

SATIN CREDITCARE NETWORK LTD.
Reaching out!

INVESTOR PRESENTATION
August 2019

BUILDING A DIFFERENCE
TO MAKE A DIFFERENCE

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

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Background



Cautionary Statement

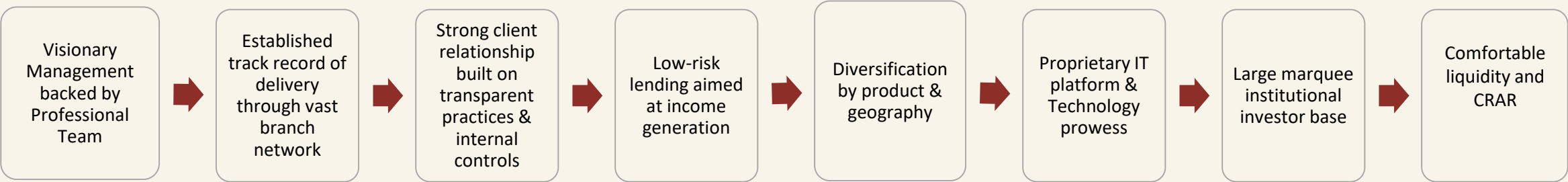
Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Who we are..



Microfinance is primarily based on the Joint Liability Group (JLG) model, to provide financial assistance and enable women from rural and semi-urban areas to achieve self sustainability

CREATING A NICHE BY BEING A ONE STOP FINANCIAL SERVICES PROVIDER FOR OUR CUSTOMERS



Seeking Excellence



Accountability & Ownership



Team Work & Collaboration



Integrity



Nurturing Lives

Key Business Performance Highlights (1/2)



India's leading NBFC-MFI in terms of Assets Under Management (AUM), with AUM of Rs. 7,139 crore

RoA 2.4% (1.7% in Q1FY19), RoE 13.4% (11.7% in Q1FY19) and CRAR 30.52% (23.41% in Q1FY19) in Q1FY20

First place amongst all MFIs in Customer Service Index in third party evaluation undertaken during 2018-19 by MFIN for fair practices code, policies and processes

Equity infusion via Conversion of warrants worth Rs 60 crore by Promoter and OCCRPS worth Rs 45 crore by IndusInd Bank Ltd at Rs 335 per share

Undergoing complete process re-engineering, leading to tightening of credit norms and better controls

Stable portfolio quality with collection efficiency of 99.4% on loans disbursed since Jan'18, GNPA improved from 4.4% in FY18 to 2.8% in Q1FY20, reduction of 36.4%

Cashless - disbursement implemented across 100% branches
 - 12% collection via cashless mode

Implementing Centralized Shared Services (CSS), to ensure uniformity of processes and control across our entire network, as back end quality support

Psychometric tool being rolled across branches, more than 1 lac customers tested during credit appraisal before disbursement

Key Business Performance Highlights (2/2)

Only lender to 57% clients at the time of disbursement

Long term Credit Rating IND A- (Positive); Short term rating at A1 from CRISIL and CARE ; Grading of MFI 1

Social rating sA from Microfinanza, C1 Code of Conduct Assessment (COCA) from ICRA, the highest grade

“Loan Dost”, the digital lending platform to now offer loans to self-employed class along with salaried clients

Added 65 new branches across 10 districts during Q1FY20, further strengthening our PAN India presence

Book value per share at Rs. 249.57

Share of non microfinance portfolio at ~6% of total AUM, helping us capitalize our reach

Investment of Rs. 30 crore in housing subsidiary, Satin Housing Finance Ltd (SHFL), AUM of Rs 100 crore with nil delinquency. Received refinance facility sanction from NHB in Aug’19

Taraashna Services Ltd renamed as Taraashna Financial Services Ltd (TFSL), applied for NBFC License

Satin Finserv Ltd, Satin’s MSME arm, taking good shape

Corporate Overview Consolidated



Rs. **41** crore

PAT, 48.6% up YoY

2.4%

ROA, 45.3% up YoY

13.4%

ROE, 14.2% up YoY

Rs. **7,139** crore

GLP, 18.5% up YoY

Rs. **353** crore

Revenue, 7.8% up YoY

Rs. **201** crore

NII, 15.6% up YoY

1,228

Branches, 20.7% up YoY

22

States & UTs, 22.2% up YoY

36.0 lacs

Clients, 20.0% up YoY

RoA and RoE are calculated on annualized basis

Corporate Overview Standalone



Rs. **41** crore

PAT, 65.1% up YoY

2.5%

ROA, 60.7% up YoY

13.5%

ROE, 25.8% up YoY

30.52%

CRAR, 30.4% up YoY

Rs. **6,467** crore

GLP, 19.8% up YoY

Rs. **1,806** crore

Disbursement, 35.5% up YoY

6.3 lacs

No. of Loans disbursed,
36.5% up YoY

1,024

Branches, 22.2% up YoY

Rs. **28,000**

Average ticket size

22

States & UTs, 22.2% up YoY

37.8 lacs

Loan accounts outstanding,
43.5% up YoY

99.4%⁽¹⁾

Collection efficiency

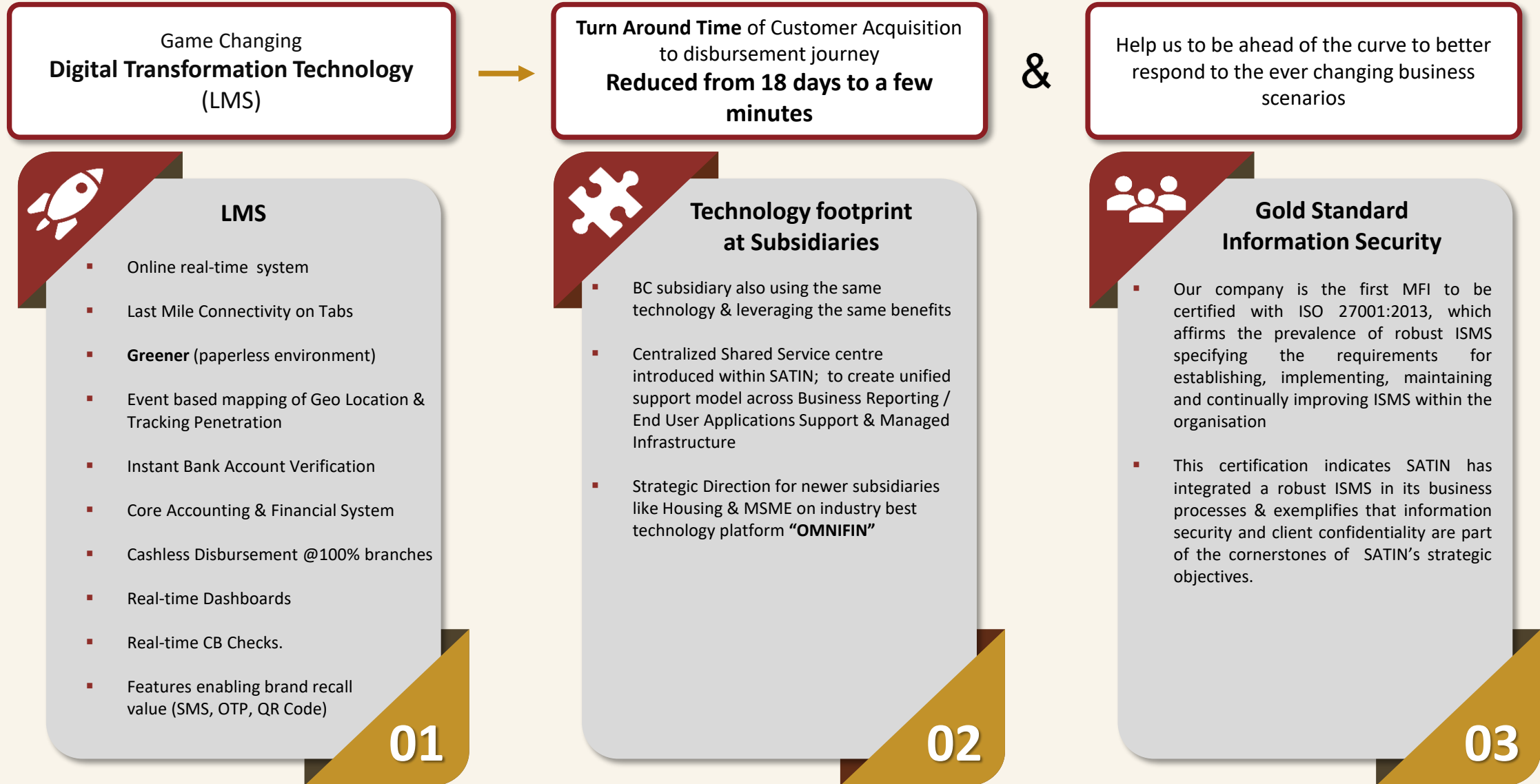
(1) On portfolio disbursed since Jan'18, comprising 95% of portfolio

“SATIN’s TRANSFORMATION”

THE JOURNEY OF DIFFERENCE...

KEEP FOLLOWING

A Difference Powered by Technological Prowess & Processes...



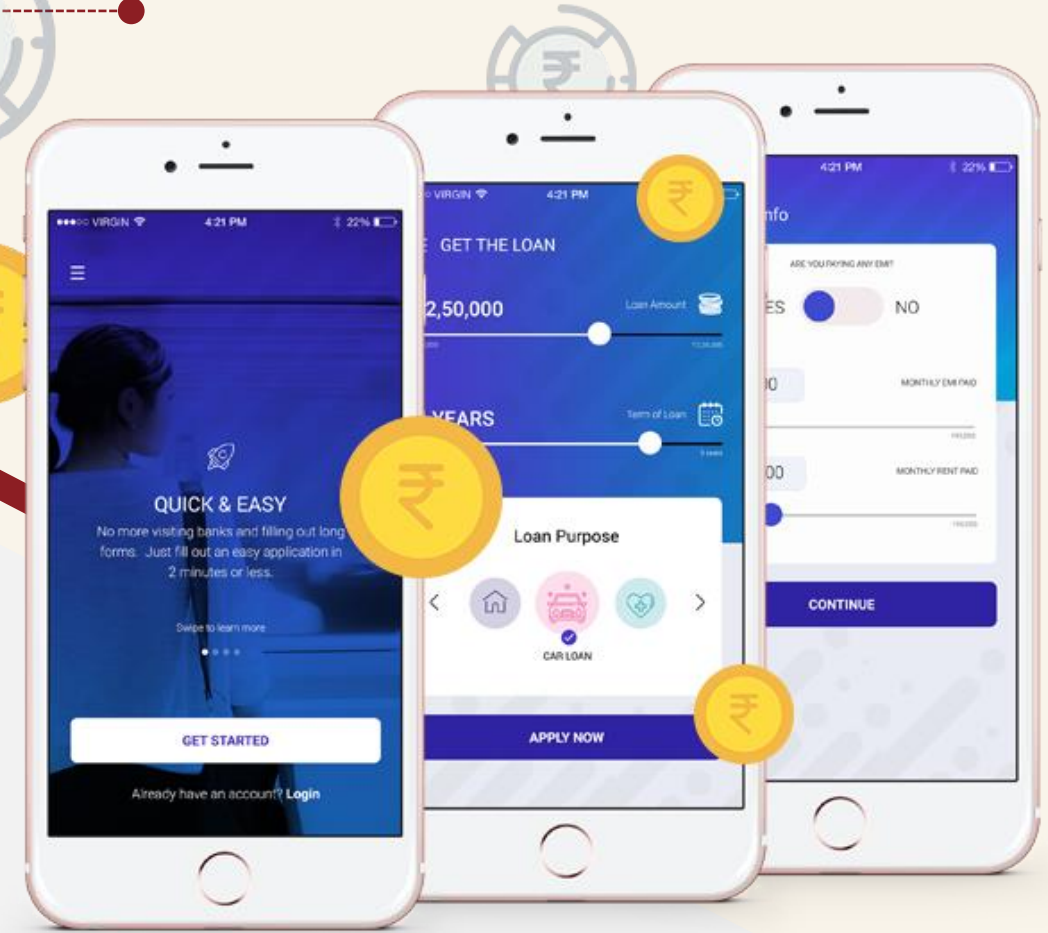
... and digitization to drive growth with increasing reach



Amongst the First MFIs to foray in digital lending with no human intervention, tapping the next generation consumers



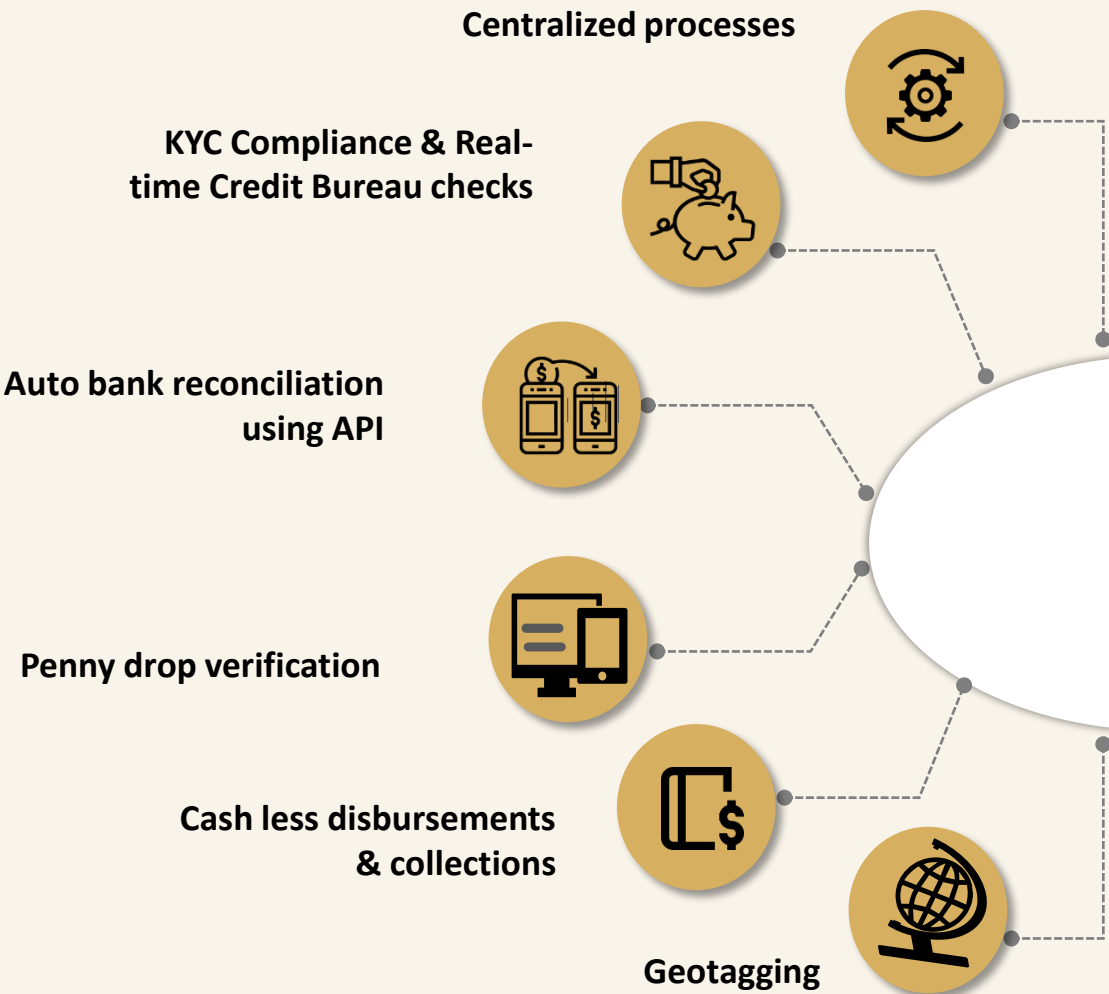
- Step changing digital lending platform named **“Loan Dost”**
- Leveraging the new innovative technologies fully integrated through API's & powered by AI, ML & DevOps
- Unique features like psychometric evaluation of customers, underwriting & repayment via NEFT / IMPS / UPI
- Capability to make underwriting decision in 25 minutes with robust and secured protection against fraudsters
- App based platform available on Google Play Store for Android users, instant loans from Rs. 10,000-1,50,000 for salaried and self employed individuals
- Exciting future roadmap through integrations with Amazon for gift cards and rolling out dynamic offers based on customer profiling



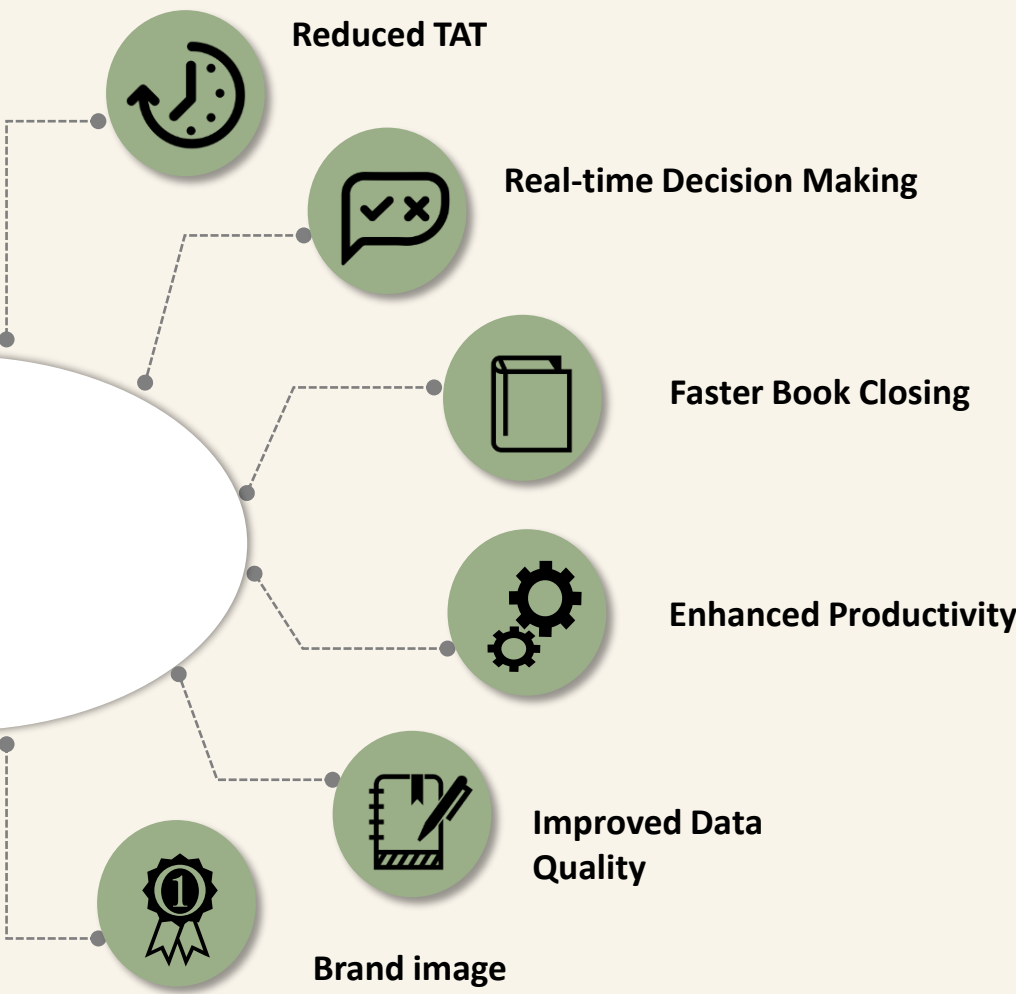
... leading to Operating Efficiency & Scalability



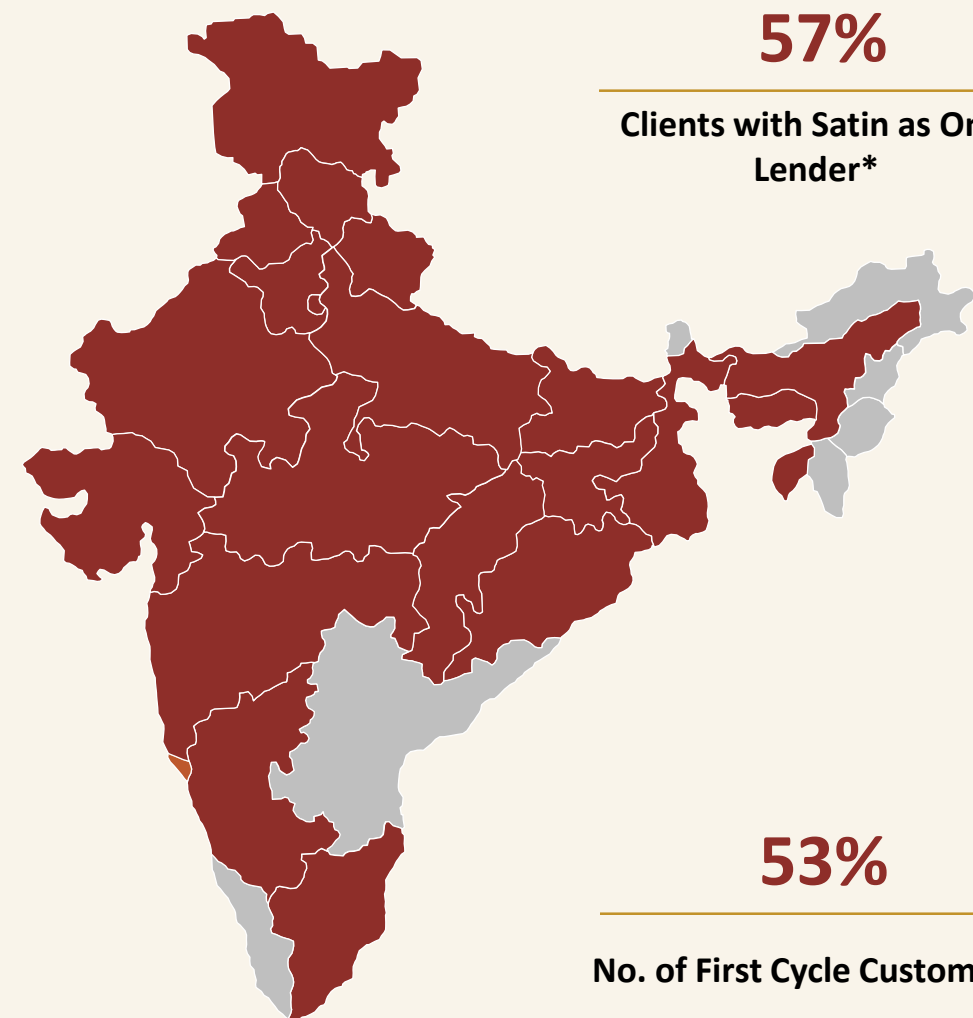
New initiatives...



..leading to improved processes



... to serve 36 lacs+ Customers across India



57%

Clients with Satin as Only Lender*

36,04,373

No. Of Active Clients

41,58,939

No. of Loan Accounts

368

No. of Districts

80,768

No. of Villages

56

No. of Regional Offices

2,44,539

No. of Centres

53%

No. of First Cycle Customers*

7,023

No. of Loan Officers

11,085

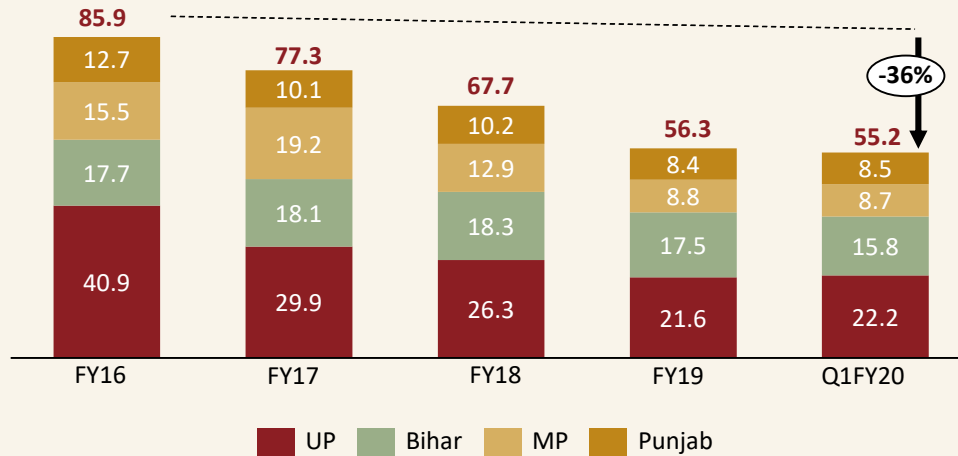
No. of Employees

... while de-risking geographical concentration

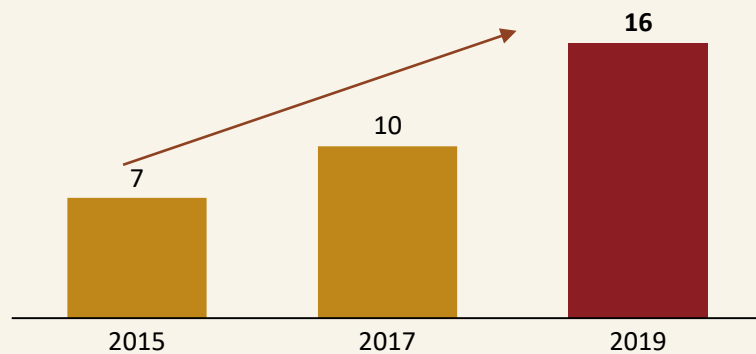
To have become a PAN India Player



Share of Top 4 States Reduced from 86% to 55% over 4 years

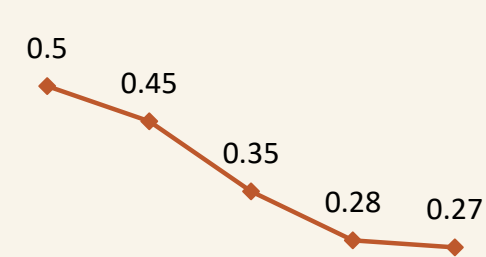


Number of States with more than 1% exposure of SATIN

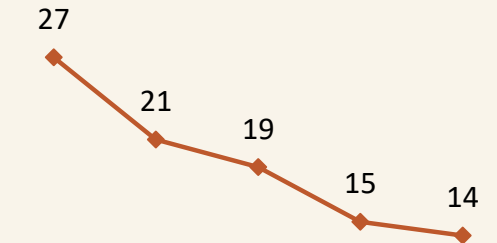


Limiting Exposure per district

Average exposure per district %



% of Top 10 Districts to AUM

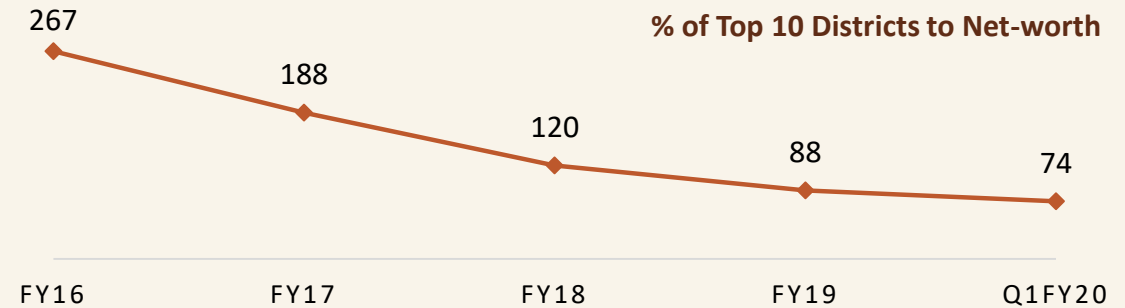


FY16 FY17 FY18 FY19 Q1FY20

FY16 FY17 FY18 FY19 Q1FY20

Particulars	FY16	FY17	FY18	FY19	Q1FY20
No. of Districts - JLG	180	236	306	359	368
% of Districts with <1% exposure	85.0%	88.1%	92.5%	96.4%	96.5%
% of Districts with >2%	5.6%	2.1%	1.0%	0.6%	0.3%

% of Top 10 Districts to Net-worth



FY16

FY17

FY18

FY19

Q1FY20

Target to achieve per state exposure to <20% by 2020

... with increasing footprints



1. Increasing exposure to Newer states

2. Reducing exposure to traditional regions

3. Foraying into New Geographies

States	% of total GLP		GLP (Rs. crore) Jun'19
	FY15	Q1FY20	
UTTAR PRADESH	43.3%	22.2%	1,584
BIHAR	17.2%	15.8%	1,130
MP	18.5%	8.7%	624
DELHI & NCR	5.1%	3.6%	259
UTTARAKHAND	4.0%	1.5%	107
TOTAL	88.1%	51.8%	3,704

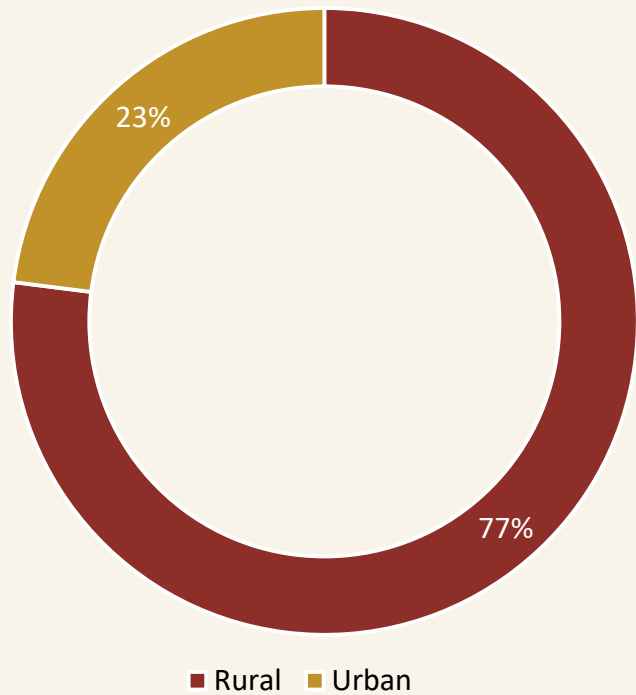
States	% of total GLP		GLP (Rs. crore) Jun'19
	FY15	Q1FY20	
PUNJAB	8.2%	8.5%	605
RAJASTHAN	1.6%	6.6%	474
HARYANA	1.1%	3.7%	262
MAHARASHTRA	0.9%	1.4%	102
TOTAL	11.8%	20.2%	1,443

States	% of total GLP		GLP (Rs. crore) Jun'19
	FY15	Q1FY20	
ASSAM	0.0%	7.6%	543
WEST BENGAL	0.0%	5.9%	421
ORRISA	0.0%	4.4%	311
GUJARAT	0.0%	3.2%	226
JHARKHAND	0.0%	1.8%	132
TAMIL NADU	0.0%	2.5%	176
CHHATTISGARH	0.0%	1.0%	71
TRIPURA	0.0%	0.9%	61
HIMACHAL	0.0%	0.1%	6
KARNATAKA	0.0%	0.4%	26
MEGHALAYA	0.0%	0.1%	6
PONDICHERRY	0.0%	0.1%	6
TOTAL	0.0%	27.8%	1,985

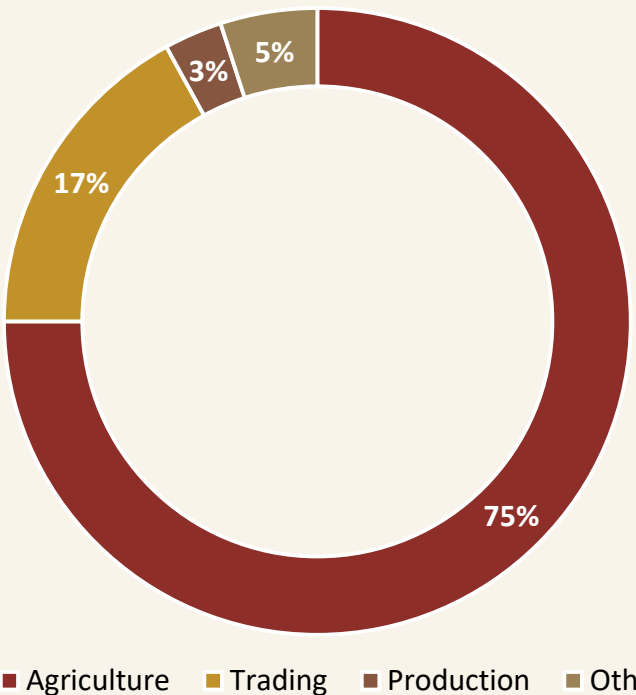
... and deepening presence in Rural India



Break-up of operations



Purpose-wise details



For MFI portfolio excluding MSME

... providing Differentiated Product Offerings



	SCNL	Business Correspondent services	Housing Finance	SME
Product features as on Jun'19	MFI ⁽¹⁾	Taraashna Financial Services Ltd ⁽²⁾	Satin Housing Finance Ltd ⁽³⁾	Satin Finserv Limited (SFL) ⁽⁴⁾
Start Date	May'08 (JLG)	May'12 ⁽³⁾	Feb'18	Mar'19
Ticket Size Range	Upto Rs. 50,000	Upto Rs. 50,000 (JLG - Microfinance)	Rs. 100,000 – 4,000,000	Rs. 100,000 – 100,000,000
Tenure	12 - 24 months	12 - 24 months	24 - 240 months	12 - 120 months
Frequency of Collection	Bi-Weekly	Bi-Weekly / 2 Bi-Weekly	Monthly	Monthly
No. of States/UTs	22	8	4	5
No. of Branches	1,018	186	6	12
Gross Loan Portfolio (Rs. crore)	6,180 ⁽⁵⁾	542	101	30
No. of loan accounts	3,779,327	376,746	829	279
Avg. Ticket Size for Q1FY20	Rs. 28,000 (JLG)	Rs. 28,600 (JLG)	Rs. 1,386,000	Rs. 623,000

Notes

(1) As on Jun'19, included MFI Lending (loans under JLG model, IndusInd BC and water & sanitation) and Product Financing (Loans for solar lamps, cycles);

(2) TFSL acquisition is effective Sep 1, 2016; (3) Satin Housing Finance Ltd was incorporated on April 17, 2017 (4) SFL was incorporated on August 10, 2018

(5) SCNL also has MSME portfolio of ~Rs. 287 crore which will run down and future disbursements will be done by SFL

*As of Q1FY20, there were 1,018 branches with Microfinance operations & 34 branches with MSME operations. Out of the 34 MSME branches, 28 of them also had microfinance operations & 6 were unique.

... with opportunities to leverage our customer reach



Product Offerings

Product Financing

Bicycle Loan

*6,897 loans disbursed**

Solar Products

*12,366 loans disbursed**

Home Appliances

*356 loans disbursed**

Consumer Durables

*1,165 loans disbursed**

Water & Sanitation

*8,381 loans disbursed**

Overview

- The company finances product purchase of solar lamps, bicycles etc. and grants loan for safe water and sanitation facilities

Benefits

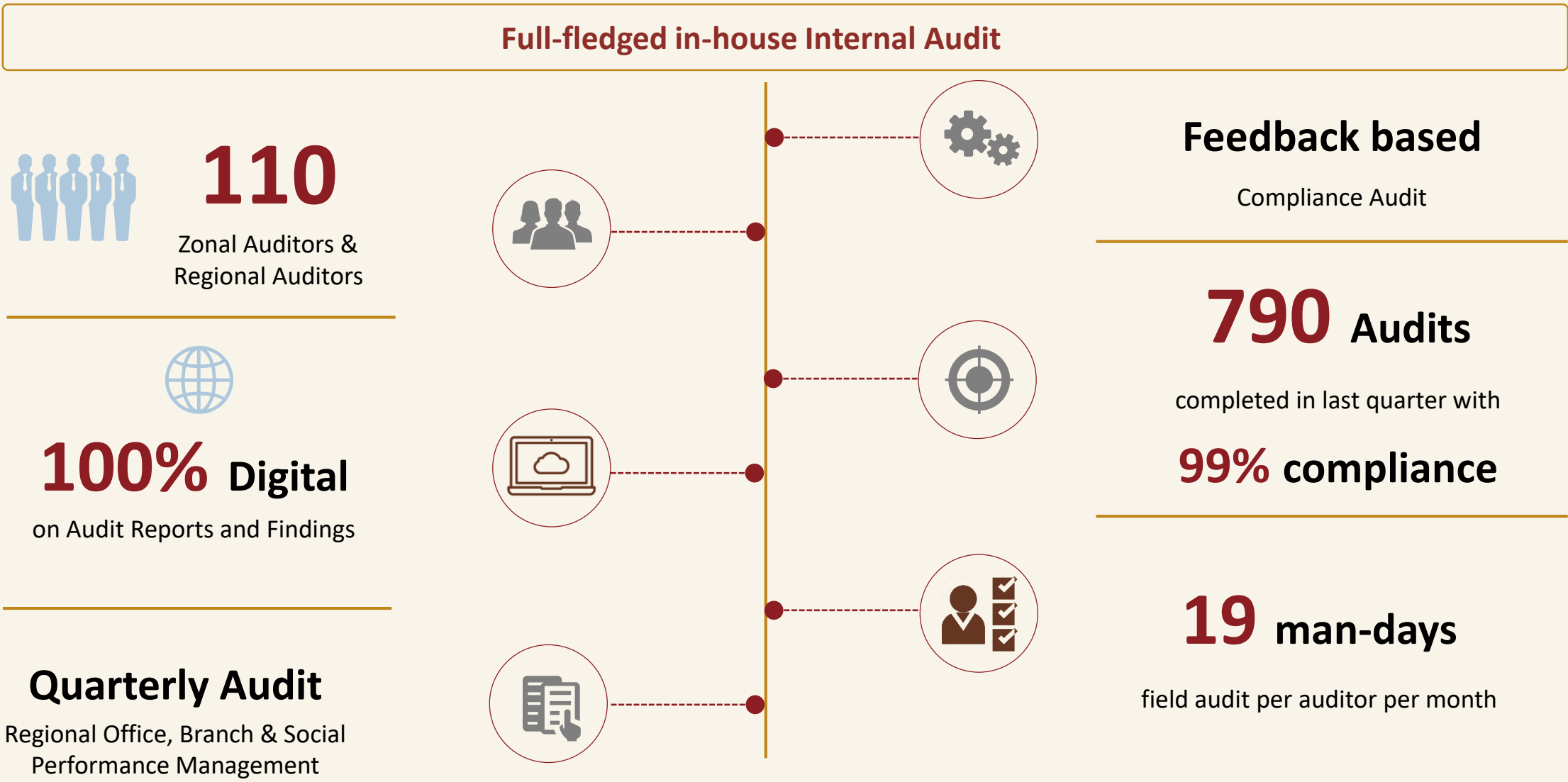
- Enhances the productivity and income generating potential of its clients
- Enables company to leverage its rural outreach
- Capitalizes on company's existing network and client base
- No incremental cost, thus the income directly adds up to the bottom line

Note: * No. of loans disbursed during Q1 FY20



“RESILIENT SATIN”

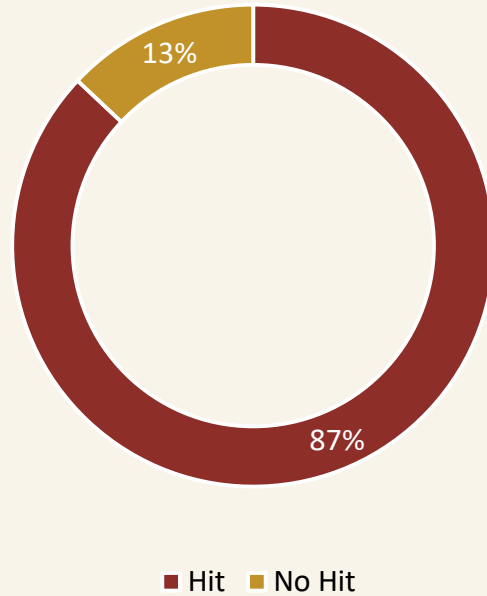
A full-fledged in-house audit process



... coupled with robust underwriting techniques



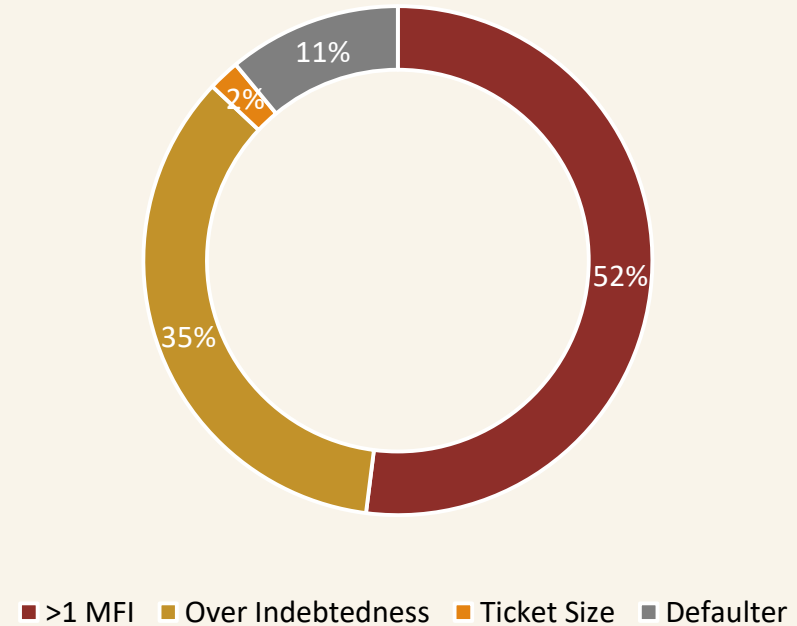
Hit Rate for all Products-Q1 FY20



SCNL Guidelines

	Limit	RBI Guidelines	MFIN Guidelines
Indebtedness Limit (INR)	80,000	Yes	Yes
Maximum No. of MFIs	2	Yes	Yes

CB Rejection Reason-Q1 FY20



Rejection Rate for all products is ~18% for Q1FY20

Note:

- Rejections are done based on data derived from CB report
- Rejection detail belongs to JLG customers

... robust processes strengthening underwriting



Psychometric tests

to reduce risk on customers with negative intentions, has made customers filtration process more scientific and transparent



Real-time Credit Bureau checks

to track loan history of the prospective clients, also created own credit Bureau scorecard for individual clients for better screening



Rotating responsibility

transferring the CSOs every 18 months to reduce human biases. Risk Officers visit customers regularly



Loan Utilization Checks

CSO regularly visits member's house/asset place for enquiring about loan utilization



Geo-tagging

of all branches, centers and customers' houses to eliminate dependency on CSOs. All branches and centres are geo-tagged



Account verification & Cashless Disbursements

via penny drop verification along with strict KYC compliance, also cashless disbursements eliminates the cash handling risk

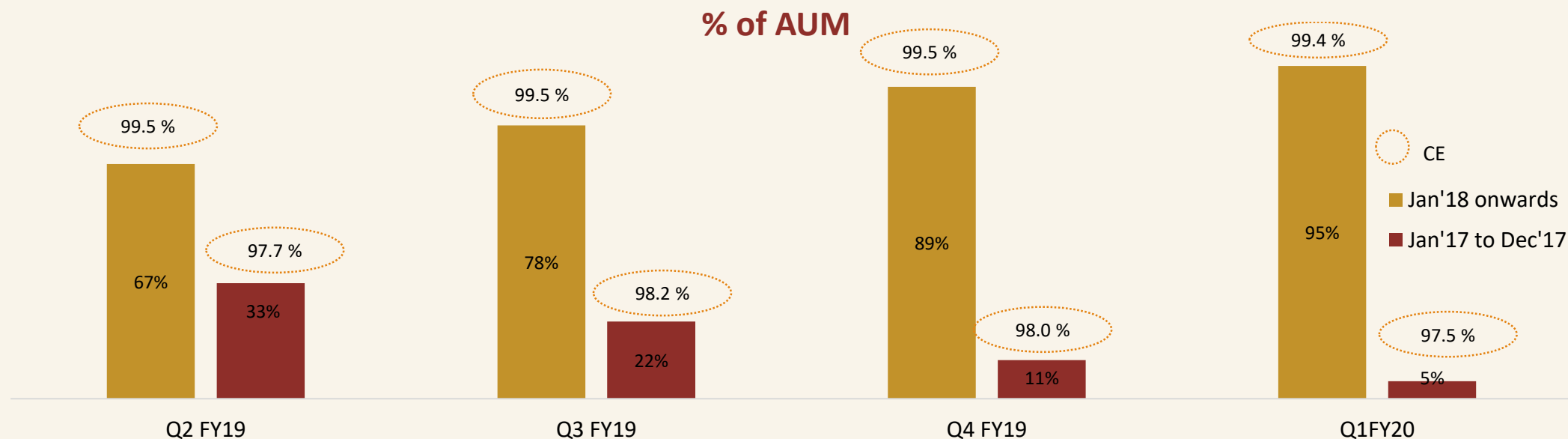
... resulting in Improved Collection Efficiency



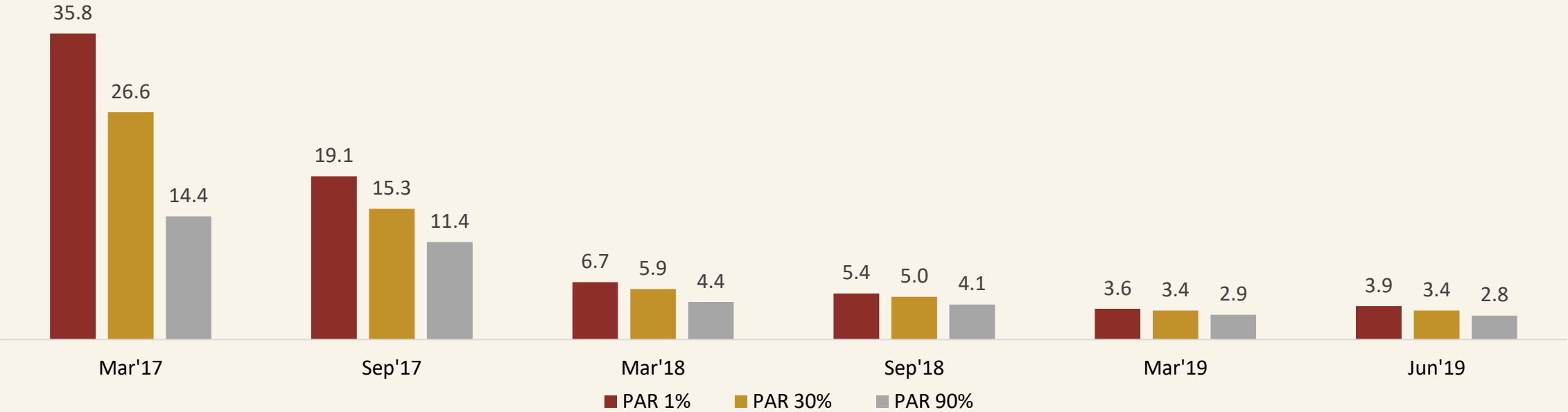
Robust collection efficiency reflecting high credit discipline in disbursement

Period of disbursement	Demand (Rs. crore)	Collection (Rs. crore)	% of AUM	Cumulative CE%
Jan'17 to Dec'17	3,600	3,511	5%	97.5%
Jan'18 onwards	4,857	4,826	95%	99.4%

Collection efficiency of loans disbursed since Apr'18 is 99.7% constituting 85% of the portfolio



... with decreasing PAR

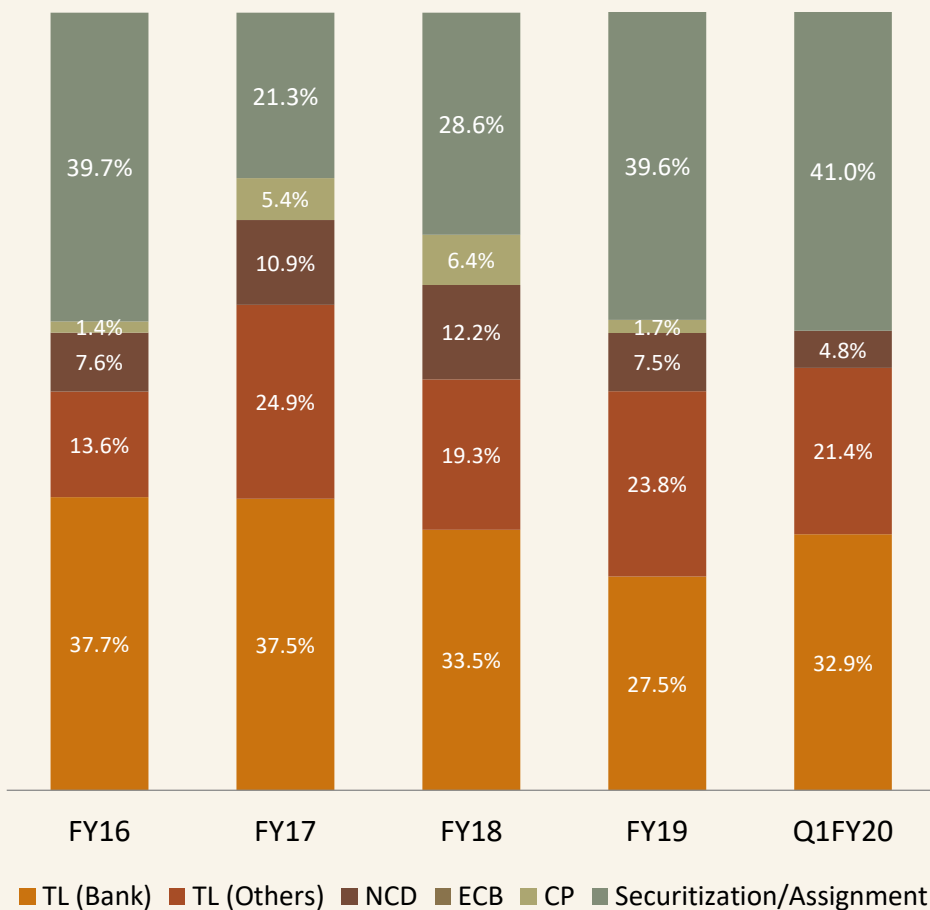


A well-diversified Liability Profile



Diversified mix of funding

Source of funds raised during the period



Large Lender Base

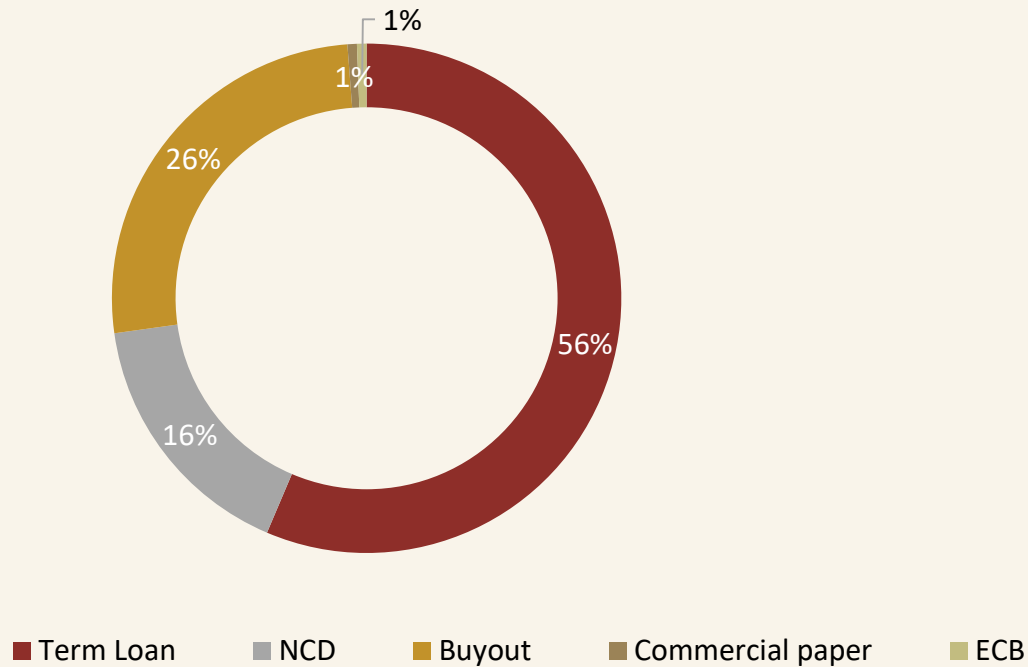
71 Active Lenders

Top 10 Funders	% Share as on 30 Jun'19
NABARD	17%
State Bank of India	15%
IDFC First Bank Limited	8%
Bandhan Bank Limited	5%
HSBC	5%
FMO Netherlands	3%
SIDBI	3%
Axis Bank Ltd	3%
MAS Financial Services Ltd	2%
Blue Orchard Microfinance Fund	2%
Total of Top 10 Lenders	64%

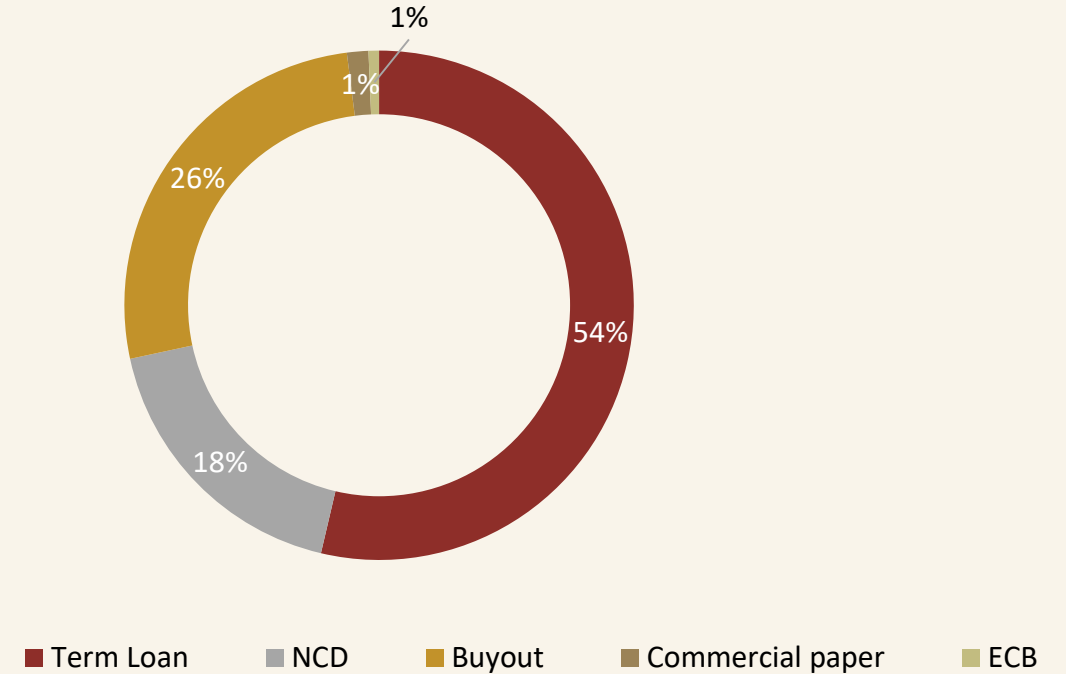
... insulated from Capital Market Turbulence



Product-wise Jun'19



Product-wise Mar'19

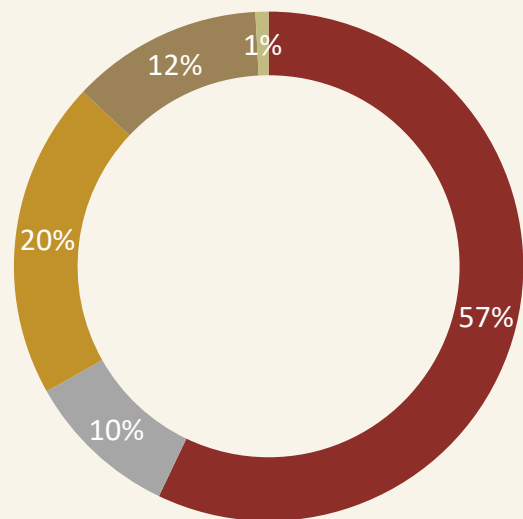


- No dependence on funding from commercial papers
- NCDs are primarily subscribed by overseas investors (FPIs)
- ~58% of borrowings are on fixed rates

... insulated from Capital Market Turbulence

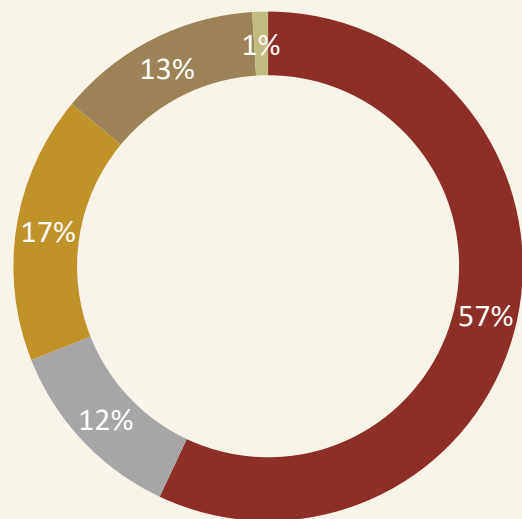


Lender-wise Jun'19



■ Banks ■ NBFC ■ Domestic Financial Institution ■ Overseas Fund ■ Domestic Fund

Lender-wise Mar'19



■ Banks ■ NBFC ■ Domestic Financial Institution ■ Overseas Fund ■ Domestic Fund

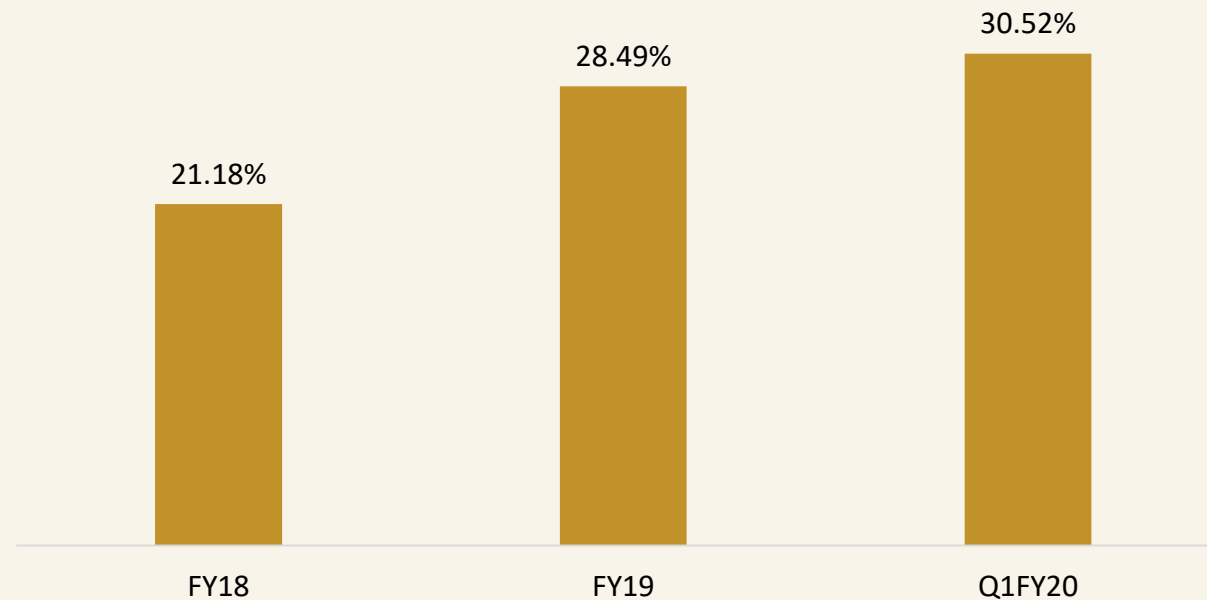
- No dependence on funding from commercial papers

... and further supported by Strong Capitalization



Healthy CRAR to support Growth Opportunities

- Tie-up with bank and renewed interest of banks for Direct Assignment are reducing the requirement of capital for growth
- Conversion of OCCRPS worth Rs. 45 crore by IndusInd Bank and warrants worth Rs. 60 crore by Promoter led to increase in capital

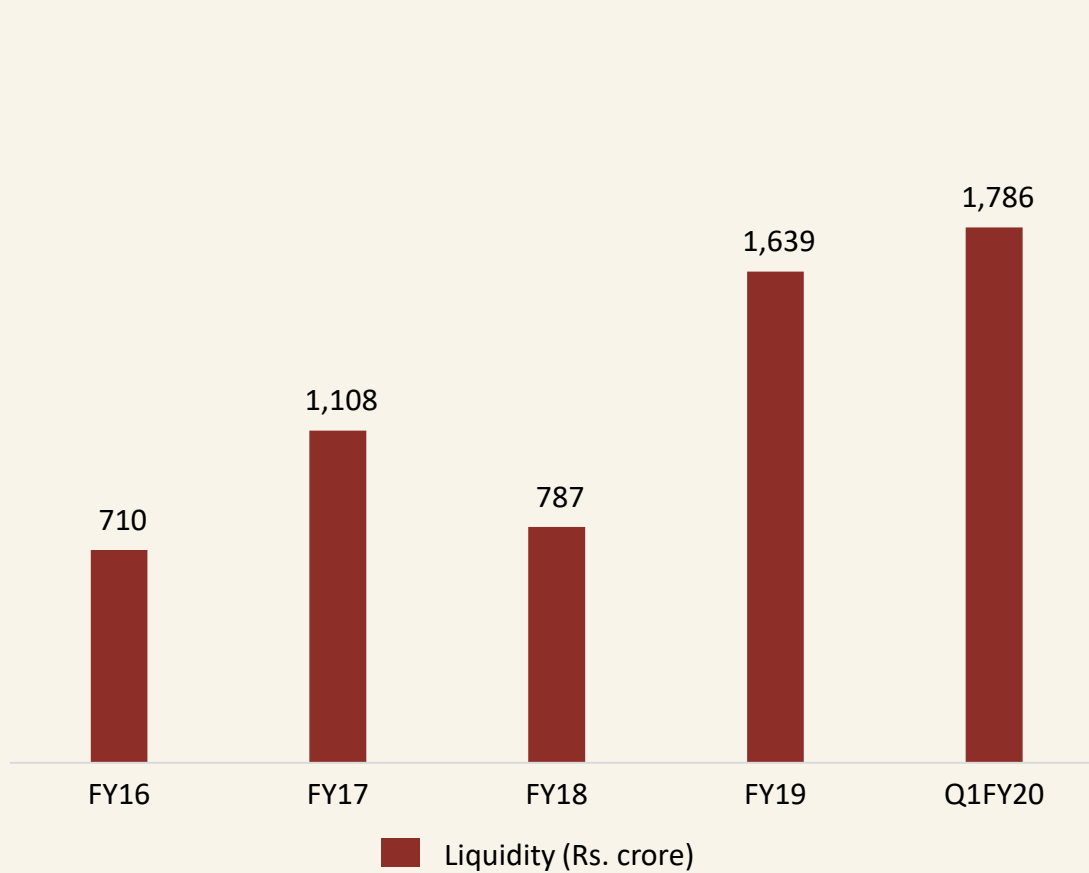


... besides Ample Liquidity

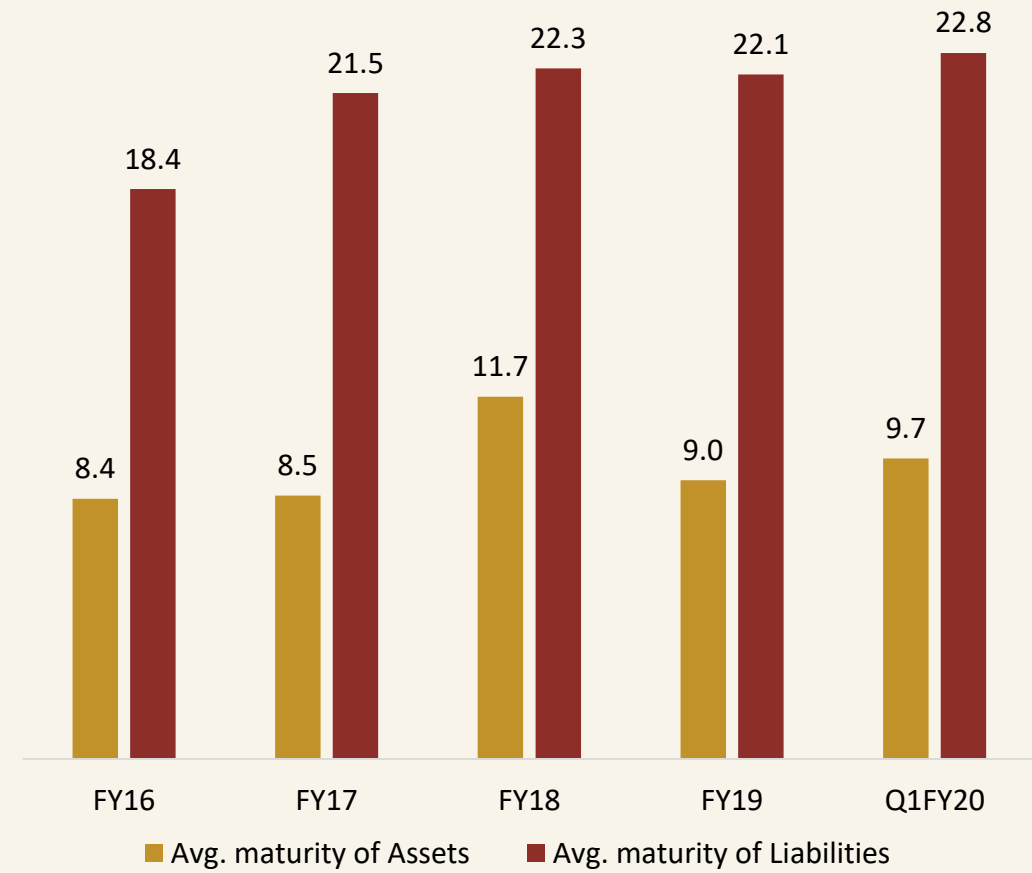


Strong Liquidity Position to Sustain Growth

Amount raised in last 7 days of Jun'19: Rs. 518 crore



Benefit of positive ALM continues



... and a Structurally Positive ALM



Amount (Rs. crore)

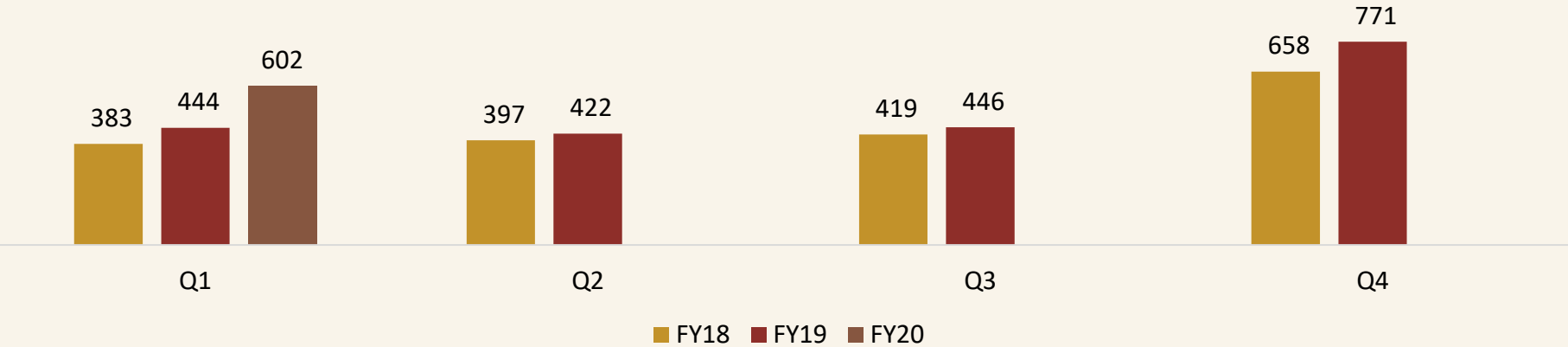
Static ALM as on 30 Jun'19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
Inflows							
Liquidity at the beginning of month*	1,786	1,747	1,862	1,918	2,077	2,235	1,786
Principal - Loan portfolio	316	306	286	306	275	273	1,762
Interest - Loan portfolio	75	66	59	57	47	45	347
Total (A)	2,177	2,118	2,206	2,281	2,399	2,553	3,895
Outflows							
Principal repayments	396	177	253	174	134	215	1,350
Interest repayments	34	79	34	29	30	45	251
Total (B)	430	257	287	204	164	259	1,601
Cumulative Mismatch (A-B)	1,747	1,862	1,918	2,077	2,235	2,294	2,294

* Excluding margin money deposits Rs. 281 Crores lien with lenders and undrawn sanction in hand Rs.1,412 crores

... resulting in Growth while Focusing on Quality



Average monthly disbursement in (Rs. crore)

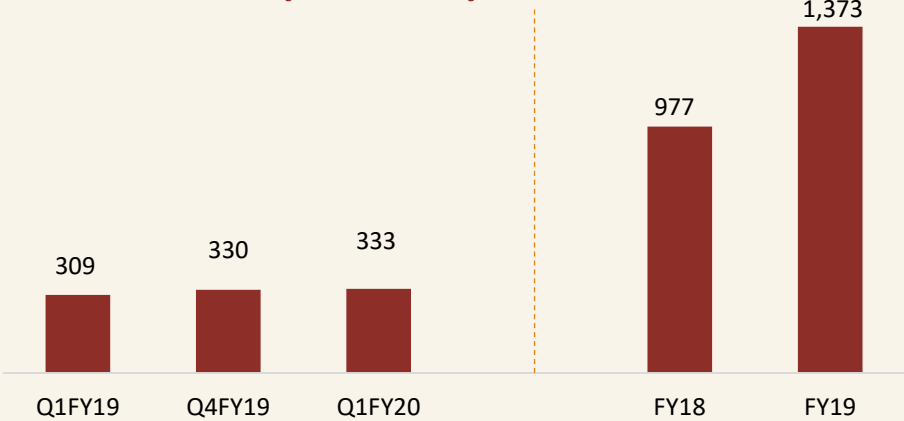


Data on standalone basis

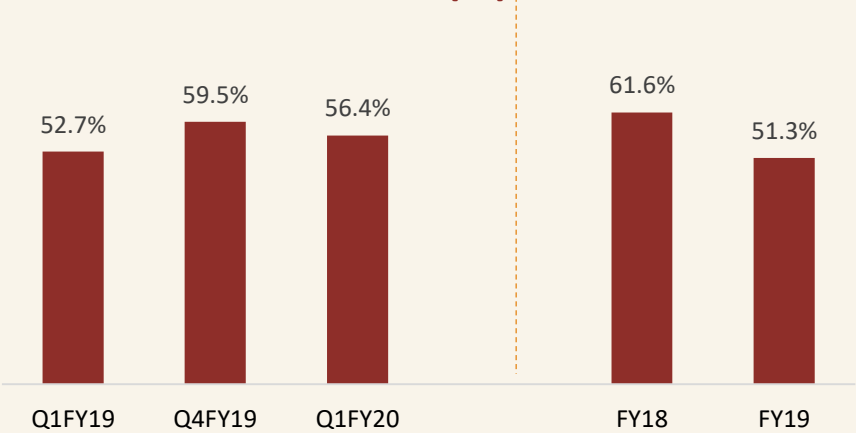
Key Standalone Financials



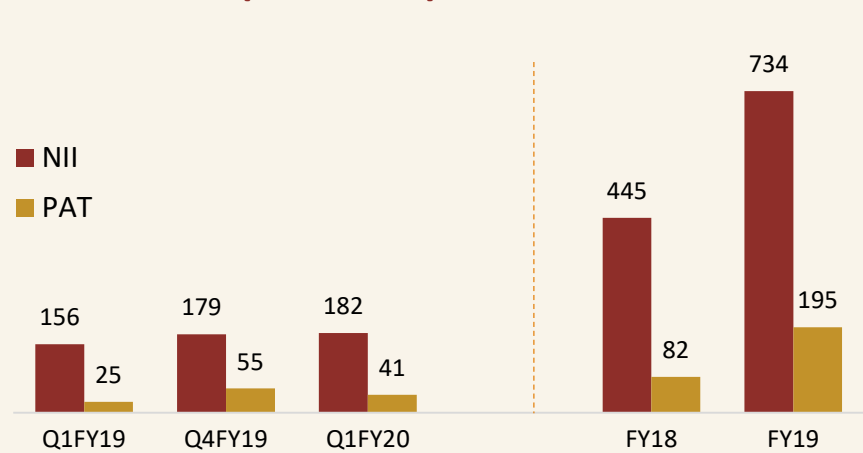
Gross Income (Rs. crore)



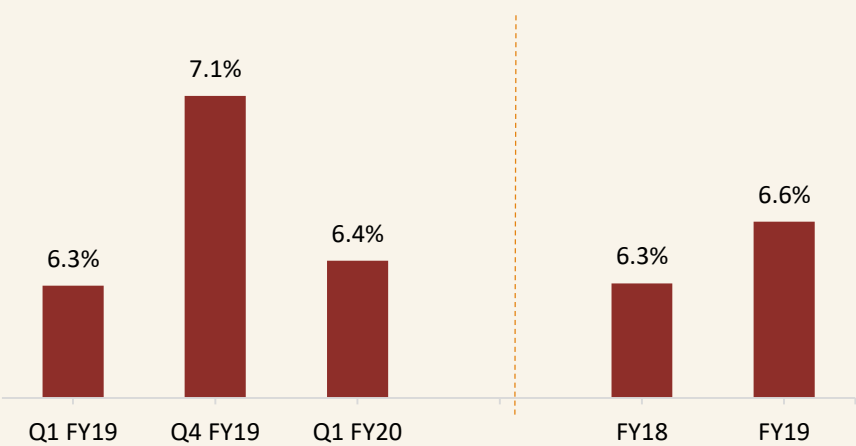
Cost to Income Ratio (%)



NII and PAT (Rs. crore)



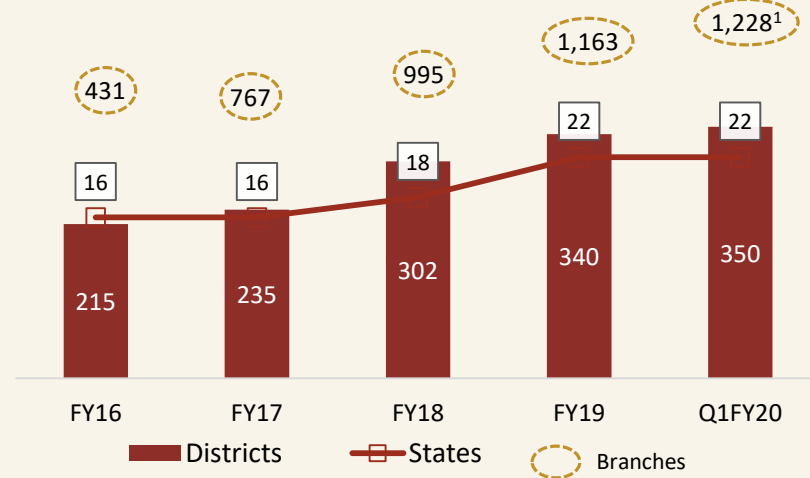
Opex to GLP (%)



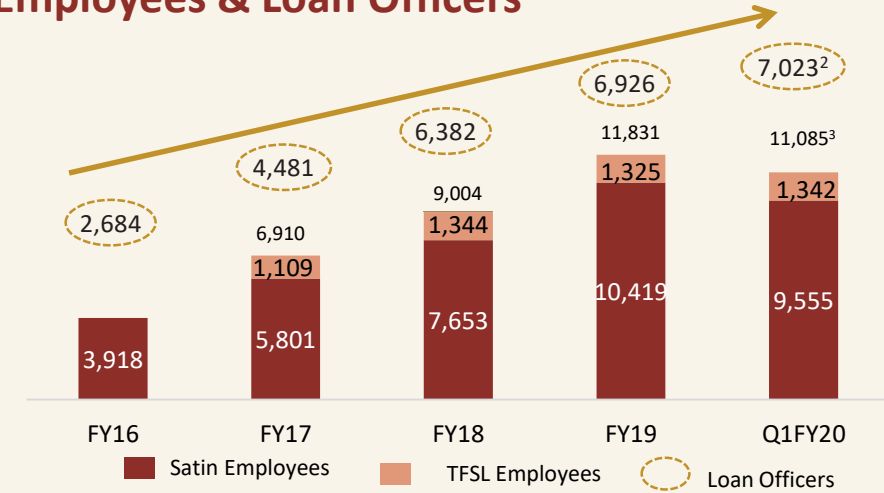
Key Operation Metrics – (1/2)



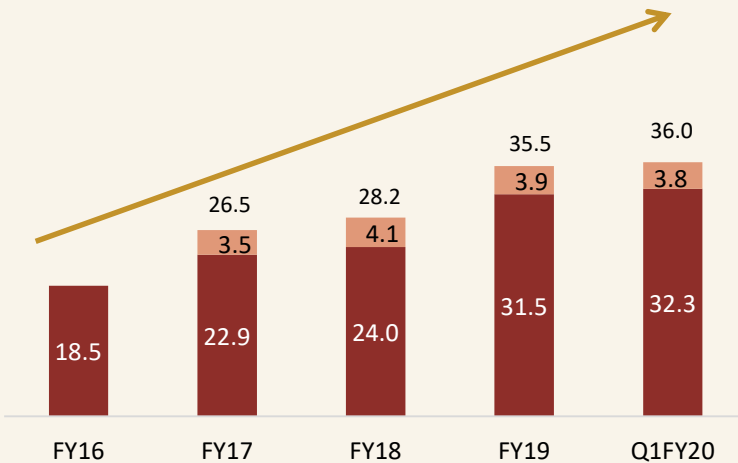
Districts, States and Branches



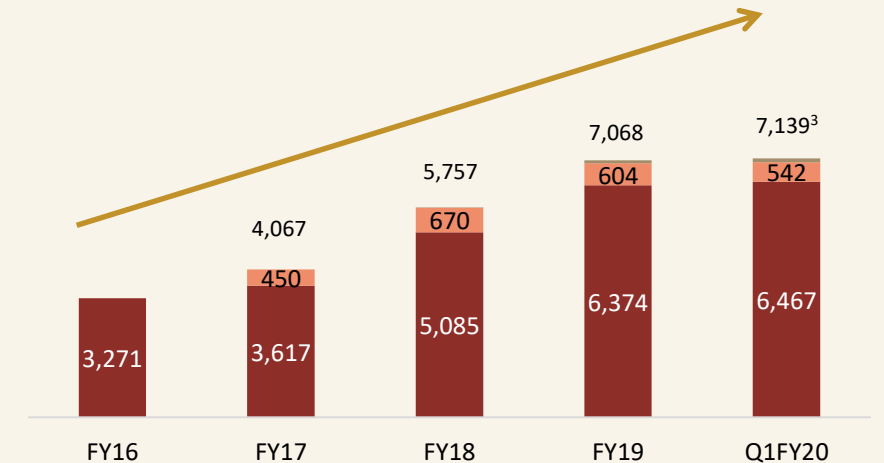
Employees & Loan Officers



Clients (lacs)



Gross Loan Portfolio (Rs. crore)

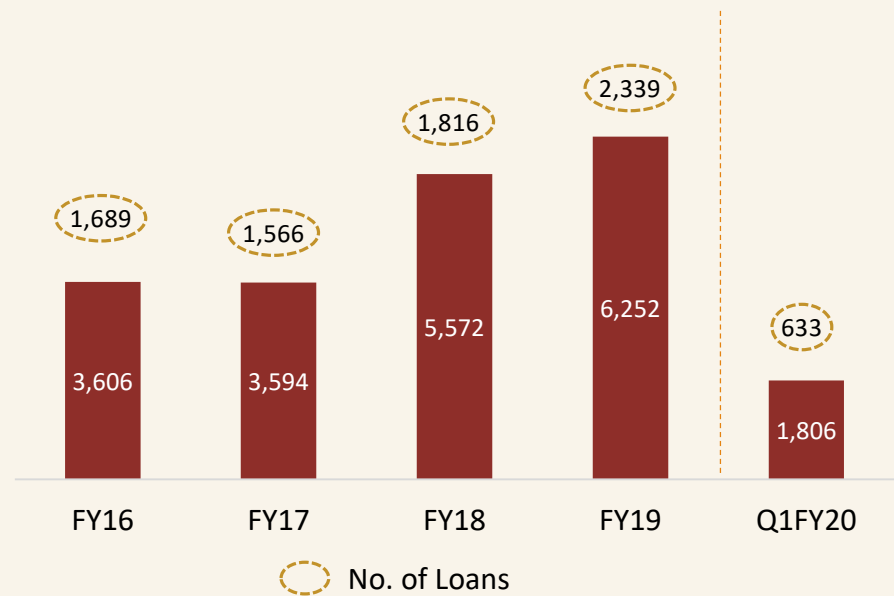


Key Operation Metrics – (2/2)



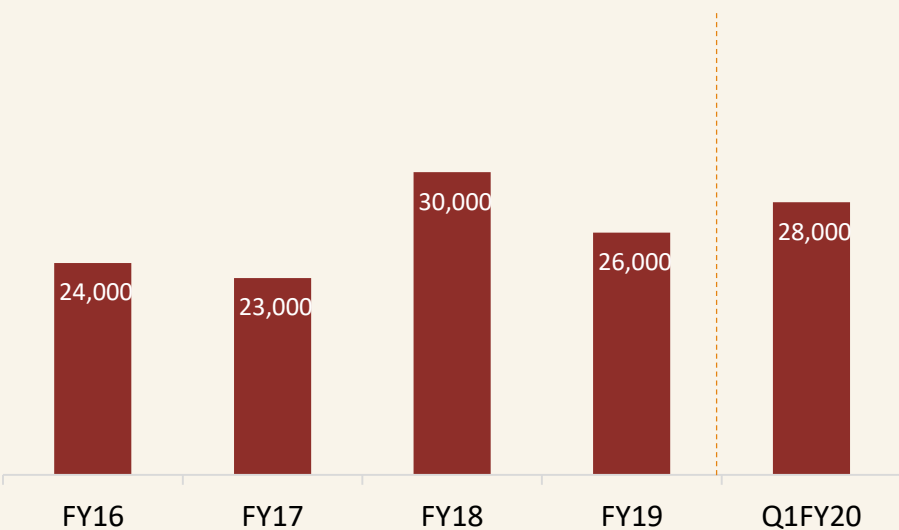
Steady growth seen in disbursement

Disbursement¹ (Rs. crore) & No. of Loans¹ ('000)



Note:
1) Standalone basis

Satin JLG loans - Average Ticket Size (Rs.)



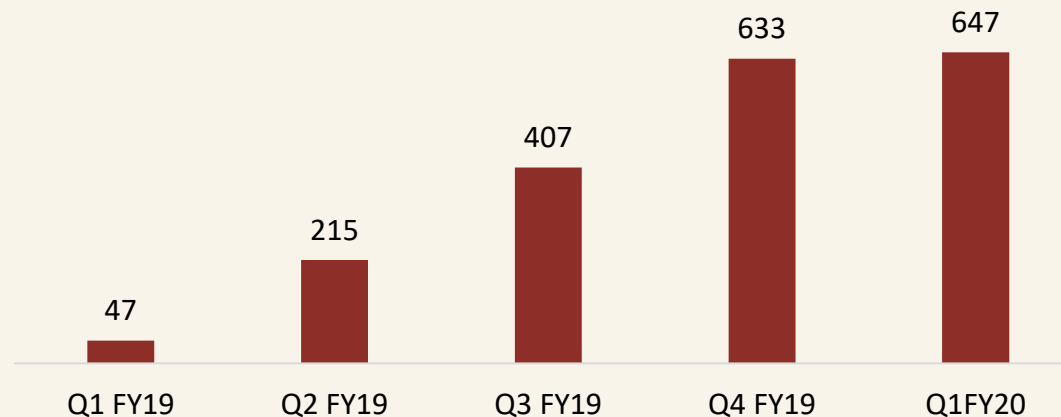
Business Correspondence with IndusInd Bank



Business Correspondent (BC) Partnership with IndusInd Bank

- Entered into BC partnership with IndusInd Bank in H2 FY18
- BC portfolio to total AUM has grown from 47 crore in Q1 FY19 to 647 crore in Q1 FY20
- Advantages from the agreement are on-tap funding, low capital requirement, contained cost of liquidity among others

Quarter-wise AUM (Rs. crore)



Re-engineering Future with expanding scope through subsidiaries

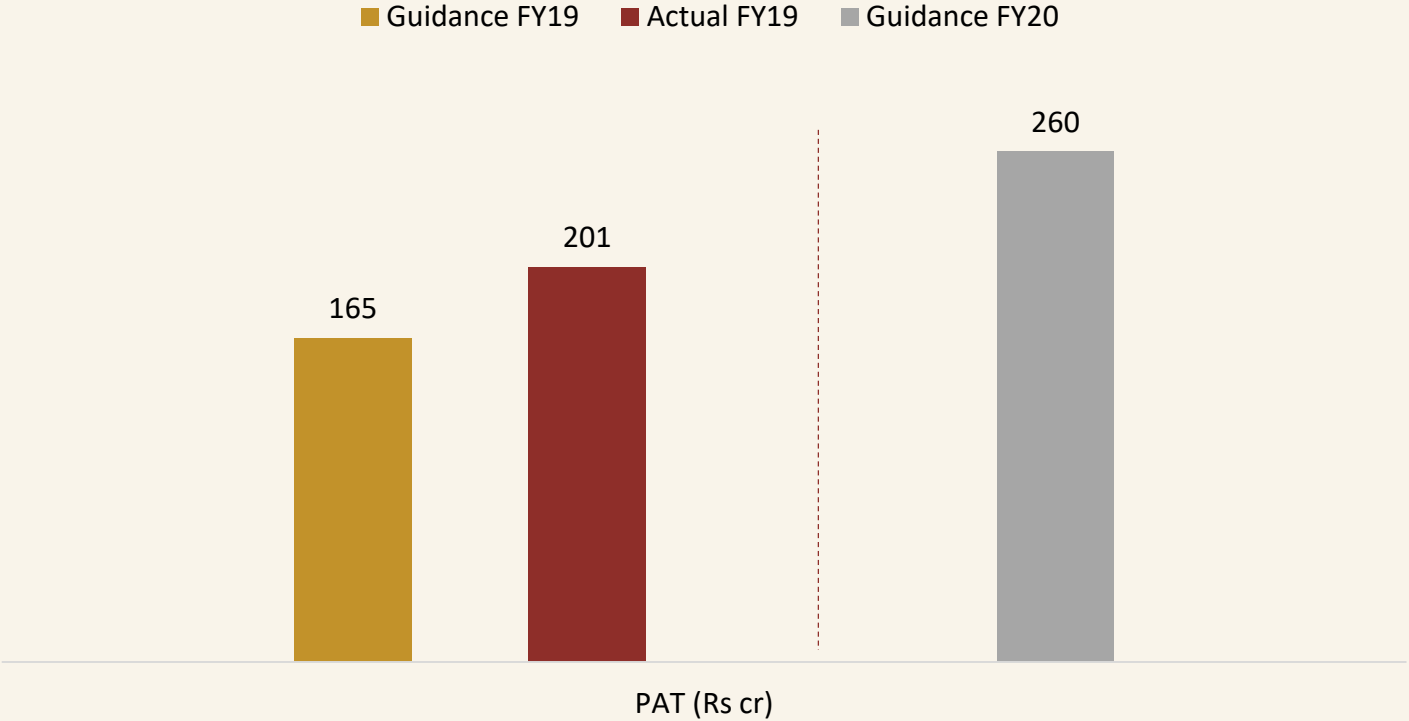


Core operations (MFI Lending)

- Continued Focus on Portfolio Quality
- Aim to achieve per state exposure to <20% by 2020
- Increase penetration through existing branches and by establishing new branches
- Scale up BC operations with IndusInd Bank
- Diversify revenue sources by increasing share of cross-sell income
- Credit scores for individuals and groups
- Cashless collections to reach >50% of total collections by Mar'20
- Psychometric analysis to be rolled out across branches
- Digital lending app to be instrumental in future growth

Allied Businesses through wholly owned subsidiaries

MSME	Housing Finance	Business Correspondent
<ul style="list-style-type: none">▪ Expand operations to new geographies – Presently operating in Delhi NCR, Haryana, Punjab, MP and Maharashtra▪ Focus on portfolio quality	<ul style="list-style-type: none">▪ Aspire to be a niche housing finance player in tier II, III and IV cities and towns▪ Focus on portfolio quality	<ul style="list-style-type: none">▪ Entered into BC arrangement with a leading bank, will help in scaling operations▪ Plan to broad base offerings besides microfinance



On consolidated basis

Annexure – Business Details – Consolidated



Particulars	Q1 FY20	Q1 FY19	YoY%	Q4 FY19	QoQ%
AUM (Rs. crore)	7,139	6,026	18.5%	7,068	1.0%
On-Book AUM *	4,344	5,344	-18.7%	4,459	-2.6%
Securitization	246	792	-68.9%	429	-42.5%
Assignment	1,475	8	-	1,281	15.2%
Business Correspondence	648	47	1,267.1%	633	2.3%
TFSL - Business Correspondence	542	614	-11.6%	604	-10.2%
SHFL - Housing Finance	101	12	745.2%	79	27.4%
SFL	30	-	-	11	159.2%
AUM Mix (Rs. crore)	7,139	6,026	18.5%	7,068	1.0%
MFI Lending	5,523	5,265	4.9%	5,473	0.9%
Product Financing	9	1	585.4%	7	36.0%
MSME	287	86	232.8%	261	9.8%
Business Correspondence - IndusInd Bank	648	47	1,267.1%	633	2.3%
TFSL - Business Correspondence	542	614	-11.6%	604	-10.2%
SHFL - Housing Finance	101	12	745.2%	79	27.4%
SFL	30	-	-	11	159.2%
No. of branches	1,228	1,017	20.7%	1,163	5.6%
SCNL	1,024	838	22.2%	977	4.8%
TFSL	186	177	5.1%	180	3.3%
SHFL	6	2	200.0%	5	20.0%
SFL	12	-	-	1	1,100.0%

Annexure – Business Details – Consolidated



Particulars	Q1 FY20	Q1 FY19	YoY%	Q4 FY19	QoQ%
No. of Employees	11,085	9,368	18.3%	11,831	-6.3%
SCNL	9,555	7,951	20.2%	10,419	-8.3%
TFSL	1,342	1,377	-2.5%	1,325	1.3%
SHFL	106	40	165.0%	83	27.7%
SFL	82	-	-	4	1,950.0%
No. of Loan Officers	7,023	6,024	16.6%	6,959	0.9%
SCNL	5,992	5,089	17.7%	5,991	0.0%
TFSL	935	929	0.6%	922	1.4%
SHFL	54	6	800.0%	46	17.4%
SFL	42	-	-	-	-
No. of Active Clients	3,604,373	3,002,567	20.0%	3,547,128	1.6%
SCNL	3,226,519	2,582,232	25.0%	3,149,607	2.4%
TFSL	376,746	420,244	-10.4%	396,887	-5.1%
SHFL	829	91	811.0%	630	31.6%
SFL	279	-	-	4	-
Average Ticket Size					
MFI Lending (SCNL)	28,000	29,000	-3.4%	26,000	7.7%
Product Financing (SCNL)	3,722	4,643	-19.8%	3,666	1.5%
MSME (SCNL)	4,950,000	1,180,000	319.5%	4,000,000	36.0%
TFSL	28,600	25,800	10.9%	28,400	0.7%
SHFL	1,386,000	1,249,000	11.0%	1,453,000	-4.6%
SFL	622,896	-	-	28,700,000	-97.8%

Annexure – P&L Statement – Consolidated (Quarterly)



Particulars (Rs. crore)	Q1 FY20	Q1 FY19	Q4 FY19	YoY%	QoQ %
Revenue					
Interest and Fee Income	249	291	239	-14.5%	4.3%
Net Gain On Derecognition of Financial Instruments	39	-	48	-	-18.1%
Treasury Income	30	17	30	77.6%	-1.3%
Service Charges	31	18	28	76.6%	10.0%
Other Operating Income	4	2	5	98.7%	-14.6%
Total Revenue	353	328	350	7.8%	0.9%
Expenses					
Finance Cost	153	154	153	-1.0%	-0.2%
Employee Benefit Expenses	86	70	84	23.2%	2.9%
Credit Cost	15	36	-12	-58.8%	-223.6%
Other Expenses	31	24	35	32.4%	-10.5%
Depreciation and amortization expense	4	3	4	46.4%	10.1%
Total Expenses	289	286	263	0.8%	9.7%
Profit before tax	64	41	87	55.7%	-25.7%
Tax expense	23	14	30	70.1%	-22.0%
Profit after tax	41	28	56	48.6%	-27.6%
Other comprehensive income net of taxes	8	-	25	-	-
Total comprehensive income	49	28	81	79.2%	-39.5%

Annexure - Operational Details – Standalone (Quarterly)



Particulars	Q1 FY20	Q1 FY19	Q4 FY19	YoY%	QoQ %
Gross AUM (Rs. crore)	6,467	5,400	6,374	19.8%	1.5%
No. of districts	350	307	340	14.0%	2.9%
No. of branches	1,024	838	977	22.2%	4.8%
No. of States of operation	22	18	22	22.2%	0.0%
No. of Employees	9,555	7,951	10,419	20.2%	-8.3%
No. of Loan Officers	5,992	5,089	5,991	17.7%	0.0%
No. of Loan accounts	3,781,085	2,634,174	3,604,646	43.5%	4.9%
Disbursement during the period (Rs. crore)	1,806	1,333	2,314	35.5%	-21.9%
No. of loans disbursed during the period	632,825	463,644	857,224	36.5%	-26.2%

Particulars	Q1 FY20	Q1 FY19	Q4 FY19	YoY%	QoQ %
MFI Lending (excl. Prod. Financing & MSME)					
Gross AUM (Rs. crore)	6,171	5,313	6,106	16.2%	1.1%
No. of branches	1,018	833	971	22.2%	4.8%
No. of Employees	9,502	7,878	10,298	20.6%	-7.7%
No. of Loan Accounts	3,745,964	2,629,930	3,572,524	42.4%	4.9%
Disbursement during the period (Rs. crore)	1,759	1,314	2,171	33.9%	-19.0%
No. of loans disbursed during the period (crore)	632,730	460,662	841,191	37.4%	-24.8%

Annexure - Operational Details – Standalone (Quarterly)



Particulars	Q1 FY20	Q1 FY19	Q4 FY19	YoY%	QoQ %
Productivity Metrics for MFI lending					
Gross AUM/ Branch (Rs. crore)	6.3	6.4	6.3	-2.5%	-0.2%
Gross AUM/ Loan Officer (Rs. crore)	1.0	1.0	1.0	-1.3%	1.0%
Disbursement/ Branch (Rs. crore)	1.7	1.6	2.2	9.6%	-22.7%
Disbursement/ Loan Officer (Rs. crore)	0.3	0.3	0.4	13.7%	-19.0%
No. of Clients/ Branch	3,135	3,095	3,211	1.3%	-2.4%
No. of Clients/ Loan Officer	533	507	520	5.1%	2.5%
Average Ticket Size (Rs.)	28,000	29,000	26,000	-3.4%	7.7%

Particulars	Q1 FY20	Q1 FY19	Q4 FY19	YoY%	QoQ %
Product Financing					
Gross AUM (Rs. crore)	8.9	1.3	6.5	585.4%	36.0%
No. of Loans Accounts	33,363	3,174	30,374	951.1%	9.8%
Disbursement during the period (Rs. crore)	7.7	1.3	5.7	488.3%	34.8%
No. of loans disbursed during the period	20,784	2,832	15,657	633.9%	32.7%
Ticket Size for the period (Rs.)	3,722	4,643	3,666	-19.8%	1.5%

Particulars	Q1 FY20	Q1 FY19	Q4 FY19	YoY%	QoQ %
MSME ⁽¹⁾					
Gross AUM (Rs. crore)	286.8	86	261	232.8%	9.8%
No. of branches	34	29	34	17.2%	0.0%
No. of employees	53	73	121	-27.4%	-56.2%
No. of Loans Accounts	1,758	1,070	1,748	64.3%	0.6%
Disbursement during the period (Rs. crore)	47	18	137	165.7%	-65.7%
No. of loans disbursed during the period	95	150	376	-36.7%	-74.7%
Average Ticket size	4,950,000	1,180,000	4,000,000	319.5%	36.0%

Annexure - Financial Performance – Standalone



Particulars (Rs crore)	Q1 FY20	Q1 FY19	Q4 FY19	FY19
Gross yield ⁽¹⁾	20.74%	23.61%	22.07%	23.97%
Financial Cost Ratio ⁽²⁾	9.38%	11.70%	10.10%	11.15%
Net Interest Margin ⁽³⁾	11.36%	11.91%	11.98%	12.81%
Operating Expense ratio ⁽⁴⁾	6.40%	6.28%	7.12%	6.57%
Loan Loss Ratio ⁽⁵⁾	0.91%	2.73%	-0.81%	0.91%
RoA ⁽⁶⁾	2.46%	1.53%	3.30%	3.01%
RoE ⁽⁸⁾	13.50%	10.74%	19.97%	19.08%
Leverage (Total Debt ⁽⁷⁾ / Total Net Worth)	3.91	5.89	4.55	4.55
Cost to Income Ratio	56.37%	52.73%	59.46%	51.27%
Asset Quality	Q1 FY20	Q1 FY19	Q4 FY19	FY19
GNPA %	2.8	3.9	2.9	2.9
ECL as % of AUM	1.6	3.5	1.6	1.6

1. Gross Yield represents the ratio of total Income in the relevant period to the average AUM
2. Financial Cost Ratio represents the ratio of interest Expense in the relevant period to the Average AUM
3. Net Interest Margin represents the difference between the Gross Yield and the Financial Cost Ratio
4. Operating Expenses Ratio represents the ratio of the Operating Expenses (expenses including depreciation but excluding Credit Cost and interest Expense) to the Average AUM
5. Loan Loss Ratio represents the ratio of credit cost to the Average AUM
6. RoA is annualized and represents ratio of PAT to the Average Total Assets
7. Total Debt includes Securitization and preference shares considered as debt in accordance of IndAS
8. RoE is annualized and represents PAT(Post Preference Dividend) to the average equity (i.e, net worth excluding preference share capital)

Annexure - P&L Statement– Standalone (Quarterly)



Particulars (Rs crore)	Q1 FY20	Q1 FY19	Q4 FY19	YoY%	QoQ %
Revenue					
Interest and Fee Income	245	291	237	-15.8%	3.5%
Net Gain On Derecognition of Financial Instruments	39	-	48	-	-18.1%
Treasury Income	28	16	29	75.1%	-3.2%
Service Charges	16	-	14	-	21.5%
Other Operating Income	4	2	3	143.1%	36.2%
Total Revenue	333	309	330	7.6%	0.9%
Expenses					
Finance Cost	151	153	151	-1.8%	-0.3%
Employee Benefit Expenses	73	60	73	22.3%	-0.3%
Credit Cost	15	36	-12	-59.3%	-220.4%
Other Expenses	26	20	30	30.2%	-11.9%
Depreciation and amortization expense	3	2	3	44.8%	2.1%
Total Expenses	268	271	245	-1.3%	9.2%
Profit before tax	65	38	85	71.2%	-23.3%
Tax expense	24	13	29	82.9%	-19.4%
Profit after tax	41	25	55	65.1%	-25.4%
Other comprehensive income net of taxes	8	-	25	-	-66.6%
Total comprehensive income	50	25	81	96.2%	-38.3%

Annexure - Operational Details – TFSL



Particulars	Q1 FY20	Q1 FY19	YoY%	Q4 FY19	QoQ%
Gross AUM (Rs. crore)	542	614	-11.6%	604	-10.2%
Disbursement during the period (Rs. crore)	108	112	-3.4%	206	-47.5%
No. of loans disbursed during the period	37,658	43,108	-12.6%	72,115	-47.8%
No. of Active Customers	376,746	420,244	-10.4%	396,887	-5.1%
No. of Employees	1,342	1,377	-2.5%	1,325	1.3%
No. of Loan Officers	935	929	0.6%	922	1.4%
No. of States of operation	8	8	0.0%	8	0.0%
No. of districts	93	102	-8.8%	91	2.2%
No. of branches	186	177	5.1%	180	3.3%
No. of Regional Offices (RO)	9	7	28.6%	8	12.5%
Productivity Metrics					
Gross AUM/ Branch (Rs. crore)	2.9	3.5	-15.9%	3.4	-13.1%
Gross AUM/ Loan Officer (Rs. crore)	0.6	0.7	-12.2%	0.7	-11.5%
Disbursement/ Branch (Rs. crore)	0.6	0.6	-8.1%	1.1	-49.2%
Disbursement/ Employee (Rs. crore)	0.1	0.1	-0.9%	0.2	-48.2%
No. of Clients/ Branch	2,026	2,374	-14.7%	2,205	-8.1%
No. of Clients/ Loan Officer	403	452	-10.9%	430	-6.4%
Average Ticket size (Rs.)	28,600	25,800	10.9%	28,400	0.7%

Annexure - P&L Statement – TFSL



Particulars (Rs crore)	Q1 FY20	Q1 FY19	Q4 FY19	YoY%	QoQ %
Revenue					
Total Revenue	16.2	17.8	16.4	-9.3%	-1.1%
Expenses					
Finance Cost	0.5	0.5	1.1	-8.6%	-54.8%
Employee Benefit Expenses	9.9	9.4	8.7	5.8%	14.5%
Credit Cost	2.0	0.3	2.0	547.8%	-0.6%
Other Expenses	2.1	2.8	2.3	-23.5%	-6.4%
Depreciation and amortization expense	0.4	0.3	0.1	30.3%	161.5%
Total Expenses	15.0	13.3	14.2	12.3%	5.2%
Profit before tax	1.2	4.5	2.2	-73.0%	-43.0%
Tax expense	0.4	1.1	1.0	-64.2%	-58.1%
Profit after tax	0.8	3.4	1.2	-75.9%	-30.8%
Other comprehensive income net of taxes	-	-	-0.2	-	-
Total comprehensive income	0.8	3.4	1.0	-75.9%	-18.0%

Annexure - Operational Details – SHFL



Particulars	Q1 FY20	Q1 FY19	YoY%	Q4 FY19	QoQ%
Gross AUM (Rs. crore)	101	12	745.2%	79	27.4%
Average Ticket Size (Rs)	1,386,000	1,249,000	11.0%	1,453,000	-4.6%
Disbursement (Rs. crore)	24	12	99.5%	34	-29.9%
CRAR (%)	126.6	108.6	16.6%	111.1	14.0%
No. of Branches	6	2	200.0%	5	20.0%
No. of States	4	3	33.3%	4	0.0%
No. of Total Staff	106	40	165.0%	83	27.7%
No. of Loan Officers	54	6	800.0%	46	17.4%

Annexure - Financial Details– SHFL



Particulars (Rs crore)	Q1 FY20	Q1 FY19	Q4 FY19	YoY%	QoQ %
Revenue					
Interest and Fee Income	3.2	0.2	2.2	1,222.9%	44.4%
Treasury Income	0.3	0.2	0.4	77.5%	-21.3%
Other income	0.2	0.0	1.0	-	-84.2%
Total Revenue	3.7	0.4	3.6	776.5%	2.5%
Expenses					
Finance cost	1.4	-	0.8	-	77.4%
Employee benefit expenses	2.1	0.9	1.6	142.9%	31.6%
Credit Cost	0.1	-	0.1	135.5%	-29.2%
Other expenses	0.8	0.7	0.8	16.5%	-1.7%
Depreciation and amortization expenses	0.1	-	-	1,108.5%	117.8%
Total Expenses	4.5	1.6	3.4	182.3%	33.2%
Profit before tax	(0.8)	(1.2)	0.2	-31.9%	-442.7%
Tax expense	(0.2)	(0.2)	0.1	-3.5%	-349.0%
Profit after tax	(0.6)	(1.0)	0.1	-38.3%	-495.6%
Other comprehensive income	-	-	-	-	-
Total comprehensive income	(0.6)	(1.0)	0.2	-39.9%	-469.1%

Annexure - Financial & Operational Details – SFL



Particulars	Q1FY20
Gross AUM (Rs. crore)	30
Average Ticket Size (Rs)	622,900
Disbursement (Rs. crore)	19.2
No. of Loan Disbursed	279
No. of Branches	12
No. of States	5
No. of Total Staff	82

Particulars (Rs crore)	Q1 FY20
Revenue	
Interest and Fee Income	1.11
Treasury Income	0.04
Other income	0.02
Total Revenue	1.17
Expenses	
Finance cost	0.21
Employee benefit expenses	1.12
Credit Cost	0.07
Other expenses	0.86
Depreciation and amortization expenses	-
Total Expenses	2.27
Profit before tax	(1.10)
Tax expense (DTA)	(0.29)
Profit after tax	(0.80)
Other comprehensive income	-
Total comprehensive income	(0.80)

Industry Performance



12,277 (+32% Y-o-Y)

Branch Network

1 Lakh (+34% Y-o-Y)

Employee Base

3.17 crore (+32% Y-o-Y)

Total Clients

3.88 crore (+46% Y-o-Y)

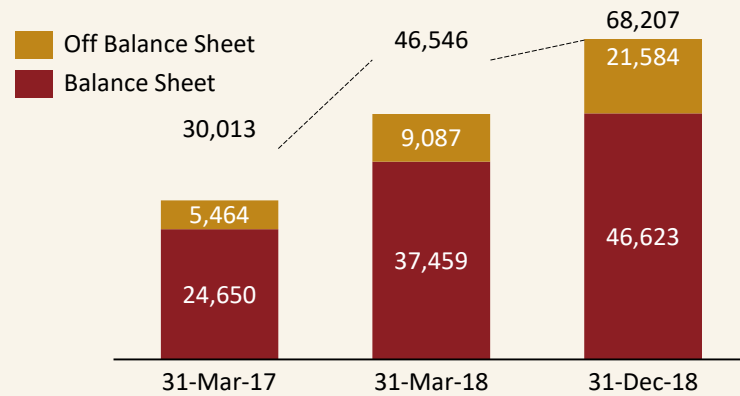
Total Loan Accounts

Rs. **25,543** (+13% Y-o-Y)

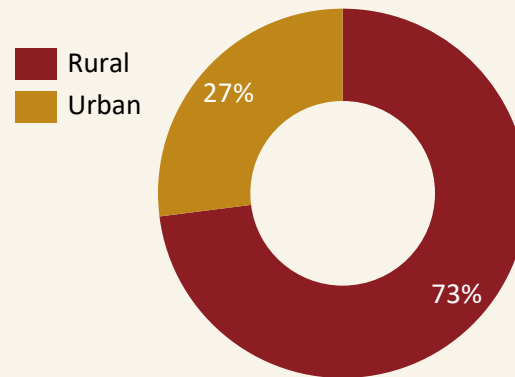
Average Ticket Size

Rs. **68,207 crore** (+47% Y-o-Y)

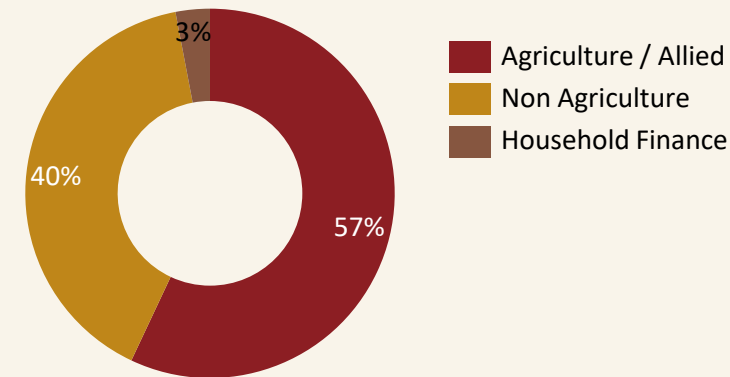
Assets Under Management (AUM)



Loan Portfolio (Rs. crore)



Breakup of GLP geography
(31st Mar 2019)



Breakup of GLP purpose
(31st Mar 2019)

Source: MFIN Micrometer March 2019, Data is for Microfinance companies

Industry Growth Drivers



Government focus
on digitisation



Massive growth
potential of MSME
and BC sectors



Healthy growth in
affordable housing
finance segment



Increased
penetration of
technology in
rural areas



Large unmet
demand in the
industry

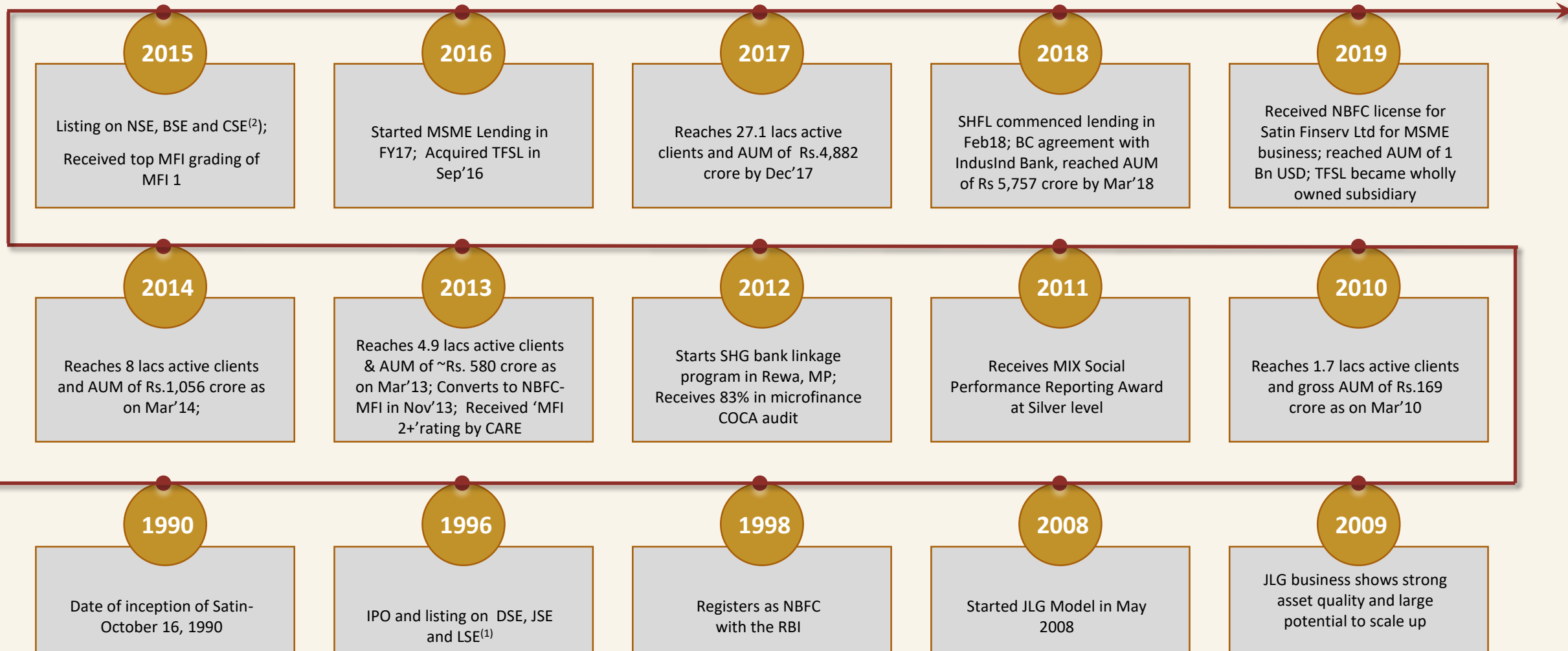
A large, stylized graphic of a double-headed arrow. The left half is a solid gold color, and the right half is a dark red color filled with a pattern of small, gold-colored icons representing various aspects of business, industry, and community. The icons include a person, a bar chart, a heart, a sun, a factory, a bicycle, a hand holding a coin, a star, a classical building, a cow, a scale, a person's head, a house, a gear, and a leaf.

COMPANY BACKGROUND

Key milestones: Crossed the USD 1 billion AUM mark



Business Timeline

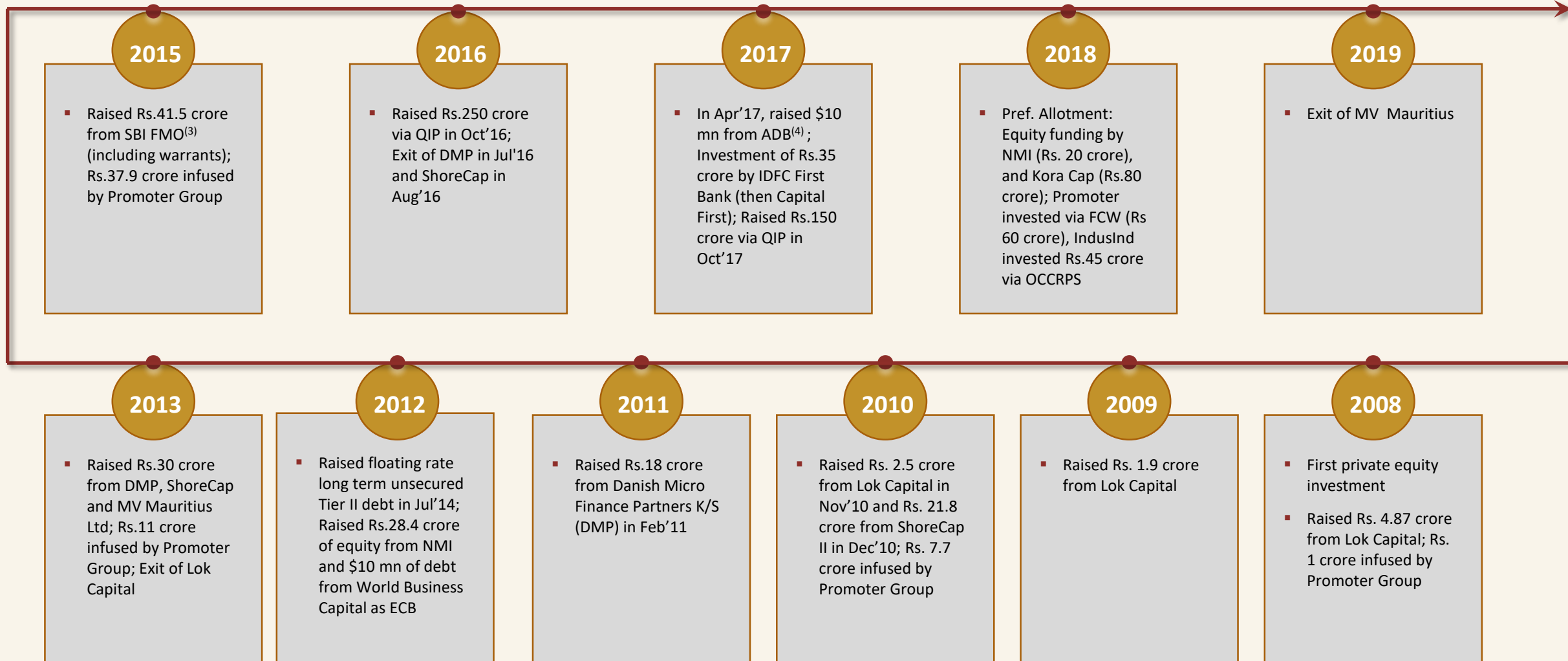


Note: 1. Regional Stock Exchanges (DSE – Delhi Stock Exchange, JSE – Jaipur Stock Exchange, LSE- Ludhiana Stock Exchange); (2) BSE - BSE Limited, NSE - National Stock Exchange of India Limited, CSE - The Calcutta Stock Exchange Limited

Key milestones: Crossed the USD 1 billion AUM mark



Fund Raising Timeline



Note: (3) SBI FMO Emerging Asia Financial Sector Fund Pte. Limited; (4) ADB – Asian Development Bank

Management Team (1/2)



Mr. HP Singh
Chairman and Managing Director

- Has over 3 decades of experience in Financial Services
- Law graduate and a fellow of the Institute of Chartered Accountants of India since 1984
- First generation entrepreneur who founded and led Satin to its present status



Mr. Jugal Kataria
Chief Financial Officer

- Cost Accountant, Chartered Accountant and Company Secretary along with 28+ years of experience in the field of accounts, finance, audit, taxation and compliance etc.
- Worked with Apollo Tyres Limited, Berger Paints (India) Limited before joining SCNL in 2000



Mr. Dev Verma
Chief Operating Officer

- 22+ years of experience in various industries
- Worked with National Panasonic India Ltd, Citi Financial Consumer Finance India Ltd, Max Life Insurance and SKS Microfinance prior to joining SCNL



Mr. Sanjay Mahajan
Chief Information Officer

- Experience of 28+ years in Information Technology across the Globe
- Previously worked with Bata International Group , Yum Restaurants, Procter & Gamble for India & Singapore, Gillete India Ltd. and Eicher Tractors Limited

Management Team (2/2)



Mr. Subir Roy Chowdhury
Chief Human Resource Officer

- Experience of 22+ years in HR functions
- Previously worked with Magma Fincorp, ICICI Securities Ltd, ICICI Prudential Life Insurance Company Ltd, Magma Leasing Ltd, Wacker Metroark Chemicals Ltd. and Kotak Securities.



Mr. Partho Sengupta
Chief Process & Risk Officer

- Experience of 23+ years
- Previously worked with Alpica Finance, HDFC Bank, ICICI Bank, Barclays Bank PLC, Bharath Matrimony and Jana Small Finance Bank
- Alumina of IIM Ahmedabad, ICWAI, PG In Taxation Laws from Punjab University Chandigarh.



Mr. Amit Sharma
WTD & CEO
Satin Housing Finance Limited

- 18+ years of experience; previously worked at Karvy, Religare Group, P.N.Vijay Financial Services, Abhipra Capital, Association of National Exchange Members of India
- CS from ICSI, B.Com (Hons) and LLB from Delhi University, DIFC (Dubai) Certification



Mr. Sanjeev Vij
WTD & CEO
Taraashna Financial Services Limited

- 30+ years of experience having previously worked at Tata Motor Finance Sols., Bajaj Finance, RBS, Citicorp Finance India Limited, Alpica Finance, 20th Century Finance etc.
- Rank holder Chartered Accountant, Bachelor of Commerce and Master of Commerce degrees from University of Delhi



Mr. Sumit Mukherjee
WTD & CEO
Satin Finserv Limited

- Experience of 26+ years in the NBFC space, primarily in Sales and Business, with a versatile experience in Collections, Credit, Risk & Product Management
- Previously worked with Magma Fincorp, CITI Fincorp, Ashok Leyland Finance, Barota Finance and Neo growth

Differentiated Investment Choice...



Investor confidence

- 7 rounds of equity capital raised with marquee investors
- Profitable exit to 4 investors
- QIP: Rs. 250 crore from marquee institutions in Oct 2016, Rs. 150 crore from large domestic MFs in Oct 2017



Promoter Commitment

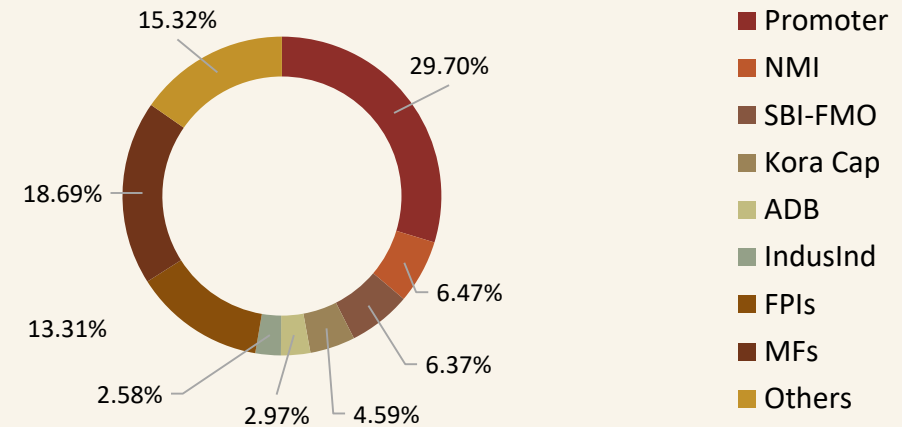
- Promoter stake quite high among MFIs, having invested at regular intervals at par with incoming PE
- Adequate board representation – 3 Nominee Directors representing the Investors

Key Market Statistics

Particulars	Value (Rs.)
BV Sep'18	205.79
BV Dec'18	218.62
BV Mar'19	235.22
BV Jun'19	249.57
CMP (as on 2 nd Aug'19)	266.30

Book value is on consolidated basis

Marquee Shareholder Base As on June 30, 2019



Key Shareholders



Mutual Funds

- DSP
- Aditya Birla
- UTI



Financial Institutions

- IDFC First Bank Ltd
- IndusInd Bank Ltd



Foreign Portfolio Investor

- Morgan Stanley
- Government Pension Fund Global
- Massachusetts Institute of Technology



Foreign Bank

- Asian Development Bank

Our Subsidiaries

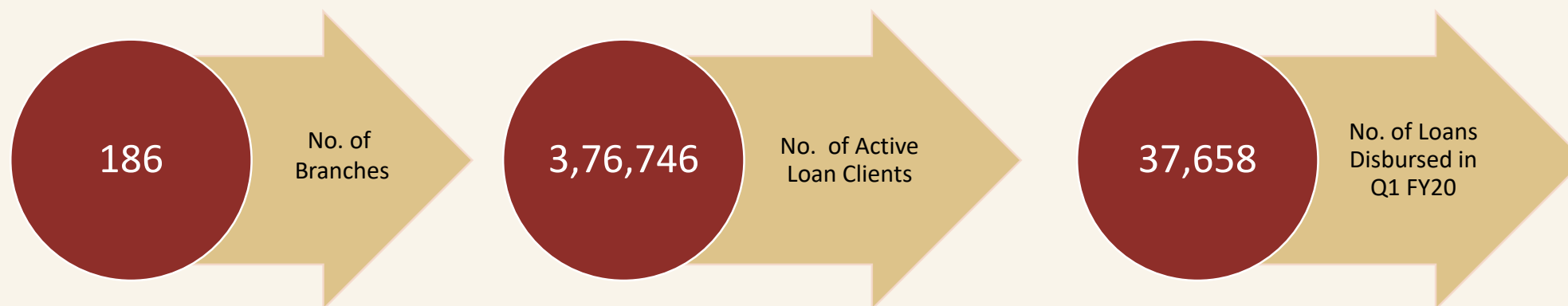


Expanding scope of business through subsidiaries



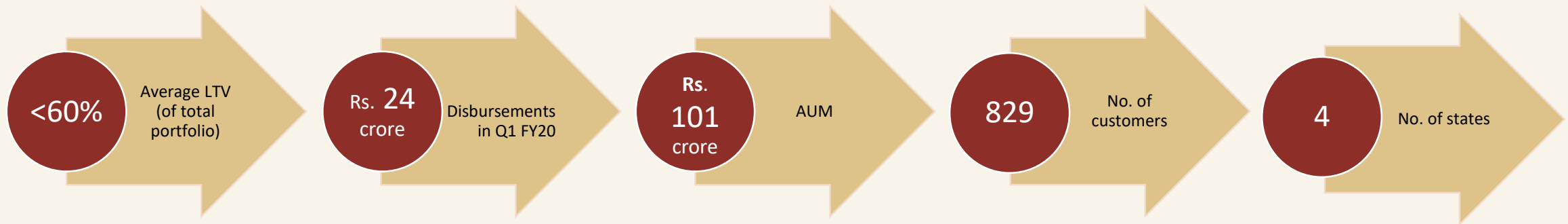
- Subsidiaries are also rooted in the same values as pursued by Satin

- Acting as a business correspondent for Banks & NBFCs, TFSL provides credit and other related facilities to clients in rural and semi-urban areas
- 'Digitization and Cashless' focus has helped in achieving superior operational control down to the last business unit, thus increasing the efficiencies
- The cashless disbursement percentage has reached almost 90% of TFSL's total disbursement for Jun'19
- TFSL has a low risk business model which is highly capital efficient and yields elevated RoEs
- AUM stood at Rs. 542 crore, with presence across 8 states
- TFSL's board has applied to RBI for NBFC license, to explore opportunities in co-lending space, and other financial products not offered within the group



Satin Housing Finance Ltd (SHFL)

- Engaged in providing long-term finance
 - Home loans for retail segment – 88% of business for FY19
 - Loans against residential property
- Boasts of excellent portfolio quality with **NIL** delinquency since inception
- Mainly caters to customers belonging to the Middle and Low Income Groups in peripherals of Tier II and below cities
- The company successfully channelized subsidy from NHB under the Pradhan Mantri Awas Yojna (PMAY) scheme to the eligible customers
- BBB+ (SO) Stable rating from CARE
- Building a technological framework to enable a paperless environment
- Equity infusion of Rs 30 crore by holding company during Q1FY20
- Refinancing facility of Rs. 5 crore from NHB in Aug'19



Satin Finserv Limited (SFL)

- Incorporated in Aug'18
- Got license from RBI to start the business in Jan'19
- First loan successfully disbursed in Mar'19
- Gross Loan Portfolio of Rs. 30 crore in Q1FY20
- CRAR for Q1FY20 is 69.30%
- Business will focus on secured retail MSME lending, wholesale lending to small NBFC MFI and others



Making a Difference to the Community



Health Check-up Camps

We regularly organise health check-up camps along with campaigns focusing on health and hygiene

On an average, around 300-350 villagers attended each of these camps



Flood Relief Camps

Organised relief activities and distribution of ration to flood-hit villages in Orissa, Assam and Bihar during the monsoons



Support the Maharaja Agrasen Hospital Charitable Trust (MAHCT)

During FY19, the Company contributed ~Rs. 86 lacs to the Trust for setting up of Maharaja Agrasen Medical University at Bahadurgarh (Jhajjar, Haryana)



Women Leadership Empowerment Workshops

During FY19, we joined hands with Nordic Microfinance Initiative (NMI) to organise eight 'Women Leadership Empowerment Workshops'



CSR
Corporate
Social
Responsibility

Awards and Accolades



- Mr. HP Singh, CMD, was conferred the '**Golden Globe Tiger Awards**' at an awards ceremony in Malaysia
- Mr. HP Singh received the '**Exemplary Leader**' Award
- Mr. Dev Verma, Chief Operating Officer, was presented the '**Leader of the Year**' Award
- '**Digital Innovation in Microfinance**' Award in 4th Eastern India Microfinance Summit



July 2019

Got 1st Prize in
Customer
Service Index by
MFIN



September 2018

Won "Rural Champions of The Year"
Award by **ET Edge**



November 2018

Won the "Excellence Award"
by **B2B Info Media**



November 2018

Got sA social rating
from **Microfinanza**



December 2018

Won the "SKOCH Award"
for Digital Transformation



January 2019

Received "C1" grade in Code of
Conduct Assessment from **ICRA**



July 2019

Moved up in
"Fortune The Next 500"

Contact information



Company (Investors) :

Ms. Aditi Singh
Head – Capital Markets & Investor Relations

E: aditi.singh@satincare.com
T: +91 124 4715 400 (Ext – 222)

www.satincare.com

Company (Media) :

Ms. Asleen Kaur
PR & Corporate Communications

E: asleen.kaur@satincare.com
T: +91 124 4715 400 (Ext – 224)

www.satincare.com



Thank You

SATIN CREDITCARE NETWORK LTD.

Reaching out!