804 1,809 2,429 3,283 3,978

Go Home Loan 59%



MHF - Value in Consistent Performance

Parameter	FY17*	FY18*	FY19*	FY20*	FY21*
AUM	₹1,790 cr	₹1,809 cr	₹2,430 cr	₹3,283 cr	₹3,978 cr
Gross Stage 3	4.7%	5.4%	1.8%	1.6%	1.6%
Net Stage 3	3.7%	3.3%	1.2%	0.97%	0.77%
Disbursement IRR	14.0%	13.3%	13.1%	13.8%	13.6%
Opex Ratio	2.8%	2.9%	3.9%	3.6%	2.8%
PAT ⁽¹⁾	₹34 cr	₹34 cr	₹34 cr	₹43 cr	₹11 cr
ROA ⁽¹⁾	1.9%	1.9%	1.6%	1.5%	0.3%
ROE ⁽¹⁾	13.1%	11.5%	10.4%	10.4%	2.2%

Normalized
FY21 PAT
₹48 Cr ⁽²⁾

Notes: (1) Post impact of accelerated write-offs (impact ₹6 Cr) and management overlay provisions for COVID wave two (impact ₹44 Cr); (2) Normalized PAT refers to PAT when computed without impact of accelerated write-offs and management overlay provisions

*Note: Performance for FY17 as per I-GAAP; FY18 to FY21 performance as per Ind-AS

Management commentary on Q4 Provisions and Write-offs

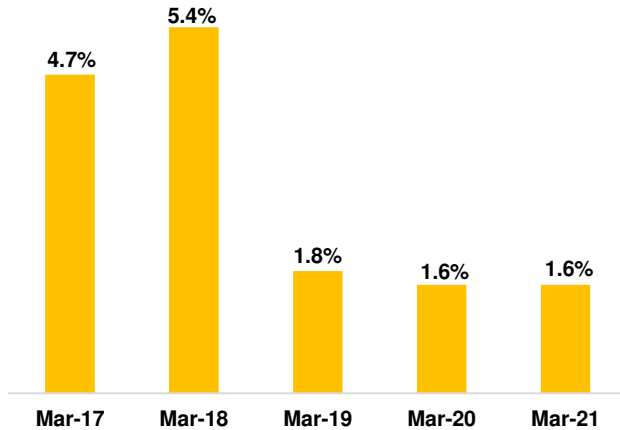


- As of Dec-20, Magma HFC had built adequate provisions in line with the industry to absorb any shocks from first wave of COVID, pursuant to which the coverage ratios stood healthy at 1.2% for Stage 1 and 2 assets and 34.6% for Stage 3 assets with overall ECL provisions at 1.9% of the total loan book
- Considering the unknown character of COVID, the Company has additionally created **management overlay provisions** of ₹44 Cr in Q4 FY21 for COVID wave two
- The Company holds cumulative provisions to the tune of ₹105 Cr (₹29 Cr as on 31-Mar-2020) and the management is confident of the adequacy of same to counter COVID related impact on future profitability
- Overall provisions including management overlay provisions shall be evaluated on a quarterly basis, including in relation to regulatory forbearance if any
- Further, the Company has adopted **one of the most conservative policy in the industry for technical write-offs effective Q4 FY21**, resulting in one-time write-off impact of ₹5.8 Cr in Q4 FY21*
- As of Mar-21, coverage ratio for both Stage 1 and 2 assets and Stage 3 assets stands robust at 2.8% and 51.8% respectively
- The one-time provisions and write offs have also resulted in an uptick in asset quality of the remaining book, standing as one of the best in industry with Net Stage 3 assets (as of Mar-21) at 0.8% and overall ECL provisions at 3.6% of the total loan book

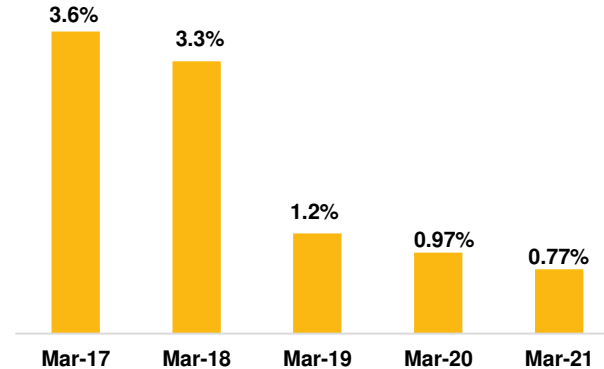
* For details, refer "Section 1 – Magma 2.0"

Momentum towards Best-in-Class Asset Quality (1/2)

Gross Stage 3 Assets



Net Stage 3 Assets



Best in Class upper quartile portfolio quality in Affordable Housing Finance

Momentum towards Best-in-Class Asset Quality (2/2)

Particulars	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Gross Stage 1 and Stage 2 Assets	2,368	2,494	2,682	2,720	2,865
Stage 1 and Stage 2 Provisions	13	20	27	33	81
Stage 1 and Stage 2 Coverage Ratio (%)	0.6%	0.8%	1.0%	1.2%	2.8%
Gross Stage 3 Assets	39	40	43	53	46
Stage 3 Provisions	16	16	17	19	24
Net Stage 3 Assets	23	24	26	35	22
Gross Stage 3 Assets (%)	1.6%	1.6%	1.6%	1.9%	1.6%
Net Stage 3 Assets (%)	1.0%	1.0%	1.0%	1.3%	0.8%
Stage 3 Coverage Ratio (%)	40.2%	39.8%	39.2%	34.6%	51.8%
ECL Provision - Total loan book	1.2%	1.4%	1.6%	1.9%	3.6%

Values in ₹. crore

Credit Loss (NCL) Analysis

Particulars	Q4 FY21	FY21
Net ECL Provision	9	32
Write-off as per previous policy#	18	47
Normalized NCL	27	79
Change in Write-off policy	6	6
Management Overlay Provisions for COVID wave two	44	44
Additional one-time charge	50	50
Total NCL	77	129

Values in ₹ crore

Write-offs as per previous policy include loss on settlement

Magma Housing Finance Ltd. (MHFL) Standalone Profit & Loss Statement*



Particulars	Q4 FY21	Q3 FY21	Q4 FY20	FY21	FY20
Net Interest Income	78	75	37	240	169
Other Income	3	2	2	5	8
Net Revenue	80	77	39	246	177
Expenses	30	26	24	102	101
Operating Profit	50	51	15	144	76
Net Credit Loss	27	37	16	79	22
Profit Before Tax (before additional one-off NCL charge)	23	14	(0)	64	54
Impact of change in write-off policy	6	-	-	6	-
Management Overlay Provisions for COVID wave two	44	-	-	44	-
Profit Before Tax	(27)	14	(0)	14	54
Tax (Normal)	(7)	3	(4)	3	13
Opening DTL impact due to change in tax rates	-	-	-	-	(1)
Profit After Tax	(20)	10	3	11	43

* Re-formatted for better analysis
Values in ₹ crore

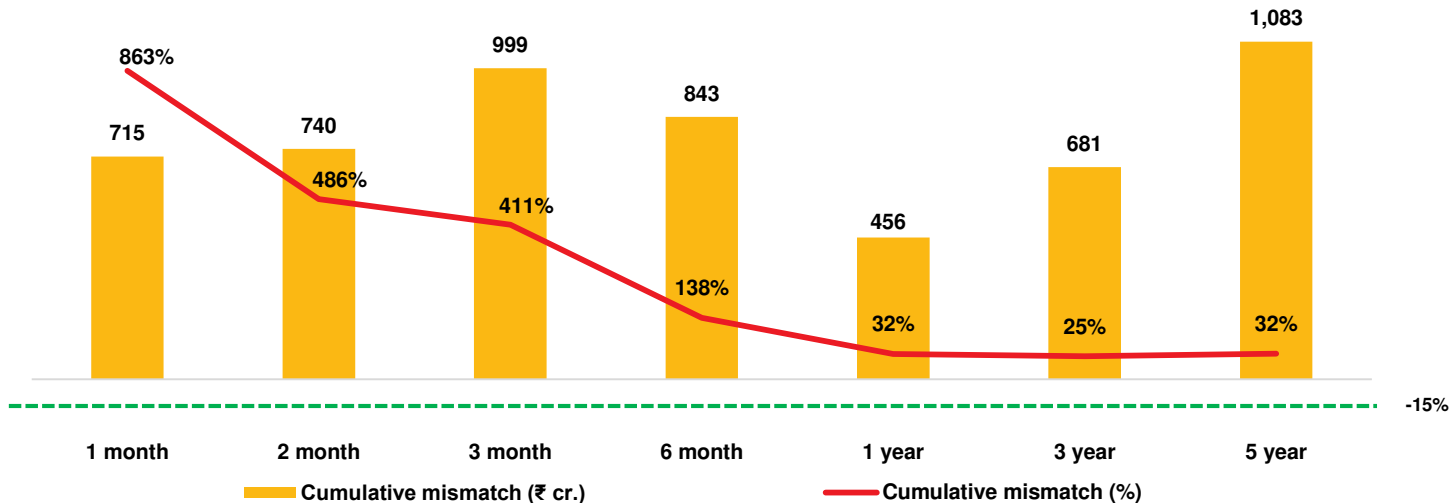
Magma HFC under the aegis of Poonawalla Group



- Under the aegis of new Promoter, Magma Fincorp has infused ₹500 Cr of equity into Magma HFC on 31-May-2021
- Equity capital and the Poonawalla Group parentage shall bring significant benefits for Magma HFC:
 - As of 31-May-2021, Net-worth around ₹1,000 Cr; Leverage ~2.5x; CRAR ~ 58%
 - Growth momentum to further accelerate (last 3 year 30% CAGR)
 - Cost of funds reduction trend to accelerate with credibility enhancement
 - Access to wide distribution network and corporate relationships of Poonawalla Group
 - Significant investment in distribution, digitization and analytics

Structural Liquidity for MHFL

Estimated position as at 31-May-21



Working capital limits are considered as repayable in 6 - 12 months time bucket

Based on MHFL Standalone numbers; Values in ₹ crore.

Analysis as of 31-May-2021 provided in view of the latest capital position post equity infusion of ₹500 Cr



Magma HDI

General Insurance

Magma HDI General Insurance – Quick snapshot



Amongst Top 5 companies in terms of Motor Own Damage Claims Settlement (95%) within 30 days at 9mFY21



One of lowest Motor Own Damage loss ratio in Industry 44.9% as at 9mFY21



Amongst Top 4 companies with least number of complaints intimated per 10,000 policies issued in Q3 FY21

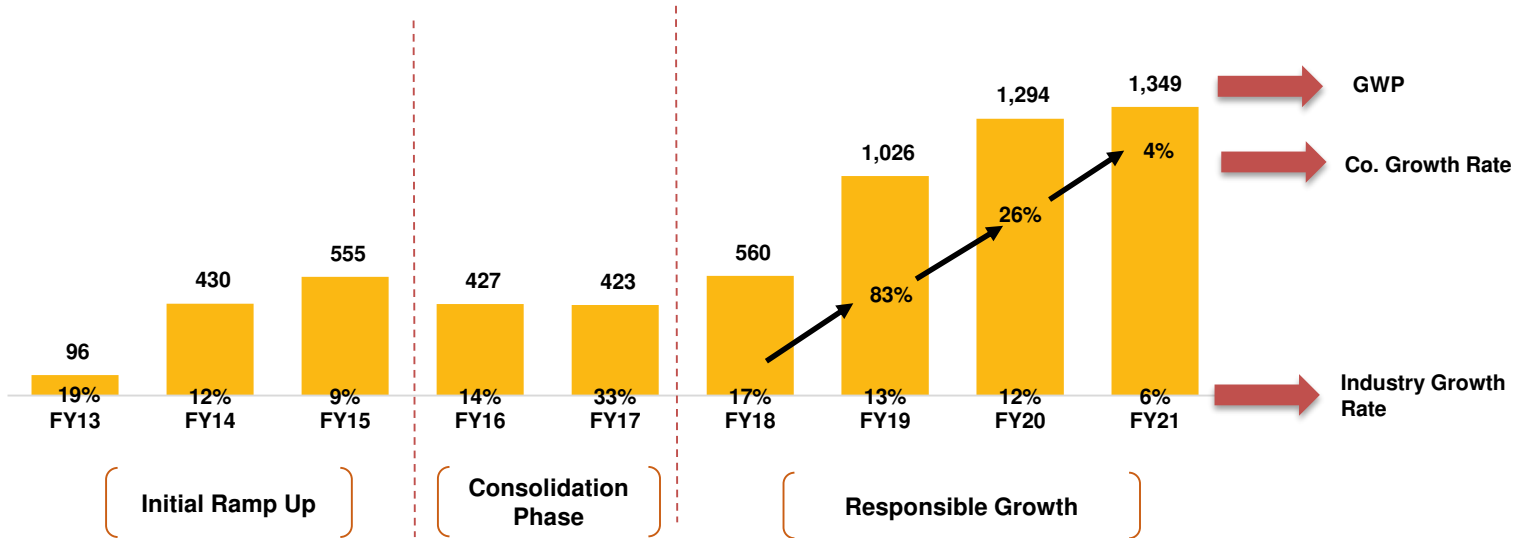


One of the lowest Capital burn ratio as at 9mFY21 amongst the 2nd wave private players



One of the highest Investment Leverage ratio of 6.6 as at 9mFY21 amongst the 2nd Wave private players

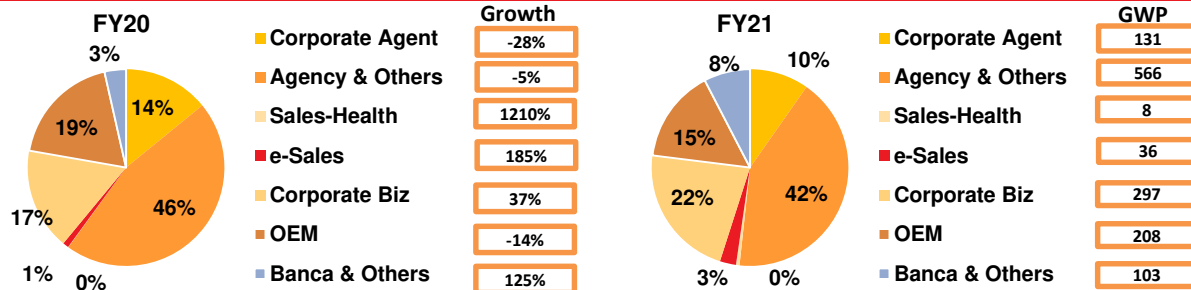
Magma HDI - Built on strong risk foundation



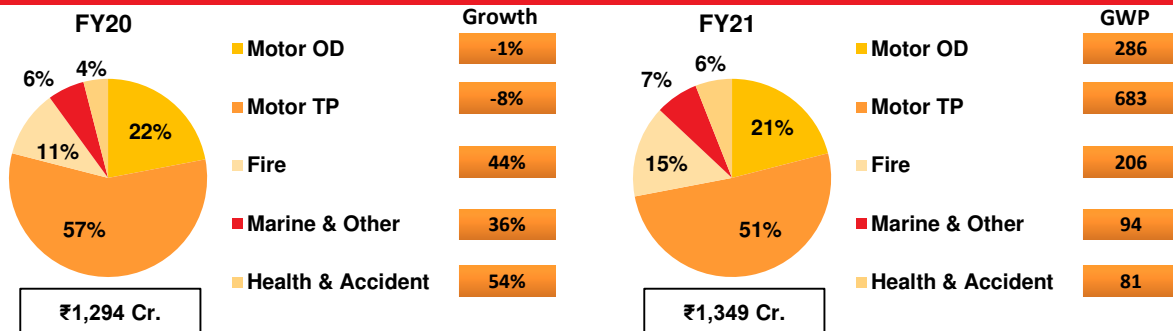
The Company has achieved robust growth rate over the years

Magma HDI – Diversified distribution & Portfolio mix

Distribution Mix & Growth



Portfolio Mix & Growth



Magma HDI - Enhancing distribution through partnerships



Offices & Channel Partners	FY18	FY19	FY20	FY21
Number of Branches	125	169	170	133
Agents + POS* + MISP#	2,790	5,028	6,558	7,614
Corporate Agents	5	7	13	11
OEM Tie-ups	1	1	6	14**
Number of Districts where policies are issued : 593		Number of Districts where claims are serviced : 576		

*POS – Point of Sale, #MISP – Motor Insurance Service Provider

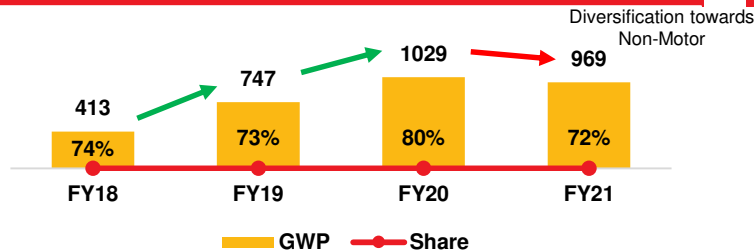
** Out of 14 OEM Tie-up in FY21, business commenced with 13 relationships, integration under way with a passenger car manufacturer

Generating business from over 83% districts with the ability to service claims in more than 80% districts in India through strong use of technology

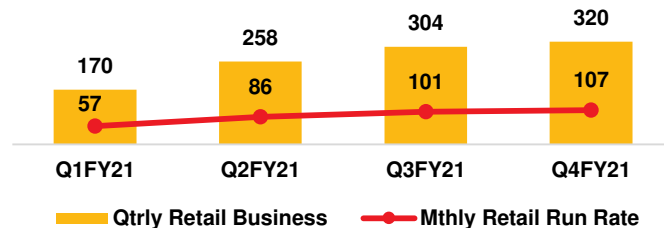
Magma HDI – Strong growth in Retail Health & Fire



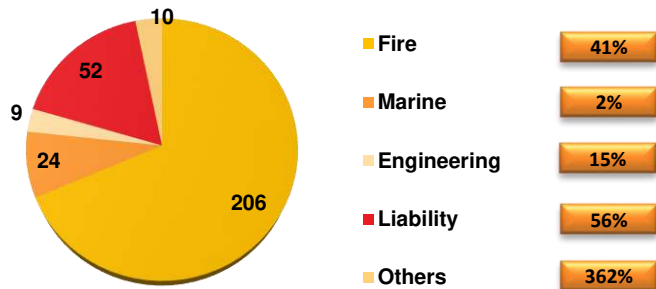
Motor GWP and Share



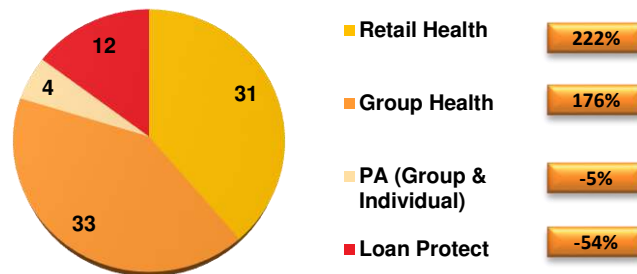
Retail Run Rate



Commercial GWP and Growth



Health & PA GWP and Growth

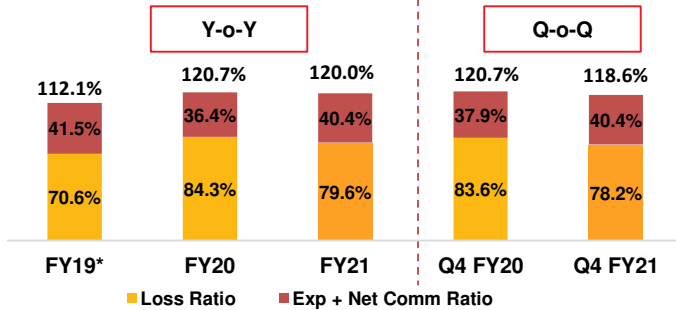


Contribution of retail business in total business stands at 78% in FY21

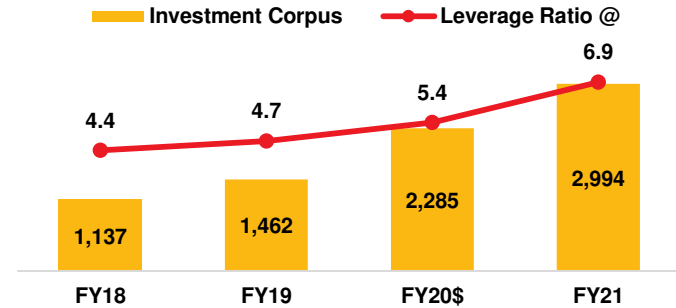
Magma HDI – Continuous accretion in Investment book



Combined Ratio Movement



Investment Book & Leverage ratio



Investment Book - Rating Mix

Rating	FY21
AAA	91.8%
AA+	3.7%
AA	1.1%
AA-	2.8%
A+ & below	0.6%

Solvency for the company stands at 1.79 times as against 1.50 times required by IRDAI

* Normalised ; @ - Closing Investment corpus by closing capital, \$Partial allotment of share Application money considered in closing capital

Magma HDI - Profit & Loss Statement (Ind AS)

Ind AS					
Particulars	Q4 FY21	Q4 FY20	Q3 FY21	FY21	FY20
Gross Written Premium	438	345	358	1349	1294
Net Written Premium	237	200	226	798	790
Net Earned Premium	192	194	192	762	708
Net Claims Incurred	150	162	149	607	598
Net Commission	(17)	(12)	(12)	(55)	(63)
Management Expenses	114	90	105	382	355
Impairment loss	3	11	1	28	19
Underwriting Profit	(58)	(57)	(50)	(200)	(200)
Investment & Other Income	52	53	52	219	206
Profit Before Tax	(7)	(4)	2	19	6
Taxes	(2)	8	1	5	9
Current Taxes	(2)	8	(0)	5	8
Deferred Taxes	(1)	0	1	(1)	1
Profit After Tax	(5)	(12)	1	15	(3)

Magma HDI - Profit & Loss Statement (I GAAP)

Particulars	Q4 FY21	Q4 FY20	Q3 FY21	FY21	FY20
Gross Written Premium	438	345	358	1,349	1,294
Net Written Premium	237	200	226	798	790
Net Earned Premium	192	194	192	762	708
Net Incurred Claims	150	162	149	607	597
Net Commission	(17)	(12)	(12)	(55)	(63)
Commission & Reward	28	21	22	86	76
RI Commission income	(45)	(33)	(35)	(141)	(138)
Management Expenses	114	90	105	382	354
Salary	28	27	28	110	108
Non-Salary Opex	86	63	77	272	247
Underwriting Loss	(55)	(46)	(49)	(171)	(180)
Investment Income	48	41	46	180	148
Profit on Sale of long term Investments	3	11	5	35	52
Investment write-off/Provision	0	(11)	0	(19)	(19)
Other Income	0	0	1	1	1
Profit Before Tax	(4)	(5)	2	26	2
Current Tax	(1)	0	(0)	5	0
Deferred Tax	0	8	1	1	8
Profit After Tax	(3)	(13)	2	19	(6)

Magma HDI Fund raise transaction to provide growth fillip



Distribution

- Accelerate growth ~ newly acquired OEM tie-ups & further investments in distribution including geographical reach
- Investment in health business ~ diversify from current dependence on Motor
- Growth in business of parent ~ opportunities to cross sell insurance products
- Leverage relationships and brand of strong investor base

Technology and brand

- Enhance investments in technology ~ transition from a digitized business to building digital channels
- Rebrand the company in due course
- Invest in building the brand ~ serve retail & corporate customers in India and Bharat

Strong Solvency position

- Proposed capital raise of ₹250 crore* to enhance the Solvency position of the Company from 1.79 times to 2.94 times (March 31, 2021 : on a proforma basis) ~ barometer of ability to pay claims, assessed carefully by partners, customers and Regulator

Strong foundation in place to build a scaled franchise in the coming years

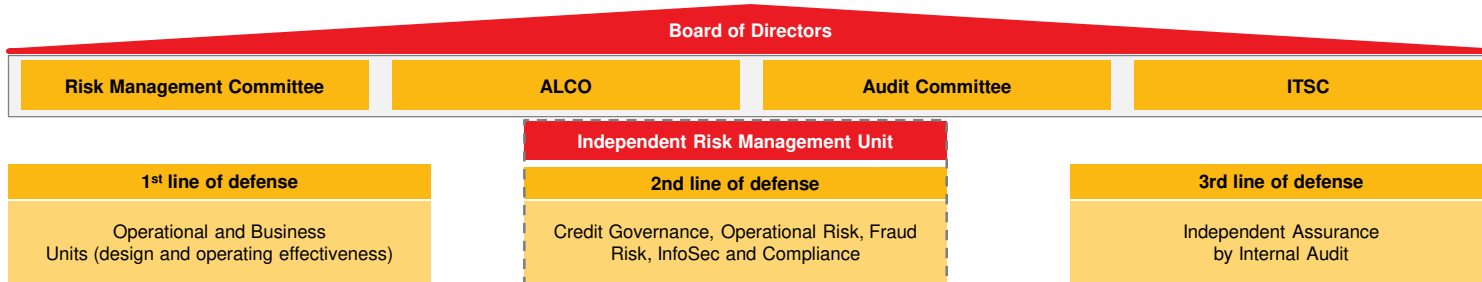
6. Business enablers



A photograph showing a person's hand placing a wooden block on top of a stack of four blocks. To the right, there are three more stacks of blocks, each with a decreasing number of blocks (three, two, and one respectively). The background is a blurred indoor setting.

6a) Risk management

Enterprise wide, independent risk management framework, An integrated approach covering entity wide risks



Components of Risk Management	Overarching principles and execution
Risk Governance	<ul style="list-style-type: none"> Risk Appetite Statements set the guardrails Quarterly Committee meetings to assess enterprise risk profile Well defined risk policies and standards
Operating controls & compliance	<ul style="list-style-type: none"> Comprehensive Risk library. Regular monitoring of Key Risk Indicators. Timely reporting of Operational Risk (OR) incidents and frauds. Internal Financial Controls (IFC) standards as mandated by Companies Act
Credit underwriting strategies	<ul style="list-style-type: none"> Decisioning platforms based on segmental behavior and risk based pricing Automated Credit Rule Engine with connectivity to bureau and fraud systems
Analytics driven portfolio management	<ul style="list-style-type: none"> Statistically derived Early Warning Indicators (EWI) and Continuous Portfolio Monitoring Indicators (CPMI) Robust Probability of default (PD) & Loss given default (LGD) models guide consistently accurate loss forecasting
Capital & Liquidity Management	<ul style="list-style-type: none"> Proactive management of ALM mismatch in each time bucket Prudent capital and liquidity buffers for stress resilience

Enterprise wide, independent risk management framework, Risk strategy to deal with COVID-19 situation

Covid-19, a health and economic crisis which started during the end of FY20, continued to impact much of the FY21. Risk has fine tuned its strategy and taken multiple initiatives to keep up with the changing ground situation

Minimum disruption of activities

- Being a geographically neutral team, which can work from a non-office location without much disruption, the Risk team has ensured minimum disruption of its planned activities during the crisis



Key initiatives by the Risk team

- All planned risk activities like risk reviews, IFC exercise, KRI monitoring, committee meetings have been carried out as per plan
- An executive level Operational Risk Management Committee (ORMC) put in place for effective senior management oversight on OR and Fraud Risk Management (FRM) profile of the organization
- A structured incident reporting mechanism has been implemented to quickly identify and plug any areas of weakness.
- Intensified surveillance activities by FRM happening on a regular basis. Team has also focused on the training of other support functions for better fraud prevention
- Credit pre-approved customers are being reassessed by the Credit team for loans in uncertain scenario



Road ahead

- Increased use of secured technology tools to conduct risk activities
- Identifying and eliminating redundant processes, identified during the crisis, across the organization
- More impetus on telephonic discussion for investigations and cross verifications



A close-up photograph of a person's hand placing a wooden block on top of a stack of four blocks. To the right, there are three more stacks of blocks, each one block shorter than the previous one, creating a descending staircase effect. The background is a blurred indoor setting with a wooden table.

6b) Technology

Digital Lender for Bharat

Business Growth

Improved Biz Team productivity: End-to-End Digital Loan Processing, Automated workflows, Credit Rule Engine based decisions, eSign

New Sales Platforms: API Integration with Digital ecosystem partners (lead-aggregators / marketplaces) for Instant Approval

Channel Partner Self-service: Mobile/web-app for channel partners lead-generation



Actionable Data Intelligence

Scorecard-lending: Structured evolution of scorecards leveraging organic, multi-bureau and surrogate sources of data

Credit Rule Engine: 2/3rd of Credit Underwriting to be Straight-Through-Decisioned basis Scorecards

Data Warehouse: Data marts built for Risk Analytics, Cross Sell, and Financial Analytics



Opex Reduction

Improved Biz efficiency: Straight-Through-Processing for Instant Loan Approvals

Improved Ops efficiency: Introduced Robotic Process Automation for repetitive activities, Centralized Digital Processing to bring economies of scale

Bring-Your-Own-Device: Empowered employees to use own smartphones and laptops to access corporate applications securely




Customer Service

CRM: Omni-channel 360 degree view of Customer across Branch, SMS, Email, Call Centre, WhatsApp, Facebook, LinkedIn and Twitter

WhatsApp & website Chatbot: launched for Customer-service and Channel-engagement

Digital document delivery: Achieved across 10 vernacular languages to customers



A photograph showing a person's hand placing a wooden block on top of a stack of four blocks. To the right, there are three more stacks of blocks, each shorter than the previous one, creating a descending staircase effect. The background is a blurred indoor setting.

6c) Employees 'First'

Business enabler for sustained growth - People



Promoting ethical practices, through awareness and culture building.

Talent management framework with objective of building internal talent pipeline and strengthening retention through Talent Councils. Empowering business leaders with structured **Performance Review Program** to have a review rigor among teams through **Monthly Performance Review Program (MPRM)**



Fully functional role-based and **state of the art learning tools aimed at enhancing productivity and behavior.** **Structured On-boarding Program** across levels for smooth on-boarding and integration.



Enabling Senior Leadership connect to sense ground situation management through sessions **“Vartalap” & “Samwad”**



Emergency Response Framework for Employees in the wake of Global Pandemic. Setting up of **Magmaites Covid Sahayta (MACS) Fund** to financially assist junior staff in Home Quarantine, 24x7 Helpline to assist employees in need, offering Doctor on Call Facility, Providing Oxygen Concentrators and Canister, Helping in medicine procurement, Hospital bed etc. Regular Webinar by leading doctors for health related awareness building. Strict adherence of ICMR protocol in offices.

7. Leadership team



Board of Directors



Adar Poonawalla
Non-Executive
Chairman &
Promoter Director



Abhay Bhutada
Managing
Director*



Sanjay Chamria
Executive
Vice-Chairman &
Promoter Director



Mayank Poddar
Non-Executive
Promoter Director



**Vijayalakshmi R
Iyer**
Non-Executive
Independent Director



**Sunil
Chandiramani**
Non-Executive
Independent Director



Sajid Fazalbhoy
Non-Executive
Independent Director



**Bontha Prasad
Rao**
Non-Executive
Independent Director



Prabhakar Dalal
Non-Executive
Independent Director

Management Team



Abhay Bhutada
Managing Director



Manish Jaiswal
MD & CEO - HFC,
CEO - SME

Previously, Head,
Risk Advisory,
Research and
SME Ratings,
CRISIL

Rajive Kumaraswami
MD & CEO - MHD

Previously, Chief
Representative
Officer - India
Liaison office,
SCOR Re, India

Harshvardhan Chamria
Chief Digital Officer

Previously, Chief
Strategy Officer-
Housing and SME,
Magma Fincorp
Limited

Rajneesh Mishra
Chief People Officer

Previously, Vice
president-HR,
Bajaj Finserv
Limited

Kailash Baheti
Chief Financial Officer

Previously, CEO,
Century
Extrusions Limited

Girish Poddar
Chief Risk Officer

Previously worked
with Bajaj and Citi

Process underway to further strengthen the leadership and management team*

*The CEO shall be joining by 1st week of July 2021; appointment process underway for various senior management positions from reputed financial institutions

8. Shareholding structure



Magma Fincorp Shareholding Structure

Shareholder	# Shares	Stake (%)
Promoters	55,94,71,721	73.3%
Non-Promoters^		
Amansa Holdings Private Limited (\$)	2,06,56,242	2.7%
Reliance Mutual Fund (*)	1,92,85,290	2.5%
Leapfrog Financial Inclusion India Holdings Ltd	1,32,18,519	1.7%
International Finance Corporation	1,28,48,310	1.7%
Bank Muscat India Fund	87,54,888	1.1%
Life Insurance Corporation Of India	73,60,200	1.0%
IDFC Mutual Fund (*)	68,50,000	0.9%
Max Life Insurance Mutual Fund (*)	54,00,000	0.7%
Aditya Birla Sun Life Mutual Fund (*)	53,50,000	0.7%
Shubhi Consultancy Services LLP	51,54,654	0.7%
ICICI Prudential Life Insurance Company Limited	41,14,450	0.5%
Others	9,48,66,724	12.4%
Sub-total (Non-Promoters)	20,38,59,277	26.7%
Total	76,33,30,998	100.0%

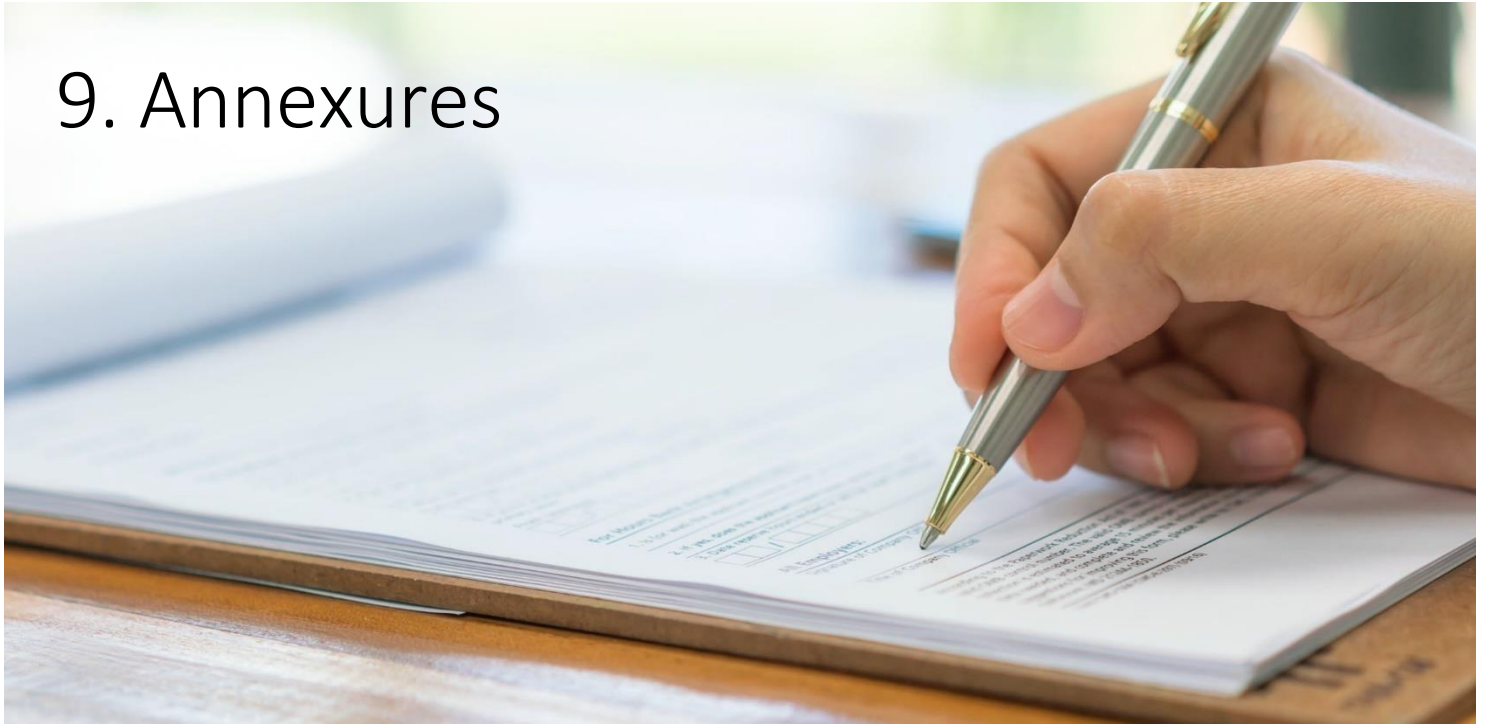
(^) Names of shareholders with stake more than 0.5% stake are provided below

(*) Holding in different funds of a Mutual fund is added to derive total holding of the Fund

(\$) Group entities have been clubbed

Shareholding structure as on 22-May-2021

9. Annexures



Magma Fincorp Ltd. (MFL) Standalone Profit & Loss Statement*



Particulars	Q4 FY21	Q3 FY21	Q4 FY20	FY21	FY20
Net Interest Income	244	243	255	974	1,051
Other Income	12	5	5	28	41
Net Revenue	256	247	260	1,002	1,093
Expenses [#]	115	100	140	440	575
Operating Profit	140	147	120	562	518
Net Credit Loss [#]	131	146	122	490	484
Profit Before Tax (before additional one-off NCL charge)	10	2	(1)	72	34
Impact due to change in write-off policy	268	-	-	268	-
Management Overlay Provisions for COVID wave two	577	-	-	577	-
Profit Before Tax	(835)	2	(1)	(773)	34
Tax (Normal)	(209)	1	(3)	(194)	7
Opening DTA impact due to change in tax rates	-	-	37	-	37
Profit After Tax	(626)	1	(35)	(578)	(10)

* Re-formatted for better analysis

[#] Premium paid under Credit Guarantee scheme clubbed with NCL

Values in ₹ crore

Magma Fincorp Ltd. (MFL) Standalone Balance Sheet



Particulars	31-Mar-21	31-Dec-20	31-Mar-20
Cash and Cash Equivalents	612	629	648
Loans and Advances	8,565	9,894	11,183
Other Assets	1,022	864	948
Fixed Assets	142	152	176
Total Assets	10,342	11,538	12,955
Borrowings	7,915	8,484	10,109
Other Liabilities	485	488	331
Share Capital	54	54	54
Reserves & Surplus	1,888	2,513	2,461
Total Liabilities	10,342	11,538	12,955

Rewards & Recognition



Corporate Social Responsibility

- Magma won 15 awards since 2015, the latest recognition was received in October at the 9th Asian Leaders Awards '2020 – Gold for Best Education/Scholarship Program (**M-Scholar**)
- Magma's Highway Heroes entered LIMCA Book of Records for our Highway heroes programme as **largest Road Safety Training Programme for Truckers**, March 2020

Corporate Communication

- Magma has been repeatedly recognised for Corporate Communications excellence. Have won 12 awards for Corporate Communications at large forums since 2010. Last award at 10th ACEF Leadership Awards in April 2021

Information Technology

- 10 Awards for Excellence in Information Technology
- Excellence in Technological Innovation at BIG25 NBFC Excellence Awards'2019
- Thought Leaders of IT Award at the 8th BFSI IT Summit'2019

Human Resources

Magma was awarded at L&D Innovation Tech Awards, 2020, Mumbai. Best L&D Team of the Year; Most Innovative In-House L&D Technology Product; Best use of Technology in L&D



Community Commitment: CSR



COVID-19 Relief

- Contributed INR 4 Cr to PMCARES fund.
- Distribution of Dry Ration, PPE Kit, Sanitizer, Mask to several thousand migrant workers during COVID, etc.



Magma Highway Heroes



- Road Safety & Fuel Conservation Training to 1.85 Lac Truckers so far
- Medical camps, Porta cabins, E-Toilets at Transport Nagars for truckers
- LIMCA book of records for “Most Truckers educated on Road Safety”

Mid Day meal, M-Education, Swayam Programmes

- Infrastructure support to an old age home effected during Amphan cyclone
- Happiness kit consists of Dry ration, Mask & Sanitizer, Exercise books, Stationary etc given to kids across the country
- Setting up of digital classrooms for girl students from poor families, TN
- Contribution towards the construction of home for girls & old age home for women; Construction/Provided equipment to Eye hospital, 120 Bed Super Specialty Hospital
- Sponsored cataract Operation for the poor; set up toilet at Village school
- Contribution towards the construction of school for street children

Magma M- Scholar



- **Magma M Scholar** offers Scholarship to meritorious students from poor families
- 250 new students have been selected to issue fresh scholarship under M-Scholar'20.
- The new addition takes the tally to 650 from 16 states

Magma M-Care – Mobile health Camps

- Magma runs M Care health camps at Rural India. More than 1 Lac people benefitted so far.
- In FY21, we conducted 150 + health camps providing treatment to 11,000 + people



Group level CSR activities are managed by Magma Foundation



Glossary (1/2)

ABF	Asset Backed Finance
AHF	Affordable Housing Finance
ALM	Asset Liability Management
API	Application Programming Interface
ATS	Average Ticket Size
AUM	Assets Under Management: On-Book & Off-Book Loan Assets
Average AUM (AAUM)	Average of opening and closing AUM
BVPS	Book Value per share: (Net worth-Goodwill) / No. of Equity shares outstanding
CE	Construction Equipment
CF	Construction Finance
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
COF	Cost of Funds: Weighted average cost of borrowings including securitization
CRAR	Capital to Risk Weighted Assets Ratio
CV	Commercial Vehicle
DDSA	Dealer Direct Selling Agent
Direct Biz	Direct Biz means Business directly generated by Magma employees without help from DDSAs / NDSAs / Brokers, and includes Cross-sell
DPD	Days Past Due
ECL	Estimated Credit Loss
ECLGS	Emergency Credit Line Guarantee Scheme
FRM	Financial Risk Management
GDPI	Gross Direct Premium Income
GNPA	Gross Non Performing Assets
Gross Stage 3 Assets %	Gross Stage 3 Assets / Closing AUM (On-book)
GWP	Gross Written Premium
HL	Home Loan
IFC	Internal Financial Controls
IRAC	Income Recognition and Assets Classification
MSME	Micro, Small & Medium Enterprises

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis

Glossary (2/2)

IRDAI	Insurance Regulatory and Development Authority
LAP	Loan against property
LIG	Low Income Group
MHDI	Magma HDI General Insurance Company Limited (Joint Venture)
MHF	Magma Housing Finance Limited (100% Subsidiary)
MIG	Middle Income Group
MISP	Motor Insurance Service Provider
Mortgage Direct Biz	Business through connectors is included in Direct business
MSME	Micro, Small & Medium Enterprises
NCGTC	National Credit Guarantee Trustee Company Ltd
NCL	Net Credit Loss: Prov. & Write-off/ Average AUM
NDSA	Non-dealer Direct Selling Agent
Net Stage 3 Assets %	(Gross Stage 3 Assets – ECL Provision – Stage 3) / (Closing AUM (On-book) – ECL Provision Stage 3)
Networth	Equity Share Capital + Reserves & Surplus
NIM	Net Interest Margin: [Total Income (incl. Other Income)– Interest Expenses]/Average AUM
NNPA	Net Non Performing Assets
ODPOS	Overdue + Principal Outstanding
OEM	Original Equipment Manufacturer
Opex / AUM%	Opex / Average AUM
PBT	Profit Before Tax
QoQ	Quarter-on-quarter
RI	Reinsurance
RoA	PAT (excluding OCI) / Average AUM
RoE	PAT (Excluding OCI) / (Net worth - Goodwill)
SME	Small & Medium Enterprises
Total Assets	On B/S Assets of MFL (Consolidated)
Yield	Weighted average yield on Loan Assets including Off-Book Loan assets
YoY	Year-over-year

Note: We have used various abbreviations, nomenclature, financial & non-financial ratios in this presentation. These may differ from the customary or industry practices and some of the products / geographical breakup are on best estimate basis

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