



SATIN CREDITCARE NETWORK LTD.

Reaching out!

Familiarization Programme for Independent Directors

BSE: 539404 | NSE: SATIN | CSE: 30024
Corporate Identity No. L65991DL1990PLC041796





Microfinance Through Window of Relevance

Micro-finance is defined as “financial services such as savings, insurance, fund, credit etc., provided to poor and low income clients in rural, semi-urban or urban areas so as to help them raise their income levels, thereby improving their standard of living”.

Banks

- Institutional Reliability
- Multi-product
- Low branch penetration
- Design constraint

MFI

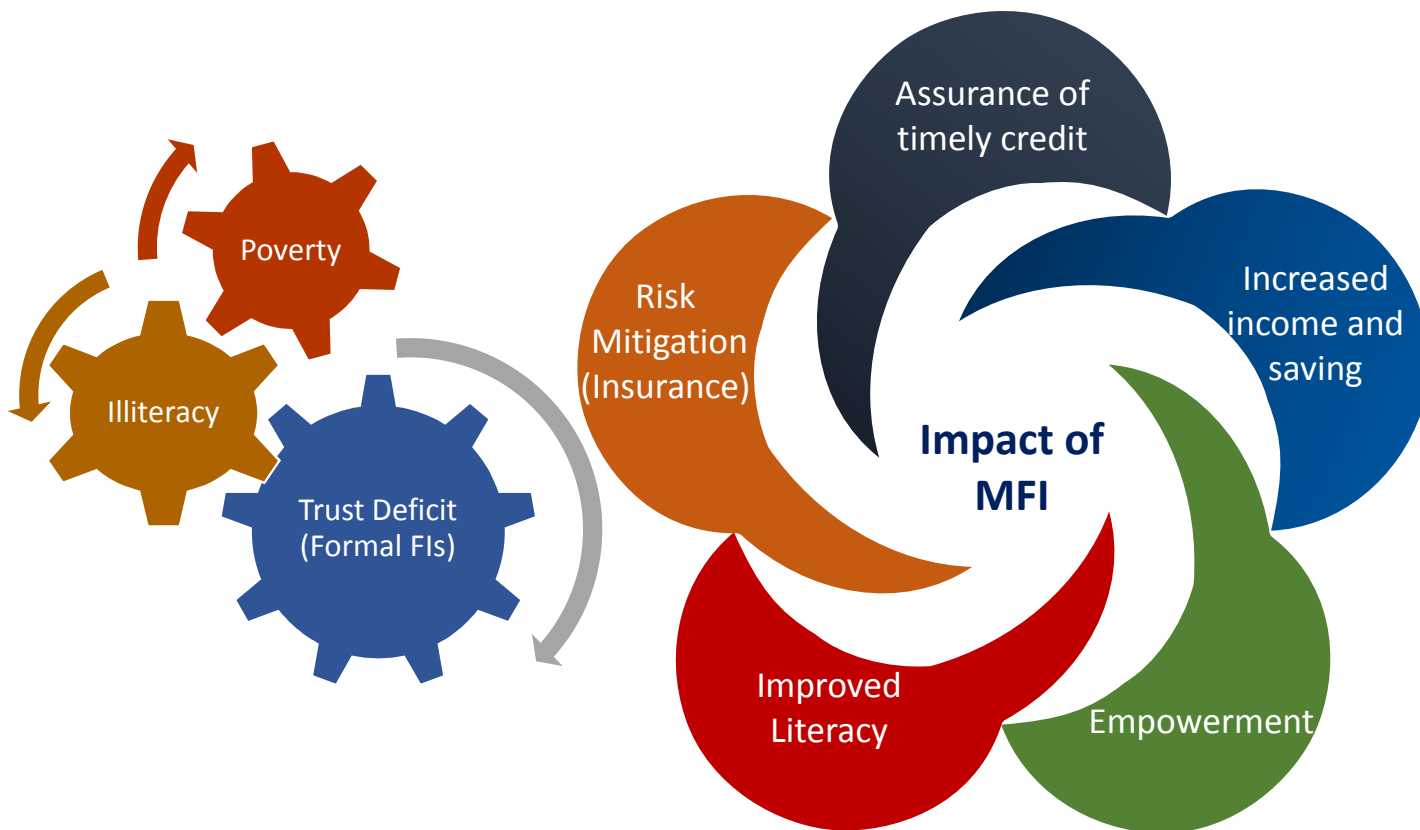
- Doorstep service
- No collateral
- Small ticket loans only

SHGs and Co-Ops

- Closest institutions
- Collateral Substitutes
- Scale up constraint
- Limited credit

Moneylenders

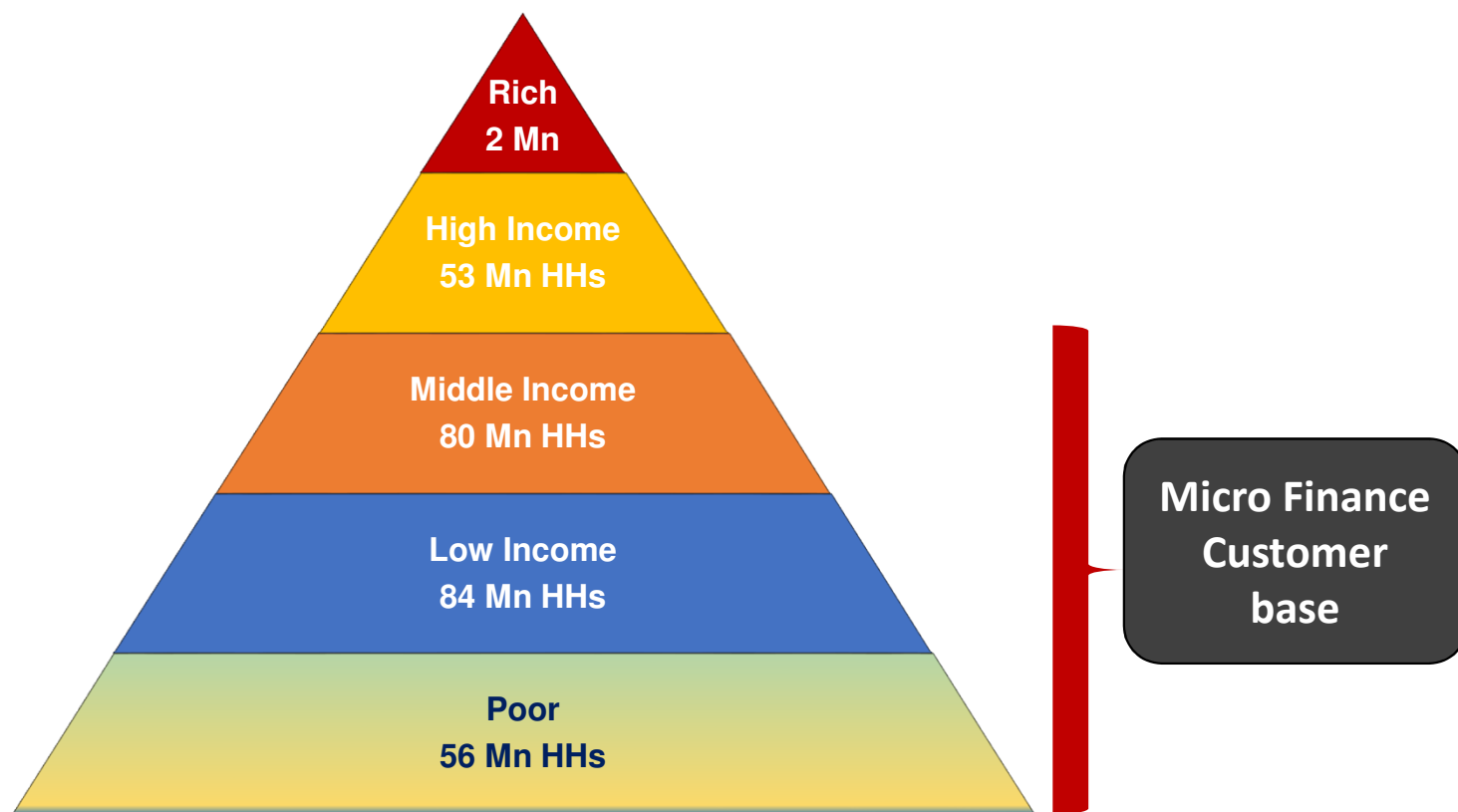
- Convenience
- Very high interest rates
- Attached collateral
- Exploitative





Demand for Micro-Credit in India

About 220 mn Households and USD 44 bn market size



NBFC-MFIs + SFBs+ Non profit MFIs
= USD 10 bn, as of Mar'17

- ~220 mn households in the poor to middle income category
- Assuming that even 50% of the households can be financially supported
- Potential market size assuming basic lending at ~USD 400 per HH
- An estimated market opportunity of USD 44 billion**

Average monthly income of Households (HHs) in USD: Rich ~1,450; High Income 460; Middle Income ~200; Low Income ~115; Poor is less than USD 55 per month



Women-Centric Sustainable Development : Microfinance

Women constitute the core fabric of microfinance and are also the critical success factor



Women are often among the most vulnerable and poorest members of low-income societies

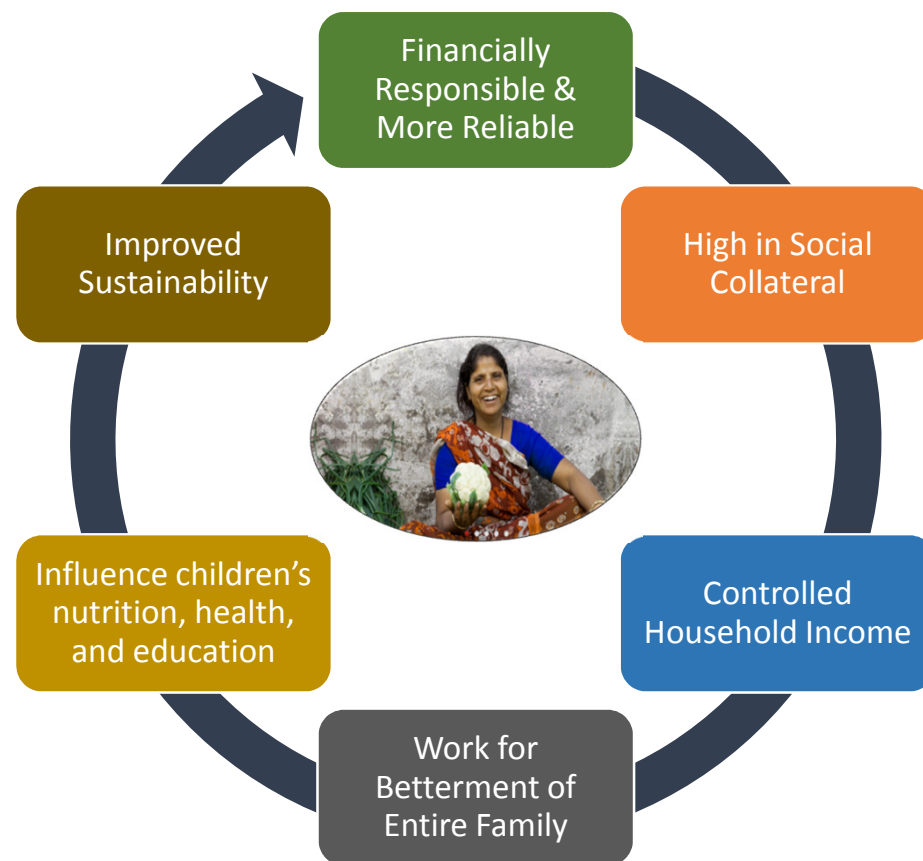
70% of the world's poor are women

Microfinance is a powerful instrument of social change, particularly for women



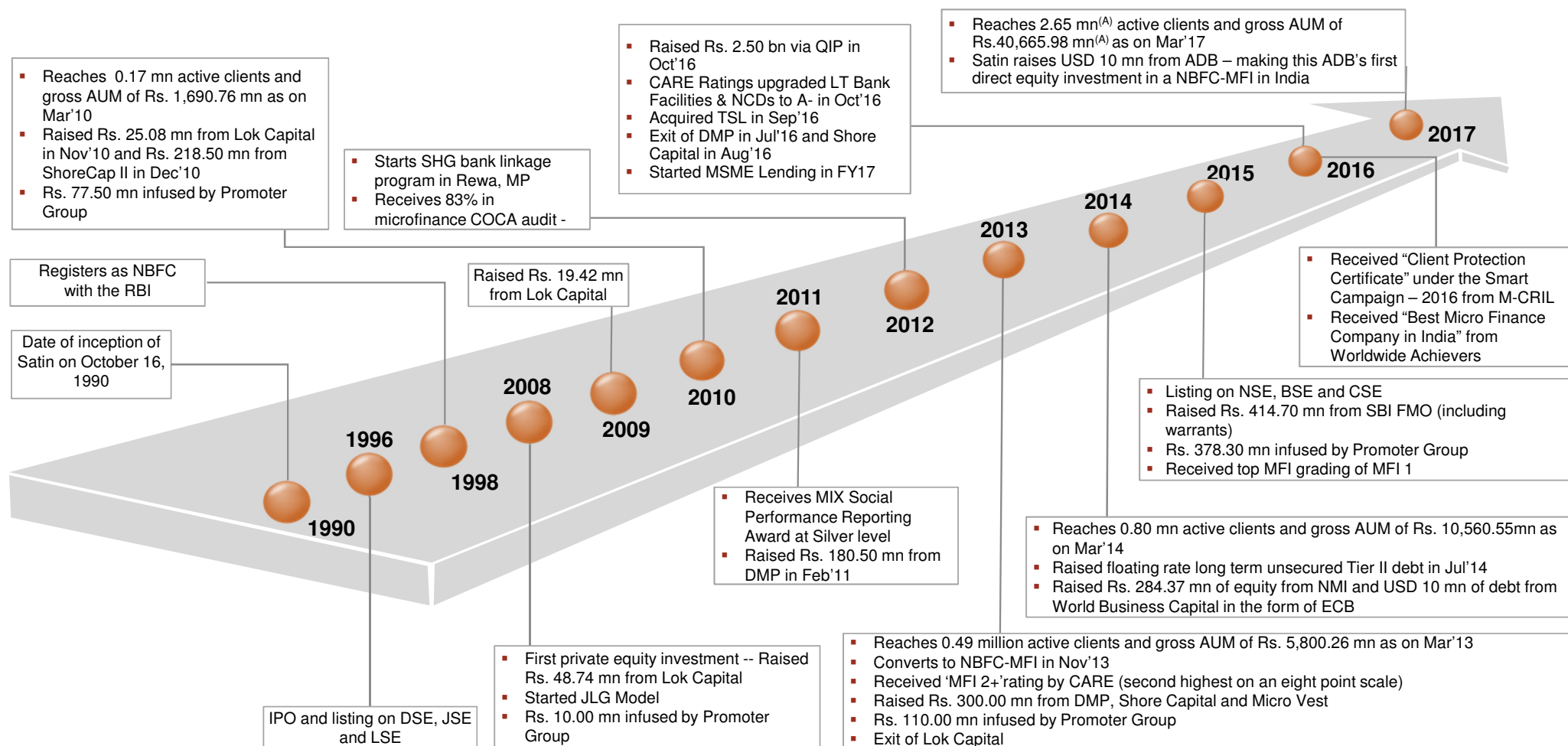
Obvious economic and social benefits to involving women in microfinance programs

Women are the family nucleus, that is vital for societal improvement and progress





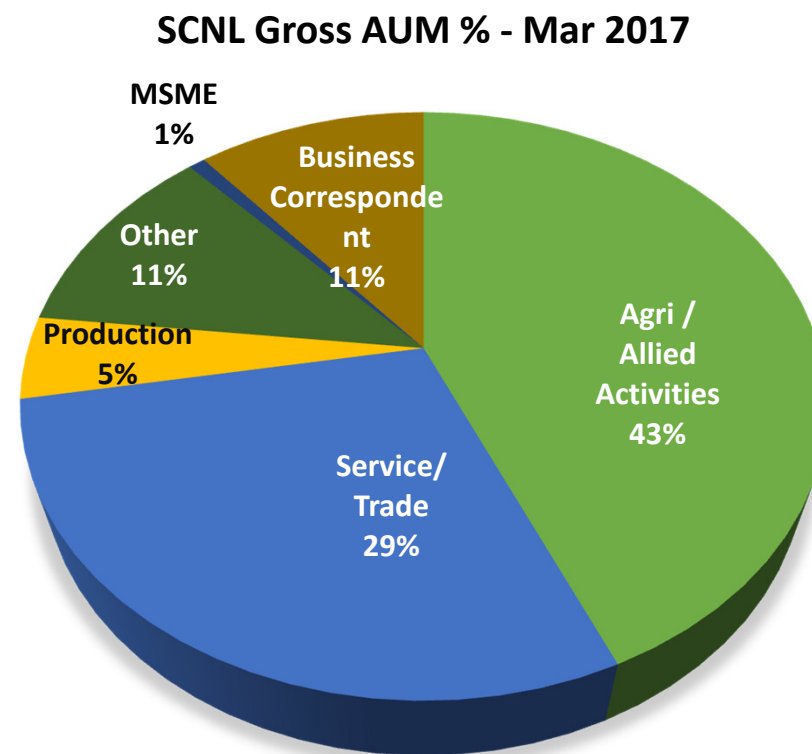
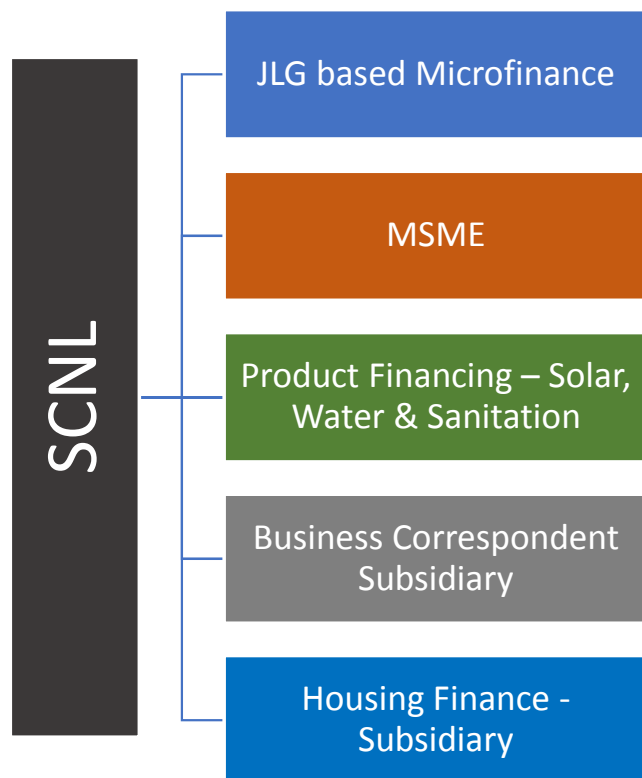
Evolution of SCNL





SCNL's Product Portfolio

SCNL's vision is to offer a complete suite of financial services to the bottom of the pyramid





SCNL's Model of Microfinance

SCNL has adopted the Joint Liability Group (JLG) Model for microfinance

Group Formation

- 4-6 women come together to form a **homogeneous group**
- Formed on the basis of **Social Collateral**
- A Group Leader is chosen from amongst the group members

Centre Formation

- 3-5 such Groups come together to form a Centre
- Hence a Centre has 12-30 members
- A Centre Leader is chosen
- All members of a Centre are **jointly liable** to repay on behalf of defaulting members

Disbursement and Repayment

- Post KYC check and Credit Bureau check, loans are disbursed to each of the members belonging to a particular Centre
- On specific repayment dates Centre members come together to repay the amount due



Field Operation Process: SCNL



1. Village Survey & Village Selection



2. Open General Meeting (OGM)



3. Group formation with GL & CL



4. KYC collection & giving loan acknowledgement form to members



5. Raising Credit Bureau Enquiry



11. Date & time of center meeting is communicated to member



10. Approving Loan Application



8. Group Recognition Test (GRT) & House verification



7. Compulsory Group Training (CGT)



6. House visit by CSO



DUE
LOAN
PAYMENT

k13871008 fotosearch.com ©

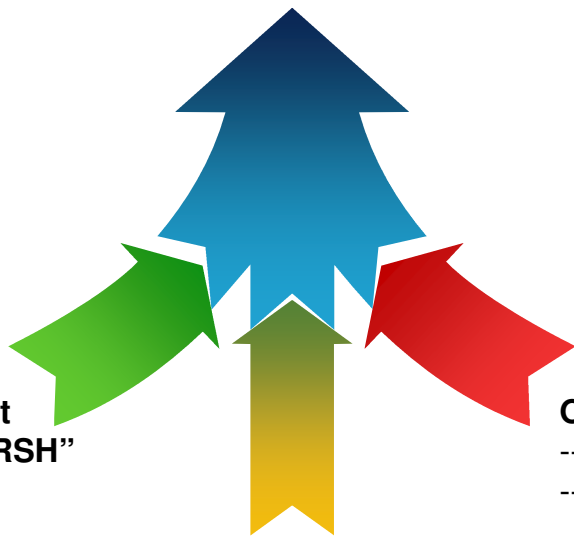




Impact and Achievements of SCNL

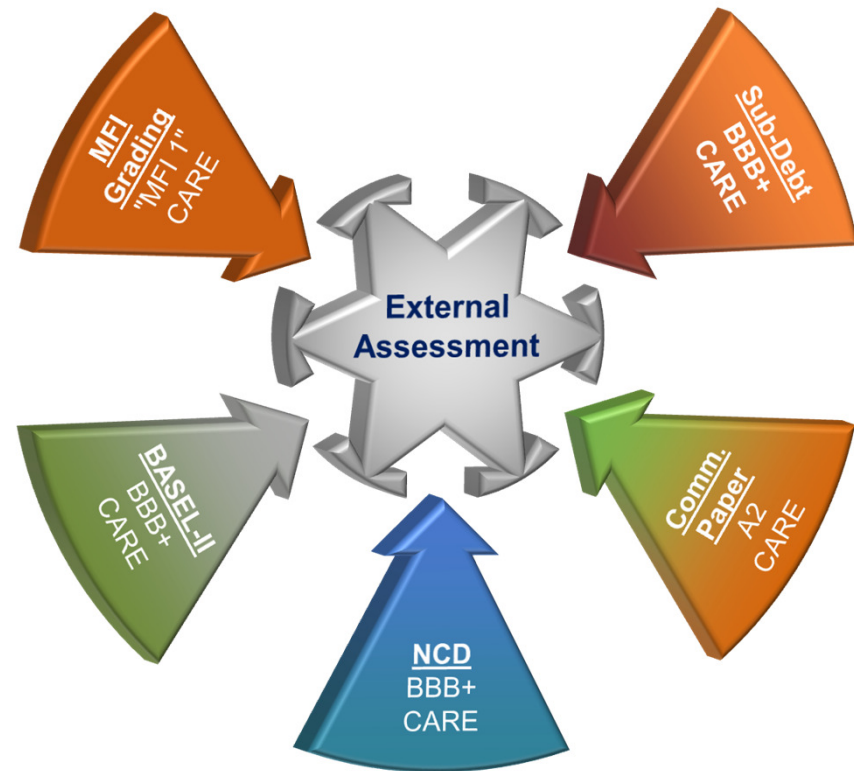
Sustainable Social Impact on Clients

Dedicated Client Support : "SPARSH"



Self Assessment:
Dedicated Social Audit to measure our social performance


Operational Effectiveness:
--Robustness of process
--Experienced and professional field team





Awards for SCNL

 Winner of “**Best NBFC-MFI Award**” & Runner-up for “**CSR Initiatives & Business Responsibility Award**” in NBFC-MFI category – **CIMSME Banking and NBFC Awards 2016**

 Received certificate for being the ‘**Best Micro Finance Company in India**’ from **Worldwide Achievers at the Business Leaders’ Summit and Awards, 2016**

 Received “**Client Protection Certificate**” under the **Smart Campaign – 2016** from M-CRIL

 Received “**India Iconic Name in Microfinance**” Award-**2015** from IIBA

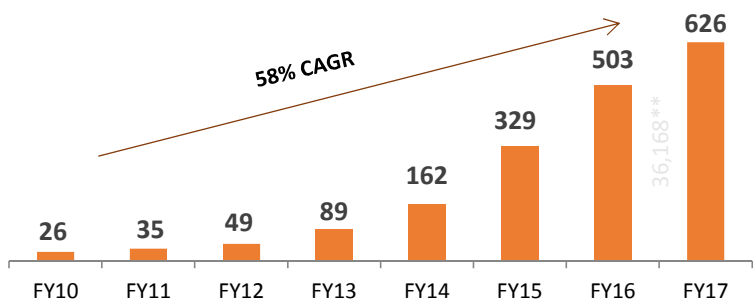
 **First MFI to receive funding from Mudra Bank**



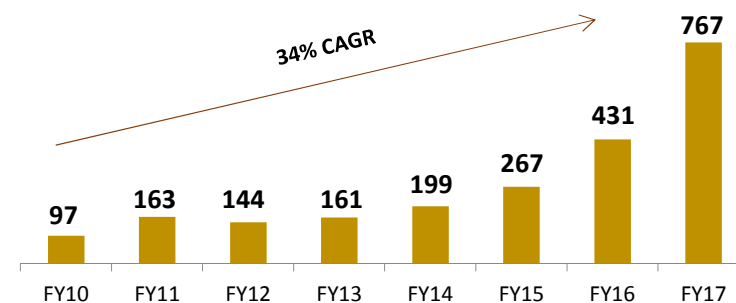


SCNL at a Glance

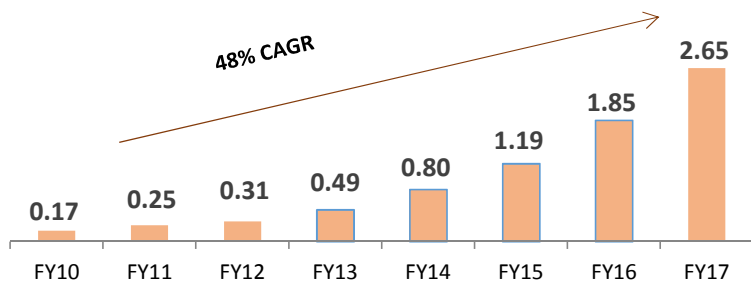
Gross Lending Portfolio (USD Mn)



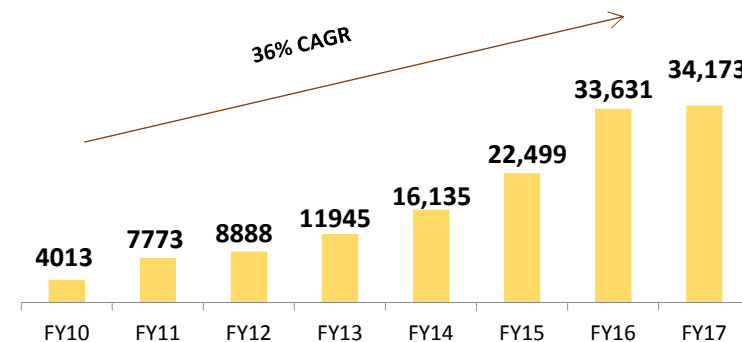
No. of Branches



Number of Clients (Mn)



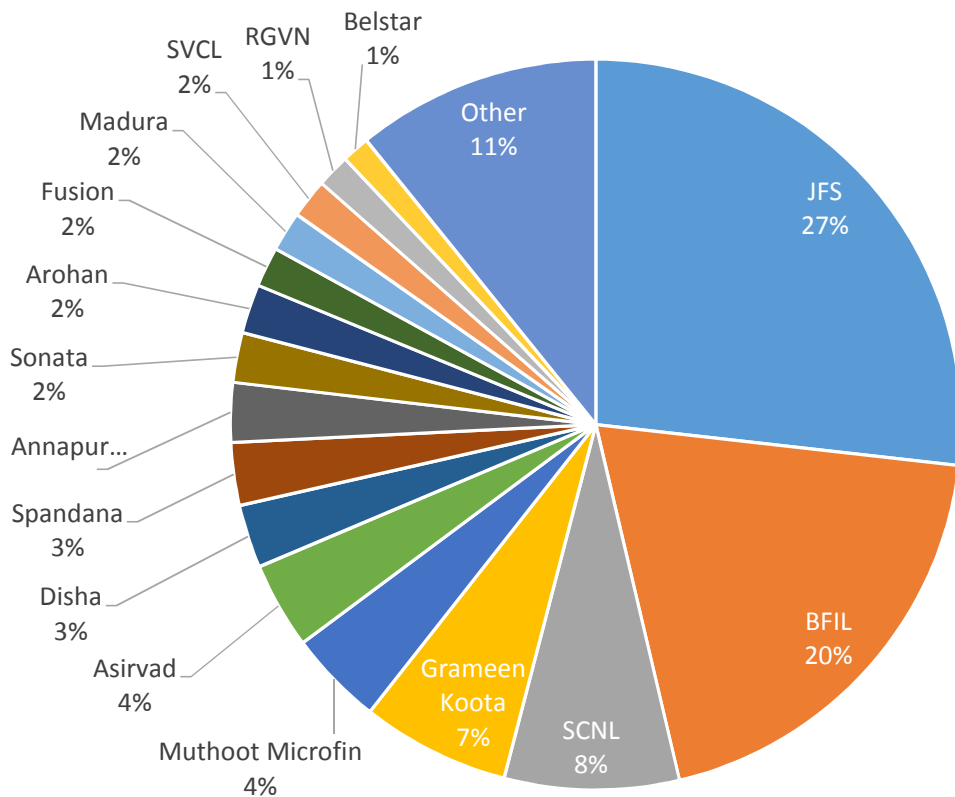
No. of Villages



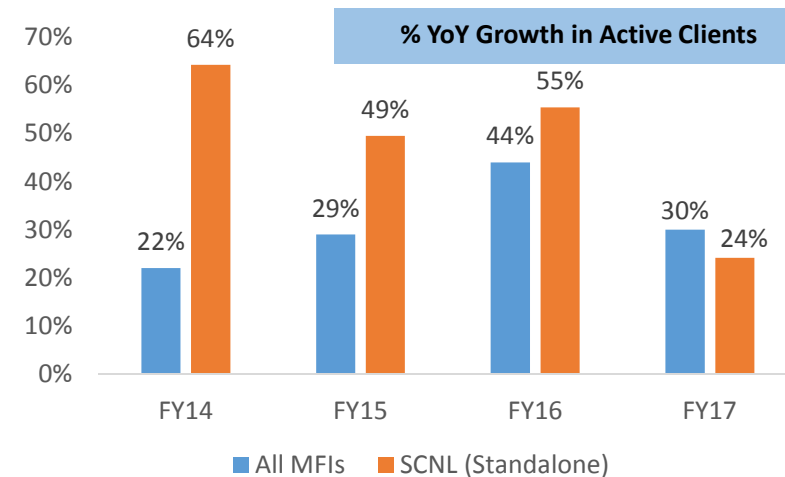
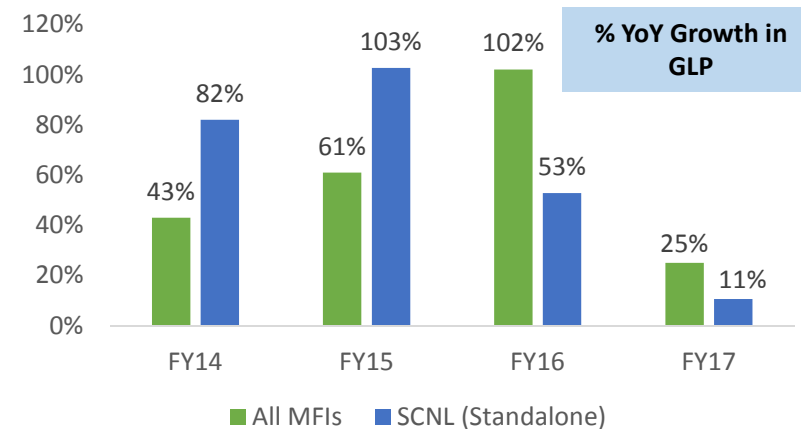


Business Trend: MFI Vs. SCNL (Contd..)

Market share by Gross AUM, as of FY17



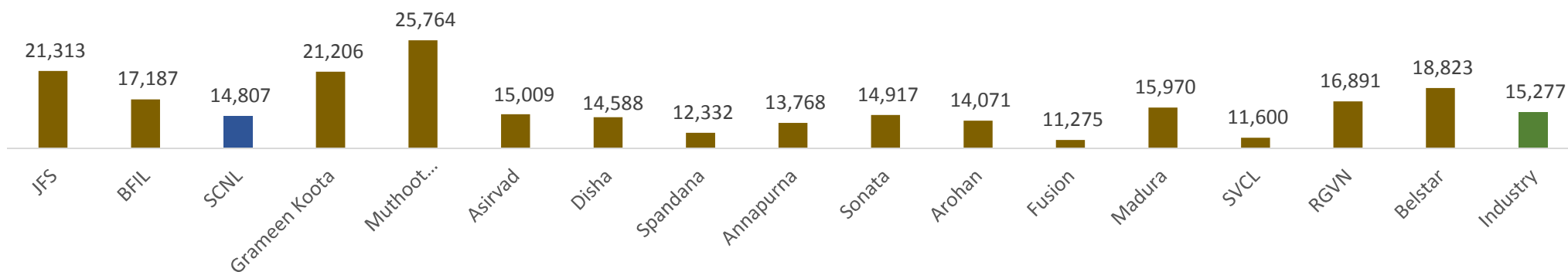
NBFC-MFI Industry AUM of Rs. 46,847 Crore as of March 2017



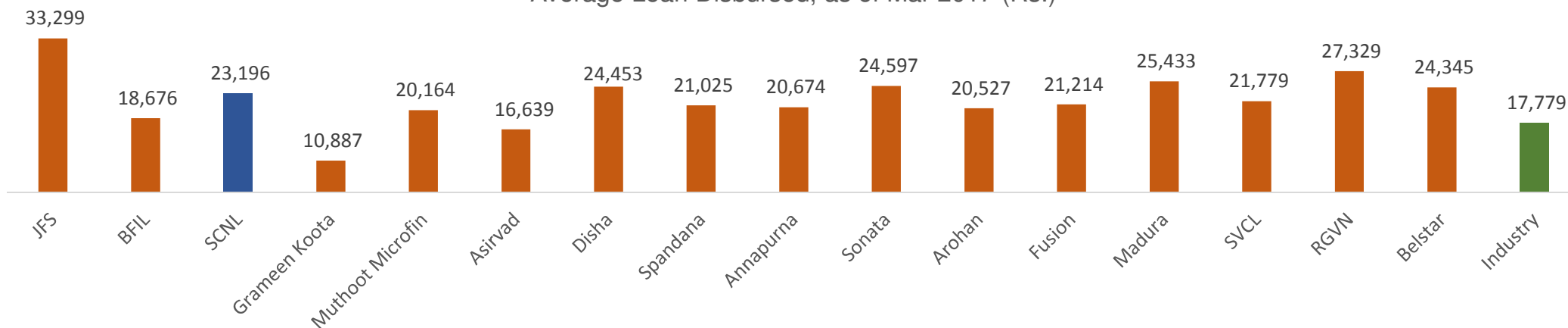


Business Trend: MFI Vs. SCNL (Contd..)

Average Loan Outstanding, as of Mar 2017 (Rs.)



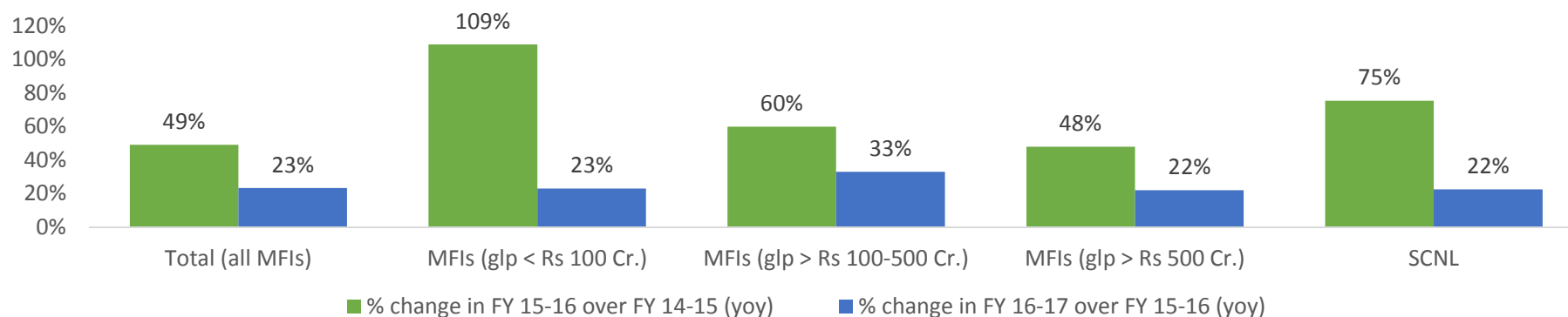
Average Loan Disbursed, as of Mar 2017 (Rs.)



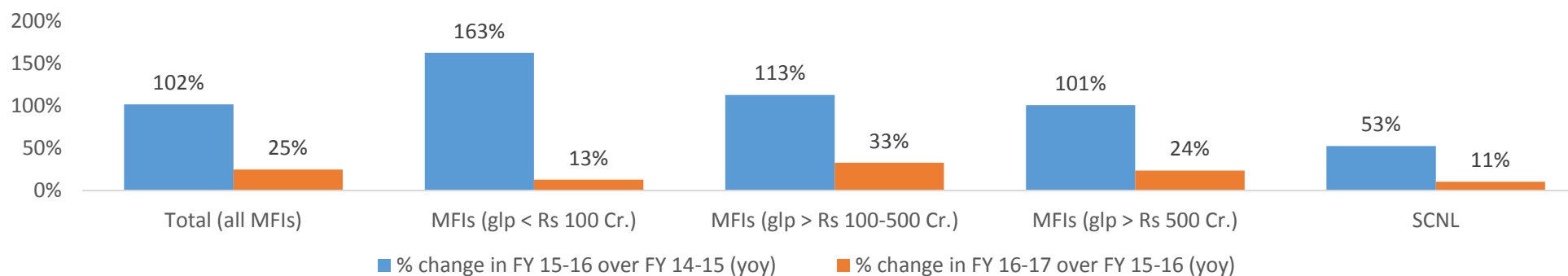


Business Trend: MFI Vs. SCNL

Growth in business trend (Loan Accounts) in Lakhs



Growth in business trend (Gross Loan Portfolio) in Rs. Crore





Going Ahead!

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

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



Thank You!!