

SATIN CREDITCARE NETWORK LIMITED

Familiarization Programme for Independent Directors



“Impact” that is sustainable



"Give a man a fish, he'll eat for a day.
Give a woman microcredit, she, her husband, her children and her extended family will eat for a lifetime."

--Bono



Microfinance Through Window of Relevance



Attributes of women at BoP

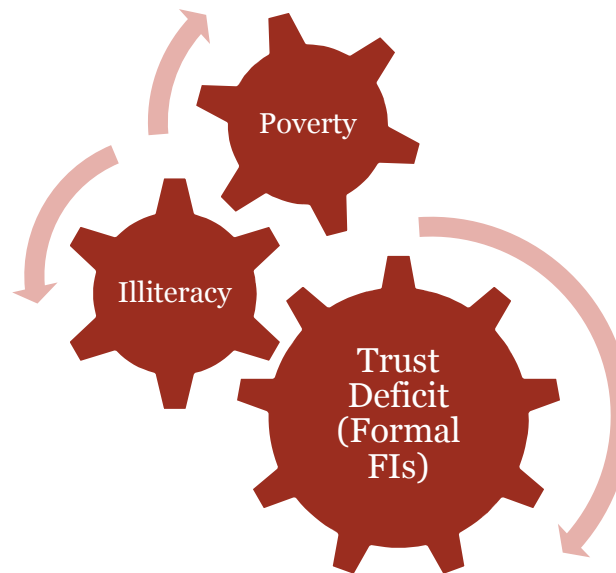
Cause

- Exclusion from decision making
- Lack of capital
- Poorly empowered
- Lack of exposure

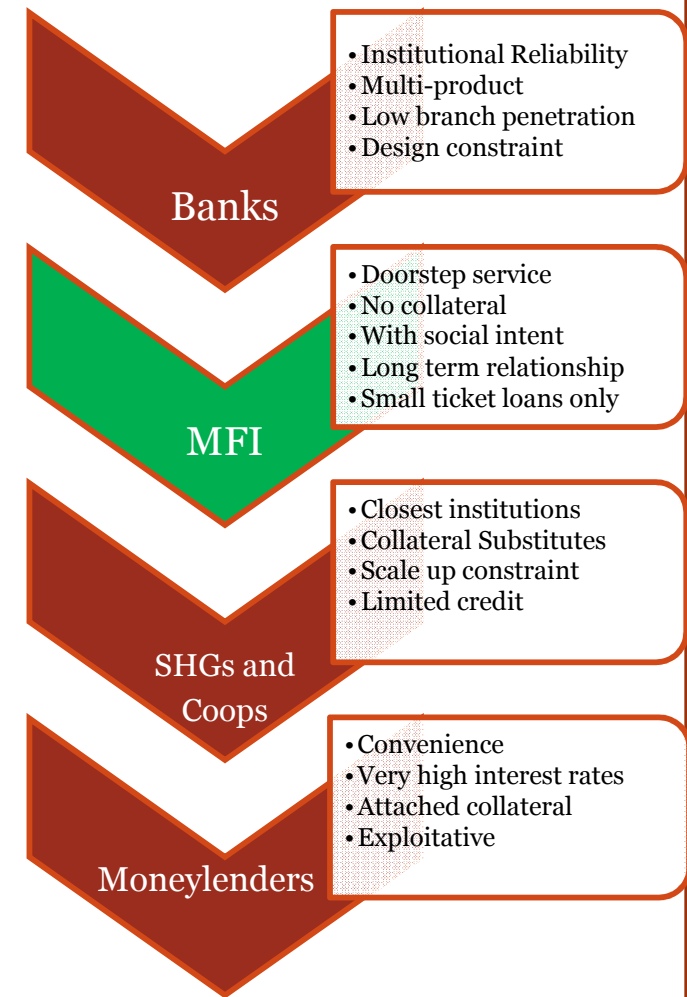
Effect

- Low confidence
- Low entrepreneurship skills
- Poor Self esteem
- Inability to sense opportunity

Vicious Cycle



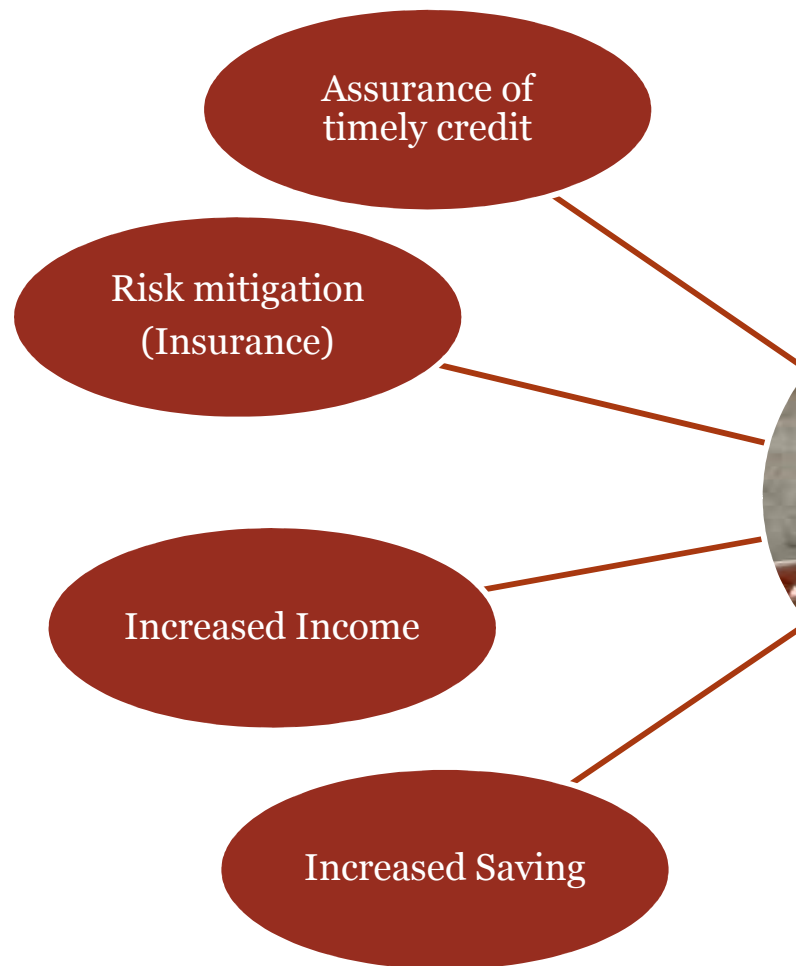
Enabling Agencies



Micro Finance - Macro Impact



Tangible Impact



Intangible Impact

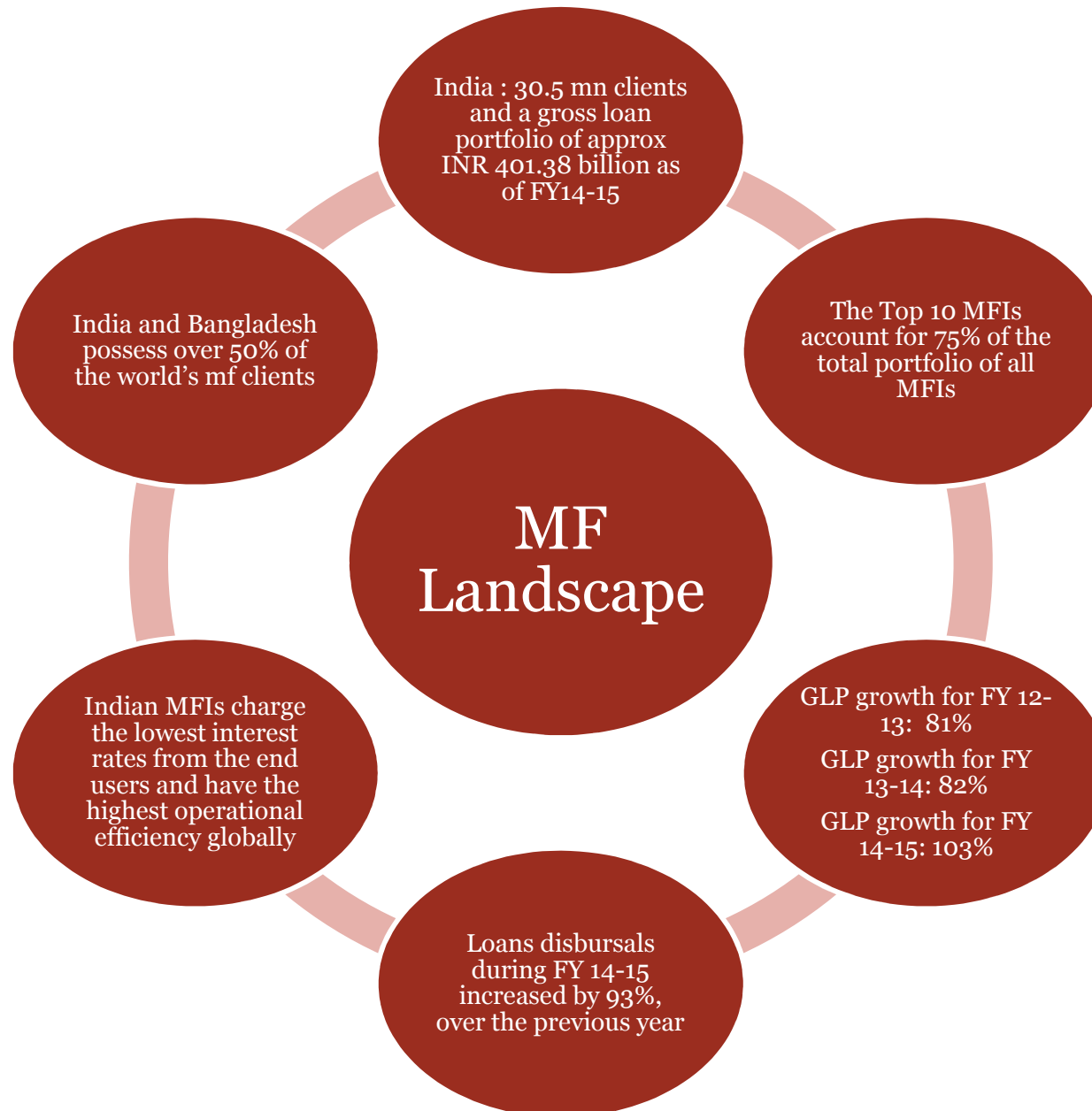


Magic of Group Model (JLG)



- Institutionalizing individual creditworthiness
- Turning creditworthiness into joint liability
- Peer pressure is the engine of joint liability
- Social collateral is a powerful tool
- Discipline is the key driving force
- Ultimate aim of MFI is value creation through livelihood promotion

Microfinance landscape in India(1/2)



Microfinance landscape in India(2/2)



Key Players	Total Loan Portfolio till FY 14 (INR Million)
Bandhan	95,296
SKS	41,712
JFS	37,736
Ujjivan	32,741
Equitas	21,440
Satin	21,407
Muthoot	15,047
GF SPL	14,471
SPANDANA	11,726
ESAF	10,161

The great AP crisis



Triggering Scenario

MFI's show an exponential growth in loan book
CAGR of 86% in loan portfolio outstanding
(2005-2009)

CAGR of 96% in borrowers (2005-2009)

Opacity in regulatory framework governing
lending practices, pricing or operations

Concentration of MFI lending in mainly AP and
Karnataka

Impact

Growth overriding quality

Lack of customer centric approach

Dilution of spirit behind microfinance

MFI's came under the scanner of State

Andhra Pradesh Crisis

AP Ordinance

In October 2010, a restraining Ordinance was
passed

Key requirements:

Registration of MFIs,

Prohibition on security for loans provided to
SHGs,

Prior approval for grant of further loans to SHGs
or their members

Repayments to be made only by monthly
installments

Impact

Recovery rates that were as high as 99%
plummeted to as low as 10% in AP

Significant write-offs in loan portfolio
witnessed

Banks caution in lending to MFIs

Crisis/CDR referral for select MFIs such as
Spandana, Share, Basix, Trident, Future

Positive Takeaways

Malegam committee recommendation

RBI recognized NBFCs as a separate category of
FIs

MFI lending continued to be PSL

A unified code of conduct to ensure client
protection and good governance

Emergence of Highmark and Equifax

Better credit risk and asset management
practices

Microfinance Institutions Bill, 2012

tabled in parliament and is under examination

Impact

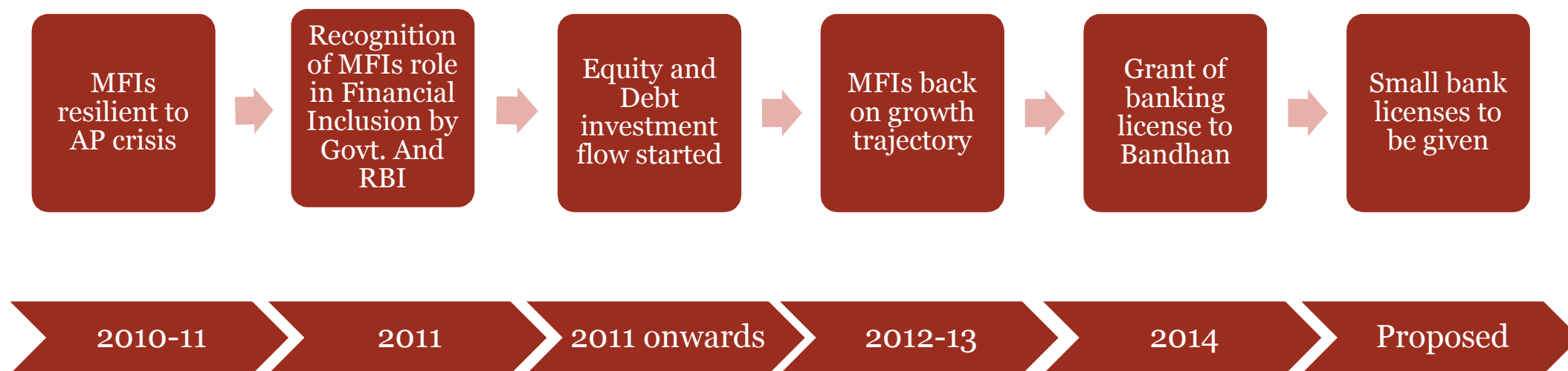
Structural changes in the industry

Renewed investor interest

Resurgence of bank funding

Better control on multiple lending

Rebooting of Indian MF Industry



Policy and Regulatory Ambience (India)



Nachiket Mor Committee Recommendations

- Universal electronic bank a/c
- Access to payment deposit services
- Access to affordable formal credit
- Access to insurance and risk management products
- Payment and small banks to be set up

Accepted Recommendations

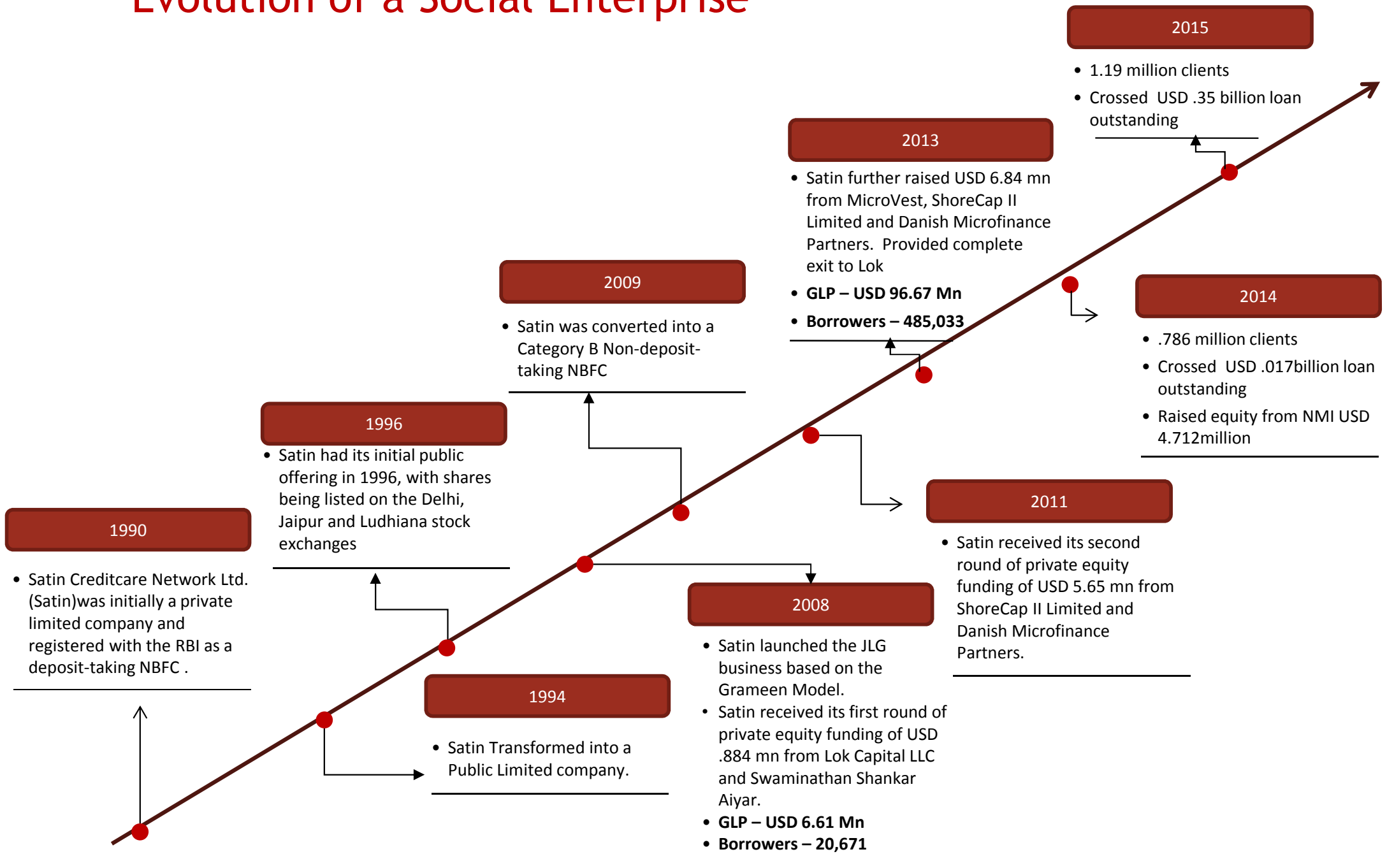
- Aadhar - Universal basis for KYC
- Permission for ND-NBFC's as BC for banks
- Payment and small banks to push FI
- Specialized PSL
- Ease out licensing of small and payment banks

Recent Policy Initiatives

- FI is a top priority for the govt.
- 750 million bank accounts with INR 5000 overdraft, 0.1 million INR insurance and payment gateway.
- Promoting MSMEs
- Push for DBT regime for service delivery
- **MFIs to play a pivotal role**



Evolution of a Social Enterprise



Mission & Vision



Mission

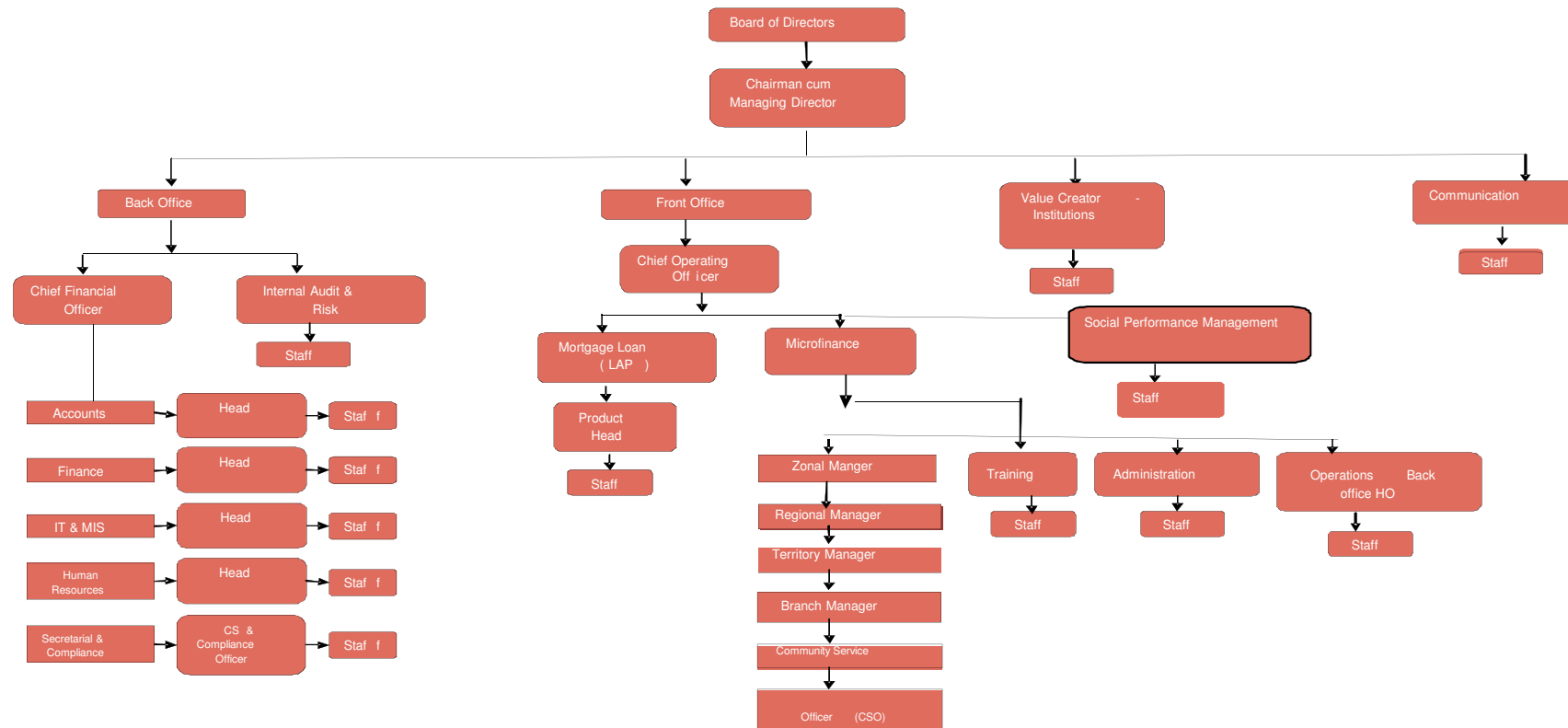
“SCNL has a mission to provide financial assistance to a large number of households which are excluded from the ambit of mainstream financial service providers so as to enhance their livelihood and promote a productive environment. ”



Vision

- To be a one stop solution for the financially excluded households at the bottom of the pyramid for all their financial requirements.
- To be a financial service power-house with a range of financial products designed and suited for the financially excluded community.

Organizational Structure



SCNL's Pioneering Efforts in MFI Sector

First MFI To
Raise Equity
Post AP Crisis

First Company
To Do A Multi-
Originator
Securitization
Transaction

First NBFC-MFI Raise
Funds From A
Domestic Bank
Against Guarantee By
Asian Development
Bank And IFMR
Capital

Raised maximum
sub debt in MFI
industry

Pioneering Few
In Raising ECB

First NBFC-MFI
which Raised
Unsecured Loan In
The Form Of ICDs
From A Domestic
Company

Raised Funds
From A
Foreign Bank
Based on The
Guarantee
Provided By
An Overseas
Fund

First NBFC-MFI
Operating In J&K

Pioneer In
Raising Fund
Through
Preference
Shares



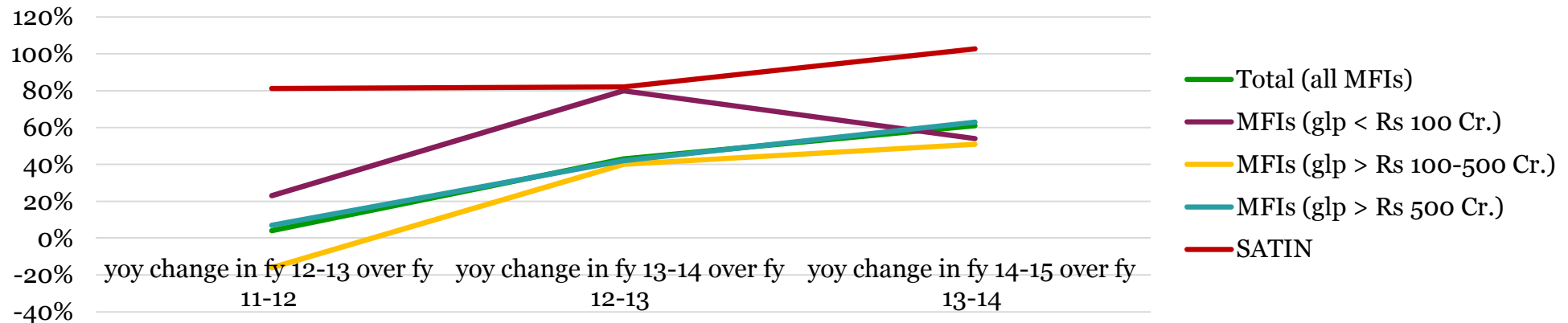
Satin's Inherent Strength

Experience	25 years of rich Industry experience
Geography	First mover advantage of North India
Leading NBFC MFI of India	Incorporated in 1990, Satin Creditcare Network Limited is a leading NBFC-MFI working across 11 Indian states
Process	Robustness of process
Strong Genetic Architect	Nimble footedness across the cycles of crisis
Professionally Managed	Highly experienced and professional Board of Directors and motivated Senior Management Team having diversity of experience in banking, rural finance, product management, financial management, accounting and technology
Consistent Track Record of Profitability	Profitable since inception and proven scalable, sustainable model
Strong MIS and Internal Audit Protocols	<ul style="list-style-type: none"> • Centralized system of operation accounts and MIS on customized software based on SQL in the back end Visual Basic in the front end • Accounting system is embedded within the MIS which is able to track every detail of the company's operations regularly
Robust Financial Alliances	Broadest lender base amongst Indian MFIs – Public sector banks (18), private sector banks (12), foreign banks (5), NBFCs (13) and foreign institutional lenders (4)
Investment Grade Rating, Grading and COCA Audit	<ul style="list-style-type: none"> • MFI 2+ grading by CARE – second highest ranking on CARE scale • CARE BBB+ Rating for bank facilities of Rs. 13.0 Bn • Scoring of 83% on microfinance COCA by M2i

Growth in business trend (gross loan portfolio) in Cr.



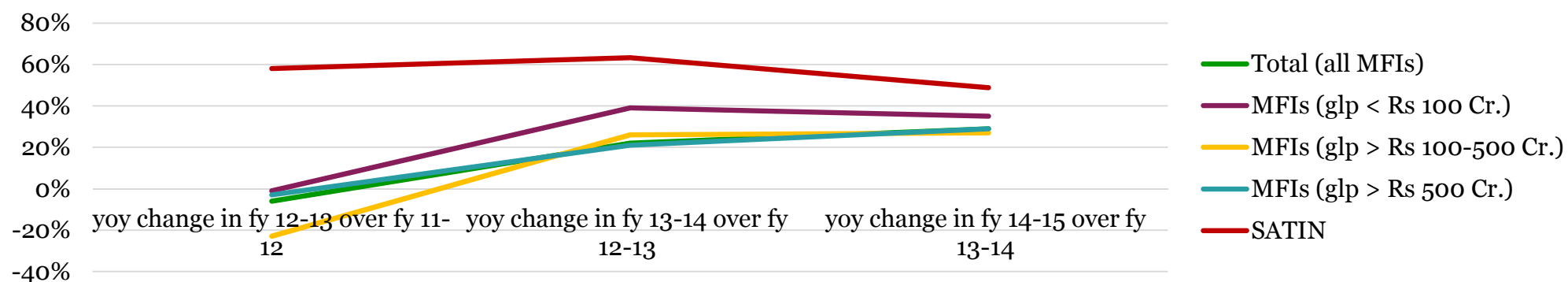
Particular	Total (all MFIs)	MFIs (glp < Rs 100 Cr.)	MFIs (glp > Rs 100-500 Cr.)	MFIs (glp > Rs 500 Cr.)	SATIN
FY 14-15 (as of 31st March 2015)	40138	916	4577	34644	2140.7
FY 13-14 (as of 31st March 2014)	24862	596	3032	21235	1056.1
FY 12-13 (as of 31st March 2013)	17407	331	2162	14914	580
FY 11-12 (as of 31st March 2012)	16813	269	2584	13959	320.1
yoy change in fy 12-13 over fy 11-12	4%	23%	-16%	7%	81%
yoy change in fy 13-14 over fy 12-13	43%	80%	40%	42%	82%
yoy change in fy 14-15 over fy 13-14	61%	54%	51%	63%	103%





Growth in business trend (client outreach) in Lakhs

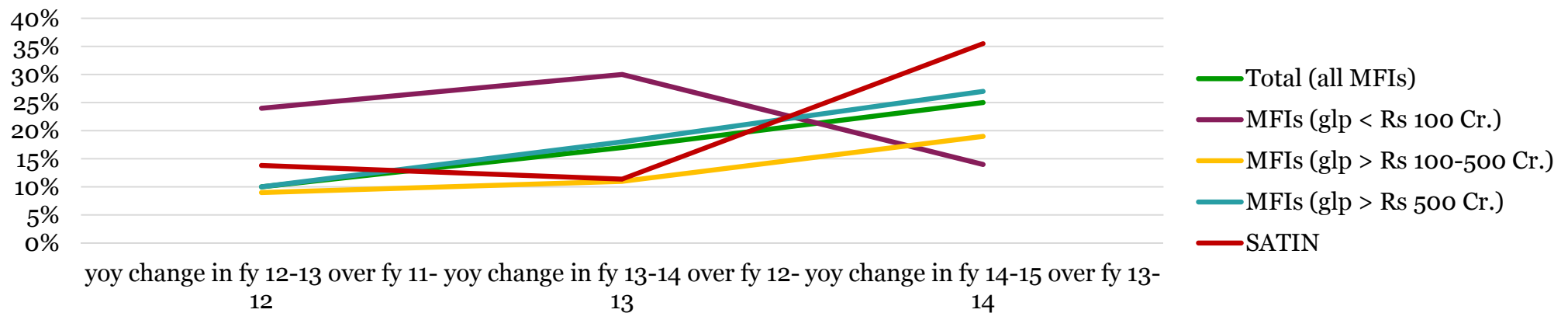
Particular	Total (all MFIs)	MFIs (glp < Rs 100 Cr.)	MFIs (glp > Rs 100-500 Cr.)	MFIs (glp > Rs 500 Cr.)	SATIN
FY 14-15 (as of 31st March 2015)	305	8.5	40.1	256.4	11.9
FY 13-14 (as of 31st March 2014)	236.8	6.3	31.6	198.9	8
FY 12-13 (as of 31st March 2013)	194.2	4.5	25.1	164.6	4.9
FY 11-12 (as of 31st March 2012)	206.6	4.6	32.7	169.3	3.1
yoy change in fy 12-13 over fy 11-12	-6%	-1%	-23%	-3%	58%
yoy change in fy 13-14 over fy 12-13	22%	39%	26%	21%	63%
yoy change in fy 14-15 over fy 13-14	29%	35%	27%	29%	49%





Average loan outstanding per client (Rs)

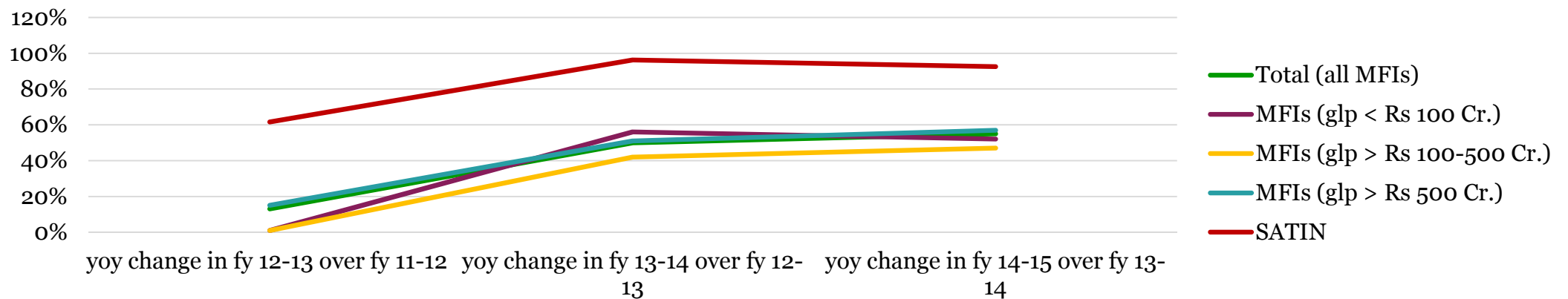
Particular	Total (all MFIs)	MFIs (glp < Rs 100 Cr.)	MFIs (glp > Rs 100-500 Cr.)	MFIs (glp > Rs 500 Cr.)	SATIN
FY 14-15 (as of 31st March 2015)	13160	10754	11427	13511	17950
FY 13-14 (as of 31st March 2014)	10501	9468	9594	10678	13248
FY 12-13 (as of 31st March 2013)	8965	7305	8623	9063	11895
FY 11-12 (as of 31st March 2012)	8138	5895	7892	8247	10451
yoy change in fy 12-13 over fy 11-12	10%	24%	9%	10%	14%
yoy change in fy 13-14 over fy 12-13	17%	30%	11%	18%	11%
yoy change in fy 14-15 over fy 13-14	25%	14%	19%	27%	35%



Growth in business trend (disbursement) in Cr.



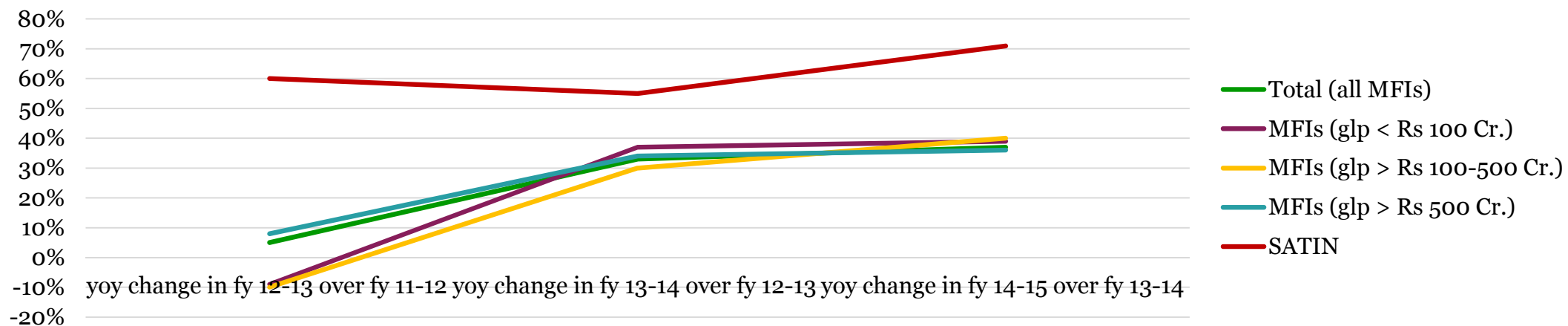
Particular	Total (all MFIs)	MFIs (glp < Rs 100 Cr.)	MFIs (glp > Rs 100-500 Cr.)	MFIs (glp > Rs 500 Cr.)	SATIN
FY 14-15 (as of 31st March 2015)	54591	1212	5507	47872	2366.9
FY 13-14 (as of 31st March 2014)	35118	796	3743	30579	1229.2
FY 12-13 (as of 31st March 2013)	23375	509	2633	20233	626.4
FY 11-12 (as of 31st March 2012)	20741	504	2612	17624	387.5
yoy change in fy 12-13 over fy 11-12	13%	1%	1%	15%	62%
yoy change in fy 13-14 over fy 12-13	50%	56%	42%	51%	96%
yoy change in fy 14-15 over fy 13-14	55%	52%	47%	57%	93%





Loans disbursed (Lakhs)

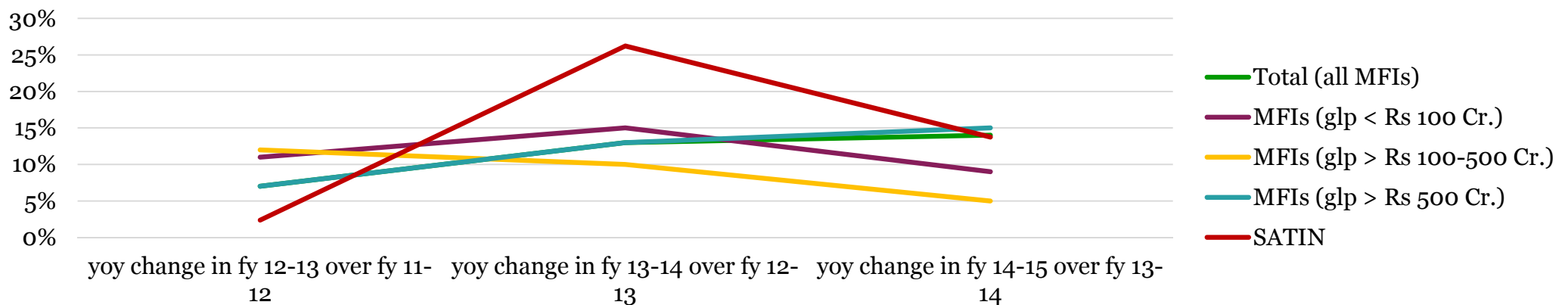
Particular	Total (all MFIs)	MFIs (glp < Rs 100 Cr.)	MFIs (glp > Rs 100-500 Cr.)	MFIs (glp > Rs 500 Cr.)	SATIN Cr.)
FY 14-15 (as of 31st March 2015)	334.3	8.1	33.8	292.5	10.6
FY 13-14 (as of 31st March 2014)	244.6	5.8	24.2	214.6	6.2
FY 12-13 (as of 31st March 2013)	183.2	4.2	18.7	160.3	4
FY 11-12 (as of 31st March 2012)	174.3	4.7	20.7	149	2.5
yoy change in fy 12-13 over fy 11-12	5%	-9%	-10%	8%	60%
yoy change in fy 13-14 over fy 12-13	33%	37%	30%	34%	55%
yoy change in fy 14-15 over fy 13-14	37%	39%	40%	36%	71%



Average amount disbursed per client



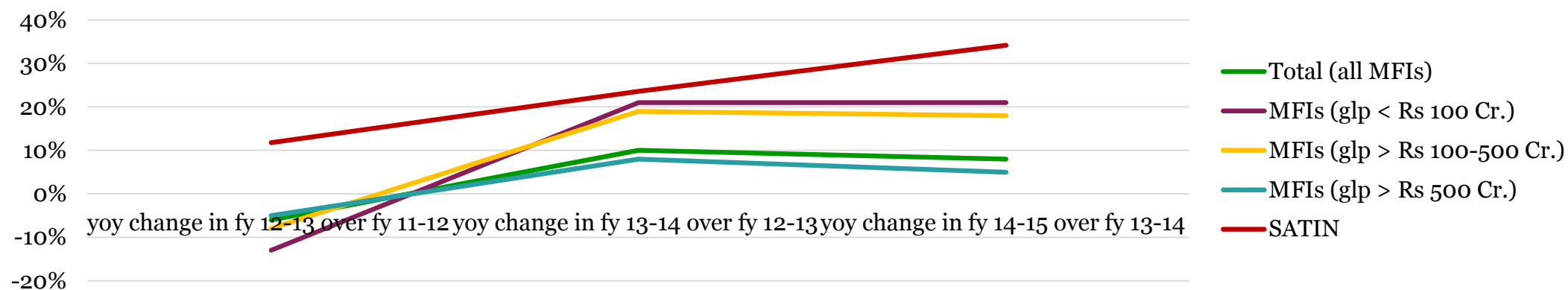
Particular	Total (all MFIs)	MFIs (glp < Rs 100 Cr.)	MFIs (glp > Rs 100-500 Cr.)	MFIs (glp > Rs 500 Cr.)	SATIN
FY 14-15 (as of 31st March 2015)	16327	15032	16289	16368	22418
FY 13-14 (as of 31st March 2014)	14359	13758	15474	14249	19711
FY 12-13 (as of 31st March 2013)	12757	12011	14119	12618	15617
FY 11-12 (as of 31st March 2012)	11897	10819	12631	11829	15254
yoy change in fy 12-13 over fy 11-12	7%	11%	12%	7%	2%
yoy change in fy 13-14 over fy 12-13	13%	15%	10%	13%	26%
yoy change in fy 14-15 over fy 13-14	14%	9%	5%	15%	14%





Branches

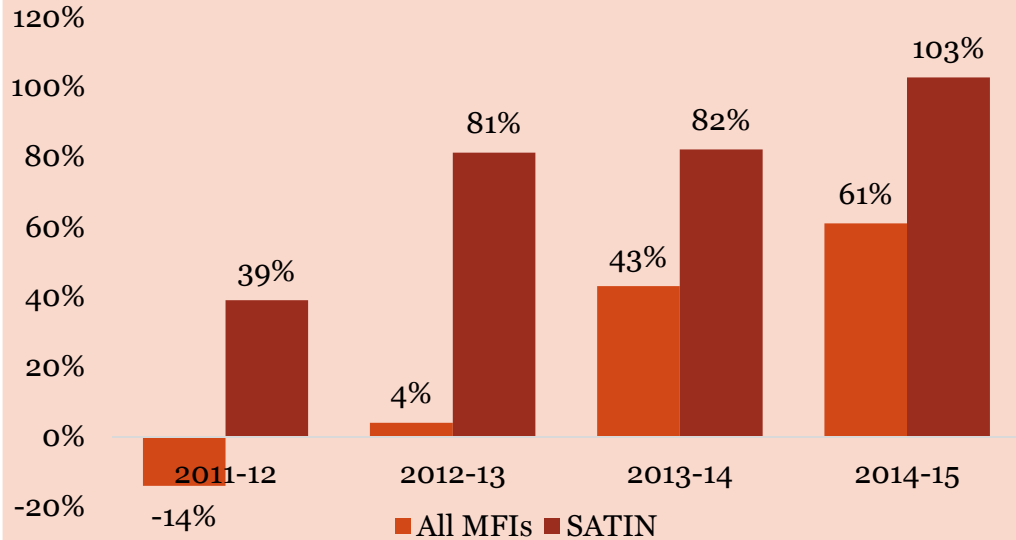
Particular	Total (all MFIs)	MFIs (glp < Rs 100 Cr.)	MFIs (glp > Rs 100-500 Cr.)	MFIs (glp > Rs 500 Cr.)	SATIN
FY 14-15 (as of 31st March 2015)	10553	545	2144	7864	267
FY 13-14 (as of 31st March 2014)	9741	450	1824	7467	199
FY 12-13 (as of 31st March 2013)	8848	371	1535	6942	161
FY 11-12 (as of 31st March 2012)	9380	424	1677	7279	144
yoy change in fy 12-13 over fy 11-12	-6%	-13%	-8%	-5%	12%
yoy change in fy 13-14 over fy 12-13	10%	21%	19%	8%	24%
yoy change in fy 14-15 over fy 13-14	8%	21%	18%	5%	34%



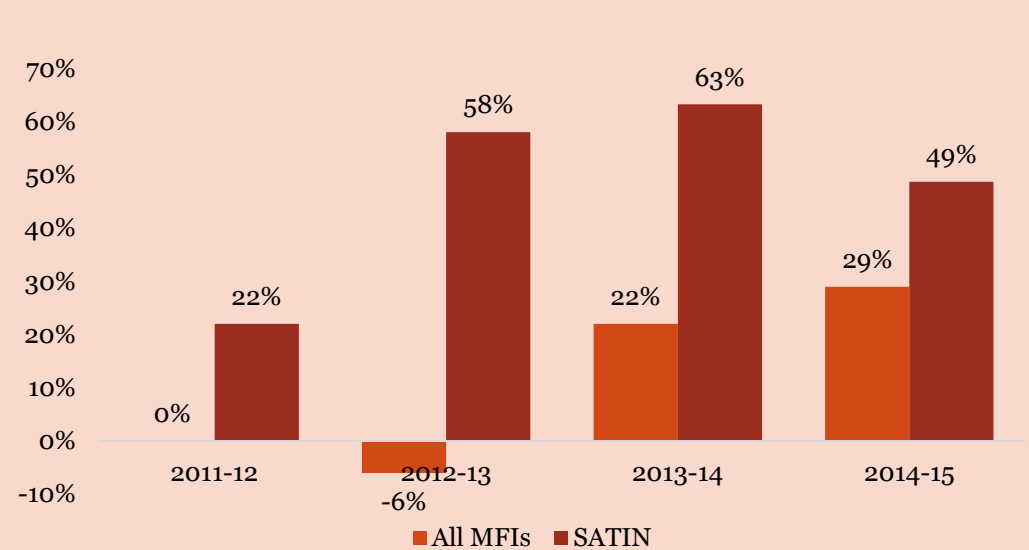


Peer Analysis with Leading Indian MFIs

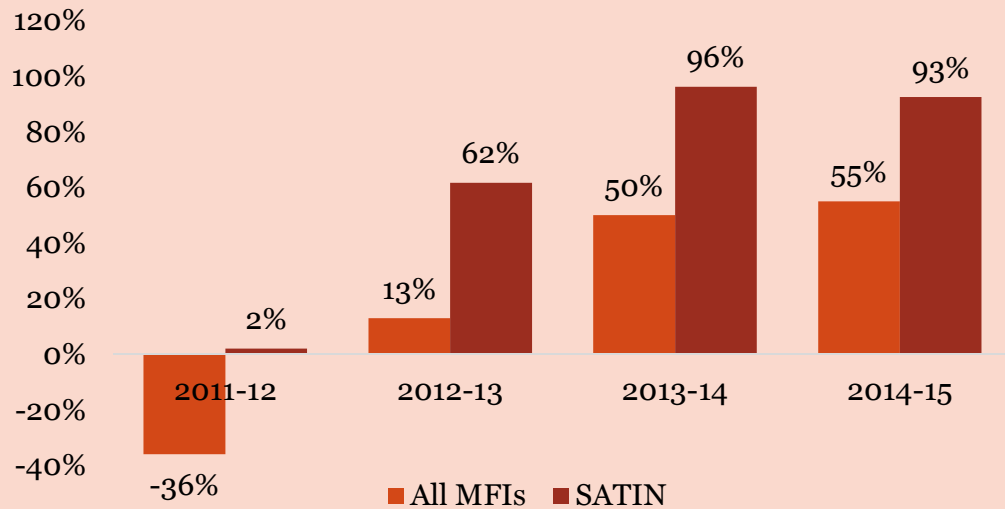
% Growth in GLP



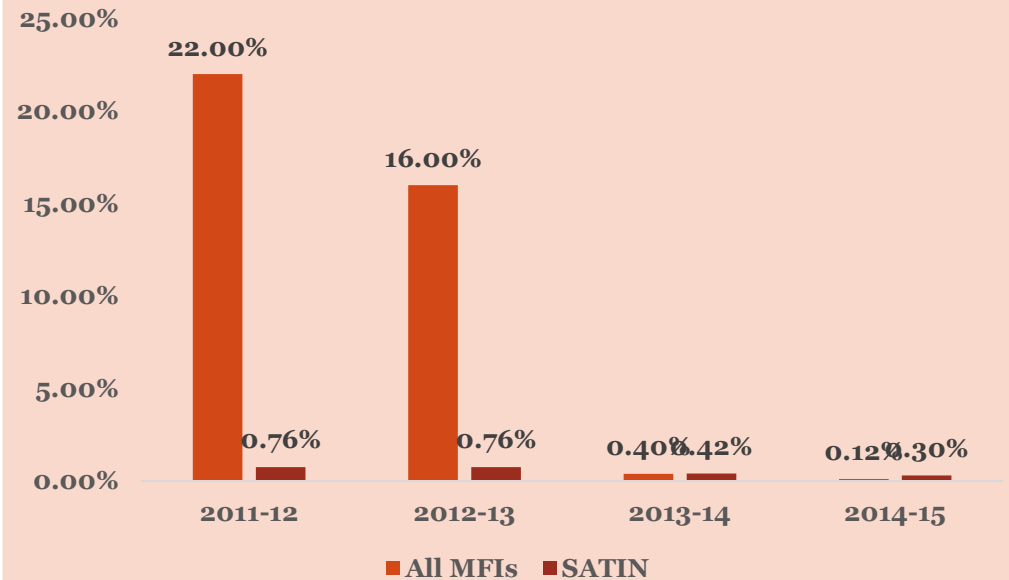
% Growth in Clients outreach



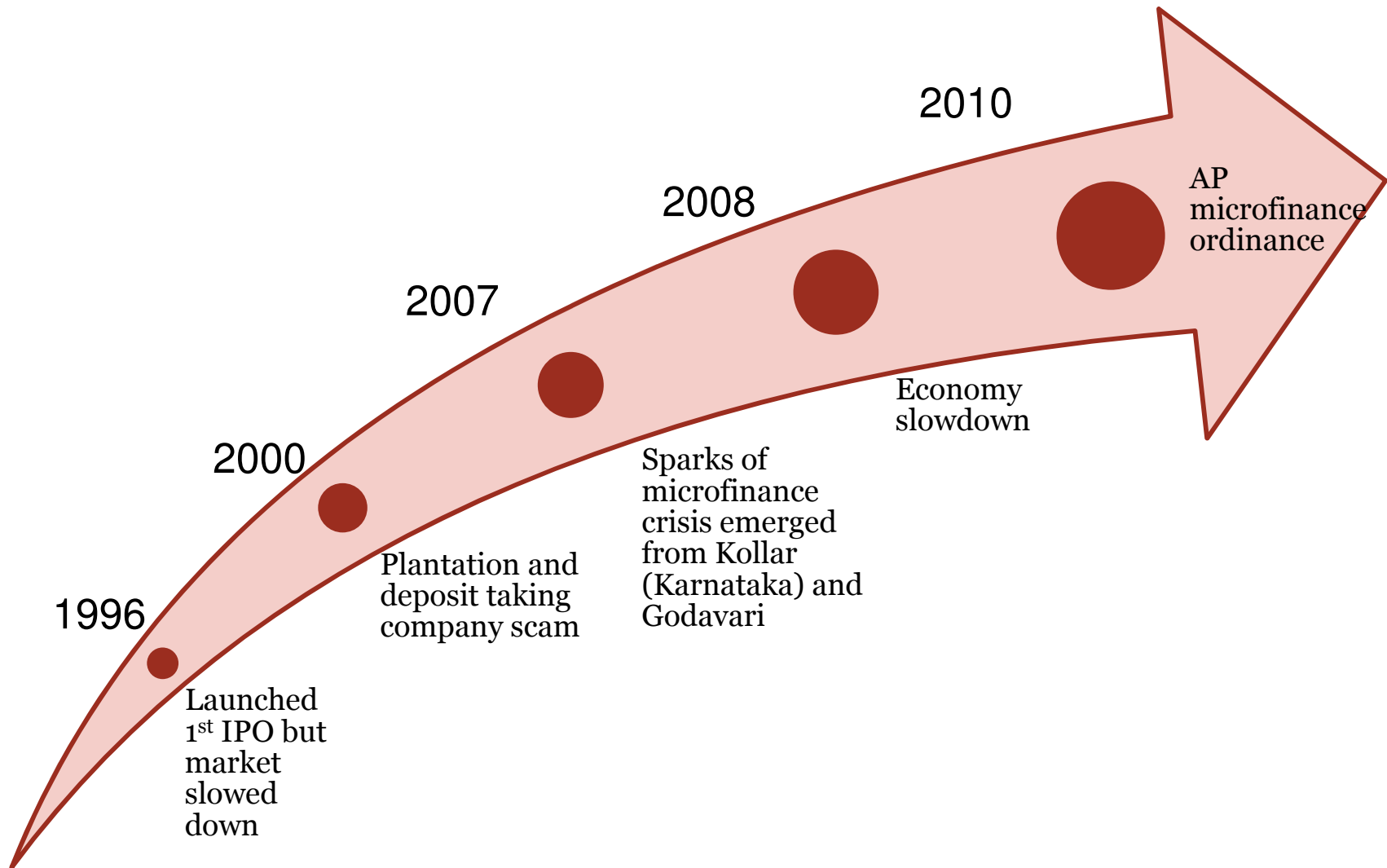
% growth in Disbursement



Portfolio Quality : PAR 30



Our resilience to crisis



Regulatory Update



The Reserve Bank Of India (RBI), on 8th April 2015, provided a boost to micro-finance institutions (MFIs) through an upward revision in borrowing limits for an individual, income limits of borrowers and disbursement amount. The changes in lending norms are as follows. “Qualifying assets” shall mean a loan which satisfies the following criteria:-

- i. loan disbursed by an NBFC-MFI to a borrower with a rural household annual income not exceeding Rs. 1,00,000 or urban and semi-urban household income not exceeding Rs. 1,60,000;
- ii. loan amount does not exceed Rs. 60,000 in the first cycle and Rs. 1,00,000 in subsequent cycles;
- iii. total indebtedness of the borrower does not exceed Rs.1,00,000.

The Company has applied to Reserve Bank of India for Small Finance Bank (SFB) on 28th January 2015 as per guidelines issued by RBI on 27th November 2014.

Micro Units Development and Refinance Agency (MUDRA)



Proposal to create a **Micro Units Development Refinance Agency (MUDRA) Bank**, with a corpus of INR 20,000 crore, and credit guarantee corpus of INR 3,000 crore. **MUDRA Bank will refinance Micro-Finance Institutions through a Pradhan Mantri Mudra Yojana.** In lending, priority will be given to SC/ST enterprises. These measures will greatly increase the confidence of young, educated or skilled workers who would now be able to aspire to become first generation entrepreneurs; existing small businesses, too, will be able to expand their activities.

Mains Functions of MUDRA Bank,

- Laying down policy guidelines for micro/small enterprise financing business
- Registration of MFI entities & Regulation of MFI entities
- Accreditation /rating of MFI entities
- Laying down responsible financing practices to ensure proper client protection principles and methods of recovery

Small Finance Bank



An existing MFI minimum net worth of Rs. 100 crores.

SFB and NBFC / MFI cannot co-exist.

The promoter's minimum initial contribution should be at least 40 per cent.

The aggregate foreign investment in SFB will be allowed up to a maximum of 74% of the paid-up capital of the bank.

Individuals (including relatives) and entities other than the promoters will not be permitted to have shareholding in excess of 10% of the paid-up equity capital of SFB.

CRAR requirement of 15% of risk weighted assets (RWA).

Tier I capital should be at least 7.5% of RWAs. Tier II capital - maximum of 100% of total Tier I capital.

The objectives of setting up of small finance banks will be to further financial inclusion by (a) provision of savings vehicles, and (ii) supply of credit to small business units; small and marginal farmers; micro and small industries; and other unorganised sector entities, through high technology-low cost operations.

Guidelines on Small Finance Bank



- OBJECTIVE:-Furthering financial inclusion by (i) provision of savings vehicles primarily to unserved and underserved sections of the population, and (ii) supply of credit to small business units; small and marginal farmers; micro and small industries; and other unorganized sector entities, through high technology-low cost operations
- Eligible entities include resident individuals/professionals with 10 years of experience in banking and finance, Companies and Societies, Existing Non-Banking Finance Companies (NBFCs), Micro Finance Institutions (MFIs), Local Area Banks (LABs).
- A Small Finance Bank can offer basic banking services (acceptance of deposits and lending)distribution of MFs, insurance products, pension products, etc. and can also become a Category II Authorized Dealer in foreign exchange business
- The minimum paid up voting equity capital has been fixed at Rs 100 crores with a minimum CAR of 15% on risk weighted assets.



- Foreign shareholding allowed up to 74% (49% under automatic route and 25% under approval).
- At least 25% of its branches in unbanked rural centers.
- Priority Sector Lending (PSL) requirement for Small Finance Bank to be 75% of ANBC compared to 40% for domestic SCBs.
- The Small Finance Bank cannot be a Business Correspondent (BC) for another bank.
- The operations of the Small Finance Bank should be technology driven from the beginning, conforming to generally accepted standards and norms.
- An existing NBFC / MFI would be allowed to convert to a Small Finance Bank

Compliance with revised regulatory guidelines



RBI on 10th November 2014 has revised the regulatory guidelines for Non-Banking Finance Companies. Major Highlights are as follows,

- Threshold for defining systematic important NBFC has been revised to Rs.500.00 Crore as against Rs.100.00 Crore earlier.
- Maintain minimum Tier 1 Capital of 10% by 31.03.2017 as against 7.5% earlier.
- Provisions of standard assets have been increased to 0.40% as against 0.25% earlier.

Impact of revised regulatory guidelines on Satin

- **However, these amendments have no impact on Satin, as the Company is already covered in the category of NBFC-ND-SI, maintaining Tier-1 capital above 10.00% and maintaining higher provisioning @1.00% on outstanding portfolio.**

Compliance with Fair Practice Code



Full Disclosure about the product

Satin discloses full information relating to the product in its open general meetings and 3 days CGT conducted.

Loan cards are provided to all the clients in mentioning all the details in vernacular language.

Loan acknowledgement card was given to all of the clients

All the information regarding insurance process and claim settlement was told to the clients

All the clients were told the rules of joint liability.

Ethical ways to conduct business

Full evidence of not using any unethical recovery practices by the staff

Practices to be followed to deal with the customers are covered during staff training.

3 days financial literacy training is provided free of cost.

Due diligence is exercised to ensure client's repayment capacity

All loans are disbursed at the central location i.e branch premises

Grievance Redressal Mechanism

Satin has dedicated client's grievance resolution cell

Satin gives enough time to the clients to discuss the terms & conditions of the loan and understand it in a proper manner before enrolling for taking the loan.

Compliance with Industry Code of Conduct



TRANSPARENCY

Satin discloses full information relating to the product in its open general meetings and 3 days CGT conducted.

Loan cards are provided to all the clients in mentioning all the details in vernacular language.

Satin discloses rate of interest on reducing balance, processing fees & insurance fees on the loan card.

CLIENT PROTECTION

Satin sanctions loan after obtaining all relevant documents as per standard KYC norms.

To avoid over indebtedness, due diligence is conducted through a 3 stage process of client enrolment including CB check. CB rejection analytics are prepared to ensure provision of credit to all eligible clients.

Satin defines clear guidelines for employees to interact with clients in ethical manner.

Valid receipts are provided to all the clients against every payment.

Full data privacy is maintained according to the formal policy.

Grievance Resolution Mechanism

Satin has dedicated client's grievance resolution cell.

Satin educates client about the process of getting their complaints registered.

Satin has dedicated grievance redressal officer who attends clients complaints and prepare regular analytics.

This mechanism includes raising clients awareness and informing them about their rights.

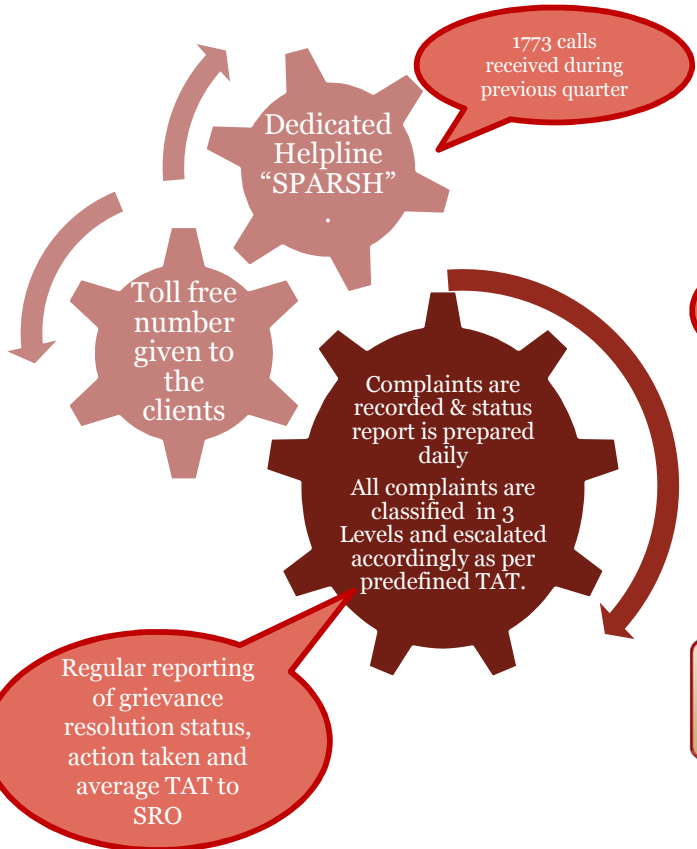
Recruitment

Satin follows all the relevant practices in hiring employees as mentioned in code of conduct.

Satin seek reference checks from other MFIs while hiring employees.

Satin responds to reference check request of other MFIs.

Client Grievance Resolution Mechanism at Satin

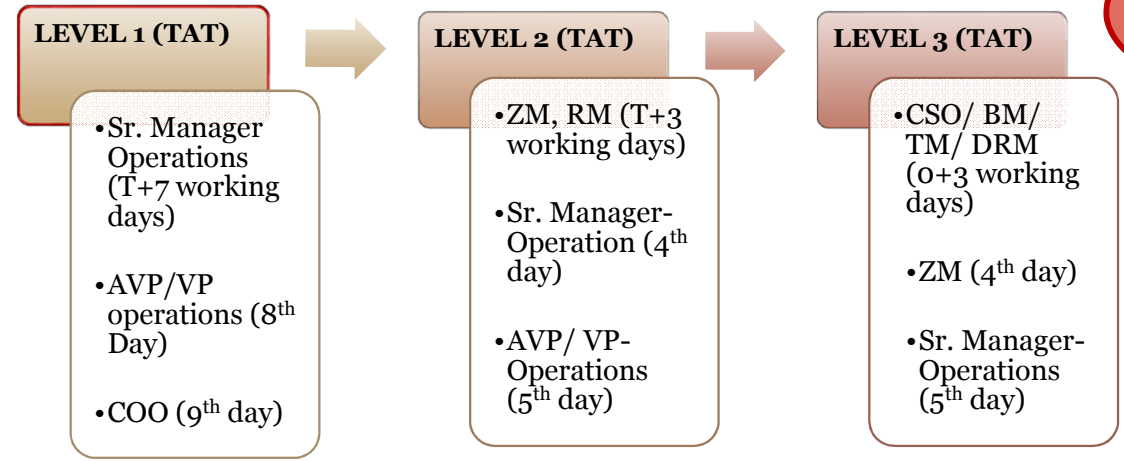


Out of 1773 only 1 issue was classified as open for more than 45 days in month of October

COMPLAINT CATEGORISATION

LEVEL 1	<ul style="list-style-type: none"> • Bribe/ agent involvement • Staff Misbehavior • Fake / soiled Currency
LEVEL 2	<ul style="list-style-type: none"> • Request for concession • Advance collection • Late coming by CSO • Dropout • Loan claim and Settlement
LEVEL 3	<ul style="list-style-type: none"> • General Queries • Staff contact details • New / next cycle loan • Product related information • Insurance related issues/ Claims and settlement

ESCALATION MATRIX



Regular monitoring through internal audit by measuring client satisfaction & perception

Process sacrosanct: the secret behind our model



No. of days	Process	Purpose
5 days	Area selection for fresh branch	<ul style="list-style-type: none"> Assessment of potential demand, enabling infrastructure, law and order situation, socio economic stratification etc. Analysis of competition and default/natural calamity history
1 day	Open general meeting	<ul style="list-style-type: none"> Initial communication with prospective clients
1 day	Group formation	<ul style="list-style-type: none"> bringing group solidarity
3 days	CGT	<ul style="list-style-type: none"> Financial literacy training product & process communication Building recommendation discipline Imbibing joint liability
1 day	Pre GRT	<ul style="list-style-type: none"> preliminary scanning of financial literacy KYC Joint liability
1 day	GRT	<ul style="list-style-type: none"> Full financial literacy KYC check Check repayment capacity Loan sanctioned
1 day	Credit bureau check	<ul style="list-style-type: none"> Checking past borrowing history
1 day	Loan Disbursement	<ul style="list-style-type: none"> Passing of sanctioned loan
Bi-weekly	Center Meeting	<ul style="list-style-type: none"> Collection Discipline Ensuring Joint liability



Satin Creditcare Network Limited.mp4



Decoding Excellence



Approach

- ❑ Unbanked area
- ❑ Clear communication
- ❑ Financial literacy
- ❑ Multiple round of appraisals
- ❑ Easy documentation
- ❑ Proper need assessment
- ❑ Right selection
- ❑ Group and center liabilities
- ❑ Optimizing social collateral

Core

Customer
Centricity

Outcome

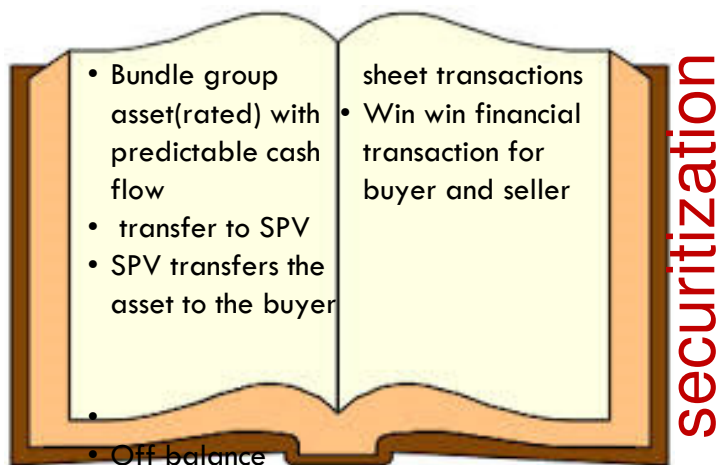
- ❑ Informed and empowered client
- ❑ High level of participation in microfinance programmes
- ❑ Leadership building
- ❑ Social Empowerment
- ❑ Strong peer based social collateral ensures near zero default
- ❑ Excellent community relationship



Pillars of Satin's Financial Strength

Investors

- ❑ 4 Institutional Investors
 - ❑ ShoreCap II Ltd.
 - ❑ MicroVest
 - ❑ DMP
 - ❑ NMI



57
Financial
Lenders

Public
Sector (19)

Private
Sector (12)

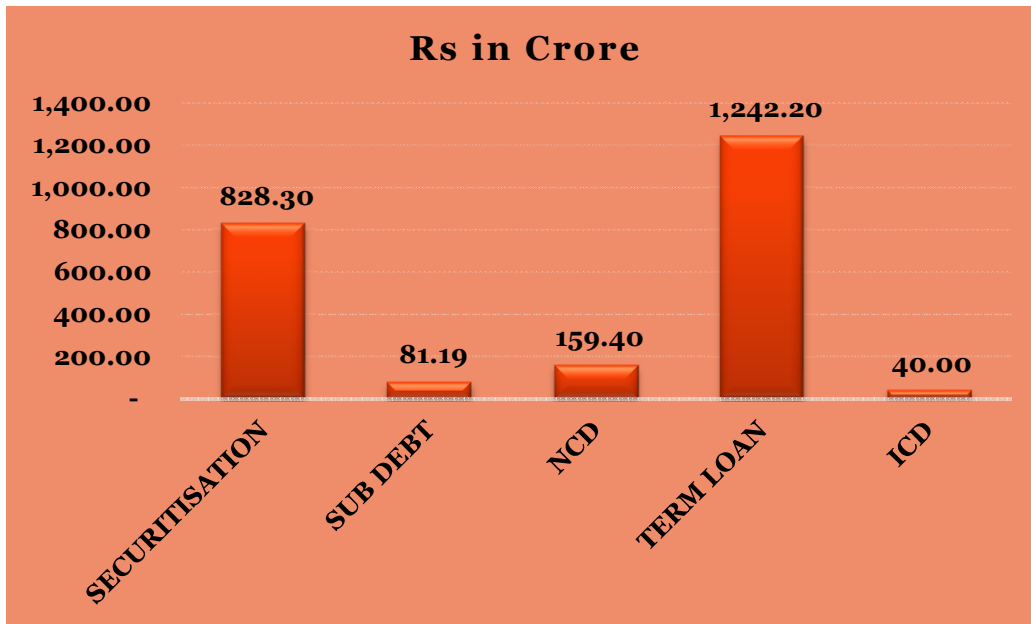
Foreign
Banks (6)

NBFC
Lenders (20)

Financial Instrument

- ❑ Equity
- ❑ Debt
- ❑ Securitization
- ❑ Assignment
- ❑ Preference Shares

Satin's Funding Details

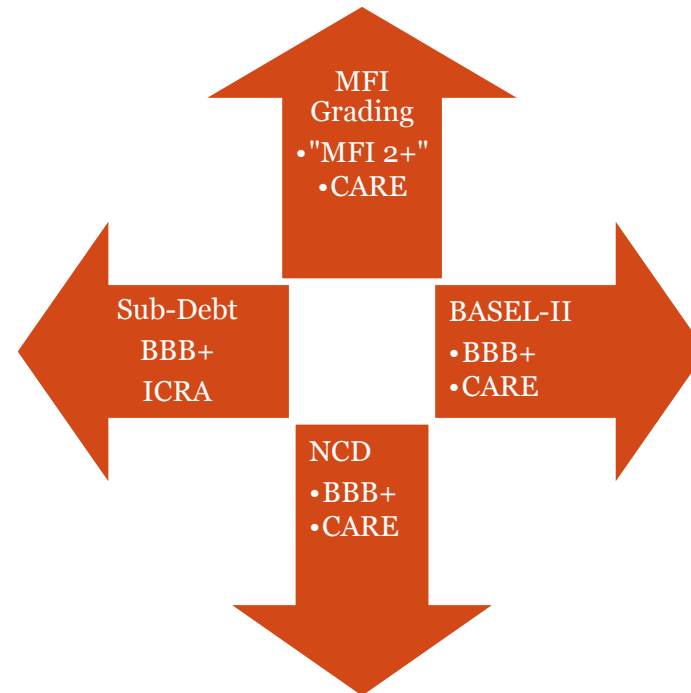


Total Funding Rs. 2,351.09 Crores As on 31 March, 2015

Key Shareholder

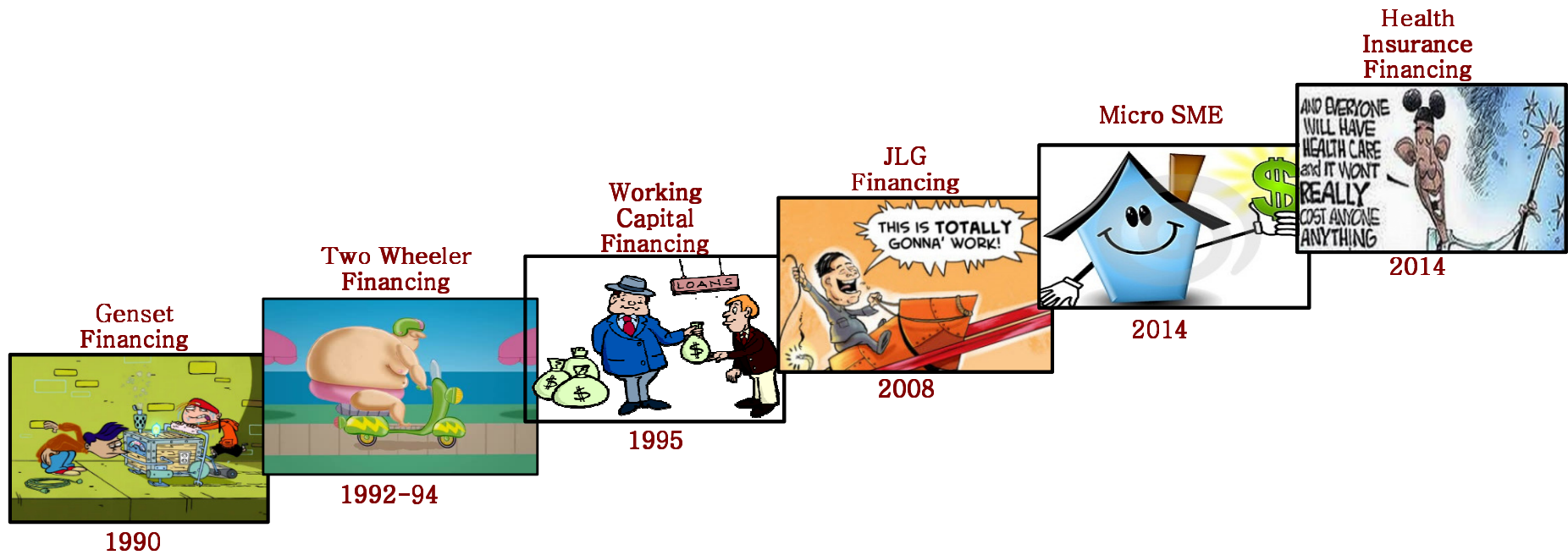
- ShoreCap II Limited
- Danish Microfinance Partners K/S
- MV Mauritius Ltd
- NMI Fund III K/S

External Assessment





Satin's Financial Product Innovation

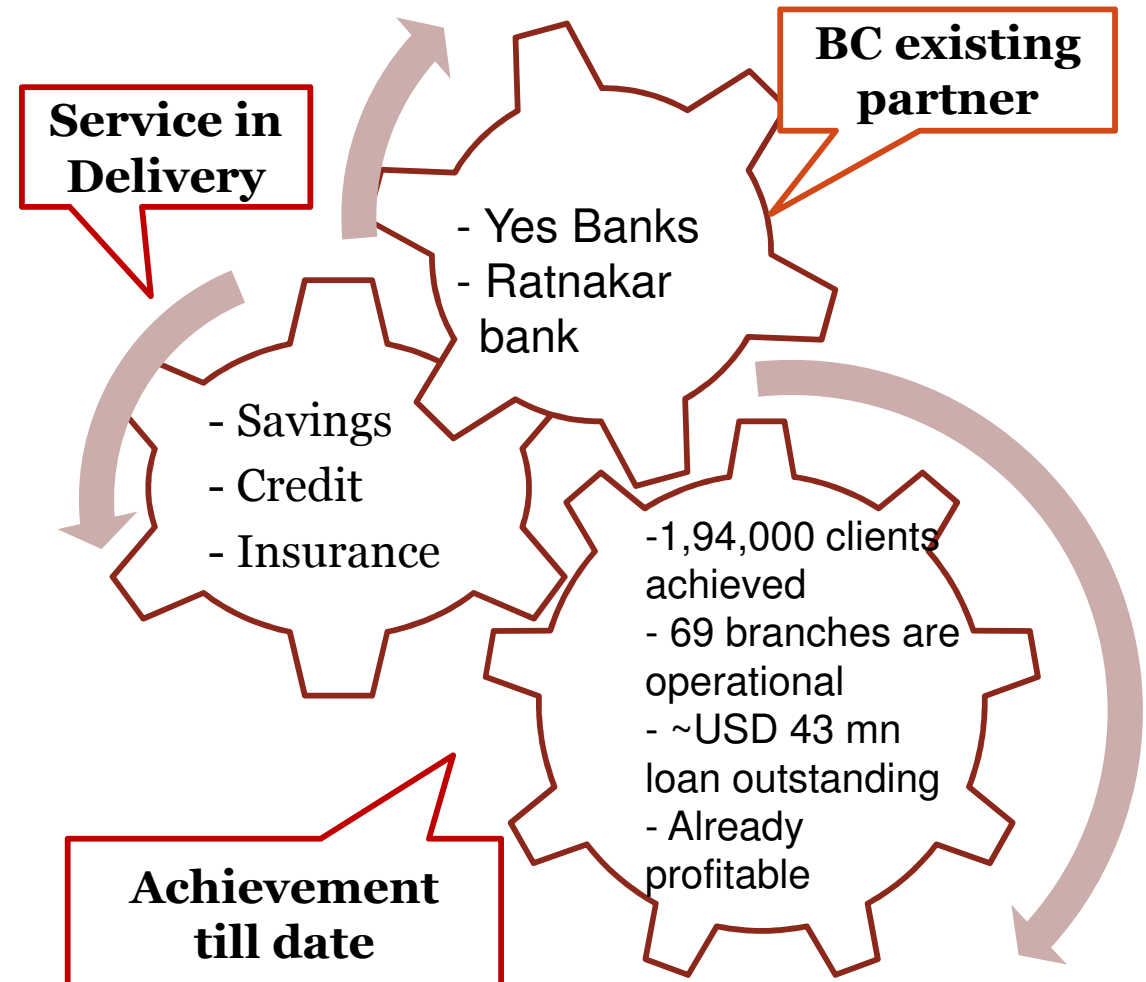


Diversification beyond Microfinance

Leveraging Banking - Taraashna



Financing need of poor people	Bank	Micro-finance
Savings	✓	✗
Credit	✓	✓
Remittance	✓	✗
Investment	✓	✗



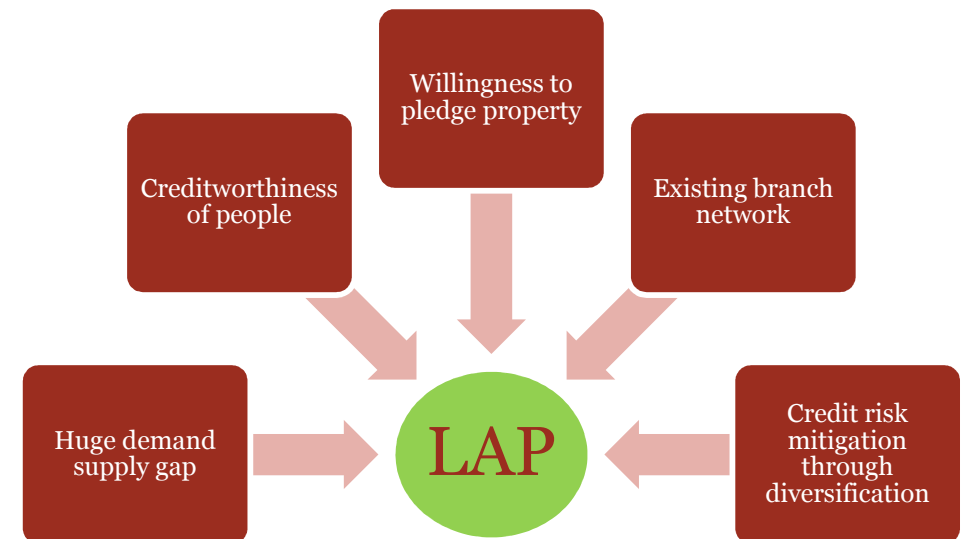
Diversification beyond Microfinance Leveraging Large FIs - LAP



Demand Supply Matrix

Rural Credit Demand	Bank	MFI	Credit Range(INR)	Collateral Required
Small loans for tiny businesses	×	✓	5000 – 50,000	×
SME, industry, housing loans	✓	×	0.5 mn – 100 mn	✓
MSME, traders etc.	×	×	0.05 mn – 0.5 mn	✓

Why LAP : The value proposition



Where We stand

MoU signed with Reliance and Capital First

Separate vertical has been created

Core team members hired

Product has been successfully rolled out in the field

Social Performance Management



Implementation

- ✓ Dedicated Grievance Redressal Cell for clients – SPARSH
- ✓ Helpline for employees – Atoot Bandhan
- ✓ Awareness campaigns – Financial literacy, Health & Hygiene, Women Empowerment
- ✓ Regular surveys for client exit, impact assessment and need assessment, client and employee satisfaction.

Self assessment

- ✓ Regular assessment of every branch through internal audit.
- ✓ Dedicated Social Audit to measure our social performance which is unique to Satin in the MF industry

Our Base

- USSPM
- Client Protection Principle (CPP)
- Industry Code of Conduct
- Fair Practice Code

External Assessment

- ✓ COCA validation done by M2i- Satin rated as Very Good with 83% score.
- ✓ M-CRIL rated Satin as **B+ signifying as Good social commitment** and reasonable adherence to social mission and values.
- ✓ Fair Practice Adherence (MFIN – Self assessment)
- ✓ Pricing Transparency Seal by MF Transparency
- ✓ Social Performance reporting Award for reporting of social indicators to MIX **at Silver level.**

Make Your Employees Heroes



- Presence of latent factors such as “Better Human” and “Benefits Desired” influence the drive of operational employees to perform well
- Need to ensure that employees have opportunities to become “Better Human” in addition to getting “Benefits Desired”
- Historically, while MFIs have been good at providing “Benefits Desired”, there is scope for them to improve upon the “Better Human” factor.
- Trainings on functional and technical aspects address the “Better Human” factor
- Communicating Satin’s successes in the operational and social performance domain and attributing these successes to operational employees may also address the “Better Human” factor.
- Recognition may be provided to employees who perform well on “Better Human” aspects
- Social media platforms such as Facebook and Twitter may also be used for these means
- At the time of recruitment of field employees, their propensity to become “Better Human” may be an important determinant of their performance in the organization subsequently
- [Source: M2i consulting research on SCNL](#)



Grading & Rating

CARE Grading: **MFI 2+ [Two Plus]** - July 2014

- ❖ CARE upgraded the grading to MFI2+ in July 2014 based on Satin's strong underlying fundamentals
- ❖ The rating rationale cited by CARE is as follows:
 - ✓ Transparency in lending processes and usage of funds.
 - ✓ Presence of specialized internal audit team
 - ✓ Adequate system for tracking over-dues, loan appraisal and monitoring
 - ✓ Separate departments with clearly demarcated roles and responsibilities
 - ✓ Presence in areas with low MFI operations
 - ✓ Comfortable capital adequacy ratio
 - ✓ Good asset quality
 - ✓ Diversified resource base of lenders
 - ✓ Strong second line of leadership

Grading Symbol	
MFI 1	Highest
MFI 2+	↓
MFI 2	
MFI 3+	
MFI 3	
MFI 4+	
MFI 4	
MFI 5	Lowest

CARE Rating: **BBB [Triple B]** December, 2014

- ❖ CARE upgraded the rating of BBB+ for Rs. 13 Bn (Increased from Rs. 10. Bn) in December, 2014
- ❖ Rating rationale stated experience of promoter and management team, long track record in the financial sector, good risk management systems and presence in areas with less microfinance penetration. It also included comfortable capital adequacy, good asset quality and diversified asset base.

COCA Rating

- ❖ SIDBI also got Satin rated from an external agency on its compliance level as laid by RBI. Satin received composite COCA (Code of Compliance Assessment) score of 83% which reflects very good level of adherence.

Awards for Satin



Award by MF Transparency Organization



Award by Microfinance Information Exchange

Future we Foresee...



Beyond 5 years

- Full scale bank
- Complete range of credit/saving/remittance & insurance service provider
- Group lending technology to be replicated through institutional development service across the world
- Synthesizing business logic through related diversification in SME space
- Preferred financial service provider

3-5 years

- 5 million customers
- USD 5 billion asset
- Small bank
- Institutional lending
- Remittance services

Current Position

- BC for many banks
- SME financing
- Employer of Choice
- USD 1.8 billion assets

THANK YOU

