PRESS RELEASE

MAGMA
Investing in the smallest dream

Magma Fincorp Ltd. – Q2 FY 16 highlights

Magma registers 52% increase in operating profits at Rs. 73 crs
Revenue up 7%, NIM up 96 bps

Kolkata, 4 November 2015: Leading finance company, Magma Fincorp Limited today announced the Q2 FY16 unaudited results that reflected a healthy increase of 96 bps YoY in Net Income Margin ("NIM") to 6.83%, that drove a significant increase of 52% in profits before tax, from Rs. 47.9 crs during the prior year same quarter, to Rs. 73 crs. The PAT has increased by 15% to Rs. 48.7 crs due to higher tax outgo. The company also reported a 7% increase in revenues at Rs 620 crore and the closing loan book was steady at Rs 18,812 crore as on 30 September 2015.

As stated earlier, the company has continued to focus on profitable growth resulting in an increase in share of high ROA products from 47% to 55%. The improvement in NIM is in keeping with the company's decision to consciously alter its product and customer mix to improve the margins significantly over a period of time. Similarly, the revised processes and investment in technology and re-tooling of the employees has led to productivity improvement and reduction in opex ratio since the first quarter. The performance of the company would have been even better but for higher provisioning for NPAs given the tough economic scenario and inability of the customers to pay instalments on time.

The company has also been able to improve in its profitability parameters which were primarily driven by PAT increase, despite a flat loan book.

Commenting on the performance, Mr. Sanjay Chamria, Vice Chairman & MD, Magma Fincorp, said *"In spite of a tough economic scenario, we have been able to achieve an impressive 96 bps yoy improvement in NIM and a PAT of Rs. 48.7 crores . The company has been continuing its focus on customer servicing and innovation and we have been able to maintain a good result because of our continued focus on profitable growth, quality origination and realignment of our products. We will continue to focus on the service quality delivered to our customers, as we have made significant investments in processes and technology in the last quarter and the results are a manifestation of all the initiatives taken by us in this direction".*

MAGMA FINCORP LIMITED "MAGMA HOUSE" 24, Park Street, Kolkata-16

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About Magma Fincorp Limited

Magma Fincorp Limited ("Magma") is a non-deposit taking non-banking finance company (NBFC), registered with the Reserve Bank of India (RBI) as an Asset Finance Company. The Company, having started operations over two decades back, is listed on the Bombay Stock Exchange Limited and the National Stock Exchange in India.

Magma provides a bouquet of financial products including commercial finance, agri finance, SME finance and mortgage finance and has a general insurance subsidiary. Magma with a focus on Rural and Semi-urban sector has a widespread coverage with a presence across 1,600 Talukas and 2,900 Locations. Magma has a dedicated base of around 6 lakh plus active customers and manages a Loan book of Rs 18,812 crore. The company has 228 branches in 21 states / 1 UT and employs around 9,600 people.

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Our Results Update presentation for Investors is available on our website – www.magma.co.in