



MAGMA HOUSING FINANCE

31 January, 2020

BSE Limited
Corporate Relationship Department
25th floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001

(Company Code -10828)

Dear Sir,

Sub: Investors Presentation

Please find enclosed herewith the investor presentation and key highlights on the financial performance of the Company for quarter ended 31 December, 2019.

The presentation may also be accessed on the website of the Company at the URL <https://www.magmahfc.co.in/regulatory-disclosure/intimation-to-stock-exchange.php>. The same is uploaded on the website in accordance with Regulation 62 of the Listing Regulations.

Kindly take the same on record.

Thanking you,
For Magma Housing Finance Limited

Priti Saraogi

Priti Saraogi
Company Secretary
Membership No. A26360

Encl: As above

Magma Housing Finance Limited

150179

Regd. Office: Development House, 24 Park Street, Kolkata 700 016, Ph: 91 7596067686 / 91 33 44017350
Web : <https://www.magmahfc.co.in>, CIN : U65922WB2004PLC229849

Please Visit <https://ipg.magma.co.in> For Online Payment

*Garv Se Sakar Kare Har
Ghar Ka Sapna*



MAGMA HOUSING FINANCE

Quarterly Results – Q3 FY20



1 Company Overview

2 Business Strategy – Growth with Quality

3 Financial Performance – Q3 FY20

4 Technology enablers to drive sustainable growth

5 Leadership Team & Structure

6 Annexures

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Company Background



An Affordable Housing Finance Company with
National Presence



NHB Refinance line in place
~46% PMAY penetration in fresh Home Loan
on-boarding



12,000+ satisfied customers on-boarded
in last 12 months



Assets under management of about 3,186 Crore
as on 31st Dec, 2019 (46% growth Y-o-Y)
Home Loan Disbursal of ~673 Crore in 9M FY20
(70% growth Y-o-Y)



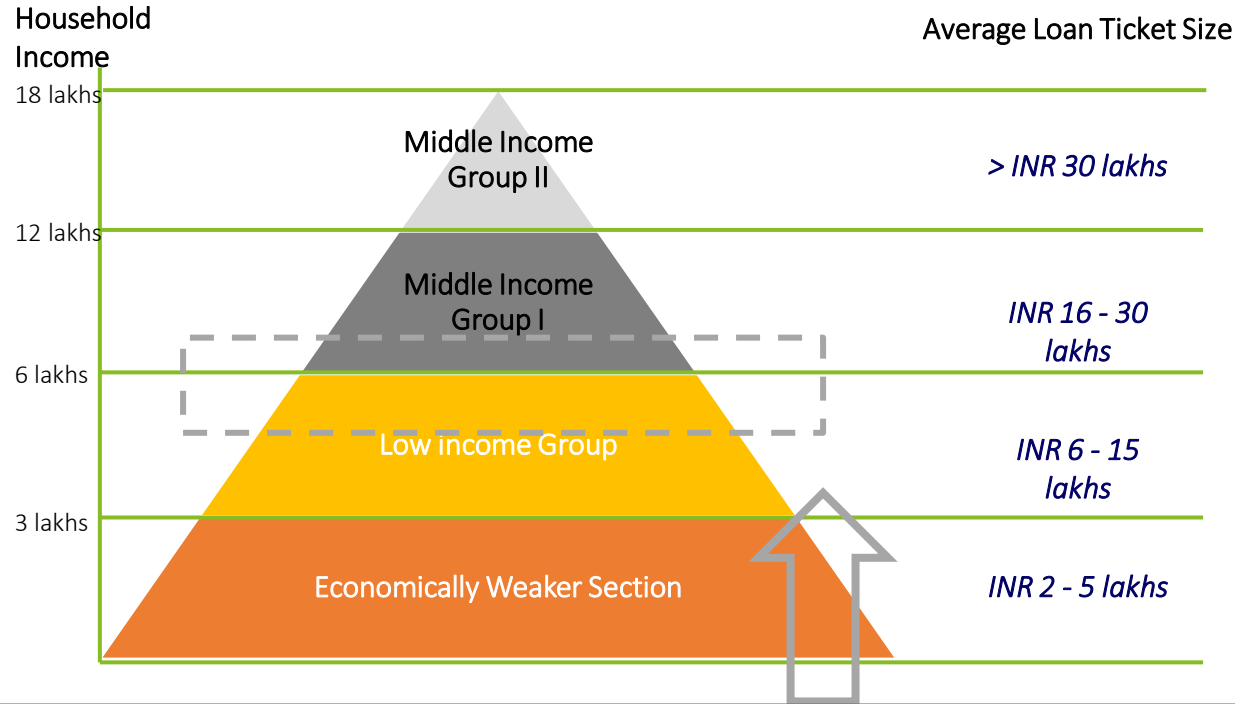
~80% direct sourcing by in-house team
Home Loan ~70% of incremental disbursement



Network of 103 branches across the country
with pan India presence in 19 states, semi-urban
rural & hinterland markets

- ❖ Affordable Housing Finance Company with National Presence
 - ❖ Pan India presence in 19 states with 103 branches
- ❖ A professionally managed company with focus on providing dignity of living to our customers by providing them financial support in acquiring their first home
- ❖ The company strives to accomplish the objective of financial inclusion by serving first time borrowers
 - ❖ 53% of customers sourced in FY20 are new to credit
 - ❖ Woman owners in 53% of loans originated in FY20 till date
- ❖ MHFL provides financing to Self-employed individuals who comprise over 70% of our sourcing
- ❖ 80% Direct Sourcing helps the company to acquire :
 - ❖ Superior quality assets as compared to quality of assets sourced through DSAs
 - ❖ Assets which are stable in the book and not prone to balance transfer subsequent to good conduct in our books
- ❖ The company also contributes to the government objective of Housing for All by facilitating our customers to avail the benefits of Credit Linked Subsidy Scheme (PMAY)

Customer Profile



MHF Customer segment

- Primarily new to credit customers with low to no credit history
- 72% of loans disbursed in Tier 2 and Tier 3 towns
- Income type: Self Employed, Cash Salaried, Self Employed-Professional, Salaried
- Average Ticket Size of 9-13 lakhs

Note: According to RBI classification, cities with a population in the range of 50,000 to 100,000 are classified as tier 2 cities, while those with a population of 20,000 to 50,000 are classified as tier 3 cities

Key Highlights Q3 FY20

Parameter	Q3 FY20	Q3 FY19	YoY	FY19
AUM	Rs. 3,186 crs	Rs. 2,184 crs	46%	Rs. 2,430 crs
Gross NPA	2.1%	4.7%	2.6%	1.8%
Net NPA	1.6%	3.0%	1.4%	1.2%
Disbursement IRR	13.78%	13.30%	0.48%	13.1%
NIM	6.82%	6.81%	0.01%	6.30%
Opex Ratio	3.4%	3.9%	0.5%	3.9%
PAT	Rs. 15.2 crs	Rs. 10.1 crs	50%	Rs. 34 crs
ROA	2.1%	1.9%	0.2%	1.6%
ROE	16.6%	12.1%	4.5%	10.4%



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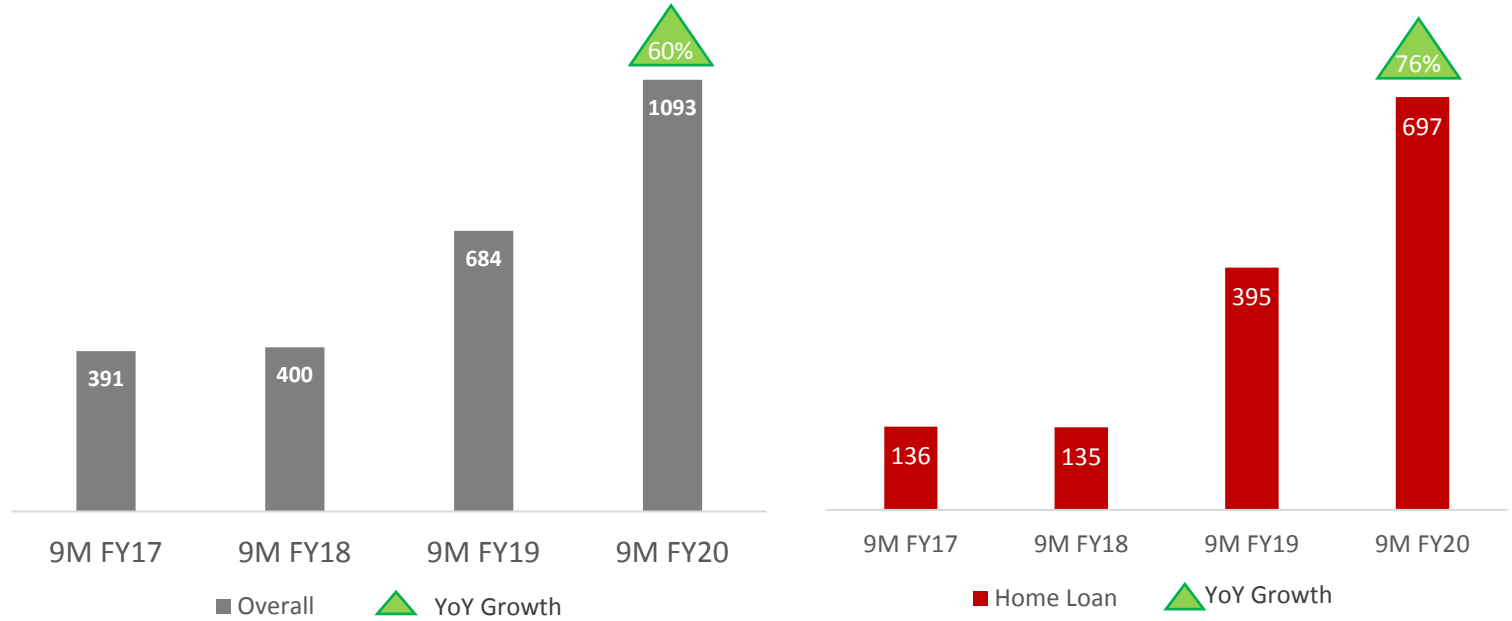
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Disbursement (Volume)

MHF Franchise gains national prominence

Industry leading relationship based direct origination model

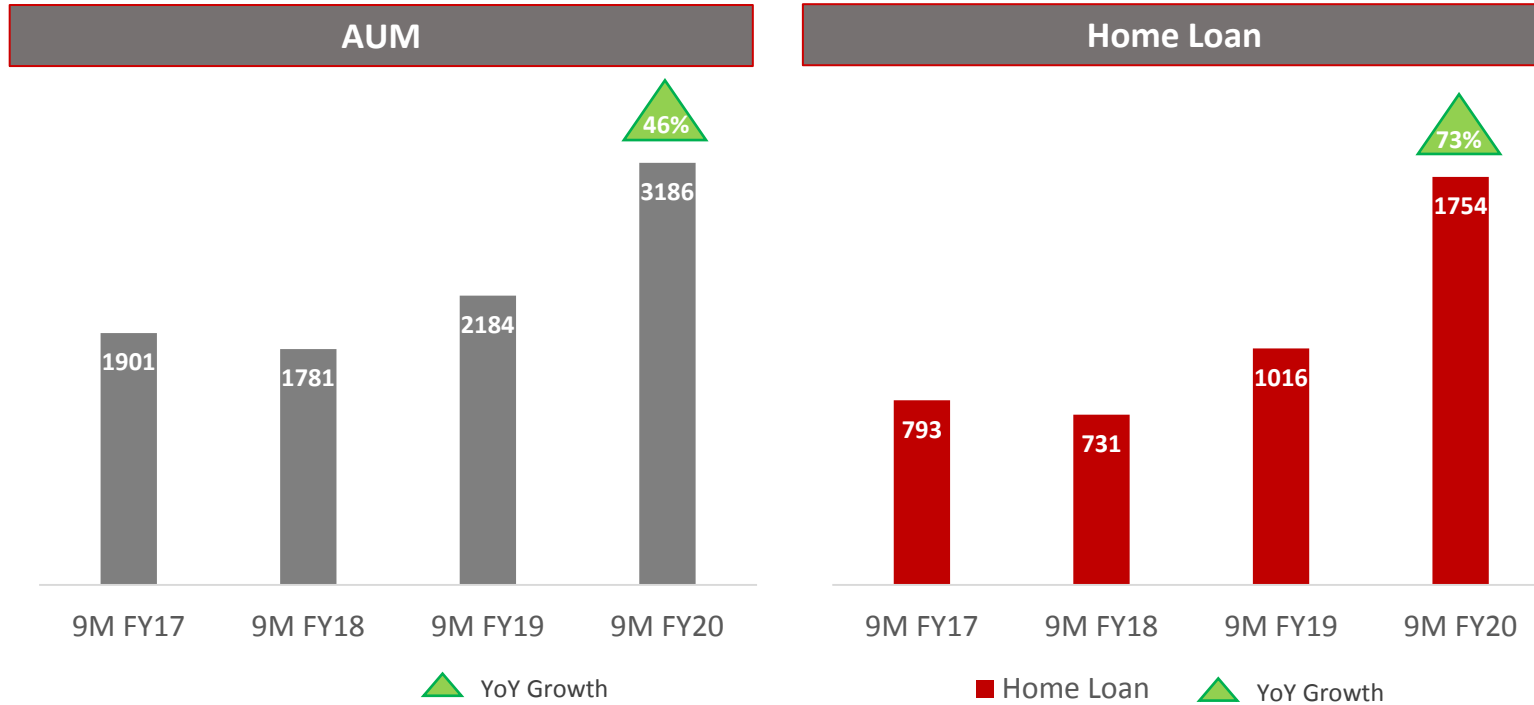
Digital transformation underway



• 9M FY20 Disbursement has increased by 60% Y-o-Y and Home loan disbursement has increased by 76%

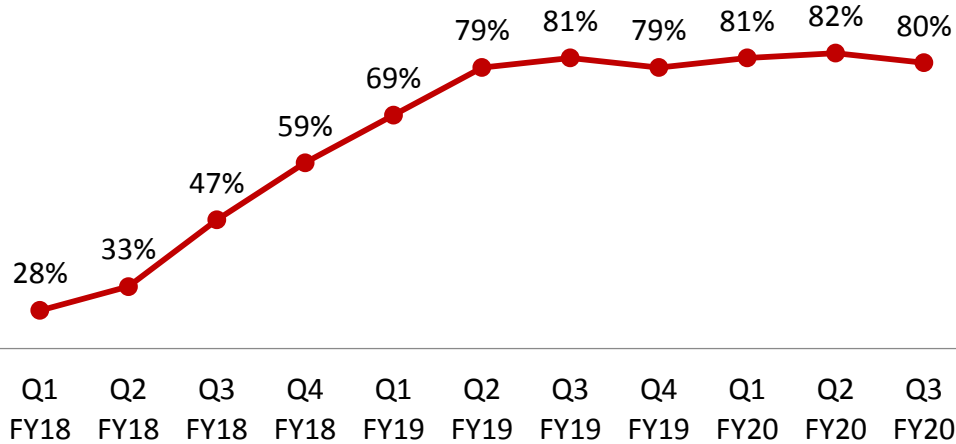
Values in Rs crore

AUM Growth



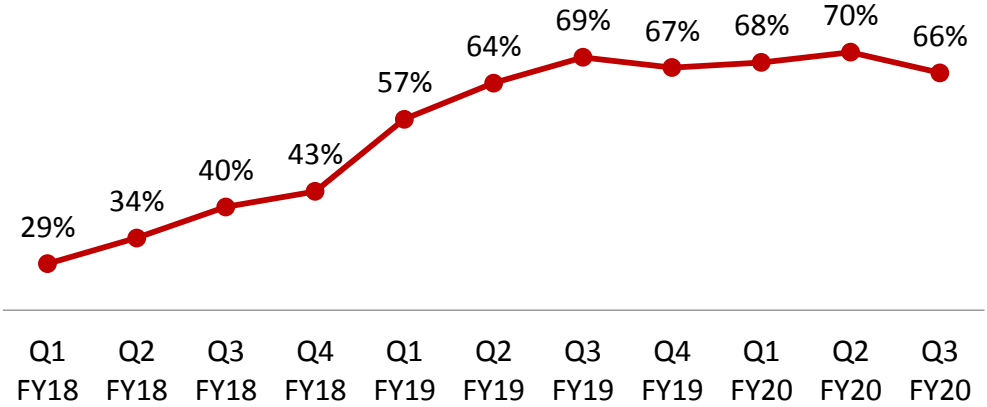
- 46% Y-o-Y growth in AUM in 9M FY20 and 73% Y-o-Y increase in Home Loan portfolio

Direct Ratio (Units)



- Successfully **transitioned** from DSA model to **direct sale model** over last 2 years.
- Direct Sourcing improved from 28% in Q1 FY18 to 80% in Q3 FY20

Home Loan Ratio (Units)



- **Home Loans** Ratio in fresh disbursement has grown from 29% in Q1 FY18 to 66% in Q3 FY20

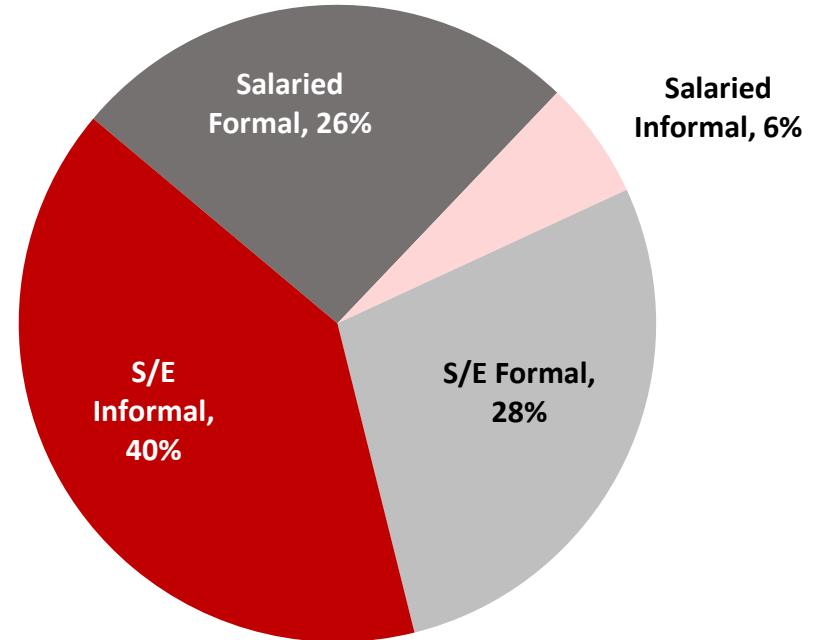
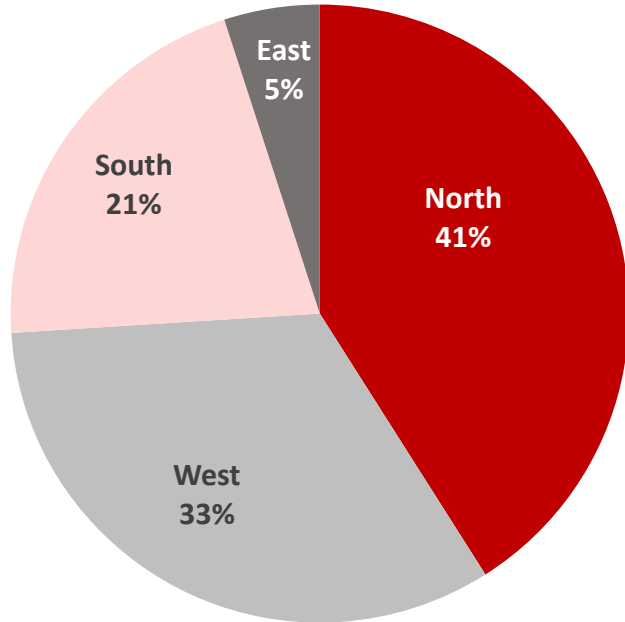
HL does not include Construction Finance. Direct Biz means Business directly generated by Magma employees without help from DDSAs / NDSAs / Brokers, and includes Cross-sell

Disbursement - Diversified Business – Q3 FY20



Disbursement – Zonal Distribution

Customer Mix

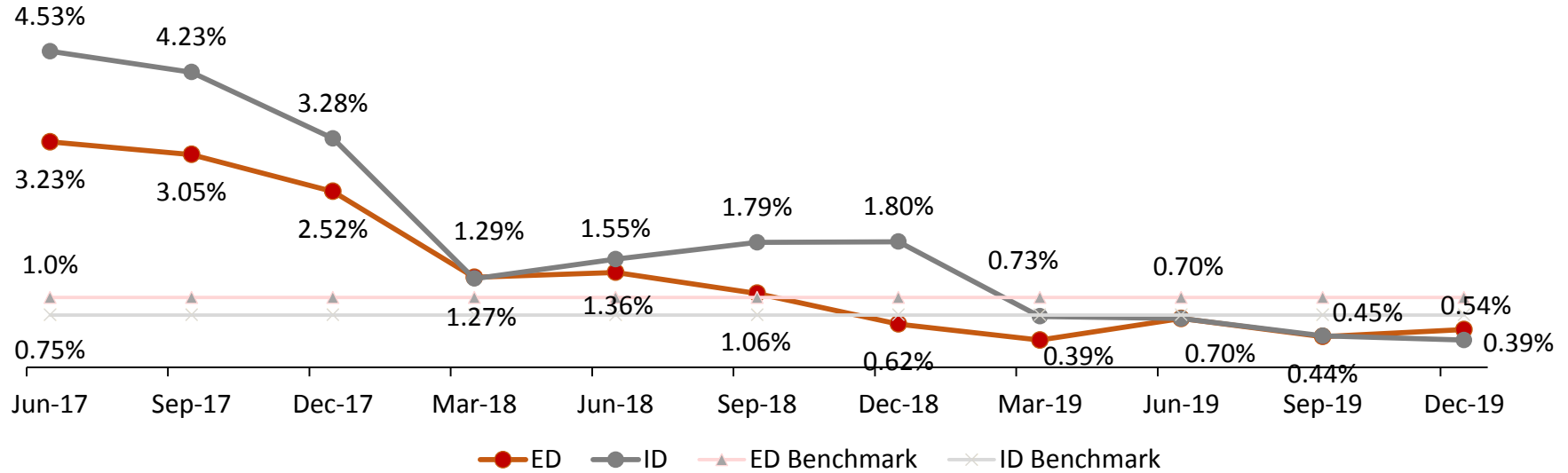


Geo-risk optimized national scale portfolio

Balanced Mix of Salaried: Self employed and Formal: Informal customers

Early Indicators: ID & ED Trends

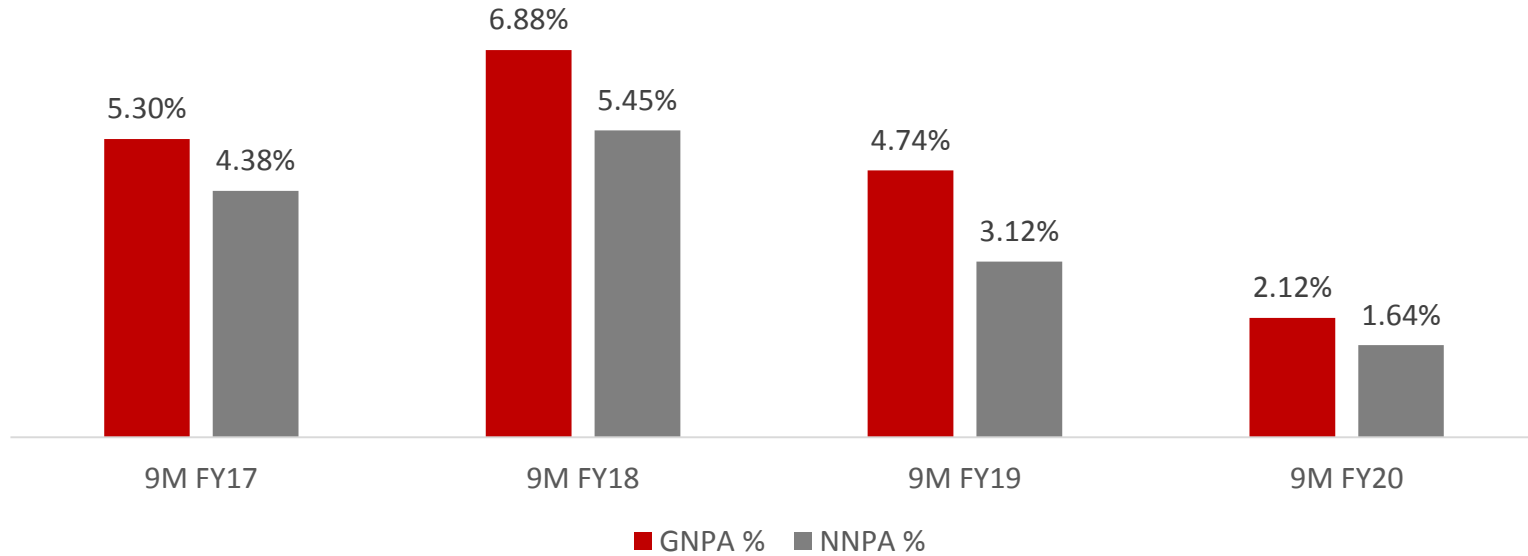
ID & ED Trend



Y-o-Y improvement in ED and ID

ID = 0+ bkt % for cases sourced in last 6 months on 1 months lag basis including current month . Benchmark – 0.75%
 ED = 30+ bkt % for cases sourced in last 12 months on 2 month lag basis including current month. Benchmark – 1.0%

Assets Quality



GNPA has seen reduction from 4.7% in Dec-18 to 2.1% in Dec-19



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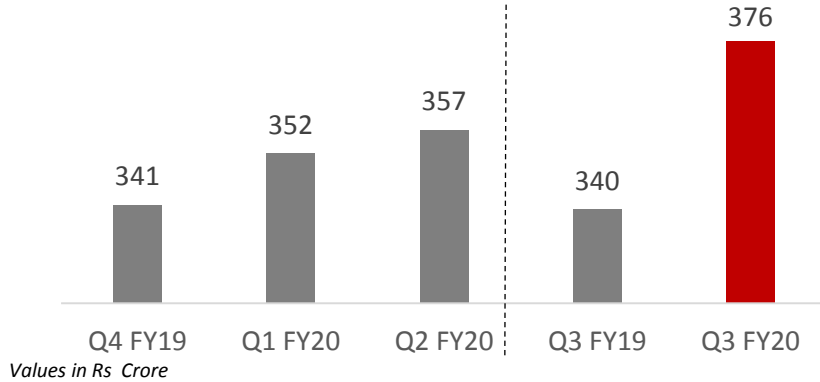
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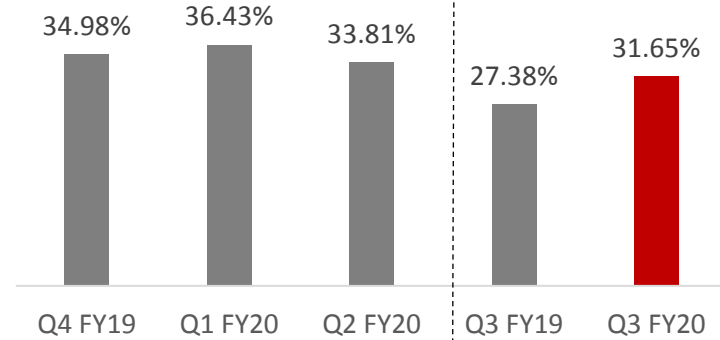
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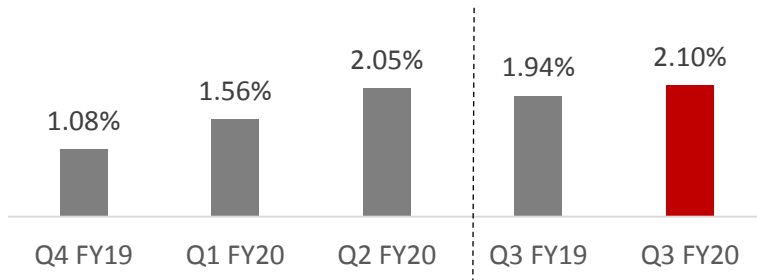
Net Worth



Capital Adequacy*

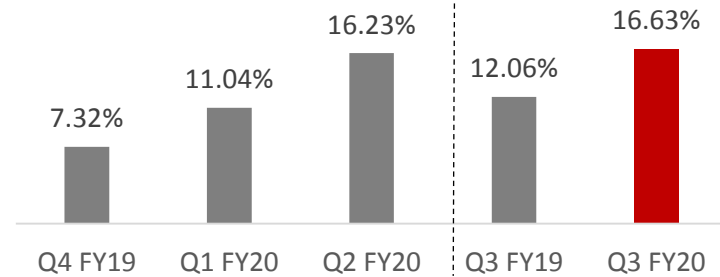


ROA



ROA- PAT (excluding OCI) / Average AUM

ROE



ROE- PAT (excluding OCI) / Average Net Worth

Values in Rs crore

* Subject to RBI guidelines

Profit & Loss Statement

Particulars	Q3 FY19	Q1 FY20	Q2 FY20	Q3 FY20	YTD Dec'18	YTD Dec'19	FY19
Net Revenue	36	45	45	50	98	141	133
Expenses	20	27	25	26	56	79	83
Operating Profit	15	18	20	25	42	63	50
Net Credit Loss	1	5	0	4	4	9	3
Profit Before Tax	14	14	20	21	38	55	47
Tax	4	4	6	6	10	15	13
Profit After Tax	10	10	14	15	28	39	34

Balance Sheet

Particulars	30-Dec-18	31-Mar-19	31-Dec-19
Loans and Advances	1,808	1,873	2,238
Other Assets	57	89	342
Fixed Assets	1	2	7
Total Assets	1,867	1,963	2,588
Borrowings	1,336	1,383	1,960
Other Liabilities	191	239	252
Shareholder's Funds	340	341	376
Total Liabilities	1,867	1,963	2,588



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4 **Technology enablers to drive sustainable growth**

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- Enterprise Transformation '**Project Navoday**' launched in order to **modernize entire Technology stack**: Loan Origination System, Loan Management System, Data Warehouse, ERP, Mobility solutions etc.
- Proposed features will be **Automation of Workflow** vs. Email approvals, **Digital vs. physical document flow**, **Credit Engine**, Integration into **API economy**, **Field-force gamification** of incentive plan, and **Data analytics led decision making**. Expected outcome is significant **productivity enhancement and Turn Around Time (TAT) reduction**
- Defense in-depth protection approach, with controls and process implementation at every layer of IT landscape to **secure against internal and external cyber threats**.
- The field force is being empowered with **BYOD** for corporate applications both securely and with the convenience of using personal devices. This has resulted in **cost savings** on company provided mobile devices.



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Management Team

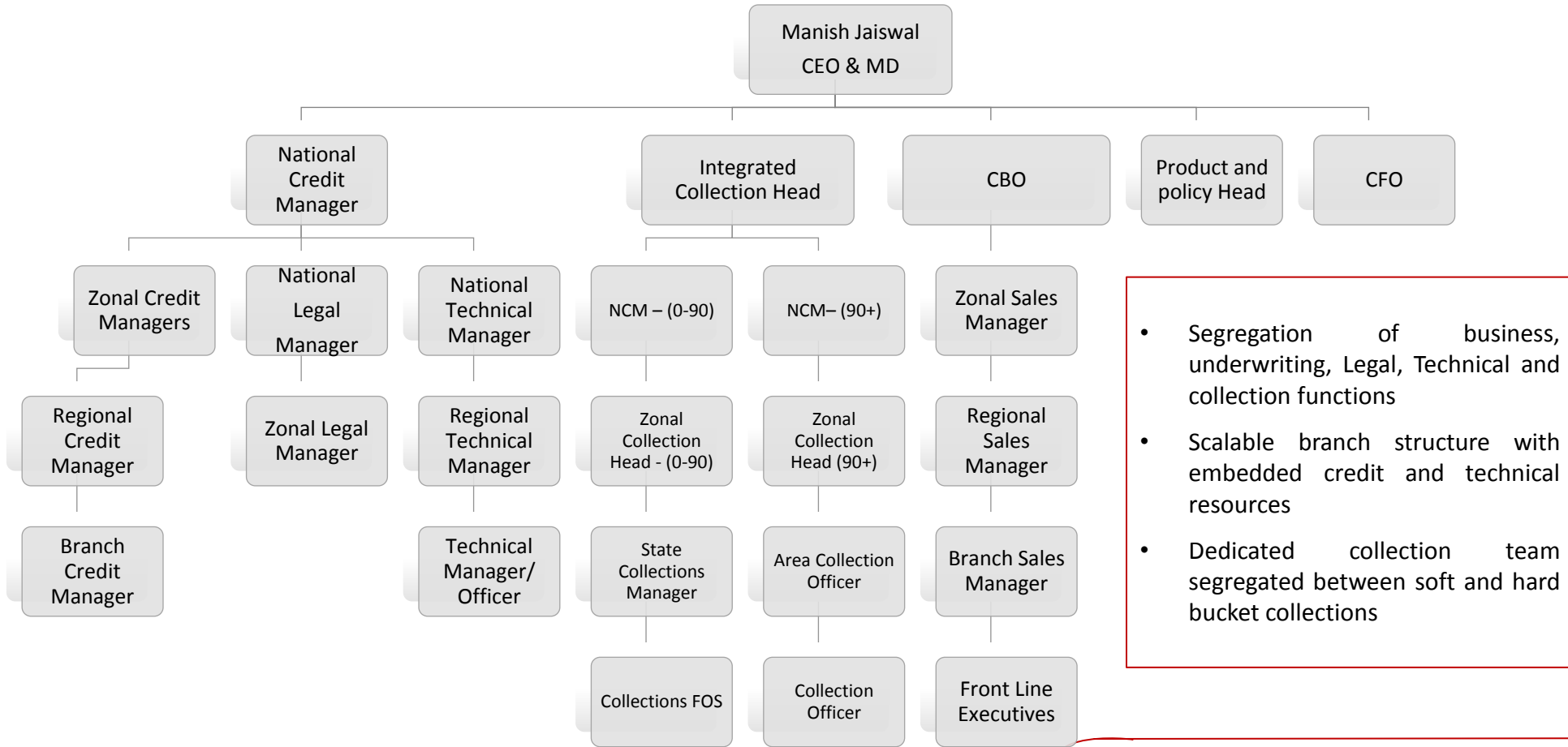
Mr. Manish Jaiswal, is the Managing Director & Chief Executive Officer of the Company. He holds a Bachelor of Engineering degree from Visvesvaraya National Institute of Technology, Nagpur and has also completed his Fast Track General Management Program from IIM, Bangalore. He has built SME business in eminent organizations Citigroup, Fullerton, Eicher Motors and Dhanalakshmi Bank. In his last stint Manish was Sr. Director with CRISIL Ltd, where he led businesses of CRISIL Risk Solutions, Research and SME Ratings

Mr. Vishwas Shrungarpure is the Chief Business Officer of the Company. He holds a Bachelor's degree in Mechanical Engineering and a Master's degree in Business Administration from Institute of Management Studies, Devi Ahilya University, Indore. He brings with him a rich experience of 22 years in Housing Finance, Construction Finance and Mortgages, covering key areas of Sales, Credit - Risk and Collections

Mr. Anand Wagh is the Integrated Head of Collections of the Company. He holds a Bachelor's degree in Commerce and a Bachelor's degree in Law from Mumbai University. He also holds a Masters in Business Administration from IGNOU. He has more than 28 years of work experience within the banking and Financial sector across organizations like HSBC, CITI Bank Ltd. among others.

Mr. Ian Desouza is the Chief Financial Officer of the Company. He is a Chartered Accountant and a Cost Accountant and holds a Master's degree in Finance from Mumbai University. He has over 23 years of experience in the Banking & BFSI domain with specific emphasis in strategy, cost optimization, profitability or productivity enhancement, financial controllership and implementation of internal control frameworks

Independent Credit Underwriting, collections and business functions



- Segregation of business, underwriting, Legal, Technical and collection functions
- Scalable branch structure with embedded credit and technical resources
- Dedicated collection team segregated between soft and hard bucket collections



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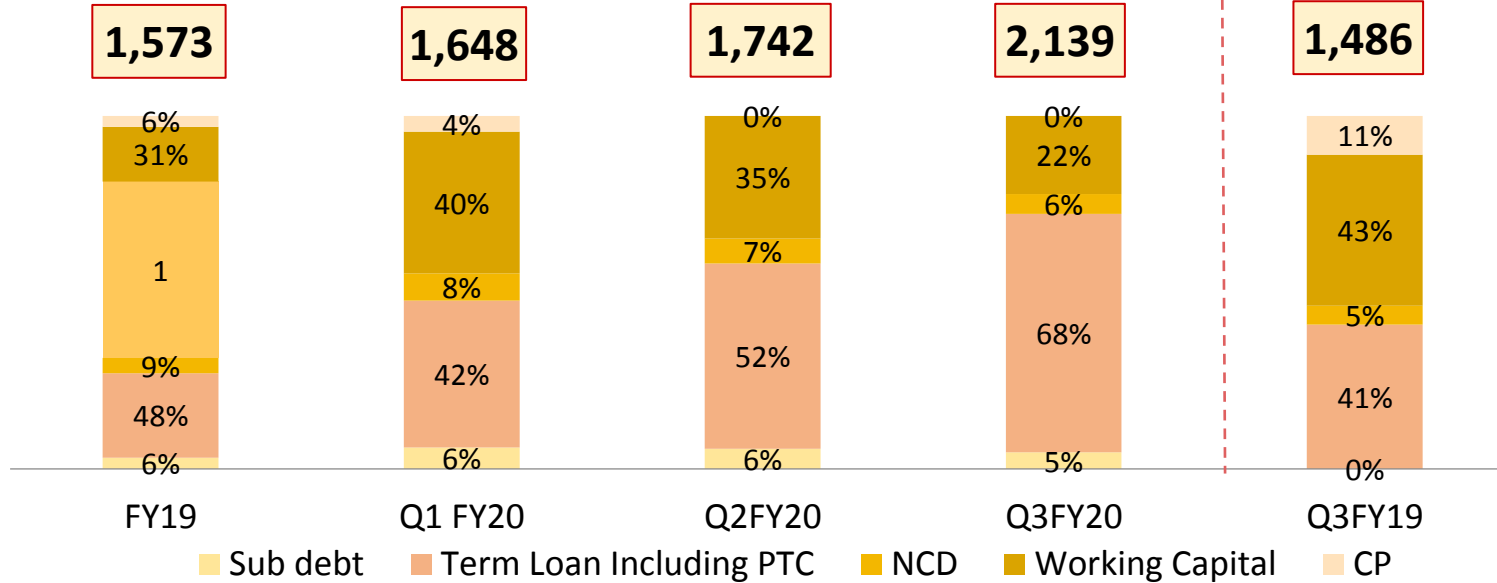
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Liability Mix



On Balance Sheet Debt



- Diversified liability sources limits concentration risk, allows stable flow of funds.

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