

Satin Creditcare Network Ltd, India

SOCIAL RATING ^s A

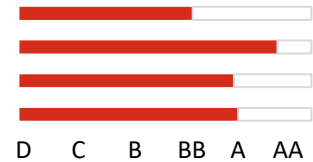
Good social performance management and client protection systems. Social mission likely to be achieved.

Social Performance Management

Client protection, responsibility

Outreach

Quality of the services



Social Rating Committee Nov-18 Previous SR: ^τβ+ Stable, Feb-17, M-CRIL

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SOCIAL RATING RATIONALE

SOCIAL PERFORMANCE MANAGEMENT SYSTEM

Satin's governance displays a strong social orientation and is committed to corporate social responsibility. On the other hand, social performance management capacity needs to be developed to ensure effective social strategic guidance. A strategy formally defining social goals, objectives, indicators and SMART targets is not formalized. The system potential to track and monitor the progress towards the achievement of social goals is not yet fully exploited.

CLIENT PROTECTION AND SOCIAL RESPONSIBILITY

Satin's social responsibility towards the staff is good due to the adequate contractual conditions and remuneration package and the frequent training opportunities. Satin is a Smart Campaign certified institution, which confirms its commitment to client protection. The systems in place to prevent client over-indebtedness are adequate, transparency is excellent and pricing complies with regulatory caps and is in line with peers. Collection practices are formalized and well monitored.

OUTREACH

Satin is the second largest NBF-MFI in India in terms of number of borrowers and has large geographical coverage. Available data suggests an adequate alignment between the intended target population and the profile of clients reached in terms of economic poverty, rural outreach and access to basic services. Data on previous access to formal financial services are not available.

QUALITY OF THE SERVICES

Satin offers a good variety of services, i.e. credit, credit life insurance and non-financial services. Despite standardized features as per regulation, loan products are appropriate to the needs and preferences of the target population. The insurance offers an adequate value to clients.

Institutional data		Jun-18	Social indicators		Jun-18
Active borrowers		2,582,232	Rural coverage, loans		61%
Active savers		-	Female clients		100%
Gross portfolio, USD		787,482,647	Female staff		3%
Total active savings, USD		-	Female staff in management		0%
Branches		838	Average disbursed loan amount, USD		439
Total staff		7,956	Clients at third loan cycle		15%
			Loans in > third cycle		11%
Legal form		NBFI	Average loan balance / GNI pc		16%
		NBFC-MFI	Solidarity group methodology, clients		100%
Inception 1990		Network MFIN	Client drop-out ratio		21%
Area		Urban-rural	PAR30		5.0%
Credit methodology		Group	Staff turn-over ratio		34%
Financial services		Credit	Average annual percentage rate (APR)		25%
Non fin. services		-	Average transparency index		87
Coverage		National	Growth in active borrowers		14%

See annex 2 and 4 for more details.

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Social Rating Scale

Grade	Definition
^s AA	Excellent social performance management and client protection systems. High likelihood of achieving the social mission.
^s A	Good social performance management and client protection systems. Social mission likely to be achieved.
^s BB	Adequate social performance management and client protection systems. Satisfactory alignment to the social mission.
^s B	Moderate social performance management and client protection systems. Partial alignment to the social mission
^s C	Weak social performance management and client protection systems. Medium risk of mission drift
^s D	Poor social performance management and client protection systems. Risk of mission drift.

The modifiers “+” and “-” which can be added to the rating grade indicate small relative differences within each rating category.

More information: www.mf-rating.com

The information used in the social rating has been partly provided by the evaluated institution and partly collected during the meetings with the head executives, the staff and the clients of the institution. The analysis is based on internal MIS data and other official sources. MFR cannot guarantee the reliability and integrity of the information, as it does not conduct auditing exercises, and therefore does not bear responsibility for any mistake or omission coming from the use of such information. The social rating has to be considered as an external and independent opinion and it has not to be considered as a recommendation to realize investments in a specific institution.